



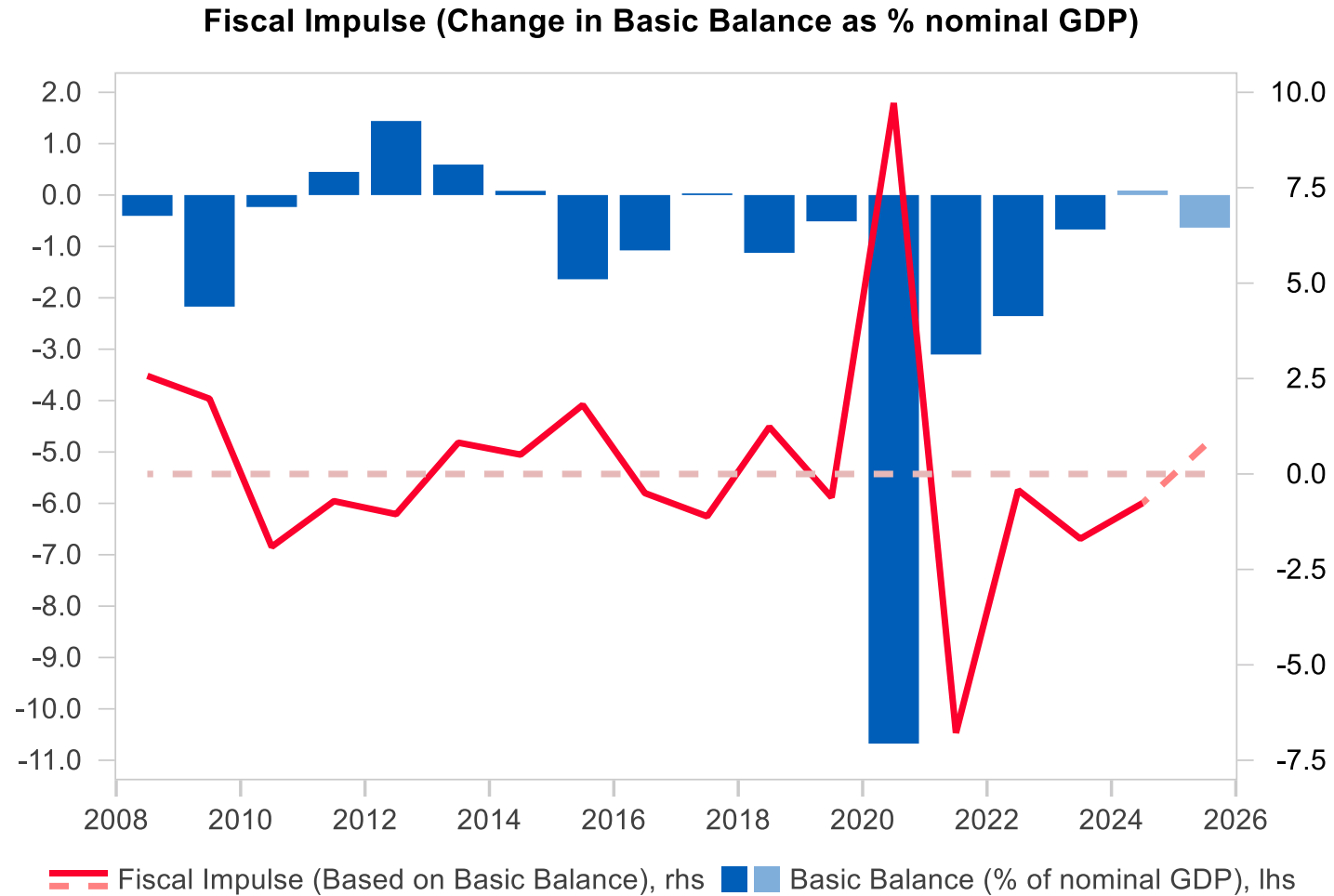
Singapore Budget 2025 – Generous and yet prudent

