

BUDGET HIGHLIGHTS 2013

- ◆ Fiscal Update FY2012
- ◆ Fiscal Outlook FY2013

EXPLANATORY NOTES

This document summarises and provides relevant highlights of the FY2013 Revenue and Expenditure Estimates presented to Parliament on 25 February 2013 as Cmd No. 3 of 2013.

1 FISCAL UPDATE ON FINANCIAL YEAR 2012

1.1 Expected Budget Outturn for FY2012

After taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC), the revised basic surplus is estimated at \$3.6 billion (or 1.1% of GDP). After factoring in the NIRC of \$7.7 billion and Top-ups to Endowment and Trust Funds of \$7.4 billion, the Overall Budget Balance for FY2012 is a surplus of \$3.9 billion (or 1.1% of GDP). The revised FY2012 revenue and expenditure estimates are summarised in [Table 1.1](#).

1.2 Operating Revenue

FY2012 Operating Revenue has been revised upwards by \$2.1 billion (or 3.9%) to \$55.2 billion. This is mainly due to higher-than-expected collections from Stamp Duty and Vehicle Quota Premiums.

Corporate Income Tax (CIT) collections are estimated at \$12.8 billion, \$0.6 billion (or 4.7%) lower than the budgeted FY2012 estimate. This is largely due to higher-than-expected claims for capital allowances.

Stamp Duty collections are now expected at \$4.2 billion, up by \$1.7 billion (or 68.0%), as the property market continued to remain buoyant in 2012.

Vehicle Quota Premiums, i.e. receipts from Certificates of Entitlement (COE), are estimated to increase by \$0.7 billion (or 36.5%) to \$2.8 billion. This is primarily due to higher COE prices.

Other Taxes are estimated to be \$4.3 billion, slightly higher than the budgeted estimate by \$0.4 billion (or 10.7%) due to higher collections from Foreign Worker Levy.

The distribution of Operating Revenue in FY2012 by the various components is shown in [Chart 1.1](#).

1.3 Total Expenditure

Revised FY2012 Total Expenditure amounts to \$50.1 billion (14.6% of GDP), \$0.2 billion (or 0.4%) lower than the budgeted FY2012 estimate. The Social Development sector takes up the largest share of Total Expenditure at 44.7%. The breakdown of government spending in the major sectors is provided in [Chart 1.2](#).

Operating Expenditure is expected to be \$37.2 billion, slightly lower than the budgeted FY2012 estimate of \$37.5 billion. Expenditure on Manpower is estimated at \$6.3 billion, \$0.2 billion (or 4.1%) higher than budgeted. Transfers to Institutions and Organisations are expected to total \$6.9 billion, higher than the budgeted estimate by \$0.3 billion (or 5.0%). This is offset by a \$0.7 billion (or 4.5%) decline in Other Operating Expenditure to \$15.1 billion.

Development Expenditure is expected to be \$12.9 billion, marginally higher than the budgeted FY2012 estimate by \$70 million (or 0.5%).

Table 1.1: Fiscal Position in FY2011 and FY2012

	Actual FY2011	Estimated FY2012	Revised FY2012	Revised FY2012 Compared to	
				Actual FY2011	Estimated FY2012
	\$billion	\$billion	\$billion	% change	% change
OPERATING REVENUE	51.08	53.08	55.18	8.0	3.9
Corporate Income Tax	12.10	13.37	12.75	5.4	(4.7)
Personal Income Tax	6.87	7.78	7.65	11.4	(1.6)
Withholding Tax	1.26	1.25	1.27	1.1	2.2
Statutory Boards' Contributions	0.35	0.44	0.54	52.6	21.4
Assets Taxes	3.90	3.69	3.79	(2.8)	2.9
Customs and Excise Taxes	2.13	2.12	2.13	(0.1)	0.4
Goods and Services Tax	8.69	9.24	8.82	1.5	(4.5)
Motor Vehicle Taxes	1.92	1.58	1.76	(8.1)	11.9
Vehicle Quota Premiums	2.11	2.02	2.76	30.7	36.5
Betting Taxes	2.37	2.40	2.30	(3.1)	(4.1)
Stamp Duty	3.18	2.49	4.18	31.5	68.0
Other Taxes	3.31	3.88	4.29	29.7	10.7
Other Fees and Charges	2.59	2.59	2.60	0.7	0.7
Others	0.30	0.25	0.33	7.7	29.5
Less:					
TOTAL EXPENDITURE	46.56	50.28	50.11	7.6	(0.4)
Operating Expenditure	35.15	37.45	37.21	5.9	(0.7)
Development Expenditure	11.41	12.83	12.90	13.0	0.5
PRIMARY SURPLUS / DEFICIT¹	4.51	2.80	5.07		
Less:					
SPECIAL TRANSFERS²	8.43	8.86	8.87	5.2	0.1
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2.91	1.46	1.47		
Growth Dividends	1.50	0.00	0.00		
GST Credits	0.00	–	0.00		
GST Vouchers ³	–	0.68	0.68		
Utilities-Save Rebates/Service and Conservancy Charges Rebates/ Rental Rebates	0.30	0.00	0.00		
Workfare ⁴	0.24	–	–		
CPF Medisave Top-ups	0.50	0.38	0.40		
Transfers to Young Singaporeans ⁵	0.08	–	0.00		
Transfers to Seniors and the Needy ⁶	0.03	0.02	0.01		
Transfers to Businesses ⁷	0.26	0.37	0.37		
BASIC SURPLUS / DEFICIT⁸	1.61	1.34	3.61		
Top-ups to Endowment and Trust Funds	5.52	7.40	7.40		
Top-ups to Endowment Funds ⁹	2.20	1.00	1.00		
National Productivity Fund	1.00	–	–		
National Research Fund	1.00	–	–		
Community Silver Trust	1.00	–	–		
Trust Fund for Workfare Special Bonus and Special Employment Credit	0.32	–	–		
GST Voucher Fund	–	2.95	2.95		
Bus Service Enhancement Fund	–	1.10	1.10		
Special Employment Credit Fund	–	2.35	2.35		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	7.92	7.33	7.65	(3.3)	4.5
OVERALL BUDGET SURPLUS / DEFICIT	4.00	1.27	3.86		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ Consists of a cash component, Utilities-Save Rebates and CPF Medisave Top-ups.

⁴ Consists of the Workfare Income Supplement Scheme (Special Payment), Workfare Special Bonus and Special Employment Credit.

⁵ Consists of Child Development Credits and Top-ups to Edusave Accounts and Post-Secondary Education Accounts.

⁶ Consists of public transport vouchers and assistance through Citizens' Consultative Committees and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

⁷ Consists of Jobs Credit, Productivity and Innovation Credit and SME Cash Grant.

