

ANALYSIS OF REVENUE AND EXPENDITURE

Financial Year 2020

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EXPLANATORY NOTES

This document summarises and provides relevant highlights of the FY2020 Revenue and Expenditure Estimates presented to Parliament on 18 February 2020.

ANALYSIS OF REVENUE AND EXPENDITURE

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ANALYSIS OF REVENUE AND EXPENDITURE

- ◆ **UPDATE ON FY2019**
- ◆ **OUTLOOK FOR FY2020**

1 Update on Financial Year 2019

1.1 Expected Budget Outturn for FY2019

The revised basic deficit¹ is estimated at \$5.1 billion (or 1.0% of GDP). After factoring in Net Investment Returns Contribution (NIRC) of \$17.0 billion and Top-ups to Endowment and Trust Funds of \$13.6 billion, the overall budget balance for FY2019 is estimated to be a deficit of \$1.7 billion (or 0.3% of GDP).

The revised FY2019 fiscal position is shown in [Table 1.1](#).

1.2 Operating Revenue

FY2019 Operating Revenue has been revised to \$74.7 billion, \$0.2 billion (or 0.2%) lower than budgeted FY2019 estimates. This decrease is mainly due to lower-than-expected collections from Motor Vehicle Tax, Vehicle Quota Premiums and Goods and Services Tax, and is partly offset by higher-than-expected collections from Statutory Boards' Contributions, Personal Income Tax and Stamp Duty.

Motor Vehicle Tax collections are estimated to be \$2.5 billion, \$0.6 billion (or 20.5%) lower than the budgeted estimate, due to lower Additional Registration Fee (ARF) collections. The lower ARF collections are driven by two factors, i) fewer-than-projected registrations that more than offset higher-than-projected Open Market Value (OMV) prices; and ii) higher-than-expected disbursement of Vehicular Emissions Scheme (VES) rebates. Vehicle Quota Premiums are estimated to be \$2.9 billion, \$0.5 billion (or 15.1%) lower than the budgeted estimate, mainly due to lower-than-projected COE quotas that more than offset higher-than-projected prices. Goods and Services Tax collections are estimated to be \$11.2 billion, \$0.5 billion (or 4.3%) lower than the budgeted estimate, mainly due to lower-than-expected growth in consumption.

Statutory Boards' Contributions are estimated to be \$1.8 billion, \$0.5 billion (or 38.9%) higher than the budgeted estimate due to higher-than-expected contributions from the Monetary Authority of Singapore (MAS)². Personal Income Tax collections are estimated to be \$12.2 billion, \$0.4 billion (or 3.4%) higher than the budgeted estimate, due to higher-than-expected wage growth. Stamp Duty collections are estimated to be \$4.3 billion, \$0.3 billion (or 6.8%) higher than the budgeted estimate, as the property market has remained firmer than expected even after property market cooling measures.

The breakdown of Operating Revenue in FY2019 by its components is shown in [Chart 1.1](#).

¹ This takes into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before Net Investment Returns Contribution (NIRC).

² Revised FY2019 contribution from MAS (based on MAS' actual net profit for FY2018/19) was higher than estimated due to higher-than-expected realised capital gains.

1.3 Total Expenditure

FY2019 Total Expenditure has been revised to \$78.2 billion, \$2.1 billion (or 2.6%) lower than the budgeted estimate. However, expenditure in FY2019 is estimated to be larger by \$0.3 billion (or 0.4%) than in FY2018. The breakdown of government spending by sector is shown in [Chart 1.2](#).

Revised Operating Expenditure is estimated to be \$59.5 billion, \$1.2 billion (or 2.0%) lower than the budgeted estimate. The lower expenditure is driven by (i) MINDEF due to projects being delayed by circumstances outside of MINDEF's control; (ii) MOE due to lower requirement for operating grants to institutions, as well as lower-than-projected bonus provision; and (iii) MOT due to lower expenditure requirements for components under the Bus Contracting Model. These decreases in expenditure are offset by slightly higher expenditure for MND mainly due to higher-than-expected housing grant disbursements. Revised FY2019 Operating Expenditure is \$2.0 billion (or 3.4%) higher than actual FY2018 Operating Expenditure.

Revised Development Expenditure is estimated to be \$18.6 billion, \$0.8 billion (or 4.4%) lower than the budgeted estimate. The lower expenditure is mainly driven by (i) MOT due to project delays for domestic rail projects and Changi East developments; (ii) MCCY due to development project delays for Punggol Regional Sports Centre, Singapore Tennis Centre and OBS@Coney; and (iii) MOH due to project delays for Woodlands Health Campus and Singapore General Hospital Elective Care Centre, as well as lower cashflows required for major IT projects. Revised FY2019 Development Expenditure is \$1.6 billion (or 8.1%) lower than actual FY2018 Development Expenditure.

1.4 Special Transfers

Special Transfers, including Top-ups to Endowment and Trust Funds, are expected to remain mostly unchanged at \$15.3 billion in FY2019. [Table 1.2](#) shows a summary of the Revised Special Transfers, including Top-ups to Endowment and Trust Funds, for FY2019.

1.5 Net Investment Returns Contribution (NIRC)

The NIRC for FY2019 is projected to be \$17.0 billion, which is lower than budgeted by \$0.1 billion (or 0.7%).

1.6 Spending from Government Endowment and Trust Funds

The total spending from Government Endowment and Trust Funds is estimated to be \$4.4 billion (or about 0.9% GDP) in FY2019. [Table 1.3](#) shows the spending from Government Endowment and Trust Funds.

Table 1.1: Fiscal Position in FY2018 and FY2019

	Actual FY2018	Estimated FY2019	Revised FY2019	Revised FY2019 Compared to	
				Actual FY2018	Estimated FY2019
	\$billion	\$billion	\$billion	% change	% change
OPERATING REVENUE	73.74	74.90	74.73	1.3	(0.2)
Corporate Income Tax	16.03	16.72	16.75	4.5	0.2
Personal Income Tax	11.71	11.80	12.20	4.2	3.4
Withholding Tax	1.59	1.54	1.66	4.4	7.7
Statutory Boards' Contributions ¹	1.49	1.29	1.80	20.6	38.9
Assets Taxes	4.65	4.69	4.75	2.1	1.2
Customs, Excise and Carbon Taxes	3.08	3.50	3.32	7.9	(5.2)
Goods and Services Tax	11.14	11.69	11.18	0.4	(4.3)
Motor Vehicle Taxes	2.62	3.09	2.46	(6.3)	(20.5)
Vehicle Quota Premiums	3.62	3.42	2.90	(19.8)	(15.1)
Betting Taxes	2.66	2.67	2.64	(1.0)	(1.4)
Stamp Duty	4.61	4.02	4.30	(6.7)	6.8
Other Taxes ²	6.63	6.69	6.83	3.0	2.0
Fees and Charges (Excluding Vehicle Quota Premiums)	3.49	3.38	3.48	(0.3)	3.1
Others	0.43	0.38	0.47	9.1	23.6
Less:					
TOTAL EXPENDITURE	77.82	80.25	78.16	0.4	(2.6)
Operating Expenditure	57.56	60.79	59.55	3.4	(2.0)
Development Expenditure	20.26	19.47	18.62	(8.1)	(4.4)
PRIMARY SURPLUS / DEFICIT³	(4.09)	(5.36)	(3.44)		
Less:					
SPECIAL TRANSFERS⁴	8.99	15.30	15.26	69.8	(0.2)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.69	1.74	1.70		
Wage Credit Scheme	0.64	0.65	0.65		
GST Voucher Special Payment ⁵	0.00	0.44	0.44		
CPF Top-Up	-	0.23	0.23		
Service and Conservancy Charges Rebates	0.13	0.13	0.13		
Workfare Special Bonus ⁶	-	0.08	0.08		
Top-ups to Post-Secondary Education Accounts	-	0.08	0.07		
CPF MediSave Top-ups	0.09	0.06	0.06		
Other Transfers ⁷	0.82	0.06	0.03		
BASIC SURPLUS / DEFICIT⁸	(5.77)	(7.09)	(5.13)		
Top-ups to Endowment and Trust Funds	7.30	13.56	13.57		
Merdeka Generation Fund	-	6.10	6.10		
Long-Term Care Support Fund	-	5.08	5.08		
Rail Infrastructure Fund	5.00	2.00	2.00		
Special Employment Credit Fund	-	0.37	0.37		
Other Funds ⁹	2.30	0.01	0.02		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	16.41	17.17	17.05	3.9	(0.7)
OVERALL BUDGET SURPLUS / DEFICIT	3.34	(3.48)	(1.65)		

