

# **ANALYSIS OF REVENUE AND EXPENDITURE**

**Financial Year 2021**

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## **EXPLANATORY NOTES**

This document summarises and provides relevant highlights of the FY2021 Revenue and Expenditure Estimates presented to Parliament on 16 February 2021.

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# **ANALYSIS OF REVENUE AND EXPENDITURE**

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- ◆ **UPDATE ON FY2020**
- ◆ **OUTLOOK FOR FY2021**

# 1 Update on Financial Year 2020

## 1.1 *Expected Budget Outturn for FY2020*

The revised basic deficit is estimated at \$65.7 billion (or 14.1% of GDP), after taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC). After factoring in the NIRC of \$18.1 billion and Top-ups to Endowment and Trust Funds of \$17.3 billion, the overall budget balance for FY2020 is estimated to be a deficit of \$64.9 billion (or 13.9% of GDP). The revised FY2020 fiscal position is shown in [Table 1.1](#).

## 1.2 *Operating Revenue*

FY2020 Operating Revenue has been revised to \$64.6 billion, \$11.4 billion (or 15.0%) lower than budgeted FY2020 estimates<sup>1</sup>. This decrease is mainly due to lower collections from Corporate Income Tax, Other Taxes, Assets Taxes, Goods and Services Tax, Betting Taxes and Stamp Duty.

Corporate Income Tax (CIT) collections are estimated to be \$13.7 billion, \$3.4 billion (or 19.6%) lower than the budgeted estimate, primarily due to the weak economy and the CIT deferrals provided as part of the Resilience Budget. Other Taxes, which include the Foreign Worker Levy (FWL), Water Conservation Tax, Development Charge, and Annual Tonnage Tax, are estimated to be \$3.8 billion, \$2.9 billion (or 43.4%) lower than the budgeted estimate. This is mainly due to FWL waivers provided during FY2020. Assets Taxes are estimated to be \$3.1 billion, \$1.6 billion (or 33.4%) lower than the budgeted estimate, mainly due to Property Tax rebates provided as part of the Resilience Budget. Goods and Services Tax collections are estimated to be \$9.9 billion, \$1.4 billion (or 12.2%) lower than the budgeted estimate, mainly due to lower consumption during the Circuit Breaker (CB) period and dampened sentiments amid the COVID-19 pandemic.

Betting Taxes are estimated to be \$1.8 billion, \$0.8 billion (or 29.9%) lower than the budgeted estimate, due to the suspension of betting activity during the CB period and the sharp fall in tourist arrivals affecting casino visitorship. Stamp Duty collections are estimated to be \$3.7 billion, \$0.6 billion (or 14.6%) lower than the budgeted estimate, due to muted transaction activity during the CB period.

The breakdown of Operating Revenue in FY2020 by its components is shown in [Chart 1.1](#).

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<sup>1</sup> Budgeted FY2020 estimates refer to budgeted figures presented at the Unity Budget on 18 February 2020.

### **1.3 Total Expenditure**

FY2020 Total Expenditure, which excludes Special Transfers, has been revised upwards by \$10.4 billion (or 12.5%) to \$94.1 billion. The revised FY2020 expenditure is \$18.7 billion higher (or 24.8%) than FY2019 actual expenditure due to the Government's COVID-19 response. The breakdown of government spending by sector is shown in [Chart 1.2](#).

Operating Expenditure is estimated to be \$77.6 billion, higher than budgeted FY2020 expenditure by \$13.0 billion (or 20.2%). The higher expenditure is mainly driven by (i) MOM to provide additional support to workers and create jobs amid the COVID-19 pandemic, and for operations to manage the spread of COVID-19 at foreign worker dormitories; (ii) MOH due to additional requirements for the prevention, containment and control of COVID-19; (iii) MTI due to additional requirements to provide economic support to businesses and workers, and to build up supply resilience in response to COVID-19; and (iv) MND due to additional requirements for COVID-19 related facilities and works. Revised FY2020 Operating Expenditure is \$19.0 billion (or 32.3%) higher than actual FY2019 Operating Expenditure.

Development Expenditure is estimated to be \$16.4 billion, lower than budgeted FY2020 expenditure by \$2.6 billion (or 13.7%). The lower expenditure is mainly due to delays in major construction projects arising from the COVID-19 Circuit Breaker (CB) measures and the need to ensure a safe re-opening of the construction sector thereafter. This is partially offset by higher development expenditure for MTI to provide economic support to businesses and workers, and to build up supply resilience in response to COVID-19. Revised FY2020 Development Expenditure is \$0.3 billion (or 1.6%) lower than actual FY2019 Development Expenditure.

### **1.4 Special Transfers**

Special Transfers, including Top-ups to Endowment Funds and Trust Funds, are expected to total \$53.6 billion in FY2020, a \$31.6 billion (or 143.8%) increase from the budgeted figure. This is driven by higher transfers to households and businesses to support them amid the COVID-19 pandemic. This mainly comprised the Jobs Support Scheme, Care and Support Package - Cash Payout, Workfare Special Bonus, Cash Grant to Mitigate Rental Costs and SEP Income Relief Scheme. [Table 1.2](#) provides a summary of the Revised Special Transfers, including Top-ups to Endowment Funds and Trust Funds, for FY2020.

### **1.5 Net Investment Returns Contribution (NIRC)**

NIRC for FY2020 is projected to be \$18.1 billion, which is lower than budgeted by \$0.5 billion (or 2.6%).

### **1.6 Spending from the Government Endowment Funds and Trust Funds**

The total spending from the Government Endowment Funds and Trust Funds is estimated to be \$5.8 billion in FY2020. [Table 1.3](#) shows the spending from Government Endowment and Trust Funds.

**Table 1.1: Fiscal Position in FY2019 and FY2020**

	Actual FY2019	Estimated FY2020	Revised FY2020	Revised FY2020 Compared to	
				Actual FY2019	Estimated FY2020
				% change	% change
	\$billion	\$billion	\$billion	% change	% change
<b>OPERATING REVENUE</b>	<b>74.27</b>	<b>76.01</b>	<b>64.61</b>	<b>(13.0)</b>	<b>(15.0)</b>
Corporate Income Tax	16.73	17.10	13.74	(17.9)	(19.6)
Personal Income Tax	12.37	12.51	12.77	3.3	2.1
Withholding Tax	1.64	1.70	1.54	(6.2)	(9.7)
Statutory Boards' Contributions <sup>1</sup>	1.80	2.59	2.52	40.1	(2.7)
Assets Taxes	4.76	4.65	3.09	(35.0)	(33.4)
Customs, Excise and Carbon Taxes	3.26	3.60	3.51	7.4	(2.5)
Goods and Services Tax	11.16	11.27	9.90	(11.3)	(12.2)
Motor Vehicle Taxes	2.42	2.27	2.21	(8.7)	(2.7)
Vehicle Quota Premiums	2.87	2.64	2.28	(20.5)	(13.5)
Betting Taxes	2.62	2.63	1.85	(29.5)	(29.9)
Stamp Duty	4.20	4.29	3.66	(12.8)	(14.6)
Other Taxes <sup>2</sup>	6.68	6.67	3.78	(43.5)	(43.4)
Other Fees and Charges	3.41	3.62	3.32	(2.7)	(8.4)
Others	0.35	0.48	0.45	27.0	(6.8)
Less:					
<b>TOTAL EXPENDITURE</b>	<b>75.34</b>	<b>83.61</b>	<b>94.06</b>	<b>24.8</b>	<b>12.5</b>
Operating Expenditure	58.67	64.60	77.64	32.3	20.2
Development Expenditure	16.67	19.01	16.41	(1.6)	(13.7)
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(1.06)</b>	<b>(7.60)</b>	<b>(29.45)</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>15.13</b>	<b>21.98</b>	<b>53.59</b>	<b>254.2</b>	<b>143.8</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust</b>	<b>1.56</b>	<b>4.66</b>	<b>36.27</b>		
Jobs Support Scheme	-	1.33	26.88		
Care and Support Package - Cash Payout	-	0.83	3.43		
Workfare Special Bonus	0.07	0.14	1.62		
Wage Credit Scheme	0.58	1.60	1.44		
Cash Grant to Mitigate Rental Costs	-	-	1.03		
SEP Income Relief Scheme	-	-	0.97		
Other Transfers <sup>5</sup>	0.91	0.76	0.90		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(2.62)</b>	<b>(12.26)</b>	<b>(65.72)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>13.57</b>	<b>17.32</b>	<b>17.32</b>		
GST Voucher Fund	-	6.00	6.00		
Coastal and Flood Protection Fund	-	5.00	5.00		
National Research Fund	-	2.00	2.00		
Skills Development Fund	-	2.00	2.00		
Special Employment Credit Fund	0.37	0.70	0.70		
Top-ups to Endowment Funds <sup>7</sup>	-	1.45	1.45		
Other Funds <sup>8</sup>	13.20	0.17	0.17		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>17.04</b>	<b>18.63</b>	<b>18.14</b>	<b>6.5</b>	<b>(2.6)</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>0.84</b>	<b>(10.95)</b>	<b>(64.90)</b>		

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

<sup>1</sup> 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 in turn comprises 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.

