



Fiscal Overview of Southeast Asia

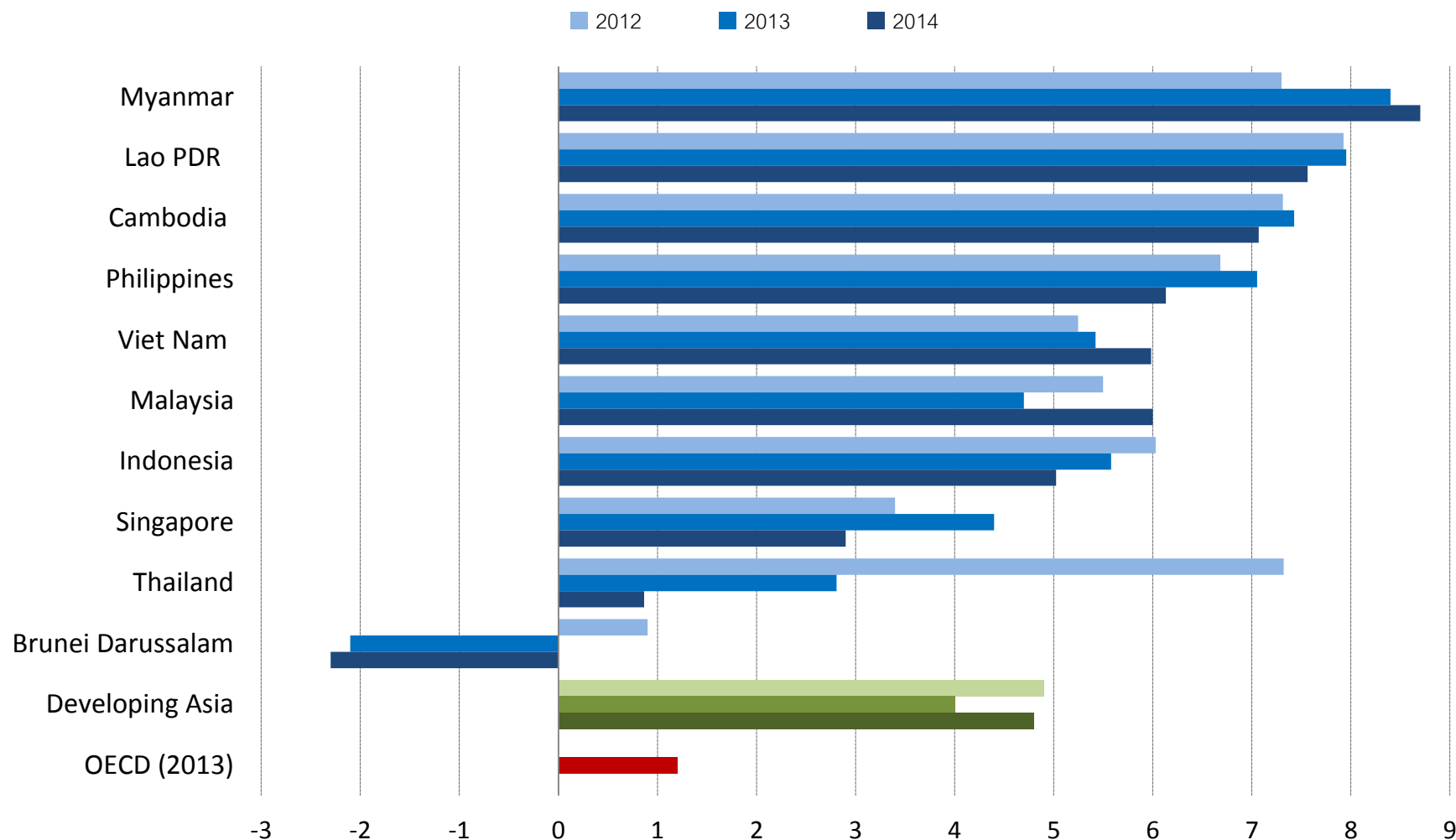
Warren Turner, Senior Public Management Specialist

14 September 2016

The background of the slide features a horizontal band of abstract, colorful bubbles in shades of green, yellow, red, and blue. Below this band is a solid blue rectangular banner that spans the width of the slide. The text 'Key Indicators' is written in white, bold, sans-serif font within this banner.

