

CAMEROON

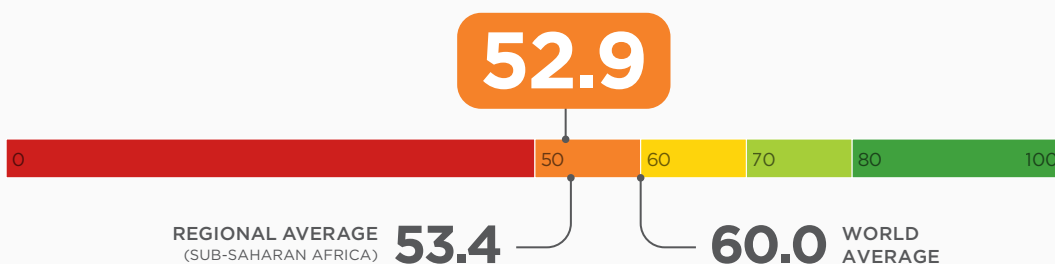
Cameroon's economic freedom score is 52.9, making its economy the 136th freest in the 2022 *Index*. Cameroon is ranked 27th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Cameroon's solid economic growth was interrupted in 2020 but accelerated again in 2021. Growth in economic freedom has stagnated. Led by score increases in **fiscal health** and **business freedom**, Cameroon has recorded a 1.1-point overall gain of economic freedom since 2017 but remains in the lower half of the "Mostly Unfree" category. Government spending is under control, but the rule of law is not well established.

IMPACT OF COVID-19: As of December 1, 2021, 1,804 deaths had been attributed to the pandemic in Cameroon, and the government's response to the crisis ranked 150th among the countries included in this *Index* in terms of its stringency. The economy contracted by 2.8 percent in 2020.

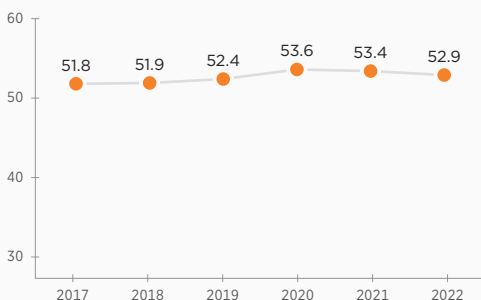


ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +1.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
26.5 million

GDP (PPP):
\$96.8 billion
-2.8% growth
in 2020
5-year compound
annual growth 2.7%
\$3,646 per capita

