

ANALYSIS OF REVENUE AND EXPENDITURE

Financial Year 2014

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EXPLANATORY NOTES

This document summarises and provides relevant highlights of the FY2014 Revenue and Expenditure Estimates presented to Parliament on 21 February 2014 as Cmd No. 1 of 2014.

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ANALYSIS OF REVENUE AND EXPENDITURE

- ◆ **UPDATE ON FY2013**
- ◆ **OUTLOOK FOR FY2014**

1 Update on Financial Year 2013

1.1 Expected Budget Outturn for FY2013

After taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC), the revised basic surplus is estimated at \$1.6 billion (or 0.4% of GDP). After factoring in the NIRC of \$7.9 billion and Top-ups to Endowment and Trust Funds of \$5.6 billion, the overall budget balance for FY2013 is a surplus of \$3.9 billion (or 1.1% of GDP). The revised FY2013 fiscal position is shown in [Table 1.1](#).

1.2 Operating Revenue

FY2013 Operating Revenue has been revised upwards by \$2.1 billion (or 3.9%) to \$57.1 billion. This is mainly due to higher-than-expected collections from Stamp Duty and Vehicle Quota Premiums.

Stamp Duty collections are now estimated at \$4.1 billion, up by \$1.0 billion (or 31.5%). Although cooling measures have reduced overall demand, the property market has remained firmer than expected.

Vehicle Quota Premiums, i.e. receipts from Certificates of Entitlement (COE), are estimated to increase by \$0.3 billion (or 13.2%) to \$2.8 billion. Motor Vehicle Taxes are also projected to increase by \$0.1 billion (or 8.7%) to \$1.7 billion. These increases are due to the higher-than-expected number of vehicle de-registrations which led to more COE quotas issued in FY2013, an increase in net car registrations using COEs carried over from the previous year, as well as more commercial vehicles being renewed.

Revenue from Other Fees and Charges is estimated at \$2.9 billion, up by \$0.2 billion (or 9.0%), mainly due to higher rental revenues for state properties, and higher school fees for permanent residents and foreigners.

Goods and Services Tax (GST) collections are estimated to increase slightly by \$0.2 billion (or 2.3%) to \$9.5 billion, in line with private consumption growth in FY2013.

These increases are partly offset by a \$0.4 billion (or 3.0%) decrease in estimated Corporate Income Tax (CIT) collections, due to higher claims for capital allowances.

The distribution of Operating Revenue in FY2013 by the various components is shown in [Chart 1.1](#).

1.3 Total Expenditure

Revised FY2013 Total Expenditure amounts to \$52.3 billion (14.2% of GDP), \$1.1 billion (or 2.0%) lower than the budgeted FY2013 estimate.

Operating Expenditure is expected to be \$40.4 billion, close to the budgeted FY2013 estimate of \$40.6 billion. Expenditure on Manpower is estimated at \$6.9 billion, \$0.2 billion (or 3.4%) higher than budgeted. This is offset by the expected reduction of \$0.3 billion (or 1.8%) in Other Operating Expenditure.

Development Expenditure is expected to be \$11.9 billion, lower than the budgeted FY2013 estimate by \$0.9 billion (or 6.8%). This is mainly due to lower expenditure on public infrastructure, arising from slower-than-expected rail, road and public housing upgrading

works. There were unforeseen delays in Downtown Line Stage 2 construction arising from the insolvency of one of the contractors and slower work progress due to the difficult terrain. The lower spending for public housing upgrading programmes was due to slow progress of the services diversion works for the Lift Upgrading Programme, and deferment in the commencement of construction works for some projects under the Home Improvement Programme.

The Social Development sector continues to take up the largest share of Total Expenditure at 46.6%, followed by Security and External Relations (31.5%). The breakdown of government spending by the major sectors is provided in [Chart 1.2](#).

1.4 Special Transfers

Special Transfers are expected to total \$8.8 billion in FY2013, higher by \$1.9 billion (or 27.9%) from the budgeted estimate. This is mainly due to higher Productivity and Innovation Credit (PIC) Bonus and PIC cash payouts, as well as the bringing forward of the first tranche of the Wage Credit Scheme payout to FY2013. [Table 1.2](#) shows a summary of the Special Transfers in Budget 2013.

1.5 Net Investment Returns Contribution

The Net Investment Returns Contribution (NIRC) for FY2013 is projected to be \$7.9 billion, \$0.2 billion (or 3.0%) more than the budgeted estimate.

1.6 Spending from the Government Endowment Funds

In FY2013, spending from the five government endowment funds is expected to reach about \$621 million.

\$190 million from the Edusave Endowment Fund is expected to be spent in the education sector, \$215 million from the Medical Endowment Fund and ElderCare Fund in the healthcare sector, and an estimated \$68 million from the Community Care Endowment Fund in the social and family sector. Spending from the Lifelong Learning Endowment Fund to support continuing education and skills upgrading for adult Singaporeans is expected to be \$148 million.

Table 1.1: Fiscal Position in FY2012 and FY2013

	Actual FY2012	Estimated FY2013	Revised FY2013	Revised FY2013 Compared to	
				Actual FY2012	Estimated FY2013
	\$ billion	\$ billion	\$ billion	% change	% change
OPERATING REVENUE	55.81	55.03	57.15	2.4	3.9
Corporate Income Tax	12.82	12.94	12.55	(2.1)	(3.0)
Personal Income Tax	7.71	7.56	7.65	(0.9)	1.1
Withholding Tax	1.34	1.14	1.13	(15.5)	(0.9)
Statutory Boards' Contributions	0.54	0.33	0.53	(1.7)	58.9
Assets Taxes	3.77	4.09	4.23	12.4	3.5
Customs and Excise Taxes	2.14	2.13	2.20	2.6	2.9
Goods and Services Tax	9.04	9.31	9.52	5.3	2.3
Motor Vehicle Taxes	1.80	1.55	1.69	(6.5)	8.7
Vehicle Quota Premiums	2.57	2.44	2.76	7.2	13.2
Betting Taxes	2.30	2.30	2.34	1.4	1.7
Stamp Duty	4.31	3.08	4.05	(6.0)	31.5
Other Taxes	4.34	5.14	5.26	21.2	2.4
Other Fees and Charges	2.71	2.69	2.93	8.2	9.0
Others	0.42	0.33	0.32	(24.2)	(4.4)
Less:					
TOTAL EXPENDITURE	49.00	53.41	52.34	6.8	(2.0)
Operating Expenditure	36.42	40.63	40.43	11.0	(0.5)
Development Expenditure	12.58	12.78	11.91	(5.3)	(6.8)
PRIMARY SURPLUS / DEFICIT¹	6.81	1.62	4.80		
Less:					
SPECIAL TRANSFERS²	8.86	6.90	8.82	(0.5)	27.9
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.46	1.30	3.22		
GST Voucher and GST Voucher Special Payment ³	0.61	0.68	0.68		
Utilities-Save Rebates and Service and Conservancy Charges Rebates	0.00	0.08	0.08		
CPF Medisave Top-ups	0.40	0.31	0.31		
Productivity and Innovation Credit	0.09	0.07	0.65		
Productivity and Innovation Credit Bonus	-	0.15	0.64		
Wage Credit Scheme	-	-	0.82		
SME Cash Grant	0.34	0.01	0.04		
Other Transfers ⁴	0.01	0.01	0.01		
BASIC SURPLUS / DEFICIT⁵	5.35	0.32	1.58		
Top-ups to Endowment and Trust Funds	7.40	5.59	5.59		
Top-ups to Endowment Funds ⁶	1.00	2.32	2.32		
GST Voucher Fund	2.95	3.00	3.00		
Bus Service Enhancement Fund	1.10	-	-		
Special Employment Credit Fund	2.35	-	-		
Cultural Matching Fund ⁷	-	0.20	0.20		
National Youth Fund	-	0.07	0.07		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	7.87	7.70	7.94	0.9	3.0
OVERALL BUDGET SURPLUS / DEFICIT	5.82	2.42	3.92		

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 Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

⁵ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁶ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

⁷ The Cultural Donation Matching Fund has been re-named as the Cultural Matching Fund.

