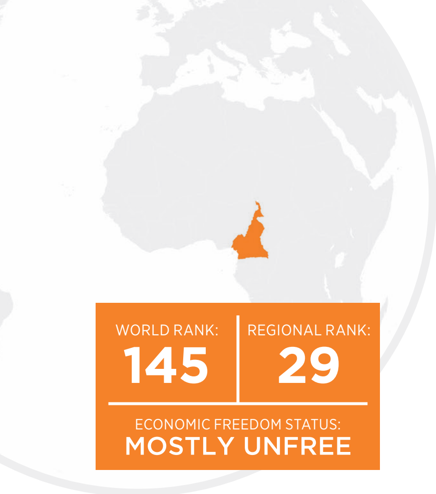


WORLD RANK: **145**

REGIONAL RANK: **29**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

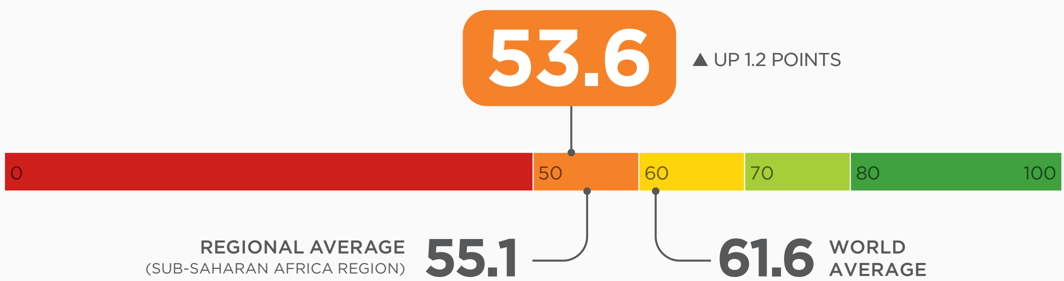
CAMEROON

Cameroon's economic freedom score is 53.6, making its economy the 145th freest in the 2020 *Index*. Its overall score has increased by 1.2 points as a result of increases in scores for **trade freedom** and **fiscal health**. Cameroon is ranked 29th among 47 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

Generally speaking, Cameroon's economy has been stranded in the lower reaches of the mostly unfree category ever since the inception of the *Index* in 1995. Despite that lackluster performance, the country has recorded fairly robust GDP growth for the past five years, supported by the start of natural gas production from a new liquefied natural gas offshore terminal and improved electricity supply from new hydroelectric dams.

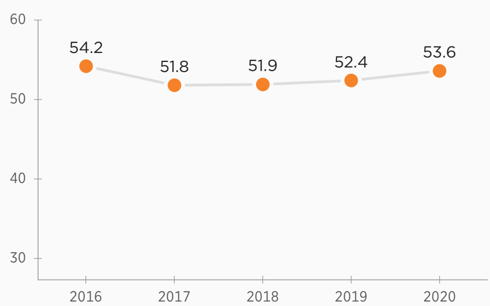
To increase economic freedom in Cameroon and lay the foundation for a stronger, more broad-based domestic economy, the government will need to focus on improving its performance on the three rule-of-law indicators: property rights, judicial effectiveness, and government integrity.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
24.9 million

GDP (PPP):
$95.3 billion
4.0% growth in 2018
5-year compound annual growth 4.8%
$3,828 per capita

UNEMPLOYMENT:
3.4%

INFLATION (CPI):
0.9%

FDI INFLOW:
$701.7 million

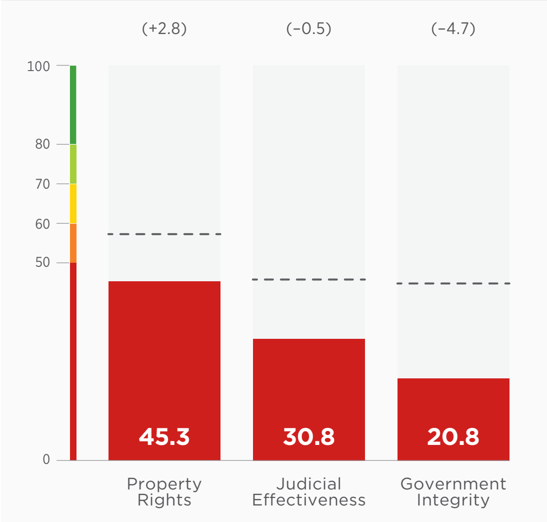
PUBLIC DEBT:
37.7% of GDP

2018 data unless otherwise noted. Data compiled as of September 2019

BACKGROUND: Former French and British colonies merged in the 1960s to form Cameroon. President Paul Biya, now 85 years old, is Africa's second-longest-ruling head of state. He abolished term limits in 2008 and went on to win seven-year terms of office in 2011 and again in 2018 in elections that were marred by irregularities. Tensions between the Anglophone minority and the central government erupted into violence, with atrocities reportedly committed by both sides. The Islamist terrorist group Boko Haram frequently attacks across Cameroon's 1,230-mile border with Nigeria. The economy depends on oil for about 40 percent of export earnings. Cameroon is building Central Africa's only deep-sea port in Kribi, financed primarily by China's Export–Import Bank, and is expanding hydropower generation.