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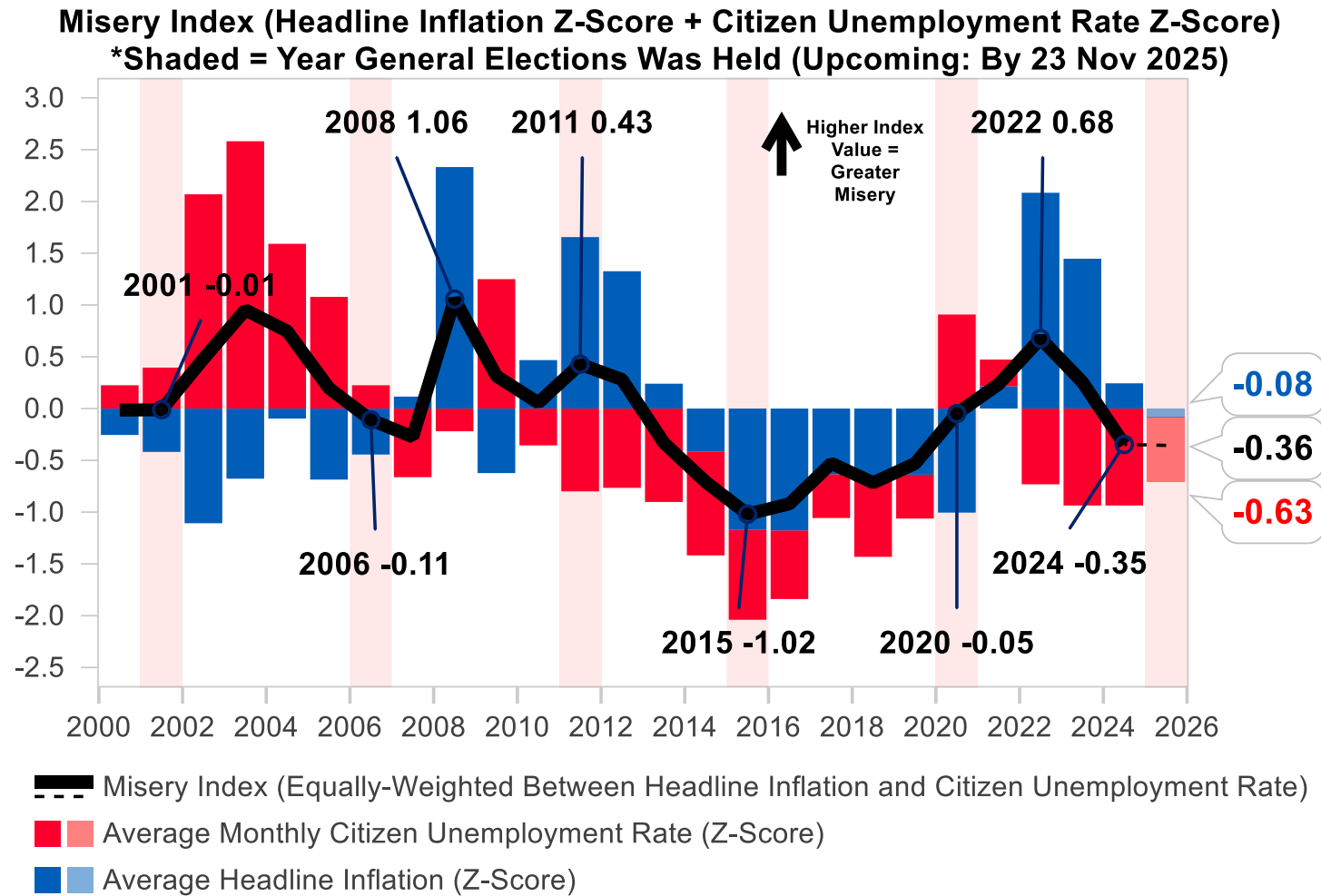
19 Feb 2025

Positive fiscal impulse in FY2025 (est +0.7% GDP; MOF: +0.9%)



Source: Singapore Budget 2025: A generous yet prudent Budget https://www.uobgroup.com/assets/web-resources/research/pdf/MN_250218C.pdf

Singapore: “Misery Index” suggests a benign backdrop in 2025



Source: Singapore Budget 2025: A generous yet prudent Budget https://www.uobgroup.com/assets/web-resources/research/pdf/MN_250218C.pdf

Prudent and disciplined: A positive signal to financial markets



In FY21-25 cycle, cumulative fiscal surplus of ~S\$14bn (cumulative 2% of nominal GDP)

