







# **ANALYSIS OF REVENUE AND EXPENDITURE**

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- ◆ **UPDATE ON FY2013**
- ◆ **OUTLOOK FOR FY2014**

# 1 Update on Financial Year 2013

## 1.1 Expected Budget Outturn for FY2013

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 \$1.6 billion (or 0.4% of GDP). After factoring in the NIRC of \$7.9 billion and Top-ups to Endowment and Trust Funds of \$5.6 billion, the overall budget balance for FY2013 is a surplus of \$3.9 billion (or 1.1% of GDP). The revised FY2013 fiscal position is shown in [Table 1.1](#).

## 1.2 Operating Revenue

FY2013 Operating Revenue has been revised upwards by \$2.1 billion (or 3.9%) to \$57.1 billion. This is mainly due to higher-than-expected collections from Stamp Duty and Vehicle Quota Premiums.

Stamp Duty collections are now estimated at \$4.1 billion, up by \$1.0 billion (or 31.5%). Although cooling measures have reduced overall demand, the property market has remained firmer than expected.

Vehicle Quota Premiums, i.e. receipts from Certificates of Entitlement (COE), are estimated to increase by \$0.3 billion (or 13.2%) to \$2.8 billion. Motor Vehicle Taxes are also projected to increase by \$0.1 billion (or 8.7%) to \$1.7 billion. These increases are due to the higher-than-expected number of vehicle de-registrations which led to more COE quotas issued in FY2013, an increase in net car registrations using COEs carried over from the previous year, as well as more commercial vehicles being renewed.

Revenue from Other Fees and Charges is estimated at \$2.9 billion, up by \$0.2 billion (or 9.0%), mainly due to higher rental revenues for state properties, and higher school fees for permanent residents and foreigners.

Goods and Services Tax (GST) collections are estimated to increase slightly by \$0.2 billion (or 2.3%) to \$9.5 billion, in line with private consumption growth in FY2013.

These increases are partly offset by a \$0.4 billion (or 3.0%) decrease in estimated Corporate Income Tax (CIT) collections, due to higher claims for capital allowances.

The distribution of Operating Revenue in FY2013 by the various components is shown in [Chart 1.1](#).

## 1.3 Total Expenditure

Revised FY2013 Total Expenditure amounts to \$52.3 billion (14.2% of GDP), \$1.1 billion (or 2.0%) lower than the budgeted FY2013 estimate.

Operating Expenditure is expected to be \$40.4 billion, close to the budgeted FY2013 estimate of \$40.6 billion. Expenditure on Manpower is estimated at \$6.9 billion, \$0.2 billion (or 3.4%) higher than budgeted. This is offset by the expected reduction of \$0.3 billion (or 1.8%) in Other Operating Expenditure.

Development Expenditure is expected to be \$11.9 billion, lower than the budgeted FY2013 estimate by \$0.9 billion (or 6.8%). This is mainly due to lower expenditure on public infrastructure, arising from slower-than-expected rail, road and public housing upgrading

works. There were unforeseen delays in Downtown Line Stage 2 construction arising from the insolvency of one of the contractors and slower work progress due to the difficult terrain. The lower spending for public housing upgrading programmes was due to slow progress of the services diversion works for the Lift Upgrading Programme, and deferment in the commencement of construction works for some projects under the Home Improvement Programme.

The Social Development sector continues to take up the largest share of Total Expenditure at 46.6%, followed by Security and External Relations (31.5%). The breakdown of government spending by the major sectors is provided in [Chart 1.2](#).

#### **1.4 Special Transfers**

Special Transfers are expected to total \$8.8 billion in FY2013, higher by \$1.9 billion (or 27.9%) from the budgeted estimate. This is mainly due to higher Productivity and Innovation Credit (PIC) Bonus and PIC cash payouts, as well as the bringing forward of the first tranche of the Wage Credit Scheme payout to FY2013. [Table 1.2](#) shows a summary of the Special Transfers in Budget 2013.

#### **1.5 Net Investment Returns Contribution**

The Net Investment Returns Contribution (NIRC) for FY2013 is projected to be \$7.9 billion, \$0.2 billion (or 3.0%) more than the budgeted estimate.

