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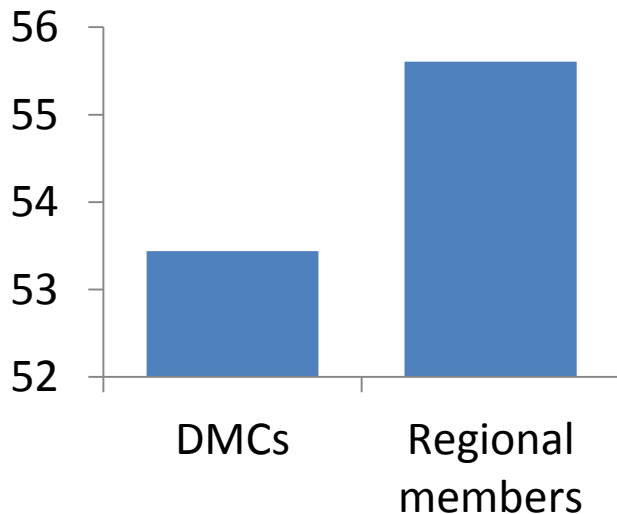
Key Indicators for Asia and the Pacific 2014

45th Edition

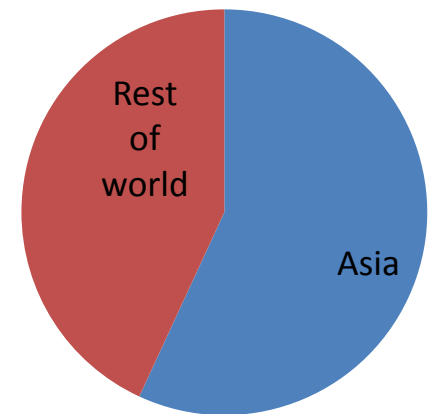
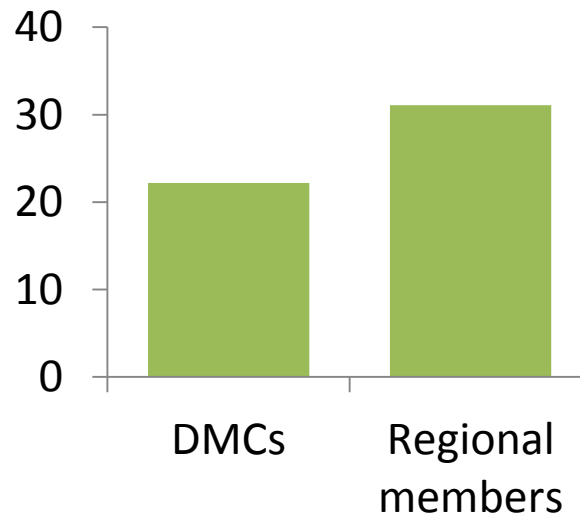
About ADB

- ADB is owned by 67 members, including 48 from the region. ADB's vision is an Asia and Pacific region free of poverty.

Population share, 2013



Income share, 2013



Share in extreme poor, 2010

Key Indicators for Asia and the Pacific

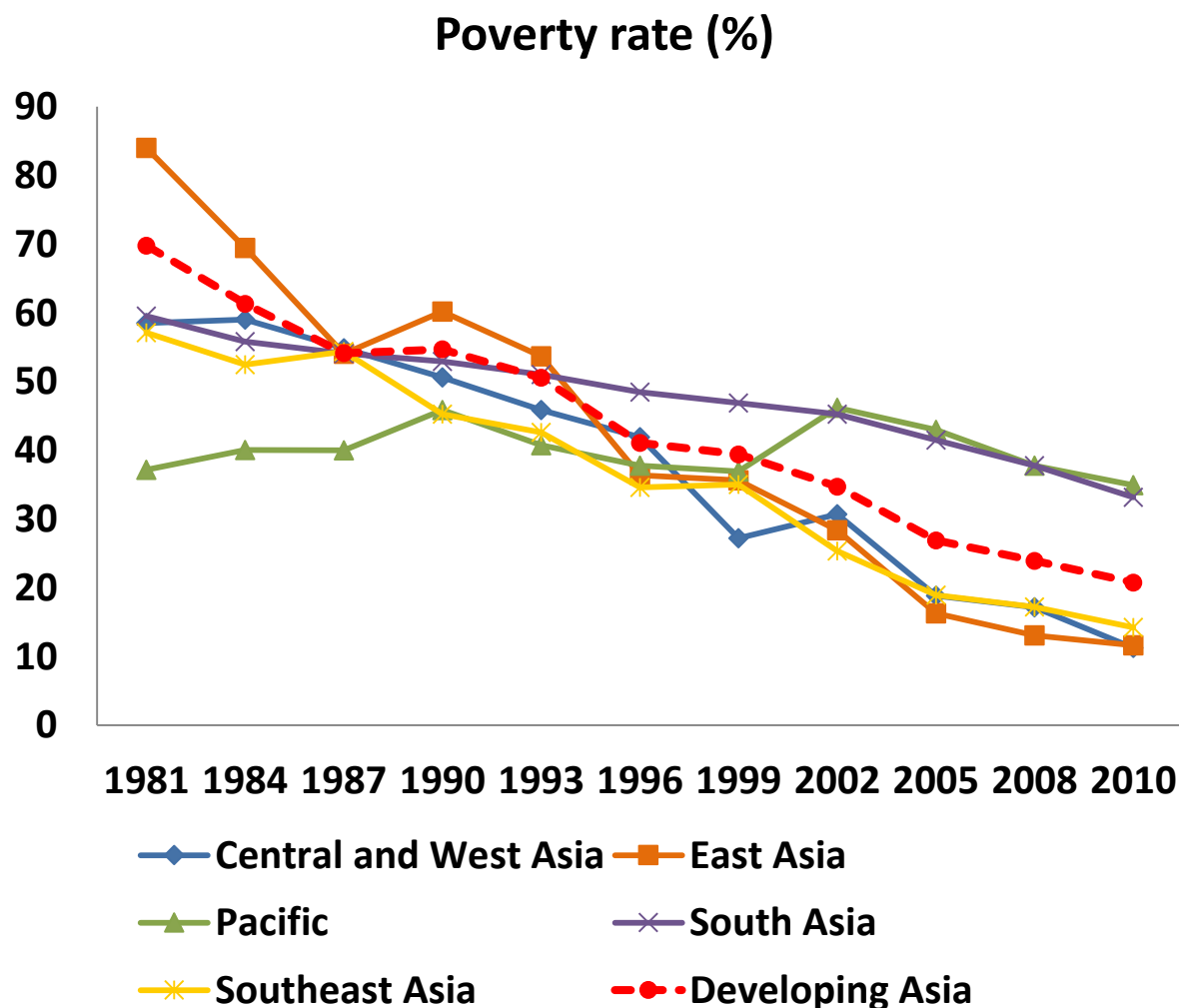
- ADB's flagship publication on statistics (economic, financial, and social indicators)
- 45th edition, covers 48 regional members
- Includes a special chapter on ***Poverty in Asia: A Deeper Look***

A woman wearing a blue headscarf and a blue top with a lace collar is looking directly at the camera. The background is a city skyline with several tall buildings, including a prominent one with a curved facade. The entire image has a blue tint.

