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Macro Note

Singapore Budget 2020: Boldly Expansionary In The Face Of Short & Long Term Challenges

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Highlights

- For FY2019, the Finance Ministry is expecting an overall budget deficit of S$1.7 billion (0.3% of GDP). This compares with the initial budget estimate of S$3.5 billion (0.7% of GDP). The revised overall balance is in line with our expectation for a smaller shortfall.

- Into FY2020, Singapore's overall budget balance is projected to see a record deficit of S$10.9 billion (2.1% of GDP) since public data was made available. Total expenditure is expected to grow by 7.0% to S$83.6 billion, while operating revenue is estimated at S$76.0 billion (+1.7%). In all, basic balance is expected to come in at a deficit of S$12.3 billion, in line with our estimate of S$12.1 billion.

- Our expectation for the budget to be expansionary came to pass. Budget 2020 comes in a time of unprecedented global threat from multilateralism, on-going geopolitical tensions, and the COVID-19 outbreak. Budget 2020 has introduced two special packages: the Stabilisation and Support Package (S$4.0bn) and a Care and Support Package (S$1.6bn). Collectively, the packages will set aside S$5.6 billion (or 1.1% of GDP) to support businesses and households with the COVID-19 outbreak.

- Despite the S$10.9 billion shortfall planned for the fiscal year ahead, there will be no drawing on the reserves to finance expenditure. This is due to the cumulative S$18.6 billion of surplus seen in the last four fiscal years. This also implies that there is still enough fiscal "powder" left for additional measures if the COVID-19 outbreak extends beyond mid-2020.

- Beyond the short–term challenges, the budget has recognized four key areas to prepare Singapore and Singaporeans for mid-to-long term challenges and opportunities. These include (1) growing Singapore's economy and creating opportunities, (2) caring and nurturing Singaporeans at every stage of life, (3) building a liveable and sustainable Singapore in the face of climate change while securing Singapore's sovereignty as an independent nation and (4) working together to mobilise all Singaporeans to build a nation and a home.

- The key takeaways of Budget 2020 centred on the government's effort to help workers and enterprises weather near-term economic uncertainties, as well as to navigate through long-term structural shifts, create opportunities and tackle retirement needs. Reflecting the continued importance of dealing with long term issues, Budget 2020 has set aside S$8.3 billion over three years as part of the government's Transformation and Growth effort, to position Singapore as the Global-Asia node of technology, innovation and enterprise. This compares with Budget 2019's plan of S$3.6bn to support Singaporean workers and S$1.0bn to help firms deepen enterprise capabilities.

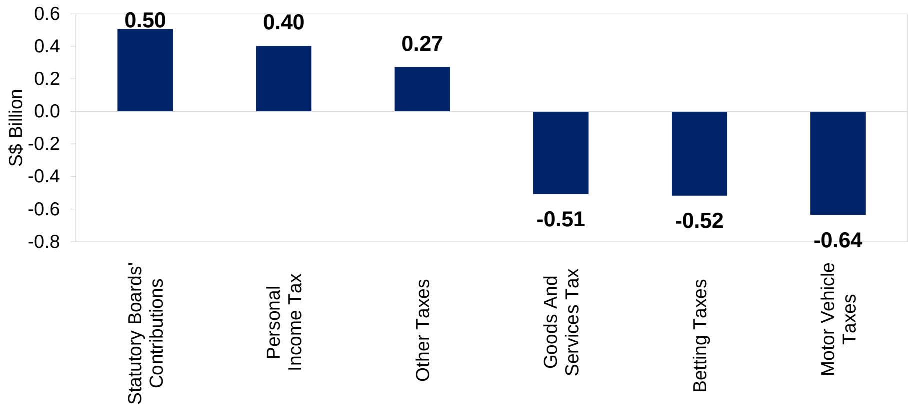
A Review Of 2019: A Smaller Than Expected Budget Deficit

Like many trade-reliant economies in Asia, Singapore's economic growth in 2019 had been dragged chiefly by the US-China trade uncertainties, slowdown in China's growth, as well as geopolitical risks surrounding the Middle East. Given the headwinds, Singapore's economy grew at 0.7% in 2019, marking the slowest growth pace since 2009, led by contractions in manufacturing (-1.4%), wholesale & retail trade (-2.9%) and non-oil domestic exports (-9.2%).

