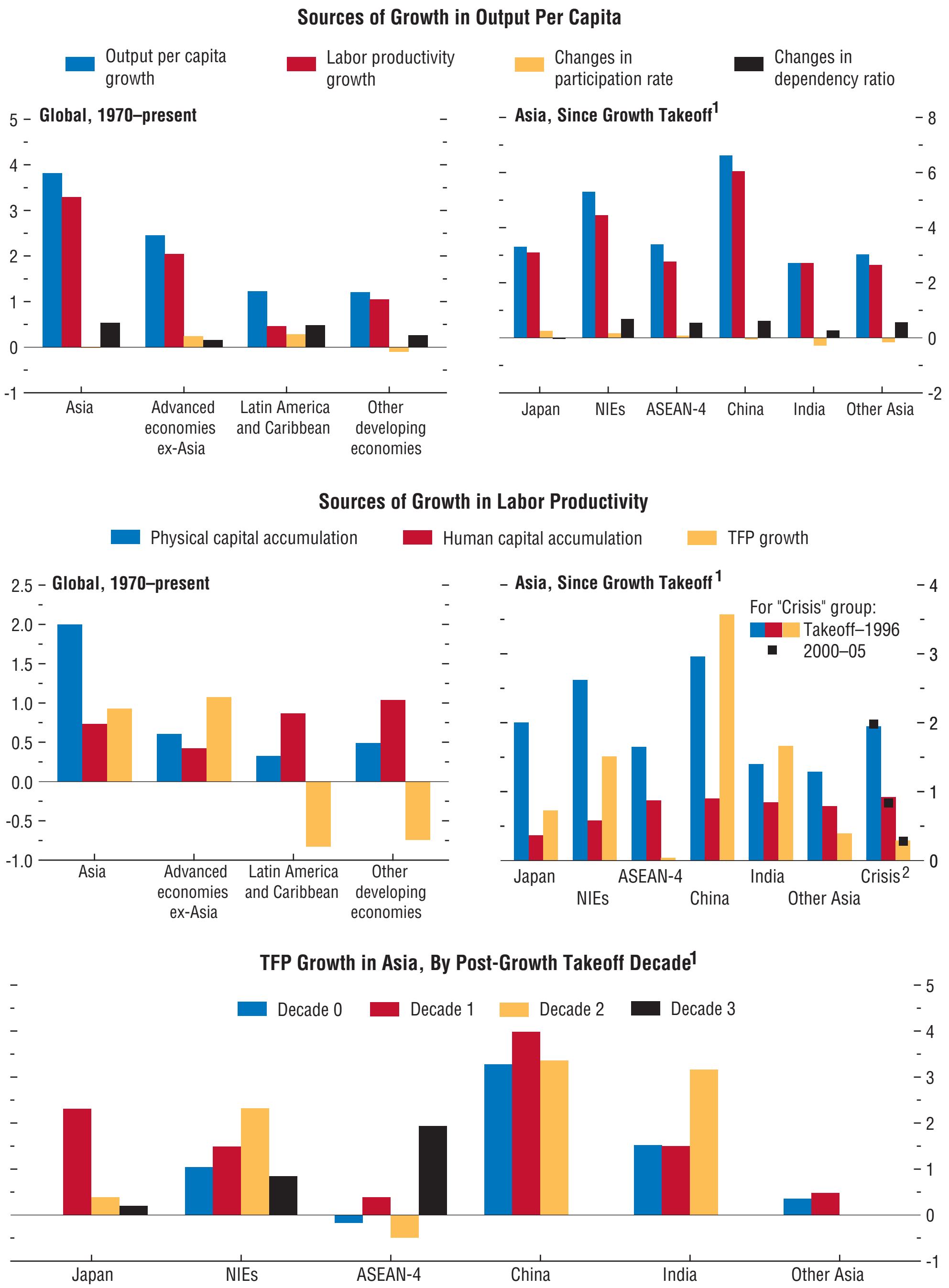
Figure 3.3. Growth Decompositions

(Percentage points, per year)

During 1970–2005, growth differences—both across regions and within Asia—were driven mainly by labor productivity. In particular, physical capital accumulation boosted growth in fast-developing Asian countries by 1.75 to 3 percentage points, much more than observed in other regions. Rising education levels were also important. Total factor productivity (TFP) contributed 0.75 to 2 percentage points to growth in Japan, the newly industrialized economies (NIEs), Thailand, and India.



Source: IMF staff calculations.

[1]The growth takeoff is defined as occurring in 1955 for Japan, 1967 for the newly industrialized economies (NIEs), 1973 for the ASEAN-4 (Indonesia, Malaysia, the Philippines, and Thailand), 1979 for China, 1982 for India, and 1990 for other Asian economies. Each decade corresponds to 10-year periods following the takeoff years stated above.

[2]The crisis countries group consists of Indonesia, Korea, Malaysia, the Philippines, and Thailand.