FY 2025 PROPOSED BUDGET OF THE DEPARTMENT OF FINANCE

RALPH G. RECTO
SECRETARY OF FINANCE

27 August 2024

DOF'S ACCOMPLISHMENTS

Our refined Medium-Term Fiscal Program ensures the following:

Reduce debt and deficit gradually in a realistic manner

Create more and better jobs

Increase people's income

Reduce the poverty rate

R&I recently upgraded the Philippines' credit rating to

A-

STABLE OUTLOOK

This reflects robust investor confidence in the country's high economic growth, strong fiscal position, and promising outlook.

We have a strong labor market and growing middle-class

June 2024 Labor Force Survey (year-on-year)

50.3 M ↑
No. of Employed Individuals

96.9% ↑
Employment Rate

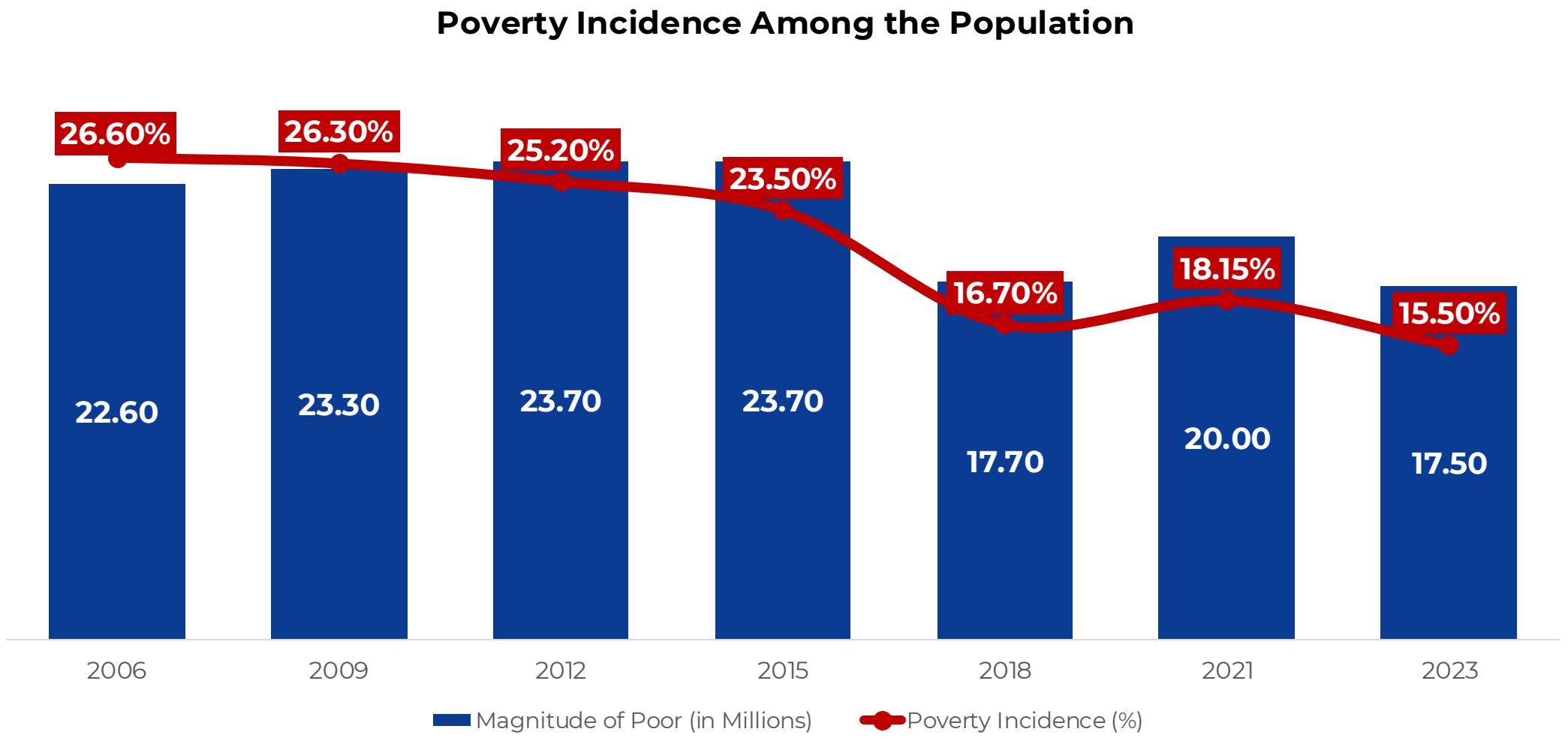
12.1 % ↓
Underemployment Rate

3.1 % ↓
Unemployment Rate

63.8% or the majority of the workforce are wage and salary workers.