PART I-SPECIAL CHAPTER

Poverty in Asia: A Deeper Look

Asia's dramatic poverty reduction



Number of poor (millions)	1981	2010
Central and West Asia	67	25
East Asia	835	156
Pacific	2	3
South Asia	495	473
Southeast Asia	189	77
Developing Asia	1587	733

Objectives of the report

- Examine reasons for inadequacy of the conventional poverty line (PL)
- Provide analytical inputs to ongoing discussions of identifying extreme poor

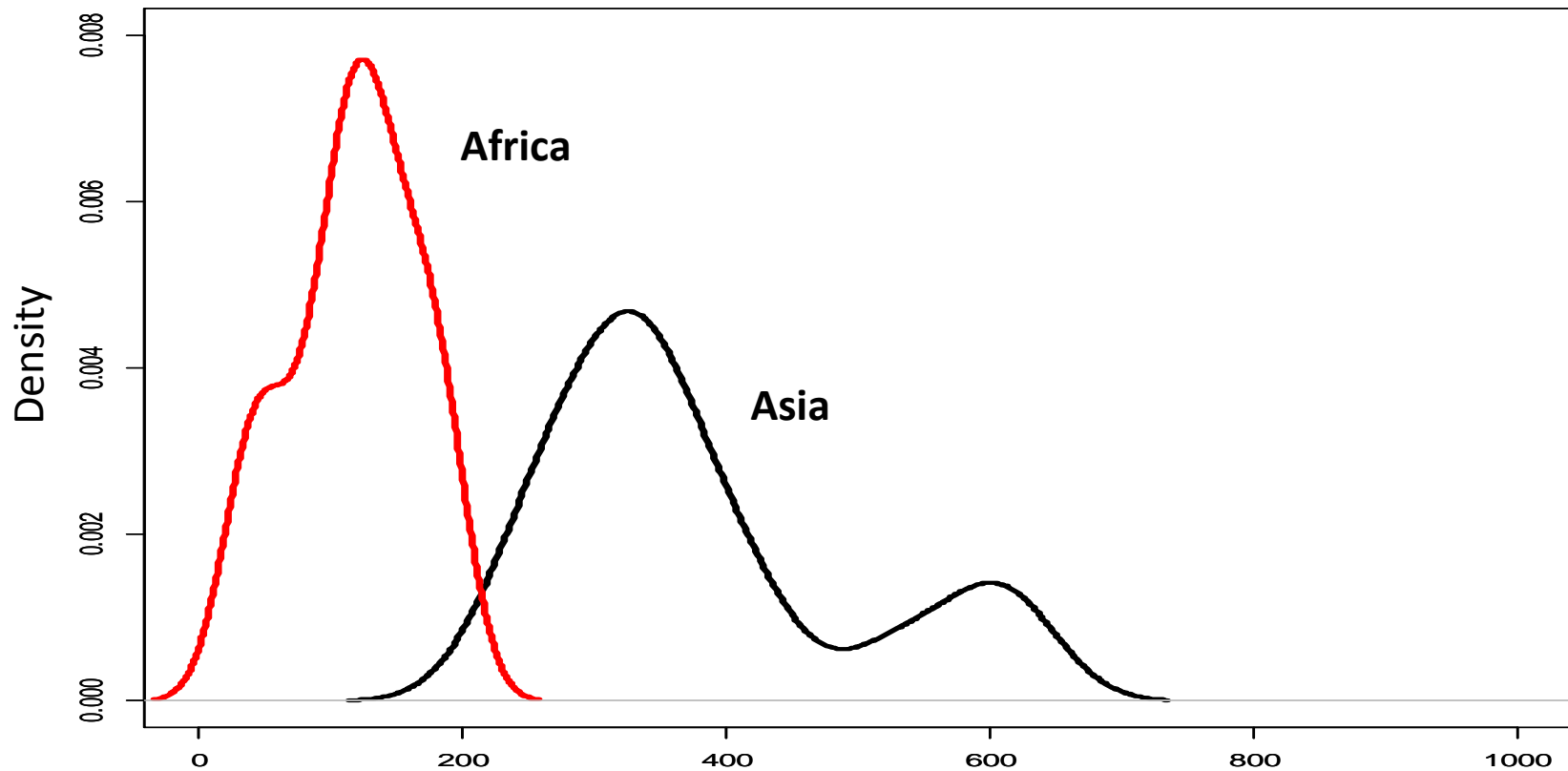
Three reasons for inadequacy of the \$1.25 PL

- Consumption basket not specific to Asia's poor
- Vulnerability to shocks not factored in
- Food prices rise faster than general price level

⇒ *New count of extreme poor*

Food is more costly in Asia

Annual food expenditures per capita in 2005 PPP for the 15 least developed countries



Source: ICP 2005.

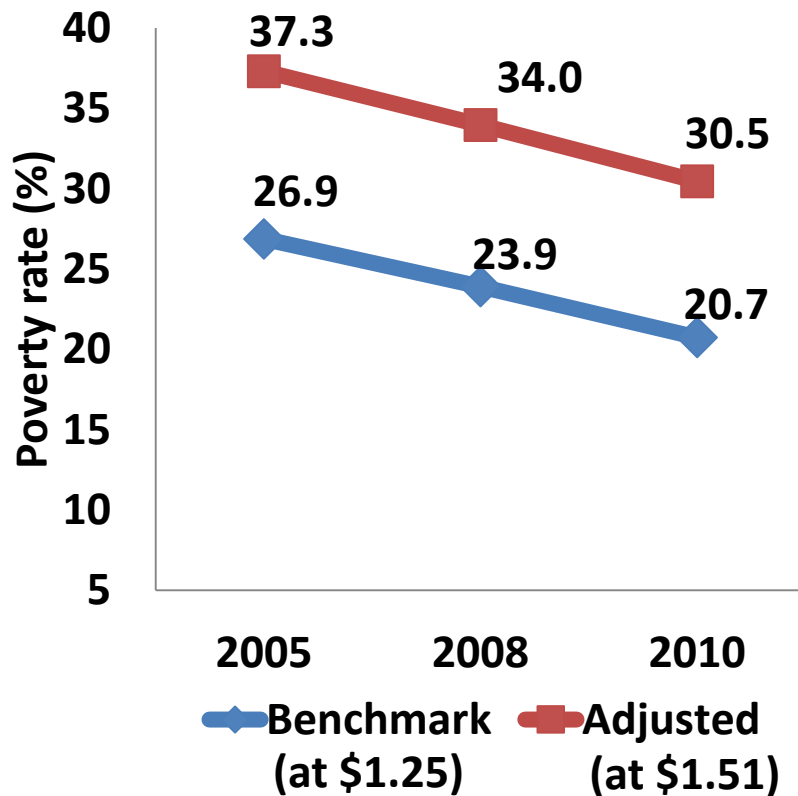
An Asian poverty line...

- Apply method used to derive \$1.25 PL, but with updated national poverty lines from Asia