⁸ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁹ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Chart 1.1: Breakdown of Government Operating Revenue in FY2012

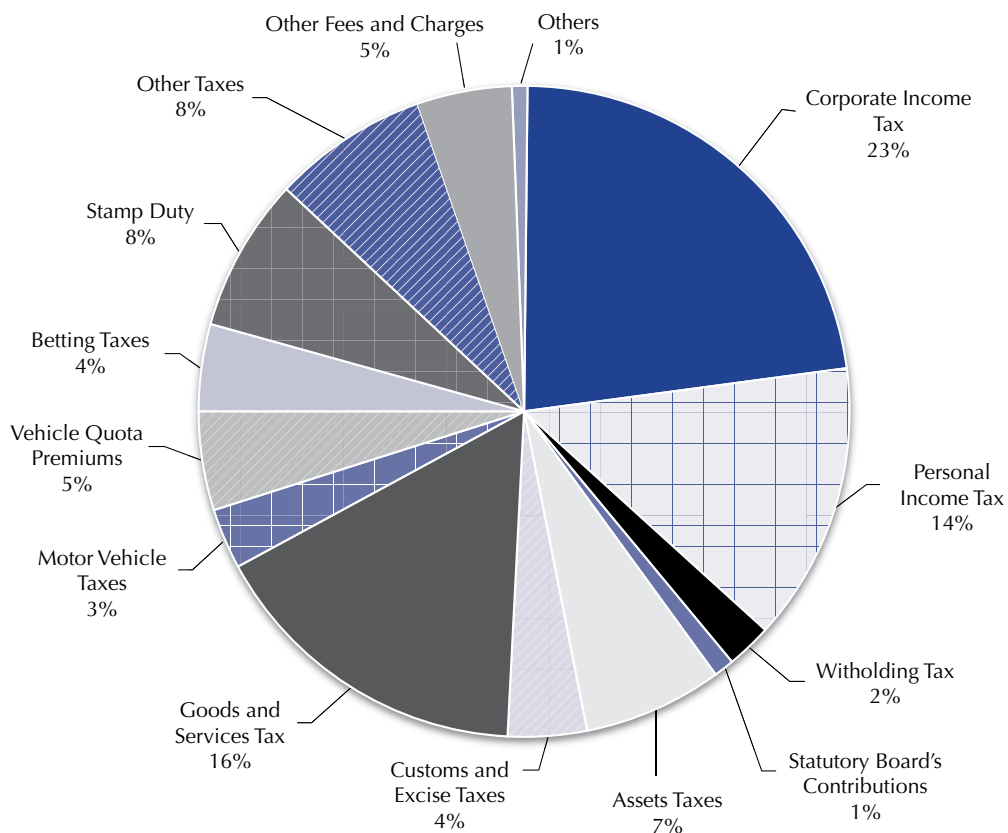
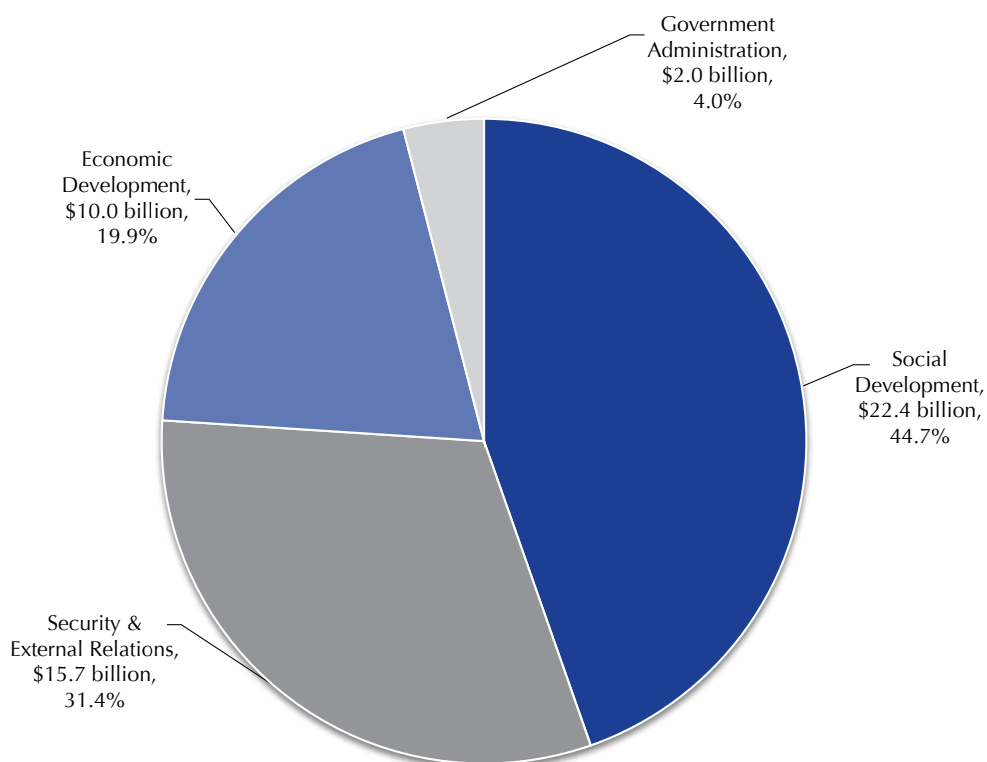


Chart 1.2: Breakdown of Government Spending by Sector in FY2012



1.4 Special Transfers

Special Transfers are expected to total \$8.9 billion in FY2012. [Table 1.2](#) shows a summary of the Special Transfers in Budget 2012.

1.5 Net Investment Returns Contribution

The Net Investment Returns Contribution (NIRC) for FY2012 is projected to be \$7.7 billion, \$0.3 billion (or 4.5%) more than FY2012 estimate.

1.6 Spending from the Government Endowment Funds

In FY2012, spending from the five government endowment funds is expected to reach about \$600 million. \$204 million from the Edusave Endowment Fund is expected to be spent in the education sector, \$175 million from the Medical Endowment Fund and ElderCare Fund in the healthcare sector, and an estimated \$98 million from the Community Care Endowment Fund in the social and family sector. Spending from the Lifelong Learning Endowment Fund to support continuing education and skills upgrading for adult Singaporeans is expected to reach about \$123 million.

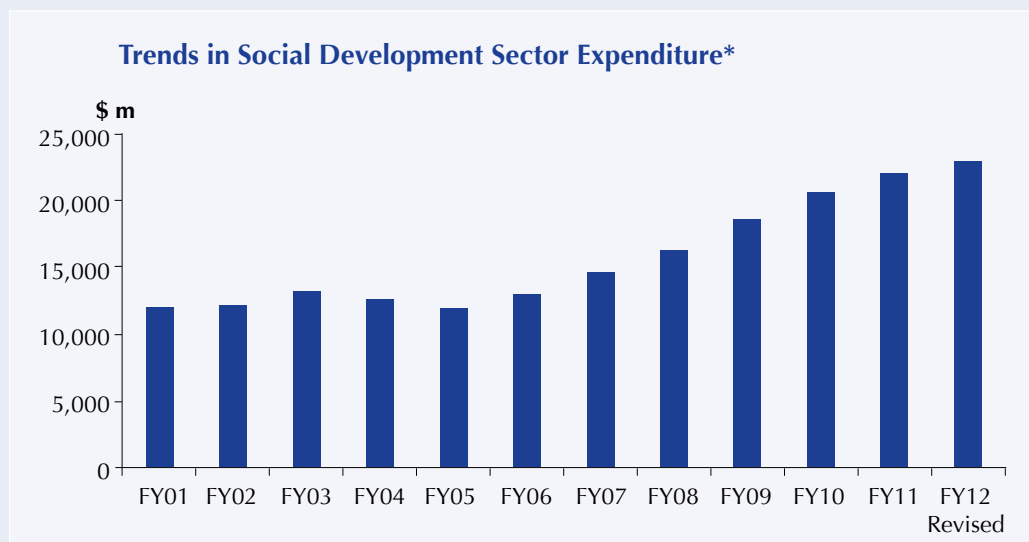
Table 1.2: Summary of FY2012 Special Transfers

Measures	Total Cost in FY2012 (\$ million)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	
GST Voucher comprising:	
i. Cash for lower-income Singaporeans	680
ii. CPF Medisave Top-ups for elderly Singaporeans	
iii. Utilities-Save Rebates for lower- and middle-income households	
CPF Medisave Top-ups	404
SME Cash Grant	295
Others [#]	87
Sub-Total	1,465
Top-ups to Endowment and Trust Funds	
GST Voucher Fund	2,952
Special Employment Credit Fund	2,350
Bus Service Enhancement Fund	1,100
Community Care Endowment Fund	200
Edusave Endowment Fund	200
Medical Endowment Fund	600
Sub-Total	7,402

[#] Consists of funds set aside for Self-Help Groups and Voluntary Welfare Organisations, Public Transport Fund and previously committed Special Transfers from past Budgets.