Source: PSA

Our ultimate goal is to reduce poverty incidence to a single-digit or 9% by 2028



Source: PSA

We are on track to meet our fiscal program for the year

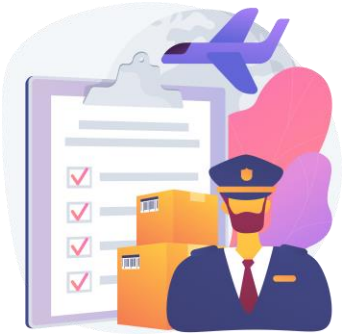
Particulars (in PHP Billion)	January - July			
	2023	2024	Diff	YoY (in %)
REVENUES	**2,271.9**	**2,606.9**	**335.1**	**14.8**
*as percent to GDP**	*16.2*	*17.1*		
Tax Revenues	**2,016.6**	**2,238.1**	**221.5**	**11.0**
*as percent to GDP**	*14.5*	*14.6*		
BIR	*1,492.3*	*1,681.8*	*189.5*	*12.7*
BOC	*506.5*	*535.9*	*29.4*	*5.8*
Other Offices	*17.8*	*20.4*	*2.6*	*14.9*
Non-tax Revenues	**255.3**	**368.8**	**113.5**	**44.5**
*as percent to GDP**	*1.7*	*2.5*		
BTr	*143.8*	*183.8*	*40.0*	*27.8*
Other Offices	*111.5*	*185.0*	*73.5*	*66.0*
EXPENDITURES	**2,871.4**	**3,249.7**	**378.3**	**13.2**
*as percent to GDP**	*21.0*	*21.9*		
SURPLUS/ (DEFICIT)	**(599.5)**	**(642.8)**	**(43.2)**	**(7.2)**
*as percent to GDP**	*-4.8*	*-4.9*		

**As percent of GDP is for the first semester (January to June)*
Source: BTR

The BRAVE digitalization strategies and the balikatan with allied agencies will kick our revenue operations into high gear

B

Border Security Enhancement



R

Revenue Collection and Revenue-Base Protection

A

Adaptive Regulations and Compliance Monitoring

V

Vigilant Enforcement Operations and Vigorous Intelligence Gathering Activities

E

Effective Engagement with Stakeholders and Inter-agency Cooperation

The medium-term fiscal program ensures a strategic and growth-enhancing fiscal consolidation

Particulars (in PHP billion)	2023 (Actual)	2024 (Program)	2025 (Program)	2026 (Program)	2027 (Program)	2028 (Program)
Revenues	**3,824.1**	**4,269.9**	**4,644.4**	**5,063.2**	**5,627.5**	**6,249.6**
Growth rate		*11.66*	*8.77*	*9.02*	*11.14*	*11.05*
as percent of GDP	*15.73*	*16.12*	*16.15*	*16.21*	*16.59*	*16.96*
Tax Revenues	**3,429.3**	**3,820.3**	**4,332.6**	**4,838.7**	**5,385.7**	**5,991.7**
Growth rate		*11.40*	*13.41*	*11.68*	*11.30*	*11.25*
as percent of GDP	*14.10*	*14.42*	*15.07*	*15.49*	*15.87*	*16.26*
Non-tax Revenues	**394.8**	**449.6**	**311.8**	**224.5**	**241.9**	**257.9**
Growth rate		*13.88*	*-30.65*	*-28.00*	*7.74*	*6.62*
as percent of GDP	*1.62*	*1.70*	*1.08*	*0.72*	*0.71*	*0.70*
Disbursements	**5,336.2**	**5,754.3**	**6,182.1**	**6,540.1**	**7,027.0**	**7,621.5**
Growth rate		*7.83*	*7.44*	*5.79*	*7.45*	*8.46*
as percent of GDP	*21.94*	*21.72*	*21.50*	*20.94*	*20.71*	*20.68*
Deficit	**(1,512.1)**	**(1,484.3)**	**(1,537.7)**	**(1,476.8)**	**(1,399.5)**	**(1,371.9)**
Growth rate		*-1.84*	*3.60*	*-3.96*	*-5.24*	*-1.97*
as percent of GDP	*-6.22*	*-5.60*	*-5.35*	*-4.73*	*-4.13*	*-3.72*
Nominal GDP	**24,318.6**	**26,495.6**	**28,749.8**	**31,230.9**	**33,926.2**	**36,854.0**
Growth rate	*10.40*	*9.00*	*8.50*	*8.60*	*8.60*	*8.60*

