Singapore family offices exceed 2,000 in 2024, up 43% on year

By Wong Chia Peck
cpwong@sph.com.sg

THE number of single family offices (SFOs) in Singapore continued to grow last year and shot past 2,000 by the end of 2024, said Second Finance Minister and Monetary Authority of Singapore (MAS) deputy chairman Chee Hong Tat at an event on Tuesday (Jan 14).

He had noted in mid-September 2024 that the central bank had awarded tax incentives to around 1,650 SFOs by the end of August.

This means the number grew more than 21 per cent in the last four months of 2024. Year on year, the number of SFOs jumped by at least 42.9 per cent, from 1,400 in place at end-2023. Last year's increase was more than double the 300 added in 2023 as well.

Chee, who is also transport minister, said that Singapore's pro-business and pro-innovation stance has given investors a stable, well-regulated environment where they can take a long-term view.

"MAS wants to continue to work closely with the sector to see how we can grow further; there will be more interest from investors to look at Singapore as a key node," he said.

Speaking at the UBS Asia Wealth Forum, Chee added that financial services and wealth management will remain an important growth area for Singapore this year.

The city-state is emerging as one of Asia's principal hubs for family offices – privately held companies that manage the wealth of ultra-rich families. Apart from the country's stability, experts attribute the growth – from just 400 SFOs in 2020 – to Singapore's status as a financial hub, as well as incentives from the government.

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Last year, Singapore's economy grew at a faster-than-expected 4 per cent, from 1.1 per cent in 2023. Advance estimates from the Ministry of Trade and Industry show growth from the services-producing industries, which include financial services, at 4.1 per cent – higher than the 3.6 per cent from the goods-producing sectors.

But the city-state's growth could moderate this year, no thanks to higher tariffs from incoming US president-elect Donald Trump.

"This year could bring new uncertainties because of Singapore's very high-trade-sensitive nature," said Tan Min Lan, the Asia-Pacific head of UBS Global Wealth Management's chief investment office.

She noted that Singapore's economic growth eased in 2019 from 2018, during the trade war under Trump's first presidency.

In 2019, the city-state's economy expanded by 0.7 per cent, from 3.4 per cent in 2018.

Speaking ahead of Tan, Chee said that Singapore will take a "wait-and-see approach" on who Trump appoints, and the policies his administration implements after he takes office.

Chee acknowledged that while Singapore will try to stay nimble to adapt to changes in the global environment, tariffs will have a negative impact on world trade.

On the positive side, UBS' Tan noted that Singapore's deep fiscal reserves will be able to cushion the impact of slowing growth.

Second Finance Minister Chee Hong Tat (right) speaking with Patricia Quek, head of wealth management Singapore, UBS. He says financial services and wealth management will remain an important growth area for Singapore this year.

In addition, given that Singapore must hold a general election this year, she said she expects a "fiscal bonanza" next month, when the government delivers the Budget statement on Feb 18.

She added that geopolitics would burnish Singapore's status as a financial haven and funding hub for deep-tech companies.

The city-state is ranked as the top ecosystem for deep-tech startups in Asia, and fourth globally.

Turning to China – the "epicentre of the trade turbulence" – Tan said that more clarity on policy will depend on the annual legislative National People's Congress session in March.

All eyes are on how much higher the incoming US president will hike tariffs. If Trump quickly raises them by the threatened 60 per cent, China's growth could slow sharply to 3 per cent, she noted.

Given the higher-for-longer scenario for interest rates, she forecasts that the US dollar will continue appreciating. This could lead the Chinese yuan to weaken to 7.5 against the greenback by the middle of this year, while the Japanese yen could test 160 before the end of 2025, she added.

Closer to home, the Singapore dollar and Malaysian ringgit could fall another 2 per cent.