

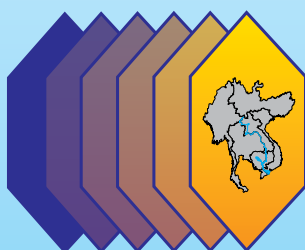


---

# GMS6

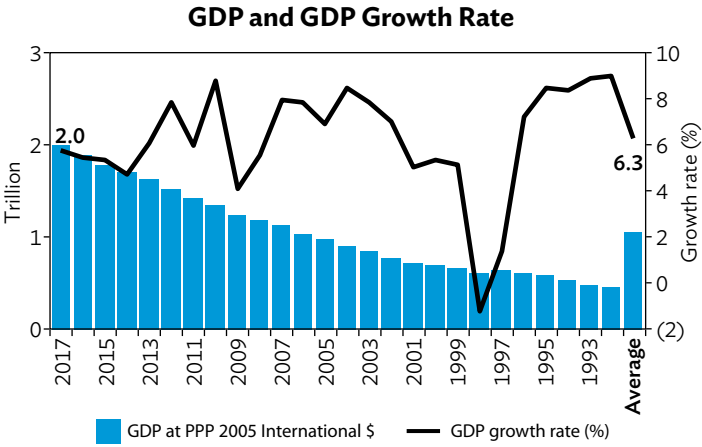
## Statistics for the 6th GMS Summit

29–31 March 2018



# OUTPUT AND GROWTH<sup>5</sup>

- In 2017, gross domestic product (GDP) of the Greater Mekong Subregion (GMS) was 2 trillion (PPP 2005 International \$).
- GDP average growth rate for the last 25 years is 6.3%.



GDP = gross domestic product, PPP = purchasing power parity. GDP and GDP growth rate in 2017 are estimates.

# SOURCES OF GROWTH

In an increasingly more open trade and investment regime:

- Goods exports increased more than seven-fold.
- The tourism sector and foreign direct investment inflows brought in \$20 billion in 1995 which expanded to \$110 billion by 2016.

## Drivers of Growth

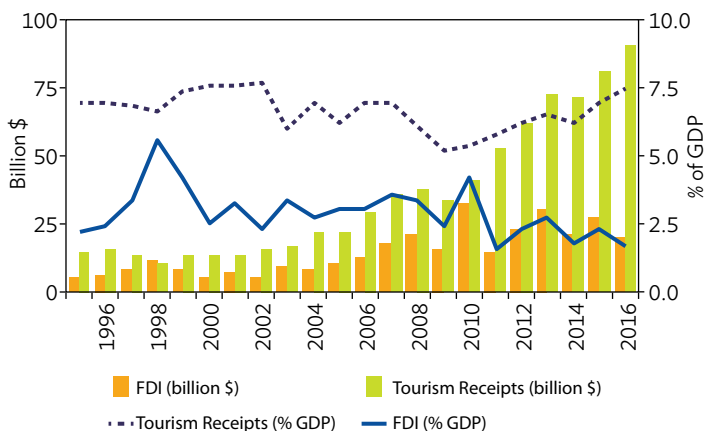
	1995	2016
Total Exports (\$ billion)	67	498
Tourism Receipts (\$ billion)	15	90
FDI Inflows from the World (\$ billion)	5	20
Tourism Receipts (% GDP)	7.0	7.5
FDI Inflows (% GDP)	2.2	1.7

FDI = foreign direct investment, GDP = gross domestic product.

- In relative and absolute terms, the tourism sector has become more important compared to foreign direct investment.

<sup>5</sup> All data and indicators refer to the GMS unless stated otherwise.

## Foreign Direct Investment Inflows and Tourism Receipts



FDI = foreign direct investment, GDP = gross domestic product.

## DEVELOPMENT

As real GDP per capita more than doubles, electricity consumption increases four-fold.

### GDP per Capita and Electricity Consumption per Capita

	1995	2016
GDP per Capita, 2005 PPP International \$	2,123	5,549
Electricity Consumption, kWh per Capita	471	1,892

GDP= gross domestic product, kWh = kilo-watt hour, PPP = purchasing power parity.

