

**SUPPLEMENTARY BUDGET DEBATE 2020**  
**ROUND-UP SPEECH**  
**STAYING UNITED, RESILIENT, IN SOLIDARITY**

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## **A. INTRODUCTION**

- A.1. Mr Speaker, Sir, I thank Members of this House for your strong encouragement and helpful suggestions at this Debate on our Solidarity Budget.
- A.2. Beyond this house, I thank fellow Singaporeans for supporting our frontline workers, and the many thoughtful perspectives shared with me and my team.
- A.3. The battle against COVID-19 is entering a critical phase. Today, we begin a period of tough pre-emptive restrictions to break the transmission chain, and head off the possibility of the outbreak escalating. Our livelihoods and our economy will be disrupted for a while, but we have to do this for our health, and the well-being of our people.
- A.4. Many Members have told me how the last two months have felt like a year. So much has been happening so fast. The latest circuit breaker measures have dominated our discussions so much.
- A.5. It is useful for us to reinforce the importance of adhering strictly to the circuit breaker measures, but this Budget debate was originally scheduled to debate the Resilience Budget, as some Members reminded us. So let us remind everyone that we should look at all three Budgets – Unity, Resilience and Solidarity, and the total allocation of \$160 billion.
- A.6. With that as a backdrop, I will round up the debate by sharing my thoughts on this crisis.
  - a. First, the nature of this crisis, and how it differs from past crises faced by Singapore and the world.
  - b. Second, what we must do now, even as we speak, to stay united and stay resilient.
  - c. Third, how our people, and our nation, can emerge stronger when the storm passes.
  - d. Lastly, I will conclude with some reflections on the critical importance of good governance.

## **B. AN UNPREDICTABLE PANDEMIC, AN UNPRECEDENTED CRISIS**

B.1. First, the nature of this crisis. Mr Liang Eng Hwa and Mr Saktiandi Supaat asked what is the nature of this current crisis that we are facing now, and how different it is from the past crises which Singapore has faced. These are very important questions.

### Global Impact on Three Fronts

B.2. Almost everyone in this House described the current crisis as “unprecedented”. Indeed, COVID-19 has been unparalleled in its spread and impact on the medical, economic, financial, and other fronts.

B.3. It is astounding how a microscopic, single-stranded RNA virus, of less than 200 nanometres in diameter, has wreaked such devastation around the world.

B.4. Medical experts are divided on how long this crisis will last.

a. Some hope that the distribution of COVID-19 outbreaks are displaying seasonal patterns, and that warmer weather could suppress the virus. Or new ways are found to enable the quick detection of infection, minimise its spread and effect.

b. Others have cautioned that the virus could be cyclical. Even if its spread was slowed in the next few months, it could return in the form of a stronger variant when temperatures fall in autumn in the Northern hemisphere.

B.5. The global scientific community is racing to find a vaccine. Even at its swiftest the World Health Organisation (WHO) has cautioned that we are at least 12 to 18 months away from a viable vaccine.

B.6. We must therefore do our utmost now – take our circuit breaker measures very seriously, and minimise physical contact among ourselves.

B.7. On the economic front, even the most skilful and experienced forecasters have had to repeatedly revise their economic forecasts.

a. The IMF has downgraded its 2020 global growth forecast three times since January 2019.

b. The IMF is releasing a new World Economic Outlook this month, and has flagged that a further downgrade is imminent. It expects a recession at least as bad as during the 2008 Global Financial Crisis.

B.8. The reality is that no one really knows how badly economies will be hurt, and how long it will take to recover.

a. I was serving as PPS to then Senior Minister Lee Kuan Yew during the Asian Financial Crisis in 1997 and learnt much about the root and nature of the crisis from the many discussions that SM Lee, and also then-, at that time, PM Goh, had with global experts.

b. And during the Global Financial Crisis, I was the Managing Director of MAS, at the frontline of a very severe meltdown in global financial markets. This global crisis was different from the Asian crisis, as it originated in the financial system

of the most advanced economies – the US and EU. It was so severe, and the financial system so interconnected that it brought down century-old banks in the US and Europe.

- c. Both crises were severe but the root causes were largely financial mismanagement, which were then amplified through an interconnected financial plumbing and the real economy. But targeted solutions subsequently restored confidence.

B.9. This time round, the problem is much more complex.

- a. Almost every country's most urgent priority is to slow the outbreak of the virus. To achieve that, half of humanity are now in lockdown. In the Asian and Global Crises, airlines were still flying, and many activities continued. The sharp fall in aggregate demand this time is severe.
- b. Financial markets and the global economy today are far more integrated and interdependent than they were a decade ago. The global supply chain is much more integrated. Action by one country to contain the outbreak disrupts the global supply chain.
- c. The effect of the outbreak is a very sharp reduction in global aggregate demand, and a widespread disruption to the global supply chain. This is sending shock waves across the world.
- d. Furthermore, the political consensus in many advanced economies is fraying, making decisive responses and coordinated action much harder.

#### Need for Global Cooperation

B.10. Globally, the situation will get worse before it gets better. But do not get me wrong – I am not a pessimist. There is hope that as the crisis deepens, people around the world will find the need to come together, and be single-minded about winning this battle.

B.11. As Mr Murali Pillai and Mr Ong Teng Koon indicated yesterday, this is a global crisis that demands global cooperation. I am glad that multilateral institutions – the WHO, IMF, World Bank, as well as the G20, have stepped up to coordinate and manage the multiple dimensions of this crisis. The world must come together, and do its utmost to avert catastrophic consequences.

B.12. For Singapore, we have to contribute our views and do our part. We are not a superpower with immense resources, but we should support multilateral institutions in their mission, help build global consensus and do what we can to get through this crisis collectively.

#### Implications for Singapore

B.13. Singapore is feeling the full effects of the COVID-19 pandemic. As an open and globally connected economy, we are deeply impacted by global economic shocks and the effects of border closures.

