



WORLD RANK: **N/A** | REGIONAL RANK: **N/A**

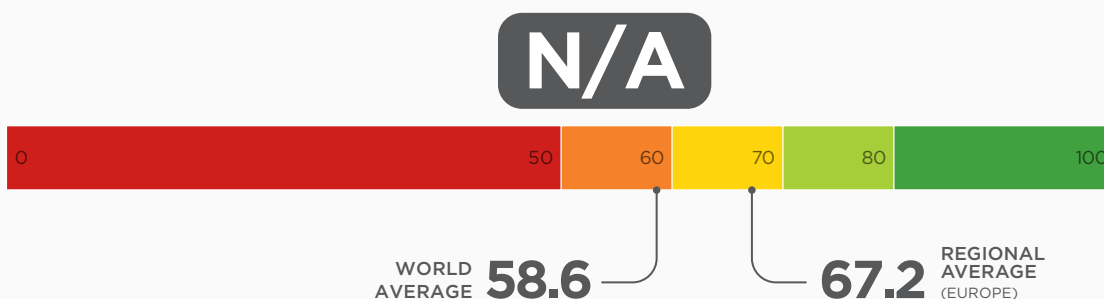
ECONOMIC FREEDOM STATUS: **NOT GRADED**

UKRAINE

Assessment of Ukraine’s economic freedom has been temporarily suspended due to Russia’s ongoing invasion since February 24, 2022. A vibrant and resilient economy is essential for Ukrainian freedom and independence. Ukraine’s economic potential has long been suppressed by poor economic governance. Before the war, the foundations of economic freedom were fragile and unevenly established across the country.

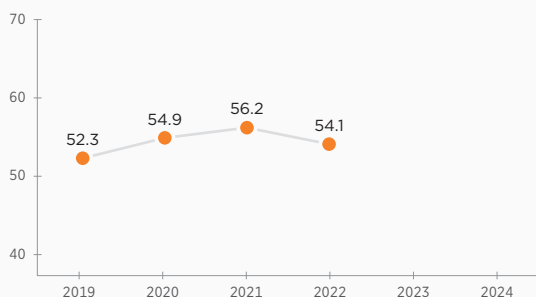
Before the war, Ukraine’s economy was considered economically “repressed.” Low rankings in the *Index of Economic Freedom* and other international studies offered unambiguous indications of systemic shortcomings in the key areas of transparency, efficiency, and openness. Deeper institutional and structural reforms were critical for the achievement of more broadly based development. The inefficient legal framework was highly vulnerable to political interference, preventing full realization of the country’s economic potential. Corruption further undermined the fragile rule of law. Russia’s illegal annexation of the Crimean Peninsula and second invasion continue to damage Ukraine’s economy.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): N/A

