

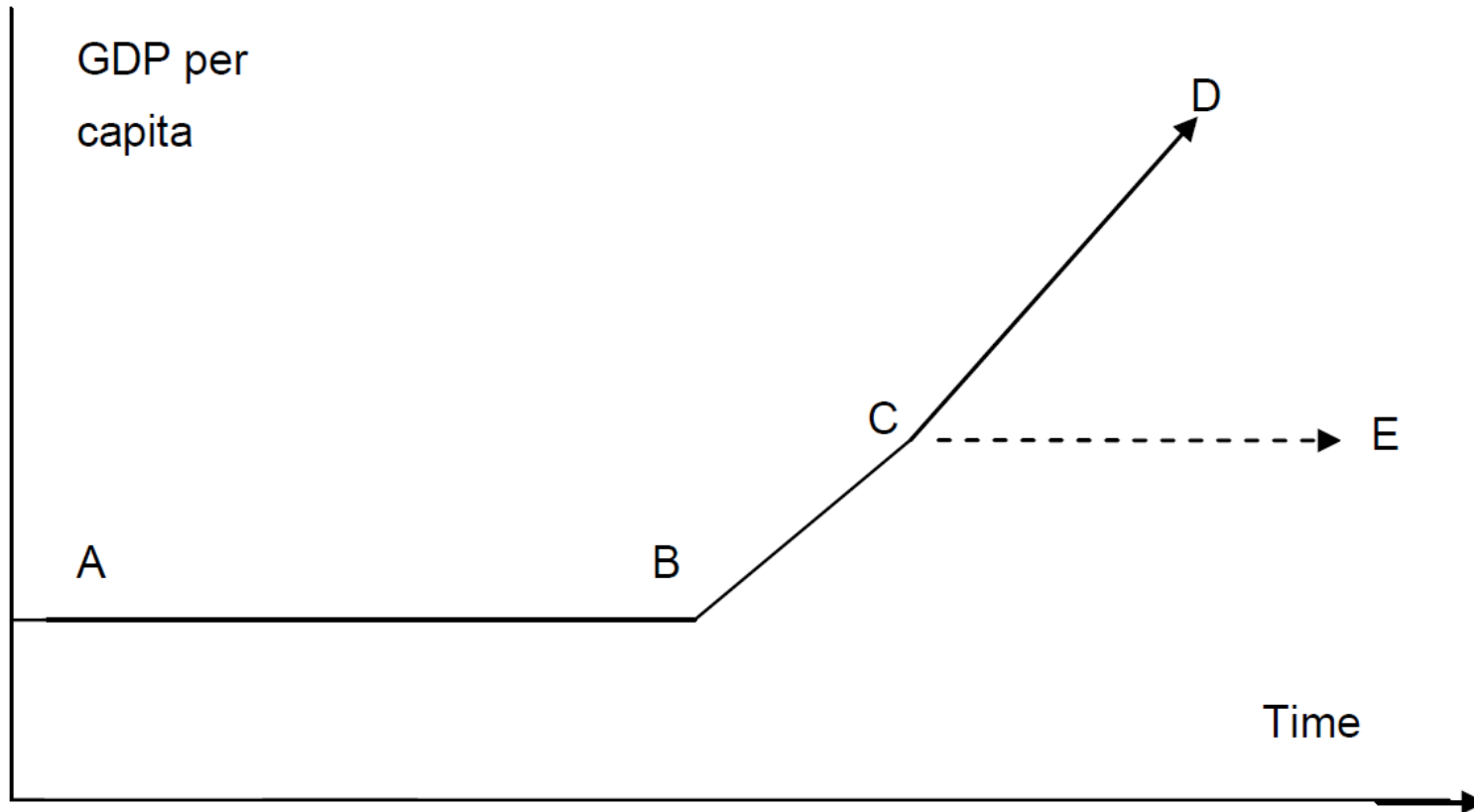
Asia and the Middle Income Trap: Surveying the Trend

Suthiphand Chirathivat

Chairman, Chula Global Network

Chulalongkorn University

Figure 1: Development Stages of an Economy



A–B: Traditional society, underdevelopment, facing poverty trap.

