The *Global Revenue Statistics* Initiative

Session 4.4 – Data for revenue mobilisation

Revving up revenue for development

7 September 2023

Data for revenue mobilisation – Presentation outline

- What is the *Global Revenue Statistics* initiative?

- Data harmonisation and dialogue

- From harmonised revenue data to domestic resource mobilisation (DRM)

- Headline results

THE GLOBAL REVENUE STATISTICS INITIATIVE

What is the *Global Revenue Statistics* initiative?

- Detailed, comparative tax revenue data for over 120 economies according to a common classification

- Four annual publications (*Africa, Asia & Pacific, Latin America & the Caribbean, OECD*); global and regional online datasets

- A key input for tax policy makers & administrators, providing information on tax levels, tax structure and changes in tax revenues over time

- Capacity development, communities of practice and regional dialogue promoted via **technical workshops and other events**

- Aligned to **SDG 17** and **Addis Ababa Action Agenda**
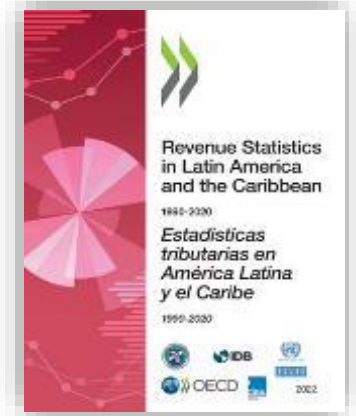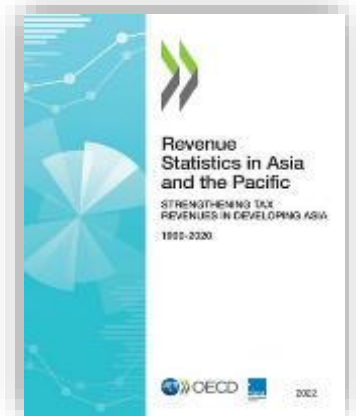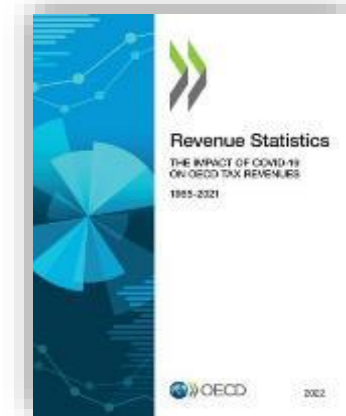
Global Revenue Statistics is based on partnerships

Revenue Statistics

Revenue Statistics in Latin America and the Caribbean

Revenue Statistics in Africa

Revenue Statistics in Asia and the Pacific

With financial support from:

DATA HARMONISATION AND DIALOGUE

Global Revenue Statistics data are harmonised according to international standards

- Tax revenue data from all participating countries is harmonised according to the OECD classification - the Interpretative Guide.

- The OECD classification:
  - provides a set of principles to define and classify taxes as well as instruments that should not be treated as taxes, ensuring consistency across countries;

  - has been developed with statisticians and tax policy makers since the 1970s and continues to be regularly updated;

  - is consistent with other well-known statistical classifications, such as the System of National Accounts 2008, the European System of Accounts 2010 and the IMF Government Finance Statistics Manual 2014.

- A bridge table in the OECD Interpretative Guide allows comparison across classifications, which themselves draw on *Revenue Statistics* data.

Harmonisation is a (busy) two-way street

- *Revenue Statistics* data collection and harmonisation involves an iterative dialogue between national focal points and statisticians at the OECD as well as partner organisations.

- The purpose of this dialogue is to:
  - Match national tax categories to the OECD classification;

  - Obtain complete information on revenues for different categories and different levels of government over time.

- Revenue data is harmonised from the bottom up to ensure maximum granularity.

- Data is strictly comparable with that other countries and forms basis of key indicators on the level and structure of tax (and non-tax) revenues across countries and regions.

