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Taxation in Sub-Saharan Africa--Statistical Analysis

Prepared by Vito Tanzi 1/

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I. Introduction

The purpose of this present paper is to provide a general statistical framework for assessing the tax systems of the sub-Saharan African countries. The paper will not analyze the administrative and/or political reasons why the countries of this region have the present revenue structures and levels; it will simply present the statistical results and attempt to link these results to some relevant economic characteristics. A companion study will provide the analytical assessment of the effective as well as the statutory tax systems and will try to pinpoint the significant weaknesses and/or strengths of those systems. 2/

At the beginning a word of warning is in order. As this survey covers a large number of very diverse countries, and as the amount of time that the author could allocate to this study was limited, by necessity the statistical information which is provided was derived from sources immediately available within the Fund. Although the sources available in this institution are quite extensive, and possibly greater than those available in any other institution, they may still not be sufficient for a country-by-country analysis. Although care has been taken to avoid mistakes, either of fact or of classification, there is no certainty that these mistakes have been avoided in all instances. Another limitation is that, in many countries, the most recent year for which data were available was 1978 or even 1977. This implies that if the tax systems of some countries have experienced drastic recent changes, these would not be reflected by the data.

This study deals with more than 30 countries ranging in size, population, and gross domestic product (GDP), from very large to very small (see Tables 1 and 2). In terms of surface area, they range from a country as large as Sudan, with more than 2 1/2 million square kilometers, to one as small as Seychelles with only 278 square kilometers. In population they range from 74.6 million people for Nigeria to 60,000

1/ The tables in this study were prepared by Sahar El-Damati and Chris Wu under the supervision of Jitendra Modi. I am very grateful to all of them.

2/ Carlos A. Aguirre, Peter Griffith, and Zühtü Yücelik, "Tax Policy and Administration in Sub-Saharan Africa," DM/81/20.

Table 1. Selected Countries of Sub-Saharan Africa: Surface Area, Population, Per Capita Incomes, and "Openness" (Imports/GDP) Ratios

Country	Surface Area (Km ²)	Population (in millions)		Per Capita Income		Openness of the Economy							
		1972	1979	Year		Commencing Year		Ending Year		Ratio			
				Amount	SDR	Imports	National	Currency	Imports		GDP		
												Year	Ratio
Benin	112,622	2.87	3.47	1979	219	1970	17	68	25.71	1977	60	148	40.64
Botswana	600,372	0.59	0.79	1979	405	1971	59	78	75.31	1978	293	341	86.06
Burundi	27,834	3.74	4.38	1977	115	1973	249	24,100	10.35	1975	4,855	32,400	14.99
Cameroon	475,442	7.06	8.25	1977/78	410	1974	104,830	492,600	21.28	1977	192,400	790,900	24.33
Central African Republic	622,984	1.68	1.87	1978	177	1969	9,766	55,900	17.47	1975	14,614	102,700	14.23
Chad	1,284,000	3.79	4.42	1978	172	1972	15,675	93,600	16.75	1976	28,111	155,500	18.08
Congo	342,000	1.26	1.50	1978	498	1970	16,636	71,600	23.23	1975	368,378	165,000	22.05
Ethiopia	1,221,900	25.28	30.42	1976/77	96	1972	435	4,744	9.18	1978	729	6,004	12.15
Gambia, The	11,295	0.49	0.58	1978/79	206	1972	49	108	45.52	1978	209	216	96.85
Ghana	238,537	9.09	11.32	1976	372	1972	393	2,815	13.97	1976	969	6,526	14.85
Ivory Coast	322,462	5.86	7.92	1979	900	1973	157,520	566,200	27.28	1978	522,500	1,740,600	30.02
Kenya	582,646	12.07	15.32	1979	267	1972	3,957	14,447	27.39	1978	13,225	41,163	32.12
Lesotho	30,355	1.11	1.31	1977	210	1970	2	49	4.66	1975	11	90	12.94
Liberia	111,369	1.42	1.80	1978	308	1974	288	507	56.87	1978	480	743	64.66
Malawi	118,484	4.67	5.82	1979	130	1972	102	359	28.66	1978	284	887	32.07
Mali	1,240,000	5.26	6.47	1978	105	1973	47,020	184,100	25.54	1975	75,410	259,000	29.12
Mauritius	4,090	0.83	0.91	1978	750	1973	915	1,852	49.45	1978	3,076	5,522	55.71
Nigeria	923,768	59.85	74.60	1978	447	1972	990	7,703	12.85	1977	7,159	27,924	25.64
Rwanda	26,328	3.90	4.65	1979	150	1973	2,819	24,400	11.55	1977	11,405	71,600	15.93
Senegal	196,722	4.55	5.52	1978/79	300	1975	124,620	406,400	30.66	1977	187,550	487,500	38.47
Seychelles	278	0.06	0.06	1977	882	1972	111	138	80.92	1977	349	460	75.98
Sierra Leone	71,740	2.83	3.38	1978/79	207	1974	188	477	39.43	1978	290	814	35.70
Somalia	637,657	2.94	3.54	1979	145	1972	524	1,500	34.94	1975	973	2,000	48.69
Sudan	2,505,813	14.81	17.89	1978/79	356	1972	123	832	14.79	1976	341	1,776	19.21
Swaziland	17,363	0.45	0.54	1976/77	540	1971	47	81	59.04	1977	194	272	71.49
Tanzania	945,087	14.00	17.05	1978	159	1972	2,882	11,172	25.80	1979	9,073	37,656	24.09
Togo	56,785	2.07	2.47	1978	236	1972	21,381	86,720	24.66	1976	44,420	133,830	33.19
Uganda	236,036	10.46	13.22	1978	280	1972	1,156	11,128	10.25	1977	3,483	64,304	5.54
Upper Volta	274,200	5.61	6.73	1978	103	1973	21,896	97,500	22.46	1977	515,357	168,100	30.55
Zaire	2,345,409	22.91	27.94	1978	168	1972	312	1,157	27.02	1977	522	3,051	17.13
Zambia	752,614	4.53	5.65	1978	406	1972	483	1,337	36.13	1978	584	2,250	25.86

Sources: UN Statistical Yearbook, 1978; 1979 World Bank Atlas; International Monetary Fund consultation reports and International Financial Statistics, 1980 Yearbook: imports at c.i.f. values and GDP at current market prices.

Table 2. Selected Countries of Sub-Saharan Africa:
Gross Domestic Product by Type of Economic Activity

(In percentages)

Country	Commencing Year (CY) and Ending Year (EY)	Surface Area (km ²)	Percentage of						Wholesale and Retail Trade	
			Agriculture		Manuf.	Ind.	Construction		CY	EY
			CY	EY	CY	EY	CY	EY		
Benin	1970 and 1977	112,622	42	38	--	--	3	3	16	23
Botswana	1971 and 1976	600,372	32	24	5	7	10	6	17	19
Burundi	...	27,834	...							
Cameroon	...	475,442	33		10		4		16	
Central African Republic	1967 and 1970	622,984	32	31	8	13	5	4	26	20
Chad	...	1,284,000	51	41	7	11	1	3	16	28
Congo	...	342,000								
Ethiopia	1970 and 1976	1,221,900	52	46	8	10	4	4	8	9
Gambia, The	...	11,295								
Ghana	1972 and 1974	238,537	47	51	11	11	4	5	12	13
Ivory Coast	1973 and 1977	322,462	28	23	14	12	6	7	17	--
Kenya	1972 and 1977	582,646	31	34	11	11	6	4	9	10
Lesotho	1970 and 1974	30,355	35	38	2	3	2	1	12	14
Liberia	1974 and 1977	111,369	14	14	7	8	4	6	9	10
Malawi	1972 and 1973	118,484	52	49	9	9	4	4	11	12
Mali	...	1,240,000								
Mauritius	...	4,090	27		15		6		9	
Nigeria	1970 and 1975	923,768	44	26	7	8	5	6	12	11
Rwanda	1974 and 1976	26,338	61	49	4	12	3	4	9	15
Senegal	1975	196,722	30		--		4		20	
Seychelles	1972 and 1976	278	28	38	8	7	3	3	13	12
Sierra Leone	...	71,740								
Somalia	...	637,657								
Sudan	1972 and 1974	2,505,813	38	39	9	9	3	4	16	16
Swaziland	1971 and 1973	17,363	34	32	14	26	3	3	7	11
Tanzania	...	945,087								
Togo	1972 and 1976	56,785	34	28	9	--	5	5	22	31
Uganda	...	236,036								
Upper Volta	1972 and 1974	274,200	44	42	10	10	4	5	15	15
Zaire	1972 and 1975	2,345,409	18	19	9	11	4	6	13	16
Zambia	1972 and 1977	752,614	13	16	14	16	7	9	11	11

Sources: UN Statistical Yearbook, 1978, pp. 68-69 and UN Yearbook of National Accounts Statistics, 1978, pp. 53-59.

for Seychelles. Even in terms of per capita GDP the variation is remarkable, as the group includes countries as poor as Ethiopia, with a reported yearly per capita income in the range of \$100, to countries such as Ivory Coast with per capita income of over \$900 a year.

Other differences are also considerable and inevitably affect the structure of the tax systems. For example, the share of agriculture in the total economy ranges from a low of about 15 per cent in Liberia and Zambia to a high of about 50 per cent in Ghana, Malawi, and Rwanda, among other countries. Manufacturing, too, varies considerably among these countries, with a share in GDP that ranges from about 3 per cent in Lesotho to 26 per cent in Swaziland. Another aspect of the economy which inevitably affects the tax system is its openness measured by the ratio of imports to GDP (see Table 1). These ratios vary from a low of about 5 per cent in Uganda to a high of more than 75 per cent in Botswana, Gambia and Seychelles.

The above characteristics of an economy affect the tax system in two ways: (a) through their influence on the demand for public goods and government services in general and (b) through their effect on tax bases; in other words, through the "tax handles" available to the respective governments. Therefore, there is a demand as well as a supply consideration related to the economic structure of these countries. On the one hand the structure of the economy affects the governments' demand for tax revenue and, consequently, the tax level; on the other hand it affects the composition of the tax structure by determining the types of taxes that are easiest to levy. An economy that is largely agricultural will have less demand (or need) for public services. By the same token, such an economy would normally provide less usable tax bases (unless the agricultural output is mostly exported) than a more urbanized economy, which relies substantially on imports and in which the manufacturing sector is large. Apart from these objective reasons, cultural and political differences are also likely to affect both the level and the structure of taxation. These differences, while important, are difficult to take into consideration in the type of analysis carried out in this paper.