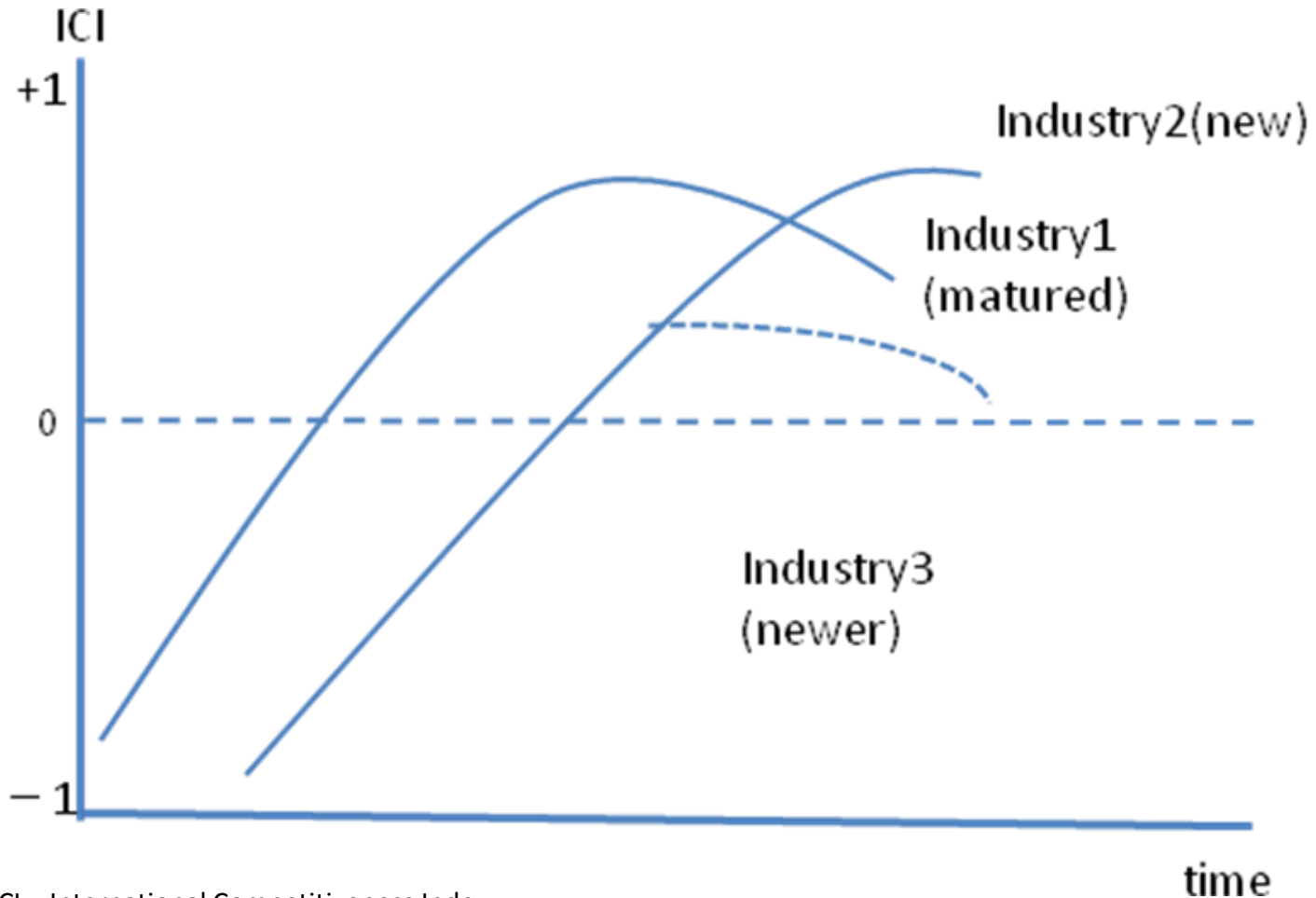
B–C: Initial development stage, escape from poverty trap, initial development of markets. C: Middle-income level.

C–D: Continuing sustained growth to high-income level (D). C–E: Stagnation or low growth—the middle-income trap.

Note: GDP = Gross Domestic Product.

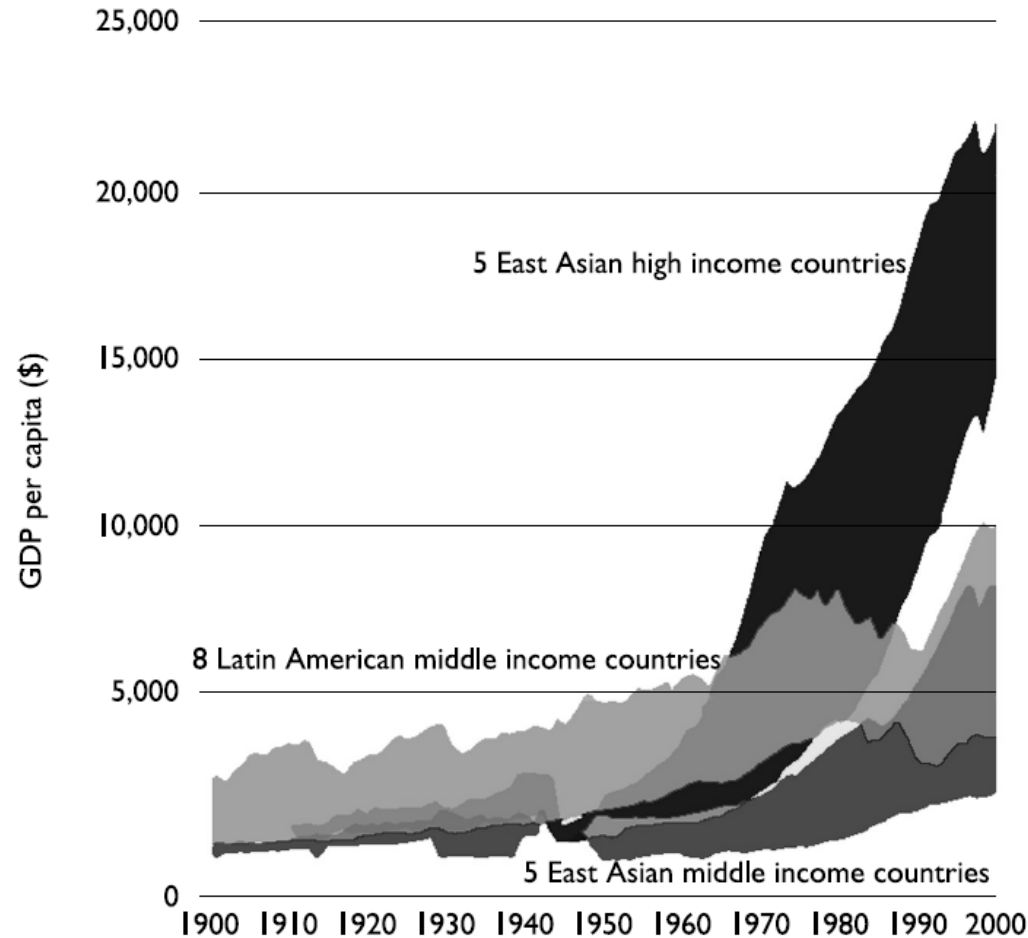
Source: Tran Van Tho (2013)

