

THE PRICE OF OFFSHORE REVISITED

APPENDIX III – KEY CHARTS

James S. Henry
Tax Justice Network
July 2012



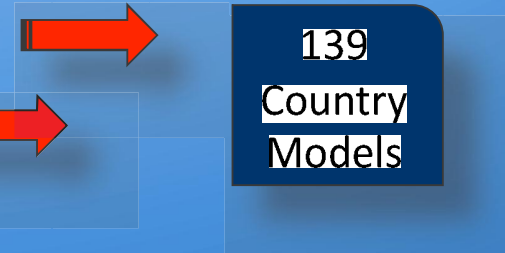
The “Price of Offshore” Revisited: Sizing the Problem

James S. Henry
Tax Justice International

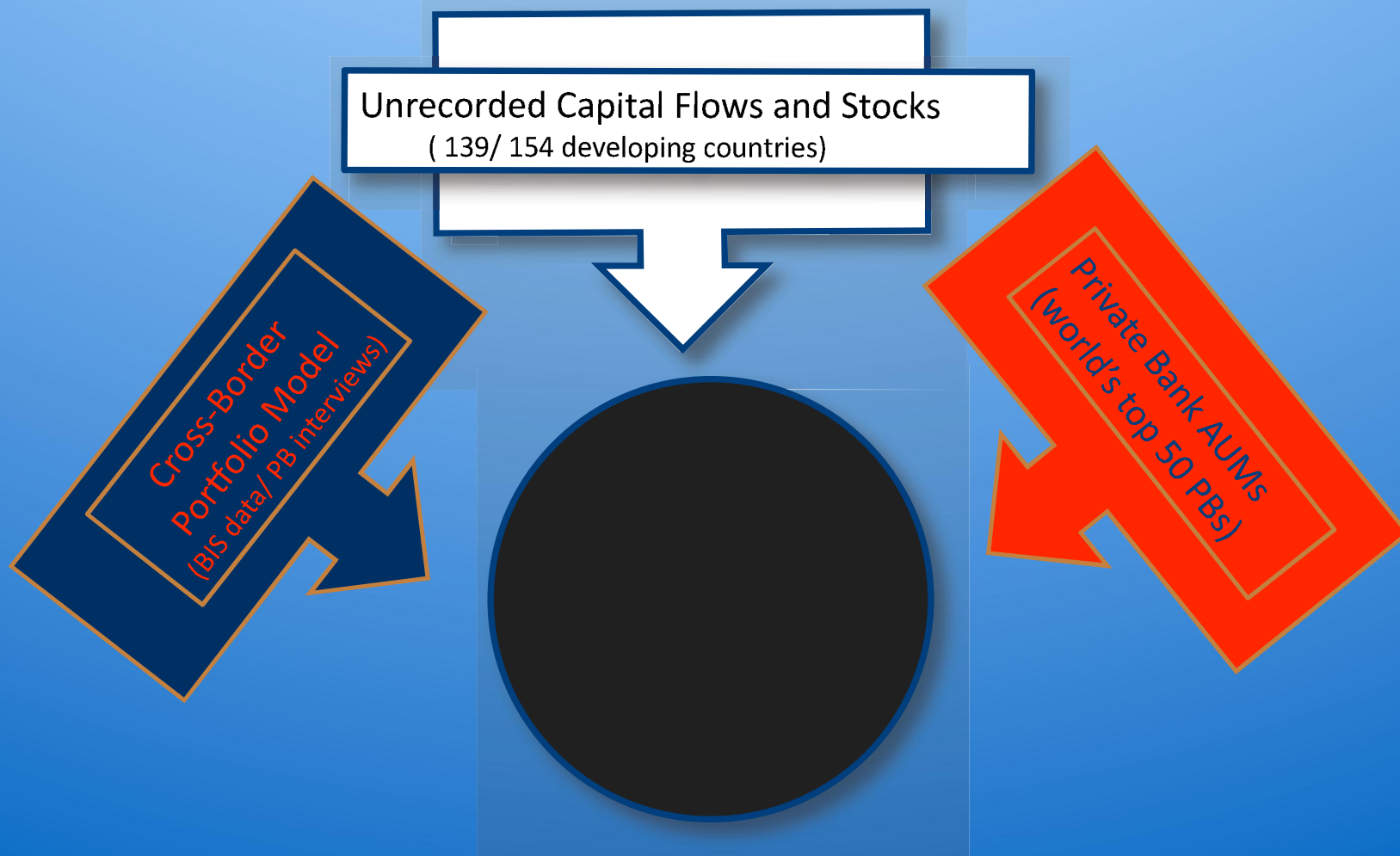
Essex Conference
July 6, 2012

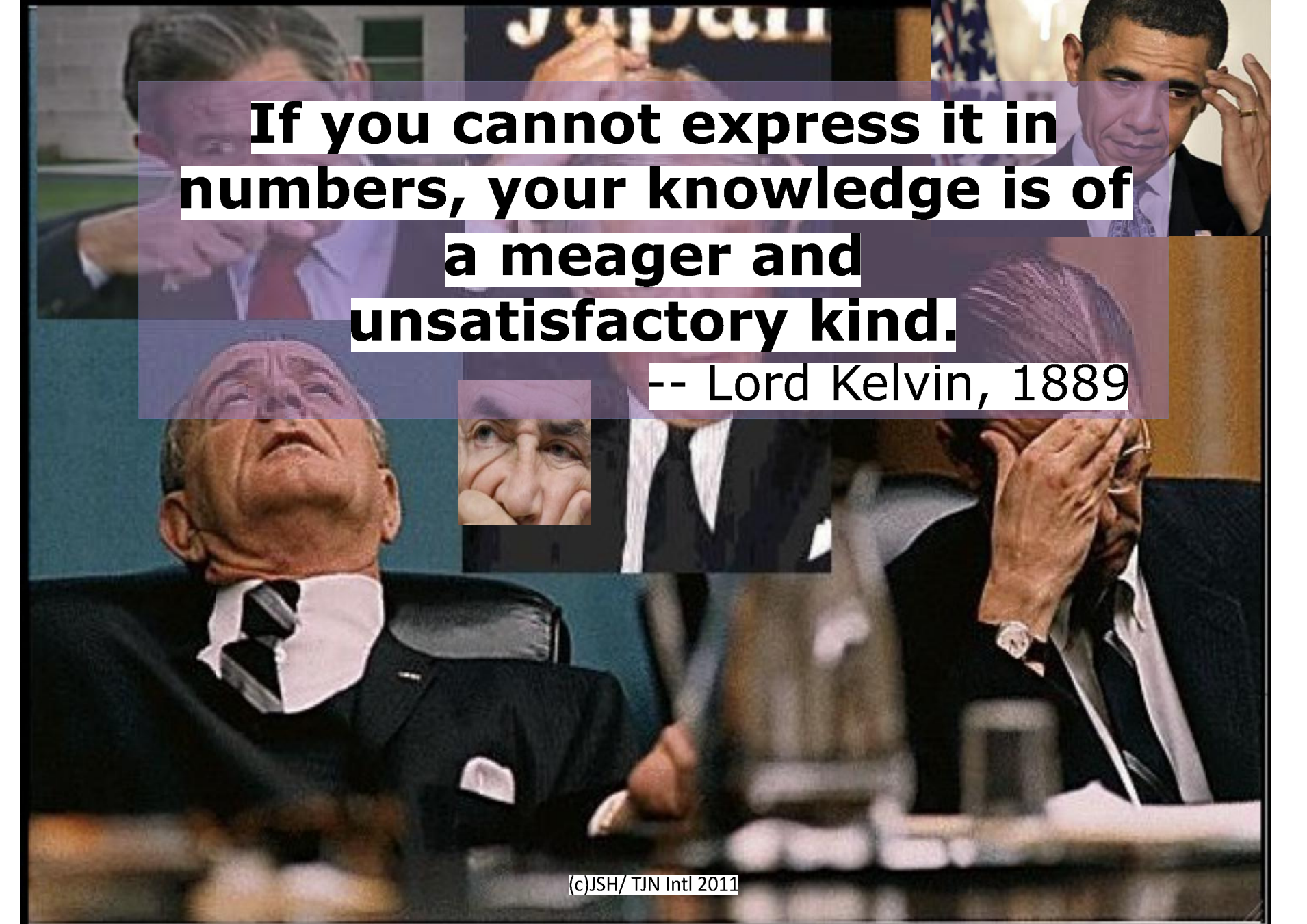
Overview

- Root Causes
- Estimation Methods
- Key Findings
 - Unrecorded Capital Flows Models
 - Offshore Wealth Models
 - Top 50 Global Private Banks
 - Offshore Investor Portfolio Model
 - Transfer Mispricing
- Implications for Policy + Research



Triangulating on the offshore black hole....





**If you cannot express it in
numbers, your knowledge is of
a meager and
unsatisfactory kind.**

-- Lord Kelvin, 1889

ROOT CAUSES: PERSISTENT OFFICIAL DATA "GAPS"

"SWISS CHEEZE:" BIS QUARTERLY REPORTS ON CROSS-BORDER BANK ASSETS +LIABILITIES

	Σ 41 BIS Countries -- Reporting banks				41 Individ. BIS Countries -- Reporting Banks				176 Other Countries			
	Beneficial Accts		Fiduciary Accounts		Beneficial Accts		Fiduciary Accounts		Beneficial Accts		Fiduciary Accounts	
	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)
Σ 217 Countries												
Σ All Nonbanks	✓	✓	⊗	⊗	√2B, 3B	√2B, 3B	⊗	⊗	⊗	⊗	⊗	⊗
Σ All Banks	✓	✓	⊗	⊗	√2C, 3A	√2C, 3A	⊗	⊗	⊗	⊗	⊗	⊗
41 Individ. BIS Countries												
Σ All Nonbanks	√6B 7B	√6B 7B	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Σ All Banks	√6A 7A	√6A 7A	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Σ 176 Countries												
All Nonbanks	✓	✓	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
All Banks	✓	✓	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
176 Individ. Countries												
Σ All Nonbanks	√6B 7B	√6B 7B	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Σ All Banks	√6A 7A	√6A 7A	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗

Source: BIS Quarterly Reports, JSH/ TJN Analysis

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...So we're forced to rely on....

PUZZLES AND CLUES

“There’s something
out there... and it’s GROWING!!!”

-- Ripley

ROOT CAUSES: PERSISTENT OFFICIAL "DATA GAPS"

"SWISS CHEEZE:" BIS QUARTERLY REPORTS ON CROSS-BORDER BANK ASSETS + LIABILITIES

	Σ 41 BIS Countries -- Reporting banks				41 Individ. BIS Countries -- Reporting Banks				176 Other Countries			
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	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)	Assets (Loans)	Liab. (Deposits)
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Σ All Banks	✓	✓	⊗	⊗	√2C, 3A	√2C, 3A	⊗	⊗	⊗	⊗	⊗	⊗
41 Individ. BIS Countries												
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Σ All Banks	√6A 7A	√6A 7A	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Σ 176 Countries												
All Nonbanks	✓	✓	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
All Banks	✓	✓	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
176 Individ. Countries												
Σ All Nonbanks	√6B 7B	√6B 7B	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Σ All Banks	√6A 7A	√6A 7A	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗

Source: BIS Quarterly Reports, JSH/ TJN Analysis

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Approach: Get out of the bloody armchair.....!

Investigative Economics

- “Rely on the “inter-ocular significance test:” Just look at the fuckin’ data:” (Tukey, 1985)

- Anomaly – driven: data puzzles tell us where to look

- Skeptical about “methodological individualism,” model-driven data analysis

Plausibility counts: case-based + inferential

If you want to know how someone feels, it is permissible to actually ask them

Get out of the armchair, go out in the field

Neoclassical Economics

- High rewards for mathematical virtuosity, slight variations on conventional thinking

- Model-ability and orthodoxy tell us where to look

- Intrinsic bias toward “methodological individualism” – more math. tractable

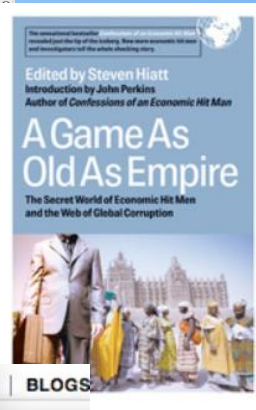
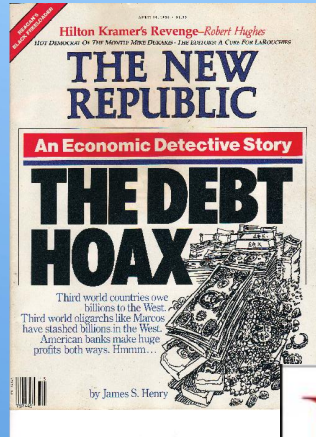
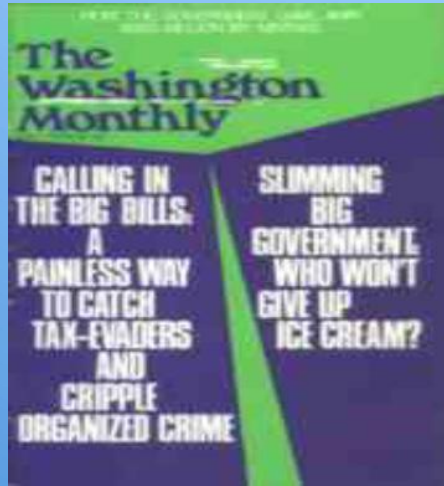
- 19th-century physics, positivism live on: “prediction” trumps “explanation”

- 1960s-vintage behaviorism: “You look pretty good today; how am I?”

“But I want tenure... and I like my armchair...” (“Abstract empiricism”)

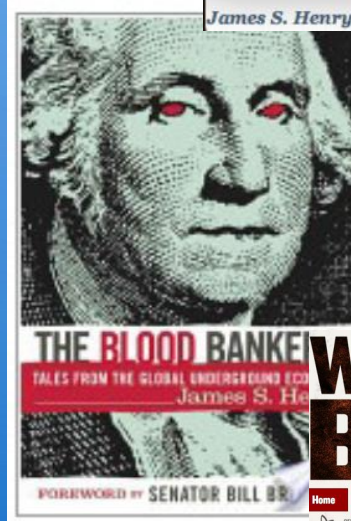
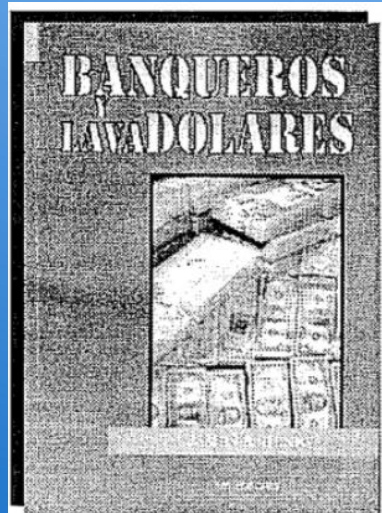
“Dark matter”

- **1970s:**
 - “Underground economy”
 - “Intl. currency demand”
 - Drug money in Florida
- **1980s:**
 - “Odious debt”
 - “Capital flight”
 - Citibank’s “debt-flight cycles”
 - Noriega/Stroessner
 - JP Morgan’s bribery in Brazil
 - Marco’s Central Bank
- **1990s**
 - “Banqueros” (’96)
 - “US as a tax haven”
 - “Flight wealth”
- **2000s**
 - “Blood Bankers” (’03-’05)
 - Shadow banking (’08-)
 - “We’re Not Broke” (’12)
 - “Pirate banking” (’12)
 - “Offshore wealth”
 - Human capital flight
 - Hidden offshore earnings
 - Hidden labor flows



THE Nation.

