

# press release

## **The emerging affluent in Africa and Asia save six times more than people in Britain and the US, new report shows**

*New study from Standard Chartered reveals insights into emerging affluent consumers across Africa and Asia*

**Nairobi, 6 October 2015** – Emerging affluent people in Africa and Asia plan to save as much as 30% of their income in the next year, according to a new independent study commissioned by Standard Chartered of their financial plans and expectations. This is more than six times the proportion set aside by people in Britain and the US, according to the latest official statistics\*.

The stark contrast between the financial behaviour of consumers in Asian and African markets and people in the UK is just one of the findings of the report, which polled 7,000 people in seven of Standard Chartered's markets – Hong Kong, China, India, Indonesia, Kenya, Nigeria and Singapore. The study shows that the emerging affluent plan to save more in the next year – on average, they plan to save 30% of the total household income, up from 26% in the past year. Official Government data in both Britain and the US showed that the savings ratio fell to just 4.9% in July this year, having peaked at over 10% in both countries in the wake of the financial crisis.

The research shows that the emerging affluent remain confident about their financial prospects, despite wider fears of a downturn in emerging market economies. On average, three-quarters of the respondents say they expect their home market's economy to grow in the next year. Emerging affluent Indians are the most confident, with as many as 95% saying they expect their economy to grow the next year, contrasted with Hong Kong residents, where the proportion was only 48%.

The emerging affluent across Asia and Africa are confident about their market's growth prospects, expect their incomes to rise, have clear spending plans, and are highly confident in achieving their long-term wealth goal.

A key finding in the study is a high level of confidence among the emerging affluent when it comes to the 10-year wealth goal. Respondents in six of the markets – Hong Kong, China, India, Indonesia, Nigeria and Singapore – say buying property is their top long-term financial aspiration, while launching their own business is the number one goal for the emerging affluent Kenyans.

When asked about how confident they are about achieving their 10-year wealth goal, the emerging affluent are highly confident. On average as many as 87% say they believe they will achieve it. The figure is considerably higher in the developing markets, with 100% of Nigerians and at least nine in 10 Kenyans, Indians, Indonesians and Chinese saying they are confident about achieving their long-term financial goal.

Meanwhile, when it comes to top spending plans in the next year, the key priority among the emerging affluent in Hong Kong and Singapore is to travel abroad, primarily to Japan, while, education is the top spending priority for Indian, Indonesians, Kenyans and Nigerians.

Karen Fawcett, Chief Executive Officer, Retail Banking, Standard Chartered said: "At a time when many people are worried about the global economy, this study suggests it feels very different on the ground in Asia and Africa. These emerging affluent consumers are confident and ambitious, which supports the long-term outlook for growth in these markets."

## Other findings

**The majority are optimistic about growth:** on average, 75% of the emerging affluent say they expect their home market's economy to grow in the next year. At 95%, the emerging affluent Indians are the most confident. By contrast, 48% of Hong Kongers are confident.

**Most expect their incomes to rise:** on average, 65% of the emerging affluent have seen their household disposable income rise in the past year. The trend is set to continue: an average 72% expect their incomes to rise in the next year. The figure is far higher in Nigeria (88%), India (88%) and Indonesia (82%).

**As incomes rise, savings will increase:** the emerging affluent plan to save more in the next year. On average, they plan to save 30% of the total household income, up from 26% in the past year. By comparison to Western economies, this is more than six times the proportion set aside by people in Britain and the US, according to the latest official statistics\*. Official Government data in both Britain and the US showed that the savings ratio fell to just 4.9% in July this year, having peaked at over 10% in both countries in the wake of the financial crisis.

## Spending patterns will change

- Short-term: the emerging affluent in Hong Kong and Singapore have different short-term spending priorities to their counterparts in the developing markets, with overseas travel topping the list. By contrast, the emerging affluent in India, Indonesia, Kenya and Nigeria say children's education is their top spending priority in the next year
- Medium-term: in the next two to five years, buying a new property tops the list in six out of seven markets – China, Hong Kong, Indonesia, Kenya, Nigeria and Singapore

## Property ownership – who owns the most

- One or more properties: 98% of the emerging affluent Chinese own property, while in Nigeria fewer than half (42% ) do
- Two properties: 39% of the emerging affluent Indians own two properties, while in Nigeria 8% do
- More than two properties: 18% of the emerging affluent Indonesians own more than two properties, while in Hong Kong 3% do

**Future property purchases:** appetite for buying property is strong in the medium-term, with nearly half of the emerging affluent planning to buy in the next two to five years, compared to just a quarter in the next year. The majority – on average 66% – plan to buy a home in the domestic market.

**Travel:** one in three plan to travel abroad in the next year and typically favour travelling to the US (26%) and Japan (26%). While it is not a key spending priority in the short-term, the emerging affluent in China, India, Indonesia and Nigeria say travelling abroad is a top three spending priority in the next two to five years.

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## Notes to Editors

- Standard Chartered partnered with research agency GlobeScan to conduct this study, a survey of 7,000 emerging affluent people across urban regions in China, Hong Kong, India, Indonesia, Kenya, Nigeria and Singapore
- Interviews took place face-to-face (Kenya and Nigeria) and online (China, Hong Kong, India, Indonesia, Nigeria, Singapore) in May and June 2015

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