



BUDGET
2025

BUILDING A STRONG AND VIBRANT ECONOMY





We must further strengthen our competitive edge through innovation, deepen our integration with the region and the world, and invest in building strong enterprises and a skilled workforce. This is how we will earn our living and standing in an increasingly uncertain and unfavourable external environment.

— Deputy Prime Minister and Minister for Trade and Industry,
Mr Gan Kim Yong

CONTENT

Support for businesses

Pages 3-4

Grow our economy

Pages 5-6

Unlock our resource potential

Pages 7-8

Support local enterprise transformation and growth

Pages 9-10

Connect Singapore to the world

Pages 11-12

Useful resources

Page 13



SUPPORT FOR BUSINESSES

Why is it important?

Businesses face potential headwinds, due to resource constraints and a more challenging external environment. The Government will help enterprises address near-term pressures and support their longer-term transformation and growth.



Manage business costs

- Benefits for companies capped at **\$40,000**
 - 50% Corporate Income Tax Rebate** for companies in the Year of Assessment 2025
 - Minimum benefit of \$2,000** for active companies with at least one local employee in 2024



Streamline rules and processes

- From 1 July 2025, **grace period to begin charging Goods and Services Tax (GST)** to extend to two months, after a business forecasts that it will cross \$1 million in taxable turnover
- From 1 July 2025, second-hand goods dealers can charge GST on gross margin of sale under the Gross Margin Scheme (GMS) without requiring approval from IRAS



Make government procurement opportunities more accessible

- **Innovative Procurement Partnership (IPP)** is a new sourcing approach which enables Government agencies and businesses to work together to pilot and scale up innovative solutions that meet agencies' needs
- From May 2025, launch of **Tender Lite for Construction Contracts** for tenders not exceeding \$1 million, with reduced administrative requirements



Support workforce transformation

- New **SkillsFuture Workforce Development Grant** to streamline workforce transformation schemes and provide higher funding support of up to 70% for companies undertaking job redesign activities
- Redesigned **SkillsFuture Enterprise Credit (SFEC)**, which provides eligible enterprises a fresh \$10,000 in credit for workforce transformation initiatives and courses



Enhance employment support

- Enhanced **Progressive Wage Credit Scheme** to support employers through higher Government co-funding for wage increases for lower-wage employees in 2025 and 2026
- Extended **Senior Employment Credit, Uplifting Employment Credit** and **Enabling Employment Credit** to support employers that hire senior workers, ex-offenders and persons with disabilities



By the numbers

\$40,000

Total maximum benefit for companies eligible for Corporate Income Tax Rebate and Cash Grant



\$10,000

In redesigned SkillsFuture Enterprise Credit for eligible companies to use on workforce transformation

40%

Government co-funding for wage increases of lower-wage workers in 2025, under the Progressive Wage Credit Scheme

“

KPMG Asia-Pacific partner and head of private equity, Andrew Thompson:

Growing the liquidity and scale of the Singapore public capital markets is a key part of boosting the Republic's relevance as a global and regional financial hub. We welcome this initiative that may support this goal and also support the success of home-grown businesses.

“

PwC Singapore partner specialising in tax and entrepreneurial and private business, Lim Kexin:

The extension of the 50% Corporate Income Tax Rebate and a minimum cash payout for businesses which employ Singaporeans acknowledge the diverse challenges faced by companies, given the uncertain environment. They could all benefit from the short-term support.

This will be especially welcomed by Singapore SMEs pressured by rising business costs as they pivot towards mid-term productivity measures and new opportunities.

GROW OUR ECONOMY

Why is it important?

As Singapore embarks on the next phase of our economic development, we must continue to strengthen our competitive edge through deeper regional collaboration, innovation and investing in our businesses.



