



# The Policy Applications of NTA in Thailand

NTA Team

Office of the National Economic and Social Development Board  
Regional Meeting on National Transfer Accounts in Asia, 3 Dec. 2015

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## Thai NTA: Background and Results

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## Uses of NTA in Thailand

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## Lesson Learned and Future Plan of NTA in Thailand

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# Background of NTA in Thailand

NTA Regional Project supported by UNFPA and IDRC

**2002-03**

NTA for 06 & 09 by TDRI

- Assoc. Prof. Mattana Pananiramai
- Assist. Prof. Nongnuch Soonthornchavakarn

**2007-11**

NESDB compiled NTA 2011 with supports from UNFPA

**2013**

**2006**

- NTA of Thailand was compiled for the first time by
- Assoc. Prof. Mattana Pananiramai
  - Dr. Amonthep Chawala
  - Mr. Santichai In-orn

**2012**

Sub-committee on Implementation of Population Policy and Plan agreed that NTA should be compiled

*continuously & sustainably*

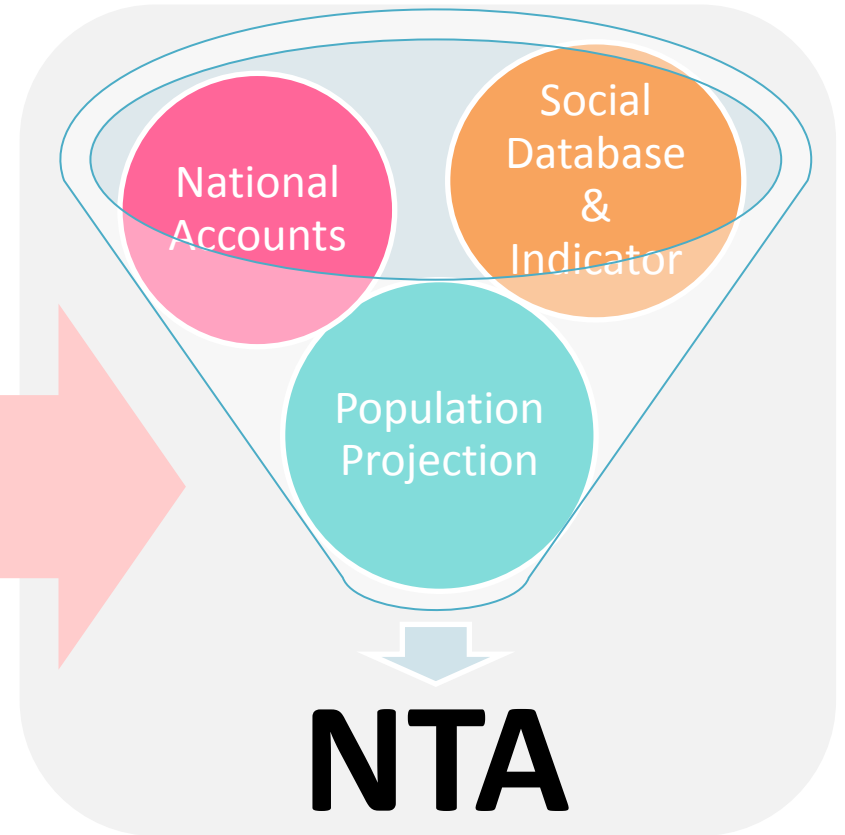
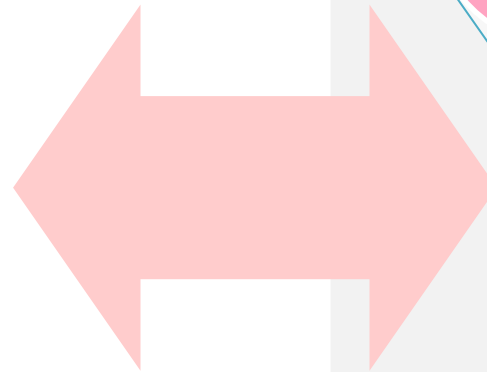
- Problems – NTA requires substantial data from household surveys, NI and population projection, so as knowledge about these data
- High turnover of researchers, which caused inconsistencies between series

## NESDB

Formulating a 5-year economic and social development plan

Giving policy recommendations and advice to the cabinet

Monitoring and evaluating National Plans and other related policies



## Aggregate Control

- NI 2013 (NESDB)



## Age Profiles

- SES 2013 (NSO)
- Health and Welfare Survey 2013 (NSO)
- Education Statistics 2013 (MOE)



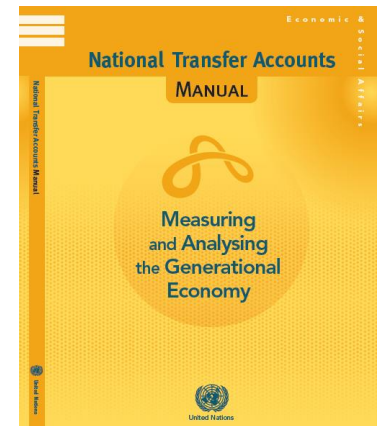
## Population

- Population Projections 2010-2040 (NESDB)

