ASEAN FOCUS II
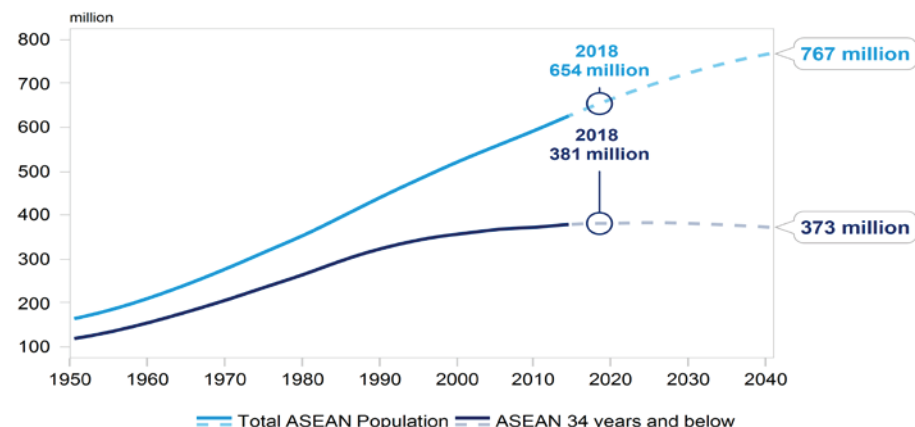## Demographic Dividends For A Growing Population

Demographic dividend can be described as economic growth that is attributed to shifts in the age structure of a country's population, when the share of the working-age population is bigger than the non-working-age share. The shifts are usually brought on by fall in fertility and mortality rates. As a bloc, **ASEAN is the 3rd most populous**, after China and India, and it is still growing. But ASEAN is greying too, facing similar demographic trends in many parts of the world.

In Asia, it is already well known that Japan's population has already started to decline in early 2010. China's population is projected to start to shrink by 2029 while **the population in India and ASEAN will continue to grow in the next few decades**, and only start to shrink after 2060.

As a percentage of the total population, ASEAN's share of population aged 34 and below has declined between 1998 and 2018, but it is still expected to stay above 50% by 2030. However, **some countries within ASEAN and the broader Asian region is expected to age faster**.
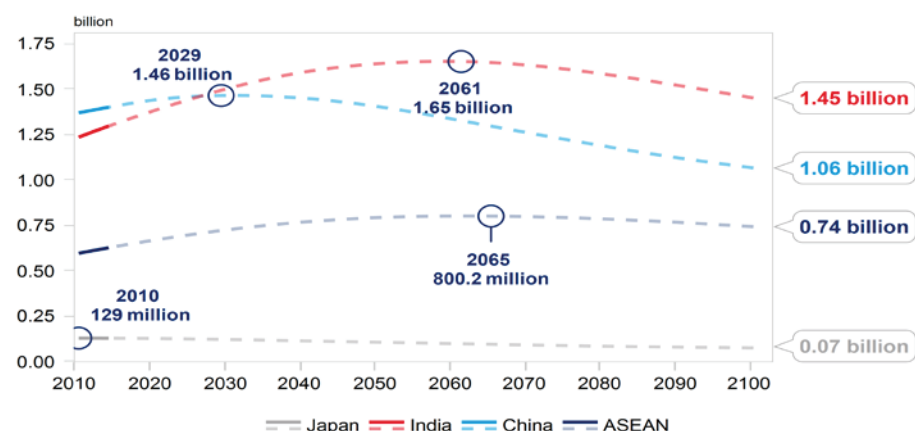
ASEAN Population

Source: Macrobond (United Nations Data), UOB Global Economics & Markets Research

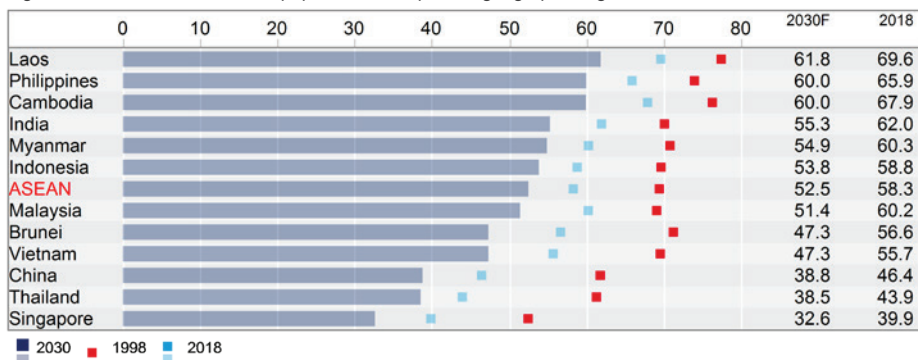## Maximum Turning Points In Population

Source: Macrobond, UOB Global Economics & Markets Research

ASEAN Population Age 34 & Below (% of total) - Still Above 50% In 2030 But Some Places Greying Faster

