

ZIMBABWE

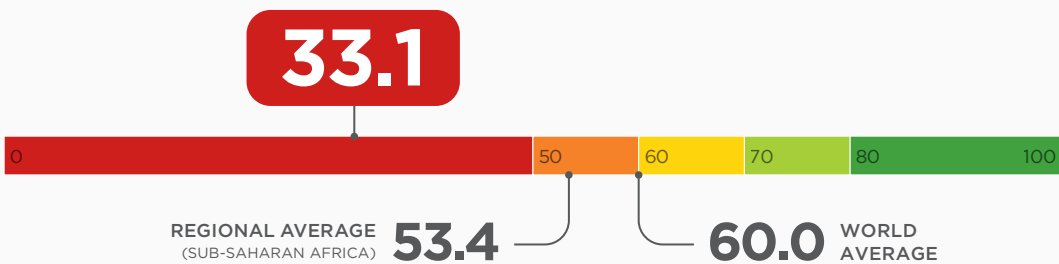
WORLD RANK: **173** | REGIONAL RANK: **46**
ECONOMIC FREEDOM STATUS: **REPRESSED**

Zimbabwe's economic freedom score is 33.1, making its economy the 173rd freest in the 2022 *Index*. Zimbabwe is ranked 46th 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, Zimbabwe's economic growth declined from 2017 through 2019, contracted in 2020, but saw an uptick in 2021. Economic freedom shrank further during the same half-decade. Driven lower by significant decreases in scores for **monetary freedom** and **trade freedom**, Zimbabwe has recorded a sharp 10.9-point overall loss of economic freedom since 2017 and has sunk lower in the "Repressed" category. The rule of law, regulatory efficiency, and open markets are weak, and the trade regime especially has worsened.

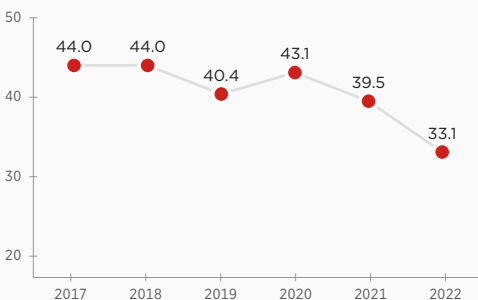
IMPACT OF COVID-19: As of December 1, 2021, 4,707 deaths had been attributed to the pandemic in Zimbabwe, and the government's response to the crisis ranked 62nd among the countries included in this *Index* in terms of its stringency. The economy contracted by 8.0 percent in 2020.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -15.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
14.9 million

GDP (PPP):
\$39.8 billion
-8.0% growth
in 2020
5-year compound
annual growth -1.3%
\$2,622 per capita