Due to the economic slowdown, it is unsurprising to see lower-than-expected operating revenue in FY2019. Operating revenue for FY2019 came in at S$74.7 billion, and was marginally lower compared to the government's revenue target of S$74.9 billion. The shortfall is led by the lower-than-expected motor vehicle tax (S$2.5bn, versus Budget 2019's of S$3.1bn), followed by betting tax (S$2.9bn versus Budget 2019's S$3.4bn) and goods and services tax (S$11.2bn, versus Budget 2019's S$11.7bn). These are further offset by the larger revenue intake in Statutory Board Contributions, Personal Income Tax and Other Taxes. Please see Chart 1 for further illustrations.

Chart 1: FY2019 Operating Revenue Vs Budget 2019 Target

Source: Macrobond, UOB Global Economics & Markets Research



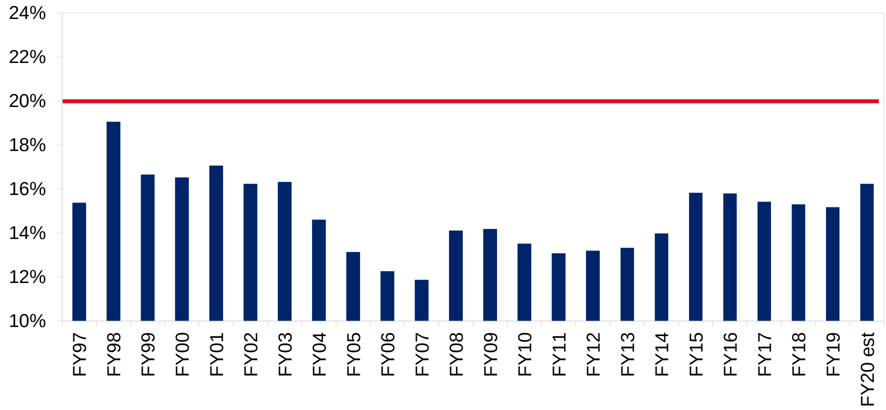
Furthermore, government's expenditure was also smaller versus FY2019 Budget. Total government expenditure clocked S$78.2 billion in FY2019, versus Budget 2019's estimate of S$80.3 billion, mainly due to "lower-than-expected expenditures arising from unforeseen project delays". Operating expenditure came in at S$59.5 billion (versus Budget 2019's S$60.8bn) while development expenditure was at S$18.6 billion (versus Budget 2019's S$19.5bn).

Accounting for the difference in both revenue and expenditure, FY2019 saw a smaller-than-expected overall balance deficit of S$1.7 billion, or 0.3% of GDP (versus Budget 2019's S$3.5 billion, or 0.7% of GDP). Importantly, total expenditure came in at 15.2% of GDP in FY2019, which is the smallest since FY2014, suggesting that the "cost of government" continued to stay prudent and lean to-date. Note that total expenditure as a percentage of GDP has remained below 20%. This was a target made back in Budget 2002[1], where the Finance Ministry highlighted its goal to "maintain a tight rein on the cost of Government to ensure it stays below 20% of GDP".

[1] Singapore Ministry of Finance, Budget Statement 2002: A Budget For A Different World

Chart 2: Cost Of Government Consistently Stayed Below 20% of GDP

Source: Macrobond, UOB Global Economics & Markets Research



Budget 2020: A Bold Response To Challenges, Both Near-Term And Beyond

Despite the external headwinds, the Singapore economy had comfortably avoided a technical recession in 2019, on the back of a resilient services and construction sector. Specifically in 4Q19, construction grew at its fastest pace (+4.3% y/y) since 4Q15, supported by both public and private sector construction works. Other services clusters such as information & communications (+4.5% y/y in 4Q19), finance & insurance (+4.0% y/y in 4Q19) and accommodation & food services (+2.5% y/y in 4Q19) also led the overall services sector growth higher.