Figure 2: Pattern of International Competitiveness of a Sustained Growth Economy



Note: ICI = International Competitiveness Index.
Source: Tran Van Tho (2013)

Box 1 : Comparison of GDP/Capita Growth in 8 Latin American and 10 Asian Economies: 1900–2000



Source: Gill and Kharas (2008).

Table 1: ASEAN in transformation

Countries	Population	GDP (Total) *2012 estimate (billion US\$)	GDP (Per capita) *2012 estimate (US\$)
1. Brunei	408,786	17.092	39,355
2. Cambodia	14,952,665	14.204	931
3. Indonesia	237,424,363	946.391	3,816
4. Lao	6,500,000	9.269	1,320
5. Malaysia	28,334,135	340.002	12,243
6. Myanmar	60,280,000	53.14	854
7. Philippines	98,505,000	284.472	2,918
8. Singapore	5,399,200	270.02	50,323
9. Thailand	66,720,153	424.985	6,572
10. Vietnam	90,388,000	138.071	1,527

Table 2: ASEAN 2030

	GDP per Capita in 2010 (US\$, at 2010 market prices)	2030 Target (2030 value as a multiple of 2010 value)	GDP per Capita in 2030 (US\$, at 2010 market prices)	GDP per Capita 2010–2030 Average Yearly Growth (%)
Brunei Darussalam	30,173.2	2.5	75,432.9	4.69
Cambodia	733.5	4.0	2,933.9	7.18
Indonesia	3,023.3	3.5	10,581.6	6.46
Lao PDR	1,035.0	3.5	3,622.6	6.46
Malaysia	8,260.1	3.0	24,780.4	5.65
Myanmar	714.8	4.5	3,216.4	7.81
Philippines	2,013.6	2.5	5,034.0	4.69
Singapore	43,897.6	1.8	79,300.0	3.00
Thailand	4,734.8	3.0	14,204.4	5.65
Viet Nam	1,238.9	3.5	4,336.2	6.46
ASEAN	3,105.2	2.97	9,325.3	5.60

Source: ADBI (2012), *ASEAN 2030 Toward a Borderless Economic Community-Draft Highlights*, Tokyo: Asian Development Bank Institute., p.35.

Table 3: Research and Development Expenditure (% of GDP)

	Malaysia	Thailand	Indonesia	Philippines	Korea
1996	0.22	0.12	...	...	2.42
1997	...	0.10	...	...	2.48
1998	0.40	...	...	...	2.34
1999	...	0.26	...	...	2.25
2000	0.47	0.25	0.07	...	2.30
2001	...	0.26	0.05	...	2.47
2002	0.65	0.24	...	0.15	2.40
2003	...	0.26	...	0.14	2.49
2004	0.60	0.26	...	...	2.68
2005	...	0.23	0.05	0.12	2.79
2006	0.64	0.25	...	...	3.01
2007	...	...	...	...	3.21

Source: World Bank 2011.

Table 4: Number of Patents Granted as Distributed by Year of Patent Grant

	Pre 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Japan	1,612,362	33,223	34,858	35,515	35,348	30,341	36,807	33,354	33,682	35,501	44,814
Taipei, China	171,046	5,371	5,431	5,298	5,938	5,118	6,361	6,128	6,339	6,642	8,238
Korea	156,800	3,538	3,786	3,944	4,428	4,352	5,908	6,295	7,548	8,762	11,671
PRC	18,946	195	289	297	403	402	661	772	1,225	1,655	2,657
Singapore	10,272	296	410	427	449	346	412	393	399	436	603
Hong Kong, China	9,080	237	233	276	312	283	308	338	311	305	429
Malaysia	2,614	39	55	50	80	88	113	158	152	158	202
Philippines	830	12	14	22	21	18	35	20	16	23	37
Thailand	744	24	44	25	18	16	31	11	22	23	46
Indonesia	374	4	7	9	4	10	3	5	5	3	6
Viet Nam	36	0	0	0	1	2	0	0	0	2	2

Source: US Patent and Trademark Office 2011.

