

# S'pore household wealth up despite slowing economy

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Total household wealth in Singapore grew 2.9 per cent this year to US\$1.1 trillion (S\$1.56 trillion) despite the slowing economy, a new study released yesterday has found.

The study, the Global Wealth Report by Credit Suisse Research Institute, said that this wealth is projected to rise by 3.5 per cent every year over the next five years to US\$1.4 trillion in 2021.

Across the whole Asia-Pacific, total household wealth grew a stronger 4.5 per cent to US\$79.96 trillion this year – the highest rate of increase among the regions.

The report found average wealth per adult in Singapore remaining among the highest in the world, climbing 1.4 per cent to US\$277,000 this year to rank seventh globally among major economies.

Top spot went to Switzerland, fol-

lowed by Australia and the United States.

Singapore's wealth per adult is forecast to grow 2.2 per cent each year to reach US\$309,000 in 2021, said the study. This is much lower than the annual growth rate of 6 per cent in the period from 2000 to this year that was led by high savings, asset price increases, and a favourable rising exchange rate from 2005 to 2012 – given that the amount is expressed in US dollars.

Financial assets make up 54 per cent of gross household wealth in Singapore, a ratio similar to that of Switzerland and Britain. Average debt stands at US\$54,800 per adult – “moderate for a high-wealth country”, representing 17 per cent of total assets, the report noted.

Wealth distribution in Singapore is “moderately unequal”, with 18 per cent of the adult population with wealth below US\$10,000, compared with 73 per cent globally.

Singaporeans have also progressed rapidly up the wealth pyramid, with 50 per cent of adults having wealth above US\$100,000, up from 21 per cent in 2000. The portion with wealth below US\$100,000 has declined from 79 per cent to 50 per cent of the adult population.

The study found that Singapore has 150,000 millionaires this year with a total wealth of US\$541 billion, up 2 per cent from last year. Ultra-high-net-worth individuals – with a net worth above US\$50 million – grew even faster by 14.2 per cent to total 885. The number of millionaires is forecast to grow 4.2 per cent each year to 185,000 in 2021.

The report is compiled using data on the wealth holdings of 4.8 billion adults across more than 200 countries – from billionaires in the top echelon to the middle and bottom sections of the wealth pyramid.

Mr John Woods, Credit Suisse's chief investment officer of the Asia-Pacific, noted that it is now the second-largest wealth region globally. “The region continues to see steady growth in total wealth, albeit at a slower pace. Growth is particularly faster at the top wealth segments, with also signs of the middle income segment of some countries progressing rapidly up the wealth pyramid.”

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3.5%

Projected rise in total household wealth in Singapore every year over the next five years, to US\$1.4 trillion in 2021.

2.2%

Forecast growth of Singapore's wealth per adult each year, to US\$309,000 in 2021.