

HEAD V

MINISTRY OF TRADE AND INDUSTRY

OVERVIEW

Mission Statement

To promote economic growth and create jobs, so as to achieve higher standards of living for all.

FY2008 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008	Change over FY2007
	TOTAL EXPENDITURE	\$1,679,805,498	\$1,983,027,910	\$2,067,737,000	\$2,519,675,800	\$451,938,800 21.9%
	Main Estimates					
	OPERATING EXPENDITURE	\$473,163,744	\$510,482,110	\$540,170,100	\$620,201,900	\$80,031,800 14.8%
	<i>RUNNING COSTS</i>	<i>\$459,165,120</i>	<i>\$497,386,260</i>	<i>\$527,648,800</i>	<i>\$606,705,800</i>	<i>\$79,057,000 15.0%</i>
1000	Expenditure on Manpower	\$39,809,725	\$45,300,500	\$52,439,500	\$58,043,900	\$5,604,400 10.7%
1200	Political Appointments	2,284,880	2,364,000	2,949,000	2,949,000	0 0.0
1500	Permanent Staff	37,474,132	42,851,500	49,432,500	55,035,900	5,603,400 11.3
1600	Temporary, Daily-Rated & Other Manpower	50,713	85,000	58,000	59,000	1,000 1.7
2000	Other Operating Expenditure	\$20,971,160	\$31,444,060	\$31,163,200	\$50,255,100	\$19,091,900 61.3%
2100	Supplies & Services	14,992,825	21,659,730	22,347,900	41,529,300	19,181,400 85.8
2300	Manpower Development	1,188,387	1,719,290	1,617,300	2,178,100	560,800 34.7
2400	Public Relations & Exercises	4,166,833	7,262,400	6,356,300	5,983,900	-372,400 -5.9
2700	Equipment	613,944	792,640	836,700	562,800	-273,900 -32.7
2800	Financial Claims & Legal Expenses	9,172	10,000	5,000	1,000	-4,000 -80.0
3000	Operating Grant	\$398,384,235	\$420,641,700	\$444,046,100	\$498,406,800	\$54,360,700 12.2%
3100	Operating Grant to Statutory Boards	398,384,235	420,641,700	444,046,100	498,406,800	54,360,700 12.2
	<i>TRANSFERS</i>	<i>\$13,998,624</i>	<i>\$13,095,850</i>	<i>\$12,521,300</i>	<i>\$13,496,100</i>	<i>\$974,800 7.8%</i>
3500	Social Transfers	0	0	23,000	20,000	-3,000 -13.0
3600	Subventions	13,998,624	13,095,850	12,498,300	13,476,100	977,800 7.8

Expenditure Estimates by Object Class - continued

Code	Object Class	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008	Change over FY2007
Development Estimates						
	DEVELOPMENT EXPENDITURE	\$1,206,641,754	\$1,472,545,800	\$1,527,566,900	\$1,899,473,900	\$371,907,000 24.3%
5100	Direct Development	162,324,436	197,189,400	195,695,400	383,887,400	188,192,000 96.2
5200	Capital Grant	1,044,317,318	1,275,356,400	1,331,871,500	1,515,586,500	183,715,000 13.8
	OTHER DEVELOPMENT FUND OUTLAYS	\$568,406,680	\$3,133,092,000	\$2,665,725,500	\$3,060,493,900	\$394,768,400 14.8%
5600	Loans	229,866,111	2,298,000,000	2,088,700,000	1,963,200,000	-125,500,000 -6.0
9100	Loan Repayments	257,928,083	364,141,400	145,830,600	720,218,100	574,387,500 393.9
	Net Lending	-28,061,972	1,933,858,600	1,942,869,400	1,242,981,900	-699,887,500 -36.0
5500	Land-related Expenditure	338,540,569	835,092,000	577,025,500	1,097,293,900	520,268,400 90.2

