

# Statistical Yearbook for Asia and the Pacific 2007: Key Trends

## **Accelerating economic growth since 2000...**

The growth of per capita gross domestic product (GDP) in Asia and the Pacific has accelerated over the past 16 years from an average of 1.4 per cent in 1990-2000 to 3.1 per cent in 2000-2005 and 4.6 per cent in 2006. Since 2000, per capita GDP growth in the region has outpaced that of all other regions of the world—except Africa—by a percentage point or more. It has been consistently faster in low- and middle-income countries than in high-income countries, more than twice as fast between 1995 and 2005.

## **...but slower job creation**

Over the past 15 years, employment in Asia and the Pacific has grown at an average annual rate of 1.5 per cent, much more slowly than in Africa (2.8 per cent) and Latin America and the Caribbean (2.5 per cent). This relative sluggishness in Asia and the Pacific is a result of the strong long-term increase in labour productivity and the significant structural shift in the sectoral composition of the economy. Within Asia and the Pacific, employment has increased three times faster in low-income countries than in high-income countries. The total employment figures in low-income countries may, however, mask a large and persistent underutilization of labour resources, particularly in the agricultural sector, which represents more than half of their total employment.

The relative weak employment performance compared to the population growth in Asia and the Pacific has caused a drop of about 4 percentage points in the employment-to-population ratio. Despite this decline, the region still has the second highest ratio of working age women employed (48.9 per cent) exceeded only by North America (53.9 per cent) in 2006. South Asian countries, where the ratio has gradually fallen to an average of 33.6 per cent in 2006, are the only exception.

The lack of access to decent work is one of the causes of migration in the region from lower to higher income countries. In 2005, 6.0 per cent of the population in the high-income countries of Asia and the Pacific was foreign-born, compared with 4.7 per cent in 1990. The share of the foreign

population in the total population of low- and middle-income countries decreased over the same period, from 1.4 per cent to 0.8 per cent and from 1.4 per cent to 1.1 per cent, respectively.

### **Economic growth supported by more rigorous macroeconomic policies...**

The impressive per capita GDP growth in the region has been underpinned by more rigorous macroeconomic policies, reflected especially in lower fiscal deficits and lower inflation. Fiscal discipline was especially lax in 1995 in the majority of the countries in South and Central Asia, which ran fiscal deficits of between 5.1 per cent (India) and 11.5 per cent (Kyrgyzstan) of GDP. In 2006, the average fiscal deficit in South Asia had gone down to 3.5 per cent of GDP, while the Central Asian countries ran, on average, a small fiscal surplus.

Average inflation in Asia and the Pacific decreased from 15.6 per cent in 1995 to 3.5 per cent in 2006. The latter figure compared favourably to those of Africa (8.2 per cent) and Latin America and the Caribbean (5.1 per cent) and was only slightly higher than that of North America (3.1 per cent).

In 1995, inflation was particularly high (265 per cent) in North and Central Asia, where no country except Kyrgyzstan had a rate of less than 160 per cent and inflation in Turkmenistan even exceeded 1,000 per cent. In 2006, the inflation rate in the subregion was down to 9.5 per cent, still the highest among all groups of countries within Asia and the Pacific.

### **...faster global integration...**

The increased integration of the countries of Asia and the Pacific into the global economy has been another factor sustaining economic growth. Exports of goods and services over GDP, which is an indicator of the economy's dependency on exports, increased from 19 per cent in 1990 to 33 per cent in 2005, a rise of 14 percentage points not matched by any other region. The increase of imports over GDP—from 19 per cent in 1990 to 29 per cent in 2005—did not lag far behind.

