

WORLD RANK: **102** | REGIONAL RANK: **41**

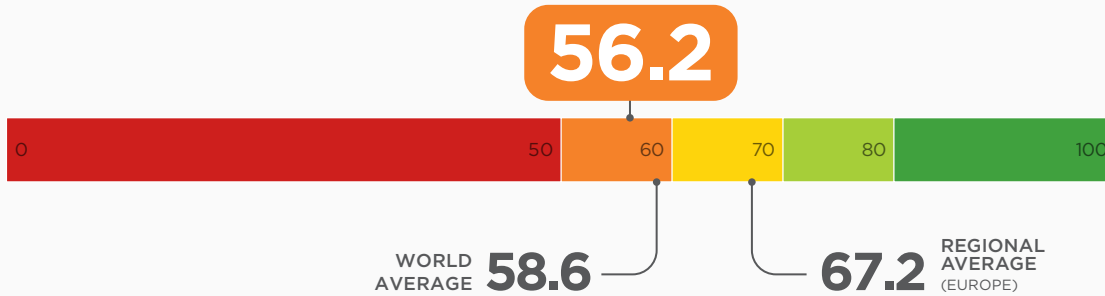
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# TÜRKIYE

Türkiye's economic freedom score is 56.2, making its economy the 102nd freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Türkiye is ranked 41st out of 44 countries in the Europe region. The country's economic freedom score is lower than the world and regional averages. Türkiye's economy is considered "mostly unfree" according to the 2024 *Index*.

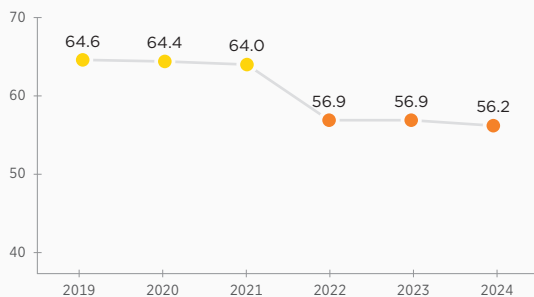
The Turkish economy is one of the region's most dynamically developing markets. Despite heavy state involvement in the economy, the private sector is expanding rapidly. However, institutional shortcomings still limit economic freedom. The inefficient judicial system is ineffective in combating corruption. The process for establishing private enterprises has become less time-consuming, but bureaucratic red tape and ineffective enforcement of regulations still discourage entrepreneurship. The informal sector is large, partly because of labor market rigidity. Monetary stability remains fragile, and inflation remains high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.2

