



National Transfer Accounts (NTA), Nepal Preliminary Estimate, 2021/22



15th NTA Global Meeting

Bangkok, Thailand,
March 10-13, 2025



Government Of Nepal
Office of the Prime Minister and Council of Ministers
National Statistics Office
Thapathali, Kathmandu, Nepal



Table of Contents

- Population structure of Nepal
- NTA methodology
- Data source
- Main results
- Estimation limitations
- Future plan



Population Structure of Nepal

Census year	Total population	Annual population growth rate	Working age population (15 to 64 yrs)	Annual growth rate of working age population (15 to 64 yrs)	Population of 0 to 14 yrs and 64 above	Growth rate of population of 0 to 14 yrs and 64 above	Proportion of working age population (15 to 64 yrs)
1952-54	8256625		4811358		3386187		58
1961	9412996	1.34	5369708	1.10	4011146	1.69	57
1971	11555983	2.05	6526932	1.95	5029051	2.26	56
1981	15022839	2.62	8220701	2.31	6701356	2.87	55
1991	18491097	2.08	10008214	1.97	8480360	2.35	54
2001	23151423	2.25	12831876	2.49	9905058	1.55	55
2011	26494504	1.35	15848675	2.11	10645829	0.72	60
2021	29164578	0.92	19027289	1.75	10137289	-0.47	65



Population Structure of Nepal

- The working-age population (15 to 64 years) constitutes 50% of the total population, indicating potential for economic growth
- The annual growth rate of the working-age population:
 - ✓ Until 1991, the growth rate of the working-age population was lower than that of other groups
 - ✓ Since 1992, the growth rate of the working-age population has been higher than that of other groups, representing a demographic window of opportunity
- The demographic window of opportunity is expected to remain until 2047



NTA Methodology

Inflow	Outflow
Labor Income (YL), Asset Income (YA), and Transfer Inflows (TI)	Consumption (C), Saving (S), and Transfer Outflows (TO)

$$\text{Inflow} = \text{Outflow}$$

$$YL + YA + TI = C + S + TO$$

$$(C - YL) = (YA - S) + (TI - TO)$$

$$\text{Lifecycle Deficit} = \text{Asset-based Reallocation} + \text{Net Transfer}$$



Data Source for NTA Estimation

- Population Census, 2021; National Statistics Office
- Nepal Living Standard Survey, 2022/23; National Statistics Office
- National Accounts Estimates, 2021/22; National Statistics Office
- Balance of Payment, 2021/22; Central Bank of Nepal (Nepal Rastra Bank)
- Annual Report of Financial Comptroller General Office, 2021/22;
- Annual Report of Department of Health Services, 2021/22;
- Flash Report of Center for Education and Human Resource Development, 2021/22;
- National Health Accounts of Ministry of Health and Population, 2019/20



Preliminary NTA Nepal, 2021/22

Main Results



Macro Controls of NTA 2021/22

NTA Variables	Code	In million rupees	Percentage
Public health consumption	HG	57706	14
Public education consumption	EH	95975	23
Public other consumption	XG	264974	63
Public Consumption	CG	418656	10
Private health consumption	HF	31412	1
Private education consumption	EF	241829	7
Private other consumption	XF	3396369	93
Private Consumption	CF	3669610	90
Total Consumption	C	4,088,266	
Labor earnings	YLE	1761977	69
Self-Employment Labor Income	YLS	799071	31
Labor income	YL	2,561,047	
Lifecycle deficit	C – YL	1,527,219	



