

HEAD V

MINISTRY OF TRADE AND INDUSTRY

OVERVIEW

Mission Statement

To promote high and stable levels of economic growth and employment, so that all Singaporeans have ample opportunity to improve their standard of living.

FY2006 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006	Change over FY2005	
	TOTAL EXPENDITURE	\$1,545,495,226	\$1,575,241,540	\$1,532,049,400	\$1,631,545,860	\$99,496,460	6.5%
	Main Estimates						
	OPERATING EXPENDITURE	\$391,740,117	\$421,430,240	\$450,000,000	\$457,397,860	\$7,397,860	1.6%
	<i>RUNNING COSTS</i>	\$382,985,161	\$411,813,040	\$439,430,180	\$444,519,360	\$5,089,180	1.2%
1000	Expenditure on Manpower	\$33,760,001	\$35,741,000	\$36,590,000	\$38,138,900	\$1,548,900	4.2%
1200	Political Appointments	1,516,512	1,381,400	1,571,000	1,468,000	-103,000	-6.6
1500	Permanent Staff	32,189,767	34,309,500	34,967,000	36,618,900	1,651,900	4.7
1600	Temporary, Daily-Rated & Other Manpower	53,722	50,100	52,000	52,000	0	0.0
2000	Other Operating Expenditure	\$25,494,910	\$32,557,140	\$34,090,680	\$24,986,160	-\$9,104,520	-26.7%
2100	Supplies & Services	13,521,928	16,604,020	17,014,810	16,608,180	-406,630	-2.4
2300	Manpower Development	978,550	1,326,720	1,153,670	1,300,670	147,000	12.7
2400	Public Relations & Exercises	8,409,339	14,086,900	15,432,700	6,385,450	-9,047,250	-58.6
2700	Equipment	130,290	139,500	89,500	291,860	202,360	226.1
2800	Financial Claims & Legal Expenses	2,454,803	400,000	400,000	400,000	0	0.0
3000	Operating Grant	\$323,730,250	\$343,514,900	\$368,749,500	\$381,394,300	\$12,644,800	3.4%
3100	Operating Grant to Statutory Boards	323,730,250	343,514,900	368,749,500	381,394,300	12,644,800	3.4
	<i>TRANSFERS</i>	\$8,754,955	\$9,617,200	\$10,569,820	\$12,878,500	\$2,308,680	21.8%
3600	Subventions	8,754,955	9,617,200	10,569,820	12,878,500	2,308,680	21.8

Expenditure Estimates by Object Class - continued

Code	Object Class	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006	Change over FY2005	
Development Estimates							
DEVELOPMENT EXPENDITURE		\$1,153,755,110	\$1,153,811,300	\$1,082,049,400	\$1,174,148,000	\$92,098,600	8.5%
5100	Direct Development	113,254,787	213,851,300	162,512,500	168,038,100	5,525,600	3.4
5200	Capital Grant	1,040,500,322	939,960,000	919,536,900	1,006,109,900	86,573,000	9.4
OTHER DEVELOPMENT FUND OUTLAYS		\$904,422,805	\$3,414,640,000	\$2,175,130,000	\$3,205,600,000	\$1,030,470,000	47.4%
5600	Loans	606,893,181	2,627,000,000	1,381,500,000	2,392,500,000	1,011,000,000	73.2
9100	Loan Repayments	1,080,291,297	291,100,000	405,015,000	493,684,000	88,669,000	21.9
	Net Lending	-473,398,116	2,335,900,000	976,485,000	1,898,816,000	922,331,000	94.5
5500	Land-related Expenditure	297,529,624	787,640,000	793,630,000	813,100,000	19,470,000	2.5

Establishment List

Category/Personnel	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006	
POLITICAL APPOINTMENTS	3	3	3	(3)	3
Minister	1	1	2	(2)	2
Minister of State	2	2	1	(1)	1
PERMANENT STAFF	465	490	481	(456)	481
Administrative	17	18	18	(17)	19
Corporate Support	161	160	159	(157)	158
Economist Service	15	17	16	(11)	15
Information Service (2002)	1	1	2	(2)	2
Management Executive (Trade & Industry)	179	190	186	(177)	186
Management Support	22	25	25	(22)	25
Operations Support	10	10	10	(10)	10
Shorthand Writers	16	17	15	(15)	15
Statistician (Trade & Industry)	37	45	45	(40)	46
Technical Support	7	7	5	(5)	5
OTHERS	2,023	2,263	2,229	(2,085)	2,253
Agency for Science, Technology and Research	164	171	171	(166)	171
Competition Commission of Singapore	0	43	30	(28)	53
Economic Development Board	557	590	537	(516)	511
International Enterprise Singapore	402	459	464	(435)	484
Singapore Tourism Board	524	590	615	(548)	615
Standards, Productivity & Innovation Board	376	410	412	(392)	419
TOTAL	2,491	2,756	2,713	(2,544)	2,737

