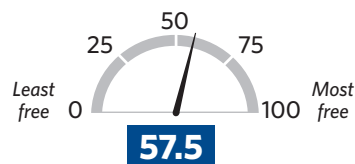


NIGERIA

Economic Freedom Score



World Rank: **116**

Regional Rank: **20**

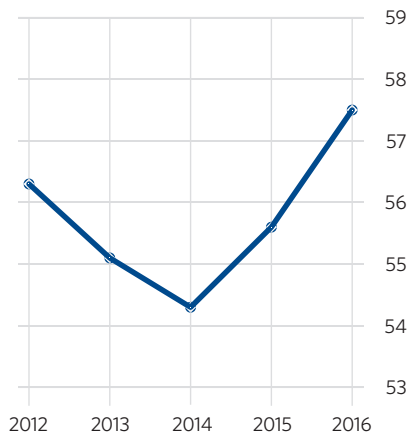
Nigeria has pursued economic reforms to enhance management of public finance and make business regulations more efficient. However, the oil sector continues to dominate the economy, and the structural changes needed for broad-based development have not been forthcoming. Progress on privatization has been limited.

ECONOMIC FREEDOM SNAPSHOT

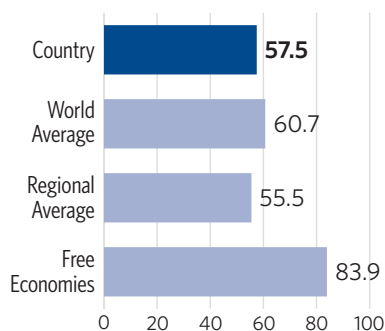
- 2016 Economic Freedom Score: **57.5 (up 1.9 points)**
- Economic Freedom Status: **Mostly Unfree**
- Global Ranking: **116th**
- Regional Ranking: **20th in Sub-Saharan Africa**
- Notable Successes: **Trade Freedom and Management of Public Finance**
- Concerns: **Rule of Law, Open Markets, and Regulatory Efficiency**
- Overall Score Change Since 2012: **+1.2**

Recent economic growth has not translated into real gains for most Nigerians. Job creation has been impeded by bureaucratic rigidity and corruption in the economy, causing increased frustration among underemployed youth. With the judicial system susceptible to political interference, the rule of law is weak.

Freedom Trend



Country Comparisons



Quick Facts

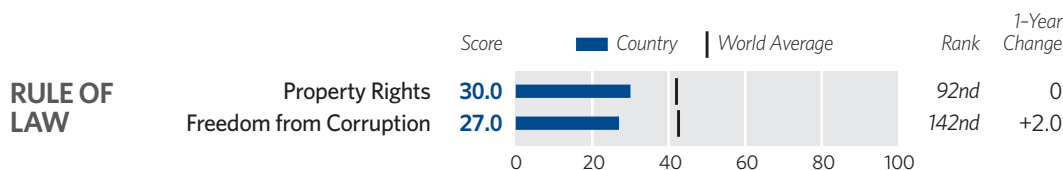
- Population:** 173.9 million
- GDP (PPP):** \$1.0 trillion
- 6.3% growth in 2014
- 5-year compound annual growth 6.2%
- \$6,031 per capita
- Unemployment:** 7.5%
- Inflation (CPI):** 8.1%
- FDI Inflow:** \$4.7 billion
- Public Debt:** 10.5% of GDP

How Do We Measure Economic Freedom?

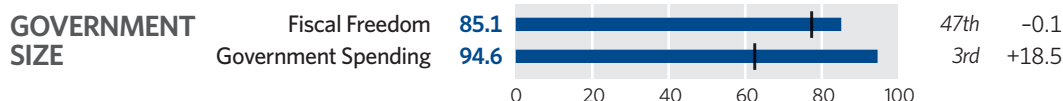
See page 467 for an explanation of the methodology or visit the *Index* Web site at heritage.org/index.

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

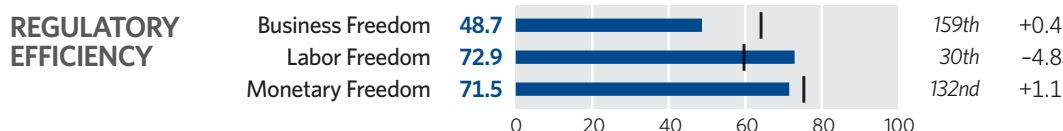
THE TEN ECONOMIC FREEDOMS



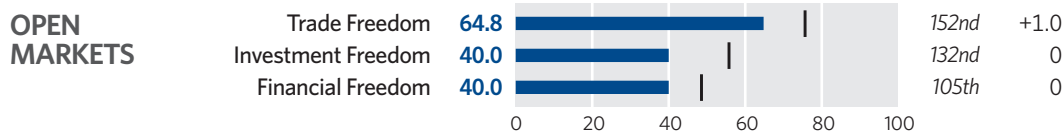
In 2015, the government said that it would conduct a forensic audit of state-owned Nigerian National Petroleum Corporation after allegations that \$20 billion in oil revenue had gone missing in recent years. Corruption remains pervasive, and efforts to reduce graft have been inadequate. The judiciary has some independence but is hobbled by political interference, corruption, and inadequate funding. Protection of property rights is weak.



The top individual income tax rate is 24 percent, and the top corporate tax rate is 30 percent. Other taxes include a value-added tax and a capital gains tax. The overall tax burden equals 3.1 percent of total domestic income. Government spending amounts to 13.4 percent of total domestic output. The budget is in a slight surplus, and public debt remains below 20 percent of GDP.



The minimum capital requirement for starting a business has been eliminated, but licensing costs are still over four times the average annual income. The public and energy sectors employ much of the formal labor force, and an increase in the minimum wage has reduced hiring flexibility. The IMF reported in 2015 that in response to lower global oil prices, the government cut fuel subsidies by 1 percent of GDP.



Nigeria's average tariff rate is 10.1 percent. Meat and poultry imports are restricted. Foreign investors face regulatory and judicial barriers. The government's import substitution policy interferes with trade and investment flows. Financial-sector reform is ongoing, but the state continues to influence the allocation of credit. Measures to improve access to finance for local small and medium-sized companies have been introduced.

Long-Term Score Change (since 1995)

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	-20.0	Fiscal Freedom	+9.7	Business Freedom	-6.3	Trade Freedom	+19.8
Freedom from Corruption	-23.0	Government Spending	+94.6	Labor Freedom	-0.3	Investment Freedom	-10.0
				Monetary Freedom	+21.3	Financial Freedom	-10.0