BUDGET 2026

Securing Singapore's next phase of Growth and good jobs

> **Above all, our strategy is to give workers the confidence to adapt, businesses the ability to compete, and every Singaporean a share in our progress and a stake in our future.**
>
> — Deputy Prime Minister and Minister for Trade and Industry, Mr Gan Kim Yong

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SUPPORT FOR BUSINESSES

Why is it important?

Amid geopolitical uncertainties, technological disruptions, and tighter resource constraints, the Government will help businesses manage near-term challenges and position them for long-term growth.

Manage business costs

- 50% **Corporate Income Tax Rebate** for Year of Assessment 2026
  - Capped at $40,000 per company
  - Minimum benefit of $2,000 for active companies with at least one local employee in 2025
  - This was updated on April 7 in response to the impact of the evolving Middle East situation

Support and drive growth

- From 2H 2026, the **EDGE** grant will consolidate three existing grants – **Market Readiness Assistance (MRA) grant, Productivity Solutions Grant (PSG)**, and **Enterprise Development Grant (EDG)** – into a single scheme supporting Singapore businesses with up to $100,000 per year for eligible activities
- Enhanced **Enterprise Financing Scheme-Trade Loan (EFS-TL)** and **Enterprise Financing Scheme-SME Fixed Assets Loan (EFS-FA)** to facilitate access to short-term trade facilities and financing for investments in domestic and overseas fixed assets, respectively
- Support level for the **Enhanced Visual Merchandising (EVM) Programme** and the **Heartland Enterprise Placemaking Grant (HEPG)** will increase to 70% from 50% to help heartland shops refresh their stores and conduct placemaking activities

Support overseas venture

- Increased support levels for companies expanding abroad – up to 70% of eligible costs for SMEs and up to 50% for non-SMEs – under the **MRA grant, Business Adaptation Grant (BizAdapt)**, and **Global Innovation Alliance (GIA)** schemes
- Expanded **MRA** to cover companies deepening their presence in existing overseas markets, beyond entering new markets
  - Such enhancements will apply when MRA is streamlined under the **EDGE** grant from 2H 2026
- Raised expenditure cap to $400,000 from $150,000 for automatic claims under the **Double Tax Deduction for Internationalisation (DTDi)** scheme from Year of Assessment 2027, to help Singapore firms venture abroad with more ease and speed

Enhance productivity and efficiency

- Cash grants – up to $1,000 for SMEs and up to $5,000 for larger businesses – to ease transition and encourage early adoption of **InvoiceNow**, Singapore's e-invoicing network
  - All Goods & Services Tax-registered businesses will be required to submit digital invoices to the Inland Revenue Authority of Singapore via InvoiceNow by April 2031
  - SMEs can tap on select InvoiceNow-Ready software solutions for free
- **Energy Efficiency Grant (EEG)** Base Tier will be expanded to all sectors and extended to March 2028 for companies investing in energy-efficient equipment
  - This was updated on April 7 in response to the impact of the evolving Middle East situation

Improve access to government procurement

- **Tender Lite** expanded to Information and Communication Technology contracts from April 2026
  - Tender Lite is a simplified government tender option for procurement valued up to $1 million

Uplift the workforce

- Enhanced support for AI upskilling initiatives by expanding **TechSkills Accelerator (TeSA)** to non-tech workers, and providing Singaporeans who take selected AI courses with six months of free access to premium AI tools
- Strengthened support for mid-career workers through including more industry-relevant courses under the **SkillsFuture Level-Up Programme (SFLP)**, and extending **Senior Employment Credit (SEC)** to 2027 for senior workers
- **Progressive Wage Credit Scheme (PWCS)** extended to 2028 to uplift lower-wage workers
  - Government co-funding support for wage increases in 2026 raised to 30% from 20%
  - From 2027, minimum qualifying wage increase will be raised to $200 from $100

By the numbers

50%

Corporate Income Tax Rebate for Year of Assessment 2026, capped at $40,000

30%

Government co-funding for lower-wage workers' wage increases in 2026 under the Progressive Wage Credit Scheme (PWCS)

$400,000

Expenditure cap for automatic claims under the Double Tax Deduction for Internationalisation (DTDi) scheme from Year of Assessment 2027

