

# 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<br>FY2011 | Estimated<br>FY2012 | Revised<br>FY2012 | Revised FY2012<br>Compared to |                     |
|---|------------------|---------------------|-------------------|-------------------------------|---------------------|
|   |                  |                     |                   | Actual<br>FY2011              | Estimated<br>FY2012 |
|   | \$billion        | \$billion           | \$billion         | % change                      | % change            |
| <b>OPERATING REVENUE</b>  | <b>51.08</b>     | <b>53.08</b>        | <b>55.18</b>      | <b>8.0</b>                    | <b>3.9</b>          |
| 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:   |                  |                     |                   |                               |                     |
| <b>TOTAL EXPENDITURE</b>  | <b>46.56</b>     | <b>50.28</b>        | <b>50.11</b>      | <b>7.6</b>                    | <b>(0.4)</b>        |
| Operating Expenditure   | 35.15            | 37.45               | 37.21             | 5.9                           | (0.7)               |
| Development Expenditure   | 11.41            | 12.83               | 12.90             | 13.0                          | 0.5                 |
| <b>PRIMARY SURPLUS / DEFICIT<sup>1</sup></b>                                      | <b>4.51</b>      | <b>2.80</b>         | <b>5.07</b>       |                               |                     |
| Less:   |                  |                     |                   |                               |                     |
| <b>SPECIAL TRANSFERS<sup>2</sup></b>  | <b>8.43</b>      | <b>8.86</b>         | <b>8.87</b>       | <b>5.2</b>                    | <b>0.1</b>          |
| <b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>           | <b>2.91</b>      | <b>1.46</b>         | <b>1.47</b>       |                               |                     |
| Growth Dividends  | 1.50             | 0.00                | 0.00              |                               |                     |
| GST Credits   | 0.00             | –                   | 0.00              |                               |                     |
| GST Vouchers <sup>3</sup>   | –                | 0.68                | 0.68              |                               |                     |
| Utilities-Save Rebates/Service and Conservancy Charges Rebates/<br>Rental Rebates | 0.30             | 0.00                | 0.00              |                               |                     |
| Workfare <sup>4</sup>   | 0.24             | –                   | –                 |                               |                     |
| CPF Medisave Top-ups  | 0.50             | 0.38                | 0.40              |                               |                     |
| Transfers to Young Singaporeans <sup>5</sup>                                      | 0.08             | –                   | 0.00              |                               |                     |
| Transfers to Seniors and the Needy <sup>6</sup>                                   | 0.03             | 0.02                | 0.01              |                               |                     |
| Transfers to Businesses <sup>7</sup>  | 0.26             | 0.37                | 0.37              |                               |                     |
| <b>BASIC SURPLUS / DEFICIT<sup>8</sup></b>  | <b>1.61</b>      | <b>1.34</b>         | <b>3.61</b>       |                               |                     |
| <b>Top-ups to Endowment and Trust Funds</b>                                       | <b>5.52</b>      | <b>7.40</b>         | <b>7.40</b>       |                               |                     |
| Top-ups to Endowment Funds <sup>9</sup>   | 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<br>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:  |                  |                     |                   |                               |                     |
| <b>NET INVESTMENT RETURNS CONTRIBUTION</b>  | <b>7.92</b>      | <b>7.33</b>         | <b>7.65</b>       | <b>(3.3)</b>                  | <b>4.5</b>          |
| <b>OVERALL BUDGET SURPLUS / DEFICIT</b>   | <b>4.00</b>      | <b>1.27</b>         | <b>3.86</b>       |                               |                     |

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

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

<sup>2</sup> Special Transfers include Top-ups to Endowment and Trust Funds.

