

WORLD RANK:

141

REGIONAL RANK:

34

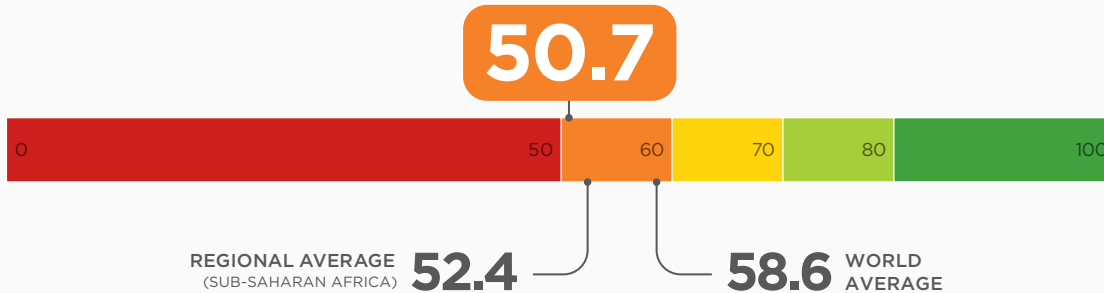
ECONOMIC FREEDOM STATUS:
MOSTLY UNFREE

MOZAMBIQUE

Mozambique's economic freedom score is 50.7, making its economy the 141st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 1.8 points from last year, and Mozambique is ranked 34th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Mozambique's economy is considered "mostly unfree" according to the 2024 *Index*.

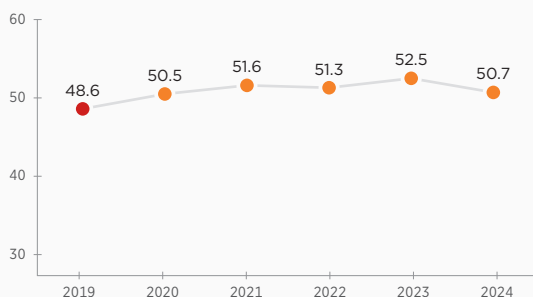
Mozambique has undertaken reforms to encourage economic development, although progress has been very gradual. Private-sector involvement in the economy is substantial, but privatization of state-owned enterprises has slowed. Persistent institutional and fiscal shortcomings have a negative effect on long-term economic development. Judicial enforcement is subject to corruption and political influence. The regulatory environment remains inefficient and burdensome. In recent years, the government has focused on restoring macroeconomic stability, particularly with an increasingly burdensome external debt and liquidity risks confronting the country.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
32.2 million

GDP (PPP):
\$48.4 billion
4.2% growth in 2022
5-year average growth rate: 2.2%
\$1,469 per capita