DBS' group head for corporate and SME banking Chen Ze Ling:

The Budget recognises that the key challenges faced by businesses today are structural, not cyclical. We are operating in a global environment shaped by increasing market fragmentation and technology disruption.[1]

Deloitte Singapore country manager Shariq Barmaky:

The Government's support in building practical AI capabilities across the professional services sector is a strategic move that will further strengthen Singapore's position as a leading global hub for professional services. This will enable us to continue fostering a vibrant ecosystem for innovation and talent development, positioning Singapore to serve Asia and the world.[2]

SOURCES: [1] *Budget 2026 repositions SMEs for long-term tough environment: DBS, The Business Times*
[2] *Deloitte Singapore's response to the Singapore Budget 2026: "Securing Our Future Together in a Changed World*

EXTEND LEAD IN KEY SECTORS & CHART NEW FRONTIERS

Why is it important?

We will partner businesses and leverage science and technology to stay ahead in key sectors, such as semiconductors, and expand into new areas, like quantum, decarbonisation and space technologies, to drive the next phase of growth and create quality jobs.

Extend lead in advanced manufacturing

- $800 million will be invested in the **Research, Innovation and Enterprise (RIE) Flagship in Semiconductors** to translate research into high-value products and boost advanced research and development (R&D) and manufacturing activities
  - It will focus on high-impact areas such as Advanced Packaging and Advanced Photonics (the use of light-based particles to process and transmit data)
- $60 million will be invested in the **National Semiconductor Translation and Innovation Centre (NSTIC) for Power Electronics** to strengthen Singapore's competitiveness in next-generation power electronics (advanced semiconductors with higher voltage handling and thermal resilience that power sectors such as data centres and electric vehicles)

Support business innovation

- Over $3 billion will be invested in the **Research and Innovation Scheme for Companies**, or **RIS(C)**, in RIE2030 to continue attracting private investments in research and innovation, building capabilities, and creating high-value jobs for locals

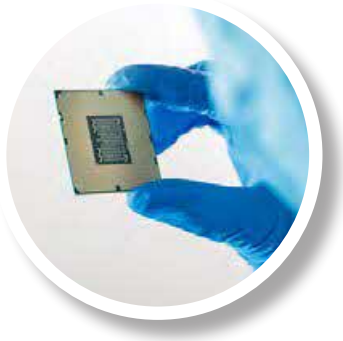
Grow as a trust-based services hub

- Develop Singapore as a hub for trust-based services, creating opportunities in areas including risk advisory, cybersecurity, AI assurance, as well as testing, inspection and certification

Expand into new growth areas

- An $800 million **Decarbonisation Grand Challenge** to accelerate low-carbon energy generation and industrial decarbonisation technologies, helping the power and industry sectors meet 2035 emissions reduction targets and 2050 net-zero ambitions
  - **Singapore Pilots for Energy & Enterprise Decarbonisation (SPEED)** programme launched, to support local R&D and real-world testing, and attract private investments to scale promising early-stage technologies
- Capture opportunities in the global space economy through the newly established **National Space Agency of Singapore (NSAS)**, which will double its manpower from 30 over the next three years

By the numbers



$3 billion

Government funding set aside for RIE Flagships (for key economic sectors) and RIE Grand Challenges (for national strategic priorities) over the next five years[1]

$14 billion

Research and innovation investments committed by companies in the past five years

18.5%

Manufacturing sector's contribution to Singapore's nominal Gross Domestic Product (GDP) in 2025[2]

SOURCES: [1] Singapore invests S$37 billion in RIE2030 research plan; semiconductors, ageing among focus areas, Singapore Economic Development Board
[2] Singapore Economy, Department of Statistics Singapore

Singapore Economic Development Board (EDB) vice-president of global enterprises Soo Haw Yun:

Singapore continues to build up our innovation ecosystem so that we can support companies like Ambiq, that are seeking to advance technological breakthroughs and create new value.[1]

EY Business Incentives Advisory partner Tracy Tham:

Singapore's proposed $37 billion investment under the Research, Innovation and Enterprise 2030 plan over five years, is a significant commitment to research and innovation. This is the highest investment thus far and sends a clear message on its ambition to develop, test and commercialise frontier technologies.[2]

SOURCES: [1] Semiconductor firm Ambiq to expand R&D in Singapore, eyes 30 specialised tech hires, The Business Times
[2] EY reactions to Singapore Budget 2026

STRENGTHEN ENTERPRISE ECOSYSTEM

Why is it important?