II. Level of Taxation

The tax systems of the countries of the sub-Saharan region differ in many ways. One of these ways--the relationship of tax revenue to GDP--is discussed in this section. Subsequent sections deal with the composition of these tax systems. Table 3 shows that there is a considerable spread in the ratio of tax revenue to GDP (i.e., in the average tax rate). This ratio ranges from below 10 per cent in countries such as Chad, Ghana, and Uganda to well above 20 per cent in countries such as Botswana, the Congo, Gabon, Ivory Coast, Liberia, Nigeria,

Table 3. Selected Countries of Sub-Saharan Africa:
Tax Revenue as Percentage of GDP, 1973-78 ^{1/}

Country	1973	1974	1975	1976	1977	1978	Difference Over Period
Benin	13.33	12.03	13.06	15.81	15.58	14.55	+1.22
Botswana	22.65	26.21	23.99	15.10	22.61	25.89	+3.24
Burundi	10.62	10.76	9.24	11.20	15.44	...	+4.82
Cameroon	...	12.55	12.56	13.78	13.17	...	+0.62
Central African Republic	12.94	12.77	11.94	13.80	14.92	...	+1.98
Chad	11.45	10.76	8.97	8.25	8.14	...	-3.31
Congo	20.64	32.94	20.32	22.38	20.87	14.95	-5.69
Ethiopia	9.88	9.86	10.85	10.37	12.78	...	+2.90
Gabon	...	...	24.44	19.67	24.79	...	-0.35
Gambia, The	16.73	13.06	14.55	17.60	20.74	25.87	+9.14
Ghana	9.97	10.24	13.77	11.73	6.38	...	-3.59
Ivory Coast	22.03	20.22	21.16	21.16	18.33	18.72	-3.31
Kenya	13.83	15.67	16.54	15.73	14.86	19.36	+5.53
Lesotho	22.14	24.13	23.48	17.00	...	...	-5.14
Liberia	...	19.64	18.75	22.55	22.68	22.35	+2.71
Malawi	10.84	11.04	11.66	11.10	12.05	14.29	+3.45
Mali	11.52	11.75	10.71	11.59	13.37	...	+1.85
Mauritania	15.15	18.82	15.31	15.97	15.54	...	+0.39
Mauritius	16.90	13.68	17.47	23.09	21.93	20.09	+3.19
Niger	...	8.95	11.20	...	...	...	+2.25
Nigeria	18.00	20.82	20.60	19.88	22.16	...	+4.16
Rwanda	9.09	10.80	8.00	10.31	11.42	...	+2.33
Senegal	...	...	16.21	17.64	17.13	20.00	+3.79
Sierra Leone	...	17.29	14.61	13.45	14.71	18.10	+0.81
Seychelles	21.01	20.41	20.85	18.93	20.66	...	-0.35
Somalia	23.88	27.33	24.66	20.91	23.86	...	-0.02
Sudan	14.57	12.61	14.36	15.18	14.04	...	-0.53
Swaziland	23.49	26.33	35.15	19.12	27.31	...	+3.82
Tanzania	14.71	16.26	17.20	14.59	15.26	16.38	+1.67
Togo	11.98	11.93	25.43	26.02	25.04	...	+13.06
Uganda	9.21	7.56	8.84	8.35	6.59	10.08	+0.87
Upper Volta	11.14	12.19	12.58	13.84	14.55	...	+3.41
Zaire	25.70	28.22	21.22	16.58	22.35	...	-3.35
Zambia	21.26	29.09	24.63	20.02	22.13	21.67	+0.41

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980, and consultation reports.

^{1/} GDP data at current market prices.

Seychelles, Somalia, Swaziland and Zambia. In a few of these the ratio exceeded 25 per cent, quite a high level for developing countries.

While interesting, the mechanical relationship between tax revenue and GDP does not provide a satisfactory indication either of the adequacy of these revenues vis-à-vis the government's needs (i.e., vis-à-vis public expenditure) or of the level of taxation that the government could raise given the particular structure and characteristics of the economy at that particular time. In other words, from the knowledge that a given country's average tax ratio is, say, X, we can neither say that such a ratio is high or low, vis-à-vis the country's potential, nor that it is adequate vis-à-vis the country's expenditure need.

The two questions that might then be asked are the following: first, is there any way in which these average tax ratios can be compared among countries, taking into account their potential as reflected in their economic characteristics? Second, how do these ratios relate to the amount of expenditure in these countries? The first question relates to the issue of the potential available to a country and the extent to which this potential has been utilized. The second question relates to the need for revenues by particular countries regardless of the potential available.

Different approaches have been developed in the literature to answer the first question; all of these approaches suffer from various shortcomings which are too well-known to need elaboration in this study. The Fiscal Affairs Department of the International Monetary Fund has been interested in this question over the years and has developed a methodology which permits a comparison of tax burdens by developing an index for international tax comparisons. This index attempts to measure the extent to which countries are taking advantage of the possibilities available to them through the existence of various tax bases. The methodology followed in the most recent of these FAD papers ^{1/} has been applied to 34 countries of the region. This approach consists of correlating the ratio of actual tax revenue into GDP (T/Y) against per capita nonexport income ($Y_p - X_p$), the share of mining in GDP (N_y), and an export ratio excluding mineral exports (X_y). These variables are supposed to capture the relevant characteristics of the economies. ^{2/}

The application of this method to the set of countries under consideration provided interesting results. The R^2 was 0.54, which is

^{1/} Alan A. Tait, Wilfrid L. M. Gratz, and Barry J. Eichengreen, "International Comparisons of Taxation for Selected Developing Countries, 1972-76," International Monetary Fund, *Staff Papers*, Vol. 26 (March 1979).

^{2/} The theoretical justification for the choice of such variables is provided in Tait *et al.*, *op. cit.*

relatively high for this type of study, and the coefficient of the independent variables was highly significant except for per capita nonexport income. 1/ The derived equation is as follows:

$$T/Y = 11.1904 - 0.0024 (Y_p - X_p) + 0.2533 N_y + 0.4849 X_y$$
$$(8.2011) (1.5551) \quad (4.2229) \quad (5.8187)$$
$$\overline{R}^2 = 0.536$$

The equation indicates that the share of mining in GDP and the export ratio excluding mineral exports are the most significant determinants of the tax ratio. Per capita income plays no role. The results in Table 4 have been calculated using this equation. The table shows four columns: the first is the ratio of actual tax revenue to GDP, the second is the ratio predicted from the equation, the third is the International Tax Comparison (ITC) index derived by dividing the actual tax ratio by the predicted tax ratio, and the fourth gives the ranking. A country with an actual tax ratio equal to the one predicted by the equation will have an ITC index of 1. One with an actual ratio above the predicted will have an index greater than 1. According to these columns, the five countries which were exploiting their tax potential more fully were Togo, Somalia, Zambia, Benin, and Seychelles. In all of these the ITC index exceeded 1.24. In a relative sense, these countries could be considered to be heavily taxed. On the other hand, Uganda, Ghana, Chad, Malawi, and Sierra Leone could be considered countries with a relatively light tax burden as their ITC index was 0.80 or lower. The relative position of other countries can be obtained easily from the table.

Next, compare tax revenues with government expenditures. These results again must be used with caution as countries may have revenues other than those derived from taxes. For example, some of these countries receive substantial grants from other countries which allow them to maintain public expenditure above the amounts received from taxation. And others may have access to profits from marketing boards which due to lack of data could not be taken into account. However, keeping in mind this qualification, Table 5 is of interest. While in a few countries (Cameroon, Senegal, Swaziland, and Upper Volta) tax revenues were of the general order of magnitude as public expenditures, for other countries public expenditures far exceeded tax revenues; in some of these countries (Benin, Botswana, Chad to 1976, Congo, Gabon up to 1977, Gambia, Ghana, Malawi, Mauritania, Sudan, Tanzania, and Zaïre up to 1977) public expenditures were close to or over twice that of tax receipts. This divergence has implications for the balance of payments, and the behavior of prices, which are serious but which cannot be analyzed in this paper.

Table 5 indicates that in many countries the relationship between expenditure and tax revenue has progressively worsened in recent years.

1/ The figures in parentheses below the coefficients are t-ratios.

Table 4. Selected Countries of Sub-Saharan Africa
International Tax Comparison (ITC) Indices, Fiscal Year 1977

Country	Actual Tax GDP/Ratio ^{1/}	Predicted Tax GDP/Ratio ^{2/}	ITC ^{1/}	Ranking ^{3/}
Benin	15.58	12.07	1.29	4
Botswana	22.61	23.12	0.98	19
Burundi	13.74	15.07	0.91	22
Cameroon	13.19	15.72	0.84	28
Central African Republic	14.92	15.36	0.97	20
Chad	8.25 ^{4/}	13.54	0.61	32
Congo	22.38 ^{4/}	19.62	1.14	8
Ethiopia	12.78	13.49	0.95	21
Gabon	24.76	24.22	1.02	15
Gambia, The	20.74	23.43	0.89	25
Ghana	6.32	10.66	0.59	33
Ivory Coast	18.33	18.26	1.00	16
Kenya	14.86	16.72	0.89	24
Lesotho	17.00 ^{4/}	14.43	1.18	7
Liberia	25.34	29.76	0.85	27
Madagascar	13.74	15.45	0.89	23
Malawi	12.05	17.07	0.71	31
Mali	13.37	15.50	0.86	26
Mauritania	17.46	17.45	1.00	17
Mauritius	21.93	20.64	1.06	11
Nigeria	22.16	22.52	0.98	18
Rwanda	11.42	14.12	0.81	29
Senegal	17.13	15.62	1.10	10
Seychelles	20.66	16.72	1.24	5
Sierra Leone	14.71	18.30	0.80	30
Somalia	23.86	17.66	1.35	2
Sudan	14.04	13.49	1.04	12
Swaziland	27.31	22.76	1.20	6
Tanzania	15.26	14.80	1.03	13
Togo	25.04	14.79	1.69	1
Uganda	6.59	12.71	0.52	34
Upper Volta	14.55	13.06	1.11	9
Zaire	22.35	21.76	1.03	14
Zambia	22.13	16.66	1.33	3

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980 and consultation reports.

^{1/} ITC index is estimated by dividing the actual tax ratio with predicted tax ratio. Countries with actual tax ratios that are above the "normalized" average tend to have tax indices above unity, and countries with below-average tax ratios tend to have lower than average ITC indices.

^{2/} Following the methodology of estimating ITC indices, in Alan A. Tait, Wilfrid L.M. Gratz, and Barry J. Eichengreen, "International Comparisons of Taxation for Selected Developing Countries, 1972-76," International Monetary Fund, Staff Papers, Vol. 26 (March 1979), especially equation 12, p. 128.

^{3/} This is the ranking of ITC indices.

^{4/} The data relate to the fiscal year 1976.

Table 5. Selected Countries of Sub-Saharan Africa:
Ratio of Expenditure to Tax Revenue, 1973-78

Country	1973	1974	1975	1976	1977	1978	Difference Over Period
Benin	101.96	94.42	176.31	147.09	181.59	180.51	78.55
Botswana	138.59	129.69	156.69	245.66	165.95	177.00	38.41
Burundi	184.34	194.51	226.63	193.66	158.21	...	-26.13
Cameroon	...	...	130.76	125.81	110.24	104.10	-26.66
Central African Republic	149.18	142.46	148.58	144.65	142.77	...	-6.41
Chad	165.32	154.79	152.65	180.68	...	...	15.36
Congo	149.34	151.39	187.30	146.20	158.30	248.70	99.36
Ethiopia	137.29	133.93	164.45	183.88	151.27	...	13.98
Gabon	184.70	178.19	179.47	239.68	222.94	109.17	-75.53
Gambia, The	122.17	139.60	161.75	138.07	160.64	233.19	111.02
Ghana	157.16	157.96	157.55	193.70	205.30	252.98	95.82
Ivory Coast	100.49	104.96	117.91	129.57	130.23	150.93	50.44
Kenya	147.89	125.53	131.31	134.82	136.73	124.33	-23.56
Lesotho	101.98	101.83	...	...	...	...	-0.15
Liberia	...	102.71	104.90	125.11	115.06	140.01	37.30
Malawi	183.76	193.23	210.99	176.49	177.66	176.24	-7.52
Mali	128.24	131.89	140.52	133.90	119.40	123.76	-4.48
Mauritania	148.89	145.00	156.64	227.47	238.55	323.73	174.84
Mauritius	113.67	133.90	127.29	124.78	142.18	160.85	47.18
Nigeria	71.81	66.16	135.02	163.59	140.94	...	69.13
Rwanda	138.81	131.39	134.03	124.05	117.73	124.95	-13.86
Senegal	114.89	143.99	114.83	112.69	116.12	97.93	-16.96
Seychelles	215.30	206.06	192.24	193.27	164.04	...	-51.26
Sierra Leone	130.46	136.32	187.57	181.09	156.62	120.88	-9.58
Somalia	123.37	138.76	141.96	155.76	153.76	...	30.39
Sudan	147.28	131.06	160.26	140.70	183.48	168.53	21.25
Swaziland	144.46	98.43	71.51	118.81	101.03	...	-43.43
Tanzania	151.84	153.46	185.81	174.99	165.64	167.67	16.13
Togo	125.50	131.58	111.20	139.35	138.01	122.14	-3.36
Upper Volta	108.66	98.62	109.95	109.61	105.74	...	-2.92
Zaire	152.52	166.06	167.65	206.40	187.87	...	35.35
Zambia	138.95	96.49	173.90	176.42	157.67	136.63	-2.32

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980, and consultation reports.

