

Vol. 24, N.10 October/2018

National Treasury Fiscal Balance

Brasília, November 2018



Minister of Finance
Eduardo Refinetti Guardia

Executive-Secretary
Ana Paula Vitali Janes Vescovi

National Treasury Secretary
Mansueto Facundo de Almeida Junior

Assistant National Treasury Secretary
Otavio Ladeira de Medeiros

Deputy Secretaries
Adriano Pereira de Paula
Gildenora Batista Dantas Milhomem
José Franco Medeiros de Moraes
Lísio Fábio de Brasil Camargo
Pedro Jucá Maciel
Pricilla Maria Santana

Head of Fiscal and Economic Studies Department
Felipe Palmeira Bardella

Deputy Head of Fiscal and Economic Studies Department
Alex Pereira Benício

Technical Staff
Fábio Felipe Dáquilla Prates
Fernando Cardoso Ferraz
Gabriel Gdalevici Junqueira
Karla de Lima Rocha
Vitor Henrique Barbosa Fabel

Assessoria de Comunicação Social
(ASCOM/Tesouro Nacional)
Phone: (61) 3412-1843
E-mail: ascom@tesouro.gov.br
Available: www.tesouro.gov.br

The **National Treasury Fiscal Balance** is a monthly publication of the National Treasury Secretariat. Reproduction in full or in part is permitted, provided the source be given proper credit.

Resultado do Tesouro Nacional / Secretaria do Tesouro Nacional. – v. 24, n. 10 (Outubro 2018). – Brasília : STN, 1995.

Mensal.
Continuação de: Demonstrativo da execução financeira do Tesouro Nacional.
ISSN 1519-2970

1.Finanças públicas – Periódicos. 2.Receita pública – Periódicos. 3.Despesa pública – Periódicos.
1. Brasil. Secretaria do Tesouro Nacional.

CDD 336.005

Summary

<i>Central Government Primary Balance Overview</i>	3
<i>Yearly Balance</i>	4
Overview	4
Central Government Revenue	5
Transfers by Revenue Sharing	7
Central Government Expenditure	8
Social Security	11
<i>Monthly Balance Compared to the Same Month of the Previous Year</i>	12
Central Government Revenue	13
Transfers by Revenue Sharing	14
Central Government Expenditure	15
Social Security	16
<i>Monthly Balance Compared to the Previous Month</i>	17
Overview	17
Central Government Revenue	18
Transfers by Revenue Sharing	19
Central Government Expenditure	20
Social Security	22

Central Government Primary Balance Overview

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

current prices

	Jan-Oct					October				
	R\$ Million		Variation (2018/2017)			R\$ Million		Variation (2018/2017)		
	2017	2018	Difference	% Nominal	% Real	2017	2018	Difference	%	% Real
I. Total Revenue	1.106.658,1	1.215.418,6	108.760,4	9,8%	6,0%	120.262,9	132.016,5	11.753,7	9,8%	5,0%
II. Transfers by Revenue Sharing	185.349,8	204.017,0	18.667,3	10,1%	6,3%	17.037,4	17.247,2	209,9	1,2%	-3,2%
III. Net Revenue (I-II)	921.308,4	1.011.401,5	90.093,2	9,8%	6,0%	103.225,5	114.769,3	11.543,8	11,2%	6,3%
IV. Total Expenditure	1.025.801,4	1.087.745,8	61.944,4	6,0%	2,3%	98.152,2	105.318,7	7.166,5	7,3%	2,6%
V. Sovereign Fund of Brazil - FSB	0,0	4.021,0	4.021,0	-	-	0,0	0,0	0,0	-	-
VI. Central Government Primary Balance (III -	-104.493,0	-72.323,3	32.169,7	-30,8%	-33,5%	5.073,3	9.450,6	4.377,3	86,3%	78,2%
National Treasury and Central Bank	50.727,5	96.012,5	45.285,0	89,3%	83,0%	18.875,9	22.671,4	3.795,5	20,1%	-52,5%
Social Security (RGPS)	-155.220,5	-168.335,8	-13.115,3	8,4%	4,6%	-13.802,6	-13.220,8	581,8	-4,2%	-55,1%
VII. Primary Balance/GDP	-1,9%	-1,3%	-	-	-	-	-	-	-	-
Memo:										
National Treasury Primary Balance	51.342,4	96.872,9	45.530,5	88,7%	82,5%	18.836,7	23.027,6	4.190,9	22,2%	-24,1%
Central Bank Primary Balance	-614,9	-860,4	-245,5	39,9%	34,3%	39,2	-356,2	-395,4	-	-
Social Security Primary Balance	-155.220,5	-168.335,8	-13.115,3	8,4%	4,6%	-13.802,6	-13.220,8	581,8	-4,2%	-55,1%

In October 2018, the Central Government's primary result, at current prices, was a surplus of R\$ 9.5 billion compared to a surplus of R\$ 5.1 billion in October 2017. In real terms, net revenue increased 6.3% while total expenses increased by 2.6%. These variations were mainly due to the increase in Financial Compensations and Discretionary Expenses.

Compared to the accumulated until October 2017, at current prices, the result of the Central Government went from a deficit of R\$ 104.5 billion in 2017 to a deficit of 72.3 billion in 2018. In real terms, net revenue increased by 6.0% while spending grew 2.3%. The increase in revenue is due to step up in Cofins, Financial Compensation Quotas and Concessions and Permissions. Regarding expenses, the largest variations were in discretionary expenses and in social security benefits.