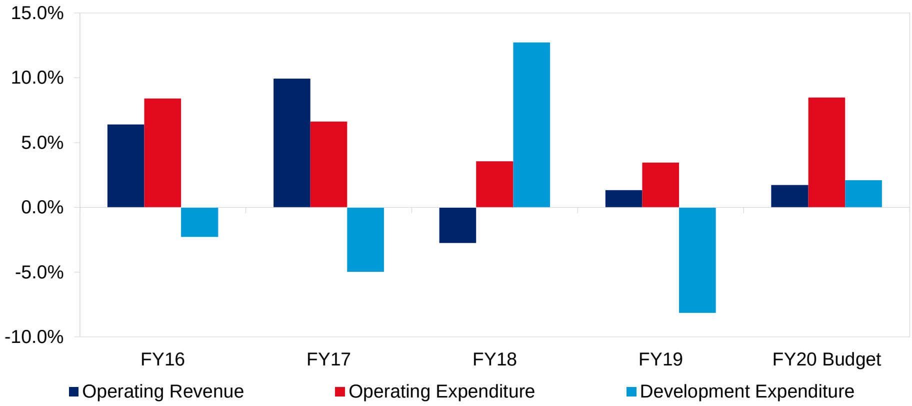
At the turn of 2020 however, the novel Coronavirus (or COVID-19) outbreak is now threatening to derail a nascent global economic recovery via a dampening of tourism and disruption of the global supply chain. Given the uncertainties, the Ministry of Trade and Industry (MTI) downgraded Singapore's growth to range between -0.5% and +1.5% in 2020, down from its previous estimate range of between +0.5% and +2.5%.

Accounting for the direct negative effects on Singapore's tourism industry as well as secondary effects on Asia's supply chain and external environment, we perceive Singapore's output gap to stay negative for the whole of 2020. We pencil GDP growth at 0.5% in 2020 with downside risk, especially if the virus outbreak worsens to become more widespread, severe and protracted than anticipated. Our estimates also assume a potential technical recession (defined as two consecutive quarters of negative q/q saar growth) in the first half of 2020, before headline GDP is to expand by +0.9% y/y in 4Q20.

In FY2020, Singapore's overall budget balance is projected to see a record deficit of S$10.9 billion (2.1% of GDP) since public data was made available. Operating revenue is estimated at S$76.0 billion (+1.7%, up from +1.3% in FY2019). Other key revenue sources will include corporate income tax receipts (+2.0% y/y), personal income tax receipts (+2.6% y/y), withholding tax (+2.5% y/y) and customs & excise tax (+8.4%). GST receipts are only pencilled at +0.8% y/y in FY2020, slightly higher than +0.4% y/y in FY2019. Ministries' total expenditure is expected to grow to S$83.6 billion (+7.0% y/y, the fastest pace since FY2015), led by operating expenditure (+8.5% y/y, fastest since FY2015 as well), and development expenditure (+2.1% y/y, up from -8.1% y/y in FY2019). In all, basic balance is expected to come in at a deficit of S$12.3 billion, in line with our estimate of S$12.1 billion.

Chart 3: Revenue And Expenditure Growth (% y/y)

Source: Macrobond, UOB Global Economics & Markets Research



To tackle the near-term challenges posed by the COVID-19 outbreak, Budget 2020 has introduced two special packages: the Stabilisation and Support Package (S$4.0bn) and a Care and Support Package (S$1.6bn). Collectively, the above-mentioned packages will set aside S$5.6 billion (or 1.1% of GDP) to support businesses and households with the COVID-19 outbreak. This is significantly larger when compared to the S$230 million support package (or 0.1% of GDP) during the SARS outbreak in 2003. In the effort to slowdown the spread of COVID-19, the government will also set aside an additional S$800 million, with the bulk of the monies going to the Ministry of Health.

