



# CAMBODIA

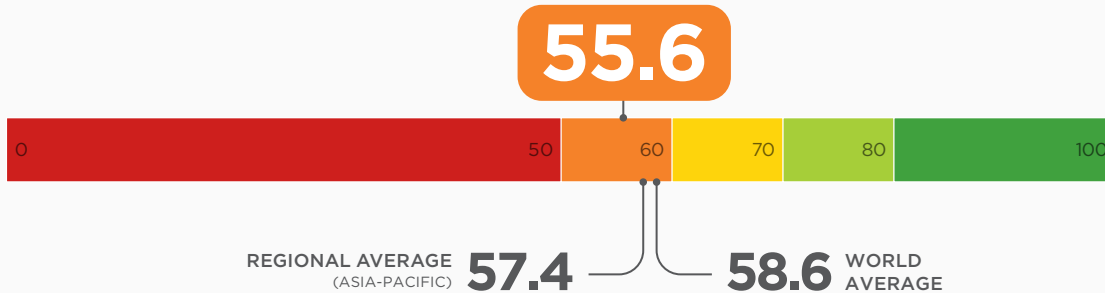
WORLD RANK: **106** | REGIONAL RANK: **21**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Cambodia's economic freedom score is 55.6, making its economy the 106th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.9 point from last year, and Cambodia is ranked 21st out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Cambodia's economy is considered "mostly unfree" according to the 2024 *Index*.

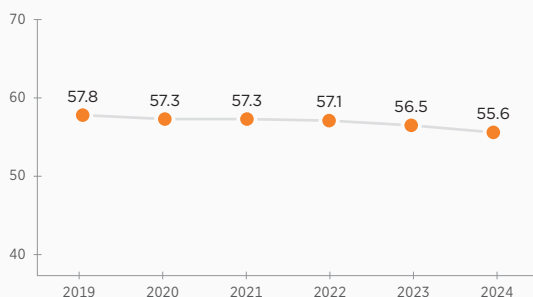
Institutional weaknesses restrict economic freedom and prevent more dynamic growth. The rule of law remains fragile because of corruption and political interference in the inefficient judicial system. Government tariffs and other restrictions reduce the benefits of international trade. Measures to modernize commercial codes and facilitate private-sector development have been adopted in recent years. The non-salary cost of employing a worker is low, but enforcement of the labor codes is not always effective. The economy is heavily dependent on tourism revenues and garment exports.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +2.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
16.9 million

