



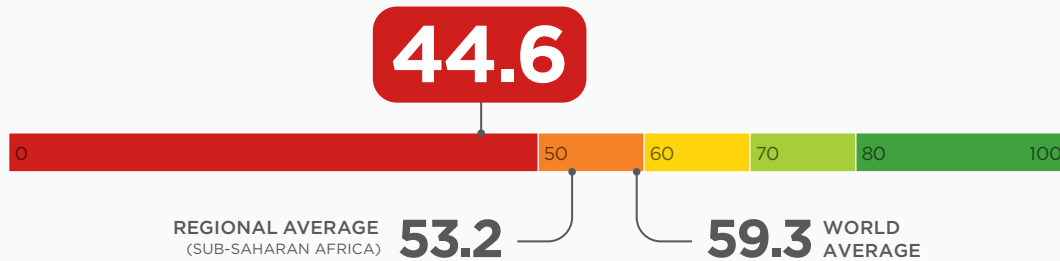
GUINEA-BISSAU

WORLD RANK: **165**
REGIONAL RANK: **42**
ECONOMIC FREEDOM STATUS: **REPRESSED**

Guinea-Bissau's economic freedom score is 44.6, making its economy the 165th freest in the 2023 *Index*. Its score has decreased by 1.4 points. Guinea-Bissau is ranked 42nd out of 47 countries in the Sub-Saharan Africa region, and its overall score remains well below the world and regional averages.

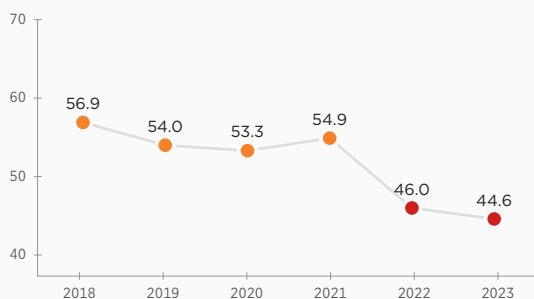
The economic foundations for long-term development remain notably weak. Guinea-Bissau's property rights and corruption scores are far below world averages, and the judicial system is inefficient and nontransparent. A lack of commitment to open-market policies discourages trade and investment growth and the emergence of a more dynamic private sector.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +11.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
2.0 million

GDP (PPP):
\$4.8 billion
3.8% growth in 2021
5-year compound
annual growth 3.6%
\$2,581 per capita

UNEMPLOYMENT:
3.2%

INFLATION (CPI):
3.3%

FDI INFLOW:
\$23.8 million

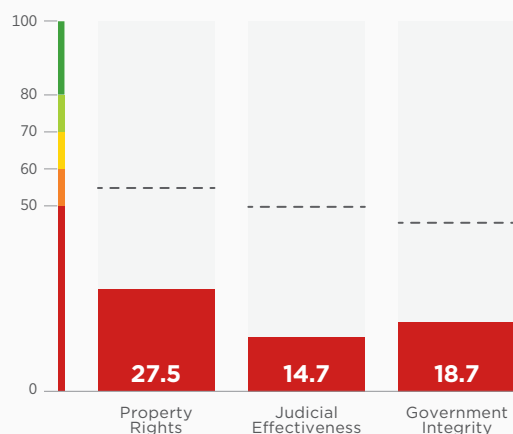
PUBLIC DEBT:
78.5% of GDP

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

BACKGROUND: Conflict has wracked Guinea-Bissau almost continuously since independence from Portugal in 1974. A contested presidential election in 2019 plunged the country into crisis before Umaro Sissoco Embaló, a former prime minister and general, was confirmed as sole president. Embaló survived an assassination attempt early in 2022, prompting the regional ECOWAS community to deploy a force in June to stabilize the country. Guinea-Bissau is highly dependent on subsistence agriculture, exports of cashew nuts, and foreign assistance, which normally accounts for about 80 percent of its budget. The incomes of approximately two-thirds of the population are below the extreme-poverty line.

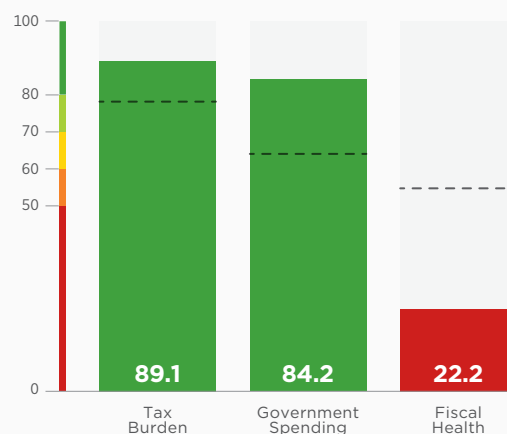
12 ECONOMIC FREEDOMS | GUINEA-BISSAU

RULE OF LAW



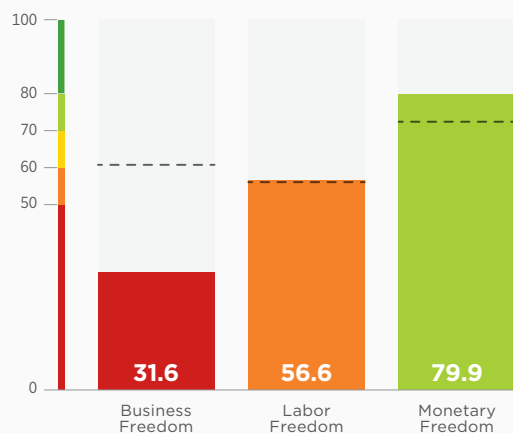
The overall rule of law is weak in Guinea-Bissau. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



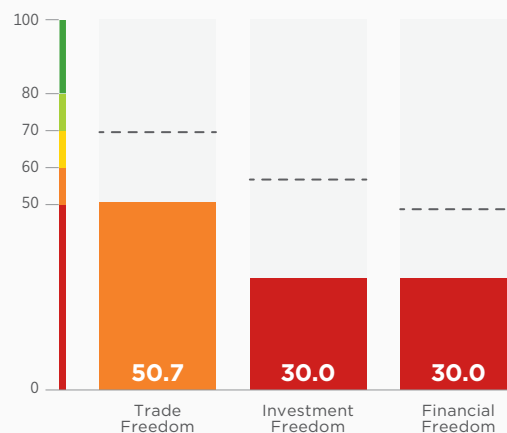
The top individual and corporate tax rates are, respectively, 20 percent and 25 percent. The tax burden equals 8.0 percent of GDP. Three-year government spending and budget balance averages are, correspondingly, 23.0 percent and -6.4 percent of GDP. Public debt amounts to 78.5 percent of GDP.

REGULATORY EFFICIENCY



With weak institutions and no stable government, Guinea-Bissau continues to have a difficult time improving its business climate. Much of the labor force is employed in the public sector or the informal economy. The most recent available inflation rate is 3.3 percent.

OPEN MARKETS



The trade-weighted average tariff rate is 14.7 percent, and nontariff barriers continue to impede trade. The law treats foreign and domestic investment equally, but openness to foreign investment is below average. High credit costs and scarce access to financing discourage entrepreneurial activity.