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

¹ From FY2019 onwards, Statutory Boards' Contributions (SBC) from the Monetary Authority of Singapore (MAS) in a given financial year are calculated as the average of "Contribution to Consolidated Fund" (in lieu of corporate income tax) reported in MAS' financial statements for the preceding three years. This is to reduce the volatility in MAS' annual contributions. MAS' SBC in FY2019 should thus comprise one-third of "Contribution to Consolidated Fund" reported in MAS' financial statements for FY2016/17, FY2017/18 and FY2018/19. As MAS' "Contribution to Consolidated Fund" for FY2016/17 and FY2017/18 have been paid in full in FY2017 and FY2018 respectively, MAS' SBC in FY2019 comprises only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 will in turn comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 will comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.

² Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax.

³ Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds) and Net Investment Returns Contribution.

⁴ Special Transfers including Top-ups to Endowment and Trust Funds.

⁵ The GST Voucher Special Payment committed in Budget 2018 comprises the Additional GST Voucher – U-Save with payments starting in late FY2018. The GST Voucher Special Payment committed in Budget 2019 comprises the GST Voucher – Cash (Bicentennial Payment) and the Additional GST Voucher – U-Save.

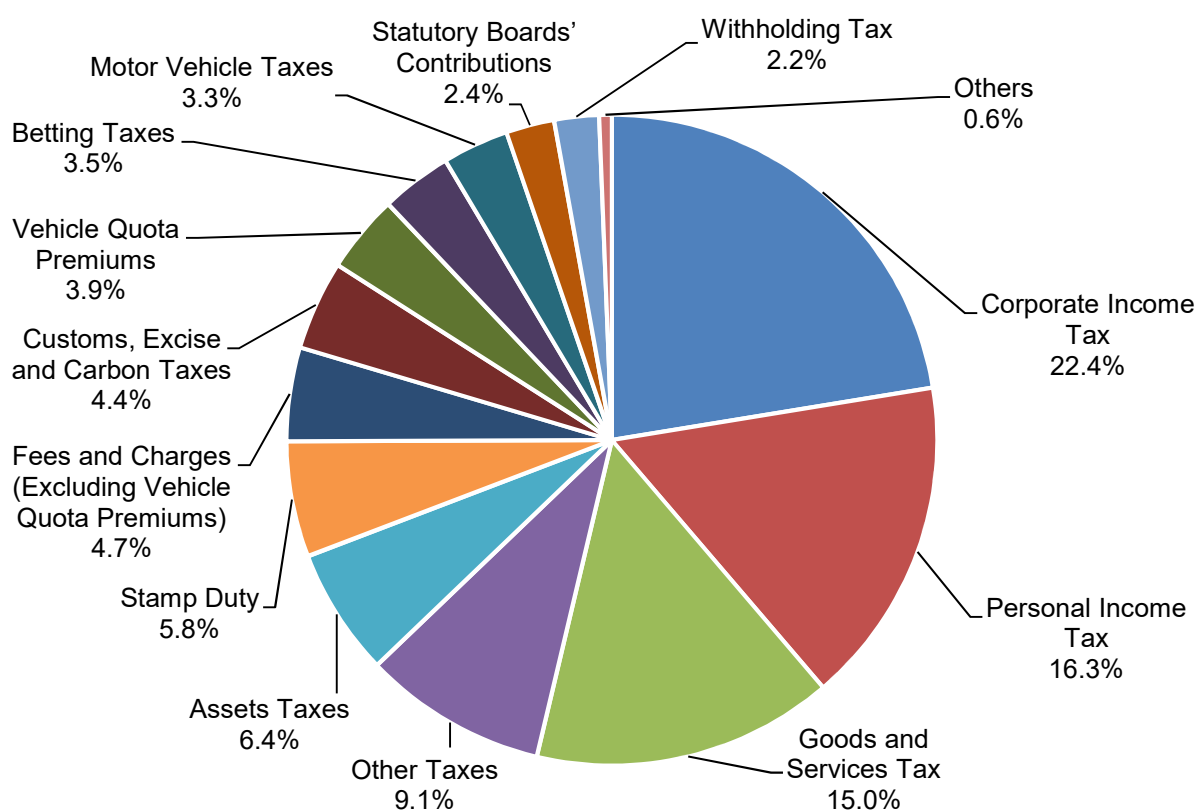
⁶ The Workfare Special Bonus committed in Budget 2019 comprises the Workfare Bicentennial Bonus.

⁷ Consists of Productivity and Innovation Credit, Rebate for School Buses, SG Bonus, Productivity and Innovation Credit Bonus, SME Cash Grant, Funding for Self-Help Groups and Top-ups to Child Development Accounts.

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

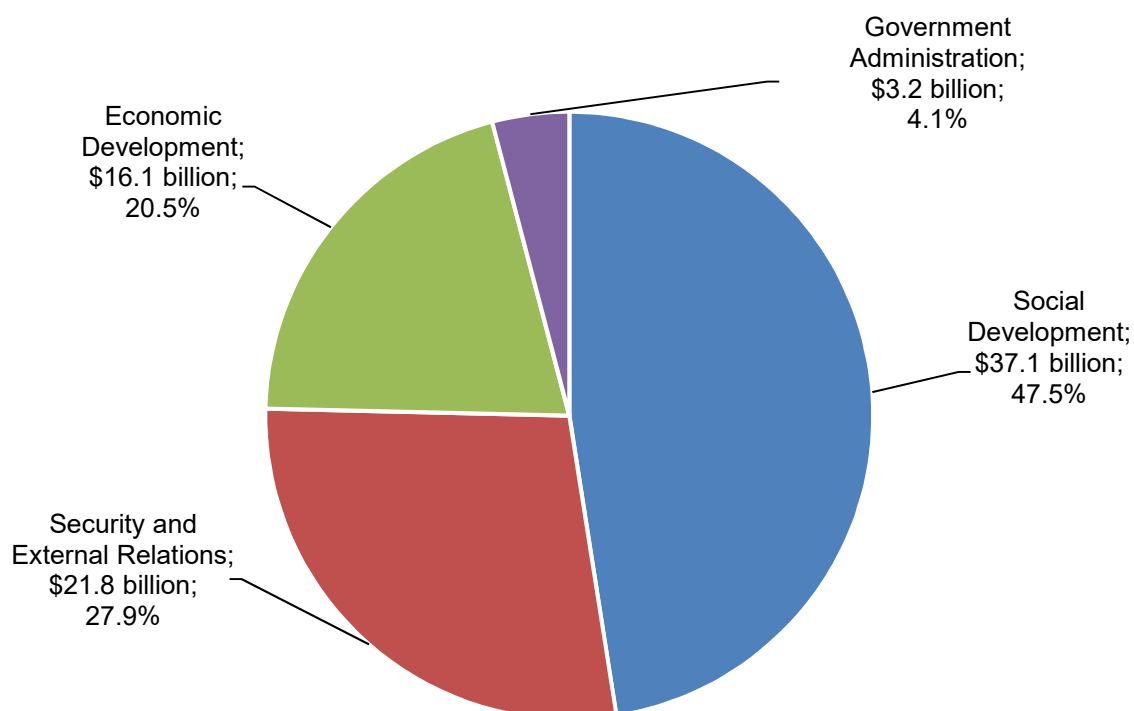
⁹ Consists of Public Transport Fund, Community Silver Trust and GST Voucher Fund.

