Revenue Statistics in Asia and the Pacific 2023

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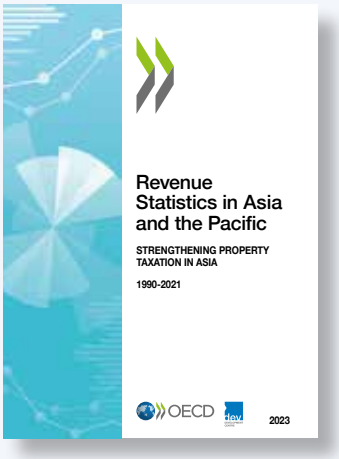
Achieving the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda for Sustainable Development will require the mobilisation of additional public revenues. ***Revenue Statistics in Asia and the Pacific 2023*** **presents key indicators to track progress on domestic resource mobilisation and to inform tax policy and reforms that could help fill the financing gap to fund the SDGs.** This tenth edition of the report provides comprehensive data on public revenues in the Asia-Pacific region up to 2021, the second year of the COVID-19 pandemic.



Revenue Statistics in Asia and the Pacific 2023 presents detailed, internationally comparable data on tax revenues for 30 economies: **Armenia, Australia, Bangladesh, Bhutan, Cambodia, People's Republic of China, the Cook Islands, Fiji, Georgia, Indonesia, Japan, Kazakhstan, Korea, Kyrgyzstan*, Lao People's Democratic Republic, Malaysia, the Maldives, Mongolia, Nauru, New Zealand, Pakistan, Papua New Guinea, the Philippines, Samoa, Singapore, the Solomon Islands, Thailand, Tokelau, Vanuatu** and **Viet Nam**.

* Note by the ADB: The ADB recognises "Kyrgyzstan" as the "Kyrgyz Republic".

Definitions and classifications

Revenue Statistics in Asia and the Pacific 2023 follows the OECD tax classification, where taxes are defined as compulsory, unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government are not normally in proportion to their payments. Compulsory social security contributions paid to general government are classified as taxes.

Taxes are classified according to their base. The six main categories are: taxes on income and profits; social security contributions; payroll and workforce taxes; property taxes; goods and services taxes and other taxes.

Non-tax revenues are all other revenues received by general government, not classified as taxes. They include: grants (foreign aid); property income (rents and royalties, interest and dividends and other property income); sales of goods and services (including administrative fees); fines, penalties and forfeits; and miscellaneous and unidentified revenue.

Further information on definitions and classifications is available in the Interpretative Guide:
http://www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf

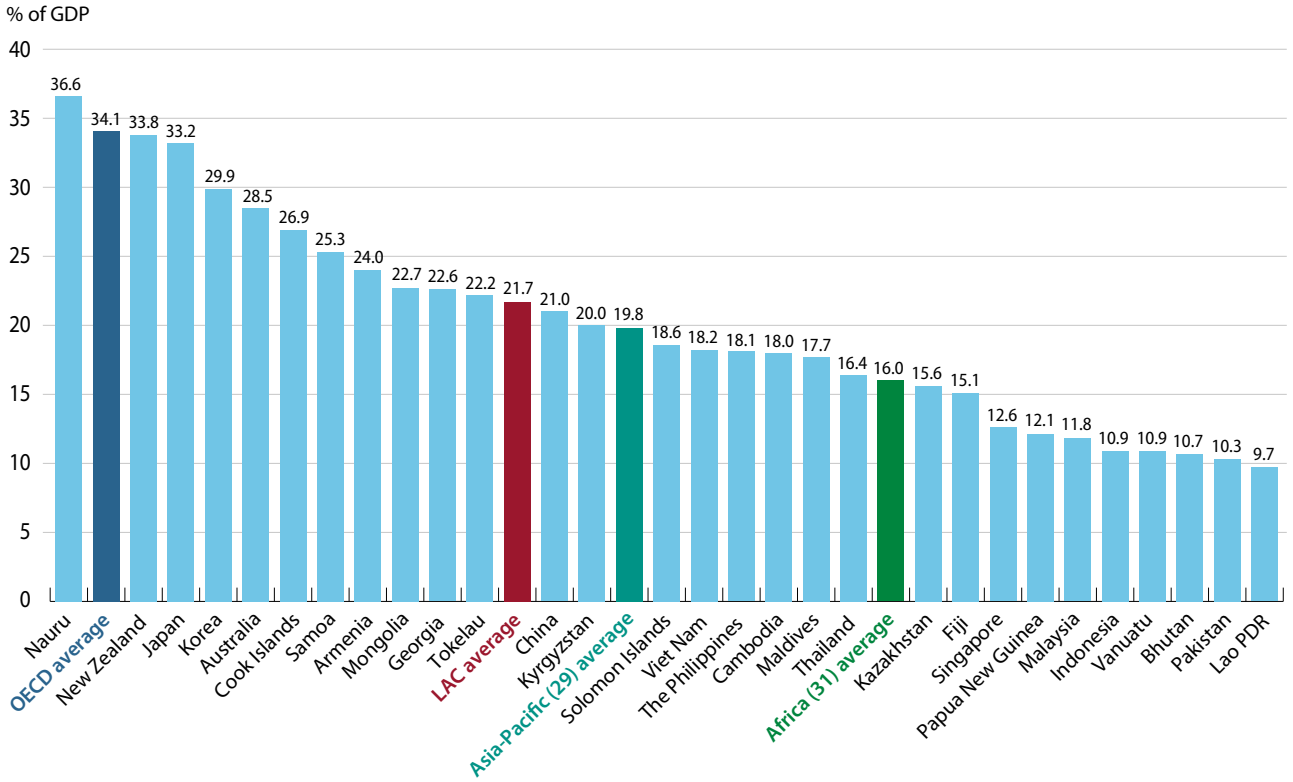
The publication is available at **https://oe.cd/revstatsap**

