Niger’s economic freedom score is 54.9, making its economy the 121st freest in the 2022 Index. Niger is ranked 22nd among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Niger’s strong economic growth slowed in 2019 and 2020 and regained momentum in 2021. Although a four-year trend of expanding economic freedom has stumbled a bit, gains in scores for judicial effectiveness and fiscal health have enabled Niger to post an overall 4.1-point gain of economic freedom since 2017. Nevertheless, it remains near the middle of the “Mostly Unfree” category. Monetary freedom is somewhat solid, but business freedom needs significant improvement.

IMPACT OF COVID-19: As of December 1, 2021, 259 deaths had been attributed to the pandemic in Niger, and the government’s response to the crisis ranked 160th among the countries included in this Index in terms of its stringency. The economy grew by 1.2 percent in 2020.

**BACKGROUND:** After independence from France in 1960, Niger was ruled by a single-party military regime until elections led to democratic government in 1993. Mohamed Bazoum of the Nigerien Party for Democracy and Socialism (PNDS) won a five-year term as president in a disputed election in 2021. The PNDS won the largest number of seats (80) in the 2020 legislative election. Together, the PNDS and its coalition partner, the Movement for the Rebirth of Niger (MRN), have a parliamentary majority. Ongoing challenges include a restive Tuareg population in the North, spillover violence from conflicts in Libya and Mali, and terrorist groups linked to al-Qaeda and the Islamic State. Niger has some of the world’s largest uranium deposits, but its economy is centered on subsistence crops and livestock.
Property rights can be enforced, but disputes are common, particularly when community-owned land or customary land titles are involved. The judicial framework is ineffective, and the court system is weak and vulnerable to political pressure. High rates of illiteracy among the semi-nomadic Nigeriens contribute to a political culture that is overly tolerant of widespread corruption.

The top personal income tax rate is 35 percent, and the top corporate tax rate is 30 percent. Other taxes include interest and capital gains taxes. The overall tax burden equals 11.1 percent of total domestic income. Government spending has amounted to 21.9 percent of total output (GDP) over the past three years, and budget deficits have averaged 4.1 percent of GDP. Public debt is equivalent to 44.2 percent of GDP.

Limited infrastructure, political instability, and the threat of terrorism have a negative impact on businesses. It remains to be seen whether a new office aimed at improving scores in indexes of this type can achieve policy change. There is often a significant time lag between finishing school and landing one’s first job. The government subsidizes food, fuel, and other basic goods and controls numerous state-owned enterprises in key sectors.

Niger has two preferential trade agreements in force. The trade-weighted average tariff rate is 11.2 percent. The inefficient regulatory and legal environments constrain trade and investment. The underdeveloped, weak, and fragmented financial system reflects the small size of the formal economy. Participation in the financial system is low, and less than 20 percent of adult Nigeriens have formal bank accounts.