The export performance of China has been especially impressive. In 1990, its exports over GDP were just 18 per cent, slightly lower than the regional average, while by 2005 they had risen to 42 per cent, 9 percentage points above the regional average. The export orientation of the Chinese economy is unprecedented among populous countries with over 100 million

people. In comparison, exports over GDP stood at 21 per cent in India, 35 per cent in the Russian Federation, 34 per cent in Indonesia, 13 per cent in Japan (2004), 15 per cent in Pakistan and 16 per cent in Bangladesh in 2005. The countries of the Association of Southeast Asian Nations (ASEAN) and Central Asia stand out as highly dependent on exports, with their exports over GDP reaching 88 and 53 per cent, respectively.

The Asian and Pacific region is increasingly becoming not only a destination for, but also a source of, foreign direct investment, which is another indication of the key role it plays in globalization. In the list of the world's top 100 non-financial transnational corporations (TNCs) in 2005, nine were from Japan, and six out of the seven developing country TNCs were from Asia and the Pacific (the Republic of Korea (2); Hong Kong, China (2); Malaysia (2); and Singapore (2)). In the 2005 United Nations Conference on Trade and Development (UNCTAD) list of the top 100 non-financial TNCs from developing countries, the Asian and Pacific region was home to 78 of the companies, with the majority coming from Hong Kong, China (25), Taiwan Province of China (18), Singapore (11) and China (10).

### **...and investment in transport infrastructure**

A third factor explaining the acceleration of per capita economic growth in the region is the investment in physical infrastructure. Road density in China, for example, increased from 151 to 201 kilometres per 1,000 square kilometres between 1990 and 2004. Bhutan, Nepal, Viet Nam and the Lao PDR almost doubled their road density in the same period, while the Republic of Korea and India nearly doubled their road networks in the 1990s. In addition to increasing total road length, the region has also invested heavily in widening and paving roads in the existing network.

The increase in the length and quality of roads has contributed to a remarkable rise in motorization rates—measured as the number of passenger cars in use per 1,000 people—in the Asian and Pacific region. In fact, the true level of personal mobility in many South and South-East Asian countries is considerably higher than that suggested by the relative number of cars in use, as two- and three-wheelers constitute more than two thirds of all motorized vehicles. This improved mobility, while contributing to economic growth, has drastically increased the level of pollution and the number of traffic accidents.

Although railway density in Asia and the Pacific remains low in comparison with more advanced regions, it is the highest among the developing regions of the world. In 2005, it had a railway density of 7 kilometres per 1,000 square kilometres, ahead of Africa and Latin America and the Caribbean but behind North America and Europe. Barely half of the countries in the region have constructed a sizeable intercity railway system. Moreover, only a handful of Asian developing countries have invested extensively in railways in recent years and nearly the entire increase in the region's railway length is attributed to China and, to a lesser extent, the Republic of Korea.

### **Impressive achievements in poverty reduction...**

The accelerating growth in per capita GDP in Asia and the Pacific has contributed to impressive social achievements since 1990, most prominently in poverty reduction. In 1990, over a billion people—almost a third of the region's total population—lived in extreme poverty (on \$1 a day or less). By 2004, this number had dropped to 641 million—17 per cent of the population. The number of extreme poor dropped by over 360 million, which is more than the present combined population of Pakistan and Bangladesh—the world's sixth and seventh most populous countries, respectively.

The reduction of extreme poverty in the region has been most impressive in China, where the rate fell from 33 per cent in 1990 to 10 per cent in 2004 and to a lesser extent in India, where it dropped from 42 per cent in 1993 to 34 per cent in 2004. In contrast, the number of people living in extreme poverty increased in sub-Saharan Africa (by 65 million to 309 million) and Latin America and the Caribbean (by 2 million to 48 million) between 1990 and 2004. The battle against extreme poverty in Asia and the Pacific is, however, by no means won. A number of least developed countries in the region are still struggling to achieve the poverty target of the MDG, making slow progress or even regressing with respect to the baseline year.

