

ZAMBIA

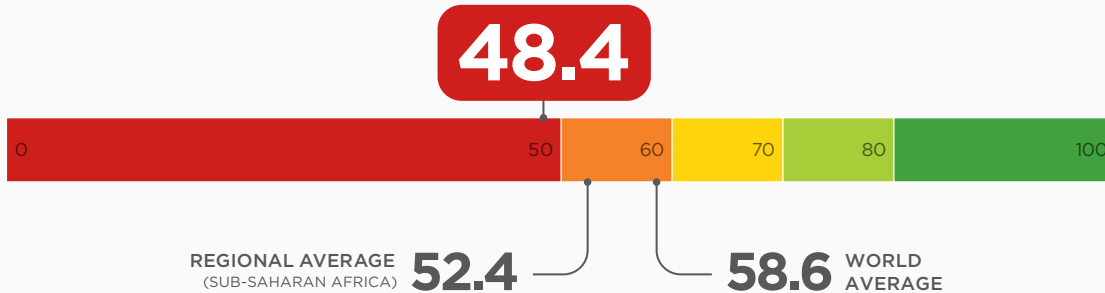
WORLD RANK: **152** | REGIONAL RANK: **36**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Zambia's economic freedom score is 48.4, making its economy the 152nd freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Zambia is ranked 36th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Zambia's economy is considered "repressed" according to the 2024 *Index*.

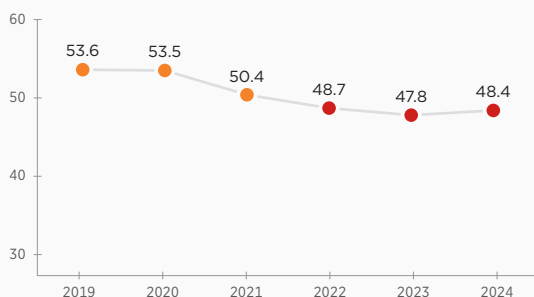
Zambia needs institutional and structural reform. The legal framework, which is characterized by inefficiency and lack of transparency, discourages long-term economic development. The overall rule of law is fragile and undermined by political interference, and corruption is rampant. Despite some reforms, the regulatory environment is not conducive to entrepreneurial activity. Businesses can be established with no minimum capital required, but commercial licensing requirements are both time-consuming and costly. Labor regulations are outdated and not consistently applied. Monetary stability has been weak.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
18.9 million

GDP (PPP):
\$77.9 billion
4.7% growth in 2022
5-year average growth rate: 2.4%
\$3,894 per capita

