



1 Scotts Road, #23-03 Shaw Centre, Singapore 22820

Tel: (65) 6597 5730 | [www.amcham.org.sg](http://www.amcham.org.sg)

Registration No. ROS 239/73 TAP

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Mr Heng Swee Keat  
Deputy Prime Minister  
Minister for Finance  
Republic of Singapore

Dear Finance Minister,

### **AMCHAM INPUT ON THE SINGAPORE BUDGET 2020**

The American Chamber of Commerce in Singapore (AmCham) welcomes the opportunity to provide input to the Ministry of Finance for the Singapore Budget 2020. AmCham is the leading international business association in Singapore, with over 5,000 members representing nearly 700 companies. Many U.S. companies establish their regional headquarters in Singapore before scaling up and expanding in the region. As we celebrate the AmCham's 47<sup>th</sup> anniversary in 2020, we look forward to further working together with the Singapore Government. Our goal is to meet present and future challenges to the mutual benefit of American business and the people of Singapore.

AmCham's feedback with regards to the Budget 2020 is centered on the following themes:

- i. Innovation
- ii. Education, Training and Lifelong Learning
- iii. Volunteerism and Philanthropy
- iv. Fiscal Sustainability
- v. Healthcare

#### **Innovation**

For Singapore to secure its position as a nexus for technology, innovation and enterprise in the coming year and future decades, it is critical that collective efforts are adopted to foster greater technological development across a range of stakeholders and industries. Major investments into research and development (R&D) are required for the city-state to remain competitive in the global race for new sources of innovation and more advanced digitalization. This comes in light of Singapore's dependence on economic growth through engaging in transactions for higher value-added goods and services. Innovation emerges as a core driver that ensures continuous relevance.

Global businesses, particularly U.S. companies are deeply invested in R&D efforts; in 2018, R&D spending by global MNCs reached record levels, increasing by 11.4% from 2017. U.S. firms see the value of R&D spending in contributing to their business productivity and building strong market positions.

This year, the Chamber was fortunate to develop close partnerships with Community Chest and the National Volunteer & Philanthropy Centre through our AmCham CARES program. AmCham CARES recognizes member companies from a wide spectrum of industries for their excellent CSR programs in Singapore. Additionally, AmCham organizes the annual Corporate Community Day, an impactful day that encourages American businesses in Singapore and their employees to build stronger ties with Singapore through local community work. In 2018, over 500 members of the AmCham community participate in the Walk for Rice, an effort that raised over 20,000 bowls of rice for needy families in Southeast Community Development Council (CDC). On November 23, 2019, AmCham will be participating in Adopt@Southwest, in partnership with Southwest CDC. The Chamber looks forward to continued collaborations in 2020, alongside new partnerships with other Singaporean initiatives.

Companies in Singapore are increasingly joining the movement to develop comprehensive CSR programs but more could be done to increase their impact. As illustrated from President Halimah Yacob's speech at the Chamber's AmCham CARES ceremony this year, AmCham and its members have made significant and enduring contributions to Singapore in CSR since independence and welcome more collaborative efforts in sustaining this effort. **One such way is to encourage partnerships between the relevant Singapore Government agencies and AmCham to highlight opportunities for AmCham member companies to provide expertise and assist other companies to develop their CSR programs in Singapore.**

#### Environmental and Sustainability Issues

During the 2019 National Day Rally, PM Lee acknowledged that "climate change is existential" for Singapore. The city-state is highly vulnerable to the impact of global warming and resource depletion due to its lack of natural resources and limited options to harness renewable energy. Likewise, the Chamber and our members are concerned about the environmental impact of their operations, seeking to minimize their contribution to climate change.

Businesses should be more strongly incentivised to help Singapore achieve the Sustainable Development Goals. Findings from an HSBC report revealed that 88% of Singapore firms agree that sustainable practices will enhance growth and profitability in the near term, but only 64% have environmental policies in place. Compared to the global average of 74%, businesses have much room for implementing simple sustainability efforts. The private sector, including interest groups and non-for-profit companies, have the potential to make significant contributions by channelling large fiscal and material resources into sustainability solutions. **AmCham supports the Singapore Government's efforts in promoting and supporting collective action with industry and offers itself as a partner in these efforts.**

#### **Fiscal Sustainability**

AmCham supports measures aimed at reconciling the needs for increasing investments, generating revenue, ensuring agility of businesses and adapting to technological transformations in a fiscally sustainable manner. In this regard, such policy measures should also take into consideration the emergence of unintended consequences that such policies could have, as well as the negative impact that abrupt and regular policy changes can have to smaller businesses. The Chamber has identified three areas of attention that could augment fiscal sustainability:

## Healthcare

Singapore is a global leader in addressing non-communicable diseases (NCDs) which continue to be a major health challenge to Singapore and the world. In 2016, Singapore declared War on Diabetes and mobilised the nation to tackle one of the most pressing NCD concerns. The Singapore Government has been proactive in its efforts to mitigate the public's intake of sugar and has allocated considerable resources to address this matter. Such efforts are important given the negative impact of a marked rise of diabetes incidence in Singapore.

Coordination from all levels within the food and nutrition ecosystem in addition to stakeholders from the pharmaceutical and medical technology industries is critical to developing effective and comprehensive solutions for the diabetes epidemic. Stakeholders should work together to create partnerships in research to develop innovative products and strategies relating to NCDs. Similarly, industries should be incentivised to invest in R&D that support overall public health objectives in the prevention, early diagnosis, and treatment of NCDs. To tackle this complex issue and effectively address the NCD burden on public health, **AmCham supports implementing a framework of greater collaboration and consultation across multiple stakeholders, better combination of preventive measures, education aimed at positive behavioural change, a conducive policy structure encouraging innovative approaches to addressing NCDs, and initiatives to incentivise developments in science and technology.**

Yours Sincerely,



Dr. Hsien-Hsien Lei  
Interim Executive Director