



# **An Arab Perspective on the Post 2015 Agenda: National targets, regional priorities and global goals**

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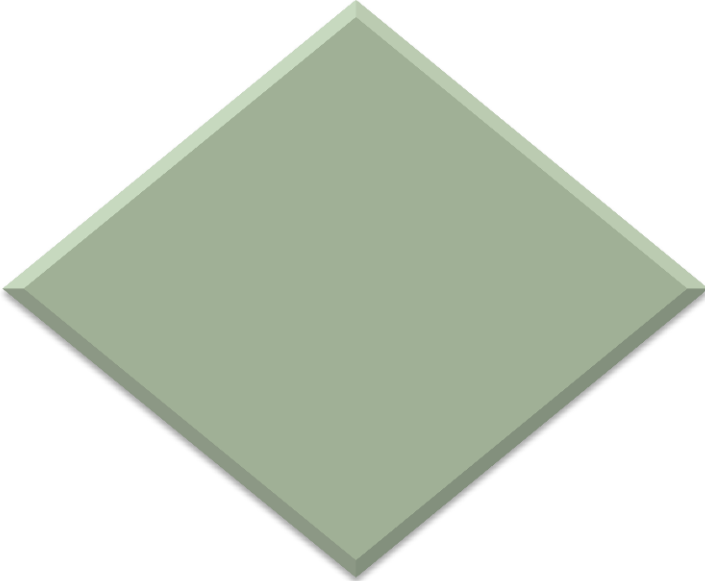
**Regional Workshop**  
**Addressing Social and Economic Inequality**  
**The need for a new development paradigm**  
**Beirut, 14-16 June 2014**