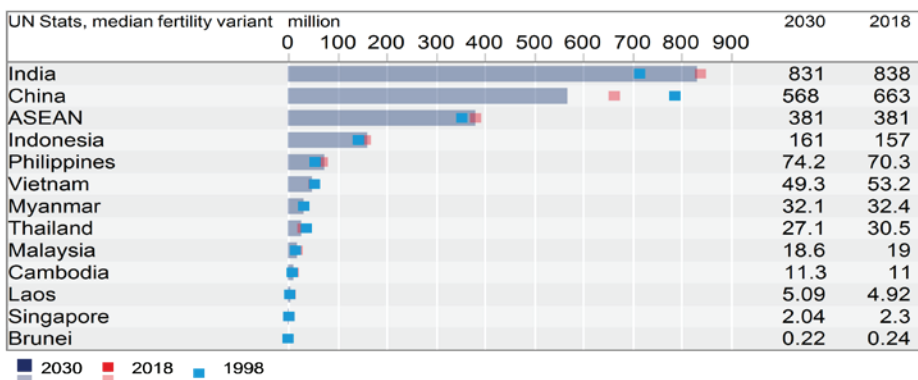Source: Macrobond, UOB Global Economics & Markets Research

Age 34 & below % share of total population in respective geographic region

	0	10	20	30	40	50	60	70	80	2030F	2018
Laos										61.8	69.6
Philippines										60.0	65.9
Cambodia										60.0	67.9
India										55.3	62.0
Myanmar										54.9	60.3
Indonesia										53.8	58.8
ASEAN										52.5	58.3
Malaysia										51.4	60.2
Brunei										47.3	56.6
Vietnam										47.3	55.7
China										38.8	46.4
Thailand										38.5	43.9
Singapore										32.6	39.9

■ 2030   ■ 1998   ■ 2018

In terms of absolute numbers for the population aged 34 and below, **ASEAN & India is still expected to hold it together relatively steady in the next decade**, but it will drop dramatically in China by 2030.
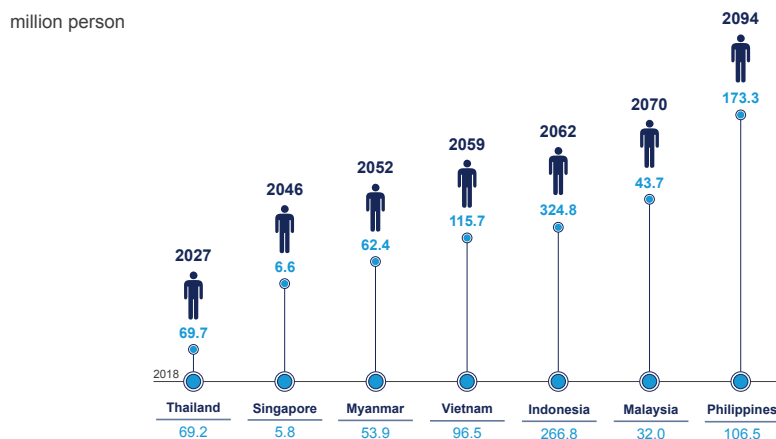
Population Age 34 & Below

Source: Macrobond, UOB Global Economics & Markets Research

UN Stats, median fertility variant million	2030	2018
India	831	838
China	568	663
ASEAN	381	381
Indonesia	161	157
Philippines	74.2	70.3
Vietnam	49.3	53.2
Myanmar	32.1	32.4
Thailand	27.1	30.5
Malaysia	18.6	19
Cambodia	11.3	11
Laos	5.09	4.92
Singapore	2.04	2.3
Brunei	0.22	0.24

