

Introduction

Eritrea is a country in Eastern Africa bordering Djibouti, Ethiopia, Sudan, and the Red Sea. Eritrea has a strategic location along the world's busiest shipping lanes. The country is bisected by mountain ranges, formed by the processes that formed the Great Rift Valley, with fertile lands to the west descending to desert in the east.

The government type is a presidential republic; the chief of state and head of government is the president. Eritrea has a command economy in which the central government, controlled by a single political party, directs the economy regarding the production and distribution of goods. Eritrea is a member of the Common Market for Eastern and Southern Africa (COMESA).



Location: Eastern Africa

Capital City: Asmara (+3 GMT)

Chief of State: President Isaias Afwerki

Head of Govt.: President Isaias Afwerki

Currency: Nakfa (ERN)

Major Languages: <p>Tigrinya (official), Arabic (official), English (official), Tigre, Kunama, Afar, other Cushitic languages</p>

Primary Religions: <p>Eritrean Orthodox, Roman Catholic, Evangelical Lutheran, Sunni Muslim</p>

Calling Code: 291

Voltage: 230

Key Websites

Main Government Page: shabait.com

Key Economic Facts

Income Level (by per capita GNI):	Low Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$7.81 billion (2014)
GDP growth (annual %):	1.70% (2014)
GDP per capita, PPP (current international \$):	\$1,528.94 (2014)
External debt stocks, total (DOD, current US\$):	\$744,742,727.50 (2021)
Manufacturing, value added (% of GDP):	5.49% (2009)
Current account balance (BoP, current US\$):	-\$0.10 billion (2000)
Labor force, total:	1,738,165 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	6.62% (2022)
Imports of goods and services (current US\$):	\$0.70 billion (2012)
Exports of goods and services (current US\$):	\$0.60 billion (2012)

GDP Composition %

Agriculture Services Industry Manufacturing



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	158 / 178
Index of Economic Freedom	171 / 176
International Logistics Performance Index (LPI)	155 / 160
KOF Index of Globalization	184 / 185

Risk Assessment (Provided by Coface)

Country rating: E - The highest-risk political and economic situation and the most difficult business environment.

Corporate default is likely.

Business Climate rating: E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

Strengths

- Extensive mineral resources (potash, copper, gold, silver, zinc)
- Extensive agricultural resources (maize, barley, vegetables, livestock)
- Large influx of funds from the Eritrean diaspora

Weaknesses

- Recurrent droughts and climate shocks
- Closed economy
- Critical level of debt
- Country has become an international pariah state
- Worrying human rights record
- Extremely difficult business climate
- State plays a massive role in the economy
- Extreme poverty, high emigration

U.S. Embassy

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