

NIGERIA and China and South Africa: the impact of double taxation treaties.

A study

Financing for development

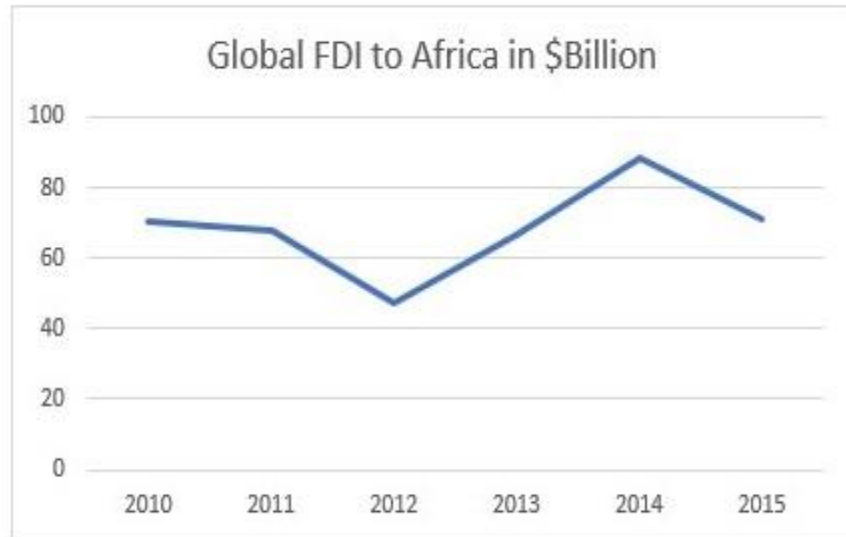
- Since adoption of SDG key question is how will it be funded ?
- Africa receives only 2% of the world FDI flows ;
- Annual funding/financing gap of \$2.5 trillion according to UNCTAD
- domestic public resources are the largest and most reliable source of finance for development;
- DRM is a challenge as many LIC have narrow fiscal base mainly dependent on 1 or 2 commodities and small private sector;

Addis Ababa Action Agenda & Addis Tax Initiative

- Improve international cooperation on tax and regional integration to accelerate development
- Measures such as Tax Inspectors without borders technical assistance
- Measures such as Automatic Exchange of Information
- Addis tax initiative aims to catalyze significant increase in DRM by creating framework for action to harness opportunities

1. Global FDIs to Africa and Nigeria |

Year	Global FDI to Africa in \$B	Global FDI to Nigeria in \$B
2010	70.4	4.7
2011	67.6	4.5
2012	47.2	3.2
2013	66.3	4.4
2014	88.5	5.9
2015	71.3	4.8



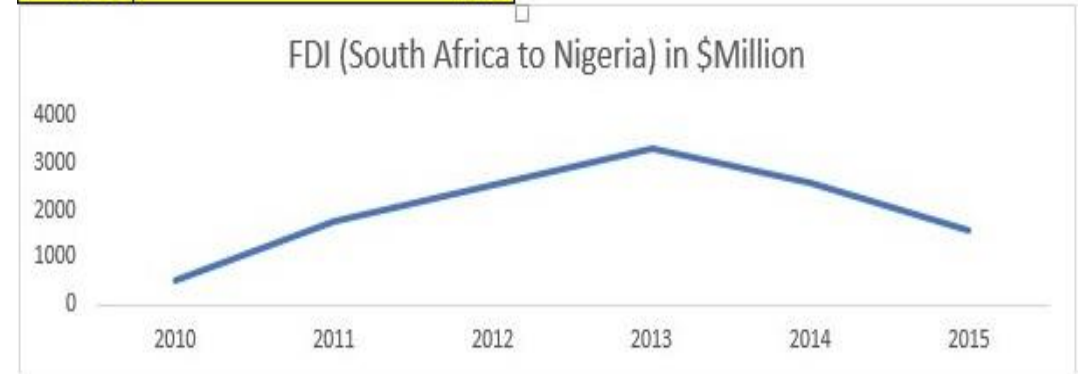
FDI from China to Nigeria

Year	FDI (China to Nigeria) in \$M
2010	7705
2011	13592
2012	13413
2013	4512
2014	9902
2015	3535



