

The   
*Heritage Foundation*

# 2025 INDEX OF ECONOMIC FREEDOM



Anthony B. Kim

## RANKING THE WORLD BY ECONOMIC FREEDOM

Rank	Country	Overall Score	Rank	Country	Overall Score	Rank	Country	Overall Score
1	Singapore	84.1	65	Dominican Republic	64.3	129	Mali	52.6
2	Switzerland	83.7	66	Belize	64.2	130	Papua New Guinea	52.5
3	Ireland	83.1	67	Montenegro	63.8	131	Nepal	52.5
4	Taiwan	79.7	68	Kazakhstan	63.8	132	Togo	52.3
5	Luxembourg	79.5	69	Trinidad and Tobago	63.6	133	Chad	52.2
6	Australia	79.3	70	Bosnia and Herzegovina	63.5	134	Cameroon	52.1
7	Denmark	79.1	71	Guatemala	63.4	135	Russia	51.6
8	Estonia	78.9	72	Bahamas	63.2	136	Tajikistan	51.5
9	Norway	78.3	73	North Macedonia	63.2	137	Niger	51.5
10	Netherlands	78.2	74	Mongolia	62.6	138	Comoros	51.4
11	New Zealand	78.1	75	Azerbaijan	62.5	139	Uganda	51.3
12	Sweden	77.9	76	Micronesia	62.2	140	Laos	51.1
13	Finland	77.0	77	Vanuatu	61.8	141	Burkina Faso	51.0
14	Canada	75.5	78	Kosovo	61.7	142	Zambia	50.9
15	Mauritius	75.0	79	Hungary	61.4	143	Kiribati	50.9
16	Lithuania	74.6	80	Mexico	61.3	144	Suriname	50.9
17	South Korea	74.0	81	Italy	60.9	145	Egypt	50.9
18	Chile	73.2	82	Philippines	60.6	146	Malawi	50.9
19	Cyprus	73.2	83	Greece	60.6	147	Mozambique	50.7
20	Czech Republic	72.9	84	Thailand	60.6	148	Sri Lanka	49.4
21	Iceland	72.8	85	São Tomé and Príncipe	60.4	149	Tunisia	49.1
22	Germany	71.6	86	Morocco	60.3	150	Pakistan	49.1
23	United Arab Emirates	71.6	87	St. Vincent & Grenadines	60.1	151	China	49.0
24	Latvia	71.4	88	Kuwait	59.9	152	Belarus	48.9
25	Portugal	70.5	89	Colombia	59.8	153	Congo, Rep.	48.6
26	United States	70.2	90	Honduras	59.6	154	Liberia	48.5
27	Qatar	70.2	91	Jordan	59.4	155	Maldives	48.3
28	Japan	70.2	92	Tanzania	59.3	156	Ethiopia	48.1
29	Uruguay	70.2	93	Fiji	59.1	157	Sierra Leone	48.0
30	Israel	69.9	94	Namibia	58.7	158	Timor-Leste	47.9
31	Botswana	69.9	95	Tonga	58.5	159	Equatorial Guinea	47.7
32	Austria	69.7	96	Benin	58.5	160	Algeria	47.5
33	United Kingdom	69.3	97	Moldova	58.3	161	Congo, Dem. Rep	47.3
34	Belgium	69.0	98	Cambodia	58.2	162	Turkmenistan	47.1
35	Georgia	69.0	99	Guyana	58.2	163	Haiti	46.1
36	Barbados	68.9	100	Uzbekistan	58.0	164	Bolivia	44.1
37	Bulgaria	68.8	101	Côte d'Ivoire	57.8	165	Lebanon	44.1
38	Jamaica	68.7	102	Bhutan	57.5	166	Burma	43.7
39	Croatia	68.7	103	South Africa	57.3	167	Guinea-Bissau	43.6
40	Cabo Verde	68.7	104	Madagascar	57.0	168	Central African Republic	42.8
41	Costa Rica	68.6	105	Gambia	56.8	169	Iran	42.5
42	Slovakia	68.4	106	El Salvador	56.6	170	Burundi	39.7
43	Slovenia	68.3	107	Eswatini	56.4	171	Eritrea	38.6
44	Malaysia	67.1	108	Senegal	56.4	172	Sudan	35.3
45	Poland	67.1	109	Solomon Islands	56.3	173	Zimbabwe	35.1
46	Brunei Darussalam	67.0	110	Gabon	56.3	174	Venezuela	27.6
47	Saint Lucia	67.0	111	Türkiye	56.1	175	Cuba	25.4
48	Malta	66.8	112	Ghana	56.0	176	North Korea	3.0
49	Samoa	66.6	113	Ecuador	55.8			
50	Albania	66.6	114	Djibouti	55.7			
51	Romania	66.5	115	Kyrgyz Republic	55.6			
52	Seychelles	66.4	116	Dominica	55.3			
53	Spain	66.3	117	Brazil	55.1			
54	Peru	65.9	118	Angola	55.0			
55	Bahrain	65.6	119	Mauritania	54.9			
56	Panama	65.5	120	Rwanda	54.8			
57	Armenia	65.4	121	Kenya	54.8			
58	Oman	65.4	122	Bangladesh	54.7			
59	Paraguay	65.2	123	Guinea	54.6			
60	Indonesia	65.2	124	Argentina	54.2			
61	Vietnam	65.2	125	Lesotho	54.1			
62	Saudi Arabia	64.4	126	Nicaragua	54.0			
63	France	64.4	127	Nigeria	53.4			
64	Serbia	64.4	128	India	53.0			

### Economic Freedom Scores

- 80-100 Free
- 70-79.9 Mostly Free
- 60-69.9 Moderately Free
- 50-59.9 Mostly Unfree
- 0-49.9 Repressed

2025 INDEX OF  
**ECONOMIC  
FREEDOM**





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**ECONOMIC  
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# CONTENTS

Contributors..... vii

Acknowledgments..... ix

Preface..... xi

Executive Summary..... 1

The 12 Economic Freedoms: Key to Unleashing Choice and Opportunity..... 11

Why Economic Freedom Matters..... 17

The Countries..... 25

Methodology..... 395

Major Works Cited..... 409





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Anthony B. Kim  
February 2025



# PREFACE

It is long past time to put the American people first. For too long, the policy agenda in Washington has been defined by well-connected special interests that have severely undercut economic freedom for ordinary hardworking Americans. But on November 5, 2024, the American people spoke up and unambiguously rejected the failed liberal status quo. The reelection of Donald Trump has placed our country at the dawn of a new era. Today, by that dawn's early light, we can already see the prosperous, cheerful, energetic future it portends.

We must take this window of opportunity to act with courage and confidence.

The moral and practical case for ordered liberty and free enterprise is as necessary today as it was when Ronald Reagan and Margaret Thatcher rescued their nations' economies and won the Cold War. After four years of incompetence and corruption, the task before us is to unleash America from the red tape in which it has been bound and create an efficient economy that can conserve the true, the good, and the beautiful. Why? Because that is the only kind of economy that is worthy of a free people.

As we show year after year in the *Index of Economic Freedom*, an annual flagship publication of The Heritage Foundation, countries that support free markets, rule of law, private property, and limited government experience more prosperity, better education, and healthier environments. These countries also tend to produce better jobs, better goods and services, and better societies. The imperative to advance economic freedom and revitalize vibrant entrepreneurial growth is stronger than ever.

But markets and freedom don't exist in a vacuum, and the measure of societal greatness involves more than merely economic factors. We should recognize that our most important task today is rebuilding the well-functioning and healthy institutions of civil society that we need and deserve. The free market is a vital part of that process but must always be in service to our values and not the other way around.

Now is the time for correcting course. Today, economic freedom is being attacked on all sides, both at home and abroad. The Chinese Communist Party (CCP) is working to constrain freedom not only within China's own borders, but in nations around the world. Bureaucrats are more powerful than ever. They work with globalist organizations and multinational corporations alike to write regulations that stifle the freedom of the middle class while enriching the powerful under the guise of health emergencies and global warming.

If we want to pass on to our children and grandchildren a nation that is at least as free and prosperous as the one we inherited, we must focus our efforts on turning ordinary people away from the false promises of bigger government and sweeping economic programs while turning the rest of the world away from the CCP. The *Index of Economic Freedom* is a vital tool in this fight.

Kevin D. Roberts, PhD  
President  
The Heritage Foundation  
February 2025



# EXECUTIVE SUMMARY

**T**he 2025 *Index of Economic Freedom* reveals just how fragile the world's economy has become. The cumulative downward pressure on the world economy is marked by the lingering impact of ill-advised economic policy choices from the coronavirus pandemic period, higher inflation, Russia's ongoing invasion of Ukraine, and a broader conflict in the Middle East, among other economic and geopolitical tensions.

The abrupt and shortsighted renunciation of the principles of economic freedom in many countries has further risked much-needed stronger economic recovery and long-term economic resilience and prosperity. For instance, many countries around the world are already burdened by higher debt that prolongs economic stagnation.

A return to business as usual will not suffice. In addition to the impact of the pandemic on public finances, countries face many long-term structural challenges in the policy areas of transparency, efficiency, openness, and government effectiveness.

Many countries are now at a crossroads. A nation's true capacity for lasting growth and prosperity hinges on the quality of its institutions and economic system. The question is: How soon and decisively will they recognize the paramount need to correct their current policies and reinvigorate their commitment to preserving and advancing the economic freedom that has proven to be the key to human flourishing and lasting prosperity?

## KEY FINDINGS OF THE 2025 INDEX OF ECONOMIC FREEDOM

- The 2025 *Index*, which considers economic policies and conditions in 184 sovereign countries from July 1, 2023, through June 30, 2024, reveals a world economy that, taken as a whole, remains “mostly unfree.” The global average economic freedom score has increased by 1.1 points to 59.7 from the previous year's 58.6.
- Globally, fiscal soundness has deteriorated significantly. Rising deficits and mounting public debt in many countries have undermined and likely will further undercut their overall productivity growth and lead ultimately to economic sluggishness rather than vibrant growth.
- There continues to be a clear relationship between improving economic freedom and achieving higher economic dynamism and greater overall well-being. No matter what their existing level of development may be, countries can measurably boost their economic growth and economic freedom by adopting policies that reduce taxes, rationalize the regulatory environment, open the economy to greater competition, and fight corruption.
- The standard of living, measured by incomes per capita, is much higher in economically freer countries. Countries rated “free,” “mostly free,” or “moderately free” in the 2025 *Index* generate incomes that are more than double the average levels in other countries and more than three times higher than the incomes of people living in economically “repressed” countries.
- As documented once again in the 2025 *Index*, economic freedom also correlates significantly with overall well-being, which includes such factors as health, education, the environment, innovation, societal progress, and democratic governance.
- As shown in the ranking table for the 176 countries rated in the 2025 *Index*, only three countries (down from four in the previous year) have earned a designation of economically “free” by recording scores of 80 or more;

26 earned a designation of “mostly free” by recording scores of 70.0 to 79.9; and an additional 58 were considered at least “moderately free” with scores of 60.0 to 69.9. Thus, a total of 87 countries, or slightly less than half of the 176 countries graded, have institutional environments in which individuals and private enterprises benefit from at least a moderate degree of economic freedom in the pursuit of greater economic development and prosperity.

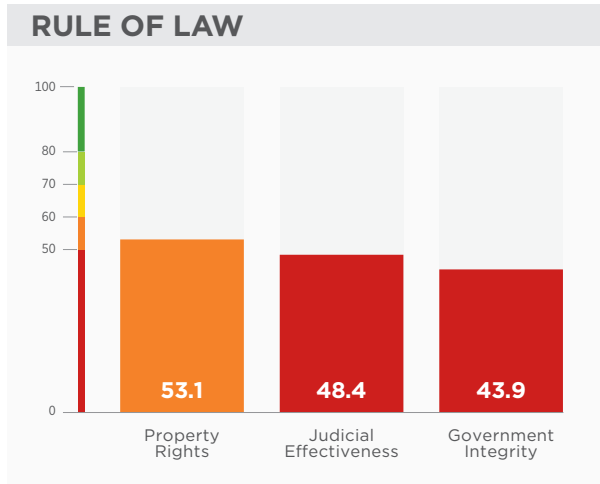
- On the opposite side of the spectrum, about 50 percent of the countries graded in the 2025 *Index* (89 economies) have registered economic freedom scores below 60. Of those, 60 economies are considered “mostly unfree” (scores of 50.0 to 59.9), and 29 countries, including China and Iran, are in the economically “repressed” category.
- Within the top 10 rankings, a notable reshuffling has taken place. Singapore continues to be the world’s freest economy, demonstrating a consistently high level of economic resilience and prosperity. Switzerland is the world’s second freest economy, followed by Ireland. Taiwan has maintained its fourth highest ranking, the highest the country has ever achieved in the *Index of Economic Freedom*.

- Especially notable is the continuing decline within the “mostly free” category of the United States, whose score plummeted to 70.2, one of the lowest levels in the history of the *Index*. The U.S. is now the world’s 26th freest economy. The major causative factor in the erosion of America’s economic freedom is excessive government spending, which has resulted in mounting deficit and debt burdens over the past four years. On the other hand, Argentina recorded one of the largest score improvements, moving out of the bottom tier of economic freedom in the 2025 *Index*. Providing concrete momentum for the revitalization of Argentina’s economy, various fiscal and regulatory measures adopted as part of reform-minded President Javier Milei’s decisive economic reform agenda have already generated notable progress.

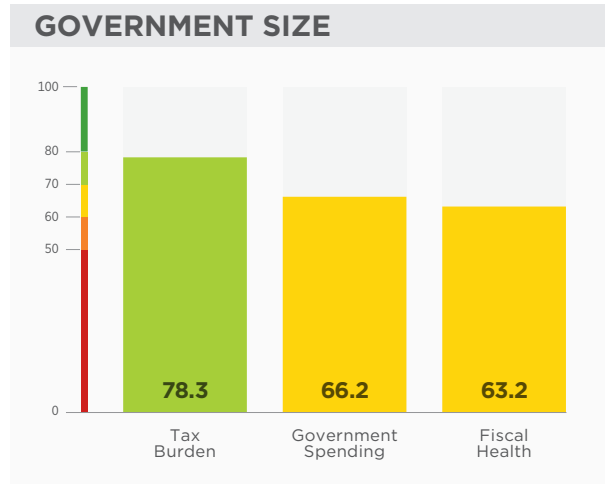
All in all, the ongoing recovery remains uneven and uncertain with strikingly different outcomes across countries, sectors, and demographic groups. Output and employment gaps remain in many countries, particularly in emerging markets and developing economies, suggesting that countries face vastly different policy challenges in recovery and beyond.



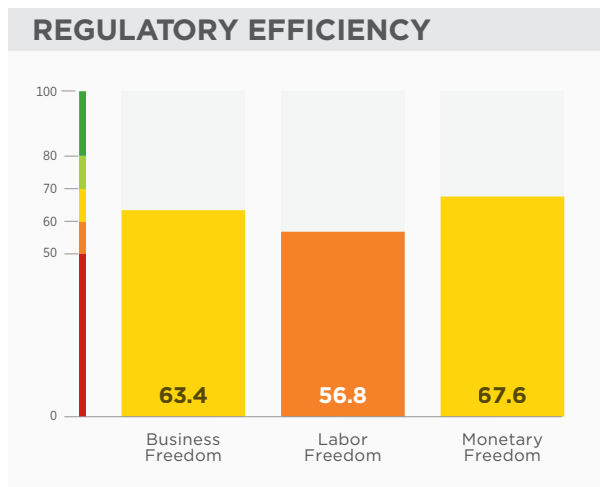
# 12 ECONOMIC FREEDOMS: A GLOBAL LOOK



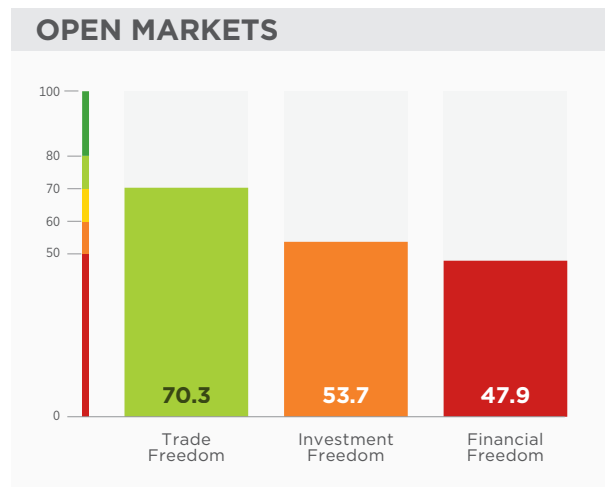
On average, rule of law scores are the lowest on a scale of 0 to 100. This reflects the corruption of government institutions in many countries. Without a robust rule of law, business owners and entrepreneurs find it difficult to know what to expect, and their economic decisions are more rolls of the dice than decisions based on reliable information.



The average top individual income and corporate tax rates are, respectively, approximately 30 percent and approximately 25 percent. The average overall tax burden as a percentage of GDP is now 19.8 percent. The average level of government spending remains about 31 percent of GDP, but the average level of gross public debt is now higher than 65 percent.



Globally, of the three regulatory efficiency subfactors of economic freedom, monetary freedom scores the highest, followed by business freedom and then by labor freedom. The notable countries by average regulatory efficiency score include Singapore, Switzerland, Taiwan, Denmark, and Finland. The worst offenders in descending order are Sierra Leone, Cuba, Zimbabwe, Sudan, Venezuela, and North Korea.



The worldwide average trade-weighted applied tariff rate is 7.7 percent. With investment policy measures in many countries geared toward sectoral investment rather than general market openness, the global investment freedom score is just 53.7. The global score for financial freedom (47.9) is the lowest of the three open-market indicators. Government interference in the financial sector is pervasive in many countries.

## 2025 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

World Rank	Region Rank	Country Name	2025 Score	SCORE CHANGE	Property Rights	Judicial Effectiveness	Gov't Integrity	Tax Burden	Gov't Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
1	1	Singapore	84.1	0.6	94.3	58.3	86.4	89.9	92.9	73.9	90.6	77.1	81.0	95.0	90	80
2	1	Switzerland	83.7	0.7	94.5	99.3	92.3	70.9	68.0	97.6	88.8	60.5	80.7	86.6	85	80
3	2	Ireland	83.1	0.5	94.1	95.5	84.0	77.6	85.1	95.8	88.1	62.4	75.0	79.6	90	70
4	2	Taiwan	79.7	-0.3	83.0	94.4	73.3	79.0	90.1	91.3	79.6	69.0	79.9	86.6	70	60
5	3	Luxembourg	79.5	0.3	97.8	97.2	85.7	62.7	39.4	98.5	89.2	57.5	71.9	79.6	95	80
6	3	Australia	79.3	3.1	90.4	95.3	86.2	62.1	54.8	79.5	92.5	65.3	75.0	90.0	80	80
7	4	Denmark	79.1	1.3	99.3	90.5	98.0	45.0	33.6	98.2	93.0	64.9	76.6	79.6	90	80
8	5	Estonia	78.9	1.1	93.7	93.9	84.5	80.8	48.8	90.9	83.3	62.2	68.8	79.6	90	70
9	6	Norway	78.3	0.8	97.7	98.5	94.8	62.4	44.0	96.1	86.7	69.3	70.3	85.0	75	60
10	7	Netherlands	78.2	0.9	95.9	95.7	86.8	54.0	41.6	94.7	84.8	60.1	74.7	79.6	90	80
11	4	New Zealand	78.1	0.3	87.5	93.9	91.3	65.4	47.8	77.7	88.7	69.7	74.6	90.4	70	80
12	8	Sweden	77.9	0.4	96.5	95.6	92.3	51.6	31.5	97.3	84.6	66.1	74.3	79.6	85	80
13	9	Finland	77.0	0.7	100.0	97.0	94.8	68.2	7.3	81.5	88.3	65.6	76.1	79.6	85	80
14	1	Canada	75.5	2.3	89.0	95.6	85.4	74.8	44.6	78.0	84.6	69.4	71.5	83.2	60	70
15	1	Mauritius	75.0	3.5	86.4	81.0	53.2	89.8	77.1	64.9	82.9	69.3	67.4	87.4	70	70
16	10	Lithuania	74.6	1.7	89.4	74.6	68.7	76.9	58.8	96.0	81.0	60.5	69.2	79.6	70	70
17	5	South Korea	74.0	0.9	89.4	77.3	68.8	59.6	81.8	93.8	90.0	56.4	77.6	73.2	60	60
18	2	Chile	73.2	1.8	71.3	87.8	67.9	72.5	74.4	84.2	79.5	61.3	71.8	78.0	60	70
19	11	Cyprus	73.2	1.0	83.7	89.2	57.3	79.9	51.2	85.2	78.9	61.9	76.1	79.6	75	60
20	12	Czech Republic	72.9	2.7	89.9	92.0	62.8	78.9	42.2	71.5	81.4	57.9	68.9	79.6	70	80
21	13	Iceland	72.8	2.3	97.0	95.6	81.5	72.6	33.2	55.2	86.3	60.1	71.8	80.4	70	70
22	14	Germany	71.6	-0.5	95.4	93.5	86.0	60.5	26.9	81.1	83.7	53.3	69.0	79.6	60	70
23	1	United Arab Emirates	71.6	0.5	65.4	35.2	65.9	96.9	82.3	97.9	84.2	62.1	80.5	78.4	50	60
24	15	Latvia	71.4	-0.1	87.8	72.3	66.7	76.2	46.9	67.2	81.8	64.0	69.5	79.6	85	60
25	16	Portugal	70.5	1.8	90.1	91.3	63.9	59.8	40.2	79.7	79.6	57.1	75.1	79.6	70	60
26	3	United States	70.2	0.1	95.4	76.6	77.3	75.6	55.8	0.0	88.5	77.0	70.7	75.6	70	80
27	2	Qatar	70.2	1.4	71.1	42.3	52.6	99.9	78.1	96.2	67.9	59.3	73.2	81.6	60	60
28	6	Japan	70.2	2.7	95.1	96.0	82.8	62.5	47.5	41.6	78.0	67.8	74.4	76.2	60	60
29	4	Uruguay	70.2	0.4	86.0	81.8	77.5	77.3	72.3	79.6	84.0	61.8	68.5	73.0	50	30
30	3	Israel	69.9	-0.2	77.2	68.1	63.9	60.8	55.6	81.7	73.4	58.3	77.3	82.8	70	70
31	2	Botswana	69.9	1.9	74.1	70.5	60.1	84.9	70.8	90.4	70.6	60.7	68.3	78.8	50	60
32	17	Austria	69.7	1.3	97.0	94.8	75.4	46.3	13.5	63.7	81.7	81.8	72.7	79.6	60	70
33	18	United Kingdom	69.3	0.7	95.2	84.8	83.4	61.0	40.1	19.0	83.4	63.2	67.9	83.4	70	80
34	19	Belgium	69.0	3.4	92.8	93.0	79.3	50.6	11.8	48.0	82.3	58.6	76.8	79.6	85	70
35	20	Georgia	69.0	0.6	62.3	55.3	58.9	89.1	72.9	75.9	78.1	63.5	65.3	86.2	60	60
36	5	Barbados	68.9	2.1	72.8	86.9	71.7	83.6	74.1	68.8	73.1	56.4	78.4	40.8	60	60
37	21	Bulgaria	68.8	0.3	75.7	56.6	48.5	94.2	56.7	91.1	74.9	68.0	70.8	79.6	60	50
38	6	Jamaica	68.7	0.6	67.8	79.9	49.5	76.5	72.8	89.0	70.1	64.4	72.8	71.8	60	50
39	22	Croatia	68.7	1.5	81.3	71.4	53.4	77.3	35.1	90.3	80.4	69.1	66.6	79.6	60	60
40	3	Cabo Verde	68.7	5.8	64.6	75.1	64.4	84.4	77.8	54.7	80.2	59.6	76.5	67.0	60	60
41	7	Costa Rica	68.6	0.9	65.9	75.7	60.4	78.5	88.6	70.8	80.3	62.1	74.9	75.4	50	40
42	23	Slovakia	68.4	0.3	84.3	69.9	57.2	76.7	38.7	69.8	77.0	58.0	64.5	79.6	75	70
43	24	Slovenia	68.3	2.4	88.4	91.8	64.4	56.6	30.9	72.2	78.5	64.5	72.9	79.6	70	50

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44	7	Malaysia	67.1	1.4	66.3	66.2	51.1	83.9	82.1	48.1	76.6	58.1	79.6	83.4	60	50
45	25	Poland	67.1	1.1	72.3	52.3	58.4	73.8	39.7	75.9	77.8	56.8	68.5	79.6	80	70
46	8	Brunei Darussalam	67.0	1.1	69.7	52.8	34.2	95.0	75.9	51.7	77.1	75.1	72.8	84.8	65	50
47	8	Saint Lucia	67.0	4.8	69.5	74.6	59.0	78.6	82.5	74.3	73.8	64.9	76.6	60.0	50	40
48	26	Malta	66.8	2.3	86.2	81.5	55.0	70.0	57.5	44.8	80.7	65.2	70.5	79.6	60	50
49	9	Samoa	66.6	-0.6	76.1	77.7	60.3	79.0	67.3	97.8	63.5	76.2	64.6	67.2	40	30
50	27	Albania	66.6	1.8	58.3	59.2	39.6	88.8	71.9	76.4	74.2	51.3	75.8	83.4	60	60
51	28	Romania	66.5	2.1	81.7	67.0	49.1	93.7	59.1	36.1	75.1	67.8	69.2	79.6	70	50
52	4	Seychelles	66.4	6.0	74.0	63.7	75.0	79.7	64.6	83.2	78.8	56.5	75.6	85.2	30	30
53	29	Spain	66.3	3.0	87.2	74.0	64.7	57.7	33.5	40.8	83.6	63.1	76.5	84.6	70	60
54	9	Peru	65.9	1.1	44.9	47.3	34.0	79.4	83.9	89.8	70.6	65.1	73.9	81.6	60	60
55	4	Bahrain	65.6	2.2	65.4	30.2	39.8	99.9	74.3	0.0	76.5	55.3	88.7	86.6	90	80
56	10	Panama	65.5	1.4	56.0	49.4	37.0	86.9	85.2	62.4	73.4	60.7	76.4	78.6	60	60
57	30	Armenia	65.4	0.5	49.9	31.3	50.4	88.1	77.6	81.3	73.0	59.2	72.2	72.0	70	60
58	5	Oman	65.4	2.5	74.5	25.5	42.3	97.6	70.8	63.2	68.1	52.2	82.5	78.2	70	60
59	11	Paraguay	65.2	5.1	45.0	37.3	27.7	97.0	87.1	79.3	73.2	48.2	74.6	78.2	75	60
60	10	Indonesia	65.2	1.7	39.8	45.3	40.1	81.8	90.9	84.9	73.0	59.3	78.0	79.4	50	60
61	11	Vietnam	65.2	2.4	49.9	35.0	39.1	81.8	88.8	95.8	73.9	54.5	73.9	79.8	60	50
62	6	Saudi Arabia	64.4	2.5	51.0	38.1	48.1	99.3	71.6	98.1	70.6	43.1	80.1	72.8	50	50
63	31	France	64.4	1.9	92.9	84.2	74.3	54.3	0.0	30.0	81.9	60.2	70.3	79.6	75	70
64	32	Serbia	64.4	1.7	58.9	50.8	37.2	87.3	40.2	91.2	74.7	66.6	68.5	77.2	70	50
65	12	Dominican Republic	64.3	1.4	56.3	58.2	38.5	84.6	89.5	77.0	75.6	53.1	69.4	68.8	60	40
66	13	Belize	64.2	3.0	35.1	72.6	44.4	83.2	82.2	86.5	68.3	65.1	71.2	56.6	55	50
67	33	Montenegro	63.8	4.1	58.8	50.1	48.9	88.7	45.2	87.9	70.9	64.4	70.9	79.6	50	50
68	12	Kazakhstan	63.8	1.8	54.7	34.8	39.9	91.7	85.1	91.8	69.3	63.2	61.3	73.2	50	50
69	14	Trinidad and Tobago	63.6	3.2	58.3	58.5	44.7	79.5	74.5	80.9	72.6	60.4	76.3	67.6	50	40
70	34	Bosnia and Herzegovina	63.5	1.5	48.3	33.9	36.2	93.6	51.2	97.9	67.1	66.2	72.5	70.0	65	60
71	15	Guatemala	63.4	1.0	38.7	26.8	22.6	92.0	94.3	95.5	67.1	57.9	74.2	72.2	70	50
72	16	Bahamas	63.2	0.7	61.8	78.6	66.2	97.2	77.2	6.7	70.0	68.8	72.9	49.0	50	60
73	35	North Macedonia	63.2	1.8	59.1	49.7	43.6	94.8	60.6	50.9	74.2	57.6	65.0	77.8	65	60
74	13	Mongolia	62.6	2.0	49.7	55.4	35.5	85.7	72.6	73.5	67.9	68.1	68.8	74.4	50	50
75	36	Azerbaijan	62.5	0.9	52.9	16.7	22.0	87.9	72.3	99.0	71.2	57.6	70.1	69.8	70	60
76	14	Micronesia	62.2	1.2	70.0	86.6	56.0	92.1	0.0	99.7	54.9	72.5	75.1	75.0	35	30
77	15	Vanuatu	61.8	-0.4	61.4	71.3	48.1	97.6	43.1	85.4	55.5	48.8	65.7	59.4	65	40
78	37	Kosovo	61.7	1.1	47.6	32.2	43.2	91.9	74.3	98.5	56.8	47.5	69.0	84.2	65	30
79	38	Hungary	61.4	0.2	69.2	62.7	42.2	85.3	28.5	17.6	76.1	60.3	65.1	79.6	80	70
80	17	Mexico	61.3	-0.7	41.1	39.9	29.5	75.6	76.5	67.3	71.9	57.6	69.3	72.2	75	60
81	39	Italy	60.9	0.8	82.2	78.8	60.6	57.4	9.5	0.0	77.6	70.7	74.2	79.6	80	60
82	16	Philippines	60.6	1.6	47.4	42.5	35.3	79.1	79.9	47.7	69.1	57.7	69.8	79.2	60	60
83	40	Greece	60.6	5.5	77.3	70.4	51.8	60.0	14.0	58.9	78.0	61.7	70.7	79.6	55	50
84	17	Thailand	60.6	1.6	45.1	34.6	38.4	81.3	81.7	61.3	70.9	56.4	70.2	72.4	55	60

## 2025 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

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85	5	São Tomé and Príncipe	60.4	-0.1	53.0	60.6	47.7	88.6	81.5	93.6	52.8	45.2	57.2	65.0	50	30
86	7	Morocco	60.3	3.5	58.6	32.7	36.9	71.4	67.9	46.2	68.9	48.5	74.7	67.2	75	75
87	18	Saint Vincent and The Grenadines	60.1	0.3	69.0	77.8	61.7	74.9	58.9	4.8	69.4	59.7	76.5	59.0	70	40
88	8	Kuwait	59.9	1.4	42.7	42.9	46.9	97.7	38.2	100.0	57.4	49.0	67.8	75.6	50	50
89	19	Colombia	59.8	0.6	45.5	58.8	40.9	67.6	64.4	48.7	68.6	61.7	69.4	72.2	60	60
90	20	Honduras	59.6	1.0	38.1	27.1	25.1	84.5	79.2	94.8	65.0	38.8	68.2	69.4	65	60
91	9	Jordan	59.4	1.1	54.4	43.5	48.8	83.9	68.5	2.8	62.4	55.6	79.9	82.4	70	60
92	6	Tanzania	59.3	0.2	46.7	30.4	39.8	80.4	89.4	74.3	48.9	62.1	72.5	61.8	55	50
93	18	Fiji	59.1	1.1	61.4	46.5	52.3	89.7	67.8	6.1	68.6	72.0	74.8	65.0	55	50
94	7	Namibia	58.7	1.2	65.0	67.3	51.2	69.4	57.9	34.2	61.9	62.9	74.9	70.0	50	40
95	19	Tonga	58.5	-0.7	67.9	65.7	45.8	84.9	28.9	96.3	59.5	56.6	61.0	75.4	40	20
96	8	Benin	58.5	0.8	44.8	49.1	42.4	69.4	88.4	51.9	53.7	58.7	80.3	63.0	50	50
97	41	Moldova	58.3	1.2	40.2	31.3	43.4	92.8	59.5	75.9	66.2	49.1	59.4	77.2	55	50
98	20	Cambodia	58.2	2.6	41.7	22.7	17.6	89.8	88.8	86.6	61.0	47.2	74.1	69.2	50	50
99	21	Guyana	58.2	0.9	48.2	48.3	38.6	76.9	83.6	39.7	71.1	76.7	76.0	54.0	55	30
100	21	Uzbekistan	58.0	2.1	33.5	14.5	31.2	92.8	73.6	73.3	64.4	47.9	64.6	80.6	60	60
101	9	Côte d'Ivoire	57.8	-0.6	46.3	31.1	36.6	82.2	86.3	42.4	65.2	56.8	66.5	70.0	60	50
102	22	Bhutan	57.5	2.1	69.7	62.9	71.1	83.4	68.2	25.8	67.2	57.7	70.5	63.0	20	30
103	10	South Africa	57.3	2.0	44.3	57.7	45.1	67.9	68.6	45.8	64.0	71.0	74.5	68.4	40	40
104	11	Madagascar	57.0	-0.3	40.8	34.5	25.5	91.1	92.3	66.3	38.1	56.1	70.9	68.8	50	50
105	12	Gambia	56.8	-1.4	55.0	45.2	39.5	79.3	84.8	56.9	50.6	48.0	55.7	66.8	50	50
106	22	El Salvador	56.6	2.2	43.2	14.6	30.9	78.2	72.2	56.1	62.7	54.9	66.2	70.4	70	60
107	13	Eswatini	56.4	0.8	44.8	36.8	29.9	76.1	73.9	70.6	49.5	55.9	76.1	73.6	50	40
108	14	Senegal	56.4	1.0	57.2	50.3	45.2	69.4	79.7	30.5	54.3	54.3	68.8	67.2	60	40
109	23	Solomon Islands	56.3	1.3	48.2	61.9	42.0	70.6	70.2	95.3	50.1	60.5	76.2	55.4	15	30
110	15	Gabon	56.3	-0.6	25.4	19.8	21.7	77.7	88.4	85.7	64.9	55.7	78.1	58.0	60	40
111	42	Türkiye	56.1	-0.1	40.6	23.8	34.3	72.2	71.9	82.3	58.5	48.4	37.9	72.8	70	60
112	16	Ghana	56.0	0.2	50.5	58.2	45.8	79.9	81.6	6.2	56.6	55.9	52.7	64.4	60	60
113	23	Ecuador	55.8	0.8	30.5	48.0	33.8	76.6	54.9	89.3	66.6	57.4	75.3	67.2	30	40
114	17	Djibouti	55.7	-0.1	30.6	27.7	27.7	83.5	86.2	86.6	53.7	52.8	70.3	49.8	50	50
115	24	Kyrgyz Republic	55.6	0.4	21.7	10.2	23.3	92.5	64.8	95.9	58.7	52.9	63.4	73.6	60	50
116	24	Dominica	55.3	1.3	68.9	82.9	59.9	76.1	0.0	26.4	68.0	49.9	76.8	54.6	60	40
117	25	Brazil	55.1	1.9	51.4	54.2	36.4	74.8	44.3	49.6	66.8	57.1	74.4	71.6	40	40
118	18	Angola	55.0	0.7	39.9	25.7	28.2	86.9	89.5	89.1	45.2	50.8	64.2	70.4	30	40
119	19	Mauritania	54.9	-0.4	35.8	28.3	23.8	75.8	81.5	95.4	38.8	53.6	74.6	60.6	50	40
120	20	Rwanda	54.8	3.2	62.0	27.1	50.5	81.3	73.8	35.0	56.8	48.7	67.3	55.2	60	40
121	21	Kenya	54.8	1.2	41.8	48.0	31.5	77.0	83.7	25.1	58.9	57.3	72.6	56.6	55	50
122	25	Bangladesh	54.7	0.3	36.5	27.9	23.3	82.6	95.0	70.2	53.9	47.4	67.1	62.2	50	40
123	22	Guinea	54.6	1.3	22.3	26.5	25.1	70.4	93.0	93.4	44.9	56.4	71.1	61.8	50	40
124	26	Argentina	54.2	4.3	34.7	56.5	39.7	70.8	57.1	67.9	55.3	55.2	23.3	64.4	65	60
125	23	Lesotho	54.1	2.2	42.4	43.6	39.3	68.0	23.8	92.0	49.6	58.0	73.5	63.8	55	40

## 2025 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

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126	27	Nicaragua	54.0	0.6	28.2	9.1	13.6	77.7	75.9	95.8	55.8	47.3	66.4	68.2	60	50
127	24	Nigeria	53.4	0.3	25.4	34.1	22.4	85.1	94.5	55.4	38.5	72.8	59.9	67.6	45	40
128	26	India	53.0	0.1	51.1	53.2	37.6	71.3	74.2	6.2	72.3	59.0	69.9	61.0	40	40
129	25	Mali	52.6	0.1	23.5	32.9	22.7	70.0	79.6	60.4	42.4	53.9	77.2	64.0	65	40
130	27	Papua New Guinea	52.5	3.1	44.7	44.2	28.5	72.1	85.5	46.7	35.5	64.6	73.6	79.8	25	30
131	28	Nepal	52.5	0.4	38.3	43.3	39.4	83.6	79.5	65.8	64.7	48.3	68.2	58.4	10	30
132	26	Togo	52.3	1.4	37.0	37.1	31.6	70.5	81.6	21.7	59.9	51.9	69.8	66.8	60	40
133	27	Chad	52.2	0.8	27.4	14.5	14.1	78.5	92.9	97.9	28.7	53.5	72.0	47.2	60	40
134	28	Cameroon	52.1	-1.5	31.3	10.3	20.7	72.9	91.2	92.3	48.8	46.5	73.7	57.2	30	50
135	43	Russia	51.6	-0.4	18.6	28.4	23.0	87.7	62.0	97.8	51.3	59.0	62.2	69.4	30	30
136	29	Tajikistan	51.5	0.2	28.8	11.2	15.7	92.3	75.0	97.3	56.2	43.6	71.0	72.2	25	30
137	29	Niger	51.5	-0.8	29.6	37.1	31.8	77.9	87.3	34.4	33.8	54.0	72.6	64.0	55	40
138	30	Comoros	51.4	-0.6	22.9	20.9	16.0	65.3	89.5	86.1	49.9	55.1	71.3	64.2	45	30
139	31	Uganda	51.3	0.6	47.4	29.2	24.1	73.6	87.7	35.5	50.3	54.8	75.1	57.4	40	40
140	30	Laos	51.1	0.5	42.5	12.5	23.2	88.8	92.9	80.0	55.3	42.4	52.3	68.4	35	20
141	32	Burkina Faso	51.0	-0.9	28.1	35.7	40.7	82.0	73.3	13.7	38.6	61.9	71.9	61.4	65	40
142	33	Zambia	50.9	2.5	45.8	45.3	36.7	74.7	75.0	0.0	45.9	48.7	68.2	65.8	55	50
143	31	Kiribati	50.9	-0.4	68.5	59.9	48.9	72.9	0.0	19.7	62.8	65.3	72.5	80.0	30	30
144	28	Suriname	50.9	4.2	42.1	43.1	39.7	69.1	74.0	66.1	57.6	69.0	44.1	65.4	20	20
145	10	Egypt	50.9	1.2	40.6	21.9	29.6	85.8	82.2	20.7	48.0	43.6	62.6	60.2	65	50
146	34	Malawi	50.9	-1.2	49.4	52.3	34.4	77.1	79.4	3.3	31.3	56.0	58.3	68.8	50	50
147	35	Mozambique	50.7	0.0	31.6	44.9	24.9	75.4	68.8	51.9	37.3	47.7	72.3	74.0	40	40
148	32	Sri Lanka	49.4	0.2	51.3	47.4	37.4	77.5	88.8	0.0	55.8	54.6	54.5	65.0	30	30
149	11	Tunisia	49.1	0.3	59.3	39.7	41.3	79.4	63.1	6.4	56.8	56.0	71.3	56.2	30	30
150	33	Pakistan	49.1	-0.4	29.2	28.9	28.4	78.3	88.9	8.1	51.5	51.8	54.5	69.8	60	40
151	34	China	49.0	0.5	46.7	37.4	40.4	71.6	67.1	11.1	67.7	57.9	74.6	74.0	20	20
152	44	Belarus	48.9	0.5	20.9	10.5	28.8	89.3	55.6	96.2	50.9	48.0	67.2	69.2	30	20
153	36	Congo, Rep.	48.6	0.8	30.8	14.9	13.2	75.5	86.2	80.4	36.9	52.5	77.7	49.6	35	30
154	37	Liberia	48.5	-1.4	32.8	22.7	24.9	86.0	76.6	53.6	39.0	43.5	70.7	57.0	55	20
155	35	Maldives	48.3	0.5	51.6	41.0	40.5	91.5	44.4	0.0	48.8	58.2	75.2	63.2	35	30
156	38	Ethiopia	48.1	0.2	27.9	19.7	32.7	78.2	95.4	80.9	45.3	39.4	49.9	57.4	30	20
157	39	Sierra Leone	48.0	3.4	33.8	41.5	36.0	87.8	89.0	53.8	37.0	23.7	50.2	63.6	40	20
158	36	Timor-Leste	47.9	-2.3	41.5	36.2	44.1	97.3	0.0	19.8	65.6	57.2	67.5	80.0	45	20
159	40	Equatorial Guinea	47.7	0.0	18.7	7.1	7.2	74.9	92.5	97.2	36.5	44.9	74.3	48.8	40	30
160	12	Algeria	47.5	3.6	27.6	29.8	29.5	80.3	64.4	58.1	59.1	52.4	70.9	57.4	20	20
161	41	Congo, Dem. Rep.	47.3	-0.3	15.6	12.0	11.7	74.2	92.4	97.0	32.8	54.4	59.4	68.2	30	20
162	37	Turkmenistan	47.1	0.8	17.7	8.2	7.3	94.2	96.7	99.9	37.4	33.9	75.1	74.2	10	10
163	29	Haiti	46.1	-2.1	10.7	16.7	13.0	81.7	98.1	96.6	33.3	54.9	41.2	66.4	20	20
164	30	Bolivia	44.1	0.6	19.9	29.4	27.3	88.8	61.8	4.4	54.8	56.5	70.6	60.6	15	40
165	13	Lebanon	44.1	-4.2	22.3	22.6	24.5	90.3	95.6	63.6	47.8	57.1	0.0	65.4	20	20
166	38	Burma	43.7	1.5	17.3	4.2	18.7	88.6	84.0	39.9	39.9	53.2	59.7	68.6	30	20
167	42	Guinea-Bissau	43.6	0.9	26.5	14.0	20.4	88.9	84.5	15.6	35.1	54.8	73.3	50.6	30	30

## 2025 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

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168	43	Central African Republic	42.8	1.5	6.9	4.0	19.6	65.5	89.8	53.8	27.1	48.3	72.8	50.4	45	30
169	14	Iran	42.5	1.3	23.3	18.6	16.3	81.3	94.0	84.1	38.4	43.6	39.0	55.8	5	10
170	44	Burundi	39.7	1.3	28.6	7.4	14.2	76.1	71.1	12.2	31.9	50.0	54.4	50.8	50	30
171	45	Eritrea	38.6	-0.9	6.1	3.8	14.5	80.3	62.3	69.0	31.3	43.4	63.9	68.4	0	20
172	46	Sudan	35.3	1.4	12.0	4.0	15.6	84.7	95.7	73.5	28.5	39.2	16.3	29.6	5	20
173	47	Zimbabwe	35.1	-3.1	20.7	15.8	20.7	73.6	87.6	44.4	39.3	33.2	0.0	50.4	25	10
174	31	Venezuela	27.6	-0.5	0.7	4.1	6.7	75.9	93.8	29.1	32.5	35.9	0.0	42.2	0	10
175	32	Cuba	25.4	-0.3	29.9	14.3	33.4	51.9	0.0	0.0	42.3	20.0	20.0	72.8	10	10
176	39	North Korea	3.0	0.1	15.7	5.9	4.0	0.0	0.0	0.0	5.0	5.0	0.0	0.0	0	0
N/A	N/A	Afghanistan	N/A	N/A	7.4	2.7	14.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Iraq	N/A	N/A	6.3	7.1	19.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Libya	N/A	N/A	5.7	3.6	11.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Liechtenstein	N/A	N/A	94.4	86.7	82.4	N/A	N/A	N/A	N/A	N/A	N/A	86.6	80.0	80.0
N/A	N/A	Somalia	N/A	N/A	0	1.6	8.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Syria	N/A	N/A	2.6	3.7	3.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Ukraine	N/A	N/A	21.5	29.9	35.4	N/A	N/A	N/A	N/A	N/A	N/A	73.2	N/A	N/A
N/A	N/A	Yemen	N/A	N/A	5.1	8.3	6.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## ECONOMIC FREEDOM: REGIONAL VARIATIONS (REGIONAL AVERAGE)

Regional Ranking	The Americas (59.4)	Asia-Pacific (58.3)	Europe (68.5)	Middle East/North Africa (58.6)	Sub-Saharan Africa (53.2)
1	Canada	Singapore	Switzerland	United Arab Emirates	Mauritius
2	Chile	Taiwan	Ireland	Qatar	Botswana
3	United States	Australia	Luxembourg	Israel	Cabo Verde
4	Uruguay	New Zealand	Denmark	Bahrain	Seychelles
5	Barbados	Korea, South	Estonia	Oman	São Tomé and Príncipe
6	Jamaica	Japan	Norway	Saudi Arabia	Tanzania
7	Costa Rica	Malaysia	Netherlands	Morocco	Namibia
8	Saint Lucia	Brunei Darussalam	Sweden	Kuwait	Benin
9	Peru	Samoa	Finland	Jordan	Côte d'Ivoire
10	Panama	Indonesia	Lithuania	Egypt	South Africa
11	Paraguay	Vietnam	Cyprus	Tunisia	Madagascar
12	Dominican Republic	Kazakhstan	Czech Republic	Algeria	Gambia, The
13	Belize	Mongolia	Iceland	Lebanon	Eswatini
14	Trinidad and Tobago	Micronesia	Germany	Iran	Senegal
15	Guatemala	Vanuatu	Latvia	Iraq	Gabon
16	Bahamas	Philippines	Portugal	Libya	Ghana
17	Mexico	Thailand	Austria	Syria	Djibouti
18	St. Vincent and The Grenadines	Fiji	United Kingdom	Yemen	Angola
19	Colombia	Tonga	Belgium		Mauritania
20	Honduras	Cambodia	Georgia		Rwanda
21	Guyana	Uzbekistan	Bulgaria		Kenya
22	El Salvador	Bhutan	Croatia		Guinea
23	Ecuador	Solomon Islands	Slovakia		Lesotho
24	Dominica	Kyrgyz Republic	Slovenia		Nigeria
25	Brazil	Bangladesh	Poland		Mali
26	Argentina	India	Malta		Togo
27	Nicaragua	Papua New Guinea	Albania		Chad
28	Suriname	Nepal	Romania		Cameroon
29	Haiti	Tajikistan	Spain		Niger
30	Bolivia	Laos	Armenia		Comoros
31	Venezuela	Kiribati	France		Uganda
32	Cuba	Sri Lanka	Serbia		Burkina Faso
33		Pakistan	Montenegro		Zambia
34		China	Bosnia and Herzegovina		Malawi
35		Maldives	North Macedonia		Mozambique
36		Timor-Leste	Azerbaijan		Congo, Rep.
37		Turkmenistan	Kosovo		Liberia
38		Burma	Hungary		Ethiopia
39		Korea, North	Italy		Sierra Leone
40		Afghanistan	Greece		Equatorial Guinea
41			Moldova		Congo, Dem. Rep.
42			Türkiye		Guinea-Bissau
43			Russia		Central African Republic
44			Belarus		Burundi
45			Liechtenstein		Eritrea
46			Ukraine		Sudan
47					Zimbabwe
48					Somalia

**Economic Freedom Scores**

- 80-100 Free
- 70-79.9 Mostly Free
- 60-69.9 Moderately Free
- 50-59.9 Mostly Unfree
- 0-49.9 Repressed
- Not Graded





# THE 12 ECONOMIC FREEDOMS: KEY TO UNLEASHING CHOICE AND OPPORTUNITY

**E**conomic freedom is perhaps best understood as a philosophy of governance that rejects dogma and embraces a diverse range of strategies for economic advancement. When governments inject themselves into economic decision-making, their actions may be well-intentioned in theory, but in practice, they tend toward coercion, standardization, and the gradual yet eventual restriction of freedom. They cannot possibly account for the needs and preferences of individuals as effectively as a free marketplace can. They also are nearly certain to promote the waste of resources and effort by undermining efficiency.

The *Index of Economic Freedom*, an annual cross-country benchmark report, provides practical and compelling evidence that economic dynamism and growth are held back by the counterproductive policies that governments all too often put in place, not by the freedom-based policies we fail to implement.

For more than three decades, the *Index* has explored many critical aspects of the relationship between individuals and governments. In measuring economic freedom, we have focused on a comprehensive but far from exhaustive range of policy areas in which governments typically act for good or ill. However, by its very nature, the concept of freedom resists narrow definition, and each year seems to bring new challenges from those who seek to impose their own views on or control the economic actions of others.

## UNDERSTANDING ECONOMIC FREEDOM

At its heart, economic freedom is about individual autonomy: the freedom of choice that individuals

enjoy in acquiring and using economic goods and resources. The underlying assumption of those who favor economic freedom is that individuals know their own needs and desires best and that a self-directed life, guided by one's own philosophies and priorities rather than those of a government or technocratic elite, is the foundation of a fulfilling existence—the “good life.” Independence and self-respect flow from the ability and responsibility to take care of oneself and one's family and are invaluable contributors to human dignity and equality.

Because we live together with others in societies, individual autonomy obviously is not absolute: For many individuals, their own well-being and that of their families and communities are equally important, and the personal rights enjoyed by one person may therefore end at his or her neighbor's doorstep. Decisions and activities that can affect others are rightly constrained by societal norms and, in the most critical areas, by government laws or regulations.

In a market-oriented economy, societal norms, not government laws and regulations, are the primary regulators of behavior. Such norms grow organically out of society itself and reflect its history, its culture, and the experience of generations as they have learned how to live with one another. They guide our understanding of ethics, the etiquette of personal and professional relationships, and consumer tastes.

At their best, democratic political systems reflect societal norms in their laws and regulations, but if they are not constrained by constitutional or other traditional limits, even democratic governments can pose substantial threats to economic freedom.

Majority rule is no less a constraint than one imposed by an absolute ruler or oligarch. It is thus not so much the type of government that determines the degree of economic freedom as it is the extent to which government has limits beyond which it may not (or at least does not) go.

Inevitably, any discussion of economic freedom must focus on the critical relationship between the individual and government. In general, state action or government control that interferes with individual autonomy limits economic freedom.

However, the goal of economic freedom is more than the absence of government coercion or constraint: The ultimate goal is creation and maintenance of a mutual sense of liberty for all. Some government action is necessary for the citizens of a nation to defend themselves and promote the peaceful evolution of civil society, but government action that goes beyond the minimal necessary level inevitably infringes on someone's economic or personal freedom.

Throughout history, governments have imposed a wide array of constraints on economic activity. Sometimes they have imposed these constraints in the name of equality or some other ostensibly noble societal purpose; most often, however, they have imposed them to benefit elites or special interests.

Government's excessive intrusion into wide spheres of economic activity comes at a high cost to society as a whole. By substituting political judgments for those of the marketplace, government diverts entrepreneurial resources and energy from productive activities to rent-seeking: the quest for economically unearned benefits. As a result, society experiences lower productivity, economic stagnation, and declining prosperity.

## ASSESSING ECONOMIC FREEDOM

The *Index of Economic Freedom* takes a comprehensive view of economic freedom. Some aspects of this freedom that are evaluated (for example, the extent of an economy's openness to global investment or trade) are concerned with a country's interactions with the rest of the world. Most, however, focus on policies within a country, assessing the liberty of individuals to use their labor or finances without undue restraint and government interference.

Each of the measured aspects of economic freedom plays a vital role in promoting and sustaining personal and national prosperity, but all are

complementary in their impact, and progress in one area can easily reinforce or even inspire progress in another. Similarly, repressed economic freedom in one area (for example, a lack of respect for property rights) can make it much more difficult to achieve high levels of freedom in other categories.

The 12 aspects of economic freedom measured in the *Index* are grouped into four broad pillars:

- **Rule of law** (property rights, judicial effectiveness, and government integrity);
- **Government size** (tax burden, government spending, and fiscal health);
- **Regulatory efficiency** (business freedom, labor freedom, and monetary freedom); and
- **Market openness** (trade freedom, investment freedom, and financial freedom).

Each measured aspect of economic freedom has a significant relevance to economic growth and prosperity. Policies that allow greater freedom in any of the measured areas tend to encourage growth, which translates into more opportunities for people to advance themselves economically—advancement that leads in turn to measurable progress and lasting prosperity.

### Rule of Law

**Property Rights.** In a fully functioning market economy, the ability to accumulate private property and wealth is a central motivating force for both workers and investors. Private property rights and an effective rule of law to protect them are vital features of any such economy. Secure property rights give citizens the confidence to undertake entrepreneurial activity, save their income, and make long-term plans because they know that their income, savings, and property (both real and intellectual) are safe from unfair expropriation or theft.

Property rights are a primary factor in the accumulation of capital for production and investment. Secure titling is key to unlocking the wealth embodied in real estate, making natural resources available for economic use, and providing collateral for investment financing. It is also by extending and protecting property rights that societies avoid the “tragedy of the commons”—the phenomenon that leads to the

degradation and exploitation of property that is held communally and for which no one is accountable.

A key aspect of the protection of property rights is the enforcement of contracts. The voluntary undertaking of contractual obligations is the foundation of the market system and the basis for economic specialization, gains from commercial exchange, and trade among nations. Evenhanded government enforcement of private contracts is crucial to ensuring equity and integrity in the marketplace.

**Judicial Effectiveness.** Effective legal frameworks protect the rights of all citizens against infringement of the law by others, including infringement by governments and powerful non-governmental parties. Judicial effectiveness requires efficient and fair judicial systems to ensure that laws are fully respected and appropriate legal actions are taken against violations.

Especially for developing countries, judicial effectiveness may be the area of economic freedom that is most important in laying the foundations for economic growth. In advanced economies, deviations from judicial effectiveness may be the first signs of serious problems that will lead to economic decline.

There is abundant evidence from countries around the world that an honest, fair, and effective judicial system is a critical factor in empowering individuals, ending discrimination, and enhancing competition. In the never-ending struggle to improve the human condition and achieve greater prosperity, an institutional commitment to the preservation and advancement of judicial effectiveness is indispensable.

**Government Integrity.** In a socially and culturally diverse world, practices that are regarded as corrupt in one place may simply reflect traditional interactions in another. For example, small informal payments to service providers or even government officials may be regarded variously as a normal means of compensation, a “tip” for unusually good service, or a corrupt form of extortion. Such practices may indeed constrain an individual’s economic freedom, but their impact on the economic system as a whole is likely to be modest.

Of far greater concern is the systemic corruption of government institutions by such practices as bribery, nepotism, cronyism, patronage, embezzlement, and graft. Not all of these practices are crimes in every society or circumstance, but all erode the

integrity of government wherever they are found. By allowing some individuals or special interests to gain government benefits at the expense of others, they are grossly incompatible with the principles of fair and equal treatment that are necessary for an economically free society.

There is a direct relationship between the extent of government intervention in economic activity and the prevalence of corruption. In particular, excessive and redundant government regulations provide opportunities for bribery and graft, which in turn undermine economic growth and development. In addition, government regulations or restrictions in one area may create informal or black markets in another. For example, by imposing such burdensome barriers to the conduct of business as regulatory red tape and high transaction costs, a government can incentivize bribery and encourage illegitimate and secret interactions that compromise the transparency that is essential to the efficient functioning of a free market.

## Government Size

**Tax Burden.** All governments impose fiscal burdens on economic activity through taxation and borrowing. Governments that permit individuals and businesses to keep and manage a larger share of their income and wealth for their own benefit and their own use help to maximize economic freedom.

The higher the government’s share of income or wealth is, the lower the individual’s reward for his or her economic activity—indeed, the lower the incentive to undertake work at *all*—will be. Higher tax rates reduce the ability of individuals and firms to pursue their goals in the marketplace and thereby also reduce the overall level of private-sector activity.

Individual and corporate income tax rates are an important and direct constraint on an individual’s economic freedom and are reflected as such in the *Index*, but they are not by themselves a comprehensive measure of the tax burden. Governments impose many other indirect taxes, including payroll, sales, and excise taxes, as well as tariffs and value-added taxes (VATs). The *Index of Economic Freedom* captures the burden of these taxes by measuring the overall burden from all forms of taxation as a percentage of total gross domestic product (GDP).

**Government Spending.** The cost, size, and intrusiveness of government taken together are a central economic freedom issue that the *Index* measures

in a variety of ways. Government spending takes many forms, not all of which are equally harmful to economic freedom. Some government spending (for example, to provide infrastructure, fund research, or improve human capital) may be considered investment. Government also spends on public goods, the benefits of which accrue broadly to society in ways that markets cannot price appropriately.

All government spending, however, must eventually be financed by higher taxation and entails an opportunity cost—the value of the consumption or investment that would have occurred had the resources involved been left in the private sector.

Excessive government spending can easily crowd out private economic activity. Even if government spending helps to promote faster economic growth, such economic expansion tends to be only temporary, distorting the market allocation of resources and private investment incentives. Even worse, a government's insulation from market discipline often leads to bureaucracy, lower productivity, inefficiency, and mounting public debt that imposes an even greater burden on future generations.

**Fiscal Health.** One of the clearest indicators of the extent to which a society respects the principle of limited government is its government's budget. By delineating priorities and allocating resources, a budget signals unmistakably both the areas in which government will intervene in economic activity and the likely extent of that intervention. A budget also reflects a government's commitment (or lack of commitment) to the sound financial management of resources, which is both imperative for dynamic long-term economic expansion and critical to the advancement of economic freedom.

Widening deficits and a growing debt burden, both of which are direct consequences of poor government budget management, erode a country's overall fiscal health. Deviations from sound fiscal positions often limit economic freedom by disturbing macroeconomic stability and inducing economic uncertainty.

Debt is an accumulation of budget deficits over time. In theory, debt financing of public spending could contribute to productive investment and economic growth. Debt could also be a mechanism for positive macroeconomic countercyclical interventions or even long-term growth policies. On the other hand, high levels of public debt can lead to higher

interest rates, crowd out private investment, and limit government's flexibility in responding to economic crises. Mounting public debt driven by persistent budget deficits—particularly deficits caused by spending that merely boosts government consumption or transfer payments—often undermines overall productivity growth and leads to economic stagnation rather than economic growth.

## Regulatory Efficiency

**Business Freedom.** An individual's ability to establish and run an enterprise without undue interference from the state is one of the most fundamental indicators of economic freedom. Burdensome and redundant regulations are the most common barriers to the free conduct of entrepreneurial activity. By increasing the costs of production, regulations can make it difficult for entrepreneurs to succeed in the marketplace.

Many regulations hinder business productivity and profitability, but those that most inhibit entrepreneurship are often those that are associated with the licensing of new businesses. In some countries, as well as many states in the United States, the procedure for obtaining a business license can be as simple as mailing in a registration form with a minimal fee. In Singapore, it takes only a day and a half and two procedures to start a business, and there is no minimum-capital requirement. In other economies—for example, India and parts of South America—obtaining a business license can involve endless, time-consuming trips to government offices and repeated encounters with officious and sometimes corrupt bureaucrats.

Once a business is open, government regulation may interfere with the normal decision-making or price-setting process. Significantly, two countries with the same set of regulations can impose different regulatory burdens with different consequences. A country that applies its regulations evenly and transparently can lower the regulatory burden by facilitating long-term business planning, but a country that applies regulations inconsistently adds to the regulatory burden by creating an unpredictable business environment.

**Labor Freedom.** The ability of individuals to find employment opportunities and work is essential to the advancement of economic freedom. By the same token, the ability of businesses to contract freely for labor and dismiss redundant workers

when they are no longer needed is essential to the achievement of enhanced productivity and sustained economic growth.

The core principle of any economically free market is voluntary exchange. This is just as true in the labor market as it is in the market for goods.

State intervention generates the same problems in the labor market that it produces in any other market. Government labor regulations take a variety of forms: minimum wages or other wage controls, limits on hours worked or other workplace conditions, restrictions on hiring and firing, and other constraints. In many countries, unions play an important role in regulating labor freedom and, depending on the nature of their activity, may either encourage greater freedom or impede the efficient functioning of labor markets.

Onerous labor laws penalize businesses and workers alike. Rigid labor regulations prevent employers and employees from freely negotiating changes in terms and conditions of work, and the result is often a chronic mismatch of labor supply and demand.

**Monetary Freedom.** Monetary freedom requires a stable currency and market-determined prices. Whether acting as entrepreneurs or as consumers, economically free people need a steady and reliable currency as a medium of exchange, unit of account, and store of value. The lack of monetary freedom seriously limits their ability to create long-term value or amass capital.

The value of a country's currency can be influenced significantly by the monetary policy of its government. A monetary policy that endeavors to fight inflation, maintain price stability, and preserve the nation's wealth enables people to rely on market prices for the foreseeable future. They can invest, save, and make other longer-term plans more confidently. An inflationary policy operates like an invisible tax to confiscate wealth and distorts prices, misallocates resources, and raises the cost of doing business.

There is no single accepted theory of the right monetary policy for a free society. At one time, the gold standard enjoyed widespread support. What characterizes almost all monetary theories today is support for low inflation and an independent central bank. It is also widely recognized that price controls corrupt market efficiency and lead to shortages or surpluses.

## Market Openness

**Trade Freedom.** Many governments restrict their citizens' ability to interact freely as buyers or sellers in the international marketplace. Impediments to trade include tariffs, export taxes, trade quotas, outright trade bans, and nontariff barriers related to various licensing, standard-setting, and other regulatory actions. Given the development of global supply chains and cross-border production processes, businesses increasingly value stability in trade policy. Government actions that create uncertainty about future trade conditions may therefore have a negative impact on trade freedom that goes beyond their immediate economic effect.

The degree to which government hinders the free flow of foreign commerce has a direct bearing on the ability of individuals to pursue their economic goals and maximize their productivity and well-being. Tariffs, for example, in addition to increasing the prices that local consumers pay for foreign imports, distort production incentives for local producers, causing them to produce either a good in which they lack a comparative advantage or more of a protected good than is economically ideal. This undermines overall economic efficiency and growth.

In many cases, restricting trade also means limiting the productive development of local entrepreneurs by putting advanced-technology products and services beyond their reach.

**Investment Freedom.** A free and open investment environment provides more entrepreneurial opportunities and incentives for expanded economic activity, greater productivity, and job creation than any other. The benefits of such an environment flow not only to the individual companies that take the entrepreneurial risk in expectation of greater return, but also to society as a whole. An effective investment framework is characterized by transparency and equity, supporting all types of firms rather than just large or strategically important companies, and encourages rather than discourages innovation and competition.

Restrictions on the movement of capital, whether domestic or international, undermine the efficient allocation of resources and reduce productivity, thereby distorting economic decision-making. Restrictions on cross-border investment can limit both inflows and outflows of capital, thereby shrinking markets and reducing opportunities for growth.

By contrast, when individuals and companies are free to choose where and how to invest, capital can flow to its best uses: to the sectors and activities where it is most needed and the returns are greatest. State action to redirect the flow of capital and limit choice restricts both the freedom of the investor and the freedom of the person seeking capital. The greater the number of restrictions a country imposes on investment is, the lower its level of entrepreneurial activity will be.

**Financial Freedom.** An accessible and efficiently functioning formal financial system ensures the availability of diversified savings, credit, payment, and investment services to individuals and businesses. By expanding financing opportunities and promoting entrepreneurship, an open banking environment encourages competition, which works in turn to provide the most efficient financial intermediation between households and firms as well as between investors and entrepreneurs.

Through a process driven by supply and demand, markets provide real-time information on prices and immediate discipline for those who have made bad decisions. This process depends on market transparency and the integrity of the information that is made available; a prudent and effective regulatory system, through disclosure requirements and independent auditing, ensures both.

Increasingly, the central role played by banks is being complemented by other financial services that offer alternative ways to raise capital or diversify risk. As with the banking system, the useful role for government in regulating these institutions lies in ensuring transparency and integrity and in promoting disclosure of assets, liabilities, and risks.

State banking and financial regulation that goes beyond assuring transparency and honesty in financial markets can promote inefficiency, increase the costs of financing entrepreneurial activity, and limit competition. If the government intervenes in the stock market, for instance, it contravenes the choices of millions of individuals by interfering with the pricing of capital—the most critical function of a market economy.

## **HUMAN FLOURISHING THROUGH BETTER ECONOMIC GOVERNANCE**

Economic freedom is an essential aspect of human dignity, autonomy, and personal empowerment. Equally important, it provides a proven formula for economic progress and success.

Economic freedom is also about much more than a business environment in which entrepreneurship and prosperity can flourish. With its far-reaching impacts on various aspects of human development, it empowers people, unleashes powerful forces of choice and opportunity, nourishes other liberties, and improves the overall quality of life. Greater economic freedom really means better economic governance.

No other system—among the many that have been tried—comes close to free-market capitalism in promoting growth and enhancing the human condition. The undeniable link between economic freedom and prosperity is a striking demonstration of what people can do when they have the maximum opportunity to pursue their own interests within the rule of law.

# WHY ECONOMIC FREEDOM MATTERS

A recurring theme in human history has been resilience and revival. The results of the 2025 *Index of Economic Freedom* demonstrate that by building on what works, countries can accelerate their progress against even the most difficult challenges and chart ever greater economic success.

Since 1995, the *Index* has measured economic freedom's advances and retreats around the globe, country by country, and has correlated those changes with fundamental measures of economic well-being like economic growth, reductions in poverty, various social indicators like longevity and health, and environmental protection. The weight of the cumulative evidence is clear: Economic freedom, buttressed by the rule of law, fiscal responsibility, market openness, and sound regulatory environments, remains the surest pathway to resilience and prosperity.

The need to advance economic freedom and vibrant entrepreneurial growth is more imperative now than ever before. No other economic system has demonstrated the ability of free-market capitalism, built on the principles of economic freedom, to adapt to new challenges. The dispersed information-gathering processes and price-setting power of free markets guide change far more efficiently than centralized political processes—typically slow and often biased toward the status quo—ever can.

Free markets and free enterprises, sustained by economic freedom, stimulate both the innovation and the practical solutions that are necessary for progress and sustainable recovery in all areas of human endeavor, thereby enabling better jobs, better products, and healthier, cleaner, and safer societies for all.

## ADVANCING ECONOMIC FREEDOM: THE KEY TO HUMAN FLOURISHING AND RESILIENCE

Economic Freedom's most fundamental benefit stems from its strong positive relationship to levels of per capita income. As indicated in Chart 1 and Chart 2, countries show increasingly high levels of average income as they move up the economic freedom scale. For countries achieving scores that reflect even moderate levels of economic freedom (60 or above), the relationship between economic freedom and per capita gross domestic product (GDP) is highly significant. Economies rated “free” or “mostly free” in the 2025 *Index* enjoy incomes that are more than twice the average levels in all other countries and more than five times higher than the incomes of “repressed” economies.

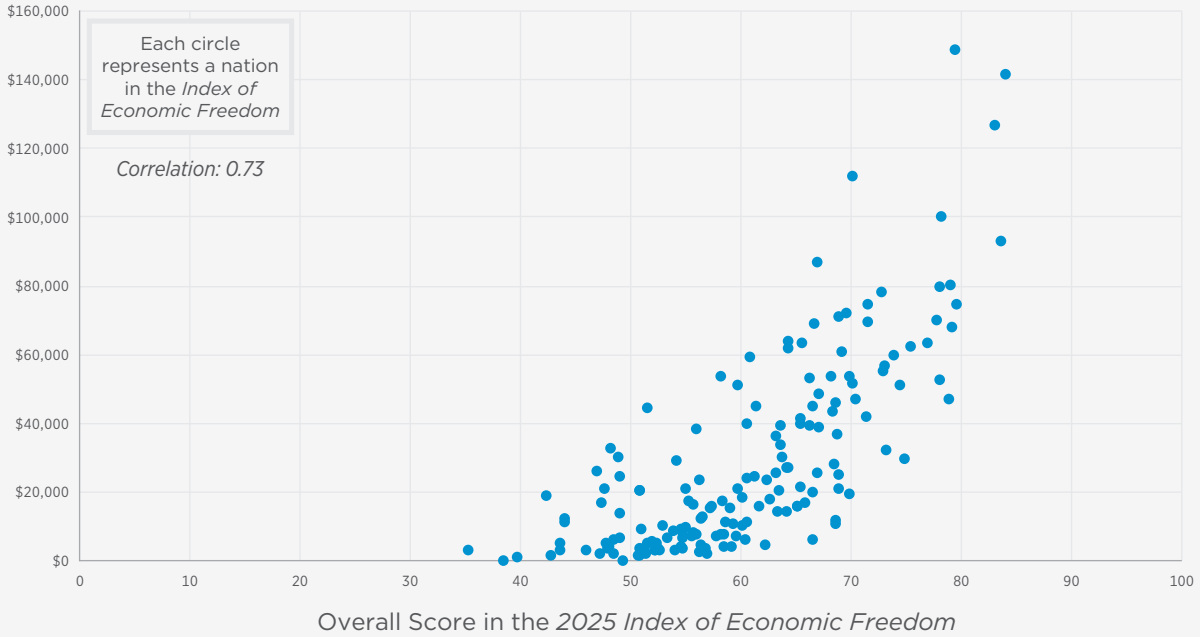
By a great many measures, over the past decades, countries that have adopted some version of free-market capitalism with businesses supported by efficient regulations and open to the free flow of goods, services, and capital have broken the vicious cycle of poverty and dependence.

It can no longer be doubted that the free-market system, rooted in empowerment of the individual and open competition, has fueled unprecedented economic growth around the world. As Chart 2 illustrates, for more than two decades, the global economy has moved toward greater economic freedom, becoming “moderately free” overall, while achieving real GDP expansion of approximately 70 percent. The result of this progress has been to lift hundreds of millions of people out of poverty.

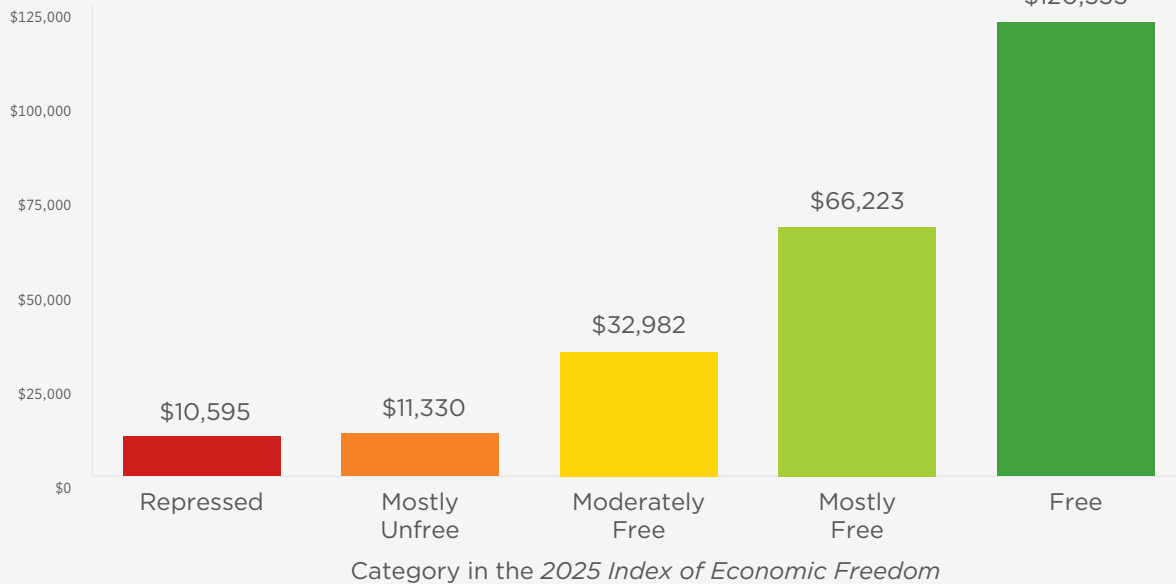
Meanwhile, the global poverty rate has declined by about two-thirds. Opening the gates of prosperity to ever more people around the world, economic freedom has made the world a profoundly better

## ECONOMIC FREEDOM AND STANDARD OF LIVING

GDP per Capita, Purchasing Power Parity, 2023



Average GDP per Capita, Purchasing Power Parity



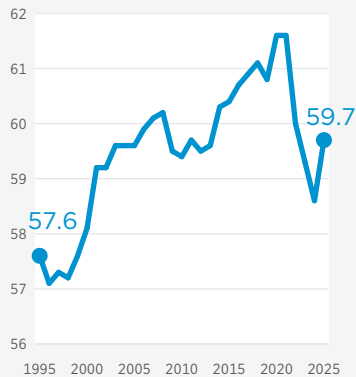
**SOURCES:** International Monetary Fund, *World Economic Outlook* database, October 2024, <https://www.imf.org/en/Publications/WEO/weo-database/2024/October> (accessed February 3, 2025); Central Intelligence Agency, *The World Factbook*, <https://www.cia.gov/the-world-factbook/> (accessed February 3, 2025); Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 1 heritage.org

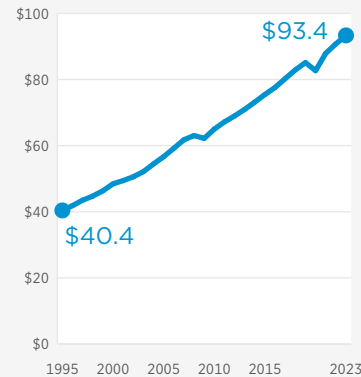


## AS ECONOMIC FREEDOM RISES, THE GLOBAL ECONOMY EXPANDS AND POVERTY FALLS

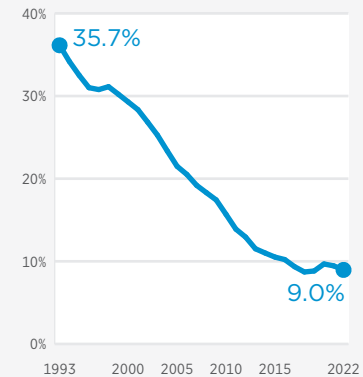
Average Score in the 2025 *Index of Economic Freedom*



Global GDP, in Trillions of 2015 U.S. Dollars



Percentage of Global Population Living in Abject Poverty



**SOURCES:** World Bank, “GDP (Constant 2015 US\$),” <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?end=2019&start=1992> (accessed February 4, 2025); World Bank, “Poverty and Inequality Platform,” <https://pip.worldbank.org/home> (accessed February 4, 2025); Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <https://www.heritage.org/index>.

Chart 2 heritage.org

place: More people are living longer and more fulfilling lives than ever before.

Poverty intensity as measured by the United Nations Development Programme’s Multidimensional Poverty Index (MPI), which assesses the nature and intensity of deprivation at the individual level in education, health outcomes, and standard of living, is also much lower on average in countries with higher levels of economic freedom. As depicted in Chart 3, the level of poverty in countries with economies that are considered “mostly free” or “moderately free” is only about one-fourth the level in countries that are rated “less free.”

### ECONOMIC FREEDOM: DRIVING VIBRANT GROWTH

Economic freedom is closely related to the openness to entrepreneurial activity that allows individuals to innovate, respond to new opportunities in the marketplace, and enjoy success based on their own efforts. Chart 4 shows the close correlation between economic freedom and entrepreneurial opportunity.

Given this positive relationship, governments should be cautious in undertaking shortsighted stimulus programs that increase their own spending or add new layers of regulation, both of which

reduce economic freedom. The best results are likely to be achieved instead through policy reforms that improve the incentives that drive entrepreneurial activity. These reforms include improvements in the efficiency of business and labor regulations, reductions in tariffs and other barriers to trade or investment, and financial reforms to increase competition, ensure stability, and improve and broaden access to credit.

As documented in this edition of the *Index*, as well as in previous editions and volumes of academic research, vibrant and lasting economic growth is most likely to occur when governments implement policies that enhance economic freedom and empower individuals with greater choice and more opportunities. Advancing economic freedom is the surest way to facilitate dynamic economic expansion and is therefore likely to be the surest path to true progress for the greatest number of people.

As Chart 5 demonstrates, there is a robust relationship between improved economic freedom and higher per capita economic growth. Whether long-term (30 years), medium-term (10 to 15 years), or short-term (five years), the relationship between changes in economic freedom and changes in economic growth is consistently positive.

Improvements in economic freedom are vital if countries are to achieve the rates of economic expansion that the record shows will reduce poverty.

Undeniably, countries moving toward greater economic freedom tend to achieve higher growth rates of per capita GDP over time. Throughout all the time periods considered in successive editions of the *Index*, the average annual per capita economic growth rates of countries that have increased economic freedom the most are approximately 25 percent higher—at a minimum—than those of countries in which freedom has stagnated or declined.

### ECONOMIC FREEDOM: ENSURING GREATER HUMAN DEVELOPMENT AND POLITICAL FREEDOM

Increasing economic freedom is unequivocally about achieving greater overall prosperity, but the benefits to society extend far beyond higher incomes or lower rates of poverty. Countries with higher levels of economic freedom enjoy higher levels of overall human development as measured by the United Nations Human Development Index (HDI), which measures life expectancy, literacy, education, and standards of living in countries worldwide.

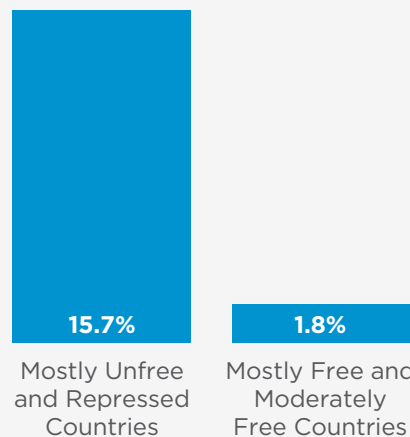
As Chart 5 shows, governments that choose policies that increase economic freedom are placing their societies on the path to more educational opportunities, better health care, and higher standards of living for their citizens.

In recent years, environmentally related government policies and actions have been more intrusive and economically distortionary. Many of the world's governments are promoting programs to tax carbon emissions, increase taxes on gasoline, and implement nontransparent and economically harmful exchanges and marketplaces for the buying and selling of carbon emissions and are using government revenue to subsidize various types of so-called clean energy. Such policies impose a huge cost on society and retard economic growth. Fortunately, the same free-market principles that have proven to be the key to economic success can also deliver environmental success.

In countries around the world, economic freedom has been shown to increase the capacity for environmentally friendly innovation. The positive link between economic freedom and higher levels of innovation ensures greater capacity to cope with environmental challenges. Moreover, the most remarkable improvements in clean energy use and energy

### POVERTY INTENSITY

Average Percentage of Population Living in Multidimensional Poverty



**NOTE:** Represented are the 104 developing countries scored in both indexes.

**SOURCES:** United Nations Development Programme, *Global Multidimensional Poverty Index 2024: Poverty Amid Conflict*, <https://hdr.undp.org/content/2024-global-multidimensional-poverty-index-mpi#/indicies/MPI> (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 3 heritage.org

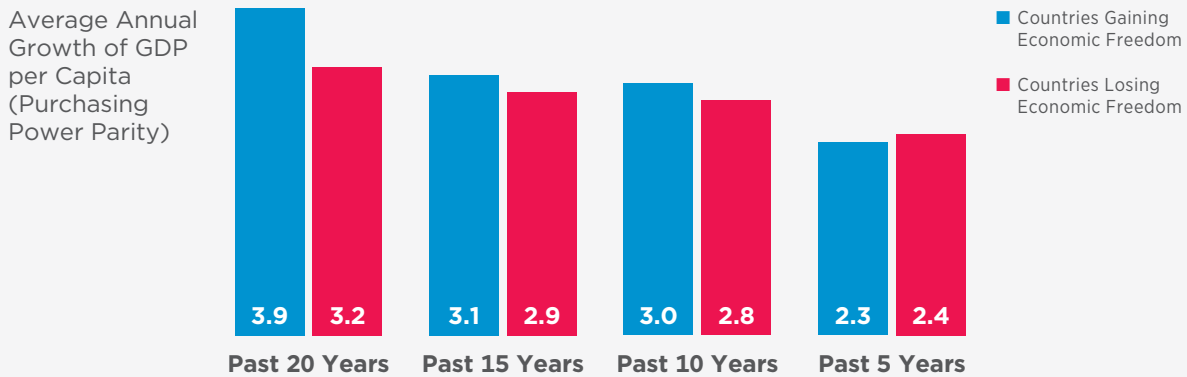
efficiency over the past decades have occurred not as a result of government regulation, but because of advances in economic freedom and freer trade.

The regulatory power of the marketplace, which is generally ignored and certainly underappreciated by advocates of big government, pushes firms to identify increasingly efficient means of production and respond to consumer demands for environmental cleanliness and sustainability. The result is a virtuous cycle of investment, innovation (including greener technologies), and dynamic economic growth. (See Chart 6 and Chart 7.)

Greater economic freedom can also provide more fertile ground for effective and democratic governance. The achievement of political freedom through a well-functioning democratic system is admittedly a messy and often excruciating process, but the positive relationship between economic freedom and democratic governance is undeniable. (See Chart 8.)

By empowering people to exercise greater control of their daily lives, economic freedom ultimately

## INCREASING ECONOMIC FREEDOM AND ECONOMIC GROWTH



**NOTES:** Figures are country averages for which both Index scores and data on GDP growth are available over the same time period. Five-year growth rates include 174 countries, 10-year growth rates include 173 countries, 15-year growth rates include 171 countries, and 20-year growth rates include 150 countries.

**SOURCES:** International Monetary Fund, *World Economic Outlook* database, October 2024, <https://www.imf.org/en/Publications/WEO/weo-database/2024/October> (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

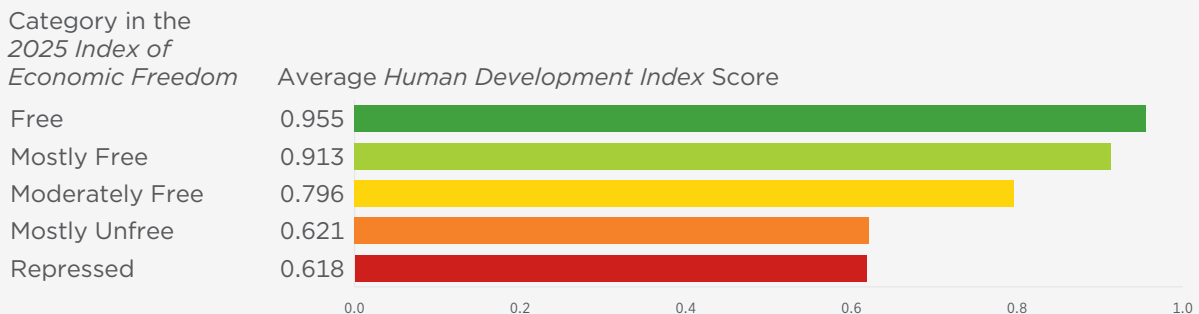
Chart 4 heritage.org

nurtures political reform by making it possible for individuals to gain the economic resources they can use to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies. Pursuit of greater economic freedom is thus an important stepping stone on the road to democracy: It empowers the poor and builds the middle class.

## ECONOMIC FREEDOM: THE FOUNDATION OF UPWARD MOBILITY

The massive improvements in global indicators of income and quality of life in recent decades reflect a paradigm shift in the debate about how societies should be structured economically to achieve the most desirable outcomes. This debate has largely been won by free-market capitalism. Criticisms persist, however,

## ECONOMIC FREEDOM AND HUMAN DEVELOPMENT



**NOTE:** Represented are the 176 nations that are in both datasets.

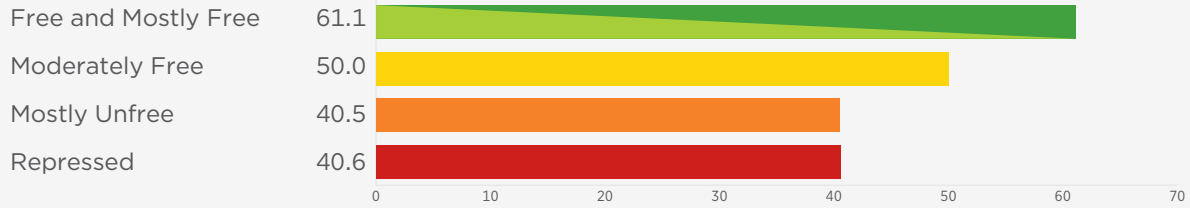
**SOURCES:** U.N. Human Development Programme, *Human Development Report 2023/2024*, <https://hdr.undp.org/content/human-development-report-2023-24> (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 5 heritage.org

## ECONOMIC FREEDOM AND ENVIRONMENTAL PERFORMANCE

Category in the  
2025 Index of  
Economic Freedom

Environmental Performance Index Score



**NOTE:** Represented are the 174 nations that are in both datasets.

**SOURCES:** Sebastian Block et al., *Environmental Performance Index 2024* (New Haven, CT: Yale Center for Environmental Law & Policy, 2024), <https://epi.yale.edu/> (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 6 heritage.org

## ECONOMIC FREEDOM AND GLOBAL INNOVATION

2024 Global Innovation Index Score



**NOTE:** Represented are the 131 nations that are in both datasets.

**SOURCES:** World Intellectual Property Organization, *Global Innovation Index 2024: Unlocking the Promise of Social Entrepreneurship*, [https://www.wipo.int/web-publications/global-innovation-index-2024/assets/67729/2000%20Global%20Innovation%20Index%202024\\_WEB3lite.pdf](https://www.wipo.int/web-publications/global-innovation-index-2024/assets/67729/2000%20Global%20Innovation%20Index%202024_WEB3lite.pdf) (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 7 heritage.org


## ECONOMIC FREEDOM AND DEMOCRATIC GOVERNANCE

Democracy Index 2023 Score



**NOTE:** Represented are the 161 nations that are in both datasets.

**SOURCES:** Economist Intelligence Unit, *Democracy Index 2023*, <https://www.eiu.com/n/campaigns/democracy-index-2023/> (accessed February 4, 2025), and Anthony B. Kim, *2025 Index of Economic Freedom* (Washington: The Heritage Foundation, 2025), <http://www.heritage.org/index>.

Chart 8  heritage.org

based primarily on the inequality of outcomes in a system that rewards individual effort and ability, which differ within any population, and where differences in individuals' starting positions can sometimes have a profound effect on how far they advance.

Alternatives to free-market capitalism, such as socialism, have proven to be unequal to the task of eliminating inequality and, because they tend to slow economic growth and thus reduce the resources that society has available to reduce poverty or pollution, notably counterproductive. Most advanced societies have thus opted for some version of free-market capitalism with various types of government intervention to redistribute resources within society. It is our hope that the *Index of Economic Freedom's* data on governments' tax, spending, and regulatory activities can shed light on the relative impact of such interventions.

Ultimately, discussions of inequality are more about a society's values than they are about its economic system. At the heart of ensuring upward economic mobility is the task of advancing economic freedom so that dynamic and inclusive growth can occur meaningfully for *all* members of society. The evidence is persuasive that societies based on economic freedom are the societies in which social progress is strongest. Advancing economic freedom is really about putting in place growth-inducing pro-market policies that benefit the greatest possible number of people rather than a select few.

### A TIME FOR RENEWAL, NOT RETREAT

The record is clear: Economically free and dynamic societies have demonstrated repeatedly that they are able to improve standards of living and

respond effectively to any crises that may arise. This record includes countless individual stories of human progress and the achievements of countries and their citizens—billions of people whose lives have measurably improved and who continue to strive for greater freedom. The path by which the global economy can emerge stronger than it was before runs through the renewal of commitments to the proven ideas of the free-market system.

From the perspective of economic policy, the imperative now is for governments to avoid

compounding their problems by implementing ill-advised policies that distort markets, destroy incentives to work and innovate, or otherwise diminish the prospects for rapid recovery and growth. In the long run, the proven way to revitalize the economic life of societies in the most broad-based, meaningful way is by restoring what we know has worked best: the economic freedom that has unambiguously made our societies strong, vibrant, and flourishing.

# **THE COUNTRIES**

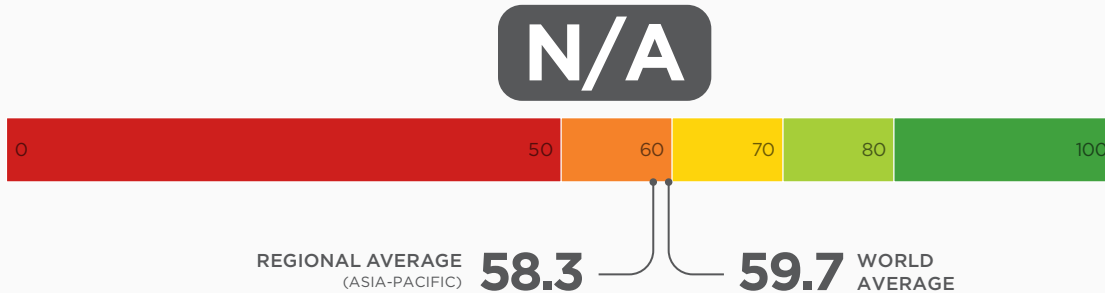
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS:  
**NOT GRADED**

# AFGHANISTAN

The grading of Afghanistan’s economic freedom has been suspended because of the Taliban’s abrupt displacement of the government in August 2021 and its attendant consequences. Compilations of official economic data are inadequate, and many of the international sources relied upon for *Index* grading contain incomplete data on Afghanistan. Key economic data have been included where available. Political uncertainty and severe security challenges remain formidable.

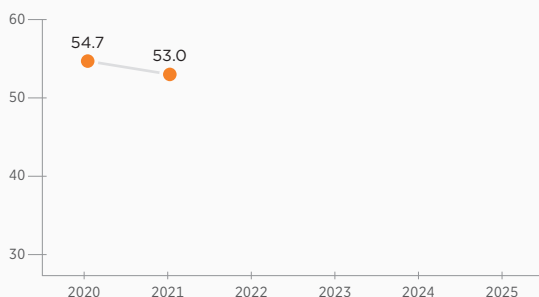
The inability to deliver even basic services reliably has eroded confidence in the current regime, and pervasive corruption exacerbates the loss of trust. The rule of law remains fragile and uneven across the country. The economy’s private sector is severely hampered by regulatory deficiencies and other challenges. The Taliban’s recapture of Afghanistan in August 2021 has had dire economic, political, and security consequences. With the world’s lowest living standards, Afghanistan is experiencing ongoing economic, health, and humanitarian crises, and food insecurity is especially acute.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2017): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
42.2 million

**GDP (PPP):**  
\$91.7 billion  
2.7% growth in 2023  
3-year average growth rate: -6.0%  
\$2,174 per capita

**UNEMPLOYMENT:**  
14.4%

**INFLATION (CPI):**  
-7.7%

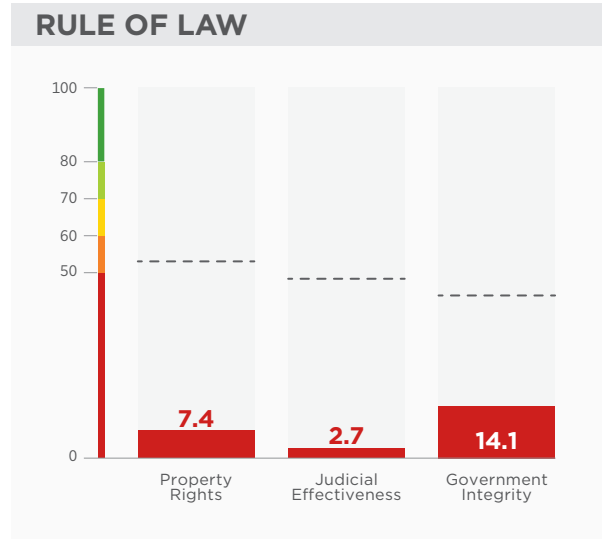
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
n/a

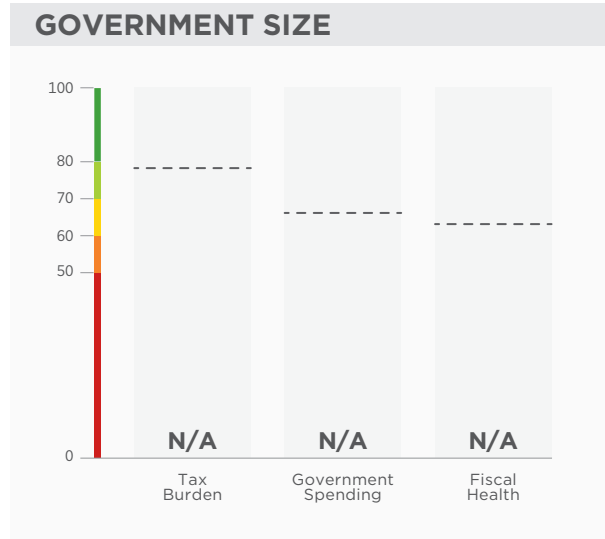
2023 data unless otherwise noted. Data compiled as of November 2024.



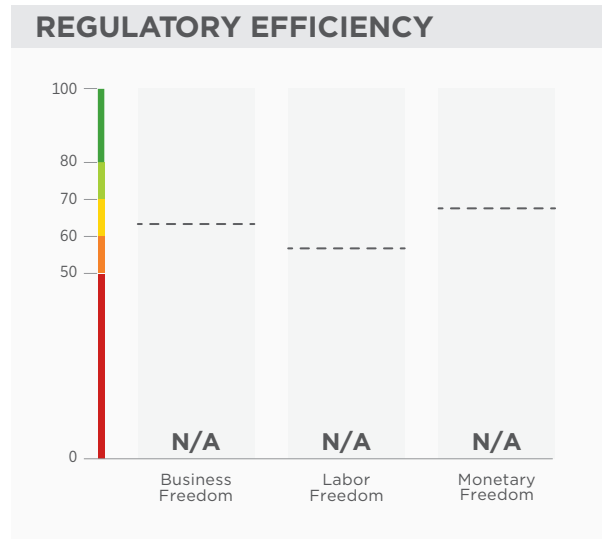
# 12 ECONOMIC FREEDOMS | AFGHANISTAN



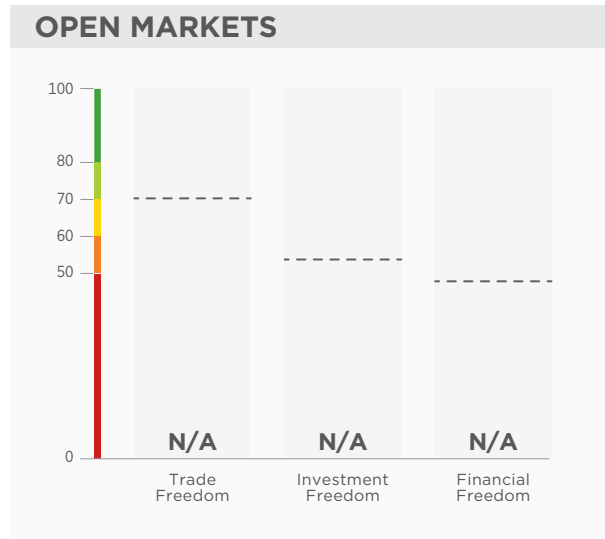
The overall rule of law has been severely weakened in Afghanistan. The country's property rights score is far below the world average; its judicial effectiveness score is much lower than the world average; and its government integrity score is below the world average.



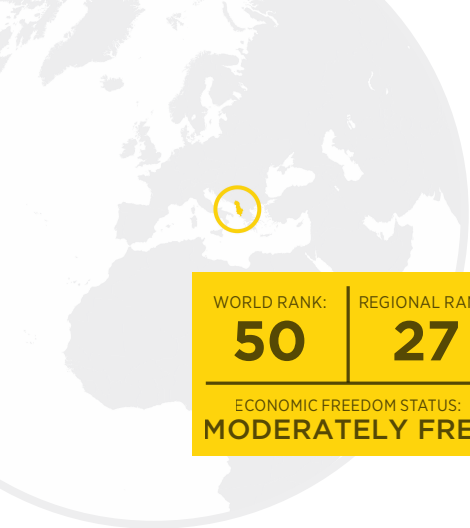
Political turmoil and civil conflict have severely damaged the overall fiscal situation, and the collapse of oil and tax revenue compounds the impact of the conflict's escalating cost. Economic policymaking is focused largely on marshalling limited fiscal resources to finance the conflict.



The fall of Afghanistan to the Taliban left business freedom in disarray and the physical well-being of entrepreneurs far from guaranteed. Labor freedom suffered major setbacks with the fall of Kabul. Monetary stability is fragile.



Trade's contribution to economic growth has been declining. Inefficient customs administration, inadequate infrastructure, and corruption raise the cost of trade. Security concerns and the financial system's weak capacity have slowed the growth of private investment.



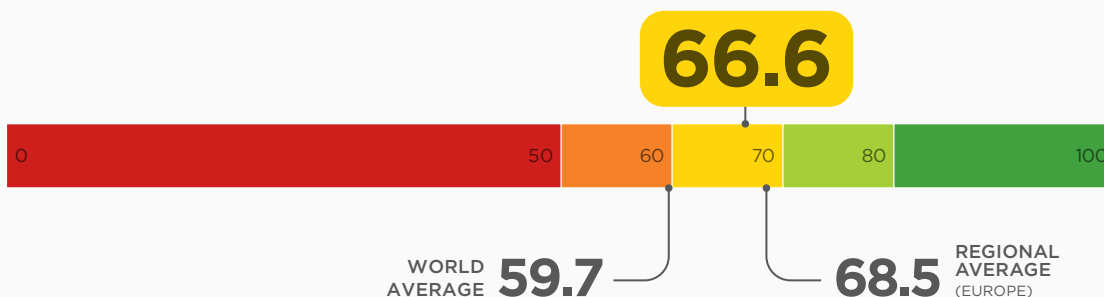
WORLD RANK:	REGIONAL RANK:
<b>50</b>	<b>27</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# ALBANIA

**A**lbania's economic freedom score is 66.6, making its economy the 50th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and Albania is ranked 27th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average but lower than the regional average. Albania's economy is considered "moderately free" according to the 2025 *Index*.

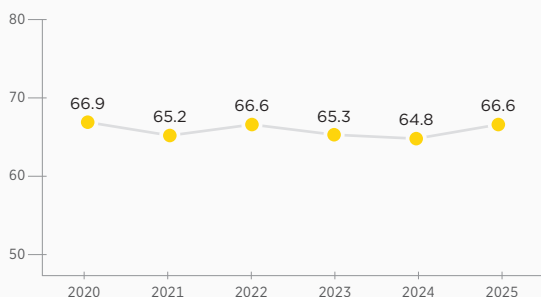
Ongoing diversification of the economic base has increased economic dynamism in Albania, but expansionary government spending has led to budget deficits in recent years. The regulatory system's efficiency has been enhanced by a broad simplification of business procedures. Foreign direct investment has increased in recent years, but levels still remain among the lowest in the region. Albania's relatively low property rights score is largely a result of political interference in the judiciary that is exacerbated by persistent corruption.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +16.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.8 million

**GDP (PPP):**  
\$55.0 billion  
3.5% growth in 2023  
3-year average growth rate: 5.7%  
\$20,018 per capita

**UNEMPLOYMENT:**  
11.6%

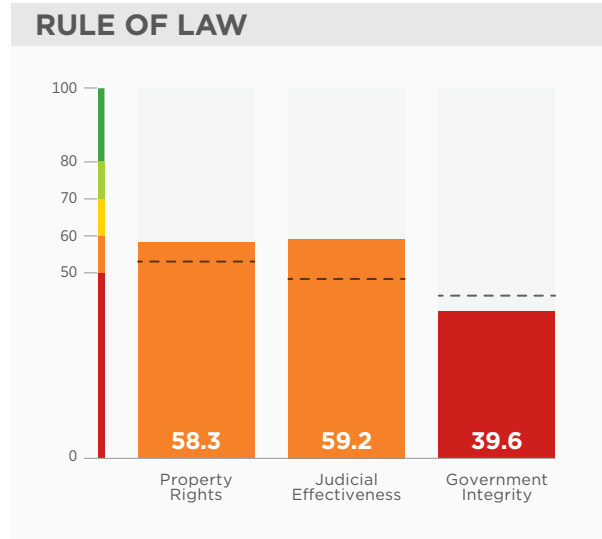
**INFLATION (CPI):**  
4.8%

**FDI INFLOW:**  
\$1.4 billion

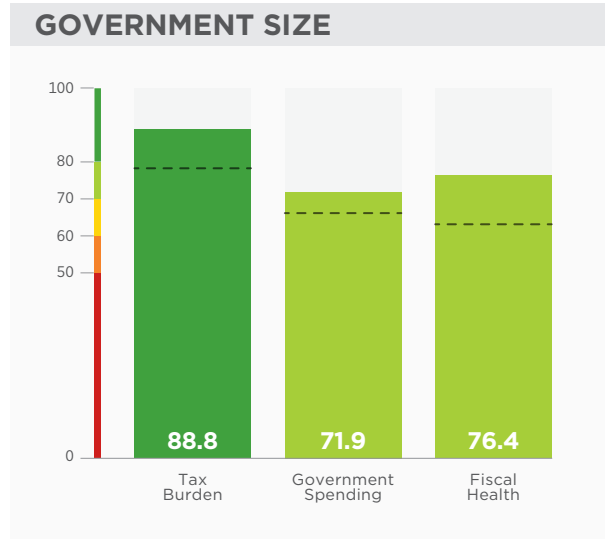
**PUBLIC DEBT:**  
59.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

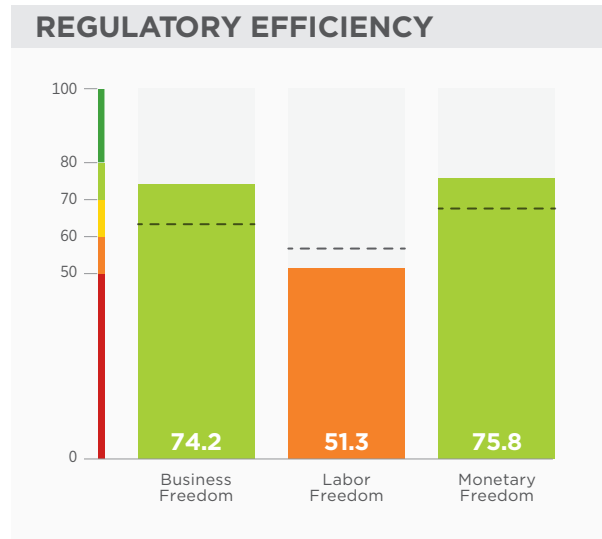
# 12 ECONOMIC FREEDOMS | ALBANIA



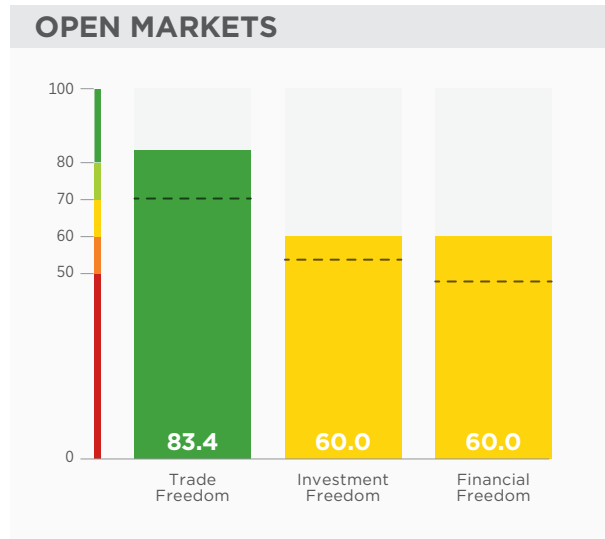
The overall rule of law is relatively well respected in Albania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



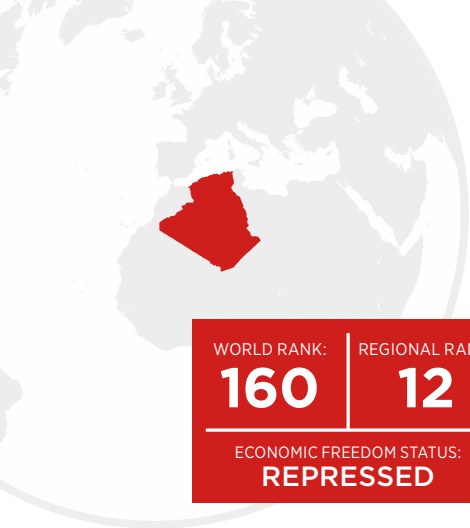
The top individual income tax rate is 23 percent, and the top corporate tax rate is 15 percent. The tax burden equals 19.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.6 percent and -3.2 percent of GDP. Public debt amounts to 59.8 percent of GDP.



Albania'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 3.3 percent, and more than 190 nontariff measures are in effect. In general, openness to foreign investment is above the world average, but investment laws lack transparency. The banking sector is relatively well capitalized despite the challenging environment.



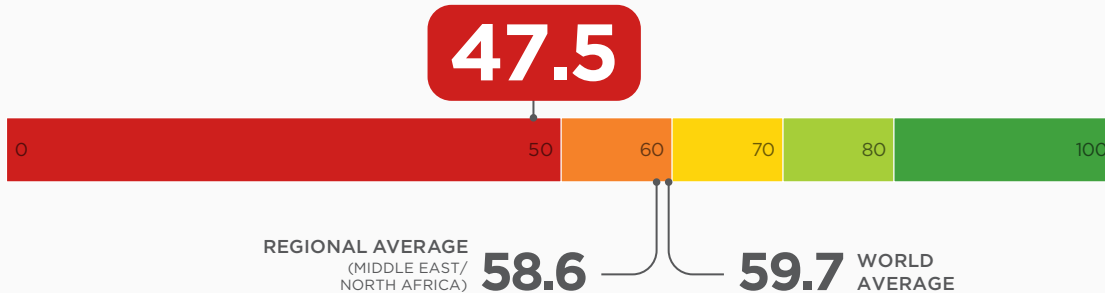
WORLD RANK:	REGIONAL RANK:
<b>160</b>	<b>12</b>
ECONOMIC FREEDOM STATUS:	
<b>REPRESSED</b>	

# ALGERIA

**A**lgeria’s economic freedom score is 47.5, making its economy the 160th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.6 points from last year, and Algeria is ranked 12th out of 14 countries in the Middle East / North Africa region. The country’s economic freedom score is lower than the world and regional averages. Algeria’s economy continues to be considered “repressed” according to the 2025 *Index*.

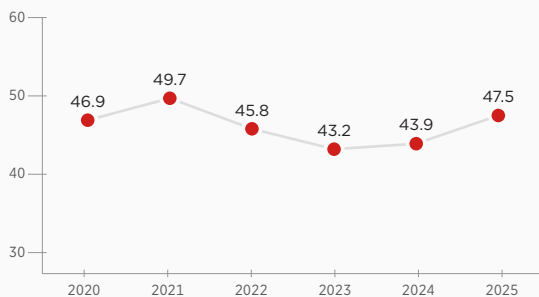
The foundations of economic freedom are not well institutionalized. The judiciary’s vulnerability to political interference and corruption undermines sustainable economic development. Despite some progress, fiscal governance still needs to be improved. Reforms to diversify the economic base have been marginally successful. Protectionist regulatory measures have been used to encourage domestic production. Algeria is one of the world’s leading natural gas exporters. Oil and gas account for almost 95 percent of export revenues and more than 30 percent of GDP.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -8.2

## RECENT FREEDOM TREND

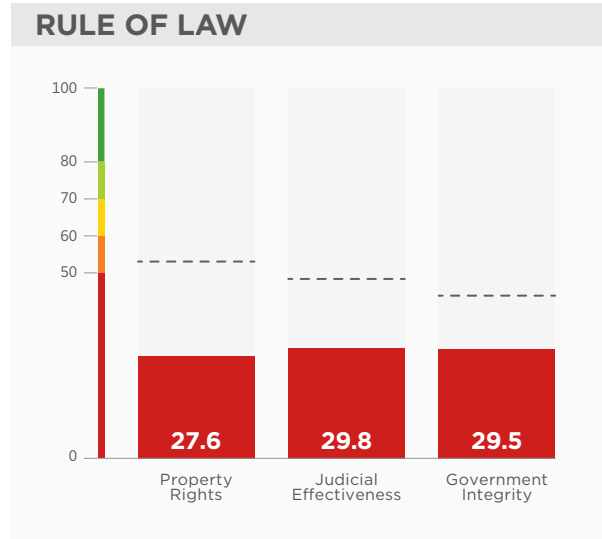


## QUICK FACTS

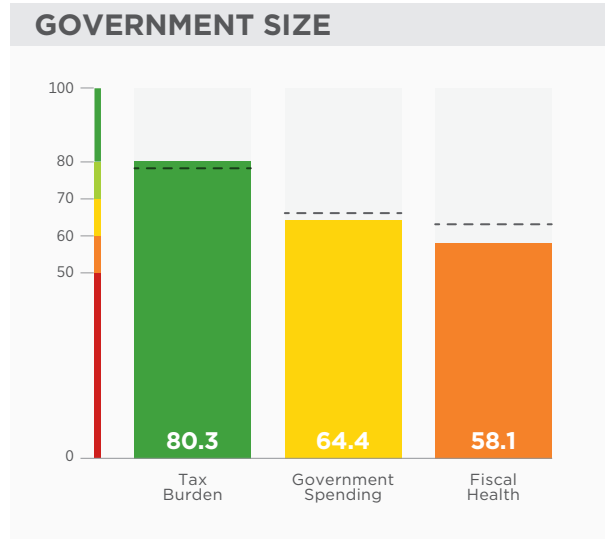
- |  |  |
|--|--|
| <p><b>POPULATION:</b><br/>46.0 million</p> <p><b>GDP (PPP):</b><br/>\$777.0 billion<br/>4.1% growth in 2023<br/>3-year average growth rate: 3.8%<br/>\$16,900 per capita</p> | <p><b>UNEMPLOYMENT:</b><br/>11.8%</p> <p><b>INFLATION (CPI):</b><br/>9.3%</p> <p><b>FDI INFLOW:</b><br/>\$89.0 million</p> <p><b>PUBLIC DEBT:</b><br/>48.6% of GDP</p> |
|--|--|

2023 data unless otherwise noted. Data compiled as of November 2024.

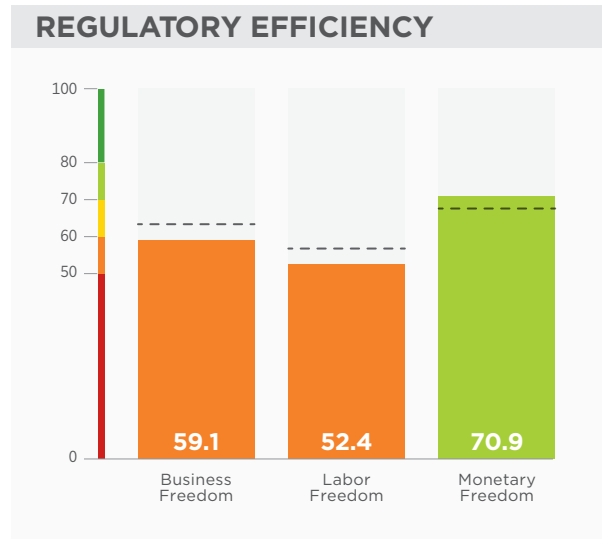
# 12 ECONOMIC FREEDOMS | ALGERIA



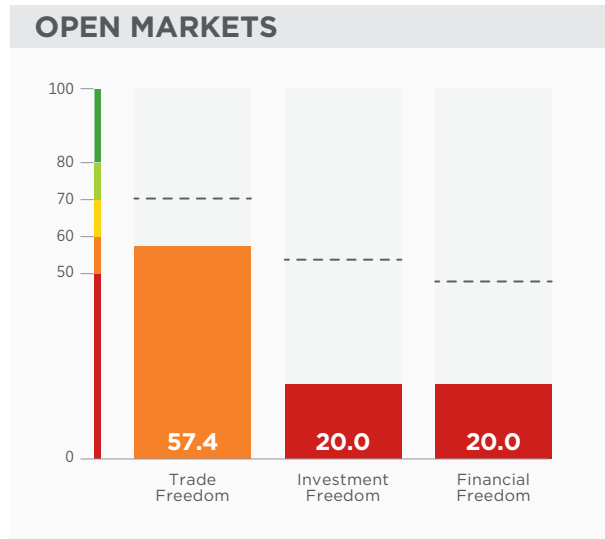
The overall rule of law is weak in Algeria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 26 percent. The tax burden equals 8.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.4 percent and -4.8 percent of GDP. Public debt amounts to 48.6 percent of GDP.