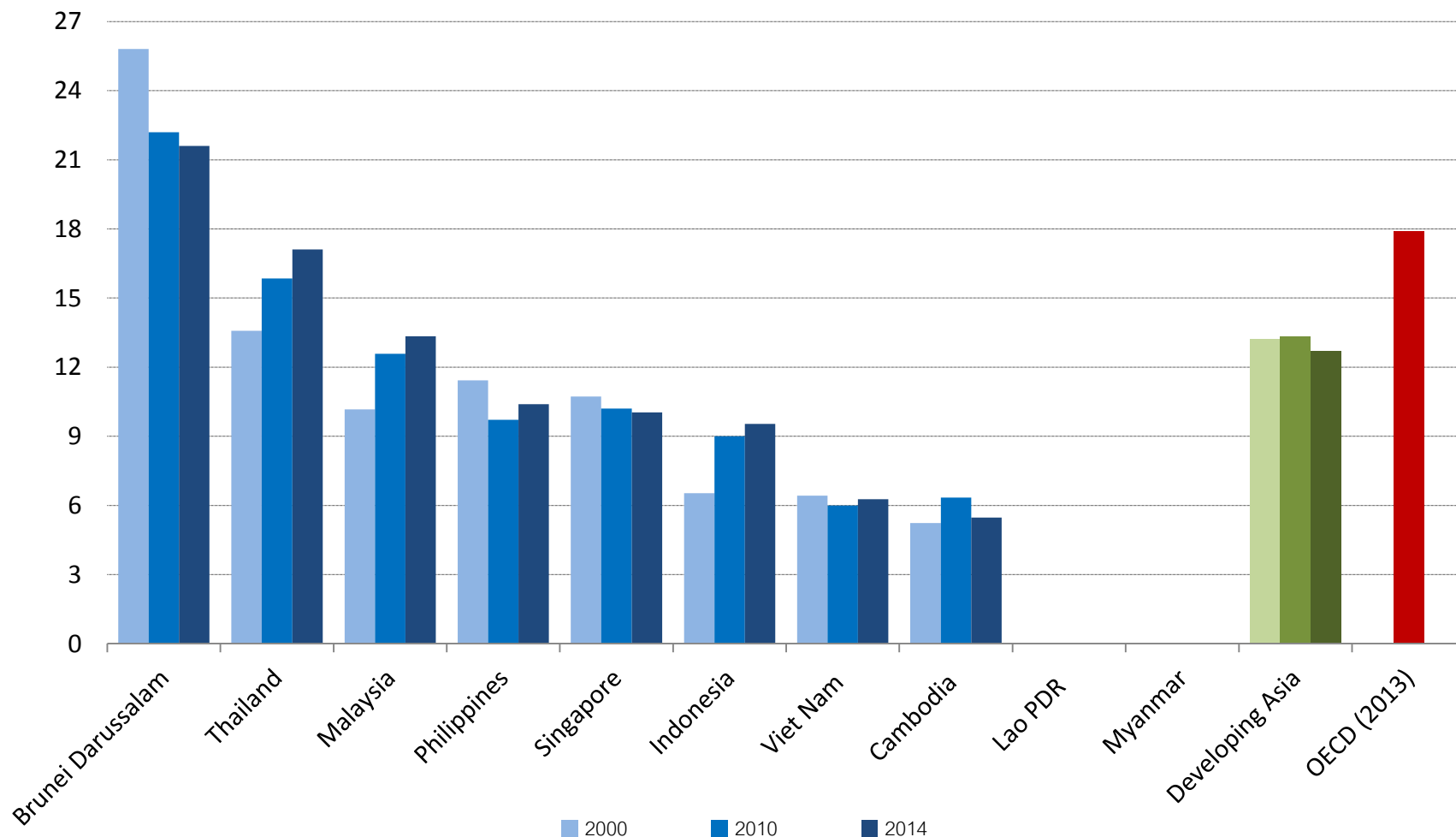
Key Indicators

GDP Growth (%)



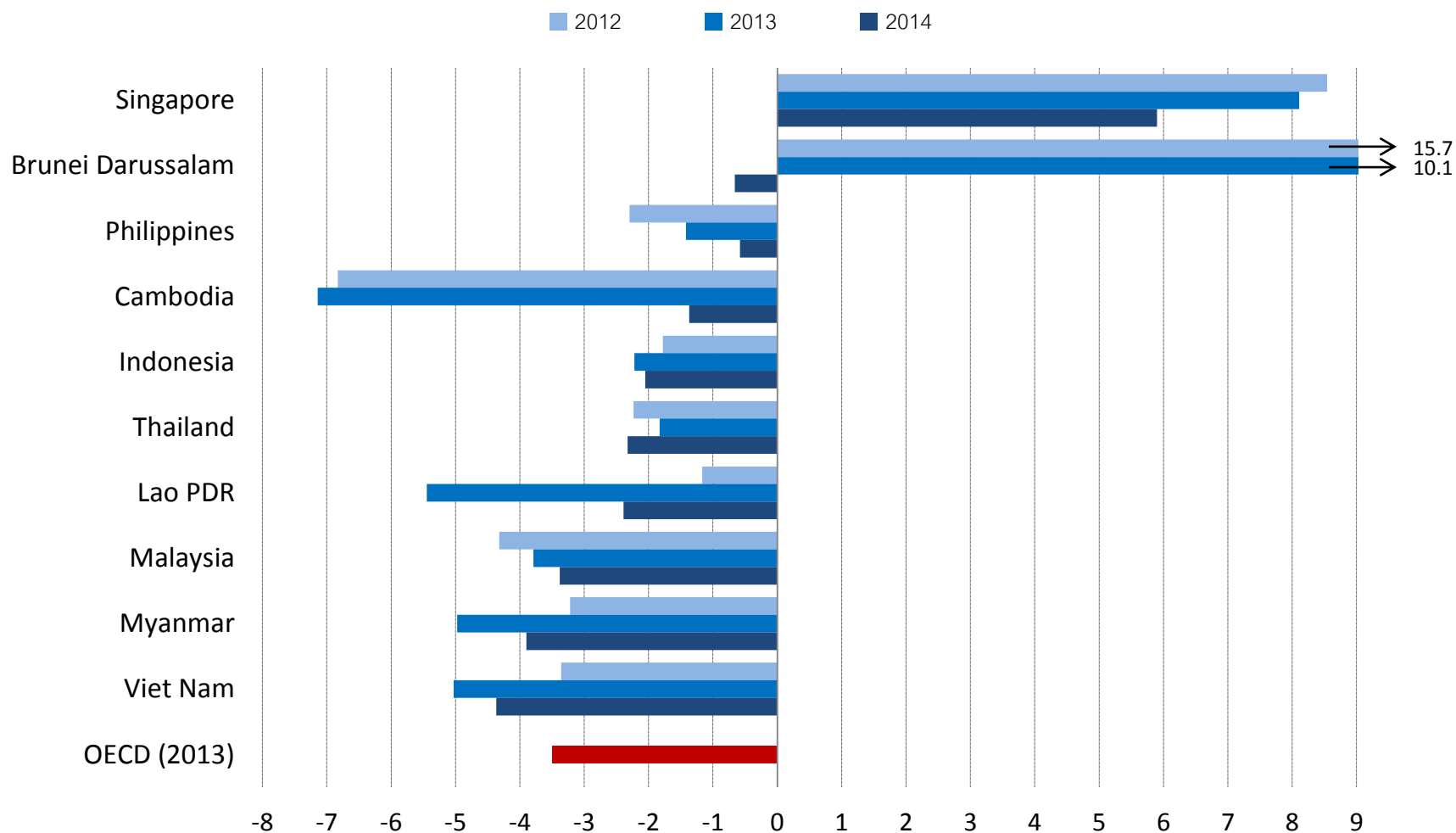
Source: ADB Key Indicators for Asia and the Pacific; OECD.