Establishment List

Category/Personnel	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
POLITICAL APPOINTMENTS	3	3	3	3
Minister	1	1	1	1
Minister of State	2	2	2	2
PERMANENT STAFF	460	545	545	604
Administrative	17	19	19	19
Corporate Support	157	162	162	165
Economist Service	13	15	15	15
Information Service (2008)	0	0	0	2
Management Executive Scheme (2008)	0	0	0	271
Management Support Scheme (2008)	0	0	0	30
Operations Support	9	10	10	10
Shorthand Writers	13	14	14	14
Statistician (Trade & Industry)	44	55	55	73
Technical Support Scheme (2008)	0	0	0	5
Information Service (2002)	2	2	2	0
Management Executive (Trade & Industry)	180	234	234	0
Management Support	20	29	29	0
Technical Support	5	5	5	0
OTHERS	2,076	2,268	2,216	2,298
Agency for Science, Technology and Research	157	171	153	153
Competition Commission of Singapore	36	53	53	58
Economic Development Board	506	531	517	503
International Enterprise Singapore	431	475	498	498
Singapore Tourism Board	553	615	567	658
Standards, Productivity & Innovation Board	393	423	428	428
TOTAL	2,539	2,816	2,764	2,905

FY2007 BUDGET

The revised FY2007 expenditure for the Ministry of Trade and Industry (MTI) is expected to be \$2.07 billion. This represents an increase of \$387.93 million or 23.1% over the actual FY2006 expenditure.

MTI's revised FY2007 running costs are expected to be \$527.65 million, an increase of \$68.48 million or 14.9% over the actual FY2006 expenditure. This is due mainly to higher operating budget (11.5% increase over FY2006) to fund the activities of the statutory boards.

The revised FY2007 development expenditure of \$1.53 billion is \$320.93 million or 26.6% more than the actual development expenditure in FY2006. This is due mainly to higher expenditure on projects like Economic Development Assistance Scheme 5, Science & Technology Plan 2010, Enterprise Development Fund 3 and Formula One Project.

In FY2007, the revised land-related expenditure is \$577.03 million. The major reclamation projects are Tuas View Extension (\$250 million), Reclamation of Jurong Island Phase 4 (\$150 million), Reclamation & Infrastructure Development of Pulau Ayer Merbau & Seraya (\$58.66 million) and Jurong Rock Cavern (\$55.65 million).

Loans to support the various industrial loan schemes administered by the Economic Development Board, the International Enterprise Singapore and the Standards, Productivity and Innovation Board are expected to be \$2.09 billion for FY2007. This is an increase of \$1.86 billion or 808.6 % compared to the loans disbursed in FY2006. The increase in loans is mainly due to higher drawdown for the various industrial loan schemes.

FY2008 BUDGET

The FY2008 provision for MTI is \$2.52 billion. Of this, 24.6% will go towards operating expenditure and 75.4% to development expenditure. The provision is an increase of \$451.94 million or 21.9% compared to the revised FY2007 expenditure.

Operating Expenditure

Operating expenditure is projected to increase by \$80.03 million or 14.8% over the revised FY2007 expenditure to \$620.20 million. The increase in operating expenditure is mainly due to increase in grants to the statutory boards in FY08 as a result of higher projected GDP growth and higher figures posted for their key performance indicators.

Economic Development Board (EDB)

EDB's mission is to promote and develop capital-intensive, knowledge-intensive and innovation-intensive industries in Singapore. Its aim is to develop Singapore into a compelling global hub for business and investments across manufacturing and internationally traded services. For CY2008, EDB projects that it will attract total Fixed Asset Investment commitments of \$17-\$19 billion and Total Business Spending commitments of \$7.5-\$8.0 billion from manufacturing and services projects. It also expects to create 16,000 to 19,000 skilled jobs. To help achieve its target, EDB will be provided with an operating budget of \$129.86 million.

