

TAX RATES AND FOREIGN DIRECT INVESTMENTS IN SUB-SAHARA AFRICA

Ojeka, Stephen A.

Department of Accounting, Covenant University, Ota, Ogun State, Nigeria

Kelobo, Oyeshiofune Favour

Department of Accounting, Covenant University, Ota, Ogun State, Nigeria

Ajetumobi, Opeyemi

Department of Accounting, Covenant University, Ota, Ogun State, Nigeria

Dahunsi, Olajide

Department of Accounting, Covenant University, Ota, Ogun State, Nigeria

Adegboye, Alex

Department of Accounting, Covenant University, Ota, Ogun State, Nigeria

ABSTRACT: *The relevance of foreign direct investments (FDIs) in sub-Sahara Africa has been more overstated in recent years. The benefits it attracts cannot be quantified as it generally boosts a nation's economy and standard of living. The volume of the influx of Foreign Direct Investments is, however, dependent on various factors. One of the numerous considerable factors includes Tax rates. Tax rates are the percentages at which an individual or corporation is taxed. The rates of tax can either positively or negatively affect the inflow of Foreign Direct Investments (FDIs) in a country. This study is carried out to examine the relationship and effect of tax rates with/on Foreign Direct Investments (FDIs), finding out if Value Added Tax is adversely related with FDI, if Personal Income Tax and Corporate Income Tax are significantly associated with FDI, and if Tax rates are major determinants of FDI in sub-Sahara Africa. Data was obtained from UNCTAD reports, World Bank reports, and Trading Economics reports. Multiple regression and correlation analysis were used to carry out analysis. From the analysis, it was discovered that Value Added Tax has an adverse and significant relationship with FDIs, Personal Income Tax rates has a negative and insignificant relationship with FDIs, and Corporate Income Tax rates has a positive but insignificant relationship with FDIs. It was also derived from the analysis that rates of tax do not majorly and significantly affect the inflows of Foreign Direct Investments (FDIs). It is recommended that the governments and tax regulatory bodies of every country should emphasize the importance of the tax rates in attracting foreign direct investments and foreign investors should also support tax rates by considering it more when investing in other countries.*

KEY WORDS: *taxation, foreign direct investment, Africa*

INTRODUCTION

Foreign direct investments (FDIs) are investments made by individuals or corporate bodies in foreign countries. Foreign Direct Investments (FDIs) are considered to have an affirmative effect on economic growth and income level and represent a critical financing source for capital investment (Mahmood

and Chaudhary, 2013). Foreign direct investments have created avenues for employment generation, new technology, and efficient management practices. FDI's have become increasingly signaling for developing countries, especially in Africa. FDI to Africa stayed stable. While FDI flows were low by worldwide standards, the proportion of FDI's to GDP was high, flagging the significance of FDI to Africa's financial development (FDI Intelligence and EY Africa Attractiveness report, 2019).

Africa received \$42 billion in FDI inflows in 2017, accounting for 6 percent of FDI influxes to developing economies (UNCTAD FDI Statistics). In 2018, Africa received more than 500 projects and 100,000 jobs from foreign countries like India, the UAE, and China, which contributed about 34% of the total projects and over 50% of jobs created and capital investments. According to the UNCTAD World Investment Report, FDI flows to Africa in 2018, ignored the global downward trend and skyrocketed to \$46 billion, an increase of 11 percent after successive declines in 2016 and 2017. Sub-Saharan Africa accounted for 1.87% of global net FDI between 2010 and 2016 compared to 26.45% for East Asia and the Pacific, 30.34% for Europe, 13.25% for Latin America and the Caribbean, and 17.334% for North Africa. Nigeria, Ghana and Ethiopia were the top recipients of FDI's in Sub-Saharan Africa in 2016.

It is however important to note that the inflows of FDI's into any country is dependent on some factors. One of the factors include Taxes. Sanjo (2012) believes that all investors wish to maximize their earnings, even international investors, and recognize the tax rate as one of the cost factors. Tax is a mandatory charge levied on the income of persons and corporations, as well as goods and services, mainly to generate funds for government spending. They include Personal income taxes (PIT), Withholding taxes (WHT), Value Added Tax (VAT), Export duties, amongst others. Tax rates charged on the returns on foreign investments differ from countries to countries that are highly dependent on the tax policies established in those countries. Tax rates help regulate the percentage of the inflow from FDI's accrued to the home country's government. The tax rate is a factor to be considered as it may adversely or positively affect a country's inflow of FDI's.