Chart 1.1: Breakdown of Government Operating Revenue in FY2019¹



¹ Government Operating Revenue comprises the Government's tax and non-tax revenues, and does not include Net Investment Returns Contribution (NIRC).

Chart 1.2: Breakdown of Government Spending by Sector in FY2019²



² Government spending here does not include Special Transfers and spending from Government Endowment and Trust Funds.

Table 1.2: Summary of Revised FY2019 Special Transfers¹

Measures	Revised FY2019 Cost (\$ million)
Special Transfers:	15,265
Special Transfers Excluding Top-ups to Endowment and Trust Funds	
Wage Credit Scheme	649
GST Voucher Special Payment	439
CPF Top-Up	230
Service and Conservancy Charges Rebates	132
Workfare Special Bonus	78
Top-ups to Post-Secondary Education Accounts	71
CPF MediSave Top-ups	63
Other Transfers ²	34
Sub-Total	1,697
Top-ups to Endowment and Trust Funds	
Merdeka Generation Fund	6,100
Long-Term Care Support Fund	5,084
Rail Infrastructure Fund	2,000
Special Employment Credit Fund	366
Public Transport Fund	18
Sub-Total	13,568

Note: Due to rounding, figures may not add up.

¹ Special Transfers including Top-ups to Endowment and Trust Funds.

² Consists of Productivity and Innovation Credit, Rebate for School Buses, SG Bonus, Productivity and Innovation Credit Bonus, SME Cash Grant, Funding for Self-Help Groups and Top-ups to Child Development Accounts.

Table 1.3: Spending from Government Endowment and Trust Funds

	Revised FY2019 (\$ million)
Total Spending from Endowment and Trust Funds:	4,437
Endowment Funds	
Edusave Endowment Fund	266
Lifelong Learning Endowment Fund	183
Medical Endowment Fund	176
ElderCare Fund	106
Community Care Endowment Fund	69
Sub-Total	800
Trust Funds	
GST Voucher Fund	846
National Research Fund	835
Pioneer Generation Fund	450
Special Employment Credit Fund	424
Skills Development Fund ¹	344
National Productivity Fund	258
Merdeka Generation Fund	173
Community Silver Trust	165
Singapore Universities Trust	57
Cultural Matching Fund	53
Other Trust Funds ²	32
Sub-Total	3,637

Note: Due to rounding, figures may not add up.

¹ The disbursement of Skills Development Fund is included in this table to better reflect significant spending on continuing education and training.

² Consists of Public Transport Fund, National Youth Fund and Bus Service Enhancement Fund.

2 Outlook for Financial Year 2020

2.1 Budget for FY2020

A basic deficit of \$12.3 billion (or 2.4% of GDP) is expected for FY2020. After factoring in Top-ups to Endowment and Trust Funds of \$17.3 billion and NIRC of \$18.6 billion, the overall budget balance for FY2020 is expected to be a deficit of \$10.9 billion (or 2.1% of GDP).

The FY2020 Budget is summarised in [Table 2.1](#).

2.2 Operating Revenue

Operating Revenue for FY2020 is projected at \$76.0 billion (or 14.6% of GDP). This is an increase of \$1.3 billion (or 1.7%) over revised FY2019 estimates.

This increase relative to FY2019 is mainly based on higher revenues expected from Statutory Boards' Contributions, Corporate Income Tax, Personal Income Tax and Customs, Excise and Carbon Taxes, and is partially offset by expected decreases in collections for Vehicle Quota Premiums and Motor Vehicle Taxes. Revenue projection has also factored in a more subdued economic growth environment due to Coronavirus Disease 2019 (COVID-19). As some revenue collection lags economic growth, some of the impact will be felt in FY2021.

Statutory Board's Contributions are estimated to increase by \$0.8 billion (or 44.0%) to \$2.6 billion due to projected higher MAS contribution¹. Corporate Income Tax collections are estimated to increase by \$0.3 billion (or 2.0%) to \$17.1 billion, in line with economic growth in CY2019 and after taking into account the tax rebate for Year of Assessment (YA) 2020 under the Stabilisation and Support Package. Personal Income Tax (PIT) collections are estimated to increase by \$0.3 billion (or 2.6%) due to wage growth and the cessation of a one-off PIT rebate in Year of Assessment (YA) 2019. Revenues from Customs, Excise and Carbon Taxes are also estimated to increase by \$0.3 billion (or 8.4%), mainly due to the addition of Carbon Tax revenue in FY2020.

Vehicle Quota Premiums are expected to decrease by \$0.3 billion (or 9.2%) to \$2.6 billion, and Motor Vehicle Taxes are expected to decrease by \$0.2 billion (or 7.7%) to \$2.3 billion, due to the projected decrease in new Certificate of Entitlement (COE) quotas, and weaker sentiments.

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

¹ From FY2019 onwards, Statutory Boards' Contributions (SBC) from the Monetary Authority of Singapore (MAS) in a given financial year are calculated as the average of "Contribution to Consolidated Fund" (in lieu of corporate income tax) reported in MAS' financial statements for the preceding three years. This is to reduce the volatility in MAS' annual contributions. MAS' SBC in FY2019 should thus comprise one-third of "Contribution to Consolidated Fund" reported in MAS' financial statements for FY2016/17, FY2017/18 and FY2018/19. As MAS' "Contribution to Consolidated Fund" for FY2016/17 and FY2017/18 have been paid in full in FY2017 and FY2018 respectively, MAS' SBC in FY2019 comprises only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 will in turn comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20.

2.3 Total Expenditure

FY2020 Total Expenditure by Ministries is estimated to be \$83.6 billion (or 16.1% of GDP). This is \$5.4 billion or 7.0% higher than the revised FY2019 expenditure of \$78.2 billion. The main increases over FY2019 are in the areas of Healthcare, National Development and Transport, partially offset by lower expenditure for Trade and Industry (see [Chart 2.1](#)).

As the population in Singapore ages, consumption of healthcare and long-term care services continues to increase. Healthcare expenditure is expected to increase by \$1.9 billion or 16.2%, mainly due to higher subvention (subsidies) to the public hospitals and healthcare institutions, community hospitals, general practitioners and other institutions, including VWOs in the aged care and long-term care sectors. The increase is also due to provisional funding for contingency plans and measures for the prevention, containment and control of the Coronavirus Disease 2019 (COVID-19) outbreak by the Ministry of Health and the healthcare sector. Development expenditure is expected to increase mainly due to major projects such as Woodlands Health Campus, Singapore General Hospital (SGH) Emergency Medical Building, SGH Elective Care Centre as well as IT infrastructure of new healthcare facilities and other major IT projects.

National Development expenditure is expected to increase by \$0.8 billion or 22.2%, mainly due to higher housing grant disbursements expected in FY2020, and higher development expenditure in relation to HDB upgrading programmes.

Expenditure for Transport is expected to increase by \$0.7 billion or 7.1% for MRT development projects.

These are partially offset by lower expenditure for Trade and Industry, which is expected to decrease by \$0.5 billion or 7.1% compared to FY2019, due to lower requirements for development expenditure. Significant support for businesses and workers is provided via the Stabilisation and Support Package, the bulk of which is accounted for under Special Transfers.

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

2.4 Net Investment Returns Contribution (NIRC)

The NIRC for FY2020 is projected to be \$18.6 billion, which is \$1.6 billion or 9.3% higher than revised FY2019 NIRC.

