

**Shifting sands: The real side longer term**

by  
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Economics Department, LSE  
21 October 2008  
Khazanah Megatrends Forum, KL



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**Looking above: Real side to economies too**

1. Over the last 25 years ESE Asia more than doubled share of world GDP; per capita income grew rate 2½X that elsewhere (even with Japan and 1997)
2. Stabilised world economy against downturns
3. Lifted hundreds of millions out of poverty
4. Greater within-Asia trade integration
5. Productivity varied, but not dramatically positive or negative

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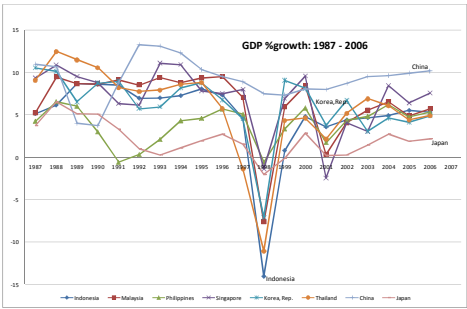
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**1997... and China**



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### World growth and poverty

|                                   | 1981 | 1990 | 1999 | 2005 |
|-----------------------------------|------|------|------|------|
| World GDP, 10 <sup>12</sup> PPP\$ | 26   | 35   | 45   | 56   |
| GDP per capita, PPP\$             | 5876 | 6704 | 7505 | 8662 |
| World's poor, 10 <sup>6</sup>     | 1904 | 1815 | 1695 | 1400 |
| China's poor, 10 <sup>6</sup>     | 835  | 683  | 447  | 208  |
| Remainder, 10 <sup>6</sup>        | 1069 | 1132 | 1248 | 1192 |

