

REVIEW OF FINANCIAL YEAR 2009

Operating Revenue

FY2009 Operating Revenue has been revised upwards by \$5.1 billion (or 15.4% higher) to \$38.6 billion. This is largely due to higher-than-expected wages and profits that resulted in higher collections in both Personal and Corporate Income Taxes. Significantly higher-than-expected collections are also anticipated for assets taxes and stamp duty.

Tax Revenues

Corporate Income Tax collections are estimated at \$9.3 billion, or 12.8% higher than the budgeted FY2009 estimate. Personal Income Tax collections are estimated at \$6.2 billion, or 18.7% higher than the budgeted FY2009 estimate. Withholding Tax collections are estimated at \$1.2 billion, or 39.3% higher than the budgeted FY2009 estimate.

Assets Taxes collections are estimated at \$2.0 billion, or 91.9% higher than the budgeted FY2009 estimate.

GST collections are estimated at \$6.7 billion. This is only marginally higher than the estimated collection of \$6.6 billion (i.e. 1.5% higher than the budgeted FY2009 estimate). Motor Vehicle Related Taxes are estimated at \$1.8 billion. This is \$0.2 billion (or 12.8%) higher than the budgeted FY2009 estimate. Stamp Duty collections are estimated at \$2.3 billion, or 131.9% higher than the budgeted FY2009 estimate. This is due to a greater volume of transactions and higher property prices.

Total Expenditure

Total Expenditure for FY2009 is expected to be \$42.9 billion (or 16.7% of GDP). This is 1.7% lower than the budgeted FY2009 estimate. The decrease is largely attributed to lower operational manpower expenditure due to reduced year-end bonuses, and lower development expenditure due to lower construction costs or deferral of several development projects.

Special Transfers

Special transfers are expected to total \$5.6 billion in FY2009 (including \$1.4 billion in Top-Ups to Endowment Funds and Trust Funds). This is \$0.6 billion (or 9.0%) lower than the \$6.2 billion initially budgeted.

Net Investment Returns Contribution

Net Investment Returns Contribution (NIRC) for FY2009 is expected to be \$7.0 billion, or \$0.6 billion lower than the budgeted FY2009 estimate.

Table 2.1: FISCAL POSITION IN FY2008 AND FY2009

	Actual FY2008	Estimated FY2009	Revised FY2009	Revised FY2009 Compared to	
				Actual FY2008	Estimated FY2009
	\$billion	\$billion	\$billion	% change	% change
OPERATING REVENUE	41.09	33.43	38.57	(6.1)	15.4
Corporate Income Tax	10.55	8.21	9.26	(12.3)	12.8
Personal Income Tax	5.41	5.22	6.20	14.5	18.7
Withholding Tax	1.18	0.83	1.16	(1.4)	39.3
Statutory Boards' Contributions	2.14	0.31	0.41	(80.9)	31.4
Assets Taxes	2.90	1.03	1.98	(32.0)	91.9
Customs and Excise Tax	2.07	2.00	2.10	1.6	4.9
Goods and Services Tax	6.49	6.56	6.66	2.7	1.5
Motor Vehicle Related Taxes	1.83	1.59	1.80	(1.9)	12.8
Vehicle Quota Premiums	0.37	0.32	0.61	66.4	91.6
Betting Taxes	1.77	1.86	1.74	(1.9)	(6.6)
Stamp Duty	1.43	0.99	2.29	60.2	131.9
Other Taxes	1.93	2.37	2.12	9.9	(10.4)
Other Fees and Charges	2.85	2.02	2.09	(26.4)	3.5
Others	0.17	0.11	0.15	(7.6)	33.1
Less:					
TOTAL EXPENDITURE	38.09	43.62	42.88	12.6	(1.7)
Operating Expenditure	28.73	32.16	31.75	10.5	(1.3)
Development Expenditure	9.36	11.46	11.14	19.0	(2.9)
PRIMARY SURPLUS / (DEFICIT) *	3.00	(10.20)	(4.31)		
Less:					
SPECIAL TRANSFERS[†]	7.10	6.15	5.60	(21.2)	(9.0)
Special Transfers Excluding Top-Ups to Endowment and Trust Funds	4.09	4.74	4.19		
Jobs Credit Scheme	0.92	3.38	3.19		
Special Risk-Sharing Initiative (SRI)	-	0.39	0.01		
Growth Dividends	1.01	-	0.01		
GST Credits	0.88	0.46	0.46		
Senior Citizens' Bonus	0.24	0.12	0.12		
Workfare Income Supplement Scheme Special Payment	0.05	0.10	0.12		
U-Save Scheme	0.20	0.12	0.12		
Service & Conservancy Charges and Rental Rebates	0.06	0.07	0.07		
Top-Up to CPF Medisave Accounts	0.22	-	-		
Top-Up to Post-Secondary Education Accounts	0.48	0.00	0.00		
Other measures for Elderly and Lower Income [#]	0.01	0.03	0.02		
Assistance to Small and Medium Enterprises (SMEs)	0.02	0.02	0.02		
R&D Incentive for Start-Up Enterprises	-	0.05	0.05		
BASIC SURPLUS / (DEFICIT) ^	(1.09)	(14.94)	(8.50)		
Top-Ups to Endowment and Trust Funds	3.01	1.41	1.41		
Top-Up to Endowment Funds [@]	1.60	0.30	0.30		
National Research Fund	0.80	0.40	0.40		
CPF Deferment and Voluntary Deferment Bonus	0.35	0.45	0.45		
LIFELong Income (LIFE) Bonus	0.26	0.26	0.26		
Add:					
NET INVESTMENT INCOME / RETURNS CONTRIBUTION	4.34	7.67	7.03	62.0	(8.3)
OVERALL BUDGET SURPLUS / (DEFICIT)	0.24	(8.67)	(2.88)		

Note: Due to rounding, figures may not add up.

* Surplus / (Deficit) before Special Transfers and Net Investment Returns Contribution (NIRC).

[†] Special Transfers include Top-Ups to Endowment Funds and Trust Funds.

[#] Consist of Senior Pensioners Grant Scheme, public transport vouchers and assistance through Citizens' Consultative Committees, self-help groups, and voluntary welfare organisations.

[^] Surplus / (Deficit) before Top-Ups to Endowment and Trust Funds and Net Investment Income/Returns Contribution.

[@] Consist of ComCare Fund, Medifund, ElderCare Fund, and Lifelong Learning Fund.