



## NINTH MEETING OF THE WORKING GROUP ON MACROECONOMIC ASPECTS OF INTERGENERATIONAL TRANSFERS, 3-8 JUNE 2013 IN BARCELONA, SPAIN

# Implementation of National Transfer Accounts (NTA) in Cambodia



by  
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# Outline



- ◆ Introduction to NTA of Cambodia
- ◆ Cambodian Population Structure Change, 1950-2050
- ◆ Finding Results: Major NTA indicators
- ◆ Conclusion
- ◆ Policy Response

# Introduction to NTA of Cambodia



- ◆ National Institute of Statistics (NIS) of Cambodia constructed a framework of NTA compilation since 2011.
- ◆ NIS has compiled the NTA of Cambodia as of 2009 in collaboration with the Nihon University Population Research Institute (NUPRI) to Cambodia joined officially of the Global NTA Project in January 2013.

# Introduction to NTA of Cambodia



- ◆ NTA of Cambodia is compiled in consistency with the National Accounts System of Cambodia to explore the major indicators such: labor income, consumption by population age structure. The first demographic dividends, economic life cycle and support ratio by age is also estimated at this round.
- ◆ NTA of Cambodia in 2009 is recently updated for experimental estimates of per Capita labor income and consumption by age, urban and rural.



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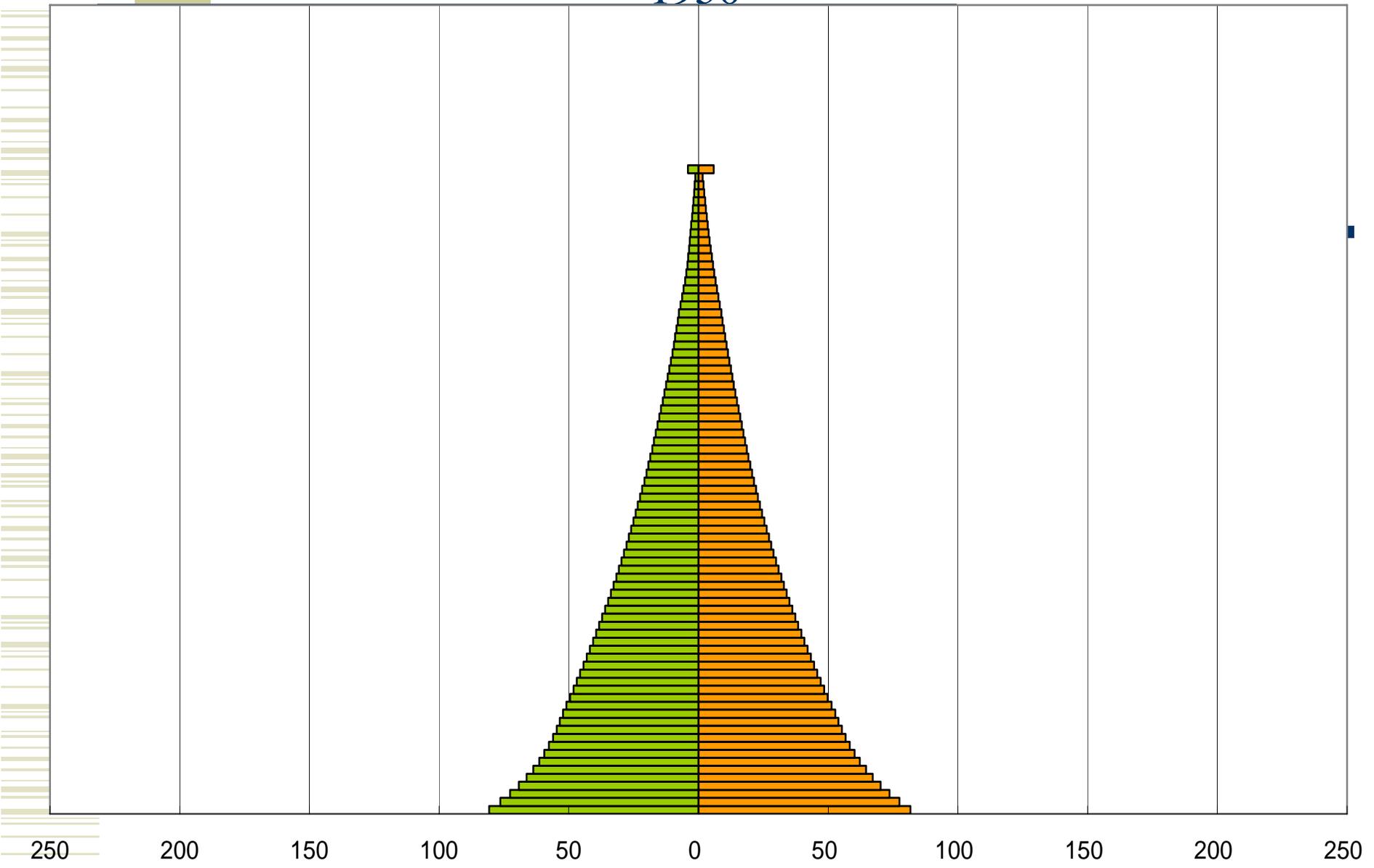
# Cambodian Population Structure Change

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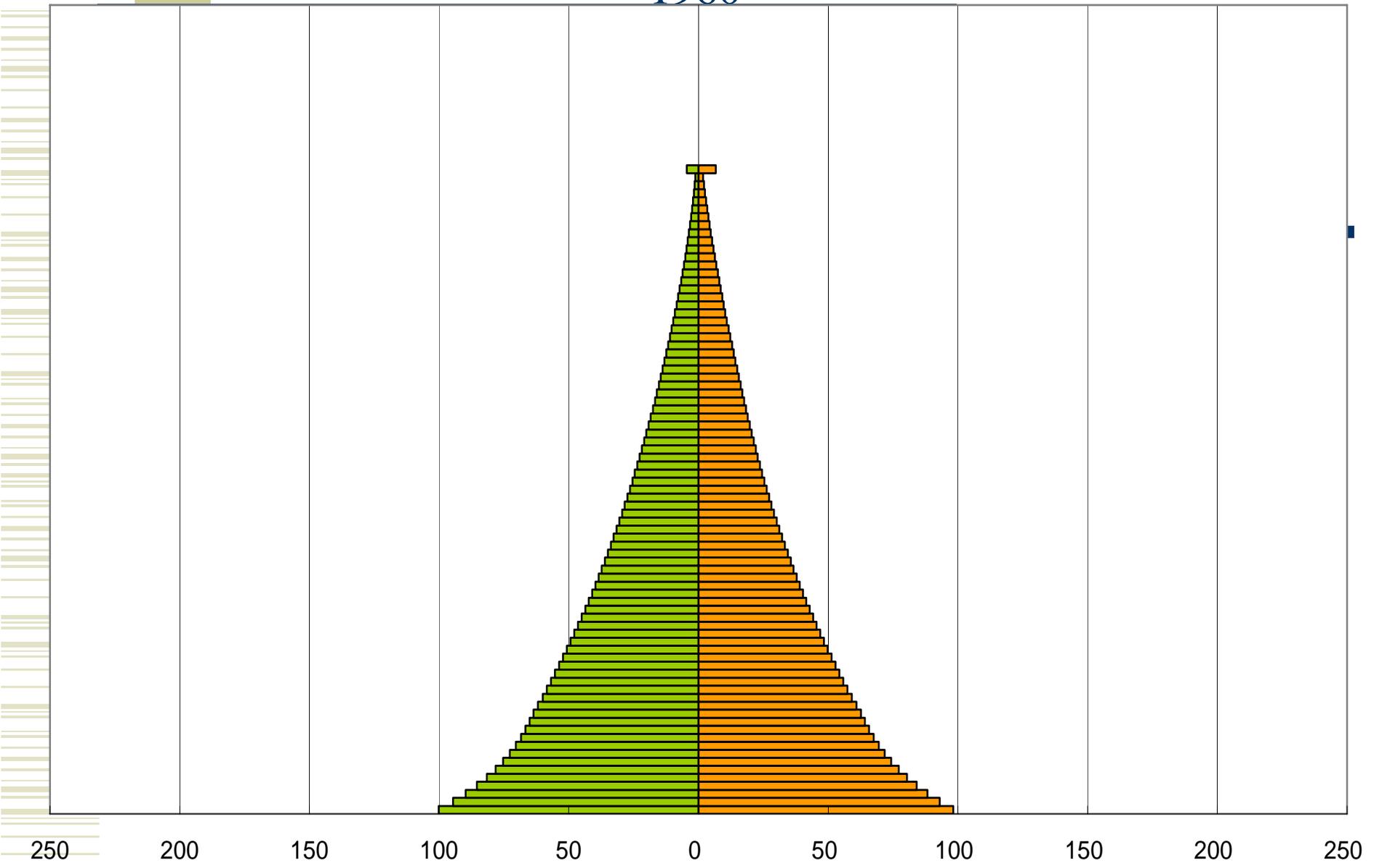
**1950 – 2050**