## Method

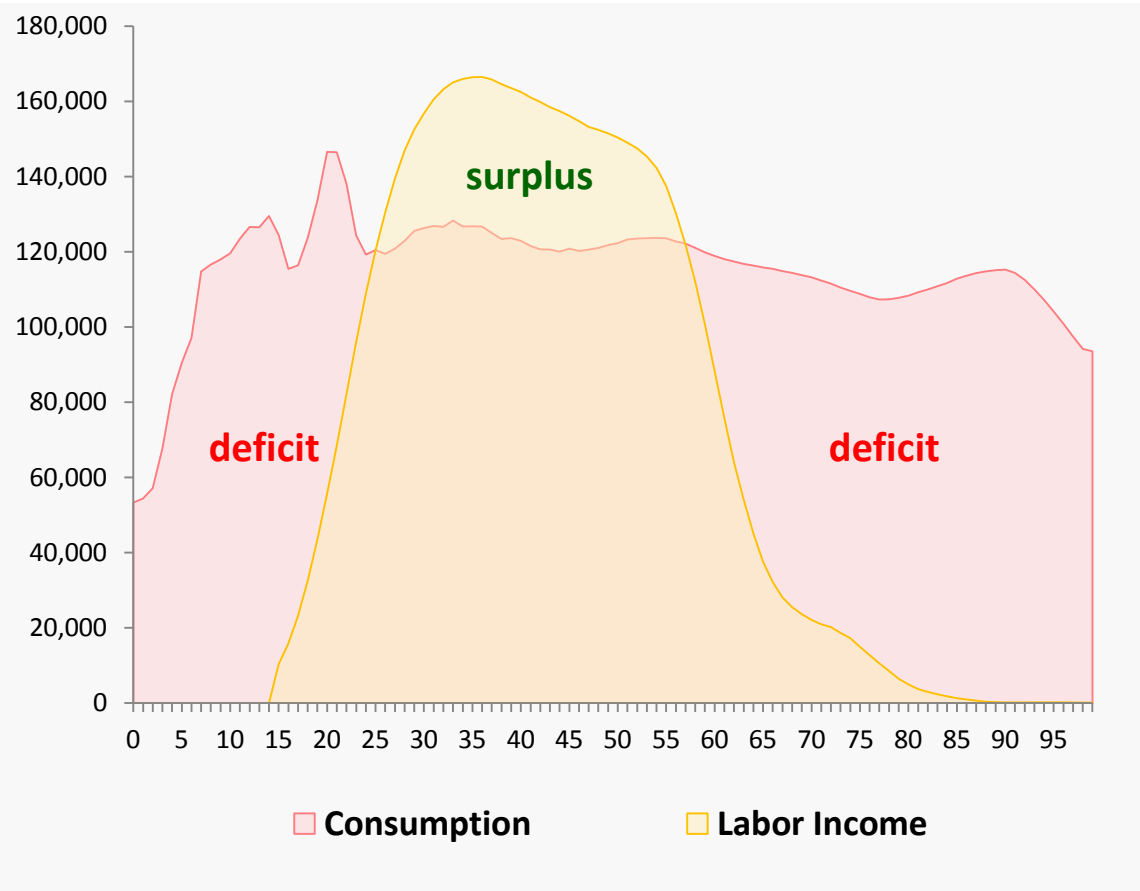


Simply follows the **NTA Manual (2013)**



# Results: Life Cycle Deficit

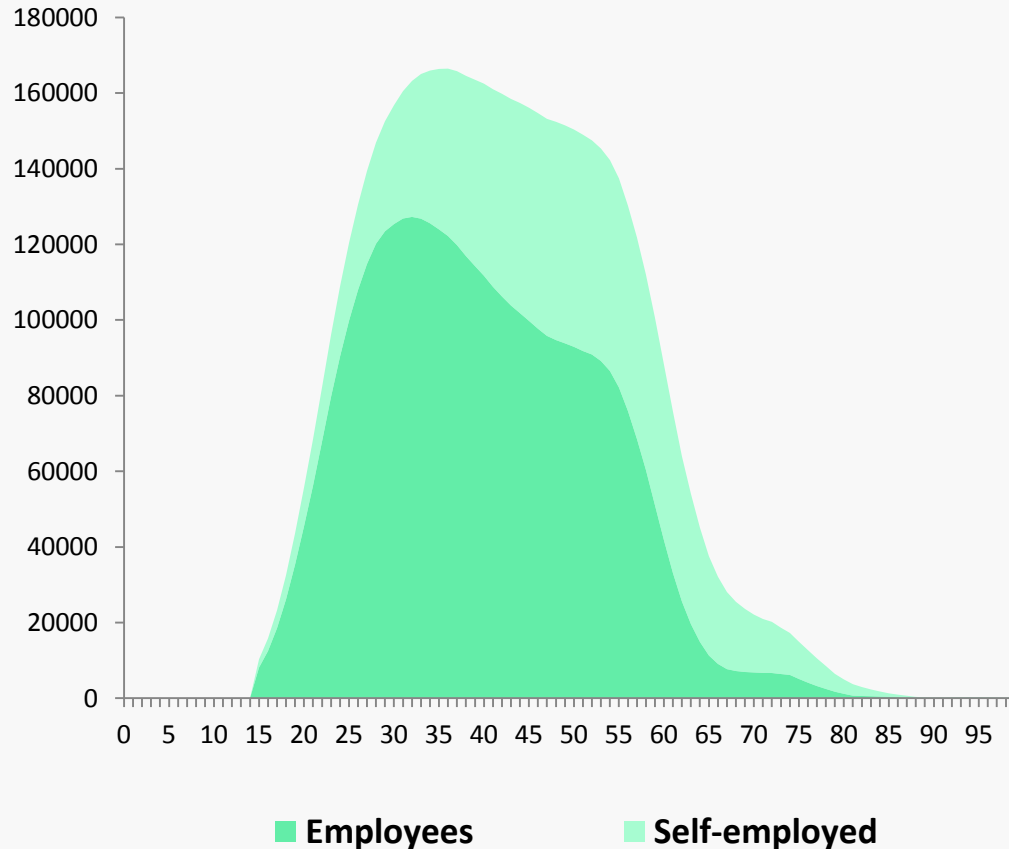
## Consumption and Labour Income, per capita value (THB), year 2013



- Thai population had an income surplus during the ages of 25-59.
- The rest age groups (0-24 and 60+), on the other hand, had consumption expenditure higher than their labor income and incurred a deficit.

# Labour Income

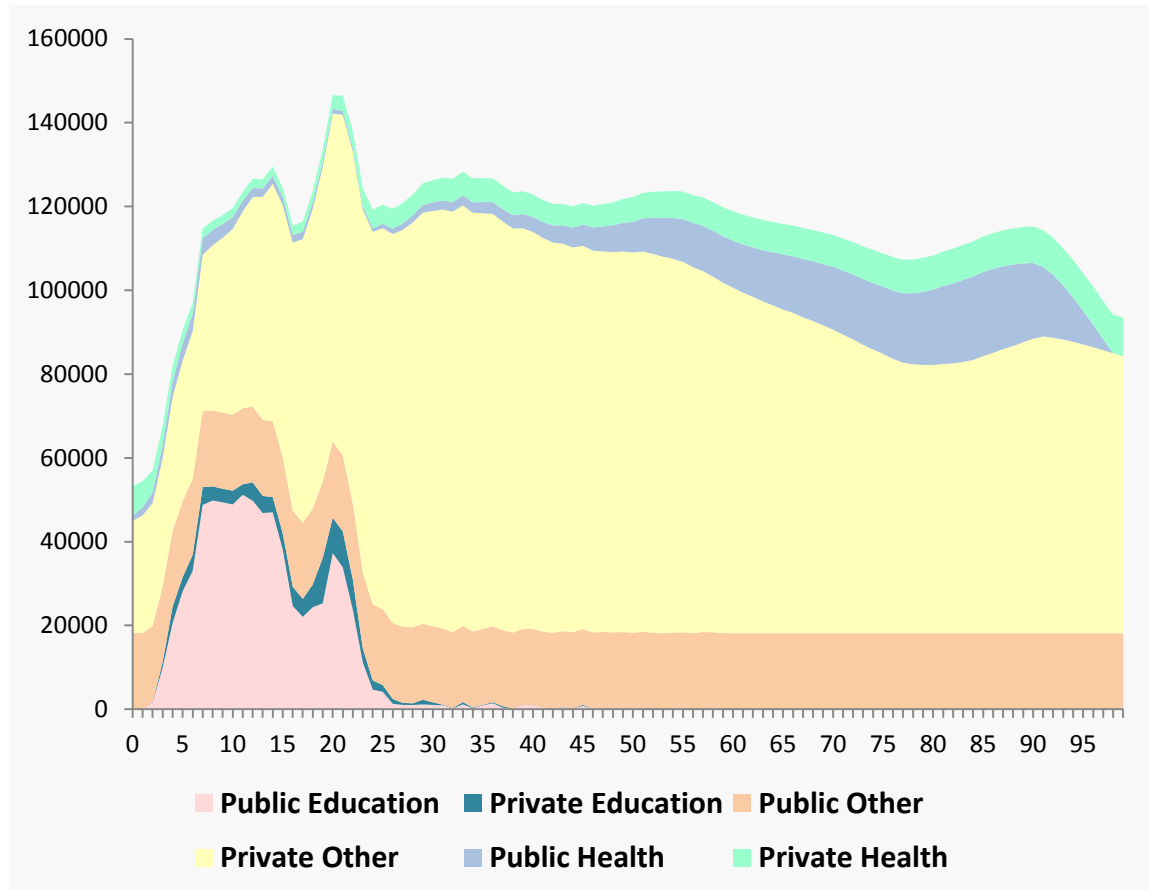
## Annual Per-capita Labour Income (THB), year 2013



- Labor income is highest at age 35, with average income of THB 166,401 per person per year.
- Then, the labor income gradually decline until reaching zero at the age of 90
- Compensation of employees accounts for larger share of labor income when population is in early working ages.
- However, self-employed labor income has increasingly become the main source of labor income when population gets older.

