



Economic Stimulus Package by Singapore, in response to COVID 19 (as on 1st April 2020)

The Government of Singapore had outlined S\$6.4 billion in support to cushion growth in February 2020.

On 26th, March 2020 Singapore unveiled second stimulus plan worth around S\$48 billion (US\$33.7 billion) to deal with the economic fallout of the Covid-19 pandemic, with the government tapping its vast reserves for only the second time in history to deal with what is likely to be a deep recession.

The move is the most aggressive response yet by an Asian government to the pandemic, which has brought economic activity to a near standstill as nearly a third of humanity is currently in some form of lockdown as authorities scramble to minimise fatalities. Along with the first measures introduced in February 2020, the second stimulus announced, takes the overall relief plan to S\$55bn — or 11 per cent of its gross domestic product — and is aimed at protecting jobs and supporting businesses.

Deputy Prime Minister and Finance Minister Heng Swee Keat announced the Government's additional support measures for businesses and households in response to the COVID-19 pandemic.

- **All cabinet ministers as well as political office holders will take another two months' pay cut**, on top of a one-month deduction announced earlier in February 2020.
- A key part of the stimulus package involves ramping up a **jobs support scheme** first announced in February. The government will now offset up to 25 per cent of the first S\$4,600 of workers' monthly wages for a nine-month period.
- Industries that have been badly hit by the COVID-19 crisis, in particular aviation and tourism, will also get more support. The government would offset up to 50 per cent of wages in the **food services sector**, while the **aviation and tourism sectors** would receive up to 75 per cent of such co-funding.
- **Self-employed workers**, will be eligible to receive monthly payments of S\$1,000 for nine months, with a total of S\$1.2 billion set aside for this measure.
- To help households, cash payout to all adult Singaporeans would be tripled – from S\$100 to S\$300, and S\$300 to S\$900 – depending on income levels. Low-income families will also receive grocery vouchers.
- Individual industries will also receive different forms of help. For the aviation industry, for example, a S\$350 million enhanced support package will be launched to provide rebates on landing and parking charges, as well as rental relief for airlines, ground handlers and cargo agents. Hotels, restaurants, shops and tourist attractions reeling from weak demand will pay no property tax this year.
- The matching rate under the **SG Together Enhancing Enterprise Resilience (Steer) programme** will now be doubled, with Enterprise Singapore matching \$1 for every \$2 raised through qualifying industry-led initiatives. The programme supports industry-led initiatives to help companies tide over economic uncertainties, and build longer-term capabilities.
- Funds set up by trade associations and chambers (TACs) or other industry groupings to help businesses survive and thrive amid the coronavirus outbreak can apply for the programme.

Examples of what the funds can be used for include helping firms to defray costs such as rental and wages, marketing and branding and productivity solutions.

- The **SMEs Go Digital Programme**, which supports businesses in building technological capabilities, will be enhanced to help SMEs implement safe distancing and business continuity measures.
- **Productivity Solutions Grants and Enterprise Development Grant** maximum support level raised to 80 per cent and 90 per cent respectively. The PSG defrays the costs for adoption of pre-approved digital solutions, while the EDG encourages the adoption of technology and innovation to increase productivity.
- Enhanced training support will be extended to **arts and culture and land transport sectors**.
- 90 per cent absentee payroll rates extended to all employers. From May 2020, employers who send their workers for selected training programmes can receive **additional support from SkillsFuture Singapore (SSG) funding**.