UNEMPLOYMENT:
3.6%

INFLATION (CPI):
2.8%

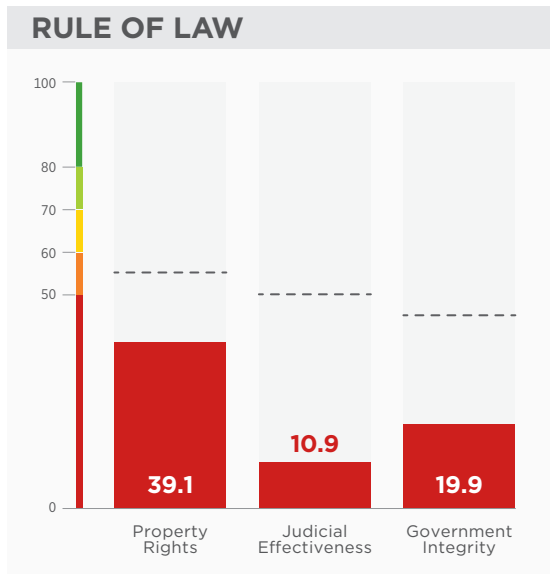
FDI INFLOW:
\$488.0 million

PUBLIC DEBT:
43.2% of GDP

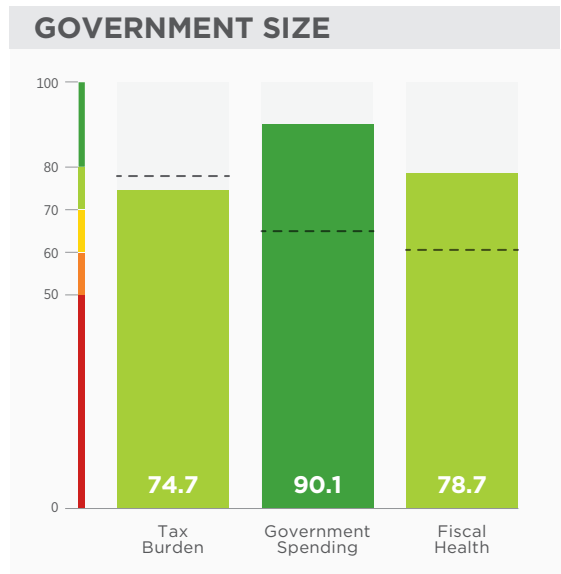
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Former French and British colonies merged in the 1960s to form Cameroon. Paul Biya, now 88 years old and Africa's second-longest-ruling head of state, abolished term limits in 2008 and went on to win seven-year terms as president in 2011 and again in 2018 in elections that were marred by irregularities. Tensions between the Anglophone minority and the central government erupted into violence with both sides reportedly committing atrocities. The Islamist terrorist group Boko Haram frequently attacks across Cameroon's 1,230-mile border with Nigeria. The economy depends on oil, which accounts for about 40 percent of export earnings. Cameroon is building Central Africa's only deep-sea port in Kribi, financed primarily by China's Export-Import Bank, and is expanding hydropower generation.

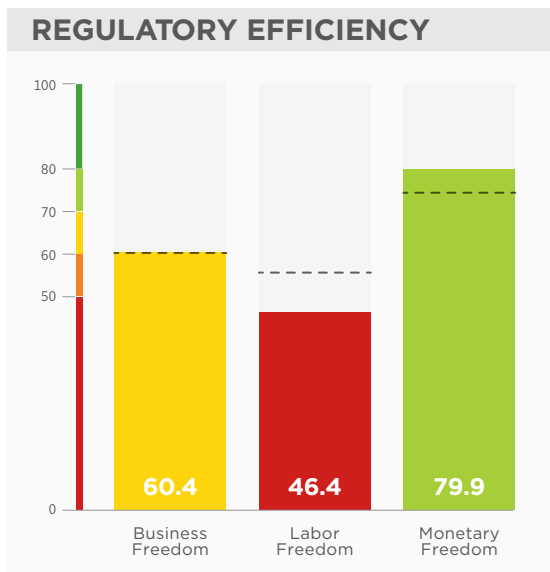
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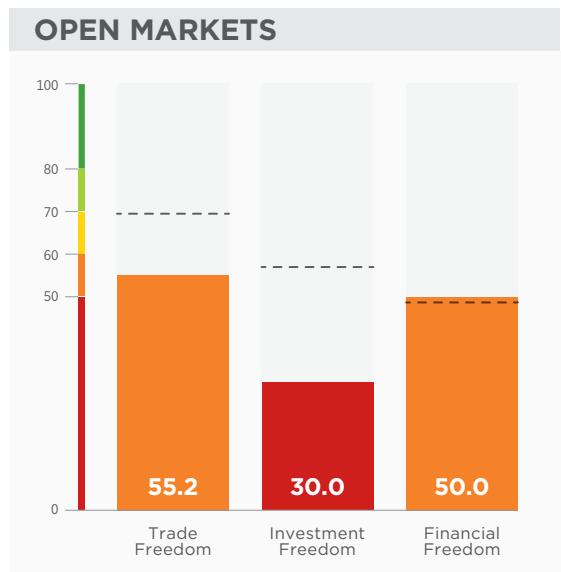
Property rights are recognized by law, but the weak judiciary makes enforcement sporadic, and land disputes are common. The inefficient judicial system is subordinate to the justice ministry, and courts are weakened by political influence and corruption. Bribery, nepotism, and corruption are rife in almost all sectors of the government and economy but are particularly prevalent in the judiciary, public services, and customs. Revenues from oil and minerals extractions are not publicly reported.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 33 percent. Other taxes include value-added and inheritance taxes. The overall tax burden equals 14.6 percent of total domestic income. Government spending has amounted to 18.2 percent of total output (GDP) over the past three years, and budget deficits have averaged 3.3 percent of GDP. Public debt is equivalent to 43.2 percent of GDP.



A national development strategy aims to mobilize the private sector, but no real plan exists. Telecommunications outages persist. Business registration remains a manual process after the failed launch of a registration portal. Abuses of labor rights by Chinese mining companies have received attention. Government price controls for food and other consumer goods and subsidies for electricity, retail gasoline, diesel, and liquefied natural gas continue to strain the budget.



Cameroon has four preferential trade agreements in force. The trade-weighted average tariff rate is 14.9 percent, and layers of nontariff measures prevent more dynamic trade. The inadequate judicial and regulatory systems undermine foreign investment. The financial sector remains underdeveloped. Shallow markets and the lack of available financial instruments restrict overall access to credit.