



FISCAL AFFAIRS

13th IMF-Japan High-Level Tax Conference for Asian Countries

Tax Trends in Asia

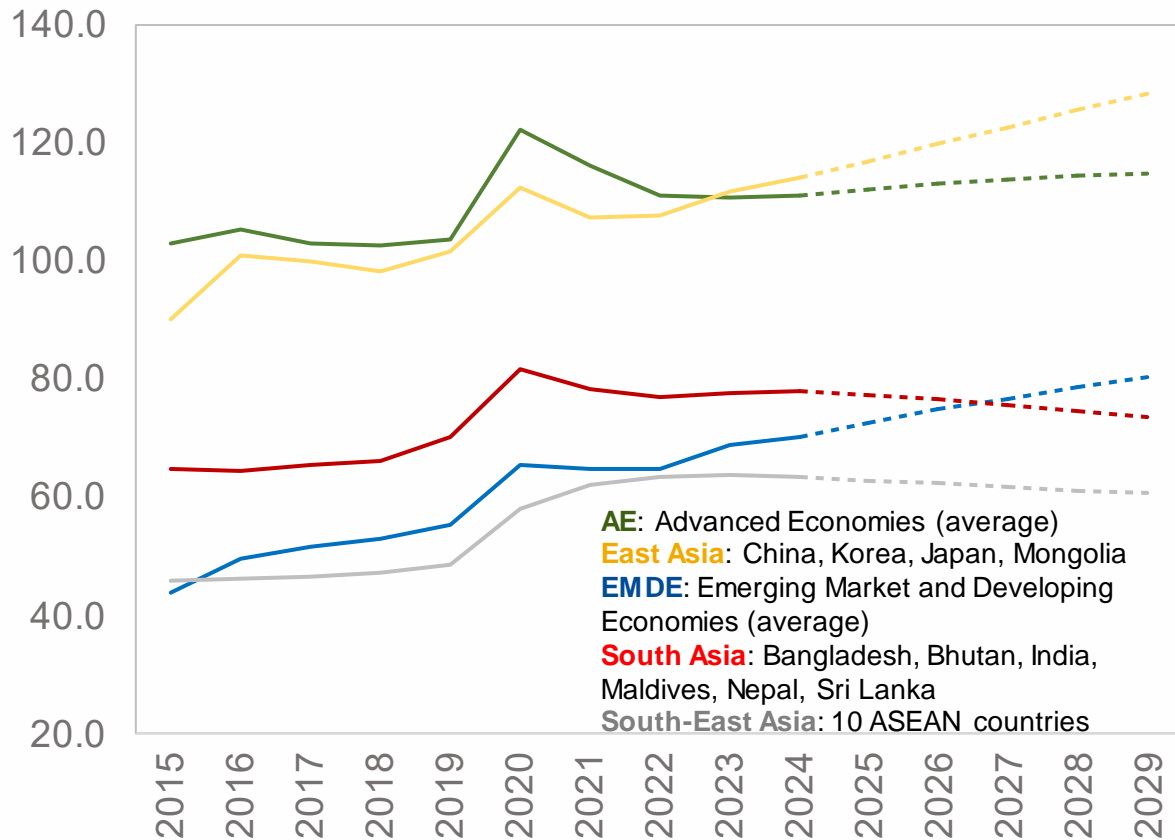
April 25, 2024

Ruud de Mooij

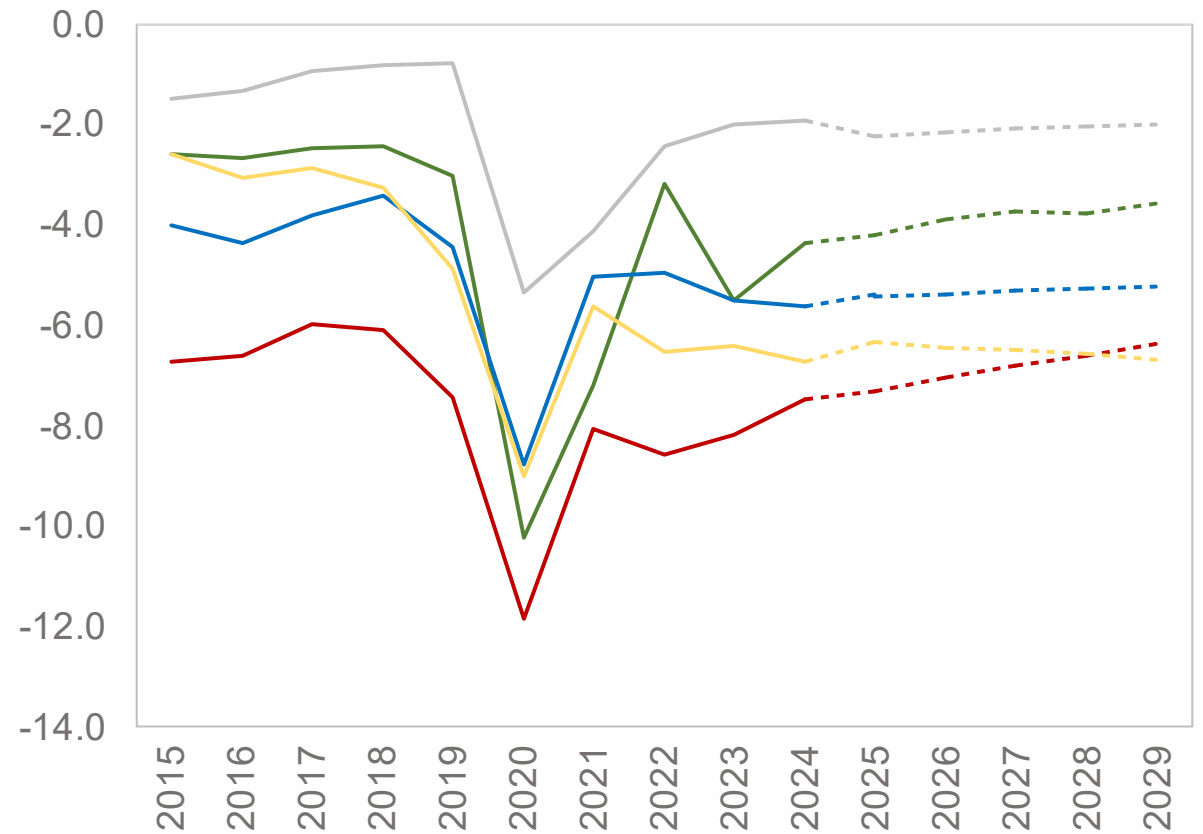
Deputy Director, Fiscal Affairs Department

Debt and Deficits in Asia

General Government Debt (Percent of GDP)

