

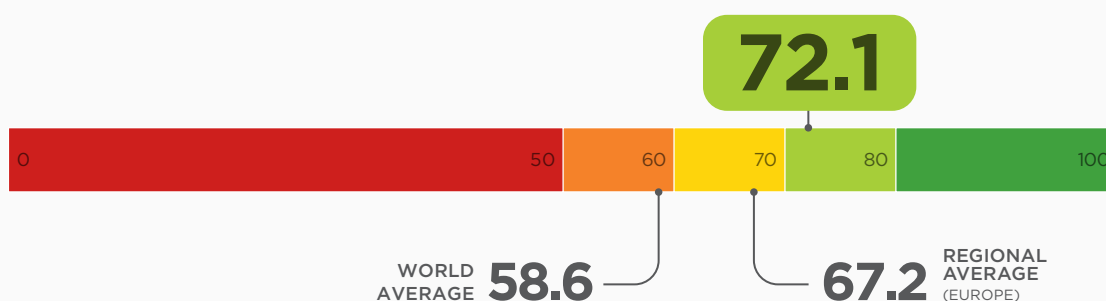


GERMANY

Germany's economic freedom score is 72.1, making its economy the 18th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.6 points from last year, and Germany is ranked 12th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Germany's economy is considered "mostly free" according to the 2024 *Index*.

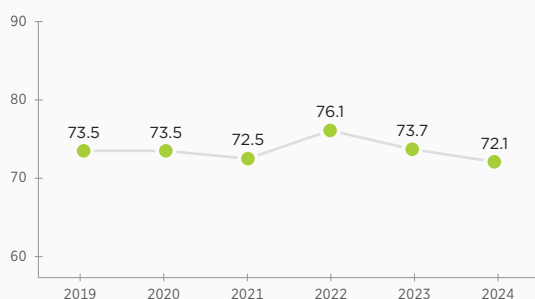
Despite a challenging external economic environment, Germany remains one of the world's most powerful and dynamic economies. The foundations for long-term competitiveness and dynamic growth are rooted in the quality of the judicial regime, which upholds a strong rule of law. Government transparency is high, and anticorruption measures are enforced effectively. Open-market policies enhance the benefits of Germany's engagement in global commerce. The regulatory regime allows dynamic and innovative business formation and operation. The competitive financial sector offers a full range of services.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +2.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
83.1 million

GDP (PPP):
\$5.4 trillion
1.8% growth in 2022
5-year average growth rate: 0.6%
\$64,086 per capita

