

A Next Growth Model for Asian Economy: Beyond "the Workshop of the World"

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Chart 1

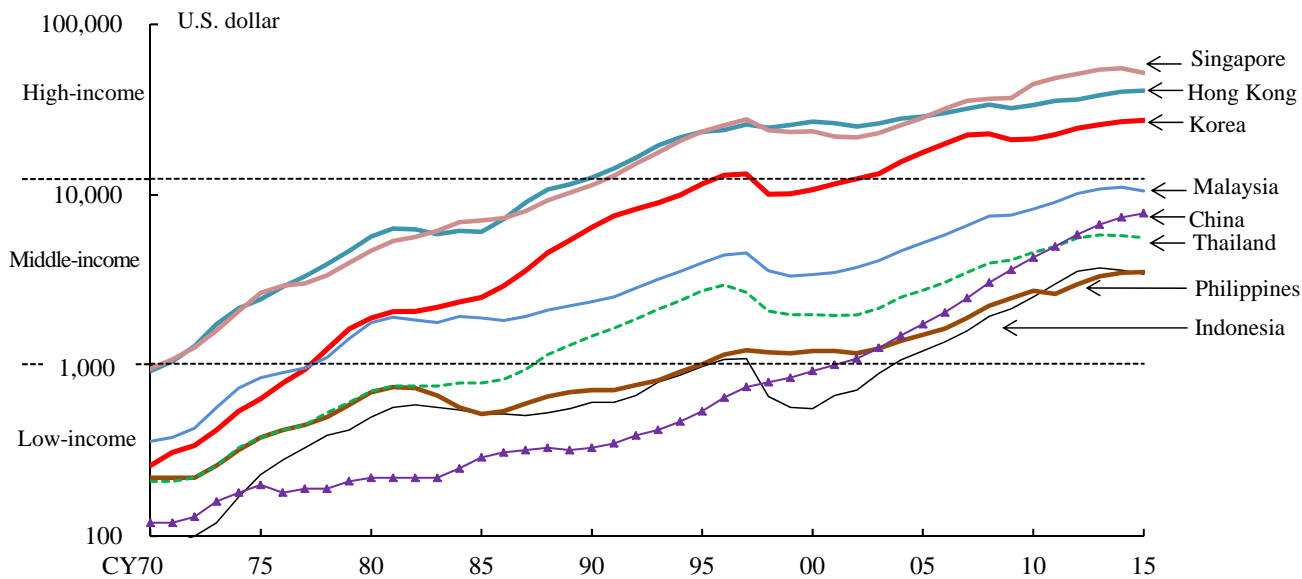
Asian Real GDP Growth Rate



Note: The latest data are as of 2015. Asia is the average of China, NIEs (Korea, Taiwan, Singapore, and Hong Kong), and ASEAN (Indonesia, Thailand, Malaysia, and the Philippines).

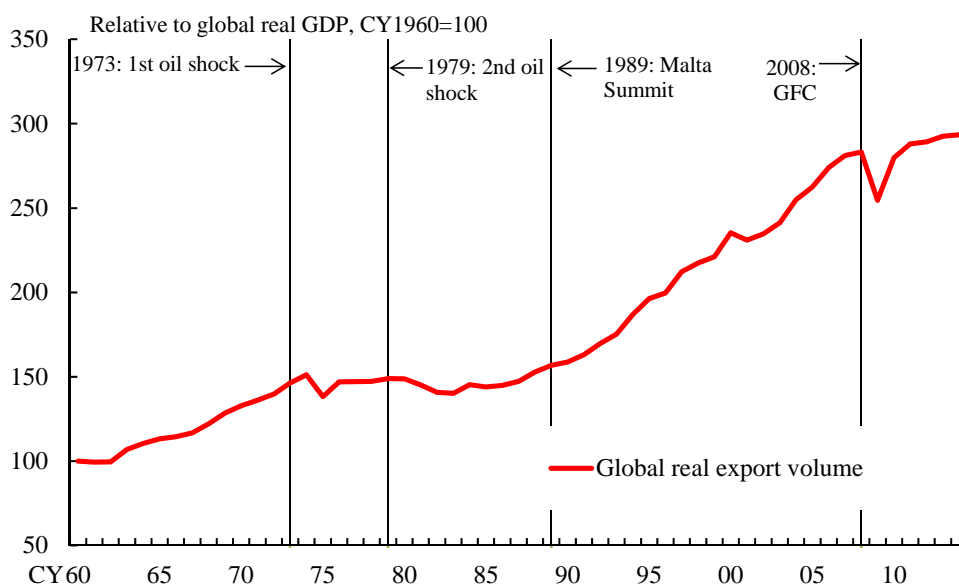
Source: IMF.

GNI per capita in Asian Economies



Note: The latest data are as of 2015.
Sources: HAVER; World Bank.