Yearly Balance

Overview

Table 1.2 - Central Government Primary Balance - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	% Real
I. Total Revenue	1.167.858,5	1.238.236,7	70.377,7	6,0%
I.1 Revenues Collected by the Federal Revenue Office	725.496,6	767.596,7	42.100,1	5,8%
I.2 Fiscal Incentives	-20,7	-12,3	8,4	-
I.3 Net Social Security Revenues	311.254,2	311.339,2	85,0	0,0%
I.4 Revenues not Collected by the Federal Revenue Office	131.128,5	159.312,6	28.184,1	21,5%
II. Transfers by Revenue Sharing	195.640,1	207.972,5	12.332,5	6,3%
III. Net Revenue (I-II)	972.218,5	1.030.263,7	58.045,3	6,0%
IV. Total Expenditure	1.082.318,7	1.107.548,7	25.229,7	2,3%
IV.1 Social Security Benefits	474.938,7	482.591,6	7.653,0	1,6%
IV.2 Payroll	241.534,9	243.875,9	2.341,0	1,0%
IV.3 Other Compulsory Expenses	165.974,0	161.133,5	-4.840,5	-2,9%
IV.4 Discretionary Expenses - All Branches	199.871,2	219.947,4	20.076,2	10,0%
V. Sovereign Fund of Brazil - FSB			-	-
VI. Central Government Primary Balance (III - IV + V)	-110.100,2	-73.171,8	36.928,4	-
National Treasury and Central Bank	53.584,2	98.080,5	44.496,3	83,0%
Social Security (RGPS)	-163.684,4	-171.252,4	-7.567,9	4,6%
Memo:				
National Treasury Primary Balance	54.233,5	98.952,3	44.718,8	82,5%
Central Bank Primary Balance	-649,3	-871,8	-222,5	34,3%
Social Security Primary Balance	-163.684,4	-171.252,4	-7.567,9	4,6%

At October 2018 prices, compared to 2017, there was an improvement of R\$ 36.9 billion in the Central Government's accumulated primary result, which went from a deficit of R\$ 110.1 billion in 2017 to a deficit of R\$ 73.2 billion in 2018. This improvement was mainly due to the growth in net revenue (6.0%) in a rate higher than the increase in total expenses (2.3%).

Regarding the increase in revenue, we highlight:

- increase in the PIS/Cofins tax collection due to a large increase in the tax rate on fuels (Decree 9.101/17);
- performance of the collection associated with the special installments, PERT and PRT programs; and
- the improvement in economic activity and in the macroeconomic indicators that influence the collection.

Primary expenditure, on the other hand, is still under pressure due to increases in discretionary expenses, as well as social security benefits and personnel expenses.

Central Government Revenue

Tabela 1.3 - Central Government Primary Revenues - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	% Real
I. Total Revenue	1.167.858,5	1.238.236,3	70.377,7	6,0%
I.1 Revenues Collected by the Federal Revenue Office	725.496,6	767.596,7	42.100,1	5,8%
Import Tax	28.110,8	35.059,9	6.949,1	24,7%
Industrialized Products Tax (IPI)	40.098,3	46.596,2	6.497,9	16,2%
Income tax (IR)	299.945,9	303.771,2	3.825,3	1,3%
Tax on Credit Operations, Exchange and Insurance (IOF)	30.148,8	30.756,6	607,9	2,0%
Contribution to Social Security Financing (COFINS)	184.703,5	210.657,7	25.954,3	14,1%
PIS/Pasep	49.350,4	55.529,8	6.179,4	12,5%
Social Contribution on Net Corporate Profits (CSLL)	64.726,1	69.315,5	4.589,4	7,1%
Provisional Contribution on Financial Operations (CPMF)	0,0	0,0	0,0	-
CIDE - Fuels	5.120,6	3.520,0	-1.600,7	-31,3%
Other	23.292,2	12.389,8	-10.902,4	-46,8%
I.2 Fiscal Incentives	-20,7	-12,3	8,4	-40,7%
I.3 Net Social Security Revenues	311.254,2	311.339,2	85,0	0,0%
Urban	303.334,2	303.716,9	382,6	0,1%
Rural	7.920,0	7.622,4	-297,6	-3,8%
I.4 Revenues Not Collected by the Federal Revenue Office	131.128,5	159.312,6	28.184,1	21,5%
Concessions and Permissions	5.466,4	14.939,4	9.473,0	173,3%
Dividends	5.104,4	6.631,9	1.527,5	29,9%
Contribution to Civil Service Social Security (CPSS)	11.085,4	10.806,9	-278,5	-2,5%
Financial Compensation Quotas	34.097,2	54.572,1	20.474,9	60,0%
Own Revenues (source codes 50, 81 and 82)	11.737,9	12.478,6	740,7	6,3%
Education-Salary (social contribution for education)	17.790,2	18.431,2	640,9	3,6%
FGTS Complement (LC nº 110/01)	4.620,8	4.309,2	-311,6	-6,7%
Assets Operations	979,6	925,0	-54,5	-5,6%
Other Revenues	40.246,7	36.218,2	-4.028,5	-10,0%

The total revenue of the Central Government increased R\$ 70.4 billion (6.0%) compared to accumulated until October 2017. This performance was due to the increase of R\$ 42.1 billion (5.8%) in revenues collected by RFB along with an increase of R\$ 28.2 billion (21.5%) in revenues not collected by RFB. Net social security revenues remained stable (0.0%).

It should be noted that in revenues administered by RFB there was reclassification of the stock of special installments not reclassified in November 2017 (see reports for November/2017 and Dec/2017). This reclassification, although does not impact the total revenue it influences its composition, mainly, increasing income tax, Cofins, PIS/PASEP and CSLL and reducing other revenues.

In addition to this effect, the main factors of variation of revenue managed by the RFB were:

- increase of R\$ 26.0 billion (14.1%) in Cofins and R\$ 6.2 billion (12.5%) in PIS/Pasep, resulting from the combined effect on the of PIS/Cofins tax rates on the fuels (Decree 9.101/17) and the increase of volume of sales;
- increase of R\$ 6.5 billion (16.2%) in IPI influenced mainly by growth of 2.14% in industrial production from December 2017 to September 2018 compared to production from December 2016 to September 2017;

- increase of R\$ 6.9 billion (24.7%) in the Import Tax, mainly due to the 14.0% increase in the average exchange rate and an increase of 21.8% in the dollar value of imports;
- increase of R\$ 3.8 billion (1.3%) in the Income Tax: step up of R\$ 2.1 billion in IRPJ collection; and
- growth of R\$ 4.6 billion (7.1%) in CSLL, due to the growth in revenues related to the monthly estimate of non-financial corporations;

Table 1.4 - Dividends - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct	
	2017	2018
Banco do Brasil	980,3	1.443,1
BNB	106,4	80,1
BNDES	3.607,7	1.536,8
Caixa	0,0	2.873,0
Correios	0,0	0,0
Eletrobrás	0,0	0,0
IRB	55,6	61,6
Petrobras	0,0	380,4
Others	354,2	257,0
Total	5.104,4	6.631,9

It should also be noted that, for the period, there was an increase of R\$ 1.1 billion related to the Tax Regularization Program (PERT), instituted through Law 13,496/17, whose effect is distributed in different items of income (Income Tax, IPI, COFINS and CSLL), PRT and other installments of the Active Debt.

