

WORLD RANK:

97

REGIONAL RANK:

11

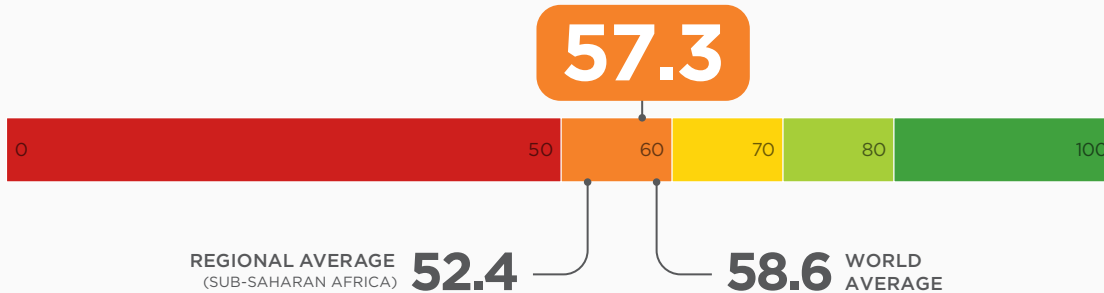
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MADAGASCAR

Madagascar's economic freedom score is 57.3, making its economy the 97th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.6 points from last year, and Madagascar is ranked 11th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Madagascar's economy is considered "mostly unfree" according to the 2024 *Index*.

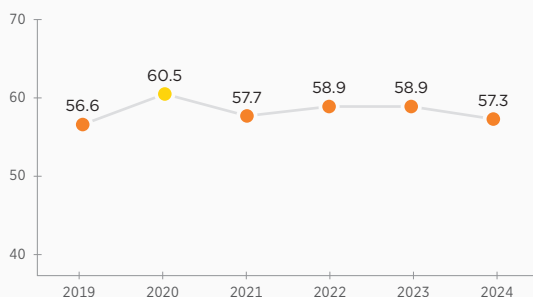
A still-deficient institutional framework and the ongoing risk of political instability continue to undermine efforts to reduce poverty. The judicial system is underdeveloped, and convoluted administrative procedures facilitate corruption, weakening the foundations of free economic activity. Policies needed to sustain open markets are not firmly institutionalized. Regulations often reflect historical customs and unwritten rules. The labor laws are outmoded, restrictive, and not conducive to the development of a dynamic labor market. The government influences prices through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.7

## RECENT FREEDOM TREND



## QUICK FACTS

### POPULATION:

28.4 million

### GDP (PPP):

\$52.6 billion  
4.0% growth in 2022  
5-year average growth rate: 2.0%  
\$1,817 per capita

