

## **PRESS RELEASE**

### **COMMENTS ON BUDGET SPEECH 2008**

**15 February 2008, Singapore** – We are very pleased to see that the 2008 Budget has placed key strategies to help Singapore remain a buoyant economy in face of the current global economic outlook. These measures will help ensure that Singapore continues to be a competitive top choiced location for businesses.

It is good news that the Singapore Government has finally accepted our proposal to remove the Estate Duty from Singapore's tax regime to enhance Singapore's attractiveness as an investment destination for individuals. This is in line with the Government's promotion of asset and wealth management industries in Singapore.

We are also delighted to see the Government has considered our suggestions on the following matters:

- ❖ Allowances to all companies for renovation expenditure incurred on fixtures, fittings and installation
- ❖ Increase of tax deduction limit for medical expenses to 2 percent of total wage bill for companies
- ❖ Extension of unilateral tax credit for foreign income from countries without Double Taxation Agreement with Singapore

In addition, we welcome the critical emphasis placed on innovation where businesses, in particular the SMEs, can greatly benefit from the tax incentives and allowances for their R & D efforts. We believe that innovation is critical to enable Singapore to stay ahead of competition.

We are however disappointed that the Budget has failed to provide tax incentives for eco-friendly initiatives to encourage businesses to adopt best practices in energy consumption and environmental protection. We are also especially concerned that the budget did not address the acute need to assure there is sufficient skilled manpower to sustain our economic growth in our bid to become a world class economy.

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