- a. Our aviation industry, for example, is entirely international. Extensive border closures have effectively brought the whole aviation sector to a standstill.

- B.14. The circuit breaker measures that kick in today will have a severe impact across the whole economy. Until an effective vaccine or treatment is developed, our policies can only seek to mitigate the fallout.
- a. It's difficult to predict when this crisis will be over. This means we have to plan for the worst and work towards the best.

## **C. A RESILIENT ECONOMY, A RESILIENT PEOPLE**

- C.1. I shall now turn to the Government's priorities in tackling the crisis. In this fight against COVID-19, our top priority is saving lives, to protect Singaporeans and our families.
- a. We have to keep the rate of infection and transmission low. This is absolutely critical. If we fail in this, our healthcare system will be overwhelmed.
  - b. If overwhelmed, we will lose more lives, not just from COVID-19, but from other treatable conditions. We must do all we can to support our frontline healthcare workers.
- C.2. But the more stringent the measures we put in place to keep the number of cases down, the bigger the impact on our economy, as several of you have pointed out. In the immediate term, this is a trade-off between protecting lives, and protecting the economy we must all accept – not just in Singapore, but around the world. The alternative of allowing the virus to spread widely enough so that community develop herd immunity will cost too many lives, and much destruction. So let us act decisively now, accept the pain, protect lives, so that we have the strength and vitality to recover faster and thrive in the long-term.
- C.3. Our economy is hit on so many fronts that it is not possible to just restore the status quo. Moreover, as the most open economy in the world, injecting funds cannot counter the extensive global supply and demand shocks.
- C.4. Our **best response now is to build resilience** – in our economy and society. That is the approach to the economic and social support in our Resilience Budget, and the Solidarity Budget announced yesterday.
- a. For our economy, we build resilience by ensuring that viable businesses are not permanently damaged, but instead, are able to preserve their capabilities to recover. We support businesses with costs, cash flow and credit. We also help affected workers bounce back, and to make the best use of this downtime.
  - b. For our society, we support our people by saving jobs, providing cash support, and easing their cash flow needs, especially of the most vulnerable. As Mr Ong Teng Koon mentioned, we are seeking to ensure that all of us pull through this together, and that we leave no one behind.
- C.5. To this end, while saving lives is our topmost priority, saving **jobs comes next**.
- a. When many people are out of a job, there is a major cost to our individual lives and to society.
  - b. For individuals, it means depriving them of the chance to gain experience and grow. Minister Josephine Teo set this out well, when she shared why we started the SGUnited Traineeship Scheme for first time job-seekers and students who are graduating from our ITEs, Polytechnics and Universities, as well as those returning from overseas.
  - c. For companies, if workers are laid off, it means they will become less competitive. Across the economy, the failures of many firms will disrupt the supply chain, and drag the broader economy down later.

- d. Hence, we have provided high support for wages, by extending and enhancing the **Jobs Support Scheme** in the Resilience Budget, with a further significant enhancement for the month of April in the Solidarity Budget.
- C.6. Some Members have also asked if we can do more to help, such as Ms Yip Pin Xiu, for the sports sector. Rest assured that we will continue to monitor the situation closely, and do more as and when we need to, to save jobs.

### Resilient Firms

- C.7. We can save more jobs, if we have more resilient firms. To help viable firms stay resilient, we have provided support for their **cashflow, cost, and credit**. For this support to work well, it is crucial that all do their parts, and I am glad many have done so.
- C.8. On the **cash flow** front, the Government can provide the support through schemes such as the Jobs Support Scheme. However, the Jobs Support Scheme will fail if firms take a short-term view, pocket the payouts in one month, and retrench their workers the next month.
- a. I urge businesses to take a longer-term view – retain and upskill your workers to accelerate your transformation for the future economy.
  - b. In the same vein, the National Wages Council with the support of the tripartite partners, has called for firms to reduce non-wage costs and tap Government support, before resorting to retrenchments.
  - c. As Secretary-General Ng Chee Meng and his union leaders emphasised repeatedly – firms should cut costs to save jobs, and not cut jobs to save costs.
  - d. Otherwise, firms would have to start from scratch in re-hiring and retraining, and some may not be able to seize opportunities once the economy recovers.
- C.9. Ms Jessica Tan and Ms Sylvia Lim asked how can we ensure employers receiving JSS payouts continue to retain workers.
- a. By design, employers who reduce their employees' wages or put their employees on no-pay leave during this period will have their JSS payouts reduced correspondingly.
  - b. Conversely, employers who had already done so before the announcements can still bring their workers back onto the payroll. As long as you pay your employees wages and make the necessary CPF contributions, you will receive the corresponding JSS payouts for the relevant months.
  - c. MOM and the tripartite partners have released an advisory yesterday to guide employers on salary and leave arrangements that takes into consideration the substantial support from JSS. We will continue to monitor the situation closely with our tripartite partners and take action where needed.
- C.10. NTUC Secretary-General Ng Chee Meng and Mr Liang Eng Hwa asked if we can flow the assistance to firms even more quickly. Let me assure you that we are trying our best.