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

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

<sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

<sup>5</sup> Consists of Productivity and Innovation Credit, Service and Conservancy Charges Rebates, Top-ups to Child Development Accounts, Top-up to self-help groups, CPF Medisave Top-up scheme, CPF Top-up scheme, Top-ups to Edusave Accounts and Post-Secondary Education Accounts, SME Cash Grant, GST Voucher Special Payment, Productivity and Innovation Credit Bonus, Rebate for School Buses, SG Bonus, Merdeka Generation Package, PAssion Card top-up, Grocery Vouchers, Solidarity Utilities Credit, and CPF Transition Offset.

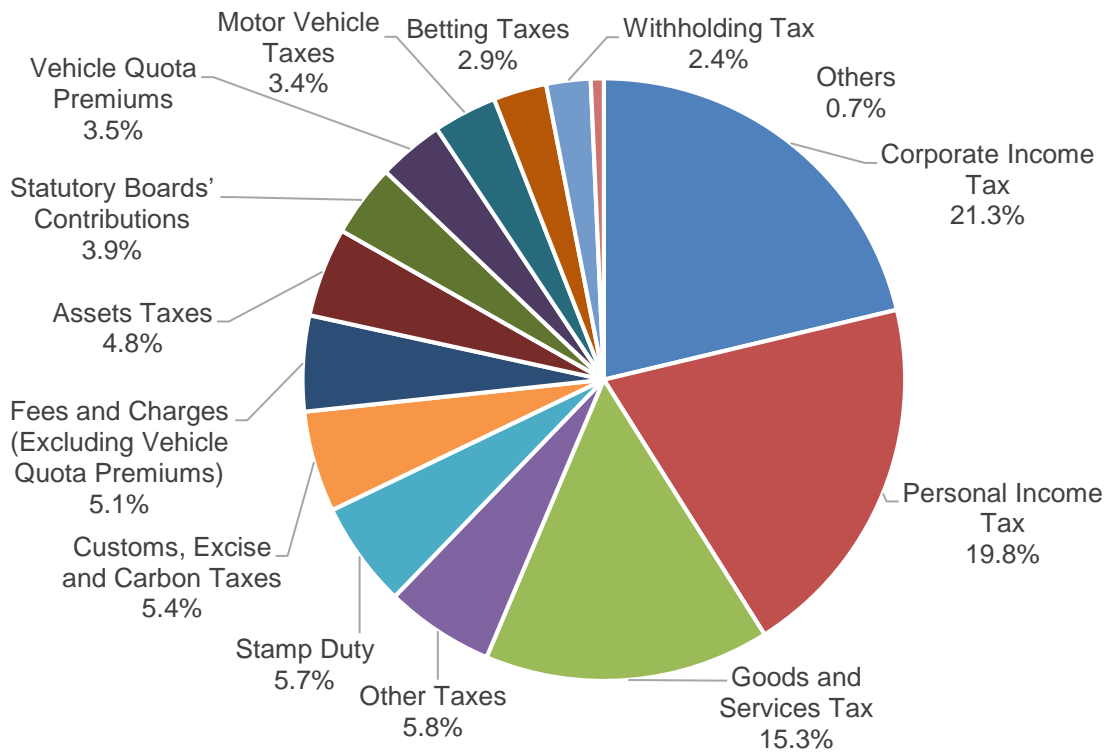
<sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

<sup>7</sup> Consists of ElderCare Fund, Community Care Endowment Fund, and MediFund.

<sup>8</sup> Consists of Rail Infrastructure Fund, Merdeka Generation Fund, Long-Term Care Support Fund, Public Transport Fund, and Community Capability Trust.

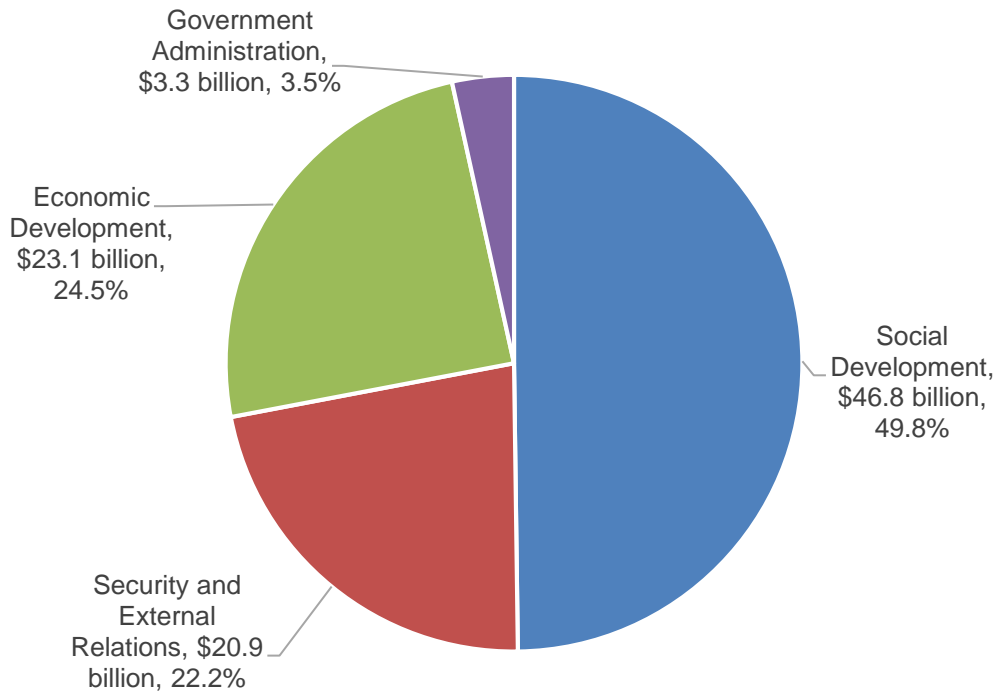


**Chart 1.1: Breakdown of Government Operating Revenue in FY2020<sup>1</sup>**



<sup>1</sup>Government Operating Revenue comprises the Government's tax and non-tax revenues, and does not include Net Investment Returns Contribution (NIRC). See also Section 2.4.

**Chart 1.2: Breakdown of Government Spending by Sector in FY2020<sup>2</sup>**



<sup>2</sup>Government spending here does not include Special Transfers and spending from Government Endowment and Trust Funds.

