2026 DINA UPDATE FOR SOUTH AND SOUTH EAST ASIA

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Technical Note for the 2026 Update of South and South East Asia

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1 Overview

This note documents the 2026 update of the distributional series for South and South East Asia on WID.world, covering pretax national income for Afghanistan, Bangladesh, Brunei Darussalam, Bhutan, Indonesia, India, Cambodia, Laos, Sri Lanka, Myanmar, Maldives, Malaysia, Nepal, Papua New Guinea, Philippines, Pakistan, Singapore, Thailand, Timor-Leste, and Vietnam. The series now run to 2025.

There are two changes from last year's series. First, we update India's 2021 and 2022 series using proper tax and survey data. Second, we make the Malaysia series consistent after 2016 using the pretax national income concept. These changes are described in detail below, though they do not substantially alter the distributional trends. No new benchmark data were added to the series this year, so 2025 is an extrapolation: the bracket shares from 2024 are held constant, and averages and thresholds are scaled to 2025 national income. All values are in nominal local currency. The macro totals used throughout are those from the WID macro update of July 2026.

For every year with a full distribution, the delivered files contain the 127 generalized percentiles, together with all top groups (pX–p100), all bottom groups (p0–pX), and the middle 40% (p50–p90), each with its share, average, and threshold. All groups are computed from the 127 brackets.

2 India

India's income inequality series comes from three published papers:

- Bharti et al. (2026): This paper provides a complete series for 1922–2022, incorporating the series from the two earlier papers described below, so there is no need to return to the older papers. Its main contribution is to follow the earlier work and extend the income inequality series to 2022, adding eight more years of data from 2014 onwards.

  - Banerjee & Piketty (2005): This paper estimates top income shares (top 1%, top 0.1%, top 0.01%, etc.) for India using tax tabulations from 1922–2000.

  - Chancel & Piketty (2019): This paper extends the series to 2017, though the estimates for 2015–17 are less reliable due to the lack of surveys. It also uses surveys to provide the full distribution from 1950 onwards.

- After 2022, the series is a simple extrapolation. The extrapolation keeps the distributional characteristics unchanged while scaling all thresholds and averages to make them consistent with national-level macro indicators, such as net national income per capita.

A summary of the datasets and methods is provided below, though readers are encouraged to consult the paper for details.

- **Tax Data**: Income tax return tabulations come from here. The latest financial year for which data are available is 2022–23, released in July 2024 and used in Bharti et al. (2026). No new tax tabulations have been released since then. Three things should be kept in mind when using the tax data:

  - Use both "individuals" and "Hindu Undivided Families (HUFs)" as the relevant tax units, combining them at the income tax bracket level.

  - Use the adult (20+) population to define the fractiles (ranks) corresponding to the income thresholds in the tax data, based on the number of returns in each bracket.

  - Use generalized Pareto interpolation techniques, developed in Blanchet et al. (2022), to extract a smooth distribution of top income earners from the tax tabulations.

- **Surveys**: Multiple representative surveys are used, given the lack of proper income surveys in India. Bharti et al. (2026) uses different combinations of surveys for robustness checks, but the baseline estimates use the following surveys and adjust-

ments:

  - PLFS annual surveys (since 2017): These are primarily labour force surveys, but they also collect information on households' "usual" consumption expenditure. However, this information is limited, as it is collected through only five or six questions.

  - Consumption Expenditure Surveys (CES): These are more comprehensive consumption surveys, covering around 200 consumption items, and have been published since the 1950s. In recent years, however, they have become irregular. The latest round was conducted in 2022, after a gap of a decade.

  - Re-scale PLFS consumption to CES consumption separately for rural and urban areas at each percentile, to make PLFS consumption more comparable with CES.

  - Consumption-income scaling: This ratio comes from another nationally representative survey, the India Human Development Survey (IHDS) 2011, which captures both consumption and income. This is a panel survey conducted in 2005 and 2011. The latest round was conducted in 2023–24, though the data are not yet public. They are expected to become available in a year or so. We use the 2011 scaling ratio over a very long period, going back to 1950 and continuing until 2022–23, which is one of the major limitations. In the next year or so, it would be useful to incorporate the latest round.

- **Combining Tax and Survey Data**: Starting from 2015, take the growth rates for each percentile from the tax and survey data. For all percentiles below p2, apply the growth rates from surveys; for all percentiles above p2, apply the growth rates from tax data. This ensures consistency with Chancel & Piketty (2019). In 2015, p2 = 0.92; by 2022, this was adjusted downwards to p2 = 0.90.

