

## Identified as Tax Havens

Andorra

Anguilla

Antigua and Barbuda

Aruba

Bahrain

Barbados

Belize

British Virgin Islands

Cook Islands

Dominica

Gibraltar

Grenada

Guernsey

Isle of Man

Jersey

Liberia

Liechtenstein

Maldives

Marshall Islands

Monaco

Montserrat

Nauru

Netherlands Antilles

Niue

Panama

Samoa

Seychelles

St. Lucia

St. Christopher and Nevis

St. Vincent and the Grenadines

Tonga

Turks and Caicos

U.S. Virgin Islands

Vanuatu

Source: OECD, *Towards Global Tax Co-operation*, 2000

## OECD Identifies Tax Havens

The OECD's recently released report, *Progress in Identifying and Eliminating Harmful Tax Practices* (June 2000), outlines the measures for identifying and curtailing harmful tax practices, both within and outside the OECD. The goal of these measures is to ensure that the burden of taxation is shared fairly and that taxation is not the dominant factor in making investment decisions. The report identifies 35 countries that have met the technical criteria of tax havens. The identification of a tax haven is based upon a number of facts and circumstances, including:

- The country's level of transparency, exchange of information and local business activities of foreign enterprises.
- Whether the jurisdiction has nominal taxation on service income and offers itself as a place where non-residents can escape tax.
- Whether the jurisdiction has a significant untaxed offshore services sector relative to its overall economy.

Those countries identified as tax havens have the next 12 months to determine whether or not they wish to work with the OECD to eliminate the harmful aspects of their tax regimes. The entire report can be downloaded from the Internet: [www.oecd.org/daf/fa/harm\\_tax/Report\\_En.pdf](http://www.oecd.org/daf/fa/harm_tax/Report_En.pdf)

## OECD Ministerial

On 26-27 June 2000, the 29 member countries of the OECD held their annual Ministerial meeting in Paris. Under the theme of "Shaping Globalization", ministers examined progress in OECD work to ensure a fair and open marketplace in a global economy and reviewed the outlook for growth and employment in OECD countries. In particular, they approved a revised version of the OECD's Guidelines for Multinational Enterprises, updated in recent months following a negotiation process involving not only governments and business representatives but trade unions and environmental and other civil society organizations. Among the documents resulting from this year's Ministerial are:

- A Report on Tax Havens
- A Report on Growth and the New Economy
- A Report on the Implementation of the OECD Antibribery Convention
- Revised OECD Guidelines for Multi-National Enterprises

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### FATF List of Non-Cooperative Countries

The Bahamas
The Dominican Republic
The Cayman Islands
Panama
Saint Kitts and Nevis
Saint Vincent and the Grenadines
The Cook Islands
The Marshall Islands
Nauru
Nieui
The Philippines
Liechtenstein
Israel
Russia
Lebanon

Source: OECD/FATF

### Households equipped with a PC (%)

Norway (98)	57
Netherlands (98)	55
Australia (99)	45.3
Finland (99)	42.3
United States (98)	40
New Zealand (99)	37.5
Canada (97)	36.4
Japan (99)	29.5
France (99)	23
Italy (97)	22.5

Source: OECD, compiled from National Statistics Offices.

## On-line Banking: A New Vehicle for Money-laundering

The rapid increase of financial services offered over the Internet has provided a new channel for money laundering. Potential money laundering risks arise primarily from the inability of on-line financial institutions to establish the identity of a particular transactor or even to identify the location from which the transaction is being made. Therefore, counter-measures aimed at curbing on-line banking-related money laundering focus primarily on establishing customer identification as a minimum once the account is opened. A number of more specific suggestions have also been put forward by the OECD's Financial Action Task Force:

- Develop new information technology capabilities that will permit both the detection of suspicious on-line transactions and verification of the customer.
- Limit the types of on-line services or the amount of such transactions.
- Prohibit financial institutions not licensed in a particular jurisdiction from offering their services in that jurisdiction on-line.

The FATF has recently released a list of countries failing to adequately combat money laundering. For more information on the work being done by the FATE, visit their website [www.oecd.org/fatf](http://www.oecd.org/fatf)

## Is the Talk of the New Electronic Age Exaggerated?

Less than half of all households in major OECD countries have a home computer. That may sound disappointing to e-world aficionados who had hoped that by the end of the 1990's we would all be prepared for life on the other side of 2000. Also, the spread of the technology is quite uneven across the countries surveyed. The Scandinavians are generally ahead of the rest, with 57% household penetration in Norway and 42% in Finland. The Dutch are keen too, since 55% of their households have a computer. At the bottom in ascending order are the Italians, the French and the Japanese, where computers are to be found in just 22.5, 23, and 29.5% of households respectively. What explains these trends is partly cost, partly habits and customs. In some countries, firms provide their staff with portable computers for the home. In others, where teleworking and small businesses flourish, writing off computer costs against tax as a personal business expense is common, even if the PC remains personal property.