Standards, Productivity and Innovation Board (SPRING Singapore)

SPRING Singapore's mission is to enhance the competitiveness of enterprises for a vibrant Singapore economy. It champions enterprise formation and growth, and its vision is to develop a host of dynamic and innovative Singapore enterprises. To realise its vision, SPRING Singapore adopts four strategies - nurture a pro-business environment that encourages enterprise formation and growth; champion industry development; build enterprise capabilities; and increase access to markets and business opportunities. SPRING Singapore is also the national body for standards and conformance. For CY2008, SPRING Singapore targets to grow the value add of the small and medium enterprises sector by 6.0%. To meet its running costs, SPRING Singapore is allocated an operating budget of \$53.05 million.

International Enterprise Singapore (IE Singapore)

IE Singapore's mission is to promote the overseas growth of Singapore-based enterprises and international trade. With a global network in over 30 locations and our '3C' framework of assistance - Connections, Competency, Capital, IE Singapore offers services to help enterprises export, develop business capabilities, find overseas partners and enter new markets. At the same time, the agency works to position Singapore as a base for foreign businesses to expand into the region in partnership with Singapore-based companies.

In championing international trade, IE Singapore contributes to the economy through active promotion of domestic exports and re-exports, as well as offshore trade. It strives to enhance the competitiveness of Singapore-based exporters through a variety of initiatives, such as promoting awareness and utilisation of the various Free Trade Agreements Singapore has with other countries, project facilitation, sectorial initiatives and enhancement of trade infrastructure. It will also continue to enhance efforts in attracting key global traders to Singapore and aims to generate a total incremental business spending of at least \$3 billion in CY2008.

*Agency for Science, Technology And Research (A*STAR)*

A*STAR's mission is to foster world class scientific research and nurture world class scientific talent for a vibrant knowledge-based Singapore. A*STAR has a central role in setting the thematic and structural priorities for non-defence public research, developing the national base of PhD research manpower and investing in major research infrastructure. Under the Science & Technology Plan 2010, A*STAR aims to focus and strengthen Singapore's R&D capabilities in niche areas and translate the outputs of basic research into useful and commercially viable applications. In addition, A*STAR will press on with its effort to attract global researchers and nurture local talent, as well as develop strong international research relationships and networks which would make Singapore a key global node of R&D excellence. A provision of \$32.41 million is allocated to meet A*STAR's running costs.

Development Expenditure

MTI's FY2008 development expenditure is projected to be \$1.90 billion, an increase of \$371.91 million or 24.3% over the revised FY2007 expenditure. The increase in development expenditure is mainly due to higher projected expenditure for projects such as Science & Technology Plan 2010 and Economic Development Assistance Scheme. The provision includes \$258.78 million for new projects that the Ministry intends to implement in the course of FY2008. The expenditure on R&D activities is projected to take up \$1.04 billion. The sum will be used to support activities and programmes to strengthen industry R&D, develop R&D manpower capability, enhance knowledge infrastructure such as research institutes and centres, and promote economically relevant international R&D collaboration. The Economic Development Assistance Scheme is projected to take up \$224.52 million to support industry development programmes. The Enterprise Development Fund is expected to utilise \$108.80 million to support the development of local enterprises through initiatives that increase access to financing, develop capabilities and facilitate market opportunities.

Other Development Fund Outlays***Land-related Expenditure***

A sum of \$1.10 billion, an increase of \$520.27 million or 90.2% over the revised FY2007 expenditure, has been provided for land-related expenditure. The bulk of the allocation would go towards the reclamation project at Jurong Island - Phase 4 (\$230.06 million) and Tuas View Extension (\$632 million).