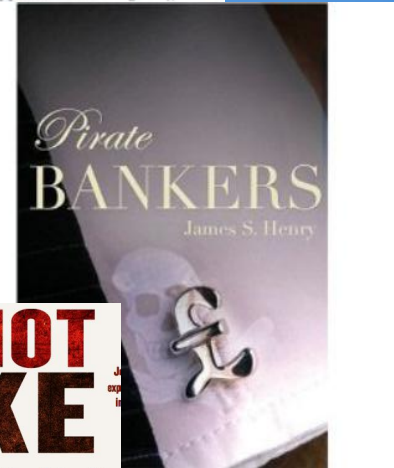
Attack of the Global Pirate Bankers
James S. Henry July 22, 2008 | This article appeared in the August 4, 2008



WE'RE NOT BROKE

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SUNDANCE FILM FESTIVAL INDEPENDENT FILM FESTIVAL BOSTON 2012 DALLAS INTERNATIONAL FILM FESTIVAL OFFICIAL SELECTION



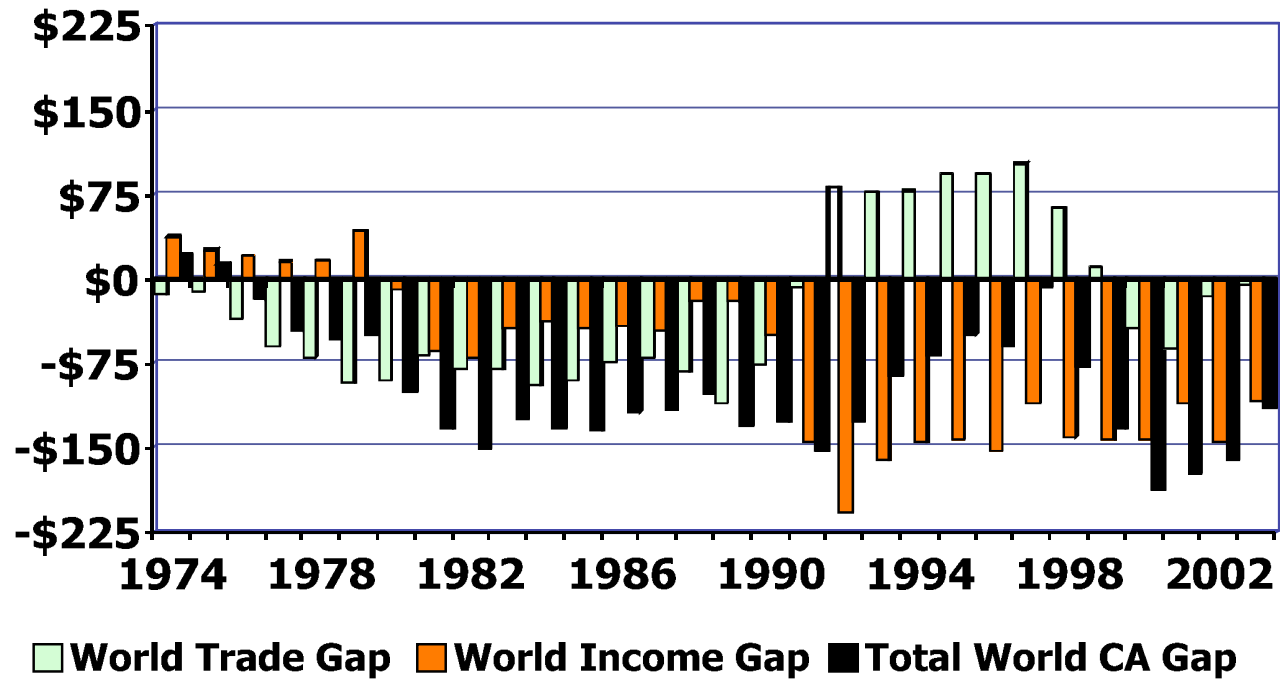
**Global "Big Bills" Outstanding -- US, Euros, Swiss Francs and Pounds,
2002-2011
(Σ =\$1.5 Trillion, 2011)**



(c)JSH/ TJN Intl 2011

Early clues....

World Current Deficit Discrepancy - Key Components (\$95 Billions)



Source: IMF(2005) data, author's analysis
(c) JSH/ TJN Intl 2011

I. ESTIMATION METHOD: UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH STOCKS

CF estimates' long history

- JP Morgan, April 1986
- Yours truly – 1980s, 1990s, 2000s
- James Boyce/ Gerald Epstein: U Mass – Africa: 1990-
- TJN - Murphy/Christensen 2005 – “Price of Offshore”
- Simon Pak (2003): trade data comparisons
- GFI: 2006 –2011
- Oxfam GB (2009): tax loss estimate
- “Mapping Financial Secrecy” (2009, 2011): secrecyjurisdictions.com
- Christian Aid , ActionAid, ATAF, CCFD, Eurodad, GFI, etc.

Capital Flight Estimation - Russia Example

	Debt Flows (\$B)	Net Foreign Investment (\$B)	Total Sources (\$B)	Reported CA Deficit	Ch in Reserves	Total Observed Uses (\$B)	Annual CF Estimate (\$B current)	Annual CF Estimate (\$B US 95)
1994	-5.8	0.4	-5.4	7.8	3.4	11.3	5.9	6.0
1995	2.1	1.5	3.5	7.0	-4.9	2.1	5.6	5.6
1996	7.1	3.7	10.8	10.8	6.1	16.9	27.7	27.2
1997	5.4	3.0	8.4	-0.1	-0.4	-0.5	7.9	7.6
1998	46.3	2.2	48.5	0.2	10.5	10.7	59.2	56.3
1999	0.7	0.8	1.5	24.6	-5.4	19.2	20.7	19.4
2000	-12.6	-0.4	-13.0	46.8	-18.9	27.9	14.9	13.7
2001	-3.3	0.7	-2.6	33.8	-12.0	21.8	19.1	17.1
2002	-5.6	2.6	-2.9	29.1	-12.8	16.3	13.4	11.9
2003	28.6	-1.4	27.3	35.8	-27.2	8.6	35.9	31.2
Total	\$62.8	\$13.2	\$76.0	\$196.0	\$-61.6	\$134.4	\$210.4	\$195.9

Source: data from IMF/World Bank (2008), JSH analysis

Key ingredients – capital flow estimates

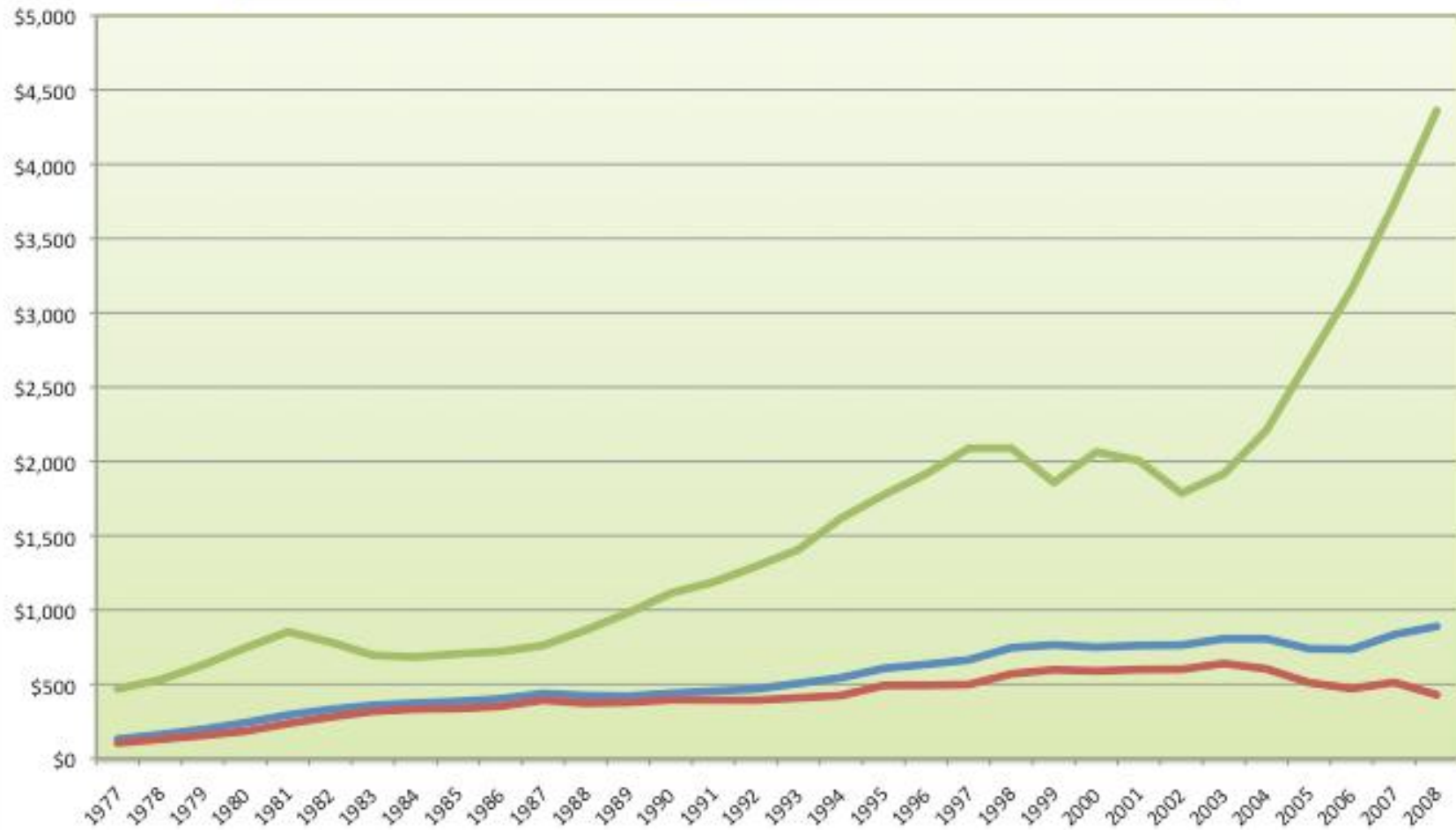
- 139 low-middle income countries (out of 154)
- 1970-2010
- Combines “sources” + “uses” (CA account, changes in reserves, foreign debt, investment)
- Data from WB/IMF, central banks
- Adjusts foreign debt series for FX changes, debt reschedulings, changes in arrears, exceptional financing
- No transfer misinvoicing adjustment

Key ingredients – “flight wealth” analysis

- CF wealth stock analysis – key assumptions, base case
 - Unrecorded flows are pre-tax (else why conceal?)
 - “Rational” investors
 - Conservative → nominal 6 mos. US CD yield before taxes over long periods
 - Savings rates → conservative PB clients
 - 50-75% of investment income reinvested
 - Earnings on offshore accounts not declared to source countries
 - Earnings on offshore accounts: tax free in destination country
 - PB, offshore investment costs born by investors, gross to assumed yields
 - No effective tax enforcement

UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH LATIN AMERICA

LATIN AMERICAN "DEBT CRISIS?"
LAC Region - Gross and Net External Debt vs GNI, 1977-2009
 (\$Billion)



...Meanwhile...

Heavily Indebted Rich Countries (HIRCs)

NET CROSS BORDER CLAIMS AND OTHER EXPOSURE DEC 2010
(\$Billions, Q1 2011)

	US	FR	GER	UK	PIIGS	ROW	TOTAL
US	\$0	-\$333	-\$264	\$74	\$190	\$903	\$570
FR	\$333	\$0	\$85	\$127	\$550	\$1,421	\$2,516
GER	\$264	-\$85	\$0	\$284	\$223	\$878	\$1,564
UK	-\$74	-\$127	-\$284	\$0	-\$291	\$1,304	\$528
PIIGS	-\$190	-\$550	-\$223	\$291	\$0	\$1,303	\$631
ROW	-\$903	-\$1,421	-\$878	-\$1,304	-\$1,303	\$0	-\$5,809
TOTAL	-\$570	-\$2,516	-\$1,564	-\$528	-\$631	\$5,809	\$0

*BIS (June 2011) data, JSH analysis

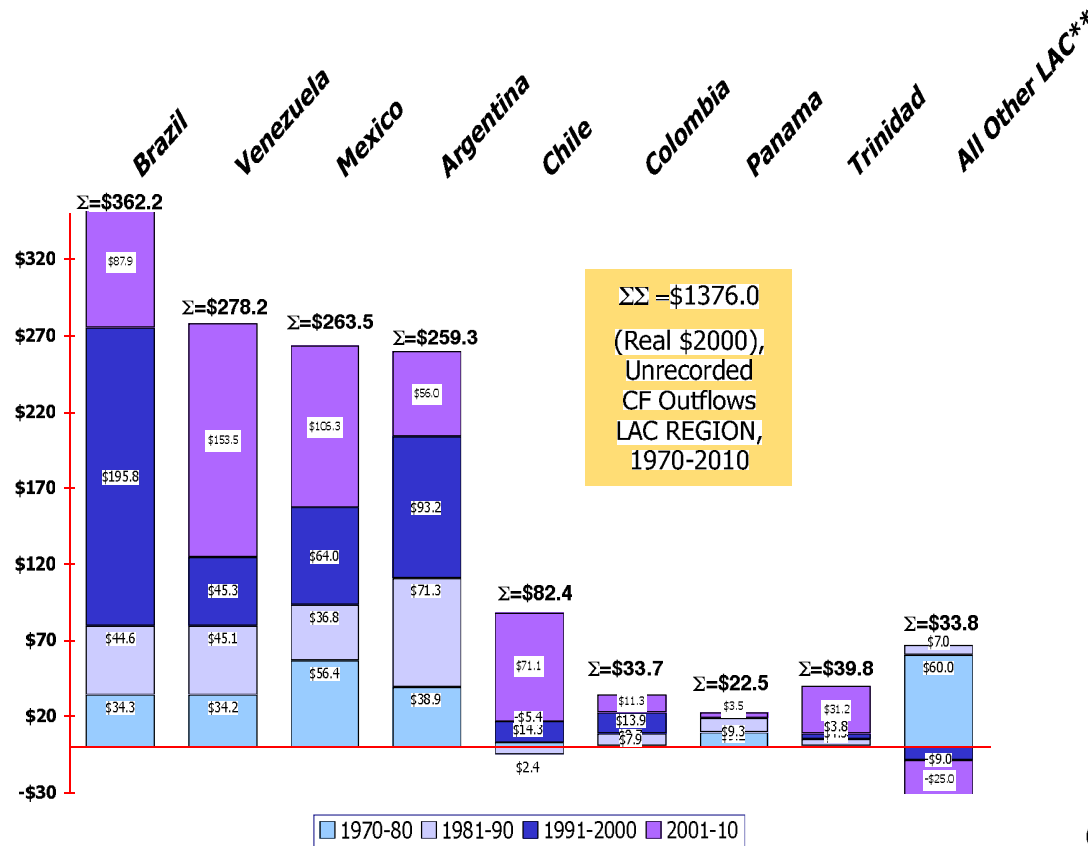
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** "Other exposure": net derivatives, credit commitments, and guarantees

Huge debt- and oil-financed real flight flows by region...