Chart 1.1: Breakdown of Government Operating Revenue in FY2013

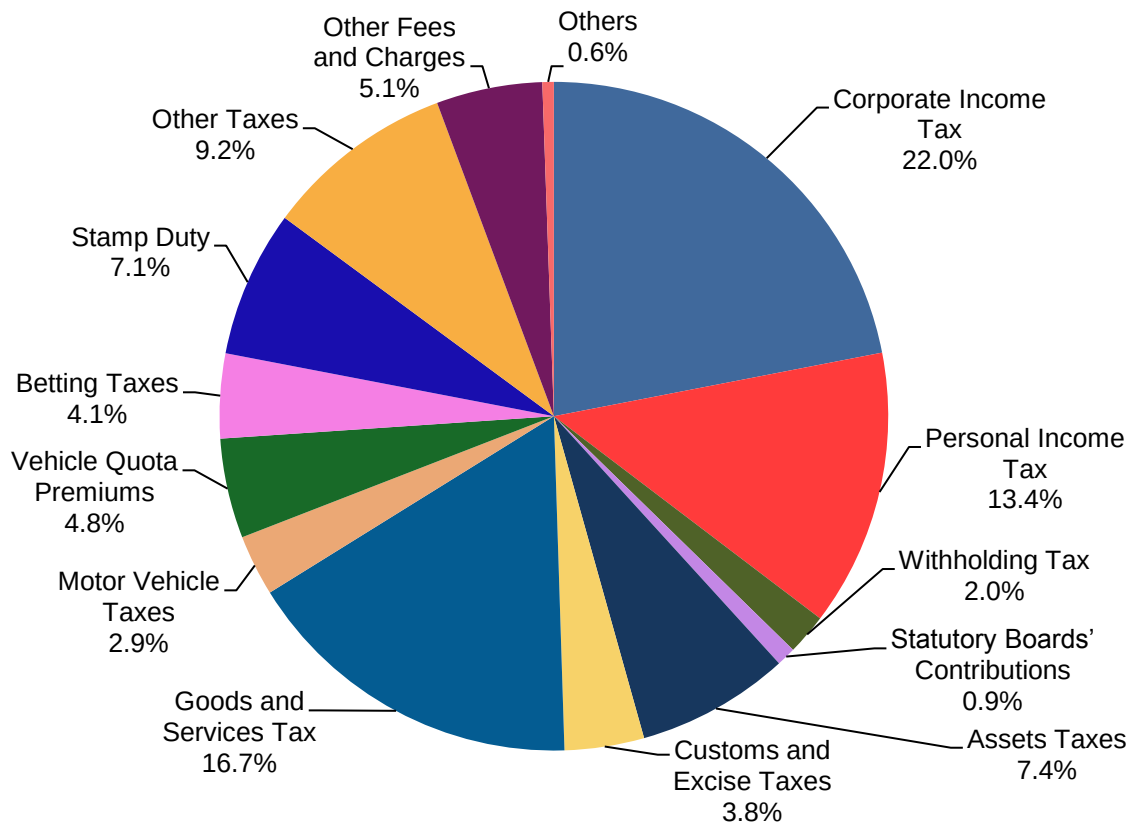


Chart 1.2: Breakdown of Government Spending by Sector in FY2013

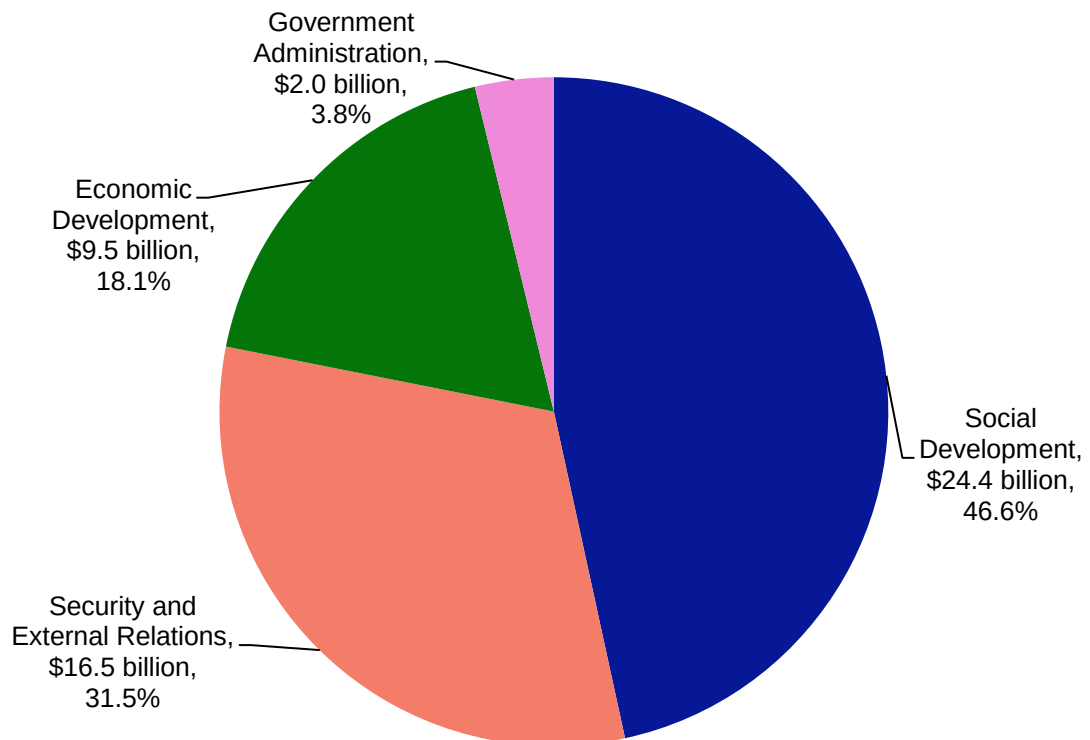


Table 1.2: Summary of FY2013 Special Transfers

Measures	Total Cost in FY2013 (\$ million)
Special Transfers:	8,817
Special Transfers Excluding Top-ups to Endowment and Trust Funds	
Wage Credit Scheme	820
GST Voucher and GST Voucher Special Payment comprising: i. Cash for lower-income Singaporeans ii. CPF Medisave Top-ups for elderly Singaporeans iii. Utilities-Save Rebates for lower- and middle-income households	680
Productivity and Innovation Credit	650
Productivity and Innovation Credit Bonus	640
CPF Medisave Top-ups	308
Utilities-Save Rebates and Service and Conservancy Charges Rebates	77
SME Cash Grant	43
Others [#]	5
Sub-Total	3,223
Top-ups to Endowment and Trust Funds	
GST Voucher Fund	3,000
Medical Endowment Fund	1,000
Lifelong Learning Endowment Fund	500
Edusave Endowment Fund	372
Eldercare Fund	250
Community Care Endowment Fund	200
Cultural Matching Fund	200
National Youth Fund	72
Sub-Total	5,594

[#] Consists of Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

2 Outlook for Financial Year 2014

2.1 Budget for FY2014

A basic deficit of \$0.8 billion (or 0.2% of GDP) is expected for FY2014. After factoring in Top-ups to Endowment and Trust Funds of \$8.5 billion and NIRC of \$8.1 billion, the estimated outturn for FY2014 is an overall budget deficit of \$1.2 billion (or 0.3% of GDP).

