



Media Release

For immediate release

Singapore Budget 2023 to bolster the strengthening of capabilities and innovation for sustainable growth

Tuesday, 14 February 2023 [Singapore] – Singapore businesses started the year on a more cautious note as they expect elevated cost pressures to persist. Strong headwinds due to higher energy prices, geopolitical tensions, and a tight labour market have contributed to both an uncertain operating environment and higher business costs.

2 Even as businesses grapple with the challenges of elevated costs and manpower constraints, maintaining global competitiveness remains top-of-mind for many businesses. The Singapore Business Federation (SBF) welcomes Budget 2023's measures to help businesses press on with transformation and seek new opportunities in their growth journey.

Coping with high business costs

3 SBF welcomes the extension of the Enterprise Financing Scheme and Energy Efficiency Grant (EEG) to March 2024, which will help to address the financing challenges faced by small and medium-sized enterprises (SMEs) in Singapore. It is encouraging that the government and participating financial institutions will continue to help share the risk of financing and lower the cost of borrowing for SMEs. The government's continual funding of the Energy Efficiency Grant (EEG) will also encourage more Singapore companies to adopt energy-efficient practices and enhance Singapore's efforts to promote sustainable development and combat climate change.

Investing in skills training of workers

4 One of the major concerns that Singapore businesses face is finding sufficient and appropriate manpower to meet their business needs. The introduction of the Job-Skills Integrators initiative would help optimise training and job placements for Singapore businesses. These job-skills integrators or intermediaries will play a crucial role as they serve to close the labour and skills gaps. This initiative will benefit workers as it will help identify individuals who are the right fit for training and also ensure better earning prospects.

Enhancing innovation, productivity and growth

5 It is crucial that Singapore companies ride on the wave of research and innovation as they continually expand. Innovation comes with a level of risk, and the new Enterprise Innovation Scheme will place Singapore companies on transformation maps with “cushioned” risks. SBF encourages all Singapore companies, regardless of their size, to embark on innovation activities so as to develop new competitive advantages.

6 SBF welcomes the additional S\$4 billion top-up to the National Productivity Fund (NPF) as it will provide further support for efforts to enhance productivity, build new capabilities, and upskill workers. The NPF allows continued investment on measures and programmes that can help businesses to become more competitive and productive as they develop the Singapore talent pool.

7 Mr Lim Ming Yan, SBF Chairman, said, “This year’s Budget signals a clear focus by the government to move away from hand-outs while investing in helping businesses pursue innovation and build capabilities, so that they can stay competitive in today’s business landscape. Businesses expressed optimism post-COVID, but many have since turned cautious due to heightened cost pressures and persistent manpower challenges. SBF will continue to help the business community tap on the measures announced at Budget 2023 to stay the course and uncover new growth.”

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About Singapore Business Federation

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between the government and businesses in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking.

For more information, please visit: www.sbf.org.sg