

# The Transition from High Growth to Stable Growth: Japan's Experience and Implications for Emerging Economies

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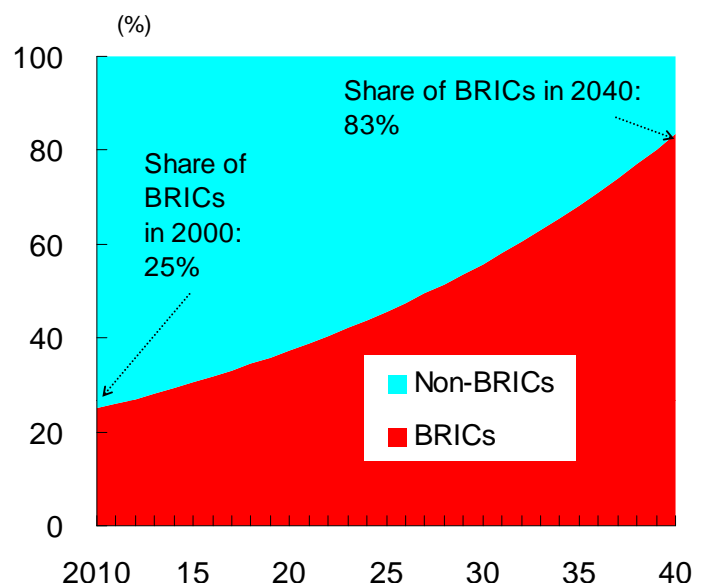
Slide 1

## Contribution of BRICs to the World Economy

Average Growth Rate in the 2000s

	Average Growth between 2000-09
World	<b>+3.6%</b>
BRICs	<b>+7.9%</b>
Non-BRICs	<b>+2.1%</b>

GDP Share Extrapolated with  
 Average Growth Rate in the 2000s



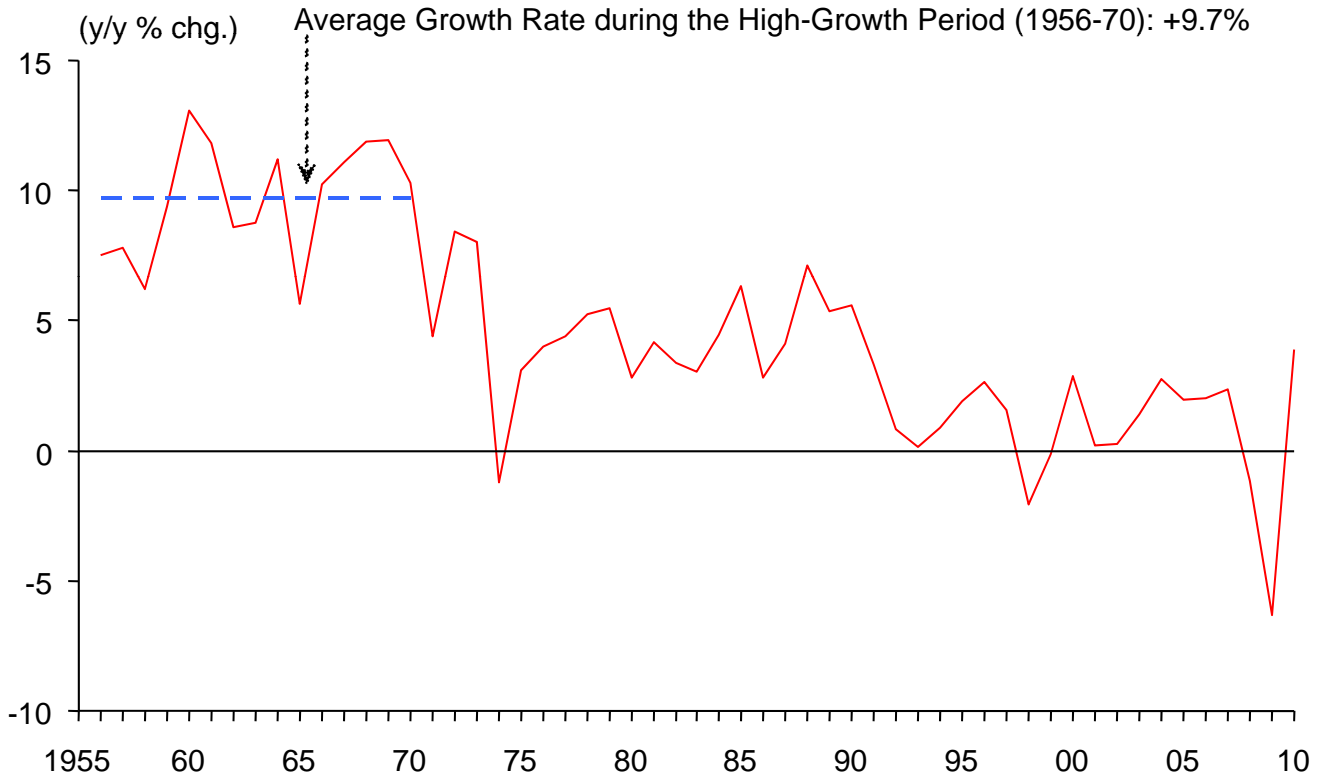
Note: 1. BRICs includes Brazil, Russia, India, and China.

