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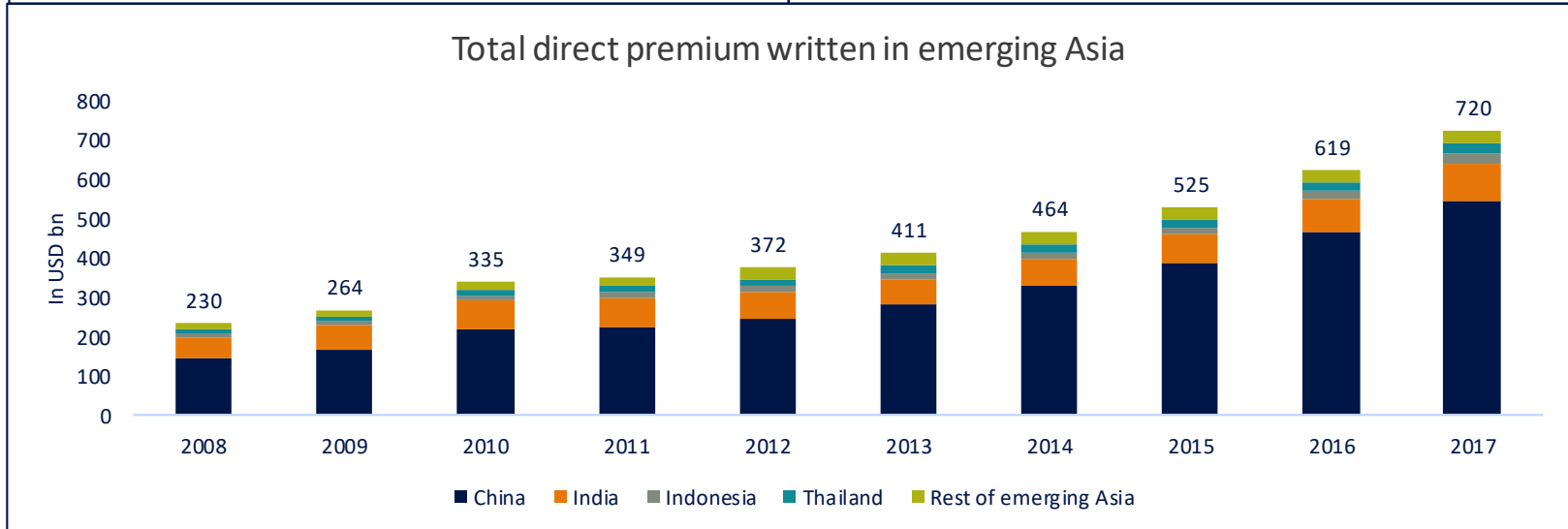
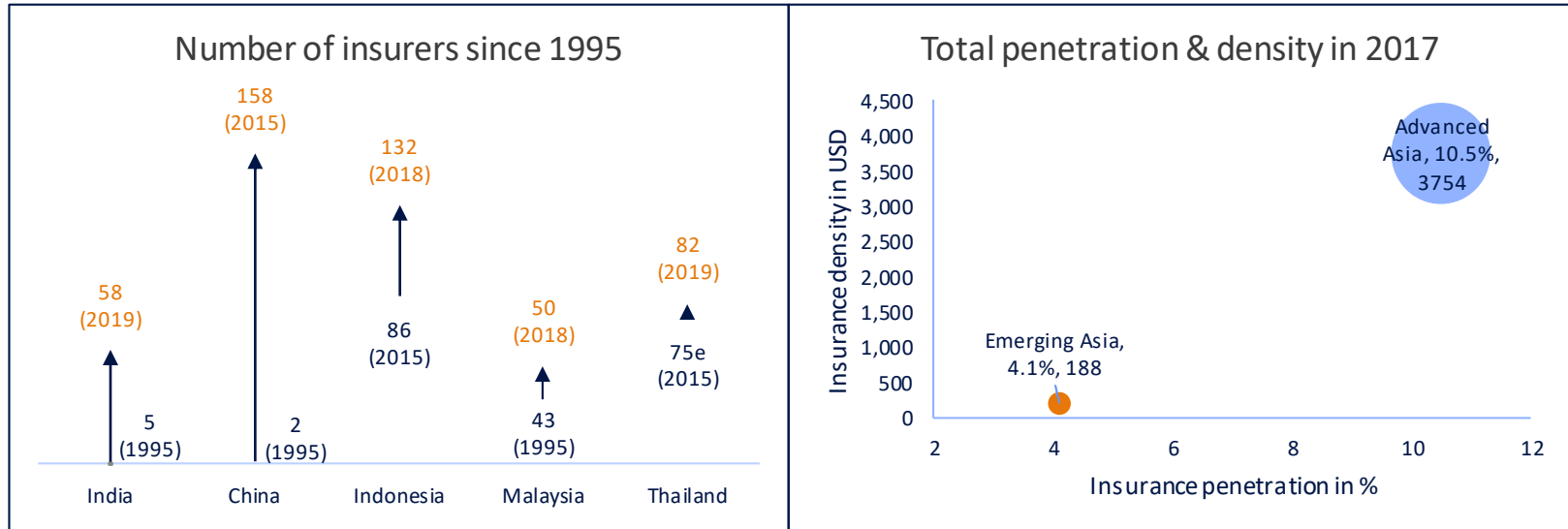