Algeria's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 13.8 percent with layers of nontariff barriers in place. Foreign investors generally enjoy only minority status, and restrictions on foreign ownership still limit much-needed dynamic investment. Capital markets are underdeveloped, and the financial sector remains dominated by public banks.



# ANGOLA

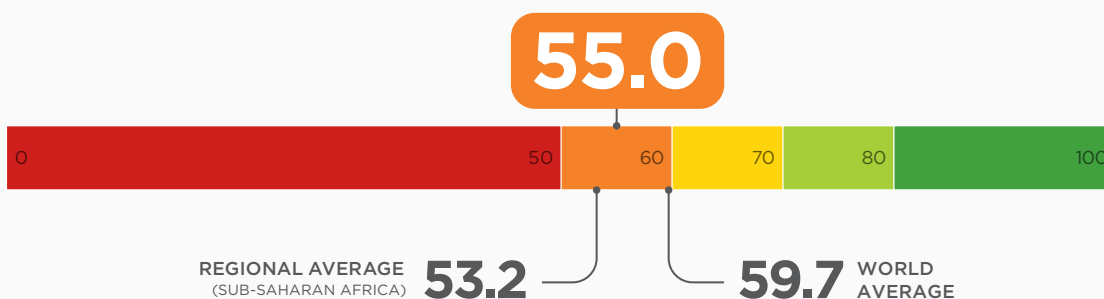
WORLD RANK: **118** | REGIONAL RANK: **18**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Angola's economic freedom score is 55, making its economy the 118th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and Angola is ranked 18th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average but higher than the regional average. Angola's economy is considered "mostly unfree" according to the 2025 *Index*.

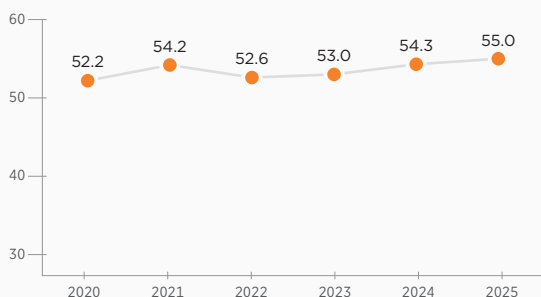
The government is highly dependent on oil and diamond revenues, and its domination of the economy undermines efficiency. Monopolies and quasi-monopolies are common in the leading sectors. Pervasive corruption and a lack of judicial independence from political interference continue to undermine the foundations of Angola's economic freedom. The overall regulatory environment remains constrained by a lack of commitment to policies that support open markets. Non-tariff barriers and burdensome investment regulations discourage the development of a dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +27.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
37.0 million

**GDP (PPP):**  
\$357.6 billion  
1.0% growth in 2023  
3-year average growth rate: 2.4%  
\$9,674 per capita

**UNEMPLOYMENT:**  
14.6%

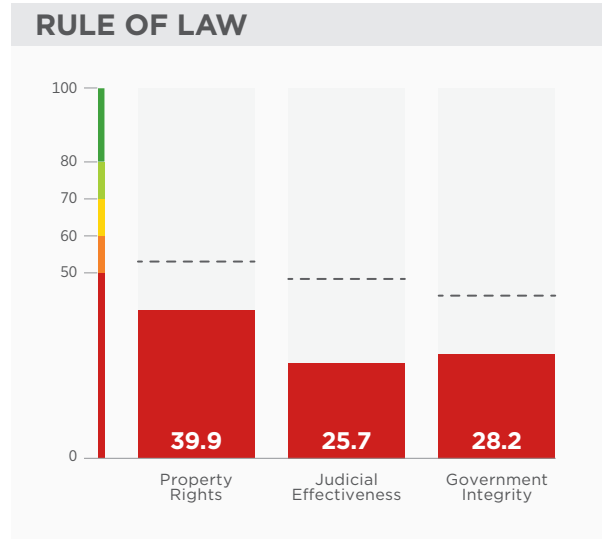
**INFLATION (CPI):**  
13.6%

**FDI INFLOW:**  
-\$6.1 billion

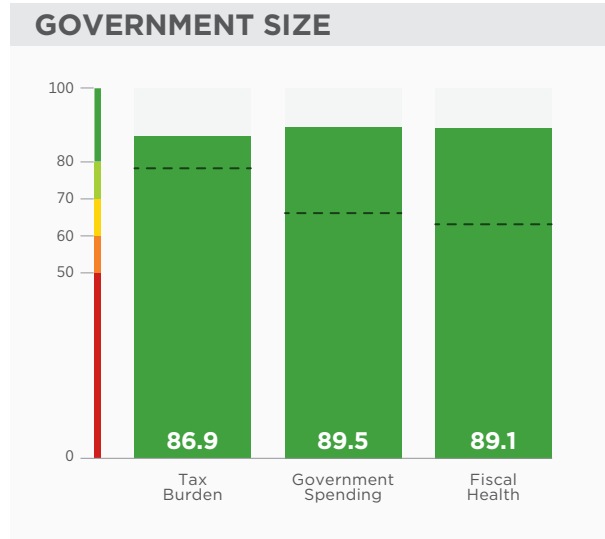
**PUBLIC DEBT:**  
73.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

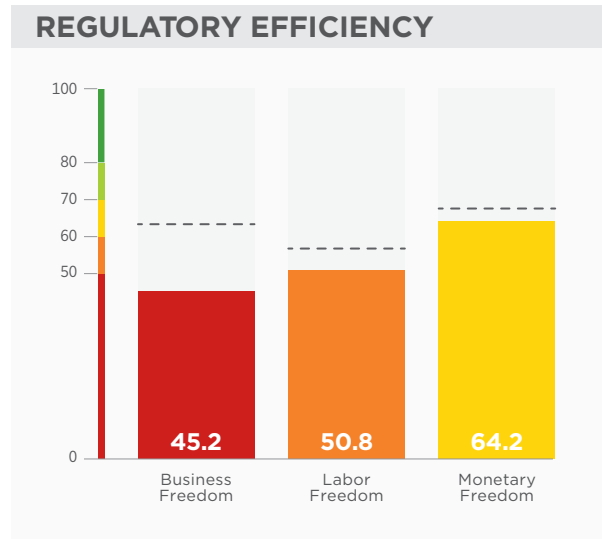
# 12 ECONOMIC FREEDOMS | ANGOLA



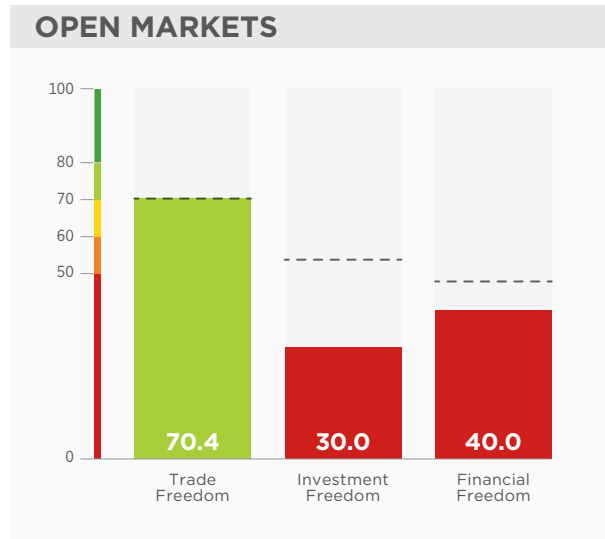
The overall rule of law is weak in Angola. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 7.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.7 percent and 0.7 percent of GDP. Public debt amounts to 73.7 percent of GDP.



Angola'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 7.3 percent, and nontariff measures further undermine trade flows. The government's sectoral restrictions on foreign ownership continue to limit foreign investment. Access to credit remains difficult despite some progress, and the equity market is underdeveloped.



# ARGENTINA

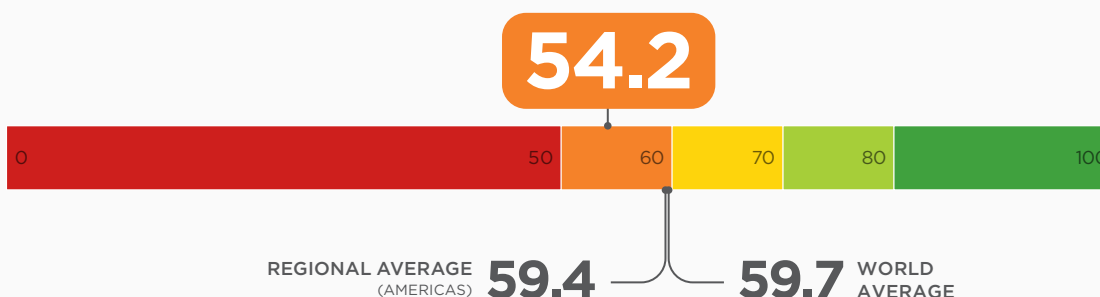
WORLD RANK: **124** | REGIONAL RANK: **26**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Argentina's economic freedom score is 54.2, making its economy the 124th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 4.3 points from last year, and Argentina is ranked 26th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Recording one of the largest score improvements, Argentina's economy has moved out of the bottom tier of economic freedom in the 2025 *Index*.

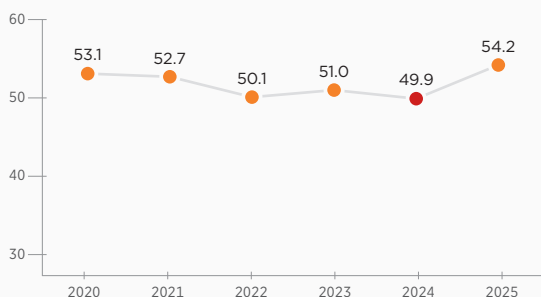
The November 2023 election of reform-minded President Javier Milei has provided concrete momentum for reform and revitalization of Argentina's economy. Although the economy faces daunting economic challenges, Milei's decisive economic reform agenda has resulted in notable progress. Management of public finance has been improved and made more disciplined with the size and scope of government reduced through various fiscal and regulatory reforms. Inflation has been declining, and monetary stability has been strengthened.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -13.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
46.7 million

**GDP (PPP):**  
\$1.4 trillion  
-1.6% growth in 2023  
3-year average growth rate: 4.7%  
\$29,336 per capita

**UNEMPLOYMENT:**  
6.2%

**INFLATION (CPI):**  
133.5%

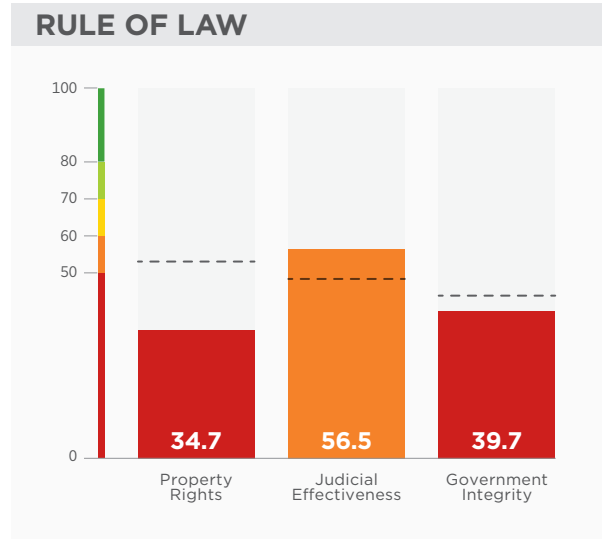
**FDI INFLOW:**  
\$15.1 billion

**PUBLIC DEBT:**  
91.5% of GDP

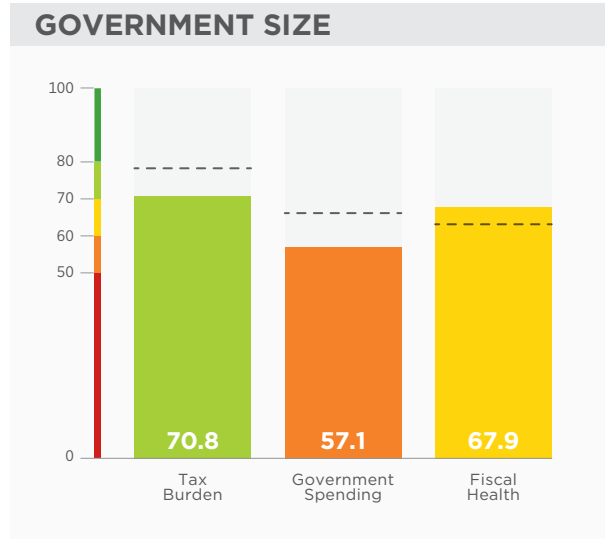
2023 data unless otherwise noted. Data compiled as of November 2024.



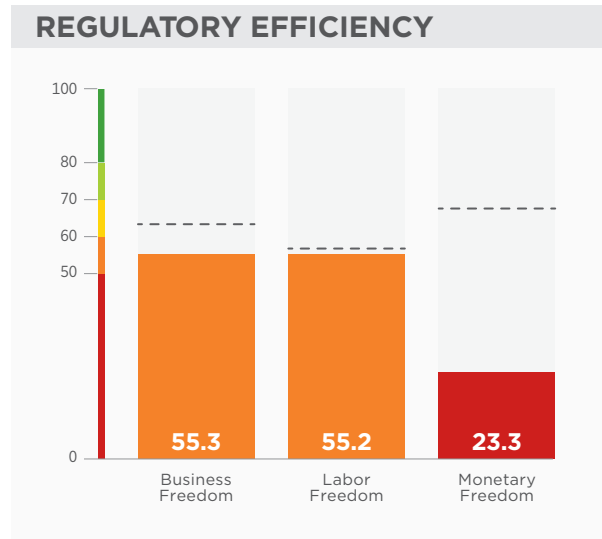
# 12 ECONOMIC FREEDOMS | ARGENTINA



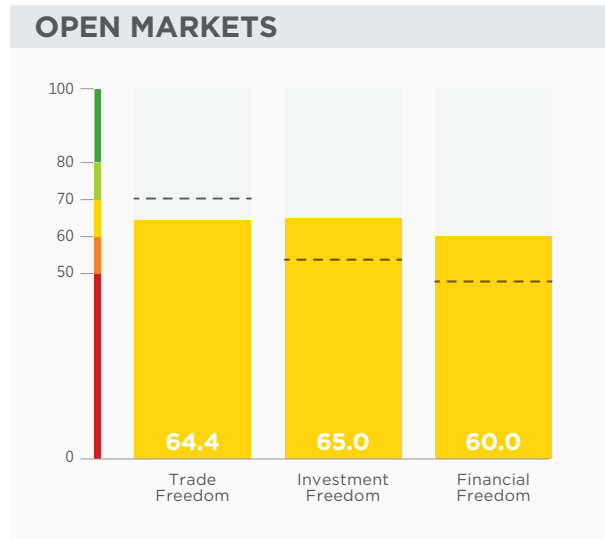
The overall rule of law is weak in Argentina. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



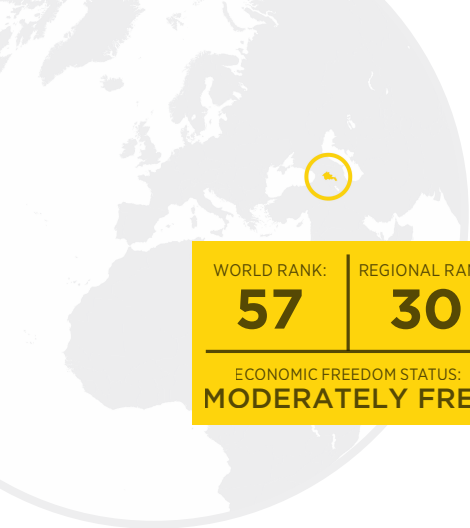
The top individual income tax rate is 35 percent, and the top corporate tax rate is 35 percent. The tax burden equals 21.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.8 percent and -3.1 percent of GDP. Public debt amounts to 91.5 percent of GDP.



Argentina's overall regulatory environment is inefficient and not conducive to entrepreneurial activity. 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 10.7 percent, and more than 140 nontariff measures are in effect. The state's heavy involvement in the economy slows the investment approval process. State interference in the financial sector includes policies that limit financial account transactions.



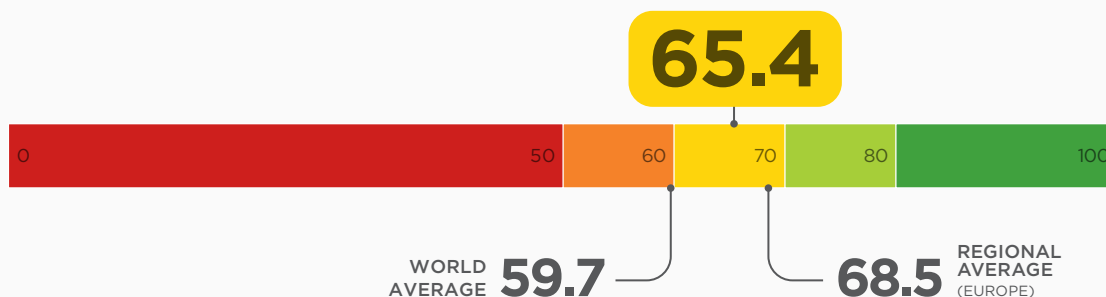
WORLD RANK: <b>57</b>	REGIONAL RANK: <b>30</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# ARMENIA

Armenia's economic freedom score is 65.4, making its economy the 57th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Armenia is ranked 30th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average but lower than the regional average. Armenia's economy is considered "moderately free" according to the 2025 *Index*.

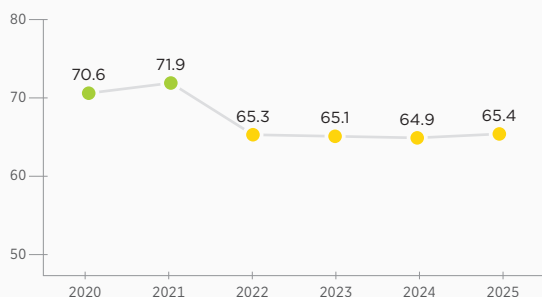
The overall regulatory framework remains efficient, and policies that support open markets are in place. Armenia performs relatively well in many of the four pillars of economic freedom, but the foundations of economic freedom are not strongly sustained by an independent judiciary. Corruption continues to undermine opportunities for more vibrant economic development. Russia is Armenia's principal export market. Armenia joined Russia's Eurasian Economic Union in 2015 and signed a Comprehensive and Enhanced Partnership Agreement with the European Union in 2017.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +23.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.0 million

**GDP (PPP):**  
\$63.8 billion  
8.3% growth in 2023  
3-year average growth rate: 8.9%  
\$21,532 per capita

**UNEMPLOYMENT:**  
8.6%

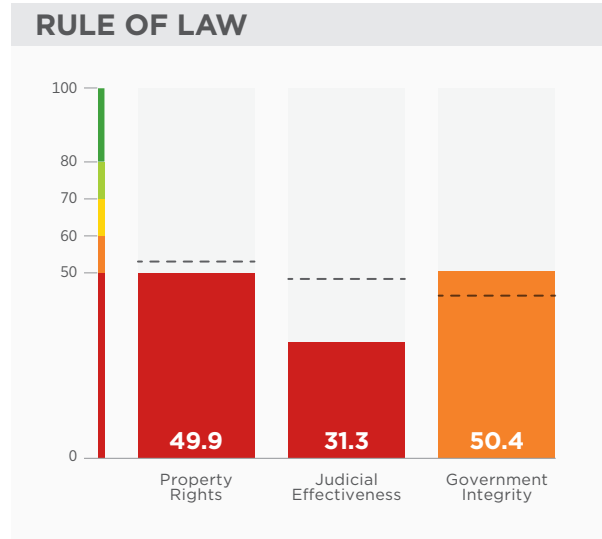
**INFLATION (CPI):**  
2.0%

**FDI INFLOW:**  
\$998.0 million

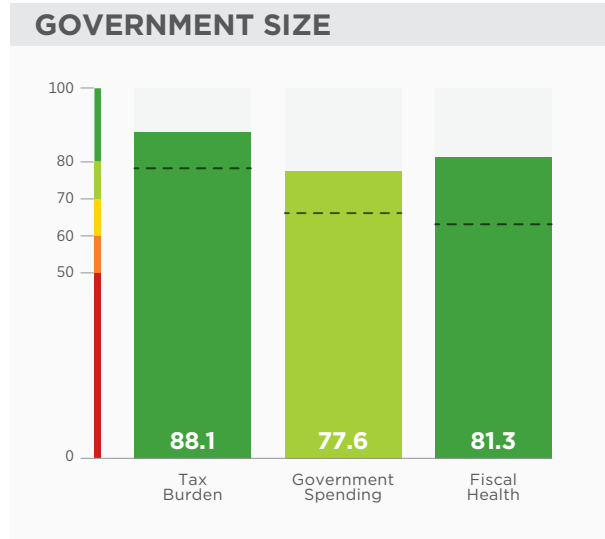
**PUBLIC DEBT:**  
50.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

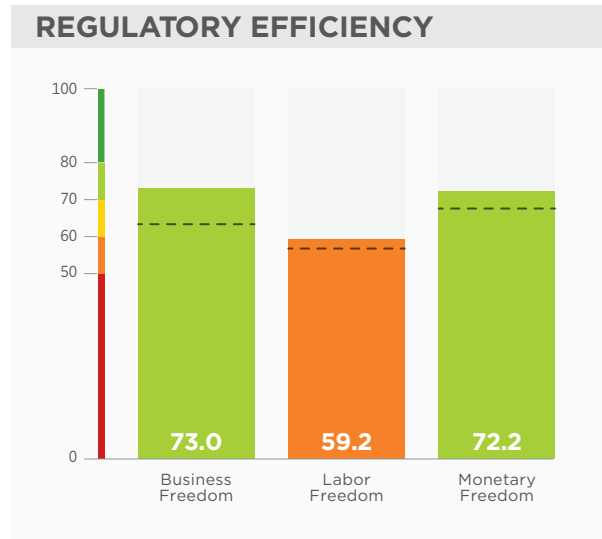
# 12 ECONOMIC FREEDOMS | ARMENIA



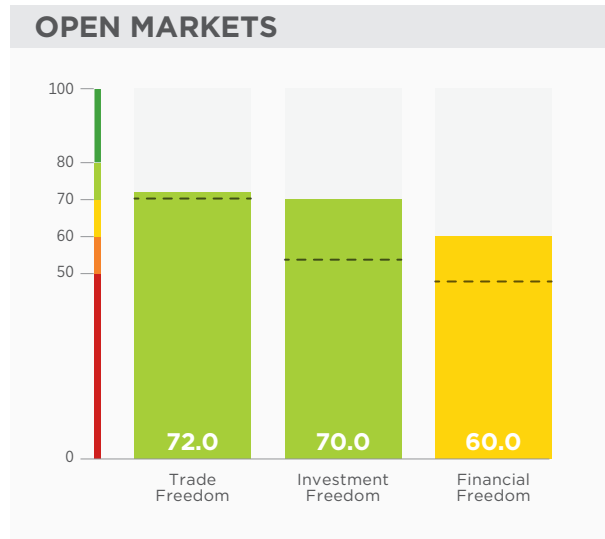
The overall rule of law is weak in Armenia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 18 percent. The tax burden equals 21.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.3 percent and -2.9 percent of GDP. Public debt amounts to 50.7 percent of GDP.



Armenia'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 6.5 percent, and nontariff measures are in effect. Foreign investment in various sectors remains regulated. The overall financial sector is not fully developed, is subject to state control, and is dominated by fairly well-capitalized banks.



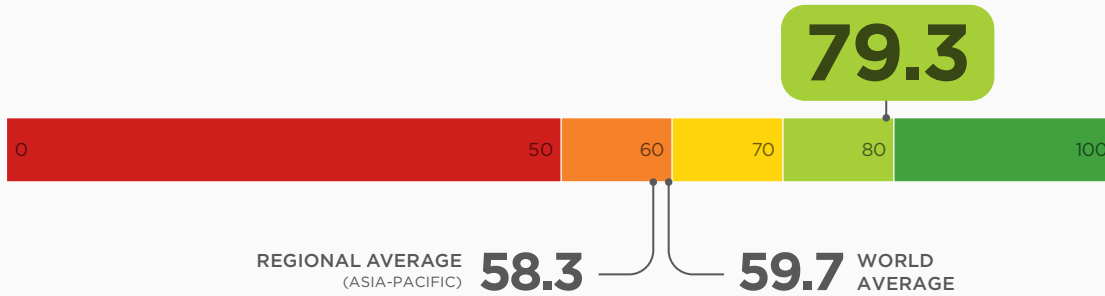
# AUSTRALIA

WORLD RANK:	REGIONAL RANK:
<b>6</b>	<b>3</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

Australia's economic freedom score is 79.3, making its economy the 6th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.1 points from last year, and Australia is ranked 3rd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Australia's economy is considered "mostly free" according to the 2025 *Index*.

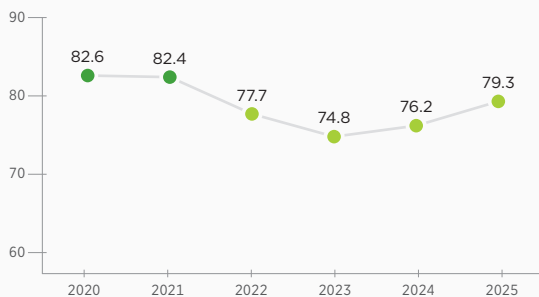
The competitive economy benefits from Australia's strong commitment to open-market policies that facilitate global trade and investment. The foundations of economic freedom in Australia are strong and supported by the widely respected rule of law. Transparent and efficient regulations are generally applied evenly, encouraging dynamic private-sector entrepreneurial activity. Australia is internationally competitive in financial and insurance services, technologies, and high-value-added manufactured goods and has free-trade agreements with the U.S., China, Japan, South Korea, the Association of South-east Asian Nations, and the United Kingdom.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
27.0 million

**GDP (PPP):**  
\$1.8 trillion  
2.0% growth in 2023  
3-year average growth rate: 3.8%  
\$67,901 per capita

**UNEMPLOYMENT:**  
3.7%

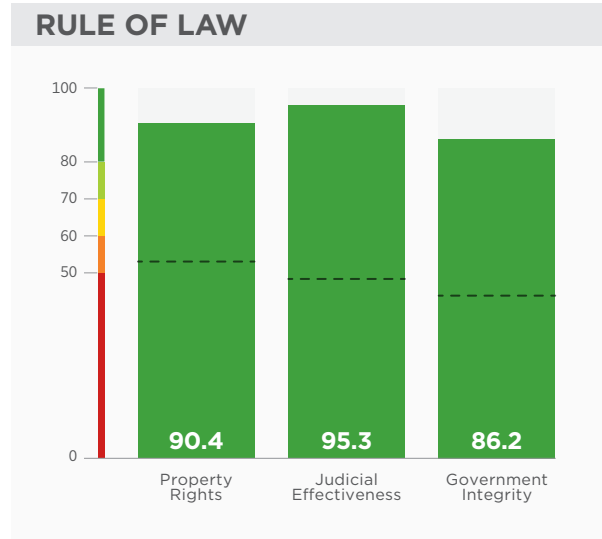
**INFLATION (CPI):**  
5.6%

**FDI INFLOW:**  
\$61.6 billion

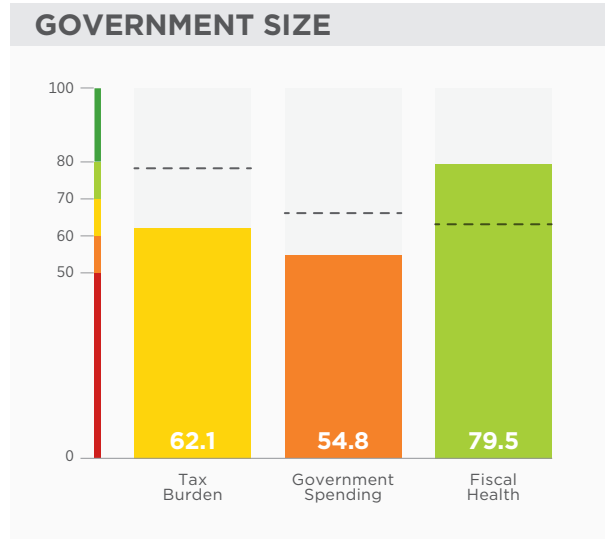
**PUBLIC DEBT:**  
49.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

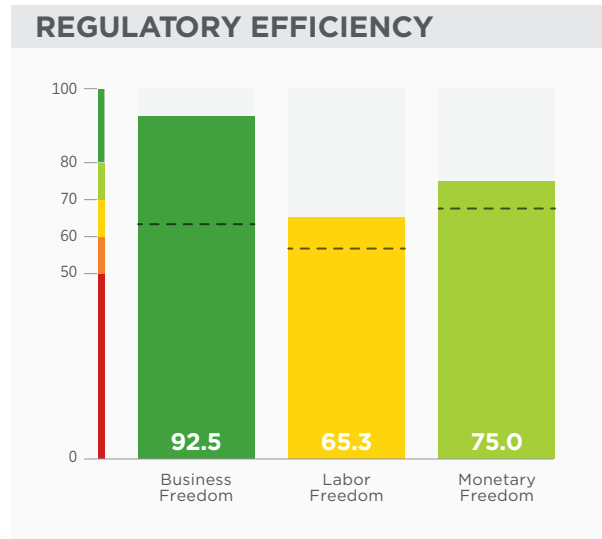
# 12 ECONOMIC FREEDOMS | AUSTRALIA



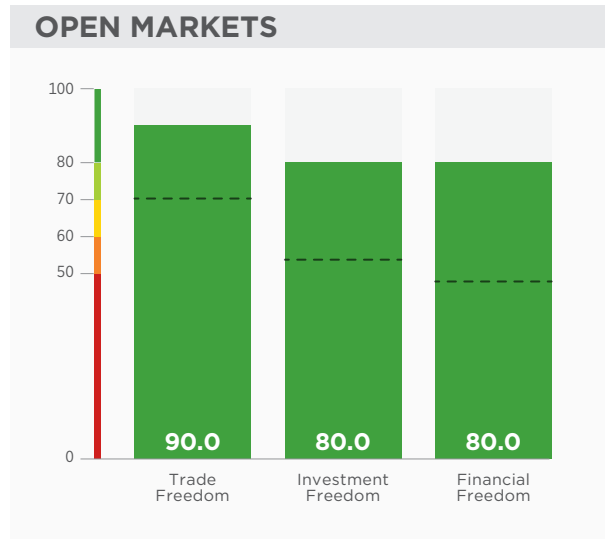
The overall rule of law is very well respected in Australia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 30 percent. The tax burden equals 29.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.8 percent and -3.1 percent of GDP. Public debt amounts to 49.0 percent of GDP.



Australia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 2.5 percent, and more than 300 nontariff measures are in effect. Government policies do not significantly interfere with foreign investment. The competitive financial sector is well developed, and all banks are privately owned.



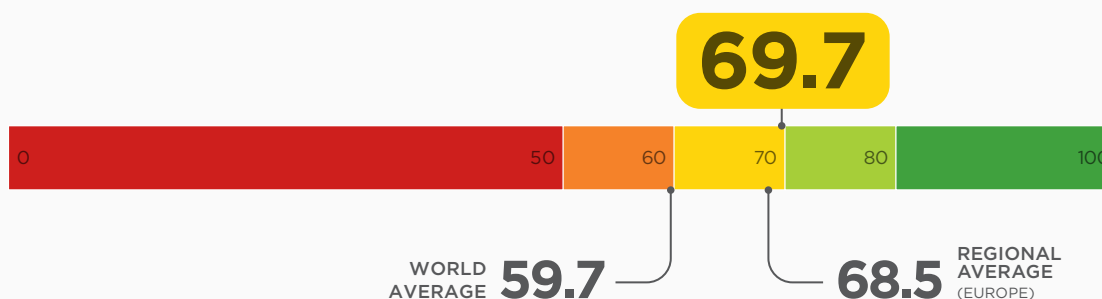
WORLD RANK: <b>32</b>	REGIONAL RANK: <b>17</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# AUSTRIA

Austria's economic freedom score is 69.7, making its economy the 32nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Austria is ranked 17th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Austria's economy is considered "moderately free" according to the 2025 *Index*.

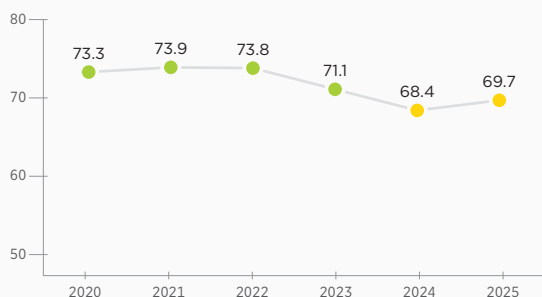
The overall business environment is transparent and competitive. Austria has large services and industrial sectors and a small, highly developed agricultural sector. Austria's high property rights and judicial effectiveness scores reflect its strong rule of law and the maintenance of economic freedom, but institutional strength is not matched by a commitment to limited government. Expansionary public spending has generated budgetary pressure. Ongoing challenges include the assimilation of migrants and strains on labor markets and public finances caused by an aging population.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -0.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
9.1 million

**GDP (PPP):**  
\$655.4 billion  
-0.8% growth in 2023  
3-year average growth rate: 2.8%  
\$71,988 per capita

**UNEMPLOYMENT:**  
5.2%

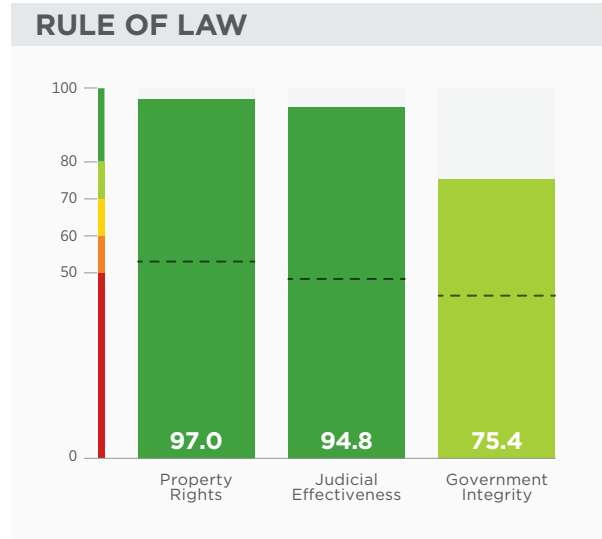
**INFLATION (CPI):**  
7.7%

**FDI INFLOW:**  
\$1.9 billion

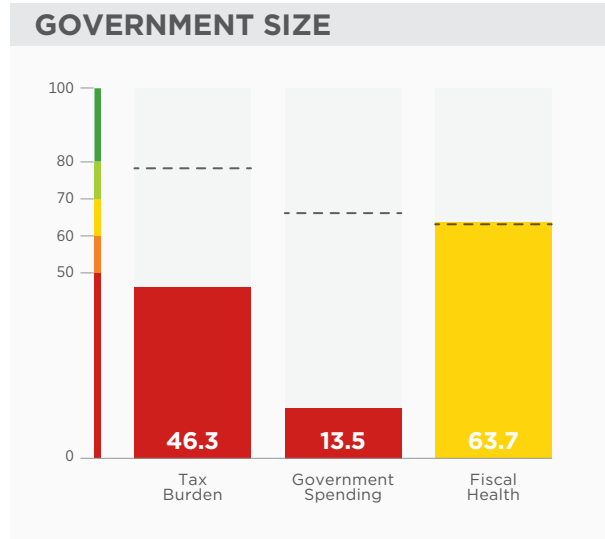
**PUBLIC DEBT:**  
77.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

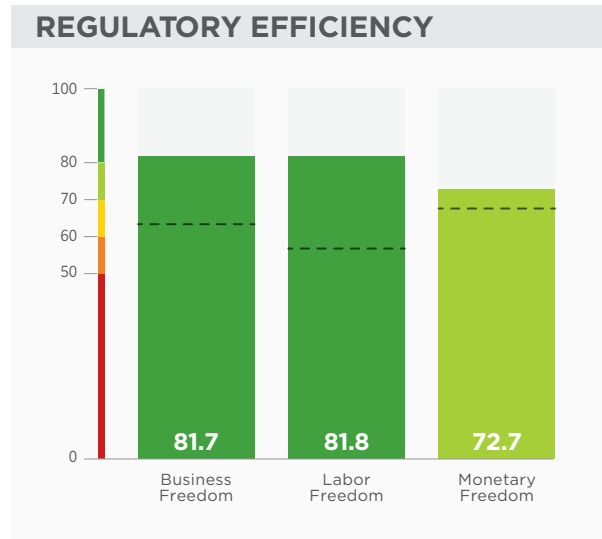
# 12 ECONOMIC FREEDOMS | AUSTRIA



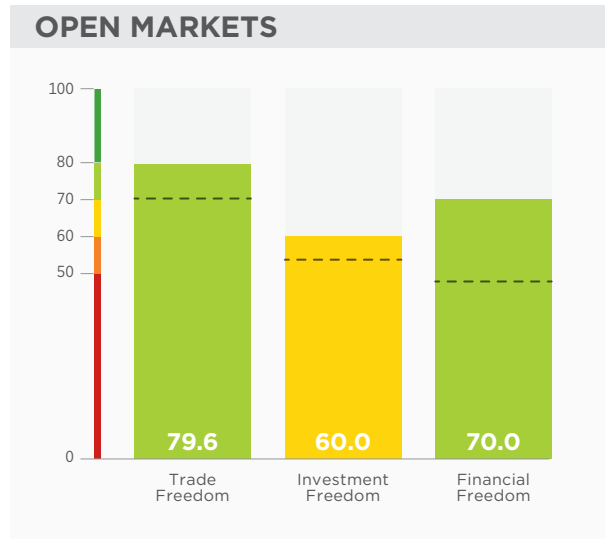
The overall rule of law is well respected in Austria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



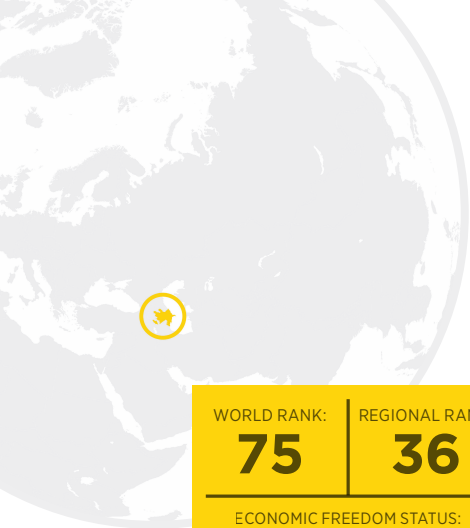
The top individual income tax rate is 55 percent, and the top corporate tax rate is 23 percent. The tax burden equals 42.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 53.7 percent and -3.9 percent of GDP. Public debt amounts to 77.5 percent of GDP.



Austria's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. In general, government policies do not significantly interfere with foreign investment. The relatively well-capitalized banking sector offers a wide range of financial services.



# AZERBAIJAN

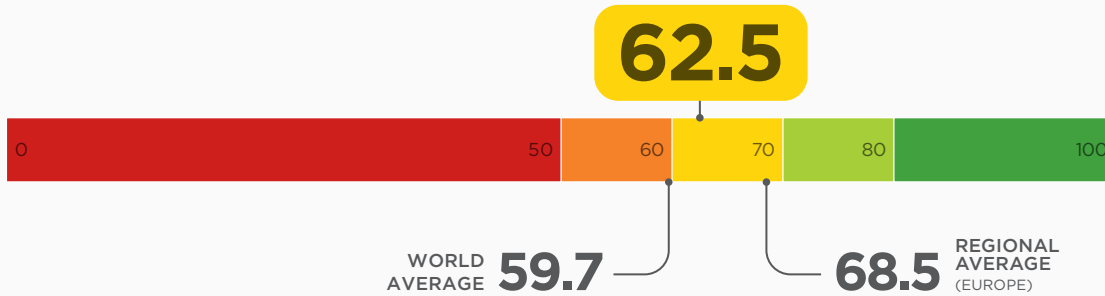
WORLD RANK: **75** | REGIONAL RANK: **36**

ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

Azerbaijan's economic freedom score is 62.5, making its economy the 75th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.9 point from last year, and Azerbaijan is ranked 36th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average but lower than the regional average. Azerbaijan's economy is considered "moderately free" according to the 2025 *Index*.

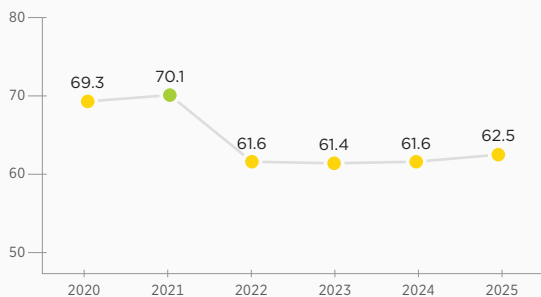
Wide-ranging reforms have led to measurable progress in economic modernization and diversification, improving Azerbaijan's overall macroeconomic and entrepreneurial competitiveness. Openness to global trade and investment has aided the transition to a more market-based system, but deeper institutional and systemic reforms are needed to strengthen the foundations of economic freedom. Efforts to boost energy production are underway. Construction of the Southern Gas Corridor, a pipeline that transports gas from Azerbaijan to European markets, was completed in 2020.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +32.5

## RECENT FREEDOM TREND



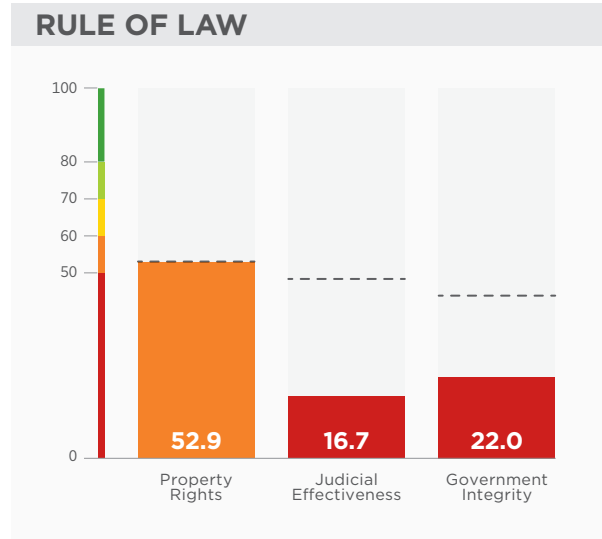
## QUICK FACTS

<b>POPULATION:</b> 10.1 million	<b>UNEMPLOYMENT:</b> 5.6%
<b>GDP (PPP):</b> \$239.6 billion 1.1% growth in 2023 3-year average growth rate: 3.8% \$23,660 per capita	<b>INFLATION (CPI):</b> 8.8%
	<b>FDI INFLOW:</b> -\$4.5 billion
	<b>PUBLIC DEBT:</b> 21.8% of GDP

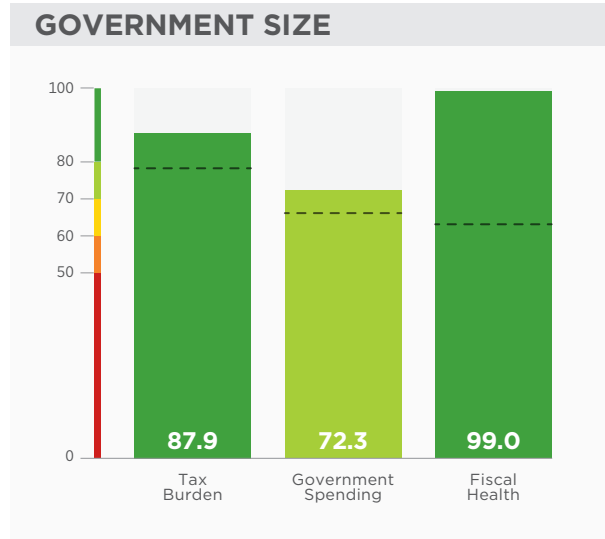
2023 data unless otherwise noted. Data compiled as of November 2024.



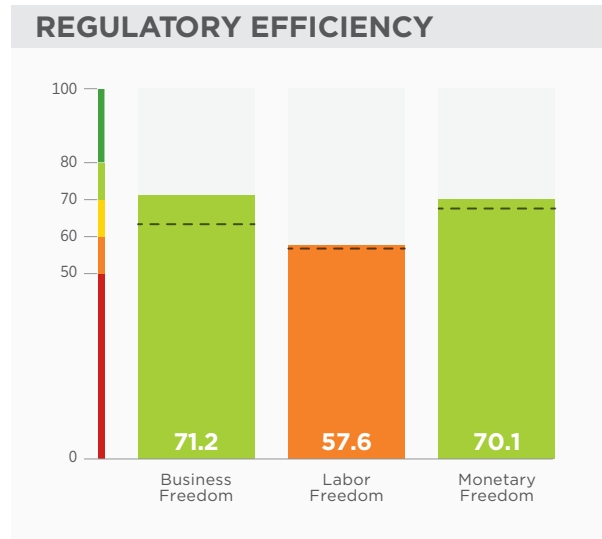
# 12 ECONOMIC FREEDOMS | AZERBAIJAN



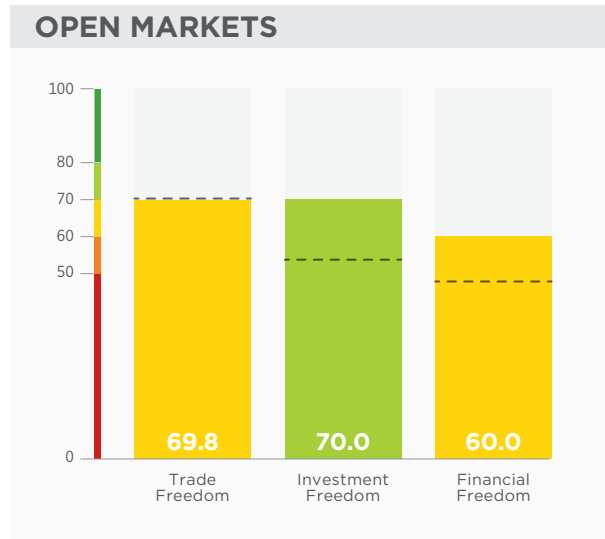
The overall rule of law is weak in Azerbaijan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 13.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.4 percent and 6.0 percent of GDP. Public debt amounts to 21.8 percent of GDP.



Azerbaijan'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 above the global average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 7.6 percent, and nontariff barriers continue to restrict trade. Azerbaijan has gradually been moving toward greater diversification of its economy. The financial sector is dominated by state-owned banks but remains stable.

WORLD RANK: **72** | REGIONAL RANK: **16**

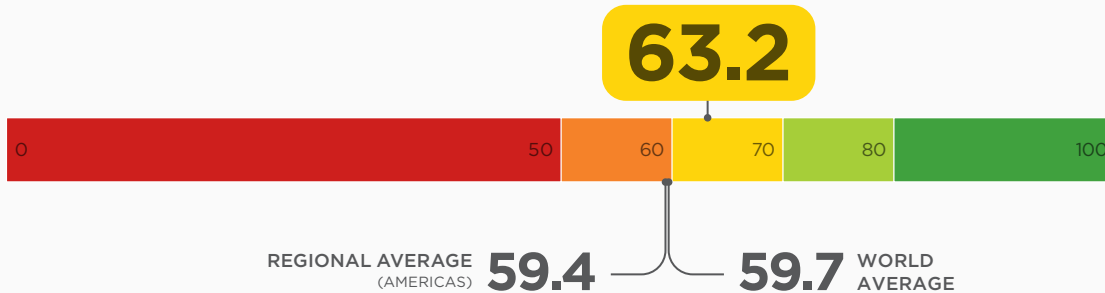
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BAHAMAS

The Bahamas' economic freedom score is 63.2, making its economy the 72nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and the Bahamas is ranked 16th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. The Bahamas' economy is considered "moderately free" according to the 2025 *Index*.

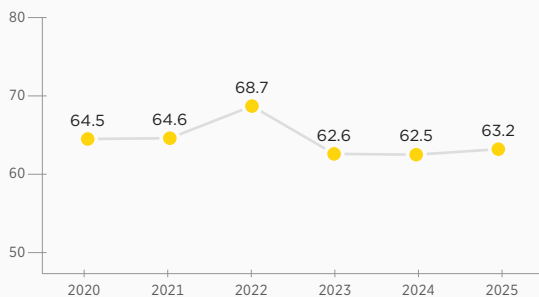
Relatively sound macroeconomic management has contributed to steady economic growth, but overall economic freedom has been declining. And the economy has been fluctuating within the "moderately free" range. The country's overall regulatory system is conducive to entrepreneurial activity, and there are no individual or corporate income taxes. The foundations of economic freedom remain relatively sound with freedom from corruption and property rights scoring above world averages. However, further improvements in these two areas will be critical to improving institutional efficiency.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -8.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.4 million

**GDP (PPP):**  
\$14.7 billion  
2.6% growth in 2023  
3-year average growth rate: 9.6%  
\$36,354 per capita

**UNEMPLOYMENT:**  
9.2%

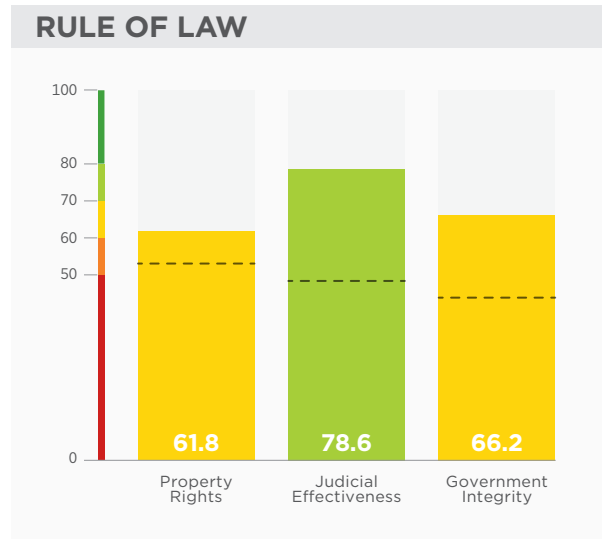
**INFLATION (CPI):**  
3.1%

**FDI INFLOW:**  
\$1.3 billion

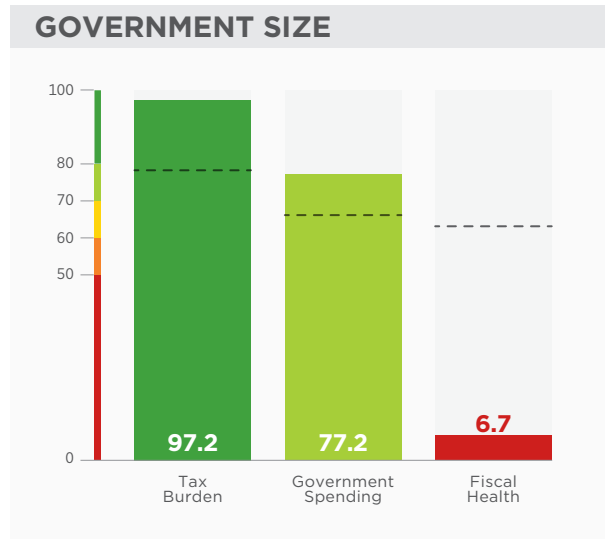
**PUBLIC DEBT:**  
81.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

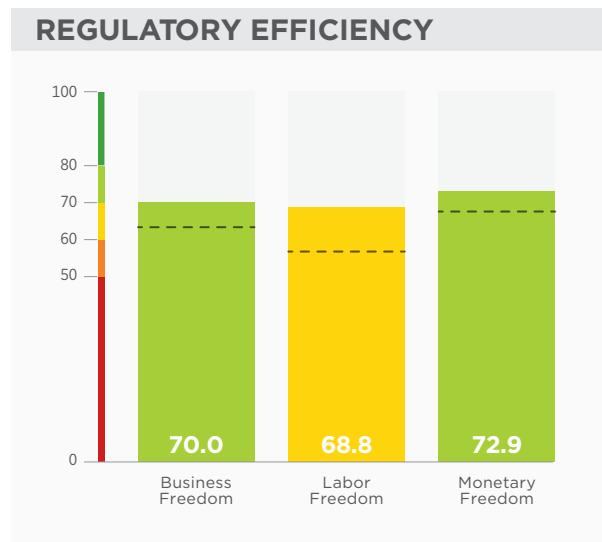
# 12 ECONOMIC FREEDOMS | BAHAMAS



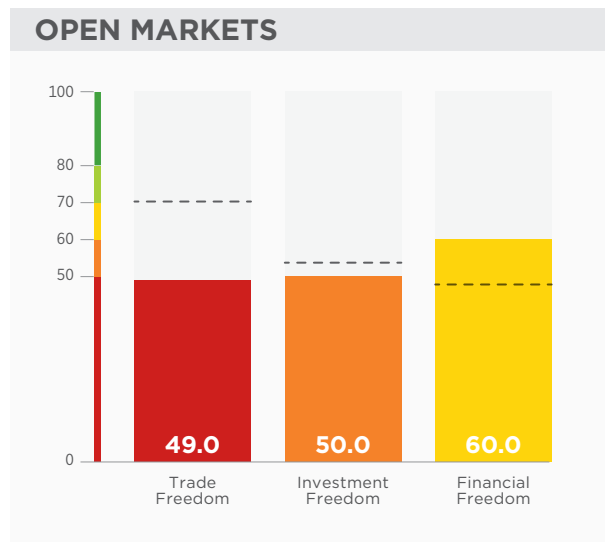
The overall rule of law is relatively well respected in the Bahamas. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



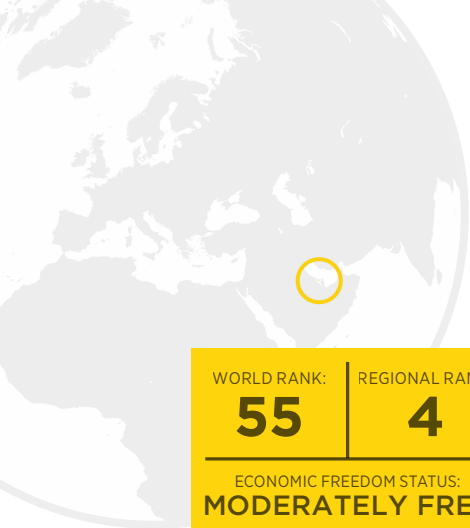
The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 16.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.6 percent and -7.6 percent of GDP. Public debt amounts to 81.5 percent of GDP.



The Bahamas' overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 18 percent, and nontariff measures further impede trade flows. New foreign investment is subject to a lengthy review process. The financial sector is fairly competitive and the second most important contributor to the economy.



WORLD RANK: **55** | REGIONAL RANK: **4**

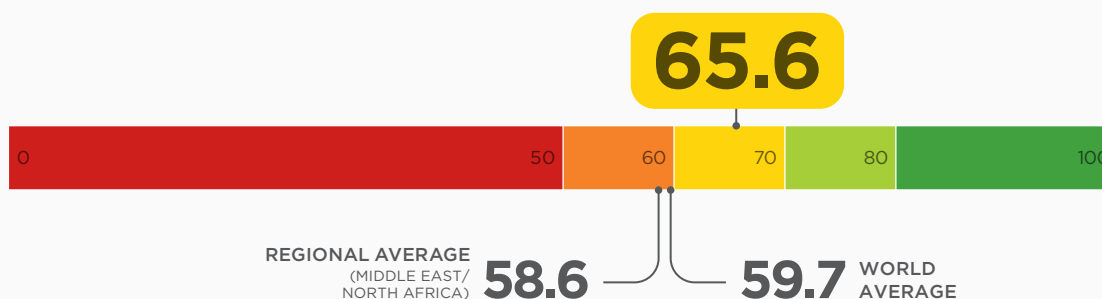
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BAHRAIN

**B**ahrain's economic freedom score is 65.6, making its economy the 55th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.2 points from last year, and Bahrain is ranked 4th 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. Bahrain's economy is considered "moderately free" according to the 2025 *Index*.

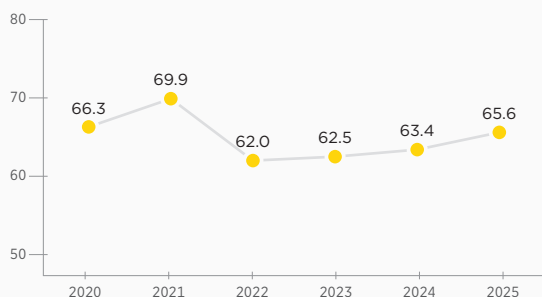
Bahrain performs quite well in many of the four pillars of economic freedom. The overall investment framework is streamlined, and the commercial law system is relatively straightforward. Despite the challenging global economic environment, the country continues to be a dynamic business hub. Its openness to global commerce is sustained by a competitive regulatory environment. Enhancing the foundations of economic freedom by further improving the rule of law and fiscal policy remains critical to ensuring the country's ongoing evolution.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -10.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.6 million

**GDP (PPP):**  
\$100.1 billion  
3.0% growth in 2023  
3-year average growth rate: 4.4%  
\$63,498 per capita

**UNEMPLOYMENT:**  
1.2%

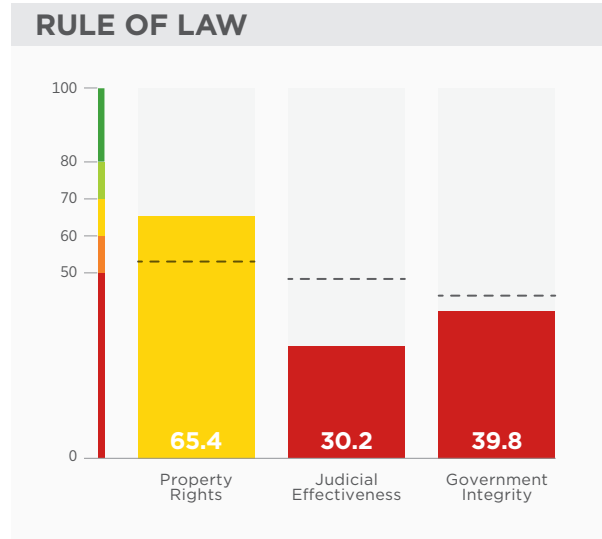
**INFLATION (CPI):**  
0.1%

**FDI INFLOW:**  
\$2.0 billion

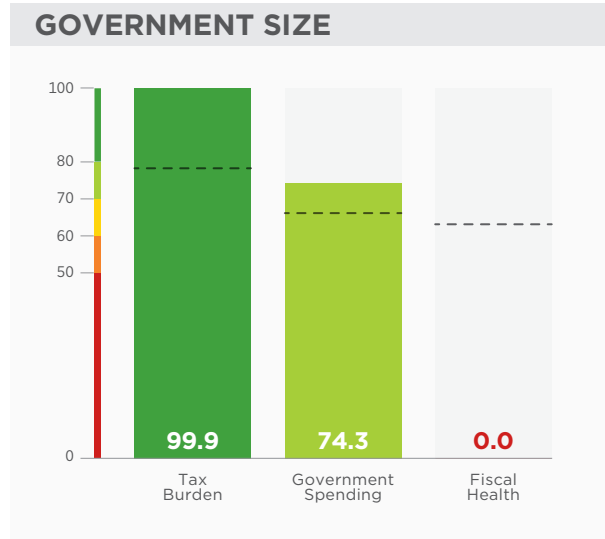
**PUBLIC DEBT:**  
123.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

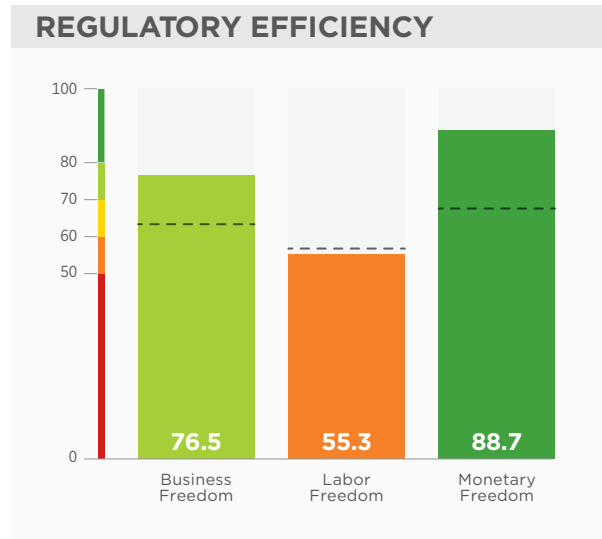
# 12 ECONOMIC FREEDOMS | BAHRAIN



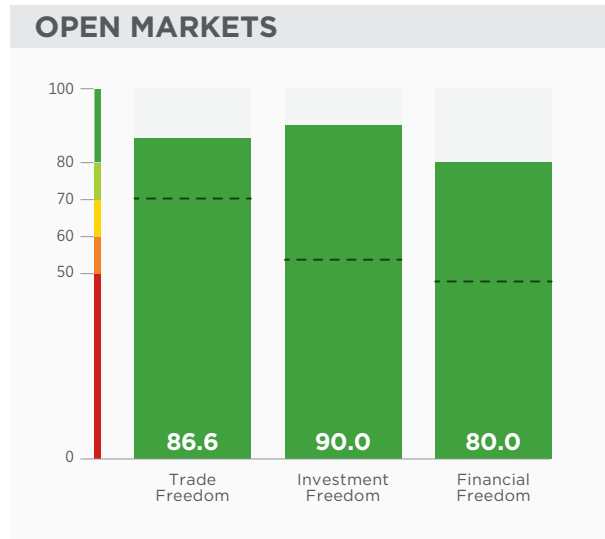
The overall rule of law is relatively weak in Bahrain. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 2.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.3 percent and -8.7 percent of GDP. Public debt amounts to 123.3 percent of GDP.



Bahrain's overall regulatory environment is relatively well institutionalized and efficient. The country's business freedom score is greater than the world average; its labor freedom score is slightly below the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 4.2 percent, and nontariff measures are in effect. The overall investment framework is generally positive and has remained transparent. Foreign and domestic investors have access to a wide range of financial services.

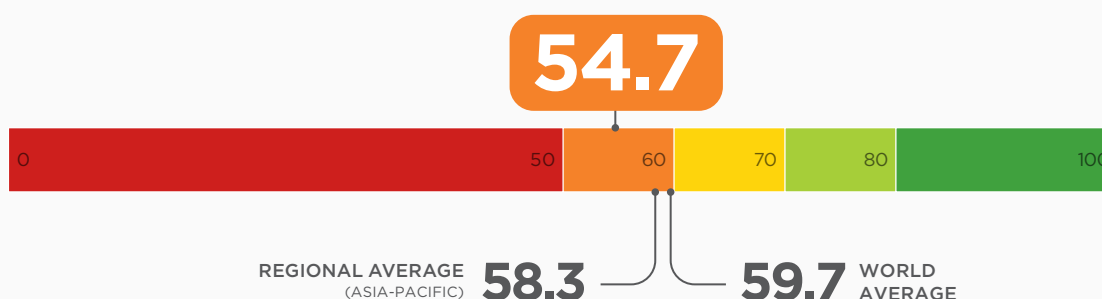
WORLD RANK: **122** | REGIONAL RANK: **25**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# BANGLADESH

**B**angladesh's economic freedom score is 54.7, making its economy the 122nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Bangladesh is ranked 25th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Bangladesh's economy is considered "mostly unfree" according to the 2025 *Index*.

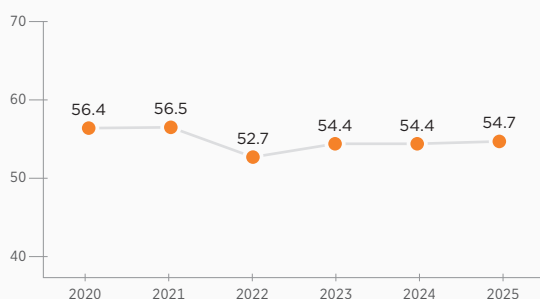
The foundations of economic freedom remain fragile. Corruption and judicial inefficiency undermine the rule of law, and structural problems and weak governance constrain development. Policies needed to sustain open markets are undercut by government interference in the economy. The many obstacles to business include poor infrastructure, unreliable electricity, inaccessible financing, and a bloated bureaucracy. Labor laws are not enforced well. Inflation and rising fuel prices have sparked popular discontent. The underdeveloped financial sector impedes investment and the growth of a more dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +13.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
170.3 million

**GDP (PPP):**  
\$1.6 trillion  
5.8% growth in 2023  
3-year average growth rate: 6.6%  
\$9,212 per capita

**UNEMPLOYMENT:**  
5.1%

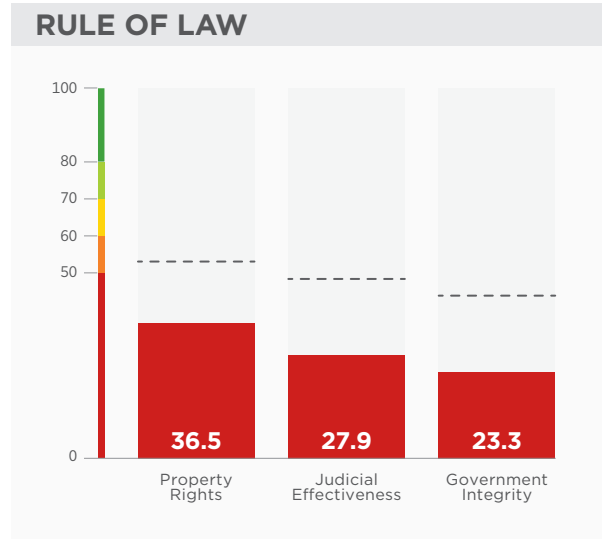
**INFLATION (CPI):**  
9.0%

**FDI INFLOW:**  
\$3.5 billion

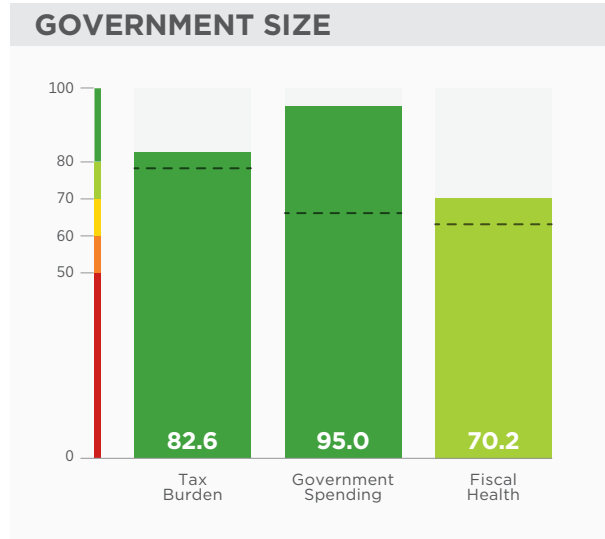
**PUBLIC DEBT:**  
39.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

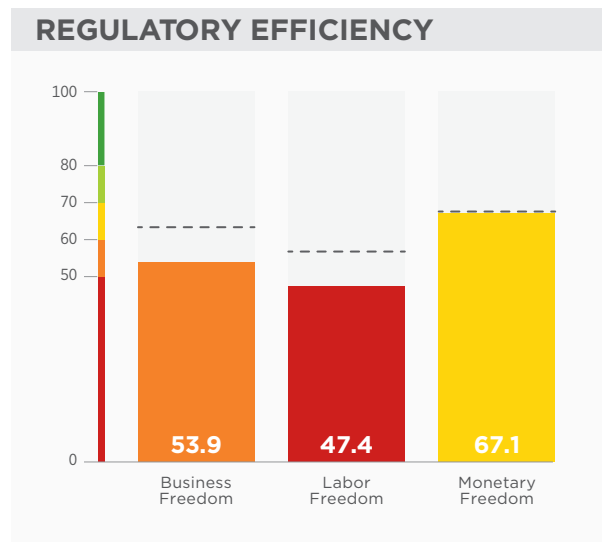
# 12 ECONOMIC FREEDOMS | BANGLADESH



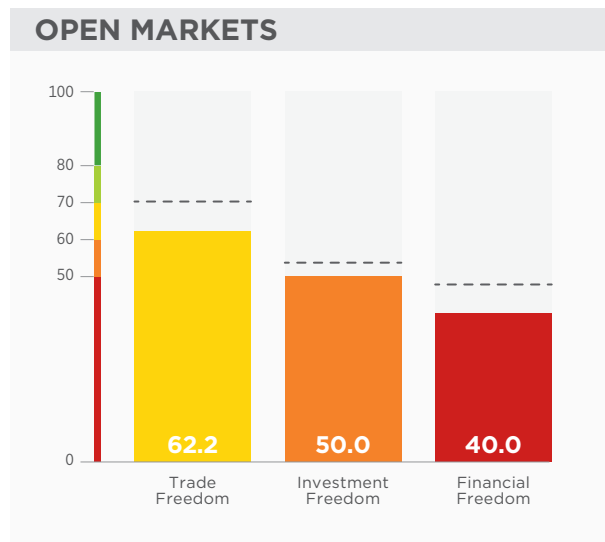
The overall rule of law is weak in Bangladesh. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



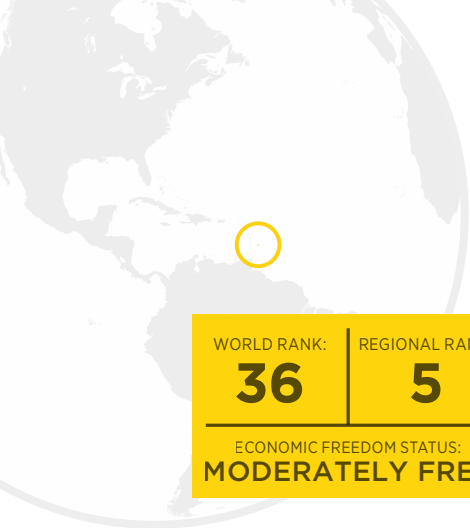
The top individual income tax rate is 25 percent, and the top corporate tax rate is 32.5 percent. The tax burden equals 8.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.9 percent and -4.1 percent of GDP. Public debt amounts to 39.3 percent of GDP.



Bangladesh'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 above the world average.



The trade-weighted average tariff rate is 11.4 percent, and layers of nontariff barriers continue to impede dynamic flows of trade and investment. The financial sector is dominated by banks, and state interference is considerable.



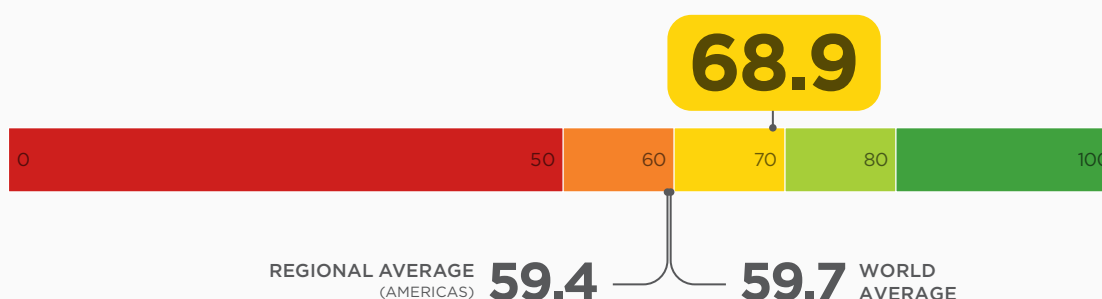
WORLD RANK:	REGIONAL RANK:
<b>36</b>	<b>5</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# BARBADOS

**B**arbados's economic freedom score is 68.9, making its economy the 36th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.1 points from last year, and Barbados is ranked 5th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Barbados's economy is considered "moderately free" according to the 2025 *Index*.

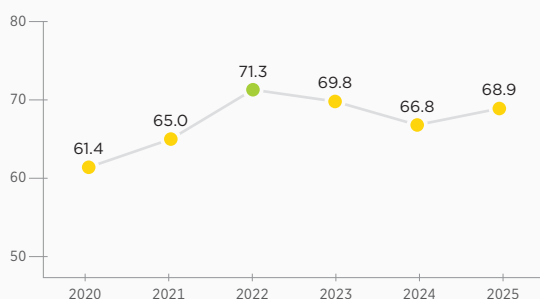
A middle-income country with a diversified economy built on tourism and offshore banking, Barbados has one of the Caribbean's highest incomes per capita. Relatively strong foundations of economic freedom are supported by transparency and efficiency, but the government's economic policies are focused on attracting international companies. The overall business and investment framework is relatively clear. However, the fiscal deficit has caused government debt to become larger than the size of the economy. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +6.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.3 million

**GDP (PPP):**  
\$6.0 billion  
4.1% growth in 2023  
3-year average growth rate: 7.2%  
\$20,765 per capita

**UNEMPLOYMENT:**  
8.0%

**INFLATION (CPI):**  
3.2%

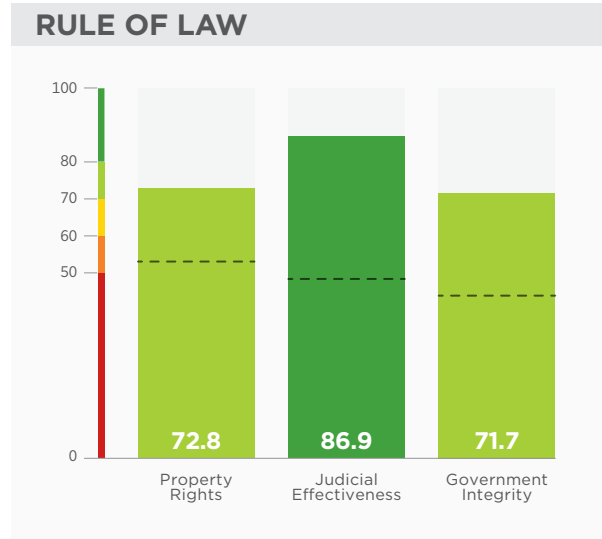
**FDI INFLOW:**  
\$200.0 million

**PUBLIC DEBT:**  
110.8% of GDP

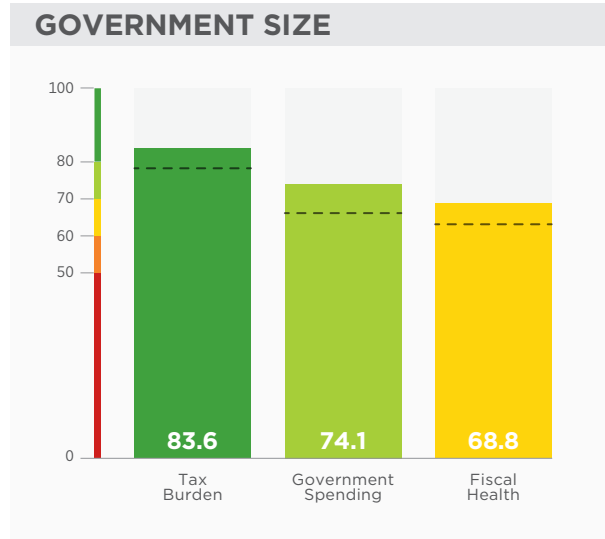
2023 data unless otherwise noted. Data compiled as of November 2024.



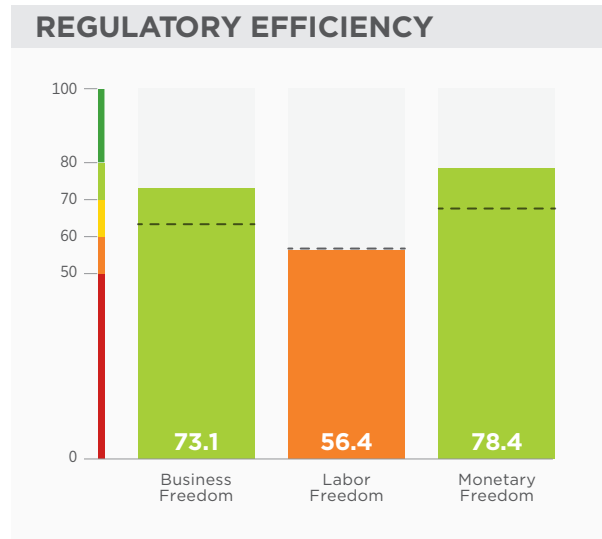
# 12 ECONOMIC FREEDOMS | BARBADOS



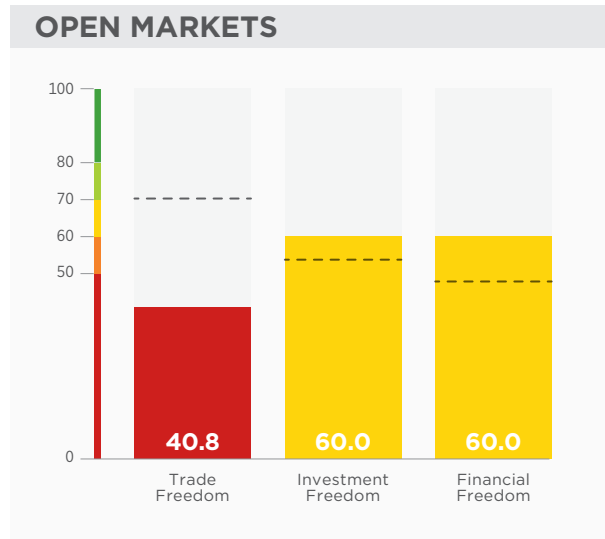
The overall rule of law is well respected in Barbados. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 28.5 percent, and the top corporate tax rate is 9 percent. The tax burden equals 27.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.4 percent and -2.6 percent of GDP. Public debt amounts to 110.8 percent of GDP.



Barbados'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 above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 22.1 percent, and more than 100 nontariff measures are in effect. There are no limits on foreign investment, but some sectors require a government license. The banking sector provides a wide range of services for investors.

WORLD RANK:

152

REGIONAL RANK:

44

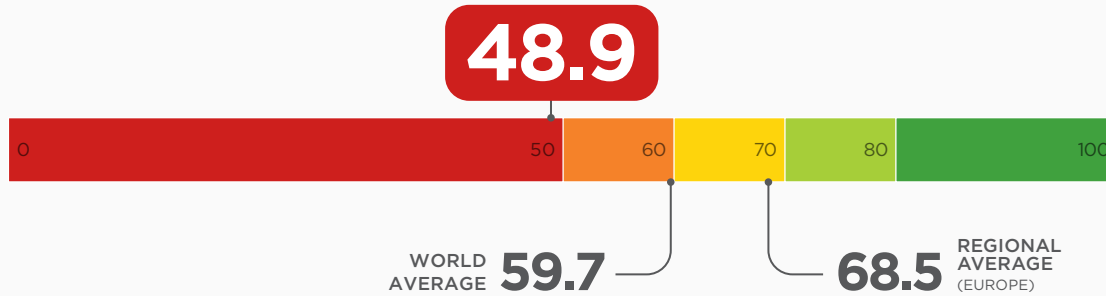
ECONOMIC FREEDOM STATUS:  
**REPRESSED**

# BELARUS

**B**elarus's economic freedom score is 48.9, making its economy the 152nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Belarus is ranked 44th out of 44 countries in the Europe region. The country's economic freedom score is lower than the world and regional averages. Belarus's economy is considered "repressed" according to the 2025 *Index*.

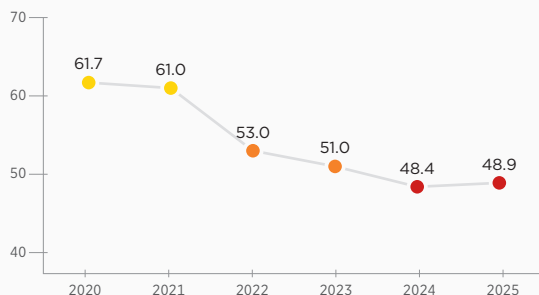
Poor scores for property rights and for freedom from corruption reflect the weak foundations of economic freedom in Belarus. Corruption remains widespread, and an ineffective judiciary and time-consuming bureaucracy affect the enforcement of property rights. State control and involvement in the economy are pervasive, and Belarus lacks regulatory efficiency and flexibility. Overall progress in business reform has been uneven, and the private sector remains small and marginalized. The lack of policies designed to open markets and improve productivity undermines competitiveness and dynamic investment growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**

9.2 million

**GDP (PPP):**

\$276.4 billion  
3.9% growth in 2023  
3-year average growth rate: 0.6%  
\$30,115 per capita

**UNEMPLOYMENT:**

3.6%

**INFLATION (CPI):**

5.0%

**FDI INFLOW:**

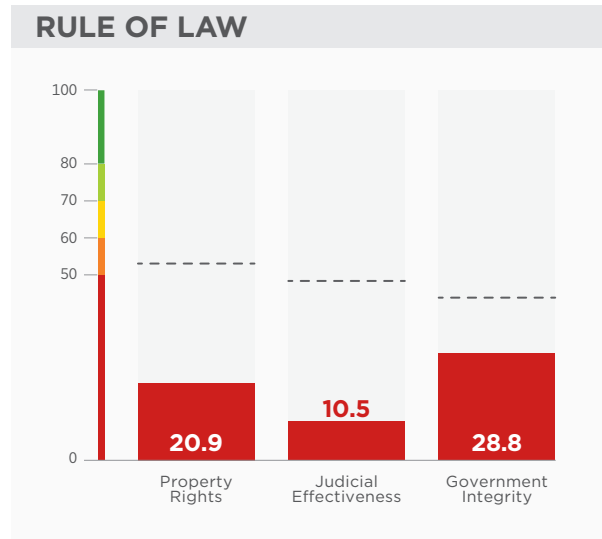
\$1.6 billion

**PUBLIC DEBT:**

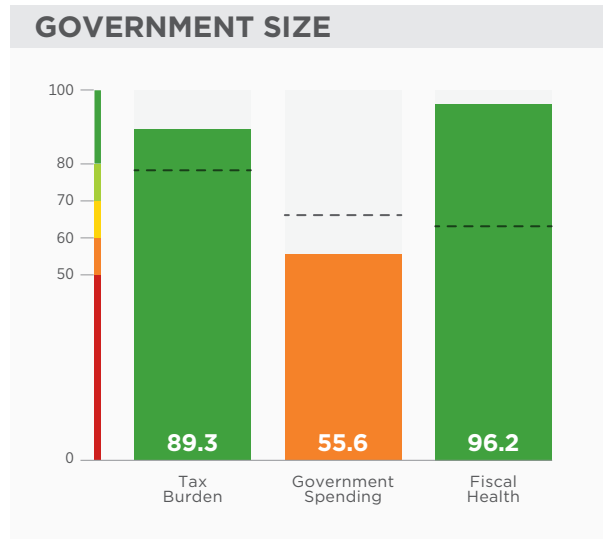
40.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

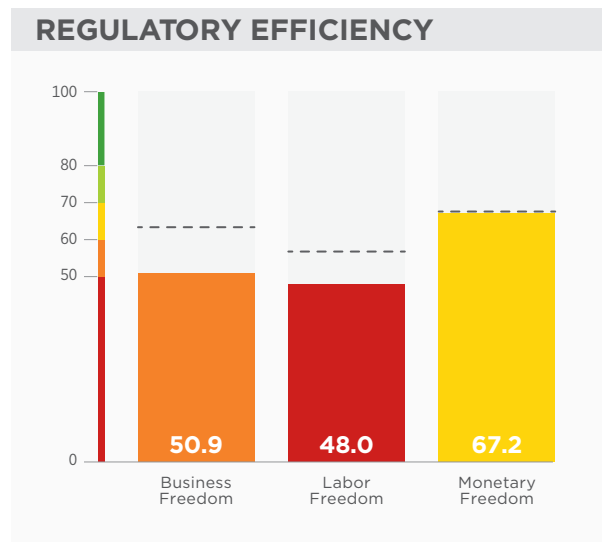
# 12 ECONOMIC FREEDOMS | BELARUS



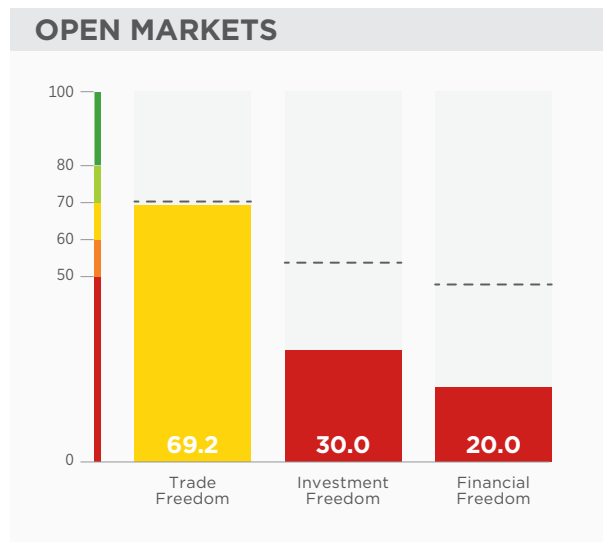
The overall rule of law is weak in Belarus. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



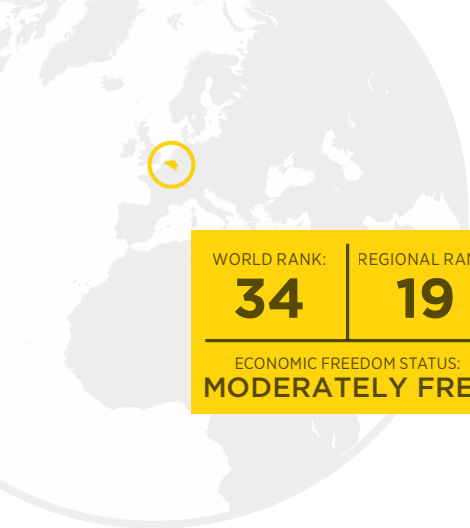
The top individual income tax rate is 13 percent, and the top corporate tax rate is 18 percent. The tax burden equals 24.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.5 percent and -0.5 percent of GDP. Public debt amounts to 40.7 percent of GDP.



Belarus'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 5.4 percent, but trade flows remain restricted by various nontariff barriers. Belarus is not a member of the World Trade Organization. Extensive state ownership and government control severely limit investment and financial activity.



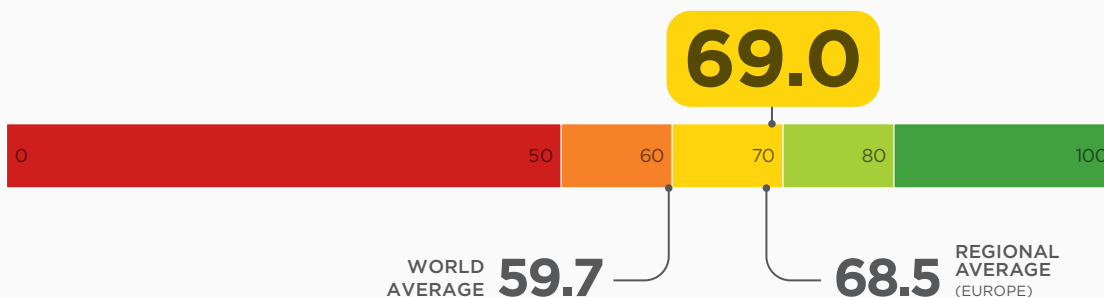
WORLD RANK:	REGIONAL RANK:
<b>34</b>	<b>19</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# BELGIUM

**B**elgium’s economic freedom score is 69, making its economy the 34th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.4 points from last year, and Belgium is ranked 19th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world and regional averages. Belgium’s economy is considered “moderately free” according to the 2025 *Index*.

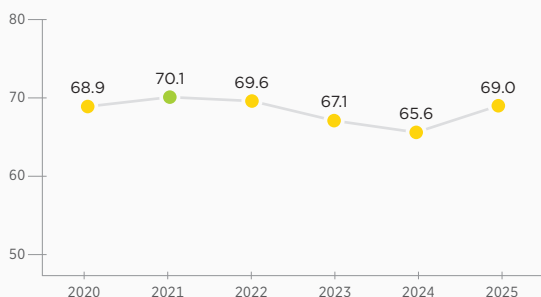
With strong foundations of economic freedom, Belgium’s economy has long benefited from open-market policies that support global trade and investment. Clear and transparent laws and regulations are well enforced. However, the tax system is relatively burdensome, and the extensive welfare state is costly. Labor market rigidities remain a major barrier to productivity and job growth. Services account for a large portion of GDP. Belgium has a dense network of rails and roadways, and Antwerp is one of Europe’s busiest ports.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +3.0

## RECENT FREEDOM TREND

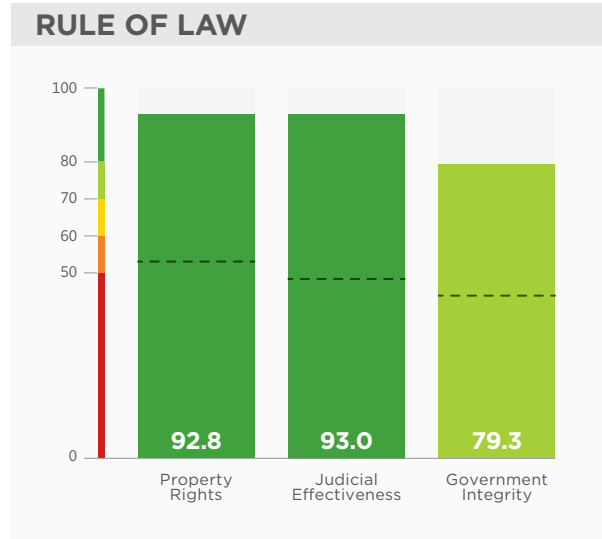


## QUICK FACTS

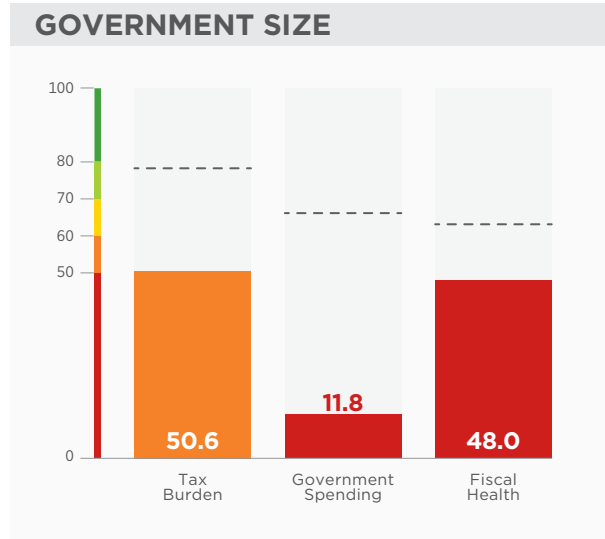
<b>POPULATION:</b> 11.7 million	<b>UNEMPLOYMENT:</b> 5.5%
<b>GDP (PPP):</b> \$834.2 billion 1.4% growth in 2023 3-year average growth rate: 3.8% \$71,035 per capita	<b>INFLATION (CPI):</b> 2.3%
	<b>FDI INFLOW:</b> -\$1.7 billion
	<b>PUBLIC DEBT:</b> 105.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

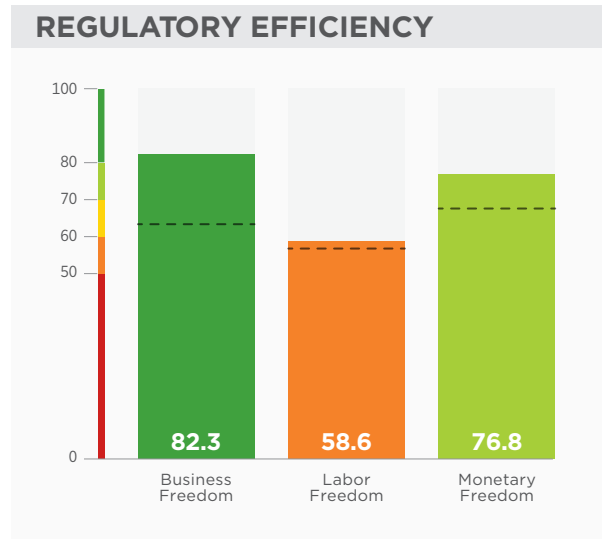
# 12 ECONOMIC FREEDOMS | BELGIUM



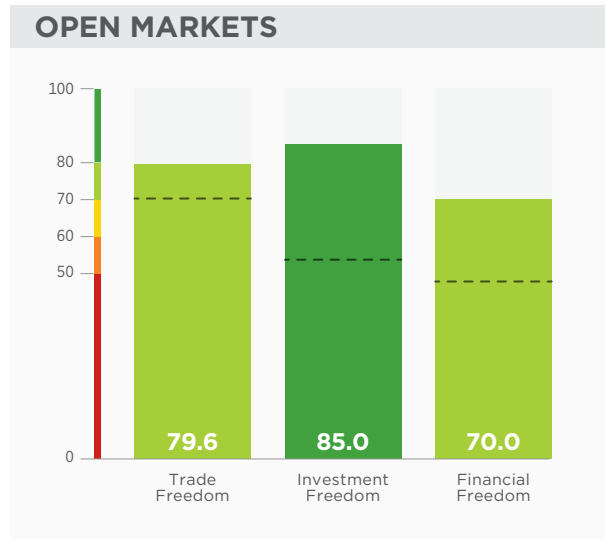
The overall rule of law is well respected in Belgium. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 50 percent, and the top corporate tax rate is 25 percent. The tax burden equals 42.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 54.2 percent and -4.5 percent of GDP. Public debt amounts to 105.2 percent of GDP.



Belgium's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign and domestic investors are treated equally. The financial system remains vibrant and generally free from government involvement.



WORLD RANK: **66** | REGIONAL RANK: **13**

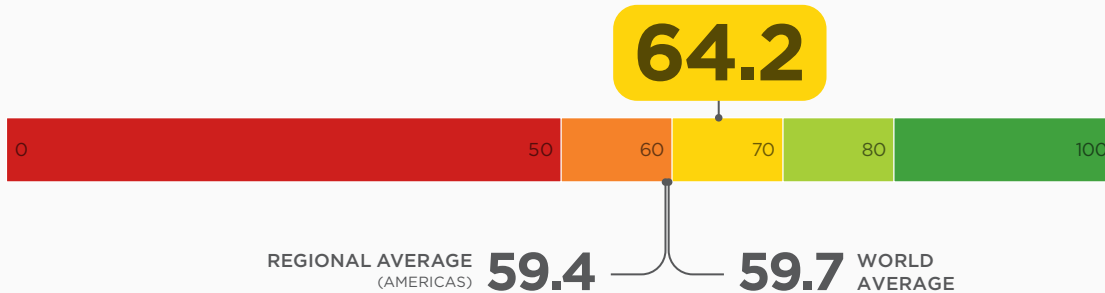
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BELIZE

**B**elize's economic freedom score is 64.2, making its economy the 66th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.0 points from last year, and Belize is ranked 13th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Belize's economy is considered "moderately free" according to the 2025 *Index*.

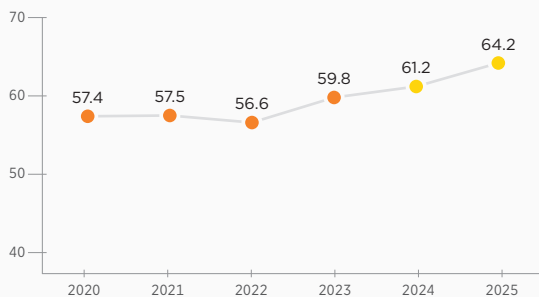
Vibrant economic growth is constrained by institutional weaknesses that undermine the foundations of economic freedom. Despite a streamlined process for completing regulatory requirements, entrepreneurial activity often faces inefficiency and a lack of transparency. The judicial system is vulnerable to political interference, and corruption is common. Entrepreneurial activity is limited, and recovery from the recent economic slowdown has been narrowly based. The overall investment framework remains inefficient, and there is no fully developed formal labor market. The most recent available inflation rate is 6.3 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +1.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.4 million

**GDP (PPP):**  
\$5.7 billion  
1.1% growth in 2023  
3-year average growth rate: 9.6%  
\$14,088 per capita

**UNEMPLOYMENT:**  
8.3%

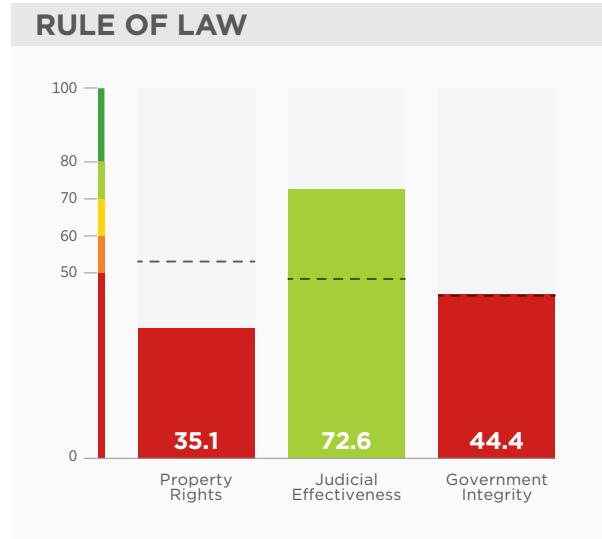
**INFLATION (CPI):**  
4.4%

**FDI INFLOW:**  
\$134.0 million

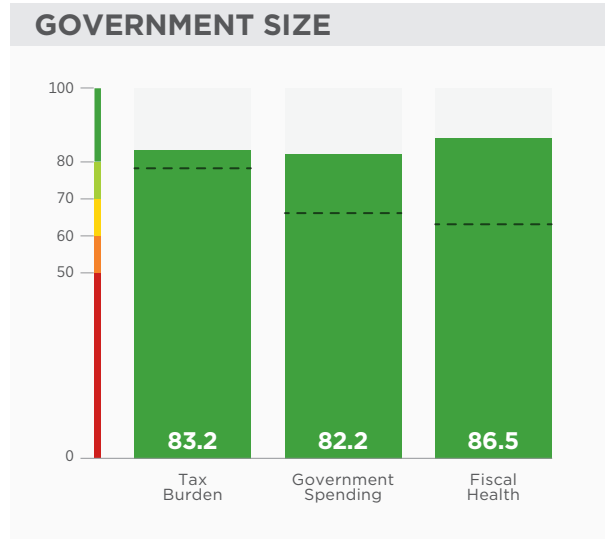
**PUBLIC DEBT:**  
66.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

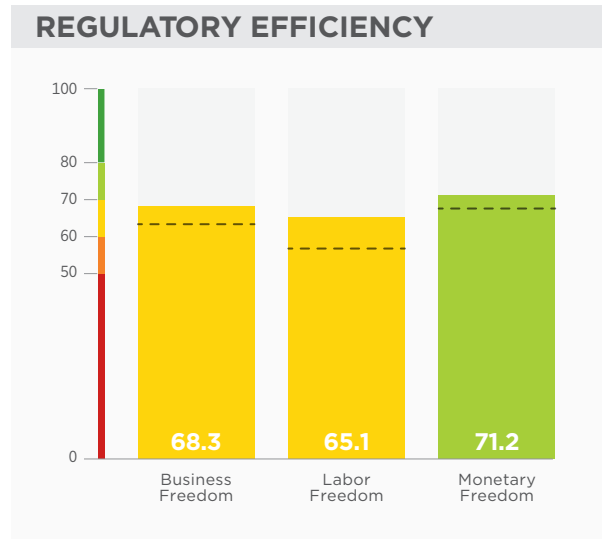
# 12 ECONOMIC FREEDOMS | BELIZE



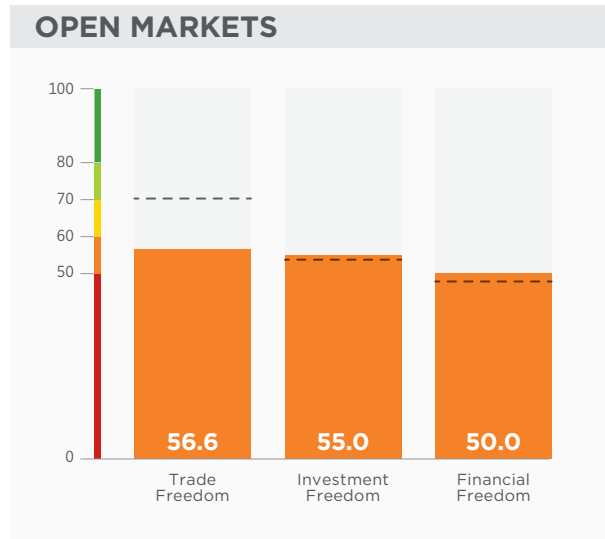
The overall rule of law is weak in Belize. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 20.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.3 percent and -1.7 percent of GDP. Public debt amounts to 66.8 percent of GDP.



Belize'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 16.7 percent, and two nontariff measures are in effect. Bureaucratic barriers may discourage foreign investment. The state influences credit allocation through quasi-governmental banks. The financial sector is not fully developed.

# BENIN

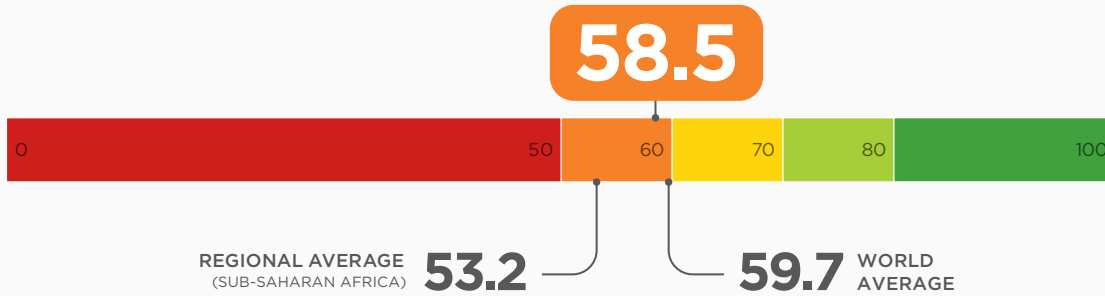
WORLD RANK: **96** | REGIONAL RANK: **8**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**B**enin's economic freedom score is 58.5, making its economy the 96th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Benin is ranked 8th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average but higher than the regional average. Benin's economy is considered "mostly unfree" according to the 2025 *Index*.

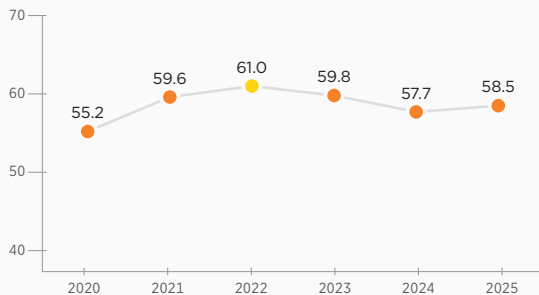
The lack of political momentum continues to impede necessary reform. The most visible constraints on private-sector development are related to the weak rule of law. Bureaucratic inefficiency and corruption affect much of the economy, undermining the foundations of economic freedom. Efforts to increase power generation capacity have aimed to stimulate economic growth. Expansion of the privately managed port of Cotonou, which accounts for approximately 60 percent of GDP, could encourage growth by increasing port services to regional neighbors.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +4.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
13.7 million

**GDP (PPP):**  
\$58.3 billion  
6.4% growth in 2023  
3-year average growth rate: 6.6%  
\$4,244 per capita

**UNEMPLOYMENT:**  
1.5%

**INFLATION (CPI):**  
2.8%

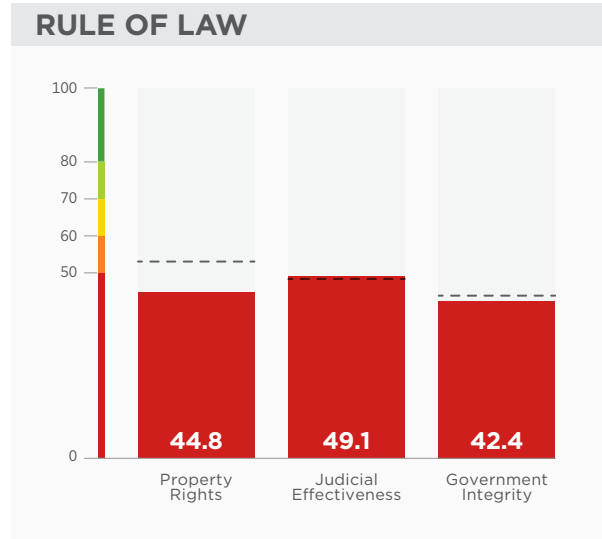
**FDI INFLOW:**  
\$267.0 million

**PUBLIC DEBT:**  
54.5% of GDP

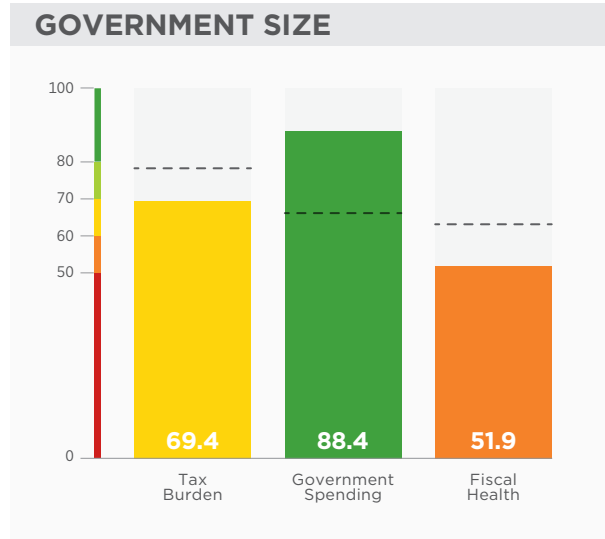
2023 data unless otherwise noted. Data compiled as of November 2024.



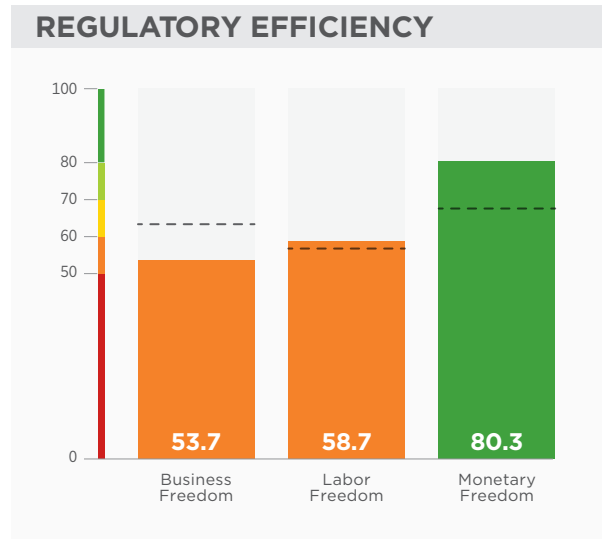
# 12 ECONOMIC FREEDOMS | BENIN



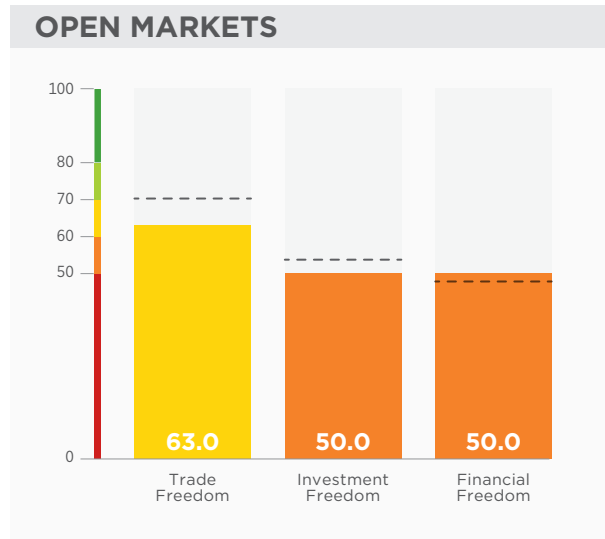
The overall rule of law is weak in Benin. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 30 percent. The tax burden equals 11.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.6 percent and -5.1 percent of GDP. Public debt amounts to 54.5 percent of GDP.



Benin's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 11.0 percent, and various nontariff measures are in effect. Dynamic flows of foreign investment are constrained by persistent policy and institutional weaknesses. Despite the development of microfinance institutions, overall access to credit remains low.

WORLD RANK: REGIONAL RANK:

102

22

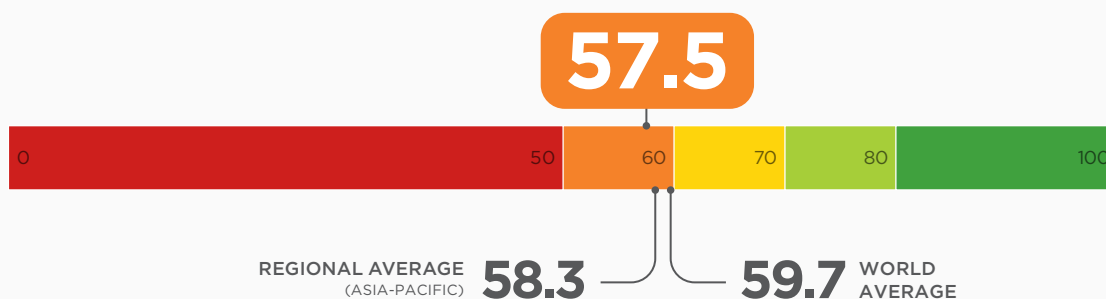
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# BHUTAN

**B**hutan's economic freedom score is 57.5, making its economy the 102nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.1 points from last year, and Bhutan is ranked 22nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Bhutan's economy is considered "mostly unfree" according to the 2025 *Index*.