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

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

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

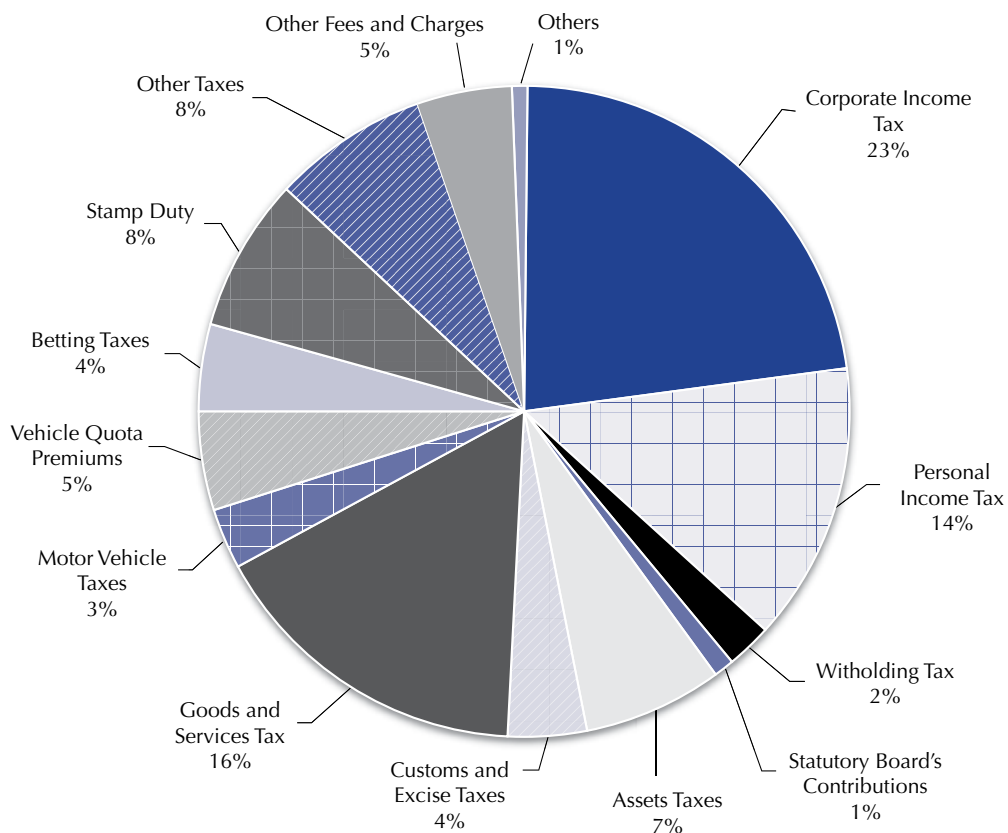
<sup>6</sup> Consists of public transport vouchers and assistance through Citizens' Consultative Committees and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

<sup>7</sup> Consists of Jobs Credit, Productivity and Innovation Credit and SME Cash Grant.

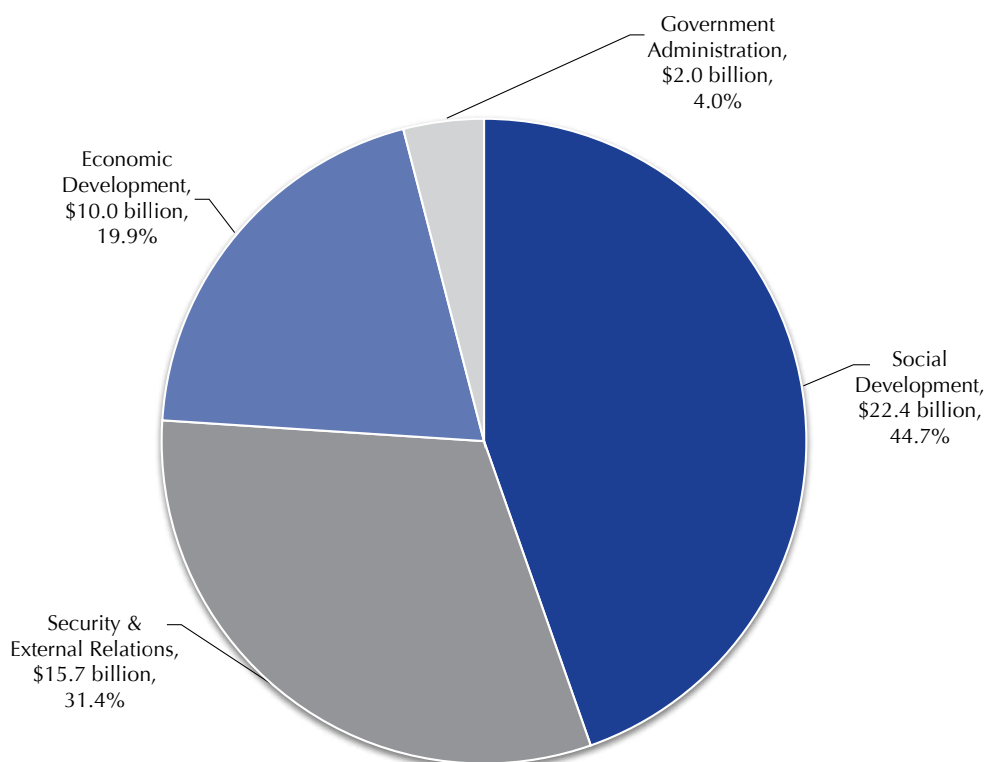
<sup>8</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

<sup>9</sup> 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.

