

Malaysians most debt-laden in Asia, says survey
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A recent survey by Manulife shows that 68% of Malaysians currently have debt, the highest proportion of all eight markets surveyed in Asia, and more than double the regional average of 33%.

The Manulife Investor Sentiment Index was based on 500 interviews in Hong Kong, China, Taiwan, Japan, Singapore, Malaysia, the Philippines and Indonesia.

In a statement, Manulife said the average debt for Malaysians was RM56,000, nearly 10 times the average monthly personal income, mostly due to daily living expenses (60%), rental payments (44%) and children's education (37%).

"Worryingly, much of the debt is long-term, with a quarter of those in debt not expecting to be able to pay it off for three years or more.

"The high debt levels reflect poor financial management, with investors failing to effectively manage their cash flow," it said.

While 89% of the surveyed Malaysian respondents tracked their expenses regularly, 44% of investors spent 70% or more of their monthly income every month, suggesting they were not acting on their tracking by curbing expenses.

Manulife Holdings Bhd Group chief executive officer Mark O' Dell said investors needed to better manage their finances and track expenses to avoid incurring too much debt, especially considering the backdrop of more volatile financial markets and slowing economic growth.

"Without effective debt management, Malaysians are less likely to achieve their long-term savings goals, which could jeopardise their future financial security." – Bernama, March 3, 2016.

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