OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2018

Budget for FY2018

The FY2018 Budget is summarised in Table 1.1.

Operating Revenue

Operating Revenue is estimated at $72.68 billion. This is a decrease of $2.48 billion or 3.3% from the Revised FY2017 estimate, mainly due to a decrease in estimated Statutory Boards' Contributions.

Corporate Income Tax collections are projected at $15.11 billion, an increase of $0.75 billion or 5.2% from the Revised FY2017 estimate. Personal Income Tax collections are estimated at $11.43 billion, an increase of $0.72 billion or 6.8% from the Revised FY2017 estimate.

Statutory Boards' Contributions are projected to be $0.46 billion, a decrease of $4.41 billion or 90.6% from the Revised 2017 estimate.

Assets Taxes are projected at $4.45 billion, which is close to the Revised FY2017 estimate, while Stamp Duty collections are estimated at $3.76 billion, a decrease of $0.97 billion or 20.5% from the Revised FY2017 estimate.

Goods and Services Tax collections are projected at $11.36 billion, an increase of $0.59 billion or 5.5% from the Revised FY2017 estimate.

Motor Vehicle Taxes are projected at $2.81 billion, an increase of $0.47 billion or 20.2% from the Revised FY2017 estimate. Vehicle Quota Premiums are estimated at $5.59 billion, a decrease of $0.40 billion or 6.6% from the Revised FY2017 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are estimated at $6.43 billion, an increase of $0.30 billion or 5.0% from the Revised FY2017 estimate.

Total Expenditure

Total Expenditure is projected at $80.02 billion. This is an increase of $6.10 billion or 8.3% from the Revised FY2017 estimate. Development Expenditure is estimated at $22.35 billion, an increase of $4.53 billion or 25.4% from the Revised FY2017 estimate. Operating Expenditure is estimated at $57.67 billion, an increase of $1.57 billion or 2.8% from the Revised FY2017 estimate.

Special Transfers

Budget 2018 will provide $9.11 billion for Special Transfers including Top-ups to Endowment Funds and Trust Funds.

Net Investment Returns Contribution (NIRC)

NIRC for FY2018 is estimated to be $15.85 billion.

Budget Position

Before taking into account Top-ups to Endowment Funds and Trust Funds and before NIRC, a basic deficit of $9.16 billion is projected for FY2018. After factoring in the Top-ups to Endowment Funds and Trust Funds of $7.30 billion and NIRC of $15.85 billion, the estimated outturn for FY2018 is an overall budget deficit of $0.60 billion.

TABLE 1.1 BUDGET FOR FY2018

	Revised FY2017	Estimated FY2018	Change Over Revised FY2017	
	$billion	$billion	$billion	% change
OPERATING REVENUE	75.15	72.68	(2.48)	(3.3)
Corporate Income Tax	14.36	15.11	0.75	5.2
Personal Income Tax	10.70	11.43	0.72	6.8
Withholding Tax	1.34	1.35	0.01	1.0
Statutory Boards' Contributions	4.87	0.46	(4.41)	(90.6)
Assets Taxes	4.39	4.45	0.05	1.2
Customs and Excise Taxes	3.20	3.37	0.17	5.3
Goods and Services Tax	10.77	11.36	0.59	5.5
Motor Vehicle Taxes	2.34	2.81	0.47	20.2
Vehicle Quota Premiums	5.98	5.59	(0.40)	(6.6)
Betting Taxes	2.69	2.75	0.06	2.4
Stamp Duty	4.73	3.76	(0.97)	(20.5)
Other Taxes[1]	6.13	6.43	0.30	5.0
Fees and Charges (Excluding Vehicle Quota Premiums)	3.31	3.45	0.14	4.2
Others	0.35	0.36	0.01	3.7
Less:				
TOTAL EXPENDITURE	73.92	80.02	6.10	8.3
Operating Expenditure	56.10	57.67	1.57	2.8
Development Expenditure	17.82	22.35	4.53	25.4
PRIMARY SURPLUS / DEFICIT[2]	1.24	(7.34)		
Less:				
SPECIAL TRANSFERS[3]	6.23	9.11	2.88	46.2
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2.22	1.81		
CPF Medisave Top-ups	0.10	0.09		
GST Voucher Special Payment[4]	0.28	0.00		
Productivity and Innovation Credit	0.48	0.25		
Service & Conservancy Charges Rebates	0.12	0.13		
SG Bonus	-	0.70		
Temporary Employment Credit	0.41	-		
Wage Credit Scheme	0.83	0.63		
Other Transfers[5]	0.01	0.01		
BASIC SURPLUS / DEFICIT[6]	(0.99)	(9.16)		
Top-ups to Endowment and Trust Funds	4.01	7.30		
Community Silver Trust	-	0.30		
Cultural Matching Fund	0.15	-		
GST Voucher Fund	1.50	2.00		
National Productivity Fund	1.00	-		
National Research Fund	0.50	-		
Rail Infrastructure Fund	-	5.00		
Special Employment Credit Fund	0.16	-		
Top-up to Endowment Funds[7]	0.70	-		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	14.61	15.85	1.24	8.5
OVERALL BUDGET SURPLUS / DEFICIT	9.61	(0.60)		

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

1 Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax.
2 Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds) and Net Investment Returns Contribution.
3 Special Transfers including Top-ups to Endowment and Trust Funds.
4 The GST Voucher Special Payment committed in Budget 2017 comprises the GST Voucher – Cash Special Payment. The GST Voucher Special Payment committed in Budget 2018 comprises the additional GST Voucher – U-Save with payments starting in late FY2018.
5 Consists of Productivity and Innovation Credit Bonus, Rebate for School Buses, SME Cash Grant, and funding for Self-Help Groups in FY2017 and FY2018.
6 Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.
7 Consists of the Community Care Endowment Fund and Medical Endowment Fund.