

Sierra Leone Inclusive Growth Diagnostic (IGD) Screening Profile¹

Economic Overview

Sierra Leone is a low income country of 6.0 million people, 51.7 percent of whom (3.1 million) lived in extreme poverty (below \$1.25/day) in 2011, that percentage having dropped slightly from 53.4% in 2003. Its average per capita income (PPP GNI in current international US dollars) was \$1460 in 2012, having grown by more than 5% annually in real terms over the previous 10 years. Despite this high growth rate, Sierra Leone's 2012 per capita income level was in 169th place in the World Bank's list of 184 countries with data for that year (as of this writing). The 2014 UNDP Human Development Index ranked Sierra Leone an extremely low 183 out of 187 countries evaluated. Sierra Leone's Gini index, at 35.4 in 2011, indicates a less skewed distribution of income than in many countries; and it had declined from 42.5 in 2003.

The adult (ages 15-64) labor force participation rate in 2012 was 68.7%, lower than the average for low income countries (77.4%) and for Sub-Saharan Africa countries (71.0%). The adult female labor force participation rate of 67.7% was higher than the average for Sub-Saharan Africa countries (64.9%) but lower than that for low income countries (70.8%). The ratio of female to male labor participation rate in Sierra Leone was 95.4%, compared with the 84.0% and 84.2% for Sub-Saharan Africa and low income country averages, respectively. [World Bank World Development Indicators (WB WDI)]

WB WDI reported Sierra Leone's consumer price inflation as 12.9% in 2012, down from 16.6% in 2010, and that Sierra Leone had a fiscal budget deficit of -5.2% of GDP in 2012. The 2014-15 World Economic Forum Global Competitiveness Index (WEF GCI) reported a smaller government budget balance of -2.2% of GDP. The GCI ranked Sierra Leone a high 44 out of 144 countries for general government debt (only 32.6% of GDP, see Appendix Table 2). Agriculture contributed 56.7% of GDP in 2011, services 35.0%, and industry 8.3%, the latter declining from 12.6% in 2004 while agriculture increased from 51.8% (WB WDI).

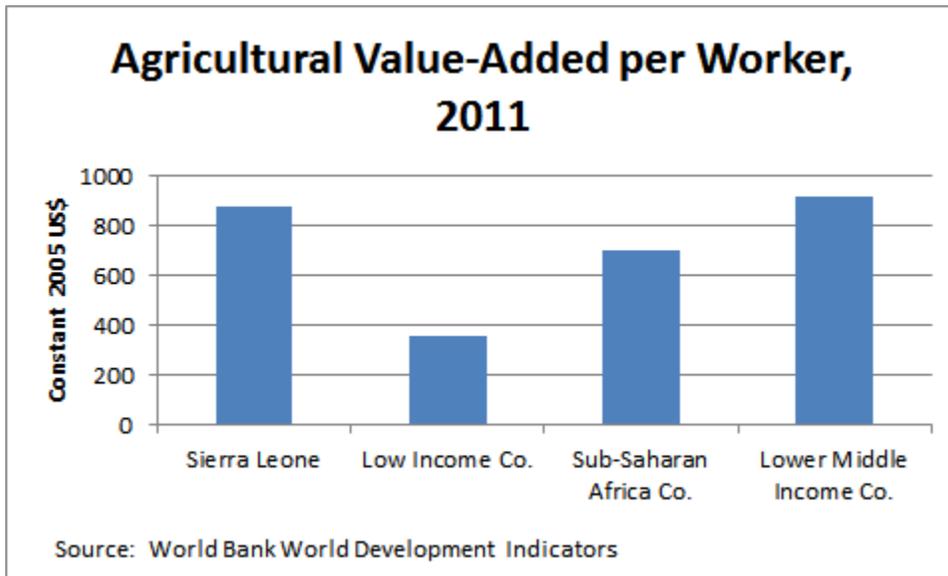
Based on the indicators discussed below, two overriding characteristics stand out: Sierra Leone has 1) a very small modern, formal economic sector and a very high proportion of informal/vulnerable employment (92.4% in 2004, though perhaps a slightly smaller percentage now) and 2) an extremely low level of human capital (education and health). Two-thirds of the labor force is in agriculture, which has dramatically improved its productivity over the last several years but is still constrained by poor rural infrastructure. The non-agricultural sectors are also constrained by poor infrastructure, especially electric power, but also by very limited access to credit and poor policies, regulations and institutions to promote competitive private sector business activities and provide incentives to generate more employment. Domestic credit to the private sector was equal to only 6.2% of GDP in 2012—tied with Iraq for the 4th lowest in the world (of the 192 countries with data for that year—only Chad, Yemen and Afghanistan had lower percentages). Access to financing and corruption were listed by business leaders in the 2014-15 WEF GCI as the first and second most problematic factors, respectively, for doing business in Sierra Leone, with inadequate infrastructure listed third. As for human capital, only 43.3% of Sierra Leone's adults are literate (31.4% of the women, 53.6% of the men) and the entire education system is characterized by low quality and low enrollment. The country ranks dead last among the GCI's 144 countries in life expectancy and infant mortality, and the incidence of TB has actually increased, dramatically, since 2001. The GCI gave Sierra Leone very low scores for the business impacts of serious diseases.

Which of these factors, or possibly other factors as well, are the more binding constraints to more inclusive economic growth at this point in time should be the subject of more in-depth IGD analysis.