# Fiscal diamond

**Domestic revenue mobilization**

**Deficit financing**

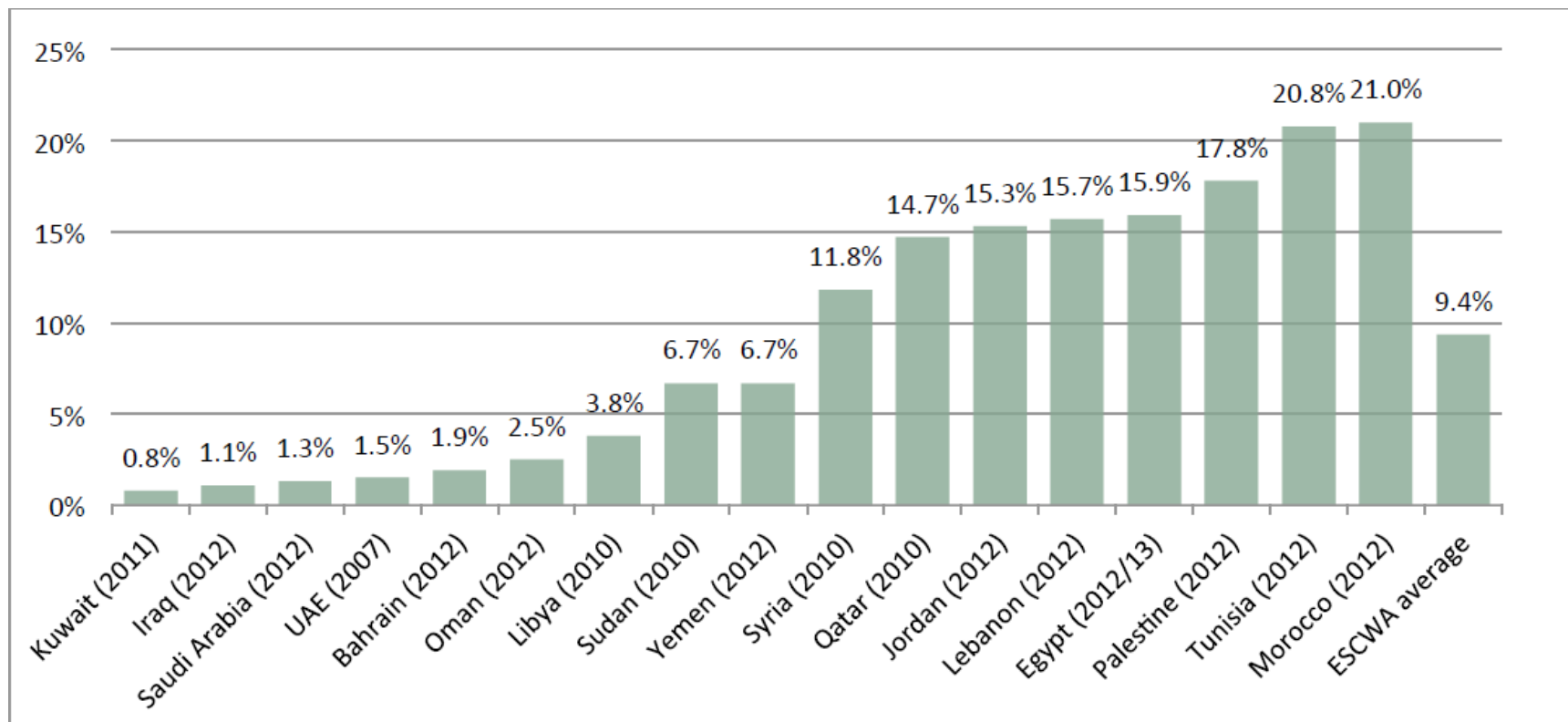


**Reprioritization and efficiency of expenditure**

**Official development assistance**



# Tax revenues as share of GDP





# Level of tax revenues over time

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	avg.
Bahrain	4.2	4.6	4.0	3.8	4.9	1.4	1.4	1.3	2.2	2.2	1.9	1.5	1.9	2.7
Egypt	..	14.2	14.7	16.1	15.6	18.2	18.5	18.4	18.2	16.4	15.9	15.1	15.9	16.4
Iraq	..	..	..	..	0.4	1.1	0.6	1.1	0.6	2.6	1.0	0.8	1.1	1.0
Jordan	19.0	18.7	17.5	18.2	21.0	24.4	24.6	24.7	17.7	17.0	15.9	15.0	15.3	19.1
Kuwait	..	1.0	1.2	1.3	1.3	1.0	1.0	1.1	0.9	1.0	0.9	0.8	..	1.0
Lebanon	11.3	11.1	13.8	14.9	15.7	14.8	14.6	14.8	15.8	17.2	17.8	16.4	15.7	14.9
Libya	11.9	12.0	4.6	2.4	3.7	2.6	2.5	2.9	3.1	..	3.8	..	..	4.9
Morocco	18.8	18.1	18.1	17.5	17.6	19.1	19.7	21.9	24.3	20.8	20.2	20.4	21.0	19.8
Oman	1.6	1.7	2.0	2.1	2.0	2.2	2.0	2.7	2.5	3.7	2.6	2.1	2.5	2.3
Palestine	19.7	4.6	6.1	16.2	21.5	24.3	12.2	28.8	20.7	19.6	19.9	18.3	17.8	17.7
Qatar	..	..	..	..	25.6	21.0	20.2	20.6	16.0	20.0	14.7	..	..	19.7
Saudi Arabia	..	..	..	..	..	..	..	..	..	1.3	1.1	1.1	1.3	1.2
Sudan	..	5.5	5.5	5.8	7.6	7.7	7.7	7.1	6.8	7.1	6.7	..	..	6.8
Syria	15.1	18.4	17.8	18.8	16.4	13.8	14.4	14.2	12.8	13.7	11.8	..	..	15.2
Tunisia	19.3	19.6	19.5	18.7	18.7	18.9	18.5	19.1	20.6	19.8	20.0	20.9	20.8	19.6
UAE	..	1.7	1.7	1.5	1.8	1.0	1.0	1.5	..	..	..	..	..	1.4
Yemen	7.1	7.3	9.3	9.0	9.4	8.9	7.1	7.3	6.9	8.0	6.7	5.3	6.7	7.6

