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Residential

Budget 2022: Property tax rates for homes to rise from 2023, analysts don't expect demand to dampen

Property taxes rates for both owner-occupied and non-owner-occupied residential properties will go up in 2 steps starting from 2023, but analysts do not expect this to dent demand for homes.

The property tax rate for non-owner-occupied residential properties – which includes investment properties – will be hiked across the board: from 10-20 per cent presently, to 11-27 per cent from Jan 1, 2023 and 12-36 per cent from Jan 1, 2024.

High-end properties will see a steeper increase. For instance, the annual property tax payable for a suburban condominium or landed property with an annual value (AV) of S\$30,000 will go up from S\$3,000 under the current rates to S\$3,300 in 2023 and S\$3,600 in 2024.

Meanwhile, the property tax for owner-occupied residential properties will go up for the portion of AV in excess of S\$30,000: from 4-16 per cent today, to 5-23 per cent from 2023 and 6-32 per cent from 2024. "This increase will impact the top 7 per cent of owner-occupied residential properties," said Finance Minister Lawrence Wong during the Budget speech.

The increase will similarly be higher for properties at the top end.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-property-tax-rates-for-residential-properties-to-go-up-from-2023>

<https://www.straitstimes.com/singapore/budget-2022-tax-rates-for-residential-properties-to-be-raised-as-singapore-adjusts-wealth-taxes>

URA tender of Pine Grove plot could net bids of up to S\$1,300 psf ppr: observers

The sale of a government land parcel at Pine Grove could see bids of up to S\$1,300 per sq ft per plot ratio (psf ppr) for the residential development, market watchers said on Feb 24.

The land parcel in the Clementi area, which has a site area of 22,534.7 sq m, is one of the confirmed land parcels to be released in the first half of 2022 under the Government Land Sales (GLS) Programme, the URA said in its press statement.

Huttons' senior director of research, Lee Sze Teck, sees an estimated 5-8 bidders participating in the tender, with estimated land bids ranging from S\$1,200 to S\$1,300 psf ppr.

He noted that the last launch in the vicinity was The Trizon in 2009 and that more than 10 years have passed with "potential pent up demand building up for new homes".

The tender for Pine Grove (Parcel A) will close at 12 pm on Jun 2, 2022. It will be batched together with the residential site at Dunman Road that will be launched in March this year, also a part of the confirmed list of H1 2022 sites under the GLS Programme.

Huttons' Lee also brought up a neighbouring site, Pine Grove (Parcel B), which is currently on the reserve list, noting the government could potentially shift to the confirmed list for the second half of 2022 if demand and land bids for Parcel A is "deemed strong".

Links to the story:

<https://www.businesstimes.com.sg/real-estate/ura-launches-tender-for-land-parcel-at-clementis-pine-grove>

<https://www.straitstimes.com/business/property/pine-grove-land-parcel-launched-for-sale-ura>

LHN unit to purchase River Valley Road property for S\$8.5m

Property company LHN announced on Feb 22 that its indirect wholly owned subsidiary is planning to purchase a property at River Valley Road for S\$8.5 million.

The freehold property, located at 298 River Valley Road, has a land area of 205.4 sq m and will be delivered with vacant possession on completion.

The total gross floor area of the proposed building is 571.22 sq m with a commercial gross floor area of 146.04 sq m and residential gross floor area of 425.18 sq m.

LHN intends to operate a co-living space there under the Coliwoo brand. This will expand the group's portfolio of properties under the co-living business in Singapore, it said.

Link to the story:

<https://www.businesstimes.com.sg/companies-markets/lhn-unit-to-purchase-river-valley-road-property-for-s85m>

Upgrading works slated for 56,000 HDB flats

More homes will be improved with better facilities and fittings, with a second batch of about 230,000 Housing Board flats built between 1987 and 1997 eligible for the Home Improvement Programme (HIP).

Upgrading works will start first for about 56,000 flats from this group, the HDB said on Feb 20.