The Stabilisation and Support Package is to help workers to remain employed and aid companies with cash flow. This will include:

1) a Jobs Support Scheme (S$1.3bn) which aims to help firms retain local workers by offsetting 8% of wages for 3 months subject to a cap,

2) an enhancement of the Wage Credit Scheme (S$1.1bn) where qualifying monthly wage ceiling is raised to S$5,000,

3) a corporate tax rebate for the year of assessment 2020 (S$400mn) at 25% tax payable capped at S$15,000 per company,

4) enhancing the Enterprise Financing Scheme's Working Capital Loan component by doubling the maximum loan quantum to S$600,000 a year while the government's risk-share is increased to 80% (up from the current 50 – 70%),

5) increasing the funding period under the Adapt and Grow initiative to a maximum of six months,

6) introducing a property tax rebate of between 10% to 30% for the year 2020 for selected enterprises,

7) a Temporary Bridging Loan Programme in which the government will take on 80% of risk of a loan quantum up to S$1.0 million, and,

8) a flexible rental payment such as instalment plans to support tenants and lessees of government-managed properties.

The Care and Support Package is to help Singapore household with their expenses during this period of uncertainty. This package will include:

1) one-off cash payout of between S$100 and S$300, depending on income,

2) doubling the amount of U-Save rebates through a one-off GST voucher to help HDB households with utilities expenses while providing additional rebates for larger households with five or more members,

3) extending the Service and Conservancy Charges (S&CC) rebate by another year,

4) introducing a Workfare Special Payment where Singaporeans on Workfare can receive 20% more for work done in 2019 subject to a cap,

5) providing Grocery Vouchers worth S$100 annually for 2020 and 2021 for needy Singaporeans,

6) giving additional cash payout of S$100 for Singaporean households with at least one Singaporean child aged 20 years and below in 2020, and,

7) injecting S$100 top-up to the PAssion Card for all Singaporeans aged 50 years and above in 2020.

The collective expenditure from the two packages worth S$5.6 billion is sizeable when compared to the potential shortfall in tourism revenue from the COVID-19 outbreak. Our estimates show that Singapore could see a fall of between S$6.8 billion and S$8.1 billion of tourist receipts in 2020, assuming a 25% to 30% fall of tourist arrivals in 2020.

Even as the policies provide economy-wide support, sectors directly affected by COVID-19 will get additional support. These include tourism, aviation, retail, food services, and point-to-point transport services, and will include enhance support under the Adapt and Grow initiative through redeployment programmes and to retain and train over 330,000 local workers in these sectors.

Beyond near-term challenges posed by COVID-19, Singapore's key priorities in maintaining sound finances and positioning herself as the Global-Asia node will be imperative in navigating through long-term structural shifts and capturing future opportunities. Specifically, Budget 2020 recognized four key areas to prepare Singapore and Singaporeans for mid-to-long term challenges and opportunities. These include (1) growing Singapore's economy and creating opportunities, (2) caring and nurturing Singaporeans at every stage of life, (3) building a liveable and sustainable Singapore in the face of climate change while securing Singapore's sovereignty as an independent nation and (4) working together to mobilise all Singaporeans to build a nation and a home.

GST Hike Delayed, Coupled With A Generous Assurance Package

The Finance Minister has also decided in the Budget 2020 to announce the government's plan to delay the increase of the Goods and Services Tax (GST) hike in 2021. This is made after the government's review of Singapore's revenue and expenditure projections, as well as accounting for the current economic condition. Specifically, the GST rate increase will not take effect in 2021, compared to the initial plan to raise GST rate to 9.0% from 7.0% between the period 2021 and 2025.

However, the GST rate increase is still expected by 2025, and an Assurance Package worth S$6.0 billion has been set aside and will be introduced when Singapore transition to the higher GST rate. Under the Assurance Package, every adult Singaporean will receive a cash pay-out of S$700 to S$1,600 over five years, with lower-income households receiving more offsets. The permanent GST Voucher (GSTV), which defrays GST for lower-to-middle income Singaporeans, will also be enhanced as well when the GST rate is increased in the future.

