

**MINISTERIAL STATEMENT ON SUPPORT MEASURES FOR
PHASE 2 AND PHASE 3 (HEIGHTENED ALERT)
CORE MESSAGES**

Support Measures for Phase 2 and Phase 3 (Heightened Alert)

We are in a much better position now than at the start of the pandemic in 2020

- More robust public health defences
- Almost 40% of our population fully vaccinated
- Most parts of economy continue to operate

Strong base of on-going support measures announced in Budget 2021

- Jobs Support Scheme (JSS)
- Jobs Growth Incentive
- COVID-19 Recovery Grant
- GST Vouchers and CDC Vouchers

Calibrated approach during Phase 2 and Phase 3 (Heightened Alert)

- Focused on high-risk activities in indoor settings

Hence, support was also targeted

- Jobs Support Scheme to help enterprises retain local workers
- Rental support for Small and Medium Enterprises (SMEs) and eligible non-profit organisations
- Additional rental waiver for hawkers in Government-owned premises
- Targeted help for affected groups and individuals
 - COVID-19 Driver Relief Fund
 - Hawkers – subsidies for table-cleaning and centralised dishwashing services
 - COVID-19 Recovery Grant (Temporary) scheme

Funding Approach

Additional support measures for Phase 2 and Phase 3 (Heightened Alert) are expected to cost **\$1.2b**

Will be funded through reallocation of monies hence we will **not** need to draw on our Past Reserves.

Two sources of reallocation

- \$0.6b from capitalising the development expenditure of the Deep Tunnel Sewerage System and North-South Corridor under the Significant Infrastructure Government Loan Act (SINGA).
 - We had set aside funds for these projects in Budget 2021
 - Now that the SINGA has been passed, we will borrow for these projects and capitalise the expenditure
 - The amount we had initially set aside for these projects can be reallocated for new spending

- One-off adjustment as the development expenditure of future SINGA-eligible projects will be capitalised as part of the annual Budget.
- \$0.6b from underutilisation of development expenditure, mainly due to construction delays.

This is the responsible approach to managing our finances. Reserves should be drawn down only in exceptional circumstances.

Supporting Our SMEs

Designed our COVID-19 support packages to provide more help for SMEs

- About two-thirds of the \$26.7 billion of JSS paid out to-date went to SMEs
- About 90% of the benefits from the Corporate Income Tax rebate available for Year of Assessment 2020 went to SMEs

[NEW] Extend the Temporary Bridging Loan Programme and Enhanced Enterprise Financing Scheme – Trade Loan for an additional six months from 1 Oct 2021 to 31 Mar 2022. The parameters for both schemes remain unchanged, including the government risk-share of 70%. MAS will also extend the MAS Singapore Dollar Facility for Enterprise Singapore Loans accordingly.

Overall Economic and Fiscal Outlook

Barring unforeseen circumstances amidst the uncertain global economic outlook, we expect GDP growth of at least 4% to 6% this year. Recovery will be uneven across sectors.

For FY2021, our budget position remains expansionary. We expect an overall deficit of \$11.0 billion or 2.2% of GDP, similar to what was previously announced at Budget 2021.

One important part of the recovery process is the re-opening of our borders. To do so, we need to speed up vaccinations and reach a very high level of vaccination coverage. Target for two-thirds of our population to be fully vaccinated by National Day.

Beyond the immediate term, we are investing in new capabilities and building ourselves up strongly for the future – to emerge as a smarter and greener economy, and a more innovative and inclusive nation.

To do so, we will need strong partnerships across the community, private, and public sectors.

MTF is preparing a roadmap for Singapore to transit to a scenario where we learn to live normally with COVID-19.

Soon, we will be able to re-open our economy safely and resume more normal activities.

We will overcome this crisis together, and emerge as a better, stronger, and more united Singapore.