For example, between 1973 and 1978, the ratio of expenditure to tax revenue, expressed as a percentage, increased in The Gambia from 122 to 233, in Ghana it increased from 157 to 253, and in Mauritania it increased from 149 to 324. Significant increases are also shown in Benin, Botswana, the Congo, Ivory Coast, Liberia, Mauritius, Nigeria, Somalia, Sudan, Tanzania, and Zaïre. By the same token, for some of the countries shown in the table, the ratio of expenditure to tax revenue fell over the period. Examples of this are Burundi, Cameroon, Gabon in 1978, Kenya, Senegal, Seychelles, Sierra Leone, and Swaziland.

This deterioration of the relationship between expenditure and tax revenue has occurred in spite of some effort made by the countries at increasing their tax revenue. These efforts are best shown in Table 6, which indicates the buoyancy of tax revenue with respect to GDP. The buoyancy concept incorporates both spontaneous changes in tax revenue to changes in the economy, as well as changes brought about by discretionary measures taken by the governments. Table 6 shows that for the majority of the countries buoyancy exceeded 1 and in many it exceeded 1 by substantial amounts. A buoyancy of 1 indicates an unchanged ratio of tax revenue to GDP, while a buoyancy greater than 1 indicates that the ratio has been growing over the period. Therefore, the results in Table 6 are consistent with those in Table 3, which indicate that for the majority of these countries the ratios of tax revenue to GDP have increased in recent years.

In conclusion, the information provided in Tables 4, 5, and 6 suggests that the worsening of the fiscal situation in many African countries, by and large, was not the result of inelastic tax structures but perhaps the result of ambitious expenditure programs.

III. Tax Structure

Up to now we have concentrated on the level of taxation in the countries of the sub-Saharan region. It is now time to consider the composition of the tax systems. As already indicated, the composition of the tax system is the end result of many different forces: (a) the characteristics of the economy that to a large extent determine the availability of certain tax bases; (b) the expenditure programs of the government that determine the extent to which those tax bases are utilized; and (c) the political inclination of the government, which, for equity or other reasons, may prefer some types of taxes over others.

In general, developing countries have relied mostly on foreign trade taxes as these taxes are easier to collect and often can be more easily justified in terms of some national objective, such as maintaining domestic employment or stimulating domestic industry. Developing countries have often relied on indirect domestic taxation,

Table 6.. Selected Countries of Sub-Saharan Africa:
Buoyancy of Tax Revenue with Respect to GDP, 1/ 1972/73-1978/79

	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	For Whole Period
Benin	0.86	0.46	2.73	2.12	0.86	-0.04	...	1.02
Botswana	1.72	1.47	0.28	-0.86	4.12	2.05	...	1.37
Burundi	...	1.10	0.09	-0.20	...	...	...	1.72
Cameroon	...	...	1.01	1.70	0.75	-0.16	...	1.39
Central African Republic	-0.06	0.92	0.01	-0.03	...	...	...	0.96
Chad	0.93	0.73	0.28	-0.85	...	...	...	0.34
Congo	0.77	3.71	-0.12	-0.07	...	...	...	0.961
Ethiopia	2.23	0.98	-19.28	0.46	-0.17	...	...	2.45
Gambia, The	18.91	0.33	2.18	1.96	1.80	-0.27	...	1.97
Ghana	-0.28	1.09	3.31	0.24	-0.15	...	...	0.96
Ivory Coast	...	0.68	1.37	1.00	0.55	1.17	...	0.87
Kenya	0.55	1.64	1.34	0.75	0.60	3.98	...	1.26
Lesotho	2.06	1.70	1.58	-0.05	...	...	...	1.42
Liberia	...	...	.75	6.00	1.06	0.76	-0.08	1.42
Malawi	0.93	1.09	1.34	0.66	1.34	2.91	...	1.33
Mali	...	1.33	0.67	-0.12	...	...	...	0.87
Mauritius	...	0.63	2.49	4.38	0.71	0.28	...	1.18
Niger	...	...	4.03	-1.19	...	...	...	...
Nigeria	3.57	1.21	0.94	0.82	1.88	...	...	1.57
Rwanda	...	2.05	0.52	2.58	1.68	-0.01	...	0.98
Senegal	...	...	...	1.72	0.55	12.52	-0.05	2.00
Sierra Leone	...	...	0.07	-0.21	1.46	3.27	...	1.09
Seychelles	1.00	0.80	1.11	0.75	1.30	...	...	0.96
Somalia	1.67	3.22	0.37	-0.04	...	...	...	1.34
Sudan	0.50	0.56	1.67	1.34	-0.04	...	...	0.848
Swaziland	2.14	1.37	2.40	-0.97	5.87	...	...	1.31
Tanzania	1.86	1.50	1.32	0.21	1.20	1.54	0.53	1.17
Togo	-0.86	0.99	-20.27	1.29	-0.08	...	...	2.02
Uganda	-1.21	0.07	1.45	0.65	0.62	2.43	...	0.86
Upper Volta	...	1.77	1.44	1.58	1.26	...	...	1.55
Zaire	1.00	1.43	-2.35	0.36	1.04	...	...	0.64
Zambia	1.75	2.74	1.92	-0.02	3.39	0.81	...	1.31

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980 and consultation reports.

1/ GDP at current market prices.

and particularly on excises, as the structure of the economy often prevented the administration of a fully-fledged general sales tax. Income taxes have often been less important than either taxes on international trade or taxes on goods and services, and income taxes have often meant taxes on a few large corporations and their employees and on government employees.

Table 7 provides an analysis of the tax revenues of the countries of the sub-Saharan region expressed as ratios to GDP to permit an easier intercountry comparison. The table provides information for a commencing year (CY) and for an ending year (EY). In general the commencing year is in the early 1970s while the ending year is 1977 or 1978. The table indicates that import duties account for the largest part of revenues. For five of the countries listed (Botswana, The Gambia, Lesotho, Somalia, and Swaziland) import duties accounted for more than 10 per cent of GDP, which is a very high ratio; for several others they account for more than 8 per cent of GDP. In fact, there were relatively few countries for which these taxes accounted for less than 3 per cent of GDP--these included Ethiopia, Ghana, Kenya, Tanzania, Uganda, and Zambia.

The table also indicates that there is no clear-cut evidence that in the ending year, these ratios were lower than in the commencing year. 1/ Therefore, unlike the conclusions reached by the literature on the change in tax structure that accompanies economic development, there seems to be no indication of a movement away from import duties at least as long as their share in GDP is emphasized. 2/

1/ The fact that many countries of sub-Saharan Africa have over time raised the rates of customs duties generally (to generate more revenues), and on items of conspicuous consumption and industrial imports in particular (on equity and effective protection grounds), has helped improve their customs duty revenues. In addition, the Lomé Convention, signed on February 28, 1975, also had a favorable impact on revenues. (Under this Convention, the European Economic Community offered complete tax exemption for imports from 46 developing countries of Africa, the Caribbean, and the Pacific--now commonly known as ACP--without requiring reciprocity from them. This should have encouraged the sub-Saharan African countries, which were signatories to the Convention, to remove customs duty preferences they had granted to the imports from some or all EEC countries in the past and, as a result, these countries earned larger customs duty revenues.)

2/ However, the period covered is perhaps too short to test the conclusions of what is essentially a long-run proposition.

Table 7. Selected Countries of Sub-Saharan Africa: Ratio of Main Taxes to GDP

Country	Commencing Year (CY) and Ending Year (EY)	Taxes on Income and Profits				Taxes on Goods and Services						Taxes on International Trade			
		Total		Corporate		Total		Turnover		Excises		Import Duties		Export Duties	
		CY	EY	CY	EY	CY	EY	CY	EY	CY	EY	CY	EY	CY	EY
Benin	1970, 1977	2.07	2.46	0.73	1.37	1.83	2.81	0.49	1.17	1.02	1.19	7.97	8.85	0.73	0.35
Botswana	1971, 1978	3.96	10.54	...	...	0.76	0.51	... 1/	... 1/	... 1/	... 1/	10.56	14.60	0.55	0.13
Burundi	1973, 1977	2.05	...	1.02	...	2.24	...	...	...	2.16	--	2.49	...	1.90	...
Cameroon	1974, 1977	1.90	2.08	0.58	0.84	3.22	3.30	0.77	1.08	...	...	4.76	5.45	2.08	1.57
Central African Republic	1969, 1975	4.21	2.87	1.05	0.83	3.89	3.26	1.34	0.96	1.77	1.47	6.22	3.57	0.60	0.67
Chad	1972, 1976	2.02	1.80	0.70	0.72	1.48	1.28	0.85	0.73	0.41	0.32	4.54	4.28	1.79	1.60
Congo	1970, 1975	4.96	7.71	2.87	5.49	7.44	6.06	6.42	5.55	0.87	0.44	6.17	5.25	1.17	0.14
Ethiopia	1972, 1976	2.39	2.67	0.92	1.27	2.89	2.87	0.66	0.93	2.11	1.85	2.63	2.98	1.31	2.77
Gambia, The	1972, 1978	1.33	4.64	0.74	2.54	0.34	0.98	--	--	0.01	0.41	10.08	17.25	2.42	2.65
Ghana	1972, 1977	2.71	3.04	1.44	1.75	4.33	3.70	1.45	0.81	2.64	2.80	2.12	2.02	3.92	2.87
Ivory Coast	1973, 1978	2.75	2.33	1.33	1.12	4.40	4.30	1.71	1.62	1.44	1.66	8.12	7.07	4.27	2.31
Kenya	1972, 1977	6.49	5.78	6.24	4.16	3.62	5.97	--	13.52	3.01	1.54	4.36	2.84	0.06	--
Lesotho	1970, 1975	1.79	3.82	0.45	1.39	0.53	...	... 1/	... 1/	... 1/	... 1/	6.32	16.52	0.61	0.67
Liberia	1974, 1978	8.32	7.95	5.40	4.36	4.18	4.64	0.39	0.56	1.46	1.87	6.31	8.86	0.18	0.09
Malawi	1972, 1978	4.51	6.71	2.53	4.56	3.48	4.49	2.25	3.58	0.79	0.67	2.88	3.03	--	--
Mali	1973, 1975	1.30	1.52	0.73	0.85	1.52	1.40	0.98	0.82	0.30	0.45	4.42	4.32	0.82	0.33
Mauritius	1973, 1978	4.19	5.13	1.95	2.39	4.29	3.91	--	--	3.21	2.68	5.78	7.47	1.61	2.53
Niger	1974	2.63	--	...	...	4.35	...	3.13	...	0.86	...	1.39	...	0.43	...
Nigeria	1972, 1977	5.88	17.69	5.872/	17.68	2/3.59	0.63	--	--	1.29	0.63	2.37	3.79	0.03	0.02
Rwanda	1973, 1977	1.77	1.71	0.89	1.14	1.39	1.64	--	--	1.39	1.62	2.11	2.99	2.00	4.41
Senegal	1975, 1978	4.41	3.83	1.78	1.83	3.84	5.67	1.45	2.65	2.02	2.64	6.34	8.35	0.45	1.24
Seychelles	1972, 1977	3.55	7.10	1.52	2.41	1.16	2.04	--	--	0.22	1.22	13.33	9.86	0.43	0.09
Sierra Leone	1974, 1978	6.28	4.38	5.42	3.27	2.80	3.20	--	--	2.39	2.82	6.32	6.86	1.82	3.14
Somalia	1972, 1975	2.85	2.26	0.01	0.22	6.57	7.50	--	--	2.82	4.66	11.09	11.54	0.96	0.80
Sudan	1972, 1976	2.13	10.82	1.27	1.37	5.45	4.78	--	--	3.41	3.42	6.33	6.23	0.94	0.68
Swaziland	1971, 1977	7.49	8.93	3.70	5.49	6.59	0.91	1.57	...	1/4.04	... 1/	4.91	14.29	0.02	3.03
Tanzania	1972, 1979	4.72	4.13	...	...	4.59	7.36	1.96	6.67	2.18	0.57	3.02	2.52	0.40	1.20
Togo	1972, 1976	2.37	11.23	...	...	0.99	1.13	0.83	0.99	...	...	7.63	8.51	1.71	2.45
Uganda	1972, 1978	2.93	0.44	...	...	4.33	2.11	2.29	1.86	1.97	0.21	2.45	0.36	2.41	7.09
Upper Volta	1973, 1979	2.08	2.32	0.38	0.59	2.39	3.46	0.78	1.26	0.73	1.19	5.91	7.16	0.32	0.53
Zaire	1972, 1977	5.87	6.36	2.26	2.87	3.35	2.49	0.98	1.50	2.28	0.96	7.57	2.99	7.70	3.27
Zambia	1972, 1978	10.98	8.88	...	...	4.47	10.50	--	2.44	4.20	7.84	3.17	1.40	--	--