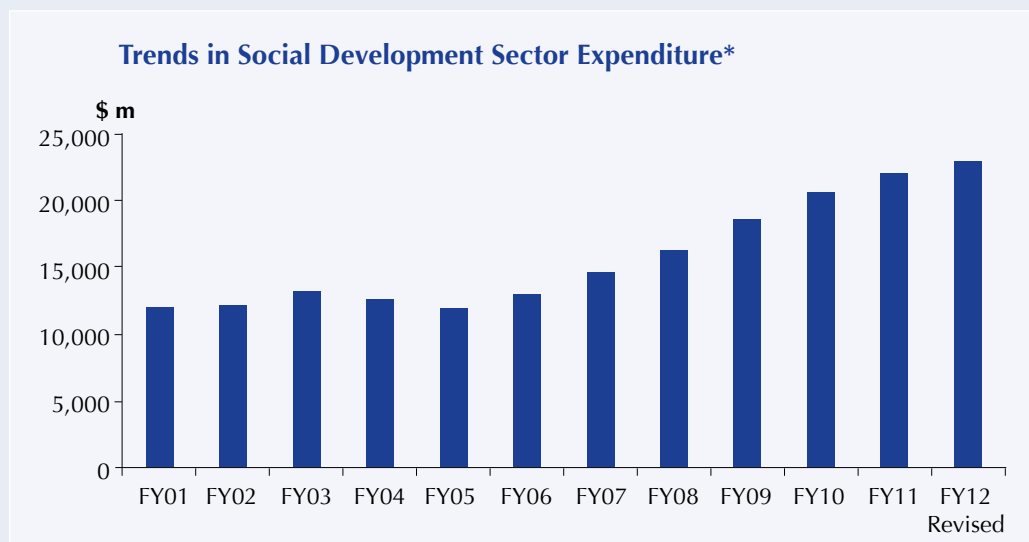
**Table 1.2: Summary of FY2012 Special Transfers**

| Measures  | Total Cost in FY2012<br>(\$ million) |
|---|--------------------------------------|
| <b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b> |                                      |
| 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 <sup>#</sup>   | 87                                   |
| <b>Sub-Total</b>  | <b>1,465</b>                         |
| <b>Top-ups to Endowment and Trust Funds</b>                             |                                      |
| 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                                  |
| <b>Sub-Total</b>  | <b>7,402</b>                         |

<sup>#</sup> 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<br>FY2012 | Estimated<br>FY2013 | Change over<br>Revised FY2012 |               |
|---|-------------------|---------------------|-------------------------------|---------------|
|   | \$billion         | \$billion           | \$billion                     | % change      |
| <b>OPERATING REVENUE</b>  | <b>55.18</b>      | <b>55.03</b>        | <b>(0.15)</b>                 | <b>(0.3)</b>  |
| 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:   |                   |                     |                               |               |
| <b>TOTAL EXPENDITURE</b>  | <b>50.11</b>      | <b>53.41</b>        | <b>3.30</b>                   | <b>6.6</b>    |
| Operating Expenditure   | 37.21             | 40.63               | 3.42                          | 9.2           |
| Development Expenditure   | 12.90             | 12.78               | (0.12)                        | (0.9)         |
| <b>PRIMARY SURPLUS / DEFICIT<sup>1</sup></b>                            | <b>5.07</b>       | <b>1.62</b>         |                               |               |
| Less:   |                   |                     |                               |               |
| <b>SPECIAL TRANSFERS<sup>2</sup></b>                                    | <b>8.87</b>       | <b>6.90</b>         | <b>(1.97)</b>                 | <b>(22.2)</b> |
| <b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b> | <b>1.47</b>       | <b>1.30</b>         |                               |               |
| Growth Dividends  | 0.00              | 0.00                |                               |               |
| GST Credits   | 0.00              | 0.00                |                               |               |
| GST Voucher and GST Voucher Special Payment <sup>3</sup>                | 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 <sup>4</sup>                            | 0.00              | 0.00                |                               |               |
| Transfers to Seniors and the Needy <sup>5</sup>                         | 0.01              | 0.01                |                               |               |
| Transfers to Businesses <sup>6</sup>                                    | 0.37              | 0.23                |                               |               |
| <b>BASIC SURPLUS / DEFICIT<sup>7</sup></b>                              | <b>3.61</b>       | <b>0.32</b>         |                               |               |
| <b>Top-ups to Endowment and Trust Funds</b>                             | <b>7.40</b>       | <b>5.59</b>         |                               |               |
| Top-ups to Endowment Funds <sup>8</sup>                                 | 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:  |                   |                     |                               |               |
| <b>NET INVESTMENT RETURNS CONTRIBUTION</b>                              | <b>7.65</b>       | <b>7.70</b>         | <b>0.05</b>                   | <b>0.7</b>    |
| <b>OVERALL BUDGET SURPLUS / DEFICIT</b>                                 | <b>3.86</b>       | <b>2.42</b>         |                               |               |

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

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

<sup>2</sup> Special Transfers include Top-ups to Endowment and Trust Funds.