Global Trade Volume



Note: The latest data are as of 2014.
Source: WTO.

Deviation from the Pre-Crisis Trend

	% points							
	US	Euro area	UK	Japan	China	NIEs ASEAN	Latin America	Total
Fuels	-0.10	-0.10	-0.06	0.02	0.02	0.02	0.01	-0.2
Primary materials	-0.00	-0.03	-0.00	-0.02	-0.12	-0.02	-0.01	-0.3
Intermediate goods (Processed materials)	-0.01	-0.06	0.00	-0.03	0.04	-0.03	-0.01	-0.7
Intermediate goods (Chemical processed materials)	-0.05	-0.06	-0.02	-0.03	-0.07	-0.07	-0.02	-0.9
Intermediate goods (Parts and accessories)	-0.03	-0.07	-0.01	-0.01	-0.22	-0.27	-0.01	-0.9
Intermediate goods (Transport parts and accessories)	0.02	0.02	-0.00	0.00	-0.02	-0.04	-0.01	-0.2
Capital goods (except Transport equipment)	-0.14	0.08	-0.07	-0.04	-0.18	-0.20	-0.07	-1.7
Capital and consumer goods (Transport equipment)	0.08	-0.04	0.04	0.01	0.02	-0.03	-0.06	-0.3
Consumer goods (Durable)	-0.08	0.02	-0.04	-0.04	-0.02	-0.05	-0.01	-0.6
Consumer goods (Nondurable)	0.01	-0.00	-0.01	-0.02	0.01	-0.01	-0.00	-0.2
Total	-0.2	-0.3	-0.2	-0.2	-0.5	-0.7	-0.2	-6.1

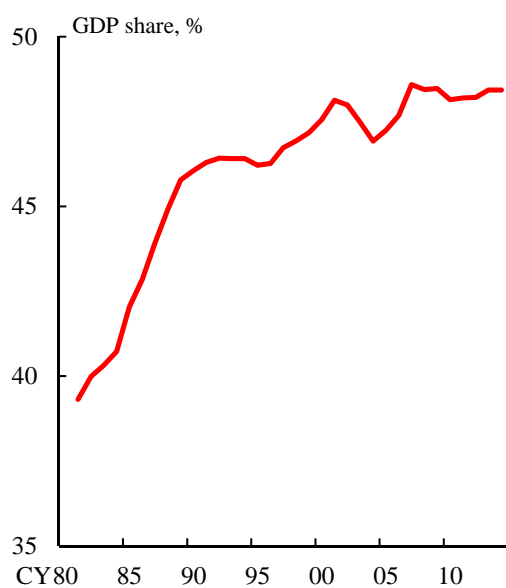
Note: Based on the elasticity of real import volume to GDP during the period of 2003-2006 for each region, we extrapolate the pre-crisis trend for the period of 2012-2014. The figures show the contributions of the deviation of the realized import growth from the pre-crisis trend. A darker shadow indicates a larger negative contribution to the total deviation.

Sources: UN Comtrade; HAVER.

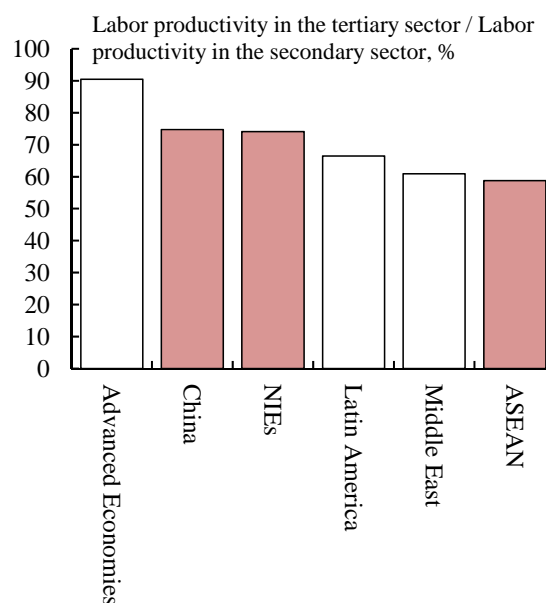
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The Tertiary Sector in Asia