The FY2014 Budget is summarised in [Table 2.1](#).

2.2 Operating Revenue

Operating Revenue for FY2014 is projected at \$59.5 billion (or 15.3% of GDP). This is an increase of \$2.4 billion (or 4.1%) over the revised FY2013 estimate. A comparison of FY2013 and FY2014 Operating Revenue is shown in [Chart 2.1](#).

Personal Income Tax collections are expected to increase by \$1.1 billion (or 14.9%) from the revised FY2013 estimate to \$8.8 billion. More than half of the increase is due to the expiry of the tax rebate for Year of Assessment (YA) 2013, which amounted to \$700 million in FY2013.

Corporate Income Tax collections are expected to increase in line with economic growth by \$0.5 billion (or 3.9%) from the revised FY2013 estimate to \$13.0 billion in FY2014, after taking into account the tax rebate for YA2014.

Other Taxes are estimated to be \$5.8 billion in FY2014, \$0.6 billion (or 10.5%) higher than the revised FY2013 estimate, mainly driven by higher Foreign Worker Levy collections resulting from the previously announced changes in the levy schedule for 2014.

Goods and Services Tax collections are estimated at \$10.1 billion, \$0.6 billion (or 6.1%) higher than the revised FY2013 estimate, in line with the expansion of private consumption expenditure.

Stamp Duty collections are projected to decline by \$1.2 billion (or 30.0%) to \$2.8 billion in FY2014, as some cooling in the property market is expected.

Motor Vehicle Taxes are also estimated to decrease by \$0.3 billion (or 19.5%) to \$1.4 billion in FY2014, due to higher rebates arising from a higher expected number of vehicle de-registrations.

Historical data for the revenue items are provided in [Tables 3.2a](#) and [3.2b](#) in the Statistical Annex.

Table 2.1: Fiscal Position in FY2014

	Revised FY2013	Estimated FY2014	Change over Revised FY2013	
	\$ billion	\$ billion	\$ billion	% change
OPERATING REVENUE	57.15	59.51	2.37	4.1
Corporate Income Tax	12.55	13.03	0.49	3.9
Personal Income Tax	7.65	8.79	1.14	14.9
Withholding Tax	1.13	1.19	0.06	5.7
Statutory Boards' Contributions	0.53	0.49	(0.04)	(7.4)
Assets Taxes	4.23	4.35	0.12	2.7
Customs and Excise Taxes	2.20	2.61	0.41	18.9
Goods and Services Tax	9.52	10.11	0.58	6.1
Motor Vehicle Taxes	1.69	1.36	(0.33)	(19.5)
Vehicle Quota Premiums	2.76	2.95	0.20	7.1
Betting Taxes	2.34	2.58	0.25	10.6
Stamp Duty	4.05	2.84	(1.22)	(30.0)
Other Taxes	5.26	5.82	0.55	10.5
Other Fees and Charges	2.93	3.07	0.14	4.9
Others	0.32	0.32	0.00	1.5
Less:				
TOTAL EXPENDITURE	52.34	56.66	4.32	8.3
Operating Expenditure	40.43	42.88	2.45	6.1
Development Expenditure	11.91	13.78	1.87	15.7
PRIMARY SURPLUS / DEFICIT¹	4.80	2.85		
Less:				
SPECIAL TRANSFERS²	8.82	12.11	3.29	37.4
Special Transfers Excluding Top-ups to Endowment and Trust Funds	3.22	3.61		
GST Voucher Special Payment ³	0.68	0.28		
Utilities-Save Rebates and Service and Conservancy Charges Rebates	0.08	0.08		
CPF Medisave Top-ups	0.31	0.12		
Pioneer Generation Package	-	0.26		
Productivity and Innovation Credit	0.65	0.74		
Productivity and Innovation Credit Bonus	0.64	0.32		
Wage Credit Scheme	0.82	1.76		
SME Cash Grant	0.04	0.03		
Other Transfers ⁴	0.01	0.02		
BASIC SURPLUS / DEFICIT⁵	1.58	(0.76)		
Top-ups to Endowment and Trust Funds	5.59	8.50		
Top-ups to Endowment Funds ⁶	2.32	0.50		
GST Voucher Fund	3.00	-		
Cultural Matching Fund ⁷	0.20	-		
National Youth Fund	0.07	-		
Pioneer Generation Fund	-	8.00		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	7.94	8.10	0.16	2.0
OVERALL BUDGET SURPLUS / DEFICIT	3.92	(1.16)		

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 The Special Payment committed in Budget 2013 consists of a cash component, Utilities-Save Rebates and CPF Medisave Top-ups. The Special Payment introduced in Budget 2014 comprises the GST Voucher – Cash: Seniors' Bonus and Utilities-Save Rebates.

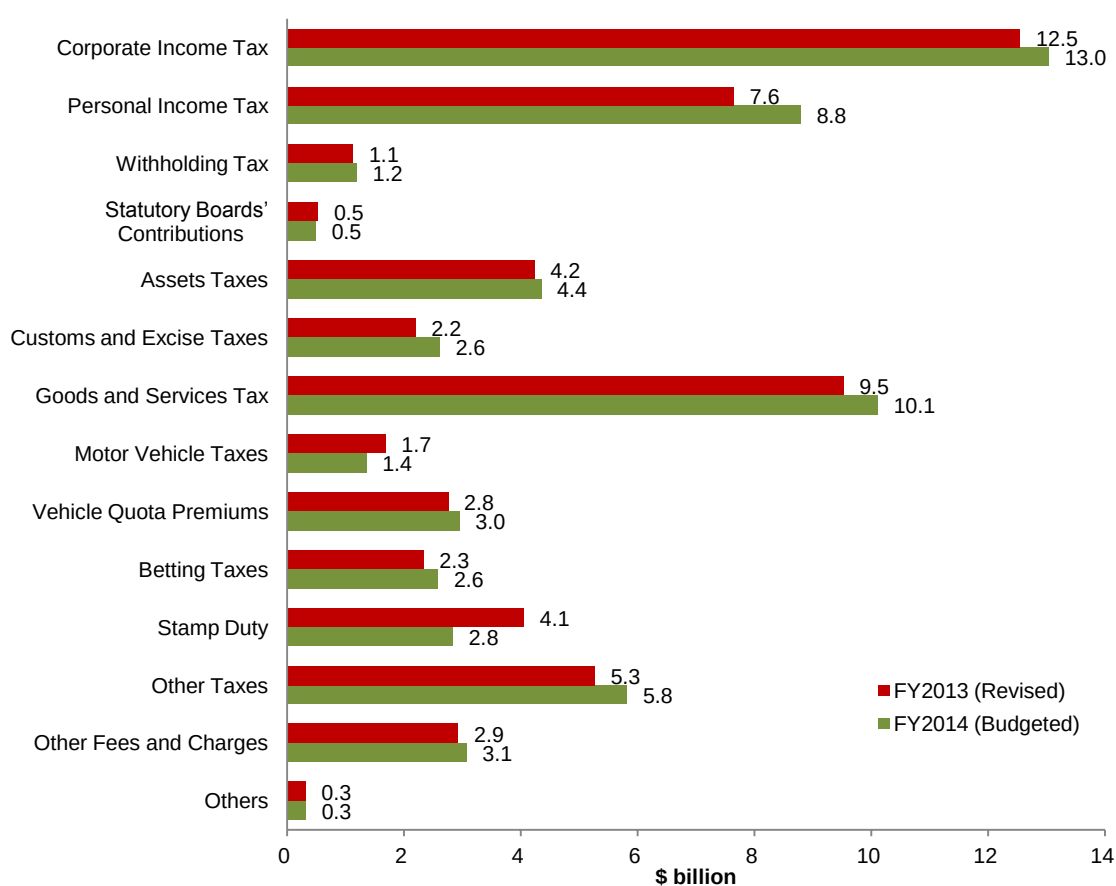
⁴ Consists of Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, public transport vouchers and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