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

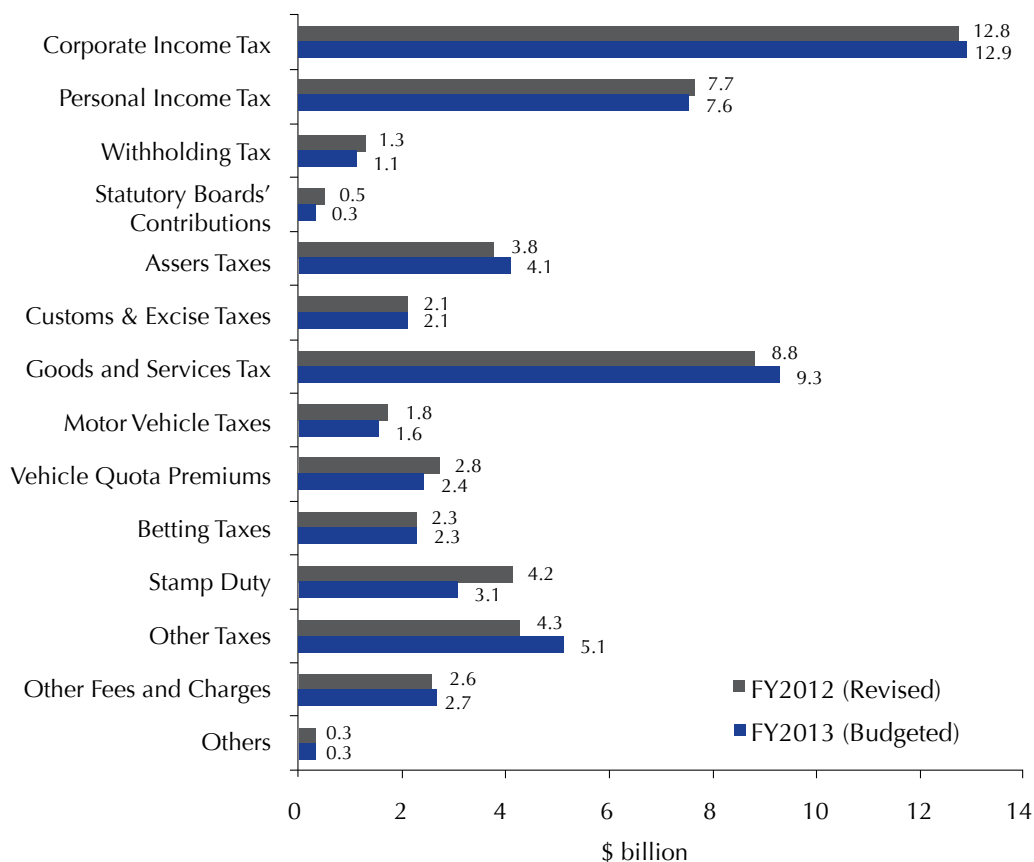
<sup>4</sup> Consists of Child Development Credits and Top-ups to Post-Secondary Education Accounts.

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

<sup>6</sup> Consists of the Productivity and Innovation Credit, Productivity and Innovation Credit Bonus and SME Cash Grant.

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

<sup>8</sup> 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.

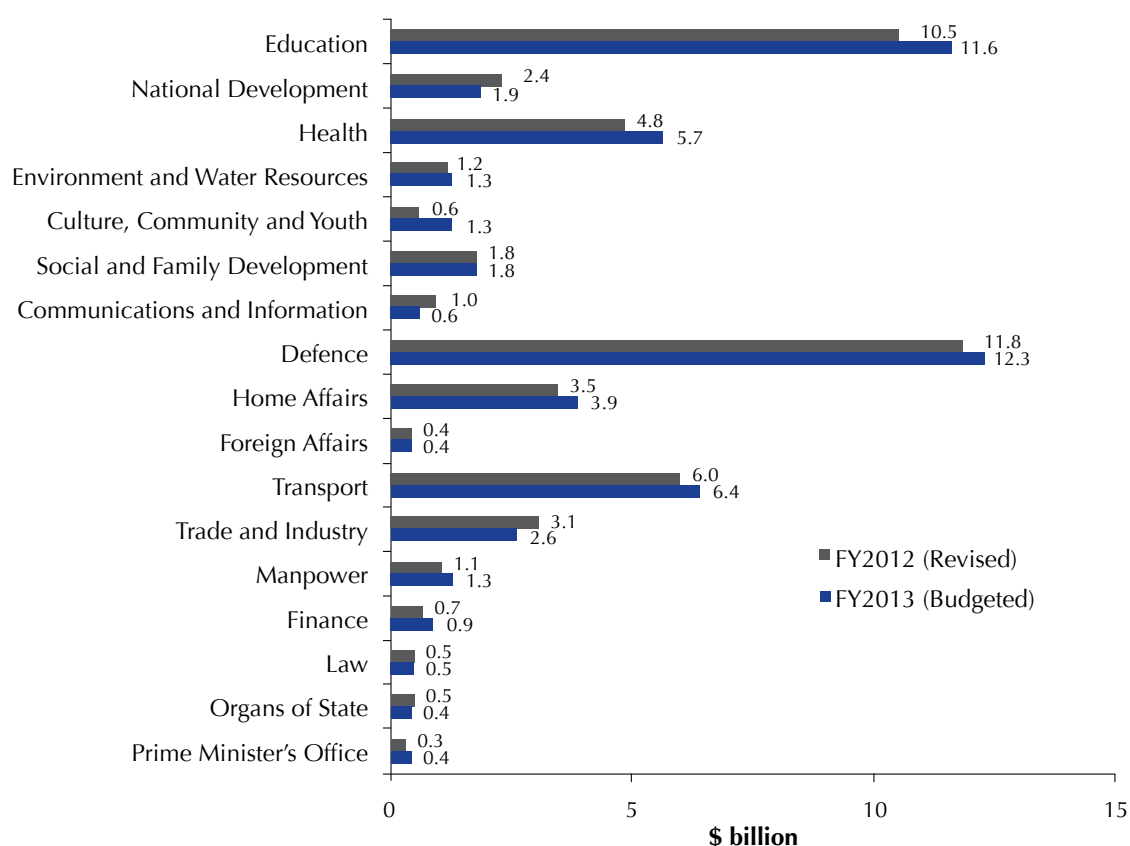
Health expenditure is expected to increase by \$0.9 billion (or 18.2%). This is mainly due to the expansion of clinical services and higher remuneration for healthcare professionals and workers, as well as enhancements in the mental health sector. The increase in expenditure will also fund the ramp-up 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<br>(\$ 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 <sup>#</sup>  | 5                                    |
| <b>Total</b>   | <b>1,070</b>                         |

