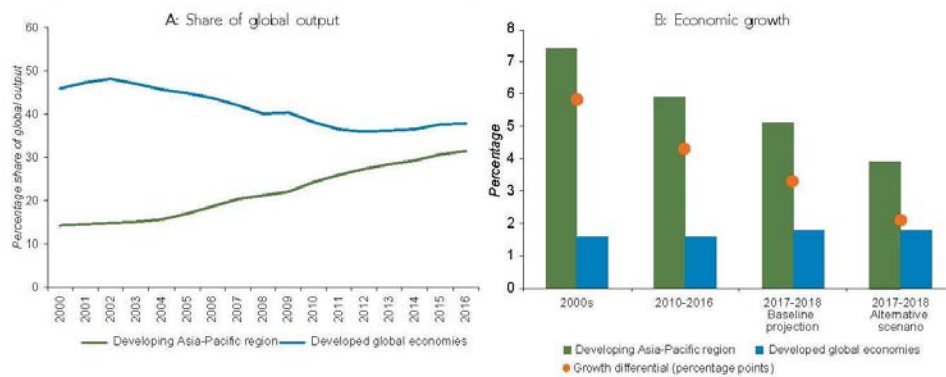


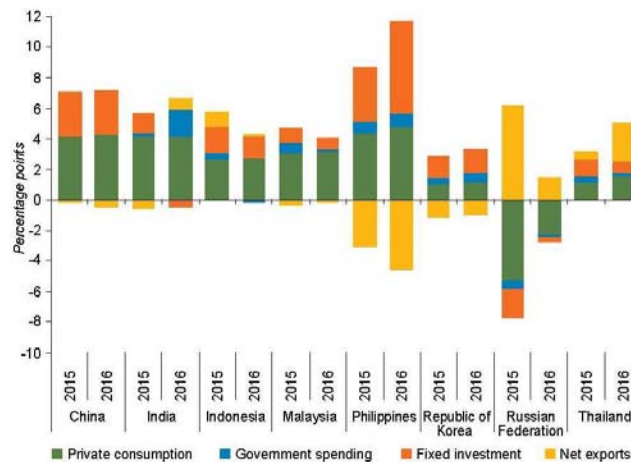
Figure 1.1. Economic growth in Asia-Pacific region and the world



Source: ESCAP, based on table 1.1 and box 1.4 and data from IMF, World Economic Outlook Database. Available from www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx (accessed 1 February 2017).

Note: The term developed global economies refers to Canada, United States and Western Europe.

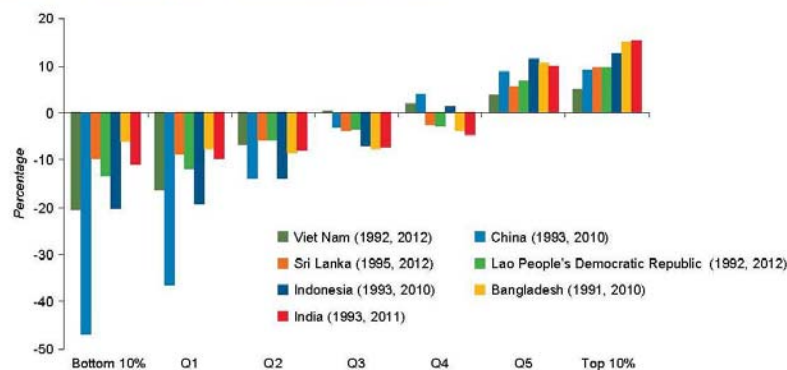
Figure 1.2. Demand-side contributions to economic growth in selected countries



Source: ESCAP, based on data from CEIC.

Note: Total consumption and gross capital formation for China; fiscal year for India (April-March); 2016 data for India includes the first three quarters of fiscal year.

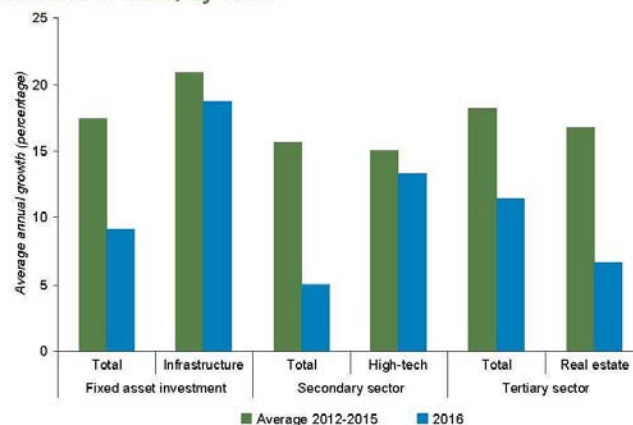
Figure 1.3. Change in consumption share since the 1990s



Source: ESCAP, based on World Bank, World Development Indicators.

Note: "Q" means quintile, with Q5 indicating the top 20 per cent of households in terms of consumption.

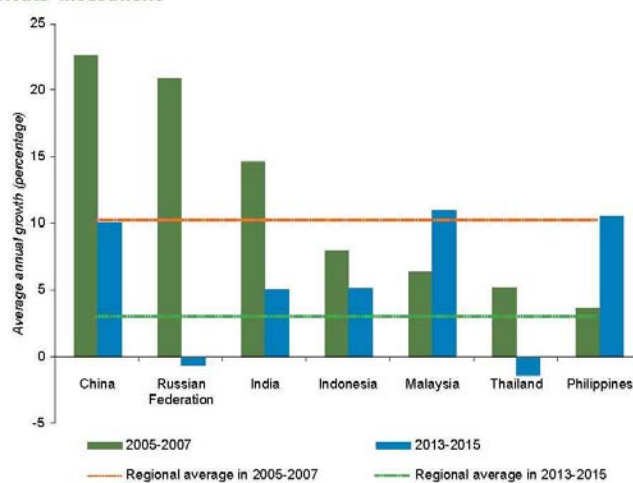
Figure 1.4. Investment in China, by sector



Source: ESCAP, based on data from CIEC and China National Bureau of Statistics.

Note: The data presented is the average annual growth rate in 2012-2015 and 2016. Fixed asset investment (FAI) includes capital spent on infrastructure, property, machinery and other physical assets. High-technology industry is defined as FAI in manufacturing of computers, communications and other electronic equipment.

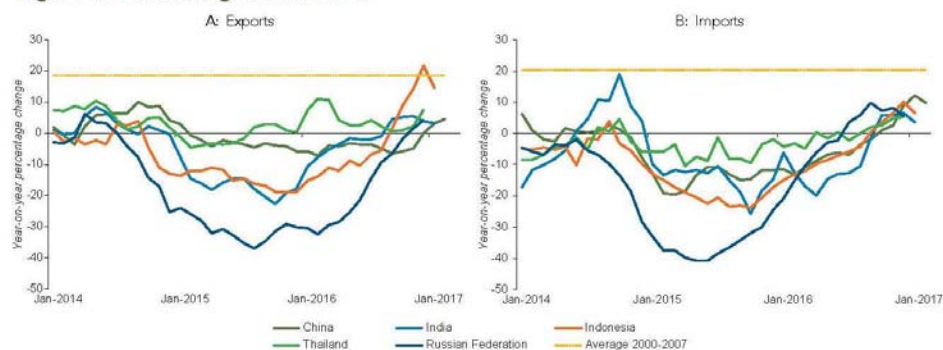
Figure 1.5. Private investment



Source: ESCAP, based on IMF, Investment and Capital Stock Dataset. Available from www.imf.org/external/np/fad/publicinvest/ (accessed 1 February 2017).

Note: The data presented are the average annual growth rate in 2005-2007 and 2013-2015, in constant 2011 international dollars. As shown in the dotted lines, the median value of private investment in 33 regional economies declined from 10.3 per cent in the period 2005-2007 to 3 per cent in the period 2013-2015.

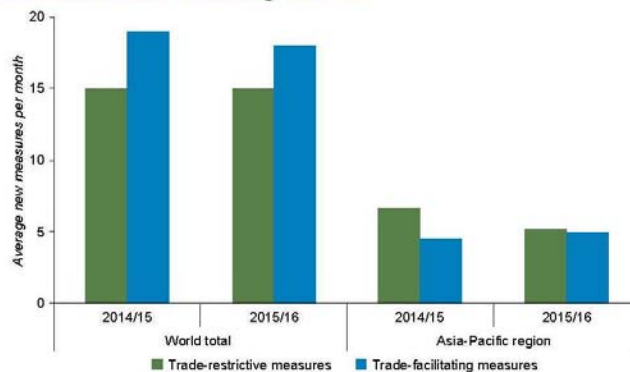
Figure 1.7. Nominal growth in trade



Source: ESCAP, based on data from CEC and ESCAP Statistical Database. Available from www.unescap.org/stat/data (accessed 1 February 2017).

