

FINANCIAL SERVICES

China's affluent households keep fueling luxury consumption

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"Hurun Wealth Report 2020" reveals China's burgeoning affluent families will further drive luxury consumption despite the COVID-19 crisis. Image credit: Diana Lu Wang

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The Hurun Research Institute released the "FOTILE Hurun Wealth Report 2020," revealing the number and geographic distribution of **China's affluent** and high-net-worth households in the mainland and its Hong Kong and Macau territories. The list also include the wealthy in neighboring Taiwan.

According to the report, more than 2.02 million Chinese families had a household wealth accumulation of 10 million yuan (\$1.548 million) or more at the end of 2019, recording a 2 percent increase year-on-year.

Meanwhile, the "super-rich" households with more than 100 million yuan in financial assets exceeded 130,000, with a 2.4 percent increase year-on-year.

The total wealth of affluent families with assets of more than 6 million yuan in China amounts to 146 trillion yuan, which is 1.5 times the amount of China's annual GDP, with mainland households accounting for nearly 90 percent.

Among the areas with the richest residents: **Beijing**, Guangdong province and **Shanghai**.

Jing Take: This group of small but influential families are not only a substantial contributor to China's rapid economic growth, but it also represents the region's resilient consumption power despite the **ongoing COVID-19 crisis** and other **geopolitical fluctuations**.

As the report's chairman and chief researcher, Rupert Hoogewerf – also known by his Chinese name Hu Run – said, "China's high-end consumers are particularly worthy of attention due to their strong spending power, which is a crucial force of stimulating domestic demand."

Moreover, this growing segment is expected to further fuel China's luxury market in the upcoming three to five-years, as China and the rest of the world emerge from pandemic restrictions and embrace a new normal.

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