### UNEMPLOYMENT:

2.6%

### INFLATION (CPI):

8.2%

### FDI INFLOW:

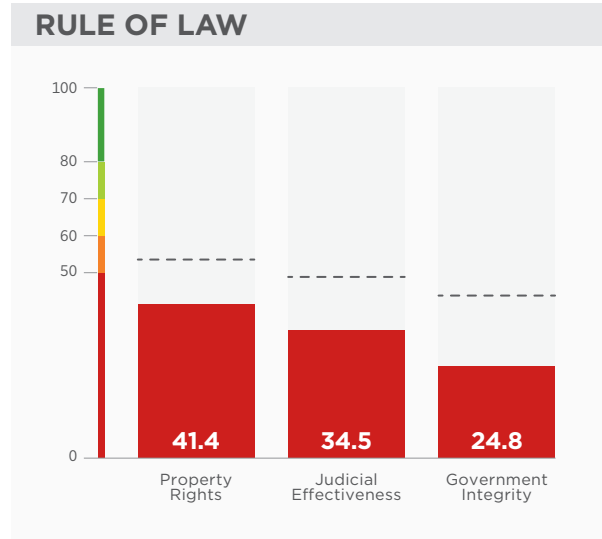
\$396.0 million

### PUBLIC DEBT:

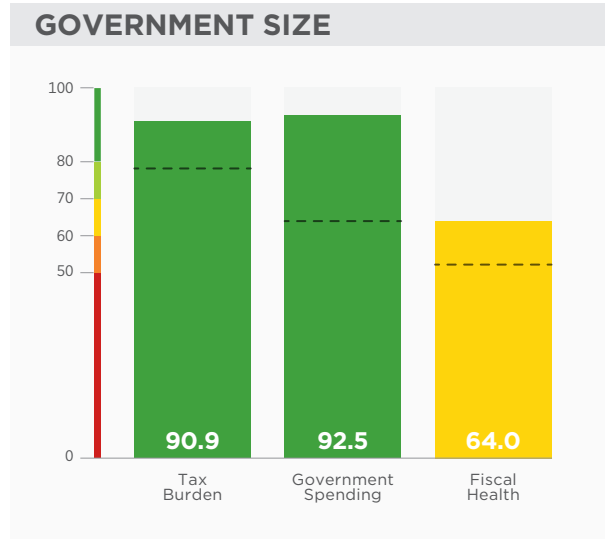
55.1% of GDP

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

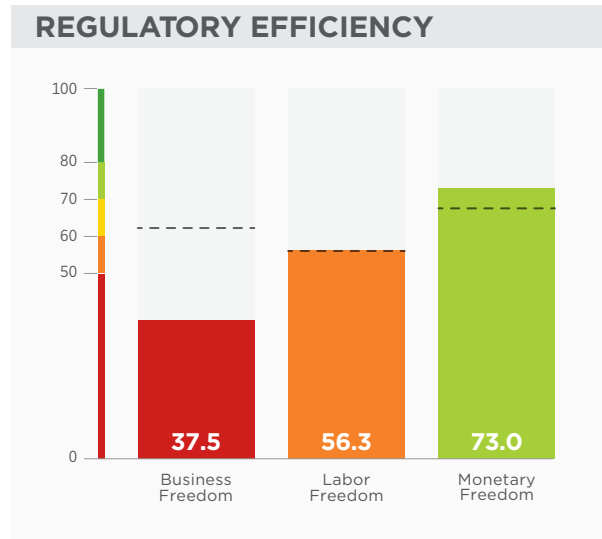
# 12 ECONOMIC FREEDOMS | MADAGASCAR



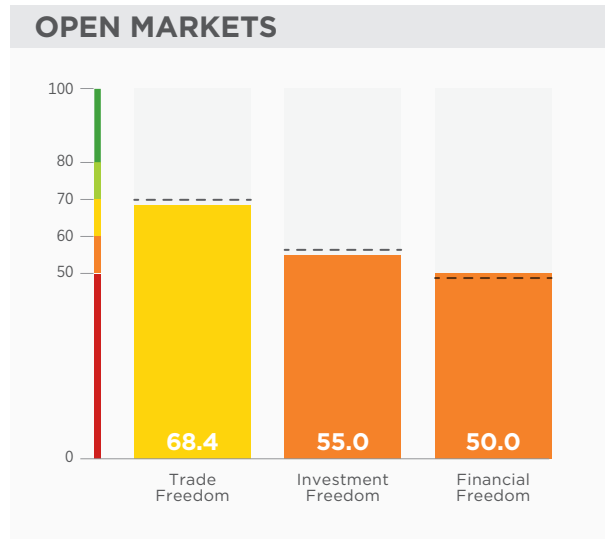
The overall rule of law is weak in Madagascar. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 10.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.8 percent and -4.3 percent of GDP. Public debt amounts to 55.1 percent of GDP.



Madagascar's overall regulatory environment is poorly institutionalized and inefficient. 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 above the world average.



The trade-weighted average tariff rate is 8.3 percent, and layers of nontariff measures are in force. Judicial and regulatory barriers deter foreign investment. State-owned enterprises distort the economy. Less than 20 percent of adult Malagasy have access to an account with a formal banking institution.