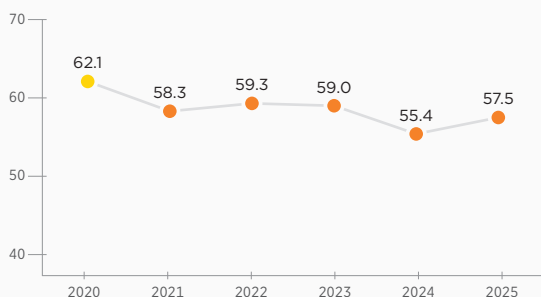
Bhutan is modernizing its economic structure. The public sector has long been the main source of economic growth, but the government now recognizes the importance of private-sector development and has assigned a higher priority to economic diversification, particularly in light of demographic shifts that will bring more young people into the labor market. A modern regulatory framework has not been fully developed. Despite recent efforts, enforcement of regulations remains inconsistent. The government has responded to labor shortages by initiating several skilling and reskilling programs.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -0.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.8 million

**GDP (PPP):**  
\$12.0 billion  
5.0% growth in 2023  
3-year average growth rate: 2.2%  
\$15,706 per capita

**UNEMPLOYMENT:**  
5.7%

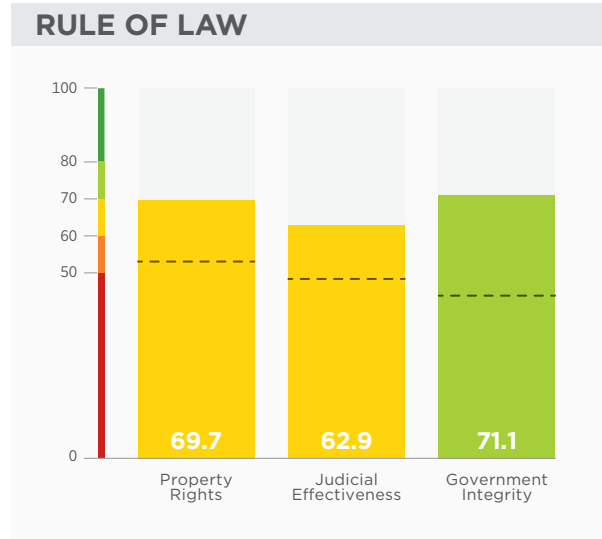
**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
\$11.0 million

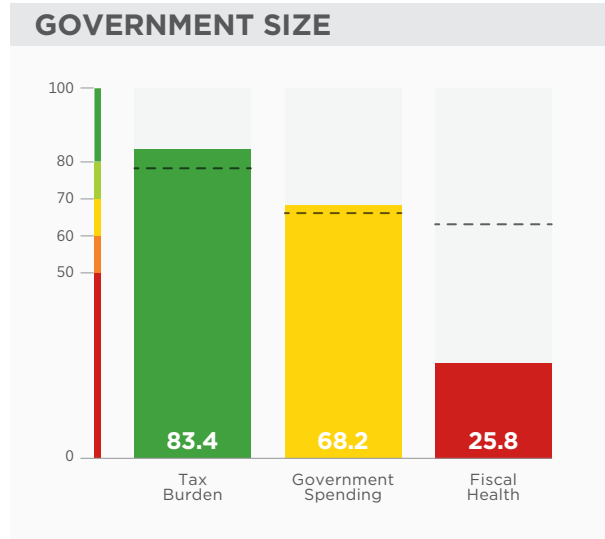
**PUBLIC DEBT:**  
116.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

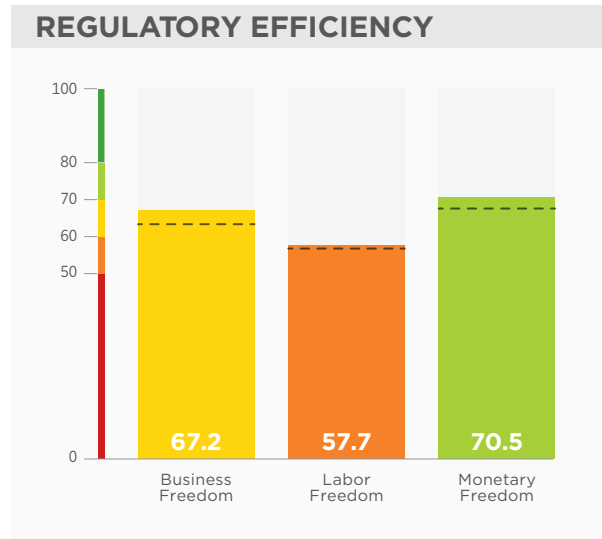
# 12 ECONOMIC FREEDOMS | BHUTAN



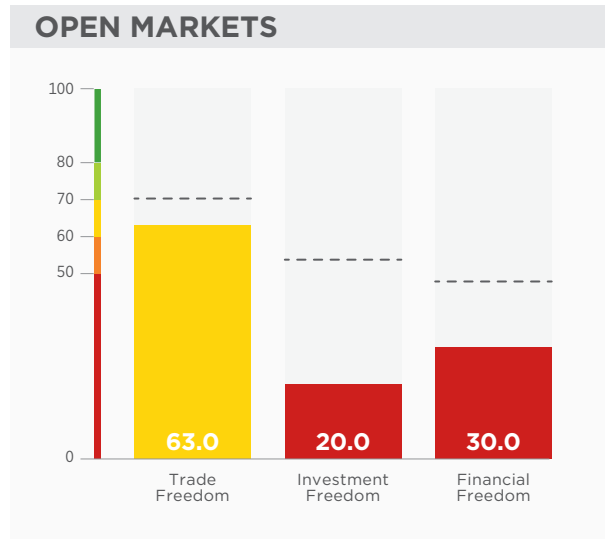
The overall rule of law is relatively well respected in Bhutan. The country’s property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 30 percent. The tax burden equals 11.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.6 percent and -5.8 percent of GDP. Public debt amounts to 116.1 percent of GDP.



Bhutan’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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 11.0 percent, and layers of nontariff barriers significantly impede dynamic flows of trade. The underdeveloped investment framework limits opportunities to attract foreign investment. The financial sector is rudimentary.



WORLD RANK: **164** | REGIONAL RANK: **30**

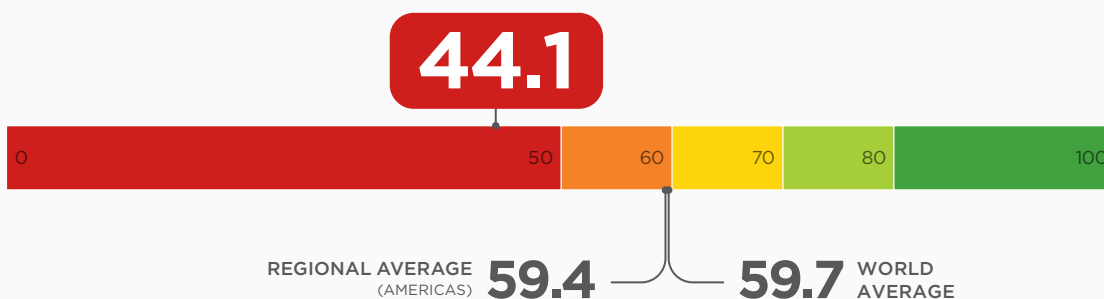
ECONOMIC FREEDOM STATUS: **REPRESSED**

# BOLIVIA

**B**olivia's economic freedom score is 44.1, making its economy the 164th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Bolivia is ranked 30th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Bolivia's economy is considered "repressed" according to the 2025 *Index*.

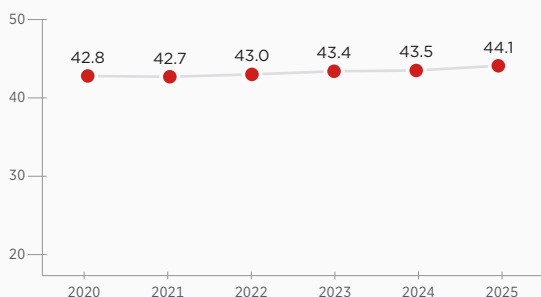
The foundations of economic freedom in Bolivia remain severely hampered by structural and institutional problems. The judicial system is vulnerable to political interference, corruption is prevalent, and the rule of law is weak. The state's growing presence in economic activity has moved the economy ever farther from free-market openness. In general, the level of business freedom remains low. The labor code is outdated and burdensome. The government maintains controls on the prices of such products as sugar, maize, and bread.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -12.7

## RECENT FREEDOM TREND

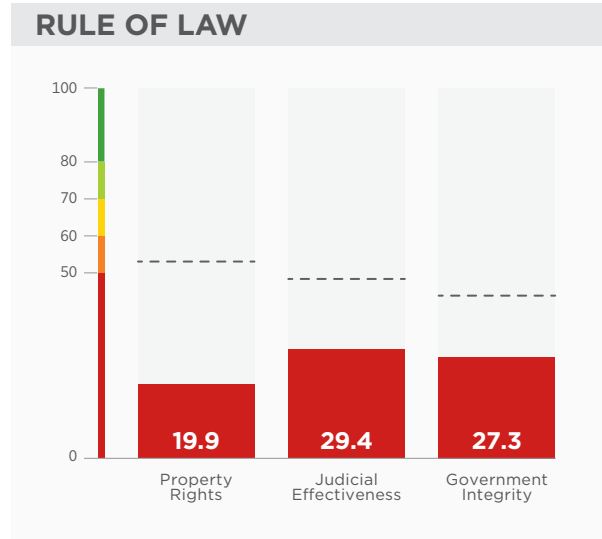


## QUICK FACTS

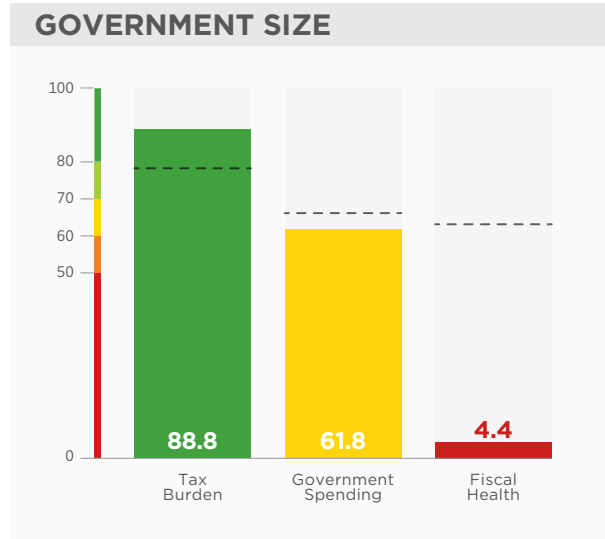
- POPULATION:** 12.1 million
- GDP (PPP):** \$133.8 billion  
3.1% growth in 2023  
3-year average growth rate: 4.3%  
\$11,028 per capita
- UNEMPLOYMENT:** 3.1%
- INFLATION (CPI):** 2.6%
- FDI INFLOW:** -\$26.0 million
- PUBLIC DEBT:** 88.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

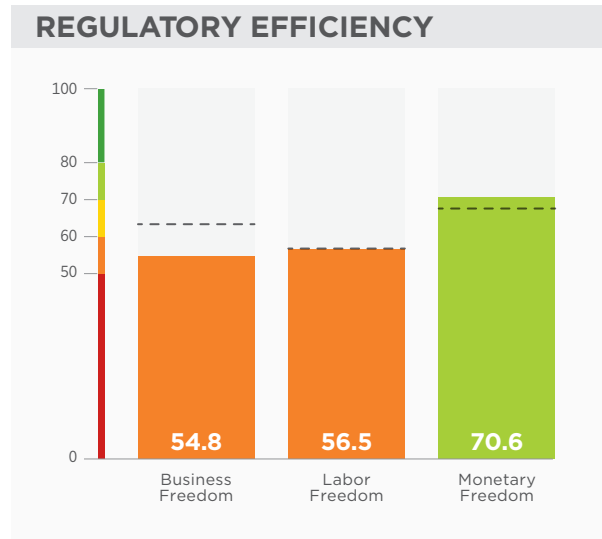
# 12 ECONOMIC FREEDOMS | BOLIVIA



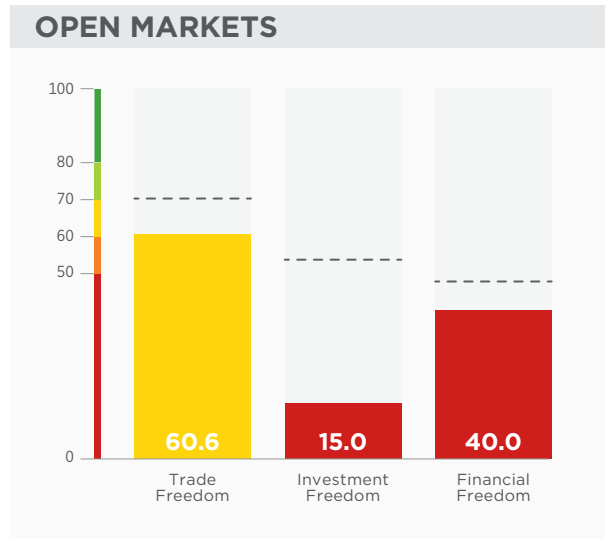
The overall rule of law is weak in Bolivia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



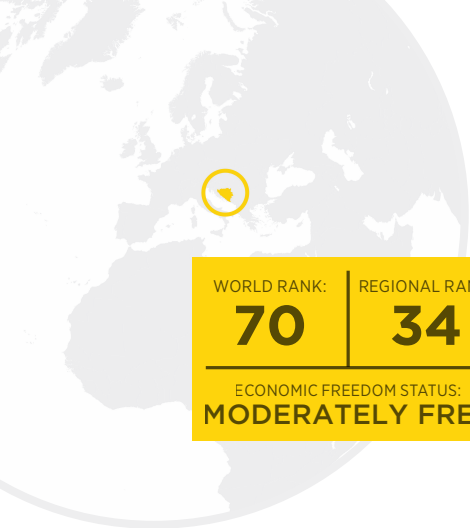
The top individual income tax rate is 13 percent, and the top corporate tax rate is 25 percent. The tax burden equals 18.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.7 percent and -9.1 percent of GDP. Public debt amounts to 88.4 percent of GDP.



Bolivia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is slightly above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 9.7 percent, and four nontariff measures are in effect. The overall investment framework is opaque, and the government prioritizes domestic investment over foreign investment. The financial sector is vulnerable to state interference and not fully developed.



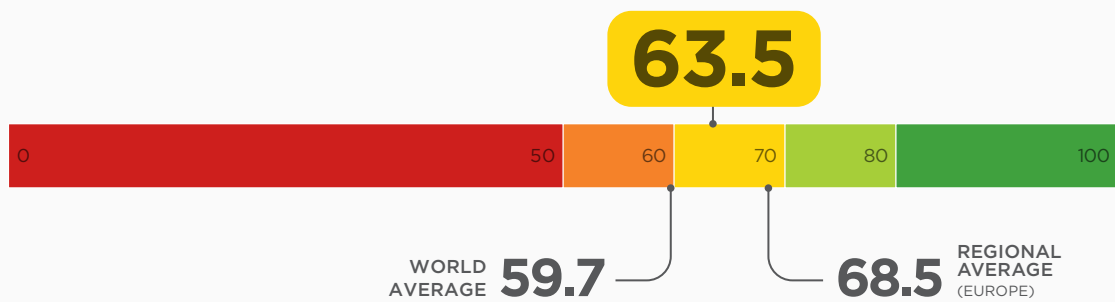
WORLD RANK:	REGIONAL RANK:
<b>70</b>	<b>34</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# BOSNIA AND HERZEGOVINA

**B**osnia and Herzegovina’s economic freedom score is 63.5, making its economy the 70th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and Bosnia and Herzegovina is ranked 34th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world average but lower than the regional average. Bosnia and Herzegovina’s economy is considered “moderately free” according to the 2025 *Index*.

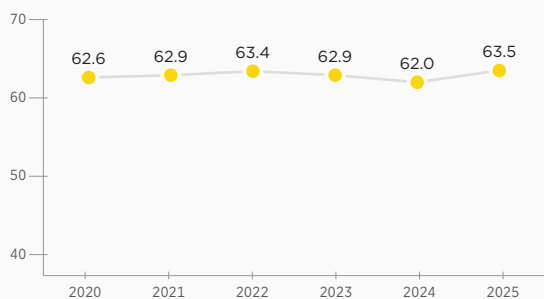
The foundations of economic freedom in Bosnia and Herzegovina are fragile and uneven. Widespread corruption and poor protection of property rights discourage entrepreneurial activity. The government’s generally slow transition to regulatory efficiency and open-market policies dampens economic dynamism. The fragmentary regulatory framework undermines business freedom. The economy relies heavily on remittances, foreign aid, and exports of metals. Challenges include political uncertainty, high unemployment, high energy and food prices, and poor infrastructure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +34.1

## RECENT FREEDOM TREND

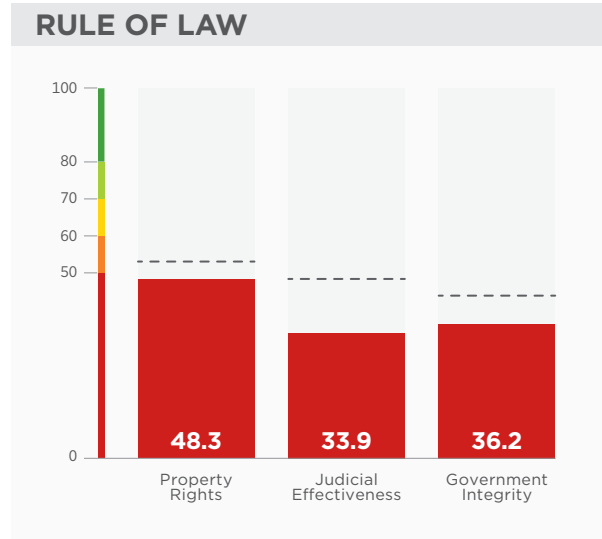


## QUICK FACTS

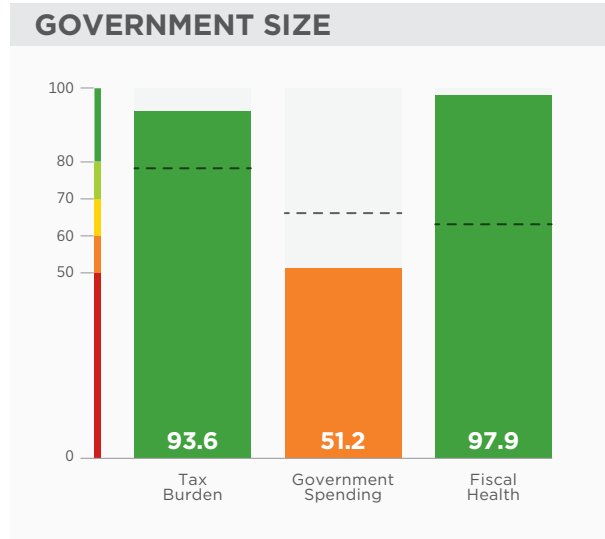
- POPULATION:** 3.5 million
- GDP (PPP):** \$70.8 billion  
1.7% growth in 2023  
3-year average growth rate: 4.4%  
\$20,431 per capita
- UNEMPLOYMENT:** 10.4%
- INFLATION (CPI):** 6.1%
- FDI INFLOW:** \$661.0 million
- PUBLIC DEBT:** 32.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

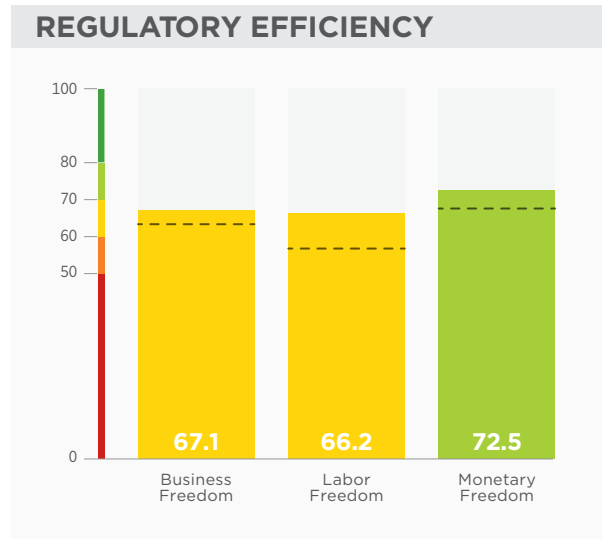
# 12 ECONOMIC FREEDOMS | BOSNIA AND HERZEGOVINA



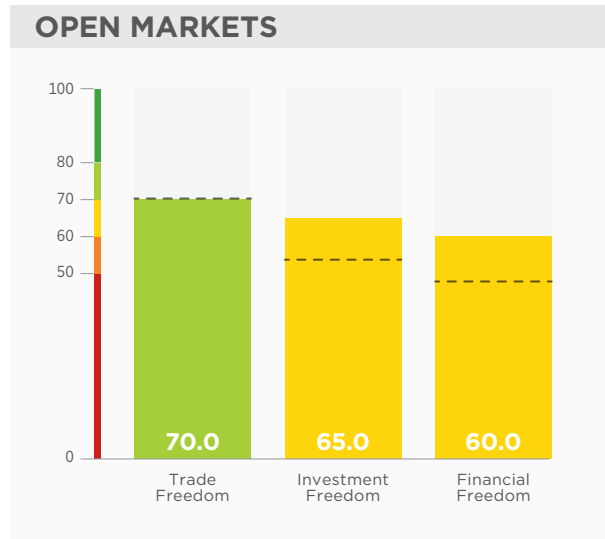
The overall rule of law is weak in Bosnia and Herzegovina. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 21.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.3 percent and -0.1 percent of GDP. Public debt amounts to 32.2 percent of GDP.



Bosnia and Herzegovina'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 7.5 percent, and a multiplicity of nontariff barriers further restricts trade flows. Complex regulatory frameworks discourage new foreign investment. The banking sector remains stable, but the number of nonperforming loans is sizable.

WORLD RANK: **31** | REGIONAL RANK: **2**

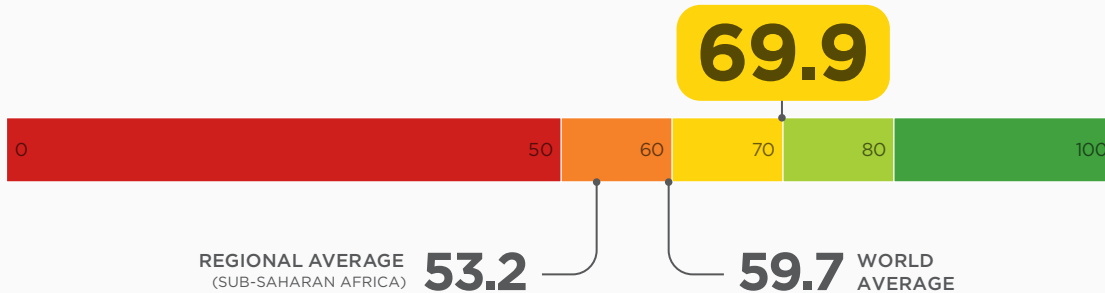
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BOTSWANA

**B**otswana's economic freedom score is 69.9, making its economy the 31st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.9 points from last year, and Botswana is ranked 2nd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. Botswana's economy is considered "moderately free" according to the 2025 *Index*.

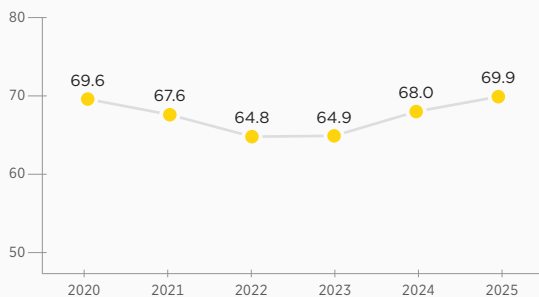
Botswana continues to maintain a dynamic economy and performs relatively well in many of the four pillars of economic freedom. The foundations of economic freedom are among the region's strongest. The independent judiciary provides strong protection of property rights. The government has implemented numerous measures that are designed to enhance business freedom and private-sector opportunities, but progress has been uneven. Risks to political stability remain low. Botswana has abundant diamonds and other natural resources and one of Africa's highest sovereign credit ratings.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +13.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.7 million

**GDP (PPP):**  
\$51.9 billion  
2.7% growth in 2023  
3-year average growth rate: 6.7%  
\$19,391 per capita

**UNEMPLOYMENT:**  
23.4%

**INFLATION (CPI):**  
5.1%

**FDI INFLOW:**  
\$216.0 million

**PUBLIC DEBT:**  
20.1% of GDP

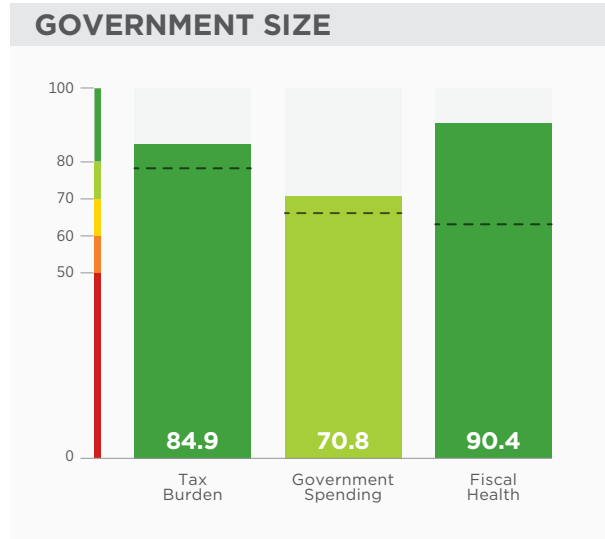
2023 data unless otherwise noted. Data compiled as of November 2024.



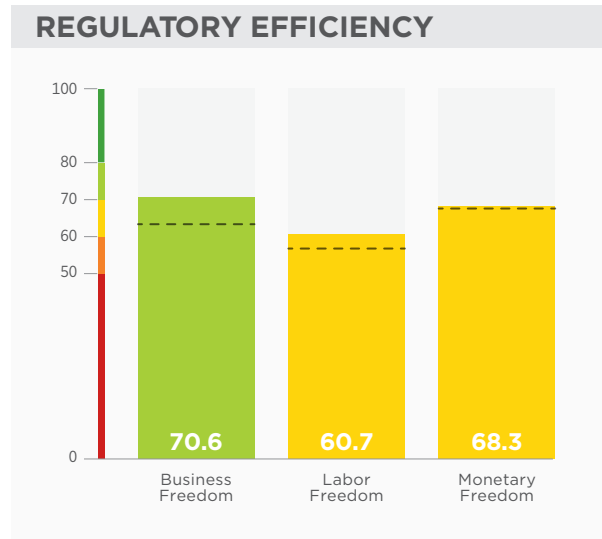
# 12 ECONOMIC FREEDOMS | BOTSWANA



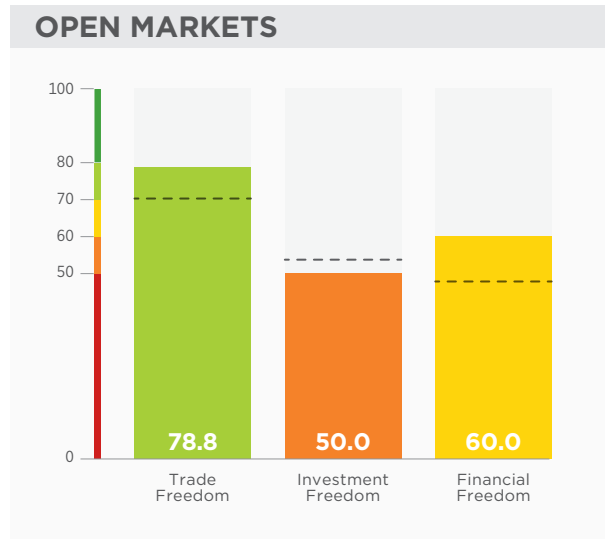
The overall rule of law is relatively well respected in Botswana. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 22 percent. The tax burden equals 20.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.2 percent and -2.3 percent of GDP. Public debt amounts to 20.1 percent of GDP.



Botswana'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.6 percent, and nontariff measures are in effect. Foreign investment in some sectors is restricted. The financial sector generally adheres to global standards in the transparency of banking supervision and provides considerable access to credit.



WORLD RANK: **117** | REGIONAL RANK: **25**

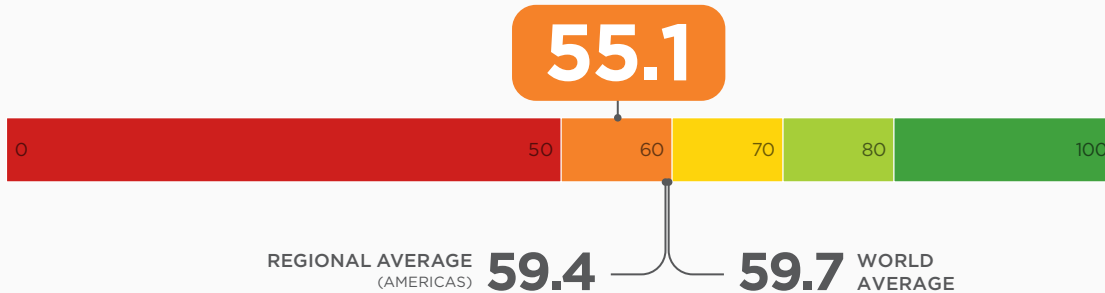
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# BRAZIL

**B**razil's economic freedom score is 55.1, making its economy the 117th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.9 points from last year, and Brazil is ranked 25th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Brazil's economy is considered "mostly unfree" according to the 2025 *Index*.

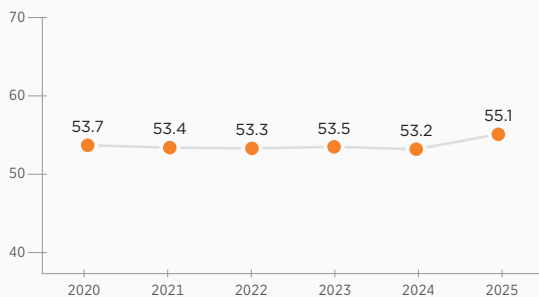
Stronger foundations of economic freedom remain critical to ensuring an improved economic future. Brazil's corruption and property rights scores are relatively low, and its judicial system remains vulnerable to political influence. The state's presence in the economy continues to undercut development of a more vibrant private sector. Despite some progress, the process for organizing new investment and production remains cumbersome and bureaucratic. It is costly and time-consuming to launch or close a business. Stifling labor regulations continue to undermine employment and productivity growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +3.7

## RECENT FREEDOM TREND

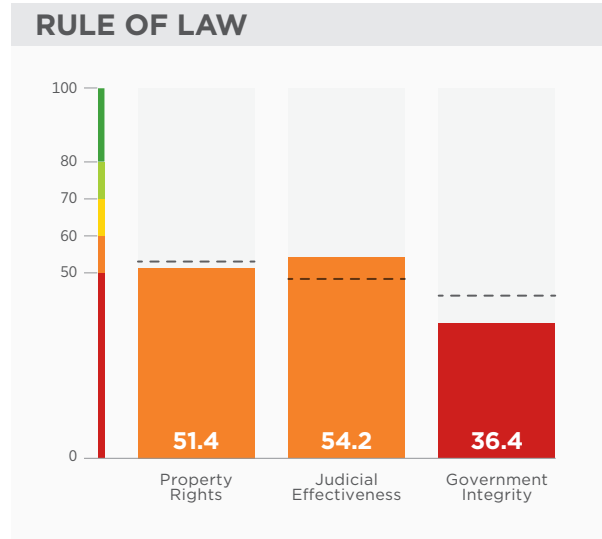


## QUICK FACTS

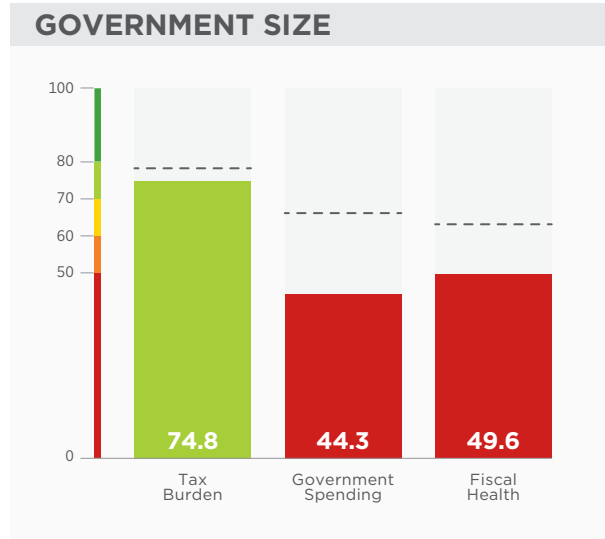
- POPULATION:** 211.7 million
- UNEMPLOYMENT:** 8.0%
- GDP (PPP):** \$4.5 trillion
- INFLATION (CPI):** 4.6%
- 2.9% growth in 2023
- FDI INFLOW:** \$86.1 billion
- 3-year average growth rate: 3.6%
- PUBLIC DEBT:** 84.7% of GDP
- \$21,052 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

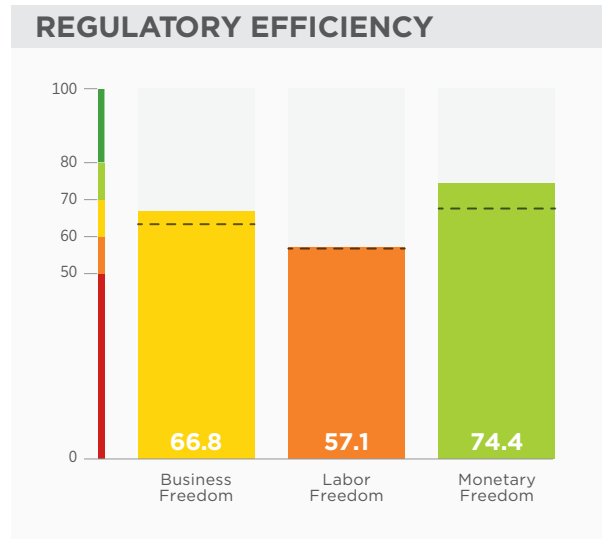
# 12 ECONOMIC FREEDOMS | BRAZIL



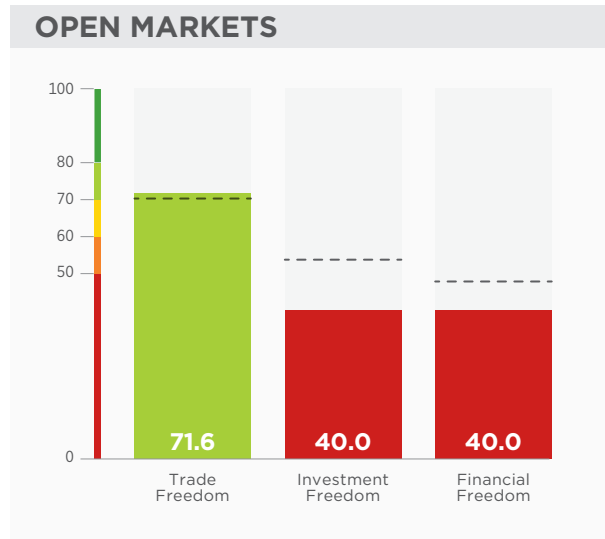
The overall rule of law is weak in Brazil. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 34 percent. The tax burden equals 24.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.1 percent and -4.7 percent of GDP. Public debt amounts to 84.7 percent of GDP.



Brazil'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.7 percent, and more than 600 nontariff measures are in effect. Foreign investment faces bureaucratic hurdles. The financial sector is competitive, but state involvement remains considerable, and public banks account for more than 50 percent of loans to the private sector.

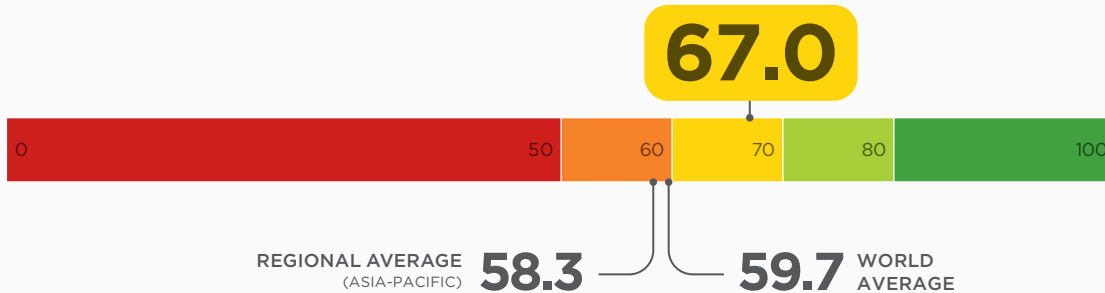
WORLD RANK: **46** | REGIONAL RANK: **8**  
 ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BRUNEI DARUSSALAM

**B**runei Darussalam's economic freedom score is 67, making its economy the 46th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Brunei Darussalam is ranked 8th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Brunei Darussalam's economy is considered "moderately free" according to the 2025 *Index*.

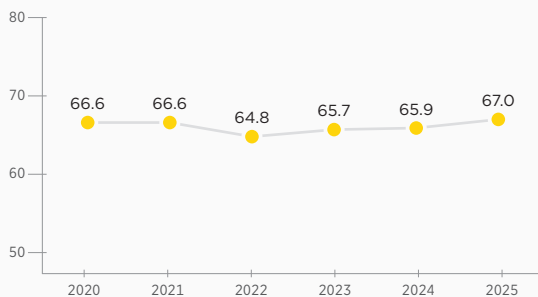
Brunei's economy's continues to maintain a relatively high degree of market openness that facilitates trade and investment. The legal system generally secures private property and macroeconomic stability. The investment environment is relatively efficient and transparent, but the regulatory framework needs to be more streamlined to enhance economic competitiveness. Oil and gas production provides 90 percent of government revenue and more than half of GDP but relatively few jobs for locals. Brunei imports most of its manufactured goods and food.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2014): -2.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.5 million

**GDP (PPP):**  
\$39.1 billion  
1.4% growth in 2023  
3-year average growth rate: -0.6%  
\$86,867 per capita

**UNEMPLOYMENT:**  
5.3%

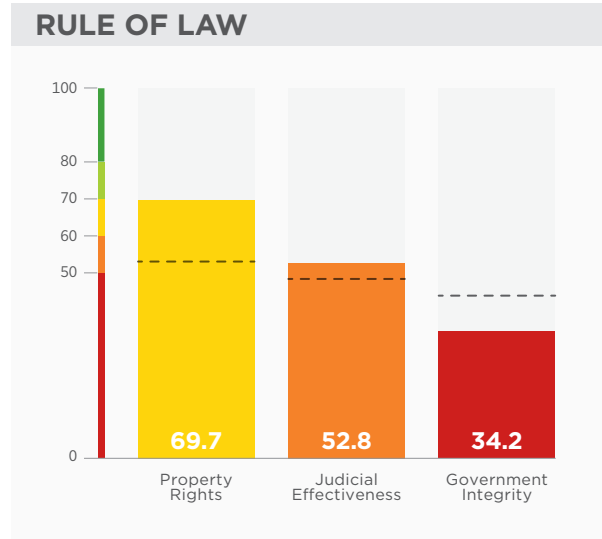
**INFLATION (CPI):**  
0.4%

**FDI INFLOW:**  
-\$292.0 million

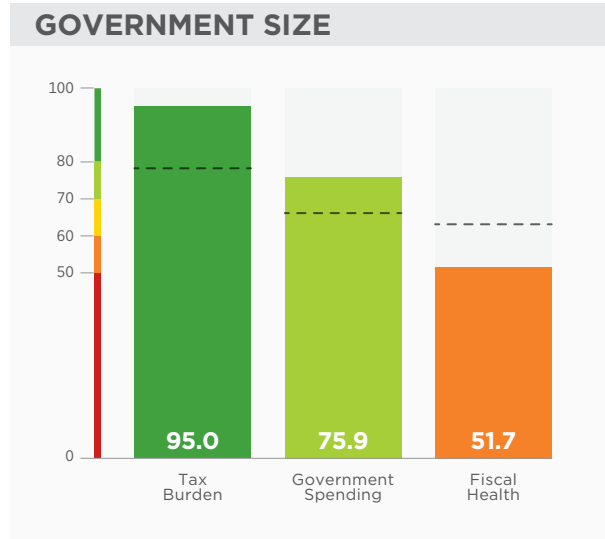
**PUBLIC DEBT:**  
2.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

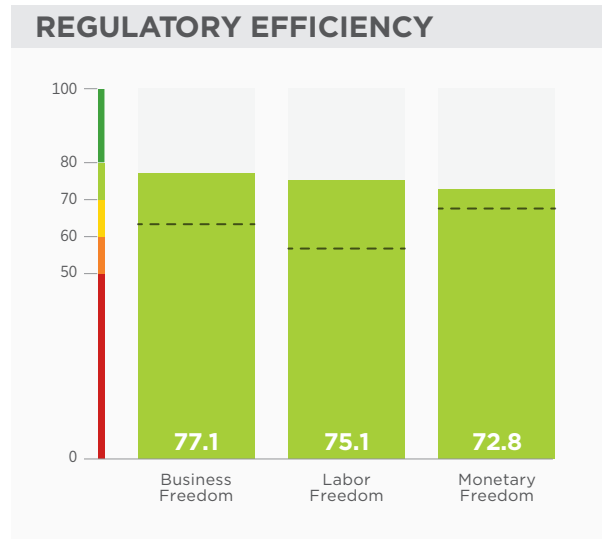
# 12 ECONOMIC FREEDOMS | BRUNEI DARUSSALAM



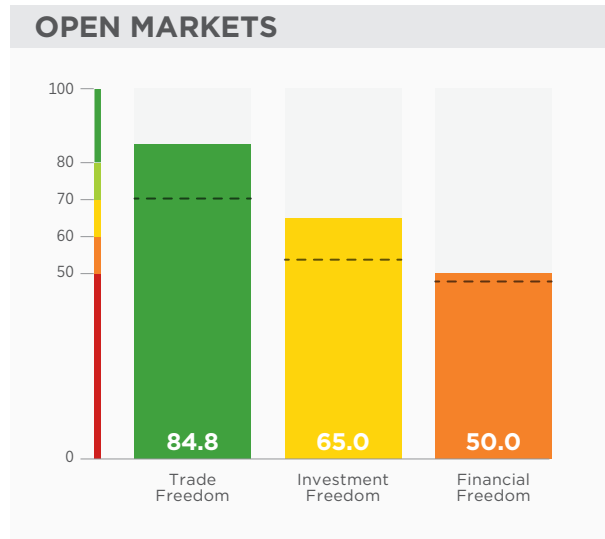
The overall rule of law is relatively well respected in Brunei Darussalam. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



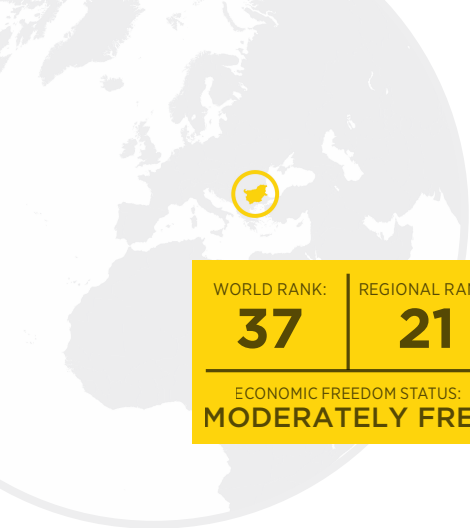
The top individual income tax rate is 0 percent, and the top corporate tax rate is 18.5 percent. The tax burden equals 12.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.3 percent and -5.5 percent of GDP. Public debt amounts to 2.3 percent of GDP.



Brunei's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 0.1 percent, but nontariff measures are in force, and other impediments to trade flows persist. State-owned enterprises distort the economy, and foreign ownership of land is restricted. The small financial sector remains dominated by banks.



WORLD RANK: **37** | REGIONAL RANK: **21**

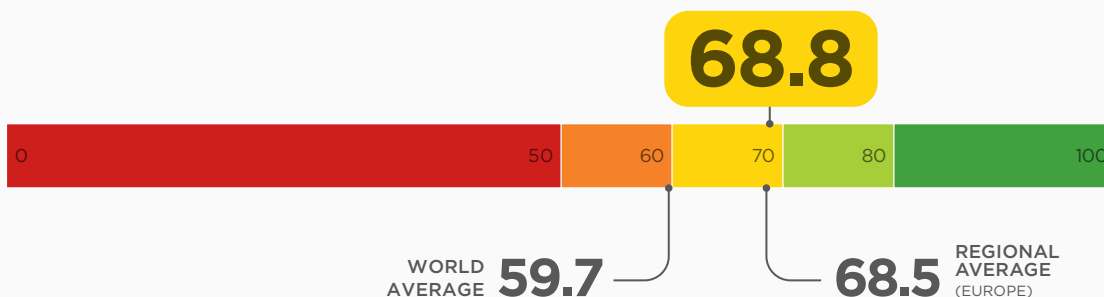
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BULGARIA

**B**ulgaria’s economic freedom score is 68.8, making its economy the 37th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Bulgaria is ranked 21st out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world and regional averages. Bulgaria’s economy is considered “moderately free” according to the 2025 *Index*.

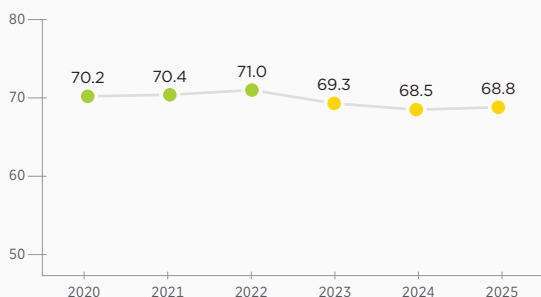
A decade of restructuring has enabled Bulgaria to make considerable progress in transitioning to a more market-oriented economy while maintaining macroeconomic stability. Continued reform to strengthen the foundations of economic freedom will be critical. Despite some progress, persistent corruption and the weak rule of law add to the cost of conducting business. Bulgaria remains outside the Schengen Area but is closer to qualifying for eurozone membership. Challenges in the EU’s poorest nation include corruption and Russian penetration in the energy and media sectors.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +18.8

## RECENT FREEDOM TREND

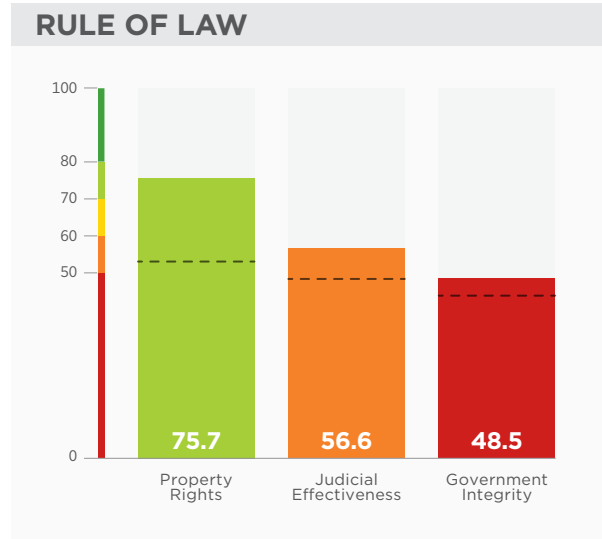


## QUICK FACTS

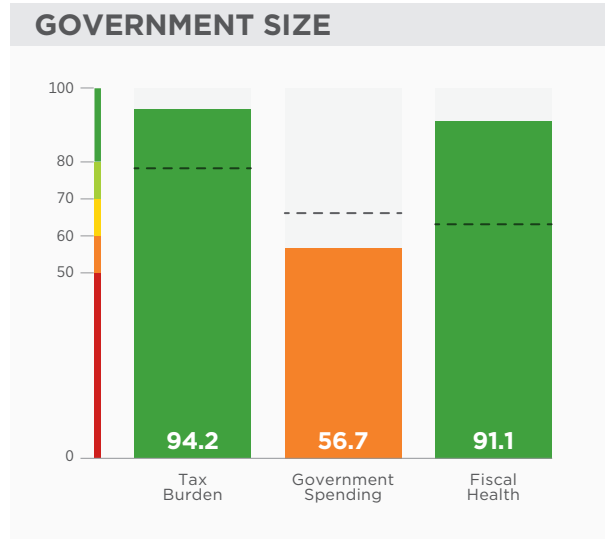
- POPULATION:** 6.4 million
- UNEMPLOYMENT:** 4.3%
- GDP (PPP):** \$237.6 billion  
1.8% growth in 2023  
3-year average growth rate: 4.5%
- INFLATION (CPI):** 8.6%
- FDI INFLOW:** \$2.5 billion
- PUBLIC DEBT:** 22.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

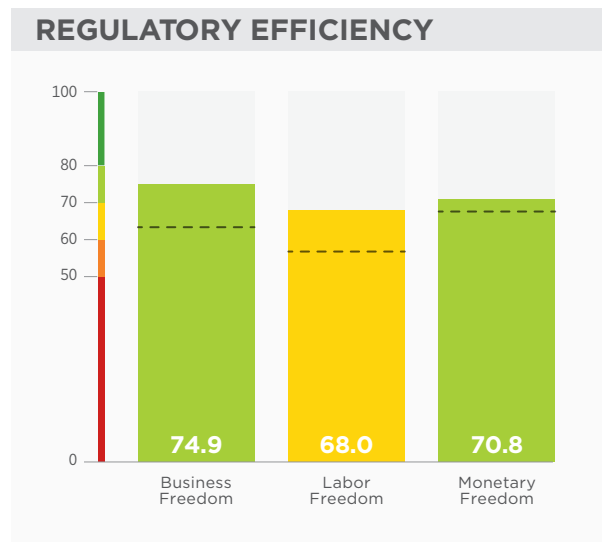
# 12 ECONOMIC FREEDOMS | BULGARIA



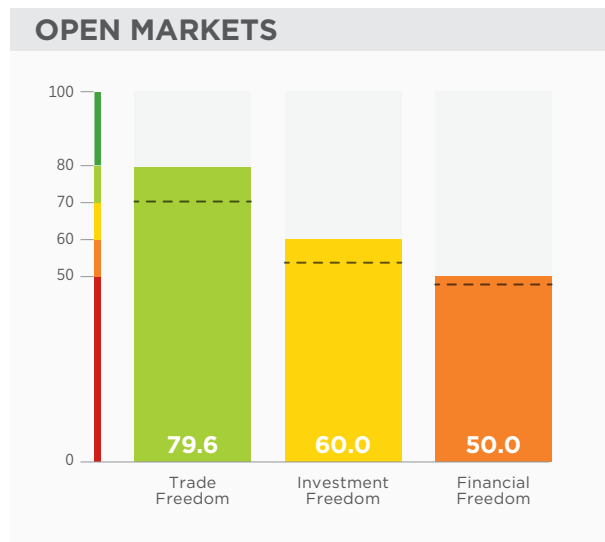
The overall rule of law is relatively well respected in Bulgaria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 19.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.0 percent and -2.2 percent of GDP. Public debt amounts to 22.0 percent of GDP.



Bulgaria's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is greater than the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with 116 country-specific nontariff barriers. In general, foreign and domestic investors are treated equally. Measures to support financial-sector liquidity have been introduced.

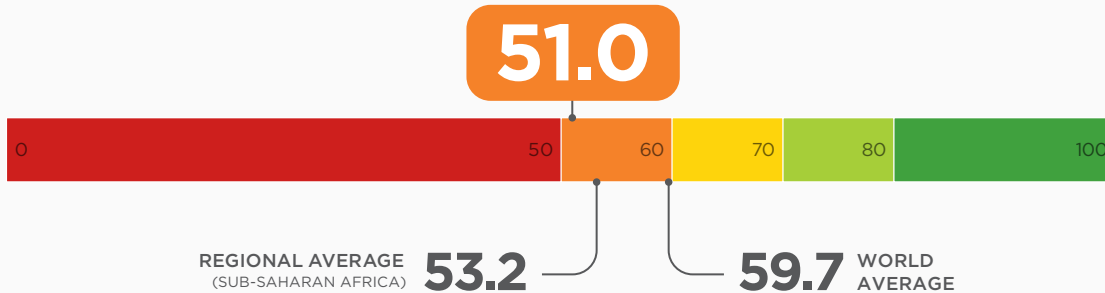
# BURKINA FASO

WORLD RANK: **141** | REGIONAL RANK: **32**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Burkina Faso's economic freedom score is 51, making its economy the 141st freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.9 point from last year, and Burkina Faso is ranked 32nd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Burkina Faso's economy is considered "mostly unfree" according to the 2025 *Index*.

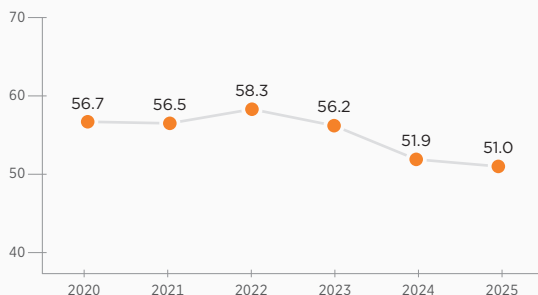
Sustained efforts and pro-growth investments have led to reduced poverty and some positive human development trends despite systemic economic challenges. The foundations of economic freedom remain fragile. The regulatory burden and a lack of transparency continue to prevent the emergence of a more dynamic private sector. Other challenges include persistent political instability, unreliable energy supplies, and poor transportation links. More than 80 percent of the population is engaged in subsistence farming, and cotton is the principal cash crop.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +1.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
23.4 million

**GDP (PPP):**  
\$63.5 billion  
3.1% growth in 2023  
3-year average growth rate: 3.9%  
\$2,713 per capita

**UNEMPLOYMENT:**  
5.3%

**INFLATION (CPI):**  
0.7%

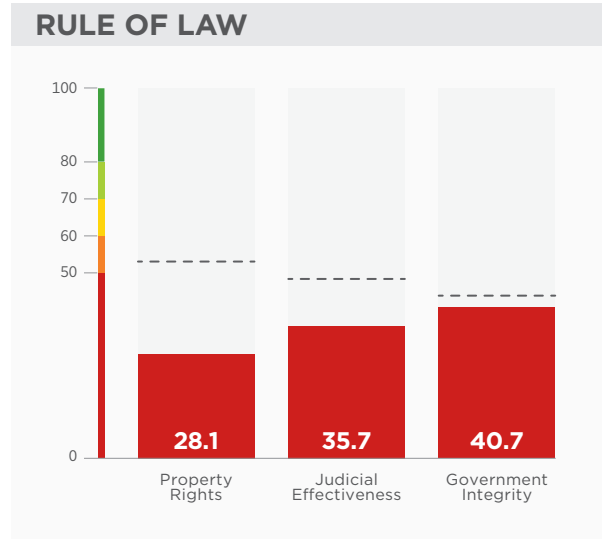
**FDI INFLOW:**  
\$121.0 million

**PUBLIC DEBT:**  
55.9% of GDP

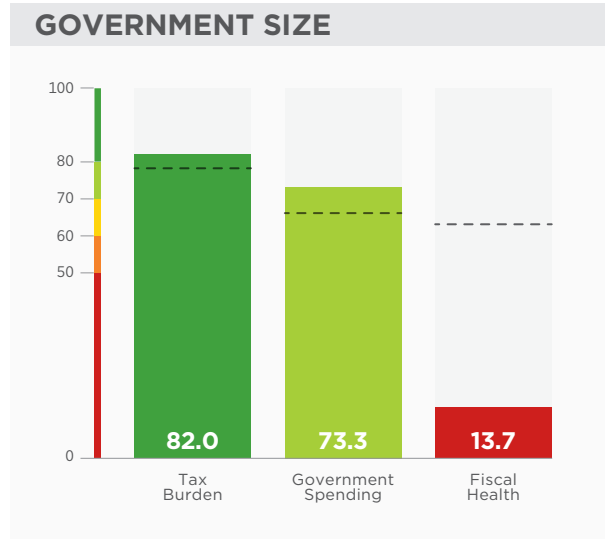
2023 data unless otherwise noted. Data compiled as of November 2024.



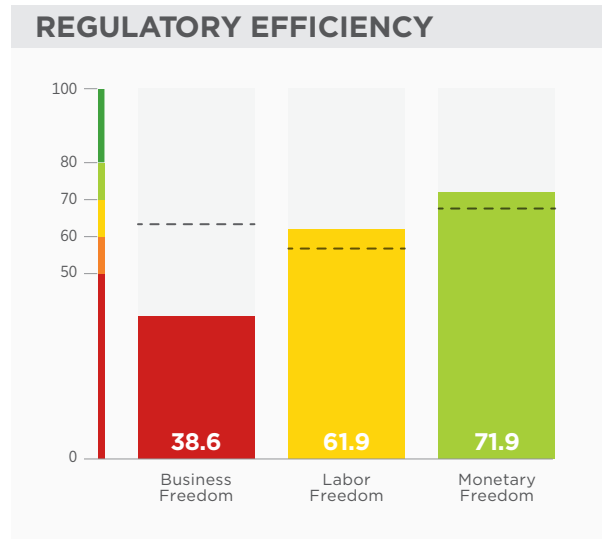
# 12 ECONOMIC FREEDOMS | BURKINA FASO



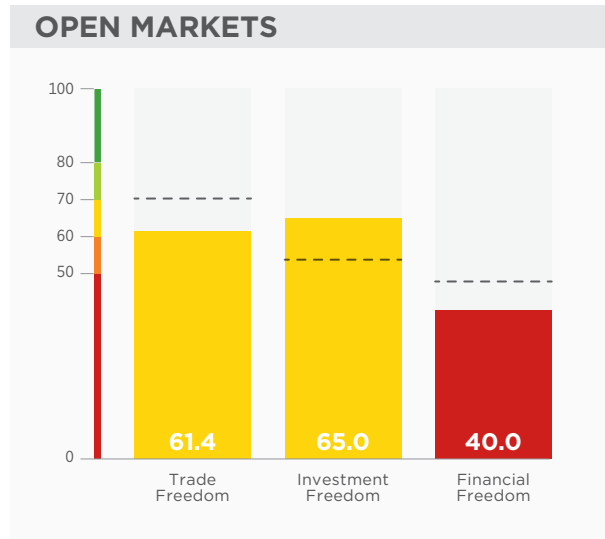
The overall rule of law is weak in Burkina Faso. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 28 percent. The tax burden equals 16.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.8 percent and -8.4 percent of GDP. Public debt amounts to 55.9 percent of GDP.



Burkina Faso'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 9.3 percent. Nontariff barriers are considerable, and foreign investment remains hindered by bureaucracy. Despite an effort to modernize the financial system, the sector still lacks the capacity to provide a full range of modern services.



WORLD RANK: **166** | REGIONAL RANK: **38**

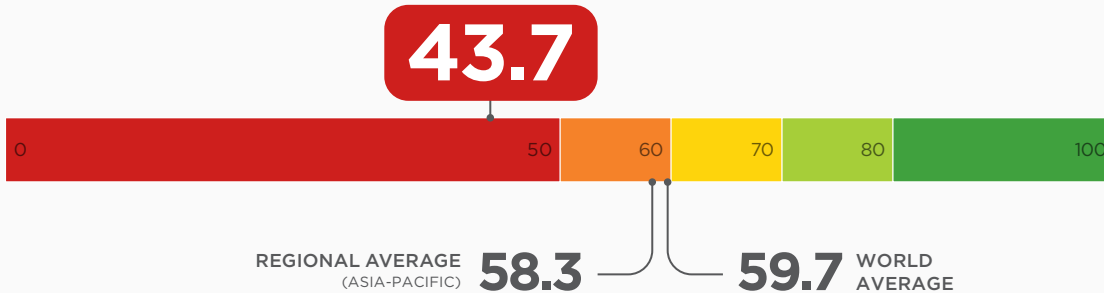
ECONOMIC FREEDOM STATUS: **REPRESSED**

# BURMA

Burma's economic freedom score is 43.7, making its economy the 166th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and Burma is ranked 38th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Burma's economy is considered "repressed" according to the 2025 *Index*.

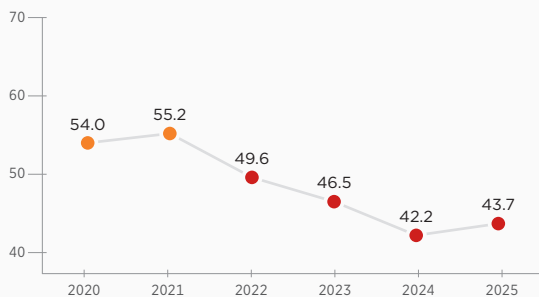
The foundations of economic freedom in Burma, which historically has scored far below the world average in the *Index*, are fragile. Productivity growth and dynamic economic expansion are impeded by extensive state controls and structural problems that undermine private-sector development. The military's brutal crackdown on Burma's people has gutted business freedom. Mass detentions, extrajudicial killings, and violence that deliberately target civilians are a potentially lethal threat to labor freedom. The most recent available inflation rate is 27.1 percent. Burma also faces food and fuel shortages.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -1.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
54.2 million

**GDP (PPP):**  
\$274.3 billion  
2.5% growth in 2023  
3-year average growth rate: -4.0%  
\$5,061 per capita

**UNEMPLOYMENT:**  
2.8%

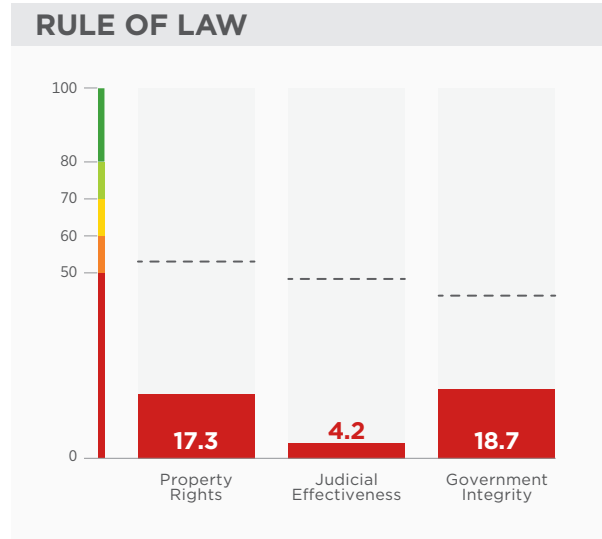
**INFLATION (CPI):**  
27.1%

**FDI INFLOW:**  
\$1.2 billion

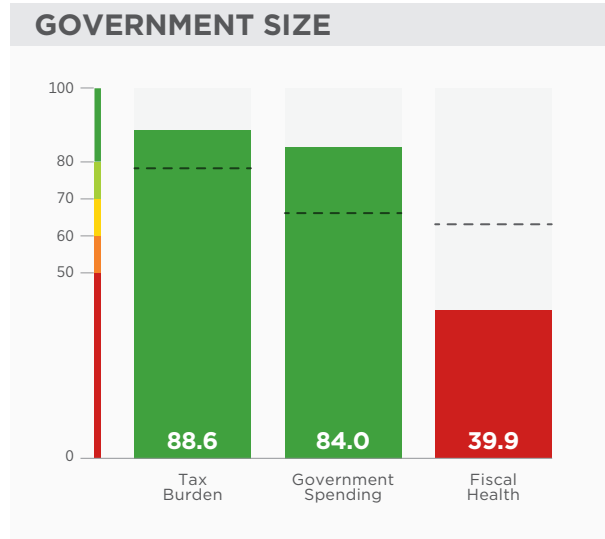
**PUBLIC DEBT:**  
59.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

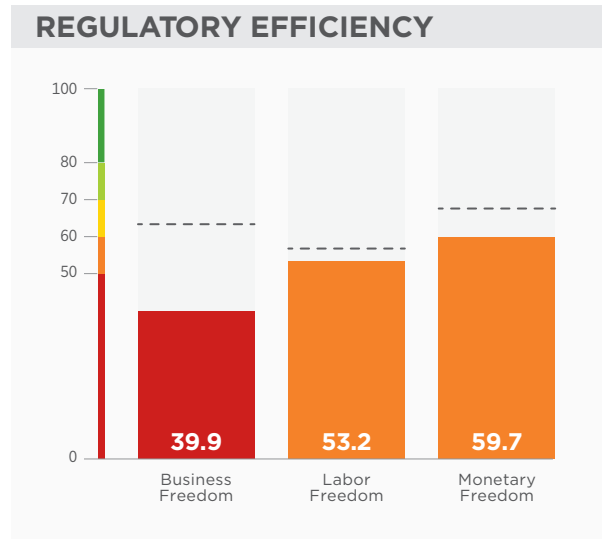
# 12 ECONOMIC FREEDOMS | BURMA



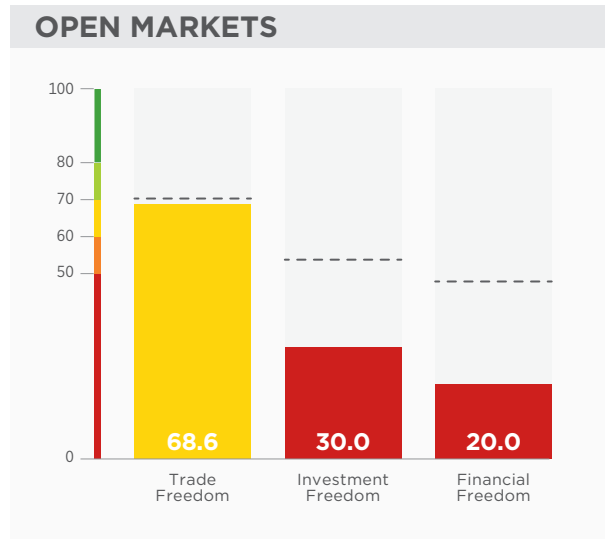
The overall rule of law is weak in Burma. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 22 percent. The tax burden equals 5.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.1 percent and -5.8 percent of GDP. Public debt amounts to 59.7 percent of GDP.



Burma'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 5.7 percent, and other barriers to trade persist. State-owned enterprises undermine investment in the private sector. Approximately 30 percent of adult Burmese have access to an account with a formal banking institution.



WORLD RANK: **170** | REGIONAL RANK: **44**

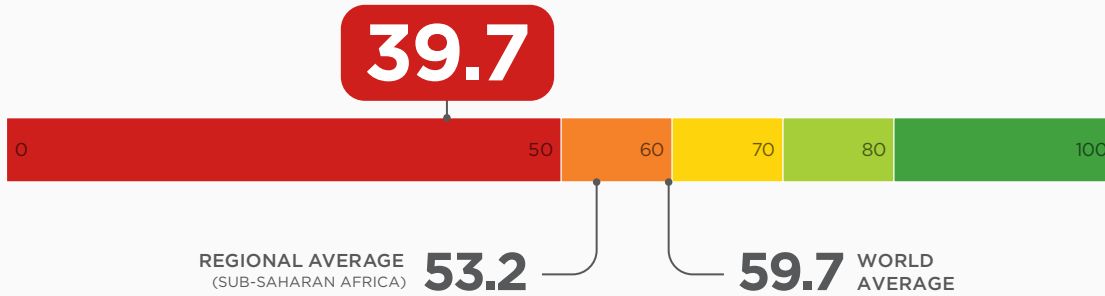
ECONOMIC FREEDOM STATUS: **REPRESSED**

# BURUNDI

**B**urundi’s economic freedom score is 39.7, making its economy the 170th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Burundi is ranked 44th out of 47 countries in the Sub-Saharan Africa region. The country’s economic freedom score is lower than the world and regional averages. Burundi’s economy is considered “repressed” according to the 2025 *Index*.

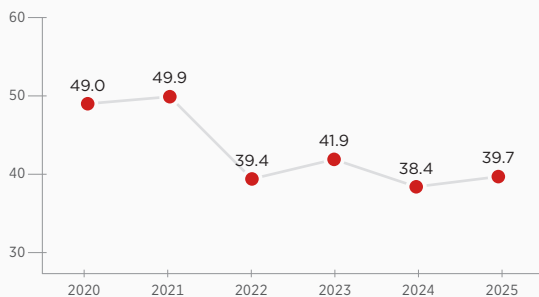
Burundi performs below world averages in many of the 10 economic freedoms. Very low scores for property rights and for corruption that undermines the rule of law reflect the fragile foundations of economic freedom in Burundi. The entrepreneurial framework is subject to state interference, and improving the business environment while battling institutional challenges will be an uphill fight. Skilled labor is scarce, and formal employment is not widespread. The most recent available inflation rate is 27.0 percent. Subsistence agriculture dominates the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): -5.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
13.0 million

**GDP (PPP):**  
\$12.6 billion  
2.7% growth in 2023  
3-year average growth rate: 2.5%  
\$970 per capita

**UNEMPLOYMENT:**  
0.9%

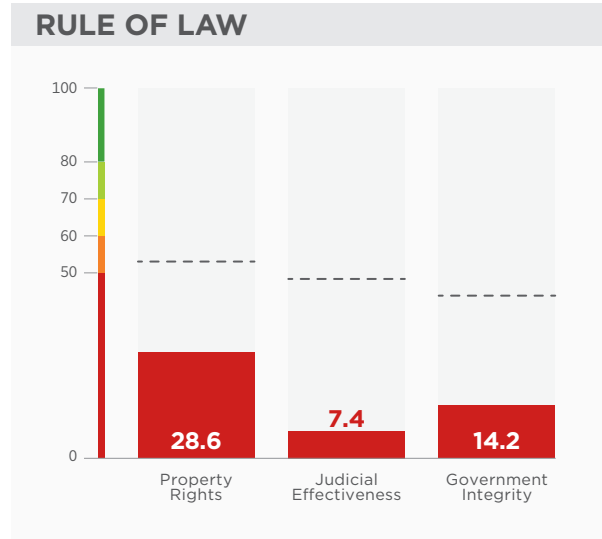
**INFLATION (CPI):**  
27.0%

**FDI INFLOW:**  
\$13.0 million

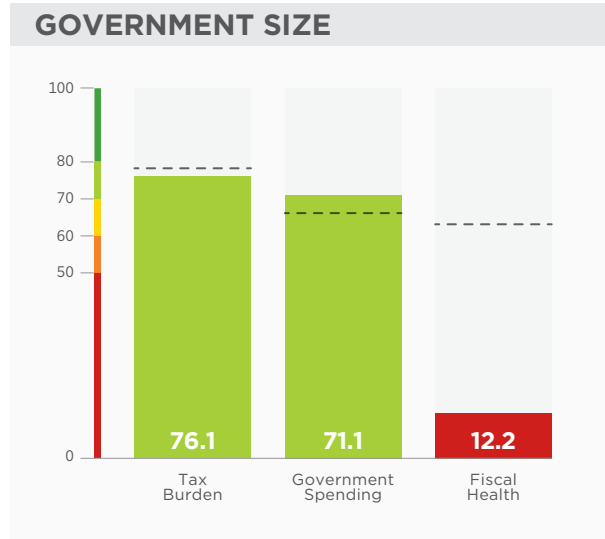
**PUBLIC DEBT:**  
62.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

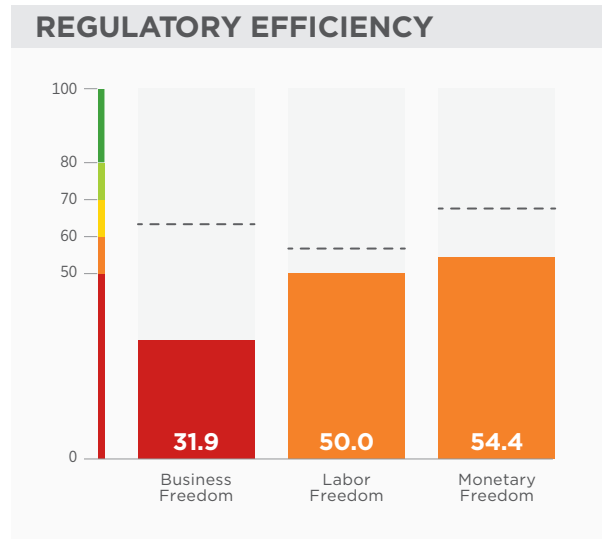
# 12 ECONOMIC FREEDOMS | BURUNDI



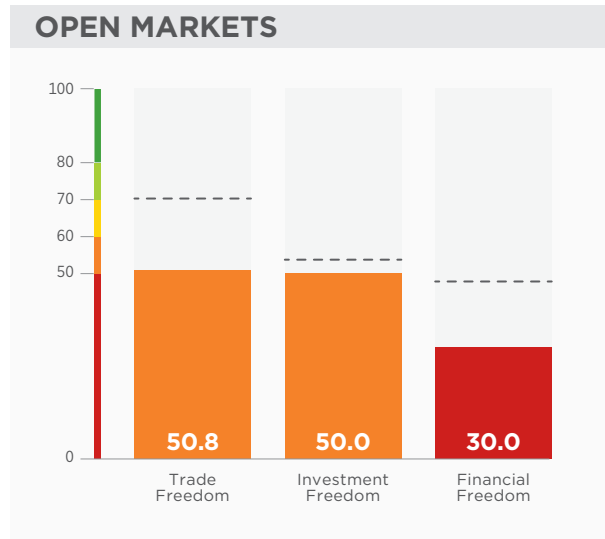
The overall rule of law is weak in Burundi. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 16.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.0 percent and -8.1 percent of GDP. Public debt amounts to 62.4 percent of GDP.



Burundi'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 well below the world average.



The trade-weighted average tariff rate is 14.6 percent, and nontariff measures are in effect. Bureaucratic barriers interfere with foreign and domestic investment. The financial system remains underdeveloped. Banks have increased their domestic assets, but access to credit remains limited.



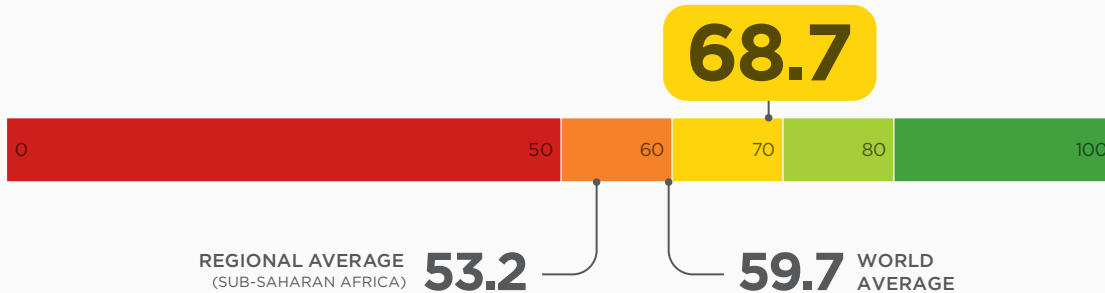
# CABO VERDE

WORLD RANK:	REGIONAL RANK:
<b>40</b>	<b>3</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Cabo Verde's economic freedom score is 68.7, making its economy the 40th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 5.8 points from last year, and Cabo Verde is ranked 3rd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. Cabo Verde's economy is considered "moderately free" according to the 2025 *Index*.

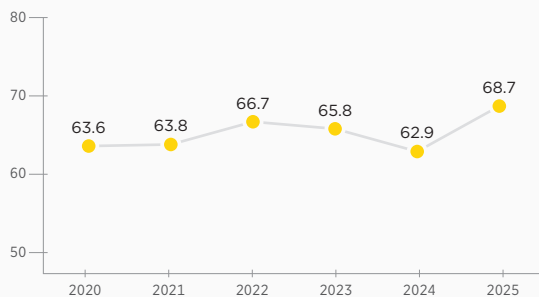
The small island economy has performed relatively well in many of the four pillars of economic freedom, the foundations of which are solid. Protection of property rights is stronger than it is elsewhere in the region. However, expansionary public spending has caused widening deficits. Services account for more than 70 percent of GDP. Foreign aid finances the high trade deficit. The business environment has become more efficient, and licensing requirements are less burdensome. Inflation has been decreasing in recent years.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +19.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.5 million

**GDP (PPP):**  
\$5.4 billion  
5.1% growth in 2023  
3-year average growth rate: 9.8%  
\$10,682 per capita

**UNEMPLOYMENT:**  
12.0%

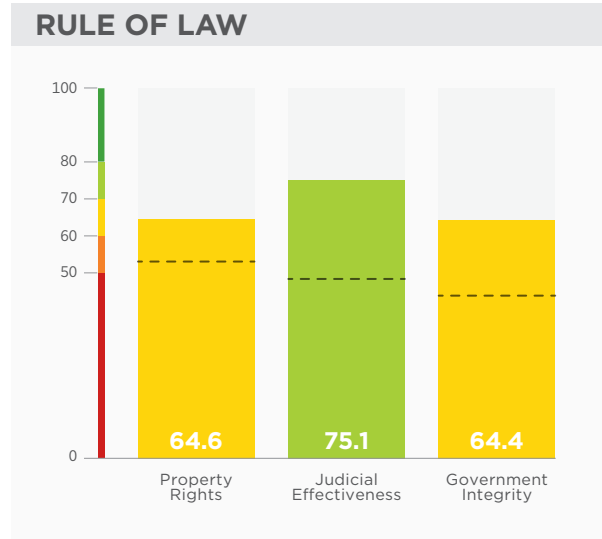
**INFLATION (CPI):**  
3.7%

**FDI INFLOW:**  
\$136.0 million

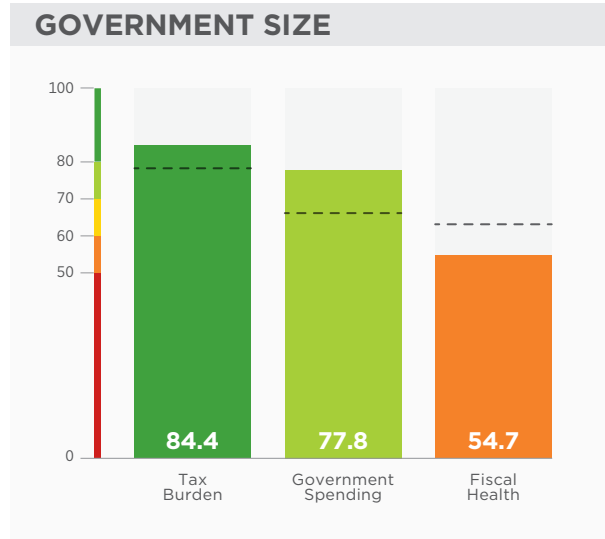
**PUBLIC DEBT:**  
114.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

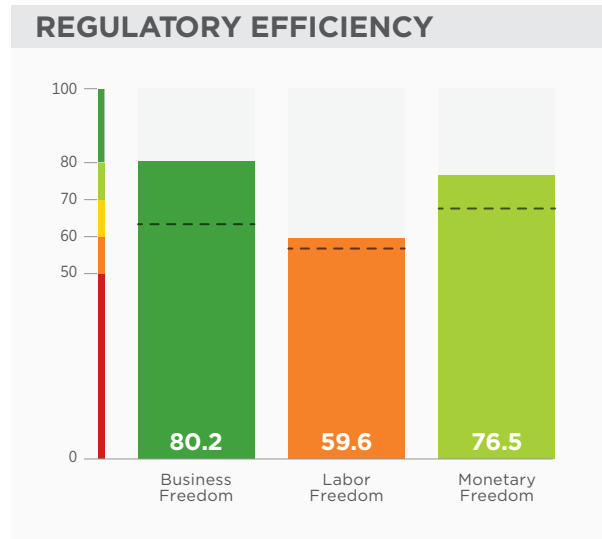
# 12 ECONOMIC FREEDOMS | CABO VERDE



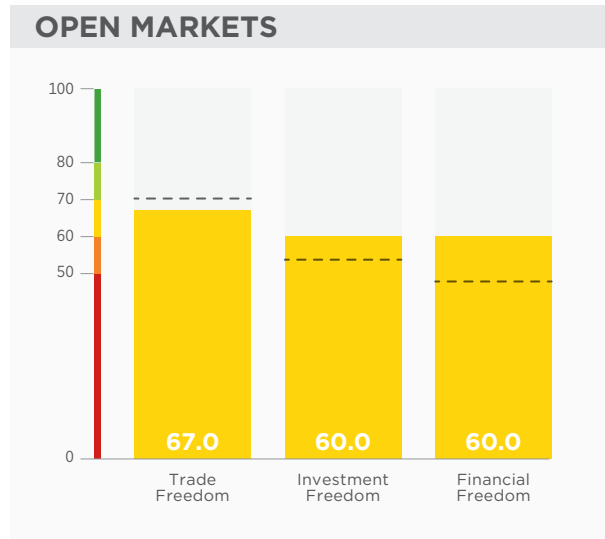
The overall rule of law is relatively well respected in Cabo Verde. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 21.42 percent. The tax burden equals 18.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.2 percent and -4.0 percent of GDP. Public debt amounts to 114.0 percent of GDP.



Cabo Verde's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is slightly below the world average.



The trade-weighted average tariff rate is 11.5 percent, and nontariff measures are in effect. Foreign and domestic investors are generally treated equally under the law. The number of nonperforming loans in the banking system has decreased. Credit is generally allocated on market terms.



# CAMBODIA

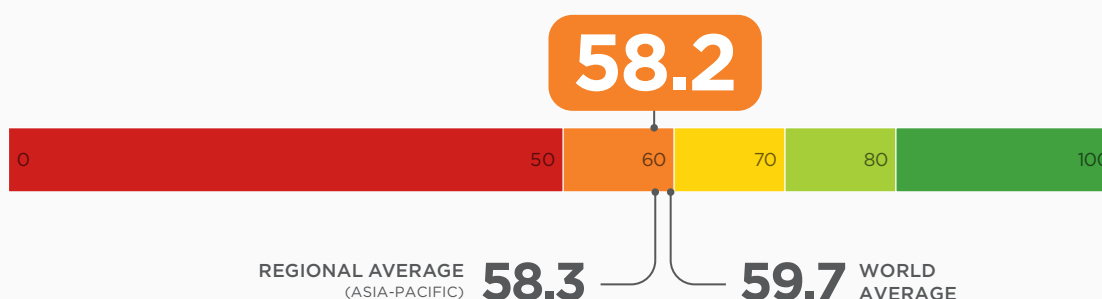
WORLD RANK: **98** | REGIONAL RANK: **20**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Cambodia's economic freedom score is 58.2, making its economy the 98th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.6 points from last year, and Cambodia is ranked 20th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Cambodia's economy is considered "mostly unfree" according to the 2025 *Index*.

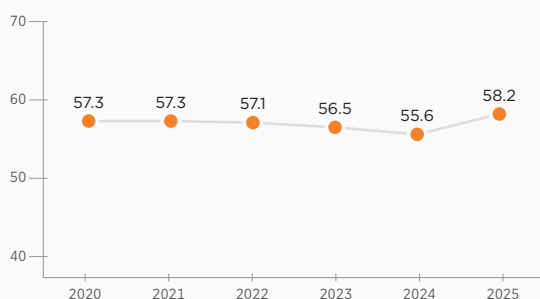
Institutional weaknesses restrict economic freedom and prevent more dynamic growth. The rule of law remains fragile because of corruption and political interference in the inefficient judicial system. Government tariffs and other restrictions reduce the benefits of international trade. Measures to modernize commercial codes and facilitate private-sector development have been adopted in recent years. The non-salary cost of employing a worker is low, but the labor codes are not always enforced effectively. The economy is heavily dependent on tourism revenues and garment exports.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +5.4

## RECENT FREEDOM TREND



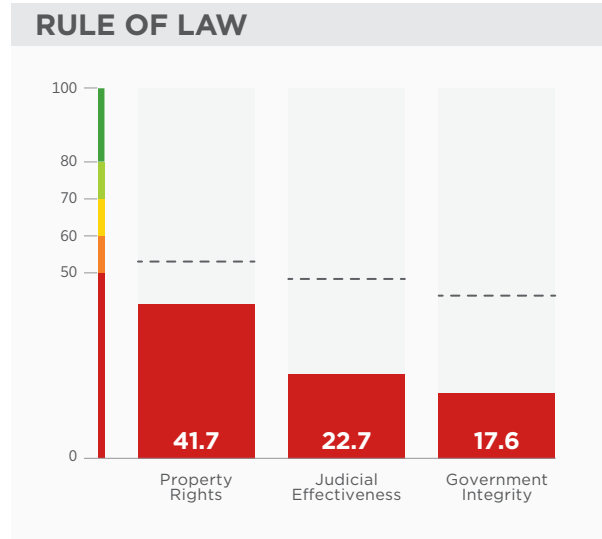
## QUICK FACTS

<b>POPULATION:</b> 17.0 million	<b>UNEMPLOYMENT:</b> 0.2%
<b>GDP (PPP):</b> \$129.4 billion 5.0% growth in 2023 3-year average growth rate: 4.4% \$7,608 per capita	<b>INFLATION (CPI):</b> 2.1%
	<b>FDI INFLOW:</b> \$3.6 billion
	<b>PUBLIC DEBT:</b> 25.7% of GDP

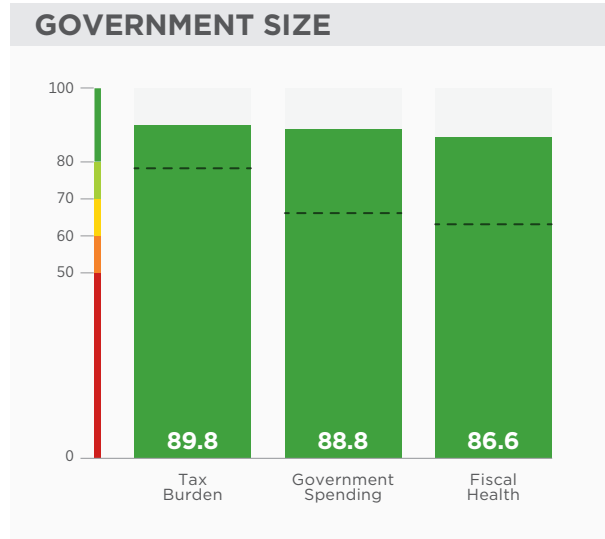
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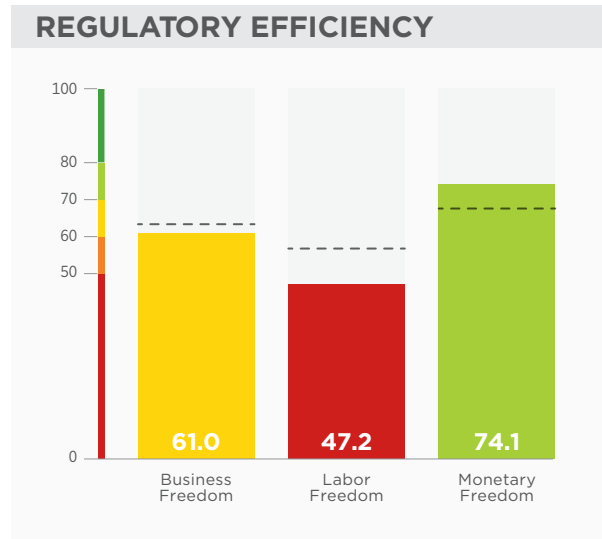
# 12 ECONOMIC FREEDOMS | CAMBODIA



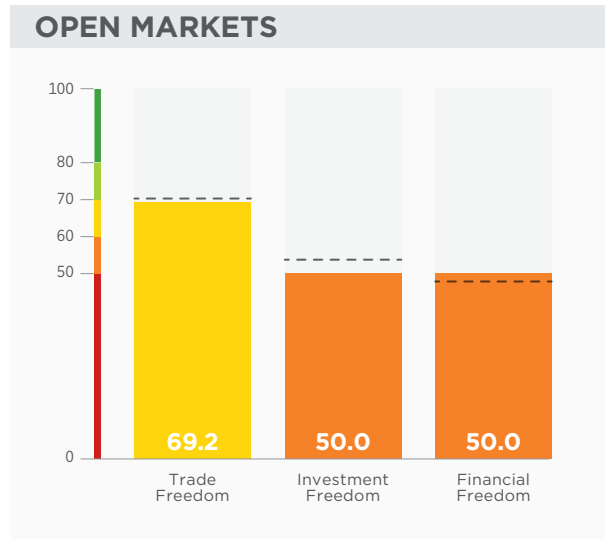
The overall rule of law is weak in Cambodia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 14.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.3 percent and -2.7 percent of GDP. Public debt amounts to 25.7 percent of GDP.



Cambodia's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 7.9 percent. One formal nontariff measure is in force, but other impediments to trade flows persist. The lack of transparency in approval processes undermines inflows of new foreign investment. Banking has become more market-oriented.

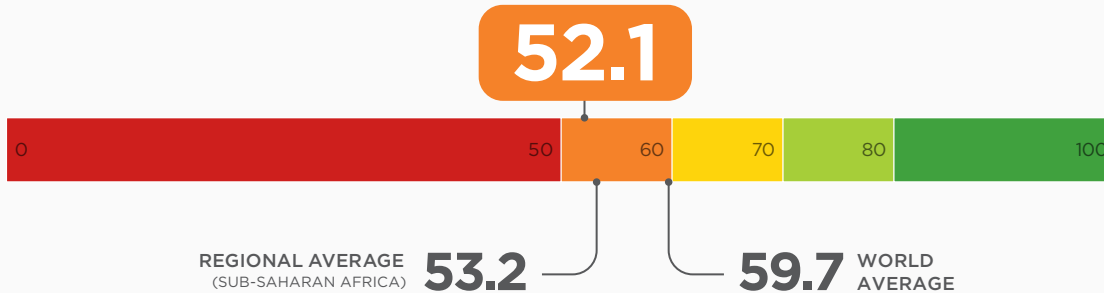
# CAMEROON

WORLD RANK: **134** | REGIONAL RANK: **28**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Cameroon's economic freedom score is 52.1, making its economy the 134th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 1.5 points from last year, and Cameroon is ranked 28th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Cameroon's economy is considered "mostly unfree" according to the 2025 *Index*.

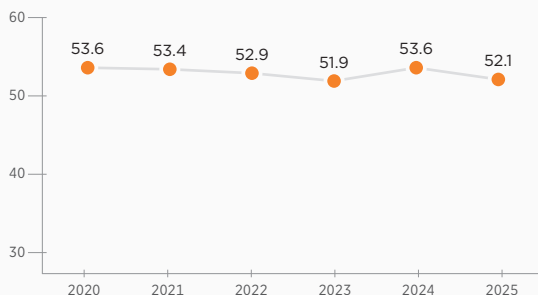
The lack of a dynamic private sector holds back Cameroon's economic development. An unreliable legal system provides little protection for property rights and engenders widespread corruption. Structural reform has progressed only marginally, and the entrepreneurial environment, which is characterized by inefficiency and a lack of transparency, is not conducive to the creation of economic opportunity. The labor market remains underdeveloped. Informality in labor arrangements is widespread. The economy depends on oil, which accounts for about 40 percent of export earnings.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
28.6 million

**GDP (PPP):**  
\$153.4 billion  
3.2% growth in 2023  
3-year average growth rate: 3.3%  
\$5,361 per capita

**UNEMPLOYMENT:**  
3.7%

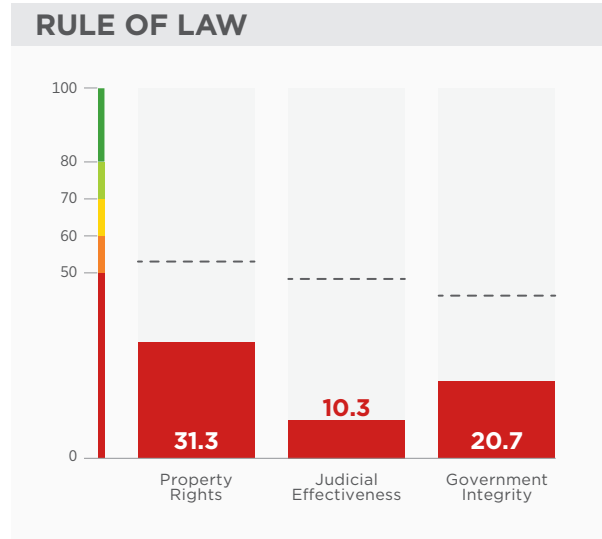
**INFLATION (CPI):**  
7.4%

**FDI INFLOW:**  
\$889.0 million

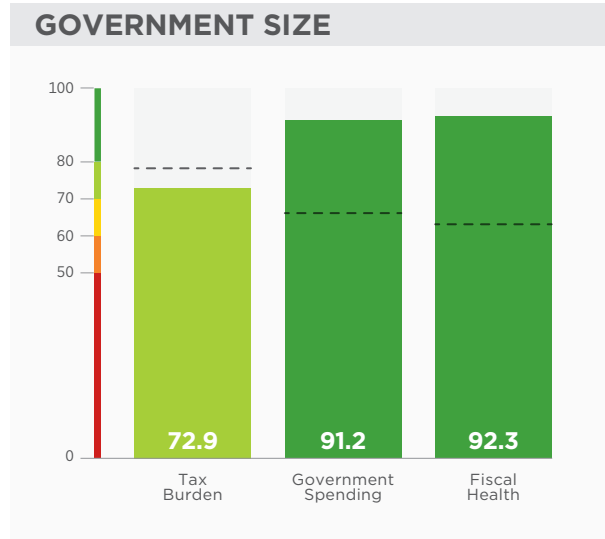
**PUBLIC DEBT:**  
43.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

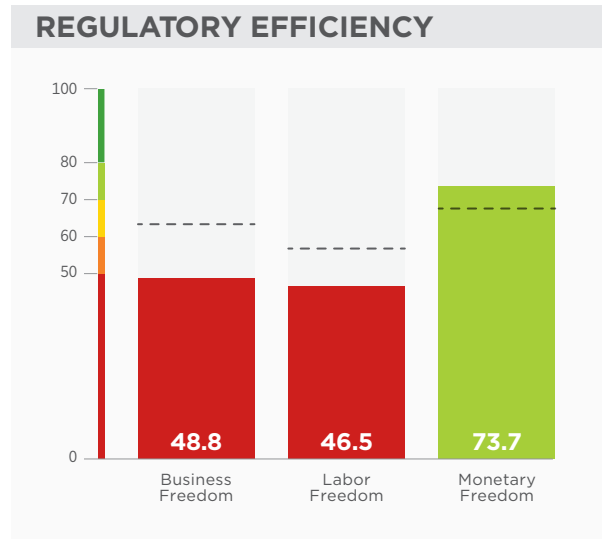
# 12 ECONOMIC FREEDOMS | CAMEROON



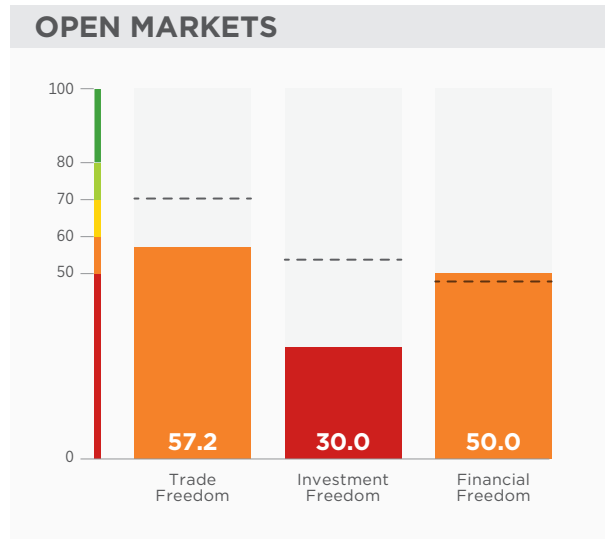
The overall rule of law is weak in Cameroon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 38.5 percent, and the top corporate tax rate is 33 percent. The tax burden equals 11.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.1 percent and -1.6 percent of GDP. Public debt amounts to 43.2 percent of GDP.



Cameroon'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 above the world average.



The trade-weighted average tariff rate is 13.9 percent, and layers of nontariff measures hold back more dynamic trade flows. The investment code includes several general minimum and local content requirements. The cost of financing remains high, and access to credit remains limited in rural areas.



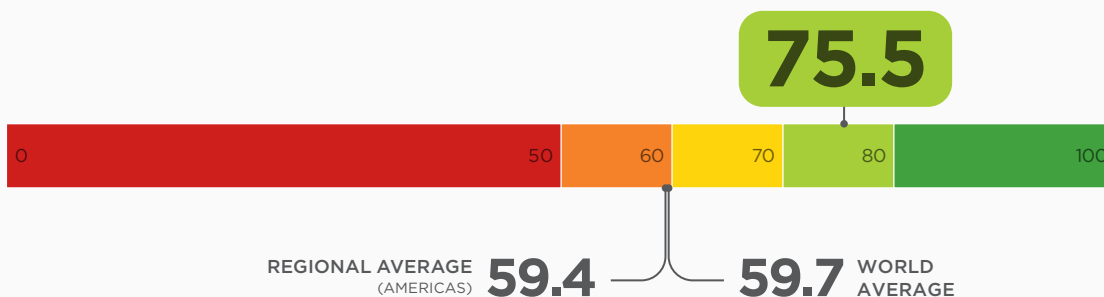
WORLD RANK:	REGIONAL RANK:
<b>14</b>	<b>1</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# CANADA

Canada's economic freedom score is 75.5, making its economy the 14th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.3 points from last year, and Canada is ranked 1st out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Canada's economy is considered "mostly free" according to the 2025 *Index*.

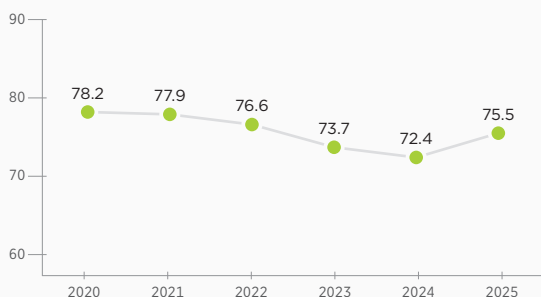
The foundations of economic freedom in Canada remain relatively strong. An effective court system sustains the rule of law, ensuring the protection of property rights and application of the commercial code. Fiscal policy has been expansionary, but the overall level of budget deficits and public debt is relatively modest. The government's policy focus has tilted toward income redistribution through adjustments in taxation and other measures. Despite the resilience of the Canadian economy, lagging labor productivity has been and remains a long-standing challenge.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +6.1

## RECENT FREEDOM TREND

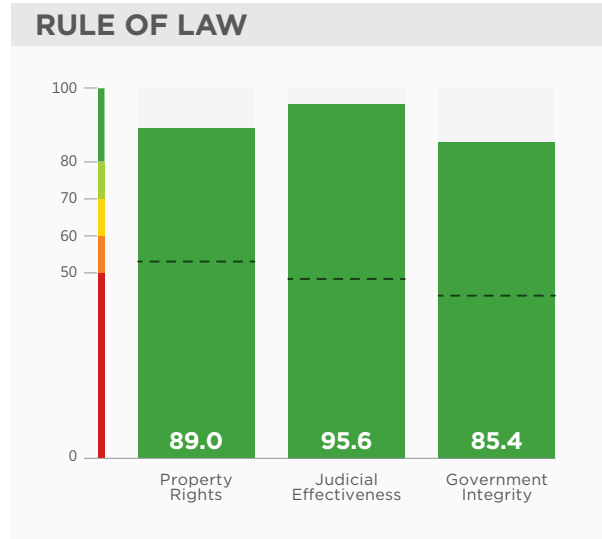


## QUICK FACTS

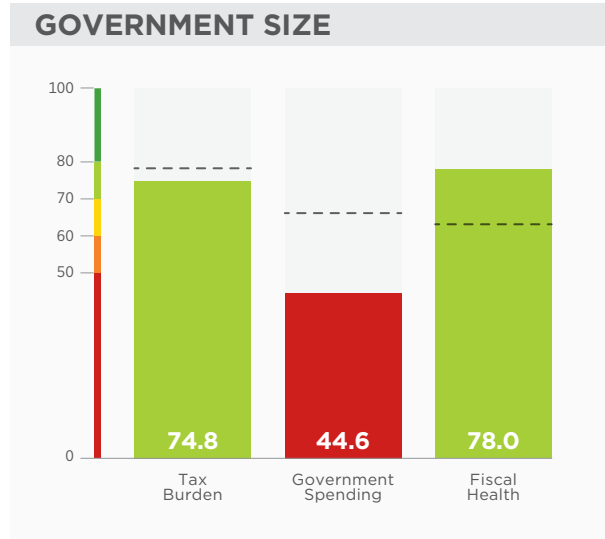
<b>POPULATION:</b> 40.0 million	<b>UNEMPLOYMENT:</b> 5.4%
<b>GDP (PPP):</b> \$2.5 trillion 1.2% growth in 2023 3-year average growth rate: 3.5% \$62,266 per capita	<b>INFLATION (CPI):</b> 3.9%
	<b>FDI INFLOW:</b> \$52.6 billion
	<b>PUBLIC DEBT:</b> 107.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

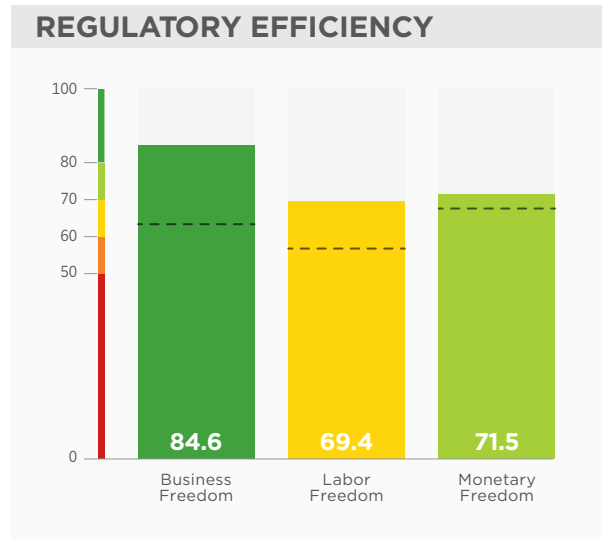
# 12 ECONOMIC FREEDOMS | CANADA



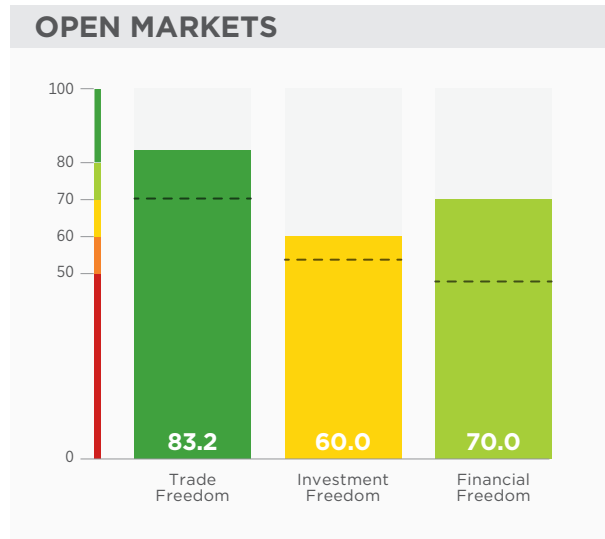
The overall rule of law is well respected in Canada. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 33 percent, and the top corporate tax rate is 15 percent. The tax burden equals 34.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.0 percent and -1.1 percent of GDP. Public debt amounts to 107.5 percent of GDP.



Canada's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 3.4 percent, and more than 400 nontariff measures are in effect. Foreign investment in some sectors is capped by the government. The banking sector, dominated by six major banks, remains sound and offers a wide range of financial services.

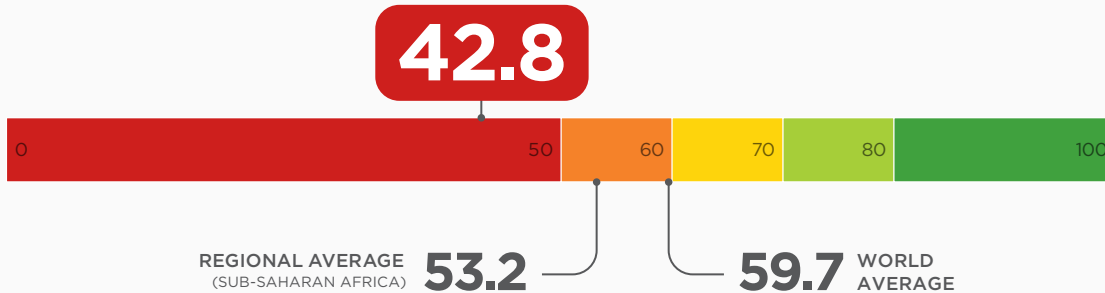
# CENTRAL AFRICAN REPUBLIC

WORLD RANK: **168** | REGIONAL RANK: **43**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

The Central African Republic's economic freedom score is 42.8, making its economy the 168th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and the CAR is ranked 43rd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. The CAR's economy is considered "repressed" according to the 2025 *Index*.

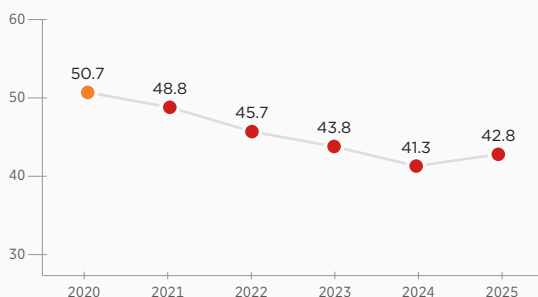
The Central African Republic performs poorly in many of the four pillars of economic freedom. The foundations of economic freedom, for example, remain fragile because of pervasive corruption and a deficient judicial system, both of which undermine effective government. The process for establishing a business has become less time-consuming, but other regulatory requirements remain opaque and increase the cost of conducting business. The underdeveloped labor market impedes employment growth. The CAR has abundant timber, gold, diamonds, and uranium.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): -17.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.2 million

**GDP (PPP):**  
\$6.7 billion  
0.7% growth in 2023  
3-year average growth rate: 0.7%  
\$1,291 per capita

**UNEMPLOYMENT:**  
6.3%

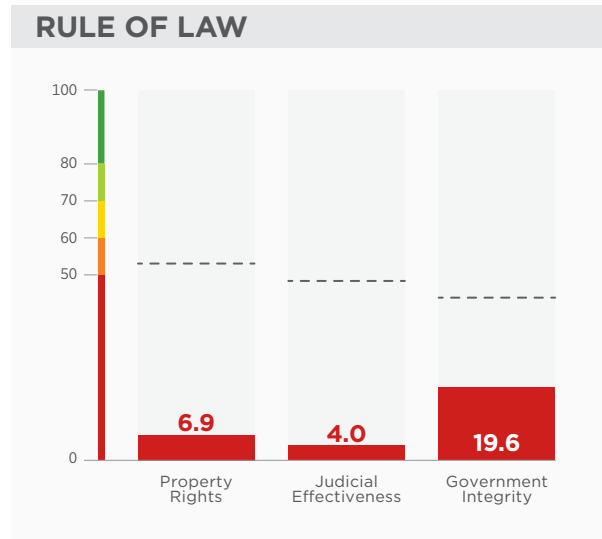
**INFLATION (CPI):**  
3.0%

**FDI INFLOW:**  
\$24.0 million

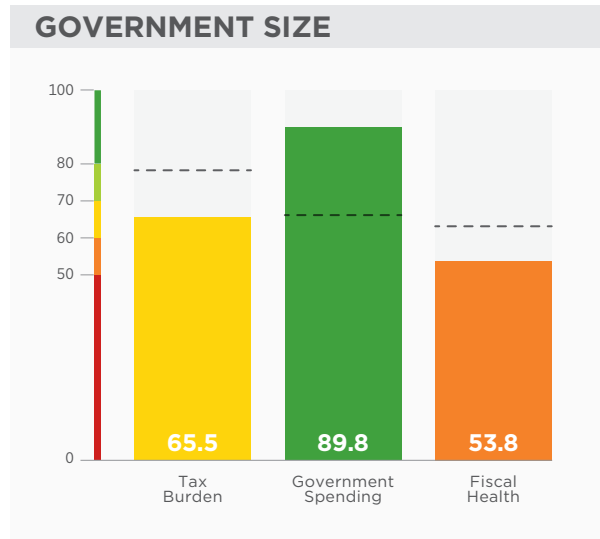
**PUBLIC DEBT:**  
57.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

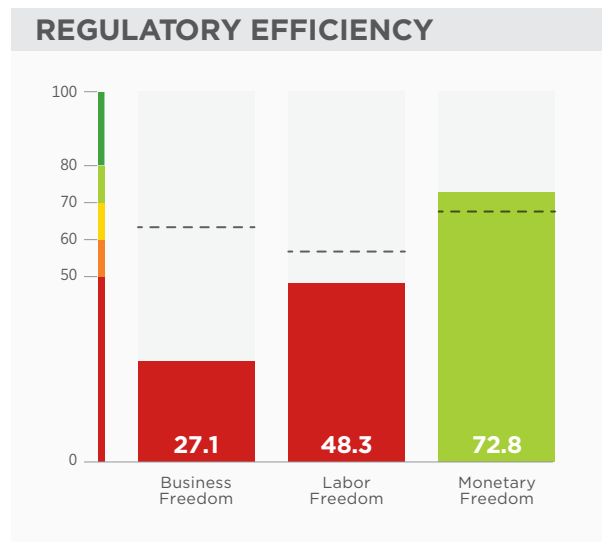
# 12 ECONOMIC FREEDOMS | CENTRAL AFRICAN REPUBLIC



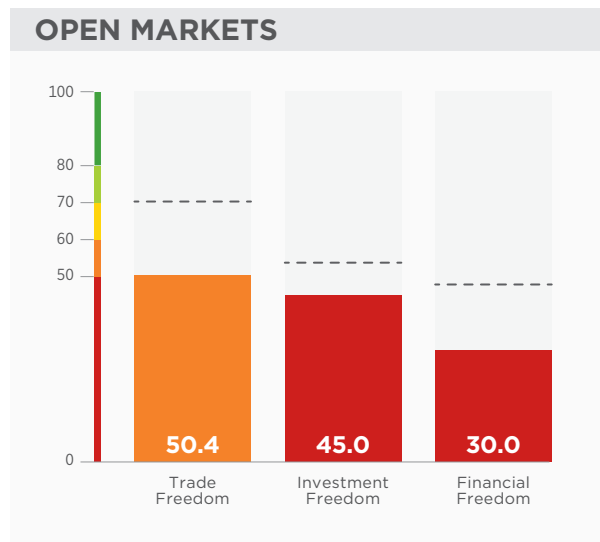
The overall rule of law is weak in the Central African Republic. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 50 percent, and the top corporate tax rate is 30 percent. The tax burden equals 7.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.4 percent and -5.0 percent of GDP. Public debt amounts to 57.6 percent of GDP.



The Central African Republic'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 above the world average.



The trade-weighted average tariff rate is 14.8 percent. Persistent nontariff barriers and impediments to investment are made worse by political instability. The financial system is underdeveloped. Fewer than 20 percent of adult Central Africans have access to an account with a formal banking institution.

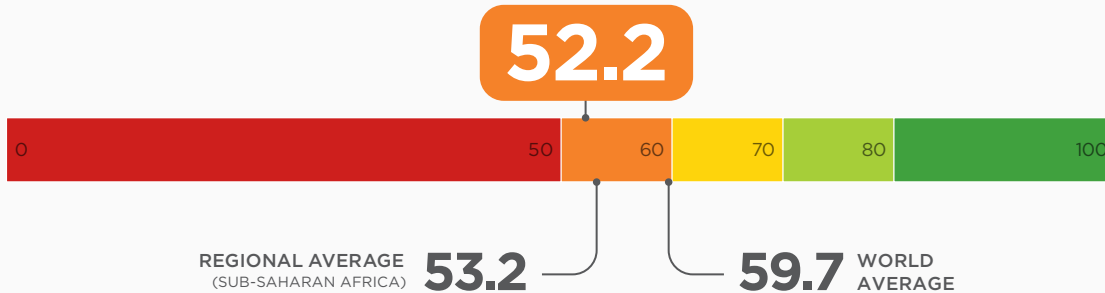
# CHAD

WORLD RANK: **133** REGIONAL RANK: **27**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Chad's economic freedom score is 52.2, making its economy the 133rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Chad is ranked 27th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Chad's economy is considered "mostly unfree" according to the 2025 *Index*.