We note that the Assurance Package of S$6.0 billion is the biggest package so far in history when GST rates were increased previously. The last increase in GST rates (from 5.0% to 7.0%) was first announced by then Second Finance Minister Tharman Shanmugaratnam in 2007. Back then, the government had introduced a GST Offset Package which will cost the government S$4.0 billion over five years. It included direct transfer benefits, CPF top-ups and rebates. Besides the GST Offset Package in 2007, the Finance Ministry also introduced the Economic Restructuring Shares (ERS) Scheme when the GST rate was increased from 3.0% to 4.0% in 2003, and to 5.0% in 2004. Together with the ERS scheme, the GST Offset Package in FY2002 amounted to S$4.0 billion. Should we look even further back, first offset package back in 1993 when GST was first introduced at 3.0% was at a mere S$1.8 billion.

Navigating Through Long-Term Challenges

In line with our Budget 2020 Preview (29 January 2020), our call for the government to centre on five key thrusts came to pass as well. We had previously highlighted that the need to (1) develop Singapore's competitiveness and competencies, (2) deepen workers' capabilities, (3) strengthening social nets, (4) deal with climate change and (5) mitigate the threat of crime and terrorism.

Develop Singapore's Competitiveness And Competencies

Budget 2020 has allocated S$8.3 billion over the next three years to enable transformation and growth. Beyond establishing the need to strengthen partnerships with the world and within Singapore, the budget has also highlighted its goal to enhance support to enterprises at every stage of their growth. These will include setting aside of an S$300 million under the Startup SG Equity to help deep-tech start-ups better access to capital, expertise and industry networks. There are also two packages, namely Enterprise Grow Package to help enterprises identify business needs and adopt pre-approved digital technologies, and the Enterprise Transformation Package to encourage innovation and internationalisation.

Deepen Workers' Capabilities

The goal to nurture every Singaporean to their fullest potential has also been cited in Budget 2020. Overarching this goal is a "70-70" target, where the government aims to give 70% of local graduates from Institute of Higher Learning (IHL) to have an overseas experience, and 70% of these graduates to have exposure to ASEAN, China or India. Beyond pre-employment education, support for mid-career workers are also seen through the SkillsFuture credit top-up of S$500 for every Singaporean aged 25 years and above (and an additional S$500 top-up to every Singaporean aged 40 to 60 in 2020), as well as a new SkillsFuture Enterprise Credit to encourage employers to defray 90% of out-of-pocket training costs. For Singaporean seniors aged 55 and above, a Senior Worker Support Package will also be introduced to promote their employability through wage and CPF contribution offsets.

Strengthening Social Nets

Budget 2020 has also introduced policies to aid Singaporeans tap on their housing assets for retirement through the enhancement of the Silver Housing Bonus and the Lease Buyback Scheme.

In order to help those with less CPF savings below the prevailing Basic Retirement Sum (BRS), the budget has introduced a Matched Retirement Savings Scheme from 2021 to 2025, where the government will match every dollar of cash top-up made to their CPF Retirement Account, subject to an annual cap of S$600.

Silver Support Scheme has also been enhanced (quarterly cash pay-outs are raised by 20%). A Community Capability Trust will also be set up to fundraise and support Singapore's social service sector partners, in an effort to promote community giving, while a new Enabling Employment Credit will be introduced to provide support for employers of Persons With Disabilities (PWD). A top up to the ElderCare Fund (S$750 million), ComCare Fund (S$500 million) and MediFund (S$200 million) will also be seen.

Mitigating Climate Change

In order to play its part to support global efforts in mitigating climate change, Singapore must do her part to transit to a low-carbon, low-emissions economy. These will include a field trial to use NEWSand, made from incineration ash, as well as to phase out vehicles with internal combustion engines by 2040.

Incentives will also be provided to help lower-income households with the cost of energy-friendly appliances, on top of plans to add more greenery to HDB estates.

Furthermore, a new Costal and Flood Protection Fund with an initial injection of S$5.0 billion will be set aside to combat rising sea levels.

Threat of Crime and Terrorism

Lastly, the need to secure Singapore "remains a high priority" in Budget 2020, and there will be an emphasis to invest in Singapore's "external, internal, cyber, and data security". On this, the government will set aside S$1.0 billion over the next three years to build up Singapore's cyber and data security capabilities.

Key Beneficiaries To Budget 2020

In our view, there are five beneficiaries in the Singapore Budget 2020.