Note: The dotted line indicates average annual growth rate for the period 2000-2007 in China, India, Indonesia, the Russian Federation and Thailand.

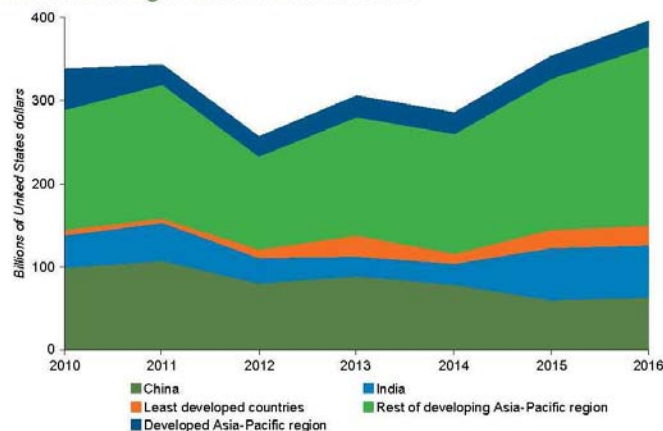
Figure 1.8. Trade-restrictive and facilitating measures



Source: ESCAP, based on data from World Trade Organization, Trade Monitoring Reports, several issues. Available from www.wto.org/english/tpatop_e/tptr_e/trade_monitoring_e.htm; and ESCAP, *Asia-Pacific Trade and Investment Report 2016: Recent Trends and Developments* (Sales No. E.16.II.F.23). Available from www.unescap.org/resources/asia-pacific-trade-and-investment-report-2016-recent-trends-and-developments.

Note: The years 2014/15 and 2015/16 refer to the period from mid-October of one year to mid-October in the next year.

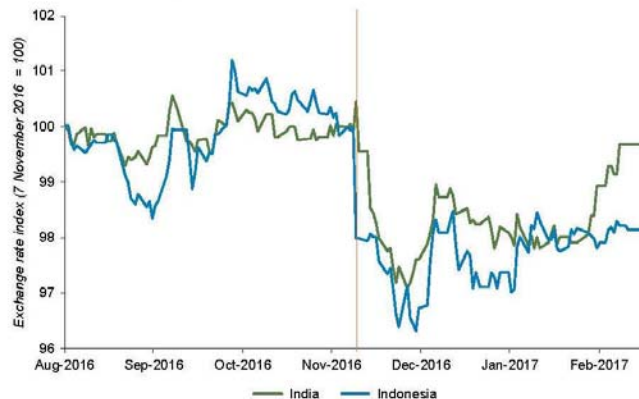
Figure 1.9. Greenfield foreign direct investment inflows



Source: ESCAP, based on data from Financial Times Ltd, fDi Intelligence. Available from www.fdiintelligence.com/

Note: The term developed Asia-Pacific region refers to Australia, Japan and New Zealand.

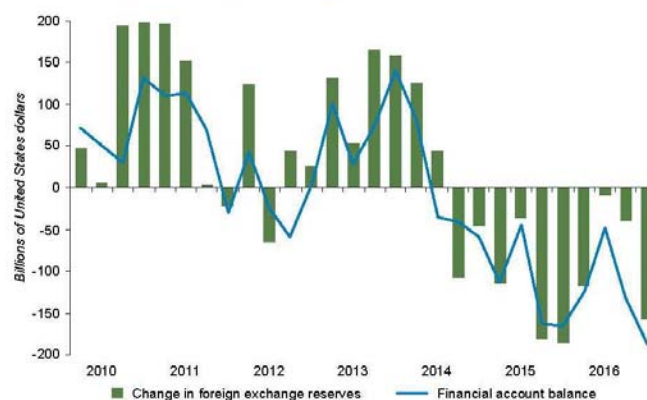
Figure 1.10. Depreciation of regional currencies in the wake of the United States presidential election



Source: ESCAP, based on data from CEC.

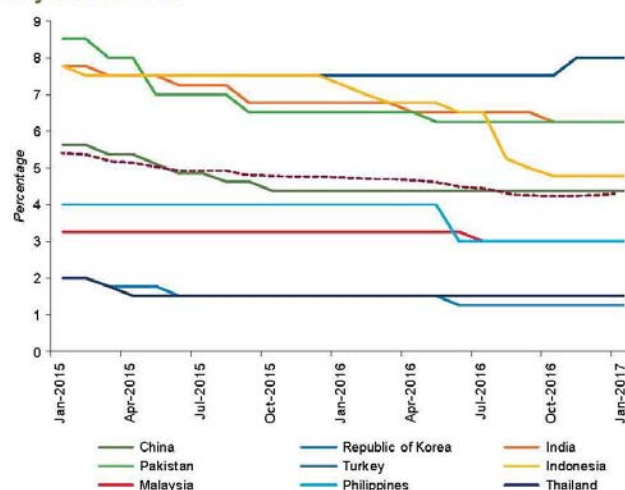
Note: Bilateral exchange rate vis-à-vis the United States dollar.

Figure 1.11. China: Change in foreign exchange reserves and financial account balance



Source: ESCAP, based on data from Bank for International Settlements (2017), *BIS Quarterly Review*, March, Basel, Switzerland.

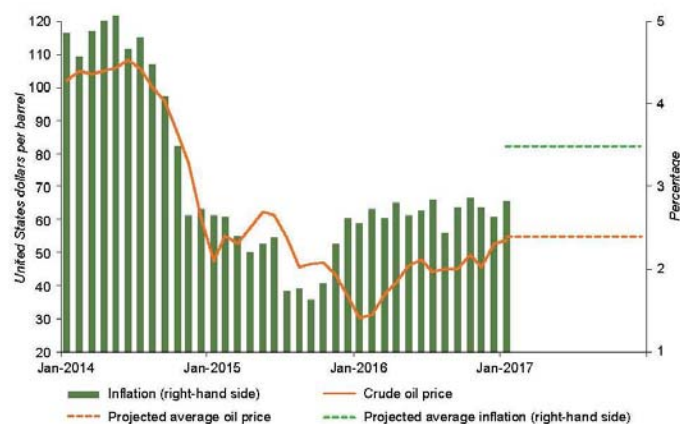
Figure 1.12. Policy interest rates



Source: ESCAP, based on data from CEIC and national central banks.

Note: Mean value of policy rates of these nine economies is shown by the dashed line. China is at the median throughout the period. The marked drop in Indonesia's policy rate in August 2016 was due to the adoption by Bank Indonesia of the seven-day reverse repurchase rate as its new benchmark.

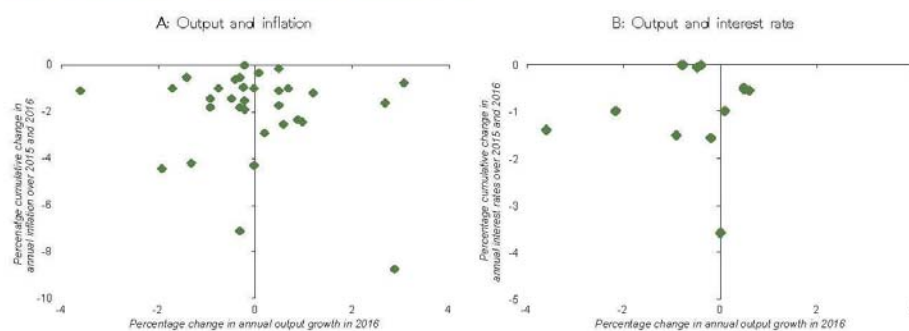
Figure 1.13. Crude oil price and average inflation in selected net commodity importers



Source: ESCAP, based on CEIC and IMF data.

Note: Projected average crude oil price of \$55 per barrel in 2017. Unweighted average inflation in China, India, Pakistan, Philippines and Republic of Korea, with the projection for 2017 based on table 1.2.

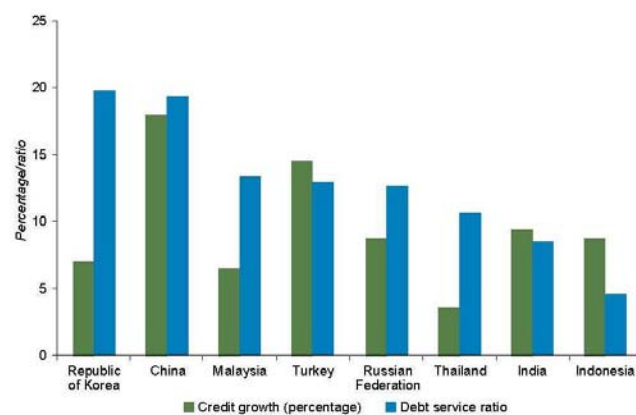
Figure 1.14. Output, inflation and interest rates



Source: ESCAP, based on data from CEIC and table 1.1.