⇒ *Asian poverty line = \$1.51/day (in 2005 PPPs)*

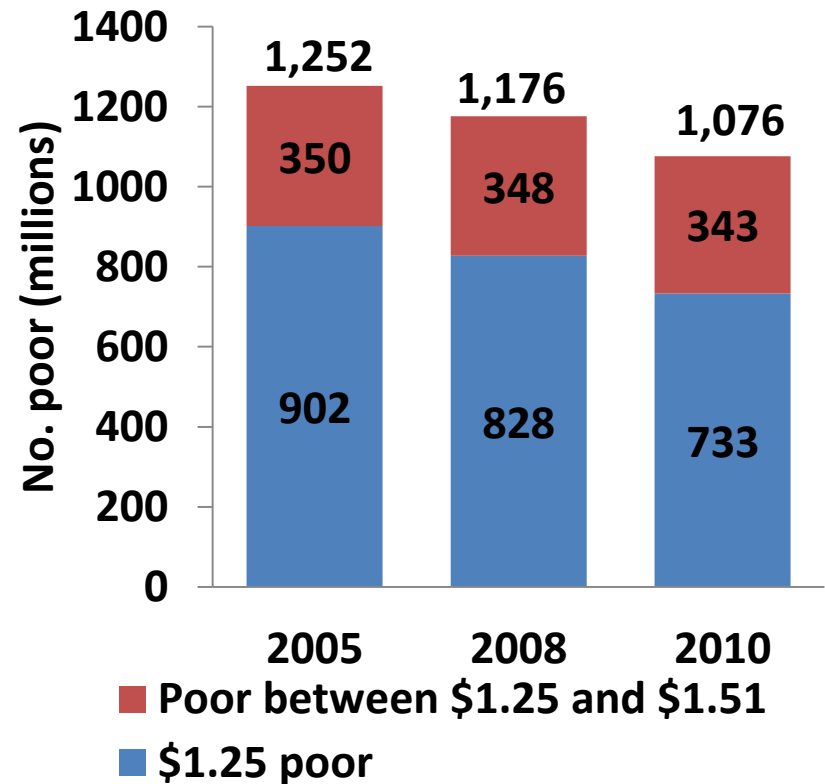
...implies higher poverty rates

Poverty rates (%) in Asia (\$1.51 vs. benchmark \$1.25 poverty lines)



Source: ADB estimates.

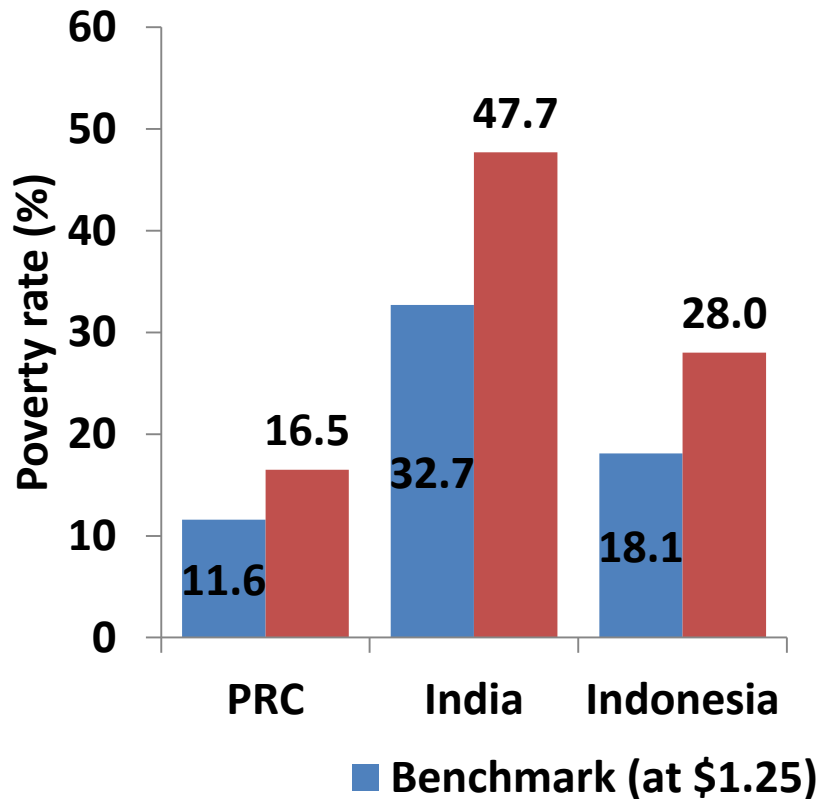
Number of poor (millions) in Asia under the \$1.25 and \$1.51 poverty lines



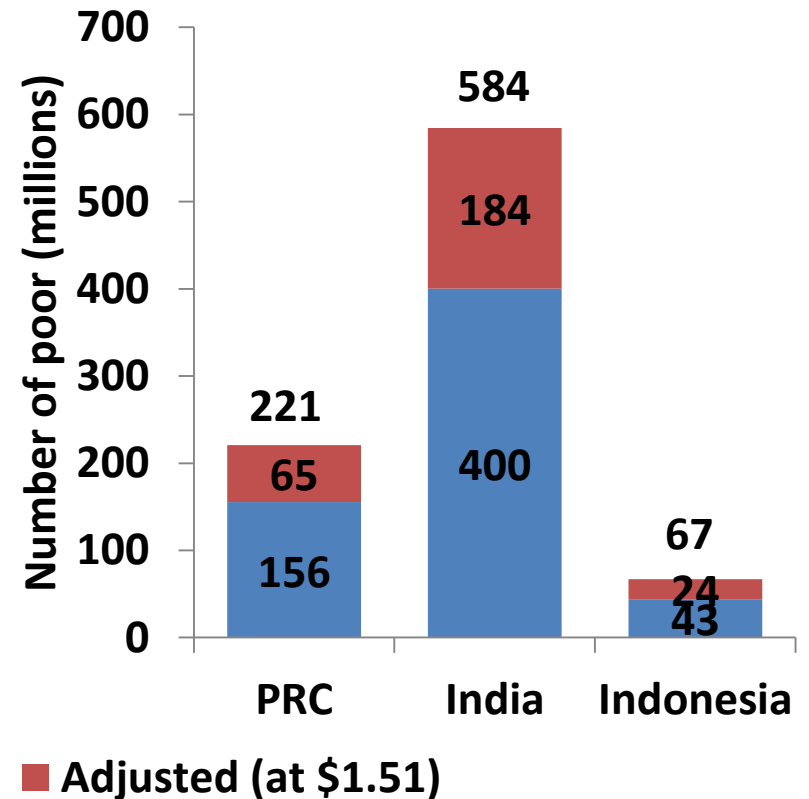
Top number = the poor at \$1.51 poverty line

Country-specific data

Poverty rates (%), 2010, (\$1.51 vs. benchmark \$1.25 poverty lines)



