



BUDGET
2023



SINGAPORE ECONOMY 2030:

Building a Vibrant Economy, Nurturing Enterprises



“2023 will likely not be an easy year for businesses, and the Government will not hesitate to provide targeted support where needed. However, we must not lose sight of the longer-term future.

Achieving our Singapore Economy 2030 vision will require hard work, and in some cases sacrifices. Companies and workers alike must be ready for transformation. In the face of rising costs, biting resource constraints and a more challenging international environment, this is the only viable path to long-term growth and success.

– Minister for Trade and Industry, Mr Gan Kim Yong

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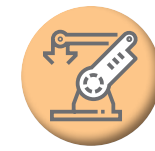


ECONOMY 2030

Forging Ahead Together

The **Singapore Economy 2030** vision was introduced in 2022 to chart the path towards a vibrant economy with exciting opportunities for our enterprises and people.

Building on the progress made, the Ministry of Trade and Industry (MTI) will enhance our programmes and initiatives this year to help businesses position themselves for growth, especially amid global economic challenges and tighter resource constraints.



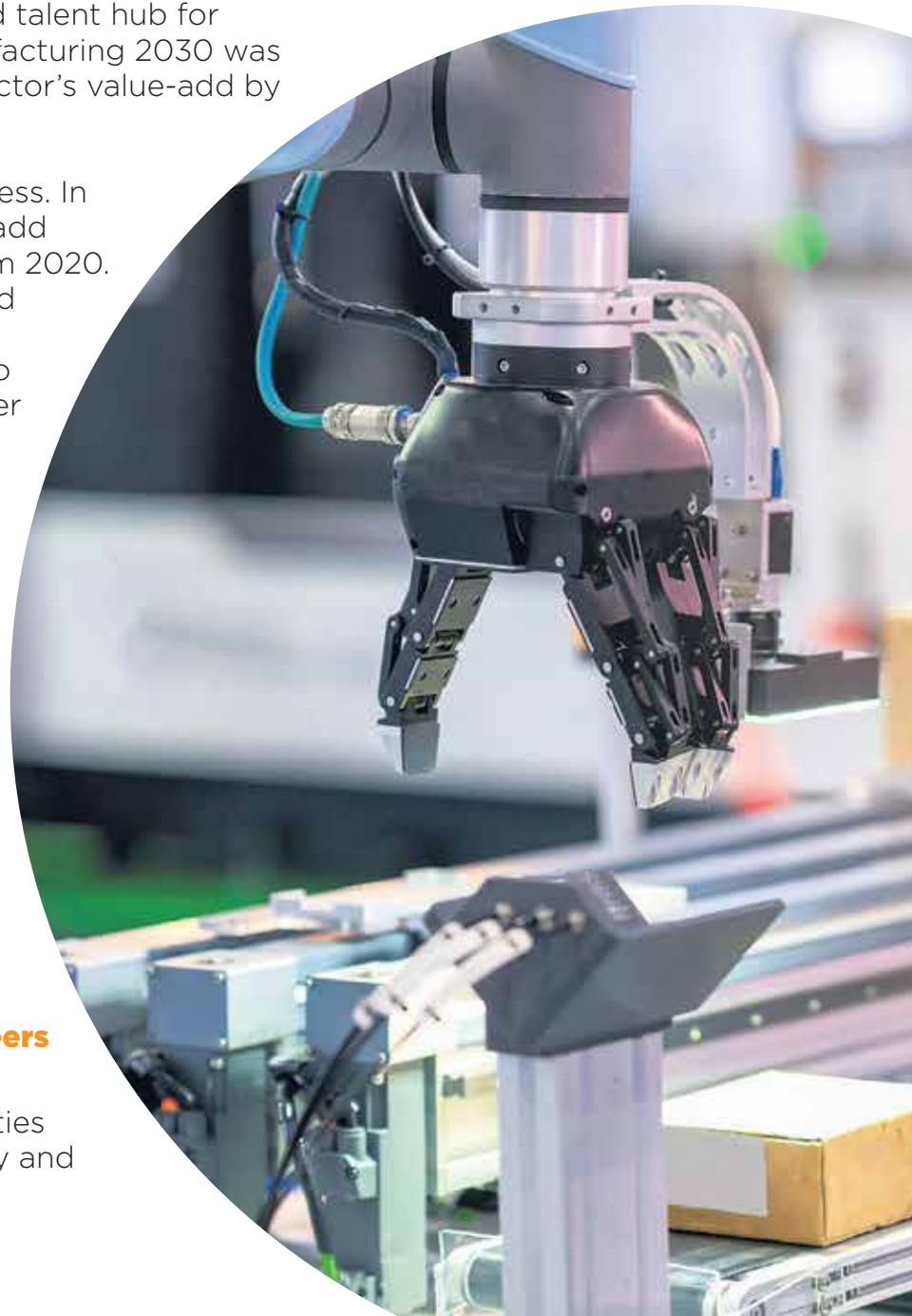
MANUFACTURING 2030

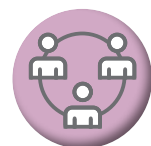
What is it? Our vision for Singapore is to become a global business innovation and talent hub for advanced manufacturing. Manufacturing 2030 was launched in 2021 to grow the sector's value-add by 50%, between 2020 and 2030.

