

TRANSCRIPT OF INTERVIEW WITH MINISTER K. SHANMUGAM
CNBC ASIA SQUAWK BOX
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CNBC: Meanwhile, Singapore's Parliament has passed a Bill that will give the Health Ministry powers to enforce measures that kicked in this week to stem the spread of the coronavirus. The so-called circuit breaker measures prohibit gatherings of any sort and require most people to work from home. It comes as total infections rose to nearly 1,500, with 106 new cases reported just yesterday.

The Government also continues to battle the spread of the false and leaked information across the island, with the arrest this week of a public servant who leaked a draft Government statement.

Well, let's get more on this. Joining us exclusively this morning is K. Shanmugam, Singapore's Minister for Home Affairs and Minister for Law. Minister, thank you so much for being with us today. We appreciate it.

Minister: Thank you.

CNBC: It's very clear that the Government's efforts at this point are on protecting society and protecting the economy from the impact of this pandemic. Are you encouraged by the response that you've seen to the circuit breaker measures so far?

Minister: Yes, most certainly. These circuit breaker mechanisms that we have put in, if you've noticed, we have been progressively tightening up the measures. In early March, we indicated to the media publicly that it may come to this.

We have to look at the numbers very carefully. We are fighting on the health front, but there is also a huge economic cost. The measures we take, we know that this fight, certainly the economic fight will be for a very long time, and the health fight is likely to be also for a significant period of time. The measures we put in have to be sustainable. We knew, April, May, the numbers could go up, and if they did, we would have to step in with very decisive measures. So that's what's been done.

CNBC: The Government has been acting, and I know just yesterday, more temporary protection measures were announced. Let's talk about the Temporary Measures Bill which was introduced to Parliament yesterday. Why is it necessary for the State to make such unprecedented interventions into private contracts, for example, and what's your message to the business community this morning, who say that this could perhaps undermine the agreements that they already have in place or perhaps even set a dangerous precedent here?

Minister: You're looking at the crisis of our generation, several generations. People are comparing it with the Great Depression. It's certainly going to have consequences which are far more serious than the Great Financial Crisis. I think during that period, maybe worldwide, 25 million people lost their jobs. Here, the last two weeks of March, 10 million Americans filed for unemployment benefits. ILO is now predicting that it will be many more than 25 million people who would be unemployed. More than \$3 trillion worth of benefits, salaries, would go from workers.

You're looking at economic devastation. Businesses destroyed. People's lives ruined. In such a situation, you don't talk contract. You talk equity, you talk justice, you talk about what is the right thing to do. The State has every right in such situations, if you look at precedent, to intervene in a temporary way, to give relief, hold the fort, allow people to take stock of their situation. The measures do, for example, we allow tenants not to pay for a maximum of six months, their rental. That does mean a transfer of liquidity from the landlord to the tenant.

The State looks at who can bear the pain more, and it's also sharing of the pain. If you insist on your minutest, every single contractual right at this point, that will suck the life out of the economy. You've got to protect everyone.

So the three Budgets that we have put in gives a huge amount of cash infusion. 12% of our GDP, into the economy. At the same time, you've got to also help people with the bleeding. Particularly, the smaller guys need more help. That, I think, the State has done. I've set out the principles in Parliament, I think people understand it's temporary. The obligations are not abrogated, they are suspended for a period. People's rights continue, and then we'll look at it again.

CNBC: I also wanted to ask you about another government measure here, which is in many ways another intervention, on the one hand with contract intervention, but social intervention as well.

The Government also considering this total ban on social gatherings now, which will have an unprecedented impact on the lives of everyday Singaporeans. This is significant public overreach here, something that we haven't seen implemented in other countries. Why is this necessary and more importantly, from your perspective, a legal perspective, what constitutes a social gathering?

Minister: I wouldn't say it is unprecedented. There are other countries which have imposed similar measures. The key is, as one of my colleagues said to CNBC, we've got to make sure that our healthcare facilities, our ICU facilities, always stay ahead of our projected number of cases. We've got to take whatever steps that are necessary to make sure that the numbers are kept down.

CNBC: So what is a social gathering?