RECENT FREEDOM TREND

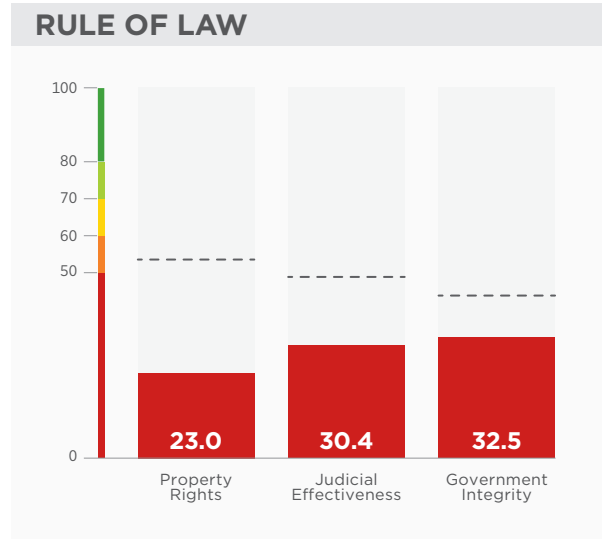


QUICK FACTS

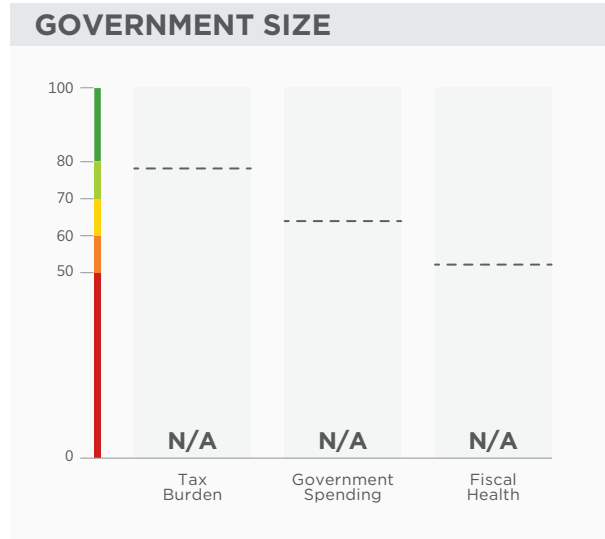
- POPULATION:** 43.8 million
- UNEMPLOYMENT:** 8.9%
- GDP (PPP):** \$449.0 billion
- INFLATION (CPI):** 20.2%
- 29.1% growth in 2022
- FDI INFLOW:** \$848.0 million
- 5-year average growth rate: -4.5%
- PUBLIC DEBT:** 78.5% of GDP
- \$12,886 per capita

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

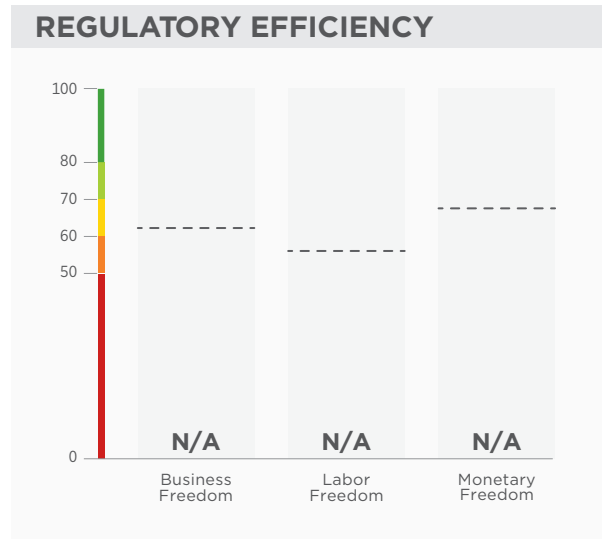
12 ECONOMIC FREEDOMS | UKRAINE



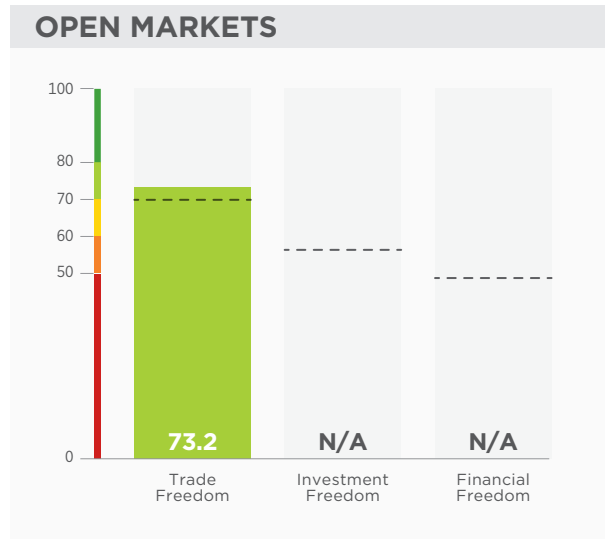
The overall rule of law is weak in Ukraine. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 18 percent, and the top corporate tax rate is 18 percent. The tax burden equals 24.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 50.7 percent and -8.5 percent of GDP. Public debt amounts to 78.5 percent of GDP.



Before the war, regulatory complexity often created uncertainty in commercial transactions despite some reform. The business start-up process had been streamlined, but licensing requirements were still time-consuming. The labor code lacked flexibility. The government influenced prices through state-owned enterprises.



Before Russia's invasion, Ukraine's tariff rate was about 3 percent, and nontariff barriers severely limited trade freedom. The investment framework was underdeveloped, and bureaucratic requirements deterred much-needed private investment growth. The banking system was burdened by a large number of nonperforming loans.