We have made significant progress. In 2022, our manufacturing value-add increased by more than 15% from 2020. The sector also received a record \$17 billion in total Fixed Asset Investment, which is expected to create more than 4,600 jobs over the next five years.

We will achieve this by:

- Attracting frontier investments into Singapore through our incentive toolkit, such as the **Pioneer Certificate, Development and Expansion Incentive** and **Investment Allowance tax incentives**
- Supporting companies to attract talent and develop good career pathways for locals through efforts such as the **Manufacturing 2030 Careers Initiative**
- Pursuing emerging opportunities in areas such as biotechnology and robotics





SERVICES 2030

What is it? We aim to grow the services sectors by harnessing growth opportunities in sustainability and digitalisation, and anchor Singapore as a leading, vibrant hub for businesses, lifestyle and tourism.

In particular, we aim to grow the value-added from the Modern Services cluster by at least 50% and create more than 100,000 additional jobs within this decade.

We will achieve it by:

- Strengthening Singapore's hub status as a hub of firms, hub of flows and hub of talent while leveraging growth opportunities in digitalisation and sustainability
- ▶ Catalyse the growth of multinational enterprises and large local enterprises with Singapore as a base for their Global-Asia operations
- ▶ Anchor our position as a gateway to South-east Asia, connect Singapore more closely with the world, including by furthering our networks of **Digital Economy and Green Economy agreements**
- ▶ Strengthen Singapore's position as a vibrant lifestyle hub, through **"light-touch" experiences** on the Southern Islands and being certified as a **Global Sustainable Tourism Council's Destination (GSTC-D)**
- ▶ Build a strong, adaptable, and Asia-ready local workforce, while continuing to be a hub for global talent who can bring in new ideas, perspectives, and expertise
- ▶ Transform the Professional Services industry with key strategies under the refreshed **Industry Transformation Map (ITM) 2025**



TRADE 2030

What is it? Our strategy is to grow Singapore's trading volume, widen the types of trading activities, and expand trade with other parts of the world. This will enable us to plug Singapore more deeply into global supply chains and enhance our status as a global trade hub.

We will achieve it by:

- Attracting **Global Traders** from diverse markets to anchor their operations in Singapore and work with local enterprises
- Leveraging our network of **27 Free Trade Agreements** while building new trade linkages
- Diversify trade flows to build up trade resilience and tap on growth opportunities, such as from **sustainability-linked trade products**



ENTERPRISE 2030

What is it? Our strategy is to build and sustain a vibrant ecosystem of Singapore enterprises that are future-ready and possess deep capabilities to compete globally.

We will achieve it by:

- Supporting and building a strong slate of locally-grown, high-growth companies that can compete against the best in the world, via the **Singapore Global Enterprises initiative**, which leverages programmes such as **Scale-Up X programme**
- Strengthening the **core capabilities of local enterprises** in four key areas: sustainability, internationalisation, digitalisation, and innovation



Why is it important?

Global growth is expected to moderate amid tight financial market conditions and elevated energy prices.

We will continue to support businesses with near-term measures to help them cope with these challenges.



ACCESS TO FINANCE

- Extended the Enterprise Financing Scheme enhancements until March 2024 to facilitate companies' access to credit, including:
 - ▶ The current enhanced maximum loan quantum parameters of \$500,000 for the **EFS-SME Working Capital Loan** and \$10 million for the **EFS-Trade Loan** to help enterprises cope with higher working capital and cash flow needs
 - ▶ The period of support for domestic construction projects under the **EFS-Project Loan** to enable construction companies to carry out existing projects and secure new ones
- Enhanced the **EFS-Venture Debt** programme to include venture debt loans backed by Redeemable Convertible Preference Shares (RCPS)



ENERGY EFFICIENCY

- Extended the **Energy Efficiency Grant** until March 2024 to provide businesses in the Food Services, Food Manufacturing and Retail sectors with up to 70% support to invest in energy-efficient equipment and cope with higher electricity prices



Ernst and Young Solutions Asean business incentives advisory leader Tan Bin Eng:

“Cash flow is the lifeblood of SMEs, and it is critical that financing remains available to them. The Enterprise Financing Scheme will encourage participating financial institutions to continue to support SMEs, and ensure that SMEs get sufficient assistance to ride through challenges.”