Cost is probably the most important factor behind the spread of computers. In the United States, where 40% of homes have a computer, the price of personal computers fell by 90% in six years. European computer costs are coming down too and the sales figures have probably risen in 2000.

## Education at a Glance OECD Indicators 2000

The Education at a Glance Indicators provide information on the human and financial resources invested in education, on how education and learning systems operate and evolve, and on the returns of educational investments. The 2000 edition provides new insights into the financing of education, with a focus on public subsidies and transfers for education and their beneficiaries. Additionally, these new indicators reflect international student mobility, participation in skill improvement among the employed population and the condition of students with special educational needs. A wide range of non-OECD member countries have also contributed to this year's edition, extending the coverage of some of the indicators to almost two-thirds of the world population.

For more information go to: [www.oecd.org/els/stats/els\\_stat.htm](http://www.oecd.org/els/stats/els_stat.htm)

# Bookworm or TV addict?

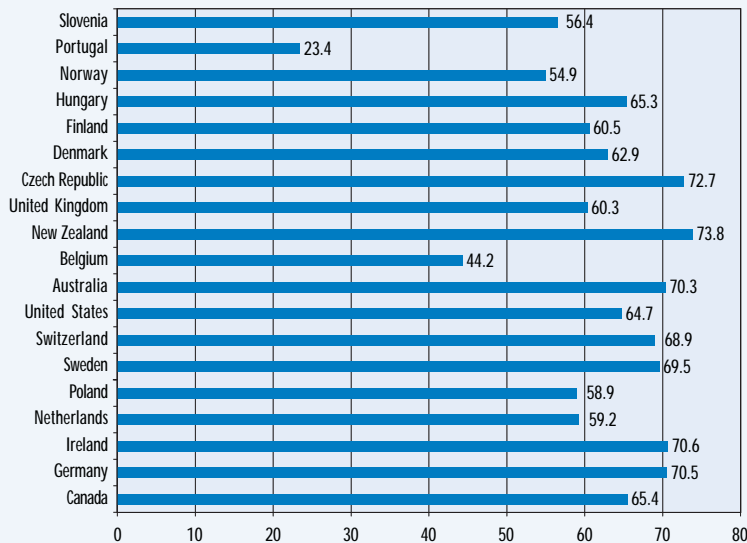
Surfing the Internet may be a growing hobby, but television and books are both alive and well in the information age. For the 21 countries participating in the International Adult Literacy Survey between 1994 and 1998, 45% of adults watch television more than two hours per day, while an average of 62% read a book at least once a month.

Nevertheless, literacy skills are not as high as today's information society requires. Even the most economically advanced societies have a literacy skills deficit, according to the final report of the survey. In 14 out of 20 countries, at least 15% of all adults have literacy skills at only the most rudimentary level. Even in Sweden, which scored highest in prose literacy, 8% of the adult population lack the minimum reading level for the demands of modern life and work.

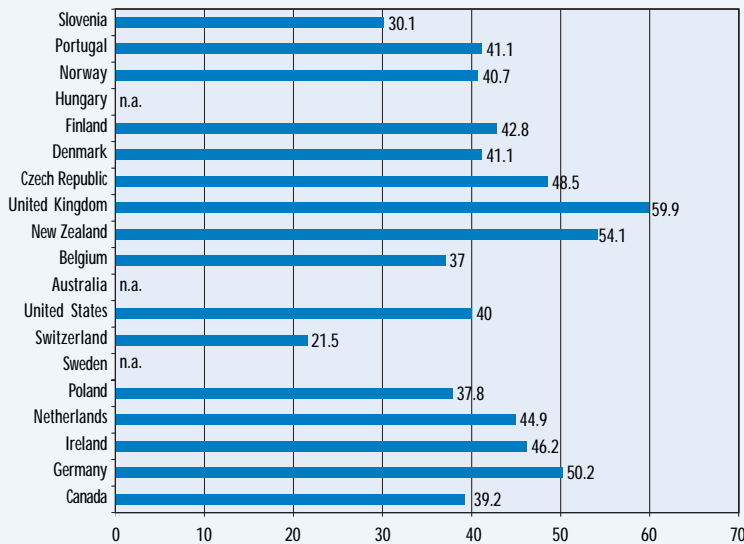
*Literacy in the Information Age*, \$31.00, ISBN 92 64 17654 3

## Reading Books and Watching Television, 1994-1998

% of Population aged 16-65 who reported reading a book at least once a month



% of Population aged 16-65 who reported watching television for more than 2 hours per day.