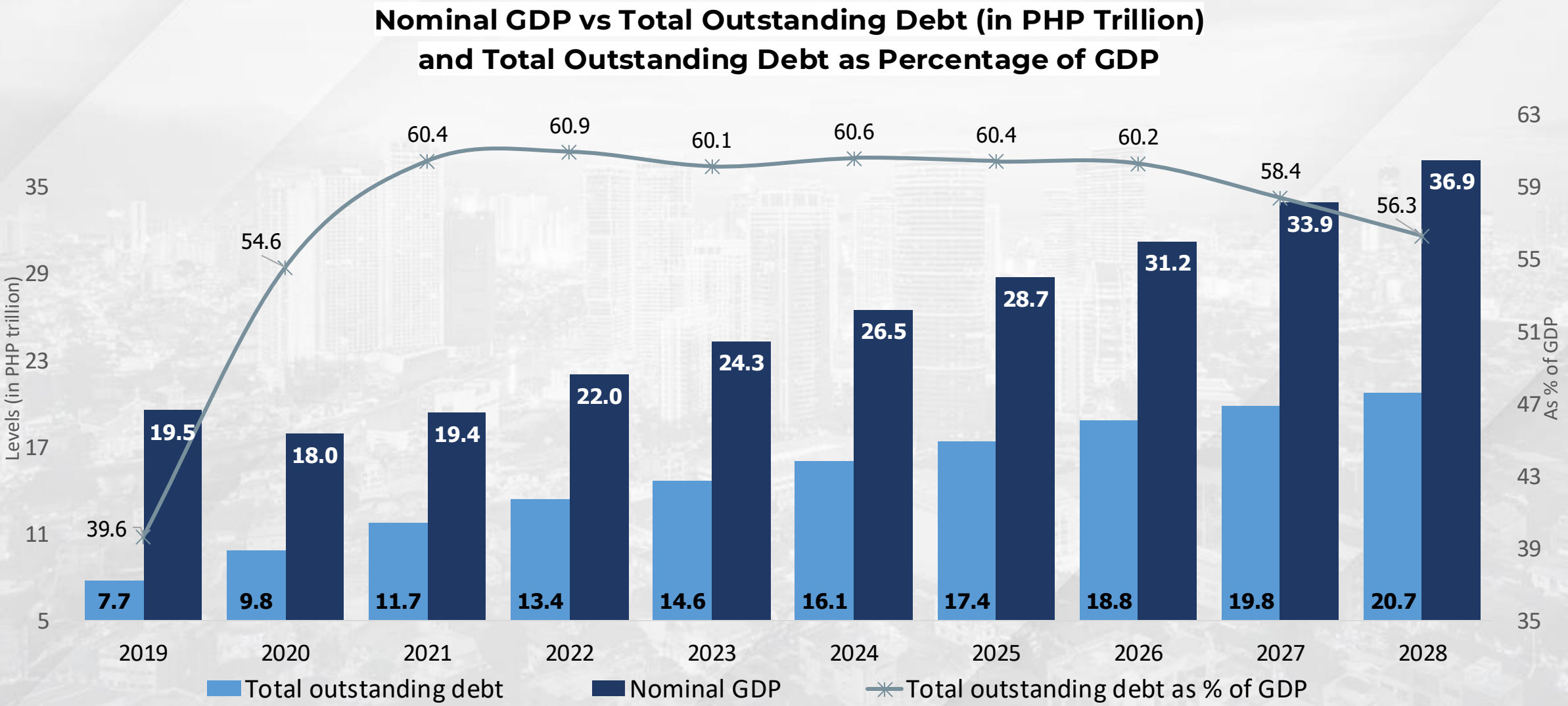
Source: 188th DBCC Ad Referendum

We continue to manage our debt according to the highest standards of fiscal discipline

