Mauritania’s economic freedom score is 56.1, making its economy the 128th freest in the 2021 Index. Its overall score has increased by 0.8 point, primarily because of an improvement in the government spending score. Mauritania is ranked 23rd among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Mauritania’s economy has been mostly unfree for nearly two decades. To improve economic freedom, the government will have to strengthen the protection of property rights, implement major reforms in the judicial system’s institutions, and take a tougher and more consistent stance against public corruption in all its forms. More democratic and stable rule of law would also increase investment freedom and financial freedom.

**IMPACT OF COVID-19:** As of December 1, 2020, 177 deaths had been attributed to the pandemic in Mauritania, and the economy was forecast to contract by 3.2 percent for the year.

**HISTORICAL INDEX SCORE CHANGE (SINCE 1996):** +10.6

**BACKGROUND:** The Islamic Republic of Mauritania emerged from French colonial rule in 1960. Since independence, it has been governed by a series of dictators and authoritarian regimes, each typically ended by a military coup. Mohamed Ghazouani’s victory in the June 2019 presidential elections was described by some as the first peaceful transfer of power in the country’s history, but because of Ghazouani’s military background, it was criticized by others as “just another coup.” Societal tensions run high between Arabic-speaking descendants of slaves, Arabic-speaking “White Moors,” and sub-Saharan ethnic groups. A 2020 corruption scandal implicating a number of ministers prompted a cabinet reshuffle. Terrorist groups are active in the mostly desert country. Extractive industries (oil and mines), fisheries, and agriculture dominate the economy.
Property rights are protected by law, but enforcement is uneven. The property registration system for land and real estate is well developed, but more than 10 percent of the land remains without title. The hybrid French–Sharia judicial system is weak, chaotic, and heavily influenced by the government. Corruption is widespread in procurement but also common in such other government transactions as fishing licenses, land, bank loans, and tax payments.

The top individual income tax rate has been increased to 40 percent, and the top corporate tax rate is 25 percent. The overall tax burden equals 18.7 percent of total domestic income. Government spending has amounted to 19.7 percent of total output (GDP) over the past three years, and budget surpluses have averaged 2.2 percent of GDP. Public debt is equivalent to 57.7 percent of GDP.

Dealing with construction permits has become more complicated and costly, contributing to Mauritania’s large fall-off in business freedom. Few sectors of the economy use modern technologies because skilled labor to operate them is not readily available. Effective monetary policy is constrained by a vast informal economy, although the government is trying to implement a more disciplined fiscal policy.

Mauritania has no preferential trade agreements in force. The trade-weighted average tariff rate is 8.1 percent. Nontariff barriers and other restrictions prevent entrepreneurs from participating in the global economy, and open-market policies to promote investment are not fully institutionalized. The financial sector, dominated by banking, lacks transparency and efficiency. About 25 percent of adult Mauritians have access to a formal banking account.