Key results

TAX-TO-GDP RATIOS IN ASIA AND THE PACIFIC

In 2021, tax-to-GDP ratios in Asia and the Pacific ranged from 9.7% in Lao PDR to 36.6% in Nauru. Thirteen of the 29 economies had tax-to-GDP ratios above the Asia-Pacific (29) average of 19.8% in 2021, and all economies in the publication had lower ratios than the OECD average of 34.1% with the exception of Nauru (36.6%). Seven of the 19 Asian countries covered in this report (and for which data are available) had a tax-to-GDP ratio above the regional average: Japan (33.2%, 2020 figure), Korea (29.9%), Mongolia (24.0%), Armenia (22.7%), Georgia (22.6%), China (21.0%) and Kyrgyzstan (20.0%). Meanwhile, four of the eight economies among the Pacific islands included in this report (the Cook Islands, Tokelau, Samoa and Nauru) recorded tax-to-GDP ratios above the regional average and four were below (Papua New Guinea, Vanuatu, Fiji and the Solomon Islands).

Figure 1. **Tax-to-GDP ratios in Asian and Pacific economies (total tax revenue as % of GDP), 2021**



Note: 2020 data are used for the Africa (31) average, Australia and Japan as data for 2021 are not available.

Source: OECD (2023), *Revenue Statistics in Asia and the Pacific 2023*.

CHANGES IN TAX-TO-GDP RATIOS IN ASIA AND THE PACIFIC

The average tax-to-GDP ratio for the Asia-Pacific region increased by 0.2 percentage points (p.p.) between 2020 and 2021, having declined by 0.9 p.p. between 2019 and 2020. The LAC average tax-to-GDP ratio increased by 0.8 p.p. in 2021 while the OECD average increased by 0.6 p.p. Of the three regional averages, only that of the Asia-Pacific region remained below its pre-pandemic level in 2021.

