

FEEDBACK ON SINGAPORE BUDGET 2026





The American Chamber of Commerce in Singapore

1 Scotts Road, #23-03 Shaw Centre, Singapore 228208

Tel: (65) 6597 5730 | www.amcham.com.sg

Registration No. ROS 239/73 TAP

21 November 2025

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

AMCHAMSG FEEDBACK FOR SINGAPORE BUDGET 2026

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 2026 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. AmChamSG 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 2026 is anchored on furthering partnerships for sustainable growth and covers the following key areas of focus:

1. Global Competitiveness
2. Artificial Intelligence
3. Sustainability
4. Healthcare
5. Human Capital

1. Global Competitiveness

AmChamSG members recognize Singapore's stability and reliability. They also observe that regional competition and external pressures, including geopolitical tensions and evolving trade ties, are rising.

Trade and Tariff Pressures

Recent developments in trade policy have been a cause for concern among AmChamSG members. The implementation of U.S. reciprocal tariffs resulting in new trade deals with neighboring countries Malaysia, Thailand, Cambodia and Vietnam may inadvertently disadvantage manufacturing in Singapore. The increased cost of doing business in Singapore is expected to be passed on to customers and reduce Singapore's competitiveness as a manufacturing and export hub.¹

AmChamSG recommends that Singapore explore strategic carve-outs or bilateral agreements in specific sectors where the country holds traditional manufacturing strengths, such as aerospace, pharmaceuticals, semiconductors and technology. This could be modelled after existing World Trade Organization frameworks to mitigate tariff risks and preserve Singapore's manufacturing advantage.

Digital Economy and Trade Facilitation

Existing negotiations and implementation of Digital Economy Agreements² (DEAs) have been well-received by AmChamSG members, who value the facilitation of cross-border data flows, streamlined digital payments and harmonization of cybersecurity standards. DEAs have been instrumental in strengthening Singapore's position as a trusted and credible digital hub.

Singapore has been working closely with the U.S. on digital trade through initiatives like the Partnership for Growth and Innovation (PGI) and U.S.-Singapore Digital Economic Cooperation Roadmap.³ **AmChamSG recommends that Singapore pursue a DEA with the U.S., with provisions that further advance cross-border data flows, cybersecurity cooperation and digital trade facilitation.**

Managing Increased Operating Costs

AmChamSG member companies are increasingly concerned about rising non-tax operating costs in Singapore, particularly higher commercial rent, property-related expenses and labor costs driven by wage growth requirements. These pressures are felt most strongly by firms in research and development, technology and advanced manufacturing, where large workspace needs and specialized manpower significantly raise fixed operating expenses.

¹ American Chamber of Commerce in Singapore (AmChamSG), "Navigating Tariffs – Insights from AmChamSG Flash Survey (April 2 2025)," April 2025, (<https://amcham.com.sg/wp-content/uploads/2025/04/Navigating-Tariffs-Insights-from-AmChamSG-Flash-Survey-April-2-2025.pdf>).

² Digital Economy Agreements (DEAs). <https://www.mti.gov.sg/trade-international-economic-relations/agreements/digital-economy-agreements-dea/>

³ Ministry of Foreign Affairs, Singapore. "Press Statement: Blinken Visit." 31 July 2024.

<https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos/2024/07/20240731-Blinken-visit>

AmChamSG recommends that the Government expand existing targeted support⁴ that can ease both property and wage-related burdens. This could include rental or lease support for capital-intensive sectors, property tax credits or rebates for strategic non-residential premises, and greater flexibility in property tax instalment arrangements. Additionally, with continued wage support measures such as the Progressive Wage Credit Scheme⁵ as announced in Budget 2025, businesses can also seek to complement measures by tapping transformation schemes⁶ available. This would help retain Singapore's attractiveness as a regional hub particularly for industries with significant investments in research and technology and advanced manufacturing.

Johor-Singapore Special Economic Zone

The Johor-Singapore Special Economic Zone (JS-SEZ) offers new opportunities for companies to optimize operations by combining Singapore's innovation and services ecosystem with Johor's cost-competitive industrial base.