Table 2.1: Fiscal Position in FY2020

	Revised FY2019	Estimated FY2020	Change Over Revised FY2019	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	74.73	76.01	1.28	1.7
Corporate Income Tax	16.75	17.10	0.34	2.0
Personal Income Tax	12.20	12.51	0.31	2.6
Withholding Tax	1.66	1.70	0.04	2.5
Statutory Boards' Contributions ¹	1.80	2.59	0.79	44.0
Assets Taxes	4.75	4.65	(0.10)	(2.1)
Customs, Excise and Carbon Taxes	3.32	3.60	0.28	8.4
Goods and Services Tax	11.18	11.27	0.09	0.8
Motor Vehicle Taxes	2.46	2.27	(0.19)	(7.7)
Vehicle Quota Premiums	2.90	2.64	(0.27)	(9.2)
Betting Taxes	2.64	2.63	(0.00)	(0.1)
Stamp Duty	4.30	4.29	(0.01)	(0.3)
Other Taxes ²	6.83	6.67	(0.15)	(2.3)
Fees and Charges (Excluding Vehicle Quota Premiums)	3.48	3.62	0.14	4.0
Others	0.47	0.48	0.01	2.9
Less:				
TOTAL EXPENDITURE	78.16	83.61	5.45	7.0
Operating Expenditure	59.55	64.60	5.05	8.5
Development Expenditure	18.62	19.01	0.39	2.1
PRIMARY SURPLUS / DEFICIT³	(3.44)	(7.60)		
Less:				
SPECIAL TRANSFERS⁴	15.26	21.98	6.72	44.0
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.70	4.66		
Wage Credit Scheme	0.65	1.60		
Jobs Support Scheme	-	1.33		
Care and Support Package – Cash Payout	-	0.83		
GST Voucher Special Payment ⁵	0.44	0.36		
PASSION Card Top-Up	-	0.15		
Workfare Special Bonus ⁶	0.08	0.14		
Service and Conservancy Charges Rebates	0.13	0.13		
Other Transfers ⁷	0.40	0.12		
BASIC SURPLUS / DEFICIT⁸	(5.13)	(12.26)		
Top-ups to Endowment and Trust Funds	13.57	17.32		
GST Voucher Fund	-	6.00		
Coastal and Flood Protection Fund	-	5.00		
National Research Fund	-	2.00		
Skills Development Fund	-	2.00		
ElderCare Fund	-	0.75		
Special Employment Credit Fund	0.37	0.70		
Community Care Endowment Fund	-	0.50		
Other Funds ⁹	13.20	0.37		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	17.05	18.63	1.58	9.3
OVERALL BUDGET SURPLUS / DEFICIT	(1.65)	(10.95)		

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

¹ From FY2019 onwards, Statutory Boards' Contributions (SBC) from the Monetary Authority of Singapore (MAS) in a given financial year are calculated as the average of "Contribution to Consolidated Fund" (in lieu of corporate income tax) reported in MAS' financial statements for the preceding three years. This is to reduce the volatility in MAS' annual contributions. MAS' SBC in FY2019 should thus comprise one-third of "Contribution to Consolidated Fund" reported in MAS' financial statements for FY2016/17, FY2017/18 and FY2018/19. As MAS' "Contribution to Consolidated Fund" for FY2016/17 and FY2017/18 have been paid in full in FY2017 and FY2018 respectively, MAS' SBC in FY2019 comprises only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 will in turn comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 will comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.

² Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax.

³ Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds) and Net Investment Returns Contribution.

⁴ Special Transfers including Top-ups to Endowment and Trust Funds.

⁵ The GST Voucher Special Payment committed in Budget 2019 comprises the GST Voucher – Cash (Bicentennial Payment). The GST Voucher Special Payment committed in Budget 2020 comprises the GST Voucher – U-Save Special Payments (with additional U-Save for larger households) under the Care and Support Package.

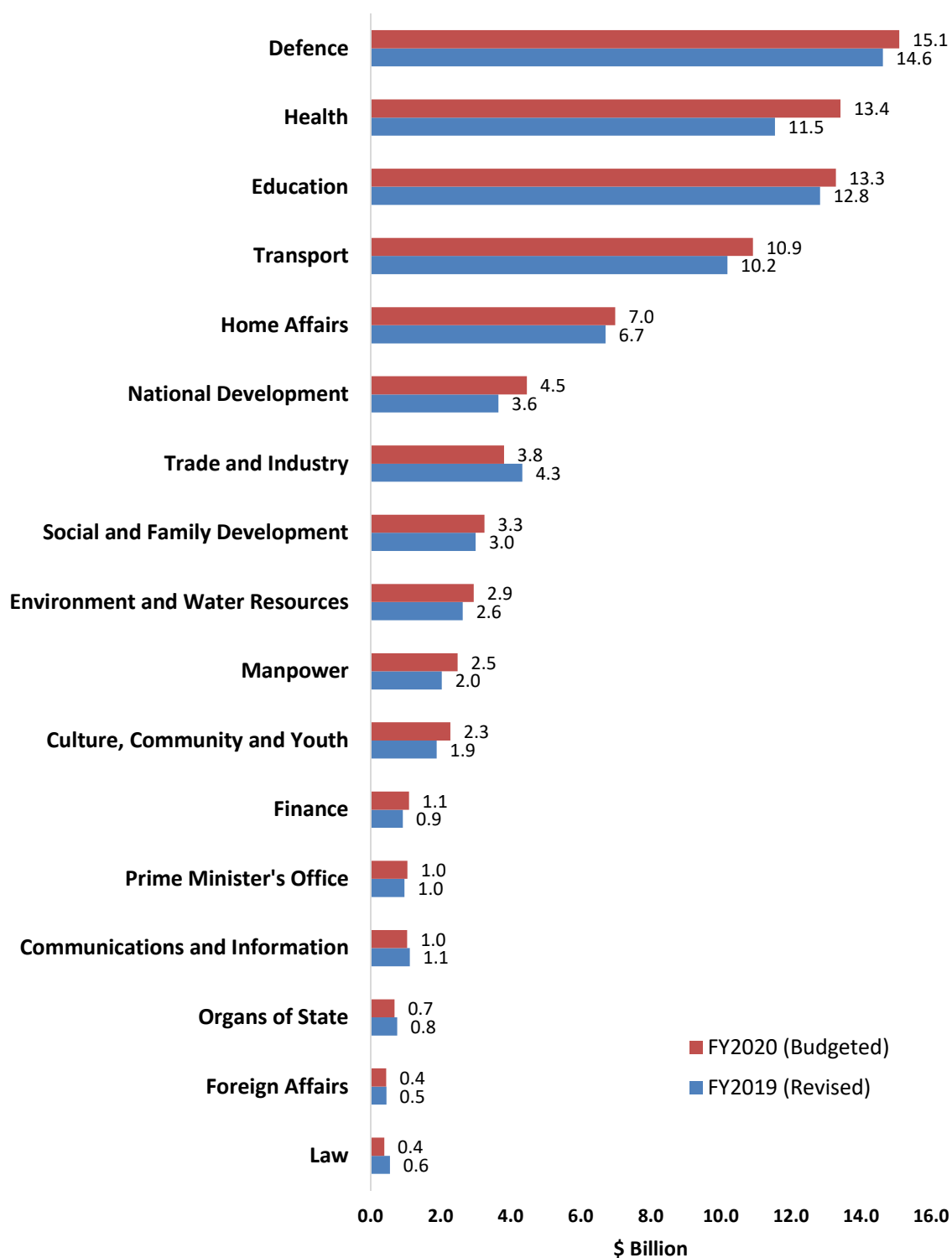
⁶ The Workfare Special Bonus committed in Budget 2019 comprises the Workfare Bicentennial Bonus. The Workfare Special Bonus committed in Budget 2020 comprises the Workfare Special Payment under the Care and Support Package.