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980 and consultation reports.

1/ Included in import duties (customs union receipts).

2/ Petroleum profits tax constituted 4.96 per cent in 1972 and 15.77 per cent in 1977.

Table 7 also shows that export duties were quite significant, at least in a few countries. For example, export duties accounted for over 7.00 per cent of GDP in Uganda in 1978, for 4.41 per cent of GDP in Rwanda in 1977, for 3.27 per cent in Zaïre in 1977, for 3.14 per cent in Sierra Leone in 1978, and for 3.03 per cent in Swaziland in 1977. In many countries this percentage was at least 2. The high share of export duties in GDP may be considered particularly disturbing in view of the negative effects that often these taxes have on production, on allocation of resources, and on exports. On the other hand, one can present the argument that perhaps to a large extent they were considered substitutes for income taxes and, in some cases, they were levied for short periods to prevent exporters from obtaining unusually high profits.

Although far more evidence should be available before reaching any definite conclusion, the question can be raised whether taxes on international trade have not been fully exploited by these countries and whether it would be wise to expect (or to recommend) substantial additional revenues from this source.

Taxes on goods and services range from relatively low amounts in countries such as Botswana, The Gambia, Nigeria, and Swaziland, where they account for less than 1 per cent of GDP, to very high ratios in countries such as Zambia, Somalia, Tanzania, the Congo, and Kenya, where they account for over 6 per cent of GDP. As expected, excises were generally more important than turnover or general sales taxes, although the latter were significant in a few countries such as Congo, Kenya, and Tanzania.

Turning attention now to taxes on income and profits, there is a very substantial spread in total revenues from these sources. In comparison with taxes on international trade and even with domestic indirect taxes, taxes on income and profits are relatively unimportant except where they include royalties from mineral exports. However, in a few countries, including Botswana, Liberia, Nigeria, Sudan, Togo, Swaziland and Zambia, income taxes accounted for a sizable share of GDP. In all these countries that proportion was 8 per cent or higher. From the statistical information available, it was not possible to separate clearly the relative importance of income taxes paid by individuals and those paid by enterprises. However, it seems safe to conclude that, in general, the share of income taxes in GDP was high only in those countries where the taxation of profits was substantial. From the limited evidence available, it seems that a large share of taxes on individuals was paid by government employees.

Table 8 provides the same breakdown of taxes. However, the denominator now is not GDP but total tax revenue. Therefore, this table abstracts from the level of taxation and deals exclusively with

Table 8. Selected Countries^{1/} Sub-Saharan Africa: Composition of Tax Revenue--Major Categories, 1969-80

(As percentage of total tax revenue)

Country	Commencing Year (CV) and Ending Year (EY)	Taxes on Profits and Income			Taxes on Goods and Services			Excise Duties			Taxes on Foreign Trade			Other Taxes ^{1/}		
		Total		Corporate	Turnover		EY	EY		EY	Import Duties		EY	Export Duties		Residual
		CY	EY		CY	EY		CY	EY		CY	EY		CY	EY	
Benin	1970, 1979	14.62	13.10	...	12.95	16.42	3.48	5.33	7.20	7.05	59.29	62.58	5.14	1.86	8.00	6.04
Botswana	1971, 1978	24.41	40.70	...	4.71	1.96	...	...	...	...	2/65.07	56.38	3.38	0.51	2.47	.45
Burundi	1973, 1977	19.30	49.48	9.65	21.13	22.25	...	5.95	20.35	16.98	23.48	21.34	17.85	19.11	18.54	17.82
Cameroon	1974, 1978	15.14	18.76	4.59	25.70	23.51	6.11	7.46	...	...	37.98	40.59	16.61	3.79	4.57	13.35
Cape Verde	1975, 1980	...	...	...	...	...	...	...	...	...	23.96	24.61	0.14	0.22	...	...
Central African Rep.	1969, 1978	25.82	23.40	6.46	23.81	26.11	8.20	8.89	10.83	12.22	38.13	33.89	3.67	9.44	8.57	7.16
Chad	1972, 1976	17.65	21.77	6.09	12.98	15.53	11.46	17.76	3.60	3.91	39.73	51.84	7.95	9.98	21.69	.88
Comoros	1976, 1979	17.25	6.46	...	...	...	...	9.44	...	...	56.53	58.85	20.17	13.99	6.05	20.70
Congo	1970, 1976	24.09	36.91	13.94	23.88	36.18	31.21	20.08	4.24	2.16	30.00	36.41	5.68	0.39	4.05	5.14
Ethiopia	1972, 1977	25.91	21.78	9.94	31.24	20.79	7.16	7.18	22.85	12.82	28.46	28.27	8.10	26.13	6.29	3.03
Gabon	1971, 1976	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gambia, The	1972, 1978	9.36	17.93	5.23	9.83	2.39	...	...	0.06	1.59	70.82	66.68	16.98	10.24	0.45	1.35
Ghana	1972, 1978	20.60	23.82	10.95	10.13	32.89	11.03	5.76	20.06	25.84	16.10	19.25	29.77	23.69	0.64	0.56
Guinea	1969, 1979	26.66	27.78	16.51	24.51	11.47	3.47	2.63	...	4.99	34.75	20.13	2.96	...	24.16	43.04
Guinea-Bissau	1975, 1978	33.58	24.88	...	4.63	10.38	...	8.68	6.53	8.87	25.67	24.13	5.64	4.33	30.48	36.28
Ivory Coast	1973, 1978	12.49	12.42	6.06	5.99	19.95	7.78	8.68	6.53	8.87	36.88	37.73	19.36	12.32	11.32	14.57
Kenya	1972, 1977	43.85	40.59	42.16	29.24	24.47	...	24.70	20.36	10.84	29.48	19.96	0.42	...	1.78	1.15
Lesotho	1970, 1976	10.32	17.67	2.58	5.92	3.05	...	...	...	...	2/74.09	70.84	3.52	0.73	9.02	10.76
Liberia	1974, 1979	42.37	32.76	27.51	16.62	21.29	2.01	2.68	7.43	9.21	32.13	40.14	0.90	0.57	3.31	3.35
Madagascar	1974, 1981	...	...	...	34.29	30.20	...	...	...	...	26.59	34.07	6.31	9.01	...	...
Malawi	1972, 1978	41.26	46.94	23.15	31.91	31.82	20.57	25.03	7.27	4.72	26.31	21.19	...	...	0.61	0.47
Mali	1973, 1979	11.28	23.26	6.34	10.52	13.18	8.54	12.95	2.61	2.41	38.37	32.30	7.14	4.10	30.03	23.57
Mauritania	1973, 1980	22.42	31.90	3.44	5.88	13.36	7.19	5.38	1.82	1.74	36.08	45.49	1.06	.74	27.08	10.96
Mauritius	1973, 1978	24.79	25.54	11.57	11.92	25.40	...	...	19.01	13.32	34.22	37.20	9.55	12.60	6.04	5.18
Niger	1974, 1980	29.43	37.08	...	48.60	39.13	35.03	28.78	9.57	3.24	15.58	15.61	4.80	4.82	1.59	3.36
Nigeria	1972, 1977	49.42	79.81	49.39	79.77	30.20	...	...	...	...	19.94	17.11	0.24	0.07	0.20	0.16
Rwanda	1973, 1978	19.49	19.44	9.74	11.66	15.29	...	...	15.16	19.28	23.23	33.73	22.06	19.84	19.93	7.47
Sao Tomé and Príncipe	1975, 1980	15.83	15.52	11.42	7.63	32.27	...	...	...	...	10.73	11.61	17.99	35.56	23.18	13.99
Senegal	1975, 1979	27.24	19.95	10.98	8.80	23.72	...	...	1.03	5.89	63.45	47.74	2.07	1.82	7.17	5.29
Seychelles	1972, 1977	16.90	34.38	7.24	11.67	5.52	...	...	...	...	10.53	17.36	0.37	0.42	12.06	7.58
Sierra Leone	1974, 1978	36.32	24.20	31.36	18.03	16.22	...	...	12.33	12.08	48.50	50.89	4.20	1.87	6.09	10.36
Somalia	1972, 1977	12.47	9.13	0.06	0.51	28.74	...	...	...	...	41.86	45.46	6.20	4.03	1.82	4.23
Sudan	1972, 1978	14.06	14.39	8.42	10.75	36.06	...	...	...	...	...	...	...	...	...	...
Swaziland	1971, 1977	38.96	32.70	19.26	20.11	34.27	...	...	...	...	2/25.55	52.32	0.13	11.11	1.09	0.55
Tanzania	1972, 1979	36.83	26.67	...	35.85	47.51	15.30	43.05	16.98	3.70	23.55	16.28	3.14	7.75	0.63	1.79
Togo	1972, 1980	17.81	43.42	...	7.46	13.60	6.24	9.19	...	3.04	57.30	30.63	6.92	9.83	10.51	2.52
Uganda	1972, 1978	23.48	4.32	18.64	2.78	34.65	...	...	...	...	19.59	3.56	19.32	70.38	2.96	0.77
Upper Volta	1973, 1979	18.67	17.47	3.42	4.29	21.47	7.03	7.20	6.59	8.61	53.08	48.53	2.85	3.72	3.93	7.77
Zaire	1972, 1977	22.85	37.83	8.78	16.65	13.06	3.80	8.95	8.89	5.72	29.49	17.82	21.81	11.56	12.79	17.95
Zambia	1972, 1978	58.88	40.96	...	16.96	23.97	...	11.28	22.53	36.18	16.99	6.46	...	...	0.16	4.14

Sources: International Monetary Fund, Government Finance Statistics Yearbook and consultation reports.