AmChamSG recommends expanding trusted-traveler lanes, streamlining customs pre-clearance, and standardizing border processes to reduce goods-movement delays. Greater predictability in cross-border mobility is a critical factor in U.S. firms' site-location decisions. **AmChamSG also recommends targeted incentives for advanced manufacturing, biotech, clean tech, cybersecurity, AI, and supply-chain technologies, alongside harmonized standards in data security, cybersecurity, e-invoicing, and identity verification.** These measures would position the JS-SEZ as a high-productivity, innovation-driven corridor that enables seamless cross-border operations.

2. Artificial Intelligence

Artificial Intelligence (AI) continues to redefine productivity, competitiveness, and innovation across sectors. Singapore has taken proactive steps to foster responsible AI adoption through initiatives such as the National AI Strategy 2.0⁷, AI Verify Foundation⁸, and targeted reskilling programs. AmChamSG believes that continued government leadership is key to ensuring that AI adoption is both broad-based and inclusive, particularly for small and medium-sized enterprises (SMEs)⁹.

⁴ Singapore Economic Development Board, "Singapore Budget 2025: Corporate tax rebate, enhanced wage support to cut costs for businesses," 18 February 2025, <https://www.edb.gov.sg/en/business-insights/insights/singapore-budget-2025-corporate-tax-rebate-enhanced-wage-support-to-cut-costs-for-businesses.html>. [Economic Development Board](#)

⁵ Inland Revenue Authority of Singapore, "Progressive Wage Credit Scheme," (<https://www.iras.gov.sg/schemes/disbursement-schemes/progressive-wage-credit-scheme>).

⁶ Singapore Institute of Retail Studies, "Enterprise Development Grant (EDG), Subsidy Support for Companies," SIRS, (<https://www.sirs.edu.sg/government-schemes-and-subsidies/subsidy-support-for-companies/enterprise-development-grant-edg>). [sirs.edu.sg](https://www.sirs.edu.sg)

⁷ National AI Strategy 2.0. <https://www.smartnation.gov.sg/initiatives/national-ai-strategy>

⁸ AI Verify Foundation announcement by IMDA. <https://www.imda.gov.sg/resources/press-releases-factsheets-and-speeches/press-releases/2023/launch-ai-verify-foundation>

⁹ Enterprise Singapore. *Media Factsheet: EnterpriseSG partners tech industry to expand resources to help more local SMEs build AI capabilities* (21 May 2024). https://www.enterprisesg.gov.sg/-/media/esg/files/media-centre/media-releases/2024/may/mr01924_media-factsheet-enterprisesg-ai-programme-for-smes.pdf

Enterprise-Level AI Adoption and Incentives

While there has been significant government support for digital skills and AI literacy, enterprise-level adoption remains uneven. Many SMEs continue to face barriers including high capital expenditure, regulatory uncertainty, consumer skepticism and infrastructure bottlenecks¹⁰, preventing them from deploying AI solutions effectively.

We welcome the Government's ongoing support for innovation and digital transformation in the finance sector through initiatives like the Artificial Intelligence & Data Analytics (AIDA) Grant¹¹ and Project Mindforge¹². **AmChamSG recommends further AI adoption support schemes for enterprises in all sectors, including but not limited to financial incentives for company-wide AI transformation, consumer certification for compliance with AI governance frameworks, and continued enhancement of core digital public goods.**

Public-Private Collaboration and Industry Guardrails

Beyond productivity gains, AI holds significant potential to enhance outcomes in areas such as education, healthcare, and sustainability. However, confidence in AI deployment hinges on having clear governance standards and sector-specific guardrails. The central challenge, particularly in critical infrastructure, is ensuring governance frameworks can be built fast enough to match the pace of AI adoption¹³.

We recognize the Government's commitment to responsible AI governance and the establishment of frameworks. **AmChamSG recommends expanding these frameworks into more industry-specific models, developed through closer co-governance public-private partnerships.** This is vital as fragmented national approaches create vulnerabilities that adversaries can exploit, and governments need visibility into systems they do not control.

