



Leveraging VAT data for (trade) policy

OECD Global Forum on VAT

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Changing landscape of trade (may) require changes in policy

- Changes in e-commerce and digital sales
- Rising risks to global supply chains
 - Climate shocks – floods and wildfires
 - Tariffs
 - Geopolitical risks



A pressing data gap

- We would like to enact evidence-based policy
- Data availability means we don't observe
 - how firms are connected
 - how they may substitute inputs to changes in policy
 - how exposed they are to risks in production networks and
 - how they influence each other through these relationships.



VAT data can be leveraged to enact better policies

- Many OECD and EU countries collect VAT at invoice level
- These data allows us to map these firm-to-firm connections
- The connections allow us to quantify:
 - Spillovers of foreign shocks to the domestic network
 - Transmission of knowledge between firms

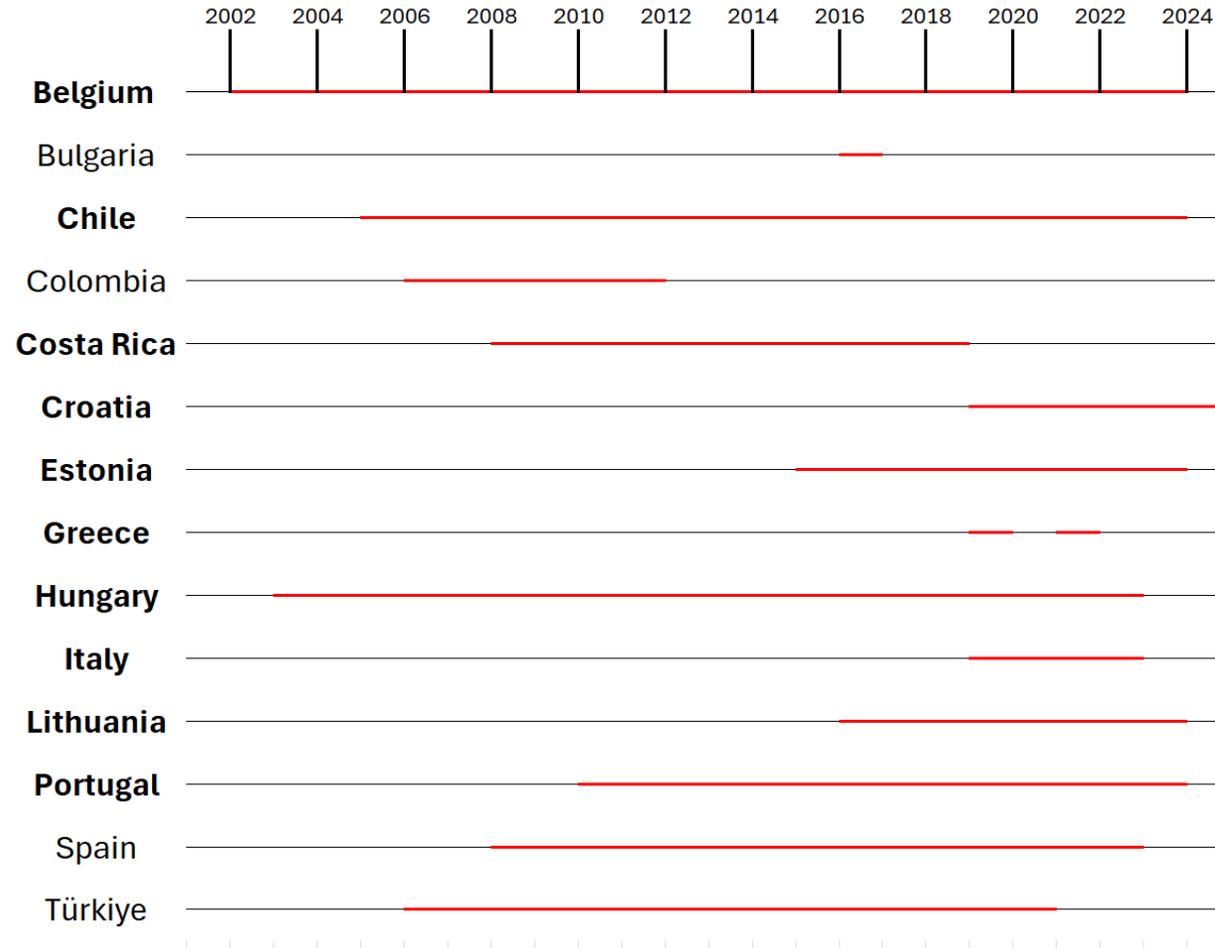


How is the OECD using VAT data?

- The OECD and DG Grow launched LIFT (leveraging inter-firm transactions) in the beginning of 2025
- The aim is to leverage VAT data for better policy.
- The policy space is the real economy:
 - Supply chains and economic resilience
 - Productivity
 - Industrial Policy



LIFT network





VAT data is invaluable for tax administration as well

- Evaluation of tax policies.
- Fraud detection
- Can be combined with complimentary data
 - Customs data
 - Balance sheet data



Committee on
**Industry, Innovation
and Entrepreneurship**

Thank you!

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[LIFT Website](#)

