

ESS Panel Discussion on Post Singapore Budget 2025  
Write-up by ESS Young Professionals

On 19 February 2025, the Economic Society of Singapore (ESS) held a post-Singapore Budget 2025 panel discussion at Voco Orchard. The event, chaired by Mr. Vikram Khanna, featured five distinguished panellists: Mr. Suan Teck Kin, Dr. Laura Wu, Mr. Chua Han Teng, Dr. Walter Theseira, and Mr. Peter Lim.

Dr. Laura Wu initiated the session by acknowledging the increasing costs and competition faced by local firms in Singapore. From a Red Ocean perspective, Dr. Wu praised the latest budget's efforts to support businesses through tax rebates, enhancements to productivity and research funds to foster innovation, and additional support for internationalisation and M&A activities. She concluded her presentation with a Blue Ocean perspective, exploring how Singapore's fiscal policies could incentivise the wealthy to increase investments in the country.

The second panellist, Mr. Suan Teck Kin, highlighted improvements in Singapore's economic conditions. He noted a positive fiscal impulse for FY2025 and a relatively modest "Misery Index" in 2025. Additionally, Mr. Suan emphasized Singapore's fiscal prudence and discipline, citing the cumulative fiscal surplus achieved during the government's most recent term.

Dr. Walter Theseira, the third speaker, analyzed the composition of Singapore's tax revenues and expenditure trends. He highlighted the need to rebalance taxes towards higher-priced assets and incomes, noting that the capital-related tax share of GDP, which remains the largest source of government revenue, is susceptible to volatile contributions. Dr. Theseira also proposed designating childcare and preschools as basic entitlements, similar to primary and secondary public education, to improve fertility rates. Furthermore, he advocated for more targeted redistribution in Budget 2025, as opposed to broad-based measures currently implemented.

Mr. Chua Han Teng, the fourth panellist, remarked that Budget 2025 contains supportive measures aligned with past budgets and emerging trends. He noted Singapore's healthy fiscal position, having achieved budget surpluses in FY2024 and FY2025. However, he raised concerns about the sustainability of Singapore's current approach, given the potential for expenditures to outgrow revenue in the future.

The final speaker, Mr. Peter Lim, concluded the presentations by highlighting Singapore's focus for the coming years. He praised the country for its efficiency and neutrality, which have attracted many investors and talents. However, he questioned the longevity of this advantage and suggested that Singapore should develop additional strengths. Mr. Lim also emphasized the need to promote inclusive economic growth for all segments of society to foster and maintain political unity.

Following the presentations, Mr. Khanna initiated the panel discussion by exploring the potential for Singapore to run a budget deficit to stimulate economic growth. Another participant raised a similar question about the potential for greater fiscal expenditure, given the setting aside of trust funds and endowment funds for future spending. The panellists generally agreed on the importance of maintaining fiscal prudence to build reserves for uncertain times.

Dr. Kannan asked Dr. Walter Theseira whether universal basic income (UBI) would be applicable in Singapore. Dr. Theseira suggested that while monthly benefits would be appealing, navigating multiple policies might be confusing. He proposed consolidating these benefits into a single permanent initiative. In response, Mr. Peter Lim highlighted potential issues with a universal program, such as an increased tax burden, and suggested that targeted transfers might achieve better results.