In subsequent years, there have been records of researches on the effects of taxes on Foreign Direct Investments (FDI's). Research works like Mooij and Ederveen (2003) emphasized the influence of corporate taxes on the allotment of foreign direct investment. Amadou Boly, Seydou Coulibaly, and Eric (2019) focus on the impact of changes in Corporate Income Tax (CIT) rates on FDI net inflows in the host country and the neighboring countries in the short and long run. Olaniyi, Ajayi, and Oyedokun (2018) stress tax policy incentives and foreign direct investment in Nigeria. These studies have failed in recognizing other types of tax rates. This research considers classes of taxes such as value added tax, personal income tax and corporate (company) and determines how they underline the advancement of foreign investments.

The purpose and justification of this research is set to look into the dwindling revenue generation to the government and the incessant reluctance of foreign own companies from coming to Sub-Saharan Africa. Even, those existing foreign companies are leaving the system. Changes in the Nigerian tax rate for example could make or mar the economy. Recently, the unemployment rate has gone up significantly leading to high inflation rate. All these could be largely due to the failing economic

production. The ability to attract FDI by addressing the tax policy/rate would help to stem the tide of importations of goods, reduction of unemployment and revenue generation to the government. This study therefore poised to examine the different tax rates and how these policies have affected the inflow of FDI and impact on the economy in the Sub-Saharan Africa.

Evolution of Taxation and Foreign Direct Investments (FDIs) in sub-Sahara Africa

The tax system of a nation is an important factor which underlies other macroeconomic indicators. Specifically, a relationship is present between tax systems and economic advancement and prosperity for both developed and emerging economies (Hinricks, 1966). When recent reforms take place, the pricing dynamics and the private sector will increasingly become major elements of the economy, a broad allocation of wealth, and the scale of investment. In such cases, the influence of the tax system on incentives for manufacturing and spending arises as an integral component of public policy. More tax collection will not only allow sub-Saharan African governments to work and pay for the products and services. However, it will pave the way for the advancement of commercial, social, and environmental growth for other markets and state reforms.

Tax revenue has evolved in recent years. They grew to over 15 per cent of GDP in 2010, from 12 per cent in 2000. This growth shows an increase in sales tax receipts and a boost in indirect taxation. Indirect taxes are predominantly the controlling force on tax income. It has met with success in the countries of the region, since the implementation of VAT in the 1990's. The ease of implementation and the low economic cost of VAT also favored considerable sales generation. The proportion of indirect taxes in the studied countries thus rose from 27 percent in 1990 to 43 percent of gross tax earnings in 2010.

Direct taxes have not made as prominent progress as indirect taxes. These taxes will go down from 27 per cent in 1990 to around 25 per cent between 1991 and 1998. This decline corresponds, according to Mansour (2014), to the increase in natural resource revenues in the same period. Mansour (2014) argues that this setback results from a cautious policy to replace direct taxes on natural resources and relax audit procedures for businesses and individuals. On the investment reasons side, the causes for this decrease could also be sought. In fact, the need for many countries in sub-Saharan Africa to attract foreign investment has led to the establishment of investment codes with numerous exclusions and taxes exemptions. Many tax incentives entailed tax holidays and other measures to alleviate the actual corporate tax burden. According to Cleeve (2008), those benefits were not important and led to deteriorating issues of governance and corruption. Primary taxes will rise to about 30 percent in 2010, from 1999 onwards. This rise is characterized by a raise in both personal and corporate income taxes. Likewise, in Africa, the average annual foreign direct investment (FDI) inflows doubled in the 1980s as compared to the 1970s. It was also greatly extended in the 1990s and 2000-2003 era. In the mid-1970s, however, Africa accounted for about 6 percent of global FDI, which dropped to the present 2-3 percent. In 2005, Africa's share of FDI, which in 1978 was around 28 per cent, was less than 9 per cent. FDI accounted for a mere one-fifth of all capital movements in Africa between 1970 and 2003. The influx of private money in the form of Foreign Direct Investment (FDI) was one of the noteworthy aspects of sub-Saharan Africa's globalization in the 1990s. FDIs have demonstrated a significant role in the economic evolution of sub-Saharan Africa by providing work opportunities, moving

technologies and know-how and encouraging the local private sector to boost its competitive efficiency.