Strengthen regional connectivity

- The **Agreement on the Johor-Singapore Special Economic Zone (JS-SEZ)** will enable local companies to tap Malaysia's resources to expand and grow
- The **ASEAN Digital Economy Framework Agreement (DEFA)** will enhance digital trade and improve market access for our companies operating in the region
- The **ASEAN Trade in Goods Agreement (ATIGA) Upgrade** will strengthen supply chain links and boost trade flows within ASEAN, allowing Singapore to tap the growth of the region's economy



Grow strong enterprises

- A \$500 million **National Semiconductor Translation and Innovation Centre R&D Fab** to provide companies with shared access to state-of-the-art infrastructure. This will drive translational R&D for advanced semiconductor technologies, strengthening Singapore's competitiveness as a semiconductor hub
- **Enhancements to the Global Innovation Alliance (GIA)** to connect startups with partners and commercialisation opportunities through different pathways
- **Global Founder Programme** to support experienced founders in building new ventures with the potential to grow into globally leading businesses from Singapore



Foster a pro-enterprise environment

- The Inter-Ministerial Committee for Pro-Enterprise Rules Review has set three **Statements of Commitment** to enhance service standards for business regulatory applications, increase license validity and streamline sequential and duplicative regulatory approvals



Financing solutions to drive growth

- **Long Term Investment Fund** with over \$200 million in Government capital, for enterprises with longer and/or more complex growth trajectories
- **\$1 billion Private Credit Growth Fund (PCGF)** to provide flexible, non-dilutive financing for high-growth enterprises looking for customised solutions beyond traditional bank loans and equity financing



By the numbers

\$123.6 billion

Economic value of bilateral trade between Singapore and Malaysia in 2023¹



>\$200 million

Government capital deployed to invest in companies under Long Term Investment Fund

173%

Manufacturing sector's contribution to Singapore's nominal GDP²

SOURCES:

¹Singapore Department of Statistics (DOS), Feb 2024

²Singapore Department of Statistics (DOS), 2024



InnoVen Capital SEA partner, Paul Ong:

By enhancing access to private credit, the fund will empower local enterprises to scale effectively, drive innovation, and contribute to Singapore's economic growth.

The establishment of the Private Credit Growth Fund not only complements our efforts but also underscores the critical role of alternative financing in an emerging new digital economy.



DBS global head of investment banking, Clifford Lee:

By complementing Singapore's existing strengths in debt markets, private capital and bank financing, these developments provide our local businesses with more wind beneath their wings to soar overseas.

These initiatives also enhance Singapore's attractiveness to businesses in the region seeking to tap our financing capabilities to accelerate their growth.

This in turn generates a flywheel effect that further attracts deeper pools of capital, contributing to a more vibrant financing and enterprise ecosystem here.

UNLOCK OUR RESOURCE POTENTIAL

Why is it important?

As we continue to advance Singapore's 2050 net-zero goals, we will seek innovative solutions to overcome land, manpower, carbon and energy constraints, while charting new paths for our businesses and supporting our workforce's aspirations.

Pursuing decarbonisation pathways

- **Advance our decarbonisation goals** by maximising solar deployment and realising our electricity imports projects, while exploring and building capabilities for other low-carbon solutions
- Signed **Implementation Agreements (IA)** with Bhutan, Ghana and Papua New Guinea for the transfer of carbon credits, and upcoming **Request for Proposals to procure Article 6-compliant carbon credits**
- \$62.5 million **Low-Carbon Technology Translational Testbed (LCT³)** to support companies in scaling up low-carbon solutions
- \$5 billion top-up to **Future Energy Fund** which can support low-carbon infrastructure investments

Invest in workers

- Continue to fund **Continuing Education and Training (CET)** programmes to train workers and grow talent pools for key sectors
- New **SkillsFuture Workforce Development Grant** to support companies in workforce transformation
- **Tech and innovation talent exchange agreements** with Indonesia and Vietnam, to allow Singapore businesses and workers to access regional economies and talent pools

Invest in research and innovation

- A*STAR to invest \$500 million to **refresh and extend its biomedical research infrastructure** to the greater one-north area, to attract new industry players and talent and promote greater interdisciplinary collaboration
- A*STAR and partners to introduce new biopharma manufacturing R&D programmes **Singapore Cell Therapy Advanced Manufacturing Programme 2.0** and **Process Accelerator for Cell Therapy Manufacturing**