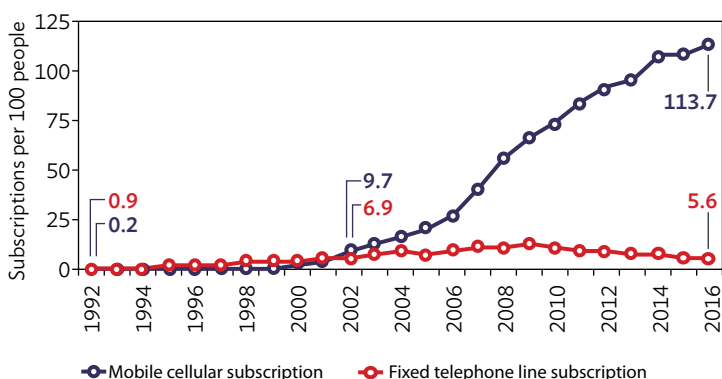
Access to communications services changes structurally in the subregion.

- In 1992, for every 100 people, there was fewer than one subscription for fixed telephone lines and only 0.2 for mobile cellular phones.
- After a decade, the cross-over took place: mobile cellular subscriptions have replaced fixed telephone lines, 9.7 versus 6.9, as the more dominant form of connectivity.

### Access to Communication Services

	1992	2002	2016
Fixed Telephone Line Subscriptions per 100 people	0.9	6.9	5.6
Mobile Cellular Subscriptions per 100 people	0.2	9.7	113.7

## Fixed Telephone Line and Mobile Cellular Subscriptions



## SUBREGIONAL INTEGRATION

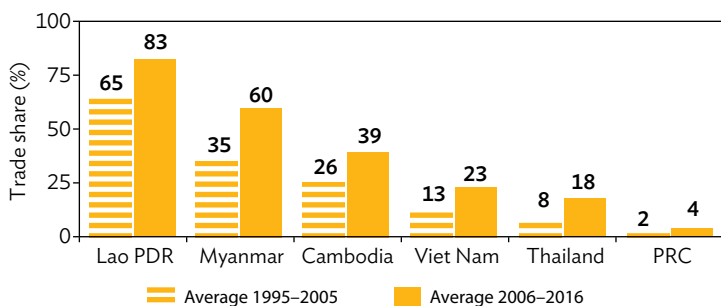
Trade integration complements global trade.

- Intra-GMS trade increased from \$5 billion in 1992 to \$414 billion by 2016.<sup>5</sup>

Bilaterally, intra-GMS trade shares increase for all members; and play a much greater though uneven role in integration.

- Intra-GMS trade share of Lao PDR was the highest, 83%; followed by Myanmar - 60%; Cambodia - 39%; Viet Nam - 23%; Thailand - 18%; and the People's Republic of China - 4%.
- Developing countries are more integrated with GMS but less integrated globally. However, they can integrate with the global economy indirectly through the more developed GMS members.
- In this context, heterogeneity in subregional integration is mutually beneficial and complements global trade.

### Bilateral GMS Trade, Average Shares (%)



GMS = Greater Mekong Subregion, Lao PDR= Lao People's Democratic Republic, PRC=People's Republic of China.

<sup>5</sup> No data for the provinces of Guangxi and Yunnan. Instead, the national data of the PRC is used.

Tourism, classified as mode 2 of services liberalization,<sup>5</sup> facilitates cross-border mobility.

### Subregional Integration in the Tourism Sector<sup>2</sup>

	1995	2016
Intra-GMS Tourists Exchange (million)	1.1	30.0
Intra-GMS Tourists Exchange (% share)	2.0	15.3

GMS = Greater Mekong Subregion

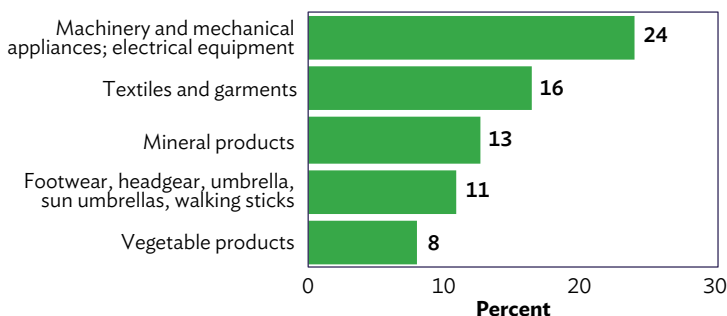
- Exchange of tourists within GMS expanded 26 times, from 1.1 million to 30 million, between 1995 and 2016.