- a. Agencies like CPF and IRAS have redoubled their efforts, working through nights and weekends, to expedite the payouts.
  - b. Firms on GIRO and PayNow will now start receiving the first JSS payout next week, while those on cheques will start receiving a week later.
  - c. Mr Speaker Sir, may I draw Members' attention to these sheets which describe when businesses and households will receive payouts please. There will be **support flowing every month for the next six months.**
- C.11. The Public Service is also working towards making **faster payments to businesses supplying goods and services to the government.**
- a. We have brought forward the scheduled due date of more than 1,000 payment vouchers, by an average of 11 days. This amounts to more than \$600 million, benefitting close to 300 businesses, mostly SMEs.
  - b. I encourage businesses that are in better financial positions, to consider making similar gestures for their suppliers, many of which are SMEs. By keeping your supply chain intact, your company will also benefit.
- C.12. On the **cost** front, I am heartened to see some property owners passing on the 100% Property Tax Rebate fully to their tenants, by reducing rentals.
- a. Some property owners, such as Mapletree Commercial Trust, have gone even further, by giving their tenants more than the Property Tax Rebate that they receive, to share the burden during this time of uncertainty.
- C.13. Despite these commendable moves, I have received feedback from tenants that some property owners have yet to pass on the Rebate to them.
- C.14. This is why we are imposing a **legal obligation** on property owners to **unconditionally pass on to their tenants the full amount of Property Tax Rebate that is attributable to the tenanted properties.**
- C.15. Some property owners commented that such an obligation penalises them.
- a. But this move does not make property owners worse-off – in fact it staves off rental terminations, and keeps their premises rented out. With a Property Tax Rebate of up to 100%, property owners pay less or even no property tax for the year. Property owners should pass the full tax savings on to their tenants, as the Property Tax Rebate is intended to benefit the tenants.
  - b. As Chef Willin Low put it, “Landlords and tenants need each other, like a garden and its plants. When times are good, the garden flourishes with flowers. It is now time for landlords to keep tenants so we can wait together for the sunshine to come again.”
  - c. With this move, I trust that all property owners will do your part, support your tenants, and give additional help to tenants who need it.
  - d. The Government is leading by example, by giving a rental waiver of up to three months for government-owned properties. This helps about 36,000 tenants.



- C.16. On the **credit** front, I enhanced financing support for enterprises in our Resilience Budget, and introduced further enhancements yesterday to manage the uncertainty in April, as part of the Solidarity Budget.
- a. I am glad that MAS, together with financial institutions, has introduced a package of measures to help SMEs with temporary cashflow difficulties. This is a concern raised by a number of Members, including Mr Murali Pillai, Mr Saktiandi Supaat, Ms Foo Mee Har and Prof Lim Sun Sun. I spoke about these measures in my Statement yesterday.
- C.17. I am glad to see the industry step up and come together to support their customers through this difficult time.
- C.18. I urge businesses to use this support on the 3Cs – Cash, Cost, and Credit – to keep things going, while they do a stock-take and make adjustments for what could be a prolonged downturn ahead.
- C.19. I also urge businesses to use the support wisely and responsibly, even as we provide many forms of help in a broad-based manner.

### Resilient Workers

- C.20. Let me now touch on resilient workers.
- C.21. Our Resilience Budget also focuses on building **resilience in our workers**. The best form of support is continued employment, both in the immediate and long-term. But if your livelihood is affected, we are here to help you through difficult times, to bounce back when conditions improve.
- a. For **employees**, beyond subsidising wages through the **Jobs Support Scheme**, we have also provided direct help for workers' training and upskilling, by enhancing **course fee subsidies** and **absentee payroll**.
  - b. For those who **lose their jobs**, we have stepped up our efforts to help workers find new jobs especially where there are emerging trends, such as through the SGUnited Jobs initiative, which Minister Josephine Teo spoke about yesterday.
  - c. For those who **experience hardship**, we also provide strong social support through new schemes like the **Temporary Relief Fund** and **COVID-19 Support Grant**, as well as through existing schemes like ComCare.
  - d. For **self-employed persons**, we will provide direct cash assistance through the **Self-Employed Person Income Relief Scheme, or SIRS**.
    - i. In implementing this new scheme, we have heard many suggestions such as that from Ms Joan Pereira and Mr Dennis Tan, to improve its auto-inclusion criteria. With the revised eligibility criteria I announced in my Ministerial Statement, a total of about 100,000 self-employed persons will benefit.
    - ii. I also encourage all self-employed persons to make full use of the **SEP Training Support Scheme** to train and upskill, during this period.

- C.22. Several members like Mr Png Eng Huat, Mr Pritam Singh and Associate Professor Walter Theseira have asked for the Government to relook our approach for support for our low-wage workers, especially during this period. Our union MPs too have been consistently championing the needs of our low-wage workers, and actively working with the Government to uplift them. This is the right approach, because we need a **combination of policies which work together, to shift the entire landscape of support for our workers.**
- a. The Progressive Wage Model and Workfare, which then-Labour Chief Lim Swee Say is a strong proponent of, have uplifted low-wage workers while keeping unemployment low.
  - b. Every worker is assured that he can earn more wages through skills upgrading. We continue to believe in that, and have strengthened our SkillsFuture and Next Bound of SkillsFuture movements to allow for this continual progression. I have also heard Mr Henry Kwek's suggestions on sharpening this effort.
  - c. We also ensure that our workers are treated fairly by their employers, through the Tripartite Alliance for Fair and Progressive Employment Practices, orTAFEP.
  - a. This is made possible by the strong tripartite partnership, that can be a "viable flexible companion to the rigidity of law", as mentioned by Mr Douglas Foo. This model has worked well for our society thus far, and has laid the foundation for good outcomes and trust between the Government, firms and workers over the years.
- C.23. In supporting our economy, we have sought to provide **holistic, integrated support**, while keeping an eye on the long term. Beyond subsidising wages, we gave firms the resources to re-engineer their business operations, digitalise, retrain workers, and even temporarily redeploy workers in their downtime. This is so that they can emerge stronger once the economy recovers.
- C.24. Firms have responded well to this. SATS, Changi Airport's biggest ground handling and airline catering operator, is one good example.
- a. When I visited Changi Airport last week, I met several SATS employees who will be redeployed to the public and healthcare sectors.
  - b. One of them is Ms Neo Xin Yin, a Customer Service Agent, who will become an SG Clean Ambassador with NEA.
  - c. Duty Manager Mr Yazid Izkhairol will be deployed to a public hospital as a care concierge.
  - d. They are not the only ones. SATS is temporarily redeploying up to 500 workers who will be retrained to support our pandemic response, as part of the SG United Jobs initiative.
  - e. This is our attempt at "making the perfect match", as called for by Mr Ang Wei Neng, Mr Christopher de Souza and Mr Henry Kwek who also raised the idea of short-term job creation.