Box 1: Growth in Social Development Sector Expenditure

The Social Development sector accounts for the largest share of total government spending. Over the last decade, the Government has increased expenditure on social objectives significantly, both through the annual budget as well as through spending from the income of the government endowment funds.



* Expenditure in the Social Development sector including spending from the government endowment funds

Between FY2001 to FY2005, however, spending in the Social Development sector had remained flat, hovering between \$12 billion to \$13 billion. During this period, the economy experienced a prolonged period of weak growth stemming from the 2001 Dotcom recession and the 2003 SARS crisis. This led to a tight fiscal position, resulting in spending restraint and budget cuts across Government. While spending on Health and Social and Family Development continued to grow, it was offset by the decline in infrastructure spending in Public Housing and Education in FY2004 and FY2005. The lower infrastructure expenditure was due to fewer completed sites under the Selective En-Bloc Redevelopment Scheme, and the completion of the early phases of Ministry of Education's Programme for Rebuilding and Improving Existing Schools.

The Government's revenues started to grow at a faster pace from FY2006 onwards as the economy recovered. The improvements in the Government's fiscal position enabled us to step up our investments in the Social Development sector, such as healthcare infrastructure, and introduce new programmes like the Workfare Income Supplement Scheme. Consequently, social expenditure rose rapidly, by 76% between FY2006 and FY2012, from \$13 billion to \$23 billion. The share of social expenditure in total government expenditure (including government endowment fund expenditure) also rose from 43% in FY2006 to 45% in FY2012. On a per resident basis, social expenditure grew by 63% from \$3,681 in FY2006 to \$5,995 in FY2012. This works out to an annual growth of 6.8% in real terms.

2 FISCAL OUTLOOK FOR FINANCIAL YEAR 2013

2.1 Budget for FY2013

A basic surplus of \$0.3 billion (or 0.1% of GDP) is expected for FY2013. After factoring in Top-ups to Endowment and Trust Funds and NIRC of \$7.7 billion, the estimated outturn for FY2013 is an overall budget surplus of \$2.4 billion (or 0.7% of GDP).

The FY2013 Budget is summarised in [Table 2.1](#).

2.2 Operating Revenue

Operating Revenue for FY2013 is projected at \$55.0 billion. This is a decrease of \$0.2 billion (or 0.3%) over the revised FY2012 estimate. A comparison of FY2012 and FY2013 Operating Revenue is shown in [Chart 2.1](#).

CIT collections are expected to increase by \$0.2 billion (or 1.5%) from the revised FY2012 estimate to \$12.9 billion in FY2013, after taking into account the CIT rebate for Year of Assessment (YA) 2013.

Personal Income Tax (PIT) collections are expected to decrease slightly by \$0.1 billion (or 1.2%) from the revised FY2013 estimate to \$7.6 billion, after factoring in the impact of the PIT rebate for YA2013.

Goods and Services Tax collections are estimated at \$9.3 billion, \$0.5 billion (or 5.5%) higher than the revised FY2012 estimate, in line with the expansion of private consumption expenditure.

Motor Vehicle Taxes are estimated to be \$1.6 billion, a decrease of \$0.2 billion (or 12.1%) from the revised FY2012 estimate after factoring in the impact of the new tiered Additional Registration Fee structure and the road tax rebate for goods vehicles, buses and taxis for 2013. Vehicle Quota Premiums are expected to decline by \$0.3 billion (or 11.8%) to \$2.4 billion in FY2013.

Stamp Duty collections are projected to decline by \$1.1 billion (or 26.2%) to \$3.1 billion in FY2013, with some expected cooling in the property market.

Other Taxes are estimated to be \$5.1 billion in FY2013, \$0.8 billion (or 19.8%) higher than the revised FY2012 estimate, mainly due to higher Foreign Worker Levy collections.

Historical data for the revenue items are provided in [Tables 3.2a](#) and [3.2b](#) in the Statistical Annex.

Table 2.1: Fiscal Position in FY2013

	Revised FY2012	Estimated FY2013	Change over Revised FY2012	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	55.18	55.03	(0.15)	(0.3)
Corporate Income Tax	12.75	12.94	0.19	1.5
Personal Income Tax	7.65	7.56	(0.09)	(1.2)
Withholding Tax	1.27	1.14	(0.13)	(10.4)
Statutory Boards' Contributions	0.54	0.33	(0.21)	(38.2)
Assets Taxes	3.79	4.09	0.30	7.9
Customs and Excise Taxes	2.13	2.13	0.00	0.2
Goods and Services Tax	8.82	9.31	0.49	5.5
Motor Vehicle Taxes	1.76	1.55	(0.21)	(12.1)
Vehicle Quota Premiums	2.76	2.44	(0.32)	(11.8)
Betting Taxes	2.30	2.30	(0.00)	(0.2)
Stamp Duty	4.18	3.08	(1.09)	(26.2)
Other Taxes	4.29	5.14	0.85	19.8
Other Fees and Charges	2.60	2.69	0.08	3.2
Others	0.33	0.33	0.00	1.5
Less:				
TOTAL EXPENDITURE	50.11	53.41	3.30	6.6
Operating Expenditure	37.21	40.63	3.42	9.2
Development Expenditure	12.90	12.78	(0.12)	(0.9)
PRIMARY SURPLUS / DEFICIT¹	5.07	1.62		
Less:				
SPECIAL TRANSFERS²	8.87	6.90	(1.97)	(22.2)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.47	1.30		
Growth Dividends	0.00	0.00		
GST Credits	0.00	0.00		
GST Voucher and GST Voucher Special Payment ³	0.68	0.68		
Utilities-Save Rebates/Service and Conservancy Charges Rebates	0.00	0.08		
CPF Medisave Top-ups	0.40	0.31		
Transfers to Young Singaporeans ⁴	0.00	0.00		
Transfers to Seniors and the Needy ⁵	0.01	0.01		
Transfers to Businesses ⁶	0.37	0.23		
BASIC SURPLUS / DEFICIT⁷	3.61	0.32		
Top-ups to Endowment and Trust Funds	7.40	5.59		
Top-ups to Endowment Funds ⁸	1.00	2.32		
GST Voucher Fund	2.95	3.00		
Bus Service Enhancement Fund	1.10	–		
Special Employment Credit Fund	2.35	–		
Cultural Donation Matching Fund	–	0.20		
National Youth Fund	–	0.07		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	7.65	7.70	0.05	0.7
OVERALL BUDGET SURPLUS / DEFICIT	3.86	2.42		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ Consists of a cash component, Utilities-Save Rebates and CPF Medisave Top-ups.