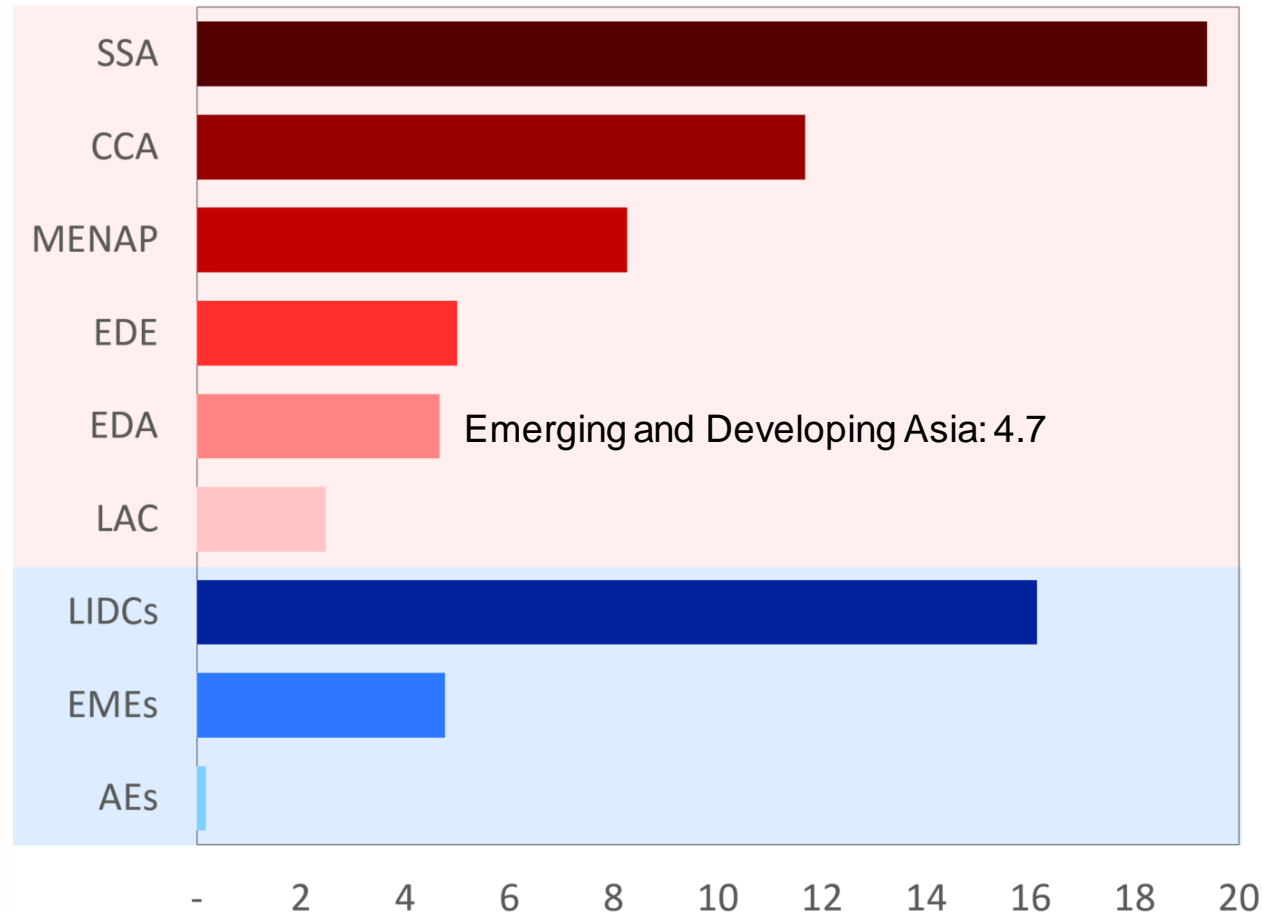


Overall Balance (Percent of GDP)



— AEs — EMs — South-Asia — East-Asia — South-East-Asia

High revenue needs to achieve the SDGs



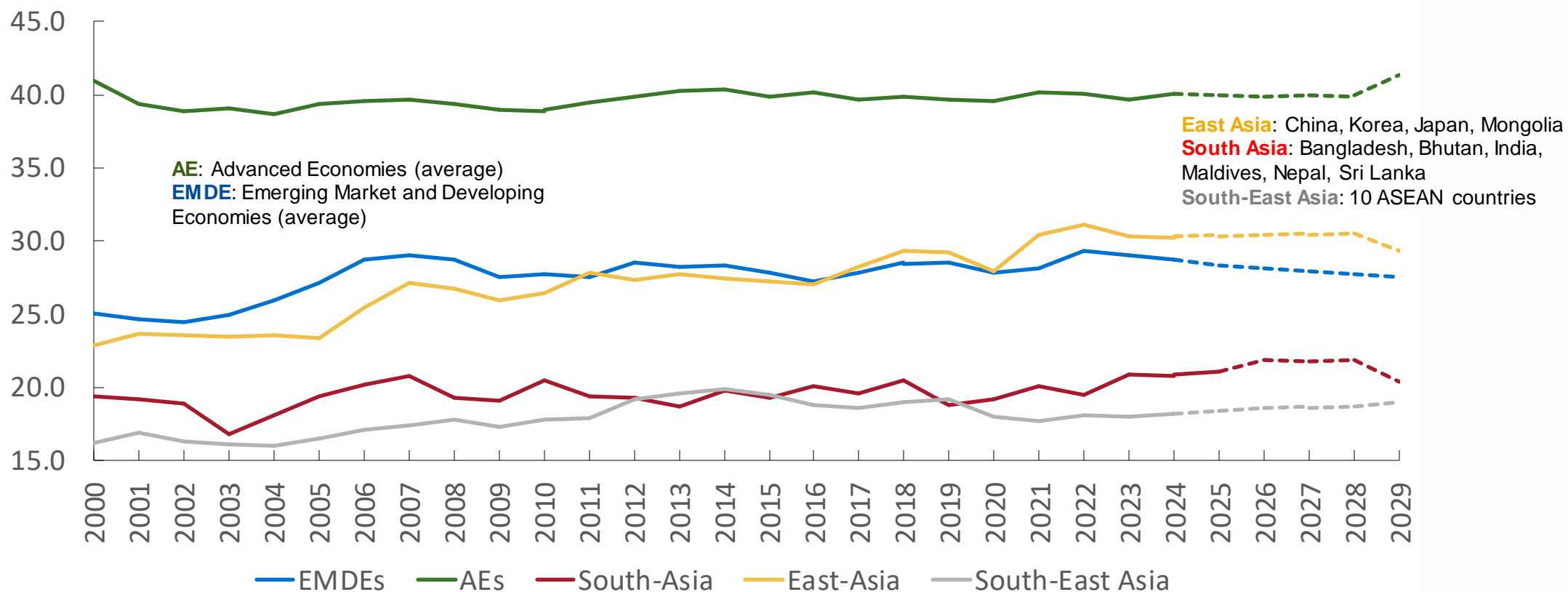
Additional Spending to Achieve Good Performance in SDGs for Human and Physical Capital Development
(Percent of GDP)

Source: Carapella, Mogues, Pico-Mejia, and Soto (2023).

Revenue Trends in Asia

Total Revenue (2000 – 2029)