#### **1.6 Spending from the Government Endowment Funds**

In FY2013, spending from the five government endowment funds is expected to reach about \$621 million.

\$190 million from the Edusave Endowment Fund is expected to be spent in the education sector, \$215 million from the Medical Endowment Fund and ElderCare Fund in the healthcare sector, and an estimated \$68 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 be \$148 million.

**Table 1.1: Fiscal Position in FY2012 and FY2013**

	Actual FY2012	Estimated FY2013	Revised FY2013	Revised FY2013 Compared to	
				Actual FY2012	Estimated FY2013
	\$ billion	\$ billion	\$ billion	% change	% change
<b>OPERATING REVENUE</b>	<b>55.81</b>	<b>55.03</b>	<b>57.15</b>	<b>2.4</b>	<b>3.9</b>
Corporate Income Tax	12.82	12.94	12.55	(2.1)	(3.0)
Personal Income Tax	7.71	7.56	7.65	(0.9)	1.1
Withholding Tax	1.34	1.14	1.13	(15.5)	(0.9)
Statutory Boards' Contributions	0.54	0.33	0.53	(1.7)	58.9
Assets Taxes	3.77	4.09	4.23	12.4	3.5
Customs and Excise Taxes	2.14	2.13	2.20	2.6	2.9
Goods and Services Tax	9.04	9.31	9.52	5.3	2.3
Motor Vehicle Taxes	1.80	1.55	1.69	(6.5)	8.7
Vehicle Quota Premiums	2.57	2.44	2.76	7.2	13.2
Betting Taxes	2.30	2.30	2.34	1.4	1.7
Stamp Duty	4.31	3.08	4.05	(6.0)	31.5
Other Taxes	4.34	5.14	5.26	21.2	2.4
Other Fees and Charges	2.71	2.69	2.93	8.2	9.0
Others	0.42	0.33	0.32	(24.2)	(4.4)
Less:					
<b>TOTAL EXPENDITURE</b>	<b>49.00</b>	<b>53.41</b>	<b>52.34</b>	<b>6.8</b>	<b>(2.0)</b>
Operating Expenditure	36.42	40.63	40.43	11.0	(0.5)
Development Expenditure	12.58	12.78	11.91	(5.3)	(6.8)
<b>PRIMARY SURPLUS / DEFICIT<sup>1</sup></b>	<b>6.81</b>	<b>1.62</b>	<b>4.80</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>2</sup></b>	<b>8.86</b>	<b>6.90</b>	<b>8.82</b>	<b>(0.5)</b>	<b>27.9</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	<b>1.46</b>	<b>1.30</b>	<b>3.22</b>		
GST Voucher and GST Voucher Special Payment <sup>3</sup>	0.61	0.68	0.68		
Utilities-Save Rebates and Service and Conservancy Charges Rebates	0.00	0.08	0.08		
CPF Medisave Top-ups	0.40	0.31	0.31		
Productivity and Innovation Credit	0.09	0.07	0.65		
Productivity and Innovation Credit Bonus	-	0.15	0.64		
Wage Credit Scheme	-	-	0.82		
SME Cash Grant	0.34	0.01	0.04		
Other Transfers <sup>4</sup>	0.01	0.01	0.01		
<b>BASIC SURPLUS / DEFICIT<sup>5</sup></b>	<b>5.35</b>	<b>0.32</b>	<b>1.58</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>7.40</b>	<b>5.59</b>	<b>5.59</b>		
Top-ups to Endowment Funds <sup>6</sup>	1.00	2.32	2.32		
GST Voucher Fund	2.95	3.00	3.00		
Bus Service Enhancement Fund	1.10	-	-		
Special Employment Credit Fund	2.35	-	-		
Cultural Matching Fund <sup>7</sup>	-	0.20	0.20		
National Youth Fund	-	0.07	0.07		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>7.87</b>	<b>7.70</b>	<b>7.94</b>	<b>0.9</b>	<b>3.0</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>5.82</b>	<b>2.42</b>	<b>3.92</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.

