

COMOROS

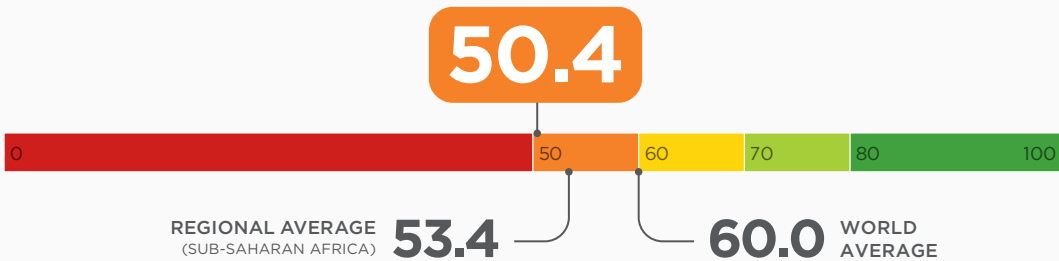
Comoros's economic freedom score is 50.4, making its economy the 143rd freest in the 2022 *Index*. Comoros is ranked 33rd among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Over the past five years, Comoros's economic growth has slowed, turning negative in 2020 but rebounding in 2021. Economic freedom has stagnated in recent years and has now begun to decline. Depressed particularly by score decreases in the rule of law. Comoros has recorded a 5.4-point overall loss of economic freedom since 2017 and has fallen to the bottom of the "Mostly Unfree" category. Fiscal health and **monetary freedom** are strong, but other categories exhibit significant weaknesses.

IMPACT OF COVID-19: As of December 1, 2021, 150 deaths had been attributed to the pandemic in Comoros. The economy declined by 0.5 percent in 2020.

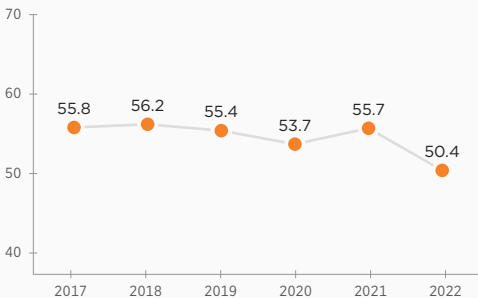
WORLD RANK: **143** REGIONAL RANK: **33**
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +7.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.9 million

GDP (PPP):
\$2.7 billion
-0.5% growth in 2020
5-year compound annual growth 2.5%
\$3,048 per capita

