FOR IMMEDIATE RELEASE

First Reactions to Budget 2022: Singaporeans unfavourable towards GST hike but supportive of tax rises for the wealthy

- **GST hike hits home: 60% of Singaporeans express an unfavourable view of the proposed GST increase, while only 44% believe the promised offsets announced for households will be sufficient to cushion the impact of the higher GST rate.**
- **Singaporeans rated Budget 2022 6.1 out of 10, a 0.8-point decrease from 2021; only 28% of Singaporeans consider themselves as 'winners' out of the Budget announcements.**
- **However, high up on favoured Budget announcements this year were the decisions to increase taxes for the wealthy.**
- **Despite support for wider sustainability policies, reactions to the significant carbon tax increases reveal that many Singaporeans are worried about the impact on future electricity prices at a time when energy prices are already sky high.**

SINGAPORE, 22 February 2022 – As Budget 2022 urged Singaporeans 'to move forward together', Singaporeans overall found the 2022 Budget announcements to be less than desired. The Blackbox annual post-Budget poll of more than 750 adult Singaporeans carried out last weekend shows only 28% were left feeling as 'winners' from this year's Budget.

Furthermore, Budget 2022 only rated **6.1 out of 10** amongst Singaporeans (using a scale of 0-10), a marked decrease from 6.9 recorded in 2021 and 6.7 in 2020.

While the planned GST rise was telegraphed by the Government well in advance, the stark reality of the calendar dates for implementation, announced last week, has hit home hard. The message delivered by the Finance Minister that "tax adjustments (will) help to raise additional revenue" while prudent, will likely take more time for the Singapore public to get behind.

This year's Budget has also fallen short in offering the degree of hope recorded in 2021. While 69% of Singaporeans believe Budget 2022 will improve Singapore's economic outlook, this figure is down from 80% who said the same in 2021. In fact, only 41% of Singaporeans now believe that 2022 will be a better year than last year, down from 48% (pre-Delta) in 2021.

Regardless, Singaporeans remain confident in the country's trajectory, with 80% still believing that Singapore is on the right track to post-pandemic recovery.

Key Study Findings

1. First reactions to GST hike indicates a tough sell ahead for the Government

For 47% of Singaporeans, the Budget 2022 theme was primarily framed as the 'GST increase in 2023', with 'Planning for the Future' (13%) and 'Emerging from the Pandemic' (11%) in a distant second and third place.

Only 40% of Singaporeans express a favourable view of the proposed GST increase, with middle-income households (i.e., those with combined monthly income of S$2,500 to S$9,100) finding it less

favourable (only 34% of middle-income are favourable) compared to those in poorer and richer households (both 45% favourable).

Despite the Government's attempt to lessen the impact of the proposed GST hike by announcing the increase in two tranches across 2023 and 2024 (instead of doing it in one go), only 44% of Singaporeans say they are satisfied that the offsets announced will be sufficient to cushion them from the impact of the increased GST.

2. Singaporeans strongly welcome higher taxes for the wealthy

In a bid to present a more equitable Singaporean society, the taxes on higher income groups were met with much cheer from Singaporeans – 40% of those polled rated the higher income tax for those earning S$500,000 or more as 'very favourable', with the higher taxes on luxury cars getting a similarly high favourability rating of 42%. These sentiments seem to be aligned to the Finance Minister's clarification, provided post his Budget statement delivery: "We are not against people doing better, earning more and accumulating wealth—by no means, these are good things. But as part of our renewed and strengthened social compact, we do want everyone to pay...contribute their share of taxes—and those with greater means should contribute a larger share."

3. Citizens wary of carbon tax announcements

With household electricity prices consistently climbing since July 2021 and petrol pump prices jumping 10 cents a litre since the end of January, the planned carbon price increase has come at an inopportune time for the Government.

While Blackbox polling consistently shows that Singaporeans are positively disposed to policies supporting a more sustainable environment, the post Budget survey reveals that only 19% express a very favourable view towards the carbon tax increase and even less (16%) have a strongly favourable view of the announced U-Save rebates aimed at offsetting higher electricity prices down the road.

4. Winners and Losers of Budget 2022

While nearly a third of Singaporeans (31%) believe that Budget 2022 benefits 'All Singaporeans', more than half (55%) feel the contents are geared more towards 'Low-income households/earners', followed by 'Older workers (25%)' and 'Singaporeans with young families (25%)'.

'High-income households/earners' and 'Middle-income households/earners' were viewed as the groups least likely to benefit from Budget 2022.

Commenting on the survey findings, David Black, CEO of Blackbox Research, said: "Our annual post Budget survey shows how fragile Singaporeans are feeling at present. After two long years battling a pandemic and growing global uncertainty, the Government's decision to take stock and chart a more

sustainable fiscal direction for the future may be the right one but it is clear the public will need to be brought up to speed and handheld as we move forward."

He continued, "With everyone now feeling the pinch of inflation, immediate reactions suggest many are worried about the 'sticker shock' that lies ahead, arising in the wake of tax increases. While the Government has taken due care and provided crucial offsets for households, managing the implementation of this is going to require some extra care."

More details can be found on Blackbox's official website, as well as on social media (LinkedIn, Facebook, Instagram, Twitter and Telegram).

– The End –

Notes to editor

For more details on this study, please reach out to us at enquiries@blackbox.com.sg.

About the survey

Blackbox Research carried out an online nationally representative survey of n=764 adults aged 20 and above. Quota were applied for gender, age, and socio-economic criteria including education and household type. The survey was conducted from 19th to 20th February, with fieldwork completed within 48 hours of the Budget reading in Parliament.

About Blackbox Research

Blackbox is a leading decision science solutions and advisory firm. Founded in Singapore in 2001, we work with local and global organisations across the public, private, and social sectors, offering consumer, business, and community-wide perspectives on contemporary problems and challenges. We monitor emerging trends both regionally and globally with the main aim of signalling potential changes of significance before they occur. We provide decision science solutions, bringing together social and business context, subject matter expertise, and relevant technology to bridge the gap between data and decision-makers. Blackbox can give you a front-row seat to all you need to know and help you make *better, smarter decisions*.

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