Kingdom of Cambodia
National Transfer Accounts
2009 update

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Introduction to NTA Cambodia

- We have constructed the NTA framework for 2009 as reference year and first estimation of NTA since 2011 with technical assistance from the NUPRI to achieve for the first step (LCD).

- Second step for the framework of Cambodia NTA was trained and completed in estimation of age allocation (6-10 July 2015), by team leader of Dr. Sang-Hyop Lee of the University of Hawai'i at Manoa (UHM) and East-West Center (EWC).

Framework of NTA Cambodia

	Total	Per Capita Domestic by Age					Foreign
		0-14	15-29	30-44	45-59	60+	

Population (in '000)

Lifecycle Deficit

  Consumption

    Public

      Education

      Health

      Other

    Private

      Education

      Health

      Other

Less: Labor Income

  Wages

  Self-Employment

Completed !

Framework of NTA Cambodia

	Total	Per Capita Domestic by Age					Foreign
		0-14	15-29	30-44	45-59	60+	

Asset Reallocation
   Public
      Income on Assets
      Less: Public Saving
   Private
      Income on Assets
      Less: Private Saving
Transfers
   Public
      Inflows
      Outflows
         Direct taxes
         Indirect taxes
   Private
      Inter vivos
         Inter-household
            Inflows
            Outflows
         Intra-household
            Inflows
               Education
               Health
               Other
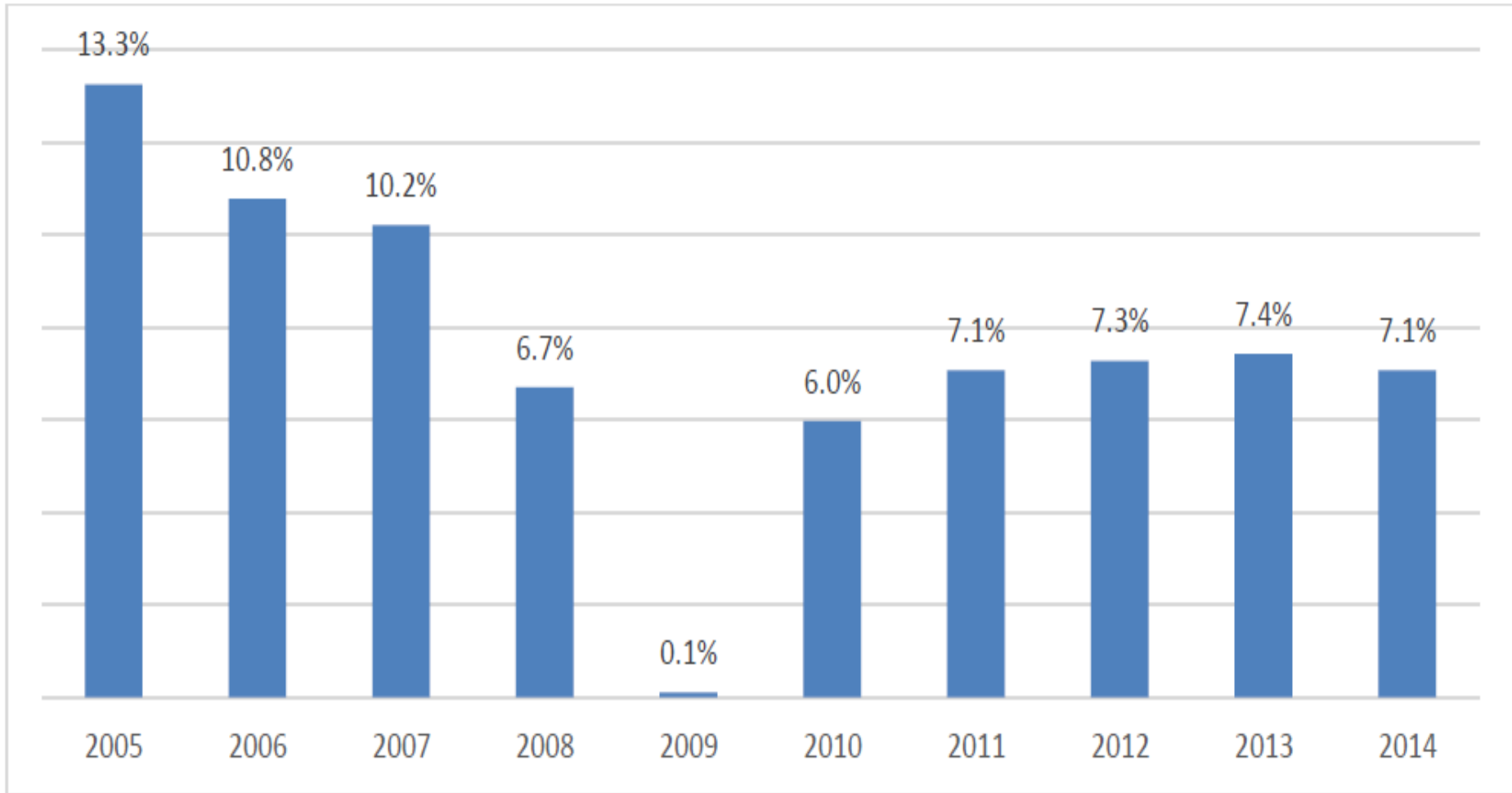   Outflows
               Education
               Health
               Other
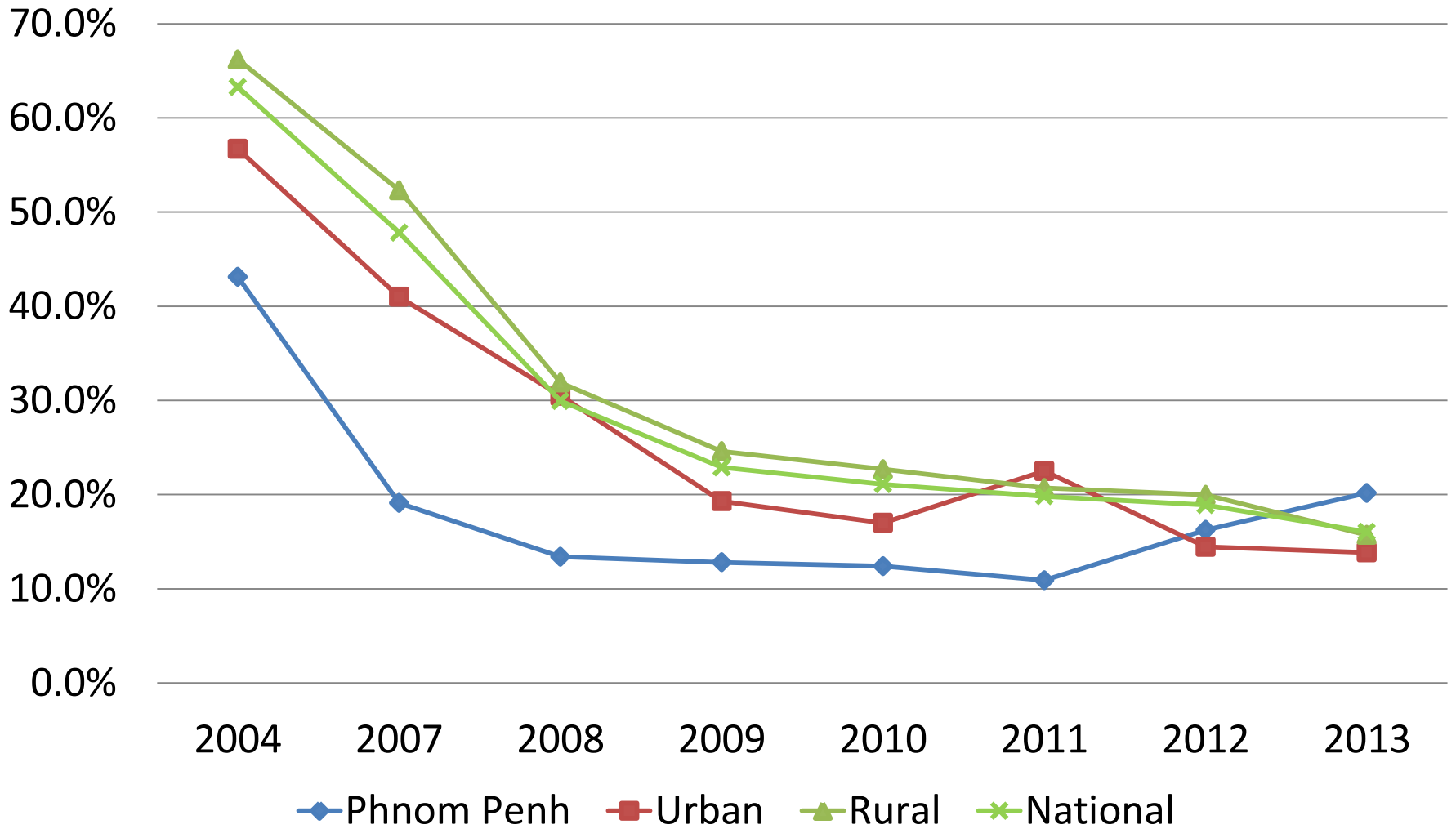   Bequests
         Inflows
         Outflows
Wealth
   Capital
   Property and Credit
   Transfer Wealth
      Public
      Private

Completed !