■ 2030   ■ 2018   ■ 1998

Population in ASEAN Countries continues to grow and will peak in vastly different years. Philippines will likely enjoy demographic dividends for the longest period while it will be least favorable for Thailand.
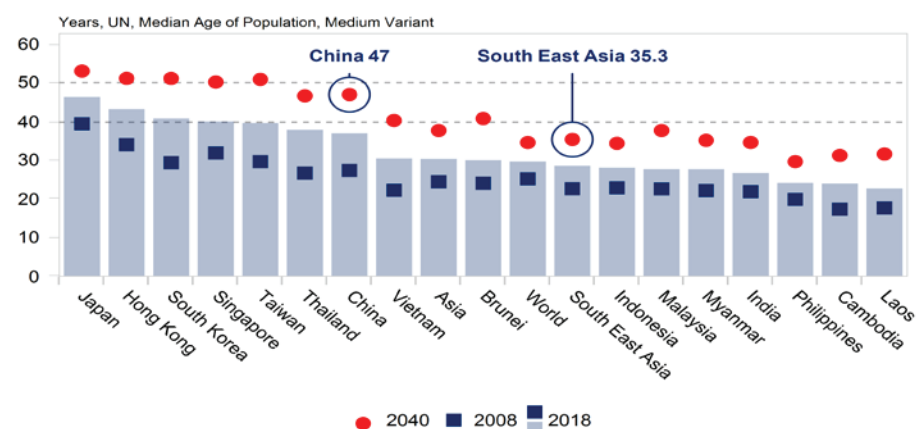
Growing Population

Source: Macrobond, UOB Global Economics & Markets Research

million person

	Thailand	Singapore	Myanmar	Vietnam	Indonesia	Malaysia	Philippines
Peak year	2027	2046	2052	2059	2062	2070	2094
Peak value	69.7	6.6	62.4	115.7	324.8	43.7	173.3
2018	69.2	5.8	53.9	96.5	266.8	32.0	106.5

Looking at the population median age, **many of the Asian countries are very youthful compared to most developed economies**. But by 2040, China's median age will have risen markedly to 47 years while the population in South East Asia will stay below 40 years.

Population Profile By Median Age

Source: Macrobond, UOB Global Economics & Markets Research

Years, UN, Median Age of Population, Medium Variant

China 47   South East Asia 35.3
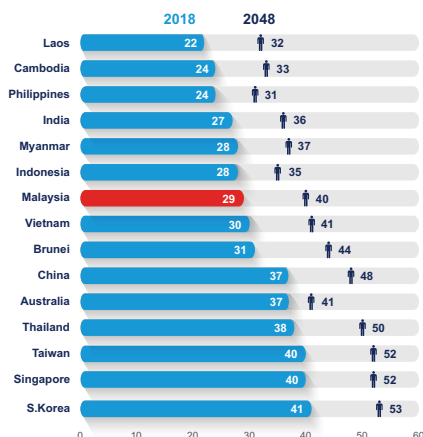
● 2040   ■ 2008   ■ 2018

And while **Malaysia's median age is expected to hit 40 years by 2048** (from the current 29 years), it is interesting to note that Vietnam will reach that milestone ahead of Malaysia and the median age is expected to be significantly higher in Singapore and Thailand, according to projections.

Population Profile By Median Age

Source: Macrobond, UOB Global Economics & Markets Research

Country	2018	2048
Laos	22	32
Cambodia	24	33
Philippines	24	31
India	27	36
Myanmar	28	37
Indonesia	28	35
Malaysia	29	40
Vietnam	30	41
Brunei	31	44
China	37	48
Australia	37	41
Thailand	38	50
Taiwan	40	52
Singapore	40	52
S.Korea	41	53

Using GDP per capita as a guide, **living standards is set to improve for ASEAN in the years ahead** although there is a widening gap between the emerging economies and high income economies.

Nation's Living Standards

Source: Macrobond, UOB Global Economics & Markets Research

GDP per Capita, US Dollar

	Myanmar	Cambodia	India	Vietnam	Laos	Philippine	Indonesia	Thailand	China	Malaysia	Taiwan	S.Korea	Brunei	Australia	Singapore
2024	1,895	2,264	3,277	3,932	4,198	4,697	5,705	9,949	15,102	15,456	33,786	40,631	37,351	65,106	80,970
2018	1,298	1,509	2,036	2,551	2,720	3,104	3,871	7,187	9,608	10,942	24,971	31,346	32,414	56,352	64,041