Revenues not collected by RFB increased R\$ 28.2 billion (21.5%) when compared to the same period of 2017. This increase is mainly explained by:

- the increase of R\$ 20.5 billion (60.0%) in financial quotas compensation due to the increase in the exchange rate and international oil prices; and
- the step up of R\$ 9.5 billion in Concessions and Permissions due to the payments in 2018 of R\$ 8.0 billion referring to the 15th round of oil and gas concession and R\$ 3.2 billion regarding the the concession of the 4th round of pre-salt oil.

Transfers by Revenue Sharing

Table 1.5 - Transfers by Revenue Sharing - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	%
II. Transfers by Revenue Sharing	195.640,1	207.972,5	12.332,5	6,3%
II.1 FPM / FPE / IPI-EE	156.307,4	160.213,9	3.906,5	2,5%
II.2 Constitutional Funds	6.932,5	7.055,5	123,0	1,8%
Total Transfer	10.069,4	10.325,8	256,4	2,5%
Funds Surplus	-3.137,0	-3.270,4	-133,4	4,3%
II.3 Education-Salary (social contribution for education)	10.669,2	10.594,8	-74,4	-0,7%
II.4 Financial Compensations	18.667,4	27.453,7	8.786,3	47,1%
II.5 CIDE - Fuels	1.792,3	1.385,4	-406,9	-
II.6 Other	1.271,2	1.269,2	-2,0	-0,2%

Obs.: Data subject to change.

Transfers by revenue sharing have increased R\$ 12.3 billion (6.3%), compared to the accumulated until October 2017, from R\$ 195.7 billion in 2017 to R\$ 208.0 billion in 2018. The main variations in the period were:

- R\$ 8.8 billion (47.1%) increase in Financial Compensation, due to the factors previously explained on the performance of Financial Compensation revenues; and
- increase of R\$ 3.9 billion (2.5%) in of FPM/FPE/IPI-EE, reflecting the increase in taxes shared (IR and IPI).

Central Government Expenditure

Table 1.6 - Central Government Primary Expenditure - Brazil - Brasil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	% Real
IV. Total Expenditure	1.082.318,7	1.107.548,4	25.229,7	2,3%
IV.1 Social Security Benefit	474.938,7	482.591,6	7.653,0	1,6%
IV.1.1 Social Security Benefit - Urban	372.527,0	380.619,2	8.092,3	2,2%
IV.1.2 Social Security Benefit - Rural	102.411,7	101.972,4	-439,3	-0,4%
IV.2 Payroll	241.534,9	243.875,9	2.341,0	1,0%
IV.3 Other Compulsory Expenses	165.974,0	161.133,5	-4.840,5	-2,9%
Salary Allowance and Unemployment Benefit	48.847,2	46.282,2	-2.564,9	-5,3%
Assistance Benefits (LOAS/RMV)	47.308,2	47.549,0	240,8	0,5%
FGTS Complement (LC nº 110/01)	4.620,8	4.303,7	-317,1	-6,9%
Extraordinary credits (excluding PAC)	668,0	2.159,8	1.491,8	223,3
(MP) 540/11, 563/12, 582/12 Exoneration	13.025,7	11.969,8	-1.055,9	-8,1%
FUNDEB (Federal Complementation)	11.931,2	12.141,9	210,7	1,8%
Federal District (DF) Contitucional Fund	0,0	1.731,2	1.731,2	-
Judicial Remedies	10.926,8	13.901,4	2.974,6	27,2
Subsidies and Grants	19.034,0	13.607,8	-5.426,2	-
FIES primary impact (Student Funding)	3.897,8	2.183,8	-1.714,0	-
Others	5.714,2	5.302,8	-411,4	-7,2%
IV.4 Discretionary Expenses - All Branches	199.871,2	219.947,4	20.076,2	10,0
Executive Branch Discretionary Expenses	190.453,2	209.577,9	19.124,7	10,0
PAC (Growth Acceleration Program)	18.731,9	19.442,1	710,2	3,8%
o/w "Minha Casa Minha Vida - MCMV" Program	2.225,2	3.212,1	986,9	44,3
Issuance of Agricultural Debt Securities (TDA)	35,2	41,7	6,4	18,2
Donations and Agreements	0,0	196,3	196,3	-
Other Executive Branch Discretionary Expenses	171.686,0	189.897,9	18.211,8	10,6
Legislative and Judiciary Branches and Prosecutor's Office	9.418,0	10.369,5	951,6	10,1
Memo:				
Other Current and Capital Expenditures	249.844,2	272.929,7	23.085,5	9,2%
Other Current Expenditures	219.898,1	236.749,8	16.851,7	7,7%
Other Capital Expenditures	29.946,0	36.179,8	6.233,8	20,8

The total expenditure of the Central Government until October 2018 reached R\$ 1,107.5 billion, 2.3% more than in the same period of 2017, when expenditure totaled R\$ 1,082.3 billion.

This variation is due to the combined increase of:

- Increase of R\$ 7.7 billion (1.6%) in Benefits Social Security;
- Growth of R\$ 2.3 billion (1.0%) in Payroll;
- Increase R\$ 20.1 billion (10.0%) in Discretionary Expenses; and
- Reduction of R\$ 4.8 billion Other Compulsory Expenses (2.9%).

The behavior of expenses in Other Mandatory Expenses was mainly due to:

- a reduction of R\$ 5.4 billion in Subsidies and Grants, a result of the rationalization of subsidies expenditures;
- Step down of R\$ 2.6 billion in Salary Allowance and Unemployment Benefit, due to the decrease in the number of layoffs compared to the same period of the previous year;
- Reduction of R\$ 1.7 billion in FIES;
- Step up of R\$ 3.0 billion in judicial remedies;
- Increase of R\$ 1.5 billion in Extraordinary Credits,

mainly due to the economic subsidy for diesel oil (Provisional Measure 838/2018); and

- execution of R\$ 1.7 billion in expenses with Electoral Campaign Funding in 2018, which didn't occur in 2017.