				(A)		(B)	(C)		
	FY2021	FY2022	FY2023	Revised FY2023	Original FY2024	Revised FY2024	Revised vs Original FY24 (B) vs (A)	Budgeted FY2025	FY25 vs FY24 (C) vs (B)
SGD \$bn									
Operating Revenue	82.49	91.02	104.30	103.44	108.64	116.62	7.3%	122.78	5.3%
Corporate Income Tax	18.20	23.07	28.38	28.99	28.03	30.88	10.2%	32.67	5.8%
Personal Income Tax	14.22	15.52	17.53	17.51	18.08	18.97	4.9%	20.23	6.7%
Goods and Services Tax	12.63	14.09	16.36	16.65	19.39	20.61	6.3%	21.73	5.5%
Stamp Duty	6.76	5.95	5.92	5.81	5.73	6.36	10.9%	5.92	-6.9%
Assets Taxes	4.67	5.10	5.92	5.94	6.67	6.70	0.4%	6.89	2.9%
Vehicle Quota Premiums	3.22	3.76	4.66	4.49	4.73	6.54	38.5%	6.60	0.9%
Others*	22.79	23.52	25.54	24.07	26.01	26.57	2.1%	28.73	8.1%
Total Expenditure	94.80	104.86	106.89	105.31	111.76	112.91	1.0%	123.79	9.6%
Operating Expenditure	78.54	84.44	85.36	83.83	88.43	89.55	1.3%	97.03	8.3%
Development Expenditure	16.25	20.42	21.52	21.49	23.33	23.36	0.1%	26.76	14.6%
Primary Surplus/Deficit	(12.31)	(13.84)	(2.59)	(1.87)	(3.12)	3.71		(1.01)	
% of GDP	-2.0%	-2.0%	-0.4%	-0.3%	-0.4%	0.5%		-0.1%	
Special Transfers	6.83	8.94	27.17	27.07	23.30	25.12	7.8%	23.38	-6.9%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	6.83	2.69	2.85	2.75	2.94	3.07	4.2%	3.78	23.2%
Basic Surplus/Deficit	(19.14)	(16.53)	(5.44)	(4.62)	(6.06)	0.64		(4.79)	
% of GDP	-3.1%	-2.4%	-0.8%	-0.7%	-0.8%	0.1%		-0.6%	
Top-ups to Endowment and Trust Funds	0.00	6.25	24.32	24.32	20.35	22.05	8.3%	19.60	-11.1%
Net Investment Returns Contribution	20.37	22.38	22.92	22.97	23.50	24.03	2.2%	27.14	12.9%
Overall Budget Surplus/Deficit	1.23	(0.41)	(6.84)	(5.97)	(2.91)	2.62		2.74	
% of GDP	0.2%	-0.1%	-1.0%	-0.9%	-0.4%	0.4%		0.4%	
(+) Capitalisation of Nationally Significant Infrastructure	0.65	2.21	3.50	3.65	4.09	4.17		4.63	
(-) Depreciation of Nationally Significant Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
SINGA Interest Costs and Loan Expenses	0.00	0.09	0.23	0.23	0.40	0.38		0.56	
Overall Fiscal Position	1.88	1.72	(3.57)	(2.55)	0.78	6.41		6.81	
% of GDP	0.3%	0.2%	-0.5%	-0.4%	0.1%	0.9%		0.9%	

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

*Includes Withholding Tax, Statutory Boards' Contributions, Customs, Excise and Carbon Taxes, Motor Vehicles Taxes, Betting Taxes, Other Taxes, Fees and Charges and Others

Source: Singapore Budget 2025: A generous yet prudent Budget

https://www.uobgroup.com/assets/web-resources/research/pdf/MN_250218C.pdf

Forecast tables

Growth forecasts

Steady growth in 2025 across Asia; China to ease below 4.5%

		y/y% change					2019	2020	2021	2022	2023	2024F	2025F
		-1	0	1	2	3	4	5	6	7	8	9	
World GDP													
							2.9	-2.7	6.6	3.6	3.3	3.2	3.1
US (q/q saar)							2.6	-2.2	6.2	2.5	2.9	2.8	1.8
UK							1.6	-10.3	9.5	3.4	0.4	0.8	1.4
Euro Area							1.6	-6.1	6.5	2.7	1.0	0.8	1.3
Japan							-0.4	-4.2	2.8	0.9	1.9	-0.3	1.0
Australia							1.9	-2.0	5.5	3.8	2.1	1.0	2.1
New Zealand							3.2	-1.0	6.2	1.8	0.7	0.6	2.1
China							6.2	2.0	8.8	3.0	5.2	5.0	4.3
HK							-1.6	-6.6	6.5	-3.7	3.2	2.5	2.0
Taiwan							3.0	3.4	6.8	2.7	1.1	4.3	3.0
South Korea							2.3	-0.7	4.6	2.8	1.4	2.0	1.7
India (FY)							6.5	3.9	-5.8	9.7	7.0	8.2	6.6
ASEAN-6							4.4	-4.0	4.6	6.2	3.8	5.0	4.7
Indonesia							5.0	-2.0	3.7	5.3	5.0	5.0	5.2
Malaysia							4.4	-5.6	3.9	8.9	3.6	5.1	4.7
Philippines							6.1	-9.3	5.5	7.6	5.6	5.6	6.0
Singapore							1.3	-3.8	10.0	4.1	1.8	4.4	2.5
Thailand							2.1	-6.1	1.7	2.6	1.9	2.7	2.9
Vietnam							7.3	2.8	2.6	8.7	5.0	7.1	7.0