2. Average growth rate is calculated as the PPP-based weighted average of each country's real GDP growth rate.

3. In the right figure, the GDP share of BRICs after 2011 is extrapolated with the average growth rates of World and BRICs in the 2000s.

Source: International Monetary Fund, *World Economic Outlook*

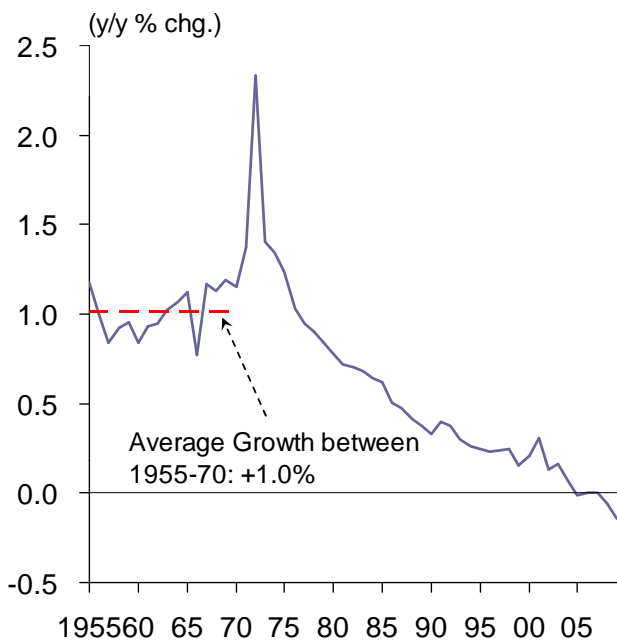
## Japan's Real GDP Growth since the High-Growth Period



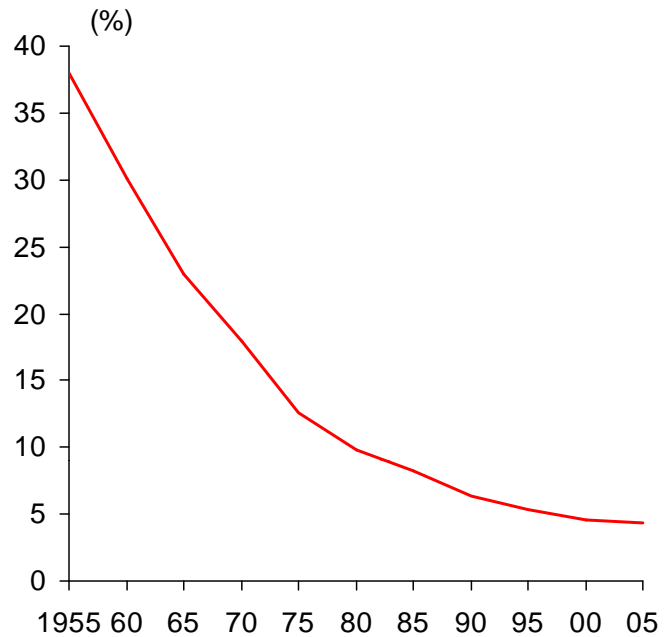
Source: Cabinet Office, *National Accounts*