Loan Provisions

To assist capital investment by local enterprise and attract overseas investments to Singapore through the provision of loans, a loan provision of \$1.96 billion is allocated. This is a decrease of \$125.50 million or 6.0 % over the revised FY2007 provision, as there is a projected decrease in loan demand.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
VA	Administration	72,626,300	13,493,800	86,120,100	370,615,600	456,735,700
VB	Statistics	35,672,700	2,300	35,675,000	4,957,900	40,632,900
VE	Economic Development Board	129,858,700	0	129,858,700	349,136,300	478,995,000
VG	Standards, Productivity and Innovation Board	53,053,000	0	53,053,000	94,180,400	147,233,400
VH	Agency for Science, Technology and Research	32,413,400	0	32,413,400	919,022,700	951,436,100
VK	International Enterprise Singapore	85,823,200	0	85,823,200	29,686,800	115,510,000
VN	Singapore Tourism Board	184,315,800	0	184,315,800	131,874,200	316,190,000
VP	Competition Commision of Singapore	12,942,700	0	12,942,700	0	12,942,700
Total		\$606,705,800	\$13,496,100	\$620,201,900	\$1,899,473,900	\$2,519,675,800

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
DEVELOPMENT EXPENDITURE	...	...	\$1,206,641,754	\$1,472,545,800	\$1,527,566,900	\$1,899,473,900
<i>DIRECT DEVELOPMENT</i>	...	...	<i>162,324,436</i>	<i>197,189,400</i>	<i>195,695,400</i>	<i>383,887,400</i>
Administration Programme						
Infrastructure Works at Changi North for Singapore Airshow	35,700,000	3,603,313	12,364,926	6,700,000	12,000,000	571,200
Infrastructure for URA Industrial Land Sale Sites at Tampines West and Woodlands North	23,103,000	15,064,090	2,248,716	2,025,000	1,490,000	1,266,200
Basic Infrastructure in One-North at Buona Vista	72,410,000	33,536,586	16,040,075	14,500,000	13,600,000	6,664,000
Unplasticised Polyvinyl Chloride Network for Phase 1 of One North	28,930,000	491,657	361,075	5,000,000	2,350,000	4,760,000
Business e-Town	3,924,500	2,768,049	502,732	0	383,700	67,000
Minor Development Projects	...	...	535,157	4,959,100	7,129,400	14,077,700

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
Infrastructure for the rest of Tuas View (Tuas Hockey Stick)	270,420,000	129,770,855	4,195,303	2,700,000	3,340,000	3,265,400
Development of 4 Southern Islands	280,000,000	100,654,840	18,107,217	20,000,000	1,000,000	4,009,800
Jurong Island Project - Compensation Payments	195,000,000	88,990,241	226,309	6,000,000	630,000	2,856,000
Roads for Industrial Sale Sites at Kaki Bukit	4,808,200	4,345,292	187,623	0	6,000	195,200
Road Link from Singapore Mainland to Jurong Island and Associated Works	863,100,000	505,464,847	521,722	684,000	595,000	628,300
Reclamation and Infrastructure Development of Jurong Island Phase 3	2,063,550,000	1,005,044,119	4,604,882	0	24,605,000	20,049,100
Infrastructure Development for URA Industrial Land Sale Sites	104,350,000	15,938,707	209,214	1,360,000	875,000	1,171,000
Tourism 21 Plan - Tourism Development Assistance Scheme	130,000,000	40,300,984	6,277,406	7,000,000	6,580,000	7,140,000
New Projects	...	...	0	81,158,300	51,119,100	258,779,100
Tuas View Extension	595,779,500	479,099,738	26,544,626	16,220,000	6,960,000	22,181,600
Reclamation of Jurong Island Phase 4	502,200,000	285,136,300	18,679,990	1,158,700	3,539,000	1,056,700
Jurong Rock Cavern Phase 1	401,800,000	0	3,053,343	18,006,000	15,936,000	13,883,000
Measures to Enhance Security of Singapore's Power Grid	10,788,200	0	0	0	6,346,700	3,770,800
Innovation Fund	...	...	0	0	0	2,337,400
Statistics Programme						
Minor Development Projects	...	...	2,079,313	1,400,300	1,760,400	3,022,900
Statistical Development Programme FY2007-FY2011	5,070,000	0	0	0	990,000	1,935,000
Singapore Tourism Board Programme						
Tourism Development Fund 2015	75,000,000	0	0	0	34,333,700	10,200,000
Completed Projects	...	...	45,584,807	8,318,000	126,400	0
<i>CAPITAL GRANTS</i>	...	...	<i>1,044,317,318</i>	<i>1,275,356,400</i>	<i>1,331,871,500</i>	<i>1,515,586,500</i>
Administration Programme						
Study on Liquefied Natural Gas	12,130,000	3,422,222	1,675,766	1,600,000	1,034,000	1,570,800

