Africa Desk in brief

In last year's PwC Africa tax survey; **tax** is the **second-most significant threat** for companies doing business in African countries, after political instability.

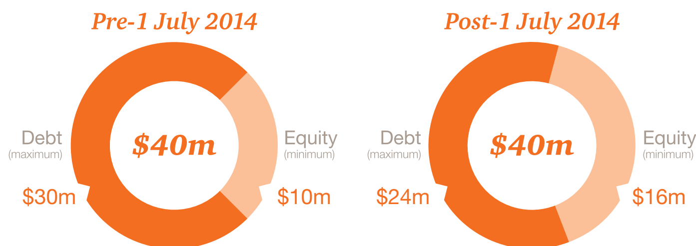
Over the next decade, **African GDP** is expected to grow by an average of **6%** a year.

Northern Africa

Sub-Saharan Africa

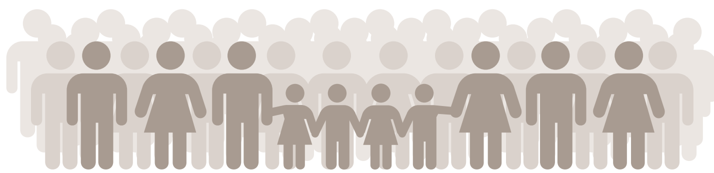
By global standards **withholding rates** are **generally high in Africa,** especially when the significant **corporate tax rates.**

Changes to the thin capitalisation rules mean that from 1 July 2014 **gearing beyond 60%** could lead to the rejection of debt tax deductions. For example, following these changes, a **$40m acquisition** will need to be funded by a maximum debt of **$24m.**



Africa continues to be an attractive investment option with the World Bank forecasting **$32.5 bn** (USD) of Foreign Direct Investment into **sub-Saharan Africa** in 2014.

Without structuring appropriately, Australian **shareholders investing into Africa** could be faced with tax rates of **over 72%.**



Sub-Saharan Africa's population is **growing faster** than any other region of the world, with it expected to reach **2.1 billion** by 2050.

The continent also has the youngest population, with **4 out of 10** people under the age of 15.

South Africa is the only country of the **54 recognised** sovereign states in Africa, which has a **comprehensive double tax agreement** with Australia.

Changes to Australia's **foreign dividend exemption** rules could mean a **saving of 30% Australian tax** on dividends received from African subsidiaries.

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Map not to scale. WL 127018246