

Exploring the impact of VAT reduction for good and services consumption expenditures

Ledia Thomo

Institute of Statistics of Albania

Abstract

The well-being of people is the priority on the agenda of every country together with the economic growth but more over under the current difficult economic situation due to natural and pandemic adversities. The example of the recent pandemic situation due to coronavirus, after the crisis of 2009, reconfirmed that the economy and the people are vulnerable to the effects of crisis. Lower employment, lower wages, higher inflation and increase of poverty are some of the effects of the crisis that need to be addressed from the policy makers. The study will use the data from household budget survey to construct a line of relative poverty based on the consumption expenditures and measure the development of the indicator during 2007-2017. The aim of this manuscript is to measure the effect of applying a VAT reduction in food consumption parallel with other countries, in a simulated situation towards reduction of poverty.

Keywords: Consumption expenditures, consumer price index, relative poverty, food consumption, VAT.

Full Text: [PDF](#)



This work is licensed under [Creative Commons Attribution 3.0 License](https://creativecommons.org/licenses/by/3.0/).

Academic Journal of Business, Administration, Law and Social Sciences ISSN 2410-3918 (print)

ISSN 2410-8693 (online)

Copyright © IIPCCCL-International Institute for Private, Commercial and Competition law