

NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE AS OF OCTOBER 2018

National Government disbursements reached P306.6 billion in October 2018, posting a 35.2 percent growth. This resulted in a faster year-to-date government spending as cumulative disbursements grew by 24.8 percent during the ten-month period of 2018 to reach P2,796.4 billion. This compares to the 23.6 percent growth recorded during the first nine months of the year.

Spending for the month was largely buoyed by NCA or cash disbursements, which reached P274.2 billion, increasing by 40.6 percent year-on-year on account of strong Infrastructure and Other Capital spending, as well as higher maintenance expenditures (*see discussions on the year-on-year performance*). Meanwhile, Non-NCA disbursements amounted to P32.5 billion, growing by a mere 2.0 percent from the previous year's level, as higher interest payments were partly offset by lower net lending releases. As of end-October 2018, cash disbursements amounted to P2,334.6 billion, up by 27.2 percent year-on-year, while Non-NCA disbursements reached P461.8 billion, higher by 13.8 percent from a year ago.

Figure 1. National Government Disbursements for the Period Indicated
Amounts in billion pesos, unless otherwise indicated

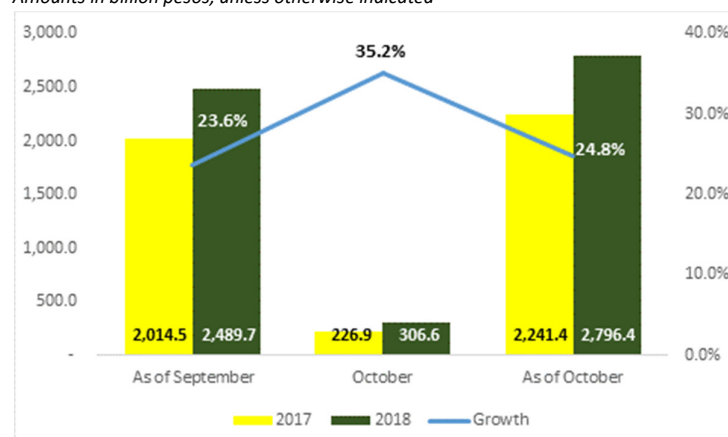


Table 1. Comparison of NCA and Non-NCA Disbursements, 2017-2018

In billion pesos, unless otherwise indicated

Particulars	As of September				October				As of October			
	2017	2018	Inc/(Dec)		2017	2018	Inc/(Dec)		2017	2018	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	1,640.8	2,060.4	419.6	25.6	195.0	274.2	79.2	40.6	1,835.8	2,334.6	498.8	27.2
% of Eff. NCA	92.9%	95.3%			75.8%	93.0%			90.7%	95.0%		
Non-NCA	373.8	429.3	55.6	14.9	31.9	32.5	0.6	1.9	405.6	461.8	56.2	13.8
TOTAL	2,014.5	2,489.7	475.2	23.6	226.9	306.6	79.8	35.2	2,241.4	2,796.4	555.0	24.8

Memo Item

NCAs issued effective for the month, net of Trust Liabilities, gross of Working Fund.

	As of September	October	As of October
2017	1,766.9	257.4	2,024.3
2018	2,161.4	294.8	2,456.2

Allotment Releases

As of October 2017:	3,018.8	billion or	90.1%	of the P3,350.0 billion obligation program
As of October 2018:	3,604.4	billion or	95.7%	of the P3,767.0 billion obligation program

Sources: Bureau of the Treasury and DBM-Budget Technical Bureau

Allotment Releases

For the first ten months of the year, allotment releases reached P3,604.4 billion or nearly 96.0 percent of the P3,767 billion obligation program for the year. The rate of allotment releases over the obligation program improved to 95.7 percent for the 10-month period this year, compared to 90.1 percent in the previous year mainly because of the comprehensive release of allotments through the General Appropriations Act (GAA)-As-An-Allotment-Order and continued fleshing out of lump-sum funds in agency specific budgets. Releases for the month of October 2018 amounted to P76.6 billion, and consisted largely of the following: i) P3.5 billion PS requirements and other benefits in the DepEd; ii)

P6.8 billion fourth quarter pension requirements of the DILG-PNP; iii) P2.3 billion fourth quarter pension requirements of veterans under the DND-PVAO; iv) P8.5 billion fourth quarter pension requirements of the DND-GHQ; and v) P33.0 billion requirements of the DepEd's Basic Educational Facilities Fund released to the DPWH.

