

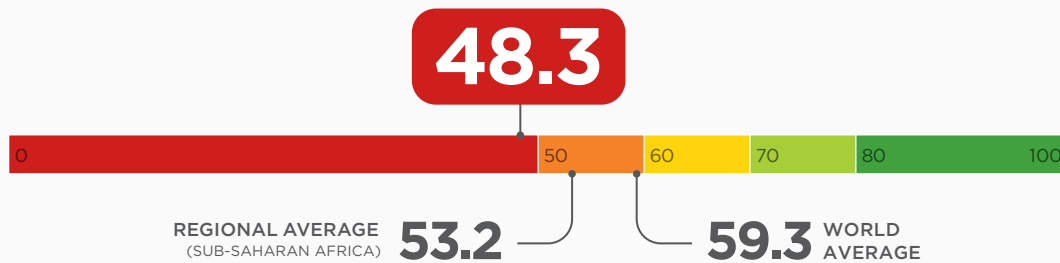
EQUATORIAL GUINEA



Equatorial Guinea's economic freedom score is 48.3, making its economy the 153rd freest in the 2023 *Index*. Its score is 1.1 points higher this year. Equatorial Guinea is ranked 37th out of 47 countries in the Sub-Saharan Africa region, and its score is below the regional and world averages.

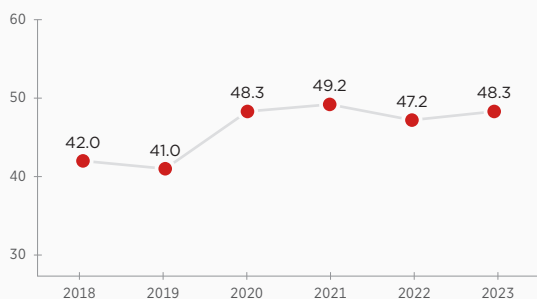
Persistent institutional weaknesses impede the emergence of a vibrant private sector, and improving the investment and business climate to generate more broadly based economic expansion remains a priority. Pervasive corruption further undermines the already weak rule of law, and limited economic reform has led to overreliance on natural resource-driven investment.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +3.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
1.4 million

GDP (PPP):
\$25.3 billion
-3.5% growth in 2021
5-year compound annual growth -5.3%
\$17,412 per capita

