

SINGAPORE GE2025

GE2025: Political stability, policy continuity should buoy business confidence in Singapore: economists, trade chambers

The outcome stands in contrast to 'massive and disruptive shifts' in politics elsewhere, says Maybank economist Chua Hak Bin

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Prime Minister Lawrence Wong addressing supporters together with his Marsiling–Yew Tee GRC teammates – Hany Soh, Senior Minister of State for Defence and Manpower Zaqy Mohamad and Alex Yam – at Yio Chu Kang Stadium on May 4. Singapore's fundamentals are what keep it attractive to investors, say economists and trade chambers. PHOTO: ST

[SINGAPORE] The clear mandate given to the ruling People's Action Party (PAP) in Singapore's 2025 General Election (GE) should reassure investors and businesses, paving the way for decisive action while signalling stability and continuity, economists and trade chambers said.

The PAP secured 65.57 per cent of the popular vote, up from 61.24 per cent in GE2020.

With this strong mandate, the business community now expects more action.

Said Maybank economist Chua Hak Bin: "PM Lawrence Wong can form a new Cabinet quickly within the next few weeks and focus on the many economic challenges at hand, particularly the global trade war and tariff shocks."

"Businesses and investors will be reassured that rationality and prudence will prevail (in Singapore), and fiscal support will be forthcoming if the economic downturn worsens," he said.

Similarly, the Singapore Chinese Chamber of Commerce & Industry said that it looked forward to the formation of a "capable and united government team" to take Singapore through growing global uncertainty.

Strong leadership will be critical to sustain growth, strengthen resilience, and reshape Singapore's economy, said the chamber.

Reassuring stability

"Markets and businesses will receive the results well, given the policy continuity and political stability," said Maybank's Chua.

He drew a contrast with other democracies that saw "massive and disruptive shifts" in parties and policies in the last few years, which dampened growth and investments.

Similarly, DBS economist Chua Han Teng said that the strong mandate "will reassure investors of ongoing political stability and policy continuity".

This, he added, “has the potential to enhance Singapore’s already favourable business environment”.

Singapore International Chamber Of Commerce CEO Bitu Seow said: “Political transitions here are carefully managed and institutional frameworks are resilient, providing the predictability and certainty investors value.”

She noted that political continuity “strengthens Singapore’s brand as a trusted, dependable international business hub”, but added: “However, even in times of leadership change, Singapore’s strong institutions, robust governance, and clear national priorities have ensured that the country’s reputation remains unshaken.”

Sustained fundamentals

Beyond the election result, economists and trade chambers stressed that Singapore’s fundamentals are what keep it attractive to investors.

Said Seow: “What matters most to businesses is the continuation of core attractiveness of Singapore: integrity, efficiency, and openness to global talent and trade – all of which are deeply entrenched in Singapore’s system.”

DBS’ Chua said the strong rule of law, favourable business environment, access to skilled talent, and high infrastructure connectivity will keep Singapore a “stable and trusted investment destination” in an increasingly turbulent global economy.

But while OCBC’s chief economist Selena Ling agreed that a clear mandate “is likely a plus”, she added that economic policy continuity may not necessarily mean an easy path ahead.

Singapore’s domestic stability does not change how the global order is coming apart, she added – though Singapore still looks attractive to foreign investors as a “safe harbour” in an uncertain world.

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