^{1/} Mainly property taxes, manpower taxes, stamp taxes.^{2/} Customs Union receipts include excises and sales tax as well as import duties.^{3/} Includes petroleum profits tax (41.66 in 1972 and 71.17 in 1977).

the tax structure; the predominance of foreign trade taxes is even more pronounced than in the previous table. In eight countries-- Benin, Botswana, Chad, the Comoros, The Gambia, Lesotho, Somalia, and Swaziland--import duties accounted for more than 50 per cent of total tax revenue. In 15 countries this proportion exceeded 40 per cent and in 24 countries the proportion exceeded 30 per cent. In a few countries (Benin, The Gambia, and Lesotho) the share of import duties in total tax revenues exceeded 60 per cent. These proportions are exceedingly high even in the context of developing countries, where, on average, foreign trade taxes account for less than 40 per cent of total tax revenue. Proportions as high as these must inevitably raise the question whether the countries have given sufficient attention to developing domestic revenue sources.

It is often found that unusually high proportions of total tax revenue are also derived from export duties. In a few countries (Burundi, Ethiopia, Ghana, Rwanda, São Tomé and Príncipe, and Uganda) export duties accounted for at least 20 per cent of total tax revenue. Therefore, if revenues derived from import duties are added to those from export duties, it is found that a rather surprisingly large share of total taxes derive from foreign trade. There is no doubt that the African countries of the sub-Saharan region have vigorously exploited the "tax handle" provided by the openness of their economies. The reliance on this tax base has made it possible for them to raise substantially the total level of taxation but they may have paid a significant price in terms of resource allocation and efficiency.

Taxes on goods and services, though less significant than foreign trade taxes, were still relatively important ^{1/} and, in general, more important than taxes on income. For the majority of countries, this source generated revenues which ranged between 10 and 30 per cent, of the total. A few countries (Ghana, Kenya, Malawi, Niger, Sudan, Tanzania, and Zambia) have shares which exceeded 30 per cent while a few others (Botswana, The Gambia, Guinea, Nigeria, and Swaziland) have shares lower than 10 per cent. These proportions must be compared with those derived from income taxes which generally accounted for less than, and in many cases substantially less than, 30 per cent of tax revenue. In a few countries (Botswana, Kenya, Malawi, Nigeria, Togo, and Zambia), however, income taxes provided more than 40 per cent of total tax revenue.

^{1/} The distinction between "taxes on goods and services" and "foreign trade taxes" is somewhat blurred in sub-Saharan Africa, as many countries tax luxury consumption but categorize the receipts as import duty receipts, and many others levy sales taxes but collect these taxes primarily on imports.

Tables 9 and 10 relate import duties to import values and export duties to export values, respectively, for the 1972-78 period. In other words, the foreign trade taxes are related more directly to their own tax bases. Table 9 shows that the average effective import duty for the period ranged from a low of 6.21 per cent for Zambia to a high of 35.92 per cent for the Central African Republic. For several countries (the Central African Republic, Ethiopia, Gabon, Ivory Coast, Somalia, and Sudan) this percentage exceeded 25 per cent, and for several others (Benin, Burundi, Cameroon, Chad, the Congo, Madagascar, Upper Volta, and Zaïre) it was between 20 and 25 per cent. For a few countries (Malawi, Tanzania, Togo, and Zambia) this percentage was lower than 10 per cent. The figures in Table 9 indicate that the ratios of import duties to imports fluctuated considerably over the period but there is no clear evidence of a general trend. These ratios were relatively high and were the result of high tariffs combined with exemptions that in some countries (i.e., Sudan and Somalia) were known to be very significant. Table 9 should be studied jointly with Table 11, which gives some information about the level of statutory duties in these countries. 1/

Table 10 shows the share of export duties to export values, ranging from very low values for some countries (Nigeria, Botswana, Seychelles, Senegal) to values that exceed 20 per cent in other countries (Burundi, Ghana, Rwanda, Uganda, Zaïre). There can be different views about the appropriateness of using export taxes; however, taxes of this magnitude are likely to have disincentive effects on production and exports, especially if they are not temporary. What is more disturbing is that in several countries shown in Table 10, there seems to be an upward trend in the ratios. However, to the extent that high export taxes are levied for limited periods, either to reduce the profits of exporters during devaluations or to reduce their gains during export booms associated with sharply higher export prices (for example, the coffee boom), their disincentive effects are likely to be limited while their stabilization effects may be substantial.

Appendix Table I, which provides further details on export duties, shows (a) the tax base, (b) the main items that are exported, (c) whether the rates are specific or ad valorem, and (d) the rate of the export duty. For this table, too, a word of caution is necessary. As it has been assembled from several sources, the information for some countries is more up to date than for others.

1/ It should be realized that the ratios in Table 9 are not necessarily directly related to the level of nominal import duties, as very high duties on some products combined with exemptions on others could distort the structure of imports to such an extent as to (theoretically) reduce to zero the ratio of import duties to imports.

Table 9. Selected Countries of Sub-Saharan Africa:
Ratio of Import Duties to Imports, 1972-78

Country	1972	1973	1974	1975	1976	1977	1978	Average (Avail- able Year)
Benin	26.94	25.83	18.97	19.61	21.16	21.77	23.32	22.51
Botswana	14.81	18.21	24.30	15.45	8.51	16.29	16.96	17.36
Burundi	...	24.09	24.44	18.82	16.61	20.99	21.55	21.08
Cameroon	...	...	22.39	22.06	22.51	22.38	29.86	23.84
Central African Republic	42.90	32.65	36.23	25.08	31.34	35.52	47.75	35.92
Chad	27.13	23.03	29.51	20.47	23.65	...	...	24.75
Congo	19.70	17.68	18.32	23.82	35.11	...	...	22.93
Ethiopia	28.65	31.21	28.19	27.21	24.52	33.88	...	28.94
Gabon	...	40.16	26.40	34.95	31.65	...	...	33.29
Gambia, The	22.15	25.37	17.99	14.86	16.42	21.56	17.81	19.45
Ghana	15.18	10.36	7.74	15.34	13.59	15.08	...	12.88
Ivory Coast	...	29.20	24.02	29.21	32.18	25.16	23.54	27.22
Kenya	15.92	11.81	10.35	11.60	12.09	9.95	15.76	12.49
Liberia	...	...	11.09	9.84	10.04	10.53	13.70	11.76
Madagascar	26.12	23.79	...	...	...	...	...	24.95
Malawi	10.04	9.28	8.60	6.82	7.05	7.75	9.07	8.37
Mali	...	...	...	10.23	13.55	15.45	...	13.07
Mauritania	...	12.53	17.65	20.94	17.88	17.27	22.75	18.17
Mauritius	...	11.69	8.05	9.41	10.82	11.83	13.42	10.87
Nigeria	18.45	24.39	17.24	18.36	14.60	14.79	...	17.97
Rwanda	...	18.27	19.68	17.56	19.19	18.76	16.99	18.41
Senegal	21.37	20.92	15.02	20.67	19.41	19.62	...	19.50
Seychelles	16.48	14.80	12.65	12.65	10.67	12.98	...	13.37
Sierra Leone	...	...	16.03	17.91	17.17	19.54	19.22	17.97
Somalia	31.75	30.24	30.69	23.69	24.60	22.99	...	27.33
Sudan	42.82	28.19	23.03	26.70	32.43	29.76	33.40	30.90
Swaziland	19.73	19.98	19.99	13.72	7.55	19.99	...	16.83
Tanzania	11.69	11.33	10.06	8.79	8.43	5.24	10.14	9.52
Togo	12.40	10.34	9.02	8.52	10.00	7.66	5.43	9.05
Upper Volta	...	26.33	20.32	23.53	27.02	24.69	26.14	24.67
Zaire	28.01	27.09	21.52	24.80	21.02	23.24	...	24.28
Zambia	8.77	7.86	6.15	5.03	5.13	5.13	5.41	6.21

Sources: International Monetary Fund, Government Finance Statistics Yearbook, and International Financial Statistics Yearbook, 1980; and consultation reports.

Table 10. Selected Countries of Sub-Saharan Africa:
Ratio of Export Duties to Exports, 1/ 1972-78

Country	1972	1973	1974	1975	1976	1977	1978	Average (Available Year)
Benin	3.80	3.91	3.89	11.09	18.69	6.80	7.72	8.00
Botswana	0.75	0.87	0.58	0.45	0.33	0.24	...	0.54
Burundi	...	18.70	13.56	7.08	23.88	42.86	40.39	24.41
Cameroon	...	...	8.61	10.11	11.15	7.19	3.03	8.02
Central African Republic	2.08	5.90	5.53	6.79	5.87	6.29	10.51	6.14
Chad	9.43	8.98	10.13	10.21	8.61	...	...	9.47
Congo	3.57	1.43	0.64	0.60	0.35	...	...	1.32
Ethiopia	9.24	11.05	9.80	9.04	15.42	33.09	...	14.60
Gabon	...	3.64	3.55	1.48	1.50	...	...	2.54
Gambia, The	7.04	4.38	3.20	5.36	6.02	4.14	6.92	5.30
Ghana	19.54	12.53	17.58	30.83	19.70	25.00	...	20.86
Ivory Coast	...	12.65	9.13	8.85	8.65	7.62	7.65	9.09
Lesotho	...	2.39	2.65	6.63	1.03	...	...	3.17
Liberia	...	...	0.22	0.15	0.13	0.18	0.14	0.16
Madagascar	5.84	6.43	...	...	...	...	...	6.13
Mali	...	...	...	8.47	8.83	12.18	...	9.82
Mauritania	...	0.31	0.31	0.47	0.48	0.67	0.95	0.53
Mauritius	...	4.00	2.70	7.06	7.13	6.12	7.04	5.67
Nigeria	0.15	0.03	0.10	0.01	0.02	0.06	...	0.06
Rwanda	...	17.55	16.99	18.80	28.83	36.94	24.95	24.01
Senegal	3.38	3.72	1.96	1.84	2.80	2.75	...	2.74
Seychelles	3.53	3.63	1.51	0.70	0.62	0.30	...	1.71
Sierra Leone	...	...	7.08	7.81	8.51	13.89	15.66	10.58
Somalia	4.80	3.73	2.87	2.87	2.23	3.05	...	3.26
Sudan	6.22	5.59	7.95	7.08	6.27	5.47	6.57	6.45
Swaziland	0.03	1.09	7.42	16.63	7.60	5.27	...	6.34
Tanzania	1.95	3.41	7.50	8.10	3.82	18.82	14.90	8.36
Togo	6.31	4.96	4.48	4.75	3.29	1.96	1.78	3.93
Uganda	13.49	15.95	13.78	37.02	29.43	30.01	...	23.28
Upper Volta	...	5.53	3.22	4.66	7.67	6.47	10.50	6.30
Zaire	24.16	29.01	30.88	22.27	14.14	15.66	...	22.69

Sources: International Monetary Fund, Government Finance Statistics Yearbook,
and International Financial Statistics Yearbook, 1980.