FROM HARMONISED REVENUE DATA TO DRM

# High-quality, harmonised revenue data are a basis for policy analysis…

- *Revenue Statistics* data help policy makers answer fundamental questions to understand the potential for enhancing DRM in their country:
  - What is the level and structure of tax revenues in my country?
  - How do these compare to other countries?
  - How have revenues evolved after tax reforms or following shocks?

- Data can also be used to produce more complex indicators to assess specific aspects of a country's tax system, such as the effectiveness of VAT.

- *Revenue Statistics* has developed specific tools and online training to promote data analysis, which are all publicly available free of charge.

- *Revenue Statistics* reports contain special features on priority issues for DRM making use of harmonised data.

- *Revenue Statistics* data and reports can also inform regional financing strategies, such as the African Union's Agenda 2063.

…and for capacity development and knowledge-sharing

- Capacity development for countries and regional organisations is an integral part of the *Global Revenue Statistics* initiative:
  - **Statistical capacity** to produce comparable, detailed revenue data
  - **Analytical capacity** to use the data to inform tax policy
- **Annual data collection** involves two-way sharing of knowledge and skills between countries, OECD and partner organisations.
- **Annual technical workshops** are fundamental for communities of practice around:
  - the production and use of high-quality revenue data for policy making;
  - knowledge-sharing on common challenges, emerging issues and successes/failures in DRM.
- Communities of practice have evolved around the initiative comprising countries and regional organisations.
- These communities of practice are constantly growing with the expansion of the *Global Revenue Statistics* initiative.