<sup>#</sup> 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<br>(\$ million) |
|--|--------------------------------------|
| Productivity and Innovation Credit Bonus | 150                                  |
| Productivity and Innovation Credit*      | 72                                   |
| SME Cash Grant*                          | 10                                   |
| <b>Total</b>                             | <b>232</b>                           |

\* Special Transfers committed in past Budgets.

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

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

<sup>^</sup> Includes the \$72 million top-up to the Opportunity Fund.

## 2.5 Macroeconomic Stability

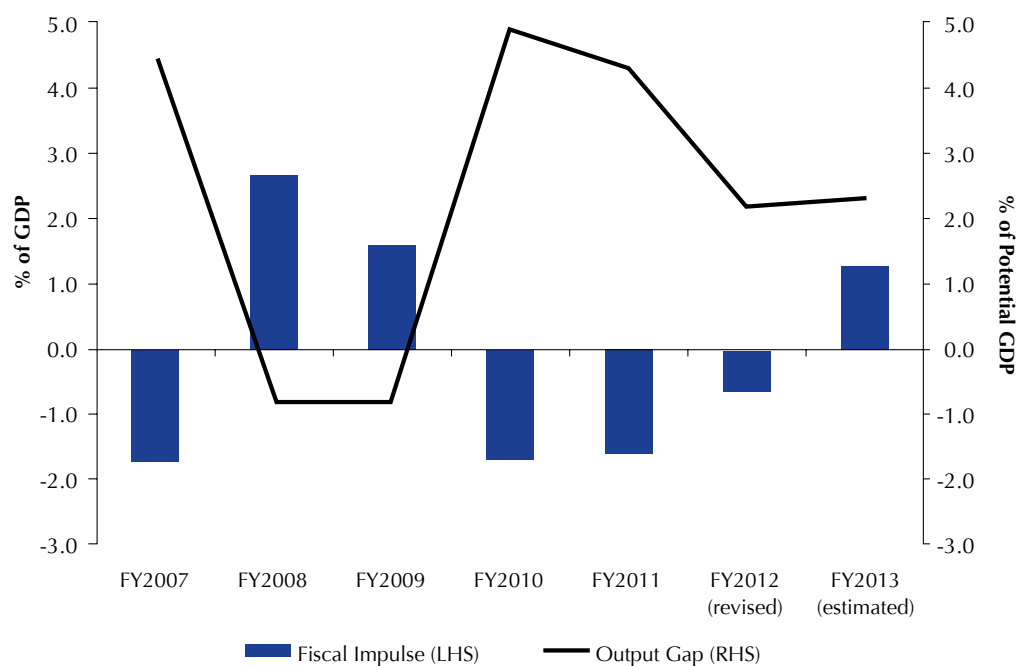
Global macroeconomic conditions have stabilised in recent months as financial market conditions improved. Nevertheless, global economic growth is likely to remain subdued. Against this macroeconomic backdrop, the outlook for the Singapore economy remains cautiously positive. The Ministry of Trade and 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<br>(Revised) | FY2013<br>(Budgeted) |
|--|---------------|----------------|----------------|---------------|---------------|---------------------|----------------------|
| <b>Operating Revenue</b>   | <b>40,375</b> | <b>41,086</b>  | <b>39,547</b>  | <b>46,060</b> | <b>51,077</b> | <b>55,178</b>       | <b>55,028</b>        |
| 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                  |
| <b>Total Expenditure</b>   | <b>32,982</b> | <b>38,091</b>  | <b>41,891</b>  | <b>45,338</b> | <b>46,563</b> | <b>50,105</b>       | <b>53,410</b>        |
| Operating Expenditure  | 25,952        | 28,734         | 30,909         | 33,270        | 35,150        | 37,207              | 40,627               |
| Development Expenditure <sup>1</sup>                             | 7,030         | 9,357          | 10,982         | 12,068        | 11,413        | 12,899              | 12,783               |
| <b>Primary Surplus / Deficit</b>                                 | <b>7,393</b>  | <b>2,996</b>   | <b>(2,344)</b> | <b>722</b>    | <b>4,514</b>  | <b>5,073</b>        | <b>1,618</b>         |
| <b>Special Transfers<sup>2</sup></b>                             | <b>2,142</b>  | <b>7,099</b>   | <b>5,481</b>   | <b>7,095</b>  | <b>8,427</b>  | <b>8,867</b>        | <b>6,896</b>         |
| Special Transfers Excluding Top-ups to Endowment and Trust Funds | 1,342         | 4,089          | 4,071          | 1,505         | 2,909         | 1,465               | 1,302                |
| <b>Basic Surplus / Deficit<sup>3</sup></b>                       | <b>6,051</b>  | <b>(1,093)</b> | <b>(6,416)</b> | <b>(782)</b>  | <b>1,605</b>  | <b>3,607</b>        | <b>316</b>           |
| Top-ups to Endowment and Trust Funds                             | 800           | 3,010          | 1,410          | 5,590         | 5,517         | 7,402               | 5,594                |
| <b>NII / NIR Contribution<sup>4</sup></b>                        | <b>2,405</b>  | <b>4,343</b>   | <b>7,006</b>   | <b>7,352</b>  | <b>7,916</b>  | <b>7,653</b>        | <b>7,703</b>         |
| <b>Overall Budget Surplus / Deficit</b>                          | <b>7,656</b>  | <b>239</b>     | <b>(819)</b>   | <b>980</b>    | <b>4,003</b>  | <b>3,858</b>        | <b>2,425</b>         |