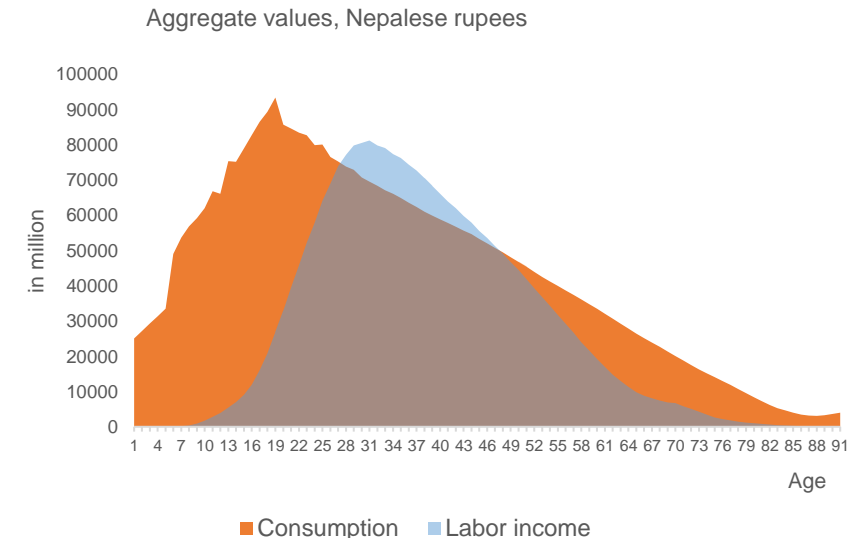
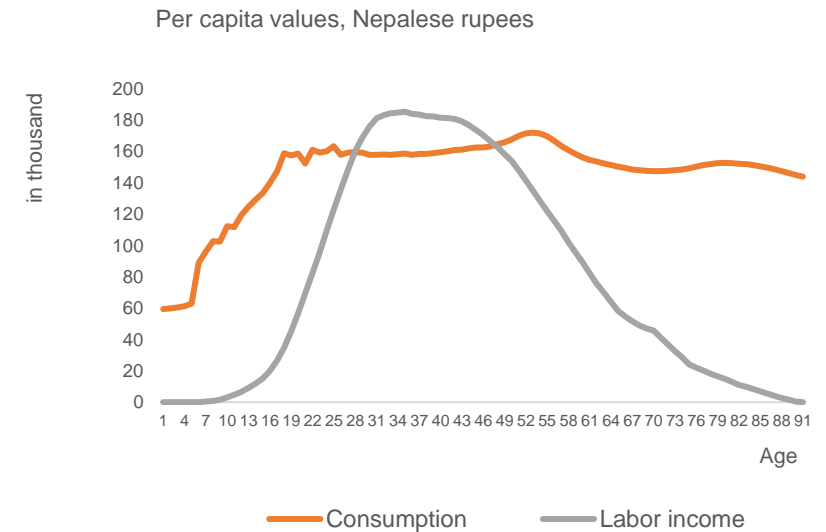
Life Cycle Accounts, Annual Per Capita Flows 2021/22

Variables	All	0 to 24 years	25 to 64 years	65+ years
Lifecycle deficit	52366	93348	724	110468
Consumption	140179	120895	159355	146488
Private consumption	125824	104510	147225	131450
Education	8292	16734	738	0
Health	1077	263	1598	3240
Others	116455	87513	144888	128210
Public consumption	14355	16385	12131	15038
Education	3291	6817	110	0
Health	1979	483	2936	5953
Others	9085	9085	9085	9085
Labor income	87814	27548	158631	36020
Salary and wage	60415	17452	112585	12428
Self-employment	27399	10096	46046	23592



Consumption and Labor Income by Age, 2021/22

- Deficit until age 26 (consumption exceeds income).
 - Surplus from ages 27–46 (income exceeds consumption, only for **20 years period**).
 - Deficit resumes after age 47 (consumption exceeds income).
 - Necessitating employment creating strategies
- Labor force participation rate (2017/18): 38.5%
 - Unemployment rate (2017/18): 11.4%

