Revenue Statistics in Africa

*Revenue Statistics in Africa* is an annual publication providing accurate, complete and reliable statistics on public revenue 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 the technical support of the African Development Bank (AfDB) and the Cercle de réflexion et d’échange des dirigeants des administrations fiscales (CREDAF) and with the financial support of the European Union, and in collaboration with African countries. It is a key contribution to the pan-African goal of improving domestic resource mobilisation, which is set out in the African Union’s Agenda 2063, the regional economic communities’ strategic priorities, and the Sustainable Development Goals (SDGs). It also contributes to the implementation of the second phase of the Pan-African Statistics Programme, a joint initiative between the European Union and the African Union that aims to improve measurement of progress in the process of African Integration by promoting the use of statistical data of quality in the Africa Integration decision making process and policy monitoring.

*Revenue Statistics in Africa 2022* provides data on 31 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, Sierra Leone, South Africa, Togo, Tunisia and Uganda. It includes a special feature on efficient taxation of the informal sector in Africa.

**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.


The publication is available at [https://oe.cd/revstatsafrica](https://oe.cd/revstatsafrica)

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory; to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.
Key results

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 domestic resource mobilisation and to inform tax policy reform.

TAX RATIOS FOR 2020 AND CHANGES SINCE 2019

In 2020, against the backdrop of the COVID-19 crisis, the unweighted average tax-to-GDP ratio for the 31 countries in this publication (the “Africa (31) average”) was 16.0%, a decrease of 0.3 percentage points (p.p.) relative to 2019. The tax-to-GDP ratio refers to total tax revenues, including compulsory social security contributions, as a percentage of gross domestic product (GDP). The Africa (31) average in 2020 was below the averages of Asian and Pacific economies (19.1%), Latin America and the Caribbean (LAC) (21.9%), and the OECD (33.5%).

Figure 1. Tax-to-GDP ratios (total tax revenues as % of GDP), 2020

Tax-to-GDP ratios varied widely across Africa in 2020, ranging from 5.5% in Nigeria to 32.5% in Tunisia. More than three-quarters (24) of the countries recorded a decline in their tax-to-GDP ratio between 2019 and 2020, largely due to the impact of COVID-19. Most of the decreases recorded over the period were smaller than one percentage point (p.p.) of GDP, but they exceeded this amount in seven countries. Namibia registered the largest decrease, of 1.7 p.p. In contrast, Chad’s tax-to-GDP ratio rose by 6.6 p.p., the largest increase in the region, followed by the Republic of the Congo (1.7 p.p.).

Seventeen of the 31 countries recorded declines in nominal tax revenues in 2020, which fell by 0.5% on average. Nominal GDP increased by 0.2% on average, with 18 countries recording increases in nominal GDP. In a third of African countries, a decline in nominal tax revenues was accompanied by a decline in nominal GDP, mostly resulting in lower tax-to-GDP ratios in 2020 relative to 2019. However, the declines in GDP in the Republic of the Congo and Tunisia were larger than the drop in tax revenues, resulting in increases in their tax revenues as a share of GDP.

As was the case in Africa, about three-quarters of countries in the LAC and Asia-Pacific regions recorded decreases in tax revenues as a share of GDP between 2019 and 2020. However, tax-to-GDP ratios in the LAC and Asia-Pacific regions were more strongly affected by the COVID-19 crisis on average, decreasing by 0.8 p.p. and 1.2 p.p. respectively over the period. In contrast, the OECD average increased by 0.1 p.p., and more than half of OECD countries recorded higher tax-to-GDP ratios in 2020 than in 2019.

TAX-TO-GDP RATIOS SINCE 2010

In 2020, the Africa (31) average tax-to-GDP ratio recorded its first year-on-year decline since 2010, although it was 1.6 p.p. higher than in 2010. In comparison, the average tax-to-GDP ratios for the LAC region and the OECD increased by 1.0 p.p. and 1.9 p.p. respectively over this period. Tax-to-GDP ratios rose in 25 African countries between 2010 and 2020 and declined in six. The COVID-19 crisis has reversed a decade of gains in tax revenues as a share of GDP for several countries, notably Kenya and Namibia.