⁵ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁶ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

⁷ The Cultural Donation Matching Fund has been re-named as the Cultural Matching Fund.

Chart 2.1: Breakdown of Government Operating Revenue (FY2013 and FY2014)



2.3 Total Expenditure

FY2014 Total Expenditure is estimated to be \$56.7 billion (or 14.6% of GDP). This is an increase of \$4.3 billion (or 8.3%) from the revised FY2013 estimate of \$52.3 billion. The main increases in expenditure over FY2013 are in Health, Culture, Community and Youth, and National Development (see [Chart 2.2](#)).

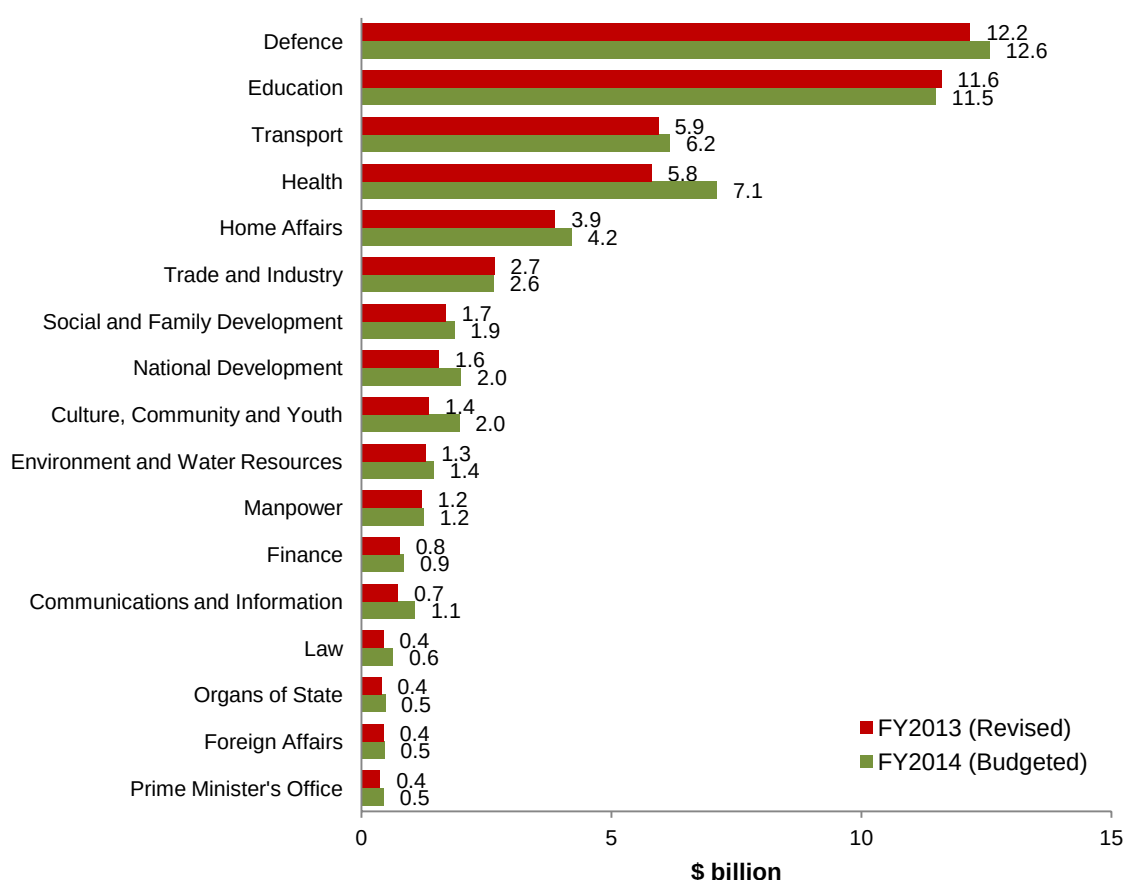
Health expenditure is expected to increase by \$1.3 billion (or 22.5%). This is mainly due to higher manpower costs arising from salary adjustments and the ramping up of manpower for new facilities, as well as higher subvention for healthcare institutions to cater for growth in patient subsidies. The increase in expenditure is also driven by the acceleration of healthcare infrastructure development.

Expenditure for Culture, Community and Youth is expected to increase by \$0.6 billion (or 44.5%) mainly due to the development of the Tampines Town Hub, and provisions for replacement and upgrading works for facilities under the People's Association, the Singapore Sports Council and the National Heritage Board.

National Development expenditure is expected to increase by \$0.4 billion (or 28.4%), mainly due to higher housing grants as well as increased spending on the Home Improvement Programme and Neighbourhood Renewal Programme, as more units are expected to undergo upgrading.

A detailed breakdown of government expenditure by sector is provided in [Tables 3.3 to 3.6b](#) in the Statistical Annex.

Chart 2.2: Breakdown of Total Expenditure by Sector (FY2013 and FY2014)



2.4 Special Transfers

Special Transfers to Households (\$762 million)

Budget 2014 will provide direct assistance to households with the GST Voucher Special Payment and CPF Medisave Top-ups for older Singaporeans. These transfers to households will total \$762 million (details in [Table 2.2](#)).

Special Transfers to Businesses (\$2.8 billion)

To help businesses restructure, we will provide about \$2.1 billion in FY2014 under the Transition Support Package committed in Budget 2013. Of this amount, \$1.8 billion will be for the Wage Credit Scheme and \$320 million for the Productivity and Innovation Credit (PIC) Bonus. We will also be providing a further \$740 million to businesses through the PIC cash payout. In total, special transfers to businesses will amount to \$2.8 billion (details in [Table 2.3](#)).