¹ This country profile presents indicators available online that are relevant to the IGD analytical nodes of the "Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model)," which is available from <https://dec.usaid.gov/dec>

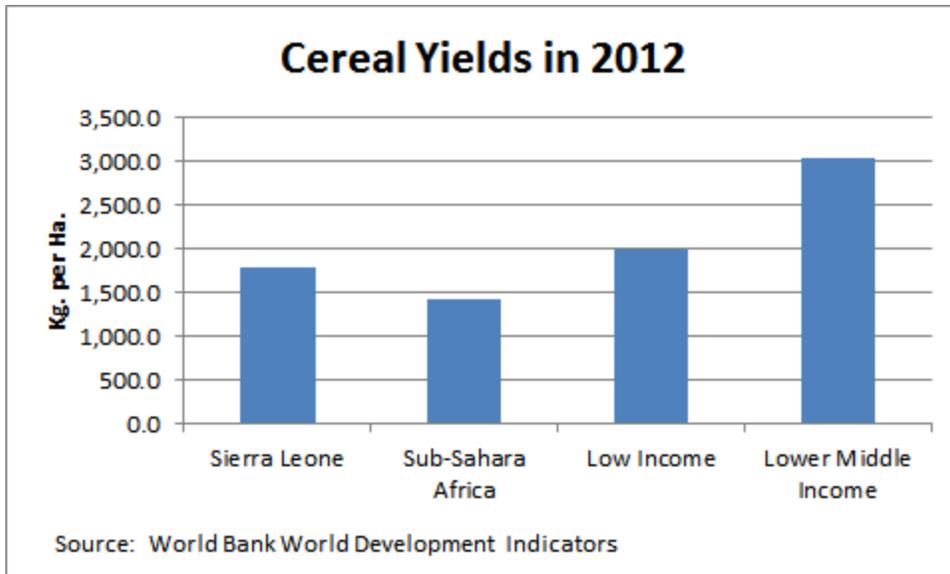
1) Potential for higher smallholder agricultural production and rural incomes

Sierra Leone is mostly rural, with 60% of the population living in rural areas, and most of these people depend on agriculture for their livelihood. In 2004, 68.5% of total employment was in agriculture (latest data available). Since agriculture contributes only 56.7% to GDP, this indicates somewhat lower productivity per worker than in the non-agricultural sectors. Total agricultural value added per worker in Sierra Leone was equal to US\$875 in 2011 in constant 2005 US dollars, above the \$702 average for Sub-Saharan Africa countries and the \$369 average in low income countries, and only slightly lower than the \$914 achieved in lower middle income countries. This represents a steady improvement (by 92%) over the \$455 low point achieved 10 years before in 2001. The rural population continues to grow at around 2.0 percent per year, while total population is growing at about that same rate for the last several years, but much less than the 4.8% rate of growth in recorded in 2003. The urban population grew by more than 3% annually between 2007 and 2011 as some people flee the rural areas looking for better jobs. (WB WDI and Databank)



The average cereal yield in Sierra Leone was 1,768 kg. per hectare in 2012, an improvement by 75% over 2004 and higher than the average for all Sub-Saharan Africa countries (1,417 kg.), but still lower than the average for all low income countries (1,982 kg.) and lower middle income countries (3,029 kg.), showing room for further improvement. Total crop production has increased from year to year, with 2012 production in Sierra Leone higher by 61% than the 2004-2006 average, a better performance than the Sub-Saharan country average of 25%. Livestock production increased by 95% over the 2004-2006 average, compared with 23% for all Sub-Saharan Africa countries. Total agricultural land in Sierra Leone actually decreased by 10% between 2006 and 2011, while arable land² decreased by 26%. Total agricultural value added increased 44% in constant price terms between the 2004-06 average and 2011, while the rural population increased by 11%. (WB WDI)

² Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. -- <http://data.worldbank.org/indicator/AG.LND.AGRI.K2>



1A&B) On-farm productivity & Processing and marketing of farm products

1Aa) Agricultural research & extension services

1Ab) Access to credit for farm inputs & capital improvements

1Ac) Rural infrastructure for irrigation and farm-to-market roads

1Ad) Land tenure and land markets

1Ba) Market and pricing policies

1Bb) Availability of information about and contacts with higher value markets

1Bc) Rural infrastructure for transport, electric power, storage, markets, communication

1Bd) Access to rural credit for agriculture product processing, storage, marketing, etc.

The EIU Global Food Security Index (GFI) indicates Sierra Leone spends 1% of the agricultural contribution to GDP on agricultural research and development, placing it in bottom 40% of the 105 countries covered. The same index rated Sierra Leone in the bottom third in access to finance for farmers and in the bottom tenth in agricultural infrastructure. It was scored and ranked poorly in all three components of the latter index: poor in the existence of adequate crop storage facilities, in the bottom half for road infrastructure and in the bottom tenth for port infrastructure. In 2009 the MCC scored Sierra Leone as better than only 33% of a comparable group of 81 developing countries in land rights and access. The World Bank Doing Business Indicators 2014 gave Sierra Leone a poor score, ranking 170 out of 189, for registering property. It received a mediocre score in the 2014-15 WEF GCI for agricultural policy costs, ranking 78 out of 144.

2) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates in Sierra Leone are fairly high. But 92.4% of all employed workers were either self-employed or unpaid family workers (in vulnerable employment) in 2004 and 3.4% of the labor force was unemployed (latest figures available). (WB WDI) This leaves precious few with good jobs. The investment climate for creating more productive jobs presents a mixed picture. Sierra Leone's overall ease of doing business rank in the World Bank 2014 Doing Business Report is in the lower range at 142 out of 189 countries scored. It is doing poorly in several categories that affect its attractiveness to new investors, ranking a very low 179 in getting electricity, 176 in dealing with construction permits, 170 for registering property, 158 for resolving insolvency, 149 for enforcing contracts, and 140 for trading across borders.

