



Need for wider fiscal coverage in Sub-Saharan Africa

Presentation of survey results of the IMF's African Department
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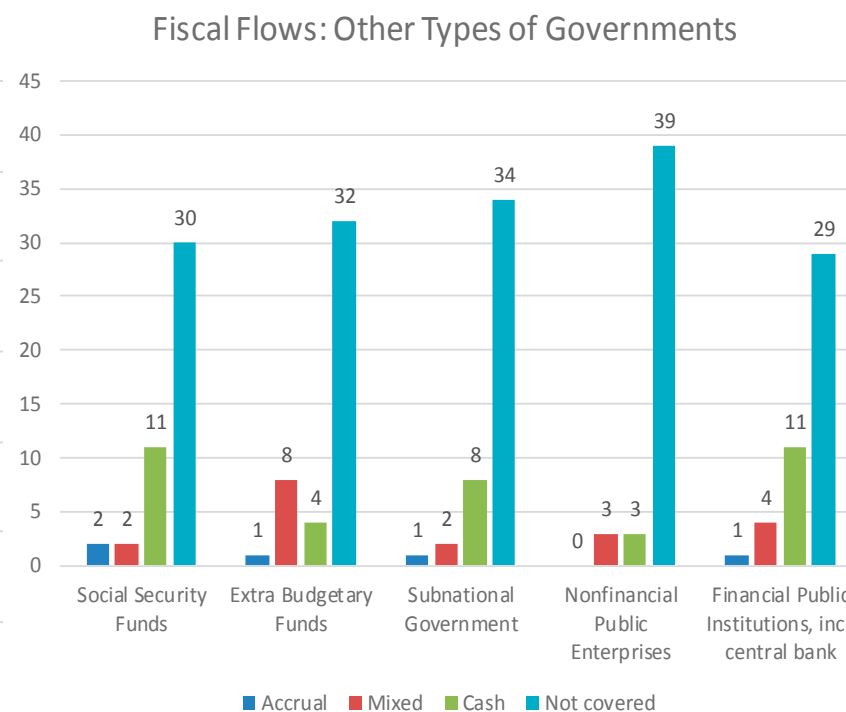
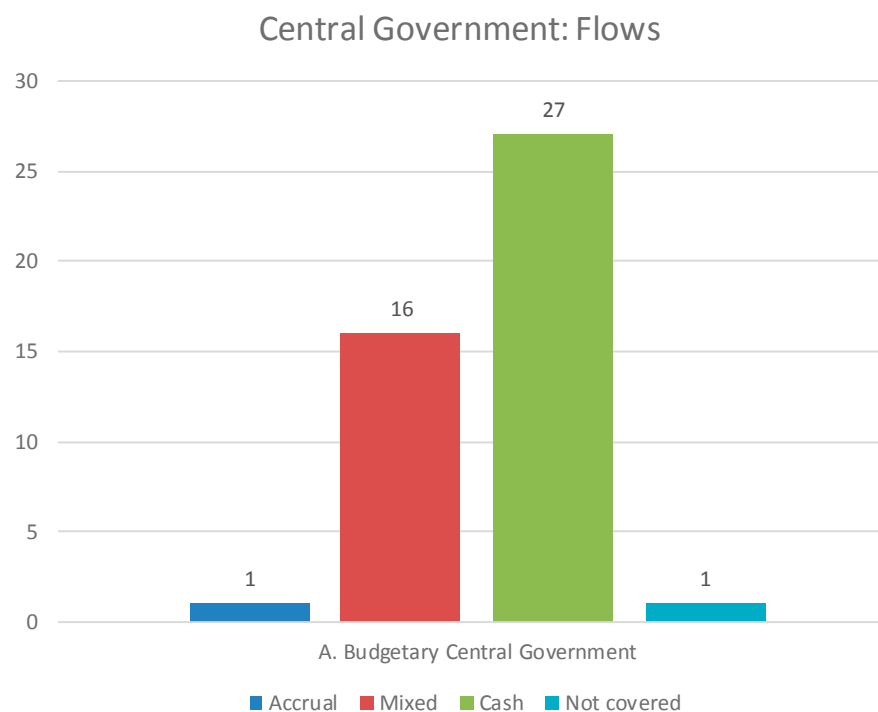
Why fiscal coverage matters for economic analysis: The example of debt

