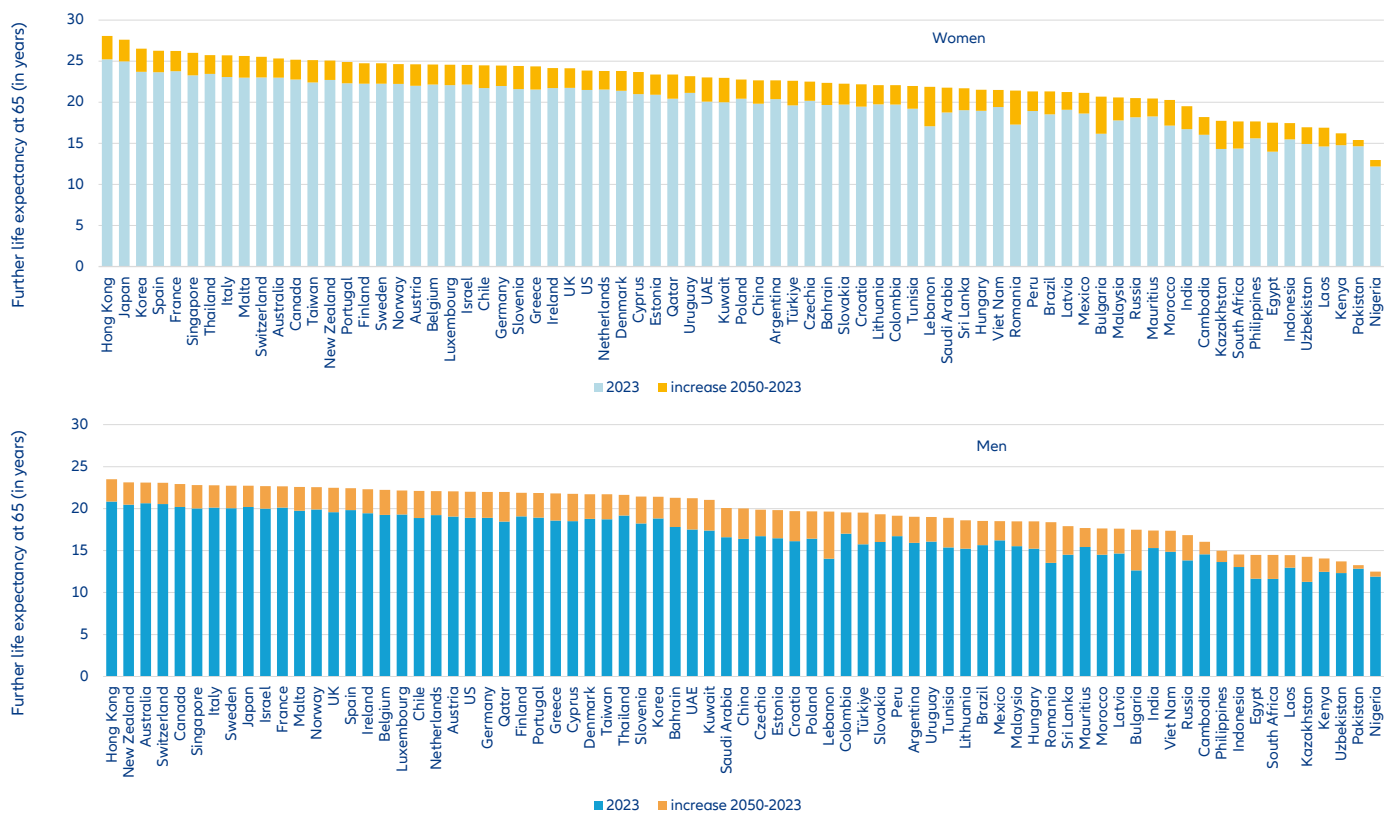


Figure 3: Further life expectancy to increase further

Source: UN Population Division (2022).

Birth rates also play a key role in aging societies. In all world regions besides Africa, these have fallen below the reproduction level of 2.1 that is necessary to keep a population stable. While data indicate that the development of life expectancy will probably return to the former trend, news about record-low births from China, Italy or Brazil, for example, raise concerns that fertility rates in many countries might not recover from the baby bust seen during the pandemic but rather remain at lower levels⁹. If birth rates remain at a lower level, the old-age dependency ratio¹⁰ would be around 2pps higher in Australia and New Zealand as well as in Northern America, reaching 41% instead of 39% in 2050, while it would reach 53% instead of an average 50% in Europe. In some countries, the difference could be up to 5pps, like in Hong Kong where it would reach 84% instead of “merely” 79%, while in Italy, it would increase to 76% and not “just” 72%.

In its medium variant, which we used for our calculations, the UN projects that the global fertility rate will decline from 2.3 children per woman today to 2.1 in 2050, assuming that the fertility rate in Africa is going to decline further from 4.2 today to 2.9, while fertility rates in other regions remain more or less stable. That means, it would only decline slightly in Asia (from 1.9 to 1.8) and Latin America (from 1.8 to 1.7), while fertility rates would even slightly recover in North America, Australia and New Zealand, as well as in Europe, i.e. from 1.6 to 1.7 and from 1.5 to 1.6, respectively. In the countries that we cover in our analysis, the fertility rate ranges from 0.8 in Hong Kong to 5.1 in Nigeria. There are marked differences with respect to expected future developments: While UN demographers expect a further decline to 3.0 in Nigeria until 2050, which would be still markedly above the replacement rate, they expect it to remain at least constant around 1.0 in Hong Kong (see Figure 4).

⁹ See United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022, Online Edition, low variant.

¹⁰ The number of people aged 65 and older per 100 people aged between 15 and 64.