Particulars (In PHP billion)	2023 (Actual)	2024 (Emerging)	*Jan-June 2024*	2025 (Program)	2026 (Program)	2027 (Program)	2028 (Program)
Gross Financing	**2,193.3**	**2,570.0**	***1,570.6***	**2,545.0**	**2,544.0**	**2,590.0**	**2,553.0**
Growth Rate		*17.2*		*-1.0*	*-0.0*	*1.8*	*-1.4*
Domestic	**1,634.2**	**1,923.9**	***1,303.1***	**2,037.6**	**2,029.7**	**2,059.4**	**2,039.5**
Growth Rate		*17.7*		*5.9*	*-0.4*	*1.5*	*-1.0*
External	**559.0**	**646.1**	***267.4***	**507.4**	**514.3**	**530.6**	**513.5**
Growth Rate		*15.6*		*-21.5*	*1.3*	*3.2*	*-3.2*
Domestic-External Financing Mix	75:25	75:25	*83:17*	80:20	80:20	80:20	80:20
NG Debt-to-GDP Ratio	60.1	60.6	*60.9*	60.4	60.2	58.4	56.3

Source: BTR

Our fiscal consolidation plan ensures that the economy will continue to outgrow our debt in the medium term



Source: BTR

We will continue to work with Congress in pushing for key reforms crucial to accelerating economic development

DOF Priority Revenue Measures

- VAT on non-resident digital service providers
- Rationalization of Mining Fiscal Regime
- Excise Tax on Single-Use Plastics
- CREATE MORE
- Package 4 of the Comprehensive Tax Reform Program
- Motor Vehicle Users' Charge

Other Priority Measures

- Amendments to the LBP Charter
- Amendments to the DBP Charter

Above all, the continued implementation of digitalization reforms and revenue-enhancing programs is crucial to sustaining our collection growth.

The proposed 2025 national budget stands at PHP 6.35 trillion, and only PHP 4.64 trillion are supportable by revenues

Total Average Expenditures Daily:
PHP 17.40 billion

Daily Revenues to Collect
PHP 12.72 billion

Daily Loans to Borrow
PHP 4.68 billion

OVERVIEW OF THE DOF FY 2025 BUDGET PROPOSAL

DOF, its Bureaus, and Attached Agencies' Proposed Budget for 2025

Fund Source (In PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	% Change
New General Appropriations	23,927.302	29,004.606	5,077.304	21.22%
Automatic Appropriations (RLIP and SAGF)	2,917.144	3,478.682	561.538	19.25%
Subtotal, New General and Automatic Appropriations	**26,844.446**	**32,483.288**	**5,638.842**	**21.01%**
Special Purpose Funds (SPF):				
NDRRM Fund: PSF Replenishment	0.000	1,000.000	1,000.000	-
BSTG: Philippine Tax Academy	49.799	58.227	8.428	16.92%
Unprogrammed Appropriations	1,048.399	210.579	(837.820)	(79.91%)
Subtotal, SPF	**1,098.198**	**1,268.806**	**170.608**	**15.54%**
Grand Total	**27,942.644**	**33,752.094**	**5,809.450**	**20.79%**

