



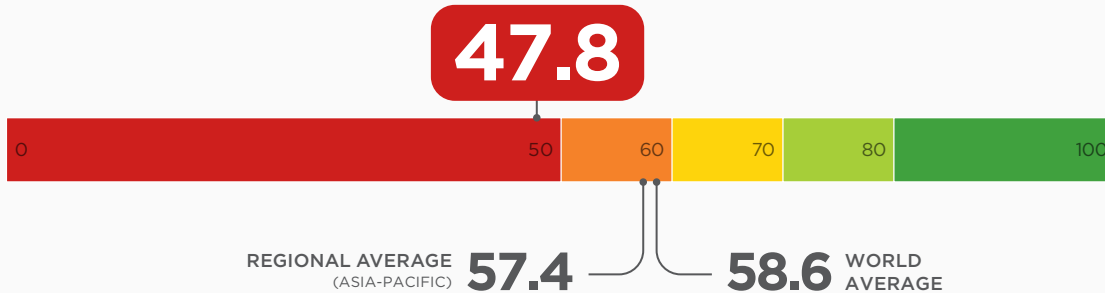
MALDIVES

WORLD RANK:	REGIONAL RANK:
158	36
ECONOMIC FREEDOM STATUS:	
REPPRESSED	

Maldives' economic freedom score is 47.8, making its economy the 158th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Maldives is ranked 36th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Maldives's economy is considered "repressed" according to the 2024 *Index*.

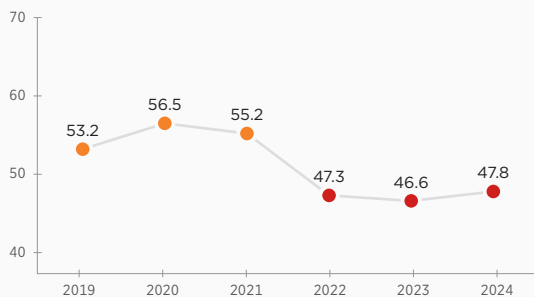
Reform to enhance prospects for long-term sustainable development remains vital. Impediments to sustained private-sector growth and diversification are still considerable, largely because of such institutional deficiencies as corruption and weak protection of property rights. State-owned enterprises still play a large role in the economy. The regulatory framework remains relatively underdeveloped. Enforcement of labor regulations is not effective, and the large public sector employs much of the labor force. Lack of competition in the market has affected price levels, but monetary stability has been maintained.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -3.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.5 million

GDP (PPP):
\$13.2 billion
13.9% growth in 2022
5-year average growth rate: 7.5%
\$33,663 per capita

