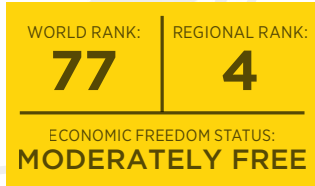


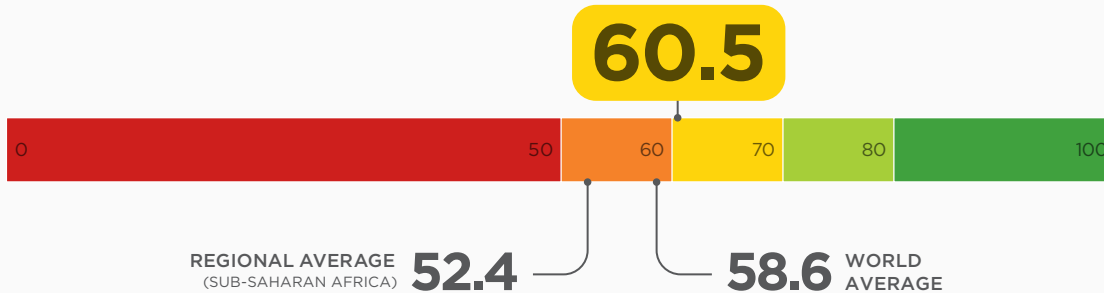
SÃO TOMÉ AND PRÍNCIPE



São Tomé and Príncipe's economic freedom score is 60.5, making its economy the 77th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1 point from last year, and São Tomé and Príncipe is ranked 4th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. São Tomé and Príncipe's economy is considered "moderately free" according to the 2024 *Index*.

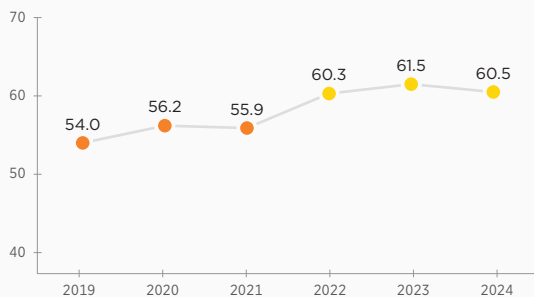
Institutional weaknesses continue to limit the country's economic freedom, undercutting the enhancement of private-sector dynamism. The judicial system's lack of capacity to defend property rights effectively undermines prospects for more sustainable economic development. The time needed to start a company has been reduced, and licensing requirements have been simplified, but overall regulatory efficiency remains weak. In the absence of a well-functioning labor market, informal labor activity remains significant. Monetary stability has been weak.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +16.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.2 million

GDP (PPP):
\$923.0 million
0.1% growth in 2022
5-year average growth rate: 2.2%
\$4,067 per capita