Empirical Review

According to Talpos and Ludosean (2012), any government looks to draw FDIs. It will create new jobs, introduce emerging technology and foster global development and employment formation. However, each government must also constantly balance its ability to provide FDIs with a sustainable financial climate and ensure that they raise acceptable level taxes from MNEs. The standard theory of economic competitiveness suggests that in a free market taxes on capital can move towards zero, since it is driven by taxation on immobile assets that cannot prevent taxation by migration. Liberalization of capital flows has made this principle more applicable for benefit tax, since FDI encourages businesses to select whether to position their company for tax purposes.

In the research conducted by Abgioglu et al. (2016), governments are said to be applying multiple steps to draw foreign investment to their countries. Not only developed countries make laws, but emerging countries also form policies to help FDIs. To accomplish this aim, they introduce fiscal incentives, in particular tax instruments such as tax holidays, tax exemptions and tax rate reductions. Sanjo (2012) stated in his research that all investors wish to maximize their earnings, even international investors, and recognize the tax rate as one of the cost factors. They seek to raise their after-tax earnings. As a consequence, investors move their portfolios to certain countries that give investors more benefits.

According to Klemm and Van Parys (2012), Most developed countries accept and promote international investment in host markets in all business sectors. The developed countries encourage foreign stakeholders with different tax advantages. Such advantages include capital grants, export tax credits, tax exclusions, and incentives that help to promote employment, foreign trade, and development. It is therefore wise and anticipated that foreign investors will recognize the host economies' tax policies when making investment decisions.

Sahiti, et al. (2018) mentioned in their research work that the policies of the host country relating to tax benefits influence the amount of FDI inward. Companies typically target host markets with lower tax rates as opposed to their countries of origin. The composition of the tax rates (corporate, business or property tax) and their effect on MNC's profit margins are carefully considered before any investment decision is made.

In the study carried out by Mohs et al. (2018), it is explained income assigned to an FDI investor can derive from distributed or undistributed profits created by the firm, causing multinationals (MNEs) to devise global tax strategies to optimize their investment return (ROI). This can be done by moving income from high to low tax nations, by producing more cash to spend in the business or by paying an investor.

Mooij & Ederveen (2003) discussed this tax overhaul and harmonization strongly relies on the idea that tax rates have substantial consequences on global corporate behavior. First, variations in statutory

tax rates among countries cause profits to shift through debt contracts, manipulating transfer prices, among others. Second, taxes impact the amount of company dividend payments to the parent corporations. Finally, corporate taxes decide the proportion of global corporations' financial assets. They also represented how taxes influence the conditions of ownership-location-internalization of Dunning's eclectic approach in 1981. The tax rate is one of the possible locational considerations that should be taken into consideration when making investments. It may have a positive or negative influence on the company. They discussed the issue of international double taxation which occurs when a foreign subsidiary's profits are taxed in the host country and taxed in the parent's home country. This global double taxation may have a negative effect on international business practices, as businesses would be prevented from developing further foreign countries.

METHODOLOGY

The research design used here is the longitudinal research design to ascertain the extent of relationship of tax rates on the level of foreign direct investments (FDIs) in sub-Sahara Africa. This research design is suitable for this study as it establishes the influences of a variable on another variable within a range of time across various research units. The population in this research is the forty-eight countries in the sub-Sahara Africa. The sampling technique used is a convenient sampling method, i.e., the researcher's subjective decision and access to data quickly. The sample countries in this research include Nigeria, Ghana, Tanzania, South Africa, and Ethiopia. In accordance with Krejcie & Morgan assertion, a minimum of 5% of a defined population is deemed as a suitable sample size in making generalization. This study follows this proposition as the sample size represents 10.42% of the population. Likewise, quantitative data are considered more applicable to this study. Data was collected from 2009-2019; the accurate tax rates was extracted from Trading Economics. Foreign direct investment analysis would be derived from the United Nations Conference on Trade and Development (UNCTAD) and World Bank data.