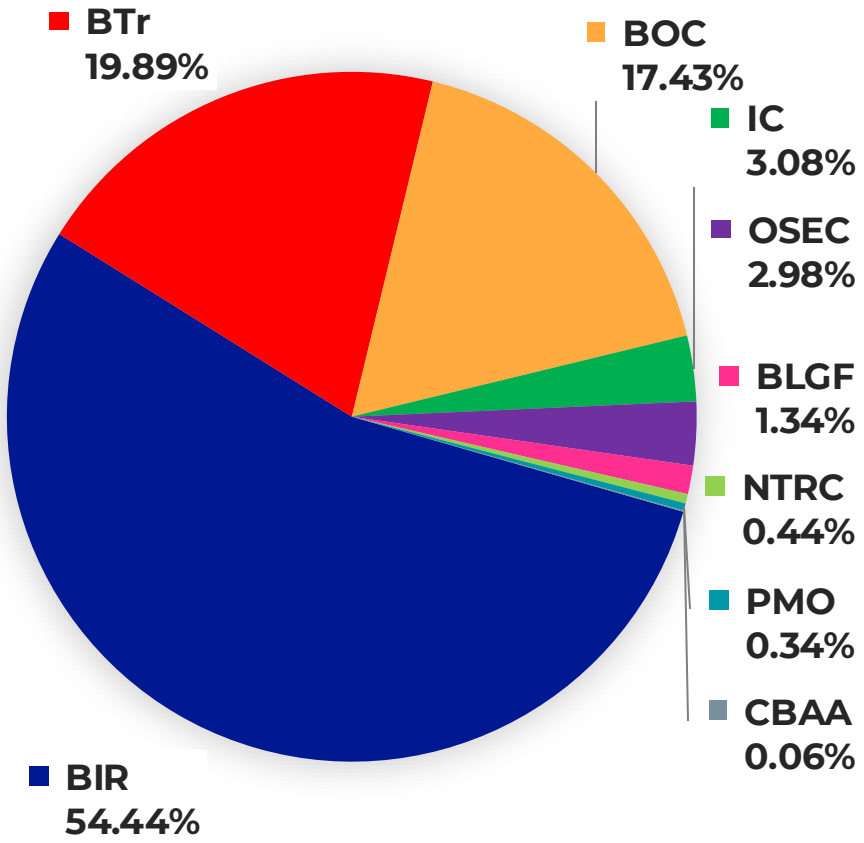
*The proposal represents a **20.8% increase from the 2024 GAA level**, and constitutes **0.5% of the government's total 2025 NEP** of PHP 6.35 trillion.*

2025 DOF-Wide Proposed Budget Per Agency and Allotment Class under New General and Automatic Appropriations

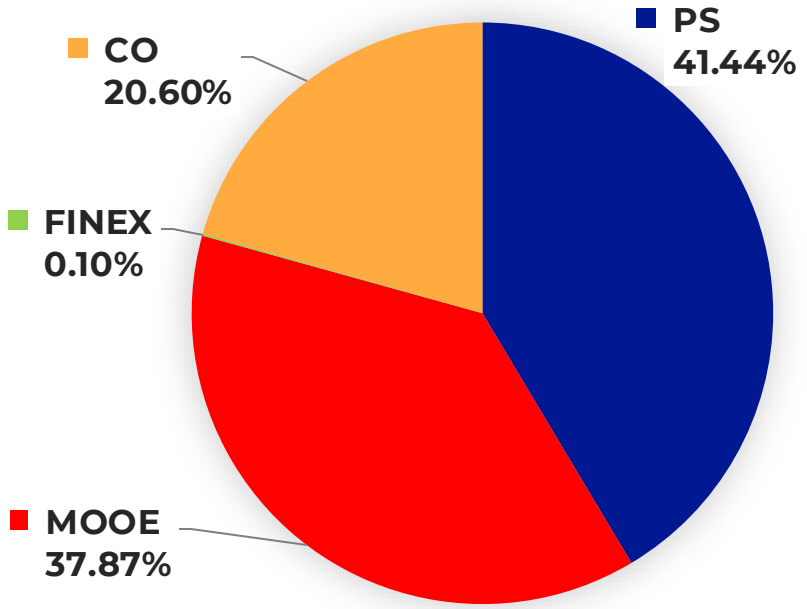
(in PHP million)

Budget Per Agency

Agency	Amount
BIR	17,684.340
BTr	6,461.461
BOC	5,663.408
IC	1,000.229
OSEC	966.967
BLGF	433.662
NTRC	144.113
PMO	111.057
CBAA	18.051
Total	**32,483.288**



Budget Per Allotment Class



PS	MOOE	FINEX	CO
13,459.538	12,300.725	30.893	6,692.132
Total		**32,483.288**	

The proposed 2025 budget highlights the DOF's digitalization and modernization initiatives