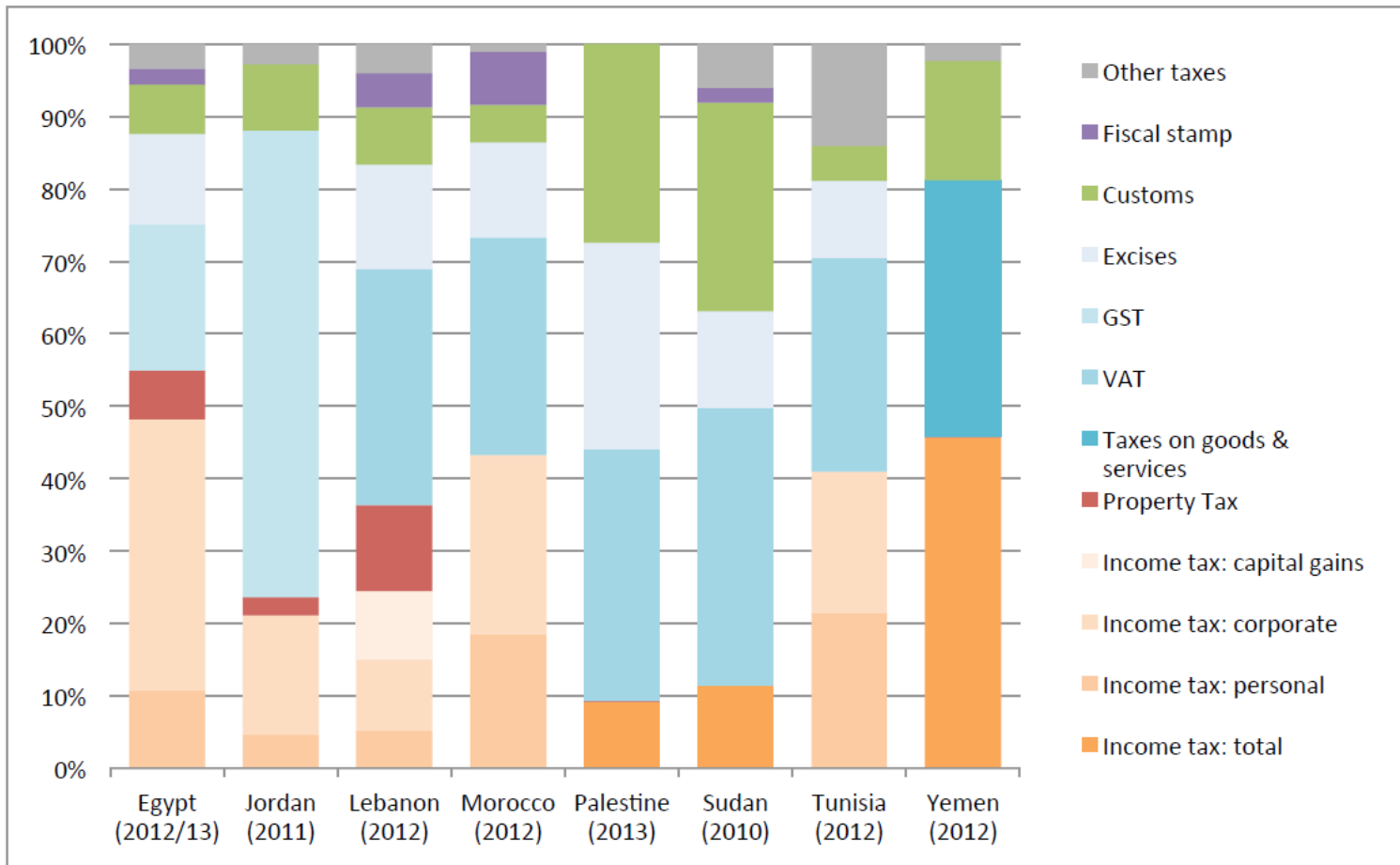


# Composition of Tax revenues

	Total	Income tax	Consumption tax	International tax	Income/consumption tax
Bahrain	1.3	0.1	0.0	1.2	3.3
Egypt	14.0	6.5	5.5	1.0	1.2
Iraq	0.6	0.4	0.3	..	1.5
Jordan	15.3	3.1	10.4	1.3	0.3
Kuwait	0.8	0.2	0.0	0.5	∞
Lebanon	17.0	4.0	9.1	1.3	0.4
Libya	3.8	2.4	0.0	1.5	∞
Morocco	23.8	8.5	11.9	1.7	0.7
Oman	2.5	1.2	0.0	0.7	∞
Palestine	17.8	1.7	11.8	5.4	0.1
Qatar	14.7	13.8	0.0	0.9	∞
Saudi Arabia	1.3	0.5	0.0	0.8	∞
Sudan	6.7	0.8	3.5	1.9	0.2
Syria	11.8	5.3	0.4	1.5	14.5
Tunisia	20.8	8.5	11.3	2.9	0.8
UAE	1.5	..	0.0	0.8	..
Yemen	6.7	3.1	2.4	1.1	1.3
France	20.1	10.1	9.5	0.0	1.1
Peru	15.9	6.9	7.6	0.3	0.9
Thailand	17.6	8.1	8.4	0.9	1.0
Turkey	20.1	5.9	13.0	0.4	0.5