1950



Male Female

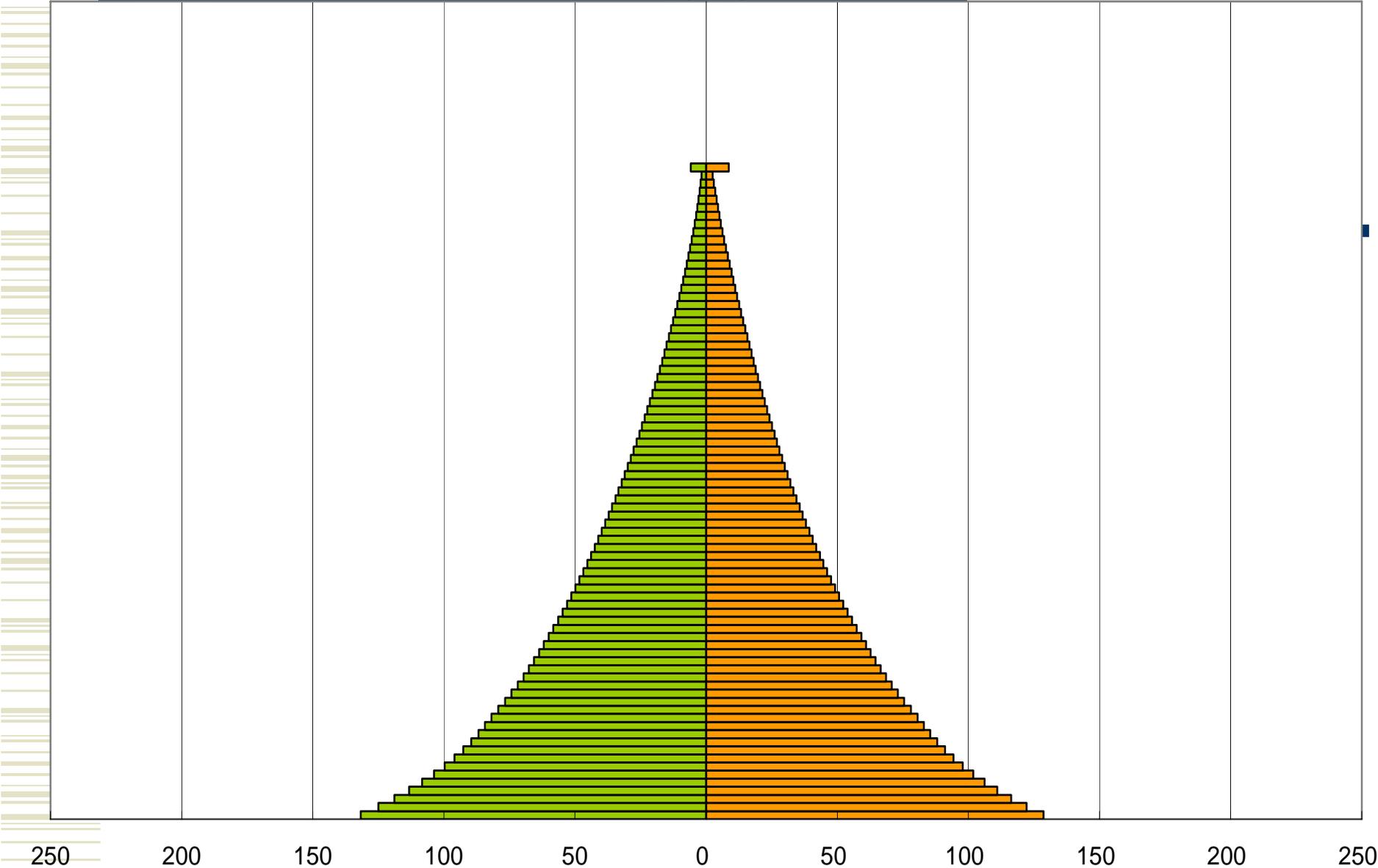
1960



Male Female

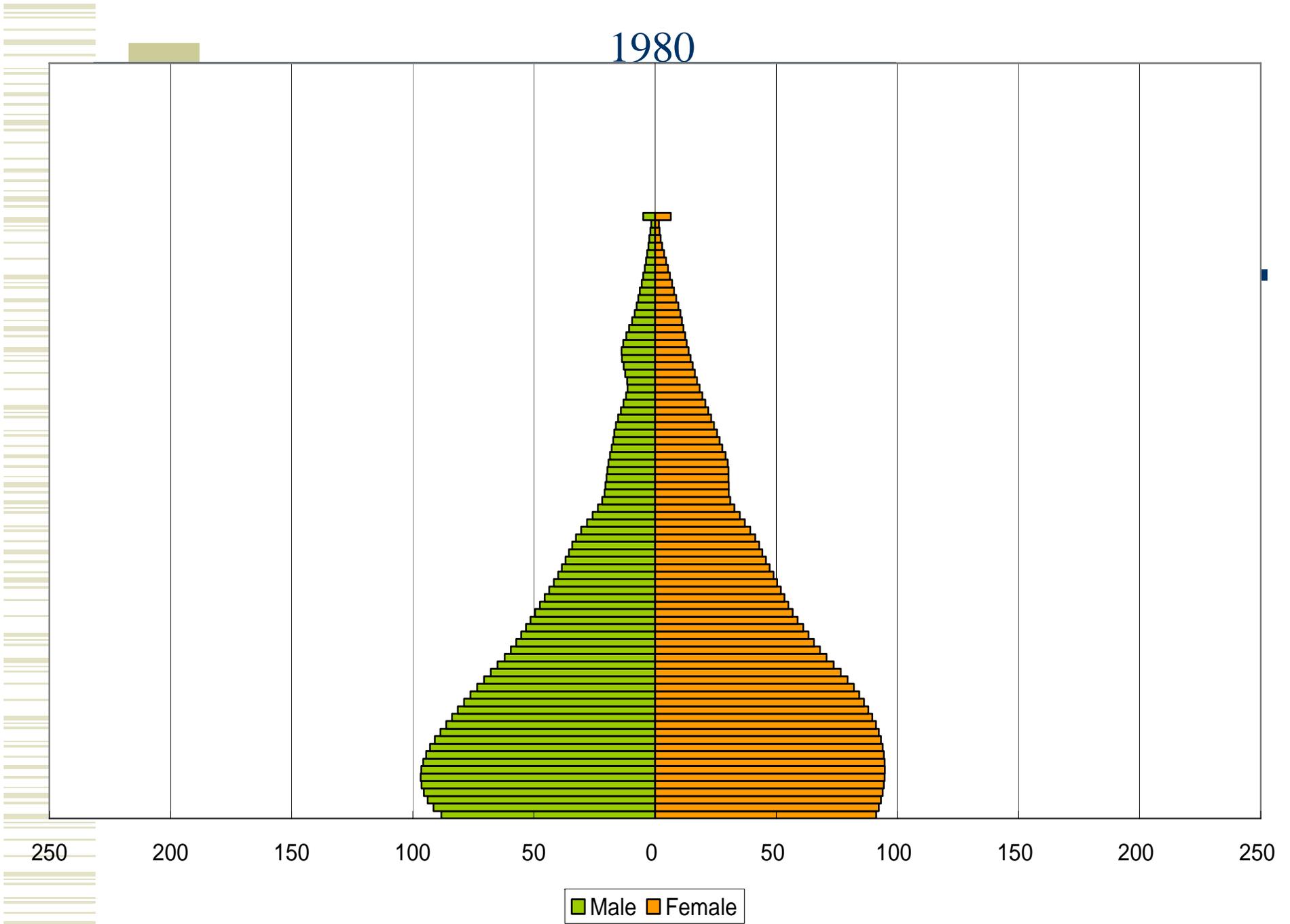
NIS/MOP Cambodia

1970



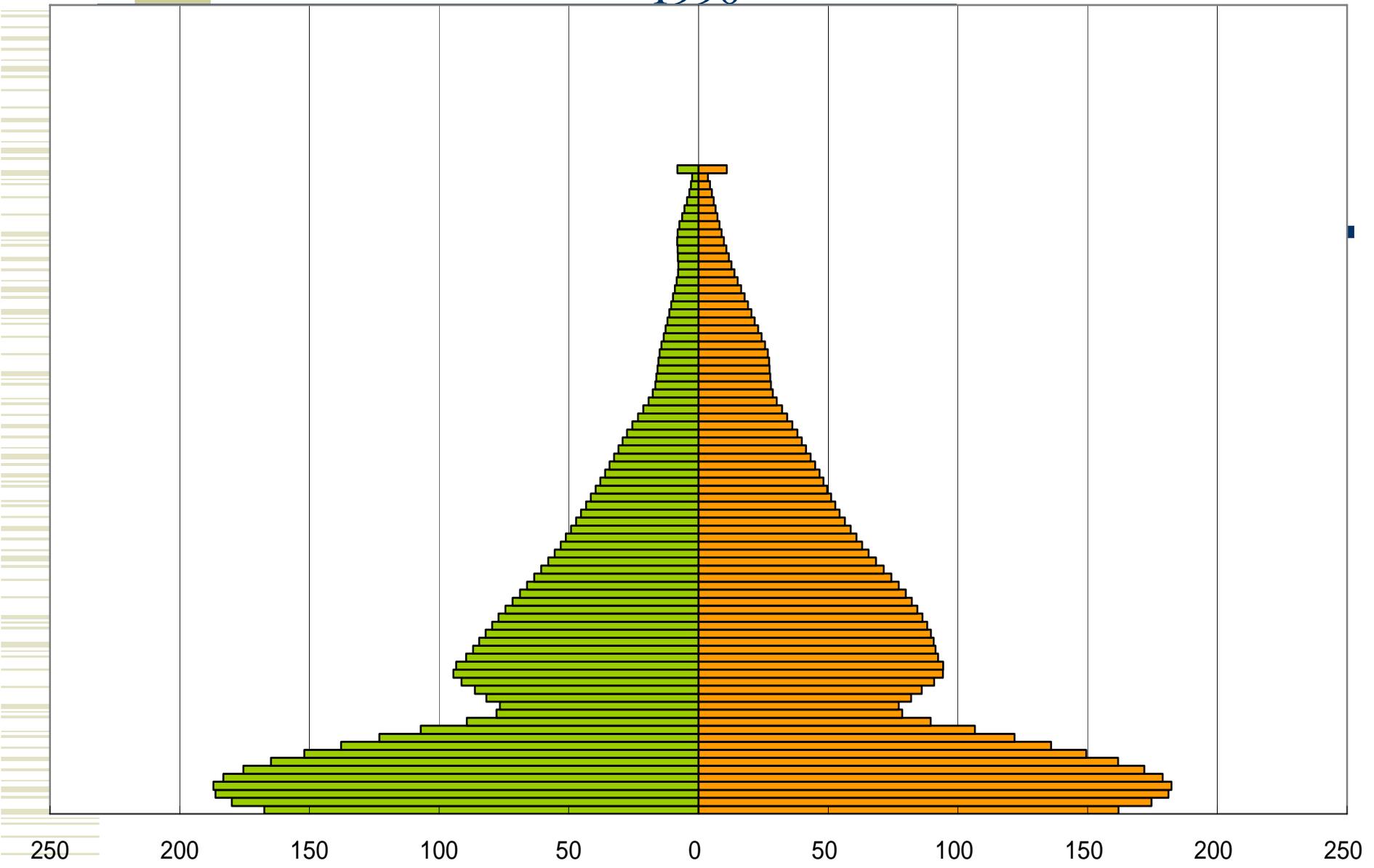
Male Female

1980



Male Female

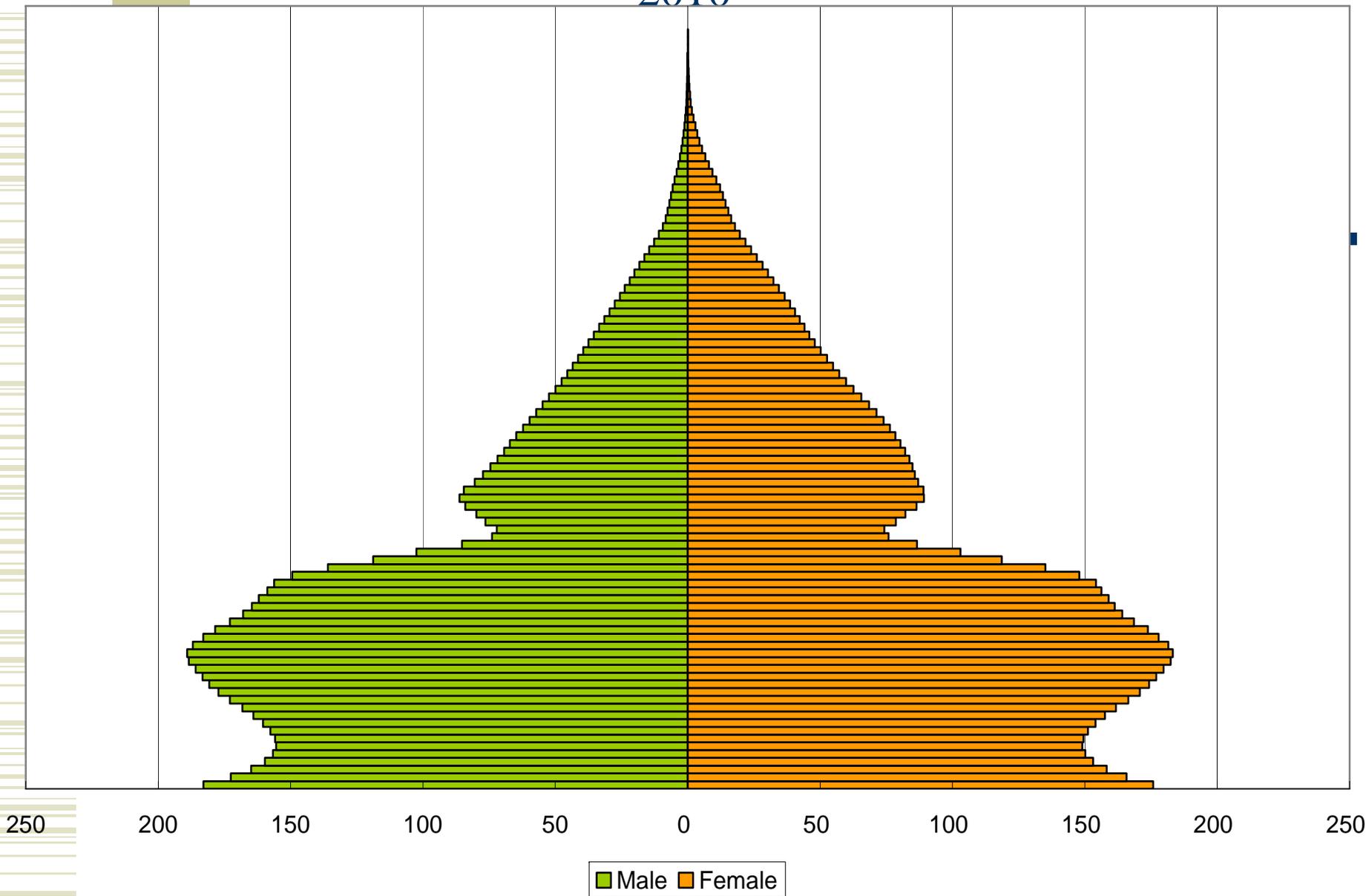
1990



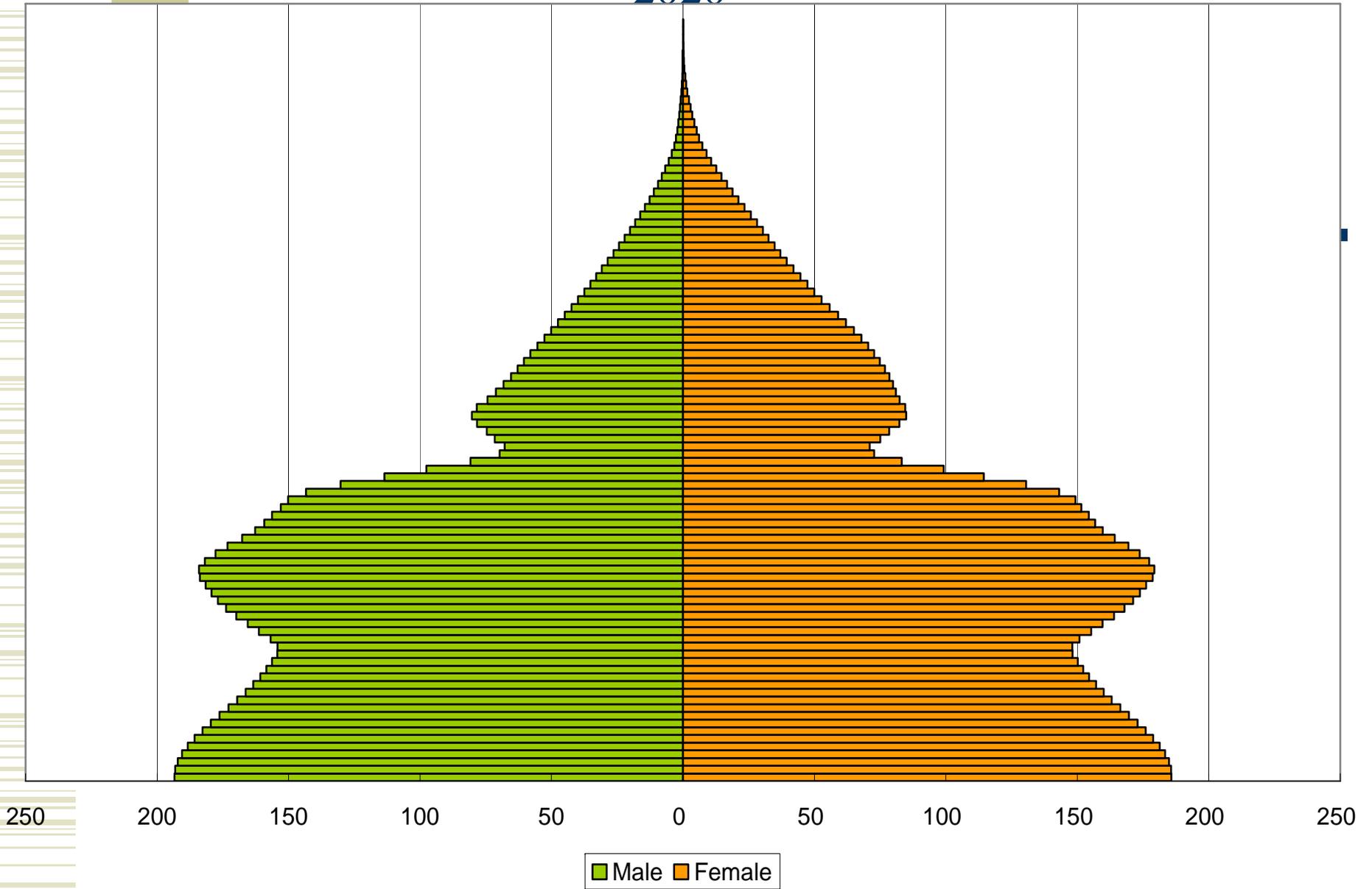
Male Female

NIS/MOP Cambodia

