Sudan's economic freedom score is 32.0, making its economy the 174th freest in the 2022 Index. Sudan is ranked 47th among 47 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

The Sudanese economy has experienced slow or negative growth over the past five years. Economic freedom has plunged during the same half-decade. Dragged down by steep drops in scores for fiscal health and monetary freedom as well as lower scores for rule of law, Sudan has recorded a catastrophic 16.8-point overall loss of economic freedom since 2017 and is now deeply mired in the “Repressed” category. In addition to its other problems, investment freedom, financial freedom, and business freedom are all exceptionally weak.

IMPACT OF COVID-19: As of December 1, 2021, 3,159 deaths had been attributed to the pandemic in Sudan, and the government’s response to the crisis ranked 163rd among the countries included in this Index in terms of its stringency. The economy contracted by 3.6 percent in 2020.

BACKGROUND: Military regimes have dominated Sudanese politics since independence from Anglo-Egyptian rule in 1956. In April 2019, the security services ousted longtime Islamist dictator Omar al-Bashir. In 2020, the U.S. removed Sudan from the State Sponsors of Terrorism List and contributed to a loan to help Sudan clear its International Monetary Fund and World Bank arrears. In 2021, the rivalry between the civilian and security service elements of the transitional government culminated in a coup launched by the latter. The oil sector has driven much of Sudan’s GDP growth, but the secession of South Sudan cost Sudan two-thirds of its oil revenue. Close to half of the population is at or below the poverty line and dependent on subsistence agriculture.
Historically, weak land laws have been disputed and are a major source of conflict. Millions of acres of agricultural land have been sold to Saudi Arabia. The interim constitution establishes an independent judiciary to replace the politically influenced courts of the al-Bashir era. Sudan is one of the world’s most corrupt nations and is ranked 174th out of 180 countries in Transparency International’s 2020 Corruption Perceptions Index.

The top individual income tax rate is 15 percent, and the top corporate tax rate is 35 percent. The overall tax burden equals 7.8 percent of total domestic income. Government spending has amounted to 15.4 percent of total output (GDP) over the past three years, and budget deficits have averaged 8.2 percent of GDP. Public debt is equivalent to 262.5 percent of GDP.

Ongoing conflicts and the lack of basic infrastructure make Sudan an inhospitable place for businesses. Unskilled labor is abundant, but there is no organized labor market. Uncontrolled inflation is a major contributor to political instability.

Sudan has three preferential trade agreements in force. The trade-weighted average tariff rate is 16.0 percent. Sudan is not a member of the World Trade Organization. Years of social conflict and civil war have undermined investor confidence. The petroleum sector provides some economic stability, but other sectors face serious institutional deficiencies. Access to credit remains significantly limited, and the financial sector is severely underdeveloped.