



Illicit Financial Flows and Capital Flight

A Re-Define Briefing Paper

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Background

The mobilization and proper utilization of domestic resources lies at the heart of the process of sustainable development. In development parlance, 'financing for development' is about increasing resources and 'good governance' is about deploying them to meet development needsⁱ.

Illicit financial leakages from developing countries and resultant Capital flight undermine both. These leakages are estimated to have reached alarming proportions in excess of \$500 billion a year, far in excess of resource inflowsⁱⁱ.

Domestic Resource Mobilization, the central theme of the UN Monterrey Consensus is a two step process – marshalling resources from in-country sources and preventing their leakage. It is the second step, plugging the leaks, which has been a major area of focus of the 'Landau reportⁱⁱⁱ' and the 'Action against hunger and poverty report^{iv}' both linked to the ongoing Leading Group Process^v.

Recognizing the growing magnitude and seriousness of illicit financial leakages and capital flight, Norway has set up an international task force under the aegis of the Leading group to help plug these leaks^{vi}. One central aim is to influence the Financing for Development (FfD) process leading up to the next FfD conference in Doha in 2008^{vii}.

The public policy challenge

The problem of illicit cross-border financial flows is not new. In the immediate aftermath of the WW II and then at the height of the Latin American debt crisis in the 1980s, the problem of capital flight (out of Europe and Latin America respectively) was serious enough to attract the attention of policy makers at the highest level^{viii}. But a lack of initiative and action then has meant that the problem has been allowed to grow.

Liberalization of trade and finance, growth of Multinational Corporations (MNCs) and cross-border banking, mushrooming of financial centres, technological innovation etc have also contributed to help increase both the scale and the scope of capital flight.

This increase is partly responsible for the acute shortage of resources needed to meet the Millennium Development Goals. It is also strongly linked to the lack of public accountability, high levels of perceived corruption and the dearth of confidence in both public and private institutions that exists in many developing countries today.

Illicit financial flows have been implicated in thwarting development, fostering corruption, encouraging crime and facilitating the financing of terrorism.

The only thing more remarkable than the exponential growth in the scale and pernicious impact of capital flight and illicit financial flows is how little attention they have attracted from the development community thus far. This must change.

Tackling these flows and accompanying capital flight to help maximise domestic resource retention for developing countries will help kick-start a new era in development, reduce corruption, hurt crime and thwart terrorism. Plugging the leaks is surely one of the top public policy challenges of our day.

What constitutes Illicit Financial Flows and Capital Flight?

Developing countries have registered a massive growth in cross-border financial flows in recent years. Most analysts classify these flows into categories relating to aid, debt, investment, trade, migrant remittances and

foreign exchange reserves. As long as these transactions are 'fair value' and reported & recorded accurately, these flows are captured by the Balance of Payment (BoP) statistics and are above board and licit (legal).

But this is not the complete picture. Beneath the surface lurks a category of substantial financial flows which has interchangeably been referred to as 'illicit financial flows', 'capital flight' or 'dirty money flows'.

While these terms may be used differently by different experts, all references to them include a number of shared implicit characteristics which can be broadly listed as

- these flows are largely unrecorded (not captured by the BoP and other official statistics)
- these flows are often associated with active attempts to hide origin, destination & true ownership etc (they seek secrecy)
- these flows are usually associated with public loss and private gain because no (or little) tax is paid on them or because they may be comprised of bribes paid
- these flows constitute domestic wealth permanently put beyond the reach of domestic authorities in the source country
- these flows are not part of a 'fair value' transaction and would not stand up to public scrutiny if all information about them was disclosed

In most cases, these flows violate some law or the other in their origin, movement or use.

Sometimes, such as when exports are under-priced or when bribes are paid into offshore accounts, there is no actual cross-border flow of money. Capital has fled nonetheless.

What is the scale of the problem?

As would be expected in the case of a financial statistic which is by definition 'unrecorded', data on capital flight is patchy at best. Estimates have to be made using indirect methods such as looking at discrepancies between data sets such as the direction of trade statistics. However, sufficient estimates exist to highlight that capital flight is by far the most serious threat to domestic resource mobilization in developing countries.

