

CHAD

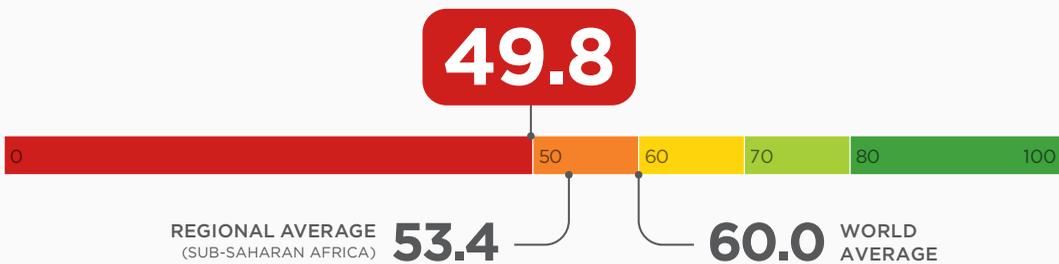
Chad's economic freedom score is 49.8, making its economy the 146th freest in the 2022 *Index*. Chad is ranked 34th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Chad experienced negative economic growth in 2017 and again in 2020 and has averaged -0.7 percent annual growth over the past five years. A five-year trend of very slowly expanding economic freedom ended this year, but Chad has recorded a 0.8-point overall gain of economic freedom since 2017, mostly due to increased **fiscal health**, and has progressed incrementally within the top half of the "Repressed" category. Scores for **government spending** and **monetary freedom** are very good, but rule of law and most other indicators exhibit weaknesses.

IMPACT OF COVID-19: As of December 1, 2021, 175 deaths had been attributed to the pandemic in Chad, 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 0.9 percent in 2020.

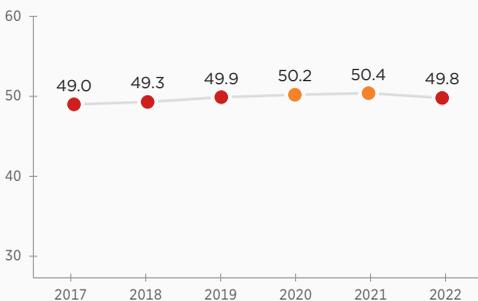


ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +4.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
16.4 million

GDP (PPP):
\$26.5 billion
-0.9% growth in 2020
5-year compound annual growth -0.7%
\$1,611 per capita

