

Report: Global Demographics Play Emerging Role for Manufacturers

The Manufacturers Alliance for Productivity and Innovation (MAPI)

ARLINGTON, Va. — The era of constrained labor supply is just beginning, and the decreasing share of populations that are in the working age cohort will keep human capital a front-burner issue for goods producers for decades, according to a new Manufacturers Alliance for Productivity and Innovation (MAPI) report.

In [An Aging, Urbanizing World](#) [1], Senior Economist Cliff Waldman notes that global population growth has been slowing dramatically since the mid-1960s. In the latter half of the 1960s, average growth was 2.07 percent per year. The rate decelerated over the decades to an estimated 1.15 percent per year for the 2010-2015 period and is projected to fall below 1 percent after 2020.

Noting that demographics are no longer an academic matter, Waldman writes that “Population shifts are being felt very much in the present and are having a direct impact on the slow world rebound. Manufacturers must understand how dramatic demographic changes intersect with economic activity, and the resulting reshaping of the business climate in ways that would have been unimaginable just a decade ago.”

Regional differences are revealing. For instance, for the 2010-2015 period, the average population growth in Africa will be an estimated 2.46 percent compared with 0.81 percent in the United States and 0.08 percent in Europe.

For the world as a whole, the 60 and older cohort share is climbing, from 9.2 percent in 1990 to 11.1 percent in 2010. Between 1990 and 2010, the share of this cohort in the more developed regions rose from 17.7 percent to 21.8 percent.

Commensurate with the aging population, people have shown a general tendency to concentrate. In 2011, 52.1 percent of the population resided in urban areas, including nearly 78 percent in developed regions. Urbanization is trending up in less developed regions, with the 2011 rate of 46.5 percent expected to rise to 51.3 percent by 2020.

Changing demographics will continue to affect employers, including manufacturers.

“As a result of urbanization, supply chains will need to be increasingly configured for urban labor supply and markets,” Waldman writes. He commented that developing economies will continue to be fertile ground for the sector despite various challenges.

The Manufacturers Alliance for Productivity and Innovation (MAPI), established 1933, is a nonprofit membership organization that provides continuing professional

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[2] <http://www.mapi.net/>