The total budget for digitalization initiatives for 2025 is 13.1% higher than in 2024

Major Programs (in PHP Million)		
BIR		Other Agencies
Digital Transformation (DX) Program	Other ICT Projects	ICT Projects
1,821.741	939.962	2,049.741

Overall Digitalization Programs per Agency	
Agency	Amount (in PHP Million)
BIR	2,761.703
BOC	997.414
IC	492.179
BTr	332.843
OSEC	143.406
BLGF	40.529
NTRC	26.514
PMO	16.856
Total	4,811.444

2025 BUDGET PROPOSAL BREAKDOWN PER AGENCY

Bureau of Internal Revenue (BIR)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**14,993.558**	**16,889.796**	**1,896.238**	**12.65%**
Personnel Services	8,550.621	8,924.180	373.559	4.37%
Maintenance and Other Operating Expenses	5,474.857	6,056.675	581.818	10.63%
Financial Expenses	54.424	30.893	(23.531)	(43.24%)
Capital Outlay	913.656	1,878.048	964.392	105.55%
Automatic Appropriations (RLIP)	**745.700**	**794.544**	**48.844**	**6.55%**
Total New GA and RLIP	**15,739.258**	**17,684.340**	**1,945.082**	**12.36%**

Bureau of the Treasury (BTr)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**4,183.540**	**6,419.394**	**2,235.854**	**53.44%**
Personnel Services	484.376	465.623	(18.753)	(3.87%)
Maintenance and Other Operating Expenses	1,174.973	3,250.770	2,075.797	176.67%
- Regular Agency	581.573	670.770	89.197	15.34%
- National Government	593.400	2,580.000	1,986.600	334.78%
Capital Outlay	2,524.191	2,703.001	178.810	7.08%
- Regular Agency	78.673	67.734	(10.939)	(13.90%)
- National Government	2,445.518	2,635.267	189.749	7.76%
Automatic Appropriations (RLIP)	**44.001**	**42.067**	**(1.934)**	**(4.40%)**
Total New GA and RLIP	**4,227.541**	**6,461.461**	**2,233.920**	**52.84%**

Bureau of Customs (BOC)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**3,190.273**	**4,083.895**	**893.622**	**28.01%**
Personnel Services	1,813.068	1,904.263	91.195	5.03%
Maintenance and Other Operating Expenses	1,268.969	1,436.764	167.795	13.22%
Capital Outlay	108.236	742.868	634.632	586.34%
Automatic Appropriations (RLIP and SAGF)	**1,571.089**	**1,579.513**	**8.424**	**0.54%**
Personnel Services	155.661	164.085	8.424	5.41%
Maintenance and Other Operating Expenses	455.428	455.428	0.000	0.00%
Capital Outlay	960.000	960.000	0.000	0.00%
Total New and Automatic Appropriations	**4,761.362**	**5,663.408**	**902.046**	**18.95%**

Insurance Commission (IC)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**0.006**	**0.006**	**0.000**	**0.00%**
Personnel Services	0.006	0.006	0.000	0.00%
Maintenance and Other Operating Expenses	-	-	-	-
Capital Outlay	-	-	-	-
Automatic Appropriations (SAGF)	**490.494**	**1,000.223**	**509.729**	**103.92%**
Personnel Services	241.441	318.991	77.550	32.12%
Maintenance and Other Operating Expenses	249.053	434.582	185.529	74.49%
Capital Outlay	0.000	246.650	246.650	**0.00%**
Total New GA and SAGF	**490.500**	**1,000.229**	**509.729**	**103.92%**

Office of the Secretary (OSEC)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**970.495**	**932.742**	**(37.753)**	**(3.89%)**
Personnel Services	439.057	394.027	(45.030)	(10.26%)
Maintenance and Other Operating Expenses	486.195	491.254	5.059	1.04%
Capital Outlay	45.243	47.461	2.218	4.90%
Automatic Appropriations (RLIP)	**36.813**	**34.225**	**(2.588)**	**(7.03%)**
Total New GA and RLIP	**1,007.308**	**966.967**	**(40.341)**	**(4.00%)**