A key concern in the era of ageing population Is the worsening old age dependency ratio (defined as the ratio of population aged 65 and above per 100 of the population aged between 20 and 64 years). **Among most ASEAN countries, the ratio has stayed relatively low and stable between 2008 and 2018**. While there is an expected rise by 2030, the ratio remains low relative to Japan (above 50 by 2030) and Europe (above 30 in most of Europe by 2030, not shown in chart).
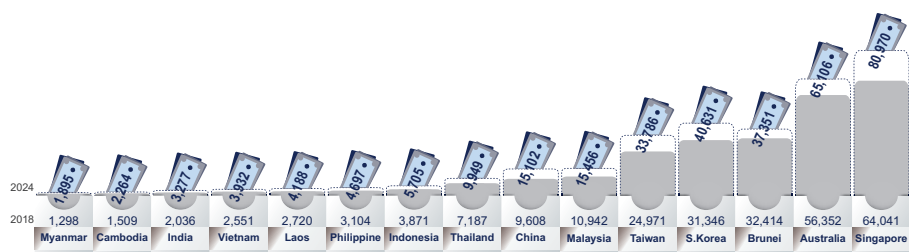
Population Profile: Old-Age Dependency Ratio

Source: Macrobond, UOB Global Economics & Markets Research

Ratio (World, UN World Population Prospects)

Old Age Dependency Ratio (Ratio of population aged 65+ per 100 population 20-64)

Singapore 39.2
Vietnam 20.7
Malaysia 15.8
Indonesia 13.8
Thailand 31.7

▲ 2008   ● 2030   ■ 2018

Excluding Singapore, the key exception in ASEAN is Thailand which will experience a rapid rise in dependency ratio. As an example, an old age dependency ratio of 10 means 10 working age persons supporting 1 aged dependent while a ratio of 25 means just 4 working age persons supporting 1 aged dependent.

Old Age Dependency Ratio – Longer Term Trends For Selected ASEAN Countries.

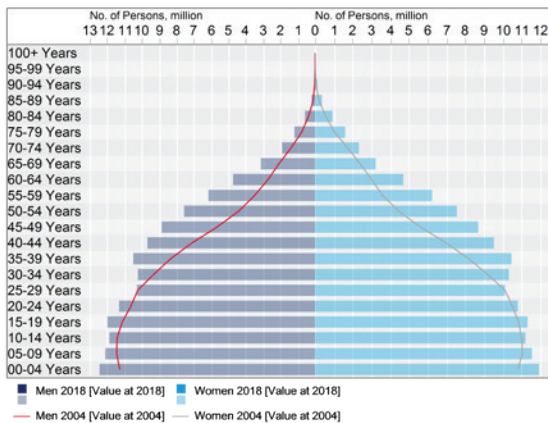Source: Macrobond, UOB Global Economics & Markets Research

*Working age persons refer to those between 20 and 64 years old.

	1990	2018	2048	2100
Malaysia	7.5	9.8	22.6	58.4
Philippines	6.9	8.6	15.7	38.1
Indonesia	7.8	8.7	20.8	42.8
Thailand	8.3	16.4	51.5	67.7
Vietnam	12.4	10.8	33.2	60.6

Population Pyramids: ASEAN Population By Age Group

Indonesia (2018: 268 million persons)

Source: Macrobond, UOB Global Economics & Markets Research

Philippines (2018: 107 million persons)

Source: Macrobond, UOB Global Economics & Markets Research
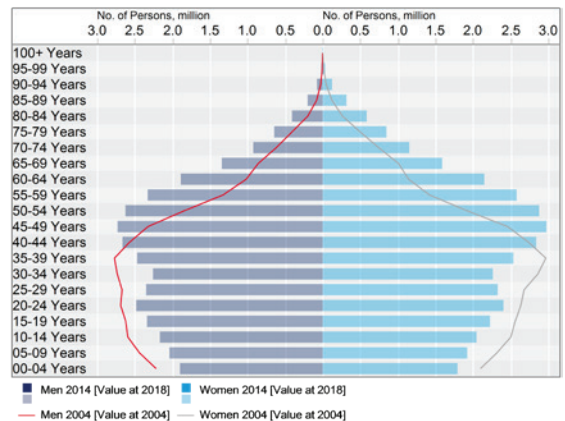

Vietnam (2018: 95.5 million persons)

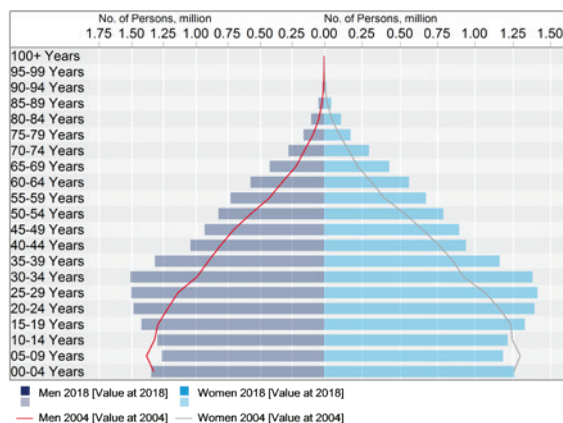Source: Macrobond, UOB Global Economics & Markets Research