As at Dec 31 last year, all polled blocks had at least 75 per cent of eligible households voting in favour of the HIP - a pre-requisite before works can start. The start of works for the expanded HIP scheme, 15 years after the programme was launched in 2007, comes as HIP works for almost all the first batch of 320,000 eligible flats built before 1986 are reaching completion.

Of this group, about 81 per cent - about 259,100 flats - have completed upgrading works, while another 17 per cent - about 55,100 flats - are in various stages of upgrading, said HDB.

Link to the story:

<https://www.straitstimes.com/singapore/housing/upgrading-works-start-for-56000-hdb-flats-built-between-1987-and-1997>

16 applicants vying for each 4-room BTO flat in Kallang/Whampoa under prime location model

The second Build-To-Order (BTO) project under the prime location public housing (PLH) model proved to be popular among home buyers, despite the strict buying and selling conditions, as all units have been oversubscribed.

As at 5pm on Feb 23, around 16 applicants are vying for each of the four-room flats in the PLH project located in the mature estate of Kallang/Whampoa.

Huttons Asia senior director of research Lee Sze Teck said the strong demand for the PLH project in Kallang/Whampoa could be due to the smaller supply of flats and lower prices compared with the previous PLH project in Rochor that was launched last November.

A four-room flat in the Kallang/Whampoa PLH project starts from \$488,000 while a four-room unit in the Rochor PLH project starts from \$582,000.

Said Mr Lee: "The strong demand for PLH flats at Rochor may have allayed concerns over the restrictions imposed and hence led to more applicants this time."

Link to the story:

<https://www.straitstimes.com/singapore/housing/16-applicants-vying-for-each-4-room-bto-flat-in-kallangwhampoa-under-prime-location-model>

Commercial

Tanglin Shopping Centre sold for S\$868m to Tanoto family's Pacific Eagle Real Estate

The freehold Tanglin Shopping Centre has been sold for S\$868 million or S\$2,769 per sq ft per plot ratio (psf ppr) assuming full commercial usage.

The buyer is Pacific Eagle Real Estate (PER), a Singapore-based real estate investor and developer privately held by the Tanoto family. The deal is subject to the Strata Titles Board's approval.

The sale price concluded is about 10 per cent above the reserve price for the office, retail and car parking complex, in a fourth attempt at a collective sale.

The 68,512 sq ft site is zoned commercial with an allowable gross plot ratio of 4.2 under the Urban Redevelopment Authority's 2019 Master Plan, and has a height control of up to 20 storeys.

Tanglin Shopping Centre has an existing verified gross floor area (GFA) and development baseline of about 313,435 sq ft (with plot ratio of 4.57). It is near the Orchard Boulevard and Orchard MRT stations.

Links to the story:

<https://www.businesstimes.com.sg/real-estate/tanglin-shopping-centre-sold-for-s868m-to-tanoto-family-s-pacific-eagle-real-estate>

<https://www.straitstimes.com/business/property/tanglin-shopping-centre-sold-to-royal-golden-eagle-for-868m-10-per-cent-above-reserve-price>

Sumitomo units, ARA jointly invest S\$297m in Capital Square office tower

Real estate and environmental energy company SMFL Mirai Partners, real estate asset manager Kenedix, and ARA Asset Management have entered into a joint venture that will invest S\$297 million in Capital Square, a mixed-use office property located in Singapore.

Capital Square is located in the central business district in Singapore and has a "high quality, diversified tenant-mix", including major financial institutions and IT companies with global operations as key tenants.

It consists of 16 office floors and 3 floors for shophouses, and was built in 1999 and refurbished in 2013.

Link to the story:

<https://www.businesstimes.com.sg/real-estate/sumitomo-units-ara-jointly-invest-s297m-in-capital-square-office-tower>

AEW selling 55 Market Street to Kajima unit for nearly S\$287m

US-based real estate investment manager AEW is selling 55 Market Street to an indirect wholly-owned Singapore-based real estate unit of Tokyo-based Kajima Corporation, for nearly S\$287 million, The Business Times understands.