Note: Percentage point differences between real GDP growth in 2015 and 2016. The figure does not show regional economies which underwent cumulative inflation over 2015 and 2016 or policy interest rate increases since January 2015.

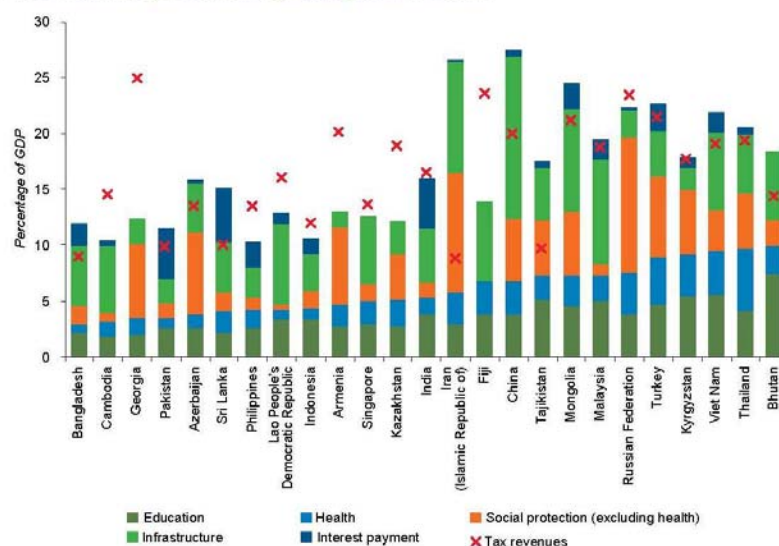
Figure 1.15. Credit growth and debt service ratio



Source: ESCAP, based on data from the Bank for International Settlements and CEIC.

Note: Credit growth refers to domestic credit growth (percentage) as of December 2016. Debt service ratio is for the non-financial private sector.

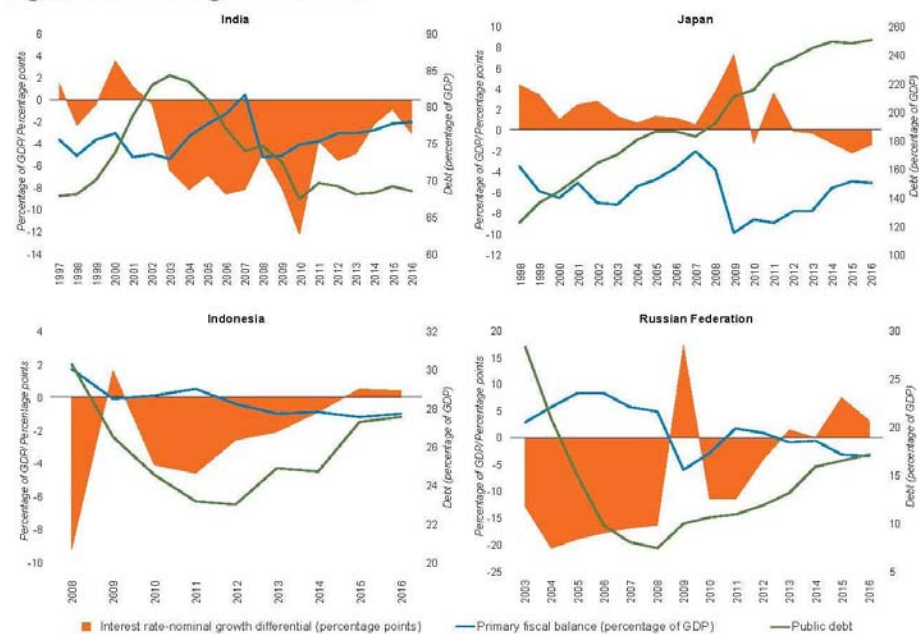
Figure 1.16. General government spending and revenues



Source: ESCAP, based on national sources, International Monetary Fund, Fiscal Monitor database. Available from www.imf.org/external/pubs/ft/fm/2011/02/app/FiscalMonitoring.html (accessed 1 February 2017); World Economic Outlook database. Available from www.imf.org/external/pubs/ft/weo/2016/02/woodata/index.aspx (accessed 1 February 2017); and Investment and Capital Stock Dataset. Available from www.imf.org/external/np/fad/publicinvestment/data/data.xlsx (accessed 1 February 2017); United Nations Educational, Scientific and Cultural Organization, UNESCO Institute for Statistics (UIS) database. Available from <http://uis.unesco.org/> (accessed 1 February 2017); International Labour Organization, Social Protection Platform. Available from www.social-protection.org/gimi/gess/ShowTheme.action?id=10 (accessed 1 February 2017); and World Bank, World Development Indicators database. Available from <http://data.worldbank.org/> (accessed 1 February 2017).

Note: The year 2015 or latest available year for social spending (on education, health and social protection) and tax revenues. Latest three-year average (2012-2015) for public investment and interest payments. Public investment covers social infrastructure (e.g. schools and hospital buildings) as well as economic infrastructure (e.g. roads and railways), thus overlapping somewhat with social spending. Countries are sorted by the sum of education and health spending only. Social protection, excluding health, is considered separately, given that in many countries it consists mostly of social insurance, such as pensions for public sector employees, and offers only limited coverage. While only tax revenues are indicated, some countries have significant non-tax revenues, including from the resources sector. Also in the case of public investment, State-owned enterprises play an important role such that funding is not entirely reliant on government revenues. Tax revenues include social security contributions, which are fairly small in most countries, except in transition economies. Interest payment is on total general government liabilities.

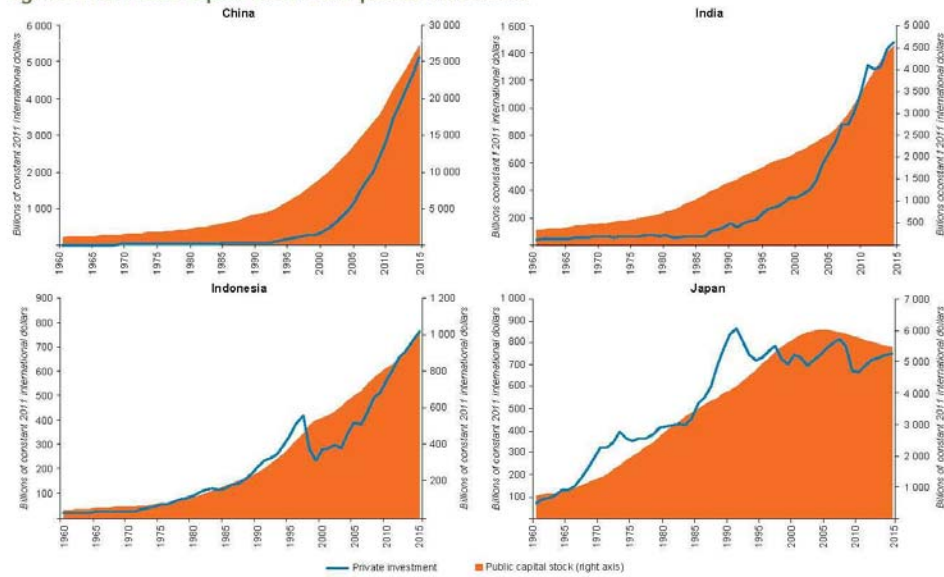
Figure 1.17. General government debt



Source: ESCAP, based on CEIC, IMF and Government of India Economic Survey 2016-17.

Note: Primary fiscal balance is the overall budget balance, excluding interest payments on consolidated government liabilities. The differential is expressed in reverse, that is, r.g. rather than g-r, for easier comparison with primary deficit. Data for 2016 are estimates.

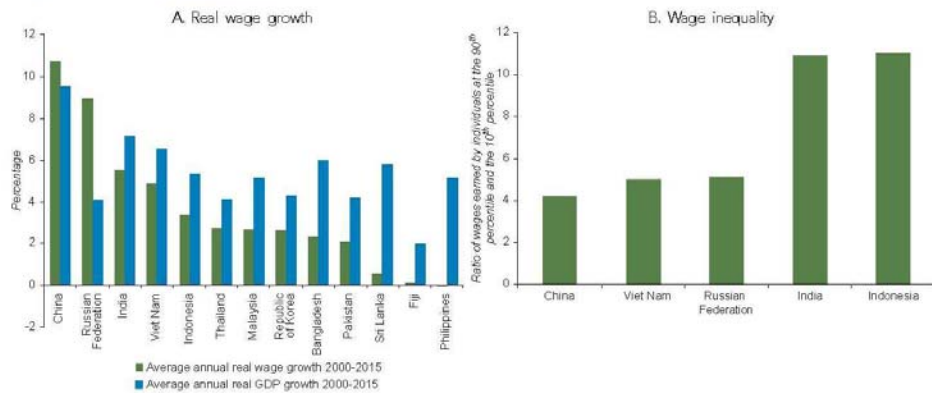
Figure 1.18. Public capital stocks and private investment



Source: ESCAP, based on IMF capital stock and investment dataset.

