

HEAD M

MINISTRY OF FINANCE

OVERVIEW

Mission Statement

To create a better Singapore through Finance.

Vision Statement

A forward-looking Ministry of Finance that advances leading ideas, drives synergies across government and ensures fiscal prudence and sustainability.

FY2021 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2019	Estimated FY2020	Revised FY2020	Estimated FY2021	Change Over FY2020	
	TOTAL EXPENDITURE	\$907,344,704	\$1,098,765,400	\$1,438,112,700	\$2,067,248,900	\$629,136,200	43.7%
	Main Estimates						
	OPERATING EXPENDITURE	\$851,561,227	\$940,337,000	\$1,340,689,500	\$1,927,533,800	\$586,844,300	43.8%
	<i>RUNNING COSTS</i>	<i>\$807,301,570</i>	<i>\$863,156,000</i>	<i>\$1,263,049,100</i>	<i>\$1,853,438,600</i>	<i>\$590,389,500</i>	<i>46.7%</i>
	Expenditure on Manpower	\$176,877,557	\$194,383,700	\$182,406,300	\$202,982,200	\$20,575,900	11.3%
1200	Political Appointments	2,641,815	2,444,700	1,962,100	2,556,100	594,000	30.3
1500	Permanent Staff	174,108,956	186,603,000	175,094,700	195,095,100	20,000,400	11.4
1600	Temporary, Daily-Rated & Other Staff	126,786	336,000	349,500	331,000	-18,500	-5.3
1800	Personnel Central Vote	0	5,000,000	5,000,000	5,000,000	0	0.0
	Other Operating Expenditure	\$626,390,752	\$661,238,000	\$615,919,400	\$658,312,100	\$42,392,700	6.9%
2100	Consumption of Products & Services	617,947,138	640,384,300	600,227,600	639,781,500	39,553,900	6.6
2300	Manpower Development	4,622,372	6,783,300	4,151,000	6,699,900	2,548,900	61.4
2400	International & Public Relations, Public Communications	2,353,755	3,278,500	261,000	1,132,300	871,300	333.8
2600	Programmes Central Vote	0	10,000,000	10,000,000	10,000,000	0	0.0
2700	Asset Acquisition	1,315,447	671,200	1,175,100	568,600	-606,500	-51.6
2800	Miscellaneous	152,040	120,700	104,700	129,800	25,100	24.0
	Grants, Subventions & Capital Injections to Organisations	\$4,033,261	\$7,534,300	\$464,723,400	\$992,144,300	\$527,420,900	113.5%
3100	Grants, Subventions & Capital Injections to Statutory Boards	4,033,261	7,270,000	464,559,100	991,980,000	527,420,900	113.5
3400	Grants, Subventions & Capital Injections to Other Organisations	0	264,300	164,300	164,300	0	0.0

Code	Object Class	Actual FY2019	Estimated FY2020	Revised FY2020	Estimated FY2021	Change Over FY2020	
	TRANSFERS	\$44,259,658	\$77,181,000	\$77,640,400	\$74,095,200	-\$3,545,200	-4.6%
3800	International Organisations & Overseas Development Assistance	44,259,658	77,181,000	77,640,400	74,095,200	-3,545,200	-4.6
	OTHER CONSOLIDATED FUND OUTLAYS	\$2,808,737,670	\$3,806,500,300	\$5,595,000,000	\$5,840,200,000	\$245,200,000	4.4%
4200	Expenses on Investments	2,805,073,634	3,802,000,000	3,589,000,000	3,836,000,000	247,000,000	6.9
4600	Loans and Advances (Disbursement)	3,664,036	4,500,300	2,006,000,000	2,004,200,000	-1,800,000	-0.1
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$55,783,477	\$158,428,400	\$97,423,200	\$139,715,100	\$42,291,900	43.4%
5100	Government Development	55,783,477	158,428,400	97,423,200	139,715,100	42,291,900	43.4

Establishment List

Category/Personnel	Actual FY2019	Estimated FY2020	Revised FY2020	Estimated FY2021
POLITICAL APPOINTMENTS	3	3	3	3
Minister	3	3	3	3
PERMANENT STAFF	1,857	1,926	2,015	2,023
Accounting Profession (2008)	53	57	55	58
Administrative	16	17	19	19
Corporate Support	24	24	22	22
Management Executive Scheme (2008)	688	732	856	861
Management Support Scheme (2008)	150	148	137	137
Operations Support	3	3	3	3
Singapore Customs Officer (2008)	627	639	627	627
Singapore Customs Specialist (2008)	296	306	296	296
OTHERS	1,919	2,045	2,050	2,050
Inland Revenue Authority of Singapore	1,919	2,045	2,050	2,050
TOTAL	3,779	3,974	4,068	4,076

FY2020 BUDGET

The revised total expenditure of the Ministry of Finance (MOF) in FY2020 is expected to be \$1.44 billion, excluding Expenses on Investments (EOI). This is an increase of \$530.77 million or 58.5% compared to the actual FY2019 total expenditure of \$907.34 million.

