

OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2012

Budget for FY2012

The FY2012 Budget is summarised in Table 1.1.

Operating Revenue

FY2012 Operating Revenue is projected at \$53.1 billion. This is an increase of \$2.6 billion (or 5.1%) over the revised FY2011 estimate. As a percentage of GDP, FY2012 Operating Revenue is expected to be at 15.0% of GDP, 0.1% lower than revised FY2011 estimate.

Tax Revenue

Corporate Income Tax collections are expected to increase by \$1.2 billion (or 9.6%) from the revised FY2011 estimate to \$13.4 billion in FY2012. Personal Income Tax collections are expected to increase by \$1.0 billion (or 14.4%) from revised FY2011 estimate to \$7.8 billion in FY2012. Withholding Tax collections are estimated at \$1.2 billion, \$65 million (or 5.5%) higher than the revised FY2011 estimate.

Assets Taxes are estimated at \$3.7 billion, \$0.2 billion (or 4.5%) lower than the revised FY2011 estimate. Stamp Duty collections are projected to decline by \$0.5 billion (or 15.5%) from the revised FY2011 estimate to \$2.5 billion in FY2012.

Goods and Services Tax collections are estimated at \$9.2 billion, \$0.5 billion (or 5.5%) higher than the revised FY2011 estimate. Motor Vehicle Related Taxes are estimated to decrease to \$1.6 billion in FY2012, \$0.3 billion (or 13.8%) lower than the revised FY2011 estimate.

Total Expenditure

FY2012 Total Expenditure is estimated to be \$50.3 billion (or 14.2% of GDP). This is an increase of \$2.7 billion (or 5.8%) from the revised FY2011 estimate of \$47.5 billion. Development Expenditure is expected to increase by \$1.2 billion (or 9.9%) from the revised FY2011 estimate to \$12.8 billion in FY2012. Operating Expenditure is projected to increase by \$1.6 billion (or 4.4%) from the revised FY2011 estimate to \$37.5 billion in FY2012.

Special Transfers

Budget 2012 will provide \$8.9 billion worth of Special Transfers and Top-ups to Endowment and Trust Funds in FY2012.

Net Investment Returns Contribution

Net Investment Returns Contribution (NIRC) for FY2012 is expected to be \$7.3 billion.

Budget Position

Before taking into account Top-ups to Endowment and Trust Funds, and before NIRC, a basic surplus of \$1.3 billion (or 0.4% of GDP) is expected for FY2012. After factoring in the Top-ups to Endowment and Trust Funds, and NIRC of \$7.3 billion, the estimated outturn for FY2012 is an overall budget surplus of \$1.3 billion (0.4% of GDP).

TABLE 1.1: BUDGET FOR FY2012

	Revised FY2011	Estimated FY2012	Change over Revised FY2011	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	50.53	53.08	2.55	5.1
Corporate Income Tax	12.20	13.37	1.17	9.6
Personal Income Tax	6.80	7.78	0.98	14.4
Withholding Tax	1.18	1.25	0.07	5.5
Statutory Boards' Contributions	0.35	0.44	0.09	25.7
Assets Taxes	3.86	3.69	(0.17)	(4.5)
Customs and Excise Tax	2.09	2.12	0.03	1.4
Goods and Services Tax	8.75	9.24	0.49	5.5
Motor Vehicle Related Taxes	1.83	1.58	(0.25)	(13.8)
Vehicle Quota Premiums	2.00	2.02	0.02	1.1
Betting Taxes	2.38	2.40	0.02	0.7
Stamp Duty	2.94	2.49	(0.46)	(15.5)
Other Taxes	3.34	3.88	0.54	16.2
Other Fees and Charges	2.56	2.59	0.03	1.3
Others	0.25	0.25	0.00	0.4
Less:				
TOTAL EXPENDITURE	47.54	50.28	2.74	5.8
Operating Expenditure	35.87	37.45	1.59	4.4
Development Expenditure	11.67	12.83	1.16	9.9
PRIMARY SURPLUS / DEFICIT¹	2.99	2.80		
Less:				
SPECIAL TRANSFERS²	8.58	8.86	0.28	3.2
Special Transfers Excluding Top-ups to Endowment and Trust Funds	3.08	1.46		
Growth Dividends	1.55	0.00		
GST Credits	0.00	-		
GST Voucher ³	-	0.68		
Utilities Save Rebates/Service and Conservancy Charges Rebates/Rental Rebates	0.30	0.00		
Workfare ⁴	0.26	-		
CPF Medisave Top-ups	0.52	0.38		
Transfers to Young Singaporeans ⁵	0.09	-		
Transfers to Seniors and the Needy ⁶	0.04	0.02		
Transfers to Businesses ⁷	0.31	0.37		
BASIC SURPLUS / DEFICIT⁸	(0.09)	1.34		
Top-ups to Endowment and Trust Funds	5.50	7.40		
Top-up to Endowment Funds ⁹	2.20	1.00		
National Productivity Fund	1.00	-		
National Research Fund	1.00	-		
Community Silver Trust	1.00	-		
Trust Fund for Workfare Special Bonus and Special Employment Credit ¹⁰	0.30	-		
GST Voucher Fund	-	2.95		
Bus Services Enhancement Fund	-	1.10		
Special Employment Credit Fund	-	2.35		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	7.91	7.33	(0.58)	(7.4)
OVERALL BUDGET SURPLUS / DEFICIT	2.32	1.27		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

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

³ Consists of a cash component, Utilities Save Rebates and CPF Medisave Top-ups.

⁴ Consists of Workfare Income Supplement Scheme (Special Payment), Workfare Special Bonus, and Special Employment Credit.

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

⁶ Consists of public transport vouchers and assistance through Citizens' Consultative Committees and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

⁷ Consists of Jobs Credit, Productivity and Innovation Credit and SME Cash Grant.

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

⁹ Consists of Community Care Endowment Fund, Medical Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Edusave Endowment Fund.

¹⁰ From FY2012 onwards, the Trust Fund for Workfare Special Bonus and Special Employment Credit will fund only the Workfare Special Bonus.