

Overview

Across the region, fertility is decreasing and life expectancy is increasing...

The Asia-Pacific region is home to 4.1 billion people – more than 60 per cent of the world's population. But population growth has been slowing: since 2000, it has fallen to 1.1 per cent per year. Growth is higher in the landlocked developing countries at 1.9 per cent, in the least developed countries at 1.8 per cent, and in the small island developing States at 1.7 per cent. In the middle-income economies, on the other hand growth is only 1.0 per cent, and in the high-income economies only 0.2 per cent.

Slower population growth reflects a steady decline in the total fertility rate, which, between 2000 and 2005, fell from 2.9 to 2.4 children per woman. The steepest declines were generally in the landlocked developing countries, the least developed countries and in Central Asia. At the same time, people in the region are living longer. Between 1990-1995 and 2000-2005, life expectancy increased for females from 67 to 70 years and for males from 64 to 66 years. As a result, the population is ageing: between 1990 and 2008, the proportion of the population over 65 years of age increased from 5.1 to 7.0 per cent. In most countries the populations are equally divided between males and females, but several countries in South and South-West Asia have sex ratios below 100.

...and many more of these people are living in cities...

More than 40 per cent of the region's people now live in urban areas whose total population has been growing at 2.3 per cent per annum. However, the level of urbanization differs considerably between subregions. Most urbanized is the Pacific where over 70 per cent of the population live in cities and towns. At the other end of the scale is South and South-West Asia with only 33 per cent of the population living in urban areas. The Asia-

Pacific region has 11 of the world's 19 megacities, including 6 in the top 10. Across the region in 2005, on average one-third of the urban population lived in slums.

...but many are also migrating to other countries inside or outside the region

In 2005, countries in Asia and the Pacific had almost 50 million migrants, 1.2 per cent of the region's total population. The principal destinations were the richer countries, where 6.0 per cent of the population was foreign born. Annual migration rates have been particularly high to Macao, China (10.9 per 1,000 population), Singapore (9.6) and Hong Kong, China (8.7). Afghanistan and Timor-Leste also experienced a high rate of net in-migration owing to the return of former refugees. The main sources of migrants are the low-income and middle-income economies. In the Pacific, for example, countries with high negative migration rates include Fiji (-10.3 per 1,000 population), the Federated States of Micronesia (-17.9), Samoa (-16.6) and Tonga (-16.1).

Although people are living longer, there are still major health concerns

One of the most sensitive indicators of health is the infant mortality rate. Between 1990 and 2006, the region's infant mortality rate fell from 62 to 43 deaths per thousand live births. A major contributor to child mortality is malnutrition, but here progress has been slower: in a number of countries at least one third of children are moderately or severely underweight. One of the most effective ways of protecting children is immunization. In 2006, 78 per cent of one-year-old children in the region had received at least one dose of measles vaccine.

Many countries are also concerned about high levels of maternal mortality. In 2005, 237,000 mothers across the region died from causes related to pregnancy – a maternal mortality rate of 317

deaths per 100,000 live births. Countries with high maternal mortality rates tend to have low proportions of births attended by skilled health personnel – 14 per cent in Afghanistan, for example, 20 per cent in Bangladesh, and 19 per cent in the Lao People's Democratic Republic.

Across the region, many people are vulnerable to infectious diseases, which in some countries account for more than half the years of life lost. Nevertheless, there have been significant advances. Between 1995 and 2000 the incidence of malaria declined from 155 to 112 per 100,000 population, and by 2005 was down to 80. The incidence is generally higher in the poorest tropical countries. A more widespread infectious disease in the region is tuberculosis – although here, too, there has been progress. Between 2000 and 2006 the prevalence per 100,000 population fell from 323 to 230. On the other hand, in the highly developed countries more deaths nowadays are mainly from non-communicable diseases, which in several countries account for 70 per cent of years of life lost.

Both rich and poor countries continue to be threatened by HIV. Between 2001 and 2007, the average adult HIV prevalence rate decreased slightly, from 0.28 to 0.25 per cent of people aged 15-49. The number of people living with HIV may be increasing as a result of an overall population rise: by 2007, the total number across Asia and the Pacific was 5.9 million, of whom around one third were women.