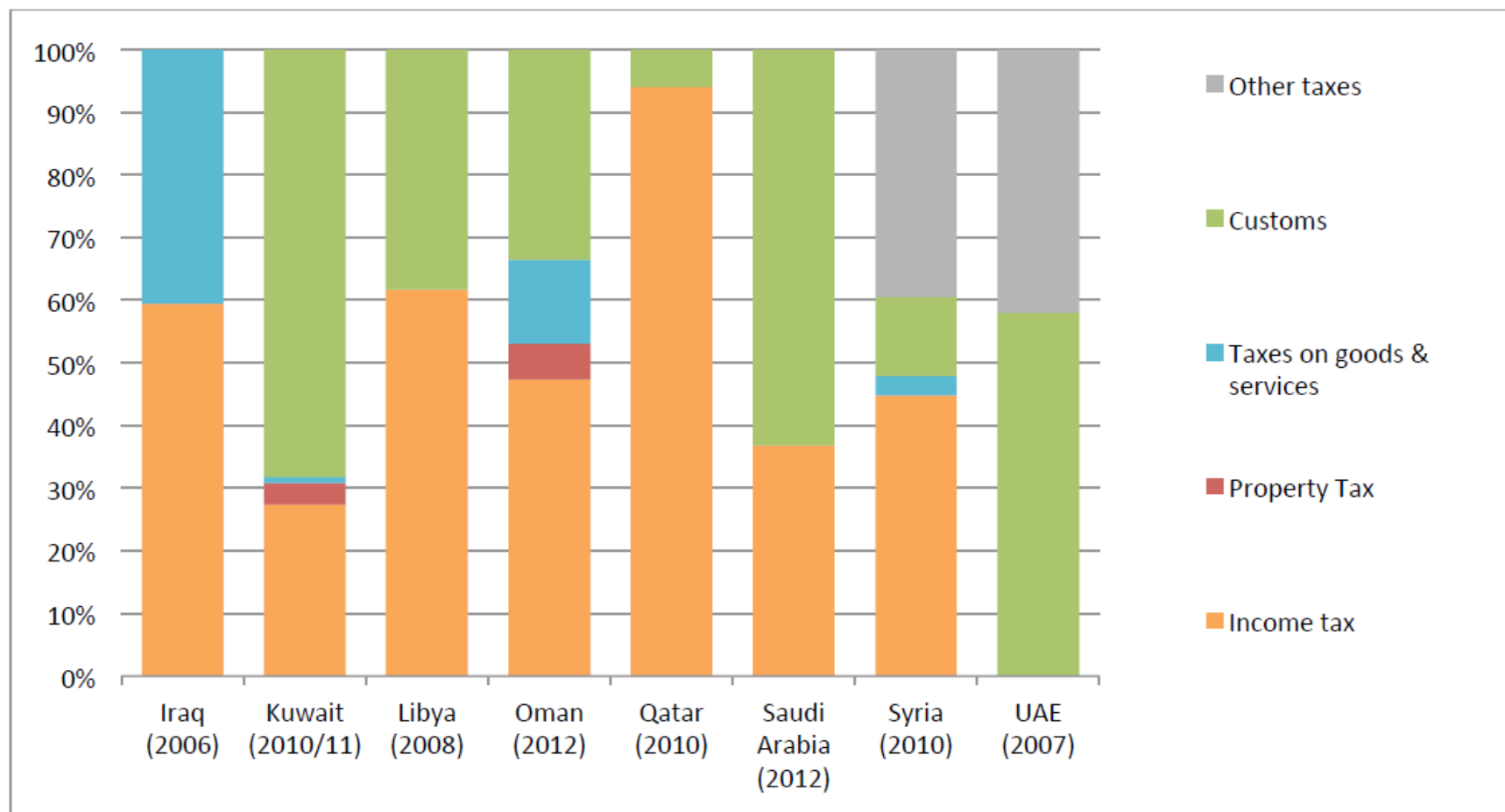


# Composition of Tax revenues





# Composition of Tax Revenues





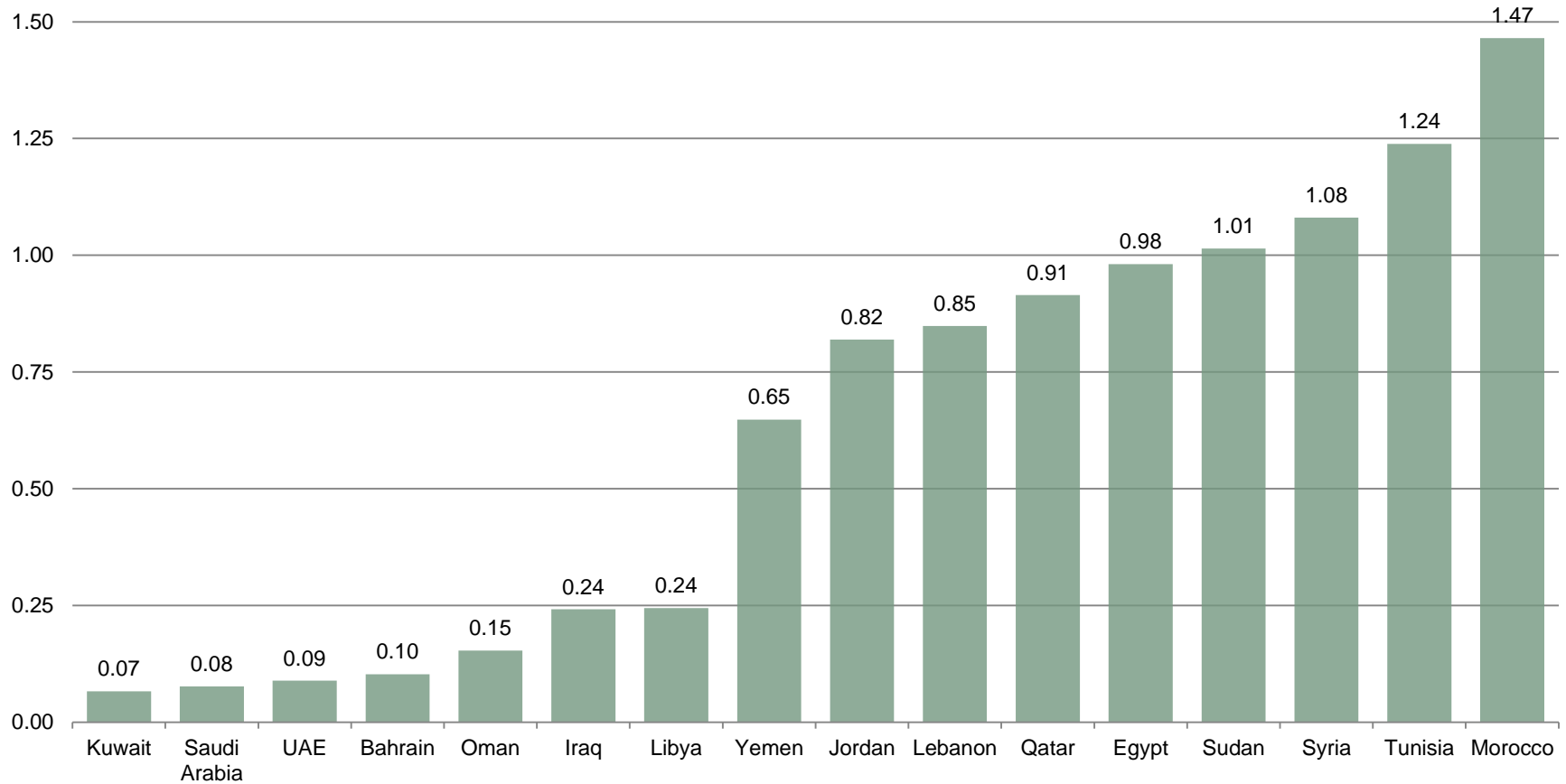
# Composition of Income Tax

	Income tax	Personal income tax (PIT)	Corporate income tax (CIT)	CIT/PIT
Egypt	6.6	1.5	4.7	3.1
Jordan	3.3	0.7	2.5	3.6
Lebanon	4.0	0.8	1.7	2.3
Morocco	8.4	3.9	4.9	1.3
Saudi Arabia	0.4	0.0	0.4	>10
Sudan	0.8	0.2	0.7	3.0
Tunisia	9.1	4.5	4.7	1.0





