

WORLD RANK: **154** | REGIONAL RANK: **12**

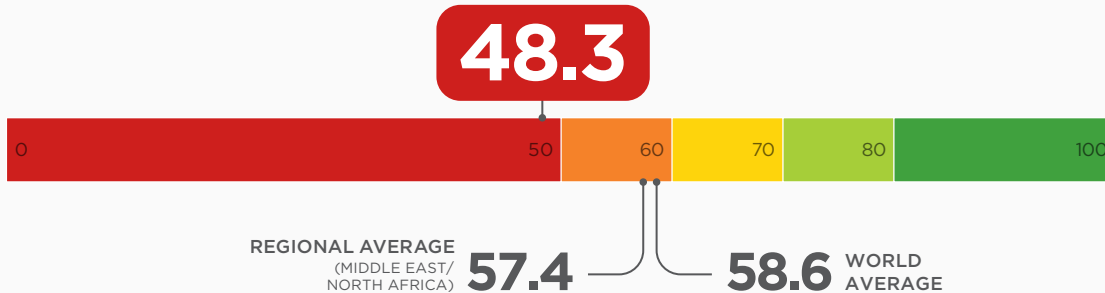
ECONOMIC FREEDOM STATUS: **REPRESSED**

LEBANON

Lebanon's economic freedom score is 48.3, making its economy the 154th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 2.7 points from last year, and Lebanon is ranked 12th out of 14 countries in the Middle East/North Africa region. The country's economic freedom score is lower than the world and regional averages. Lebanon's economy is considered "repressed" according to the 2024 *Index*.

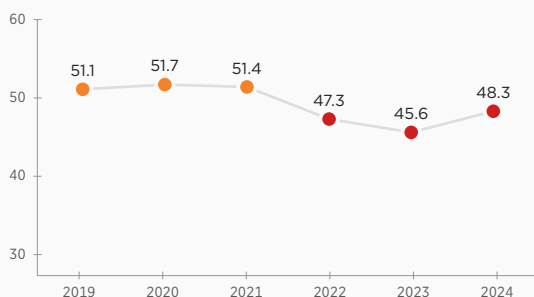
The foundations of Lebanon's economic freedom have been significantly undermined. The entrepreneurial environment, characterized by political instability and regulatory inefficiency, discourages more dynamic growth of private investment. Commercial regulations are still burdensome. In the absence of a well-functioning legal framework, protection of property rights remains weak, and corruption is widespread. Fiscal and financial crises exacerbate a bleak economic picture. The labor market has been undermined by political instability and uncertainty. The most recent available inflation rate is slightly above 171 percent.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -14.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
6.8 million

GDP (PPP):
\$78.2 billion
-5.4% growth in 2022
5-year average growth rate: -11.2%
\$11,794 per capita

