

## REVIEW OF FINANCIAL YEAR (FY) 2023

The Revised FY2023 fiscal position is summarised in Table 2.1.

### Operating Revenue

Operating Revenue is projected to be \$104.30 billion, which is \$7.60 billion or 7.9% higher than Estimated FY2023. This increase is mainly contributed by higher collections from Corporate Income Tax, Other Taxes, Vehicle Quota Premiums, Personal Income Tax, Assets Taxes and Betting Taxes, which are partially offset by lower collections from the Goods and Services Tax.

Corporate Income Tax collections are projected to be \$28.38 billion, which is \$4.12 billion or 17.0% higher than Estimated FY2023. Personal Income Tax collections are projected to be \$17.53 billion, which is \$683.94 million or 4.1% higher than Estimated FY2023.

Statutory Boards' Contributions are projected to be \$747.92 million. This is \$181.79 million or 32.1% higher than Estimated FY2023.

Assets Taxes are projected to be \$5.92 billion, which is \$371.56 million or 6.7% higher than Estimated FY2023. Stamp Duty collections are projected to be \$5.92 billion, which is \$171.34 million or 3.0% higher than Estimated FY2023.

Goods and Services Tax collections are projected to be \$16.36 billion, which is \$1.01 billion or 5.8% lower than Estimated FY2023.

Motor Vehicle Taxes are projected to be \$2.60 billion, which is \$57.39 million or 2.3% higher than Estimated FY2023. Vehicle Quota Premiums are projected to be \$4.66 billion, which is \$781.43 million or 20.1% higher than Estimated FY2023.

Betting Taxes are projected to be \$3.15 billion, which is \$307.24 million or 10.8% higher than Estimated FY2023.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge and Annual Tonnage Tax, are projected to be \$8.78 billion, which is \$2.15 billion or 32.3% higher than Estimated FY2023.

### Total Expenditure

Total Expenditure is projected to be \$106.89 billion, which is \$2.74 billion or 2.6% higher than Estimated FY2023.

### Special Transfers

Special Transfers including Top-ups to Endowment and Trust Funds are projected to total \$27.17 billion.

### Net Investment Returns Contribution (NIRC)

NIRC is projected to be \$22.92 billion, which is \$565.21 million or 2.4% lower than Estimated FY2023.

### Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses

The borrowing proceeds under the Significant Infrastructure Government Loan Act (SINGA) can only be used to finance nationally significant infrastructure. Capitalisation of Nationally Significant Infrastructure is projected to be \$3.49 billion, which is \$32.84 million or 0.9% lower than Estimated FY2023.

SINGA Interest Costs and Loan Expenses to facilitate borrowing under the SINGA are projected to be \$225.63 million, which is \$106.09 million or 32.0% lower than Estimated FY2023.

### Budget for FY2023

Before taking into account Top-ups to Endowment and Trust Funds, NIRC, Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses, the basic deficit is projected to be \$5.44 billion, which is a smaller deficit than the basic deficit of \$10.21 billion in Estimated FY2023. After factoring in the Top-ups to Endowment and Trust Funds of \$24.32 billion, NIRC of \$22.92 billion, Capitalisation of Nationally Significant Infrastructure of \$3.49 billion, and SINGA Interest Costs and Loan Expenses of \$225.63 million, the Revised FY2023 overall fiscal position is projected to be a deficit of \$3.57 billion, which is a larger deficit than the overall fiscal deficit of \$354.53 million in Estimated FY2023.