Table 1.7 - Other Executive Branch Discretionary Expenses - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	% Real
Total	171.686,0	189.897,9	18.211,8	10,6%
Ministry of Health	83.656,2	90.974,0	7.317,8	8,7%
Ministry of Education	25.503,4	25.047,2	-456,1	-1,8%
Ministry of Social Development	28.253,8	29.428,2	1.174,4	4,2%
Ministry of Defense	10.526,7	13.648,6	3.121,9	29,7%
Ministry of Science and Technology	3.064,0	3.116,2	52,3	1,7%
Other	20.682,0	27.683,6	7.001,6	33,9%

Discretionary expenditures - all branches increased R\$ 18.2 billion (10.6%), explained almost entirely by the increase in other discretionary expense, which accounted for the current expenses and investment of the ministries and for mandatory parliamentary amendments.

The amount of unpaid commitments paid (excluding financial PR) up to October 2018 was R\$ 74.4 billion, compared to R\$ 65.7 billion in the same period of the previous year.

Table 1.8 - Subsidies and Grants - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	Jan-Oct		Variation	
	2017	2018	Difference	% Real
Agricultural price policy	9.757,3	7.268,2	-2.489,0	-25,5%
Equalisation of agricultural extension	2.138,6	1.142,1	-996,5	-46,6%
Equalisation of rural and agroindustrial investments	2.294,0	1.613,4	-680,6	-29,7%
Agricultural price policy	285,5	486,6	201,1	70,4%
Pronaf - National programme for the strengthening of family farming	4.278,1	2.923,3	-1.354,8	-31,7%
PESA - Programme of financial assets rehabilitation	136,3	551,8	415,5	304,8%
Alcohol	48,8	28,7	-20,1	-41,2%
Cocoa	0,0	0,0	0,0	-
Agricultural debt securitisation (Law 9,138/1995)	0,0	0,0	0,0	-
INCRA - Land fund/national institute of colonization and agrarian reform	9,1	304,6	295,5	-
Coffee economy defense fund	85,1	75,9	-9,2	-10,8%
Revitaliza - Production development programme / capital goods	17,3	9,4	-7,9	-45,5%
Proagro - Agricultural Activity Support Program	464,5	132,5	-332,0	-71,5%
Others	9.276,8	6.339,6	-2.937,2	-31,7%
Proex - Export financing programme	511,8	369,3	-142,5	-27,8%
PSH - Subsidy programme for social interest housing	0,0	0,0	0,0	-
PSI - Investment Maintenance Program	8.376,7	5.124,9	-3.251,8	-38,8%
EQMPO - Credit Operations to Small Productive Businesses	0,0	0,0	0,0	-
EQPCD - Credit Operations to persons with disabilities	6,7	6,8	0,1	1,6%
FND - National Development Fund	0,0	0,0	0,0	-
FSA - Audiovisual Sectorial Fund	466,6	559,9	93,3	20,0%
Capitalization of Emgea	0,0	0,0	0,0	-
Itaipu	0,0	0,0	0,0	-
Economic Subventions	0,0	0,0	0,0	-
Equalisation of FDA/FDNE/FDCO	50,0	45,6	-4,5	-8,9%
Sudene	0,0	341,7	341,7	-
Subsidy Recovery Revenues	-7,7	-50,7	-43,1	561,1%
PNAFE - Program for States' Fiscal and Administrative Modernization	-127,3	-57,7	69,6	-54,7%
PRODECER	0,0	0,0	0,0	-
Total	19.034,0	13.607,8	-5.426,2	-28,5%

Social Security

Table 1.9 - Social Security (RGPS) Primary Balance - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

Discriminação	Jan-Oct		Variation	
	2017	2018	Difference	% Real
Net Social Security Revenues	311.254,2	311.339,2	85,0	0,0%
Total Revenue	347.306,2	346.485,8	-820,4	-0,2%
Contributions deposited in banks	299.252,2	298.505,7	-746,5	-0,2%
Contributions from SIMPLES	33.169,4	34.291,2	1.121,8	3,4%
Debt Rescheduling REFIS	158,1	108,4	-49,7	-31,4%
Judicial Payments	1.700,8	1.610,7	-90,1	-5,3%
Social Security Compensation1	13.025,7	11.969,8	-1.055,9	-8,1%
(-) Restituição/Devolução	-955,8	-843,3	112,5	-11,8%
(-) Transferências a Terceiros	-35.096,2	-34.303,3	792,9	-2,3%
Social Security Benefit	474.938,7	482.591,6	7.653,0	1,6%
Primary Balance	-163.684,4	-171.252,4	-7.567,9	4,6%

Comparing the accumulated up to October 2018 with the same period of 2017, the social security deficit increased from R\$ 163.7 billion to R\$ 171.3 billion (4.6%) at October 2018 prices. This variation results of the combined effect of the following factors:

- R\$ 7.7 billion (1.6%) increase in payments of social security benefits, due to the decrease of 2.4 million (8.3%) in the number of benefits issued, partially offset by the reduction of the average real value of the benefits paid by the Pension Plan by R\$ 6.72 (0.5%); and
- a real increase of R\$ 85.0 billion (0.0%) in net social security revenues, associated with the reduction of 0.47% of the salary mass in real terms, in the comparison between December/17-September/18 and December/16-September/17.

Table 1.10 - Social Security (RGPS) Primary Balance - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

Discriminação	Jan-Oct		Variation	
	2017	2018	Difference	% Real
Net Revenue	311.254,2	311.339,2	85,0	0,0%
Urban	303.334,2	303.716,9	382,6	0,1%
Rural	7.920,0	7.622,4	-297,6	-3,8%
Benefits	474.938,7	482.591,6	7.653,0	1,6%
Urban	372.527,0	380.619,2	8.092,3	2,2%
Rural	102.411,7	101.972,4	-439,3	-0,4%
Primary Balance	-163.684,4	-171.252,4	-7.567,9	4,6%
Urban	-69.192,7	-76.902,4	-7.709,6	11,1%
Rural	-94.491,7	-94.350,0	141,7	-0,1%

