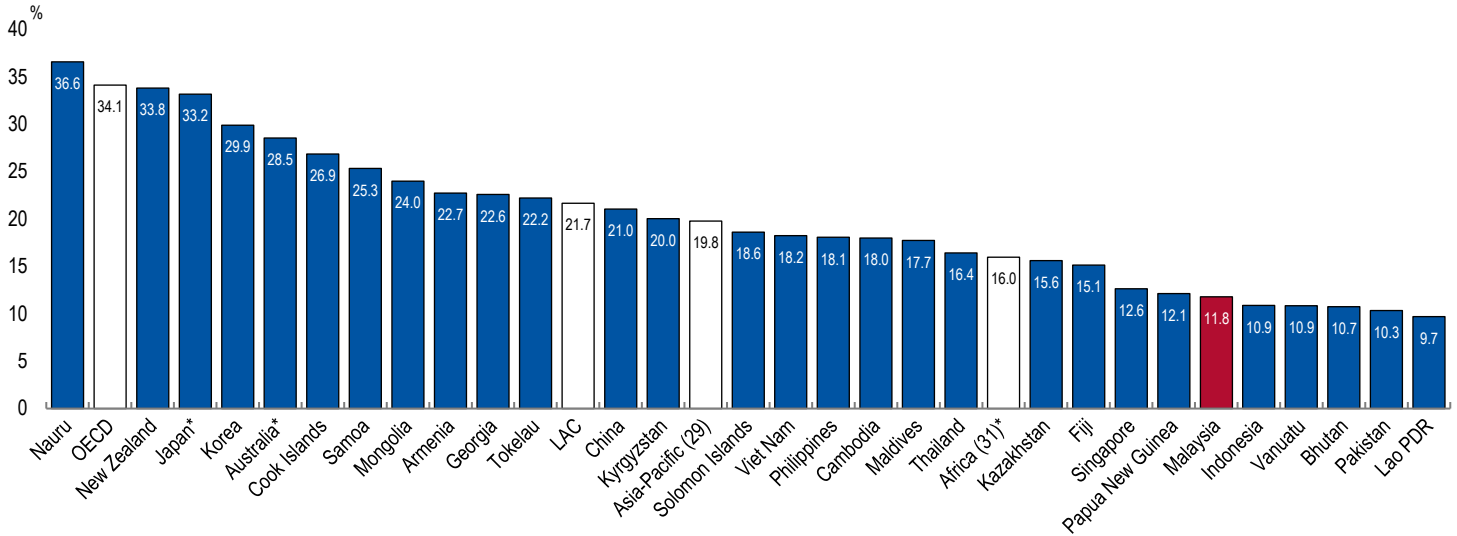


Revenue Statistics in Asia and the Pacific 2023 — Malaysia

Tax-to-GDP ratio

Tax-to-GDP ratio compared to other Asian and Pacific economies and regional averages, 2021

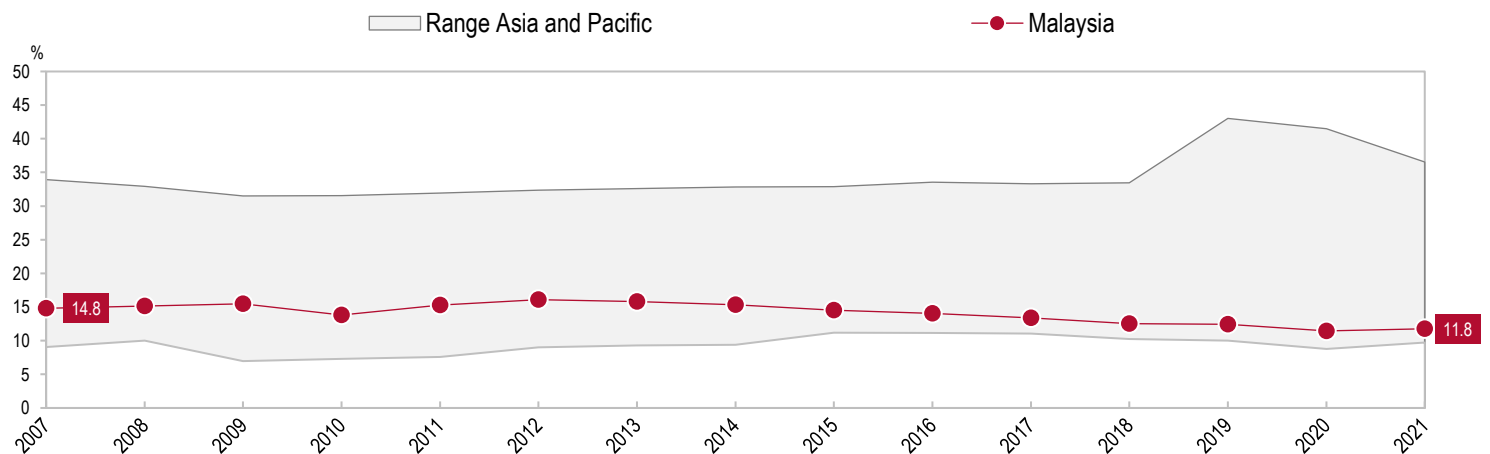
Malaysia's tax-to-GDP ratio was 11.8% in 2021, below the Asia and Pacific (29) average of 19.8% by 8.0 percentage points. It was also below the OECD average (34.1%) by 22.3 percentage points.



