

Budget journey

Budget 2020 is widely viewed as the last Budget by the current term of government, which was elected in September 2015. Here, we pick out some of the highlights of the last four Budgets. **BY SHARON SEE**



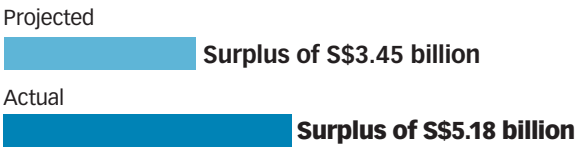
2016



First Budget speech made by Heng Swee Keat as Finance Minister

- S\$4.5 billion Industry Transformation Programme launched, including a \$400 million Automation Support Package to provide grants to companies for funding up to half of automation project costs
- S\$1.1 billion top up for Special Employment Credit, extended till 2019 for companies with workers aged 55 and above earning up to S\$4,000 a month
- S\$450 million National Robotics Programme to support the deployment of robotics in healthcare, construction, manufacturing, logistics, etc
- SME Working Capital Loan to make available up to S\$300,000 worth of loans to each SME
- 50 per cent corporate income tax rebate for 2016 and 2017 years of assessment
- S\$1.5 billion top up for the Research, Innovation and Enterprise (RIE) 2020 plan
- SME Mezzanine Growth Fund expanded to S\$150 million
- Personal income tax relief to be capped at S\$80,000
- Parents of new-borns to get S\$3,000 upfront for their child's Child Development Account
- Silver Support Scheme to give low-income senior citizens with little or no family support, a quarterly payout of S\$300 to S\$750
- Plans for Jurong Innovation District unveiled

2016 Budget position



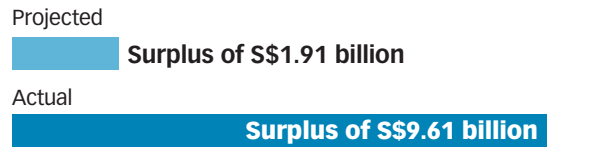
GDP growth: 2.4%

2017

- S\$2.4 billion earmarked to implement proposals from the Committee on the Future Economy
- S\$1 billion top up to National Productivity Fund
- S\$500 million top up to National Research Fund
- S\$600 million International Partnership Fund to help Singapore-based firms venture abroad
- S\$700 million in public sector infrastructure projects brought forward in the following two years to support the construction sector
- Foreign worker levy hike for the marine and process sectors deferred for one more year
- Introduce carbon tax scheme, changes to water prices, diesel tax, Vehicular Emissions Scheme to ensure sustainability
- Raise cap for corporate income tax rebate from S\$20,000 to S\$25,000 for Year of Assessment 2017, while rebate remains at 50 per cent
- Additional Special Employment Credit, which costs S\$160 million, extended to end-2019
- Introduction of personal income tax rebate of 20 per cent, capped at S\$500
- CPF Housing grant for resale flats raised to S\$20,000



2017 Budget position



GDP growth: 3.9%

2018

- GST will be increased from 7 to 9 per cent sometime between 2021 and 2025
- Permanent GST voucher scheme will be topped up by S\$2 billion to help lower-income households
- GST to be imposed on digital imported services from Jan 2020
- S\$1.8 billion to extend the Wage Credit Scheme for another three years
- S\$110 million Productivity Solutions Grant to provide funding for up to 70 per cent of qualifying costs for SMEs adopting off-the-shelf technologies for the next three years
- Enterprise Development Grant to provide up to 70 per cent of co-funding for larger companies to build capabilities to innovate and internationalise
- S\$100 million allocated for a Pact scheme to encourage collaborations
- Carbon tax to cost S\$5 per tonne of emissions for following five years, will be raised to between S\$10 and S\$15 per tonne by 2030
- Corporate tax rebate doubled to 40 per cent of tax payable and capped at S\$15,000, up from S\$10,000
- Proximity Housing Grant enhanced for both families and singles buying resale flats
- Top marginal buyer's stamp duty rate raised from 3 to 4 per cent for residential properties worth more than S\$1 million
- S\$700 million to fund one-off SG Bonus of up to S\$300 for all Singaporeans above 21

2018 Budget position



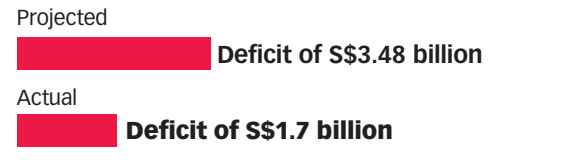
GDP growth: 3.4%

2019

- S\$1.1 billion Bicentennial Bonus, with payouts benefitting lower-income workers, parents with school-going children and older Singaporeans
- S\$6.1 billion set aside for Merdeka Generation Package, expected to cost more than S\$8 billion, with healthcare benefits given to about 500,000 Singaporeans born in the 1950s
- Scale-up SG Programme to help local firms build new capabilities, innovate and venture into new markets, as part of S\$1 billion earmarked to enable firms to grow deep enterprise capabilities
- Dependency ratio ceiling for the services sector tightened from 40 to 38 per cent, and then again to 35 per cent in 2021
- Qualifying income cap for Workfare Income Supplement raised from S\$2,000 to S\$2,300 per month, benefiting almost 440,000 Singaporeans at the cost of S\$1 billion a year
- S\$366 million top up to extend Special Employment Credit (SEC) and Additional SEC until end-2020
- Additional S\$3.1 billion to go into Long-Term Care Support Fund and an enhanced Community Health Assist Scheme (Chas)
- Excise duty on diesel raised from 10 cents to 20 cents, while Special Tax for diesel cars and taxis reduced by S\$100 and S\$850 respectively



2019 Budget position



GDP growth: 0.7%