EXECUTIVE BOARD MEETING

SM/16/57
Correction 1

March 18, 2016

To: Members of the Executive Board

From: The Acting Secretary

Subject: **West African Economic and Monetary Union—Selected Issues**

Board Action:	The attached corrections to SM/16/57 (3/7/16) have been provided by the staff:
Factual Errors Not Affecting the Presentation of Staff's Analysis or Views	Page 17 (Figure 1d)
Questions:	Mr. Loko, AFR (ext. 30337) Ms. Yontcheva, AFR (ext. 39912)

- *Goods and services taxes*: The francophone tradition of relying more on direct than on indirect taxation is reflected in the relatively higher rates. This translates into a higher level of tax revenues than is the case in comparator countries by around 0.6 to 0.8 percent of GDP. Also, the improvement in the WAEMU countries over the observation period was most pronounced in this tax category. (Figure 1d).

6. **WAEMU countries show considerable variation in the drivers for revenue collection by tax categories**. For example, in Togo, income tax revenue declined from 2.9 percent to 2.5 percent of GDP, but goods and service tax revenue rose sharply from 2 percent to 9.2 percent of GDP. In Benin, the revenue gain was driven by higher trade tax revenue, while goods and services tax revenue declined. In Cote d'Ivoire, however, the decline in tax revenue was mainly driven by falling trade tax revenues.

Figure 1. WAEMU: Tax Revenue Developments

Figure 1a: Total tax revenue, in % of GDP

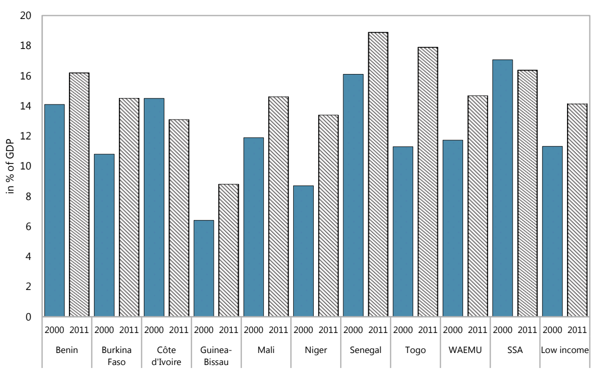

Figure 1b: Trade tax revenue, in % of GDP

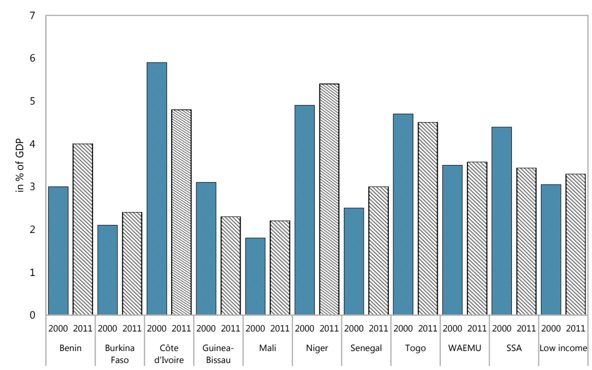

Figure 1c: Income tax revenue, in % of GDP

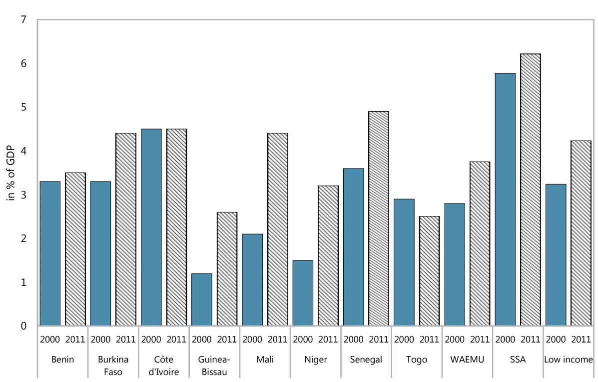

Figure 1d: Goods and services tax revenue, in % of GDP