- f. The firm is also pushing ahead with R&D to improve its operations. In collaboration with TUM-CREATE, SATS is trialling AI-powered solutions for cargo handling through the SpeedCargo system.
  - g. It uses an advanced 3D camera system to scan the dimensions and contents of incoming cargo, before optimising and packing them using a robotic arm system.
  - h. This is being piloted at Changi Airfreight Terminal.
- C.25. The aviation sector, including Singapore Airlines, is one of the hardest hit sectors. Minister Khaw Boon Wan spoke on the strategic value of the aviation centre to our position as a Global-Asia Node. Despite being hit so hard, it has found strength, retained staff, and pressed on with training and innovation, and volunteered to help others. This is resilience in action.

### Resilient Supply Chains

- C.26. The Resilience Budget also provides support to increasing resilience in our supply chains. Mr Ang Wei Neng, Mr Saktiandi Supaat, Mr Gan Thiam Poh, and Mr Murali Pillai have rightly pointed out that COVID-19 has underscored the importance of further strengthening our supply chain resilience and food security. They have urged us to press on, including on our ambitious “30 by 30” goal to develop our own food production capabilities.
- a. Last Wednesday, I visited Apollo Aquaculture Group and Max Koi Farm, saw what they had achieved, and learned about their plans. Indeed, let us devote attention to this.
- C.27. In my Ministerial Statement on the Resilience Budget, I spoke about our efforts to deal with the immediate challenges, by having a robust, multi-pronged strategy to ensure a stable supply of safe food and essential items. We have been working on this for years, and will continue to do so. Minister Masagos will provide details later this week.
- C.28. I also thank Mr Seah Kian Peng and his staff of the NTUC group, who have been working hard to keep shelves stocked. Your hard work, and that of other distributors, can instil confidence in the adequacy of our food supplies.

### Resilient Society

- C.29. This year’s Budgets also provide direct support for families, with more for the lower income. This is how we support a resilient society. Additional support is available through the Self-Help Groups and Community Development Councils.
- C.30. I thank members for the various suggestions to do more for our families and households, after listening to the feedback of Singaporeans.
- C.31. Associate Professor Walter Theseira, Dr Lim Wee Kiak, Ms Foo Mee Har, Mr Louis Ng and Mr Faisal Manap have requested to provide more cash in hand for different groups of Singaporeans and their families to tide through this period.
- C.32. In fact, we will already be providing more than what the Members have proposed.

- a. A 50-year old couple with a child aged 20 years old and below will receive up to \$3,200 in cash. This is from the Solidarity Payment, Care and Support Package, and PAssion card top-up in cash.
  - b. Low-wage workers on Workfare will receive an additional \$3,000 in cash to help them with their expenses over this period.
  - c. Singaporeans who become unemployed can receive the COVID-19 Support Grant of \$2,400 over three months.
  - d. In the interim, those who require urgent help with basic living expenses can apply for cash assistance of \$500 under the Temporary Relief Fund. MSF and HDB are also exercising greater flexibility under ComCare and for mortgage repayments respectively to provide stronger support.
  - e. In addition, under the Jobs Support Scheme, employers will receive up to \$31,000 in wage offsets over nine months, for each local worker retained. Eligible self-employed persons will receive \$9,000 over the same period under SIRS.
- C.33. I share Ms Foo Mee Har's concern that some Singaporean families may have non-citizen members.
- a. They currently do not benefit from the cash payouts under the Care and Support Package, but are supporting the family in different ways, through this difficult period.
  - b. To support these Singaporean families, adult **Permanent Residents** with Singaporean parents, spouses or children, **may apply for a one-off Solidarity Payment of \$300.**
  - c. I will also extend this to **LTVP+ holders**, who are spouses of Singaporeans. More details will be available later.
- C.34. With this set of schemes, we balance between targeting our support for those who need it more, and flowing support quickly to large groups. It is not an easy balance, and we will do our best to calibrate this.
- C.35. That said, I fully support the spirit of Associate Professor Walter Theseira's suggestion. Those who have more, should support those who have less.
- a. Such solidarity is especially needed in these difficult times.
  - b. As I mentioned in my Ministerial Statement, some of our support have to be broad-based, so that we can flow the support to our people quickly.
  - c. I encourage those who do not need the cash payouts to share it with those who need it more, by donating to Giving.sg or the Community Chest's Courage Fund, or to directly share it with others.
- C.36. Mr Pritam Singh noted that the Resilience and Solidarity Budgets have features of the New Deal in the US, and went on to ask: if we can provide continued support beyond nine months, even after the pandemic subsidies. He made a comparison of to the "New Deal", and asked if we should have a 'living wage' for our essential services workers, including cleaners.