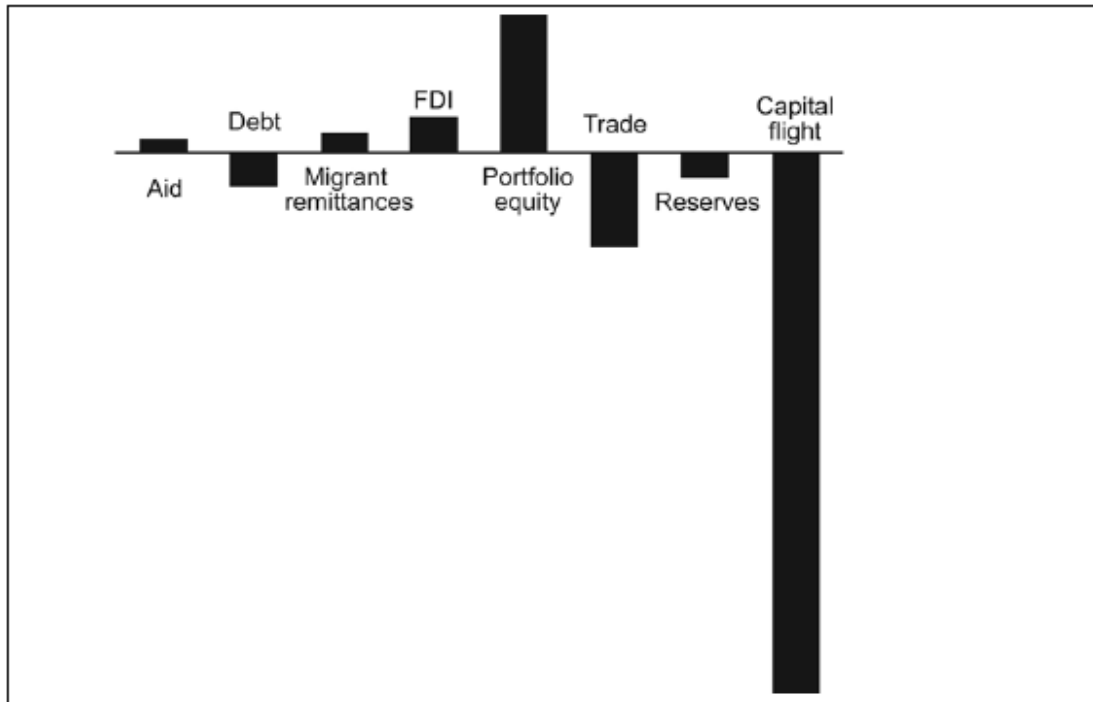
The global estimate of \$539 billion - \$829 billion of annual capital flight from developing countries dwarfs the annual aid flow of \$104 billion^x. Country level estimates show that it is not unusual for a developing country to lose as much as 5% - 10% of GDP annually to capital flight.

South Africa, for example, is estimated to have been losing an average of 9.2 per cent of GDP (losing US\$13 billion in 2000), China 10.2 per cent of GDP (losing US\$109 billion in 1999), Chile 6.1 per cent of GDP (losing US\$4.7 billion in 1998) and Indonesia 6.7 per cent of GDP (losing US\$14 billion in 1997)^x. Russia is estimated to have lost as much as \$400 billion between 1990 and 1995 alone^{xi}.

Cumulatively, more than \$230 billion is believed to have fled Nigeria and some 17 sub Saharan African countries are estimated to have lost in excess of 100 per cent of GDP since 1970^{xii}.

The graph below, which compares the financial flows in and out of South Africa through various channels in the decade following the end of apartheid, highlights the seriousness of the problem of capital flight. South Africa is by no means an exceptional case with many other developing countries facing similar inflows and outflows.

Major inflows and outflows for South Africa between 1994 and 2003^{xiii}



What is the development impact of capital flight?

