



BUDGET
2024

Singapore Economy 2030:

GROW OUR ECONOMY



AI-generated image by MTI



“ We must remain agile and continue to grow our economy by seizing new opportunities, and making ourselves more productive, innovative, and competitive. While there will still be uncertainties and challenges in the future, if all of us work together as Team Singapore, with workers, businesses, trade associations and chambers, and unions each playing our part, we can remain relevant on the global stage and enhance our heft. We can seize new opportunities for growth, improve the lives of all Singaporeans, and build our shared economic future together. ”

— Minister for Trade and Industry, Mr Gan Kim Yong



CONTENT

Singapore Economy 2030 Vision
Page 3

Near-term support for businesses
Pages 4-5

Grow our economy
Pages 6-7

Unlock our resource potential
Pages 8-9

Transform our businesses
Pages 10-13

Connect to strengthen our status as a global business node
Pages 14-15

Useful resources
Page 16

SINGAPORE ECONOMY 2030

Transform & thrive

The Ministry of Trade and Industry will support businesses and workers to not only address near-term challenges, but also uplift their capabilities and seize growth opportunities.

Our efforts are guided by the Singapore Economy 2030 vision, which charts our path towards a vibrant economy with opportunities for all.

Trade 2030

To grow Singapore's trading volume, widen the types of trading activities in Singapore, and expand trade globally.

We will continue to strengthen Singapore's economic connectivity and integration, while leveraging international partnerships to enhance trade flows and expand our network of digital and green economy agreements.



Enterprise 2030

To build and sustain a vibrant ecosystem of Singapore enterprises that are future-ready and can compete globally.

We will support companies in promising new growth areas and build a strong slate of locally-grown, high-growth companies that are globally competitive. We will also support local small and medium-sized enterprises (SMEs) to digitalise, innovate, internationalise, and to become more sustainable.



Manufacturing 2030

To increase manufacturing value-add by 50% by 2030, and for Singapore to become a global business, innovation, and talent hub for Advanced Manufacturing.

We will continue to attract high-quality investments into Singapore, groom promising local enterprises and strengthen the manpower pipeline for the sector.



Services 2030

To grow the Modern Services cluster's value-add by at least 50% by 2030; harness growth opportunities for the overall sector in sustainability and digitalisation; and anchor Singapore as a leading, vibrant hub for businesses, lifestyle, and tourism.

We aim to entrench Singapore as a hub of firms, a hub of flows, and a hub of talents, while seizing new growth opportunities in sustainability and digitalisation.



Why is it important?

While inflation is expected to moderate this year, the external environment remains volatile and uncertain.

We will continue to support businesses to address these challenges with near-term measures, even as they transform to stay competitive.



SUPPORT WITH CASH FLOW

- 50% **Corporate Income Tax Rebate** for companies in the Year of Assessment 2024, capped at \$40,000
- Minimum cash payout of \$2,000 for smaller companies that employ at least one local employee



ACCESS TO FINANCE

The enhanced **Enterprise Financing Scheme (EFS)** will support businesses to better access financing by:

- Extending the **EFS-Trade Loan's** enhanced maximum loan quantum of \$10 million until March 2025, at 50% Government risk-share
- Extending the **EFS-Project Loan** for domestic construction projects until March 2025, at a maximum loan quantum of \$15 million
- Permanently increasing the maximum loan quantum of the **EFS-Working Capital Loan** to \$500,000



PURSUe TRANSFORMATION

- The **SkillsFuture Enterprise Credit** will be extended to June 2025, to support businesses in workforce and enterprise transformation



By the numbers

> 30,000

Companies have used SkillsFuture Enterprise Credit to upskill their workers and transform their businesses since 2020

\$1.3 billion

Enterprise Support Package to help businesses manage rising costs

\$2,000

Minimum cash payout under the Corporate Income Tax Rebate scheme for SMEs that employ at least one local employee

Deloitte Singapore business tax leader, Rohan Solapurkar:

“The Enterprise Support Package is a significant boost to SMEs by giving them extra cash in supporting their growth journey amid global headwinds – which is the highest amount in the last 10 years. What stands out is the re-introduction of the Corporate Income Tax Rebate after a hiatus of three years.”