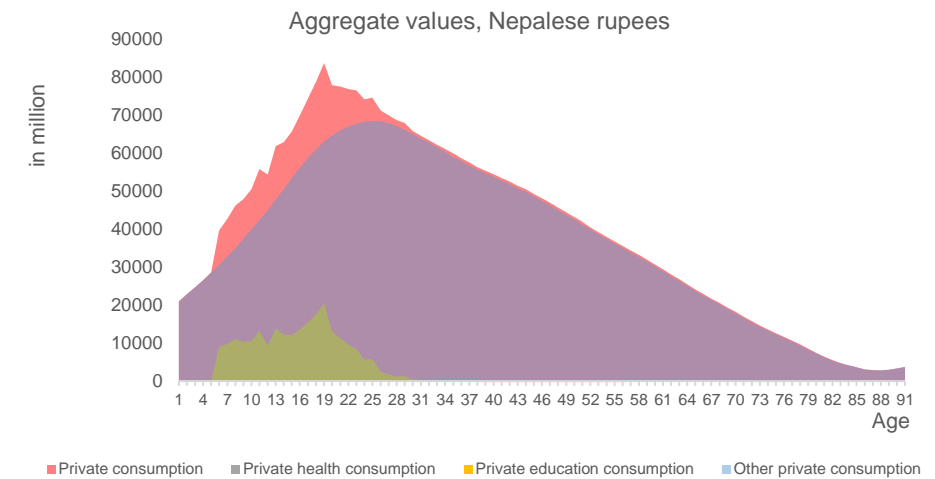
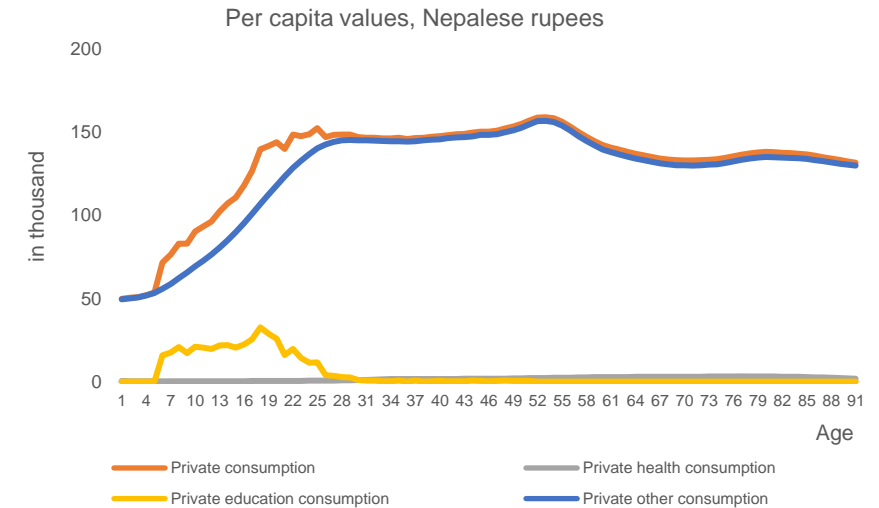


Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Private Consumption and Its Components by Age, 2021/22

- **Private Health Consumption:** Private health expenses remain minimal compared to other components. It increases slightly for older populations, indicating higher medical needs in later years.
- **Private Education Consumption:** Private education spending is concentrated in the younger age groups suggesting the importance of private financing in Nepal's education system.
- **Private Other Consumption:** The majority of private consumption falls under this category. It remains consistently high across all ages, reflecting the essential nature of these expenditures in daily life.

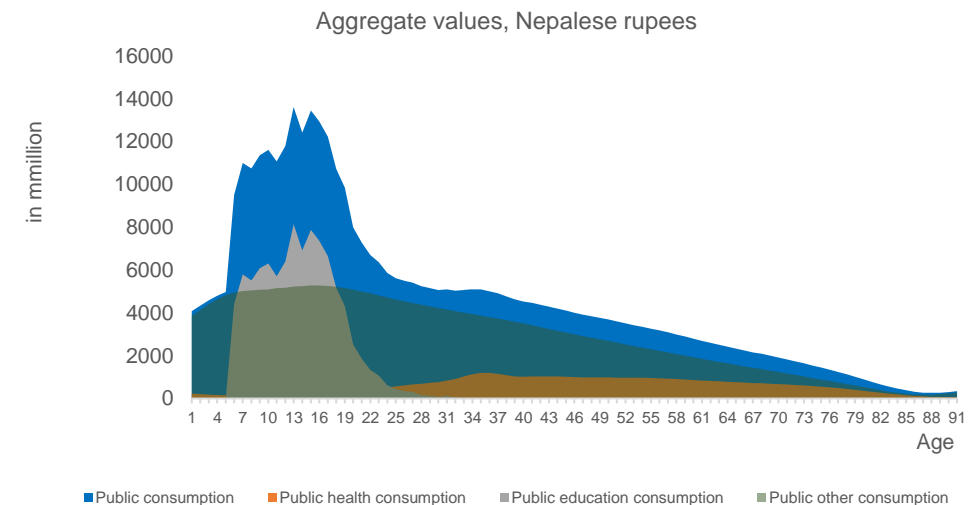
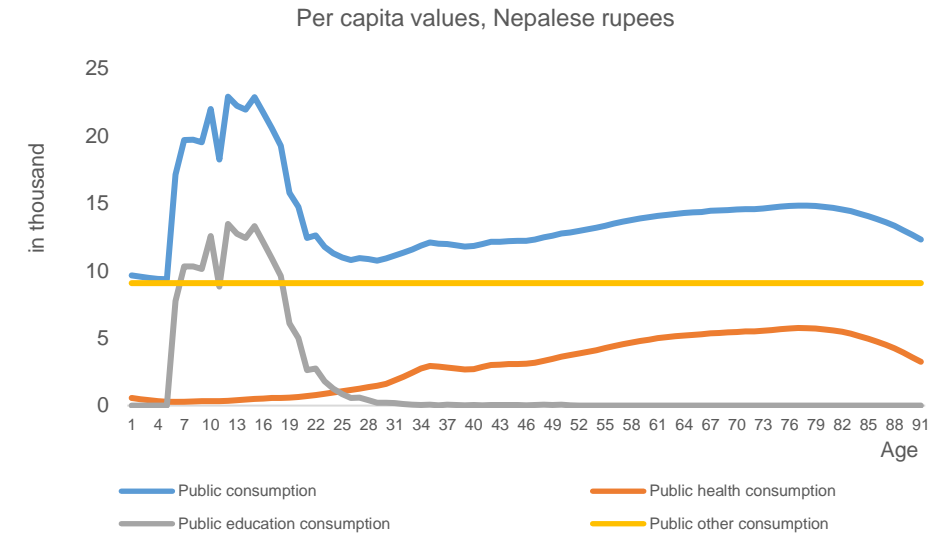


Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Public Consumption and Its Components by Age, 2021/22

- **Public Health Consumption:** Government spending on health is relatively low in early years but increases significantly in old age, reflecting higher healthcare needs for the elderly.
- **Public Education Consumption:** Public spending on education is concentrated in the younger age groups. However, it is lower compared to private education consumption, suggesting a significant role of private investment in education.
- **Other Public Consumption:** It is distributed more evenly across all age groups, ensuring public service availability for all.

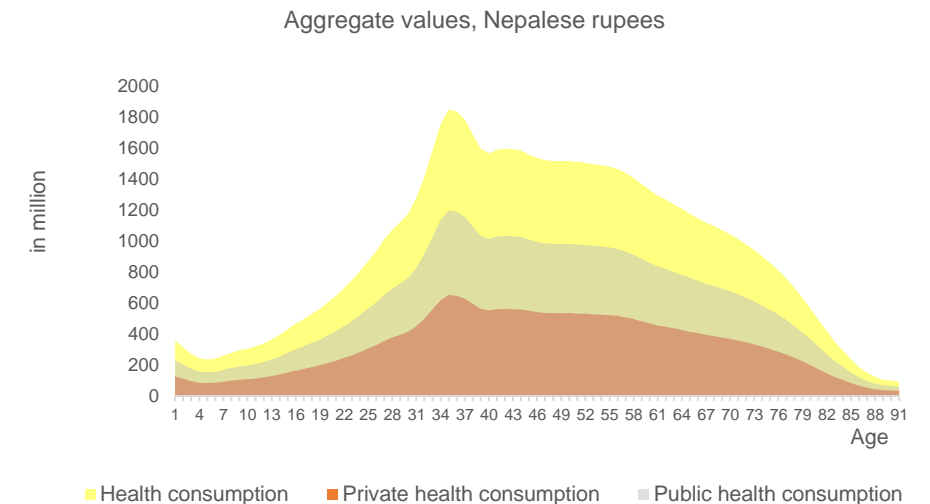
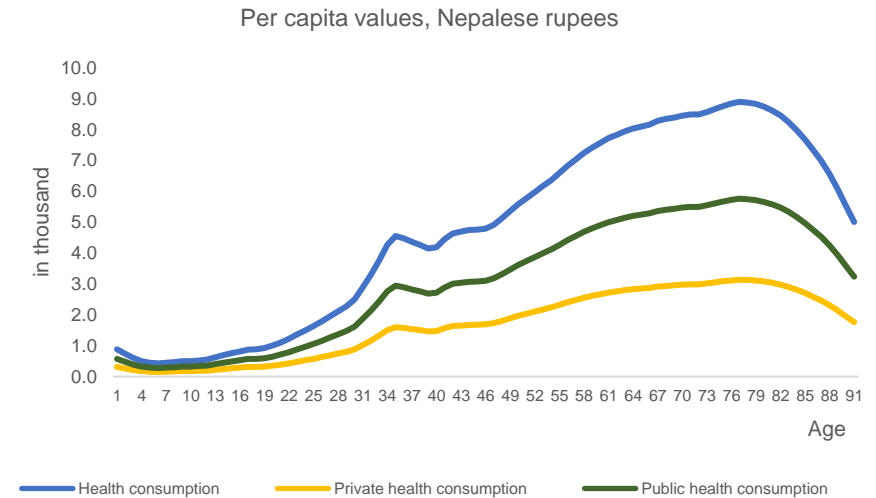


Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Health Consumption and Its Components by Age, 2021/22

- **Public Health Consumption:** Government health spending is higher than private health consumption across all age groups. Per capita health consumption peaks in old age, reflecting increased public investment in elderly healthcare.
- **Private Health Consumption:** It gradually increases with age but does not rise as sharply as public spending.
- **Age-Based Trend:** Both public and private health consumption are minimal in childhood and early adulthood but rise significantly in later years, highlighting greater healthcare needs among the elderly.



Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees

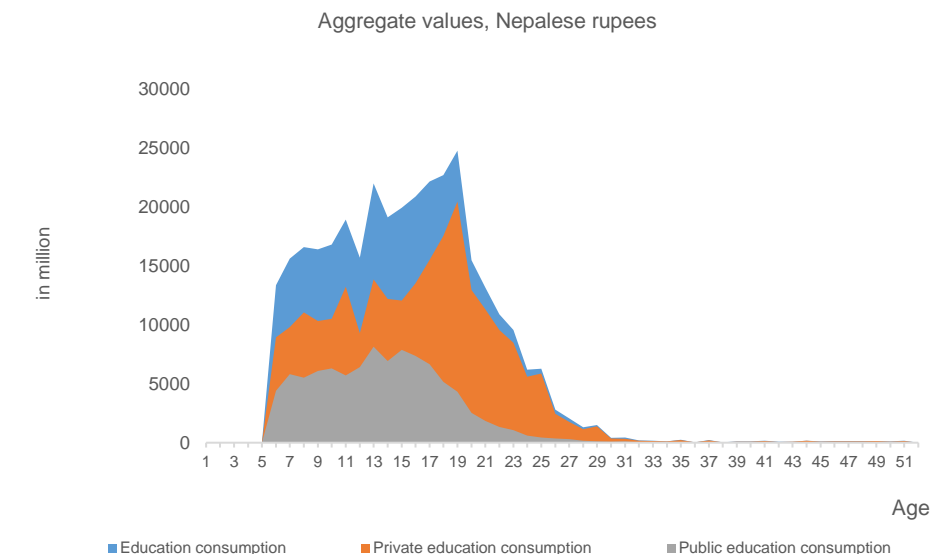
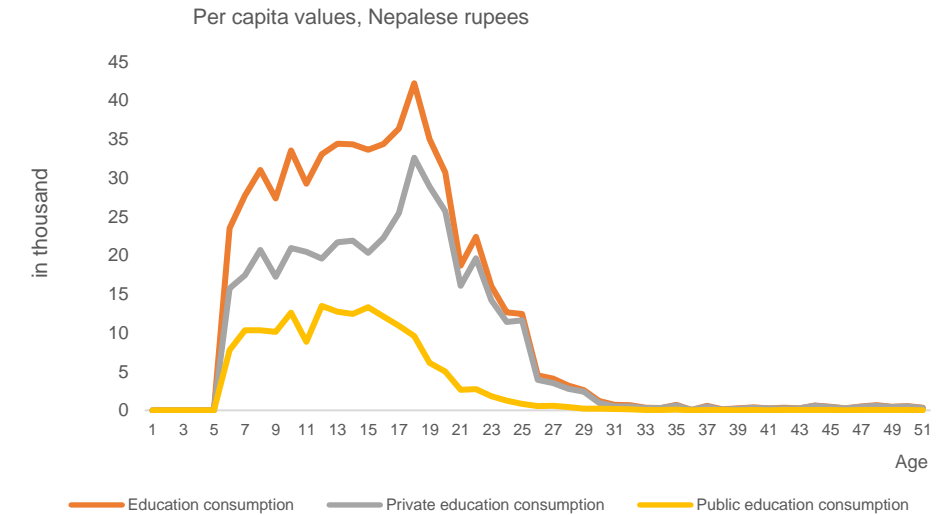


Education Consumption and Its Components by Age, 2021/22

- **Public Education Consumption:** Government spending on education is concentrated in younger age groups.
- **Private Education Consumption:** Household spending on education is significantly higher than public spending, showing a strong reliance on private financing for education.
- **Age-Based Trend:** Both public and private education consumption peak in childhood and decline sharply after the typical schooling years, reflecting the age-specific nature of education expenditures.