2. FDI from South Africa to Nigeria

Year	FDI (South Africa to Nigeria) in \$M
2010	521
2011	1794
2012	2530
2013	3298
2014	2592
2015	1589



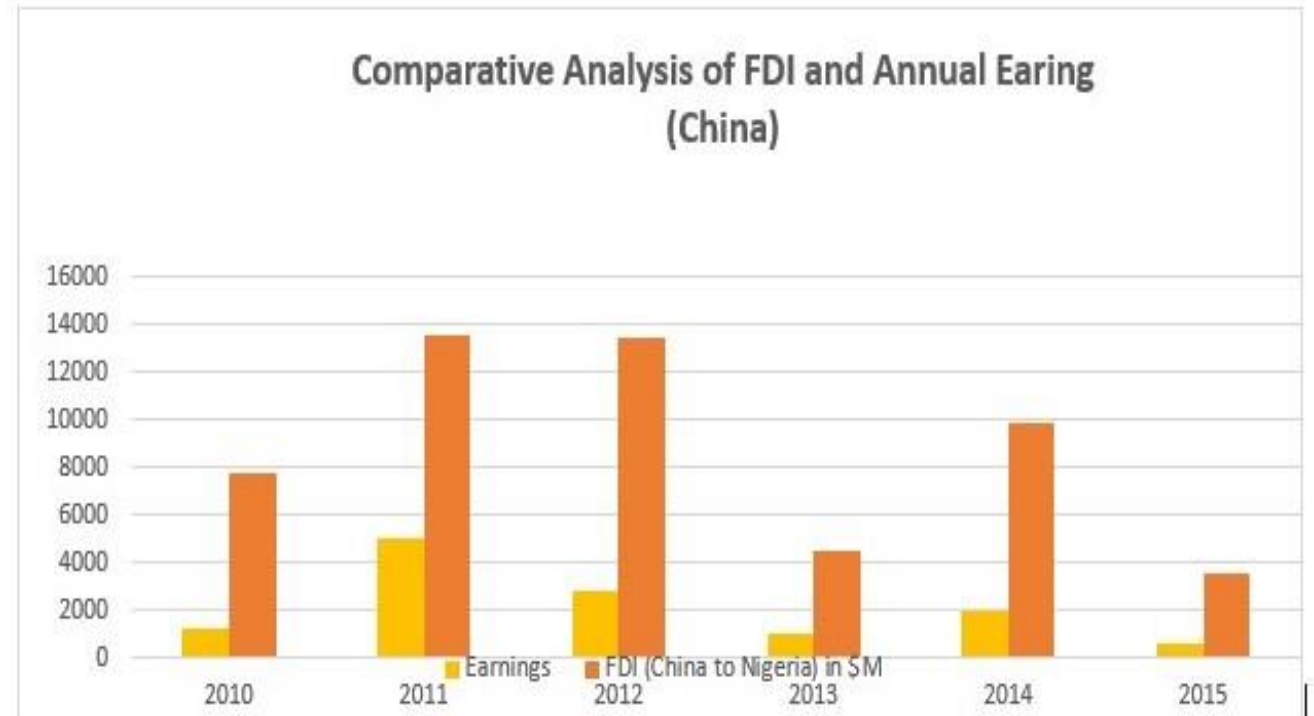
3. Annual Price Earnings Ratio (Nigerian Stock Exchange)