SIERRA LEONE		Sub-Saharan Africa		GNI per capita	
Ease of doing business (rank)	142	Low income		(US\$) Population	580 6.0
Starting a business (rank)	75	Registering property (rank)	170	Trading across borders (rank)	140
Procedures (number)	6	Procedures (number)	7	Documents to export (number)	7
Time (days)	12	Time (days)	67	Time to export (days)	25
Cost (% of income per capita)	44.1	Cost (% of property value)	10.9	Cost to export (US\$ per container)	1,185
Minimum capital (% of income per capita)	0.0			Documents to import (number)	9
		Getting credit (rank)	86	Time to import (days)	30
Dealing with construction permits (rank)	176	Strength of legal rights index (0–10)	7	Cost to import (US\$ per container)	1,575
Procedures (number)	19	Depth of credit information index (0–6)	2		
Time (days)	258	Public registry coverage (% of adults)	0.9	Enforcing contracts (rank)	149
Cost (% of income per capita)	182.4	Private bureau coverage (% of adults)	0.0	Procedures (number)	39
				Time (days)	515
Getting electricity (rank)	179	Protecting investors (rank)	22	Cost (% of claim)	149.5
Procedures (number)	8	Extent of disclosure index (0–10)	6		
Time (days)	113	Extent of director liability index (0–10)	8	Resolving insolvency (rank)	158
Cost (% of income per capita)	4,958.1	Ease of shareholder suits index (0–10)	6	Time (years)	2.3
		Strength of investor protection index (0–10)	6.7	Cost (% of estate)	42
				Recovery rate (cents on the dollar)	10.5
		Paying taxes (rank)	128		
		Payments (number per year)	33		
		Time (hours per year)	353		
		Total tax rate (% of profit)	32.4		

From World Bank/IFC, 2014 Doing Business Report, p. 222

2A) Private Sector Demand for More Productive Employment

2Aa) Level of Private Investment (HRV Constraints Analysis)

2Aai) Private returns to economic activity

Gross capital formation in Sierra Leone jumped to 24.1% of GDP in 2010 and a whopping 40.3% in 2011, after averaging only 10.6% between 2001 and 2009. The 2011 average for Sub-Saharan Africa countries was 20.3%, and for low income countries it was 25.6%. (WB WDI). Net foreign direct investment (FDI) Jumped to 9.3% of GDP in 2010, 24.3% in 2011, and 14.4% in 2012, after averaging 4.0% between 2004 and 2009. This is much higher than the 3.0% average for Sub-Saharan Africa countries and the 4.8% average for low income countries in 2012. The 2014-15 WEF GCI survey gave Sierra Leone a mediocre mark for the business impact of rules on FDI, ranking 80 out of 144, but in the prevalence of foreign ownership it ranked higher at 43. (See Appendix Table 10.)

According to the IMF World Economic Outlook, total investment in Sierra Leone reached 24.5%, 40.7% and 13.9% of GDP in 2010, 2011 and 2012, respectively. Sierra Leone ranked 8th highest in the world among 173 countries for this indicator in 2011 and placed 160th in 2012. GDP per capita grew by 13.0% in 2012 after averaging 2.9% over the 9-year period from 2003 to 2011.

Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate a relatively low ICOR of 2.8 in 2005-2010. This indicates fairly efficient use of capital investment to achieve growth in GDP.

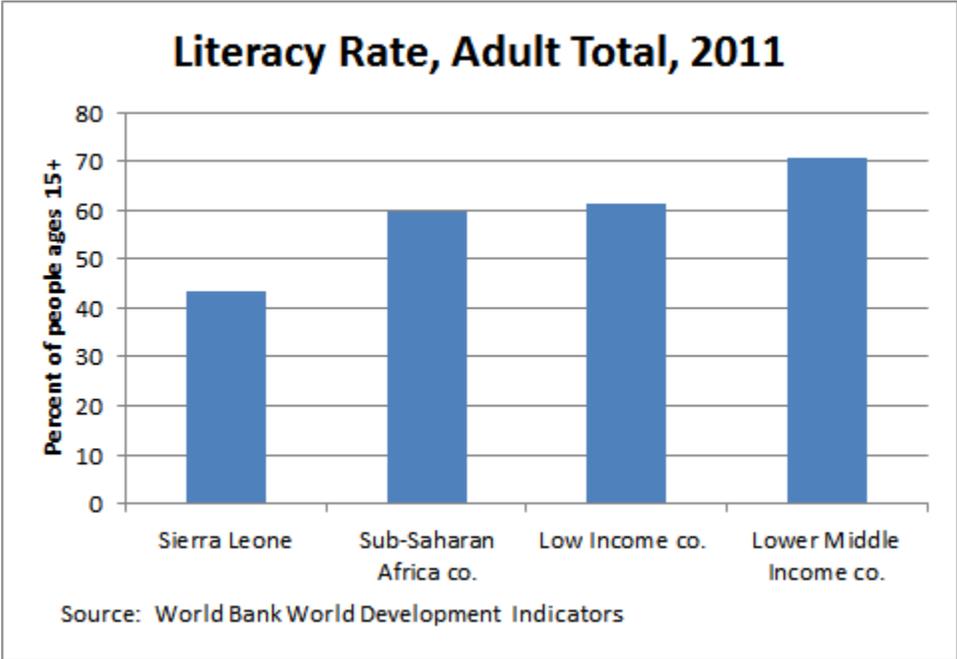
2Aai1) Evidence of low social returns

Is there inadequate human capital to run a business successfully?

Only 43.3% of Sierra Leone's adult population was recorded as literate in 2011, much lower than averages for Sub-Saharan Africa countries (59.8%) and low income countries (61.2%) in 2011. (WB WDI) The mean years of

schooling achieved by Sierra Leone adults was 3.3 in 2012, putting the country tied for 169th place out of 187 countries. (UNDP)

Only 4.4% of business leaders surveyed in the 2014-15 WEF GCI cited an inadequately educated workforce as the most problematic factor for doing business in Sierra Leone, and only 2.2% of them cited poor public health, meaning other factors were considered even more problematic. (See Table 3 in the Appendix) However, Sierra Leone ranked a very low 140th out of 144 countries in Health and Primary Education and 137th in Higher Education and Training in that year’s GCI. (Appendix Table 1) The country ranked poorly at 117th in the quality of primary education and even more poorly in most elements of the Higher Education and Training pillar. It ranked extremely low for enrollment in both secondary and tertiary education, 140 and 139, respectively, and it ranked 114 or worse in all eight aspects of the health index. (See Appendix Tables 12 and 13.)



