REVIEW OF FINANCIAL YEAR 2010

Operating Revenue

FY2010 Operating Revenue has been revised upwards by $4.7 billion (or 11.6%) to $45.5 billion. This is mainly attributed to the strength of the economic recovery, which boosted both incomes and consumption, and also contributed to a buoyant property market.

Tax Revenue

Corporate Income Tax collections are estimated at $10.5 billion, $2.9 billion (or 38.0%) higher than the budgeted FY2010 estimate. Personal Income Tax collections are estimated at $6.5 billion, $0.5 billion (or 6.6%) lower than the budgeted FY2010 estimate. Withholding Tax collections are estimated at $0.9 billion, $0.3 billion (or 27.8%) lower than the budgeted FY2010 estimate.

Assets Taxes are estimated at $3.0 billion, $0.3 billion (or 10.2%) higher than the budgeted FY2010 estimate. Stamp Duties are estimated at $2.8 billion, $0.2 billion (or 6.1%) higher than the budgeted FY2010 estimate.

Goods and Services Tax collections are estimated at $7.9 billion, $0.9 billion (or 13.3%) higher than the budgeted FY2010 estimate. Motor Vehicle Related Taxes are estimated at $1.7 billion, $0.2 billion (or 15.1%) higher than the budgeted FY2010 estimate while Vehicle Quota Premiums are estimated to be $0.8 billion (or 90.9%) higher at $1.7 billion, due to higher than expected Certificate of Entitlement premiums.

Total Expenditure

Revised FY2010 Total Expenditure amounts to $46.4 billion (14.7% of GDP). This is marginally higher than the budgeted FY2010 estimate by $0.02 billion (or 0.05%). This increase is attributed to higher manpower expenditure due to higher year-end bonuses.

Special Transfers

Special Transfers are expected to total $7.2 billion in FY2010. This is $2.0 billion (or 39.5%) higher than initially budgeted due to the injection of $2.0 billion into the Singapore Universities Trust Fund, which was announced in National Day Rally 2010.

Net Investment Returns Contribution

NIRC for FY2010 is expected to be $7.8 billion. It remains unchanged from the budgeted FY2010 estimate.

Budget Position

Before taking into account Top-ups to Endowment Funds and Trust Funds, and before NIRC, the revised basic deficit is estimated at $2.5 billion (or 0.8% of GDP), which is much smaller than the budgeted basic deficit of $7.2 billion. After factoring in the Top-ups to Endowment Funds and Trust Funds, and NIRC of $7.8 billion, the estimated outturn for FY2010 is an overall budget deficit of $0.3 billion (0.1% of GDP).

TABLE 2.1: FISCAL POSITION IN FY2009 AND FY2010

	Actual FY2009	Estimated FY2010	Revised FY2010	Revised FY2010 Compared to Actual FY2009	Revised FY2010 Compared to Estimated FY2010
	$billion	$billion	$billion	% change	% change
OPERATING REVENUE	**39.55**	**40.73**	**45.46**	**15.0**	**11.6**
Corporate Income Tax	9.55	7.61	10.50	9.9	38.0
Personal Income Tax	6.11	6.96	6.50	6.3	(6.6)
Withholding Tax	1.14	1.25	0.90	(20.9)	(27.8)
Statutory Boards' Contributions	0.41	1.19	0.57	39.9	(51.9)
Assets Taxes	1.99	2.72	2.99	50.5	10.2
Customs and Excise Tax	2.13	2.24	2.06	(2.9)	(8.1)
Goods and Services Tax	6.91	6.98	7.90	14.3	13.3
Motor Vehicle Related Taxes	1.86	1.50	1.73	(6.8)	15.1
Vehicle Quota Premiums	0.62	0.90	1.72	175.3	90.9
Betting Taxes	1.73	2.08	2.29	32.3	10.1
Stamp Duty	2.39	2.68	2.84	18.8	6.1
Other Taxes	2.41	2.37	2.94	22.1	24.1
Other Fees and Charges	2.14	2.15	2.39	11.7	11.4
Others	0.16	0.11	0.13	(20.8)	15.1
Less:					
TOTAL EXPENDITURE	**41.89**	**46.37**	**46.39**	**10.7**	**0.0**
Operating Expenditure	30.91	33.90	34.13	10.4	0.7
Development Expenditure	10.98	12.47	12.26	11.7	(1.7)
PRIMARY SURPLUS / (DEFICIT)[1]	**(2.34)**	**(5.64)**	**(0.93)**		
Less:					
SPECIAL TRANSFERS[2]	**5.48**	**5.15**	**7.18**	**31.0**	**39.5**
Special Transfers Excluding Top-ups to Endowment and Trust Funds	**4.07**	**1.56**	**1.59**		
Growth Dividends	0.00	-	0.00		
GST Credits	0.45	0.47	0.47		
Utilities Save Rebates/ Service and Conservancy Charges Rebates/ Rental Rebates	0.19	0.14	0.14		
Workfare[3]	0.11	0.02	0.02		
CPF Top-ups[4]	-	0.31	0.35		
Transfers to Young Singaporeans[5]	0.00	0.23	0.23		
Transfers to Seniors and the Needy[6]	0.13	0.15	0.14		
Transfers to Businesses[7]	3.18	0.26	0.26		
BASIC SURPLUS / (DEFICIT)[8]	**(6.42)**	**(7.20)**	**(2.52)**		
Top-ups to Endowment and Trust Funds	**1.41**	**3.59**	**5.59**		
Top-up to Endowment Funds[9]	0.30	0.40	0.40		
National Productivity Fund	-	1.00	1.00		
National Research Fund	0.40	1.50	1.50		
Singapore Universities Trust Fund	-	-	2.00		
CPF Deferment and Voluntary Deferment Bonus	0.45	0.44	0.44		
LIFE Bonus	0.26	0.25	0.25		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	**7.01**	**7.83**	**7.83**	**11.8**	**0.0**
OVERALL BUDGET SURPLUS / (DEFICIT)	**(0.82)**	**(2.96)**	**(0.28)**		

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 and Workfare Income Supplement Scheme (Special Payment).
[4] Consist of CPF Ordinary Account, Pre-Medisave, Medisave and CPF Share Ownership Top-up Schemes.
[5] Consist of 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, Self-Help Groups and Voluntary Welfare Organisations.
[7] Consist of Jobs Credit, Productivity and Innovation Credit, Special Risk-Sharing Initiative, R&D Incentive for Start-up Enterprises and Assistance to SMEs.
[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.