Unrecorded Capital Outflows from Latin America, 1970-2010

(Real Value of Cumulative Net Outflows by Period, \$2000 Billions)



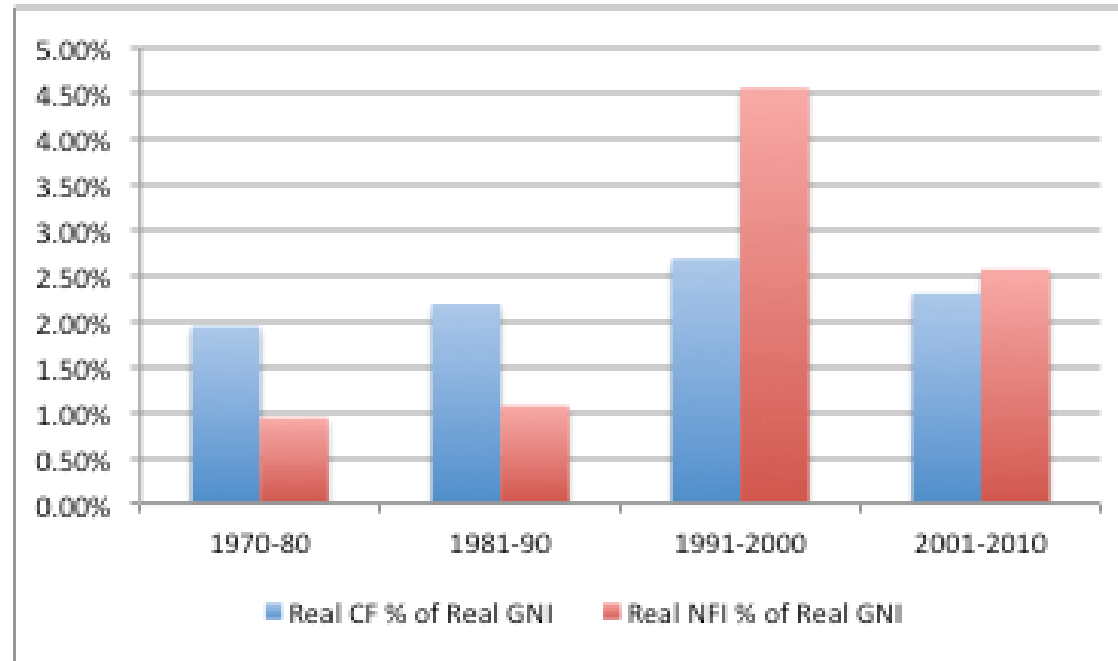
(c) JSH 2008, 2011

**30 other Latin American and Caribbean countries

Source: data from World Bank/ IMF (1979-2008); JSH analysis

(c) JSH/ TJN Intl 2011

TOP 8 LATIN AMERICAN SOURCE COUNTRIES: CF vs. NFI: % of Real \$GNI



Period	Real CF	Real NFI	Real \$GDP	CF %	NFI %
1970-80	\$176.4	\$84.9	\$9,089	1.94%	0.93%
1981-90	\$214.2	\$104.5	\$9,781	2.19%	1.07%
1991-2000	\$430.7	\$730.9	\$16,044	2.68%	4.56%
2001-2010	\$520.8	\$581.9	\$22,674	2.30%	2.57%

Source: World Bank/IMF 2012 data, JSH analysis

UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE EARNINGS, 1970-2010

Latin American and Caribbean Region

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

(Nominal and Real \$2000 Billions)
(40 countries in region - 33 with data)

Country	Original Outflows		Offshore Earnings (Σ \$B.) (\$2000)	CF /GNI CF/Sources Period Medians		Flight Stock (\$B 2010) (Nominal)	External Debt (\$B 2010) (Nominal)	CF Stock/ Ext.Debt %	Offshore Earnings % Outflows %	
	Σ Nom \$B.	Σ Real #B (\$2000)		%	%					
1970-2010	Brazil	\$345.0	\$362.6	\$247.3	1.7%	43%	\$519.5	\$324.5	160%	68%
1970-2010	Argentina	\$213.9	\$259.3	\$272.8	3.4%	68%	\$399.1	\$129.6	308%	105%
1970-2010	Mexico	\$221.7	\$263.5	\$299.1	1.8%	36%	\$417.5	\$186.4	224%	113%
1970-2010	Venezuela	\$269.1	\$278.2	\$202.0	5.7%	82%	\$405.8	\$55.7	728%	73%
1970-2010	<i>All Others (29)</i>	\$205.1	\$211.9	\$169.1	1.7%	41.5%	\$316.4	\$317.3	100%	
	LAC TOTAL	\$1,254.8	\$1,375.5	\$1,190.3	2.5%	51%	\$2,058.3	\$1,013.4	203%	87%

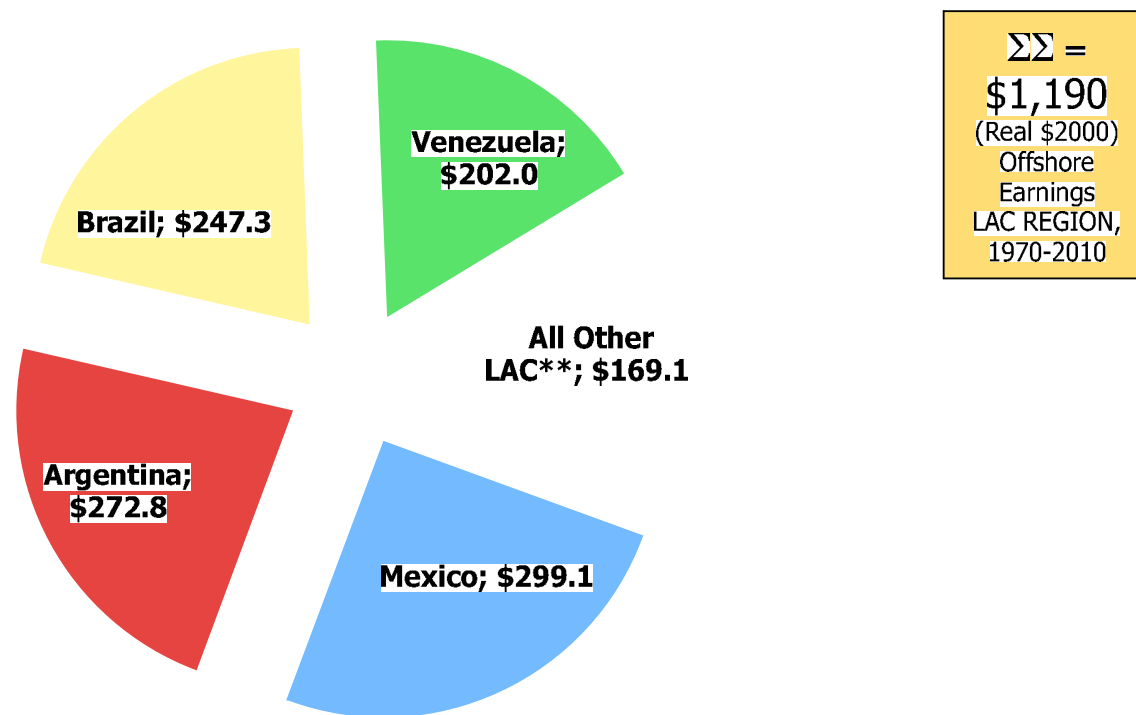
Source: World Bank/IMF/ UN/central bank/CIA(data); JSH analysis

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Adjusted for Currency Composition of Debt; 75% Reinvestment Rate; Ave Yield = \$US 6 mos CD rate

Latin America -- Earnings from Unrecorded Offshore Assets 1970-2010

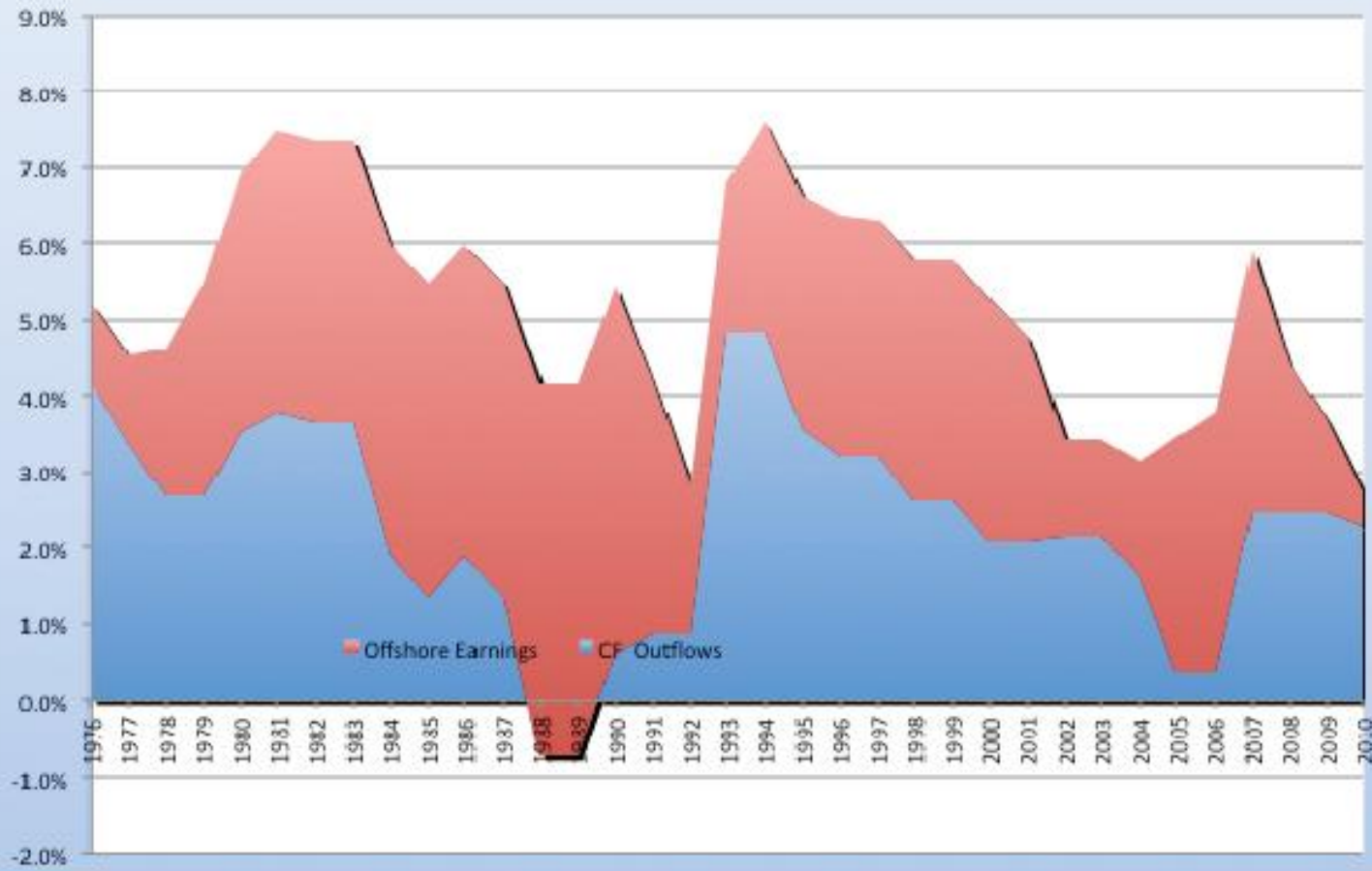
(Real Value by Period, \$2000 Billions)



**29 other Latin American and Caribbean states

Source: World Bank, IMF, central banks (data), JSH analysis

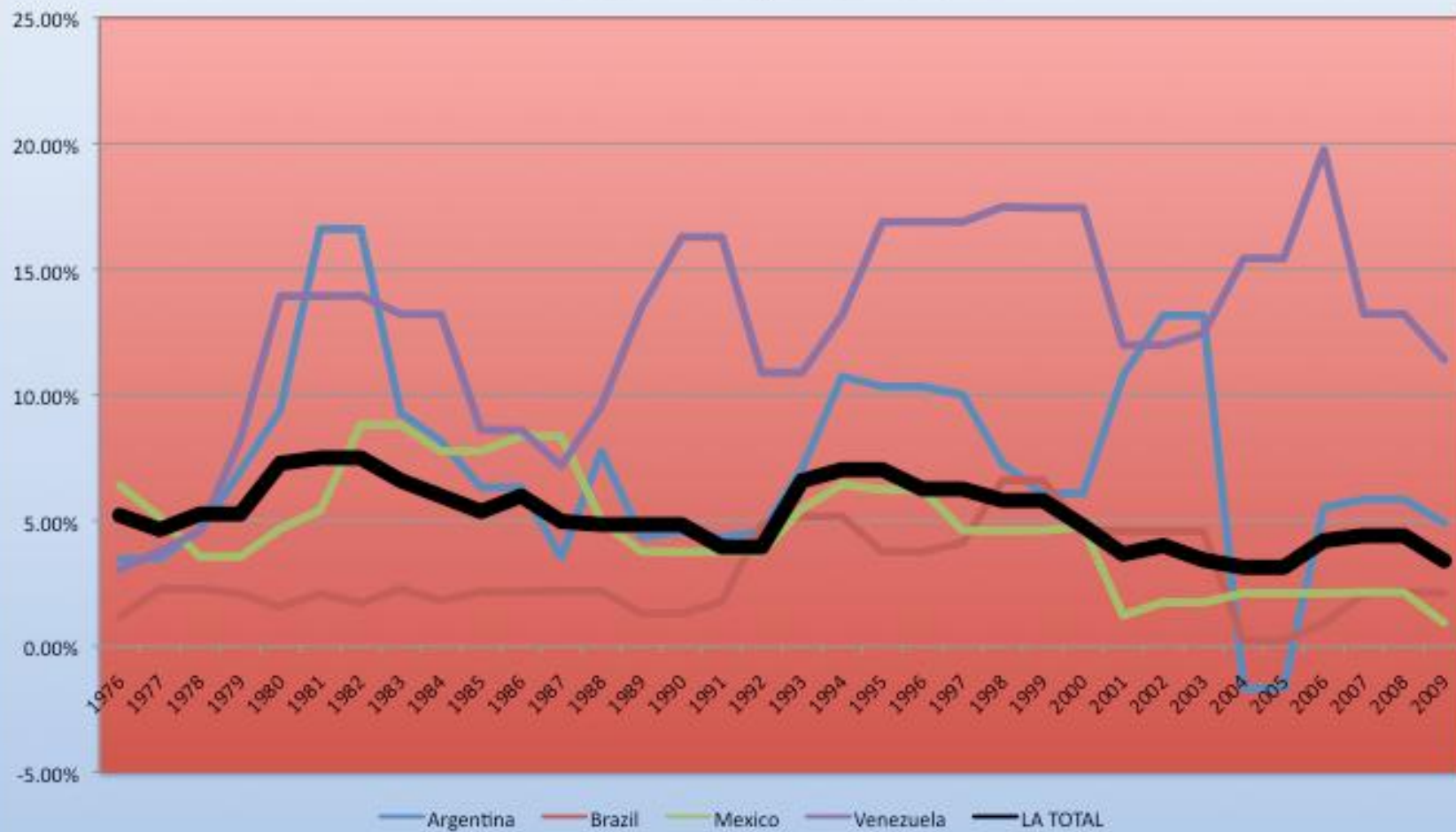
**New Unrecorded Capital Outflows and
Imputed Offshore Earnings as a % of GNI, 1976-2010
Σ Entire LAC Region**



Source: Project data models, JSH analysis

(c)JSH/ TJN Intl 2012

**TOTAL NET UNRECORDED CAPITAL OUTFLOWS PLUS ESTIMATED
OFFSHORE EARNINGS - % OF \$GNI, 1970-2009
KEY COUNTRIES, LAC REGION**



LATIN AMERICA -- LARGEST "SOURCE" COUNTRIES

Key Investment and Capital Outflow Ratios

(Medians, Real Ratios, 1970-2010)

Country	Median NFDI/GNI %	Median Port I/GNI%	Median CFI/GNI%	Offshore Earnings % GNI	Net % GNI
Brazil	0.9%	0.1%	1.7%	1.0%	-1.7%
Argentina	1.0%	0.1%	3.4%	3.8%	-6.1%
Mexico	1.5%	0.5%	1.8%	1.7%	-1.6%
Venezuela	0.1%	0.1%	5.7%	5.4%	-10.9%
Big Four	1.4%	0.3%	2.2%	2.3%	-2.8%
Chile	2.0%	0.0%	0.9%	0.5%	0.6%
Colombia	1.3%	0.0%	0.9%	0.6%	-0.2%
Panama	5.3%	0.0%	9.9%	11.5%	-16.1%
Trinidad	4.0%	0.0%	5.4%	2.6%	-4.0%
Uruguay	0.7%	0.6%	1.0%	0.8%	-0.5%
Dom Rep	1.8%	0.0%	1.4%	0.3%	0.1%
Ecuador	1.5%	0.0%	2.1%	3.1%	-3.7%
Peru	0.5%	0.0%	1.7%	0.5%	-1.6%
El Salvador	0.6%	0.0%	1.9%	1.2%	-2.5%
Bolivia	1.9%	0.0%	5.2%	5.0%	-8.3%

