



NATURAL RESOURCE TAXATION IN THE ASIA-PACIFIC REGION
A forum on the design, implementation and evaluation of fiscal regimes for extractive industries
Jakarta, Indonesia
(Grand Hyatt Hotel)
August 11-13, 2015

The Asia-Pacific region is endowed with large quantities of mineral and petroleum resources, with a varied history and experience of resource exploitation. For many countries in the region, extractive industry (EI) activity is well established and represents an important share of total exports and government revenue. Going forward, the large flows of foreign and domestic investment into the sector in recent years, coupled with technological advancements to extract and use unconventional resources, such as shale gas and deep sea minerals, suggest that the EI will continue to be a driving force of economic growth in the region.

Realizing the revenue potential of EI is a challenge faced by resource-rich countries. The prospect of substantial rents—returns in excess of the minimum required by the investor, arising from relative fixity of supply of the underlying resource—makes the EI especially attractive as a potential source of revenue. However, before this revenue potential can be realized, resource-rich countries often need to provide private investors or state owned companies with an adequate incentive to explore, develop, and produce, given the large upfront capital investments needed and the inherent uncertainty over future commodity prices and project costs. In addition, an efficient administration of the fiscal regime, including clear rules, well allocated responsibilities, and adequate institutional capacity, is also vital. Transparency throughout the resource revenue management process is integral to informed and accountable decision-making. The central question then is: how to structure and administer a fiscal regime for EI that allows government to retain a reasonable share of the revenue, while at the same time remains attractive to private investors?

This conference will draw together senior government officials, international experts, IMF staff and participants from other technical assistance providers in the area. It has three main objectives: (1) to provide a forum for participating countries to exchange views and experiences on the challenges and macroeconomic considerations they face in evaluating and administering their EI fiscal regimes (mining and petroleum); (2) to have international experts discuss economic principles and other considerations for the design, implementation, and evaluation of EI fiscal regimes¹; and (3) to provide an opportunity for finance, tax, and EI sector officials from the region to learn from their colleagues, and to hear more about the work of the IMF and other international institutions on the taxation of EI.

The conference is hosted by the Ministry of Finance of the Republic of Indonesia. It is being organized by the Fiscal Affairs Department of the IMF, through the IMF Topical Trust Fund on Managing Natural Resource Wealth.

¹ Some of the topics covered include resource rent taxation, state participation, international taxation issues, transfer pricing, economic evaluation of EI fiscal regimes, tax administration, and compliance issues.

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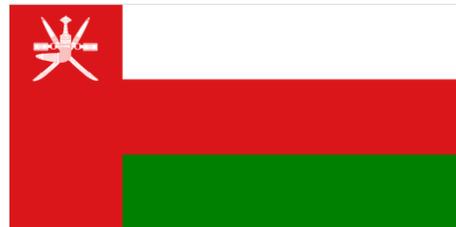
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