Revised operating expenditure in FY2020 is expected to be \$1.34 billion, an increase of \$489.13 million or 57.4% over the actual FY2019 expenditure of \$851.56 million. This is mainly to provide support to enterprises impacted by COVID-19.

Revised development expenditure in FY2020 is expected to be \$97.42 million, an increase of \$41.64 million or 74.6% from the actual FY2019 development expenditure of \$55.78 million. This is primarily due to a sum of \$50 million being set aside in the Central Vote for New Projects.

EOI in FY2020 is expected to be \$3.59 billion, \$783.93 million higher than the actual amount incurred in FY2019. This expected increase is due to increased investment activities.

FY2021 BUDGET

Total expenditure for FY2021 is projected to be \$2.07 billion (excluding EOI), which comprises operating expenditure of \$1.93 billion and development expenditure of \$139.72 million. This is an increase of \$629.14 million or 43.7% from the revised FY2020 total expenditure of \$1.44 billion. EOI is projected at \$3.84 billion.

Operating Expenditure

The projected FY2021 operating expenditure of \$1.93 billion is an increase of \$586.84 million or 43.8% over the revised FY2020 operating expenditure of \$1.34 billion. The increase is mainly due to the \$554.9 million increase in operating expenditure for the Finance Programme.

The Finance Programme is projected to take up the largest share of operating expenditure (\$1.21 billion or 62.6%). This is followed by the Inland Revenue Authority of Singapore Programme (\$432.02 million or 22.4%), Singapore Customs Programme (\$181.59 million or 9.4%), Shared Services Programme (\$55.80 million or 2.9%), and Accounting Services Programme (\$52.62 million or 2.7%).

The highlights of the top three Programmes are as follows:

a) Finance Programme

An operating expenditure of \$1.21 billion is provided for the Finance Programme for FY2021. Of the total sum of \$1.21 billion, \$1.07 billion (88.4%) is for transfers as well as grants and subventions, \$72.47 million (6.0%) is for other operating expenditure, and \$66.90 million (5.6%) is for expenditure on manpower. The budgeted \$1.21 billion is an increase of \$554.90 million or 85.3% from the revised FY2020 expenditure of \$650.61 million. The higher budgetary requirement for FY2021 is mainly attributed to the provision to support access to credit for enterprises impacted by COVID-19.

b) Inland Revenue Authority of Singapore Programme

The Inland Revenue Authority of Singapore (IRAS) is paid an agency fee to administer, assess, collect and enforce payment of income and property tax, goods and services tax (GST), stamp duties and other taxes on behalf of the Government. Based on the projected tax revenue collection, MOF has allocated an agency fee budget of \$432.02 million for FY2021.

c) Singapore Customs Programme

Singapore Customs collects customs and excise duties as well as GST on imported goods. It protects Government revenue by preventing leakage of duties and taxes. The department facilitates international trade by maintaining the integrity of Singapore's trading system through an appropriate trade regulatory system. The operating expenditure of Singapore Customs for FY2021 is projected to be \$181.59 million, an increase of \$4.33 million or 2.4% over the revised FY2020 expenditure of \$177.26 million.

Development Expenditure

Development expenditure for FY2021 is projected to be \$139.72 million, an increase of \$42.29 million or 43.4% over the revised FY2020 development expenditure of \$97.42 million. The increase is mainly due to higher provision set aside under the Central Vote for New Projects.

Other Consolidated Fund Outlays

A provision of \$2.0 billion is set aside to support enterprises' access to credit.

EOI in FY2021 is budgeted to be \$3.84 billion, which is \$247.00 million higher than the revised expenditure in FY2020. Higher expenses are expected to be incurred with the growth in assets under management.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
M-A	Finance	1,131,511,600	74,000,000	1,205,511,600	107,089,900	1,312,601,500
M-C	Accounting Services	52,618,400	0	52,618,400	5,302,800	57,921,200
M-G	Shared Services	55,796,000	0	55,796,000	4,104,600	59,900,600
M-O	Singapore Customs	181,493,600	95,200	181,588,800	23,217,800	204,806,600
M-P	Inland Revenue Authority of Singapore	432,019,000	0	432,019,000	0	432,019,000
	Total	\$1,853,438,600	\$74,095,200	\$1,927,533,800	\$139,715,100	\$2,067,248,900