First, Singaporeans are the clear winners in Budget 2020. This comes from the Care and Support Package (S$1.6 billion) to help Singaporean households with cost of living. Some key aspects of the package include a one-off cash pay-out of between S$100 and S$300, depending on income, doubling the amount of U-Save rebates through a one-off GST voucher to help HDB households with utilities expenses while providing additional rebates for larger households with five or more members, extending the Service and Conservancy Charges (S&CC) rebate by another year, and Grocery Vouchers worth S$100 annually for 2020 and 2021 for needy Singaporeans.

Second, seniors as well as employers that hire Singaporean seniors aged 55 and above could stand to gain from the newly minted Senior Employment Credit, especially for enterprises that raise their own Retirement and Re-employment ages ahead of the legislated changes. This will provide employers with wage and credit contribution offsets. Seniors aged 50 and above will also see an S$100 top-up to their PAssion card, and enjoy matched dollar for dollar cash top to their CPF Retirement Account. Elsewhere, as discussed above, the enhancement to the Silver Support Scheme will expand the threshold for lifetime wages.

Third, education providers, especially IHLs and SkillsFuture course providers will benefit from the various education-led schemes. Singaporeans aged 25 and above will see a top-up of S$500 in their SkillsFuture account, while those aged between 40 and 60 will see an additional S$500 top-up. IHLs especially should also stand to benefit given the government's "70-70" target under the new Asia-Ready Exposure Programme and enhanced support for internships under the Global Ready Talent Programme.

Fourth, corporates, especially start-ups in deep-tech, are also winners in Budget 2020. This can be seen from additional monies of S$300 million in the Startup SG Equity, which in turn is expected to draw in more than S$800 million of private funding over the next ten years. This is slated to give deep-tech start-ups better access to capital, expertise and industry networks. Enterprises that aim to adopt pre-approved digital technologies will also stand to benefit from the Enterprise Grow Package.

Fifth, green energy providers that align themselves to Singapore's clean and green initiative will benefit from the Budget. These will include companies that focus on providing renewable energy, carbon capture amongst many others. Suppliers and manufacturers of Electric Vehicles (EVs) will also stand to benefit from the government's goal to see all vehicles running on cleaner energy by 2040. Providers of the slated public charging infrastructure for EVs will also be a clear winner given the government's goal to deploy up to 28,000 EV charging points by 2030, up from a current 1,600 charging points.

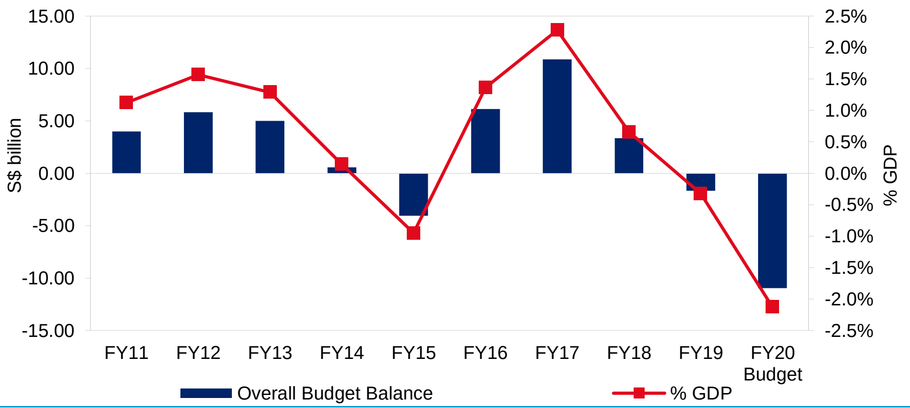
Beyond the beneficiaries, we recognise challenges to the Construction, Marine Shipyard and Process sectors. This can be seen from the reduced S Pass sub-Dependency Ratio Ceilings (DRCs) for above-mentioned sectors from 20% to 15% by 2023, which will likely intensify the labour supply crunch in these industries. Note that the DRC cut will be done in two steps, one from 20% to 18% on 1 Jan 2021, and the second from 18% to 15% on 1 Jan 2023. This means that fewer foreign workers may be hired for the above-mentioned sectors.

