



CHINA

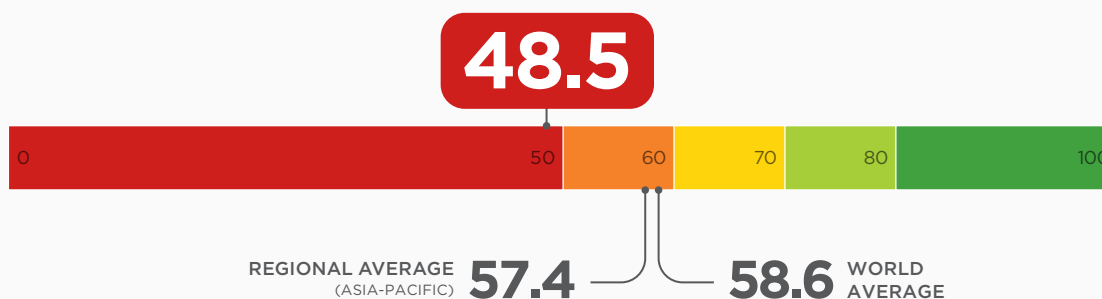
WORLD RANK: **151** | REGIONAL RANK: **35**

ECONOMIC FREEDOM STATUS: **REPRESSED**

China's economic freedom score is 48.5, making its economy the 151st freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and China is ranked 35th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. China's economy is considered "repressed" according to the 2024 *Index*.

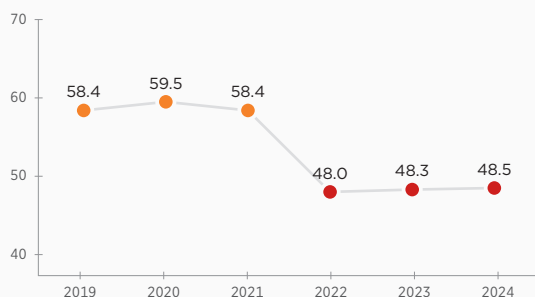
The Chinese Communist Party leadership holds ultimate authority and directly controls economic activity. The regulatory framework remains complex and uneven. China's arbitrary and often-revised business-related rules and labor codes subject the private sector to the whims of the Communist government. The state-controlled financial sector continues to undercut efficiency and productivity through extensive use of subsidies and credit controls. A post-COVID slowdown in economic growth may be more severe than officials acknowledge. Additional pressure on real estate and banking has contributed to worsening economic forecasts.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
1.4 billion

GDP (PPP):
\$30.2 trillion
3.0% growth in 2022
5-year average growth rate: 5.3%
\$21,404 per capita

