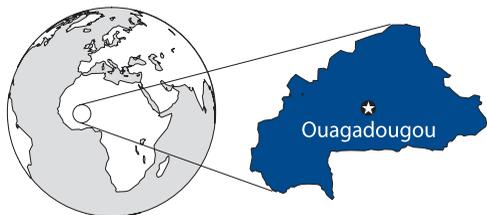


BURKINA FASO



World Rank: **102**

Regional Rank: **13**

Economic Freedom Score



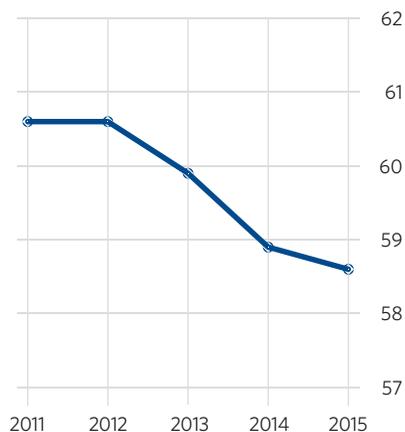
Burkina Faso's economic freedom score is 58.6, making its economy the 102nd freest in the 2015 *Index*. Its overall score has decreased by 0.3 point since last year, with improvements in half of the 10 economic freedom, including freedom from corruption and investment freedom, offset by declines in business freedom and property rights. Burkina Faso is ranked 13th out of 46 countries in the Sub-Saharan Africa region, and its overall score is above the regional average.

Over the past five years, Burkina Faso's economic freedom has been declining. Since 2011, when it registered its highest economic freedom score ever, Burkina Faso has fallen back to the "mostly unfree" category. Improvements in investment freedom, labor freedom, and monetary freedom have been counterbalanced by significant declines in business freedom, financial freedom, and trade freedom.

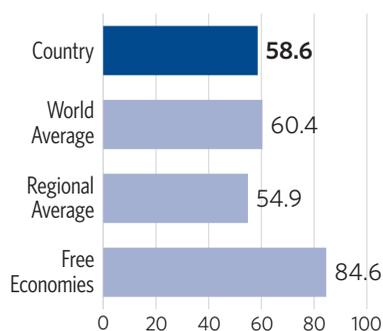
Deeper structural and institutional reforms are critically needed to maintain stability and ensure long-term economic development. Systemic weaknesses in the protection of property rights, exacerbated by an inefficient judicial system that remains vulnerable to political influence, hinder the development of a more vibrant entrepreneurial environment.

BACKGROUND: President Blaise Compaoré had ruled the former French colony since seizing power in 1987, but was ousted in a coup in late 2014. The country now faces a year of political transition. In 2013, Burkina Faso sent 500 troops to Mali to help secure the northern half of the country from Tuareg separatists and groups linked to al-Qaeda. As many as 33,000 Malian refugees remain in Burkina Faso, despite efforts to repatriate the refugees back to Mali. Burkina Faso is the world's third-poorest country, with an estimated poverty rate of 46 percent, and relies heavily on cotton and gold exports. Approximately 90 percent of the population depends on subsistence agriculture. Ongoing problems include inflation and endemic corruption.

Freedom Trend



Country Comparisons



Quick Facts

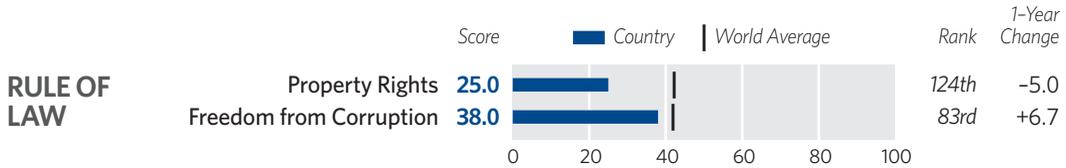
Population: 16.8 million
GDP (PPP): \$26.6 billion
 6.8% growth in 2013
 5-year compound annual growth 6.4%
 \$1,585 per capita
Unemployment: 3.1%
Inflation (CPI): 2.0%
FDI Inflow: \$374.3 million
Public Debt: 33.3% of GDP

How Do We Measure Economic Freedom?

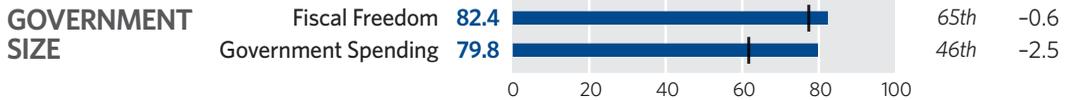
See page 475 for an explanation of the methodology or visit the *Index* Web site at heritage.org/index.

2013 data unless otherwise noted.
 Data compiled as of September 2014.

THE TEN ECONOMIC FREEDOMS



Burkina Faso, one of the world’s poorest and least developed countries, has never experienced a peaceful transition of power. President Compaoré, who seized power in 1987, was ousted in a coup in 2014. Corruption is widespread, especially in public procurement, and the judiciary is weak. Members of the presidential family and the ruling party have controlled key economic activities.



The top individual income and corporate tax rates are 27.5 percent. Other taxes include a value-added tax. The overall tax burden is equivalent to 15.8 percent of gross domestic product. Government expenditures make up 25.9 percent of the domestic economy, and public debt amounts to 33 percent of total domestic output.



The inefficient business environment continues to impede broader economic development. The minimum capital required to start a business exceeds three times the level of average annual income. Getting necessary permits takes more than 100 days. In the absence of a well-functioning labor market, informal labor activity persists in many sectors. The state subsidizes fuels and electricity and maintains price supports for cotton.



Burkina Faso has an average tariff rate of 8.4 percent. Importing goods is time-consuming and expensive. The government must compensate investors in the event of expropriation of property. The financial system remains underdeveloped. Banks have continued to increase their domestic assets, and there are several microfinance institutions, but overall access to credit remains limited.

Long-Term Score Change (since 1996)

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	-5.0	Fiscal Freedom	+15.7	Business Freedom	+9.6	Trade Freedom	+13.2
Freedom from Corruption	+28.0	Government Spending	-4.5	Labor Freedom	+14.0	Investment Freedom	-5.0
				Monetary Freedom	+20.9	Financial Freedom	+10.0