UNEMPLOYMENT:
n/a

INFLATION (CPI):
-0.1%

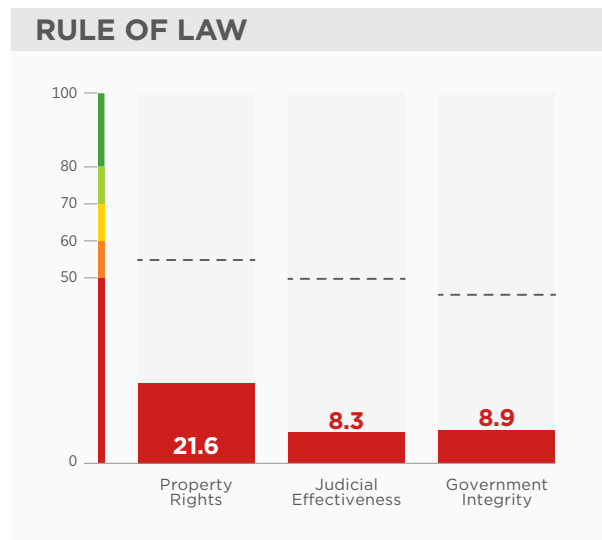
FDI INFLOW:
\$491.1 million

PUBLIC DEBT:
42.8% of GDP

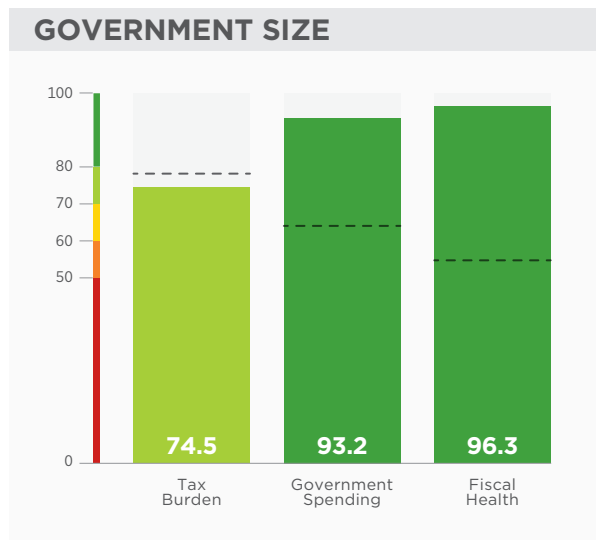
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Equatorial Guinea gained independence from Spain in 1968. President Teodoro Obiang, Africa's longest-serving leader, seized power in 1979 and won reelection in 2016 with 93 percent of the vote. The ruling party controls 99 of 100 parliamentary seats. In 2018, the Supreme Court approved the dissolution of the main opposition party and 30-year prison sentences for nearly two dozen members of the opposition. Obiang later declared a total amnesty for political prisoners. Equatorial Guinea was once one of Africa's fastest-growing economies and sub-Saharan Africa's third-largest oil producer, but corruption, falling oil revenues, and lack of diversification have hurt the economy.

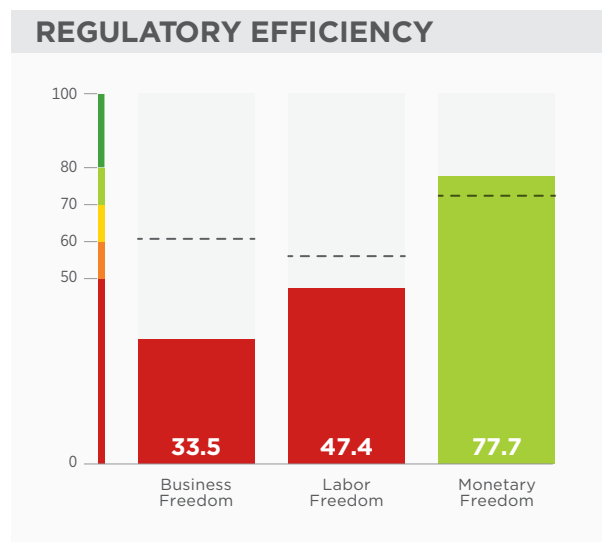
12 ECONOMIC FREEDOMS | EQUATORIAL GUINEA



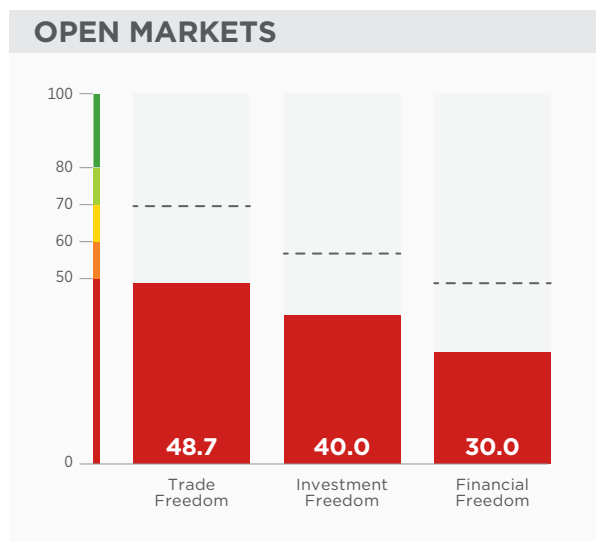
The overall rule of law is weak in Equatorial Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 35 percent. The tax burden equals 10.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.1 percent and 0.9 percent of GDP. Public debt equals 42.8 percent of GDP.



Despite some progress, constraints include cumbersome administrative procedures and the relatively high costs of complying with licensing requirements. In the absence of private-sector employment opportunities, an efficient labor market has not emerged. Monetary stability has been fragile, and price controls are imposed.



The most recent available average tariff rate is 15.6 percent. Onerous regulations, exacerbated by other institutional shortcomings, impede trade and foreign investment flows. High credit costs limit access to financing. The government controls long-term lending through the state-owned development bank.