

WORLD RANK: **71** | REGIONAL RANK: **35**

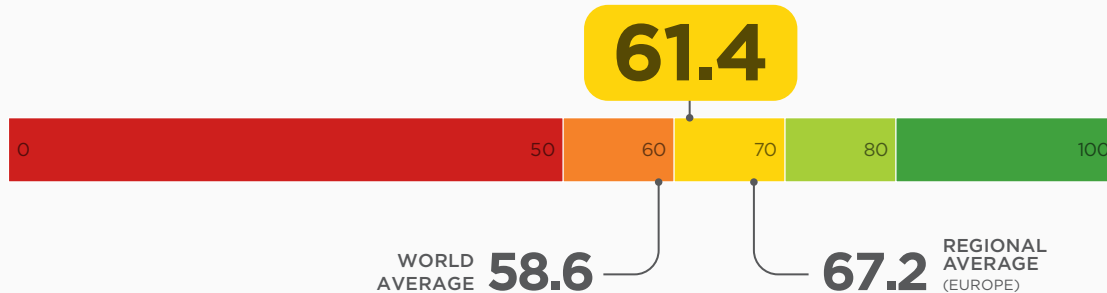
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

NORTH MACEDONIA

North Macedonia's economic freedom score is 61.4, making its economy the 71st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 2.3 points from last year, and North Macedonia is ranked 35th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. North Macedonia's economy is considered "moderately free" according to the 2024 *Index*.

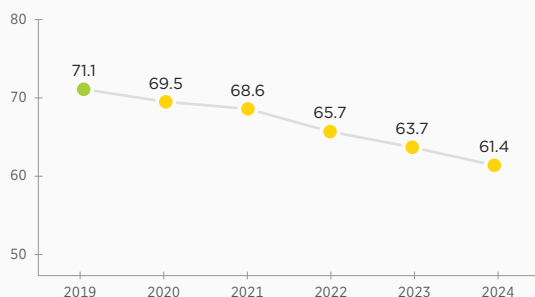
Relative openness to global commerce has encouraged private-sector dynamism. Despite some progress, the development of a more vibrant private sector is still constrained. Corruption remains a concern. The inefficient legal framework does not provide effective protection of property rights. Streamlined processes for business formation and operation provide an environment that is fairly conducive to entrepreneurial growth. Progress in reforming the labor market has been limited. The most recent available inflation rate is slightly above 14 percent.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): +3.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
2.1 million

GDP (PPP):
\$41.5 billion
2.1% growth in 2022
5-year average growth rate: 1.6%
\$20,129 per capita

UNEMPLOYMENT:
16.2%

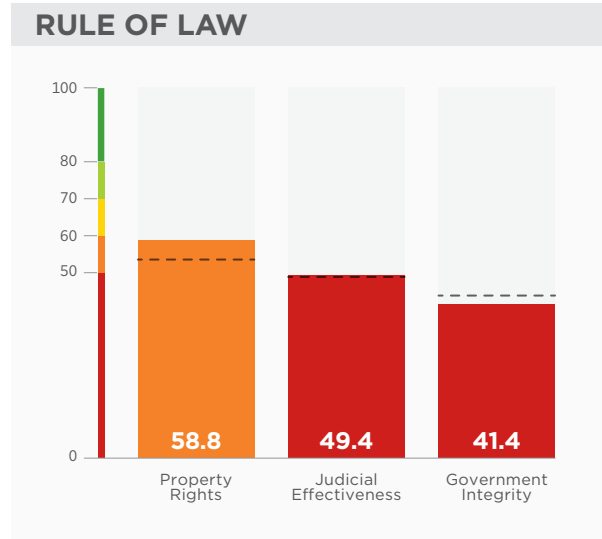
INFLATION (CPI):
14.2%

FDI INFLOW:
\$794.0 million

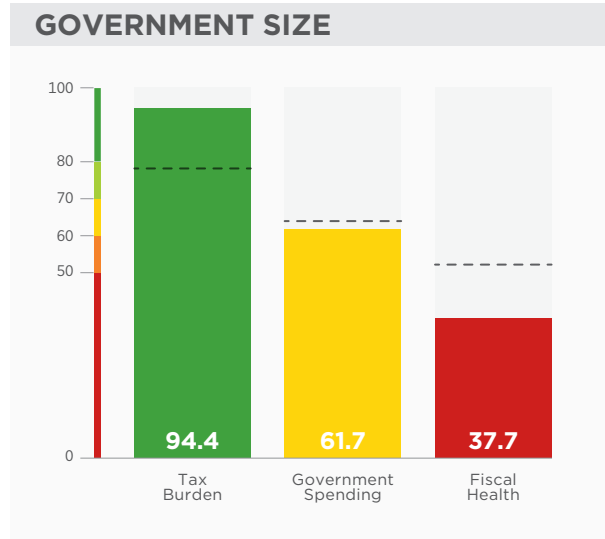
PUBLIC DEBT:
52.1% of GDP

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

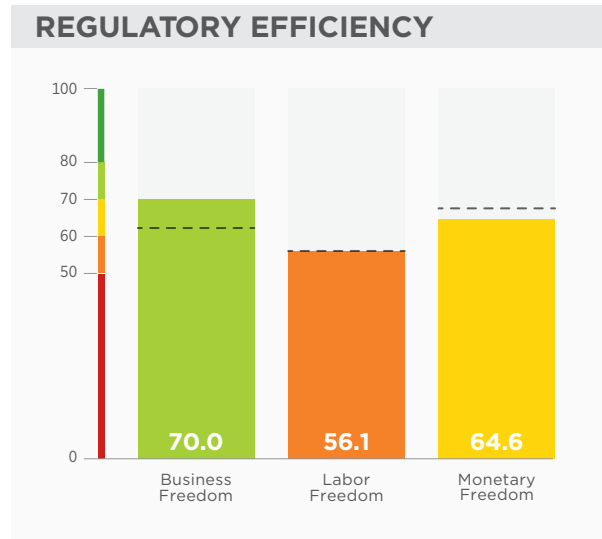
12 ECONOMIC FREEDOMS | NORTH MACEDONIA



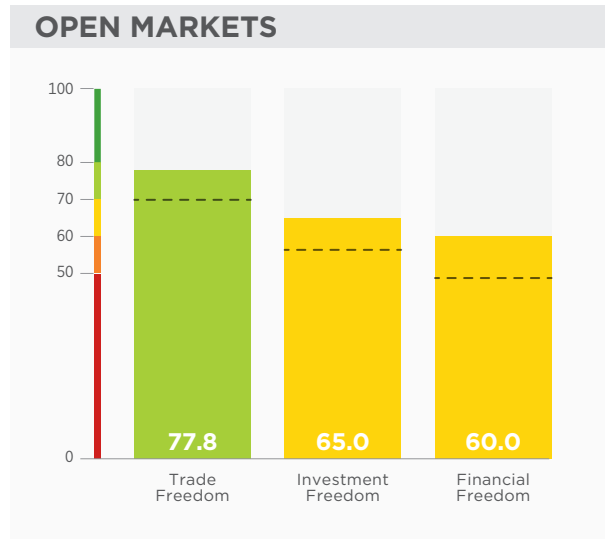
The overall rule of law is weak in North Macedonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 19.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.7 percent and -6.0 percent of GDP. Public debt amounts to 52.1 percent of GDP.



North Macedonia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 6.1 percent, and nontariff barriers are still in force. A streamlined regulatory framework facilitates investment, but political instability undercuts more vibrant investment inflows. The financial system continues to evolve, and the banking sector is relatively stable.