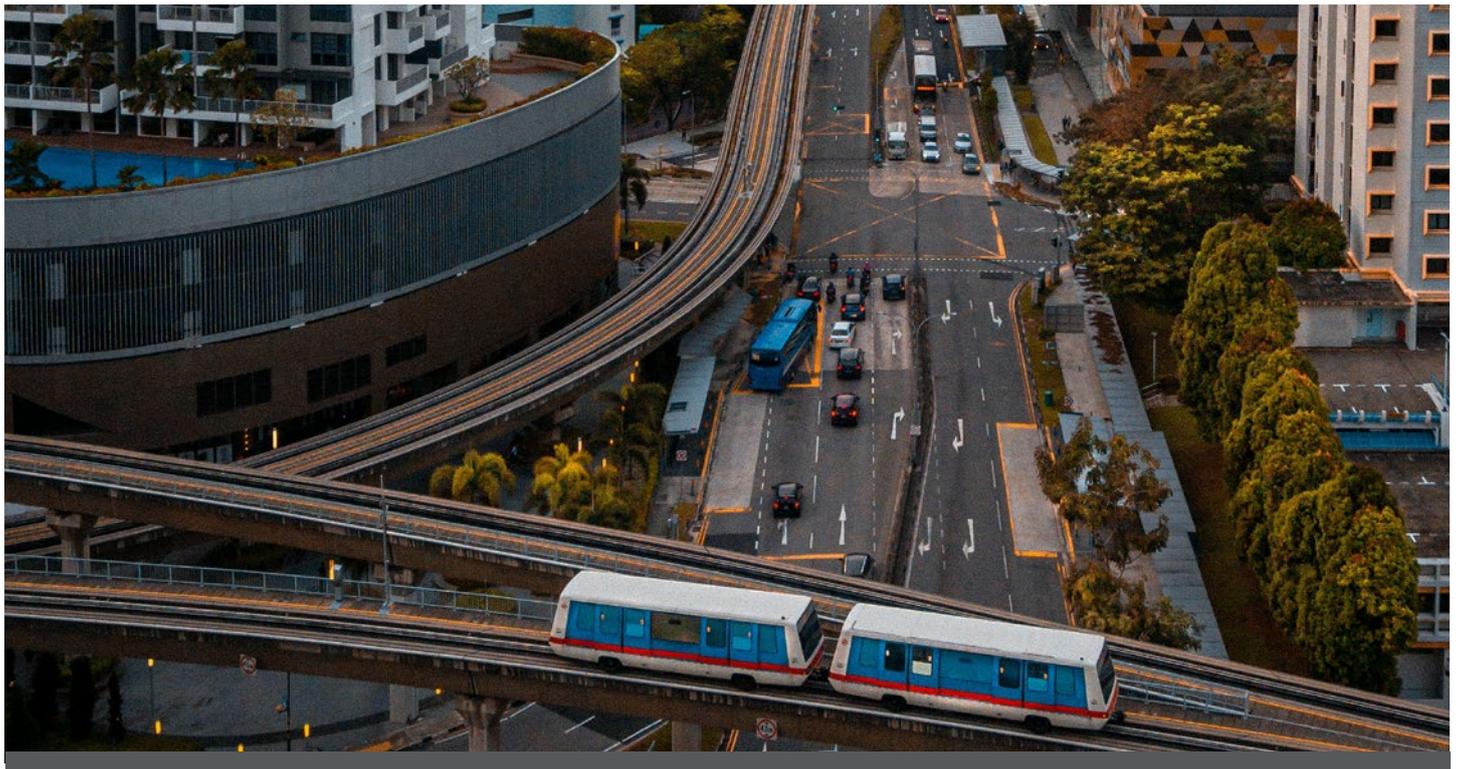


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Bulletin Highlights

- Singapore's 2025 Budget: Balancing Immediate Relief with Long-Term Growth and Sustainability



Singapore's 2025 Budget: Balancing Immediate Relief with Long-Term Growth and Sustainability

(Compiled by N Vimala Devi)

The Singapore 2025 Budget, unveiled in conjunction with the nation's 60th anniversary of independence, is a comprehensive and forward-looking financial plan aimed at addressing immediate challenges while securing long-term growth and stability. The budget, which totals \$143 billion, reflects Singapore's unwavering commitment to the well-being of its people, the growth of its economy, and the nation's sustainable future.