Capital flight undermines

- investment, economic growth and sustainable development
- government revenue, social expenditure and meeting the MDG targets
- a fair distribution of wealth
- good governance in both the public and private sector
- the development of systems of accountability and a vibrant democracy

The sustainable development of a country is only possible if it mobilises and retains sufficient resources domestically. These resources are needed for spending on social and welfare programmes, and for investment to help increase the stock of productive capital. Capital flight undermines sustainable development by increasing dependence on external resources such as aid that are needed to replace the gap left by the fleeing of domestic capital.

Where resources stay within a country, they can be locally consumed or invested to promote economic activity. The escape of such funds depresses economic activity and has a negative impact on long-term growth rates.^{xiv}

The flight of domestic resources abroad undermines the development of an accountable and participative relationship between the state and its citizens. This is reached when citizens' resources are mobilised to fulfil domestic needs – in other words, citizens pay taxes and then hold their governments to account to ensure that the money is utilised properly towards priorities defined by them. If a large amount of such wealth is transferred offshore, incentives to participate in the establishment of a just and functioning domestic society diminish significantly.

Much of the capital that flees a country is untaxed, this reduces the tax base by shifting wealth and resources beyond the government's reach. Thus capital flight depresses both budget revenues, which are needed to finance the provision of essential services such as health and education, and the investments needed to meet the MDGs and the country's overall development. It also worsens the distribution of income by shifting the tax burden away from capital and onto less mobile factors, especially labour and consumption.

The infrastructure that facilitates capital flight by allowing vast amounts of capital to flow across borders unchecked and in secret, is also vulnerable to being used by terrorist and criminal networks and thus puts our collective and individual security at great risk.

This infrastructure also makes it easier to engage in corrupt behaviour, especially through the payment of bribes to, and the diversion of funds by, domestic political and business elites. Such funds are usually stashed offshore, protected by secrecy and privacy which makes detection difficult and hence increases the rewards that can be earned by engaging in corrupt behaviour.

Their actions increase within country inequality, reinforce power imbalances, undermine democracy and the rule of law and lead to a deteriorating economic and social situation under which ordinary law-abiding citizens suffer.

Capital flight from developing countries deprives their citizens of a future. The poorest and most vulnerable are those most affected when resources that could otherwise have been used for life-saving and life-sustaining expenditure on basic healthcare and other essential services are illicitly taken out of a country.

What are the main mechanisms used for capital flight?

The mechanisms most commonly implicated in the flight of capital include

1. The mis-invoicing of trade transactions. This can be done by:

- Under-invoicing the value of exports from the country from which cash is to be expatriated. The goods are then sold on at full value once exported with the excess amount (constituting flight capital) being paid directly into an offshore account
- Over-invoicing the value of imports into the country from which cash is to be expatriated, the excess part of which constitutes capital flight and is deposited in the importer's offshore bank account.
- Misreporting the quality or grade of traded products and services to assist value over or under-statement for the reasons noted above;
- Misreporting quantities to assist value over or under-statement for the reasons noted above;
- Creating fictitious transactions for which payment is made. As has been noted: *One well-worn wheeze is to pay for imported goods or services that never materialize*^{xv}

For example, it has been reported that Gum Arabic was exported from Nigeria to the United States at a price of \$0.69/ kg, a fifth of the prevailing world price. On the other side, cassette recorders were imported into Nigeria from the US at an inflated price of \$1,410 per unit, 2500% of the prevailing world price^{xvi}. In both cases, capital fled Nigeria for the United States through the channel of trade.

2. Transfer mis-pricing This is the manipulation of prices of cross-border transactions between related affiliates of MNCs. The motives and mechanisms are similar to those above. However, the practice is made easier and is harder to detect as the transactions are now done between related parties – so no outside party is involved.

Around 60 per cent of trade takes place between subsidiaries of MNCs. As these transactions occur between different parts of the same company, there is ample scope for mis-pricing and, as a result, shifting of profits^{xvii}.

Detecting transfer mis-pricing is complicated within the highly complex international production networks that exist today and where companies use trade marks, brands, logos and a variety of company specific intangible assets. Finding independent benchmark valuations for many of these is highly problematic.

For example, oil companies such as Chevron, Texaco and Caltex are estimated to have avoided US\$8.6 billion in taxes by using a novel design of accounting and tax transactions with domestic and foreign governments between 1964 and 2002^{xviii}.