Number of poor (millions), 2010, under the \$1.25 and \$1.51 poverty lines



Top number = the poor at \$1.51 PL

Vulnerability to shocks affect welfare



FLOOD



EARTHQUAKE

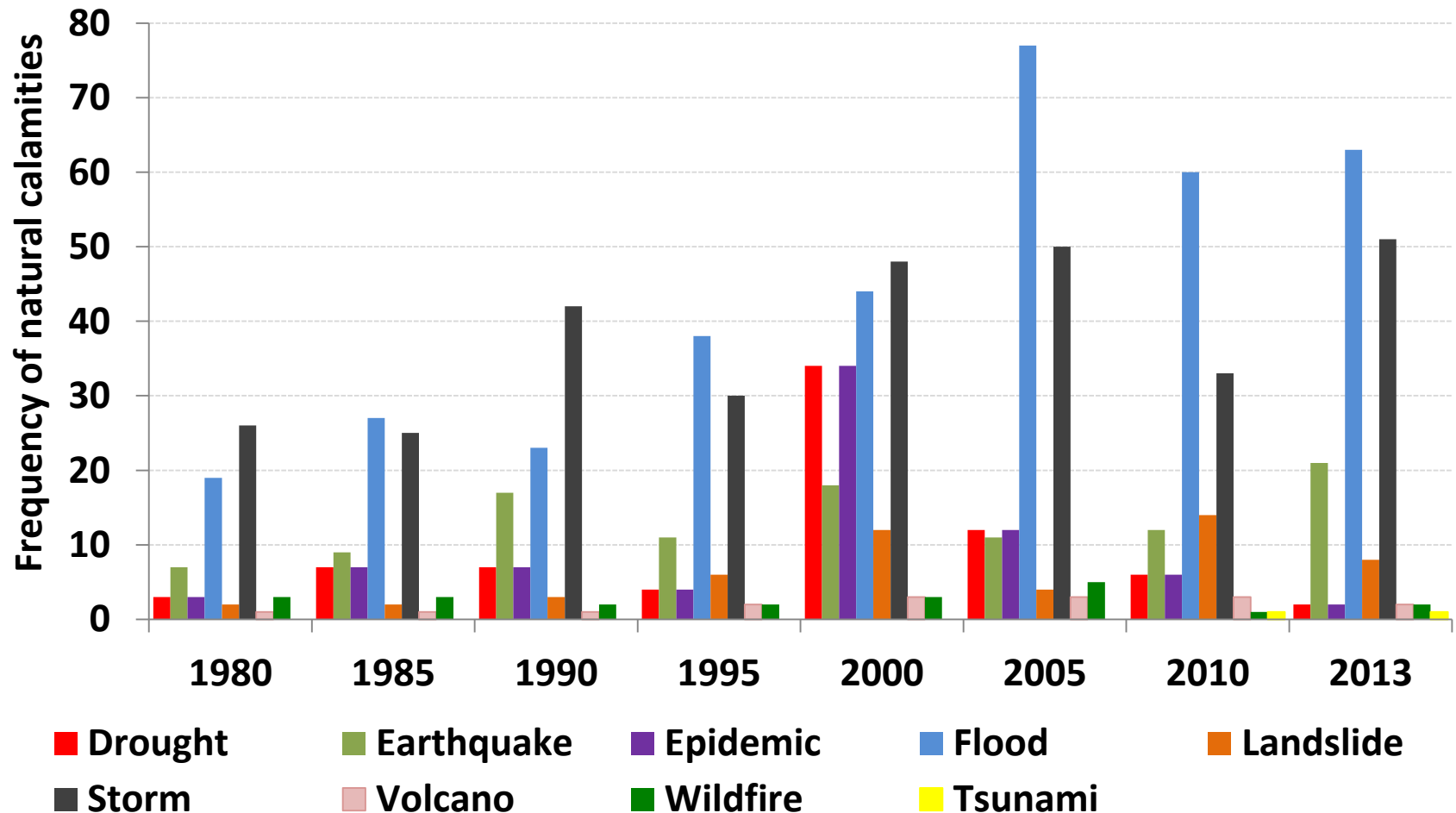


STORMS



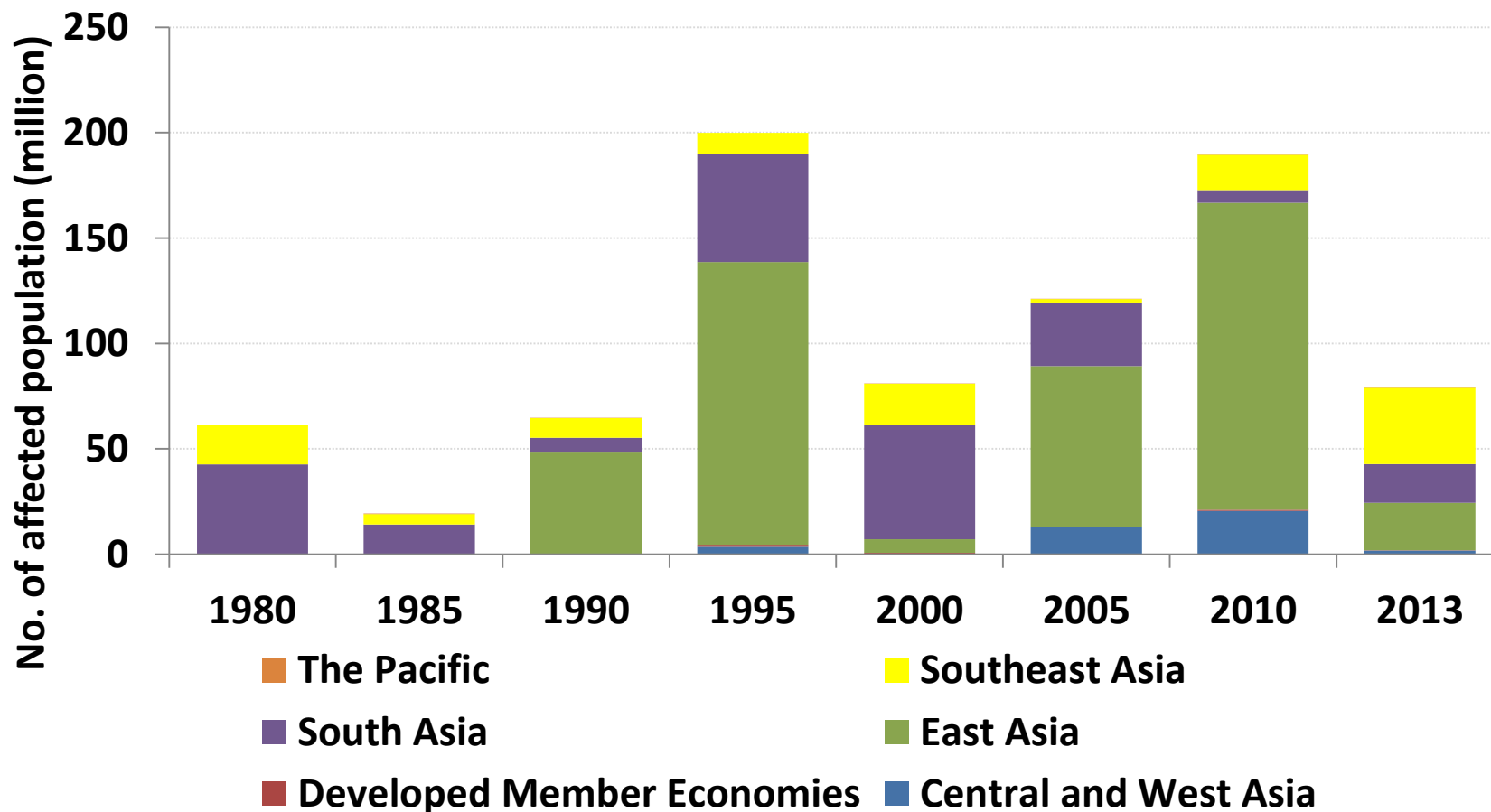
- \$1.25 PL does not consider risks or shocks
- Vulnerability-adjusted PL can be derived

Greater frequency of natural calamities...



Sources: *EM-DAT: The OFDA/CRED International Disaster Database*, at www.emdat.be, Université catholique de Louvain. Brussels, Belgium; ADB Photo Library.