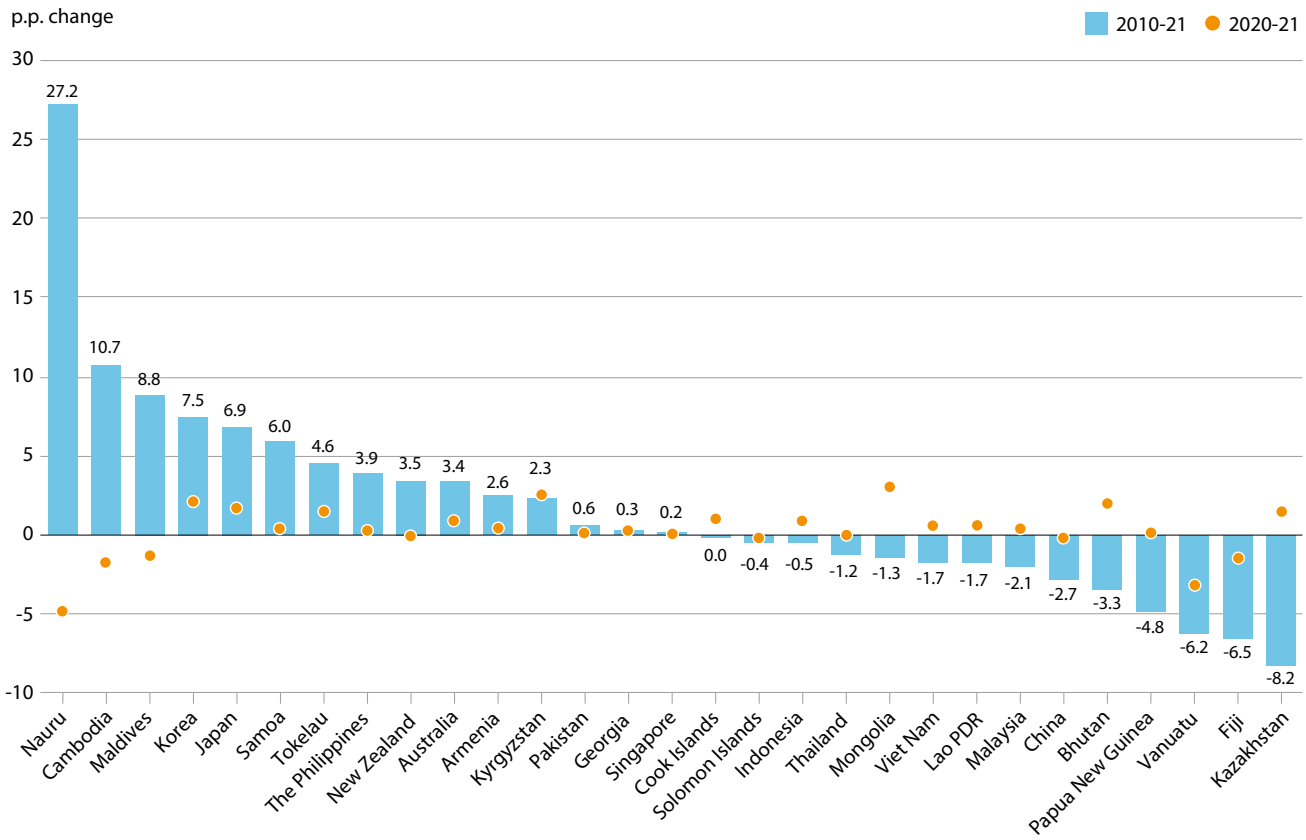
More than two-thirds (19) of the 27 economies in the Asia-Pacific region for which data are available[1] experienced increases in their tax-to-GDP ratio between 2020 and 2021; in 11 economies, the tax-to-GDP ratio recovered to its

1. At the time of publication, data for 2021 are not available for Australia, Bangladesh and Japan.

pre-COVID-19 level. The tax-to-GDP ratio increased by 2.0 p.p. or more in four economies in 2021: Bhutan (2.0 p.p.), Korea (2.1 p.p.), Kyrgyzstan (2.6 p.p.) and Mongolia (3.0 p.p.). Increases were driven by a range of factors, including a rebound in international trade, higher commodity prices (notably in Central Asia) and an end to pandemic-related border restrictions in certain economies. Eight economies reported decreases in their tax-to-GDP ratio in 2021, with five economies reporting a fall larger than 1 p.p.: Maldives (1.3 p.p.), Fiji (1.4 p.p.), Cambodia (1.7 p.p.), Vanuatu (3.2 p.p.) and Nauru (4.9 p.p.). The continued impact of the COVID-19 pandemic, in particular on tourism, was the most common driver of these declines.

Over a longer timeframe, tax-to-GDP ratios increased in 15 Asian and Pacific economies between 2010 and 2021, declined in 13, and remained unchanged in the Cook Islands. The largest increases were observed in Samoa (6.0 p.p.), Japan (6.9 p.p., 2010-20), Korea (7.5 p.p.), Maldives (8.8 p.p.), Cambodia (10.7 p.p.) and Nauru (27.2 p.p., since 2014). The largest decreases over this period were in Malaysia (2.1 p.p.), China (2.7 p.p., excluding social security contributions), Bhutan (3.3 p.p.), Papua New Guinea (4.8 p.p.), Vanuatu (6.2 p.p.), Fiji (6.5 p.p.) and Kazakhstan (8.2 p.p.). Decreases in Fiji and Vanuatu are attributable to the COVID-19 pandemic: Fiji's tax-to-GDP ratio increased by 0.6 p.p. between 2010 and 2019 while Vanuatu's tax-to-GDP ratio remained at a similar level, at 17.1% in 2010 and 17.0% in 2019, before both economies recorded sharp falls in 2020.