Explanation for debt accumulation in SSA (in percent of GDP)

	Change in debt	Primary deficit	Real interest rate contribution	Real GDP growth contribution	Exchange rate depreciation	Other
Average SSA	12.0	12.9	-0.7	-10.2	4.2	5.9
Republic of Congo	32.6	-2.8	0.9	-10.0	15.8	28.7
Namibia	32.1	26.2	1.3	-7.0	9.6	2.0
Malawi	25.9	9.7	1.0	-9.2	7.6	16.8
Mauritius	2.8	3.3	6.2	-13.0	3.2	3.0

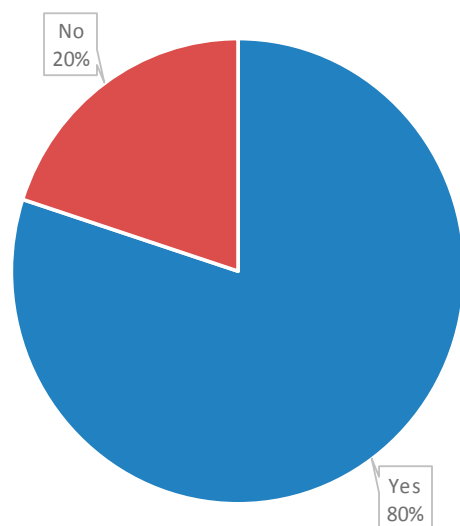
Sources: IMF, Debt Sustainability Analysis database; and IMF staff calculations.