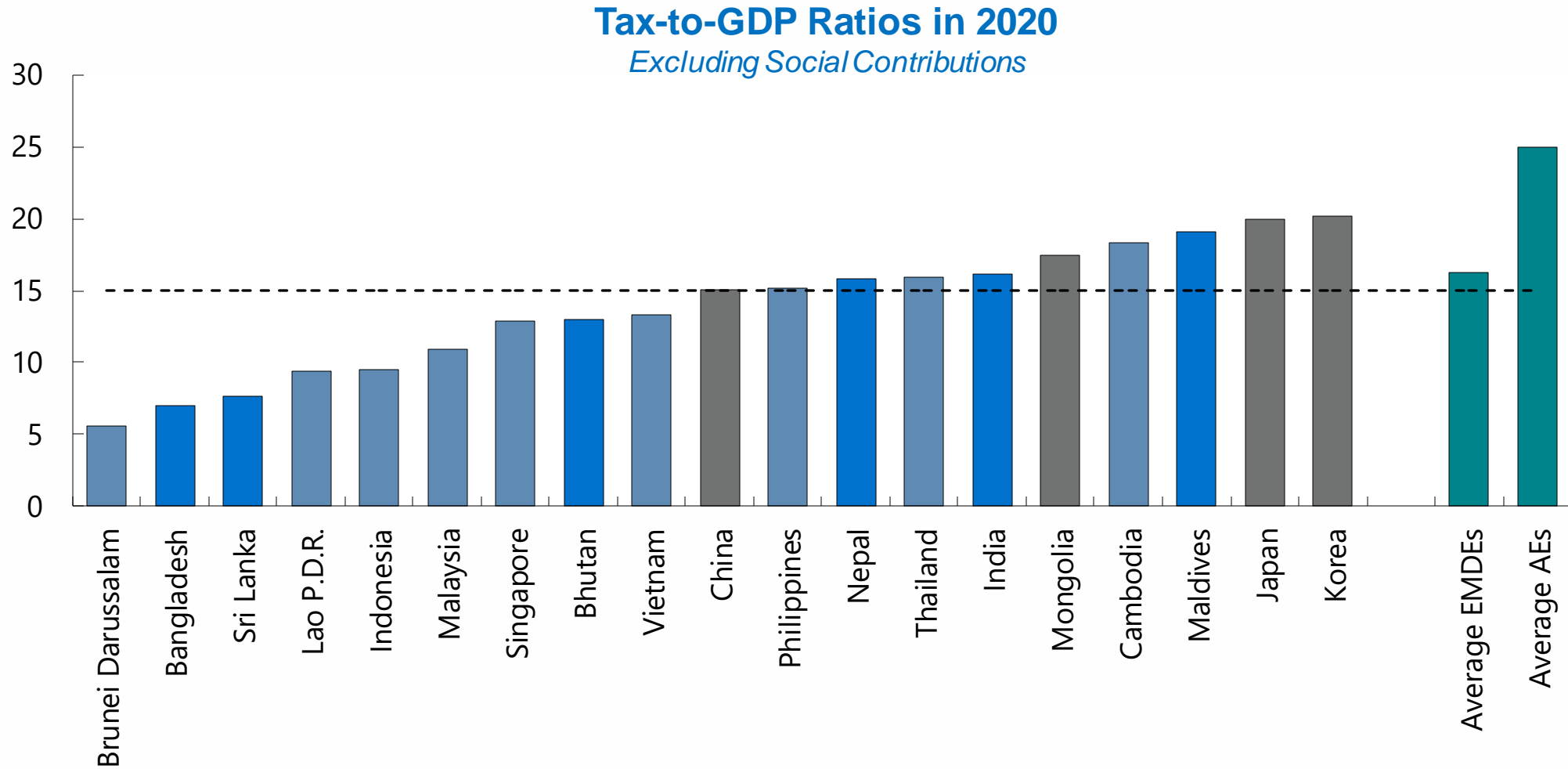
In percent of GDP



Source: World Economic Outlook.

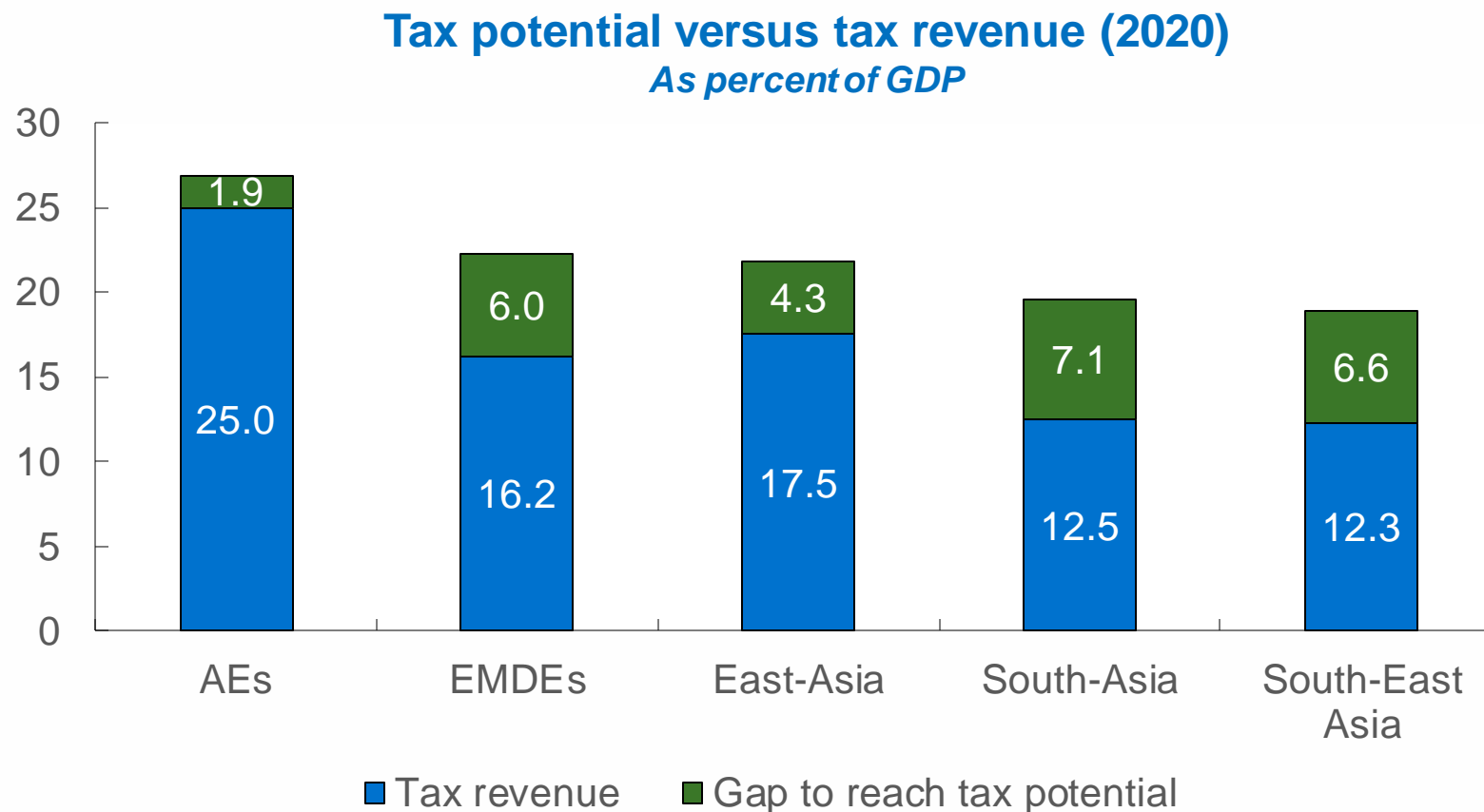
Note: Dotted lines are forecasts. South-East Asia excludes Brunei and Timor-Leste.

Many countries have tax-to-GDP ratios < 15%



Source: IMF WoRLD Database.

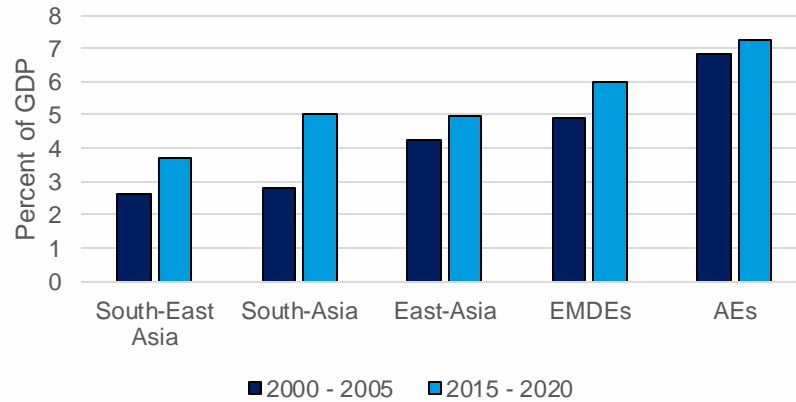
Significant scope for increasing tax effort