Figure 2. **Changes in tax-to-GDP ratios (2010-21 and 2020-2021)**



Notes: For Australia and Japan, the graph shows changes between 2010-20 and 2019-20 as data for 2021 were not available. Data for Nauru are only available from 2014 and for Pakistan from 2011 onwards. The tax-to-GDP ratio for China is shown exclusive of social security contributions.

Source: OECD (2023), *Revenue Statistics in Asia and the Pacific 2023*.

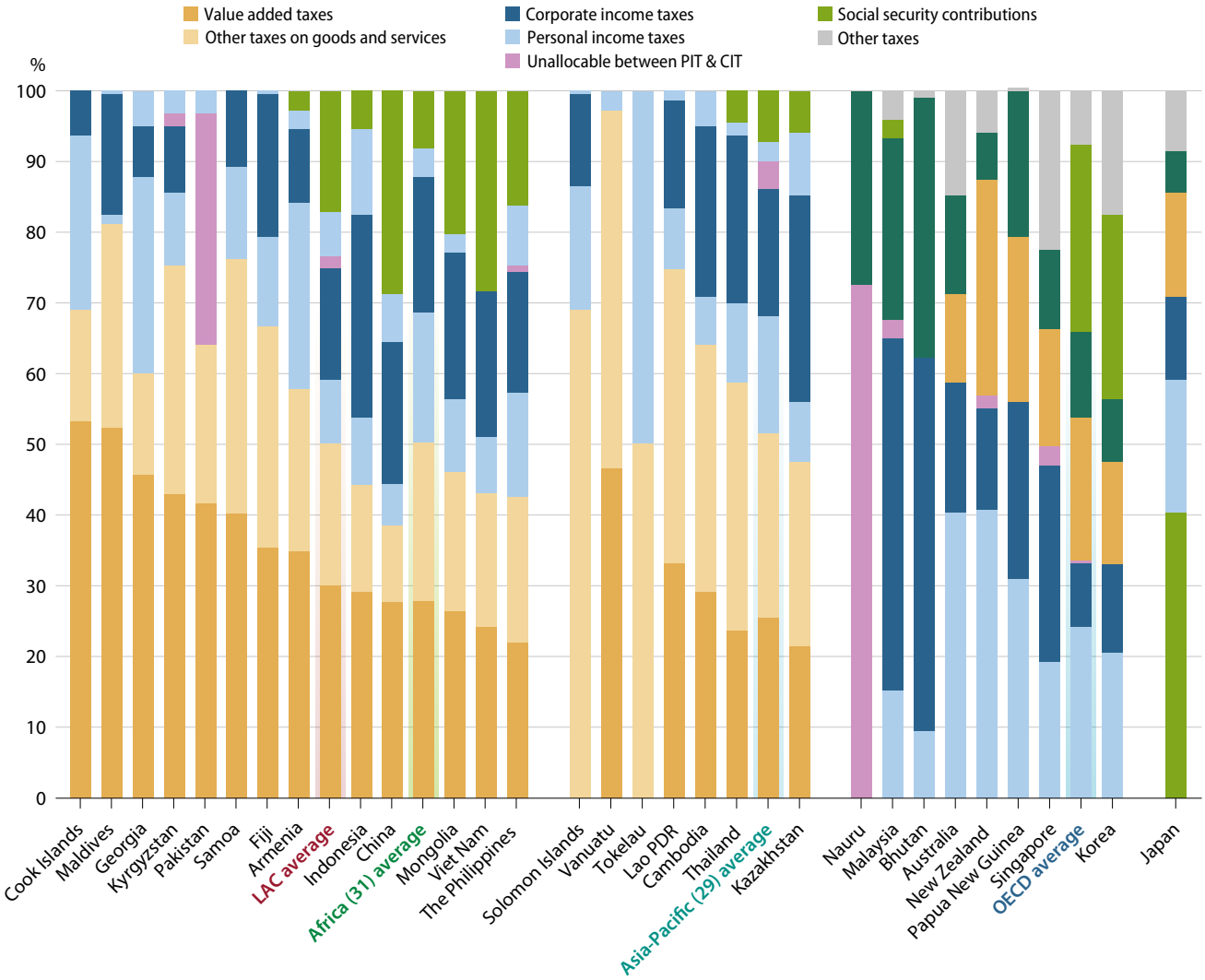
2. The Africa (31) average refers to the unweighted average of the 31 African countries participating in *Revenue Statistics in Africa 2022*.

