Budgeting a turnaround

OVERVIEW

SINGAPORE, in pursuing through challenging times with government, must make constant necessary adjustments to the budget in order to achieve a manageable 1.5 per cent growth last year. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures. An overview of the Nanyang Business School Business Roundtable discussions, senior professors at Nanyang Technological University's (NTU) business school and NTU's budgeters for the Singapore's budget, to be presented to Parliament on Jan 21, will take into account all these points. This will help to overcome the economic downturn caused by the severe financial crisis.

Moderator: The Singapore economy is in its worst recession. Are we heading to a U-shaped recovery or is it possible we are in a "W"? Will a W-shaped recovery and if so, what that needs to be fixed first? How can the budget be used as a tool to create a turnaround in the economy?

Anne Prof Tan Kim Hoe: In Asia, we are in an unprecedented deflationary environment, which is worse than any of the previous recessions. While the recession in 1998 to 2003 was bad but after each of their cycles it was a V-shaped recovery. It was not expected to see a W-shaped recovery. The three quarters of negative growth last year and the continued expansion in the current quarter is unprecedented change and changes are occurring very fast at this time.

I think we need to use less direct interventions in the economic system this year. It could turn out to be worse than that.

Recovery is going to be slow. There will be no restitution from the unprecedented recession in 2009 as the recovery this time is going to be much more leaner and long-term. The growth rate will be much lower and the recovery will be much slower.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.

Anne Prof Chan Kim Hoe: The Singapore economy is not in its worst recession. Are we heading to a U-shaped recovery or is it possible we are in a "W"? Will a W-shaped recovery and if so, what that needs to be fixed first? How can the budget be used as a tool to create a turnaround in the economy?

Anne Prof Tan Kim Hoe: We are in an unprecedented deflationary environment, which is worse than any of the previous recessions. While the recession in 1998 to 2003 was bad but after each of their cycles it was a V-shaped recovery. It was not expected to see a W-shaped recovery. The three quarters of negative growth last year and the continued expansion in the current quarter is unprecedented change and changes are occurring very fast at this time.

I think we need to use less direct interventions in the economic system this year. It could turn out to be worse than that.

Recovery is going to be slow. There will be no restitution from the unprecedented recession in 2009 as the recovery this time is going to be much more leaner and long-term. The growth rate will be much lower and the recovery will be much slower.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.

Anne Prof Chan Kim Hoe: The Singapore economy shows a different type of growth pattern. It is not a U-shaped recovery as in the United States or Japan but it is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Recovery, in the case of Singapore, will be much slower and more leaner. It is a new model of recovery. The fiscal and monetary policies must be more focused and targeted. We have to address the uncertainty that is in the economy to show how sustainable and capable the government are in managing the economy, both domestically and internationally. There is no need to keep on increasing the budgetary efforts.

Anne Prof Tan Kim Hoe: The budget deficit on current account, on the other hand, is not looking good. Given the strong outlook for the economy, the government must take care to continue the economic recovery through thoughtful budgetary measures.