Source: World Bank/IMF/ UN/central bank/CIA(data); JSH analysis

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UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE EARNINGS, 1970-2010

Latin American and Caribbean Region

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

(Nominal and Real \$2000 Billions)
(40 countries in region - 33 with data)

Periods	Country	Original Unrecorded Outflows		Offshore Earnings (Σ \$B.)	CF /GNI CF/Sources		Flight Stock (\$B 2010) (Nominal)	External Debt (\$B 2010) (Nominal)	CF Stock/ Ext.Debt	Real Offshore Earnings % Orig Outflow
		Σ Nom \$B.	Σ Real #B (\$2000)		Period Medians %	%				
1970-2010	Brazil	\$345.0	\$362.6	\$247.3	1.7%	43%	\$519.5	\$324.5	160%	68%
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1970-2010	Venezuela	\$269.1	\$278.2	\$202.0	5.7%	82%	\$405.8	\$55.7	728%	73%
	Big Four	\$1,049.7	\$1,163.6	\$1,021.2			\$1,741.9	\$696.1	250%	88%
1975-2010	Chile	\$94.5	\$82.4	\$14.4	0.9%	43.4%	\$105.0	\$86.4	122%	17%
1970-2010	Colombia	\$32.4	\$33.7	\$21.4	0.9%	29.7%	\$47.9	\$63.0	76%	63%
1970-2010	Panama	\$14.3	\$23.3	\$37.6	9.9%	73.0%	\$37.6	\$11.4	330%	161%
1970-2010	Trinidad	\$44.3	\$39.8	\$11.6	5.4%	80.3%	\$53.0	\$4.0	1314%	29%
1970-2010	Uruguay	\$9.6	\$9.4	\$5.2	1.0%	41.5%	\$13.3	\$12.9	103%	55%
1970-2010	Dom Rep	\$7.9	\$7.9	\$3.1	1.4%	34.8%	\$10.2	\$13.1	78%	39%
1970-2010	Ecuador	\$6.3	\$11.5	\$23.6	2.1%	57.1%	\$21.6	\$14.8	146%	205%
1970-2010	Peru	\$1.7	\$3.3	\$11.7	1.68%	37.2%	\$8.1	\$36.1	22%	353%
1970-2010	El Salvador	\$8.1	\$8.5	\$5.5	1.9%	39.4%	\$11.2	\$10.1	110%	64%
1970-2010	Bolivia	\$9.5	\$11.7	\$14.3	5.2%	63.6%	\$18.4	\$5.3	349%	122%
	Next 10	\$228.6	\$231.6	\$148.3			\$326.3	\$257.0	127%	64%
	All Other LAC (n=26)	-\$23.5	-\$19.7	\$20.8	-0.6%	9.1%	-\$9.9	\$60.2	-17%	
	LAC TOTAL	\$1,255	\$1,376	\$1,190	2.5%	51%	\$2,058	\$1,013	203%	87%

Source: World Bank/IMF/ UN/central bank/CIA(data); JSH analysis
Adjusted for Currency Composition of Debt; 75% Reinvestment Rate; Ave Yield = \$US 6 mos CD rate

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UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE EARNINGS, 1970-2010

Latin American and Caribbean Region

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

NINETEEN OTHER INDIVIDUAL LAC COUNTRIES QUANTIFIED**

(Nominal and Real \$2000 Billions)

Periods	Country	Original Unrecorded Outflows		Offshore Earnings (∑\$B.) (\$2000)	CF /GNI	CF/Sources	Flight Stock (\$B 2010) (Nominal)	External Debt (\$B 2010) (Nominal)	CF Stock/ Ext.Debt %
		∑ Nom \$B. (Nominal)	∑ Real #B (\$2000)		Period Medians %	Period Medians %			
1984-2010	Belize	\$0.77	\$0.76	\$0.31	3.5%	40.2%	\$1.01	\$1.05	36.0%
1976-2010	Costa Rica	-\$1.72	-\$1.70	\$1.40	0.22%	9.4%	-\$1.00	\$8.88	-11.3%
1977-2010	Guatemala	-\$5.65	-\$5.35	\$1.91	-1.24%	-20.2%	-\$4.69	\$14.34	-32.7%
1977-2010	Honduras	\$0.05	\$0.63	\$2.74	0.1%	9.1%	\$1.83	\$4.19	43.7%
1975-2010	Paraguay	-\$0.94	-\$1.69	\$0.00	-0.59%	5.2%	-\$0.09	\$4.87	-1.9%
1970-2010	Nicaragua	-\$7.2	-\$4.0	\$9.06	0.0%	32.3%	-\$1.8	\$4.80	-36.9%
1977-2010	Antigua	-\$0.14	-\$0.16	\$0.03	-2.0%	-6.6%	-\$0.11	\$0.50	-22.4%
1990-2010	Aruba	-\$0.04	-\$0.05	\$0.05	-0.3%	25.3%	\$0.01	\$0.48	2.1%
1977-2010	Suriname	-\$1.30	-\$1.52	\$0.02	-2.0%	15.4%	-\$1.28	\$0.65	-197.2%
1977-2010	Guyana	\$0.39	\$0.61	\$1.32	1.3%	37.1%	\$1.22	\$1.35	90.4%
1977-2010	Grenada	-\$0.58	-\$0.51	\$0.025	-7.0%	-41.6%	-\$0.57	\$0.58	-98.6%
1971-2010	Haiti	-\$1.05	-\$0.69	\$0.69	0.10%	41.1%	-\$0.69	\$0.50	-139.8%
1976-2010	Jamaica	\$0.77	\$0.97	\$2.73	-0.1%	47.6%	\$3.15	\$13.94	22.6%
1970-2010	Bahamas	-\$5.50	-\$5.46	\$0.18	-4.8%	-39.2%	-\$5.78	\$1.20	-481.6%
1970-2010	Barbados	\$0.07	-\$0.34	\$0.26	-2.1%	16.3%	\$0.24	\$1.93	12.4%
1977-2010	Dominica	-\$0.50	-\$0.46	\$0.00	-4.8%	-44.6%	-\$0.50	\$0.19	-261.3%
1981-2010	St. Lucia	-\$0.56	-\$0.49	\$0.02	-0.5%	-1.4%	-\$0.55	\$0.34	-161.2%
1978-2010	St. Vincents	-\$0.36	-\$0.31	\$0.003	-2.1%	-22.0%	-\$0.36	\$0.26	-136.1%
1980-2010	St. Kitts	-\$0.04	\$0.09	\$0.04	-1.7%	-11.8%	-\$0.01	\$0.18	-6.1%
	Total 20 Other	-\$23.48	-\$19.72	\$20.79	-0.6%	9.1%	-\$9.95	\$60.24	-16.5%

** Countries for which data is missing: British West Indies, Cayman Islands, Cuba, Curacao, Sint Maarten, Turks&Caicos, US Virgin Islands

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Source: World Bank; IMF; UN; central banks; CIA factbooks; JSH analysis

Adjusted for Currency Composition of Debt; 75% Reinvestment Rate; Ave Yield = \$US 6 mos CD rate

UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH FSU/CENTRAL ASIA

**CENTRAL EUROPE + EURASIA'S
SOARING DEBT BURDENS**

(Gross External Debt/GNI (%), 2009 \$B.)

	Slovenia	Hungary	Latvia	Estonia	Kazakhstan	Croatia	Bulgaria	Ukraine	
2000	48%	64%	62%	54%	73%	59%	89%	40%	
2001	51%	60%	64%	56%	71%	56%	76%	55%	
2002	50%	58%	73%	60%	76%	64%	70%	52%	
2003	85%	65%	79%	69%	78%	78%	64%	48%	
2004	98%	71%	94%	83%	81%	82%	61%	46%	
2005	123%	79%	92%	87%	84%	70%	54%	38%	
2006	139%	102%	118%	97%	101%	77%	65%	47%	
2007	183%	111%	132%	110%	104%	80%	85%	53%	
2008	195%	126%	130%	119%	94%	89%	81%	52%	
2009	209%	156%	144%	126%	106%	104%	87%	84%	2009%
Gross Debt	\$98.7	\$189.1	\$40.5	\$23.3	\$109.9	\$63.0	\$40.6	\$93.2	Grand Total
Reserves	\$1.1	\$44.2	\$6.9	\$4.0	\$23.2	\$14.9	\$33.4	\$26.5	\$1,798
Net Debt	\$97.6	\$144.9	\$33.6	\$19.3	\$86.7	\$63.0	\$22.1	\$66.7	\$802
									\$1,025

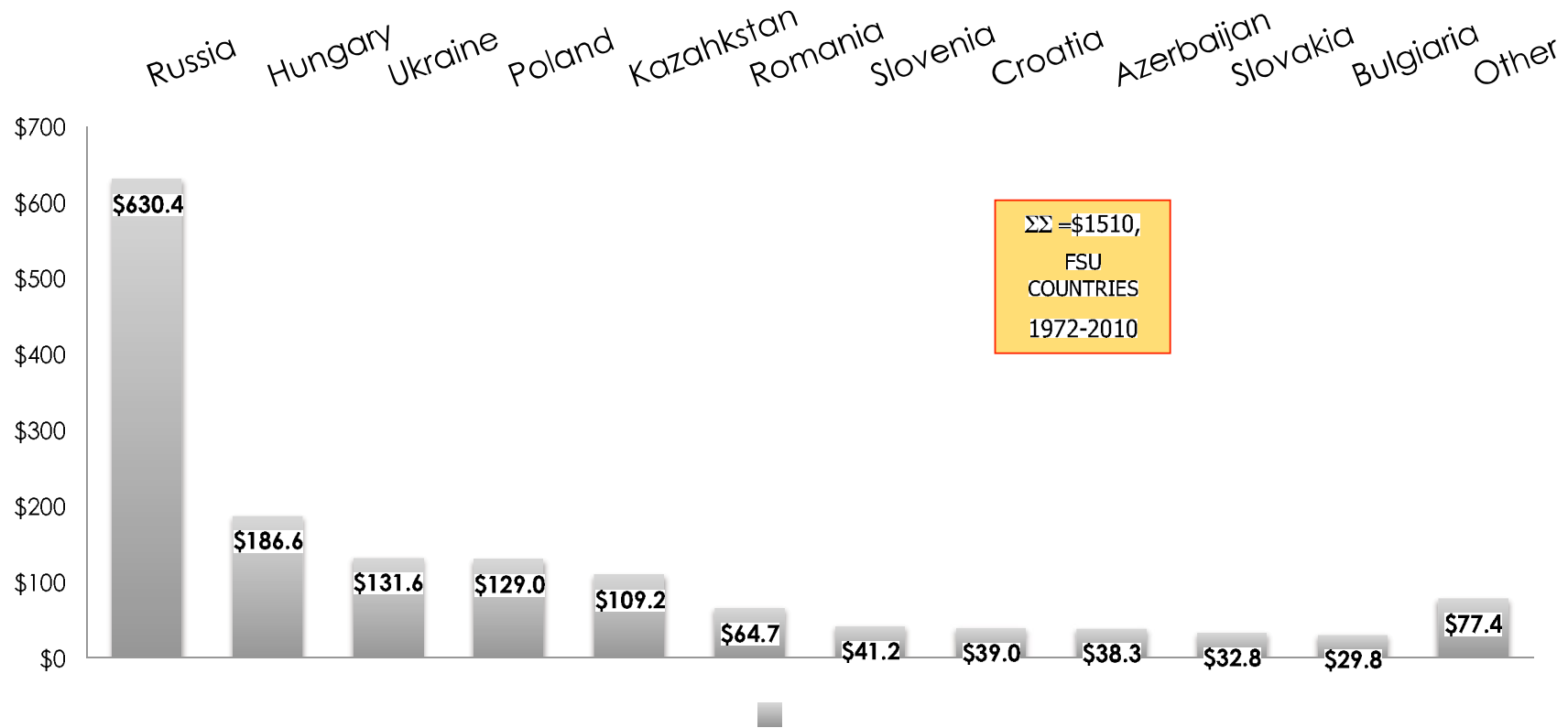
	Slovakia	Rumania	Poland	Tajikstan	Turkey	Albania	Russia	Azerbaijan
2000	43%	30%	38%	155%	44%	28%	63%	27%
2001	37%	32%	35%	100%	59%	26%	50%	24%
2002	39%	37%	43%	91%	57%	24%	44%	25%
2003	40%	38%	50%	78%	48%	25%	42%	25%
2004	40%	40%	53%	57%	41%	20%	34%	24%
2005	41%	40%	45%	47%	35%	24%	31%	18%
2006	46%	45%	51%	39%	37%	26%	26%	14%
2007	51%	50%	57%	28%	37%	26%	29%	13%
2008	58%	51%	47%	23%	36%	30%	25%	11%
2009	74%	72%	67%	47%	41%	40%	32%	12%
Gross Debt	\$68.7	\$117.5	\$308.6	\$2.5	\$251.4	\$4.7	381.3	\$4.9
Reserves	1.8	44.4	79.5	0.3	74.9	2.4	439.3	5.4
Net Debt	\$66.9	\$73.1	\$229.1	\$2.2	\$176.4	\$2.35	-\$58.0	-\$0.50

Source: WB/IMF data, my analysis

(c) JSH 2011

(c)JSH/ TJN Intl 2011

Original Unrecorded Capital Outflows From FSU/ Central Asia 1972-2010 (\$2000 Billions)



Source: data from IMF, World Bank (2012); JSH analysis

UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND EARNINGS, 1970s-2010

CENTRAL EUROPE/ EURASIA

DEBT ADJUSTED FOR CURRENCY CHANGES, ARREARS, AND RESCHEDULINGS

(Estimates for 26/27 countries in region)

(Nominal and Real \$2000 Billions, 2010)

