

BBC BITESIZE

In the 20th century many countries in east and south east Asia industrialised - including South Korea, Taiwan, Singapore, Japan, Philippines and Thailand. These nations are called newly industrialised countries or NICs. They are also sometimes referred to as tiger economies because of their rapid growth rate.

The governments of these NICs kept close control over industrial development, and encouraged industries to export manufactured products to the more developed and richer countries abroad.

The profits generated by exports were re-invested in the domestic economy. Domestic businesses grew, wages rose, and workers spent their new wealth on home-produced goods and services - thus stimulating further growth. This kind of cycle or knock-on effect, in which money paid out by businesses is re-invested in the economy, is sometimes called the multiplier effect.

The success of NIC economies has contributed to the decline, over the last 30 years, of manufacturing industries in MEDCs such as the UK. Industries struggled to compete with the cheaper competition from NICs, where production costs and wages were less.

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Newly Industrialised Countries (NIC's) are LEDCs that have undergone recent, rapid industrialisation and experience rising incomes, high growth rates and international involvement. Eg Asian tigers Taiwan, Singapore, Hong Kong, and South Korea, achieved high rates of growth in the late 20th century.

Typically NIC's have made progress because of appropriate government intervention to make markets work better through investment in human capital and by adopting an export orientation.

It is useful to classify countries by groupings for identification of common problems and policy purposes. The danger lies in stereotyping and making generalisations that are an over- simplification of complex reality.

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NICs (Newly industrialised countries) tend to have a large proportion of people working in secondary industries. The % of the population working in primary industry starts to decline. This is because people move from jobs in rural areas to urban areas to work in factories as the industrial base develops.

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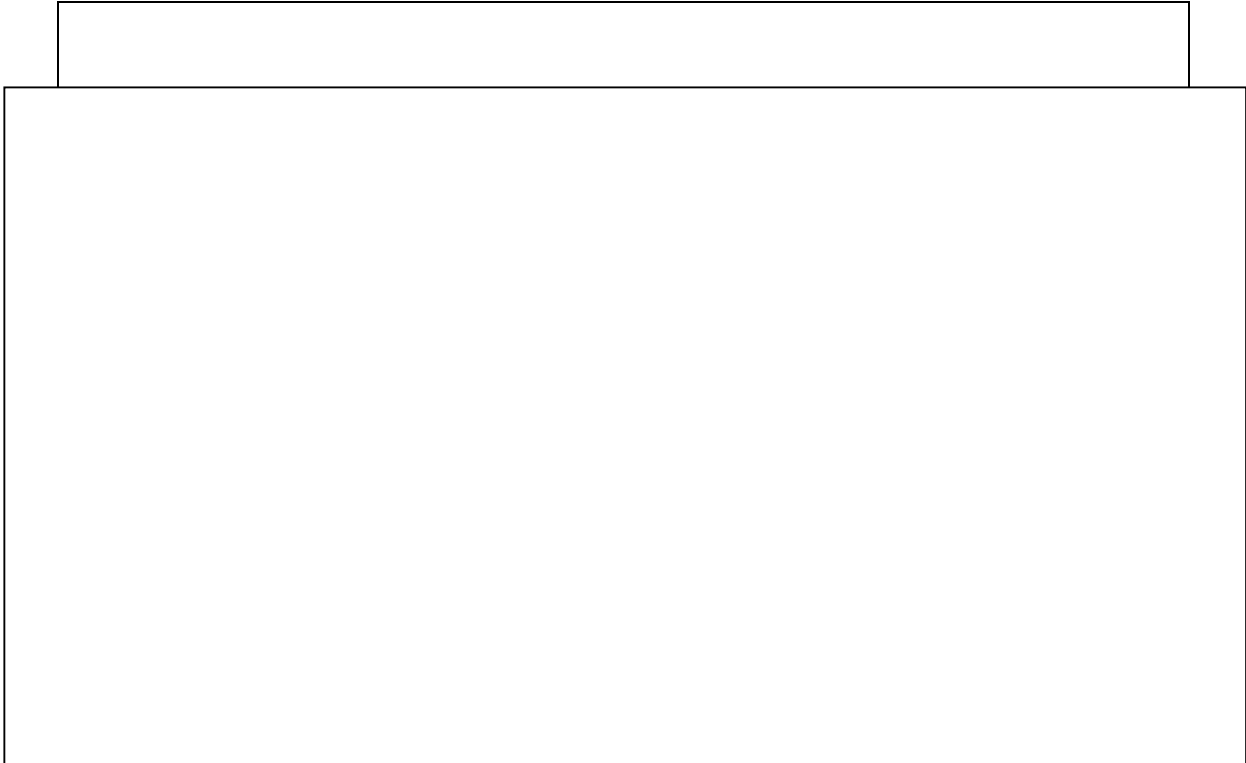
Newly industrialised countries are those that have recently had substantial growth in their manufacturing output and consequently exports. They include South Korea, Singapore, Taiwan and Hong Kong.

Many have followed a similar system. Firstly the country invests in industries that can produce goods they would normally import and supports these new industries by putting extra taxes on imported goods to make them un-competitive.

Then when these industries are established they look to replicate many of the products in the world export market. They concentrate on high technology industries, first mimicking existing products then improving them. Their economy typically grows by about 6-8% a year.

What are 3 main characteristics of a Newly Industrialising Country ?

Name 4 Newly Industrialising countries



- ❑ **Draw the typical shape of a graph to show the stages in development of an NIC**
- ❑ **We are going to annotate it with text labels, and also with sound annotations on the Powerpoint version**

