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Mr. Lawrence Wong
Prime Minister
Minister for Finance
Republic of Singapore

AMCHAMSG FEEDBACK FOR SINGAPORE BUDGET 2025

Dear Finance Minister,

The American Chamber of Commerce in Singapore (AmChamSG) welcomes the annual opportunity to provide feedback to the Ministry of Finance for Budget 2025 on behalf of the American business community in Singapore.

AmChamSG is one of the largest and most active international business associations in Singapore and Southeast Asia, with over 7,000 members representing over 660 companies – many of whom have regional headquarters here and call Singapore their home. AmCham member companies represent the best of American business values: free enterprise, fairness, creativity, respect for people from diverse backgrounds, and optimism.

AmChamSG feedback for Budget 2025 is anchored on furthering partnerships for sustainable growth and covers the following key areas of focus:

1. Artificial Intelligence (AI)
2. Healthcare
3. Climate and Sustainability
4. Talent Development

1. Artificial Intelligence

Artificial Intelligence (AI) continues to reshape all industries, presenting unparalleled opportunities to enhance productivity, drive sustainable development, and unlock economic value. As countries worldwide invest heavily in AI infrastructure and talent, Singapore has the potential to establish itself as a regional AI hub, leveraging its strong digital ecosystem and cross-border connectivity. Singapore's technology spend reached USD\$16.3 billion in 2023, with the U.S. as the top foreign investor, and U.S. companies' existing and committed capital investments in AI over the next few years, in partnership with Singapore players in the local ecosystem, exceeds USD\$37 billion.¹

On June 5, 2024, the U.S. and Singapore co-led a roundtable on shared principles and collaboration on AI. Conversations on U.S.-Singapore collaborations on AI and technology continued with the second U.S.-Singapore Critical and Emerging Technology (CET) Dialogue held on August 1, 2024. These dialogues reaffirm the U.S. and Singapore's ongoing partnership to building trusted, open, accessible, and secure technology ecosystems that promote responsible innovation, inclusive and sustainable economic growth, and a rules-based international order.

A strategic, collaborative approach that encompasses targeted investment, regulatory harmonization, the cultivation of an AI-ready workforce, and support for research and innovation will be essential for AI to become a significant contributor to Singapore's economic landscape.

AI Ecosystem Development

While AI offers significant opportunities, a robust ecosystem needs to be cultivated to capitalize on AI's full potential. Establishing structured cross-border partnerships could accelerate the development and adoption of AI tools while enabling knowledge exchange across borders. Special Economic Zones (SEZs), such as the one in Johor Bahru, could play a crucial role. Ensuring these zones provide businesses with essential resources and access to critical infrastructure could bolster Singapore's AI ecosystem, particularly for companies headquartered in the region. **AmChamSG welcomes continuous opportunities for industry to provide feedback on what businesses need to fully leverage the economic benefits of SEZs.**

Although government funding for AI adoption is available, not all businesses are able to access this funding, which then necessitates finding alternative financing strategies or partnerships. **AmChamSG encourages the Singapore government to ease access to such funding for all businesses, as this would support a broader range of companies in integrating AI into daily workflows and enable them to contribute to the Singapore economy more efficiently.**

AI and Cybersecurity

As digital transactions become more interconnected, the need for harmonized cybersecurity policies across borders is urgent, particularly in light of the increasing use of AI in cybersecurity threats. Standardized cyber policy frameworks would enable Singapore to cooperate seamlessly with international partners on cyber threat intelligence sharing, coordinated responses to incidents, and harmonized security standards. Harmonization also reduces operational challenges for businesses that

¹ <https://sg.usembassy.gov/fact-sheet-u-s-singapore-shared-principles-and-collaboration-on-artificial-intelligence/>

must comply with diverse regulatory requirements in different regions, allowing them to focus resources on innovation and growth rather than regulatory complexity.

AmChamSG supports Singapore's leadership in developing regulations around AI and encourages regular opportunities for industry to provide input on cyber policies on AI. Singapore's role as a regulatory lighthouse means that many other nations in this region may look to Singapore's policies as a model. Engaging actively and regularly with industry will maximize the effectiveness of these policies and ensure a positive environment for digital growth.