1/ Export values are f.o.b.

Table 11. Selected Countries of Sub-Saharan Africa: Import Duties

(In per cent)

Country	Import Duties				
	Standard Rate	Minimum or Reduced Rates	Higher Rates	Luxury Rates	Other Particular Categories of Duties
Benin	5		15		5-90 <u>1/</u>
Botswana	25	0,3,5	30-35	50-60	
Burundi	30 <u>2/</u>				5 <u>1/</u> , 3 <u>3/</u> , 5 <u>4/</u>
Cameroon	30 <u>2/</u>	2.5 <u>2/</u>			10-40 <u>1/</u> , 5-70 <u>4/</u>
Central African Republic	30 <u>2/</u>	2.5 <u>2/</u>			10-40 <u>1/</u>
Chad	25 <u>2/</u>	5 <u>2/</u>			10-40 <u>1/</u> , 5-15 <u>4/</u>
Congo	40 <u>2/</u>	10 <u>2/</u>			10-40 <u>1/</u> , 0.2 <u>3/</u> , 5-50 <u>4/</u> , <u>5/</u>
Ethiopia	20-30	0,10,15	40-50	75-100	
Gambia, The	0,5-17.5	25	35	60	1 <u>4/</u>
Ghana	35		60		<u>6/</u>
Ivory Coast	30 <u>2/</u>	2 <u>2/</u>		75 <u>2/</u>	2-45 <u>1/</u>
Kenya	22-33.3	0-10	50-70	100-200	10 <u>4/</u> , <u>5/</u>
Lesotho	25	0,3,5	50-60		
Liberia	28	zero	70		
Mali		2 <u>2/</u>	40 <u>2/</u>	75 <u>2/</u>	up to 70 <u>1/</u> , <u>4/</u> , <u>6/</u>
Malawi	15-20	0,5-10	30-35	40-45	
Mauritius	10-30	zero			
Nigeria	33.3	0-5	40,50,66.6	75-100	
Rwanda	30 <u>2/</u>	5 <u>2/</u>			5-80 <u>1/</u>
Senegal	30 <u>2/</u>	10 <u>2/</u>			10-70 <u>1/</u> , <u>4/</u>
Seychelles	30-40	0,5-25	50	100	<u>5/</u>
Sierra Leone	36.5	0,2.5-16	45-50	60-75	
Somalia	40-70	0,11,13.75	70-90	94-145,170, 273,350-740	
Sudan <u>7/</u>	40	0,5	--	600	5 <u>4/</u> , <u>5/</u>
Swaziland	25	0,3,5	30-35	60-100	
Tanzania	40-50	0,10-30	50-75	100-200	
Togo		0,10			2 <u>3/</u> , 4 <u>4/</u>
Uganda	40-50	0,10	50-75	over 100	
Upper Volta	...	0,5	45		3 <u>3/</u> , 6 <u>4/</u> , <u>6/</u>
Zaire	40	5,10-15	50		5-20 <u>4/</u> , 3 <u>3/</u>
Zambia	20-25	0,5,7.5,15	30	45-55	10-25 <u>4/</u>

Source: Tax laws of various countries.

1/ Fiscal duty (FD) applies to all imports.

2/ Customs duties (CD) applies to non-EEC imports and wherever applicable to non-OCAM/EEC imports.

3/ Statistical tax and other administrative charges.

4/ Import surcharge, temporary surtax, stamp duty on imports.

5/ Import duties are specific rates mostly on tobacco and alcohol but sometimes also on petroleum products (Kenya, Mali, Zaïre, Seychelles), food (Ghana, Sierra Leone), and textiles (Ghana).

6/ Regional cooperation tax.

7/ A preferential rate for imports from Egypt.

An attempt was made to collect comparative data on the legal structure of income taxes levied on individuals, but the attempt was not successful owing to the complexity and the diversity of systems of personal income taxation. It was difficult to take into account in tabular form the treatment of the family, the schedular nature of many taxes, and the different ways in which personal exemptions were provided. In general, it could be concluded that the tax rates were relatively low on incomes of, say, up to 6-8 times the income per capita of the countries and these rates became very high only on incomes which few taxpayers have (say, over 20 times the per capita income of the country). Table 12, on the other hand, provides some comparative information on the legal treatment of company income. The standard rate on company income is generally between 35 per cent and 50 per cent, which is normal by international standards. In a few countries (Ghana, Mauritius, Sudan, and Zaïre), however, the standard rate may be as high as 60 per cent, which seems high by international standards.

Tables 13 and 14 provide additional information on domestic indirect taxes. Table 13 relates to general sales taxes showing that a large number of the countries of the region has some kind of "general" sales tax, while Table 14 relates to excises. In reality these taxes are likely to be far less general than is assumed and are likely to collect much of the revenue at the point of entry of imports. Nevertheless, it is surprising that so many countries have moved beyond excises in order to extend the area of indirect taxes. In most of the countries the basic rate of these sales taxes ranged between 5 per cent and 15 per cent. In several countries the sales tax was levied with a single rate on products and a different rate on some services. In other countries the sales tax itself differentiated among products by taxing them at various rates. In particular countries (for example, Lesotho and Senegal) the spread in the rates was substantial.

Table 14 attempts to give an idea of the fiscal importance of those products (petroleum, beer, and tobacco) that contribute mostly to revenues from excises. The table shows that, for the countries for which this information could be gathered, the contribution of petroleum products, expressed as a percentage of GDP, exceeded 1 in two countries (Senegal and Zambia) and exceeded 0.50 per cent in several others. Beer, on the other hand, generated 1.62 per cent of GDP in Rwanda and 3.60 per cent in Zambia. Cigarettes contributed more than 1 per cent in Sierra Leone. Table 14 also shows that in the majority of the countries shown the contribution of excises has been declining over recent years. This drop was undoubtedly due to the specific nature of these taxes combined with inflationary situations. Appendix Table II shows the extent to which excises were, in fact, specific.

Table 12. Selected Countries of Sub-Saharan Africa: Company Income Tax

(In per cent)

Country	Standard Rate	Special Rates	Remarks
Benin	35	50	Minimum flat rate as percentage of turnover: F 150,000 on F 1 million to F 400,000 on F 200 million.
Botswana	35	--	Withholding tax of 20 per cent on payments to contractors, 15 per cent on dividends to nonresidents.
Burundi	20 - 40		Schedular taxes graduated by sources and levels of income.
Cameroon	35		Minimum flat rate taxes as percentages of turnover; foreign companies pay special taxes based on capital.
Central African Republic	34.5		3.4 per cent being a surcharge: minimum flat rate taxes on turnover: 0.5 per cent on agriculture and 1 per cent on other activities.
Chad	50	45	Minimum taxes on turnover: 0.75-1.25 per cent on industrial income: 1-1.5 per cent on hotels; 1.5-2 per cent on financial institutions.
Congo	49	36.4 - 49.8	Standard rate on agriculture, lower rate on agriculture and higher rate on petroleum companies; minimum flat rate turnover tax of 1 per cent.
Ethiopia	50	10 - 40	Standard rate on all sources except for chance winnings (10 per cent), dividends (25 per cent), and royalties (40 per cent).
Gambia, The	45		Small companies with an income of below D 5,000 pay no tax in the first year, 33.3 per cent in the second, and 66.6 per cent in third and fourth years.
Ghana	60	50	Special rates for industrial, mining, agriculture, and wholly indigenously owned companies with a turnover below £ 200,000.
Ivory Coast	40	50	Special rates on petroleum companies; an additional 10 per cent national development tax on all companies; flat rate minimum tax of F 400,000 on industrial and commercial companies.
Kenya	45	27.5 - 45	"Specified" mining companies taxable at 27.5 per cent in first four years; insurance companies taxable at 40 per cent; capital gains taxable at 45 per cent.
Lesotho	37.5		No legislative provisions for withholding taxes on dividends or taxation of nonresidents.
Liberia	20 to over 50	15 - 30	Special rates apply to nonresidents; standard rates range between 20 per cent on incomes below \$10,000 to over 50 per cent on incomes above \$100,000.
Mali	50		Standard rates apply to net business profits: minimum tax of 2 per cent on turnover exceeding F 10 million; dividends withholding tax at 18 per cent above F100,000.
Malawi	45	50	Special rate applicable if the tax on foreign companies' country of residence exceeds 45 per cent.
Mauritius	50 - 60		50 per cent on public limited liability companies, 60 per cent on private companies.
Nigeria	45	12.5	Special rates on dividends paid by one company to another; companies in buildings and construction sector taxable at 2 1/2 per cent of turnover if exceeds 45 per cent tax; trading or business companies also assessable on turnover basis if their declared profits unrealistically low.
Rwanda	20 - 45		Rates depend on the level of taxable income--20 per cent below F 250,000 to 45 per cent on income over F 1 million.
Senegal	38.3		Standard rate applies to industrial and commercial and agricultural profits and includes a 5 per cent surcharge; there is a minimum presumptive tax of F 400,000 per annum; tax rate on other incomes range between 3 and 25 per cent.
Seychelles	35		There is a 15 per cent withholding tax on royalties and on interest paid to nonresidents except to financial institutions.
Sierra Leone	55		Small companies with incomes below Le 2,000 pay no tax in first year, 33.3 per cent in the second, and 66.6 per cent in third and fourth years.
Somalia	30	15 - 22.5	Special rates apply to income from buildings; 15 per cent if income up to So. Sh. 30,000 and 22.5 per cent on higher incomes.
Sudan	25 - 60		Rates range from 25 per cent on Lsd 1,000 to 60 per cent on Lsd 10,000 for private resident companies and Lsd 30,000 on public companies.
Swaziland	37.5	27 - 37.5	Mining companies pay tax at 27 per cent on incomes of up to E 20,000 per annum.
Tanzania	50	20 - 55	Tax rate of 20 per cent on capital gains; 22.5 per cent on "specified" mining companies (first four years); and 55 per cent on nonresident companies.
Togo	37.5		Minimum flat rate tax of 2 per cent on turnover of industrial and commercial companies; new companies investing at least F 2 million exempt from flat rate tax for five years.
Uganda	45	22.5 - 42.5	"Specified" mining companies taxable (first four years) at 22.5 per cent; insurance companies at 37.5 per cent; nonresident companies at 42.5 per cent.
Upper Volta	40		Flat rate minimum tax at 1 per cent of turnover with a minimum liability of F 200,000.
Zaire	20 - 60		On business profits at 50 per cent; on rent income varying from 20 per cent to 60 per cent on incomes below Z 1,000 to over Z 7,000; on all other investment income at 20 per cent.
Zambia	48	10 - 30	Standard rate excludes mineral tax, varying between 10-51 per cent depending on the mineral and education levy of K 120 per annum. Special rates apply to withholding tax on payments to nonresidents, e.g., 10 per cent on rent, 25 per cent on construction and haulage contracts and 30 per cent on public entertainment, royalties, interest and dividends.

Sources: International Bureau of Fiscal Documentation, Survey of African Tax Systems and International Monetary Fund consultation reports.

Note: Magnitudes of data are in terms of national currencies.