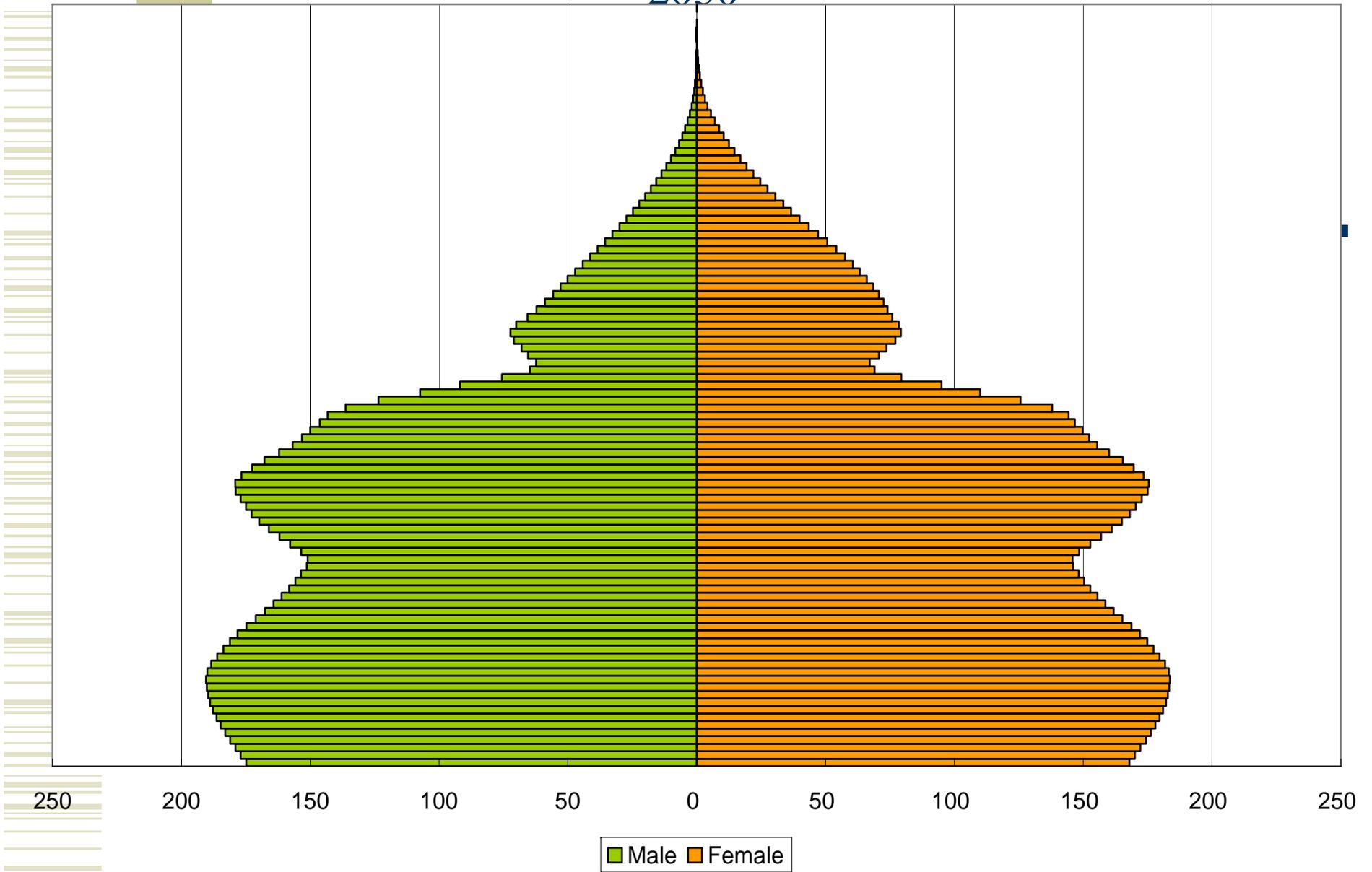
2010



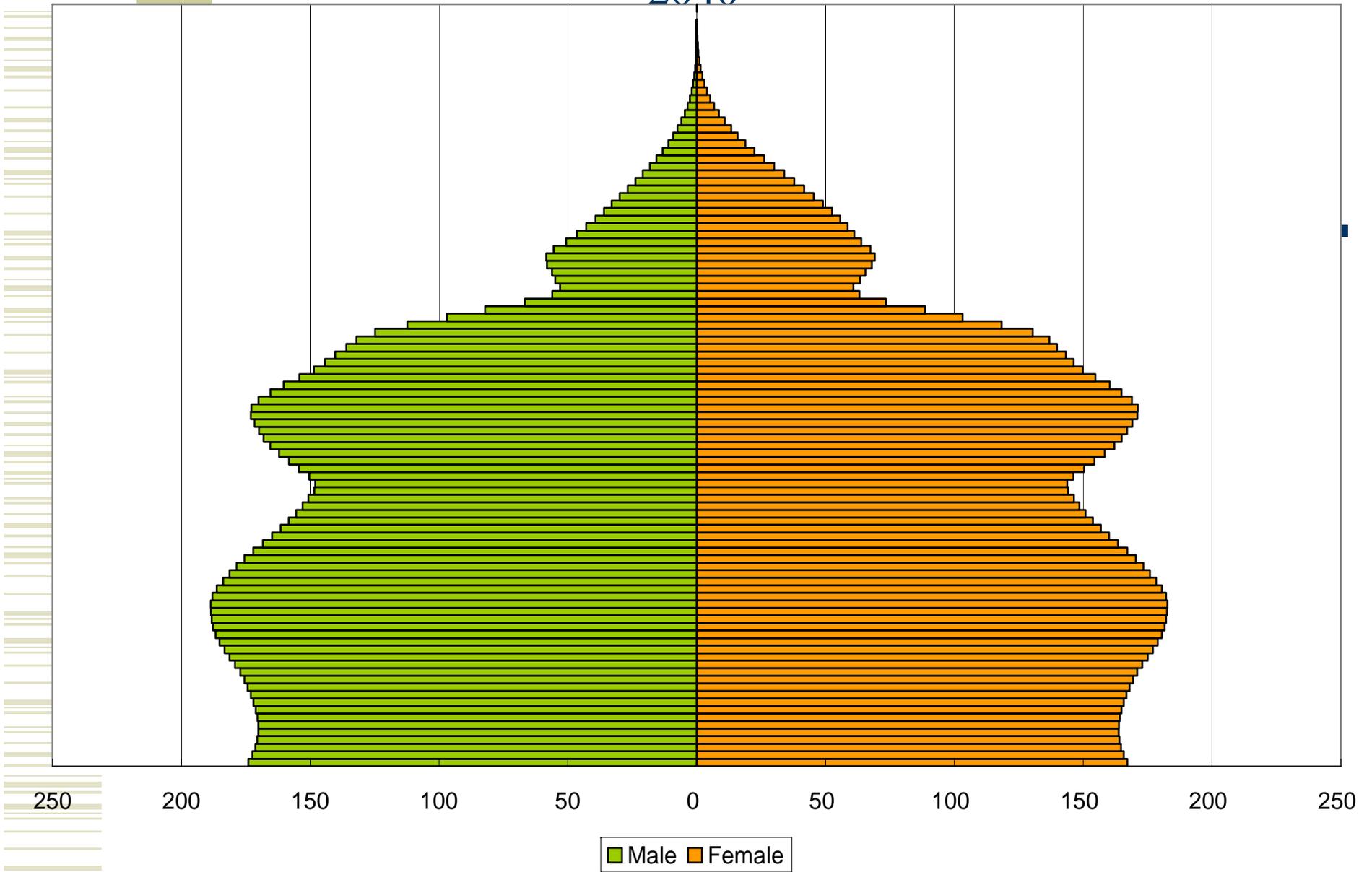
2020



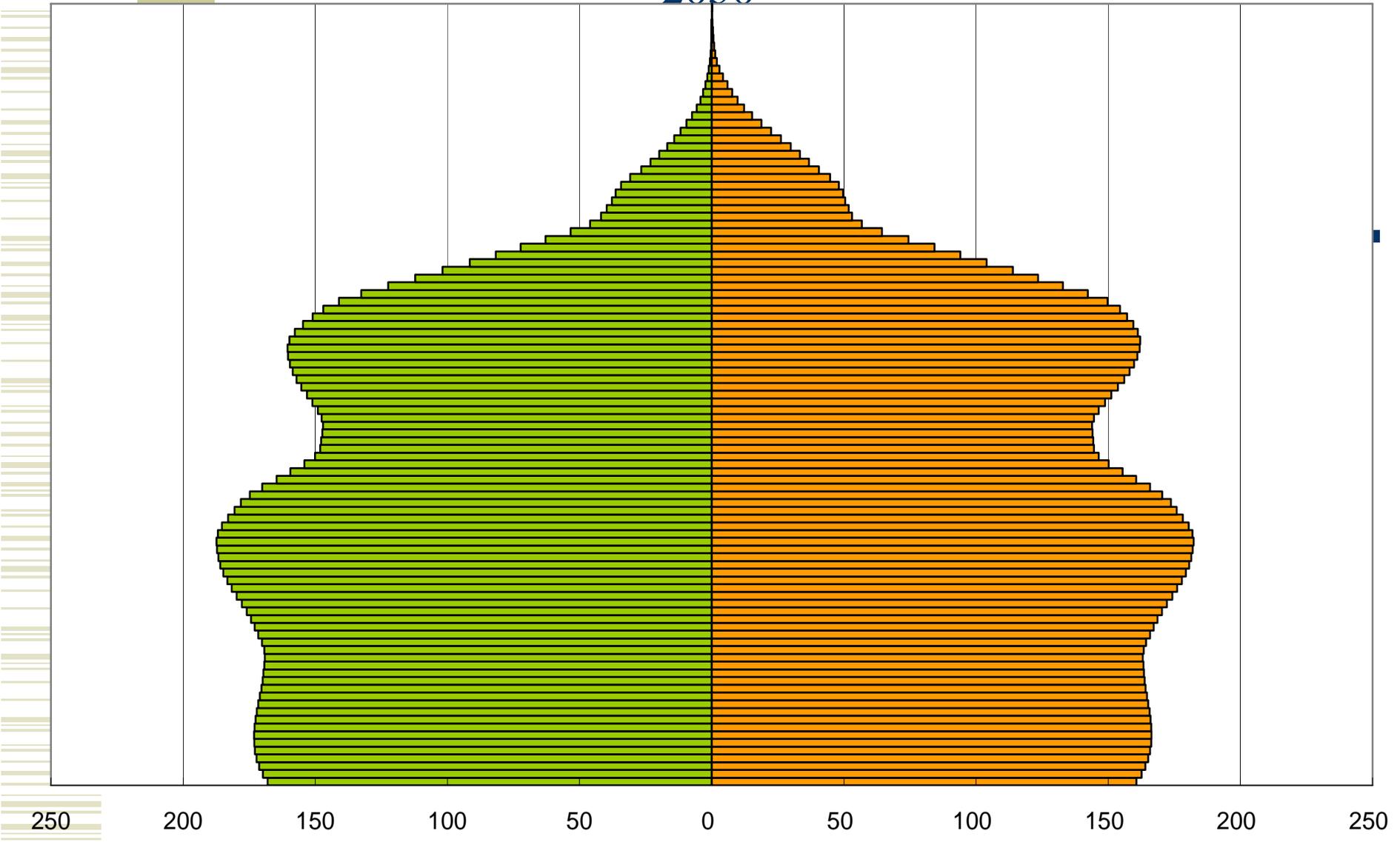
2030



2040

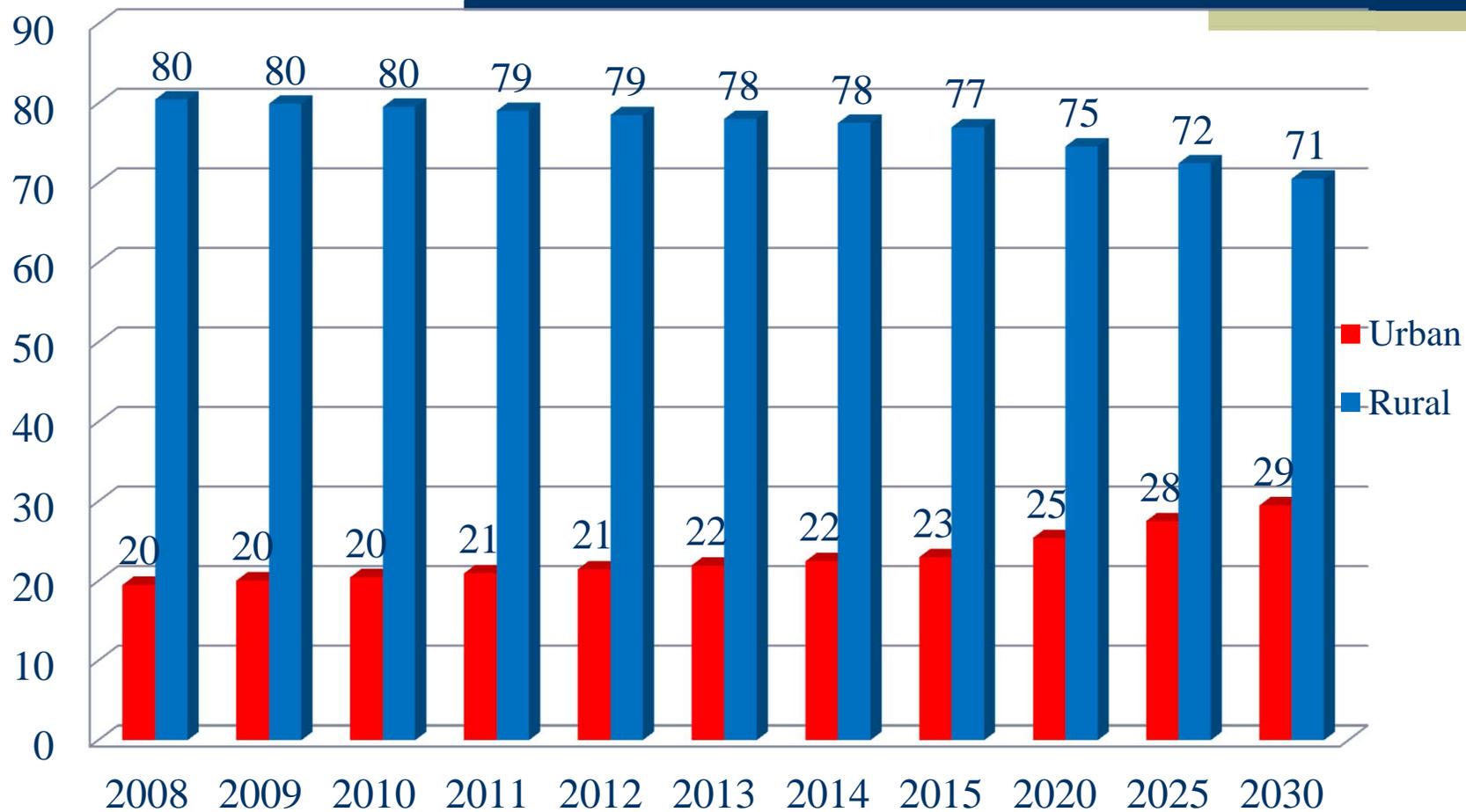


2050



Male Female

# Shares(%) of Population by Urban and Rural



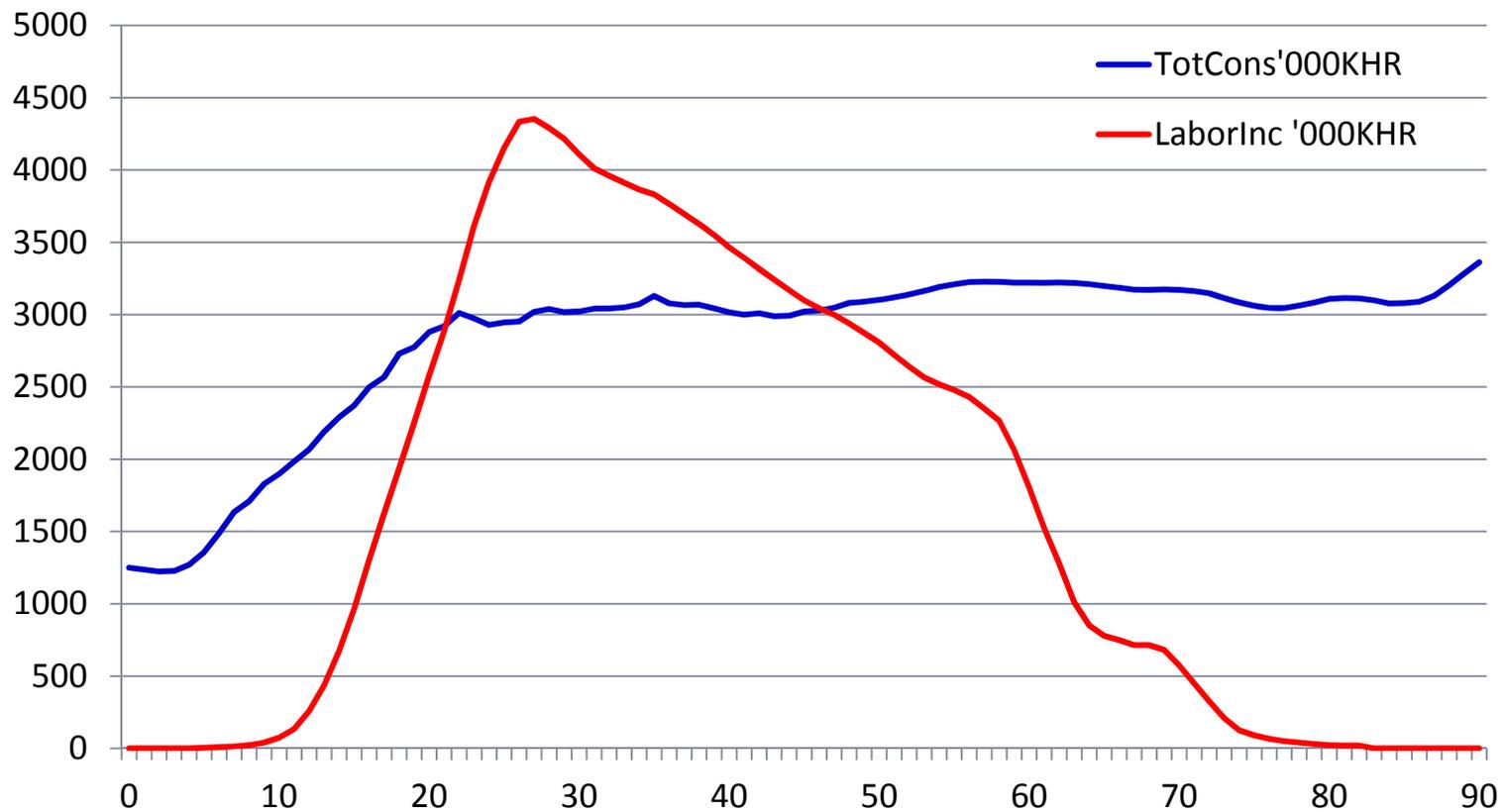


# Finding Results

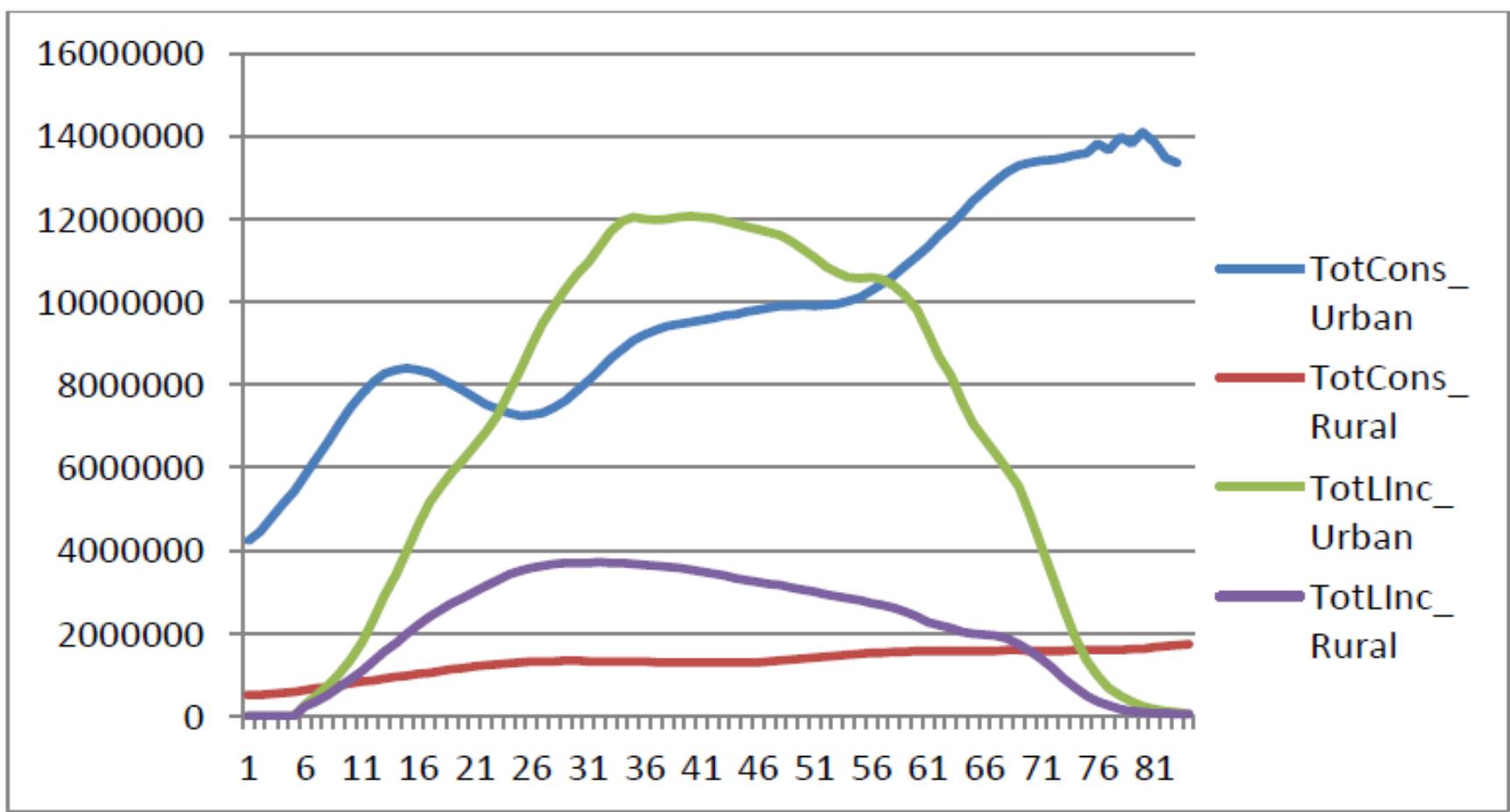