National Accounts: Government Consumption (% of GDP)



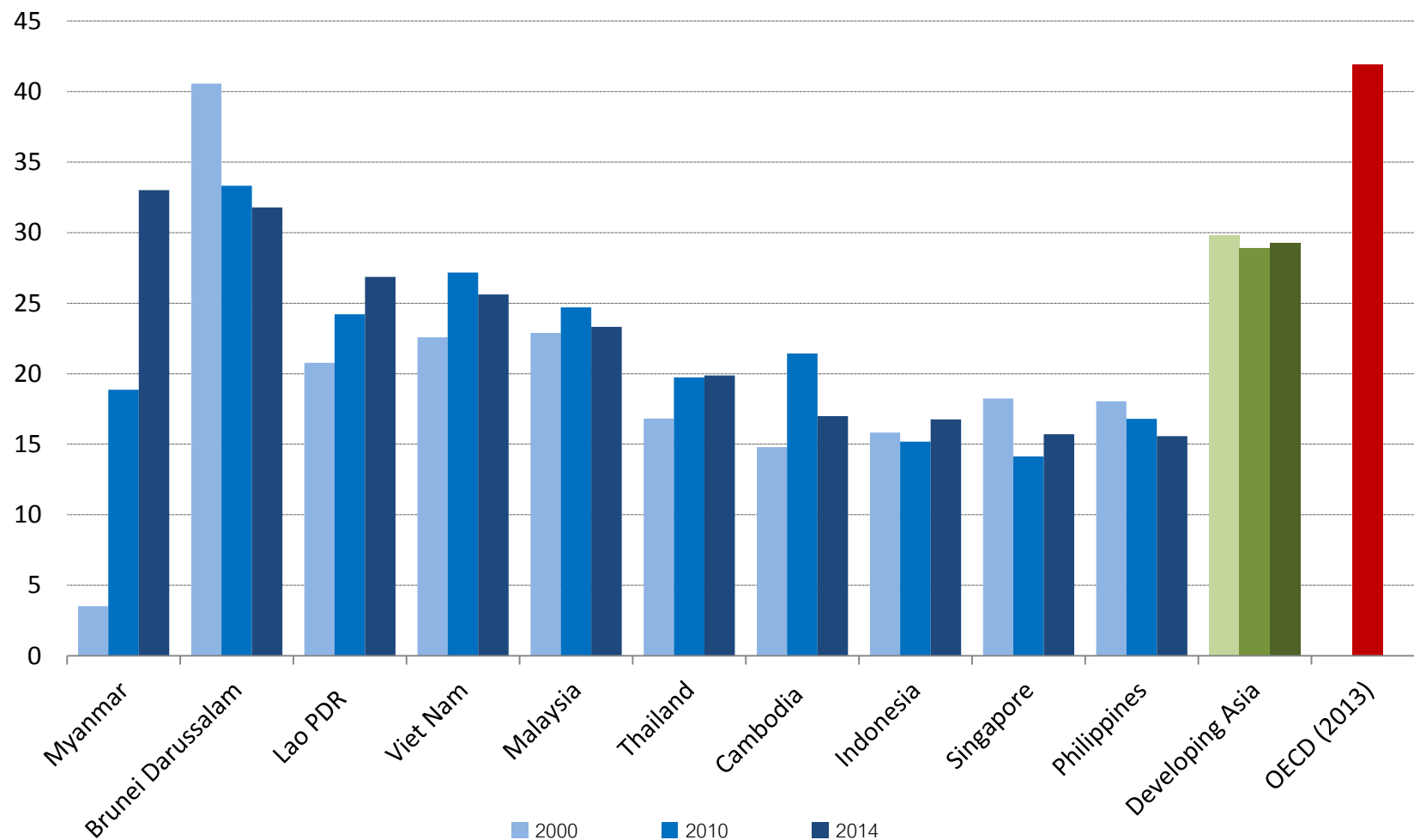
Source: ADB Key Indicators for Asia and the Pacific; OECD.

Fiscal Balance (% of GDP)



Source: ADB Key Indicators for Asia and the Pacific; IMF; OECD.
Data for central government.