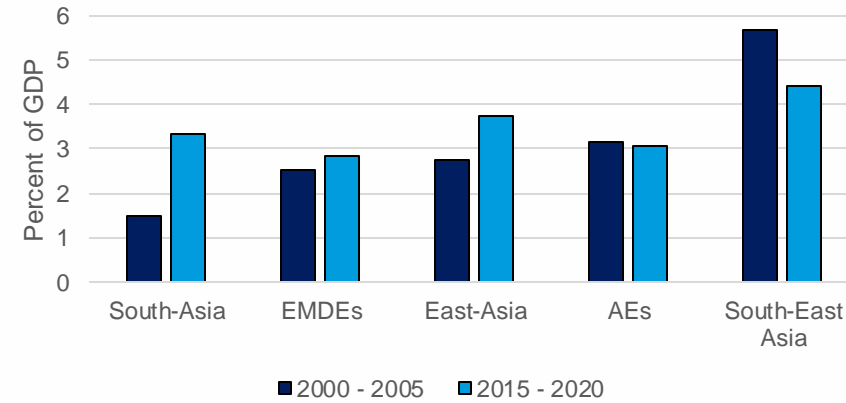
Source: IMF staff estimations based on Benitez et al (2023)

Components of the tax mix differ

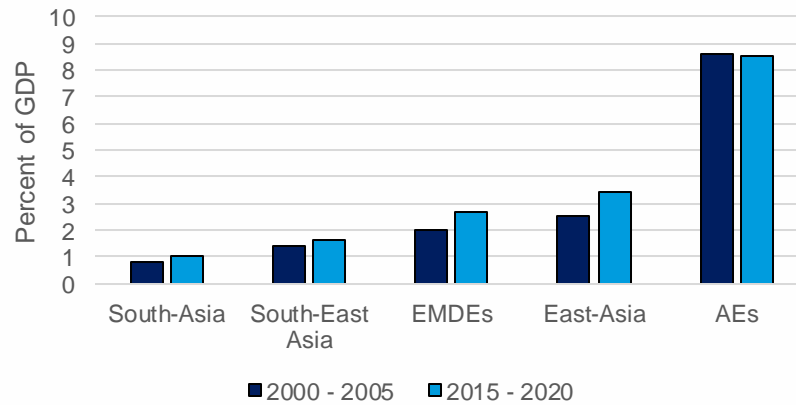
VAT Revenues



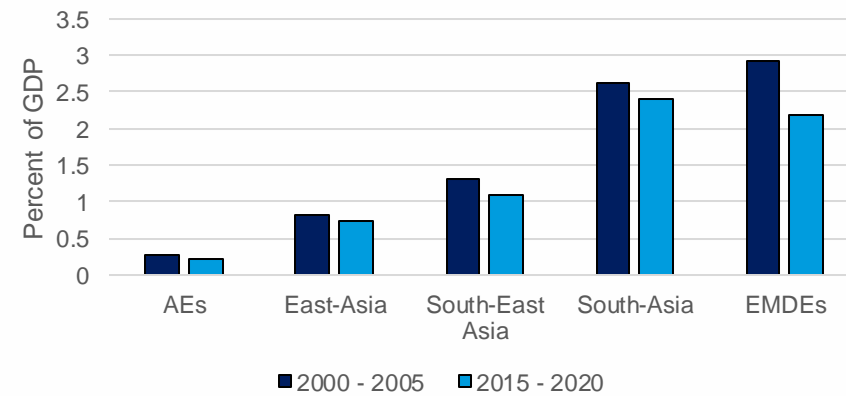
CIT Revenues



PIT Revenues



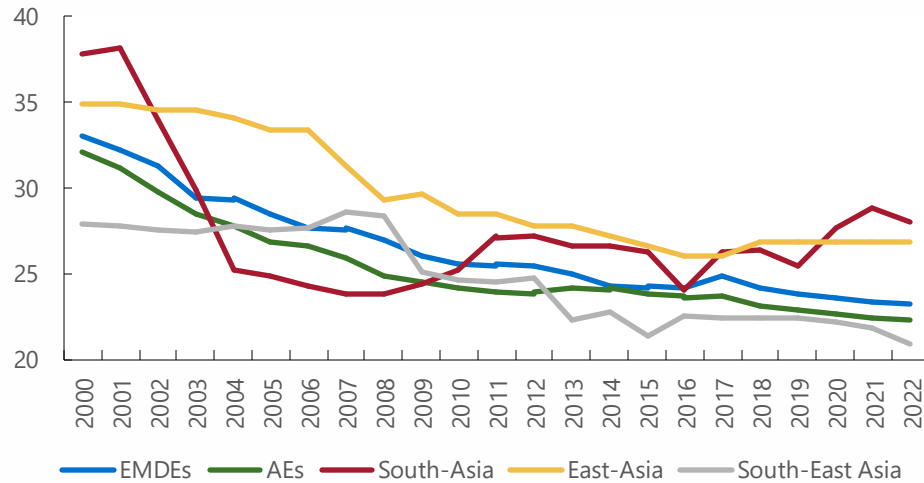
Trade Tax Revenues



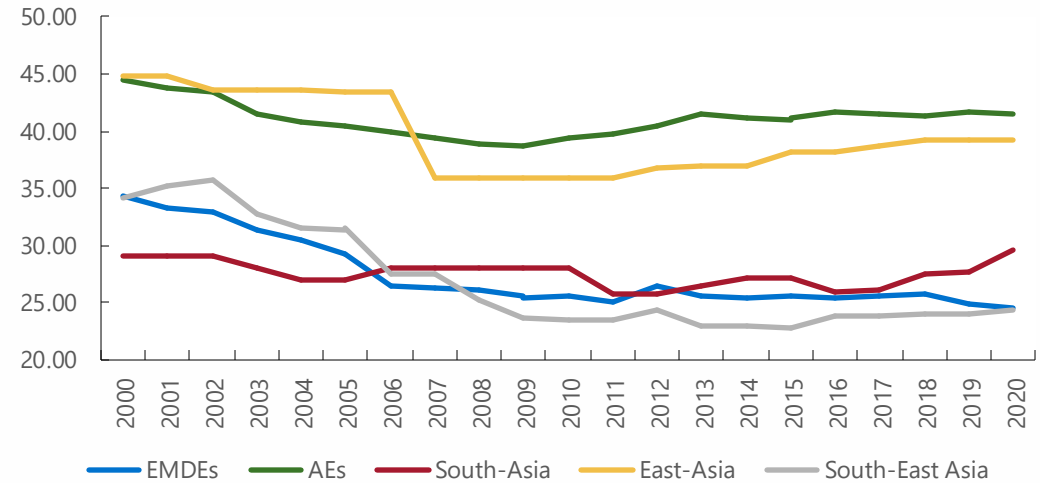
Source: IMF World Database.