### **...accompanied by improvements in basic services...**

The reduction of extreme poverty in the region has been accompanied by improvements in basic services due to the increased proportion of government expenditures allocated to health and education in most of the

Asian and Pacific countries since 2000. Partly because of increased investments in education, for example, the number of children out of primary school dropped by almost 50 million between 1990 and 2005, to 28 million. In more than half of the region's countries, over 95 per cent of children who should be attending primary school actually are. The most notable exception in the region to universal primary enrolment is Pakistan, where only two thirds of children go to school.

Universal enrolment can only be achieved if both girls and boys go to school. It is the gradual removal of bias against girls that has contributed most towards the goal of full enrolment. In 1991, only 88 girls in the region attended primary school for every 100 boys; this number had increased to nearly 96 by 2005. Pakistan and Afghanistan, however, are still far from the regional average, with 76 and 59 girls respectively, enrolled for every 100 boys. Challenges still remain to ensure that children will successfully complete the full course of primary education. This is especially a concern for girls, who often risk dropping out of school to help in household chores.

Another outcome of improved access to basic services is the decline in the number of people in the region who do not have access to safe water. This figure fell from 829 million (25 per cent of the population) in 1990 to 659 million (17 per cent) in 2004. Access to basic sanitation, however, improved considerably less. Despite some progress since 1990, more than half of the population—almost 2 billion people—lacked access to basic sanitation in 2004. The problem is particularly serious for rural dwellers, two thirds of whom were unable to use basic facilities.

### **...have reduced morbidity and mortality**

The combination of better living standards, improved access to basic services and educational attainment in Asia and the Pacific has contributed to reduced morbidity and mortality and increased longevity. The number of new malaria cases, for example, fell by more than half in Asia and the Pacific between 1990 and 2005, to just 80 cases per 100,000 people. This is in stark contrast to the incidence of almost 7,000 cases per 100,000 people in Africa. Nevertheless, malaria remains a serious problem in Papua New Guinea, Timor-Leste, Solomon Islands and Vanuatu.

The number of people infected with tuberculosis (TB) in the region also fell considerably, from 13 million in 1990 to 9 million in 2005. The prevalence of 238 cases of TB per 100,000 people is still, however, several times that of all other regions of the world except Africa. TB remains

a serious issue in some of least developed countries (Cambodia, Timor-Leste and Bangladesh), some Pacific Island Countries (Kiribati, Papua New Guinea and Tuvalu) and the Philippines.

Partly due to the containment of these infectious diseases, the number of children dying before the age of 5 in Asia and the Pacific decreased from 7.5 million in 1990 to 4.3 million in 2005 reducing the under-five mortality rate by over a third during this period to 58 deaths per 1,000 live births. This rate, however, is still higher than the 1990 rate for Latin America and the Caribbean. The Asian and Pacific countries with under-five mortality rates exceeding 100 deaths per 1,000 live births in 2005 were Afghanistan (257, among the highest in the world), Cambodia (143), Myanmar (105) and Turkmenistan (104).

Asia and the Pacific is undergoing a “health transition” characterized by a reduction in the prevalence of infectious diseases and rise in the prevalence of non-communicable diseases. In 2005, chronic diseases accounted for about two thirds of all deaths in the region; they are now the leading cause of mortality in almost all subregions.

### **Higher longevity, lower fertility and population ageing**

The reduction of death rates in almost all Asian and Pacific countries has contributed to a further increase in life expectancy at birth. Between 1990 and 2005, this figure rose by 3 years for females, to age 70 and by 2.5 years for males, to age 66.2. Cambodia (59.5) and Afghanistan (42.1) were the only countries in Asia and the Pacific with a female life expectancy of less than 60 years in 2005. In Central Asia, life expectancy for men has barely improved in fifteen years, increasing the gender gap to 7.8 years.

Improvements in health and education have given women in the Asian and Pacific region greater control over the number of children they have. The total fertility rate—the number of children a woman can expect to bear during her lifetime if she experiences the current prevailing age-specific fertility rates—dropped from 2.9 in 1990 to 2.4 in 2005. The decline has been steepest in low-income countries, from 4.0 to 3.2. The fertility rate in the middle- and high-income countries of the region was below the population replacement rate of 2.1 in 2005.

