

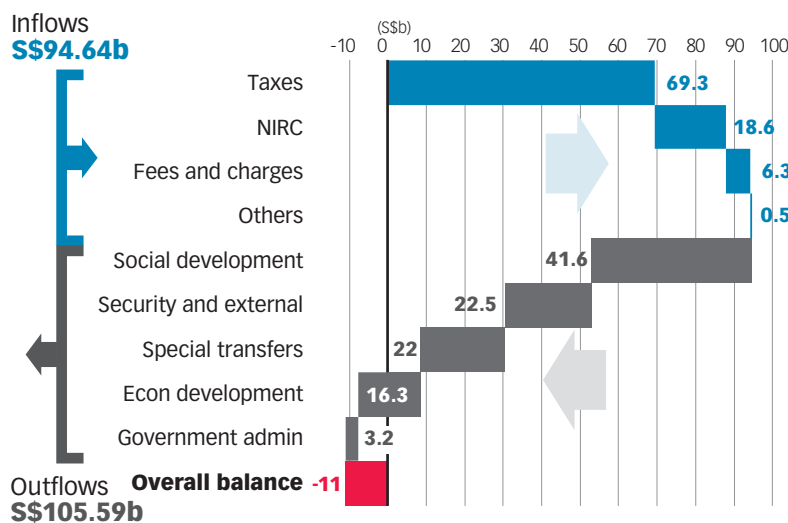
# Hefty deficit in FY2020

After narrowing its expected deficit for FY2019, the government is preparing to spend even more in FY2020. Much of this will go toward national development, and a significant portion is earmarked for healthcare spending as Singapore battles the effects of the Covid-19 virus outbreak.

BY LEILA LAI

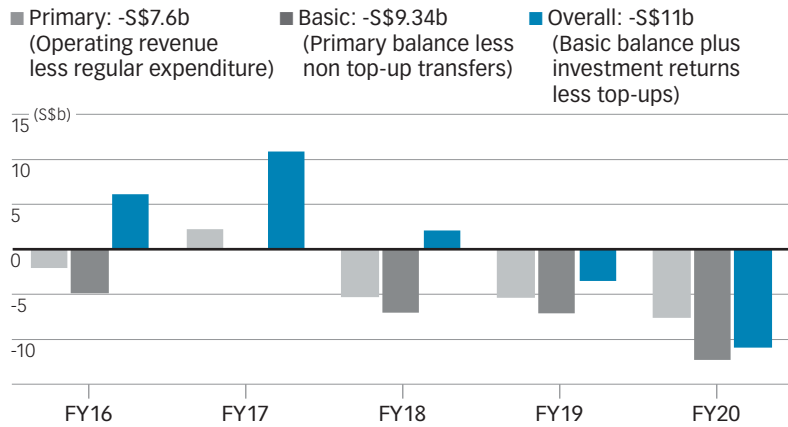
## FY20 estimated inflows and outflows

The Singapore Government's FY2020 Budget will feature the largest deficit by dollar amount in nearly two decades, driven by higher spending on healthcare amid the Covid-19 outbreak, as well as infrastructure spending.



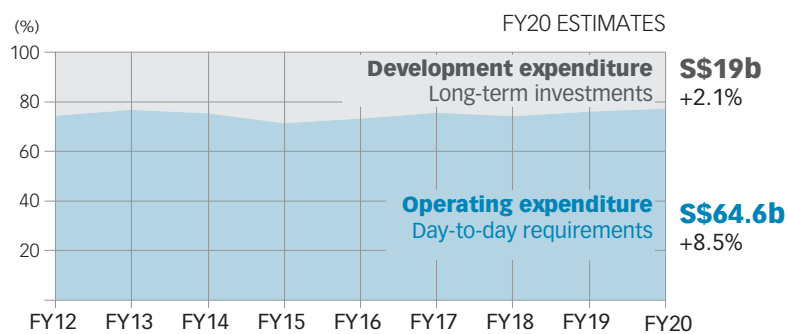
## Budget balance

The \$S\$10.9 billion overall deficit will be the largest since 1992, when the Government first implemented the reserves protection framework.



