



# African govts urged to increase domestic tax revenue ... to finance development projects

BY CLIFF EKUFUL

**T**HE African Union Commissioner for Economic Development, Trade, Industry and Mining, Mr Albert Muchanga, has called on African governments to put in place effective strategies to rump up domestic tax revenues in order to finance their development projects.

According to him, the development stagnation of the continent was a clear indication that reliance on foreign aid was not the way out.

Addressing the media on the sidelines of African Union Mid-Year Coordination Meeting, in Accra on Saturday, Mr Muchanga said African countries remained the least in terms of tax mobilisation and until that changes, the continent would continue to lag behind.

He explained that average tax revenue mobilisation rate to gross domestic product (GDP) on the continent was 15 per cent, as against 25 per cent in South America and 34 per cent in Europe.

Mr Muchanga further said as part

of its efforts to achieving the 2063 agenda outlines debt sustainability, stability and economic resilience for the continent, the AU early last this year joined the G20 nations.

He stated that some of the priority areas the AU wanted to achieve within the shortest possible time was to re-structure of Africa's indebtedness to multi-lateral financial institutions as well as end poverty, hunger, curb illicit financial flow and illegal gold smuggling from Africa.

Additionally, Mr Muchanga said

the commission was in the process of operationalising the continent's first-ever Credit Rating Agency as well as the Capital Market to ensure that countries free themselves from the clutches of international rating agencies.

To this end, he said the commission was building its capacity of capital market experts to manage the Credit Rating Agency and the Pan African Stock Exchange Market.

Mr Muchanga then urged African countries to develop credible

economic data and leverage it for effective projection.

He announced that plans were far advanced for the establishment of African Investment Platform to remove barriers to the continent's investment drive.

"For Africa to have a stronger voice at the G20, Muchanga said, it was imperative for the continent to deepen its economic integration," Mr Muchanga said.

He called for reform of the global financial architecture to make it fairer to African countries.