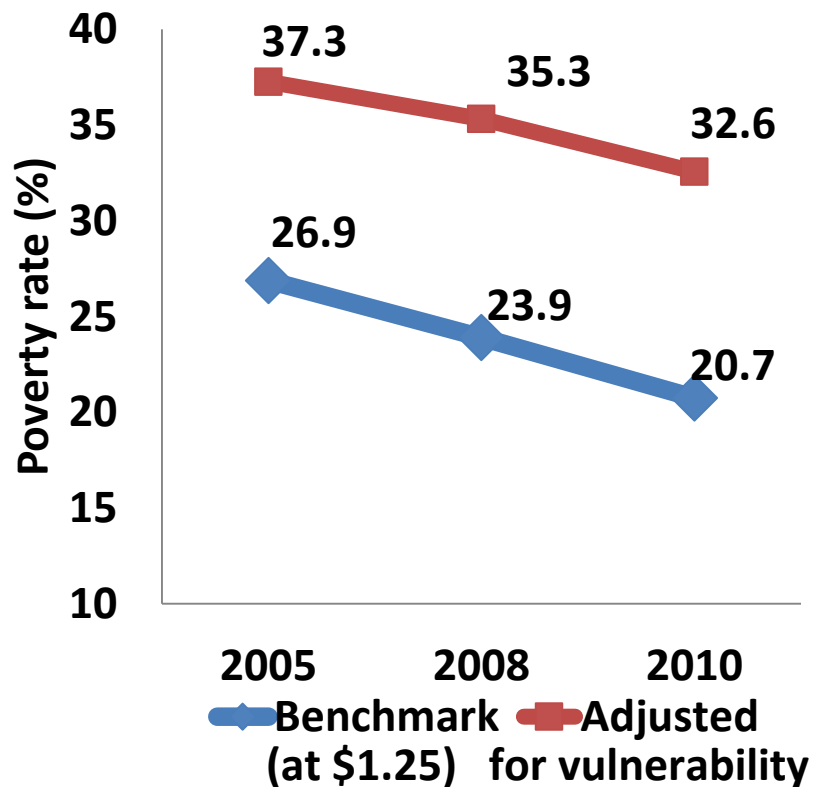
...affect millions of Asians



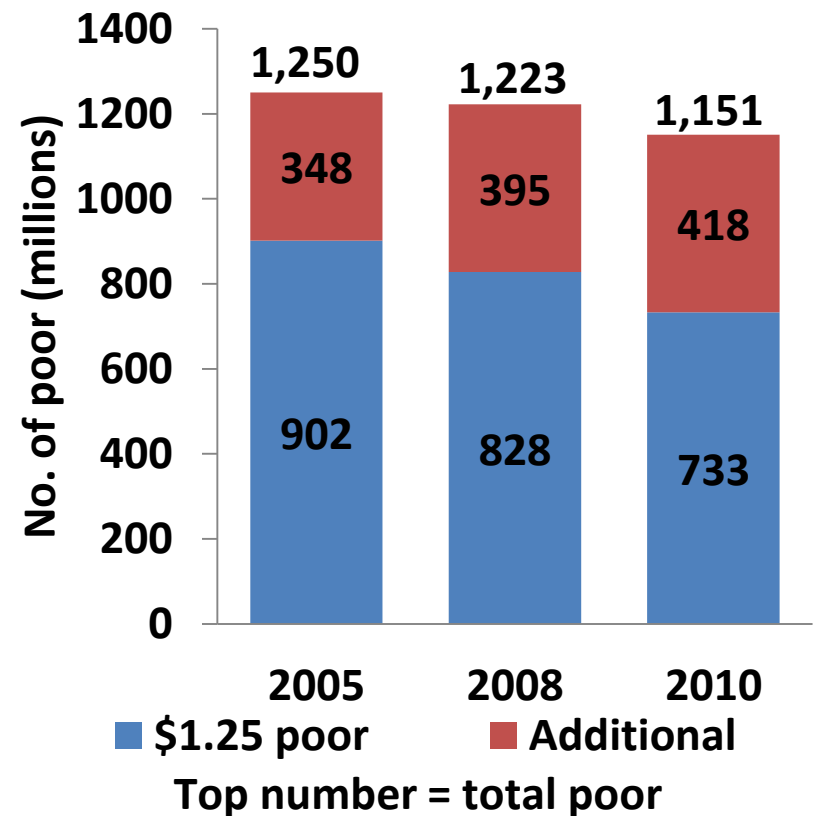
Source: *EM-DAT: The OFDA/CRED International Disaster Database*, at www.emdat.be, Université catholique de Louvain. Brussels, Belgium.

Shocks raise poverty measures too

Poverty rates (%) in Asia, with vulnerability considered



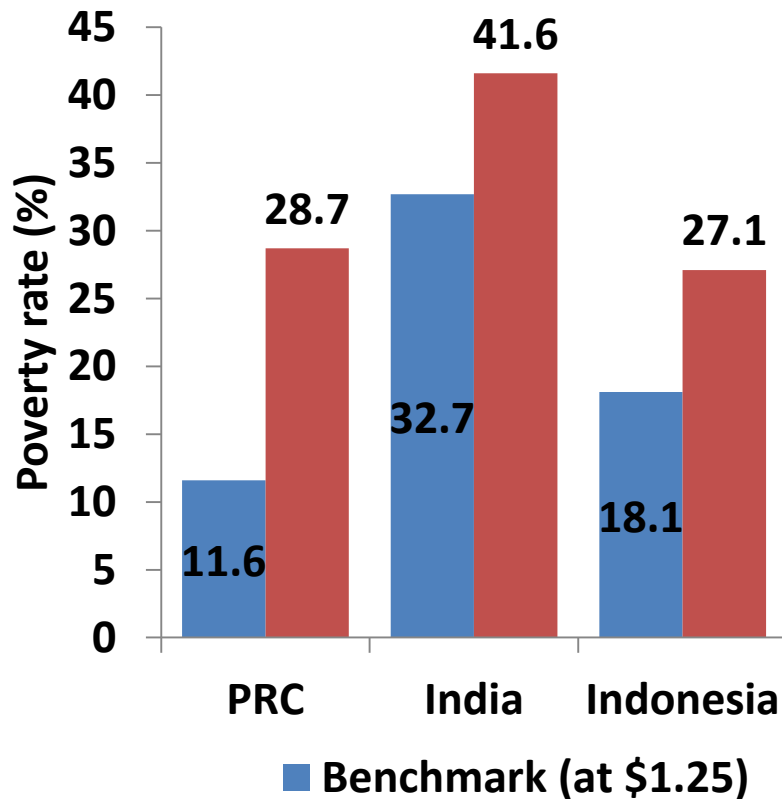
Number of poor (millions) in Asia, with vulnerability considered



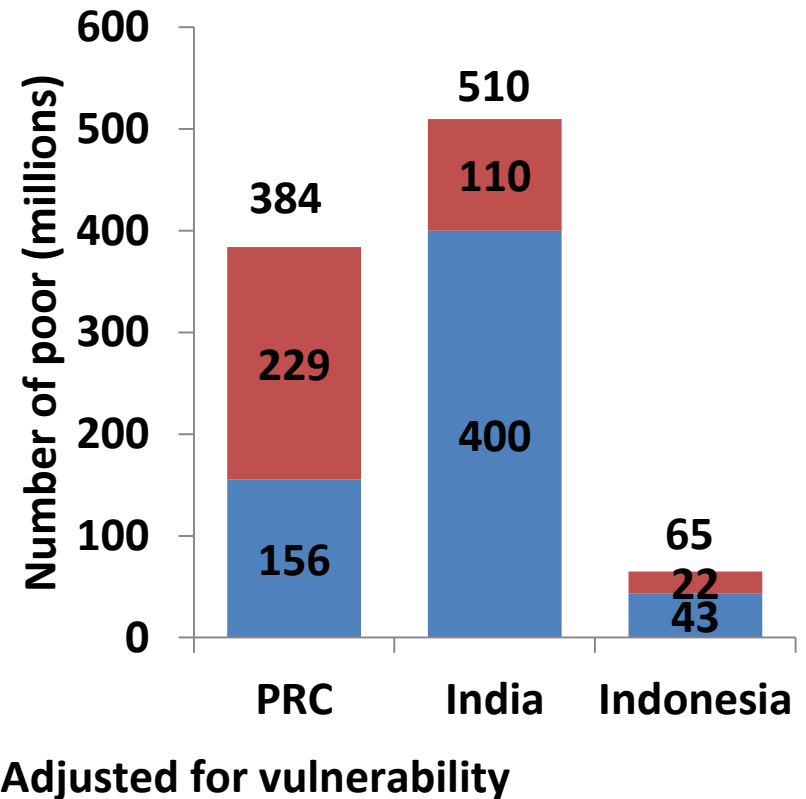
Source: ADB estimates.