Monthly Balance Compared to the Same Month of the Previous Year

Table 2.1 - Central Government Primary Balance - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	October		Variation	
	2017	2018	Difference	% Real
I. Total Revenue	125.743,3	132.016,5	6.273,3	5,0%
I.1 Revenues Collected by the Federal Revenue Office	78.950,4	79.177,2	226,8	0,3%
I.2 Fiscal Incentives	0,0	0,0	0,0	-
I.3 Net Social Security Revenues	31.562,5	32.038,8	476,3	1,5%
I.4 Revenues not Collected by the Federal Revenue Office	15.230,4	20.800,5	5.570,1	36,6%
II. Transfers by Revenue Sharing	17.813,8	17.247,2	-566,5	-3,2%
III. Net Revenue (I-II)	107.929,5	114.769,	6.839,8	6,3%
IV. Total Expenditure	102.625,0	105.318,	2.693,7	2,6%
IV.1 Social Security Benefits	45.994,0	45.259,6	-734,5	-1,6%
IV.2 Payroll	22.226,4	22.585,6	359,2	1,6%
IV.3 Other Compulsory Expenses	14.001,0	13.195,0	-806,0	-5,8%
IV.4 Discretionary Expenses - All Branches	20.403,5	24.278,5	3.875,0	19,0%
V. Sovereign Fund of Brazil - FSB	0,0	0,0	0,0	-
VI. Central Government Primary Balance (III - IV + V)	5.304,5	9.450,6	4.146,1	78,2%
National Treasury and Central Bank	19.736,0	22.671,4	2.935,3	14,9%
Social Security (RGPS)	-14.431,6	-13.220,8	1.210,8	-8,4%
Memo:				
National Treasury Primary Balance	19.695,1	23.027,6	3.332,5	16,9%
Central Bank Primary Balance	41,0	-356,2	-397,2	-
Social Security (RGPS) Primary Balance	-14.431,6	-13.220,8	1.210,8	-8,4%

At October 2018 prices, the primary result of the Central Government went from a surplus of R\$ 5.3 billion in October 2017 to a surplus of R\$ 9.5 billion in the same month of 2018. This variation was due to the increase of R\$ 6.8 billion (6.3%) in net revenue, partially offset by a step up in total expenditure of R\$ 2.7 billion (2.6%).

Regarding the increase in net revenue, we highlight the collection of Financial Compensation Quotas resulting from the increase in the exchange rate and the international price of oil.

Regarding the increase in expenses, we highlight the increase in discretionary expenses.

Central Government Revenue

Tabela 2.2 - Central Government Primary Revenues - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	October		Variation	
	2017	2018	Difference	% Real
I. Total Revenue	125.743,3	132.016,5	6.273,3	5,0%
I.1 Revenues Collected by the Federal Revenue Office	78.950,4	79.177,2	226,8	0,3%
Import Tax	3.214,4	3.944,2	729,8	22,7%
Industrialized Products Tax (IPI)	5.121,6	4.821,8	-299,8	-5,9%
Income tax (IR)	30.979,4	29.631,0	-1.348,4	-4,4%
Tax on Credit Operations, Exchange and Insurance (IOF)	2.968,1	3.023,0	55,0	1,9%
Contribution to Social Security Financing (COFINS)	20.538,6	22.500,8	1.962,2	9,6%
PIS/PASEP	5.285,6	5.615,3	329,8	6,2%
Social Contribution on Net Corporate Profits (CSLL)	7.454,9	7.290,3	-164,6	-2,2%
Provisional Contribution on Financial Operations (CPMF)	0,0	0,0	0,0	-
CIDE - Fuels	512,9	230,7	-282,2	-55,0%
Other	2.874,9	2.120,0	-755,0	-26,3%
I.2 Fiscal Incentives	0,0	0,0	0,0	-
I.3 Net Social Security Revenues	31.562,5	32.038,8	476,3	1,5%
Urban	30.711,7	31.657,4	945,6	3,1%
Rural	850,7	381,4	-469,3	-55,2%
I.4 Revenues Not Collected by the Federal Revenue Office	15.230,4	20.800,5	5.570,1	36,6%
Concessions and Permissions	231,4	1.655,1	1.423,7	615,3%
Dividends	86,1	95,2	9,1	10,5%
Contribution to Civil Service Social Security (CPSS)	1.108,7	1.045,8	-62,9	-5,7%
Financial Compensation Quotas	6.172,4	11.732,6	5.560,2	90,1%
Own Revenues (source codes 50, 81 and 82)	1.212,5	1.355,3	142,8	11,8%
Education-Salary (social contribution for education)	1.628,0	1.604,3	-23,8	-1,5%
FGTS Complement (LC nº 110/01)	451,4	377,8	-73,6	-16,3%
Assets Operations	157,2	84,6	-72,5	-46,2%
Other Revenues	4.182,6	2.849,9	-1.332,8	-31,9%

Total revenue from the Central Government increased R\$ 6.3 billion (5.0%), from R\$ 125.7 billion in October 2017 to R\$ 132.0 billion in October 2018. This result was due to an increase of R\$ 5.6 billion (36.6%) in the revenue not collected by the Federal Revenue Office, along with increases in net social security revenues (R\$ 476.3 million, 1.5%) and in revenues collected by the RFB (R\$ 226.8 million, 0.3%). The main variations in revenue collected by the Federal Revenue Office were:

- step up of R\$ 2.0 billion (9.6%) in Cofins, influenced by the economic performance; and
- decrease of R\$ 1.3 billion (4.4%) in Income Tax, influenced by the step down in IRPJ tax collection.

The increase of R\$ 5.6 billion (36.6%) in Revenues not collected by the Federal Revenue Office is explained by:

- the increase in Concessions and Permissions (R\$ 1.4 billion), due to the receiving associated with the 4th round of pre-salt oil; and
- the growth of R\$ 5.6 billion in Financial Compensation, explained by the increase in the exchange rate and the international oil price.