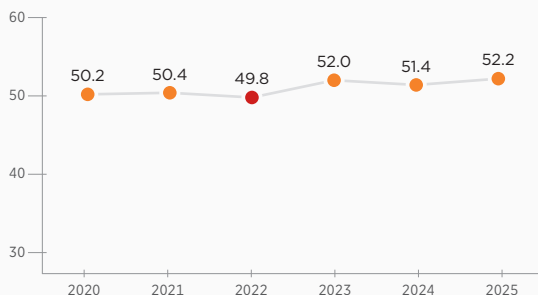
Chad performs poorly in many of the four pillars of economic freedom. The rule of law is too fragile to sustain meaningful economic progress, protection of property rights remains weak, and corruption is pervasive. The inefficient regulatory system discourages much-needed private-sector development. Business freedom is severely restricted by poor infrastructure, lack of transportation, unreliable electricity, and poor enforcement of contracts. The oil sector accounts for approximately 60 percent of export revenues. Cotton, cattle, and livestock account for the largest portion of non-oil exports.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +7.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.9 million

**GDP (PPP):**  
\$49.4 billion  
4.9% growth in 2023  
3-year average growth rate: 2.5%  
\$2,758 per capita

**UNEMPLOYMENT:**  
1.1%

**INFLATION (CPI):**  
4.1%

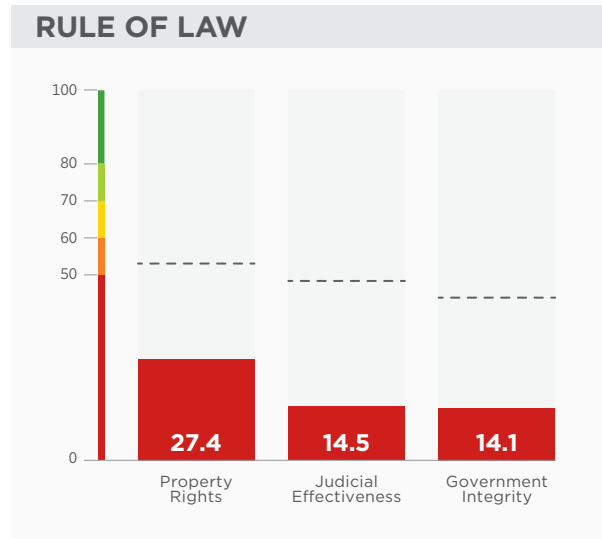
**FDI INFLOW:**  
\$614.0 million

**PUBLIC DEBT:**  
32.7% of GDP

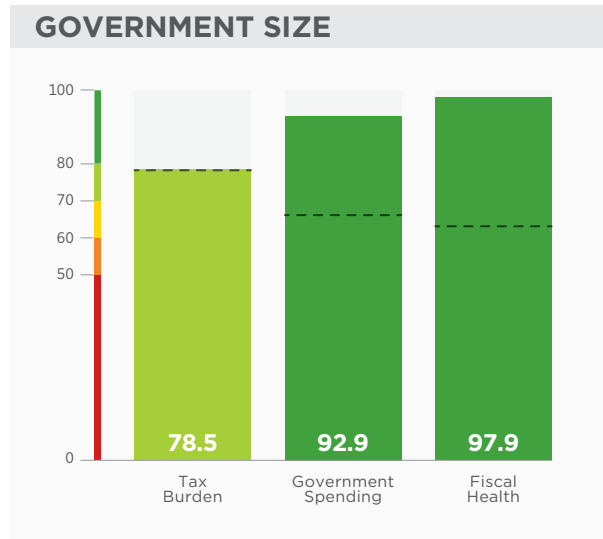
2023 data unless otherwise noted. Data compiled as of November 2024.



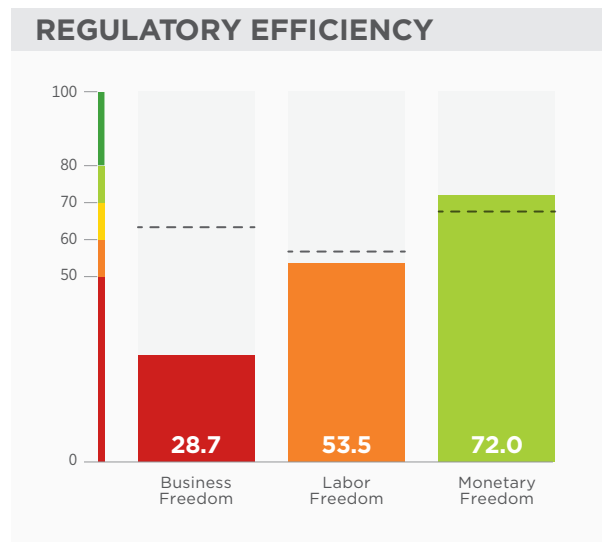
# 12 ECONOMIC FREEDOMS | CHAD



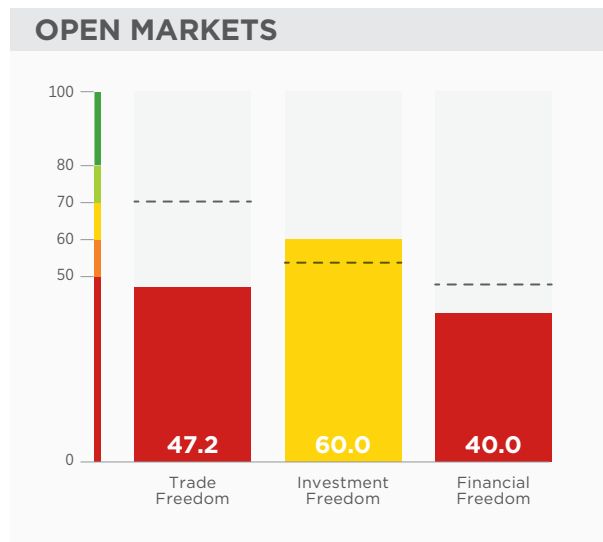
The overall rule of law is weak in Chad. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 35 percent. The tax burden equals 5.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.3 percent and 0.5 percent of GDP. Public debt amounts to 32.7 percent of GDP.



Chad'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 above the world average.



The trade-weighted average tariff rate is 16.4 percent, and nontariff barriers further impede trade. Openness to foreign investment remains severely constrained by institutional weakness. The high cost of credit and scarce access to financing deter private-sector development.



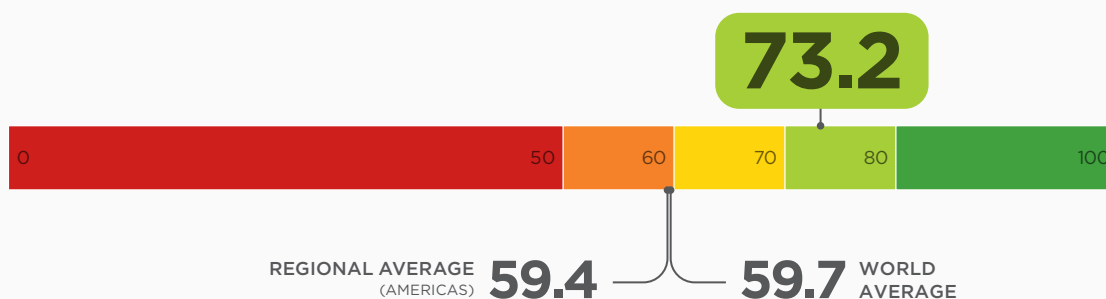
# CHILE

WORLD RANK:	REGIONAL RANK:
<b>18</b>	<b>2</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

Chile's economic freedom score is 73.2, making its economy the 18th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and Chile is ranked 2nd out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Chile's economy is considered "mostly free" according to the 2025 *Index*.

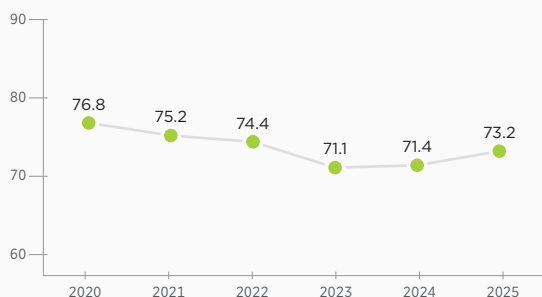
All of the pillars of economic freedom remain relatively well maintained in Chile despite the challenging global economic environment. With a transparent business climate, the country has sustained a dynamic environment for entrepreneurs. Barriers to trade are quite low, and commercial operations are aided by efficient regulations that generally support open-market policies. The labor market continues to be relatively flexible and vibrant, although the economy has undergone significant increases in its minimum wage. Chile's overall financial sector remains sound and resilient.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +2.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
20.0 million

**GDP (PPP):**  
\$642.8 billion  
0.2% growth in 2023  
3-year average growth rate: 4.5%  
\$32,204 per capita

**UNEMPLOYMENT:**  
9.0%

**INFLATION (CPI):**  
7.6%

**FDI INFLOW:**  
\$19.8 billion

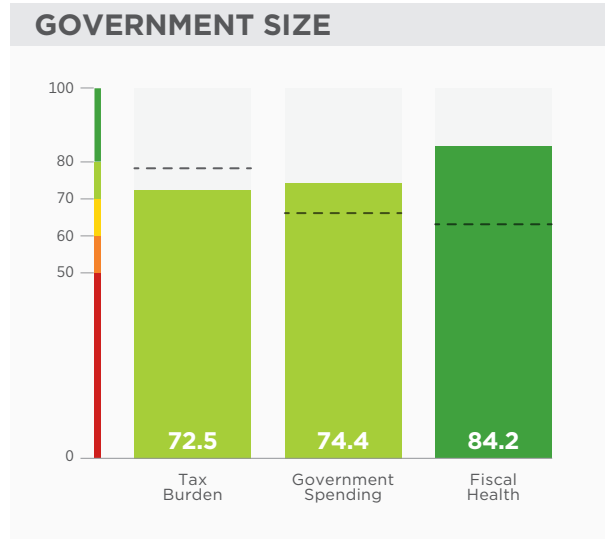
**PUBLIC DEBT:**  
39.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

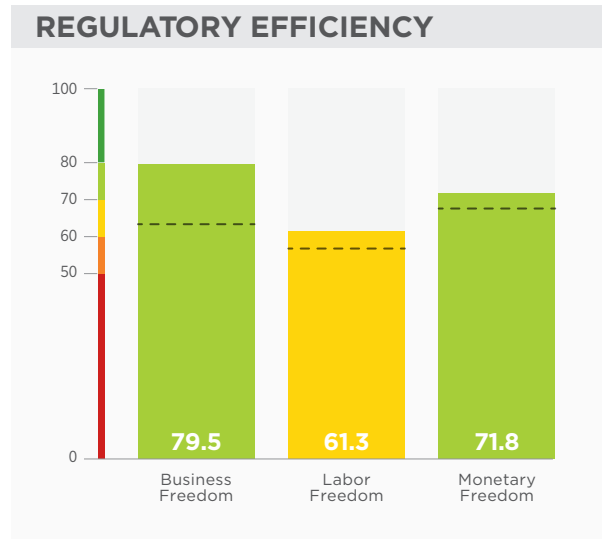
# 12 ECONOMIC FREEDOMS | CHILE



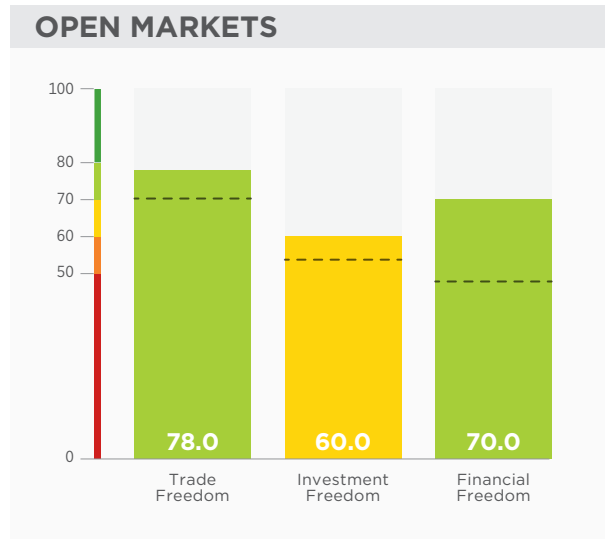
The overall rule of law is well respected in Chile. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 27 percent. The tax burden equals 20.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.2 percent and -2.8 percent of GDP. Public debt amounts to 39.4 percent of GDP.



Chile's overall regulatory environment is relatively well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.0 percent, and more than 100 nontariff measures are in effect. Market-oriented policies, facilitated by a sound and transparent investment framework, have attracted significant foreign investment. The open, resilient, and relatively competitive financial sector offers a wide range of services.



# CHINA

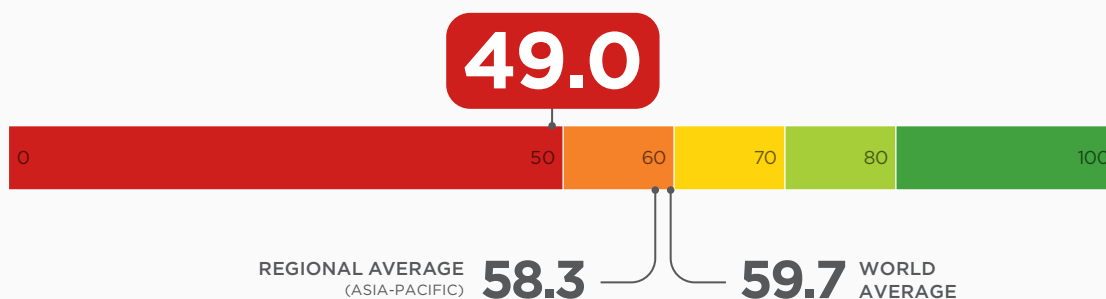
WORLD RANK: **151** | REGIONAL RANK: **34**

ECONOMIC FREEDOM STATUS: **REPRESSED**

China's economic freedom score is 49, making its economy the 151st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and China is ranked 34th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. China's economy remains "repressed" according to the 2025 *Index*.

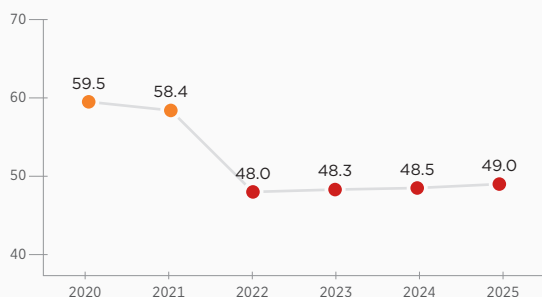
The Chinese Communist Party holds ultimate authority and directly controls economic activity. The regulatory framework remains complex and uneven. China's arbitrary and often-revised business-related rules and labor codes subject the private sector to the unpredictable whims of the Communist government. The state-controlled financial sector's extensive use of subsidies and credit controls continues to undercut efficiency and productivity. A post-COVID slowdown in economic growth may be more severe than officials acknowledge. Additional pressure on real estate and banking has contributed to the worsening of economic forecasts.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 billion

**GDP (PPP):**  
\$34.5 trillion  
5.3% growth in 2023  
3-year average growth rate: 5.5%  
\$24,503 per capita

**UNEMPLOYMENT:**  
4.7%

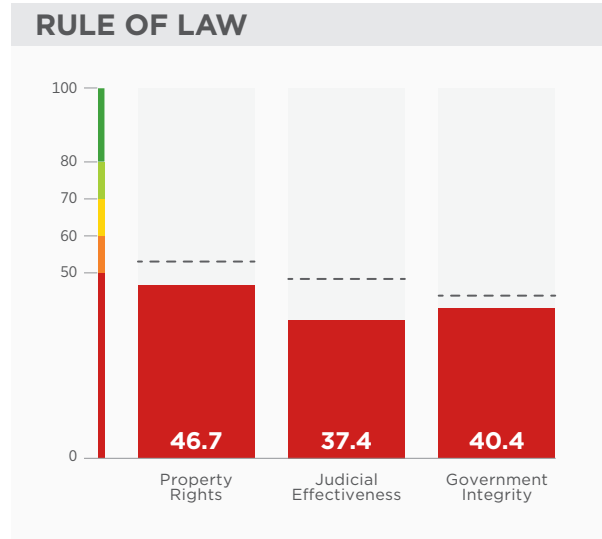
**INFLATION (CPI):**  
0.2%

**FDI INFLOW:**  
\$189.1 billion

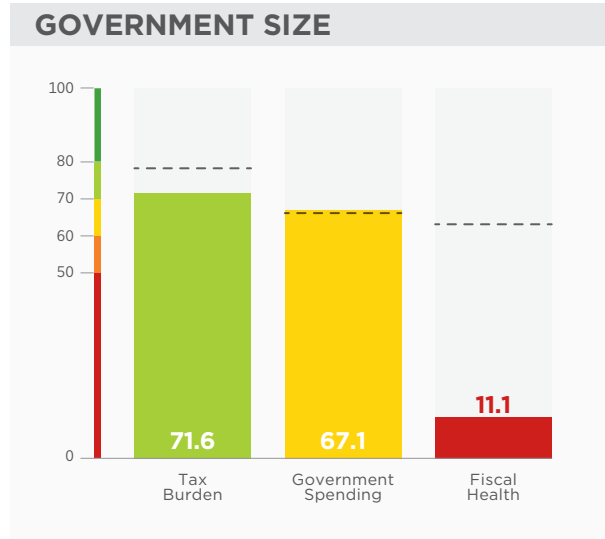
**PUBLIC DEBT:**  
84.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

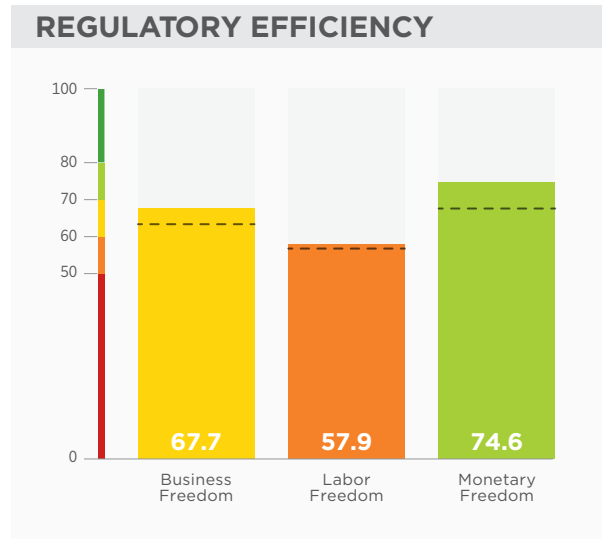
# 12 ECONOMIC FREEDOMS | CHINA



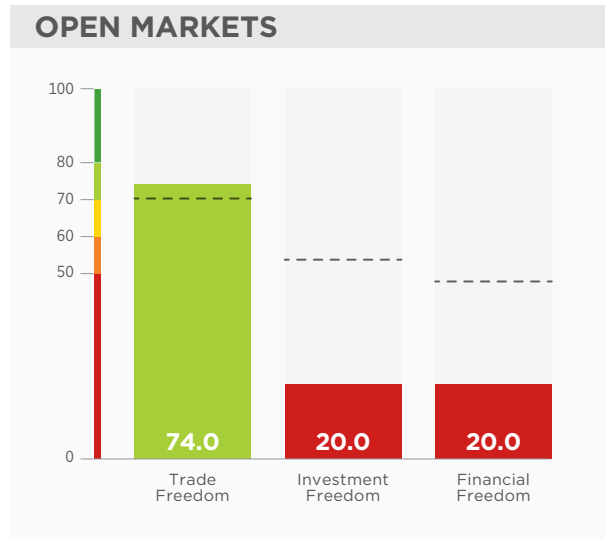
The overall rule of law is weak in China. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



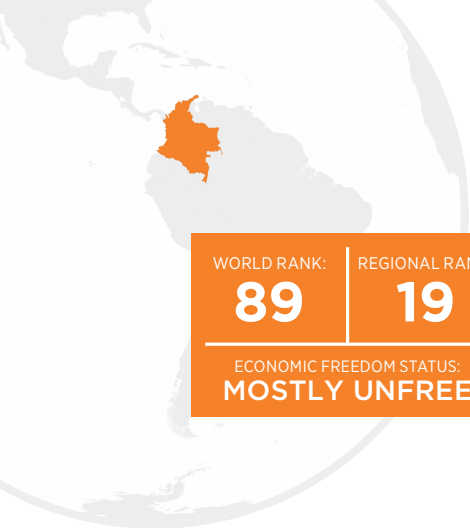
The top individual income tax rate is 45 percent, and the top corporate tax rate is 25 percent. The tax burden equals 13.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.1 percent and -6.8 percent of GDP. Public debt amounts to 84.4 percent of GDP.



Genuinely liberalizing economic reform has either slowed or, in some areas, been stopped and reversed. The overall regulatory framework remains arbitrary, uneven, and subject to state influence. The labor regime remains repressive. Inflation has been monitored intensely, and the government often relies on price controls.



The trade-weighted average tariff rate is 3.0 percent, and layers of nontariff measures are in effect. China's protectionist approval system for foreign investment remains restrictive and lacking in transparency. The government continues to maintain its tight grip on the financial system.



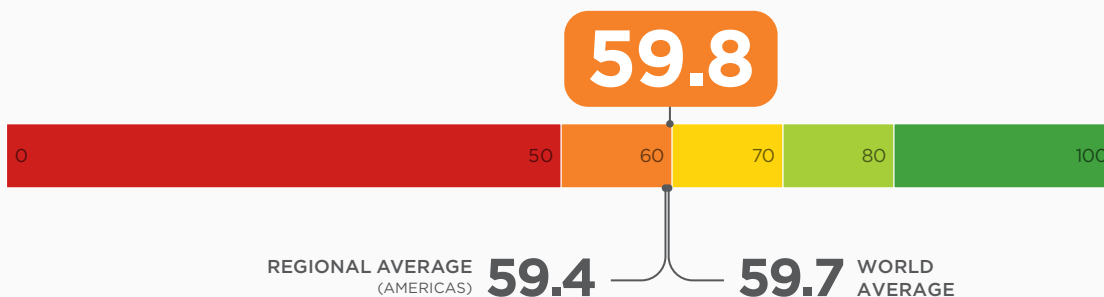
WORLD RANK:	REGIONAL RANK:
<b>89</b>	<b>19</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# COLOMBIA

Colombia's economic freedom score is 59.8, making its economy the 89th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Colombia is ranked 19th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Colombia's economy is considered "mostly unfree" according to the 2025 *Index*.

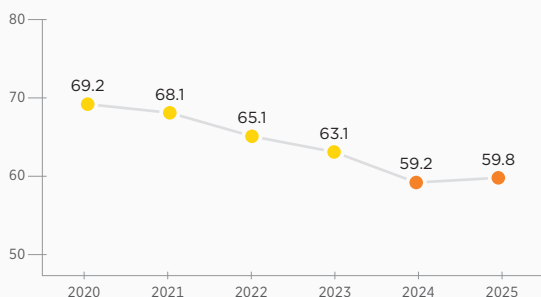
Colombia's economy has shown moderate resilience in the face of a challenging economic environment, but increasingly statist policies have created uncertainty and undermined the foundations of economic freedom. The judicial system remains vulnerable to political interference, and corruption further undermines the country's economic freedom. The overall regulatory framework has become more efficient, and business procedures have been streamlined. The non-salary cost of employing a worker remains somewhat burdensome, and informal labor market activity is widespread.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.7

## RECENT FREEDOM TREND

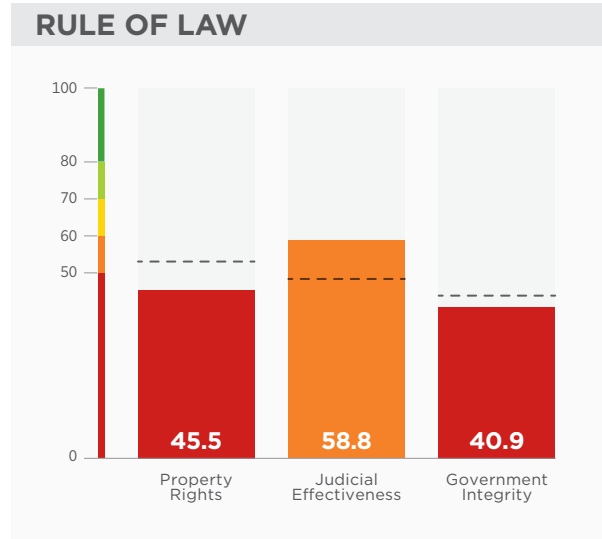


## QUICK FACTS

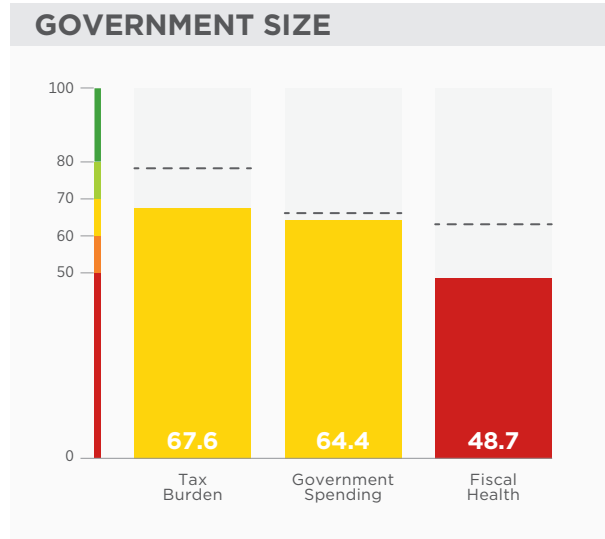
- |   |  |
|---|--|
| <p><b>POPULATION:</b><br/>52.2 million</p> <p><b>GDP (PPP):</b><br/>\$1.1 trillion<br/>0.6% growth in 2023<br/>3-year average growth rate: 6.2%<br/>\$20,788 per capita</p> | <p><b>UNEMPLOYMENT:</b><br/>9.6%</p> <p><b>INFLATION (CPI):</b><br/>11.7%</p> <p><b>FDI INFLOW:</b><br/>\$17.0 billion</p> <p><b>PUBLIC DEBT:</b><br/>54.3% of GDP</p> |
|---|--|

2023 data unless otherwise noted. Data compiled as of November 2024.

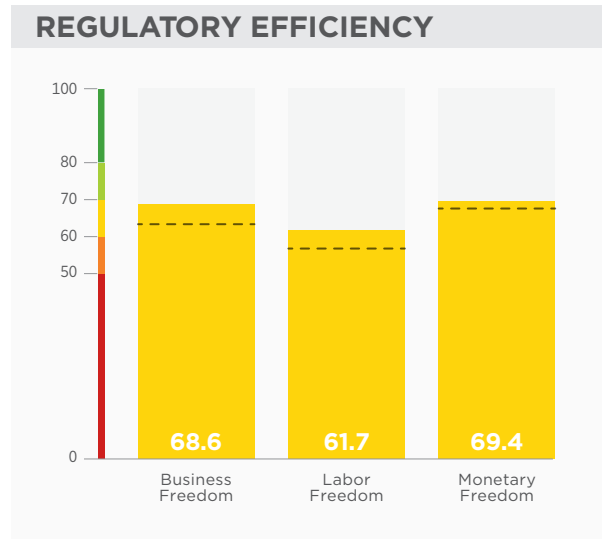
# 12 ECONOMIC FREEDOMS | COLOMBIA



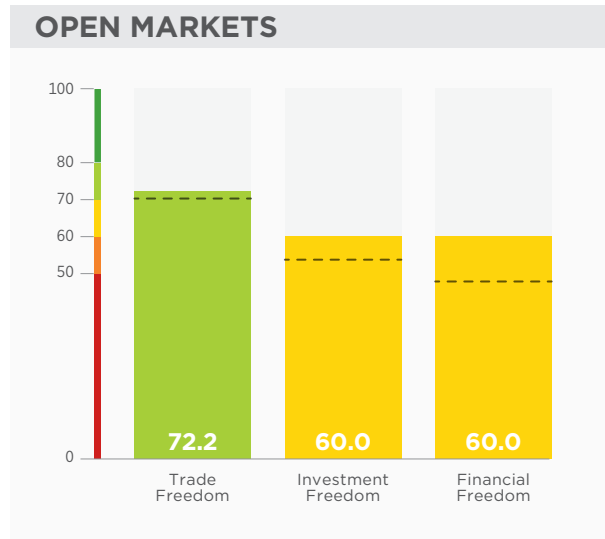
The overall rule of law is weak in Colombia. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



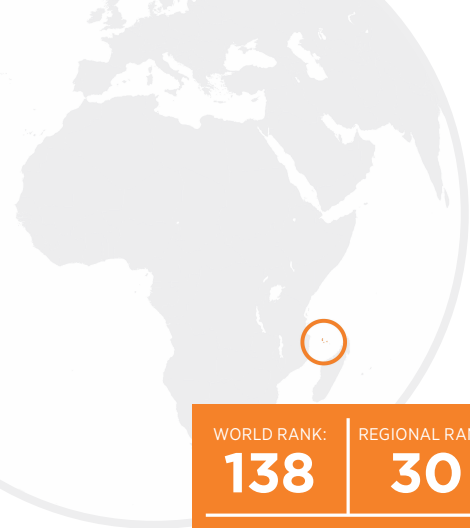
The top individual income tax rate is 39 percent, and the top corporate tax rate is 35 percent. The tax burden equals 22.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.4 percent and -5.3 percent of GDP. Public debt amounts to 54.3 percent of GDP.



Colombia'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.4 percent, and more than 150 nontariff measures are in effect. Foreign investment in some sectors is subject to investment registration and concession agreements with the government. Credit is generally allocated on market terms.



WORLD RANK: **138** | REGIONAL RANK: **30**

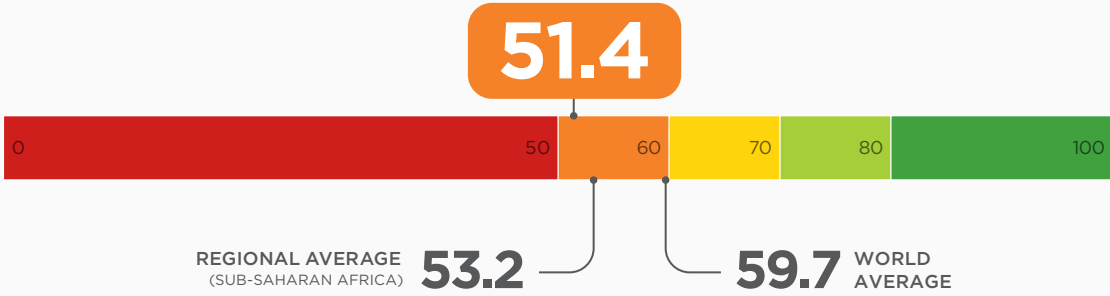
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# COMOROS

Comoros's economic freedom score is 51.4, making its economy the 138th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.6 point from last year, and Comoros is ranked 30th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Comoros's economy is considered "mostly unfree" according to the 2025 *Index*.

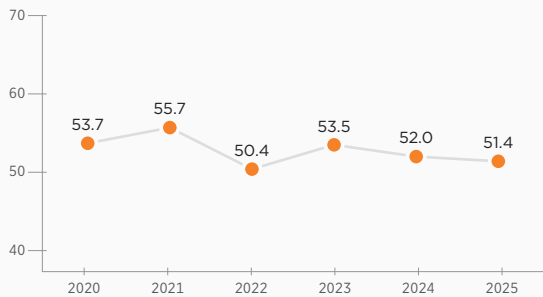
The foundations of economic freedom in Comoros are fragile. Scores for property rights and freedom from corruption are low. The public sector is inefficient and lacks transparency. Poor management of macroeconomic policies, coupled with a decade of political crises, has discouraged economic development. The business environment remains severely constrained, and the inefficient regulatory environment limits the freedom to establish and run private enterprises. Much of the workforce is employed in the small retail services sector, and informal labor activity is extensive.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +8.1

## RECENT FREEDOM TREND



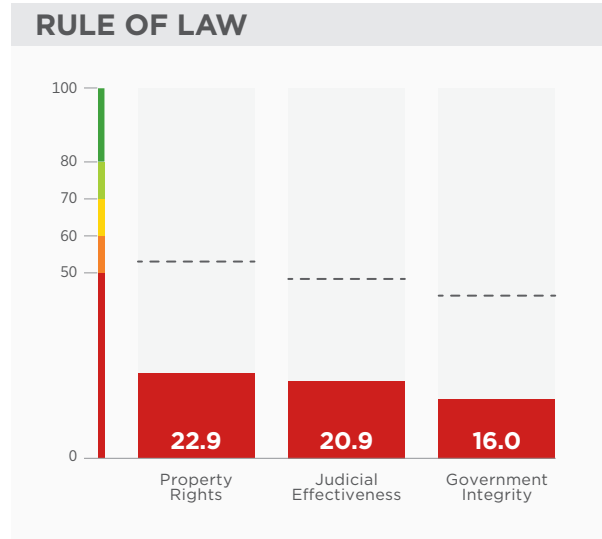
## QUICK FACTS

- POPULATION:** 0.9 million
- UNEMPLOYMENT:** 5.8%
- GDP (PPP):** \$3.2 billion
- INFLATION (CPI):** 8.5%
- 3.0% growth in 2023
- FDI INFLOW:** \$4.0 million
- 3-year average growth rate: 2.5%
- PUBLIC DEBT:** 33.2% of GDP
- \$3,726 per capita

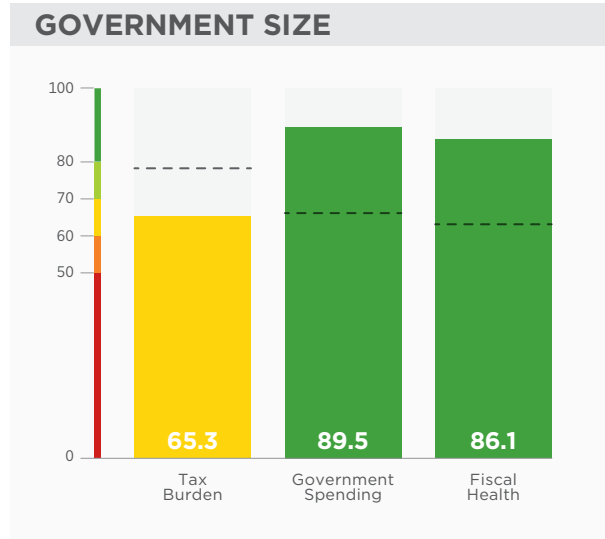
2023 data unless otherwise noted. Data compiled as of November 2024.



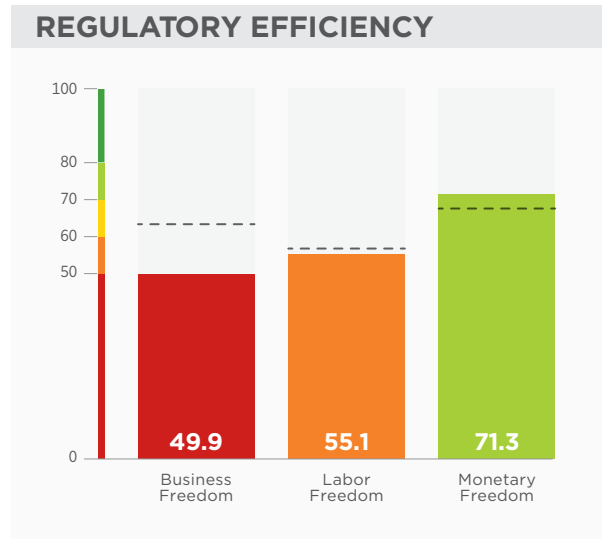
# 12 ECONOMIC FREEDOMS | COMOROS



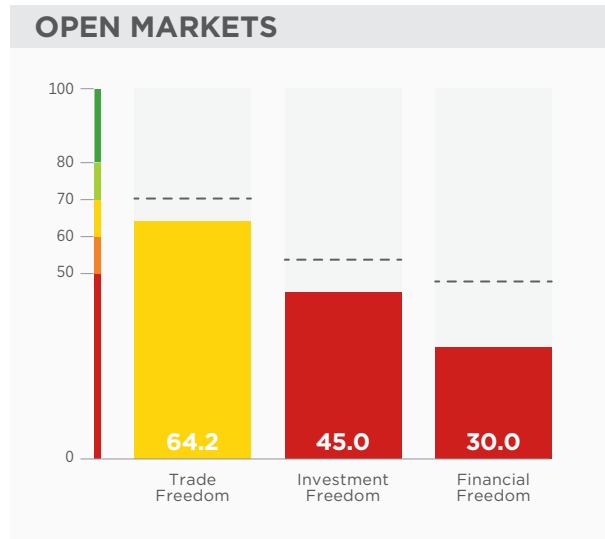
The overall rule of law is weak in Comoros. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 50 percent. The tax burden equals 8.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.7 percent and -2.7 percent of GDP. Public debt amounts to 33.2 percent of GDP.



Comoros'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 above the world average.



The trade-weighted average tariff rate is 7.9 percent, and nontariff barriers further restrict trade. The law generally treats foreign and domestic investors equally. The small financial sector still lacks adequate regulation or supervision, and many Comorans are without bank accounts and rely on informal lending.

# DEMOCRATIC REPUBLIC OF CONGO

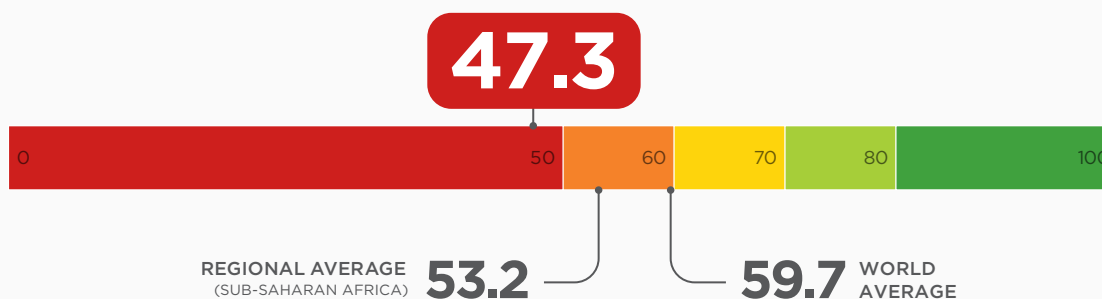
WORLD RANK: **161** | REGIONAL RANK: **41**

ECONOMIC FREEDOM STATUS: **REPRESSED**

The Democratic Republic of the Congo's economic freedom score is 47.3, making its economy the 161st freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and the DRC is ranked 41st out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. The DRC's economy is considered "repressed" according to the 2025 *Index*.

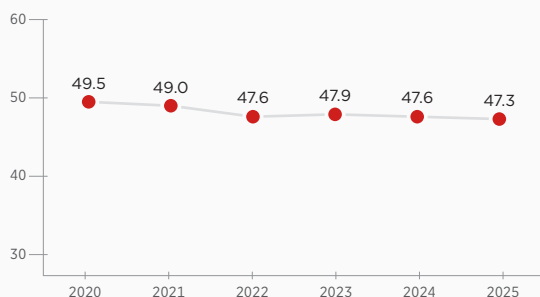
Economic development remains hampered by instability and violence, and the weak rule of law and marginal enforcement of property rights have driven many people and enterprises into the informal sector. Poor economic management has been made worse by repeated political crises. The DRC is Africa's largest producer of copper and the world's largest producer of cobalt. It is also one of the world's least-developed countries, and its political instability and high inflation discourage international investors.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
99.9 million

**GDP (PPP):**  
\$177.3 billion  
8.4% growth in 2023  
3-year average growth rate: 7.7%  
\$1,774 per capita

**UNEMPLOYMENT:**  
4.5%

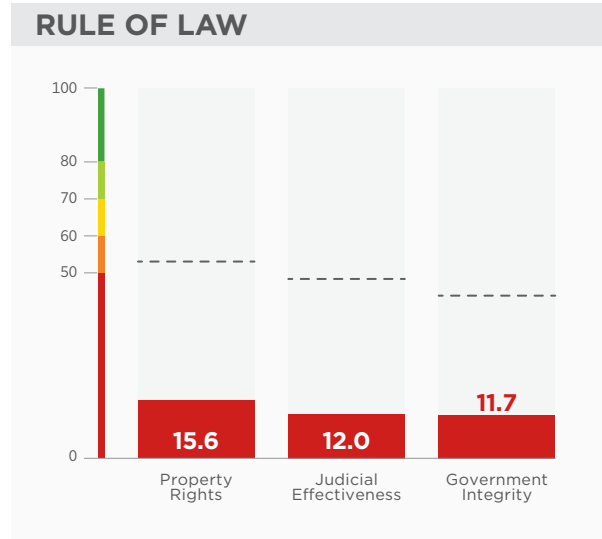
**INFLATION (CPI):**  
19.9%

**FDI INFLOW:**  
\$1.8 billion

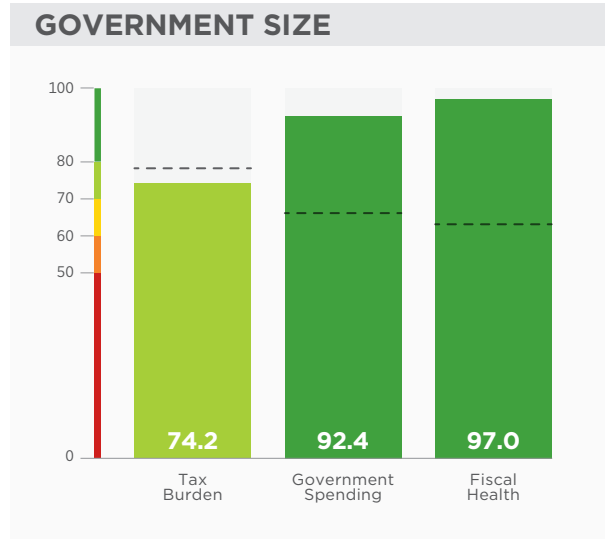
**PUBLIC DEBT:**  
14.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

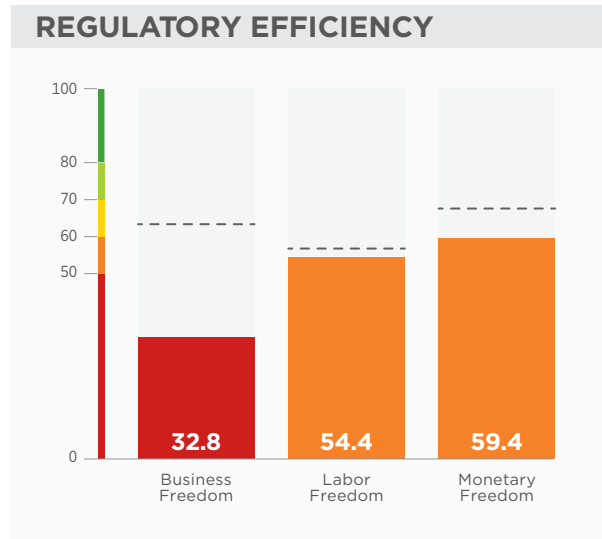
# 12 ECONOMIC FREEDOMS | DEMOCRATIC REPUBLIC OF CONGO



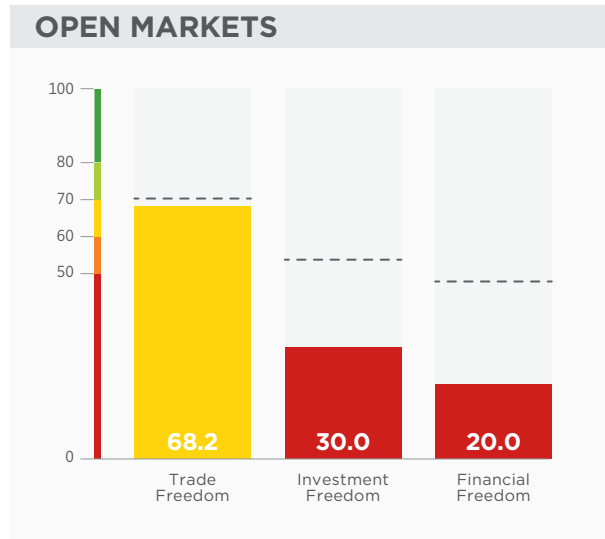
The overall rule of law is weak in the Democratic Republic of the Congo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 30 percent. The tax burden equals 8.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.9 percent and -1.3 percent of GDP. Public debt amounts to 14.4 percent of GDP.



The Democratic Republic of the Congo'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 8.4 percent, and other barriers to dynamic trade flows persist. The government screens and regulates foreign investment. The financial system is underdeveloped, and access to financing for businesses remains very limited.

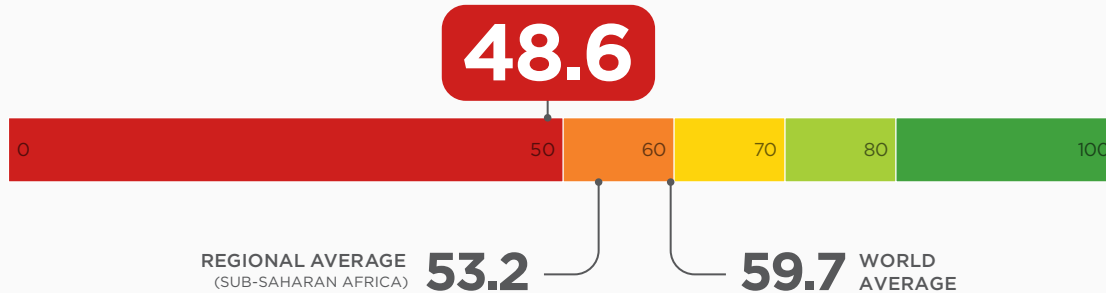
# REPUBLIC OF CONGO

WORLD RANK: **153** | REGIONAL RANK: **36**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

The Republic of the Congo's economic freedom score is 48.6, making its economy the 153rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Congo 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. The Republic of the Congo's economy is considered "repressed" according to the 2025 *Index*.

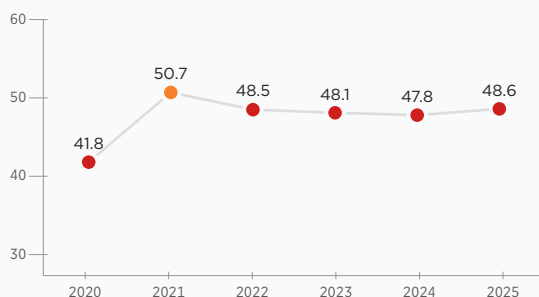
Economic freedom remains fragile in Congo because of repressive governance that is exacerbated by the weak rule of law. The judiciary's weakness fuels corruption, and state control is extensive. Political instability and the slow pace of reform have left the nation's institutional capacity inadequate. The formal labor market is not well developed. Congo is one of sub-Saharan Africa's largest producers of oil but lacks the infrastructure needed to exploit its energy potential.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +8.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.1 million

**GDP (PPP):**  
\$38.4 billion  
2.0% growth in 2023  
3-year average growth rate: 1.6%  
\$6,252 per capita

**UNEMPLOYMENT:**  
20.1%

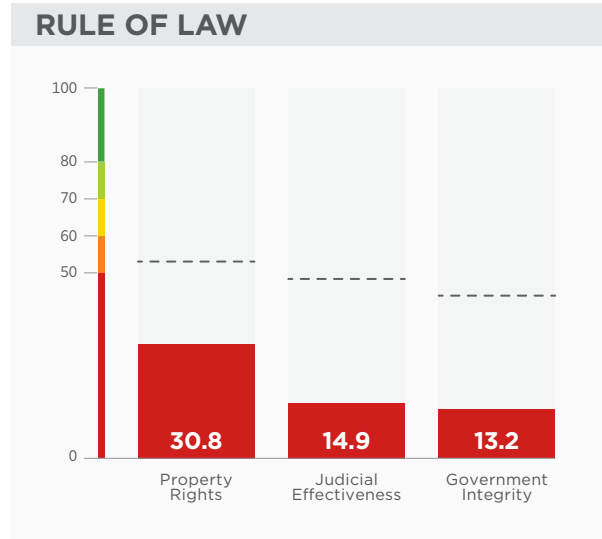
**INFLATION (CPI):**  
4.3%

**FDI INFLOW:**  
\$532.0 million

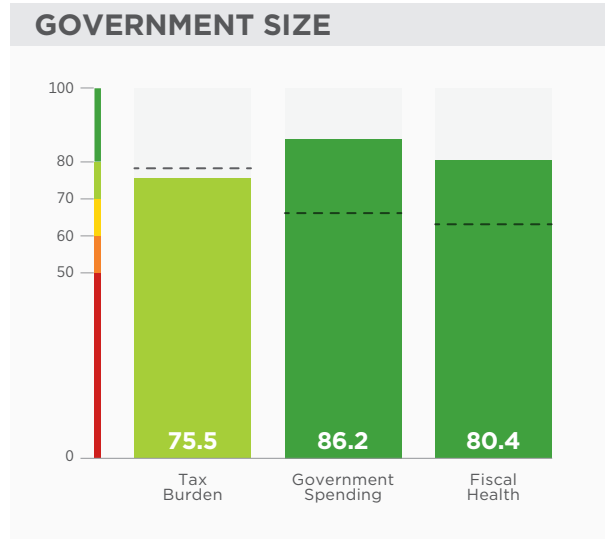
**PUBLIC DEBT:**  
99.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

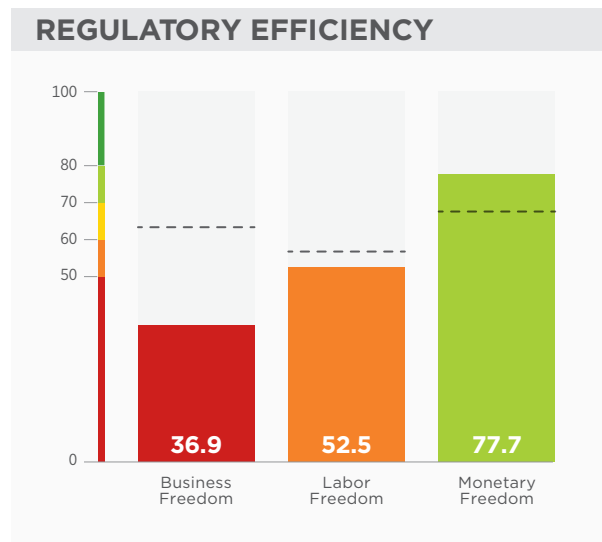
# 12 ECONOMIC FREEDOMS | REPUBLIC OF CONGO



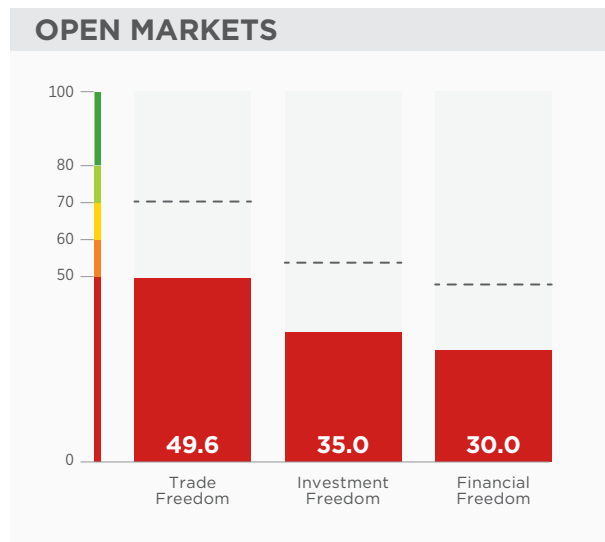
The overall rule of law is weak in the Republic of the Congo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 28 percent. The tax burden equals 7.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.5 percent and 5.5 percent of GDP. Public debt amounts to 99.0 percent of GDP.



The Republic of the Congo'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 above the world average.



The trade-weighted average tariff rate is 15.2 percent, and nontariff barriers persist. Poor economic management aggravated by political instability has constrained the growth of much-needed domestic and foreign investment. Companies have very limited access to financial services.



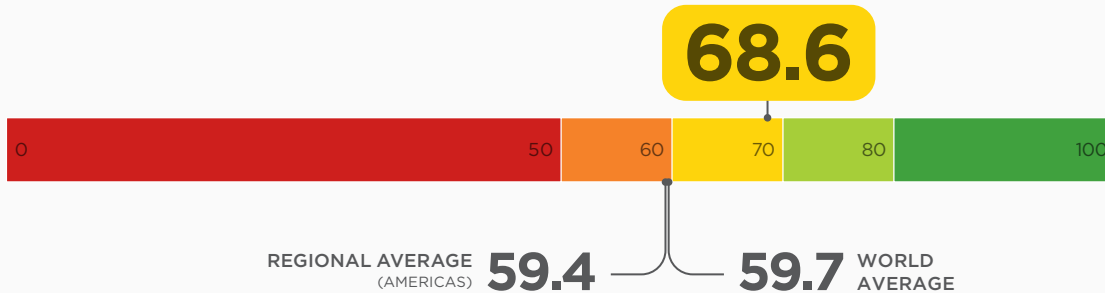
# COSTA RICA

WORLD RANK:	REGIONAL RANK:
<b>41</b>	<b>7</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

Costa Rica’s economic freedom score is 68.6, making its economy the 41st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.9 point from last year, and Costa Rica is ranked 7th out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Costa Rica’s economy is considered “moderately free” according to the 2025 *Index*.

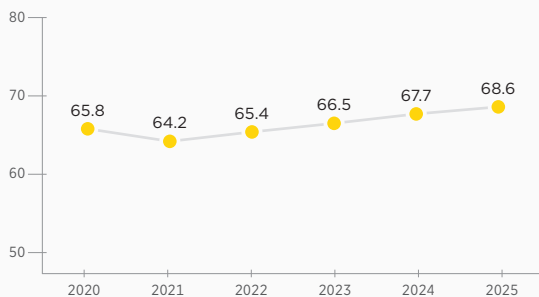
All four pillars of economic freedom are relatively well maintained in Costa Rica, although the rule of law shows some signs of vulnerability. The court system is inefficient, and enforcement of property rights can be weak. Progress in enhancing the effectiveness of government has been uneven, and inefficient bureaucracy discourages dynamic entrepreneurial activity. Although licensing requirements have been reduced, procedures for launching a business remain time-consuming. The trade regime is open, but nontariff barriers still undercut more vibrant economic expansion.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.3 million

**GDP (PPP):**  
\$149.0 billion  
5.1% growth in 2023  
3-year average growth rate: 5.9%  
\$28,227 per capita

**UNEMPLOYMENT:**  
8.3%

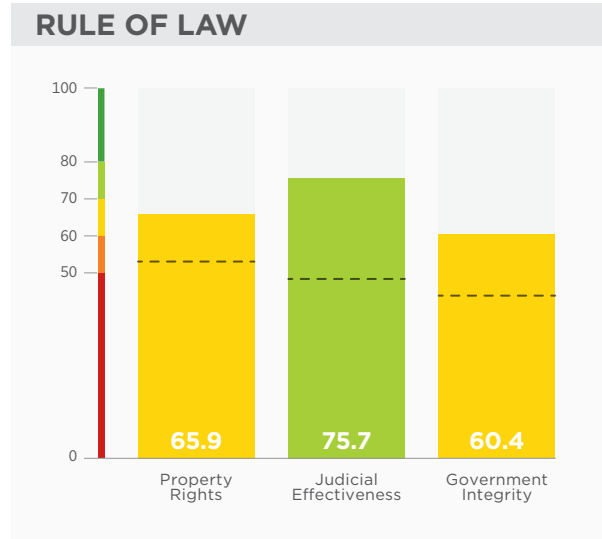
**INFLATION (CPI):**  
0.5%

**FDI INFLOW:**  
\$3.0 billion

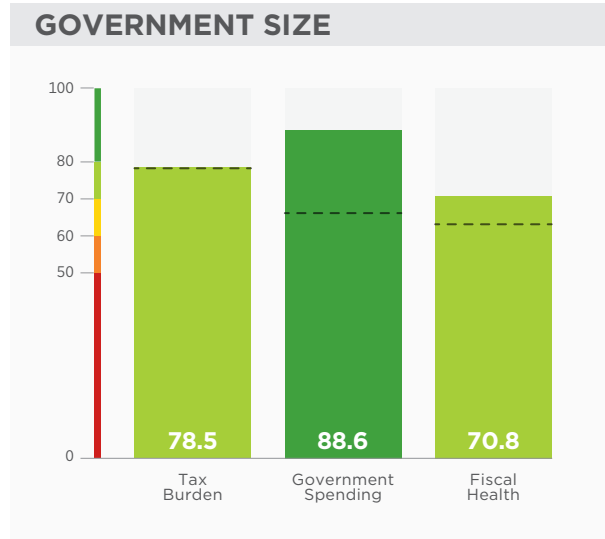
**PUBLIC DEBT:**  
61.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

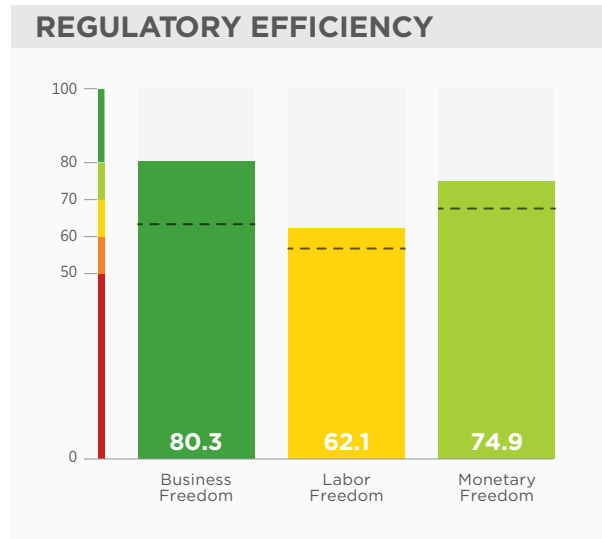
# 12 ECONOMIC FREEDOMS | COSTA RICA



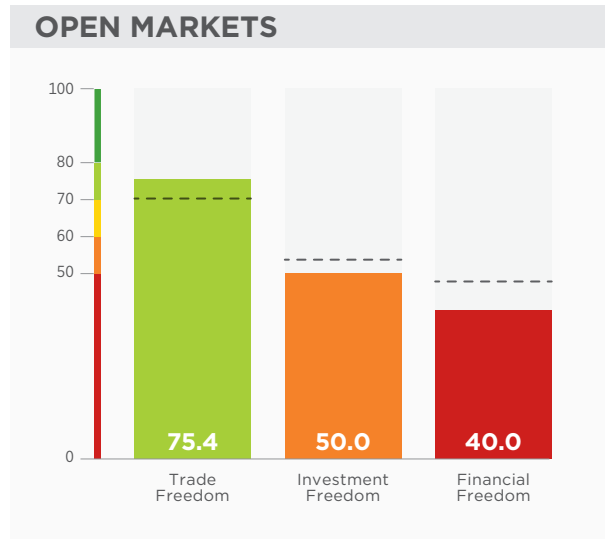
The overall rule of law is relatively well respected in Costa Rica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 30 percent. The tax burden equals 24.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.5 percent and -3.7 percent of GDP. Public debt amounts to 61.1 percent of GDP.



Costa Rica's overall regulatory environment is generally well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 4.8 percent, and more than 60 nontariff measures are in effect. The government restricts investment in some sectors. The central bank responded to the pandemic by reducing state-owned banks' preferential interest rates and easing regulations on loan restructuring.

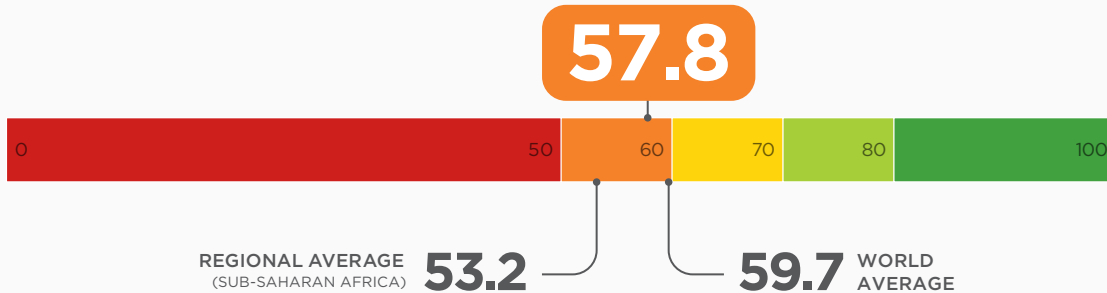
# CÔTE D'IVOIRE

WORLD RANK: **101** | REGIONAL RANK: **9**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Côte d'Ivoire's economic freedom score is 57.8, making its economy the 101st freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.6 point from last year, and Côte d'Ivoire is ranked 9th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average but higher than the regional average. Côte d'Ivoire's economy is considered "mostly unfree" according to the 2025 *Index*.

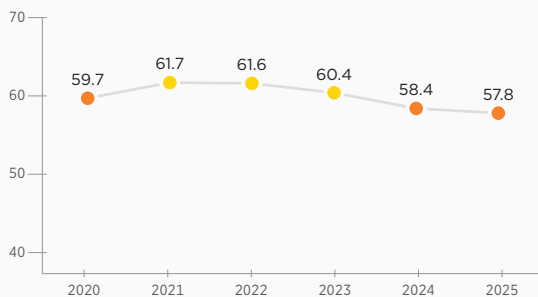
Investment in such areas as agriculture, agribusiness, mining, light manufacturing, housing, and services has driven robust economic growth in recent years. However, overall progress in strengthening the four pillars of economic freedom in Côte d'Ivoire has been limited despite efforts to improve macroeconomic stability and growth potential. The judiciary's weakness undercuts property rights, and corruption persists. In the absence of a developed modern labor market, the informal sector is an important source of employment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +4.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
31.1 million

**GDP (PPP):**  
\$224.3 billion  
6.2% growth in 2023  
3-year average growth rate: 6.5%  
\$7,214 per capita

**UNEMPLOYMENT:**  
2.4%

**INFLATION (CPI):**  
4.4%

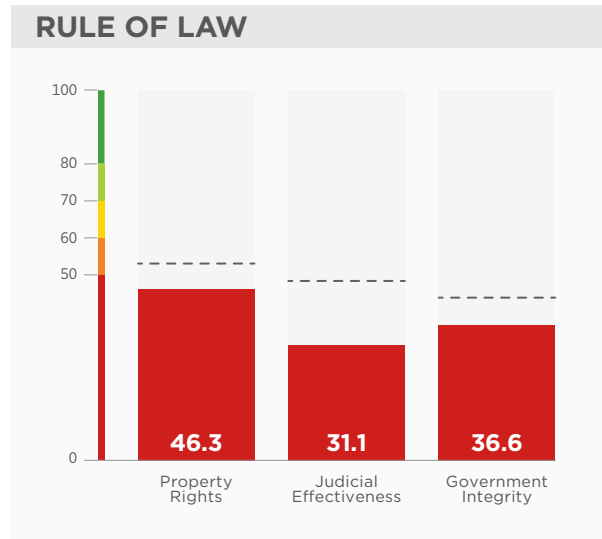
**FDI INFLOW:**  
\$1.6 billion

**PUBLIC DEBT:**  
58.1% of GDP

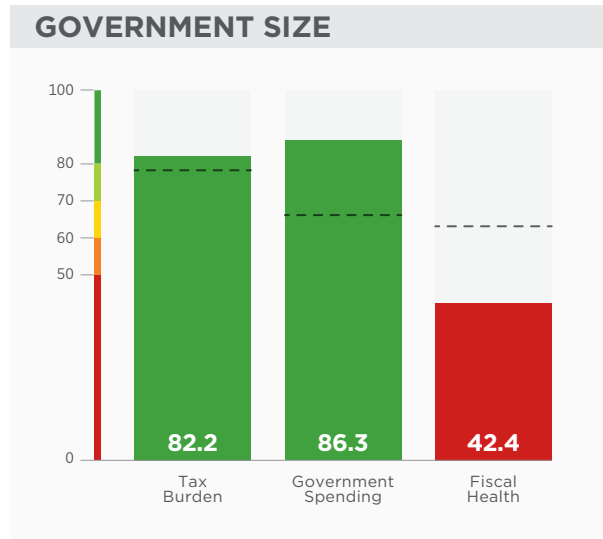
2023 data unless otherwise noted. Data compiled as of November 2024.



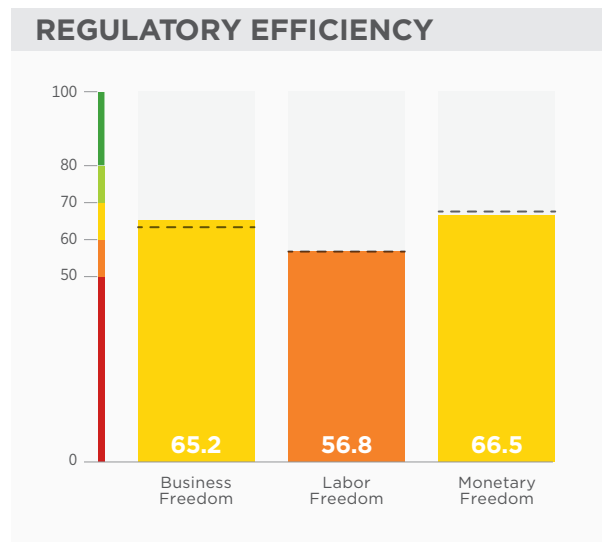
# 12 ECONOMIC FREEDOMS | CÔTE D'IVOIRE



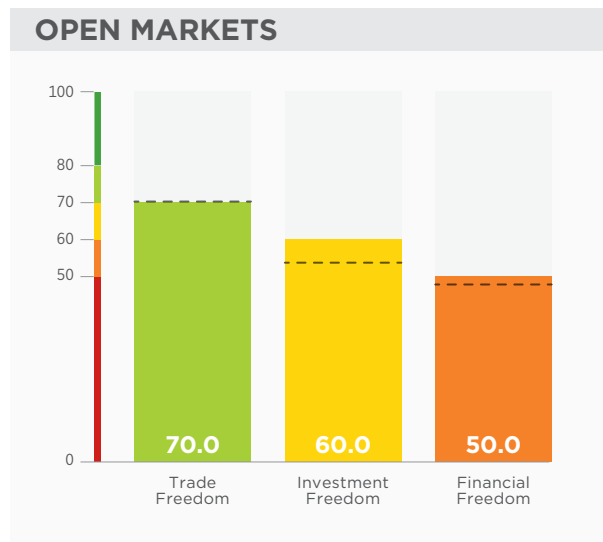
The overall rule of law is weak in Côte d'Ivoire. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



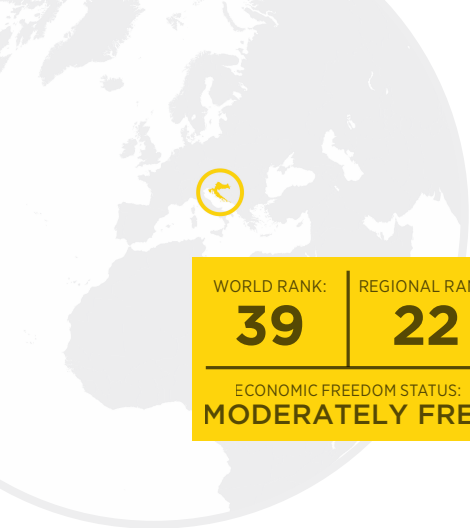
The top individual income tax rate is 32 percent, and the top corporate tax rate is 25 percent. The tax burden equals 11.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.3 percent and -5.6 percent of GDP. Public debt amounts to 58.1 percent of GDP.



Côte d'Ivoire'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 10.0 percent, and nontariff measures remain in force. In most sectors, there are no laws that limit foreign investment. The financial sector is relatively stable. Credit allocation is based on market terms and supports the private sector.



WORLD RANK: **39** | REGIONAL RANK: **22**

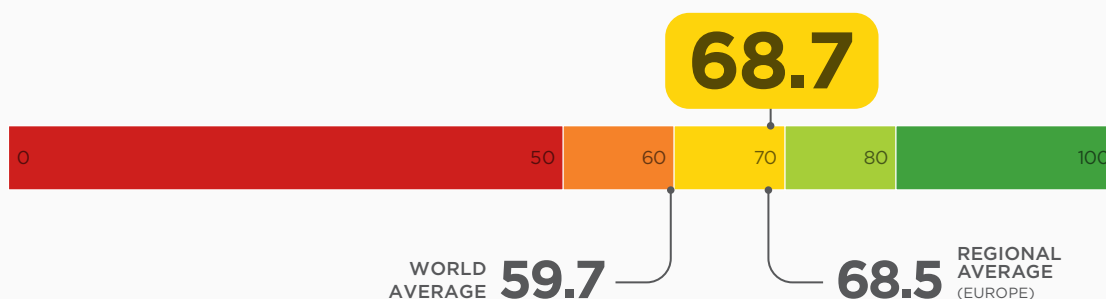
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# CROATIA

Croatia's economic freedom score is 68.7, making its economy the 39th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and Croatia is ranked 22nd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Croatia's economy is considered "moderately free" according to the 2025 *Index*.

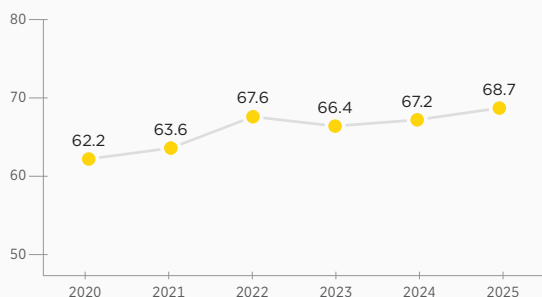
Croatia's scores on most components of economic freedom remain average. Earlier competitive reforms and trade liberalization have encouraged economic modernization and the emergence of a vibrant private sector, but overall progress has lagged behind progress in other emerging markets, and further reform is critical. Despite reform measures that have streamlined the procedures for establishing a business, the overall regulatory environment remains burdensome and inefficient. Similarly, the labor market remains relatively rigid. Inflation has been relatively high in recent years.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +20.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.8 million

**GDP (PPP):**  
\$176.8 billion  
3.1% growth in 2023  
3-year average growth rate: 7.7%  
\$46,005 per capita

**UNEMPLOYMENT:**  
6.1%

**INFLATION (CPI):**  
8.4%

**FDI INFLOW:**  
\$3.7 billion

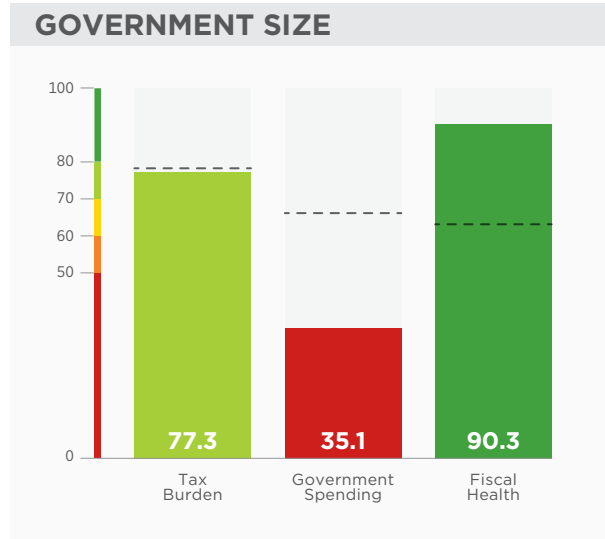
**PUBLIC DEBT:**  
63.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

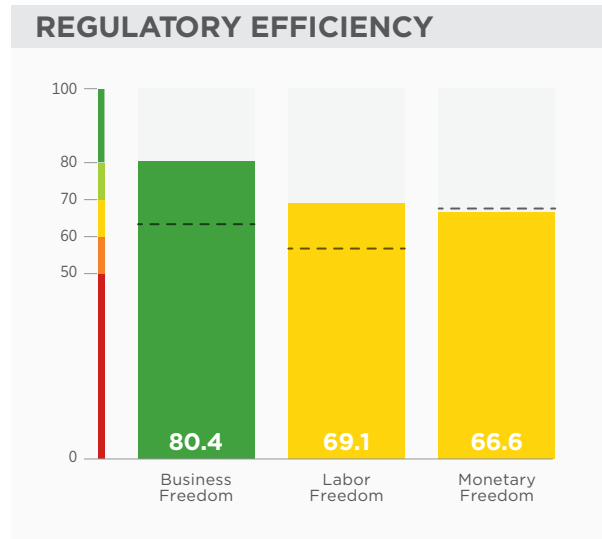
# 12 ECONOMIC FREEDOMS | CROATIA



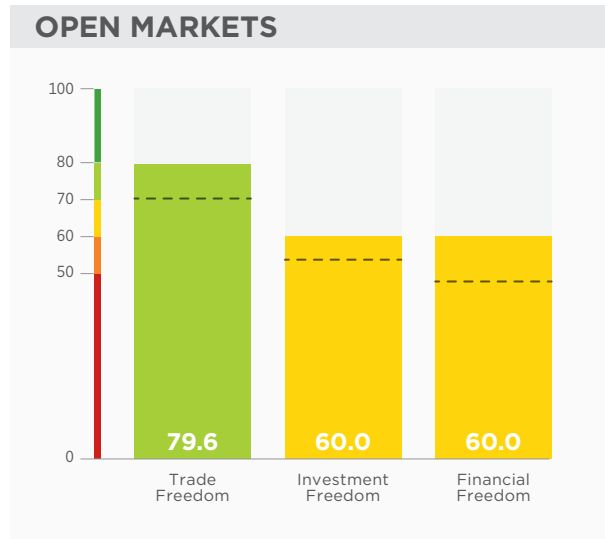
The overall rule of law is relatively well respected in Croatia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 35.4 percent, and the top corporate tax rate is 18 percent. The tax burden equals 26.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 46.5 percent and -1.1 percent of GDP. Public debt amounts to 63.0 percent of GDP.



Croatia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional eight country-specific nontariff barriers. Foreign investment faces no restrictive screening mechanisms. Financial markets are open to foreign investment.

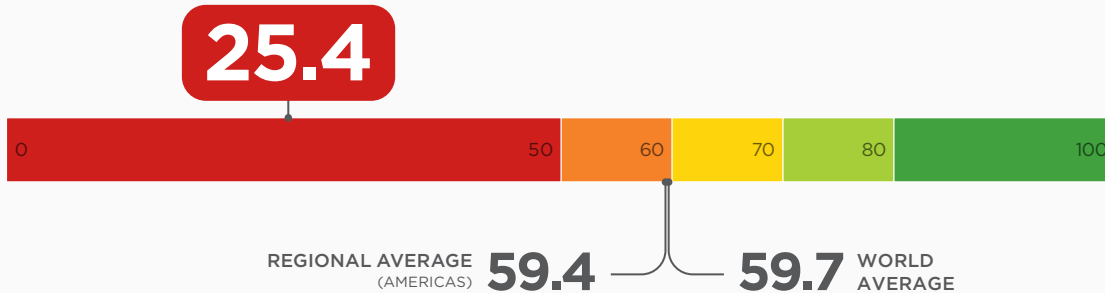
WORLD RANK: **175** | REGIONAL RANK: **32**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

# CUBA

Cuba's economic freedom score is 25.4, making its economy the 175th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and Cuba is ranked 32nd out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Cuba's economy is considered "repressed" according to the 2025 *Index*.

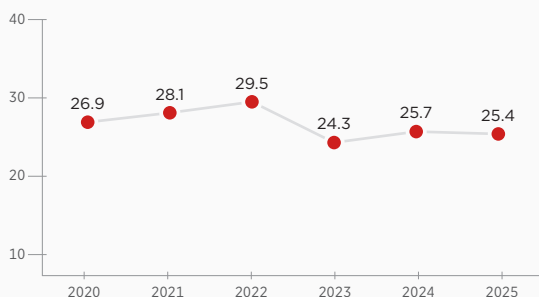
Cuba's inefficient state-run economy performs very poorly, and its component scores are far below world averages in many categories. The absence of an independent and fair judiciary weakens the rule of law. Rigid state control has long shackled the private sector. Regulatory efficiency remains poor, and private entrepreneurship is limited. The application of regulations is inconsistent and nontransparent. The state-controlled labor market has resulted in a large informal sector. Monetary stability is vulnerable to state interference, and prices are subject to controls.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.3 million

**GDP (PPP):**  
n/a  
1.8% growth in 2022  
3-year average growth rate: n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

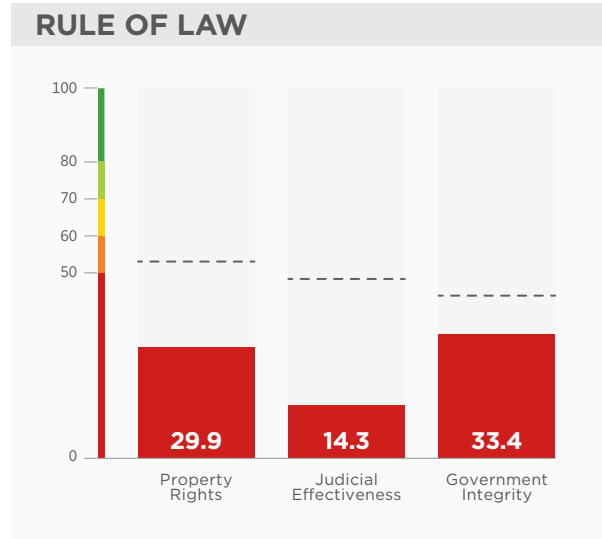
**INFLATION (CPI):**  
76.0%

**FDI INFLOW:**  
n/a

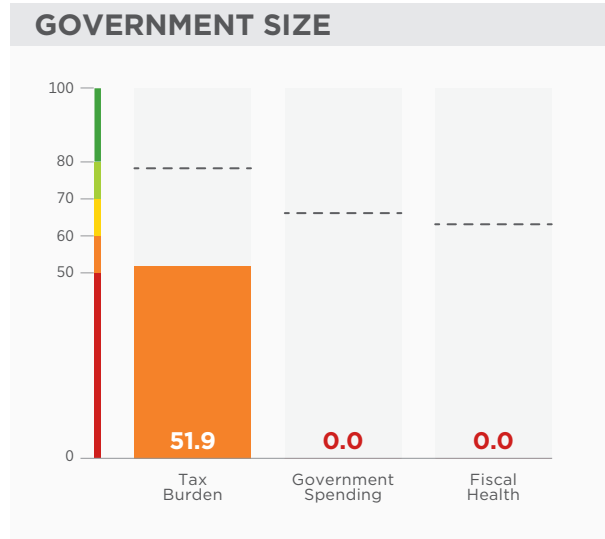
**PUBLIC DEBT:**  
119.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

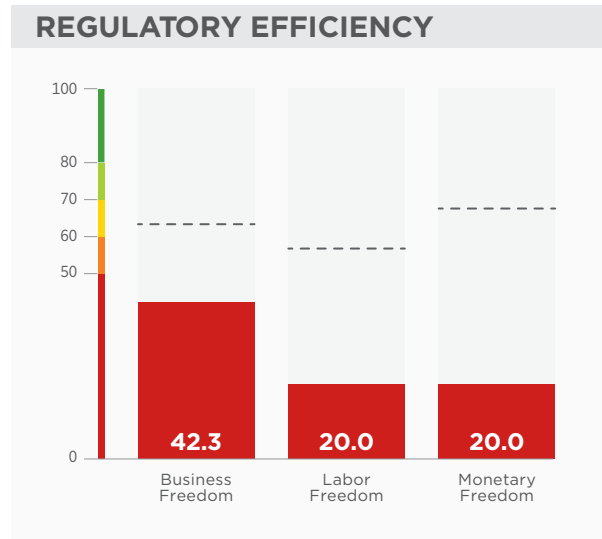
# 12 ECONOMIC FREEDOMS | CUBA



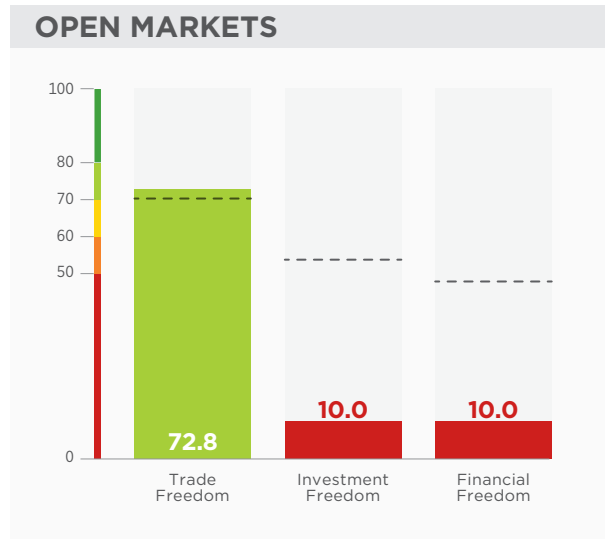
The overall rule of law is weak in Cuba. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 50 percent, and the top corporate tax rate is 30 percent. The tax burden equals 37.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 63.9 percent and -12.1 percent of GDP. Public debt amounts to 119.0 percent of GDP.



Cuba'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 well below the world average.



The trade-weighted average tariff rate is 3.6 percent, and layers of nontariff measures are in effect. State-owned enterprises significantly distort the economy. The shallow financial market severely impedes access to credit for private-sector activity. The state remains firmly in control.



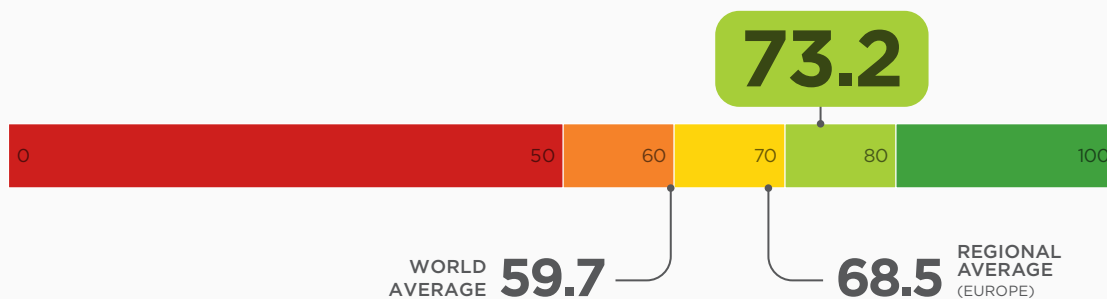
WORLD RANK:	REGIONAL RANK:
<b>19</b>	<b>11</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# CYPRUS

Cyprus's economic freedom score is 73.2, making its economy the 19th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.0 point from last year, and Cyprus is ranked 11th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Cyprus's economy is considered "mostly free" according to the 2025 *Index*.

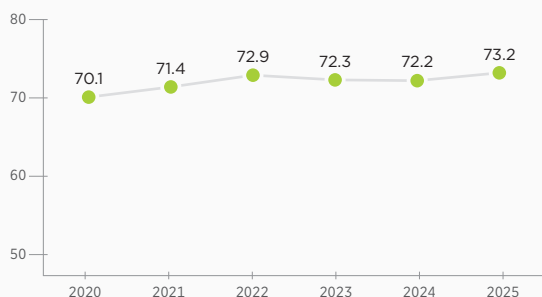
Cyprus's relatively sound foundations of economic freedom are sustained by a generally well-functioning judicial system. The overall freedom to start, operate, and close a business is relatively well maintained within the regulatory framework, and there is no minimum capital requirement. Although public debt is moderate compared to that of other European economies, the level of public spending is eroding respect for the principle of limited government. Services such as tourism, finance, shipping, and real estate account for more than 80 percent of GDP.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +5.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.9 million

**GDP (PPP):**  
\$52.1 billion  
2.5% growth in 2023  
3-year average growth rate: 5.8%  
\$56,628 per capita

**UNEMPLOYMENT:**  
6.0%

**INFLATION (CPI):**  
3.9%

**FDI INFLOW:**  
\$4.9 billion

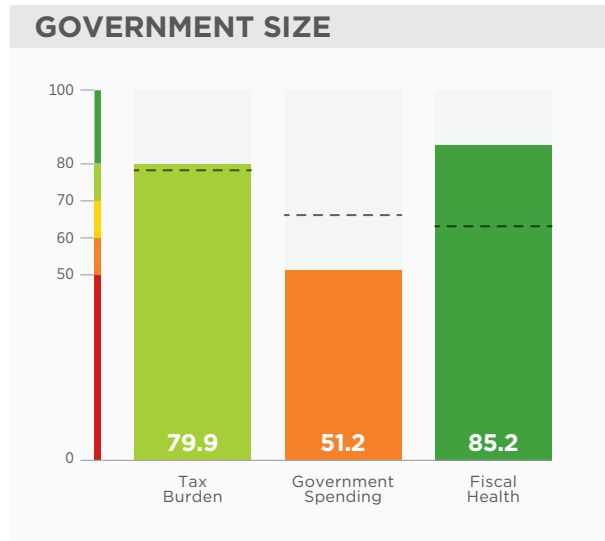
**PUBLIC DEBT:**  
77.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

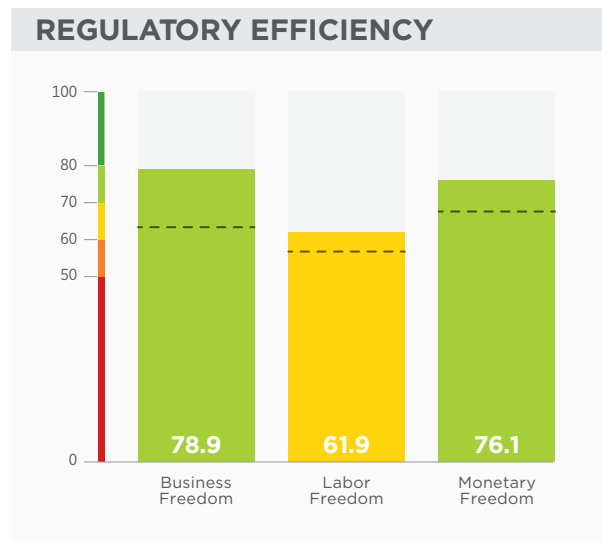
# 12 ECONOMIC FREEDOMS | CYPRUS



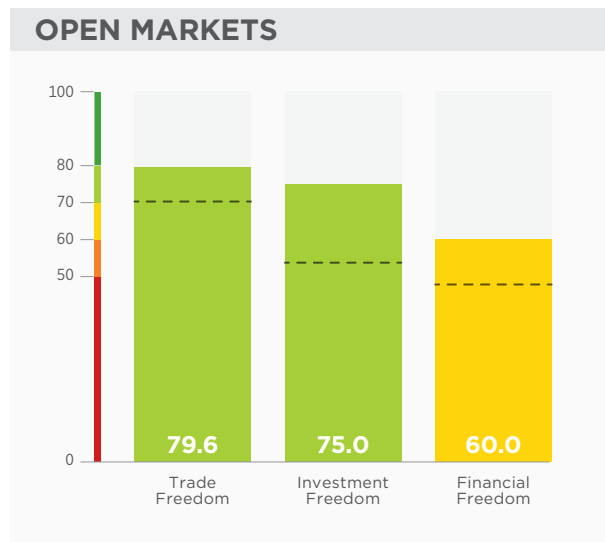
The overall rule of law is well respected in Cyprus. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 12.5 percent. The tax burden equals 25.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.3 percent and 1.3 percent of GDP. Public debt amounts to 77.3 percent of GDP.



Cyprus's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional nine country-specific nontariff barriers. There is no restrictive screening of foreign investment. The small financial markets are stable, and banking is well capitalized.



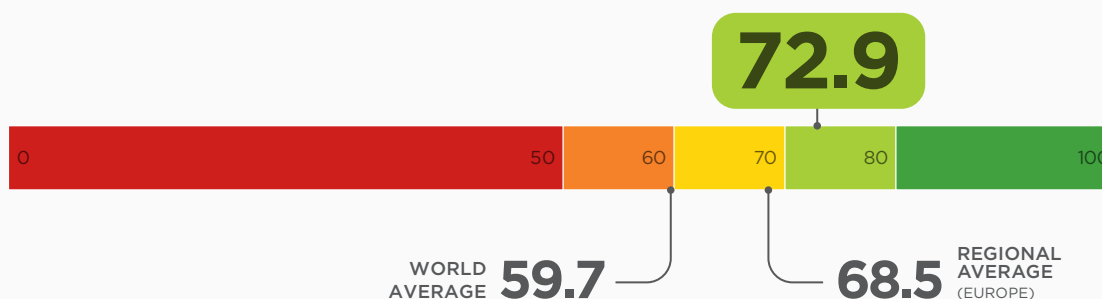
WORLD RANK:	REGIONAL RANK:
<b>20</b>	<b>12</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# CZECH REPUBLIC

The Czech Republic's economic freedom score is 72.9, making its economy the 20th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.7 points from last year, and the Czech Republic is ranked 12th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. The Czech Republic's economy is considered "mostly free" according to the 2025 *Index*.

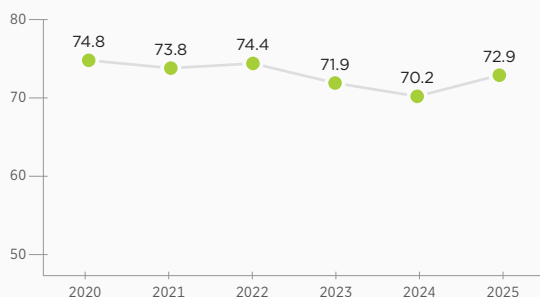
Strongly committed to economic and structural reform, the Czech Republic has developed a modern and flexible economy and performs above world averages in many of the four pillars of economic freedom. Open-market policies enable the economy to capitalize further on the results of earlier regulatory reforms. The regulatory framework governing businesses is straightforward, and all interested parties can participate in the process of enacting new regulations. The labor market is relatively flexible. Inflation has been relatively high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.9 million

**GDP (PPP):**  
\$599.0 billion  
-0.1% growth in 2023  
3-year average growth rate: 2.3%  
\$55,207 per capita

**UNEMPLOYMENT:**  
2.6%

**INFLATION (CPI):**  
10.7%

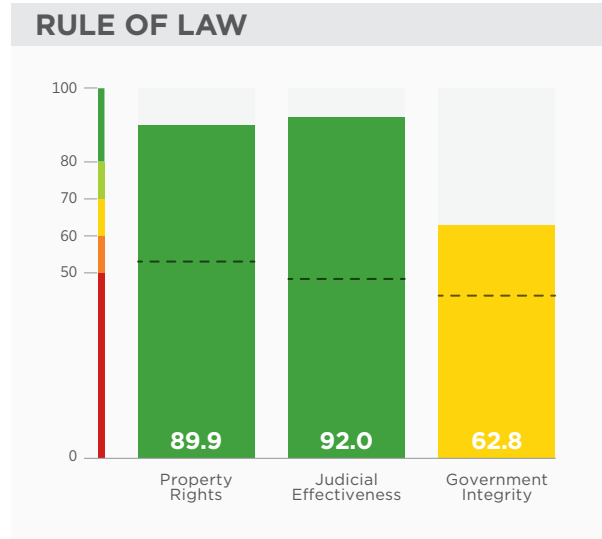
**FDI INFLOW:**  
\$9.9 billion

**PUBLIC DEBT:**  
42.4% of GDP

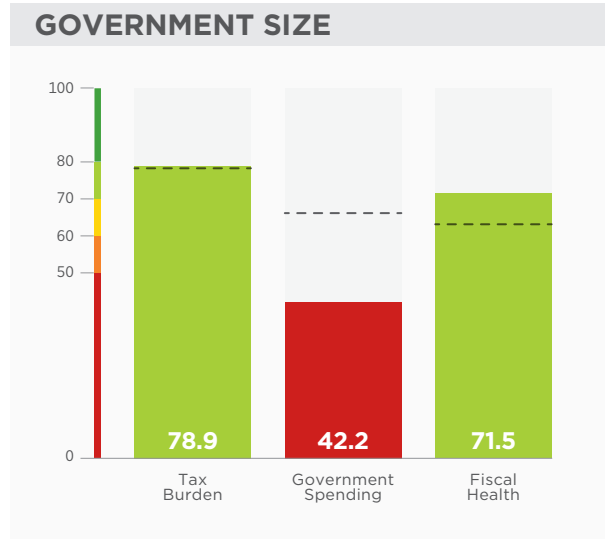
2023 data unless otherwise noted. Data compiled as of November 2024.



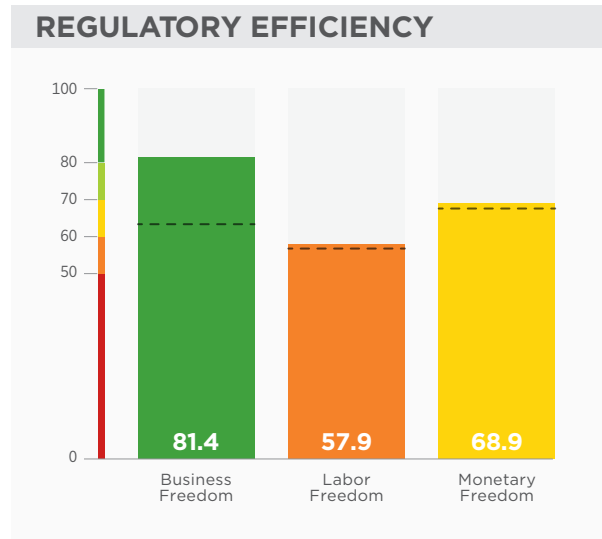
# 12 ECONOMIC FREEDOMS | CZECH REPUBLIC



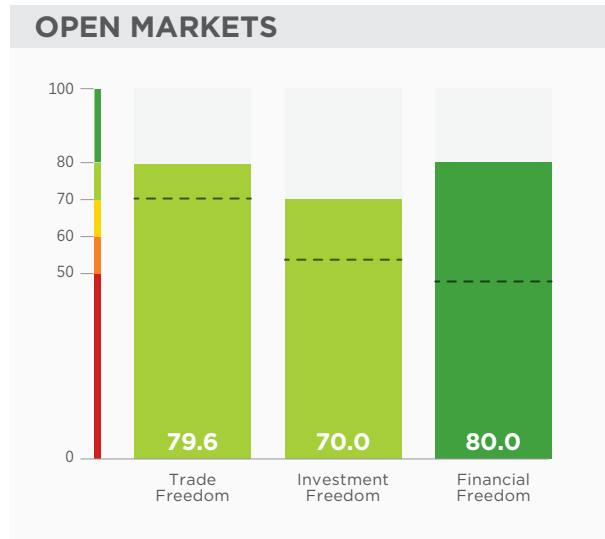
The overall rule of law is well respected in the Czech Republic. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 23 percent, and the top corporate tax rate is 21 percent. The tax burden equals 33.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.9 percent and -3.9 percent of GDP. Public debt amounts to 42.4 percent of GDP.



The Czech Republic's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff (common among EU members) rate is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional 116 country-specific nontariff barriers. The government has reduced bureaucratic barriers to investment, and the financial sector remains resilient.



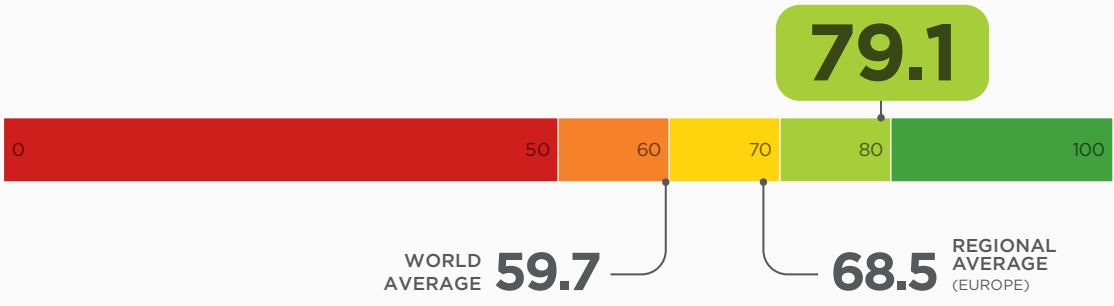
WORLD RANK: <b>7</b>	REGIONAL RANK: <b>4</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# DENMARK

**D**enmark’s economic freedom score is 79.1, making its economy the 7th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Denmark is ranked 4th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world and regional averages. Denmark’s economy is considered “mostly free” according to the 2025 *Index*.

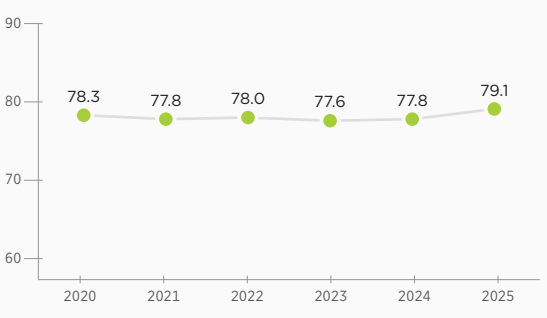
The independent and corruption-free legal system provides strong protection of property rights. Despite a competitive corporate tax rate, the overall tax burden remains heavy. Government spending accounts for about 50 percent of GDP, but the level of public debt is relatively low. With its economy open to global trade and investment, Denmark benefits from high degrees of business freedom. The overall regulatory environment, one of the world’s most transparent and efficient, encourages entrepreneurial activity. Flexible and modern employment regulations sustain the labor market.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +11.8

## RECENT FREEDOM TREND

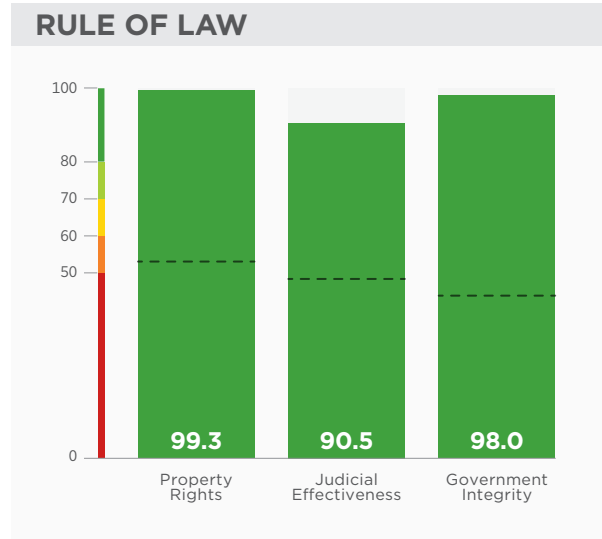


## QUICK FACTS

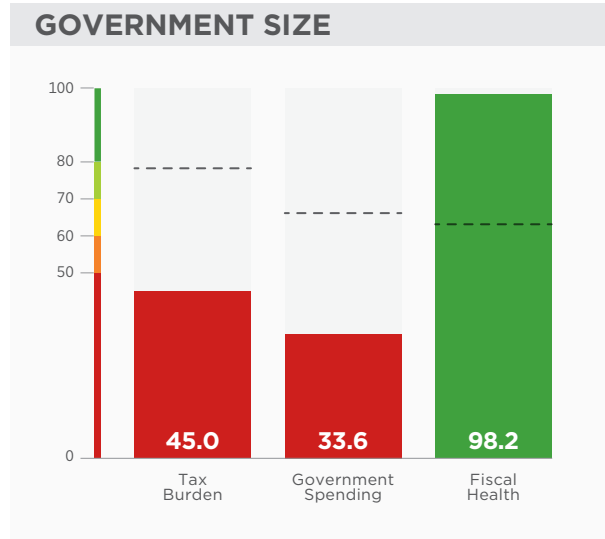
- POPULATION:** 5.9 million
- UNEMPLOYMENT:** 5.1%
- GDP (PPP):** \$475.9 billion  
2.5% growth in 2023  
3-year average growth rate: 3.8%
- INFLATION (CPI):** 3.4%
- FDI INFLOW:** \$4.5 billion
- PUBLIC DEBT:** 29.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

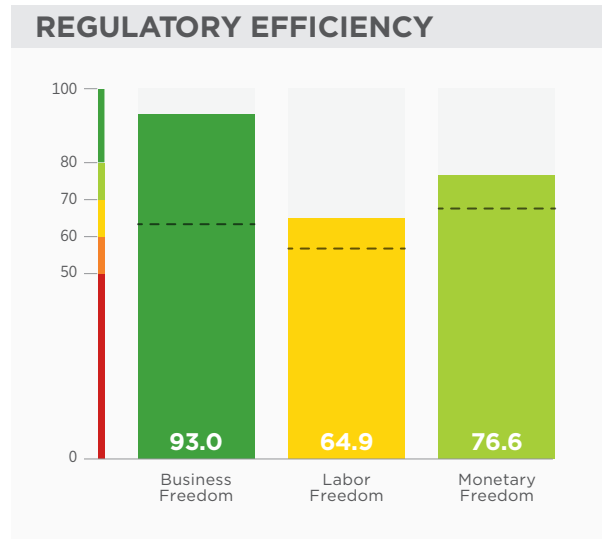
# 12 ECONOMIC FREEDOMS | DENMARK



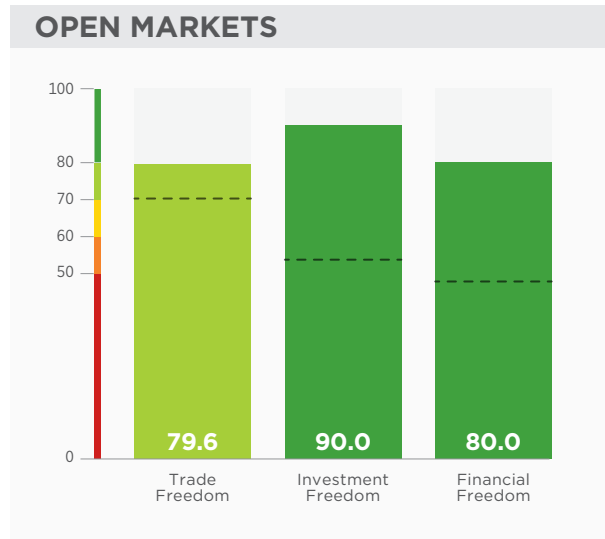
The overall rule of law is very well respected in Denmark. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



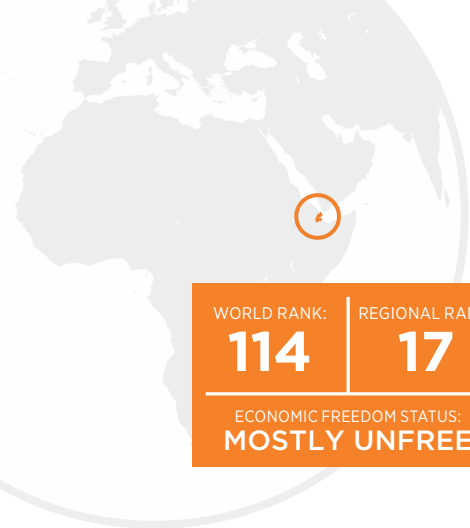
The top individual income tax rate is 56 percent, and the top corporate tax rate is 22 percent. The tax burden equals 43.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.1 percent and 3.6 percent of GDP. Public debt amounts to 29.7 percent of GDP.



Denmark's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional 15 country-specific nontariff barriers. Openness to foreign investment is well institutionalized. The financial system remains generally stable.



WORLD RANK: **114** | REGIONAL RANK: **17**

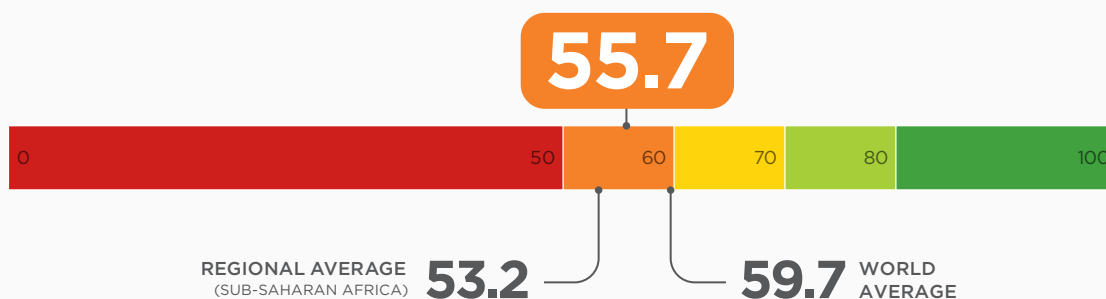
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# DJIBOUTI

Djibouti's economic freedom score is 55.7, making its economy the 114th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and Djibouti is ranked 17th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average but higher than the regional average. Djibouti's economy is considered "mostly unfree" according to the 2025 *Index*.

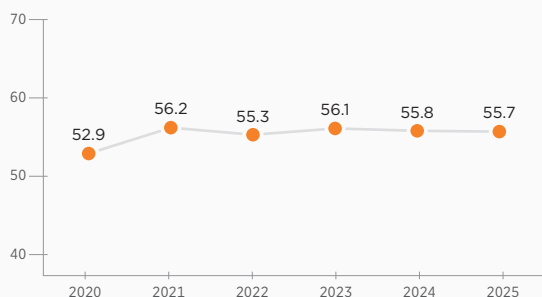
Systemic weaknesses in the Djiboutian economy persist in the protection of property rights and the enforcement of measures against corruption. Implementation of deeper institutional reforms is critically needed to inspire more dynamic economic growth. The judiciary remains vulnerable to political influence. The regulatory system's lack of transparency and clarity injects considerable uncertainty into entrepreneurial decision-making. Labor laws are both inefficient and complicated. Women work predominantly in the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +1.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.0 million

**GDP (PPP):**  
\$8.2 billion  
7.0% growth in 2023  
3-year average growth rate: 5.1%  
\$7,989 per capita

**UNEMPLOYMENT:**  
26.3%

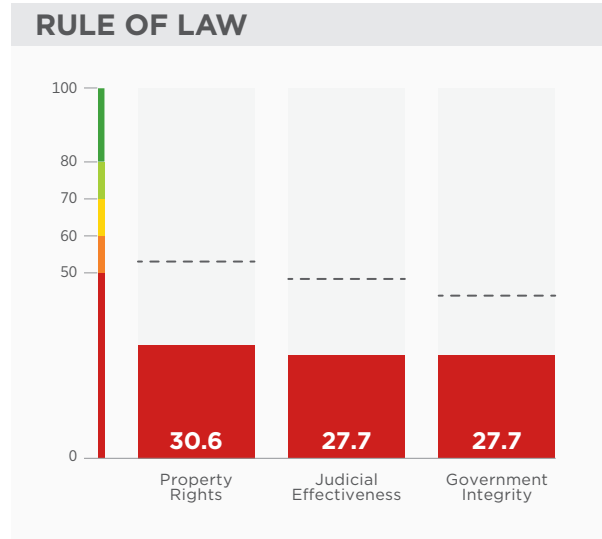
**INFLATION (CPI):**  
1.4%

**FDI INFLOW:**  
\$191.0 million

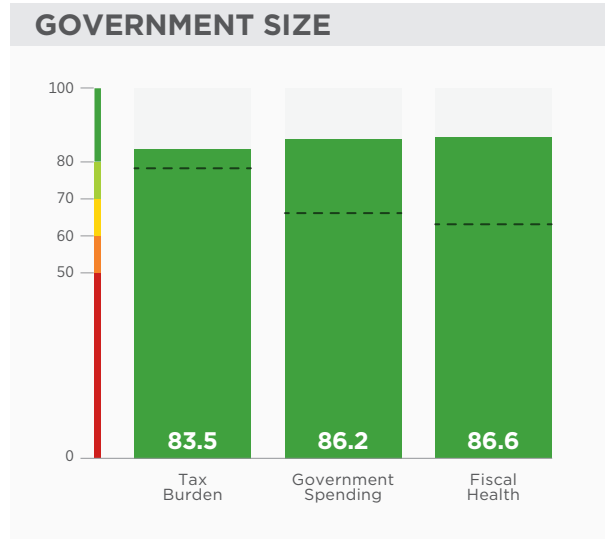
**PUBLIC DEBT:**  
34.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

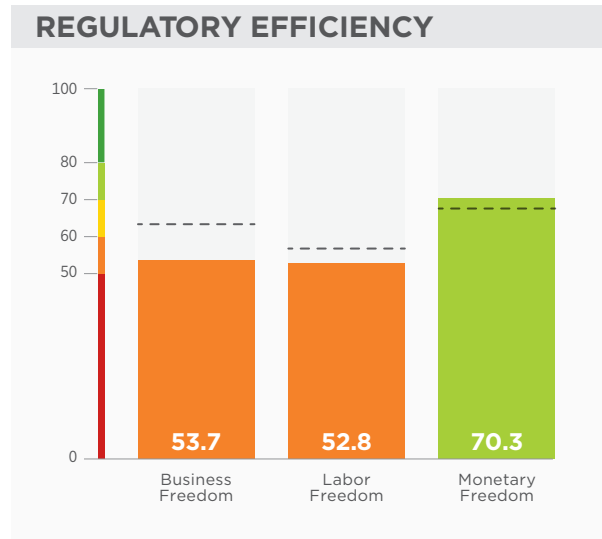
# 12 ECONOMIC FREEDOMS | DJIBOUTI



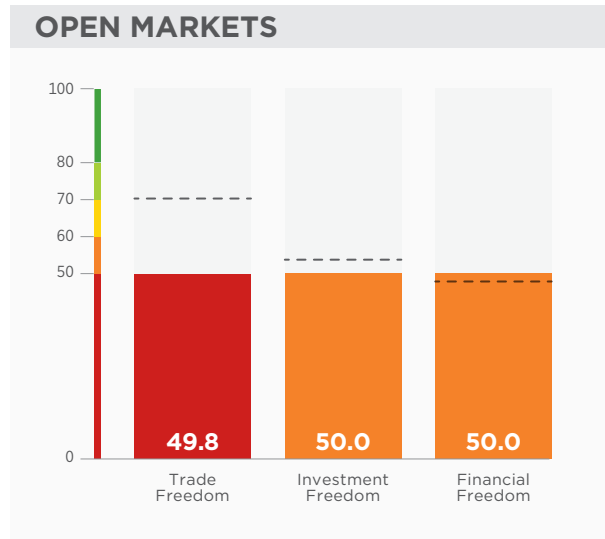
The overall rule of law is weak in Djibouti. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



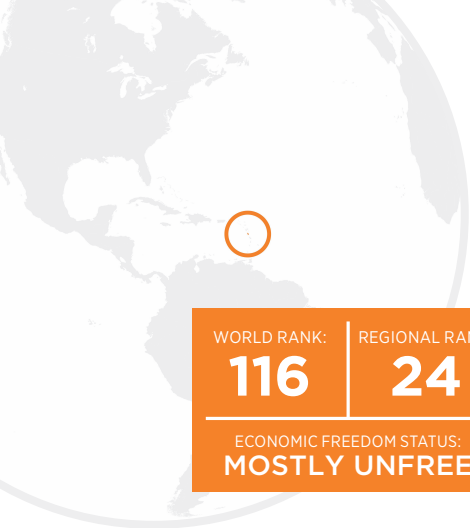
The top individual income tax rate is 30 percent, and the top corporate tax rate is 25 percent. The tax burden equals 11.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.4 percent and -2.6 percent of GDP. Public debt amounts to 34.6 percent of GDP.



Djibouti'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 above the world average.



The trade-weighted average tariff rate is 17.6 percent, and nontariff barriers further restrict trade. State-owned enterprises that distort the economy prevent dynamic private investment from taking place. Credit for entrepreneurial activity is limited by high costs and the lack of access to financing instruments.



WORLD RANK: **116** | REGIONAL RANK: **24**

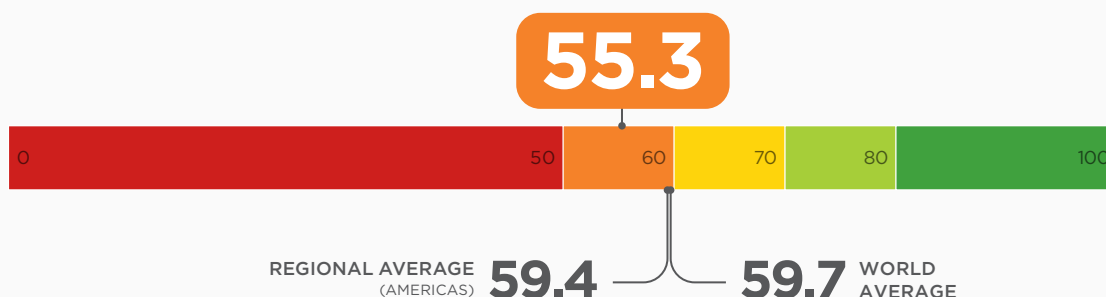
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# DOMINICA

**D**ominica’s economic freedom score is 55.3, making its economy the 116th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Dominica is ranked 24th out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. Dominica’s economy is considered “mostly unfree” according to the 2025 *Index*.

