



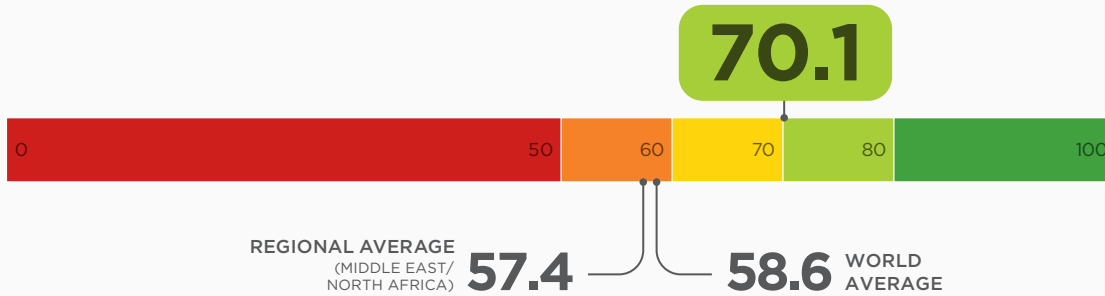
WORLD RANK:	REGIONAL RANK:
<b>26</b>	<b>2</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# ISRAEL

Israel's economic freedom score is 70.1, making its economy the 26th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Israel is ranked 2nd out of 14 countries in the Middle East/North Africa region. The country's economic freedom score is higher than the world and regional averages. Israel's economy is considered "mostly free" according to the 2024 *Index*.

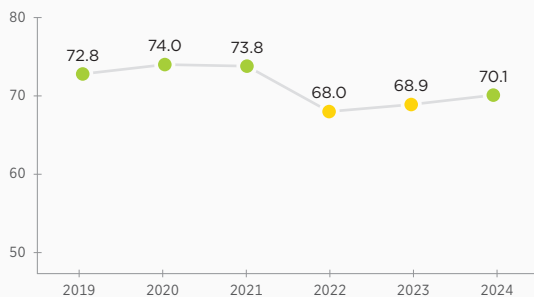
Despite an increasingly challenging security environment, Israel's economic competitiveness is anchored in strong protection of property rights and relatively low levels of corruption. The management of public finance still needs to be improved. Israel's overall regulatory framework promotes entrepreneurial activity, and its openness to global commerce supports productivity growth. The pace of regulatory reform is slightly behind that of other emerging economies. The labor market needs more flexibility to accommodate rapid economic transformation. Inflation has been modest, but upward pressures persist.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.6

