



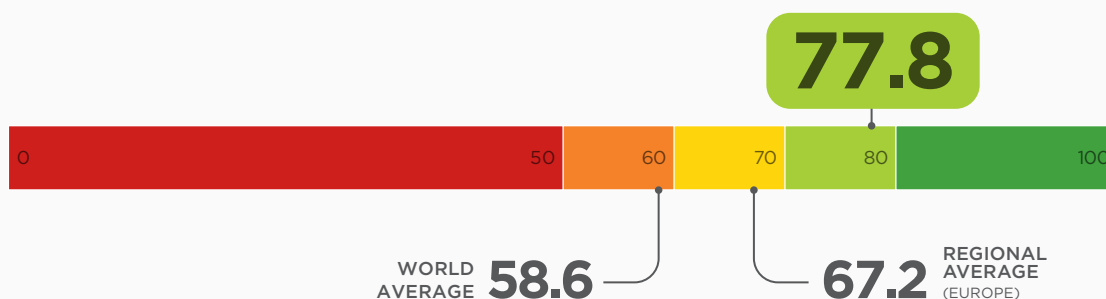
WORLD RANK:	REGIONAL RANK:
8	5
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

ESTONIA

Estonia's economic freedom score is 77.8, making its economy the 8th freest in the 2024 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Estonia is ranked 5th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Estonia's economy is considered "mostly free" according to the 2024 *Index*.

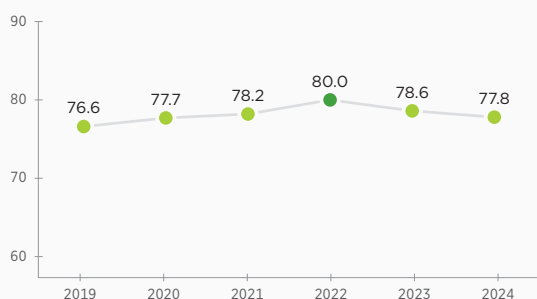
Estonia upholds all four pillars of economic freedom and continues to be a strong defender of liberty. An independent and efficient judicial system enforces the rule of law effectively. The debt burden remains quite low and has not undermined long-term economic competitiveness. Flexibility and openness have enabled the economy to adjust to external shocks. The overall regulatory framework is efficient and competitive, encouraging private-sector entrepreneurial dynamism. A modern labor market is in place, and enhancing the flexibility of the market has been a key goal.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +12.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
1.3 million

GDP (PPP):
\$60.2 billion
-0.5% growth in 2022
5-year average growth rate: 2.7%
\$44,630 per capita

UNEMPLOYMENT:
6.3%

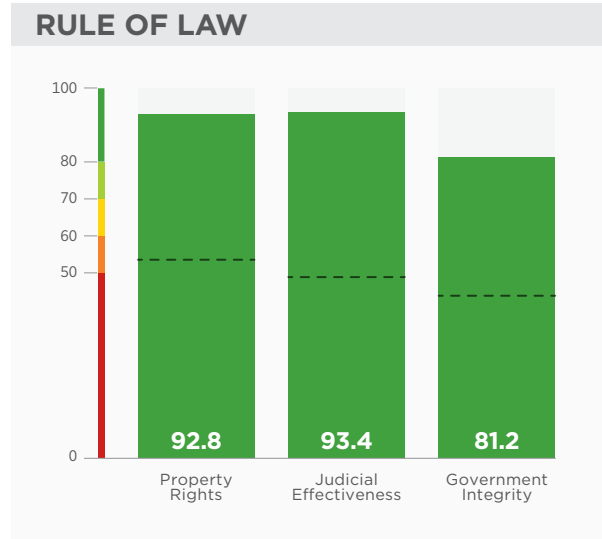
INFLATION (CPI):
19.4%

FDI INFLOW:
\$1.2 billion

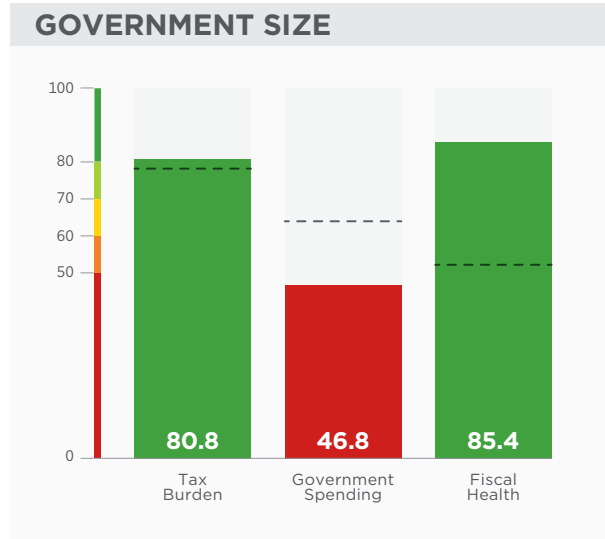
PUBLIC DEBT:
18.5% of GDP

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

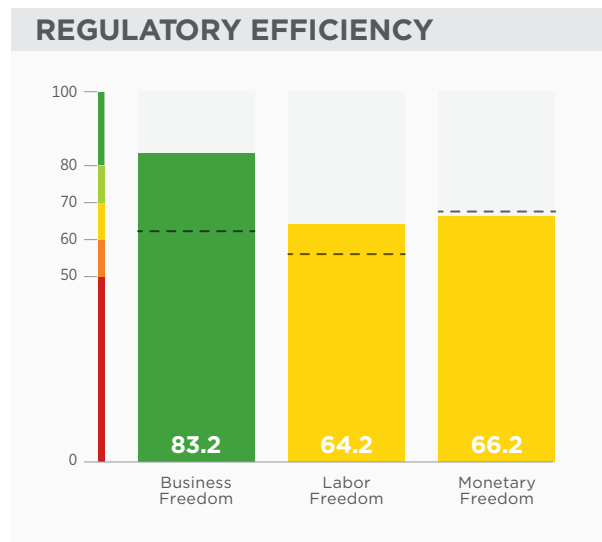
12 ECONOMIC FREEDOMS | ESTONIA



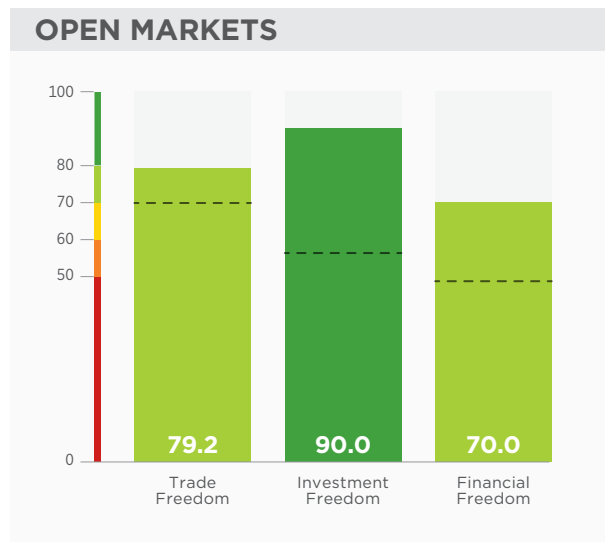
The overall rule of law is well respected in Estonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 33.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.1 percent and -3.0 percent of GDP. Public debt amounts to 18.5 percent of GDP.



Estonia'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 below 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 six country-specific nontariff barriers. The transparent investment regime facilitates openness to foreign investment. The financial sector remains stable.