Revenue Statistics in Africa is an annual publication providing accurate, complete and reliable statistics on public revenues for tax policy development. It includes harmonised and internationally comparable data that can be accessed online for free.

The publication is produced jointly by the African Tax Administration Forum (ATAF), the African Union Commission (AUC), the Centre for Tax Policy and Administration of the Organisation for Economic Co-operation and Development (OECD) and the OECD Development Centre, with financial support from the governments of Ireland, Japan, Luxembourg, Norway, Sweden and the United Kingdom, and in collaboration with African countries. It is a key contribution to the pan-African goal of improving domestic resource mobilisation in the African Union's Agenda 2063, the regional economic communities' strategic priorities, and the Sustainable Development Goals (SDGs).

Revenue Statistics in Africa 2020 provides data on 30 countries: Botswana, Burkina Faso, Cabo Verde, Cameroon, Chad, the Republic of the Congo, the Democratic Republic of the Congo, Côte d’Ivoire, Equatorial Guinea, Egypt, Eswatini, Ghana, Lesotho, Kenya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, the Seychelles, South Africa, Togo, Tunisia and Uganda. It includes a special feature discussing factors likely to affect the future of domestic resource mobilisation (DRM) in Africa in the aftermath of the COVID-19 pandemic, including the impact of the African Continental Free Trade Area (AfCFTA) on trade and public revenues.

Definitions and classifications

Revenue Statistics in Africa follows the OECD tax classification where taxes are defined as compulsory, unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government are not normally in proportion to their payments. Compulsory social security contributions paid to general government are classified as taxes.

Taxes are classified according to their base. The six main categories are: taxes on income and profits; social security contributions; payroll and workforce taxes; property taxes; goods and services taxes and other taxes.

Non-tax revenues are all other revenues received by general government, not classified as taxes. They include: grants (foreign aid); property income (rents and royalties (e.g. oil and mining royalties), interest and dividends and other property income); sales of goods and services (including administrative fees); fines, penalties and forfeits; and miscellaneous and unidentified revenue.

Further information on definitions and classifications is available in the Interpretative Guide:

The publication is available at http://oe.cd/revstatsafrica

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Achieving the SDGs and implementing the Addis Ababa Action Agenda and the African Union’s Agenda 2063 requires mobilising additional finance, in particular domestic resources, to fund public goods and services. This report presents internationally comparable indicators on tax and non-tax revenues that can be used to track progress on DRM and to inform tax policy reform.

TAX RATIOS FOR 2018

In 2018, the unweighted average tax-to-GDP ratio for the 30 countries in this publication (the “Africa (30) average”) was 16.5%. The tax-to-GDP ratio refers to total tax revenue, including social security contributions, as a percentage of gross domestic product (GDP). The Africa (30) average in 2018 was below the Latin America and the Caribbean (LAC) average of 23.1% and the OECD average of 34.3% in the same year. Tax-to-GDP ratios in Africa ranged from 6.3% in Equatorial Guinea and Nigeria to 32.4% in the Seychelles, with 21 countries having ratios between 10% and 25%. The tax-to-GDP ratio exceeded 25% in four countries (Morocco, Seychelles, South Africa and Tunisia) and was less than 10% in five countries (Chad, the Republic of the Congo, the Democratic Republic of the Congo, Equatorial Guinea and Nigeria).

Figure 1. Tax-to-GDP ratios (total tax revenue as % of GDP), 2018

TAX-TO-GDP RATIOS SINCE 2010

The increase in the Africa (30) average tax-to-GDP ratio between 2010 and 2018 was 1.4 percentage points (p.p.), although since 2014, the average has remained relatively constant at between 16.4% and 16.5% of GDP. The increase since 2010 is lower than the increase in the LAC and the OECD averages over the same period (1.9 p.p. and 2.0 p.p. respectively). The main changes in the Africa (30) average tax-to-GDP ratio between 2010 and 2018 were increases in revenues from value-added tax (VAT) (1.0 p.p.) and personal income taxes (0.7 p.p.). VAT and income tax revenues increased mostly between 2010 and 2014 (0.9 p.p. and 0.5 p.p. respectively).

Figure 2. Tax-to-GDP ratios, 2000-2018


Special feature: COVID-19 and AfCFTA: Risks and opportunities for domestic revenue mobilisation in Africa

The special feature in this year’s edition discusses factors likely to affect DRM in Africa in the aftermath of the COVID-19 pandemic. As in other regions, the pandemic will have heavy socio-economic impacts in Africa and is likely to severely affect public revenues, potentially endangering progress made in DRM over the past decades. Although there is considerable uncertainty about how the COVID-19 crisis will evolve, fiscal policies will be an essential tool for all countries in the economic and fiscal recovery process over the longer term. DRM will be an important part of this discussion, as countries seek to restore public finances in a fair and sustainable way, to boost resources to reduce inequalities and promote development, and to allow a greater degree of fiscal space to respond to future shocks. This includes exploring new avenues of raising domestic resources to offset the financing gap created by the pandemic, due to resources being diverted to minimise the effects of an emerging humanitarian and economic crisis. The implementation of AfCFTA can contribute to this process: in the short term, it has the potential to mitigate the effects of COVID-19 by deepening intra-African trade and accelerating the post-pandemic economic recovery; over the longer term, it will likely play an important role in building greater resilience and insulating the continent against future shocks.
TAX STRUCTURES

Taxes on goods and services were the main source of tax revenues among the countries included in this publication, accounting for 51.9% of total tax revenues on average in 2018, with VAT alone accounting for 29.7%. Taxes on income and profits accounted for 38.7% of tax revenues. Africa’s average tax structure was similar to that of the LAC region in 2018, except in relation to social security contributions, which were on average more than twice as high in LAC than in Africa. Labour taxes remain low in Africa and LAC compared to the OECD: personal income taxes and social security contributions amounted to 24.7% of total tax revenues for the Africa (30) average and 26.7% in the LAC region, whereas in the OECD these revenues represented on average 49.9% of tax revenues.