Method of Data Analysis

This research adopts multiple regression analysis to determine the impact of tax rates in sub-Saharan Africa on FDI. Using descriptive analysis such as mean, median, variance, and standard deviation, panel data is analyzed. Mean and median are central measurements of tendency, while standard deviation and variance are dispersal measures. These measures are taken to describe the nature of the data. Fixed effects and random effects regression model are applied to this panel data, after which Hausman test will be performed to determine the appropriate regression model for this research.

Model Specification

This refers to the means of choosing and establishing which variables to be included and excluded from a regression equation (model). The model to be used for this research is defined below:

$FDI = f(\text{Tax rates})$

This equation is further broken down as:

$$Y = a_0 + \beta_1 VAT_{i,t} + \beta_2 CIT_{i,t} + \beta_3 PIT_{i,t} + \epsilon_{i,t}$$

Where;

Y represents FDIs

a_0 represents the constant or intercept
 $\beta_1, \beta_2, \beta_3$ are the regression coefficients
 VAT represents Value-added tax
 CIT represents Company income tax
 PIT represents Personal income tax
 ε is a random term (error term)
 i represents an individual unit i.e. country
 t represents time dimension.

Empirical Findings

This section includes tabular presentation of the data. The data collected for this study will be presented in five separate sections, representing each country studied in this research. Table 1 summary is the aggregate Foreign Direct Investments and rates of VAT, CIT, and PIT in Nigeria from 2009-2019.

Table 1: Nigeria's FDI, VAT, CIT, and PIT, from 2009-2019

Years	FDI (\$'m)	VAT (%)	CIT (%)	PIT (%)
2009	8649.530	5	30	24
2010	6098.960	5	30	24
2011	8329.745	5	30	24
2012	6171.169	5	30	24
2013	7693.278	5	30	24
2014	4663.850	5	30	24
2015	3592.395	5	30	24
2016	3681.350	5	30	24
2017	3812.698	5	30	24
2018	6401.265	5	30	24
2019	3299.085	5	30	24

Source: UNCTAD, World Bank, and Trading Economics

Table 2 summary is the aggregate Foreign Direct Investments and rates of VAT, CIT, and PIT in Ghana from 2009-2019.

Table 2: Ghana's FDI, VAT, CIT, and PIT from 2009-2019

Years	FDI (\$'m)	VAT (%)	CIT (%)	PIT (%)
2009	2897.100	15	25	25
2010	2527.360	15	25	25
2011	3237.390	15	25	25
2012	3293.430	15	25	25
2013	3226.330	15	25	25
2014	3356.990	15	25	25
2015	3192.300	15	25	25
2016	3845.300	15	25	25
2017	3255.000	15	25	25
2018	2989.000	12.5	25	25
2019	2318.800	12.5	25	25

Source: UNCTAD, World Bank, and Trading Economics

Table 3 summary is the aggregate Foreign Direct Investments and rates of VAT, CIT, and PIT in Tanzania from 2009-2019.

Table 3: Tanzania's FDI, VAT, CIT, and PIT from 2009-2019

Years	FDI (\$'m)	VAT (%)	CIT (%)	PIT (%)
2009	952.610	20	30	30
2010	1813.250	18	30	30
2011	1229.380	18	30	30
2012	1799.600	18	30	30
2013	2087.300	18	30	30
2014	1416.100	18	30	30
2015	1560.800	18	30	30
2016	864.000	18	30	30
2017	937.700	18	30	30
2018	1056.000	18	30	30
2019	1112.400	18	30	30

Source: UNCTAD, World Bank, and Trading Economics

Table 4 summary is the aggregate Foreign Direct Investments and rates of VAT, CIT, and PIT in South Africa from 2009-2019.