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

|  | FY2007       | FY2008        | FY2009        | FY2010        | FY2011       | FY2012<br>(Revised) | FY2013<br>(Budgeted) |
|--|--------------|---------------|---------------|---------------|--------------|---------------------|----------------------|
| <b>Operating Revenue</b>   | <b>14.8%</b> | <b>15.6%</b>  | <b>14.0%</b>  | <b>14.5%</b>  | <b>15.5%</b> | <b>16.1%</b>        | <b>14.9%</b>         |
| 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%                 |
| <b>Total Expenditure</b>   | <b>12.1%</b> | <b>14.5%</b>  | <b>14.9%</b>  | <b>14.3%</b>  | <b>14.1%</b> | <b>14.6%</b>        | <b>14.5%</b>         |
| Operating Expenditure  | 9.5%         | 10.9%         | 11.0%         | 10.5%         | 10.7%        | 10.8%               | 11.0%                |
| Development Expenditure <sup>1</sup>                             | 2.6%         | 3.6%          | 3.9%          | 3.8%          | 3.5%         | 3.8%                | 3.5%                 |
| <b>Primary Surplus / Deficit</b>                                 | <b>2.7%</b>  | <b>1.1%</b>   | <b>(0.8%)</b> | <b>0.2%</b>   | <b>1.4%</b>  | <b>1.5%</b>         | <b>0.4%</b>          |
| <b>Special Transfers<sup>2</sup></b>                             | <b>0.8%</b>  | <b>2.7%</b>   | <b>1.9%</b>   | <b>2.2%</b>   | <b>2.6%</b>  | <b>2.6%</b>         | <b>1.9%</b>          |
| Special Transfers Excluding Top-ups to Endowment and Trust Funds | 0.5%         | 1.6%          | 1.4%          | 0.5%          | 0.9%         | 0.4%                | 0.4%                 |
| <b>Basic Surplus / Deficit<sup>3</sup></b>                       | <b>2.2%</b>  | <b>(0.4%)</b> | <b>(2.3%)</b> | <b>(0.2%)</b> | <b>0.5%</b>  | <b>1.1%</b>         | <b>0.1%</b>          |
| Top-ups to Endowment and Trust Funds                             | 0.3%         | 1.1%          | 0.5%          | 1.8%          | 1.7%         | 2.2%                | 1.5%                 |
| <b>NII / NIR Contribution<sup>4</sup></b>                        | <b>0.9%</b>  | <b>1.6%</b>   | <b>2.5%</b>   | <b>2.3%</b>   | <b>2.4%</b>  | <b>2.2%</b>         | <b>2.1%</b>          |
| <b>Overall Budget Surplus / Deficit</b>                          | <b>2.8%</b>  | <b>0.1%</b>   | <b>(0.3%)</b> | <b>0.3%</b>   | <b>1.2%</b>  | <b>1.1%</b>         | <b>0.7%</b>          |

Note: Negative figures are shown in parentheses.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

<sup>2</sup> Special Transfers include Top-ups to Endowment and Trust Funds.