**TABLE 2.1: FISCAL POSITION IN FY2022 AND FY2023**

|   | Actual<br>FY2022 | Estimated<br>FY2023 | Revised<br>FY2023 | Revised FY2023<br>Compared to |                     |
|---|------------------|---------------------|-------------------|-------------------------------|---------------------|
|   |                  |                     |                   | Actual<br>FY2022              | Estimated<br>FY2023 |
|   | \$billion        | \$billion           | \$billion         | % change                      | % change            |
| <b>OPERATING REVENUE</b>  | <b>91.01</b>     | <b>96.70</b>        | <b>104.30</b>     | <b>14.60</b>                  | <b>7.86</b>         |
| Corporate Income Tax  | 23.07            | 24.26               | 28.38             | 23.01                         | 16.99               |
| Personal Income Tax   | 15.52            | 16.84               | 17.53             | 12.89                         | 4.06                |
| Withholding Tax   | 2.11             | 2.21                | 2.19              | 3.77                          | (1.22)              |
| Statutory Boards' Contributions   | 1.45             | 0.57                | 0.75              | (48.45)                       | 32.11               |
| Assets Taxes  | 5.10             | 5.55                | 5.92              | 16.12                         | 6.70                |
| Customs, Excise and Carbon Taxes  | 3.46             | 3.73                | 3.40              | (1.81)                        | (8.84)              |
| Goods and Services Tax  | 14.09            | 17.38               | 16.36             | 16.10                         | (5.83)              |
| Motor Vehicle Taxes   | 2.16             | 2.54                | 2.60              | 19.99                         | 2.26                |
| Vehicle Quota Premiums  | 3.76             | 3.88                | 4.66              | 23.92                         | 20.13               |
| Betting Taxes   | 2.77             | 2.84                | 3.15              | 13.93                         | 10.80               |
| Stamp Duty  | 5.95             | 5.75                | 5.92              | (0.55)                        | 2.98                |
| Other Taxes <sup>1</sup>  | 7.02             | 6.63                | 8.78              | 24.96                         | 32.34               |
| Fees and Charges (Excluding Vehicle Quota Premiums)                     | 3.95             | 3.95                | 4.07              | 3.05                          | 2.99                |
| Others  | 0.60             | 0.58                | 0.61              | 2.18                          | 5.49                |
| Less:   |                  |                     |                   |                               |                     |
| <b>TOTAL EXPENDITURE</b>  | <b>104.86</b>    | <b>104.15</b>       | <b>106.89</b>     | <b>1.94</b>                   | <b>2.63</b>         |
| Operating Expenditure   | 84.44            | 83.62               | 85.36             | 1.10                          | 2.08                |
| Development Expenditure   | 20.42            | 20.52               | 21.52             | 5.42                          | 4.87                |
| <b>PRIMARY SURPLUS / DEFICIT</b>  | <b>(13.84)</b>   | <b>(7.45)</b>       | <b>(2.59)</b>     |                               |                     |
| Less:   |                  |                     |                   |                               |                     |
| <b>SPECIAL TRANSFERS<sup>2</sup></b>                                    | <b>8.94</b>      | <b>19.58</b>        | <b>27.17</b>      | <b>203.85</b>                 | <b>38.73</b>        |
| <b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b> | <b>2.69</b>      | <b>2.76</b>         | <b>2.85</b>       |                               |                     |
| COL Special Payment   | 1.02             | 1.33                | 1.55              |                               |                     |
| CDC Vouchers  | 0.39             | 0.60                | 0.64              |                               |                     |
| Other Transfers <sup>3</sup>  | 1.28             | 0.84                | 0.66              |                               |                     |
| <b>BASIC SURPLUS / DEFICIT</b>  | <b>(16.53)</b>   | <b>(10.21)</b>      | <b>(5.44)</b>     |                               |                     |
| <b>Top-ups to Endowment and Trust Funds</b>                             | <b>6.25</b>      | <b>16.82</b>        | <b>24.32</b>      |                               |                     |
| Majulah Package Fund  | -                | -                   | 7.50              |                               |                     |
| National Productivity Fund  | -                | 4.00                | 4.00              |                               |                     |
| GST Voucher Fund  | 2.40             | 2.40                | 2.40              |                               |                     |
| Progressive Wage Credit Scheme Fund                                     | 2.80             | 2.40                | 2.40              |                               |                     |
| Top-ups to Endowment Funds <sup>4</sup>                                 | -                | 2.30                | 2.30              |                               |                     |
| Other Funds <sup>5</sup>  | 1.05             | 5.72                | 5.72              |                               |                     |
| Add:  |                  |                     |                   |                               |                     |
| <b>NET INVESTMENT RETURNS CONTRIBUTION</b>                              | <b>22.38</b>     | <b>23.48</b>        | <b>22.92</b>      | <b>2.41</b>                   | <b>(2.41)</b>       |
| <b>OVERALL BUDGET SURPLUS / DEFICIT</b>                                 | <b>(0.41)</b>    | <b>(3.55)</b>       | <b>(6.84)</b>     |                               |                     |
| Add:  |                  |                     |                   |                               |                     |
| <b>CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>          | <b>2.21</b>      | <b>3.53</b>         | <b>3.49</b>       | <b>58.11</b>                  | <b>(0.93)</b>       |
| Less:   |                  |                     |                   |                               |                     |
| <b>DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>            | <b>-</b>         | <b>-</b>            | <b>-</b>          | <b>-</b>                      | <b>-</b>            |
| <b>SINGA INTEREST COSTS AND LOAN EXPENSES<sup>6</sup></b>               | <b>0.09</b>      | <b>0.33</b>         | <b>0.23</b>       | <b>152.39</b>                 | <b>(31.98)</b>      |
| <b>OVERALL FISCAL POSITION</b>  | <b>1.72</b>      | <b>(0.35)</b>       | <b>(3.57)</b>     |                               |                     |

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

<sup>1</sup> Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge and Annual Tonnage Tax.

<sup>2</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

<sup>3</sup> Includes GST Voucher Special Payment, Top-ups to Edusave, Post-Secondary Education and Child Development Accounts, CPF MediSave Top-ups, CPF Transition Offset, S&CC Rebates, Jobs Support Scheme, Top-ups to self-help groups, Rental Support Scheme, Workfare Special Bonus, Passion Card Top-ups, Wage Credit Scheme, Productivity and Innovation Credit, Household Utilities Credit, Cash Grant to Mitigate Rental Costs, Self-Employed Persons Income Relief Scheme, Cash Rebate for School Buses, Grocery Vouchers.

<sup>4</sup> Consists of Medical Endowment Fund, ElderCare Fund and Community Care Endowment Fund.

<sup>5</sup> Consists of Changi Airport Development Fund, Trust Fund for the Employment Credit Schemes, National Research Fund, Community Silver Trust Fund, Cultural Matching Fund and Public Transport Fund.

<sup>6</sup> SINGA Interest Costs and Loan Expenses include the annual effective interest costs (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to Development Fund. It is different from the Debt Servicing and Related Costs presented in the Expenditure Estimates and Annex to Expenditure Estimates for Head Y.