



# National Treasury Fiscal Balance

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\* at constant prices except for Table 1.1

# Central Government Primary Balance

## Central Government Primary Balance Analysis At Current Prices

R\$ Million - Current Prices

Table 1.1 - Central Government Primary Balance - Brazil - 2017/2018

	R\$ Million		Variation			R\$ Million		Variation		
	Jan-Feb 2017	Jan-Feb 2018	Difference	% Nominal	% Real (IPCA)	Feb 17	Feb 18	Difference	% Nominal	% Real (IPCA)
I. TOTAL REVENUE	231,335.6	262,434.8	31,099.2	13.4%	10.3%	93,960.8	106,063.3	12,102.4	12.9%	9.8%
II. TRANSFERS BY REVENUE SHARING	43,543.4	47,842.5	4,299.1	9.9%	6.8%	24,960.9	27,884.0	2,923.1	11.7%	8.6%
III. NET REVENUE (I-II)	187,792.2	214,592.3	26,800.2	14.3%	11.1%	69,000.0	78,179.3	9,179.3	13.3%	10.2%
IV. TOTAL EXPENDITURE	196,123.9	202,828.9	6,705.0	3.4%	0.6%	95,336.4	97,472.1	2,135.7	2.2%	-0.6%
V. SOVEREIGN FUND OF BRAZIL - FSB	0.0	0.0	0.0	-	-	0.0	0.0	-	-	-
VI. CENTRAL GOVERNMENT PRIMARY BALANCE (III - IV + V)	-8,331.7	11,763.4	20,095.1	-	-	-26,336.4	-19,292.8	7,043.6	-26.7%	-28.8%
National Treasury and Central Bank	18,588.5	40,689.2	22,100.8	118.9%	112.4%	-12,788.4	-4,820.9	7,967.5	-62.3%	4.1%
Social Security (RGPS)	-26,920.2	-28,925.8	-2,005.6	7.5%	4.5%	-13,548.0	-14,471.9	-923.8	6.8%	3.9%
VII. PRIMARY BALANCE/GDP	-0.8%	1.1%	-	-	-	-	-	-	-	-
<b>Memo:</b>										
National Treasury Primary Balance	18,651.8	40,866.3	22,214.5	119.1%	112.6%	-12,863.3	-4,817.0	8,046.3	-62.6%	-
Central Bank Primary Balance	-63.3	-177.1	-113.8	179.6%	170.8%	74.9	-3.9	-78.9	-	-
Social Security (RGPS) Primary Balance	-26,920.2	-28,925.8	-2,005.6	7.5%	4.5%	-13,548.0	-14,471.9	-923.8	6.8%	3.9%

Source: National Treasury

Obs.: Data subject to change

In February 2018, Central Government primary balance in current prices was a deficit of R\$ 19.3 billion, compared to a R\$ 26.3 billion deficit in February 2017. In real terms, there was a step up in Net Revenue (10.2%), and a decrease in Total Expenditure (0.6%). The increase in Net Revenue is largely due to the increase in PIS/Cofins, which was influenced by a change in tax rates.

Compared to the first bimester of 2017, in nominal terms, there was an increase of R\$ 20.1 billion in the Central Government primary balance, varying from a R\$ 8.3 billion deficit in 2017 to a R\$ 11.8 billion surplus in 2017. The primary balance improvement is due to the Net Revenue increase (11.1%), partially offset by the step up in Total Expenditure (0.6%), both in real terms. The increase in PIS/Cofins, due to a change in tax rates, the collection associated to the Tax Regularization Program (PRT/PERT) and the improvement of the main macroeconomic variables that influence tax collection explain the increase in Net Revenue. The Total Expenditure increase occurred mainly in Social Security Benefits.