# Tax potential





# Conclusions

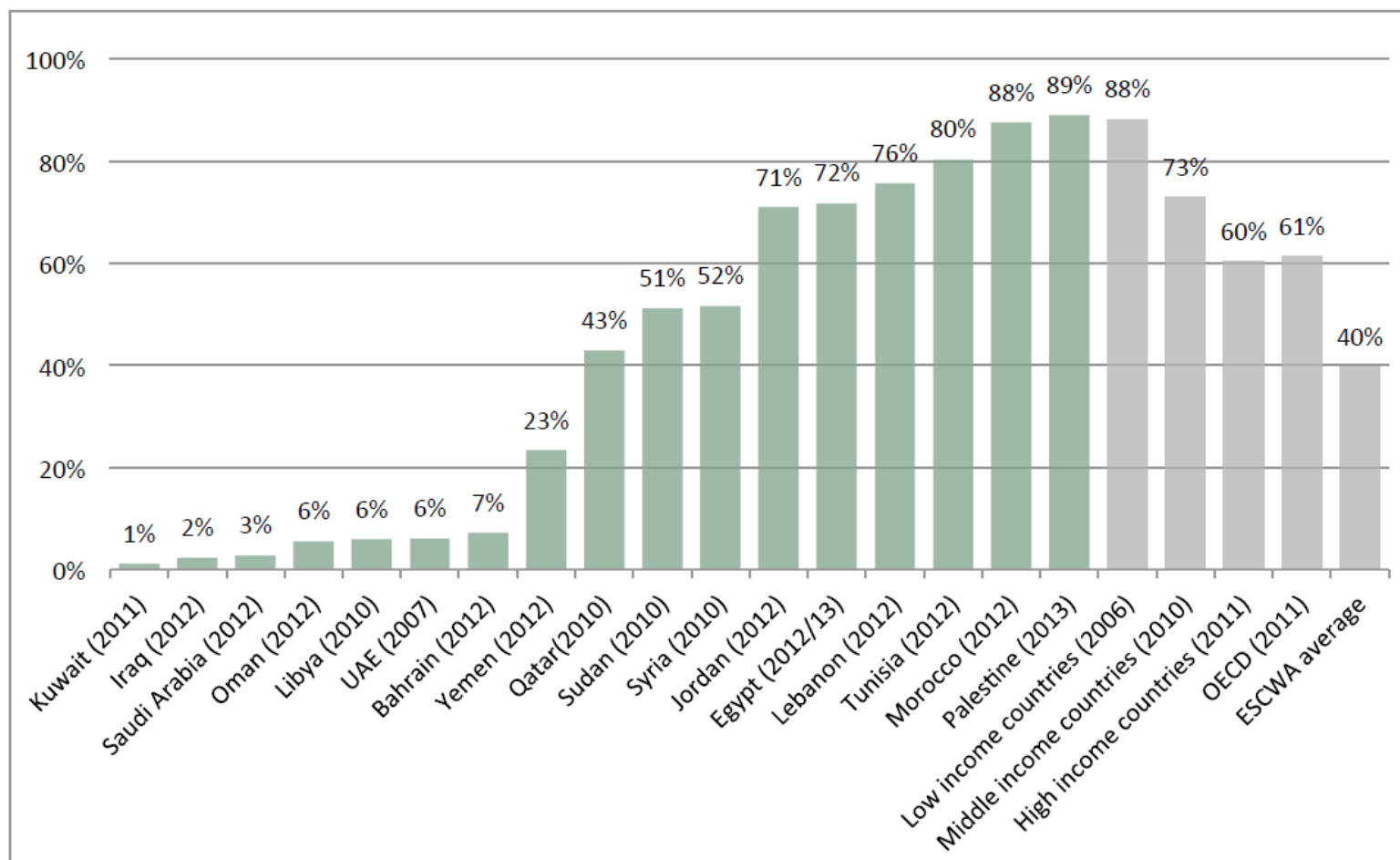
- High levels of informality leads to concentration on consumption taxes
- Limited capacity of tax administration to collect other types of taxes
- Limited potential to increase tax revenues
- Equity implications