A dynamic and vibrant enterprise ecosystem will reinforce Singapore's position as a trusted and connected base for global businesses, and ensure that our economy remains at the forefront of innovation and growth.

Nurture new global companies

- Second $1.5 billion tranche of **Anchor Fund** to attract and anchor high-quality listings in Singapore
- Permanent expansion of **Enterprise Financing Scheme-Mergers & Acquisitions Loan (EFS-M&A)** to support Singapore enterprises in securing financing for both domestic and overseas M&A activities

Foster vibrant startup community

- $1 billion top-up to the **Startup SG Equity (SSGE) scheme** to continue investing in early-stage deep tech startups and expand into growth-stage deep tech startups
- A refreshed **LaunchPad @ One-North** with new event spaces, sports facilities, and networking areas for collaboration and community-building
- Establishment of **LaunchPad @ Punggol Digital District (PDD)** to augment JTC's offerings of startup spaces islandwide
    - Embedded within the community, LaunchPad @ PDD will enable startups to leverage the entire district to testbed innovations in smart city solutions, fintech, robotics and cybersecurity

By the numbers

$1.5 billion

Amount allocated under the second tranche of the Anchor Fund, which aims to attract and anchor high-quality listings in Singapore

$14.2 billion

Amount of fixed asset investments Singapore attracted in 2025[1]

44.9%

Growth of Singapore's startup ecosystem from April 2024 to April 2025[2]

SOURCES: [1] Singapore Economic Development Board Year 2025 in Review
[2] Startup Blink's Global Startup Ecosystem Index 2025

EY ASEAN and Singapore IPO leader Chan Yew Kiang:

An injection to the Anchor Fund is also likely to improve Singapore's competitiveness in attracting fast-growing companies to base their headquarters here. However, this market remains dynamic, and speed to growth and profitability are critical for survival.

Corporate Tax partner at PwC Singapore Kexin Lim:

Extending support beyond early-stage ventures to include growth-stage companies alongside Singapore's current schemes to attract high quality entrepreneurs strengthens the startup pipeline and reinforces Singapore's position as a leading hub for scale-up capital.

SOURCE: Budget 2026: Quick takes on EQDP top-up, support for startups, The Business Times

ESTABLISH
SINGAPORE AS AN AI LEADER

Why is it important?

