Development of NTA in Korea

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Background

- **Low fertility rate and High aged population**
  - Fertility rate : 2.30 (1980~1985) → 1.52 (1995~2000) → 1.23 (2010~2015) → 1.04 (2017)
  - Aged Population (2010=100) : 26.7 (1980) → 62.3 (2000) → 148.3 (2020) → 302.6 (2040)
  - Ageing society (2000) → Aged society (2017) → Super aged society (2026)
- **Policy response to demographic changes**
  - Effective policy responses to rapid demographic changes are more important than ever
  - NTA are valuable indicators for reallocation of financial burdens among generations

Total Fertility Rate of Major Countries						Aged Population of Major Countries (including estimates)					
Unit : Person	Republic of Korea	U.S.A.	France	Japan	India	Aged Pop. (2010 = 100)	Republic of Korea	U.S.A.	France	Japan	India
1980 ~ 1985	2.30	1.80	1.87	1.75	4.47	1980년	26.7	64.0	71.2	36.5	41.3
1985 ~ 1990	1.58	1.89	1.80	1.66	4.11	1990년	40.3	78.1	75.4	50.9	54.9
1990 ~ 1995	1.67	1.99	1.71	1.48	3.72	2000년	62.3	86.3	89.9	75.2	74.0
1995 ~ 2000	1.52	1.96	1.76	1.37	3.31	2010년	100.0	100.0	100.0	100.0	100.0
2000 ~ 2005	1.25	2.04	1.88	1.30	2.96	2020년	148.3	166.9	163.9	163.3	166.0
2005 ~ 2010	1.16	2.07	1.97	1.32	2.73	2030년	232.8	224.1	197.3	179.9	239.4
2010 ~ 2015	1.23	2.08	1.99	1.42	2.54	2040년	302.6	265.4	227.5	188.5	335.3

