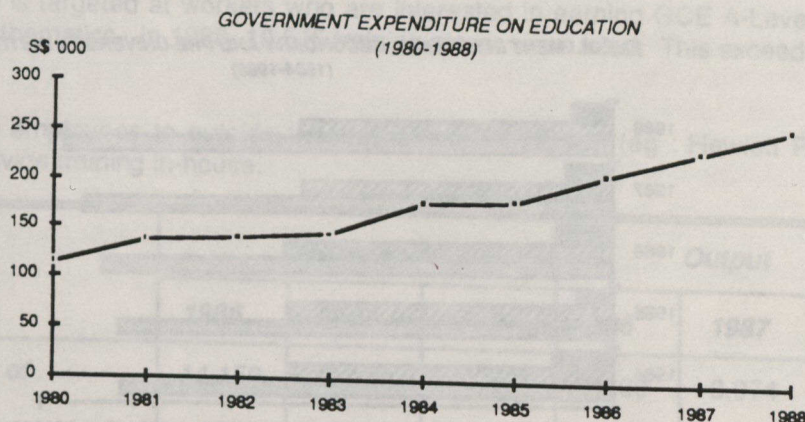


BACKGROUND

ECONOMIC OVERVIEW

From 1980 to 1988, total government expenditure on education grew by 12%* from S\$688 million to S\$1.7 billion. The major expenditures were on secondary schools (33%), junior colleges (31%), primary and tertiary schools (27%).

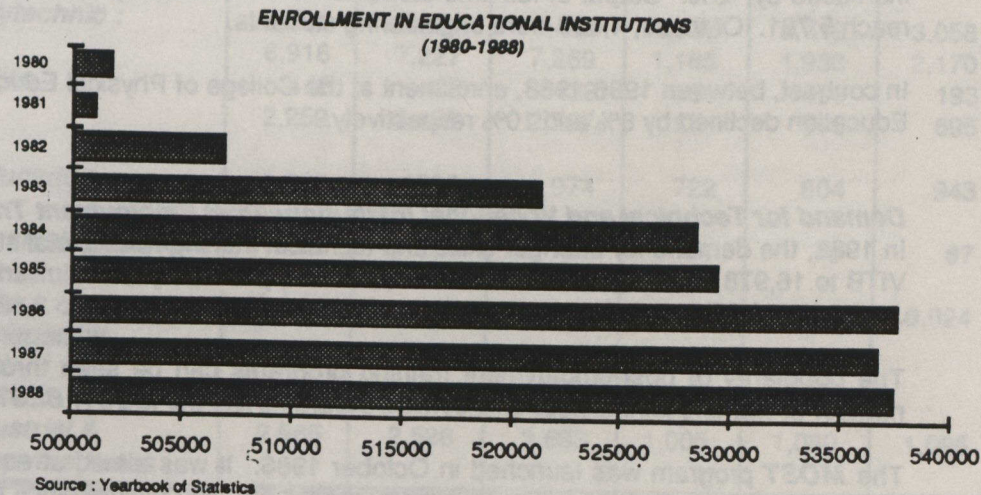


Education has been a major item of public expenditure. In 1989, the total budgeted recurrent expenditure for education was S\$1.5 million (20% of total government recurrent expenditure).

Private consumption expenditure for recreation and education has grown by 10% over the past 8 years from S\$1.8 billion in 1980 to S\$3.9 billion.

CURRENT SITUATION

The total enrollment in educational institutions has increased by 1% from 501,887 in 1980 to 537,533 in 1988. Primary schools account for the bulk (55%) of total enrollment.



* All growth rates are CAGR (Compounded Annual Growth Rates).