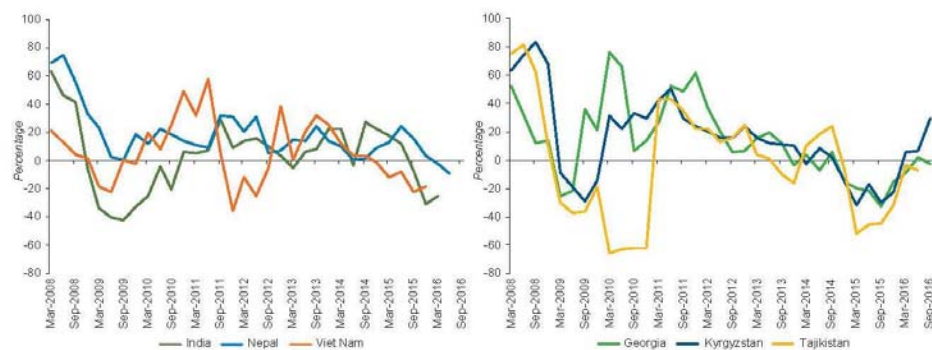
Note: The shaded area shows public capital stock. The line represents private investment flows. Both are estimates from 1960 to 2015.

Figure 1.19. Wage dynamics



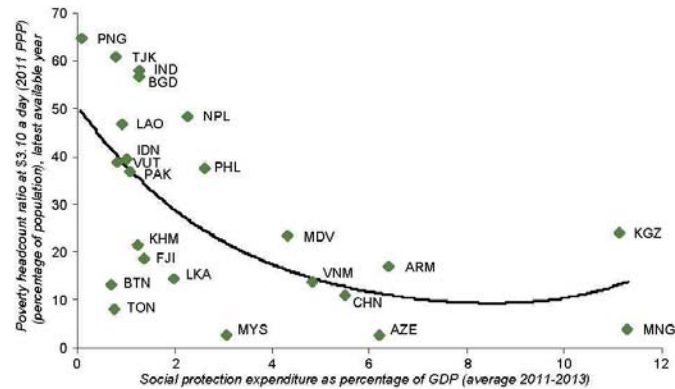
Source: ESCAP based on data from International Labour Organization, ILOSTAT database of labour statistics. Available from www.ilo.org/global/statistics-and-databases/lang-en/index.htm (accessed 1 February 2017); and Global Wage Report 2016/17 data sets. Available from www.ilo.org/global/research/global-reports/global-wage-report/2016/lang-en/index.htm (accessed 1 February 2017).

Figure 1.20. Remittances



Source: ESCAP, based on CIEC data.

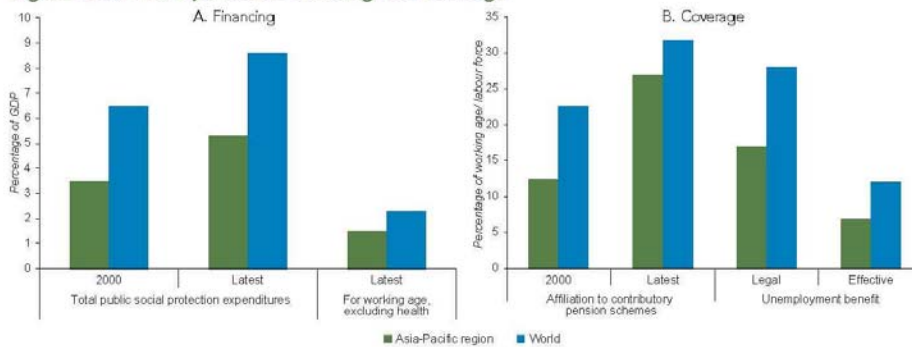
Figure 1.21. Social protection spending and poverty incidence in developing Asia-Pacific economies



Source: ESCAP, based on Asian Development Bank, *The Social Protection Indicator: Assessing Results for Asia* (Manila, 2016), and World Bank, *World Development Indicators*. Available from: <http://data.worldbank.org/data-catalog/world-development-indicators>.

Abbreviations: ARM = Armenia; AZE = Azerbaijan; BGD = Bangladesh; BTN = Bhutan; CHN = China; FJI = Fiji; IDN = India; IND = Indonesia; KGZ = Kyrgyzstan; KHM = Cambodia; LAO = Lao People's Democratic Republic; LKA = Sri Lanka; MDV = Maldives; MNG = Mongolia; MYS = Malaysia; NPL = Nepal; PAK = Pakistan; PHL = Philippines; PNG = Papua New Guinea; TJK = Tajikistan; TON = Tonga; VNM = Viet Nam; and VUT = Vanuatu.

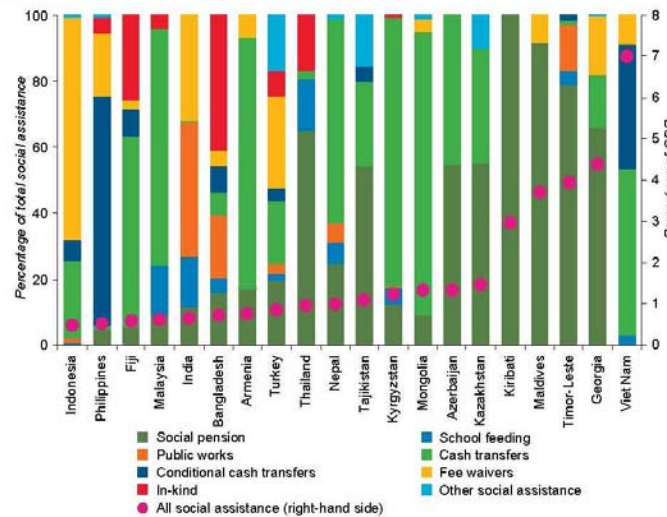
Figure 1.22. Social protection financing and coverage



Source: ESCAP, based on International Labour Organization, Social Protection Platform. Available from www.social-protection.org/gimi/gess/ShowTheme.action?id=10 (accessed 1 February 2017).

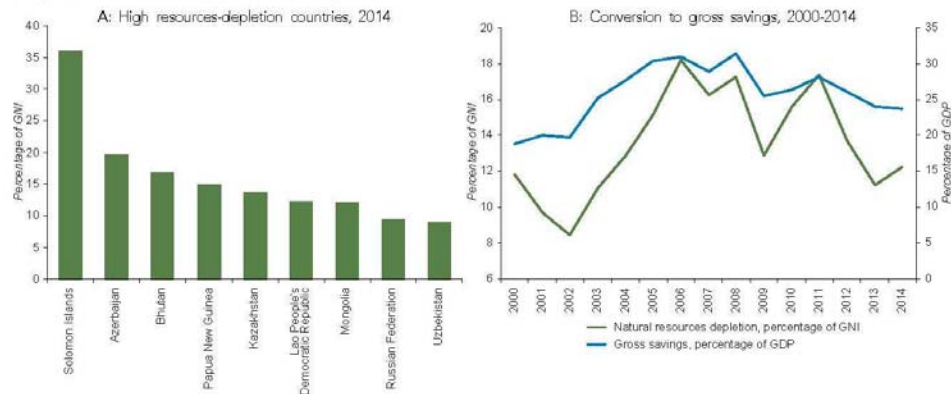
Note: Figure in panel B shows contributory pension schemes coverage as percentage of working age; and unemployment benefits coverage as per cent of labour force.

Figure 1.23. Social assistance spending, by components



Source: ESCAP, based on World Bank, Atlas of Social Protection: Indicators of Resilience and Equity (ASPIRE) database (accessed on 1 February 2017).