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

<sup>4</sup> 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<br>(Revised) | FY2013<br>(Budgeted) |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------------|----------------------|
| <b>Operating Revenue</b>            | <b>40,375</b> | <b>41,086</b> | <b>39,547</b> | <b>46,060</b> | <b>51,077</b> | <b>55,178</b>       | <b>55,028</b>        |
| 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 <sup>1</sup>            | 1,698         | 1,929         | 2,410         | 2,706         | 3,307         | 4,291               | 5,139                |
| Other Fees and Charges <sup>2</sup> | 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<br>(Revised) | FY2013<br>(Budgeted) |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|----------------------|
| <b>Operating Revenue</b>            | <b>14.8%</b> | <b>15.6%</b> | <b>14.0%</b> | <b>14.5%</b> | <b>15.5%</b> | <b>16.1%</b>        | <b>14.9%</b>         |
| 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 <sup>1</sup>            | 0.6%         | 0.7%         | 0.9%         | 0.9%         | 1.0%         | 1.3%                | 1.4%                 |
| Other Fees and Charges <sup>2</sup> | 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.

<sup>1</sup> Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

<sup>2</sup> 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 |
| <b>Total<sup>1</sup></b>   | <b>50,105</b>     | <b>37,207</b>         | <b>12,899</b>           | <b>53,410</b>     | <b>40,627</b>         | <b>12,783</b>           |
| <b>Social Development</b>  | <b>22,415</b>     | <b>18,847</b>         | <b>3,568</b>            | <b>24,606</b>     | <b>21,109</b>         | <b>3,496</b>            |
| 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                       |
| <b>Security &amp; External Relations</b>                           | <b>15,724</b>     | <b>14,999</b>         | <b>725</b>              | <b>16,676</b>     | <b>15,796</b>         | <b>880</b>              |
| 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                      |
| <b>Economic Development</b>  | <b>9,953</b>      | <b>1,905</b>          | <b>8,048</b>            | <b>9,930</b>      | <b>2,034</b>          | <b>7,896</b>            |
| 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                      |
| <b>Government Administration</b>                                   | <b>2,013</b>      | <b>1,455</b>          | <b>558</b>              | <b>2,198</b>      | <b>1,688</b>          | <b>511</b>              |
| 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.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

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

|  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> | <b>FY2010</b> | <b>FY2011</b> | <b>FY2012<br/>(Revised)</b> | <b>FY2013<br/>(Budgeted)</b> |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------------|------------------------------|
| <b>Total</b>   | <b>25,952</b> | <b>28,734</b> | <b>30,909</b> | <b>33,270</b> | <b>35,150</b> | <b>37,207</b>               | <b>40,627</b>                |
| <b>Social Development</b>  | <b>11,475</b> | <b>13,200</b> | <b>14,714</b> | <b>16,459</b> | <b>18,056</b> | <b>18,847</b>               | <b>21,109</b>                |
| 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                          |
| <b>Security &amp; External Relations</b>                           | <b>12,400</b> | <b>13,219</b> | <b>13,523</b> | <b>13,920</b> | <b>14,088</b> | <b>14,999</b>               | <b>15,796</b>                |
| 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                          |
| <b>Economic Development</b>  | <b>1,111</b>  | <b>1,284</b>  | <b>1,565</b>  | <b>1,666</b>  | <b>1,675</b>  | <b>1,905</b>                | <b>2,034</b>                 |
| 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                          |
| <b>Government Administration</b>                                   | <b>967</b>    | <b>1,030</b>  | <b>1,107</b>  | <b>1,225</b>  | <b>1,331</b>  | <b>1,455</b>                | <b>1,688</b>                 |
| 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)**

|  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> | <b>FY2010</b> | <b>FY2011</b> | <b>FY2012<br/>(Revised)</b> | <b>FY2013<br/>(Budgeted)</b> |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------------|------------------------------|
| <b>Total<sup>1</sup></b>   | <b>7,030</b>  | <b>9,357</b>  | <b>10,982</b> | <b>12,068</b> | <b>11,413</b> | <b>12,899</b>               | <b>12,783</b>                |
| <b>Social Development</b>  | <b>2,824</b>  | <b>2,738</b>  | <b>3,431</b>  | <b>3,643</b>  | <b>3,603</b>  | <b>3,568</b>                | <b>3,496</b>                 |
| 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                            |
| <b>Security &amp; External Relations</b>                           | <b>829</b>    | <b>777</b>    | <b>861</b>    | <b>718</b>    | <b>718</b>    | <b>725</b>                  | <b>880</b>                   |
| 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                           |
| <b>Economic Development</b>  | <b>3,189</b>  | <b>5,644</b>  | <b>6,477</b>  | <b>7,490</b>  | <b>6,896</b>  | <b>8,048</b>                | <b>7,896</b>                 |
| 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                           |
| <b>Government Administration</b>                                   | <b>187</b>    | <b>198</b>    | <b>213</b>    | <b>217</b>    | <b>197</b>    | <b>558</b>                  | <b>511</b>                   |
| 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.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