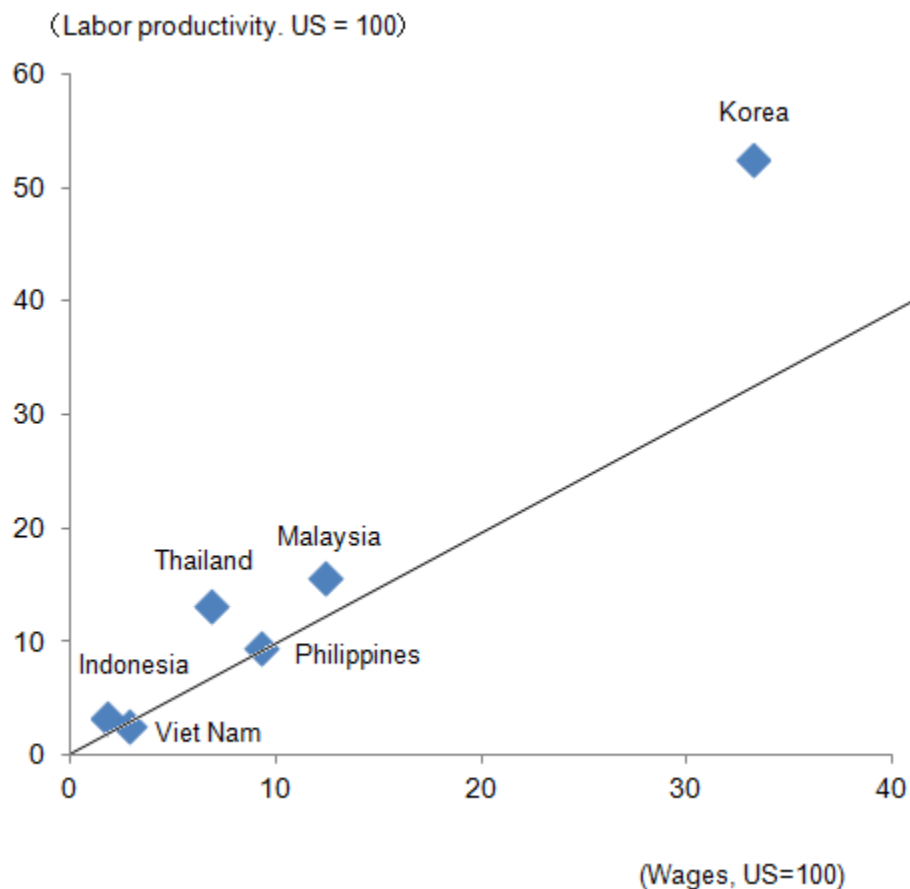
Table 5: Share of Tertiary Graduates in Engineering, Manufacturing, and Construction (in parentheses are shares of graduates in social sciences)

						(%)
	Korea	Malaysia	Thailand	Philippines	Indonesia	
1999	35(21)	...	...	...	...
2000	32(21)	...	...	...	...
2001	32(20)	...	...	...	...
2002	30(19)	...	...	...	...
2003	28(19)	...	...	10(34)	...	
2004	28(19)	23(22)	...	14(33)	...	
2005	29(20)	...	...	...	...
2006	28(20)	24(25)	...	...	...
2007	26(20)	28(31)	...	...	...
2008	25(20)	25(33)	...	...	...
2009	24(20)	...	9(42)	...	16(38)	

Note: Figures are shares in total tertiary graduates.

Source: United Nations Educational, Scientific and Cultural Organization 2011.