The price for the 16-storey, 999-year leasehold building in the Raffles Place financial district works out to about S\$3,450 per sq ft on the net lettable area (NLA) of 83,000-plus sq ft.

Standing on a land area of 6,575 sq ft, 55 Market Street has 15 floors of offices and 2 levels of retail space (on the ground floor and in the basement).

Link to the story:

<https://www.businesstimes.com.sg/real-estate/aew-selling-55-market-street-to-kajima-unit-for-nearly-s287m>

Singtel to redevelop its Comcentre HQ for more than S\$2b

Singapore Telecommunications (Singtel) will jointly redevelop its Comcentre headquarters for an estimated cost of more than S\$2 billion, including land costs, it said in a press statement on Feb 23.

Upon its estimated completion in 2028, the new Comcentre on 31 Exeter Road is expected to have a total gross floor area of over 110,000 sq m comprising Grade A office buildings, a retail component and Singtel's existing Orchard Exchange that houses telecom infrastructure.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/singtel-to-redevelop-its-comcentre-hq-for-more-than-s2b>

<https://www.straitstimes.com/business/companies-markets/singtel-to-redevelop-its-comcentre-hq-for-more-than-2-billion>

Retail

Famed New York pizza Roberta's makes its debut in Singapore

Pizza lovers in Singapore will get another taste of the Big Apple with the debut of Brooklyn cult favourite Roberta's Pizza at Marina Bay Sands (MBS).

The 44-seat restaurant will take up space next to the stalwart db Bistro & Oyster Bar by Daniel Boulud, which has been there since MBS' opening. It's also beside Mott32, which took over from the now-defunct Pizzeria Mozza.

Link to the story:

<https://www.businesstimes.com.sg/lifestyle/food-drink/famed-new-york-pizza-robertas-makes-its-debut-in-singapore>

Revitalising Orchard Road: Some building owners trying for collective sale

Several building owners at Orchard Road are trying their luck with collective sales, including those at strata-titled mall Midpoint Orchard which is preparing for a third en-bloc sale bid at around \$350 million.

Joining them are the unit owners of Orchard Towers, which approved a reserve price of \$1.6 billion for its collective sale at an extraordinary general meeting on Feb 18.

Meanwhile, the owner of Faber House, a commercial building located across the road from 313@Somerset, is proceeding with plans to redevelop the building into an 18-storey, 250-room hotel with a bank, food and beverage (F&B) outlets and an urban veranda.

Link to the story:

<https://www.straitstimes.com/business/property/some-buildings-in-orchard-road-trying-for-collective-sale-some-take-up-uras-sweeteners-to-redevelop>

Government

Budget 2022 highlights: Tax reforms to support ambitious transformation plans

Beefing up the tax system to support longer-term spending was a key and hotly anticipated theme in Finance Minister Lawrence Wong's maiden Budget speech on Feb 18.

Wong - who took up the Finance Ministry portfolio in a Cabinet reshuffle in 2021 - outlined spending measures that are directed at both structural societal and economic changes, as well as more immediate needs in the third year of the Covid-19 pandemic.

The need to boost revenues comes as government spending is tipped to bust 20 per cent of gross domestic product (GDP) by 2030 - mainly because of healthcare needs.

Wong noted that while income from the net investment returns contribution should keep up with economic growth, Singapore's looming labour force slowdown will crimp tax revenues.

As such, "these tax adjustments will help to raise additional revenue and also contribute to a fairer revenue structure", he said.

The planned increase in the Goods and Services Tax (GST) is now scheduled to take place in 2 steps: from 7 per cent to 8 per cent on Jan 1, 2023, and then to 9 per cent on Jan 1, 2024.

Separately, the top marginal personal income tax will be increased from the 2024 year of assessment onwards - affecting top earners with chargeable annual income above S\$500,000.

Luxury cars will be taxed at a higher rate from this month, while property tax rates for residential properties - including non-owner-occupied investment properties - will go up from 2023.