Country-specific data

Poverty rates (%), 2010, with vulnerability considered



Number of poor (millions), 2010, with vulnerability considered



Top number = total poor

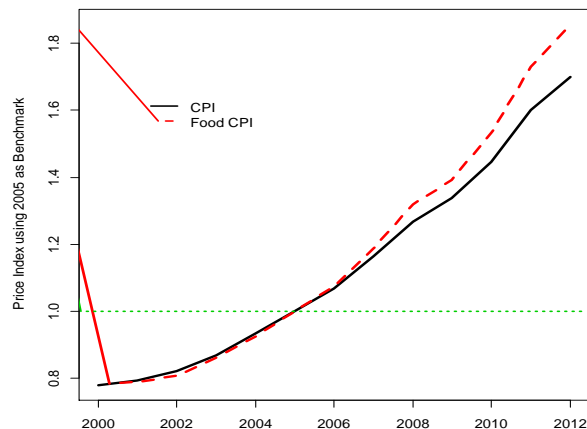
Faster food price hikes affect poor more

- Food insecurity often reflected in rising food prices
- Adjust \$1.25 PL by food CPIs when higher than general CPIs

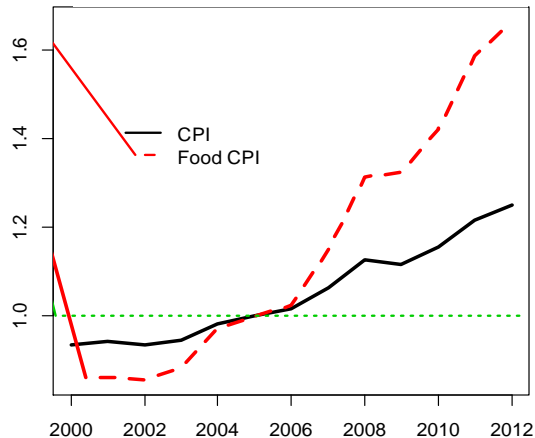


Food price vs. general price increases

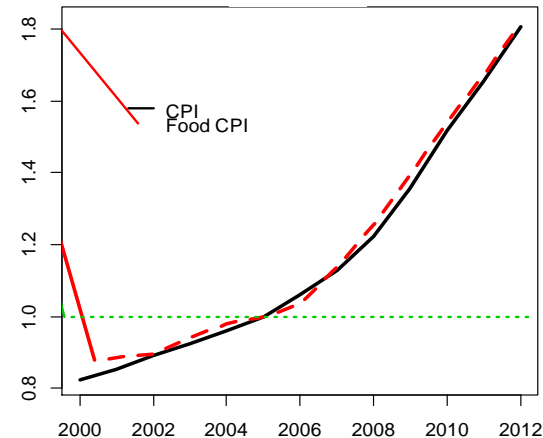
Bangladesh



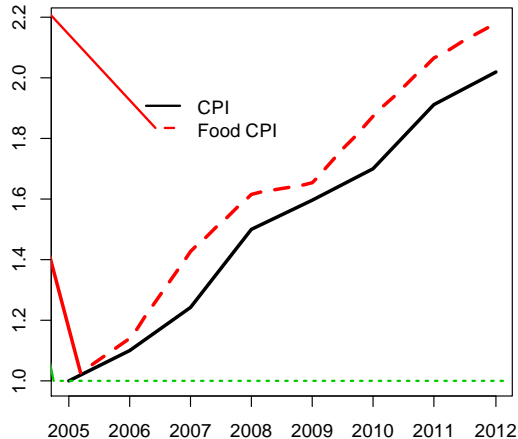
China, People's Rep. of



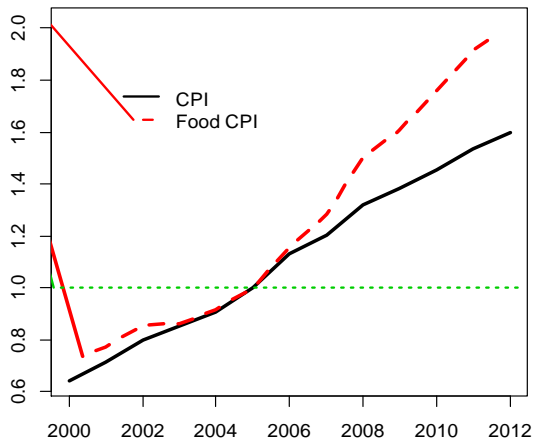
India



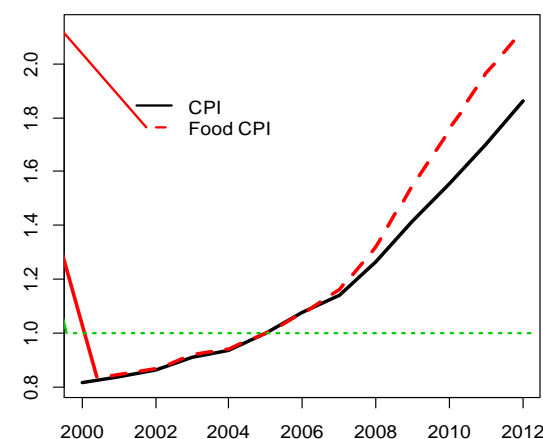