Top-ups to Funds to Support Longer-term Commitments (\$8.5 billion)

In Budget 2014, the Government will set aside \$8.0 billion for the Pioneer Generation Fund, to provide for the future healthcare needs of the Pioneer Generation. We will also make a further top-up of \$500 million to the Lifelong Learning Endowment Fund, to support our long-term commitment in enhancing the employability of our workforce.

In total, \$8.5 billion will be committed for fund top-ups (details in [Table 2.4](#)).

Table 2.2: Special Transfers to Households

Measures	Total Cost in FY2014 (\$ million)
GST Voucher Special Payment [^]	281
Pioneer Generation Package Benefits for FY2014	260
CPF Medisave Top-ups	115
Service and Conservancy Charges Rebates	83
Others [#]	23
Total	762

[^] Comprises \$170 million for the GST Voucher – Cash: Seniors' Bonus, \$110 million for the GST Voucher: Utilities-Save Rebates and \$1 million for the previous GST Voucher Special Payment committed in Budget 2013.

[#] Consists of Growth Dividends, GST Credits, Child Development Credits, Top-ups to Post-Secondary Education Accounts, public transport vouchers and funds set aside for Self-Help Groups and Voluntary Welfare Organisations.

Table 2.3: Special Transfers to Businesses

Measures	Total Cost in FY2014 (\$ million)
Wage Credit Scheme	1,760
Productivity and Innovation Credit	740
Productivity and Innovation Credit Bonus	320
SME Cash Grant	29
Total	2,849

Table 2.4: Top-ups to Funds to Support Longer-term Commitments

Measures	Top-up Amount in FY2014 (\$ million)
Pioneer Generation Fund	8,000
Lifelong Learning Endowment Fund	500
Total	8,500

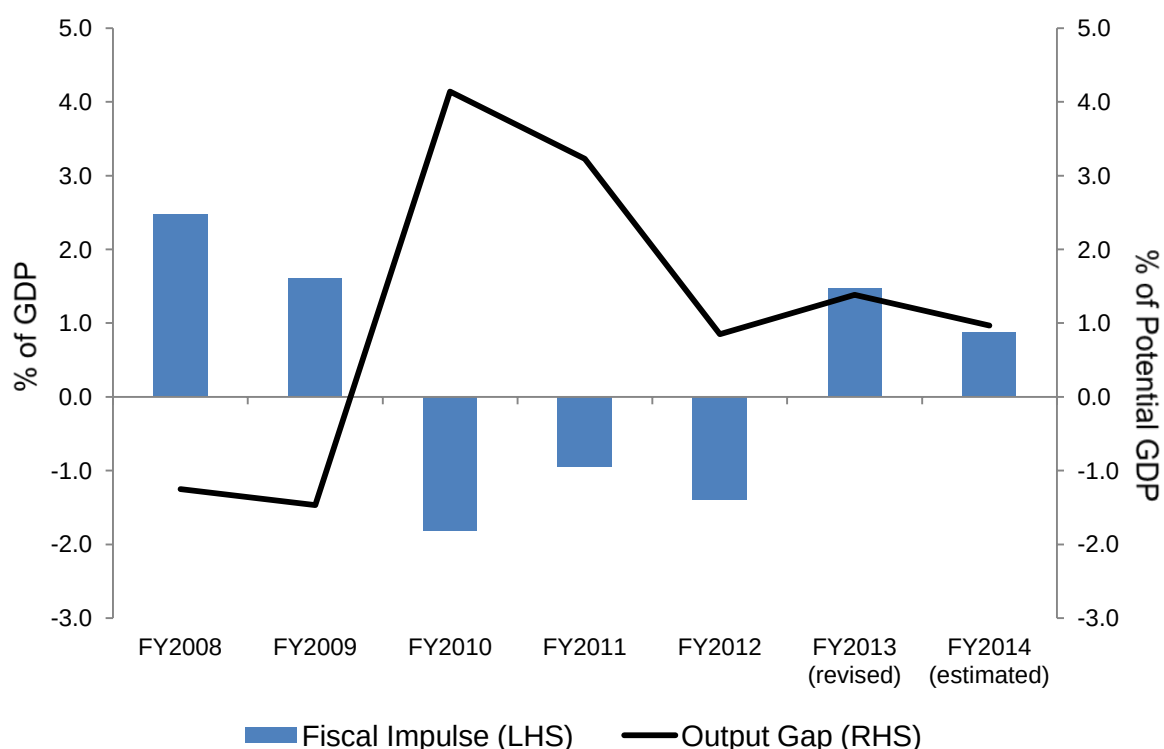
2.5 Fiscal Impulse

The global macroeconomic outlook is expected to continue to improve modestly in 2014, supported by the on-going recovery in the advanced economies. Some uncertainties remain, such as the risk of a sharper-than-expected slowdown in China, and the pace of tapering of quantitative easing in the United States.

The Singapore economy grew 4.1% in 2013, and is expected to continue growing at a moderate pace of 2 to 4% for 2014. However, the exceptional growth in 2010 means that the economy has been operating at above potential since recovering from the global financial crisis. Although the output gap has receded significantly, it is still expected to remain positive in FY2014.

The fiscal impulse is expected to be slightly positive in FY2014 (see [Chart 2.3](#)). This is mainly due to increase in expenditure on infrastructure and higher transfers to businesses in the second year of the three-year Transition Support Package. A successful restructuring of the economy would increase the potential of the economy and help to reduce the output gap.

Chart 2.3: Fiscal Impulse and Output Gap



STATISTICAL ANNEX

Table 3.1a: Overall Fiscal Position for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Operating Revenue	41,086	39,547	46,060	51,077	55,814	57,147	59,513
Tax Revenue	37,709	36,617	41,848	46,076	50,119	51,145	53,168
Fees and Charges	3,212	2,765	3,986	4,699	5,280	5,687	6,025
Others	165	165	226	302	416	315	320
Total Expenditure	38,091	41,891	45,338	46,563	49,004	52,345	56,664
Operating Expenditure	28,734	30,909	33,270	35,150	36,421	40,432	42,880
Development Expenditure ¹	9,357	10,982	12,068	11,413	12,583	11,913	13,785
Primary Surplus / Deficit	2,996	(2,344)	722	4,514	6,811	4,803	2,848
Special Transfers²	7,099	5,481	7,095	8,427	8,860	8,817	12,111
Special Transfers Excluding Top-ups to Endowment and Trust Funds	4,089	4,071	1,505	2,909	1,458	3,223	3,611
Basic Surplus / Deficit³	(1,093)	(6,416)	(782)	1,605	5,353	1,579	(763)
Top-ups to Endowment and Trust Funds	3,010	1,410	5,590	5,517	7,402	5,594	8,500
NII / NIR Contribution⁴	4,343	7,006	7,352	7,916	7,870	7,937	8,098
Overall Budget Surplus / Deficit	239	(819)	980	4,003	5,821	3,923	(1,165)