⁷ Consists of CPF MediSave Top-ups, Productivity and Innovation Credit, Productivity and Innovation Credit Bonus, Grocery Vouchers, Funding for Self-Help Groups, Merdeka Generation Package (transport fare subsidies), Rebate for School Buses, CPF Top-Up, CPF Transition Offset, SG Bonus, SME Cash Grant, Top-ups to Child Development Accounts and Top-ups to Post-Secondary Education Accounts.

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

⁹ Consists of MediFund, Community Capability Trust, Public Transport Fund, Rail Infrastructure Fund, Merdeka Generation Fund and Long-Term Care Support Fund.

Chart 2.1: Breakdown of Total Expenditure by Sector (FY2019 and FY2020)¹



¹The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

2.5 Special Transfers¹

Special Transfers to Households (\$1.7 billion)

In addition to transfers from the Government's operating expenditure and spending from Government Endowment and Trust Funds, households will receive special transfers amounting to \$1.7 billion in Budget 2020. This comprises an estimated \$1,639 million for Special Transfers under the Care and Support Package², \$62 million for CPF MediSave Top-Ups, and \$10 million under Others (see [Table 2.2](#)).

Special Transfers to Businesses (\$3.0 billion)

In total, special transfers to businesses in Budget 2020 will amount to \$3.0 billion, comprising an estimated \$2,928 million under the Stabilisation and Support Package³, \$17 million under the Productivity and Innovation Credit (PIC) scheme, and \$5 million under Others (see [Table 2.3](#)).

Top-ups to Funds to Support Longer-term Commitments (\$17.3 billion)

In Budget 2020, the Government will top-up the GST Voucher Fund by \$6,000 million, to fund measures to cushion the impact of the GST rate increase when raised. We will also inject \$5,000 million into a new Coastal and Flood Protection Fund to save ahead for climate change adaptation measures. Other fund top-ups include top-ups to the National Research Fund (\$2,000 million), Skills Development Fund (\$2,000 million), ElderCare Fund (\$750 million), Special Employment Credit Fund (\$700 million), Community Care Endowment Fund (\$500 million) and Other Funds⁴ (\$370 million).

In total, \$17.3 billion will be committed to fund top-ups (see [Table 2.4](#)).

¹ Special Transfers including Top-ups to Endowment and Trust Funds.

² Special Transfers under the Care and Support Package include a Cash Payout, GST Voucher – U-Save Special Payments, PASSION Card Top-Up, Workfare Special Payment, Service and Conservancy Charges Rebates, Grocery Vouchers and Funding for Self-Help Groups.

³ Special Transfers under the Stabilisation and Support Package include the Jobs Support Scheme and enhancements to the Wage Credit Scheme. Other measures like tax rebates are accounted for separately as a reduction in projected revenue.

⁴ Other Funds consists of MediFund, Community Capability Trust and Public Transport Fund.

Table 2.2: Special Transfers to Households in FY2020

Measures	Total Cost (\$ million)
Care and Support Package ¹ <ul style="list-style-type: none"> Cash Payout (\$825m) GST Voucher – U-Save Special Payments (\$362m) PAssion Card Top-Up (\$151m) Workfare Special Payment (\$141m) Service and Conservancy Charges Rebates (\$134m) Grocery Vouchers (\$16m) Funding for Self-Help Groups (\$10m) 	1,639
CPF MediSave Top-Ups	62
Others ²	10
Total	1,712

Note: Due to rounding, figures may not add up.

¹ The Care and Support Package also includes a \$20m grant to Community Development Councils. This is not part of FY2020 Special Transfers.

² Consists of Merdeka Generation Package (transport fare subsidies), CPF Top-Up, SG Bonus, Top-ups to Child Development Accounts, and Top-ups to Post-Secondary Education Accounts.

Table 2.3: Special Transfers to Businesses in FY2020

Measures	Total Cost (\$ million)
Stabilisation and Support Package <ul style="list-style-type: none"> Wage Credit Scheme (\$1,598m) Jobs Support Scheme (\$1,330m) 	2,928
Productivity and Innovation Credit	17
Others ¹	5
Total	2,951

Note: Due to rounding, figures may not add up.

¹ Consists of Rebate for School Buses, CPF Transition Offset, Productivity and Innovation Credit Bonus, and SME Cash Grant.

Table 2.4: Top-ups to Funds in FY2020 to Support Key Commitments

Measures	Top-up Amount (\$ million)
GST Voucher Fund	6,000
Coastal and Flood Protection Fund	5,000
National Research Fund	2,000
Skills Development Fund	2,000
ElderCare Fund	750
Special Employment Credit Fund	700
Community Care Endowment Fund	500
Other Funds ¹	370
Total	17,320

Note: Due to rounding, figures may not add up.

¹ Consists of MediFund, Community Capability Trust and Public Transport Fund.

2.6 Fiscal Impulse

Global Economic Outlook for 2020

In its 20 January 2020 update, the IMF projected that global growth would pick up modestly from 2.9% in 2019 to 3.3% in 2020 due to improved outlook in key emerging market economies. However, the forecasts have not factored in the potential impact of the recent Coronavirus Disease 2019 (COVID-19) outbreak. Analysts expect the outbreak to negatively affect the growth outlook for China, and have knock-on effects on global and regional economic growth. In the US, growth is expected to moderate as the impact of the tax cuts wanes, and trade policy uncertainty remains. In the Eurozone, growth is expected to edge up as stable labour market conditions and favourable financing conditions provide support to domestic demand.

Risks to global economic growth remain. The COVID-19 outbreak may result in a larger-than-expected slowdown in China, leading to a sharper pullback in global consumption and disruptions to supply chains. There is also a possibility that US-China trade tensions could escalate again, especially as both countries turn to more contentious issues in the next phase of their negotiations.

Singapore's Output Gap for FY2019

At the start of 2019, the Singapore economy was projected to grow between 1.5% to 3.5%. The output gap for FY2019 was estimated to be positive at 0.2% during Budget 2019 and that Budget was estimated to deliver a neutral fiscal impulse. Due to a weakening of external demand in particular in global electronics, and the impact of trade conflicts between US and its key trading partners, the Singapore economy grew slower than expected, by 0.7% in 2019. This resulted in a revised output gap of -0.8% in FY2019.

Singapore's Output Gap for FY2020

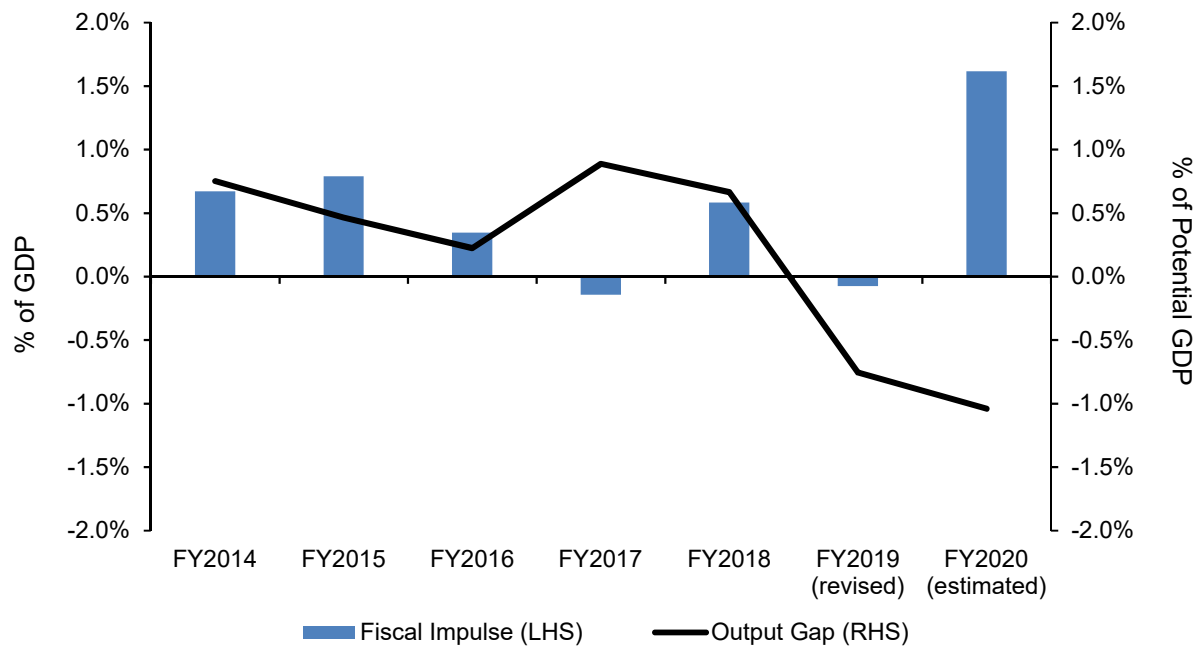
Growth in 2020 is projected to be -0.5% to 1.5%, largely due to the impact of COVID-19. The output gap is expected to turn more negative¹ from last year.

