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Gulay Gunluk-Senesen and Umit Senesen

**Impacts of Taxes on Oil Use:
a Retrospective Analysis for Turkey**

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Editors

Erik Dietzenbacher

Faculty of Economics and Business
University of Groningen
PO Box 800
9700 AV Groningen
The Netherlands

h.w.a.dietzenbacher@rug.nl

Bent Thage

Statistics Denmark
Sejrøgade 11
2100 Copenhagen Ø
Denmark

bth@dst.dk

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Author(s): Gulay Gunluk-Senesen and Umit Senesen

Title:
Impacts of Taxes on Oil Use: a Retrospective Analysis for Turkey

Abstract:

Findings with our I-O model decomposing import demand generation revealed that petroleum products sector was a far outlier as the domestic destination sector and raw petroleum was significant as the origin sector in the Turkish economy during 1973-1996. Furthermore findings with our similar model incorporating relative price effects indicated that petroleum products were leading in price increases in the same era. These exercises were carried with data in producers' prices. A similar work in basic prices for 1998 however found that Turkey's dependence on oil imports was significant, but not outstanding. We attribute this controversy to net indirect taxes. We develop a methodology which defines the discrepancies between technical coefficients based on data in basic prices and in producers' prices in terms of net taxes incurred during interindustrial transactions. We find that data in basic prices lead to larger import generation coefficients and dependency on oil imports is underestimated with data in producer's prices.

Keywords: Taxes, oil use, Turkey

Archives: Methods and mathematics, Energy studies

Correspondence address:

Gulay Gunluk-Senesen
İstanbul Üniversitesi
Siyasal Bilgiler Fakültesi
Beyazıt 34116
İstanbul
Turkey

E-mail: gulaygs@istanbul.edu.tr

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