Limited fiscal coverage in SSA

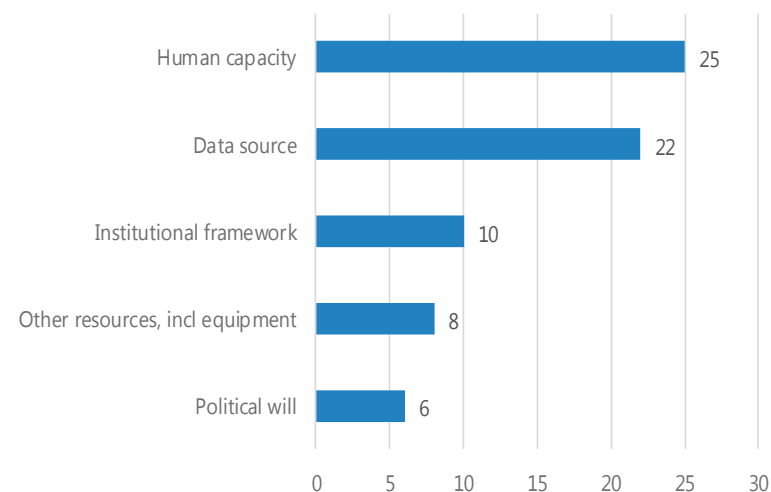


Reasons for limited coverage: Source data

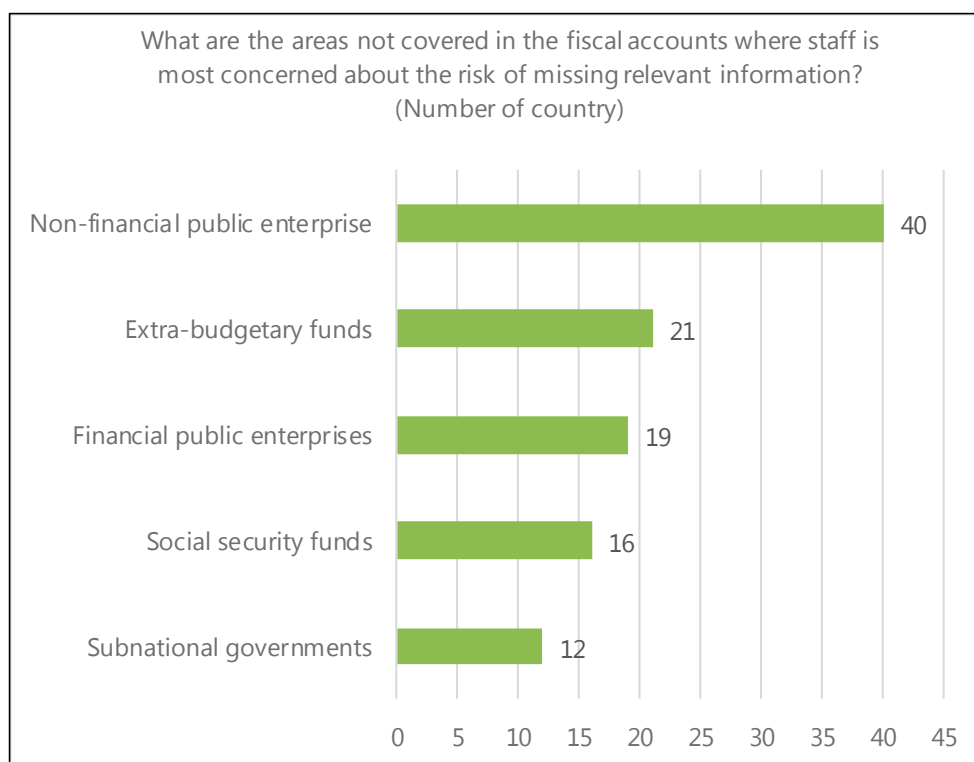
The authorities have limited capacity to collect the required data to broaden fiscal coverage/report on contingent liabilities.



Main Constraints on data collection
(Number of countries)



Biggest concern: State owned enterprises



A differentiated and gradual approach to integrate SOE data into fiscal statistics:

Demand driven, guided by the biggest economic risks to make good use of scarce institutional capacity:

- (1) Expanding coverage to a selection of SOEs presenting particular risks in countries with sizable quasi-fiscal activities and fiscal risks;
 - (2) Once reporting mechanisms are established, gradually widen fiscal reporting towards consolidating data into fiscal accounts;
- ! Requires close cooperation of country authorities, economist country teams, and technical assistance teams in STA and FAD !

Country example for the first step of collecting SOE data: Ghana

Ghana: Selected SOE Net Profit After Tax

	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
	Millions of GHc				Percent of Revenue				Percent of GDP			
ECG	-136	-246	-38	-288	-9.5	-12.6	-1.2	-8.6	-0.2	-0.3	0.0	-0.2
VRA	-451	-603	-800	-1,612	-32.5	-38.9	-35.7	-71.9	-0.6	-0.6	-0.7	-1.2
GRIDCo	7	17	-42	45	2.6	5.5	-10.5	9.5	0.0	0.0	0.0	0.0
TOR	-425	-456	-1,053	-681	-59.9	-65.6	-348.1	-368.0	-0.6	-0.5	-0.9	-0.5
Sum total	-1,006	-1,288	-1,932	-2,537	-26.4	-28.6	-32.1	-40.7	-1.3	-1.4	-1.7	-1.8

Source: Companies' financial statements.

Note: VRA excludes Government assistance of 361m in 2012, 664m in 2013, and 303m in 2015.

Ghana: Selected SOE Total Liabilities (in millions of GHc)

	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
	Short Term				Long Term				Total			
ECG	946	2,028	3,165	4,935	1,209	1,460	1,964	2,230	2,155	3,489	5,129	7,165
VRA	822	1,407	3,442	5,705	566	754	1,739	1,990	1,388	2,161	5,182	7,694
GRIDCo	67	138	287	496	367	566	1,008	1,155	434	703	1,295	1,651
TOR	1,461	1,879	2,301	2,502	57	65	96	194	1,518	1,944	2,397	2,696
Sum total	3,296	5,453	9,196	13,638	2,199	2,845	4,807	5,567	5,495	8,298	14,003	19,206

Source: Companies' financial statements.



Thank you