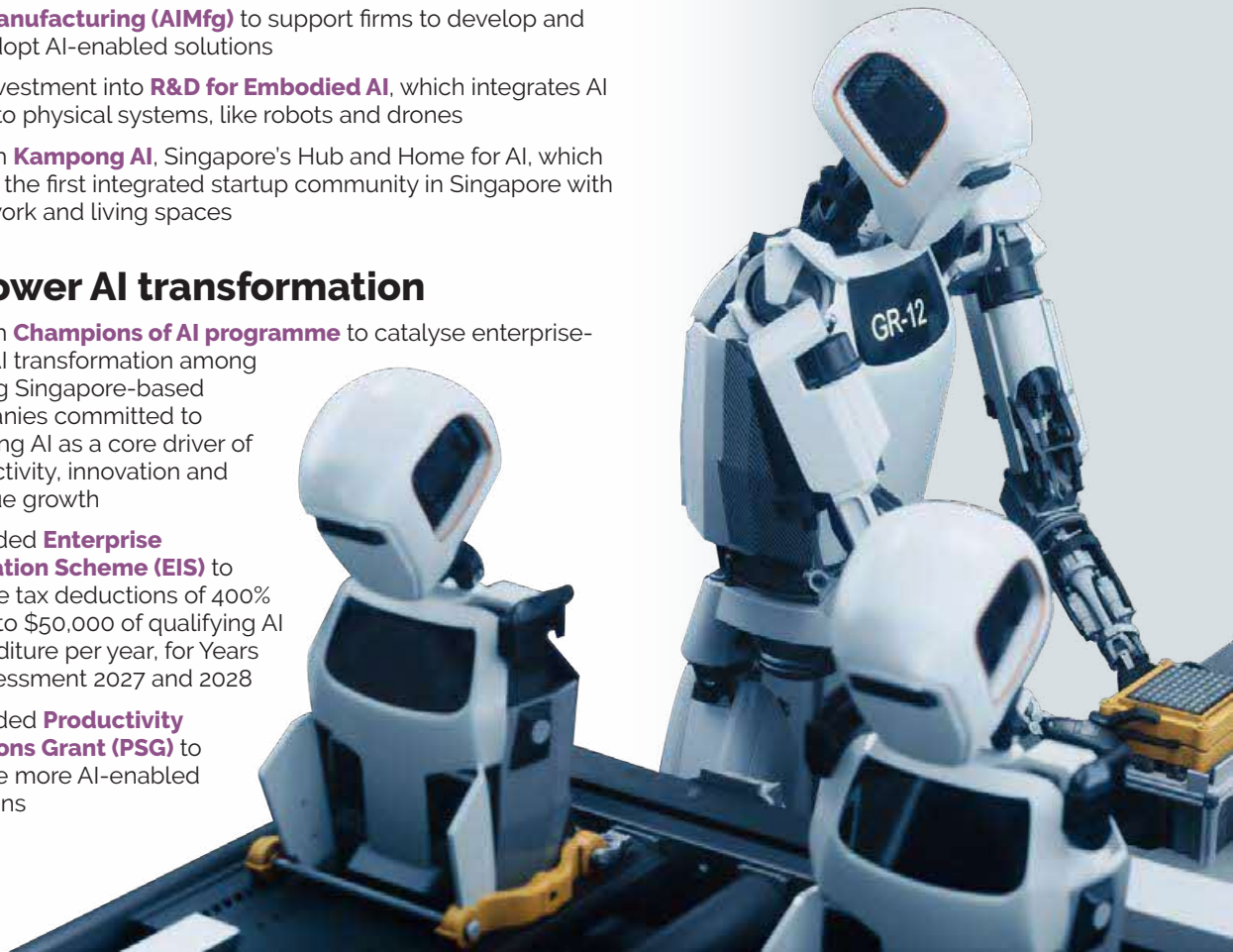
Artificial intelligence (AI) is a critical enabler for enterprises to raise productivity, upgrade capabilities, and scale innovation faster than before. Singapore must position itself as a location of choice where AI solutions are built, proven and scaled.

Establish AI leadership

- Launch a set of national **AI Missions** to drive AI transformation in four priority sectors: advanced manufacturing, connectivity, finance and healthcare
- **Advanced Manufacturing AI Mission** will be anchored on three thrusts:
  - Leverage AI and robotics to make our manufacturing facilities more agile, resilient, and efficient
  - Harness AI to create first-in-world solutions by improving product designs and accelerating development cycles
  - Drive broad-based sectoral transformation by helping companies adopt AI in key operations and deploy solutions across the ecosystem
- **Advanced Manufacturing AI Mission** will be supported by two key enablers:
  - A*STAR's **Sectoral AI Centre of Excellence in Manufacturing (AIMfg)** to support firms to develop and adopt AI-enabled solutions
  - Investment into **R&D for Embodied AI**, which integrates AI into physical systems, like robots and drones
- Launch **Kampong AI**, Singapore's Hub and Home for AI, which will be the first integrated startup community in Singapore with both work and living spaces

Empower AI transformation

- Launch **Champions of AI programme** to catalyse enterprise-wide AI transformation among leading Singapore-based companies committed to adopting AI as a core driver of productivity, innovation and revenue growth
- Expanded **Enterprise Innovation Scheme (EIS)** to provide tax deductions of 400% on up to $50,000 of qualifying AI expenditure per year, for Years of Assessment 2027 and 2028
- Expanded **Productivity Solutions Grant (PSG)** to include more AI-enabled solutions



By the numbers

28

Companies that have co-developed and adopted AI-enabled solutions with the Sectoral AI Centre of Excellence in Manufacturing (AIMfg)

14,500 sqm

Of business park units in Kampong AI, which can accommodate up to 70 companies and event spaces

$50,000

Maximum claimable qualifying AI expenditure per year under the Enterprise Innovation Scheme (EIS), for Years of Assessment 2027 and 2028