Table 4: South Africa's FDI, VAT, CIT, and PIT from 2009-2019

Years	FDI (\$'m)	VAT (%)	CIT (%)	PIT (%)
2009	7502.062	14	34.55	40
2010	3635.596	14	34.55	40
2011	4242.866	14	34.55	40
2012	4558.847	14	34.55	40
2013	8300.104	14	28	40
2014	5770.659	14	28	40
2015	1729.377	14	28	40
2016	2235.001	14	28	41
2017	2008.361	14	28	45
2018	5449.553	15	28	45
2019	4624.447	15	28	45

Source: UNCTAD, World Bank, and Trading Economics

Table5 summary is the aggregate Foreign Direct Investments and rates of VAT, CIT, and PIT in Ethiopia from 2009-2019.

Table 5: Ethiopia's FDI, VAT, CIT, and PIT from 2009-2019

Years	FDI (\$'m)	VAT (%)	CIT (%)	PIT (%)
2009	221.460	15	30	35
2010	288.272	15	30	35
2011	626.510	15	30	35
2012	278.563	15	30	35
2013	1343.876	15	30	35
2014	1855.050	15	30	35
2015	2626.520	15	30	35
2016	4142.937	15	30	35
2017	4017.100	15	30	35
2018	3310.300	15	30	35
2019	2516.228	15	30	35

Source: UNCTAD, World Bank, and Trading Economics

From the Table 6, it is observed that among the independent variables, Personal Income Tax has the highest mean (0.310909), maximum (0.45) and Std. deviation (0.66340) values. CIT and PIT have the highest median (0.3) value while CIT has the highest minimum value (0.25).

Table 6: Descriptive analysis of FDI, VAT, CIT, and PIT

	FDI	VAT	CIT	PIT
Mean	3320.821	0.133818	0.290764	0.310909
Median	3226.33	0.15	0.3	0.3
Max	8649.53	0.20	0.3455	0.45
Minimum	221.46	0.05	0.25	0.24
Std. Dev.	2164.738	0.044979	0.025051	0.066340

Correlation Analysis**Table 7: Correlation analysis results.**

Correlation t-Statistic Probability Observations	FDI	VAT	CIT	PIT
FDI	1.000000 ----- ----- 55			
VAT	-0.637597 -6.025388 0.0000 55	1.000000 ----- ----- 55		
CIT	0.097295 0.711693 0.4798 55	-0.107489 -0.787095 0.4347 55	1.000000 ----- ----- 55	
PIT	-0.096655 -0.706967 0.4827 55	0.425796 3.425923 0.0012 55	0.379324 2.984580 0.0043 55	1.000000 ----- ----- 55

Using correlation analysis as shown in table 7, it is observed that the correlation figure between Foreign Direct Investments and Value Added Tax is -0.6376 (-63.76%). This shows a negative relationship between FDIs and VAT rates, that is, they are inversely proportional to another. This means that as value added tax rates increase, the value of FDI reduces and vice-versa. The results of the correlation analysis illustrate that there is no significant association between FDI and PIT rates. The results show a P-Value (Probability value) of 0.4827 (48.27%) which is far higher than the significant level of 5%. In the correlation analysis table above (Table 4.7), the P-Value was

0.4798(47.98%) which is higher than the level of significance of 5%. This means that there is no significant relationship between corporate income tax rates and FDIs.

Regression Analysis

Table8: Hausman Test

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.460186	3	0.3260

In this table above, it shows that the P-Value of 0.3260 which higher than the level of significance of 5% (0.05). This means that we should accept the null hypothesis and reject the alternative hypothesis, that is, random effect regression model is appropriate for this research. From the Table 9 above, the value of Adjusted r-squared is 0.05 (5%). This interprets that 5% of FDIs is explained and determined by tax rates in sub-Sahara Africa. This means that tax rates have 5% effect on FDIs and is not a major factor to be considered.

The following findings are established:

1. Based on the analysis conducted, it was discovered that the value-added tax rate in sub-Saharan Africa has an adverse relation to foreign direct investment.
2. Based on the test carried out on hypothesis, personal income tax rates in sub-Saharan Africa have no significant association with foreign direct investment
3. It can be deduced from the analysis that corporate (company) income tax rates in sub-Saharan Africa have no significant relationship with foreign direct analysis
4. Based on the regression analysis carried out, it is shown that tax rates are not an important factor in determining foreign direct investment inflows to sub-Saharan Africa.

