Sudan’s economic freedom score is 32.8, making its economy the 173rd freest in the 2023 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 large informal economy has been an important source of employment. Outside of the hydrocarbon sector, economic development is limited by the region’s political instability. Attempts to develop and diversify the economy are constrained by a lack of institutional capacity. Rampant corruption and insufficient respect for private property rights are serious impediments to long-term development of the private sector.

**BACKGROUND:** Military regimes have dominated Sudanese politics since independence from Anglo-Egyptian rule in 1956. In 2019, the security services ousted longtime Islamist dictator Omar al-Bashir. In 2021, security service elements of the transitional government launched a coup. In July 2022, facing brutally suppressed popular protests, the security services announced that they would allow the civilian political movement to form its own government. Oil has driven much of Sudan’s GDP growth, but the secession of South Sudan cost Sudan two-thirds of its oil revenue. Approximately half of the population is at or below the poverty line and dependent on subsistence agriculture.
The overall rule of law is weak in Sudan. The country’s property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

Inconsistent enforcement of regulations and other institutional shortcomings, including a dysfunctional court system, impede business activity and discourage sustained economic development. The labor market remains underdeveloped, and much of the labor force works in the informal sector. Monetary stability has been severely undermined.

The top individual and corporate tax rates are, respectively, 15 percent and 35 percent. The tax burden equals 5.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.0 percent and –5.7 percent of GDP. Public debt equals 182.0 percent of GDP.

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The trade-weighted average tariff rate is 16.0 percent, and extensive nontariff barriers severely constrain the freedom to trade. Political instability and an outmoded regulatory environment are major deterrents to private investment. Access to credit remains limited.