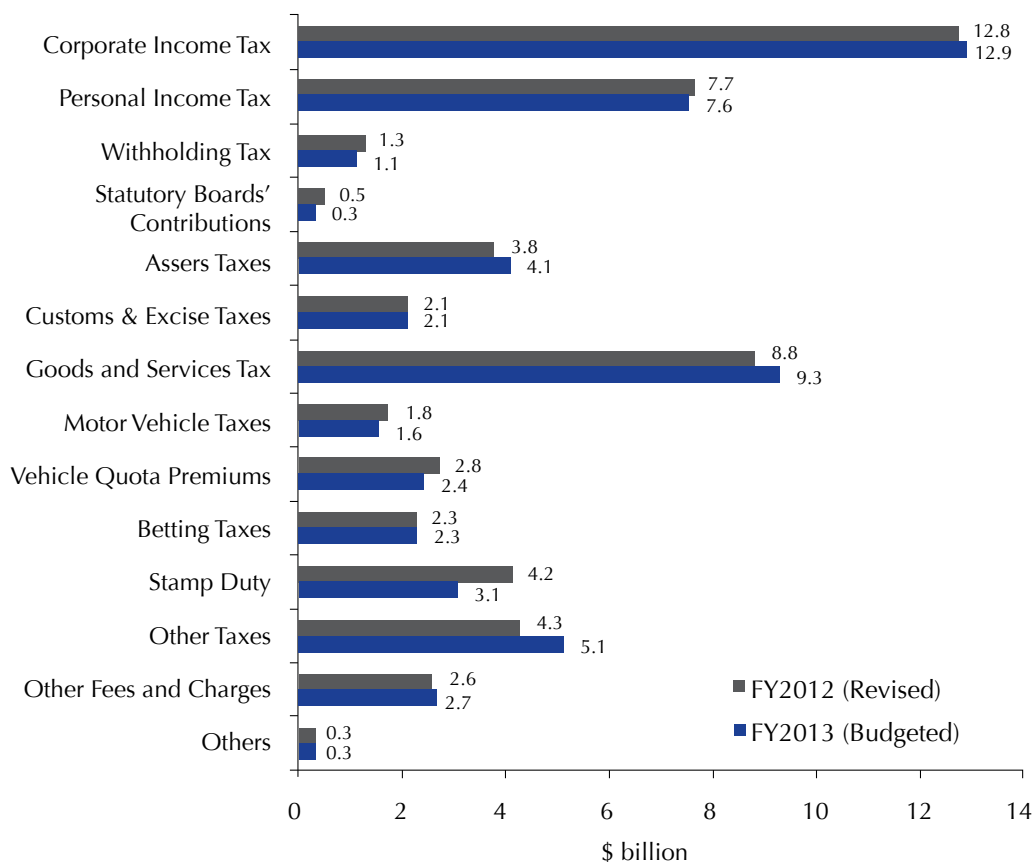
⁴ Consists of Child Development Credits and Top-ups to Post-Secondary Education Accounts.

⁵ Consists of public transport vouchers and assistance through Citizens' Consultative Committees and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

⁶ Consists of the Productivity and Innovation Credit, Productivity and Innovation Credit Bonus and SME Cash Grant.

⁷ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁸ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Chart 2.1: Breakdown of Government Operating Revenue (FY2012 and FY2013)

2.3 Total Expenditure

FY2013 Total Expenditure is estimated to be \$53.4 billion (or 14.5% of GDP). This is an increase of \$3.3 billion (or 6.6%) from the revised FY2012 estimate of \$50.1 billion. The main increases in expenditure over FY2012 are in Education and Health (see [Chart 2.2](#)).

FY2013 Education expenditure is projected to increase by \$1.1 billion (or 10.5%) due to the expansion in publicly-funded university places, as well as salary adjustments for education officers.

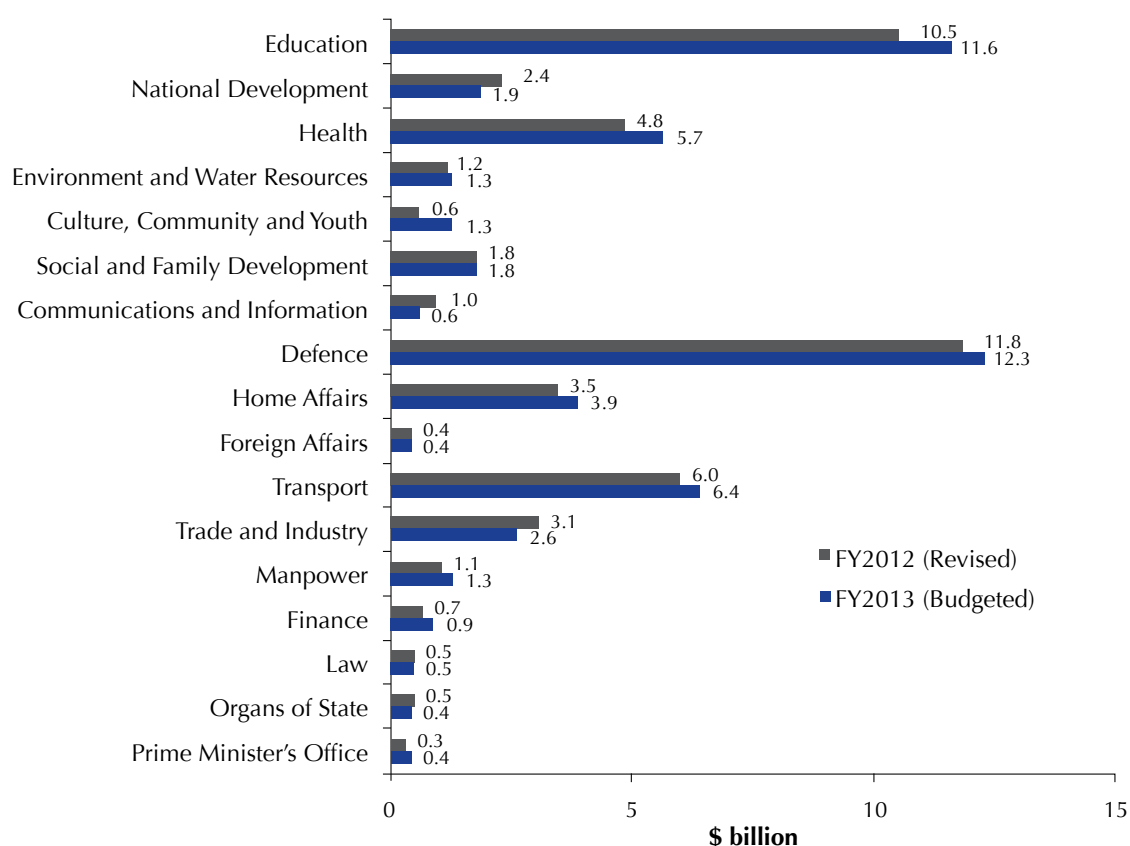
Health expenditure is expected to increase by \$0.9 billion (or 18.2%). This is mainly due to the expansion of clinical services and higher remuneration for healthcare professionals and workers, as well as enhancements in the mental health sector. The increase in expenditure will also fund the ramp-up of major healthcare

infrastructure projects, such as the Ng Teng Fong General Hospital, and other healthcare facilities.