# Major NTA Indicators

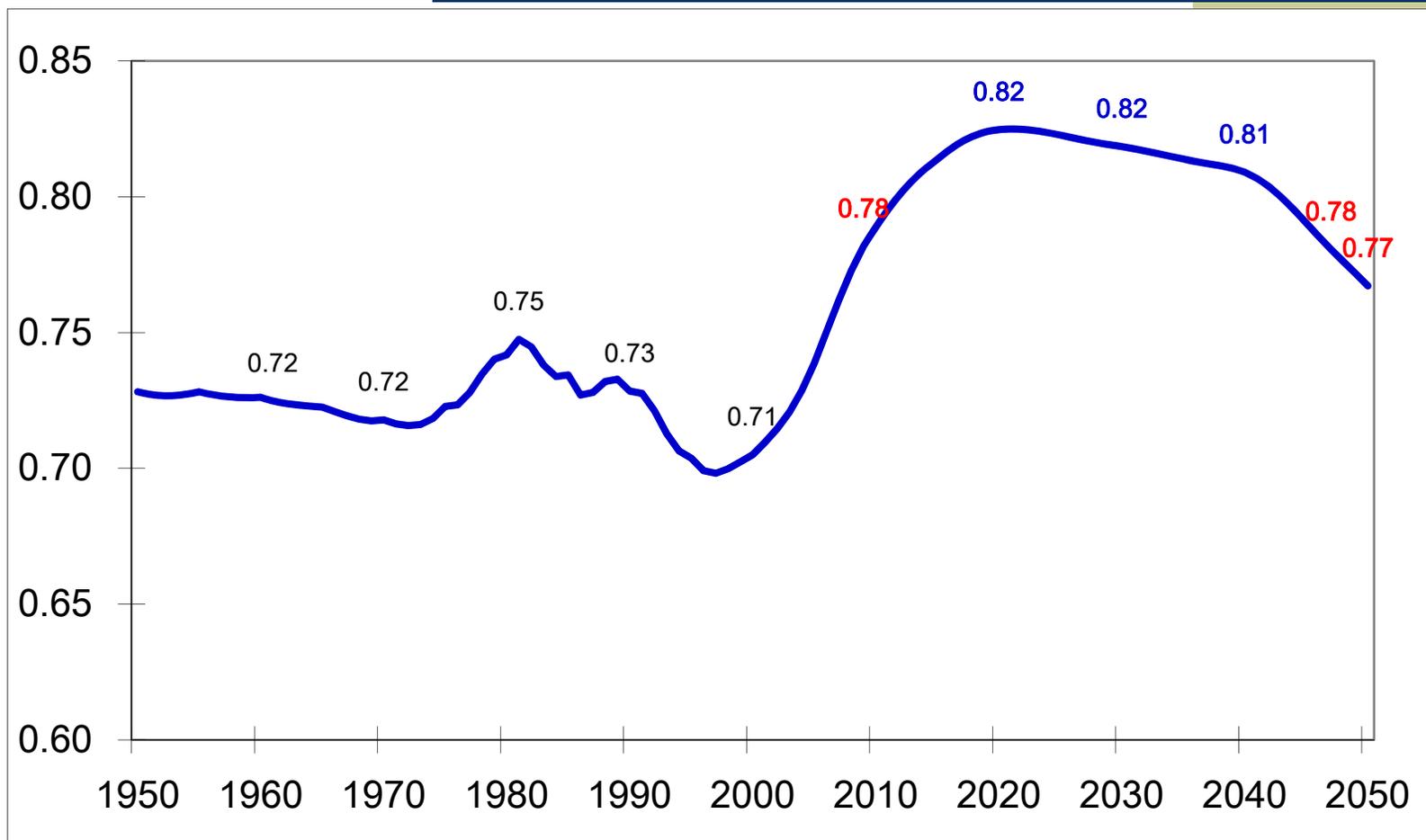
# Per capita Total Consumption and Labor income by age in 2009



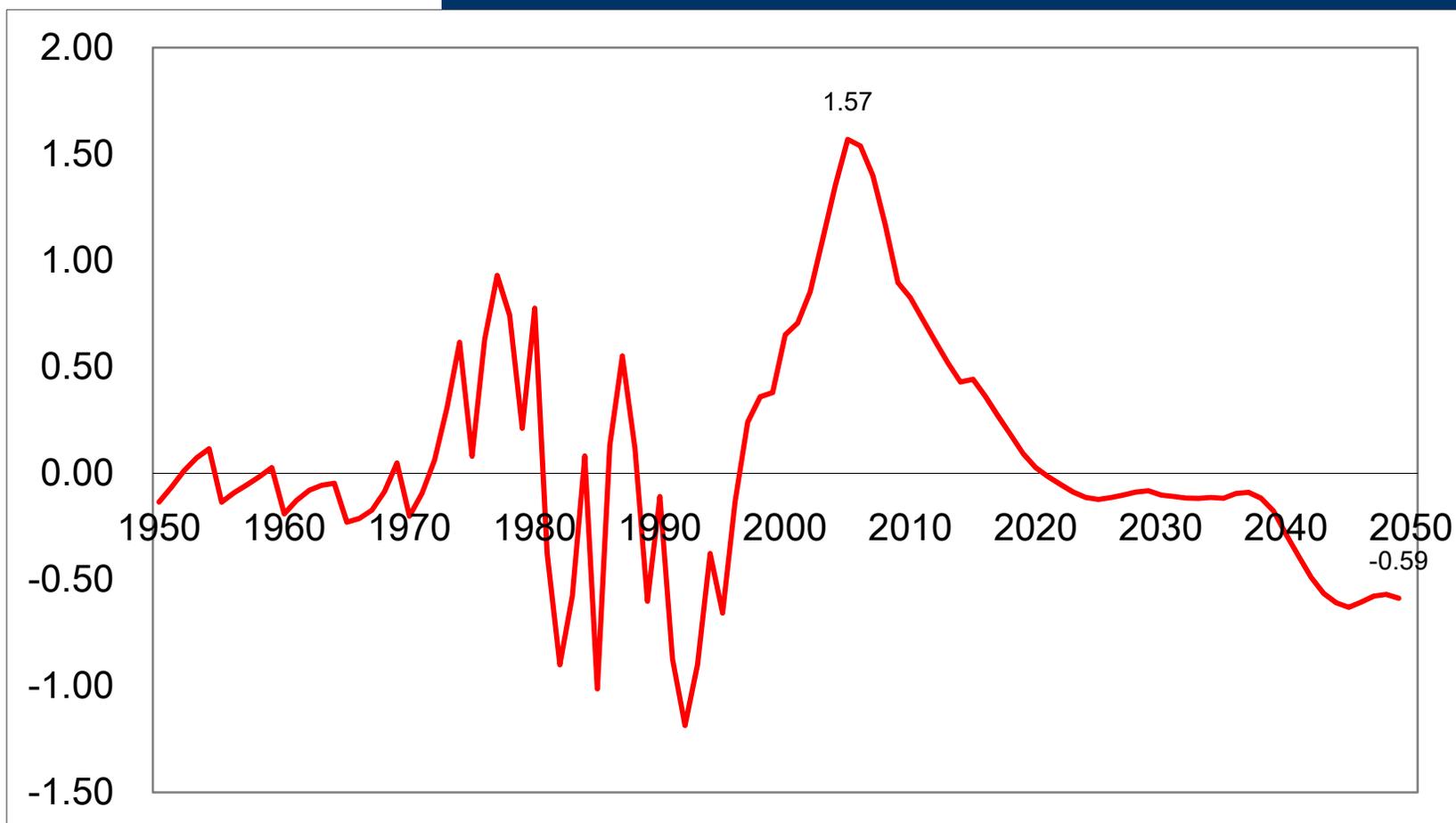
# Per Capita labor incomes and consumptions by age, urban and rural in 2009, value in riels (Experimental Estimates)



# The effective Cambodian Support Ratio, 1950-2050



# The First Demographic dividend, Cambodia 1950-2050



# Conclusion



- ◆ 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, starting 2020, 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 Implication



- ◆ Since the proportion of the working age group is increasing. Cambodia can take advantage of this demographic dividend to increase its economic growth.
- ◆ To create jobs for Cambodian young working group and also make balance population in the country through the promotion of foreign direct investment (FDI) and local investments such small and medium enterprises.
- ◆ Productivity (labor income) in Cambodia is still low, especially in urban and rural area. Thus, investment in human capital development (education, health etc.) and utilization are very important.

# Policy Implication



- ◆ Encourage capital accumulation during working ages to support retirement consumption during older ages.
- ◆ Cambodia will begin to experience rapid ageing in the not too distant future (will increase from 3.4% in 2009 to 4.5% in 2020 and to 9.6% in 2050) and the current family support system will undergo change. Thus, it is necessary to put in place policies to meet the social security needs of the elderly.

# Policy Implication



- ◆ Social security system, welfare services and other services for elderly should be strengthened and expanded.
- ◆ 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.



**THANK YOU FOR ATTENTION !**

**Q & A**