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 21 Asian and Pacific economies: Australia, Bhutan, People’s Republic of China (referred to as “China” hereafter), the Cook Islands, Fiji, Indonesia, Japan, Kazakhstan, Korea, Malaysia, Mongolia, Nauru, New Zealand, Papua New Guinea, the Philippines, Samoa, Singapore, the Solomon Islands, Thailand, Tokelau and Vanuatu. It also provides information on non-tax revenues for Bhutan, the Cook Islands, Fiji, Kazakhstan, Mongolia, Nauru, Papua New Guinea, the Philippines, Samoa, Thailand, 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 OECD average is taken from *Revenue Statistics* (2019). Colombia was not an OECD Member at the time of preparation of this publication. Accordingly, Colombia does not appear in the list of OECD Members and is not included in the zone aggregates.


The publication is available at http://oe.cd/revenue-statistics-in-asia-and-pacific

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This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.
In 2018, tax-to-GDP ratios in the Asia and Pacific region ranged from 11.9% in Indonesia to 35.4% in Nauru. 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 2018 than the OECD average of 34.3%, with the exception of Nauru, whereas ten of the economies included in this publication had tax-to-GDP ratios above the Latin American and the Caribbean (LAC) average of 23.1%.

Eight of the eleven Asian countries covered in this publication had a tax-to-GDP ratio below 20.0% (the exceptions being Japan, Korea and Mongolia) whereas seven of the ten Pacific economies had a tax-to-GDP ratio above 23.0% (the exceptions being Papua New Guinea, Tokelau and Vanuatu).

**Figure 1. Tax-to-GDP ratios (total tax revenue as % of GDP), 2018**

Notes: 2017 data are used for the Africa (26) average, Australia and Japan, as 2018 data are not available. The tax-to-GDP ratio for China does not include revenue from social security contributions (SSCs) as detailed data were not available. The OECD Secretariat estimates SSCs to be approximately 4.0% of GDP in 2018 based on publicly available data from China’s Ministry of Human Resources and Social Security.

Since 2017, more than two-thirds of the economies included in this publication experienced increases in their tax-to-GDP ratios. Fourteen economies had higher tax-to-GDP ratios in 2018 relative to 2017, whereas five had lower ratios than in 2017. The largest increases were seen in Nauru, Tokelau and Mongolia (6.4 percentage points (p.p.), 3.8 p.p. and 2.5 p.p., respectively), largely due to increases in tax rates. In Mongolia, increases in personal income tax rates and in the excise rates on tobacco and alcohol drove higher revenues. Higher tobacco duties also contributed to the increase in Tokelau; and higher employment tax rates for non-residents, service tax rates and various business tax rates drove the increase in Nauru. Four other economies (Solomon Islands, Korea, the Cook Islands and Samoa) had increases greater than 1.0 percentage point.

By contrast, most of the decreases were less than one percentage point: only Bhutan experienced a larger decrease of 1.4 p.p., mainly due to the removal of the excise duty on fuel imports.

Over a longer timeframe, eleven economies included in the publication have increased their tax-to-GDP ratios over the last decade. The highest increases between 2007 and 2018 were observed in the Solomon Islands, Samoa and the Cook Islands (10.6 p.p., 7.0 p.p. and 4.9 p.p., respectively). Across the same period, Mongolia, Papua New Guinea and Kazakhstan experienced the largest decreases in their tax-to-GDP ratios (4.3 p.p., 8.6 p.p. and 9.3 p.p., respectively), driven in all three cases by decreases in corporate income tax (CIT) revenues due to lower resource prices.
Economies in Asia and the Pacific rely on goods and services taxes and on income taxes. In ten economies in this publication (the Cook Islands, Fiji, Kazakhstan, Mongolia, the Philippines, Samoa, the Solomon Islands, Thailand, Tokelau and Vanuatu), taxes on goods and services accounted for the largest share of tax revenues in 2018. In most of these economies, VAT is less significant than other taxes on goods and services, such as excises and import duties, with seven economies recording higher revenues from other taxes on goods and services (ranging from 31.1% of total tax revenues in Kazakhstan to 73.2% in the Solomon Islands), and three economies receiving a larger share of revenue from VAT (Mongolia (28.2%), Samoa (40.1%) and the Cook Islands (44.6%)).

Income taxes provided the main share of tax revenues in the remaining economies, except in Japan. Among these economies, the share of income tax revenues varied from 34.1% in Korea to 70.2% in Nauru. Corporate income tax revenues were higher than personal income tax revenues in four Asian countries (Bhutan, Indonesia, Malaysia and Singapore), while all Pacific economies in this group (Australia, New Zealand, Papua New Guinea and Tokelau) and Korea raised higher shares of personal income taxes.