Trends in tax rates and C-efficiency

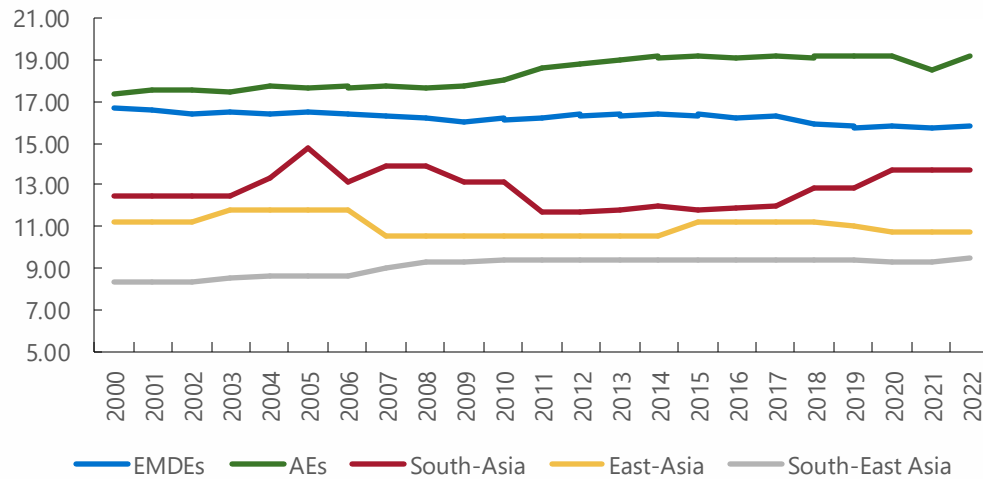
Top Combined CIT Rate (2000 - 2022)



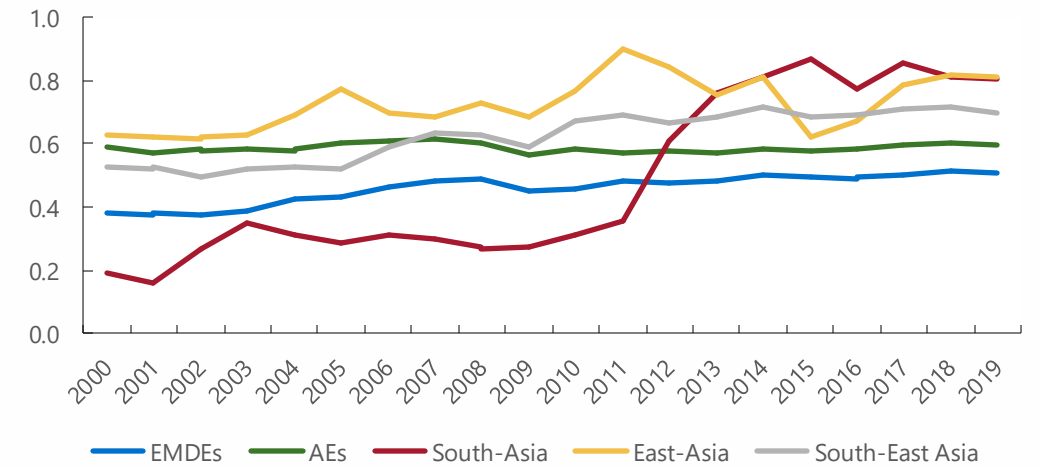
Top Combined Marginal PIT Rate (2000 - 2020)



Combined Standard VAT Rate (2000 - 2022)

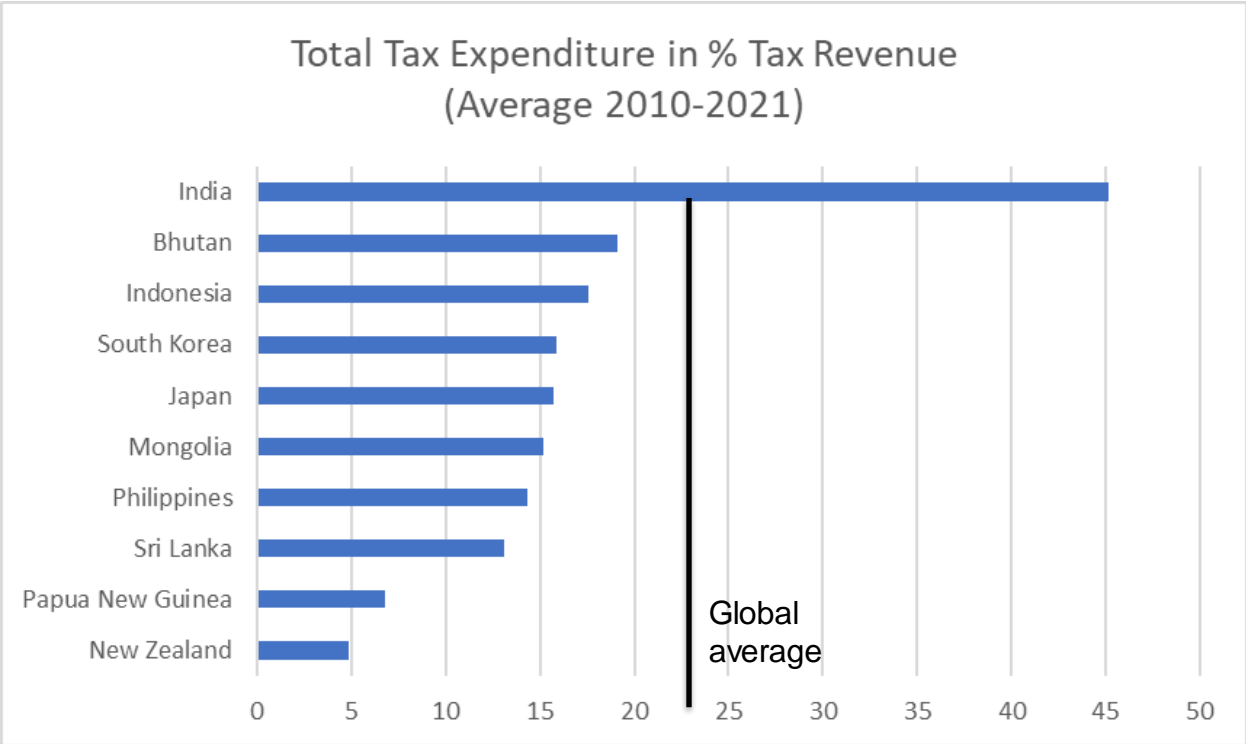
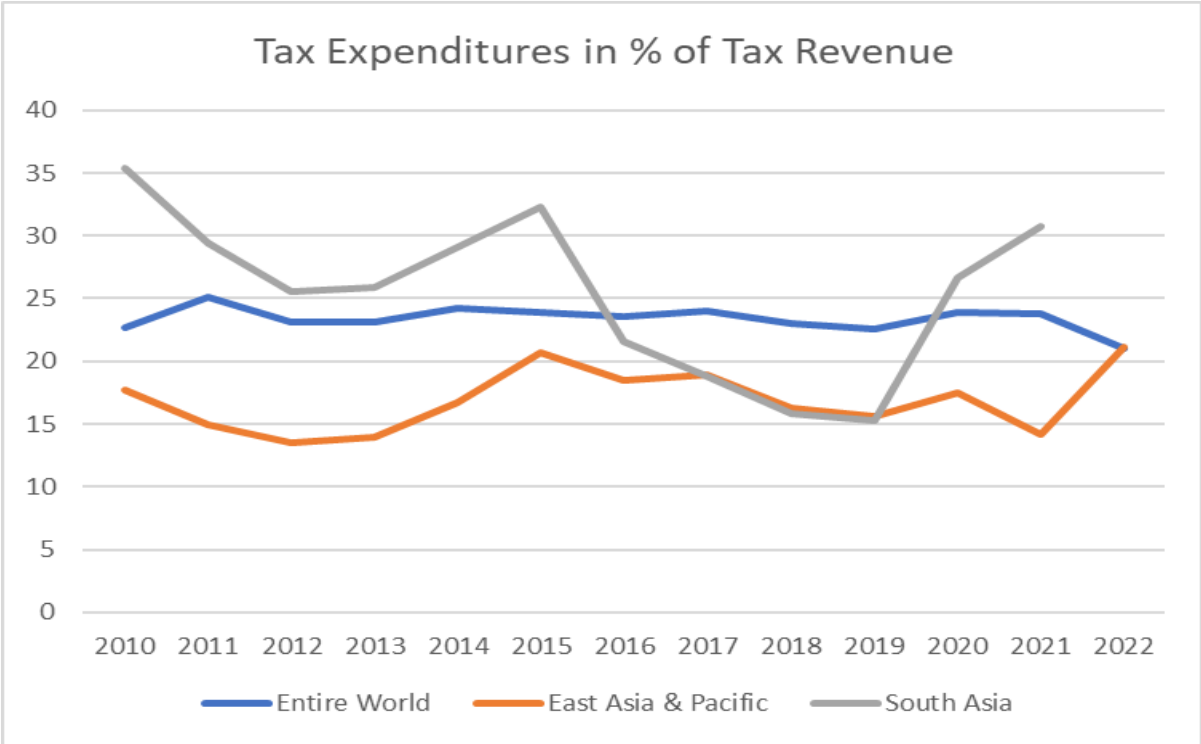