Table 3.1b: Overall Fiscal Position for FY2008 to FY2014 (% of GDP)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Operating Revenue	15.5%	13.8%	14.2%	15.2%	16.1%	15.5%	15.3%
Tax Revenue	14.2%	12.7%	12.9%	13.7%	14.4%	13.9%	13.7%
Fees and Charges	1.2%	1.0%	1.2%	1.4%	1.5%	1.5%	1.5%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Expenditure	14.4%	14.6%	14.0%	13.8%	14.1%	14.2%	14.6%
Operating Expenditure	10.8%	10.8%	10.3%	10.4%	10.5%	11.0%	11.0%
Development Expenditure ¹	3.5%	3.8%	3.7%	3.4%	3.6%	3.2%	3.5%
Primary Surplus / Deficit	1.1%	(0.8%)	0.2%	1.3%	2.0%	1.3%	0.7%
Special Transfers²	2.7%	1.9%	2.2%	2.5%	2.6%	2.4%	3.1%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.5%	1.4%	0.5%	0.9%	0.4%	0.9%	0.9%
Basic Surplus / Deficit³	(0.4%)	(2.2%)	(0.2%)	0.5%	1.5%	0.4%	(0.2%)
Top-ups to Endowment and Trust Funds	1.1%	0.5%	1.7%	1.6%	2.1%	1.5%	2.2%
NII / NIR Contribution⁴	1.6%	2.4%	2.3%	2.4%	2.3%	2.1%	2.1%
Overall Budget Surplus / Deficit	0.1%	(0.3%)	0.3%	1.2%	1.7%	1.1%	(0.3%)

Note: Negative figures are shown in parentheses.

¹ Development Expenditure excludes land-related expenditure.

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

³ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Income / Returns Contribution.

⁴ Prior to FY2009, up to 50% of Net Investment Income (NII) could be taken into the annual budget for spending. With effect from FY2009, under the Net Investment Returns (NIR) framework, up to 50% of the expected long-term real returns on the relevant assets specified in the Constitution can be taken in for spending. For the other assets, up to 50% of investment income can continue to be used for spending in the annual budget.

Table 3.2a: Revenue Collections for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Operating Revenue	41,086	39,547	46,060	51,077	55,814	57,147	59,513
Corporate Income Tax	10,554	9,551	10,687	12,096	12,821	12,546	13,031
Personal Income Tax	5,414	6,114	6,470	6,871	7,714	7,648	8,790
Withholding Tax	1,176	1,137	957	1,258	1,337	1,130	1,194
Statutory Boards' Contributions	2,143	410	573	353	539	530	491
Assets Taxes	2,904	1,987	2,803	3,902	3,768	4,234	4,350
Customs and Excise Taxes	2,065	2,125	2,048	2,133	2,142	2,198	2,612
Goods and Services Tax	6,487	6,914	8,198	8,687	9,038	9,521	10,106
Motor Vehicle Taxes	1,835	1,856	1,851	1,920	1,803	1,685	1,357
Vehicle Quota Premiums	367	623	1,602	2,112	2,572	2,757	2,953
Betting Taxes	1,771	1,727	2,279	2,373	2,305	2,336	2,583
Stamp Duty	1,432	2,386	3,277	3,175	4,309	4,053	2,836
Other Taxes ¹	1,929	2,410	2,706	3,307	4,342	5,264	5,817
Other Fees and Charges ²	2,845	2,142	2,384	2,587	2,708	2,929	3,072
Others	165	165	226	302	416	315	320

Table 3.2b: Revenue Collections for FY2008 to FY2014 (% of GDP)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Operating Revenue	15.5%	13.8%	14.2%	15.2%	16.1%	15.5%	15.3%
Corporate Income Tax	4.0%	3.3%	3.3%	3.6%	3.7%	3.4%	3.4%
Personal Income Tax	2.0%	2.1%	2.0%	2.0%	2.2%	2.1%	2.3%
Withholding Tax	0.4%	0.4%	0.3%	0.4%	0.4%	0.3%	0.3%
Statutory Boards' Contributions	0.8%	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%
Assets Taxes	1.1%	0.7%	0.9%	1.2%	1.1%	1.1%	1.1%
Customs and Excise Taxes	0.8%	0.7%	0.6%	0.6%	0.6%	0.6%	0.7%
Goods and Services Tax	2.4%	2.4%	2.5%	2.6%	2.6%	2.6%	2.6%
Motor Vehicle Taxes	0.7%	0.6%	0.6%	0.6%	0.5%	0.5%	0.3%
Vehicle Quota Premiums	0.1%	0.2%	0.5%	0.6%	0.7%	0.7%	0.8%
Betting Taxes	0.7%	0.6%	0.7%	0.7%	0.7%	0.6%	0.7%
Stamp Duty	0.5%	0.8%	1.0%	0.9%	1.2%	1.1%	0.7%
Other Taxes ¹	0.7%	0.8%	0.8%	1.0%	1.3%	1.4%	1.5%
Other Fees and Charges ²	1.1%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

² Includes revenue from Licenses, Permits, Service Fees, Sales of Goods, Rental of Premises, Fines and Forfeitures and Reimbursements.

Table 3.3: Breakdown of Total Expenditure by Sector for FY2013 and FY2014 (\$ million)

	<u>FY2013 (Revised)</u>			<u>FY2014 (Budgeted)</u>		
	<u>Total Expenditure</u>	<u>Operating Expenditure</u>	<u>Development Expenditure¹</u>	<u>Total Expenditure</u>	<u>Operating Expenditure</u>	<u>Development Expenditure¹</u>
Total	52,345	40,432	11,913	56,664	42,880	13,785
Social Development	24,377	21,078	3,298	27,032	22,619	4,413
Education	11,599	10,720	879	11,486	10,598	888
National Development	1,555	642	913	1,997	870	1,126
Health	5,808	5,083	725	7,115	6,034	1,081
Environment and Water Resources	1,280	957	324	1,449	1,033	416
Culture, Community and Youth ²	1,358	1,017	341	1,963	1,284	678
Social and Family Development ²	1,691	1,645	46	1,865	1,796	69
Communications and Information ²	414	343	71	489	335	155
Manpower (Financial Security) ³	671	671	0	669	669	0
Security and External Relations	16,506	15,666	840	17,236	16,328	908
Defence	12,175	11,735	440	12,566	12,137	429
Home Affairs	3,882	3,542	340	4,209	3,770	439
Foreign Affairs	449	389	60	462	422	40
Economic Development	9,471	2,062	7,410	9,980	2,243	7,737
Transport	5,944	572	5,372	6,172	639	5,533
Trade and Industry	2,664	715	1,949	2,647	708	1,939
Manpower (excluding Financial Security)	539	508	30	578	524	54
Info-Communications and Media Development ²	324	267	58	584	372	212
Government Administration	1,991	1,626	365	2,416	1,690	726
Finance	765	739	27	852	695	157
Law	442	171	271	636	193	443
Organs of State	403	380	23	477	422	55
Prime Minister's Office	380	336	45	451	380	71