**Table 1.2: Summary of Revised FY2020 Special Transfers<sup>1</sup>**

<b>Measures</b>	<b>Total Cost in FY2020 (\$ million)</b>
<b>Special Transfers:</b>	<b>53,589</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	
Jobs Support Scheme	26,883
Care and Support Package – Cash Payout	3,433
Workfare Special Bonus	1,620
Wage Credit Scheme	1,440
Cash Grant to Mitigate Rental Costs	1,025
SEP Income Relief Scheme	967
Other Transfers <sup>2</sup>	900
<b>Sub-Total</b>	<b>36,269</b>
<b>Top-ups to Endowment and Trust Funds</b>	
GST Voucher Fund	6,000
Coastal and Flood Protection Fund	5,000
National Research Fund	2,000
Skills Development Fund	2,000
Trust Fund for the Employment Credit Schemes <sup>3</sup>	700
Top-ups to Endowment Funds <sup>4</sup>	1,450
Other Funds <sup>5</sup>	170
<b>Sub-Total</b>	<b>17,320</b>

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

<sup>1</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

<sup>2</sup> Consists of Productivity and Innovation Credit, Service and Conservancy Charges Rebates, Top-up to self-help groups, CPF Medisave Top-up scheme, CPF Top-up scheme, SME Cash Grant, GST Voucher Special Payment, Productivity and Innovation Credit Bonus, Rebate for School Buses, SG Bonus, Merdeka Generation Package, PAssion Card top-up, Grocery Vouchers, Solidarity Utilities Credit, and CPF Transition Offset.

<sup>3</sup> Previously known as the "Special Employment Credit Fund". The Trust Fund name was amended to reflect the new schemes funded from the Trust Fund (i.e. Senior Employment Credit and Enabling Employment Credit), after the Special Employment Credit expired on 31 Dec 2020.

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

<sup>5</sup> Consists of Public Transport Fund, and Community Capability Trust.

**Table 1.3: Spending from Government Endowment Funds and Trust Funds**

	<b>Revised FY2020 (\$ million)</b>
<b>Total Spending from Endowment Funds and Trust Funds:</b>	<b>5,013</b>
<b>Endowment Funds</b>	
• Edusave Endowment Fund	298
• Lifelong Learning Endowment Fund	173
• Medical Endowment Fund	163
• ElderCare Endowment Fund	136
• Community Care Endowment Fund	67
<b>Sub-Total</b>	<b>837</b>
<b>Trust Funds</b>	
• National Research Fund	976
• GST Voucher Fund	857
• Trust Fund for the Employment Credit Schemes	483
• Pioneer Generation Fund	440
• Skills Development Fund	288
• Merdeka Generation Fund	281
• National Productivity Fund	251
• Singapore Universities Trust	194
• Long-Term Care Support Fund	151
• Changi Airport Development Fund	109
• Community Silver Trust	100
• Other Trust Funds <sup>1</sup>	47
<b>Sub-Total</b>	<b>4,176</b>

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

<sup>1</sup> Consists of Bus Service Enhancement Fund, Cultural Matching Fund, National Youth Fund, and Public Transport Fund.

## 2 Outlook for Financial Year 2021

### 2.1 Budget for FY2021

A basic deficit of \$30.6 billion (or 6.0% of GDP) is expected for FY2021. After factoring in NIRC of \$19.6 billion, the overall budget deficit for FY2021 is \$11.0 billion (or 2.2% of GDP).

The FY2021 Budget is summarised in [Table 2.1](#).

### 2.2 Operating Revenue

Operating Revenue for FY2021 is projected at \$76.6 billion (or 15.2% of GDP). This is an increase of \$12.0 billion (or 18.6%) over revised FY2020 estimates. This partly reflects the “lower base” effect of revised FY2020 estimates which included significant deferments, waivers and rebates provided to support the economy amid the impact of COVID-19.

The increase relative to FY2020 is mainly due to higher revenues expected from Corporate Income Tax, Other Taxes, Assets Taxes, Goods and Services Tax, Other Fees and Charges, Stamp Duty and Betting Taxes.

Corporate Income Tax (CIT) collections are estimated to increase by \$4.2 billion (or 30.7%) to \$18.0 billion, due to the payment of CIT deferred from FY2020, and the cessation of CIT deferment in FY2021. This is partly offset by the lower expected collections given subdued economic activity in CY2020 and the accelerated claims and deductions announced as part of Budget 2021. Other Taxes, which include the Foreign Worker Levy (FWL), Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax<sup>1</sup>, are estimated to increase by \$2.7 billion (or 70.4%) to \$6.4 billion mainly due to the cessation of FWL waivers. Assets Taxes are estimated to increase by \$1.6 billion (or 53.2%) to \$4.7 billion, mainly due to the cessation of Property Tax rebates. Goods and Services Tax collections are estimated to increase by \$1.4 billion (or 14.6%) to \$11.3 billion due to a projected rebound in consumption as economic activities gradually resume. Revenues from Other Fees and Charges are estimated to increase by \$0.6 billion (or 17.9%) to \$3.9 billion, mainly due to the cessation of rental waivers.

Stamp Duty collections are estimated to increase by \$0.6 billion (or 16.1%) to \$4.3 billion, based on post-Circuit Breaker activity levels which are expected to be sustained in FY2021. Betting Taxes are estimated to increase by \$0.6 billion (or 30.4%) to \$2.4 billion, due to a projected improvement in casino tax collections in line with the gradual resumption of tourist arrivals and an expected return of betting duty collections to pre-COVID levels.

Overall, compared to pre-COVID levels seen in FY2019, the FY2021 revenue projections are estimated to be \$2.4 billion or 3.2% higher. This is largely due to the payment of CIT deferred from FY2020.

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

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<sup>1</sup> Prior to FY2021, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax.

### **2.3 Total Expenditure**

FY2021 Total Expenditure is estimated to be \$102.3 billion (or 20.2% of GDP). This is an increase of \$8.3 billion (or 8.8%) from the revised FY2020 expenditure of \$94.1 billion. The main increases over FY2020 are in Transport, Healthcare, Defence and Home Affairs, partially offset by lower expenditure for Trade and Industry (see [Chart 2.1](#)).

Transport expenditure is expected to increase by \$3.0 billion (or 37.8%), mainly due to the resumption of construction activities after delays in FY2020 due to COVID-19 and higher provisions for COVID-19 relief measures especially for the Aviation Sector.

Healthcare expenditure is expected to increase by \$2.2 billion (or 13.2%), mainly to cater for the growth in patient subsidies with the opening of new facilities, ramping up of capacity in the lead-up to the opening of Woodlands Health Campus, increasing consumption of health and aged care services as Singapore's population ages, as well as the expected ramp-up of project progress for infrastructure and IT projects. In addition, there is continued funding and contingency provision for measures and operations for the prevention, containment and control of COVID-19 by the Ministry and the healthcare sector.

Defence expenditure is expected to increase by \$1.7 billion (or 12.7%), due to the phased resumption of normal activities (e.g. training, projects) in FY21.

Home Affairs expenditure is expected to increase by \$1.0 billion (or 14.7%), due to further development of science and technology capabilities by the new Home Team Science & Technology Agency, as well as increased investments in new capabilities, systems and infrastructure to enhance operational effectiveness to address heightened security threats.

These are partially offset by lower expenditure for Trade and Industry, which is expected to decrease by \$2.7 billion (or 27.7%), due to tapering down of economic relief measures in response to COVID-19.

A detailed breakdown of government 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 FY2021 is projected to be \$19.6 billion, which is \$1.4 billion or 7.8% higher than the revised FY2020 NIRC.

