

INFORMATION NOTE

Supplementary Information regarding the Management of Fiscal Reserves in Singapore

1. Background

1.1 On 14 March 2002, the Legislative Council Panel on Financial Affairs (the Panel) requested the Research and Library Services Division to provide additional information regarding how the Singaporean government manages its fiscal reserves.¹ In particular, the Panel was interested in the following two issues:

- (a) whether fiscal reserves are kept separately from foreign reserves for accounting purposes; and
- (b) whether the Singaporean government employs different strategies in investing fiscal reserves and foreign reserves.

2. Information regarding how the Singaporean Government Manages its Fiscal Reserves

2.1 To gather the required information, we sent an enquiry to the Ministry of Finance of Singapore (the Ministry) which is responsible for managing the country's reserves.

2.2 In the reply to our request, the Ministry stated that "*they do not disclose information on fiscal reserves data and the approach of managing fiscal reserves as such information is confidential.*"

¹ Please refer to the research report entitled *Practices of Overseas Jurisdictions in Building up or Maintaining Their Fiscal Reserves*, RP04/01-02, for the discussion of the experience of overseas jurisdictions (i.e. Singapore, Norway, New Zealand, Argentina and the United States of America) in building up or maintaining their fiscal reserves.

3. Balance of Foreign Reserves

3.1 In the reply to our request, the Ministry provided us with the balance of Singapore's foreign reserves between 1990 and 2001 (see the following table). It can be seen that the balance of foreign reserves continued to increase from 1990 (amounting to S\$48.5 billion) to 2001 (S\$139.9 billion).

Table - Balance of Foreign Reserves at End of Year (billions of Singaporean dollars)

End of Year	Balance of Foreign Reserves
1990	48.5
1995	97.3
1996	107.7
1997	119.6
1998	124.6
1999	128.5
2000	139.3
2001	139.9

Source: Ministry of Finance of Singapore

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