VAT C-efficiency (2000 - 2019)



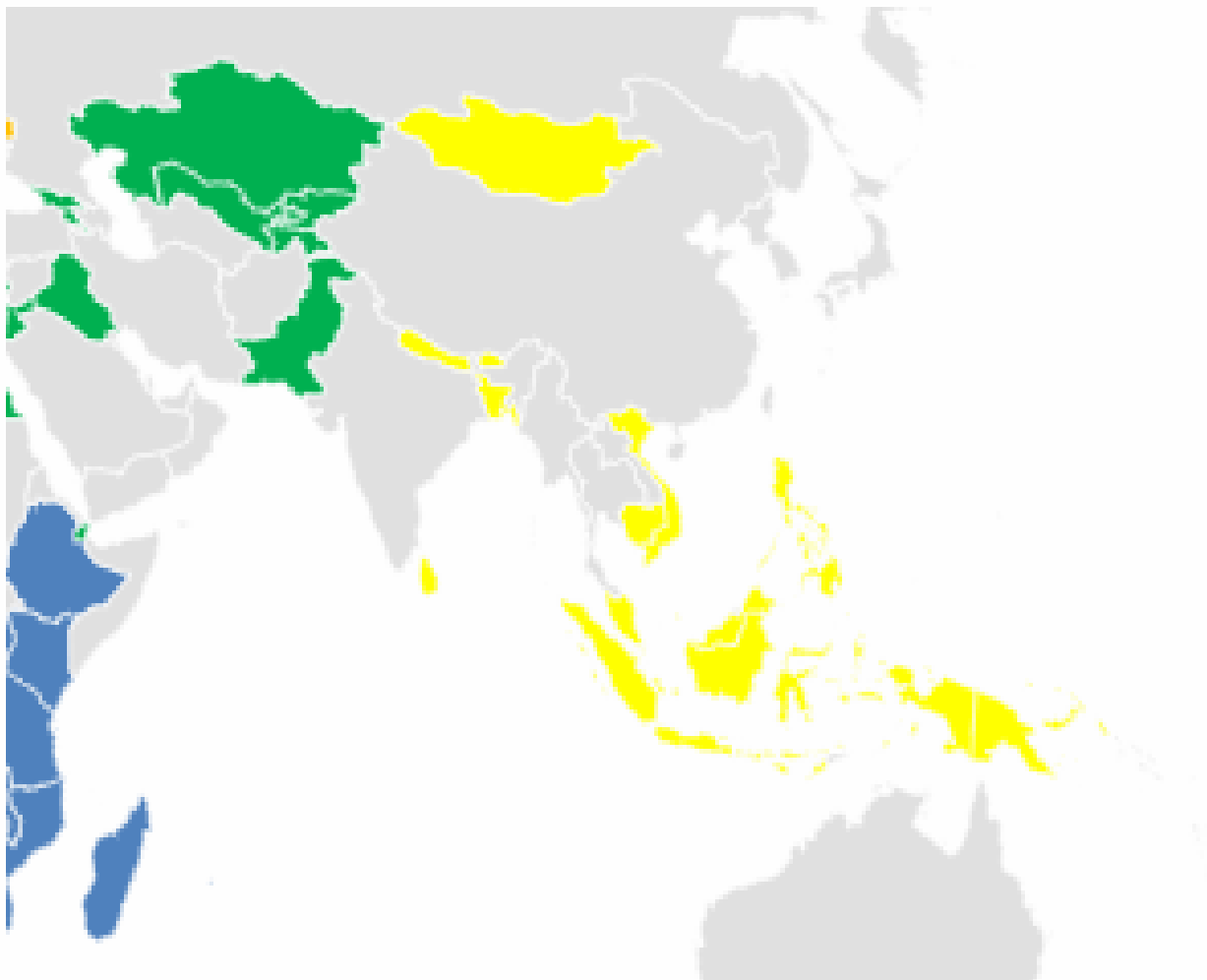
Sources: Taxes Rates Data, WoRLD, and World Economic Outlook.

How broad is the tax base?



Source: Global Tax Expenditure Database (GTED)

Trends in Tax Administration



7 TADAT assessed countries in Central Asia:

- 2016 – Kyrgyz
- 2018 – Armenia
- 2019 – Tajikistan
- 2020 – Georgia
- 2023 – Kazakhstan, Uzbekistan

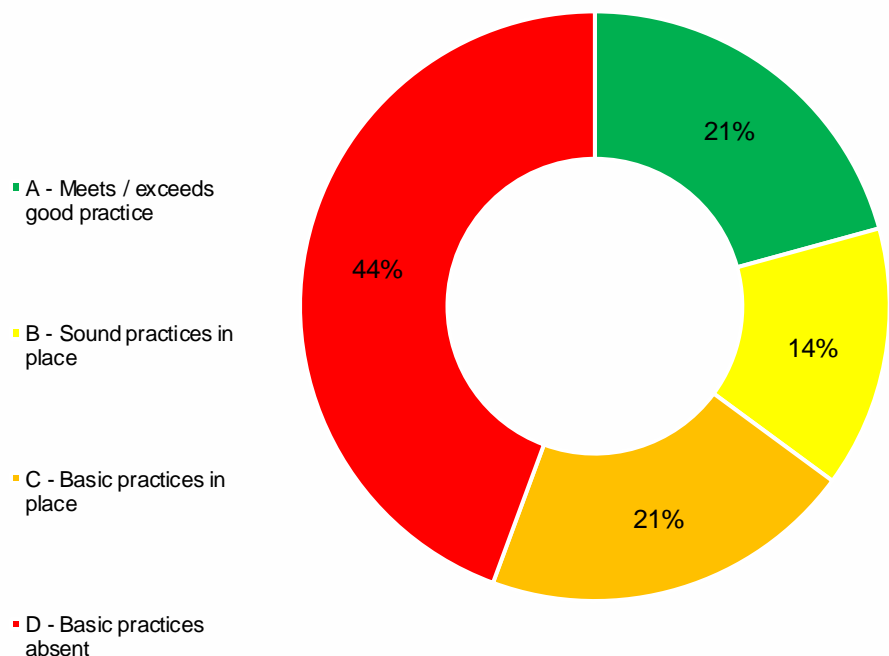
14 TADAT assessed countries in Asia Pacific:

- 2015 – Fiji, Malaysia, The Philippines
- 2016 – Vietnam
- 2017 – Bangladesh
- 2019 – Papua New Guinea
- 2021 – Tonga, Cambodia
- 2022 – The Maldives, Mongolia, Bhutan, Nepal
- 2023 – Sri Lanka, Indonesia

