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The Growth Report – Highlights on Asia

- Nine of the 13 countries that have been successful in achieving sustained high growth are from Asia: China, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan (China) and Thailand.
- These nine high-growth countries all share common characteristics: engagement with the global economy, macroeconomic stability, high rates of saving and investment, the market allocation of resources, and credible and capable governments.
- Many of these Asian economies (Hong Kong, Japan, Korea, Singapore, and Taiwan) grew all the way to high-income levels.
- The region seems to be able to anticipate and change its policies on growth, Korea's evolution from labor-intensive manufacturing to a more knowledge-based and capital-intensive economy being one example.
- Asia's saving rates are seen as a strong engine for growth, with many Asian countries having saving rates 20 percentage points higher than Latin American countries, for example.
- High savings rates in Asia are due to macroeconomic stability, fewer dependents to take care of, and more direct measures, such as mandatory saving schemes.
- Foreign Direct Investment and the transfer of knowledge are very successful in Asia, one example being Malaysia, which has attracted multinationals to its three electronics clusters.
- Public investment in infrastructure is also viewed as a hallmark of many Asian economies accounting for 5 to 7 percent of GDP or more.
- Resource mobility is also seen as key, with governments not resisting the market forces that pull people into the urban areas. In Malaysia, agriculture's share of employment fell from 40% in 1975 to 15% in 2000.
- Growth requires committed, credible and capable governments. Reform teams in countries, such as Singapore, Japan and Korea, were able to chart a program for growth.

The report makes a specific recommendation for Asia:

- Establishing a mechanism to coordinate policies of the growing number of influential countries – particularly in Asia - and to safeguard the stability of the global financial system.