Tajikistan



Indonesia

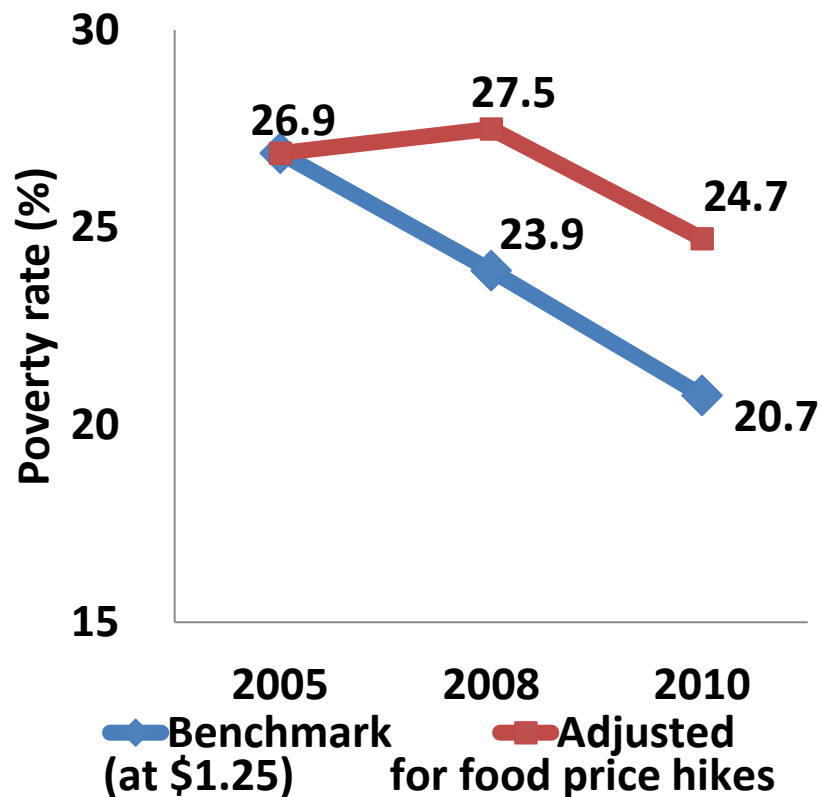


Nepal



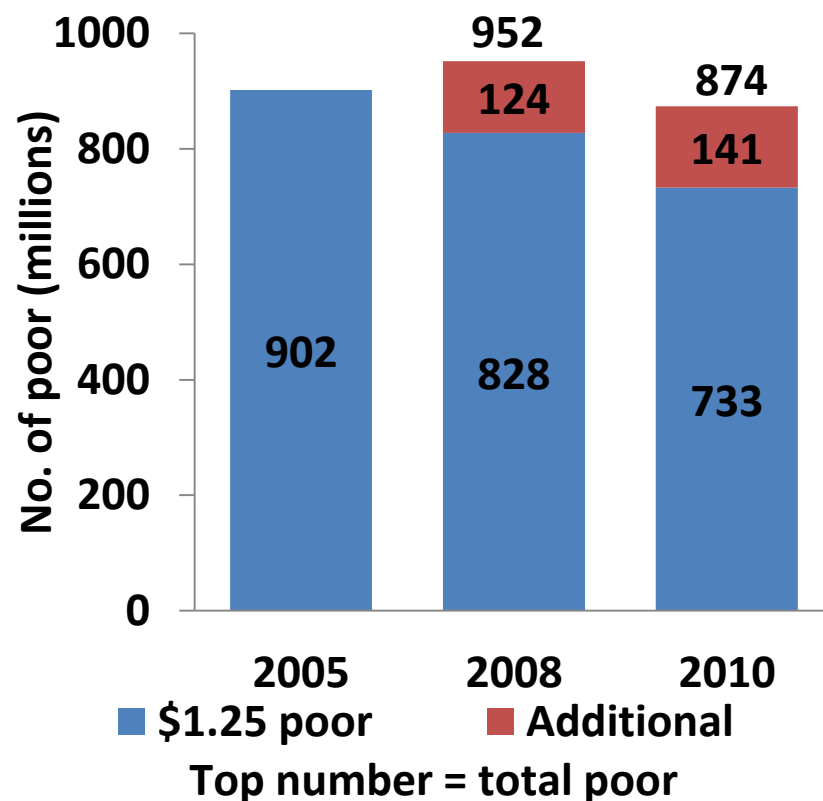
Poverty adjusted for faster food price hikes

Poverty rates (%) in Asia, with faster food price increases considered



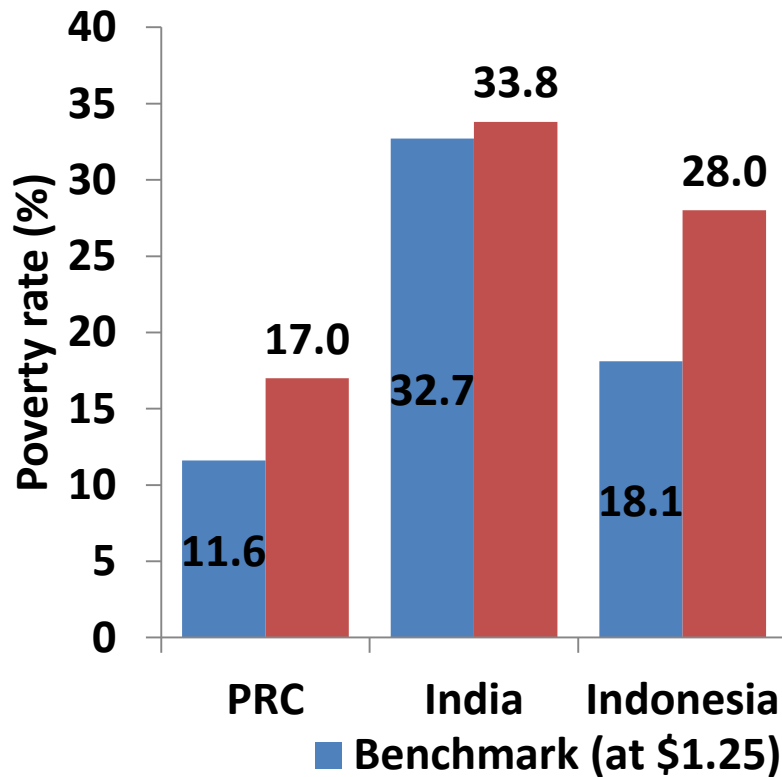
Source: ADB estimates.

Number of poor (millions) in Asia, with faster food price increases considered

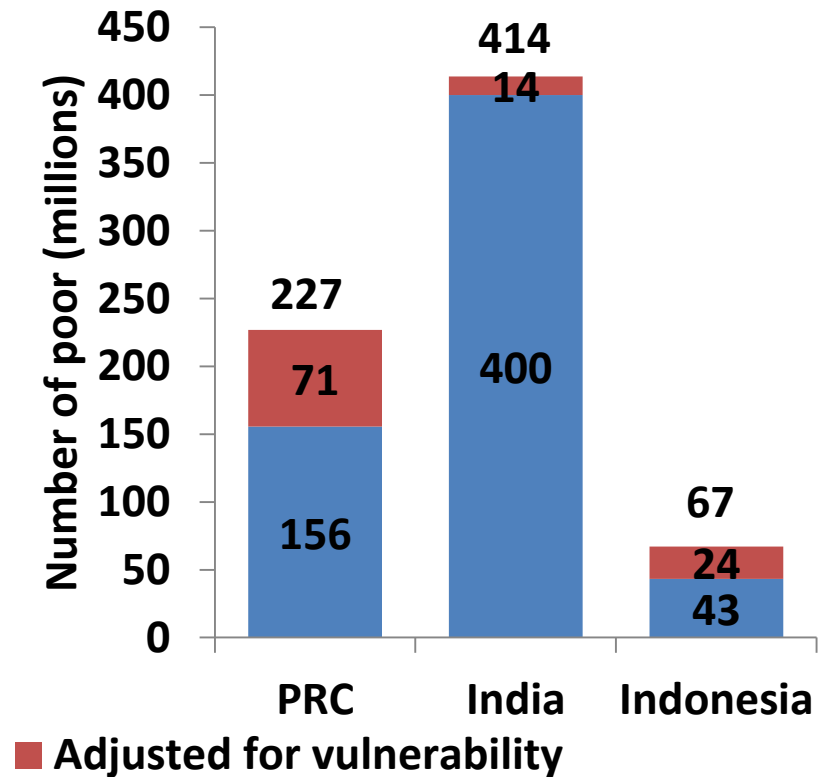


Country-specific data

Poverty rates (%), 2010, with faster food price hikes considered



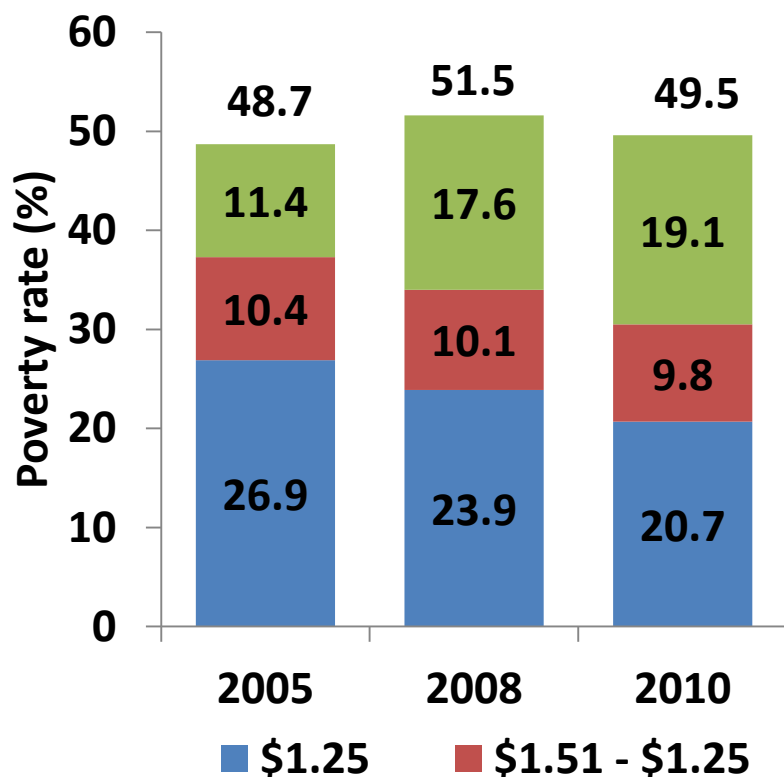
Number of poor (millions), 2010, with faster food price hikes considered



