

WORLD RANK: **162** | REGIONAL RANK: **37**

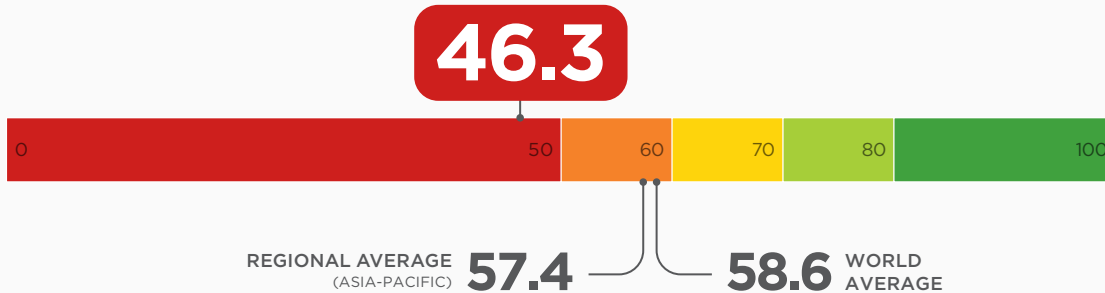
ECONOMIC FREEDOM STATUS: **REPRESSED**

TURKMENISTAN

Turkmenistan’s economic freedom score is 46.3, making its economy the 162nd freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.2 point from last year, and Turkmenistan is ranked 37th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. Turkmenistan’s economy is considered “repressed” according to the 2024 *Index*.

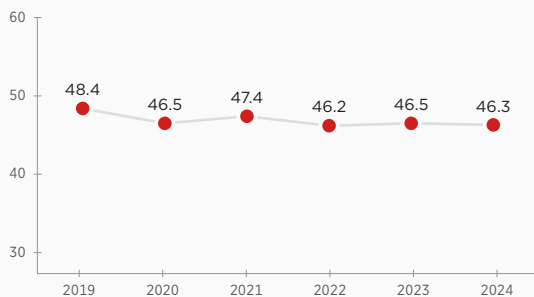
Turkmenistan has performed dismally with respect to structural reform, and institutional weaknesses constrain much-needed economic growth. The inefficient legal framework remains vulnerable to political interference, and heavy state involvement in the leading economic sectors has dampened private-sector dynamism. The regulatory system is nontransparent, and enforcement is inconsistent. The informal sector remains an important source of employment. The economy remains dominated by state-owned monopolies and is based on intensive agriculture, sizable oil resources, and one of the world’s largest reserves of natural gas.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +11.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
6.1 million

GDP (PPP):
\$118.7 billion
1.6% growth in 2022
5-year average growth rate: 0.2%
\$19,028 per capita