Table 9: Random-effect regression analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4383.377	4426.903	0.990168	0.3268
VAT	-27967.14	12761.68	-2.191494	0.0330
CIT	6794.756	12824.01	0.529846	0.5985
PIT	2265.253	8460.051	0.267759	0.7900

Weighted Statistics			
Root MSE	1465.220	R-squared	0.102781
Mean dependent var	1265.185	Adjusted R-squared	0.050003
S.D. dependent var	1561.127	S.E. of regression	1521.595
Sum squared resid	1.18E+08	F-statistic	1.947437
Durbin-Watson stat	1.150879	Prob(F-statistic)	0.133670

Implications of the Study

The findings from this study have established a major implication which is that the impact of tax rates in the region has little or no significant association with the operation of FDI. The reason could be that some of the FDI considers some other issues which could be corruption, insecurity, high interest rate, the purchasing power, the justice system, availability of raw materials and of course the tax regime activities before choosing to establish their plants in Sub-Saharan Africa or not. This is without prejudice to good and sound tax system with tax rate that is competitive. Therefore, government of this region should place more importance to other variables and factors that could further attract FDI. For example in Nigeria, the infrastructure deficiencies, insecurity, policies inconsistencies and corruption might have been accounted to the low patronage of the foreign direct investment.

CONCLUSION

Foreign direct investment knowledge has been thoroughly emphasized and sub-Saharan African countries have grasped the need to attract FDIs and the benefits to be derived. But foreign direct investment inflows in this region have faced many inconsistencies. These inconsistencies are due, among other things, to system problems in energy supply and logistics, environmental issues, lack of transparency and undeveloped transport networks. This inconsistency may also be instituted on the fact that Africa as a continent has one of the highest statutory tax rates. However, by regulating the statutory tax rates, that is, lowering the tax rates so that it can further attract foreign investors, these discrepancies can be reduced or totally eliminated. Other ways to make sub-Saharan Africa favorable to FDI as a region are by improving transportation systems, providing a transparent and corruption-free platform for foreign investment, and building an effective and efficient logistics network to address any other predictable and unpredictable issues that may arise.

Recommendations

The findings of this study provide different insights which should be of interest to government, tax authorities and economic analysts. The recommendation which follows is:

1. To attract more foreign direct investment in the Sub-Saharan African region, tax rates should be properly regulated. Although tax rates are not a major factor in determining foreign direct investment inflows, their importance should not be underestimated, as it is still a factor in attracting foreign direct investment.
2. In addition to addressing other issues that impede the increase in FDI inflows in sub-Saharan Africa, there is a need for a tax system, requirements, and procedures to attract FDIs. This would enlighten countries on the tax rates to be remitted when engaging in foreign direct investments.

References

- Abioglu, N., Binis, M., & Arslan, M. (2016). The effect of the Corporate Tax rate on Foreign Direct Investment. 599-610. Retrieved from <https://dergipark.org.tr>
- Ajayi, S. I. (2006). *Foreign Direct Investment in sub-Saharan Africa: Origins, Targets, Impacts, and Potential*. Retrieved from <https://www.africaportal.org/publications/foreign-direct-investment-in-sub-saharan-africa-origins-targets-impact-and-potential/>
- Akhtar, I. (2016). Research Design. 68-84. Retrieved from www.researchgate.net
- Ashabi, V. (2014, September 11). *What You Need To Know About Value Added Tax (VAT) In Nigeria*. Retrieved from Nairametrics: <https://nairametrics.com/2014/09/11/what-you-need-to-know-about-value-added-tax-vat-in-nigeria/>
- Banco Santander S.A. (2020, July). *Nigeria: Foreign Investment*. Retrieved from Santander Trade Markets: <https://santandertrade.com/en/portal/establish-overseas/nigeria/investing?>
- Begum, M., & Tesfaye, M. (2016). Multinational Companies Presence and Technology Spillover: Firm-Level in a Case of Ethiopian Manufacturing Industry. *Journal of Poverty, Investment and Development*, 13-26. Retrieved from <https://www.iiste.org/journals/>
- Bloomenthal, A. (2019, May 13). *Eclectic Paradigm*. Retrieved from Investopedia: <https://www.investopedia.com/terms/e/eclecticparadigm.asp>
- Boyce, P. (2020, July 18). *Foreign Direct Investment (FDI)*. Retrieved from Boycewire: <https://boycewire.com/foreign-direct-investment-definition/>
- Central Intelligence Agency. (2020). *The World Fact Book, Africa: Ethiopia*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/et.html>
- Central Intelligence Agency. (2020). *The World Fact Book, Africa: Ghana*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/gh.html>
- Central Intelligence Agency. (2020). *The World Fact Book, Africa: Nigeria*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>
- Central Intelligence Agency. (2020). *The World Fact Book, Africa: South Africa*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/sf.html>
- Central Intelligence Agency. (2020). *The World Fact Book, Africa: Tanzania*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/tz.html>
- Chappelow, J. (2020, July 11). *Porter Diamond*. Retrieved from <https://www.investopedia.com/terms/p/porter-diamond.asp>