## Japan's Demographics

Population Growth

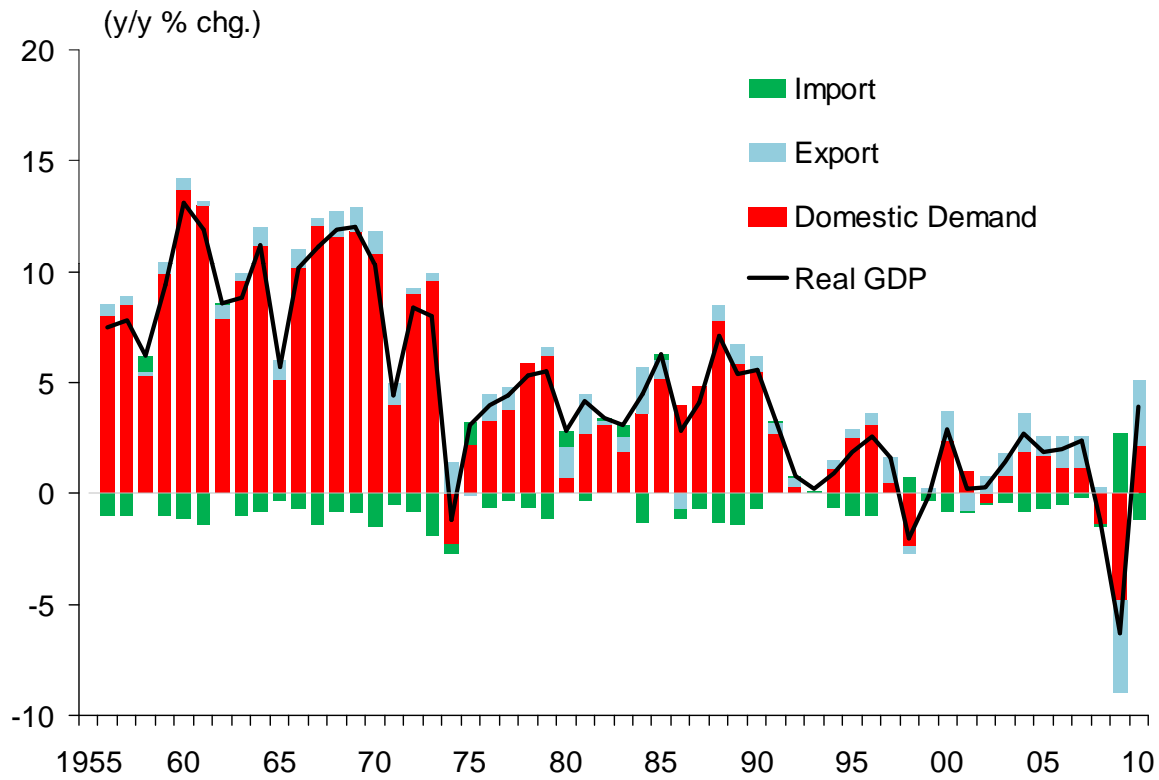


Share of Agricultural Population



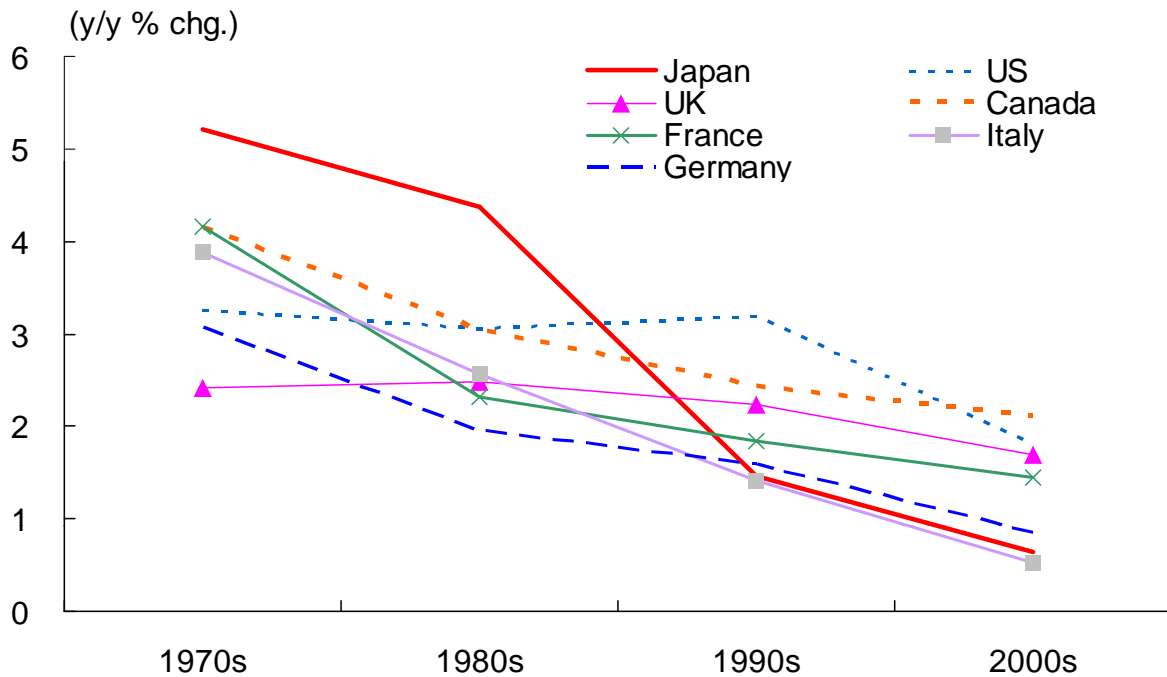
Source: Ministry of Internal Affairs and Communications, *Population Census*