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

³ The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

Table 3.4: Operating Expenditure by Sector for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u> <u>(Revised)</u>	<u>FY2014</u> <u>(Budgeted)</u>
Total	28,734	30,909	33,270	35,150	36,421	40,432	42,880
Social Development	13,200	14,714	16,459	18,056	18,496	21,078	22,619
Education	7,477	7,838	8,999	9,698	9,637	10,720	10,598
National Development	805	959	790	1,428	949	642	870
Health	2,379	2,920	3,258	3,489	4,066	5,083	6,034
Environment and Water Resources	606	656	720	726	813	957	1,033
Culture, Community and Youth ¹	-	-	-	-	364	1,017	1,284
Social and Family Development ¹	1,182	1,565	1,829	1,721	1,739	1,645	1,796
Communications and Information ¹	412	422	500	525	430	343	335
Manpower (Financial Security) ²	340	354	364	469	497	671	669
Security and External Relations	13,219	13,523	13,920	14,088	14,678	15,666	16,328
Defence	10,397	10,603	10,623	10,797	11,056	11,735	12,137
Home Affairs	2,478	2,577	2,937	2,947	3,266	3,542	3,770
Foreign Affairs	344	343	360	344	355	389	422
Economic Development	1,284	1,565	1,666	1,675	1,870	2,062	2,243
Transport	367	371	456	464	502	572	639
Trade and Industry	660	704	684	671	685	715	708
Manpower (excluding Financial Security)	224	414	439	380	456	508	524
Info-Communications and Media Development ¹	34	76	88	160	227	267	372
Government Administration	1,030	1,107	1,225	1,331	1,378	1,626	1,690
Finance	484	528	552	617	631	739	695
Law	118	127	119	123	163	171	193
Organs of State	235	249	313	318	326	380	422
Prime Minister's Office	194	203	240	273	259	336	380

Note: Figures may not add up due to rounding.

¹ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

² The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

Table 3.5: Development Expenditure by Sector for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Total¹	9,357	10,982	12,068	11,413	12,583	11,913	13,785
Social Development	2,738	3,431	3,643	3,603	3,382	3,298	4,413
Education	753	847	877	1,042	860	879	888
National Development	1,095	1,307	1,646	1,572	1,354	913	1,126
Health	336	711	485	453	605	725	1,081
Environment and Water Resources	325	323	406	349	352	324	416
Culture, Community and Youth ²	-	-	-	-	95	341	678
Social and Family Development ²	96	115	120	64	37	46	69
Communications and Information ²	132	128	109	123	79	71	155
Manpower (Financial Security) ³	1	0	0	0	0	0	0
Security and External Relations	777	861	718	718	720	840	908
Defence	328	440	438	479	468	440	429
Home Affairs	387	350	240	194	207	340	439
Foreign Affairs	61	71	40	44	45	60	40
Economic Development	5,644	6,477	7,490	6,896	7,955	7,410	7,737
Transport	3,379	4,082	4,250	4,003	5,414	5,372	5,533
Trade and Industry	2,183	2,334	2,673	2,553	2,387	1,949	1,939
Manpower (excluding Financial Security)	35	22	42	62	28	30	54
Info-Communications and Media Development ²	48	38	525	278	126	58	212
Government Administration	198	213	217	197	527	365	726
Finance	25	17	21	30	24	27	157
Law	153	166	148	130	316	271	443
Organs of State	10	17	14	17	163	23	55
Prime Minister's Office	9	12	34	20	23	45	71

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

³ The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

Table 3.6a: Total Expenditure by Sector for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Total	38,091	41,891	45,338	46,563	49,004	52,345	56,664
Social Development	15,938	18,146	20,102	21,660	21,877	24,377	27,032
Education	8,230	8,685	9,875	10,740	10,497	11,599	11,486
National Development	1,900	2,266	2,436	3,000	2,303	1,555	1,997
Health	2,715	3,631	3,743	3,942	4,671	5,808	7,115
Environment and Water Resources	931	979	1,126	1,075	1,165	1,280	1,449
Culture, Community and Youth ¹	-	-	-	-	460	1,358	1,963
Social and Family Development ¹	1,278	1,680	1,949	1,785	1,776	1,691	1,865
Communications and Information ¹	545	550	609	647	508	414	489
Manpower (Financial Security) ²	341	354	364	469	497	671	669
Security and External Relations	13,996	14,383	14,638	14,806	15,397	16,506	17,236
Defence	10,726	11,043	11,061	11,276	11,524	12,175	12,566
Home Affairs	2,865	2,927	3,177	3,141	3,473	3,882	4,209
Foreign Affairs	406	413	399	388	400	449	462
Economic Development	6,928	8,042	9,157	8,570	9,825	9,471	9,980
Transport	3,746	4,453	4,706	4,467	5,916	5,944	6,172
Trade and Industry	2,843	3,038	3,357	3,224	3,073	2,664	2,647
Manpower (excluding Financial Security)	258	436	482	442	484	539	578
Info-Communications and Media Development ¹	81	114	613	438	353	324	584
Government Administration	1,228	1,320	1,442	1,528	1,904	1,991	2,416
Finance	509	545	573	647	655	765	852
Law	271	293	267	253	479	442	636
Organs of State	245	267	327	335	489	403	477
Prime Minister's Office	203	215	274	293	282	380	451

Note: Figures may not add up due to rounding.

¹ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

² The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

Table 3.6b: Total Expenditure by Sector for FY2008 to FY2014 (% of GDP)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Total	14.4%	14.6%	14.0%	13.8%	14.1%	14.2%	14.6%
Social Development	6.0%	6.3%	6.2%	6.4%	6.3%	6.6%	7.0%
Education	3.1%	3.0%	3.1%	3.2%	3.0%	3.1%	3.0%
National Development	0.7%	0.8%	0.8%	0.9%	0.7%	0.4%	0.5%
Health	1.0%	1.3%	1.2%	1.2%	1.3%	1.6%	1.8%
Environment and Water Resources	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Culture, Community and Youth ¹	-	-	-	-	0.1%	0.4%	0.5%
Social and Family Development ¹	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
Communications and Information ¹	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Manpower (Financial Security) ²	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Security and External Relations	5.3%	5.0%	4.5%	4.4%	4.4%	4.5%	4.4%
Defence	4.0%	3.8%	3.4%	3.3%	3.3%	3.3%	3.2%
Home Affairs	1.1%	1.0%	1.0%	0.9%	1.0%	1.1%	1.1%
Foreign Affairs	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Economic Development	2.6%	2.8%	2.8%	2.5%	2.8%	2.6%	2.6%
Transport	1.4%	1.6%	1.5%	1.3%	1.7%	1.6%	1.6%
Trade and Industry	1.1%	1.1%	1.0%	1.0%	0.9%	0.7%	0.7%
Manpower (excluding Financial Security)	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Info-Communications and Media Development ¹	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%	0.2%
Government Administration	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.6%
Finance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Law	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

² The Financial Security and Lifelong Employability for Singaporeans programme has been re-named as the Financial Security for Singaporeans programme.

Table 3.7: Total Expenditure by Expenditure Type for FY2008 to FY2014 (\$ million)

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013 (Revised)</u>	<u>FY2014 (Budgeted)</u>
Total Expenditure	38,091	41,891	45,338	46,563	49,004	52,345	56,664
Operating Expenditure	28,734	30,909	33,270	35,150	36,421	40,432	42,880
Running Costs	23,082	24,232	25,910	26,733	27,530	29,778	31,509
Expenditure on Manpower	4,677	4,765	5,857	5,668	6,231	6,886	7,083
Other Operating Expenditure	13,537	13,974	14,067	14,318	14,644	15,816	16,564
Grants, Subventions & Capital Injections to Organisations	4,868	5,493	5,986	6,747	6,654	7,076	7,863
Transfers	5,651	6,677	7,360	8,417	8,891	10,654	11,370
Social Transfers to Individuals	1,134	1,409	1,483	1,690	1,910	2,410	2,529
Transfers to Institutions & Organisations	4,398	5,131	5,742	6,622	6,871	8,060	8,698
International Organisations & Overseas Development Assistance	119	137	136	105	109	183	143
Development Expenditure¹	9,357	10,982	12,068	11,413	12,583	11,913	13,785
Government Development	3,285	4,309	4,529	4,388	4,760	4,044	4,843
Grants & Capital Injections to Organisations	6,072	6,673	7,538	7,025	7,823	7,869	8,942

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure.