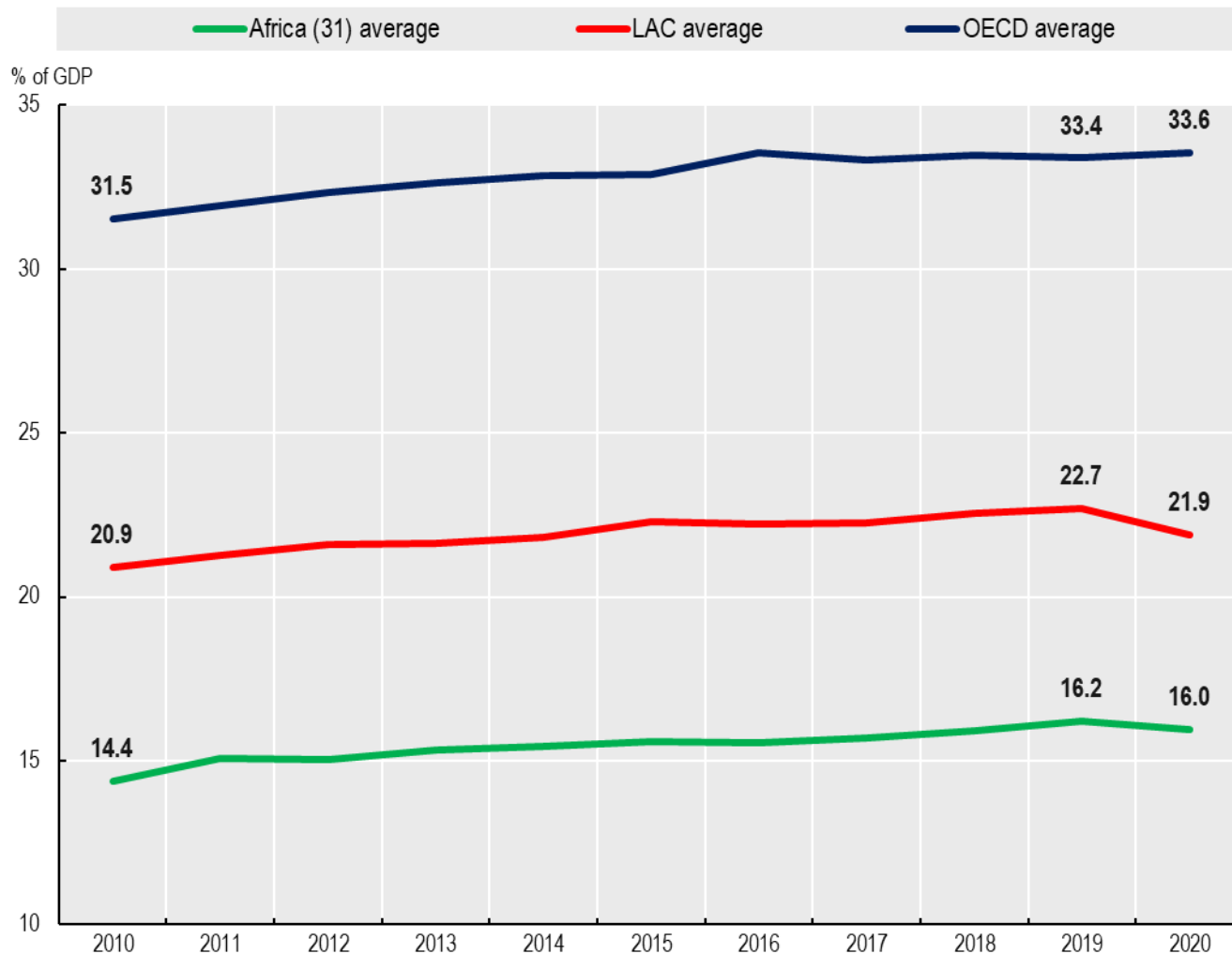# HIGH-LEVEL RESULTS

Tax-to-GDP ratios in 2020
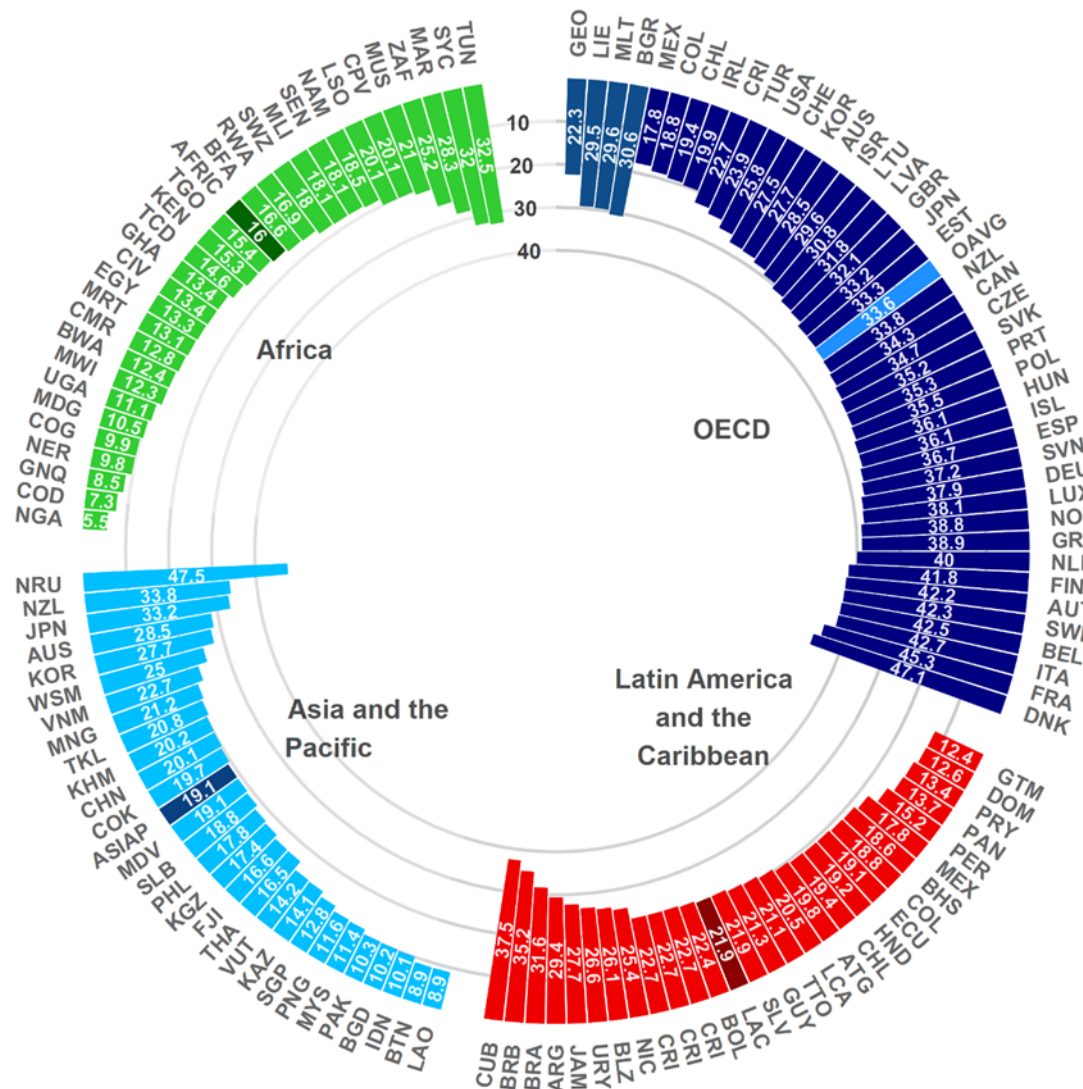
Regional average & range, 2020