Social security contributions played a small role in revenues for most Asian and Pacific economies, with a few exceptions. Japan derived the largest share of total tax revenues from social security contributions, at 39.9% in 2017. Social security contributions also played a significant role in revenues in Mongolia (20.1%) and Korea (25.4%) in 2018, similar to the OECD average (26.0% in 2017).

Figure 3. Tax structures (% of total tax revenue), 2018

Notes: 2017 data are used for the Africa (26) average, Australia, Japan and the OECD average. Data for China are not included in this graph as detailed data on revenue from social security contributions were not available.

NON-TAX REVENUES IN SELECTED ECONOMIES

This publication includes data on non-tax revenues for twelve economies (Bhutan, the Cook Islands, Fiji, Kazakhstan, Mongolia, Nauru, Papua New Guinea, the Philippines, Samoa, Thailand, Tokelau and Vanuatu). In 2018, non-tax revenues as a percentage of GDP were significant for Bhutan, the Cook Islands, Nauru, Tokelau and Vanuatu but lower than 6.5% of GDP in the remaining economies.

The sources of non-tax revenues varied between economies in 2018. Grants were an important source of revenue in 2018 for six economies for which non-tax revenues are presented (Papua New Guinea, the Cook Islands, Bhutan, Tokelau, Samoa and Vanuatu). In each of these economies they exceeded 30% of total non-tax revenues and they were the main source of non-tax revenues for Papua New Guinea (62.6%), the Cook Islands (46.7%) and Tokelau (33.8%). Property-related income was the main source of non-tax revenues for Kazakhstan (81.5%) and Tokelau (60.0%), but also contributed more than 36% of total non-tax revenues in eight other economies (Papua New Guinea, the Cook Islands, the Philippines, Fiji, Mongolia, Bhutan, Nauru and Thailand).

Table 1. Non-tax revenue as a percentage of GDP and non-tax revenue of main headings as percentage of total non-tax revenues in selected economies, 2018

<table>
<thead>
<tr>
<th>Economy</th>
<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>Bhutan</td>
<td>12.9</td>
<td>46.2</td>
<td>47.7</td>
<td>5.2</td>
<td>0.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Cook Islands</td>
<td>12.9</td>
<td>46.7</td>
<td>40.0</td>
<td>4.5</td>
<td>3.3</td>
<td>5.6</td>
</tr>
<tr>
<td>Fiji</td>
<td>3.6</td>
<td>13.7</td>
<td>42.9</td>
<td>40.8</td>
<td>0.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>1.7</td>
<td>0.0</td>
<td>81.5</td>
<td>11.6</td>
<td>7.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Mongolia</td>
<td>4.6</td>
<td>6.0</td>
<td>44.8</td>
<td>11.5</td>
<td>7.6</td>
<td>30.1</td>
</tr>
<tr>
<td>Nauru</td>
<td>92.7</td>
<td>0.0</td>
<td>49.7</td>
<td>38.9</td>
<td>0.0</td>
<td>11.4</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>3.6</td>
<td>62.6</td>
<td>36.3</td>
<td>1.1</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Philippines</td>
<td>1.9</td>
<td>0.0</td>
<td>40.5</td>
<td>26.9</td>
<td>0.0</td>
<td>32.6</td>
</tr>
<tr>
<td>Samoa</td>
<td>6.1</td>
<td>33.8</td>
<td>16.0</td>
<td>50.1</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.7</td>
<td>0.4</td>
<td>51.9</td>
<td>36.4</td>
<td>2.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Tokelau</td>
<td>236.4</td>
<td>36.3</td>
<td>60.0</td>
<td>3.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>18.2</td>
<td>33.6</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>66.4</td>
</tr>
</tbody>
</table>

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.


Special feature: Tax policy and administration responses to COVID-19

A special feature in this report examines the ways in which tax revenues across the region are being affected by the unprecedented crisis due to the COVID-19 pandemic, as well as the central role that tax policy and administration can play in supporting households and individuals during the crisis and stimulating economic and fiscal recovery once it has passed. It summarises a discussion that was held during an ADB-CATA*–OECD-PITAA–SGATAR* virtual meeting in May 2020 and combines the inputs provided at that meeting by countries, international organisations and research institutes.

*Commonwealth Association of Tax Administrators (CATA) and Study Group on Asian Tax Administration and Research (SGATAR)
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 100 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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In collaboration with:

- **ADB**: The Asian Development Bank 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.

- **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.

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- **Irish Aid**: Government of Ireland
- **財務省**: Ministry of Finance, Japan
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- **UK Aid**: Department for International Development, UK

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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 100 countries from all regions of the world.