GDP share of the Tertiary Sector in Asia



Labor Productivity in the Tertiary Sector



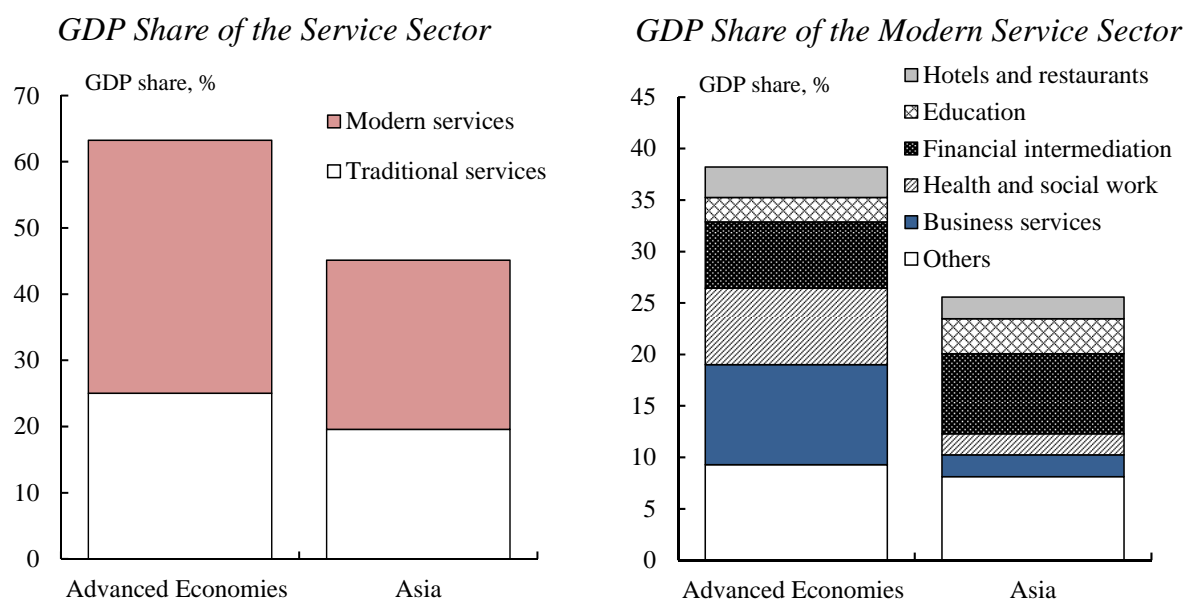
Notes: 1. The latest data of the left graph are as of 2014, and the data of the right graph are as of 2011.

2. Advanced Economies are the average of 27 OECD states. Asia is the average of China, NIEs (Korea, Taiwan, Singapore, and Hong Kong), and ASEAN (Indonesia, Thailand, Malaysia, and the Philippines).

Sources: United Nations; World Bank; Penn World Table.

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GDP Share of the Service Sector



Notes: 1. Advanced Economies are the average of G7 members excluding Italy and Germany. Asia is the average of China, NIEs (Korea, Taiwan, Singapore, and Hong Kong), and ASEAN (Indonesia, Thailand, Malaysia, and the Philippines).

2. The classification is based on Eichengreen and Gupta (2013).

3. The data are as of 2015 or the latest available year.

Sources: RIETI; CEIC; B. Eichengreen and P. Gupta (2013), "The Two Waves of Service-Sector Growth," *Oxford Economic Papers*, 65(1), 96-123.

Infrastructure Indices in Asian Economies

Labor productivity in the service sector

Higher ↑

	Legal system and regulations					Social infrastructure		Education
	Services trade restrictiveness index ²	Protection of property rights	Labor market	Business environment		Quality of transportation network ⁴	Quality of electricity supply	Years of schooling
			Firing regulations ³	Barriers to entry ³	Corruption ³			
Singapore	N/A	11.9	11.8	10.2	12.3	12.1	10.6	9.6
Hong Kong	N/A	11.5	11.2	10.2	11.4	12.3	10.7	10.1
Taiwan	N/A	10.8	3.0	10.0	9.4	10.7	9.8	9.8
Korea	9.9	7.3	3.0	10.0	7.3	10.6	8.8	10.7
Malaysia	N/A	9.8	5.0	10.1	8.9	10.5	9.1	9.2
Thailand	N/A	7.0	1.6	9.4	5.9	7.9	8.1	7.1
Indonesia	6.5	7.5	0.0	8.3	6.1	7.7	6.9	6.7
China	7.3	7.9	3.0	9.3	6.9	9.0	8.3	7.0
Philippines	N/A	7.5	3.0	9.0	5.9	6.2	6.6	7.5

Advanced economies=10

Notes: 1. Items below 8 are colored red, and items between 8 and 9 are colored orange.

2. Services trade restrictiveness index approaches 0 as restrictiveness in service trade increases.

3. Firing regulations, Barriers to entry, and Corruption approach 0 as the extent of regulations, barriers, and the level of corruption increases.

4. The average quality of roads, railroads, ports, and air transport infrastructures.

5. Advanced Economies are the average of 27 OECD states.

Sources: OECD; World Economic Forum; R. Barro and J. W. Lee (2013), "A New Data Set of Educational Attainment in the World, 1950-2010," *Journal of Development Economics*, 104, 184-198; J. Gwartney, R. Lawson, and J. Hall (2015), "2015 Economic Freedom Dataset," *Economic Freedom of the World: 2015 Annual Report*, Fraser Institute.