# Japan's Real GDP Growth : Contributions of Domestic and External Demand



Source: Cabinet Office, National Accounts

# Comparison of Real Growth Rate across Advanced Economies



Source: Organization for Economic Co-operation and Development and other governmental statistics

## Production Costs of iPhone

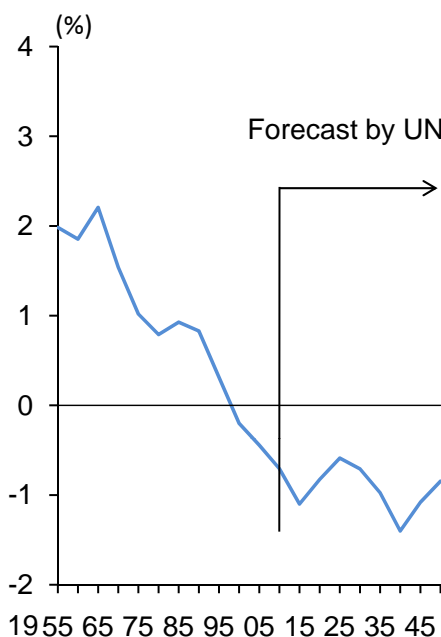
Manufacturer	Component	Amount of money per unit (US\$)
Toshiba, Murata (Japan)	Flash Memory, Touch Screen, FEM, etc.	60.6
Samsung (Korea)	SDRAM, Application Processor, etc.	23.0
Infineon, Dialog Semiconductor (Germany)	Camera Module, GPS, Power IC, etc.	30.2
Broadcom, Numonyx, Cirrus Logic (US)	Bluetooth, Memory MCP, etc.	10.8
Cost of Other Components		48.0
Total Cost of All Components		172.5
Manufacturing Cost in China		6.5
Gross Profit Margin		321.0
Price		500.0

Note: The numbers are based on iPhone 3G in 2009.

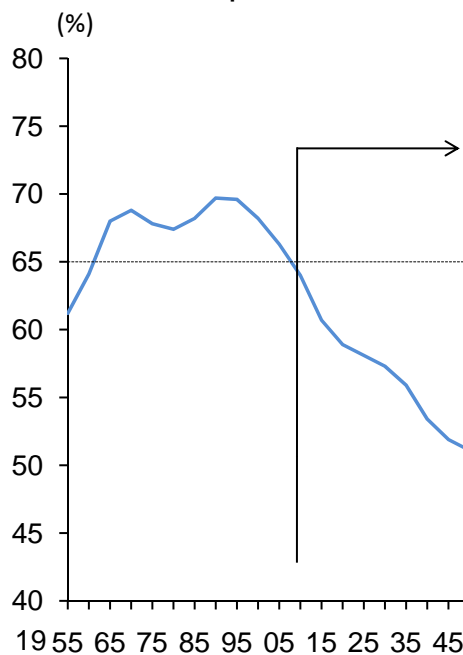
Source: Xing and Detert, "How the iPhone Widens the United States Trade Deficit with the People's Republic of China," ADBI Working Paper Series, No. 257, December 2010.