Table 13. Selected Countries of Sub-Saharan Africa:
General Sales, Turnover, or Value-Added Taxes

(Rates in per cent)

Country	Type of Tax	Tax Base <u>1/</u>	Basic Rates		Other Rates	
Benin	Turnover tax	Sale of goods and services	Goods	13	Services	15
Burundi	Transactions tax	All domestic transactions	Gen. rate	2	Real property	5
Cameroon	Turnover tax	Internal turnover, imports	"	8	Lower/higher rates	4, 10
Central African Republic	Turnover and transactions taxes	Internal transactions and domestic consumption	Turnover tax	2-12	Transactions tax	1
Chad	Turnover tax	Internal turnover	Gen. rate <u>2/</u>	13	Special rate	1.5-10
Congo	Turnover and transactions taxes	Internal turnover and transactions	Turnover tax	4.5-9	Transactions tax	3-5.3
Ethiopia	Turnover and transactions taxes	" "	"	2	"	5
Ghana	General sales tax	Domestic manufactures	Gen. rate <u>3/</u>	11.5	Exciseable goods <u>3/</u>	5-7.5
Ivory Coast	Value added tax	Domestic production, net of purchases	"	9.5-19		
Kenya	Sales tax	Domestic production and imports	"	15-30	Specific rates	Various <u>4/</u>
Lesotho	Sales duty	" "	"	5-30	Nonessentials	Over 30
Liberia	Business trade levy, general alcohol tax and rubber sales tax	" "	"	n/a		
Mali	Sales tax	Turnover of enterprises <u>5/</u>	"	10-20	Lower/higher rates	6,15,20
Malawi	Surtax	Imports and domestic manuf.	"	20	--	--
Mauritius	Sales tax	Imports, sale of domestic manufacturing services	Domestic goods imports	4-9 10-12	Services	12
Senegal	Turnover tax	Domestic goods, imports, and hotel services	Normal rate	15	Hotel accomm.	12.5
Seychelles	"	Hotel services, utilities, insurance	"	5	Other <u>6/</u>	5, 50
Sudan	General sales tax	Development tax on local manufacturers	Normal rate	5		
Swaziland	"	Imports and domestic manufacturers	"	5	Higher rate	20
Tanzania	Sales tax	" "	"	12	Lower/higher rates	0, 90
Togo	Transactions tax	Domestic manufacturing and services <u>7/</u>	"	12	Services	10
Uganda	Sales tax	" and imports	Normal rates	10-15	Specific rates	Various
Upper Volta	Turnover tax	" and services	Normal rate	18		
Zaire	"	" "	"	10	Higher rate <u>8/</u>	25
Zambia	Sales tax	Sale of specific items <u>9/</u> and hotel services	"	10	Lower rate	4

Sources: International Bureau of Fiscal Documentation, Survey of African Tax Systems and International Monetary Fund consultation reports.

1/ Tax base usually excludes exports, local agricultural produce, basic necessities (food, fertilizers, medicines). government imports, imports already subjected to turnover/sales taxes and other goods and services subjected to specific taxes (excises, petroleum taxes, etc.)

2/ Includes 1 per cent additional turnover tax.

3/ There is also a purchase tax on imported and local cars.

4/ On petrol, beer, and electricity.

5/ Lower/higher rates are on services; water and electricity are subject to specific rates of tax.

6/ Sports and cultural goods subject to 5 per cent; financial transactions and luxury imports subject to 50 per cent.

7/ There are additional specific taxes on industrial goods.

8/ Applicable to goods and services sold by a foreign company. Lower rate applies to transport services.

9/ Specific items include clothing, footwear, soap, sugar, radios, tires and tubes, fencing, both imported and domestic manufactures.

Table 14. Selected Countries of Sub-Saharan Africa:
Excises on Some Specific Goods as Per Cent of GDP

Country	Year	Per Cent of GDP	Year	Per Cent of GDP
<u>Petroleum Products</u>				
Benin	1970	0.71	1979	0.57
Burundi				
(fuel tax)	1973	0.17	1977	0.57
Chad (fuel tax)	1972	0.24	1976	0.28
Ethiopia	1972	0.88	1977	0.41
Ivory Coast				
(excises)	1973	0.84	1978	0.70
Kenya	1972	0.33	1978	...
Senegal	1975	1.13	1979	1.24
Sierra Leone	1974	0.67	1978	0.77
Sudan	...	0.79	1978	0.78
Upper Volta	1973	0.40	1977	0.29
Zambia	...	...	1978	2.21
<u>Beer</u>				
Burundi	1973	1.99	1977	...
Rwanda	1973	1.38	1978	1.62
Sierra Leone	1974	0.21	1978	0.76
Zaire	1972	1.03	1977	0.34
Zambia	1972	...	1978	3.60
<u>Tobacco and Cigarettes</u>				
Ethiopia <u>1/</u>	1972	0.07	1977	0.03
Ivory Coast	1973	0.49	1978	0.27
Mauritius	1973	0.56	1978	0.33
Sierra Leone	1974	1.49	1978	1.07
Sudan	1972	0.37	1978	0.40

Sources: International Monetary Fund, Government Finance Statistics Yearbook, 1980, and consultation reports.

1/ Tobacco monopoly's surplus.

IV. Highlights

To conclude this statistical description of the tax systems of sub-Saharan Africa, it may be useful to highlight some of the major findings and the basic questions that are raised by these findings--questions that could only be answered by a major research effort.

1. The spread in the ratio of tax revenue to GDP is considerable, raising the question of how some countries get along with tax ratios below 10 per cent while others have ratios of as much as 25 per cent. An interesting question is the following: what kind of services are being provided by the countries with high tax ratios that are not being provided by the countries with low tax ratios? Can differences be found in public sector outputs (as measured by indices such as life expectancy, literacy, rates of growth), between these groups?
2. Five countries (Togo, Somalia, Zambia, Benin, and Seychelles) had the highest ranking in the index of international tax comparison; Uganda, Ghana, Chad, Malawi, and Sierra Leone had the lowest ranking. It would be interesting to compare in detail (a) the tax structure of these two groups, (b) the public expenditure of the two groups, and (c) their fiscal situation.
3. In many countries taxes have been covering a progressively smaller share of public expenditure and this has happened in spite of the fact that, for the majority of countries, the buoyancy of the tax systems has been well over 1. Therefore, the fiscal crisis has been caused more by the expenditure side of the budget than by the revenue side. Why was the buoyancy of public expenditure so much higher than that of taxation?
4. Import duties account for the largest share of revenue. Is this inevitable? And what are the implications of this result for resource allocation, growth, income distribution, international competitiveness?
5. Export duties have also been significant revenue sources. To the extent that these duties were not temporary but permanent, what was their effect on exports and production of the products subject to these taxes?
6. Income taxes are still relatively unimportant. What is the scope for these taxes in the future?

Table I. Selected Countries of Sub-Saharan Africa: Export Duties (Base and Rates)

Country	Tax Base	Food Items		Beverages, Tobacco, and Related Products		Minerals		Other	
		Items	Rates ^{1/}	Items	Rates ^{1/}	Items	Rates ^{1/}	Items	Rates ^{1/}
Benin	F.o.b. export value	Shrimp	F 2.5/kg.	Tobacco	F 1/kg.				
Botswana	F.o.b. exports	Palm kernel	F 1/kg.					Hides and	
		Livestock	...					Ivory, trophy	
Burundi	F.o.b. exports or "administrative value"			Coffee	FBu 114-133/kg.			Hides and	10% of FBu 36.16/kg.
				Processed coffee	FBu 0.25-0.40/kg. 6% of FBu			Cotton	FBu 16/100 kg.
				Tea	66/kg.				
				Coffee	F 3/kg.				
Cameroon	F.o.b. exports or "administrative value"	Peanuts	F 175-250/ton	Cocoa	F 1/kg.				
		Peanut oil	F 595/ton						
Central African Empire	"	Cotton, peanuts, and palm oil	0.3-0.5%	Coffee	F 5/kg.	Diamonds	2-17.5%		
		Livestock	14%			Phosphate	14%		
Chad	Fiscal duty on f.o.b. value Turnover tax on f.o.b. value plus fiscal duty	Meat	14%					Cotton	14%
						Gum arabic	14%		
Congo	"	Livestock	F 200-100,000 per animal	Coffee	F 5/kg.	Diamonds	2-17.5%	Logs	3-33%
								Processed logs	2.5-10.5%
Ethiopia	F.o.b. value plus transactions tax			Coffee	Br 18/100 kg. 80-95%			Cottonseed	40-60%
				Sugar				surtax	

All exports sub-
ject to export/
fiscal up to
13% and turn-
over tax of 2%
All exports sub-
ject to trans-
actions tax
of 2%; addi-
tional coffee
surtax of
Br 21/100 kg.
Surtaxes are
with reference
to export
prices.

Country	Tax Base	Food Items		Beverages, Tobacco, and Related Products		Minerals		Other	
		Items	Rates 1/	Items	Rates 1/	Items	Rates 1/	Items	Rates 1/
Gambia, The	F.o.b. value	Palm kernel Groundnuts oil, cake and meal	6% 5.75-6% 6%						
Ghana	Cocoa Board's sale price			Cocoa	Sale price less \$ 739/ton				
Ivory Coast	Standard value	Agricultural products	30%	Coffee) Cocoa)	23% Mineral products	23%	Logs Other agri- cultural products	33% 30%	
Kenya	F.o.b. value			Coffee (Nairobi) Other coffee Tea	15% of price over K Sh 20,000 ton K Sh 6,000/ton or 10% f.o.b. 15% of price over K Sh 20,000 ton			Coffee sold at Nairobi auction.	
Lesotho	"				Sand and stones	M 0.25 under 5 tons M 0.50 over 5 tons			
Liberia	"						Rubber	1.5-2.5 cents per lb.	Graded to export price.
Mali	" for ad valorem Weight/quantity for specific rates	Karite butter Livestock Fish Groundnuts Groundnut oil	MF 10,000/ton MF 500-7,000/ton head MF 41,000/ton MF 4,050/ton MF 12,000/ton				Cotton Other exports	MF 54,000/ton 5%	
Malawi	F.o.b. value	Tea Tobacco	MK 0.30/lb. MK 0.26-0.278/lb.				Hides and skins	MK 0.35 to MK 1.60/lb.	0.278 on oriental (flue-cured) tobacco
Mauritius	F.o.b. value	Sugar Molasses	6-13.5% 5%						Rates graded by size of production per producer.
Nigeria	F.o.b. exports value	Livestock Palm oil Edible nuts	... ... ... ...	Cocoa beans	...		Cotton Rubber Timber	... ... ...	Edible nuts--palm kernels, groundnuts and sheanuts.
Rwanda				Tea	130%		Pyrethrum extract	130%	100% is fiscal duty, 30% is customs duty.