An emerging Asia update

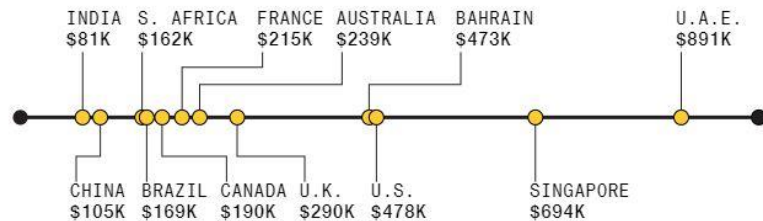
March 2019

Insurance in emerging Asia – an update



Insurance growth potential in emerging Asia

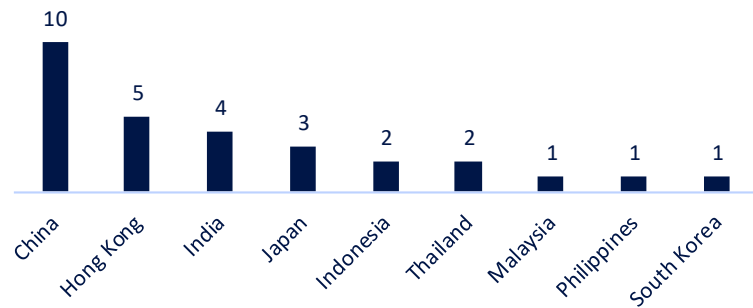
Annual pretax income threshold to be in the top 1 percent of earners



Figures are for the most recent year available; all figures given in 2017 U.S. dollars adjusted for purchasing power parity

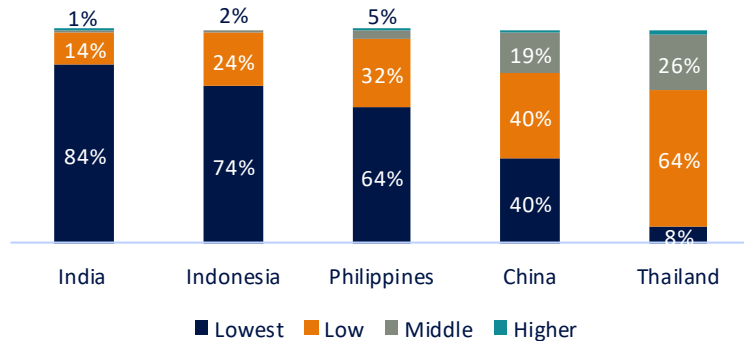
Sources: World Inequality Database, Statistics Canada

Forbes' global top 100 billionaires holding an Asian nationality in 2018



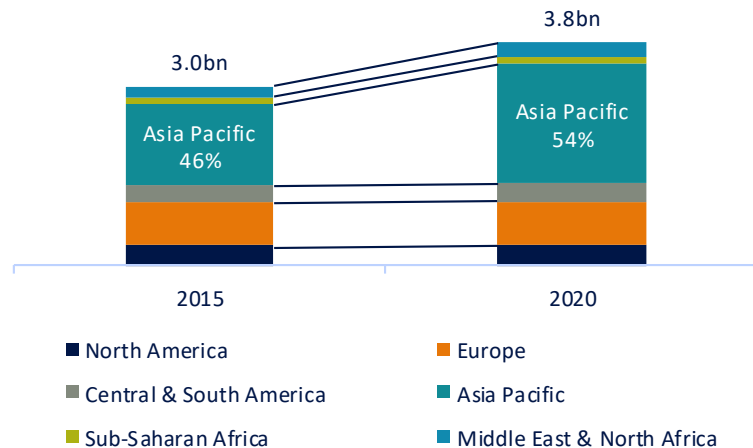
Note: among the global top 100 billionaires, 29 are citizens of an Asian country (of which 20 are from an emerging economy)