3. Using mis-priced financial transfers, such as intra-corporate financial transactions – for example, loans from parent to subsidiary company at exaggerated interest rates – to shift profit out of a host country is another way illicitly transferring capital out. Real estate, securities and other forms of financial trades can also be mis-priced to facilitate capital flight and exaggerated payments for intangible such as goodwill, royalties, franchising rights and use of patents etc is yet another channel for the flight of capital.

For example, Microsoft has been accused of siphoning exaggerated payments of royalties to its low tax Irish subsidiary to which it had transferred many of its main patents and copyrights^{xix}.

4. Unscrupulous wire transfers. These involve a bank or a non-banking financial institution transferring money out of a country illicitly. Wire transfers are of course a legitimate way of moving money between countries but it is when such transfers violate laws, or are used to avoid taxes or hide ill-gotten wealth that they constitute illicit capital flight. Banks can mis-report the source, destination or ownership of funds to help disguise illicit transactions.

For example, the US General Accounting Office (GAO) determined that private banking personnel at Citibank helped Mr Salinas (the brother of the then Mexican president) transfer US\$90-100 million out of Mexico in a manner that 'effectively disguised the funds' source and destination, thus breaking the funds' paper trail'^{xx}.

5. **Other mechanisms.** These include the smuggling of cash and other high value mobile assets. Luxury yachts have been regularly sold and moved across oceans to shift capital from one country to another. Popular with journalists seeking good stories, such transfers are generally less important than the mis-pricing and wire transfer mechanisms discussed above. The illegal export of currencies (especially hard currencies) in the form of smuggling of bank notes is fairly common. Diamonds^{xxi}, gold, illegal drugs and other high value commodities such as arts, antiques and rare coins also serve as means to take wealth out of poor countries.

The widow of Sani Abacha, for example, was stopped at Lagos airport, trying to leave with tens of suitcases stashed full of cash^{xxii}.

6. **The payment of bribes and corrupt monies offshore.** In many instances involving bribes payable to public officials by commercial organisations there is an element of capital flight involved. The payment of a bribe always means that the recipient country will not get a fair value on the commercial activity undertaken by the firm paying it and that both tax evasion and capital flight will deprive the country of scarce resources.

For example, tens of millions of dollars of bribes, paid into the offshore accounts of public officials was uncovered when the Elf scandal broke out in the 1990s^{xxiii}.

Not all the capital that flees developing countries stays out. Some of it comes back disguised in the form of foreign investors – a process called round tripping. The preferential treatment accorded to many foreign investors provides an incentive to engage in round tripping.

For example, in the case of China foreign investors typically enjoy lower tax rates, favourable land use rights, convenient administrative supports and even favourable financial services from domestic and foreign financial institutions. As a result of these incentives, it has been estimated that as much as a quarter of the more than \$100 billion that China loses every year to capital flight comes back in the form of round-tripping FDI^{xxiv}. In the case of other slower growing economies however, the amount of round-tripping is likely to be much lower.

Who are the main actors who help facilitate capital flight?

Capital flight is driven by a complex web of perpetrators and facilitators who exploit an increasingly sophisticated but poorly regulated international financial and trading system to their unfair advantage.

These perpetrators include multinational corporations and domestic businesses seeking to evade taxes and circumvent regulations in a bid to maximise income; wealthy domestic business and political elites trying to evade taxes or hide ill-gotten money abroad to escape detection; criminals and terrorists trying to escape the clutches of law.

However, without facilitators in the western world, the means and incentives for capital to flee would not exist. These facilitators include:

- complicit business counterparts in western countries (for domestic exporters and importers);
- armies of well-paid lawyers, accountants and company formation agents who design aggressive tax-planning & transfer pricing strategies and incorporate dummy corporations and sham trusts;
- financial centres which legislate for low taxes and the existence of bank secrecy and provide services such as the incorporation of shell corporations, sham trusts and other impenetrable legal structures with nominee directors
- bankers and financiers who solicit and enable the flight of capital and manage the illicit wealth

An example of firms soliciting capital flight

Offshore Fox, a well-visited website offering off-shore services^{xxv} is blatant in its offer to facilitate capital flight by offering total anonymity and no tax. It states:

It will be of interest to many that jurisynergy [a technique of using structures that combine the useful legal features of several jurisdictions] makes financial anonymity wholly possible by carefully constructing an entity from a number of different parts (aspects) of relevant jurisdictions. Little-known facts concerning bank secrecy laws and customs in certain banking centres, as well as fiscal loopholes existent in wholly unlikely – and therefore very low profile – jurisdictions can be amalgamated to form the desired result.