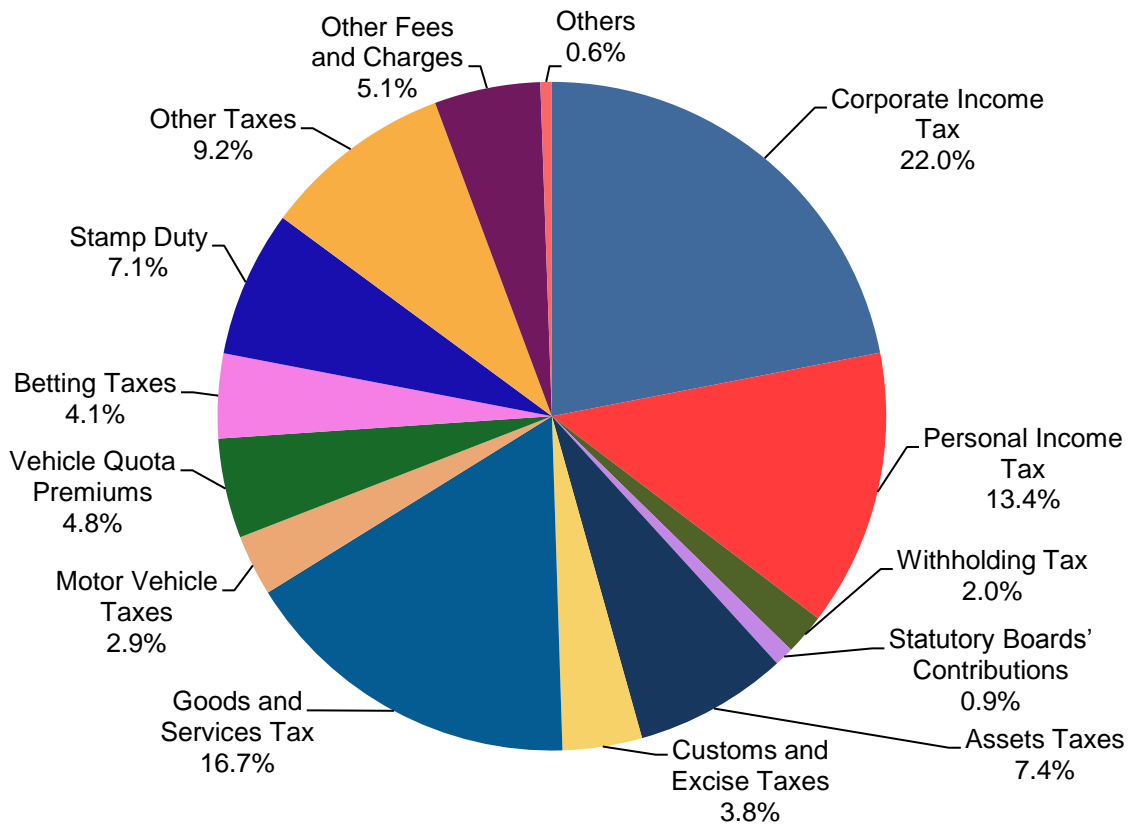
<sup>4</sup> Consists of Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

<sup>5</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

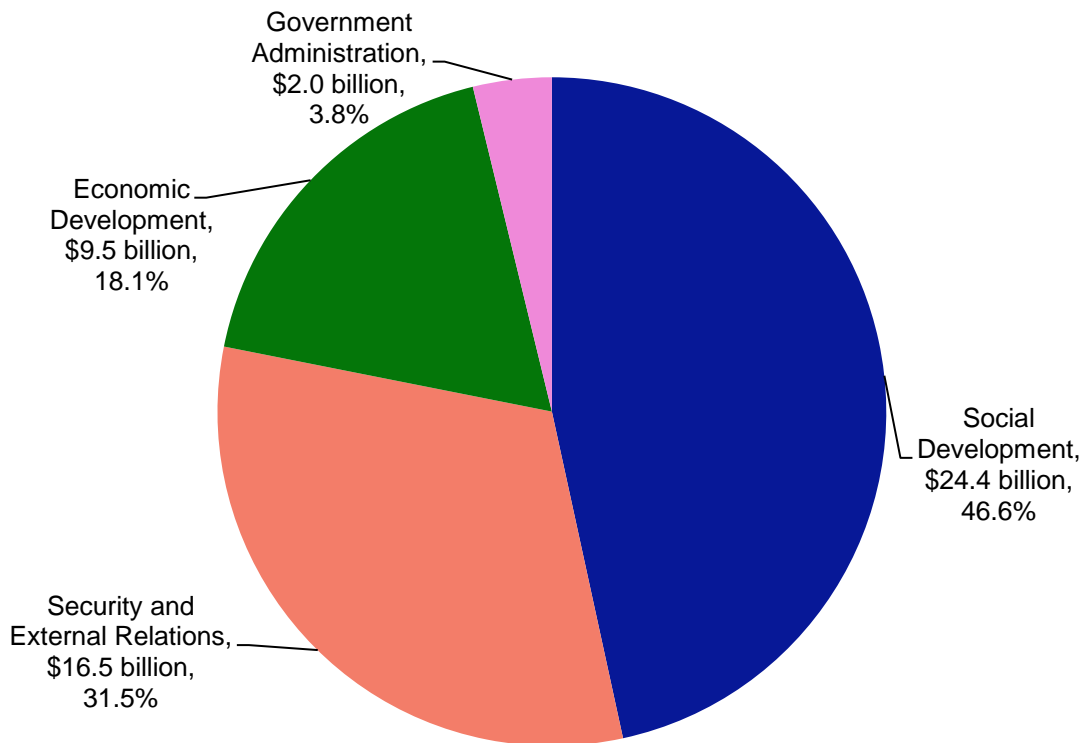
<sup>6</sup> Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