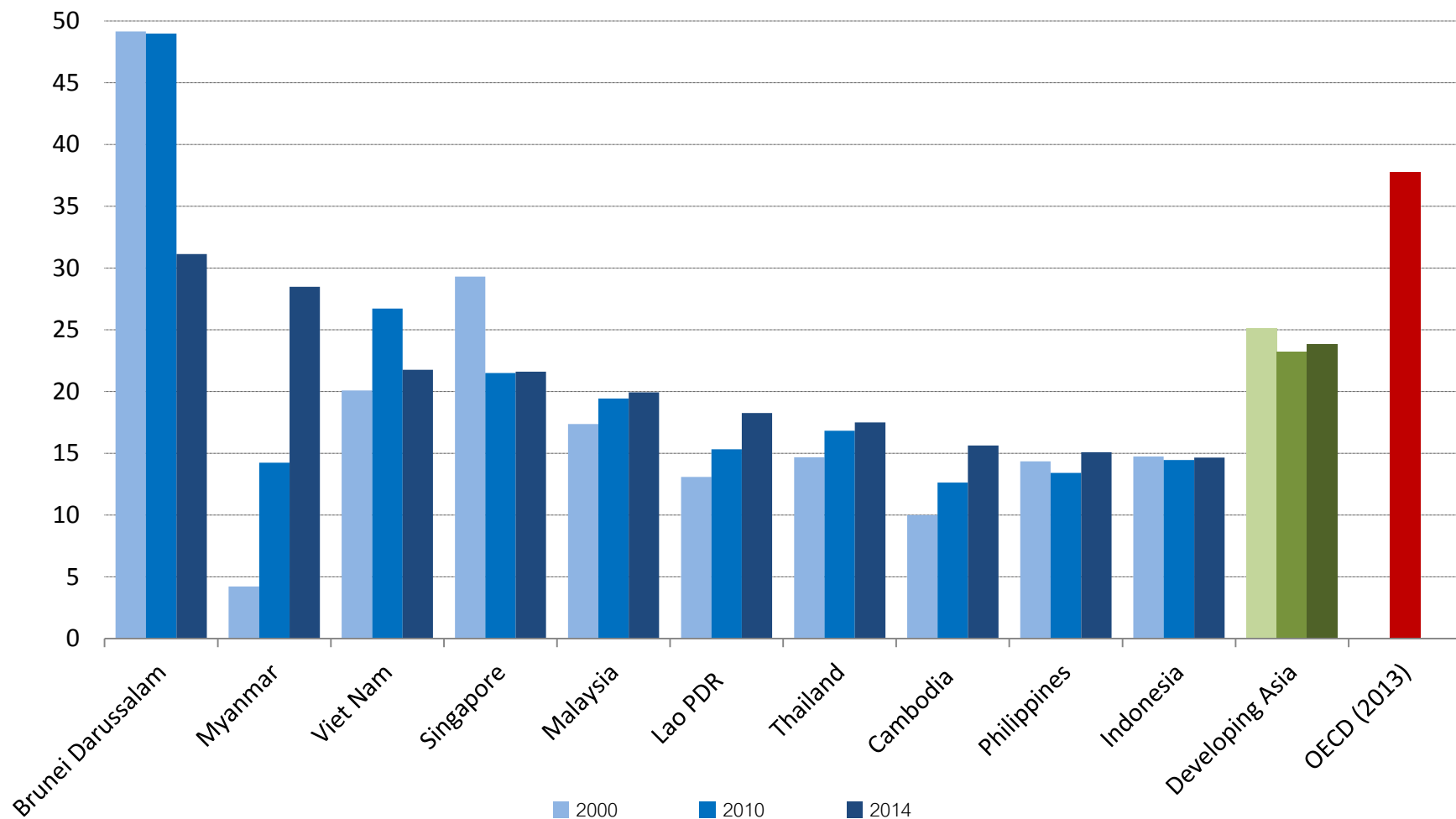
Total Government Expenditure (% of GDP)



Source: ADB Key Indicators for Asia and the Pacific; IMF; OECD.

Data for central government, except Viet Nam (includes local government expenses) and OECD (all levels of government).

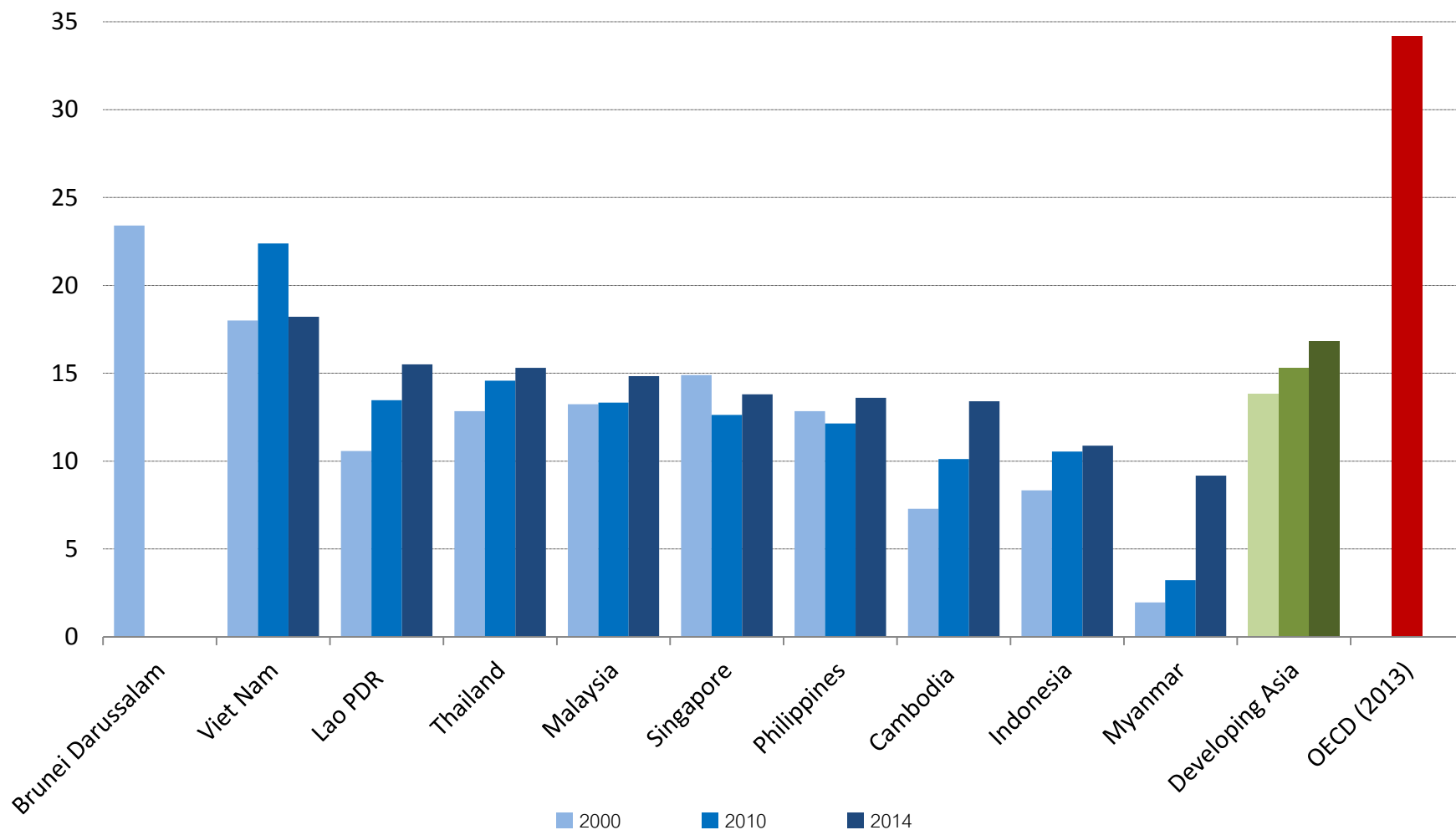
Total Government Revenue (% of GDP)