## Japan's Demographic Changes

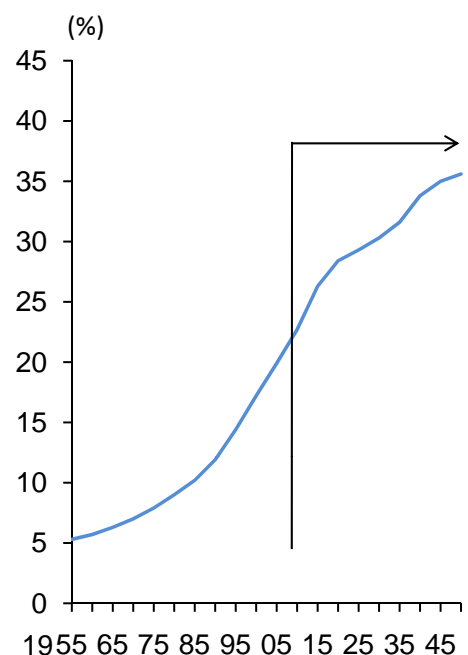
Growth of Working Age Population



Share of Working Age Population



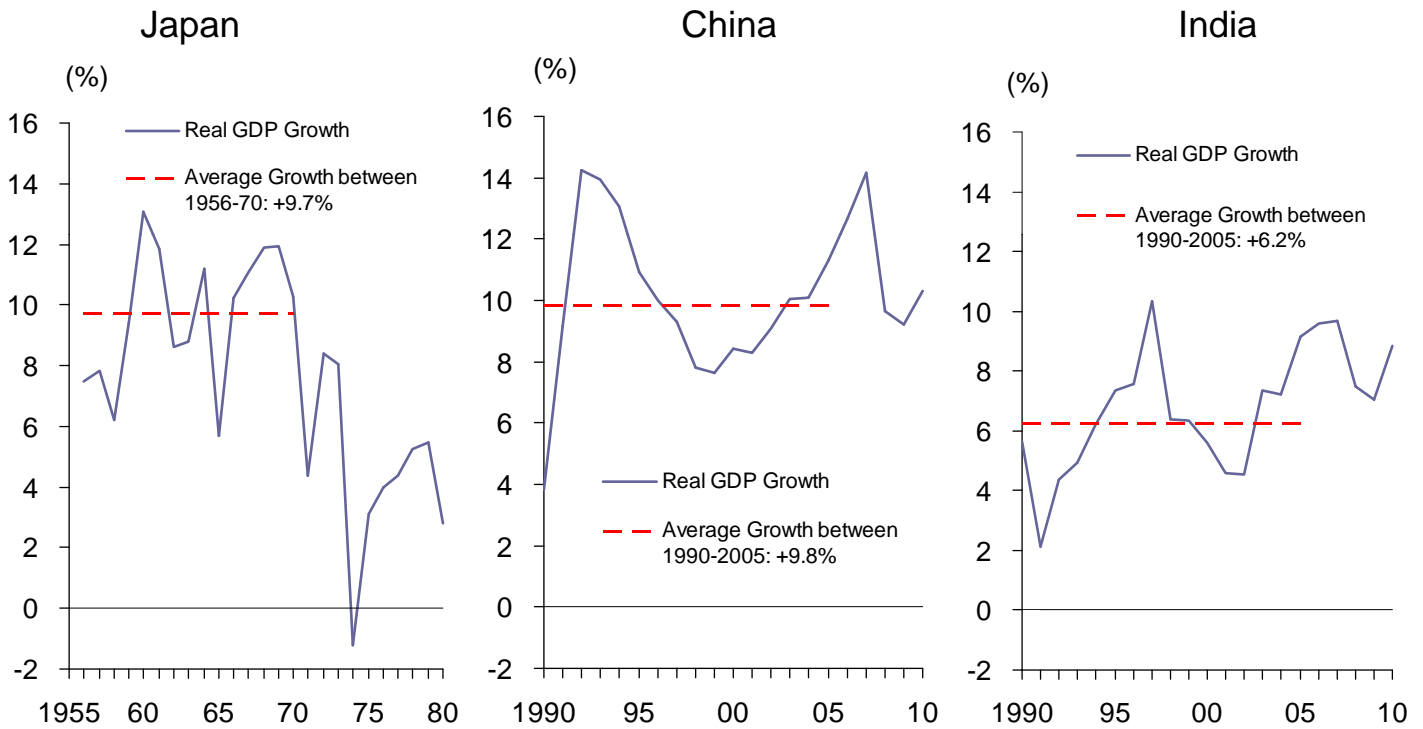
Share of Population Aged over 65



Note: Working age population means the population aged between 15 and 64.

