

SENEGAL

WORLD RANK: **103**

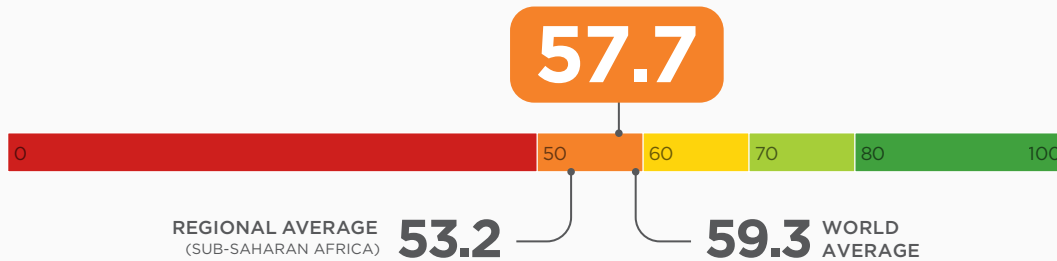
REGIONAL RANK: **13**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Senegal's economic freedom score is 57.7, making its economy the 103rd freest in the 2023 *Index*. Its score has decreased by 2.3 points since last year. Senegal is ranked 13th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

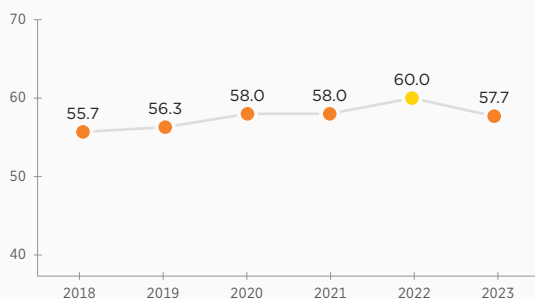
Progress toward greater economic freedom in Senegal has been uneven. The regulatory framework discourages dynamism and tends to curb development of the private sector. Despite some streamlining of business formation, deeper institutional reforms are needed to improve the foundations of economic freedom and encourage long-term economic development and greater poverty reduction.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -0.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
17.2 million

GDP (PPP):
\$64.8 billion
6.1% growth in 2021
5-year compound annual growth 5.1%
\$3,767 per capita