Baker Tilly Singapore managing partner, Joshua Ong:

“This year’s Budget announced not just immediate steps to allay concerns on rising costs, it took an impressive leap forward and introduced long-term solutions to help Singaporeans and Singapore companies become future-ready.

For local companies, the imperative next step is to familiarise themselves with the new and enhanced range of tools, leverage the right resources for them, and establish a strong foothold in the years ahead.”

Why is it important?

Despite shifts in global supply chains, Singapore's robust infrastructure, pro-business policies, and skilled workforce continue to attract businesses and investors.

To maintain our economic momentum, we will double down on deepening capabilities in key growth areas and attracting investments to create greater opportunities and jobs for Singaporeans.

ENCOURAGE INVESTMENTS

- The new **Refundable Investment Credit** scheme will support qualified firms in developing high-value and substantive economic activities in key sectors and new growth areas in Singapore

STRENGTHEN COLLABORATION

- The enhanced **Partnerships for Capability Transformation (PACT)** scheme will support more collaborations between multinational corporations, large local enterprises, and SMEs, including capability training, internationalisation and corporate venturing

DEEPEN CAPABILITIES

We will deepen research and innovation capabilities in key growth sectors through measures such as:

- **MedTech Catapult**, a \$38 million national initiative to accelerate the development of novel life sciences tools and medical devices, and build a go-to medical device product development platform in Singapore
- \$97 million **Nucleic Acid Therapeutics Initiative (NATI)** to build Singapore into a regional hub for nucleic acid therapeutics research, clinical translation and commercialisation
- Additional tranche of \$60 million provided to the **National Robotics Programme (NRP)** to step up Singapore's robotics capabilities in sectors such as manufacturing and logistics, facilities management and healthcare
- **Artificial Intelligence (AI) Centre of Excellence for the Manufacturing Sector**, an initiative that brings stakeholders across industry, research and the startup ecosystem together to develop AI-enabled solutions and improve the productivity and competitiveness of the sector
- **National Semiconductor Translation and Innovation Centre (NSTIC)** will be funded by about \$180 million to foster ecosystem collaboration and open up new possibilities in enhancing the performance, efficiency and functionality of semiconductor devices



By the numbers

\$2.9 trillion

Foreign Direct Investment in Singapore as at end-2023, up from \$1.9 trillion in 2019¹

US\$74 billion

Global market size of precision medicine in 2022, projected to grow at an average rate of 11.5% a year up to 2030²

US\$1.35 trillion

Estimated global market size of AI in 2030, up from US\$150 billion in 2023³

SOURCES:
¹Singapore Department of Statistics (DOS), Feb 2024
²Precedence Research - Precision Medicine Market Size, Share, Report 2022 to 2030
³MarketsandMarkets, 2023

Deloitte Singapore global investment and innovation incentives leader, Yvaine Gan on the Refundable Investment Credit (RIC):

“This new tax credit with a refundable cash feature will help Singapore remain globally competitive in attracting foreign investments, hence shaping Singapore’s economy to achieve sustainable growth.

The flexibility of the RIC in supporting a wide range of activities, which includes manufacturing, digital services, headquarter activities, commodity trading, R&D and green transition plans, is encouraging and may be a powerful tool in supporting companies in scope under Pillar 2*.”

**Pillar 2 of the Base Erosion and Profit Shifting (BEPS) 2.0 framework introduces a minimum effective tax rate of 15% for large multinational enterprises. Singapore will implement this starting from January 2025.*

Managing director at Cloudflare in Asia-Pacific, Japan and China, Jonathon Dixon:

“AI is going to be an integral part of doing business going forward, and the technology has the potential to create new jobs and augment existing ones.”

Why is it important?

Singapore has grown into a leading global city despite our resource constraints such as land, labour and energy. We must navigate the transition towards a net-zero future, and continue to push boundaries and unlock our resource potential to strive for the next bound of growth.