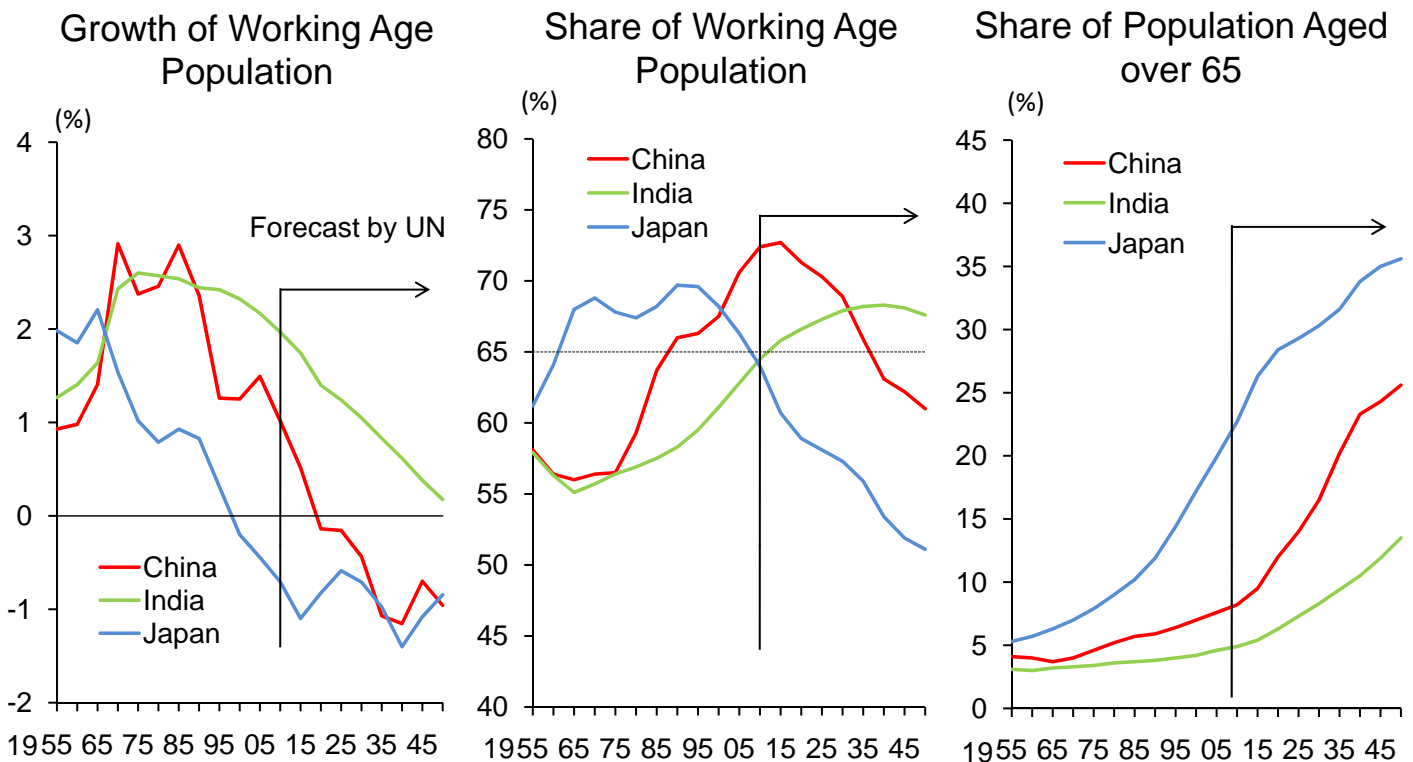
Source: United Nations, *World Population Prospects: The 2010 Revision*