Table I (continued). Selected Countries of Sub-Saharan Africa:
Export Duties (Base and Rates)

Country	Tax Base	Food Items		Beverages, Tobacco, and Related Products		Minerals		Other Raw Materials		Remarks
		Items	Rates l/ Items	Items	Rates l/ Items	Items	Rates l/ Items	Items	Rates l/ Items	
Senegal	F.o.b. export value	Groundnuts	20%			Phosphates	4%			
		Groundnut cake	10% or F 2,310/ton							
		Other groundnut products	20%							
Seychelles		Other nuts	F 15,000-20,000/ton							
		Cinnamon	5-20%/ton			Guano and phosphates	10%			Graduated to export value/ ton
		Other cinnamon products	SRs 500/ton							
Sierra Leone	Diamonds, coffee, cocoa on job	Ginger	5%			Diamonds	2.5%			10% of job value plus 1% for every Le 20 over Le 400/ton
	value; others on c.i.f. value	Palm kernels, coke and oil	10%			Titanium bearing minerals	2.5%			
Somalia	F.o.b. export value	Animal fat	17.3%					Gum arabia	12.2%	Tax rates include a stamp duty of 2.2-3.1%
		Butter	17.3%					Hides and skins	12.2%	
		Livestock	22.4%					Ivory, horns	27.5%	
								Gray amber	32.6%	
Sudan	F.o.b. export value	Groundnuts	8%					Leopard/fur skins	58.1%	
								Cotton	5.8	Short-, medium-, and long-staple, respectively.
									10%	Cotton export tax abolished as from the 1979/80 cotton season.
Swaziland	"	Livestock	...							
				Sugar	50% of excise over E 132/ metric ton					
Tanzania		Processed meat	3%	Coffee	12.5-60%			Reeswax	T Sh 492.50 per ton	
								Sisal	15-60%	Marginal rates are graded to prices per unit.
								Timber	5%	
								Pyrethrum extract	T Sh 2.20/kg.	
								Cotton lint	10-40%	

Table I (concluded). Selected Countries of Sub-Saharan Africa:
Export Duties (Base and Rates)

Country	Tax Base	Food Items		Beverages, Tobacco, and Related Products		Minerals		Other Raw Materials		Remarks
		Items	Rates 1/	Items	Rates 1/	Items	Rates 1/	Items	Rates 1/	
Togo	F.o.b. export value	Groundnuts	8%	Coffee	2%	Phosphates	2%			All exports subject to fiscal duty at 0-30%, customs stamp duty at 4%, turnover tax at 8%, and statistical tax at 2%.
Uganda	"			Coffee	10% of value plus 80% over threshold price	Copper	5-25	Cotton	5-22 cents/Threshold price of U Sh 17,000/ton	
Upper Volta	"							Hides and skins	Sh 16.60-109.10/100 kgs.	Graded to unit export price.
Zaire	"	Palm oil	20% + 1-15%			Diamonds	25% + 7%	Rubber	5%	All exports except cotton, groundnuts, Sesame and sheanuts subject to export duties 6-26%, statistical tax 3%, and research tax 0.5-1.5%.
						Copper	40% + 10-40%	Other exports	6.75%	20%, 25%, 5%, 40%--export tax; 1-15%, 10-40%--progressive surtax on exports;
						Zinc	+ 7%			7%--turnover tax.
Zambia	None					Uranium	7%			An additional statistical tax of 1%.

Sources: International Monetary Fund consultation reports.

1/ F stands for CFA franc.

Table II. Selected Countries of Sub-Saharan Africa: Excises and Selective Production Taxes

	Base/Tax	Alcoholic Beverages		Nonalcoholic Beverages		Tobacco and Cigarettes		Gasoline Products		Other Items		Remarks	
		Items	Rates	Items	Rates	Items	Rates	Items	Rates	Items	Rates		
Benin		Selective excises	Beer Other bev.	CFAF 8-33 /lit. CFAF 16/ lit.				Gasoline Kerosene Oil and grease	CFAF 12-58/lit. CFAF 2.49 /lit. CFAF 25/ kg.	Wheat flour	CFAF 1,200/ton		
Burundi	Domestic manufacture	Excise taxes	Beer	FBu 31/ lit.*	Soft drinks	FBu 1/ 1 cu. lit. FBu 2/ over 1 cu. lit.		Petroleum products	FBu 15/ lit.			*BTU 10 is development tax	
Cameroon	Ex factory sales Ex factory sales Ex factory sales	Domestic production tax 1/ Taxe unique 2/ Special hydro-carbon tax						Gas, kerosene and diesel	CFAF 10.02-12.09/ lit.				
Central African Republic	Ex factory sales Ex factory sales	Taxe unique 2/ Domestic consumption tax 1/										7-32 per cent range 2-35 per cent range	
Chad	Ex factory sales	Taxe unique 2/ Livestock sales tax										5-35 per cent range CFAF 50-2,000 depending on animal	
Congo	Ex factory sales Ex factory sales	Alcohol tax Taxe unique 2/	Alcohol	...								7-33 per cent range	
Ethiopia	Imports and domestic manufacture	Selective excises			Soft drinks	Br 0.2-0.5/lit.				Sugar Yarn Woven fabric Footwear Iron and steel goods	Br 21/ 100 kg. Br 0.25/ kg. Br 2.82/ kg. Br 0.15-1.00 per pair Br 1-10/ 100 kg.	Rubber and plastic goods at 5 per cent	
Gambia, The	Domestic manufacture	Selective excises	Brandy and whiskey Gin (local) Beer	D 17.50-20/imperial gal. D 1.25/ imperial gal. D 77/hectolit.				Petrol and diesel oil	D 0.11/ lit.				
Ghana	Domestic manufacture	Selective excises	Beer and Guinness)	£ 20.05-21.50/ carton			Tobacco and snuff Cigarettes	£ 2-4/lb. 65 per cent + £ 0.24/ lb.	Fuel and gas oils Gasoline LPG	£ 0.22-25/gal. £ 0.38-90/gal. £ 0.02/ lb.	Cocoa (felling)	100 per cent above price of £ 2,664/ ton	Cocoa Marketing Board sales with-in Ghana
Ivory Coast	Distribution price	Selective excises					Tobacco (local) Tobacco (imported)	CFAF 1, 1,300/kg. CFAF 2,560/kg.	Petroleum products	CFAF 11-37/lit.	Timber (logging) Logging	CFAF 100-300/cm. CFAF 10/ hectare CFAF 125,000/ logging area	
Kenya	Domestic manufacture	Selective excises	Beer Perfumed spirits Wine	K Sh 1.50-2.25/lit. K Sh 45/ pf.lit. K Sh 1.30-3.96/lit.			Cigarettes and manufactured tobacco	132-150 per cent of export selling price			Sugar	K Sh 1/kg.	

Table II.(continued). Selected Countries of Sub-Saharan Africa: Excises and Selective Production Taxes

	Base/Tax	Alcoholic Beverages		Nonalcoholic Beverages		Tobacco and Cigarettes		Gasoline Products		Other Items		Remarks
		Items	Rates	Items	Rates	Items	Rates	Items	Rates	Items	Rates	
Lesotho	Imports and domestic manufacture	Beer	...			Domestic tobacco Cigarettes	...			Matches	...	
Liberia	Domestic manufacture	Selective excises	Liquor \$2.50/ U.S. gal. Beer \$0.50/ U.S. gal.			Tobacco	\$0.75/ 100 cigarettes	Hydro carbon oils and gasoline	\$0.9-12/ U.S. gal.			
Mali	Domestic manufacture	Selective excises	Beer 25 per cent Wine 25-35 per cent Other 50 per cent			Domestic Imported	40 per cent 78 per cent			Kola nuts MF 53/kg. Cartridges MF 5-25 per limit bullets MF 1/box Matches MF 2/kg. Ground-nut oil MF 5/1it.		
Malawi	Domestic manufacture	Excise duties	Beer MK 3.00- MK 19.00/ hectolit.	Soft drinks ...		Manufactured tobacco Cigarettes	MK 0.75- MK 1.50/kg. MK 2.15- MK 4.00/kg.			Cane sugar MF 11/ton Fabrics, soap, etc. MK 83.00/ton MK 9.20/ton		
Mauritius	Domestic manufacture	Excise taxes	Country liquor Mau Rs 0.78- 1.15/lit. Wine Mau Rs 9/lit. Local spirits Mau Rs 29.9/lit. Beer Mau Rs 1.25-1.35/ lit. Imported stout Mau Rs 1.65/lit.			Leaf tobacco	Mau Rs 25-35/ kg.			Matches Mau Rs 1/144 boxes Crown corks Mau Rs 1/10 units Sugar Mau Rs 15-25/ ton		60 sticks/ box
Nigeria	Ex factory price *	Excise taxes								General rate 5-10 per cent Luxury rate 25 per cent (e.g. cosmetics)		*For tobacco inclusive of ex factory
Rwanda	Domestic manufacture	Consumption taxes	Beer RF 25.72/ c.l.	Lemonade RF 33/ c.l.						Soap RF 20/ 10 kg.		
Senegal	Domestic manufacture	Selective excises	Local beer 30 per cent including taxes Fermented beer CF 85/ lit. Wines CF 225/ lit. Spirits (12 %) CF 85/ lit. Spirits (40%) CF 750/ lit.	Soft drinks Black, green tea Tea essence Green coffee	CF 3/ lit. CF 100/ kg. CF 150/ kg. CF 50/ kg.					Dairy products CF 100/ kg. Kola nuts CF 95/ kg.		
Seychelles	Domestic manufacture	Selective excises	Beer 22.5 per cent*									*Retail price
Sierra Leone	Domestic manufacture	Selective excises	Beer Le 0.45/ gal. Potable spirits Le 8.58/ gal.			Tobacco	Le 1.00/ lb.			Other goods	6-60 per cent	
Somalia	Domestic manufacture	Selective excises	Alcohol So. Sh. 2000/kg.	Beverages So. Sh. 40-65/ bottle Mineral water So. Sh. 0.10-20 /bottle		Chewing tobacco Cigarettes	So. Sh. 18.13/kg. So. Sh. 88-170/ kg.			Matches So. Sh. 18.90/kg. Sugar So. Sh. 382/ quintal Soap, shampoo 20 per cent		
Sudan	Domestic manufacture	Selective excises	Liquor Lsd 4/lit.			Cigarettes	Lsd 2.75- 14.40/ kg.	Diesel oil Gas	Lsd 20/ m.ton 40 per cent	Sugar Lsd 16.60/ m.ton Shoes 20-25 per cent Textiles 5 per cent		

Table II (concluded). Selected Countries of Sub-Saharan Africa: Excises and Selective Production Taxes

Base/Tax	Alcoholic Beverages		Nonalcoholic Beverages		Tobacco and Cigarettes		Gasoline Products		Other Items		Remarks
	Items	Rates	Items	Rates	Items	Rates	Items	Rates	Items	Rates	
Swaziland	Domestic manufacture	Selective excises	Beer E 17.67/ 100 lit. Spirits E 589.51/ 100 lit.	Other beers E 1.76/ 100 lit.	Tobacco ... Cigarettes ...				Matches		
Tanzania	Excises are now amalgamated with the sales tax										
Togo	Domestic manufacture and im-ports	Selective excises					Petroleum and products	CFAP 5-10/ lit.			
Uganda	Domestic manufacture	Selective excises	Beer ... Spirits, wines ...		Tobacco ... Cigarettes ...				Sugar	...	
Upper Volta	Domestic manufacture	Beer	Beer CFAP 15/ lit.	Beverages CFAP 2-20/ lit.			Petroleum products	CFAP 2-15/lit.	Kola nuts CFAP 60/ kg. Cartridges and bullets CFAP 10/ unit		
Zaire	Domestic manufacture and imports	Excise taxes	Alcohol Z 1/alco- holic degree	Mineral waters	...	Cigarettes 25 per cent	Petroleum products	Z 45.5/ m.ton	Cement	...	
Zambia	Domestic manufacture	Selective excise taxes	Beer, ale, stout Local beer Liquor	K 4.07/ decilit. K 0.18/ decilit. K 2.70-4/ proof lit.	Soft drinks K 0.16/ decilit.		Gasoline Diesel oil Fuel oil	K 0.50/ decilit. K 0.11/ decilit. 10 per cent			Surtax on local beer K 0.29-33/ decilit.

1/ On products sold within Cameroon.

2/ On products exported to countries of the Central African Customs and Economic Union.