REPUBLIC OF CONGO

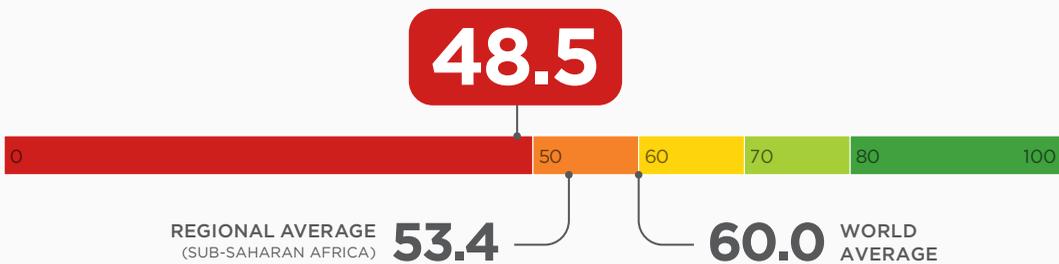**T**he Republic of the Congo's economic freedom score is 48.5, making its economy the 155th freest in the 2022 *Index*. The Republic of the Congo is ranked 37th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Over the past five years, the Republic of the Congo's economic growth was negative in 2017 and 2018, barely positive in 2019, and negative again in 2020 and 2021. Led by increases in scores for **fiscal health** and **government spending**, the Republic of the Congo has recorded an 8.5-point overall gain of economic freedom since 2017 but has nonetheless fallen back into the "Repressed" category this year. The country scores well on government size and **monetary freedom**, but other indicators are all well below average.

IMPACT OF COVID-19: As of December 1, 2021, 354 deaths had been attributed to the pandemic in the Republic of the Congo, and the government's response to the crisis ranked 122nd among the countries included in this *Index* in terms of its stringency. The economy contracted by 7.8 percent in 2020.

WORLD RANK:	REGIONAL RANK:
155	**37**

ECONOMIC FREEDOM STATUS:
REPRESSED

ECONOMIC FREEDOM SCORE

48.5

| 0 | 50 | 60 | 70 | 80 | 100 |

REGIONAL AVERAGE (SUB-SAHARAN AFRICA) **53.4**

60.0 WORLD AVERAGE

HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +8.2

RECENT FREEDOM TREND

40.0 (2017) 38.9 (2018) 39.7 (2019) 41.8 (2020) 50.7 (2021) 48.5 (2022)

QUICK FACTS

POPULATION:
5.5 million

GDP (PPP):
$19.6 billion
–7.8% growth in 2020
5-year compound
annual growth –6.0%
$4,188 per capita

**UNEMPLOYMENT:**
10.3%

INFLATION (CPI):
2.4%

FDI INFLOW:
$4.0 billion

PUBLIC DEBT:
101.7% of GDP

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

BACKGROUND: The Republic of the Congo became independent from France in 1960. Denis Sassou-Nguesso seized power in 1979 and ruled as chief of state until 1992, when he allowed a multiparty election to be conducted and was defeated. He seized power again following a 1997 civil war and then won flawed elections in 2002, 2009, 2016, and 2021. A referendum approved in 2015 modified the constitutional limits so that Sassou-Nguesso could run again. Congo is one of sub-Saharan Africa's largest producers of oil, but it lacks the infrastructure needed to exploit its natural gas reserves and hydropower potential. The Republic of the Congo shipped its first exports of iron ore in 2019.

RULE OF LAW

| Property Rights	Judicial Effectiveness	Government Integrity
30.4	14.9	13.4
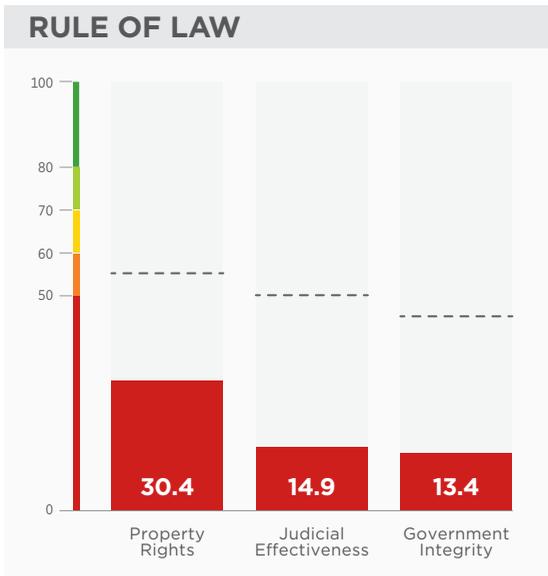
Property rights are undermined by bureaucracy, poor judicial safeguards, and corruption. The judiciary, although independent in principle, is crippled by institutional weaknesses and extremely vulnerable to political influence. Corruption remains pervasive, and government operations are opaque. "Informal" tax collectors regularly solicit bribes. The president's family and advisers effectively control the state oil company without meaningful accountability.

