Review of: "Sectoral GDP and Tax Revenue: a Panel Data Analysis"

Filippo Luigi Giambrpne[1]

1 University of Sannio

Potential competing interests: No potential competing interests to declare.

The manuscript titled "Sectoral GDP and Tax Revenue: a Panel Data Analysis" offers a rigorous and insightful exploration into the interplay between sector-specific Gross Domestic Product (GDP) and tax revenue in the Indonesian context. Below is a technical assessment of its key strengths and contributions:

Sectoral Economic Analysis: The manuscript successfully delineates the impact of various economic sectors on tax revenue, encompassing industries such as mining, agriculture, and finance. This comprehensive sectoral scrutiny is pivotal for elucidating how different sectors augment or diminish the overall tax base, a vital element for cogent fiscal planning and policy development.

Extensive Data Utilization: The deployment of a dataset encompassing 34 Indonesian provinces fortifies the analysis. This expansive data set ensures a more precise and representative delineation of the sectoral influences on tax revenue, enhancing the study's empirical validity.

Methodological Robustness: Employing panel data analysis represents a methodologically sound choice, enabling a nuanced interpretation of data across both time and diverse economic sectors. This is particularly salient in economic studies where annual fluctuations can significantly sway data interpretation. The authors' adept control of extraneous variables in their analysis bolsters the reliability and generalizability of their conclusions.

Policy Relevance: The manuscript's implications for tax policy, particularly within a developing economy such as Indonesia, are noteworthy. The elucidated correlation between sectoral GDP and tax revenue is instrumental for the Directorate General of Taxes (DGT) in refining tax revenue collection strategies and forecasting future revenue streams.

Academic Value: The study bridges a gap in economic research, particularly in the context of developing economies. By providing empirical evidence from the Indonesian economic milieu — often underrepresented in global economic discourse — it contributes significantly to the understanding of economic sector dynamics and their fiscal ramifications.

Technical Taxation Terminology: The authors' application of specialized taxation terminology lends the study an enhanced degree of professionalism and precision. Such technical accuracy is crucial in scholarly research to ensure effective communication of findings to an audience proficient in economic and tax-related discourse.

Directions for Future Research: While comprehensive, the study paves the way for further inquiry. Subsequent research might undertake comparative analyses with other nations, probe deeper into sectors negatively affecting tax revenue, or investigate the role of the informal economy in tax revenue dynamics. Such endeavors could yield deeper insights into the complex nexus between sectoral economic performance and tax efficiency.

Conclusion: In summary, this manuscript constitutes a significant scholarly contribution, merging methodological exactitude with practical applicability. Its insights hold substantial value not only for Indonesian tax policy but also for the broader academic community focused on fiscal studies in developing economies. The study's all-encompassing approach, methodological integrity, and practical implications render it a commendable work in the realms of economic and tax research.