Table 3.8: Headcount by Ministry for FY2008 to FY2014

	<u>FY2008</u> ¹	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u> <u>(Revised)</u> ²	<u>FY2014</u> <u>(Budgeted)</u> ³
Civil List	55	54	53	56	51	62	62
Attorney-General's Chambers	267	338	355	417	478	551	601
Auditor-General's Office	114	145	159	159	172	178	182
Cabinet Office	11	12	11	10	10	10	12
Judicature	566	616	638	700	749	889	1,003
Parliament	44	42	45	46	47	62	62
Presidential Councils	8	8	4	4	4	6	6
Public Service Commission	9	12	13	13	13	13	14
Social and Family Development	4,190	4,424	4,835	4,757	1,117	1,692	1,751
Defence	1,524	1,525	283	282	282	282	282
Education	47,737	51,512	52,278	53,947	56,106	61,410	61,850
Environment and Water Resources	3,711	3,696	3,995	4,076	4,508	4,526	4,698
Finance	3,074	3,260	3,409	3,452	3,547	3,763	3,824
Foreign Affairs	1,178	1,234	1,249	1,269	1,343	1,570	1,575
Health	1,175	1,219	1,349	1,432	1,457	1,471	1,472
Home Affairs	20,808	22,875	23,324	23,949	24,460	26,126	26,606
Communications and Information	2,869	2,975	3,688	3,863	3,361	3,867	3,878
Law	760	765	811	871	933	994	1,023
Manpower	1,797	2,037	2,154	2,194	2,477	2,552	2,584
National Development	6,910	7,115	7,061	7,217	7,337	8,234	9,003
Prime Minister's Office	512	525	613	740	809	940	1,008
Trade and Industry	2,636	2,795	2,664	2,931	2,874	3,067	3,049
Transport	3,753	4,204	4,233	4,394	4,611	5,523	5,770
Culture, Community and Youth	-	-	-	-	4,624	4,788	4,862
Total	103,708	111,388	113,224	116,779	121,370	132,576	135,177

¹ Figures for FY2008 to FY2012 refer to actual headcount.

² Figures for FY2013 are revised establishment estimates.

³ Figures for FY2014 are budgeted establishment estimates.

Note:

Establishments reflect the number of officers that Ministries can hire, but are not reflective of actual headcount, as establishments may not be filled by Ministries even though they may be kept in anticipation of a future need.

GLOSSARY

Glossary of Terms

Assets Taxes

Assets Taxes refer to Property Tax and Estate Duty. Property Tax is a tax on the ownership of property and is payable by all property owners on the properties owned by them. Estate Duty is a tax on the total market value of a person's assets (cash and non-cash) at the date of his or her death. Estate Duty will not apply to a person who dies after 15 February 2008.

Customs Duties

Taxes on goods imported into Singapore. In Singapore, Customs Duties are principally imposed on alcoholic beverages.

Development Expenditure

Expenses that represent a longer-term investment or result in the formation of a capitalisable asset of the Government. Examples of spending areas are the acquisition of heavy equipment, as well as capitalisable assets, e.g. buildings and roads.

Excise Duties

Taxes on goods, whether manufactured in Singapore or elsewhere. In Singapore, Excise Duties are imposed principally on tobacco, petroleum products, motor vehicles and liquor to achieve social and transport policy objectives.

Fiscal Impulse

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates an expansionary fiscal stance while a negative impulse indicates a contractionary stance.

Financial Year (FY)

The Singapore Government's Financial Year 2014 is from 1 April 2014 to 31 March 2015.

Government Endowment Fund

A fund established with an injection of government monies as principal on which the income generated will be used to finance specific programmes on an

ongoing basis. Examples of government endowment funds include the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Government Trust Fund

A fund established with an injection of government monies as principal, which is drawn down to finance specific programmes on an ongoing basis. Examples of government trust funds include the National Research Fund and the GST Voucher Fund.

Motor Vehicle Taxes

Motor Vehicle Taxes comprise additional registration fees, road tax, special tax on heavy-oil engines, passenger vehicle seating fees and non-motor vehicle licences, but exclude excise duties on motor vehicles which are classified under Customs and Excise Taxes.

Net Investment Returns Contribution

Contributions from our investment returns on our reserves, where Net Investment Returns (NIR) is the sum of: (1) up to 50% of the expected long-term real returns on the relevant assets specified in the Constitution; and (2) up to 50% of the Net Investment Income (NII) on the remaining assets. The NIRC allows Singaporeans to benefit from the investments of GIC and Temasek as they supplement the annual Budget.

Operating Revenue

Government receipts credited to the Consolidated Revenue Account and Development Fund Account, excluding investment and interest income, and capital receipts (lumpy and less regular in timing). The main components are Corporate Income Tax, Personal Income Tax and Goods and Services Tax.

Operating Expenditure

Expenses incurred to maintain the operations and other regular activities of the Government. Components include expenditure on manpower, other operating expenditure and operating grants to statutory boards and other institutions.

Other Taxes

Other taxes comprise the Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

Output Gap

The difference between the actual level of activity in an economy (as measured by GDP) versus the sustainable amount of activity given the capacity of the economy (i.e. the level of GDP that the economy could potentially achieve without creating unhealthy inflationary pressures). It measures the degree of resource utilisation of the economy. The output gap is typically reported as a percentage of GDP to give a sense of the proportion to which the economy is over or under capacity. Where the output gap is negative, the economy is not operating at full capacity, with higher levels of unemployment. Where the output gap is positive, it indicates that the economy is operating at over-capacity, resources are stretched and inflation pressures are strong.

To promote macroeconomic stability, the Government's fiscal policies aim to be countercyclical - contractionary to prevent overheating when the economy has a positive output gap, and expansionary to stimulate growth when the economy has a negative output gap.

Past Reserves

The reserves not accumulated by the Government during its current term of office, with reserves being the excess of assets over liabilities.

Primary Budget Position

The Primary Budget Position, defined as Operating Revenue less Total Expenditure, measures the ability of the Government to meet its annual expenditures through its regular collection of revenue (taxes, fees and charges).

Stamp Duty

A tax imposed on commercial and legal documents relating to unlisted stocks and shares and immovable property.

Statutory Boards' Contributions

Statutory Boards are required under the Statutory Corporations (Contributions to Consolidated Fund) Act to provide revenues not allocated to specific purposes by any written law into the Government Consolidated Fund.

Total Expenditure

Sum of Operating and Development Expenditure. It excludes Special Transfers unless otherwise mentioned.

Withholding Tax

A non-resident is liable to pay income tax on Singapore-sourced income. Under the law, when a person makes payment of a specified nature to a non-resident, he has to withhold a percentage of that payment and pay the amount withheld to IRAS. The amount withheld is called the Withholding Tax.

Year of Assessment (YA)

Year in which tax on the income earned in the preceding year is assessed.