**GDP (PPP):**  
\$89.8 billion  
5.2% growth in 2022  
5-year average growth rate: 3.9%  
\$5,613 per capita

**UNEMPLOYMENT:**  
0.6%

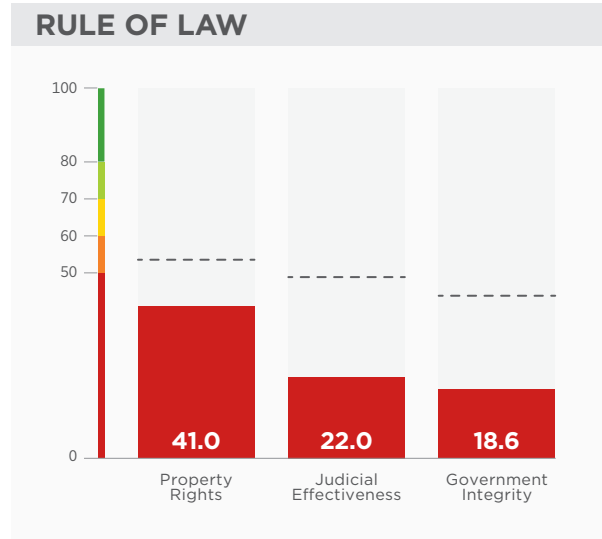
**INFLATION (CPI):**  
5.3%

**FDI INFLOW:**  
\$3.6 billion

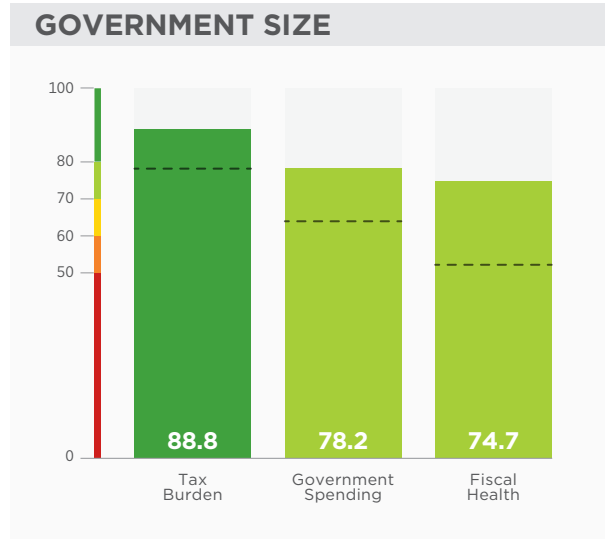
**PUBLIC DEBT:**  
34.8% of GDP

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

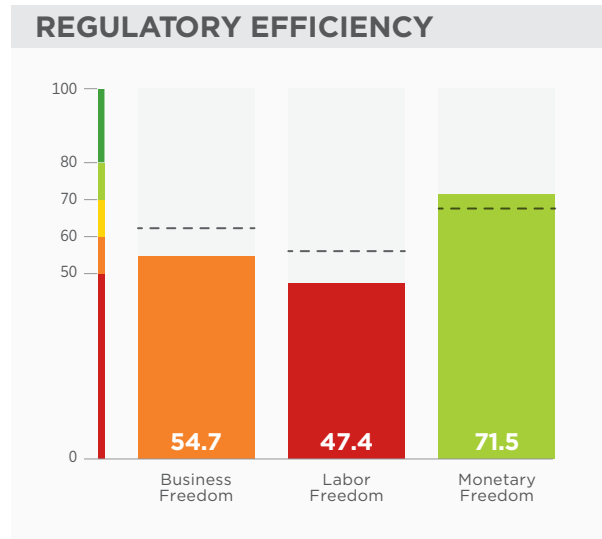
# 12 ECONOMIC FREEDOMS | CAMBODIA



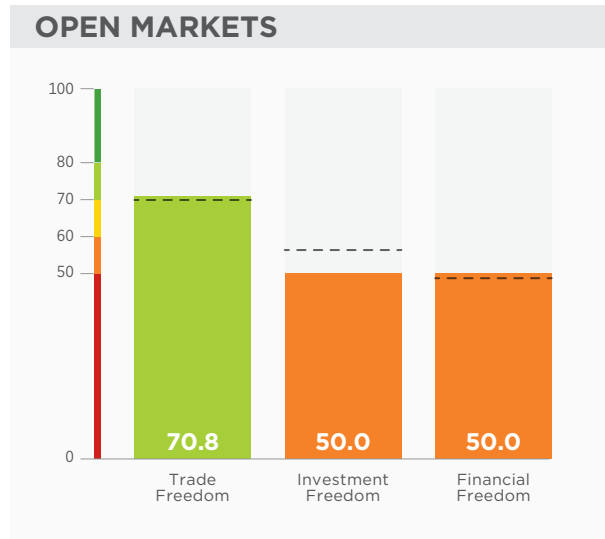
The overall rule of law is weak in Cambodia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 18.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.9 percent and -3.8 percent of GDP. Public debt amounts to 34.8 percent of GDP.



Cambodia's overall regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is far below the world average; its labor freedom score is below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 7.1 percent. One formal nontariff measure is in force, but other impediments to trade flows persist. The lack of transparency in approval processes undermines inflows of new foreign investment. Banking has become more market-oriented.