And, to keep up with the global Base Erosion and Profit Shifting initiative, the government is exploring a minimum effective tax rate of 15 per cent for multinational corporations, though it will monitor international developments and consult the industry before making a decision.

But "there are still segments of the economy that are still struggling", he said, as he unveiled near-term support for businesses in sectors still affected by Covid-19, and help for resident households. The S\$500 million Jobs and Business Support Package will include a Small Business Recovery Grant for small and medium-sized enterprises in industries such as food and beverage, retail and hospitality, as well as an extension of the Jobs Growth Incentive that co-funds local hires.

The aviation sector is set to receive further targeted support to preserve and enhance Singapore's status as an international hub, with more details to come during the Budget debates.

The latest Budget also extended business financing schemes, expanded support of industry-led skills training for workers, and tightened the regulations on the in-flow of foreign workers.

Other relief measures in the Budget include a S\$560 million Household Support Package, which includes vouchers, rebates, and top-ups for families with children.

On plans for the longer run, Wong added that the path to Singapore's goal of net-zero carbon emissions by or around 2050 "will entail significant economic restructuring and changes in how we live and work".

Among other measures, the government now plans to issue up to S\$35 billion of green bonds by 2030 to fund public infrastructure projects - up from an earlier target of S\$19 billion by 2025.

Singapore will also raise the carbon tax in phases from 2024 onwards, to between S\$50 and S\$80 per tonne by 2030 - up from S\$5 a tonne now.

Meanwhile, social support is expected to be strengthened through moves that enhance retirement savings, home ownership, healthcare, social assistance, and wages.

The government will partially cover salary increases for lower-wage workers until 2026, expand the eligibility criteria for the Workfare Income Supplement, and require all eligible suppliers to be accredited as paying progressive wages from March 2023 to qualify for public contracts.

He estimated an overall fiscal deficit of S\$3 billion in FY2022, or 0.5 per cent of gross domestic product (GDP) - down from S\$5 billion, or 0.9 per cent of GDP, in the year prior. The government is setting aside S\$6 billion for Covid-19 public health spending, drawn from past reserves.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-highlights-tax-reforms-to-support-ambitious-transformation-plans>

<https://www.businesstimes.com.sg/government-economy/budget-2022-singapore-looking-to-impose-minimum-effective-tax-rate-of-15-on>

<https://www.businesstimes.com.sg/government-economy/budget-2022-wongs-tax-philosophy-everyone-must-chip-in-but-those-with-more>

<https://www.businesstimes.com.sg/government-economy/higher-personal-income-taxes-can-be-double-edged-sword>

<https://www.businesstimes.com.sg/government-economy/gst-hike-delay-welcomed-by-businesses-but-watchers-ask-if-the-move-is-fiscally>