National Development expenditure is expected to decrease by \$0.5 billion (or 21.7%), mainly due to major development projects coming to a close. These include the Lift Upgrading Programme and the Common Services Tunnel at Marina Bay. Lower expenditure for the Selective En-Bloc Redevelopment Scheme (SERS) is also expected as fewer SERS replacement flats will be completed in FY2013.

Trade and Industry expenditure is estimated to decrease by \$0.4 billion (or 13.5%) due to the tailing off of infrastructure works spending for projects like the Jurong Rock Cavern.

A detailed breakdown of government expenditure by sector is provided in [Table 3.5](#) to [Table 3.6a](#) in the Statistical Annex.

Chart 2.2: Breakdown of Total Expenditure by Sector (FY2012 and FY2013)

2.4 Special Transfers

Special Transfers to Households (\$1.1 billion)

Budget 2013 will provide some direct assistance to households to help them cope with recent increases in the cost of living. Benefits to households will total \$1.1 billion (details in [Table 2.2](#)).

Special Transfers to Businesses (\$0.2 billion)

As part of the Transition Support Package, \$0.2 billion will be set aside to help businesses restructure towards quality growth (details in [Table 2.3](#)). This excludes the cost of the Wage Credit Scheme, as disbursements will start only in FY2014.

Top-ups to Funds to Support Longer-term Commitments (\$5.6 billion)

In Budget 2013, the Government will top up the GST Voucher Fund by an additional \$3.0 billion. This will ensure sufficient funds for the Government to make the yearly GST Voucher payouts up to FY2020.

We will also make further top-ups to the Medical Endowment Fund, ElderCare Fund, Edusave Endowment Fund, Community Care Endowment Fund and Lifelong Learning Endowment Fund, to support our long-term commitments in healthcare, education, social assistance and enhancing the employability of our workforce. We will also set up the Cultural Donation Matching Fund and National Youth Fund.

In total, \$5.6 billion will be transferred to both new and existing funds (details in [Table 2.4](#)).

Table 2.2: Special Transfers to Households

Measures	Total Cost in FY2013 (\$ million)
GST Voucher Special Payment comprising:	
i. Cash for lower-income Singaporeans	
ii. CPF Medisave Top-ups for elderly Singaporeans	
iii. Utilities-Save Rebates for lower and middle income households	680
CPF Medisave Top-ups	308
Service and Conservancy Charges Rebates	77
Others [#]	5
Total	1,070

[#] Consists of funds set aside for Self-Help Groups and Voluntary Welfare Organisations and previously committed Special Transfers from past Budgets.

Table 2.3: Special Transfers to Businesses

Measures	Total Cost in FY2013 (\$ million)
Productivity and Innovation Credit Bonus	150
Productivity and Innovation Credit*	72
SME Cash Grant*	10
Total	232

* Special Transfers committed in past Budgets.

Table 2.4: Top-ups to Funds to Support Longer-term Commitments

Measures	Top-up Amount in FY2013 (\$ million)
New Funds	
Cultural Donation Matching Fund	200
National Youth Fund	72
Existing Funds	
GST Voucher Fund	3,000
Medical Endowment Fund	1,000
Lifelong Learning Endowment Fund	500
Edusave Endowment Fund [^]	372
Community Care Endowment Fund	200
ElderCare Fund	250
Total	5,594

[^] Includes the \$72 million top-up to the Opportunity Fund.

2.5 Macroeconomic Stability

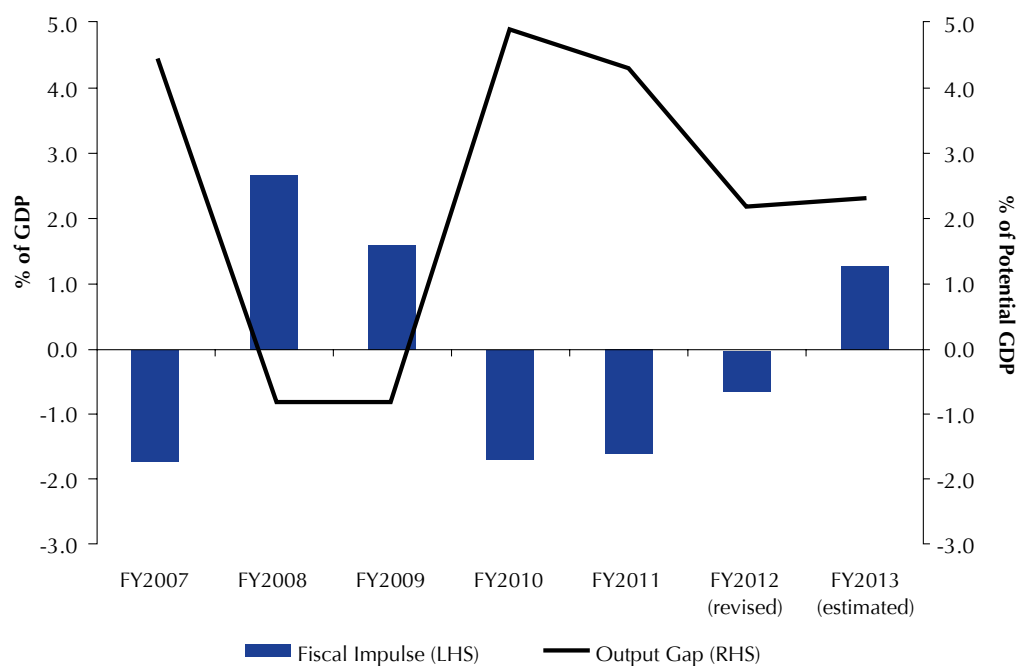
Global macroeconomic conditions have stabilised in recent months as financial market conditions improved. Nevertheless, global economic growth is likely to remain subdued. Against this macroeconomic backdrop, the outlook for the Singapore economy remains cautiously positive. The Ministry of Trade and Industry is projecting economic growth of 1 % to 3% for 2013.

While economic growth has and will be relatively subdued in 2012 and 2013, the exceptional growth in 2010 means that the

economy has been operating at above potential since recovering from the global financial crisis. Nevertheless, the output gap has receded significantly although it is expected to remain positive in FY2013.

The fiscal impulse is expected to be positive in FY2013 (see [Chart 2.4](#)). This is mainly due to tax rebates and increases in transfers to businesses and households to support economic restructuring and provide assistance with the cost of living. A successful restructuring of the economy would increase the potential of the economy and reduce inflationary pressures over time.

