

WORLD RANK: **176** | REGIONAL RANK: **39**

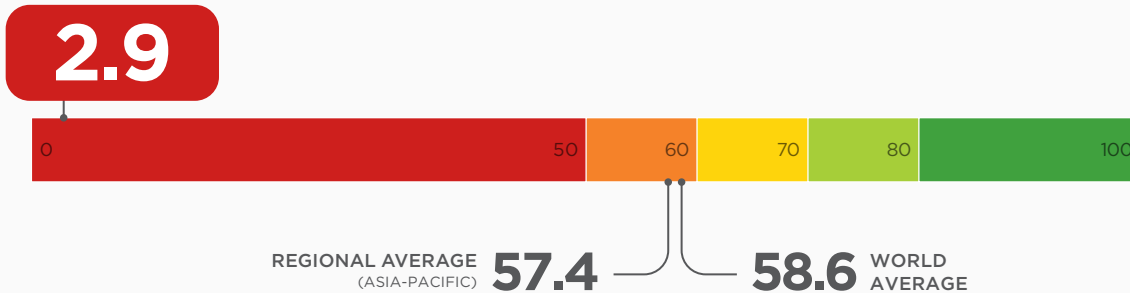
ECONOMIC FREEDOM STATUS: **REPRESSED**

# NORTH KOREA

**B**ased on limited available information, North Korea’s economic freedom score is 2.9, making its economy the world’s least free in the 2024 *Index of Economic Freedom*. Its rating is unchanged from last year, and the Democratic People’s Republic of Korea is ranked 39th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. North Korea’s economy is considered “repressed” according to the 2024 *Index*.

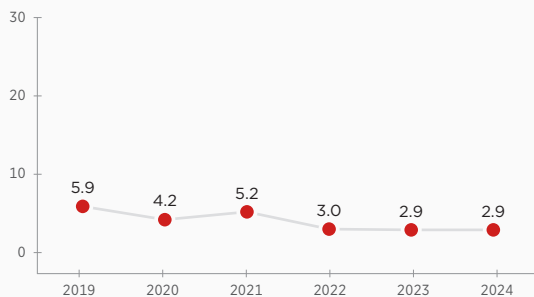
North Korea is still largely isolated from the rest of the world, and its dictatorial leadership remains unwilling to open or restructure the economy. Despite some experimentation with a few market reforms, the economy is still controlled by the state. The Communist Party dictates every aspect of the economy through central planning, and entrepreneurial activity is virtually impossible. After decades of financial mismanagement, relative autarky, and resource misallocation, North Korea has faced chronic food shortages.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
25.9 million

**GDP (PPP):**  
n/a  
n/a growth in 2022  
5-year average growth rate: n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

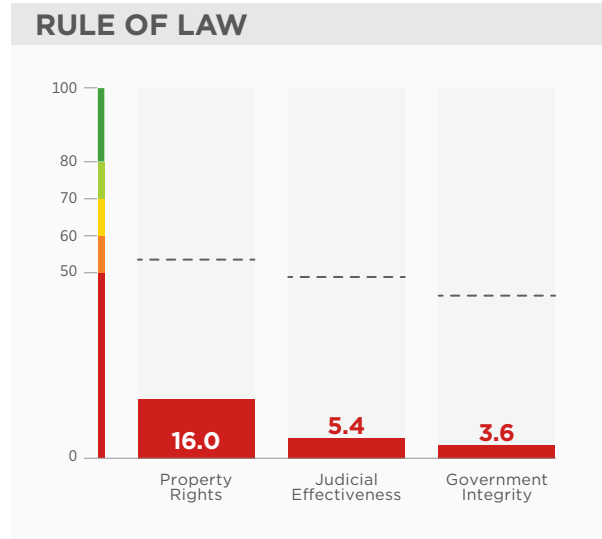
**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
\$10.0 million

