

### **A Capability-enhancing, Socially Responsible, People-conscious Budget**

The Singapore Chinese Chamber of Commerce & Industry (SCCCI) is pleased that the government has devoted much attention to addressing the needs of the middle- and lower-income population and an ageing workforce in this year's Budget. Overall, it is capability-enhancing, socially responsible and people-conscious.

The government has actively taken steps to encourage local enterprises to move up the value chain by giving tax breaks for R&D. While there are certain tax policy changes, including the fixture and fittings incentive for SMEs in the services industries, many local enterprises, which run small business outfits like retail shops, humble family concerns and small-scale operations, have seen their earnings undermined by high overheads.

Notwithstanding the fact that Singapore's fundamentals are strong, we can no longer ignore the possible repercussions of an enfeebled US economy. At home, business costs are heading north and causing undue stress to SMEs. Significantly higher business costs from soaring rentals, GST hike, increased transportation costs from ERP, taxi fares and fuel prices have all exacerbated the situation. The 2008 Budget could have been better if it had brought some form of relief to address the rising cost of doing business.

We were very glad that one of our long-standing wish-lists was fulfilled, with the abolition of estate duty from today. With other jurisdictions like Hong Kong having already abolished the estate duty with effect from February 11 2006, we had certainly hoped that estate duty could be done away with once and for all in this year's Budget. With this now in place, this is a most favourable move and a definite boost to Singapore's wealth management industry, encouraging foreign investors to our shores.

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### ***About Singapore Chinese Chamber of Commerce & Industry***

*Established in 1906, the Singapore Chinese Chamber of Commerce & Industry (SCCCI) is an internationally renowned business organisation and the apex body of the Chinese business community in Singapore. It is the founder of the biennial World Chinese Entrepreneurs Convention and the World Chinese Business Network ([www.wcbs.com.sg](http://www.wcbs.com.sg)), a global online business information portal. It plays a key and pro-active role in representing the interests of the local business community. In its continued drive for service excellence, the SCCCI has become the first business chamber in the region that has been awarded ISO 9001-2000 certification since 1995.*

*The SCCCI has a membership network of 121 trade associations and 4,000 corporate entities including large financial and business organisations, multinational corporations, government-linked companies, small and medium enterprises from a wide spectrum of trades and industries. Together, they provide the business community with vast resources and an influential global Chinese business network for business, culture and education.*