The Central African Republic’s economic freedom score is 48.8, making its economy the 166th freest in the 2021 Index. Its overall score has decreased by 1.9 points, primarily because of a decline in property rights. The Central African Republic is ranked 44th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Economic freedom in the Central African Republic has continued to decline. Considered moderately free in 2003, the country since then has been ranked more typically as mostly unfree or repressed. The Central African Republic is one of the world’s poorest countries. If political stability could be achieved, the government could prioritize improvements in business freedom and the rule of law.

**IMPACT OF COVID-19:** As of December 1, 2020, 63 deaths had been attributed to the pandemic in the Central African Republic, and the economy was forecast to contract by 1.0 percent for the year.

### ECONOMIC FREEDOM SCORE

<table>
<thead>
<tr>
<th>Score</th>
<th>World Rank</th>
<th>Regional Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.8</td>
<td>166</td>
<td>44</td>
</tr>
</tbody>
</table>

**Regional Average** (Sub-Saharan Africa Region): 55.7

**World Average**: 61.6

**Historical Index Score Change (since 2002)**: -11.0

### RECENT FREEDOM TREND

- 2017: 51.8
- 2018: 49.2
- 2019: 49.1
- 2020: 50.7
- 2021: 48.8

### QUICK FACTS

- **Population**: 4.7 million
- **GDP (PPP)**: $4.2 billion
- 3.0% growth in 2019
- 5-year compound annual growth 4.1%
- $984 per capita
- **Unemployment**: 3.7%
- **Inflation (CPI)**: 2.7%
- **FDI Inflow**: $25.6 million
- **Public Debt**: 47.8% of GDP

2019 data unless otherwise noted. Data compiled as of September 2020

### BACKGROUND

A former French colony, the Central African Republic became independent in 1960. In 1993, after more than 30 years of mostly incompetent and frequently brutal military regimes, a democracy was established. It ended in 2003 with a military coup led by François Bozizé, who was later elected president. In 2013, mostly Muslim Séleka rebels led by Michel Djotodia overthrew Bozizé. Subsequent sectarian violence precipitated French military intervention and the deployment of U.N. peacekeepers. Djotodia stepped down in 2014, and former Prime Minister Faustin-Archange Touadéra was elected president in 2016 and won reelection in December 2020. Militia violence continues to fuel population displacement and hunger. The CAR has abundant timber, gold, diamonds, and uranium.
Protection of property rights is weak. Businesses and homes are regularly looted or extorted by armed militants, who enter homes without judicial authorization, seize and damage property without due process, and evict persons from their places of residence in the capital city of Bangui and throughout the countryside. Courts are inefficient and politicized and do not enforce their rulings. Corruption and nepotism remain pervasive.

The top individual income tax rate is 50 percent, and the top corporate tax rate is 30 percent. The overall tax burden equals 8.6 percent of total domestic income. Government spending has amounted to 16.1 percent of total output (GDP) over the past three years, and budget deficits have averaged 0.2 percent of GDP. Public debt is equivalent to 47.8 percent of GDP.

The cost of construction permitting has increased. Bankruptcy generally leads to a total loss of assets. From 2000 to 2019, men’s labor force participation was relatively stable, but women’s declined. Government distortions of the economy through subsidies and price controls are aggravated by increasing political instability that undermines the basic functioning of state institutions.

The Central African Republic has one preferential trade agreement in force. The trade-weighted average tariff rate is 17.4 percent. Persistent nontariff barriers and impediments to investment are exacerbated by political instability. The financial system is underdeveloped, and access to financing for businesses remains very limited. Less than 20 percent of adult Central Africans have access to an account with a formal banking institution.