



# MOORE

## EVENT REPORT

# SINGAPORE BUDGET WEBINAR SUMMARY 2021

## LOOKING FORWARD TO A POST PANDEMIC WORLD

**The Singapore Budget Webinar 2021, jointly organized by Complete Corporate Services (“CCS”) and Moore Stephens LLP was successfully concluded on 23 February 2021. Prominent guest speakers included Mr. James Cheo (Chief Investment Officer, South East Asia, Private Banking and Wealth Management, HSBC) and Mr. Song Seng Wun (Director and Economist at CIMB Private Banking).**

The Year 2020 proved to be a year where Singapore showcased its unity, resilience, and fortitude in view of the challenges presented by Covid-19. Despite the raging Covid-19 cases worldwide, Singapore managed to keep its Covid-19 cases under control and successfully, but cautiously, reopened its economy. While the Singapore GDP contracted (by 5.4%) in 2020, Singapore had reacted with various decisive monetary, fiscal, and transitional measures, and in

doing so, was able to avert a worse recession, and protect the jobs and livelihoods of Singaporeans.

On 16 February 2021, the Singapore Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat announced the \$11 billion Covid-19 Resilience package, which rides on the success of the 2020 Budget and refocuses on the post-Covid-19 world where Singapore will emerge stronger as a nation, with a vibrant economy, a cohesive society, and a nation that focuses on sustainability. According to Mr. Song, this is an “almost back-to-business” Budget that continues to focus on creating higher value-add businesses and jobs.

The good news is that Singapore is projected to experience a 4% to 6% growth, and the Budget is expected to boost the recovery process by diverting \$4.8 billion to public health and safe reopening



From Left to Right: Ms Puah Mei Pin, Director of Taxation Services, CCS, followed by our panel of speakers, Mr Song Seng Wun, Economist, CIMB, Private Banking, Mr James Cheo, Chief Investment Officer, Southeast Asia, Private Banking and Wealth Management, HSBC, Mr Jonathan Paguntalan, Director of Taxation Services, CCS and Mr Wong Koon Min, Partner & Head, Technical, Compliance and Financial Services, Moore Stephens LLP

measures, \$700 million for JSS extension for targeted sectors, \$870 million for the badly affected Aviation sector, \$133 million for the Covid-19 Driver Relief Fund, and \$45 million for Arts and Culture Resilience and Sports Resilience package. For detailed discussion relating to the specific tax measures, please refer to our Singapore Budget 2021: Newsletter at <https://complete-corp.com/wp-content/uploads/2017/02/CCS-Budget2021-Newsletter-V5.pdf>.

The past year's Budgets are about preservation and adaptation – to safeguard lives, jobs, supply chains and core economic capabilities. From 2021, Singapore's focus will be to emerge stronger together by building a vibrant economy and cohesive society with strong social impact as well as a welcoming and sustainable home for our future generations.

Mr. Heng stated in the Budget Announcement that the Covid-19 pandemic not only triggered global shifts on economic, social and political fronts, it had set off new domains for competition and cooperation. It had also accelerated technological advances. Mr. Cheo agrees that market activities in connection with e-commerce (such as 5G, big data, cloud computing, cybersecurity, internet software & services, etc.) will take center stage. For instance, we can clearly see the proliferation in the use of Zoom for teleconferencing. The on-going tech battle between the US and China will continue (e.g., 5G readiness, Whatsapp versus WeChat, Instagram versus Tiktok) with China expected to take the lead.

Mr. Cheo also noted that with the new administration under President Joe Biden, the United States ("USA") is back into play in the Paris Climate Agreement, which means key nations will work together to continue their focus on promoting sustainability and tackling climate change. Mr. Heng had said that all countries must play their part to tackle climate change, and Singapore is very well committed on this front with the launch of Singapore Green Plan 2030 where the intended goal is to establish a green, livable, and sustainable home for generations of Singaporeans to come. Mr. Cheo observed that there was an increased use of electric vehicles (e.g., Tesla) globally and China is pushing ahead in technological innovation relating to EV (e.g., battery swap stations for EV). #sustainability and #climatechange are the trending key words for this generation.

On a global perspective, Mr. Song is cautiously optimistic that effective vaccinations and a more stable USA-China relation under the new Biden administration will lead to a strong economic recovery, with China and Asia leading the global growth rebound in 2021. He noted that in January 2021, the International Monetary Fund ("IMF") revised its 2021 global growth projection to 5.5% from 5.2%, amid expectations of a vaccine-powered strengthening of activity and additional policy

support in a few large economies. Still, the IMF warned that the global economy's long ascent back to the pre-pandemic levels of activity remains prone to setbacks, the world continues to face exceptional uncertainty as renewed waves and new variants of the virus pose concerns for the economic outlook. Mr. Song expects the ease of obtaining loans and liquidity (due to support by Central banks and most governments) will continue until there are clear signs of sustainable broad-based recovery of the aftermath caused by Covid-19. However, concerns remain over a high level of unemployment rate (as a consequence of the need for ongoing social distancing) and increased containment measures should the virus strike again like we have seen in Japan and Korea.

The "hope for the best and fear for the worst" theme continues and everyone will be wondering - "what's next?"

## Conclusion

Singapore has begun to prepare itself for a post-pandemic world, and its long-term focus is enviable by global leaders. If not for the SG\$ 11bn Resilience Package, Singapore would have achieved a balanced budget this year. With a long-term view, Singapore is poised to lead its neighboring ASEAN countries to emerge stronger from this unprecedented situation.

## FURTHER ADVICE

If you require assistance to understand how Budget 2021 can help you and your business, please feel free to reach out to us for further discussions. We would also be pleased to assist in any restructuring of your future operations to alleviate the financial difficulties arising from and/or coping with the impact arising from Covid-19.

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## CONTACT US

10 Anson Road #29-15, International Plaza,  
Singapore 079903

**E** [email@mooresingapore.com](mailto:email@mooresingapore.com)

**T** +65 6221 3771



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