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

|  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> | <b>FY2010</b> | <b>FY2011</b> | <b>FY2012<br/>(Revised)</b> | <b>FY2013<br/>(Budgeted)</b> |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------------|------------------------------|
| <b>Total<sup>1</sup></b>   | <b>32,982</b> | <b>38,091</b> | <b>41,891</b> | <b>45,338</b> | <b>46,563</b> | <b>50,105</b>               | <b>53,410</b>                |
| <b>Social Development</b>  | <b>14,299</b> | <b>15,938</b> | <b>18,146</b> | <b>20,102</b> | <b>21,660</b> | <b>22,415</b>               | <b>24,606</b>                |
| 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                          |
| <b>Security &amp; External Relations</b>                           | <b>13,228</b> | <b>13,996</b> | <b>14,383</b> | <b>14,638</b> | <b>14,806</b> | <b>15,724</b>               | <b>16,676</b>                |
| 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                          |
| <b>Economic Development</b>  | <b>4,300</b>  | <b>6,928</b>  | <b>8,042</b>  | <b>9,157</b>  | <b>8,570</b>  | <b>9,953</b>                | <b>9,930</b>                 |
| 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                          |
| <b>Government Administration</b>                                   | <b>1,155</b>  | <b>1,228</b>  | <b>1,320</b>  | <b>1,442</b>  | <b>1,528</b>  | <b>2,013</b>                | <b>2,198</b>                 |
| 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.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

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

|  | <b>FY2007</b> | <b>FY2008</b> | <b>FY2009</b> | <b>FY2010</b> | <b>FY2011</b> | <b>FY2012<br/>(Revised)</b> | <b>FY2013<br/>(Budgeted)</b> |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------------|------------------------------|
| <b>Total<sup>1</sup></b>   | <b>12.1%</b>  | <b>14.5%</b>  | <b>14.9%</b>  | <b>14.3%</b>  | <b>14.1%</b>  | <b>14.6%</b>                | <b>14.5%</b>                 |
| <b>Social Development</b>  | <b>5.2%</b>   | <b>6.0%</b>   | <b>6.4%</b>   | <b>6.3%</b>   | <b>6.6%</b>   | <b>6.5%</b>                 | <b>6.7%</b>                  |
| 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%                         |
| <b>Security &amp; External Relations</b>                           | <b>4.8%</b>   | <b>5.3%</b>   | <b>5.1%</b>   | <b>4.6%</b>   | <b>4.5%</b>   | <b>4.6%</b>                 | <b>4.5%</b>                  |
| 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%                         |
| <b>Economic Development</b>  | <b>1.6%</b>   | <b>2.6%</b>   | <b>2.9%</b>   | <b>2.9%</b>   | <b>2.6%</b>   | <b>2.9%</b>                 | <b>2.7%</b>                  |
| 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%                         |
| <b>Government Administration</b>                                   | <b>0.4%</b>   | <b>0.5%</b>   | <b>0.5%</b>   | <b>0.5%</b>   | <b>0.5%</b>   | <b>0.6%</b>                 | <b>0.6%</b>                  |
| 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.

<sup>1</sup> 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<br>(Revised) | FY2013<br>(Budgeted) |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|----------------------|
| <b>Total Expenditure</b>                                      | <b>32,982</b> | <b>38,091</b> | <b>41,891</b> | <b>45,338</b> | <b>46,563</b> | <b>50,105</b>       | <b>53,410</b>        |
| <b>Operating Expenditure</b>                                  | <b>25,952</b> | <b>28,734</b> | <b>30,909</b> | <b>33,270</b> | <b>35,150</b> | <b>37,207</b>       | <b>40,627</b>        |
| <b>Running Costs</b>  | <b>21,710</b> | <b>23,082</b> | <b>24,232</b> | <b>25,910</b> | <b>26,733</b> | <b>28,116</b>       | <b>29,883</b>        |
| 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                |
| <b>Transfers</b>  | <b>4,242</b>  | <b>5,651</b>  | <b>6,677</b>  | <b>7,360</b>  | <b>8,417</b>  | <b>9,091</b>        | <b>10,744</b>        |
| 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                  |
| <b>Development Expenditure<sup>1</sup></b>                    | <b>7,030</b>  | <b>9,357</b>  | <b>10,982</b> | <b>12,068</b> | <b>11,413</b> | <b>12,899</b>       | <b>12,783</b>        |
| 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.

<sup>1</sup> Development Expenditure excludes land-related expenditure.



**Table 3.8: Headcount by Ministry for FY2007 to FY2013**

|                                 | <b>FY2007<sup>1</sup></b> | <b>FY2008</b>  | <b>FY2009</b>  | <b>FY2010</b>  | <b>FY2011</b>  | <b>FY2012<br/>(Revised)<sup>2</sup></b> | <b>FY2013<br/>(Budgeted)<sup>3</sup></b> |
|---------------------------------|---------------------------|----------------|----------------|----------------|----------------|---|--|
| 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                                    |
| <b>Total</b>                    | <b>101,082</b>            | <b>103,708</b> | <b>111,388</b> | <b>113,224</b> | <b>116,779</b> | <b>130,065</b>                          | <b>132,018</b>                           |

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.

<sup>1</sup> Figures for FY2007 to FY2011 are for actual headcount.

<sup>2</sup> Figures for FY2012 are for revised establishments.

<sup>3</sup> 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.