<https://www.businesstimes.com.sg/government-economy/budget-2022-higher-arf-may-not-put-the-brakes-on-luxury-car-sales>
<https://www.businesstimes.com.sg/government-economy/budget-2022-carbon-tax-set-to-rise-to-s25-from-2024-s45-from-2026-s50-80-by-2030>
<https://www.businesstimes.com.sg/government-economy/budget-2022-new-net-zero-emissions-target-a-bold-move-that-will-create-jobs>
<https://www.businesstimes.com.sg/government-economy/budget-2022-loan-assistance-for-smes-construction-sector-extended-by-6-months-to>
<https://www.businesstimes.com.sg/government-economy/ep-s-pass-salary-bump-a-blow-to-tech-sector-but-signals-urgency-in-building-local>
<https://www.businesstimes.com.sg/government-economy/budget-2022-tighter-foreign-worker-quotas-not-enough-to-push-construction-sector>
<https://www.businesstimes.com.sg/garage/budget-2022-renewed-push-for-digital-innovation-seen-as-a-plus>
<https://www.businesstimes.com.sg/government-economy/budget-2022-s6b-to-be-drawn-from-past-reserves-for-covid-19-relief>
<https://www.businesstimes.com.sg/government-economy/budget-2022-local-enterprise-measures-will-help-companies-as-costs-rise-observers>
<https://www.businesstimes.com.sg/government-economy/budget-2022-new-scheme-to-co-fund-wage-increases-for-low-wage-workers>
<https://www.businesstimes.com.sg/government-economy/budget-2022-enhancements-to-schemes-to-support-social-mobility-vulnerable-groups>
<https://www.straitstimes.com/singapore/budget-2022-singapore-unveils-major-tax-measures-to-fund-spending-needs>
<https://www.straitstimes.com/singapore/budget-2022-singapore-to-raise-gst-from-7-to-9-in-two-stages-in-2023-and-2024>
<https://www.straitstimes.com/singapore/budget-2022-a-budget-for-inclusion-fiscal-resilience-and-being-future-ready>
<https://www.straitstimes.com/singapore/budget-2022-increased-salary-thresholds-for-new-ep-s-pass-applicants-not-a-shock-to-companies-but-hiring-challenges-remain>
<https://www.straitstimes.com/singapore/budget-2022-assurance-package-increased-to-66-billion-gst-voucher-scheme-beefed-up-to-offset-gst-hike>
<https://www.straitstimes.com/singapore/budget-2022-higher-personal-income-taxes-for-top-12-of-taxpayers>
<https://www.straitstimes.com/singapore/budget-2022-spores-tax-revenue-will-be-hit-by-international-rule-changes-republic-exploring-top-up-tax-for-mnecs>
<https://www.straitstimes.com/singapore/transport/budget-2022-buyers-of-luxury-cars-to-pay-even-higher-taxes>
<https://www.straitstimes.com/singapore/budget-2022-govt-to-co-fund-wage-increases-of-local-lower-wage-workers-between-2022-and-2026>
<https://www.straitstimes.com/singapore/budget-2022-600m-set-aside-to-boost-sme-productivity-encourage-rd-collaborations>
<https://www.straitstimes.com/singapore/budget-2022-100m-set-aside-to-help-firms-implement-training-and-transformation-plans>
<https://www.straitstimes.com/singapore/budget-2022-500m-package-for-smes-to-cope-with-covid-19-challenges>
<https://www.straitstimes.com/singapore/budget-2022-singapores-carbon-tax-could-increase-to-80-per-tonne-of-emissions-by-2030-in-accelerated-net-zero-emissions-bid>
<https://www.straitstimes.com/singapore/budget-2022-35-billion-in-green-bonds-to-be-issued-by-2030-to-fund-green-public-sector-projects>
<https://www.straitstimes.com/singapore/politics/budget-2022-6b-draw-on-past-reserves-to-pay-for-covid-19-public-health-expenditure>

Budget 2022: Singapore sees fourth straight deficit in FY2022, narrowing to S\$3b

Singapore will run a fiscal deficit for the fourth year in a row in FY2022, with an expected deficit of S\$3.04 billion, or about 0.5 per cent of gross domestic product (GDP).

"For FY2022, our budget remains expansionary to support the economy," said Finance Minister Lawrence Wong.

Although operating revenue is expected to rise, this will be more than offset by a rise in spending, due in part to pandemic-related spending in economic support and healthcare.

According to Ministry of Finance (MOF) estimates, total expenditure is expected to come in at S\$102.4 billion, marking a 4.1 per cent or S\$4 billion increase from FY2021's revised total expenditure of S\$98.4 billion.

On the revenue end, operating revenue for FY2022 is expected to be S\$81.8 billion, which is 1.7 per cent higher than FY2021's revised figure. This is mainly due to an increase in estimated collections from Goods and Services Tax (GST), vehicle quota premiums and corporate income tax. These will be partially offset by lower stamp duty collections.

Net investment returns contribution (NIRC) for FY2022 is estimated to be \$21.6 billion, up 6 per cent from S\$20.3 billion in FY2021.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-singapore-sees-fourth-straight-deficit-in-fy2022-narrowing-to-s3b>

<https://www.straitstimes.com/singapore/budget-2022-3b-deficit-expected-in-fy2022-as-budget-remains-expansionary>

Budget 2022: FY2021 fiscal deficit smaller than expected at S\$5b

Singapore's fiscal deficit for FY2021 is expected to be S\$5 billion or 0.9 per cent of gross domestic product (GDP), revised down sharply from earlier estimates of an S\$11 billion deficit, and much smaller than FY2020's record S\$51.6 billion deficit.