Year	PE Ratio
2010	16.31
2011	36.67
2012	20.71
2013	21.81
2014	19.73
2015	17.16

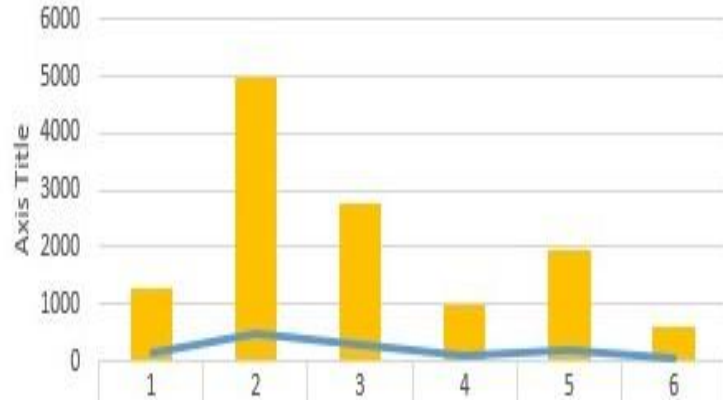


4. Comparative Analysis, Earning and Revenue Lost (China)

Year	FDI (China to Nigeria) in \$M	PE Ratio	Earnings	Revenue Lost
2010	7705	16.31	1256.6855	125.66855
2011	13592	36.67	4984.1864	498.41864
2012	13413	20.71	2777.8323	277.78323
2013	4512	21.81	984.0672	98.40672
2014	9902	19.73	1953.6646	195.36646
2015	3535	17.16	606.606	60.6606

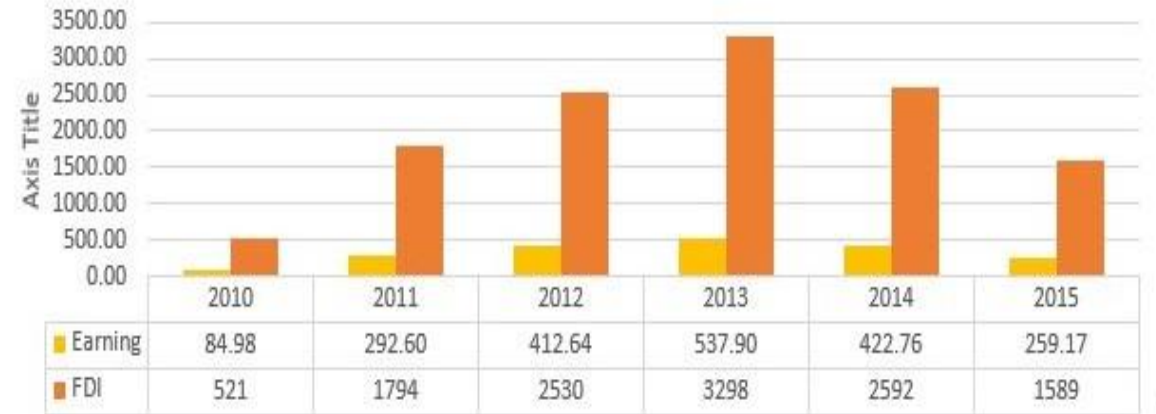


Revenue Lost China



Earnings	1256.6855	4984.1864	2777.8323	984.0672	1953.6646	606.606
Revenue Lost	125.66855	498.41864	277.78323	98.40672	195.36646	60.6606

Comparative Analysis of FDI and Annual Returns (South Africa)



Comparative Analysis, Earning and Revenue Lost – South Africa

Comparative FDI analysis Data South Africa

Year	FDI	PE Ratio	Earning	Revenue Lost
2010	521	16.31	84.98	8.49751
2011	1794	36.67	292.60	29.26014
2012	2530	20.71	412.64	41.2643
2013	3298	21.81	537.90	53.79038
2014	2592	19.73	422.76	42.27552
2015	1589	17.16	259.17	25.91659