# Consumption

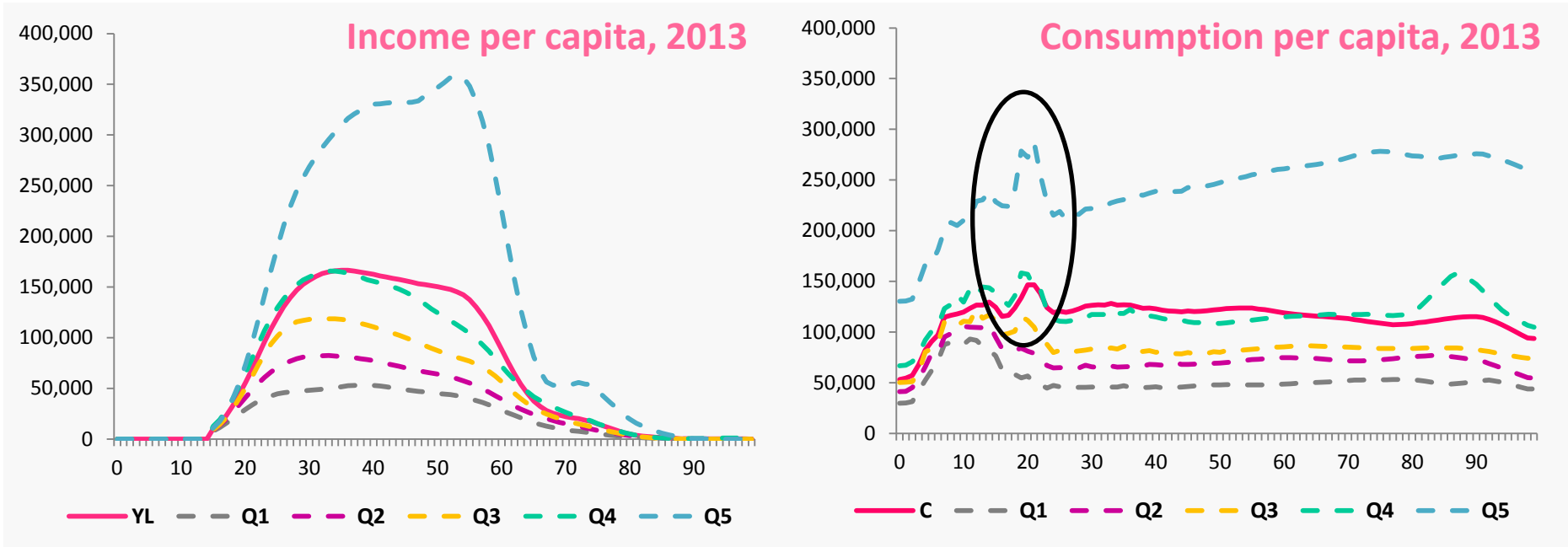
## Consumption by type, per capita value (THB), year 2013



- Most of the consumption expenses are paid by private sectors.
- Public consumption is large on education for children and health services for elderly.
- Similarly, out of pocket education expense is made during childhood and out of pocket health care expense increases after retirement.



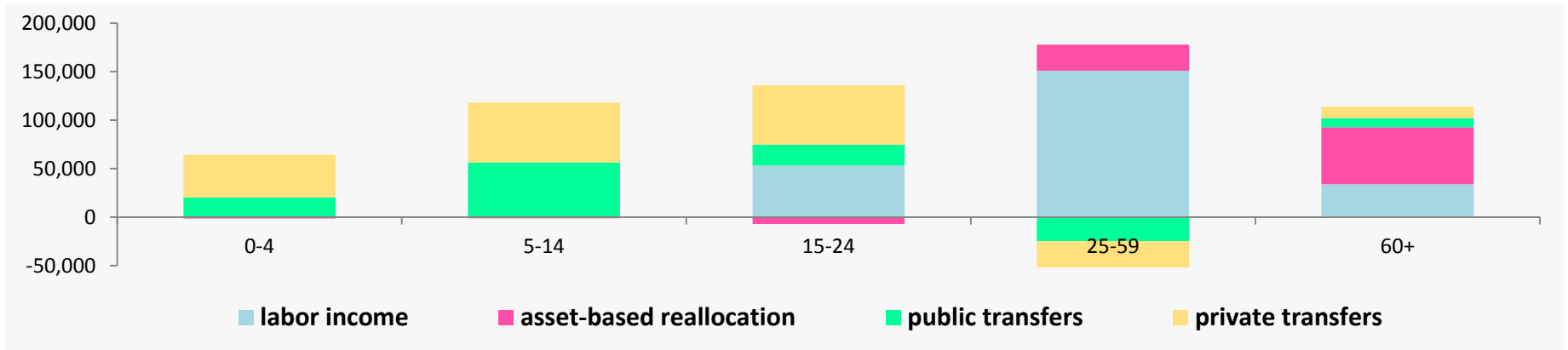
# NTA by Income Quintiles



- Large income difference in Thailand, particularly between the richest income group (Q5) and the rest (Q1-Q4)
- On consumption, similar degree of difference across income groups. Figure also suggests that only those in the top 3 income groups can afford to go to universities. This implies that there's still inequality in access to tertiary education in Thailand.

# Sources for Consumption

## Shares of each income sources to finance consumption, 2013



- Children's consumption (0-14) is financed entirely by transfers, particularly private transfers.
- Income sources used to finance teenager's consumption (15-24) are mixed. Yet, private transfer remains a dominant income source.
- Unsurprisingly, working-age's consumption (25-59) is mainly financed by labor income. The surplus is reallocated to the other age groups.
- For the elderly group, 50% of consumption expense is mainly financed by asset based reallocation, and around 30% by labor income.