**Table 2.1: Fiscal Position in FY2021**

	Actual FY2019	Revised FY2020	Estimated FY2021	Change Over Revised FY2020	
	\$billion	\$billion	\$billion	\$billion	% change
<b>OPERATING REVENUE</b>	<b>74.27</b>	<b>64.61</b>	<b>76.64</b>	<b>12.03</b>	<b>18.6</b>
Corporate Income Tax	16.73	13.74	17.97	4.22	30.7
Personal Income Tax	12.37	12.77	12.37	(0.40)	(3.1)
Withholding Tax	1.64	1.54	1.65	0.11	7.3
Statutory Boards' Contributions <sup>1</sup>	1.80	2.52	2.51	(0.01)	(0.5)
Assets Taxes	4.76	3.09	4.74	1.65	53.2
Customs, Excise and Carbon Taxes	3.26	3.51	3.77	0.27	7.6
Goods and Services Tax	11.16	9.90	11.34	1.45	14.6
Motor Vehicle Taxes	2.42	2.21	2.52	0.31	13.9
Vehicle Quota Premiums	2.87	2.28	2.28	(0.00)	(0.1)
Betting Taxes	2.62	1.85	2.41	0.56	30.4
Stamp Duty	4.20	3.66	4.25	0.59	16.1
Other Taxes <sup>2</sup>	6.68	3.78	6.43	2.66	70.4
Other Fees and Charges	3.41	3.32	3.91	0.59	17.9
Others	0.35	0.45	0.49	0.04	8.4
Less:					
<b>TOTAL EXPENDITURE</b>	<b>75.34</b>	<b>94.06</b>	<b>102.34</b>	<b>8.28</b>	<b>8.8</b>
Operating Expenditure	58.67	77.64	82.46	4.82	6.2
Development Expenditure	16.67	16.41	19.87	3.46	21.1
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(1.06)</b>	<b>(29.45)</b>	<b>(25.70)</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>15.13</b>	<b>53.59</b>	<b>4.86</b>	<b>(48.73)</b>	<b>(90.9)</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	<b>1.56</b>	<b>36.27</b>	<b>4.86</b>		
Jobs Support Scheme	-	26.88	2.89		
Other Transfers <sup>5</sup>	1.56	9.39	1.97		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(2.62)</b>	<b>(65.72)</b>	<b>(30.57)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>13.57</b>	<b>17.32</b>	<b>-</b>		
GST Voucher Fund	-	6.00	-		
Coastal and Flood Protection Fund	-	5.00	-		
National Research Fund	-	2.00	-		
Skills Development Fund	-	2.00	-		
Special Employment Credit Fund	0.37	0.70	-		
Top-ups to Endowment Funds <sup>7</sup>	-	1.45	-		
Other Funds <sup>8</sup>	13.20	0.17	-		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>17.04</b>	<b>18.14</b>	<b>19.56</b>	<b>1.41</b>	<b>7.8</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>0.84</b>	<b>(64.90)</b>	<b>(11.01)</b>		

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

<sup>1</sup> 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 comprised only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 in turn comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.

<sup>2</sup> For FY2019 and FY2020, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax.

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

<sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

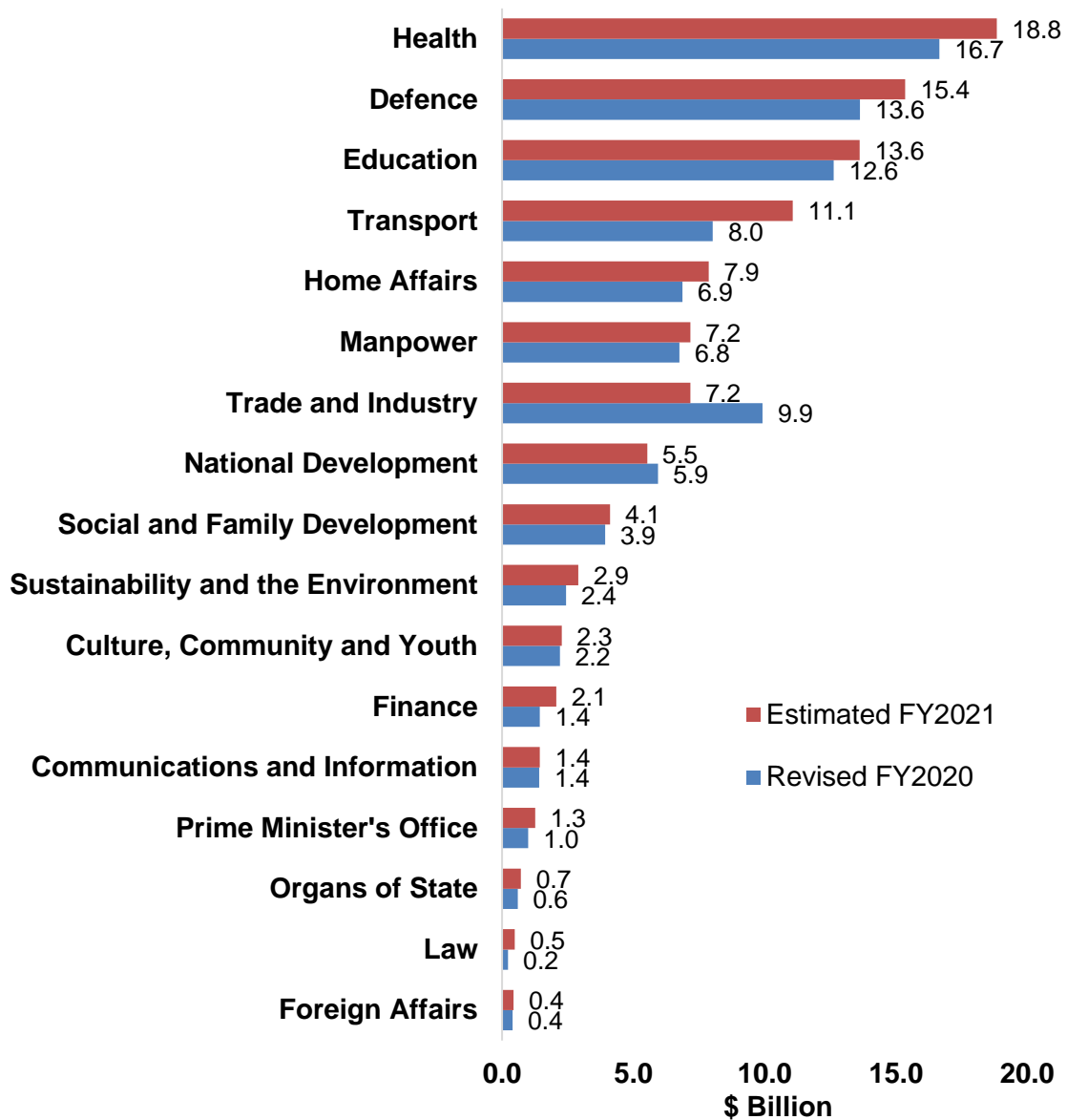
<sup>5</sup> Includes Productivity and Innovation Credit, Service and Conservancy Charges Rebates, Top-ups to Child Development Accounts, Top-up to self-help groups, CPF Medisave Top-up scheme, CPF Top-up scheme, Top-ups to Edusave Accounts and Post-Secondary Education Accounts, SME Cash Grant, Productivity and Innovation Credit Bonus, Rebate for School Buses, SG Bonus, Merdeka Generation Package, Care and Support Package - Cash Payout, PAAssion Card top-up, Grocery Vouchers, GST Voucher Special Payment, CPF Transition Offset, Self-Employed Person Income Relief Scheme, Cash Grant to Mitigate Rental Costs, and Solidarity Utilities Credit.

<sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

<sup>7</sup> Consists of ElderCare Fund, Community Care Endowment Fund, and MediFund.

<sup>8</sup> Consists of Rail Infrastructure Fund, Merdeka Generation Fund, Long-Term Care Support Fund, Public Transport Fund, and Community Capability Trust.

**Chart 2.1: Breakdown of Total Expenditure by Sector (FY2020 and FY2021)<sup>1</sup>**



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

## **2.5 Special Transfers<sup>1</sup>**

### Special Transfers to Households (\$1.2 billion)

In addition to transfers from the Government's operating expenditure and spending from Government Endowment Funds and Trust Funds, households will receive special transfers amounting to \$1.2 billion in Budget 2021. These include the GST Voucher Special Payment, Workfare Special Bonus, Service and Conservancy Charges Rebates, Top-ups to Edusave Accounts and Post-Secondary Education Accounts, CPF Medisave Top-ups, and others (see [Table 2.2](#)).

### Special Transfers to Businesses (\$3.6 billion)

In total, special transfers to businesses will amount to \$3.6 billion, comprising an estimated \$2.9 billion under the Jobs Support Scheme (JSS), \$713 million for Wage Credit Scheme (WCS), and \$11 million for other transfers (see [Table 2.3](#)).

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<sup>1</sup> Special Transfers including Top-ups to Endowment and Trust Funds.