Source: ADB Key Indicators for Asia and the Pacific; IMF (Singapore); OECD.

Data for central government, except Viet Nam (includes local taxes) and OECD (all levels of government).

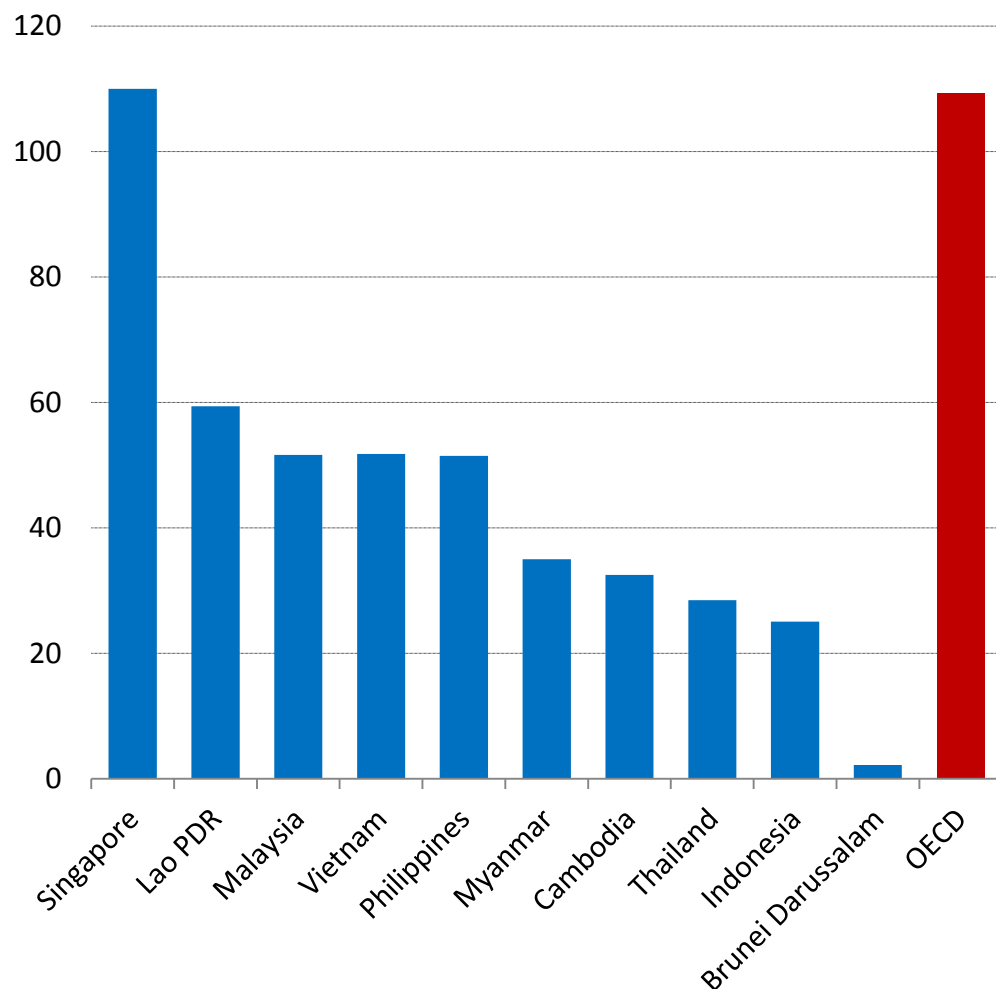
Tax Revenue (% of GDP)



Source: ADB Key Indicators for Asia and the Pacific; OECD.

Data for central government, except Viet Nam (includes local taxes) and OECD (all levels of government).

Government Debt (% of GDP)



A history of fiscal **prudence** has endowed much of the region with seemingly adequate fiscal space.

Source: IMF; OECD; World Bank.
Data for 2012/2013.