Is there a lack of or poor condition of productive infrastructure?

The 2014 World Bank Doing Business Report ranked Sierra Leone very low at 176 out of 189 for getting electricity, as it costs an average of 50 times income per capita and takes 113 days to do so. Private firms reported an average of 13.7 power outages per month in 2009 (WB WDI). Sierra Leone was ranked 134th out of 144 countries for the quality of its electricity supply in the 2014-15 WEF GCI.

The country ranked 136th out of 144 for the Infrastructure pillar in the 2014-15 WEF GCI, with a 137th rank for the quality of air transport infrastructure, 111th for the quality of its roads and 105th for the quality of its port infrastructure. It was ranked an even lower 137th for mobile telephone subscriptions--but very high, at 13th in the world, for fixed telephone lines. (See Appendix Tables 1 and 4.) Some 10.7% of the business leaders surveyed by for the 1014-15 WEF GCI listed an inadequate supply of infrastructure as the most problematic factor for doing business in Sierra Leone, the third highest percentage. (Appendix Table 3)

2Aai2) Private appropriability

Government failure/poor governance

As noted above, Sierra Leone's overall rank in the World Bank 2014 Doing Business Report is 142 out of 189 countries scored. It is doing very poorly in getting electricity, dealing with construction permits, registering property, resolving insolvency, trading across borders, and enforcing contracts.

The 2014 Heritage Foundation/Wall Street Journal Index of Economic Freedom ranked Sierra Leone 148 out of 178 countries in the overall Economic Freedom Index, citing "substantial increases in half of the 10 economic freedoms including the control of government spending, property rights, business freedom, and labor freedom... Reforms have been targeted at improving regulatory efficiency and strengthening the enforcement of contracts." However, it still ranked very low in labor freedom (180), financial freedom (163), property rights (159), freedom from corruption (132), business freedom (137), monetary freedom (139), and trade freedom (127). "Corruption remains a serious problem, and President Koroma has encouraged and supported the work of the Anti-Corruption Commission. The rule of law is fragile and uneven across the country. In the absence of an effectively functioning legal framework, property rights and contracts are not secure. There is no land titling system, and judicial corruption is significant...Launching a company takes fewer than 10 procedures, but licensing requirements continue to be time-consuming and costly. Making additional hiring burdensome, an increase in the minimum wage has exceeded labor productivity growth in the formal sector...The country's "Agenda for Prosperity" recognizes the benefits of foreign investment in reducing poverty, but Sierra Leone remains a challenging environment for investors."³

The Canadian Fraser Institute, in its annual Economic Freedom of the World Report for 2013, ranked Sierra Leone 72nd out of 152 countries in its 2011 overall "chain-linked" index. An improvement over the 99th overall ranking in 2005, but the country was still ranked relatively low (between 85 and 95) in sound money, regulations, and freedom to trade internationally.

In the 2014-15 WEF GCI, Sierra Leone ranked a low 107 out of 144 in the Institutions pillar. It ranked 100 or worse in 12 of the 21 institutional indicators, its lowest scores being in the efficiency of the legal framework in challenging regulations (ranking 132) and irregular payments and bribes (130). Its best score was in the strength of investor protection, ranking 22. (See Appendix Table 5)

Sierra Leone scored -1.16 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 191st in a list of 212 countries. It scored a low -0.87 in the 2012 WB Rule of Law Estimate, in a 4-way tie for 168th place out of 212.

Sierra Leone scored 31 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and tied with 4 other countries for 131st place among 176 countries scored.

The World Bank Governance Matters Control of Corruption estimate of 2011 scored Sierra Leone -0.77 in the -2.5 to +2.5 range, in a 3-way tie for 161st place out of 212 countries. As noted above, the 2014 Heritage Foundation/Wall Street Journal Freedom from Corruption index ranked Sierra Leone 132nd out of 178 countries. In the 2014-15 WEF GCI the second highest percentage (14.5%) of the business leaders surveyed listed corruption as the most problematic factor for doing business in Sierra Leone. (See Appendix Table 3)

Market failures in the availability of information for innovation and "coordination"

The 2014-15 WEF GCI gave Sierra Leone low scores for the Technological Readiness, Business Sophistication and Innovation pillars, ranking them 138, 128 and 130 out of 144, respectively. It received very poor scores and ranked 104 or worse in all but two indicators in these three GCI pillars. (See Appendix Tables 1, 6, 7 & 8.)

³ Heritage Foundation *Index of Economic Freedom*, 2014, pp. 385-386

2Aa) Cost of finance

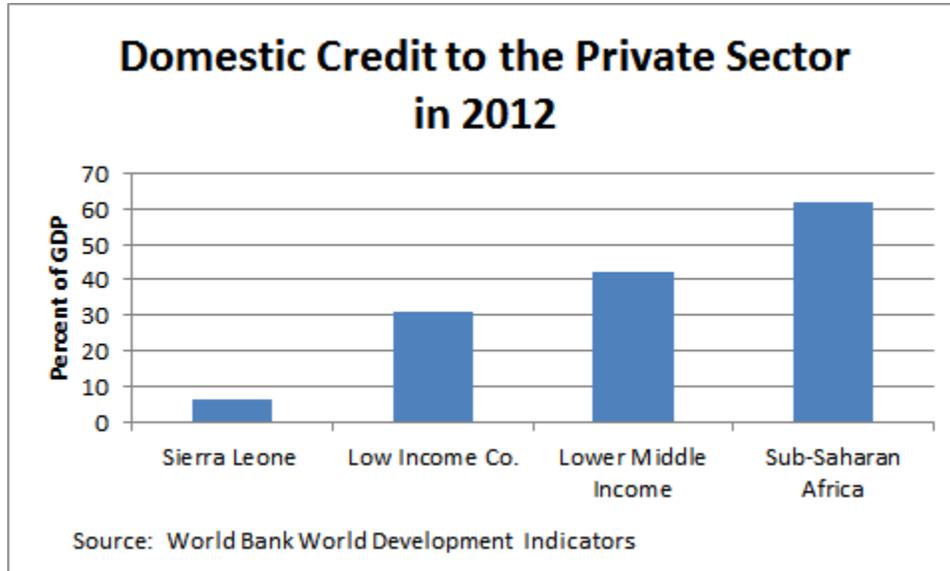
Domestic credit to Sierra Leone's private sector was only 6.2% of GDP in 2012 (WB WDI). This is way below the low income country average of 30.7%, not to mention the lower middle income country average of 42.3% and the Sub-Saharan Africa country average of 62.0%. In the 2014-15 WEF GCI survey of business leaders, access to financing was listed as the most problematic factor for doing business in Sierra Leone by 18.5% of responses, the highest percentage. (See Appendix Table 3.)