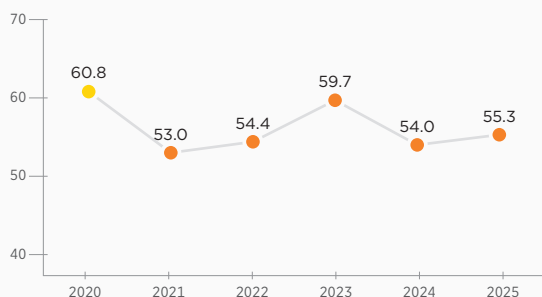
Institutional reform has been uneven, and structural weaknesses continue to undercut economic freedom and constrain economic growth. Dominica has made some progress in eliminating regulatory bottlenecks and reducing the cost of conducting business. The non-salary cost of employing a worker is moderate, but the labor market lacks flexibility in other areas. Inefficient and high public spending has imposed a considerable fiscal burden on the population. The overall pace of reform has slowed in recent years.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -7.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$1.3 billion  
4.7% growth in 2023  
3-year average growth rate: 5.7%  
\$17,266 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
3.5%

**FDI INFLOW:**  
\$28.0 million

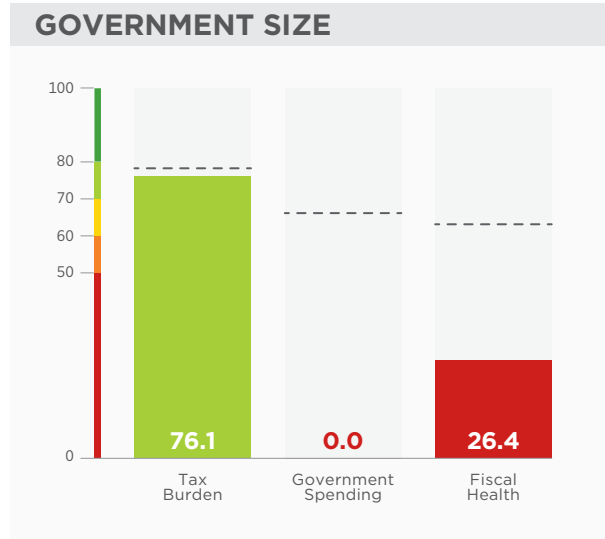
**PUBLIC DEBT:**  
96.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

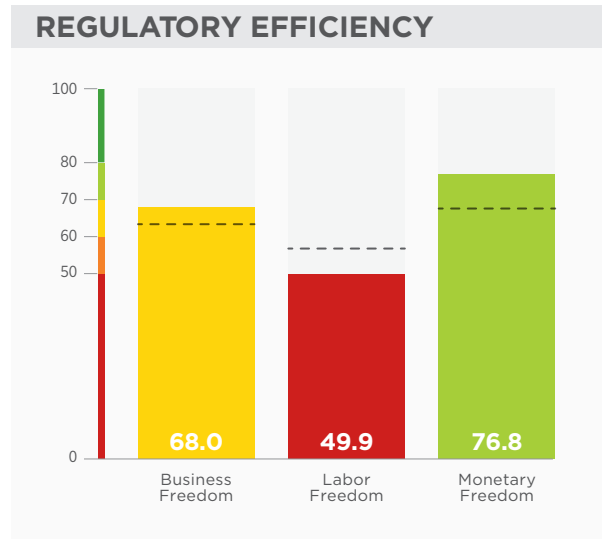
# 12 ECONOMIC FREEDOMS | DOMINICA



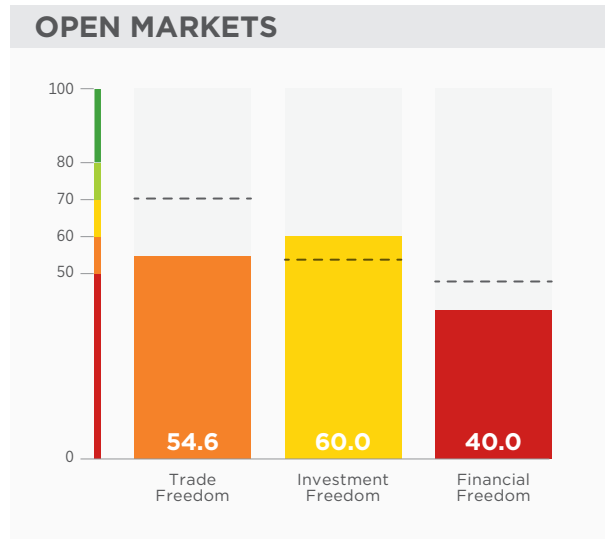
The overall rule of law is relatively well respected in Dominica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 23.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 66.2 percent and -5.9 percent of GDP. Public debt amounts to 96.5 percent of GDP.



Dominica'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 15.2 percent, and myriad nontariff measures are in force. The government may screen foreign investment. Measures to facilitate investment have been implemented. The financial sector remains underdeveloped, but the banking system is stable and growing, albeit gradually.

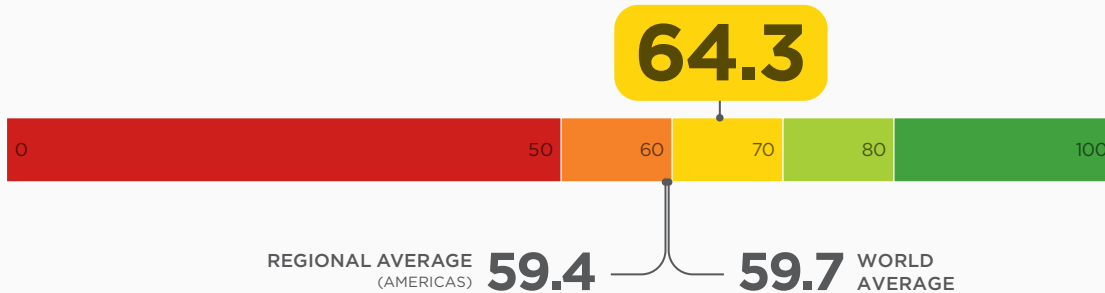
# DOMINICAN REPUBLIC



The Dominican Republic's economic freedom score is 64.3, making its economy the 65th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and the Dominican Republic is ranked 12th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. The Dominican Republic's economy is considered "moderately free" according to the 2025 *Index*.

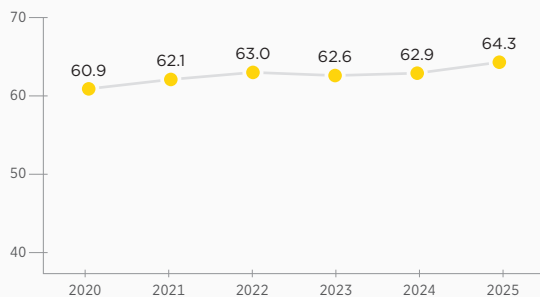
A relatively high degree of openness to global commerce has aided the ongoing transition to a more vibrant economy. The entrepreneurial environment is relatively streamlined, and it takes less time to launch a business than it has in past years. However, overall regulatory efficiency remains inefficient. Challenges remain, particularly in the implementation of deeper institutional reforms that are critical to strengthening the foundations of economic freedom, which include protection of property rights, judicial effectiveness, and government integrity.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.7 million

**GDP (PPP):**  
\$290.4 billion  
2.4% growth in 2023  
3-year average growth rate: 6.5%  
\$27,113 per capita

**UNEMPLOYMENT:**  
5.6%

**INFLATION (CPI):**  
4.8%

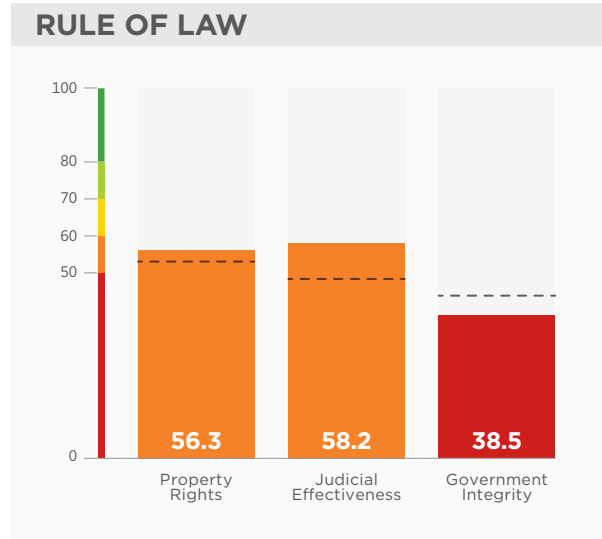
**FDI INFLOW:**  
\$4.0 billion

**PUBLIC DEBT:**  
60.0% of GDP

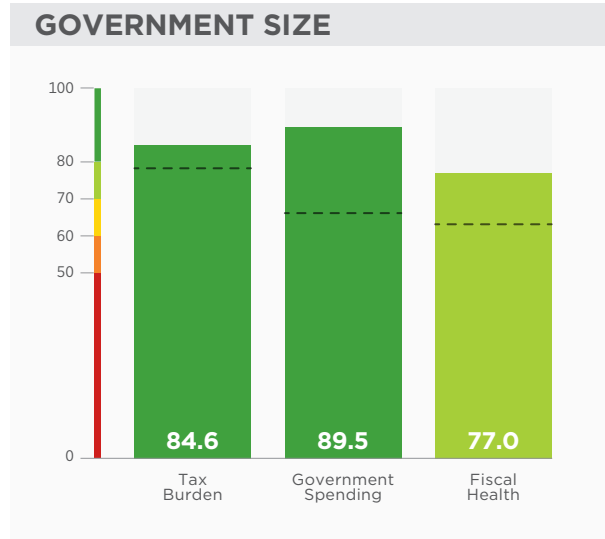
2023 data unless otherwise noted. Data compiled as of November 2024.



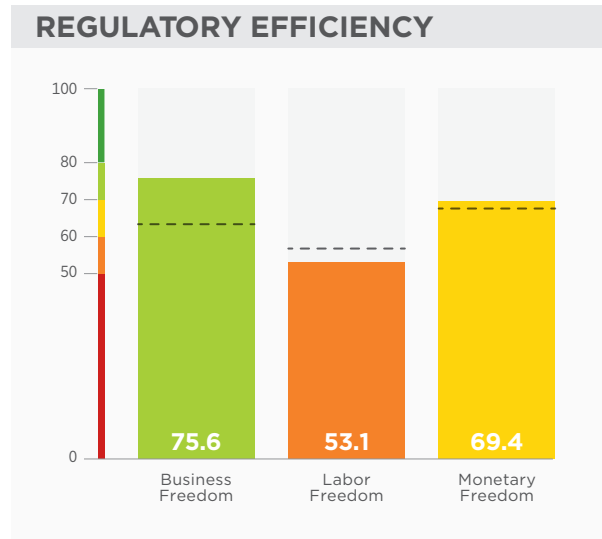
# 12 ECONOMIC FREEDOMS | DOMINICAN REPUBLIC



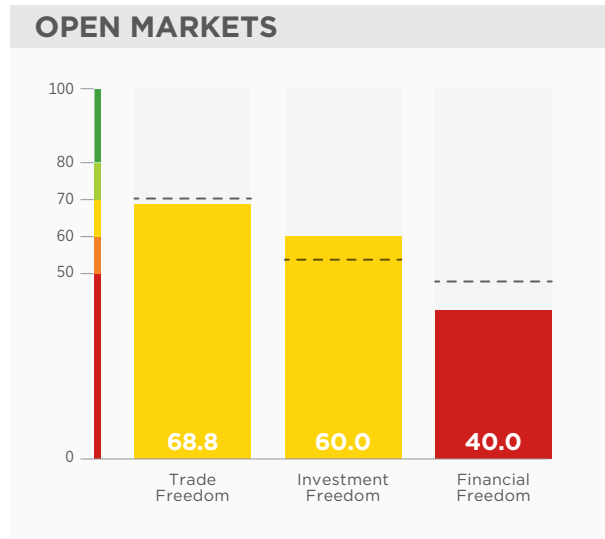
The overall rule of law is relatively well respected in the Dominican Republic. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



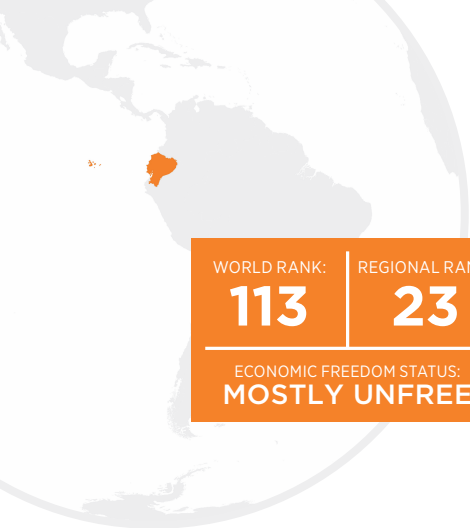
The top individual income tax rate is 25 percent, and the top corporate tax rate is 27 percent. The tax burden equals 13.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.7 percent and -3.1 percent of GDP. Public debt amounts to 60.0 percent of GDP.



The Dominican Republic's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far above the world average; its labor freedom score is below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 8.3 percent, and more than 80 nontariff measures are in force. In general, the government does not discriminate against or screen foreign investment. The financial sector has been growing, and the stock market continues to expand.



WORLD RANK: **113** | REGIONAL RANK: **23**

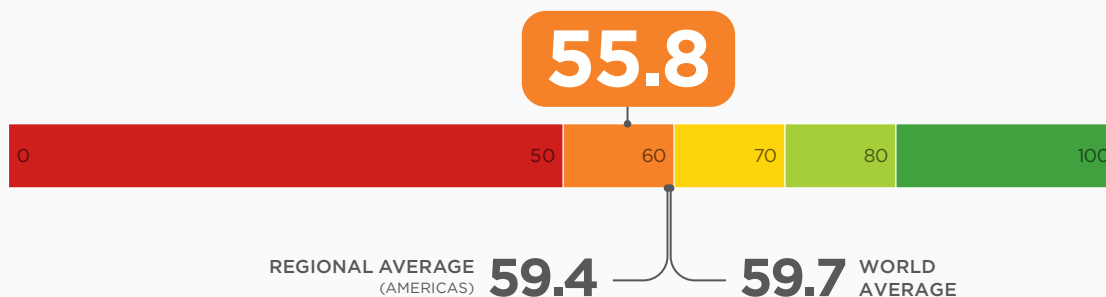
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# ECUADOR

Ecuador’s economic freedom score is 55.8, making its economy the 113th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Ecuador is ranked 23rd out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. Ecuador’s economy is considered “mostly unfree” according to the 2025 *Index*.

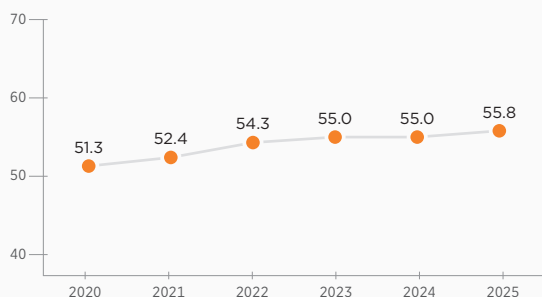
The reach of Ecuador’s government continues to expand to economic sectors beyond the petroleum industry. The rule of law is undermined by pervasive corruption that weakens property rights. The private sector is struggling to operate in a restrictive entrepreneurial environment. The inconsistent application of commercial laws increases the cost of doing business. Nontransparency and unfair competition from state-backed firms are persistent problems. Outdated labor regulations discourage new hiring, and employers resort to short-term outsourcing contracts. Price controls are frequently imposed by the state.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.8 million

**GDP (PPP):**  
\$288.8 billion  
2.4% growth in 2023  
3-year average growth rate: 6.1%  
\$16,193 per capita

**UNEMPLOYMENT:**  
3.4%

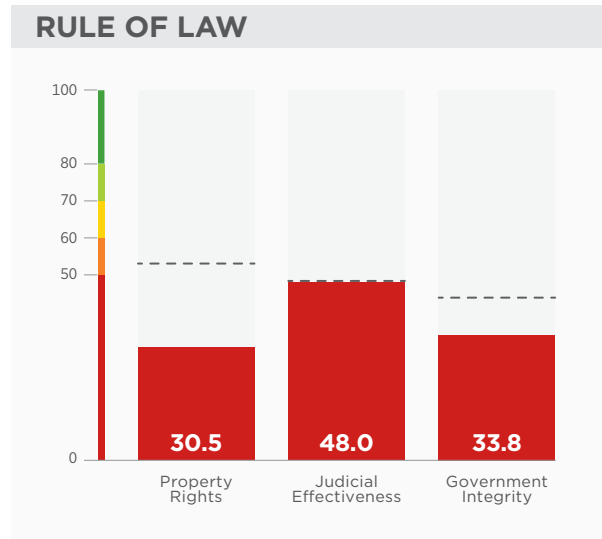
**INFLATION (CPI):**  
2.2%

**FDI INFLOW:**  
\$788.0 million

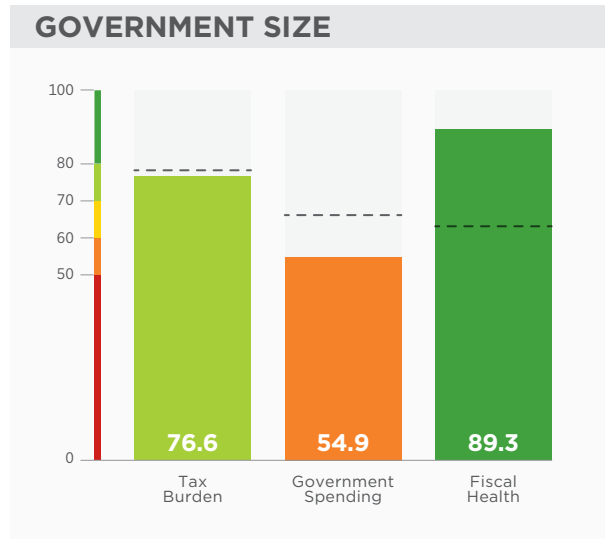
**PUBLIC DEBT:**  
55.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

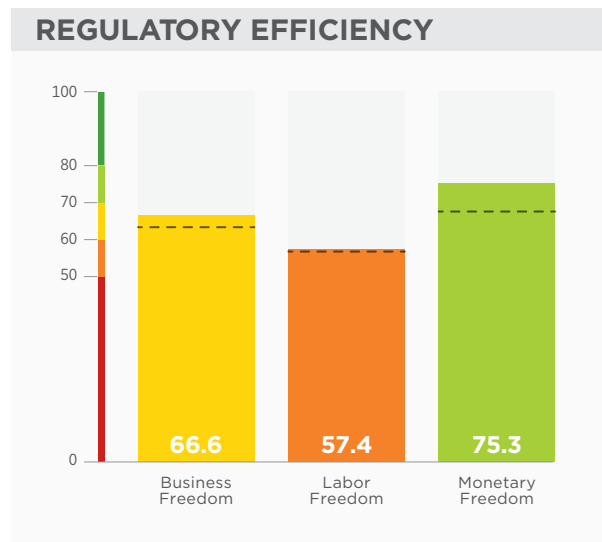
# 12 ECONOMIC FREEDOMS | ECUADOR



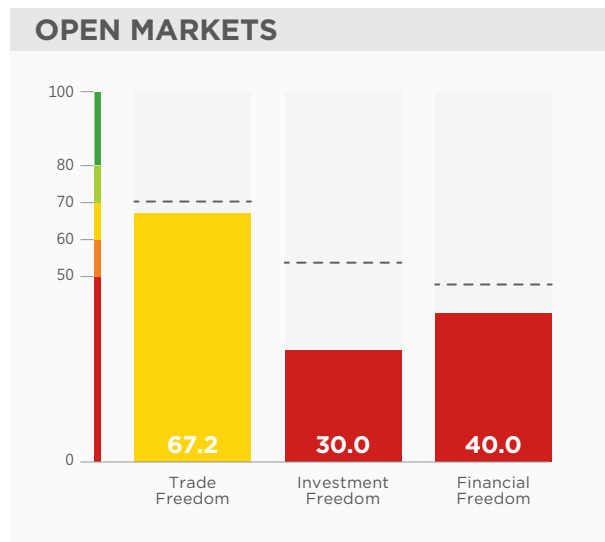
The overall rule of law is weak in Ecuador. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



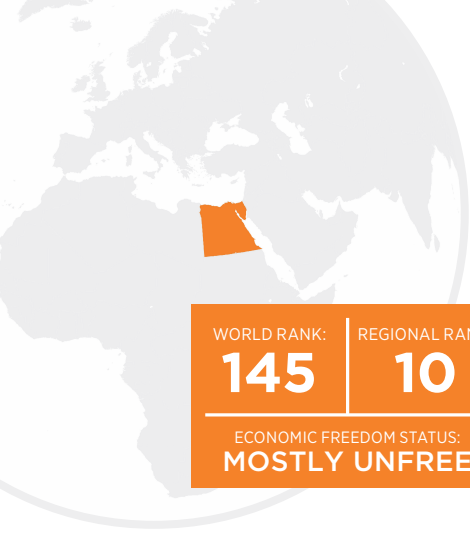
The top individual income tax rate is 37 percent, and the top corporate tax rate is 28 percent. The tax burden equals 13.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.8 percent and -1.7 percent of GDP. Public debt amounts to 55.3 percent of GDP.



Ecuador'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.4 percent, and more than 200 nontariff measures are in force. The investment climate remains uncertain. The underdeveloped and state-controlled financial sector limits access to credit. Approximately 50 percent of adults have access to accounts with a formal banking institution.



WORLD RANK: **145** | REGIONAL RANK: **10**

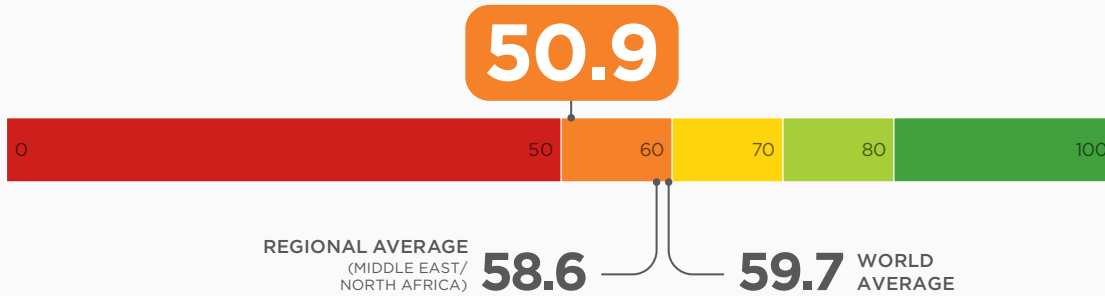
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# EGYPT

Egypt's economic freedom score is 50.9, making its economy the 145th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Egypt is ranked 10th out of 14 countries in the Middle East / North Africa region. The country's economic freedom score is lower than the world and regional averages. Egypt's economy is considered "mostly unfree" according to the 2025 *Index*.

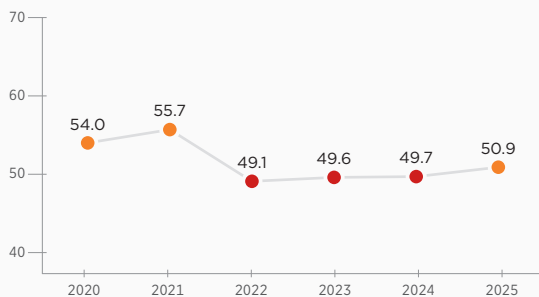
Among the deeper institutional reforms needed to sustain Egypt's long-term growth and stable economic development are strengthening of the judicial system, better protection of property rights, and more effective anticorruption measures. The state's heavy presence in the economy undercuts policies that might help to open markets. There have been reforms aimed at reducing excessive regulation and making it easier to do business in recent years. In the absence of a well-functioning labor market, informal labor activity persists in many sectors.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
105.2 million

**GDP (PPP):**  
\$2.1 trillion  
3.8% growth in 2023  
3-year average growth rate: 4.6%  
\$20,181 per capita

**UNEMPLOYMENT:**  
7.3%

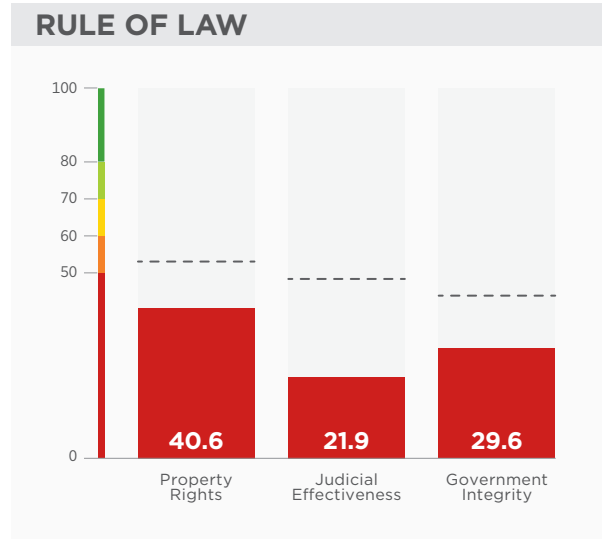
**INFLATION (CPI):**  
24.4%

**FDI INFLOW:**  
\$11.4 billion

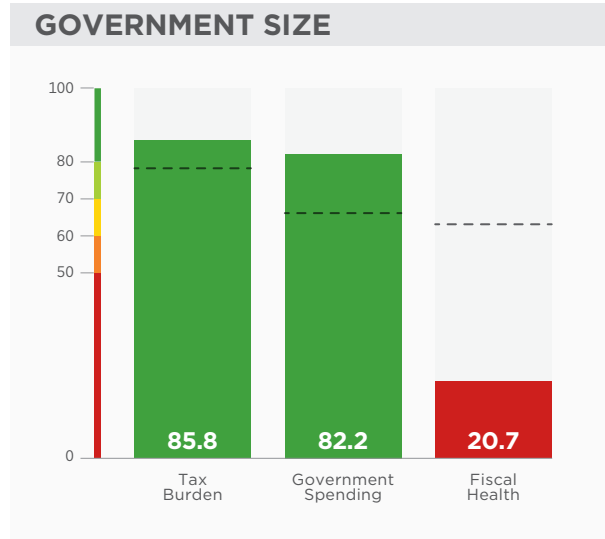
**PUBLIC DEBT:**  
95.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

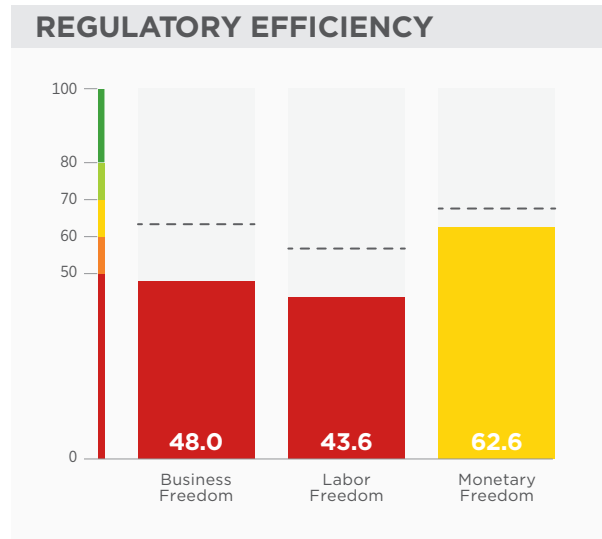
# 12 ECONOMIC FREEDOMS | EGYPT



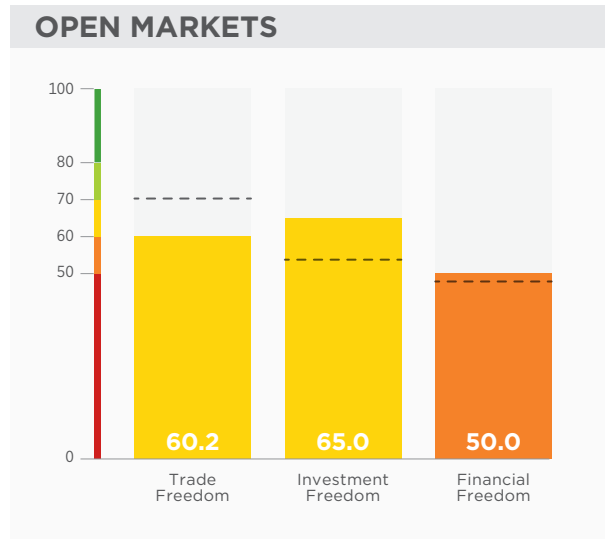
The overall rule of law is weak in Egypt. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 22.5 percent. The tax burden equals 12.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.3 percent and -6.2 percent of GDP. Public debt amounts to 95.9 percent of GDP.



Egypt'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 12.4 percent, and more than 150 nontariff measures are in force. Investment in several sectors remains restricted. The banking sector is well capitalized and stable, and local banks are attaining continued profitability. The overall financial market is relatively vibrant and open to foreigners.



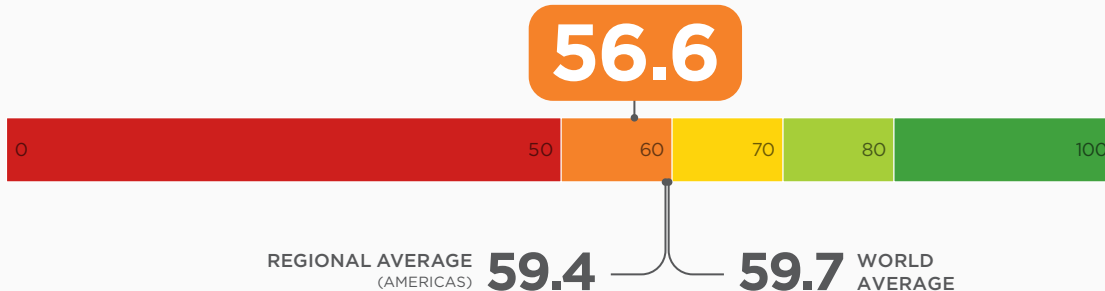
WORLD RANK: **106** REGIONAL RANK: **22**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# EL SALVADOR

**E**l Salvador’s economic freedom score is 56.6, making its economy the 106th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.2 points from last year, and El Salvador is ranked 22nd out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. El Salvador’s economy is considered “mostly unfree” according to the 2025 *Index*.

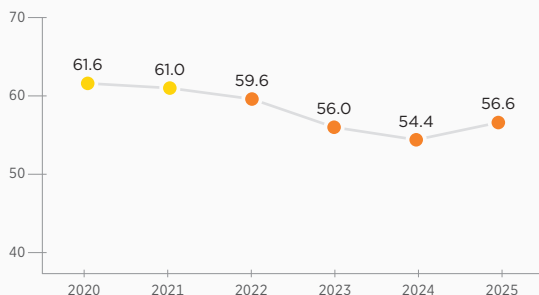
The regulatory environment generally supports trade, investment, and competitiveness. Despite some notable progress, institutional weaknesses continue to slow the transition to a more dynamic economy. Property rights are moderately well protected, and the judicial system is relatively efficient. Improved management of public finance is needed to deal with chronic fiscal deficits. El Salvador lags behind other countries in easing constraints on the business environment. The labor market lacks flexibility, and imbalances in the demand and supply of skilled workers persist.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -12.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.4 million

**GDP (PPP):**  
\$79.9 billion  
3.5% growth in 2023  
3-year average growth rate: 6.1%  
\$12,547 per capita

**UNEMPLOYMENT:**  
2.8%

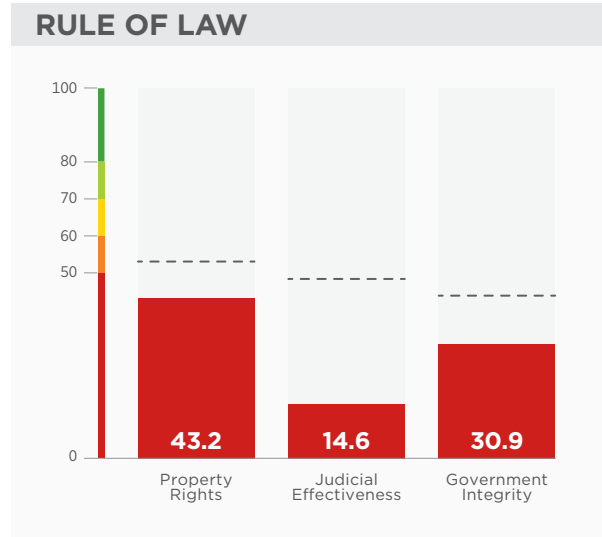
**INFLATION (CPI):**  
4.0%

**FDI INFLOW:**  
\$760 million

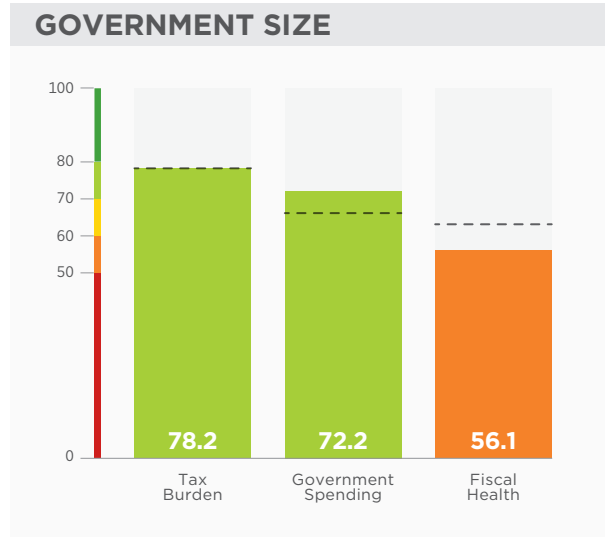
**PUBLIC DEBT:**  
84.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

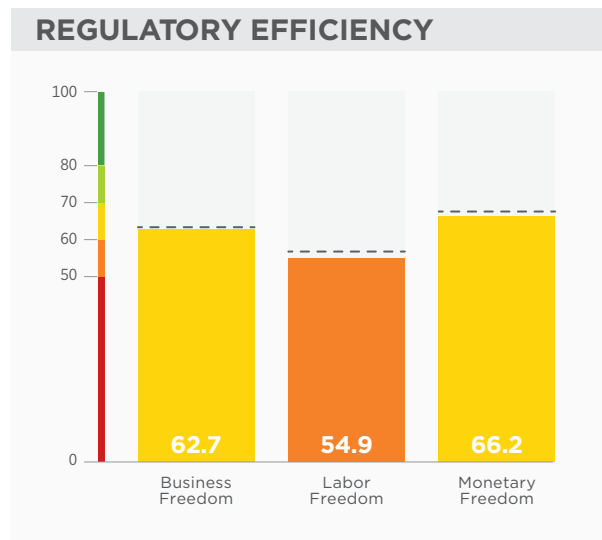
# 12 ECONOMIC FREEDOMS | EL SALVADOR



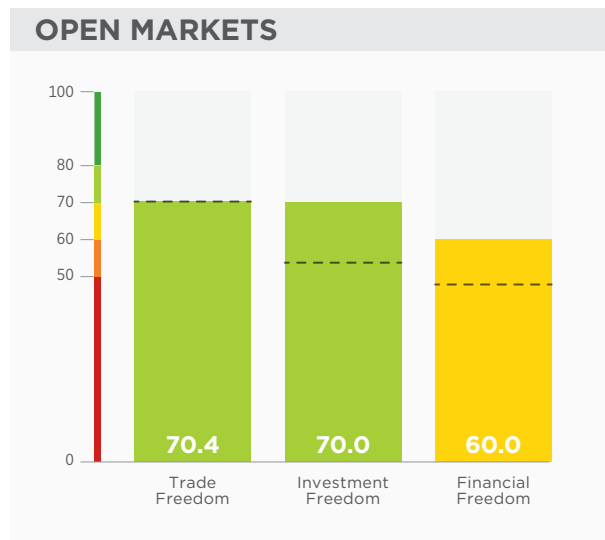
The overall rule of law is weak in El Salvador, although gang violence has decreased significantly. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 19.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.5 percent and -4.3 percent of GDP. Public debt amounts to 84.7 percent of GDP.



El Salvador'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 below the world average.



The trade-weighted average tariff rate is 7.3 percent, and layers of nontariff measures are in force. In general, foreign and domestic investors are treated equally. Banking is highly concentrated, and foreign banks can offer all of the services that domestic banks offer.

# EQUATORIAL GUINEA

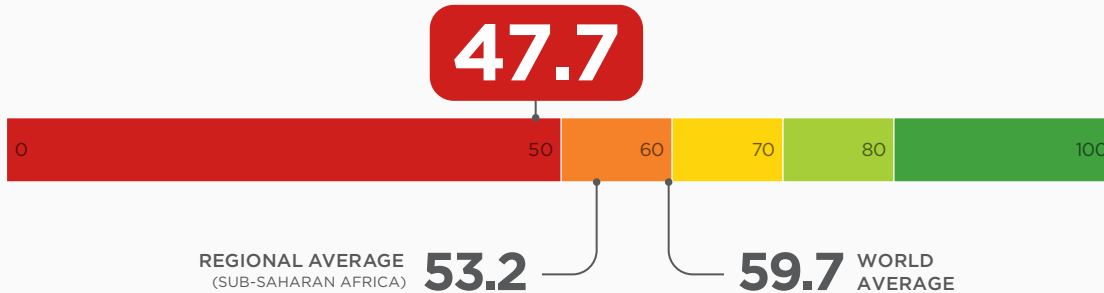
WORLD RANK: **159** | REGIONAL RANK: **40**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Equatorial Guinea's economic freedom score is 47.7, making its economy the 159th freest in the 2025 *Index of Economic Freedom*. Its rating is unchanged from last year, and Equatorial Guinea is ranked 40th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Equatorial Guinea's economy is considered "repressed" according to the 2025 *Index*.

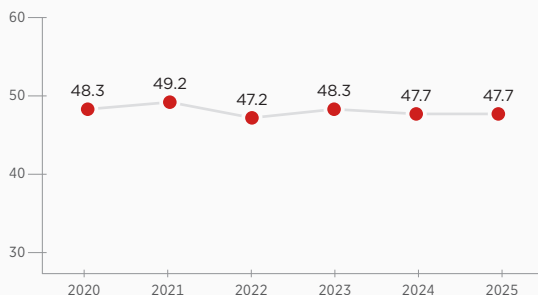
Persistent institutional weaknesses impede the emergence of a vibrant private sector. Improving the investment and business climate to generate more broadly based economic expansion remains a priority. Despite some progress, administrative procedures are cumbersome, and the costs of complying with licensing requirements are relatively high. In the absence of private-sector employment opportunities, an efficient labor market has not emerged. Pervasive corruption further undermines the weak rule of law, and limited economic reform has led to overreliance on natural resource-driven investment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1999): +2.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.5 million

**GDP (PPP):**  
\$31.9 billion  
-6.2% growth in 2023  
3-year average growth rate: -0.6%  
\$20,676 per capita

**UNEMPLOYMENT:**  
8.7%

**INFLATION (CPI):**  
2.5%

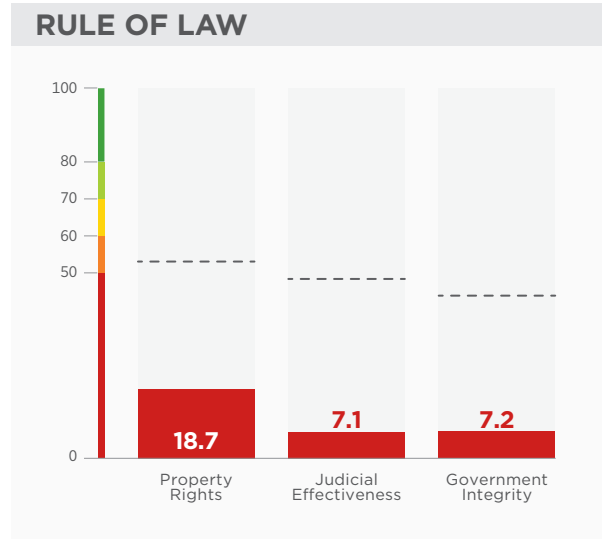
**FDI INFLOW:**  
\$459.0 million

**PUBLIC DEBT:**  
37.4% of GDP

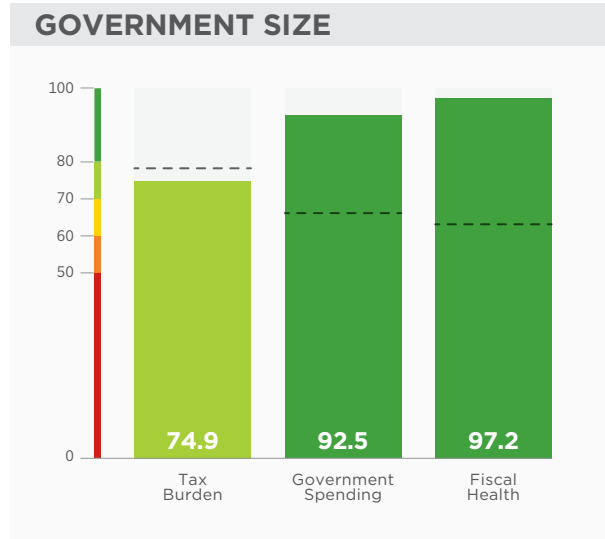
2023 data unless otherwise noted. Data compiled as of November 2024.



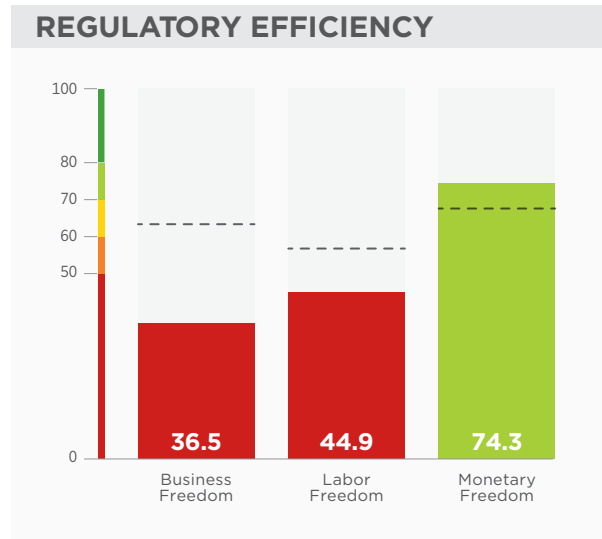
# 12 ECONOMIC FREEDOMS | EQUATORIAL GUINEA



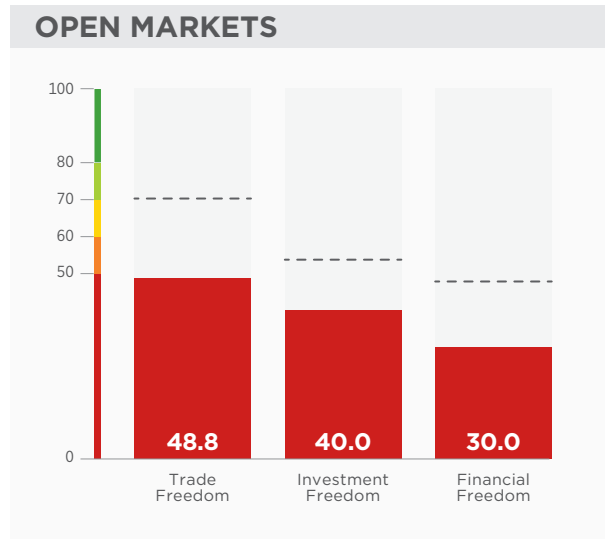
The overall rule of law is weak in Equatorial Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 35 percent. The tax burden equals 7.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.9 percent and 5.7 percent of GDP. Public debt amounts to 37.4 percent of GDP.



Equatorial Guinea'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 above the world average.



The most recent available average tariff rate is 15.6 percent. Onerous regulations, exacerbated by other institutional shortcomings, impede trade and foreign investment flows. High credit costs limit access to financing. The government controls long-term lending through the state-owned development bank.



WORLD RANK: **171** | REGIONAL RANK: **45**

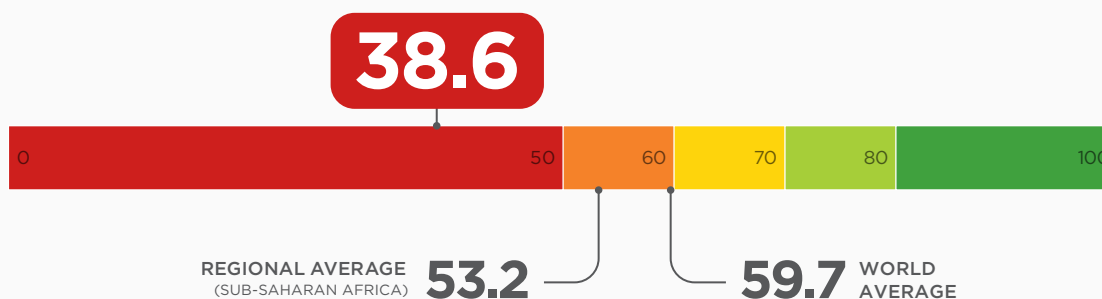
ECONOMIC FREEDOM STATUS: **REPPRESSED**

# ERITREA

Eritrea's economic freedom score is 38.6, making its economy the 171st freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.9 point from last year, and Eritrea is ranked 45th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Eritrea's economy is considered "repressed" according to the 2025 *Index*.

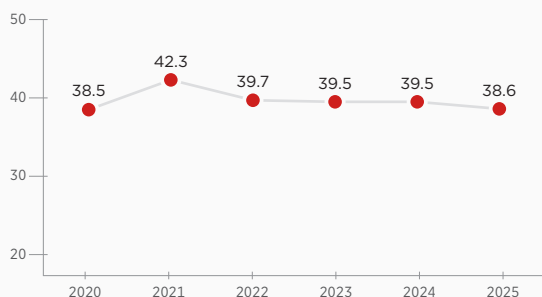
Long-standing problems include poor governance, lack of commitment to structural reform, poor management of public finance, and underdeveloped legal and regulatory frameworks. Weak enforcement of property rights and fragile rule of law have driven many Eritreans into the informal sector. Businesses face the constant threat of government interference. Few sizable private businesses exist, and employment opportunities are limited. Access to reliable economic and labor statistics is difficult or impossible. Monetary stability is fragile, and the most recent available inflation rate is 7.5 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +0.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.6 million

**GDP (PPP):**  
\$6.9 billion  
2.9% growth in 2021  
5-year average growth rate: 8.4%  
\$1,921 per capita

**UNEMPLOYMENT:**  
8.1%

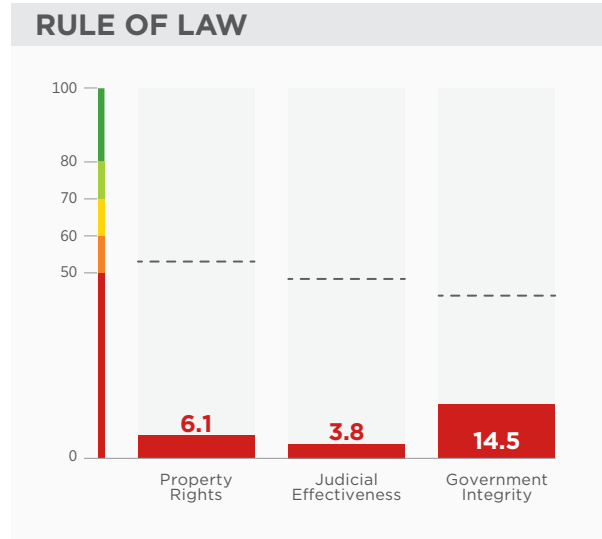
**INFLATION (CPI):**  
7.5%

**FDI INFLOW:**  
-\$32.0 million

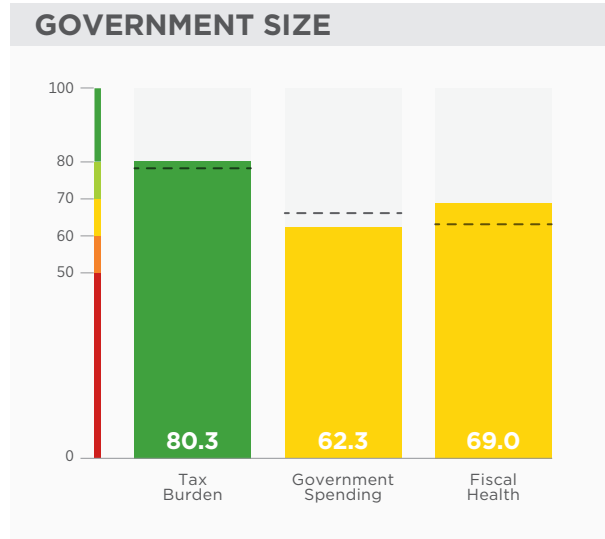
**PUBLIC DEBT:**  
176.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

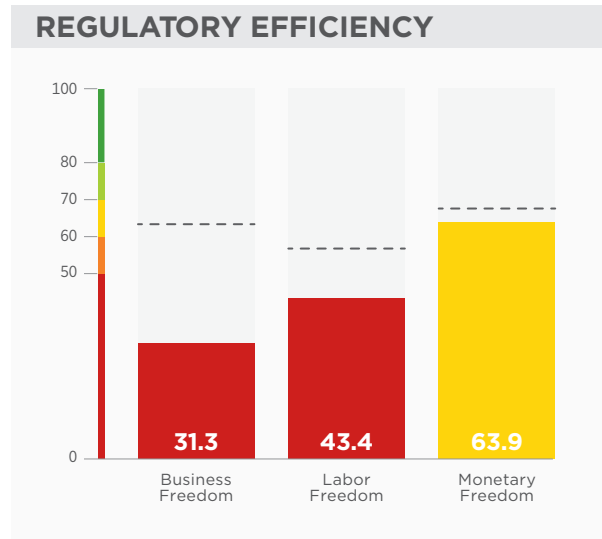
# 12 ECONOMIC FREEDOMS | ERITREA



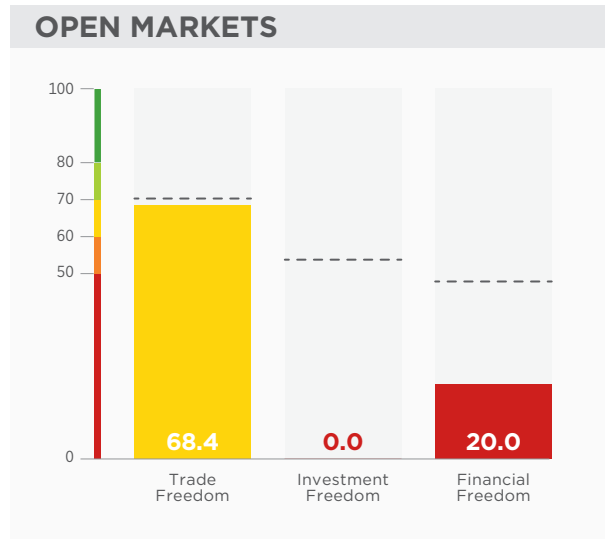
The overall rule of law is weak in Eritrea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 12.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.5 percent and -2.6 percent of GDP. Public debt amounts to 176.3 percent of GDP.



Eritrea'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 most recent publicly available average tariff rate is 5.8 percent, but layers of nontariff barriers severely restrict trade flows. Foreign investment in several economic sectors is restricted, and state-owned enterprises distort markets. The financial system remains underdeveloped, and capital markets are nonexistent.



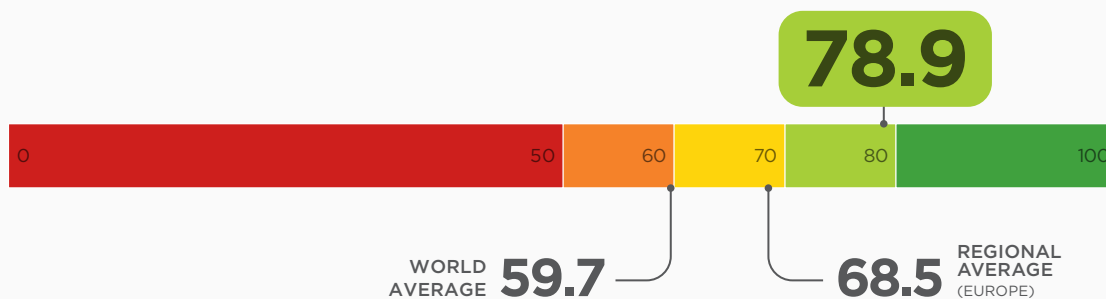
WORLD RANK:	REGIONAL RANK:
<b>8</b>	<b>5</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# ESTONIA

Estonia's economic freedom score is 78.9, making its economy the 8th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Estonia is ranked 5th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Estonia's economy is considered "mostly free" according to the 2025 *Index*.

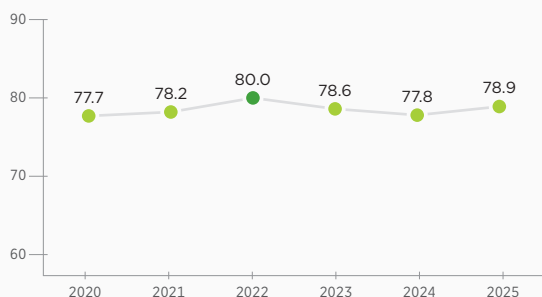
Estonia upholds all four pillars of economic freedom and continues to be a strong defender of liberty. An independent and efficient judicial system strongly enforces the rule of law. The debt burden remains quite low and has not undermined long-term economic competitiveness. Flexibility and openness have enabled the economy to adjust to external shocks. The efficiency and competitiveness of the overall regulatory framework facilitate private-sector entrepreneurial dynamism. Enhancing the flexibility of Estonia's modern labor market has been a key goal.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +13.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 million

**GDP (PPP):**  
\$64.6 billion  
-3.0% growth in 2023  
3-year average growth rate: 1.4%  
\$47,128 per capita

**UNEMPLOYMENT:**  
6.4%

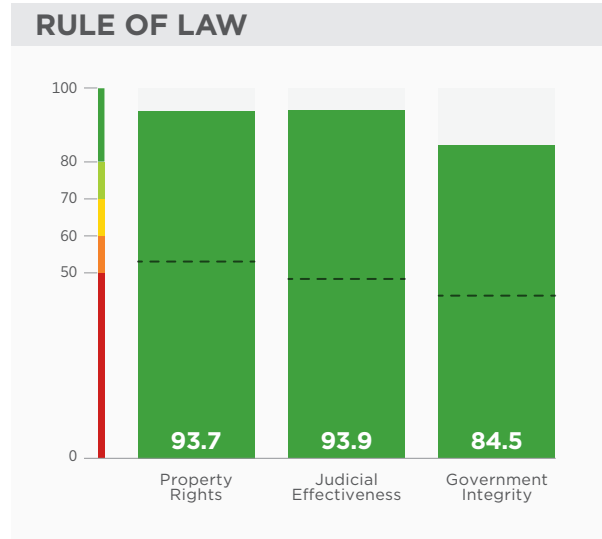
**INFLATION (CPI):**  
9.1%

**FDI INFLOW:**  
\$1.2 billion

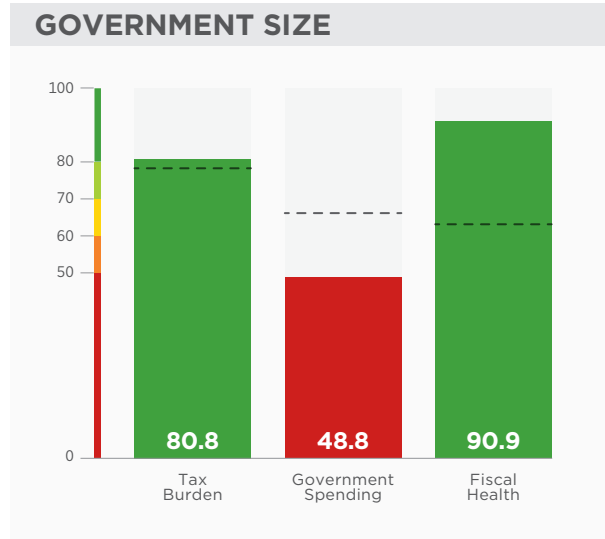
**PUBLIC DEBT:**  
19.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

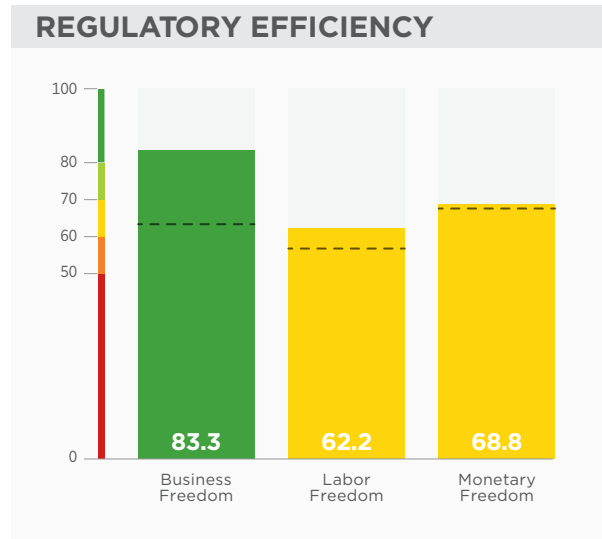
# 12 ECONOMIC FREEDOMS | ESTONIA



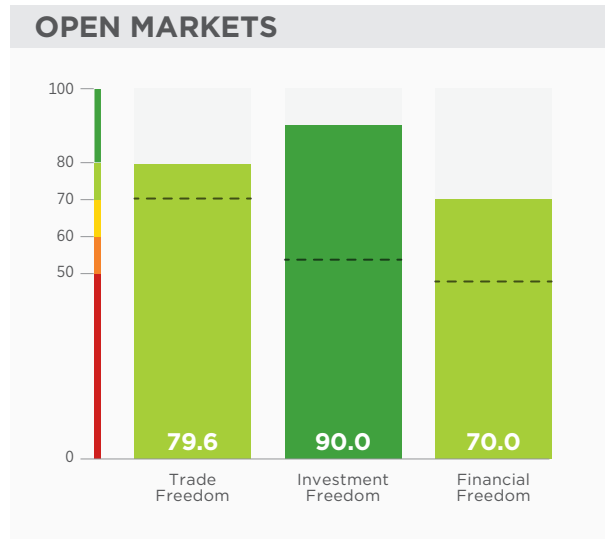
The overall rule of law is very well respected in Estonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 33.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.3 percent and -2.3 percent of GDP. Public debt amounts to 19.3 percent of GDP.



Estonia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional six country-specific nontariff barriers. The transparent investment regime facilitates openness to foreign investment. The financial sector remains stable.

WORLD RANK:

107

REGIONAL RANK:

13

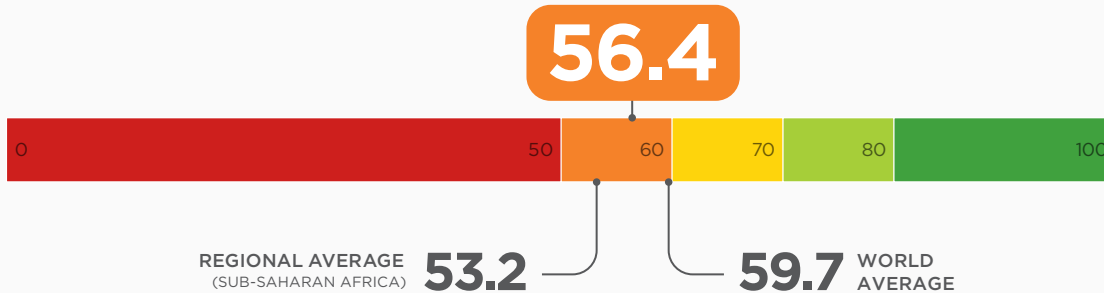
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# ESWATINI

Eswatini's economic freedom score is 56.4, making its economy the 107th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Eswatini is ranked 13th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Eswatini's economy is considered "mostly unfree" according to the 2025 *Index*.

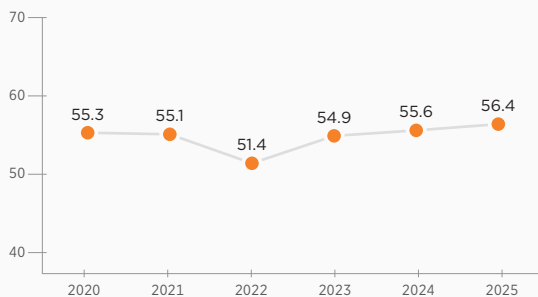
Eswatini's progress toward greater economic freedom has been uneven. Annual growth has averaged 3.0 percent over the past five years. The economic base is fairly diversified, but inefficient regulatory and legal frameworks undermine the development of private investment and production. The country's regulatory environment is inefficient and includes many requirements that increase the overall cost of entrepreneurial activity. A formal labor market has yet to be fully developed, and informal labor activity continues to be substantial.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**

1.2 million

**GDP (PPP):**

\$14.2 billion  
4.9% growth in 2023  
3-year average growth rate: 5.4%  
\$12,232 per capita

**UNEMPLOYMENT:**

37.6%

**INFLATION (CPI):**

4.9%

**FDI INFLOW:**

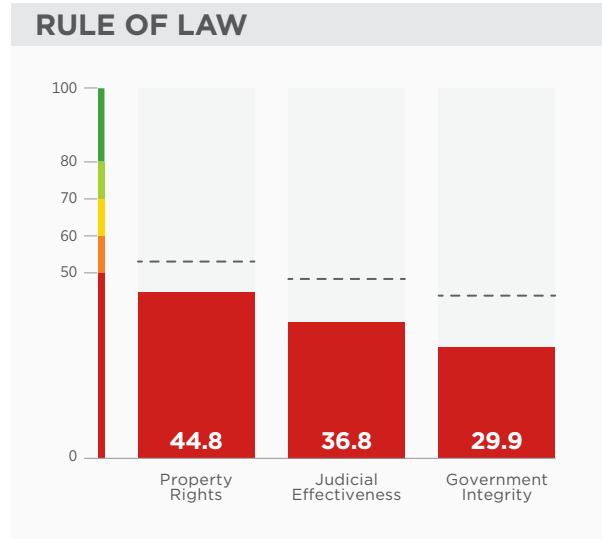
\$21.0 million

**PUBLIC DEBT:**

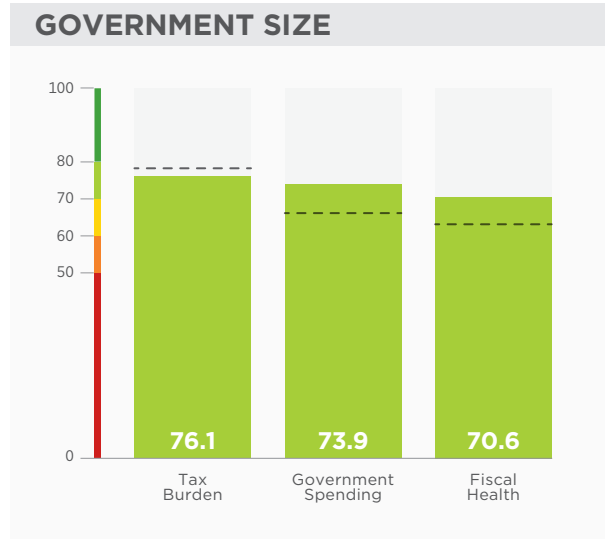
38.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

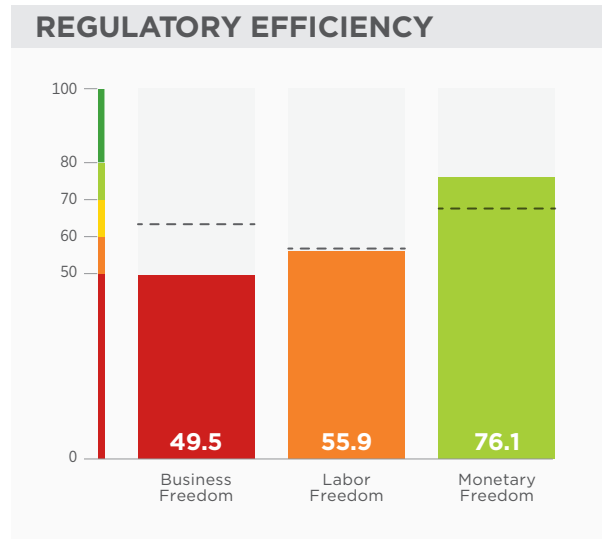
# 12 ECONOMIC FREEDOMS | ESWATINI



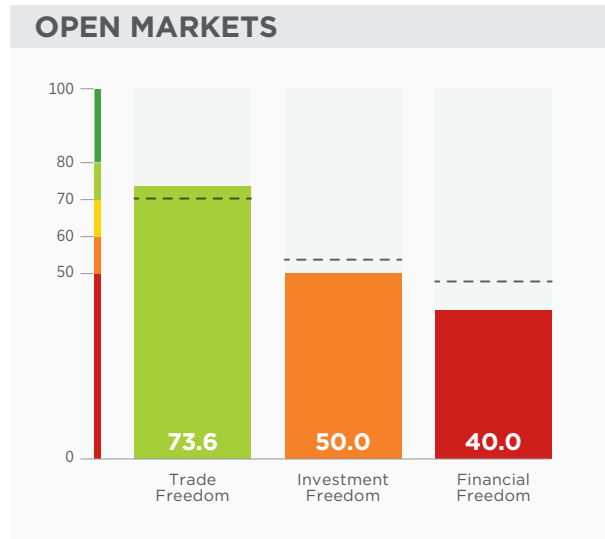
The overall rule of law is weak in Eswatini. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



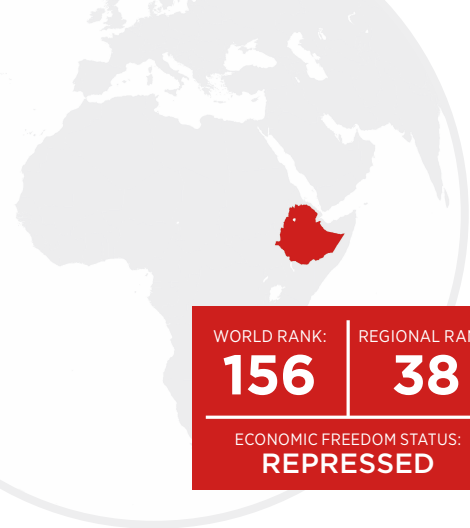
The top individual income tax rate is 33 percent, and the top corporate tax rate is 27.5 percent. The tax burden equals 23.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.5 percent and -4.1 percent of GDP. Public debt amounts to 38.5 percent of GDP.



Eswatini's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 8.2 percent, and nontariff barriers deter the development of more dynamic trade activity. Foreign investment is screened, and state-owned enterprises distort the economy. The financial sector remains subject to government influence.



WORLD RANK: **156** | REGIONAL RANK: **38**

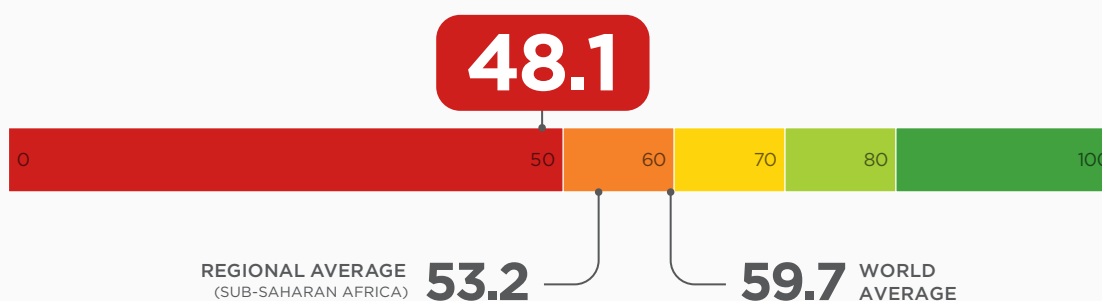
ECONOMIC FREEDOM STATUS: **REPRESSED**

# ETHIOPIA

Ethiopia's economic freedom score is 48.1, making its economy the 156th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Ethiopia is ranked 38th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Ethiopia's economy is considered "repressed" according to the 2025 *Index*.

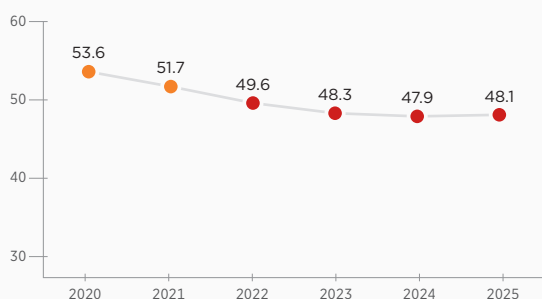
Progress toward greater economic freedom has been very uneven, and Ethiopia underperforms in many critical policy areas. The absence of an independent and fair judiciary weakens the rule of law and undermines prospects for the country's long-term economic development. Open-market policies have advanced but only marginally. The weak and uncertain regulatory framework impedes expansion and diversification of Ethiopia's productive base. The formal labor market is underdeveloped. Employment regulations remain outmoded, but their enforcement is not stringent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
105.7 million

**GDP (PPP):**  
\$400.0 billion  
7.2% growth in 2023  
3-year average growth rate: 6.6%  
\$3,784 per capita

**UNEMPLOYMENT:**  
3.5%

**INFLATION (CPI):**  
30.2%

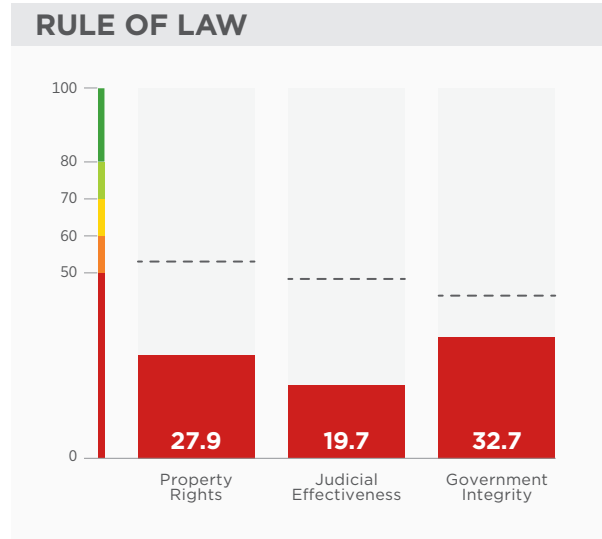
**FDI INFLOW:**  
\$3.7 billion

**PUBLIC DEBT:**  
38.7% of GDP

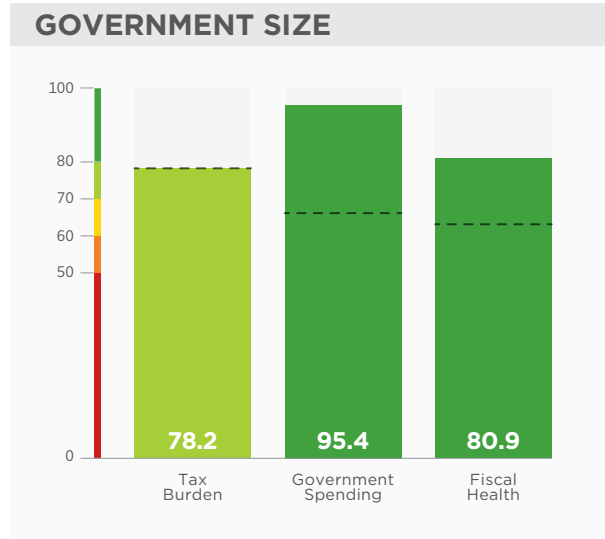
2023 data unless otherwise noted. Data compiled as of November 2024.



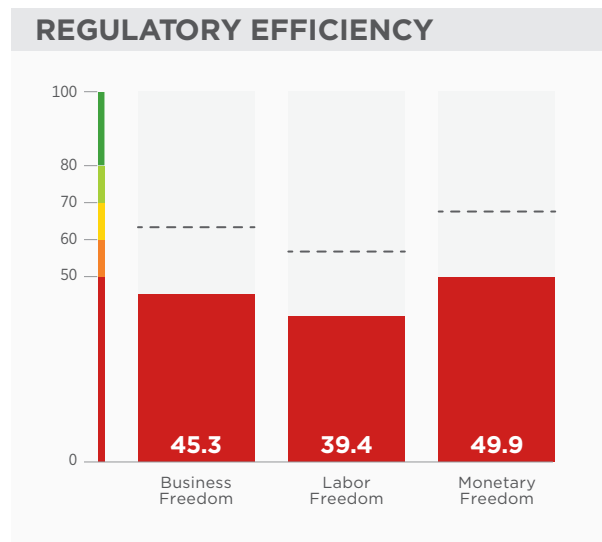
# 12 ECONOMIC FREEDOMS | ETHIOPIA



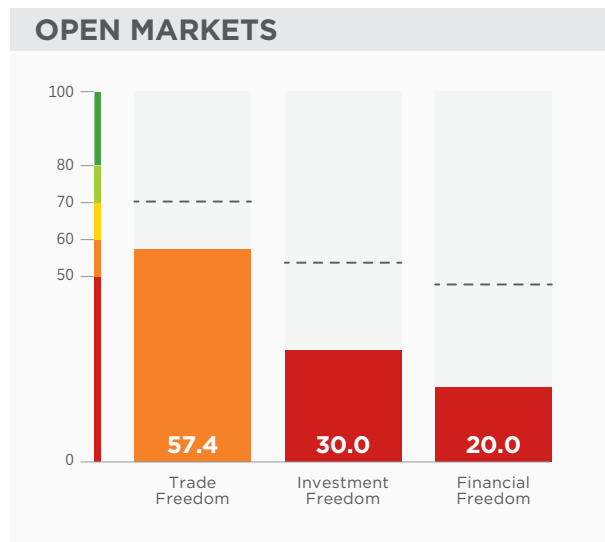
The overall rule of law is weak in Ethiopia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



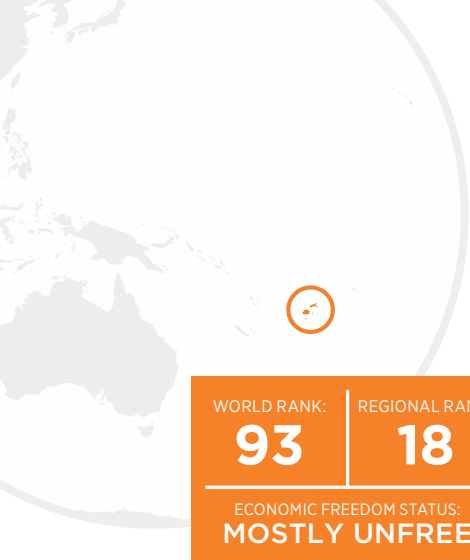
The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 7.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.4 percent and -3.2 percent of GDP. Public debt amounts to 38.7 percent of GDP.



Ethiopia'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 well below the world average.



The trade-weighted average tariff rate is 11.3 percent, and nontariff barriers further undermine the freedom to trade. Lack of access to financing precludes entrepreneurial growth, and the investment environment is undermined by political and security challenges and lacks transparency.



WORLD RANK: **93** REGIONAL RANK: **18**

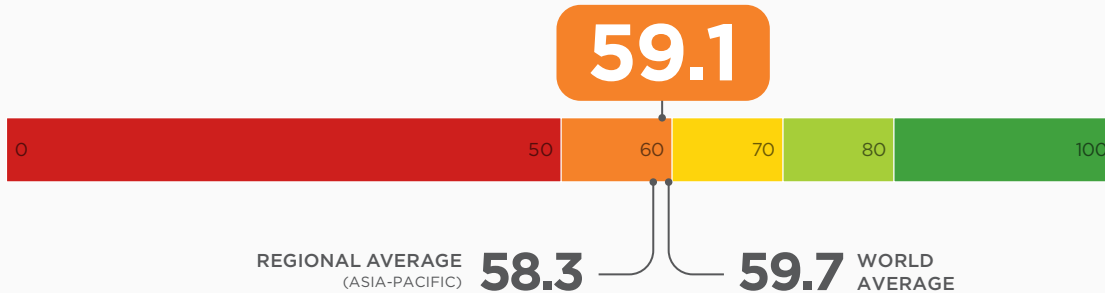
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# FIJI

Fiji's economic freedom score is 59.1, making its economy the 93rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Fiji is ranked 18th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the global average and higher than the regional average. Fiji's economy is considered "mostly unfree" according to the 2025 *Index*.

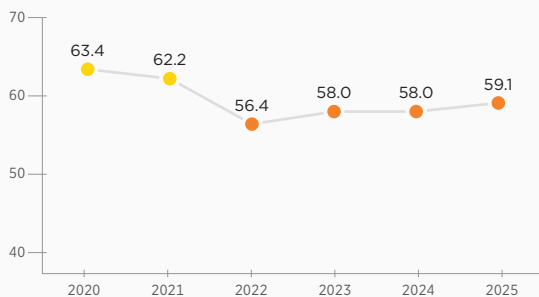
The foundations for long-term economic development are weak. Fiji lacks an independent and effective legal system. The regulatory framework is not conducive to dynamic economic expansion. Public debt as a percentage of GDP is higher in Fiji than in most of its regional neighbors. Inefficient government-owned sugar, electricity, and transportation enterprises significantly impede fiscal stability. Procedures for establishing and running a company are time-consuming and costly. Labor regulations remain rigid, and an efficient labor market has not been fully developed.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +4.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.9 million

**GDP (PPP):**  
\$14.0 billion  
7.5% growth in 2023  
3-year average growth rate: 7.5%  
\$15,266 per capita

**UNEMPLOYMENT:**  
4.3%

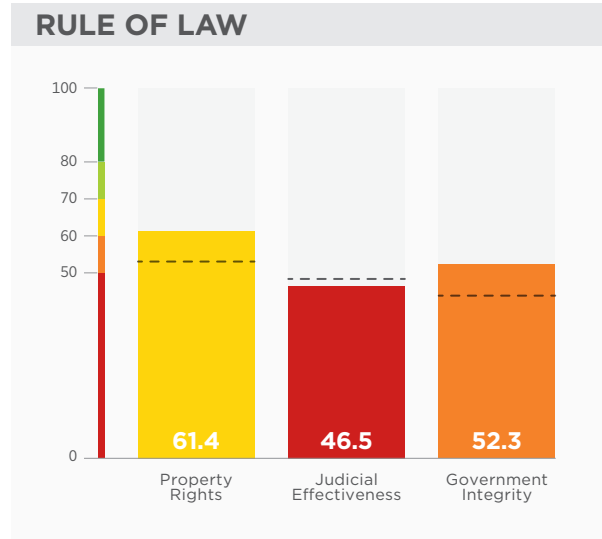
**INFLATION (CPI):**  
2.3%

**FDI INFLOW:**  
\$104.0 million

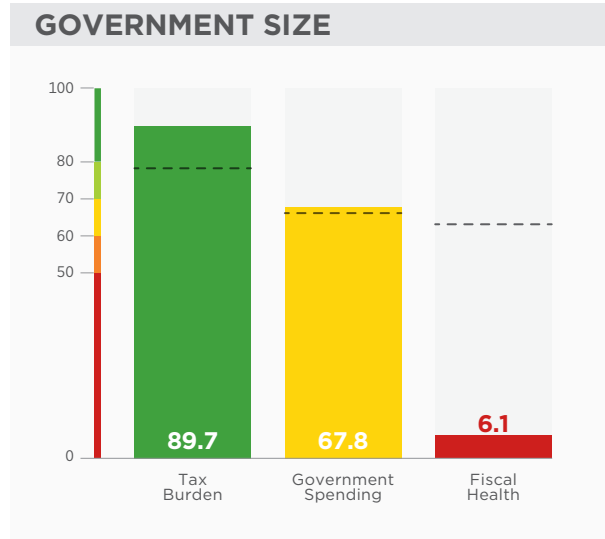
**PUBLIC DEBT:**  
83.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

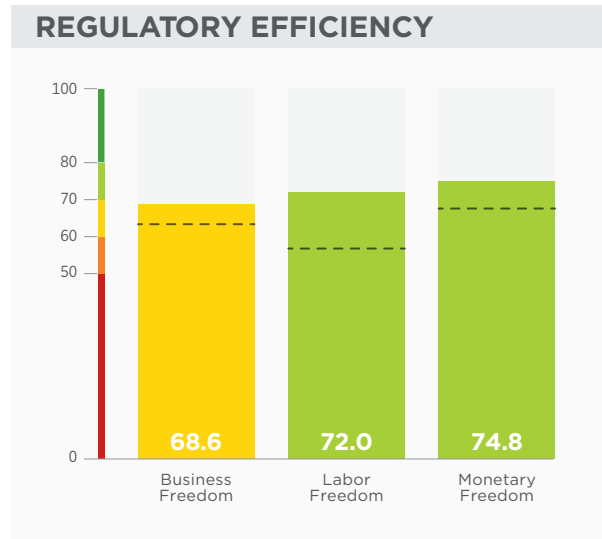
# 12 ECONOMIC FREEDOMS | FIJI



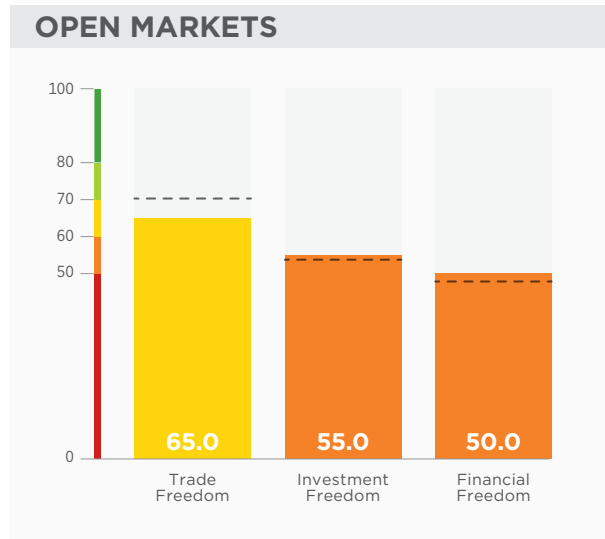
The overall rule of law is relatively well respected in Fiji. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



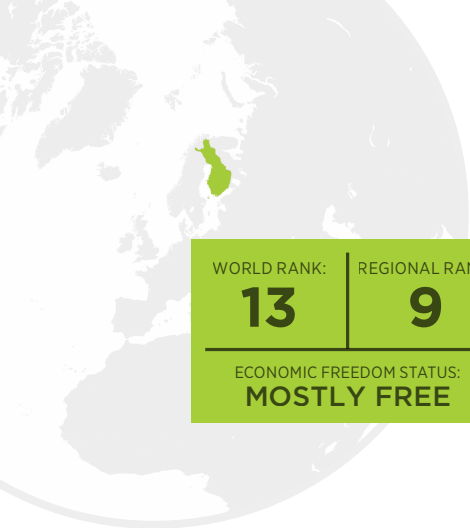
The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 15.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.7 percent and -11.0 percent of GDP. Public debt amounts to 83.3 percent of GDP.



Fiji's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 10.0 percent, and multiple nontariff barriers further restrict trade flows. Foreign investment is screened, and investment in land remains restricted. The government has gradually withdrawn from commercial banking, and foreign participation has gradually been growing.



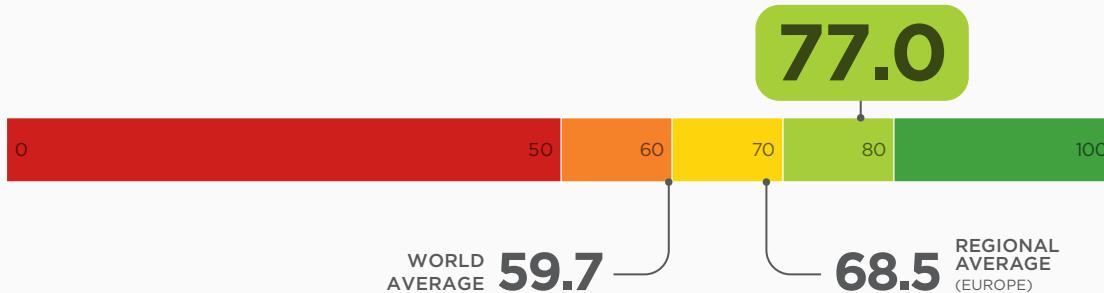
WORLD RANK: <b>13</b>	REGIONAL RANK: <b>9</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# FINLAND

Finland's economic freedom score is 77, making its economy the 13th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and Finland is ranked 9th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Finland's economy is considered "mostly free" according to the 2025 *Index*.

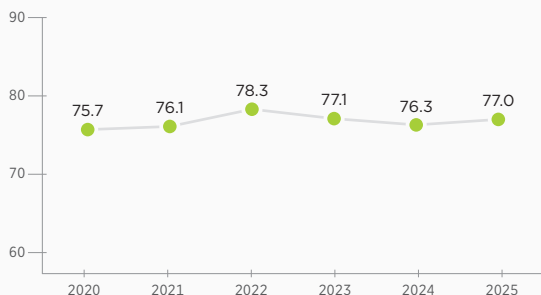
Finland's economy is open and transparent. The legal framework is among the world's best, and property rights are protected. The rule of law is respected, and a minimum tolerance of corruption remains a strong tradition. Finland has long benefited from open-market policies that support dynamic trade and investment. The business framework encourages innovation and productivity growth. The labor market is characterized by high costs and burdensome regulations. The non-salary cost of employing a worker is high, and the severance payment system remains costly.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +13.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.6 million

**GDP (PPP):**  
\$353.6 billion  
-1.2% growth in 2023  
3-year average growth rate: 1.0%  
\$63,559 per capita

**UNEMPLOYMENT:**  
7.2%

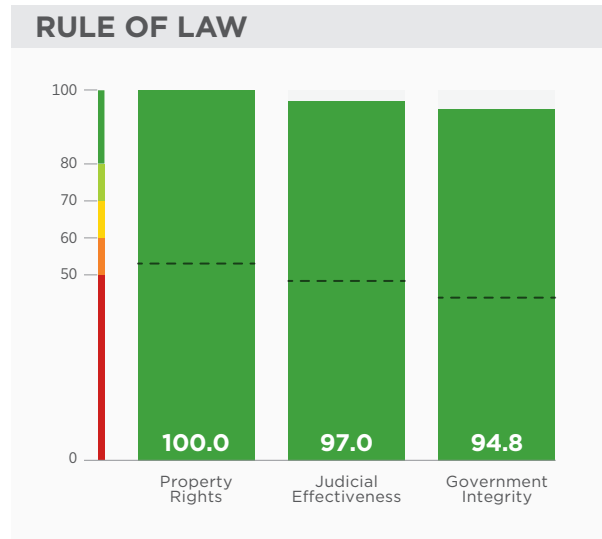
**INFLATION (CPI):**  
4.3%

**FDI INFLOW:**  
\$9.4 billion

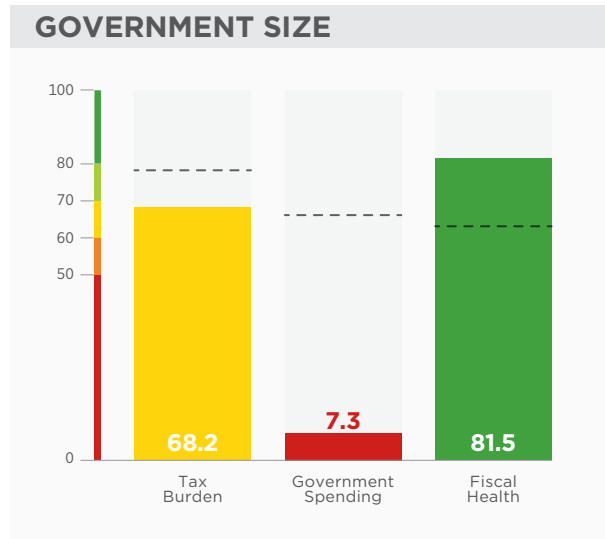
**PUBLIC DEBT:**  
77.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

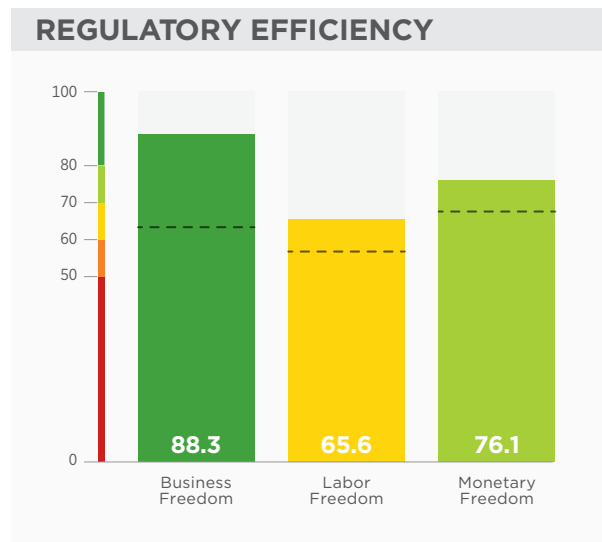
# 12 ECONOMIC FREEDOMS | FINLAND



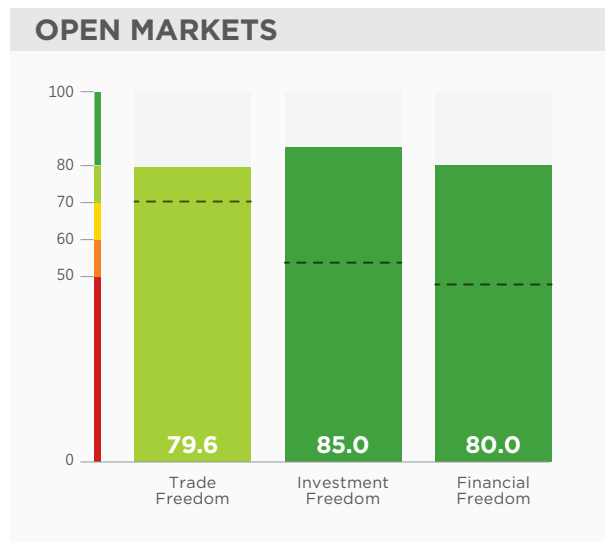
The overall rule of law is very well respected in Finland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



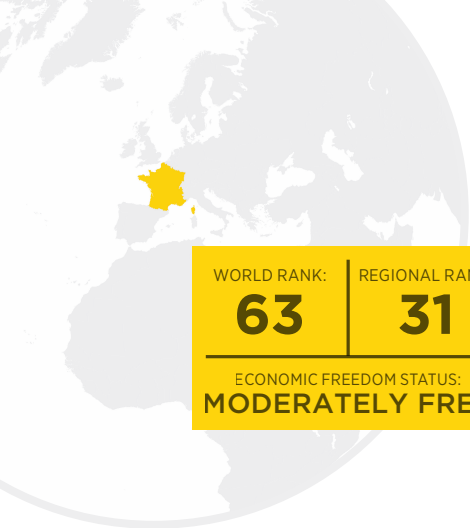
The top individual income tax rate is 31.25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 42.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 55.6 percent and -2.0 percent of GDP. Public debt amounts to 77.0 percent of GDP.



Finland's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional nine country-specific nontariff barriers. Sound and transparent frameworks facilitate investment. The financial sector provides a wide range of services.



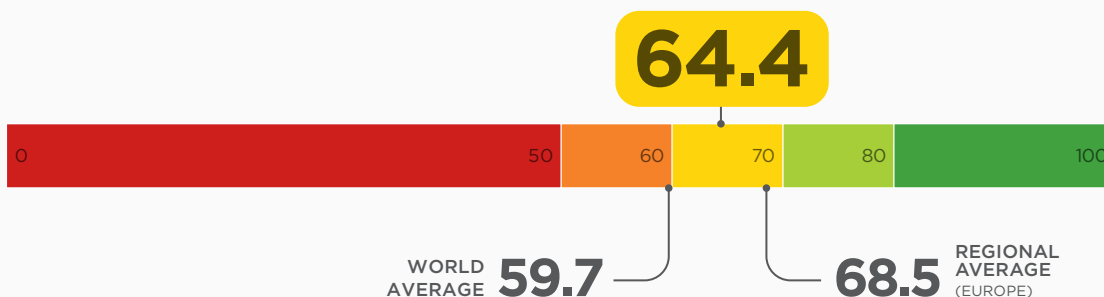
WORLD RANK: <b>63</b>	REGIONAL RANK: <b>31</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# FRANCE

France's economic freedom score is 64.4, making its economy the 63rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.9 points from last year, and France is ranked 31st out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. France's economy is considered "moderately free" according to the 2025 *Index*.

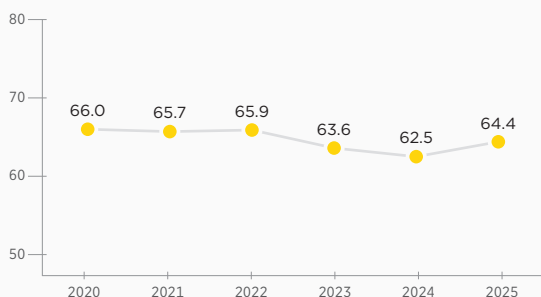
The French economy remains diversified and relatively resilient with entrepreneurial activity facilitated by such institutional strengths as strong protection of property rights and a fairly efficient regulatory framework. Reforms to increase economic competitiveness and flexibility have yielded marginal progress. Labor regulations are rigid, and the labor market lacks the capacity to generate more vibrant employment growth. The government has partially or fully privatized many large companies but maintains a strong presence in such sectors as power, public transport, and defense.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): 0 (NO CHANGE)

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
65.9 million

**GDP (PPP):**  
\$4.2 trillion  
1.1% growth in 2023  
3-year average growth rate: 3.5%  
\$63,881 per capita

**UNEMPLOYMENT:**  
7.3%

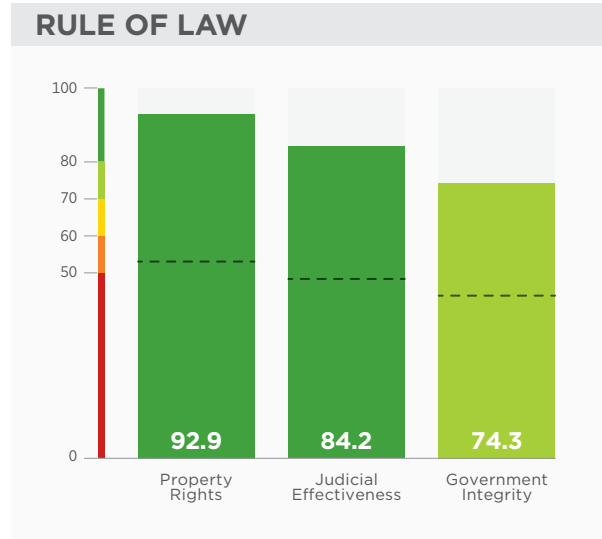
**INFLATION (CPI):**  
5.7%

**FDI INFLOW:**  
\$36.4 billion

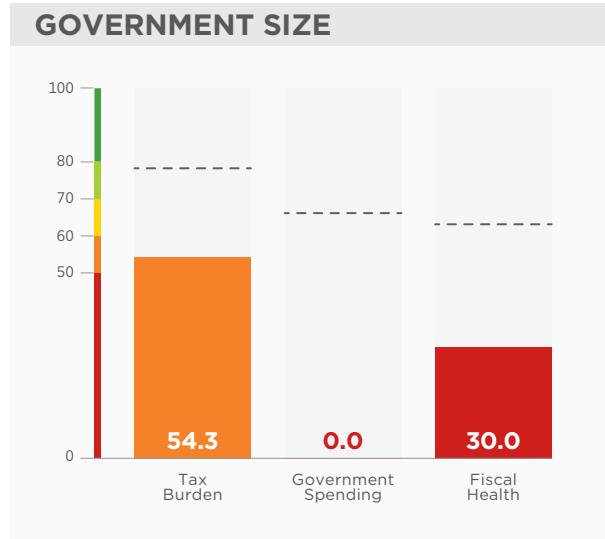
**PUBLIC DEBT:**  
109.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

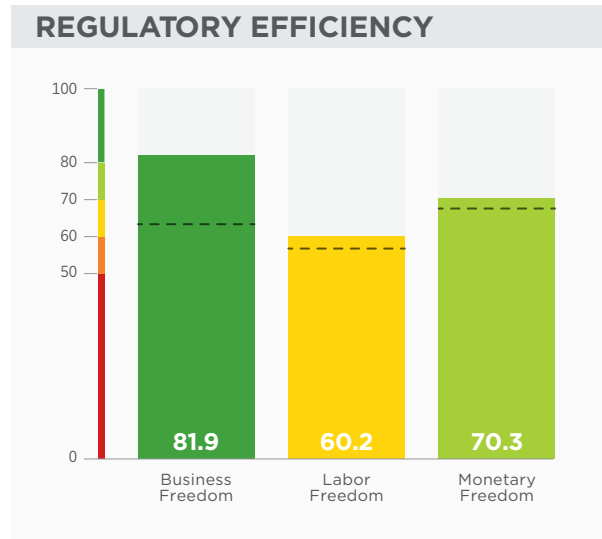
# 12 ECONOMIC FREEDOMS | FRANCE



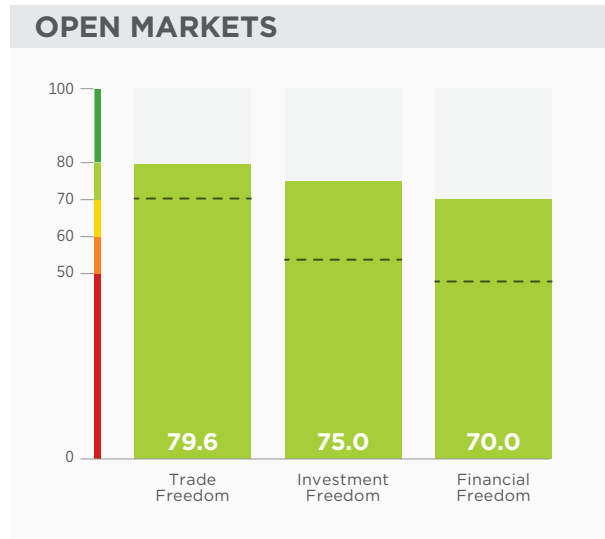
The overall rule of law is well respected in France. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 25 percent. The tax burden equals 43.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 58.3 percent and -5.6 percent of GDP. Public debt amounts to 109.9 percent of GDP.



France's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with additional country-specific nontariff barriers. Investment in some sectors is restricted. The financial sector is modern and mostly in private hands.

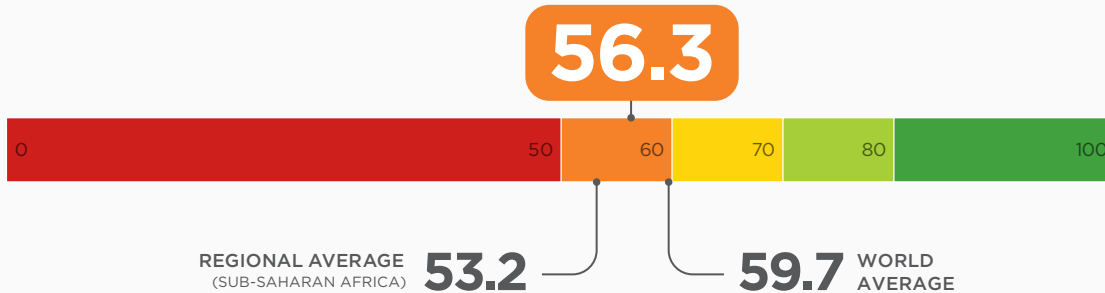
# GABON

WORLD RANK: **110** | REGIONAL RANK: **15**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**G**abon's economic freedom score is 56.3, making its economy the 110th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.6 point from last year, and Gabon is ranked 15th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Gabon's economy is considered "mostly unfree" according to the 2025 *Index*.

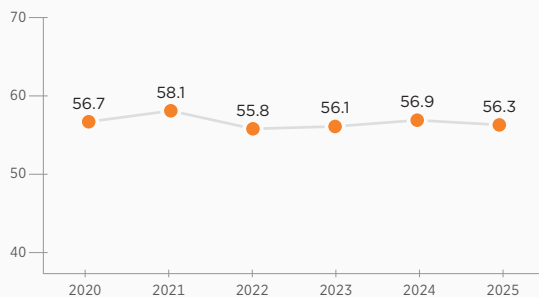
Poor fiscal management and overreliance on oil have stifled Gabon's economy. Institutional weaknesses undercut the foundations of economic freedom, undermine much-needed progress on reform, and constrain long-term economic development. Corruption continues to raise the cost of doing business. Open-market policies related to free trade and the free flow of capital are not deeply rooted in the economic system. Time-consuming administrative procedures discourage more dynamic entrepreneurship. Labor regulations are outmoded, and the labor market does not function well.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.2 million

**GDP (PPP):**  
\$51.6 billion  
2.4% growth in 2023  
3-year average growth rate: 2.3%  
\$23,346 per capita

**UNEMPLOYMENT:**  
20.4%

**INFLATION (CPI):**  
3.6%

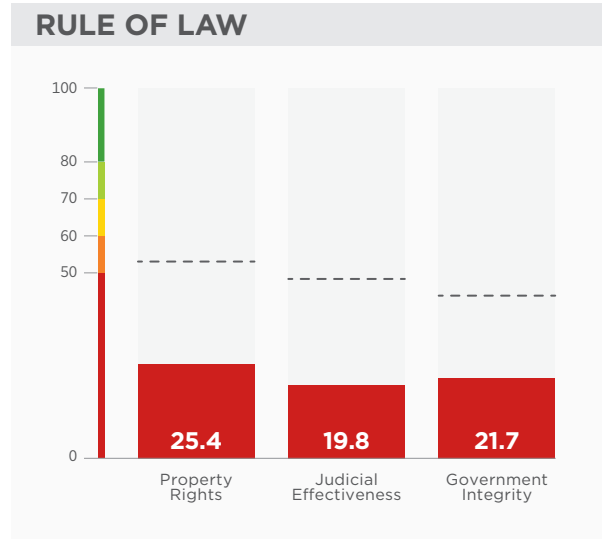
**FDI INFLOW:**  
\$1.1 billion

**PUBLIC DEBT:**  
72.1% of GDP

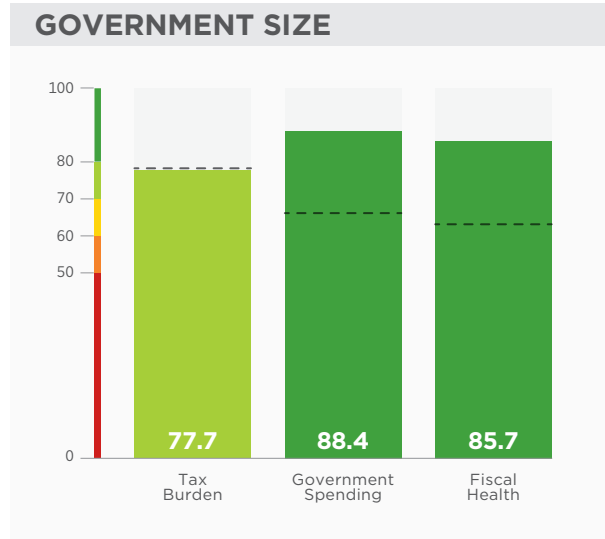
2023 data unless otherwise noted. Data compiled as of November 2024.



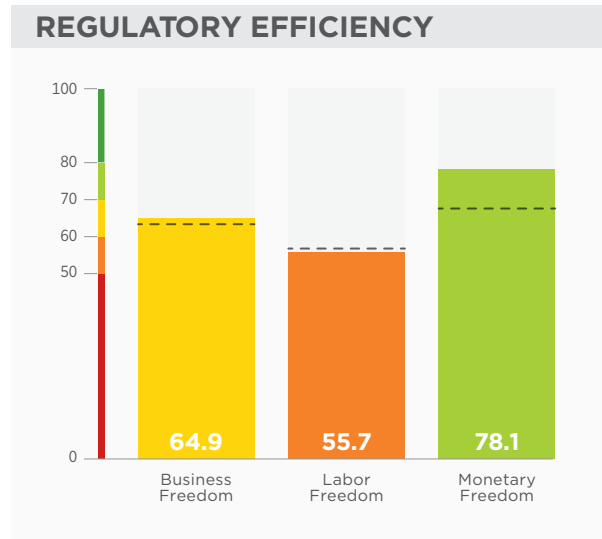
# 12 ECONOMIC FREEDOMS | GABON



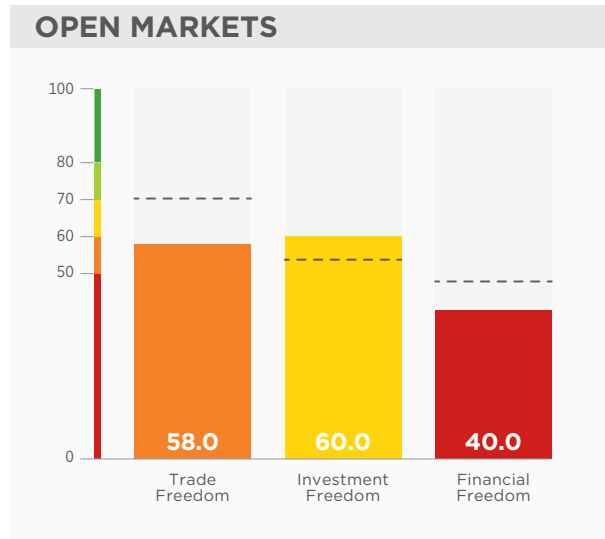
The overall rule of law is weak in Gabon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



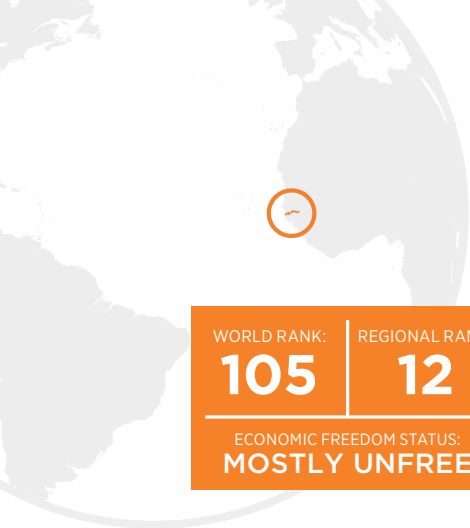
The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 10.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.7 percent and -1.6 percent of GDP. Public debt amounts to 72.1 percent of GDP.



Gabon'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 13.5 percent, and nontariff measures persist. The government screens foreign investment, and investment is discouraged by inefficient regulatory regimes. The state-controlled financial sector remains underdeveloped. Credit costs are high, and access to financing is scarce.



WORLD RANK: **105** | REGIONAL RANK: **12**

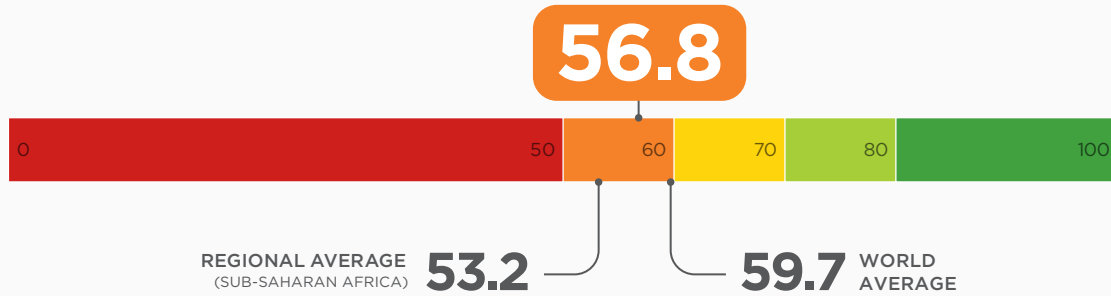
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# THE GAMBIA

The Gambia's economic freedom score is 56.8, making its economy the 105th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 1.4 points from last year, and the Gambia is ranked 12th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average but higher than the regional average. The Gambia's economy is considered "mostly unfree" according to the 2025 *Index*.

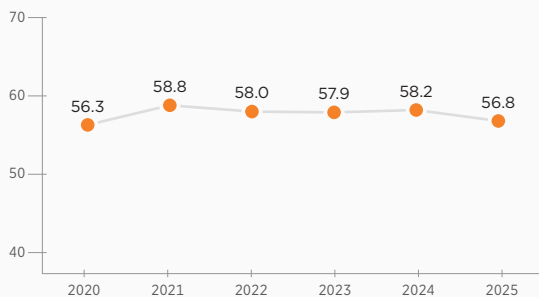
Despite much-needed reforms to improve macroeconomic stability and enhance economic growth, institutional weaknesses still constrain overall economic freedom in the Gambia. The judicial system lacks the capacity to defend property rights effectively. Corruption undermines prospects for long-term economic development. The overall regulatory framework is still characterized by red tape and a lack of transparency. Inconsistent application of regulations continues to be a major impediment. The labor market remains stagnant and burdened with high unemployment and underemployment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +3.9

## RECENT FREEDOM TREND

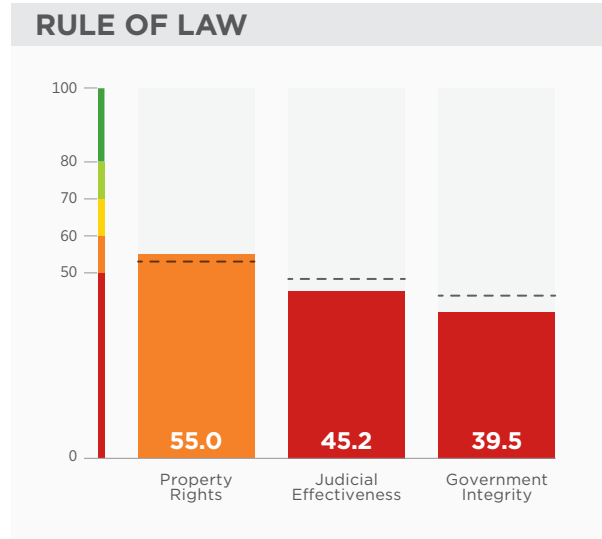


## QUICK FACTS

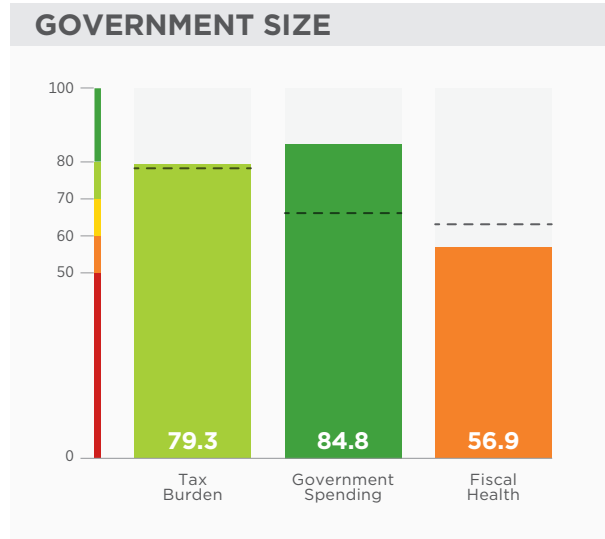
- POPULATION:** 2.6 million
- UNEMPLOYMENT:** 6.5%
- GDP (PPP):** \$8.8 billion
- INFLATION (CPI):** 17.0%
- 5.3% growth in 2023
- FDI INFLOW:** \$236.0 million
- 3-year average growth rate: 5.2%
- PUBLIC DEBT:** 75.2% of GDP
- \$3,318 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

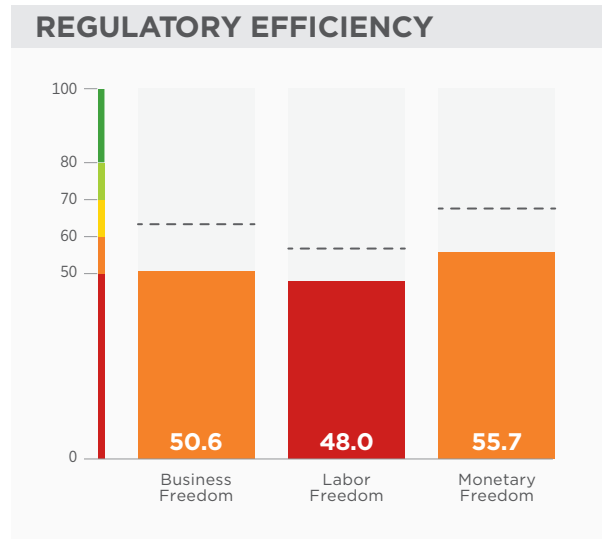
# 12 ECONOMIC FREEDOMS | THE GAMBIA



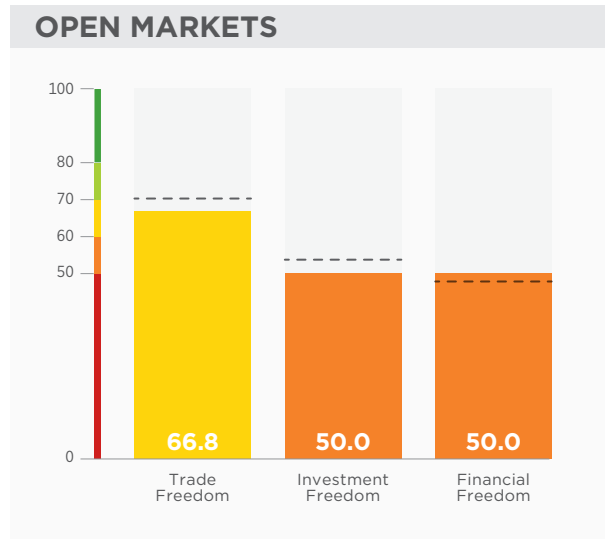
The overall rule of law is weak in the Gambia. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 27 percent. The tax burden equals 11.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.5 percent and -4.5 percent of GDP. Public debt amounts to 75.2 percent of GDP.



