Asia-Pacific Stats Café Series
Monday 26 September 2022
12:00 -13:30 hrs. (Bangkok time, GMT+7)

About the session

This Stats Café session will provide an update on the Illicit Financial Flows pilot in the Asia-Pacific region. The pilot project “Measuring Illicit Financial Flows in Asia-Pacific” was launched in July 2020, with project partners UNODC, UNCTAD and ESCAP, and is set to finish in December 2022. ESCAP serves as implementing partner for Measuring Illicit Financial Flows from tax and commercial activities and coordinated with pilot countries Kyrgyzstan and Uzbekistan.

The session will include an overview of the pilot project and provide updates and preliminary results on the methods used to measure illicit financial flows in Kyrgyzstan and Uzbekistan. In both Kyrgyzstan and Uzbekistan, the methods applied are those in the “Methodological guidelines to measure tax and commercial illicit financial flows – Methods for pilot testing” published by the United Nations Conference on Trade and Development (UNCTAD). These methods are Partner Country Method (PCM), Price Filter Method (PFM), Profit shifting by Multinational Enterprises (MNEs) and joint foreign flows of offshore financial capital by country.

In Kyrgyzstan, the pilot team tested an additional method of measuring illicit financial flows related to “grey re-exports.” “Grey exports” refer to either misreported re-exports or unreported re-exports. Testing these illicit financial flows was suggested by the national working group in Kyrgyzstan, based on the prevalence of grey re-exports in Kyrgyzstan. This method will be presented at the Stats Café session by the Kyrgyz national consultant.

The results of testing the methods will contribute towards possible improvements to the UNCTAD methodological guide for future work on measuring illicit financial flows. A plan is proposed to conduct similar projects to measure illicit financial flows in present pilot countries, and additional interested countries in future. The Stats Café session will also discuss progress in measuring Illicit financial flows in other pilots and plans for further work globally and relevant policy implications and decisions.

The Session is structured as follows:
(a) Overview of “Measuring Illicit Financial Flows in Asia-Pacific” by ESCAP-Statistics Division (SD)
The ESCAP-SD presentation will outline the experience of conducting pilot studies in Kyrgyzstan and Uzbekistan and estimating illicit financial flows in these countries. The presentation will discuss the occurrences of illicit tax and commercial activity in Kyrgyzstan and Uzbekistan, data available to measure the flows, the experience of assessing data and formulating the pilot testing plan and the challenges and considerations of testing and measuring.
Preliminary results are available and will be discussed in this presentation.
(b) Presentation from the Kyrgyz consultant on grey re-exports, and the experience of testing and measuring grey re-exports in Kyrgyzstan.
(c) Discussion from UNCTAD on the progress in measuring illicit financial flows in other pilot countries and the future of measuring Illicit Financial Flows, the effects of illicit financial flows on the economy and society, and policy implications.