

ANNEX C-1: HARNESS AI AS A STRATEGIC ADVANTAGE

(A) AI Missions

The Government will launch a set of national AI Missions to transform key sectors of our economy using AI.

The Government will work closely with industry to identify clear and ambitious problem statements in key sectors. We will align our research and development, regulatory, and investment promotion efforts to accelerate the development, testing, deployment, and scaling of AI solutions. We will focus on four key sectors:

- (a) Advanced Manufacturing;
- (b) Connectivity;
- (c) Finance; and
- (d) Healthcare.

MTI will share more details on the AI Mission for advanced manufacturing at the Committee of Supply 2026. Details on the other sectors will be announced in due course.

(B) National AI Council

The Government will set up an inter-ministerial committee – the National AI Council – to provide strategic direction and drive the national AI agenda.

The National AI Council will:

- (a) Provide strategic direction for our National AI Strategy and ambition, including overseeing the development and execution of our AI Missions;
- (b) Commission AI Mission(s) in priority sectors with strong industry relevance and growth potential, that address complex, frontier problem statements; and
- (c) Unlock regulations and resources to accelerate the development, testing, deployment, and scaling of innovative and impactful AI solutions.

The Council will be chaired by the Prime Minister and Minister for Finance, Mr Lawrence Wong, and will comprise the following members:

- (a) Mr Gan Kim Yong, Deputy Prime Minister and Minister for Trade and Industry;
- (b) Mr Ong Ye Kung, Coordinating Minister for Social Policies and Minister for Health;
- (c) Mrs Josephine Teo, Minister for Digital Development and Information;
- (d) Dr Tan See Leng, Minister for Manpower and Minister-in-charge of Energy and Science & Technology in the Ministry of Trade and Industry;
- (e) Mr Chee Hong Tat, Minister for National Development and Deputy Chairman of the Monetary Authority of Singapore Board of Directors; and

- (f) Mr Jeffrey Siow, Acting Minister for Transport and Senior Minister of State for Finance.

We will also tap on expertise from the private sector. More details will be released later.

(C) Champions of AI programme

The new Champions of AI programme will provide tailored support for firms with the ambition to use AI to comprehensively transform their businesses.

MTI will share more details at the Committee of Supply 2026.

(D) Enhancements to the Enterprise Innovation Scheme (“EIS”)

To support businesses in adopting AI, the EIS will be enhanced for Year of Assessment (“YA”) 2027 and YA 2028.

The EIS encourages businesses to engage in research and development, innovation, and capability development activities. Currently, businesses can claim 400% tax deductions/allowances on qualifying expenditure incurred on the following five activities:

- (a) Qualifying Research and Development activities undertaken in Singapore;
- (b) Registration of Intellectual Property (“IP”);
- (c) Acquisition and licensing of IP rights;
- (d) Training courses that are eligible for SkillsFuture Singapore funding and aligned with the Skills Framework; and
- (e) Innovation projects carried out with polytechnics, the Institute of Technical Education, or other qualified partners (collectively known as partner institutions).

The qualifying expenditure cap under each of activities (a) to (d) is \$400,000 for each YA. The qualifying expenditure cap under activity (e) is \$50,000 for each YA. Businesses have the option to convert up to \$100,000 of total qualifying expenditure into a 20% non-taxable cash payout, in lieu of tax deductions/allowances.

The EIS will be enhanced for YA 2027 and YA 2028:

- (a) The list of partner institutions under activity (e) will be expanded to include the Sectoral AI Centre of Excellence for Manufacturing.
- (b) An additional qualifying activity will be introduced for qualifying AI expenditures. Businesses can claim tax deductions/allowances of 400% on up to \$50,000 of qualifying AI expenditures incurred for each YA. The option to convert qualifying expenditure into a cash payout will not be available for this new qualifying activity.

IRAS will provide more details by mid-2026.

(E) Expansion of the Productivity Solutions Grant (“PSG”)

To support businesses in AI adoption, a wider range of AI-enabled solutions will be made available for businesses under the PSG.

The PSG provides support for businesses to adopt pre-approved IT solutions and equipment, to improve their productivity and automate existing processes.

MDDI will share more details at the Committee of Supply 2026.

(F) AI Park

JTC will establish an AI park as a focal point for innovating, test-bedding, and scaling AI solutions.

JTC will establish an AI park at One-North. This will provide dedicated spaces near research clusters for AI startups, researchers, and industry partners to foster new partnerships and ecosystem networks, and to catalyse AI innovation.

MTI will share more details at the Committee of Supply 2026.

(G) Expansion of TechSkills Accelerator (“TeSA”)

To raise the AI fluency of the workforce, TeSA will be expanded to support AI skills training in non-tech, cross-sectoral occupations.

Currently, TeSA helps mid-career workers transition into tech roles, and ensures that the existing tech workforce remains relevant within the fast-changing Information Communications and Technology sector.

Under the expanded TeSA, IMDA is working with professional bodies in various sectors to develop frameworks to identify the key training needs and competencies needed to transform workflows with AI.

IMDA will start with the accountancy and legal professions, and progressively extend TeSA to other fields.

MDDI will share more details at the Committee of Supply 2026.

(H) Complimentary subscription to premium versions of AI tools

To encourage learning-by-doing with AI, the Government will provide six months of free access to premium versions of AI tools to Singaporeans who take up selected AI training courses listed on the MySkillsFuture portal.

MOM will share more details at the Committee of Supply 2026.

More Information

Measure	Contact Details
AI Missions	Please contact MDDI at MDDI_Connects@mddi.gov.sg .
National AI Council	
Enterprise Innovation Scheme	Please visit go.gov.sg/iras-eis for more information. IRAS will provide further details on the enhancements by mid-2026.
Productivity Solutions Grant	Please visit https://www.enterprisesg.gov.sg/financial-support/productivity-solutions-grant for more information.
TechSkills Accelerator	Please visit IMDA's website at https://www.imda.gov.sg/how-we-can-help/techskills-accelerator-tesa for more information.