## TRADE TRANSFORMATION<sup>6</sup>

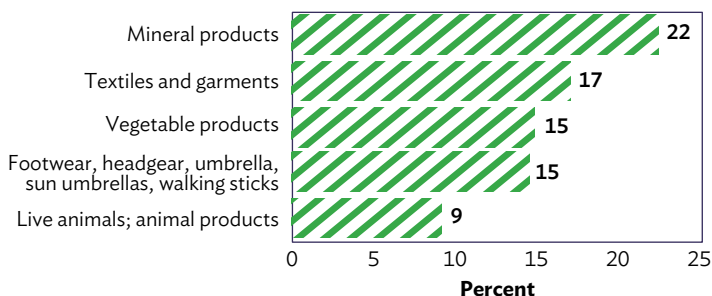
Most substantially, the transformation of export structures parallels the growth in regional value chains, i.e., vertical intra-industry trade.

- Machinery and mechanical appliances, electrical equipment became the top export of Viet Nam, with 24% average share of total exports to the world from 2005 to 2016, pushing mineral products to the third spot.

### Viet Nam - Top Five Exports, Average Share (%), 2005 -2016



### Viet Nam - Top Five Exports, Average Share (%), 1993-2004

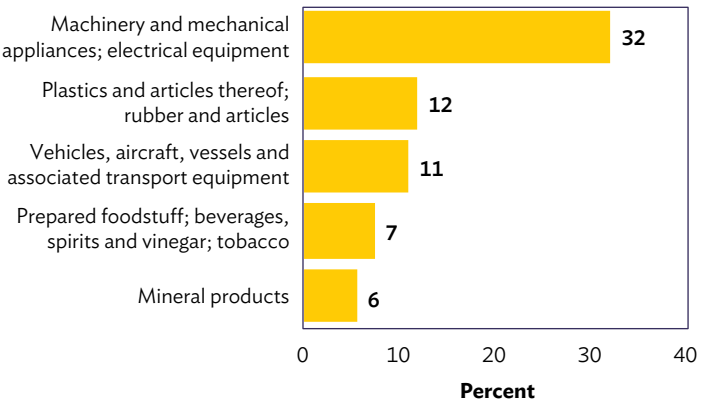


<sup>5</sup> Within the context of the three modes of liberalization in the General Agreement on Trade in Services (GATS): Mode 1, cross border trade; Mode 2, consumption abroad (e.g., tourists spending their money outside of their countries of residence); Mode 3, commercial presence. Mode 2 is generally considered the easiest to liberalize.

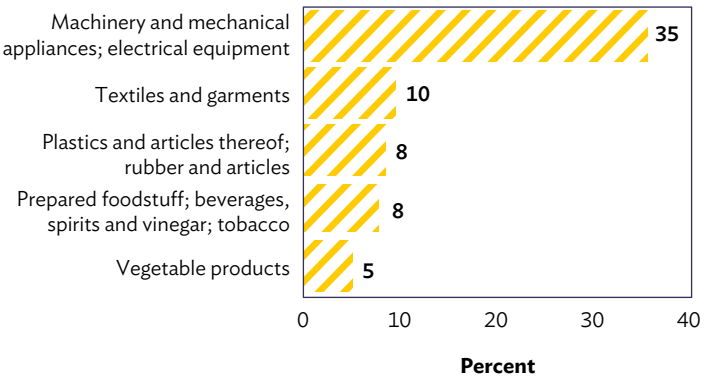
<sup>6</sup> Data from 97 Harmonized System chapters are aggregated into 21 Harmonized System sectors.

- Vehicles, aircraft, vessels and associated transport equipment became Thailand's top third export from 2005 to 2016.
- Textiles and garments dropped out of the top five exports, implying a shift in Thailand's comparative advantage away from producing labor-intensive goods to technology and/or skill-intensive goods.