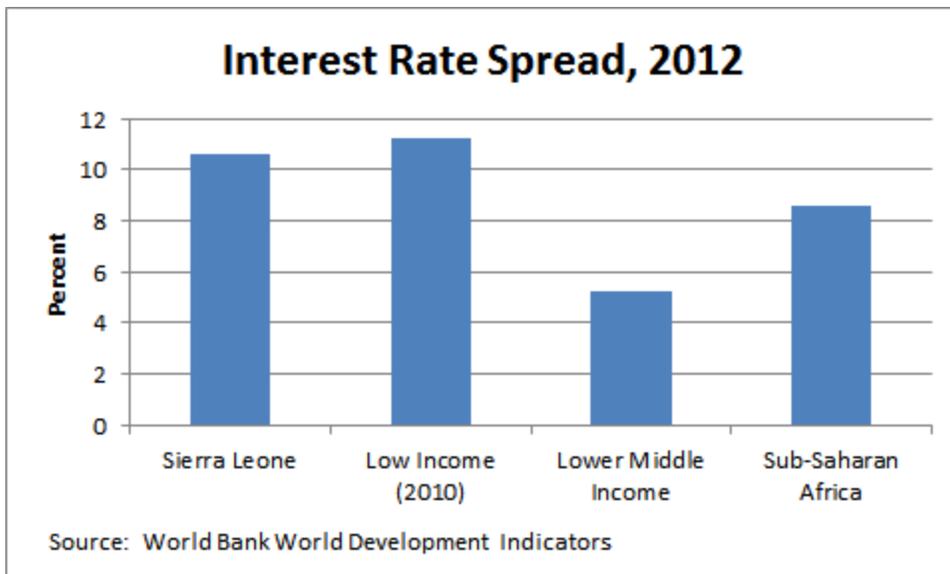
In the World Bank 2014 Doing Business Indicators the country was given a mediocre score and ranked 86 out of 189 for getting credit.

The lending interest rate was a high 21.0% in 2012 and averaged 22.7% from 2001 to 2012. The real interest rate has been variable, presumably due to differing annual rates of inflation, falling from 17.2% in 2007 to 2.8% in 2011 and then rising to 8.1% in 2012. The interest rate spread was 10.6% in 2012, having fallen from 14.2% in 2007. It averaged 12.5% from 2001 to 2012, indicating rather inefficient financial intermediation by the banking sector. The average interest rate spread for Sub-Saharan Africa countries was 8.6% in 2012. The world average was 6.0%. (WB WDI).

Sierra Leone was given very poor rankings in the 2014-15 WEF GCI Financial Market Development pillar, with an overall rank of 116 out of 144 and 117 or worse for all its component indicators but one. It was given a very good score and ranked 43 in the legal rights index. (See Appendix Tables 1 and 9.)

The 2014 Heritage Foundation/Wall Street Journal Investment Freedom Index and Financial Freedom Index scored Sierra Leone 55.0 and 20.0, respectively, out of 100 possible points, ranking 96th and 163rd out of 178 countries, and reported that "Sierra Leone remains a challenging environment for investors. The state controls the majority of bank assets, and much of the population operates outside of the formal banking sector."





2Ab) Growth of the more productive Formal Sector

In 2004 Sierra Leone reported 92.4% of total employment as vulnerable employment (latest figure available), meaning self-employed and unpaid family workers. This is much higher than the averages reported for nearby countries of Liberia (80.1% in 2007), Senegal (77.7% in 2001), Mali (86.4% in 2004), and Cote d'Ivoire (75.8% in 2002), and for lower middle income countries in 2001 (73.6%) and 2012 (67.3%). (WB WDI) As an understated proxy for the informal sector, which does not include informal wage earners, this implies an overwhelming informal sector.

As noted at the beginning of this profile, almost 52% of the population remains below the extreme poverty line for lack of better employment.

2Ac) Labor Intensity of Production

Sierra Leone's trade with the outside world totaled 69.9% of GDP in 2011. This is a bit lower than the 72.7% average of developing Sub-Saharan Africa countries and a bit higher than the 68.8% average of low income countries. (WB WDI). The country was ranked very low (140 out of 189) in the 2014 Doing Business Indicators for Trading Across Borders. It was ranked a very low 131st out of 144 in the WEF GCI index for trade tariffs, with tariffs averaging 13.8%. However, the same GCI index gave Sierra Leone good marks for the lack of trade barriers, ranking 32nd, and for imports as a percentage of GDP (55.3%), ranking 51st. But it was ranked 110th for the burden of customs procedures. (See Appendix Table 10.) A further enhanced ability to trade would favor a latent comparative advantage in more labor-intensive activities for both export and import-substitution goods and services.

The World Bank Country Policy and Institutional Assessment (CPIA) ratings for social inclusion-equity gave Sierra Leone a 2012 score of 3.3 (1=low, 6=high), in the middle of the pack, but in the bottom third with a score of 3.0 for gender equality.

