

IS THE SINGAPORE GOVERNMENT HEAVILY IN DEBT?

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.