

19 February 2018

## **Media Statement on Budget 2018**

Today's budget statement was a tour de force demonstrating the government at its best. What came across was integrated, strategic planning for the future benefit of the Singapore economy and Singaporeans while remaining fiscally sustainable.

Minister Heng Swee Keat, in remarks over the weekend, said that Budget 2018 would be pro-Singaporean, pro-business and pro-environment. He did not disappoint on any front today. In fact, he even managed to give all Singaporeans a hongbao – something that none of us expected but which all of us welcome especially at Lunar New Year.

Given the number of comments made by both politicians and economists in the run-up to the budget concerning GST, most people expected a GST hike. But this is a government which had announced some years ago that it had sufficient funds for the current term. Equally, this is a government which plans ahead. The Minister announced that GST will increase to 9% in the time-honoured, progressive manner of previous increases sometime in the period 2021-2025. In other words, after the next general election.

The budget was pro-Singaporean because it set out the government's plans for increased support of education, including continuing education for workers, healthcare and our senior citizens and the charities and community support groups which do so much to help others.

The Chamber applauds the moves to increase pre-school education. Providing quality child care is a key enabler of more babies. Teaching financial literacy to Poly and ITE students is a very wise move. The Minister pointed out that while the cohorts of our young are decreasing, Singapore is spending more on each child.

The Budget Statement was pro-business because the government understands that the best way to secure Singapore's future is to sustain a vibrant and innovative economy. Businesses will be cheered by the increase of research and development (R+D) tax deductions to 250% without a cap. This is just one of several measures designed to help execute the ambitious industry transformation maps and enable businesses to keep innovating to expand and stay relevant.

Businesses will also welcome the extension of the Wage Credit Scheme as it helps defer costs. Ditto the extension of the corporate tax rebates for YA 2018, 2019 and 2020.

The carbon tax will be implemented in 2019 as planned to encourage businesses to reduce carbon emissions. Here we have the key pro-environment measure.

Last, but not least, the Chamber is cheered by the focus on ASEAN as seen in the Go Southeast Asia Award which enables SMEs to attract undergraduates through structured, regional internships. The future for Singapore business is ASEAN - our backyard.

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## **About the Singapore International Chamber of Commerce**

SICC was founded in Singapore in 1837 making it the city-state's longest serving voice of the private sector. Today, SICC is Singapore's most inclusive Chamber. It provides an engagement platform for business people which cuts across all potential silos of ethnicity, nationality and sector. The Chamber represents over 600 companies representing 40



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nationalities and 20 sectors equally split between large organizations and medium, small and start-up companies. SICC's diverse members form a very representative slice of the Singapore business community. An independent advocate for business, SICC shares its members' views and concerns on government policy with policymakers and politicians. The Chamber focuses on 3 main pillars: human capital, collaborative innovation and championing the circular economy. [www.sicc.com.sg](http://www.sicc.com.sg)

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