WORLD RANK: **129**

REGIONAL RANK: **26**

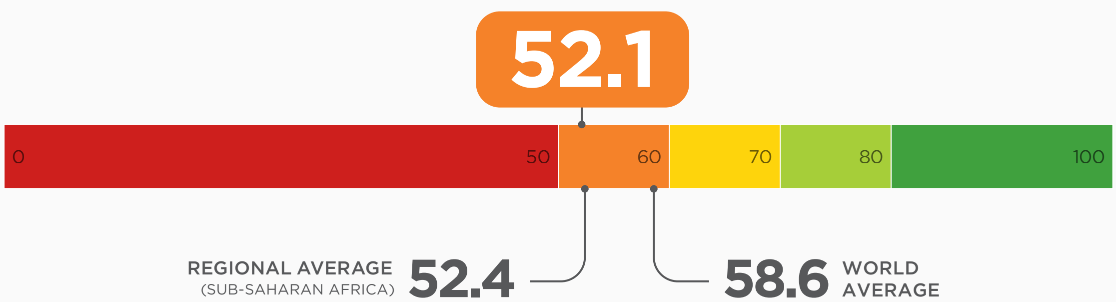
ECONOMIC FREEDOM STATUS:
MOSTLY UNFREE

MALAWI

Malawi's economic freedom score is 52.1, making its economy the 129th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Malawi is ranked 26th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Malawi's economy is considered "mostly unfree" according to the 2024 *Index*.

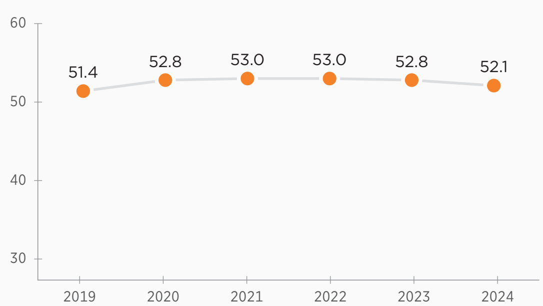
Malawi lags in competitiveness and promotion of the broad-based economic activity that is needed to reduce poverty. The poor quality of physical and legal infrastructure, exacerbated by the government's inefficiency, has been a serious impediment to long-term economic development. The inefficient business framework is slowly being improved. Labor regulations are not generally enforced, and the labor market remains poorly developed. Most Malawians are still employed outside of the formal sector, primarily in agriculture. The most recent available inflation rate is 20.8 percent.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): –2.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
19.6 million

GDP (PPP):
$36.0 billion
0.8% growth in 2022
5-year average growth rate: 3.2%
$1,628 per capita

UNEMPLOYMENT:
7.0%

INFLATION (CPI):
20.8%

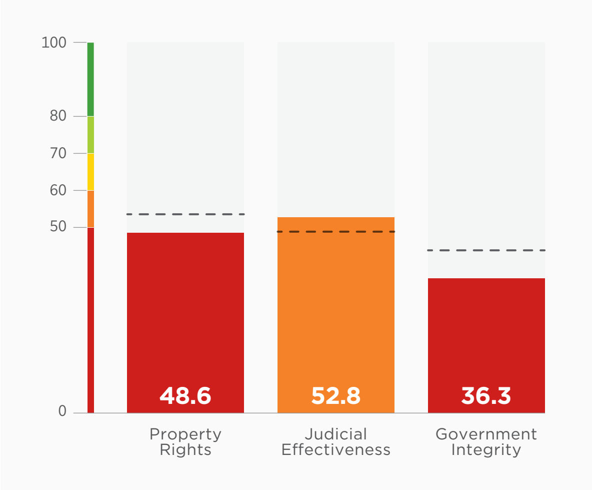
FDI INFLOW:
$189.0 million

PUBLIC DEBT:
75.2% of GDP

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

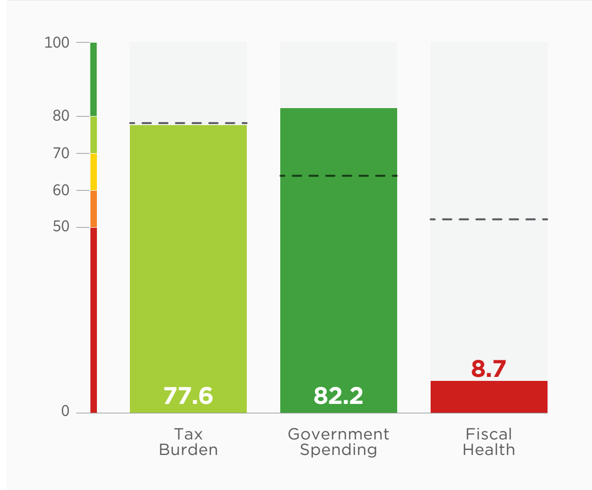
12 ECONOMIC FREEDOMS | MALAWI

RULE OF LAW



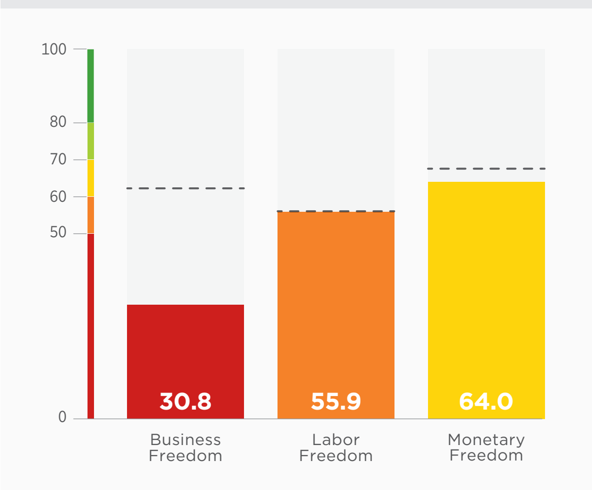
The overall rule of law is weak in Malawi. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



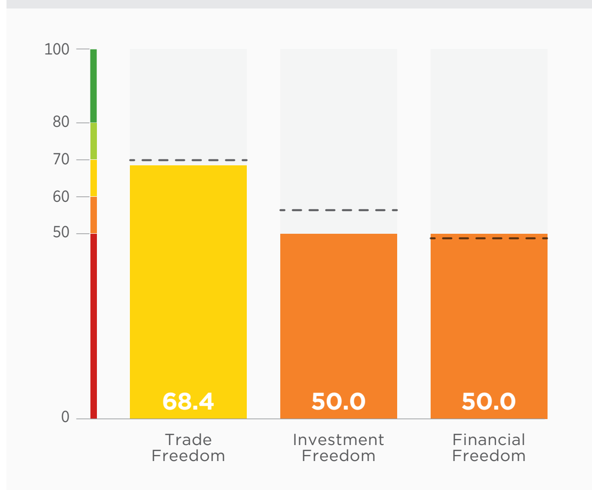
The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 10.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.3 percent and –8.7 percent of GDP. Public debt amounts to 75.2 percent of GDP.

REGULATORY EFFICIENCY



Malawi's regulatory environment is poorly institutionalized and inefficient. 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 below the world average.

OPEN MARKETS



The trade-weighted average tariff rate is 8.3 percent. The lack of transparency, often made worse by bureaucratic delays, is a major impediment to foreign trade and investment. Poor access to finance continues to discourage more dynamic foreign investment inflows and private-sector development.