**Thailand -Top Five Exports, Average Share (%), 2005-2016**

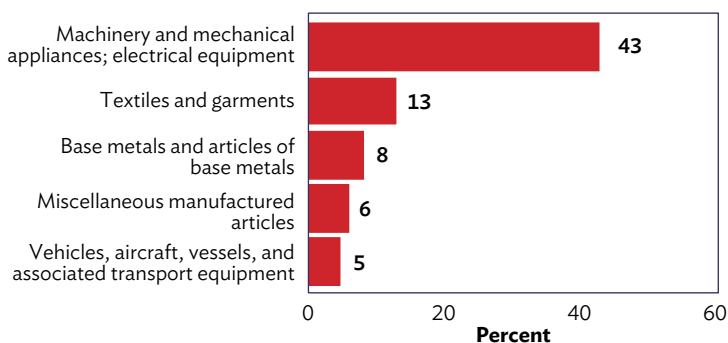


**Thailand - Top Five Exports, Average Share (%), 1993-2004**



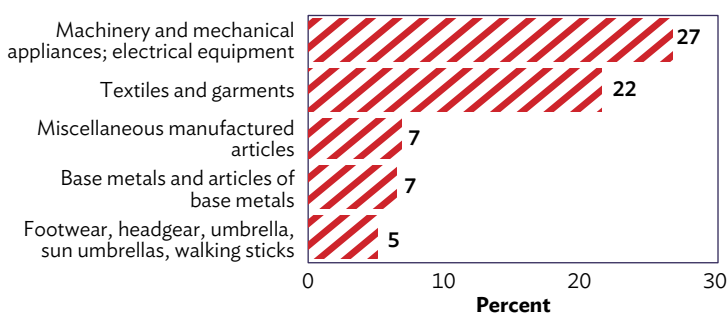
- Machinery and mechanical appliances, electrical equipment remained the top export of the People's Republic of China with increased average share, 27% versus 43%.
- Vehicles, aircraft, vessels and associated transport equipment became the new top five exports displacing footwear, headgear, umbrella, sun umbrellas and walking sticks.

## PRC - Top Five Exports, Average Share (%), 2005-2016



PRC = People's Republic of China

## PRC - Top Five Exports, Average Share (%), 1993-2004



PRC = People's Republic of China

- In GMS countries, the transformation of export structures implies that economic structures have transformed as well, resulting in a larger manufacturing sector relative to agriculture; moreover, within manufacturing, production shifts away from labor-intensive goods to capital and/or technology/skill-intensive goods.

## TOWARDS CLEANER/RENEWABLE ENERGY

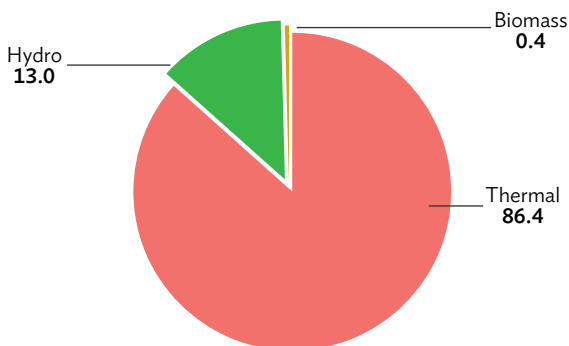
As the subregion grows, develops, integrates, and transforms, negative externalities are produced, too. For example, CO<sub>2</sub> emissions from fuel combustion rose from 0.66 ton per capita in 1995 to 1.99 in 2016.<sup>5</sup>

There are many roads leading to the use of renewable and/or clean energy. While the subregion has been working towards this objective, thermal power sources continue to dominate. The need to address these challenges remains.

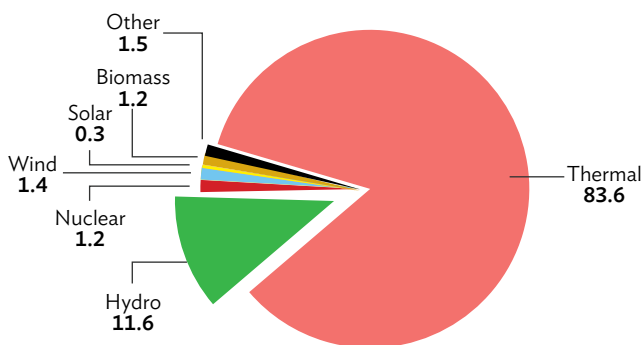
<sup>5</sup> No data for the provinces of Guangxi and Yunnan. The weighted average includes Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam only.

- Thermal power accounted for 86.4% to 83.6%, while hydro accounted for 13.0% to 11.6% of total power generation, from 1992 to 2011 and 2012 to 2016, respectively.
- Biomass, a renewable form of energy, had a very small share although the share has increased from 0.4 per cent from 1992–2011 to 1.1 per cent in 2012–2016.
- Wind and solar, with minimal shares, have been used only in the last few years.
- Yunnan, PRC is the only member using nuclear energy.

**Power Generation by Source, Average Share (%),  
1992–2011**



**Power Generation by Source, Average Share (%),  
2012–2016**



*GMS Secretariat is the source for all data, indicators, and figures.*

**GMS SECRETARIAT**

Southeast Asia Department  
Asian Development Bank  
6 ADB Avenue Mandaluyong City  
1550 Metro Manila, Philippines  
Fax: +63 2 636 2226  
E-mail: [gms@adb.org](mailto:gms@adb.org)

web addresses: <https://www.adb.org/countries/gms/main>  
<https://www.greatermekong.org>