# Singapore Government will not Direct GIC to Invest in Locally Listed Companies



Singapore will not direct its sovereign wealth fund, GIC, to invest in locally listed companies, according to Second Minister for Finance Chee Hong Tat. During a parliamentary session on July 2, 2024, Chee addressed a question by MP Liang Eng Hwa regarding a possible review of GIC’s investment mandates. Chee emphasized that GIC must make independent, professional investment decisions to preserve and enhance the international purchasing power of Singapore’s reserves, which necessitates a globally diversified portfolio.

Chee highlighted that government intervention in GIC's investment strategies would compromise the fund's objectives. He elaborated that GIC already has the discretion to invest in Singaporean companies if they offer good returns and have a global presence. Chee also pointed out that a more sustainable way to develop the local equity market is to foster a pipeline of quality companies for listing on the Singapore Exchange (SGX).

To this end, the Government has established several funds, such as the Anchor Fund @ 65, to support growth companies and prepare them for initial public offerings. Chee also noted efforts to help companies listed on SGX to expand internationally, making them more attractive to global investors.

In response to supplementary questions from Liang about strengthening Singapore’s status as an international financial hub, Chee referenced Singapore’s significant role as the largest foreign exchange center in the Asia-Pacific, and highlighted ongoing efforts to develop the local equity market further.

Chee reiterated that investment entities like Temasek and GIC do invest locally, but these decisions are made based on returns and what is best for their shareholders, who are the Singaporean people, rather than through direct mandates from the government. He emphasized that growing the local equity market is crucial for supporting local companies and enhancing Singapore's financial center status.