UNEMPLOYMENT:
14.5%

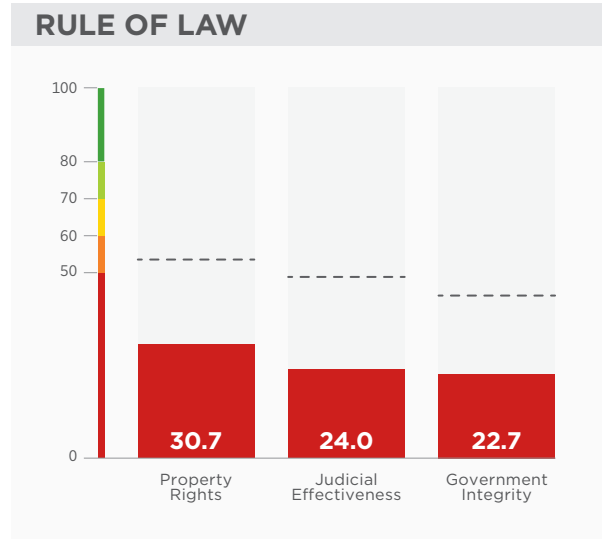
INFLATION (CPI):
171.2%

FDI INFLOW:
\$458.0 million

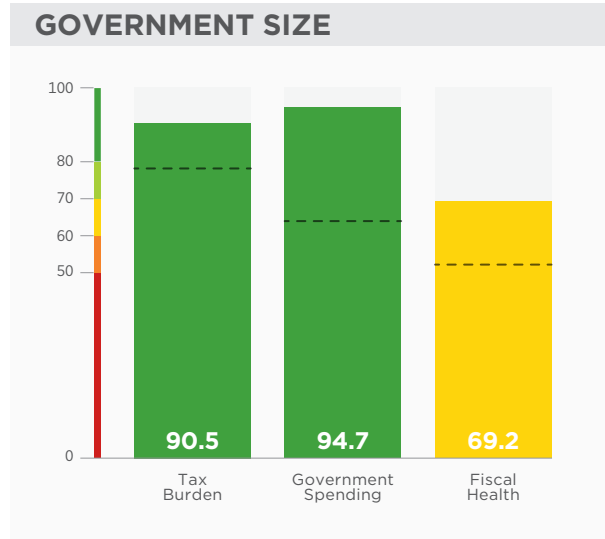
PUBLIC DEBT:
283.2% of GDP

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

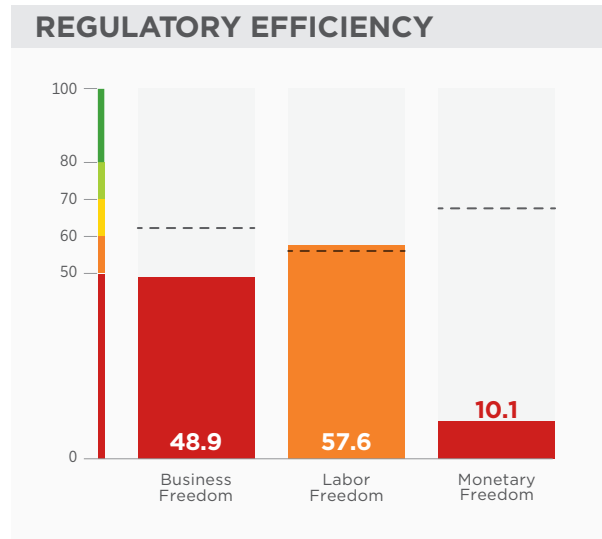
12 ECONOMIC FREEDOMS | LEBANON



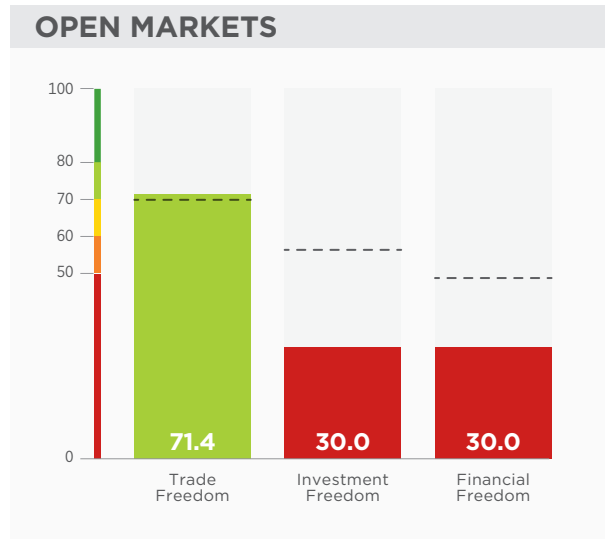
The overall rule of law is weak in Lebanon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 17 percent. The tax burden equals 5.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.3 percent and -2.6 percent of GDP. Public debt amounts to 283.2 percent of GDP.



Lebanon'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 above the world average; and its monetary freedom score is well below the world average.



The trade-weighted average tariff rate is 4.3 percent, but poor regulatory systems discourage dynamic trade and investment flows. Lebanon's financial sector used to be a regional hub, but ongoing political insecurity has subjected it to a high degree of uncertainty and strain.