Population composition by class (2010)



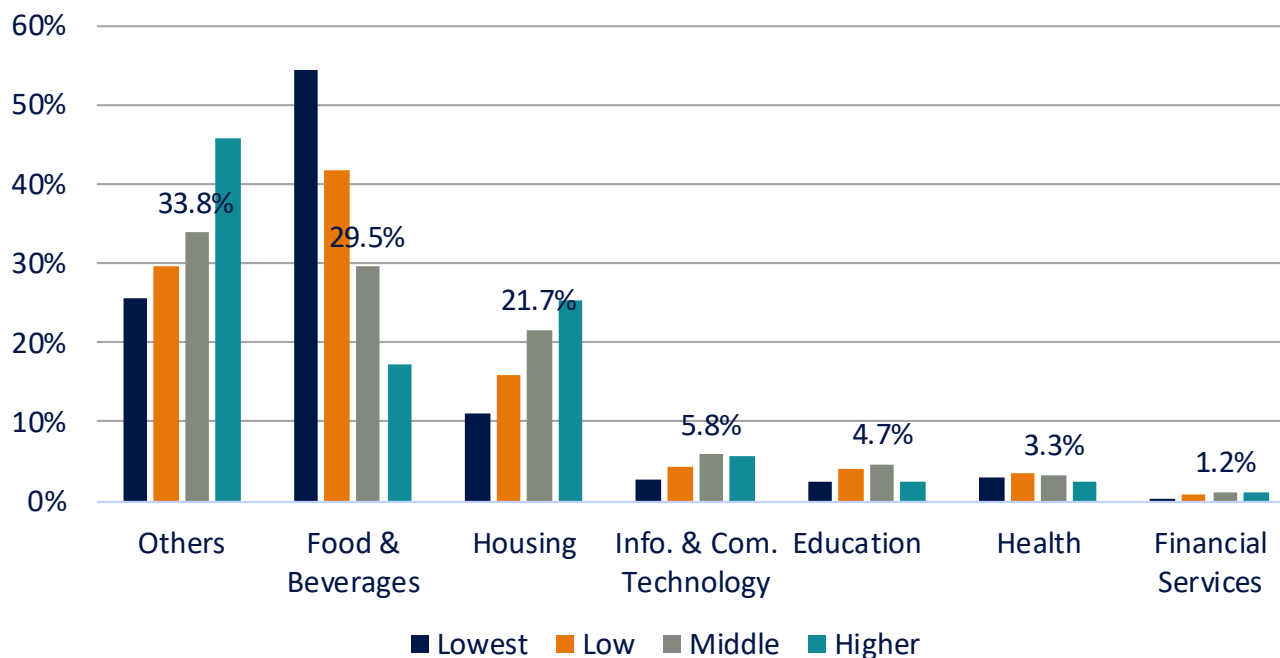
Definition: Lowest—below \$2.97 per capita a day
 Low—between \$2.97 and \$8.44 per capita a day
 Middle—between \$8.44 and \$23.03 per capita a day
 Higher—above \$23.03 per capita a day

Global middle class split by region



Spending by income band in emerging Asia in 2010

Spending by band and by consumption segment in emerging Asia in 2010



Note 1: Figures are the average of spending by band and by consumption segment for China, India, Indonesia, Philippines and Thailand

Note 2: Others include Clothing, Footwear, Energy, Water utility, Transport, Personal care and Others

World Bank's definition of income band:

Lowest: below US\$2.97 per capita a day; Low: between US\$2.97 and US\$8.44 per capita a day

Middle: between US\$8.44 and US\$23.03 per capita a day; Higher: above US\$23.03 per capita a day



Greater Bay Area (GBA)



- Connects HK with 11 surrounding cities in southern China including Shenzhen, Guangzhou and Macau.
- Total population approx 68m.
- Projected GDP to rise from USD1.5 trillion in 2017 to USD4.6 trillion in 2030,
- Similar GDP size to top 3 Bay Area's average (San Francisco, New York, Tokyo), with GDP/capita at 28% of global top 3.