- Chen, J. (2020, February 24). *Foreign Direct Investment (FDI)*. Retrieved from Investopedia: <https://www.investopedia.com/terms/f/fdi.asp>
- Chen, J. (2020). *Foreign Direct Investment (FDI)*. Retrieved from <https://www.investopedia.com/terms/f/foreign-direct-investment.asp>
- Chen, J. (2020). *Foreign Investment*. Retrieved from <https://www.investopedia.com/terms/p/porter-diamond.asp>
- Chen, J. (2020, February 24). *Foreign Direct Investment (FDI)*. Retrieved from Investopedia: <https://www.investopedia.com>
- De Mooij R.A, & Ederveen S. (2003). Taxation and foreign direct investment: A Synthesis of Empirical Research. *International Tax and Public Finance*, 673-693. Retrieved from <https://link.springer.com/article/10.1023/A:1026329920854>
- Economic Concepts. (2015). *Theories of taxation*. Retrieved from https://economicsconcept.com/theories_of_taxation.htm
- Explorable. (2020). *Research Population*. Retrieved from <https://explorable.com/research-population>
- Fajimi, A. (2017, June 14). *Value Added Tax Administration in Nigeria*. Retrieved from <https://www.pml.com.ng/value-added-tax-administration-in-nigeria/>
- Feger, T. (2014). An analysis of the tax revenue components in sub-Saharan Africa. *The Journal of Developing Areas*, 363-379. Retrieved from <https://jstor.org/stable/24241268>
- Fowler, B. (2016, June 23). *Synopsis of Value Added Tax Administration in Nigeria*. Retrieved from <https://www.pml.com.ng/value-added-tax-administration-in-nigeria/>
- Free Management Ebooks. (n.d.). *Porter's diamond*. Retrieved from <https://www.free-management-ebooks.com/news/porters-diamond>
- Future Learn. (n.d.). *Principles of good taxation*. Retrieved from <https://www.futurelearn.com>
- Godwin, E., Azeez, T., & Olabanji, A. (2018). Tax policy incentives and Foreign Direct Investment in Nigeria. *Fountain University Osogbo Journal of Management*. Retrieved from https://www.researchgate.net/publication/331276944_TAX_POLICY_INCENTIVES_AND_FOREIGN_DIRECT_INVESTMENT_IN_NIGERIA
- Jalata, D. (2014). The Value Added Tax and Sales Tax in Ethiopia: A Comparative Overview. 6, 246-249. Retrieved from <https://www.iiste.org>
- Jugurnath, B., Chuckun, N., & Fauzel, S. (2016). Foreign Direct Investment & Economic Growth in sub-Saharan Africa: An Empirical Study. *Theoretical Economic Letters*, 798-807. Retrieved from <https://m.scrip.org/papers/69994>
- Kagan, J. (2020). *Taxation*. Retrieved from <https://investopedia.com/terms/t/taxation.asp>
- Karau, J., & Mburu, T. K. (2016). Institutional, Governance, and Economic Factors Influencing Foreign Direct Investment Inflows in East Africa. *Journal of Economics and Development Studies*, 87-98. Retrieved from <https://doi.org/10.15640/jeds.v4n3a7>
- Klemm, A., & Van Parys, S. (2012). Empirical evidence on the effects of tax incentives. *International Tax and Public Finance*, 393-423. Retrieved from <https://link.springer.com/article/10.1007/s10797-011-9194-8>
- KPMG. (2019). *Ghana-Indirect Tax Guide*. Retrieved from <https://home.kpmg/xx/en/home/insights/2019/02/ghana-indirect-tax-guide.html>
- KPMG. (2019). *South Africa-Indirect Tax Guide*. Retrieved from <https://home.kpmg/xx/en/home/insights/2019/02/south-africa-indirect-tax-guide.html>

