

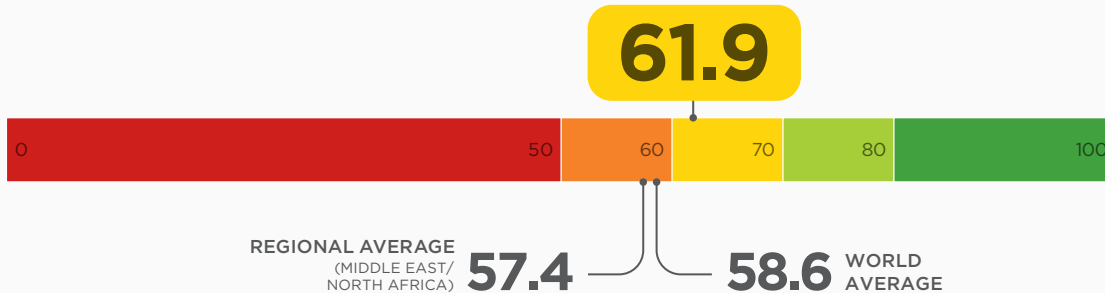
WORLD RANK:	REGIONAL RANK:
69	6
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

SAUDI ARABIA

Saudi Arabia's economic freedom score is 61.9, making its economy the 69th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 3.6 points from last year, and Saudi Arabia is ranked 6th out of 14 countries in the Middle East/North Africa region. The country's economic freedom score is higher than the world and regional averages. Saudi Arabia's economy is considered "moderately free" according to the 2024 *Index*.

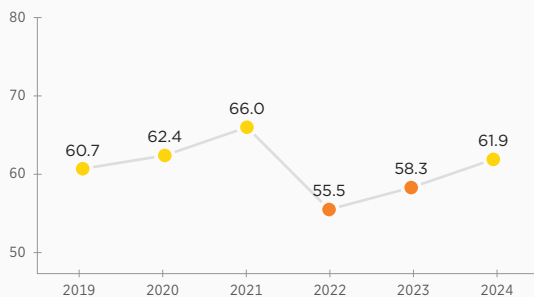
Overall economic freedom in Saudi Arabia remains modest and evolving. Recent years have seen some progress in tackling corruption and enhancing regulatory efficiency. The judicial system remains susceptible to political influence. Bureaucracy and a lack of transparency still limit investment freedom. Forming a business has become less time-consuming, and licensing requirements have been eased. Government subsidies and state-owned enterprises influence prices. The financial sector has undergone gradual transformation with some restrictions on foreign investment in financial services eased.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -6.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
35.3 million

GDP (PPP):
\$2.2 trillion
8.7% growth in 2022
5-year average growth rate: 2.4%
\$66,836 per capita