Chart 2.4: Fiscal Impulse and Output Gap



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STATISTICAL ANNEX

Table 3.1a: Overall Fiscal Position for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Operating Revenue	40,375	41,086	39,547	46,060	51,077	55,178	55,028
Tax Revenue	36,630	37,709	36,617	41,848	46,076	49,488	49,574
Fees and Charges	3,630	3,212	2,765	3,986	4,699	5,365	5,123
Others	115	165	165	226	302	325	330
Total Expenditure	32,982	38,091	41,891	45,338	46,563	50,105	53,410
Operating Expenditure	25,952	28,734	30,909	33,270	35,150	37,207	40,627
Development Expenditure ¹	7,030	9,357	10,982	12,068	11,413	12,899	12,783
Primary Surplus / Deficit	7,393	2,996	(2,344)	722	4,514	5,073	1,618
Special Transfers²	2,142	7,099	5,481	7,095	8,427	8,867	6,896
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1,342	4,089	4,071	1,505	2,909	1,465	1,302
Basic Surplus / Deficit³	6,051	(1,093)	(6,416)	(782)	1,605	3,607	316
Top-ups to Endowment and Trust Funds	800	3,010	1,410	5,590	5,517	7,402	5,594
NII / NIR Contribution⁴	2,405	4,343	7,006	7,352	7,916	7,653	7,703
Overall Budget Surplus / Deficit	7,656	239	(819)	980	4,003	3,858	2,425

Table 3.1b: Overall Fiscal Position for FY2007 to FY2013 (% of GDP)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Operating Revenue	14.8%	15.6%	14.0%	14.5%	15.5%	16.1%	14.9%
Tax Revenue	13.4%	14.3%	13.0%	13.2%	14.0%	14.4%	13.4%
Fees and Charges	1.3%	1.2%	1.0%	1.3%	1.4%	1.6%	1.4%
Others	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Expenditure	12.1%	14.5%	14.9%	14.3%	14.1%	14.6%	14.5%
Operating Expenditure	9.5%	10.9%	11.0%	10.5%	10.7%	10.8%	11.0%
Development Expenditure ¹	2.6%	3.6%	3.9%	3.8%	3.5%	3.8%	3.5%
Primary Surplus / Deficit	2.7%	1.1%	(0.8%)	0.2%	1.4%	1.5%	0.4%
Special Transfers²	0.8%	2.7%	1.9%	2.2%	2.6%	2.6%	1.9%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	0.5%	1.6%	1.4%	0.5%	0.9%	0.4%	0.4%
Basic Surplus / Deficit³	2.2%	(0.4%)	(2.3%)	(0.2%)	0.5%	1.1%	0.1%
Top-ups to Endowment and Trust Funds	0.3%	1.1%	0.5%	1.8%	1.7%	2.2%	1.5%
NII / NIR Contribution⁴	0.9%	1.6%	2.5%	2.3%	2.4%	2.2%	2.1%
Overall Budget Surplus / Deficit	2.8%	0.1%	(0.3%)	0.3%	1.2%	1.1%	0.7%

Note: Negative figures are shown in parentheses.

¹ Development Expenditure excludes land-related expenditure.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Income / Returns Contribution.

⁴ Prior to FY2009, up to 50% of Net Investment Income (NII) could be taken into the annual Budget for spending. With effect from FY2009, under the Net Investment Returns (NIR) framework, up to 50% of the expected long-term real rate of returns on relevant assets specified in the Constitution can be taken in for spending. For the other assets, up to 50% of the net investment income can continue to be used for spending in the annual budget.

Table 3.2a: Revenue Collections for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Operating Revenue	40,375	41,086	39,547	46,060	51,077	55,178	55,028
Corporate Income Tax	9,250	10,554	9,551	10,687	12,096	12,750	12,935
Personal Income Tax	4,537	5,414	6,114	6,470	6,871	7,653	7,562
Withholding Tax	1,150	1,176	1,137	957	1,258	1,272	1,140
Statutory Boards' Contributions	1,683	2,143	410	573	353	539	333
Assets Taxes	2,582	2,904	1,987	2,803	3,902	3,791	4,092
Customs and Excise Taxes	1,985	2,065	2,125	2,048	2,133	2,130	2,135
Goods and Services Tax	6,165	6,487	6,914	8,198	8,687	8,820	9,309
Motor Vehicle Taxes	2,189	1,835	1,856	1,851	1,920	1,764	1,551
Vehicle Quota Premiums	673	367	623	1,602	2,112	2,761	2,436
Betting Taxes	1,713	1,771	1,727	2,279	2,373	2,301	2,297
Stamp Duty	3,677	1,432	2,386	3,277	3,175	4,176	3,082
Other Taxes ¹	1,698	1,929	2,410	2,706	3,307	4,291	5,139
Other Fees and Charges ²	2,956	2,845	2,142	2,384	2,587	2,605	2,687
Others	115	165	165	226	302	325	330

Table 3.2b: Revenue Collections for FY2007 to FY2013 (% of GDP)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Operating Revenue	14.8%	15.6%	14.0%	14.5%	15.5%	16.1%	14.9%
Corporate Income Tax	3.4%	4.0%	3.4%	3.4%	3.7%	3.7%	3.5%
Personal Income Tax	1.7%	2.1%	2.2%	2.0%	2.1%	2.2%	2.0%
Withholding Tax	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.3%
Statutory Boards' Contributions	0.6%	0.8%	0.1%	0.2%	0.1%	0.2%	0.1%
Assets Taxes	0.9%	1.1%	0.7%	0.9%	1.2%	1.1%	1.1%
Customs and Excise Taxes	0.7%	0.8%	0.8%	0.6%	0.6%	0.6%	0.6%
Goods and Services Tax	2.3%	2.5%	2.5%	2.6%	2.6%	2.6%	2.5%
Motor Vehicle Taxes	0.8%	0.7%	0.7%	0.6%	0.6%	0.5%	0.4%
Vehicle Quota Premiums	0.2%	0.1%	0.2%	0.5%	0.6%	0.8%	0.7%
Betting Taxes	0.6%	0.7%	0.6%	0.7%	0.7%	0.7%	0.6%
Stamp Duty	1.3%	0.5%	0.8%	1.0%	1.0%	1.2%	0.8%
Other Taxes ¹	0.6%	0.7%	0.9%	0.9%	1.0%	1.3%	1.4%
Other Fees and Charges ²	1.1%	1.1%	0.8%	0.8%	0.8%	0.8%	0.7%
Others	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

² Includes Licenses, Permits, Service Fees, Rental of Premises and Fines and Forfeitures.

Table 3.3: Breakdown of Total Expenditure by Sector for FY2012 and FY2013 (\$ million)

	FY2012 (Revised)			FY2013 (Budgeted)		
	Total Expenditure	Operating Expenditure	Development Expenditure	Total Expenditure	Operating Expenditure	Development Expenditure
Total¹	50,105	37,207	12,899	53,410	40,627	12,783
Social Development	22,415	18,847	3,568	24,606	21,109	3,496
Education	10,526	9,692	834	11,635	10,660	975
National Development	2,368	967	1,402	1,854	808	1,045
Health	4,802	4,185	617	5,676	4,929	747
Environment and Water Resources	1,194	830	364	1,287	959	328
Culture, Community and Youth	603	374	229	1,300	1,000	300
Social and Family Development	1,798	1,759	39	1,816	1,760	56
Communications and Information	528	445	83	337	292	46
Manpower (Financial Security and Lifelong Employability)	595	595	0	701	701	0
Security & External Relations	15,724	14,999	725	16,676	15,796	880
Defence	11,829	11,339	490	12,335	11,895	440
Home Affairs	3,492	3,302	190	3,892	3,512	380
Foreign Affairs	403	358	45	449	389	60
Economic Development	9,953	1,905	8,048	9,930	2,034	7,896
Transport	5,964	540	5,424	6,405	562	5,843
Trade and Industry	3,058	689	2,370	2,645	696	1,949
Manpower (excluding Financial Security and Lifelong Employability)	494	463	31	567	528	40
Info-Communications and Media Development	437	214	223	312	248	65
Government Administration	2,013	1,455	558	2,198	1,688	511
Finance	672	640	33	902	767	136
Law	498	172	327	459	176	282
Organs of State	514	345	169	431	395	37
Prime Minister's Office	329	298	30	406	350	56