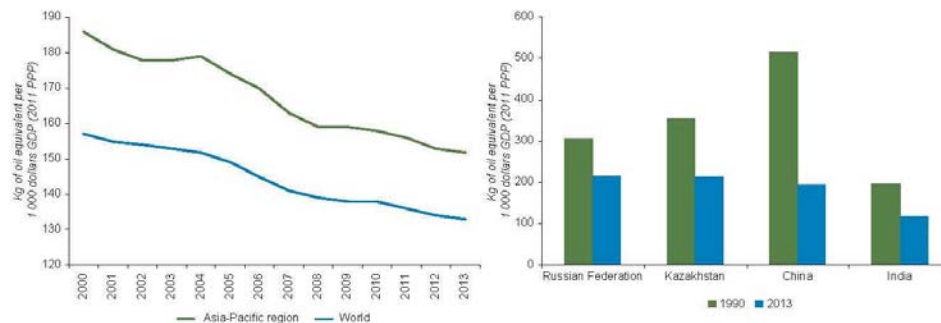
Figure 1.24. Natural resources depletion



Source: ESCAP, based on data from World Bank, World Development Indicators.

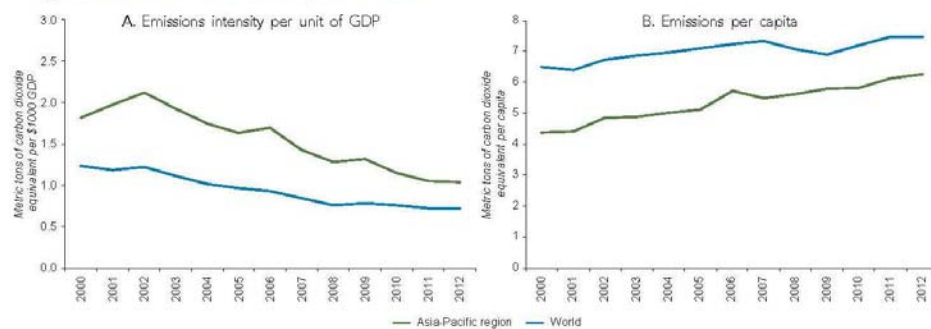
Note: Panel B shows the median value of countries in panel A, excluding Bhutan, Papua New Guinea, Solomon Islands and Uzbekistan, for which full time series data are not available.

Figure 1.25. Energy intensity



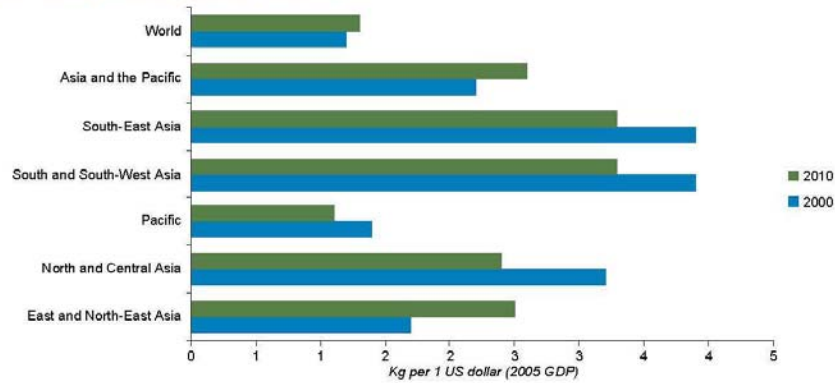
Source: ESCAP, based on the data from International Energy Agency. GDP figures are sourced from World Development Indicators.

Figure 1.26. Carbon emissions, 2000-2012



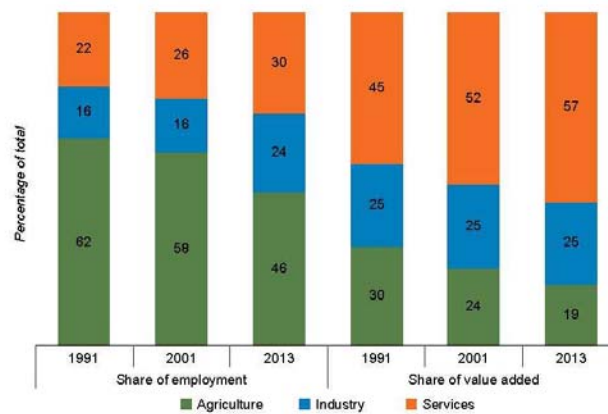
Source: ESCAP statistical database. Available from http://data.unescap.org/escap_stat

Figure 1.27. Domestic material consumption



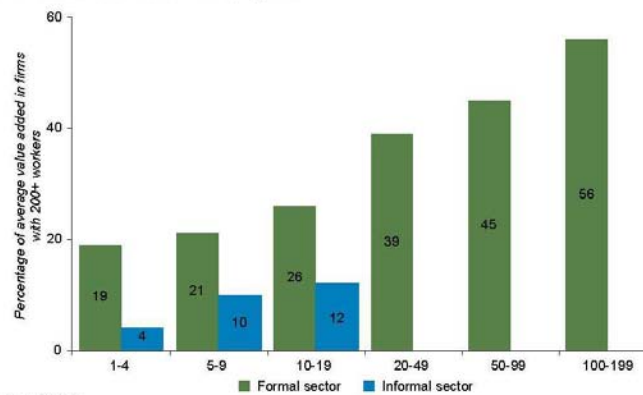
Source: ESCAP statistical database. Available from http://data.unescap.org/escap_stat.

Figure 2.1. Sector shares of employment and value added, South and South-West Asia, 1991-2013



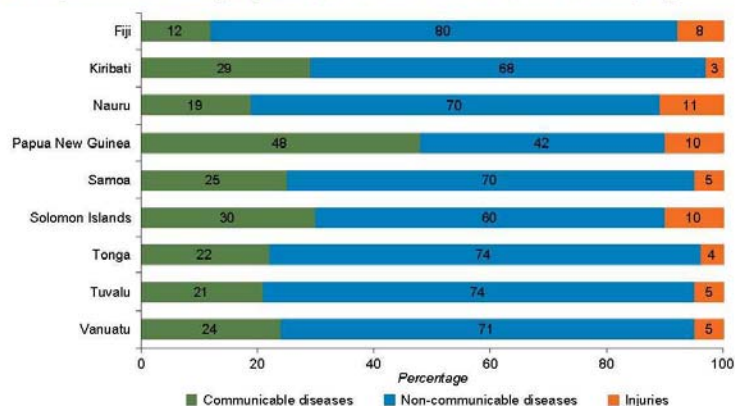
Source: Based on the ESCAP Statistical Database.

Figure 2.2. Mean value added per worker in manufacturing in India as a share of value added per worker in formal firms with 200+ employees



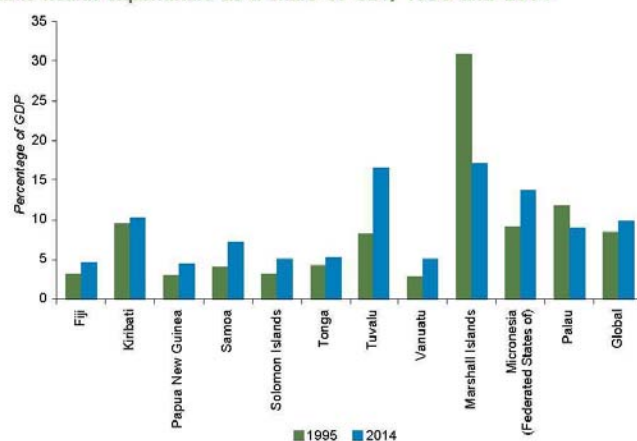
Source: Nayar and others (2012).

Figure 2.3. Proportional mortality, by cause, for selected Pacific island developing economies



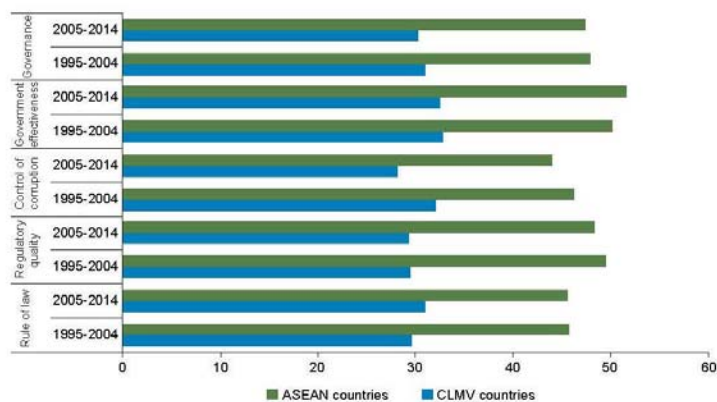
Source: WHO, Noncommunicable diseases country profiles. 2011 and 2014.

Figure 2.4. Public health expenditure as a share of GDP, 1995 and 2014



Source: World Bank, World Development Indicators database. Available from <http://data.worldbank.org/>.

