

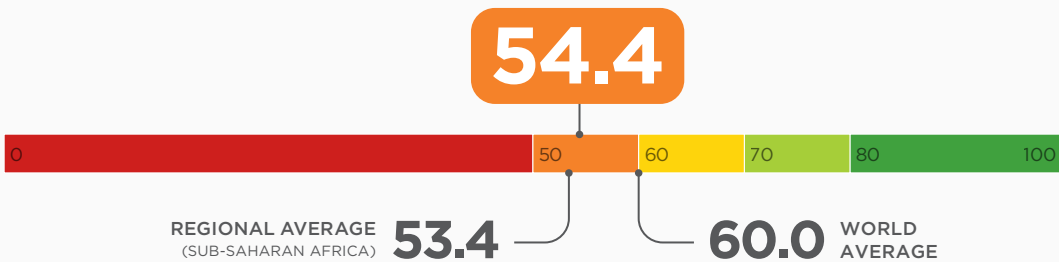
NIGERIA

Nigeria's economic freedom score is 54.4, making its economy the 124th freest in the 2022 *Index*. Nigeria 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.

The Nigerian economy grew from 2017 through 2019, turned negative in 2020, and rebounded in 2021. The country's five-year trend of mediocre economic freedom has continued. Dragged down by score decreases in **fiscal health** and **property rights**, Nigeria has recorded a 2.7-point overall loss of economic freedom since 2017 and has fallen to the lower half of the "Mostly Unfree" category. Monetary freedom and **trade freedom** demonstrate some promise, but scores for rule of law and **financial freedom** are very low.

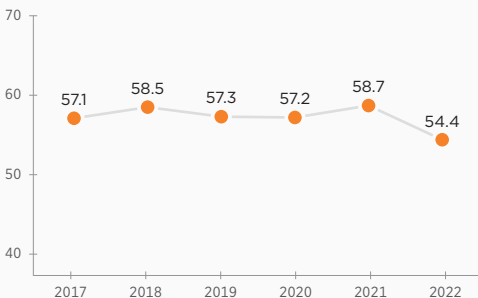
IMPACT OF COVID-19: As of December 1, 2021, 2,978 deaths had been attributed to the pandemic in Nigeria, and the government's response to the crisis ranked 62nd among the countries included in this *Index* in terms of its stringency. The economy contracted by 1.8 percent in 2020.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
206.1 million

GDP (PPP):
\$1.1 trillion
-1.8% growth
in 2020
5-year compound
annual growth 0.3%
\$5,187 per capita

UNEMPLOYMENT:
9.0%

INFLATION (CPI):
13.2%

FDI INFLOW:
\$2.4 billion

PUBLIC DEBT:
35.1% of GDP

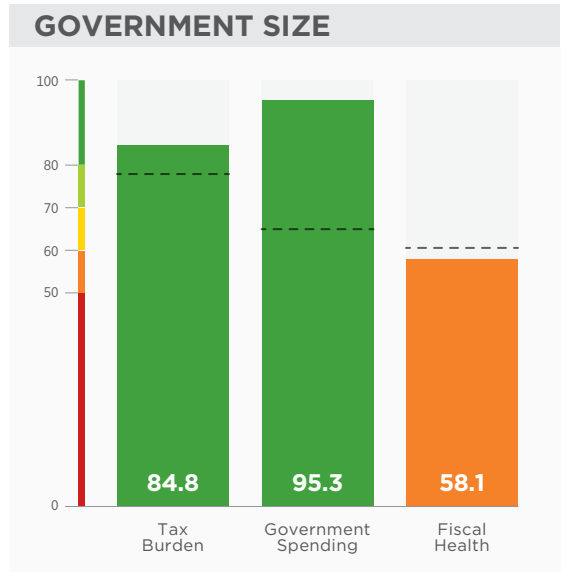
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Nigeria is Africa's most populous country. A new constitution established civilian government in 1999. President Muhammadu Buhari won reelection in 2019 despite long absences from the country and rumored ill health. A multinational coalition has expelled the Islamist terrorist Boko Haram from many of its strongholds in northeast Nigeria, but attacks by the increasingly powerful Islamic State West Africa Province continue. There also have been lethal outbreaks of violence in the Middle Belt, Niger Delta, and northwestern regions. The petroleum-based economy's fortunes rise and fall with the price of oil. Agriculture, telecommunications, and services are contributing to modest economic growth, but more than 60 percent of Nigeria's 170 million people still live in extreme poverty.