This was due to lower total expenditure and higher operating revenue than earlier estimates, as sentiments and economic performance exceeded expectations.

Total revised expenditure for FY2021 is S\$98.4 billion, down from the estimated S\$102.3 billion previously anticipated.

The operating revenue is S\$80.4 billion, up from the previously-expected S\$76.6 billion. Upsides mainly came from sentiment-driven revenues such as property tax and Certificates of Entitlement (COEs), as well as personal income tax.

Link to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-fy2021-fiscal-deficit-smaller-than-expected-at-s5b>

Budget 2022: Industry observers welcome more training and upskilling for workers

Industry observers welcomed the government's provision of additional resources to train and upskill the workforce, noting that the focus on human capital development will help to accelerate companies' long-term growth and internationalisation efforts.

In his Budget 2022 speech on Feb 18, Finance Minister Lawrence Wong announced that the government would do more to support smaller and micro businesses in training workers. Mid-career training programmes would also be enhanced, in order to support these workers who are "more vulnerable to churn and disruptions in the workplace", Wong said.

Under the SkillsFuture Enterprise Credit (SFEC) scheme, which helps employees provide industry-relevant training to workers, a waiver of the Skills Development Levy requirement will also be granted for the qualifying period of Jan 1, 2021 to Dec 31, 2021.

Previously, only employers that have had at least 3 local employees, and contributed at least S\$750 of Skills Development Levy over a qualifying period, were eligible for the credit. The waiver doubles the number of employers eligible for the scheme, from 40,000 to 80,000.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-industry-observers-welcome-more-training-and-upskilling-for-workers>

<https://www.businesstimes.com.sg/government-economy/mom-to-help-reskill-about-22000-long-term-unemployed-mostly-in-50s-and-60s>

Budget 2022: Basic Retirement Sum to be raised amid rising living standards

To strengthen retirement adequacy amid rising standards of living, the CPF basic retirement sum (BRS) will be raised by 3.5 per cent for those turning 55 between 2023 and 2025.

This means those who do set aside their BRS when they turn 55 in 2027 will receive payouts of close to S\$1,000 per month when they turn 65, with the payouts continuing for the rest of their lives, Finance Minister Lawrence Wong on Feb 18 during his Budget 2022 statement.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-basic-retirement-sum-to-be-raised-amid-rising-living-standards>

<https://www.straitstimes.com/singapore/budget-2022-cpf-basic-retirement-sum-to-be-raised-by-35-per-year-from-2023-to-2027>

Budget 2022: S\$560m support package to help families with bills, daily essentials

The government will roll out a S\$560 million support package to help families defray daily expenses and rising utility costs, Finance Minister Lawrence Wong announced on Feb 18.

As part of the package, all Singaporean households will receive another S\$100 in Community Development Council (CDC) vouchers. These can be used at participating heartland shops and hawkers, said Wong during his Budget 2022 speech in Parliament.

The GST Voucher - U-Save rebates will be doubled for the rest of the year, meaning that eligible households can receive additional rebates of up to S\$285.

The government will give families extra support for their children's education-related expenses. Children below the age of 21 will receive a S\$200 top-up to their Child Development Account, Edusave Account or Post-Secondary Education Account. This is on top of the annual Edusave top-ups they already receive.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/budget-2022-s560m-support-package-to-help-families-with-bills-daily-essentials>

<https://www.straitstimes.com/singapore/budget-2022-households-to-get-more-rebates-100-cdc-voucher>

Construction of Cross Island Line could be completed in end-2033

Construction of the third and final leg of the Cross Island Line (CRL) could wrap up at the end of 2033, The Straits Times has learnt.