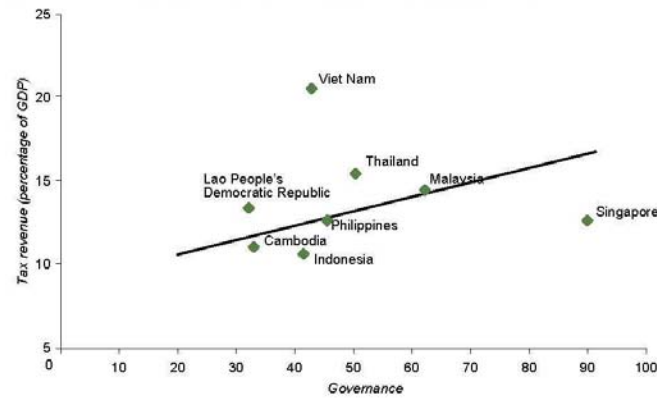
Figure 2.5. Governance indices in the CLMV group and ASEAN group, 1995-2004 and 2005-2014



Source: ESCAP, based on Worldwide Governance Indicators (WGI) from Kaufmann, Kraay and Mastruzzi (2010).

Note: Worldwide Governance Indicators have been rebased to 100. High values of the indices represent a good perception of the institutional quality. The index "governance" is the average of the four indicators.

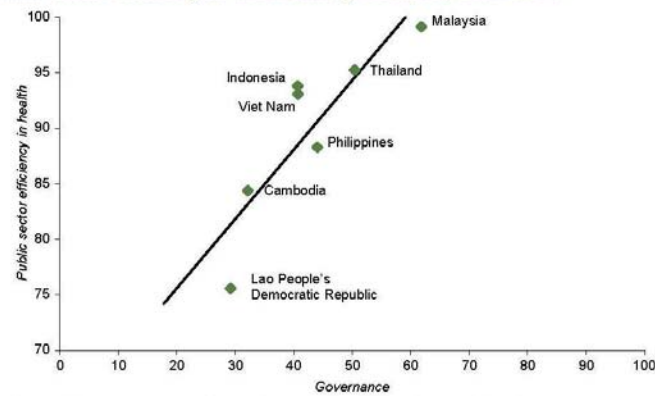
Figure 2.6. Tax revenues and governance in ASEAN countries, 2010-2014



Source: ESCAP, based on Worldwide Governance Indicators from Kaufmann, Kraay and Mastruzzi (2010).

Note: Tax revenue data is the average for 2009-2013 for Viet Nam.

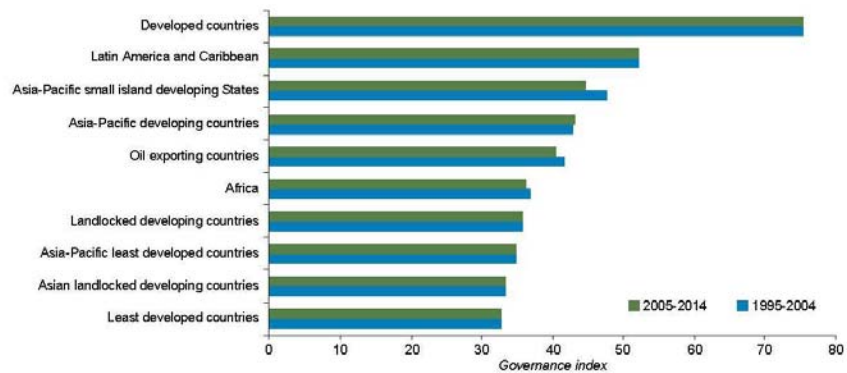
Figure 2.7. Public sector efficiency in health and governance, 2005-2014



Source: ESCAP, based on Worldwide Governance Indicators from Kaufmann, Kraay and Mastruzzi (2010).

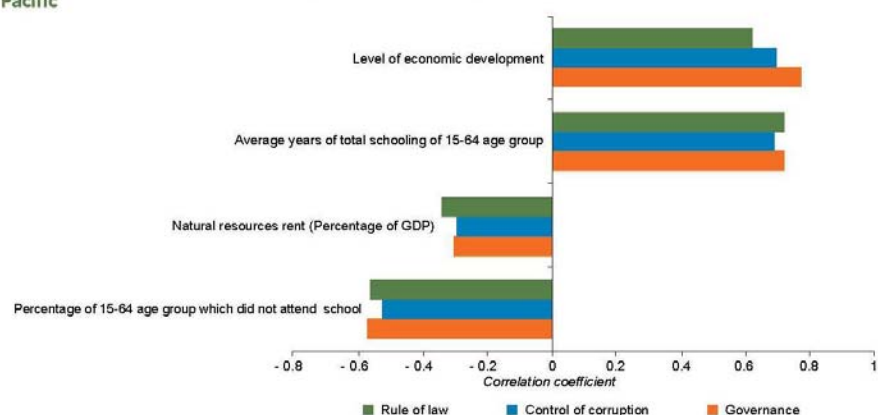
Note: Efficiency scores range between 0 and 100. An efficiency score which is equal to 100 would mean that the country is delivering the development outcomes by efficiently using the available resources.

Figure 3.1. Governance in different regions of the world: perception based index



Source: ESCAP, based on Worldwide Governance Indicators (WGI) from Kaufmann, Kraay and Mastruzzi (2010). WGIs have been rebased to 100. High values of the indices represent a good perception of institutional quality. The index governance is the average of the four WGIs which are analysed in this chapter. Regional indices are based on simple averages.

Figure 3.2. Correlation between governance and potential socioeconomic drivers in Asia and the Pacific



Source: ESCAP, based on data from the World Bank, World Development Indicators (WDI), and the Worldwide Governance Indicators (WGI) from Kaufmann, Kraay and Mastruzzi (2010).

Note: The index governance is the average of the four WGIs which are analysed in this chapter.

Figure 3.3. Domestic credit extended to the private sector and institutional quality in the Asia-Pacific region, 2014

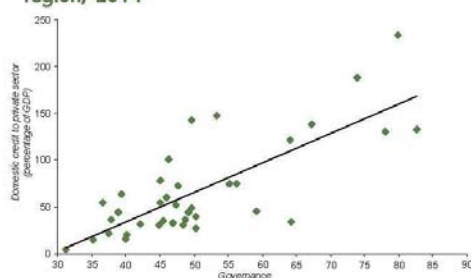


Figure 3.4. Patents granted (by country of origin) and the rule of law, 2014

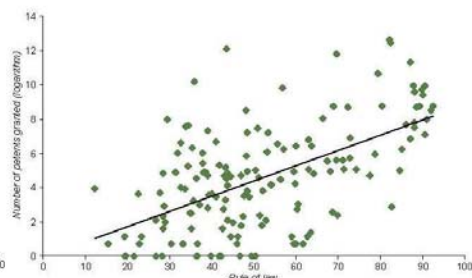


Figure 3.5. Governance and gender inequality index, 2005-2014

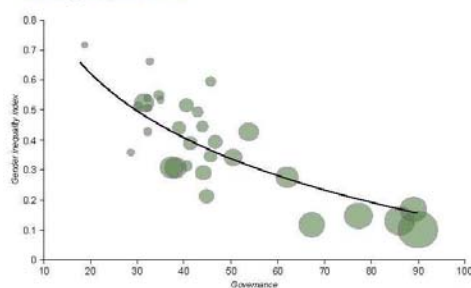
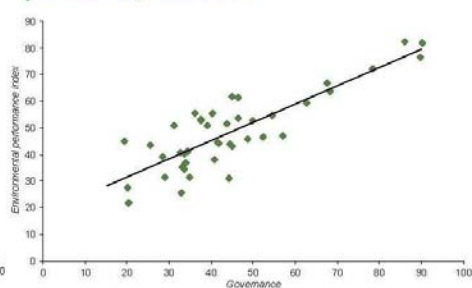


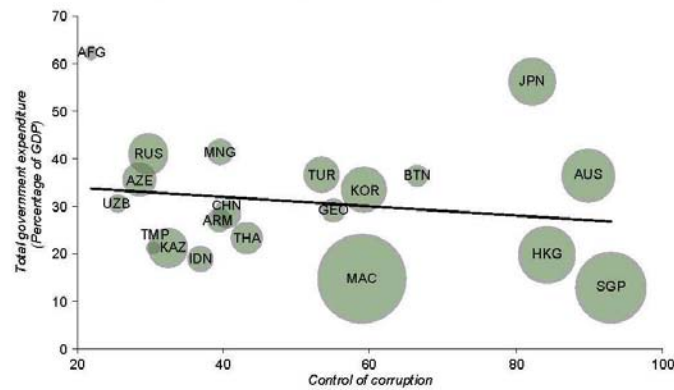
Figure 3.6. Governance quality and environmental performance, 2005-2014



Source: ESCAP, based on data from the World Development Indicators (WDI) database; the Worldwide Governance Indicators (WGI) are from Kaufmann, Kraay and Mastruzzi (2010), the International Monetary Fund Research Department; and A. Hsu and others, *The 2016 Environmental Performance Index* (New Haven, Connecticut, Yale University, 2016). Available from www.epi.yale.edu (accessed on 17 November 2016).