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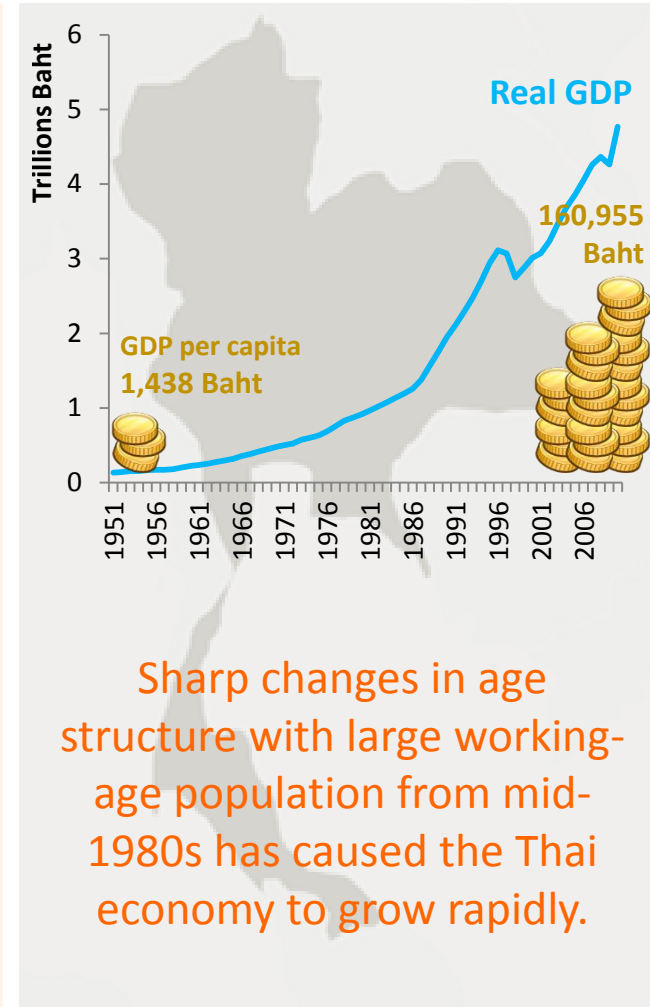
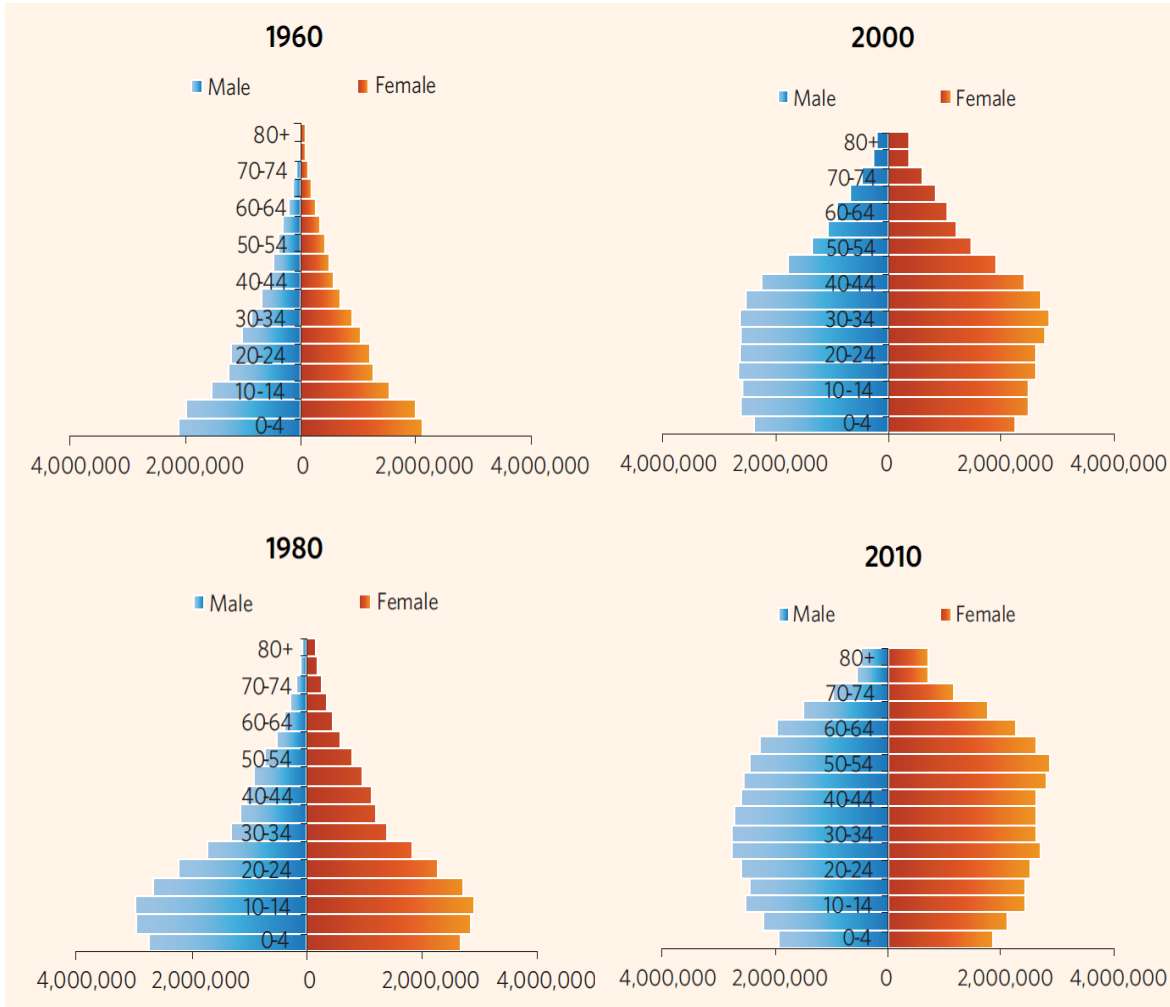
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## Lesson Learned and Future Plan of NTA in Thailand

