



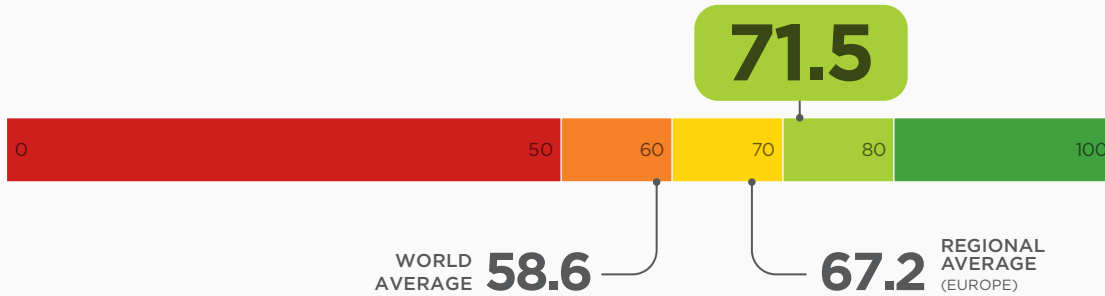
WORLD RANK:	REGIONAL RANK:
<b>20</b>	<b>13</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# LATVIA

Latvia's economic freedom score is 71.5, making its economy the 20th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.3 points from last year, and Latvia is ranked 13th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Latvia's economy is considered "mostly free" according to the 2024 *Index*.

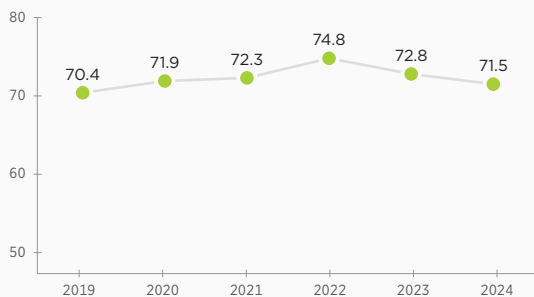
Latvia's ongoing transition to a more vibrant and market-oriented economy has been facilitated by openness to foreign trade and the efficiency of business regulations that promote entrepreneurial dynamism. With overall institutional competitiveness and committed political leadership in place, Latvia is well positioned for long-term economic development. The overall regulatory framework is relatively efficient and transparent. Rules regarding the formation and operation of private enterprises have been streamlined. Monetary stability has weakened, and the most recent available inflation rate is slightly above 17 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +16.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.9 million