HIV is of particular concern in North and Central Asia, where between 2001 and 2007 the prevalence doubled, and in the Pacific, where it nearly tripled. In East and North-East Asia and in South-East Asia, over the same period the overall picture remained static – though the prevalence has been increasing in Viet Nam and Indonesia while coming down in Thailand, Cambodia, and Myanmar. Just under 40 per cent of those who need anti-retroviral therapy now receive it. Some of the highest coverage is in Thailand and Cambodia.

Efforts to improve health standards have benefited from greater health expenditure, which in 2005, for the region as a whole, averaged 6.4 per cent of GDP. As might be expected, total expenditure on health, public and private, is greater in richer countries. In five high-income economies, per capita expenditure in 2005 was more than \$PPP 1,000, while in several low-income economies it was less than \$PPP 100.

More people have access to clean water and safe sanitation

Between 1990 and 2006, the proportion of the region's population with access to improved drinking water sources increased from 74 to 88 per cent, an increase of 1.2 billion people. In East and North-East Asia the increase was from 70 to almost 90 per cent. The lowest coverage is in some Pacific countries, such as Papua New Guinea with 40 per cent and Fiji with 47 per cent.

The greatest gains have been in rural areas: between 1990 and 2006, average access increased from 64 to 84 per cent. In Viet Nam, for example, coverage in the rural areas increased from 43 to 90 per cent. Georgia also saw a noteworthy increase from 58 to 97 per cent. In contrast, the lowest rural access, only 17 per cent, was in conflict-stricken and landlocked Afghanistan. Generally, access in urban areas is almost universal. However, in the least developed countries between 1990 and 2006, coverage dropped from 88 to 80 per cent, largely the result of urban population growth.

On average, across the region 55 per cent of people have access to safe sanitation. The most rapid progress has been in North-East Asia, which between 1990 and 2006 increased access by 18 percentage points, and in South-East Asia, where the increase was 15 percentage points. The situation in South and South-West Asia is more difficult: by 2006 average access was only 35 per cent.

Many more children are now going to school

The Asia-Pacific region has made considerable progress in education. Between 2000 and 2006, the region's average primary net enrolment ratio (NER) increased from 86 to 89 per cent – though this still means that more than 29 million young children are still not in school. In 2006, the highest primary NERs – above 90 per cent – were in South-East Asia and in East and North-East Asia, as well as in high- and middle-income economies. The lowest rates – below 80 per cent – were in landlocked developing countries, Pacific developing economies, ECO member States and low-income economies.

However, the quality of education is often poor, and many children fail to complete primary school. Moreover, in South and South-West Asia, 1 in 4 children never make it to grade 5 of primary school. These children risk remaining illiterate.

Across the region, 513 million still lack basic skills in reading, writing and numeracy. Even those who complete primary education may go no further. In the Asia-Pacific region, while 9 out of 10 children are enrolled in school, for secondary school the proportion is only 6 out of 10. Fewer still benefit from tertiary education, though the numbers are rising. Between 1999 and 2006, the average tertiary gross enrolment ratio increased from 12 to 20 per cent. Another measure of educational attainment is school life expectancy. In 2006, the average across the region was 10.5 years – male 10.8, female 10.2 – indicating that most young people never reach the tertiary level.

If countries are to improve their education systems, they will need to spend more money. In 2005, on average the region was devoting 3.4 per cent of GDP to public education, which is below the world average of 4.7 per cent. The proportion was particularly low in the low-income and least developed countries – less than 2.5 per cent – and, disturbingly, in some countries the trend is downwards.

Asia and the Pacific has enjoyed robust economic growth...

By 2007, the Asia-Pacific region's real GDP was nearly twice as high as in 1990. The best performers have been the middle-income economies. In 2001, their growth rate was 4.9 per cent but in 2007 reached a remarkable 9.1 per cent. Low-income economies are also making progress, but at a slower pace. Over this period, the region was also gradually changing the sectoral composition of its economies: the share of agriculture in value added declined from 9.5 to 8.1 per cent, that of services remained stable at 52.9 per cent, while that of industry grew from 37.6 to 39 per cent.

Economic growth has benefited from better fiscal management. Many countries have reduced budget deficits to below 1.0 per cent of GDP – levels not seen since the early 1990s. Between 1998 and 2007, overall government revenue went from 13.3 to 17.3 per cent of GDP, while government expenditure fell from 20.3 to 18.1 per cent of GDP – so the gap between the two has narrowed. Inflation on the other hand has increased – as a result of rising prices for food and energy, though rates remain significantly lower than during most of the 1990s.