<sup>7</sup> The Cultural Donation Matching Fund has been re-named as the Cultural Matching Fund.

**Chart 1.1: Breakdown of Government Operating Revenue in FY2013**



**Chart 1.2: Breakdown of Government Spending by Sector in FY2013**





**Table 1.2: Summary of FY2013 Special Transfers**

<b>Measures</b>	<b>Total Cost in FY2013 (\$ million)</b>
<b>Special Transfers:</b>	<b>8,817</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	
Wage Credit Scheme	820
GST Voucher and 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
Productivity and Innovation Credit	650
Productivity and Innovation Credit Bonus	640
CPF Medisave Top-ups	308
Utilities-Save Rebates and Service and Conservancy Charges Rebates	77
SME Cash Grant	43
Others <sup>#</sup>	5
<b>Sub-Total</b>	<b>3,223</b>
<b>Top-ups to Endowment and Trust Funds</b>	
GST Voucher Fund	3,000
Medical Endowment Fund	1,000
Lifelong Learning Endowment Fund	500
Edusave Endowment Fund	372
Eldercare Fund	250
Community Care Endowment Fund	200
Cultural Matching Fund	200
National Youth Fund	72
<b>Sub-Total</b>	<b>5,594</b>

<sup>#</sup> Consists of Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.





















**Table 3.3: Breakdown of Total Expenditure by Sector for FY2013 and FY2014 (\$ million)**

	FY2013 (Revised)			FY2014 (Budgeted)		
	Total Expenditure	Operating Expenditure	Development Expenditure	Total Expenditure	Operating Expenditure	Development Expenditure
<b>Total</b>	<b>52,345</b>	<b>40,432</b>	<b>11,913</b>	<b>56,664</b>	<b>42,880</b>	<b>13,785</b>
<b>Social Development</b>	<b>24,377</b>	<b>21,078</b>	<b>3,298</b>	<b>27,032</b>	<b>22,619</b>	<b>4,413</b>
Education	11,599	10,720	879	11,486	10,598	888
National Development	1,555	642	913	1,997	870	1,126
Health	5,808	5,083	725	7,115	6,034	1,081
Environment and Water Resources	1,280	957	324	1,449	1,033	416
Culture, Community and Youth <sup>2</sup>	1,358	1,017	341	1,963	1,284	678
Social and Family Development <sup>2</sup>	1,691	1,645	46	1,865	1,796	69
Communications and Information <sup>2</sup>	414	343	71	489	335	155
Manpower (Financial Security) <sup>3</sup>	671	671	0	669	669	0
<b>Security and External Relations</b>	<b>16,506</b>	<b>15,666</b>	<b>840</b>	<b>17,236</b>	<b>16,328</b>	<b>908</b>
Defence	12,175	11,735	440	12,566	12,137	429
Home Affairs	3,882	3,542	340	4,209	3,770	439
Foreign Affairs	449	389	60	462	422	40
<b>Economic Development</b>	<b>9,471</b>	<b>2,062</b>	<b>7,410</b>	<b>9,980</b>	<b>2,243</b>	<b>7,737</b>
Transport	5,944	572	5,372	6,172	639	5,533
Trade and Industry	2,664	715	1,949	2,647	708	1,939
Manpower (excluding Financial Security)	539	508	30	578	524	54
Info-Communications and Media Development <sup>2</sup>	324	267	58	584	372	212
<b>Government Administration</b>	<b>1,991</b>	<b>1,626</b>	<b>365</b>	<b>2,416</b>	<b>1,690</b>	<b>726</b>
Finance	765	739	27	852	695	157
Law	442	171	271	636	193	443
Organs of State	403	380	23	477	422	55
Prime Minister's Office	380	336	45	451	380	71