UNEMPLOYMENT:
4.8%

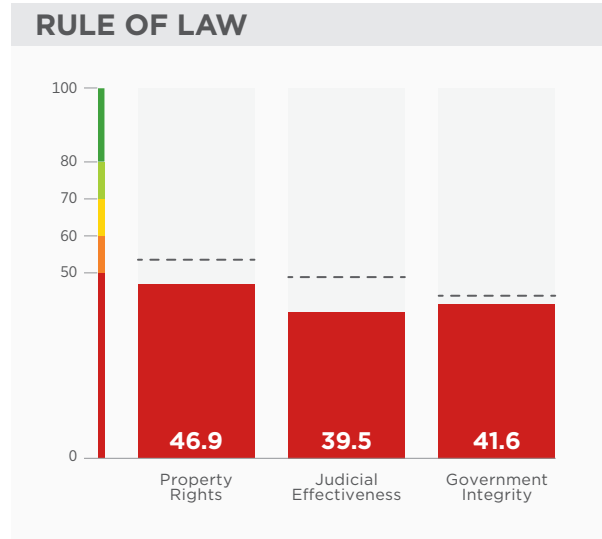
INFLATION (CPI):
1.9%

FDI INFLOW:
\$189.1 billion

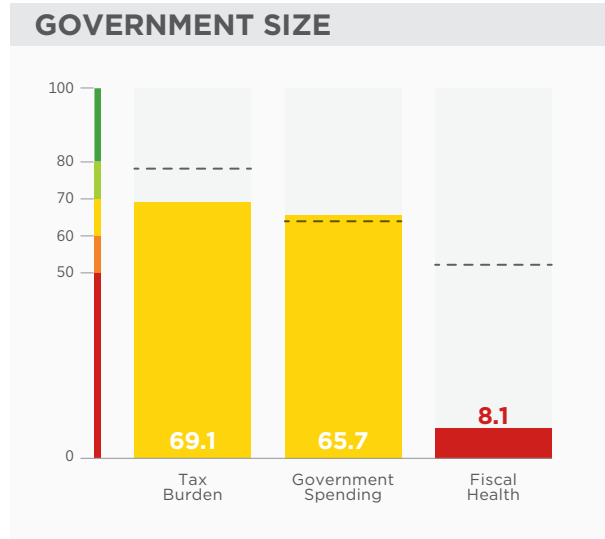
PUBLIC DEBT:
77.0% of GDP

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

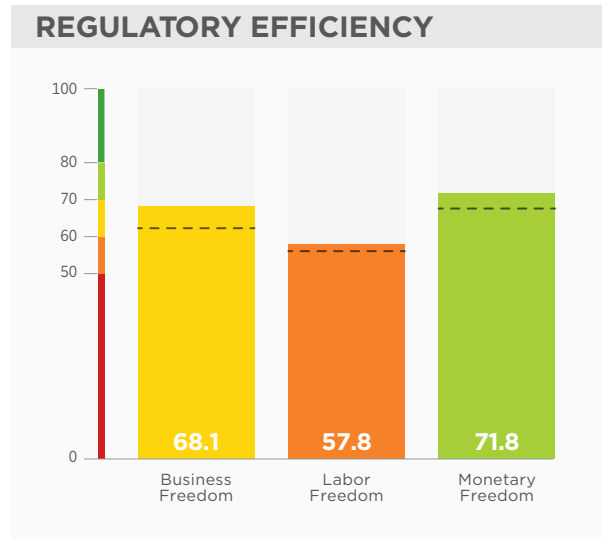
12 ECONOMIC FREEDOMS | CHINA



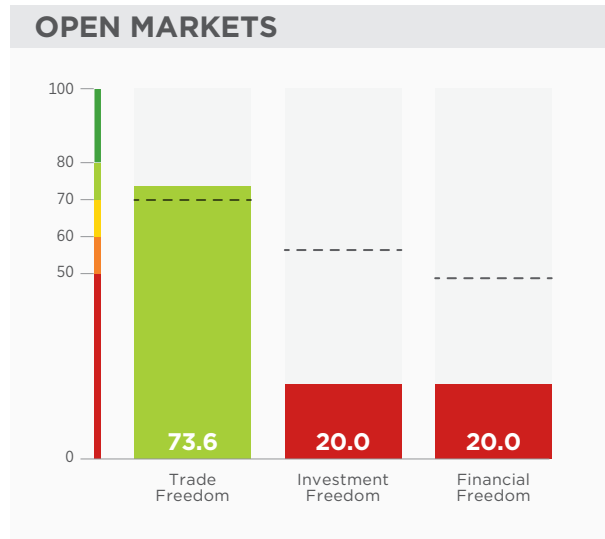
The overall rule of law is weak in China. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 25 percent. The tax burden equals 21.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.8 percent and -7.8 percent of GDP. Public debt amounts to 77.0 percent of GDP.



The pace of genuinely liberalizing economic reform has slowed or stopped. The overall regulatory framework remains arbitrary and uneven, subject to the influence of the state. The labor regime remains repressive. Inflation has been monitored intensely, with the government often relying on price controls.



The trade-weighted average tariff rate is 3.2 percent, and layers of nontariff measures are in effect. China's protectionist approval system for foreign investment remains restrictive and lacking in transparency. The government continues to maintain its tight grip on the financial system.