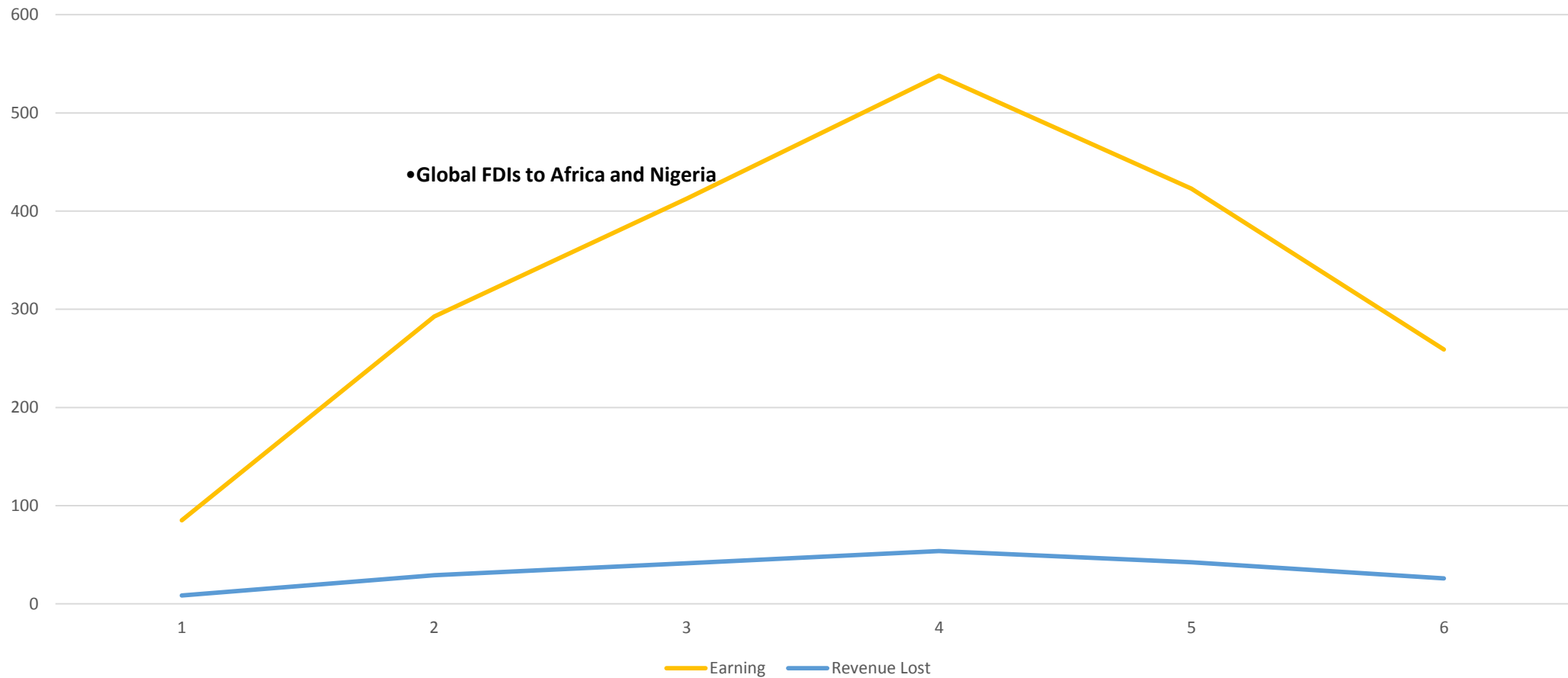
Revenue Lost (South Africa)



Preliminary findings

Comparative FDI analysis Data South Africa				
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Revenue Lost (South Africa)



Policy recommendations

- Deconstruct the policy logic of DTA: Who benefits?
- Critically examine UN model treaty provisions and deviations
- Increase transparency and accountability in treaty process eg increase legislative oversight, articulate integrated policy framework mid to long term economic development plans, stakeholder engagement
- Support Recent motion in National Assembly to exercise powers to ratify treaties in Nigeria database of treaties, record and status of treaties
- Gender lens to approach issues example asymmetrical bargaining relationships and addressing structural inequality of economic relations/partners so as to address imbalances
- Increase in revenue increased spending on development issues which have an impact on gender inequality