Revenue Statistics in Asian and Pacific Economies
In light of the United Nation’s 2030 Agenda for Sustainable Development, awareness of the need to mobilise government revenue in developing countries to fund public goods and services is increasing. Revenue Statistics in Asian and Pacific Economies is an annual publication presenting key indicators to track progress on domestic resource mobilisation and to inform tax policy and reform.

The report presents detailed, internationally comparable data on tax revenues for 17 Asian and Pacific economies – Australia, the Cook Islands, Fiji, Indonesia, Japan, Kazakhstan, Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Samoa, Singapore, the Solomon Islands, Thailand, Tokelau and Vanuatu – and on non-tax revenues for five Pacific economies – the Cook Islands, Papua New Guinea, Samoa, Tokelau and Vanuatu.

Definitions and classifications

Revenue Statistics in Asian and Pacific Economies 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.


The publication is available at https://oe.cd/revenue-statistics-in-asia-and-pacific.
**Key results**

**TAX-TO-GDP RATIOS IN ASIAN AND PACIFIC ECONOMIES**

In 2017, tax-to-GDP ratios in the Asia and Pacific region ranged from 11.5% in Indonesia to 32.0% in New Zealand. The tax-to-GDP ratio refers to total tax revenue, including social security contributions, as a percentage of gross domestic product (GDP). All economies in this publication had lower ratios in 2017 than the OECD average of 34.2%, whereas eight of the economies included in this publication had tax-to-GDP ratios above the Latin American and the Caribbean (LAC) average of 22.8%.

Six of the eight Asian countries covered in this publication had a tax-to-GDP ratio below 18% (the exceptions being Japan and Korea) whereas six of the nine Pacific economies had a tax-to-GDP ratio above 24% (the exceptions being Papua New Guinea, Tokelau and Vanuatu).

Figure 1. Tax-to-GDP ratios (total tax revenue as % of GDP), 2017

Note: Data for 2016 are used for the Africa (21) average, Australia and Japan as the 2017 data are not available.

Since 2016, nearly two-thirds of the economies in this publication for which 2017 data is available have experienced increases in their tax-to-GDP ratios. Nine economies had higher tax-to-GDP ratios in 2017 relative to 2016, whereas six economies had lower ratios in 2017. The largest increases were seen in Fiji and Vanuatu, at 1.7 percentage points (p.p.) and 1.9 p.p. respectively. Three other economies (Kazakhstan, 1.5 p.p.; Solomon Islands, 1.1 p.p. and Singapore, 1.0 p.p.) had increases greater than 1 percentage point. Most of the decreases were comparatively small: Malaysia and Papua New Guinea experienced the largest decreases between 2016 and 2017, at -0.7 p.p. for both economies.

The highest increases between 2007 and 2017 were observed in Fiji and the Solomon Islands (4.4 and 4.5 percentage points, respectively), primarily due to increases in revenue from income tax and other taxes on goods and services in both countries. Across the same period, Kazakhstan and Papua New Guinea experienced the largest decreases in their tax-to-GDP ratios (9.7 and 7.0 percentage points, respectively), driven in both cases by decreases in corporate income tax (CIT) revenues. These are attributed to the impact of declining prices of natural resources (during the global financial crisis and in 2014-15) on the profitability of companies in the mining and oil sector in both countries, as well as to a reduction of CIT rates in Kazakhstan.

Figure 2. Changes in tax-to-GDP ratios, percentage points, 2016-17 and 2007-17

Note: The averages for the Africa (21) average (21 countries), the LAC average (25 Latin American and Caribbean countries) and the OECD average (36 countries) are unweighted. Data for 2015-16 and 2007-16 are used for the Africa (21) average, Australia and Japan as the 2017 data are not available. Data for Fiji start in 2008.

Economies in Asia and the Pacific rely predominantly on goods and services taxes and on income taxes. In nine economies in this publication (the Cook Islands, Fiji, Indonesia, Kazakhstan, the Philippines, Samoa, the Solomon Islands, Thailand and Vanuatu), taxes on goods and services accounted for the largest share of tax revenues in 2017. Within goods and services, VAT/GST is an important and increasing source of revenues in most economies. VAT/GST revenue ranged from 12.9% of total tax revenue in Australia (2016 figure) to 44.4% of total tax revenue in the Cook Islands (the Solomon Islands and Tokelau do not impose VAT/GST) and was higher as a share of total taxes in the Pacific compared to Asian economies. In the Pacific economies that apply a VAT/GST, it accounted for more than 28% of tax revenues, except in Australia and Papua New Guinea. In contrast, VAT/GST revenue generated less than 25% of total tax revenue in 2017 in all Asian countries except Indonesia.