TAX STRUCTURES IN ASIA AND THE PACIFIC

Taxes on goods and services remained the principal source of tax revenues in the Asia-Pacific region in 2021, accounting for 51.6% of total tax revenues, similar to the Africa (31)[2] and LAC averages (50.4%, 2020 figure, and 50.0%, respectively) and higher than the average in the OECD (32.1%, 2020 figure). Taxes from other goods and services generated the largest share of total tax revenues (26.0%) in the Asia-Pacific region in 2021, which was significantly higher than the share in Africa (22.6%, 2020 figure) and the LAC average (20.1%), and more than twice the OECD average (11.9%, 2020 figure).

Personal income taxes (PIT) accounted for 16.5% of total tax revenues on average in Asia-Pacific in 2021, similar to the Africa (31) average of 18.5% (2020 figure), above the LAC average (9.4%) and below the OECD average (24.1%, 2020 figure). Corporate income taxes accounted for a larger share of tax revenues than PIT in the Asia-Pacific region, on average, at 18.2%, similar to the Africa (31) average (19.3%, 2020 figure) and above the share in the LAC region (15.4%) and the OECD (9.0%, 2020 figure). Social security contributions (SSCs) accounted for a small proportion of tax revenues on average in Asia and the Pacific, at 6.9% of the total. None of the Pacific economies covered by the report levy SSCs.

Figure 3. **Tax structures as a percentage of total taxation (2021)**



Notes: The averages for Africa (31 countries), for Asia-Pacific (29 economies), for LAC (25 Latin American and Caribbean countries) and for the OECD (38 countries) are unweighted. Australia, Japan, Korea and New Zealand are also part of the OECD (38) group.
Data for Australia, Japan, Korea, New Zealand and the OECD average are taken from *Revenue Statistics 2022* (OECD, 2022). 2020 data are used for the Africa (31) average, Australia, Japan and the OECD average.

Source: OECD (2023), *Revenue Statistics in Asia and the Pacific 2023*.

NON-TAX REVENUES IN SELECTED ECONOMIES

Revenue Statistics in Asia and the Pacific 2023 includes data on non-tax revenues for nineteen economies: Bhutan, Cambodia, the Cook Islands, Fiji, Kazakhstan, Kyrgyzstan, Lao PDR, the Maldives, Mongolia, Nauru, Pakistan, Papua New Guinea, the Philippines, Samoa, Singapore, Thailand, Tokelau, Vanuatu and Viet Nam. Between 2020 and 2021, non-tax revenues declined in eleven economies as a percentage of GDP while they increased in eight economies.

In 2021, non-tax revenues exceeded 10% of GDP in Samoa (10.8%), Vanuatu (16.0%), Bhutan (19.3%), the Cook Islands (20.8%), Nauru (89.0%) and Tokelau (201.3%). Grants exceeded 30% of total non-tax revenues in ten economies in 2021: Bhutan, Cambodia, the Cook Islands, Fiji, Lao PDR, Nauru, Papua New Guinea, Samoa, Tokelau and Vanuatu. Property-related income accounted for the largest share of non-tax revenues in Mongolia (37.7%), the Philippines (45.0%), Thailand (50.7%), Tokelau (55.9%), Singapore (72.5%), Pakistan (72.6%) and Kazakhstan (81.7%), and also contributed more than 30% of non-tax revenues in Bhutan, Kyrgyzstan, Lao PDR and Nauru.