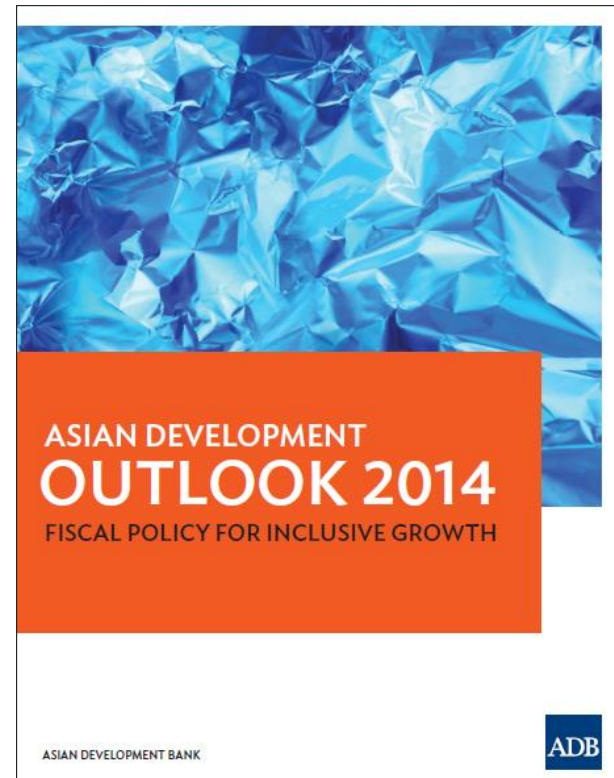
The background of the slide features a horizontal band of abstract, colorful bubbles in shades of green, yellow, red, and blue, set against a dark background. A solid blue banner is positioned across the middle of the slide, containing the title text in white.

Fiscal Policy for Inclusive Growth

Inclusive Growth

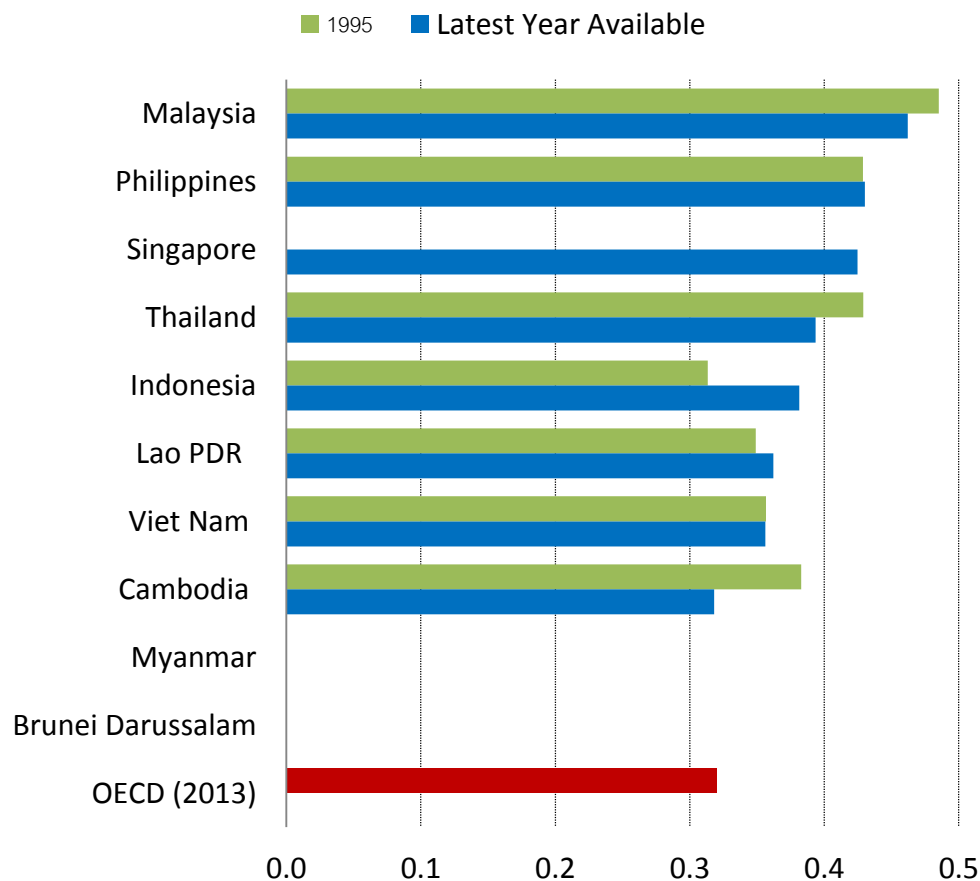
Growth based on equality of opportunity

“...growth is inclusive when it allows all members of society to participate in it, contribute to it, and benefit from it on an equal basis, regardless of individual circumstances.”



Inequality

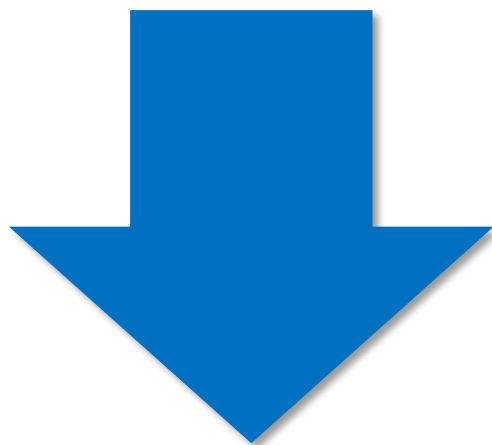
Gini Coefficient (Income Inequality)



For countries with high income inequality, economic **growth** translates less successfully into higher **incomes** for the poor.

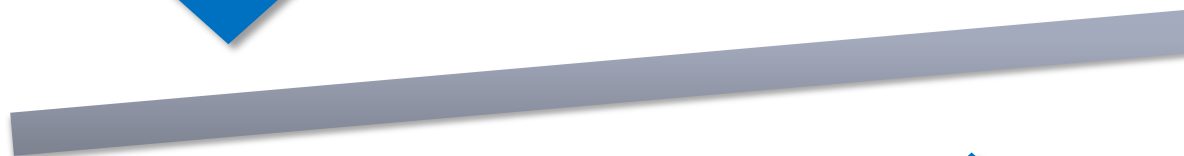
Source: ADB Key Indicators for Asia and the Pacific; OECD.
A rising Gini coefficient indicates worsening income inequality.