This is the first time an indicative date for the completion of Singapore's eighth MRT line has been made known publicly, and the third phase will give commuters in the west another option to travel by rail and connect to other lines.

According to recent documents seen by ST, tenders for the main civil construction contracts for phase three could be called starting from the third quarter of 2024, while the tendering process for architectural works could begin from the second quarter of 2031.

Links to the story:

<https://www.straitstimes.com/singapore/transport/construction-of-cross-island-line-could-be-completed-in-end-2033>

<https://www.straitstimes.com/singapore/transport/construction-of-cross-island-lines-defu-and-tampines-north-stations-expected-to-start-in-q2>

Singapore to lift business and social environment amid tax changes: Lawrence Wong

While the global movement towards a minimum corporate tax rate of 15 per cent will have an impact on Singapore's competitiveness, the city state has never relied only on taxes to compete for investments, said Finance Minister Lawrence Wong.

This, however, means that Singapore will have to double down on efforts to strengthen non-tax competitive factors, including infrastructure and capabilities of its workforce in order to ensure that the overall business environment is attractive and conducive, said Wong.

On wealth taxes, the finance minister said that it is indeed challenging given that that wealth and financial flows are highly mobile.

As such, the government had in this year's Budget decided to impose wealth taxes principally through existing means including property tax, stamp duties and the additional registration fee for motor vehicles.

Link to the story:

<https://www.businesstimes.com.sg/government-economy/singapore-to-lift-business-and-social-environment-amid-tax-changes-lawrence-wong>

The wealthy should not be expected to bear most or all of Singapore's tax burden: Lawrence Wong

It is not feasible for Singaporeans to expect that most or all of the country's tax burden should be the responsibility of the wealthiest people as this would be "grossly unfair" for them, said Finance Minister Lawrence Wong.

The government has done a careful assessment of its latest enhancements to the tax regime and there is a limit to how much taxes can increase for the top earners, he said during a televised roundtable on Feb 22.

"If we start to have the attitude that most of the tax burden, or everything can be borne by the top 1 per cent or 5 per cent, they will feel it is grossly unfair and very soon you won't have the rich to tax in Singapore," he noted.

Link to the story:

<https://www.businesstimes.com.sg/government-economy/the-wealthy-should-not-be-expected-to-bear-most-or-all-of-singapores-tax-burden>

Singapore delays plans to 'reset' Covid-19 rules as cases cross 20,000 mark for 2 days

Singapore's plans to streamline its Covid-19 restrictions will be postponed owing to a surge in daily cases that have exceeded 20,000 for 2 straight days, the Ministry of Health (MOH) said on Feb 24.

Safe management measures (SMM) were meant to be distilled into 5 core parameters - group sizes, mask-wearing, workplace requirements, safe distancing and capacity limits - in phases on Feb 25 and Mar 4.

In a statement, MOH said: "Given the current surge in daily cases, and the extensive work involved in going through the detailed rules across different settings, the MTF has reviewed the matter and has decided to consolidate and streamline the SMMs in one go instead."

For now, the current rules will stay, MOH said, adding that it will announce the revised effective date shortly.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/singapore-delays-plans-to-reset-covid-19-rules-as-cases-cross-20000-mark-for-2>

<https://www.straitstimes.com/singapore/implementation-of-changes-to-covid-19-safe-management-measures-to-be-postponed-due-to-surge-in-cases-moh>

Economy

Budget 2022: Work pass changes expected to hit SMEs more than MNCs

Singapore's move to tighten work pass requirements could see international firms shifting certain work functions to elsewhere in the region amid rising cost pressures, while they keep their most skilled talent in the Republic, analysts and industry groups told The Business Times.

The raised salary requirement is unlikely to affect MNCs that are in the market for highly-skilled workers that are in high demand, particularly in the area of technology.

The impact will instead be more keenly felt by SMEs, particularly since a letter of consent is no longer sufficient for foreigners on Dependent Passes to work here.

Though labour policy is only one aspect of Singapore's overall value proposition, the change could still hurt the Republic's overall attractiveness, said business groups.