Note: The size of bubbles represents PPP-adjusted per capita GDP at constant 2011 international United States dollars. The environmental performance index, which is compiled by Yale University, ranges between 0 and 100; high levels of this index correspond to lower environmental degradation. High values of the gender inequality index mean that inequality is high between men and women. WGIs have been rebased to 100. High values of the indices represent a good perception of institutional quality. The index governance is the average of the four WGIs that are analysed in this chapter.

Figure 3.7. Control of corruption and total government expenditure in Asia-Pacific countries, 2012

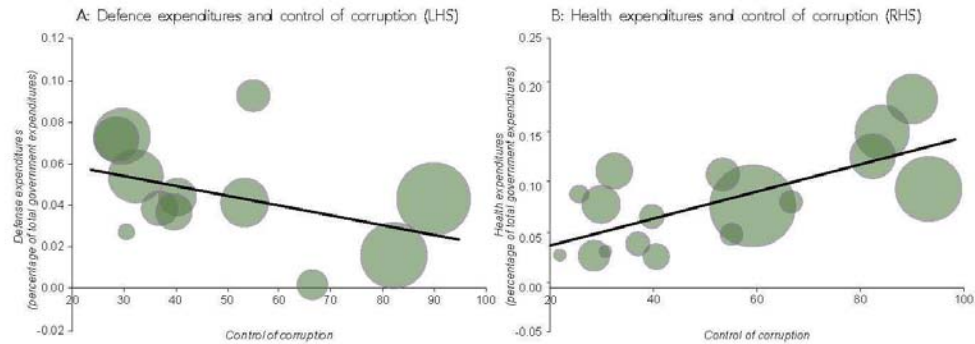


Source: ESCAP, based on data from the World Development Indicators and the Worldwide Governance Indicators databases.

Note: The size of the bubbles represents PPP-adjusted per capita GDP at constant 2011 international United States dollars.

Abbreviations: AFG = Afghanistan; ARM = Armenia; AUS = Australia; AZE = Azerbaijan; BTN = Bhutan; CHN = China; GEO = Georgia; HKG = Hong Kong, China; IDN = Indonesia; KAZ = Kazakhstan; JPN = Japan; KOR = Republic of Korea; MAC = Macao, China; MNG = Mongolia; RUS = Russian Federation; SGP = Singapore; THA = Thailand; TMP = Timor-Leste; TUR = Turkey; and UZB = Uzbekistan.

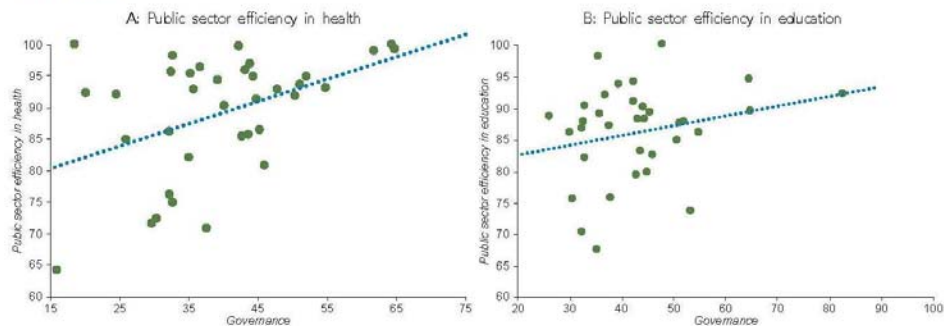
Figure 3.8. Defence expenditures, health expenditures (in percentage of total government expenditures) and control of corruption in Asia-Pacific countries



Source: ESCAP, based on data from the World Development Indicators and Worldwide Governance Indicators databases, and the IMF Government Statistics database.

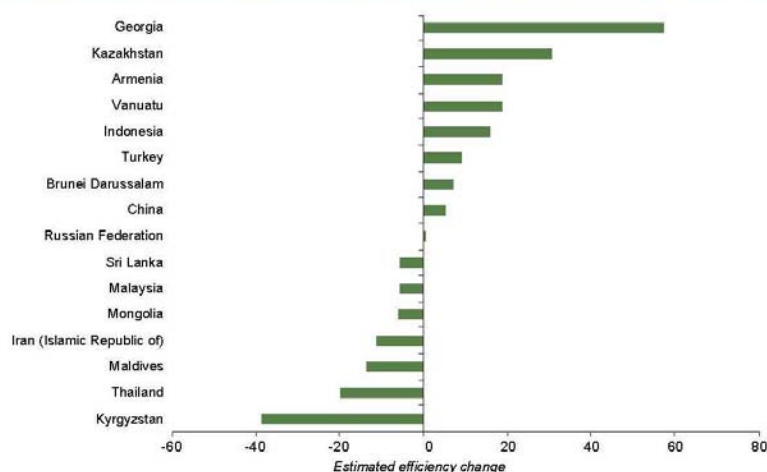
Note: The size of bubbles represents PPP-adjusted per capita GDP at constant 2011 international United States dollars. The abbreviations LHS and RHS mean left-hand side and right-hand side respectively.

Figure 3.9. Correlation between public sector efficiency in health and education and governance, 1995-2014



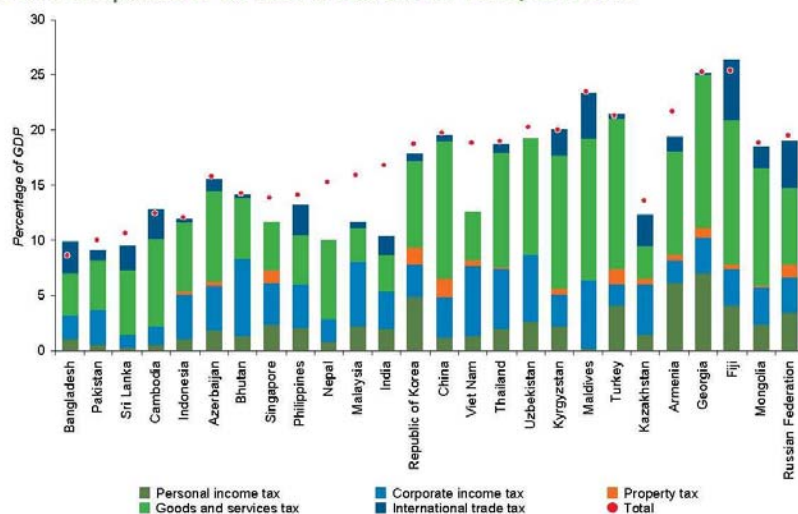
Source: ESCAP based on data from various data sources (for details, see appendix 2 in annex).

Figure 3.10. Average impact of governance change on efficiency change in health between 2005 and 2014 in selected Asia-Pacific economies (in percentage of total change in efficiency)



Source: ESCAP analyses based on various data sources and econometric analyses (for details, see appendix 3 in annex).

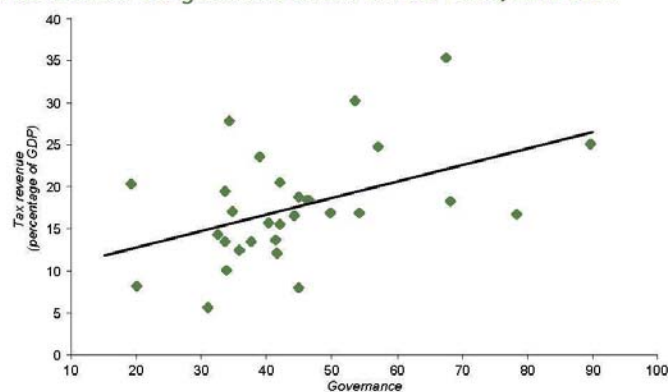
Figure 3.11. Composition of tax ratios in Asia and the Pacific, 2013-2015



Source: ESCAP, based on IMF Government Finance Statistics and World Bank World Development Indicators databases and CEIC Data.

Note: For change in direct/indirect tax ratio, earliest and latest years vary significantly by country. Discrepancies can be explained by the usage of different data sources.

Figure 3.12. Tax revenues and governance in Asia and the Pacific, 2010-2014



Source: ESCAP, based on data from the World Development Indicators and the Worldwide Governance Indicators databases.