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

<sup>3</sup> The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

**Table 3.4: Operating Expenditure by Sector for FY2008 to FY2014 (\$ million)**

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
<b>Total</b>	<b>28,734</b>	<b>30,909</b>	<b>33,270</b>	<b>35,150</b>	<b>36,421</b>	<b>40,432</b>	<b>42,880</b>
<b>Social Development</b>	<b>13,200</b>	<b>14,714</b>	<b>16,459</b>	<b>18,056</b>	<b>18,496</b>	<b>21,078</b>	<b>22,619</b>
Education	7,477	7,838	8,999	9,698	9,637	10,720	10,598
National Development	805	959	790	1,428	949	642	870
Health	2,379	2,920	3,258	3,489	4,066	5,083	6,034
Environment and Water Resources	606	656	720	726	813	957	1,033
Culture, Community and Youth <sup>1</sup>	-	-	-	-	364	1,017	1,284
Social and Family Development <sup>1</sup>	1,182	1,565	1,829	1,721	1,739	1,645	1,796
Communications and Information <sup>1</sup>	412	422	500	525	430	343	335
Manpower (Financial Security) <sup>2</sup>	340	354	364	469	497	671	669
<b>Security and External Relations</b>	<b>13,219</b>	<b>13,523</b>	<b>13,920</b>	<b>14,088</b>	<b>14,678</b>	<b>15,666</b>	<b>16,328</b>
Defence	10,397	10,603	10,623	10,797	11,056	11,735	12,137
Home Affairs	2,478	2,577	2,937	2,947	3,266	3,542	3,770
Foreign Affairs	344	343	360	344	355	389	422
<b>Economic Development</b>	<b>1,284</b>	<b>1,565</b>	<b>1,666</b>	<b>1,675</b>	<b>1,870</b>	<b>2,062</b>	<b>2,243</b>
Transport	367	371	456	464	502	572	639
Trade and Industry	660	704	684	671	685	715	708
Manpower (excluding Financial Security)	224	414	439	380	456	508	524
Info-Communications and Media Development <sup>1</sup>	34	76	88	160	227	267	372
<b>Government Administration</b>	<b>1,030</b>	<b>1,107</b>	<b>1,225</b>	<b>1,331</b>	<b>1,378</b>	<b>1,626</b>	<b>1,690</b>
Finance	484	528	552	617	631	739	695
Law	118	127	119	123	163	171	193
Organs of State	235	249	313	318	326	380	422
Prime Minister's Office	194	203	240	273	259	336	380

Note: Figures may not add up due to rounding.