# Central Government Primary Balance

## Yearly Balance

### At Constant Prices - February/2018 (IPCA)

	Jan-Feb		Variation	
	2017	2018	Difference	% Real (IPCA)
I. TOTAL REVENUE	238,383.1	262,935.2	24,552.2	10.3%
I.1 Revenues Collected by the Federal Revenue Office	158,423.8	177,470.3	19,046.5	12.0%
I.2 Fiscal Incentives	0.0	0.0	0.0	-
I.3 Net Social Security Revenues	56,963.9	58,937.8	1,973.9	3.5%
I.4 Revenues not Collected by the Federal Revenue Office	22,995.3	26,527.1	3,531.8	15.4%
II. TRANSFERS BY REVENUE SHARING	44,845.3	47,906.4	3,061.1	6.8%
III. NET REVENUE (I-II)	193,537.8	215,028.9	21,491.1	11.1%
IV. TOTAL EXPENDITURE	202,045.5	203,166.1	1,120.6	0.6%
IV.1 Social Security Benefits	84,695.4	87,909.8	3,214.5	3.8%
IV.2 Payroll	47,494.2	48,274.6	780.4	1.6%
IV.3 Other Compulsory Expenses	38,401.3	34,744.4	-3,656.9	-9.5%
IV.4 Discretionary Expenses - All Branches	31,454.5	32,237.2	782.6	2.5%
V. SOVEREIGN FUND OF BRAZIL - FSB	-	-	-	-
VI. CENTRAL GOVERNMENT PRIMARY BALANCE (III - IV + V)	-8,507.6	11,862.8	20,370.5	-
National Treasury and Central Bank	19,223.8	40,834.9	21,611.1	112.4%
Social Security (RGPS)	-27,731.4	-28,972.0	-1,240.6	4.5%
Memo:				
National Treasury Primary Balance	19,289.4	41,012.5	21,723.1	112.6%
Central Bank Primary Balance	-65.6	-177.7	-112.1	170.8%
Social Security (RGPS) Primary Balance	-27,731.4	-28,972.0	-1,240.6	4.5%

Source: National Treasury

Obs.: Data subject to change

At February 2018 constant prices, there was a R\$ 20.4 billion increase in Central Government primary balance in the first bimester of 2018 compared to 2017, varying from a R\$ 8.5 billion deficit in 2017 to a R\$ 11.9 billion surplus in 2018. This is due to the increase in Net Revenue (11.6%), partially offset by the step up in Total Expenditure (0.6%).

Concerning the increase in Net Revenue, it is worth noting the tax regularization program (PRT/PERT); the step up in PIS/Cofins, due mainly to the increase in tax rates over fuels (Decree 9,101/2017); and the improvement of the main macroeconomic variables related to economic activity and the increase in Dividends.

The increase in Total Expenditure was concentrated mainly in Social Security Benefits and In Payroll, partially offset by the reduction in Other Compulsory Expenses, specially in Subsidies.

# Central Government Primary Balance

## Monthly Balance Compared to the Same Month of the Previous Year

### At Constant Prices - February/2018 (IPCA)

Table 1.3 - Central Government Primary Balance - Brazil - 2017/2018				
	February		Variation	
	2017	2018	Difference	% Real (IPCA)
I. TOTAL REVENUE	96,633.9	106,063.3	9,429.3	9.8%
I.1 Revenues Collected by the Federal Revenue Office	58,607.8	67,269.8	8,662.0	14.8%
I.2 Fiscal Incentives	0.0	0.0	0.0	-
I.3 Net Social Security Revenues	29,210.0	29,933.0	723.0	2.5%
I.4 Revenues not Collected by the Federal Revenue Office	8,816.1	8,860.5	44.4	0.5%
II. TRANSFERS BY REVENUE SHARING	25,671.0	27,884.0	2,213.0	8.6%
III. NET REVENUE (I-II)	70,963.0	78,179.3	7,216.3	10.2%
IV. TOTAL EXPENDITURE	98,048.6	97,472.1	-576.6	-0.6%
IV.1 Social Security Benefits	43,143.5	44,404.8	1,261.4	2.9%
IV.2 Payroll	22,509.4	22,577.8	68.4	0.3%
IV.3 Other Compulsory Expenses	13,442.9	13,533.1	90.2	0.7%
IV.4 Discretionary Expenses - All Branches	18,952.9	16,956.4	-1,996.5	-10.5%
V. SOVEREIGN FUND OF BRAZIL - FSB	0.0	0.0	-	-
VI. CENTRAL GOVERNMENT PRIMARY BALANCE (III - IV + V)	-27,085.7	-19,292.8	7,792.9	-28.8%
National Treasury and Central Bank	-13,152.2	-4,820.9	8,331.3	-63.3%
Social Security (RGPS)	-13,933.5	-14,471.9	-538.4	3.9%
<b>Memo:</b>				
National Treasury Primary Balance	-13,229.2	-4,817.0	8,412.3	-63.6%
Central Bank Primary Balance	77.1	-3.9	-81.0	-
Social Security (RGPS) Primary Balance	-13,933.5	-14,471.9	-538.4	3.9%