- a. As Mr Singh himself pointed out, the 'New Deal took more than six years and secured the US as a welfare state with a strong federal government and a perennial national debt problem'. He went on to say, 'the comparison with the New Deal is nonetheless thought provoking'.
  - b. Indeed, we should think hard about this. While the New Deal was meant to bring the United States out of the Great Depression, its ideas have polarised American society. We still see this schism today - between liberals who support it for its comprehensive relief and reform programmes, and conservatives who oppose it for being hostile to business and growth.
  - c. The United Kingdom went through a similar phase, with their governments swinging between the left and right of the political spectrum. I was a student in the United Kingdom in the early 1980s, when Mrs Margaret Thatcher rode to electoral victory when ordinary Britons got fed up with the 'Winter of Discontent' in 1978-79 where there were widespread strikes in the public sector, including in NHS. As a first-year student of Economics, we had to study economic history, and wrote essays on why the Industrial Revolution started in England. At the same time, I had to do macroeconomics, and wrote essays on why the British economy was then de-industrialising, and how economic growth was important for the welfare of workers, and did papers on sociology on class warfare in Britain then.
  - d. It is important that in any policy making, we pay attention to the subtle but significant changes in the tone of society, in the attitudes of people and in relationships which will take years to show, and which are not easy to reverse.
- C.37. So let me caution that in making good public policy, we should be rigorous and clear-headed, and not rely on some ideological short-cuts or labels, without thinking deeply about interactions and longer-term effects.
- C.38. For our little red dot, we must have the courage and wisdom to do what is right for us – and not rely on simple ideology or fad or fashion of the day. Focus on our people's well-being, and design systems and support around that core purpose.
- C.39. For this Government, it has never been a question of whether we "want to spend". Rather, it is a question of "how do we make the best use of resources, to achieve the best outcome for our people".
- a. As I said in my Round-Up speech 39 days ago, and some Members might have forgotten, let me repeat, "There must be a role for the Government to redistribute resources, in the right way, so that everyone shares in the fruits of progress. One way is to do this through schemes that enhance the capability of our people – through investments in education, health, and the provision of housing, as well as schemes to mitigate inequality, like Workfare and Silver Support. '
  - b. I also said, 'it is not just how much we spend, but how well we spend'. I showed various charts showing the outcomes we achieved, in comparison with other countries.
  - c. If we stay adaptable, we can keep adjusting our social security system according to the needs of the day. For example, the recent wave of digitalisation has brought great rewards to the innovators, but also put pressures on

employment and wages for older workers. We have responded with social support schemes like the Workfare Income Supplement.

- a. To help our people tide through immediate challenges in this crisis, we have been adaptable, and introduced schemes like SIRS and the COVID-19 Support Grant.
  - b. So let me urge all Members in this House to remain rigorous and clear-headed, and to focus on outcomes for our people.
  - c. Let us commit to making sure that what we do is fiscally sustainable, not just in this term or next term of Government, but for our future generations.
- C.40. Our ability to put together a support package for Singaporeans amounting to 12% of GDP, without borrowing against our future, is testament to the optimal fiscal balance we have sought to maintain over the years. We will continue to work hard at this and continue to look at improvements.
- a. For example, as Dr Intan Mokhtar suggested, we will study whether self-employed persons should be more systematically included in our social security system.
  - b. And in the same vein, how artists could self-sustain and be well-prepared for the future, as mentioned by Mr Terence Ho. Minister Grace Fu has also shared more on what the Government will do to support this community.
- C.41. But the Government cannot do this alone. In the spirit of SG Together, I am glad that many are stepping up to help others.
- a. The Mayors and their five CDCs have stepped up local assistance schemes to support the heartlands, and partnering local merchants to do so. These efforts bring warmth and direct assistance to those who need it most.
  - b. Our charities, IPCs, and Self-Help Groups, have also come forward spontaneously to support Singaporeans in need.
  - c. I am heartened to see that The Community Foundation of Singapore has launched the Sayang Sayang Fund.
    - i. The fund aims to boost the morale of frontline healthcare workers with transport vouchers and some cash support. As our schools transition to home-based learning as part of the circuit breaker measures, the Sayang Sayang Fund will also provide disadvantaged students with support for their meals.
    - ii. In just two months, the fund has raised \$1.1 million from more than 1,500 donors.
  - d. There are many other heartwarming examples of individuals stepping forward, such as that of the provision shop giving out free rice to the needy, mentioned by Mr Vikram Nair. Many Singaporeans have been helping one another, from distributing hand sanitisers, masks, and even meals, to those who need it more. Some even offered their homes to Malaysian workers who were affected by the Movement Control Order. Singaporeans are also taking care of the seniors amongst us, a group that Ms Joan Pereira raised.

- i. One such example is Mdm Alice Lee. Alice stays in a mature estate where there are many senior residents who have mobility issues, and these seniors faced trouble collecting their masks and hand sanitisers during the collection exercise in February. Alice helped the residents with their collection, and delivered to their homes. Alice also took the opportunity to chat with these residents and checked that they are doing fine during this period.
- e. These are spontaneous acts of community support, and I hope they inspire more to do the same. This is the social cohesion and resilience that we must have.

## D. EMERGING STRONGER TOGETHER

- D.1. I have touched on the nature of this crisis, and how we must build resilience, in our economy and our society. Several members like Mr Liang Eng Hwa, Ms Jessica Tan, Mr Gan Thiam Poh, Mr Douglas Foo, have raised this and asked how can we position ourselves better for recovery and emerge stronger. And Mr Irshad has just spoke about hope.
- D.2. COVID-19 will **re-shape our world**, and **amplify the global structural shifts already underway**. With these shifts come risks as well as opportunities.
- a. It will accelerate structural shifts in global supply chains. Global and regional businesses will place a higher premium on locations that offered stability, reliability and effective governance in how they had managed this pandemic. Overall, trust will command a higher premium than ever.
  - b. It has also accelerated digitalisation and adoption of technology in our daily lives. Many more firms, workers and consumers have had the opportunity to embrace new models of remote working, online learning, telemedicine and e-commerce. They will not automatically switch back to their previous habits.
- D.3. We are in a good position to make the most of these opportunities in a post-COVID world. To do so, we will **redouble our efforts to position Singapore as a Global-Asia Node of Technology, Innovation and Enterprise**.
- a. I am glad that even during this period, companies have continued to engage Singapore on new projects and the development of new capabilities.
    - i. Just last week, Hyundai announced its opening of an innovation lab in the Jurong Innovation District to develop and test technology across the automotive supply chain, and trial electric vehicle manufacturing.
    - ii. In the same week, ExxonMobil also held a virtual foundation laying ceremony to deploy new technology to upgrade its integrated refining and petrochemical complex. This is expected to create 135 new jobs.
  - b. We will also press on with our Smart Nation and R&D efforts.
    - i. We will continue building smart towns like our Punggol Digital District, and our efforts in deploying Autonomous Vehicles. We are now formulating our next five-year masterplan for Research, Innovation and Enterprise, or RIE 2025.
    - ii. And we will prepare our people for this. Under the **SGUnited Traineeships Programme**, NRF will work with MOM to provide about **500 traineeships across the RIE ecosystem**, including our R&D labs, as well as deep-tech startups, accelerators and incubators.
  - c. We will also continue to press on with business transformation and upskilling of our workers, especially during this downtime. As Mr Douglas Foo, SPS Low Yen Ling and Ms Tin Pei Ling stressed, businesses need to take the opportunity to transform now, as the post-COVID19 landscape will be vastly different. Indeed, Mr Douglas Foo astutely pointed out that had our businesses been further along the digitalisation curve prior to the outbreak, the transition to