**Table 2.2: Special Transfers to Households in FY2021**

<b>Measures</b>	<b>Total Cost (\$ million)</b>
GST Voucher Special Payment	485
Workfare Special Bonus	371
Service and Conservancy Charges Rebates	135
Top-ups to Edusave Accounts and Post-Secondary Education Accounts	110
CPF Medisave Top-ups	62
Others <sup>1</sup>	86
<b>Total</b>	<b>1,249</b>

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

<sup>1</sup> Consists of Top-ups to Child Development Accounts, Top-up to self-help groups, CPF top-up to Retirement Account, Rebate for School Buses, SG Bonus, Merdeka Generation Package, Care and Support Package – Cash Payout, PAssion Card Top-up, Solidarity Utilities Credit and Grocery Vouchers.

**Table 2.3: Special Transfers to Businesses in FY2021**

<b>Measures</b>	<b>Total Cost (\$ million)</b>
Jobs Support Scheme	2,890
Wage Credit Scheme	713
Others <sup>1</sup>	11
<b>Total</b>	<b>3,614</b>

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

<sup>1</sup> Consists of Productivity Innovation Credit, SME Cash grant, Productivity Innovation Credit Bonus, Cash Grant to Mitigate Rental Costs, SEP Income Relief Scheme, CPF Transition Offset.

## 2.6 Fiscal Impulse

In its January 2021 update, the IMF projected that global growth would pick up to 5.5% in 2021, following the expected 3.5% contraction in 2020. The strength of the recovery is projected to vary significantly across countries. In the US, the combination of possible additional fiscal stimulus, an improving health situation, and progressive vaccine rollout, is expected to boost labour market recovery and consumption growth. In the Eurozone, recovery in domestic demand is expected to be delayed as vaccine rollout has been slower. China is expected to be a key driver of global GDP growth. China's consumption outlook is largely positive, as better labour and business conditions are expected to encourage more domestic spending, if its domestic containment efforts remain effective going forward.

Risks to global economic growth remain. First, uncertainties remain around the course of the COVID-19 pandemic and the trajectory of global economic recovery. Key factors affecting economic outcomes include vaccine supplies and deployment – which have been slower than hoped, the spread of new strains of the virus and the strength of policy support. Second, financial system stresses may emerge given the protracted nature of economic recovery. Excessive private sector indebtedness remains a concern. Third, there continues to be geopolitical uncertainty involving the major economies.

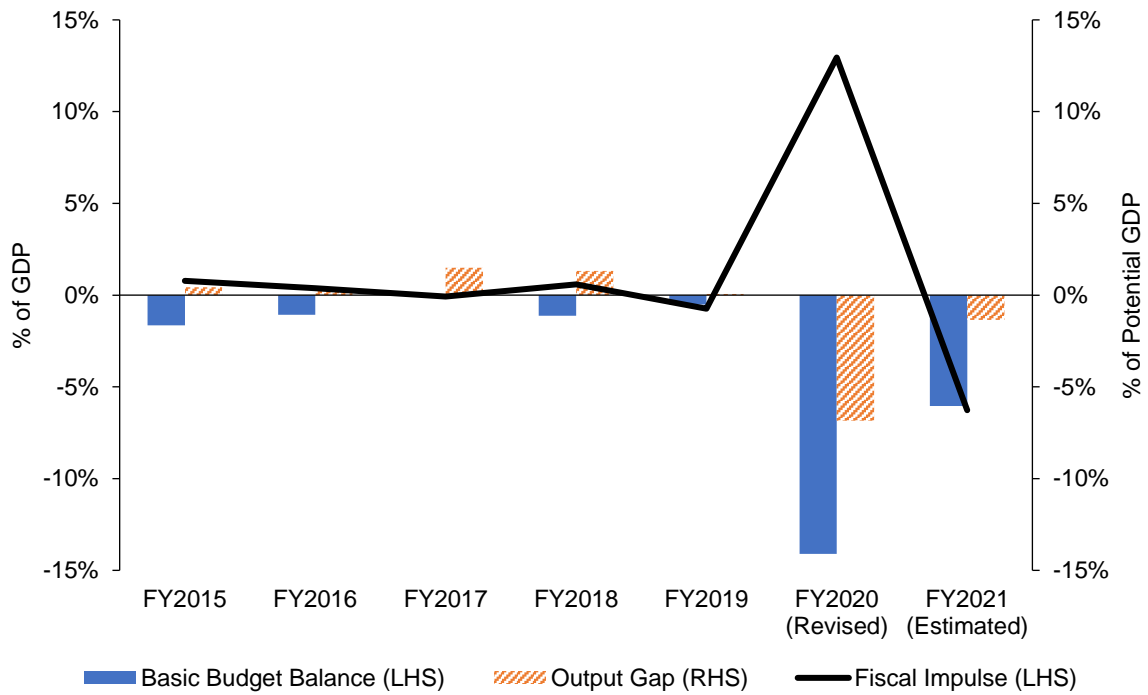
The Singapore economy shrank by 5.4% in 2020 and is projected to grow by 4.0% to 6.0% in 2021. The output gap is expected to remain negative in 2021 but would improve from last year.

To support the Singapore economy through the uncertain global economic environment, the Government will continue to adopt an expansionary fiscal stance in FY2021, with Budget 2021 projected to deliver a basic budget balance of -6.0% of GDP. Despite the expansionary fiscal stance, the fiscal impulse is expected to drop to -6.3% of GDP in FY2021 (see [Chart 2.2](#)), as this follows the exceptional level of fiscal outlay in FY2020 to provide emergency support to the economy<sup>1</sup>. In FY2021, the Government will continue to provide targeted short-term relief and make longer-term supply-side investments, which support ongoing economic restructuring and position Singapore to seize opportunities arising from COVID-19.

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<sup>1</sup> As fiscal impulse (broadly speaking) measures a change in net fiscal injection over the previous year, the FY2021 fiscal impulse is negative notwithstanding an expansionary fiscal stance, as it is moderated with respect to the unprecedented level of budget deficit in FY2020.

**Chart 2.2: Projected Fiscal Impulse, Basic Budget Balance and Output Gap**



**Note:** An unusually wide confidence interval has emerged around the estimates for the economy's output gap underscored by high uncertainty over the size and duration of the pandemic shock to the economy's supply potential.

# STATISTICAL ANNEX

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**Table 3.1a: Overall Fiscal Position for FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020 (Revised)</u>	<u>FY2021 (Budgeted)</u>
<b>Operating Revenue</b>	<b>64,823</b>	<b>68,964</b>	<b>75,816</b>	<b>73,738</b>	<b>74,274</b>	<b>64,608</b>	<b>76,636</b>
Tax Revenue	55,647	58,699	66,363	66,203	67,645	58,564	69,964
Fees and Charges	8,674	9,760	9,075	7,106	6,275	5,595	6,185
Others	502	506	378	430	354	449	487
<b>Total Expenditure</b>	<b>67,447</b>	<b>71,045</b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>94,056</b>	<b>102,338</b>
Operating Expenditure	48,090	52,129	55,581	57,561	58,667	77,644	82,465
Development Expenditure <sup>1</sup>	19,357	18,916	17,975	20,263	16,671	16,412	19,873
<b>Primary Surplus / Deficit</b>	<b>(2,624)</b>	<b>(2,080)</b>	<b>2,259</b>	<b>(4,086)</b>	<b>(1,063)</b>	<b>(29,448)</b>	<b>(25,702)</b>
<b>Special Transfers<sup>2</sup></b>	<b>10,369</b>	<b>6,372</b>	<b>6,122</b>	<b>8,989</b>	<b>15,129</b>	<b>53,589</b>	<b>4,863</b>
Special Transfers Excluding Top-ups to Endowment and Trust	4,369	2,772	2,112	1,689	1,561	36,269	4,863
<b>Basic Surplus / Deficit<sup>3</sup></b>	<b>(6,993)</b>	<b>(4,853)</b>	<b>147</b>	<b>(5,774)</b>	<b>(2,625)</b>	<b>(65,716)</b>	<b>(30,566)</b>
Top-ups to Endowment and Trust Funds	6,000	3,600	4,010	7,300	13,568	17,320	-
<b>Net Investment Returns Contribution<sup>4</sup></b>	<b>8,943</b>	<b>14,577</b>	<b>14,724</b>	<b>16,413</b>	<b>17,038</b>	<b>18,141</b>	<b>19,556</b>
<b>Overall Budget Surplus / Deficit</b>	<b>(4,050)</b>	<b>6,125</b>	<b>10,861</b>	<b>3,339</b>	<b>845</b>	<b>(64,895)</b>	<b>(11,010)</b>