ENERGY TRANSITION AND DECARBONISATION

We will invest in clean energy sources and new decarbonisation pathways, while ensuring a secure and cost-competitive power system through the:

- **Future Energy Fund** with an initial \$5 billion in funding to support investments in energy transition infrastructure such as undersea cables to import low-carbon electricity and new hydrogen terminals and pipelines
- Import of up to 4GW of low-carbon electricity by 2035, which will make up around 30% of Singapore's electricity supply
- **Low-Carbon Energy Research Programme** with 16 awarded projects to advance the research and development of low-carbon alternatives such as hydrogen, and enable decarbonisation of power and industry sectors
- Collaboration with an industry consortium to study the techno-economic feasibility of a **cross-border Carbon Capture and Storage (CCS) project**



DEVELOP LOCAL CORPORATE LEADERS

- We will support companies to strengthen their pipeline of local corporate leaders through the **Global Business Leaders Programme**, which includes support for overseas work assignments and other developmental opportunities



By the numbers

40%

Singapore's total emissions generated by the power sector¹

30%

Singapore's electricity supply that will be made up of low-carbon electricity, which Singapore will import up to 4GW by 2035

US\$150 trillion

Investment the world needs to achieve net-zero emissions by 2050²

UOB senior economist, Alvin Liew on the Future Energy Fund:

“This is definitely something that is very forward-looking, but it’s also necessary. The measures (such as hydrogen) that were mentioned are not something that you will see the private sector being able to take up and do.”

SOURCES:

¹Energy Market Authority of Singapore

²The International Renewable Energy Agency, World Energy Transitions Outlook 2023

Why is it important?

Change and transformation are constants in today's rapidly evolving world. We will empower businesses and workers to leverage technological advancements and seize growth opportunities in critical areas like advanced manufacturing, AI, and sustainability.



SUPPORT M&OE TRANSFORMATION

We will power the transformation of the Marine and Offshore Engineering (M&OE) industry through a \$100 million support package over the next five years. It includes:

- **Enterprise Development Grant** to help companies build new offshore wind capabilities and catalyse innovation
- **Productivity Solutions Grant** to boost productivity through mechanisation tools
- A refreshed **M&OE Industry Digital Plan** to provide roadmaps guiding companies in deepening their digital capabilities
- Efforts to upskill workers, redesign jobs and develop talent through the **Jobs Transformation Map**, a new **Offshore Wind track** under Workforce Singapore's Career Conversion Programme and the **Marine Digitalisation Champion Programme**



ENERGISING HEARTLANDS

We will enhance the vibrancy of our heartlands and enable our heartland merchants to stay relevant and competitive through:

- The **Heartland Innovation and Transformation programme**, which provides curated training courses and a conducive ecosystem for aspiring enterprises to test their business ideas, build capabilities, and scale
- The **Heartland Enterprise Placemaking Grant**, which defrays up to 50% of eligible costs for selected placemaking activities organised by heartland merchants, capped at \$10,000 per project



LEVERAGE DIGITALISATION

- The **Generative AI Sandbox** will provide SMEs with easy-to-use and affordable generative AI solutions applicable across sectors to improve their top and bottom lines



By the numbers

> 9 in 10

Heartland shops (more than 17,000) have adopted e-payment solutions to date

94%

Digital technology adoption by SMEs in Singapore in 2022, a 20% jump from 2018

The Association of Small and Medium Enterprises (ASME) president, Ang Yuit:

“Ten years ago, we were talking about digitalisation, and many companies were moving up along the digitalisation process. But with AI, the timeline is more compressed, and in just a year, so much has changed.

It is at the right time that we're looking at reskilling and having all these schemes to look into upskilling our workforce.”



TRANSITION TO A LOW-CARBON AND SUSTAINABLE ECONOMY

We will support the green transition by:

- Enhancing the **Energy Efficiency Grant** to include more sectors and provide additional support for companies with more ambitious plans to reduce their emissions
- Extending the **Enterprise Financing Scheme-Green (EFS-Green)** until March 2026 and expanding it to include the adoption of green solutions
- Introducing the **Sustainability Reporting Grant** to help large enterprises kickstart their sustainability reporting journey. We will also provide funding support and partner with sustainability service providers to launch a programme to help SMEs to develop their sustainability report
- Enhancing the **Resource Efficiency Grant for Emissions (REG(E))** to support more energy efficiency and carbon emissions reduction projects for industrial facilities



EQUIP WORKERS WITH GREEN SKILLS

We will support our workers in upskilling and reskilling to seize job opportunities in green growth areas by:

