South Asia

Challenges for human development

Extreme poverty declined from 52 percent in 1990 to 40 percent in 2005. In spite of this success, the number of poor people increased and the region remains home to the largest number of extremely poor people: nearly 600 million in 2005.

The region has made large improvements in education, but has not yet attained the Millennium Development Goal of universal primary education. The primary completion rate rose from 62 percent in 1991 to 80 percent in 2006 and, in a region where girls have traditionally received fewer opportunities than boys, the ratio of girls to boys in secondary education improved from 59 percent to 84 percent between 1991 and 2005.

Over 40 percent of children are underweight, and despite recent improvements, the immunization rate against measles remains one of the lowest of all regions (72 percent in 2007). The slower improvement in the under five mortality rate (125 in 1990 to 78 per 1,000 in 2007) reflects the difficult task that the region faces in trying to reach the MDG target of reducing child mortality by two-thirds by 2015.

South Asia generally affords poor reproductive health conditions. Maternal mortality was the second highest (500 per 100,000 live births) among developing regions in 2005. Only 41 percent of births were assisted by skilled health staff, and the region had the lowest proportion of pregnant women receiving prenatal care.
Environment

A largely rural population
South Asia remains the most rural region. In 1990 75 percent of its population living in rural areas. By 2007 this was down to 71 percent but its rural population continues to increase at an annual rate of 1.5 percent. More than half of its land area is used for agricultural purposes, of which 42 percent is classified as arable land used for temporary crops and market or kitchen gardens. The region has 13.8 hectares of arable land per 100 people, second lowest among developing regions.

Economy

Growing trade in services
South Asia’s exports of services climbed to $96 billion in 2007. Almost two-thirds was in computer, information, and communications services. As a share of GDP total trade (exports plus imports) nearly doubled between 2000 and 2006, reaching 14 percent, the highest in any region.

States and markets

India leads the world in ICT service exports
India leads all countries in exports of information communication technology (ICT) services—communications, computer, and information services. Exports increased from about $5 billion in 2000 to over $30 billion in 2006, accounting for about 42 percent of total service exports. India’s software industry employs about 1.6 million people. China is the next largest ICT services trader, with about $5.5 billion in ICT service exports.

Global links

Increased financing from private sources
South Asia region received $36 billion of net portfolio equity flows in 2007, 3.5 times the receipts in 2006. Net bond issuances more than doubled from $4.3 billion in 2006 to $9.5 billion in 2007. Foreign direct investment net inflows also increased significantly, reaching $30 billion in 2007. South Asia increased its borrowing from private creditors for 2006 and 2007. Net commercial bank and other private borrowing in 2006 and 2007 were $16 billion and $18 billion, respectively, compared to the $4 billion in 2005. The region also received $52 billion remittances in 2007, a 32 percent increase from 2006.