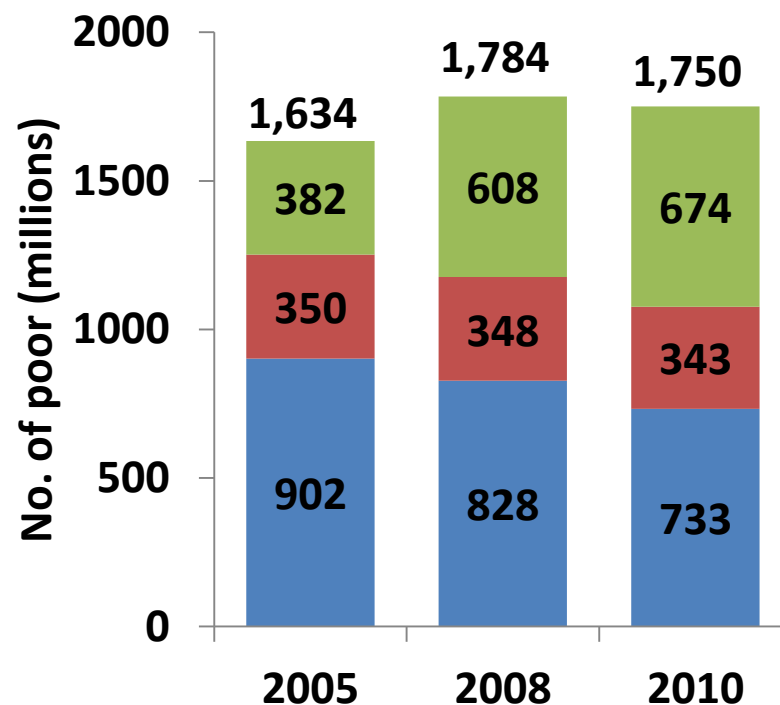
Top number = total poor

Combining all 3 factors doubles Asia's poor

Poverty rates (%), all 3 factors considered



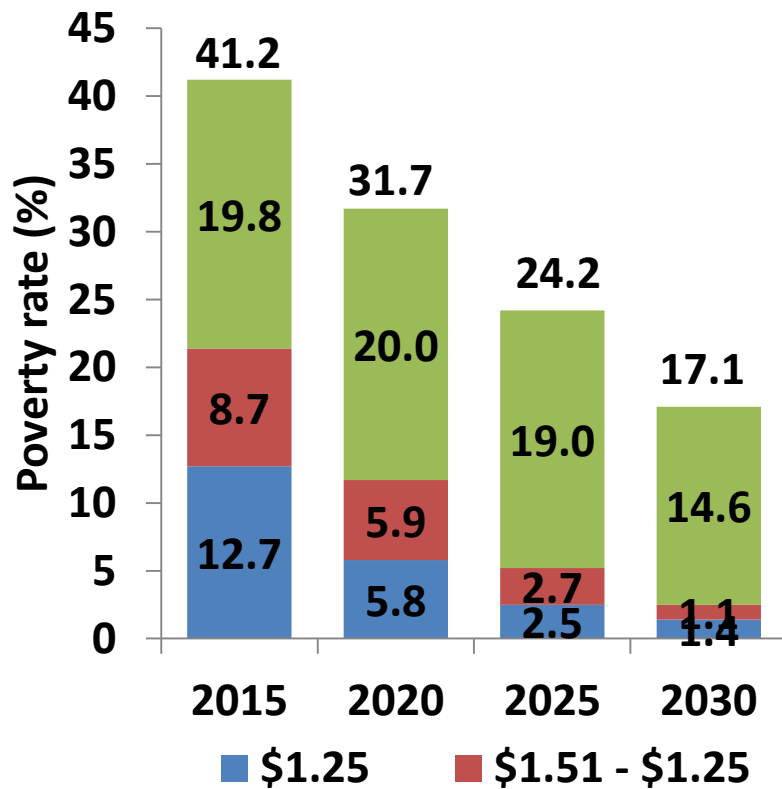
Number of poor (millions), all 3 factors considered



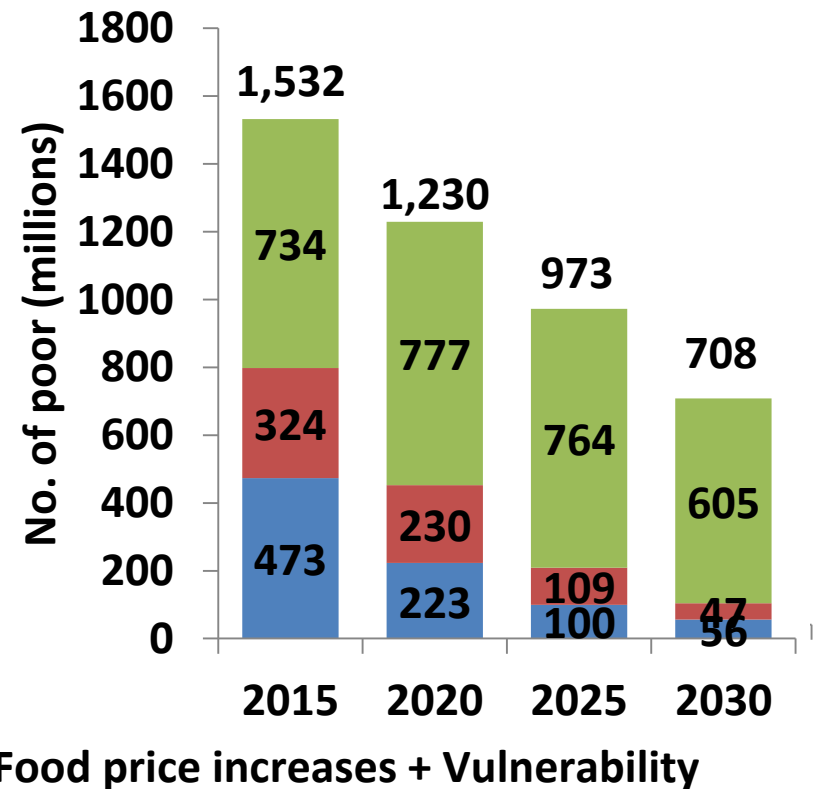
Source: ADB estimates.

Poverty reduction remains a challenge

Poverty rates (%), all 3 factors considered



Number of poor (millions), all 3 factors considered



Source: ADB estimates.

Policy implications: food price increases

- Availability
- Affordability
- Supply stability



Policy implications: vulnerability

- Disaster risk reduction
- Climate change mitigation and adaptation
- Diversification of income sources
- Social assistance and protection
- Market-based instruments (e.g., disaster insurance, health insurance, crop insurance)

Key messages

- Taking into account these factors, the headcount of extremely poor is substantially higher than by conventional measures
- Addressing vulnerability and food affordability and reliability are important parts of anti-poverty strategies