remote work arrangements and moving operations online would have been less painful and better executed. SPS Low Yen Ling has shared what we are doing to support firms with flexible work arrangements.

- D.4. The COVID-19 fight still has a long way to go, and things will get tougher before they improve. But one way or other eventually it will pass – not next week, not next month, but perhaps within a year or two. As Dr Lim Wee Kiak put it, it is an invisible threat, but it is not invincible.
- D.5. The question we should ask ourselves even now is when that day comes, what sort of world will it be, and how ready Singapore will be to march forward again.
- D.6. We should think ahead, on how we can deepen economic and social resilience. In this spirit, we will set up two initiatives – an Emerging Stronger Taskforce on economic resilience and a new emphasis on social resilience under the Singapore Together movement.
- a. I earlier announced that I would set up an **Emerging Stronger Taskforce** under the ambit of the Future Economy Council, to help our economy bounce back from the crisis. Minister Desmond Lee and Mr Tan Chong Meng, Group CEO of PSA International, will co-chair this taskforce, to review how Singapore will stay economically resilient and build new sources of dynamism in a post-COVID world. This task force will report to the Future Economy Council which I chair. I hope that this can speak to Ms Rahayu Mahzam’s call for a coordinated effort to recover from the crisis.
  - b. The **Singapore Together movement**, led by Ministers Indranee Rajah and Desmond Lee, has been seeking to tap on the creative energies and commitment of Singaporeans, and friends of Singapore, to shape a better future. COVID-19 has reinforced the importance of social and psychological resilience. As President Halimah pointed out at the start of this session, the worst of times can bring out the best in our people. How we respond to it, how our nation comes together, will show much about our values as a people, and the principles we hold dear.
  - c. Let us use this crisis period well. Ministers Indranee and Desmond will mobilise Singaporeans to explore how we can deepen our social fabric and partnerships between government and people in Singapore, and between Singaporeans and people around the world.
- D.7. This will be a whole of nation effort, which will take our collective energies and ideas to do well. To do so, as I have mentioned before, we will have a series of national challenges across different domains to encourage ground-up participation.
- D.8. One of the first challenges we will have is the "Singapore Together Stay Home for Singapore Challenge". I am asking all of us to be a part of it. These four weeks of circuit breaking will feel unusual and unnatural. The challenge is to help ourselves and others stay home and do so purposefully and positively.
- D.9. As we stay home,
- a. How might we thrive, by staying healthy and learning?
  - b. How might we connect with our loved ones and community?
  - c. How might we help others?
  - d. How might we get help?

- D.10. This will be a time for reflection, to learn something new, bond with loved ones, to show care and support for one another, and do something active and constructive for the community.
- a. There are existing resources available to all Singaporeans. For example, you can tap on online resources from the National Library Board and the National Heritage Board to learn new things, and connect with your loved ones.
  - b. Some Singaporeans will also be emotionally affected or distressed in this period, as pointed out by Mr Alex Yam, Mr Mohamed Irshad and Ms Anthea Ong. If you need additional help, you can get help from various platforms, such as the National Care hotline, or from our community partners.
- D.11. We are putting together some resources, and Ministers Desmond and Indranee will talk more about them soon.

## **E. GOOD GOVERNANCE**

- E.1. We are entering uncharted waters in the fight against the COVID-19 outbreak, and we cannot predict with precision how long this will be. But at this point, let me share some personal reflections with Members, on what we need to pull through.
- E.2. I presented the Unity Budget to this Chamber on 18 February. 37 days later, on 26 March, I presented the Resilience Budget. And 11 days later, yesterday, I presented our Solidarity Budget. Three Budgets, within just 48 days.
- a. We are dedicating close to \$60 billion, amounting to 12% of our GDP, to deal decisively with the situation at hand.
  - b. The three Budgets make up our largest Budget in any one Financial Year, in dollar amount and as a percentage of GDP. This is the largest spending in any Financial Year, in our nation's history.
  - c. We also incurred the largest budget deficit ever – \$44.3 billion, or 8.9% of GDP. As Ms Tin Pei Ling observed, this deficit alone is half of our total spending in the preceding financial year.
  - d. We had to seek the President's approval to draw on our Past Reserves, not once, but twice. In total, the President has given her in-principle support for the Government to draw up to \$21 billion from our Past Reserves for the Resilience Budget and the Solidarity Budget.
  - e. Once again, I thank the President, for her deep understanding of the nature of this crisis, and for her support. I also thank the Chairman and members of the Council of Presidential Advisers.
- E.3. As Finance Minister, I am extremely grateful that we have been able to tap on the deep financial reserves – our current and past reserves which have been so carefully built up, invested and managed. This has allowed us to respond to the crisis without having to borrow, and without burdening our future generations with repayment obligations.
- E.4. But just exactly how deep are our reserves? Mr Pritam Singh has asked this question time and again in this House.
- E.5. Members would know that our reserves comprise assets invested by MAS, GIC and Temasek. MAS and Temasek publish the size of the funds they invest. It is the size of the funds invested by GIC that is not published.
- E.6. We do not disclose the total size of our reserves for the sake of our national security and strategic interests.
- a. As a small country without any natural resources and highly dependent on imports, our reserves are vital to our overall economic and financial stability, and our wellbeing.
  - b. They provide a key defence for Singapore in times of crisis. I have shared with Members that, during the 2008 Global Financial Crisis, the late President S R Nathan approved the provision of \$150 billion from our past reserves to guarantee bank deposits in Singapore. This move calmed our depositors, and we did not have a single bank run during that very difficult period. All our

depositors' monies were safe. In 2009, President Nathan approved a draw of \$4.9 billion from the Past Reserves to fund the Resilience Package then, to help us overcome the Crisis. Having our reserves therefore played a key role in helping us emerge stronger from that Crisis. In fact, our economy rebounded quickly.