The Gambia'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 11.6 percent, and layers of nontariff barriers further deter trade flows. Foreign and domestic investors are generally treated equally under the law. Credit to the private sector has increased, but the overall financial system remains underdeveloped.



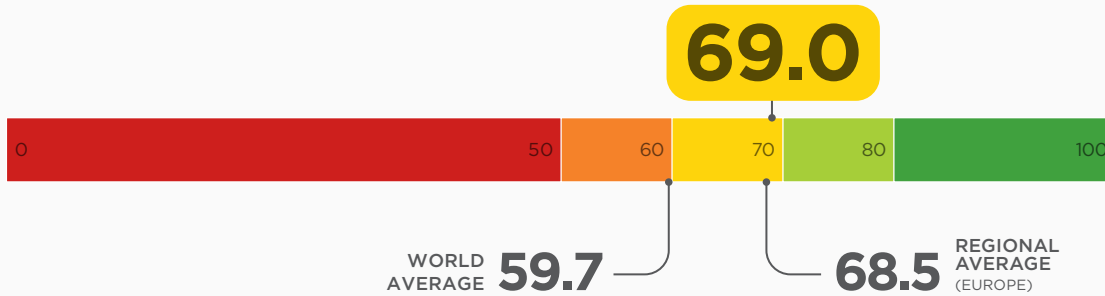
WORLD RANK:	REGIONAL RANK:
<b>35</b>	<b>20</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# GEORGIA

Georgia's economic freedom score is 69, making its economy the 35th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Georgia is ranked 20th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Georgia's economy is considered "moderately free" according to the 2025 *Index*.

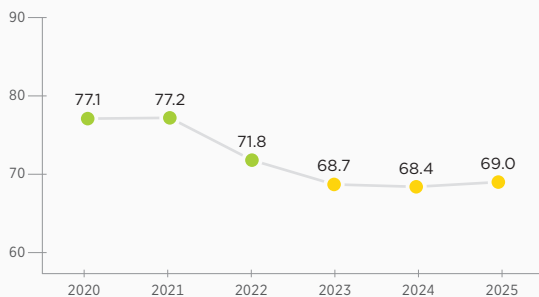
Despite a challenging external and political environment, Georgia's economy performs relatively well in key policy areas. Reforms to enhance regulatory efficiency have been implemented over the years, and open-market policies are maintained along with low tax rates. The economy has demonstrated a modest level of resilience. However, institutional weaknesses still require much more committed reforms as marginal reforms have failed to generate much improvement. Public spending has been growing as a share of GDP, and the budget balance has been negative. Inflation has been relatively high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +24.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.7 million

**GDP (PPP):**  
\$92.8 billion  
7.5% growth in 2023  
3-year average growth rate: 9.7%  
\$24,849 per capita

**UNEMPLOYMENT:**  
11.6%

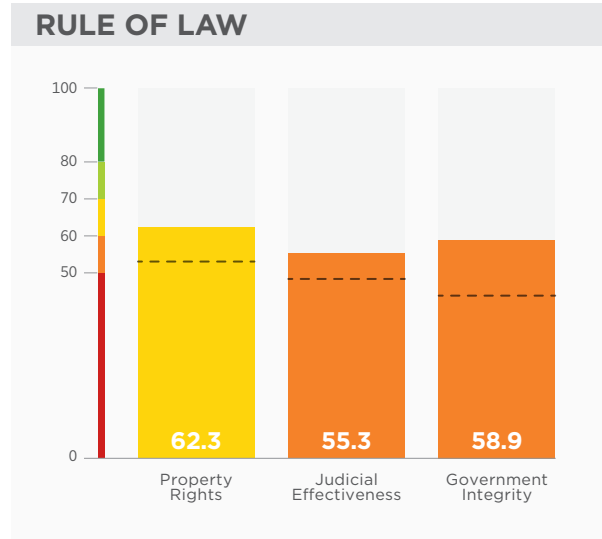
**INFLATION (CPI):**  
2.5%

**FDI INFLOW:**  
\$2.0 billion

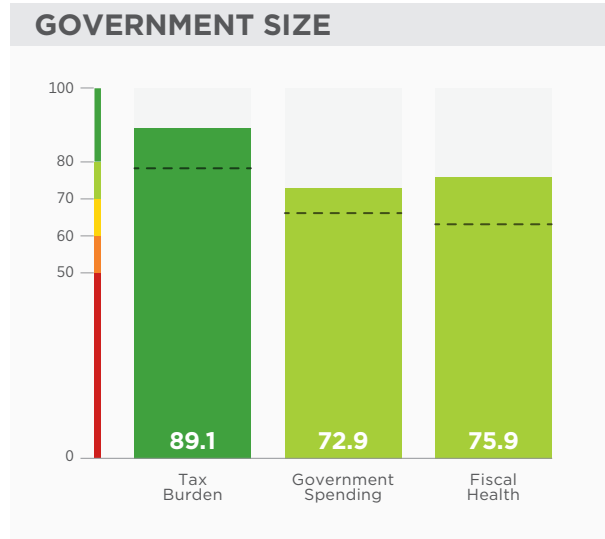
**PUBLIC DEBT:**  
39.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

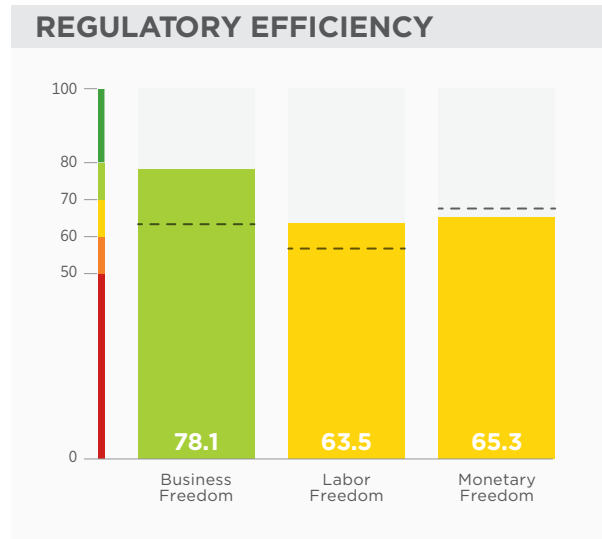
# 12 ECONOMIC FREEDOMS | GEORGIA



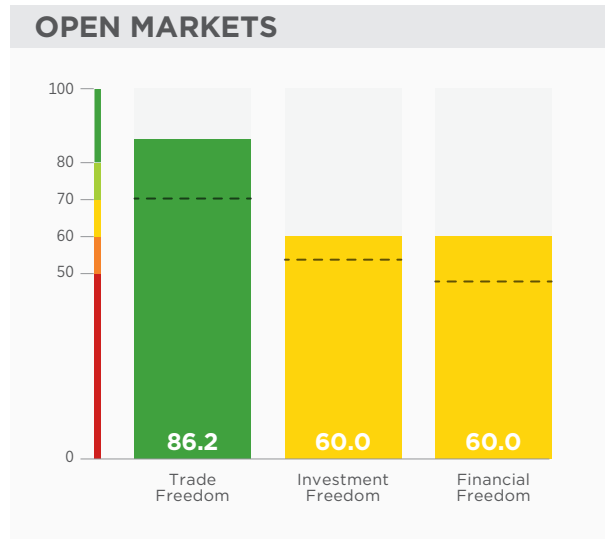
The overall rule of law is relatively well respected in Georgia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 15 percent. The tax burden equals 23.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.0 percent and -3.6 percent of GDP. Public debt amounts to 39.2 percent of GDP.



Georgia'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 1.9 percent, and more than 60 nontariff measures are in force. Foreign ownership of agricultural land faces some restrictions. Access to financing has improved in the growing banking sector. Capital markets continue to evolve, but the stock exchange remains small.

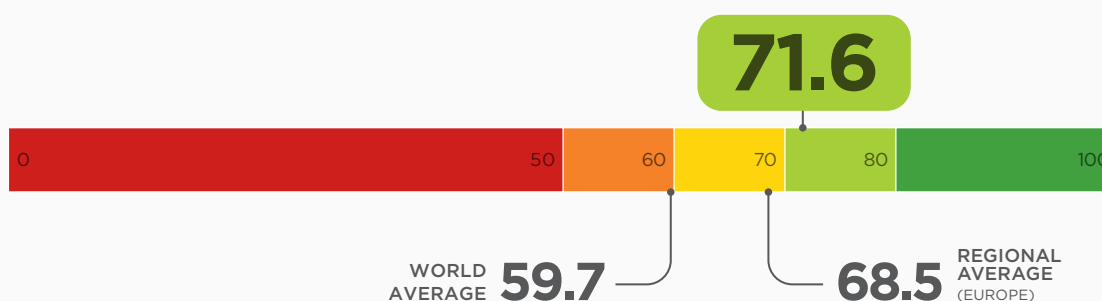


# GERMANY

Germany's economic freedom score is 71.6, making its economy the 22nd freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.5 point from last year, and Germany is ranked 14th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Germany's economy is considered "mostly free" according to the 2025 *Index*.

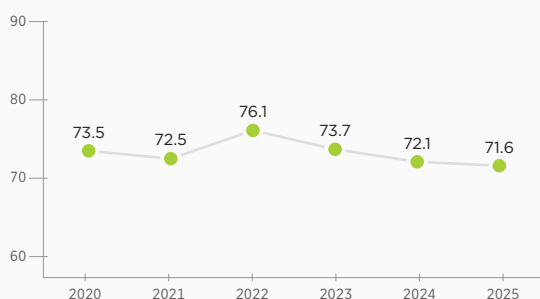
Germany has been undergoing a period of economic challenge. Europe's largest economy has not registered substantial growth in the past two years, although long-term competitiveness and entrepreneurial growth have been generally supported by openness to global commerce, well-protected property rights, and a relatively sound regulatory environment. With the political situation in flux, the future direction of economic policy remains uncertain. High energy prices, aging public infrastructure, and bureaucratic complexities, exacerbated by geopolitical developments and political uncertainty, have eroded the competitiveness of Germany's export industry.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +1.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
84.5 million

**GDP (PPP):**  
\$5.9 trillion  
-0.3% growth in 2023  
3-year average growth rate: 1.6%  
\$69,532 per capita

**UNEMPLOYMENT:**  
3.0%

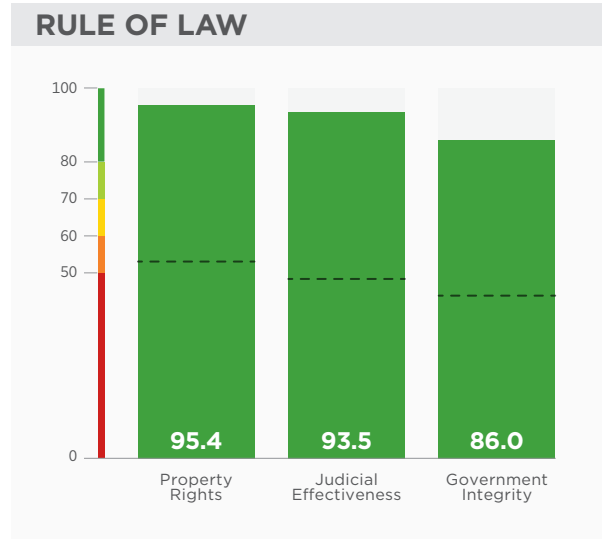
**INFLATION (CPI):**  
6.0%

**FDI INFLOW:**  
\$11.1 billion

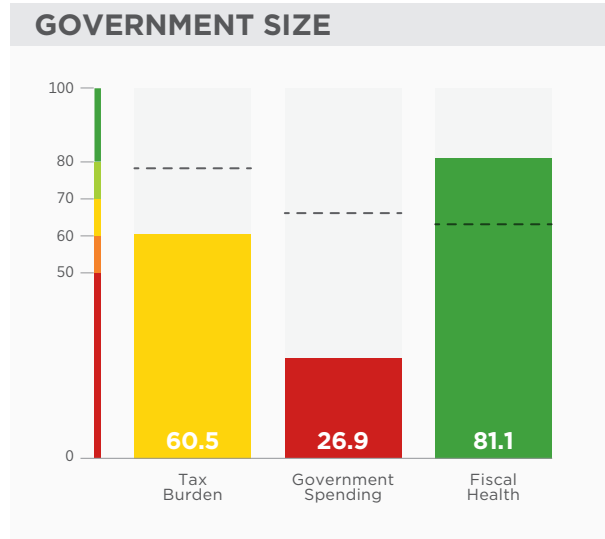
**PUBLIC DEBT:**  
62.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

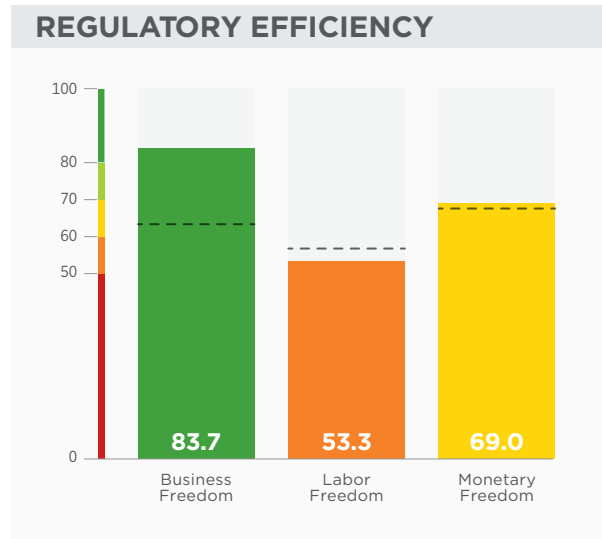
# 12 ECONOMIC FREEDOMS | GERMANY



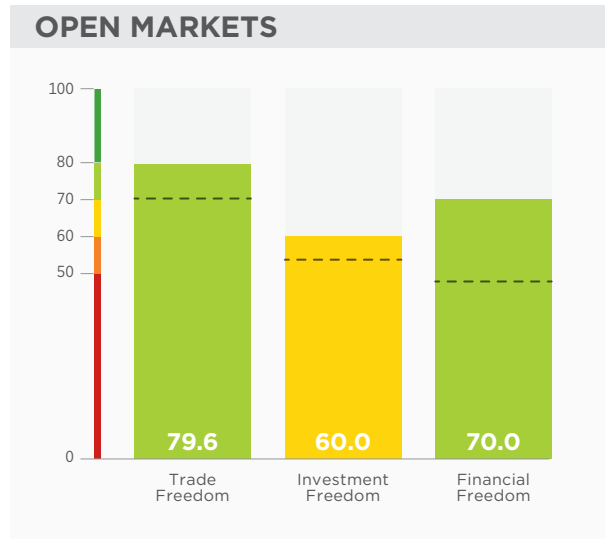
The overall rule of law is very well respected in Germany. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 47.5 percent, and the top corporate tax rate is 15.8 percent. The tax burden equals 38.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 49.4 percent and -2.6 percent of GDP. Public debt amounts to 62.7 percent of GDP.



Germany's overall regulatory environment is well institutionalized and efficient, facilitating entrepreneurial growth and economic resilience. The country's business freedom score is far above the world average; its labor freedom score is below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional two country-specific nontariff barriers. Openness to global commerce supports competitiveness and investment. The financial sector offers a full range of services.

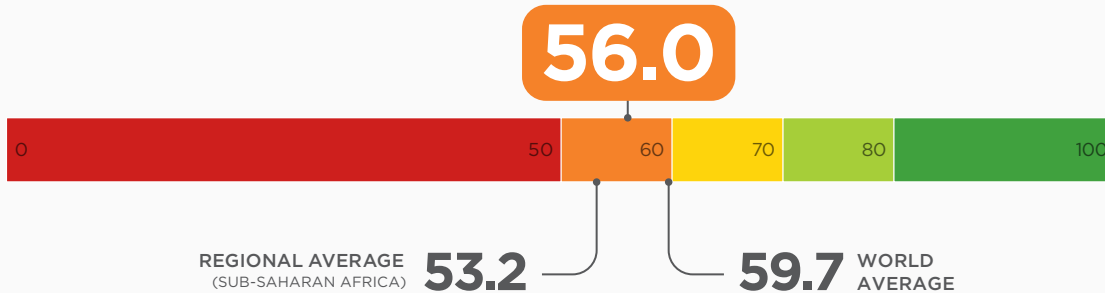
# GHANA

WORLD RANK: **112** | REGIONAL RANK: **16**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Ghana's economic freedom score is 56.0, making its economy the 112th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Ghana is ranked 16th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Ghana's economy is considered "mostly unfree" according to the 2025 *Index*.

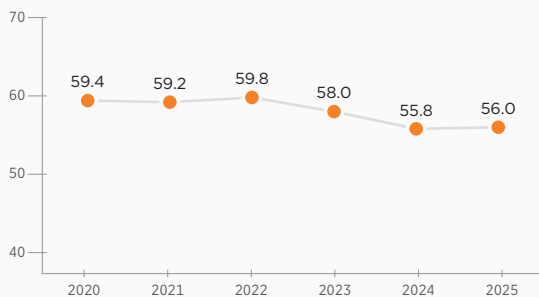
Inefficient protection of property rights continues to limit economic freedom in Ghana. Despite progress, corruption still deters sustained and broad-based economic development. Maintaining the momentum for reform remains vital to solidifying an entrepreneurial framework that can sustain long-term economic growth and effect meaningful reductions in poverty. Enhancement of overall regulatory efficiency has lagged compared to other economies. Labor regulations have been modernized, but the level of informal labor activity remains significant.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
32.9 million

**GDP (PPP):**  
\$254.9 billion  
2.9% growth in 2023  
3-year average growth rate: 3.9%  
\$7,746 per capita

**UNEMPLOYMENT:**  
3.1%

**INFLATION (CPI):**  
39.2%

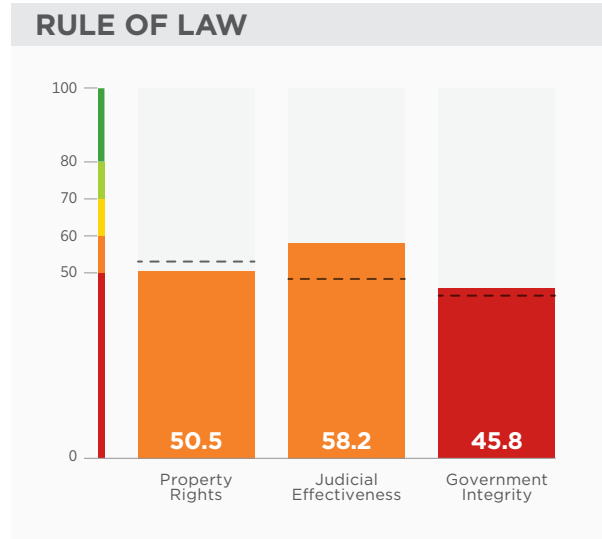
**FDI INFLOW:**  
\$1.5 billion

**PUBLIC DEBT:**  
82.9% of GDP

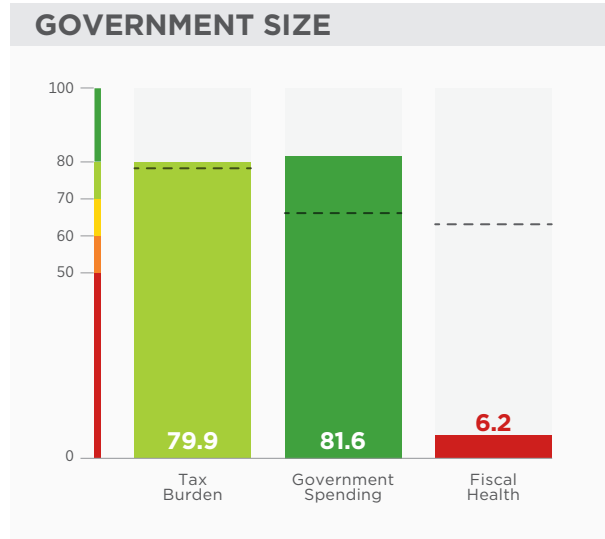
2023 data unless otherwise noted. Data compiled as of November 2024.



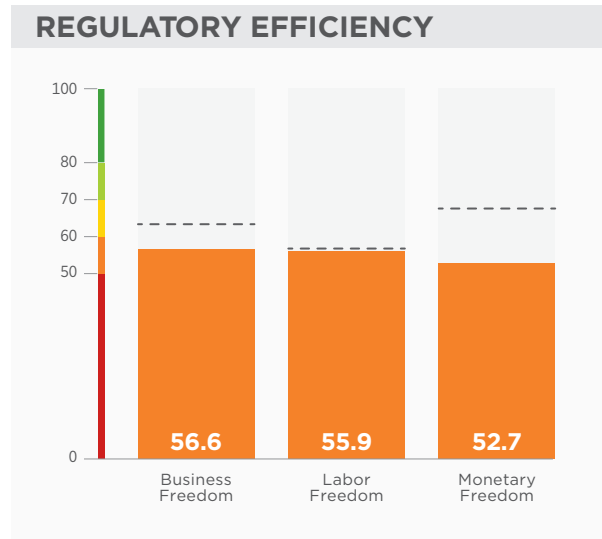
# 12 ECONOMIC FREEDOMS | GHANA



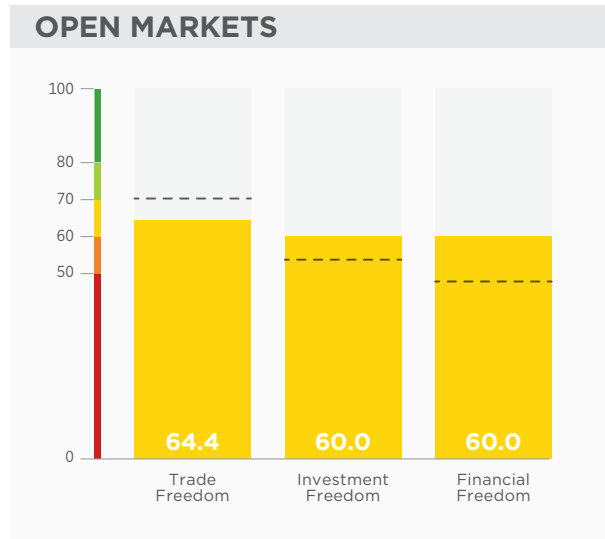
The overall rule of law is relatively well respected in Ghana. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



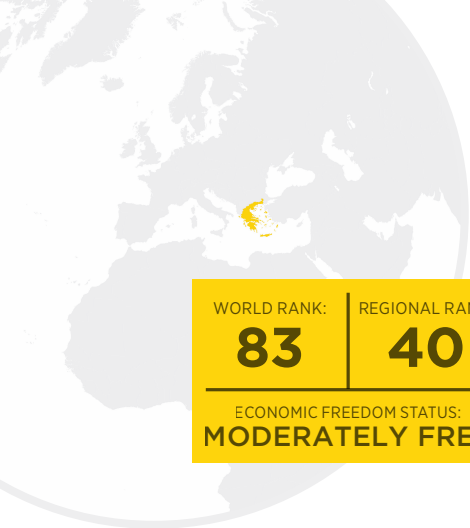
The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 12.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.8 percent and -9.1 percent of GDP. Public debt amounts to 82.9 percent of GDP.



Ghana'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 10.3 percent. Ghana's economy is one of the more open to foreign investment in sub-Saharan Africa, although investment in some sectors is restricted. The financial system has undergone restructuring, and the supervisory framework is relatively strong.



WORLD RANK: **83** | REGIONAL RANK: **40**

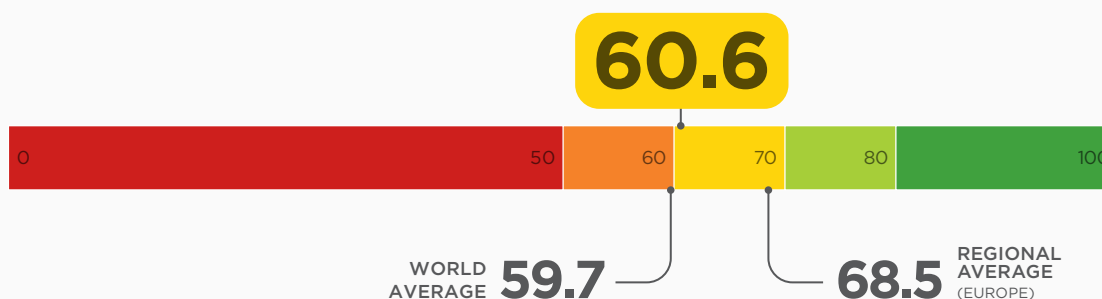
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# GREECE

Greece's economic freedom score is 60.6, making its economy the 83rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 5.5 points from last year, and Greece is ranked 40th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Greece's economy is considered "moderately free" according to the 2025 *Index*.

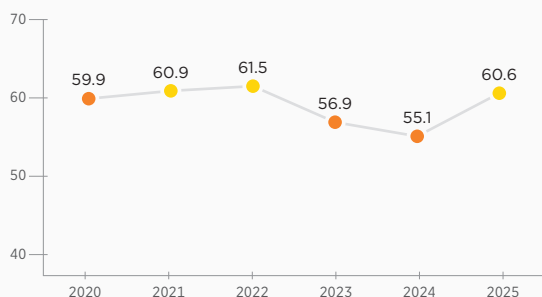
The Greek economy has been rebounding, supported by positive changes that include labor market reforms and banking-sector stabilization, but debt and weak institutional competitiveness continue to challenge the economy. Decades of excessive spending, insufficient structural reform, and persistent corruption have discouraged economic dynamism and entrepreneurial growth. The public sector still consumes too much of Greece's GDP, and a rigid labor market impedes productivity and job growth. Tourism and shipping are Greece's most important industries. Unemployment and public debt remain high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -0.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.4 million

**GDP (PPP):**  
\$417.1 billion  
2.0% growth in 2023  
3-year average growth rate: 5.3%  
\$40,048 per capita

**UNEMPLOYMENT:**  
11.0%

**INFLATION (CPI):**  
4.2%

**FDI INFLOW:**  
\$7.6 billion

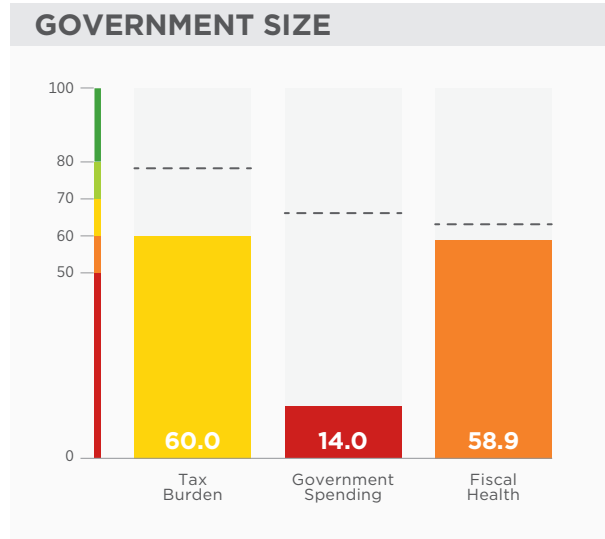
**PUBLIC DEBT:**  
168.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

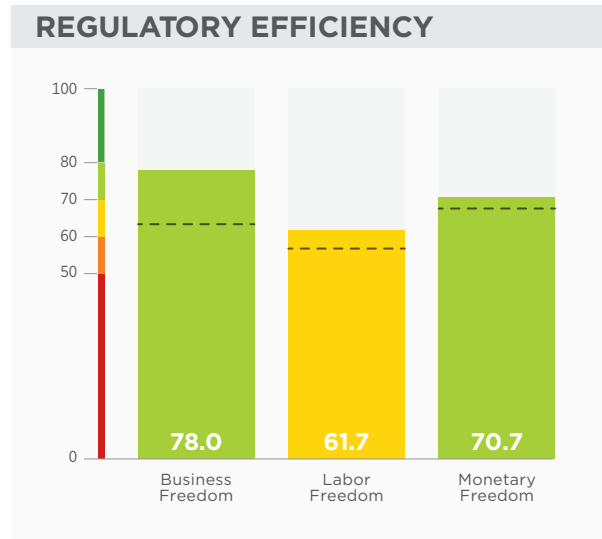
# 12 ECONOMIC FREEDOMS | GREECE



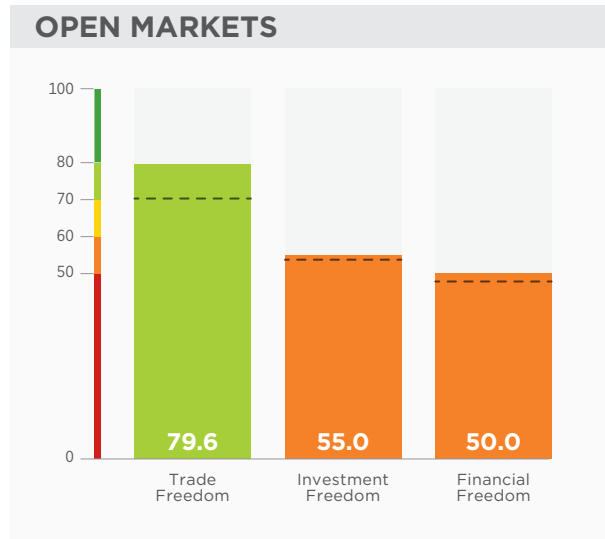
The overall rule of law is relatively well respected in Greece. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 44 percent, and the top corporate tax rate is 22 percent. The tax burden equals 39.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 53.6 percent and -3.6 percent of GDP. Public debt amounts to 168.9 percent of GDP.



Greece's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign and domestic investors are generally treated equally, but investment faces bureaucratic barriers. The banking sector has become stable with fewer nonperforming loans.



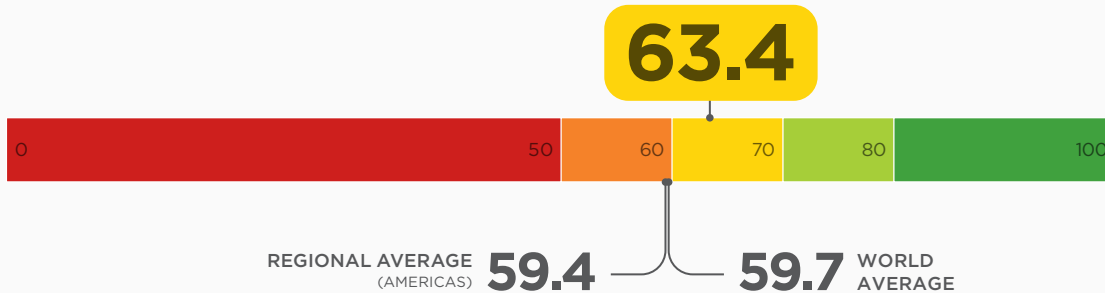
WORLD RANK:	REGIONAL RANK:
<b>71</b>	<b>15</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# GUATEMALA

Guatemala's economic freedom score is 63.4, making its economy the 71st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.0 point from last year, and Guatemala is ranked 15th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Guatemala's economy is considered "moderately free" according to the 2025 *Index*.

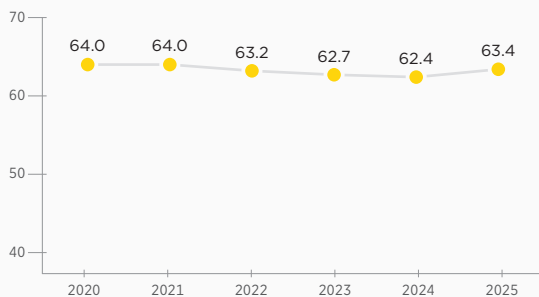
Guatemala's structural reform record has been uneven, and institutional weaknesses still constrain long-term economic development. The judicial system remains inefficient and vulnerable to political interference. Guatemala enjoys relatively high trade freedom, but dynamic economic development is undercut by the absence of progress in other policy areas that are critical to sustaining and advancing economic freedom. Corruption is perceived as widespread. More than half of the population lives in poverty; remittances account for nearly 10 percent of GDP; and unemployment remains challenging.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +1.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.6 million

**GDP (PPP):**  
\$249.2 billion  
3.5% growth in 2023  
3-year average growth rate: 5.3%  
\$14,158 per capita

**UNEMPLOYMENT:**  
2.7%

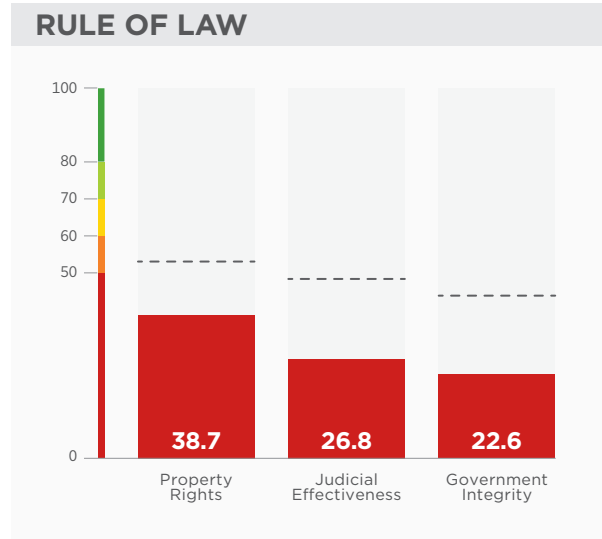
**INFLATION (CPI):**  
6.2%

**FDI INFLOW:**  
\$1.4 billion

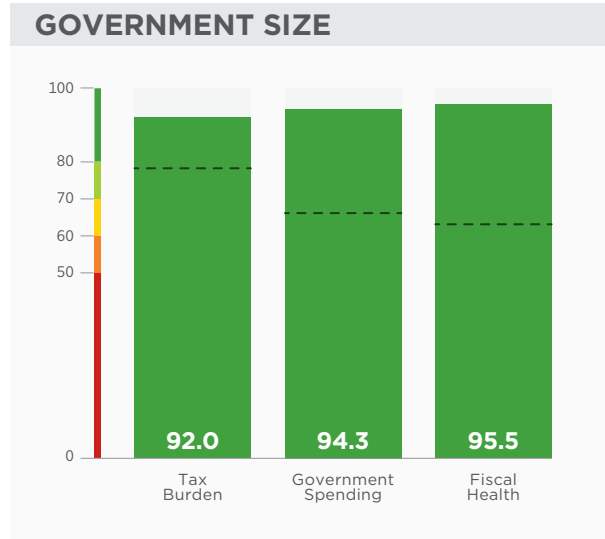
**PUBLIC DEBT:**  
27.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

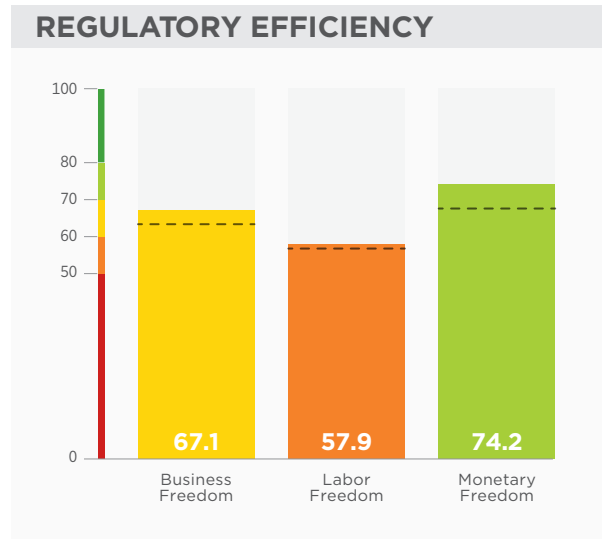
# 12 ECONOMIC FREEDOMS | GUATEMALA



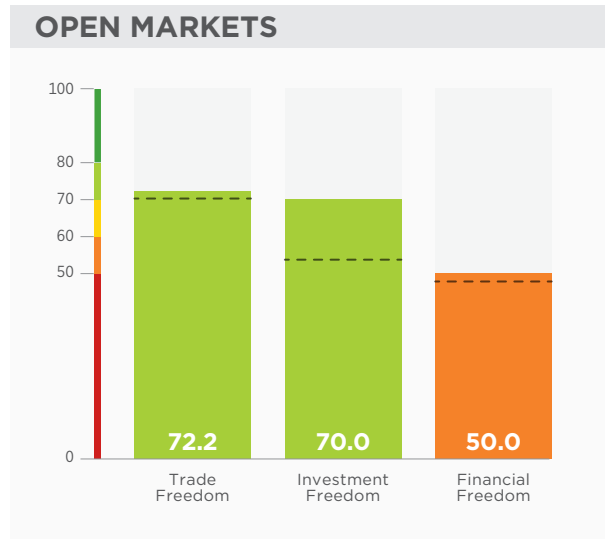
The overall rule of law is weak in Guatemala. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 7 percent, and the top corporate tax rate is 25 percent. The tax burden equals 11.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.8 percent and -1.4 percent of GDP. Public debt amounts to 27.2 percent of GDP.



Guatemala's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.4 percent. There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors, but the government's inefficient regulatory systems discourage investment. The financial sector is underdeveloped.

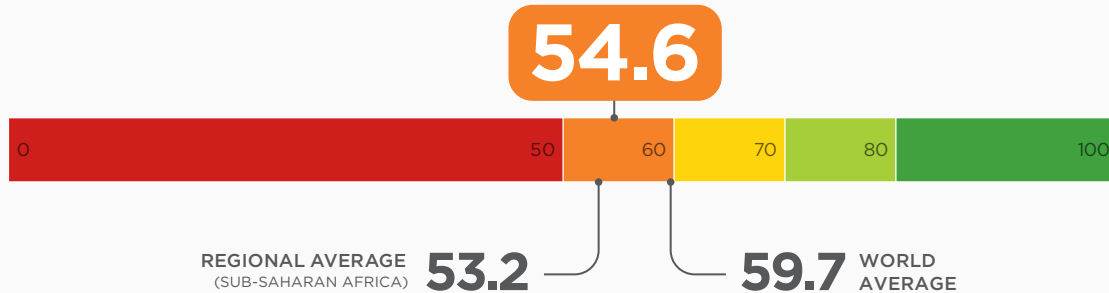
# GUINEA

WORLD RANK: **123** | REGIONAL RANK: **22**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Guinea's economic freedom score is 54.6, making its economy the 123rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Guinea is ranked 22nd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Guinea's economy is considered "mostly unfree" according to the 2025 *Index*.

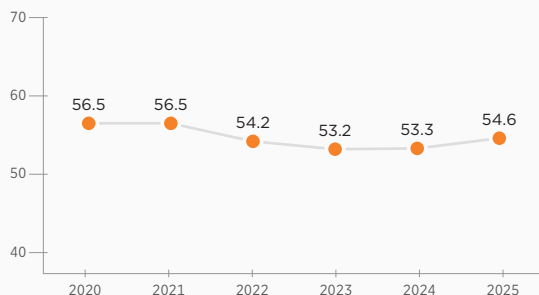
Underdevelopment, the "resource curse," and a long history of undemocratic government have undermined economic development in Guinea. Instability and weak rule of law also continue to constrain the country's economic development. Marginal enforcement of property rights and high levels of corruption have driven many Guineans into the informal sector. The judicial system is weak and vulnerable to political interference. The labor market suffers from a lack of workers with specialized skills.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
15.0 million

**GDP (PPP):**  
\$62.5 billion  
5.7% growth in 2023  
3-year average growth rate: 5.1%  
\$4,157 per capita

**UNEMPLOYMENT:**  
5.3%

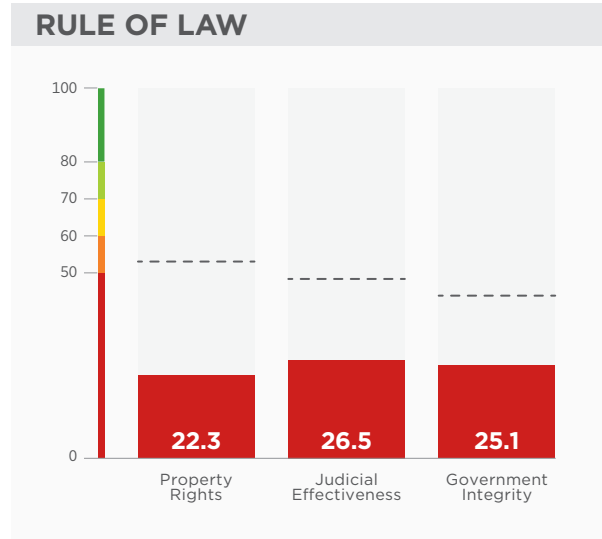
**INFLATION (CPI):**  
7.8%

**FDI INFLOW:**  
\$139.0 million

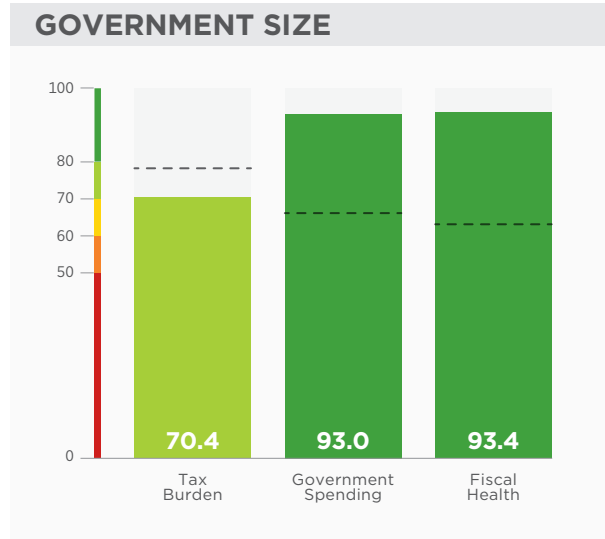
**PUBLIC DEBT:**  
40.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

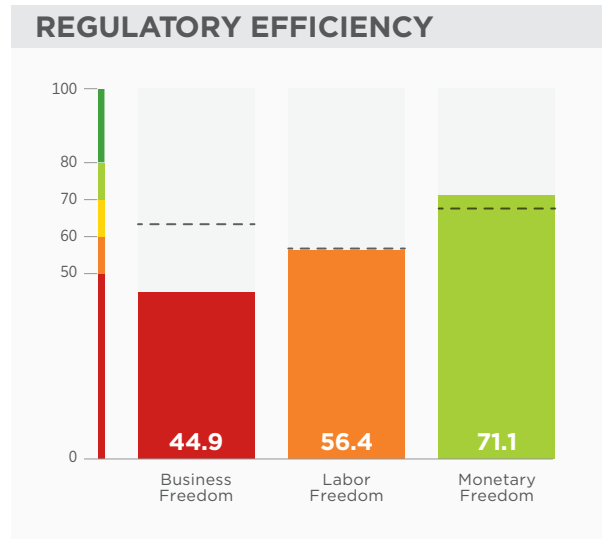
# 12 ECONOMIC FREEDOMS | GUINEA



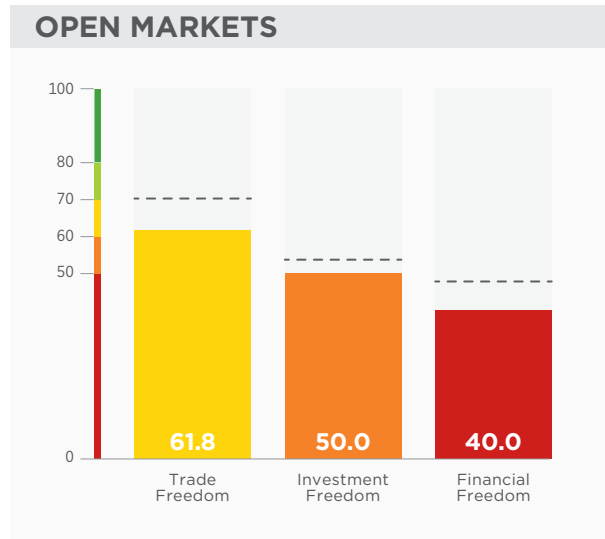
The overall rule of law is weak in Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



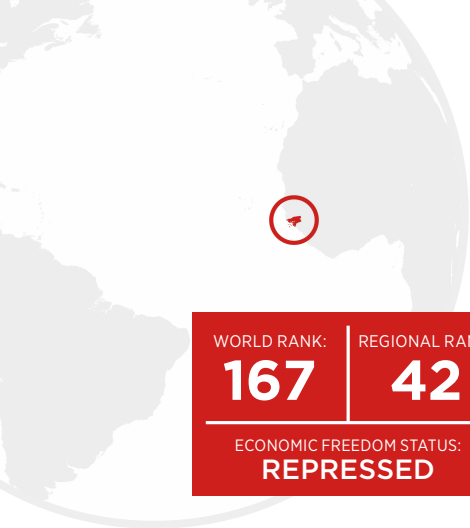
The top individual income tax rate is 40 percent, and the top corporate tax rate is 35 percent. The tax burden equals 11.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.2 percent and -1.4 percent of GDP. Public debt amounts to 40.8 percent of GDP.



Guinea'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 slightly above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 11.6 percent, and nontariff barriers prevent more dynamic trade from taking place. The inefficient regulatory system impedes foreign investment. The under-developed financial sector continues to provide a very limited range of services.



WORLD RANK: **167** | REGIONAL RANK: **42**

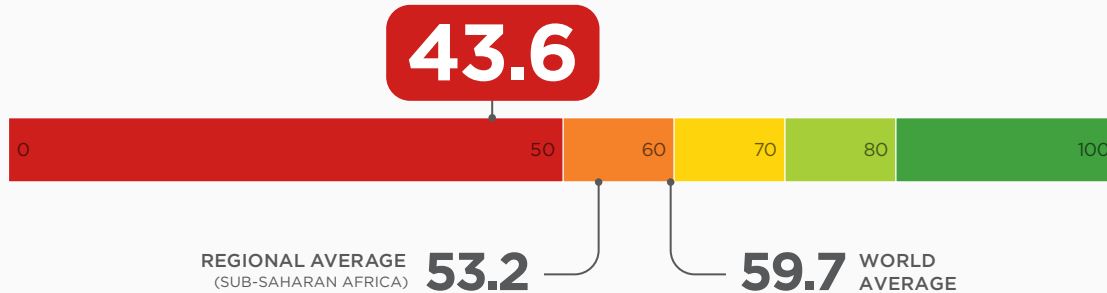
ECONOMIC FREEDOM STATUS: **REPRESSED**

# GUINEA-BISSAU

Guinea-Bissau's economic freedom score is 43.6, making its economy the 167th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.9 point from last year, and Guinea-Bissau is ranked 42nd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Guinea-Bissau's economy is considered "repressed" according to the 2025 *Index*.

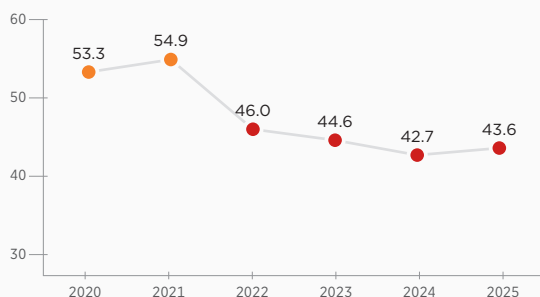
Guinea-Bissau's property rights and corruption scores are far below world averages, and its judicial system is inefficient and nontransparent. A lack of commitment to open-market policies discourages trade and investment growth and the emergence of a more dynamic private sector. Guinea-Bissau is highly dependent on subsistence agriculture, exports of cashew nuts, and foreign assistance, which normally accounts for about 80 percent of its budget. The incomes of approximately two-thirds of the population are below the extreme-poverty line.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1999): +10.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.9 million

**GDP (PPP):**  
\$5.7 billion  
5.2% growth in 2023  
3-year average growth rate: 5.3%  
\$2,955 per capita

**UNEMPLOYMENT:**  
3.2%

**INFLATION (CPI):**  
7.2%

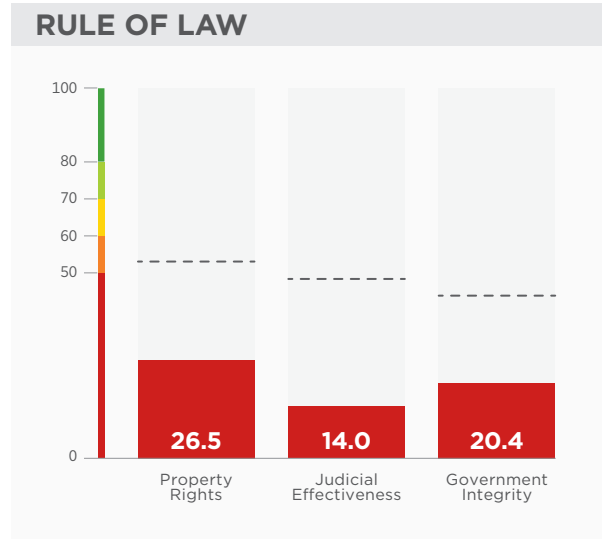
**FDI INFLOW:**  
\$22.0 million

**PUBLIC DEBT:**  
79.4% of GDP

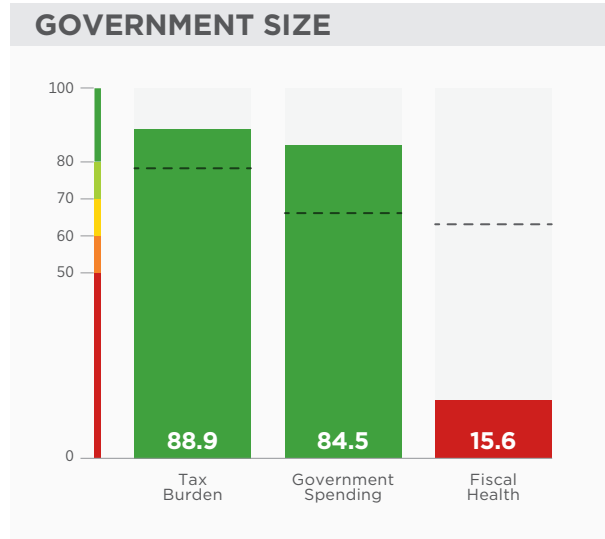
2023 data unless otherwise noted. Data compiled as of November 2024.



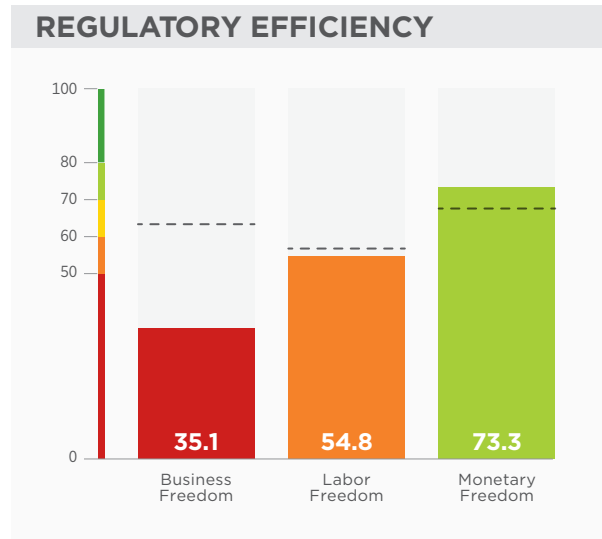
# 12 ECONOMIC FREEDOMS | GUINEA-BISSAU



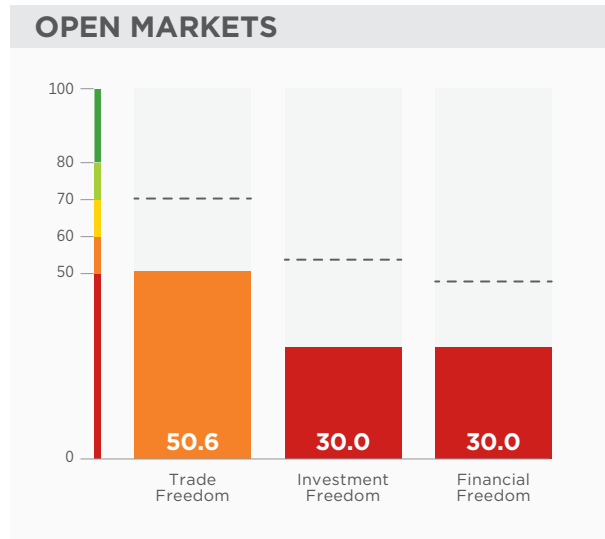
The overall rule of law is weak in Guinea-Bissau. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 25 percent. The tax burden equals 9.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.7 percent and -6.7 percent of GDP. Public debt amounts to 79.4 percent of GDP.



Guinea-Bissau'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 above the world average.



The trade-weighted average tariff rate is 14.7 percent, and nontariff barriers continue to impede trade. The law treats foreign and domestic investment equally, but government openness to foreign investment is below average. High credit costs and scarce access to financing impede entrepreneurial activity.



WORLD RANK: **99** | REGIONAL RANK: **21**

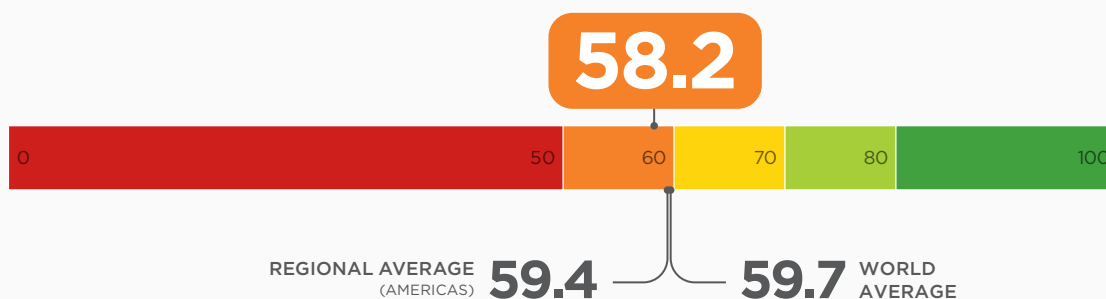
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# GUYANA

**G**uyana’s economic freedom score is 58.2, making its economy the 99th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.9 point from last year, and Guyana is ranked 21st out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. Guyana’s economy is considered “mostly unfree” according to the 2025 *Index*.

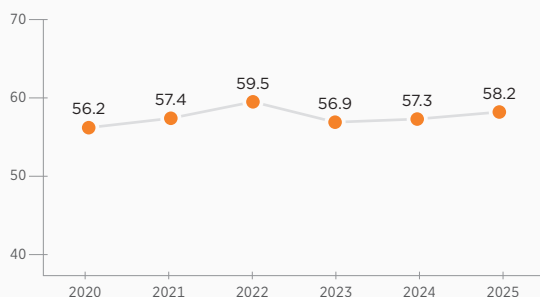
In order to sustain, advance, and capitalize on economic freedom, Guyana will have to strengthen the foundations of that freedom. Broad-based, long-term economic development continues to be constrained by structural weaknesses that stem from an inefficient legal framework and widespread corruption. Reform measures in recent years have streamlined the procedures for establishing a business, but the overall pace of regulatory reform has lagged behind the pace of reform in other countries. A well-functioning private labor market has not yet emerged.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +12.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.8 million

**GDP (PPP):**  
\$42.5 billion  
33.0% growth in 2023  
3-year average growth rate: 38.4%  
\$53,585 per capita

**UNEMPLOYMENT:**  
12.4%

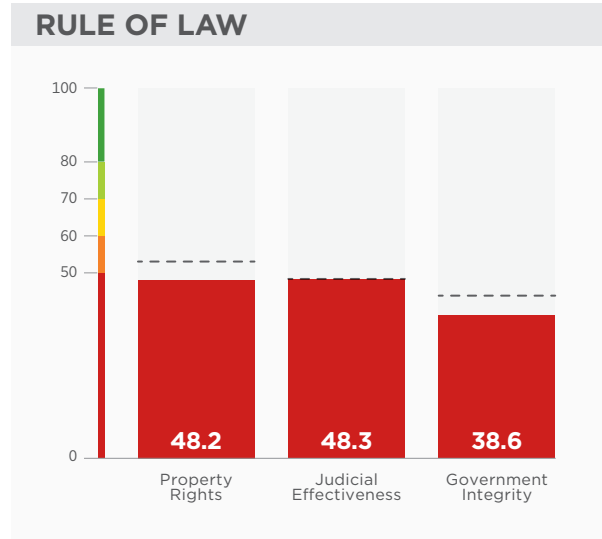
**INFLATION (CPI):**  
4.5%

**FDI INFLOW:**  
\$4.4 billion

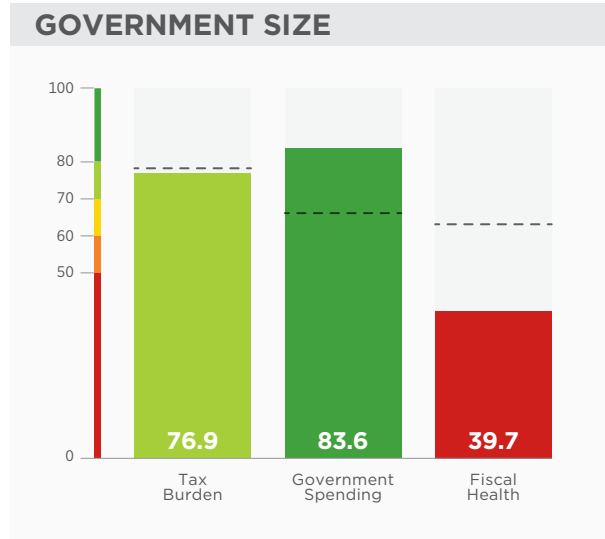
**PUBLIC DEBT:**  
26.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

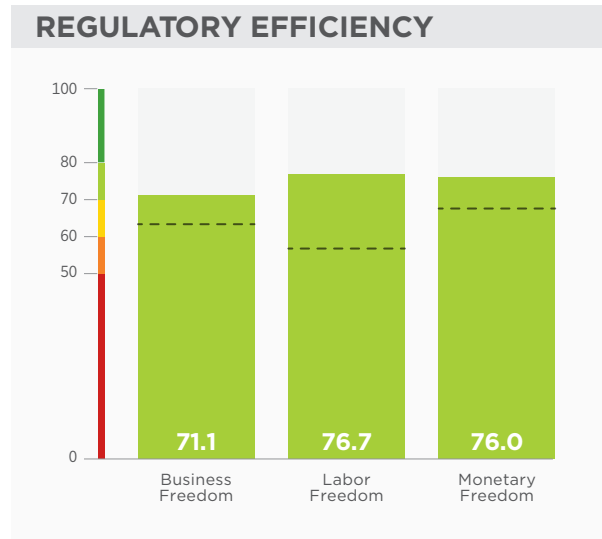
# 12 ECONOMIC FREEDOMS | GUYANA



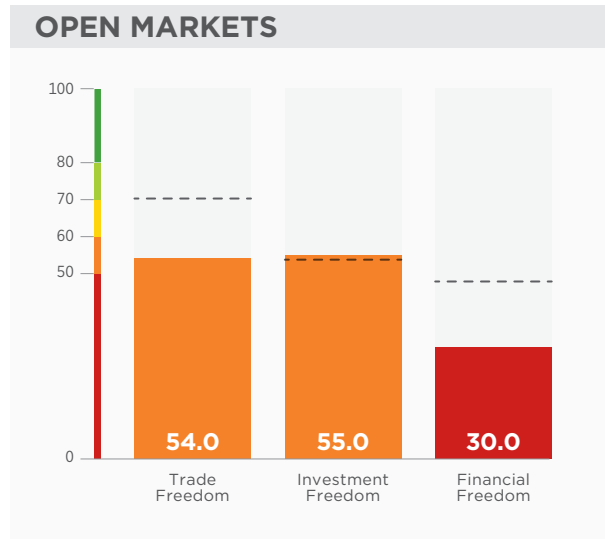
The overall rule of law is weak in Guyana. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



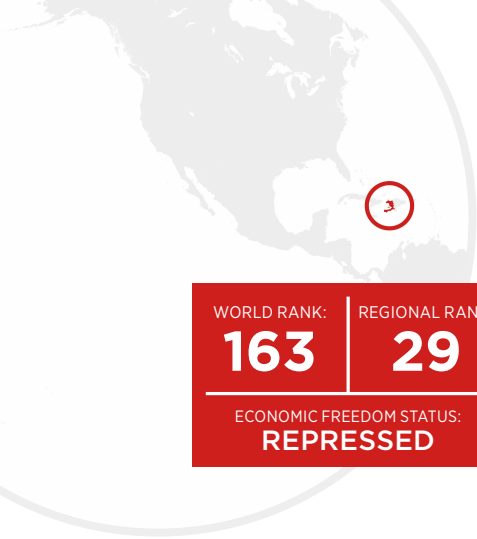
The top individual income tax rate is 40 percent, and the top corporate tax rate is 25 percent. The tax burden equals 9.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.3 percent and -6.1 percent of GDP. Public debt amounts to 26.4 percent of GDP.



Guyana's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 13.0 percent, and multiple nontariff measures are in effect. In general, foreign and domestic investors are treated equally under the law. The financial sector is underdeveloped, and limited access to financing impedes the long-term growth of entrepreneurial activity.



WORLD RANK: **163** | REGIONAL RANK: **29**

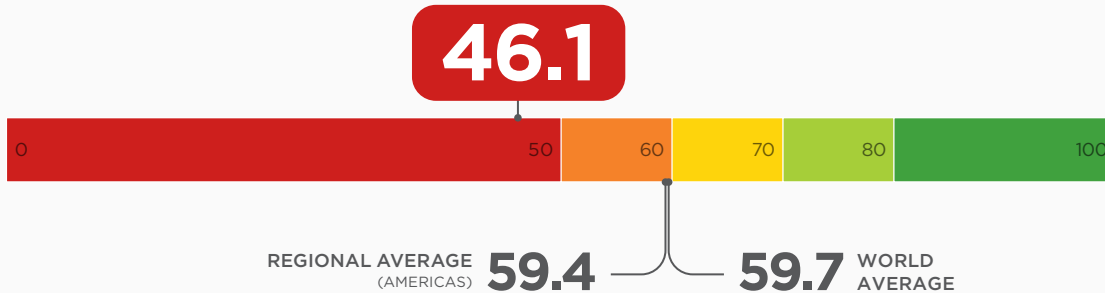
ECONOMIC FREEDOM STATUS: **REPRESSED**

# HAITI

Haiti's economic freedom score is 46.1, making its economy the 163rd freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 2.1 points from last year, and Haiti is ranked 29th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Haiti's economy is considered "repressed" according to the 2025 *Index*.

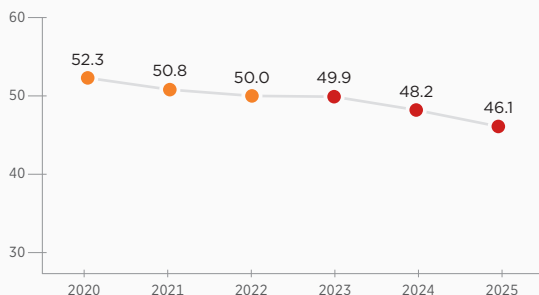
Political uncertainty and Haiti's unstable security situation continue to undermine the business environment, which has never been efficient or conducive to sustainable entrepreneurial activity. Reforms to improve the economy and business climate in Haiti have had little effect. Corruption remains pervasive, and the judicial framework continues to be inefficient. Investment is deterred by bureaucracy and red tape, which are exacerbated by the weak rule of law. Haiti's formal labor market is not fully developed. Labor laws are loosely enforced.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +3.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
12.2 million

**GDP (PPP):**  
\$38.3 billion  
-1.9% growth in 2023  
3-year average growth rate: -1.8%  
\$3,133 per capita

**UNEMPLOYMENT:**  
14.6%

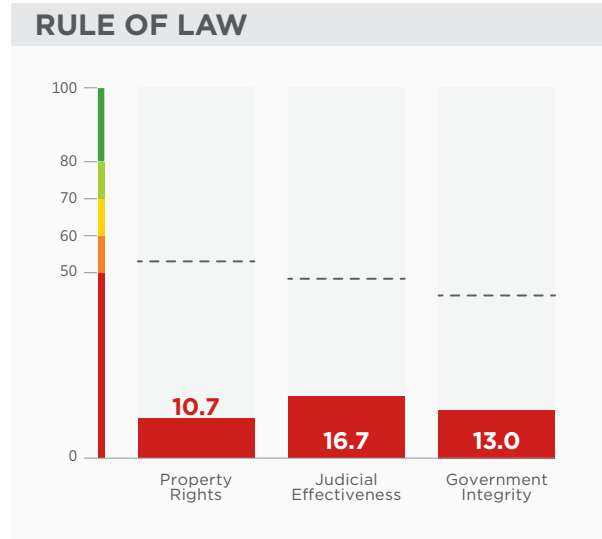
**INFLATION (CPI):**  
44.1%

**FDI INFLOW:**  
\$39.0 million

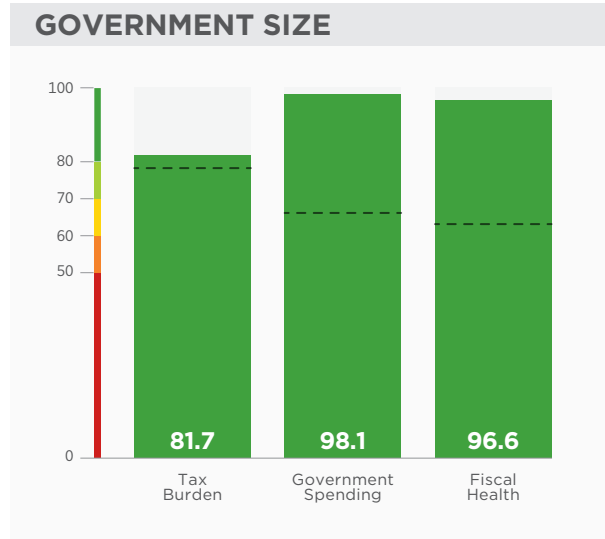
**PUBLIC DEBT:**  
28.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

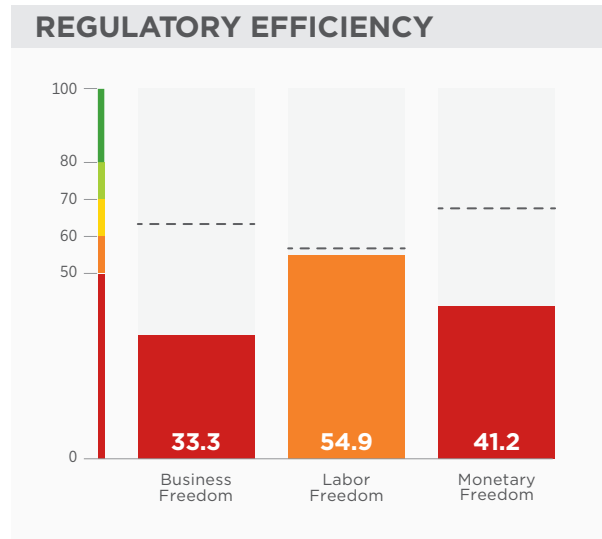
# 12 ECONOMIC FREEDOMS | HAITI



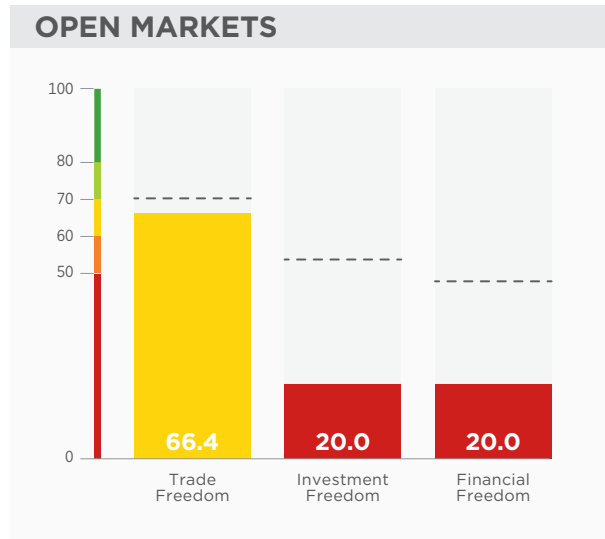
The overall rule of law is weak in Haiti. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 5.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 8.0 percent and -1.1 percent of GDP. Public debt amounts to 28.5 percent of GDP.



Haiti'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 well below the world average.



The trade-weighted average tariff rate is 6.8 percent, and other barriers to trade freedom are extensive. Bureaucratic impediments, made worse by institutional shortcomings, discourage foreign investment. The strained financial infrastructure remains fragile. Many economic transactions are conducted outside of the formal banking sector.



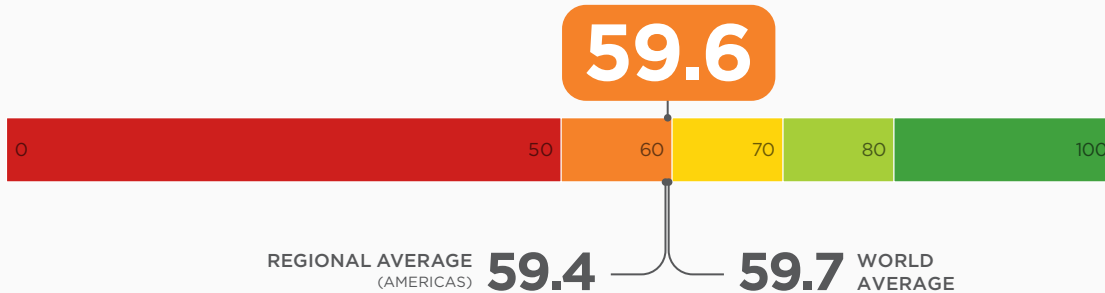
WORLD RANK: **90** | REGIONAL RANK: **20**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# HONDURAS

Honduras's economic freedom score is 59.6, making its economy the 90th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.0 point from last year, and Honduras is ranked 20th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world average and higher than the regional average. Honduras's economy is considered "mostly unfree" according to the 2025 *Index*.

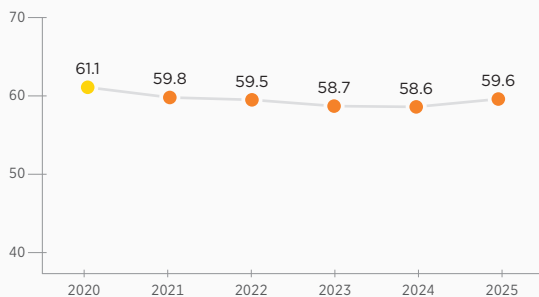
Broader implementation of deeper institutional reforms remains critical to achieving more dynamic growth and sustainable development throughout the Honduran economy. Systemic weaknesses persist in the protection of property rights and enforcement of anticorruption measures. The judicial system is vulnerable to political influence. The regulatory environment continues to evolve, but the pace of reform is sluggish. Labor regulations are burdensome and out-moded. Much of the labor force relies on the informal sector for employment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +2.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.5 million

**GDP (PPP):**  
\$76.4 billion  
3.6% growth in 2023  
3-year average growth rate: 6.8%  
\$7,295 per capita

**UNEMPLOYMENT:**  
6.1%

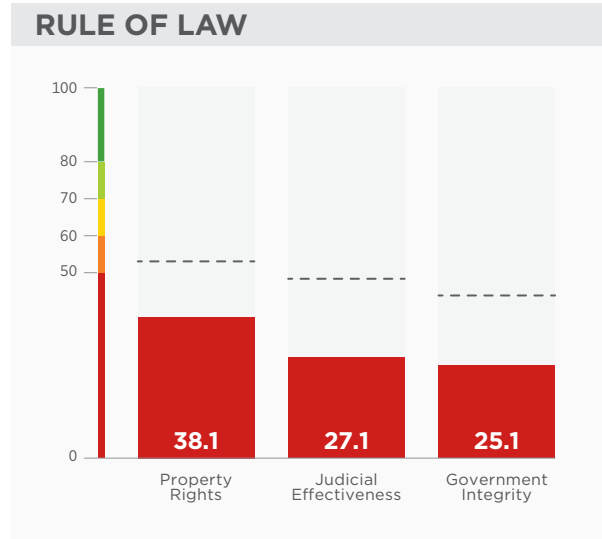
**INFLATION (CPI):**  
6.7%

**FDI INFLOW:**  
\$823.0 million

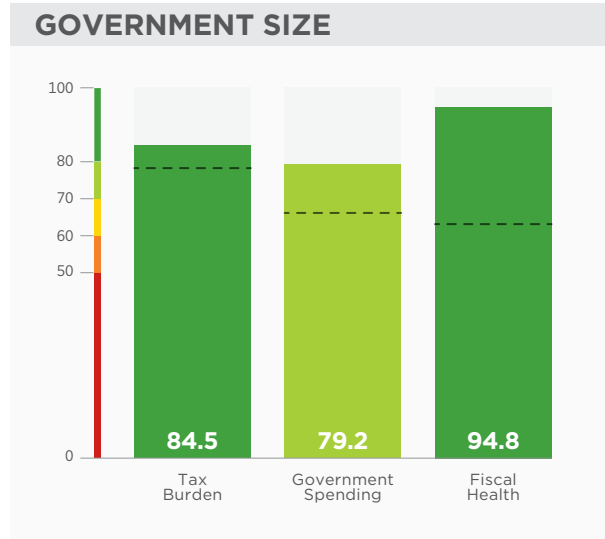
**PUBLIC DEBT:**  
45.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

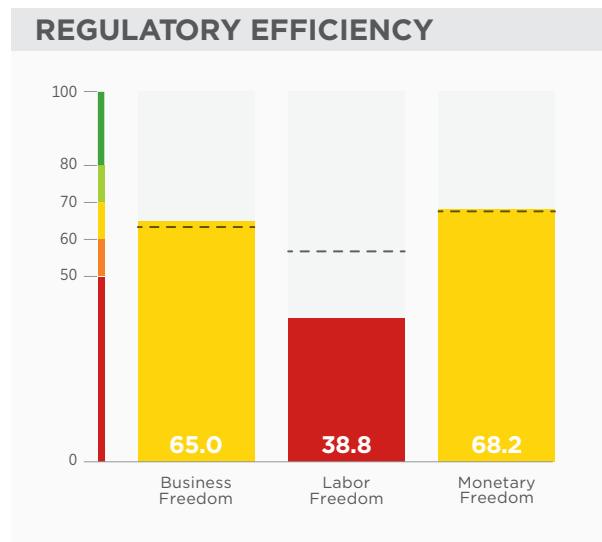
# 12 ECONOMIC FREEDOMS | HONDURAS



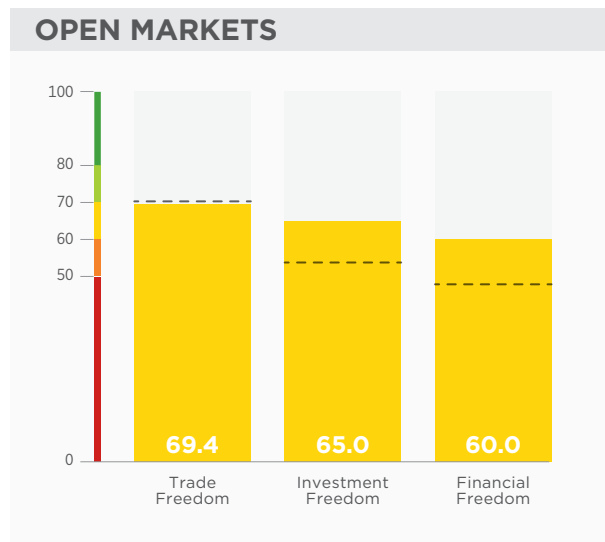
The overall rule of law is weak in Honduras. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



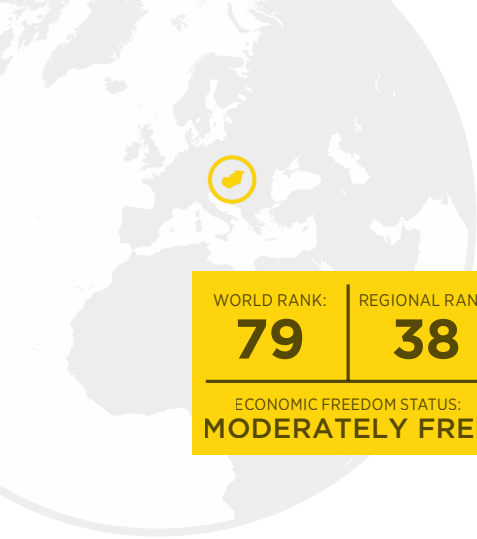
The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 17.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.3 percent and -0.8 percent of GDP. Public debt amounts to 45.0 percent of GDP.



Honduras's overall regulatory environment is poorly institutionalized and inefficient. 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 above the world average.



The trade-weighted average tariff rate is 7.8 percent, and regulatory systems may act as barriers to foreign investment. The financial sector remains relatively stable and continues to expand. Approximately 50 percent of adult Hondurans have access to an account with a formal banking institution.



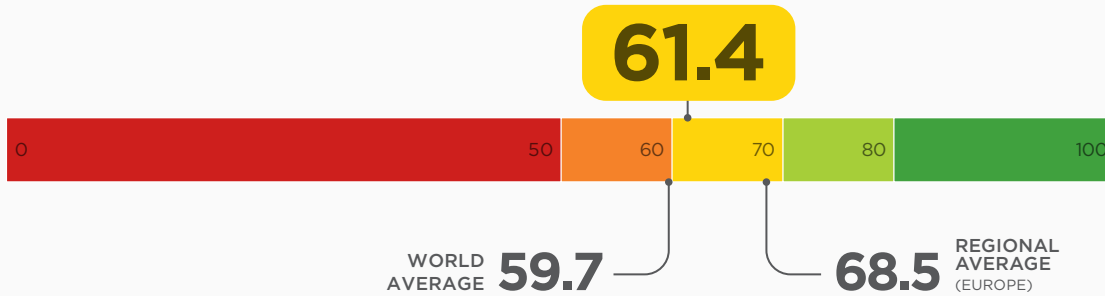
WORLD RANK:	REGIONAL RANK:
<b>79</b>	<b>38</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# HUNGARY

**H**ungary's economic freedom score is 61.4, making its economy the 79th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Hungary is ranked 38th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Hungary's economy is considered "moderately free" according to the 2025 *Index*.

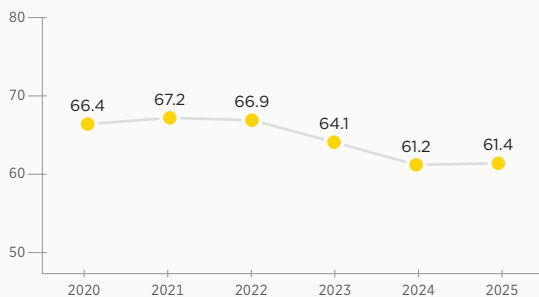
The Hungarian economy has benefited from the implementation of critical reforms in many areas and has a vibrant private sector. Overall regulatory efficiency is further enhanced by open-market policies. A relatively sound judicial framework that sustains the rule of law and the protection of property rights has contributed to economic stability and long-term development. However, fiscal consolidation and better management of public finance are needed to curb a growing debt burden.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +6.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
9.6 million

**GDP (PPP):**  
\$431.6 billion  
-0.9% growth in 2023  
3-year average growth rate: 3.6%  
\$44,961 per capita

**UNEMPLOYMENT:**  
4.1%

**INFLATION (CPI):**  
17.1%

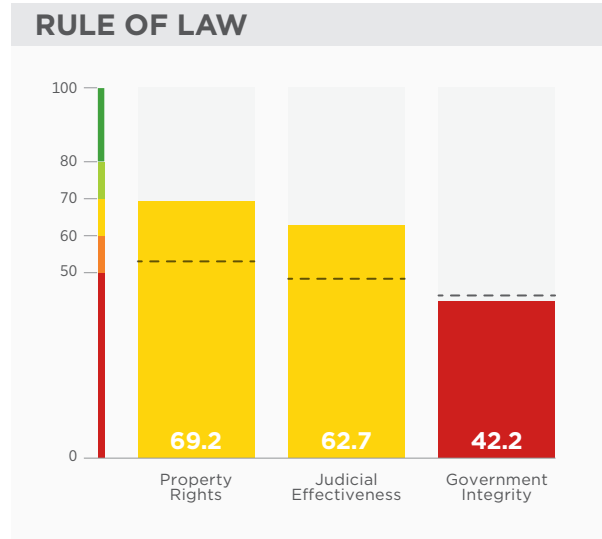
**FDI INFLOW:**  
\$8.6 billion

**PUBLIC DEBT:**  
73.5% of GDP

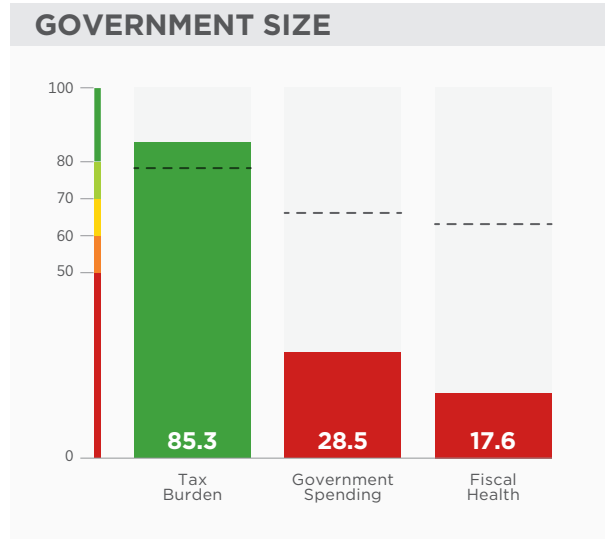
2023 data unless otherwise noted. Data compiled as of November 2024.



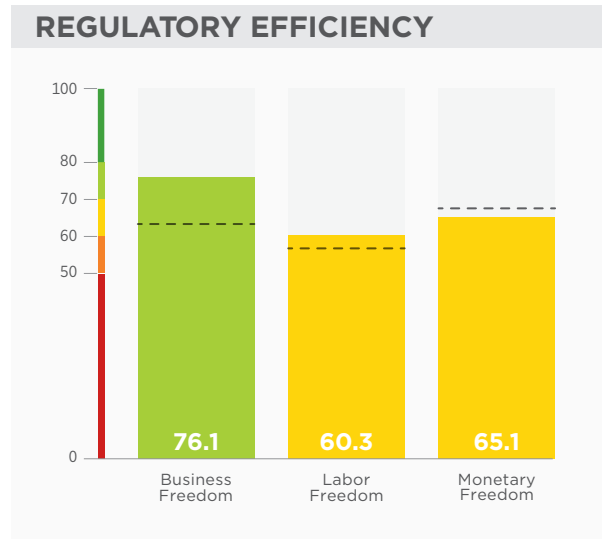
# 12 ECONOMIC FREEDOMS | HUNGARY



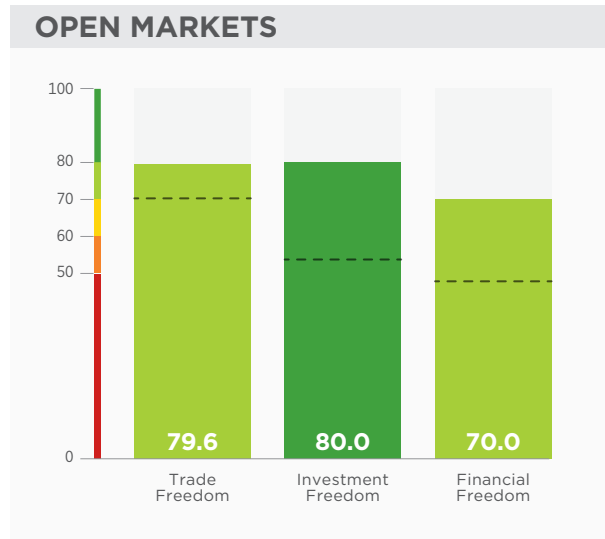
The overall rule of law is relatively well respected in Hungary. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 15 percent, and the top corporate tax rate is 9 percent. The tax burden equals 34.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.8 percent and -6.7 percent of GDP. Public debt amounts to 73.5 percent of GDP.



Hungary's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is well above the world average; its labor freedom score is slightly below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. The investment framework is efficient but not sufficiently transparent. The government has largely withdrawn from banking, and the financial sector offers a range of services.



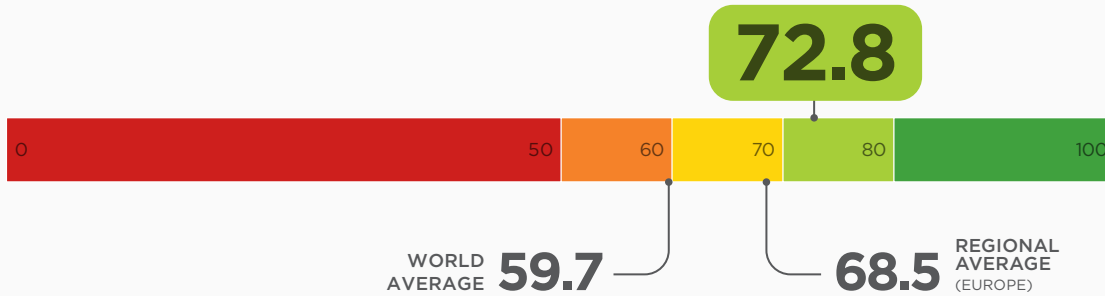
WORLD RANK:	REGIONAL RANK:
<b>21</b>	<b>13</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# ICELAND

Iceland's economic freedom score is 72.8, making its economy the 21st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.3 points from last year, and Iceland is ranked 13th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Iceland's economy is considered "mostly free" according to the 2025 *Index*.

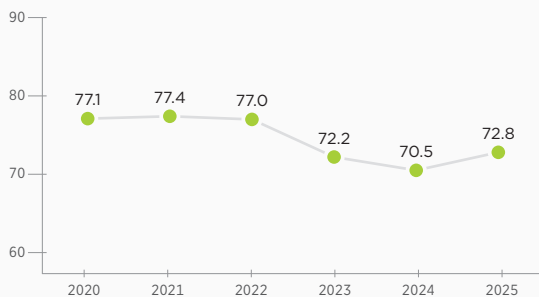
Despite the challenging global economic situation, Iceland's economy has been resilient, bolstered by regulatory efficiency and open-market policies. The legal framework remains among the world's best and provides effective protection of property rights. The rule of law is well maintained, and a minimum tolerance for corruption is a strong tradition. Iceland's modern, transparent regulatory environment encourages entrepreneurial activity by allowing the formation and operation of businesses to be efficient and dynamic. Labor regulations are relatively rigid with broad wage settlements and high unionization.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +2.3

## RECENT FREEDOM TREND

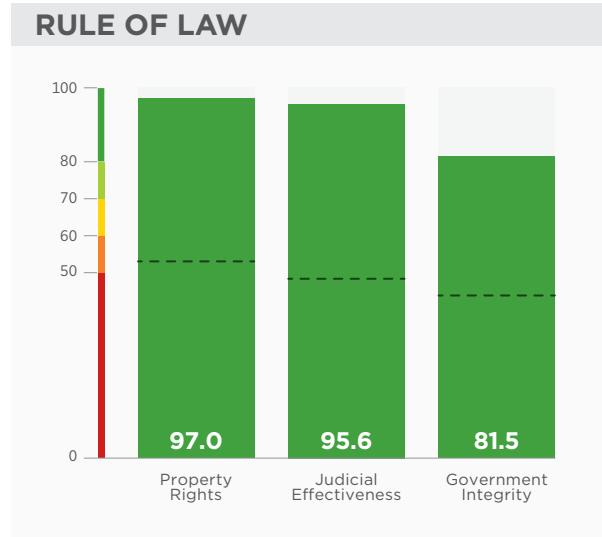


## QUICK FACTS

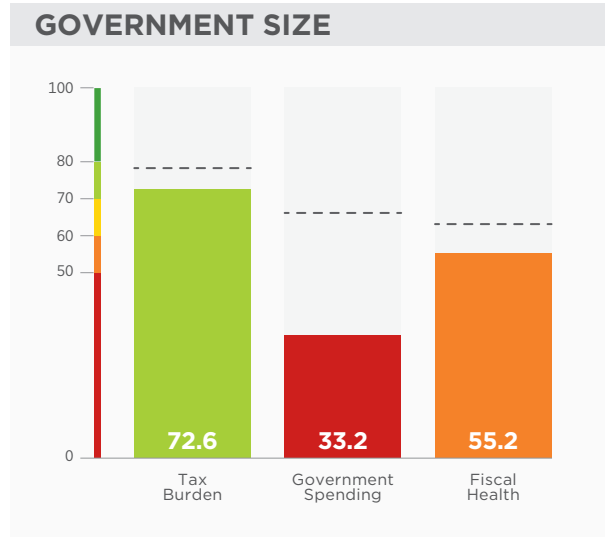
- POPULATION:** 0.4 million
- UNEMPLOYMENT:** 3.6%
- GDP (PPP):** \$29.4 billion
- INFLATION (CPI):** 8.7%
- 5.0% growth in 2023
- FDI INFLOW:** \$620.0 million
- 3-year average growth rate: 6.4%
- PUBLIC DEBT:** 62.2% of GDP
- \$78,250 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

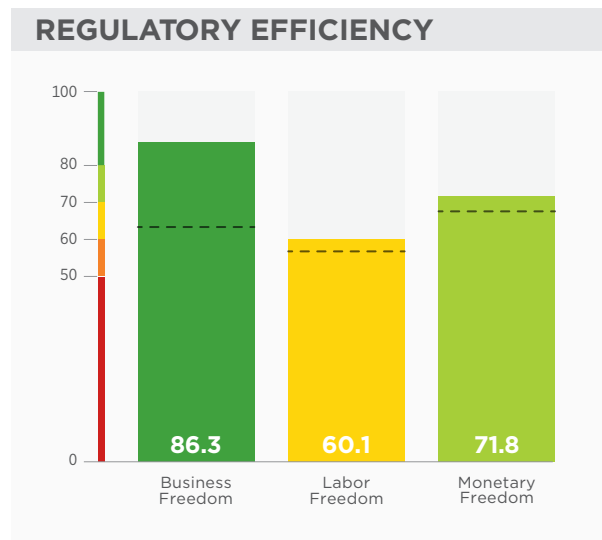
# 12 ECONOMIC FREEDOMS | ICELAND



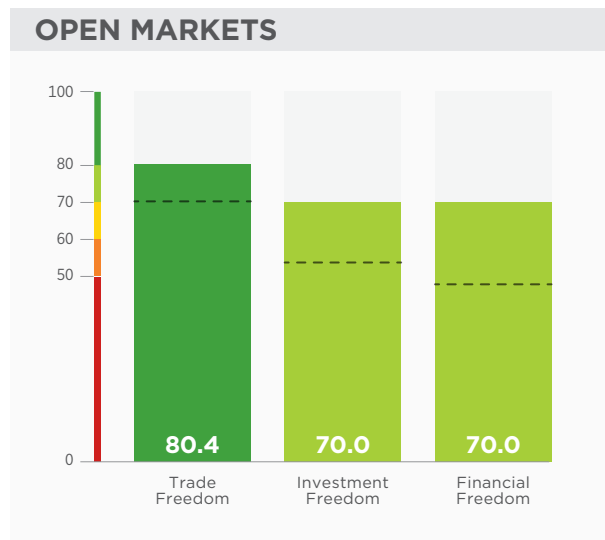
The overall rule of law is very well respected in Iceland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 31.8 percent, and the top corporate tax rate is 21 percent. The tax burden equals 35.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.2 percent and -4.8 percent of GDP. Public debt amounts to 62.2 percent of GDP.



Iceland's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 2.3 percent, and more than 80 nontariff measures are in force. Transparent and efficient regulations, applied evenly in most cases, encourage investment. The financial sector has regained stability with capital controls removed. Commercial banks offer a variety of services.

WORLD RANK: **128** REGIONAL RANK: **26**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

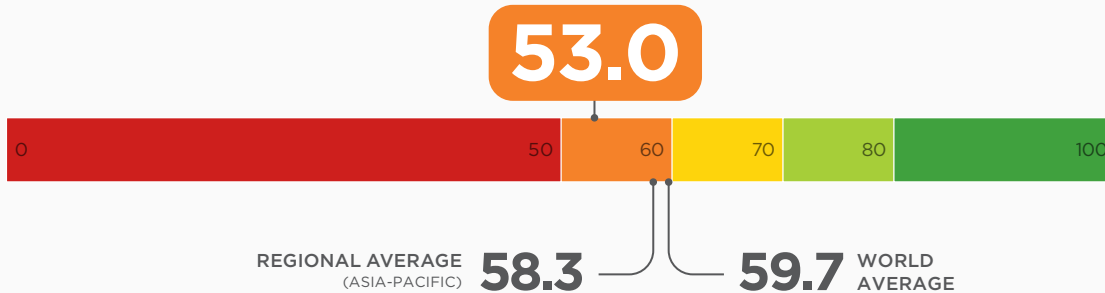


# INDIA

India's economic freedom score is 53.0, making its economy the 128th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.1 point from last year, and India is ranked 26th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. India's economy is considered "mostly unfree" according to the 2025 *Index*.

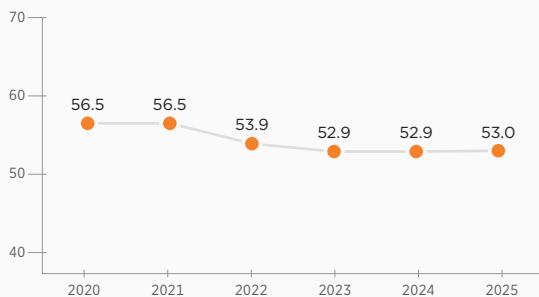
Progress with market-oriented reforms has been uneven. The foundations for long-term economic development remain fragile in the absence of an efficiently functioning legal framework. State-owned enterprises are a major presence in many sectors, and the legacy of decades of failed socialist policies includes a willingness to tolerate government meddling in economic activity. Entrepreneurs continue to face severe challenges. India's regulatory framework is burdensome. The labor regulatory framework is still evolving, and the informal economy remains an important source of employment. Monetary stability has weakened.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +7.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 billion

**GDP (PPP):**  
\$14.6 trillion  
8.2% growth in 2023  
3-year average growth rate: 8.3%  
\$10,233 per capita

**UNEMPLOYMENT:**  
4.2%

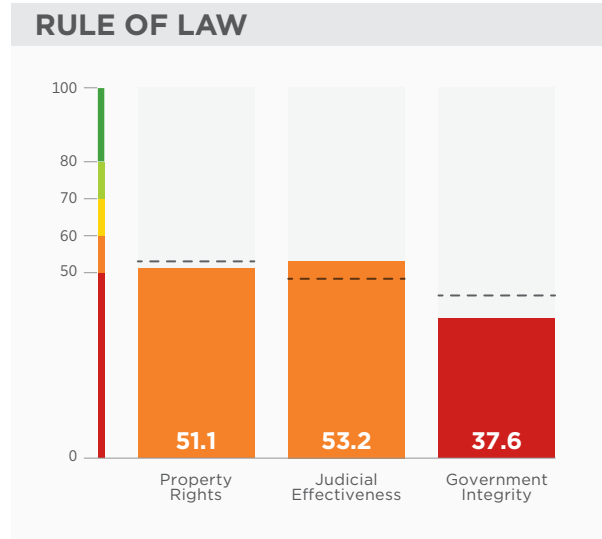
**INFLATION (CPI):**  
5.4%

**FDI INFLOW:**  
\$49.4 billion

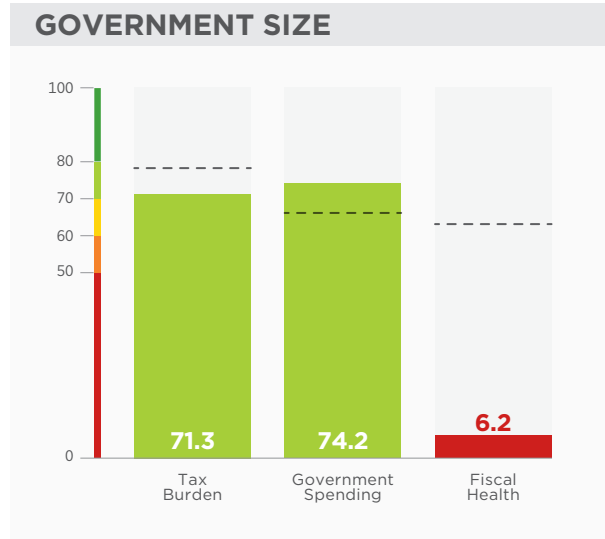
**PUBLIC DEBT:**  
83.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

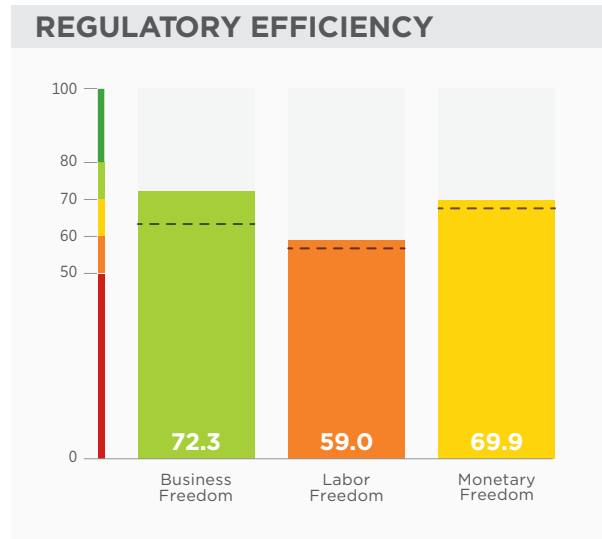
# 12 ECONOMIC FREEDOMS | INDIA



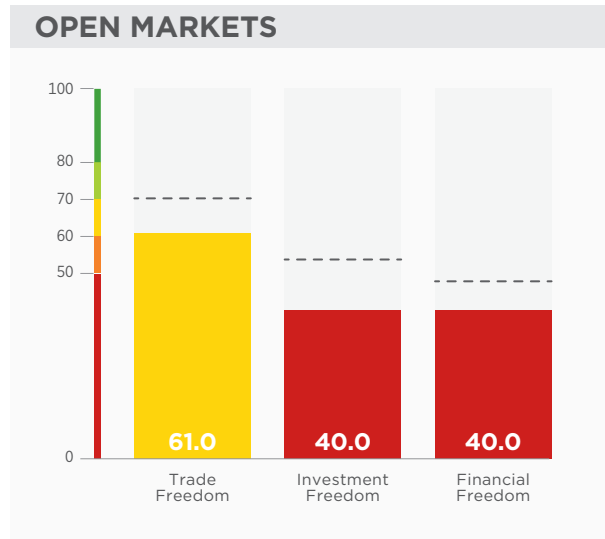
The overall rule of law is weak in India. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 39 percent, and the top corporate tax rate is 32.4 percent. The tax burden equals 17.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.3 percent and -8.9 percent of GDP. Public debt amounts to 83.0 percent of GDP.



India'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 12.0 percent, and more than 300 nontariff measures are in force. Foreign investment is screened, although ownership restrictions in some sectors have been reduced. The government has recapitalized state-owned banks, but the number of nonperforming loans remains high.

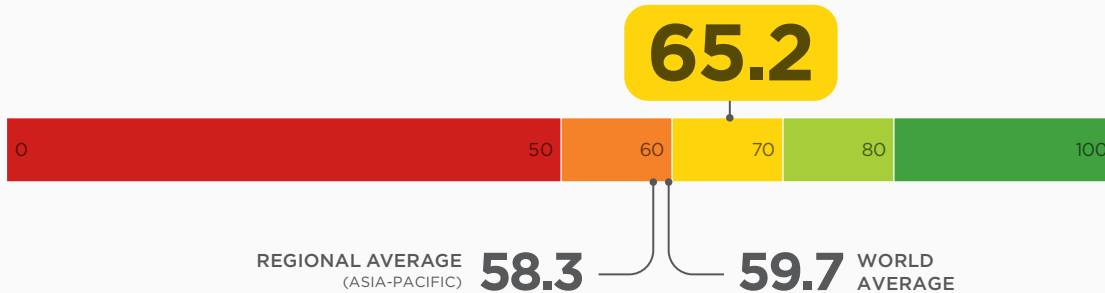
WORLD RANK: **60** | REGIONAL RANK: **10**  
 ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# INDONESIA

Indonesia's economic freedom score is 65.2, making its economy the 60th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.7 points from last year, and Indonesia is ranked 10th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Indonesia's economy is considered "moderately free" according to the 2025 *Index*.

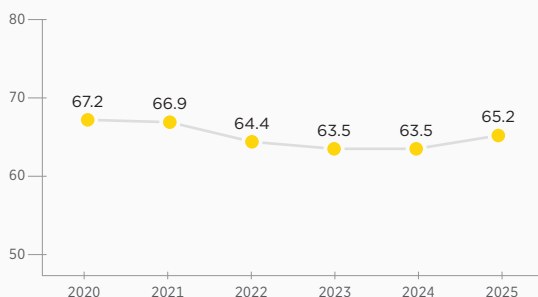
Indonesia has undertaken wide-ranging reforms to address the economy's structural weaknesses and improve competitiveness. The economy has shown considerable resilience, weathering the global economic slowdown relatively well. Recent reforms have put greater emphasis on improving regulatory efficiency, enhancing regional competitiveness, and creating a more vibrant private sector through decentralization, but institutional shortcomings continue to undercut momentum for more dynamic economic development. In the absence of a well-functioning legal and regulatory framework, corruption remains a serious impediment to greater private-sector dynamism.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +10.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
278.7 million

**GDP (PPP):**  
\$4.3 trillion  
5.0% growth in 2023  
3-year average growth rate: 4.7%  
\$15,554 per capita

**UNEMPLOYMENT:**  
3.4%

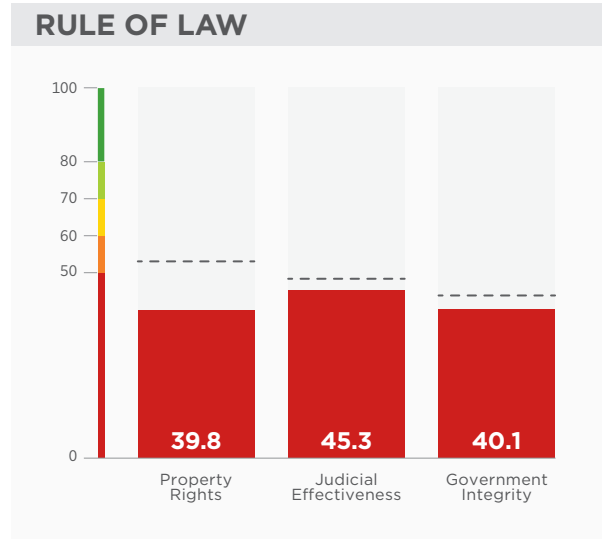
**INFLATION (CPI):**  
3.7%

**FDI INFLOW:**  
\$22.0 billion

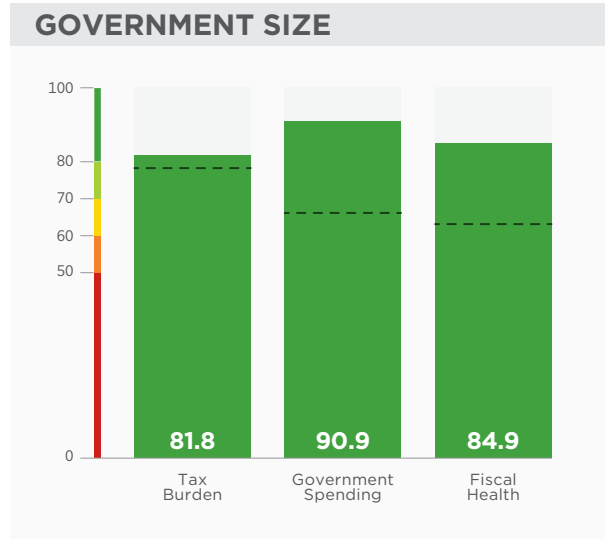
**PUBLIC DEBT:**  
39.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

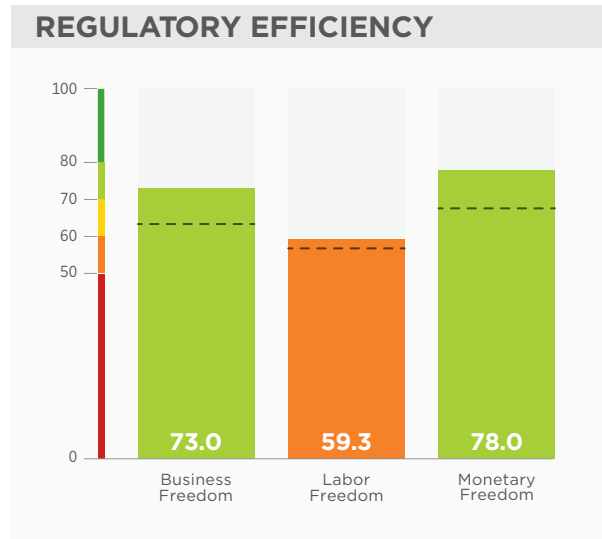
# 12 ECONOMIC FREEDOMS | INDONESIA



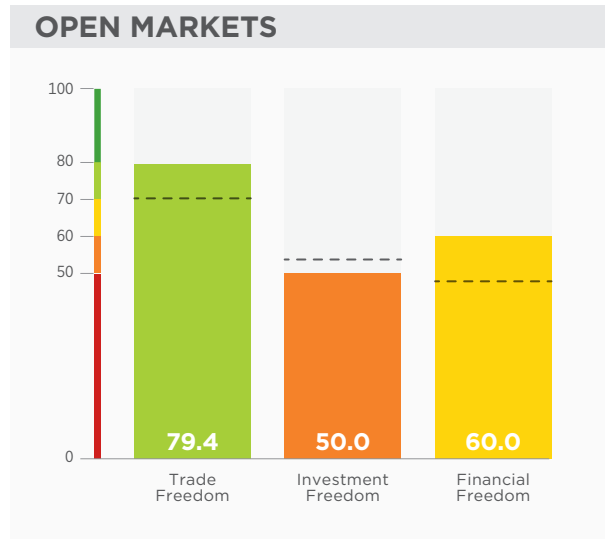
The overall rule of law is weak in Indonesia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



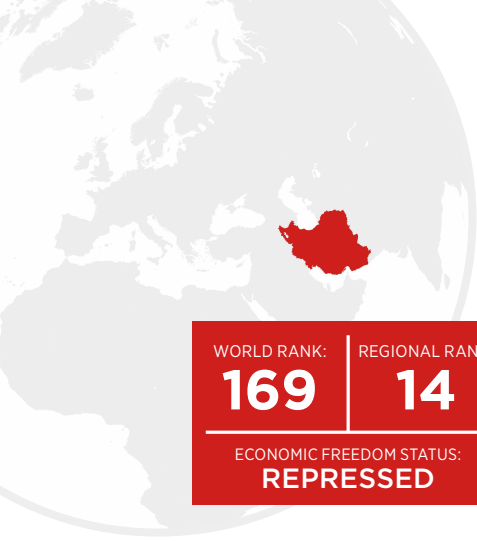
The top individual income tax rate is 35 percent, and the top corporate tax rate is 22 percent. The tax burden equals 10.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.4 percent and -2.7 percent of GDP. Public debt amounts to 39.6 percent of GDP.



Indonesia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 5.3 percent, and more than 100 nontariff measures are in force. The government has moved to dismantle some of its previously imposed barriers to foreign investment. Overall, the financial system's efficiency has increased. The state still owns several banks.



WORLD RANK: **169** | REGIONAL RANK: **14**

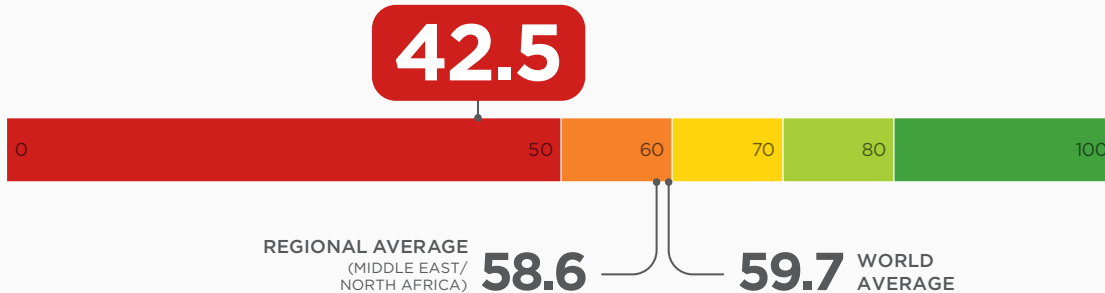
ECONOMIC FREEDOM STATUS: **REPRESSED**

# IRAN

Iran's economic freedom score is 42.5, making its economy the 169th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Iran is ranked 14th out of 14 countries in the Middle East / North Africa region. The country's economic freedom score is lower than the world and regional averages. Iran's economic freedom remains "repressed" according to the 2025 *Index*.

