ASK MOF: SINGAPORE'S FISCAL APPROACH

WHY DON'T WE TAKE MORE FROM OUR RESERVES INSTEAD OF RAISING THE GST?

We are **already benefitting from our reserves**, so much so that it is now the **single largest source of revenue** in our Budget.

The returns from investing our reserves, known as the Net Investment Returns Contribution (NIRC), is our single largest source of revenue, larger than any single tax (e.g. corporate income tax, personal income tax, and GST).

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Reserves are our national savings, which help to secure our financial future.

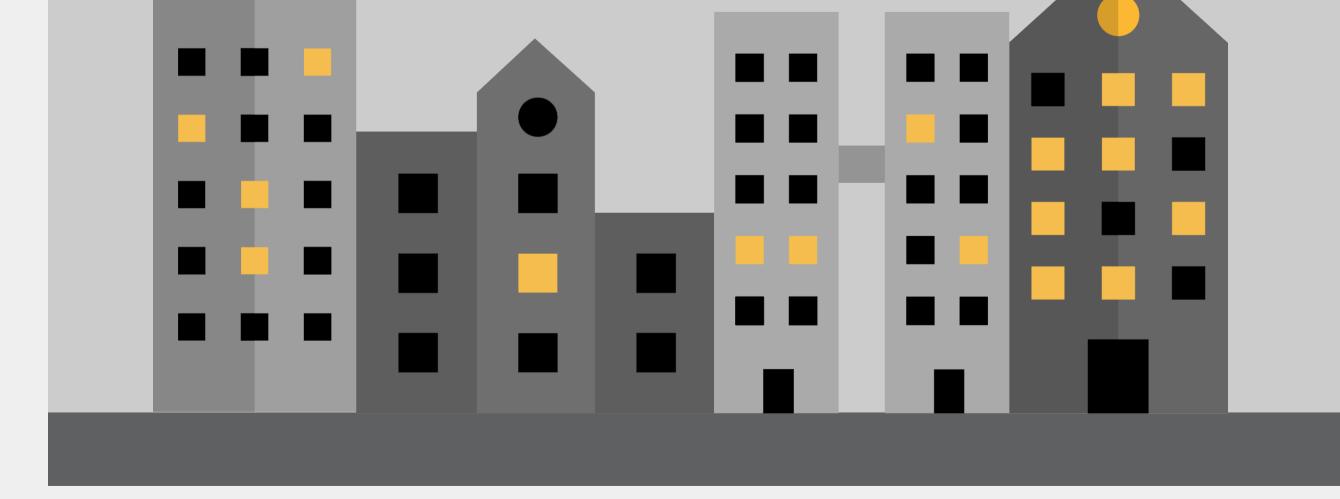


We are able to benefit from the NIRC because the previous generations **saved and grew** the reserves for us.

Likewise, we must manage our reserves in a responsible and sustainable manner, so that our young and future generations can also benefit.

Currently, we spend part of the expected returns earned from investing our reserves.





We keep part of it for re-investment, so that our reserves can **continue to grow**.

We use part of the expected returns earned from investing Singapore's reserves for this generation, and keep part of it for the benefit of future generations – **which is a fairer approach**.



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