AI-Ready Workforce

As industries increasingly adopt AI, developing a skilled workforce capable of harnessing these technologies will be crucial for Singapore to maintain its competitiveness. While hiring AI-skilled talent is a priority for many companies in Singapore, they face challenges in finding the AI talent they need, lack of knowledge in running an AI workforce training program, and unfamiliarity by workers on relevant career paths where AI skills are useful.² **AmChamSG encourages greater collaboration between Singapore government, Institutes of Higher Learning (IHLs), and businesses to implement AI training programs that meet the needs of business and ensures workers are future ready.**

Additionally, while there are opportunities in using AI, challenges such as bias in AI algorithms and data protection and privacy must be carefully managed. **AmChamSG recommends Singapore government offer resources and guidelines to aid businesses in deploying AI tools responsibly, addressing data governance, and reducing inherent data biases.**

AmChamSG encourages Singapore to develop sector specific AI governance and regulatory frameworks. Sectors such as manpower require tailored guidance to implement AI solutions, which could benefit from collaborative input from both industry and government stakeholders. By addressing the nuances of AI governance, Singapore can position itself as a trusted regulatory guide in the region, supporting all industries in leveraging AI while ensuring compliance and ethical practices.

AI and Innovation

Singapore's Research, Innovation and Enterprise (RIE) 2025 plan has successfully positioned the nation as a leading R&D hub in the region, fostering significant advancements and innovation. As RIE 2025 is set to expire next year and as we look ahead in a rapidly evolving AI landscape, businesses are eager to understand what the forthcoming RIE 2030 plan will entail to support emerging technologies and maintain Singapore's competitive edge. **AmChamSG welcomes the Singapore government to share on RIE 2030's focus areas. AmChamSG recommends RIE 2030 to include funding for greater public-private partnerships in advanced manufacturing, semiconductors, emissions abatement technologies, new energy, and R&D talent attraction and development.**

² <https://press.aboutamazon.com/sg/2024/3/ai-skills-could-boost-singapore-workers-salaries-by-more-than-25-and-accelerate-career-growth-as-ai-adoption-ramps-up-finds-new-research>

2. Healthcare

In June 2024, AmChamSG hosted Professor Ivy Ng, Senior Adviser of the SingHealth Board, and Dr. Keith Lim, Group Head of Medical and Quality at IHH Healthcare, at our Healthcare Conference: *Agile Collaboration to Revolutionize Healthcare*. The conference brought together a diverse group of stakeholders, including policymakers, healthcare providers, industry experts, payors, and patients, to share their insights and expertise as they explored solutions for a rapidly evolving healthcare landscape.

The increasing adoption of AI in healthcare promises to enhance system efficiency, healthcare worker productivity, and patient outcomes.³ However, the integration of AI also brings challenges related to disparate data storage, privacy and ethical concerns, and the need for centralized development and collaboration. **AmChamSG encourages greater public and private sector collaboration in the development of platforms that advance AI in healthcare.**

While AI and other innovations may reduce costs in the long term, in the short term there will be additional resources needed. Therefore, sustainable healthcare funding models are paramount, especially to mitigate rising costs associated with increased healthcare utilization as Singapore's aging population experience increased comorbidities and longer hospital stays. It is critical that Singapore develops simple, efficient, and cost-effective solutions to promote healthier lifestyles that could prevent and manage these conditions. **AmChamSG encourages Singapore government to increase support of lifestyle tools, such as wearables and continuous glucose monitors, to empower individuals to take ownership of their health as part of Healthier SG.**

Patient care also needs to be holistic and include allied health professionals, dieticians, and nutritionists to meet diverse patient needs. To ensure that this community-centric model of care can be effectively implemented and widely accessible, **AmChamSG encourages Singapore government to consider affordability and expand insurance coverage for preventive care.**

Healthcare providers, payers, patients, and partners (collectively known as the 4Ps⁴) need to be aligned to deliver value-driven care within the health ecosystem. Patients need to be at the heart of the healthcare system, ensuring that both public and private sectors collaborate to provide the best possible care while also achieving sustainable healthcare outcomes. **AmChamSG encourages Singapore government to consider public-private partnerships for risk-sharing and cost savings including performance-based contracting, data-driven population health management programs, and infrastructure development.**

³ <https://www.moh.gov.sg/licensing-and-regulation/artificial-intelligence-in-healthcare>

⁴ <https://pressbooks.pub/jln1/chapter/3-introducing-the-key-stakeholders-patients-providers-payors-and-policymakers-the-four-ps/#:~:text=Introducing%20the%20Key%20Stakeholders%3A%20Patients,Information%20Systems%20for%20Better%20Health>

3. Climate and Sustainability

Southeast Asia has accounted for 11% of global energy demand growth since 2010 and its energy demand is set to grow by more than 60% by 2050.⁵ Singapore is positioning itself as a regional leader in climate policy through strategic initiatives like hosting the inaugural Indo-Pacific Economic Framework (IPEF) Clean Economy Investor Forum⁶ and the recently established International Energy Agency Regional Cooperation Centre.⁷