Enhance land productivity

- **Extended and enhanced Land Intensification Allowance (LIA)** scheme to continue encouraging businesses to intensify their land use
- **Five-Year Flexible Lease Extension Initiative (FLEXI)** allows eligible businesses on 20-year JTC leases to extend leases by up to two tranches of five years
- **Lease renewal application period** brought forward to 10 years before lease expiry, up from six years
- Three-year **extension of lease tenure for greenfield industrial land allocations** to cover businesses' building and development period
- **Broadened definition of plant and machinery investments** to recognise auditable investments in innovation, R&D, digitalisation and IP creation



By the numbers

1.5 gigawatt-peak

Singapore's 2025 solar deployment target, which was achieved ahead of schedule in end-2024

\$10 billion

Size of Future Energy Fund after FY2025's top-up

>\$1 billion

Projected Government spending on Continuing Education and Training (CET) programmes in FY2024

24%

GDP contribution by firms with R&D activities as of 2022, up from 14.8% in 2012¹

SOURCE: ¹Singapore Department of Statistics (DOS)



Bloomberg L.P. head of Southeast Asia, Kelvin Cen:

Singapore already has a formidable role as a hub for innovation and digital talent. Initiatives like the SkillsFuture Workforce Development Grant will further enhance Singapore's ability to upskill and build the next generation of data and technology professionals, future-proofing local talent.



New Relic senior vice-president and managing director for the Asia-Pacific and Japan, Simon Lee:

While the hunt for talent continues, it is crucial for businesses to harness the power of existing teams by investing in training, encouraging knowledge-sharing sessions and embracing the unique strengths each member brings to the table.

SUPPORT LOCAL ENTERPRISE TRANSFORMATION AND GROWTH

Why is it important?

Today's business environment demands innovation and adaptation. The Government will continue to support businesses through their transformation journeys.



Support internationalisation

- The maximum loan quantum for the **Enterprise Financing Scheme - Trade Loan (EFS-TL)** will be permanently increased from \$5 million to \$10 million
- Extension of **Double Tax Deduction for Internationalisation (DTDi)** scheme to 31 December 2030, allowing businesses to claim a tax deduction of 200% on qualifying market expansion and investment development expenses
- Extension of \$100,000 enhanced grant cap for **Market Readiness Assistance (MRA)** Grant to 31 March 2026, which will give businesses more time to work on international expansion plans
- Enterprise Singapore and partners to operate a regional network of **Overseas Centres** where Singapore SMEs can receive support in overseas markets
- Enhancement of **Enterprise Financing Scheme - Mergers & Acquisitions (EFS-M&A)** to include targeted asset acquisitions, such as intellectual property and contracts until 31 March 2030
- Extension of **Mergers and Acquisitions (M&A) Scheme** to 31 December 2030, which provides tax benefits to Singapore firms that make qualifying ordinary share acquisition of other companies



Support AI transformation

- Enterprise Compute Initiative (ECI)** to offer eligible companies access to cloud computing credits, training programmes and consultancy services for developing and scaling AI solutions
- Continued support for SMEs in AI adoption through schemes such as the **Productivity Solutions Grant (PSG)** and **SMEs Go Digital Programme**



Enhance business support ecosystem

- The **SME Pro-Enterprise Office (SME PEO)** will help businesses reduce regulatory burden and navigate feedback across public agencies
- Enhanced SME Centres** to offer a wider range of business services and programmes, including enhanced one-to-one advisory services, workshops and group-based upgrading projects
- Streamline experience on digital platforms, such as the **GoBusiness Portal** and **EnterpriseSG's Business Grants Portal**



Boost heartland enterprises

- Enhanced Visual Merchandising Programme** to help heartland shops refresh their stores and attract more customers, with increased total qualifying costs from \$12,000 to \$60,000
- Vibrant Heartlands Programme for Merchants' Associations** to support placemaking activities and events of varying scales to rejuvenate heartland neighbourhoods



By the numbers

Close to 3,000

Number of SMEs that have adopted AI solutions through the Productivity Solutions Grant (PSG)



23,000

Heartland shops and hawker stalls that have benefitted from the CDC Voucher scheme

\$8.8 million

Estimated annual revenue boost per company, for firms that undertook internationalisation projects in 2024¹

SOURCE: ¹EnterpriseSG Annual Media Briefing (Jan 2025)



Randstad Singapore country director, David Blasco:

The \$10,000 SkillsFuture Enterprise Credit is heartening for organisations, as it will encourage employers to take greater initiative in moving their workforce transformation strategy forward.