## RECENT FREEDOM TREND

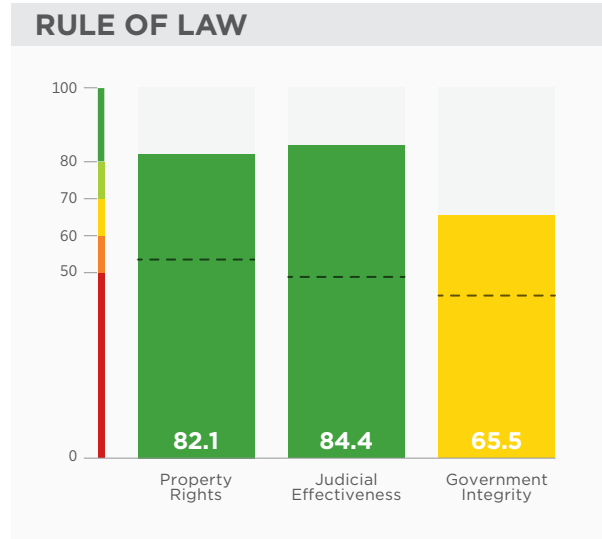


## QUICK FACTS

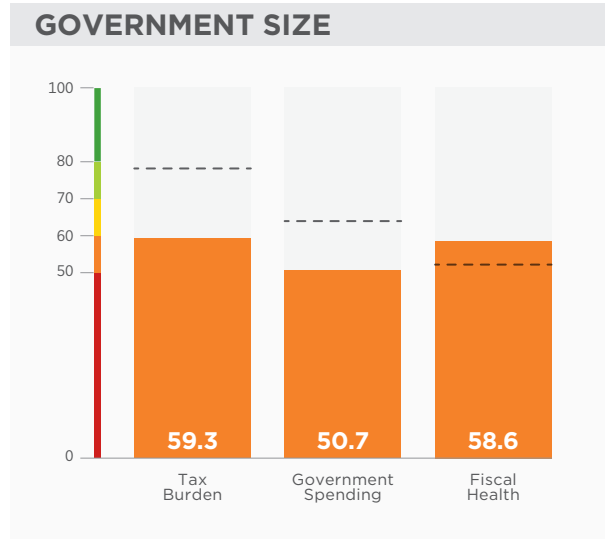
<b>POPULATION:</b> 9.4 million	<b>UNEMPLOYMENT:</b> 5.0%
<b>GDP (PPP):</b> \$502.3 billion 6.5% growth in 2022 5-year average growth rate: 4.4%	<b>INFLATION (CPI):</b> 4.4%
<b>FDI INFLOW:</b> \$27.8 billion	<b>PUBLIC DEBT:</b> 60.7% of GDP
<b>PER CAPITA GDP:</b> \$51,990	

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

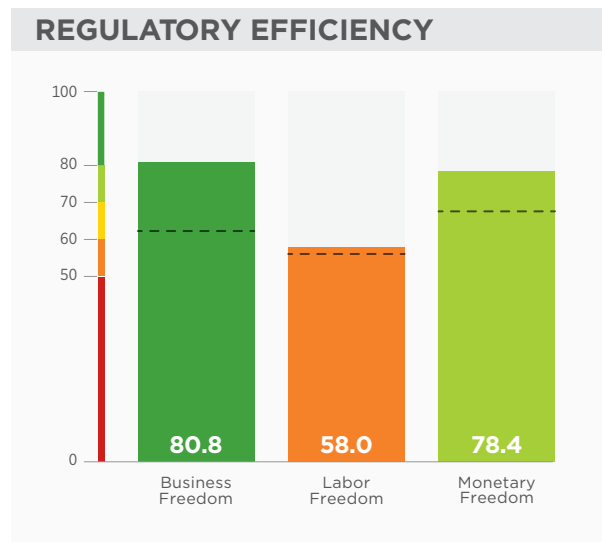
# 12 ECONOMIC FREEDOMS | ISRAEL



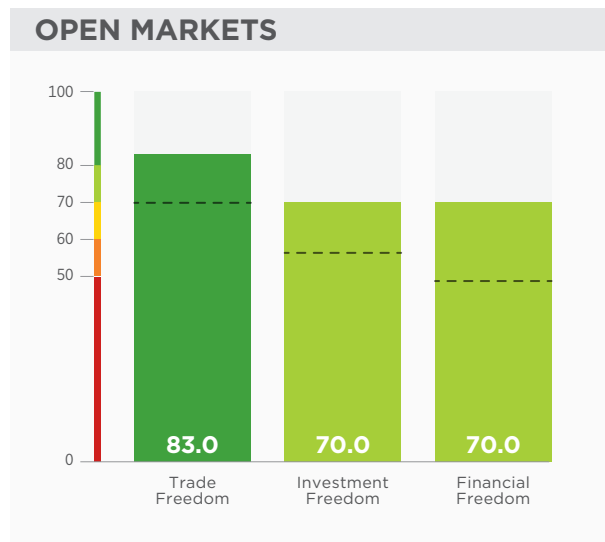
The overall rule of law is well respected in Israel. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 50 percent, and the top corporate tax rate is 23 percent. The tax burden equals 32.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.5 percent and -4.6 percent of GDP. Public debt amounts to 60.7 percent of GDP.



Israel'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 well above the world average.



The trade-weighted average tariff rate is 3.5 percent, and more than 90 nontariff measures are in force. Economic competitiveness is generally facilitated by openness to foreign investment. Banking remains concentrated, but commercial banks offer a range of financial services that support the private sector.