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■ 2023 ★ 2024F ▲ 2025F

Source: Macrobond, Global Economics & Markets Research

FX, rates and commodities forecasts

FX	02 Jan	1Q25F	2Q25F	3Q25F	4Q25F
USD/JPY*	157	159	160	157	154
EUR/USD*	1.03	1.01	0.99	1.01	1.03
GBP/USD*	1.24	1.22	1.20	1.23	1.25
AUD/USD*	0.62	0.61	0.59	0.61	0.63
NZD/USD*	0.56	0.55	0.53	0.55	0.57
DXY*	109.17	110.3	111.9	109.9	107.9

USD/CNY*	7.30	7.40	7.55	7.65	7.50
USD/HKD	7.78	7.80	7.80	7.80	7.80
USD/TWD*	32.89	33.2	33.6	34.0	33.5
USD/KRW*	1,466	1,490	1,510	1,530	1,510
USD/PHP	58.18	59.5	60.0	60.5	60.0

USD/MYR	4.49	4.53	4.60	4.65	4.55
USD/IDR*	16,223	16,400	16,600	16,800	16,500
USD/THB*	34.43	34.8	35.2	35.4	35.0
USD/VND	25,457	25,800	26,000	26,200	26,000
USD/INR*	85.76	86.5	87.0	87.5	87.0

USD/SGD*	1.37	1.38	1.39	1.40	1.38
EUR/SGD*	1.40	1.39	1.38	1.41	1.42
GBP/SGD*	1.69	1.68	1.67	1.72	1.73
AUD/SGD*	0.85	0.84	0.82	0.85	0.87
SGD/MYR*	3.28	3.28	3.31	3.32	3.30
SGD/CNY*	5.34	5.36	5.43	5.46	5.43
JPY/SGDx100*	0.87	0.87	0.87	0.89	0.90

POLICY RATES	02 Jan	1Q25F	2Q25F	3Q25F	4Q25F
US Fed Funds Rate	4.50	4.25	4.00	3.75	3.75
JPY Policy Rate	0.25	0.50	0.50	0.50	0.50
EUR Refinancing Rate*	3.15	2.65	2.15	2.15	2.15
GBP Repo Rate	4.75	4.50	4.25	4.00	3.75
AUD Official Cash Rate	4.35	4.00	3.75	3.50	3.25
NZD Official Cash Rate	4.25	4.00	3.50	3.00	3.00

CNY 1Y Loan Prime Rate	3.10	2.90	2.80	2.80	2.80
HKD Base Rate	4.75	4.50	4.25	4.00	4.00
TWD Official Discount Rate	2.00	2.00	2.00	2.00	2.00
KRW Base Rate	3.00	2.75	2.50	2.50	2.50
PHP O/N Reverse Repo	5.75	5.50	5.00	5.00	5.00
MYR O/N Policy Rate	3.00	3.00	3.00	3.00	3.00
IDR 7D Reverse Repo	6.00	6.00	6.00	5.75	5.50
THB 1D Repo	2.25	2.00	2.00	2.00	2.00
VND Refinancing Rate	4.50	4.50	4.50	4.50	4.50
INR Repo Rate*	6.50	6.25	5.75	5.75	5.75

INTEREST RATES	02 Jan	1Q25F	2Q25F	3Q25F	4Q25F
USD 3M SOFR (compounded)*	4.68	4.34	3.99	3.74	3.61
SGD 3M SORA (compounded)*	3.02	2.71	2.51	2.34	2.27
10Y US Treasuries Yield*	4.56	4.30	4.20	4.10	4.10
SGD 10Y SGS*	2.87	2.90	2.80	2.70	2.70

COMMODITIES	02 Jan	1Q25F	2Q25F	3Q25F	4Q25F
Gold (USD/oz)	2,659	2,700	2,800	2,900	3,000
Brent Crude Oil (USD/bbl)	76	75	75	70	70
Copper (USD/mt)	8,803	8,000	8,000	7,500	7,500

Source: https://www.uobgroup.com/web-resources/uobgroup/pdf/research/FX_Int_Rate.pdf

Updated as of 03 January 2025

* Forecasts updated as compared to previous report dated 28 November 2024

Source for spot rates: Bloomberg

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