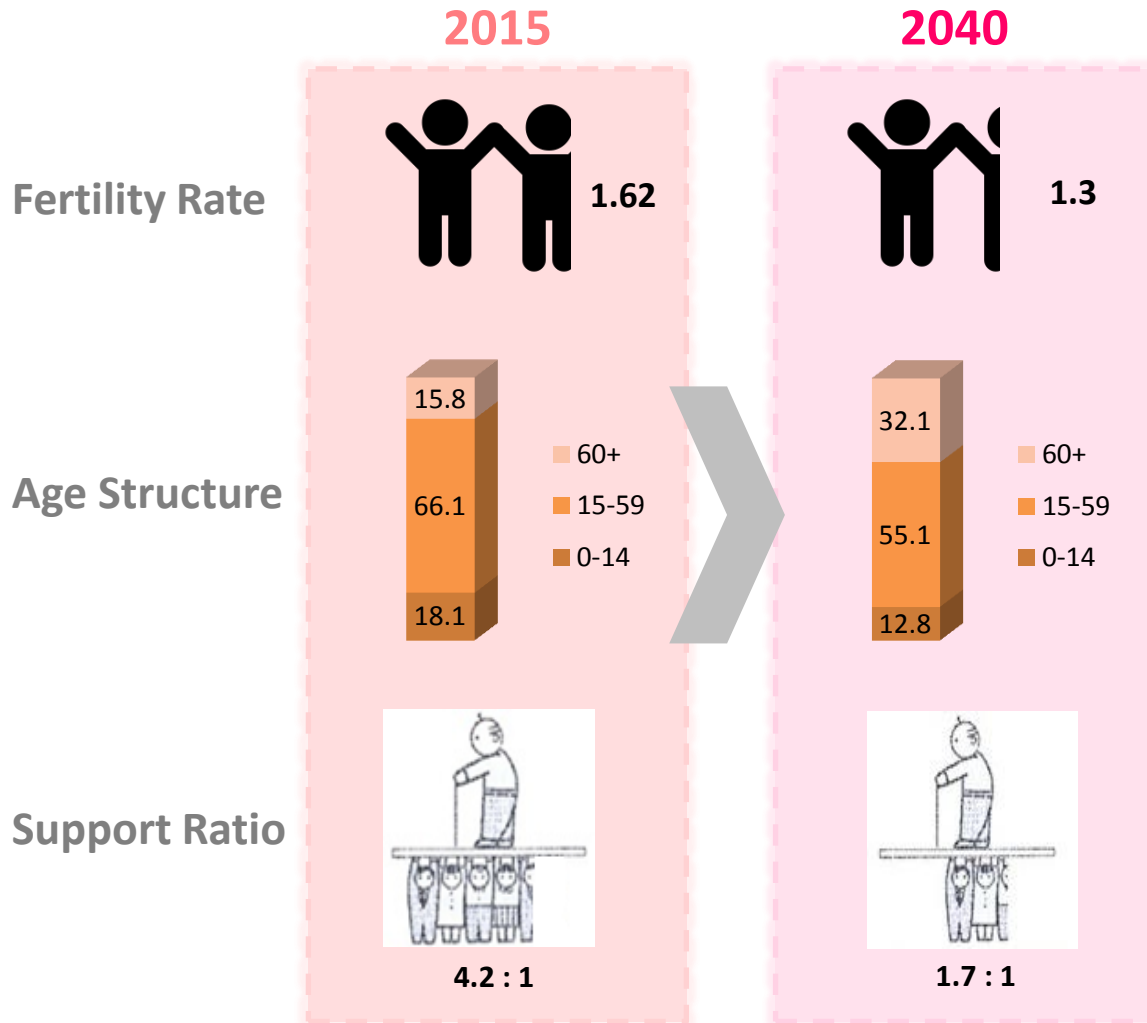
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# Demographic Situation in Thailand – the Recent Past

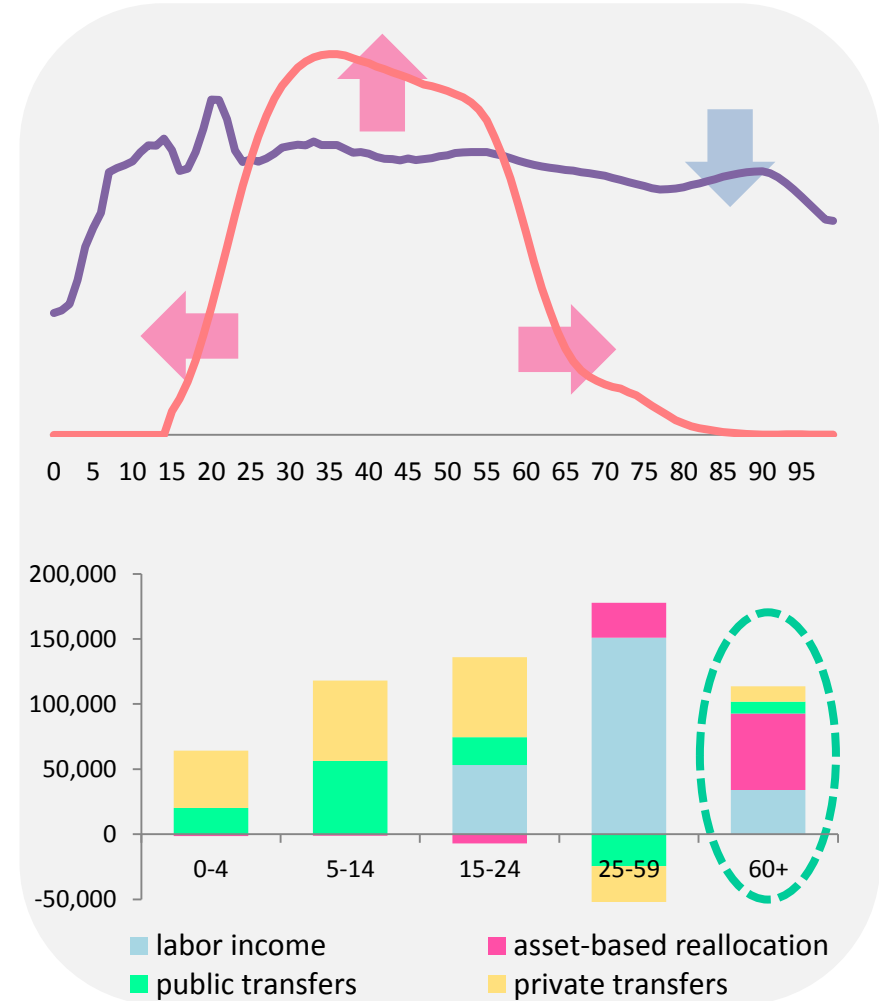


# Demographic Situation in Thailand – the Near Future



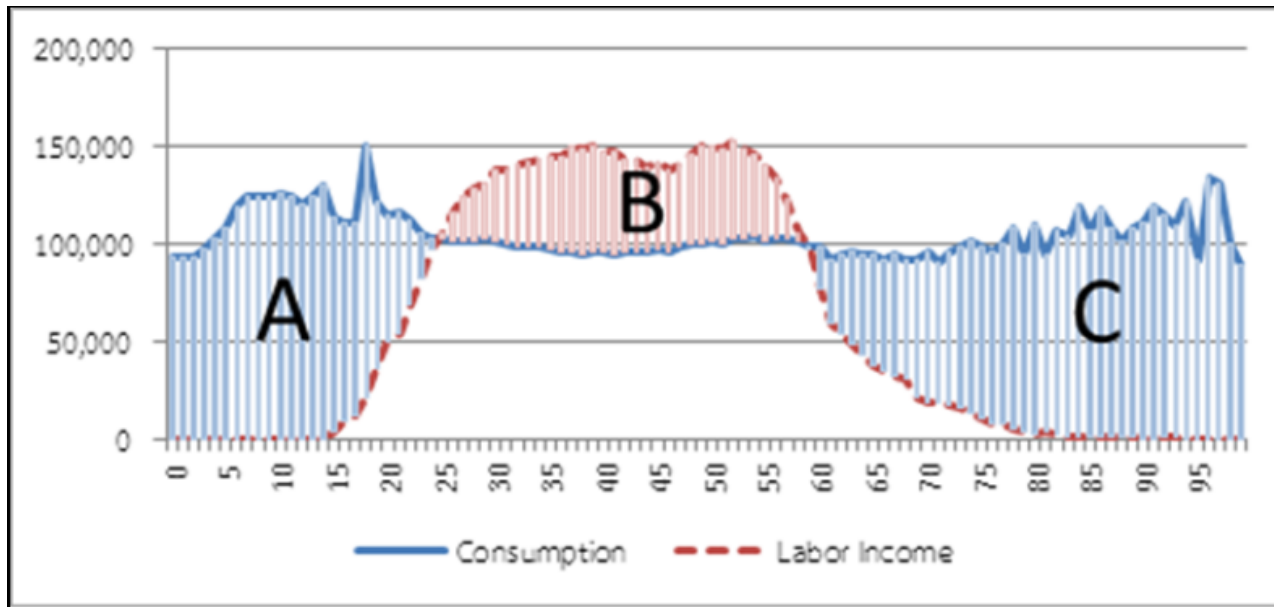
# Policy Advocacy: How can we prepare for rapid ageing process?