Lower total fertility rates have led to a sharp decrease in the proportion of children (below age 15) in the total population of Asia and the Pacific, from 34.1 in 1990 to 28.5 in 2006. Children still represent one third of the total population of low-income countries, but just 16.0 per cent of the

total population of high-income countries and some middle-income countries. The ageing of the population has already become an issue for high-income countries in the region, where the proportion of the elderly (over age 65) in the total population reached 17.8 per cent in 2006; this contrasts sharply with the 4.9 per cent share in low-income countries.

### **Challenges of rapid urbanization...**

Human geography reached a turning point in 2008, with more people living in cities than in rural areas for the first time in history. Although Asia and the Pacific, along with Africa, is still one of the least urbanized regions in the world, its urban population has been growing faster than that of any other region during the past decade and a half. In 1990, 33.3 per cent of the population of Asia and the Pacific lived in urban areas, compared with 40.9 per cent in 2006. The fastest influx of people from rural areas to cities has occurred in ASEAN countries, where the share of the urban population rose from 31.6 per cent in 1990 to 44.9 per cent in 2006.

The effects of this rapid urbanization on the region are being felt most acutely in heavily populated slums, which are characterized by substandard housing and poor access to basic services. In Asia and the Pacific, approximately 4 out of 10 urban dwellers live in slums, compared with 6 out of 10 in Africa. Still, this is notably higher than the figure of approximately 3 out of 10 prevailing in Latin America and the Caribbean.

Rapid urbanization is also largely responsible for the decrease in urban access to improved water sources observed in Asia and the Pacific since 1990. Countries with high access rates in the 1990s—such as China, Indonesia and the Philippines—have all recorded a decline in the proportion of the urban population with access to improved sources of water.

### **...and deterioration of the environment**

Rapid economic growth has contributed considerably to better social conditions, but it has also put a tremendous strain on the environment in Asia and the Pacific. This is partly due to the rapid increase in energy consumption in the region. Although still only a fraction of the levels of North America and Europe, energy consumption per capita in Asia and the Pacific more than doubled between 1990 and 2004, a rate of increase

not seen elsewhere in the world. In the middle-income countries of the region, per capita energy use even quadrupled.

The increased energy use is reflected in the region's carbon dioxide (CO<sub>2</sub>) emissions, which increased from 1.9 tons per capita in 1990 to 3.2 tons per capita in 2004. High-income countries (10.3 tons per capita in 2004) are considerably worse polluters than low-income (1.1 tons per capita) and middle-income (4.1 tons per capita) countries. The increase in CO<sub>2</sub> emissions, however, was fastest in the latter group (doubled between 1990 and 2004).

Although CO<sub>2</sub> emissions per capita in Asia and the Pacific are very low compared with those in North America (20.3 tons in 2004), they are increasing more rapidly than anywhere else in the world. This trend compares unfavourably to that of Europe, which reduced per capita emissions between 1990 (8.4 tons) and 2004 (7.9 tons).

The environment strain caused by rapid economic growth is also making the population of Asia and the Pacific increasingly vulnerable to the impact of natural disasters. The number of people in the region affected by such disasters per 100,000 population rose from 5,542 in 1991-1995 to 6,731 in 2001-2005. This latter number compares unfavourably with Africa (2,436), Latin America and the Caribbean (1,002), North America (93) and Europe (72).

These and many other facts can be found in the Statistical Yearbook for Asia and the Pacific 2007. For data sources, technical notes, and a PDF version of this booklet, visit <http://www.unescap.org/stat/data/syb2007/>.

For additional information, contact Mr Pietro Gennari, Director, Statistics Division, ESCAP, by e-mail at [stat.unescap@un.org](mailto:stat.unescap@un.org), or by telephone at +66-22881611.