In the 2014-15 WEF GCI, Sierra Leone received a relatively poor score in Labor Market Efficiency, ranking 95 out of 144. (Appendix Table 1) It scored very high in hiring and firing practices, ranking 19 out of 144, mediocre in the flexibility of wage determination, ranking 71, but very low in redundancy costs, ranking 141, requiring 78.3 weeks of salary, and in pay and productivity, ranking 105. (See Appendix Table 11.) However, of the businessmen surveyed only 1.6% cited restrictive labor regulations as the most problematic factor for doing

business. (Appendix Table 3) Sierra Leone also received poor scores in the Goods Market Efficiency pillar, ranking 117 overall out of 144. In addition to low scores in trade tariffs and the burden of customs procedures already mentioned, it got low rankings in buyer sophistication (130), degree of customer orientation (123), intensity of local competition (116), extent of market dominance (113), and the effectiveness of anti-monopoly policy (107). (Appendix Tables 1 and 10) As noted above, Sierra Leone received a mediocre score in the 2014 WEF GCI for agricultural policy costs, ranking 78 out of 144.

2B) Employability of the Workforce:

Only 43.3% of Sierra Leone's adult population was recorded as literate in 2011. (WB WDI). Only 31.4% of the women were literate in 2010, much less than the 54.1 average for developing Sub-Saharan Africa countries and 56.0% average for low income countries. Sierra Leone's primary school completion rate in 2011 was 74.4% of the relevant age group, higher than the 69.2% average in developing Sub-Saharan Africa countries and the 66.5% average for low income countries. (WB WDI)

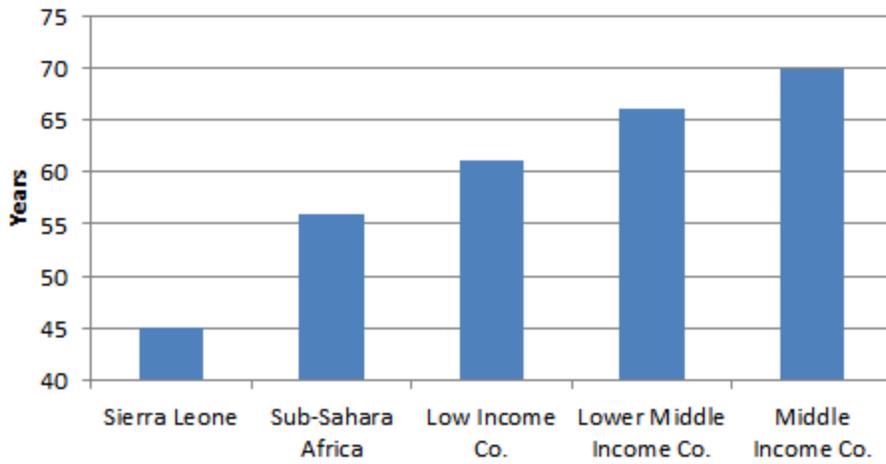
Health indicators present an alarming picture. A WB WDI table lists life expectancy in Sierra Leone in 2011 as 45.1 years, much lower than the averages for all developing Sub-Saharan Africa countries (55.9) and for low income countries (61.1). The country's infant mortality rate has slowly improved from 140.9 per 1000 live births in 2001 to 117.4 per 1000 in 2012, but is still high compared with a 63.9 average in 2012 for developing Sub-Saharan Africa countries and 55.8 for low income countries.

The incidence of tuberculosis was 674 per 100,000 people in 2012, having risen steadily from 294 in 2001. It is now much higher than the 255 per 100,000 average for developing Sub-Saharan Africa countries, 246 per 100,000 for low income countries and the 165 per 100,000 for lower middle income countries. The prevalence of HIV in the adult population is relatively low, but still a serious concern, at 1.5% in 2012, compared with 4.6% in Sub-Saharan Africa countries the 2.27% average in low income countries. (WB WDI)

The 2014-15 WEF GCI ranked Sierra Leone 114 or worse out of 144 in all 8 health indicators in its Health and Primary Education pillar and at the very bottom, 144, for both life expectancy and infant mortality. For the prevalence of TB it was ranked 142 and for its business impact 121. For the prevalence and business impact of HIV/AIDS it was ranked 120 and 114, respectively. The prevalence and business impact of malaria were also given very low scores, ranking 130 and 142, respectively—18.4% of the population had malaria. (See Appendix Table 12.)

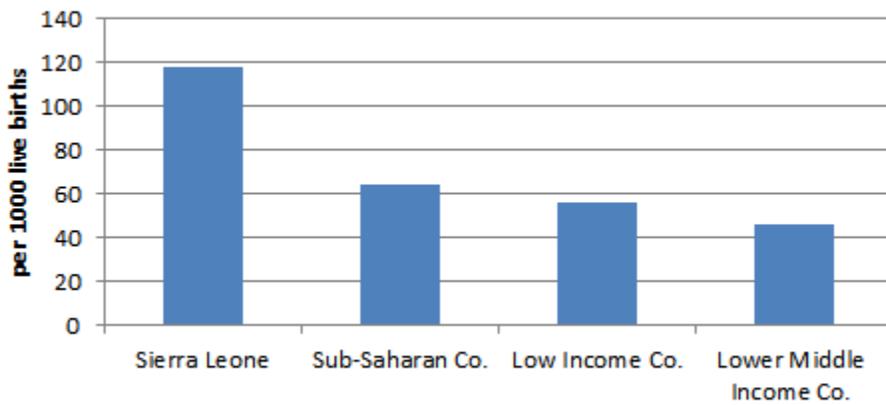
Sierra Leone's population growth rate is around 2.0% per year. (WB WDI) This is lower than the average for developing Sub-Saharan Africa countries of 2.7% and the 2.3% average for low income countries.