- **Increase the surplus of working age** group to support the higher deficit from an increasing size of dependent elderly.
  - Increase labour productivity.
  - Increase labour participation by encouraging elderly to work longer and promoting youth employment.
- **Promote healthy behaviours** to lessen health care cost especially from dependent elderly.
- **Ensure income security after retirement.**



# Uses of NTA in Thai Policy Matters

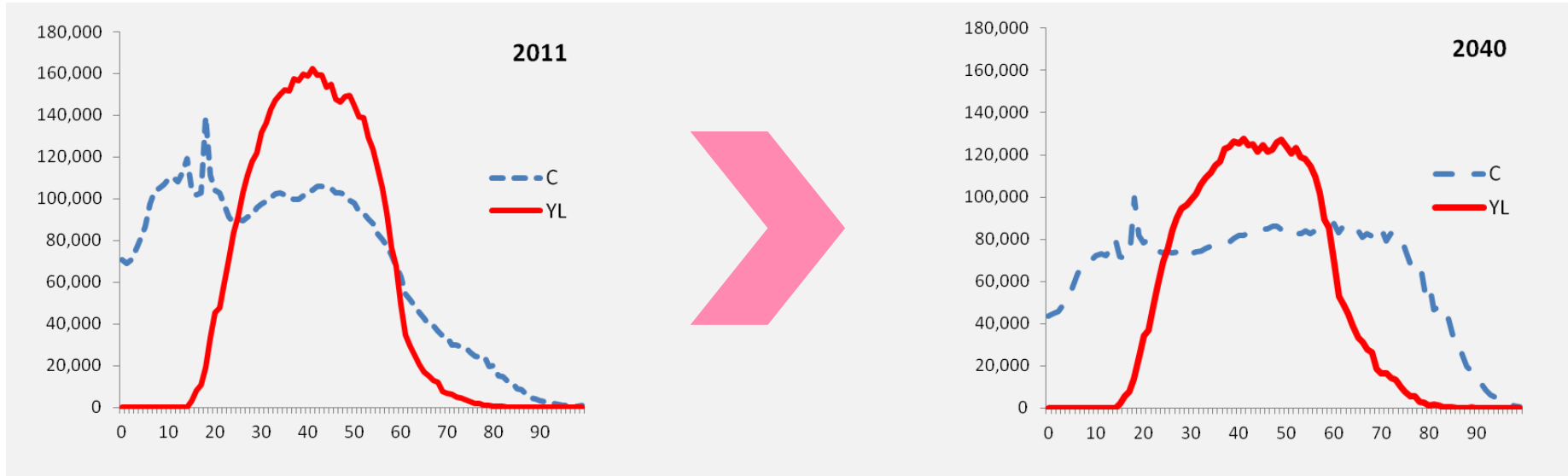
- NTA provides empirical evidence on the pattern of income and consumption of Thai people across ages as well as on how currently-implemented policies support the consumption of population. NTA results for Thailand has been presented as part of the current situation of Thailand in the NESDB's annual conference in 2014 **“Human Development for the Future of Thailand”**



# Uses of NTA in Thai Policy Matters

- Results of NTA and the simulation on how changes in population structure would affect patterns of income and consumption in the future were incorporated in the drafting of **Population Plan during the Twelfth National Economic and Social Development Plan (2017-2021)**