**Table 3.1b: Overall Fiscal Position for FY2015 to FY2021 (% of GDP)<sup>5</sup>**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020 (Revised)</u>	<u>FY2021 (Budgeted)</u>
<b>Operating Revenue</b>	<b>15.2%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>14.6%</b>	<b>13.9%</b>	<b>15.2%</b>
Tax Revenue	13.1%	13.0%	13.8%	12.9%	13.3%	12.6%	13.8%
Fees and Charges	2.0%	2.2%	1.9%	1.4%	1.2%	1.2%	1.2%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Total Expenditure</b>	<b>15.8%</b>	<b>15.8%</b>	<b>15.3%</b>	<b>15.2%</b>	<b>14.8%</b>	<b>20.2%</b>	<b>20.2%</b>
Operating Expenditure	11.3%	11.6%	11.6%	11.2%	11.5%	16.7%	16.3%
Development Expenditure <sup>1</sup>	4.5%	4.2%	3.7%	4.0%	3.3%	3.5%	3.9%
<b>Primary Surplus / Deficit</b>	<b>(0.6%)</b>	<b>(0.5%)</b>	<b>0.5%</b>	<b>(0.8%)</b>	<b>(0.2%)</b>	<b>(6.3%)</b>	<b>(5.1%)</b>
<b>Special Transfers<sup>2</sup></b>	<b>2.4%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>11.5%</b>	<b>1.0%</b>
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.0%	0.6%	0.4%	0.3%	0.3%	7.8%	1.0%
<b>Basic Surplus / Deficit<sup>3</sup></b>	<b>(1.6%)</b>	<b>(1.1%)</b>	<b>0.0%</b>	<b>(1.1%)</b>	<b>(0.5%)</b>	<b>(14.1%)</b>	<b>(6.0%)</b>
Top-ups to Endowment and Trust Funds	1.4%	0.8%	0.8%	1.4%	2.7%	3.7%	0.0%
<b>Net Investment Returns Contribution<sup>4</sup></b>	<b>2.1%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>3.9%</b>
<b>Overall Budget Surplus / Deficit<sup>5</sup></b>	<b>(0.9%)</b>	<b>1.4%</b>	<b>2.3%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>(13.9%)</b>	<b>(2.2%)</b>

Note: Figures may not add up due to rounding. Negative figures are shown in parentheses.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

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

<sup>3</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

<sup>4</sup> 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.

<sup>5</sup> Data may differ from previous years due to revisions to GDP estimates.

**Table 3.2a: Revenue Collections for FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020 (Revised)</u>	<u>FY2021 (Budgeted)</u>
<b>Operating Revenue</b>	<b>64,823</b>	<b>68,964</b>	<b>75,816</b>	<b>73,738</b>	<b>74,274</b>	<b>64,608</b>	<b>76,636</b>
Corporate Income Tax	13,815	13,602	14,944	16,032	16,732	13,744	17,968
Personal Income Tax	9,235	10,526	10,724	11,706	12,368	12,773	12,373
Withholding Tax	1,402	1,474	1,532	1,590	1,637	1,536	1,648
Statutory Boards' Contributions <sup>1</sup>	438	775	4,866	1,490	1,798	2,519	2,505
Assets Taxes	4,455	4,360	4,440	4,649	4,762	3,095	4,742
Customs, Excise and Carbon Taxes	2,833	2,730	3,133	3,075	3,264	3,506	3,773
Goods and Services Tax	10,345	11,078	10,960	11,137	11,164	9,898	11,344
Motor Vehicle Taxes	1,760	2,148	2,153	2,623	2,419	2,208	2,516
Vehicle Quota Premium	5,425	6,551	5,796	3,616	2,865	2,279	2,276
Betting Taxes	2,719	2,682	2,688	2,664	2,620	1,847	2,408
Stamp Duty	2,769	3,278	4,905	4,607	4,199	3,662	4,253
Other Taxes <sup>2</sup>	5,876	6,045	6,019	6,629	6,683	3,776	6,434
Other Fees and Charges <sup>3</sup>	3,249	3,209	3,279	3,490	3,409	3,316	3,909
Others	502	506	378	430	354	449	487

**Table 3.2b: Revenue Collections for FY2015 to FY2021 (% of GDP)<sup>4</sup>**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020 (Revised)</u>	<u>FY2021 (Budgeted)</u>
<b>Operating Revenue</b>	<b>15.2%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>14.6%</b>	<b>13.9%</b>	<b>15.2%</b>
Corporate Income Tax	3.2%	3.0%	3.1%	3.1%	3.3%	2.9%	3.6%
Personal Income Tax	2.2%	2.3%	2.2%	2.3%	2.4%	2.7%	2.4%
Withholding Tax	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Statutory Boards' Contributions <sup>1</sup>	0.1%	0.2%	1.0%	0.3%	0.4%	0.5%	0.5%
Assets Taxes	1.0%	1.0%	0.9%	0.9%	0.9%	0.7%	0.9%
Customs, Excise and Carbon Taxes	0.7%	0.6%	0.7%	0.6%	0.6%	0.8%	0.7%
Goods and Services Tax	2.4%	2.5%	2.3%	2.2%	2.2%	2.1%	2.2%
Motor Vehicle Taxes	0.4%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%
Vehicle Quota Premium	1.3%	1.5%	1.2%	0.7%	0.6%	0.5%	0.5%
Betting Taxes	0.6%	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%
Stamp Duty	0.6%	0.7%	1.0%	0.9%	0.8%	0.8%	0.8%
Other Taxes <sup>2</sup>	1.4%	1.3%	1.3%	1.3%	1.3%	0.8%	1.3%
Other Fees and Charges <sup>3</sup>	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

<sup>1</sup> 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 in turn comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.

<sup>2</sup> Prior to FY2021, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax.

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

<sup>4</sup> Data may differ from previous years due to revisions to GDP estimates.

**Table 3.3: Breakdown of Total Expenditure by Sector for FY2020 and FY2021 (\$ million)**

	<u>FY2020 (Revised)</u>			<u>FY2021 (Budgeted)</u>		
	<u>Total Expenditure<sup>1</sup></u>	<u>Operating Expenditure</u>	<u>Development Expenditure<sup>2</sup></u>	<u>Total Expenditure<sup>1</sup></u>	<u>Operating Expenditure</u>	<u>Development Expenditure<sup>2</sup></u>
<b>Total<sup>1</sup></b>	<b>94,056</b>	<b>77,644</b>	<b>16,412</b>	<b>102,338</b>	<b>82,465</b>	<b>19,873</b>
<b>Social Development</b>	<b>46,829</b>	<b>43,139</b>	<b>3,689</b>	<b>49,472</b>	<b>44,516</b>	<b>4,956</b>
Education	12,630	12,048	582	13,620	13,090	530
National Development	5,935	4,780	1,155	5,529	4,149	1,380
Health	16,652	15,767	885	18,845	17,355	1,490
Sustainability and the Environment <sup>3</sup>	2,436	1,699	738	2,904	1,849	1,055
Culture, Community and Youth	2,200	1,988	212	2,272	1,914	358
Social and Family Development	3,924	3,830	95	4,113	4,014	99
Communications and Information	647	628	20	629	590	39
Manpower (Financial Security)	2,404	2,400	3	1,560	1,556	4
<b>Security and External Relations</b>	<b>20,901</b>	<b>19,810</b>	<b>1,090</b>	<b>23,670</b>	<b>21,768</b>	<b>1,902</b>
Defence	13,631	13,352	278	15,360	14,803	558
Home Affairs	6,867	6,063	804	7,876	6,544	1,332
Foreign Affairs	403	395	8	434	421	13
<b>Economic Development</b>	<b>23,072</b>	<b>11,824</b>	<b>11,249</b>	<b>24,671</b>	<b>12,413</b>	<b>12,258</b>
Transport	8,029	2,835	5,194	11,067	4,051	7,015
Trade and Industry	9,919	4,002	5,917	7,176	2,052	5,123
Manpower (excluding Financial Security)	4,357	4,272	85	5,617	5,519	98
Info-Communications and Media Development	768	714	54	812	790	22
<b>Government Administration</b>	<b>3,254</b>	<b>2,871</b>	<b>383</b>	<b>4,525</b>	<b>3,768</b>	<b>757</b>
Finance	1,438	1,341	97	2,067	1,928	140
Law	223	201	22	481	261	220
Organs of State	594	531	63	711	607	104
Prime Minister's Office	999	798	200	1,266	973	293

Note: Figures may not add up due to rounding.