An Bold Expansionary Budget In Times of Uncertainty

In a nutshell, the Finance Ministry is expecting an overall budget deficit of S$10.9 billion (2.1% of GDP). This compares with our estimate for a deficit of S$4.0 billion, and significantly larger compared to the deficit of S$1.7 billion seen in FY2019. Ministries' total expenditure is expected to grow by 7.0% to S$83.6 billion, while operating revenue is estimated at S$76.0 billion (+1.7%). In all, basic balance is expected to come in at a deficit of S$12.3 billion, in line with our estimates of S$12.1 billion.

Chart 4: Singapore Budget Balance (FY2011 – 2020)

Source: Macrobond, UOB Global Economics & Markets Research



The Singapore Budget 2020 has included policies that serve to mitigate both immediate and long-term challenges. It also comes in a time of unprecedented global retreat from multilateralism, on-going geopolitical tensions, and the COVID-19 outbreak. The budget remains to be a strategic financial plan to face long term challenges, and more importantly, to seize opportunities in a changing landscape.

With an overall balance deficit pencilled at S$10.9 billion, it is the biggest shortfall since public data was made available but it will also be fully funded by the surpluses accumulated in the current fiscal cycle. This also implies that there is still enough fiscal "powder" left for additional measures if the COVID-19 outbreak extends beyond mid-2020. All-in-all, Budget 2020 serves as a necessary fiscal boost to cushion the economic slowdown, on top of navigating Singapore through both short-term and long-term uncertainties.

Stabilisation and Support Package ($4 billion)

- To stabilise the economy and support workers and enterprises

1. Introduction of Jobs Support Scheme
2. Enhancement of Wage Credit Scheme
3. Corporate tax rebate for year 2020
4. Enhancement of Enterprise Financing Scheme's Working Capital Loan
5. Enhancement of Adapt and Grow initiative
6. Property tax rebate for year 2020
7. Introduction of Temporary Bridging Loan Programme
8. Flexible rental payment of government-managed properties

Care and Support Package ($1.6 billion)

- To help households with cost of living during this period of uncertainty

1. One-off cash payout of between $100 - $300
2. Doubled the amount of U-Save rebates
3. Extension of Service and Conservancy Charges rebate
4. Introduction of Workfare Special Payment
5. Provision of Grocery Vouchers
6. Additional cash payout to households with children
7. Top-up to the Passion Card for all Singaporeans aged 50 years and above