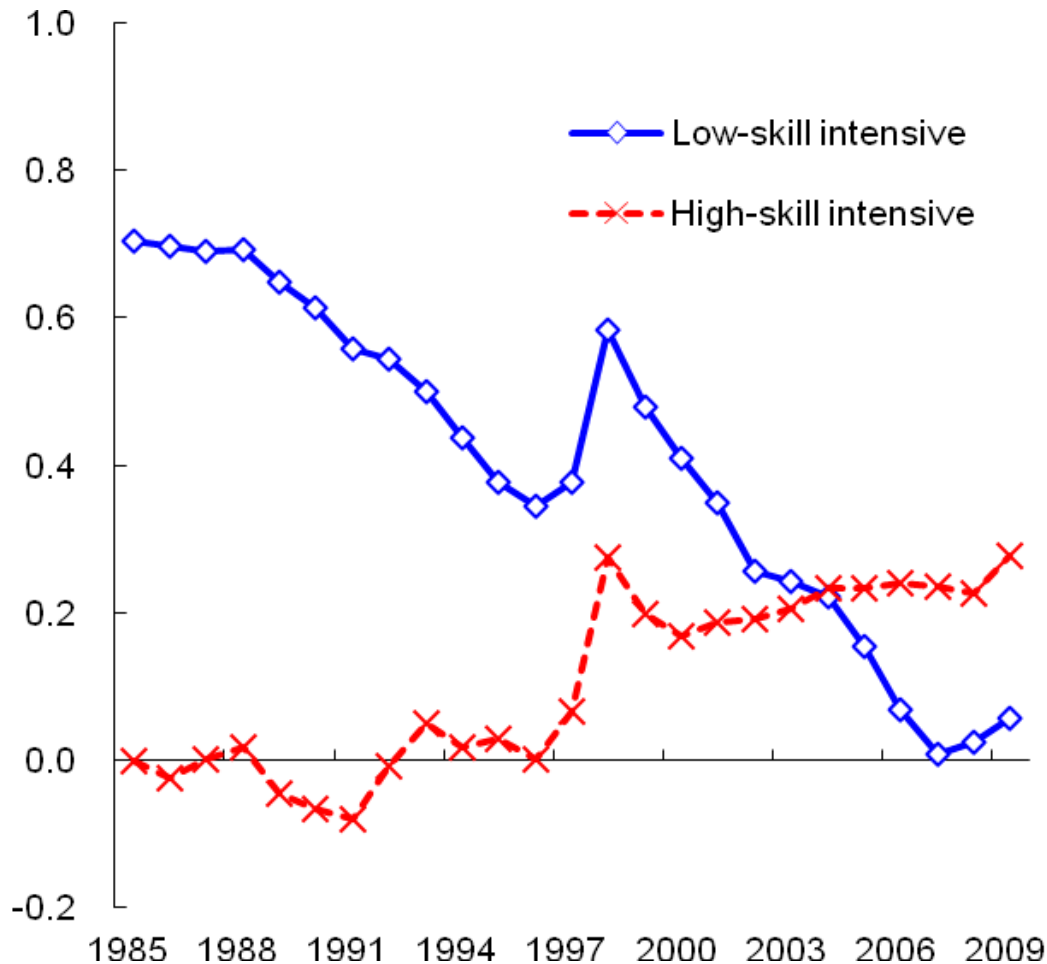
Figure 3: Labor Productivity and Wages in 2000



Note: In both labor productivity and wages, figures of each country are calculated as percentages of the US levels which are shown by the 45° line.

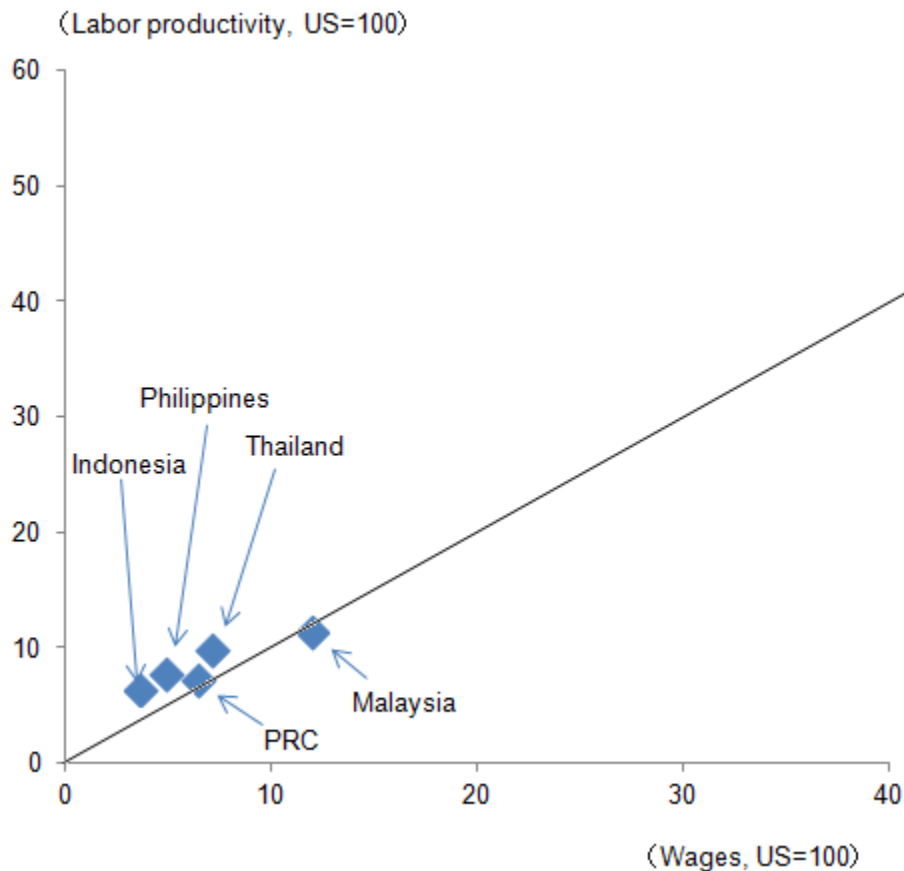
Source: United Nations Conference on Trade and Development (UNCTAD) 2002.

Figure 4: Change in Korea's International Competitiveness Index



Source: Calculated from United Nations, various years.

