

Impact on Businesses

On **16 February 2021**, the Budget Statement was delivered in Parliament

A key focus of the Budget was the theme of **Emerging Stronger, Together**

The goal is to build **new capabilities** in people and businesses in this next phase of transformation



S\$24 billion set aside to enable firms and workers to emerge stronger

Businesses in Singapore need to innovate and collaborate on a global scale to remain competitive. There were three main enhancements in the Budget:

- **Corporate Venture Launchpad:** The initiative was launched this year, focusing on building new innovative ventures through pre-qualified venture studios. The main objective will be to encourage a startup mindset within organizations.
- **Open Innovation Platform (OIP):** Matches the problems faced by companies and agencies to solution providers and co-funds prototyping the deployment of solutions.

- **Global Innovation Alliance (GIA):** Taskforce focusing on accelerating the collaboration between Singapore and major hubs globally. The GIA is expected to extend to 25 cities globally over the span of the next five years. This will be in-line with the Co-innovation Programme which supports up to 70% of costs for partnership and cross innovation projects.

Certain sectors will also receive additional support as follows:

- \$870 million support and cost relief for the aviation sector.
- \$133 million dollars for the COVID-19 Driver Relief Fund, to aid taxi and private hire car drivers (\$600/month per vehicle from January to March 2021, \$450/month per vehicle from April to June 2021)
- \$45 million to enhance the Arts and Culture Resilience Package and Sports Resilience Package

For high growth enterprises including startups and mature enterprises, the Government will ensure access to financial capital through the enhancement of the Enterprise Financing Scheme venture debt programme. The support will come in the form of:

- Raising the Venture Debt Programme cap from \$5 million to \$8 million dollars. The Government will co-fund the adoption of digital solutions and new technologies
- The new Emerging Technology Programme will co-fund the cost of adopting frontier technologies
- The CTO-as-a-Service will provide access to professional IT consultancies
- Digital Leaders Programme will allow companies to hire a core digital team and develop a digital transformation roadmap

Enhancement to wages and job opportunities

- **Extension of Wage Credit Scheme (WCS):** The WCS will be extended for a year, at a co-funding level of 15% to attract and retain locals.
- **Extension of Capability Transfer Programme (CTP):** Program will be extended till end-September 2024.

- **Reduction of Manufacturing S Pass Sub-Dependency Ratio Ceiling (DRC):** Reduction in the sub-DRC for manufacturing will take place in two steps. With effect from 1 Jan 2022, the S Pass Sub-DRC will be reduced from 20% to 18% from 1 Jan 2022. This will be further reduced on 1 Jan 2023 from 18% to 15%.

Jobs Growth Incentive (JGI)

- \$5.2 billion put into the SGUnited Jobs and Skills Package to extend the incentive by seven months
- Focus on hiring 200,000 locals and the provision of up to 35,000 training opportunities
- Up to 12 months wage support for eligible locals, and up to 18 months wage support for mature workers with disabilities and ex-offenders
- National Research Foundation presents new Innovation and Enterprise Fellowship Programme, which will support about 500 fellowships in the next five years

Job Support Scheme (JSS) Extension

- \$700 million allocated to provide aid to the industries worst hit by the Covid-19 pandemic
- Aviation, Aerospace and Tourism sectors will get 30% support from April to June 2021, and 10% support from July to September 2021
- There will also be a further three months support for the Retail, Arts & Culture, Food Services and Built Environment sectors