- **Anchoring to National Income**: Anchor the resulting distribution to national income aggregates.

3 Malaysia

The series is based on two papers:

- Khalid & Yang (2021): This paper provides income inequality estimates for 1984–2014 and follows the full DINA approach.

- Khalid & Rosli (2025): This paper provides three additional data points, for 2016, 2019, and 2022. It uses tax and survey datasets but, unlike the previous paper, does not distribute undistributed profits. The estimates are therefore scaled up using a ratio from the Khalid & Yang (2021).

  To make the newer fiscal income estimates consistent with the pretax national income concept, we use 2014 as the calibration year, for which both distributions are available. The adjustment is made separately for each of the 127 generalized percentile brackets, rather than applying a single scaling factor to the entire distribution. First, we divide each bracket's average income by the overall mean under the respective income concept. We then calculate the ratio of relative pretax national income to relative fiscal income:

$$R_p = \frac{a^{PT}_{p,2014}/\bar{y}^{PT}_{2014}}{a^{F}_{p,2014}/\bar{y}^{F}_{2014}},$$

  where a_p denotes the average income of bracket p, $\bar{y}$ denotes the overall mean, and PT and F refer to pretax national income and fiscal income, respectively. This ratio captures how the difference between the two income concepts varies across the distribution. We smooth the log of this ratio across percentile ranks using LOWESS, with a transformation of ranks that allows greater detail at the top of the distribution.

  For each subsequent year, we apply the smoothed ratios to the relative bracket incomes obtained from the newer fiscal income distribution. The resulting distribution is normalized to have a population-weighted mean of one. We also ensure that bracket averages are non-decreasing across percentile ranks. The main assumption

is that the percentile-specific relationship between fiscal income and pretax national income observed in 2014 remains applicable in later years.

The converted relative incomes are then multiplied by the corresponding year's national income per adult to obtain bracket averages in nominal local currency. Bracket shares are calculated from these relative incomes and the population weight of each bracket. Thresholds are adjusted using the threshold-to-average ratios in the newer input data, with additional restrictions to keep thresholds ordered and consistent with bracket averages.

- The series for years between the available data points are interpolated, while later years are extrapolated.

4 Thailand

Jenmana (2018) combines household surveys, fiscal data, and national accounts to create a consistent inequality series for 2001–2016. Later work by Jenmana (2025, unpublished) extends the series to 2021. For subsequent years, the series is extrapolated, keeping the distribution unchanged.

5 Other Countries

For the remaining countries, no new data points have been added. The series are simple extrapolations from the previous year.

6 Summary of the 2025 estimates

The following table presents the headline income inequality shares, with countries ordered by their top 1% income share in decreasing order. India has the highest top 1% income share among the countries listed.

Table 1: Pretax national income shares in 2025 (%)

Country	Bottom 50%	Middle 40%	Top 10%	Top 1%
India	15.1	27.4	57.5	23.3
Sri Lanka	15.7	36.2	48.1	20.1
Thailand	11.1	36.8	52.1	19.7
Laos	14.2	38.2	47.6	19.4
Cambodia	14.2	40.6	45.2	18.1
Indonesia	13.7	40.1	46.2	17.6
Myanmar	17.8	40.2	42.1	16.3
Philippines	15.9	39.5	44.6	16.3
Pakistan	19.4	38.9	41.7	16.2
Papua New Guinea	13.7	40.4	45.8	16.2
Bangladesh	19.0	39.6	41.4	15.8
Vietnam	15.8	41.1	43.2	15.5
Timor-Leste	18.7	41.1	40.2	14.9
Afghanistan	19.9	40.1	39.9	14.7
Malaysia	20.0	42.7	37.3	14.0
Singapore	18.5	36.3	45.3	13.9
Bhutan	16.5	42.1	41.4	13.8
Nepal	18.5	40.9	40.6	13.4
Maldives	19.9	41.5	38.6	12.8
Brunei Darussalam	21.6	42.8	35.6	12.8

Source: WID.world, 2026 update. Shares of pretax national income among adults. Countries are ranked by the top 1% share in descending order, using unrounded values. The middle 40% corresponds to p50–p90. The top 1% is included within the top 10%. Figures may not sum to 100% due to rounding.

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