

A Fairer Global Tax System: Developing World Perspective

David McNair, Christian Aid
dmcnair@christian-aid.org



'Tax is a good thing! Without tax you cannot build democracy, without tax you cannot resolve poverty – you can't provide health, education and water.'

Charles Abugre, Deputy Director of UN Millennium Campaign



“Mozambique is losing a lot of money in tax to international operations. There is no adequate legislation governing transfer pricing...when there is a request for transfer pricing placed with the tax authorities, nobody knows how to deal with the request.”

Former Tax Manager at KPMG Maputo



TRADE intensity

Linkage:	Exports (goods)		Imports (goods)	
	Narrow	Broad	Narrow	Broad
Low income	6.1%	39.9%	8.6%	28.4%
Lower-middle income	15.1%	45.0%	6.9%	25.8%
Upper-middle income	7.2%	46.9%	4.7%	35.9%
High-income OECD countries	6.1%	33.8%	5.9%	29.2%

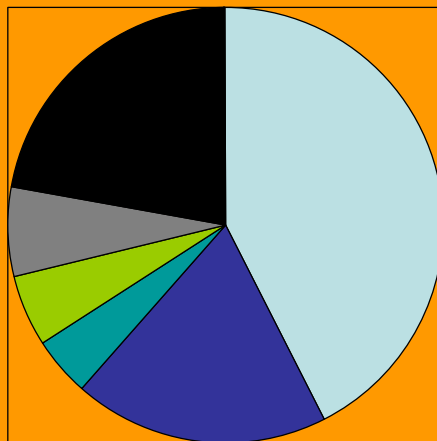


FINANCE intensity

Linkage:	Portfolio investment		Bank claims		
	SJ list:	Narrow	Broad	Narrow	Broad
Lowincome		27.3%	85.3%	7.2%	50.5%
Lower-middle income		47.6%	86.0%	4.6%	51.2%
Upper-middle income		23.9%	81.5%	4.7%	42.9%
High-income OECD countries		21.3%	53.8%	11.4%	42.9%



Sources of Kenya's portfolio investment stocks (CPIS, 2008)



- Mauritius
- Luxembourg
- South Africa
- Guernsey
- Hong Kong
- Other



We stand ready to take agreed action against those jurisdictions which do not meet international standards in relation to tax transparency. [...] We are committed to developing proposals, by end 2009, to make it easier for developing countries to secure the benefits of a new cooperative tax environment.

G20 Declaration, April 2009.



Expresses great concern that the negative impact of tax havens may be an insurmountable hindrance to economic development in poor countries...thus preventing developing countries from investing in public services, education, social security and human welfare”

European Parliament,
On the effects of the global financial and economic crisis on developing countries and on development cooperation
(2009/2150(INI)).



***“more can be done to boost development by helping developing countries collect taxes than can be achieved through foreign aid.*”**

Angel Gurría, Secretary General of the OECD:



- ***“We are sitting on a potential platform that can change this continent.”*”**

**Justus Nyamunga, Director of Economic Affairs:
Ministry of Finance, Kenya**