Cambodia GDP growth, 2005-2014

Year	Growth
2005	13.3%
2006	10.8%
2007	10.2%
2008	6.7%
2009	0.1%
2010	6.0%
2011	7.1%
2012	7.3%
2013	7.4%
2014	7.1%

Source: NIS-MOP/MEF

# Cambodia Poverty Trend, 2004, 2007-2013

Source: NIS/MOP

Population Structure in Cambodia

- Population: 14.7 million, male:7.1 millions and female: 7.6 millions *(CICPS2013)*
- Annual Growth Rate: 1.46% *(CICPS2013)*
- Age dependency ratio: 52.4% in total, Male: 54.5% and Female: 50.5%
- Average household size: 4.6 persons
- Total fertility rate (TFR) per 1,000 live birth: 2.8
- Population Density: 75 person/Km2 (census08)
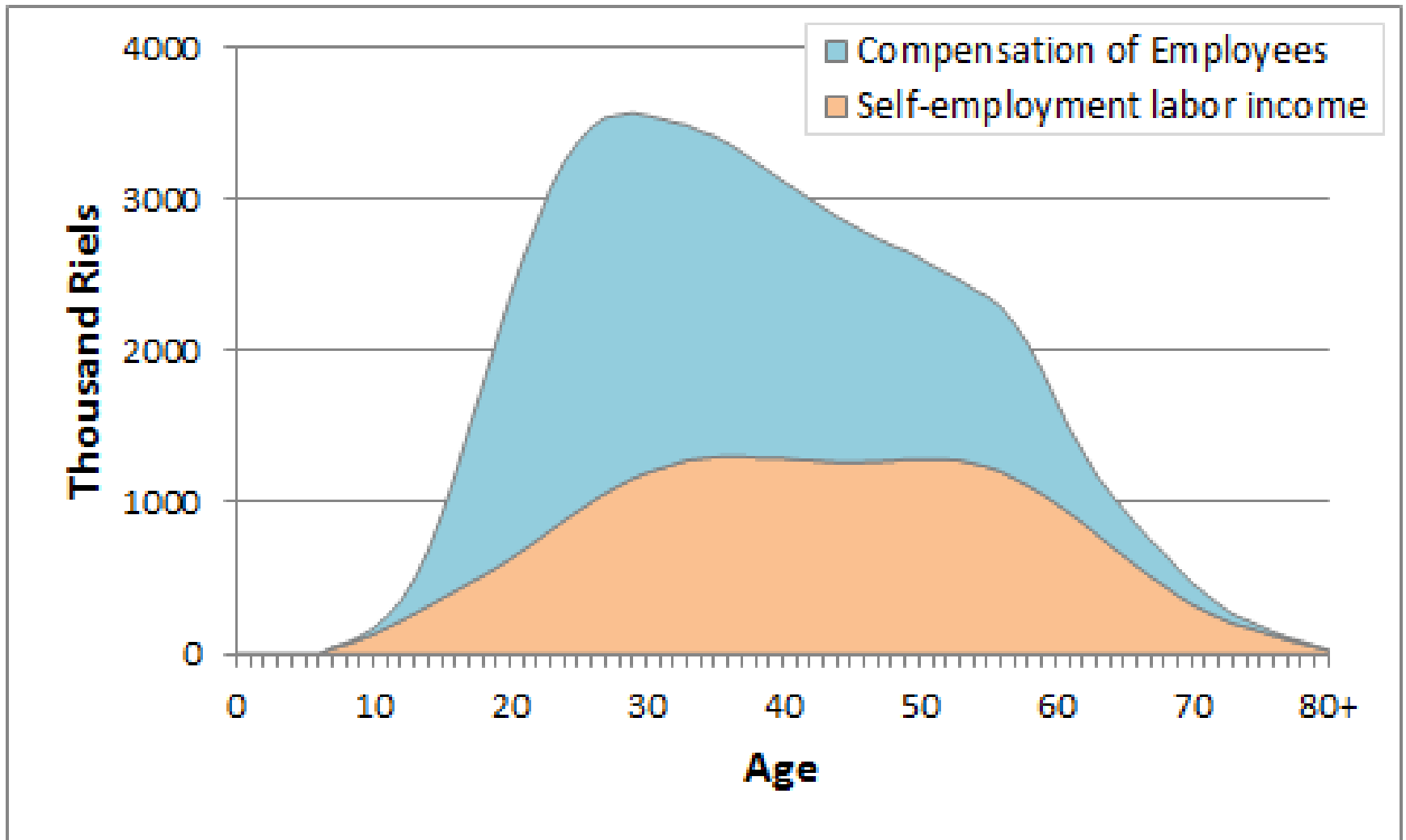- Life Expectancy at birth: 68.9 *(CICPS2013)*