Policy Options for Inclusive Growth



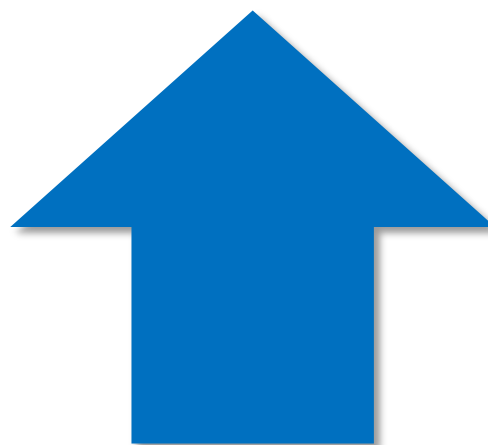
Pro poor public spending

- Education
- Health
- Social protection, transfers

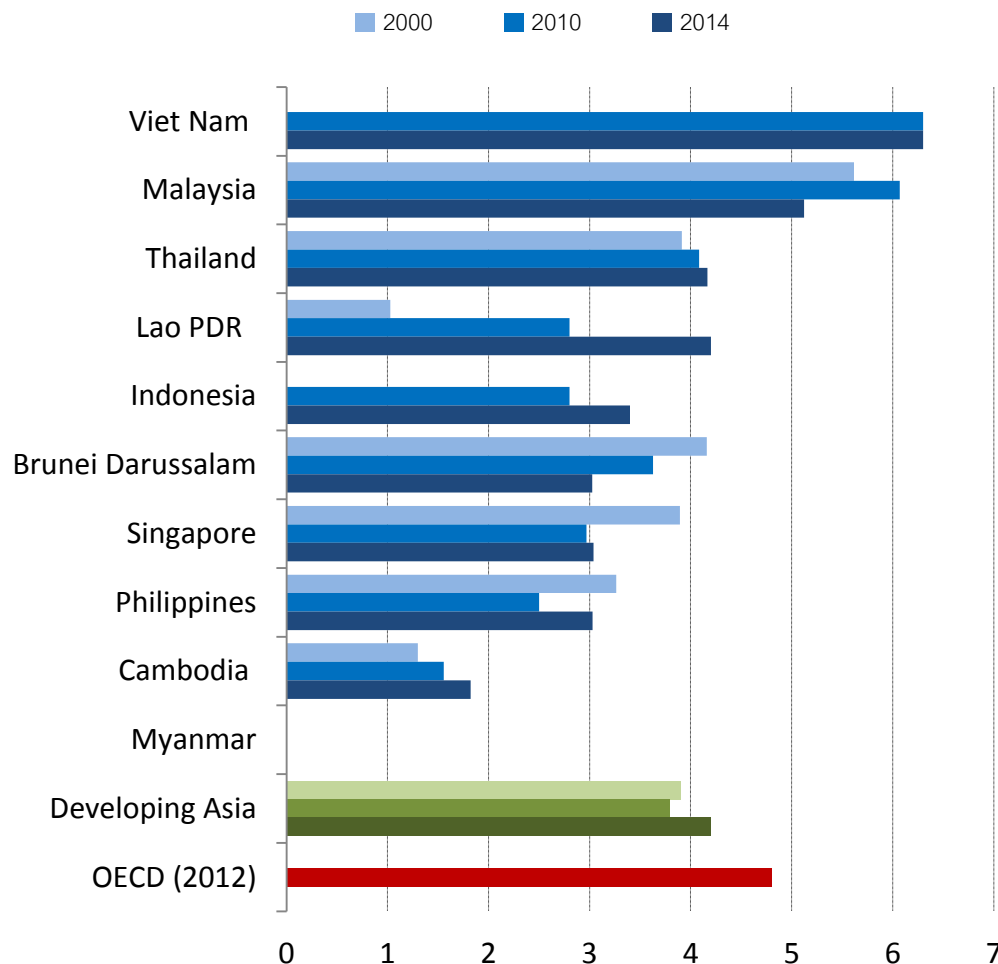


Progressive tax revenue

- Personal income tax
- Use proceeds of goods and services tax (VAT)
- Taxes on property, capital gains
- Corrective or “sin” taxes