Transfers by Revenue Sharing

Tabela 2.3 - Transfers by Revenue Sharing - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	October		Variation	
	2017	2018	Difference	% Real
II. Transfers by Revenue Sharing	17.813,8	17.247,2	-566,5	-3,2%
II.1 FPM / FPE / IPI-EE	13.654,8	12.763,6	-891,2	-6,5%
II.2 Constitutional Funds	654,6	777,9	123,3	18,8
Total Transfer	1.029,0	905,6	-123,4	-
Funds Surplus	374,4	127,8	-246,7	-
II.3 Education-Salary (social contribution for education)	1.005,4	983,6	-21,7	-2,2%
II.4 Financial Compensations	1.227,6	1.709,7	482,1	39,3
II.5 CIDE - Fuels	464,5	187,6	-276,9	-
II.6 Other	806,9	824,9	17,9	2,2%

In October 2018, transfers by revenue sharing decreased R\$ 566.5 million (3.2%) compared to October 2017. The main variations were:

- reduction of R\$ 891.2 million (6.5%) in transfers related to FPM / FPE / IPI-EE; and
- step up of R\$ 482.1 million (39.3%) in Financial Compensations.

Central Government Expenditure

Table 2.4 - Central Government Primary Expenditure - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	October		Variation	
	2017	2018	Difference	% Real
IV. Total Expenditure	102.625,0	105.318,7	2.693,7	2,6%
IV.1 Social Security Benefit	45.994,0	45.259,6	-734,5	-1,6%
IV.1.1 Social Security Benefit - Urban	36.221,8	35.748,1	-473,7	-1,3%
IV.1.2 Social Security Benefit - Rural	9.772,3	9.511,5	-260,7	-2,7%
IV.2 Payroll	22.226,4	22.585,6	359,2	1,6%
IV.3 Other Compulsory Expenses	14.001,0	13.195,0	-806,0	-5,8%
Salary Allowance and Unemployment Benefit	4.946,3	4.492,9	-453,4	-9,2%
Assistance Benefits (LOAS/RMV)	4.773,8	4.706,2	-67,6	-1,4%
FGTS Complement (LC nº 110/01)	451,4	377,8	-73,6	-16,3%
Extraordinary credits (excluding PAC)	61,3	116,5	55,3	90,2%
Provisional Measures (MP) 540/11, 563/12 and 582/12 Exoneration	993,8	1.065,2	71,3	7,2%
FUNDEB (Federal Complementation)	912,8	963,9	51,1	5,6%
Federal District (DF) Contitucional Fund	0,0	0,0	0,0	-
Judicial Remedies	138,2	158,2	20,1	14,5%
Subsidies and Grants	477,3	570,3	93,0	19,5%
FIES primary impact (Student Funding)	662,9	103,1	-559,8	-84,4%
Others	583,3	640,9	57,6	9,9%
IV.4 Discretionary Expenses - All Branches	20.403,	24.278,	3.875,0	19,0%
Executive Branch Discretionary Expenses	19.439,2	23.077,6	3.638,3	18,7%
PAC (Growth Acceleration Program)	2.092,7	3.091,3	998,7	47,7%
o/w "Minha Casa Minha Vida - MCMV" Program	148,0	748,5	600,4	405,6%
Issuance of Agricultural Debt Securities (TDA)	3,9	3,2	-0,7	-18,3%
Other Executive Branch Discretionary Expenses	17.342,7	19.983,0	2.640,4	15,2%
Legislative and Judiciary Branches and Prosecutor's Office (LEJU/MPU)	964,3	1.201,0	236,7	24,5%
Memo:				
Other Current and Capital Expenditures	24.106,3	27.598,9	3.492,6	14,5%
Other Current Expenditures	21.017,1	23.763,3	2.746,2	13,1%
Other Capital Expenditures	3.089,2	3.835,7	746,4	24,2%

In October 2018, there was an increase of R\$ 2.7 billion (2.6%) in total central government expenditure compared to the same month of the previous year, going from R\$ 102.6 billion to R\$ 105.3 billion. This variation is due, mainly, to the increase of R\$ 3.9 billion (19.0%) in discretionary expenses – all branches.

Other compulsory expenditure decreased R\$ 806.0 billion (5.8%) mainly due to the reduction in Salary Allowance and Unemployment Benefit (R\$ 453.4 million) and FIES primary impact (R\$ 559.8 million).

Table 2.5 - Other Executive Branch Discretionary Expenses - Brazil - 2017/2018*R\$ million - at constant prices Oct/2018- IPCA*

	October		Variation	
	2017	2018	Difference	% Real
Total	17.342,7	19.947,8	2.605,2	15,0%
Ministry of Health	7.923,2	9.282,5	1.359,2	17,2%
Ministry of Education	2.816,9	2.781,8	-35,1	-1,2%
Ministry of Social Development	2.638,2	2.954,4	316,1	12,0%
Ministry of Defense	1.279,0	1.719,8	440,8	34,5%
Ministry of Science and Technology	287,6	388,9	101,3	35,2%
Other	2.397,7	2.820,5	422,8	17,6%

Social Security

Tabela 2.6 - Social Security (RGPS) Primary Balance - Brazil - 2017/2018*R\$ million - at constant prices Oct/2018- IPCA*

	October		Variation	
	2017	2018	Difference	% Real
Net Social Security Revenues	31.562,5	32.038,8	476,3	1,5%
Total Revenue	34.865,7	34.345,2	-520,5	-1,5%
Contributions deposited in banks	30.245,3	29.491,5	-753,9	-2,5%
Contributions from SIMPLES	3.458,6	3.510,6	52,0	1,5%
Debt Rescheduling REFIS	8,7	264,4	255,8	-
Judicial Payments	159,2	13,5	-145,7	-91,5%
Social Security Compensation	993,8	1.065,2	71,3	7,2%
(-) Restituição/Devolução	-55,7	-144,1	-88,3	158,5%
(-) Transferências a Terceiros	-3.247,5	-2.162,3	1.085,2	-33,4%
Social Security Benefit	45.994,0	45.259,6	-734,5	-1,6%
Primary Balance	-14.431,6	-13.220,8	1.210,8	-8,4%

The Social Security primary result went from a deficit of R\$ 14.4 billion in October 2017 to a deficit of R\$ 13.2 billion in October 2018, a difference of R\$ 1.2 billion in the primary result. This variation is due to the combined effect of the increase in net social security revenues (R\$ 476.3 million) and lower expenses related to benefits (R\$ 734.5 million), influenced by the step up of 563.8 thousand in the number of benefits issued, and by the reduction of the average real value of benefits paid by social security in R\$ 27.99 (2.1%).

