

WORLD RANK: **31** | REGIONAL RANK: **18**

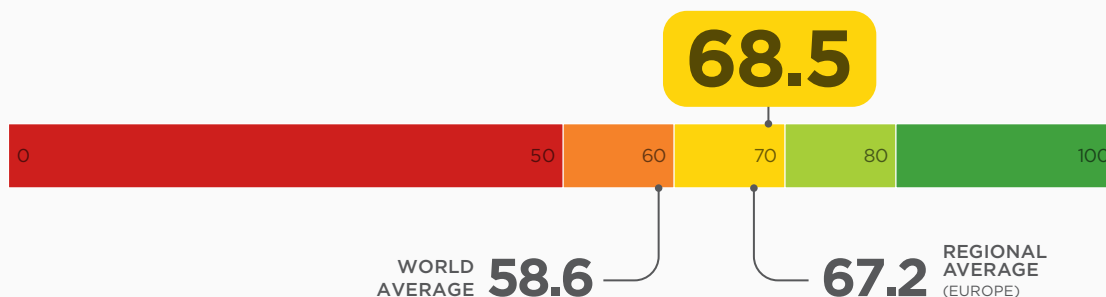
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

BULGARIA

Bulgaria’s economic freedom score is 68.5, making its economy the 31st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.8 point from last year, and Bulgaria is ranked 18th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world and regional averages. Bulgaria’s economy is considered “moderately free” according to the 2024 *Index*.

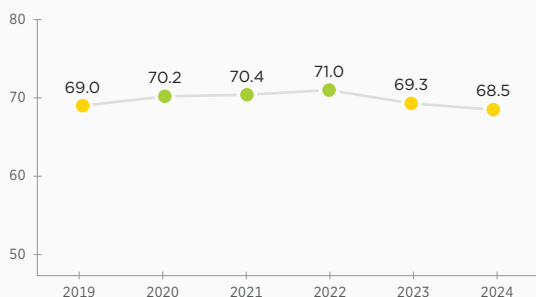
A decade of restructuring has enabled Bulgaria to make considerable progress in its transition to a more market-oriented economy while maintaining macroeconomic stability. Continued reform to strengthen the foundations of economic freedom will be critical. Despite some progress, persistent corruption and the weak rule of law add to the cost of conducting business. Bulgaria remains outside the Schengen Area but is closer to qualifying for eurozone membership. Challenges in the EU’s poorest nation include corruption and Russian penetration in the energy and media sectors.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +18.5