UNEMPLOYMENT:
6.1%

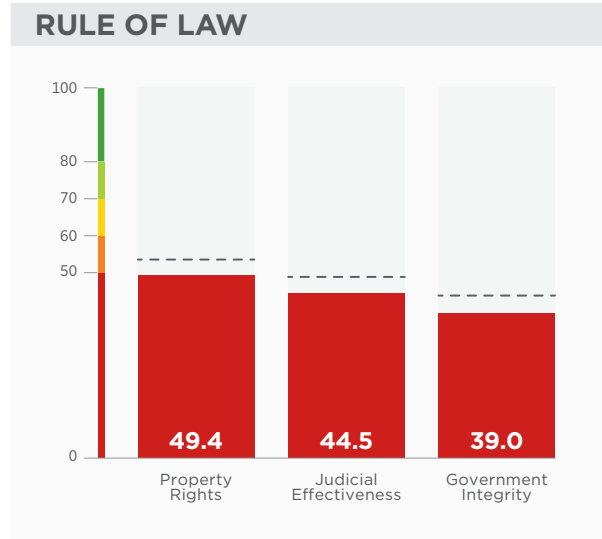
INFLATION (CPI):
2.6%

FDI INFLOW:
\$722.0 million

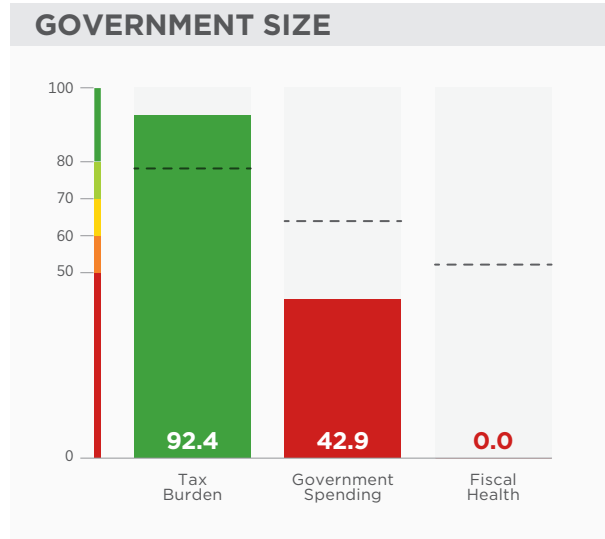
PUBLIC DEBT:
114.4% of GDP

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

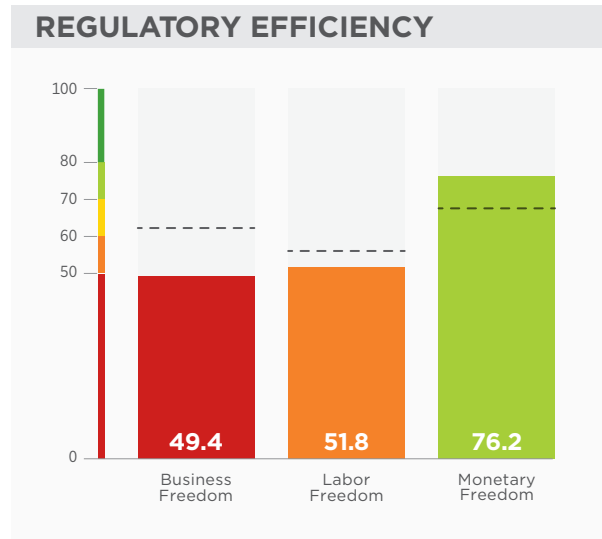
12 ECONOMIC FREEDOMS | MALDIVES



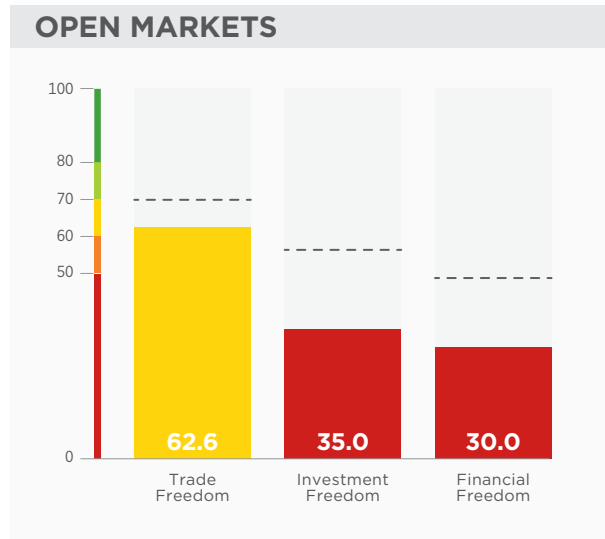
The overall rule of law is weak in Maldives. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 15 percent, and the top corporate tax rate is 15 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.6 percent and -16.4 percent of GDP. Public debt amounts to 114.4 percent of GDP.



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



The trade-weighted average tariff rate is 11.2 percent, and nontariff barriers are in force. Foreign participation and ownership remain limited and restricted in some sectors. The shallow financial sector is dominated by banking. Costly credit and limited access to financial services discourage vibrant private-sector development.