UNEMPLOYMENT:
8.4%

INFLATION (CPI):
1.1%

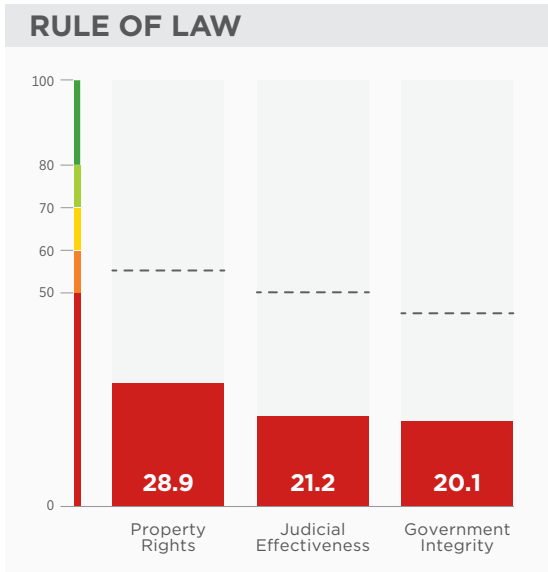
FDI INFLOW:
\$9.0 million

PUBLIC DEBT:
26.8% of GDP

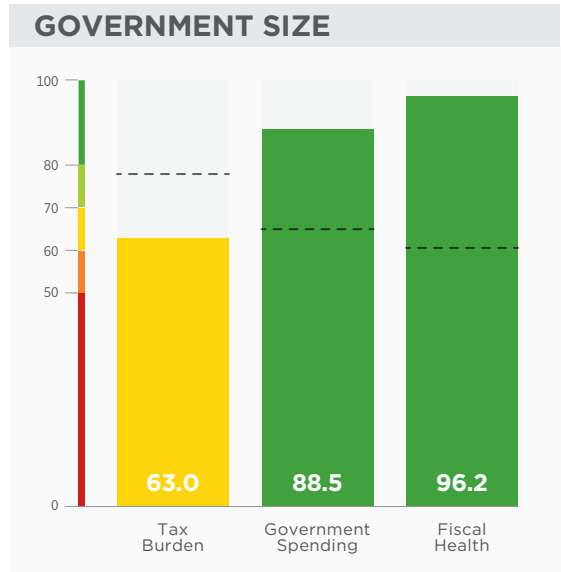
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: The three-island Union of the Comoros has experienced more than 20 attempted coups since gaining independence in 1975; the most recent such attempt was in 2013. The two smaller islands seceded in 1997 but returned in 2001. In 2018, former coup leader turned President Azali Assoumani cracked down on the opposition and won a referendum that centralized executive power. He was reelected in 2019 in an election that was discredited by international observers. As a former colony, Comoros prioritizes its aid and trade relations with France, and the French Treasury guarantees the Comoran franc. Comoros is a leading producer of ylang-ylang perfume essence, cloves, and vanilla. In 2018, it became a full member of the Southern African Development Community.

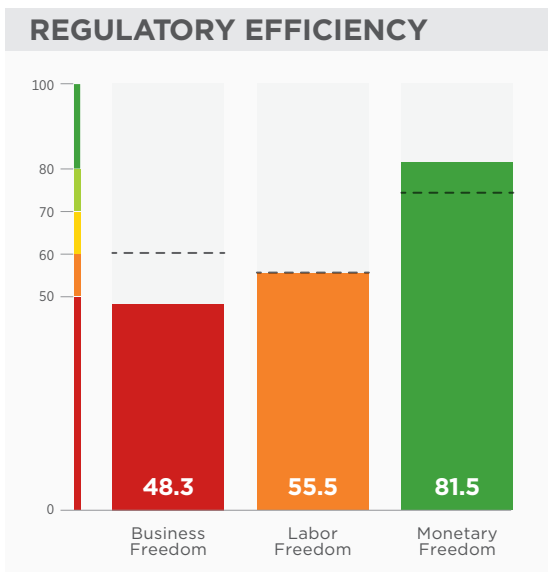
12 ECONOMIC FREEDOMS | COMOROS



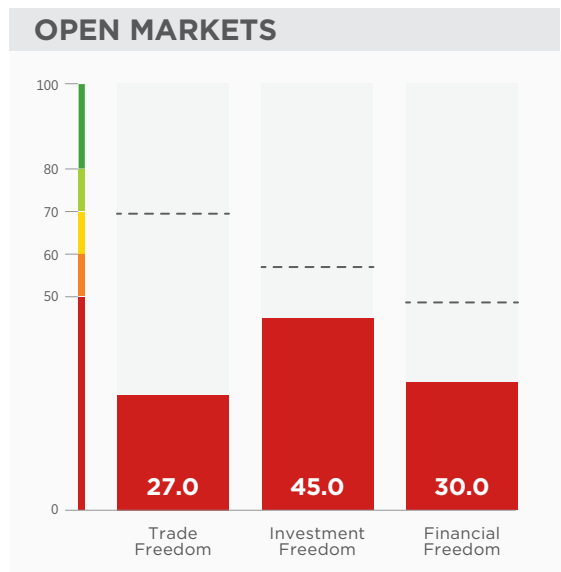
Property rights are not well protected, and enforcement of contracts is weak. The judicial system, based on both the French legal code and Sharia (Islamic) law, is weak, inconsistent, unpredictable, and subject to political influence. Corruption is reported at all levels of the nontransparent government and is driven partly by the presence of international criminal networks and partly by internal political disputes and the three island administrations' competition for resources.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 50 percent. Other taxes include value-added and insurance taxes. The overall tax burden equals 17.4 percent of total domestic income. Government spending has amounted to 19.5 percent of total output (GDP) over the past three years, and budget deficits have averaged 1.2 percent of GDP. Public debt is equivalent to 26.8 percent of GDP.



Access to electricity is critically limited. Internet users comprise only 8.5 percent of the population. Agriculture accounts for 50 percent of GDP, yet the archipelago still imports 70 percent of its food. Remittances from Comorans abroad make up 25 percent of GDP. The public-sector wage bill is very high. Government subsidies to the state-owned power and water companies were maintained in 2021 despite continuing economic weakness.



Comoros has two preferential trade agreement in force. The trade-weighted average tariff rate is 26.5 percent, and non-tariff barriers further impede trade. Comoros is not a member of the World Trade Organization. Overall, policies to enhance market openness have not advanced. Persistent impediments to investment are made worse by political volatility. The financial system is underdeveloped, and access to financing for businesses remains very limited.