No, Singapore actually has **zero net debt.**

As one of the world’s **leading financial centres**, our external debts are mainly deposits kept in Singapore banks by overseas banks and depositors.

When borrowers take up loans, these deposits become part of our **external assets.**

We do not spend the monies that we borrow under the **Government Securities Act.**

All borrowing proceeds are therefore invested.

Importantly, our investment returns are **more than sufficient** to cover debt servicing costs.

We have a strong balance sheet with **assets well in excess of liabilities.** Once we account for our assets, Singapore actually has **zero net debt.**

This makes us a **net creditor country,** where what we own is more than what we owe.

That is why Singapore consistently earns **strong credit ratings,** making us one of the **safest investment destinations** in the world.

One **key principle** underlying Singapore’s long-term budgetary objectives is to maintain a **balanced budget** over a term of government. This explains the prudent approach to Singapore’s fiscal policy.