

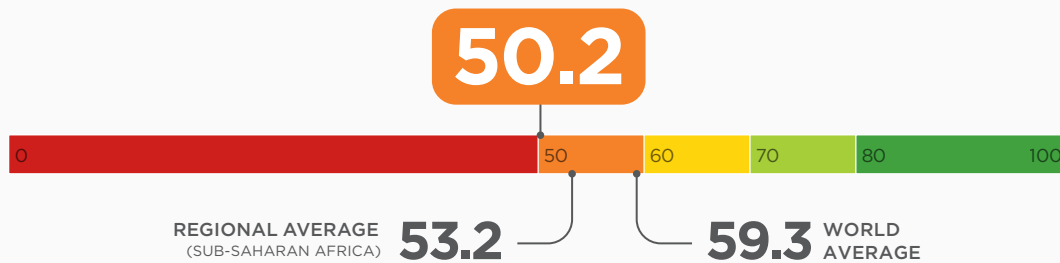
SIERRA LEONE

WORLD RANK: **148**
 REGIONAL RANK: **35**
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Sierra Leone's economic freedom score is 50.2, making its economy the 148th freest in the 2023 *Index*. Its score is 1.8 points lower than last year. Sierra Leone is ranked 35th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

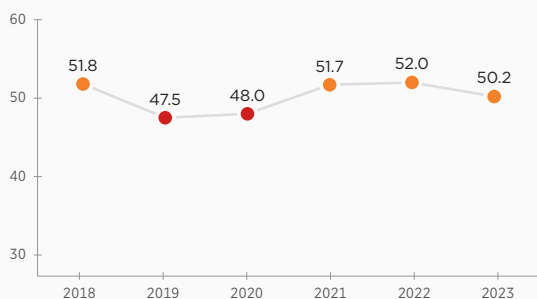
Sierra Leone has invested in improving its legal and physical infrastructure, the foundations of economic freedom remain beset by structural and institutional problems. The rule of law is weak, and corruption continues to deter private-sector development. Inefficient regulatory enforcement impedes expansion and diversification of the productive base.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
8.1 million

GDP (PPP):
\$14.8 billion
3.2% growth in 2021
5-year compound annual growth 2.7%
\$1,818 per capita