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.4: Operating Expenditure by Sector for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Total	25,952	28,734	30,909	33,270	35,150	37,207	40,627
Social Development	11,475	13,200	14,714	16,459	18,056	18,847	21,109
Education	6,786	7,477	7,838	8,999	9,698	9,692	10,660
National Development	900	805	959	790	1,428	967	808
Health	2,019	2,379	2,920	3,258	3,489	4,185	4,929
Environment and Water Resources	453	606	656	720	726	830	959
Culture, Community and Youth	–	–	–	–	–	374	1,000
Social and Family Development	962	1,182	1,565	1,829	1,721	1,759	1,760
Communications and Information	352	412	422	500	525	445	292
Manpower (Financial Security and Lifelong Employability)	2	340	354	364	469	595	701
Security & External Relations	12,400	13,219	13,523	13,920	14,088	14,999	15,796
Defence	9,660	10,397	10,603	10,623	10,797	11,339	11,895
Home Affairs	2,428	2,478	2,577	2,937	2,947	3,302	3,512
Foreign Affairs	311	344	343	360	344	358	389
Economic Development	1,111	1,284	1,565	1,666	1,675	1,905	2,034
Transport	321	367	371	456	464	540	562
Trade and Industry	528	660	704	684	671	689	696
Manpower (excluding Financial Security and Lifelong Employability)	225	224	414	439	380	463	528
Info-Communications and Media Development	37	33	76	88	160	214	248
Government Administration	967	1,030	1,107	1,225	1,331	1,455	1,688
Finance	438	484	528	552	617	640	767
Law	107	118	127	119	123	172	176
Organs of State	247	235	249	313	318	345	395
Prime Minister's Office	176	194	203	240	273	298	350

Note: Figures may not add up due to rounding.

Table 3.5: Development Expenditure by Sector for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Total¹	7,030	9,357	10,982	12,068	11,413	12,899	12,783
Social Development	2,824	2,738	3,431	3,643	3,603	3,568	3,496
Education	742	753	847	877	1,042	834	975
National Development	1,187	1,095	1,307	1,646	1,572	1,402	1,045
Health	185	336	711	485	453	617	747
Environment and Water Resources	381	325	323	406	349	364	328
Culture, Community and Youth	–	–	–	–	–	229	300
Social and Family Development	234	96	115	120	64	39	56
Communications and Information	95	132	128	109	123	83	46
Manpower (Financial Security and Lifelong Employability)	0	1	0	0	0	0	0
Security & External Relations	829	777	861	718	718	725	880
Defence	349	328	440	438	479	490	440
Home Affairs	396	387	350	240	194	190	380
Foreign Affairs	83	61	71	40	44	45	60
Economic Development	3,189	5,644	6,477	7,490	6,896	8,048	7,896
Transport	1,621	3,379	4,082	4,250	4,003	5,424	5,843
Trade and Industry	1,516	2,183	2,334	2,673	2,553	2,370	1,949
Manpower (excluding Financial Security and Lifelong Employability)	24	35	23	42	62	31	40
Info-Communications and Media Development	28	48	38	525	278	223	65
Government Administration	187	198	213	217	197	558	511
Finance	44	25	17	21	30	33	136
Law	123	153	166	148	130	327	282
Organs of State	6	10	17	14	17	169	37
Prime Minister's Office	14	9	12	34	20	30	56

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.6a: Total Expenditure by Sector for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Total¹	32,982	38,091	41,891	45,338	46,563	50,105	53,410
Social Development	14,299	15,938	18,146	20,102	21,660	22,415	24,606
Education	7,528	8,230	8,685	9,875	10,740	10,526	11,635
National Development	2,087	1,900	2,266	2,436	3,000	2,368	1,854
Health	2,205	2,715	3,631	3,743	3,942	4,802	5,676
Environment and Water Resources	834	931	979	1,126	1,075	1,194	1,287
Culture, Community and Youth	–	–	–	–	–	603	1,300
Social and Family Development	1,196	1,278	1,680	1,949	1,785	1,798	1,816
Communications and Information	448	545	550	609	647	528	337
Manpower (Financial Security and Lifelong Employability)	2	341	354	364	469	595	701
Security & External Relations	13,228	13,996	14,383	14,638	14,806	15,724	16,676
Defence	10,009	10,726	11,043	11,061	11,276	11,829	12,335
Home Affairs	2,824	2,865	2,927	3,177	3,141	3,492	3,892
Foreign Affairs	394	406	413	399	388	403	449
Economic Development	4,300	6,928	8,042	9,157	8,570	9,953	9,930
Transport	1,942	3,746	4,453	4,706	4,467	5,964	6,405
Trade and Industry	2,043	2,843	3,038	3,357	3,224	3,058	2,645
Manpower (excluding Financial Security and Lifelong Employability)	249	258	436	482	442	494	567
Info-Communications and Media Development	65	81	114	613	438	437	312
Government Administration	1,155	1,228	1,320	1,442	1,528	2,013	2,198
Finance	482	509	545	573	647	672	902
Law	229	271	293	267	253	498	459
Organs of State	253	245	267	327	335	514	431
Prime Minister's Office	190	203	215	274	293	329	406

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.6b: Total Expenditure by Sector for FY2007 to FY2013 (% of GDP)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Total¹	12.1%	14.5%	14.9%	14.3%	14.1%	14.6%	14.5%
Social Development	5.2%	6.0%	6.4%	6.3%	6.6%	6.5%	6.7%
Education	2.8%	3.1%	3.1%	3.1%	3.3%	3.1%	3.1%
National Development	0.8%	0.7%	0.8%	0.8%	0.9%	0.7%	0.5%
Health	0.8%	1.0%	1.3%	1.2%	1.2%	1.4%	1.5%
Environment and Water Resources	0.3%	0.4%	0.3%	0.4%	0.3%	0.3%	0.3%
Culture, Community and Youth	–	–	–	–	–	0.2%	0.4%
Social and Family Development	0.4%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%
Communications and Information	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%
Manpower (Financial Security and Lifelong Employability)	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Security & External Relations	4.8%	5.3%	5.1%	4.6%	4.5%	4.6%	4.5%
Defence	3.7%	4.1%	3.9%	3.5%	3.4%	3.4%	3.3%
Home Affairs	1.0%	1.1%	1.0%	1.0%	1.0%	1.0%	1.1%
Foreign Affairs	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Economic Development	1.6%	2.6%	2.9%	2.9%	2.6%	2.9%	2.7%
Transport	0.7%	1.4%	1.6%	1.5%	1.4%	1.7%	1.7%
Trade and Industry	0.7%	1.1%	1.1%	1.1%	1.0%	0.9%	0.7%
Manpower (excluding Financial Security and Lifelong Employability)	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%	0.2%
Info-Communications and Media Development	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
Government Administration	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
Finance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Law	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.7: Total Expenditure by Expenditure Type for FY2007 to FY2013 (\$ million)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised)	FY2013 (Budgeted)
Total Expenditure	32,982	38,091	41,891	45,338	46,563	50,105	53,410
Operating Expenditure	25,952	28,734	30,909	33,270	35,150	37,207	40,627
Running Costs	21,710	23,082	24,232	25,910	26,733	28,116	29,883
Expenditure on Manpower	4,736	4,677	4,765	5,857	5,668	6,286	6,660
Other Operating Expenditure	12,763	13,537	13,974	14,067	14,318	15,087	16,108
Grants, Subventions & Capital Injections to Organisations	4,211	4,868	5,493	5,986	6,747	6,742	7,115
Transfers	4,242	5,651	6,677	7,360	8,417	9,091	10,744
Social Transfers to Individuals	665	1,134	1,409	1,483	1,690	2,032	2,487
Transfers to Institutions & Organisations	3,470	4,398	5,131	5,742	6,622	6,934	8,061
International Organisations & Overseas Development Assistance	107	119	137	136	105	125	195
Development Expenditure¹	7,030	9,357	10,982	12,068	11,413	12,899	12,783
Government Development	3,086	3,285	4,309	4,529	4,388	4,934	4,676
Grants & Capital Injections to Organisations	3,944	6,072	6,673	7,538	7,025	7,965	8,107