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
Minor Development Projects	...	...	1,325,450	90,000	657,400	315,300
Economic Development Board Programme						
Economic Development Assistance Scheme Phase 4	2,125,000,000	382,072,184	127,687,064	86,750,000	48,108,200	44,963,000
Science and Technology 2010 Plan	2,100,000,000	0	8,000,000	55,000,000	58,000,000	120,618,400
Economic Development Assistance Scheme Phase 3	2,772,000,000	853,270,395	12,378,348	12,500,000	11,270,000	5,645,400
Economic Development Assistance Scheme Phase 5 (FY2006-FY2010)	1,650,000,000	0	21,000,000	65,000,000	98,164,000	173,909,500
Mineral, Metal and Material Technology Centre	13,200,000	0	0	0	1,400,000	1,000,000
Clean Energy Research and Testbedding Programme	16,600,000	0	0	0	2,000,000	3,000,000
Standards, Productivity and Innovation Board Programme						
Enterprise Development Fund 2	470,000,000	277,725,934	42,500,000	34,000,000	14,900,000	30,749,600
Domestic Sector Productivity Fund	45,000,000	1,200,000	1,000,000	1,000,000	1,600,000	2,665,600
Entrepreneurial Development Fund	25,000,000	2,410,503	0	500,000	1,000,000	952,000
Small and Medium Enterprise Capability Development Centres	10,000,000	5,001,623	1,000,000	500,000	0	761,600
5-Year Metrology Road Map	17,760,000	3,700,000	4,500,000	4,431,000	4,431,000	4,882,800
Local Enterprise and Association Development Programme	50,000,000	3,565,500	5,000,000	4,000,000	2,500,000	5,712,000
Enterprise Development Fund	361,000,000	258,210,362	15,180,776	6,000,000	0	1,332,800
Enterprise Development Fund 3 (FY2006-FY2010)	760,250,000	0	4,500,000	49,799,000	32,600,000	47,124,000
Agency for Science, Technology and Research Programme						
Science and Technology 2005	6,130,593,000	3,254,681,092	170,052,513	264,500,000	258,205,000	224,538,700
National Science and Technology Plan 2000	3,590,000,000	3,096,829,760	20,261,684	2,000,000	8,140,000	476,000
Science and Technology 2010	5,400,000,000	0	566,681,998	588,000,000	721,780,000	694,008,000

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
International Enterprise Singapore Programme						
Funding of the International Enterprise Incentive Scheme FY2003-FY2005	90,000,000	33,535,000	16,200,000	10,800,000	7,648,300	95,200
Grants for Enterprise Development Fund 3 (FY2006-FY2010)	202,250,000	0	6,250,000	9,800,000	15,847,800	29,591,600
Singapore Tourism Board Programme						
Revitalisation of the Singapore River	13,890,000	496,402	147,878	12,643,500	655,800	11,985,100
Multi-language Tourism Way-finding System	10,000,000	223,498	769,090	5,000,000	5,000,000	759,300
Tourism Development Fund 2015	1,325,000,000	0	2,770,638	24,400,000	23,460,000	108,929,800
Completed Projects	...	...	15,436,113	37,042,900	13,470,000	0