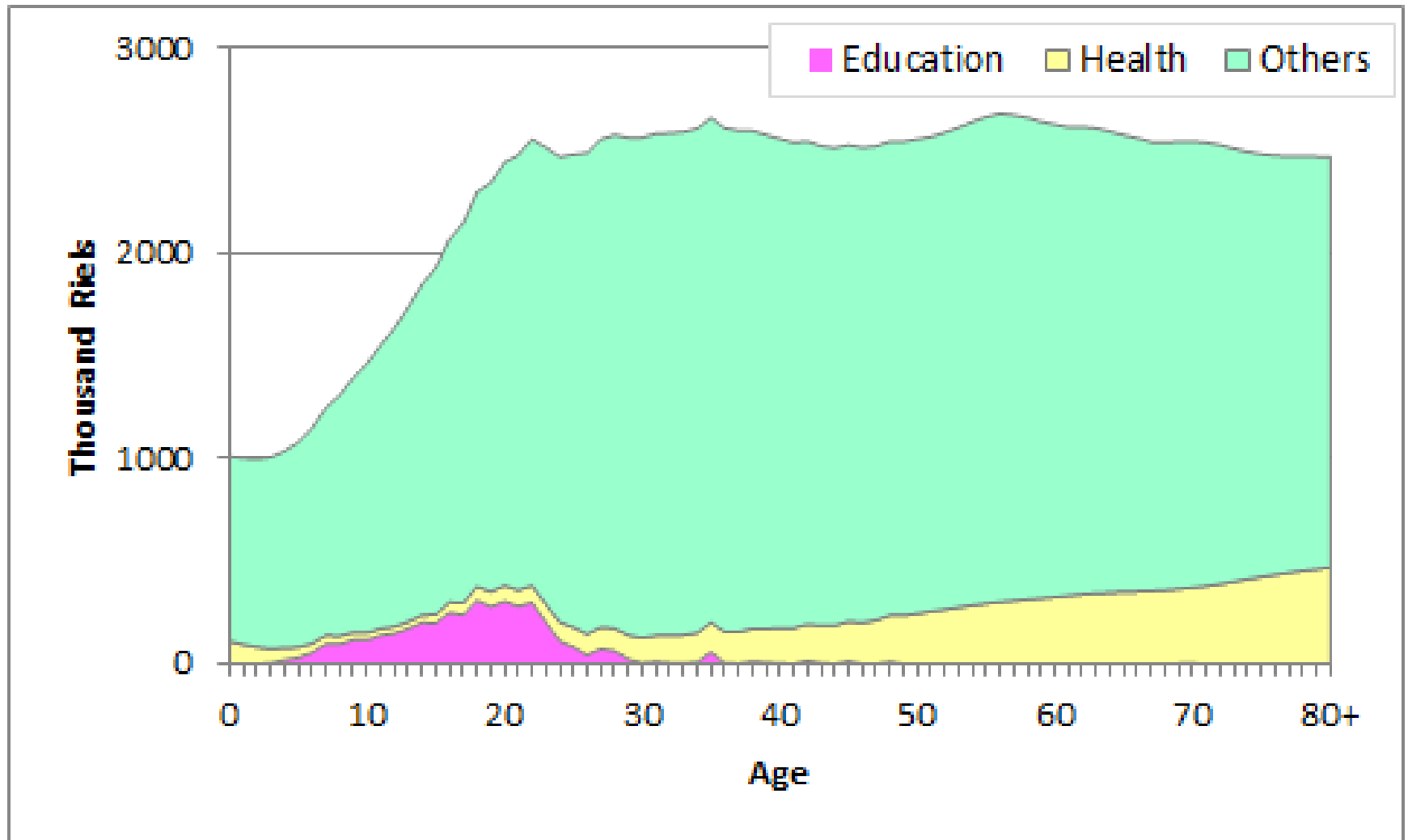
Population (2014)
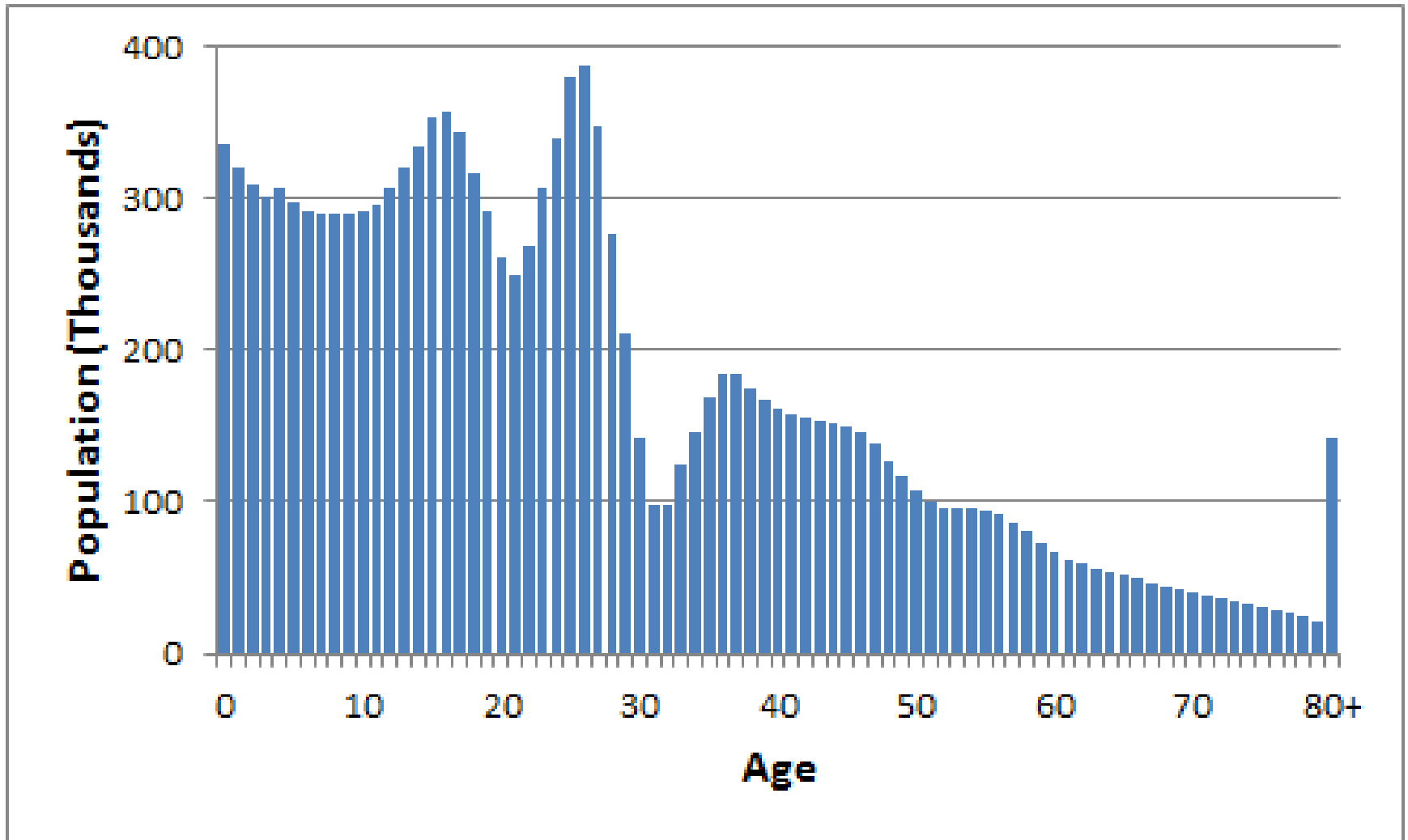
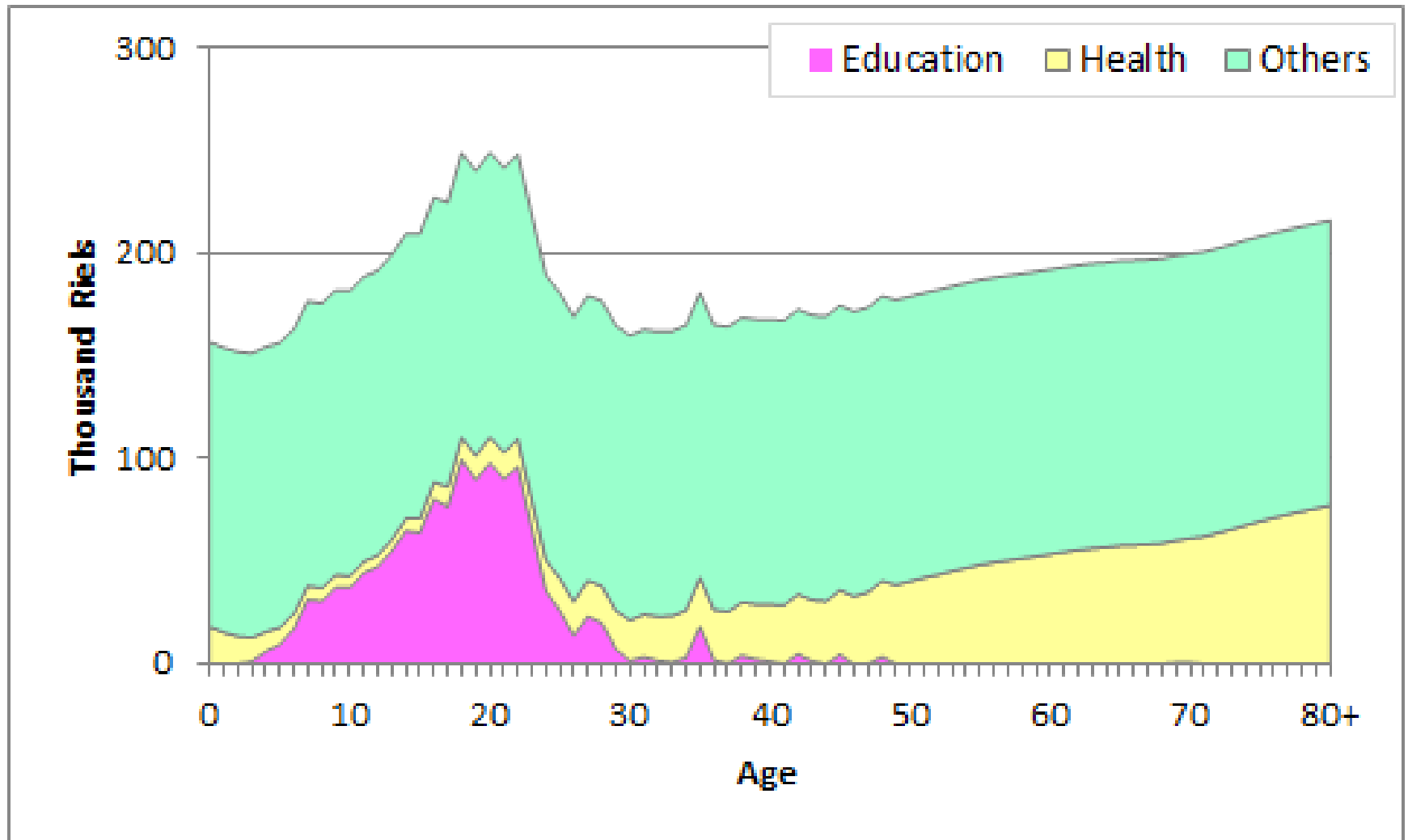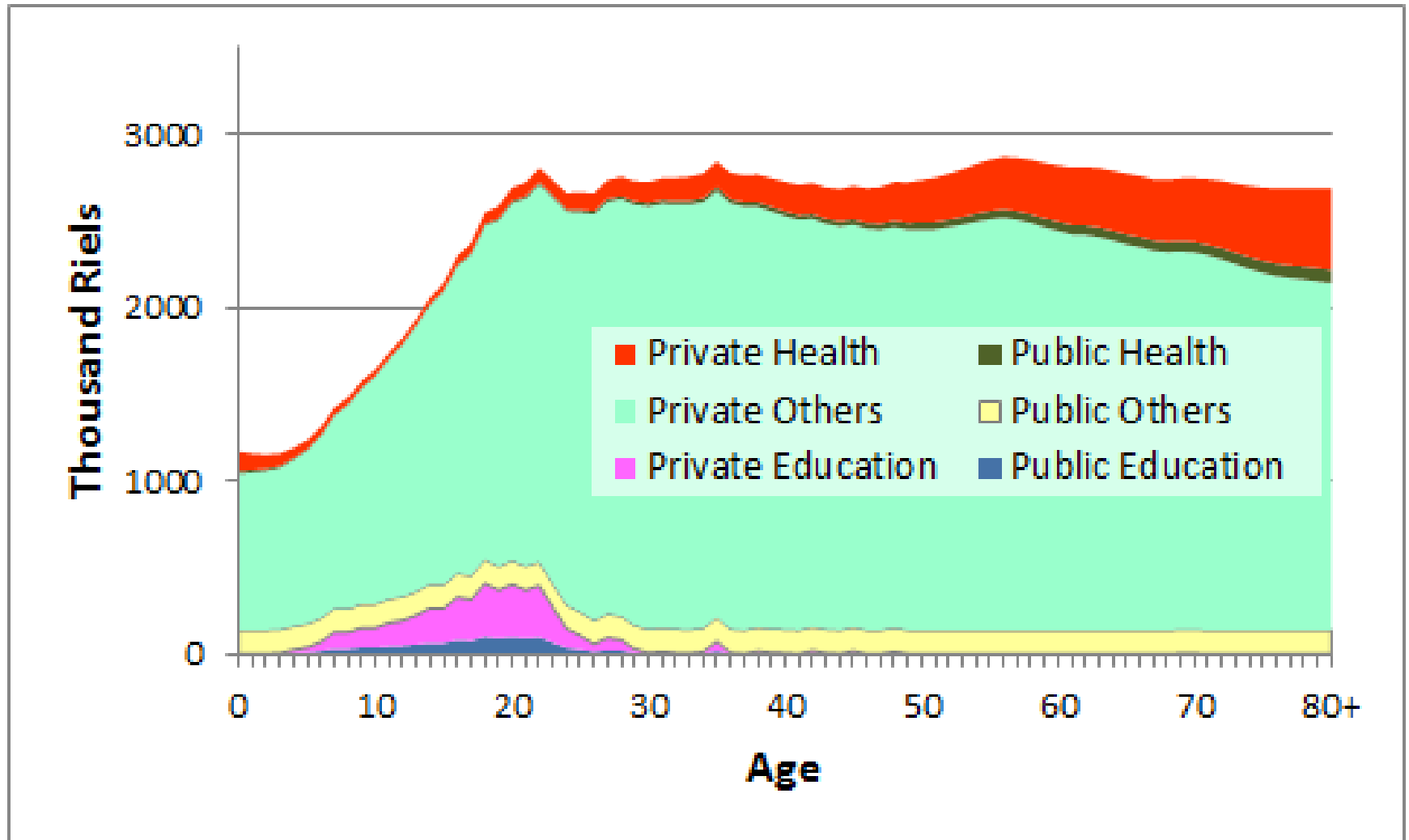Population (2050)
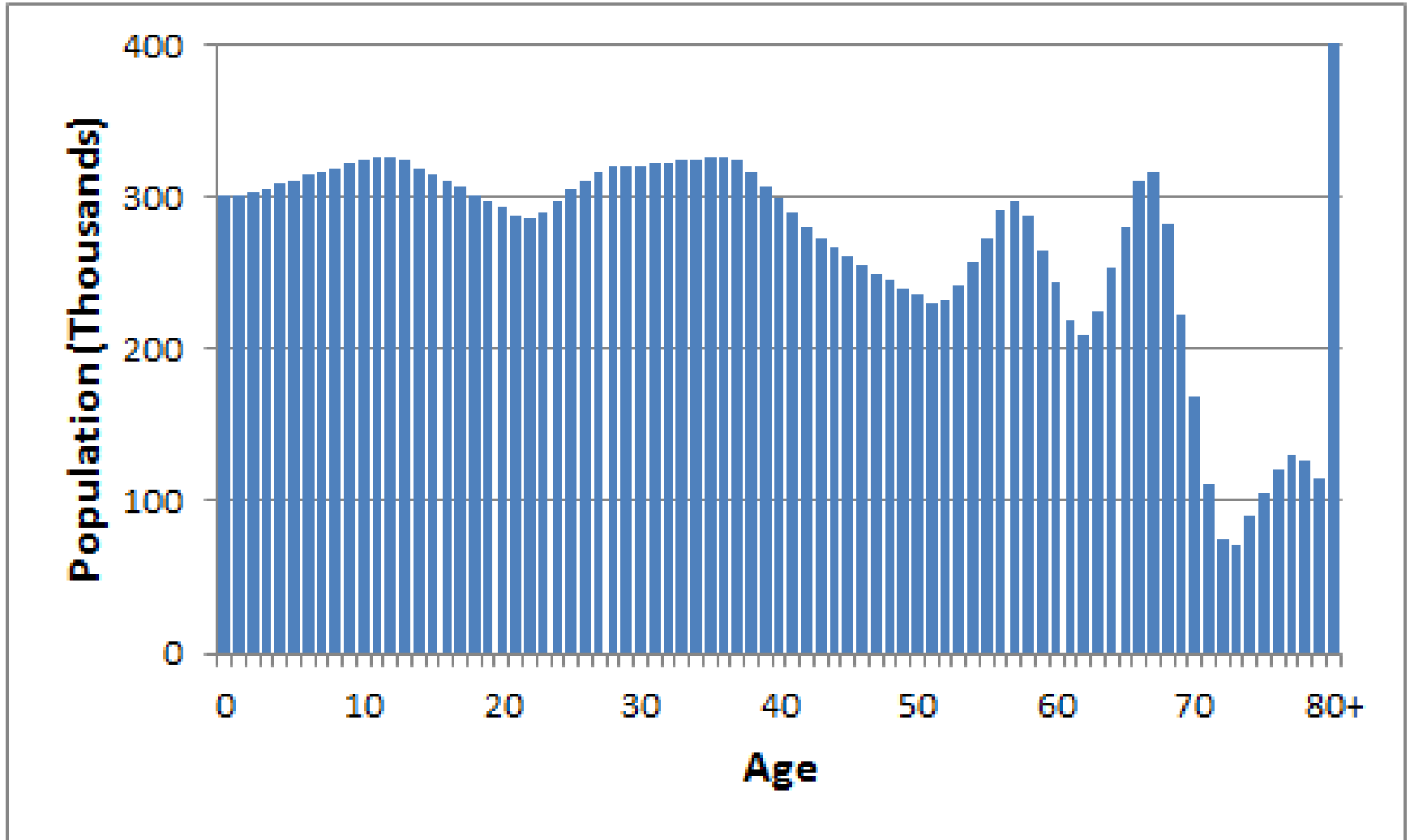
FINDING RESULTS OF NTA CAMBODIA
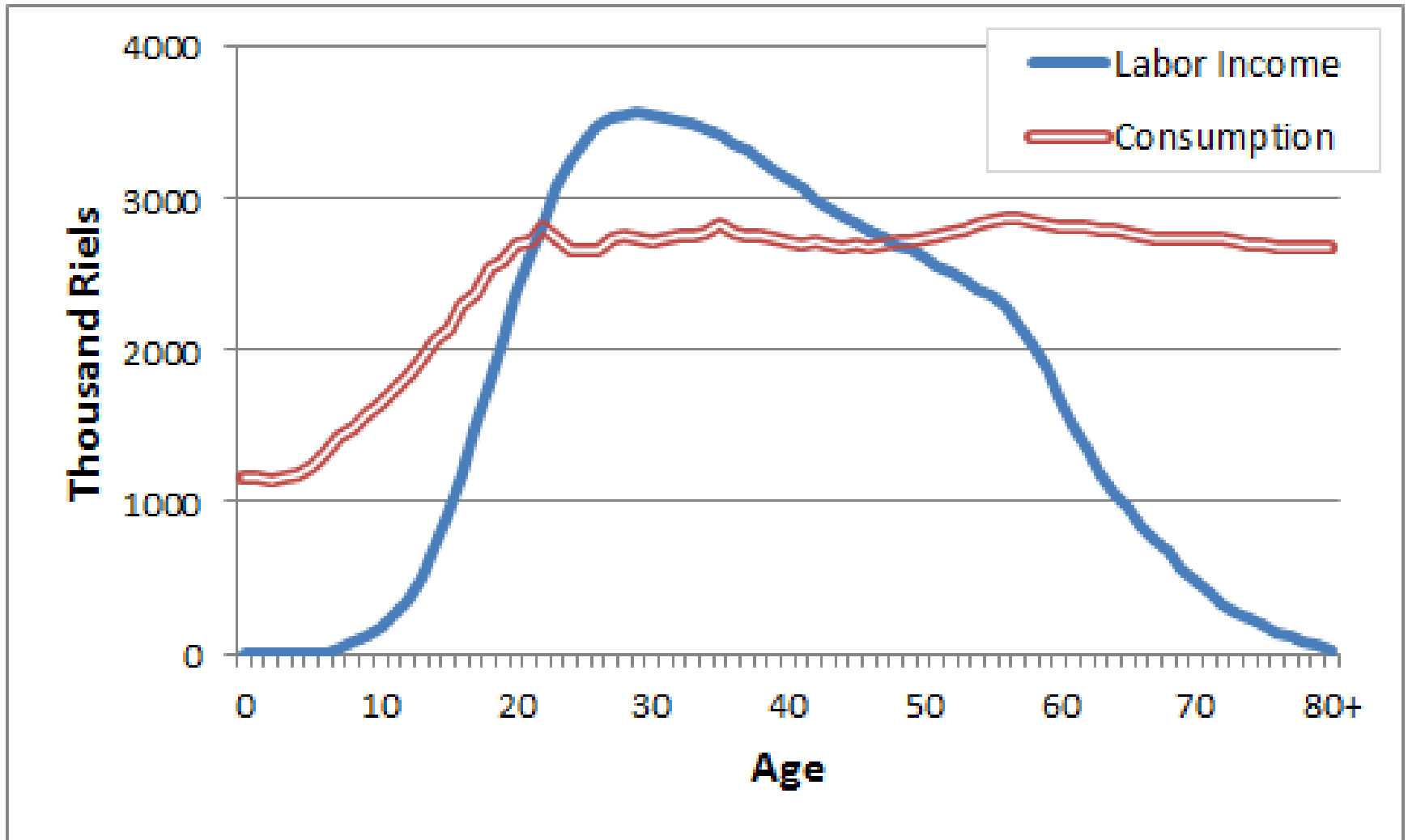
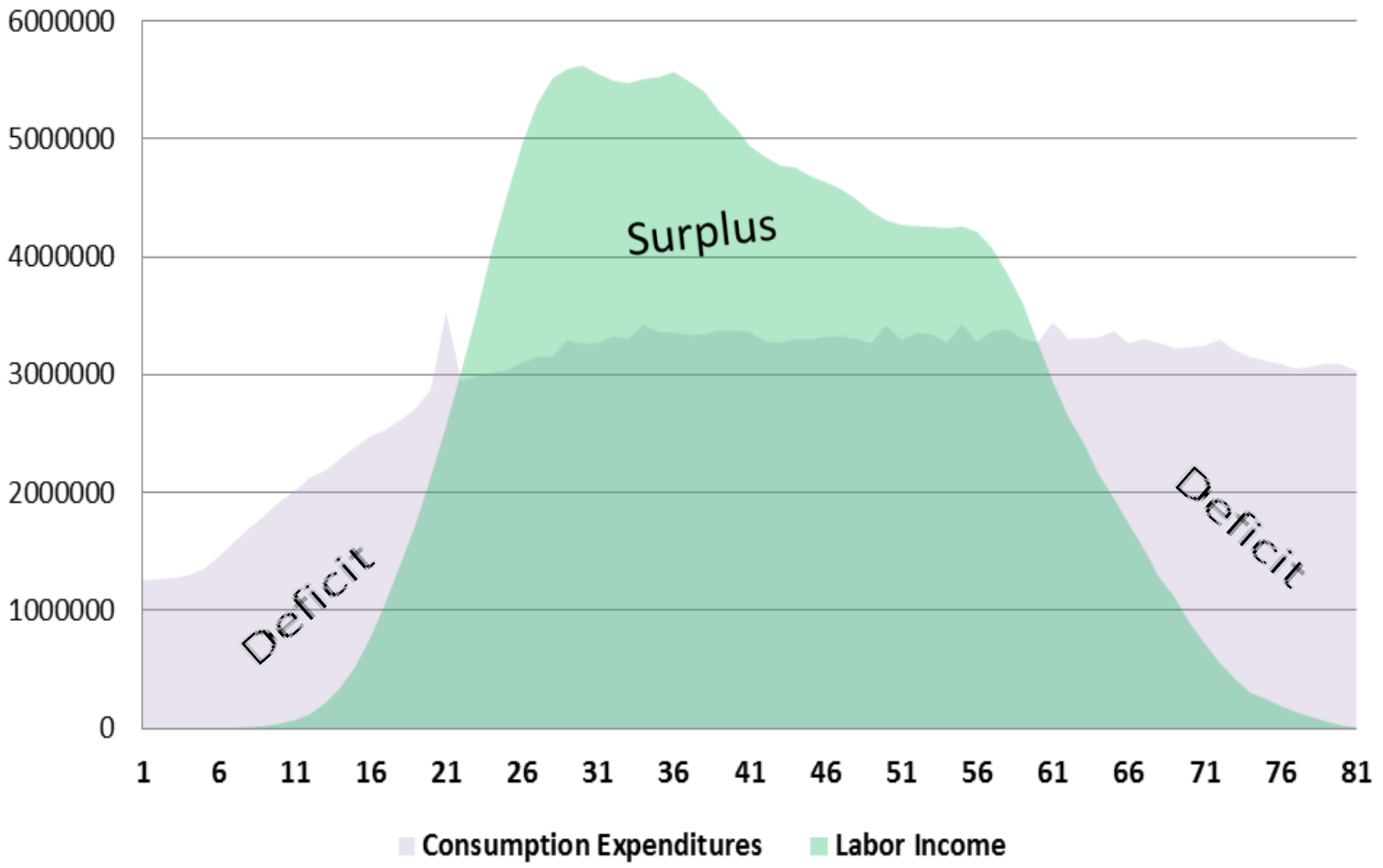# Labor Income