Greater Bay Area - Major Opportunities

Greater Bay Area - Policies for Insurance Industry

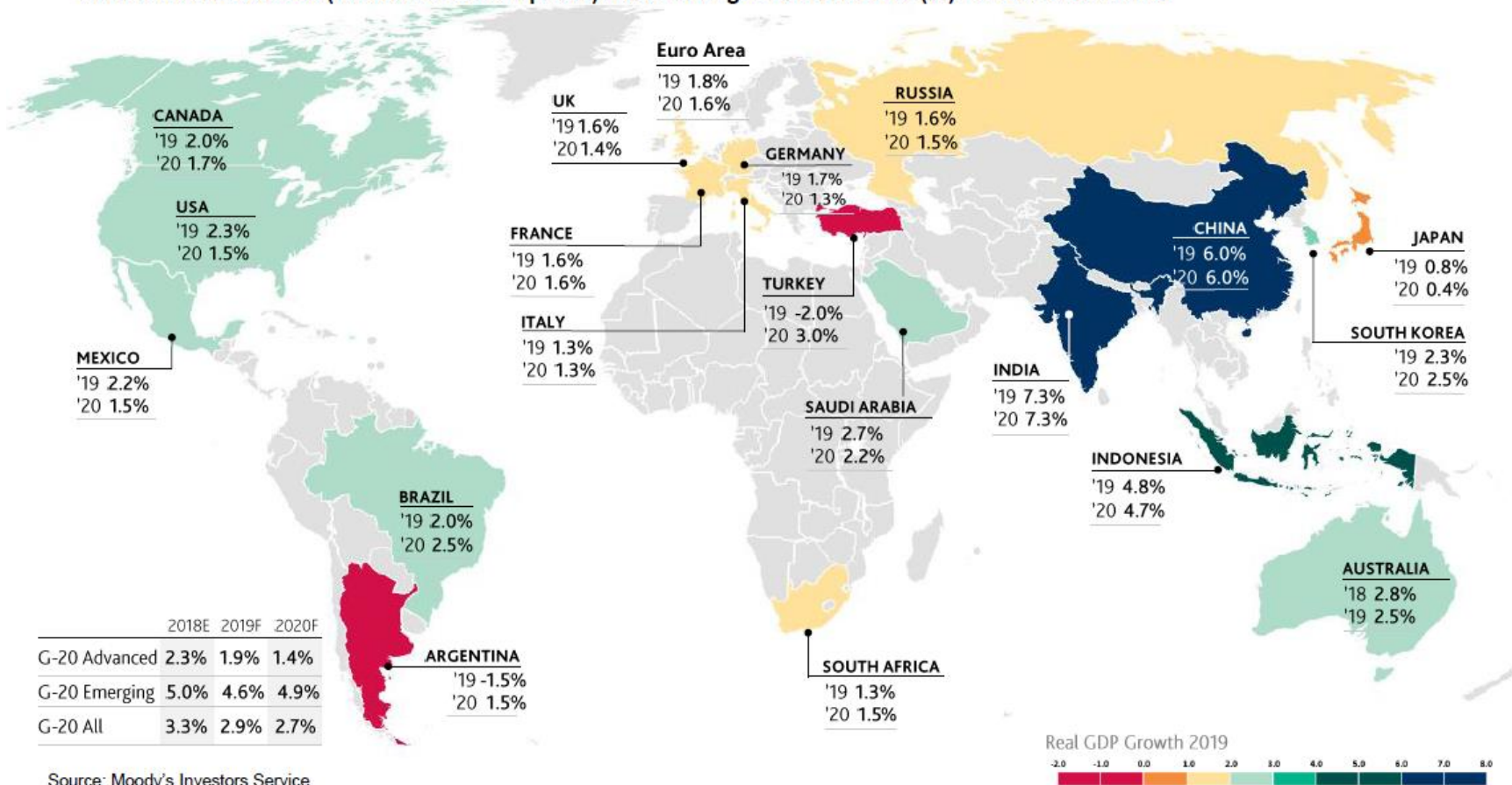
<ul style="list-style-type: none">Support eligible H.K. and Macao insurers to set up operations in <i>Qianhai</i> of Shenzhen, <i>Nansha</i> of Guangzhou, and <i>Hengqin</i> of Zhuhai <p>Business expansion</p>	<ul style="list-style-type: none">Support development of <i>cross-boundary motor and medical</i> insurance products and facilitate services such as underwriting, investigation and claims <p>Motor and Medical Insurance</p>
<ul style="list-style-type: none">Support Mainland, Hong Kong and Macao insurance institutions in developing <i>cross-boundary RMB reinsurance</i> business <p>Reinsurance</p>	<ul style="list-style-type: none">Support <i>Shenzhen</i> in developing a <i>pilot zone</i> for insurance innovation; enhance fintech development <p>Insurtech</p>