GOVERNMENT SIZE

Tax Burden	Government Spending	Fiscal Health
82.4	86.0	80.0
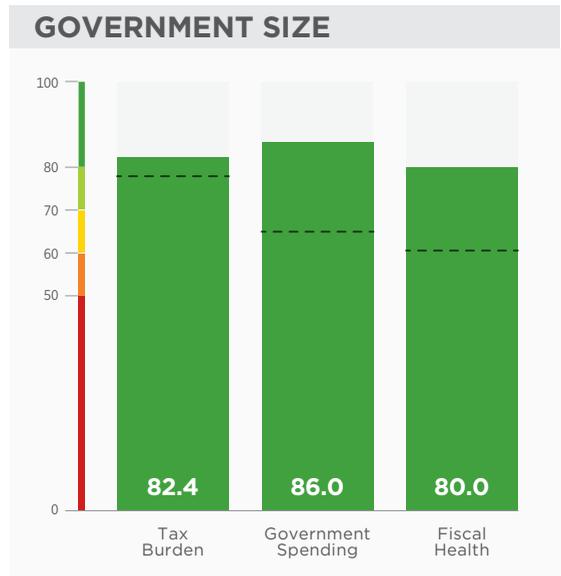
The top individual income tax rate is 30 percent, and the top corporate tax rate has been cut to 28 percent. The overall tax burden equals 8.5 percent of total domestic income. Government spending has amounted to 21.6 percent of total output (GDP) over the past three years, and budget surpluses have averaged 4.0 percent of GDP. Public debt is equivalent to 101.7 percent of GDP.

REGULATORY EFFICIENCY

Business Freedom	Labor Freedom	Monetary Freedom
29.5	43.3	80.5
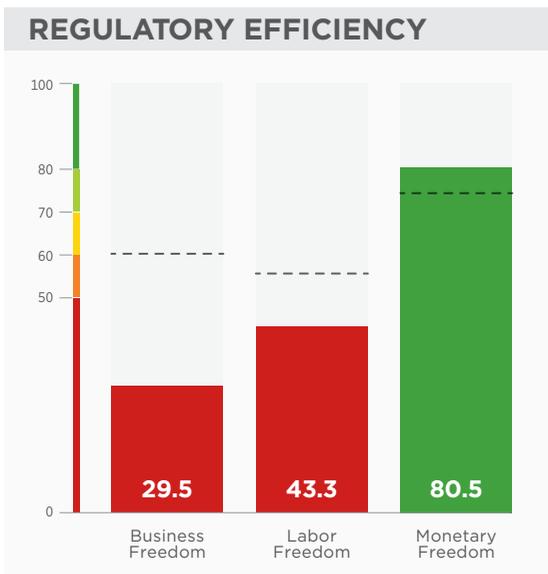
Unreliable sources of electricity and water hinder business freedom, but the number of paved roads in the country has increased. Registration of businesses, obtaining of land titles, payment of taxes, and negotiation of natural resource contracts are made difficult by the government. Businesses must obtain government approval to adjust employment. The economy remained weak in 2021, putting additional pressure on the government to reduce subsidies.

OPEN MARKETS

Trade Freedom	Investment Freedom	Financial Freedom
56.4	35.0	30.0
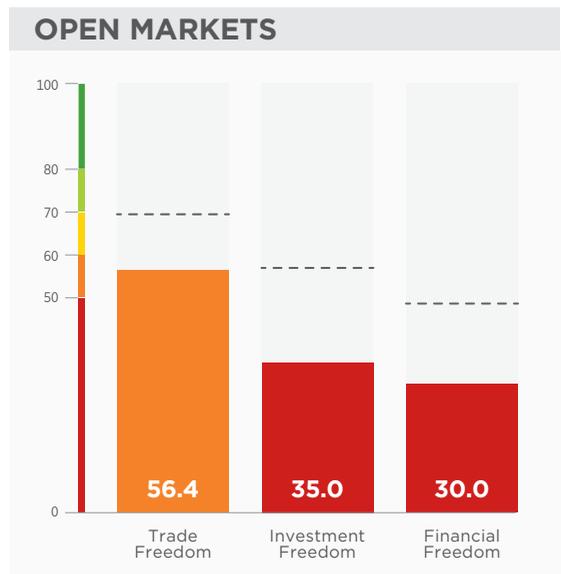
The Republic of the Congo has one preferential trade agreement in force. The trade-weighted average tariff rate is 11.8 percent, and nontariff barriers persist. Government openness to foreign investment is below average, and the investment framework is inadequate. The underdeveloped financial system is dominated by banks, and overall financial intermediation is low.