UNEMPLOYMENT:
5.1%

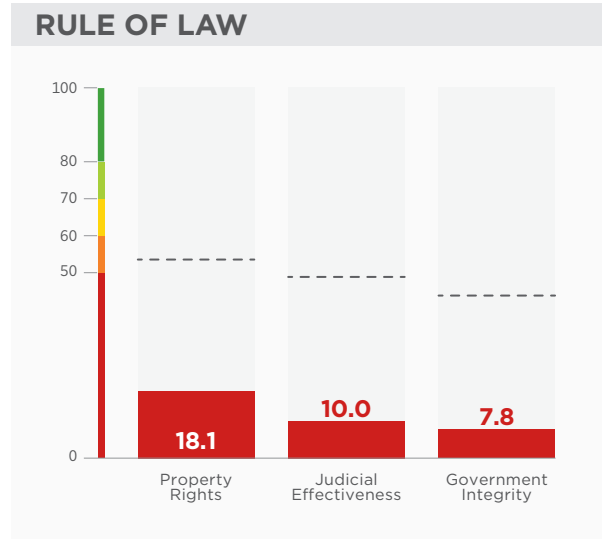
INFLATION (CPI):
11.2%

FDI INFLOW:
\$936.0 million

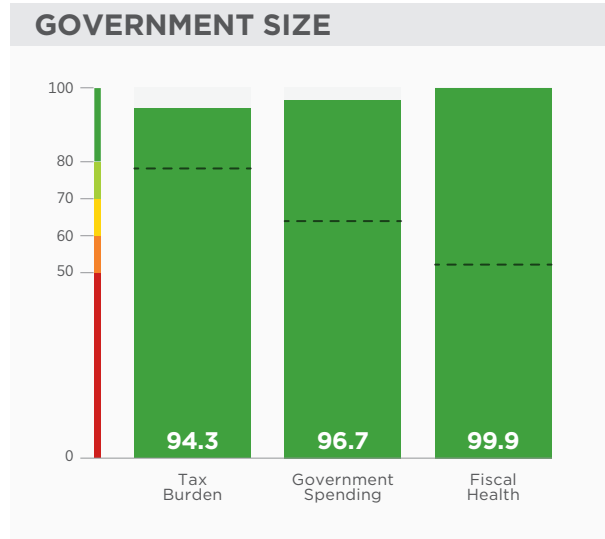
PUBLIC DEBT:
5.8% of GDP

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

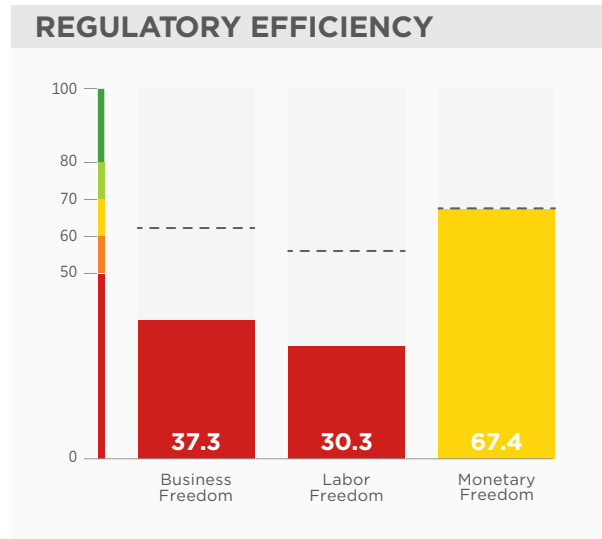
12 ECONOMIC FREEDOMS | TURKMENISTAN



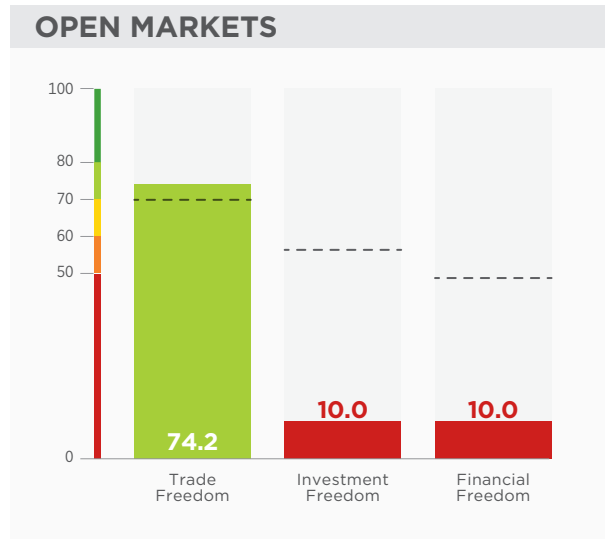
The overall rule of law is weak in Turkmenistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 20 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 10.5 percent and 0.9 percent of GDP. Public debt amounts to 5.8 percent of GDP.



Turkmenistan's overall regulatory environment is very inefficient and not conducive to entrepreneurial activity. 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 below the world average.



The trade-weighted average tariff rate is 2.9 percent, but extensive nontariff barriers severely undermine trade freedom. The government controls most of the economy and limits foreign participation to a few sectors. Foreign exchange accounts require government approval, and the financial system remains government-controlled.