# Real GDP Growth in Japan, China, and India during the High-Growth Periods



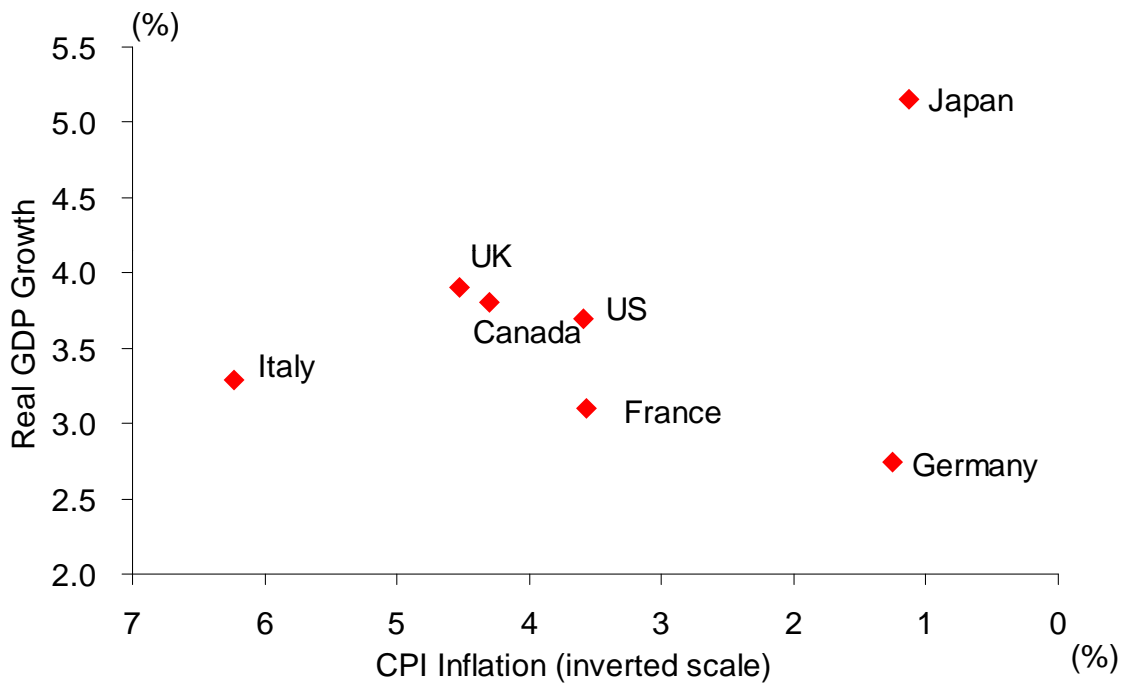
Source: Cabinet Office, *National Accounts*; National Bureau of China, *China Statistical Yearbook*; International Monetary Fund, *World Economic Outlook*; CEIC

# Demographic Changes in Japan, China, and India



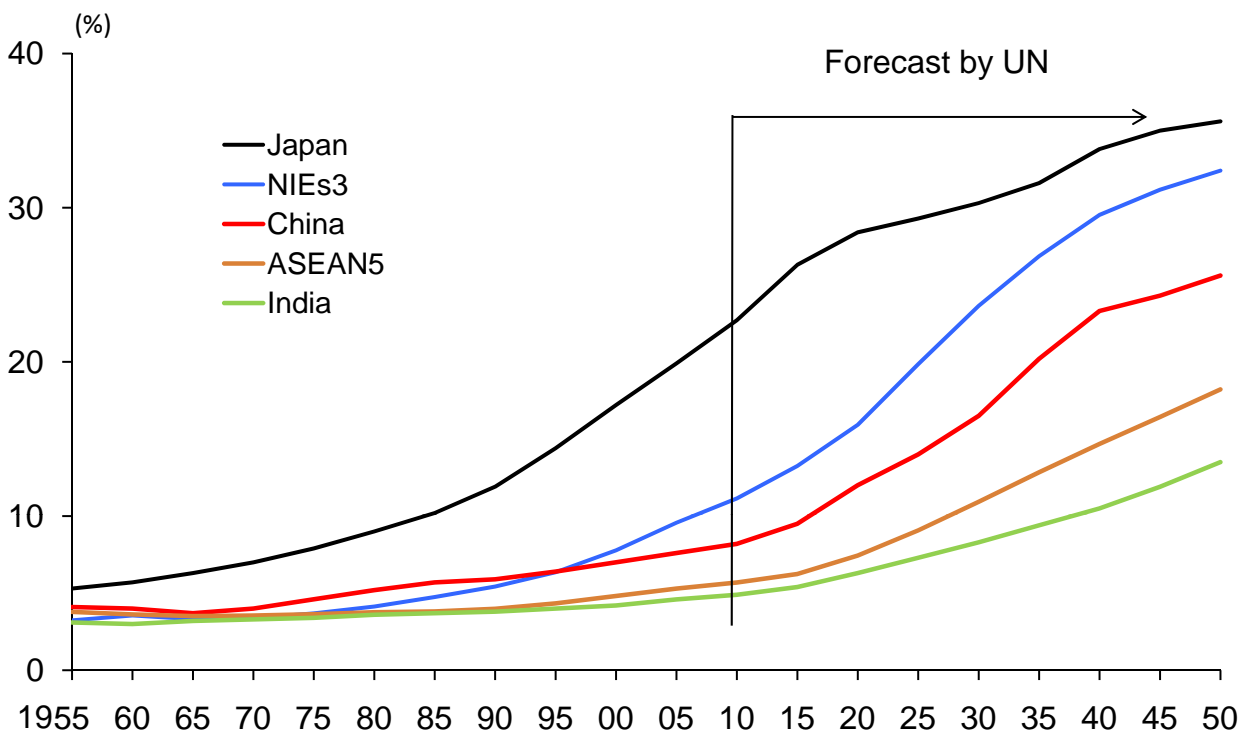
Note: Working age population means the population aged between 15 and 64.  
 Source: United Nations, *World Population Prospects: The 2010 Revision*