Carousell co-founder and deputy chairman of the Action Community for Entrepreneurship Marcus Tan:

As we further invest in AI to make the world more circular, JTC's vision for Kampong AI aligns perfectly with our focus on building world-class AI capabilities in Singapore. We look forward to exchanging insights with both global leaders and the next generation of AI startups in this vibrant community.[1]

DBS Bank senior economist Chua Han Teng:

Harnessing AI effectively across the economy will boost productivity – a crucial driver of competitiveness and growth over the next decade – as Singapore's mature economy faces increasingly binding land and labour constraints.[2]

SOURCES: [1] *JTC unveils refreshed masterplan for LaunchPad, including Kampong AI in LaunchPad @ One-North, Singapore's Hub and Home for AI*

[2] *AI emerges as cornerstone of Singapore's new economic playbook, The Business Times*

SOLIDIFY
HUB STATUS & SUPPORT INTERNATIONALISATION

Why is it important?

With a small domestic market, Singapore must remain relevant and attractive to visitors and investors. Amid global supply chain reconfiguration, it is equally important to help our enterprises seize opportunities abroad.

Strengthen tourism appeal

- Upgrade Sentosa's infrastructure under the first phase of the **Greater Sentosa Master Plan**
  - New transport hub to link Sentosa and Pulau Brani into **Greater Sentosa**, with lifestyle and hospitality offerings
- Refresh Orchard Road to maintain visitor appeal, including transforming **37 Emerald Hill** into a mixed-use development featuring unique hotel concepts, lifestyle offerings, and community and public spaces that honour the site's rich heritage

Unlock opportunities in JS-SEZ

- Develop **Woodlands Gateway**, a mixed-use district spanning up to 35-hectares, which will be our northern gateway to the Johor-Singapore Special Economic Zone (JS-SEZ). It will include:
  - A transport hub connected to the Johor Bahru-Singapore Rapid Transit System (RTS) Link and Woodlands North MRT stations
  - Flexible industrial spaces for firms regionally headquartered in Singapore with manufacturing operations in Johor
  - Commercial and lifestyle amenities catering to residents and employees living and working nearby

  The first phase of the project is expected to complete around 2030.

Broaden global partnerships

- Deepen economic ties with key partners like the United States, China, India and ASEAN
- Unlock opportunities in emerging markets, such as Latin America, South Asia, Middle East and Africa
- Launched the **Future of Investment and Trade (FIT) Partnership** with other small, medium-sized, and trade-dependent countries to address challenges and identify investment opportunities

By the numbers

$23.9 billion

Singapore's tourism receipts in the first three quarters of 2025, the highest record for this period[1]

82%

Of the 730 companies polled by the DBS Business Pulse Check Survey have plans to internationalise in 2026 to reach new customer bases and build a strong overseas brand presence[2]

SOURCES: [1] Singapore Tourism Board
[2] DBS Business Pulse Check Survey 2026

PwC Singapore entrepreneurial and private business leader David Toh:

The enhanced grants lower financial and execution barriers, encourage longer-term commitment to overseas markets, and recognise the realities SMEs face when competing internationally. In doing so, they position international growth as a viable next step for a broader base of Singapore enterprises.

SOURCE: Budget 2026: Tax rebate and enhanced grants for firms to deal with competition, costs, The Straits Times

USEFUL RESOURCES

Visit the websites below for more information, or contact MTI at mti_email@mti.gov.sg

GoBusiness

Visit the GoBusiness portal at gobusiness.gov.sg for more information on available enterprise support.

Use the Government Assistance e-Adviser to check your eligibility for schemes by answering a few simple questions.

SME Centres

Experienced Business Advisors will support you in growing your business through 1-on-1 business advisory sessions, capability development workshops, and group-based upgrading projects.

Book a complimentary consultation at an SME Centre of your choice at enterprisesg.gov.sg/about-us/contact-us/sme-centres

MOF's Pro-Enterprise Initiatives

Find out how government procurement has been made more accessible – from procurement to invoicing – and the transitional support available to help businesses onboard InvoiceNow.

Learn more about MOF's Pro-Enterprise Initiatives at go.gov.sg/mof-cos-2026.

MTI MINISTRY OF TRADE AND INDUSTRY SINGAPORE