Life Expectancy at Birth, 2011



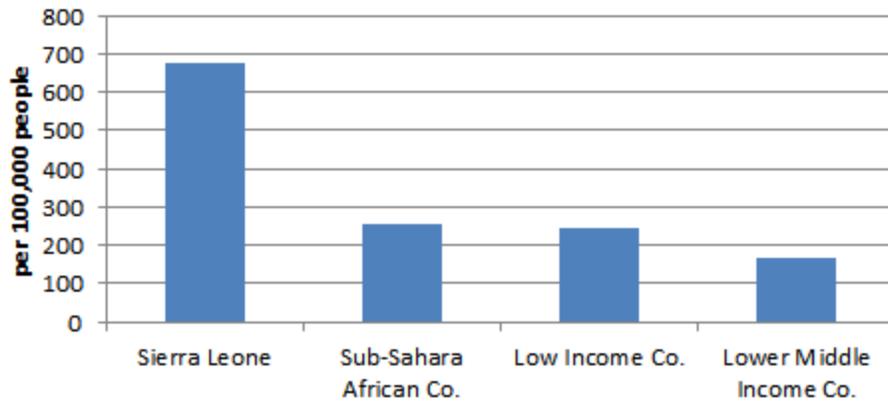
Source: World Bank World Development Indicators

Infant Mortality Rate in 2012



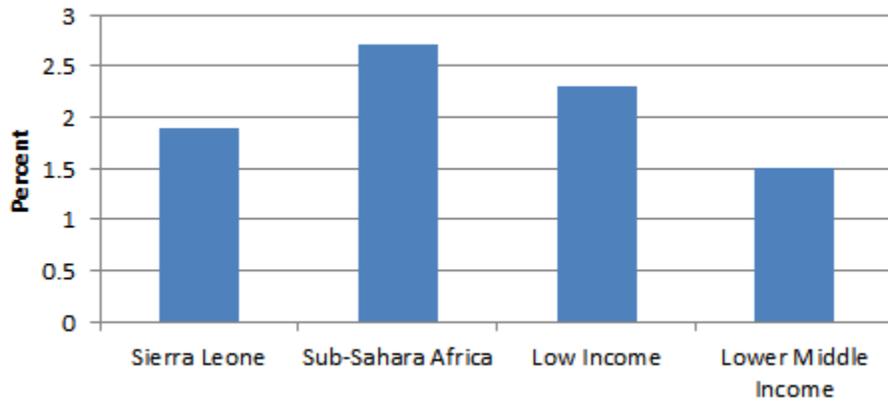
Source: World Bank World Development Indicators

Incidence of TB in 2012



Source: World Bank World Development Indicators

Population Growth (annual %)



Source: World Bank World Development Indicators

Appendix

Table 1. The Global Competitiveness Index:	Rank	Score
Sierra Leone	<u>(out of 144)</u>	<u>(1–7)</u>
GCI 2014–2015	138	3.1
GCI 2013–2014 (out of 148)	144	3.0
GCI 2012–2013 (out of 144)	143	2.8
GCI 2011–2012 (out of 142)	n/a	n/a
Basic requirements (60.0%)	141	3.1
Institutions	107	3.4
Infrastructure	136	2.1
Macroeconomic environment	117	3.9
Health and primary education	142	3.2
Efficiency enhancers (35.0%)	136	3.1
Higher education and training	137	2.4
Goods market efficiency	117	4.0
Labor market efficiency	95	4.0
Financial market development	116	3.4
Technological readiness	138	2.4
Market size	133	2.3
Innovation and sophistication factors (5.0%)	130	2.9
Business sophistication	128	3.3
Innovation	130	2.6

Source: WEF, *Global Competitiveness Report 2014–2015*, p. 332

Table 2. Macroeconomic environment: Sierra Leone	Rank	Score
	<u>(out of 144)</u>	
3.02 Gross national savings, % GDP*	140	0.7
3.05 Country credit rating, 0–100 (best)*	137	17.7
3.03 Inflation, annual % change*	135	9.8
3.01 Government budget balance, % GDP*	56	-2.2
3.04 General government debt, % GDP*	44	32.6

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 3. The most problematic factors for doing business in Sierra Leone	
	Percent of Responses)
Access to financing	18.5
Corruption	14.5
Inadequate supply of infrastructure	10.7
Foreign currency regulations	8.8
Tax rates	8.8
Poor work ethic in national labor force	6.0
Inflation	5.7
Inefficient government bureaucracy	5.4
Crime and theft	4.9
Inadequately educated workforce	4.4
Policy instability	3.1
Insufficient capacity to innovate	2.6
Poor public health	2.2
Tax regulations	1.9
Restrictive labor regulations	1.6
Government instability/coups	0.8
<p>Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.</p> <p>Source: WEF, <i>Global Competitiveness Report 2014–2015</i>, p. 332</p>	

Table 4. Infrastructure: Sierra Leone	Rank	Score
	(out of 144)	(1–7)
2.08 Mobile telephone subscriptions/100 pop.*	137	44.1
2.05 Quality of air transport infrastructure.....	134	2.7
2.06 Available airline seat km/week, millions*	134	10.7
2.07 Quality of electricity supply	134	2.0
2.01 Quality of overall infrastructure	127	2.9
2.02 Quality of roads	111	3.0
2.04 Quality of port infrastructure	105	3.4
2.09 Fixed telephone lines/100 pop.*	13	0.3
2.03 Quality of railroad infrastructure	n/a	n/a
<p>Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).</p> <p>Source: WEF, <i>Global Competitiveness Report 2014–2015</i>, p. 333</p>		