Schneider Electric cluster president for Singapore, Malaysia and Brunei Kim Yoon Young on how the Energy Efficiency Grant will help “cushion the impact of rising energy costs” and improve SMEs’ competitiveness in the long term:

“Now is not the time to scale back on sustainability and decarbonisation efforts. It is therefore encouraging that Budget 2023 continues to support businesses to press on with their green transition.”



Why is it important?

We need to secure Singapore's ability to serve as a business hub regionally and internationally amid intensifying competition. We continue to welcome global companies and investors to anchor high-value activities and capabilities here, and develop our local ecosystem.

At the same time, Singapore must transform our economy to achieve our climate commitments and remain relevant and competitive in a low-carbon future.



ENCOURAGING INVESTMENTS

- To enhance our attractiveness to global companies and investors, we will:
- Top up \$4 billion to **National Productivity Fund** and expand the scope of the fund to support investment promotion
- Extend the **Investment Allowance (IA), Pioneer Certificate Incentive (PC) and Development and Expansion Incentive (DEI)** tax incentives for an additional five years to December 2028



STRENGTHENING SUSTAINABILITY CAPABILITIES OF BUSINESSES

We will support businesses in their decarbonisation journeys and pursue green opportunities through measures such as:

- Enhanced support of up to 70% for sustainability-related projects under the **Enterprise Development Grant (EDG)** until March 2026
- New thematic and sectoral sustainability playbooks under **Enterprise Sustainability Programme** to explain key concepts and outline practical steps SMEs can take to become more sustainable
- **One-stop website** for SMEs to have easier access to information and resources
- Digital solutions, courses and partner programmes to help SMEs conduct carbon management, including funding support for SMEs to adopt pre-scoped digital carbon management solutions through the **Productivity Solutions Grant (PSG)**
- Workshops and a playbook to support SMEs in **sustainability reporting**



CAPTURING GREEN GROWTH OPPORTUNITIES

We will also continue to capture economic opportunities in new green growth sectors and help businesses harness sustainability as a competitive advantage, such as through:

- The **Green Economy Regulatory Initiative (GERI)**, a one-stop platform for businesses with innovative sustainability solutions that face regulatory hurdles. Proposals submitted to GERI will be assessed on an expedited timeline, and could be trialed in regulatory sandboxes at a faster pace



EQUIPPING WORKERS WITH GREEN SKILLS

We will help equip workers with the know-how for new or transformed jobs in the green economy by:

- Setting up the **Green Skills Committee** with SkillsFuture Singapore, to develop skills and training programmes required for the green economy
- Identifying the jobs and skills required in the **energy sector** and for **sustainability reporting and assurance** for a start, and building the training framework and programmes for these jobs



KPMG managing partner Ong Pang Thye:

“The extra \$4 billion for Singapore’s National Productivity Fund and expansion of its scope to include investment promotion will help maintain a business ecosystem that is attractive to foreign investment. In turn, this will create new opportunities for Singapore’s people.”

Why is it important?

We will continue to face headwinds as the global economy slows in the near term. Structural shifts in our operating environment are also underway, and these will create both opportunities and challenges for Singapore.

We remain committed to supporting companies on their transformation journeys so that they can capture new opportunities, adapt to these new realities and thrive in the long run.



ENABLING TRANSFORMATION

We will support businesses in their internationalisation, digitalisation and innovation efforts by:

- Extending the enhanced **Market Readiness Assistance (MRA)** grant cap of \$100,000 by another two years until March 2025
- Enhancing the **Double Tax Deduction for Internationalisation (DTD_i)** to support enterprises' use of e-commerce platforms
- Introducing the **Enterprise Innovation Scheme (EIS)**, which provides tax deductions for R&D and innovation activities
- Enhancing the **Innovation and Enterprise Fellowship Programme (IFP)**
- Topping up \$150 million into the **SME Co-Investment Fund**, to invest in promising SMEs
- Providing tailored support to grow a deeper base of **Singapore Global Enterprises**, including through the new **Scale-Up X** programme



ENERGISING HEARTLANDS

As part of Our Heartlands 2025 initiative, we want to create a hotbed of innovation and entrepreneurship to revitalise our local neighbourhoods. We will do so by:

- Launching the **Heartland Innovation and Transformation programme**, which will provide curated training courses and a conducive ecosystem for aspiring enterprises to test their business ideas and build capabilities and scale
- Rolling out **Heartlands Go Digital 3.0**, to deepen the digital and manpower capabilities of heartland shops



President of the Association of Small and Medium Enterprises (ASME) Kurt Wee:

“Our companies need to focus more on innovation and in making use of technology to become more efficient – and (the Enterprise Innovation Scheme) is a clear and sharp signal for them to push ahead on this front. “This will make them more productive, turn them into sharper enterprises and make them more competitive in the long run.”