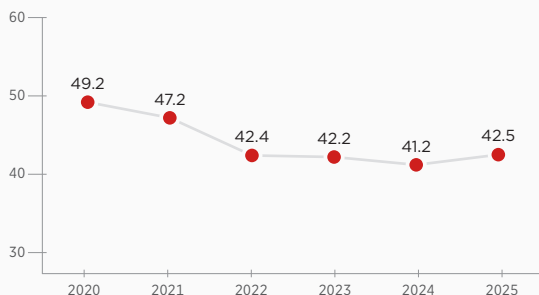
State interference undermines every pillar of economic freedom measured in the *Index*. Corruption and institutional deficiencies in the legal framework undermine the rule of law. The government dictates production activity and derives most of its revenue from the oil sector. The private sector continues to be constrained by Iran's restrictive and burdensome regulatory environment. Employment regulations are restrictive, and the labor market remains stagnant. Monetary stability is weak, and tight government controls distort price levels.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +6.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
85.8 million

**GDP (PPP):**  
\$1.6 trillion  
5.0% growth in 2023  
3-year average growth rate: 4.5%  
\$18,658 per capita

**UNEMPLOYMENT:**  
9.1%

**INFLATION (CPI):**  
40.7%

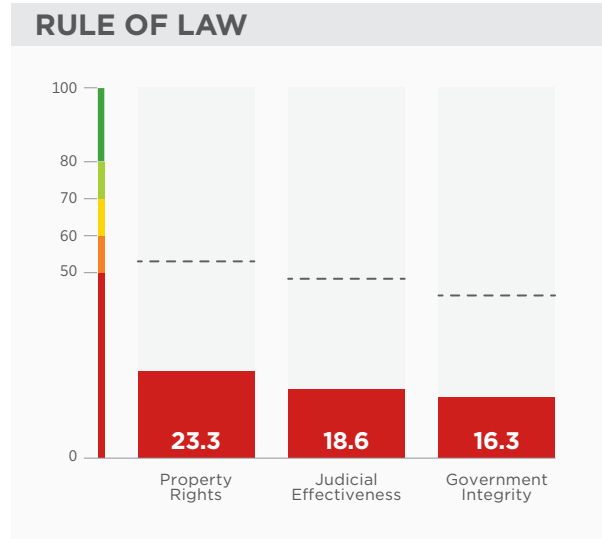
**FDI INFLOW:**  
\$1.5 billion

**PUBLIC DEBT:**  
34.0% of GDP

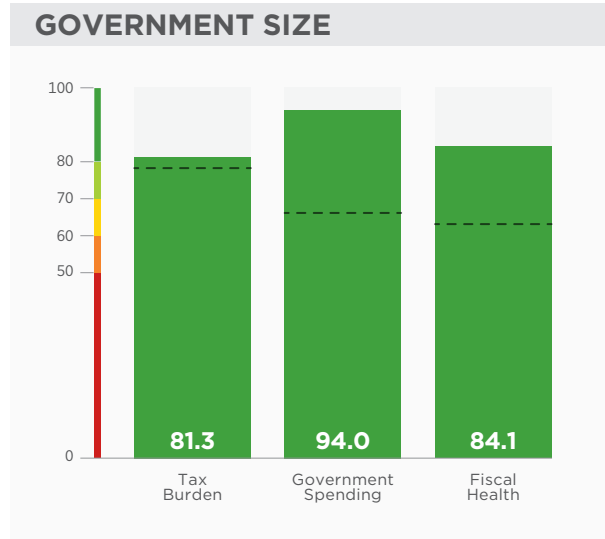
2023 data unless otherwise noted. Data compiled as of November 2024.



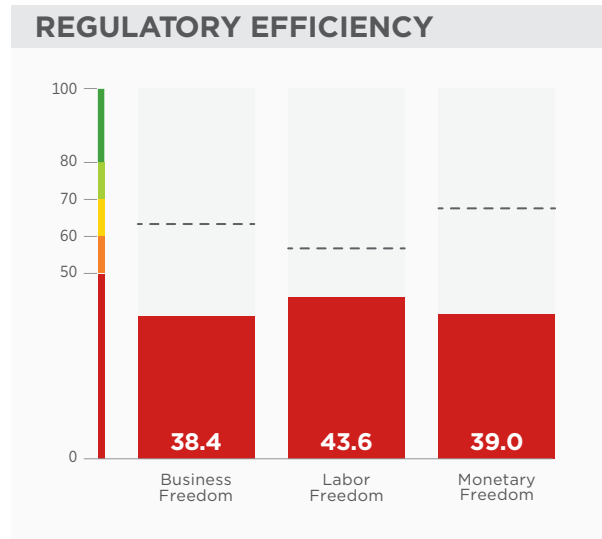
# 12 ECONOMIC FREEDOMS | IRAN



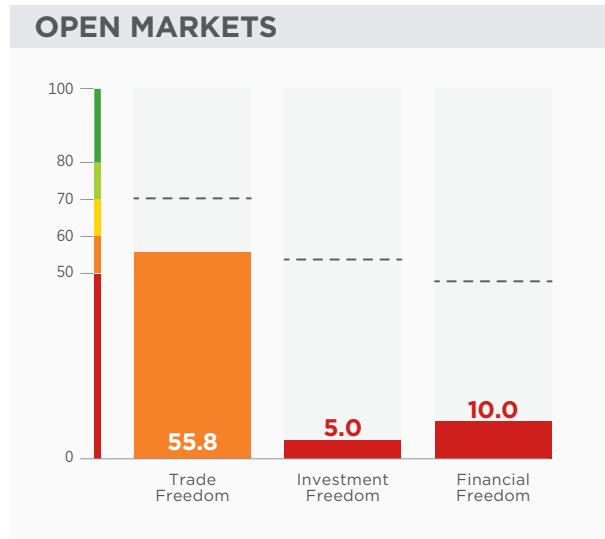
The overall rule of law is weak in Iran. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 4.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.1 percent and -2.9 percent of GDP. Public debt amounts to 34.0 percent of GDP.



Iran'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 well below the world average.



The trade-weighted average tariff rate is 12.1 percent. The state continues to hold back economic development, undermining trade and investment flows. Government controls limit access to financing for businesses. State-owned commercial banks and specialized financial institutions account for a majority of banking-sector assets.

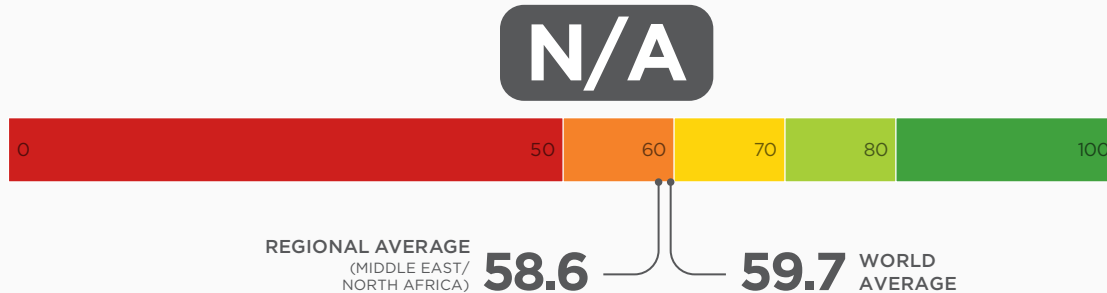


# IRAQ

Iraq remains unranked in the 2025 *Index of Economic Freedom* because of the lack of sufficiently reliable data. Iraq's economy was last rated in the 2002 *Index*, when it received an overall score of 15.6 and was rated as "repressed." The Iraqi economy has slowly recovered over the past decade, but progress has been uneven. The country faces continuing tension among different ethnic and religious factions.

Iraq's economic growth is highly volatile, and its ongoing economic reconstruction has been fragile at best. Political instability and pervasive corruption continue to undermine the limited progress that has been achieved. Operating well below potential, the economy lacks effective monetary and fiscal policies. The state-dominated economy is led by the oil sector, which provides over 80 percent of government revenue. The financial system's weakness and limited role in the economy make the development of a much-needed dynamic private sector extremely difficult.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
43.3 million

**GDP (PPP):**  
\$639.8 billion  
-2.9% growth in 2023  
3-year average growth rate: 2.1%  
\$14,767 per capita

**UNEMPLOYMENT:**  
15.5%

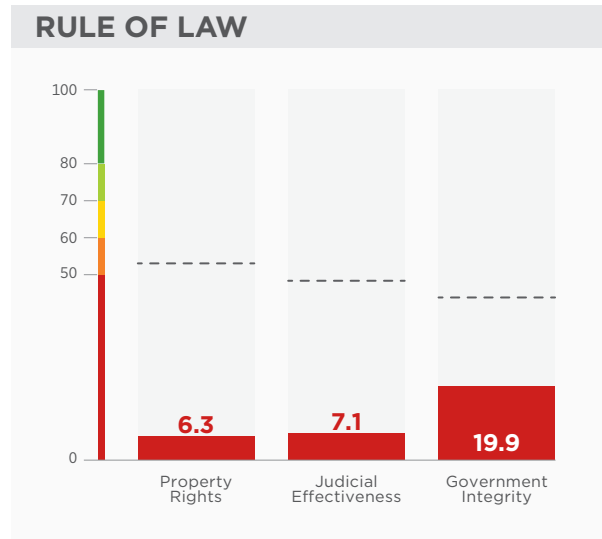
**INFLATION (CPI):**  
4.4%

**FDI INFLOW:**  
-\$2.1 billion

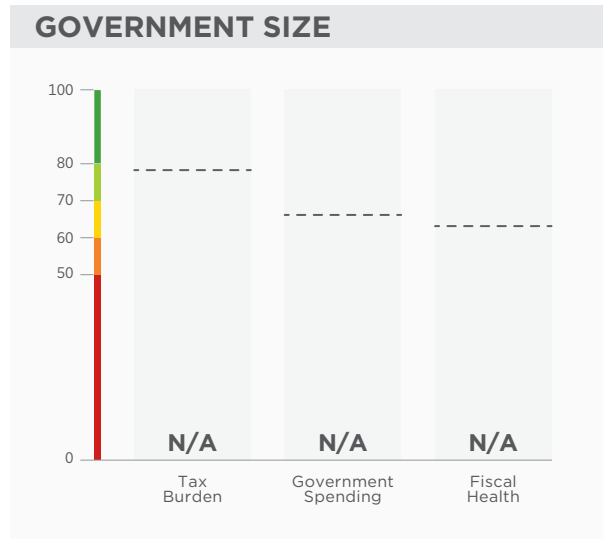
**PUBLIC DEBT:**  
44.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

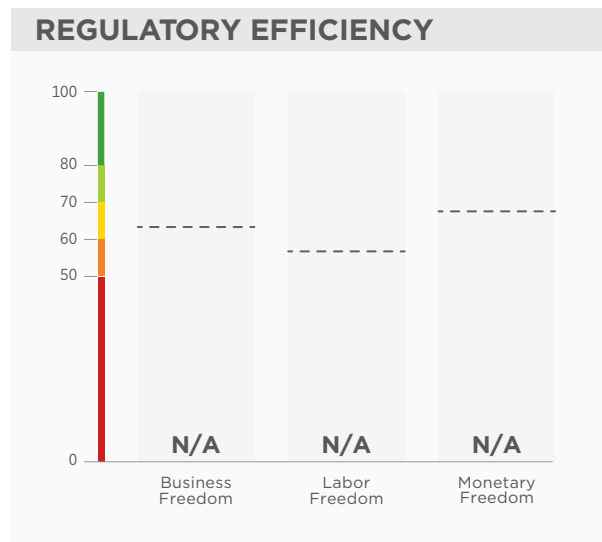
# 12 ECONOMIC FREEDOMS | IRAQ



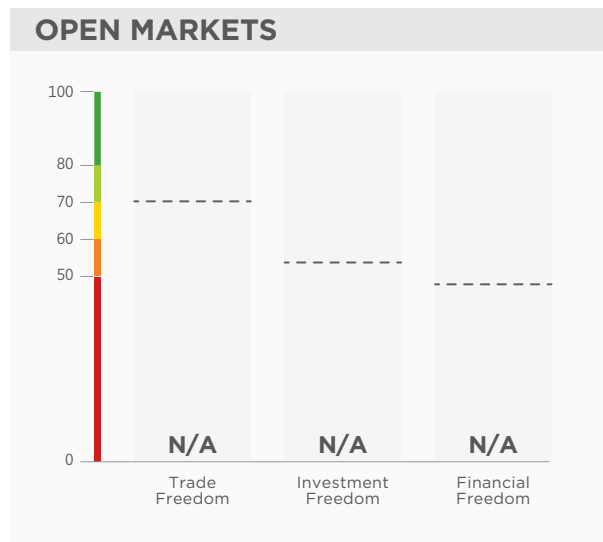
The overall rule of law is weak in Iraq. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



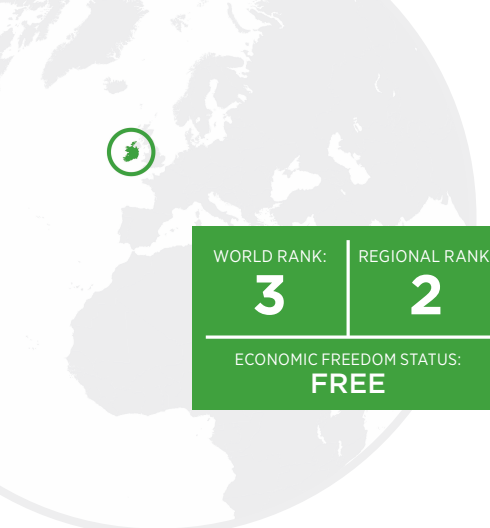
The top individual income tax rate is 15 percent, and the top corporate tax rate is 35 percent. The tax burden equals 1.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.1 percent and 2.2 percent of GDP. Public debt amounts to 44.5 percent of GDP.



Despite some enhancement of the business environment, significant impediments to entrepreneurial activity persist. Enforcement of existing commercial regulations is overly bureaucratic and inconsistent. A formal labor market is not fully developed, and most private-sector jobs are short-term and informal. Monetary stability is weak.



Security challenges and institutional shortcomings continue to deter foreign trade and investment. Political instability undermines the economy. Iraq's cash-based economy lacks the infrastructure of a fully functioning financial system. The banking regulation frameworks are not yet strong enough to deepen financial intermediation.



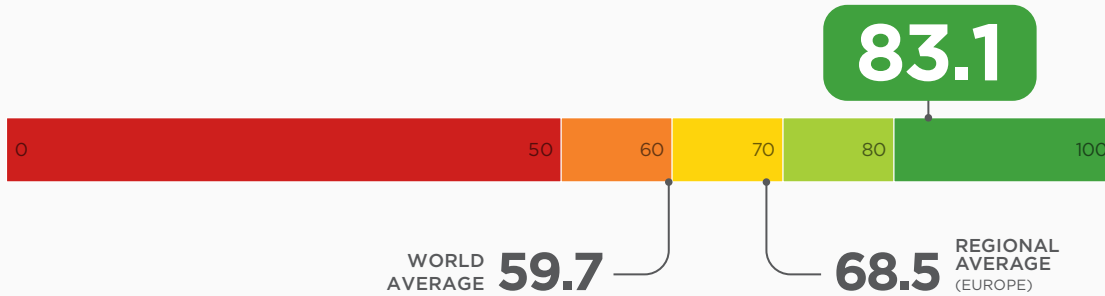
WORLD RANK: <b>3</b>	REGIONAL RANK: <b>2</b>
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

# IRELAND

Ireland's economic freedom score is 83.1, making its economy the 3rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Ireland is ranked 2nd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Ireland's economy is considered "free" according to the 2025 *Index*.

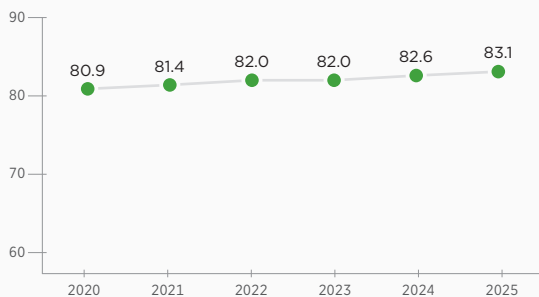
The Irish economy has many solid institutional strengths and continues to be a global leader in economic freedom. Regulatory efficiency and openness to global trade and investment support Ireland's competitiveness. With no minimum capital requirement, the streamlined regulatory process is very conducive to dynamic investment. The labor market remains relatively flexible, and labor costs are moderate. Monetary stability has been relatively well maintained. Strong economic fundamentals are undergirded by reliable protection of property rights and an independent judiciary that safeguards the rule of law.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +14.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.3 million

**GDP (PPP):**  
\$677.0 billion  
-5.5% growth in 2023  
3-year average growth rate: 6.4%  
\$126,992 per capita

**UNEMPLOYMENT:**  
4.3%

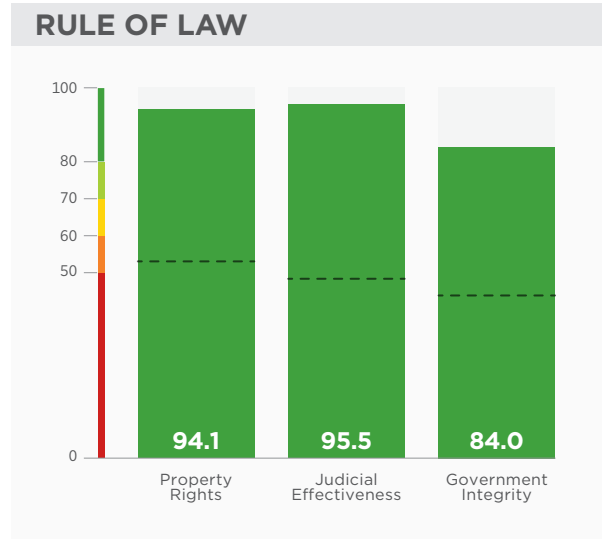
**INFLATION (CPI):**  
5.2%

**FDI INFLOW:**  
\$1.5 billion

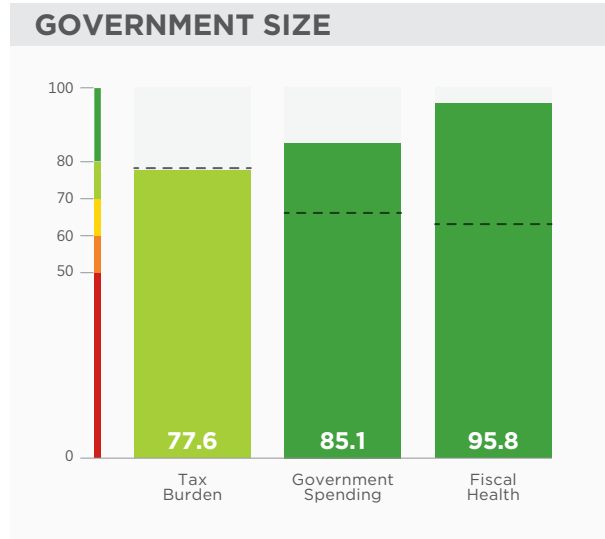
**PUBLIC DEBT:**  
43.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

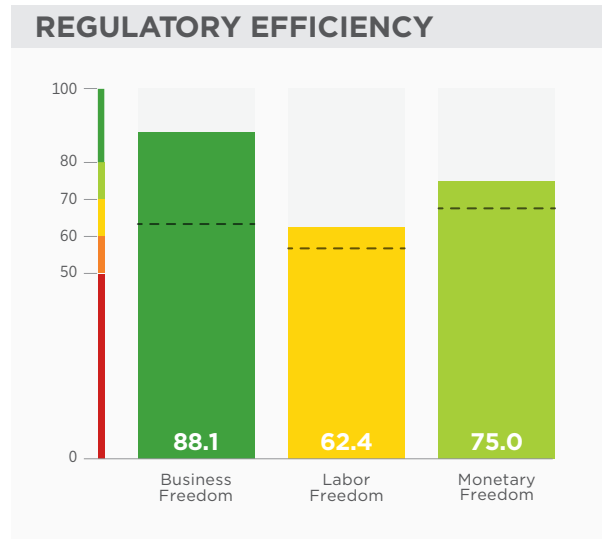
# 12 ECONOMIC FREEDOMS | IRELAND



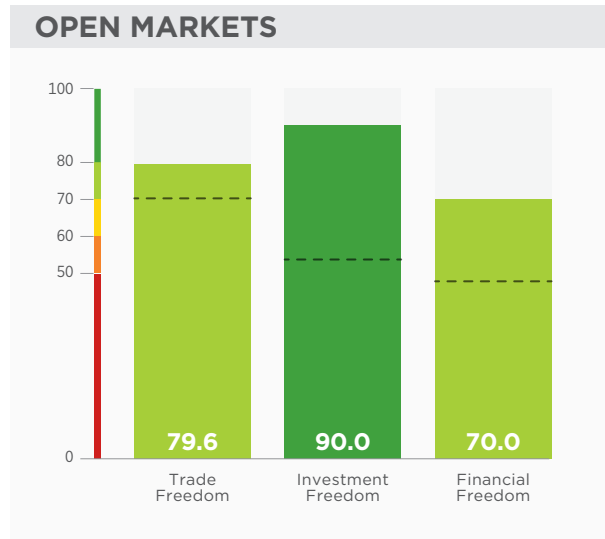
The overall rule of law is very well respected in Ireland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



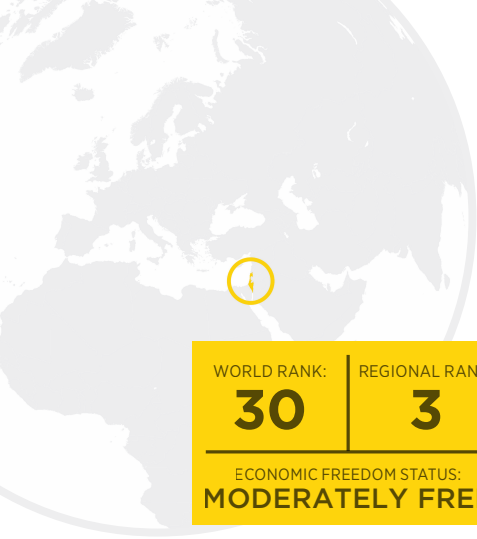
The top individual income tax rate is 40 percent, and the top corporate tax rate is 12.5 percent. The tax burden equals 21.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.3 percent and 0.6 percent of GDP. Public debt amounts to 43.3 percent of GDP.



Ireland's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Commitment to facilitating global investment is well institutionalized. Recapitalization and restructuring have restored financial-sector stability, but the number of nonperforming loans remains relatively high.



WORLD RANK: **30** | REGIONAL RANK: **3**

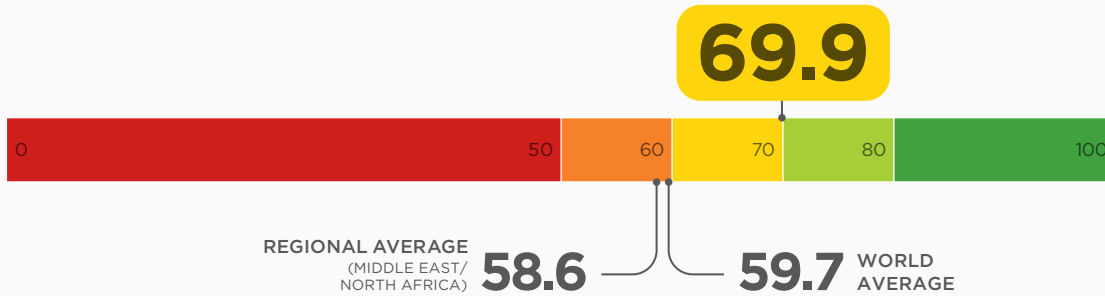
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# ISRAEL

Israel's economic freedom score is 69.9, making its economy the 30th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Israel is ranked 3rd 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. Israel's economy is considered "moderately free" according to the 2025 *Index*.

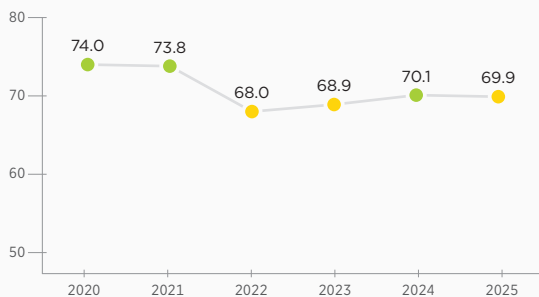
Despite an increasingly challenging security environment, Israel's economic competitiveness is anchored in strong protection of property rights and relatively low levels of corruption. The management of public finance still needs to be improved. Israel's regulatory framework promotes entrepreneurial activity, and its openness to global commerce supports productivity growth. The pace of regulatory reform has lagged slightly behind that of other emerging economies. The labor market needs more flexibility to accommodate rapid economic transformation. Despite upward pressures, inflation has been modest.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.4

## RECENT FREEDOM TREND

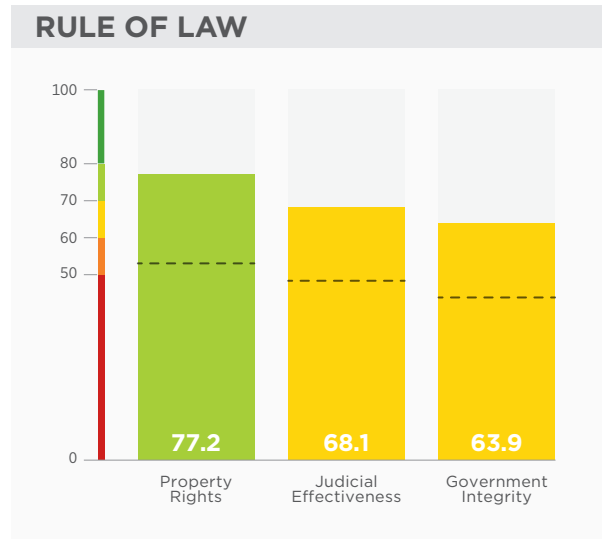


## QUICK FACTS

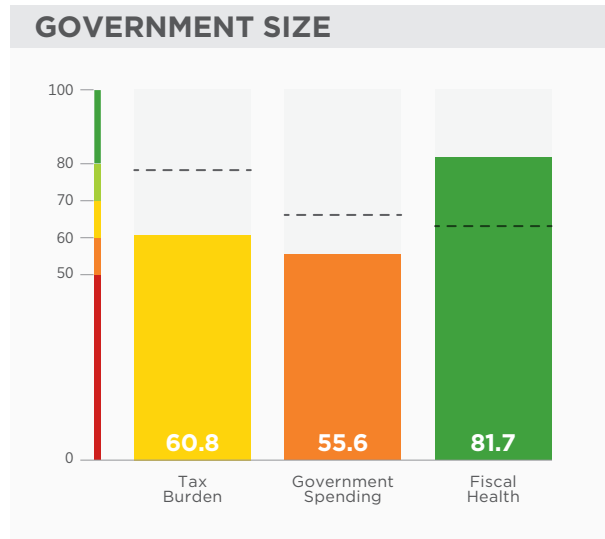
- POPULATION:** 9.8 million
- UNEMPLOYMENT:** 3.4%
- GDP (PPP):** \$525.0 billion  
2.0% growth in 2023  
3-year average growth rate: 6.0%
- INFLATION (CPI):** 4.2%
- FDI INFLOW:** \$27.8 billion
- PUBLIC DEBT:** 61.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

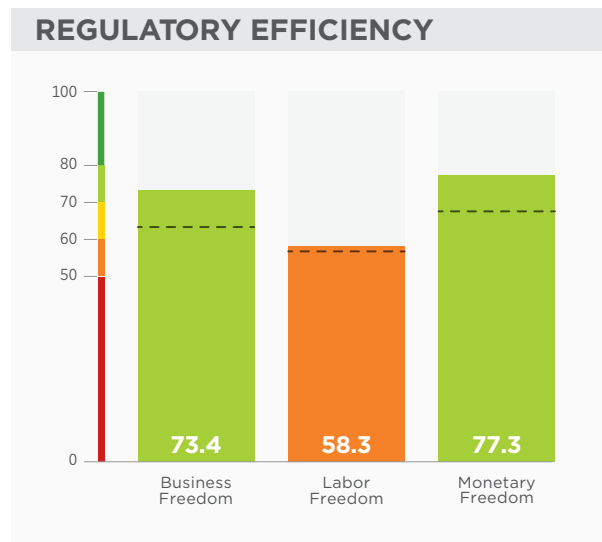
# 12 ECONOMIC FREEDOMS | ISRAEL



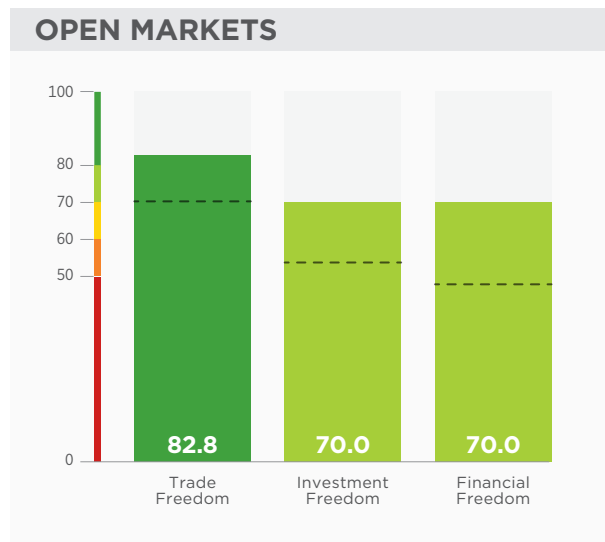
The overall rule of law is well respected in Israel. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



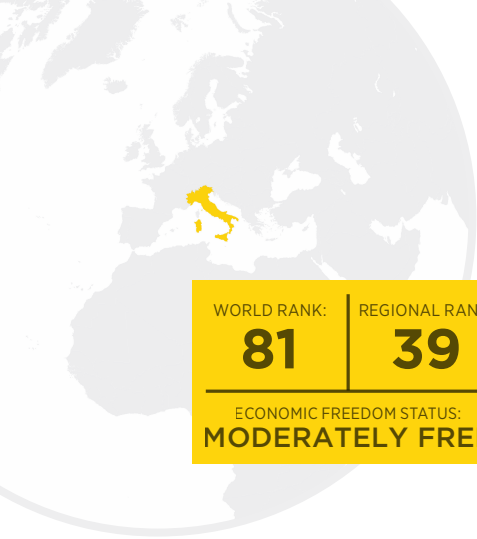
The top individual income tax rate is 50 percent, and the top corporate tax rate is 23 percent. The tax burden equals 29.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.5 percent and -2.6 percent of GDP. Public debt amounts to 61.4 percent of GDP.



Israel's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 3.6 percent, and more than 90 nontariff measures are in force. Economic competitiveness is generally facilitated by openness to foreign investment. Banking remains concentrated, but commercial banks offer a range of financial services that support the private sector.



WORLD RANK: **81** | REGIONAL RANK: **39**

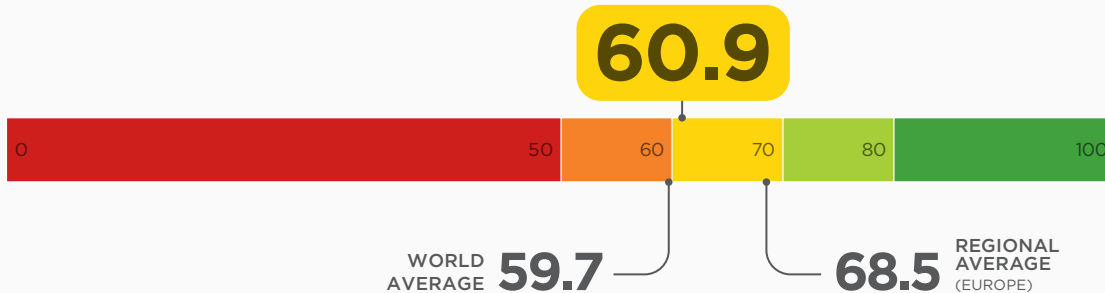
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# ITALY

Italy's economic freedom score is 60.9, making its economy the 81st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Italy is ranked 39th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Italy's economy is considered "moderately free" according to the 2025 *Index*.

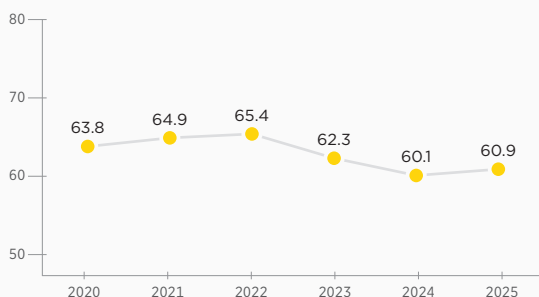
The Italian economy has been mired in a protracted slowdown. Despite attempts at reform, economic competitiveness has lagged. Much-needed structural reforms have not been implemented effectively, and the economy remains burdened by poor management of public finance and other institutional issues. Public debt, which is slightly more than 134 percent and growing, undermines long-term development prospects, and policy options have been constrained. The complexity of the regulatory framework causes much economic activity to remain in the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -0.3

## RECENT FREEDOM TREND



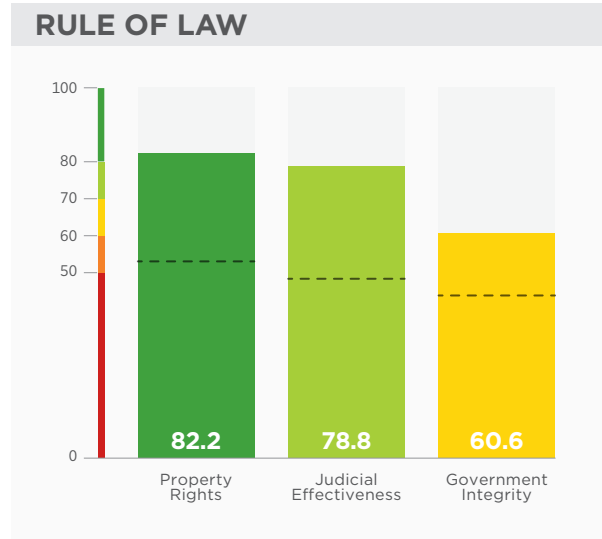
## QUICK FACTS

<b>POPULATION:</b> 59.0 million	<b>UNEMPLOYMENT:</b> 7.6%
<b>GDP (PPP):</b> \$3.5 trillion 0.7% growth in 2023 3-year average growth rate: 4.8% \$59,165 per capita	<b>INFLATION (CPI):</b> 5.9%
	<b>FDI INFLOW:</b> \$19.9 billion
	<b>PUBLIC DEBT:</b> 134.6% of GDP

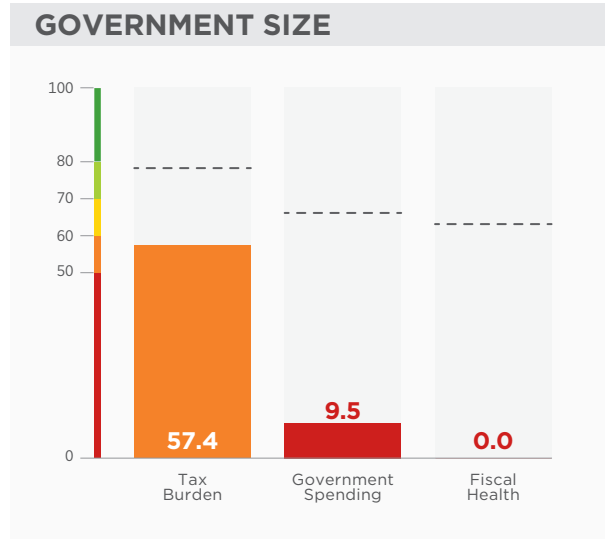
2023 data unless otherwise noted. Data compiled as of November 2024.



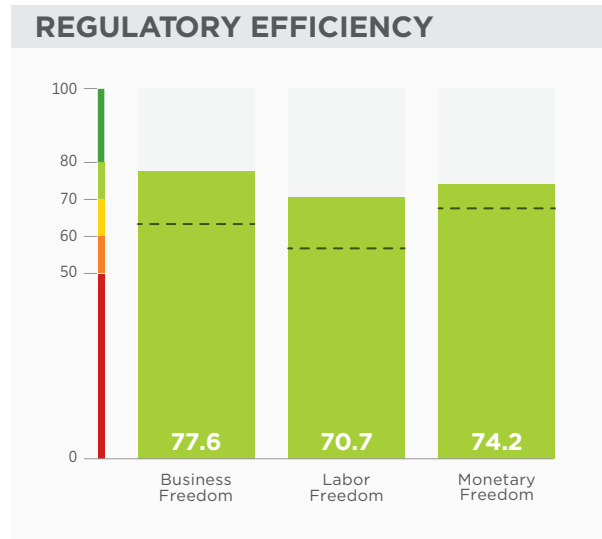
# 12 ECONOMIC FREEDOMS | ITALY



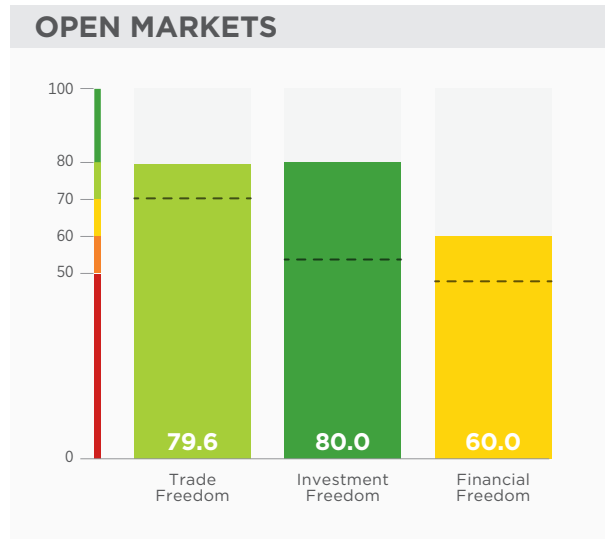
The overall rule of law is well respected in Italy. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 43 percent, and the top corporate tax rate is 24 percent. The tax burden equals 42.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 54.9 percent and -8.0 percent of GDP. Public debt amounts to 134.6 percent of GDP.

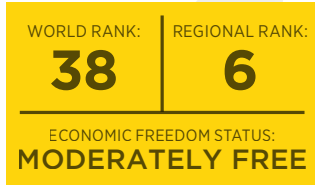


Italy's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the global average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is not generally screened, and most of the economy is open. The financial sector is stable, but nonperforming loans remain a problem.

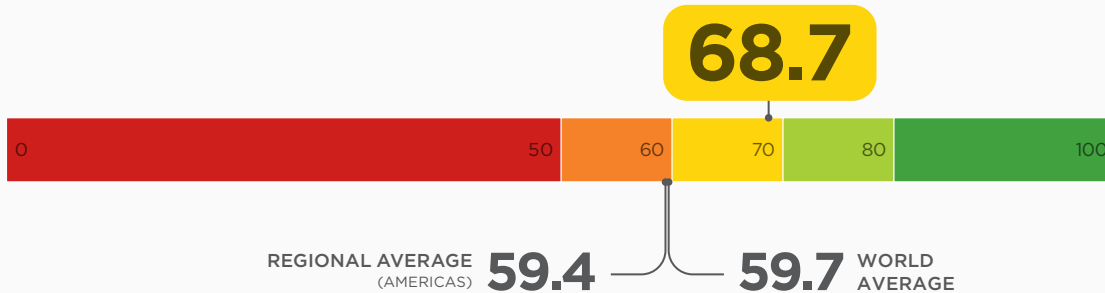
# JAMAICA



Jamaica’s economic freedom score is 68.7, making its economy the 38th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Jamaica is ranked 6th out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Jamaica’s economy is considered “moderately free” according to the 2025 *Index*.

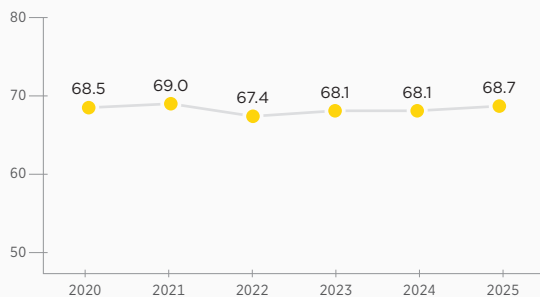
Jamaica has taken steps to enhance regulatory efficiency and integrate its economy more thoroughly into the global marketplace. The economy performs relatively well in investment freedom and business freedom, but persistent corruption, relatively high government spending, the country’s bloated public sector, and the need to enforce expenditure restraint remain critical challenges. The overall process for starting a business has been streamlined, but licensing requirements remain burdensome. The labor market is relatively restraining and not fully developed.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +4.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.7 million

**GDP (PPP):**  
\$32.6 billion  
2.6% growth in 2023  
3-year average growth rate: 4.1%  
\$11,856 per capita

**UNEMPLOYMENT:**  
4.4%

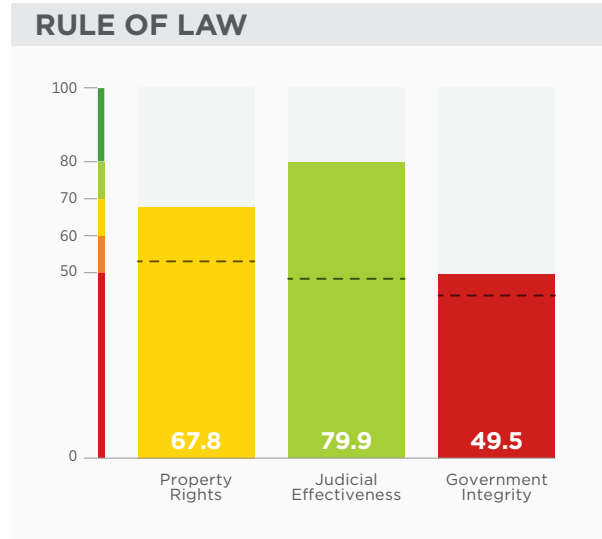
**INFLATION (CPI):**  
6.5%

**FDI INFLOW:**  
\$360.0 million

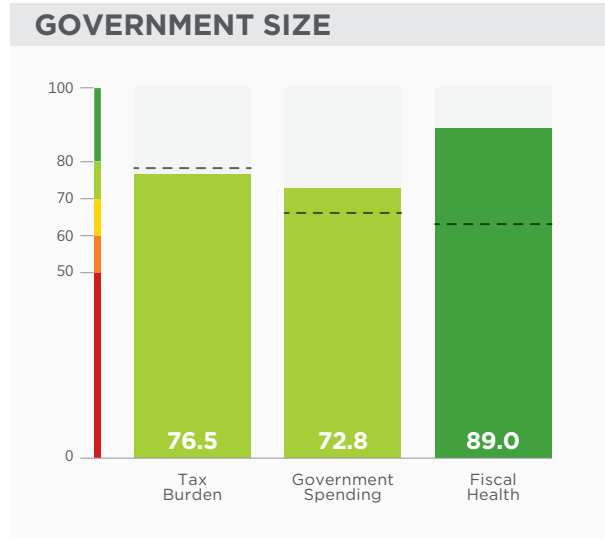
**PUBLIC DEBT:**  
73.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

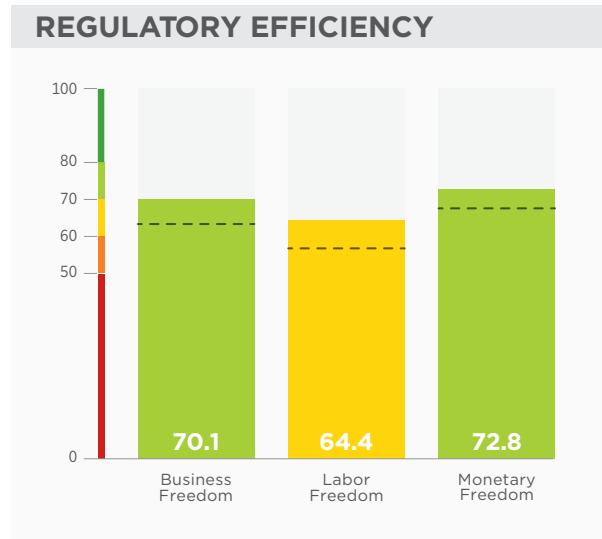
# 12 ECONOMIC FREEDOMS | JAMAICA



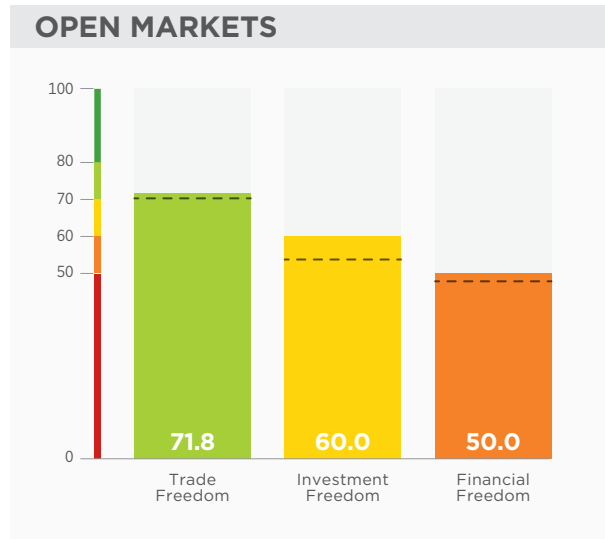
The overall rule of law is relatively well respected in Jamaica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



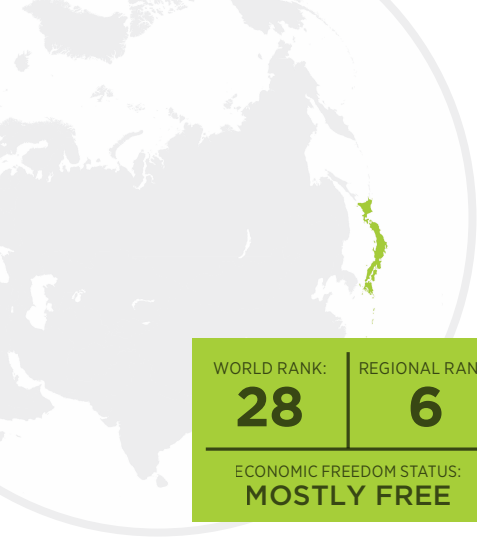
The top individual income tax rate is 30 percent, and the top corporate tax rate is 25 percent. The tax burden equals 28.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.1 percent and 0.4 percent of GDP. Public debt amounts to 73.3 percent of GDP.



Jamaica'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 9.1 percent. Jamaica is relatively open to foreign investment, but state-owned enterprises distort the economy. High financing costs deter private-sector growth. Approximately 80 percent of adult Jamaicans have an account with a formal banking institution.



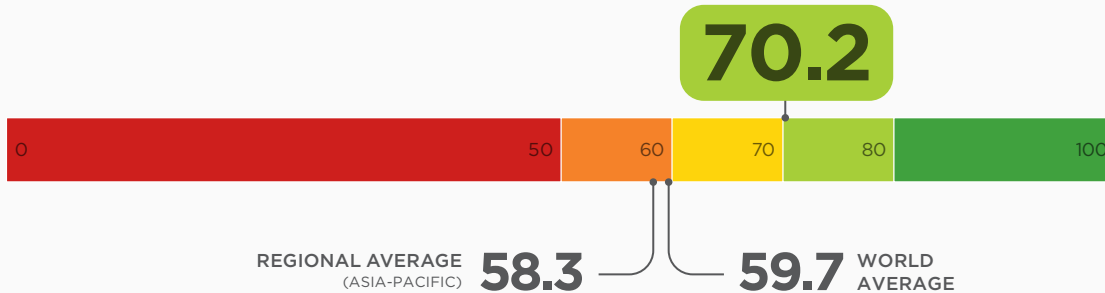
WORLD RANK: <b>28</b>	REGIONAL RANK: <b>6</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# JAPAN

Japan's economic freedom score is 70.2, making its economy the 28th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.7 points from last year, and Japan is ranked 6th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Japan's economy is considered "mostly free" according to the 2025 *Index*.

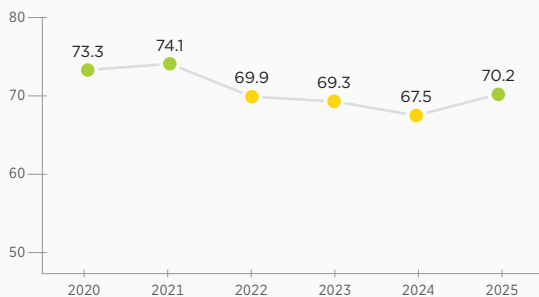
The Japanese economy benefits from relatively good levels of economic freedom in all areas. The foundations of economic freedom are supported by an effective judicial framework and the absence of corruption. However, overall progress in moving toward greater economic freedom has been uneven, and the economy remains stagnant. Although the regulatory framework is relatively streamlined, structural problems discourage greater entrepreneurial growth. The labor market functions well, but lifetime employment guarantees and seniority-based wages are barriers to greater labor market flexibility.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.8

## RECENT FREEDOM TREND

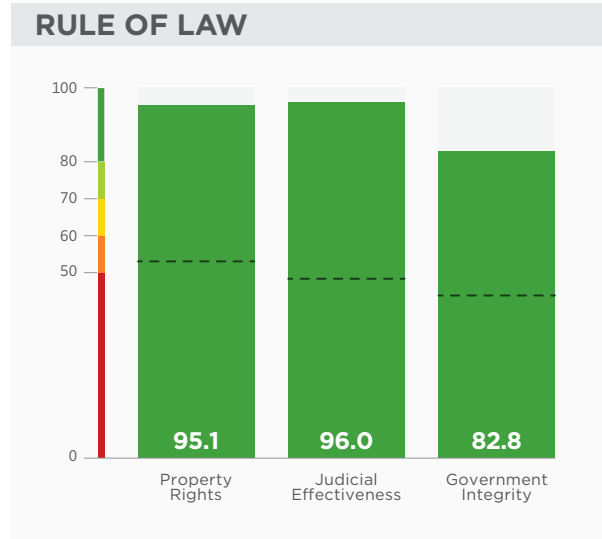


## QUICK FACTS

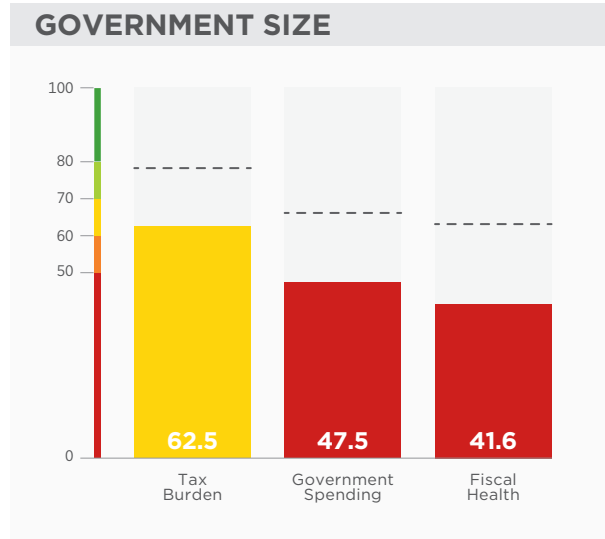
<b>POPULATION:</b> 124.5 million	<b>UNEMPLOYMENT:</b> 2.6%
<b>GDP (PPP):</b> \$6.4 trillion 1.7% growth in 2023 3-year average growth rate: 1.8% \$51,399 per capita	<b>INFLATION (CPI):</b> 3.3%
	<b>FDI INFLOW:</b> \$32.5 billion
	<b>PUBLIC DEBT:</b> 249.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

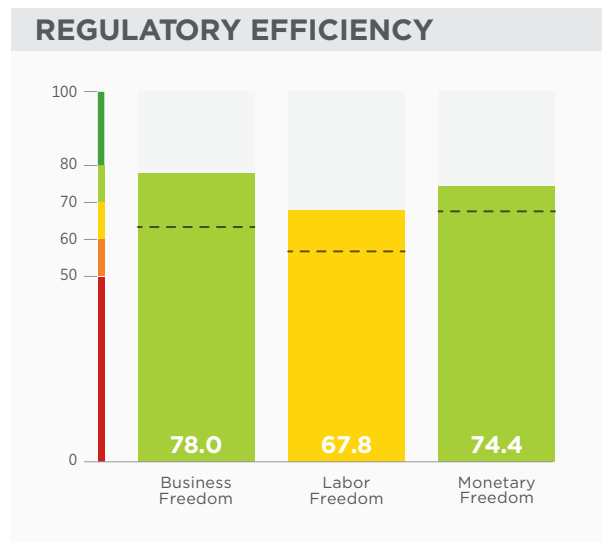
# 12 ECONOMIC FREEDOMS | JAPAN



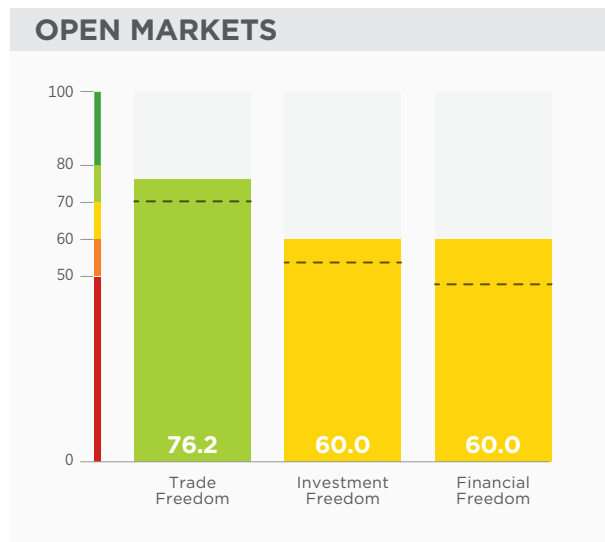
The overall rule of law is very well respected in Japan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



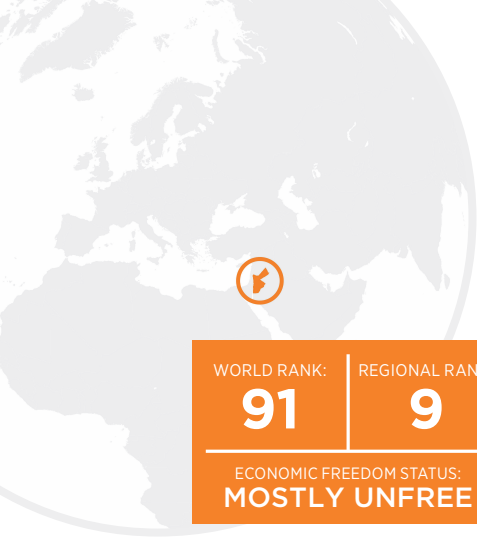
The top individual income tax rate is 45 percent, and the top corporate tax rate is 23.2 percent. The tax burden equals 34.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.8 percent and -4.9 percent of GDP. Public debt amounts to 249.7 percent of GDP.



Japan's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 1.9 percent, and more than 300 nontariff measures are in force. The government screens foreign investment in some sectors. The financial sector is competitive and offers a wide range of modern financial services, but the state still maintains a presence.



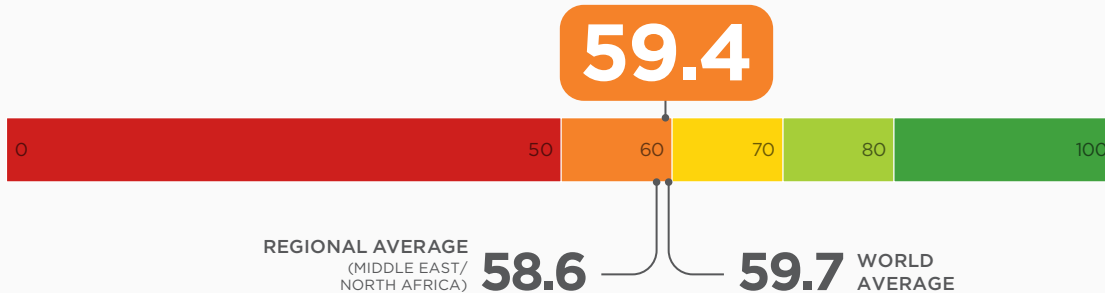
WORLD RANK:	REGIONAL RANK:
<b>91</b>	<b>9</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# JORDAN

Jordan's economic freedom score is 59.4, making its economy the 91st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Jordan is ranked 9th out of 14 countries in the Middle East / North Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Jordan's economy is considered "mostly unfree" according to the 2025 *Index*.

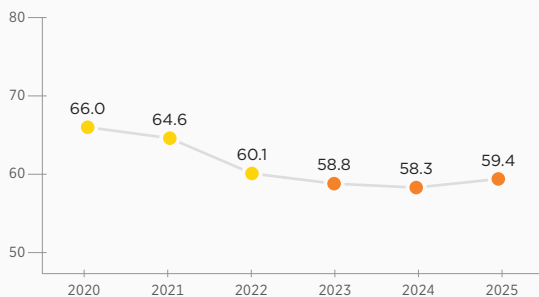
Structural weaknesses limit more vibrant economic growth. The rule of law is not strongly supported by the judicial system. Despite the challenging global economic situation, however, Jordan remains relatively open to international trade and investment. Business formation and operation are now more efficient and dynamic. Progress toward reforming bloated public-sector employment has been slow, and the labor market is very rigid. Most price controls have been eliminated, but the government sets prices for some services.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.3 million

**GDP (PPP):**  
\$118.5 billion  
2.6% growth in 2023  
3-year average growth rate: 2.9%  
\$10,456 per capita

**UNEMPLOYMENT:**  
17.9%

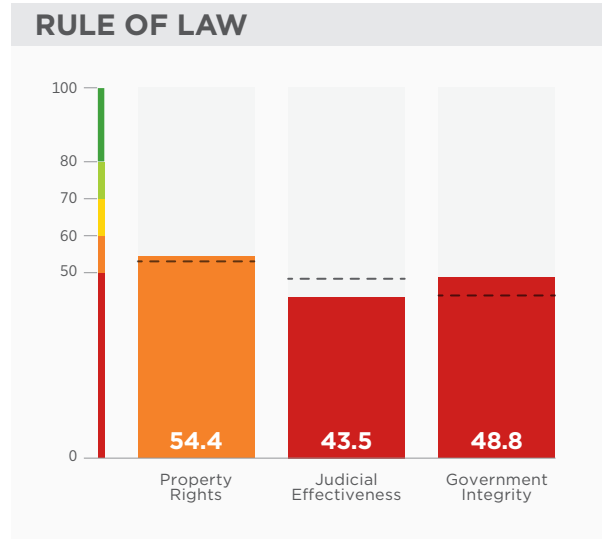
**INFLATION (CPI):**  
2.1%

**FDI INFLOW:**  
\$1.1 billion

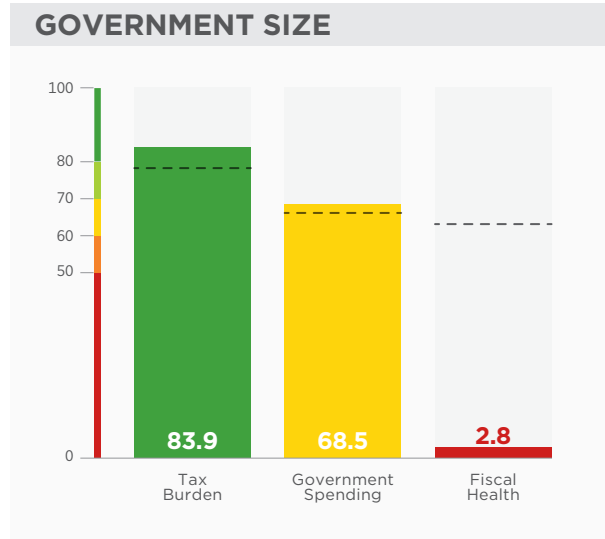
**PUBLIC DEBT:**  
92.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

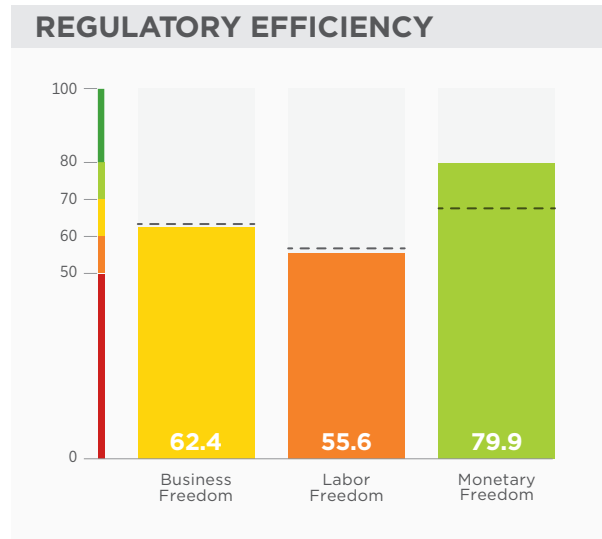
# 12 ECONOMIC FREEDOMS | JORDAN



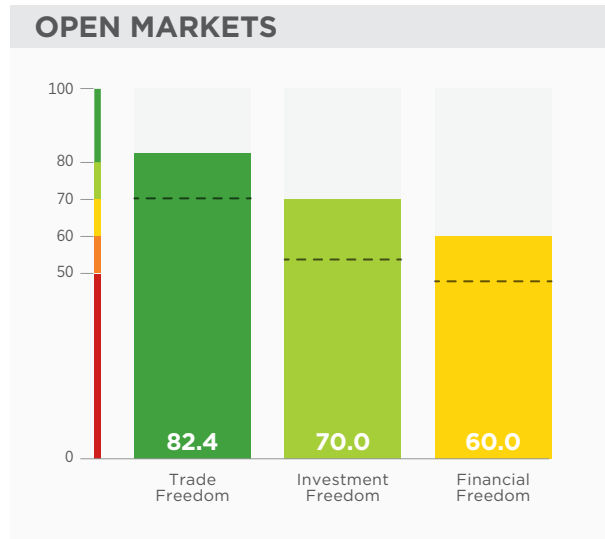
The overall rule of law is weak in Jordan. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



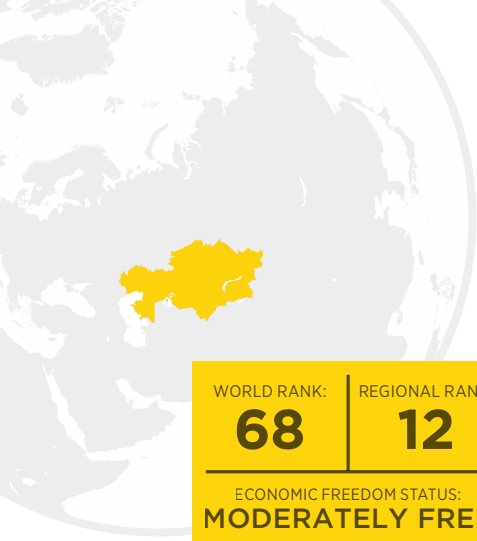
The top individual income tax rate is 30 percent, and the top corporate tax rate is 20 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -7.2 percent of GDP. Public debt amounts to 92.8 percent of GDP.



Jordan's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 3.8 percent, but nontariff barriers continue to be in force. In general, foreign and local investors are treated equally under the law. Banking regulations generally conform to international standards.



WORLD RANK: **68** | REGIONAL RANK: **12**

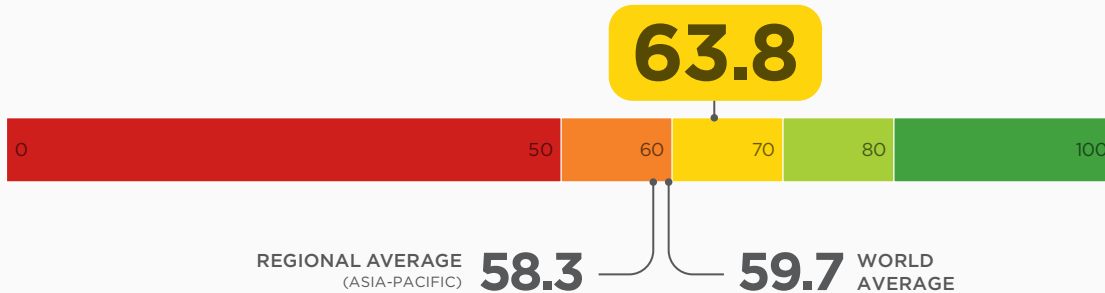
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# KAZAKHSTAN

Kazakhstan's economic freedom score is 63.8, making its economy the 68th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and Kazakhstan is ranked 12th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Kazakhstan's economy is considered "moderately free" according to the 2025 *Index*.

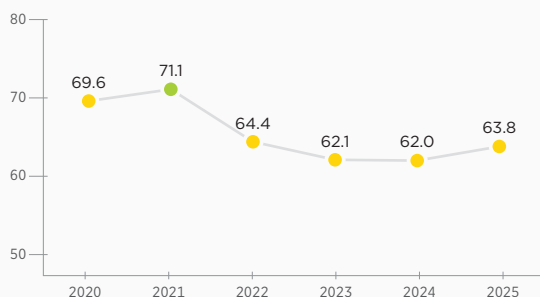
Despite a decade of progress, institutional shortcomings that include a weak judicial system and persistent corruption discourage diversification and modernization of the economy. The regulatory framework has undergone reform. The procedures for establishing a business, while streamlined, remain costly. Labor regulations are relatively flexible, but enforcement of the labor code remains inefficient. Substantial oil revenues enable a high degree of fiscal freedom. Broader and stronger foundations of economic freedom are even more critical to Kazakhstan's long-term economic prospects and overall competitiveness. Inflationary pressures continue.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +22.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.9 million

**GDP (PPP):**  
\$783.8 billion  
5.1% growth in 2023  
3-year average growth rate: 4.2%  
\$39,463 per capita

**UNEMPLOYMENT:**  
4.9%

**INFLATION (CPI):**  
14.6%

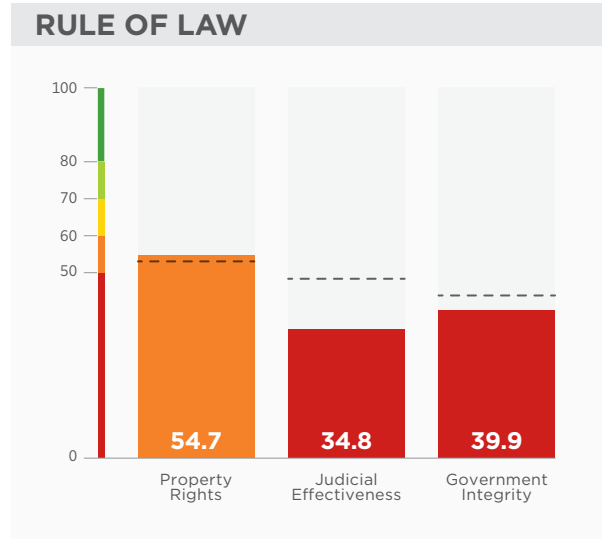
**FDI INFLOW:**  
\$6.1 billion

**PUBLIC DEBT:**  
22.8% of GDP

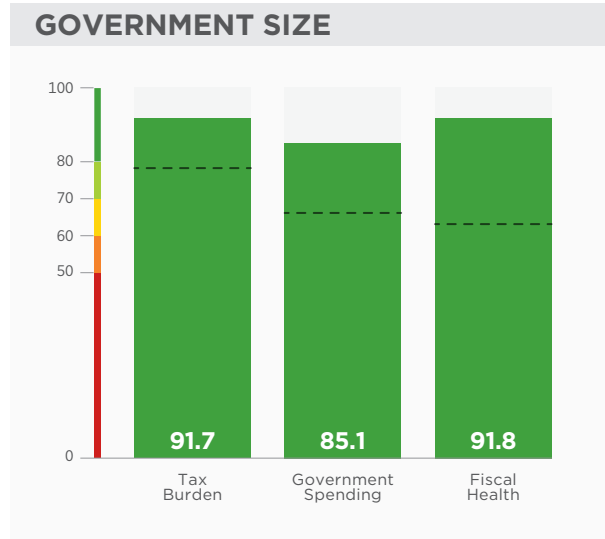
2023 data unless otherwise noted. Data compiled as of November 2024.



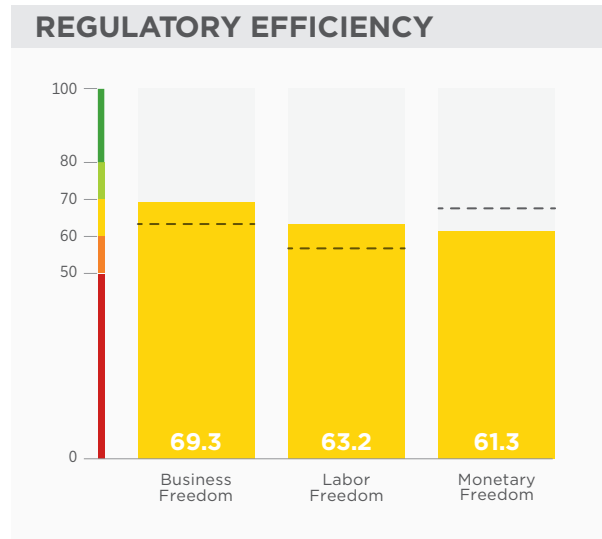
# 12 ECONOMIC FREEDOMS | KAZAKHSTAN



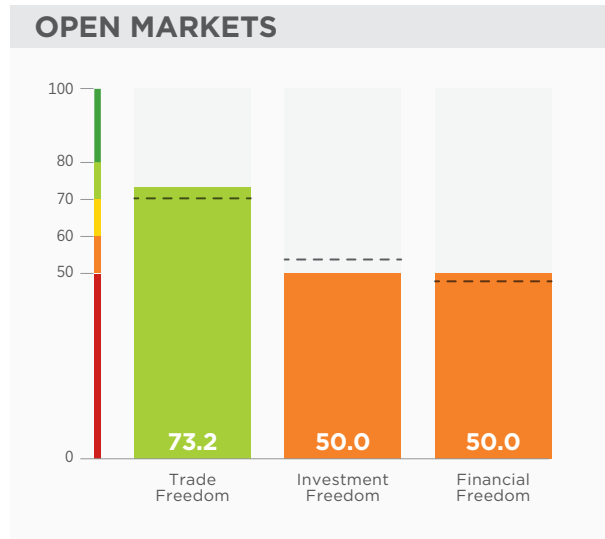
The overall rule of law is weak in Kazakhstan. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



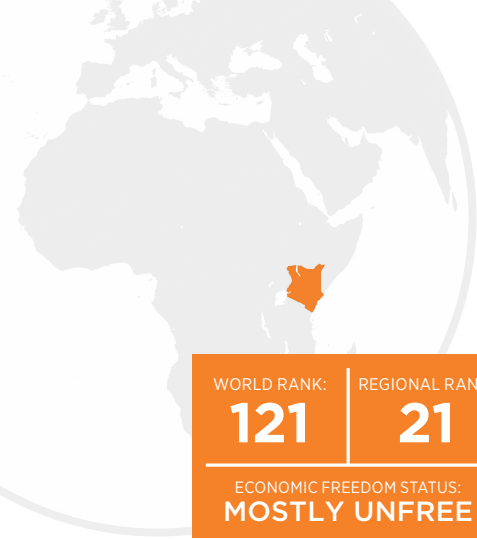
The top individual income tax rate is 10 percent, and the top corporate tax rate is 20 percent. The tax burden equals 18.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.3 percent and -2.1 percent of GDP. Public debt amounts to 22.8 percent of GDP.



Kazakhstan'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 5.9 percent, and layers of nontariff measures are in force. Foreign investment in some sectors is restricted, and state-owned enterprises distort the economy. The financial sector is relatively stable but subject to state influence.



WORLD RANK:

121

REGIONAL RANK:

21

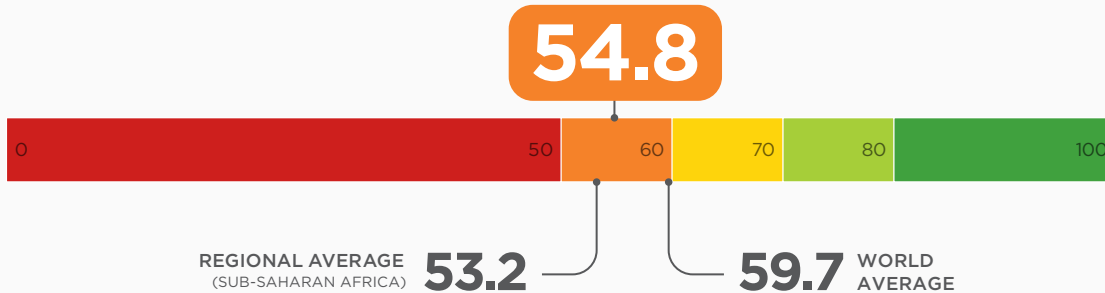
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# KENYA

Kenya's economic freedom score is 54.8, making its economy the 121st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Kenya is ranked 21st out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Kenya's economy is considered "mostly unfree" according to the 2025 *Index*.

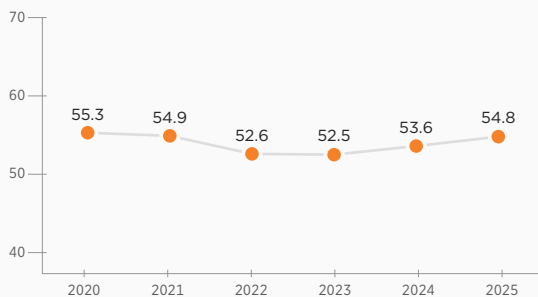
Despite some progress, the foundations of economic freedom are fragile and uneven. The rule of law is weak, and local courts are subject to substantial political interference. Poor protection of property rights and widespread corruption discourage entrepreneurial activity. Progress in reforming public finance management has been marginal. Implementation and enforcement of reforms to enhance regulatory efficiency have been uneven. The informal economy employs a large portion of the labor force. Monetary stability has weakened with rising inflation.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
51.5 million

**GDP (PPP):**  
\$349.0 billion  
5.6% growth in 2023  
3-year average growth rate: 6.0%  
\$6,772 per capita

**UNEMPLOYMENT:**  
5.7%

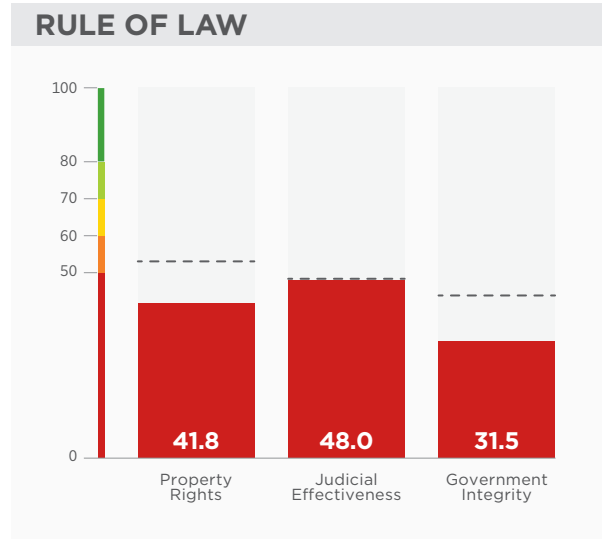
**INFLATION (CPI):**  
7.7%

**FDI INFLOW:**  
\$759.0 million

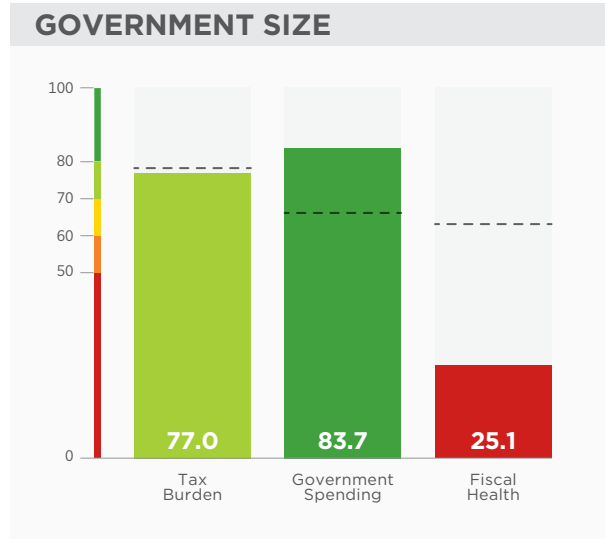
**PUBLIC DEBT:**  
73.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

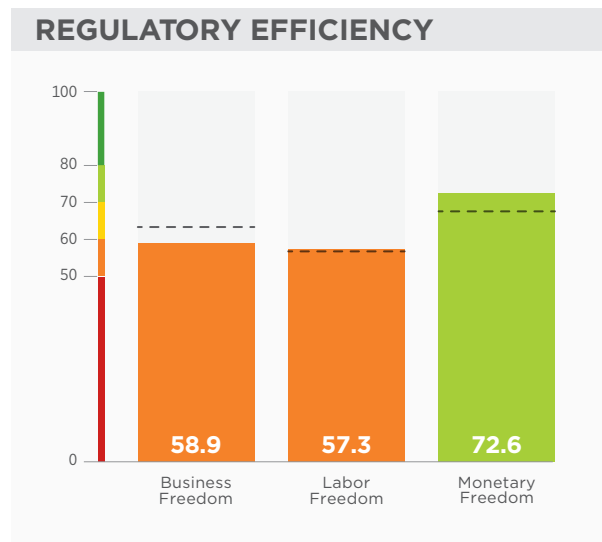
# 12 ECONOMIC FREEDOMS | KENYA



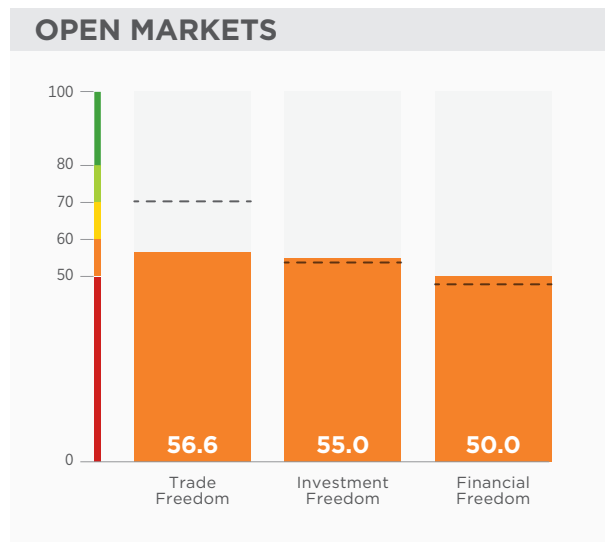
The overall rule of law is weak in Kenya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 13.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.3 percent and -6.3 percent of GDP. Public debt amounts to 73.1 percent of GDP.



Kenya's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is below the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 11.7 percent. Foreign ownership in some sectors is restricted, and state-owned enterprises undermine more dynamic private-sector development. The financial sector has become more open to competition, and its overall stability is maintained relatively well.

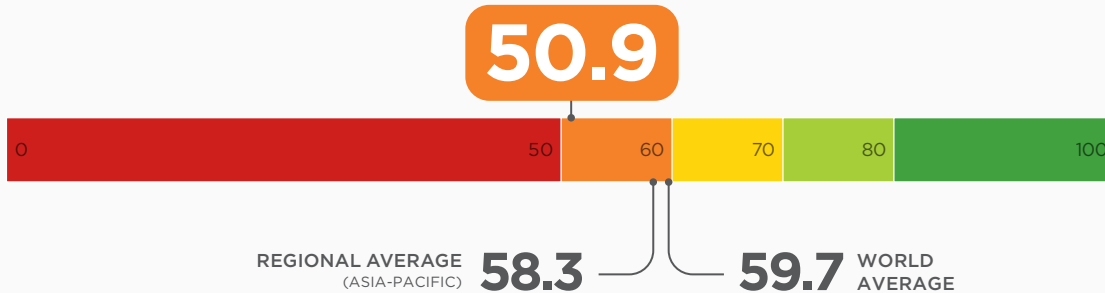
WORLD RANK: **143** | REGIONAL RANK: **31**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# KIRIBATI

**K**iribati's economic freedom score is 50.9, making its economy the 143rd freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Kiribati is ranked 31st out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Kiribati's economy is considered "mostly unfree" according to the 2025 *Index*.

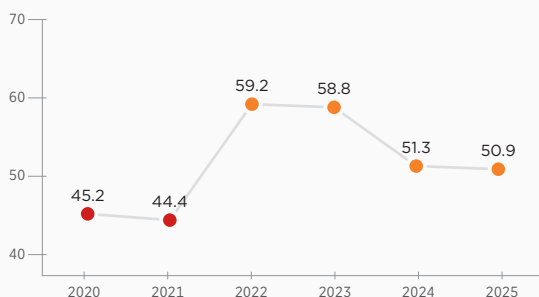
Economic activity is still dominated by the public sector, which accounts for two-thirds of employment and more than half of the economy. The economy relies heavily on foreign assistance and remittances. The absence of firmly institutionalized open-market policies that are critical to private-sector development continues to discourage economic dynamism. The regulatory environment is rudimentary. Commercial regulations are not enforced consistently and lack the capacity to spur more dynamic entrepreneurial growth. A small share of the labor force participates in the formal economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +5.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$424.0 million  
4.1% growth in 2023  
3-year average growth rate: 5.5%  
\$3,387 per capita

**UNEMPLOYMENT:**  
n/a

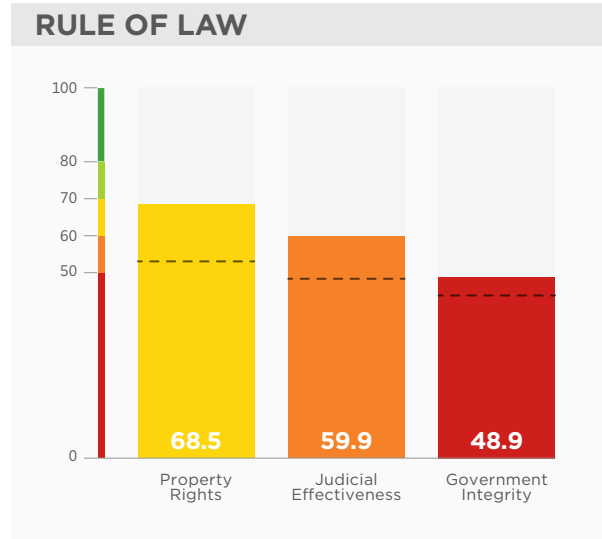
**INFLATION (CPI):**  
9.3%

**FDI INFLOW:**  
\$1.0 million

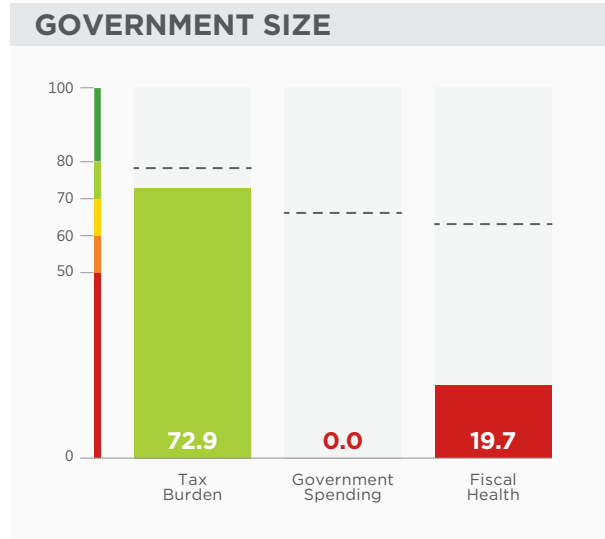
**PUBLIC DEBT:**  
11.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

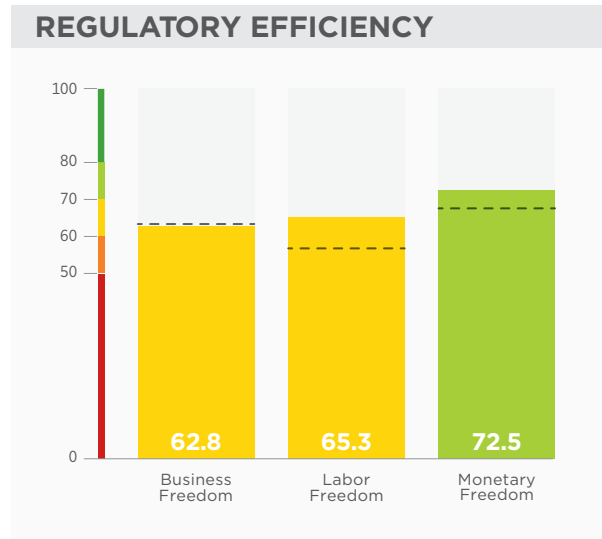
# 12 ECONOMIC FREEDOMS | KIRIBATI



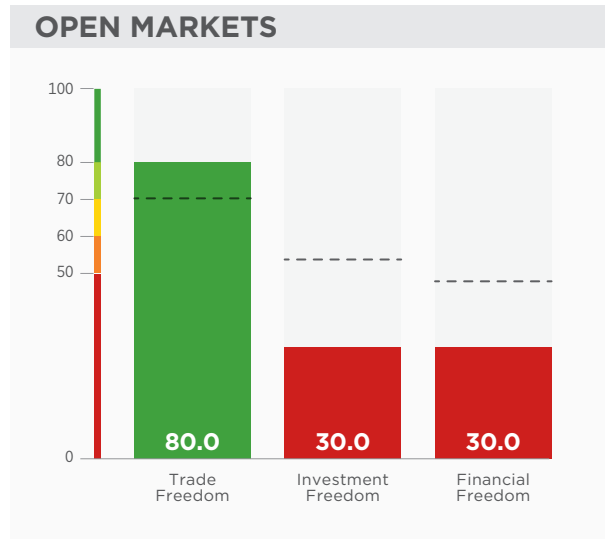
The overall rule of law is relatively well respected in Kiribati. The country’s property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



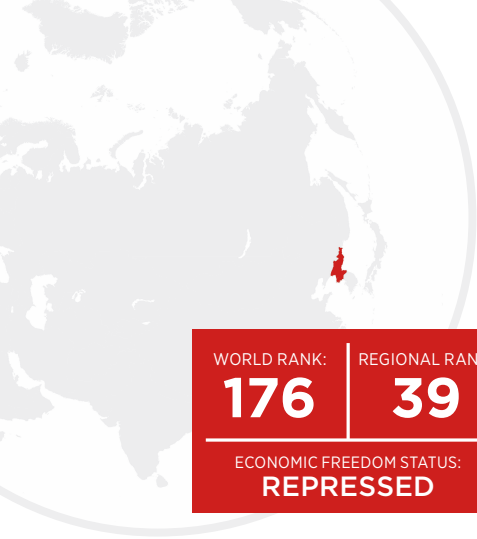
The top individual income tax rate is 35 percent, and the top corporate tax rate is 35 percent. The tax burden equals 16.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 91.1 percent and -10.5 percent of GDP. Public debt amounts to 11.7 percent of GDP.



Kiribati’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 above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 0 percent, but nontariff barriers persist. Kiribati is not a member of the World Trade Organization. Inefficient state-owned enterprises and regulations that hinder private-sector development continue to discourage investment. High credit costs undermine the private sector.



WORLD RANK: **176** | REGIONAL RANK: **39**

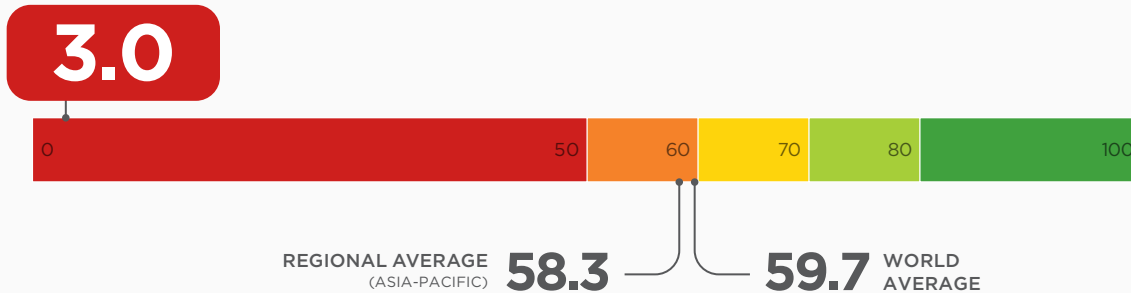
ECONOMIC FREEDOM STATUS: **REPRESSED**

# NORTH KOREA

**B**ased on limited available information, North Korea’s economic freedom score is 3, making its economy the world’s least free in the 2025 *Index of Economic Freedom*. Its rating is unchanged from last year, and the Democratic People’s Republic of Korea is ranked 39th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. North Korea’s economy is considered “repressed” according to the 2024 *Index*.

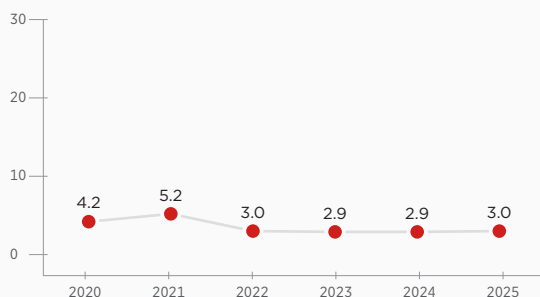
North Korea is still largely isolated from the rest of the world, and its dictatorial leadership remains unwilling to open or restructure the economy. Despite experimentation with a few market reforms, the economy is still controlled by the state. The Communist Party dictates every aspect of the economy through central planning, and entrepreneurial activity is virtually impossible. After decades of financial mismanagement, relative autarky, and resource misallocation, North Korea has faced chronic food shortages.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -5.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
25.9 million

**GDP (PPP):**  
n/a  
n/a growth in 2022  
3-year average growth rate: n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

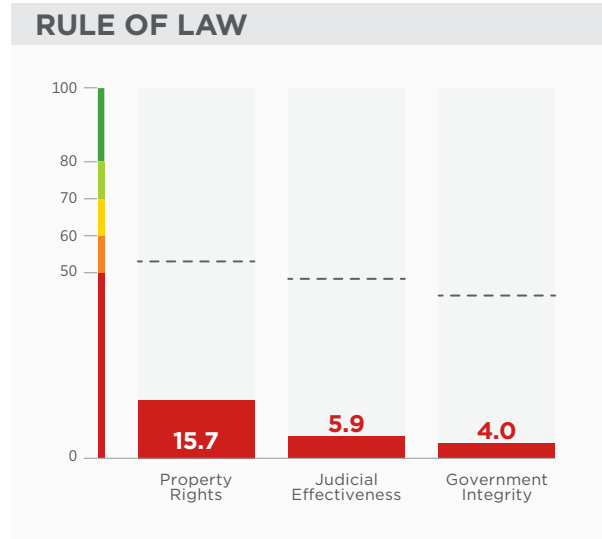
**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
\$10.0 million

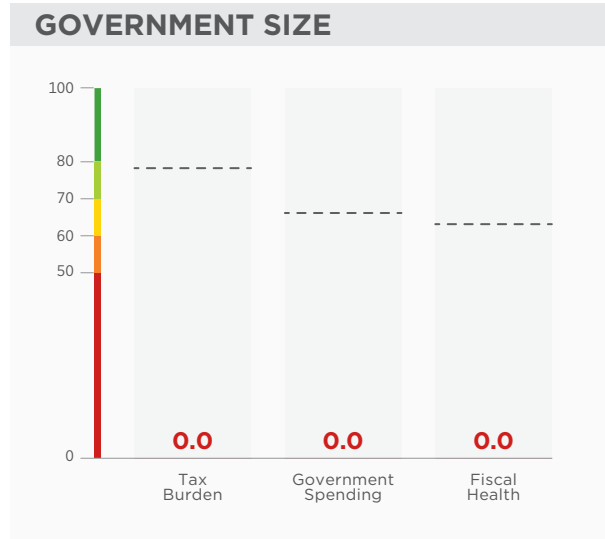
**PUBLIC DEBT:**  
n/a

2023 data unless otherwise noted. Data compiled as of November 2024.

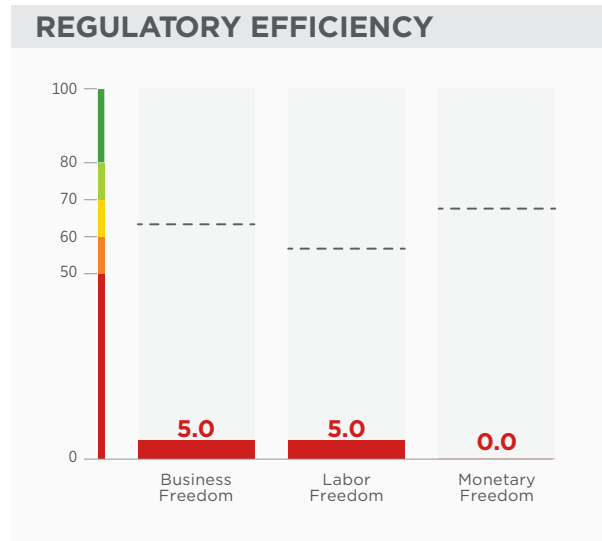
# 12 ECONOMIC FREEDOMS | NORTH KOREA



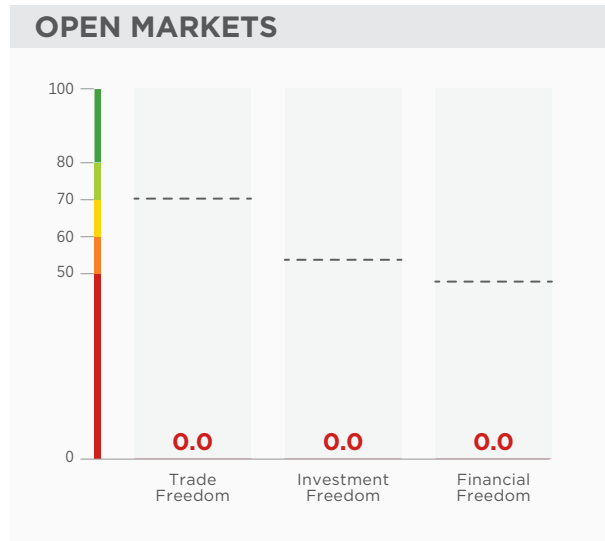
The overall rule of law is weak in North Korea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no effective tax system. The government controls all significant activity. The state sets production levels for most products, and state-owned industries account for nearly 100 percent of the country's GDP. The magnitude of North Korea's military spending further drains scarce resources.



North Korea's overall regulatory environment is very inefficient, and heavy state regulation of the economy continues unabated. 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 well below the world average.



Trade and investment flows are controlled by the government. The dominant influence of the military establishment makes any meaningful near-term change unlikely. Access to financing is very limited and constrained by the repressive economic system, which remains firmly controlled by the state.



WORLD RANK: **17** | REGIONAL RANK: **5**

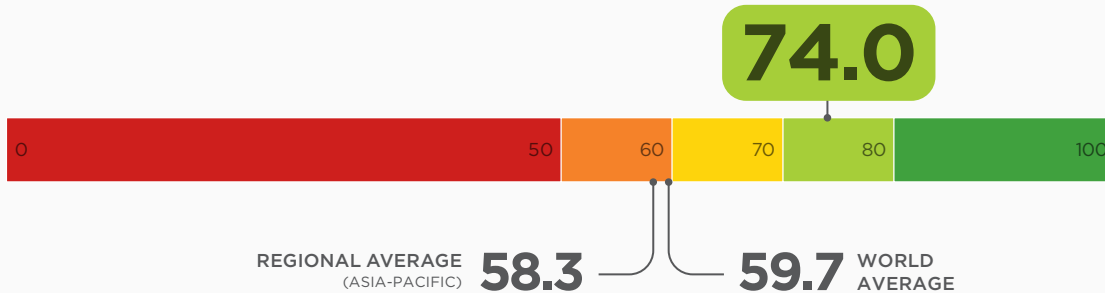
ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

# SOUTH KOREA

South Korea's economic freedom score is 74, making its economy the 17th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and South Korea is ranked 5th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. South Korea's economy is considered "mostly free" according to the 2025 *Index*.

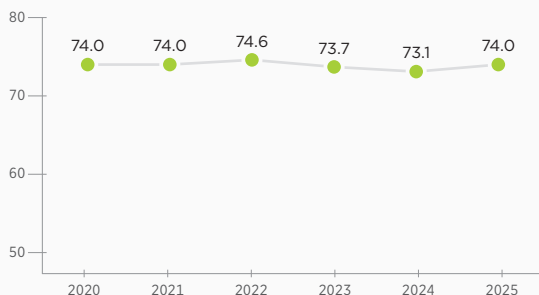
A sound legal framework is in place to uphold the rule of law in South Korea. However, political scandals and corruption continue to undermine government integrity and the foundations of economic freedom. South Korea's dynamic economy has demonstrated notable resilience, driven by a competitive private sector that has capitalized on the country's openness to global commerce, but its economic dynamism will inevitably be affected by the outcome of the current political turmoil and debates about the proper scope of government and welfare policies.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +2.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
51.7 million

**GDP (PPP):**  
\$3.1 trillion  
1.4% growth in 2023  
3-year average growth rate: 2.9%  
\$60,046 per capita

**UNEMPLOYMENT:**  
2.6%

**INFLATION (CPI):**  
3.6%

**FDI INFLOW:**  
\$18.0 billion

**PUBLIC DEBT:**  
51.5% of GDP

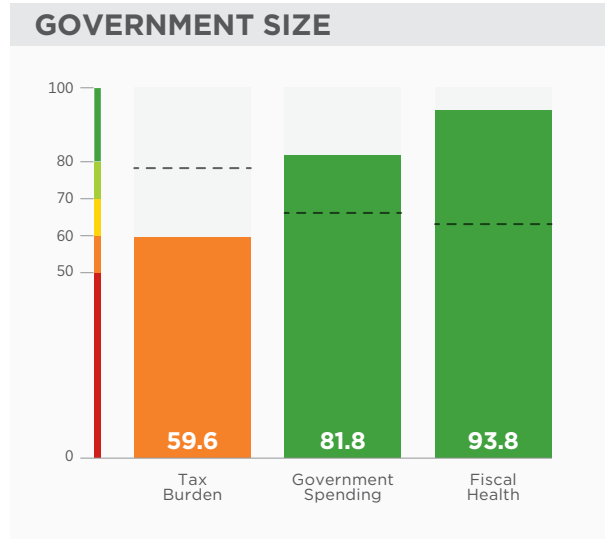
2023 data unless otherwise noted. Data compiled as of November 2024.



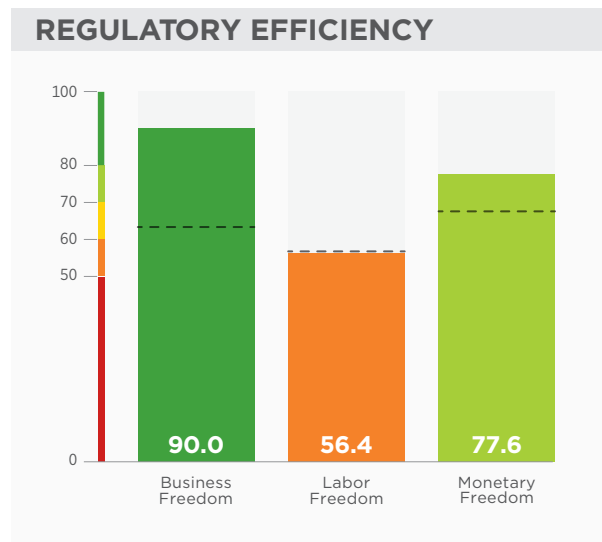
# 12 ECONOMIC FREEDOMS | SOUTH KOREA



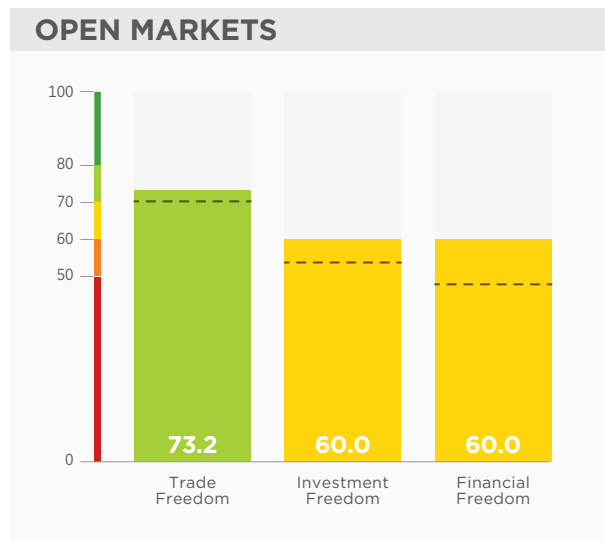
The overall rule of law is well respected in South Korea. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



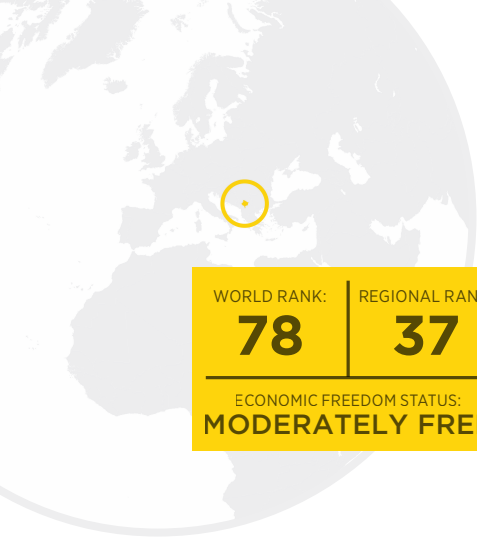
The top individual income tax rate is 49.5 percent, and the top corporate tax rate is 27.5 percent. The tax burden equals 28.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.6 percent and -0.7 percent of GDP. Public debt amounts to 51.5 percent of GDP.



South Korea's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 8.4 percent, and more than 400 nontariff measures are in force. Foreign investment is welcome and facilitated by an efficient and modern regulatory framework. The financial sector is competitive, but business start-ups still struggle to obtain financing.



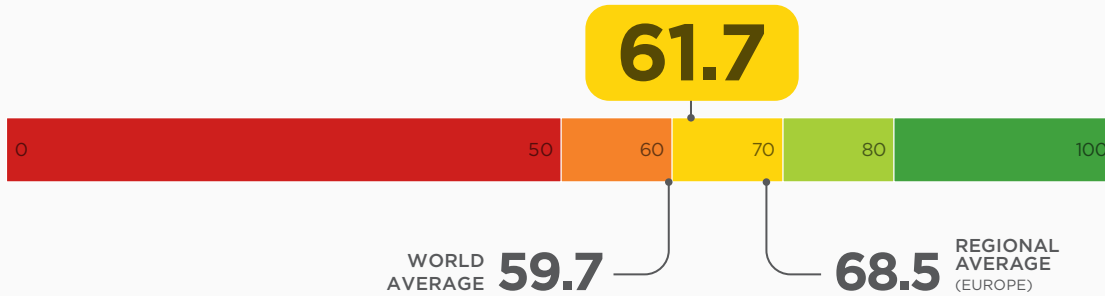
WORLD RANK: <b>78</b>	REGIONAL RANK: <b>37</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# KOSOVO

Kosovo's economic freedom score is 61.7, making its economy the 78th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Kosovo is ranked 37th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Kosovo's economy is considered "moderately free" according to the 2025 *Index*.

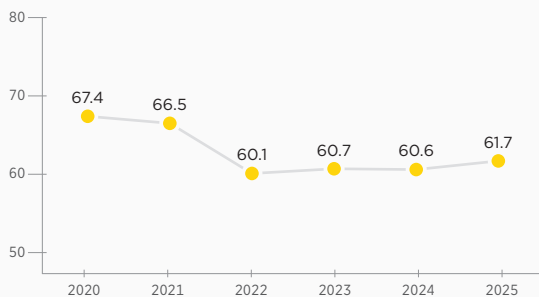
Kosovo's transition to a more market-driven economy remains a work in progress. Despite positive growth rates, the economy is characterized by political instability, corruption, an unreliable energy supply, a significant level of informal activity, and a tenuous rule of law. Kosovo has implemented business-friendly reforms, but the overall regulatory framework remains burdensome. Informal market activity remains sizable. The formal labor market is not fully developed. Monetary stability has been weakened, and inflation has risen by more than 7 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2016): +0.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.8 million

**GDP (PPP):**  
\$28.0 billion  
3.3% growth in 2023  
3-year average growth rate: 6.1%  
\$15,864 per capita

**UNEMPLOYMENT:**  
30.5%

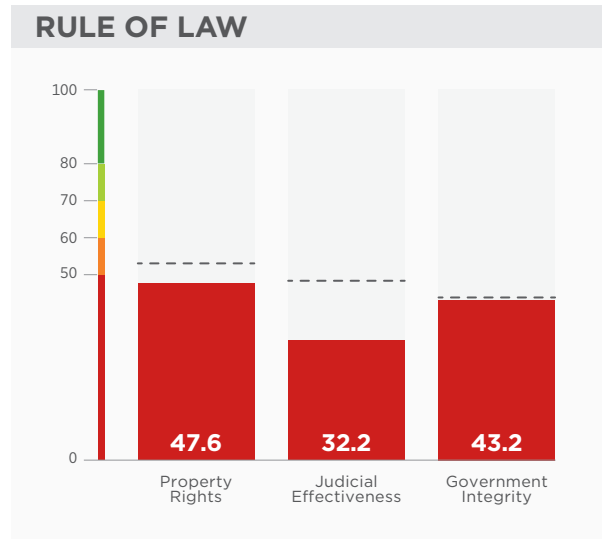
**INFLATION (CPI):**  
4.9%

**FDI INFLOW:**  
n/a

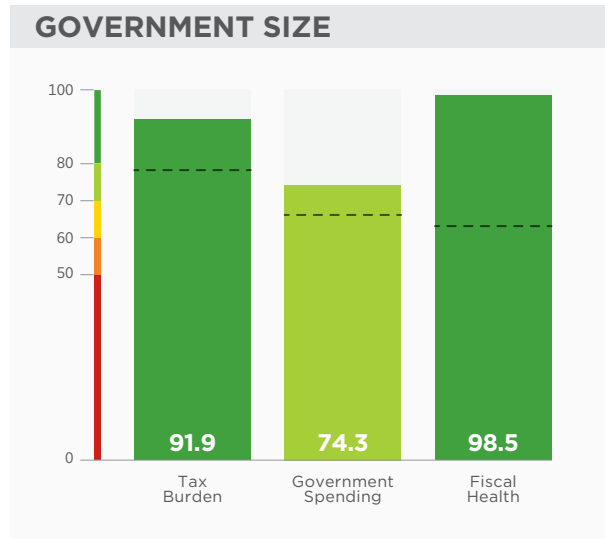
**PUBLIC DEBT:**  
17.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

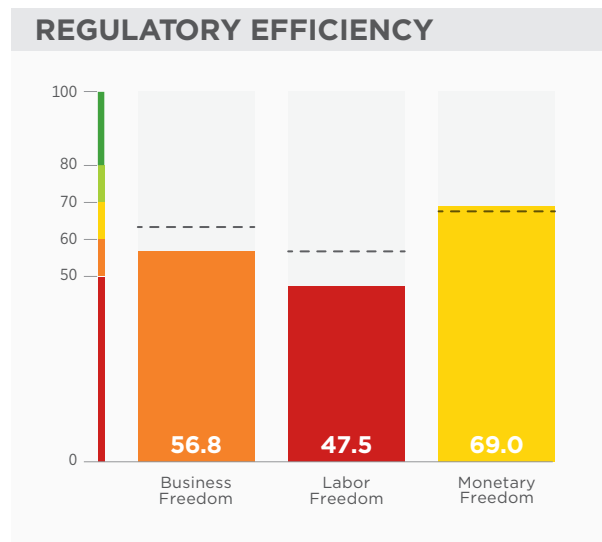
# 12 ECONOMIC FREEDOMS | KOSOVO



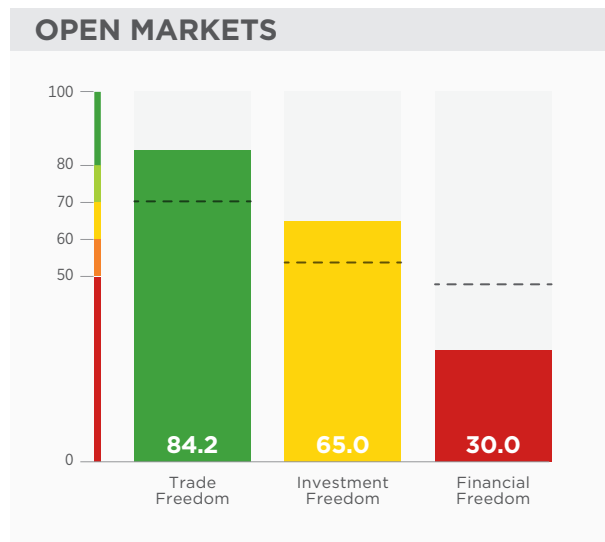
The overall rule of law is weak in Kosovo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



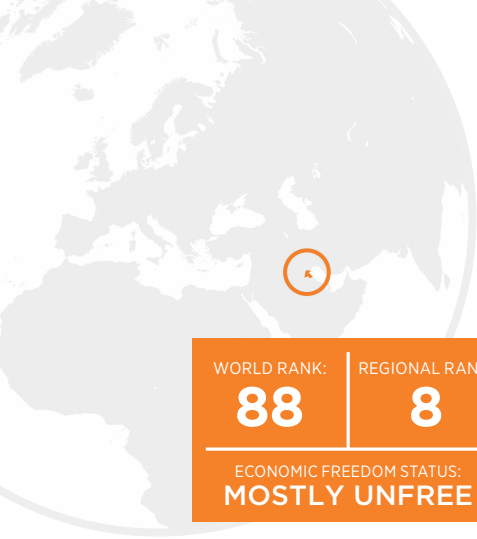
The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 24.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.2 percent and -0.7 percent of GDP. Public debt amounts to 17.5 percent of GDP.



Kosovo's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. 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 above the world average.



The trade-weighted average tariff rate is 2.9 percent, and efforts to dismantle nontariff barriers continue. In general, foreign and domestic investors are treated equally under the law. State-owned enterprises distort the economy. The financial system, dominated by banking, continues to evolve.



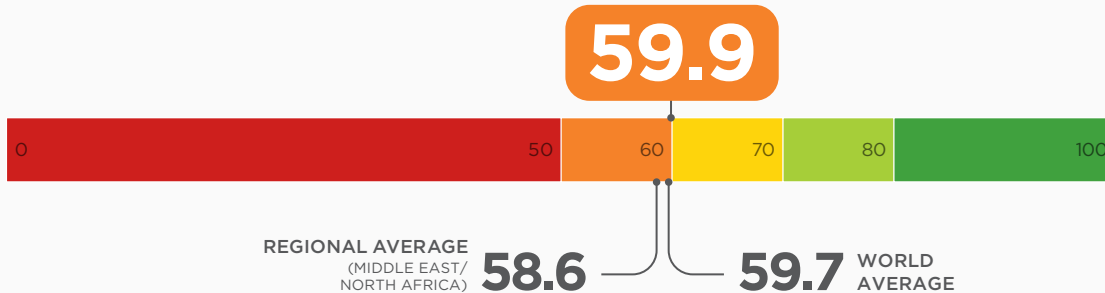
# KUWAIT

WORLD RANK:	REGIONAL RANK:
<b>88</b>	<b>8</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

**K**uwait's economic freedom score is 59.9, making its economy the 88th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Kuwait is ranked 8th 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. Kuwait's economy is considered "mostly unfree" according to the 2025 *Index*.

