

WORLD RANK: **135** | REGIONAL RANK: **30**

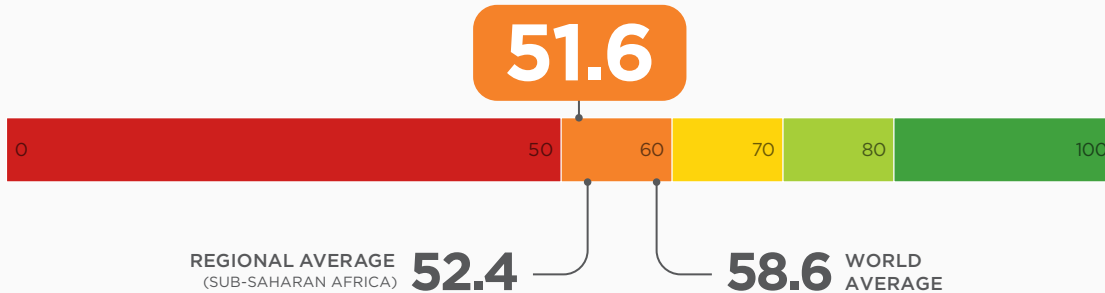
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

RWANDA

Rwanda's economic freedom score is 51.6, making its economy the 135th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.6 point from last year, and Rwanda is ranked 30th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Rwanda's economy is considered "mostly unfree" according to the 2024 *Index*.

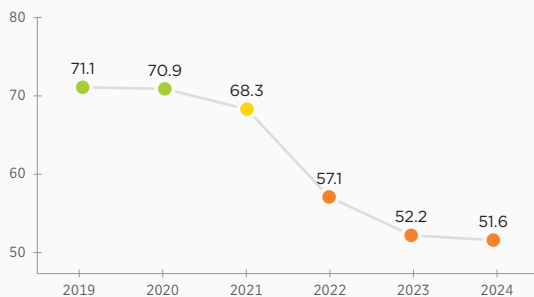
Reforms have supported economic expansion and gradual reduction of poverty, but weak rule of law and persistent corruption discourage long-term economic development. Accelerating judicial reforms and continued efforts to streamline public administration would help to sustain economic growth and further broaden improvements in living standards. Legislative actions have helped to improve the business environment, but the pace of reform is slower than in previous years. Despite relatively flexible labor regulations, a more vibrant formal labor market has not developed. Inflationary pressures continue.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +13.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
13.3 million

GDP (PPP):
\$38.5 billion
8.2% growth in 2022
5-year average growth rate: 6.7%
\$2,904 per capita

UNEMPLOYMENT:
1.6%

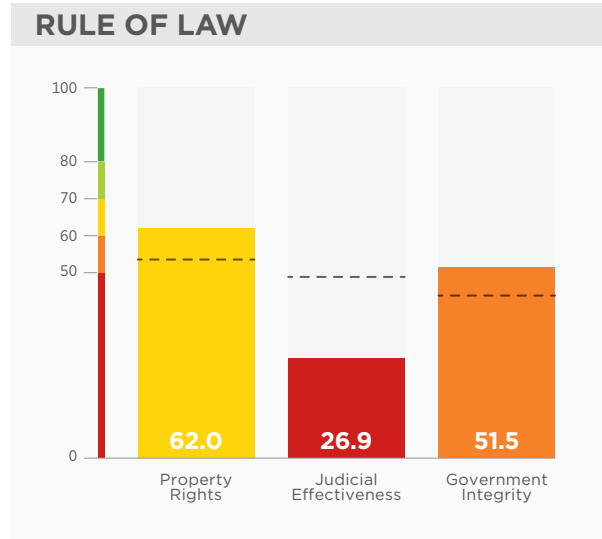
INFLATION (CPI):
13.9%

FDI INFLOW:
\$399.0 million

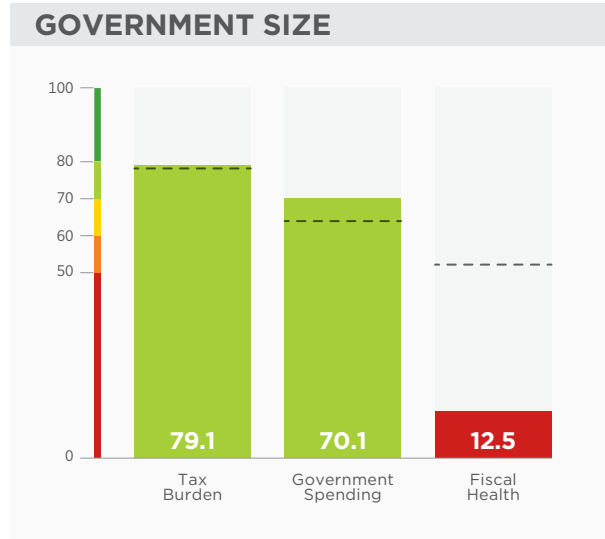
PUBLIC DEBT:
61.1% of GDP

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

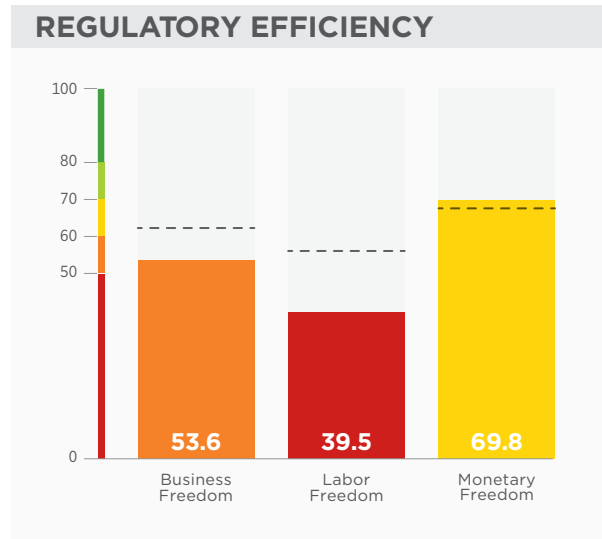
12 ECONOMIC FREEDOMS | RWANDA



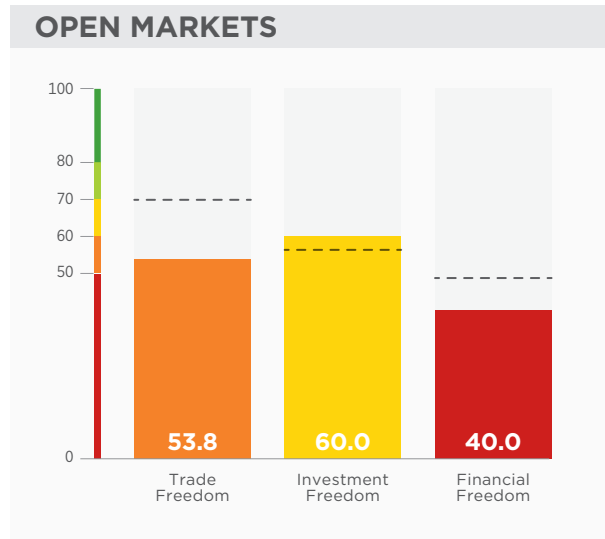
The overall rule of law is weak in Rwanda. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 17.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -7.4 percent of GDP. Public debt amounts to 61.1 percent of GDP.



Rwanda's overall regulatory environment is not well institutionalized and lacks efficiency. The country's business freedom score is 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 15.6 percent. Foreign investment is generally welcome, and the investment code provides for equal treatment of foreigners and nationals for many types of activity. The financial sector is dominated by banking and expanding, albeit slowly.