Asian Perspective on the Search for Yield in Retirement Savings

Darren McShane, Chief Regulation & Policy Officer and Executive Director, Mandatory Provident Fund Schemes Authority:

The issues we’re talking about today—about the impacts of low interest rates and the search for yield where people get longer-term returns, resonate just as strongly in my part of the world as anywhere else. I suppose the peculiar characteristics—of at least East Asia—is that we at least survive in a high-growth economic zone. So driven by China or the big East Asian economies, we at least have the opportunity that there is some growth to be seen. Whether it’s in equities or real assets is sometimes differentiated, but at least we have that advantage, that there is growth opportunity. So I think others from the perhaps more mature economies and pension systems are struggling a little bit more with, well, where do we find growth? So, for us, I think the hunt for yield is possible—it’s still challenging, there are still lots of pitfalls and potential dangers there, but there are opportunities.