Table 5. Institutions: Sierra Leone	Rank	Score
	(out of 144)	(1-7)
1.11 Efficiency of legal framework in challenging regs.	132	2.3
1.05 Irregular payments and bribes	130	2.7
1.07 Favoritism in decisions of government officials	118	2.5
1.06 Judicial independence	115	2.8
1.01 Property rights	113	3.4
1.17 Ethical behavior of firms	113	3.5
1.15 Organized crime	111	4.0
1.16 Reliability of police services	110	3.4
1.18 Strength of auditing and reporting standards	107	4.1
1.20 Protection of minority shareholders' interests	103	3.6
1.14 Business costs of crime and violence.....	102	3.8
1.03 Diversion of public funds	100	2.7
1.02 Intellectual property protection	93	3.2
1.10 Efficiency of legal framework in settling disputes	92	3.4
1.12 Transparency of government policymaking	91	3.8
1.04 Public trust in politicians	88	2.6
1.13 Business costs of terrorism	86	5.0
1.08 Wastefulness of government spending	75	3.0
1.19 Efficacy of corporate boards	69	4.5
1.09 Burden of government regulation	52	3.6
1.21 Strength of investor protection, 0-10 (best)*	22	6.7
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014-2015</i> , p. 333		

Table 6. Technological readiness: Sierra Leone	Rank	Score
	(out of 144)	(1-7)
9.05 Fixed broadband Internet subscriptions/100 pop.*	143	0.0
9.04 Individuals using Internet, %*	140	1.7
9.06 Int'l Internet bandwidth, kb/s per user*	139	2.0
9.02 Firm-level technology absorption	137	3.5
9.01 Availability of latest technologies	134	3.5
9.03 FDI and technology transfer	104	4.1
9.07 Mobile broadband subscriptions/100 pop.*	n/a	n/a
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014-2015</i> , p. 333		

Table 7. Business sophistication: Sierra Leone	Rank	Score
	(out of 144)	(1–7)
11.06 Control of international distribution	137	3.0
11.05 Value chain breadth	134	3.0
11.08 Extent of marketing	134	3.0
11.07 Production process sophistication	132	2.8
11.04 Nature of competitive advantage	125	2.7
11.02 Local supplier quality	122	3.7
11.03 State of cluster development	114	3.2
11.09 Willingness to delegate authority	111	3.3
11.01 Local supplier quantity	97	4.4

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 8. Innovation: Sierra Leone	Rank	Score
	(out of 144)	(1–7)
12.04 University-industry collaboration in R&D	134	2.4
12.06 Availability of scientists and engineers	134	3.0
12.02 Quality of scientific research institutions	133	2.5
12.03 Company spending on R&D	124	2.5
12.01 Capacity for innovation	117	3.2
12.07 PCT patents, applications/million pop.*	111	0.0
12.05 Gov't procurement of advanced tech products	94	3.2

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 9. Financial market development: Sierra Leone	Rank	Score
	(out of 144)	(1–7)
8.05 Venture capital availability	137	1.8
8.04 Ease of access to loans	130	1.8
8.01 Availability of financial services	124	3.6
8.02 Affordability of financial services	124	3.4
8.03 Financing through local equity market	124	2.3
8.07 Regulation of securities exchanges	120	3.1
8.06 Soundness of banks	117	4.1
8.08 Legal rights index, 0–10 (best)*	43	7

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 10. Goods market efficiency: Sierra Leone	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
6.10 Trade tariffs, % duty*	131	13.8
6.16 Buyer sophistication	130	2.6
6.15 Degree of customer orientation	123	3.7
6.01 Intensity of local competition	116	4.5
6.02 Extent of market dominance	113	3.3
6.13 Burden of customs procedures	110	3.4
6.03 Effectiveness of anti-monopoly policy	107	3.6
6.12 Business impact of rules on FDI	80	4.3
6.04 Effect of taxation on incentives to invest	78	3.6
6.08 Agricultural policy costs.....	78	3.7
6.07 No. days to start a business*	62	12.0
6.06 No. procedures to start a business*	57	6
6.14 Imports as a percentage of GDP*	51	55.3
6.05 Total tax rate, % profits*	47	32.4
6.11 Prevalence of foreign ownership	43	5.1
6.09 Prevalence of trade barriers	32	4.6

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 11. Labor market efficiency: Sierra Leone	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
7.04 Redundancy costs, weeks of salary*	141	78.3
7.08 Country capacity to retain talent	124	2.5
7.06 Pay and productivity	105	3.5
7.09 Country capacity to attract talent	86	3.3
7.01 Cooperation in labor-employer relations	84	4.1
7.02 Flexibility of wage determination	71	5.0
7.07 Reliance on professional management	70	4.2
7.05 Effect of taxation on incentives to work	54	3.8
7.03 Hiring and firing practices	19	4.5
7.10 Women in labor force, ratio to men*	7	0.97

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 333

Table 12. Health and primary education: Sierra Leone	Rank	Score
	<u>(out of 144)</u>	<u>(1-7)</u>
4.07 Infant mortality, deaths/1,000 live births*	144	117.4
4.08 Life expectancy, years*	144	45.3
4.03 Tuberculosis cases/100,000 pop.*	142	674.0
4.02 Business impact of malaria	142	2.9
4.01 Malaria cases/100,000 pop.*	130	18,398.6
4.04 Business impact of tuberculosis	121	4.2
4.05 HIV prevalence, % adult pop.*	120	1.5
4.09 Quality of primary education	117	2.9
4.06 Business impact of HIV/AIDS	114	4.3
4.10 Primary education enrollment, net %*	n/a	n/a
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). The 2014-15 WEF GCI miscalculates the rankings for malaria cases and the business impacts of malaria by not counting 68 countries with no malaria. That has been corrected here.		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 333		

Table 13. Higher education and training: Sierra Leone	Rank	Score
	<u>(out of 144)</u>	<u>(1-7)</u>
5.01 Secondary education enrollment, gross %*	140	26.4
5.02 Tertiary education enrollment, gross %*	139	2.0
5.04 Quality of math and science education	134	2.5
5.06 Internet access in schools	134	2.4
5.05 Quality of management schools	128	3.1
5.07 Availability of research and training services	125	3.2
5.03 Quality of the education system	112	3.0
5.08 Extent of staff training	107	3.6
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 333		