

6. Credit Suisse's Global Wealth Report 2019

Prelims: Indices & Reports

Mains: GS-III- Effects of liberalization on the economy

Why in News?

- ▶▶ The Credit Suisse Group, a Switzerland-based multinational investment bank, has released the 10th edition of its annual Global Wealth Report.

About:

- ▶▶ According to the experts, wealth is defined in terms of “net worth” of an individual.
- ▶▶ This, in turn, is calculated by adding up the value of financial assets (such as money) and real assets (such as houses) and then subtracting any debts an individual may have.
- ▶▶ The Global Wealth Report tracks the growth and distribution of wealth – in terms of the numbers of millionaires and billionaires.
- ▶▶ It also tracks the proportion of wealth they hold and the status of inequality around the world.

Key Findings:

- ▶▶ A key finding of 2019's report is that **China** has overtaken the **US** this year to become “the country with most people in the top 10% of global wealth distribution.
- ▶▶ As things stand, just 47 million people – accounting for merely 0.9% of the world's adult population – owned \$158.3 trillion, which is almost 44% of the world's total wealth.
- ▶▶ At the other end of the spectrum are 2.88 billion people – accounting for almost 57% of the world's adult population – who owned just \$6.3 trillion or 1.8% of the world's wealth.
- ▶▶ The other way to look at this distribution of wealth is from the prism of inequality.
- ▶▶ The bottom half of wealth holders collectively accounted for less than 1% of total global wealth in mid-2019, while the richest 10% own 82% of global wealth and the top 1% alone own 45%,” states the report.

Concerns With Respect To India:

- ▶▶ Total wealth in India increased fourfold between 2000 and 2019, reaching \$12.6 trillion in 2019, making India the fifth globally in terms of the number of ultra-high net-worth individuals, as per the report.
- ▶▶ India has 8.27 lakh adults in the top 1% of global wealth holders – 1.6% share of the global pool.

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- ▶▶ It is estimated that India has 4,460 adults with wealth of over \$50 million and 1,790 that have more than \$100 million.
 - ▶▶ However, the study also found that while the number of wealthy people in India has been on the rise, a larger section of the population has still not been part of the growth in overall wealth.