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure Up to end of FY2018	Actual FY2019	Estimated FY2020	Revised FY2020	Estimated FY2021
DEVELOPMENT EXPENDITURE	...	...	\$55,783,477	\$158,428,400	\$97,423,200	\$139,715,100
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>55,783,477</i>	<i>158,428,400</i>	<i>97,423,200</i>	<i>139,715,100</i>
Finance Programme						
Central Vote for New Projects	...	...	0	100,000,000	50,000,000	100,000,000
Minor Development Projects	...	...	2,809,107	3,921,100	4,118,900	4,223,200
New Projects	...	...	0	2,200,000	134,400	2,866,700
Accounting Services Programme						
New Projects	...	...	0	2,969,800	1,119,800	1,097,600
Relocation of AGD's central systems to the government data centre & enhancement to AGD's Public Facing Systems	30,000,000	0	12,301,014	15,900,000	12,000,000	558,700
Minor Development Projects	...	...	3,878,097	2,653,800	4,503,800	3,646,500
Shared Services Programme						
Minor Development Projects	...	...	133,566	353,000	319,300	4,104,600
Singapore Customs Programme						
New Projects	...	...	0	6,017,300	0	1,606,500
New TradeXchange/TradeNet/eCustoms Project	155,861,900	78,436,157	20,278,234	13,363,100	13,872,100	8,459,300
Setting up of a Radiographic Scanning Station for Export Checks Operation at Tuas Megaport	6,573,000	0	0	3,675,000	1,084,200	3,435,800
Development and Implementation of International Connectivity on the National Trade Platform (NTP)	21,532,100	0	5,412,584	0	4,458,400	6,393,200
Minor Development Projects	...	...	5,606,622	6,075,000	4,725,200	3,323,000
Completed Projects	...	...	5,364,253	1,300,300	1,087,100	0

KEY PERFORMANCE INDICATORS

Desired Outcomes

- Stewardship of Public Good
- Quality and Sustainable Growth
- High Performance Government

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2018	Actual FY2019	Revised FY2020	Estimated FY2021
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.7	0.7	-1.9	-2.6
	Fiscal Sustainability				
	Draw on Past Reserves	No	No	Yes ¹	Yes ¹
	Standard and Poor's / Moody's Sovereign Risk Rating	AAA / Aaa	AAA / Aaa	AAA / Aaa	AAA / Aaa
	Budget Marksmanship				
	Government operating revenue as % of budgeted revenue (excluding Net Investment Returns Contribution)	101.5	99.2	85.0	N.A.
Government expenditure as % of budgeted expenditure (excluding special transfers)	97.3	93.9	112.5	N.A.	
Quality and Sustainable Growth	Conducive Business Environment				
	Institute of Management Development (IMD) World Competitiveness Yearbook: 'Real Corporate Taxes Do Not Discourage Entrepreneurial Activity' ²	3rd (out of 63 countries)	N.A.	N.A.	N.A.
	World Bank 'Doing Business' Report – Starting a Business	3rd (out of 190 economies)	4th (out of 190 economies)	4th ³ (out of 190 economies)	4th (out of 190 economies)
	Inclusive Growth				
	20th percentile monthly nominal household income from work ⁴ per household member among citizen employed households (real annual growth rate in parentheses) ⁵	\$1,270 (1.8%)	\$1,326 (3.5%)	\$1,299 (-1.8%)	N.A.
	Median monthly nominal household income from work ⁴ per household member among citizen employed households (real annual growth rate in parentheses) ⁵	\$2,626 (2.2%)	\$2,749 (3.8%)	\$2,693 (-1.8%)	N.A.

¹ Required to support the Government's response to the COVID-19 pandemic.

² The IMD World Competitiveness Yearbook did not publish this indicator in 2019 and 2020.

³ Anticipated based on result from the 2020 Report. 2021 Report not yet available as World Bank has suspended the 'Doing Business' Report since August 2020 to review some changes to the data in its 2018 and 2020 reports.

⁴ Household income from work refers to the sum of income received, including employers' CPF contributions, by working members of the household from employment and business. Employed households are those with at least one working person.

⁵ Numbers in parentheses are real annual growth rates (20th percentile deflated by lowest 20% income group (B20) CPI excluding imputed rental on owner-occupied accommodation, median deflated by middle 60% income group (M60) CPI excluding imputed rental on owner-occupied accommodation).

Desired Outcome	Performance Indicator	Actual FY2018	Actual FY2019	Revised FY2020	Estimated FY2021
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs	1.60 cents	1.74 cents	2.08 cents	2.09 cents
	Cost per dollar of tax collected by IRAS	0.80 cents	0.78 cents	0.93 cents	0.85 cents
	Efficient Government				
	% of requests for business profiles completed by ACRA within 15 minutes of payment ⁶	99.9%	99.9%	99.0%	99.0%
	% of TradeNet declarations which have been approved / rejected within 10 minutes	99.9%	99.9%	99.4%	99.0%
	% of tax refunds issued by IRAS				
	- within 14 days	99.8%	99.7%	99.8%	99.7%
	- within 30 days	99.9%	99.9%	99.9%	99.9%

⁶ From FY2018, ACRA has revised its service standard to complete business profile requests within 15 minutes instead of the previous standard of 30 minutes. This is to provide a more responsive service to users.