Notes:

- NLSS survey provides only education consumption for 5 years and above.
- Education consumption by age 50 above is excluded

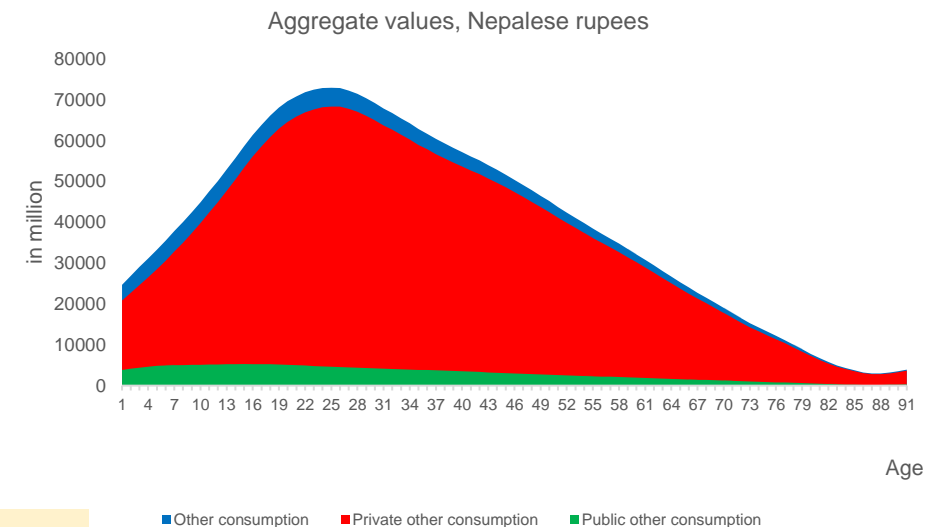
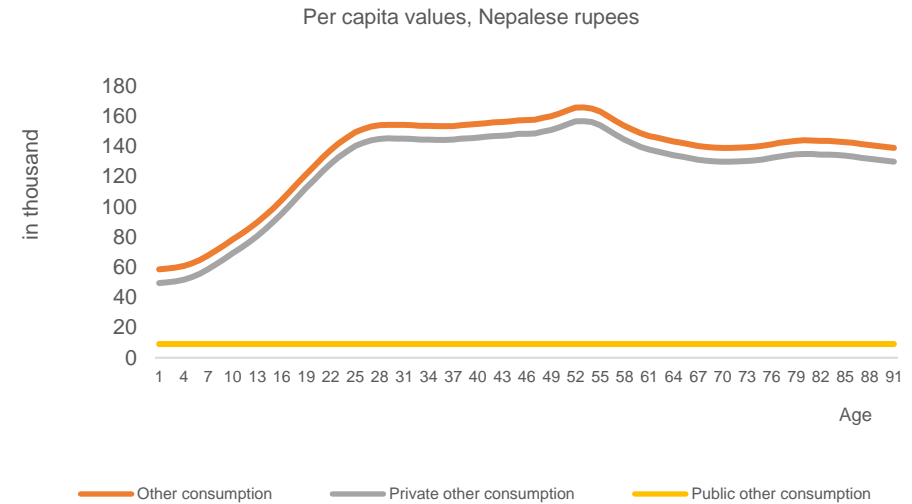


Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Other Consumption and Its Components by Age, 2021/22

- **Public Other Consumption:** Government spending on general public services, infrastructure, and welfare programs is evenly distributed across all age groups, ensuring continuous support for the entire population.
- **Private Other Consumption:** Household spending on goods and services dominates total consumption and remains consistently high across all age groups.
- **Age-Based Trend:** While both public and private other consumption are present across all ages, private spending is significantly higher, indicating that households primarily finance their daily living expenses.