3. Sustainability

Singapore has demonstrated strong commitment to sustainability through the Singapore Green Plan 2030¹⁴ and ongoing national efforts to advance decarbonization, carbon pricing, and clean energy adoption.¹⁵ AmChamSG members recognize the importance of these initiatives in securing Singapore's long-term environmental resilience and global competitiveness. However,

¹⁰ Google, Temasek & Bain & Company, *e-Economy SEA Report*, "From Digital Decade to AI Reality," (<https://economysea.withgoogle.com/>). economysea.withgoogle.com+2temasek.com.sg+2

¹¹ Monetary Authority of Singapore. *Artificial Intelligence & Data Analytics (AIDA) Grant*. <https://www.mas.gov.sg/schemes-and-initiatives/artificial-intelligence-and-data-analytics-aida-grant>¹¹<https://www.enterprisesg.gov.sg/financial-support/productivity-solutions-grant>

¹² Monetary Authority of Singapore. *Project MindForge*. <https://www.mas.gov.sg/schemes-and-initiatives/project-mindforge>

¹³ Palo Alto Networks, *Securing the Future: AI, Critical Infrastructure, and Regulatory Readiness in the Indo-Pacific* (white paper), (<https://www.paloaltonetworks.com/resources/whitepapers/ai-critical-infrastructure-regulatory-readiness-indo-pacific>). [paloaltonetworks.com](https://www.paloaltonetworks.com)

¹⁴ Singapore, Green Plan Office. *"Singapore Green Plan 2030 – What Are The Key Targets?"* <https://www.greenplan.gov.sg/>

¹⁵ National Climate Change Secretariat (NCCS) Singapore's Climate Action Mitigation Efforts 2025. <https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/overview/>

U.S.-headquartered businesses in Singapore continue to face structural and cost-related challenges in making meaningful progress toward net-zero goals.

Access to Green Energy, Nuclear Energy, and Regional Connectivity

While Singapore has set ambitious emissions reduction targets, access to affordable and reliable green energy remains limited. Companies have expressed interest in more opportunities to source renewable energy, both domestically and through regional cooperation channels. Given the constraints on renewable energy generation, AmChamSG supports deepening cooperation with the U.S. to explore Small Modular Reactors (SMRs)¹⁶ as a pragmatic step toward securing a low-carbon, baseload solution for the 2050 net-zero goals.

We welcome the Government's continued investment in clean energy infrastructure and its leadership in advancing cross-border energy collaboration. **AmChamSG recommends accelerating plans to open the energy market and participating in initiatives such as the One ASEAN Energy Grid while deepening cooperation with the U.S. on nuclear energy capacity building**, including agreements with U.S. organizations like the Battelle Memorial Institute and the Idaho National Laboratory (INL) to strengthen technical expertise and assess advanced nuclear technologies. Enhancing energy connectivity would improve access to renewable sources and strengthen Singapore's position as a green energy hub.

Infrastructure, Frameworks, and Pathways for Decarbonization

Recent policy announcements have been encouraging in signaling support for business decarbonization. However, there remains uncertainty around the practical pathways and infrastructure needed to achieve these goals. Beyond the carbon tax framework,¹⁷ businesses are seeking clarity on available mechanisms, partnerships, and regulatory frameworks that can guide decarbonization across industries.

American companies, many of whom operate in Singapore, are increasingly aligning their sustainability efforts with the Greenhouse Gas (GHG) Protocol¹⁸, which classifies emissions into three scopes. There is a growing focus among U.S.-headquartered multinationals to track and reduce their Scope 3 emissions, which necessitates engaging and collecting data from suppliers globally. Companies operating in Singapore are therefore being pushed to measure and report their own emissions, requiring robust and standardized reporting practices.

We welcome the Government's continued communication and engagement with industries through forums such as the Energy 2050 Committee. **AmChamSG recommends that the Government prioritize detailed roadmaps and sector-specific frameworks, such**

¹⁶ Energy Market Authority, "SG Deepens Cooperation with US on Nuclear Energy Capability Building," Media Release, 26 May 2025, (<https://www.ema.gov.sg/news-events/news/media-releases/2025/sg-deepens-cooperation-with-us-on-nuclear-energy-capability-building>).