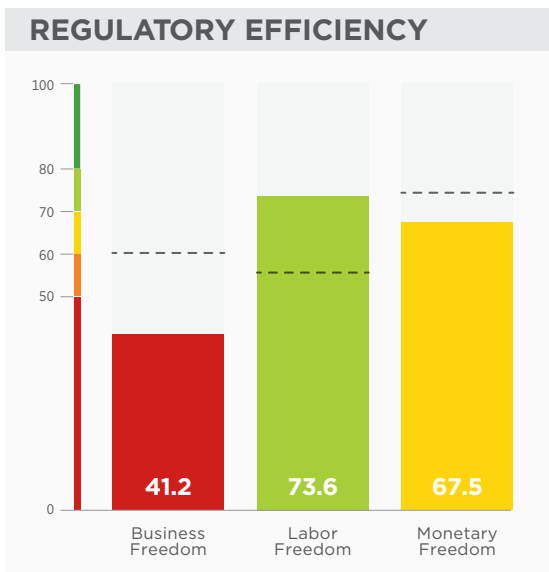
12 ECONOMIC FREEDOMS | NIGERIA



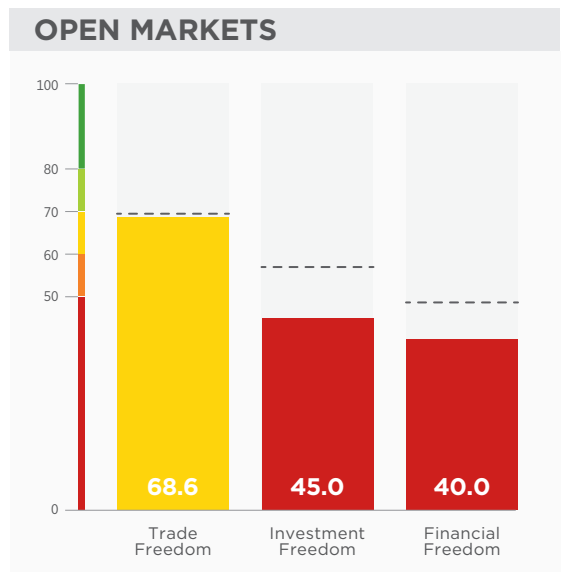
The government recognizes secured interests in property, such as mortgages, but enforcement is weakened by poorly regulated, complex, and corrupt state-level property registration and titling systems. Disputes over land ownership in rural areas are common. The judiciary is vulnerable to political interference. Courts lack adequate funding, equipment, and training. Corruption is pervasive in both public and private institutions.



The top individual income tax rate is 24 percent, and the top corporate tax rate is 30 percent. Other taxes include value-added and capital gains taxes. The overall tax burden equals 6.3 percent of total domestic income. Government spending has amounted to 12.5 percent of total output (GDP) over the past three years, and budget deficits have averaged 5.0 percent of GDP. Public debt is equivalent to 35.1 percent of GDP.



Corruption among customs and port officials and others interferes with business freedom. It is hard to run a business or to be gainfully employed in the locales where violence and murder are common occurrences. Educated Nigerians often emigrate. The government's generous and budgetarily untenable monthly spending on fuel subsidies for consumers is increasingly burdensome.



Nigeria has two preferential trade agreements in force. The trade-weighted average tariff rate is 8.2 percent, and one formal nontariff measure is in effect. However, barriers to trade and investment persist in the form of bureaucratic delays. The financial sector is dominated by banking and is growing unevenly across the country. Nonperforming loans continue to be a problem.