



Singapore Budget 2026 For SMEs And Startups: S\$1B Equity Boost, MRA Grant Jumps To 70% — What You Need To Know

Description



Singapore Budget 2026 is live — here is what it means for SMEs and founders. Image: Little Big Red Dot.

If you are running a Singapore SME or thinking about launching a startup in 2026, the business landscape has just shifted meaningfully in your favour. From **1 April 2026**, a batch of Singapore Budget 2026 measures have officially taken effect, led by a **S\$1 billion injection** into the Startup SG Equity scheme and a long-awaited bump to the Market Readiness Assistance (MRA) grant, which now covers up to **70% of eligible costs**.

This is more than a cosmetic tweak. For the first time in years, local SMEs have materially better access to growth capital, internationalisation support and productivity grants. Here is the Little Big Red Dot breakdown – what changed, who qualifies, and how to make the most of it.

What Changed on 1 April 2026?

Budget 2026 delivered several changes that directly affect Singapore's SME and startup community. The headline items now in force are:

1. **S\$1 billion into Startup SG Equity** – The government matching-fund scheme administered by Enterprise Singapore has been topped up by a further S\$1 billion, targeting deep-tech, biotech, AI and sustainability-focused startups.
2. **MRA grant enhanced to 70% of eligible costs** – Previously capped at 50%, the Market Readiness Assistance grant now covers up to 70% of eligible overseas expansion expenses. This is effective **1 April 2026 to 31 March 2029**.
3. **EDG (Enterprise Development Grant) extensions** – Extended funding windows and enhanced eligibility for SMEs undertaking digital transformation, productivity upgrades and market expansion projects.
4. **Productivity Solutions Grant (PSG) refresh** – Updated IT and equipment lists, plus faster disbursement timelines for approved pre-scoped solutions.

Who Qualifies for the Enhanced MRA Grant?

The MRA grant is designed for Singapore-registered businesses looking to internationalise. The standard eligibility criteria are:

- Business entity registered and operating in Singapore
- At least 30% local shareholding
- Group annual sales turnover of not more than **S\$100 million** OR group employment size of not more than **200 employees**
- Less than three years of exports to the target overseas market (defined as less than S\$100,000 in exports in each of the last three years)

Under the enhanced scheme, MRA now covers:

- Overseas market set-up (e.g. entity registration, branding, marketing collateral, localisation)
- Overseas business matching (trade missions, networking events, FTA consultancy)
- Overseas marketing and PR activities
- Up to **S\$100,000 per new target market** and up to three markets per year

The 70% funding support translates to up to **S\$70,000 per market covered by the grant** – a meaningful increase from the previous effective cap of S\$50,000 per market.

Startup SG Equity: What Founders Should Know

Startup SG Equity is the government's matching-fund scheme, where Enterprise Singapore co-invests alongside private investors. The additional S\$1 billion is likely to be deployed across three focus areas:

Deep-tech and AI: Matching up to S\$8 million for seed to Series-A rounds in qualifying deep-tech startups, with government putting in roughly 70% of the matching capital for early rounds.

Biotech and medtech: Historically capital-hungry segments that will benefit from larger matching envelopes.

Sustainability and climate tech: Aligned with the Singapore Green Plan 2030 targets.

For first-time founders, the real value of Startup SG Equity is not just the cash – it is the validation signal it sends to private investors. A Startup SG Equity commitment often unlocks additional private capital at better valuations.

How to Apply – Practical Steps

Applications for most of these grants go through the unified **Business Grants Portal (BGP)** at businessgrants.gov.sg. The general process:

1. **Register with Corppass** (if you have not already) and ensure your company profile is up to date on ACRA.
2. **Pick the right grant** for your need – MRA for going overseas; EDG for core transformation; PSG for pre-scoped IT solutions.
3. **Prepare a project plan** including scope, timelines, deliverables, budget and expected outcomes.
4. **Engage a pre-approved consultant** if required – especially for FTA consultancy or overseas market set-up components.
5. **Submit** through BGP and track progress in real time.

Processing times for MRA have historically ranged between 4–8 weeks. EDG is typically 10–12 weeks. Plan your cashflow accordingly because grants are disbursed on a reimbursement basis, not upfront.

Beyond the Headlines: Other Changes to Watch

AI adoption acceleration – AI adoption among Singapore SMEs tripled from 4.2% to 14.5% between 2023 and 2024, and Budget 2026 introduced new co-funding for AI integration projects under the revised EDG scope. If you have been waiting to deploy AI copilots, chatbots or agent workflows, this is the moment.

Workforce Singapore credits – Additional SkillsFuture-linked credits for employer-led training have been announced. Expect more granular details to drop by mid-year.

Progressive Wage Credit – Continues through 2026, supporting wage increases for lower-wage workers.

Recent Funding Activity (April 2026)

The ecosystem is clearly active. So far in 2026:

- **~S\$2.22 billion raised** across 29 equity funding rounds by Singapore-based startups (year-to-March figures).
- Temasek Trust's Catalytic Capital for Climate and Health vehicle led a **US\$1.2 million round** into contactless health monitoring startup *injewelme*.
- Several B2B SaaS rounds closed in the US\$5â??15 million range, indicating healthy Series-A activity.

The message is clear: capital is available, both public and private, for founders who can articulate a credible plan.

Our Take: What SME Owners Should Do This Quarter

If you are already running an SME, three moves are worth making this month:

1. **Review your international expansion plans.** The 70% MRA support is a generational improvement. If you have been on the fence about opening an overseas office or exploring trade fairs, run the numbers again â?? payback just got a lot shorter.
2. **Audit your tech stack.** The PSG refresh and EDG AI support can cover meaningful chunks of automation spend. Even a simple CRM, accounting or e-commerce upgrade can qualify.
3. **Start the grant application now.** Grant processing can take weeks. Starting now ensures you are not stuck waiting when an opportunity arises.

For founders at the idea stage, start conversations with [Enterprise Singapore](#) and accredited Venture Capital (VC) partners who participate in Startup SG Equity. The matching-fund model works best when you have at least one anchor private investor committed.

For more on Singapore's grants and startup scene, see our [Business section](#), our [Grants section](#), and our wider [Singapore Budget 2026 analysis](#).

Sources: Enterprise Singapore, MTI Budget 2026 materials, GoBusiness Singapore, Business Grants Portal.

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