

PRESS RELEASE

CIVIL SERVICE MID-YEAR PAYMENT

The Government will pay civil servants a mid-year Annual Variable Component (AVC) of 0.5 months and an additional payment of \$220 in July 2006

The economy grew by 10.6% in the first quarter of 2006, compared to 8.7% in the last quarter of 2005. In view of the positive developments in both the external and domestic economic environment, and barring unforeseen circumstances, the Ministry of Trade and Industry has revised the 2006 GDP growth forecast to between 5% and 7%, from the previous forecast of between 4% and 6%. Against this backdrop, the Government has decided to pay a mid-year AVC of 0.5 months in July 2006.

2 In addition, the Government will be making a \$220 payment to all officers this July. This payment is in line with the call by the National Wages Council for employers to help low wage workers.

3 The Government will decide on the year-end AVC payment for civil servants when Singapore's economic performance in the second half of 2006 is clearer.

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Contact: Andy Ong
Executive
Communications and International Relations

Tel: 6332-7175

Email: andy_ong@psd.gov.sg