

## **REVIEW OF FINANCIAL YEAR 2014**

The Revised FY2014 fiscal position is summarised in Table 2.1.

### **Operating Revenue**

Operating Revenue is projected to increase by \$1.84 billion, or 3.1% over the budgeted estimates, to \$61.35 billion. This increase is mainly due to higher-than-expected collections from Motor Vehicle Taxes, Vehicle Quota Premiums and Corporate Income Tax.

Corporate Income Tax collections are expected to increase by \$0.43 billion, or 3.3% over the budgeted estimates, to \$13.46 billion. Personal Income Tax collections are estimated to increase by \$0.15 billion, or 1.6% over the budgeted estimates, to \$8.94 billion.

Assets Taxes are expected to increase by \$0.06 billion, or 1.4% over the budgeted estimates, to \$4.41 billion. Stamp Duty collections are expected to decrease by \$0.05 billion, or 1.6% over the budgeted estimates, to \$2.79 billion.

Goods and Services Tax collections are projected to be \$10.11 billion, close to the budgeted estimates.

Motor Vehicle Taxes are estimated to increase by \$0.45 billion, or 33.5% over the budgeted estimates, to \$1.81 billion. Vehicle Quota Premiums are expected to increase by \$0.71 billion, or 24.1% over the budgeted estimates, to \$3.67 billion.

Other Taxes, which comprise the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are projected to increase by \$0.32 billion, or 5.6% over the budgeted estimates, to \$6.14 billion.

### **Total Expenditure**

Total Expenditure is expected to increase by \$0.53 billion, or 0.9% over the budgeted estimates, to \$57.20 billion. This increase is mainly attributed to higher Expenditure on Manpower.

### **Special Transfers**

Special Transfers and Top-ups to Endowment Funds and Trust Funds are expected to total \$12.83 billion.

### **Net Investment Returns Contribution**

NIRC is expected to increase by \$0.46 billion, or 5.6% over the budgeted estimates, to \$8.55 billion.

### **Budget for FY2014**

Before taking into account Top-ups to Endowment Funds and Trust Funds, and before NIRC, the basic deficit is projected to be \$0.18 billion, which is smaller than the budgeted deficit of \$0.76 billion. After factoring in the Top-ups to Endowment Funds and Trust Funds of \$8.50 billion, and NIRC of \$8.55 billion, the Revised FY2014 outturn is estimated to be an overall budget deficit of \$0.13 billion.

**TABLE 2.1: FISCAL POSITION IN FY2013 AND FY2014**

	Actual FY2013	Estimated FY2014	Revised FY2014	Revised FY2014	
				Compared to	
				Actual FY2013	Estimated FY2014
	\$billion	\$billion	\$billion	% change	% change
<b>OPERATING REVENUE</b>	<b>57.02</b>	<b>59.51</b>	<b>61.35</b>	<b>7.6</b>	<b>3.1</b>
Corporate Income Tax	12.68	13.03	13.46	6.1	3.3
Personal Income Tax	7.69	8.79	8.94	16.2	1.6
Withholding Tax	1.15	1.19	1.12	(3.1)	(6.4)
Statutory Boards' Contributions	0.53	0.49	0.52	(2.6)	5.1
Assets Taxes	4.18	4.35	4.41	5.4	1.4
Customs and Excise Tax	2.19	2.61	2.45	11.8	(6.3)
Goods and Services Tax	9.51	10.11	10.11	6.2	0.0
Motor Vehicle Taxes	1.65	1.36	1.81	9.5	33.5
Vehicle Quota Premiums	2.72	2.95	3.67	34.7	24.1
Betting Taxes	2.38	2.58	2.62	10.1	1.4
Stamp Duty	3.93	2.84	2.79	(29.0)	(1.6)
Other Taxes	5.25	5.82	6.14	17.0	5.6
Other Fees and Charges	2.90	3.07	3.01	3.6	(2.1)
Others	0.25	0.32	0.33	30.0	1.6
Less:					
<b>TOTAL EXPENDITURE</b>	<b>51.73</b>	<b>56.66</b>	<b>57.20</b>	<b>10.6</b>	<b>0.9</b>
Operating Expenditure	39.72	42.88	43.31	9.0	1.0
Development Expenditure	12.00	13.78	13.89	15.7	0.8
<b>PRIMARY SURPLUS / DEFICIT<sup>1</sup></b>	<b>5.29</b>	<b>2.85</b>	<b>4.15</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>2</sup></b>	<b>8.58</b>	<b>12.11</b>	<b>12.83</b>	<b>49.5</b>	<b>5.9</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	<b>2.99</b>	<b>3.61</b>	<b>4.33</b>		
GST Voucher Special Payment <sup>3</sup>	0.61	0.28	0.28		
Utilities-Save Rebates / Service and Conservancy Charges Rebates	0.07	0.08	0.08		
CPF Medisave Top-ups	0.29	0.12	0.12		
Pioneer Generation Package	-	0.26	0.30		
Productivity and Innovation Credit	0.64	0.74	1.40		
Productivity and Innovation Credit Bonus	0.57	0.32	0.67		
Wage Credit Scheme	0.77	1.76	1.46		
Other Transfers <sup>4</sup>	0.04	0.05	0.02		
<b>BASIC SURPLUS / DEFICIT<sup>5</sup></b>	<b>2.30</b>	<b>(0.76)</b>	<b>(0.18)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>5.59</b>	<b>8.50</b>	<b>8.50</b>		
Top-up to Endowment Funds <sup>6</sup>	2.32	0.50	0.50		
GST Voucher Fund	3.00	-	-		
Cultural Matching Fund	0.20	-	-		
National Youth Fund	0.07	-	-		
Pioneer Generation Fund	-	8.00	8.00		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>8.29</b>	<b>8.10</b>	<b>8.55</b>	<b>3.2</b>	<b>5.6</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>5.00</b>	<b>(1.16)</b>	<b>(0.13)</b>		

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

<sup>1</sup> Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

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

<sup>3</sup> The GST Voucher Special Payment committed in Budget 2013 consists of a cash component, Utilities-Save Rebates and CPF Medisave Top-ups. The GST Voucher Special Payment introduced in Budget 2014 comprises the GST Voucher – Cash: Seniors' Bonus and Utilities-Save Rebates.

<sup>4</sup> Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, public transport vouchers, and funding for Self-Help Groups and Voluntary Welfare Organisations.

<sup>5</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

<sup>6</sup> Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.