UNEMPLOYMENT:
3.5%

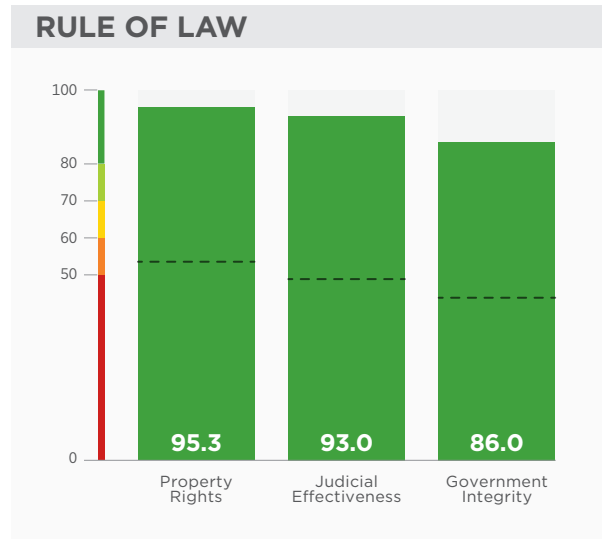
INFLATION (CPI):
8.7%

FDI INFLOW:
\$11.1 billion

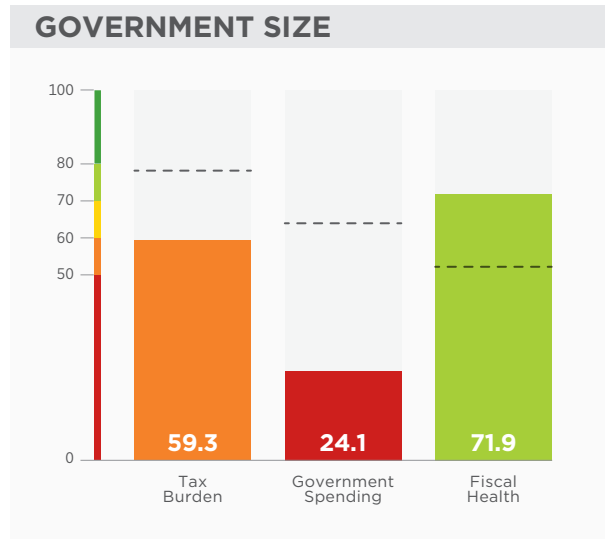
PUBLIC DEBT:
66.1% of GDP

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

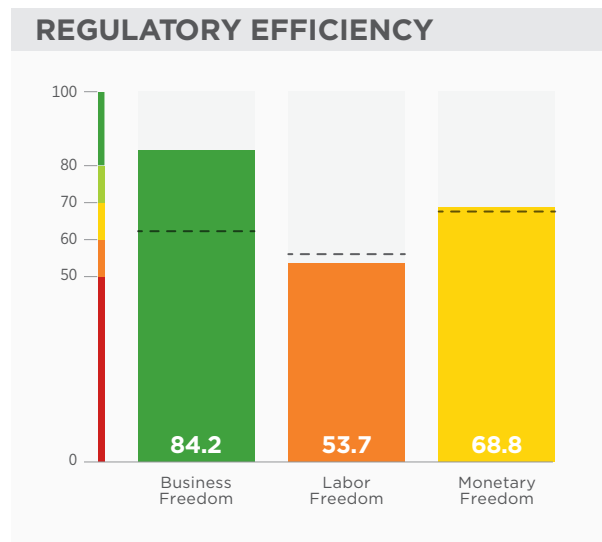
12 ECONOMIC FREEDOMS | GERMANY



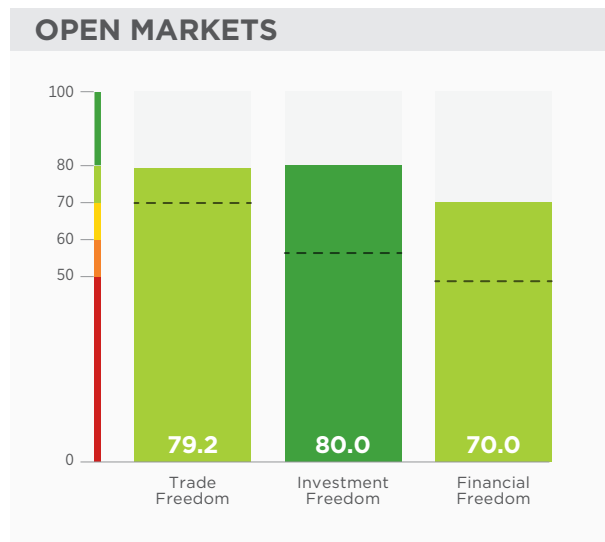
The overall rule of law is very well respected in Germany. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 47.5 percent, and the top corporate tax rate is 15.8 percent. The tax burden equals 39.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 50.3 percent and -3.5 percent of GDP. Public debt amounts to 66.1 percent of GDP.



Germany's overall regulatory environment is well institutionalized and efficient, facilitating entrepreneurial growth and economic resilience. The country's business freedom score is far above 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 (common among EU members) is 2.9 percent, and more than 600 EU-mandated nontariff measures are in force along with two country-specific nontariff barriers. Openness to global commerce supports competitiveness and investment. The financial sector offers a full range of services.