Figure 2. Tax-to-GDP ratios, 2000-2020

The increases in the Africa (31) average tax-to-GDP ratio between 2010 and 2020 were mainly generated by value-added tax (VAT) and personal income tax (PIT). In 2020, taxes on goods and services remained the main source of tax revenues in Africa, accounting for an average of 50.4% of total tax revenues, with VAT accounting for 27.8%. Taxes on income and profits accounted for 39.3% of tax revenues. Taxes on goods and services were the principal source of tax revenues for 22 of the countries included in the report in 2020. For the other nine countries, taxes on income and profits accounted for the principal share.

**TAX STRUCTURES**

Taxes on goods and services were the tax type most strongly impacted by the COVID-19 crisis across the 31 African countries, decreasing by 0.4% of GDP on average between 2019 and 2020. This decline was driven by a fall in revenues from VAT as a share of GDP of 0.3 p.p. In contrast, revenues from PIT remained unchanged over this period while those from corporate income taxes rose by 0.1 p.p., an increase driven entirely by Chad.

Figure 3. **Tax structures (% of total tax revenue), 2020**


**Special feature: Efficient taxation of the informal sector in Africa**

*Revenue Statistics in Africa* 2022 includes a special feature examining challenges and potential solutions to taxing the informal sector in Africa. The chapter, which is based on the Guidebook produced by the African Tax Administration Forum (ATAF), summarises experiences and good practices of African countries in this area. While eight out of ten workers in Africa are in informal employment, the informal sector contributes little to domestic revenue mobilisation. Recommendations for the effective taxation of the informal sector include institutionalising exchanges between tax authorities and tax payers in the informal sector, simplifying and incentivising registration, rationalising the number of taxes and creating a database of actors in the informal sector.
NON-TAX REVENUES

In 2020, average non-tax revenues reached 6.8% of GDP in Africa, ranging from 0.5% of GDP in South Africa to 35.1% of GDP in Lesotho. Non-tax revenues exceeded 10% of GDP in five countries, four of which (Botswana, Eswatini, Lesotho and Namibia) received most of their non-tax revenues from the Southern African Customs Union (SACU) Common Revenue Pool. Non-tax revenues were lower than tax revenues in all countries except Botswana, the Republic of the Congo and Lesotho.

Between 2010 and 2019, average non-tax revenues decreased by 1.7 p.p. of GDP while tax revenues increased by 1.8 p.p. In 2020, the first year of the COVID-19 crisis, these trajectories reversed: while tax revenues declined by 0.3 p.p., non-tax revenues increased by 0.6 p.p., yielding an average increase in government revenues of 0.3 p.p. in 2020.

The COVID-19 crisis led to a decrease in oil royalties in a number of countries due to lower fuel prices and demand, while foreign aid increased over the same period. Grant revenues increased by 0.4 p.p. of GDP between 2019 and 2020 while property income decreased by 0.2 p.p. due to lower revenues from natural resources.

Sources of non-tax revenues vary by country. For 11 countries, a majority of non-tax revenues came from grants in 2020. Five countries (Cameroon, the Republic of the Congo, Equatorial Guinea, Mauritania and Nigeria) received most of their non-tax revenues from rents and royalties, in particular oil royalties. The 11 remaining countries, excluding the four net recipient SACU countries, relied more on other sources of non-tax revenues, such as interest and dividends and fees for goods and services.

Figure 4. **Total tax and non-tax revenue as a percentage of GDP, 2020**

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 115 countries around the world, with data validated by national authorities. These data are accessible through the Global Revenue Statistics Database.

- **Continuous dialogue**: bilateral exchanges and seminars on tax policy and statistics with experts in African countries to share experiences and best practices.

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**Partners**

**OECD**

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.

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**ATAF**

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

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**The African Union**

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 contributes to the implementation of the 2nd phase of the Pan-African Statistics Programme, a joint initiative between the European Union and the African Union that aims to improve measurement of progress in the process of African Integration.

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In collaboration with:

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Contacts

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A global initiative

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 115 countries from all regions of the world.

http://oe.cd/globalrevstats