WORLD RANK: **138**

REGIONAL RANK: **31**

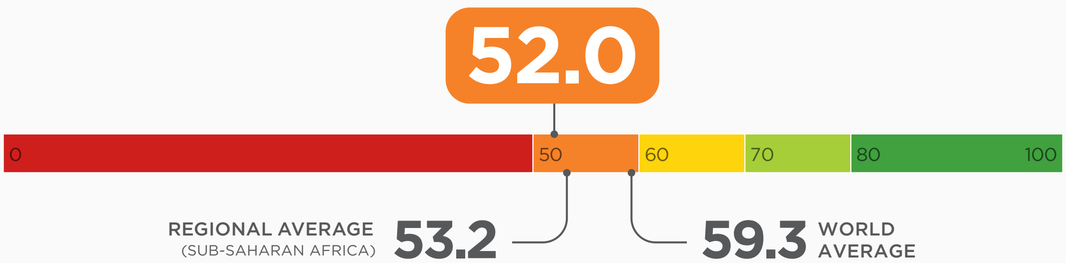
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

CHAD

Chad's economic freedom score is 52.0, making its economy the 138th freest in the 2023 *Index*. Its score is 2.2 points better than last year. Chad is ranked 31st out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the world and regional averages.

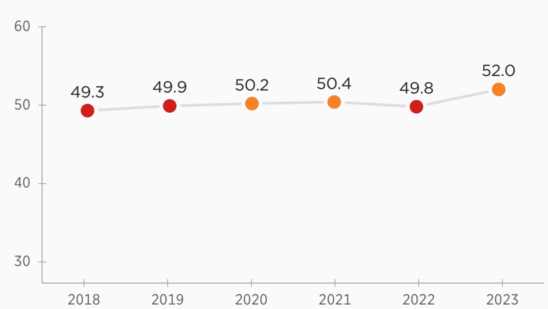
Chad performs poorly in many of the four pillars of economic freedom. In particular, the rule of law is too fragile to sustain meaningful economic progress. Protection of property rights remains weak, and corruption is rampant. Much-needed private-sector development is held back by an inefficient and unstructured regulatory system.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +6.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
16.9 million

GDP (PPP):
$27.0 billion
−1.1% growth in 2021
5-year compound annual growth 0.0%
$1,598 per capita

UNEMPLOYMENT:
1.1%

INFLATION (CPI):
−0.8%

FDI INFLOW:
$562.2 million

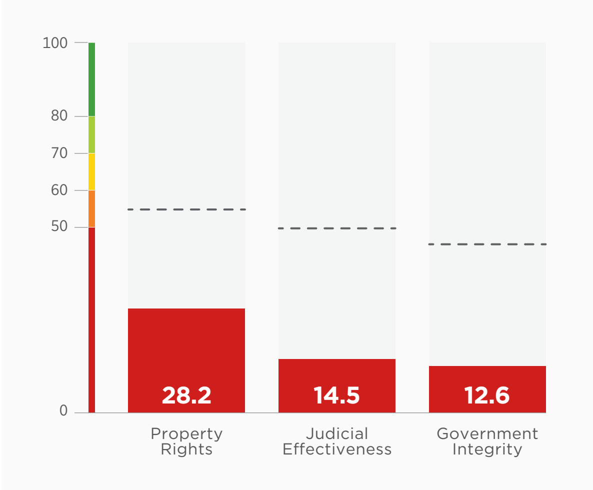
PUBLIC DEBT:
56.0% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

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 North flares up sporadically, and Chad remains at war with the Nigeria-based Boko Haram Islamist terrorists. President Idriss Déby seized power in 1990 and was killed in 2021 fighting a rebel advance. His son Mahamat subsequently took power, and promised elections have not been held. 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.

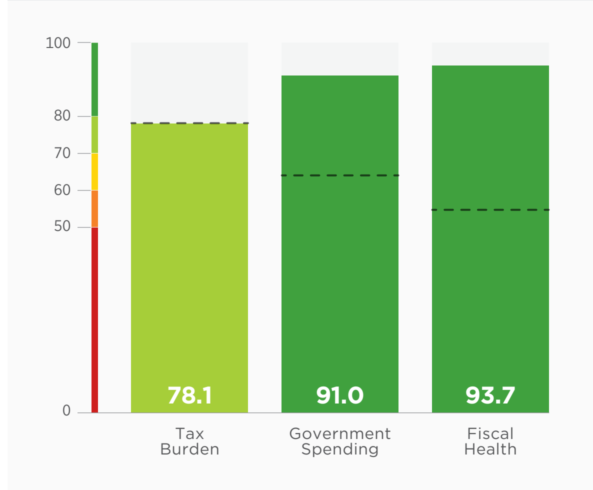
12 ECONOMIC FREEDOMS | CHAD

RULE OF LAW



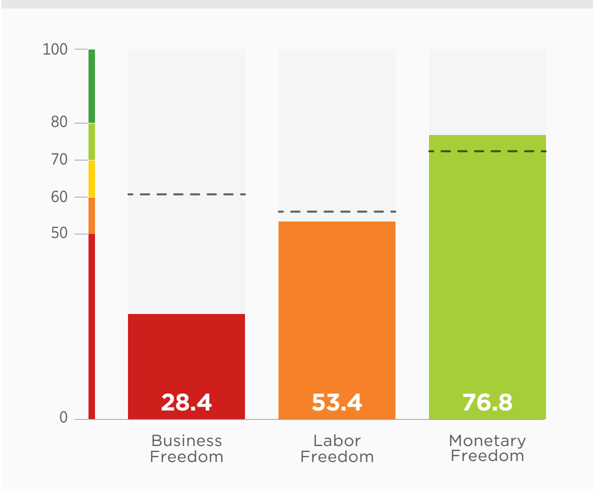
The overall rule of law is weak in Chad. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



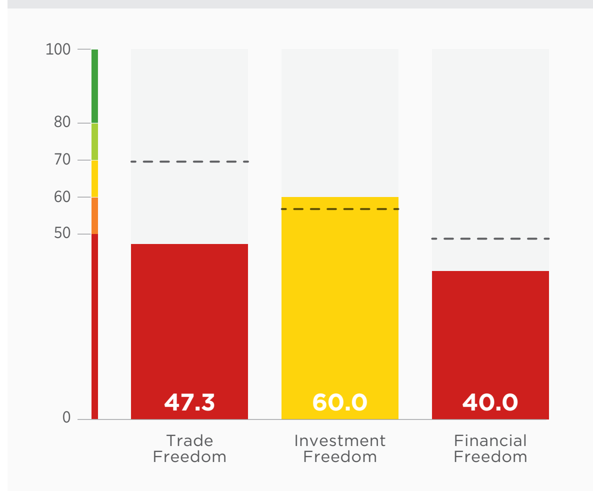
The top individual and corporate tax rates are, respectively, 30 percent and 35 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.3 percent and 0.0 percent of GDP. Public debt equals 56.0 percent of GDP.

REGULATORY EFFICIENCY



Business freedom is severely restricted by (among other things) poor infrastructure, lack of transportation, unreliable electricity, and poor contract enforcement. Skilled labor is uncommon. Most Chadians work in agriculture and livestock breeding. The most recent available inflation rate is –0.8 percent deflation.

OPEN MARKETS



The trade-weighted average tariff rate is 16.4 percent, and nontariff barriers further impede trade. Openness to foreign investment remains severely constrained by institutional weaknesses. The high cost of credit and scarce access to financing deter private-sector development.