UNEMPLOYMENT:
13.0%

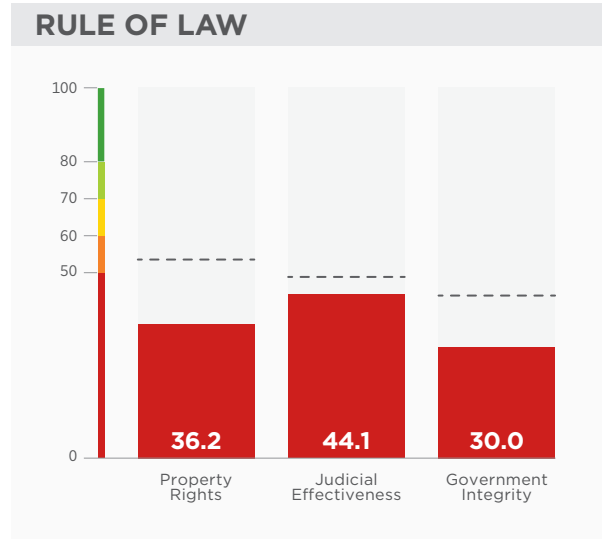
INFLATION (CPI):
11.0%

FDI INFLOW:
\$116.0 million

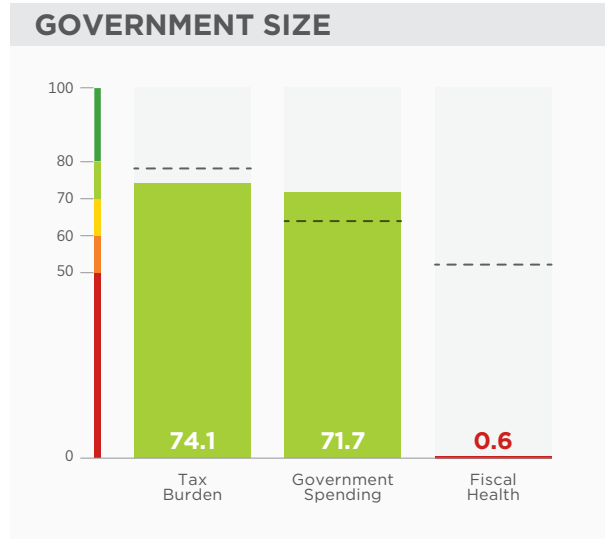
PUBLIC DEBT:
98.5% of GDP

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

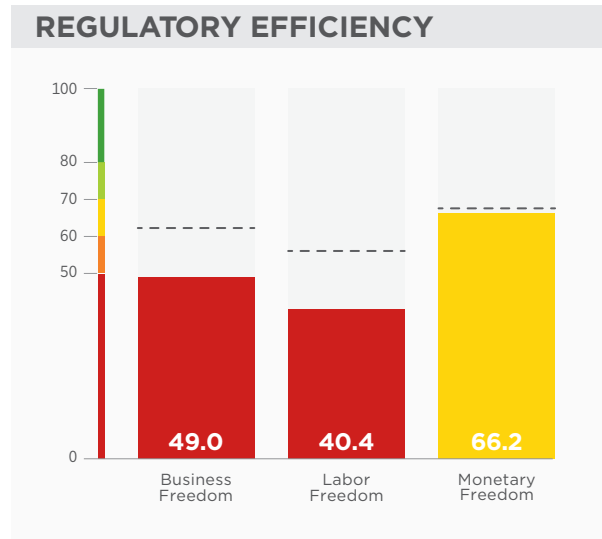
12 ECONOMIC FREEDOMS | ZAMBIA



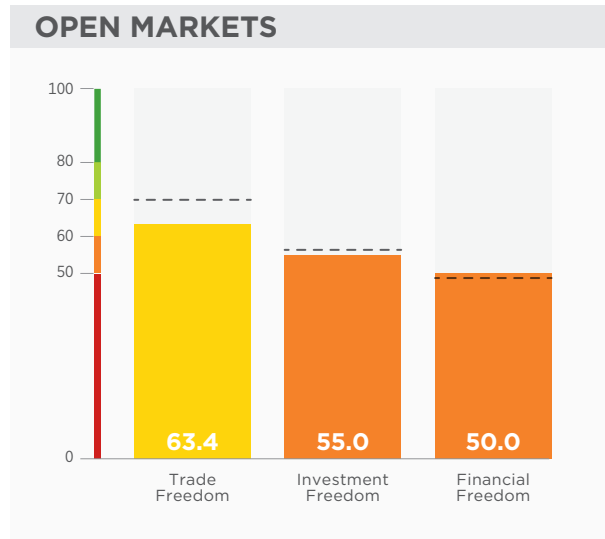
The overall rule of law is weak in Zambia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 37.5 percent, and the top corporate tax rate is 30 percent. The tax burden equals 16.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.7 percent and -9.9 percent of GDP. Public debt amounts to 98.5 percent of GDP.



Zambia's overall regulatory environment is poorly institutionalized and inefficient. 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 10.8 percent, and extensive nontariff barriers distort trade flows. Zambia has no modern investment framework. The financial system is dominated by banking, and financial intermediation and credit to the private sector have gradually expanded.