RECENT FREEDOM TREND

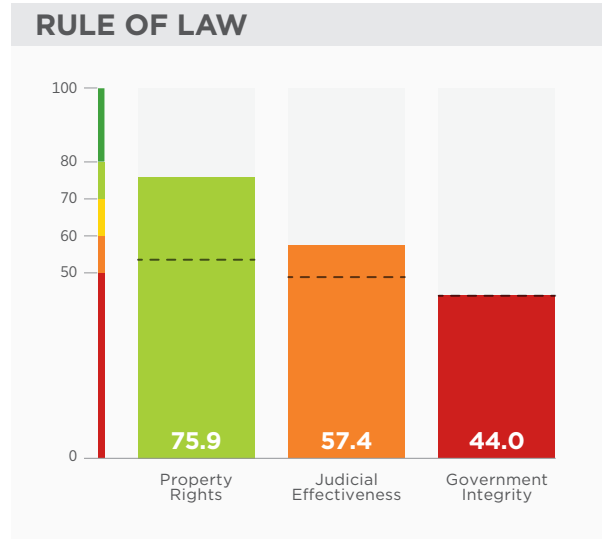


QUICK FACTS

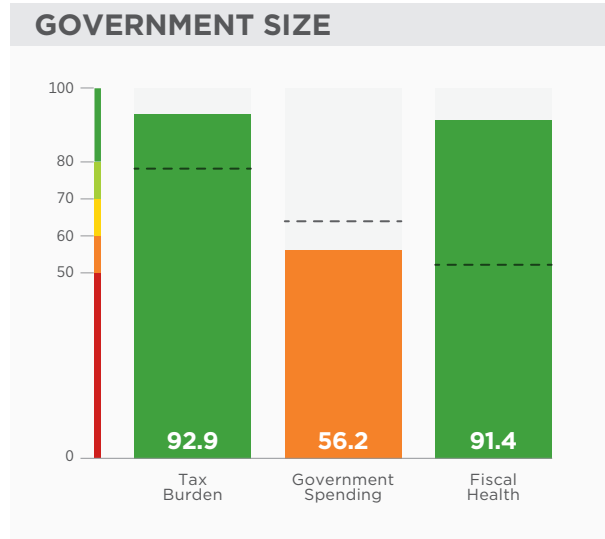
- POPULATION:** 6.9 million
- UNEMPLOYMENT:** 5.4%
- GDP (PPP):** \$205.4 billion
3.4% growth in 2022
5-year average growth rate: 2.8%
- INFLATION (CPI):** 13.0%
- FDI INFLOW:** \$2.5 billion
- PUBLIC DEBT:** 21.8% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

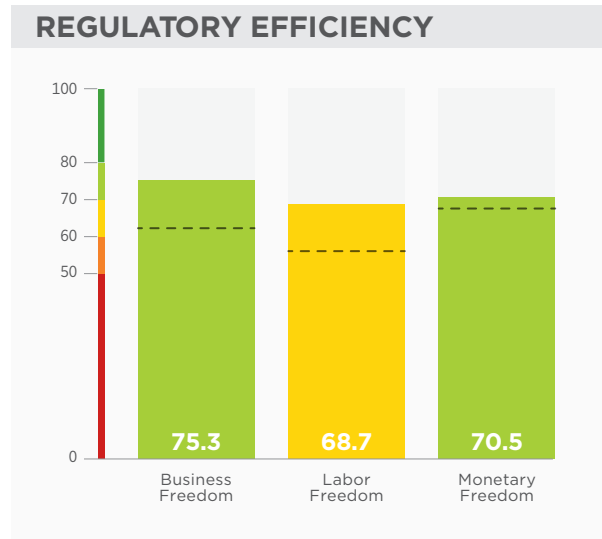
12 ECONOMIC FREEDOMS | BULGARIA



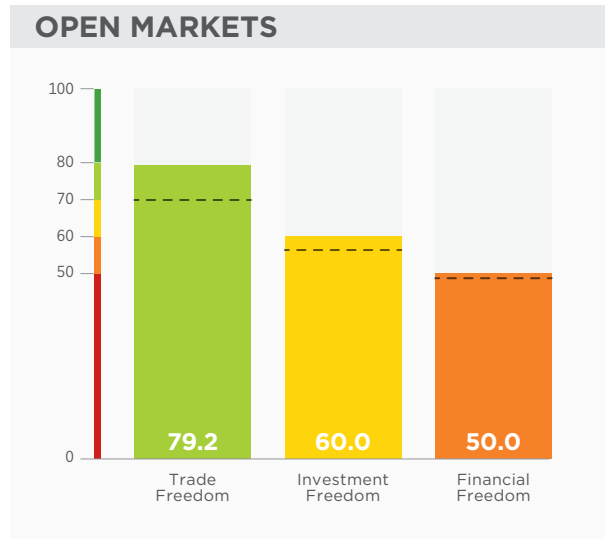
The overall rule of law is relatively well respected in Bulgaria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 22.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.2 percent and -2.2 percent of GDP. Public debt amounts to 21.8 percent of GDP.



Bulgaria's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.9 percent, and more than 600 EU-mandated nontariff measures are in force along with 116 country-specific nontariff barriers. In general, foreign and domestic investors are treated equally. Measures to support financial-sector liquidity have been introduced.