

Singapore, 18 February 2019

Singapore budget appropriate to help business navigate current and future challenges, says CPA Australia

As a global professional accounting body that follows government budgets in many markets, CPA Australia has given its backing to the Government of Singapore's 2019-20 Budget.

CPA Australia believes the focus on skills and technology in this Budget adds to a range of successful policies that has made Singapore a leading place to live, work and do business.

"It's both pleasing and appropriate in this time of significant global economic headwinds for the government to deliver an expansionary budget," said Paul Drum, Head of External Affairs at CPA Australia.

"The Government has used the Budget to announce ground-breaking measures to further support businesses and enable workers to deepen their capabilities. These measures include the \$19 billion announced to improve R&D capabilities, and also the \$4.6 billion to enhance economic capability-building for business and also to support Singaporean workers to help them thrive amid industry and technological disruptions.

"These measures will help ensure that Singapore is better placed to take advantage of opportunities emerging from technological advances and the re-emergence of Asia as the global centre of economic activity.

"Singapore remains one of the best places to do business in the world. It is in a very strong position to implement the measures announced today to increase the competitiveness and productivity of local businesses and to upskill the workforce for a rapidly changing environment. These will provide a useful buttress against what looks likely to be a challenging year.

"2019 is a year of uncertainty. With global trade tensions, Brexit and rising US interest rates, amongst other challenges, the measures announced today plus existing programmes will help many Singaporean businesses manage this uncertainty and be well placed for long-term robust growth.

"According to preliminary data from CPA Australia's 10th annual Asia-Pacific Small Business Survey, small businesses that are growing strongly are much more likely to have a stronger focus on technology than those that are not.

With our survey showing that Singapore's small businesses could embrace technology more strongly, today's announcement of an extension to the SME Go Digital programme to encourage businesses to build more sector-specific industry digital plans, including in accounting is a very welcome addition to a range of government initiatives designed to build the small business community's digital capabilities.

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Our survey results also show the strong link between enhancing other capabilities such as management skills, staff skills and knowledge of other markets, and business growth. The announcement of the Scale-up SG programme and the Innovation Agents programme adds to other government programmes that are helping Singapore's businesses succeed in an uncertain environment.

Additional support for the financing needs of SMEs is also positive, especially with our survey results showing many small businesses expect access to finance to be difficult in 2019.

Other initiatives announced by the Finance Minister today that will be welcomed by Singaporeans include:

- the \$1.3 billion Bicentennial fund, and
- the \$8 billion for Merdeka Generation package for health care and insurance for its ageing citizens.

CPA Australia also notes the Government's proposal to tighten GST relief for travellers. While this may momentarily raise the eyebrows of some travellers, it is an important revenue measure and it will have little impact if any, on Singapore remaining a major destination for tourists.

About CPA Australia

CPA Australia is one of the world's largest accounting bodies with more than 163,000 members working in 125 countries and regions, with more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 8000 in Singapore.

For more details, contact CPA Australia.

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