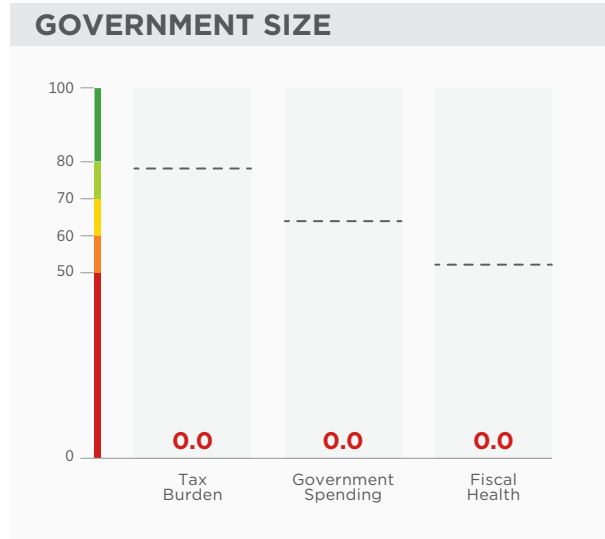
**PUBLIC DEBT:**  
n/a

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

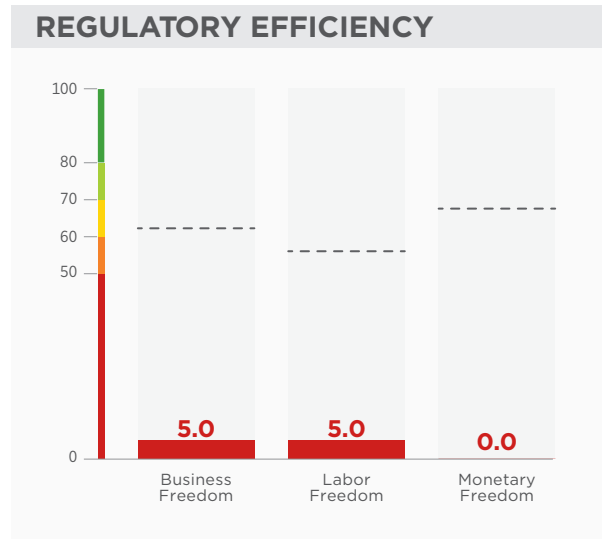
# 12 ECONOMIC FREEDOMS | NORTH KOREA



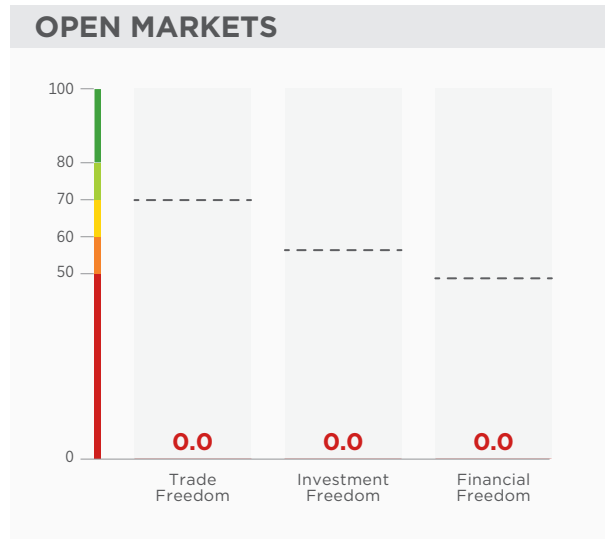
The overall rule of law is weak in North Korea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no effective tax system. The government controls all significant activity. The state sets production levels for most products, and state-owned industries account for nearly 100 percent of the country's GDP. The magnitude of North Korea's military spending further drains scarce resources.



North Korea's overall regulatory environment is very inefficient and not conducive to entrepreneurial activity. 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 well below the world average.



Trade and investment flows are controlled by the government. The dominant influence of the military establishment makes any meaningful near-term change unlikely. Access to financing is very limited and constrained by the repressive economic system, which remains firmly controlled by the state.