

NEWS – ECIPE PRESS RELEASE – NEW POLICY BRIEF

Reigniting Productivity: A New Growth Model for the Asia-Pacific

By **Hosuk Lee-Makiyama**, Director of ECIPE and **Badri Narayanan**, Senior Fellow of ECIPE, Founder of Infinisum, former Joint Secretary of NITI, Government of India

Brussels, 11 May 2026 - Study shows the China-Centric Growth Model coming to an end.

A new [Policy Brief](#) argues that the Asia-Pacific region is reaching the end of the export-led, China-centric growth model that has defined regional development for the past two decades.

Instead, a new growth model has emerged: one that builds on new capabilities among small businesses and reducing costs of acquiring new technologies.

The report, *Reigniting Productivity: A New Growth Model for the Asia-Pacific*, examined productivity trends among APEC members and over 120 socio-economic variables since 2015.

Most notably, exports now correlate negatively with productivity, while imports — especially business and digital services — are associated with stronger productivity gains.

The findings of the study contrast with those identified in the famous Draghi Report. Whereas Europe's competitiveness debate centres on scale, reindustrialisation, and state-led investment, **Asia's productivity constraints stem from overreliance on Chinese demand, underutilisation of technology, and demographic asymmetries.**

"The historical model based on manufacturing scale, export specialisation, and Chinese demand has reached its limits", said Hosuk Lee-Makiyama, Director of ECIPE.

Asian SMEs face a capability challenge – not an infrastructure problem.

The report also argues that the region's "connectivity dividends" are largely exhausted.

While the Asia-Pacific has invested heavily in broadband infrastructure, productivity growth does not come from faster internet speeds, but from the uptake of business technologies, such as enterprise software, cloud and AI tools.

“Technology and foreign investments play a different role today for small businesses, providing access to business platforms and organisational practices that cannot be developed internally.”

Publication details: [Reigniting Productivity: A New Growth Model for the Asia-Pacific](#), ECIPE Policy Brief No. 07/2026

Contact the corresponding author: Hosuk Lee-Makiyama, hosuk.lee-makiyama@ecipe.org

Media inquiries: info@ecipe.org or +32 (0)499 053 110