

## **Expenditure Control Measures in response to the COVID 19 Virus Pandemic State of Public Emergency**

The Ministry of Finance and Treasury (MoFT) has released Circular 02/2020 to outline expenditure control measures in place as part of SIG's preparation and response to the COVID 19 pandemic. As a result of the impact of the pandemic, forecast for the economy is revised to 1.8 percent from 2.3 percent this year. SIG revenue estimates is expected to fall by 1 percent from 3.6 billion to 3.5 billion.

There will be drastic cuts in non-essential payments defined as payments not relating to COVID 19 pandemic activities.

MoFT has imposed the following expenditure measures under the general powers vested in the Minister (MoFT) and PS MoFT:

- a. Prioritization fixed and mandatory expenditures and COVID 19 related spending pressures
- b. Stop and defer all discretionary and non-essential expenditures
- c. Reprioritization or reallocation of the 2020 budget to fund additional COVID 19 emergency pressures

MoFT will only accept and process payments according to these priorities:

- Emergency needs – This covers health, national security, disaster planning and COVID 19 medical preparedness and response.
- Other priority commitments approved by Cabinet and the Government.

Payments listed below will be deferred and not prioritised till further notice:

- Training – Local and Overseas
- Stationaries and Toners
- Contractors/Termite stuff
- Printing of documents
- Purchases of Laptops and Desktop

MoFT will return non-compliant payments, therefore is asking line ministries to carefully scrutinize payments and requisitions to avoid inconvenience to respective suppliers and vendors.

On 26<sup>th</sup> March 2020, Cabinet approved a total savings of \$209.2 million identified from 50% reduction on non-essential and discretionary expenditures in other charges, freezing of all non-essential vacant positions and 15% reduction on all development budget programme/projects except for the economic sector. This is to maintain macro-fiscal stability and discipline and ensuring fund is available to meet additional pressures to address the threat against COVID 19.

Ministries are asked to review and revise their current annual work plans and work within the approved revised budget.