Mauritania’s economic freedom score is 55.3, making its economy the 119th freest in the 2022 Index. Mauritania is ranked 20th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

The Mauritanian economy grew slowly in 2017 and 2018, picked up speed in 2019, contracted in 2020, and resumed growth in 2021. A five-year trend of stagnant economic freedom has continued. Lifted by higher scores for property rights and judicial effectiveness, Mauritania has recorded a slight 0.9-point overall gain of economic freedom since 2017 and remains stuck in the middle ranks of the “Mostly Unfree” countries. Fiscal health is robust, but business freedom has deteriorated significantly.

IMPACT OF COVID-19: As of December 1, 2021, 835 deaths had been attributed to the pandemic in Mauritania, and the government’s response to the crisis ranked 111th among the countries included in this Index in terms of its stringency. The economy contracted by 2.2 percent in 2020.

**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. In 2020, a corruption scandal implicating several 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.
Although property rights are protected by law, enforcement is uneven. The property registration system is well developed, but there are serious land disputes in Southern Mauritania. The hybrid French–Sharia judicial system is weak, chaotic, and susceptible to tribal pressures and bribery. Corruption is most pervasive in government procurement, bank loans, fishing license attribution, land distribution, access to port facilities and tax payments.

The top individual income tax rate is 40 percent, and the top corporate tax rate is 25 percent. The overall tax burden equals 16.0 percent of total domestic income. Government spending has amounted to 18.8 percent of total output (GDP) over the past three years, and budget surpluses have averaged 3.0 percent of GDP. Public debt is equivalent to 59.5 percent of GDP.

A large find of natural gas is scheduled to begin production in 2023. In 2019, to improve the business climate, the former Ministry of Economy and Finance was divided into two separate ministries. Limited access to credit and a lack of skilled labor are impediments. Effective monetary policy is constrained by a vast informal economy, and the government subsidizes numerous state-owned and parastatal enterprises.

Mauritania has no preferential trade agreements in force. The trade-weighted average tariff rate is 9.7 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. Investors continue to be subject to uncertainty caused by political instability. Given the financial system’s lack of depth, capital markets are absent.