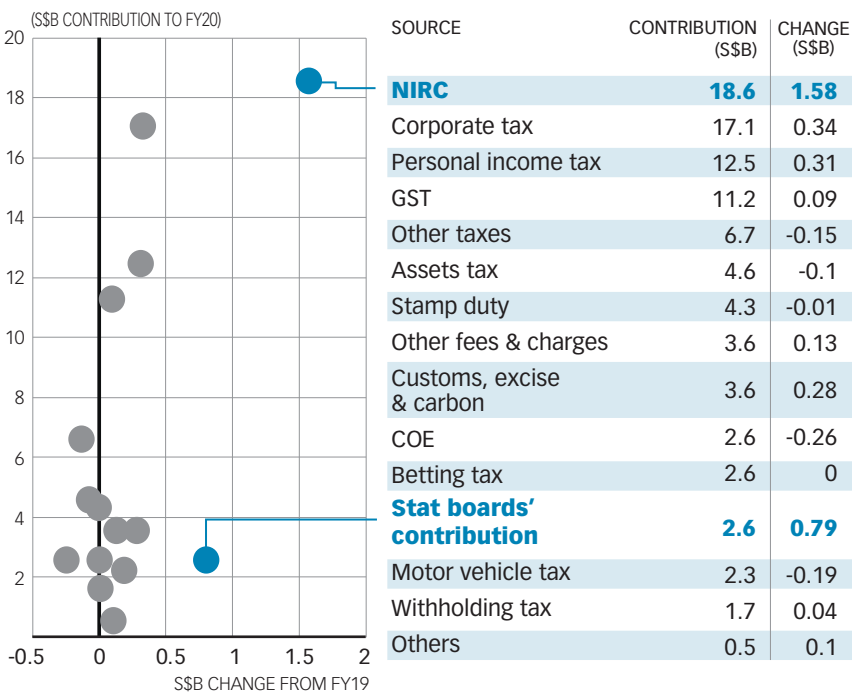
## Share of non-transfer expenditures

The split between operating expenditure, which goes towards day-to-day activities, and development spending, which goes towards longer-term projects, has remained a 70-30 to 80-20 range over the past several budgets.



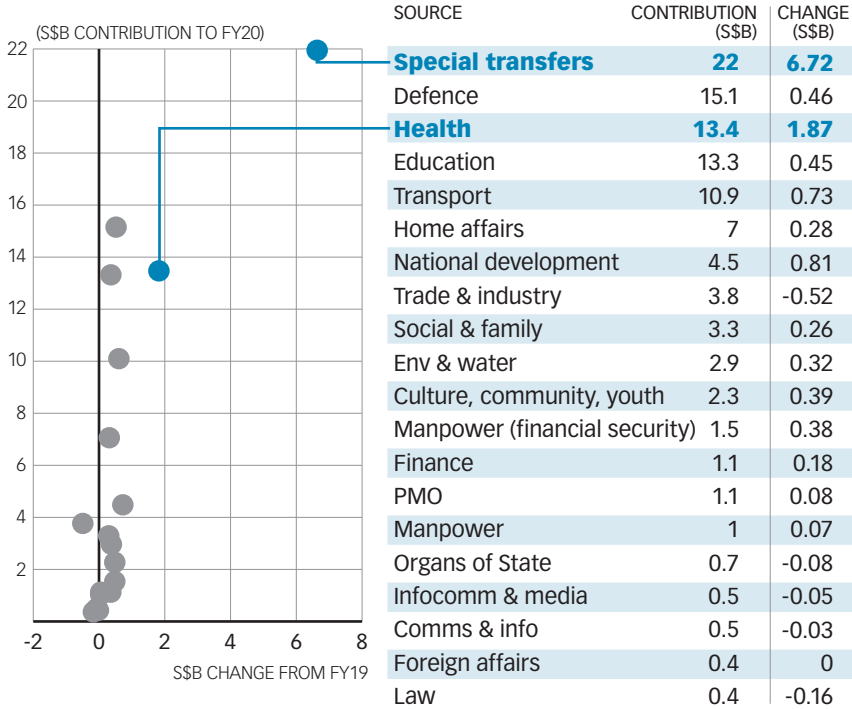
## Contributions to FY20 inflow

The current term of government has enjoyed occasional revenue increases, such as from higher statutory board contributions from the Monetary Authority of Singapore. However, these depend on market and currency fluctuations, and cannot be relied on for long-term planning.