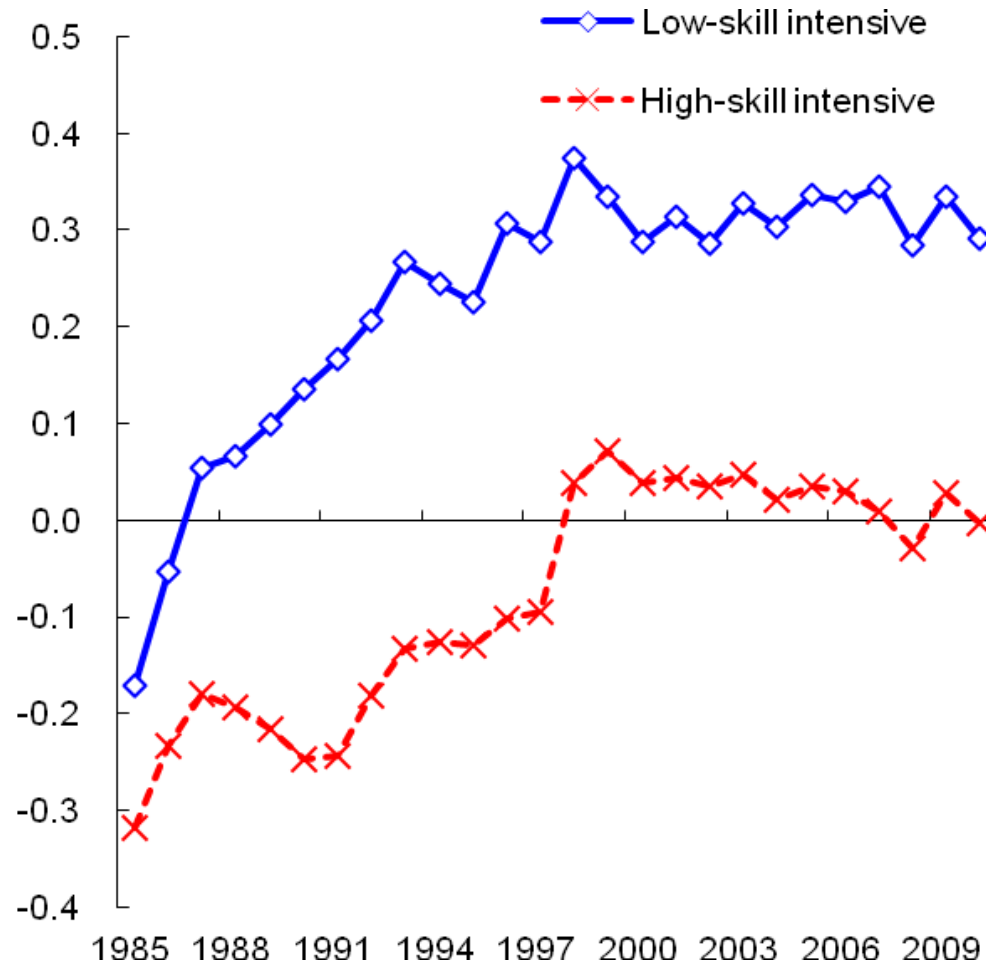
Figure 5: Labor Productivity and Wages in 2006



Note: In both labor productivity and wages, figures of each country are calculated as percentages of the US levels, which are shown by the 45° line.

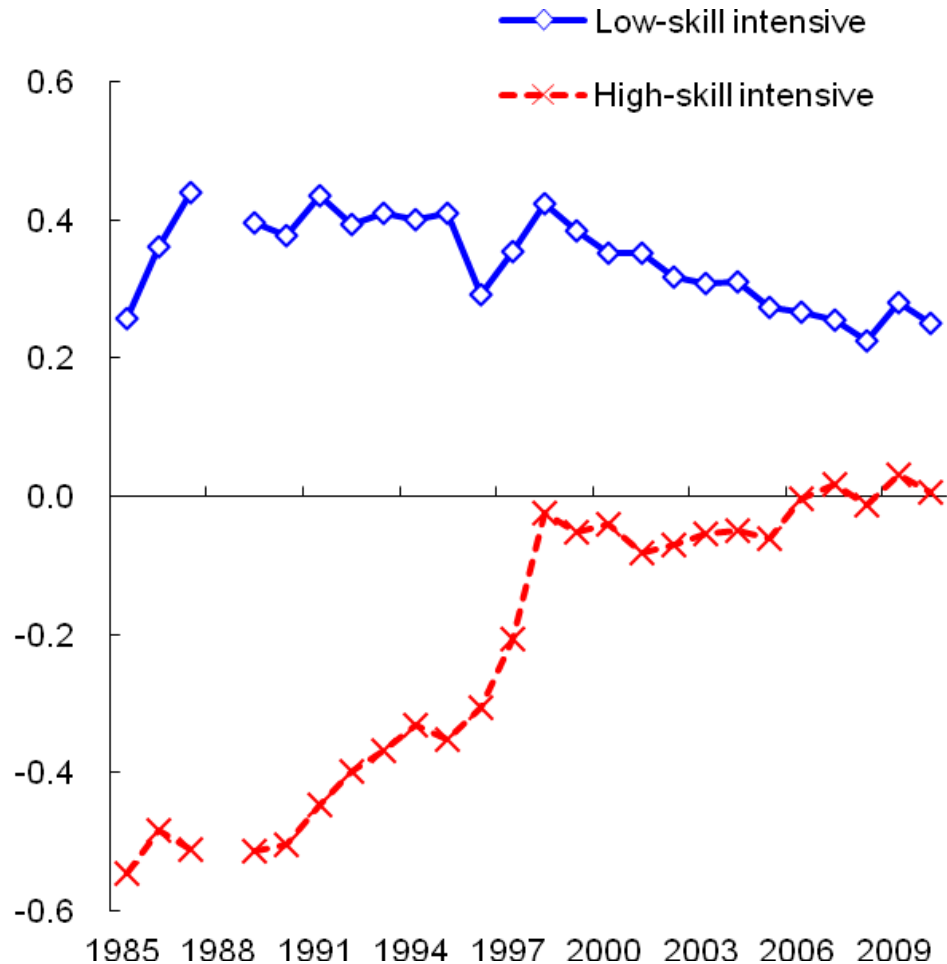
Source: United Nations Conference on Trade and Development (UNCTAD).