Minister: A social gathering... in this context, we've indicated if more than 10 people come together – that was some time ago – then that really shouldn't happen. You stay at home. You only go out if it's essential for you to do so, if you need to buy some things. You don't go out for the purpose of socialising. It's as simple as that. If you need to go and look after your elderly parents, for example, to help them, that's understandable. But if you go out to meet people, in order to have a drink, or even at their homes, really that should not be happening.

CNBC: Minister, Martin also has a question for you.

CNBC: Minister, good morning. Thank you for your time. It's great to have you on the show.

So basically what you're saying is, 10 or more in the same place, that's no-go. That just recently happened to me, we had to postpone a friend's birthday party because we had 12 in the party. What I want to know though is how do you police this? How do you enforce it? How's the Government going to know whether somebody in his condo or flat has more than 10 people at home, other than let's say his family?

Minister: Martin, let's look at it in terms of a number of aspects. The first is, you meet with 10 people or 12 people at a birthday party. Let's look at all the people that you're really meeting. Your friend's daughter's boyfriend's co-employee, that's the person you're really meeting, because the virus is being transmitted in that way. So it's many, many multiples of the people you're meeting. That's why we need this mechanism to tell people, stay safe, the transmission rates for this virus are very significant. Be careful.

Second, when it has the force of law, then people will take it more seriously. When we said it earlier, look, we give advisories, most Singaporeans accepted it, but you still had others who said, well, I would like to go out and have their drink, I would like to do this, I would like to do that. We needed to step it up, make it into something that has the force of law, I think more people will take it seriously. It doesn't mean that everyone will conform, but I think in Singapore, people understand. There is a very high degree of social responsibility. A small number will breach it, but when something has a legal significance, people understand that.

CNBC: So you're betting and hoping that people will literally police themselves. But I mean, Minister, as the Police fall under you as well, how active is the policing going to be?

Minister: Betting and hoping – it is not a hope and a prayer!

Well, there would be hotlines where people can call in and report transgressions. There will be several thousand persons who have been

employed by us, are out on the streets, also looking at possible transgressions. We are not going to be able to pick up every single transgression, but there will be enforcement. And people will also be encouraged to tell us if they notice transgressions. Of course, we rely on social responsibility. But you cannot just hope and pray.

CNBC: Okay, fair enough. Minister, you've talked about the fight being a health fight, you've talked about the fight being an economic fight as well. I want to move on to talk about this being an information fight as well and how the Government is dealing with fake news, with disinformation, with the things that are basically not grounded in facts. What I want to know is, since this crisis erupted, there has been a lot of fake news, disinformation, misinformation out there. I don't want to cite cases, but what I want to know is, have you been able to, is the Government able to track down who, literally, frankly, some of these idiots are?

Minister: Well, we're not the only place where fake information is circulating, but I would say that it's far less here. At the beginning of this crisis, you had fake information, you know – such and such a place had a case, or people have died and so on, and Government moved in. You know the Singapore approach. We put out the clarification, we require the platform to carry what the true facts are. We saw a substantial reduction in the amount of fake news circulating.

But this is modern life, you just have to accept it as part and parcel of life. You have to do your best to keep the communication going. For example, the government app which has more than a million downloads sends out the facts every day, what's happening, how many cases, what are the key things that people need to know, what are the new measures. That's the way the Government, by being transparent, by being upfront, by telling people what the facts are, amid regular communication, I think is one way of fighting this fake news.

Second, when there is fake news that you can identify, point it out and make sure that people get to know that this is fake news. Do your best.

CNBC: Okay, fair enough. What you just referred to, you know the regular postings, I get it on WhatsApp, from Gov.sg, have been probably the only reliable source of information for me.

In the private sector though, and speaking of WhatsApp, one of the things that they just recently did to try and limit the, I guess, proliferation of wrong information or fake news or disinformation, etc, is to limit the amount of times that they allow people, users of WhatsApp, to forward certain messages. Would you agree this is useful?

Minister: It's helpful, but Martin, I think implicit in your question is the point that it doesn't prevent the circulation of fake news. It prevents how many times you can circulate it at one go. So there is always that problem.

CNBC: Minister, I wanted to ask you about the fake news law as well, if I can, please. It's interesting to see this agenda being spoken about at a time of national health emergency, when the economy is in such dire straits. Why is this so important for the Government today? And in particular, what do you say to perhaps some of those conspiracy theorists out there, who suggest that this is being put on the agenda today because the Government is facing an election, and these two things are linked. We need to have a fake news law in place because it's been suggested that it would be politically advantageous for the Government. How do you respond to claims of that nature?