Source: www.bayarea.gov.hk

- Reinsurance Business: Hong Kong reinsurers have benefited from preferential regulatory capital charge applied to Mainland cedants reinsuring with them since 2018.

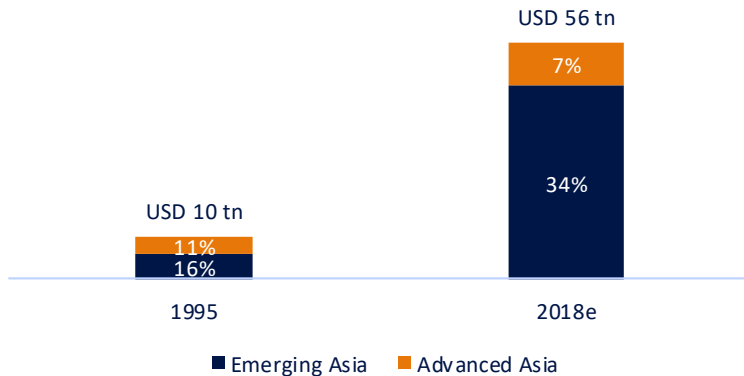
Economic growth will decelerate across advanced and emerging market economies

Global Macro Outlook (November 2018 Update): Real GDP growth forecasts (%) for G20 economies



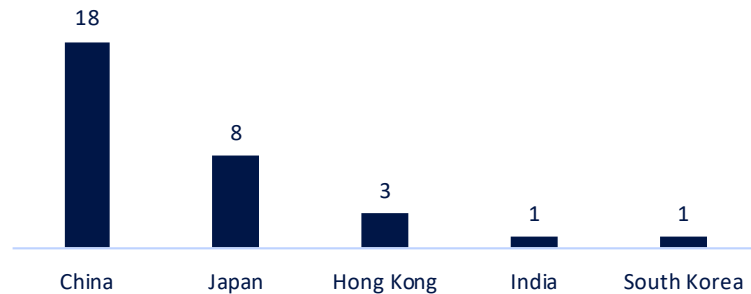
Growing influence to world economy

Asia GDP and as a % of global GDP



Note: the Asian region is estimated to generate 41% of the global GDP in 2018 with the emerging Asia alone to contribute to 34% of the world economy.

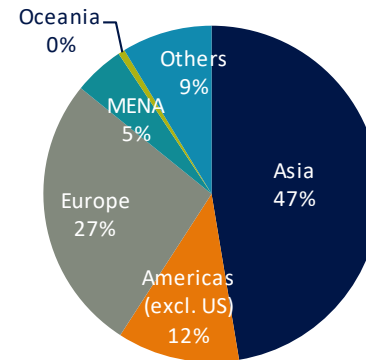
Forbes' global top 100 largest public companies domiciled in Asia in 2018



Note: among the global top 100 largest public companies, 31 are headquartered in Asia (of which 19 are from an emerging economy). However, lots of companies in Asia are still family owned and therefore not on the list.

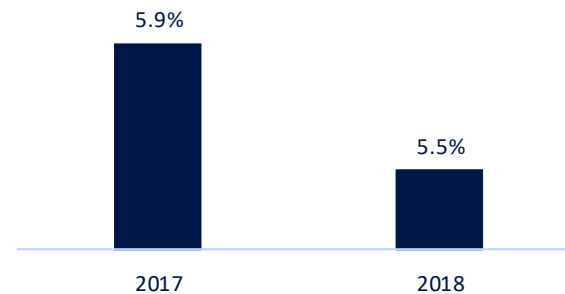
Major foreign holders of treasury securities

(as of December 2018)



Note: China is the largest foreign holder of US debts representing 18% of foreign holding

Total US debt hold by China



Emergence of global groups based in Asia



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SAMSUNG



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