UNEMPLOYMENT:
4.0%

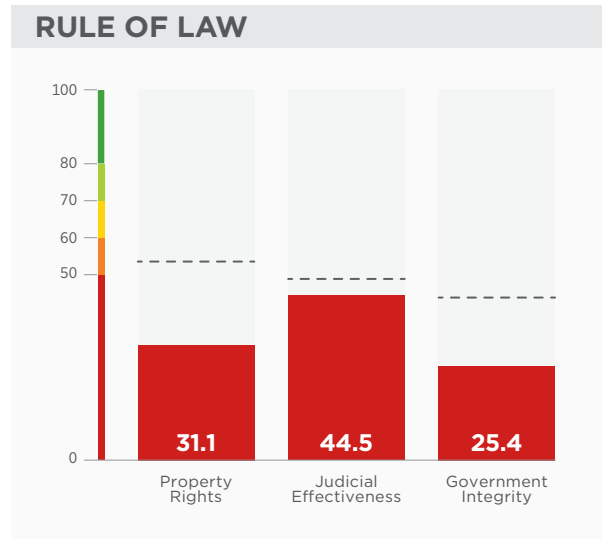
INFLATION (CPI):
9.8%

FDI INFLOW:
\$2.0 billion

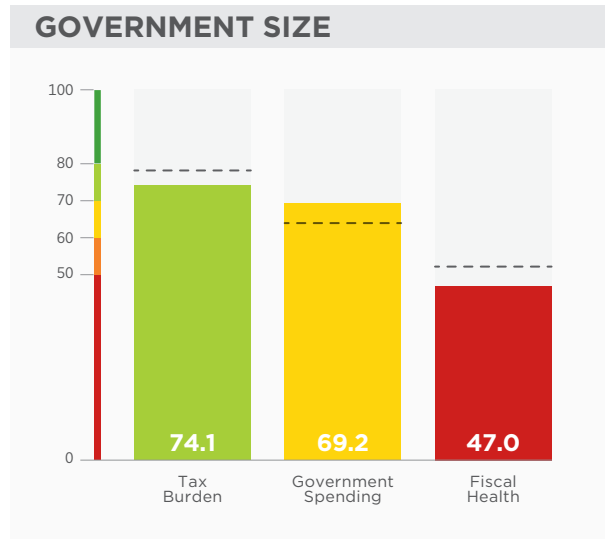
PUBLIC DEBT:
95.5% of GDP

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

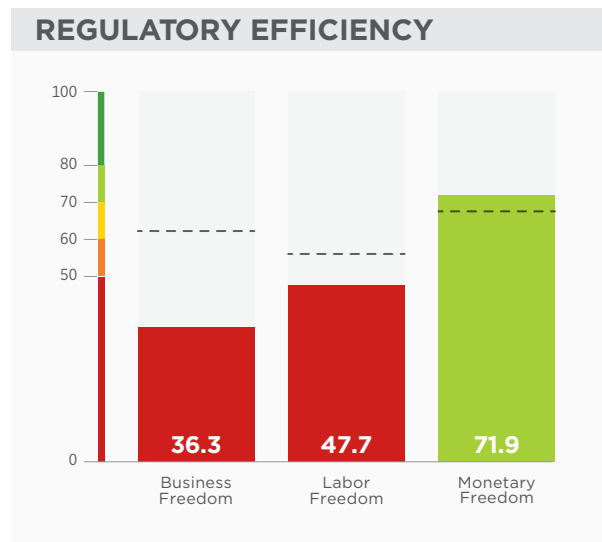
12 ECONOMIC FREEDOMS | MOZAMBIQUE



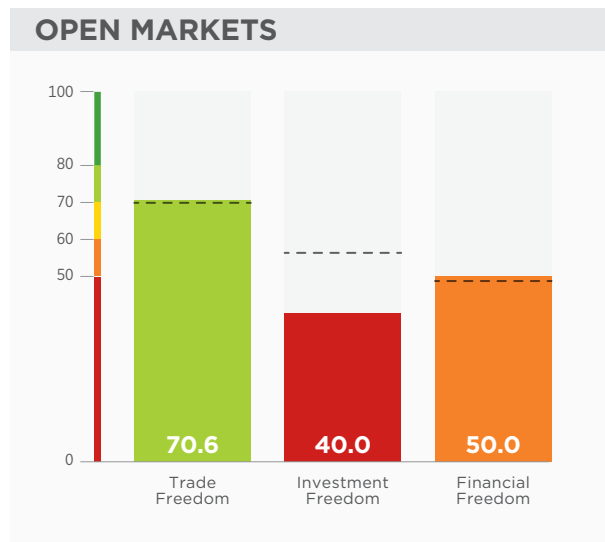
The overall rule of law is weak in Mozambique. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 32 percent, and the top corporate tax rate is 32 percent. The tax burden equals 23.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.0 percent and -4.7 percent of GDP. Public debt amounts to 95.5 percent of GDP.



Mozambique'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 above the world average.



The trade-weighted average tariff rate is 7.2 percent. The government approves investments depending on their size. Institutional and regulatory shortcomings continue to undermine expansion of the private sector. The financial sector is dominated by banking and remains underdeveloped.