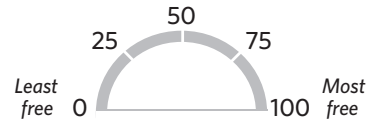


# SUDAN

## Economic Freedom Score



This economy is not graded

World Rank: **N/A**

Regional Rank: **N/A**

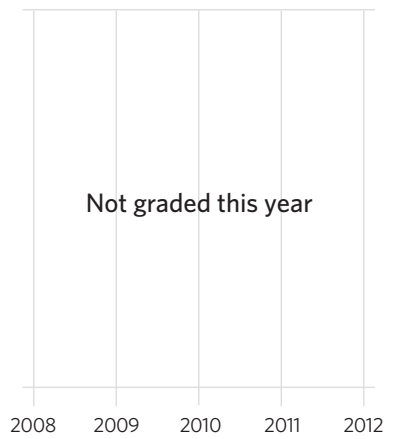
**S**udan's economic freedom is not graded because of the lack of sufficient data. The last time Sudan was fully graded was in 2000, when it received a score of 47.2.

A political settlement that established a new breakaway Republic of South Sudan in July 2011 offered some hope for cessation of the violence and political instability that have wracked the country and ruined prospects for sustainable development. Sudan has taken very limited steps to expand its productive base. It has widened the tax base, and the small services sector has been marginally expanding. The large informal economy has been an important source of employment in the fragile economy.

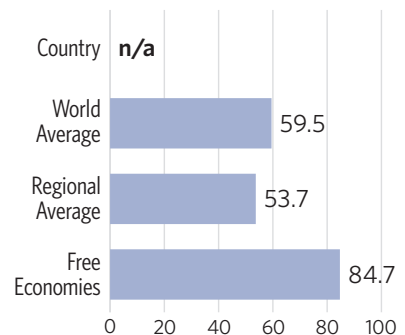
Outside of the hydrocarbon sector, economic development is limited by the region's ongoing political instability. Attempts to develop and diversify the economy are constrained by a lack of institutional capacity. Regulations governing investment and banking are opaque and subject to frequent change, further discouraging entrepreneurial activity. Insufficient respect for private property rights and rampant corruption are serious drags on long-term development of the private sector.

**BACKGROUND:** In April 2010, President Omar Hassan al-Bashir, in power since a 1989 military coup, won Sudan's first multi-party elections in 24 years. International observers criticized the elections for polling and vote-counting irregularities. The International Criminal Court indicted Bashir in 2009 for war crimes and crimes against humanity in Darfur, where more than 2 million people have been displaced and more than 200,000 killed. In July 2011, southern Sudan became an independent state. Unresolved issues include citizenship, allocation of borders, and oil rights. The border areas of Abyei and South Kordofan also pose challenges. Instability, poor infrastructure, mismanagement, and corruption hinder development, and exports other than oil are largely stagnant. Sudan has lost two-thirds of its oil revenue to the South.

## Freedom Trend



## Country Comparisons



## Quick Facts

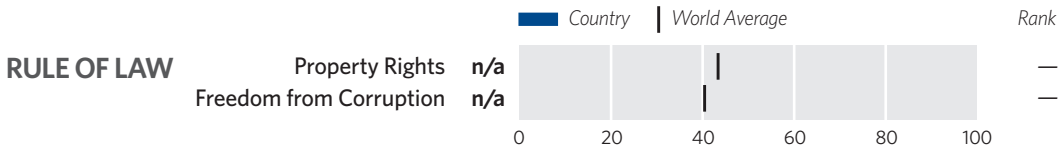
**Population:** 40.1 million  
**GDP (PPP):** \$100.0 billion  
 5.1% growth in 2010  
 5-year compound annual growth 7.8%  
 \$2,492 per capita  
**Unemployment:** 18.7%  
**Inflation (CPI):** 13.0%  
**FDI Inflow:** \$1.6 billion  
**Public Debt:** 71.0% of GDP

### 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).

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

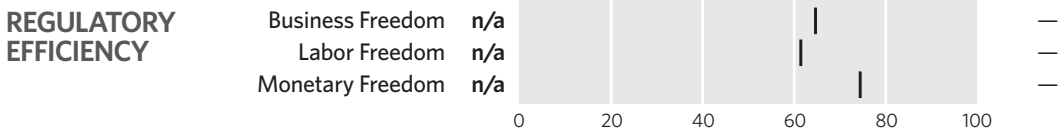
**THE TEN ECONOMIC FREEDOMS**



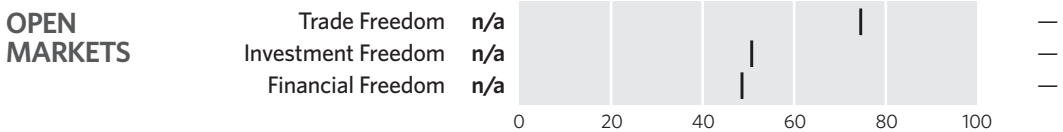
The rule of law remains fragile and uneven across the country. There is little respect for private property, with the legal framework severely hampered by years of political conflict. The government influences the judiciary, and the military and civil authorities do not follow due process to protect private property. Widespread corruption continues to weaken the government's capacity to provide basic services.



The top income tax rate is 10 percent, and the top corporate tax rate is 35 percent. Taxation has been administered erratically. In the most recent year, overall tax revenue as a percentage of GDP was estimated to be below 10 percent. Though oil revenues have begun to rebound, the non-oil sector needs greater structural support. Government spending is estimated to be below one-third of total domestic output, with public debt around 80 percent of GDP.



Sudan's entrepreneurial environment is not conducive to private-sector development. Inconsistent enforcement of regulations and other institutional shortcomings, including a dysfunctional court system, often impede business activity and prevent sustained economic development. The labor market remains underdeveloped, and much of the labor force is employed in the informal sector. Monetary stability has been severely undermined.



The trade weighted average tariff rate is estimated to be less than 10 percent, but extensive non-tariff barriers severely constrain freedom to trade. Political instability, coupled with an outmoded regulatory environment and inadequate infrastructure, significantly deters private investment. A large portion of the population remains outside of the formal banking sector, and access to credit remains limited.

**Score Changes**

RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	n/a	Fiscal Freedom	n/a	Business Freedom	n/a	Trade Freedom	n/a
Freedom from Corruption	n/a	Government Spending	n/a	Labor Freedom	n/a	Investment Freedom	n/a
				Monetary Freedom	n/a	Financial Freedom	n/a