## RECENT FREEDOM TREND

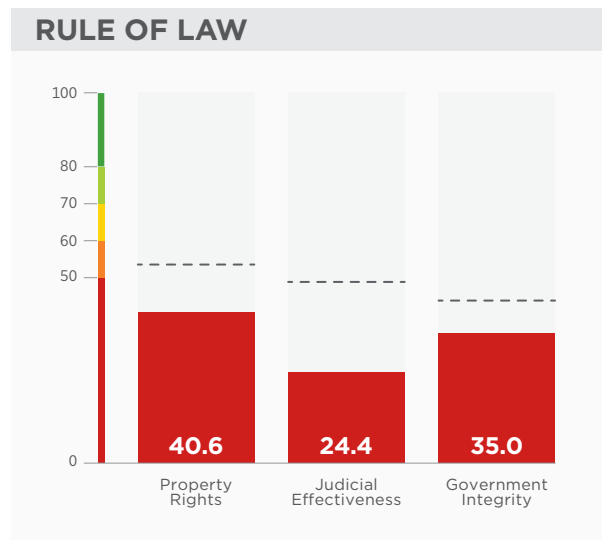


## QUICK FACTS

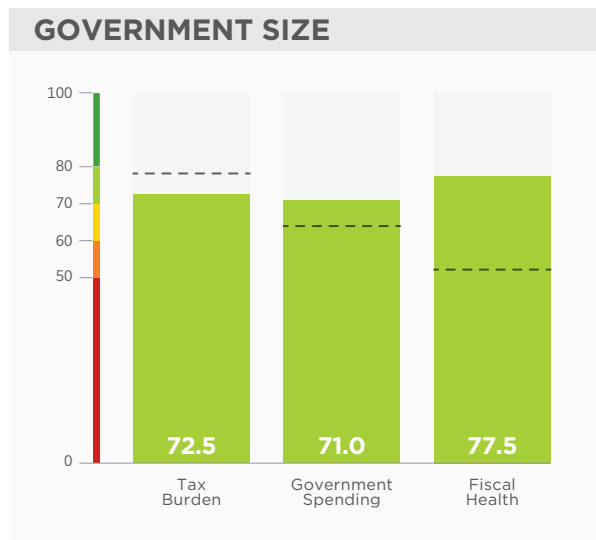
- POPULATION:** 85.0 million
- UNEMPLOYMENT:** 13.4%
- GDP (PPP):** \$3.4 trillion
- INFLATION (CPI):** 72.3%
- 5.5% growth in 2022
- 5-year average growth rate: 4.5%
- FDI INFLOW:** \$12.9 billion
- PUBLIC DEBT:** 31.7% of GDP
- \$39,314 per capita

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

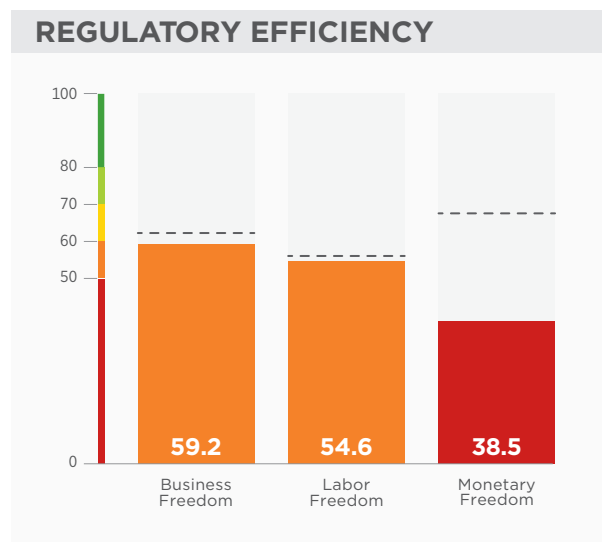
# 12 ECONOMIC FREEDOMS | TÜRKIYE



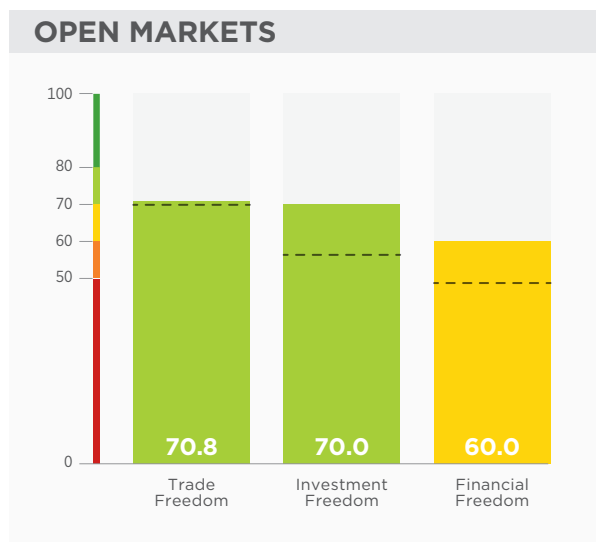
The overall rule of law is weak in Türkiye. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 25 percent. The tax burden equals 22.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.1 percent and -3.6 percent of GDP. Public debt amounts to 31.7 percent of GDP.



Türkiye's overall regulatory environment is poorly institutionalized and inefficient. 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 well below the world average.



The trade-weighted average tariff rate is 7.1 percent, and nontariff barriers further limit trade freedom. Foreign investment is officially welcome, but restrictions remain in force in several sectors. The financial system has undergone a rapid transformation and is now more transparent and competitive.