

Business

# Household Debt Hits New Record in March

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Loans to households and businesses increased at the fastest rate in recent times last month due to the impact of the coronavirus epidemic.

Households took out mostly housing loans or money to go on a bargaining-hunting spree on the plunging Korean stock market, while businesses borrowed to meet overheads.

The Bank of Korea on Wednesday said household debt increased by a record W9.6 trillion in March (US\$1=W1,222). Housing loans took up the biggest portion with W3.2 trillion but W3.2 trillion was credit loans and other collateralized loans.



Investors' deposits at brokerages reached W12 trillion last month, while stock buying by individual investors totaled W12.7 trillion. Stock investment was one of the key factors of rising household debt in March.

Business also increased borrowing as many struggled to raise money after the corporate bond market froze. Corporate loans increased by a record-high W18.7 trillion in March.