Figure 3.13. Analytical framework of improving governance for better fiscal management

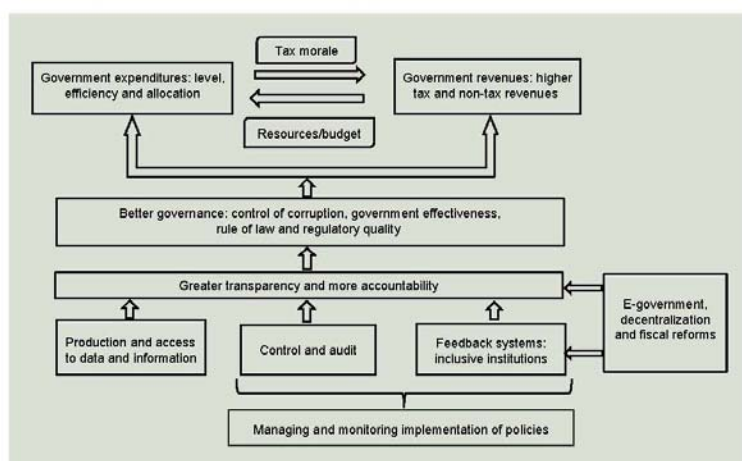
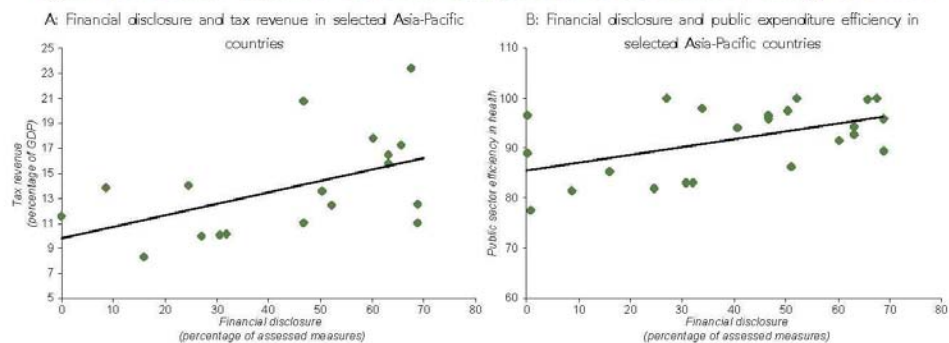
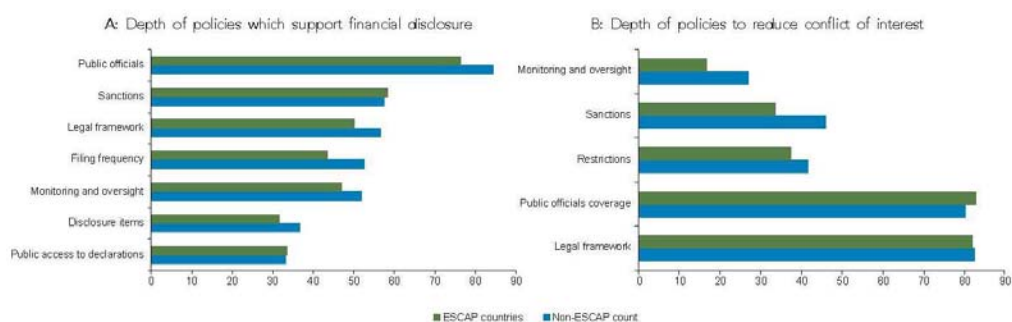


Figure 3.14. Financial disclosure, tax revenue and government expenditure efficiency, 2010-2014



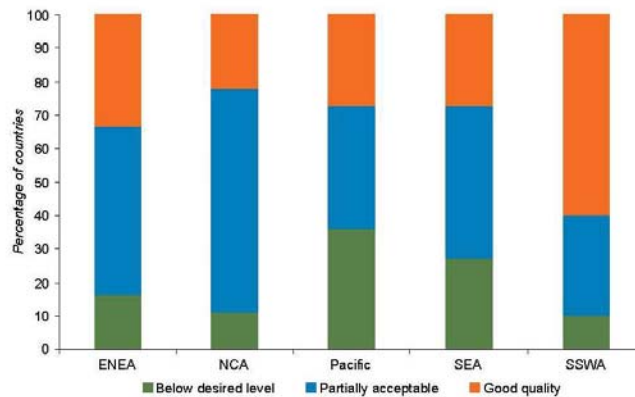
Source: ESCAP, based on data on financial disclosure from the Public Accountability Mechanisms Initiative of the World Bank Governance and Public Sector Group (available from <http://data.worldbank.org/data-catalog/public-accountability-mechanisms>); and data from the World Development Indicators database.

Figure 3.15. Depth of policies related to financial disclosure and conflicts of interest



Source: ESCAP, based on data on financial disclosure (2012) and conflict of interest (2012) from the Public Accountability Mechanisms Initiative of the World Bank (<http://data.worldbank.org/data-catalog/public-accountability-mechanisms>). Details on the content of each item are available in appendix 6 in the annex.

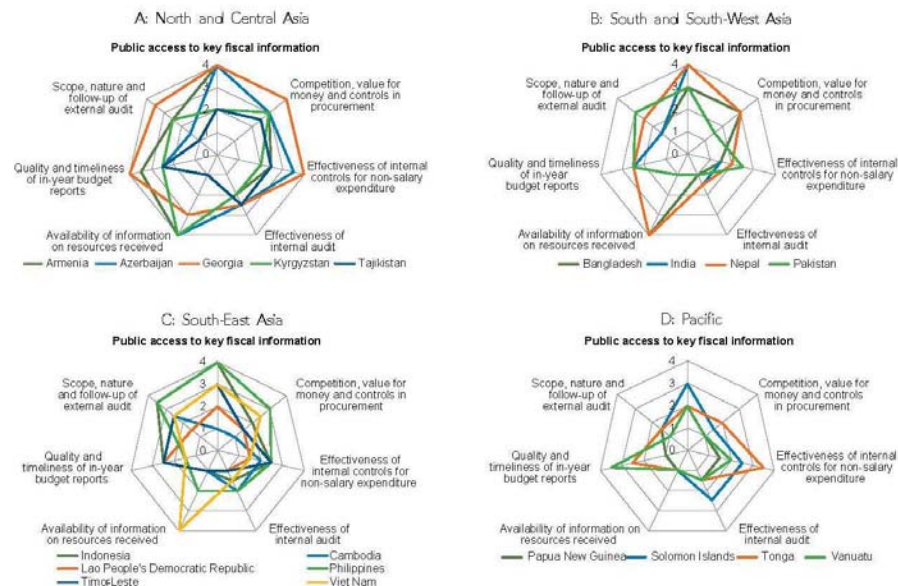
Figure 3.16. Status of the quality of published government financial data in developing countries in Asia and the Pacific



Source: ESCAP, based on data from the FMS and Open Budget Data Global Dataset (version 2.3, 2 January 2017).

Abbreviations: ENEA = East and North-East Asia; NCA = North and Central Asia; SEA = South-East Asia; and SSWA = South and South-West Asia.

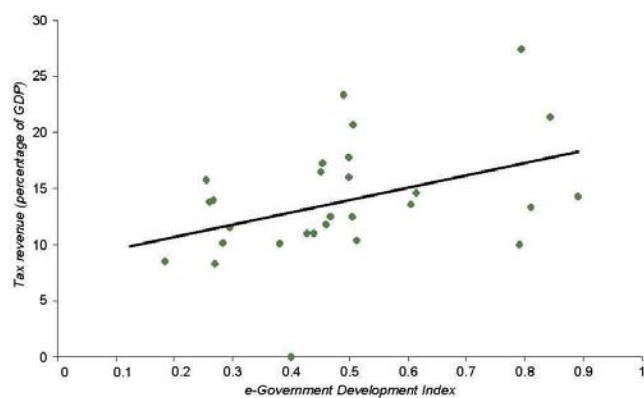
Figure 3.17. Summary of the assessment of specific areas of the public expenditure framework in selected Asia-Pacific countries



Source: ESCAP, based on data from the Public Expenditure and Financial Accountability database (2011 and 2016 editions).

Note: On interpreting the figures, being further out on the radian is better than being closer to the middle.

Figure 3.18. Tax revenue and level of implementation of e-government in Asia-Pacific countries, 2005-2014



Source: ESCAP, based on data from the World Development Indicators database and the United Nations E-Government Survey database. Available from <https://publicadministration.un.org/egovkb/en-us/Data-Center> (accessed on 30 January 2017).

Note: Technical note on the index available from <https://publicadministration.un.org/egovkb/Portals/egovkb/Documents/un/2016-Survey/Annexes.pdf> (accessed on 30 January 2017).