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.8: Headcount by Ministry for FY2007 to FY2013

	FY2007 ¹	FY2008	FY2009	FY2010	FY2011	FY2012 (Revised) ²	FY2013 (Budgeted) ³
Civil List	53	55	54	53	56	62	62
Attorney-General's Chambers	253	267	338	355	417	518	556
Auditor-General's Office	104	114	145	159	159	182	178
Cabinet Office	11	11	12	11	10	10	12
Judicature	537	566	616	638	700	810	902
Parliament	46	44	42	45	46	61	61
Presidential Councils	8	8	8	4	4	6	6
Public Service Commission	10	9	12	13	13	14	14
Social and Family Development	3,760	4,190	4,424	4,835	4,757	1,203	1,253
Defence	1,525	1,524	1,525	283	282	282	282
Education	46,666	47,737	51,512	52,278	53,947	59,976	60,316
Environment and Water Resources	3,485	3,711	3,696	3,995	4,076	4,508	4,681
Finance	2,906	3,074	3,260	3,409	3,452	3,683	3,715
Foreign Affairs	1,149	1,178	1,234	1,249	1,269	1,453	1,515
Health	1,162	1,175	1,219	1,349	1,432	1,530	1,530
Home Affairs	20,994	20,808	22,875	23,324	23,949	26,284	27,225
Communications and Information	2,684	2,869	2,975	3,688	3,863	3,842	3,856
Law	733	760	765	811	871	989	1,020
Manpower	1,701	1,797	2,037	2,154	2,194	2,527	2,587
National Development	6,673	6,910	7,115	7,061	7,217	8,122	8,225
Prime Minister's Office	468	512	525	613	740	929	998
Trade and Industry	2,607	2,636	2,795	2,664	2,931	3,067	3,067
Transport	3,547	3,753	4,204	4,233	4,394	4,946	4,946
Culture, Community and Youth	–	–	–	–	–	5,061	5,011
Total	101,082	103,708	111,388	113,224	116,779	130,065	132,018

Note:

Establishments reflect the number of officers that ministries can hire, but are not reflective of actual headcount, as establishments may not be filled by ministries even though they may be kept in anticipation of a future need.

¹ Figures for FY2007 to FY2011 are for actual headcount.

² Figures for FY2012 are for revised establishments.

³ Figures for FY2013 are for budgeted establishments.

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GLOSSARY

GLOSSARY OF TERMS

Assets Taxes

Assets Taxes refer to Property Tax and Estate Duty. Property Tax is a tax on the ownership of property and is payable by all property owners on the properties owned by them. Estate Duty is a tax on the total market value of a person's assets (cash and non-cash) at the date of his or her death. Estate Duty will not apply to a person who dies after 15 Feb 2008.

Customs Duties

Taxes on goods imported into Singapore. In Singapore, Customs Duties are principally imposed on alcoholic beverages.

Development Expenditure

Expenses that represent a longer-term investment or result in the formation of a capitalisable asset of the Government. Examples of spending areas are the acquisition of heavy equipment, as well as capitalisable assets, e.g. buildings and roads.

Excise Duties

Taxes on goods, whether manufactured in Singapore or elsewhere. In Singapore, Excise Duties are imposed principally on tobacco, petroleum products, motor vehicles and liquor to achieve social and transport policy objectives.

Fiscal Impulse

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates an expansionary fiscal stance while a negative impulse indicates a contractionary stance.

Financial Year (FY)

The Singapore Government's Financial Year 2012 is from 1 April 2012 to 31 March 2013.

Government Endowment Fund

A fund established with an injection of government monies as principal on which the income generated will be used to finance specific programmes on an ongoing basis. Examples of government endowment funds include the Community Care Endowment Fund, Edusave Endowment Fund, the ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Government Trust Fund

A fund established with an injection of Government monies as principal, which is drawn down to finance specific programmes on an ongoing basis. Examples of government trust funds include the National Research Fund and the GST Voucher Fund.

Net Investment Returns Contribution

Contributions from our investment returns on our reserves, where Net Investment Returns (NIR) is the sum of: (1) up to 50% of the expected long-term real rate of return on the relevant assets specified in the Constitution; and (2) up to 50% of the Net Investment Income (NII) on the remaining assets. The NIRC allows Singaporeans to benefit from the investments of GIC (Government of Singapore Investment Corporation) and Temasek as they supplement the annual Budget.

Operating Revenue

Government receipts credited to the Consolidated Revenue Account and Development Fund Account, excluding investment and interest income, capital receipts (lumpy and less regular in timing) and investment adjustments. The main components are Corporate Income Tax, Personal Income Tax and Goods and Services Tax.

Operating Expenditure

Expenses incurred to maintain the operations and other regular activities of the Government. Components include expenditure on manpower, other operating expenditure and operating grants to statutory boards and aided educational institutions.

Other Taxes

Other taxes comprise the Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

Output Gap

The difference between the actual level of activity in an economy (as measured by GDP) versus the sustainable amount of activity given the capacity of the economy (i.e. the level of GDP that the economy could potentially achieve without creating unhealthy inflationary pressures). It measures the degree of resource utilisation of the economy. The output gap is typically reported as a percentage of GDP to give a sense of the proportion to which the economy is over or under capacity. Where the output gap is negative, the economy is not operating at full capacity, with higher levels of unemployment. Where the output gap is positive, it indicates that the economy is operating at over-capacity, resources are stretched and inflation pressures are strong.

To promote macroeconomic stability, the Government's fiscal policies aim to be countercyclical – contractionary to prevent overheating when the economy has a positive output gap; and expansionary to stimulate growth when the economy has a negative output gap.

Past Reserves

The reserves not accumulated by the Government during its current term of office, with reserves being the excess of assets over liabilities.

Primary Budget Position

The Primary Budget Position, defined as Operating Revenue less Total Expenditure, measures the ability of the Government to meet its annual expenditures through its regular collection of revenue (taxes, fees and charges).

Stamp Duty

A tax imposed on commercial and legal documents relating to unlisted stocks and shares and immovable property.

Statutory Boards' Contributions

Statutory Boards are required under the Statutory Corporations (Contributions to Consolidated Fund) Act to provide revenues not allocated to specific purposes by any written law into the Government Consolidated Fund.

Total Expenditure

Sum of Operating and Development Expenditure. It excludes Special Transfers unless otherwise mentioned.

Withholding Tax

A non-resident is liable to pay income tax on Singapore-sourced income. Under the law, when a person makes payment of a specified nature to a non-resident, he has to withhold a percentage of that payment and pay the amount withheld to IRAS. The amount withheld is called the Withholding Tax.

Year of Assessment (YA)

Year in which tax on the income earned in the preceding year is assessed.