Year-on-Year Performance

For the Month of October 2018

Infrastructure and Other Capital Outlays surged to P94.4 billion in October 2018, up by P42.9 billion or 83.4 percent year-on-year as billing claims and payments for completed infrastructure projects were made. These projects mostly included the road infrastructure projects of the DPWH (*rehabilitation/reconstruction/upgrading of damaged paved national roads; flood control and drainage improvement projects, construction of bypass/diversion roads, road improvement/widening*); Health Facilities Enhancement Program of the DOH; repair of buildings and acquisition of equipment of various SUCs; repair and rehabilitation of DepEd school buildings and facilities nationwide; and local infrastructure projects in the ARMM.

Table 2. National Government Disbursements for the Month of October
Amounts in billion pesos, unless otherwise indicated

Expenditure Class	October		Increase/(Decrease)	
	2017	2018	Amt	%
CURRENT OPERATING EXP.	164.1	203.8	39.7	24.2
Personnel Services	60.0	78.0	18.0	30.1
MOOE	40.4	64.5	24.0	59.4
Subsidy	10.3	1.6	(8.7)	(84.9)
Allotment to LGUs	32.5	35.0	2.4	7.4
Interest Payments	20.4	24.0	3.6	17.5
Tax Expenditure Fund	0.4	0.8	0.4	101.2
CAPITAL OUTLAYS	60.6	104.2	43.5	71.8
Infra and Other CO	51.5	94.4	42.9	83.4
Equity	0.1	0.0	(0.1)	(82.6)
Capital Transfers to LGUs	9.0	9.8	0.8	8.4
NET LENDING	2.2	(1.3)	(3.5)	(160.0)
TOTAL	226.9	306.6	79.8	35.2

Maintenance and Other Operating Expenses expanded to P64.5 billion, P24.0 billion or 59.4 percent more than the outturn for the same month in the previous year due to the disbursements for the Senior High School Voucher and Educational Service Contracting Programs of the DepEd and scholarship programs of the CHED; payment of cash grants under the *Pantawid Pamilyang Pilipino Program* (4Ps) and other social protection services (Social Pension for Indigent Senior Citizens, Protective Services for Individuals and Families in Difficult Circumstances, Sustainable Livelihood Program, Disaster Response and Rehabilitation Program) of the DSWD; as well as operating requirements of various line agencies.

Meanwhile, Personnel Services expenditures increased to P78.0 billion, higher by P18.0 billion or 30.1 percent year-on-year, mainly from the higher pay of both the civilian, and military and uniformed personnel pursuant to E.O. No. 201 s2016 and J.R. No. 1 s2018, respectively; pension requirements of the military and uniformed personnel of the DILG-PNP and DND-AFP; and payment of salaries of newly filled positions in the DepEd, SUCs and DOH.

The increases recorded in the said items, however, were partially offset by the minimal subsidy sans the big-ticket releases to PHIC and NIA, as well as the repayment of the NFA for the P1.4 billion net lending assistance extended by the government in the previous year.

For the Period January to October 2018

As of end-October 2018, government spending was recorded at P2,796.4 billion, P555.0 billion or nearly 25.0 percent higher year-on-year.

Disbursements for the first ten months of 2018 grew significantly on account of faster infrastructure spending which reached P665.1 billion, increasing by P222.5 billion or 50.3 percent; as well as due to the substantial personnel services expenditures, which amounted to P762.4 billion, rising by P143.3 billion or 23.1 percent.

Outlook for the Rest of the Year

As of end-October 2018, some P162.6 billion or only about 4.3 percent of the P3,767.0 billion obligation program for the year remains unreleased, mostly from Special Purpose Funds amounting to P93.8 billion. Line agencies have two more months to request for the release and to obligate said funds before the end of the fiscal year. This could thus drive and make spending for the remaining two months strong as line agencies also complete their programs and projects and settle payables before year-end.

Table 3. National Government Disbursements for the Period January to October
Amounts in billion pesos, unless otherwise indicated

Expenditure Class	January to October		Increase/(Decrease)	
	2017	2018	Amt	%
CURRENT OPERATING EXP.	1,680.0	1,984.6	304.6	18.1
Personnel Services	619.1	762.4	143.3	23.1
MOOE	365.9	435.3	69.4	19.0
Subsidy	93.9	126.4	32.5	34.6
Allotment to LGUs	325.0	350.4	25.4	7.8
Interest Payments	269.4	295.3	25.9	9.6
Tax Expenditure Fund	6.8	14.8	8.0	117.5
CAPITAL OUTLAYS	564.6	806.3	241.6	42.8
Infra and Other CO	442.7	665.1	222.5	50.3
Equity	3.4	3.9	0.4	13.1
Capital Transfers to LGUs	118.6	137.3	18.7	15.8
NET LENDING	(3.3)	5.5	8.8	(269.1)
TOTAL	2,241.4	2,796.4	555.0	24.8