[We can] utilise differences in regulatory systems – regulatory arbitrage – to achieve a given result: privacy, anonymity, low tax, no tax or whatever...

Most capital flight transactions would not stand up to public scrutiny if all the facts were known.

The facilitators provide a secret space and financial incentives which ensure that perpetrators and their illicit funds are well-hidden from view and protected from law enforcement officials. They also allow these illicit funds to earn super-normal profits by helping reduce or eliminate the tax burden altogether. This acts as a pull factor for capital flight as it is the knowledge that 'they can get away with it' that gives the perpetrators the incentive to act as they do.

Few of the perpetrators or facilitators could act in isolation and thus it is not possible to finger at any one of them without recognising the roles played by the others.

It is difficult to say who is most responsible – the MNC offering to pay a bribe to get an oil concession over its competitors; the corrupt public official accepting such a bribe; the western bank actively soliciting to get a share of the money by offering to keep it 'safe'; the secretive financial centre which allows the other actors to hide their dodgy actions behind a cloak of secrecy; or the well-paid lawyers and accountants who register offshore trusts, shell companies and accounting vehicles to hide the origin and true ownership of the money?

An example of a capital flight transaction^{xxvi}

Amelia Elliott, a private banker working for Citibank, listed Raul Salinas (the brother of the then Mexican president) as 'confidential client 2' (CC 2). The International Private Bank (IPB) then opened five accounts for CC 2 in New York. Another account, in the name of a shell company, was opened at the bank's trust company in Switzerland. The account itself was called Bonapart. Cititrust Cayman Islands then formed a shell called Trocca which was listed as the owner of all CC 2's private bank accounts. Three additional shells were listed as Trocca's shareholders and three more shell companies were listed as Trocca's Board of Directors. A Trocca account was also opened at IPB London.

The name Salinas was deliberately omitted from all IPB files, and never appeared in connection with anything. The one piece of paper that showed Raul Salinas was the beneficial owner of Trocca, and therefore all of the money, was purposely kept in the Caymans, where bank secrecy laws forbid anyone from divulging its existence and no foreign country could subpoena it.

They also gave him credit cards for his accounts in the names of the shells so that whatever charges he made would never be associated with him directly, or ever appear in Mexico, thus allowing him to use his money without paying taxes. Furthermore, IPB helped obscure any money trails by moving some funds deposited by CC 2 through concentration accounts.

The US General Accounting Office (GAO) determined that private banking personnel at Citibank helped Mr Salinas transfer US\$90-100 million out of Mexico in a manner that 'effectively disguised the funds' source and destination, thus breaking the funds' paper trail.'

Illicit financial flows in the natural resource sector

While the problem of capital flight and illicit financial flows exists across all sectors of the economy, it is especially acute in the extractive and natural resource sector. This is due a number of factors some of which are:

- such resources usually belong to the 'public commons' and hence it is not in the interest of any single individual or organization to act as a watchdog to ensure that they are properly managed
- natural resources such as oil, minerals, forests and fisheries etc have the potential to generate huge amounts of revenue and cash flow
- the potential for large revenues means that means that licences, concessions and rights conferred by the government have substantial monetary value. This makes them susceptible to misuse by corrupt authorities who can issue these in exchange for upfront bribes from unethical firms.
- the remote geography often associated with some natural resources such as forest resources (logging), fisheries (trawling) and artisan mining (especially gold and diamonds) etc makes policing especially difficult
- mis-reporting the amount, quality, origin and nature of natural resources extracted and exported allows capital to flee easily
- the massive rents that can be extracted by controlling natural resources makes them a good target for groups involved in violent conflict
- In a country rich in natural resources, it is easier for the government to generate revenue from natural resource exploitation than it is to collect taxes from citizens. Thus citizens have fewer incentives to hold the government to account and the government has less incentive to look after the needs of its citizens. This can weaken accountability and democratic structures.

