



**Interest repayments  
on foreign debt**

Many developing countries have taken credit from foreign countries to finance projects, resulting in them having to pay high interest rates over many years for the money they owe.

**Profits taken out by  
foreign investors**

Foreign firms invest money in developing countries to save money in production. They make their profit however outside these countries, in places where taxes are lower.

**Monetary reserves in foreign  
currencies**

In order to protect their own economy and currency from instability and crisis, many developing countries deposit huge reserves in foreign currencies in foreign accounts. Thereby, in actuality, they lend these countries money at very low interest rates. The result is that development countries have less money at their disposal.

**Illicit financial flows**

Money that was illegally earned, transferred or used. Examples are trade mispricing, the export of cash and smuggling.