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

<sup>2</sup> Development Expenditure excludes land-related expenditure.

<sup>3</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

**Table 3.4: Operating Expenditure by Sector for FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u>	<u>FY2021</u> <u>(Budgeted)</u>
<b>Total<sup>1</sup></b>	<b>48,090</b>	<b>52,129</b>	<b>55,581</b>	<b>57,561</b>	<b>58,667</b>	<b>77,644</b>	<b>82,465</b>
<b>Social Development</b>	<b>26,258</b>	<b>28,939</b>	<b>30,849</b>	<b>31,400</b>	<b>32,047</b>	<b>43,139</b>	<b>44,516</b>
Education	11,236	11,812	12,080	12,429	11,932	12,048	13,090
National Development	1,332	2,284	3,218	2,941	2,606	4,780	4,149
Health	7,520	8,199	8,734	8,937	9,915	15,767	17,355
Sustainability and the Environment <sup>2</sup>	1,125	1,201	1,248	1,295	1,540	1,699	1,849
Culture, Community and Youth	1,795	1,444	1,586	1,668	1,674	1,988	1,914
Social and Family Development	2,121	2,389	2,459	2,608	2,835	3,830	4,014
Communications and Information	424	456	496	494	517	628	590
Manpower (Financial Security)	706	1,154	1,028	1,027	1,029	2,400	1,556
<b>Security and External Relations</b>	<b>17,495</b>	<b>18,372</b>	<b>19,013</b>	<b>19,774</b>	<b>19,807</b>	<b>19,810</b>	<b>21,768</b>
Defence	12,672	13,281	13,582	13,825	13,669	13,352	14,803
Home Affairs	4,377	4,652	4,996	5,505	5,703	6,063	6,544
Foreign Affairs	447	439	435	444	436	395	421
<b>Economic Development</b>	<b>2,632</b>	<b>2,998</b>	<b>3,574</b>	<b>4,207</b>	<b>4,488</b>	<b>11,824</b>	<b>12,413</b>
Transport	783	953	1,607	1,900	1,945	2,835	4,051
Trade and Industry	783	921	943	993	1,116	4,002	2,052
Manpower (excluding Financial Security)	611	634	645	697	892	4,272	5,519
Info-Communications and Media Development <sup>3,4</sup>	454	490	378	617	535	714	790
<b>Government Administration</b>	<b>1,705</b>	<b>1,819</b>	<b>2,144</b>	<b>2,179</b>	<b>2,324</b>	<b>2,871</b>	<b>3,768</b>
Finance <sup>4</sup>	740	824	833	828	852	1,341	1,928
Law	174	181	185	185	218	201	261
Organs of State	410	440	473	496	508	531	607
Prime Minister's Office <sup>4</sup>	381	374	653	670	746	798	973

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> 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).

<sup>4</sup> 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 FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u>	<u>FY2021</u> <u>(Budgeted)</u>
<b>Total<sup>1</sup></b>	<b>19,357</b>	<b>18,916</b>	<b>17,975</b>	<b>20,263</b>	<b>16,671</b>	<b>16,412</b>	<b>19,873</b>
<b>Social Development</b>	<b>5,034</b>	<b>4,900</b>	<b>5,619</b>	<b>4,419</b>	<b>4,560</b>	<b>3,689</b>	<b>4,956</b>
Education	699	657	611	447	791	582	530
National Development	1,321	1,248	1,257	1,191	926	1,155	1,380
Health	1,413	1,619	1,465	1,490	1,404	885	1,490
Sustainability and the Environment <sup>2</sup>	567	684	1,549	839	1,076	738	1,055
Culture, Community and Youth	779	507	489	300	210	212	358
Social and Family Development	111	98	87	115	111	95	99
Communications and Information	144	88	160	36	41	20	39
Manpower (Financial Security)	-	-	0	2	2	3	4
<b>Security and External Relations</b>	<b>956</b>	<b>1,169</b>	<b>1,449</b>	<b>1,637</b>	<b>1,469</b>	<b>1,090</b>	<b>1,902</b>
Defence	431	543	594	482	481	278	558
Home Affairs	506	573	831	1,129	972	804	1,332
Foreign Affairs	19	53	24	26	16	8	13
<b>Economic Development</b>	<b>12,909</b>	<b>12,303</b>	<b>10,297</b>	<b>13,574</b>	<b>9,886</b>	<b>11,249</b>	<b>12,258</b>
Transport	10,332	9,319	7,572	9,877	6,617	5,194	7,015
Trade and Industry	2,398	2,858	2,688	3,656	3,176	5,917	5,123
Manpower (excluding Financial Security)	25	21	34	34	65	85	98
Info-Communications and Media Development <sup>3,4</sup>	153	105	4	8	29	54	22
<b>Government Administration</b>	<b>457</b>	<b>545</b>	<b>610</b>	<b>633</b>	<b>756</b>	<b>383</b>	<b>757</b>
Finance <sup>4</sup>	53	72	62	74	56	97	140
Law	319	377	320	217	311	22	220
Organs of State	47	55	105	184	217	63	104
Prime Minister's Office <sup>4</sup>	38	40	123	159	172	200	293

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> 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).

<sup>4</sup> 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 FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u>	<u>FY2021</u> <u>(Budgeted)</u>
<b>Total<sup>1</sup></b>	<b>67,447</b>	<b>71,045</b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>94,056</b>	<b>102,338</b>
<b>Social Development</b>	<b>31,293</b>	<b>33,839</b>	<b>36,468</b>	<b>35,820</b>	<b>36,607</b>	<b>46,829</b>	<b>49,472</b>
Education	11,935	12,469	12,691	12,876	12,723	12,630	13,620
National Development	2,653	3,532	4,475	4,132	3,532	5,935	5,529
Health	8,933	9,819	10,200	10,427	11,319	16,652	18,845
Sustainability and the Environment <sup>2</sup>	1,692	1,884	2,797	2,134	2,616	2,436	2,904
Culture, Community and Youth	2,573	1,951	2,076	1,968	1,883	2,200	2,272
Social and Family Development	2,232	2,486	2,545	2,722	2,945	3,924	4,113
Communications and Information	569	544	656	530	558	647	629
Manpower (Financial Security)	706	1,154	1,028	1,029	1,031	2,404	1,560
<b>Security and External Relations</b>	<b>18,452</b>	<b>19,541</b>	<b>20,462</b>	<b>21,411</b>	<b>21,276</b>	<b>20,901</b>	<b>23,670</b>
Defence	13,103	13,824	14,176	14,307	14,150	13,631	15,360
Home Affairs	4,883	5,225	5,827	6,634	6,675	6,867	7,876
Foreign Affairs	466	492	460	470	451	403	434
<b>Economic Development</b>	<b>15,541</b>	<b>15,301</b>	<b>13,872</b>	<b>17,781</b>	<b>14,374</b>	<b>23,072</b>	<b>24,671</b>
Transport	11,115	10,272	9,179	11,776	8,561	8,029	11,067
Trade and Industry	3,181	3,778	3,632	4,649	4,292	9,919	7,176
Manpower (excluding Financial Security)	637	655	679	731	957	4,357	5,617
Info-Communications and Media Development <sup>3,4</sup>	608	595	382	625	564	768	812
<b>Government Administration</b>	<b>2,162</b>	<b>2,364</b>	<b>2,754</b>	<b>2,813</b>	<b>3,079</b>	<b>3,254</b>	<b>4,525</b>
Finance <sup>4</sup>	793	896	896	902	907	1,438	2,067
Law	493	558	505	401	528	223	481
Organs of State	458	496	578	680	725	594	711
Prime Minister's Office <sup>4</sup>	419	414	775	829	919	999	1,266

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> 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).