Table 1. **Non-tax revenue as a percentage of GDP and non-tax revenue from main headings as percentage of total non-tax revenues in selected economies, 2021**

	Non-tax revenue/ GDP	Grants/ Total non-tax	Property income/ Total non-tax	Sales of goods and services/ Total non-tax	Fines, penalties and forfeits/ Total non-tax	Miscellaneous and unidentified revenue/ Total non-tax
Bhutan	19.3	55.1	30.1	14.6	0.3	0.0
Cambodia	3.6	43.5	15.2	32.6	7.1	1.7
Cook Islands	20.8	86.4	7.1	6.6	0.0	0.0
Fiji	7.9	58.9	19.3	21.2	0.2	0.4
Kazakhstan	1.5	0.0	81.7	9.3	9.0	0.0
Kyrgyzstan	8.3	22.3	30.1	31.3	3.4	13.0
Lao PDR	5.4	37.8	37.4	15.8	0.3	8.7
Maldives	6.7	0.0	11.1	76.0	6.8	6.1
Mongolia	4.0	8.7	37.7	7.1	10.1	36.4
Nauru	89.0	40.7	31.9	17.2	0.0	10.2
Pakistan	1.7	2.8	72.6	3.4	0.0	21.2
Papua New Guinea	2.9	76.5	20.2	0.4	0.0	2.9
The Philippines	1.7	0.1	45.0	21.1	0.0	33.8
Samoa	10.8	65.2	12.7	21.9	0.3	0.0
Singapore	3.9	0.0	72.5	22.0	1.6	3.9
Thailand	3.6	0.3	50.7	30.9	1.7	16.3
Tokelau	201.3	40.1	55.9	4.1	0.0	0.0
Vanuatu	16.0	41.1	0.0	0.0	0.0	58.9
Viet Nam	5.4	0.7	7.6	64.6	0.0	27.1

Note: Tokelau receives significant revenues from foreign vessels for access to Tokelau fishing waters. In the 2008 SNA, these revenues are recorded as part of GNI, but they do not add to GDP.

Source: OECD (2023), *Revenue Statistics in Asia and the Pacific 2023*.

Special feature: Strengthening property taxation in Asia

The report includes a special feature analysing recurrent taxes on property in Asia. This chapter shows the level of revenues these taxes generate across Asia and it describes the base of these taxes and how they are administered. It also identifies constraints on recurrent property taxation in Asia and options for how these limitations might be overcome.

Towards harmonised regional statistics

- ***Revenue Statistics in Asia and the Pacific*** provides tools that have been developed in collaboration with tax policy makers and adapted for tax policy analysis, such as:
  - an annual publication, available in hard copy and online, that allows for cross-country comparison;
  - a highly-detailed dataset freely accessible online;
  - ***Compare your country***, a free online interactive tool, and other tools for data presentation and analysis.
- **Participation is free of charge:** there is no payment required, and participation requires approximately 1-2 weeks of work a year for national officials. Most data compilation tasks are carried out by the OECD.
- **Comparability and trustworthiness:** a common method for collecting, analysing, aggregating and presenting data across over 120 economies around the world, with data validated by national authorities. These data are accessible through the *Global Revenue Statistics Database*.
- **Continuous dialogue:** bilateral exchanges and seminars on tax policy with experts in Asian and Pacific economies to share experiences and best practices.

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The OECD is an intergovernmental organisation that has helped develop global standards, international conventions, agreements and recommendations since 1961 to promote better policies in areas such as governance and the fight against bribery and corruption and to support corporate responsibility, development assistance, global investment and international taxation.

In collaboration with:

ADB ASIAN DEVELOPMENT BANK

The Asian Development Bank (ADB) is a financial institution that is Asian in character and fosters economic growth and cooperation in one of the poorest regions in the world. ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development. The ADB is composed of 68 members, 49 of which are from the Asia and Pacific region.

Pacific Community Communauté du Pacifique

The Pacific Community (SPC) is the principal scientific and technical organisation in the Pacific region, which focuses on major cross-cutting issues, such as climate change, disaster risk management, food security, gender equality, human rights, non-communicable diseases and youth employment.

PITAA Pacific Islands Tax Administrators Association

The Pacific Islands Tax Administrators Association (PITAA) is the Pacific's regional tax organization whose members are 16 tax administrations from the South Pacific. PITAA provides a platform for Pacific Island countries to co-operate and discuss pertinent topics in tax administration and policy issues. PITAA was established in 2004 with a membership of 16 countries, and aims to improve revenue mobilization, develop capacity and promote international best practices in tax administration in the Pacific.

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A global project

***Revenue Statistics in Asia and the Pacific* is part of a global series that includes four annual publications for different regions and the Global Revenue Statistics Database.** Launched in 2018, the *Global Revenue Statistics Database* draws on the publications to provide detailed, comparable tax revenue data for over 120 economies from all regions of the world.

http://oe.cd/global-rev-stats-database