Figures in brackets shown in the "Revised FY2005" column of the Establishment List denote actual staff strength.

FY2005 BUDGET

The revised FY2005 expenditure for the Ministry of Trade and Industry (MTI) is expected to be \$1.53 billion. This represents a decrease of \$13.45 million or 0.9% over the actual FY2004 expenditure, primarily due to lower revised development expenditure in FY2005, which is expected to decrease by 6.2% over the actual FY2004 development expenditure.

MTI's revised FY2005 running costs are expected to be \$439.43 million, an increase of \$56.45 million or 14.7% over the actual FY2004 expenditure. This is mainly due to higher Other Operating Expenditure.

The revised FY2005 development expenditure of \$1.08 billion is \$71.71 million or 6.2% lower than the actual development expenditure in FY2004. This is mainly due to lower grants provided for research and development.

In FY2005, the revised land-related expenditure is \$793.63 million. The major reclamation projects are Tuas View Extension (\$523.80 million), Reclamation of Jurong Island Phase 3 (\$139.20 million) and Jurong Island Phase 4 (\$124.58 million).

Loans to support the various industrial loan schemes administered by the Economic Development Board, the International Enterprise Singapore and the Standards, Productivity and Innovation Board are expected to be \$1,381.50 million for FY2005. This is an increase of \$774.61 million or 127.6% compared to the loans disbursed in FY2004.

FY2006 BUDGET

The FY2006 provision for MTI is \$1.63 billion. Of this, 28.0% will go towards operating expenditure and 72.0% to development expenditure. The provision is an increase of \$99.50 million or 6.5% compared to the revised FY2005 expenditure. Operating expenditure is projected to increase by \$7.40 million or 1.6% over the revised FY2005 expenditure to \$457.40 million.

Economic Development Board (EDB)

EDB's mission is to promote and develop knowledge-driven industries in Singapore. Its aim is to develop Singapore into a compelling global hub for business and investments across manufacturing and internationally traded services. For FY2006, EDB forecasts the commitment levels to be \$8.0-\$8.5 billion of fixed asset investments in the manufacturing sector and \$2.5-\$2.7 billion of total business spending in traded services. EDB also expects to create a total employment of 20,000-25,000 jobs, of which 70% would be for knowledge and skilled workers. EDB is allocated an operating grant of \$107.07 million to carry out its activities.

Standards, Productivity and Innovation Board (SPRING Singapore)

SPRING Singapore's mission is to enhance the competitiveness of enterprises for a vibrant Singapore economy. SPRING's focus is to champion enterprise formation and growth through its network of valued relationships and resources. SPRING's vision is to develop a host of dynamic and innovative Singapore enterprises. To realise its vision, SPRING adopts four strategies – nurture a pro-business environment that encourages enterprise formation and growth, support and drive the development of key industries, enhance the productivity, innovation and capabilities of enterprises and increase access to markets and business opportunities. SPRING is acknowledged by the business community as the champion for local enterprise growth and development. SPRING is also the national body for productivity, standards, metrology, accreditation, weights, measures and product safety. For FY2006, SPRING forecasts the value added of the small and medium enterprises sector to grow by 4.5%. To meet its running costs, SPRING is allocated an operating grant of \$47.10 million.

International Enterprise Singapore (IE Singapore)

IE Singapore's mission is to help Singapore-based companies to grow and internationalise successfully. IE Singapore aims to help companies develop their firm-level competencies and provide them with the right market connections so they may more effectively penetrate overseas markets. In addition to customised programmes aimed at growing a corps of Singapore companies that can expand internationally, IE Singapore is also looking to serve the broad-based internationalisation needs of Singapore companies at large. IE Singapore intends to provide financial assistance to approximately 1,700 Singapore companies for their internationalisation needs. IE Singapore will continue to enhance its efforts in attracting key global players to Singapore thereby developing a strong trade services base. It will also provide support for the internationalisation efforts of Singapore-based companies. IE Singapore aims to attract hub services projects generating a total incremental business spending of at least \$735 million in FY2006.

