

CAMEROON

Economic Freedom Score



World Rank: **130**

Regional Rank: **27**

Cameroon's economy has been resilient despite security and humanitarian crises at the country's northern and eastern borders. Productive economic activity has become relatively diversified, with the services sector contributing about half of total domestic production. Subsidies on retail fuel prices, which had been fixed since 2008, were removed in 2015.

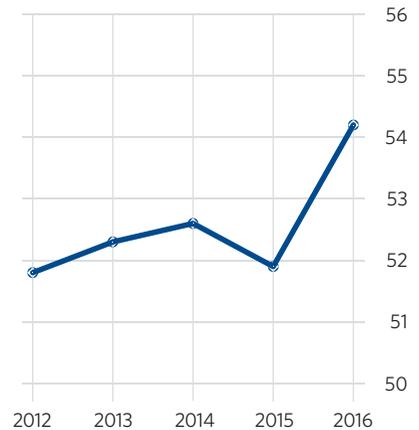
ECONOMIC FREEDOM SNAPSHOT

- 2016 Economic Freedom Score: **54.2 (up 2.3 points)**
- Economic Freedom Status: **Mostly Unfree**
- Global Ranking: **130th**
- Regional Ranking: **27th in Sub-Saharan Africa**
- Notable Successes: **Monetary Freedom and Management of Public Finance**
- Concerns: **Property Rights, Corruption, and Open Markets**
- Overall Score Change Since 2012: **+2.4**

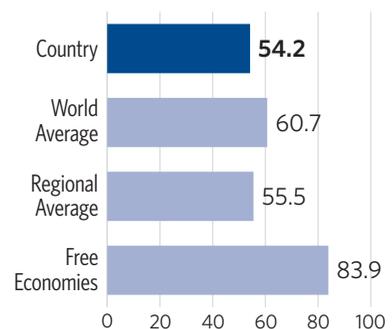
The inefficient public sector dominates the overall economic environment. The risk of state meddling in the private sector remains high in the country's uncertain political environment. The judiciary is vulnerable to corruption, and the protection of property rights remains weak, undermining prospects for more significant and dynamic long-term economic development.

BACKGROUND: President Paul Biya has ruled since 1982 and was reelected in October 2011 for another seven-year term in an election marred by irregularities. Cameroon is rife with corruption, and rights groups often accuse the government of failing to ensure equality under the law. The economy is heavily regulated and dependent on commodity exports. The ongoing war with the Nigerian Islamist terrorist group Boko Haram, which has attacked and infiltrated villages along the 1,975-km Cameroon–Nigerian border, has also discouraged growth. Cameroon currently hosts more than 250,000 refugees, primarily from the Central African Republic and Nigeria.

Freedom Trend



Country Comparisons



Quick Facts

- Population:** 22.5 million
- GDP (PPP):** \$67.2 billion
- 5.1% growth in 2014
- 5-year compound annual growth 4.5%
- \$2,981 per capita
- Unemployment:** 4.3%
- Inflation (CPI):** 1.9%
- FDI Inflow:** \$501.2 million
- Public Debt:** 23.9% of GDP

How Do We Measure Economic Freedom?

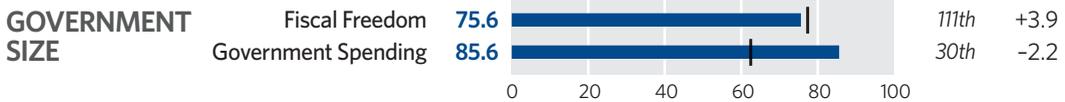
See page 467 for an explanation of the methodology or visit the *Index* Web site at heritage.org/index.

2014 data unless otherwise noted.
Data compiled as of September 2015.

THE TEN ECONOMIC FREEDOMS



Corruption and cronyism are pervasive. Bribery is common in all sectors, from gaining school admission to fixing traffic infractions. Oil, gas, and mining revenues are not openly reported. A government anti-corruption campaign has been used to remove potential political opponents. Protection of real and intellectual property rights is weak, and the judicial system is inefficient, slow, and vulnerable to political interference.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 33 percent. Other taxes include a value-added tax and an inheritance tax. The overall tax burden equals 11.3 percent of GDP. Government spending amounts to 21.9 percent of total domestic output, and budget deficits hover around 2.5 percent of GDP. Public debt equals about 24 percent of annual economic activity.



The process for establishing a company has become more streamlined, but the minimum capital required equals almost twice the level of average annual income. The formal labor market is not fully developed. The government significantly reduced subsidies for retail gasoline, diesel, and liquefied natural gas in 2014, but it continues both to subsidize electricity and food and to regulate other consumer prices heavily.



Cameroon's average tariff rate is 11.7 percent, and the non-tariff costs of importing can be high. More than 100 state-owned enterprises distort investment in industries that include telecommunications and energy production. Credit is expensive, and short-term loans dominate lending. The non-banking financial sector remains small, and capitalization of the stock market is modest.

Long-Term Score Change (since 1995)

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	-25.0	Fiscal Freedom	+24.5	Business Freedom	-8.1	Trade Freedom	+36.6
Freedom from Corruption	+17.0	Government Spending	-4.2	Labor Freedom	-3.1	Investment Freedom	-10.0
				Monetary Freedom	+0.3	Financial Freedom	0