-
- Lloyds Bank. (2020, July). *Foreign Direct Investment (FDI) in Tanzania*. Retrieved from <https://www.lloydsbanktrade.com/en/market-potential/tanzania/investment>
- Madden, P. (2019, October 9). *Figure of the week: Foreign direct investment in Africa*. Retrieved from <https://www.brookings.edu/blog/africa-in-focus/2019/10/09/figure-of-the-week-foreign-direct-investment-in-africa/>
- Mohs, J., Wnek, R., & Galloway, A. (2018). The impact of Taxes on Foreign Direct Investments. *International Journal of Accounting and Taxation*, 54-63. Retrieved from <https://doi.org/10.15640/ijat.v6n2a6>
- Muley, R. (n.d.). *Taxation Objectives: Top 6 Objectives of Taxation*. Retrieved from <https://www.economicdiscussion.net/government/taxation-objectives-top-6-objectives-of-taxation-discussed/17450>
- Nordea Trade. (2020). *Ethiopia Business Environment: Tax rates in Ethiopia*. Retrieved from <https://www.nordeatrade.com/en/explore-new-market/ethiopia/taxes>
- Nordea Trade. (2020). *Foreign direct investment (FDI) in Ghana*. Retrieved from www.nordeatrade.com/en/explore-new-market/ghana/investment
- Northeastern University. (2020). *A Brief History of Taxation*. Retrieved from <https://onlinebusiness.northeastern.edu/blog/a-brief-history-of-taxation>
- PWC Worldwide Tax Summaries. (2020). *Ghana; Corporate-Taxes on corporate income*. Retrieved from <https://taxsummaries.pwc.com/ghana/corporate/taxes-on-corporate-income>
- PWC Worldwide Tax Summaries. (2020). *South Africa; Corporate-Taxes on corporate income*. Retrieved from <https://taxsummaries.pwc.com/south-africa/corporate/taxes-on-corporate-income>
- Resolution Law Firm. (2020). *Overview of Company Income Tax in Nigeria*. Retrieved from <https://resolutionlawng.com/company-income-tax-in-nigeria/>
- Sahiti, A., Ahmeti, S., & Ismajli, H. (2018). A review of empirical studies on FDI determinants. *Basic Journal of Real Estate Economics and Construction Management*, 6, 37-47. doi:<https://doi.org/10.1515/bjreecm-2018-0003>
- Sanjo, Y. (2012). Country risk, country size, and tax competition for foreign direct investment. *International Review of Economics and Finance*, 21, 292-301. Retrieved from <https://ideas.repec.org>
- Santander Trade. (2020). *Nigeria: Foreign Investment*. Retrieved from <https://santandertrade.com/en/portal/establish-overseas/nigeria/investing>
- Santander Trade. (2020). *South Africa: Foreign Investment*. Retrieved from <https://santandertrade.com/en/portal/establish-overseas/south-africa/foreign-investment>
- Talpos, I., & Ludosean, B. M. (2012). FDI-taxation relationship in Romania: An empirical approach. *12*(10), 15-30. Retrieved from <https://core.ac.uk>
- Tanko, M. (2015). Tax Enforcement: Practices and Procedures. *6*(7), 143-147. Retrieved from <https://www.iiste.org/journals/>
- Tuovila, A. (2019, September 30). *Sampling*. Retrieved from www.investopedia.com
- U.K Essays . (2017, December 12). *Theories of Foreign Direct Investment (FDI)*. Retrieved from <https://www.ukessays.com/essays/economics/various-theories-concerning-foreign-direct-investment-economics-essays.php>

BIBLIOGRAPHY Zimbabwe Daily. (2019, June 17). *FDI inflows improve...Jump to US\$745 million in 2018*. Retrieved from <https://thezimbabwedaily.com/business/341193-fdi-inflows-improve-jump-to-us745-million-in-2018.html>