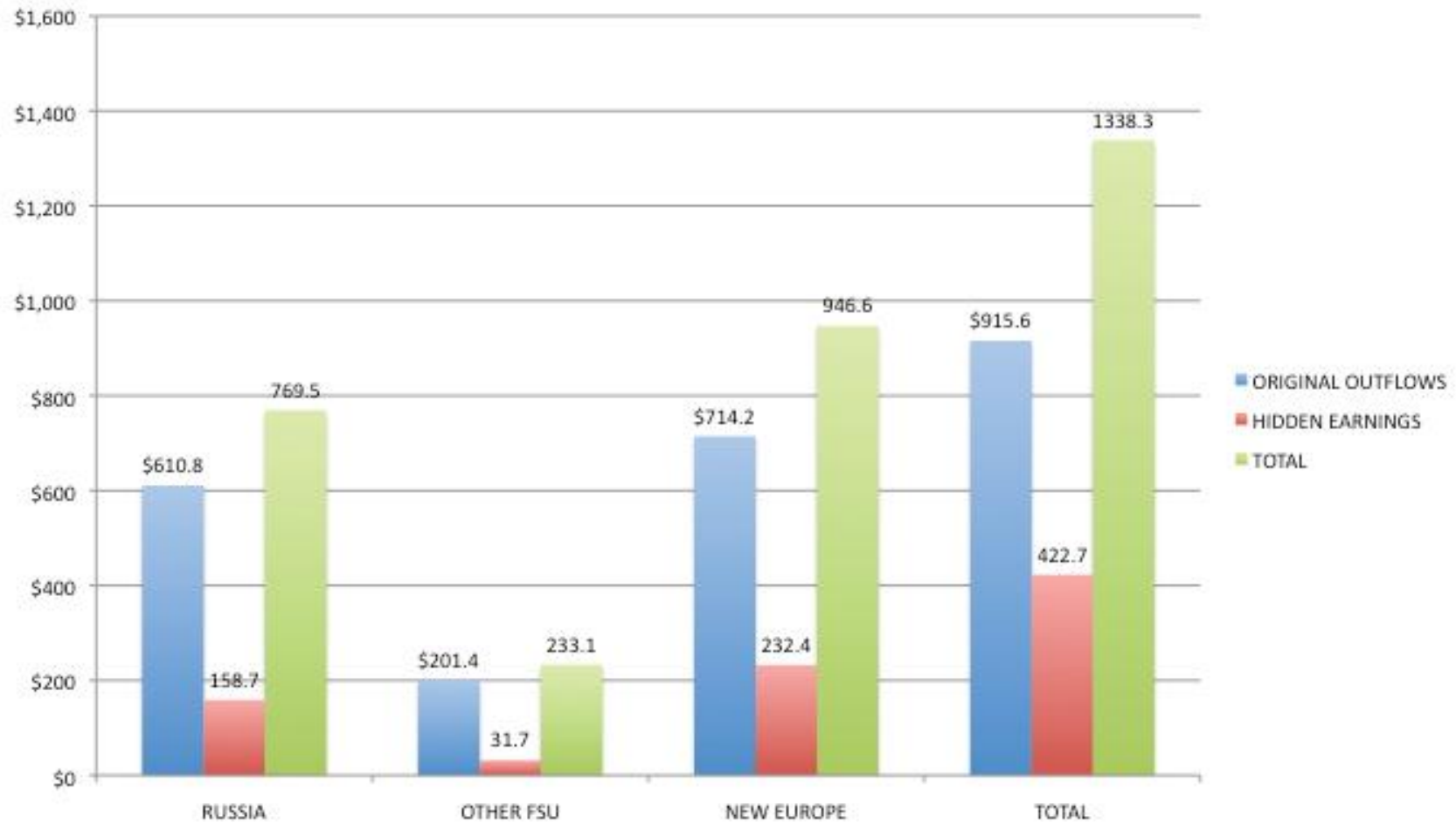
Period		Original Outflows		Offshore Earnings (Σ\$B.)	CF /GNI	CF/Sources	Flight Stock (\$B 2010)	External Debt (\$B 2010)	CF Stock/ Ex.Debt (%)
		Σ Nom \$B.	Σ Real \$B.		Period Medians (%)				
1994-2010	RUSSIA	\$681.6	\$630.4	\$163.1	6%	53%	\$797.9	\$385.1	207%
	OTHER FSU	\$366.1	\$313.4	\$36.1	3%	22%	\$396.9	\$300.3	132%
1994-2010	Ukraine	\$152.2	\$131.6	\$16.9	9%	73%	\$166.8	\$115.9	144%
1995-2010	Kazakhstan	\$126.3	\$109.2	\$13.7	11%	73%	\$138.2	\$117.0	118%
1995-2010	Azerbaijan	\$47.09	\$38.1	\$0.90	3%	-8%	\$47.9	\$7.0	684%
1993-2010	Uzbekistan	\$21.4	\$18.2	\$1.8	4%	87%	\$23.0	\$7.3	313%
1993-2010	Tajikistan	\$2.3	\$1.9	\$0.2	2%	55%	\$2.4	\$3.0	82%
1994-2010	Moldovia	\$1.60	\$1.5	\$0.5	1%	18%	\$2.0	\$4.6	43%
1993-2010	Armenia	\$2.163	\$1.7	\$0.06	4%	22%	\$2.2	\$6.1	36%
1993-2010	Kyrgyz Rep	\$0.638	\$0.636	\$0.3	3%	21%	\$0.9	\$3.9	23%
1997-2010	Georgia	\$4.0	\$3.2	\$0.1	0%	0%	\$4.1	\$9.3	44%
1993-2010	Belarus	\$6.11	\$4.9	\$0.2	0%	8%	\$5.89	\$25.8	23%
1993-2010	Turkmenistan	\$2.28	\$2.4	\$1.4	1%	25%	\$3.44	\$0.4	835%
	"NEW EUROPE"	\$623.7	\$567.5	\$153.8	4%	50%	\$742.3	\$930.3	80%
1985-2010	Poland	\$140.22	\$129.0	\$29.9	2%	48%	\$164.7	\$264.6	62%
1982-2010	Hungary	\$207.0	\$186.6	\$42.9	5%	78%	\$241.7	\$209	116%
1996-2010	Estonia	\$10.0	\$9.2	\$2.0	5%	44%	\$11.7	\$22.0	53%
1992-2010	Slovenia	\$46.1	\$41.2	\$8.2	4%	83%	\$52.9	\$54.4	97%
1972-2010	Romania	\$69.5	\$64.7	\$32.6	2%	25%	\$91.1	\$126.2	72%
1993-2010	Croatia	\$43.4	\$39.0	\$7.2	5%	58%	\$49.6	\$62.6	79%
1993-2010	Slovakia	\$37.8	\$32.8	\$4.5	4%	50%	\$41.7	\$66.4	63%
1980-2010	Bulgaria	\$29.46	\$29.79	\$20.9	5%	60%	\$43.8	\$49.0	89%
1992-2010	Latvia	\$23.6	\$21.0	\$4.1	8%	51%	\$27.1	\$39.6	68%
1993-2010	Lithuania	\$14.4	\$12.4	\$1.4	1%	20%	\$15.7	\$31	51%
1996-2010	Macedonia	\$2.2	\$1.6	\$0.1	1%	37%	\$2.2	\$6.0	37%
	Other FSU/EE (n=4)**	-\$8.7	-\$1.4	\$1.1	-2%	-14%	-\$7.8	\$46.4	-17%
	GRAND TOTAL	\$1,663	\$1,510	\$354			\$1,929	\$1,662	116%

Source: Data: WB/IMF, central banks; JSH analysis

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Adjusted for Currency Composition of Debt; 75% Reinvestment Rate; Ave Yield = \$US 6 mos CD rate

**CENTRAL EUROPE/EURASIA - UNRECORDED NET OUTFLOWS VS.
HIDDEN CROSSBORDER EARNINGS, 1992-2009, BY REGION**
(Real \$2000 Billions)



ORIG OUTFLOWS VS.HIDDEN EARNINGS

CENTRAL EUROPE/ EURASIA, 1992-2009

BASE CASE

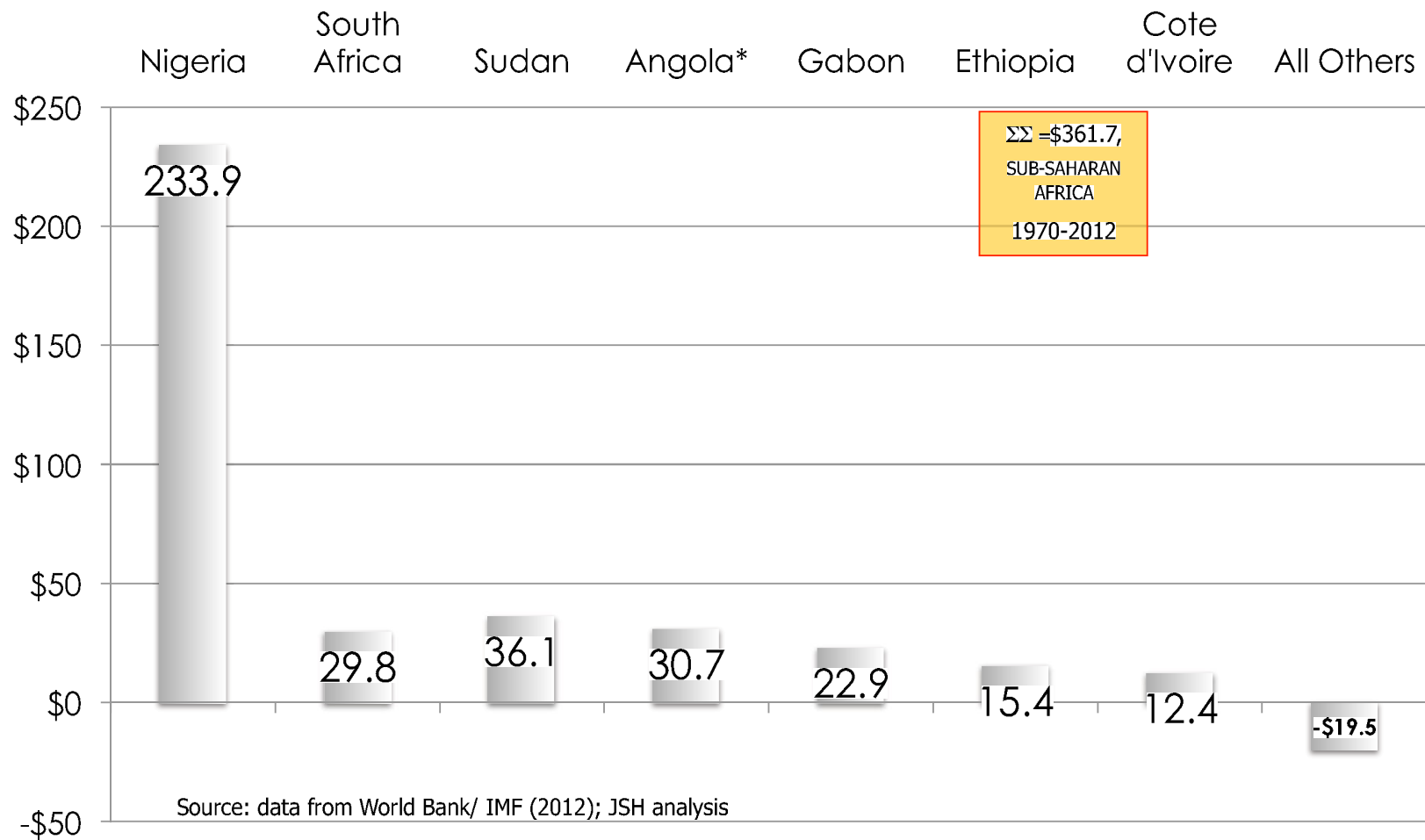
Real \$2000 Billions -- Yearly Averages

	Orig Outflows	Offshore Earnings	Total	% OY
Ave \$B. Per Year				
RUSSIA	\$35.9	\$5.9	\$41.8	14.1%
OTHER FSU	\$11.7	\$1.9	\$13.6	13.7%
NEW EUROPE	\$42.0	\$13.7	\$55.7	24.6%
TOTAL	\$89.8	\$24.9	\$114.7	21.7%

Source: World Bank, IMF, country central banks, CIA factbook:raw data;

UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH SUB-SAHARAN AFRICA

Unrecorded Capital Outflows From Sub-Saharan Africa, 1970-2010 (Real \$2000 Billions)



UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE INTEREST, 1970-2010
Sub-Saharan Africa Region

(Estimates for 43/48 countries in region)

DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULING AND ARREARS

(Nominal and Real \$2000 Billions)

Period	Country	Capital Flight		CF%/ GNI	CF/Sources	Flight Stock (\$B 2010)	External Debt (\$B 2010)	CF Stock/ Ex.Debt (%)	Offshore Interest Σ(\$2000)	NFDI/ GNI %	CF%/GNI Period Medians (%)	
		Nominal \$B. (Period Total)	Real \$2000 B.									
1	1970-10	Nigeria	\$259.6	\$233.9	8.0%	106.4%	\$306.2	\$7.9	3876%	\$60.3	2.8%	8.0%
2	1970-10	Cote D'Ivoire	\$8.3	\$12.4	2.8%	71.0%	\$141.0	\$11.7	1205%	\$22.2	1.4%	2.8%
3	1970-10	South Africa	\$10.5	\$29.8	0.5%	11.6%	\$60.3	\$45.5	133%	\$72.9	0.08%	0.5%
4	1970-10	Sudan	\$26.8	\$36.1	3.9%	83.3%	\$53.9	\$21.7	248%	\$49.9	0.11%	3.9%
5	1989-10	Angola	\$30.6	\$30.7	13.1%	96.8%	\$41.8	\$18.7	224%	\$14.4	7.5%	13.1%
6	1970-10	Gabon	\$19.6	\$22.9	12.2%	100.6%	\$36.1	\$2.4	1504%	\$25.6	2.1%	12.2%
7	1981-10	Ethiopia	\$12.2	\$15.4	6.5%	91.7%	\$25.5	\$7.2	354%	\$19.23	0.3%	6.5%
8	1970-10	Zambia	\$3.2	\$6.0	1.5%	51.8%	\$11.4	\$3.7	308%	\$13.18	2.1%	1.5%
9	1970-10	Congo Rep	\$8.0	\$7.9	9.6%	66.7%	\$8.0	\$3.8	211%	\$0.49	2.6%	9.6%
10	1970-10	Tanzania	-\$4.0	\$1.2	-1.6%	-25.3%	\$6.8	\$8.6	79%	\$19.80	1.9%	-1.6%
11	1970-10	Congo Dem Rep	-\$0.8	\$2.9	1.0%	66.5%	\$6.4	\$5.7	112%	\$10.99	0.6%	1.0%
12	1999-10	Liberia	-\$3.2	-\$2.2	52.0%	133.5%	\$5.5	\$0.2	2750%	\$1.90	27.6%	52.0%
13	1970-10	Uganda	\$1.5	\$2.8	1.3%	12.3%	\$5.4	\$3.0	180%	\$5.83	0.30%	1.3%
14	1977-10	Botswana	\$5.0	\$2.7	0.8%	0.0%	\$5.0	\$1.7	294%	\$0.04	2.6%	0.8%
15	1970-10	Ghana	\$0.0	\$1.9	1.5%	46.0%	\$4.7	\$8.4	56%	\$7.24	1.0%	1.5%
16	1981-10	Eq.Guinea	\$2.8	\$2.5	1.5%	13.6%	\$3.6	\$1.0	360%	\$0.9	14.7%	1.5%
17	1970-10	Gambia	\$1.0	\$0.8	9.3%	104.3%	\$1.9	\$0.5	380%	\$0.97	2.8%	9.3%
18	1977-10	Cameroon	-\$3.6	-\$0.8	-0.8%	50.0%	\$1.7	\$3.0	57%	\$8.2	0.7%	-0.8%
19	1977-10	Lesotho	\$0.5	\$0.7	2.3%	94.8%	\$1.3	\$0.7	186%	\$1.11	2.4%	2.3%
20	1976-10	Mauritania	\$1.0	\$1.1	0.0%	53.1%	\$1.3	\$2.4	54%	\$1.05	1.10%	0.0%
21	1984-10	Mozambique	-\$1.3	\$0.1	-0.7%	12.7%	\$0.8	\$4.0	20%	\$3.63	2.3%	-0.7%
22	1974-10	Swaziland	\$0.5	\$0.6	2.5%	60.4%	\$0.8	\$0.6	133%	\$0.44	3.4%	2.5%
23	1970-10	Zimbabwe	-\$3.4	-\$3.2	-0.2%	38.3%	\$0.8	\$4.5	18%	\$0.82	0.4%	-0.2%
24	1998-10	Namibia	\$0.7	\$0.6	2.5%	90.9%	\$0.7	\$2.9	24%	\$0.11	5.0%	2.5%
25	1981-10	Seychelles	\$0.6	\$0.5	3.0%	57.0%	\$0.7	\$1.6	44%	\$0.15	5.9%	3.0%
26	1970-10	Chad	-\$0.7	\$0.3	0.2%	35.7%	\$0.4	\$1.7	24%	\$2.10	1.0%	0.2%
27	1982-10	Guinea Bissau	\$0.2	\$0.1	4.2%	67.7%	\$0.2	\$1.0	20%	\$0.07	0.0%	4.2%
28	1974-10	Togo	-\$1.3	-\$0.4	-0.1%	32.7%	\$0.2	\$1.7	12%	\$2.70	1.3%	-0.1%
29	1977-10	Sao Tome	-\$0.1	\$0.0	-26.1%	-57.9%	\$0.0	\$0.2	na	\$0.23	16.1%	-26.1%
30	1977-10	Sierra Leone	-\$0.4	-\$0.2	-2.4%	28.6%	\$0.0	\$0.8	0%	\$0.58	1.1%	-2.4%
31	1975-10	Burundi	-\$0.80	-\$0.5	0.0%	0.0%	-\$0.5	\$0.5	na	\$0.4	0.0%	0.0%
32	1986-10	Guinea	-\$1.2	-\$0.9	-1.2%	30.3%	-\$0.8	\$2.9	na	\$0.52	0.7%	-1.2%
33	1976-10	Rwanda	-\$1.2	-\$0.6	-0.4%	12.5%	-\$0.8	\$0.8	na	\$0.46	0.6%	-0.4%
34	1986-10	Cape Verde	-\$0.9	-\$0.5	-1.7%	0.0%	-\$0.9	\$0.1	na	\$0.06	2.5%	-1.7%
35	1970-10	Madagascar	-\$3.3	-\$1.7	-1.3%	23.80%	-\$1.7	\$2.3	na	\$2.95	0.40%	-1.3%
36	1970-10	Burkina Faso	-\$2.1	-\$1.7	0.1%	0.00%	-\$1.8	\$2.1	na	\$0.4	0.1%	0.1%
37	1970-10	Benin	-\$2.2	-\$2.2	-12.0%	-10.0%	-\$1.9	\$1.2	na	\$0.4	3.6%	-12.0%
38	1970-10	Malawi	-\$3.2	-\$2.5	-1.5%	3.30%	-\$3.1	\$0.9	na	\$0.19	1.3%	-1.5%
39	1970-10	Mali	-\$2.9	-\$2.5	-1.7%	19.5%	-\$3.1	\$2.3	na	\$0.05	0.3%	-1.7%
40	1974-10	Niger	-\$3.5	-\$3.3	-4.3%	0.0%	-\$3.6	\$1.1	na	\$0.03	0.6%	-4.3%
41	1976-10	Mauritius	-\$5.1	-\$4.5	-2.4%	-5.3%	-\$5.0	\$1.1	na	\$0.12	0.6%	-2.4%
42	1974-10	Senegal	-\$6.3	-\$5.7	-3.2%	-3.4%	-\$5.7	\$3.7	na	\$1.19	0.8%	-3.2%
43	1970-10	Kenya	-\$20.2	-\$18.8	-1.6%	40.7%	-\$20.2	\$8.4	na	\$0.88	0.4%	-1.6%
		SUBTOTAL	\$320.9	\$361.7	0.2%	35.7%	\$683.3	\$204.2	133.0%	\$354.7	1.1%	0.2%