<sup>1</sup> With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

<sup>2</sup> The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

**Table 3.5: Development Expenditure by Sector for FY2008 to FY2014 (\$ million)**

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
<b>Total<sup>1</sup></b>	<b>9,357</b>	<b>10,982</b>	<b>12,068</b>	<b>11,413</b>	<b>12,583</b>	<b>11,913</b>	<b>13,785</b>
<b>Social Development</b>	<b>2,738</b>	<b>3,431</b>	<b>3,643</b>	<b>3,603</b>	<b>3,382</b>	<b>3,298</b>	<b>4,413</b>
Education	753	847	877	1,042	860	879	888
National Development	1,095	1,307	1,646	1,572	1,354	913	1,126
Health	336	711	485	453	605	725	1,081
Environment and Water Resources	325	323	406	349	352	324	416
Culture, Community and Youth <sup>2</sup>	-	-	-	-	95	341	678
Social and Family Development <sup>2</sup>	96	115	120	64	37	46	69
Communications and Information <sup>2</sup>	132	128	109	123	79	71	155
Manpower (Financial Security) <sup>3</sup>	1	0	0	0	0	0	0
<b>Security and External Relations</b>	<b>777</b>	<b>861</b>	<b>718</b>	<b>718</b>	<b>720</b>	<b>840</b>	<b>908</b>
Defence	328	440	438	479	468	440	429
Home Affairs	387	350	240	194	207	340	439
Foreign Affairs	61	71	40	44	45	60	40
<b>Economic Development</b>	<b>5,644</b>	<b>6,477</b>	<b>7,490</b>	<b>6,896</b>	<b>7,955</b>	<b>7,410</b>	<b>7,737</b>
Transport	3,379	4,082	4,250	4,003	5,414	5,372	5,533
Trade and Industry	2,183	2,334	2,673	2,553	2,387	1,949	1,939
Manpower (excluding Financial Security)	35	22	42	62	28	30	54
Info-Communications and Media Development <sup>2</sup>	48	38	525	278	126	58	212
<b>Government Administration</b>	<b>198</b>	<b>213</b>	<b>217</b>	<b>197</b>	<b>527</b>	<b>365</b>	<b>726</b>
Finance	25	17	21	30	24	27	157
Law	153	166	148	130	316	271	443
Organs of State	10	17	14	17	163	23	55
Prime Minister's Office	9	12	34	20	23	45	71

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

<sup>3</sup> The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

**Table 3.6a: Total Expenditure by Sector for FY2008 to FY2014 (\$ million)**

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
<b>Total</b>	<b>38,091</b>	<b>41,891</b>	<b>45,338</b>	<b>46,563</b>	<b>49,004</b>	<b>52,345</b>	<b>56,664</b>
<b>Social Development</b>	<b>15,938</b>	<b>18,146</b>	<b>20,102</b>	<b>21,660</b>	<b>21,877</b>	<b>24,377</b>	<b>27,032</b>
Education	8,230	8,685	9,875	10,740	10,497	11,599	11,486
National Development	1,900	2,266	2,436	3,000	2,303	1,555	1,997
Health	2,715	3,631	3,743	3,942	4,671	5,808	7,115
Environment and Water Resources	931	979	1,126	1,075	1,165	1,280	1,449
Culture, Community and Youth <sup>1</sup>	-	-	-	-	460	1,358	1,963
Social and Family Development <sup>1</sup>	1,278	1,680	1,949	1,785	1,776	1,691	1,865
Communications and Information <sup>1</sup>	545	550	609	647	508	414	489
Manpower (Financial Security) <sup>2</sup>	341	354	364	469	497	671	669
<b>Security and External Relations</b>	<b>13,996</b>	<b>14,383</b>	<b>14,638</b>	<b>14,806</b>	<b>15,397</b>	<b>16,506</b>	<b>17,236</b>
Defence	10,726	11,043	11,061	11,276	11,524	12,175	12,566
Home Affairs	2,865	2,927	3,177	3,141	3,473	3,882	4,209
Foreign Affairs	406	413	399	388	400	449	462
<b>Economic Development</b>	<b>6,928</b>	<b>8,042</b>	<b>9,157</b>	<b>8,570</b>	<b>9,825</b>	<b>9,471</b>	<b>9,980</b>
Transport	3,746	4,453	4,706	4,467	5,916	5,944	6,172
Trade and Industry	2,843	3,038	3,357	3,224	3,073	2,664	2,647
Manpower (excluding Financial Security)	258	436	482	442	484	539	578
Info-Communications and Media Development <sup>1</sup>	81	114	613	438	353	324	584
<b>Government Administration</b>	<b>1,228</b>	<b>1,320</b>	<b>1,442</b>	<b>1,528</b>	<b>1,904</b>	<b>1,991</b>	<b>2,416</b>
Finance	509	545	573	647	655	765	852
Law	271	293	267	253	479	442	636
Organs of State	245	267	327	335	489	403	477
Prime Minister's Office	203	215	274	293	282	380	451

Note: Figures may not add up due to rounding.

<sup>1</sup> With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

<sup>2</sup> The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.