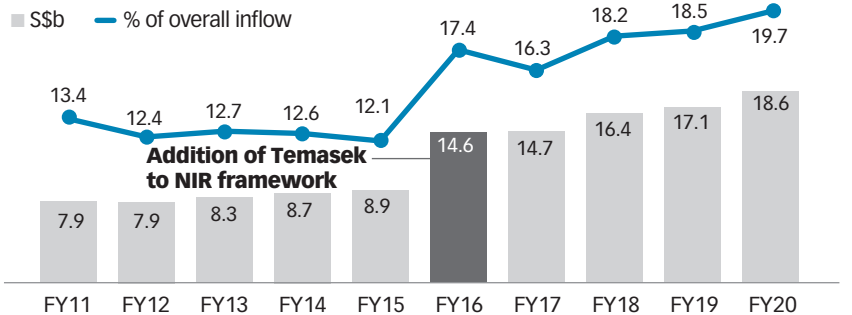
## Contributions to FY20 outflow

The \$S\$15.3 billion of special transfers will be the largest in at least 15 years in nominal dollar terms, while healthcare continues to be a major, growing cost burden.



## Net investment returns contribution

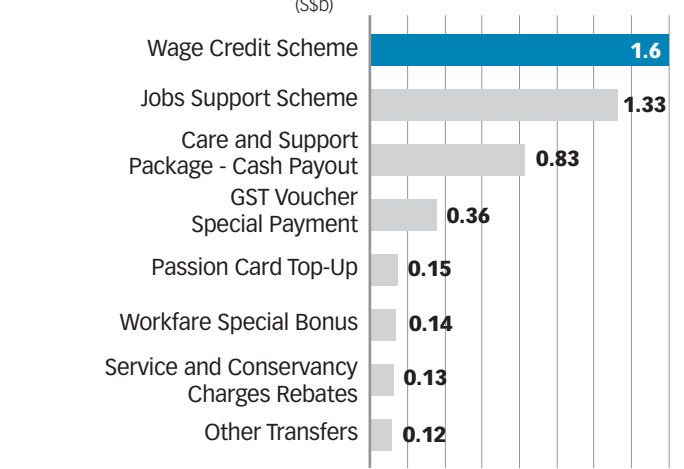
Returns from Singapore's reserves continue to be a major source of funding for the government, with their share of inflows rising to a new historical high.



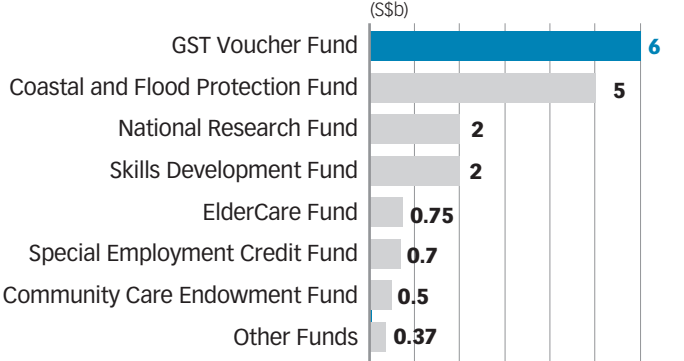
## Special transfers

The Government is setting aside \$S\$5.6 billion to help businesses and households weather the Covid-19 outbreak, and devoting another \$S\$5 billion to a Coastal and Flood Protection Fund to tackle climate change challenges.

## Non-top ups to endowments and funds



## Top-ups to endowments and trust funds



## Revisions to FY19 Budget

Lower-than-expected military and transport spending helped to slash the expected deficit in the FY19 budget by nearly half.