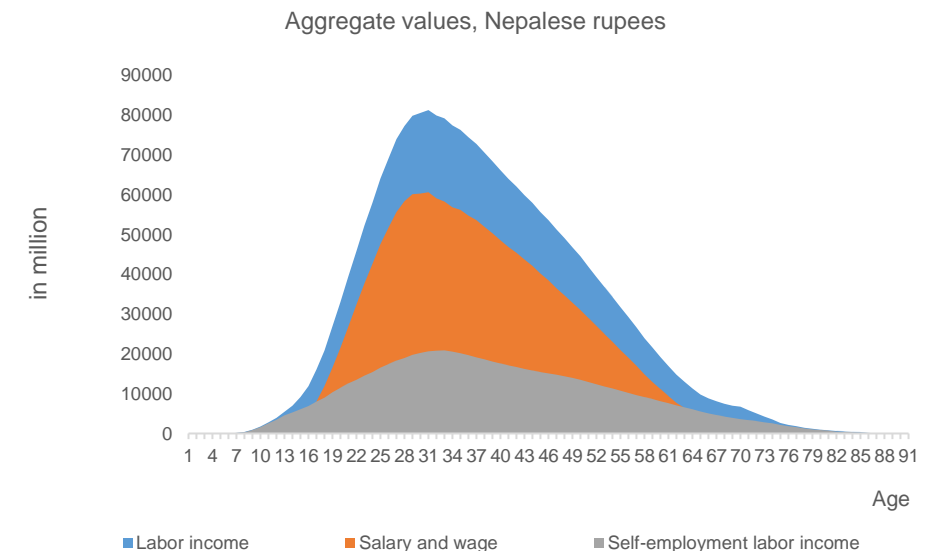
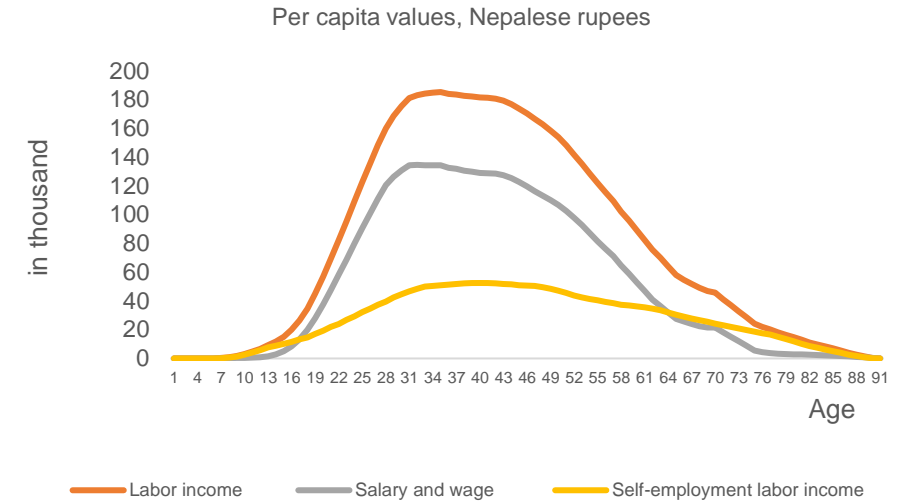


Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Labor Income and Its Components by Age, 2021/22

- **Wage Earnings:** Salary and wage income constitute the major portion of labor income, peaking in the working-age years (25–64). This reflects the importance of formal employment in income generation.
- **Self-Employment Income:** This component remains more stable across different age groups, indicating the presence of informal activities.
- **Age-Based Trend:** Labor income is minimal during childhood, increases sharply in early adulthood, peaks in mid-life, and then declines, reflecting decreasing workforce participation in old age.



Note: Per capita values (above) in thousands of rupees. Aggregate values (below) in million of rupees



Data Limitation to Estimate NTA

- Some indicators are not available, such as:
 - ✓ Mixed income,
 - ✓ Consumption of fixed capital,
 - ✓ Share of capital on indirect taxes,
 - ✓ Net property income from rest of the world
- Estimate the missing indicators using internationally accepted alternative methods at the moment and strengthen the national statistical system for long-term data production



- Finalize and release the preliminary National Transfer Accounts 2021/22,
- Projecting population and key economic indicators and prepare the National Transfer Accounts annually.



Acknowledgement



Gretchen S. Donehower, Academic Specialist, University of California

Omer Siddique, Senior Research Economist at Pakistan Institute of Development Economics

United Nations Population Fund (UNFPA), Nepal

Thank You!