UNEMPLOYMENT:
7.4%

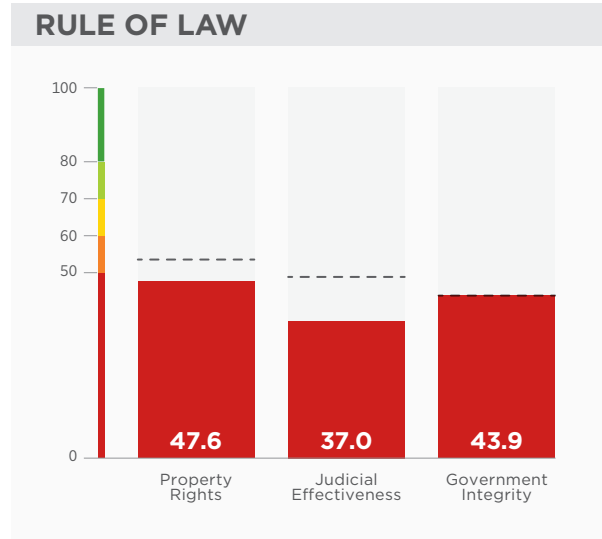
INFLATION (CPI):
2.5%

FDI INFLOW:
\$7.9 billion

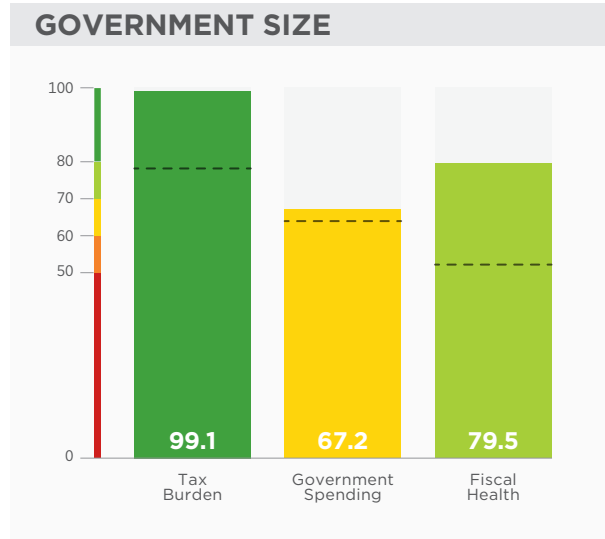
PUBLIC DEBT:
23.8% of GDP

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

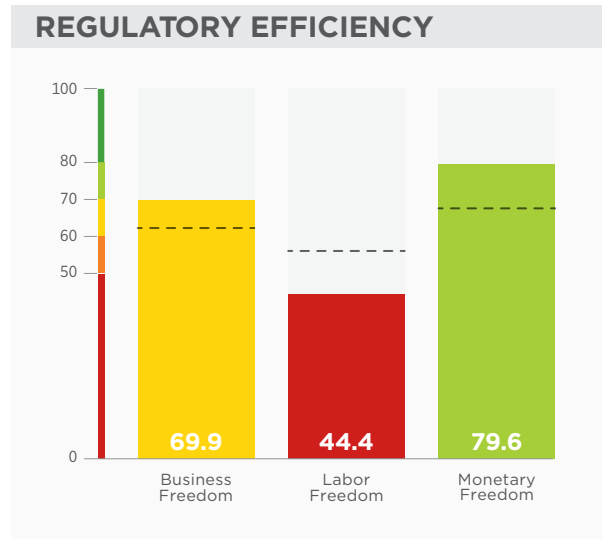
12 ECONOMIC FREEDOMS | SAUDI ARABIA



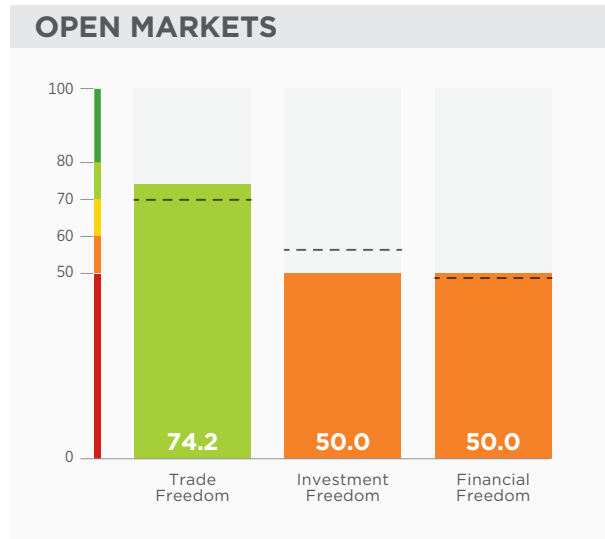
The overall rule of law is weak in Saudi Arabia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is the same as the world average.



The top individual income tax rate is 2.5 percent, and the top corporate tax rate is 2.5 percent. The tax burden equals 8.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.1 percent and -3.5 percent of GDP. Public debt amounts to 23.8 percent of GDP.



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



The trade-weighted average tariff rate is 5.4 percent, and more than 100 nontariff measures are in force. Regulatory reforms allow foreign investors to own controlling stakes. Despite progress, the overall investment regime remains restrictive with controls in some sectors. The financial sector offers a range of options.