Private Consumption

Public Consumption

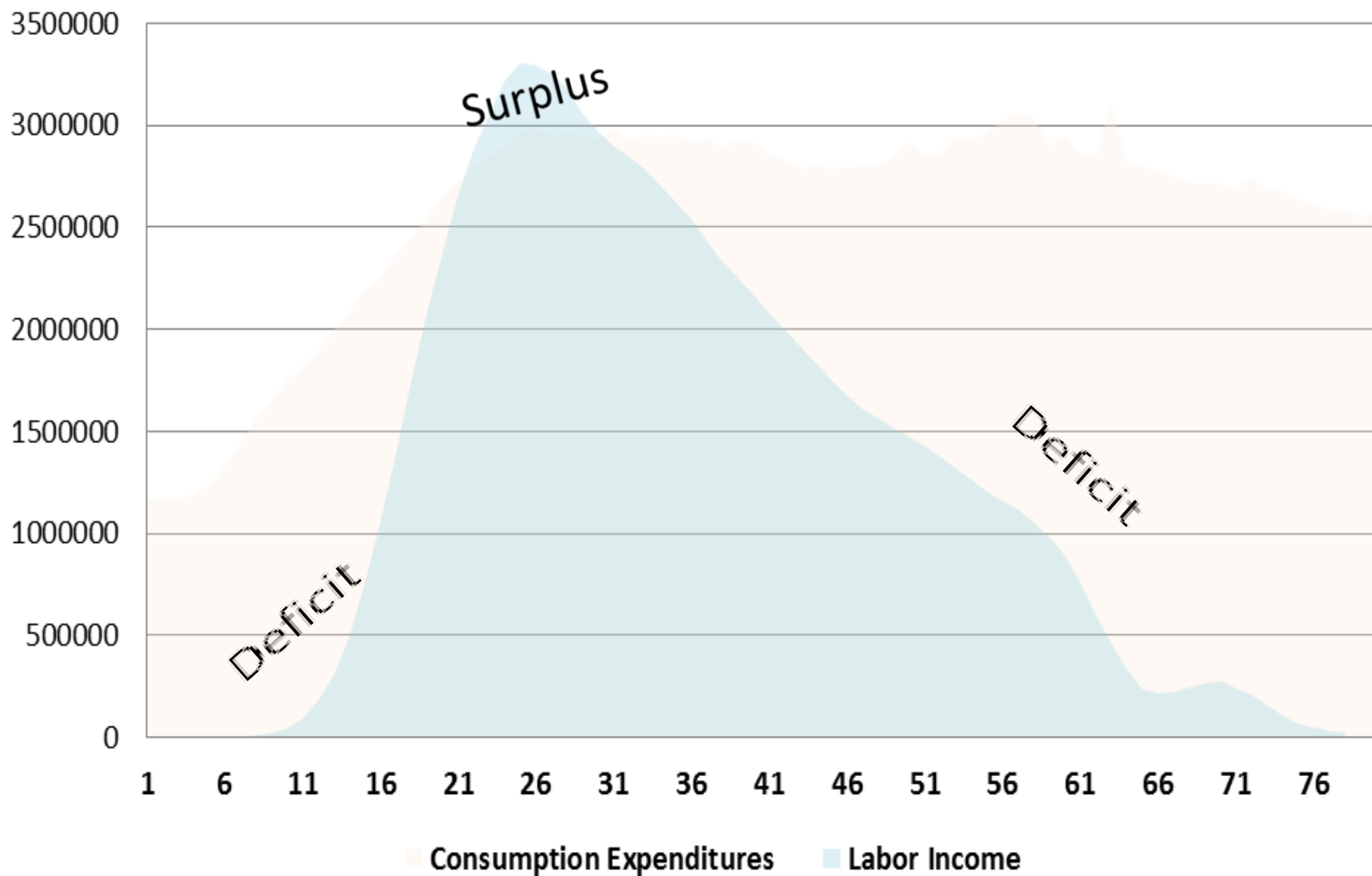# Consumption

Per Capita YL and C

Per Capita Consumption and Labor Income by Male in Riels 2009

Surplus

Deficit

Deficit

■ Consumption Expenditures   ■ Labor Income