Fiscal Impulse for FY2020

Addressing this widening output gap, Budget 2020 will deliver a significantly positive fiscal impulse of 1.6% of GDP in FY2020 (see [Chart 2.2](#)). This is mainly due to the \$4.1 billion Stabilisation and Support Package, which will provide immediate relief to businesses and support ongoing economic transformation efforts, against the backdrop of a highly uncertain economic environment, including from the COVID-19 outbreak.

¹ Output gap estimated as at 10 February 2020.

Chart 2.2: Fiscal Impulse and Output Gap



STATISTICAL ANNEX

Table 3.1a: Overall Fiscal Position for FY2014 to FY2020 (\$ million)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Revised)	FY2020 (Budgeted)
Operating Revenue	60,838	64,823	68,964	75,816	73,738	74,727	76,010
Tax Revenue	54,110	55,647	58,699	66,363	66,203	67,877	69,273
Fees and Charges	6,405	8,674	9,760	9,075	7,106	6,381	6,255
Others	324	502	506	378	430	469	482
Total Expenditure	56,648	67,447	71,045	73,556	77,824	78,163	83,608
Operating Expenditure	42,685	48,090	52,129	55,581	57,561	59,546	64,599
Development Expenditure ¹	13,963	19,357	18,916	17,975	20,263	18,617	19,010
Primary Surplus / Deficit	4,190	(2,624)	(2,080)	2,259	(4,086)	(3,436)	(7,598)
Special Transfers²	12,356	10,369	6,372	6,122	8,989	15,265	21,982
Special Transfers Excluding Top-ups to Endowment and Trust Funds	3,856	4,369	2,772	2,112	1,689	1,697	4,662
Basic Surplus / Deficit³	334	(6,993)	(4,853)	147	(5,774)	(5,133)	(12,260)
Top-ups to Endowment and Trust Funds	8,500	6,000	3,600	4,010	7,300	13,568	17,320
Net Investment Returns Contribution⁴	8,738	8,943	14,577	14,724	16,413	17,048	18,632
Overall Budget Surplus / Deficit	571	(4,050)	6,125	10,861	3,339	(1,653)	(10,948)

Table 3.1b: Overall Fiscal Position for FY2014 to FY2020 (% of GDP)⁵

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Revised)	FY2020 (Budgeted)
Operating Revenue	15.0%	15.2%	15.3%	15.9%	14.5%	14.7%	14.6%
Tax Revenue	13.4%	13.1%	13.0%	13.9%	13.0%	13.3%	13.3%
Fees and Charges	1.6%	2.0%	2.2%	1.9%	1.4%	1.3%	1.2%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Expenditure	14.0%	15.8%	15.8%	15.4%	15.3%	15.4%	16.1%
Operating Expenditure	10.5%	11.3%	11.6%	11.7%	11.3%	11.7%	12.4%
Development Expenditure ¹	3.4%	4.5%	4.2%	3.8%	4.0%	3.7%	3.7%
Primary Surplus / Deficit	1.0%	(0.6%)	(0.5%)	0.5%	(0.8%)	(0.7%)	(1.5%)
Special Transfers²	3.1%	2.4%	1.4%	1.3%	1.8%	3.0%	4.2%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.0%	1.0%	0.6%	0.4%	0.3%	0.3%	0.9%
Basic Surplus / Deficit³	0.1%	(1.6%)	(1.1%)	0.0%	(1.1%)	(1.0%)	(2.4%)
Top-ups to Endowment and Trust Funds	2.1%	1.4%	0.8%	0.8%	1.4%	2.7%	3.3%
Net Investment Returns Contribution⁴	2.2%	2.1%	3.2%	3.1%	3.2%	3.3%	3.6%
Overall Budget Surplus / Deficit	0.1%	(1.0%)	1.4%	2.3%	0.7%	(0.3%)	(2.1%)

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 Returns Contribution.

⁴ Net Investment Returns Contribution is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

⁵ Data may differ from previous years due to revisions to GDP estimates.

Table 3.2a: Revenue Collections for FY2014 to FY2020 (\$ million)

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Operating Revenue	60,838	64,823	68,964	75,816	73,738	74,727	76,010
Corporate Income Tax	13,371	13,815	13,602	14,944	16,032	16,754	17,095
Personal Income Tax	8,927	9,235	10,526	10,724	11,706	12,200	12,514
Withholding Tax	1,126	1,402	1,474	1,532	1,590	1,660	1,701
Statutory Boards' Contributions ¹	516	438	775	4,866	1,490	1,798	2,589
Assets Taxes	4,341	4,455	4,360	4,440	4,649	4,746	4,646
Customs, Excise and Carbon Taxes	2,540	2,833	2,730	3,133	3,075	3,319	3,597
Goods and Services Tax	10,215	10,345	11,078	10,960	11,137	11,183	11,273
Motor Vehicle Taxes	1,603	1,760	2,148	2,153	2,623	2,458	2,268
Vehicle Quota Premium	3,394	5,425	6,551	5,796	3,616	2,902	2,635
Betting Taxes	2,591	2,719	2,682	2,688	2,664	2,637	2,634
Stamp Duty	2,784	2,769	3,278	4,905	4,607	4,297	4,286
Other Taxes ²	6,097	5,876	6,045	6,019	6,629	6,825	6,671
Fees and Charges (Excluding Vehicle Quota Premiums) ³	3,010	3,249	3,209	3,279	3,490	3,479	3,620
Others	324	502	506	378	430	469	482

Table 3.2b: Revenue Collections for FY2014 to FY2020 (% of GDP)⁴

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Operating Revenue	15.0%	15.2%	15.3%	15.9%	14.5%	14.7%	14.6%
Corporate Income Tax	3.3%	3.2%	3.0%	3.1%	3.2%	3.3%	3.3%
Personal Income Tax	2.2%	2.2%	2.3%	2.2%	2.3%	2.4%	2.4%
Withholding Tax	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Statutory Boards' Contributions ¹	0.1%	0.1%	0.2%	1.0%	0.3%	0.4%	0.5%
Assets Taxes	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%
Customs, Excise and Carbon Taxes	0.6%	0.7%	0.6%	0.7%	0.6%	0.7%	0.7%
Goods and Services Tax	2.5%	2.4%	2.5%	2.3%	2.2%	2.2%	2.2%
Motor Vehicle Taxes	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.4%
Vehicle Quota Premium	0.8%	1.3%	1.5%	1.2%	0.7%	0.6%	0.5%
Betting Taxes	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%
Stamp Duty	0.7%	0.6%	0.7%	1.0%	0.9%	0.8%	0.8%
Other Taxes ²	1.5%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Fees and Charges (Excluding Vehicle Quota Premiums) ³	0.7%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
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 From FY2019 onwards, Statutory Boards' Contributions (SBC) from the Monetary Authority of Singapore (MAS) in a given financial year are calculated as the average of "Contribution to Consolidated Fund" (in lieu of corporate income tax) reported in MAS' financial statements for the preceding three years. This is to reduce the volatility in MAS' annual contributions. MAS' SBC in FY2019 should thus comprise one-third of "Contribution to Consolidated Fund" reported in MAS' financial statements for FY2016/17, FY2017/18 and FY2018/19. As MAS' "Contribution to Consolidated Fund" for FY2016/17 and FY2017/18 have been paid in full in FY2017 and FY2018 respectively, MAS' SBC in FY2019 comprises only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 will in turn comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 will comprise one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.

² Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

³ Includes revenue from Licenses, Permits, Service Fees, Sales of Goods, Rental of Premises, Fines and Forfeitures and Reimbursements.

⁴ Data may differ from previous years due to revisions to GDP estimates.

Table 3.3: Breakdown of Total Expenditure by Sector for FY2019 and FY2020 (\$ million)

	FY2019 (Revised)			FY2020 (Budgeted)		
	<u>Total Expenditure¹</u>	<u>Operating Expenditure</u>	<u>Development Expenditure²</u>	<u>Total Expenditure¹</u>	<u>Operating Expenditure</u>	<u>Development Expenditure²</u>
Total¹	78,163	59,546	18,617	83,608	64,599	19,010
Social Development	37,139	32,384	4,755	41,590	36,051	5,538
Education	12,830	12,039	791	13,280	12,636	644
National Development ³	3,648	2,646	1,002	4,458	3,010	1,449
Health ³	11,538	10,023	1,515	13,410	11,697	1,713
The Environment and Water Resources ³	2,627	1,545	1,082	2,944	1,728	1,216
Culture, Community and Youth	1,886	1,676	210	2,279	1,889	390
Social and Family Development	2,995	2,883	112	3,250	3,148	103
Communications and Information	549	509	40	519	494	24
Manpower (Financial Security)	1,066	1,064	2	1,450	1,450	-
Security and External Relations	21,776	20,284	1,492	22,517	21,150	1,367
Defence	14,623	14,118	504	15,086	14,544	541
Home Affairs	6,703	5,731	972	6,984	6,170	814
Foreign Affairs	450	434	16	447	436	12
Economic Development	16,054	4,467	11,588	16,283	4,803	11,480
Transport	10,187	1,898	8,289	10,913	1,993	8,920
Trade and Industry	4,331	1,129	3,203	3,813	1,316	2,496
Manpower (excluding Financial Security)	962	896	66	1,034	984	51
Info-Communications and Media Development	573	544	29	523	510	13
Government Administration	3,194	2,411	782	3,218	2,594	624
Finance	919	859	60	1,099	940	158
Law	551	228	323	389	244	145
Organs of State	758	538	220	681	586	95
Prime Minister's Office	966	787	179	1,050	824	226

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

³ With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

Table 3.4: Operating Expenditure by Sector for FY2014 to FY2020 (\$ million)

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Total¹	42,685	48,090	52,129	55,581	57,561	59,546	64,599
Social Development	22,612	26,258	28,939	30,849	31,400	32,384	36,051
Education	10,712	11,236	11,812	12,080	12,429	12,039	12,636
National Development ²	858	1,332	2,284	3,218	2,941	2,646	3,010
Health ²	5,872	7,520	8,199	8,734	8,937	10,023	11,697
The Environment and Water Resources ²	1,049	1,125	1,201	1,248	1,295	1,545	1,728
Culture, Community and Youth	1,335	1,795	1,444	1,586	1,668	1,676	1,889
Social and Family Development	1,722	2,121	2,389	2,459	2,608	2,883	3,148
Communications and Information	354	424	456	496	494	509	494
Manpower (Financial Security)	709	706	1,154	1,028	1,027	1,064	1,450
Security and External Relations	16,290	17,495	18,372	19,013	19,774	20,284	21,150
Defence	11,867	12,672	13,281	13,582	13,825	14,118	14,544
Home Affairs	4,029	4,377	4,652	4,996	5,505	5,731	6,170
Foreign Affairs	394	447	439	435	444	434	436
Economic Development	2,224	2,632	2,998	3,574	4,207	4,467	4,803
Transport	598	783	953	1,607	1,900	1,898	1,993
Trade and Industry	729	783	921	943	993	1,129	1,316
Manpower (excluding Financial Security)	520	611	634	645	697	896	984
Info-Communications and Media Development ^{3,4}	378	454	490	378	617	544	510
Government Administration	1,560	1,705	1,819	2,144	2,179	2,411	2,594
Finance ⁴	682	740	824	833	828	859	940
Law	177	174	181	185	185	228	244
Organs of State	384	410	440	473	496	538	586
Prime Minister's Office ⁴	318	381	374	653	670	787	824

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

³ Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

⁴ With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

Table 3.5: Development Expenditure by Sector for FY2014 to FY2020 (\$ million)

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Total¹	13,963	19,357	18,916	17,975	20,263	18,617	19,010
Social Development	4,595	5,034	4,900	5,619	4,419	4,755	5,538
Education	886	699	657	611	447	791	644
National Development ²	1,308	1,321	1,248	1,257	1,191	1,002	1,449
Health ²	1,147	1,413	1,619	1,465	1,490	1,515	1,713
The Environment and Water Resources ²	427	567	684	1,549	839	1,082	1,216
Culture, Community and Youth	617	779	507	489	300	210	390
Social and Family Development	62	111	98	87	115	112	103
Communications and Information	148	144	88	160	36	40	24
Manpower (Financial Security)	-	-	-	0	2	2	-
Security and External Relations	906	956	1,169	1,449	1,637	1,492	1,367
Defence	429	431	543	594	482	504	541
Home Affairs	438	506	573	831	1,129	972	814
Foreign Affairs	40	19	53	24	26	16	12
Economic Development	7,923	12,909	12,303	10,297	13,574	11,588	11,480
Transport	5,489	10,332	9,319	7,572	9,877	8,289	8,920
Trade and Industry	2,102	2,398	2,858	2,688	3,656	3,203	2,496
Manpower (excluding Financial Security)	37	25	21	34	34	66	51
Info-Communications and Media Development ^{3,4}	296	153	105	4	8	29	13
Government Administration	539	457	545	610	633	782	624
Finance ⁴	44	53	72	62	74	60	158
Law	434	319	377	320	217	323	145
Organs of State	23	47	55	105	184	220	95
Prime Minister's Office ⁴	38	38	40	123	159	179	226

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure. These expenditure estimates also do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

³ Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

⁴ With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

Table 3.6a: Total Expenditure by Sector for FY2014 to FY2020 (\$ million)