UNEMPLOYMENT:
5.7%

INFLATION (CPI):
557.2%

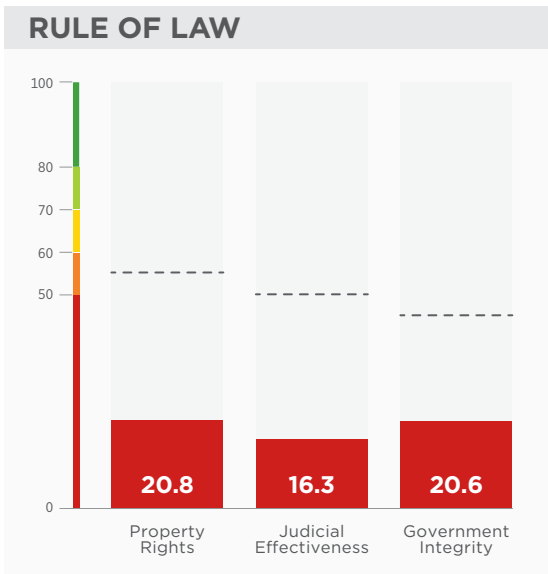
FDI INFLOW:
\$194.0 million

PUBLIC DEBT:
88.9% of GDP

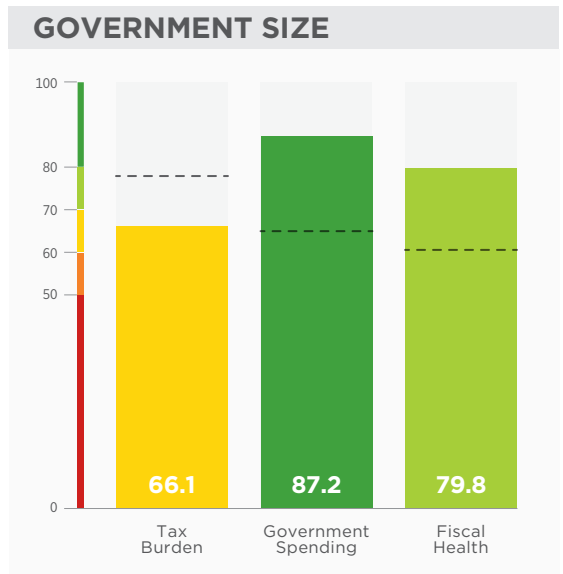
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: The former British colony of Rhodesia became the fully independent Zimbabwe in 1980. A 2017 coup forced out the late longtime President Robert Mugabe of the Zimbabwe African National Union-Patriotic Front (ZANU-PF) and elevated former Vice President Emmerson Mnangagwa to the presidency. Following Mnangagwa's victory in a 2018 election that was marred by vote rigging and voter intimidation, security services cracked down on the opposition. The government frequently responds to periodic street protests against economic mismanagement and violations of human rights with violence and arbitrary detention. The economy is heavily dependent on mining and agriculture, but political instability and the country's protracted economic crisis have severely undermined Zimbabwe's economic potential.

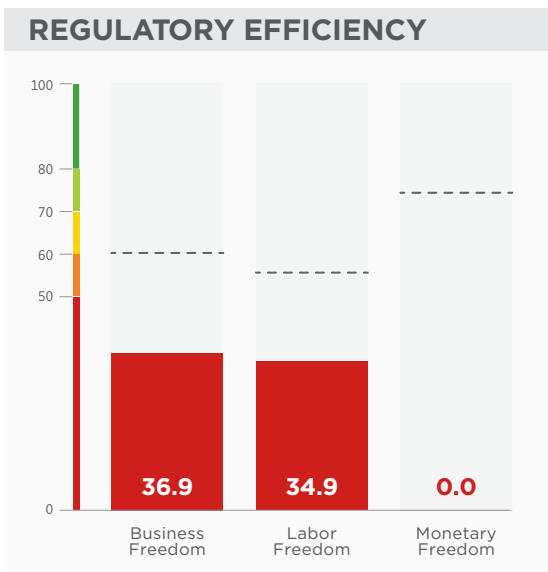
12 ECONOMIC FREEDOMS | ZIMBABWE



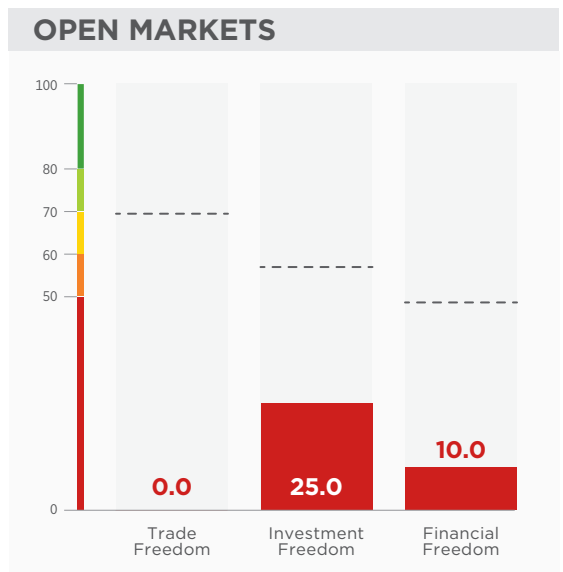
There is little protection of property rights. The protection of land rights is especially poor, and the nationalization of land in rural areas has left both commercial farmers and smallholders with limited security of tenure. The judiciary is generally impartial in nonpolitical cases, but the government interferes in politicized cases. Corruption remains endemic throughout government. Enforcement of anticorruption statutes often targets political opponents.



The top individual income tax rate is 51.5 percent, and the top corporate tax rate is 24 percent. Other taxes include value-added and capital gains taxes. The overall tax burden equals 12.6 percent of total domestic income. Government spending has amounted to 20.7 percent of total output (GDP) over the past three years, and budget deficits have averaged 1.7 percent of GDP. Public debt is equivalent to 88.9 percent of GDP.



Some progress has been made in reducing regulatory costs for businesses, but administrative delays and fees and weak institutions continue to be unresolved problems. Abusive forms of child labor are a subject of serious concern. Inflation remains out of control.



Zimbabwe has six preferential trade agreements in force. The trade-weighted average tariff rate is 67.7 percent, and seven formal nontariff measures are in effect. Trade flows remain low and severely constrained. Foreign investment in several sectors is capped. Government intervention has undermined the financial sector, and many banks lack liquidity. The state has used banks to finance deficit spending.