**GDP (PPP):**  
\$73.5 billion  
2.8% growth in 2022  
5-year average growth rate: 2.3%  
\$39,167 per capita

**UNEMPLOYMENT:**  
7.6%

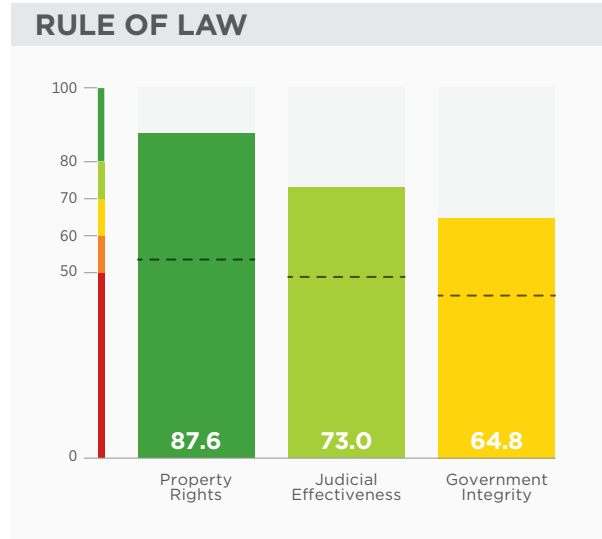
**INFLATION (CPI):**  
17.2%

**FDI INFLOW:**  
\$1.5 billion

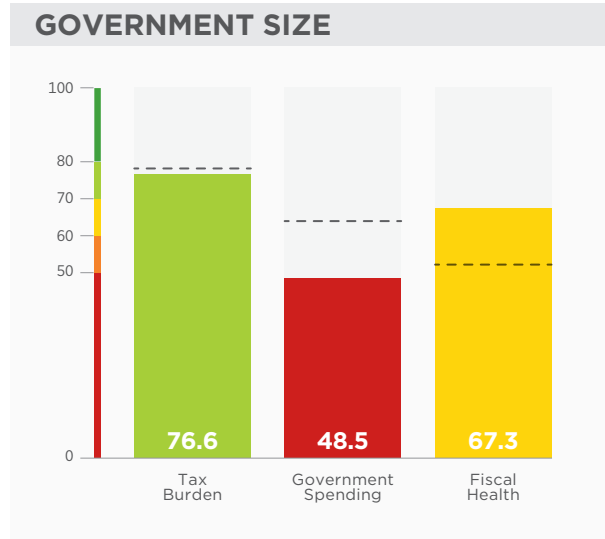
**PUBLIC DEBT:**  
40.8% of GDP

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

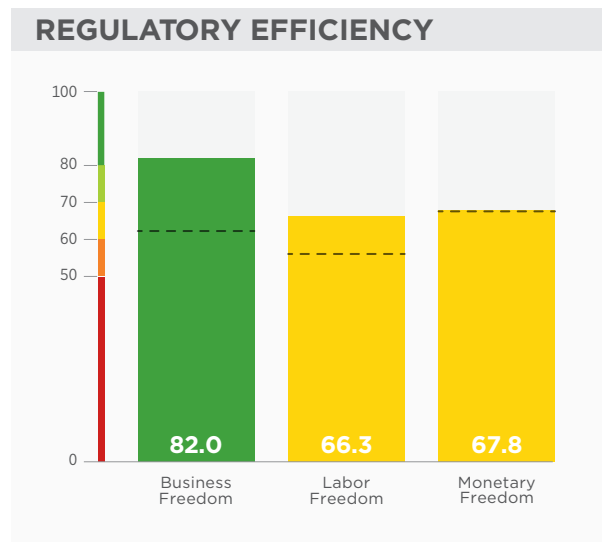
# 12 ECONOMIC FREEDOMS | LATVIA



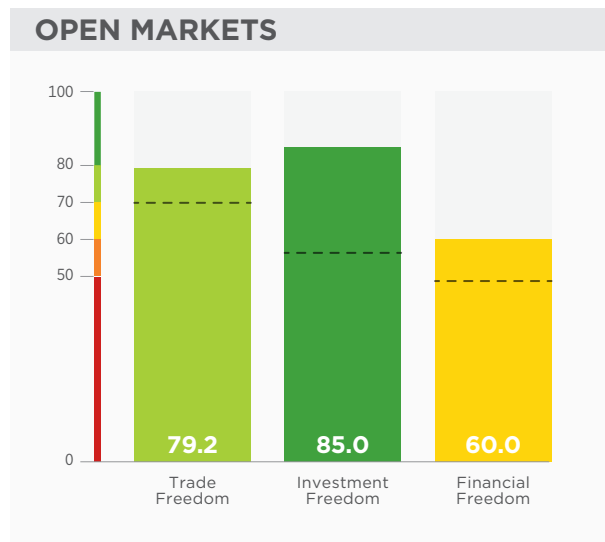
The overall rule of law is well respected in Latvia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 31 percent, and the top corporate tax rate is 20 percent. The tax burden equals 31.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.4 percent and -4.3 percent of GDP. Public debt amounts to 40.8 percent of GDP.



Latvia'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 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. The investment regulatory framework is relatively efficient. In general, rules regarding foreign investment are not burdensome. The financial sector is resilient and well capitalized.