When citizens pay a large proportion of the total government revenue in the form of taxes, they have a strong incentive to engage with the government and hold it to account for how it spends the money. For example, when Uganda started publishing the amount of money being sent by the federal government to each of the local councils, the leakage of funds was reduced drastically from about 50% to less than 5% as the local population started holding the local politicians and bureaucrats to account.

However, when a large chunk of the government revenue is derived from resource extraction (as happens in many developing countries), there is a less direct personal cost (to shareholders) associated with government revenue (even though the non-replenishable resources and the wealth locked in them rightfully belong to the citizens).

This somewhat weakens the incentive to hold the government to account. Governments too, can fall into the trap of thinking they have a 'right' to the resources that is independent of their accountability to their citizens.

Transparency in the amount of royalty and taxes generated through the extractive sector can help improve accountability and citizen incentive to engage with the government and hold it to account. It can also help reduce capital flight.

However, this is only part of the problem. In many cases, MNCs and local firms conspire to rob the government of the developing country of the revenues due by engaging in capital flight. The following box provides an example.

MNCs engaging in capital flight in the extractive sector^{xxvii}

'Despite record levels of copper extraction in Chile, private mining companies, with only two exceptions, paid no taxes until recently. Private companies extracted and exported 20.8 million tonnes of copper between 1993 and 2002, roughly equivalent to two years'-worth of world consumption. The value of these exports amounted to more than \$34 billion, with the net income of private companies roughly half that sum.

'Meanwhile, they paid just \$1.7 billion in taxes, while accumulating \$2.6 billion in tax credits, thus holding the Chilean state liable for a net \$900 million. *Compañía Minera Disputada de Las Condes*, a mine owned by Exxon, ostensibly operated at a loss for 23 years. Therefore, it did not pay any taxes at all and, on the contrary, accumulated \$575 million in tax credits. Nevertheless in 2002, Exxon (by then Exxon Mobil) sold this "money-losing" operation for \$1.3 billion. Exxon had exported the mining operation's substantial profits, mostly disguised as above-market interest payments on a loan taken from Exxon Financials, a subsidiary in Bermuda.

Following the initiative of a group of members of the National Congress, the Chilean government introduced, on 5 July 2004, a 3 per cent royalty on the sales of copper producers.'

Another recent report^{xxviii} highlighted capital flight from developing countries through the natural resource sector. For example, in 2004, nickel was imported from Chile to the US at a price just over one-thousandth of the world price. The US firm paid the Chilean company US\$219,883 for the nickel – the median world price would have been US\$125 million. This means that the Chilean treasury potentially lost out on nearly US\$125 million of taxable income. Also in 2004, over 400,000 tonnes of platinum was imported into the US from the Dominican Republic; at a price that was only just over three-thousandths of the world price. The study found that on the whole there is significant evidence that commodity exports from developing countries are under-priced.

A Global Witness report "A crude awakening"^{xxix} an exposé of the apparent complicity of the oil and banking industries in the plundering of state assets during Angola's 40-year civil war made it abundantly clear that the refusal to release financial information by major multinational oil companies aided and abetted the mismanagement and embezzlement of oil revenues by the elite in the country. The report concluded with a public call on the oil companies operating in Angola to "publish what you pay" (PWYP).

Following the lead taken by PWYP initiative, the same year Prime Minister Blair launched the Extractive Industry Transparency Initiative (EITI) which supports improved governance in resource-rich countries through the full publication and verification of company payments and government revenues from oil, gas and mining.

While the focus of the EITI and PWYP coalitions continues to be on holding governments to account, it is important to remember that both initiatives came about in response to the collusion between the private sector and governments. It has also become abundantly clear that the private sector, especially large MNCs also need to be held to account for their behaviour and contribution to society.