Source: OECD *Literacy in the information Age*, 2000

## Secure Servers per Million Inhabitants: April 1999/April 2000

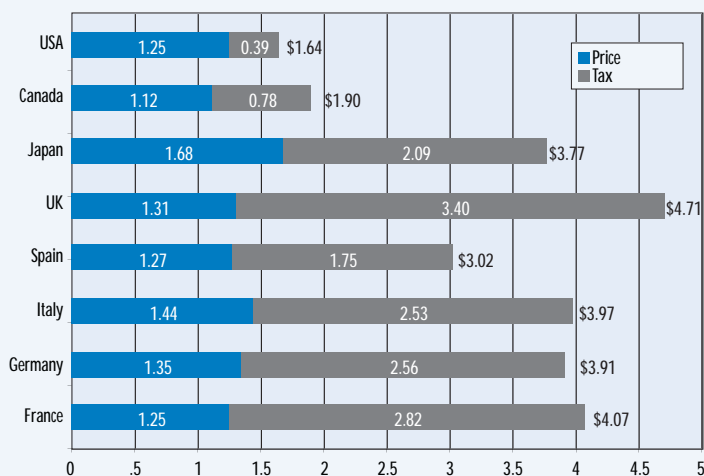
Indicators of the Internet infrastructure supporting electronic commerce continue to show high growth rates in the OECD area. According to the OECD's recent release of Local Access Pricing and E-Commerce (June 2000), by April 2000 there were more than 74,000 secure servers in the OECD area representing 95% of the global total. Between April 1999 and April 2000, the OECD total grew by 95%.

	Apr-99	Apr-00
United States	101.8	193.8
Iceland	109.5	189.8
Australia	62	130.9
New Zealand	54.4	107.4
Canada	56.4	100.7
Switzerland	46.5	98.7
Luxembourg	50.4	91.1
Sweden	39.2	77.5
United Kingdom	24.5	59.1
Ireland	21.1	57.9
Finland	29.8	57.8
Norway	26.1	52.7
Denmark	15.1	47.3
Austria	26	45.6
Germany	15.5	37.4
Netherlands	17.4	32.1
Belgium	13.2	24.4
France	9.5	18.9
Japan	8.3	17.3
Spain	10.7	16.4
Czech Republic	6.6	14.8
Italy	5.9	11.8
Portugal	5.2	10.5
Greece	4.2	6.3
Hungary	2.6	5.8
Korea	2.3	3.9
Poland	1.4	3.3
Turkey	0.7	1.5
Mexico	0.5	1.5

Source: OECD (2000) Local Access Pricing and E-Commerce. Request entire document by email to [sandra.wilson@oecd.org](mailto:sandra.wilson@oecd.org)

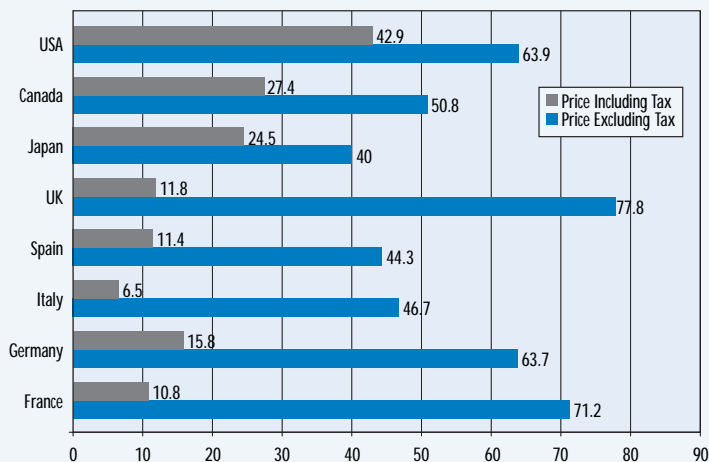
## End User Prices for Gasoline

(Dollars per Gallon)



## Change in Gasoline Price

(% change year ago)



Notes: Mid Month Prices. Unleaded Premium (85 RON) gasoline for France, Germany, Spain, Italy, UK; regular unleaded for Canada, Japan and USA.

Source: Oil Market Report, June 2000



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### OECD Member Countries

Australia	Korea
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Belgium	Mexico
Canada	Netherlands
Czech Republic	New Zealand
Denmark	Norway
Finland	Poland
France	Portugal
Germany	Spain
Greece	Sweden
Hungary	Switzerland
Iceland	Turkey
Ireland	United Kingdom
Italy	United States
Japan	

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