¹⁷ Carbon tax update (Budget 2022). <https://www.mof.gov.sg/singaporebudget/budget-2022>

¹⁸ National Environment Agency, *Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines: Part 1A: Introduction to the GHG Measurement and Reporting Requirements for the Reportable Facility (Version 4, issued 15 Dec 2023, effective 1 Jan 2024)*, Singapore, 2023, (<https://www.nea.gov.sg/docs/default-source/default-document-library/ghg-mr-guideline-part-1a-introduction-to-the-ghg-m-r-requirements-for-reportable-facility-ver-4.pdf>). [National Environment Agency](https://www.nea.gov.sg)

as the EU Emissions Trading System (EU-ETS), to guide businesses in identifying viable decarbonization pathways and facilitate the necessary Scope 3 data exchange between buyers and suppliers.

Enabling Green Investment

The transition to green energy is often capital-intensive, creating a substantial cost barrier that limits adoption among both multinational and local enterprises. Without adequate support, many companies find the transition unattainable despite their sustainability commitments. **AmChamSG applauds ongoing initiatives such as the Enterprise Sustainability Program and Green Mark Incentive Scheme and recommends the Government consider introducing a broader suite of financial mechanisms to defray transition costs to companies operating in Singapore.** This could include targeted grants, tax deductions, or co-funding models for carbon abatement projects.

4. Healthcare

Singapore's healthcare system is under increasing pressure from an ageing population, rising chronic disease prevalence, and the need for continuous innovation. Budget 2025¹⁹ projects a 16.3% increase in the Ministry of Health's total expenditure²⁰ to S\$21 billion, including higher subsidies, MediSave enhancements, and long-term care support. While these measures strengthen affordability, sustainable healthcare financing will require greater collaboration between the public and private sectors to mitigate rising costs associated with increased healthcare utilization as Singapore's aging population experience increased comorbidities and longer hospital stays.

In particular, AI in healthcare is rapidly expanding, with approximately 160 AI medical devices registered in Singapore to date²¹. Integrating AI introduces challenges stemming from fragmented data storage, privacy/ethical risks, and a lack of centralized development and collaboration. To effectively address these barriers, **AmChamSG encourages increased public and private sector collaboration for the swift development of platforms that advance AI in healthcare.**

We welcome the Government's strong commitment to healthcare accessibility²². **AmChamSG encourages the Government to consider public-private partnerships for Risk-Sharing Arrangements (RSAs)²³, data-driven population health management programs, and infrastructure development.** For example, the use of RSAs could be

¹⁹ Budget 2025 MOH expenditure announcement. <https://www.moh.gov.sg/newsroom/enhancing-preventive-health-and-aged-care>

²⁰ Business Times. "Healthcare spending could hit S\$30 billion a year by 2030: Ong Ye Kung." 10 April 2025. <https://www.businesstimes.com.sg/singapore/healthcare-spending-could-hit-s30-billion-year-2030-ong-ye-kung>

²¹ Health Sciences Authority, "Speech at the 2025 American Chamber of Commerce in Singapore Healthcare Conference," 2025, (<https://www.hsa.gov.sg/announcements/speech/2025-amchamsg-healthcare-conference>).

²² Ministry of Health (MOH). "Enhancing Preventive Health and Aged Care" Press Release (6 March 2024). <https://www.moh.gov.sg/newsroom/enhancing-preventive-health-and-aged-care/>

²³ Luo, X. S., Ho, Y. T., et al. *Singapore's Experience With Implementing And Monitoring Risk-Sharing Arrangements for Drugs in the Public Healthcare Sector* (2023-24). Agency for Care Effectiveness / Ministry of Health Singapore. <https://isomer-user-content.by.gov.sg/68/6295c4e6-f734-4c2d-a380-6931b87aaece/singapore-s-experience-with-implementing-and-monitoring-risk-sharing-arrangements-for-drugs-in-the-public-healthcare-sector.pdf>

expanded beyond current applications in oncology and high-cost therapies. This would include outcomes-based RSAs supported by real-world evidence platforms such as TRUST, and the extension of these models to other therapeutic areas including cardiovascular and rare diseases. Broader RSA implementation would improve access to innovative treatments while ensuring predictability in drug budgets.