<sup>4</sup> 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 FY2015 to FY2021 (% of GDP)<sup>1</sup>**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u>	<u>FY2021</u> <u>(Budgeted)</u>
<b>Total<sup>2</sup></b>	<b>15.8%</b>	<b>15.8%</b>	<b>15.3%</b>	<b>15.2%</b>	<b>14.8%</b>	<b>20.2%</b>	<b>20.2%</b>
<b>Social Development</b>	<b>7.3%</b>	<b>7.5%</b>	<b>7.6%</b>	<b>7.0%</b>	<b>7.2%</b>	<b>10.0%</b>	<b>9.8%</b>
Education	2.8%	2.8%	2.6%	2.5%	2.5%	2.7%	2.7%
National Development	0.6%	0.8%	0.9%	0.8%	0.7%	1.3%	1.1%
Health	2.1%	2.2%	2.1%	2.0%	2.2%	3.6%	3.7%
Sustainability and the Environment <sup>3</sup>	0.4%	0.4%	0.6%	0.4%	0.5%	0.5%	0.6%
Culture, Community and Youth	0.6%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%
Social and Family Development	0.5%	0.6%	0.5%	0.5%	0.6%	0.8%	0.8%
Communications and Information	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Manpower (Financial Security)	0.2%	0.3%	0.2%	0.2%	0.2%	0.5%	0.3%
<b>Security and External Relations</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.2%</b>	<b>4.5%</b>	<b>4.7%</b>
Defence	3.1%	3.1%	3.0%	2.8%	2.8%	2.9%	3.0%
Home Affairs	1.1%	1.2%	1.2%	1.3%	1.3%	1.5%	1.6%
Foreign Affairs	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Economic Development</b>	<b>3.6%</b>	<b>3.4%</b>	<b>2.9%</b>	<b>3.5%</b>	<b>2.8%</b>	<b>4.9%</b>	<b>4.9%</b>
Transport	2.6%	2.3%	1.9%	2.3%	1.7%	1.7%	2.2%
Trade and Industry	0.7%	0.8%	0.8%	0.9%	0.8%	2.1%	1.4%
Manpower (excluding Financial Security)	0.1%	0.1%	0.1%	0.1%	0.2%	0.9%	1.1%
Info-Communications and Media Development <sup>4,5</sup>	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
<b>Government Administration</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.9%</b>
Finance <sup>5</sup>	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%
Law	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office <sup>5</sup>	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%

Note: Figures may not add up due to rounding.

<sup>1</sup> Data may differ from previous years due to revisions to GDP estimates.

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

<sup>3</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>4</sup> 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).

<sup>5</sup> 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 FY2015 to FY2021 (\$ million)**

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u>	<u>FY2021</u> <u>(Budgeted)</u>
<b>Total Expenditure<sup>1</sup></b>	<b>67,447</b>	<b>71,045</b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>94,056</b>	<b>102,338</b>
<b>Operating Expenditure</b>	<b>48,090</b>	<b>52,129</b>	<b>55,581</b>	<b>57,561</b>	<b>58,667</b>	<b>77,644</b>	<b>82,465</b>
<b>Running Costs</b>	<b>34,934</b>	<b>37,291</b>	<b>40,322</b>	<b>41,885</b>	<b>42,656</b>	<b>55,263</b>	<b>57,842</b>
Expenditure on Manpower	8,010	8,345	8,865	9,227	8,946	8,952	9,814
Other Operating Expenditure	17,505	18,389	18,897	19,615	20,264	26,605	25,886
Grants, Subventions & Capital Injections to Organisations	9,419	10,558	12,560	13,042	13,447	19,706	22,142
<b>Transfers</b>	<b>13,156</b>	<b>14,837</b>	<b>15,259</b>	<b>15,676</b>	<b>16,010</b>	<b>22,381</b>	<b>24,623</b>
Social Transfers to Individuals	3,093	4,124	4,046	3,916	3,972	6,698	5,771
Transfers to Institutions & Organisations	9,889	10,509	10,988	11,584	11,876	15,494	18,672
International Organisations & Overseas Development Assistance	175	205	226	175	163	189	180
<b>Development Expenditure<sup>2</sup></b>	<b>19,357</b>	<b>18,916</b>	<b>17,975</b>	<b>20,263</b>	<b>16,671</b>	<b>16,412</b>	<b>19,873</b>
Government Development	5,133	6,268	6,105	5,852	6,191	4,568	7,024
Grants & Capital Injections to Organisations	14,223	12,648	11,870	14,411	10,480	11,844	12,850

Note: Figures may not add up due to rounding.

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

<sup>2</sup> Development Expenditure excludes land-related expenditure.

**Table 3.8: Headcount by Ministry for FY2015 to FY2021**

	<u>FY2015</u> <sup>1</sup>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>(Revised)</u> <sup>2</sup>	<u>FY2021</u> <u>(Budgeted)</u> <sup>3</sup>
Civil List	54	51	53	56	59	68	69
Attorney-General's Chambers	558	565	580	607	634	665	666
Auditor-General's Office	181	188	185	186	190	206	206
Cabinet Office	10	11	11	11	10	10	12
Judicature	894	907	975	1,014	1,006	1,109	1,199
Parliament	47	47	47	52	51	65	65
Presidential Councils	3	3	3	3	3	6	6
Public Service Commission	13	13	13	13	13	12	15
Social and Family Development	1,700	1,756	1,730	1,804	1,875	2,286	2,286
Defence	282	282	282	282	282	282	282
Education	56,883	57,117	56,646	54,529	53,734	55,503	55,008
Sustainability and the Environment <sup>4</sup>	4,478	4,495	4,537	4,459	5,363	5,799	5,803
Finance <sup>5</sup>	3,688	3,798	3,777	3,719	3,779	4,068	4,076
Foreign Affairs	1,398	1,425	1,427	1,430	1,430	1,630	1,659
Health	1,475	1,483	1,512	1,619	1,618	1,698	2,386
Home Affairs	26,670	27,402	27,633	27,757	27,993	29,755	30,042
Communications and Information <sup>5</sup>	3,525	4,459	2,473	2,460	2,588	3,092	3,206
Law	1,061	1,086	1,022	1,024	1,050	1,096	1,096
Manpower	2,629	2,690	2,204	2,223	2,186	4,513	4,576
National Development	8,955	9,087	9,046	8,895	8,218	8,452	8,452
Prime Minister's Office <sup>5</sup>	1,091	1,098	2,930	3,106	3,541	4,675	4,863
Trade and Industry	3,000	3,019	3,069	3,134	3,137	3,565	3,835
Transport	5,951	6,243	6,556	6,997	6,988	7,221	7,217
Culture, Community and Youth	4,743	4,712	4,879	4,910	4,667	5,196	5,266
<b>Total</b>	<b>129,289</b>	<b>131,937</b>	<b>131,590</b>	<b>130,290</b>	<b>130,415</b>	<b>140,971</b>	<b>142,290</b>

Note: For FY2020 and FY2021, 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.

<sup>1</sup> Figures for FY2015 to FY2019 refer to actual headcount.

<sup>2</sup> Figures for FY2020 are revised establishment estimates.

<sup>3</sup> Figures for FY2021 are budgeted establishment estimates.

<sup>4</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>5</sup> 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**

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## 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 2021 is from 1 April 2021 to 31 March 2022.

### **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, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes comprise the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage 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.