

Asia

Steady growth in grain production coupled with slower population growth rates portend improved food security for the region during the next decade. Afghanistan will remain the region's most vulnerable country. Despite continued recovery in the agricultural sector, two decades of conflict have left the population with severely limited access to food. [Stacey Rosen]

The Asian region is projected to become more food secure as the decade progresses as population growth slows and the production growth rate is maintained. Population growth, which averaged 2 percent per year during the 1980s and 1990s, is projected to fall to 1.5 percent per year. Production is projected to nearly match its historical rate of 2.2 percent per year. The improvements are reflected in the decline in the number and share of hungry people in the region. In 2003, it is estimated that 440 million people—or 24 percent of the population—are hungry. By 2013, this number is projected to fall to 308 million—or 15 percent. This success is principally driven by an improving situation in India, but also in Bangladesh, Nepal, and Pakistan. The region's most food secure country is Vietnam, where per capita consumption is projected to rise 1.5 percent per year through 2013 as a result of near 4-percent annual growth in production and low population growth. By 2013, even the poorest 10 percent of the population could be consuming 14 percent above the nutritional target.

Afghanistan will remain the region's most vulnerable country, although agricultural output is recovering for the second consecutive year. The recovery is due principally to good precipitation, as well as expansion of area planted and increased use of fertilizer and improved seeds. In fact, area planted to cereals is estimated to have risen more than 25 percent relative to 2002 levels. Grain production for 2003 is estimated at record levels and about 50 percent above last year. Prices for wheat, the staple crop, have fallen sharply as a result of this increase. These lower prices, coupled with expanded employment opportunities, should improve food access. However, more than 20 years of conflict and 3 years of drought leave a large part of the population vulnerable to food insecurity. In 2013, only the top income group is projected to consume above the nutritional target. In other words, without a major increase in

external aid, up to 80 percent of the population are projected to be hungry.

North Korea is the region's second most vulnerable country, although in this case, consumption in the top three income groups is projected to exceed the nutritional target in 2013. This means that about 40 percent of the population will be hungry. However, these results are highly dependent upon the continuation of large shipments of food aid. In our analysis, we assume food aid to be constant through the projection period at the base (2000-2002) level. In the case of Korea, these shipments were quite large, averaging 1.4 million tons per year. If food aid reverts to levels of the mid-1990s (less than half of recent levels) the food security situation would deteriorate significantly and the country's share of population hungry would be closer to that of Afghanistan.

The role of food aid has changed little in the region during the last decade. In the early 1990s, food aid accounted for roughly 20 percent of the region's grain imports. In more recent years, this share fell to 15 percent. Food aid does make a difference when examining its role in reducing food gaps and the number of hungry people in the region. During the 1990s, food aid to this region averaged roughly 2 million tons per year, and distribution gaps were nearly 13 percent below what they would have been in the absence of food aid. The number of hungry people fell about 3 percent, on average. In 1999, the region experienced a large inflow of aid in response to the Indonesian financial crisis and the North Korean famine. Food aid exceeded 4.4 million tons that year—a 46-percent jump from the previous year. As a result, the number of hungry people was 12 percent below what it would have been in the absence of food aid, and the distribution gap fell more than 14 percent.

Near-term economic growth in the region is dependent upon agricultural output, global demand for the region's exports, political stability, and regional secu-

Table 4—Food availability and food gaps for Asia

Year	Grain production	Root production (grain equiv.)	Commercial imports (grains)	Food aid receipts (grain equiv.)	Aggregate availability of all food
			1,000 tons		
1994	289,873	15,706	10,674	2,463	412,956
1995	299,293	15,574	17,342	2,170	431,740
1996	303,164	16,288	16,577	1,834	439,864
1997	307,074	17,199	15,279	2,591	440,303
1998	317,031	15,684	18,565	3,223	449,469
1999	328,635	18,247	20,414	4,633	468,563
2000	333,088	18,586	15,918	2,952	464,451
2001	335,405	18,680	12,522	4,022	477,543
2002	314,363	19,398	12,266	3,772	483,992
Projections				Food gap	
				SQ	NR
2003	333,654	19,540	16,216	655	0
2008	384,087	21,256	18,568	792	1,058
2013	428,100	23,102	20,703	574	880

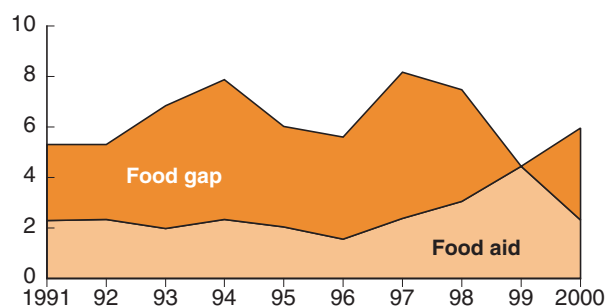
Asia (1,779 million people in 2003)

Afghanistan has experienced a second year of recovery in output after two consecutive droughts. North Korea also is experiencing a good harvest this year. However, food supplies will still fall short of needs, despite expected food aid deliveries of about 1.4 million tons.

The number of hungry people in Asia is projected to decline from 440 million people in 2003 to 308 million people in 2013. Most of the decrease is projected to come from improvements in the lowest income groups in Bangladesh, India, Nepal, and Pakistan.

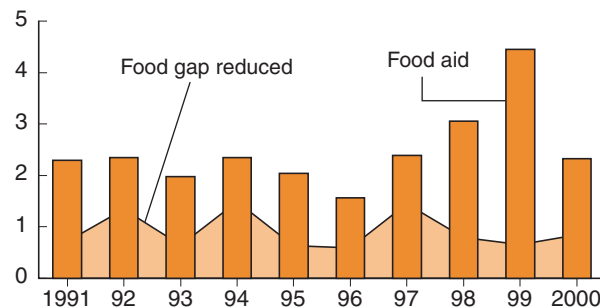
Asia: Food aid versus food gap

Mil. tons



Asia: Impact of food aid

Mil. tons



Asia: Food aid

	Total food aid received 1988-2002	Food aid per capita		Highest food aid amount received		Food aid as % of supply	
	1,000 tons	1989-91	1999-2001	1,000 tons	Year	1989-91	1999-2001
		Kg				Percent	
Asia	45,536	4.4	7.8			2.2	3.9
Afghanistan	2,701	10.3	9.5	620	2002	4.2	6.7
Bangladesh	12,642	10.0	6.1	1453	1999	5.2	2.9
India	6,051	0.5	0.3	910	1988	0.3	0.1
Indonesia	3,465	0.4	2.4	927	1998	0.2	1.0
Korea, Dem. Rep.	8,245	0.0	51.9	1622	2001	0.0	24.6
Pakistan	5,924	5.7	1.9	1442	1988	2.9	1.0

Source: FAOSTAT, ERS calculations.

ity. Growth in India, which dominates the region, will be strongly linked to expansion of the services sector in information technologies. The 2005 phaseout of the Multi-Fiber Arrangement will increase competition for the region's textile exporters. This could adversely affect the economies of Bangladesh, Sri Lanka, and Nepal, where textile exports account for 75, 50, and 25 percent of total export earnings, respectively.

However, if the cease-fire continues to hold in Sri Lanka, positive economic growth is expected. Many countries in the region have made reforms in trade, banking, and privatization. These changes, coupled with improved human capital (higher education levels, declining infant mortality rates), should boost productivity.