Income taxes provided the main share of tax revenues in the eight remaining countries with the exception of Japan, where social security contributions (40.4% of total tax revenue, 2016 figure) represented the largest source. Across all economies with the exception of Tokelau (which does not impose CIT) and Vanuatu (which does not impose income taxes), revenues from CIT ranged from 9.1% of total tax revenue in Samoa and 41.5% of total tax revenue in Malaysia in 2017. Three countries with the highest shares of revenue from CIT (accounting for over 26% of total tax revenue) are Kazakhstan, Papua New Guinea and Malaysia. Each is highly reliant on revenues from natural resources, especially the oil and mining sector. In 2017, all Asian countries except Indonesia, Japan and Korea were more reliant on CIT revenues than revenues from personal income tax, whereas the reverse was observed for the Pacific economies (with the exception of Fiji).

Figure 3. Tax structures (% of total tax revenue), 2017

Notes: Data for 2016 are used for the Africa (21) average, Australia, Japan and the OECD average as the 2017 data are not available.

NON-TAX REVENUES IN SELECTED PACIFIC ECONOMIES

This publication also includes data on non-tax revenues for five Pacific economies (the Cook Islands, Papua New Guinea, Samoa, Tokelau and Vanuatu). In 2017, non-tax revenues as a percentage of GDP were significant for the Cook Islands, Tokelau and Vanuatu and lower than 5% in Papua New Guinea and Samoa.

The sources of non-tax revenues varied between countries in 2017. Grants were an important source of revenue in 2017 for the five economies. In each economy they exceeded 30% of total non-tax revenues and they were the main source of non-tax revenues for the Cook Islands (65.7%), Papua New Guinea (59.9%), Samoa (51.1%) and Vanuatu (52.2%). Property-related income was the main source of non-tax revenues for Tokelau (62.6%) but also played an important role in the Cook Islands (25.9%) and Papua New Guinea (35%); in the Cook Islands and Tokelau, the majority of this income was from fishing rents, while mining dividends were the main contributor in Papua New Guinea.

Non-tax revenue as a percentage of GDP and non-tax revenue of main headings as percentage of total non-tax revenues in selected Pacific economies, 2017

<table>
<thead>
<tr>
<th>Non-tax revenue/GDP</th>
<th>Grants/Total non-tax</th>
<th>Property income/Total non-tax</th>
<th>Sales of goods and services/Total non-tax</th>
<th>Fines, penalties and forfeits/Total non-tax</th>
<th>Miscellaneous and unidentified revenue/Total non-tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>14.0</td>
<td>65.7</td>
<td>25.9</td>
<td>0.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>3.7</td>
<td>59.9</td>
<td>35.0</td>
<td>0.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Samoa</td>
<td>5.5</td>
<td>51.1</td>
<td>5.9</td>
<td>33.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Tokelau¹</td>
<td>177.9</td>
<td>34.9</td>
<td>62.6</td>
<td>2.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>14.2</td>
<td>52.2</td>
<td>0.0</td>
<td>0.0</td>
<td>47.8</td>
</tr>
</tbody>
</table>

¹. Tokelau receives significant revenues from foreign vessels for access to Tokelau fishing waters. In the 2008 System of National Accounts (SNA), these revenues are recorded as part of GNI, but they do not add to GDP.

Source: OECD (2019), Revenue Statistics in Asian and Pacific Economies 2019

Special feature: Tax administration operations

A special feature explores tax administration operations across Asian and Pacific economies, drawing on A Comparative Analysis of Tax Administration in Asia and the Pacific 2018 Edition (ADB, 2018) to summarise the recommended and observed features of key aspects of the common set of functions undertaken by all revenue bodies in the region. These include registration and identification of taxpayers, taxpayer services, tax return and tax payment processing, verification programs, dispute resolution, and tax payment collection including enforced return filing and debt collection, and are fundamental to a well-functioning tax system.
Towards harmonised regional statistics

- **Revenue Statistics in Asian and Pacific Economies** provides tools that have been developed by 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 involves 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 90 countries 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 and statistics with experts 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**: The Asian Development Bank (ADB) is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members—48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

- **Pacific Community (SPC)**: The Pacific Community (SPC) is an intergovernmental organisation pursuing sustainable development to benefit Pacific people, providing technical and scientific support across a range of sectors, including crosscutting issues such as climate change, disaster risk management, food security, gender equality, human rights, health and social development.

- **PITAA**: The Pacific Islands Tax Administrators Association (PITAA) provides a forum for Pacific Island countries to discuss and share experiences on tax administration and policy issues. PITAA was established in 2004 with a membership of 16 countries, which aims to promote international best practices on tax administration standards in the Pacific.
For more information on the publication, or to participate in future editions, please see:
or contact RevenueStatistics@oecd.org

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OECD  www.oecd.org/tax or www.oecd.org/dev
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A global project

Revenue Statistics in Asian and Pacific Economies 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 90 countries from all regions of the world.


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