Thailand (2018: 69.4 million persons)

Source: Macrobond, UOB Global Economics & Markets Research
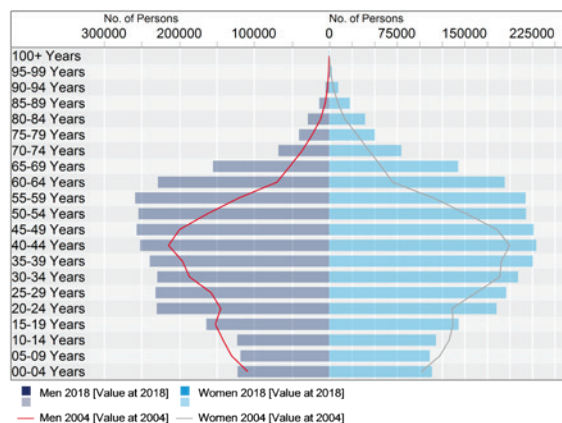
Malaysia (2018: 31.5 million persons)

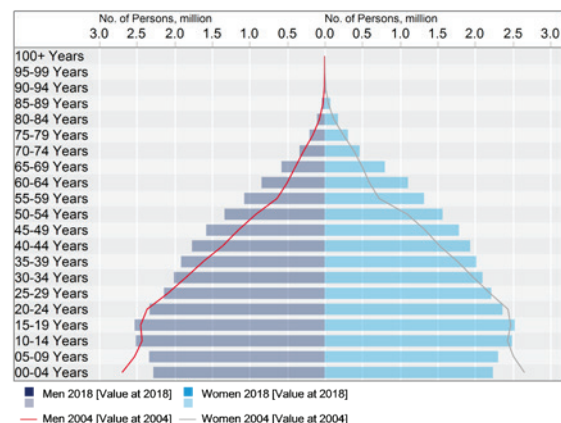Source: Macrobond, UOB Global Economics & Markets Research

Singapore (2018: 5.8 million persons)

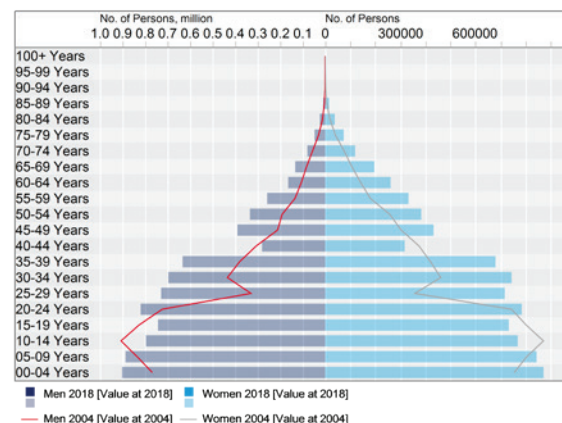Source: Macrobond, UOB Global Economics & Markets Research

Myanmar (2018: 53.7 million persons)

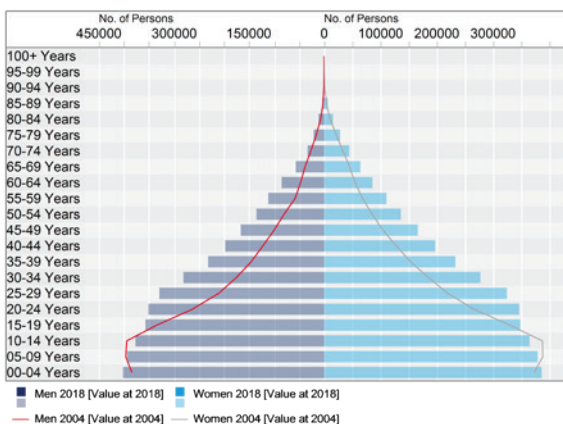Source: Macrobond, UOB Global Economics & Markets Research

Cambodia (2018: 16.2 million persons)

Source: Macrobond, UOB Global Economics & Markets Research

Laos (2018: 7.1 million persons)

Source: Macrobond, UOB Global Economics & Markets Research

Brunei (2018: 0.4 million persons)

Source: Macrobond, UOB Global Economics & Markets Research