Source: 2012 data from World Bank; IMF country reports; JSH analysis

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UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE INTEREST, 1970-2010

Sub-Saharan Africa Region -- Top Flight Countries

(Nominal and Real \$2000 Billions)

DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULING AND ARREARS

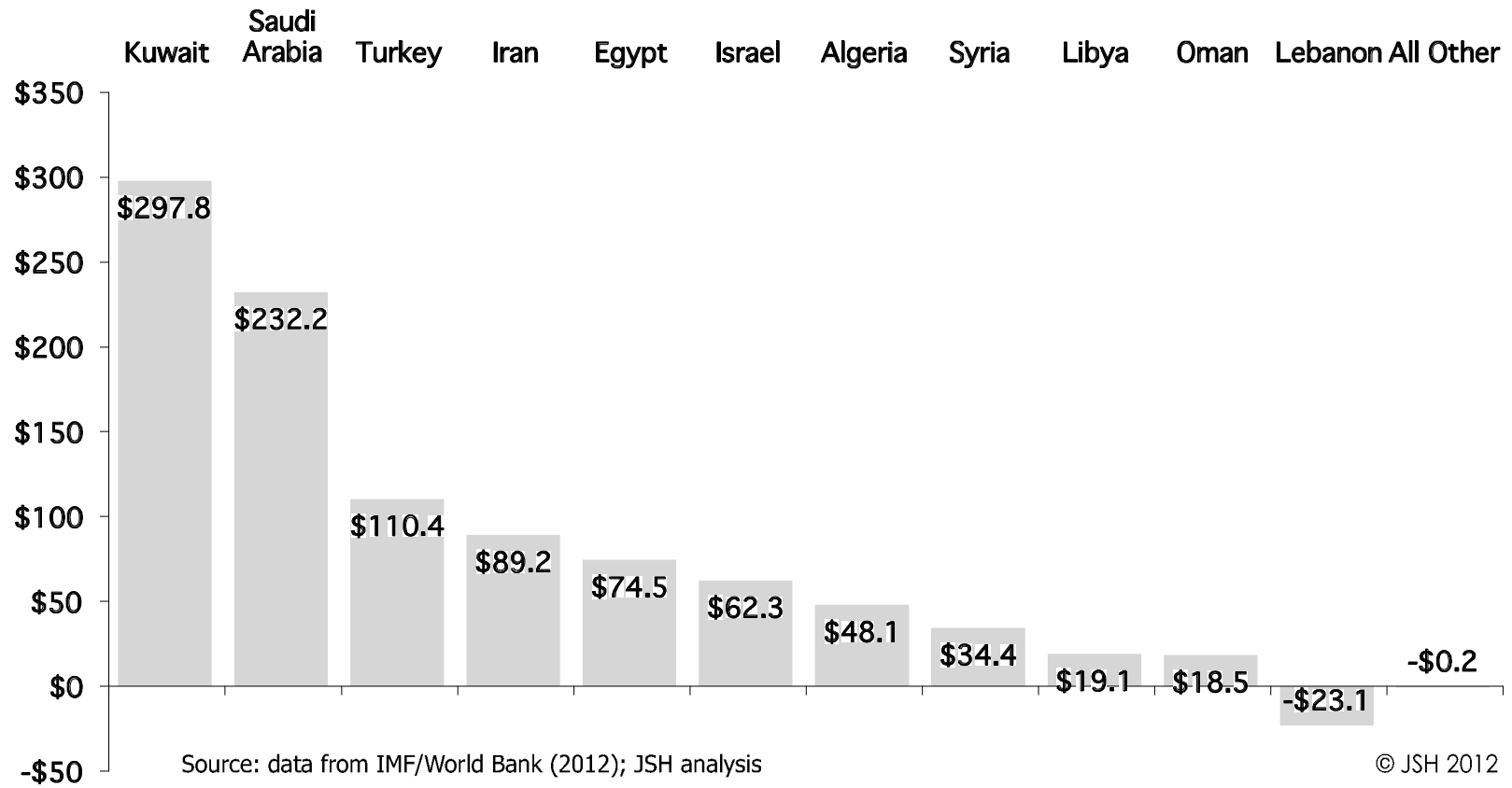
Period	Country	Capital Flight		CF /GNI	CF/Sources	Flight Stock	External Debt	CF Stock/ Ex.Debt (%)	Offshore Interest Σ(\$2000)	NFDI/ GNI % Period Medians (%)	CF /GNI
		Nominal \$B. (Period Total)	Real \$2000 B.								
1989-10	Angola	\$30.6	\$30.7	13.1%	96.8%	\$41.8	\$18.7	224%	\$14.4	7.5%	13.1%
1970-10	Benin	-\$2.2	-\$2.2	-12.0%	-10.0%	-\$1.9	\$1.2	na	\$0.4	3.6%	-12.0%
1977-10	Botswana	\$5.0	\$2.7	0.8%	0.0%	\$5.0	\$1.7	294%	\$0.04	2.6%	0.8%
1970-10	Burkina Faso	-\$2.1	-\$1.7	0.1%	0.00%	-\$1.8	\$2.1	na	\$0.4	0.1%	0.1%
1975-10	Burundi	-\$0.80	-\$0.5	0.0%	0.0%	-\$0.5	\$0.5	na	\$0.4	0.0%	0.0%
1977-10	Cameroon	-\$3.6	-\$0.8	-0.8%	50.0%	\$1.7	\$3.0	57%	\$8.2	0.7%	-0.8%
1986-10	Cape Verde	-\$0.9	-\$0.5	-1.7%	0.0%	-\$0.9	\$0.1	na	\$0.06	2.5%	-1.7%
1970-10	Cote D'Ivoire	\$8.3	\$12.4	2.8%	71.0%	\$141.0	\$11.7	1205%	\$22.2	1.4%	2.8%
1981-10	Eq.Guinea	\$2.8	\$2.5	1.5%	13.6%	\$3.6	\$1.0	360%	\$0.9	14.7%	1.5%
1970-10	Gabon	\$19.6	\$22.9	12.2%	100.6%	\$36.1	\$2.4	1504%	\$25.6	2.1%	12.2%
1970-10	Nigeria	\$259.6	\$233.9	8.0%	106.4%	\$306.2	\$7.9	3876%	\$60.3	2.8%	8.0%
1970-10	South Africa	\$10.5	\$29.8	0.5%	11.6%	\$60.3	\$45.5	133%	\$72.9	0.08%	0.5%
1970-10	Sudan	\$26.8	\$36.1	3.9%	83.3%	\$53.9	\$21.7	248%	\$49.9	0.11%	3.9%
	SUBTOTAL	\$353.6	\$365.3	0.7%	12.6%	\$644.5	\$117.5	294%	\$255.7		

Source: 2012 data from World Bank, IMF central banks, CIA factbook; my analysis

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UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH MIDDLE EAST/ NORTH AFRICA

Middle East Unrecorded Capital Outflows, 1976-2010 (\$2000 Billions)



UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE EARNINGS, 1970-2010

Middle East and North Africa

(Estimates for 17 of 18 countries in the region)

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

(Nominal and Real \$2000 Billions)

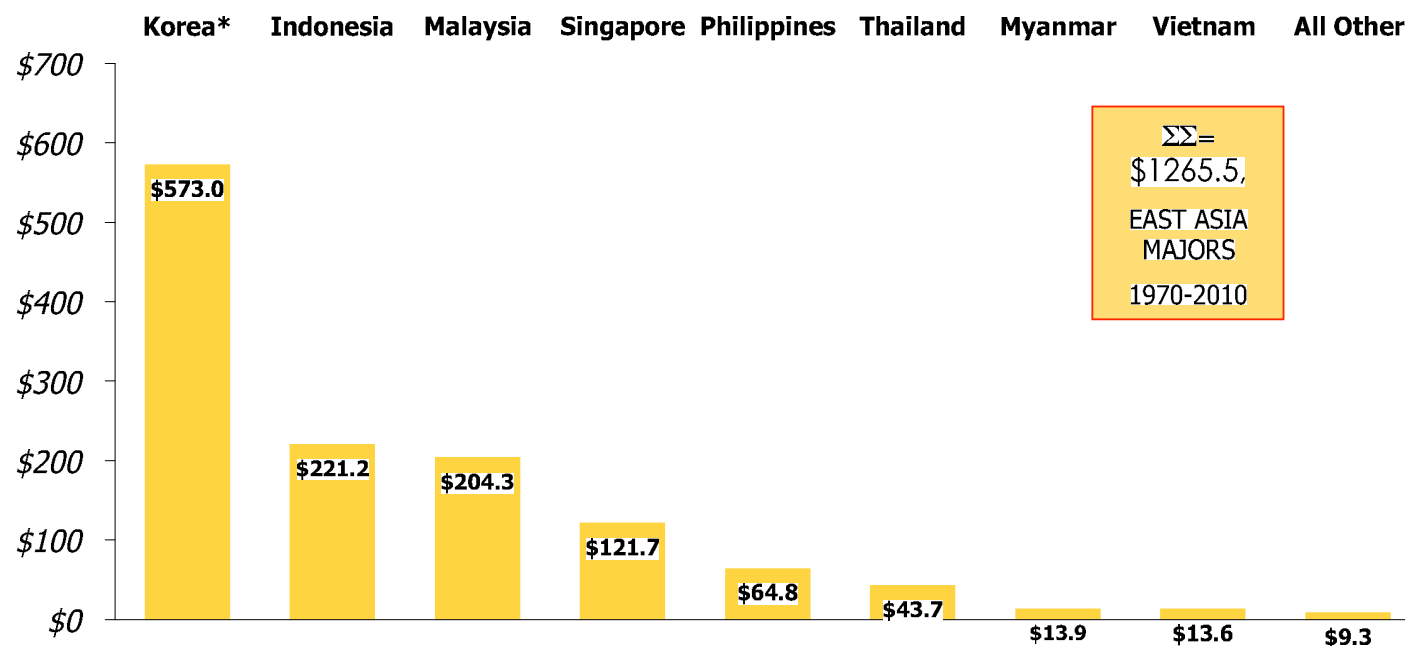
Period	Country	Σ Capital Flight		CF/GNI	CF/ Sources	Flight Stock	External Debt	F Stock/Debt	Real Offshore Interest (\$2000)
		Nominal \$	Real \$2000 B	(Median %)		(\$B 2010)	(\$B 2010)		
1 1975-2010	Kuwait	\$237.8	\$297.8	16.4%	nm	\$496.1	\$79.6	624%	\$402.3
2 1975-2010	Turkey	\$95.1	\$110.4	1.9%	47.8%	\$158.2	\$288.6	55%	\$84.8
3 1976-2010	Iran	\$74.9	\$89.2	1.2%	26.1%	\$147.4	\$12.9	1146%	\$118.4
4 1970- 2010	Israel	\$52.3	\$62.3	1.7%	36.5%	\$95.9	\$106.7	90%	\$65.5
5 1976-2010	Egypt	\$59.5	\$74.5	3.2%	65.4%	\$133.3	\$34.95	381%	\$112.4
6 1971-2010	Saudi Arabia	\$232.2	\$215.6	2.2%	-5.7%	\$307.8	...	na	\$132.1
7 1976-2010	Algeria	\$38.0	\$48.1	1.6%	39.3%	\$76.7	\$5.4	1420%	\$58.7
8 1977-2010	Syria	\$23.8	\$34.4	6.1%	108.0%	\$59.0	\$4.7	1253%	\$51.3
9 1972-2010	Jordan	-\$2.6	-\$0.5	0.7%	22.3%	\$1.7	\$7.7	22%	\$6.8
10 1976-2010	Oman	\$16.4	\$18.5	3.6%	94.3%	\$41.1	\$8.3	497%	\$15.8
11 1977-2010	Libya	\$25.0	\$19.1	2.3%	4.0%	\$27.8	\$6.5	430%	\$2.4
12 1996-2010	Lebanon	-\$27.6	-\$23.1	-0.1%	-0.3%	-\$27.6	\$24.4	-113%	\$0.0
13 1976-2010	Tunisia	\$6.6	\$7.5	1.4%	16.8%	\$11.2	\$21.7	51%	\$6.9
14 1975-2010	Morocco	\$4.3	\$7.0	0.3%	39.0%	\$13.4	\$27.5	49%	\$13.8
15 1990-2010	Yemen	-\$3.2	-\$2.3	-1.1%	80.2%	-\$2.6	\$6.3	-41%	\$0.9
16 1991-2010	Djibouti	\$1.0	\$0.9	7.8%	116.9%	\$1.2	\$0.8	160%	\$0.3
17 1976-2010	Bahrain	\$8.1	\$3.9	-15.5%	105.4%	\$8.3	\$14.9	56%	\$0.36
REGIONAL TOTAL		\$841.6	\$963.2	1.7%	39.2%	\$1,548.9	\$650.7	238%	\$1,072.6

Source: Data World Bank (WDI), IMF, CIA 2012; my analysis

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UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH ASIA

Unrecorded Capital Outflows From Key East Asian Countries, 1970-2010 (Real \$2000 Billions)

