

Africa subsidises the rest of the world by over \$40 billion in one year, according to new research

(Honest Accounts 2017: How the world profits from Africa)

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http://www.globaljustice.org.uk/sites/default/files/files/resources/honest_accounts_2017_web_final.pdf?utm_source=Global+

23 May, 2017

Much more wealth is leaving the world's most impoverished continent than is entering it, according to [new research](#) into total financial flows into and out of Africa. **The study finds that African countries receive \$161.6 billion in resources such as loans, remittances and aid each year, but lose \$203 billion through factors including tax avoidance, debt payments and resource extraction, creating an annual net financial deficit of over \$40 billion.**

The research shows that according to the most recent figures available in 2015:

- African countries received around \$19 billion in aid but over three times that much (\$68 billion) was taken out in capital flight, mainly by multinational companies deliberately misreporting the value of their imports or exports to reduce tax.
- African governments received \$32.8 billion in loans but paid \$18 billion in debt interest and principal payments, with the overall level of debt rising rapidly.
- An estimated \$29 billion a year was stolen from Africa in illegal logging, fishing and the trade in wildlife and plants.

Tim Jones, economist from the Jubilee Debt Campaign, said: "The African continent is rich, but the rest of the world profits from its wealth through unjust debt payments, multinational company profits and hiding proceeds from tax avoidance and corruption."

Aisha Dodwell, a campaigner with Global Justice Now said: "There's such a powerful narrative in Western societies that Africa is poor and that it needs our help. This research shows that what African countries really need is for the rest of the world to stop systematically looting them. While the form of colonial plunder may have changed over time, its basic nature remains unchanged."

Bernard Adaba, policy analyst with ISODEC in Ghana said: "Development' is a lost cause in Africa while we are haemorrhaging billions every year to extractive industries, western tax havens and illegal logging and fishing. Some serious structural changes need to be made to promote economic policies that enable African countries to best serve the needs of their people rather than simply being cash cows for Western corporations and governments. The bleeding of Africa must stop!"