Bureau of Local Government Finance (BLGF)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**316.573**	**414.060**	**97.487**	**30.79%**
Personnel Services	215.513	217.461	1.948	0.90%
Maintenance and Other Operating Expenses	96.120	106.515	10.395	10.81%
Capital Outlay	4.940	90.084	85.144	1,723.56%
Automatic Appropriations (RLIP)	**19.781**	**19.602**	**(0.179)**	**(0.90%)**
Total New GA and RLIP	**336.354**	**433.662**	**97.308**	**28.93%**

National Tax Research Center (NTRC)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**154.269**	**136.830**	**(17.439)**	**(11.30%)**
Personnel Services	86.498	79.316	(7.182)	(8.30%)
Maintenance and Other Operating Expenses	37.290	36.619	(0.671)	(1.80%)
Capital Outlay	30.481	20.895	(9.586)	(31.45%)
Automatic Appropriations (RLIP)	**8.021**	**7.283**	**(0.738)**	**(9.20%)**
Total New GA and RLIP	**162.290**	**144.113**	**(18.177)**	**(11.20%)**

Privatization and Management Office (PMO)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
Personnel Services	78.141	78.681	0.540	0.69%
Maintenance and Other Operating Expenses	20.399	29.251	8.852	43.39%
Capital Outlay	3.680	3.125	(0.555)	(15.08%)
Total New GA	**102.220**	**111.057**	**8.837**	**8.65%**

Central Board of Assessment Appeals (CBAA)

Particulars (in PHP Million)	FY2024 GAA	FY2025 NEP	FY2025 NEP vs FY2024 GAA Increase/(Decrease)	
			Amount	*% Change*
New General Appropriations (GA)	**16.368**	**16.826**	**0.458**	**2.80%**
Personnel Services	13.834	13.959	0.125	**0.90%**
Maintenance and Other Operating Expenses	2.534	2.867	0.333	**13.14%**
Capital Outlay	-	-	-	**-**
Automatic Appropriations (RLIP)	**1.245**	**1.225**	**(0.020)**	**(1.61%)**
Total New GA and RLIP	**17.613**	**18.051**	**0.438**	**2.49%**

The 2025 proposed budget of the DOF adheres to the highest standards of fiscal discipline and prudent financial management.

BUDGET UTILIZATION RATE

DOF-Wide 2024 1st Semester Budget Utilization Rates *(All Fund Sources)*

Particulars (in PHP Million)	Allotment Received	Obligations Incurred	Disburse-ments	Balances		% Obli-gations	% Dis-bursement
				Unobligated Allotment	Unpaid Obligations		
Current Year Appropriations	**54,629.372**	**40,100.894**	**36,438.345**	**14,528.478**	**3,662.549**	**73%**	**91%**
Agency Specific Budget	23,927.296	11,465.438	8,025.364	12,461.858	3,440.074	48%	70%
Automatic Appropriations	30,192.017	28,248.958	28,046.178	1,943.059	202.780	94%	99%
Special Purpose Fund	390.174	362.053	347.549	28.121	14.504	93%	96%
Unprogrammed Appropriations	119.885	24.445	19.254	95.440	5.191	20%	79%
Continuing Appropriations	**3,733.357**	**753.573**	**436.508**	**2,979.784**	**317.065**	**20%**	**58%**
Agency Specific Budget	1,896.665	642.044	435.393	1,254.621	206.651	34%	68%
Automatic Appropriations	385.382	105.474	1.115	279.908	104.359	27%	1%
Unprogrammed Appropriations	1,451.310	6.055	-	1,445.255	6.055	0%	0%
Grand Total	**58,362.729**	**40,854.467**	**36,874.853**	**17,508.262**	**3,979.614**	**70%**	**90%**

We will ensure that every peso is being stretched to deliver the biggest bang per buck for the Filipino people. Much like our triumphant Olympians, we will always go for the gold.

Our proposed budget every year is always a faithful reflection of our strategic priorities under the Bagong Pilipinas brand of governance.

FY 2025 PROPOSED BUDGET OF THE DEPARTMENT OF FINANCE

RALPH G. RECTO
SECRETARY OF FINANCE

27 August 2024