Deloitte Singapore global investment and innovation incentives leader Yvaine Gan:

“(The Enterprise Innovation Scheme is a) potential game-changer for encouraging businesses to continue investing in R&D locally and for multinational companies considering Singapore as a potential location for R&D activities.”



Why is it important?

Many challenges that businesses face today, including labour and land constraints, are permanent due to Singapore's limited land and resources.

We also face a carbon constraint. Amid the growing impetus for global climate action, we will have to decarbonise our economy, industries and businesses as we work towards our climate goal of net zero emissions by 2050.



NAVIGATING THE ENERGY TRANSITION

We will safeguard our energy security and accelerate our transition to low-carbon energy sources for a more sustainable future by:

- Developing new energy supply sources to diversify and decarbonise our energy supply, by tapping on **regional power grids** to access cleaner energy sources, implementing the **National Hydrogen Strategy** and accelerating **solar deployment efforts**
- Strengthening our **energy market structure** to ensure the market continues to function well under volatile conditions
- Building **strong collaborations with regional and international partners**, both in G2G projects and partnerships with international organisations, to secure our energy supply and energy technologies



DEVELOPING OUR WORKFORCE

We are supporting businesses in deepening the skill competitiveness of the workforce and leveraging digital tools for productivity by:

- Continuing with initiatives to develop talent, such as the **Enterprise Leadership for Transformation (ELT)**, **Tech@SG**, **Singapore Global Executive programme (SGEP)** and the **Global Ready Talent programme**
- Equipping workers with the skills they need for new and transformed jobs through initiatives like the **Green Skills Committee**
- Building on the **Manufacturing 2030 Careers Initiative** to attract Singaporeans to the Manufacturing sector by extending the **Accelerated Pathways for Technicians and Assistant Engineers (Manufacturing) (APT[M]) Grant** by another two years



OCBC head of the sustainability office, global wholesale banking, Mike Ng:

“Bringing about an effective transition to a sustainable, low-carbon world requires greening the entire economy, and not merely growing the green economy.”



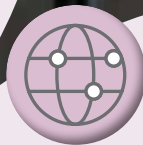
Schneider Electric cluster president for Singapore, Malaysia and Brunei Kim Yoon Young:

“A green economy in Singapore cannot be achieved without the development of green talent, particularly within the hospitality industry, where this is still at a nascent stage.”

Why is it important?

Singapore's position as a global business hub is underpinned by our strong trade connectivity and our network of bilateral and multilateral trade agreements.

Domestically, we also work closely with like-minded partners such as our Trade Associations and Chambers (TACs), to multiply our efforts and expand our reach to more enterprises.



DEEPENING GLOBAL TIES

We will continue to expand and safeguard our economic space by building new trade partnerships and deepening existing ones:

- **Remaining open** to foreign investments, companies and talent to secure our global business hub status
- Forging **new partnerships** through agreements such as the Indo-Pacific Economic Framework (IPEF), Pacific Alliance-Singapore Free Trade Agreement, and Mercosur-Singapore Free Trade Agreement (MSFTA)
- **Pioneering partnerships** for the green and digital economies through Digital Economy Agreements and Green Economy Agreements



STRENGTHENING LOCAL PARTNERSHIPS

We will continue to collaborate with TACs to:

- Drive **internationalisation** into key markets and help Singapore companies transform through initiatives like the **Digital Transformation Centre@SGTech** for SMEs
- Strengthen the sustainability capabilities of TACs through efforts such as the **Sustainability Alliance**

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more information, or
contact MTI at
mti_email@mti.gov.sg



GoBusiness

Visit the GoBusiness portal for more information on available support for enterprises. Apply for grants or use the e-Adviser to discover your eligibility for Government schemes by answering a few simple questions.



Chief Technology Officer-as-a-Service

Answer a few questions to conduct a self-assessment of your company's digital readiness, identify digitalisation gaps, and find digital solutions tailored to your business needs. Eligible companies can also seek digital advisory services and project management support from a shared pool of digital consultants.



SME Centres

Our experienced Business Advisors are here to support you in growing your business, through areas such as overseas expansion, financing, productivity, and HR. Book a complimentary 1-on-1 consultation at an SME Centre of your choice.



Centres of Innovation

The Centres of Innovation were set up in partnership with Institutes of Higher Learning and research institutes to enhance SMEs' technology innovation. The centres provide facilities, consultancy, training, and technical services for SMEs to develop and test technology projects in specific sectors.

