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REPORT ON THE MISSION TO KAMPALA, UGANDA
FROM 15 TO 24 OCTOBER, 1963
OF THE REGIONAL ADVISER

JOSE MA. DADO

FIRST TECHNICAL CONFERENCE OF THE ASSOCIATION
OF AFRICAN TAX ADMINISTRATORS

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1. My mission to Kampala, Uganda had two purposes. The first was to participate as resource person to the First Technical Conference of the Association of African Tax Administrators, and the second was to present a technical paper on Taxation and Economic Development before the Conference.
2. I left Addis Ababa, together with Mr. Paul J. Bassi, Chief of the Budgeting and Financial Management Section in the Public Administration, Management and Manpower Division and Mr. S.M.E. Kasamale, Economic Affairs Officer also from the same Section, on 15 October 1983 for Kampala via Nairobi in Kenya. We arrived in Entebbe, port of entry for Uganda, on 16 October 1983. Led by Mr. George M. Mugerwa, Acting Commissioner for Taxation and Industrial Promotion in the Ministry of Finance, officers from the Ministry welcomed us at Entebbe. With the delegates of participating African countries to the Conference, we were brought to a hotel in the township of Mukono.
3. Our party was billeted in the hotel. Mr. Mugerwa and some Ministry officers also lodged at the same hotel for the duration of the Conference. The hotel was located some 21 kilometers from Kampala. So we were all transported to the International Conference Center in Kampala in mini buses hired by the Ministry of Finance, and brought back to the hotel at the end of each Conference day.
4. On 17 October 1983, the Conference was formally opened by the Deputy Minister of Finance, Honourable H. A. B. Hakmot, A. P. Delegates to the Conference came from the following countries: -
 - (1) Cameroun
 - (2) Central African Republic
 - (3) Chad
 - (4) Egypt
 - (5) Nigeria
 - (6) Rwanda
 - (7) Tanzania
 - (8) Uganda

5. All three of us from the ECA Secretariat proceeded on the morning of 18 October 1983 to the Office of the Resident Representative of the United Nations Development Programme. We met Mr. Hassum Seesay, Deputy Resident Representative and had an informal chat with him for about half an hour.

6. The German Foundation for International Development was represented in the Conference, by the Deputy Commissioner of Taxes, Ministry of Finance of the State of Bavaria, Dr. Arthur Strassl. He addressed the Conference on possible areas of co-operation between the German Tax Administration and African Tax Administrations.

7. In the afternoon of 17 October 1983, I read my paper on Taxation and Economic Development. Due to some business such as the formation of discussion groups, it was agreed to postpone discussion on my paper to the following day. This gave ample time to the delegates to read and digest it. A copy of my paper is attached to this Report.

8. On 18 October 1983, a discussion among the conferees ensued. Trying to seek out what would be the appropriate balance between public and private capital formation was central to the discussion. The participating tax administrators accepted the view that public capital formation should be financed from tax revenues, more specifically, out of public or government savings which would be the residual of tax revenues less the non-developmental expenditures. They also appreciated the fact that reduction in non-developmental spending is presently implausible in many developing countries as they are beset by the spectre of two-digit inflation.

9. Varied reaction was evoked by my paper where it dealt on investment incentive programmes to boost economic development, particularly industrial development. The argument run that with incentive programmes substantial decline of tax revenues would result, but it was also recognized that private entrepreneurship need some assistance in the form of incentives to attain viability in industrial development. Countries must exercise, it was further argued, judicious restraint on incentives programmes so that governments do not give more than what they gain. It was gratifying that assistance to private entrepreneurship was recognized for such sector provides the private goods and services which the economy also needs. The common denominator of mixed economy is shared by the countries at the Conference.

10. The discussion on my paper seemed to be revived briefly when the delegate from Chad on 20 October read his country paper. He seemed to gather the impression of my advocacy for more resources i.e., savings of the economy going to private capital formation. I pointed out that my paper tried to outline the typical incentives awarded to private businesses in most developing countries which became in vogue in the 1960's. Expansion of incentives was not proposed, but rather governments must 'investigate investment incentives which are to stimulate growth especially when they are widespread and could be apparently ineffective in achieving their stated purposes'.

11. Two discussion groups were formed from among the participants to seek what problems were confronted in tax administrations in their countries. Group I centered its interchange of ideas on the organization and management of a tax department, while Group II focused on the staffing of a tax department. Together with Dr. Strassl, I sat in Group I discussions as a resource person on 20 and 21 October 1983. As different views on organizational problems emerged, I stated that these problems might be resolved in what is essentially bringing all tax laws together under one code. This would give a chance to examine and review the present laws in several aspects among which could be administrative provisions relating on how the tax may be administered. Also codification will enable tax policy to review the structure of tax rates especially when the yield of a tax is not proportional to its cost of administering the tax.

12. The Conference resumed its final plenary session on 22 October 1983. Reports from the two discussion groups were adopted. The draft Report on the Conference was likewise approved. This is the document prepared by the Secretariat of the Conference which came from the staff of the Economic Commission for Africa, (the BEHS/PANAD). Toward the end of day the Conference was formally closed by the Secretary for Treasury, Mr. R. E. Ekinu. Afterwards, a reception was tendered in honour of the delegates to the Conference by the Ministry of Finance of Uganda.

13. I left Kampala on 23 October 1983 with Messrs. Bassi and Kasamale for Addis Ababa via Nairobi. We arrived in Addis Ababa on 24 October 1983 from Nairobi.

OFFICIALS MET IN KAMPALA

1. Mr. R. E. Ekinu
Secretary to Treasury
Ministry of Finance
2. Mr. George S. Odeng
Commissioner for Economic Affairs
Ministry of Finance
3. Mr. George W. Mugerwa
Acting Commissioner for Taxation and
Industrial Promotion
4. Mr. F. G. Ssekandi
Acting Chief Finance Officer
Ministry of Finance
5. Mr. A. M. Misra
Commissioner of Taxes
(Commonwealth Expert)
Income Tax Department
Ministry of Finance