*Agency for Science, Technology And Research (A*STAR)*

A*STAR's mission is to foster world class scientific research and nurture world class scientific talent for a vibrant knowledge-based Singapore. A*STAR has a central role in setting the thematic and structural priorities for non-defence public research, developing the national base of PhD research manpower and investing in major research infrastructure. Under the Science & Technology Plan 2010, A*STAR aims to focus and strengthen Singapore's R&D capabilities in niche areas and translating the outputs of basic research into useful and commercially viable applications. In addition, A*STAR will press on with its effort to attract global researchers and nurture local talent, and develop strong international research relationships and networks which would make Singapore a key global node of R&D excellence. A provision of \$23.41 million is allocated to meet A*STAR's running costs.

Development Expenditure

MTI's FY2006 development expenditure of \$1.17 billion includes \$655.82 million for new projects that the Ministry intends to implement in the course of FY2006. The expenditure on R&D activities is projected to take up \$675.75 million. The sum will be used to support activities and programmes to strengthen industry R&D, develop R&D manpower capability, enhance knowledge infrastructure such as research institutes and centres and promote economically relevant international R&D collaboration. The Economic Development Assistance Scheme is projected to take up \$143.52 million to support EDB's industry development programmes. The Enterprise Development Fund is expected to utilise \$64.52 million to support the development of local enterprises through initiatives that increase access to financing, develop capabilities and facilitate market opportunities.

Other Development Fund Outlays*Land-related Expenditure*

A sum of \$813.10 million has been provided for land-related expenditure. The bulk of the allocation would go towards the reclamation projects at Jurong Island (\$146.80 million) and Tuas View infrastructure works (\$563.20 million).

Loan Provisions

To assist capital investment by local enterprise and attract overseas investments to Singapore through the provision of loans, a loan provision of \$2.39 billion is allocated. This is an increase of \$1.01 billion or 73.2% over the revised FY2005 provision, as there is a projected increase in loan demand.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
VA	Administration	38,919,000	12,876,200	51,795,200	182,721,000	234,516,200
VB	Statistics	24,206,060	2,300	24,208,360	0	24,208,360
VE	Economic Development Board	107,067,900	0	107,067,900	138,771,500	245,839,400
VG	Standards, Productivity and Innovation Board	47,102,500	0	47,102,500	78,802,500	125,905,000
VH	Agency for Science, Technology and Research	23,414,200	0	23,414,200	680,500,000	703,914,200
VK	International Enterprise Singapore	60,734,300	0	60,734,300	10,640,000	71,374,300
VN	Singapore Tourism Board	127,700,000	0	127,700,000	82,713,000	210,413,000
VP	Competition Commission of Singapore	15,375,400	0	15,375,400	0	15,375,400
Total		\$444,519,360	\$12,878,500	\$457,397,860	\$1,174,148,000	\$1,631,545,860

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2003	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006
DEVELOPMENT EXPENDITURE	...	...	\$1,153,755,110	\$1,153,811,300	\$1,082,049,400	\$1,174,148,000
Direct Development	...	...	113,254,787	213,851,300	162,512,500	168,038,100
Administration Programme						
Infrastructure Works at Changi North for Asian Aerospace	35,700,000	3,383,453	127,313	1,306,800	1,306,800	17,100,000
Provision of Infrastructure for URA Industrial Land Sale Sites at Tampines West and Woodlands North	23,103,000	9,816,768	1,530,398	3,500,000	3,500,000	969,000
Provision of Basic Infrastructure in One-North at Buona Vista	72,410,000	14,124,978	6,880,424	15,400,000	12,500,000	11,875,000
Provision of Unplasticised Polyvinyl Chloride Network for Phase 1 of One North	28,930,000	0	0	7,500,000	3,000,000	1,900,000
Minor Development Projects	...	...	2,363,793	1,280,000	3,151,400	4,789,300
Infrastructure for the rest of Tuas View (Tuas Hockey Stick)	270,420,000	105,410,759	14,199,250	13,300,000	11,156,000	7,980,000
Development of 4 Southern Islands	280,000,000	71,946,122	16,586,313	35,000,000	20,000,000	19,000,000