...which has benefitted from increasing global integration...

In some countries growth has been stimulated by significant flows of foreign direct investment (FDI). In 2007, FDI inflows to the region climbed a further 28 per cent, to reach a total of \$372 billion. The fastest FDI growth was in the low-income economies at 73 per cent, and in the LDCs at 42 per cent. Nevertheless the highest inflows at \$220 billion, and the highest annual increases, were to the middle- and high-income economies. There has also been a steady rise in FDI flows out of the region – with a 39 per cent increase in 2007, to \$291 billion. The internationalization of Asia-Pacific companies is also evident in the UNCTAD list of the top 100 non-financial transnational corporations from developing countries: in 2006, 61 were from Asia and the Pacific.

These and other companies have helped boost international trade. During the period 2000–2006, merchandise exports from Asia and the Pacific grew annually by 12.9 per cent. The leading exporters were China and Japan. But the economies trading most intensively were the smaller ones, such as Malaysia, Singapore and Hong Kong, China, where exports exceeded GDP.

Stronger trade performance has improved current account balances. China in 2007 had a current account surplus of 11.1 per cent of GDP, which contributed further to its massive build-up of foreign reserves. India, on the other hand, recorded another small deficit, of 1.8 per cent of GDP. Some other economies, however, had high current account deficits, in the 23–45 per cent range – as in Maldives, Solomon Islands, Kiribati and the Lao People's Democratic Republic.

Some developing countries in the region have become highly dependent on remittances from overseas migrants. In 2006, these accounted for 28 per cent of GNI in Tonga for example and over 26 per cent in Kyrgyzstan and Tajikistan. Remittances have also been growing steadily in Bangladesh and Sri Lanka, reaching 8.4 per cent of GNI.

For the poorest countries, another important source of foreign funds is overseas development assistance. In 2006, Asia and the Pacific received \$19.0 billion in grants and loans – a decline of 7.1 per cent from the previous year.

...and a more productive workforce

Asia and the Pacific accounts for around two thirds of global employment – with 6 of the 10 largest labour markets. Between 1991 and 2006, employment grew on average by 1.5 per cent per year. Growth was faster in the low-income economies at 2.5 per cent, compared with 1.5 per cent in middle-income economies and 0.6 per cent in the high-income economies. Since the 1990s, there has also been an increase in labour productivity, especially in North and Central Asia and China.

Participation rates vary considerably between men and women. For most of the past 17 years, women's participation rates have been consistently high – above 65 per cent – in East and North-East Asia, but they have been much lower in South and South-West Asia, below 35 per cent.

Unemployment over the past 17 years has generally been low and stable, averaging between 4 and 5 per cent. In developing countries, however, the concept of unemployment may be less useful. Here, large proportions of population are engaged in subsistence farming and informal-sector activities, where the issue is more likely to be underemployment. In 2007, in the Asia-Pacific region as a whole, own-account workers or contributing family workers accounted for 59 per cent of employment.

Economic growth has helped reduce poverty...

The Asia-Pacific region has had some striking successes in poverty reduction. Of the 24 countries in the region for which data are available from both the 1990s and the 2000s, 20 managed to reduce the share of their population living below the revised international poverty line – \$PPP 1.25 at 2005 prices. Some of the faster reductions in poverty were in East and North-East Asia: between 1990 and 2005 the proportion of the population living on less than \$1.25 a day declined from 60.1 to 15.9 per cent. Although less spectacularly than in China, poverty also declined in South-East Asia; the best achievements were in Indonesia, where between 1990 and 2005 poverty declined from 54.3 to 21.4 per cent, and in Viet Nam, where between 1992 and 2006 the rate fell from 63.7 to 21.5 per cent. In South and South-West Asia, one of the most striking achievements was in Pakistan, where between 1990 and 2004 the share of the population living on less than \$1.25 a day declined from 64.7 to 22.6 per cent.

Poverty can also be assessed using a national poverty line. Of the countries for which data are available from both the 1990s and the 2000s, 11 reduced the share of their population living below the national poverty line. Another important measure is the poverty gap ratio, which measures the extent of extreme poverty, indicating how far the extreme poor fall below the national poverty line. In most Asian countries during the last decade, the poverty gap has narrowed.