Per Capita Consumption and Labor Income by Female in Riels 2009

Aggregate YL and C
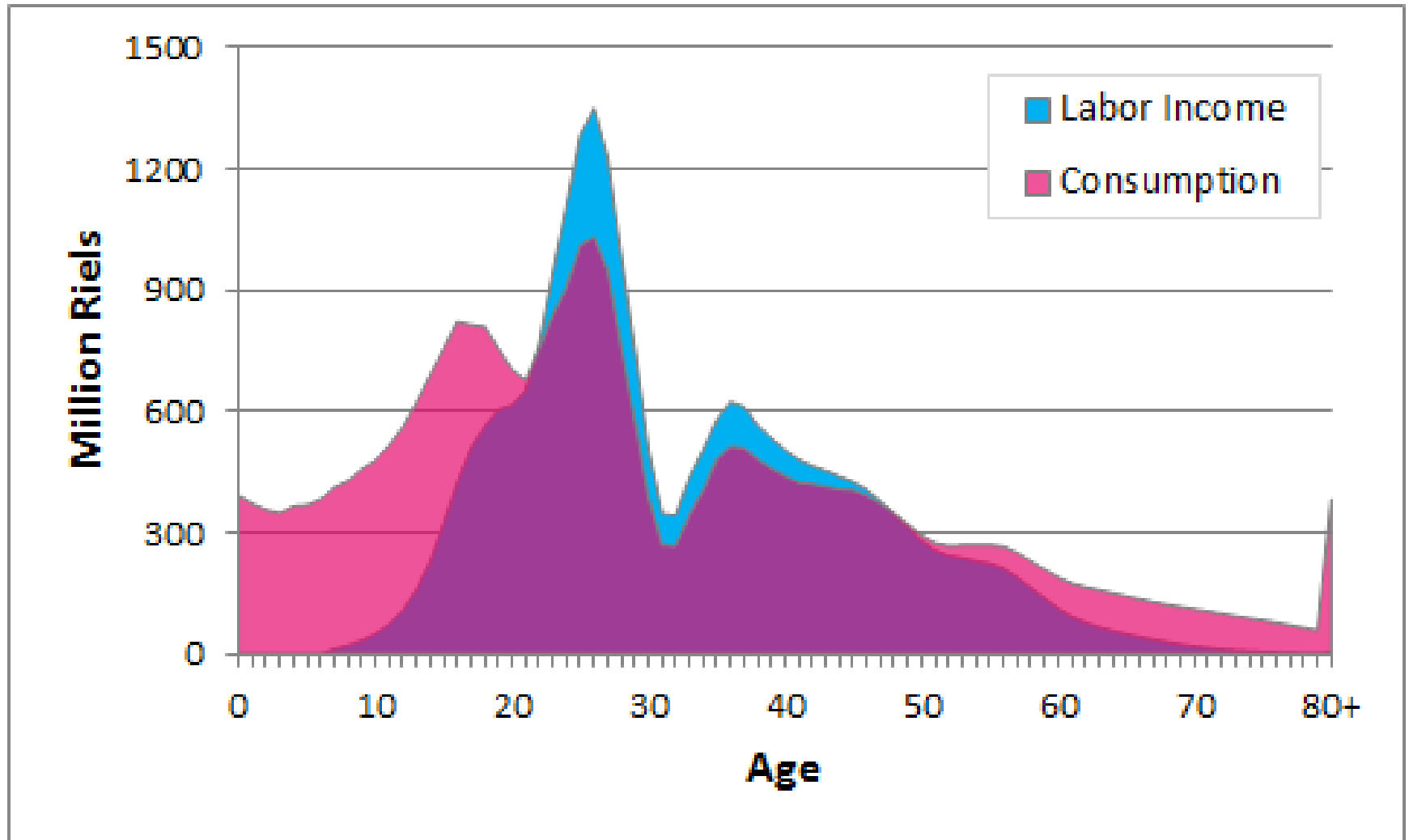
Per Capita Lifecycle Deficit (Surplus)
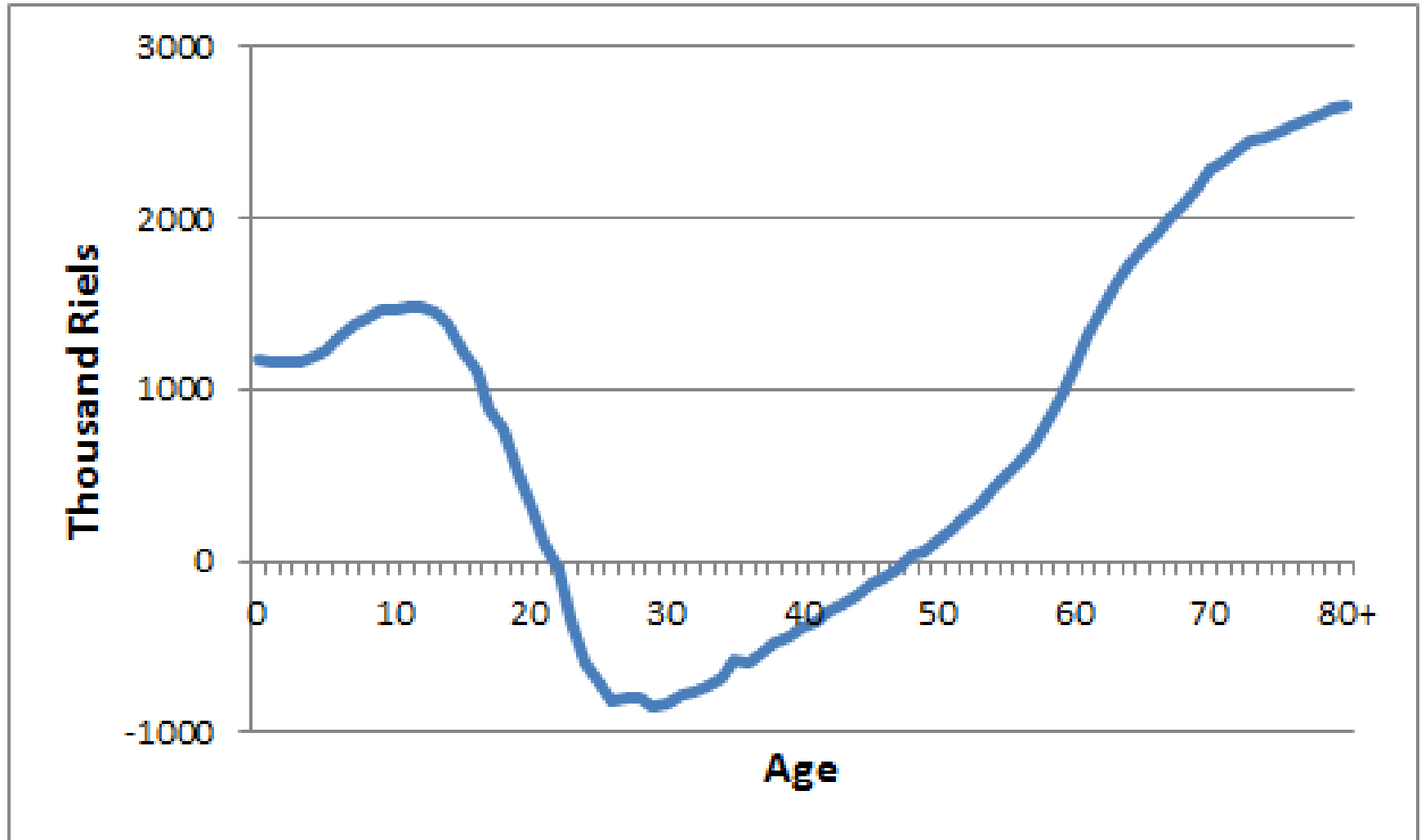
Per Capita Lifecycle Deficit (Surplus)
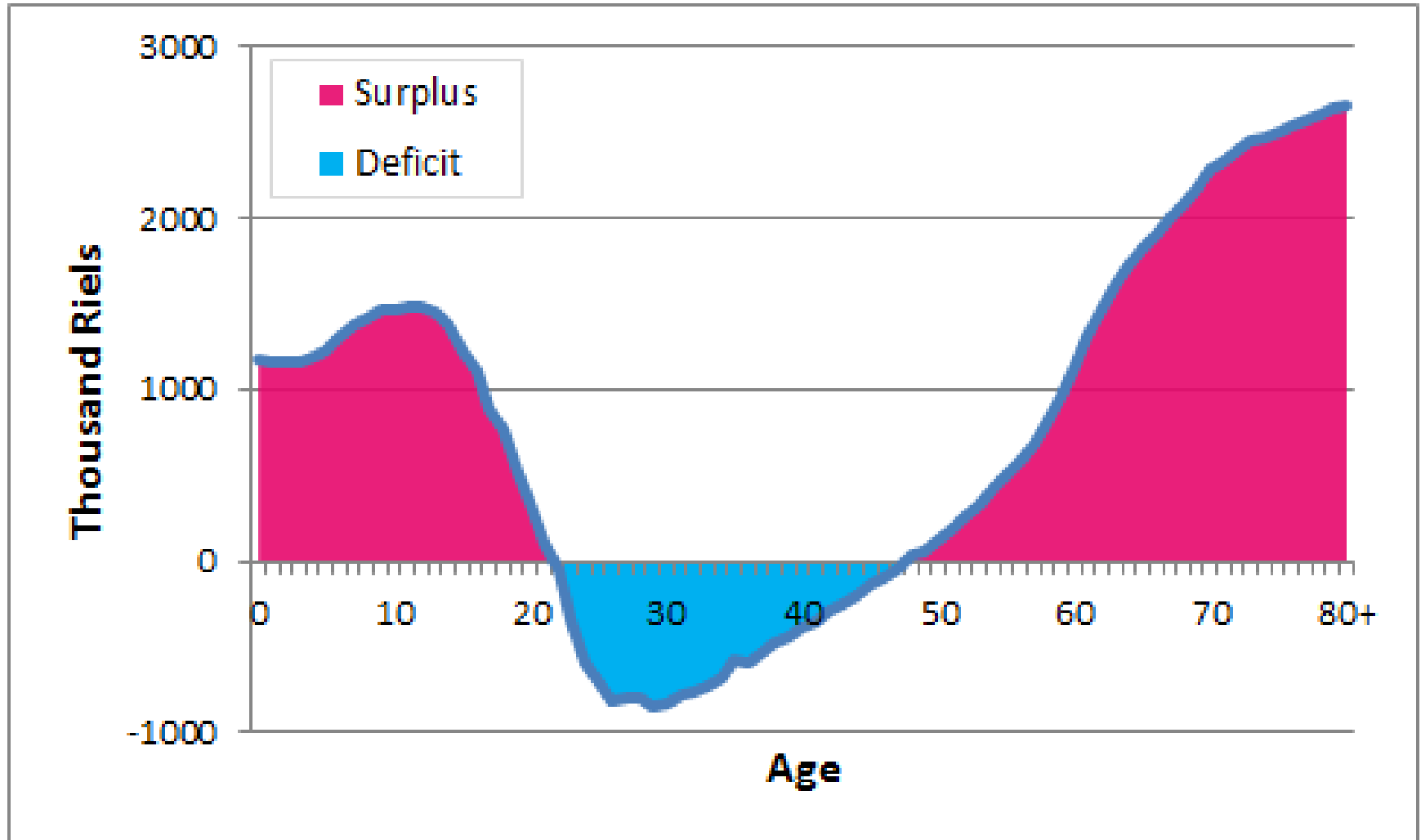
Aggregate Deficit (Surplus)