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2003	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006
Additional Reclamation and Infrastructure at Tuas View (Tuas Hockey Stick)	638,620,000	614,325,884	8,975,000	0	4,698,000	5,301,000
Jurong Island Project - Stages 1B, 1C, 2A, 2B & 2C	804,074,300	740,305,565	1,906,291	0	3,900,000	3,762,000
Roads for Industrial Sale Sites at Kaki Bukit	4,521,300	3,879,214	31,046	442,000	442,000	123,500
Road Link from Singapore Mainland to Jurong Island and Associated Works	863,100,000	501,990,640	2,907,786	405,000	605,000	380,000
Reclamation and Infrastructure Development of Jurong Island Phase 3	1,011,614,100	964,332,807	12,676,016	0	26,500,000	5,605,000
Tourism 21 Plan - Ethnic Singapore Thematic Zone (Chinatown)	97,410,000	24,363,634	1,488,297	5,000,000	800,000	190,000
Tourism 21 Plan - Tourism Development Assistance Scheme	130,000,000	20,472,718	12,027,994	15,000,000	8,000,000	11,400,000
New Projects	...	...	0	52,037,200	2,650,200	43,985,800
Tuas View Extension	595,779,500	460,051,531	0	0	19,000,000	16,387,500
Reclamation of Jurong Island Phase 4	303,975,000	267,284,750	0	0	18,900,000	17,290,000
Completed Projects	...	...	31,554,865	63,680,300	22,403,100	0
Capital Grants	...	...	1,040,500,322	939,960,000	919,536,900	1,006,109,900
Administration Programme						
Funding for AVA to contract Temasek Life Sciences Lab to undertake Agrobiotechnology Research & Development	23,250,000	3,790,483	4,801,796	5,240,000	5,240,000	4,865,600
Financing of the Singapore Zoological Gardens (FY2003 to FY2007)	17,500,000	3,352,413	4,147,587	4,000,000	4,000,000	3,337,500
Financing of the Jurong Bird Park (FY2003-FY2007)	17,500,000	4,500,000	4,500,000	3,500,000	3,500,000	2,837,500
Study on Liquefied Natural Gas	12,130,000	0	488,889	8,000,000	5,110,000	1,206,500
Business e-Town	3,385,700	0	0	0	2,806,900	535,800
Minor Development Projects	...	...	60,000	1,720,000	0	1,900,000
Economic Development Board Programme						
Economic Development Assistance Scheme Phase III	2,772,000,000	796,431,435	32,985,806	27,000,000	21,450,000	19,150,000
Economic Development Assistance Scheme Phase IV	2,125,000,000	174,582,129	101,064,048	112,800,000	111,640,000	112,971,500
New Projects	...	...	0	0	0	6,650,000

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2003	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006
Standards, Productivity and Innovation Board Programme						
Enterprise Development Fund II	470,000,000	142,840,714	64,826,535	78,000,000	70,500,000	41,000,000
Domestic Sector Productivity Fund	45,000,000	0	200,000	3,000,000	1,000,000	1,500,000
Entrepreneurial Development Fund	25,000,000	0	2,410,000	2,500,000	700,000	500,000
Small and Medium Enterprise Capability Development Centres	10,000,000	0	3,000,000	3,000,000	2,000,000	500,000
5-Year Metrology Road Map	17,760,000	0	1,200,000	3,000,000	3,000,000	4,000,000
Local Enterprise and Association Development Programme	50,000,000	0	0	0	6,000,000	9,000,000
New Projects	...	...	0	0	0	19,500,000
Enterprise Development Fund	361,000,000	236,649,743	11,289,258	7,000,000	11,000,000	2,802,500
Agency for Science, Technology and Research Programme						
Science and Technology 2005	6,130,593,000	1,860,663,112	759,247,701	630,000,000	639,000,000	175,900,000
New Projects	...	...	0	0	0	501,750,000
National Science and Technology Plan 2000	3,590,000,000	3,031,395,967	42,721,616	29,700,000	17,000,000	2,850,000
International Enterprise Singapore Programme						
Funding of the International Enterprise Incentive Scheme, FY2003-FY2005	90,000,000	30,000,000	35,000	12,000,000	3,500,000	9,420,000
New Projects	...	...	0	0	0	1,220,000
Singapore Tourism Board Programme						
New Projects	...	...	0	0	0	82,713,000
Completed Projects	...	...	7,522,087	9,500,000	12,090,000	0