UNEMPLOYMENT:
15.9%

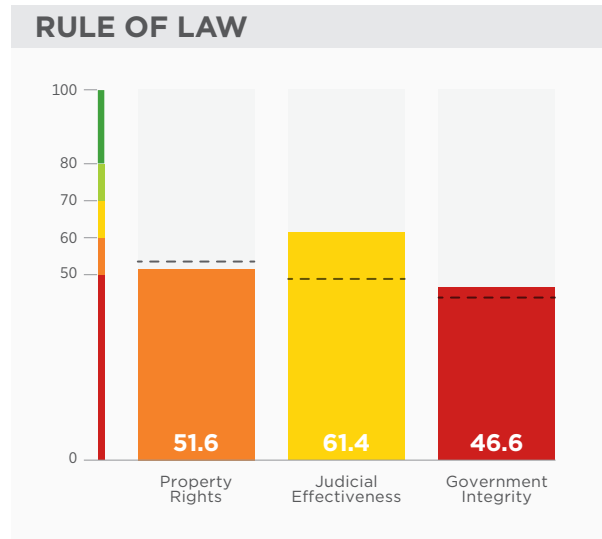
INFLATION (CPI):
18.0%

FDI INFLOW:
\$127.0 million

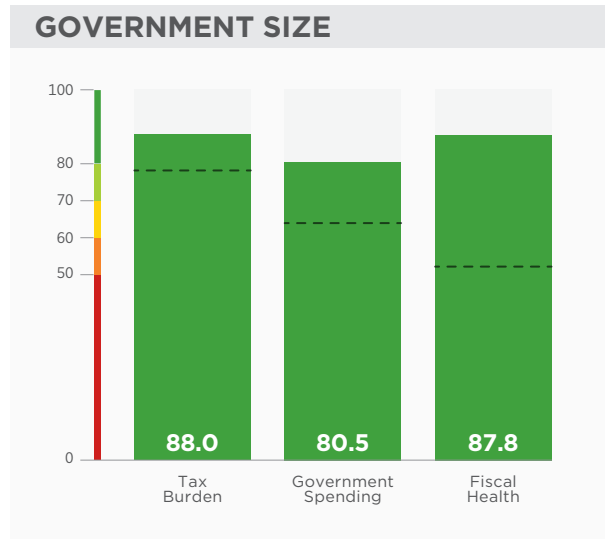
PUBLIC DEBT:
77.7% of GDP

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

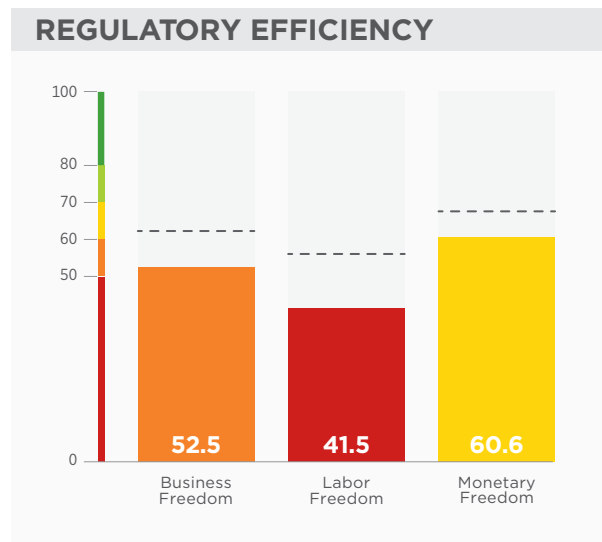
12 ECONOMIC FREEDOMS | SÃO TOMÉ AND PRÍNCIPE



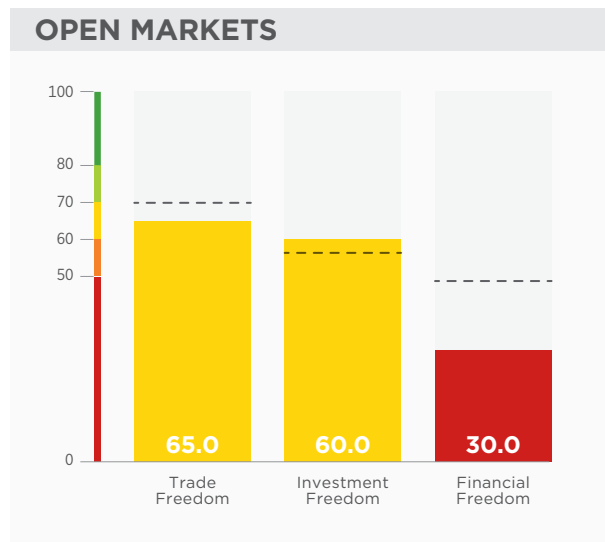
The overall rule of law is relatively well respected in São Tomé and Príncipe. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 25 percent. The tax burden equals 13.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.5 percent and -0.3 percent of GDP. Public debt amounts to 77.7 percent of GDP.



São Tomé and Príncipe's overall regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is far below the world average; its labor freedom score is below the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 10.0 percent, and layers of nontariff barriers further limit trade freedom. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit, particularly long-term credit, remains very limited.