

Ageing populations will drag on growth in Asia: IMF chief

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Asia's population is ageing faster than anywhere else in the world

The chief of the International Monetary Fund warned Thursday that ageing populations in key Asian economies will drag on their growth, urging policymakers to step up their response to shifting demographics.

Studies show that Asia's population is ageing faster than anywhere else in the world, with Japan forecast to become the first "ultra-aged" country,

meaning 28 percent of the population is 65 or over, while a fifth of the people in South Korea are expected to be 65 by 2030.

Rapidly ageing countries including China, Japan, Korea and Thailand "will have smaller workforces in the future and potentially lower productivity growth", IMF managing director Christine Lagarde told a conference in Seoul.

"We estimate that these countries could face lower annual GDP growth... by up to a percentage point," the IMF chief said.

China and Japan are the world's second- and third-largest economies respectively, and slower growth in them risks having significant knock-on effects around the world.

Lagarde urged governments to "boost the proportion of women in the workforce" by better accommodating working mothers with more childcare benefits and incentives for part-time work.

In emerging countries such as India—where populations are still growing—better education for girls and wider access to finance for women should be prioritised, she said.

According to some estimates, she added, closing the gender gap in the employment market could raise Japanese GDP by 9 percent, South Korea's by 10 percent, and India's by 27 percent.

At Thursday's conference, Bank of Korea Governor Lee Ju-Yeol also called for steps to tackle low birth rates and create more jobs for women and older people.

"A failure in responding to population ageing will make the escape from possible structural low growth difficult," Lee said.

An IMF report issued earlier this year projected [population growth](#) falling to zero in Asia by 2050 and the share of working-age people—now at its peak—declining over the coming decades.

Urging policymakers to act early to respond to the ageing [population](#), the report warned: "Parts of Asia risk becoming old before becoming rich."

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