Other Development Fund Outlays

Project Title	Total Project Cost	Actual Expenditure up to end of FY2003	Actual FY2004	Estimated FY2005	Revised FY2005	Estimated FY2006
Other Development Fund Outlays	...	...	\$904,422,805	\$3,414,640,000	\$2,175,130,000	\$3,205,600,000
Loans	...	...	606,893,181	2,627,000,000	1,381,500,000	2,392,500,000
Administration Programme						
New Projects	...	...	0	0	0	640,000,000
Economic Development Board Programme						
Capital Assistance Scheme Loan (under EDAS IV)(i)	9,200,000,000	62,900,000	0	2,006,000,000	353,000,000	1,741,000,000
Resource Productivity Scheme Loan (under EDAS IV)	700,000,000	5,663,768	0	5,000,000	1,000,000	2,000,000
Extension of Regionalisation Finance Scheme (Indonesia)(Loans)	385,500,000	950,000	918,654	1,000,000	6,000,000	5,000,000
International Enterprise Singapore Programme						
Regional Financing Scheme (Previously under EDAS IV)	93,899,600	0	3,648,073	14,000,000	21,500,000	4,500,000
Completed Projects	...	...	602,326,455	601,000,000	1,000,000,000	0
Land-related Expenditure	...	...	297,529,624	787,640,000	793,630,000	813,100,000
Administration Programme						
New Projects for Land-related Expenditure	...	...	0	0	6,000,000	103,100,000
Reclamation and Infrastructure Development of Jurong Island Phase 3	1,531,935,900	248,228,058	79,554,761	35,890,000	139,200,000	46,000,000
Tuas View Extension	5,373,920,500	1,639,836,687	174,186,858	523,800,000	523,800,000	563,200,000
Reclamation of Jurong Island Phase 4	1,398,225,000	334,002,272	46,863,439	227,950,000	124,580,000	100,800,000
Completed Projects	...	...	-3,075,433	0	50,000	0

(i) EDAS – Economic Development Assistance Scheme.

KEY PERFORMANCE INDICATORS

Desired Outcomes

- A competitive economy
- A globalised economy
- An entrepreneurial economy
- A diversified economy

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2003	Actual FY2004	Revised FY2005	Estimated FY2006
A Competitive Economy	(i) Real gross domestic product (GDP) & nominal gross national income (GNI) growth rates (%)	1.4	8.4	5.0	3-5
		2.5	11.1	4-6	3-5
	(ii) Real GDP & nominal GNI per capita (\$)	39,780	42,570	43,500	44,000-45,000
		37,850	41,510	42,000	42,000-44,000
	(iii) Ranking of GDP per capita	23	22	Top 25	Top 25
	Rankings in Global Competitiveness report	6	7	6	Top 10
	Percentage change in unit business costs	-1.7	-3.8	1.0	-1 to 1
	(i) Gross Expenditure on research & development (R&D) as % of GDP	2.13	2.25	2.26	2.4
	(ii) R&D expenditure by private sector as % of GDP	1.29	1.43	1.43	1.5
	No. of Full Time equivalent Researchers per 1,000 labour force	9.3	9.8	9.9	10.3
No. of patents awarded	460	599	630	690	
A Globalised Economy	Increase in trade with the rest of world, with a focus on Singapore's key trading and export destinations (ASEAN, United States, China, etc), and other existing free trade agreement (FTA) partners (%)	9.2	22.6	7-9	7-9
An Entrepreneurial Economy	% Growth in value-added (VA) of small and medium enterprises	3.6	11.3	3.9	4.5
A Diversified Economy	% Growth in VA of the Manufacturing Sector	1.9	27.4	5.3	5.3
	Fixed Asset Investment (\$ billion)	7.5	8.3	8.0	8.0-8.5
	Total Business Spending (\$ billion)	1.9	2.3	2.4	2.5-2.7
	Jobs created for projects committed in the year	16,900	21,800	18,000	20,000-25,000
	Tourism Receipts (\$ billion)	6.94	9.80	10.4	11.70