* Data for 2020 are shown for Australia, Japan and Africa (31) average as 2021 data are not available. Note by the ADB: The ADB recognises "Kyrgyzstan" as the "Kyrgyz Republic". LAC refers to the average for Latin America and the Caribbean.

Tax-to-GDP ratio over time

The tax-to-GDP ratio in Malaysia increased by 0.3 percentage points from 11.4% in 2020 to 11.8% in 2021. From 2007 to 2021, the tax-to-GDP ratio in Malaysia decreased by 3.0 percentage points from 14.8% to 11.8%. The highest tax-to-GDP ratio in this period was 16.1% in 2012, and the lowest 11.4% in 2020.



In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments. <http://www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf>

Regional averages (OECD, LAC, Africa (31)) refer to the 2023 edition of Revenue Statistics in Latin America and the Caribbean, and to the 2022 editions of Revenue Statistics (OECD), and Revenue Statistics in Africa. [oe.cd/global-rev-stats-database](https://www.oecd.org/global-rev-stats-database)

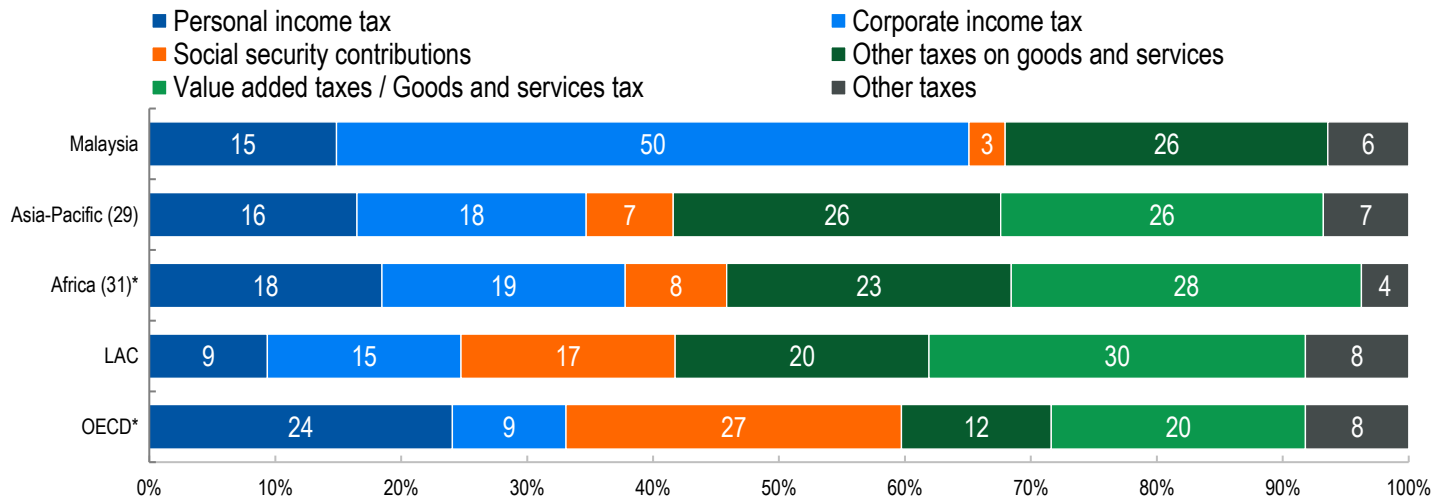


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Tax structures

Tax structure compared to the regional averages

Tax structure refers to the share of each tax in total tax revenues. The highest share of tax revenues in Malaysia in 2021 was derived from corporate income tax (50.2%). The second-highest share of tax revenues in 2021 was derived from other taxes on goods and services (25.6%).



Other taxes may include income taxes unallocable to PIT or CIT.

* Data for 2020 are used for the Africa (31) average and OECD average as 2021 data are not available.

Summary of the tax structure in Malaysia

	Tax revenues in local currency Malaysian Ringgit, Millions			Tax structure in Malaysia % of GDP		
	2020	2021	Δ	2020	2021	Δ
Taxes on income, profits and capital gains	106 572	123 477	+ 16 905	7.5	8.0	+ 0.5
<i>of which</i>						
Personal income, profits and gains	38 953	27 051	- 11 902	2.7	1.8	- 0.9
Corporate income and gains	62 837	91 399	+ 28 562	4.4	5.9	+ 1.5
Social security contributions	5 012	5 195	+ 183	0.4	0.3	- 0.1
Taxes on goods and services	44 822	46 649	+ 1 826	3.2	3.0	- 0.2
<i>of which</i>						
Value added taxes / Goods and services tax	0	0	0	0	0	0.0
Taxes on specific goods and services	25 411	29 018	+ 3 607	1.8	1.9	+ 0.1
<i>of which</i>						
Excises	9 856	10 241	+ 385	0.7	0.7	0.0
Customs and import duties	2 346	2 645	+ 299	0.2	0.2	0.0
Other taxes	5 939	6 639	+ 699	0.4	0.4	0.0
TOTAL	162 346	181 959	+ 19 614	11.4	11.8	+ 0.4

Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding.

In this country note, "other taxes" is calculated as total tax minus taxes on income, profits and capital gains, social security contributions and taxes on goods and services. It includes taxes on payroll and workforce, taxes on property and other taxes (as defined in the OECD Interpretative Guide).

For further information, please see: oe.cd/revenue-statistics-in-asia-and-pacific



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