

Special Report

3 March 2020

A Quick Comparison between Singapore and Hong Kong Budget.

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2020-21 Budget: Expansionary fiscal stance to cushion the economic impact of the epidemic				
Region	HK FY 19 (revised)	HK FY 20 (budgeted)	Singapore FY 19 (revised)	Singapore FY 20 (budgeted)
GDP growth	-1.2%	-1.5% to 0.5%	0.7%	-0.5% to 1.5%
Total revenue	HK\$567.3bn (S\$101.7 bn)	HK\$572.5bn (S\$102.6bn)	S\$74.73bn	S\$76.01bn
Total expenditure	HK\$611.4bn (S\$109.6 bn)	HK\$731.1bn (S\$131bn)	S\$78.16bn	S\$83.61bn
Budget deficit	HK\$37.8bn (1.3% of GDP, S\$6.8bn), larger than the planned surplus of HK\$16.8 bn	HK\$139.1bn (4.8% of GDP, S\$24.9bn), record high	S\$1.65bn (0.3% of GDP), smaller than the planned deficit of S\$3.48 bn	S\$10.95bn (2.1% of GDP), the highest in more than two decades

*1SGD=5.58HKD

Key measures	Singapore	Hong Kong
Support for households	<ol style="list-style-type: none"> Up to S\$300 for all Singaporeans aged 21 and above in 2020 Cash payout of S\$700 to S\$1,600 over five years, for adult Singaporeans Additional S\$100 for each Singaporean parent with at least one Singaporean child aged 20 and below in 2020 S\$100 passion card top-up for all Singaporeans aged 50 and above in 2020 S\$100 per year in 2020 and 2021 for Singaporeans aged 21 and above living in 1-room or 2-room HDB flats 	<ol style="list-style-type: none"> HK\$10,000 (S\$1,792) cash payout to Hong Kong permanent residents aged 18 or above Salary tax reduction for 2019-20: by 100%, subject to ceiling of HK\$20,000 (S\$3,584) Extra 1 month allowance of standard CSSA payment, Old Age Allowance, Old Age Living Allowance or Disability Allowance Waive rates for 2020-21, subject to a HK\$1,500 ceiling per quarter Pay 1 month's rent for lower income tenants living in public rental units

Special Report

3 March 2020

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Safeguard jobs	<ol style="list-style-type: none"> Jobs Support Scheme to provide one-off wage support to help enterprises retain their local workers Wage Credit Scheme enhanced to support wage increases for Singaporean workers Redeployment programmes enhanced to support enterprises to retain and reskill local workers 	<ol style="list-style-type: none"> Additional annual funding of HK\$30 million to enhance Labour Department employment programmes. Raise ceiling of on-the-job training allowance Provide HK\$2.5 billion to the Employees Retraining Board. Increase the maximum monthly allowance of trainees to HK\$5,800 Construction Industry Council to allocate HK\$200 million for training allowances for workers, and subsidising SME contractors and registered subcontractors with a ceiling of HK\$20,000 each
Support for SMEs/ Corporates	<ol style="list-style-type: none"> Enhanced Enterprise Financing Scheme-SME Working Capital Loan Corporate Income Tax Rebate for YA2020: 25% of tax payable, subject to a S\$15,000 ceiling One-month rental waiver for those in Government hawker centres Half-month rental waiver for qualifying commercial tenants in Government-managed properties 	<ol style="list-style-type: none"> Concessionary low-interest loan with 100% Government guarantee for enterprises. Maximum loan of HK\$2 million with repayment period up to 3 years. Moratorium on principal repayment for first 6 months Profit tax reduction for 2019-20: by 100%, subject to a HK\$20,000 ceiling (S\$3,584) Waive rates for 2020-21, subject to a ceiling of HK\$5,000 per quarter in 1H and HK\$1,500 per quarter in 2H Waive business registration fees for 2020-21 and registration fees for company annual returns for 2 years Subsidies for electricity charges, water and sewage charges Rental subsidies

Special Report

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Tourism	<ol style="list-style-type: none"> 1. Temporary Bridging Loan Programme for cash flow support 2. Up to 30% Property Tax Rebate for 2020 	<ol style="list-style-type: none"> 1. Additional funding of over HK\$700 million (S\$125.4 million) for the Hong Kong Tourism Board
Healthcare spending	S\$13.4bn	HK\$97.7bn (S\$17.5bn)
Property	<ol style="list-style-type: none"> 1. Up to S\$160,000 in housing grants for first-time flat-buyers 2. Monthly household income ceiling raised for subsidised flats and executive condominiums to S\$14,000 and S\$16,000, respectively 	<ol style="list-style-type: none"> 1. Land supply <ol style="list-style-type: none"> a. The 2020-21 Land Sale Programme, railway property development projects and private development/ redevelopment projects to provide about 15,700 units. b. 6 commercial sites to provide floor area of about 830,000 sqm c. Start receiving applications of the Land Sharing Pilot Scheme in 1H 2020 2. Public housing production from 2019-20 to 2023-24 <ol style="list-style-type: none"> a. about 100,400 units, comprising about 74,400 public rental housing/Green Form Subsidised Home Ownership Scheme units, and 26,000 subsidised sale units 3. Private housing annual production from 2020 to 2024 <ol style="list-style-type: none"> a. about 19,600 units on average 4. Launch a HK\$1 billion pilot scheme for fixed-rate mortgages

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