Figure 6: International Competitiveness Index of Two Groups of Industries in Malaysia



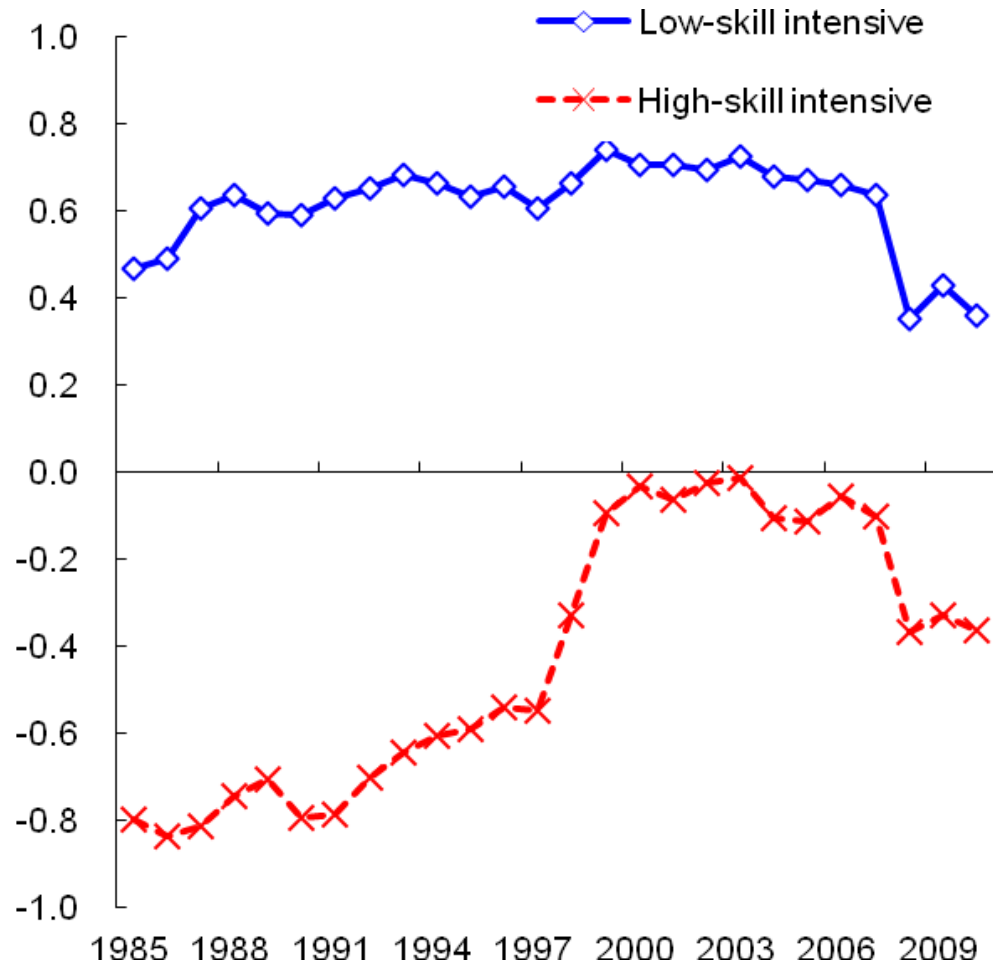
Source: Calculated from United Nations, Comtrad Database, various years.

Figure 7: International Competitiveness Index of Two Groups of Industries in Thailand