Other Development Fund Outlays

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
Other Development Fund Outlays	...	...	\$568,406,680	\$3,133,092,000	\$2,665,725,500	\$3,060,493,900
<i>LOANS</i>	...	...	<i>229,866,111</i>	<i>2,298,000,000</i>	<i>2,088,700,000</i>	<i>1,963,200,000</i>
Economic Development Board Programme						
Resource Productivity Scheme Loan (under EDAS 4) (i)	700,000,000	5,663,768	143,686	1,000,000	500,000	500,000
Economic Development Assistance Scheme 5 (FY2006-FY2010)	9,100,000,000	0	112,200,000	1,592,000,000	1,012,000,000	1,672,000,000
Standards, Productivity and Innovation Board Programme						
Loans for Enterprise Development Fund 3 (FY2006-FY2010)	3,000,000,000	0	0	0	1,000,000,000	288,000,000

(i) EDAS – Economic Development Assistance Scheme.

Other Development Fund Outlays - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
International Enterprise Singapore Programme						
Regional Financing Scheme (Previously under EDAS 4) (i)	93,899,600	7,024,875	6,022,450	0	6,200,000	2,700,000
Completed Projects	...	...	111,499,974	705,000,000	70,000,000	0
<i>LAND-RELATED EXPENDITURE</i>	...	...	<i>338,540,569</i>	<i>835,092,000</i>	<i>577,025,500</i>	<i>1,097,293,900</i>
Administration Programme						
New Projects for Land-related Expenditure	...	...	0	105,532,000	59,053,000	101,767,000
Reclamation and Infrastructure Development between Pulau Ayer Merbau and Pulau Seraya, Jurong Island	175,640,000	0	0	58,656,000	58,656,000	116,984,000
Tuas View Extension	5,373,920,500	1,923,371,848	245,069,191	390,766,000	250,000,000	632,000,000
Reclamation of Jurong Island Phase 4	1,200,000,000	427,115,184	44,659,225	230,429,000	150,003,000	230,060,000
Jurong Rock Cavern Phase 1	320,000,000	0	9,689,919	0	55,653,500	16,482,900
Completed Projects	...	...	39,122,234	49,709,000	3,660,000	0

(i) EDAS – Economic Development Assistance Scheme.

KEY PERFORMANCE INDICATORS

Desired Outcomes

- A competitive economy
- A globalised economy
- An entrepreneurial economy
- A diversified economy

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2005	Actual FY2006	Revised FY2007	Estimated FY2008
A Competitive Economy	1. Real gross domestic product (GDP) & nominal gross national income (GNI) growth rates (%)	6.6	7.9	7.5	4.5 – 6.5
		9.6	9.0	9.5	8.0 – 11.0
	2. Nominal GDP & nominal GNI per capita (\$)	44,738	46,832	49,100	51,500 – 52,900
		42,983	45,353	47,600	49,900 - 51,300
	3. Ranking of GDP per capita	23	24	Top 25	Top 25
	Rankings in Global Competitiveness report	6	8	7	Top 10
	% change in unit business costs	0.0	0.0	≤5	≤5
	Gross Expenditure on research & development (R&D) as % of GDP	2.36	2.39	2.43	3.0 (i)
A Globalised Economy	% increase in trade with the rest of world, with a focus on Singapore's key trading and export destinations (ASEAN, United States, China, etc), and other existing free trade agreement partners	13.95	13.33	5 - 6	9 - 11
An Entrepreneurial Economy	% growth in value-added (VA) of small and medium enterprises	16.4	8.9	12.0	6.0
A Diversified Economy	% growth in VA from Projects	n.a.	n.a.	11.6	12.0 - 14.0
	Total Fixed Asset Investment (\$ billion)	n.a.	n.a.	17.2	17.0 - 19.0
	Total Business Spending (\$ billion)	n.a.	n.a.	7.3	7.5 – 8.0
	Total Skilled Jobs	n.a.	n.a.	18,400	16,000 - 19,000
	Tourism Receipts (\$ billion)	10.8	12.4	13.6	14.7

(i) FY2010 target for Gross Expenditure on R&D as % of GDP is 3%.