Source: Singapore Budget 2020, UOB Global Economics & Markets Research

Singapore, Government Budget, Fiscal Year (April-March) Basis

SGD, Billion	FY16	FY17	FY18	FY19	FY20F
Operating Revenue (A)	**69.0**	**75.8**	**73.7**	**74.7**	**76.0**
Corporate Income Tax	13.6	14.9	16.0	16.8	17.1
Personal Income Tax	10.5	10.7	11.7	12.2	12.5
Withholding Tax	1.5	1.5	1.6	1.7	1.7
Statutory Boards' Contributions	0.8	4.9	1.5	1.8	2.6
Assets Taxes	4.4	4.4	4.6	4.7	4.6
Customs And Excise Taxes	2.7	3.1	3.1	3.3	3.6
Goods And Services Tax	11.1	11.0	11.1	11.2	11.3
Motor Vehicle Taxes	2.1	2.2	2.6	2.5	2.3
Betting Taxes	6.6	5.8	3.6	2.9	2.6
Stamp Duty	2.7	2.7	2.7	2.6	2.6
Other Taxes	3.3	4.9	4.6	4.3	4.3
Vehicle Quota Premiums (VQP)	6.0	6.0	6.6	6.8	6.7
Fees And Charges (Excld VQP)	3.2	3.3	3.5	3.5	3.6
Others	0.5	0.4	0.4	0.5	0.5
Total Expenditure (B)	**71.0**	**73.6**	**77.8**	**78.2**	**83.6**
Operating Expenditure	**52.1**	**55.6**	**57.6**	**59.5**	**64.6**
Social Development, Total	**28.9**	**30.8**	**31.4**	**32.4**	**36.1**
Education	11.8	12.1	12.4	12.0	12.6
National Development	2.3	3.2	2.9	2.6	3.0
Health	8.2	8.7	8.9	10.0	11.7
Environment & Water Resources	1.2	1.2	1.3	1.5	1.7
Culture, Community & Youth	1.4	1.6	1.7	1.7	1.9
Social & Family Development	2.4	2.5	2.6	2.9	3.1
Communications & Information	0.5	0.5	0.5	0.5	0.5
Manpower (Financial Security)	1.2	1.0	1.0	1.1	1.5
Security & External Relations, Total	**18.4**	**19.0**	**19.8**	**20.3**	**21.2**
Defence	13.3	13.6	13.8	14.1	14.5
Home Affairs	4.7	5.0	5.5	5.7	6.2
Foreign Affairs	0.4	0.4	0.4	0.4	0.4
Economic Development, Total	**3.0**	**3.6**	**4.2**	**4.5**	**4.8**
Transport	1.0	1.6	1.9	1.9	2.0
Trade & Industry	0.9	0.9	1.0	1.1	1.3
Manpower (Excld Financial Security)	0.6	0.6	0.7	0.9	1.0
Infocomm & Media Development	0.5	0.4	0.6	0.5	0.5
Government Administration, Total	**1.8**	**2.1**	**2.2**	**2.4**	**2.6**
Finance	0.8	0.8	0.8	0.9	0.9
Law	0.2	0.2	0.2	0.2	0.2
Organs of State	0.4	0.5	0.5	0.5	0.6
Prime Minister's Office	0.4	0.7	0.7	0.8	0.8
Development Expenditure, Total	**18.9**	**18.0**	**20.3**	**18.6**	**19.0**
Social Development, Total	**4.9**	**5.6**	**4.4**	**4.8**	**5.5**
Education	0.7	0.6	0.4	0.8	0.6
National Development	1.2	1.3	1.2	1.0	1.4
Health	1.6	1.5	1.5	1.5	1.7
Environment & Water Resources	0.7	1.5	0.8	1.1	1.2
Culture, Community & Youth	0.5	0.5	0.3	0.2	0.4
Social & Family Development	0.1	0.1	0.1	0.1	0.1
Communications & Information	0.1	0.2	0.0	0.0	0.0
Manpower (Financial Security)	0.0	0.0	0.0	0.0	0.0
Security & External Relations, Total	**1.2**	**1.4**	**1.6**	**1.5**	**1.4**
Defence	0.5	0.6	0.5	0.5	0.5
Home Affairs	0.6	0.8	1.1	1.0	0.8
Foreign Affairs	0.1	0.0	0.0	0.0	0.0
Economic Development, Total	**12.3**	**10.3**	**13.6**	**11.6**	**11.5**
Transport	9.3	7.6	9.9	8.3	8.9
Trade & Industry	2.9	2.7	3.7	3.2	2.5
Manpower (Excld Financial Security)	0.0	0.0	0.0	0.1	0.1
Infocomm & Media Development	0.1	0.0	0.0	0.0	0.0
Government Administration, Total	**0.5**	**0.6**	**0.6**	**0.8**	**0.6**
Finance	0.1	0.1	0.1	0.1	0.2
Law	0.4	0.3	0.2	0.3	0.1
Organs of State	0.1	0.1	0.2	0.2	0.1
Prime Minister's Office	0.0	0.1	0.2	0.2	0.2
Primary Balance (C: A-B)	**-2.1**	**2.3**	**-4.1**	**-3.4**	**-7.6**
Special Transfers (ST), Total	6.4	6.1	9.0	15.3	22.0
Less: ST Excld Top-Ups to Endowment & Trust Funds (D)	2.8	2.1	1.7	1.7	4.7
Basic Balance (E: C-D)	**-4.9**	**0.1**	**-5.8**	**-5.1**	**-12.3**
Less: Top-ups to Endowment & Trust Funds (F)	3.6	4.0	7.3	13.6	17.3
Net Investment Returns Contribution (G)	14.6	14.7	16.4	17.0	18.6
Overall Budget (F: E-F+G)	**6.1**	**10.9**	**3.3**	**-1.7**	**-10.9**

Source: Macrobond, UOB Global Economics & Markets Research

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