All the EITI was initially doing was to account for companies declared what they owed. There was no way of knowing if this was the sum that was actually due. The truth and fairness of the process is not addressed by the EITI reconciliation process. To overcome this shortcoming, campaigners are now calling for the adoption of an

international financial reporting which discloses detailed operational and financial information broken down country by country^{xxx}.

These and other initiative such as introducing certificates of origin for timber, the Kimberley process certification scheme for diamonds, better policing of territorial waters etc. will go some way in improving the management of natural resources and checking capital flight through this channel.

Note: This briefing paper is meant to be used as background reading material only for the first meeting of the Task force on Illicit Financial Flows to be held in Oslo the 12th – 13th of December 2007.

Recommended Further Reading:

- *Capitalism's Achilles Heel* by Raymond Baker, John Wiley & Sons, Hoboken, New Jersey, 2005
- *Capital Flight and Capital Controls in Developing Countries*, Gerald Epstein et al, Northampton, MA, 2005
- *Closing the Floodgates*, John Christensen, Sony Kapoor, Richard Murphy, Simon Pak, & David Spencer, Royal Ministry of Foreign Affairs, Norway, 2007
- *Haemorrhaging Money*, A Christian Aid Briefing on Illicit Capital Flight, Sony Kapoor, 2007

About the Author

Sony Kapoor is the Executive Director of DEFINE – Development, Environment & Finance International Exchange, a new international Think Tank. He has a professional background in investment banking and in development finance. Sony has worked extensively with several governments, international organizations such as the UN and the World Bank, prominent non-governmental organizations such as Christian Aid and Oxfam Novib advising them on key policy and strategic issues. Sony is an expert on international finance, development and environment and is currently the strategy adviser and rapporteur for the task force on illicit financial flows from developing countries.

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ⁱⁱⁱ <http://www.diplomatie.gouv.fr/en/IMG/pdf/LandauENG1.pdf>

^{iv} *Action Against Hunger and Poverty* report launched by President Chirac of France, President Lula of Brazil, President Escobar of Chile, Prime Minister Zapatero of Spain, UN General-Secretary Kofi Annan, New York, September 2004:

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^{xvi} Simon J Pak et al, *Estimates of Capital Movements from African Countries to the US through Trade Mispricing*, 2006.

^{xvii} The Economist, *Quiet Flows the Dosh: A piece on capital flight out of Russia*, 7 December 2000

^{xviii} J D Gramlich and J E Wheeler, 'How Chevron, Texaco and Indonesian government structured transactions to avoid billions in US income tax', *Accounting Horizons*, Vol 17(3) (2003) pp 107-122.

^{xix} 'Microsoft to hide Irish tax haven data of subsidiaries that have saved it billions of dollars in US taxes', *Finfacts Ireland Business News*, 9 March 2006; 'American ingenuity, Irish residence', *New York Times*, 17 November 2005; Neil Callanan, 'Top 100 companies make €20bn', *Irish Sunday Business*, 18 December 2005; Wearing of the Green: Irish Subsidiary Lets Microsoft Slash Taxes in U.S. and Europe, *The Wall Street Journal*, Nov 7, 2005; Microsoft Unit in Ireland Tops List, *The Wall Street Journal*, Dec 20, 2005; Plan Would End Use of Tax Havens for Patents, *The Wall Street Journal*, Feb 8, 2006

^{xx} Jeffrey Robinson, *The Sink: Terror, Crime and Dirty Money in the Offshore World*, 2004 pp101-102; US Senate Permanent Subcommittee on Investigations hearings, *Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities*, 1999

^{xxi} For example "from 1993 to 1997, Guinea reported 2.6 million carats of official diamond exports at an average of US\$96 per carat to Belgium. However, Belgium, through the Diamond High Council reported imports from Guinea of 4.8 million carats at an average of US\$167 each" Greg Campbell, *Blood Diamonds: Tracing the Deadly Path of the World's most Precious Stones*, 2004

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^{xxiii} <http://www.guardian.co.uk/france/story/0,11882,1083784,00.html>

^{xxiv} Xioa, Ging 'People's Republic of China's Round-Tripping FDI: Scale, Causes and Implications

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