- Working with industry, training providers and unions under the **Green Skills Committee** to identify skills and develop training programmes in two focus areas (i) Sustainability Reporting and Assurance and (ii) Energy
- Working with NUS and NTU to develop training programmes in **carbon management, services and trading**



DEEPEN PARTNERSHIPS

We will deepen partnerships with Trade Associations and Chambers (TACs) to drive industry transformation by:

- Establishing an **Alliance for Action (AfA) on Business Competitiveness** with the private and public sectors, and co-create recommendations to strengthen competitiveness in areas such as manpower, land, and regulations
- Working with the Singapore Business Federation to build shared resources and boost the capabilities of TAC secretariats to support members in critical areas like **digitalisation, sustainability** and **internationalisation**
- Partnering industry to reduce transaction costs of doing business with Government through streamlined procurement via **Tender Lite** and the **GeBIZ Supplier File Repository**, as well as going digital through **eGuarantee@Gov** and **One-Stop Payroll**



By the numbers

2,000

Enterprises in Singapore have used the Energy Efficiency Grant since 2022 to defray energy costs

> 30,000

SMEs benefitted from the capability development programmes at SME Centres launched by MTI and TACs last year

Head of commercial banking at HSBC, Priya Kini:

“It is great to see the expansion of the Enterprise Financing Scheme to allow companies which are adopting green solutions to also benefit from it.

As more companies adopt sustainable solutions, technologies or products, this will not only support the transformation of the industry as a whole, but also create new opportunities for other players across the economy.”

PwC Singapore’s tax leader for energy, utilities and resources, Irene Tai:

“Beyond just making sure everyone is on board, there’s also this opportunity for Singapore to attract foreign capabilities, helping to grow the local capabilities in the whole sustainability ecosystem.

It gives Singaporeans a new set of diverse opportunities for new career paths. Those are the new jobs that are really being created from the sustainability drive.”

Why is it important?

Singapore continues to be Asia's most competitive economy and the world's fourth most competitive economy, according to the latest International Institute for Management Development (IMD) World Competitiveness Ranking released in June 2023.

However, the global competitiveness scene remains dynamic. We must continuously strengthen our position as a hub for culture, ideas and commerce.



BUILD A VIBRANT HUB

We will strengthen our appeal as a vibrant lifestyle and economic hub for residents and tourists alike by:

- Injecting over \$300 million to the **Tourism Development Fund 4** to develop and market new products and experiences, rejuvenate existing offerings and upskill our tourism workers
- Developing a pipeline of **high-quality, first-of-its-kind experiences** in Singapore



STRENGTHEN COMPETITIVENESS

We will continue to strengthen our global trade competitiveness by:

- Advancing **trade and investment with partner economies**, especially in growing markets
- Pioneering partnerships for the green and digital economies through **Digital Economy Agreements** and **Green Economy Agreements**
- Supporting local companies in their efforts to scale up and internationalise through the **Market Readiness Assistance (MRA)**, **Enterprise Development Grant (EDG)** and **Double Tax Deduction for Internationalisation (DTDi)** scheme
- Encouraging new trade flows for in-demand areas such as **carbon credits** and **biofuels**
- Implementing faster documentary and cargo clearance for movement of goods for Authorised Economic Operators (AEO) under the **ASEAN AEO Mutual Recognition Arrangement (AAMRA)**

By the numbers

13.6 million

International visitor arrivals to Singapore in 2023



> 20,000

Jobs created in Singapore, as a result of the \$12.7 billion in Fixed Asset Investment commitments attracted by the Economic Development Board last year

\$2 trillion

Singapore's total trade in goods and services in 2023, up from \$890 billion in 2005

30% growth

Trade in goods within ASEAN grew from US\$645 billion in 2018 to US\$857 billion in 2022¹

SOURCES:
¹ASEAN Statistical Highlights 2023





Scan the QR code for 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.



Pro-Enterprise Panel

Take a short assessment to find out how the Pro-Enterprise Panel can support your business's regulatory needs and challenges to minimise compliance costs and encourage innovation in businesses.



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.



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.



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.



Pro-Business Measures

How can businesses save time and costs while staying competitive? Check out this infographic for the latest updates on the Ministry of Finance's pro-business measures.