**THANK YOU**



# Tax revenues as share of government revenues





# Fiscal position as share of GDP

	2005	2006	2007	2008	2009	2010	2011	2012	2013	avg.
Bahrain	3.5	2.7	1.9	4.9	-6.6	-7.0	-1.7	-2.6	-4.2	-1.0
Egypt	-8.4	-9.2	-7.5	-8.0	-6.9	-8.3	-9.8	-10.7	-11.3	-8.9
Iraq	4.1	10.7	7.8	-0.9	-12.7	-4.3	4.9	4.0	1.2	1.7
Jordan	-5.6	-4.0	-4.7	-4.3	-8.5	-5.6	-6.8	-8.2	-4.8	-5.8
Kuwait	43.3	35.4	39.1	19.8	26.8	25.3	29.1	30.6	26.9	30.7
Lebanon	-8.6	-10.5	-10.9	-9.7	-8.3	-7.7	-6.1	-9.0	-9.7	-8.9
Libya	30.6	31.1	26.8	26.5	-2.0	10.2	-16.3	20.9	19.6	16.4
Morocco	-6.2	-2.0	-0.1	0.7	-1.8	-4.4	-6.8	-7.5	-5.5	-3.7
Oman	12.9	14.1	12.1	16.8	-0.3	5.3	6.3	11.8	5.3	9.4
Qatar	8.4	7.9	9.8	10.2	12.4	2.4	8.2	8.0	10.9	8.7
Saudi Arabia	21.3	24.4	15.0	31.6	-4.1	3.0	12.4	15.2	9.6	14.3
Sudan	-2.5	-1.4	-3.5	0.6	-5.1	0.3	0.2	-5.0	-4.0	-2.2
Syria	-4.4	-1.1	-3.0	-2.9	-2.9	-4.8	..	..	..	-3.2
Tunisia	-2.8	-2.6	-2.0	-0.6	-1.2	-0.9	-3.4	-4.9	-5.6	-2.7
United Arab Emirates	15.8	20.0	18.2	21.5	-0.3	4.8	11.4	15.2	14.0	13.4
Yemen	-1.8	1.2	-7.2	-4.5	-10.2	-4.0	-4.3	-5.5	-5.8	-4.7
avg.	6.2	7.3	5.7	6.4	-2.0	0.3	1.2	3.5	2.5	3.4

Source: IMF World Economic Outlook Database

$$Tax_{i,t} = c + \alpha Y_{i,t} + \beta Ag_{i,t} + \gamma Rent_{i,t} + \delta M_{i,t}$$

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# Tax effort calculation

$$Tax_{i,t} = c + \alpha Y_{i,t} + \beta Ag_{i,t} + \gamma Rent_{i,t} + \delta M_{i,t}$$



# Key Development Indicators

	HDI, value (2012)	HDI, rank (2012)	Income Gini Index	Income level
<b>OIL COUNTRIES</b>				
Bahrain	0.80	48	..	HI
Iraq	0.59	131	31	UMI
Kuwait	0.79	54	..	HI
Libya	0.77	64	..	UMI
Oman	0.73	84	..	HI
Qatar	0.83	36	41	HI
Saudi Arabia	0.78	57	..	HI
Sudan	0.41	171	35	LMI
Syria	0.65	116	..	LMI
Tunisia	0.71	94	41	UMI
UAE	0.82	41	..	HI
Yemen	0.46	160	38	LMI
Ecuador	0.72	89	49	UMI
Nigeria	0.47	153	48	LMI
Norway	0.96	1	25	HI
<b>NON-OIL COUNTRIES</b>				
Egypt	0.66	112	31	LMI
Jordan	0.70	100	35	UMI
Lebanon	0.75	72	..	UMI
Morocco	0.59	130	41	LMI
Palestine	0.67	110	36	LMI
France	0.89	20	..	HI
Ghana	0.56	135	43	LMI
Peru	0.74	77	48	UMI
Turkey	0.72	90	39	UMI