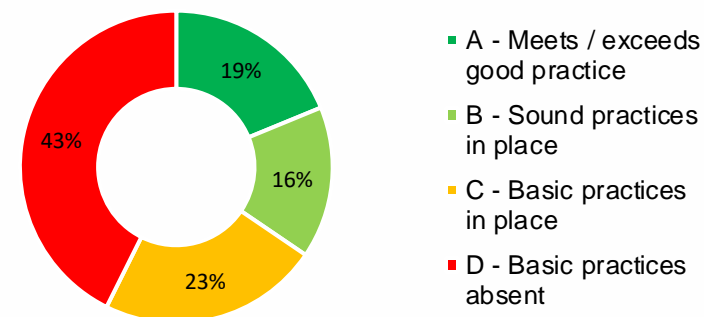


Significant scope to do better in Asia-Pacific

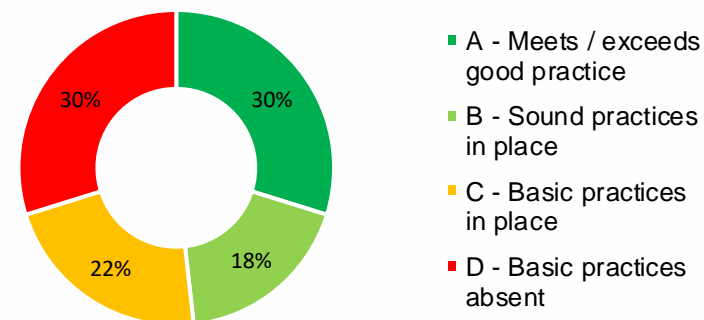
TADAT Worldwide (106 Last National Assessments) - Scores (%)



ASIA PACIFIC REGION (APD)
Frequency of Scores (%)



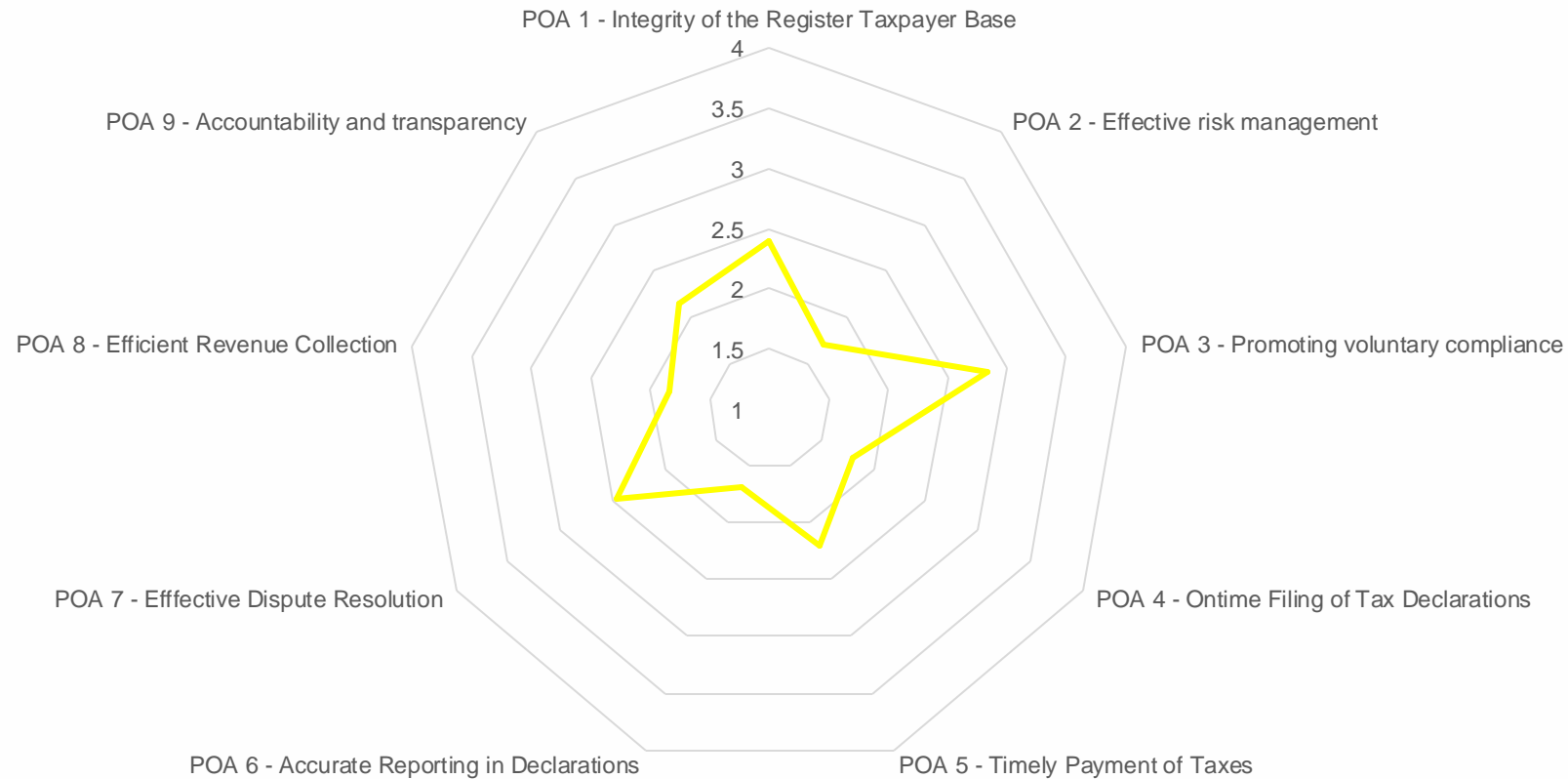
CENTRAL ASIA REGION
Scores (%)



Especially low in some performance outcome areas (POA)



TADAT TRENDS in APD by POA



* Only using latest TADAT results, when a repeat TADAT took place.

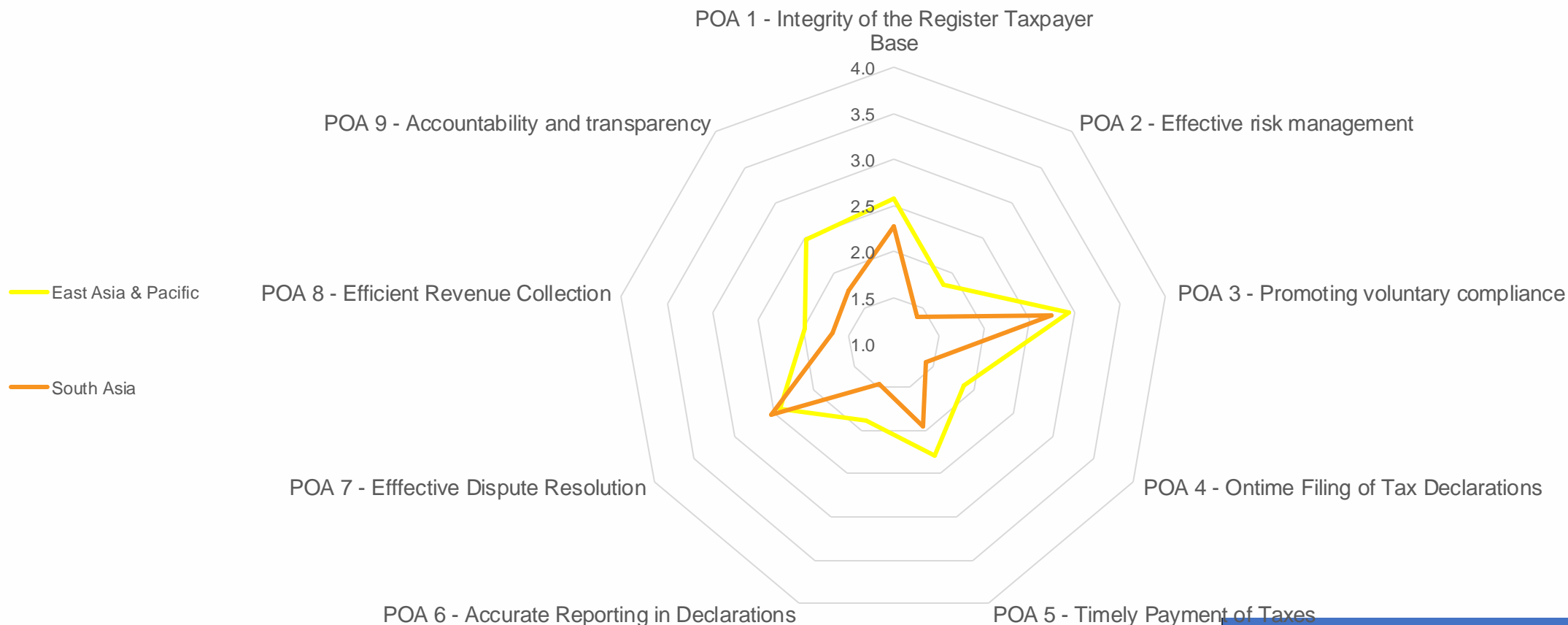
** Only national.