UNEMPLOYMENT:
2.9%

INFLATION (CPI):
2.2%

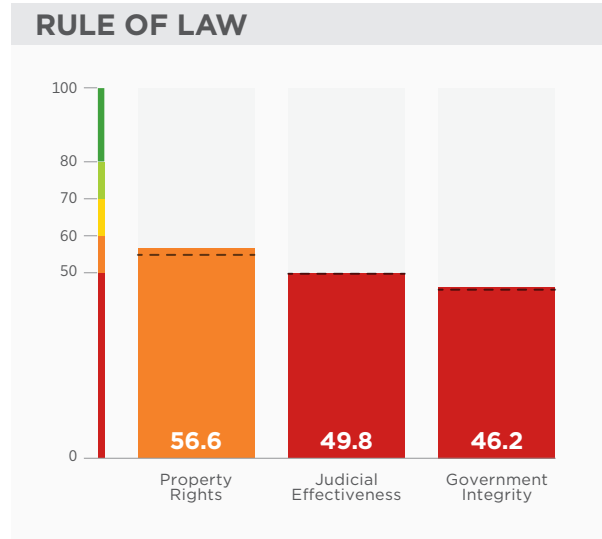
FDI INFLOW:
\$2.2 billion

PUBLIC DEBT:
73.2% of GDP

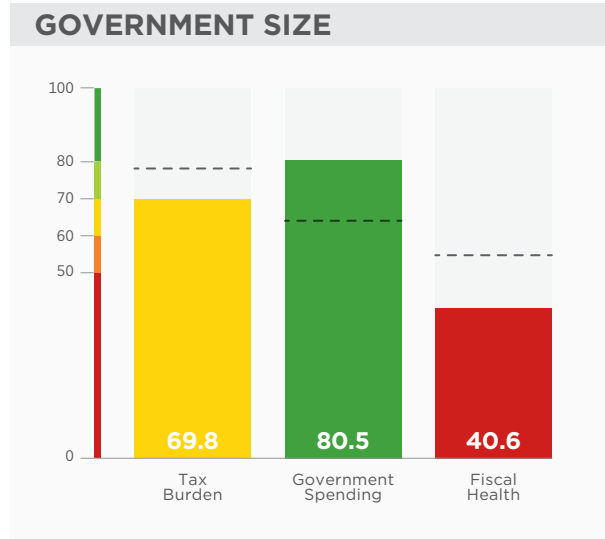
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Senegal achieved full independence from France in 1989. President Macky Sall was reelected in 2019 in accordance with a 2016 constitutional change that shortened presidential terms from seven to five years, prohibited the president from serving more than two terms, and reduced presidential power. Sall's two primary competitors were excluded from the election based on what the opposition claims were trumped-up charges of corruption. In July 2022 legislative elections, the ruling coalition won a scant one-seat majority. Phosphate mining, fertilizer production, construction, tourism, fisheries, and agriculture propel Senegal's economy. Major offshore oil and gas fields are also being developed.

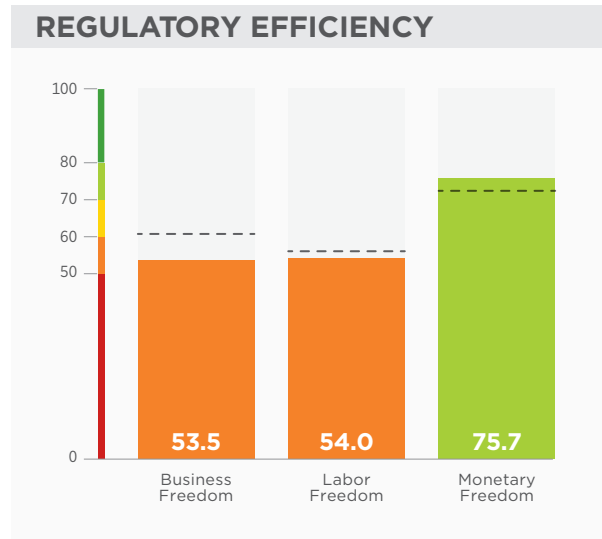
12 ECONOMIC FREEDOMS | SENEGAL



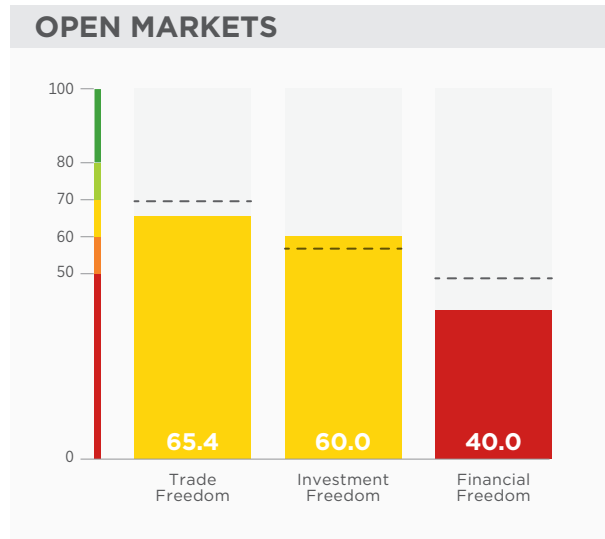
The overall rule of law is relatively well respected in Senegal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 43 percent and 30 percent. The tax burden equals 16.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.5 percent and -5.5 percent of GDP. Public debt equals 73.2 percent of GDP.



Licensing requirements are time-consuming and cost over four times the level of average income. The agricultural sector employs about 70 percent of working Senegalese, and a formal urban labor market has been slow to emerge. The most recent available inflation rate is 2.2 percent.



The trade-weighted average tariff rate is 9.8 percent, and layers of complex nontariff barriers are in force. The bureaucratic approval process and poor investment infrastructure can discourage investors. High credit costs and scarce access to financing continue to constrain the small private sector.