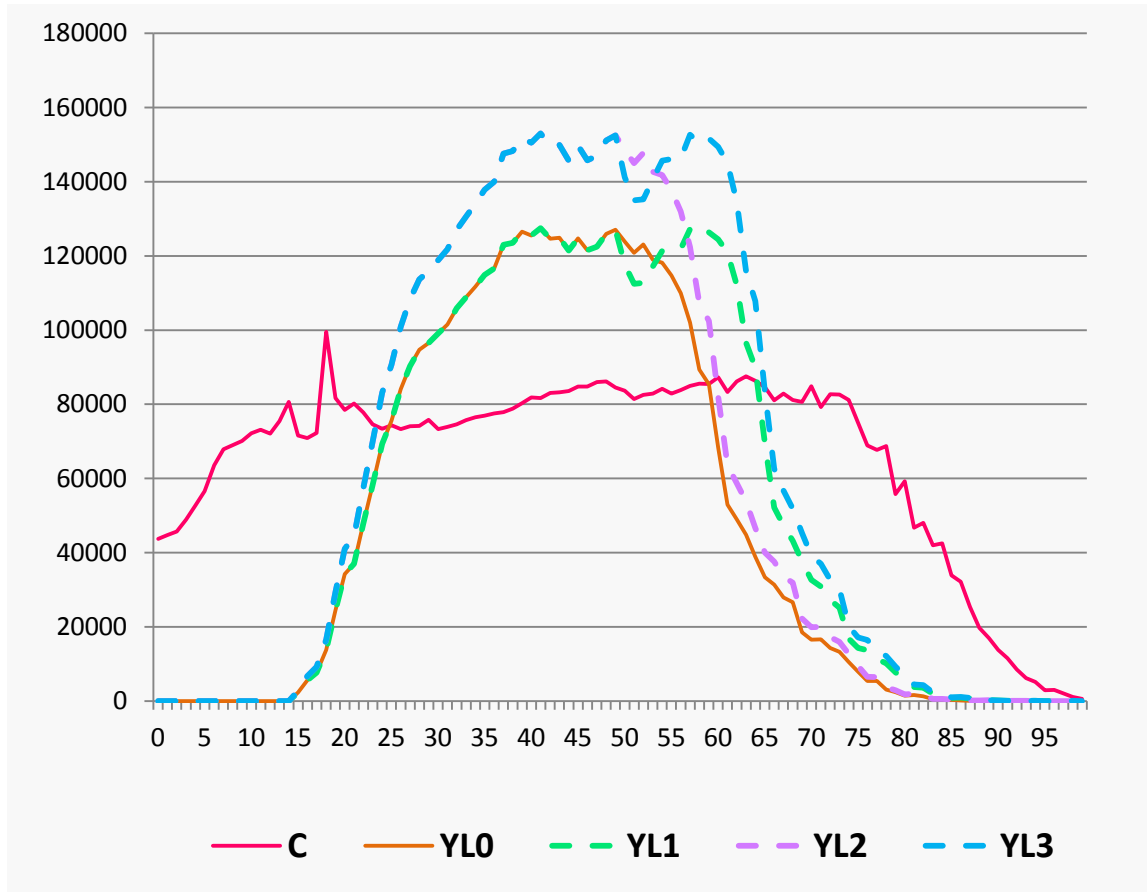
## LCD projection for the year 2040





# Uses of NTA in Thai Policy Matters

## Aggregate Labour Income & Consumption (Mil. Baht)

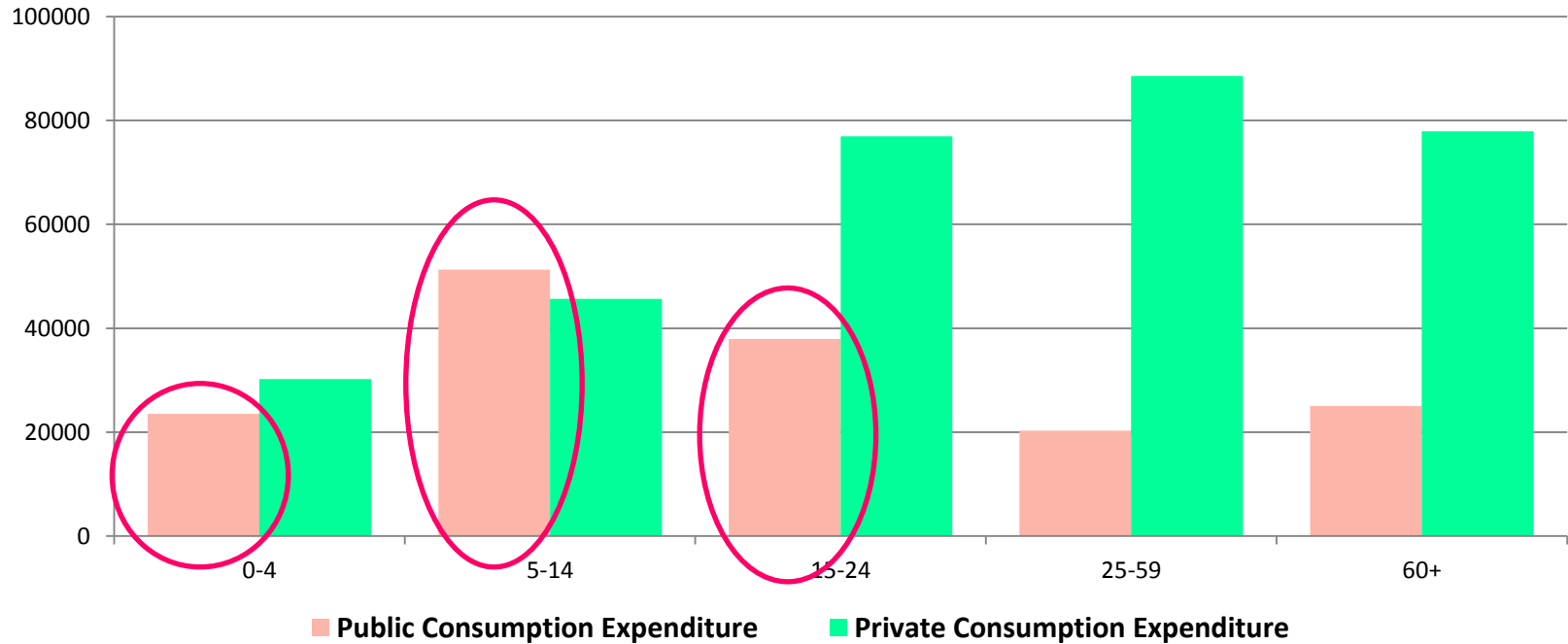


Both extending retirement age and increasing productivity will likely help raise aggregate labour income of the Thailand.

- YL0 = base case
- YL1 = raise retirement age
- YL2 = productivity increases 3% per annum
- YL3 = raise retirement age with 3% per annum productivity increase

# Uses of NTA in Thai Policy Matters

- Public and private consumption for children in early ages has been used as empirical support for government's decision whether to implement the **Child Support Grant**



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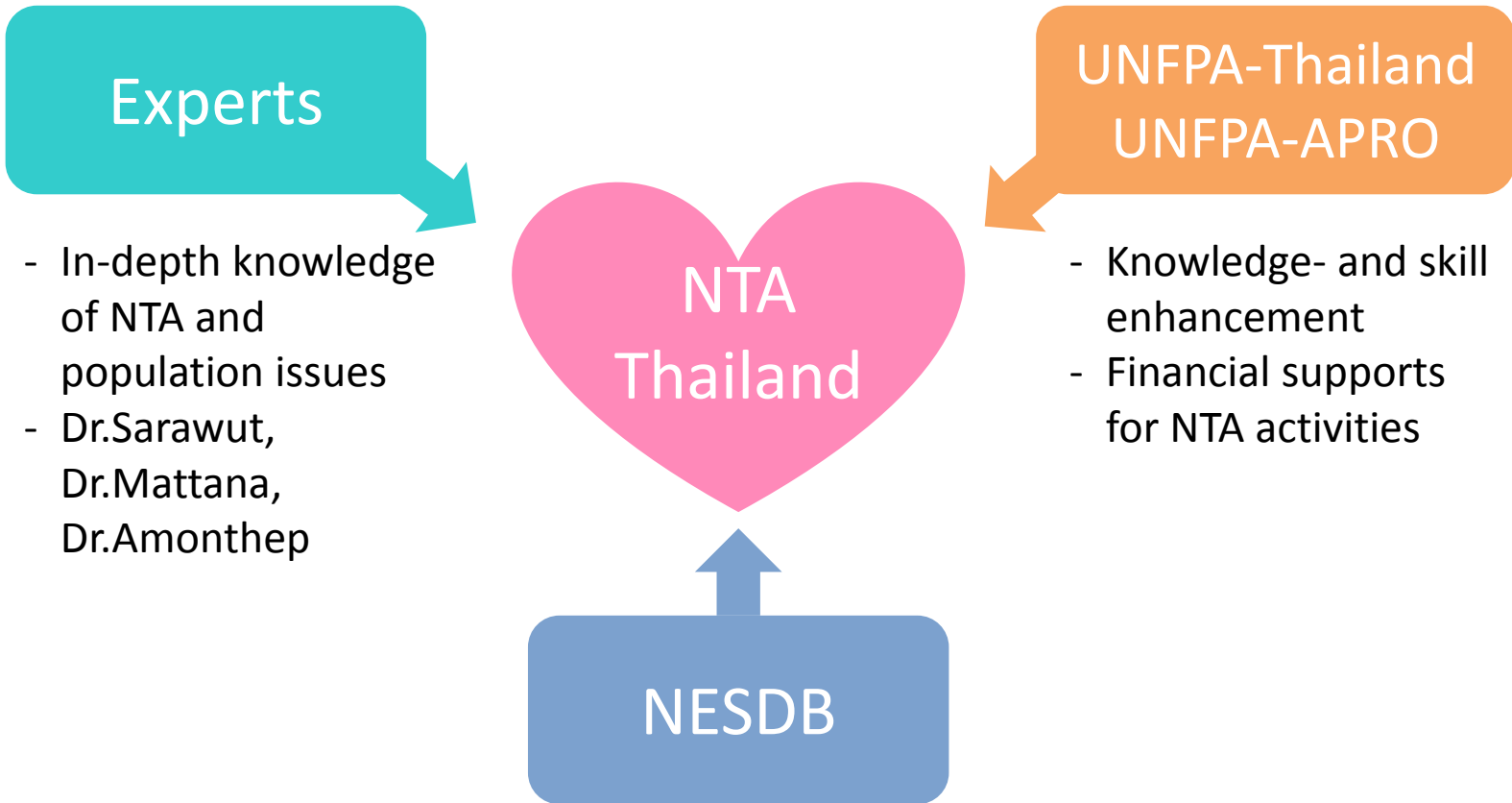
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# Success Factors of the Thai NTA

