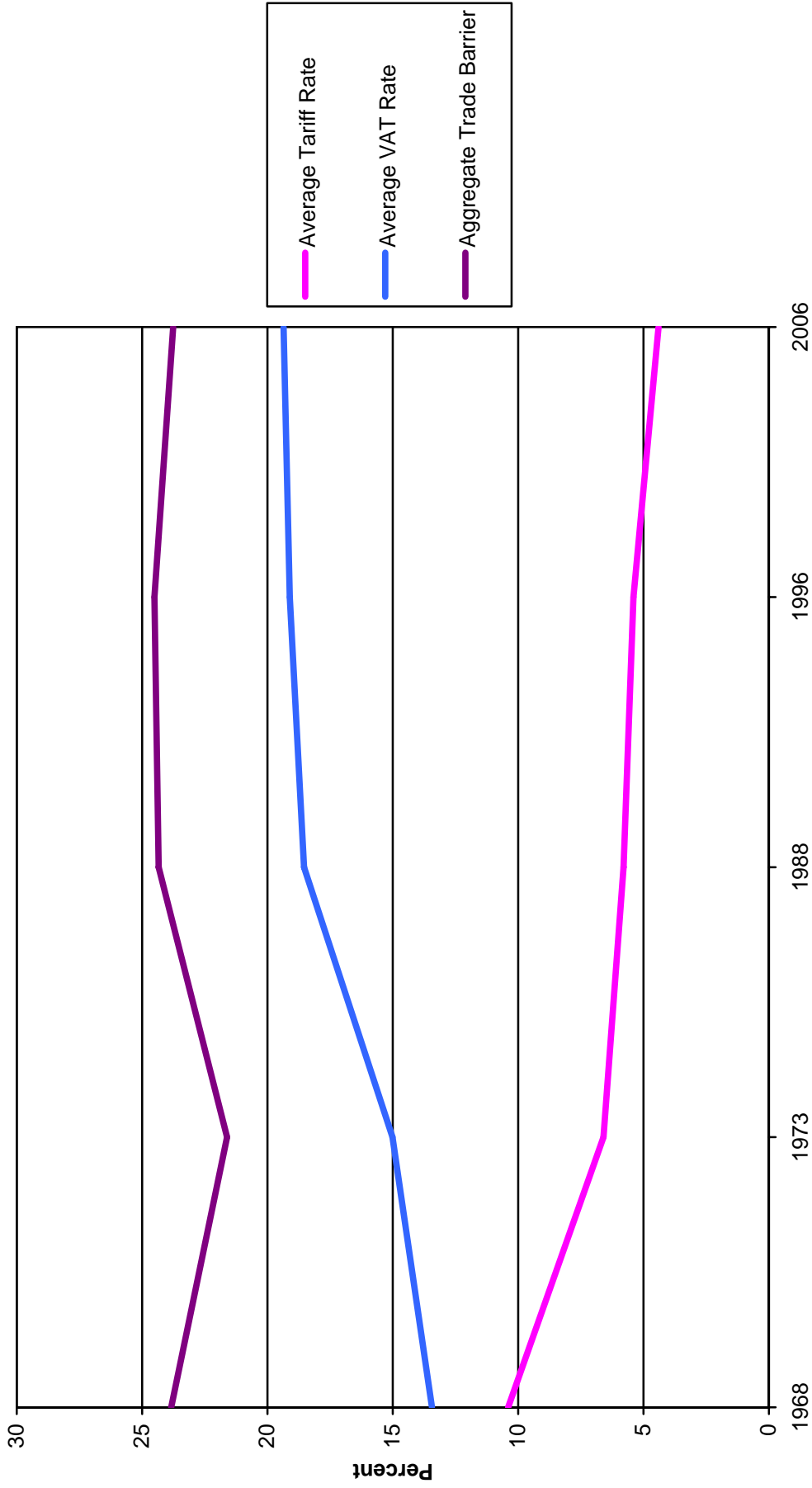


## VAT Rates and Tariff Rates in Europe, 1968 – 2006



**Sources:** Simple averages of MFN tariff rates on industrial products applied by EU countries are from the OECD and UNCTAD. For 2006, the latest available tariff rate from UNCTAD, for 2003, is assumed to remain constant. Simple averages of standard VAT rates of EU members with a VAT in effect are from the European Commission. Aggregate trade barrier is the sum of the average tariff rate and the average VAT rate for each year examined. Further details on the next page.

## VAT Rates and Tariff Rates in Europe, 1968 – 2006, cont.

	1968	1973	1988	1996	2006
<b>EU 25 Countries with VAT</b>	3	11	15	24	25
<b>Average Tariff Rate</b>	10.4%	6.6%	5.8%	5.4%	4.4%
<b>Average VAT Rate</b>	13.44%	15.01%	18.54%	19.11%	19.36%
<b>Aggregate Trade Barrier</b>	23.84%	21.61%	24.34%	24.51%	23.76%

### **Sources:**

EU 25 Countries with VAT: Figure is based on the year of VAT adoption for each of the EU 25 countries. Source is Richard M. Bird and Pierre-Pascal Gendron, *VAT Revisited: A New Look at the Value Added Tax in Developing and Transitional Countries*, USAID (2005) at pp. 167 – 169. Note that countries may have had another form of indirect tax in effect before adopting the VAT.

Average Tariff Rate: For 1968 and 1973, the figures are simple average MFN tariff rates on industrial products applied by EU countries. Source is Peter Hoeller, Nathalie Girouard and Alessandra Clecchia, *The European Union's Trade Policies and Their Economic Effects*, OECD Economics Department Working Papers No. 194, OECD ECO/WKP(98)7 (1998) at 22. For 1988, 1996 and 2006, the figures are simple average MFN tariff rates applied by EU countries on imports of non-agricultural and non-fuel products. Source is the UNCTAD Handbook of Statistics, available on-line at <http://stats.unctad.org/Handbook/TableViewer/tableView.aspx>. The latest available tariff rate is for 2003, which is assumed to remain constant here for the 2006 year.

Average VAT Rate: The figures are simple averages of standard VAT rates in effect in EU countries in the relevant year. Source is the European Commission, *VAT Rates Applied in the Member States of the European Community*, DOC/1829/2006 (Sept. 1, 2006), available on-line at <http://stats.unctad.org/Handbook/TableViewer/tableView.aspx>.

Aggregate Trade Barrier: Equals the sum of the average tariff rate and the average VAT rate.