...but done less to reduce inequality

Income inequality can be assessed by considering the proportion of national output consumed by the poorest 20 per cent of the population. This ranges from 10.6 per cent in Japan to 4.3 per cent in China. The poorest tend to receive a smaller share of national income in the middle- and higher-income economies, such as Turkey, the Islamic Republic of Iran, Thailand, Malaysia and Singapore. On the other hand, they do better in India with 8.1 per cent, in Pakistan with 9.1 per cent, and in Bangladesh with 8.8 per cent.

To sustain growth, the region will need to invest in infrastructure, particularly transport...

More than 60 per cent of the world's container traffic passes through the region's ports. In 2006, of the world's top 25 container ports in terms of throughput, 17 were in Asia and the Pacific. Railway density, on the other hand, remains relatively low. Nevertheless, there has been a substantial increase in the demand for rail transport services. Between 2004 and 2005, total rail freight transport in Asia and the Pacific increased by 4.7 per cent, while the total rail passenger transport increased by 5.1 per cent.

Since 2007, there has been little change in the region's road densities. However, the quality of many roads, particularly those on the Asian Highway routes, has improved significantly. Between 2004 and 2006, 7 per cent, or about 10,000 kilometres, of the routes were upgraded to meet the minimum Asian Highway standards. The Asian Highway network now comprises over 141,000 kilometres of roads passing through 32 countries.

In 2005, the transport sector in Asia and the Pacific was responsible for 1,505 million tons of CO₂ emissions, most of which come from road transport, which in 2006 released 1,224 million tons. In contrast, railways emitted only 64.3 million

tons, a strong justification for a modal shift from road to rail.

...and in communications technology

The main form of telecommunication for the majority of people in low-income economies is the mobile telephone. For the region as a whole, mobile telephone subscriptions have surpassed those for fixed-line systems. Nevertheless, the number of fixed-line connections has also been increasing, if more slowly: between 2003 and 2007, the number of lines per 100 people increased from 13 to 17. Although there has also been a rapid increase in broadband networking – the region's average broadband penetration is still low: in 2007, there were 3.5 broadband subscribers per 100 people. For this purpose, lower-income economies mostly use wired infrastructure – though they now have the option of peer-to-peer wireless.

Better transport and communications will increase opportunities for tourism

For tourism, Asia and the Pacific has outperformed the rest of the world. Between 1990 and 2006, its share of global tourism increased from 17.4 to 24.7 per cent – 209 million arrivals. Some of the strongest growth in 2006 was in South-East Asia, where total international arrivals increased by 9.2 per cent. Some economies are highly dependent on tourism. In Macao, China, for example, revenues from tourism provide around two thirds of GDP. Dependence is also high in many small island States.

But rapid economic development has taken its toll on the environment

In Asia and the Pacific, only 30 per cent of the land area is covered by forests – one of the lowest proportions among the global regions. For the

period 1990–2005, more than half the reporting countries lost more forest cover. In Viet Nam and Nepal the rate of deforestation accelerated. However, some countries were able to report increases in their cover of primary forest – notably Japan, Turkey and Kyrgyzstan.

Despite volatile oil prices, most countries continued to increase their total primary energy consumption. Of this, 80 per cent came from fossil fuels and the remainder predominantly from nuclear power, hydropower and traditional fuels, such as wood and animal dung.

Rising energy consumption has also increased greenhouse gas emissions – currently some 12 billion tons annually – though emissions per capita remain relatively low at 3.2 tons per person per year. The largest emitters are the middle-income economies, such as China, the Russian Federation, Indonesia, Thailand and Malaysia – which are important centres of world production. The region also contributes 50 per cent of global emissions of sulphur dioxide, mainly from burning fossil fuels, especially coal.

A further environment concern is over-extraction of water – of which around four fifths is for agriculture. The situation is particularly serious in North and Central Asia – in Turkmenistan, Uzbekistan and Azerbaijan. But India, Pakistan and Sri Lanka have also seen a surge in withdrawals, as has China.

Environmental changes may also be contributing to natural disasters. In the first nine months of 2008, a total of 28 disasters affected more than 101 million people, killed more than 223,000 and caused more than \$103 billion in economic damage. Among the most serious events were earthquakes, floods and typhoons.

For these and many other facts, read on.