

Second package to stabilise economy in the works: DPM

By Linette Lai

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As the global coronavirus situation has worsened since the Budget last month, the Government is working on a second stimulus package, Deputy Prime Minister Heng Swee Keat said yesterday.

Like the existing \$4 billion package announced on Feb 18, it will aim to help workers keep their jobs, he said. It will also help small and medium-sized enterprises make the best of the crisis, and support workers who are retrenched.

Mr Heng, who is also Finance Minister, said he had a discussion with Prime Minister Lee Hsien Loong on Tuesday on the key measures needed. "Our topmost concern is our workers because if all workers can keep their jobs, consumption can resume and life can take place as normally as possible."

He was at the Budget 2020 Roundtable organised by The Straits Times and The Business Times, with OCBC Bank as the presenting sponsor. On the panel moderated by ST associate editor Vikram Khanna were OCBC head of global commercial banking Linus Goh, Ademco Security Group managing director Toby Koh and Institute of Policy Studies senior research fellow Faizal Yahya.

Mr Heng noted that in recent weeks, uncertainty has grown significantly in global financial markets as the virus has spread to all the major economies - the United States, Japan and the European Union. Sentiments have fallen, in turn affecting investments and consumption, he said. "That is the reason why since about 10 days ago, we have started working on the need for a second package to stabilise our economy and to emerge stronger from this," he said.

And while Singapore's first priority is to tackle the outbreak, it must also look at how to revive the economy, he added. "There are some areas of strength which we must build on, and there are areas of weakness which we must support so that it does not get much worse."

Mr Heng added in a separate radio interview with Money FM 89.3's Elliott Danker that the Government is in the middle of working out the details of the second package, and has been looking at feedback from businesses following the first package in the Budget.

Asked if he would consider tapping past reserves, Mr Heng said he is not ruling out the option. "Our reserves have been set aside to meet the needs of a rainy day, and it looks like this rain is not a light one," he said. "So, we will have to look at what we need to do."

But he noted that President Halimah Yacob will need to assent to the use of the reserves. "We will have to discuss this very carefully, as we did during the global financial crisis," Mr Heng said.

In a Facebook post yesterday afternoon, President Halimah said the Government has been keeping her and the Council of Presidential Advisers updated on the situation, and they are monitoring it closely. "If our public health is at stake and our people's welfare affected, we need to do the necessary," she said.

At the roundtable, Mr Heng also highlighted the need to support self-employed persons who have been hard hit. "We have to rethink this whole model, to look at how we can strengthen it better, so that when we have a downturn like this, how can they be better protected? And if we have an upturn, how can they be ready?" he said.

Such workers may operate individually, and thus, the need for training and skills upgrading may not be obvious to them, he added.

"But if we can bring them together in some way, then everybody gets a better sense of their common needs, and we can look at more innovative solutions to meet these needs," said Mr Heng.

At the same time, Singapore should aim to emerge stronger from the outbreak, which has revealed certain needs of the global economy, he said. This will be a key focus of the Future Economy Council's Emerging Stronger Taskforce he announced on Monday would be set up to help businesses find opportunities amid the crisis and emerge stronger.

Added Mr Heng: "If we can be first off the block to innovate... we can respond to this new situation very dynamically and come up with innovations that will meet the needs of Singapore and the world."