Shifting sands: The real side longer term D. Quah 7

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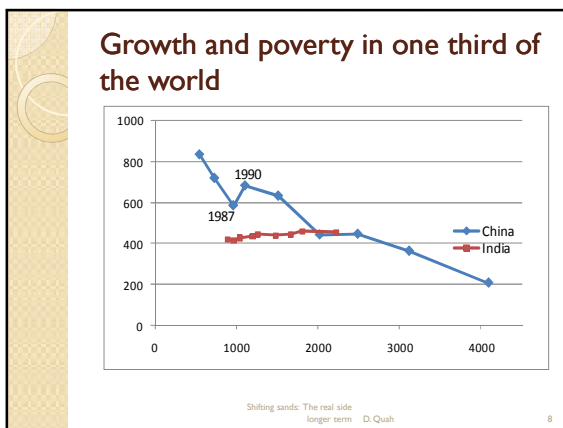
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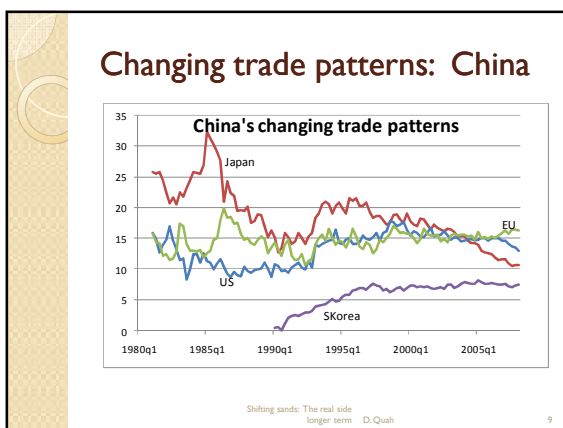
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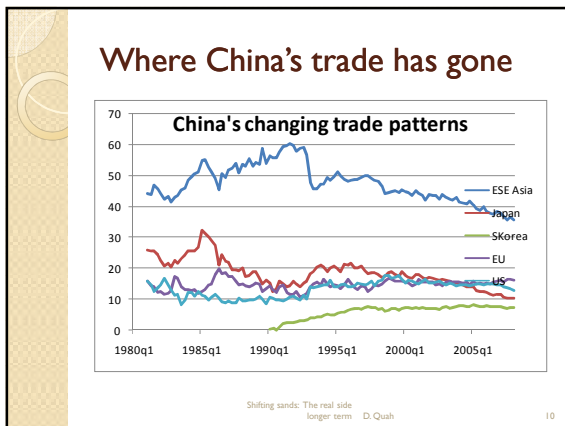
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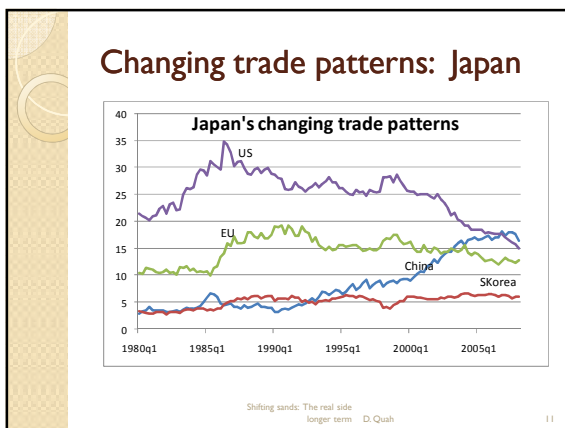
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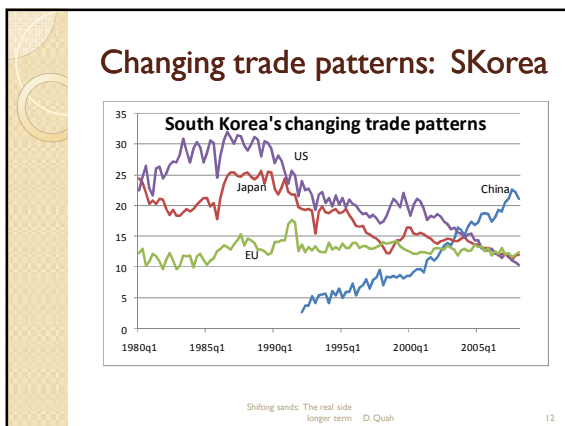
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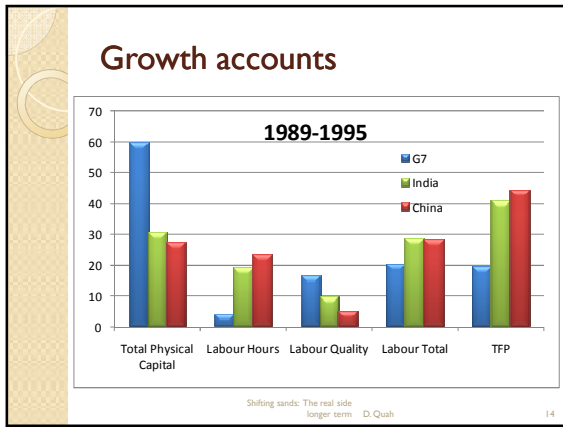
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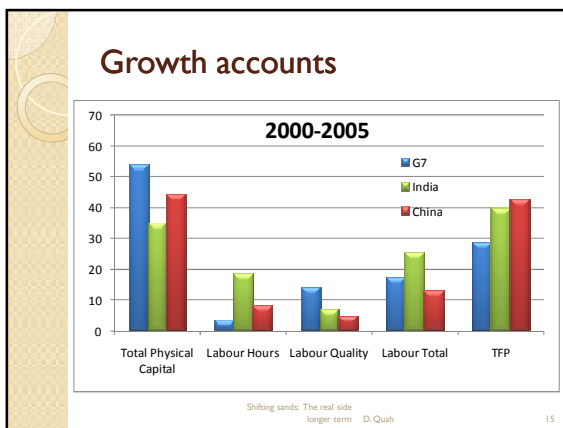
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Shifting sands: The real side longer term D. Quah 20

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