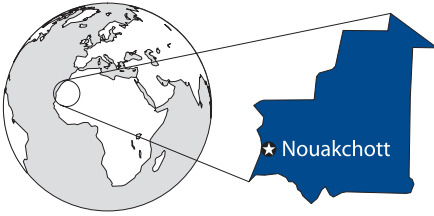


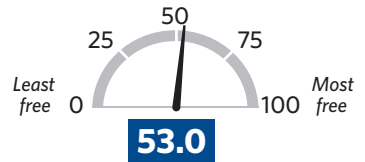
# MAURITANIA



World Rank: **131**

Regional Rank: **26**

## Economic Freedom Score



**M**auritania's economic freedom score is 53.0, making its economy the 131st freest in the 2012 *Index*. Its score has increased by 0.9 point since last year, with significant improvements in investment freedom, labor freedom, and business freedom; freedom from corruption declined. Mauritania is ranked 26th out of 46 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

The Mauritanian economy has grown from its low productive base at an average annual rate of close to 4 percent over the past five years. Economic expansion has been aided by reform efforts that, although limited in scope, have enhanced the business and investment environments.

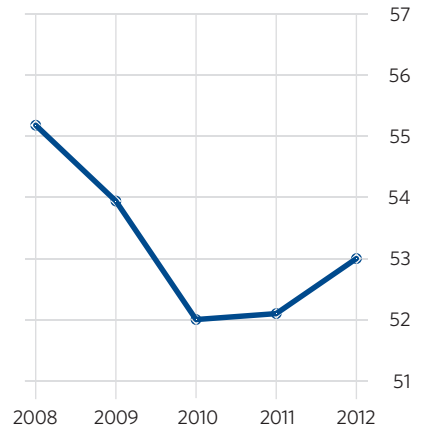
However, the economy suffers from serious institutional weaknesses that perpetuate a poor entrepreneurial environment and undercut prospects for long-term economic development. The protection of property rights is weak, and limited enforcement of the already fragile rule of law remains subject to pervasive political influence. Burdensome barriers to trade and the shallowness of the financial sector continue to hurt overall economic efficiency.

**BACKGROUND:** A military junta ruled Mauritania from 1978 until 1992, when the first multi-party elections were held. After President Sidi Ould Cheikh Abdallahi was overthrown in 2008, General Mohamed Ould Abdel Aziz declared himself president of the Higher State Council that ruled until elections in July 2009, which were won by Aziz. Frustration with the government has increased, and a youth protest movement is demanding greater political freedom and improved living standards. Popular discontent threatened the president's parliamentary alliance in the approach to elections scheduled for October 2011, and the elections were postponed at the request of several political parties. There are recurring ethnic tensions within the mixed population of Moors and Black Africans. Mauritania is predominantly desert and beset by drought, poor harvests, and unemployment. Mining and fishing dominate the economy. Offshore oil production began in 2006.

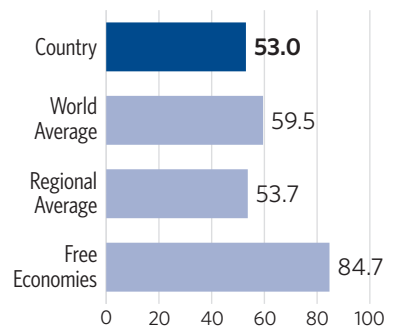
### How Do We Measure Economic Freedom?

See page 455 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

## Freedom Trend



## Country Comparisons

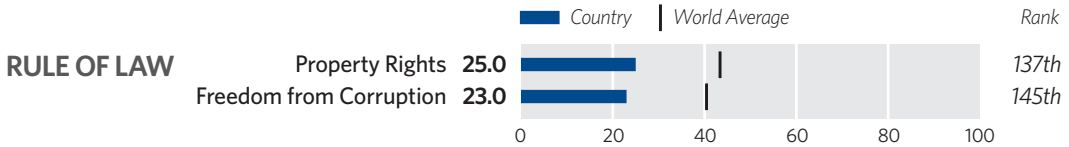


## Quick Facts

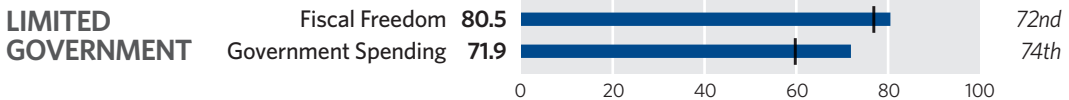
**Population:** 3.2 million  
**GDP (PPP):** \$6.7 billion  
 4.7% growth in 2010  
 5-year compound annual growth 3.8%  
 \$2,093 per capita  
**Unemployment:** 36.0%  
**Inflation (CPI):** 6.1%  
**FDI Inflow:** \$13.6 million  
**Public Debt:** 86.2% of GDP

2010 data unless otherwise noted.  
 Data compiled as of September 2011.

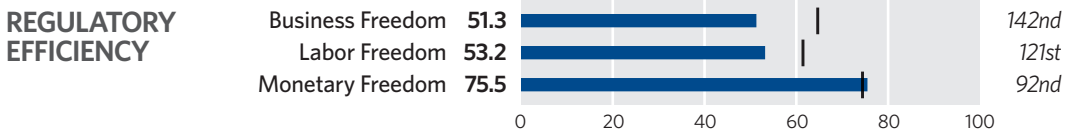
**THE TEN ECONOMIC FREEDOMS**



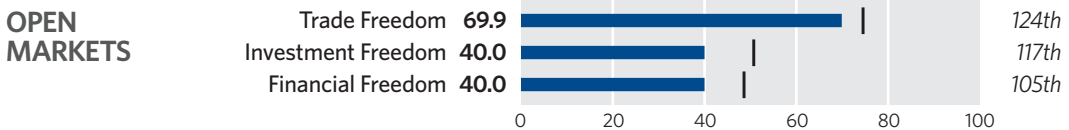
Mauritania’s judicial system is chaotic and corrupt. The judiciary is influenced by the executive. Poorly trained judges are intimidated by social, financial, tribal, and personal pressures. Mauritania signed and ratified the World Trade Organization’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement in 1994 but has yet to implement it. Widespread corruption weakens the government’s ability to provide needed services.



The top income tax rate is 33 percent, and the top corporate tax rate is 25 percent. Other taxes include a value-added tax (VAT), and the overall tax burden amounts to 15.2 percent of total domestic income. Government spending has increased to a level equivalent to 30 percent of total domestic output. The budget balance continues to be in deficit, with public debt standing at around 86 percent of GDP.



The overall regulatory environment imposes significant burdens on potential entrepreneurs. The minimum capital requirement for launching a business is over three times the level of average annual income. Obtaining necessary licenses is time-consuming and costly. Outmoded labor regulations hinder job creation, and the absence of a well-functioning labor market has resulted in chronically high unemployment. Inflation has been rising gradually.



The trade weighted average tariff rate is high at 10.1 percent, and numerous non-tariff barriers further constrain freedom to trade. Despite some progress, investors continue to be subject to complicated bureaucratic procedures and uncertainty caused by political instability. Progress in modernizing the financial sector has been sluggish and limited. Given the financial system’s lack of depth, capital markets are virtually nonexistent.

**Score Changes**

RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	0	Fiscal Freedom	-0.6	Business Freedom	+3.0	Trade Freedom	0
Freedom from Corruption	-2.0	Government Spending	-2.0	Labor Freedom	+2.9	Investment Freedom	+10.0
				Monetary Freedom	-1.9	Financial Freedom	0