WORLD RANK: **95**

REGIONAL RANK: **9**

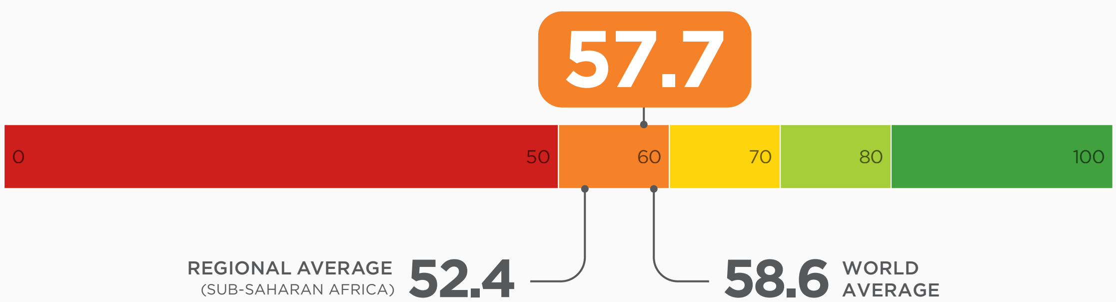
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

BENIN

Benin's economic freedom score is 57.7, making its economy the 95th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 2.1 points from last year, and Benin is ranked 9th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Benin's economy is considered "mostly unfree" according to the 2024 *Index*.

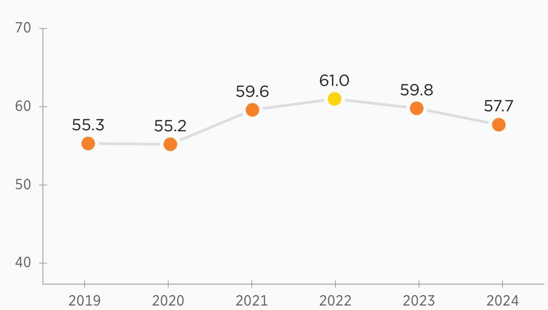
The lack of political momentum continues to impede necessary reform. The most visible constraints on private-sector development are related to the weak rule of law. Bureaucratic inefficiency and corruption affect much of the economy, undermining the foundations of economic freedom. Efforts to increase power generation capacity have aimed to stimulate economic growth. Expansion of the privately managed port of Cotonou, which accounts for approximately 60 percent of GDP, could encourage growth by increasing port services to regional neighbors.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +3.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
12.5 million

GDP (PPP):
$54.2 billion
6.3% growth in 2022
5-year average growth rate: 6.2%
$4,048 per capita

UNEMPLOYMENT:
1.6%

INFLATION (CPI):
1.4%

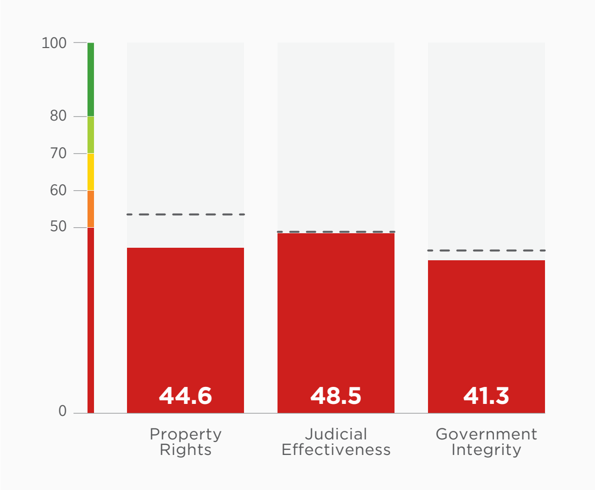
FDI INFLOW:
$267.0 million

PUBLIC DEBT:
54.2% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

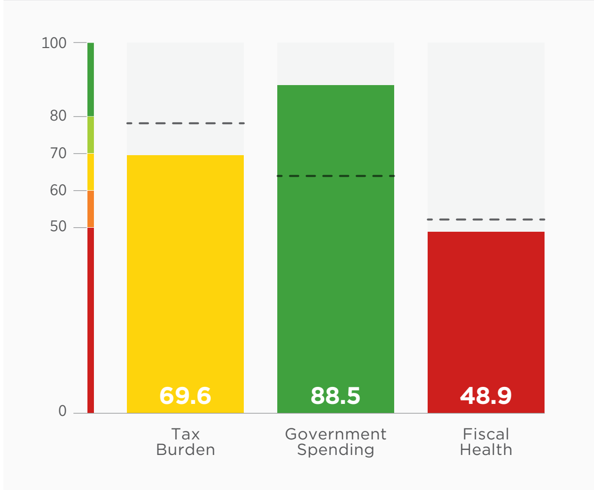
12 ECONOMIC FREEDOMS | BENIN

RULE OF LAW



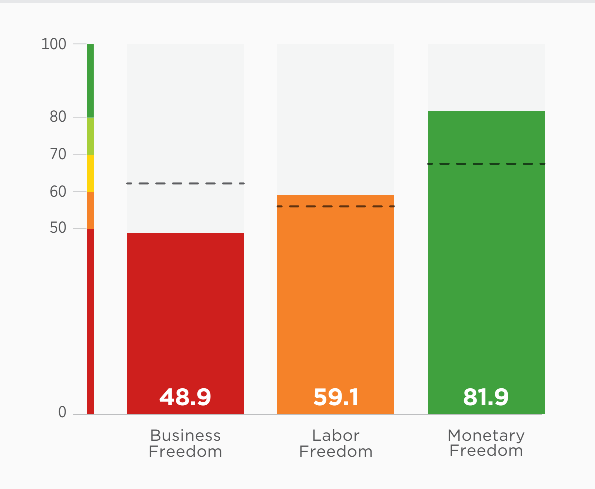
The overall rule of law is weak in Benin. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



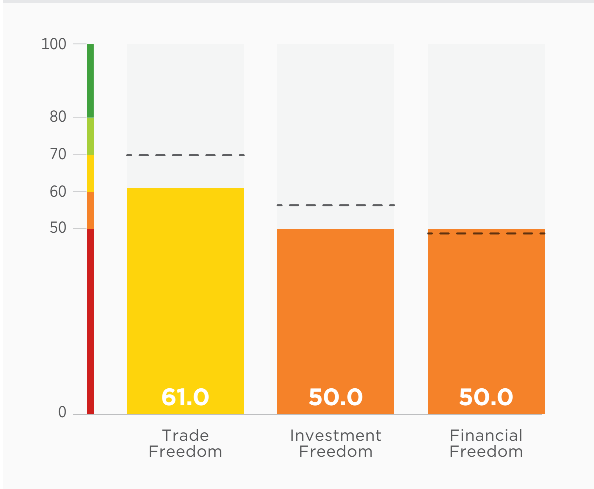
The top individual income tax rate is 45 percent, and the top corporate tax rate is 30 percent. The tax burden equals 10.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.6 percent and –5.3 percent of GDP. Public debt amounts to 54.2 percent of GDP.

REGULATORY EFFICIENCY



Benin's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.

OPEN MARKETS



The trade-weighted average tariff rate is 12.0 percent, and nontariff measures are in effect. Dynamic flows of foreign investment are constrained by persistent policy and institutional weaknesses. Despite the development of microfinance institutions, overall access to credit remains low.