Link to the story:

<https://www.businesstimes.com.sg/government-economy/work-pass-changes-could-shift-lower-wage-functions-out-of-singapore-smes-likely>

Tech salaries soar as US, Chinese firms compete for Singapore talent

Competition for tech talent in Singapore will continue to heat up this year, with firms raising salary offers as a bargaining chip.

Software engineers enjoyed the highest raises among various technical specialisations surveyed in a new report by a tech talent platform and a venture capital firm, with an average increase of 22 per cent year-on-year in 2021.

More senior software engineers who hold lead roles saw an even sharper raise, with increments of up to 32 per cent.

Link to the story:

<https://www.straitstimes.com/tech/tech-news/tech-salaries-soar-as-us-and-chinese-firms-compete-for-singapore-talent>

Singapore's core inflation could exceed 3% by Q2, further monetary policy tightening likely in April

After reaching a near-decade high in January, Singapore's core inflation could possibly exceed 3 per cent by the second quarter of this year, making a second round of monetary policy tightening this year likely, economists said.

Core consumer price index (CPI), which excludes accommodation and private transport, reached 2.4 per cent in January, outpacing the previous month's 2.1 per cent, according to data from the Monetary Authority of Singapore (MAS) and the Ministry of Trade and Industry (MTI) on Feb 23.

Although the number came in slightly below market expectation, this is the highest level the Republic has seen since September 2012. Headline inflation stayed flat at 4 per cent, although this is a 9-year high.

The official full-year outlook remains unchanged at 2-3 per cent for core inflation and 2.5-3.5 per cent for headline inflation.

Links to the story:

<https://www.businesstimes.com.sg/government-economy/singapores-core-inflation-could-exceed-3-by-q2-further-monetary-policy-tightening>

<https://www.straitstimes.com/business/economy/core-inflation-up-24-in-jan-highest-since-sept-2012-as-food-electricity-costs-rise>

Hospitality

Singapore Airshow clinches exhibitors' commitment for 2024

The Singapore Airshow has clinched commitments from the majority of its key exhibitors who took part in this year's edition to participate in the next edition in 2024, said the organiser Experia. The organiser, in a statement issued after the 4-day event concluded on Feb 18, announced that almost 80 per cent of the key exhibitors have committed to the next edition of the biennial event on Feb 20-25, 2024, at the Changi Exhibition Centre.

Link to the story:

<https://www.businesstimes.com.sg/transport/singapore-airshow-organiser-clinches-exhibitors-commitment-for-2024-edition>

Industrial

Work begins on vaccine maker Hilleman's new manufacturing plant in Depot Road

Work has started on Hilleman Laboratories' new vaccine manufacturing facility in Depot Road, which has been designed to produce vaccines for Singapore's use in any future pandemic.

The 30,000 sq ft facility, at which a symbolic ground-breaking ceremony was held on Feb 22, is expected to be fully operational by early next year.

Hilleman Laboratories, which has a separate research and development facility in Biopolis, plans to hire up to 50 scientists, engineers and managers locally.

Link to the story:

<https://www.straitstimes.com/singapore/health/work-begins-on-vaccine-maker-hillemans-new-manufacturing-plant-in-depot-road>

Taiwan's UMC to spend US\$5b on new chip plant in Singapore

Taiwan's United Microelectronics Corp (UMC) will invest US\$5 billion on a new microchip factory in Singapore, with production expected to start in 2024 to support the boom in 5G and auto electronics, it said on Feb 24.

UMC, which has already been producing semiconductors in the country for more than 20 years, said the new factory would produce 22 and 28 nanometre chips.

The new fab will be next to an existing one, and will have a monthly capacity of 30,000 wafers, UMC added.

Links to the story:

<https://www.businesstimes.com.sg/technology/taiwans-umc-to-spend-us5b-on-new-chip-plant-in-singapore>

<https://www.straitstimes.com/business/companies-markets/semiconductor-firm-umc-to-build-new-us5-billion-wafer-fab-in-singapore>

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