Singapore's role as a regulatory lighthouse in Southeast Asia presents an opportunity for Singapore to lead on regional climate policy. **AmChamSG encourages Singapore to take a consultative approach on climate policy to drive positive impact while taking into account the needs of businesses.**

As Singapore draws closer to its 2050 net zero emissions target, accelerating progress toward renewable energy goals is essential. Given the nation's limited natural resources and geographic constraints, imported clean energy is a key part of this strategy. However, achieving the full potential of clean energy imports requires substantial investments in infrastructure and clean technology. AmChamSG member companies are well positioned to supply innovative technologies and customize innovations for the region's needs. **AmChamSG encourages Singapore government to disburse the first Future Energy Fund expenditure on essential infrastructure development and innovations.**

The role of Small and Medium-sized Enterprises (SMEs) must also be considered in the transition to clean energy. The SMEs' ongoing demand for sustainable options coupled with challenges in financing their transition signals the need for governmental action. **AmChamSG encourages the Singapore government to consider bulk purchasing of clean energy and establishing a pooled approach to Power Purchase Agreements (PPAs).** By aggregating demand, Singapore could secure competitive rates for renewable energy, passing on cost savings to SMEs and making clean energy a more viable choice for businesses of all sizes. **Introducing government-supported green tariffs can further ease the financial barrier for SMEs,** allowing them to benefit from sustainable energy without excessive cost burdens.

4. Talent Development

Nurturing a diverse, adaptable talent ecosystem that combines local experience with global expertise will be essential for sustaining Singapore's economic resilience and ensuring it remains an attractive destination for investment and innovation. AmChamSG's 2024 Manpower Survey found that the top two challenges to hiring more Singaporeans and PRs in senior level roles is lack of necessary specialized skills and lack of exposure in overseas markets, global and regional operations. **AmChamSG encourages Singapore government to increase investment in programs that address skills gaps while facilitating skills transfer.**

AmChamSG applauds the recent launch of the Overseas Markets Immersion Programme. **AmChamSG welcomes continued investment in programs that enable Singaporeans and PRs to gain**

⁵ <https://www.iea.org/reports/southeast-asia-energy-outlook-2024/executive-summary>

⁶ <https://www.commerce.gov/news/fact-sheets/2024/06/fact-sheet-ipef-clean-economy-investor-forum>

⁷ <https://www.iea.org/news/iea-sets-up-new-office-in-singapore-to-strengthen-energy-collaboration-in-southeast-asia>

overseas experience and encourages opportunities for industry to partner with these programs and contribute to their development.

Workplace Fairness

As Singapore strives to build a robust and inclusive workforce, addressing workplace discrimination is a critical priority. Discrimination—whether based on race, gender, age, or other factors—undermines talent optimization and stifles innovation, collaboration, and productivity. AmChamSG member companies are leading the way in fostering inclusive workplaces, with American firms making up five of the top ten best employers in Singapore.⁸ By implementing anti-discrimination policies, offering comprehensive employee support programs, and prioritizing diversity at all levels, AmChamSG members are building environments where everyone can thrive.

To advance a fair and equitable environment, the public and private sector must work in tandem to implement robust anti-discrimination policies. **AmChamSG welcomes the new Workplace Fairness Bill and encourages regular opportunities for dialogues and engagements on the Bill between Singapore government and industry.**

Supporting Mature Workers

As Singapore's population ages, the shrinking labor pool heightens the need to maximize the potential of mature workers, particularly those with significant experience or undergoing mid-career transitions. **AmChamSG encourages Singapore government to increase support for mature workers.** Broader support for mature workers can foster a more inclusive labor market that supports older workers' continued participation in the workforce, helping them remain competitive in a rapidly changing economy.

Conclusion

AmChamSG is grateful to the Ministry of Finance for the opportunity to represent the voice of American business in Singapore in our feedback for Budget 2025. We will continue to facilitate further discussions between the Singapore Government and AmChamSG member companies to strengthen business stability, sustainability and growth; nurture innovation and R&D; and boost careers through job creation and training & development.

We look forward to supporting the Singapore Government to meet present and future challenges for the mutual benefit of the people of Singapore and American businesses.

Yours Sincerely,



Dr. Hsien-Hsien Lei
Chief Executive Officer

⁸ <https://www.straitstimes.com/best-employers-singapore-2024>