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July 13, 2022

**Statement by Ms. Riach and Mr. Evangelou on Singapore
(Preliminary)
Executive Board Meeting
July 15, 2022**

We thank staff for the comprehensive report and Ms. Lim and Mr. Ong for their insightful buff statement. The authorities' comprehensive vaccination program and policy response to the pandemic supported a very strong rebound in growth in 2021. While direct exposure to Russia's invasion of Ukraine is limited, risks remain tilted to the downside and the authorities should stand ready to respond flexibly, particularly in the face of further inflationary pressure and slower regional growth. **We support the completion of the Article IV consultation.**

In light of strong output growth, we welcome the authorities' plans to carefully unwind general pandemic-related spending in favor of more targeted support towards the most vulnerable – which is also expected to help soften inflation. Appendix V and the sections of the staff report focused on equity, highlight the extent to which the authorities' actions have successfully cushioned the pandemic's impact on the worst off. Looking ahead at the complicated set of longer-term domestic challenges facing Singapore – inequality, technological shifts, and an ageing population – we note that healthy reserves and a keen focus on generational fairness put the authorities in a strong position to manage these transitions.

A number of recent stress tests have demonstrated the resilience of the banking sector and positive developments, such as the amendments to the Corporate Registers Act, seek to stem risks related to AML/CTF. In addition, we note that the Monetary Authority of Singapore has been playing a prominent international role in highlighting some of the risks associated with cryptocurrencies for retail investors. *Staff comments on what material impact the decision to remove quarantine requirements for vaccinated passengers is expected to have for the attractiveness of Singapore versus other regional financial centers would be interesting.*

In light of the significant climate vulnerabilities faced by the island, we welcome investments – facilitated by the Significant Infrastructure Government Loan Act – to mitigate against the risks of rising sea levels while simultaneously deepening the market for sovereign green bonds. The staff report neatly captures the energy challenge that Singapore faces in light of the limited landmass available for domestic production. *What options to expand clean energy supplies are therefore available to the authorities?*