Source: National Treasury  
 Obs.: Data subject to change

In February 2018, Central Government primary balance was a R\$ 19.3 billion deficit, compared to a R\$ 27.1 billion deficit in February 2017, at February 2018 constant prices, an increase of R\$ 7.8 billion (28.8%) in the primary balance. This variation is due to the increase of R\$ 7.2 billion (10.2%) in Net Revenue and to the step down of R\$ 576.6 million (0.6%) in Total Expenditure.

The increase in Net Revenue is largely due to the increase in PIS/Cofins, which was influenced by a change in tax rates, and to collections associated to the tax regularization program (PRT/PERT). Concerning expenses, it is worth noting the decrease of R\$ 2.1 billion in the Discretionary Expenses of the Executive Branch.

# Central Government Primary Balance

## Monthly Balance Compared to the Previous Month

### At Constant Prices - February/2018 (IPCA)

Table 1.4 - Central Government Primary Balance - Brazil - 2018				
	2018		Variation	
	Jan	Feb	Difference	% Real (IPCA)
I. TOTAL REVENUE	156,872.0	106,063.3	-50,808.7	-32.4%
I.1 Revenues Collected by the Federal Revenue Office	110,200.6	67,269.8	-42,930.8	-39.0%
I.2 Fiscal Incentives	0.0	0.0	0.0	-
I.3 Net Social Security Revenues	29,004.8	29,933.0	928.1	3.2%
I.4 Revenues not Collected by the Federal Revenue Office	17,666.6	8,860.5	-8,806.0	-49.8%
II. TRANSFERS BY REVENUE SHARING	20,022.4	27,884.0	7,861.6	39.3%
III. NET REVENUE (I-II)	136,849.6	78,179.3	-58,670.4	-42.9%
IV. TOTAL EXPENDITURE	105,694.0	97,472.1	-8,221.9	-7.8%
IV.1 Social Security Benefits	43,505.0	44,404.8	899.8	2.1%
IV.2 Payroll	25,696.8	22,577.8	-3,119.1	-12.1%
IV.3 Other Compulsory Expenses	21,211.4	13,533.1	-7,678.3	-36.2%
IV.4 Discretionary Expenses - All Branches	15,280.8	16,956.4	1,675.6	11.0%
V. SOVEREIGN FUND OF BRAZIL - FSB	0.0	0.0	-	-
VI. CENTRAL GOVERNMENT PRIMARY BALANCE (III - IV + V)	31,155.6	-19,292.8	-50,448.4	-
National Treasury and Central Bank	45,655.8	-4,820.9	-50,476.7	-
Social Security (RGPS)	-14,500.2	-14,471.9	28.3	-0.2%
<b>Memo:</b>				
National Treasury Primary Balance	45,829.5	-4,817.0	-50,646.5	-
Central Bank Primary Balance	-173.7	-3.9	169.8	-97.7%
Social Security (RGPS) Primary Balance	-14,500.2	-14,471.9	28.3	-0.2%

Source: National Treasury  
Obs.: Data subject to change

In February 2018, Central Government primary balance was a R\$ 19.3 billion deficit, compared to a R\$ 31.2 billion surplus in January 2018, at February constant prices. There was a decrease of R\$ 58.7 billion (42.9%) in Net Revenue and a reduction of R\$ 8.2 billion (7.8%) in Total Expenditure. This result is mainly due to the seasonal increase in Total Revenue in January and to the extraordinary collection associated to the tax regulation program (PRT/PERT). These revenues were later transferred in February, with a negative impact in Net Revenue. Finally, regarding expenditure, there was the six-monthly payment of Subsidies in January.