



BANK OF THAILAND NEWS

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Clarification of value added tax in April 2000 economic data release

Referring to the press release on Economic and Monetary Conditions in April 2000 of the Bank of Thailand which released the data on value added tax, the Bank of Thailand wishes to give the following explanation regarding the compilation of such a series.

The series of value added tax receipt released was compiled with the following adjustments:

1. The series used was value added tax receipt, not on the basis of collection by the Revenue Department, but on the basis of remittance to the Ministry of Finance.
2. The effect of prices was adjusted by deflating the series with Consumer Price Index (CPI) to give a constant price series.
3. The series was adjusted for valued added tax receipt from capital goods imports.
4. Estimates were made for some components which were not then available.

In addition, the comparison of the valued added tax receipt of April 2000 and April 1999 was complicated by the change in the tax base for value added tax, as the VAT rate was adjusted from 10% to 7% in April 1999. As a result of this, VAT receipt on import in April 1999 reflected the tax rate of 7%, while the VAT receipt from domestic collection sources was actually the VAT of the month of March 1999 which was already at 10%.

In order to avoid misunderstanding, the Bank of Thailand's releases will in the future be replaced by the value added tax receipt on the collection basis of the Ministry of Finance as attached.

Bank of Thailand

1 June 2000

[attachment](#)