Age Group	Consumption	Labor Income	Deficit (Surplus)
0-19	10.7	3.1	7.6
20-39	12.3	14.7	-2.4
40-59	6.5	6.4	0.2
60+	2.7	0.7	2.1
Cambodia	32.3	24.9	7.4

*Figures in Billion KHR

Financing Lifecycle Deficit
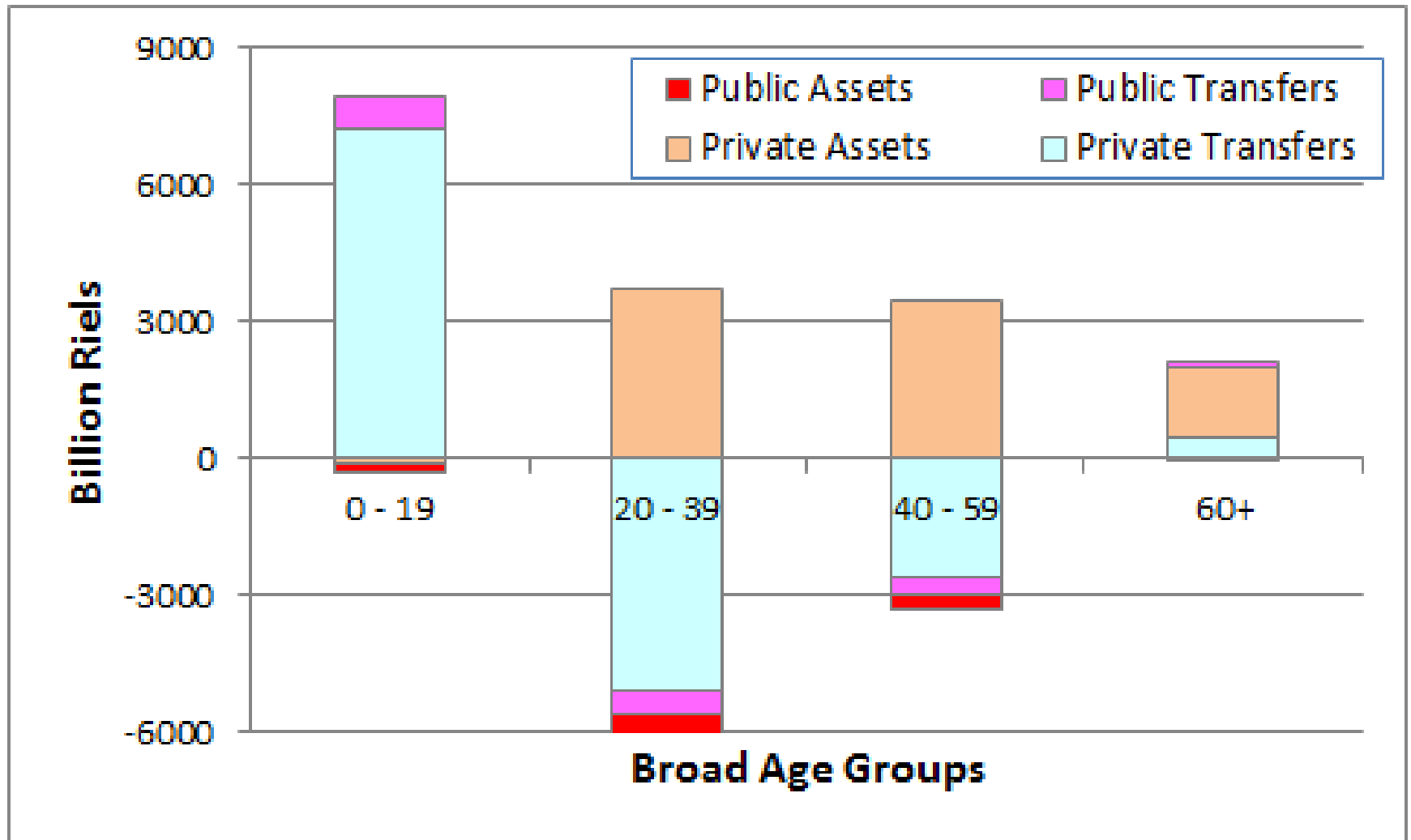
(First) Demographic Dividend
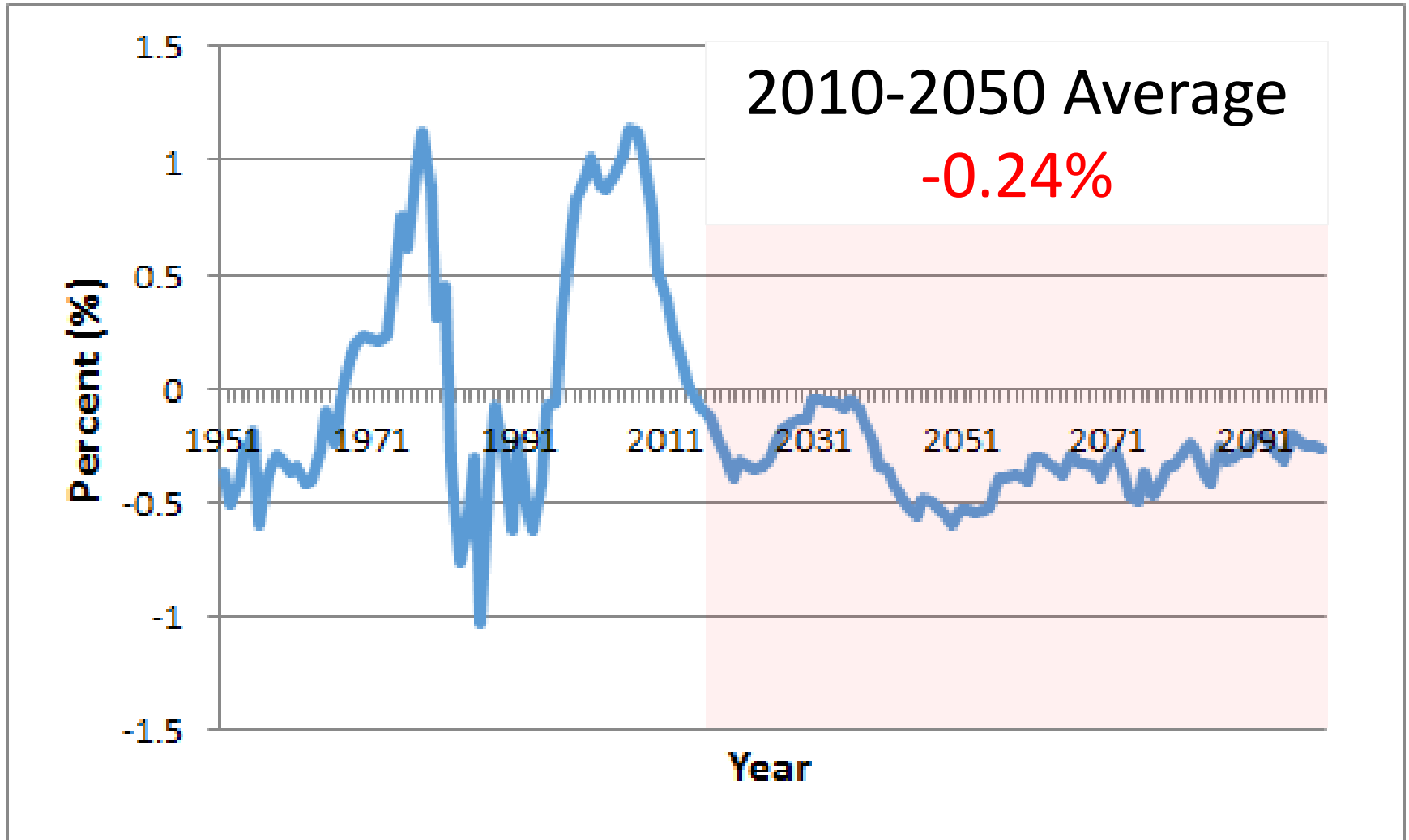
Support Ratio, Annual Growth NTA Economies, 2010-2050

