



## **Singapore Shipping Association**

### **PRESS RELEASE:**

### **Pro-Shipping Initiatives in Singapore Budget**

**SINGAPORE, 16 March 2010:** The Singapore Shipping Association (SSA) was pleased to note the pro-shipping initiatives unveiled in the Budget 2010 Round – Up Speech presented by Minister for Finance, Mr. Tharman Shanmugaratnam on 4 March 2010.

The SSA welcomes such proposals as the concessionary tax rate of 10% on brokerage income for qualifying ship broker companies, tax exemptions for income derived from ship management fees and the zero-rating of GST for all goods including stores and merchandise for use on board or installation in qualifying ships.

At the parliamentary debate on 9 March 2010, Mr S. S. Teo, President of the SSA, in his capacity as Chairman of the Singapore Chinese Chamber of Commerce & Industry and Nominated Member of Parliament, had strongly supported the Economic Strategies Committee's (ESC) proposal to develop a specialist financial institution like an Export – Import (EXIM) Bank in Singapore to help bridge a much needed gap in cross – border financing.

Besides SMEs, Mr Teo said, "I would also like to propose that the EXIM Bank facilities be extended to shipping."

Mr. Teo added, "In view of the capital-intensive nature of the shipping industry and its need for financing, an EXIM Bank would be a useful instrument to extend the range of financing solutions available to shipowners/operators with a good track record, and will assist the growth of Singapore as an International Maritime Centre and as a hub for shipping investments."

The SSA applauds all these initiatives as indications of Singapore's commitment towards supporting its maritime industry and its growth as an International Maritime Centre.

In addition, the SSA further welcomes the announcement made by Minister in the Prime Minister's Office and Second Minister for Finance & Transport Mrs. Lim Hwee Hua in Parliament on 11 March 2010, where Mrs. Lim announced an extension of 10% port dues concessions for all ocean-going ships with a port stay of not more than 10 days, and a 20% port dues concession for harbour craft engaged in commercial activities within Singapore port waters for another 6 months, from 1 April to 30 September 2010.

“Whilst we are very appreciative of the incentives offered to the shipping industry, more needs to be done”, cautioned Mr. Teo.

“The 6-month extension on the port dues concession will be a great relief to the shipping industry, but we hope that the Government bears in mind that, **despite tentative signs of recovery and a marginal increase in cargo throughput, international shipping is not really out of its doldrums yet.** In particular, the threat of over-capacity arising from new buildings coming on-line over the next two years will serve to dampen freight levels.”

“As such, we hope that the port authority will be able to extend the port dues concessions past the 30 September 2010 deadline. Any proposed cost increase that could have a detrimental effect on the shipping recovery should be withheld for at least another one year. ”

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