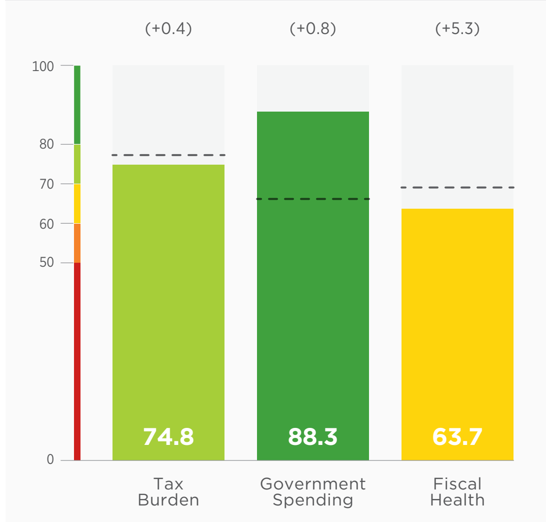
12 ECONOMIC FREEDOMS | CAMEROON

RULE OF LAW



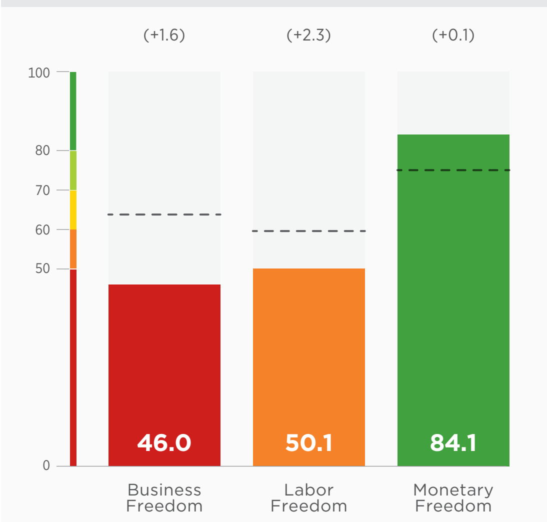
Property rights are recognized by law, but Cameroon's weak judiciary makes enforcement sporadic, and land disputes are common. The inefficient judicial system is also vulnerable to political interference. Corruption and cronyism are systemic, and demands for bribes, from gaining school admission to fixing traffic infractions, are common. Revenues from oil and minerals extractions are not openly reported. Enforcement of anticorruption statutes targets political opponents.

GOVERNMENT SIZE



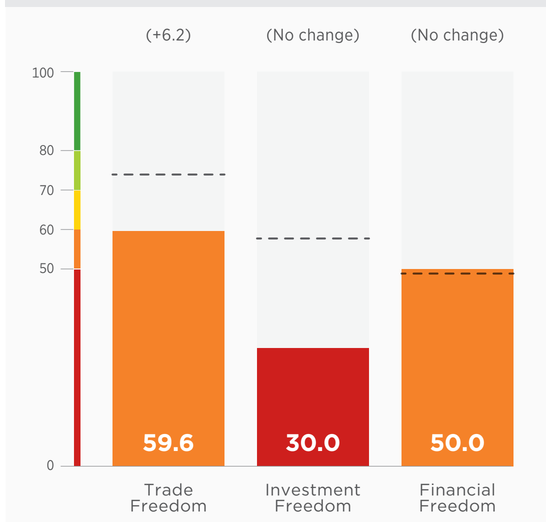
The top individual income tax rate is 35 percent, and the top corporate tax rate is 33 percent. Other taxes include value-added and inheritance taxes. The overall tax burden equals 14.4 percent of total domestic income. Government spending has amounted to 19.8 percent of the country's output (GDP) over the past three years, and budget deficits have averaged 4.6 percent of GDP. Public debt is equivalent to 37.7 percent of GDP.

REGULATORY EFFICIENCY



Cameroon ranks in the bottom decile of the World Bank's 2019 *Doing Business* report, with especially notable deficiencies in property registration, paying taxes, and trading across borders. Informality in labor arrangements exists even in the formal sector. Underemployment is quite high. The government subsidizes electricity, retail gasoline, diesel, and liquefied natural gas and maintains price controls for food and other consumer goods.

OPEN MARKETS



The total value of exports and imports of goods and services equals 39.3 percent of GDP. The average applied tariff rate is 12.7 percent, and nontariff barriers prevent more dynamic trade from taking place. The inadequate judicial and regulatory systems undermine foreign investment. The financial sector remains underdeveloped. Shallow markets and a lack of available financial instruments restrict overall access to credit.