Annual Growth

Country	Value
Nigeria	0.76
Kenya	0.56
Laos	0.53
Philippines	0.31
India	0.19
Indonesia	0.07
Uruguay	-0.01
Mexico	-0.04
Costa Rica	-0.15
Brazil	-0.21
Cambodia	-0.24
Chile	-0.25
US	-0.26
Sweden	-0.32
Thailand	-0.32
Finland	-0.38
China	-0.39
Vietnam	-0.42
Hungary	-0.43
Austria	-0.60
Japan	-0.65
Germany	-0.67
South Korea	-0.69
Spain	-0.72
Slovenia	-0.74
Taiwan	-0.82

Asian economies
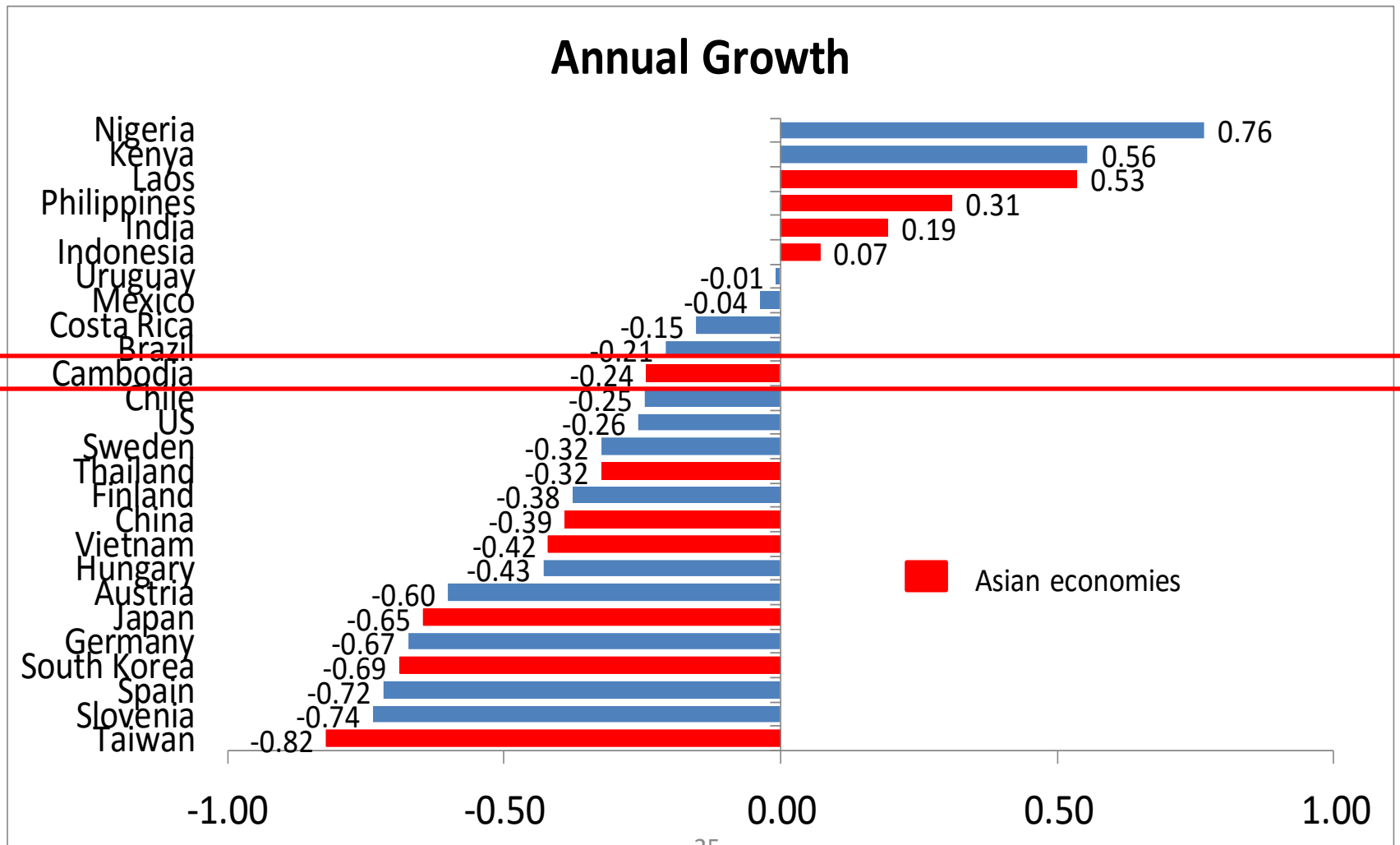
Challenges and Issues

- Some major data sources could provide only aggregate data, i.e. public health, however the pattern of public expenditure on health are captured by CSES

- The public budget spending on education is not breakdown in age profile and education levels

- Income accounts in NA is needed to improve the quality of data

- Need to invest for increasing the Human resources with budget support for operation.

Future direction for NTA Cambodia

- To improve the data quality of CSES
- To improve the data quality of the national income, i.e. labor income
- To complete the estimates of age reallocation for NTA with project support.
- To coordinate to have a meeting with the major potential stakeholders as the policy maker to present the NTA results
- To disseminate the NTA results and obtain feedback from the policy makers and other stakeholder/users.
- Updating NTA for later year (2011; 2014)

Conclusion

- Based on result in 2009, the support ratio and the first demographic dividend are low which may indicate that productivity in term of labor income is very low because the number of effective consumers are larger than the number of effective producers, which affects economic growth.

- However, Cambodia will have the potential to increase the number of effective producers and labor income (productivity) because of the age structural changes in the population.

Policy response

- Since the proportion of the working age group is increasing, Cambodia can take advantage of this demographic dividend to increase its economic growth.

- The Special Economic Zone (SEZ) in 4 region in the country is an option to create jobs for Cambodian young working group and also make balance population in the country.

- Productivity (labor income) in Cambodia is still low. Therefore, investment in human capital development (education, health etc.) and utilization are very important.

Policy response

- Encourage capital accumulation during working ages to support retirement consumption as well as to support consumption during older ages.

- Cambodia government should strengthen and expand social security system and welfare services for elderly since rapid ageing in the not too distant future and the current family support system will undergo change.

- Should establish a Centers for older adults for providing information, health care and other services

Policy response

- Cambodia should support and strengthen Old Person Associations

- The aging population in rural areas in Cambodia is rapidly increasing due to the out-migration of younger aged adults. Therefore, special programs should be implemented to support older adults in rural areas.

Q & A

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