OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2011

Budget for FY2011

The FY2011 Budget is summarised in Table 1.1.

Operating Revenue

FY2011 Operating Revenue is projected at $48.1 billion. This will be an increase of $2.7 billion (or 5.9%) over the revised FY2010 estimate. As a percentage of GDP, FY2011 Operating Revenue is expected to decrease from 14.4% of GDP in FY2010 to 14.2% in FY2011.

Tax Revenue

Corporate Income Tax collections are expected to increase by $0.5 billion (or 4.9%) from the revised FY2010 estimate to $11.0 billion in FY2011. Personal Income Tax collections are expected to increase by $0.5 billion (or 7.7%) from the revised FY2010 estimate to $7.0 billion in FY2011.Withholding Tax collections are estimated at $1.2 billion, $0.3 billion (or 28.7%) higher than the revised FY2010 estimate.

Assets Taxes are estimated at $3.6 billion, $0.6 billion (or 19.6%) higher than the budgeted FY2010 estimate. Stamp Duty collections are projected to decrease by $0.7 billion (or 24.6%) from the revised FY2010 estimate to $2.1 billion in FY2011.

Goods and Services Tax collections are estimated at $8.4 billion, $0.5 billion (or 6.9%) higher than the revised FY2010 estimate. Motor Vehicle Related Taxes are estimated to decrease marginally to $1.7 billion in FY2011, $0.01 billion (or 0.8%) lower than the revised FY2010 estimate.

Total Expenditure

FY2011 Total Expenditure is estimated to be $47.1 billion (or 13.9% of GDP). This is an increase of $0.7 billion (or 1.5%) from the revised FY2010 estimate of $46.4 billion. Development Expenditure is expected to decrease by $1.1 billion (or 8.7%) from the revised FY2010 estimate to $11.2 billion in FY2011. Operating Expenditure is projected to increase by $1.8 billion (or 5.2%) from the revised FY2010 estimate to $35.9 billion in FY2011.

Special Transfers

Budget 2011 will provide $8.7 billion worth of Special Transfers in FY2011.

Net Investment Returns Contribution

Net Investment Returns Contribution (NIRC) for FY2011 is expected to be $7.8 billion.

Budget Position

Before taking into account Top-ups to Endowment Funds and Trust Funds, and before NIRC, a basic deficit of $2.2 billion (or 0.7% of GDP) is expected for FY2011. After factoring in the Top-ups to Endowment Funds and Trust Funds, and NIRC of $7.8 billion, the estimated outturn for FY2011 is balanced with an overall budget surplus of $0.1 billion (0.02% of GDP).

TABLE 1.1: BUDGET FOR FY2011

	Revised FY2010	Estimated FY2011	Change over Revised FY2010	
	$billion	$billion	$billion	% change
OPERATING REVENUE	**45.46**	**48.12**	**2.66**	**5.9**
Corporate Income Tax	10.50	11.01	0.51	4.9
Personal Income Tax	6.50	7.00	0.50	7.7
Withholding Tax	0.90	1.16	0.26	28.7
Statutory Boards' Contributions	0.57	0.44	(0.13)	(22.5)
Assets Taxes	2.99	3.58	0.59	19.6
Customs and Excise Tax	2.06	2.09	0.03	1.3
Goods and Services Tax	7.90	8.44	0.54	6.9
Motor Vehicle Related Taxes	1.73	1.72	(0.01)	(0.8)
Vehicle Quota Premiums	1.72	2.01	0.29	17.0
Betting Taxes	2.29	2.41	0.12	5.3
Stamp Duty	2.84	2.14	(0.70)	(24.6)
Other Taxes	2.94	3.45	0.50	17.2
Other Fees and Charges	2.39	2.51	0.12	5.0
Others	0.13	0.18	0.05	37.0
Less:				
TOTAL EXPENDITURE	**46.39**	**47.10**	**0.71**	**1.5**
Operating Expenditure	34.13	35.90	1.77	5.2
Development Expenditure	12.26	11.20	(1.06)	(8.7)
PRIMARY SURPLUS / (DEFICIT)[1]	**(0.93)**	**1.02**		
Less:				
SPECIAL TRANSFERS[2]	**7.18**	**8.73**	**1.55**	**21.6**
Special Transfers Excluding Top-ups to Endowment and Trust Funds	**1.59**	**3.24**		
Growth Dividends	0.00	1.55		
GST Credits	0.47	0.00		
Utilities Save Rebates/Service and Conservancy Charges Rebates/Rental Rebates	0.14	0.30		
Workfare[3]	0.02	0.26		
CPF Top-ups[4]	0.35	0.50		
Transfers to Young Singaporeans[5]	0.23	0.09		
Transfers to Seniors and the Needy[6]	0.14	0.04		
Transfers to Businesses[7]	0.26	0.48		
BASIC SURPLUS / (DEFICIT)[8]	**(2.52)**	**(2.21)**		
Top-ups to Endowment and Trust Funds	**5.59**	**5.49**		
Top-up to Endowment Funds[9]	0.40	2.20		
National Productivity Fund	1.00	1.00		
National Research Fund	1.50	1.00		
Community Silver Trust	-	1.00		
Trust Fund for Workfare Special Bonus and Special Employment Credit	-	0.29		
Singapore Universities Trust Fund	2.00	-		
CPF Deferment and Voluntary Deferment Bonus	0.44	-		
LIFE Bonus	0.25	-		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	**7.83**	**7.78**	**(0.05)**	**(0.7)**
OVERALL BUDGET SURPLUS / (DEFICIT)	**(0.28)**	**0.08**		

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

[1]Surplus / (Deficit) before Special Transfers and Net Investment Returns Contribution.

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

[3]Consist of Workfare Bonus Scheme, Workfare Income Supplement Scheme (Special Payment), Workfare Special Bonus and Special Employment Credit. The Workfare Special Bonus and Special Employment Credit will be paid over three years from FY2011 to FY2013. FY2012 and FY2013 payments totaling $291 million will be placed in a trust fund.

[4]Consist of CPF Ordinary Account, Pre-Medisave, Medisave and CPF Share Ownership Top-up Schemes.

[5]Consist of Child Development Credit, Top-ups to Edusave Accounts and Post-Secondary Education Accounts.

[6]Consist of Senior Pensioners Grant Scheme, Senior Citizens' Bonus, public transport vouchers and assistance through Citizens' Consultative Committees, funds set aside for Self-Help Groups and Voluntary Welfare Organisations, School Advisory Committee/School Management Committee and Special Education.

[7]Consist of Jobs Credit, Productivity and Innovation Credit, Special Risk-Sharing Initiative, R&D Incentive for Start-Up Enterprises, Assistance to SMEs and SME Cash Grant.

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

[9]Consist of Community Care Endowment Fund, Medical Endowment Fund, ElderCare Fund and Lifelong Learning Endowment Fund.