Interpretation of ranges:	Score ranges
A - meets or exceeds good international tax administration practices	4.00
B - sound tax administration practices that are a rung below good practices	3.00 - < 4.00
C - the fundamental tax administration practices are in place	2.00 - < 3.00
D - the fundamental tax administration practices are not in place	1.00 - < 2.00



TADAT Scores in East Asia & Pacific and South Asia by POA

Regional aggregated TADAT score by APD subregion and by POA

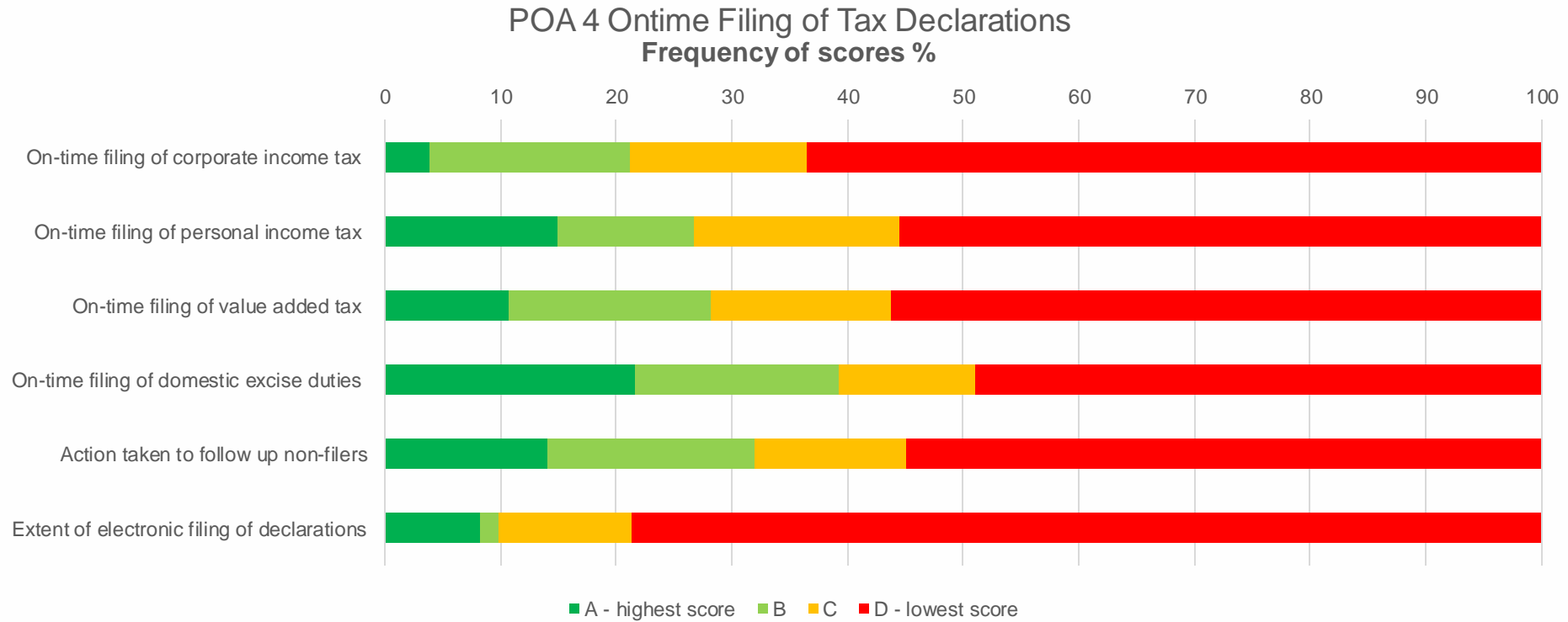


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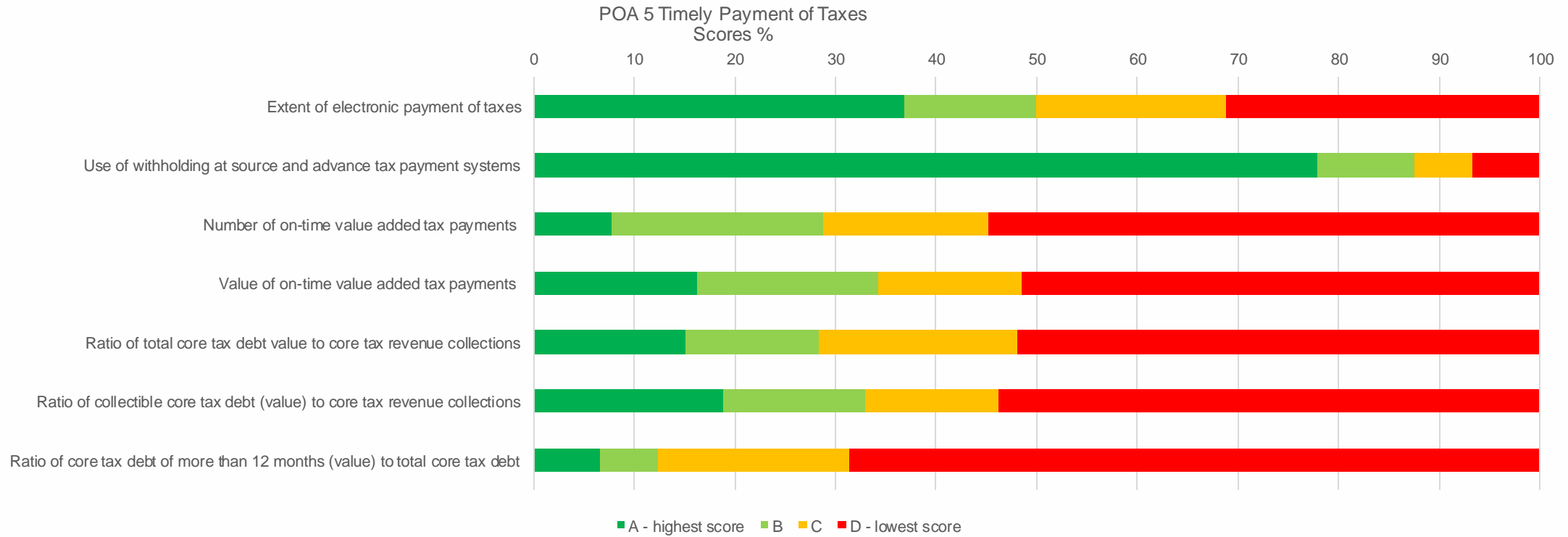
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TADAT results in APD - POA 4



TADAT results in APD - POA 5





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Day 1

International tax

Revenue effect and policy response to Pillar 2

Challenges for international tax administration

Taxation of high-income individuals

Wealth and income taxation for inclusive growth

Carbon pricing

Taxation for the energy transition

Day 2

Tax governance and accountability

Building institutions for enhanced tax capacity

Digitalization and artificial intelligence

Opportunities and risks for tax policy and administration