This gives them more time to strengthen their employees' skills for a more agile workforce, which is crucial for keeping pace with the development of AI and other emerging technologies.



KPMG Singapore partners, Ajay Kumar Sanganeria and Harvey Koenig:

This year's substantial commitment underscores Singapore's continued focus on supporting investment promotion and elevating business productivity through non-tax incentives, which are increasingly critical in the evolving global tax environment.

CONNECT SINGAPORE TO THE WORLD

Why is it important?

Singapore's success as a nation depends on our openness to trade and talent. We will build on our strong foundation to enhance connectivity, expand opportunities and strengthen Singapore's role as a gateway for people, trade and capital flows.



Enhance tourism offerings

- New additions to the **Mandai Precinct**, such as Mandai Boardwalk, Rainforest Wild ASIA and Mandai Rainforest Resort by Banyan Tree, to further enrich the diverse offerings available for wildlife and nature lovers
- World-class facilities and attractions to be unveiled by the **Integrated Resorts** within the decade
- Strong pipeline of **leisure, lifestyle and business events** projected to attract 17 million to 18.5 million international visitors and generate \$29 billion to \$30.5 billion in tourist receipts in 2025



Deepen existing trade flows

- Deepen regional economic integration with the **ASEAN-China Free Trade Area** agreement, as well as ASEAN Digital Economy Framework Agreement (DEFA) and ASEAN Trade in Goods Agreement (ATIGA)
- Strengthen bilateral economic ties with key partners, such as the **United States, China, India, Vietnam and Malaysia**



Diversify to new markets and sectors

- Secure economic partnerships in new markets, such as **Latin America, Middle East and Africa**, and connect business leaders across borders
- Broaden trade partnerships in the digital economy through bilateral **Digital Economy Agreements (DEAs)**, plurilateral agreements like the **Digital Economy Partnership Agreement (DEPA)**, and the **WTO Joint Statement Initiative on E-Commerce**
- Advance **Green Economy Agreements (GEAs)** to catalyse collaborations in green innovations and technologies, promote trade flows in sustainable products and energy, and develop interoperable frameworks to support green growth sectors



By the numbers

\$224 billion

Singapore's tourism receipts for the first three quarters of 2024 is at a historic high

17-18.5 million

Number of international visitors expected to visit Singapore in 2025 for leisure, lifestyle and business events

27

Number of Free Trade Agreements (FTAs) implemented as at March 2025



“ Association of Small and Medium Enterprises (ASME) president, Ang Yuit, on Singapore entrepreneurs' reluctance to expand beyond our borders:

I think that can be changed. If we keep sensitising our people beyond the shores of Singapore, and see Singapore as a capital of ASEAN, rather than just being a country.

**Visit the websites below for more information,
or contact MTI at mti_email@mti.gov.sg**

GoBusiness

Visit the GoBusiness portal at gobusiness.gov.sg for more information on available enterprise support. Use the Government Assistance e-Adviser to discover your eligibility for schemes by answering a few simple questions.



Chief Technology Officer-as-a-Service

Self-assess your company's digital readiness, identify digitalisation gaps and find tailored solutions at services2.imda.gov.sg/CTOaaS. 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 one-on-one business advisory sessions, capability development workshops, and group-based upgrading projects. Book a complimentary consultation at an SME Centre of your choice by visiting enterprisesg.gov.sg/smecentre.



Centres of Innovation

Set up in partnership with Institutes of Higher Learning and research institutes, Centres of Innovation aim to enhance SMEs' technological innovation needs. The centres provide facilities, consultancy, training, and technical services for SMEs to develop and test technology projects in specific sectors. Visit go.gov.sg/centres-of-innovation for more information.



MOF's Pro-Enterprise Initiatives

Learn how the Government is fostering a pro-business environment by simplifying rules and processes and making Government Procurement opportunities more accessible. Visit go.gov.sg/mof-cos2025-infographics for more information.



MTI

MINISTRY OF TRADE
AND INDUSTRY
SINGAPORE