Minister: I don't follow that logic. We invented this virus, we knew this virus was going to come, and we put in the fake news, and we could use the virus as an excuse? In fact, when the fake news bill was being debated, one of the points we made were, during a public health crisis, fake news could be circulated to spread panic and fear. That wasn't a matter of imagination. It's happened elsewhere. Through using the modern means of communication, fake news has become something that's been industrialised and sent out to confuse people, to get people to believe in things which are not true, and to undermine society. It's happening everywhere. We decided we needed to counter it, and the best way of countering fake news is actually not censorship. It's to give more information.

And so the design of our fake news law, which a lot of people don't acknowledge, the critics don't acknowledge, because they don't want to acknowledge, is actually that the fake news is left there. It's on the platform, but the person who put it out has got to carry a correction to say that this has been considered to be false, and for the true facts, go to such and such a place. Our point is, for those who believe in free speech, well, this is more speech. You read the fake stuff, you read the true stuff, or what we say is the true stuff, and you make up your mind.

CNBC: These big companies like Facebook which are operating here in Singapore, they say that this stifles freedom of expression. And at the same time, they've also criticised the Government in some way for essentially saying that, look, when it comes to the enforcement of this fake news law, it comes back to the individual minister, not an independent body. Why is that the case, and shouldn't this be overseen by an independent body rather than government ministers who have their own Facebook pages and who manage their own PR?

Minister: Well, I can entirely understand Facebook being critical of this legislation, because Facebook has, with respect, been behind the curve on fake news and has had to apologise a number of times. For example, when speaker of the House, Nancy Pelosi, a fake was put out off her speech, Facebook initially thought there was nothing wrong with it. When Sri Lanka wanted a certain page taken down which was calling for Buddhists to kill Muslims, Facebook thought that that didn't contravene its standards.

I would be careful about government's sovereign right to protect the country's peace and security being dictated to by a company or companies whose primary goal, understandably, is to make money. Fake news travels, it virals, and it creates eyeballs, it gets eyeballs. I can understand companies wanting that.

How have we affected free speech, I've asked Facebook, I've asked others. How does the mechanism affect free speech? You've got the original stuff there, people put it up, they carry a clarification, which gives them a link to a place that tells them what the facts are, isn't that good for free speech?

Second, this canard about ministers being the person who would decide, the ministers decide in the first place for reasons of urgency. But we've made the law such that anyone can challenge the Minister's decision in court, immediately and without cost. The courts have heard cases, and they decide. They are the ultimate deciders of what is true and what is false. The Minister takes the first decision.

CNBC: Martin, come back on in here.

CNBC: Minister, I'm glad Dan brought up this issue of elections which Singapore is facing. Constitutionally, you need to call them before April of next year, but historically, traditionally, what the Government does is it prefers to call them early.

Yesterday, a bill, a piece of legislation was tabled in Parliament, called the COVID-19 (Special Arrangements) Bill, which is meant to implement temporary arrangements to ensure the safety of voters, candidates, also election officials, should the next general election take place amid the COVID-19 situation. Obviously this is something that the Government is planning ahead for, as the Singapore government is very famous for doing. Can you explain a little bit more, how an election, which is a huge logistical exercise, can be held safely in a situation where, right now, we have social distancing, and let's not mince words, we are in a lockdown.

Minister: Martin, the elections have to be held before April of next year, constitutionally, as you point out. Do we know – does anyone know whether this crisis will be over before April? We don't. And as a result, if you have to hold elections at a time when the crisis is not yet over, then you need to look at the law and make sure that elections, legally, are possible.

That's what that Bill does. It provides a framework, legally, how voting can take place, how candidates can turn up, and what happens if they are in quarantine. This is the thinking ahead part that you talked about. We have to put it in place. Precisely how it is to be held, when it is to be held, that's a matter for the Prime Minister. I'm sure he will take into

account the logistical issues, and you can assume that the Elections Department will make sure that the logistics are taken care of.