Taxes on goods and services were the principal source of tax revenues for 21 African countries in 2018, ranging from 39.7% of tax revenues in Tunisia to 76.3% in Togo. For the nine other countries (Chad, the Democratic Republic of the Congo, Equatorial Guinea, Nigeria and all countries that constitute the Southern African Customs Union (SACU) i.e. Botswana, Eswatini, Lesotho, Namibia and South Africa), taxes on income and profits accounted for the principal share of total tax revenue.

Environmentally related taxes are a key tool for countries wanting to decarbonise their economies and raise revenues. In Africa, revenues from these taxes amounted to 1.1% of GDP in 2018, on average, the same level as the LAC region and lower than the OECD unweighted average of 2.3% of GDP. In 2018, energy taxes generated 70% of these revenues in Africa on average, followed by motor vehicle and transport taxes. The Africa (30) average rose by 0.2 p.p. between 2010 and 2018. The largest increases in environmentally related tax revenue (over 1.0 p.p.) between 2010 and 2018 were observed in Eswatini, Ghana and Mauritania and were due to increases in fuel and petroleum tax revenues.

This report also presents data on the VAT revenue ratio (VRR) for each country, calculated as the difference between VAT revenues that would be expected if standard rates were uniformly applied to the entire potential tax base and what was actually collected. These differences could be a result of exemptions and reduced rates, fraud, evasion and tax planning, as well as weaknesses in tax administration. In 2018, Cabo Verde and South Africa had the highest VRR (0.73 and 0.61 respectively) whereas Chad, the Democratic Republic of the Congo, and Equatorial Guinea had the lowest, below 0.15.

Figure 3. **Tax structures (% of total tax revenue), 2018**

![Tax structures](https://oe.cd/revstatsafrica)

NON-TAX REVENUES

In 2018, average non-tax revenues were equivalent to 6.5% of GDP in Africa. Non-tax revenues were below 5% of GDP in 16 of the 30 African countries and above 10% in six, ranging from 0.6% of GDP in South Africa to 25.2% of GDP in Lesotho. Four of the six countries (Lesotho, Botswana, Namibia, and Eswatini) receiving non-tax revenues exceeding 10% of GDP were net recipients of funds from the SACU Common Revenue Pool into which all SACU members pay their customs and excise revenues for the purposes of redistribution. The other two countries were the Republic of the Congo and Equatorial Guinea, which both received oil revenues exceeding 15% of GDP. Non-tax revenues were lower than tax revenues in all countries except Botswana, the Republic of the Congo, Equatorial Guinea and Lesotho.

In contrast with the Africa (30) average tax-to-GDP ratio, average non-tax revenues in these countries fell from 8.3% of GDP in 2010 to 6.5% in 2018, including a sharp decline of 3.2 p.p. between 2012 and 2016. This was driven mainly by declines in rents and royalties and in grant revenues.

The sources of non-tax revenues vary across the countries in the report. For 12 countries (in descending order Rwanda, Togo, Niger, Chad, Burkina Faso, Senegal, the Democratic Republic of the Congo, Madagascar, Malawi, Mali, Côte d’Ivoire, and Uganda), grants were the principal source of non-tax revenues. Six countries (the Republic of the Congo, Equatorial Guinea, Mauritania, Cameroon, Tunisia and Nigeria) received their highest share of non-tax revenues from rents and royalties. The eight remaining countries, excluding the four net recipient SACU countries, collected their highest share of non-tax revenues from other non-tax revenues, such as interest and dividends, fees for goods and services, or miscellaneous sources.

Figure 4. Total tax and non-tax revenue as a percentage of GDP, 2018

Towards harmonised regional statistics

- **Revenue Statistics in Africa** provides tools that have been developed by tax policy makers and adapted for tax policy analysis, such as:
  - An annual publication, available in hard copy and online, that allows for cross country comparison.
  - A highly-detailed dataset freely accessible online.
  - **Compare your country**, a free online interactive tool, and other tools for data presentation and analysis.
  - **Country notes**, one page overview of key figures: tax-to-GDP ratios, tax structure and non-tax revenues for each country.
- **Participation is free of charge**: there is no payment required, and participation involves approximately 1-2 weeks of work a year for national officials. Most data compilation tasks are carried out by the OECD.
- **Comparability and trustworthiness**: a common method for collecting, analysing, aggregating and presenting data across over 100 countries around the world, with data validated by national authorities. These data are accessible through the Global Revenue Statistics Database.
- **Continuous dialogue and organisations**: bilateral exchanges and seminars on tax policy and statistics with experts in African countries to share experiences and best practices.

**Partners**

The OECD is an intergovernmental organisation that has helped develop global standards, international conventions, agreements and recommendations since 1961 to promote better policies in areas such as governance and the fight against bribery and corruption and, to support corporate responsibility, development assistance, global investment and international taxation.

ATAF is an international organisation founded in 2008. Currently representing 38 member countries, it provides a platform for co-operation among African tax authorities.

The African Union is a continental organisation representing 55 African States. Founded in 1963 as the Organization of African Unity, it became the African Union in 2002. The organisation is made up of both political and administrative bodies to promote unity and solidarity among African States and to co-ordinate and intensify co-operation for development.

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Revenue Statistics in Africa is part of a global series that includes four annual publications for different regions and the Global Revenue Statistics Database. Launched in 2018, the Global Revenue Statistics Database draws on the publications to provide detailed, comparable tax revenue data for over 100 countries from all regions of the world.

http://oe.cd/globalrevstats