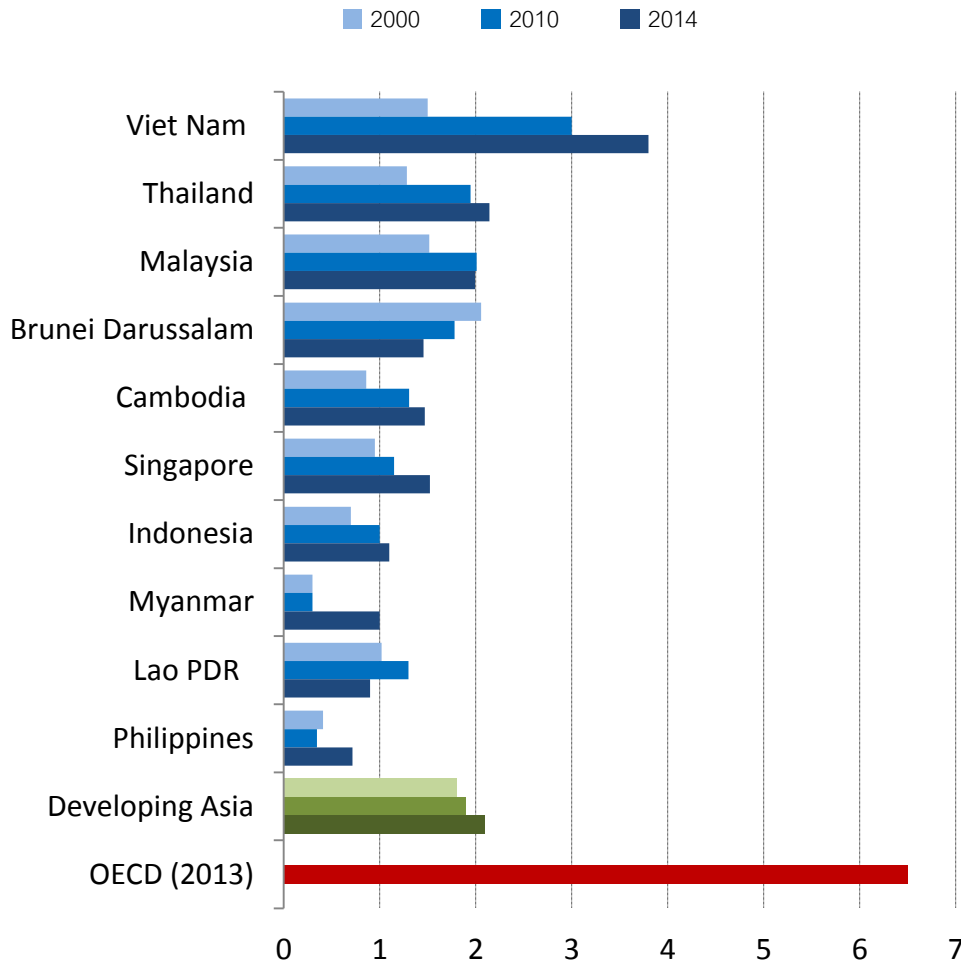


Education Spending (% of GDP)



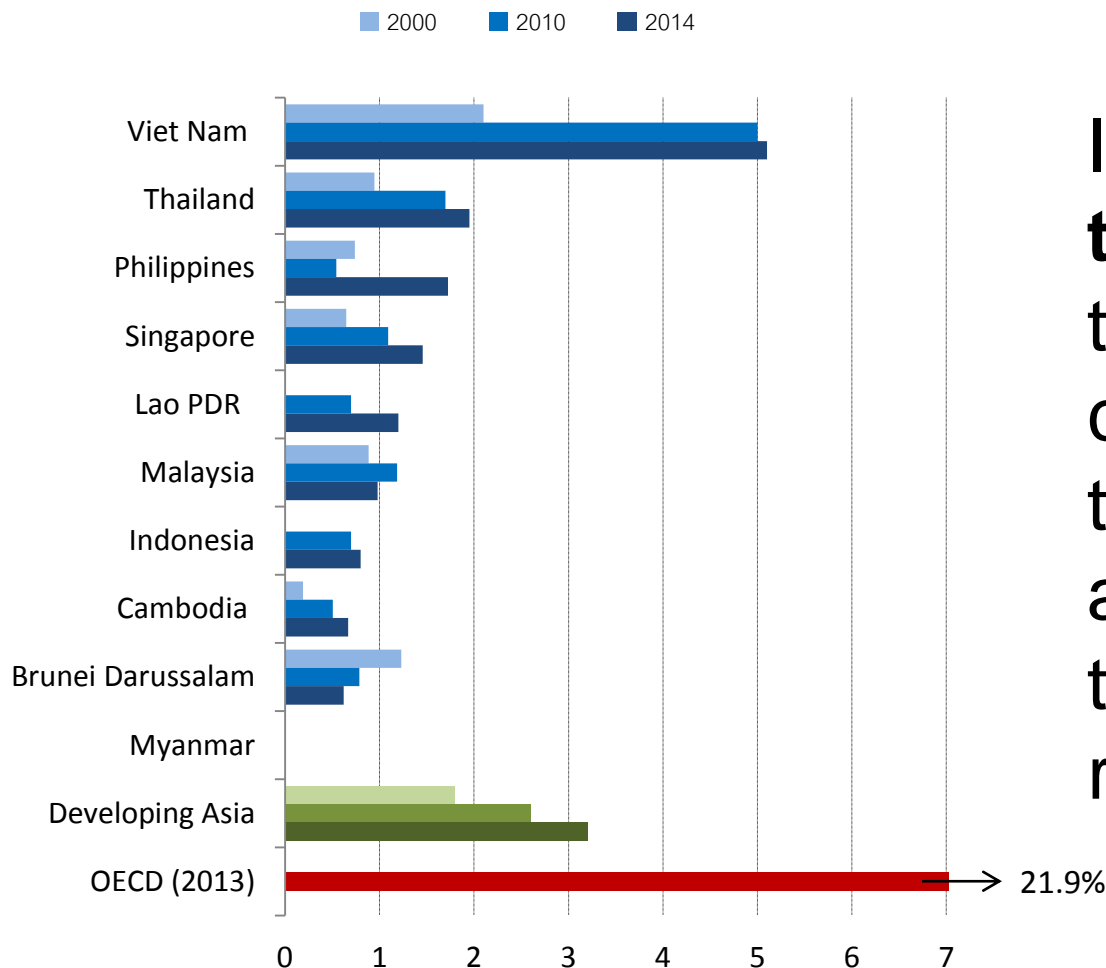
Rising educational investments aim for better educated **workers** that are more likely to find a job and command higher wages.

Health Spending (% of GDP)



Aging populations will have greater needs for health services, which will require higher public health-care spending.

Spending on Social Protection (% of GDP)



Ineffective **targeting** limits the redistributive capacity of social transfer programs and how much of the spending reaches the poor.

A decorative banner at the top of the slide features a close-up of colorful bubbles in shades of green, yellow, and red. Below this banner is a solid blue horizontal bar that serves as a background for the 'Thank you' text.

Thank you