- c. Our reserves serve as a strategic defence. It gives us the wherewithal to resolutely defend the Singapore Dollar against speculative attacks. This contributes to a stable Singapore dollar, which in turn bolsters the confidence of investors and citizens.
- d. Our reserves are thus no different from SAF's arsenal. No country's armed forces will ever tell you exactly how much ammunition and weaponry they really have. To do so is to betray valuable intelligence to potential adversaries. This is obviously not a wise defence strategy, and likewise should not be adopted for our financial reserves.
- e. What Members should focus on are the policies and programmes, especially those which may require the use of reserves. Debate the merits of these programmes, including the expenditure required for them. But let's be clear – it is neither in the interest of Singapore, or Singaporeans to repeatedly ask about the size of our reserves.
- f. We are in the middle of a storm, and I am very disappointed that Mr Pritam Singh has used this occasion to raise this question again

E.7. Mr Pritam Singh also asked how we will ensure sustainable finances in the next term of Government. He suggested that we review our usage of the Past Reserves in view of the longer-term impact of COVID-19.

- a. Many have urged us, year after year, to spend more of our reserves to fund our growing expenditure, suggesting that we do not need to save so much or to ever raise taxes.
- b. But like Mr Liang Eng Hwa said, we kept the discipline, and stuck to our principle of using the returns from our reserves in a prudent manner.
- c. We do not view the reserves as a piggy bank to be broken at will, to provide the Government with a convenient source of additional revenue. We avoided running deficits in good years, and consistently saved.
- d. If we had succumbed to the political pressure to spend more of our reserves in good years, we would not have had the war chest to deal with critical moments, such as now. And to do even more, if necessary, even in the next term of Government

E.8. But the aftermath of the COVID-19 outbreak will be with us for a long time, and we will need to deal with it on a sustainable basis. If the crisis deepens, our economy and revenues will shrink, we may have to make use of our past reserves again for a recovery. While we must make plans, and we are, at this hour, let us focus our minds fully on making the best use of this very unprecedented Budget, to build social and economic resilience. And if there is a need, we have the institution of the Government and the Elected President, to decide on how best to use our resources to manage a crisis.

So indeed, this crisis has re-affirmed the value of our key institutions and the key tenets of our prudent fiscal policy – to spend prudently, invest wisely, and plan consistently for the long-term.

- E.9. Beyond our financial reserves, I am grateful that we have been able to tap on the deep reservoirs of **strength and resourcefulness of our people**.
- a. Without the strength, resourcefulness, trust of our people, all the right measures, won't be worth the dollar tag on them. But, with these, our combined strength is worth so much more.
  - b. Our healthcare workers, Home Team officers, cleaners, and many other unsung heroes have carried out their duties with commitment and courage.
  - c. They have had a very tough time. They have to stay alert and careful, while working long hours and weekends. It is very moving that our people recognise this and pour out strong support for them.
    - i. Many Singaporeans have made videos and written letters of appreciation to spur our frontline workers. Students and staff from Yew Tee Primary School, who made personalised cards and a video to show support and appreciation for the frontline staff of various hospitals, and our police officers. And there are many others.
    - ii. Just last week, applause rang across our heartlands at 8 pm on 30<sup>th</sup> March, as Singaporeans came together to give those on the frontlines a round of applause, as part of the "Clap for #SGUnited" campaign. This applause was also for everyone who has been helping to keep Singapore safe during this tough time.
    - iii. Indeed, our national stock of resilience is made up of all our individual stocks of resilience. Ultimately, the long-drawn fight against the virus will be won by us standing together as one united people. Cases are creeping up, and as Mr Vikram Nair put it, we must each do our part, this is absolutely serious, a matter of life and death.
- E.10. This has been an extremely hectic period for me, Minister Lawrence Wong and Minister Indranee Rajah, and all my Cabinet colleagues. I am grateful to my staff in MOF, many of them young or with young families. They have been working tirelessly for almost 10 weeks now - from Pongal, to Valentine's Day, to Chinese New Year, and over many weekends. It is the first time that MOF officers have had to prepare three Budgets within 48 days.
- a. It is not only hectic. It has been emotional. We know what is at stake. Our lives, our livelihoods, our loved ones. Our home and nation. I know people like to call us at MOF bean-counters, because we are always counting the costs and benefits of things. We count, because you count. We weigh up our reserves of strength, measure out the right actions to help our people and businesses, pace ourselves to go the distance, and save up for the future. We count, to protect our people and our home.
  - b. I thank my staff and my colleagues for running this race together with me. I could not ask for a better team. And I thank their families for their understanding.

You should be very proud of your loved ones who are giving their everything in the Public Service.