UNEMPLOYMENT:
2.3%

INFLATION (CPI):
3.5%

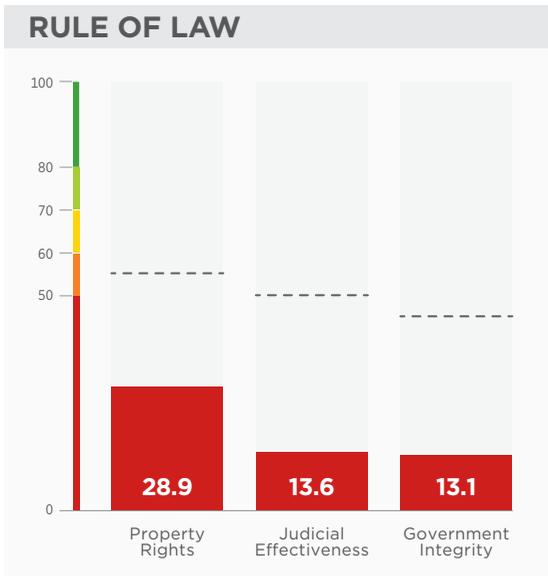
FDI INFLOW:
\$558.0 million

PUBLIC DEBT:
43.0% of GDP

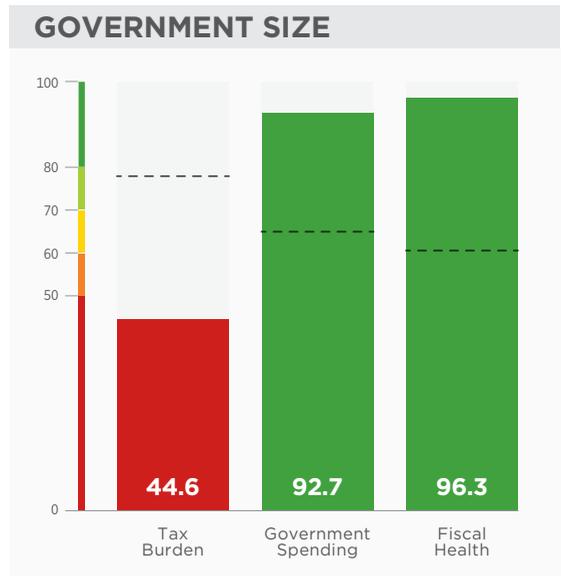
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: A former French colony, Chad endured three decades of civil war and invasions before the restoration of peace in 1990. A rebellion in the northern part of the country flares up sporadically, and Chad remains at war with the Islamist terrorist group Boko Haram, which is based in neighboring Nigeria. President Idriss Déby seized power in 1990, but a day after winning a sixth term in April 2021, he was killed fighting a rebel advance. The military chose his son Mahamat to lead both the army and the government. Landlocked Chad pays dearly for imported goods, and oil accounts for approximately 60 percent of export revenues. Cotton, cattle, livestock, and gum arabic account for the largest portion of non-oil exports.

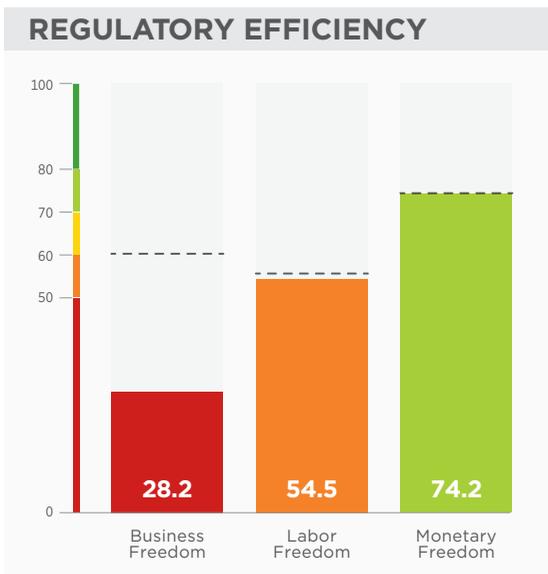
12 ECONOMIC FREEDOMS | CHAD



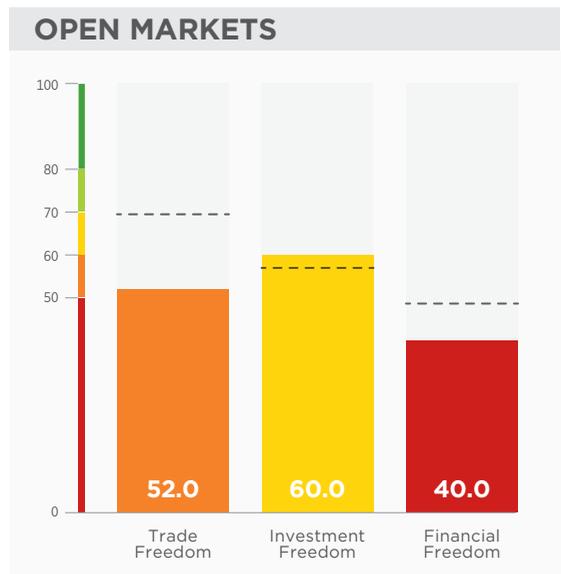
Laws establishing land and property rights are nominally in force but are not enforced in rural areas; customary law governs land ownership and use rights in practice. The cost of property registration is high. Rule of law is weak. The judiciary is overburdened, corrupt, and subject to executive interference. Corruption, bribery, and nepotism are endemic and pervasive, especially in government procurement, customs, and tax collection.



The top individual income tax rate is 60 percent, and the top corporate tax rate is 45 percent. The overall tax burden equals 13.3 percent of total domestic income. Government spending has amounted to 15.6 percent of total output (GDP) over the past three years, and budget surpluses have averaged 1.1 percent of GDP. Public debt is equivalent to 43.0 percent of GDP.



Chad's business freedom is severely repressed. Poor infrastructure, a dearth of skilled labor, inadequate and unreliable electricity, weak enforcement of contracts, and high taxes are just some of the things preventing improvement. Illegal child and forced labor persist. The government maintains subsidies to inefficient state-owned enterprises, and the country's economy remains distorted by heavily subsidized oil.



Chad has one preferential trade agreement in force. The trade-weighted average tariff rate is 14.0 percent, and nontariff barriers further undermine the benefits of dynamic trade flows. The financial system is underdeveloped, and access to financing for businesses remains very limited. Less than 20 percent of adult Chadians have access to an account with a formal banking institution.