

UNIVERSITI SAINS MALAYSIA

First Semester Examination
Academic Session 2000/2001

September 2000

SEA302 – Economic Transformation in Southeast Asia

Duration: (3 hours)

Answer **FOUR** (4) questions; you must answer **ONE** (1) question from each section. Begin your answer to each question on a new sheet of paper. All questions carry equal marks.

Section A

1. Explain the changes in the industrial structure of the East Asian countries using the “flying geese” model. Discuss trade competition between China and the ASEAN countries.
2. Briefly discuss the major factors that contribute to the rapid growth in export of **ONE** of the ASEAN countries.

Section B

3. Briefly discuss the trend of human resource development in the Southeast Asian countries.
4. Income inequality in the Southeast Asian countries shows the inapplicability of the Kuznets hypothesis. Discuss.

Section C

5. Identify the stages of industrial development in ASEAN countries. Explain the characteristics of each stage with examples.
6. What is meant by industrialisation process? Describe the relationship between industrial development process and GDP of either ASEAN countries or any single ASEAN country.

Section D

7. Either

- (a) Explain the main features, causes and consequences of the 1997-1999 financial crisis experienced by Malaysia.

Or

- (b) Explain the determinants of the financial crisis in Asia.

8.

- (i) What are the roles of Public Sector in a national economy?
- (ii) Based on the data sets given below, briefly discuss the different aspects of public expenditure in Southeast Asian countries.

Table 1: Average Annual Share of Government Expenditure in GDP (%)

	Malaysia	Singapore	Indonesia	Thailand	Philippines
1971 - 1975	27.8	16.2	16.9	15.5	12.9
1976 - 1980	29.6	19.3	21.9	16.9	13.1
1981 - 1985	37.6	21.9	21.4	18.3	12.0
1986 - 1990	30.6	23.8	19.7	15.3	16.6
1991 - 1995	25.2	16.2	16.5	15.5	18.7
1996 - 1997	22.5	18.2	15.4	17.8	18.9
1971 - 1997	29.6	19.4	19.0	16.4	15.0

Table 2: Average Annual Change in Government Expenditure (%)

	Malaysia	Singapore	Indonesia	Thailand	Philippines
1971 - 1975	20.1	17.9	42.4	14.1	31.3
1976 - 1980	21.1	16.8	34.1	21.3	13.7
1981 - 1985	8.8	16.6	14.7	10.6	14.7
1986 - 1990	5.8	7.2	13.4	9.1	27.0
1991 - 1995	8.3	5.8	17.3	16.1	10.2
1996 - 1997	10.0	30.0	22.5	17.2	16.9
1971 - 1997	12.6	14.1	24.2	14.5	19.2

Table 3: Average Annual Change in Nominal GDP (%)

	Malaysia	Singapore	Indonesia	Thailand	Philippines
1971 - 1975	13.6	18.3	31.8	16.0	22.4
1976 - 1980	19.1	13.5	29.5	16.9	16.3
1981 - 1985	7.8	9.4	17.0	9.8	19.1
1986 - 1990	11.7	11.9	16.5	15.7	13.6
1991 - 1995	13.6	12.2	16.6	13.9	12.1
1996 - 1997	12.3	8.6	17.3	7.4	12.8
1971 - 1997	13.1	12.7	21.9	14.0	16.4

Table 4: Government Consumption Expenditure as a Percentage of Total Government Expenditure (%)

	Malaysia	Singapore	Indonesia	Thailand	Philippines
1971 - 1975	61.0	70.2	56.0	67.1	71.4
1976 - 1980	53.2	55.9	50.4	67.7	69.7
1981 - 1985	43.9	51.4	51.1	71.5	68.0
1986 - 1990	49.5	48.5	48.6	69.1	54.4
1991 - 1995	51.9	55.5	52.6	62.3	55.6
1996 - 1997	51.3	52.8	47.1	54.3	65.9
1971 - 1997	51.9	56.0	51.4	66.5	64.0

Table 5: Government Deficit (-) / Surplus (+) as a Percentage of GDP (%)

	Malaysia	Singapore	Indonesia	Thailand	Philippines
1971 - 1975	- 7.6	+ 1.5	- 2.6	- 2.6	- 0.9
1976 - 1980	- 6.0	+ 0.4	- 2.9	- 3.3	- 1.3
1981 - 1985	- 10.8	+ 3.0	- 1.2	- 3.5	- 2.9
1986 - 1990	- 5.6	+ 2.8	- 2.3	+ 1.4	- 3.2
1991 - 1995	- 0.1	+ 12.2	+ 0.7	+ 2.8	- 0.5
1996 - 1997	+ 1.6	+ 12.0	+ 1.4	+ 0.3	+ 0.2