5. Human Capital

Human capital development is the critical imperative that underpins success and innovation in Global Competitiveness, AI, Sustainability, and Healthcare.

Bridging the Local Talent Pipeline

AmChamSG member companies recognize the Government's ongoing efforts to strengthen workforce capabilities through reskilling initiatives and industry-academia collaboration. However, the *2025 AmChamSG Manpower Survey* highlights that companies are facing significant manpower issues. The top concerns are the ability to hire locals, skills mismatch due to changing business needs, and the manpower and associated costs for foreign talent.

A recurring concern among companies is the difficulty in sourcing affordable, high-calibre technical talent locally. The *2025 AmChamSG Manpower Survey* findings reinforce this, showing that employers looking to hire entry-level talent find it particularly challenging to recruit local candidates who possess realistic salary expectations, the necessary technical skills, and appropriate promotion expectations. The difficulty in hiring high-caliber local talent has resulted in some firms having to expand hiring in neighboring markets to sustain operations. This trend risks hollowing out Singapore's innovation ecosystem and weakening its ability to sustain long-term competitiveness.

We applaud the programs and initiatives between the Government and companies including Google, HP, IBM, JPMorgan Chase & Co and Oracle ²⁴that support the hiring and development of local talent. **AmChamSG recommends further deepening Industry-Academia collaboration through industry-led projects and co-development of training modules in Institutes of Higher Learning.** This will equip graduates with in-demand technical skills and encourage skills-based hiring, while providing entry-level talent with realistic expectations of the workforce through early exposure.

Securing Technical Talent for the Future

Sustained AI adoption and the broader green transition will depend on a steady pipeline of skilled talent. Beyond training existing workers, there is a need to attract global expertise and foster multidisciplinary capabilities across data science, engineering, and domain-specific fields.

We welcome existing national efforts to upskill workers through programs like SkillsFuture and TechSkills Accelerator (TeSA)²⁵. **AmChamSG recommends that future**

²⁴ https://www.edb.gov.sg/en/business-insights/insights/from-google-to-alibaba-ai-investments-in-singapore-over-the-last-12-months.html?utm_source=chatgpt.com

²⁵ Infocomm Media Development Authority, "TechSkills Accelerator (TeSA)," (<https://www.imda.gov.sg/how-we-can-help/techskills-accelerator-tesa>). [imda.gov.sg](https://www.imda.gov.sg)

initiatives focus on nurturing and retaining AI talent through international partnerships, research exchange programs, and enterprise-linked apprenticeships. These concerted efforts will ensure that both established companies and startups can access the expertise needed to scale AI adoption effectively.

As Singapore advances its sustainability agenda, support for the transition must remain inclusive and people centered. There is a need to increase efforts on upskilling and reskilling initiatives specifically focused on the mid-career PMET (Professionals, Managers, Executives, and Technicians) segment, which faces the greatest risk of skills mismatch due to rapid shifts in digital and green technologies²⁶. **AmChamSG encourages the Government to consider enhanced funding and subsidies for employers to invest in accredited training, ensuring these high-value employees are equipped for new roles in renewable energy, sustainable finance, and green logistics.**

Conclusion

Singapore's commitment to innovation, sustainability, and inclusivity forms the foundation of its continued economic success. As the nation navigates a more complex global landscape, the American business community remains a strong partner in advancing shared goals of competitiveness, digital transformation, green growth, and social resilience. Sustained collaboration between the government and industry will ensure that Singapore remains a trusted global hub that balances economic dynamism with social progress.

AmCham Singapore thanks the Ministry of Finance for engaging the American business community in this Budget 2026 consultation. We will continue to foster collaboration between the Singapore Government and our members to advance innovation, growth, and workforce development.

We look forward to deepening this partnership to ensure Singapore and American businesses thrive together in a dynamic global environment.

Sincerely,



Dr. Hsien-Hsien Lei
Chief Executive Officer

²⁶ A Straits Times article quoting Deputy Prime Minister Lawrence Wong states that mid-career workers (in their 40s and 50s) are “most vulnerable to technological disruption,” especially from emerging technologies like AI and robotics. [The Straits Times](#)