UNEMPLOYMENT:
3.2%

INFLATION (CPI):
11.9%

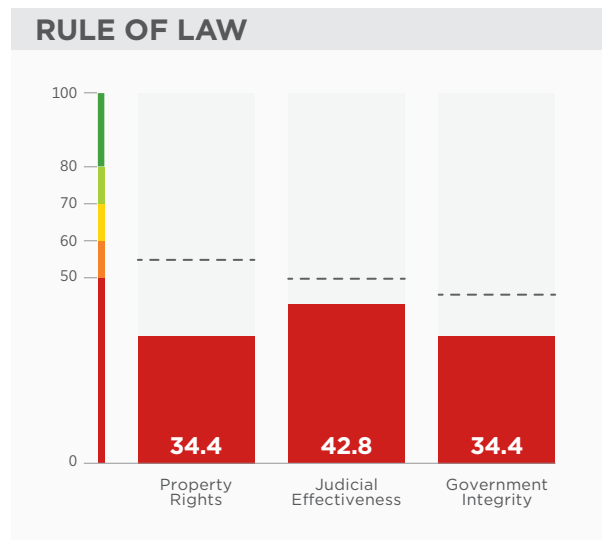
FDI INFLOW:
\$218.3 million

PUBLIC DEBT:
79.3% of GDP

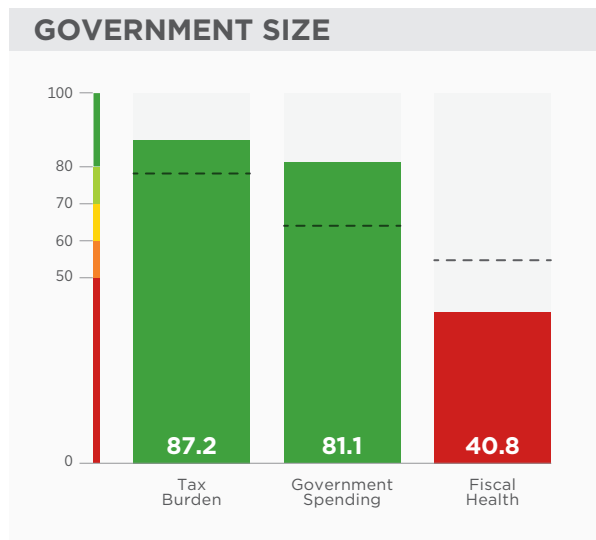
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Sierra Leone became independent from the United Kingdom in 1961. A civil war killed or displaced about a third of the population in the 1990s, and the first peaceful transfer of power did not occur until 2007. Former junta leader Julius Maada Bio of the Sierra Leone People's Party won the presidency in 2018. Dozens of people were killed in August 2022 during protests against the rising cost of living. Gem-quality diamonds account for nearly half of exports. Much of the population depends on subsistence agriculture, and political instability hinders development of the country's substantial mineral, agricultural, and fishery resources.

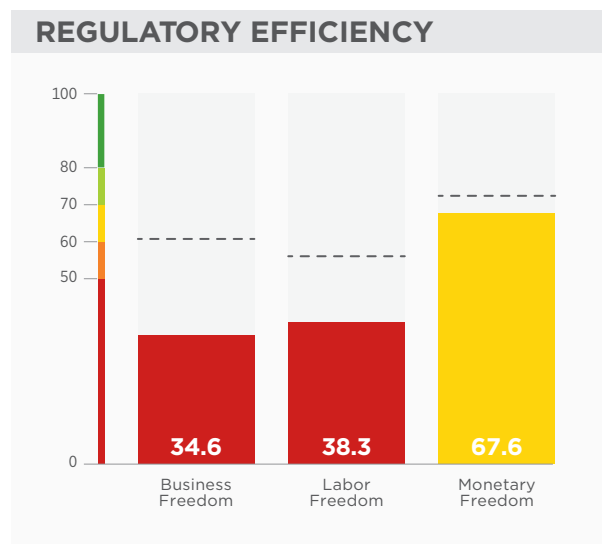
12 ECONOMIC FREEDOMS | SIERRA LEONE



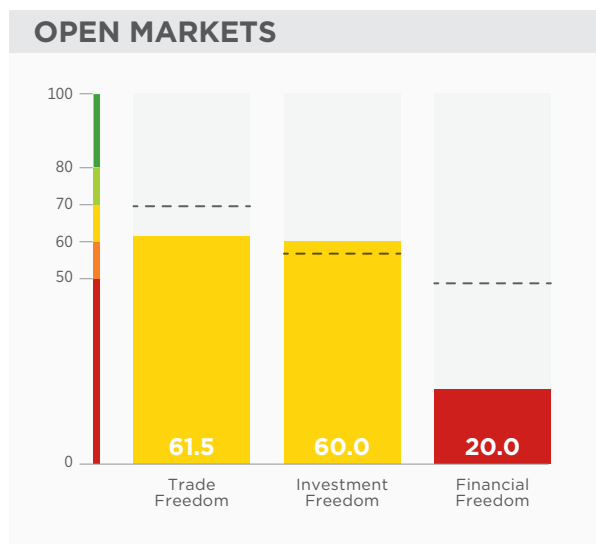
The overall rule of law is weak in Sierra Leone. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 30 percent. The tax burden equals 12.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.1 percent and -5.4 percent of GDP. Public debt equals 79.3 percent of GDP.



Legislative, institutional, and regulatory challenges abound. Licensing requirements are time-consuming. Outmoded labor regulations have little practical impact as much of the labor force is employed in the informal sector. Inflation has been chronically high. The most recent available inflation rate is 11.9 percent.



The trade-weighted average tariff rate is 14.2 percent, and nontariff barriers add to the cost of trade. Instability and the weak rule of law continue to discourage much-needed long-term investment. The state controls the majority of bank assets.