A key focus of the 2025 Budget is alleviating the financial pressure caused by rising inflation. To help households manage the cost of living, the government is providing \$800 in Community Development Council (CDC) vouchers to every Singaporean household. Additionally, every Singaporean aged 21 and above will receive either \$600 or \$800 in SG60 vouchers to mark the nation's 60th anniversary. These measures aim to directly ease financial burdens, alongside targeted utilities rebates, credits, and top-ups for children up to the age of 20. These initiatives collectively offer substantial financial relief to citizens at a time of rising prices.

Prime Minister and Finance Minister Lawrence Wong emphasized the importance of balancing short-term relief with long-term economic resilience. To that end, the government's \$143 billion budget lays the groundwork for both immediate support and strategic investments in areas crucial to Singapore's future. One such area is fostering a thriving and supportive business ecosystem. To promote growth and resilience among businesses, the budget introduces a \$2,000 cash rebate for businesses and a 50% tax rebate, capped at \$40,000. These incentives are designed to encourage innovation and sustainability, particularly in sectors poised for growth.

Supporting innovation is a central theme of the 2025 Budget, with a significant focus on advancing technology and research. The government is allocating \$3 billion to the National Productivity Fund to enhance research and development (R&D) efforts, ensuring that Singapore continues to lead in technological innovation. In addition, \$150 million has been earmarked for a new Enterprise Compute Initiative, which aims to strengthen Singapore's capabilities in artificial intelligence (AI) solutions. This initiative is crucial for positioning the nation as a global leader in AI technology and its application across various sectors.

To further bolster the nation's business landscape, the budget also introduces a new \$1 billion Private Credit Growth Fund. This fund will provide financing options for high-growth local enterprises, enabling them to scale their operations and compete more effectively on the global stage. The fund will help bridge the financing gap for companies that are too large for traditional small-business loans but are not yet large enough to access capital markets.

As part of its ongoing commitment to sustaining Singapore's position as a global air hub, the government has set aside \$5 billion for the Changi Airport Development Fund. This funding will support the construction of Terminal 5, a critical infrastructure project aimed at expanding the airport's capacity and enhancing its global connectivity. The development of Terminal 5 will ensure that Changi Airport remains at the forefront of global aviation, helping to secure Singapore's position as a vital international transit point.

Environmental sustainability remains a priority in the 2025 Budget. Recognizing the growing global interest in clean power, the government is focusing on exploring and implementing alternative energy solutions. One notable initiative is the \$5 billion top-up to the Future Energy Fund, which will support efforts to develop nuclear energy capabilities. The government is also looking into small modular reactors, a promising technology for generating cleaner energy. These investments are in line with Singapore's broader commitment to reducing its carbon footprint and achieving long-term environmental sustainability.

In addition to these investments, the 2025 Budget reflects the government's commitment to prudent fiscal management, with a projected surplus of \$6.8 billion, compared to a surplus of \$6.4 billion in FY2024. This surplus signals a well-balanced approach to fiscal policy, ensuring that Singapore remains financially secure while meeting the needs of its people and preparing for future challenges.

Overall, the 2025 Budget strikes a thoughtful balance between addressing immediate needs, such as cost-of-living relief, and making strategic investments in areas like business innovation, technological advancement, and environmental sustainability. The budget's comprehensive measures are designed to build a resilient economy, support a vibrant business ecosystem, and secure a sustainable future for Singaporeans. With a projected surplus and a long-term vision for economic growth, the 2025 Budget exemplifies Singapore's commitment to both its people and its future prosperity.

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