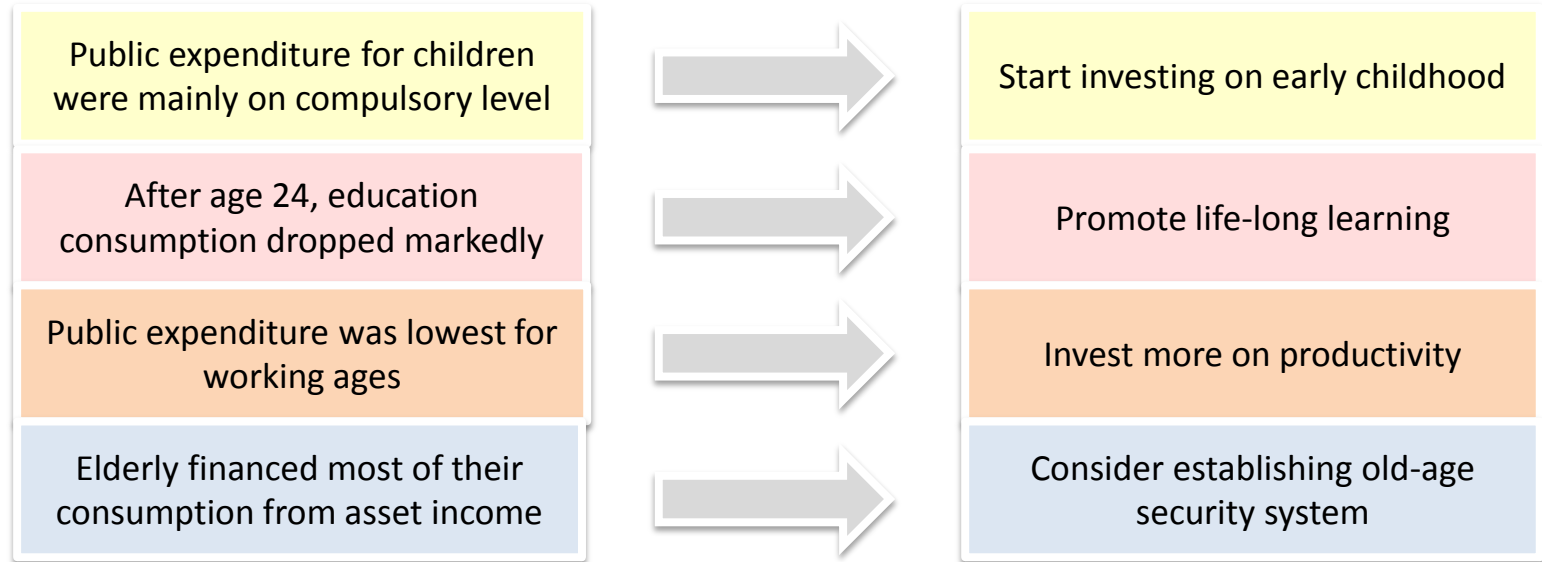
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data, staff, current compilation, policy-applications

# Thailand's Next Steps

- More in-depth analysis of NTA
- More policy applications



- Building NTA network in Thailand
- Promote public awareness of NTA

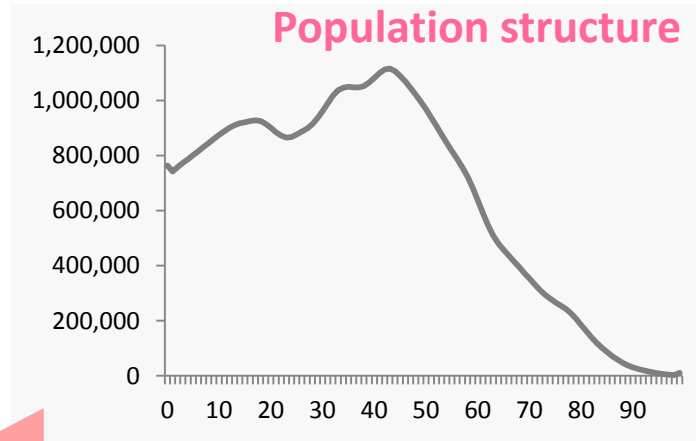
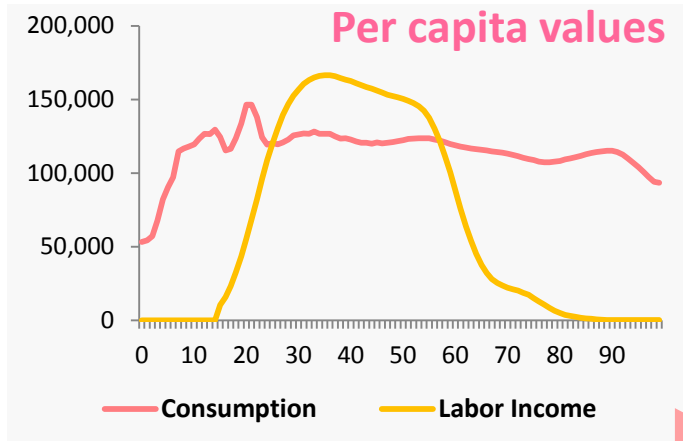




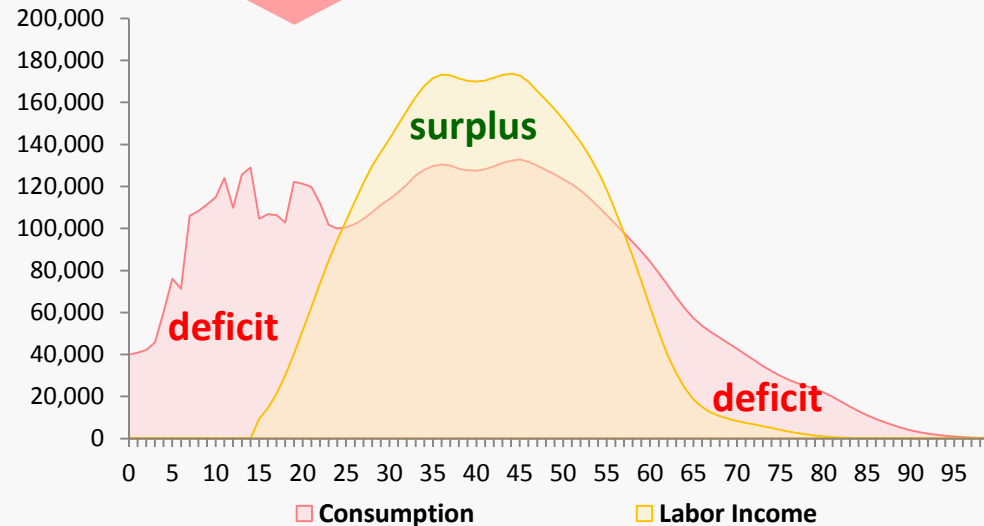
**Thank you**

[www.nesdb.go.th](http://www.nesdb.go.th)

# Results: Aggregate Consumption and Labour Income



**Aggregate  
Consumption and  
Labor Income  
(Mil.Baht)  
Year 2013**



# Activities in 2015-2016