- E.11. I also thank Members of the House who bring the honesty and resilience – not only into this Chamber, but also into our fight on all fronts against COVID-19.
- E.12. I am especially heartened that fellow Singaporeans and MPs show strong values and commitment to our future. Let me share just a few examples.
- a. After I announced the Resilience Budget, Ms Tan, wrote to me, saying that she is touched that we are tapping into the reserves built up by earlier generations. She then went on to urge that we must work to put back what we are going to use so that future generations have emergency funds for the next crisis. Several others also did so.
  - b. Members such as Dr Chia Shi-Lu and Ms Tin Pei Ling have also come forward to urge us not to spend in an unbridled fashion from the reserves, even in today's situation.
  - c. Indeed, as we draw down on our reserves to tackle this generational crisis of unprecedented scale, we must uphold our responsibility to steward our reserves properly in our time, for the benefit of our future generations.
  - d. Yesterday, Minister Khaw Boon Wan shared the story of his Primary Two granddaughter who had been urging his wife and their helper to put on masks and to observe safe distancing. And less than 24 hours ago, when I was here in this Chamber delivering the Solidarity Budget, a young mother was at home watching it 'live' together with her daughter. The mother later wrote to me saying that, afterwards, her daughter asked her, "Will Singapore become bankrupt?" I was surprised and glad that her daughter and Minister Khaw's granddaughter could understand such values at such a young age.
  - e. As adults, let us uphold our values, and not let our children and future generations down. It is precisely for them that my team and I are determined to exercise fiscal discipline and prudence. The mother who wrote to me asked for an answer for her daughter. Will Singapore become bankrupt? No! We will never let Singapore become bankrupt.
- E.13. The Spanish flu occurred in 1918, and COVID-19 in 2019. A hundred years from now, should there be another unprecedented crisis, will Singapore have the wherewithal to tackle it? It depends critically on the values of our people, and I am grateful to Singaporeans like Ms Tan for reminding us all of our responsibility.

## **F. CONCLUSION**

- F1. Mr Speaker, Sir, before I conclude, allow me to say a few words in Mandarin.
- F2. 为了应对疫情，我们在短短的两个半月内，宣布了三份预算案，数额之大，史无前例。目的是保企业、保工作、保未来。
- a. 预算案总值大约 600 亿元，共占国内生产总值的百分之 12。累计的财政赤字高达 443 亿元。
  - b. 冠病疫情是我们这一代人目前遭遇的最严峻考验。医疗、经济以及社会体系三方面互相交织，错综复杂、难以预测。
  - c. 因此，我们推出了多项大刀阔斧的措施，比如：
    - i. 为保企业，我们推出了产业税和租金回扣，帮助企业降低成本。
    - ii. 为保工作，我们通过雇佣补贴计划帮助企业应付资金短缺问题，避免企业裁退本地员工。
    - iii. 另外，我们也通过自雇人士收入补贴计划帮助自雇人士。我们也加强了“关怀与援助配套”来减轻国人的生活负担。
  - d. 由于疫情的演变还不明朗，我们会因时制宜，根据疫情的发展和民众的反馈，调整我们的援助措施。
- F3. 我们今天有能力应对疫情的来袭，是因为新加坡政府多年来未雨绸缪，谨慎理财。
- a. 政府有财政盈余，我们也有国家储备金作为坚实的后盾。
  - b. 政府获得哈莉玛总统原则上的支持，动用高达 210 亿元的国家储备金。我在此向总统表达谢意。
  - c. 之前，我提到“前人种树，后人乘凉”。我们的国家储备金就有如先辈们为我们栽种的树。如今，这棵树不只能让我们在天晴时遮荫，还能在暴风雨时为我们遮风挡雨。

- d. 这让我们在不需要贷款的情况下，能够应对眼前的危机，避免债留子孙。
- F4. 政府会竭尽所能。不过，我希望大家也能尽自己的一份力，互相扶持，共渡难关。
- a. 过去两个月来，我们的医疗人员、内政团队、前线工作人员日以继夜，奋力对抗病毒。我们感谢他们的辛勤付出。现在是大家并肩作战的重要时刻。
- b. 每位国人都必须负起社会责任，要尽量做到三个不：不慌张、不出门、不乱传。我们一再强调，因为这都是阻断病毒传播，保护国人安全的重要途径。如果不小心染病，或感染了家人和朋友，失去了健康或生命，就只能留下深深的遗憾。
- c. 在职场上，公司也应该照顾好员工，尽可能保住员工的工作。
- d. 病毒无情，人间有情。每个慈善团体、公益机构、自助团体、志愿人士已经纷纷向有困难的国人伸出援手。疫情当下，我希望更多国人会挺身而出，献上爱心。
- e. 我国领导人和国人多年来建立了深厚的互信。国人对现任政府的信任，让我们能够实行措施保障国人安全。我希望国人能继续与政府配合，加强新加坡精神。
- f. 我之前推出了“群策群力，共创未来”运动，也宣布了成立“越战越勇”工作小组。我们会研究如何继续在科研、经济转型、技能培训、增加社会凝聚力等方面努力，为未来做好准备。
- F5. 我们的先辈在建国的道路上经历了不少风风雨雨。他们患难与共，同心协力，一一克服了各种挑战。同样地，这次的疫情将对我们这一代人的影响深远。但是，只要全民一心，我们就可以渡过难关，保健康，保工作，保企业，保生计，保未来。当我们的子子孙孙回顾这段历史时，他们看到的将是我们这一代人以齐心共进、坚韧团结、同舟共济的精神战胜了疫情，并且越战越勇。
- F6. I will now conclude in English.



- F7. We have managed to weather this crisis so far because of our world-class healthcare system, our strong finances, our administrative capacity, our strong tripartite partnership, and most importantly, our exceptional people.
- a. These were not built overnight. They require long-term planning, deliberate investment, stewardship of resources, and careful build-up of capabilities.
  - b. This is only possible because of the values that this Government and our people have upheld across generations, which has allowed us to fight the crisis from a position of strength. These are the values of discipline, prudence, and long-term thinking.
- F8. The journey ahead to the end of this crisis will likely still be long and uncertain. But my team and I will continue to stay vigilant and partner Singaporeans and people around the world. Difficult decisions will need to be made during this period, and we will do so with Singaporeans' interests at heart. We will get through this together.
- F9. Let us stand United, Resilient, and in Solidarity.
- F10. Singapore Together, Majulah Forever!