But in any event, the current circuit breaker mechanisms are for a month. The second reading of this Bill can be no earlier than next month and then it will come into force. So, you know, as many have speculated, it's unlikely that those provisions can apply if an election is called any earlier. And not many people assume that election is on the cards in the next few weeks.

CNBC: Okay. Let me ask you bluntly, is e-voting, electronic voting, a possibility for these upcoming polls?

Minister: That's a matter for the Elections Department to consider. As a matter of government policy, as of today, that's not something that has been considered.

CNBC: Minister, I wanted to pivot our conversation over to the economy now as well. We have analysts at DBS saying that the impending recession is going to be the deepest and most painful since the country's independence. How bad is the economic pain going to be by your analysis? You obviously have the best information available to you, as a Minister of the Government. Do you see, anecdotally, the evidence of shops being closed, people aren't out on the streets right now in Singapore, what's this going to look like?

Minister: You know, this is very different, in terms of economic impact, compared with – I use the word 'normal' – normal recessions. Normal recession, in the past slowdowns, you have businesses failing, you have consumption going down, you have a mood changing, but a substantial part of the economic activity continues.

In the context of Covid, not just in Singapore but in many other countries, what you've had is a hard shut-down. Almost overnight, everything closed. Shops can't open, people can't move. You've got nearly half of the world's population under some kind of movement control. They can't move. You've got aviation which has pretty much collapsed. Singapore Airlines grounded 96% of its fleet. The airport is like a ghost town. International travel – not just here – in Malaysia, in other countries, in the US and everywhere, you've got these issues.

This is a significant impact and the economic shock is very deep, which is why in China, in other places, they are comparing this, now, with the possibility of similar to the Great Depression. Though I think governments are better informed and have better tools to manage the current situation compared to the past.

Which is why we've – you know, you look at the way we have responded. 18 February, first Budget. Very substantial amount, more than \$5 billion were put down, just for this, to tackle Covid. Within a few

weeks, by 26 March, our assessment of the situation had changed so much that we put up another \$48 billion. And yet again, within a few days, day before yesterday, Finance Minister, DPM, put out another package. Three packages. Between 18 February and yesterday. 12% of our GDP. That tells you what we think, of how serious it is. And we've put in, as you said just now, that most unprecedented intervention in private contracts.

CNBC: Martin.

CNBC: Minister, yes, let me jump in here again now. You're Home Minister, I don't know whether this is part of your portfolio or space, but I'd like you to address it if possible. Does the Government have a reasonably accurate figure for the number of Singaporeans who are abroad now, who may wish to or may need to come home? That's one. And two, what are the Government's plans, in terms of execution, in terms of timing, to bring these people back home?

Minister: We have a reasonable estimation, idea, of the number of Singaporeans overseas. In a number of cases, when they have asked for help, we have arranged for evacuation from specific places back to Singapore. But many of them, you know, also have chosen to come back much earlier, two, three weeks ago. About three weeks ago, we saw a spike in the number of Singaporeans coming back. At one stage we had over 60,000 stay-at-home notices, many of them returning Singaporeans. Every now and then, we are organising flights, evacuation flights, back from specific areas, back to Singapore.

CNBC: Minister, as and when these people come home, come back, how do you manage their integration or reintegration in the middle of this social distancing campaign, this lockdown?

Minister: I'm sure you have read the articles of people describing their experiences in various hotels. Singaporeans, when they come back, they will be issued with stay-at-home notices. Most of them will be put up in exclusive, as in, facilities outside of their home, because we don't want that intermingling if they are from a specified list of countries which we consider to be of higher risk. Others will be issued with notices which require them to stay at their home. Carries the risk of transmission between their family members, so we advise them on how they should stay at home. That's how we deal with it, Martin.

CNBC: Minister, just before we let you go, a final question. What is your best-case assumption on when we can exit some of the measures that the Government has put in place, and how soon before we emerge victorious, if you will, from the crisis we are now facing?

Minister: You know, I would hesitate to think in terms of victory. We are in the middle of a very serious fight. It's a health fight, and the economic consequences are going to continue for a longer period.

CNBC: Years?

Minister: I hope not, but I would not rule it out. It's a very serious situation for the entire globe. And for us too. It's a fight, day in, day out, you've got to try to be on top of it.

CNBC: Minister, we really appreciate you joining us today here on Squawk Box. Thank you for coming in.

Minister: Thank you.

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