

FinancialQuotient

What is Budget 2018?

Simon Poh

WHAT DOES IT MEAN?

The Budget refers to the nation's strategic financial plan for each

year. It takes stock of the country's economic progress and shows how the Government intends to use our resources to position the nation for the future, while taking care of some immediate needs.

Finance Minister Heng Swee Keat will present Budget 2018 before Parliament tomorrow. It will set out estimates of the Government's revenue and expenditure for the 2018 financial year and provide updates on the revised projections for the current financial year.

The Government's main expenditure is in the areas of social development, building new infrastructure, healthcare, education, defence and economic transformation.

The Government's main revenue comes from taxes, fees and charges as well as contributions from net investment returns from past reserves introduced in the 2009 financial year.

WHY IS IT IMPORTANT?

The annual Budget statement is closely followed by businesses and the public as major tax policy decisions are unveiled, including the introduction of new taxes, if any.

Due to an expectation of increases in government expenditure, industry watchers are expecting announcements of tax measures for individuals and businesses.

Based on past Budget announcements, financial initiatives targeted at businesses and vulnerable groups will also be a key focus. As for the public, anticipation of rebates and other incentives will take centre stage.

IF YOU WANT TO USE THE TERM, JUST SAY ...

"I cannot wait to find out from Budget 2018 where the anticipated tax increases will be coming from."

• The writer is Associate Professor (Practice) of the Department of Accounting at NUS Business School. The opinions expressed are those of the writer and do not represent the views and opinions of NUS.