

Average wealth of S'poreans, including assets, the highest in Asia: Credit Suisse



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SINGAPORE — Despite a slowing economy and uncertain labour market, Singapore's adult population has an average wealth of about US\$276,885 (S\$395,000) per person — up 1.4 per cent compared with the middle of last year, an annual wealth report by the Credit Suisse Research Institute found.

The Global Wealth Report ranked the Republic top in Asia and seventh globally among major economies.

Personal wealth per adult in Singapore is forecast to rise 2.2 per cent per annum to reach US\$309,000 in 2021, the study added. It also noted that Singapore's personal wealth per adult was "well ahead" of Hong Kong, which had US\$185,281 average wealth per adult and was ranked above Singapore in 2000.

Financial assets — which include items such as currency, deposits and equities — accounted for more than half of the average wealth per adult in Singapore at US\$180,414. Non-financial wealth, including assets such as housing, accounted for US\$151,239. The average debt was US\$54,768, or 17 per cent of total assets, moderate for a high-wealth country, the report said.

In terms of median wealth per adult, Singapore was placed ninth globally with US\$101,000 — behind countries such as Switzerland (US\$244,000), Australia (US\$163,000), New Zealand (US\$136,000) and Japan (US\$120,000). The report noted that ranking by median wealth per adult "favours countries with lower levels of wealth inequality".

The report found that wealth distribution in Singapore is "moderately unequal": 18 per cent of its adult population has wealth below US\$10,000, compared with 73 per cent globally. Half of its adults has wealth above US\$100,000, compared with 21 per cent in 2000. Correspondingly, those with wealth below US\$100,000 have declined from 79 per cent to 50 per cent over the same period.

On Monday, Prime Minister Lee Hsien Loong spoke about the distribution of wealth during an interview with the Singapore media to wrap up the Asia-Pacific Economic Cooperation Economic Leaders' Meeting held in Peru. Mr Lee said Singapore's emphasis is on giving people the skills to help them in the new economy, and giving those who are not doing well an extra leg-up. "If you're in Singapore, not everybody is equally well off, but even if you're not well off, you're not badly off," Mr Lee had said.

CIMB Private Banking economist Song Seng Wun said that Singapore's government is very particular about making sure that, while the country is not the cheapest place to live in and while there are many wealthy individuals here, the middle- to lower-income groups are not left behind.

"The thing about the policies here are that they are very targeted. Not many countries can do that," he added. "Recent years have seen policies targeting those at the higher end to give back more, whereas for the lower income, policies are deliberately targeted at household type."

In its seventh year, the Global Wealth Report was compiled from data on the wealth holdings of 4.8 billion adults across more than 200 countries. It used data from household balance sheet, publicly available data on distribution of wealth as well as information from Forbes magazine's rich lists.

In the latest report, Switzerland retained first place, with an average wealth per adult of US\$562,000, down 4.5 per cent compared with the same period last year.

Australia (US\$376,000) and the United States (US\$345,000) came in second and third, respectively. Norway (US\$312,000) and New Zealand (US\$299,000) rounded up the top five.

Average wealth per adult in the United Kingdom tumbled more than 10 per cent to US\$289,000. The UK was ranked sixth, one place ahead of Singapore. The report found that the UK is US\$1.5 trillion poorer in dollar terms due to the fall in the pound since the vote to leave the European Union.

It also highlighted the growth of wealth in emerging economies since 2000. Back then, these economies accounted for a mere 12 per cent of global wealth. However, they have contributed nearly 25 per cent towards global growth since.

"Today, emerging nations are home to 18 per cent of the world's ultra-high net-worth population. China alone accounts for 9 per cent of the top decile of global wealth holders, which is well above France, Germany, Italy, and the United Kingdom."

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