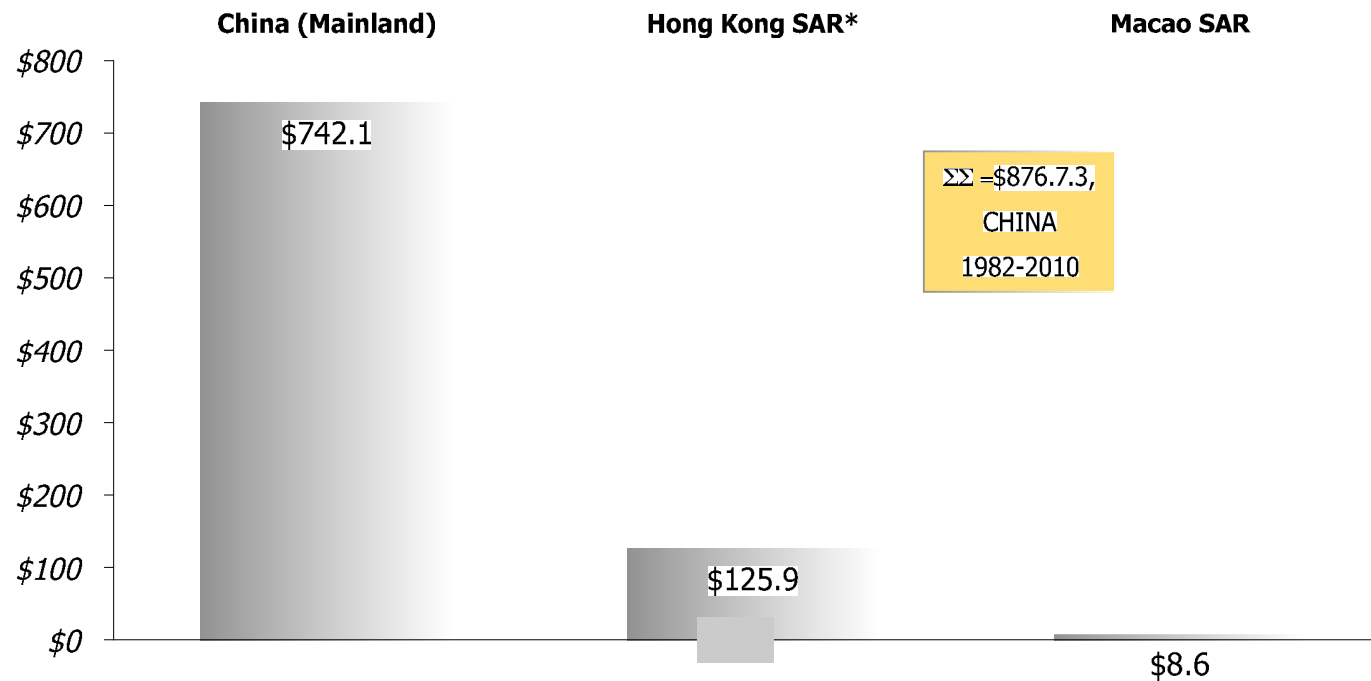


** Insufficient data for Fiji, French Polynesia, Guam, Kiribati, DRK, Samoa, Solomon Islands, Tonga, Vanuatu

(c) JSH 2012

Source: data from IMF/World Bank (2012): JSH analysis

China's apparent flight is exaggerated, due to round tripping...
"Apparent" Capital Flight From China, Hong Kong SAR and Macao SAR, 1982-2010
(Real \$2000 Billions)



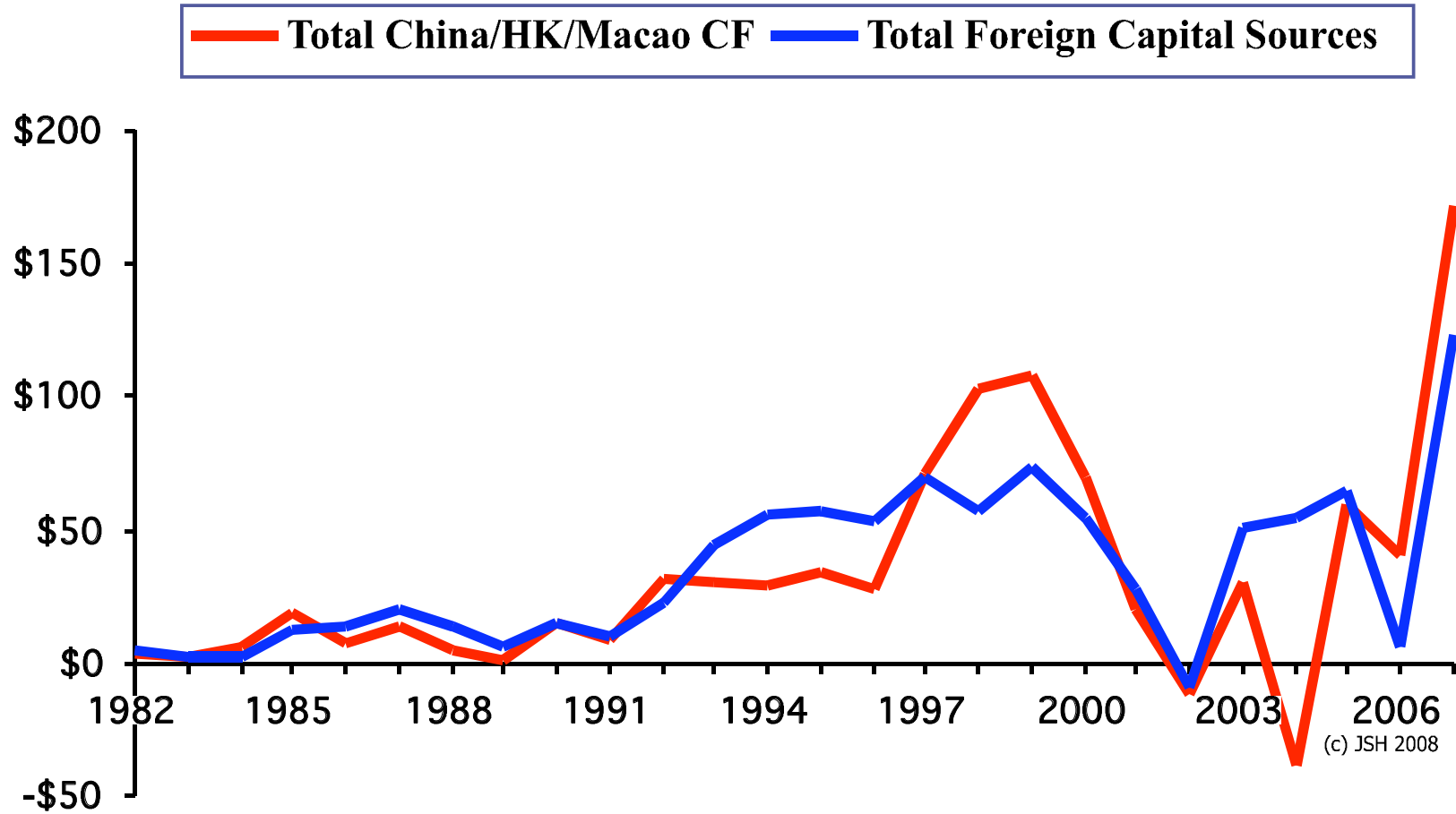
*HK, Macao data: 1998-2010;

(c) JSH 2008

Source: World Bank/IMF data (2012); JSH analysis

Annual Flight Flows** – All China (1982-2007, \$2000 Billions)

Revised 10-08



** "Sources and uses residual" CF measure for China Mainland, HK SAR, and Macao SAR. Includes "roundtripping" through offshore havens.

Source: World Bank/ IMF data (2008); JSH analysis

UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE INTEREST, 1970-2010

East Asia Region

(14/ 14 countries reporting)

FOREIGN DEBT ADJUSTED FOR CURRENCY CHANGES, RESCHEDULINGS, AND ARREARS

(Nominal and Real \$2000 Billions)

Period	Country	Capital Flight		CF /GNI	CF/Sources	Flight Stock (\$B 2010)	External Debt (\$B 2010)	CF Stock/ Ex.Debt (%)	Offshore Interest Real \$2000 B.	
		Nominal \$B.	Real \$2000 B.							
1982-10	Mainland China	\$770.9	\$742.1	2.0%	56.7%	\$994.2	\$547.7	182%	\$285.5	
1998-10	HK	\$119.9	\$125.9	8.2%	25.2%	\$163.0	\$0.0	na	\$51.8	
1998-10	Macao	\$9.5	\$8.6	22.2%	124.0%	\$32.1	\$0.0	na	\$1.7	
1	1982-10	CHINA -TOTAL	\$900.3	\$876.7	3.1%	49.5%	\$1,189.3	\$547.7	217%	\$339.0
2	1970-10	Korea	\$603.4	\$573.0	3.5%	68.2%	\$779.3	\$360.0	216%	\$243.7
3	1970-10	Indonesia	\$193.6	\$221.2	3.1%	62.1%	\$331.1	\$175.8	188%	\$205.1
4	1976-10	Malaysia	\$211.4	\$204.3	6.4%	57.4%	\$283.4	\$80.9	351%	\$105.2
5	1972-10	Singapore	\$143.6	\$121.7	0.4%	-14.0%	\$169.5	\$21.8	777%	\$31.1
6	1996-10	Vietnam	\$18.6	\$13.6	3.1%	86.5%	\$18.8	\$34.4	55%	\$0.1
7	1975-10	Thailand	\$42.1	\$43.7	0.0%	16.1%	\$66.3	\$68.7	96%	\$30.8
8	1977-10	Philippines	\$59.8	\$64.8	1.1%	49.6%	\$96.9	\$70.8	137%	\$55.9
9	1990-10	Myanmar	\$14.58	\$13.9	5.2%	118.6%	\$18.7	\$6.2	300%	\$5.4
10	1977-10	PNG	\$2.48	\$3.5	1.5%	70.0%	\$5.6	\$1.5	375%	\$4.4
11	1984-10	Laos	\$5.0	\$1.3	3.7%	57.5%	\$6.8	\$5.5	123%	\$1.8
12	1977-10	Mongolia	\$3.2	\$2.8	7.3%	70.3%	\$4.4	\$2.4	185%	\$0.9
13	1992-10	Cambodia	\$1.7	\$1.8	3.1%	55.1%	\$2.4	\$4.6	52%	\$0.90
14	1977-10	Samoa	-\$0.1	-\$0.2	-1.3%	76.2%	-\$0.1	\$0.3	na	\$0.00
		NON CHINA TOTAL	\$1,299.4	\$1,265.5	3.1%	59.8%	\$1,783.3	\$832.6	186%	\$685.3

Source: 2012 data from World Bank, IMF central banks, CIA factbook; my analysis

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EAST ASIA - LARGEST "SOURCE" COUNTRIES

KEY INVESTMENT AND CAPITAL OUTFLOW RATIOS

Period Medians, Available Years

	FDNI/ GNI%	Port I/ GNI%	CF/GNI%	Offshore Int/GNI%	Net (% of GNI)
Mainland China	2.8%	0.1%	2.00%	0.8%	0.1%
HK	0.0%	-17.7%	8.2%	2.3%	-28.1%
Macao	15.9%	-8.9%	22.2%	0.9%	-16.1%
CHINA TOTAL	2.4%	0.05%	1.8%	0.7%	0.0%
Korea	0.0%	0.1%	3.5%	1.7%	-5.2%
Indonesia	0.7%	0.2%	3.1%	3.2%	-5.4%
Malaysia	2.8%	0.0%	6.4%	3.3%	-6.9%
Singapore	6.0%	-1.6%	0.4%	0.3%	3.7%
Vietnam	5.0%	0.0%	3.1%	0.0%	1.9%
Thailand	0.9%	0.2%	0.02%	0.03%	1.0%
Philippines	0.8%	0.1%	1.1%	1.7%	-2.0%
Myanmar	3.1%	0.0%	5.2%	3.20%	-5.3%
PNG	2.6%	0.0%	1.5%	2.1%	-0.9%
Laos	1.4%	0.0%	3.7%	2.5%	-4.8%
Mongolia	4.7%	0.0%	7.3%	2.7%	-5.3%
Cambodia	5.2%	-0.1%	3.1%	0.9%	1.2%
Samoa	1.1%	0.0%	-1.3%	0.0%	2.4%

Source: 2012 data from World Bank, IMF, central banks, CIA; JSH and

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UNRECORDED CAPITAL FLOWS, OFFSHORE ASSETS, AND OFFSHORE INTEREST, 1970-2010

South Asia

(6 of 7 countries reporting)

DEBT ADJUSTED FOR CURRENCY CHANGES, ARREARS, AND RESCHEDULINGS

(Nominal and Real \$2000 Billions)

Period	Country	Capital Flight		CF / GNI	CF/Sources	Flight Stock	External Debt	CF Stock/ Ex.Debt (%)	Offshore Interest
		Nominal \$B. Period Total	Real \$2000 B.						
1970-10	Afghanistan								
1976-10	Bangladesh	\$19.0	\$18.1	1.1%	57.8%	\$24.7	\$25.0	99%	\$7.6
1970-10	India	\$36.7	\$41.7	0.2%	13.2%	\$72.7	\$287.4	25%	\$57.1
1978-10	Maldives	-\$1.4	-\$1.2	-3.9%	-30.6%	-\$1.3	\$1.2	-109%	\$0.0
1976-10	Nepal	-\$2.0	-\$2.2	-0.6%	26.7%	-\$1.9	\$3.7	-52%	\$0.2
1976-10	Pakistan	\$3.8	\$3.4	0.5%	36.6%	\$7.2	\$56.2	13%	\$5.4
1990-10	Sri Lanka	\$0.6	\$0.8	0.7%	28.8%	\$1.9	\$20.1	9%	\$2.4
	TOTAL	\$56.7	\$60.7	0.3%	27.8%	\$103.2	\$393.6	11%	\$72.7

Source: 2012 data from World Bank, IMF central banks, CIA factbook; my analysis

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SOUTH ASIA -- LARGEST "SOURCE" COUNTRIES

Key Investment and Capital Outflow Ratios
(Medians, Real Ratios, 1970-2010)

	Net FDI/ GNI%	Port/GNI%	CF/GNI%	Offshore Int/GNI%	Net
Bangladesh	0.01%	0.00%	1.1%	0.5%	-1.6%
India	0.2%	0.0%	0.2%	0.48%	-0.5%
Maldives	3.0%	0.0%	-3.9%	0.00%	6.9%
Nepal	0.0%	0.0%	-0.6%	0.0%	0.6%
Pakistan	0.6%	0.0%	0.5%	0.2%	-0.1%
Sri Lanka	1.1%	0.0%	0.7%	0.4%	0.0%