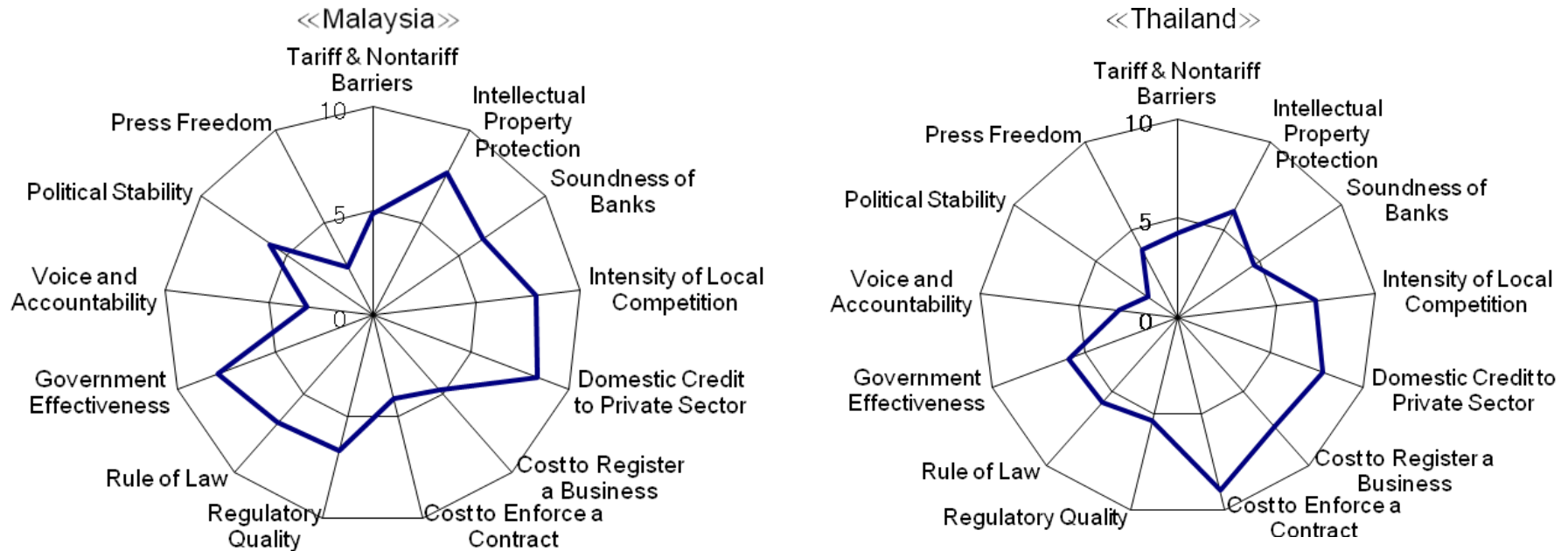
Source: Calculated from United Nations, various years.

Figure 8: International Competitiveness Index of Two Groups of Industries in Indonesia



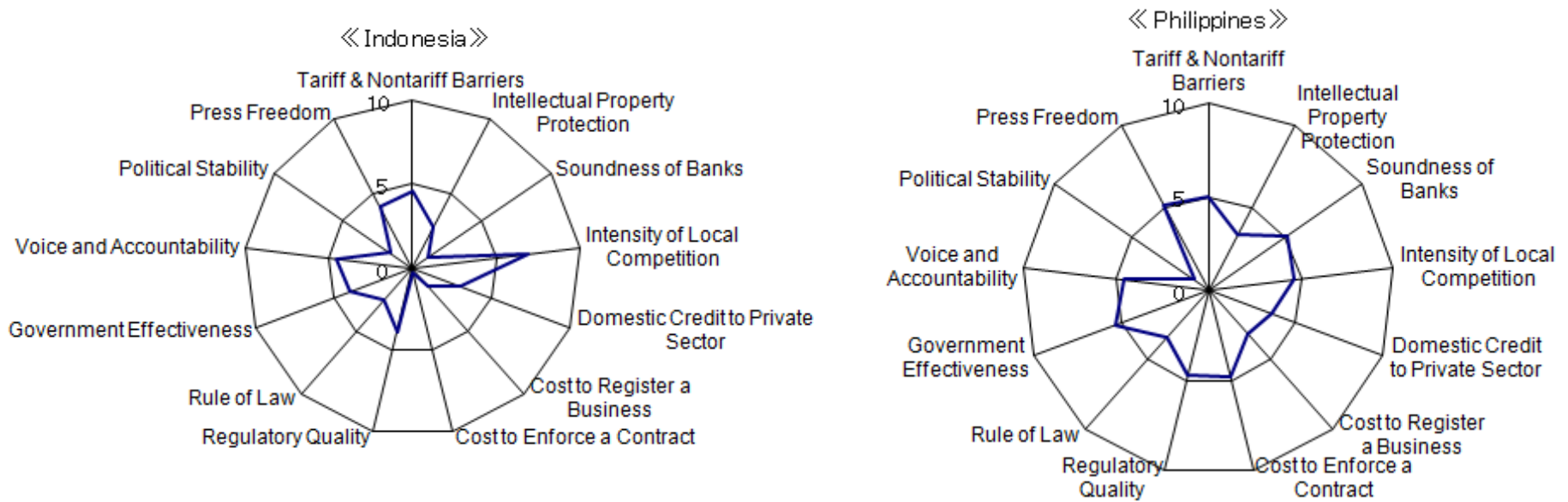
Source: Calculated from United Nations, various years.

Figure 9: Relative Position of Association of South East Asian Nations (ASEAN) on Economic Incentive and Institutional Regime in Malaysia and Thailand



Source: World Bank 2010.

Figure 10: Relative Position of Association of South East Asian Nations (ASEAN) on Economic Incentive and Institutional Regime in Indonesia and Philippines



Source: World Bank 2010.