Monthly Balance Compared to the Previous Month

Overview

Table 3.1 - Central Government Primary Balance - Brazil - 2018

R\$ million - at constant prices Oct/2018- IPCA

	2018		Variation	
	September	October	Difference	% Real
I. Total Revenue	111.616,6	132.016,5	20.399,8	18,3%
I.1 Revenues Collected by the Federal Revenue Office	67.411,4	79.177,2	11.765,8	17,5%
I.2 Fiscal Incentives	0,0	0,0	0,0	-
I.3 Net Social Security Revenues	30.019,2	32.038,8	2.019,6	6,7%
I.4 Revenues not Collected by the Federal Revenue Office	14.186,1	20.800,5	6.614,4	46,6%
II. Transfers by Revenue Sharing	14.956,6	17.247,2	2.290,7	15,3%
III. Net Revenue (I-II)	96.660,2	114.769,3	18.109,1	18,7%
IV. Total Expenditure	119.639,9	105.318,7	-14.320,3	-12,0%
IV.1 Social Security Benefits	61.491,0	45.259,6	-16.231,4	-26,4%
IV.2 Payroll	22.497,7	22.585,6	87,9	0,4%
IV.3 Other Compulsory Expenses	13.854,7	13.195,0	-659,7	-4,8%
IV.4 Discretionary Expenses - All Branches	21.795,6	24.278,5	2.482,9	11,4%
V. Sovereign Fund of Brazil - FSB	0,0	0,0	0,0	-
VI. Central Government Primary Balance (III - IV + V)	-22.978,8	9.450,6	32.429,4	-
National Treasury and Central Bank	8.492,9	22.671,4	14.178,4	166,9%
Social Security (RGPS)	-31.471,8	-13.220,8	18.251,0	-58,0%
Memo:				
National Treasury Primary Balance	8.492,9	22.671,4	14.178,4	166,9%
Central Bank Primary Balance	0,0	0,0	0,0	-
Social Security (RGPS) Primary Balance	-31.471,8	-13.220,8	18.251,0	-58,0%

In October 2018, the primary result of the Central Government was a surplus of R\$ 9.5 billion, compared to a deficit of R\$ 23.0 billion in September 2018 at October constant prices. There was an increase of R\$ 18.1 billion (18.7%) in net revenue, mainly due to the seasonally concentrated revenues in October, especially Financial Compensations and Income Tax. There was a decrease in total expenditure (R\$ 14.3 billion, 12.0%), because of the payment in September of the first installment of the 13th salary for the second half of social security beneficiaries receiving up to a minimum wage and for those who receive benefits greater than this value.

Central Government Revenue

Table 3.2 -Central Government Primary Revenues - Brazil - 2017/2018

R\$ million - at constant prices Oct/2018- IPCA

	2018		Variation	
	September	October	Difference	% Real
I. Total Revenue	112.118,9	132.016,5	19.897,6	17,7%
I.1 Revenues Collected by the Federal Revenue Office	67.714,7	79.177,2	11.462,5	16,9%
Import Tax	3.545,7	3.944,2	398,5	11,2%
Industrialized Products Tax (IPI)	4.667,7	4.821,8	154,1	3,3%
Income tax (IR)	23.503,7	29.631,0	6.127,3	26,1%
Tax on Credit Operations, Exchange and Insurance (IOF)	3.210,9	3.023,0	-187,9	-5,9%
Contribution to Social Security Financing (COFINS)	20.078,5	22.500,8	2.422,3	12,1%
PIS/PASEP	5.385,2	5.615,3	230,1	4,3%
Social Contribution on Net Corporate Profits (CSLL)	5.075,7	7.290,3	2.214,6	43,6%
Provisional Contribution on Financial Operations (CPMF)	0,0	0,0	0,0	-
CIDE - Fuels	225,7	230,7	5,1	2,2%
Other	2.021,6	2.120,0	98,4	4,9%
I.2 Fiscal Incentives	0,0	0,0	0,0	-
I.3 Net Social Security Revenues	30.154,3	32.038,8	1.884,5	6,2%
Urban	29.766,8	31.657,4	1.890,5	6,4%
Rural	387,5	381,4	-6,0	-1,6%
I.4 Revenues Not Collected by the Federal Revenue Office	14.249,9	20.800,5	6.550,6	46,0%
Concessions and Permissions	2.920,8	1.655,1	-1.265,7	-43,3%
Dividends	125,0	95,2	-29,8	-23,9%
Contribution to Civil Service Social Security (CPSS)	1.051,3	1.045,8	-5,6	-0,5%
Financial Compensation Quotas	2.688,8	11.732,6	9.043,7	336,3%
Own Revenues (source codes 50, 81 and 82)	988,3	1.355,3	367,0	37,1%
Education-Salary (social contribution for education)	2.447,9	1.604,3	-843,7	-34,5%
FGTS Complement (LC nº 110/01)	443,8	377,8	-66,0	-14,9%
Assets Operations	84,8	84,6	-0,2	-0,2%
Other Revenues	3.499,1	2.849,9	-649,2	-18,6%

In October 2018, total revenues from the Central Government increased R\$ 19.9 billion (17.7%) compared to the previous month, going from R\$ 112.1 billion in September 2018 to R\$ 132.0 billion in October 2018. This variation results from the combined effect of the following factors:

- Increase of R\$ 11.5 billion (16.9%) in revenues collected by the Federal Revenue Office mainly due to the step up of R\$ 6.1 billion (26.1%) in Income Tax and R\$ 2.2 (43.6%) billion in CSLL, due to the payment in October of the 1st quota or single quota of the CSLL / IRPJ related to the quarterly calculation ended in the month of September/2018; and
- increase of R\$ 6.6 billion (20.9%) in revenues not collected by Federal Revenue Office, mainly due to the quarterly collection of part of the revenue related to oil and natural gas exploration.