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Total¹	56,648	67,447	71,045	73,556	77,824	78,163	83,608
Social Development	27,207	31,293	33,839	36,468	35,820	37,139	41,590
Education	11,598	11,935	12,469	12,691	12,876	12,830	13,280
National Development ²	2,166	2,653	3,532	4,475	4,132	3,648	4,458
Health ²	7,019	8,933	9,819	10,200	10,427	11,538	13,410
The Environment and Water Resources ²	1,476	1,692	1,884	2,797	2,134	2,627	2,944
Culture, Community and Youth	1,952	2,573	1,951	2,076	1,968	1,886	2,279
Social and Family Development	1,784	2,232	2,486	2,545	2,722	2,995	3,250
Communications and Information	503	569	544	656	530	549	519
Manpower (Financial Security)	709	706	1,154	1,028	1,029	1,066	1,450
Security and External Relations	17,196	18,452	19,541	20,462	21,411	21,776	22,517
Defence	12,295	13,103	13,824	14,176	14,307	14,623	15,086
Home Affairs	4,467	4,883	5,225	5,827	6,634	6,703	6,984
Foreign Affairs	434	466	492	460	470	450	447
Economic Development	10,147	15,541	15,301	13,872	17,781	16,054	16,283
Transport	6,086	11,115	10,272	9,179	11,776	10,187	10,913
Trade and Industry	2,830	3,181	3,778	3,632	4,649	4,331	3,813
Manpower (excluding Financial Security)	557	637	655	679	731	962	1,034
Info-Communications and Media Development ^{3,4}	674	608	595	382	625	573	523
Government Administration	2,099	2,162	2,364	2,754	2,813	3,194	3,218
Finance ⁴	726	793	896	896	902	919	1,099
Law	611	493	558	505	401	551	389
Organs of State	406	458	496	578	680	758	681
Prime Minister's Office ⁴	355	419	414	775	829	966	1,050

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

³ Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

⁴ With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

Table 3.6b: Total Expenditure by Sector for FY2014 to FY2020 (% of GDP)¹

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Total²	14.0%	15.8%	15.8%	15.4%	15.3%	15.4%	16.1%
Social Development	6.7%	7.3%	7.5%	7.6%	7.0%	7.3%	8.0%
Education	2.9%	2.8%	2.8%	2.7%	2.5%	2.5%	2.6%
National Development ³	0.5%	0.6%	0.8%	0.9%	0.8%	0.7%	0.9%
Health ³	1.7%	2.1%	2.2%	2.1%	2.1%	2.3%	2.6%
The Environment and Water Resources ³	0.4%	0.4%	0.4%	0.6%	0.4%	0.5%	0.6%
Culture, Community and Youth	0.5%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%
Social and Family Development	0.4%	0.5%	0.6%	0.5%	0.5%	0.6%	0.6%
Communications and Information	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Manpower (Financial Security)	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	0.3%
Security and External Relations	4.2%	4.3%	4.3%	4.3%	4.2%	4.3%	4.3%
Defence	3.0%	3.1%	3.1%	3.0%	2.8%	2.9%	2.9%
Home Affairs	1.1%	1.1%	1.2%	1.2%	1.3%	1.3%	1.3%
Foreign Affairs	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Economic Development	2.5%	3.6%	3.4%	2.9%	3.5%	3.2%	3.1%
Transport	1.5%	2.6%	2.3%	1.9%	2.3%	2.0%	2.1%
Trade and Industry	0.7%	0.7%	0.8%	0.8%	0.9%	0.9%	0.7%
Manpower (excluding Financial Security)	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Info-Communications and Media Development ^{4,5}	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Government Administration	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%
Finance ⁵	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Law	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office ⁵	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%

Note: Figures may not add up due to rounding.

¹ Data may differ from previous years due to revisions to GDP estimates.

² The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

³ With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

⁴ Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

⁵ With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO) comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

Table 3.7: Total Expenditure by Expenditure Type for FY2014 to FY2020 (\$ million)

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)</u>	<u>FY2020</u> <u>(Budgeted)</u>
Total Expenditure¹	56,648	67,447	71,045	73,556	77,824	78,163	83,608
Operating Expenditure	42,685	48,090	52,129	55,581	57,561	59,546	64,599
Running Costs	31,423	34,934	37,291	40,322	41,885	43,452	46,037
Expenditure on Manpower	7,409	8,010	8,345	8,865	9,227	9,077	9,543
Other Operating Expenditure	16,097	17,505	18,389	18,897	19,615	20,898	22,050
Grants, Subventions & Capital Injections to Organisations	7,916	9,419	10,558	12,560	13,042	13,476	14,443
Transfers	11,262	13,156	14,837	15,259	15,676	16,095	18,562
Social Transfers to Individuals	2,543	3,093	4,124	4,046	3,916	4,079	4,754
Transfers to Institutions & Organisations	8,596	9,889	10,509	10,988	11,584	11,854	13,616
International Organisations & Overseas Development Assistance	123	175	205	226	175	161	192
Development Expenditure²	13,963	19,357	18,916	17,975	20,263	18,617	19,010
Government Development	4,654	5,133	6,268	6,105	5,852	6,324	7,230
Grants & Capital Injections to Organisations	9,309	14,223	12,648	11,870	14,411	12,293	11,779

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

Table 3.8: Headcount by Ministry for FY2014 to FY2020

	<u>FY2014¹</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u> <u>(Revised)²</u>	<u>FY2020</u> <u>(Budgeted)³</u>
Civil List	52	54	51	53	56	67	67
Attorney-General's Chambers	550	558	565	580	607	657	677
Auditor-General's Office	171	181	188	185	186	206	206
Cabinet Office	11	10	11	11	11	10	12
Judicature	834	894	907	975	1,014	1,009	1,035
Parliament	47	47	47	47	52	65	65
Presidential Councils	3	3	3	3	3	6	6
Public Service Commission	13	13	13	13	13	14	15
Social and Family Development	1,581	1,700	1,756	1,730	1,804	2,027	2,027
Defence	282	282	282	282	282	282	282
Education	56,707	56,883	57,117	56,646	54,529	54,926	54,138
The Environment and Water Resources ⁴	4,400	4,478	4,495	4,537	4,459	5,390	5,413
Finance ⁵	3,645	3,688	3,798	3,777	3,719	3,957	3,974
Foreign Affairs	1,430	1,398	1,425	1,427	1,430	1,610	1,642
Health ⁴	1,476	1,475	1,483	1,512	1,619	1,637	1,742
Home Affairs	25,904	26,670	27,402	27,633	27,757	28,736	29,283
Communications and Information ⁵	3,605	3,525	4,459	2,473	2,460	2,758	2,874
Law	1,044	1,061	1,086	1,022	1,024	1,049	1,044
Manpower	2,584	2,629	2,690	2,204	2,223	2,215	2,260
National Development ⁴	8,804	8,955	9,087	9,046	8,895	8,356	8,283
Prime Minister's Office ⁵	1,056	1,091	1,098	2,930	3,106	4,112	3,988
Trade and Industry	2,829	3,000	3,019	3,069	3,134	3,137	3,179
Transport	5,440	5,951	6,243	6,556	6,997	6,988	7,205
Culture, Community and Youth	4,545	4,743	4,712	4,879	4,910	4,964	5,074
Total	127,013	129,289	131,937	131,590	130,290	134,178	134,491

Note: For FY2019 and FY2020, these are establishment figures. 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.

¹ Figures for FY2014 to FY2018 refer to actual headcount.

² Figures for FY2019 are revised establishment estimates.

³ Figures for FY2020 are budgeted establishment estimates.

⁴ With effect from 1 April 2019, the Singapore Food Agency (SFA) will be formed under the Ministry of the Environment and Water Resources (MEWR) to oversee food safety and security. It will bring together food-related functions carried out by the Agri-Food and Veterinary Authority (AVA) under the Ministry of National Development (MND), the National Environment Agency (NEA) under MEWR, and the Health Sciences Authority (HSA) under the Ministry of Health (MOH).

⁵ With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

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 does 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 such spending areas include 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.

Fiscal Impulse

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates a more expansionary fiscal stance than the previous year while a negative impulse indicates a less expansionary (or more contractionary) stance.

Financial Year (FY)

The Singapore Government's Financial Year 2020 is from 1 April 2020 to 31 March 2021.

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.

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, Excise and Carbon Taxes.

Net Investment Returns Contribution

Contributions from the investment returns on our reserves, where Net Investment Returns Contribution (NIRC) is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

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 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 stronger.

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 is defined as Operating Revenue less Total Expenditure.

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 Ministries' 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.