- **OECD: 33.6%**
  - From 17.8% (MEX) to 47.1% (DNK)

- **Latin America & Caribbean: 21.9%**
  - From 12.4% (GTM) to 37.5% (CUB)

- **Asia-Pacific (28): 19.1%**
  - From 8.9% (LAO) to 47.5% (NRU)

- **Africa (31): 16.0%**
  - From 5.5% (NGA) to 32.5% (TUN)

Tax revenue trends, 2010-20: Africa, LAC & OECD

Source: OECD (2023), Global Revenue Statistics Database, http://oe.cd/globalrevstats

- Tax revenues increased as a share of GDP in **almost 2/3 of economies** from 2010 to 2020

- Regional averages have also increased over time:
  - **Africa (31), by 1.6 p.p.** to 16.0%
  - **LAC, by 1.0 p.p.** to 21.9%
  - **OECD, by 2.0 p.p.** to 33.6%

- Africa & LAC averages declined between 2019 and 2020 due to the COVID-19 shock while the OECD average increased slightly over the period

Average tax structure by region, 2020

2020 % of total taxation

Legend: ■ Value added taxes ■ Other taxes on goods and services ■ Personal Income tax ■ Corporate income tax ■ Social security contributions ■ Other taxes

Category	Africa average (31)	Asia-Pacific average (28)	LAC average	OECD average
Value added taxes	27.8	23.1	27.5	20.2
Other taxes on goods and services	22.6	27.5	20.9	11.9
Personal Income tax	18.5	16.0	9.8	24.1
Corporate income tax	19.3	18.8	15.6	9.0
Social security contributions	8.1	6.3	18.4	26.6
Other taxes	3.8	8.2	7.8	8.2

Source: OECD (2023), Global Revenue Statistics Database, http://oe.cd/globalrevstats

Links and contacts

Global Revenue Statistics Database	http://oe.cd/globalrevstats
Revenue Statistics in Latin America and the Caribbean	http://oe.cd/RevStatsLAC
Revenue Statistics in Asia and the Pacific	https://oe.cd/revstatsap
Revenue Statistics in Africa, including online tutorials on OECD classification and tools	https://oe.cd/revstatsafrica https://oe.cd/revstatsafrica-tutorials
Revenue Statistics OECD	http://oe.cd/revenue-statistics

For more information about the initiative, please contact:

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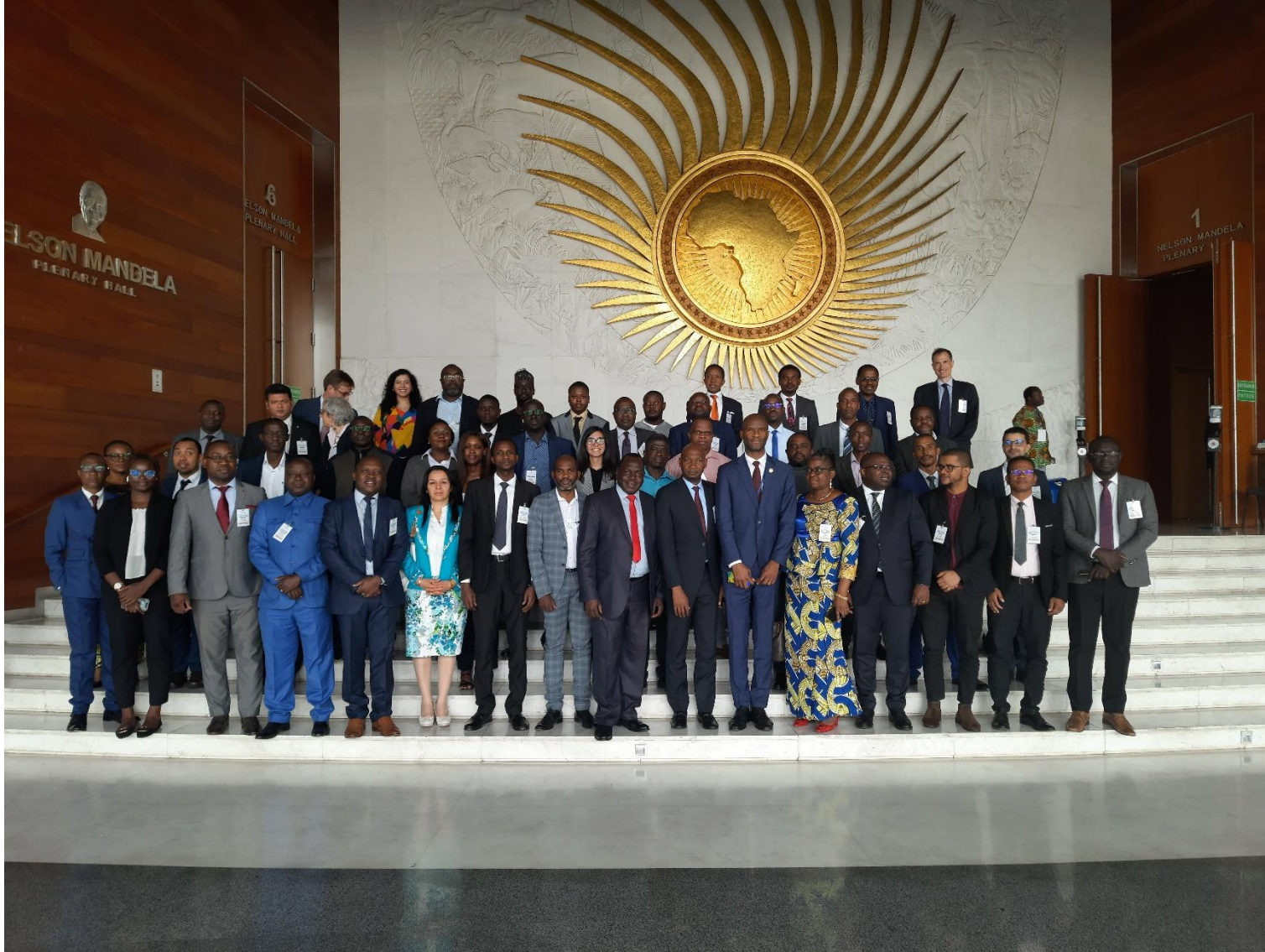Alexander.Pick@oecd.org

Photo shows participants in the Revenue Statistics in Africa *technical workshop in Addis Ababa in May 2023.*

Thank you!