Transfers by Revenue Sharing

Table 3.3 - Transfers by Revenue Sharing - Brazil - 2018

R\$ million - at constant prices Oct/2018- IPCA

Discriminação	2018		Variation	
	September	October	Difference	% Real
II. Transfers by Revenue Sharing	15.076,7	17.247,2	2.170,5	14,4%
II.1 FPM / FPE / IPI-EE	11.334,7	12.763,6	1.428,9	12,6%
II.2 Constitutional Funds	752,5	777,9	25,4	3,4%
Total Transfer	674,7	905,6	230,9	34,2%
Funds Surplus	77,8	-127,8	-205,6	-
II.3 Education-Salary (social contribution for education)	965,2	983,6	18,4	1,9%
II.4 Financial Compensations	1.919,1	1.709,7	-209,4	-10,9%
II.5 CIDE - Fuels	0,0	187,6	187,6	-
II.6 Other	105,2	824,9	719,6	683,8%

In October 2018, transfers by revenue sharing increased R\$ 2.2 billion (14.4%), totaling R\$ 17.3 billion, compared to R\$ 15.1 billion in the previous month. This behavior was mainly due the step up of R\$ 1.4 billion in FPM/FPE/IPI-EE.

Central Government Expenditure

Tabela 3.4 - Central Government Primary Expenditure - Brazil - 2018

R\$ million - at constant prices Oct/2018- IPCA

	2018		Variation	
	September	October	Difference	% Real
IV. Total Expenditure	119.639,0	105.318,7	-14.320,3	-12,0%
IV.1 Social Security Benefit	61.491,0	45.259,6	-16.231,4	-26,4%
IV.1.1 Social Security Benefit - Urban	50.185,0	35.748,1	-14.437,0	-28,8%
IV.1.2 Social Security Benefit - Rural	11.582,6	9.511,5	-2.071,1	-17,9%
IV.2 Payroll	22.497,7	22.585,6	87,9	0,4%
IV.3 Other Compulsory Expenses	13.854,7	13.195,0	-659,7	-4,8%
Salary Allowance and Unemployment Benefit	3.908,8	4.492,9	584,1	14,9%
Assistance Benefits (LOAS/RMV)	4.667,7	4.706,2	38,5	0,8%
FGTS Complement (LC nº 110/01)	443,8	377,8	-66,0	-14,9%
Extraordinary credits (excluding PAC)	1.773,1	116,5	-1.656,6	-93,4%
Provisional Measures (MP) 540/11, 563/12 and 582/12 Exoneration	990,3	1.065,2	74,9	7,6%
FUNDEB (Federal Complementation)	968,3	963,9	-4,3	-0,4%
Federal District (DF) Constitutional Fund	125,6	145,1	19,6	15,6%
Judicial Remedies	155,2	158,2	3,0	1,9%
Subsídios, Subvenções e Proagro	480,8	570,3	89,5	18,6%
FIES primary impact (Student Funding)	3,7	103,1	99,4	-
Others	337,5	495,8	158,3	46,9%
IV.4 Discretionary Expenses - All Branches	21.795,6	24.278,5	2.482,9	11,4%
Executive Branch Discretionary Expenses	20.877,9	23.077,6	2.199,7	10,5%
PAC (Growth Acceleration Program)	2.310,8	3.091,3	780,5	33,8%
o/w "Minha Casa Minha Vida - MCMV" Program	653,2	748,5	95,3	14,6%
Issuance of Agricultural Debt Securities (TDA)	12,7	3,2	-9,5	-74,8%
Other Executive Branch Discretionary Expenses	18.554,4	19.983,0	1.428,6	7,7%
Legislative and Judiciary Branches and Prosecutor's Office (LEJU/MPU)	1.019,0	1.201,0	182,0	17,9%
Memo:				
Other Current and Capital Expenditures	26.523,4	27.598,9	1.075,5	4,1%
Other Current Expenditures	23.182,8	23.763,3	580,5	2,5%
Other Capital Expenditures	3.340,6	3.835,7	495,1	14,8%

In October 2018, the total expenditure of the Central Government recorded the amount of R\$ 105.3 billion, a decrease of R\$ 14.3 billion (12.0%), compared to September 2018. This variation is explained by the step down of R\$ 16.2 billion (26.4%) in Social Security Benefits, because of the payment in September of the first installment of the 13th salary for the second half of social security beneficiaries receiving up to a minimum wage and for those who receive benefits greater than this value.

Tabela 3.5 - Other Executive Branch Discretionary Expenses - Brazil - 2018

R\$ million - at constant prices Oct/2018- IPCA

Discriminação	2018		Variation	
	September	October	Difference	% Real
Total	18.541,6	19.947,8	1.406,2	7,6%
Ministry of Health	8.309,8	9.282,5	972,7	11,7%
Ministry of Education	2.870,9	2.781,8	-89,1	-3,1%
Ministry of Social Development	3.060,5	2.954,4	-106,1	-3,5%
Ministry of Defense	1.258,9	1.719,8	460,9	36,6%
Ministry of Science and Technology	397,2	388,9	-8,3	-2,1%
Other	2.644,3	2.820,5	176,2	6,7%

Social Security

Tabela 3.6 - Social Security (RGPS) Primary Balance - Brazil - 2018

R\$ million - at constant prices Oct/2018- IPCA

Discriminação	2018		Variation	
	September	October	Difference	% Real
Net Social Security Revenues	30.154,3	32.038,8	1.884,5	6,2%
Total Revenue	33.549,7	34.345,2	795,4	2,4%
Contributions deposited in banks	28.813,0	29.491,5	678,5	2,4%
Contributions from SIMPLES	3.547,4	3.510,6	-36,8	-1,0%
Debt Rescheduling REFIS	188,8	264,4	75,6	40,1%
Judicial Payments	10,3	13,5	3,2	31,3%
Social Security Compensation	990,3	1.065,2	74,9	7,6%
(-) Restituição/Devolução	-66,7	-144,1	-77,3	115,9%
(-) Transferências a Terceiros	-3.328,7	-2.162,3	1.166,4	-35,0%
Social Security Benefit	61.767,6	45.259,6	-16.508,1	-26,7%
Primary Balance	-31.613,4	-13.220,8	18.392,6	-58,2%

In October 2018, the General Social Security System (RGPS) registered a deficit of R\$ 13.2 billion compared to a deficit of R\$ 31.6 billion in the previous month. The increase in Social Security primary deficit of R\$ 18.4 billion (58.2%) is due to the combined effect of a decrease of R\$ 16.5 billion in benefits and an increase of R\$ 1.9 billion (6.2%) in net social security revenues. The increase in Social Security Benefits is due to the the payment in September of the first installment of the 13th salary for the second half of social security beneficiaries receiving up to a minimum wage and for those who receive benefits greater than this value.