Source : Statistics Korea (2012), Korea's Population: 50 million

Age Profile of Korea (2012)
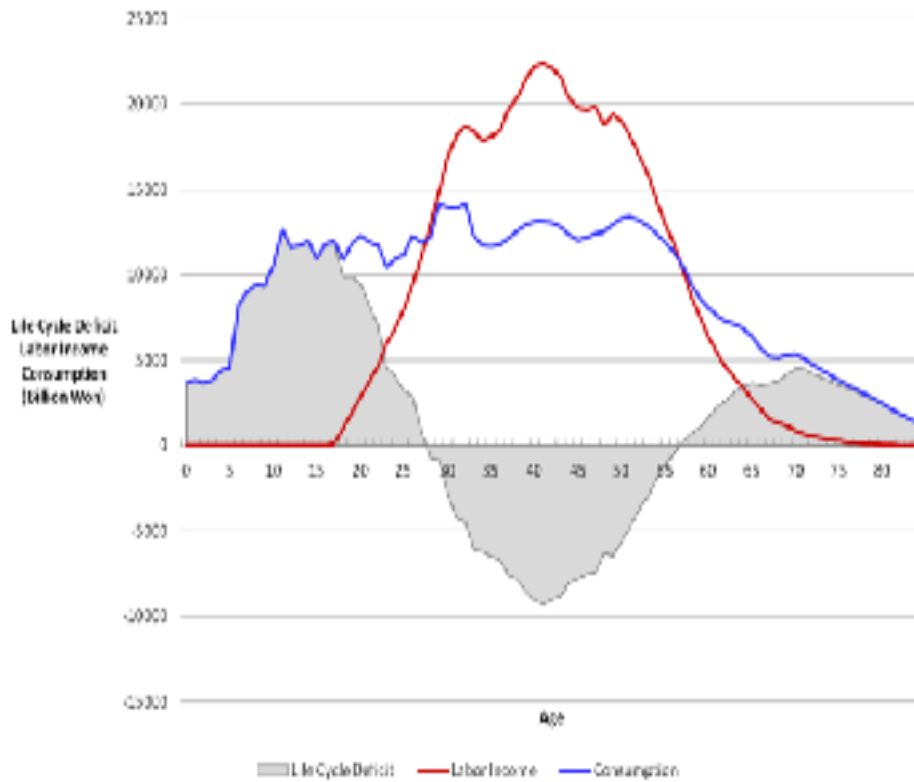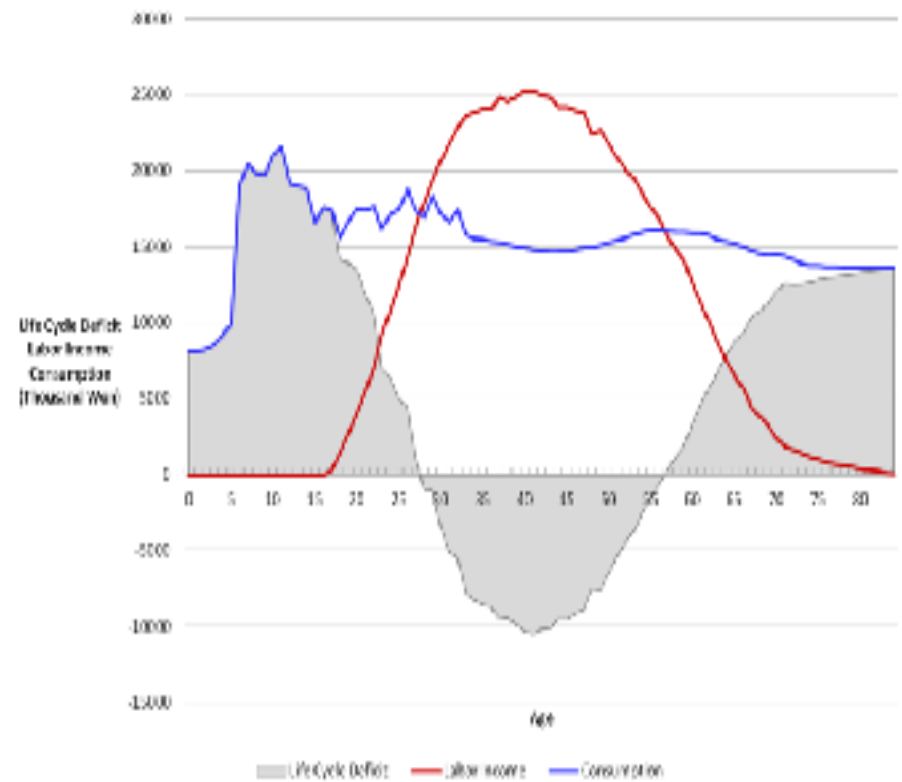
Development of NTA in Korea

2012 • Begin NTA project

2013 • Perform pre-studies for methodological knowledge

2014 • Calculate NTA on trial base

2015 • Incorporate 2008 SNA

2016 • Report to National Statistical Committee

2017 • Release 2010-2012 NTA results

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- **2016**
  - Propose "NTA Development Plan" to National Statistical Committee
    - Sub-committee in June; Main committee in November
  - Analyze economic effect of demographic change using NTA (by international joint study)

- **2017 - 2018**
  - Release NTA results of 2010, 2011, and 2012
  - Extend NTA to 2013 and 2014
  - Prepare approval of NTA as national official statistics
  - Pre-study National Time Transfer Accounts (NTTA)
  - Conduct research project to promote policy applications of NTA

- **2019**
  - Obtain approval of NTA as national official statistics
  - Establish routine updating system within Statistics Korea (SRI → KOSTAT)
  - Make NTA manual for local governments

Development of NTA in Korea

■ **Skeptics**

– Official statistics

- Too many estimation and subjective judgement

- But, many official statistics, for example population projection, are similar

– Usefulness

- Additional/Marginal benefit brought by NTA in addition to existing population related statistics

- Ageing ≠ NTA, instead NTA is tool for ageing

- Research project to show additional benefit by NTA

■ **Trade-off**

– The more useful, The easier official statistics