## Real GDP Growth and CPI Inflation across Major Advanced Economies during the Latter Half of the 1980s



Note: The figure plots the average change of real GDP and CPI between 1985 and 1989 in each country.  
 Source: International Monetary Fund, *World Economic Outlook*.

## Share of Population Aged over 65 in Asian Countries

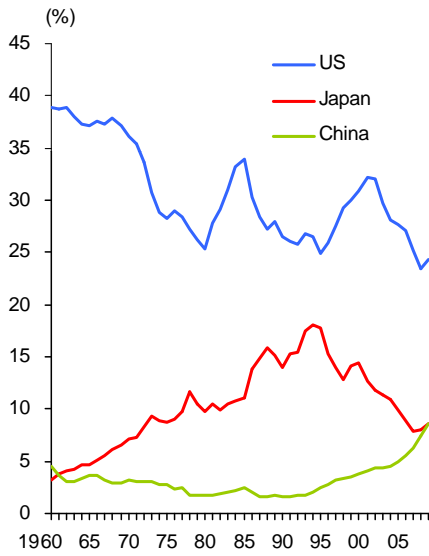


Note: NIEs3 includes South Korea, Hong Kong, and Singapore. ASEAN5 includes Indonesia, Malaysia, Thailand, the Philippines, and Viet Nam.

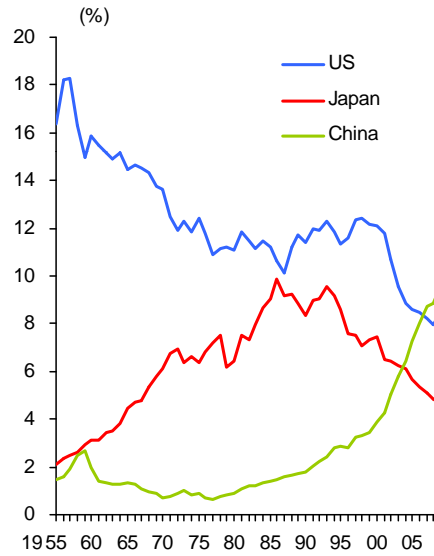
Source: United Nations, *World Population Prospects: The 2010 Revision*

# Global Presence of Japan, US, and China

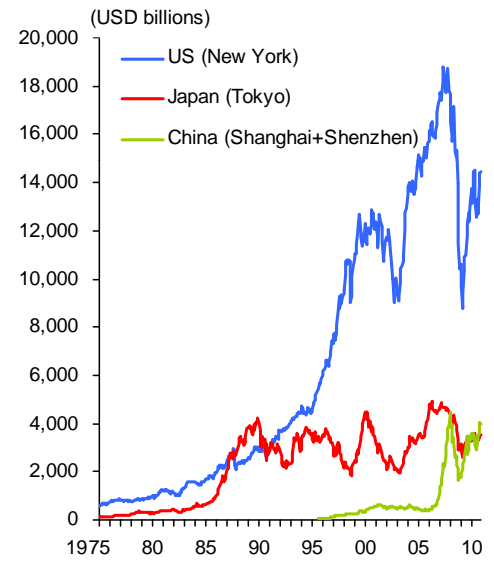
Nominal GDP  
(Share in the World Total)



Export  
(Share in the World Total)



Stock Market Capitalization



Source: Bureau of Economic Analysis, *National Economic Accounts*; Cabinet Office, *National Accounts*; National Bureau of Statistics of China, *China Statistical Yearbook*; World Bank, *World Development Indicators*