

Singapore Chinese Chamber of Commerce & Industry's (SCCCI) response to the 2009 Budget Statement

A Meaningful Rainy-day Budget promising hope to the economy

The Singapore Budget has never been as keenly anticipated as this particular one. This time, much hope was anchored on this year's Budget, as businesses in all sectors of the economy reported a marked and severe slowdown in sales, plunging export orders, all kinds of financing woes, and an increasing inability to cope with the surging costs of doing business in Singapore.

Echoing our sentiment in SCCCI's Budget wish-list released on November 10 2008, drastic times do call for extraordinary measures.

We are thus most gratified to know that the government has heeded our call and understands the urgent need of the business community to cut costs in order to save jobs. In this regard, we are glad to see that the government has provided a \$20.5 billion Resilience Package within which many of our wish-lists have been granted. These are, in particular, reductions in JTC and HDB rentals, reduction of the headline corporate income tax rate to 17%, property tax rebates, and a reduction in certain transportation costs. Apart from that, we applaud the government for introducing a number of other significant and concrete measures to help businesses through these trying times. These include the Jobs Credit Scheme, and the substantial risk-sharing in trade financing, enhancements in Bridging Loans, to help companies solve their immediate cash flow problems.

The Chamber is also pleased to note that the government has made an exceptional move to dip into its reserves for this Budget, instead of waiting till later in the year to offer off-Budget measures.

While the government has decided not to cut the GST rate to 3%, part of our wish-list, it has instead doubled GST credits for households, and also provided 3 to 4.5 months of rebate for Service and Conservancy charges.

Apart from helping business to stay afloat, we appreciate the government's efforts to support Singapore's long-term needs and to reinforce our position as a most liveable country for youths, the aged, start-ups, and foreign companies using Singapore as a manufacturing hub, and its emphasis on investing in human capital, innovation, R&D, and infrastructure, in our continued bid to prepare Singapore for future recovery.

Chua Thian Poh, President of the SCCC, says: "This is indeed an exceptional Budget which provides not only a quick-fix solution to the problems at hand but also prepares us adequately to sustain our long-term competitiveness."