Source: 2012 data from WB, etc.; JSH analysis

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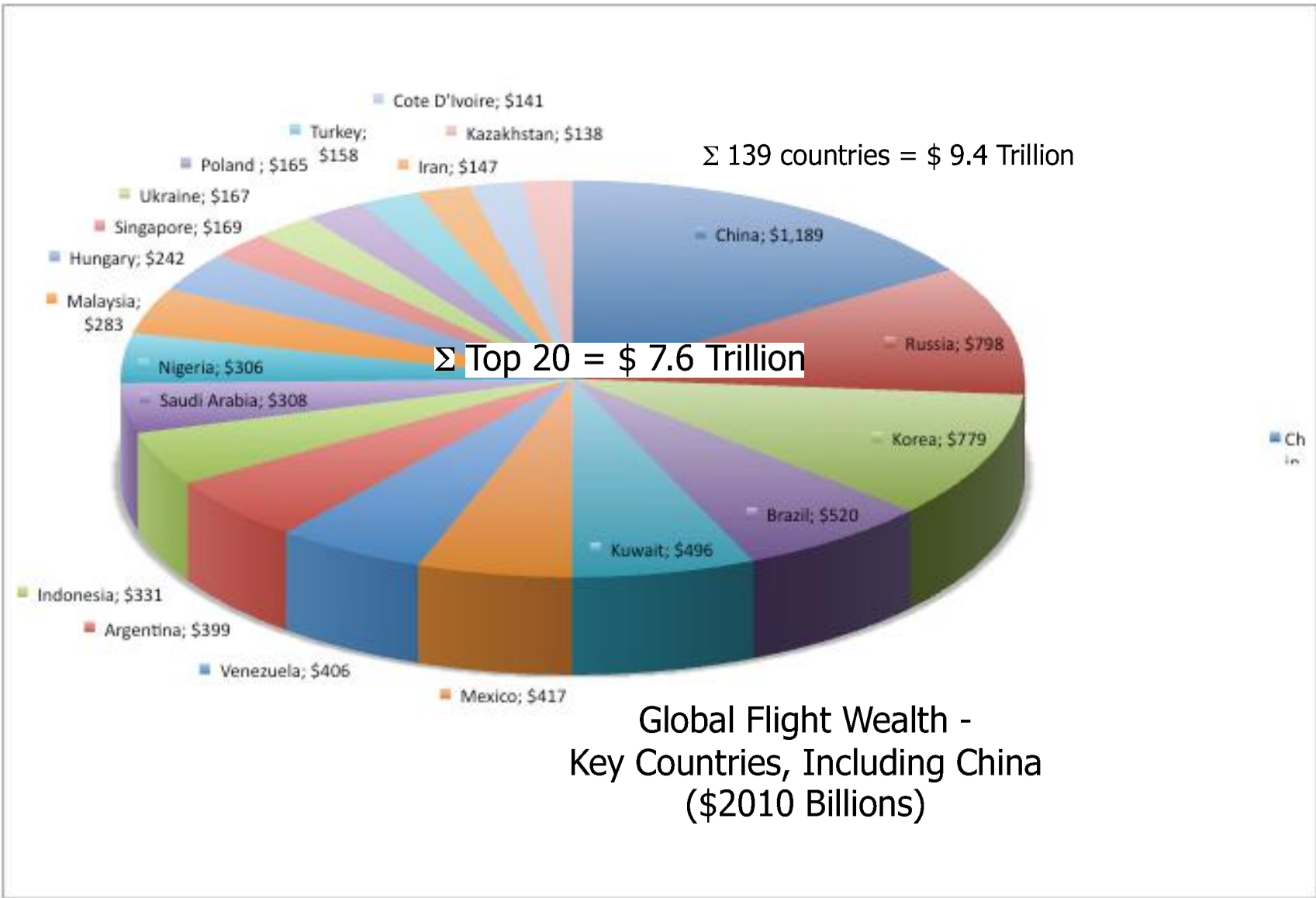
UNRECORDED CAPITAL FLOWS AND OFFSHORE WEALTH SUMMARY

**REAL CUMULATIVE OFFSHORE EARNINGS
VS REAL CUMULATIVE CAPITAL OUTFLOWS**

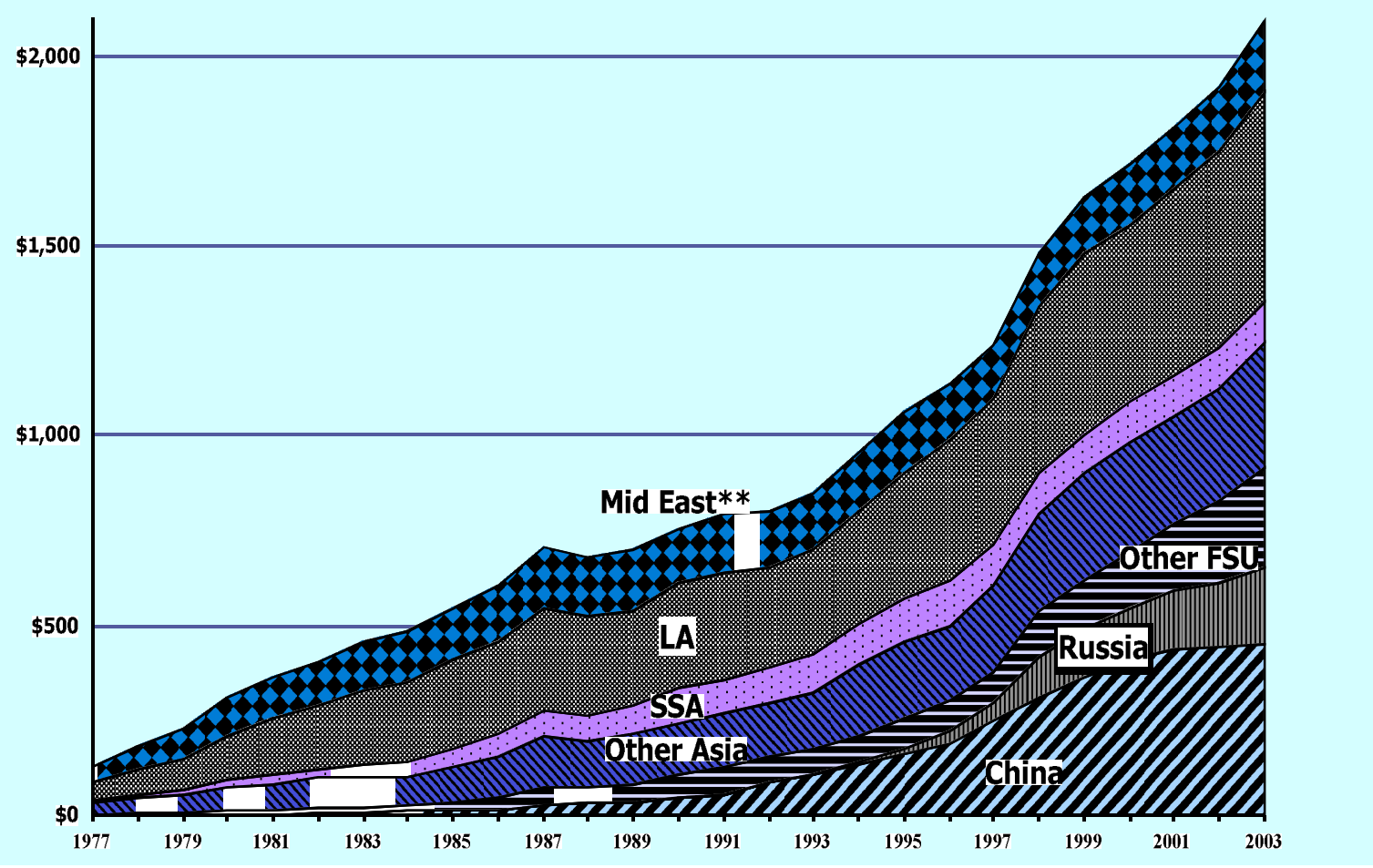
(By Region, 1970-2010)

Σ Real \$2000 B.

	Offshore Earnings	Capital Outflows	Ratio
LA	\$1,190.3	\$1,375.5	86.5%
FSU/Casia	\$354.1	\$1,509.9	23.5%
SSA	\$354.7	\$361.7	98.1%
Mena	\$1,072.6	\$963.2	111.4%
Easia	\$685.3	\$1,881.7	36.4%
S Asia	\$72.7	\$60.7	119.7%
All Regions	\$3,729.7	\$6,152.8	60.6%



Cumulative Flight by Region (1977-2003, \$95 Billions)

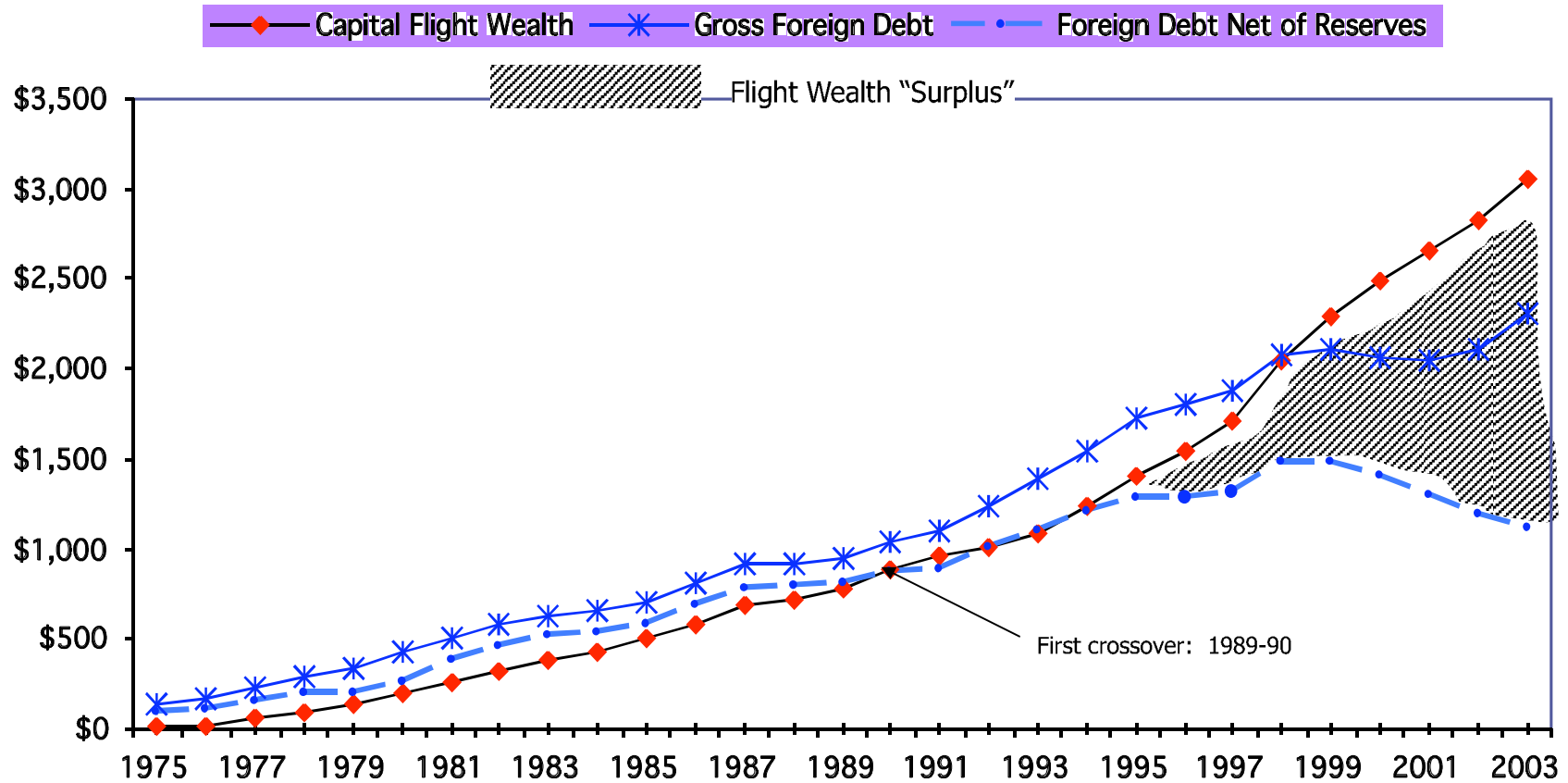


**Excluding Kuwait and Saudi Arabia

Source: data from IMF (2005), World Bank (2005); JSH analysis © JSH 2005

(c) JSH/ TJN Intl 2012

Global Flight Wealth, Vs. All Developing Country Debt** (1975-2003) (Billions US \$Current)

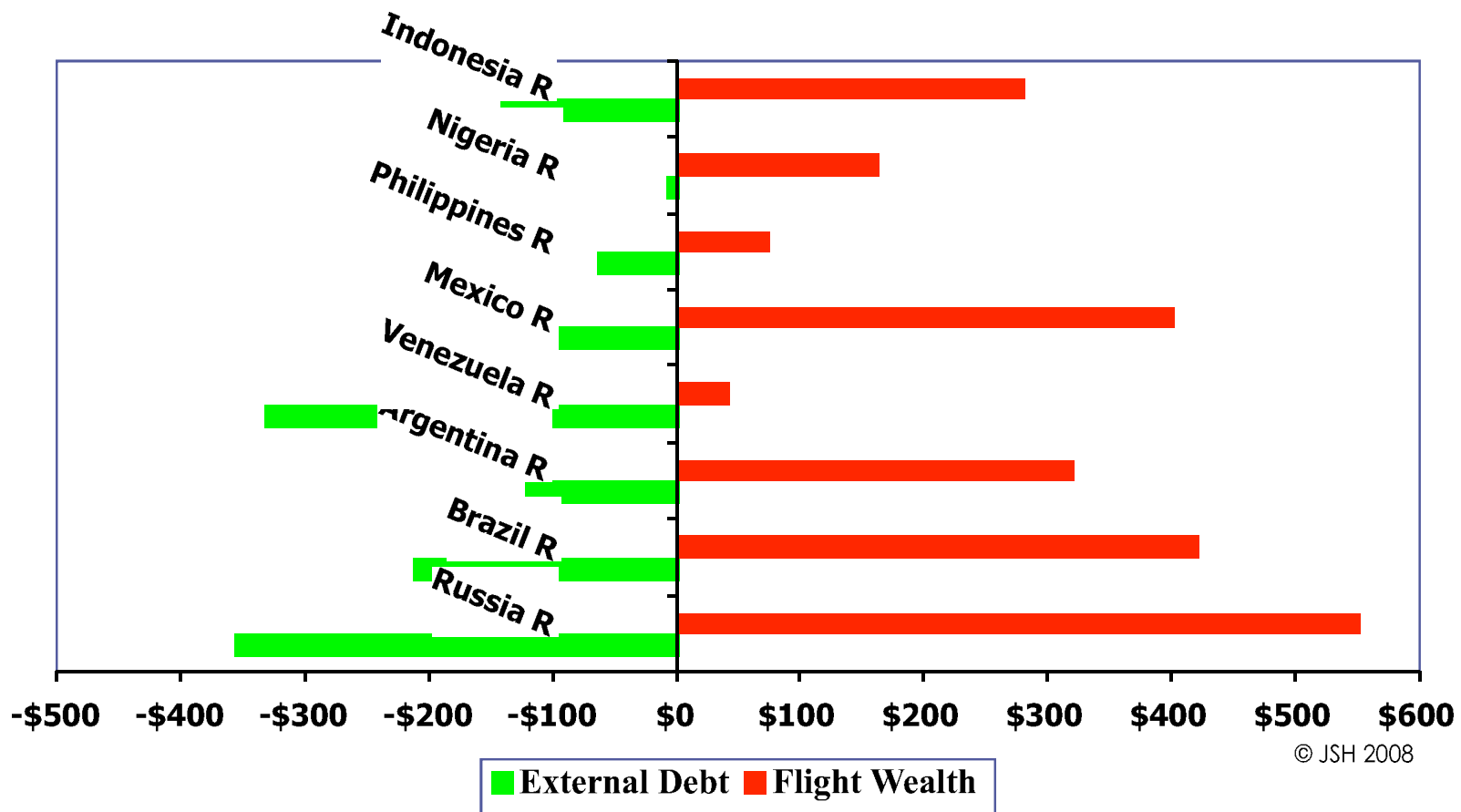


**Including China

© JSH 2008

Source: data from IMF (2005), World Bank (2005); JSH analysis

External Debt Vs. Estimated Flight Wealth, By Key Country - (2007 \$Billions)



© JSH 2008

Source: data from IMF/World Bank (2008); JSH analysis

Debt Relief Metrics

\$2005 NPV Billions

	Low Income	Middle Income	Total
Pre-Relief Total	\$574	\$3,426	\$4,000
Debt Relief	\$161	\$149	\$310
Post-Relief Debt	\$413	\$3,277	\$3,690
% Relieved	28.1%	4.3%	7.8%

Source: World Bank (2006) data, my analysis

© JS Henry, 2006

Vs. \$1.5 trillion US bank bailout, \$500 billion UK bailout, \$135 billion AIG bailout, \$200 billion Fannie/Freddie bailout, etc..