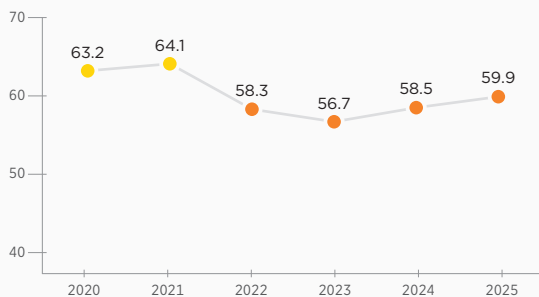
Institutional weaknesses continue to constrain overall economic freedom and competitiveness in Kuwait. The judicial system lacks the capacity to defend property rights effectively. Despite some progress, corruption continues to undermine prospects for long-term economic development. Kuwait has taken steps to improve its regulatory framework, but progress has been gradual and uneven. Overall, labor regulations lack flexibility. The government provides numerous subsidies and controls prices through state-owned utilities and enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -6.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.9 million

**GDP (PPP):**  
\$250.2 billion  
-3.6% growth in 2023  
3-year average growth rate: 1.5%  
\$50,933 per capita

**UNEMPLOYMENT:**  
2.1%

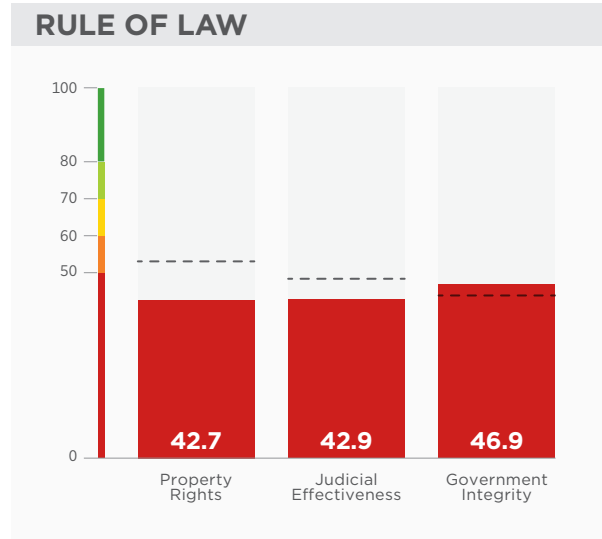
**INFLATION (CPI):**  
3.6%

**FDI INFLOW:**  
\$758.0 million

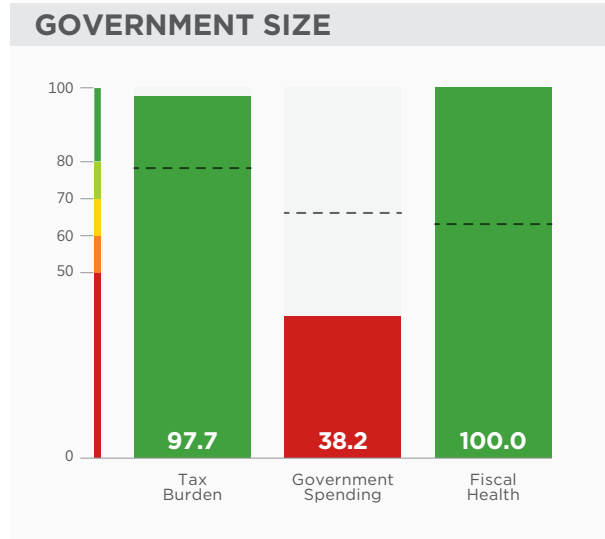
**PUBLIC DEBT:**  
3.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

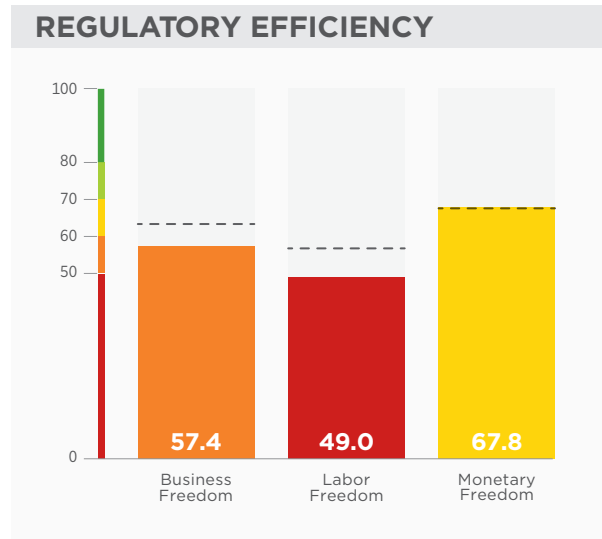
# 12 ECONOMIC FREEDOMS | KUWAIT



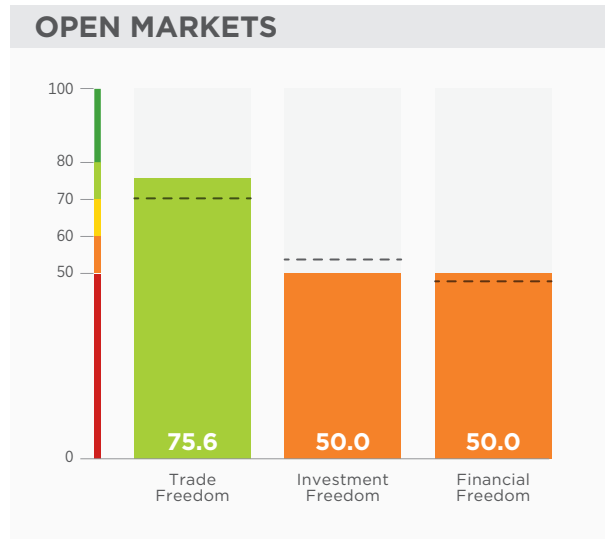
The overall rule of law is weak in Kuwait. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 15 percent. The tax burden equals 1.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.4 percent and 22.9 percent of GDP. Public debt amounts to 3.2 percent of GDP.



Kuwait'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 above the world average.



The trade-weighted average tariff rate is 4.7 percent, and nontariff barriers remain in force. The economy is generally open to foreign investment, but some sectors are restricted. A modern financial regulatory system facilitates and welcomes portfolio investment. The banking sector remains well capitalized.



# KYRGYZ REPUBLIC

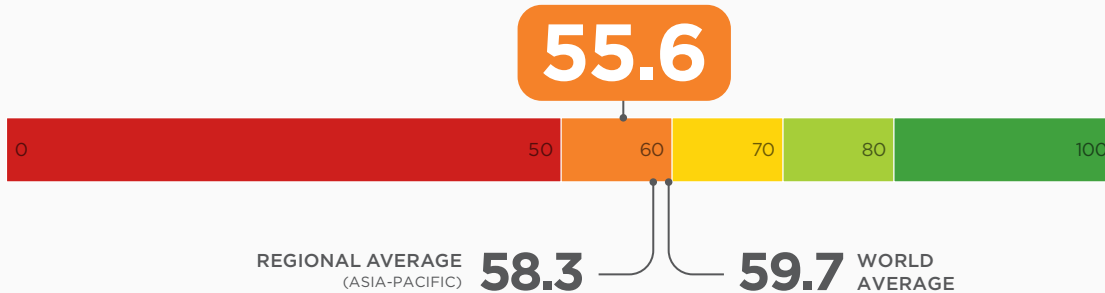
WORLD RANK: **115** | REGIONAL RANK: **24**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

The Kyrgyz Republic's economic freedom score is 55.6, making its economy the 115th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.4 point from last year, and the Kyrgyz Republic is ranked 24th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. The Kyrgyz Republic's economy is considered "mostly unfree" according to the 2025 *Index*.

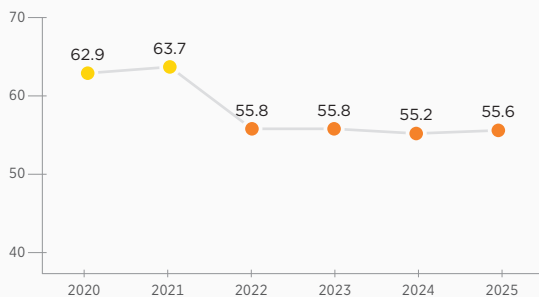
The foundations of economic freedom in the Kyrgyz Republic are weak, and the power of vested interests continues to prevent implementation of any meaningful institutional reforms. Policies needed to support open markets remain deficient, and corruption continues to undermine the rule of law. Overall improvement in the entrepreneurial environment has been slow and uneven, and bureaucratic impediments to private-sector production and investment persist. Monetary stability has been weak.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +3.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.9 million

**GDP (PPP):**  
\$50.5 billion  
6.2% growth in 2023  
3-year average growth rate: 6.9%  
\$7,279 per capita

**UNEMPLOYMENT:**  
4.0%

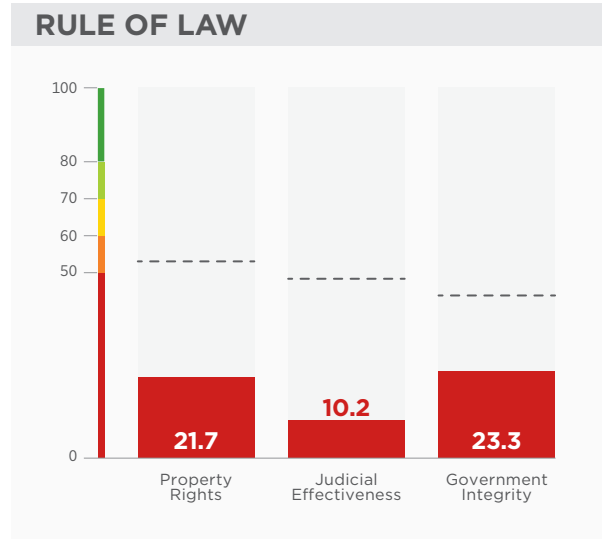
**INFLATION (CPI):**  
10.8%

**FDI INFLOW:**  
\$291.0 million

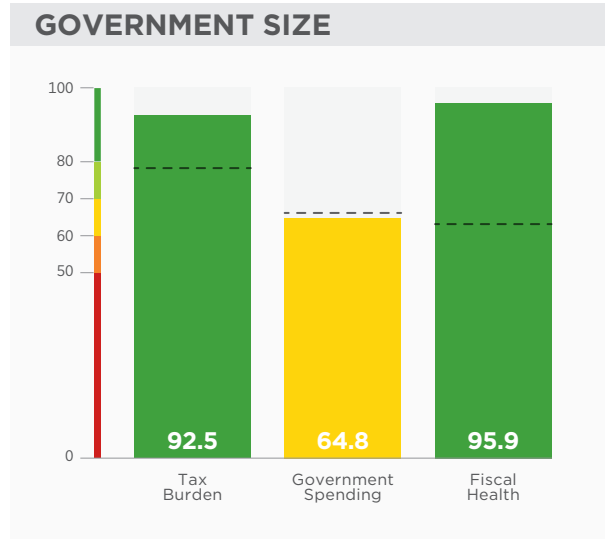
**PUBLIC DEBT:**  
44.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

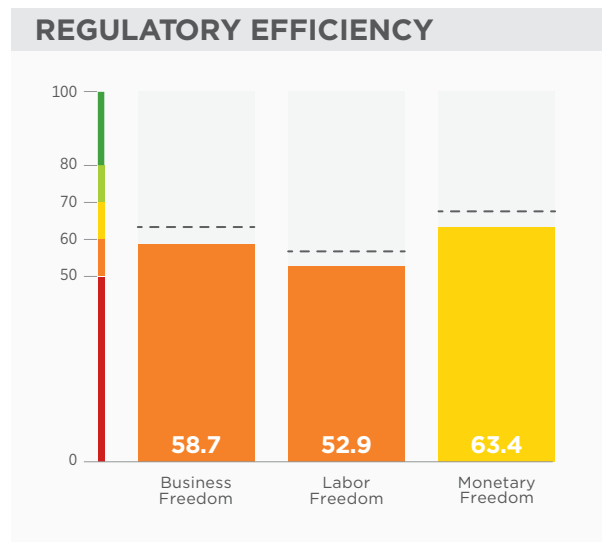
# 12 ECONOMIC FREEDOMS | KYRGYZ REPUBLIC



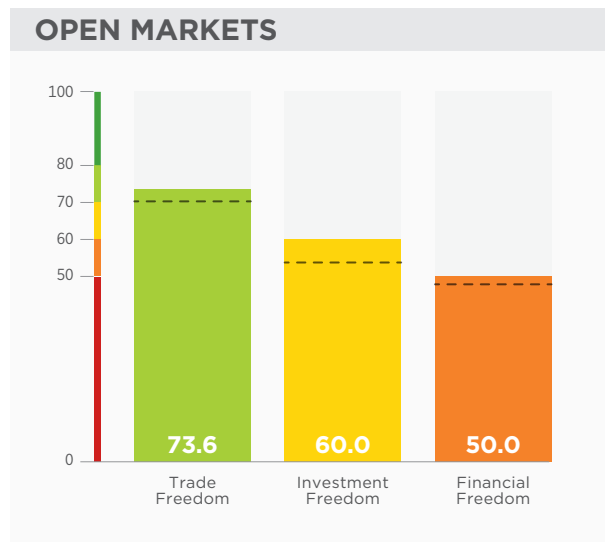
The overall rule of law is weak in the Kyrgyz Republic. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 23.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.2 percent and 0.3 percent of GDP. Public debt amounts to 44.7 percent of GDP.



The Kyrgyz Republic'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 below the world average.



The trade-weighted average tariff rate is 5.7 percent, and layers of nontariff measures are in force. The overall investment climate is subject to considerable risk and uncertainty. The financial sector, dominated by banking, is underdeveloped and lacks effective regulatory infrastructure. Credit costs remain high.



WORLD RANK: **140** | REGIONAL RANK: **30**

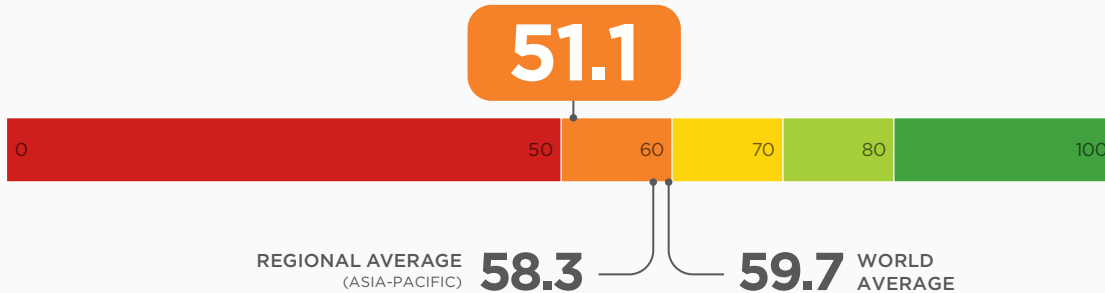
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# LAOS

Laos's economic freedom score is 51.1, making its economy the 140th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Laos is ranked 30th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Laos's economy is considered "mostly unfree" according to the 2025 *Index*.

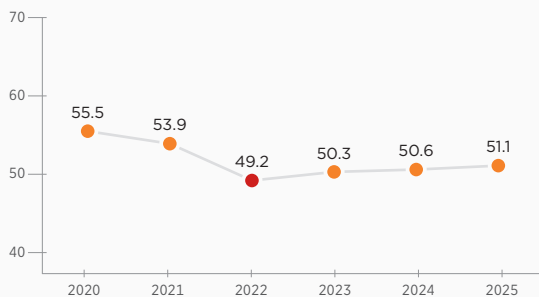
Deeper institutional reforms are needed in many areas to encourage broad-based long-term economic development. As indicated by low scores for property rights and freedom from corruption, the legal framework is inefficient and lacks transparency. Corruption and political interference undermine the rule of law. The transition to a more market-friendly economy has been slow. Despite some progress, the underdeveloped labor market does not provide dynamic employment opportunities for the growing supply of labor. The government influences many prices through state-owned enterprises and utilities.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +12.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.6 million

**GDP (PPP):**  
\$70.1 billion  
3.7% growth in 2023  
3-year average growth rate: 2.7%  
\$9,250 per capita

**UNEMPLOYMENT:**  
1.2%

**INFLATION (CPI):**  
31.2%

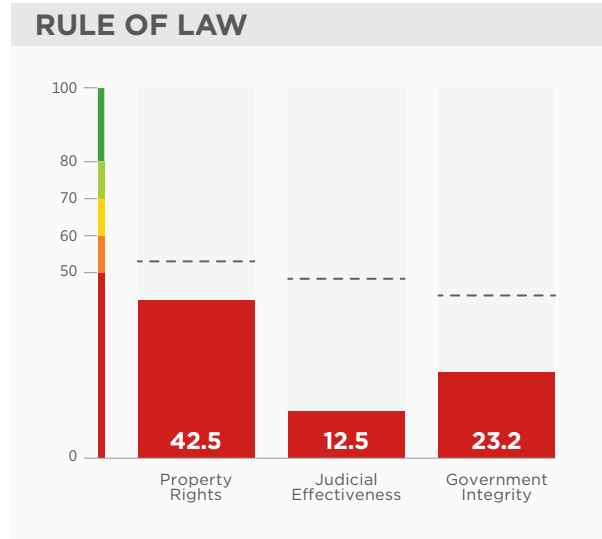
**FDI INFLOW:**  
\$528.0 million

**PUBLIC DEBT:**  
115.9% of GDP

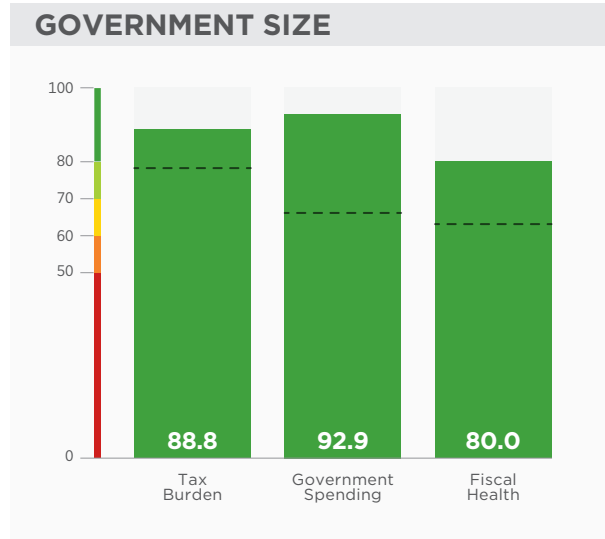
2023 data unless otherwise noted. Data compiled as of November 2024.



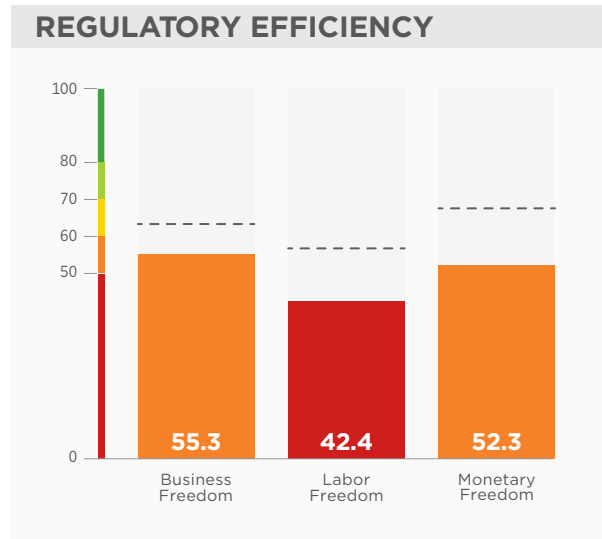
# 12 ECONOMIC FREEDOMS | LAOS



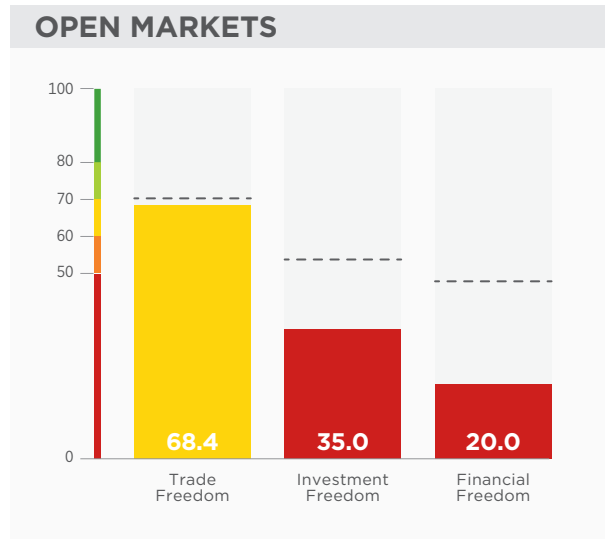
The overall rule of law is weak in Laos. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 9.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.4 percent and 0.0 percent of GDP. Public debt amounts to 115.9 percent of GDP.



Laos'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 8.3 percent, and multiple nontariff measures are in force. State-owned enterprises distort the economy, and layers of restrictions discourage more dynamic foreign investment. The financial sector is subject to state involvement and undermined by political vested interests.



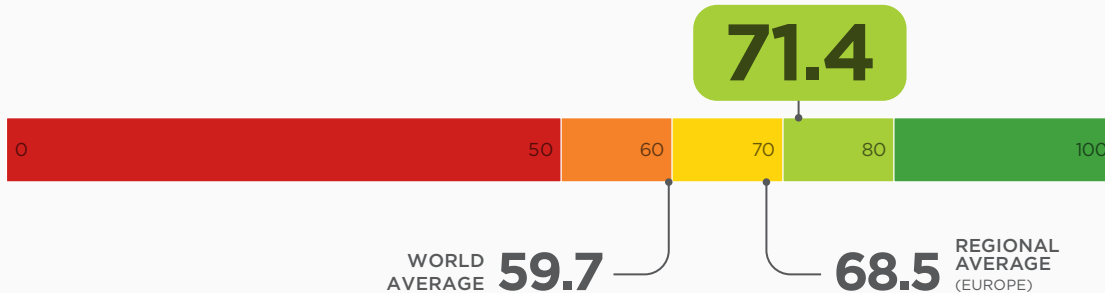
WORLD RANK:	REGIONAL RANK:
<b>24</b>	<b>15</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# LATVIA

Latvia's economic freedom score is 71.4, making its economy the 24th freest in the 2025 *Index of Economic Freedom*. Its rating is essentially unchanged from last year, and Latvia is ranked 15th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Latvia's economy is considered "mostly free" according to the 2025 *Index*.

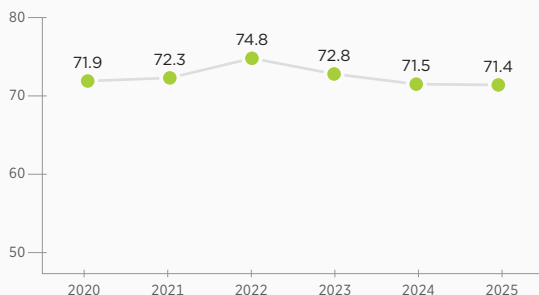
Latvia's ongoing transition to a more vibrant and market-oriented economy has been facilitated by openness to foreign trade and the efficiency of business regulations that promote entrepreneurial dynamism. With overall institutional competitiveness and committed political leadership in place, Latvia is well positioned for long-term economic development. The overall regulatory framework is relatively efficient and transparent. Rules regarding the formation and operation of private enterprises have been streamlined. Monetary stability has weakened, and inflation is at 9.1 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +16.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.9 million

**GDP (PPP):**  
\$79.0 billion  
-0.3% growth in 2023  
3-year average growth rate: 3.1%  
\$41,938 per capita

**UNEMPLOYMENT:**  
6.5%

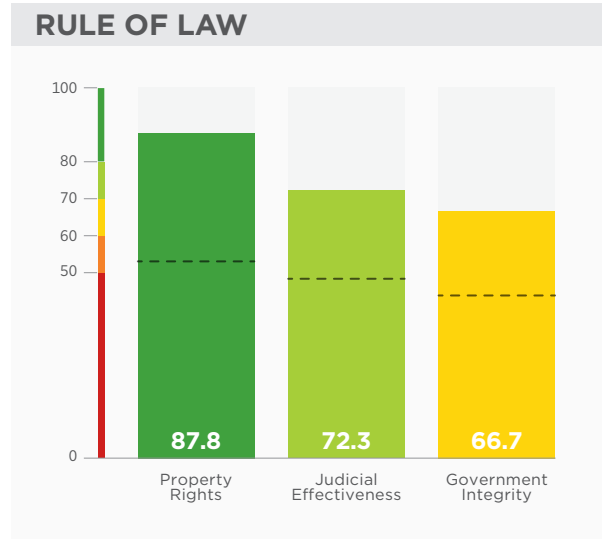
**INFLATION (CPI):**  
9.1%

**FDI INFLOW:**  
\$1.5 billion

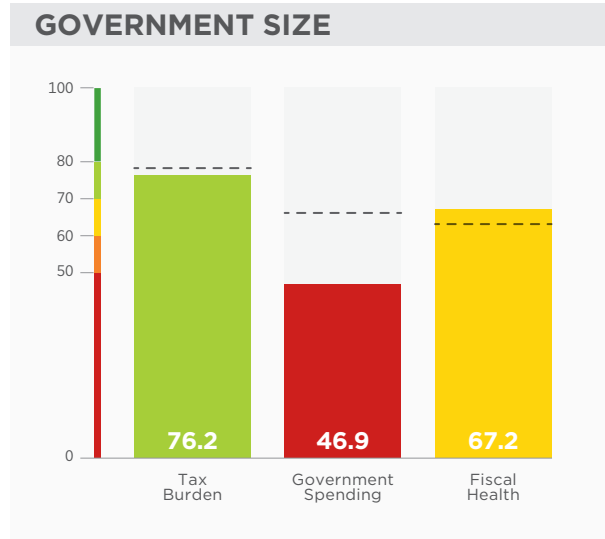
**PUBLIC DEBT:**  
43.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

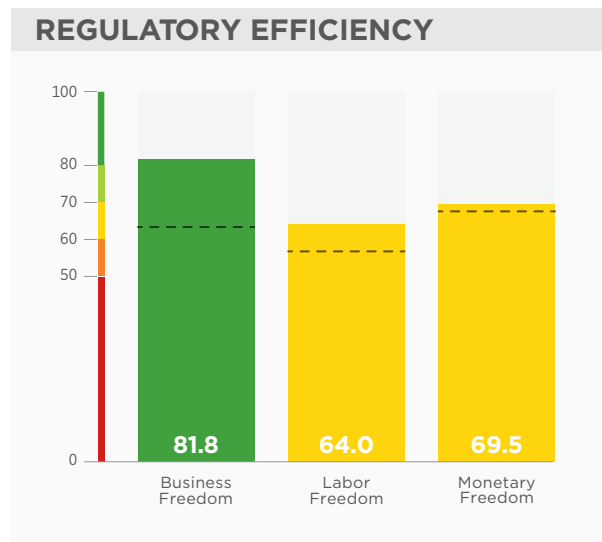
# 12 ECONOMIC FREEDOMS | LATVIA



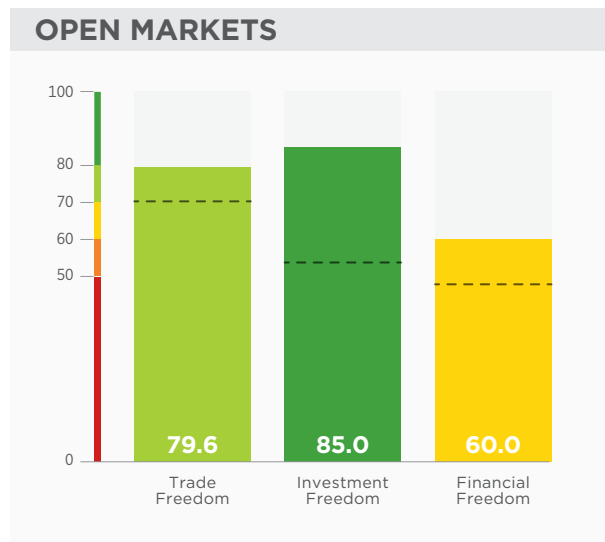
The overall rule of law is well respected in Latvia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



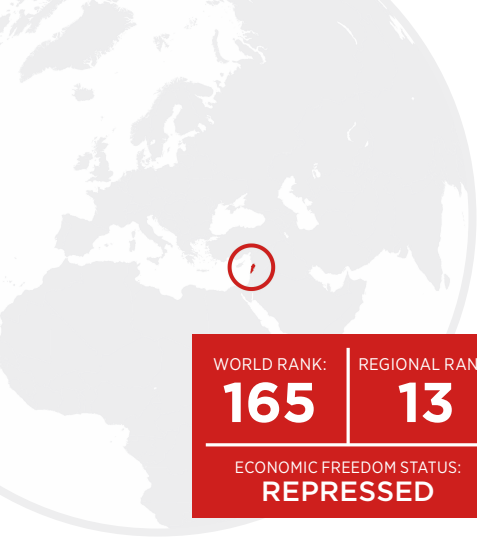
The top individual income tax rate is 31 percent, and the top corporate tax rate is 20 percent. The tax burden equals 31.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.1 percent and -4.3 percent of GDP. Public debt amounts to 43.6 percent of GDP.



Latvia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. The investment regulatory framework is relatively efficient. In general, rules regarding foreign investment are not burdensome. The financial sector is resilient and well capitalized.



WORLD RANK: **165** | REGIONAL RANK: **13**

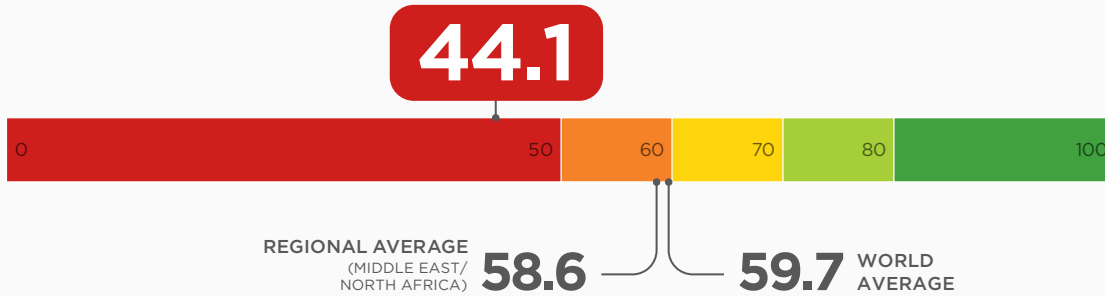
ECONOMIC FREEDOM STATUS: **REPRESSED**

# LEBANON

Lebanon's economic freedom score is 44.1, making its economy the 165th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 4.2 points from last year, and Lebanon is ranked 13th out of 14 countries in the Middle East / North Africa region. The country's economic freedom score is lower than the world and regional averages. Lebanon's economy is considered "repressed" according to the 2025 *Index*.

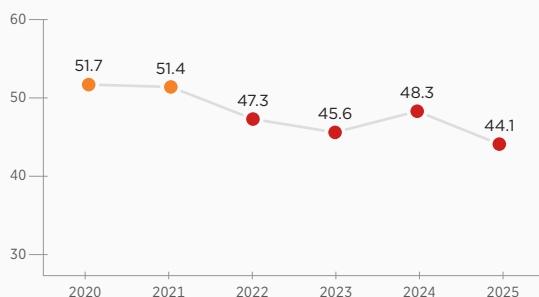
The foundations of Lebanon's economic freedom have been severely undermined. The entrepreneurial environment, characterized by political instability and regulatory inefficiency, generally discourages the more dynamic growth of private investment. Commercial regulations are still burdensome. In the absence of a well-functioning legal framework, protection of property rights remains weak, and corruption is widespread. Fiscal and financial crises exacerbate a bleak economic picture. The labor market has been undermined by political instability and uncertainty.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -19.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.4 million

**GDP (PPP):**  
\$66.7 billion  
-0.7% growth in 2023  
3-year average growth rate: 0.8%  
\$12,454 per capita

**UNEMPLOYMENT:**  
11.6%

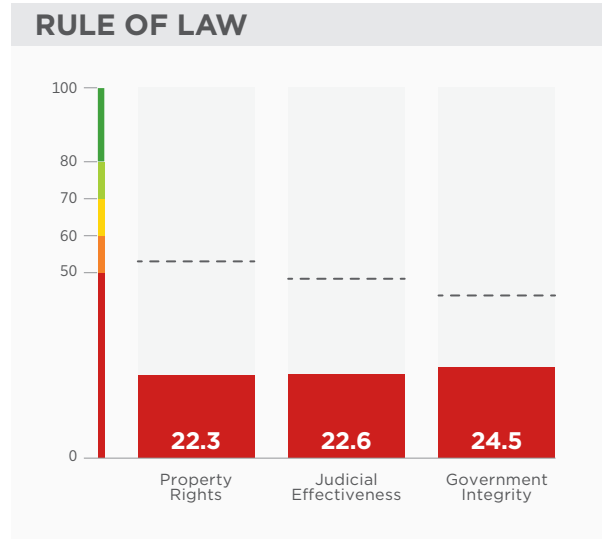
**INFLATION (CPI):**  
221.3%

**FDI INFLOW:**  
\$458.0 million

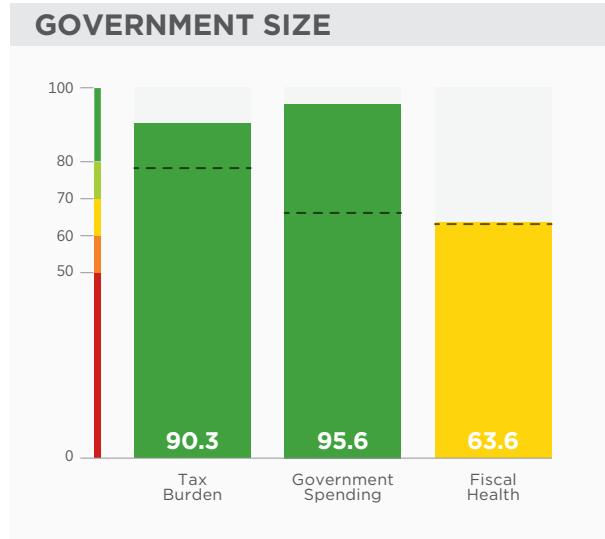
**PUBLIC DEBT:**  
195.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

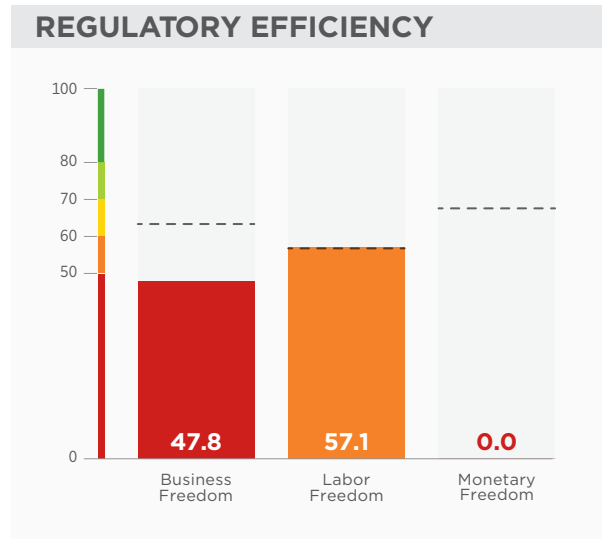
# 12 ECONOMIC FREEDOMS | LEBANON



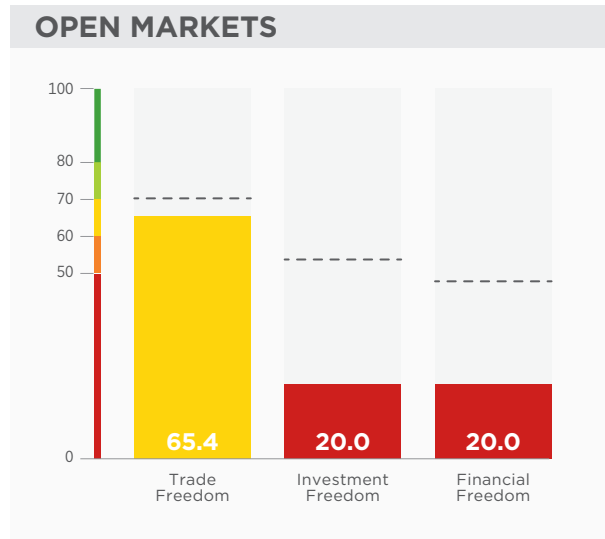
The overall rule of law is weak in Lebanon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 17 percent. The tax burden equals 7.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.1 percent and -3.2 percent of GDP. Public debt amounts to 195.2 percent of GDP.



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



The trade-weighted average tariff rate is 7.3 percent, but poor regulatory systems discourage dynamic trade and investment flows. Lebanon's financial sector used to be a regional hub, but ongoing political insecurity has subjected it to a high degree of uncertainty and strain.



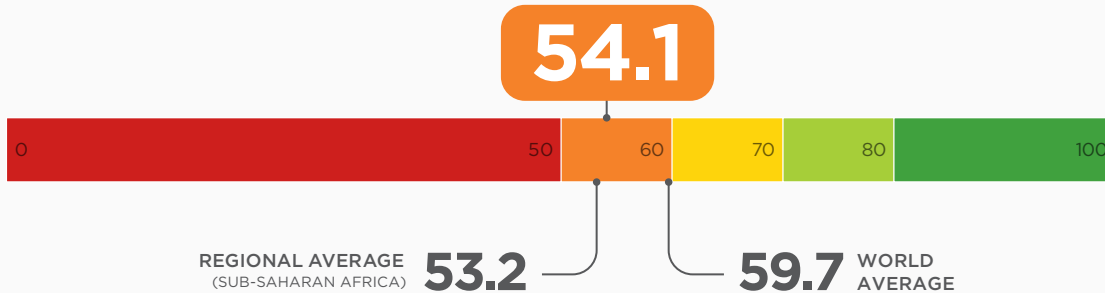
# LESOTHO

Lesotho's economic freedom score is 54.1, making its economy the 125th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.2 points from last year, and Lesotho is ranked 23rd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Lesotho's economy is considered "mostly unfree" according to the 2025 *Index*.

WORLD RANK:	REGIONAL RANK:
<b>125</b>	<b>23</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

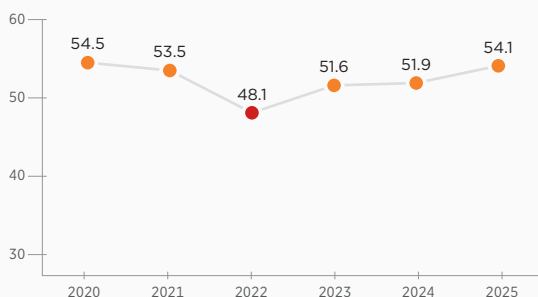
Lesotho lags far behind many other countries in its economic development, largely because of its failure to institute much-needed institutional reforms. The economy performs poorly in many of the four pillars of economic freedom. In particular, the rule of law is too weak to sustain meaningful economic progress. The regulatory system's efficiency remains limited. The labor market's rigidity continues to drive many Basothos into the informal economy. Inflation has moderated. The government influences prices through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +7.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.1 million

**GDP (PPP):**  
\$6.7 billion  
2.2% growth in 2023  
3-year average growth rate: 1.8%  
\$3,135 per capita

**UNEMPLOYMENT:**  
16.5%

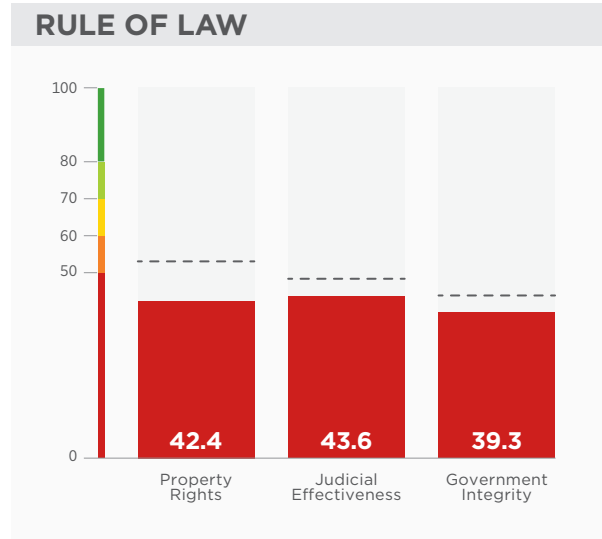
**INFLATION (CPI):**  
6.3%

**FDI INFLOW:**  
-\$8.0 million

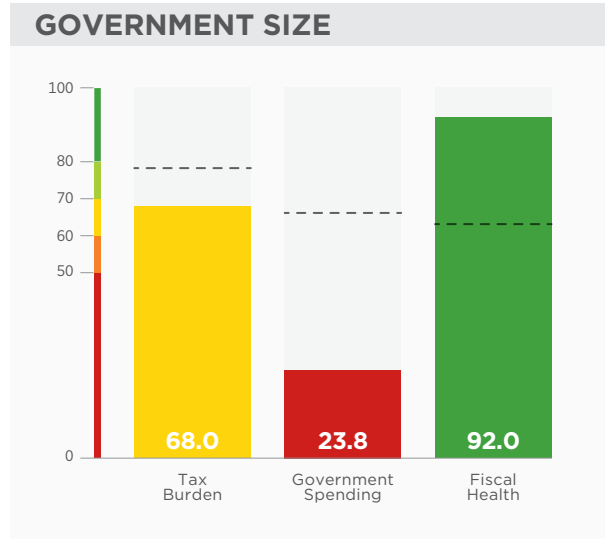
**PUBLIC DEBT:**  
61.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

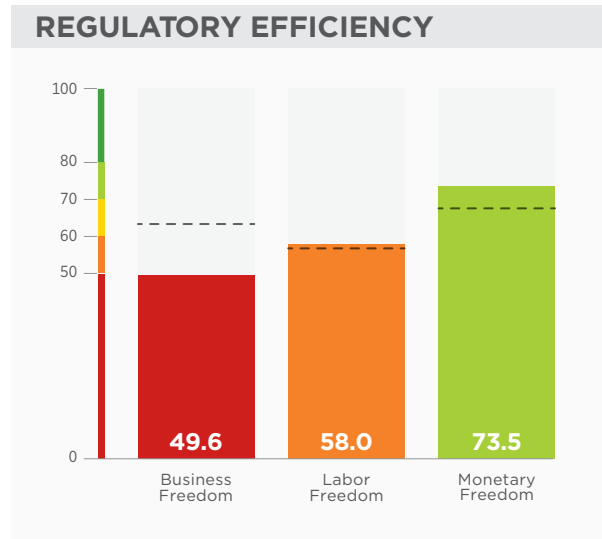
# 12 ECONOMIC FREEDOMS | LESOTHO



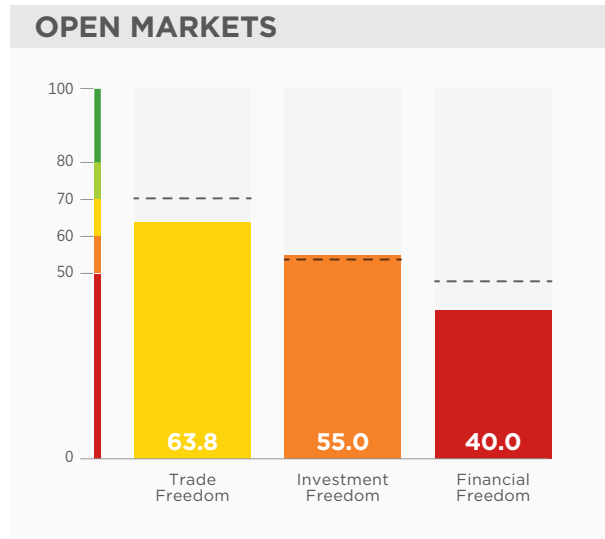
The overall rule of law is weak in Lesotho. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 36.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 50.4 percent and -0.5 percent of GDP. Public debt amounts to 61.5 percent of GDP.



Lesotho's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 10.6 percent, and various nontariff barriers remain in force. Political fragmentation has stymied efforts to facilitate economic diversification, and investment inflows remain constrained. The high cost of credit discourages the development of a vibrant private sector.



# LIBERIA

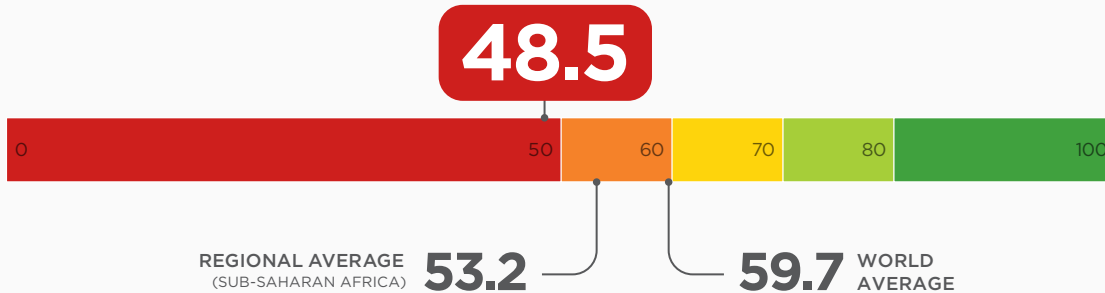
WORLD RANK: **154** | REGIONAL RANK: **37**

ECONOMIC FREEDOM STATUS: **REPPRESSED**

Liberia's economic freedom score is 48.5, making its economy the 154th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 1.4 points from last year, and Liberia is ranked 37th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Liberia's economy is considered "repressed" according to the 2025 *Index*.

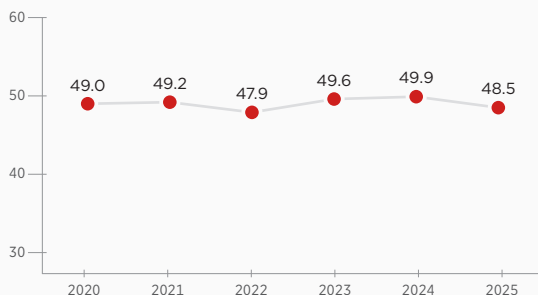
Liberia faces significant challenges in furthering its transition to a modern, open, market-based system. The foundations of economic freedom are fragile, and although the security situation has become more stable, the absence of an effectively functioning legal system undermines both the protection of property rights and efforts to eradicate corruption. Despite efforts to modernize the regulatory framework, various regulatory hurdles remain in force. The labor market is underdeveloped, and more than 60 percent of the workforce is engaged in informal activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +0.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.4 million

**GDP (PPP):**  
\$9.8 billion  
4.6% growth in 2023  
3-year average growth rate: 4.8%  
\$1,811 per capita

**UNEMPLOYMENT:**  
2.9%

**INFLATION (CPI):**  
10.1%

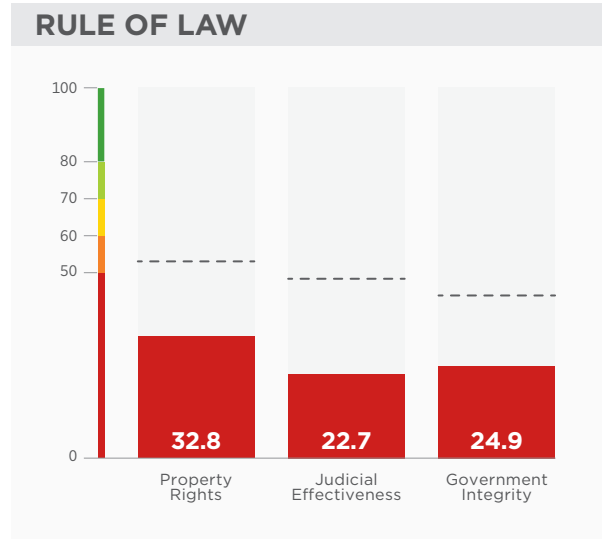
**FDI INFLOW:**  
\$73.0 million

**PUBLIC DEBT:**  
58.8% of GDP

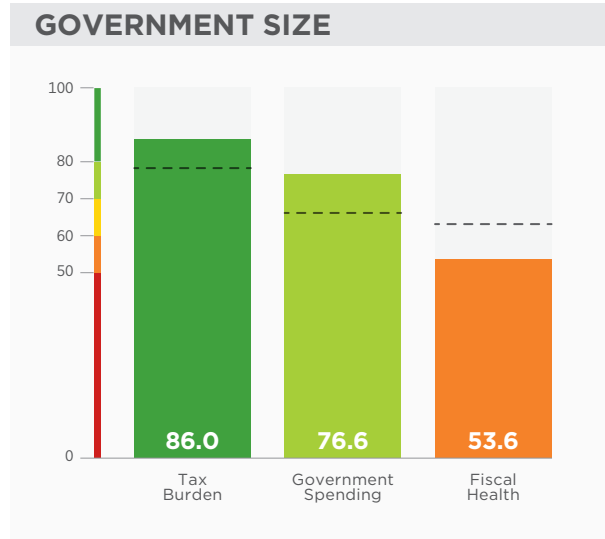
2023 data unless otherwise noted. Data compiled as of November 2024.



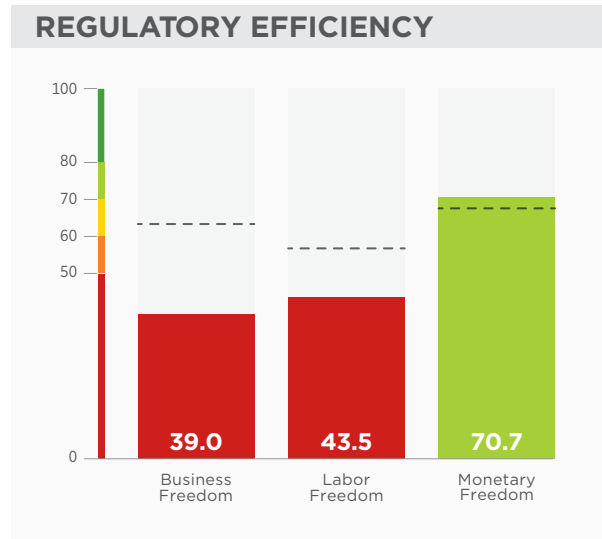
# 12 ECONOMIC FREEDOMS | LIBERIA



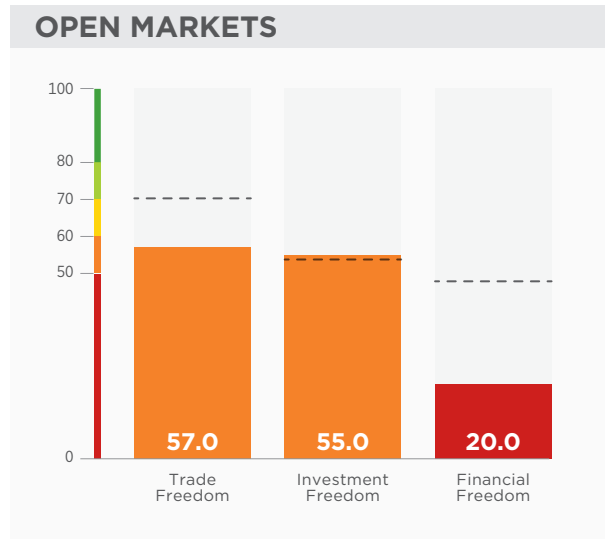
The overall rule of law is weak in Liberia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



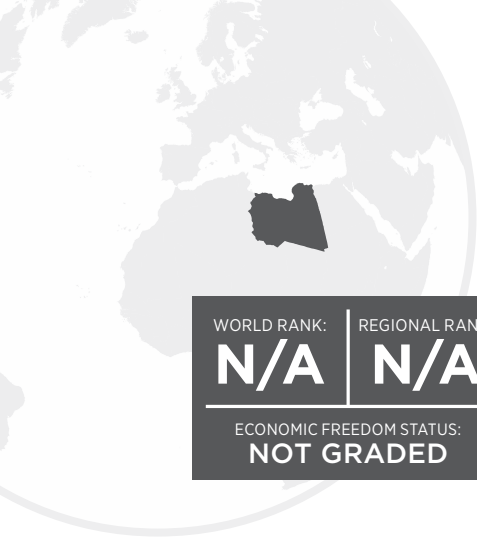
The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 12.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.0 percent and -5.0 percent of GDP. Public debt amounts to 58.8 percent of GDP.



Liberia's overall regulatory environment remains 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 above the world average.



The average tariff rate is 11.5 percent. Reforms have dismantled some nontariff barriers, but a lack of transparency persists. Foreign investment in several sectors is restricted. The financial system is underdeveloped, and much of the population remains outside of the formal banking sector.

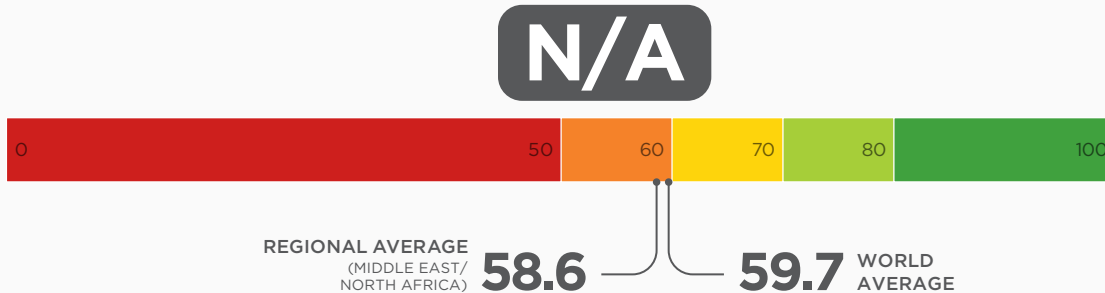


# LIBYA

Libya is not ranked in the 2025 *Index of Economic Freedom* because of the lack of reliable data. Official government reporting of economic data is insufficient, and data reported by many of the international organizations on which *Index* grading depends are incomplete.

Aggravated by systemic corruption and the weak rule of law, substantial structural rigidities further marginalize the private sector and undermine productivity growth, employment, and attempts at modernization. The economic infrastructure was significantly degraded during the civil war, and economic uncertainty remains very high as Libya struggles to restore the rule of law and establish a new system of governance. The regulatory framework is severely undermined by ongoing political instability and turmoil. The labor market remains destabilized, and the large informal sector is an important source of employment. Oil and natural gas dominate the economy and provide almost all of Libya's export revenues.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.8 million

**GDP (PPP):**  
\$101.2 billion  
10.2% growth in 2023  
3-year average growth rate: 10.1%  
\$14,781 per capita

**UNEMPLOYMENT:**  
18.7%

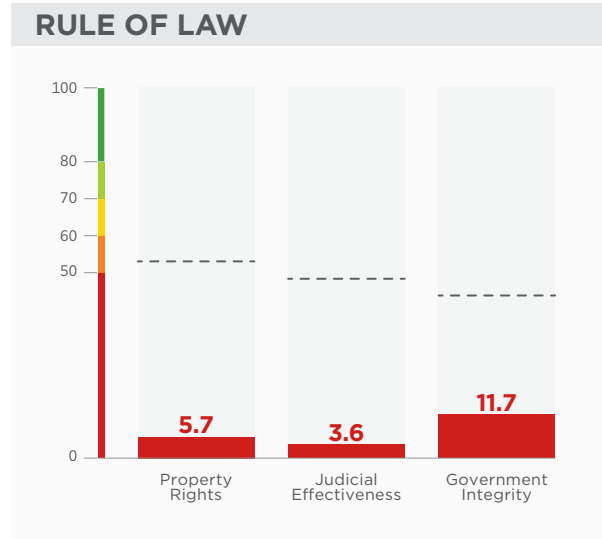
**INFLATION (CPI):**  
2.4%

**FDI INFLOW:**  
n/a

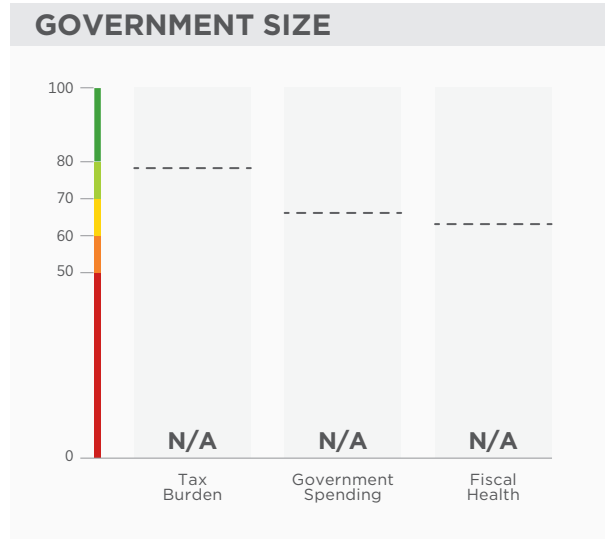
**PUBLIC DEBT:**  
n/a

2023 data unless otherwise noted. Data compiled as of November 2024.

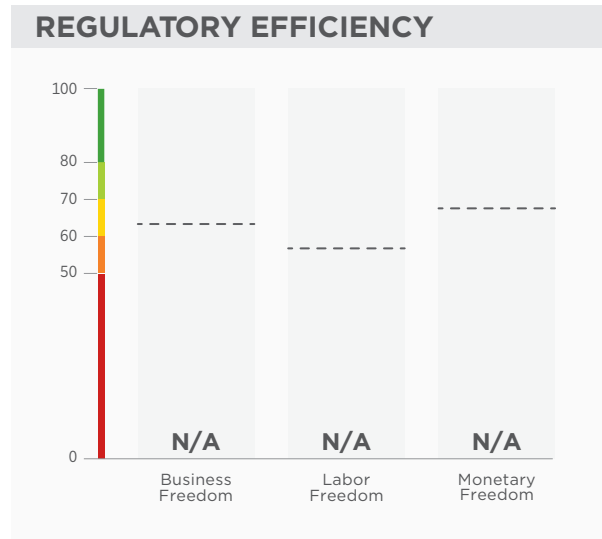
# 12 ECONOMIC FREEDOMS | LIBYA



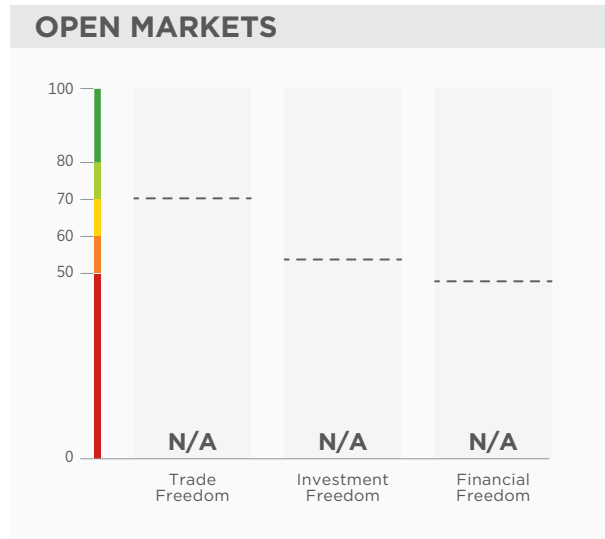
The overall rule of law is weak in Libya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



Taxation has not been enforced effectively for years because of political and economic instability. The government is overly dependent on the oil sector but has undertaken very sluggish and limited reforms to diversify the economy, much of which remains tightly controlled by the state.



State meddling in business decisions is extensive, and the application of existing regulations is inconsistent and nontransparent. The state-controlled labor market functions poorly, and the informal sector is large. Unemployment and underemployment are chronically high. Monetary stability has been fragile.



Political instability, exacerbated by security threats, is a significant impediment to foreign trade and investment. The financial infrastructure has been significantly degraded by Libya's unstable political and economic conditions. Limited access to financing severely impedes any meaningful private business development.



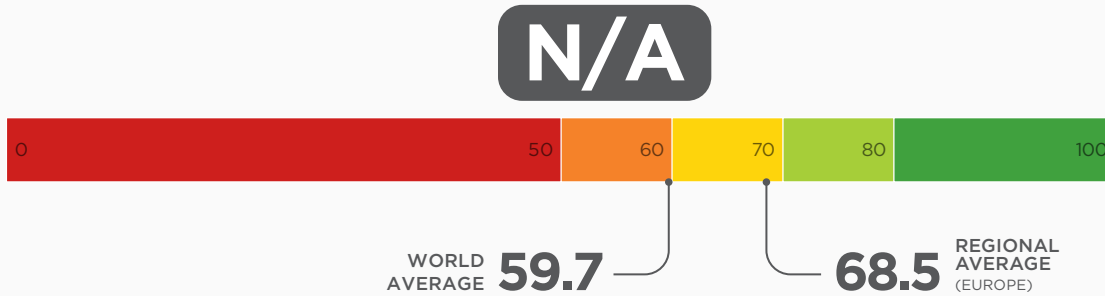
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS: **NOT GRADED**

# LIECHTENSTEIN

The Principality of Liechtenstein is not graded in the 2025 *Index of Economic Freedom*. Liechtenstein has a vibrant free-enterprise economy that is closely linked to Switzerland, whose currency it shares, and the European Union. Liechtenstein is a member of the European Free Trade Association, the Schengen Area, and the European Economic Area, but the lack of readily available comparable statistics precludes ranking of its economy.

Flexibility and openness to global commerce are the cornerstones of Liechtenstein’s modern economy. With an independent and impartial judiciary firmly institutionalized, the rule of law is very well respected. The vigorous defense of property rights and contracts, coupled with a well-established tradition of minimum tolerance for corruption, sustains the foundations of economic freedom and keeps the dynamic economy competitive. A straightforward, transparent, and streamlined regulatory system supports an innovative entrepreneurial sector. Banking has benefited from Liechtenstein’s high levels of political and social stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
Approximately 40,000

**GDP (PPP):**  
n/a  
n/a growth in 2022  
3-year compound annual growth n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

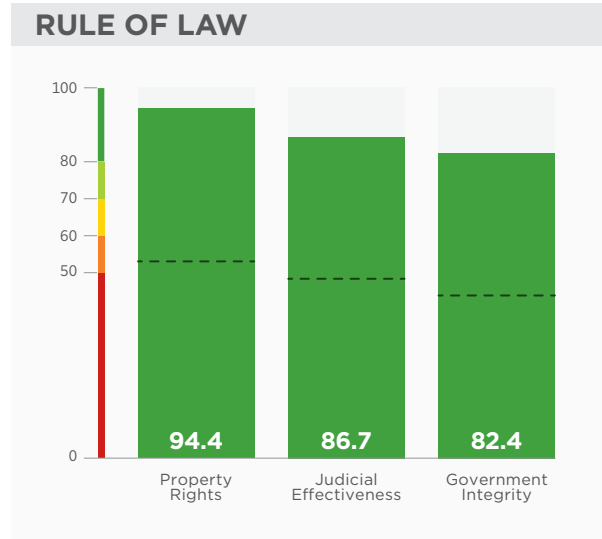
**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
n/a

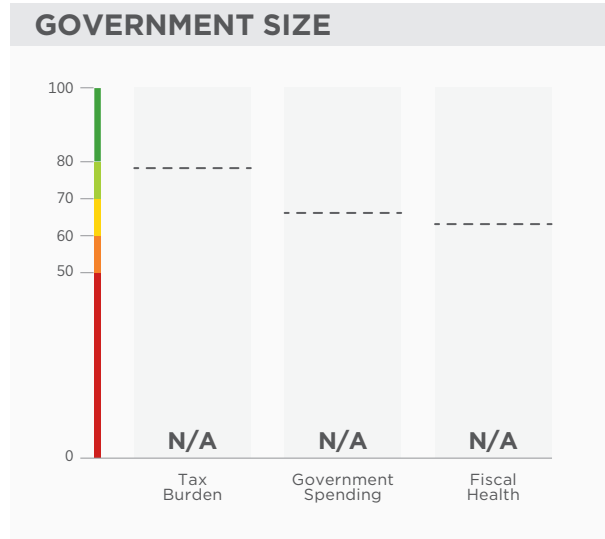
**PUBLIC DEBT:**  
n/a

2023 data unless otherwise noted. Data compiled as of November 2024.

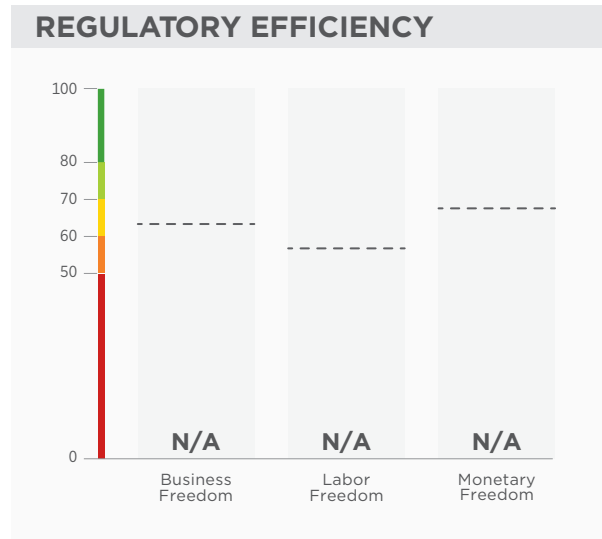
# 12 ECONOMIC FREEDOMS | LIECHTENSTEIN



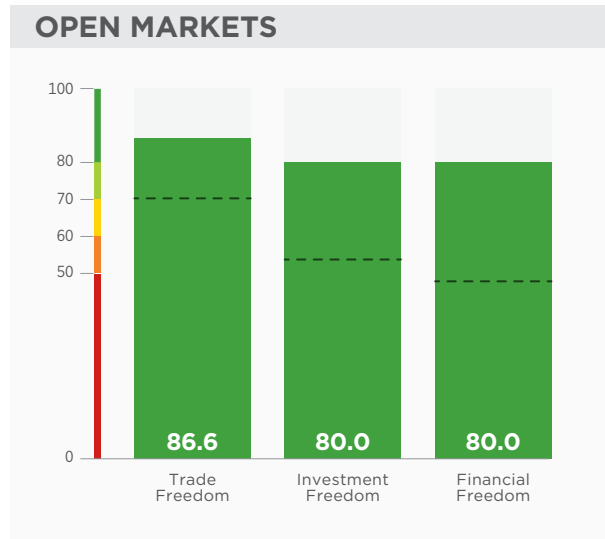
The overall rule of law is well respected in Liechtenstein. The country’s property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



Liechtenstein has a competitive tax system and imposes relatively low taxes. The corporate tax rate is 12.5 percent, and the capital gains, inheritance, and gift taxes have been abolished. Although the fiscal system lacks some transparency, fiscal management has been relatively sound.



The overall freedom to conduct a business is well protected under an efficient and transparent regulatory environment. Administrative procedures are straightforward and applied consistently. The labor market is stable, and unemployment traditionally has been very low. Monetary stability is well maintained.



Minimal barriers to trade and investment foster vibrant economic activity. Nontariff barriers are relatively minimal. Foreign and domestic investors are generally treated equally. The banking sector benefits from the country’s high degree of political stability and its sound and transparent judicial system.

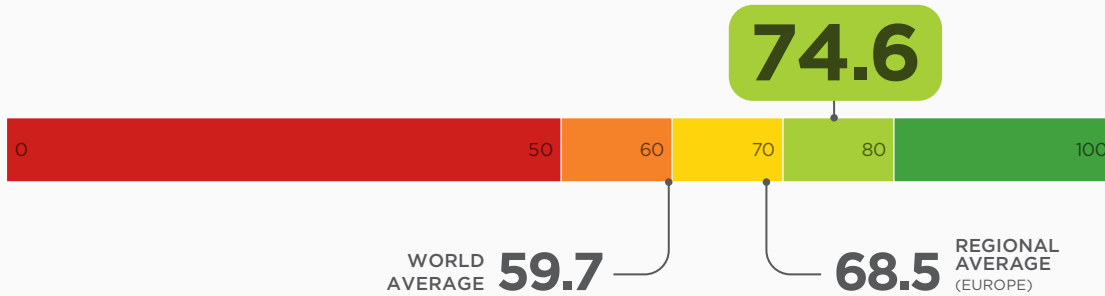


# LITHUANIA

Lithuania's economic freedom score is 74.6, making its economy the 16th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.7 points from last year, and Lithuania is ranked 10th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Lithuania's economy is considered "mostly free" according to the 2025 *Index*.

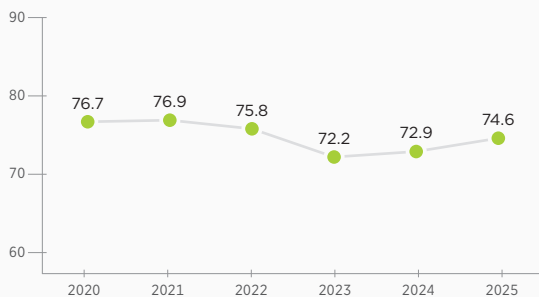
Lithuania's transition to a free-market economy has been facilitated by the rule of law, structural reforms, and an increasingly vibrant private sector. Competitive taxation, a relatively efficient regulatory system, and policies that open Lithuania to global commerce and trade have encouraged more dynamic and broadly based economic expansion. The entrepreneurial framework is fairly streamlined and efficient. Business formation and operation take place without bureaucratic interference. Despite some reform, the labor market remains relatively rigid.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +24.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.9 million

**GDP (PPP):**  
\$147.4 billion  
-0.3% growth in 2023  
3-year average growth rate: 2.8%  
\$51,129 per capita

**UNEMPLOYMENT:**  
7.0%

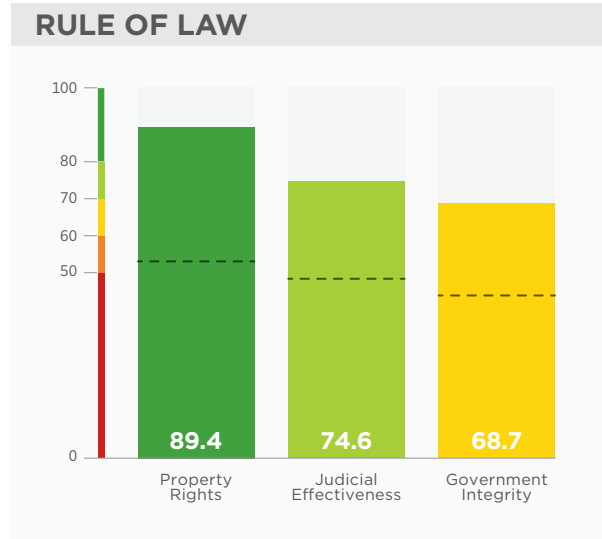
**INFLATION (CPI):**  
8.7%

**FDI INFLOW:**  
\$2.2 billion

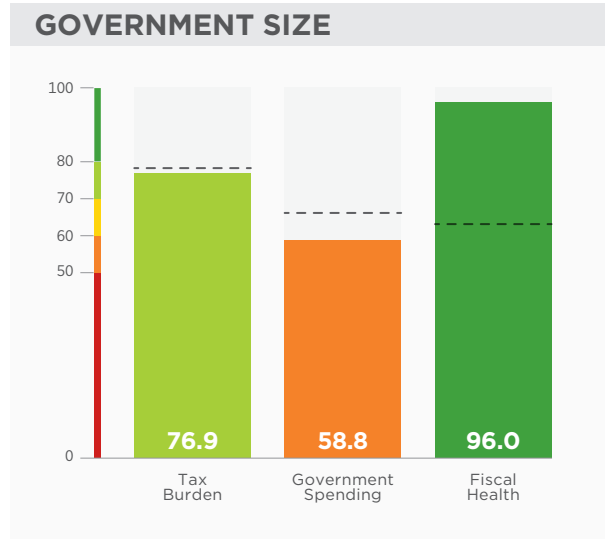
**PUBLIC DEBT:**  
38.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

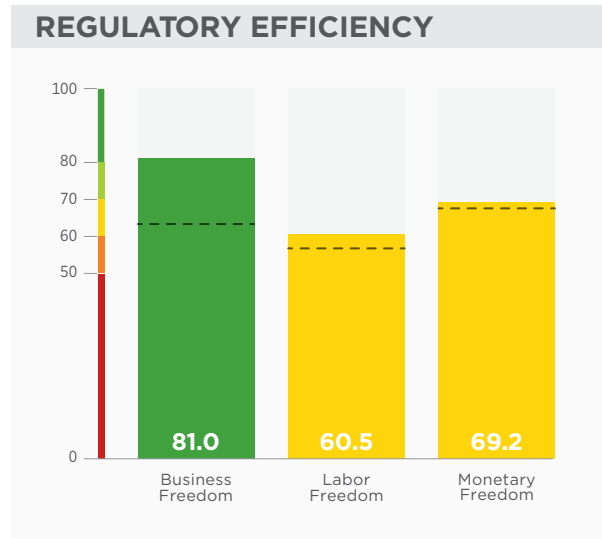
# 12 ECONOMIC FREEDOMS | LITHUANIA



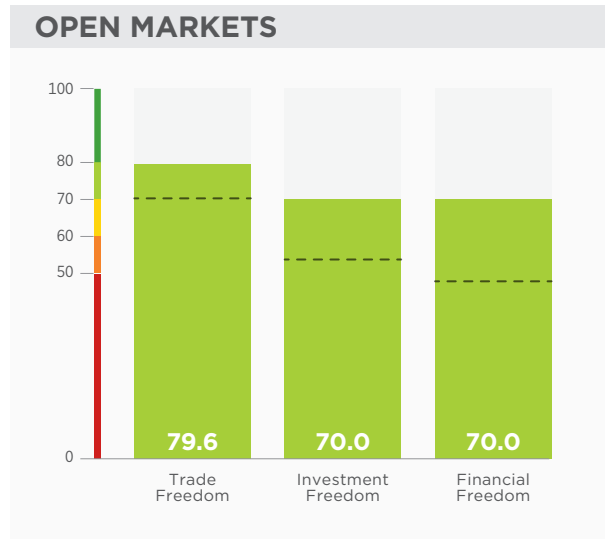
The overall rule of law is well respected in Lithuania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 32 percent, and the top corporate tax rate is 15 percent. The tax burden equals 32.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.0 percent and -0.8 percent of GDP. Public debt amounts to 38.3 percent of GDP.



Lithuania's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. The relatively sound regulatory framework facilitates foreign investment. The financial sector offers a full range of services, and the banking system is stable.



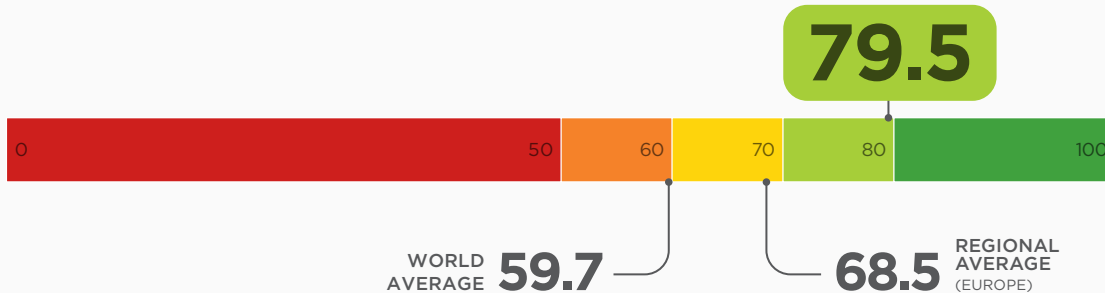
WORLD RANK:	REGIONAL RANK:
<b>5</b>	<b>3</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# LUXEMBOURG

Luxembourg's economic freedom score is 79.5, making its economy the 5th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Luxembourg is ranked 3rd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Luxembourg's economy is considered "mostly free" according to the 2025 *Index*.

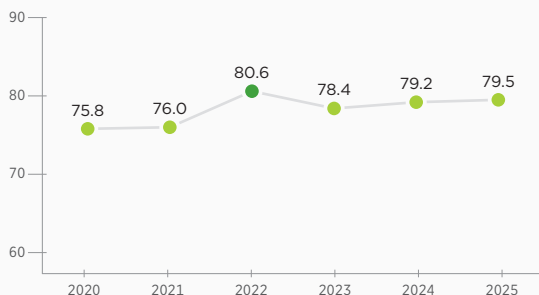
Luxembourg has long benefited from a favorable climate for entrepreneurial activity and high levels of openness and flexibility. Prudent regulations support its position as a global financial hub. The judiciary, independent of politics and free of corruption, provides strong protection of property rights. Institutional support for open markets is similarly strong. Regulation is transparent and efficient. The labor market is competitive but lacks flexibility. Unemployment benefits are notably higher than those in neighboring countries, and the minimum wage is among the region's highest.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +7.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.7 million

**GDP (PPP):**  
\$98.3 billion  
-1.1% growth in 2023  
3-year average growth rate: 2.5%  
\$148,694 per capita

**UNEMPLOYMENT:**  
5.2%

**INFLATION (CPI):**  
2.9%

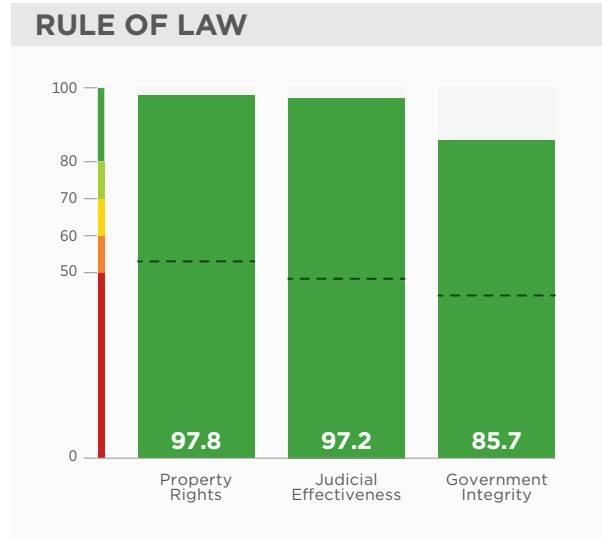
**FDI INFLOW:**  
-\$322.1 billion

**PUBLIC DEBT:**  
25.7% of GDP

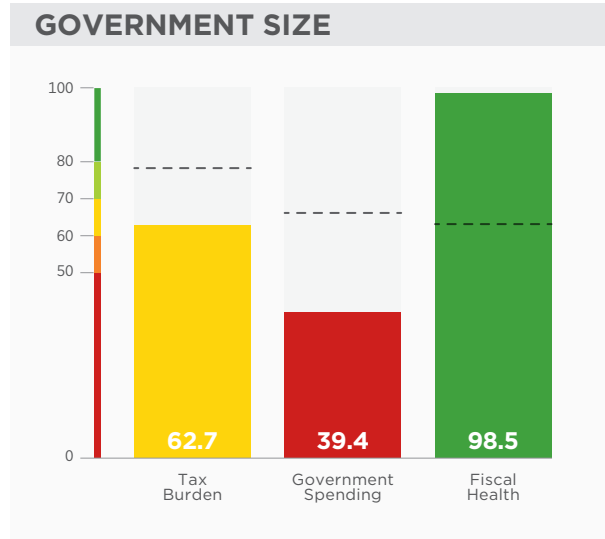
2023 data unless otherwise noted. Data compiled as of November 2024.



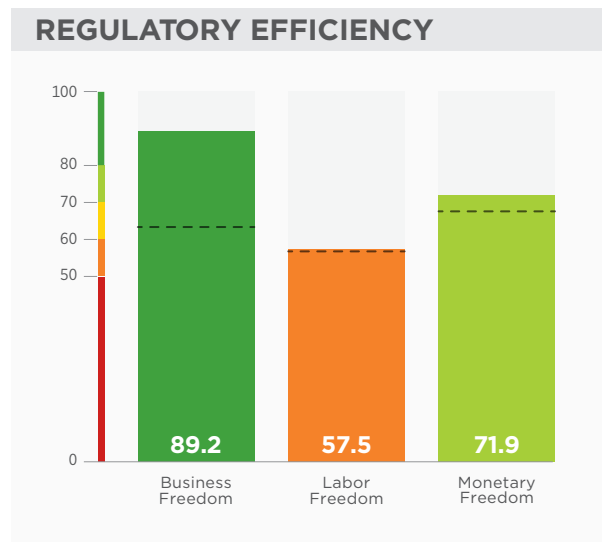
# 12 ECONOMIC FREEDOMS | LUXEMBOURG



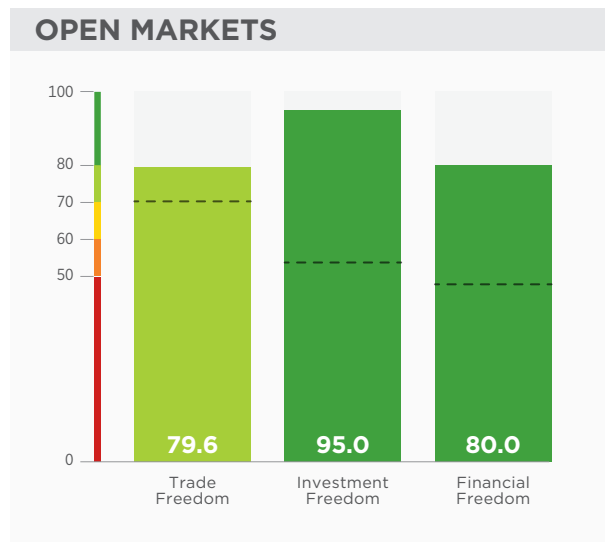
The overall rule of law is very well respected in Luxembourg. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 42 percent, and the top corporate tax rate is 17 percent. The tax burden equals 40.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.9 percent and -0.4 percent of GDP. Public debt amounts to 25.7 percent of GDP.



Luxembourg's overall regulatory environment is very well institutionalized and efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Investment activity is sustained by the solid institutional foundations of an open-market system. The sophisticated financial sector is well capitalized and competitive.

WORLD RANK: **104** REGIONAL RANK: **11**

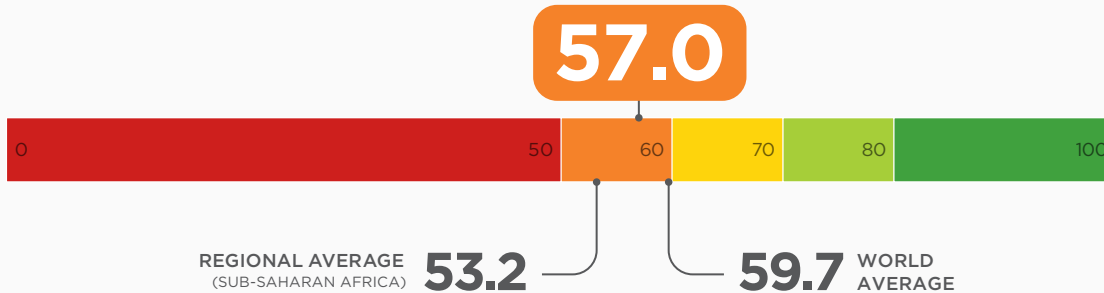
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# MADAGASCAR

Madagascar's economic freedom score is 57.0, making its economy the 104th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and Madagascar is ranked 11th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Madagascar's economy is considered "mostly unfree" according to the 2025 *Index*.

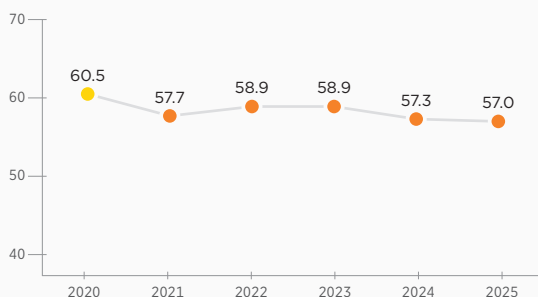
A still-deficient institutional framework and the ongoing risk of political instability continue to undermine efforts to reduce poverty. The judicial system is underdeveloped, and convoluted administrative procedures facilitate corruption, weakening the foundations of economic freedom. Policies needed to sustain open markets are not firmly institutionalized. Regulations often reflect customs and unwritten rules. The labor laws are outmoded, restrictive, and not conducive to the development of a dynamic labor market. The government influences prices through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
29.8 million

**GDP (PPP):**  
\$56.9 billion  
3.8% growth in 2023  
3-year average growth rate: 4.5%  
\$1,911 per capita

**UNEMPLOYMENT:**  
3.1%

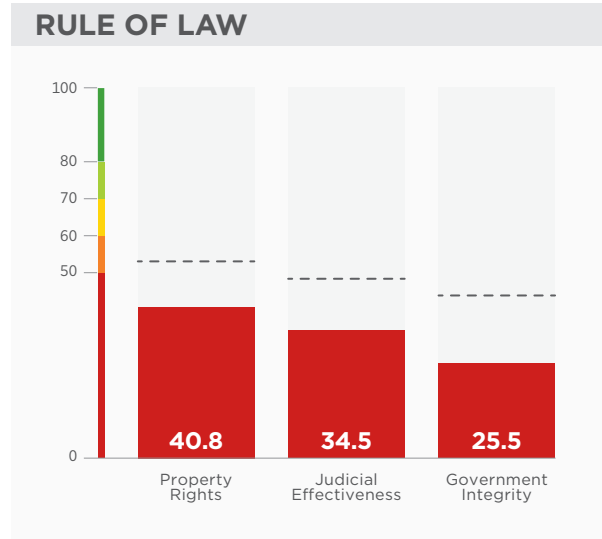
**INFLATION (CPI):**  
9.9%

**FDI INFLOW:**  
\$396.0 million

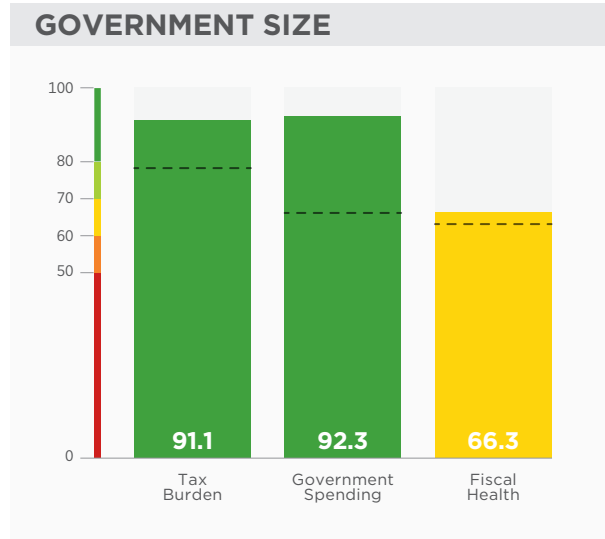
**PUBLIC DEBT:**  
55.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

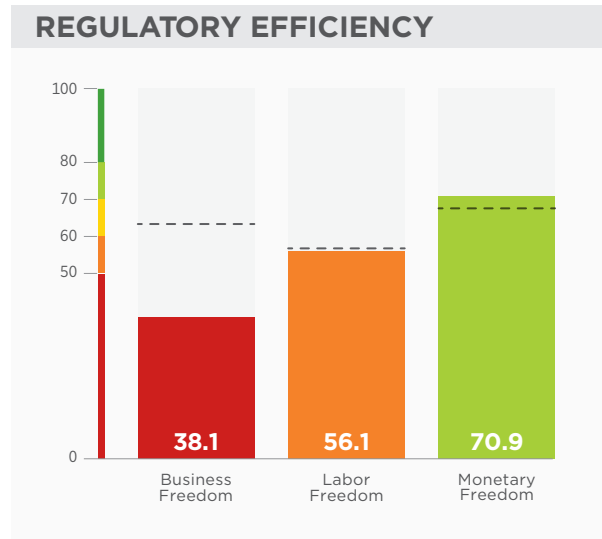
# 12 ECONOMIC FREEDOMS | MADAGASCAR



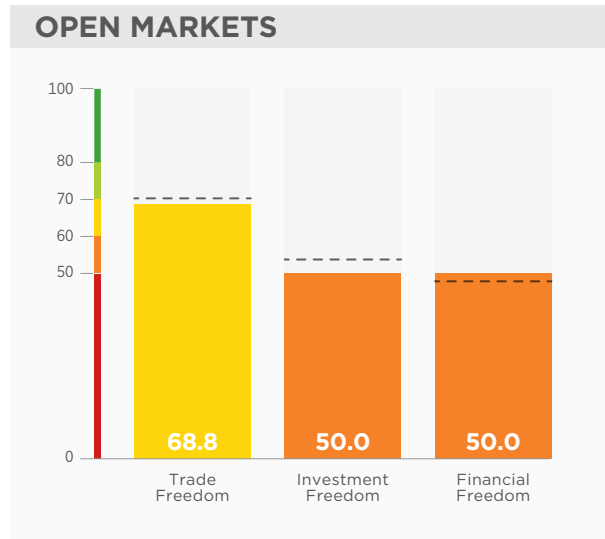
The overall rule of law is weak in Madagascar. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 9.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 16.0 percent and -4.2 percent of GDP. Public debt amounts to 55.6 percent of GDP.



Madagascar'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 above the world average.



The trade-weighted average tariff rate is 8.1 percent, and layers of nontariff measures are in force. Judicial and regulatory barriers deter foreign investment. State-owned enterprises distort the economy. Fewer than 20 percent of adult Malagasies have access to an account with a formal banking institution.

WORLD RANK:

146

REGIONAL RANK:

34

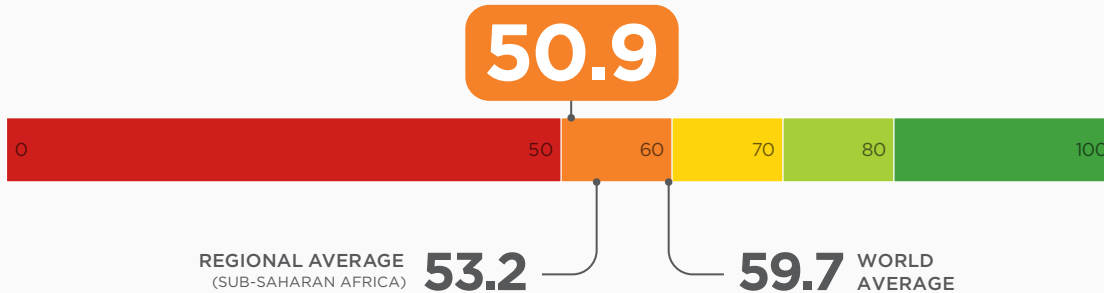
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MALAWI

Malawi's economic freedom score is 50.9, making its economy the 146th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 1.2 points from last year, and Malawi is ranked 34th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Malawi's economy is considered "mostly unfree" according to the 2025 *Index*.

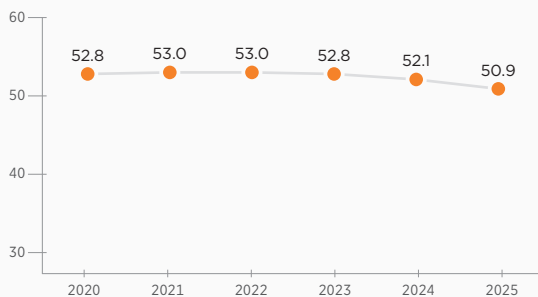
Malawi lags in competitiveness and promotion of the broad-based economic activity that is needed to reduce poverty. The poor quality of physical and legal infrastructure is exacerbated by the government's inefficiency and has been a serious impediment to long-term economic development. The inefficient business framework is slowly being improved. Labor regulations are not generally enforced, and the labor market remains poorly developed. Most Malawians are still employed outside of the formal sector, primarily in agriculture.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**

22.7 million

**GDP (PPP):**

\$38.5 billion  
1.5% growth in 2023  
3-year average growth rate: 2.3%  
\$1,692 per capita

**UNEMPLOYMENT:**

5.0%

**INFLATION (CPI):**

28.8%

**FDI INFLOW:**

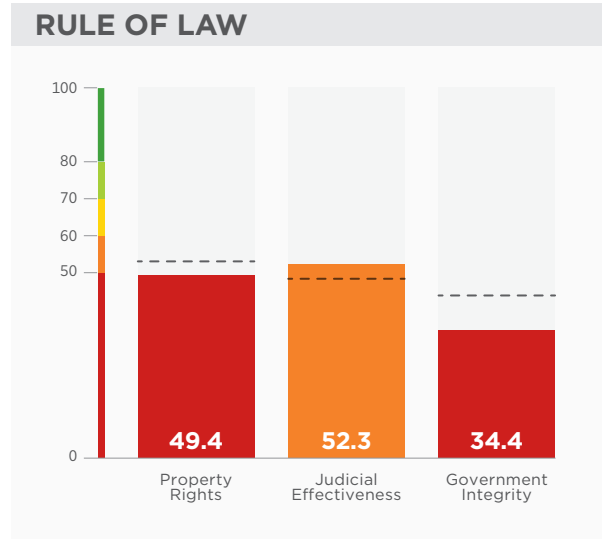
\$189.0 million

**PUBLIC DEBT:**

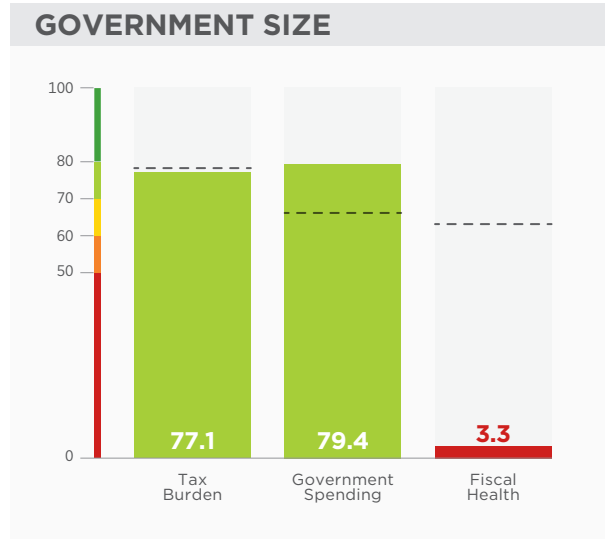
91.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

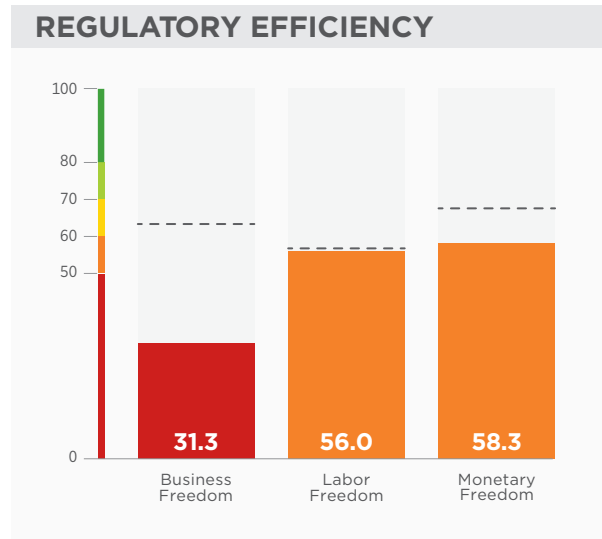
# 12 ECONOMIC FREEDOMS | MALAWI



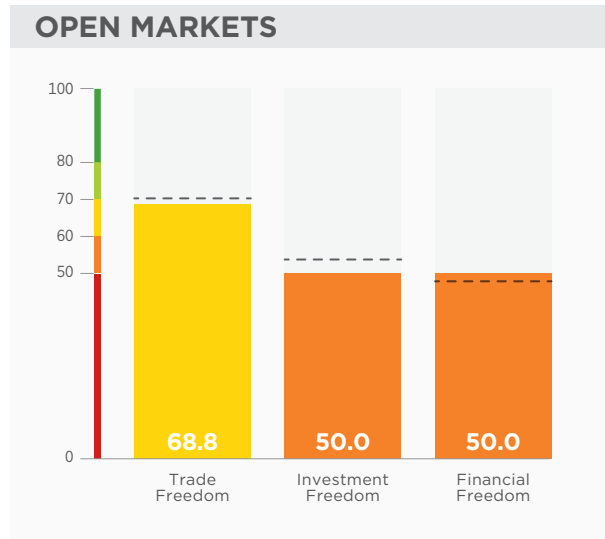
The overall rule of law is weak in Malawi. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 12.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.2 percent and -8.9 percent of GDP. Public debt amounts to 91.3 percent of GDP.



Malawi's 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 8.1 percent. The lack of transparency, often made worse by bureaucratic delays, is a major impediment to foreign trade and investment. Poor access to finance continues to discourage more dynamic foreign investment inflows and private-sector development.

WORLD RANK: **44** | REGIONAL RANK: **7**

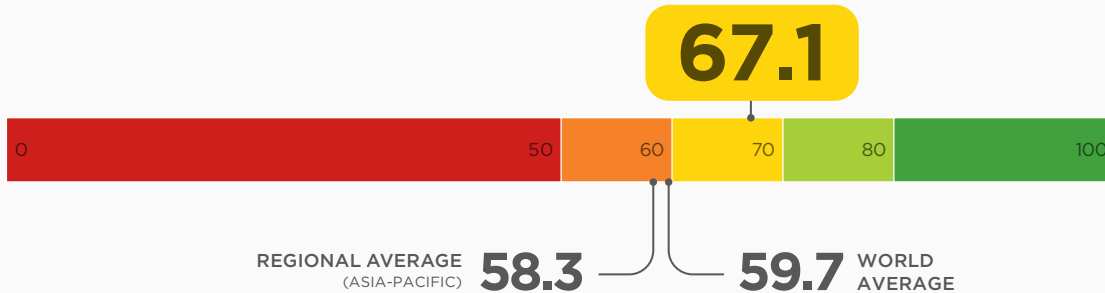
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# MALAYSIA

Malaysia's economic freedom score is 67.1, making its economy the 44th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Malaysia is ranked 7th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Malaysia's economy is considered "moderately free" according to the 2025 *Index*.

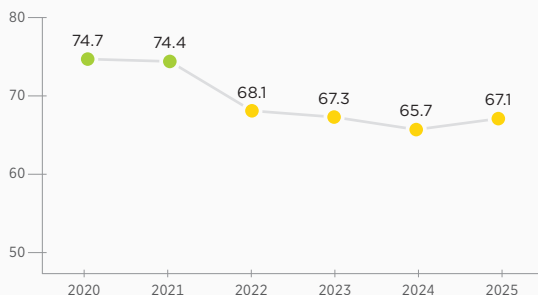
The Malaysian economy has shown notable resilience. Implementation of policies to support open markets and encourage a vibrant private sector has enhanced investment flows and entrepreneurial vitality. Regulatory efficiency has gradually been improved, and licensing requirements are now less time-consuming and bureaucratic. Better management of public finance needs to be a policy priority. The judicial system's vulnerability to political influence is a significant challenge to the effective and even-handed rule of law and undermines government integrity. Monetary stability is relatively well maintained.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.1 million

**GDP (PPP):**  
\$1.3 trillion  
3.6% growth in 2023  
3-year average growth rate: 5.2%  
\$38,694 per capita

**UNEMPLOYMENT:**  
3.9%

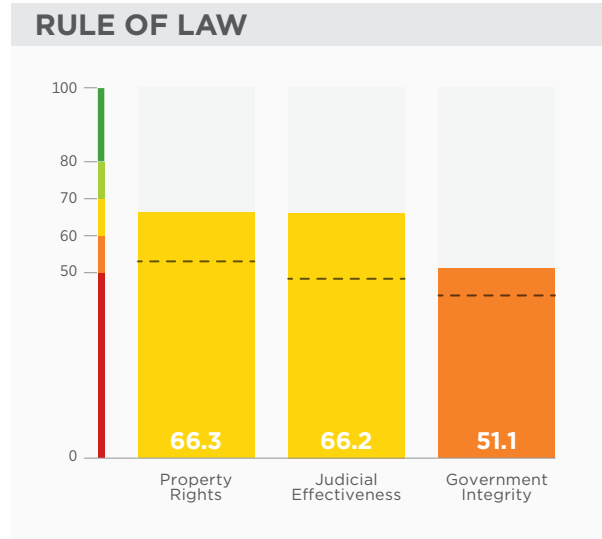
**INFLATION (CPI):**  
2.5%

**FDI INFLOW:**  
\$16.9 billion

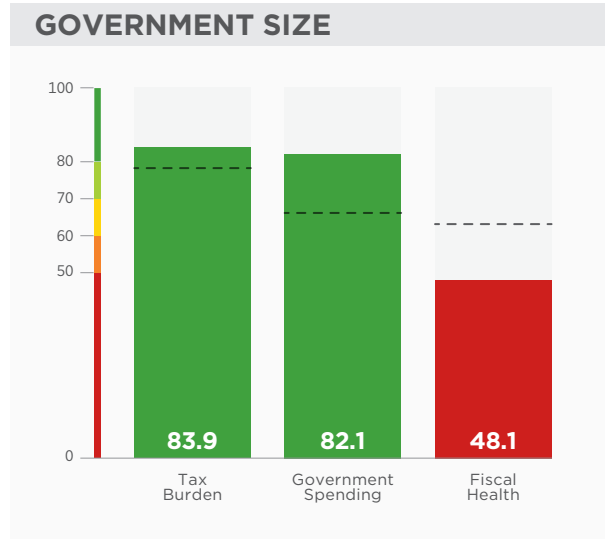
**PUBLIC DEBT:**  
69.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

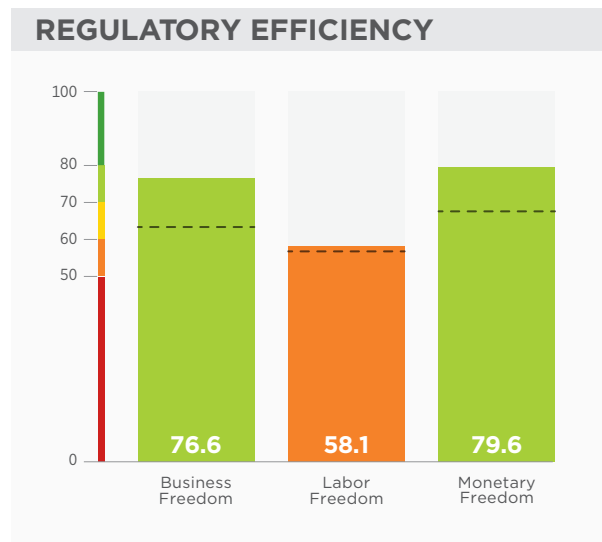
# 12 ECONOMIC FREEDOMS | MALAYSIA



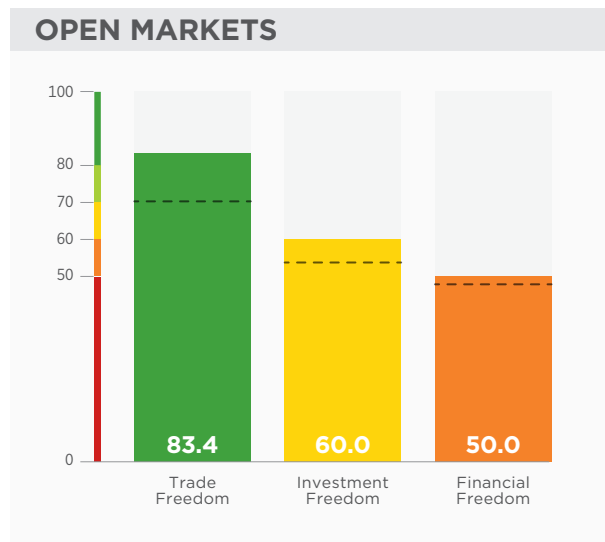
The overall rule of law is relatively well respected in Malaysia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 24 percent. The tax burden equals 11.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.4 percent and -5.1 percent of GDP. Public debt amounts to 69.8 percent of GDP.



Malaysia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 3.3 percent. The government has taken steps to liberalize foreign investment policies, but restrictions are still in place in some sectors. Regulatory adjustments in the financial sector include the easing of limits on foreign ownership.



WORLD RANK: **155** | REGIONAL RANK: **35**

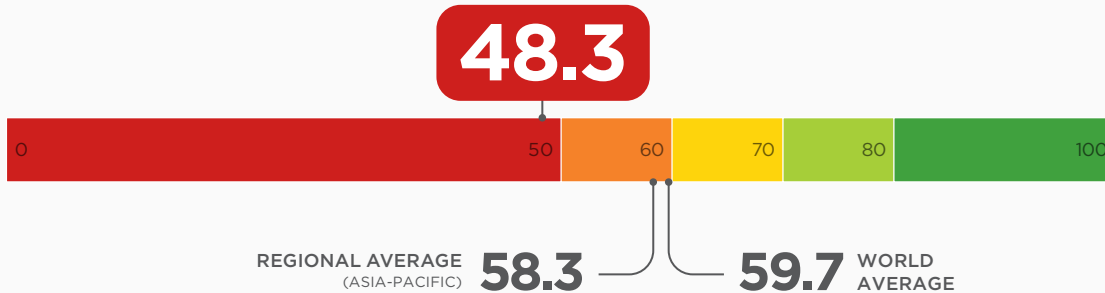
ECONOMIC FREEDOM STATUS: **REPRESSED**

# MALDIVES

**M**aldives' economic freedom score is 48.3, making its economy the 155th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Maldives is ranked 35th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Maldives' economy is considered "repressed" according to the 2025 *Index*.

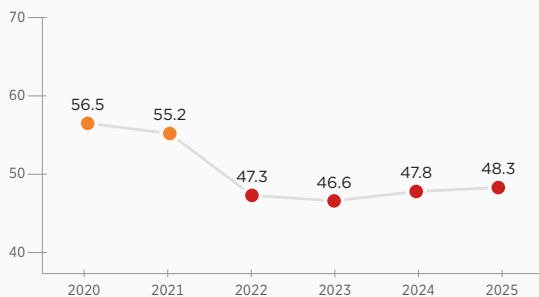
Reform to enhance prospects for long-term sustainable development remains vital. Impediments to sustained private-sector growth and diversification are still considerable, largely because of such institutional deficiencies as corruption and weak protection of property rights. State-owned enterprises continue to play a large role in the economy. The regulatory framework remains relatively underdeveloped. Enforcement of labor regulations is ineffective, and the public sector employs much of the labor force. Lack of competition in the market has affected price levels, but monetary stability has been maintained.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -3.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.4 million

**GDP (PPP):**  
\$12.9 billion  
4.0% growth in 2023  
3-year average growth rate: 18.5%  
\$32,541 per capita

**UNEMPLOYMENT:**  
4.1%

**INFLATION (CPI):**  
2.6%

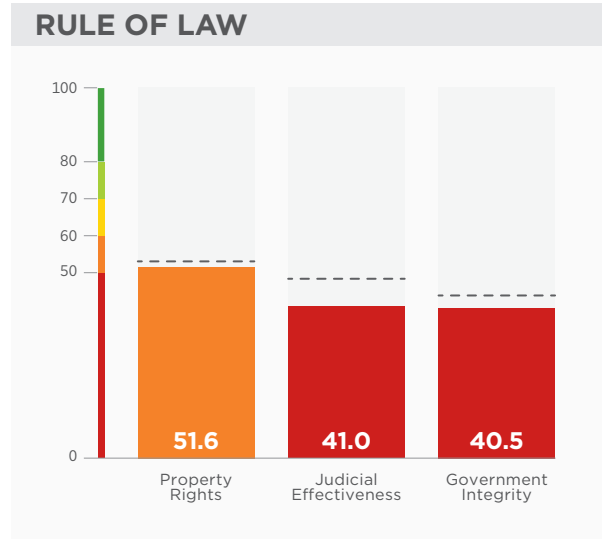
**FDI INFLOW:**  
\$722.0 million

**PUBLIC DEBT:**  
123.1% of GDP

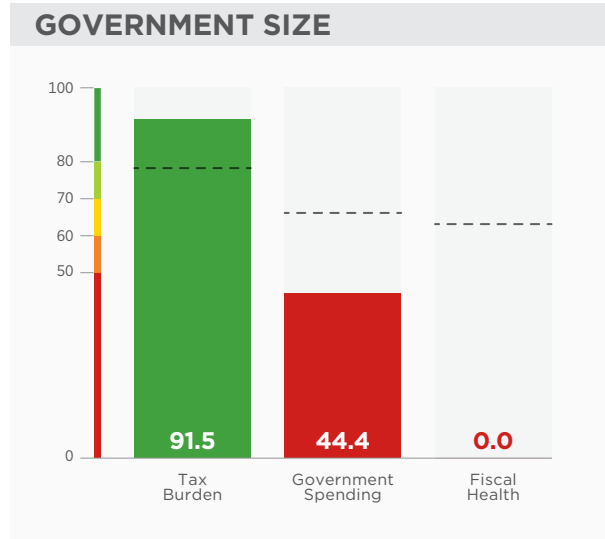
2023 data unless otherwise noted. Data compiled as of November 2024.



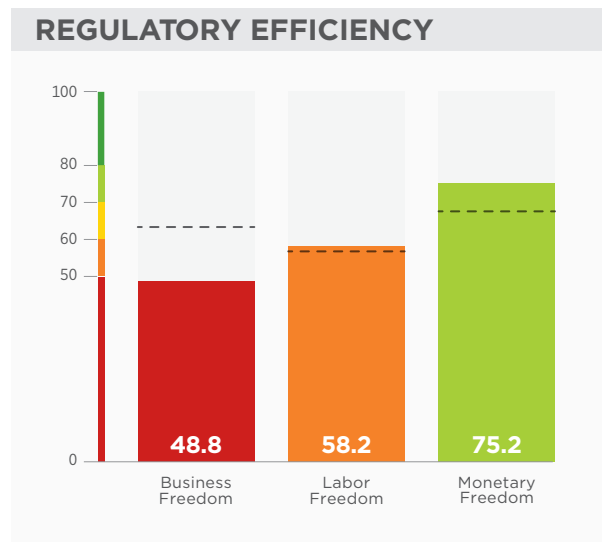
# 12 ECONOMIC FREEDOMS | MALDIVES



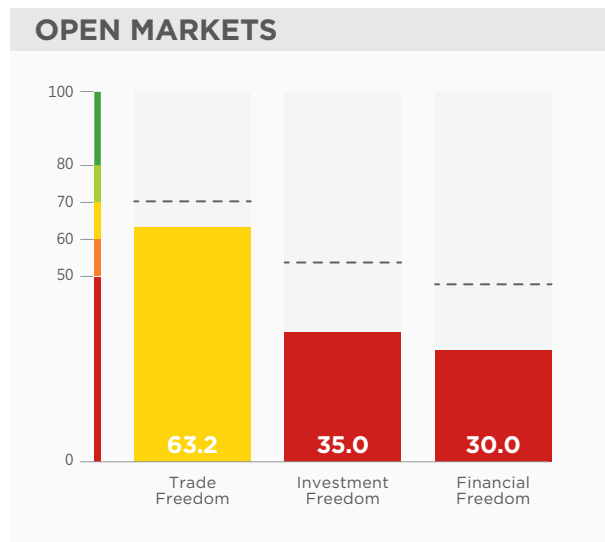
The overall rule of law is weak in Maldives. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



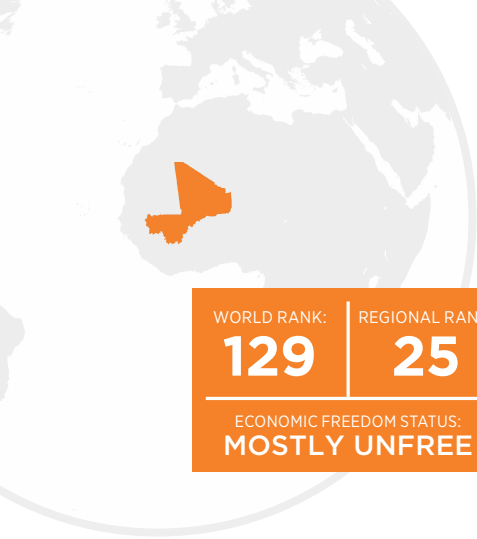
The top individual income tax rate is 15 percent, and the top corporate tax rate is 15 percent. The tax burden equals 19.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.0 percent and -12.7 percent of GDP. Public debt amounts to 123.1 percent of GDP.



Maldives' overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 10.9 percent, and nontariff barriers are in force. Foreign participation and ownership remain limited and restricted in some sectors. The shallow financial sector is dominated by banking. Costly credit and limited access to financial services discourage vibrant private-sector development.



WORLD RANK: **129** | REGIONAL RANK: **25**

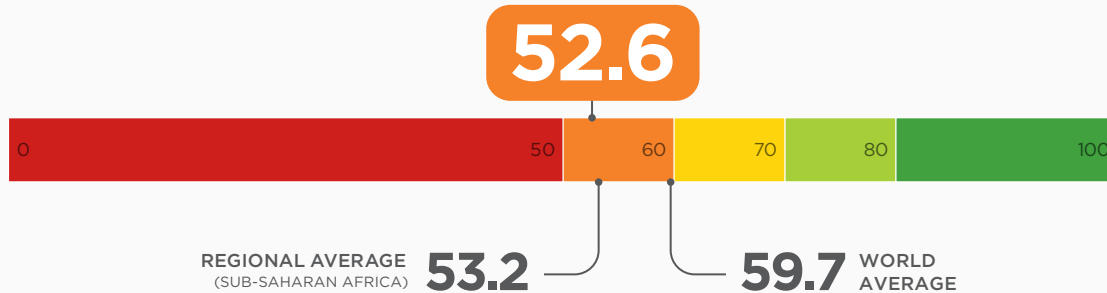
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# MALI

Mali's economic freedom score is 52.6, making its economy the 129th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.1 point from last year, and Mali is ranked 25th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Mali's economy is considered "mostly unfree" according to the 2025 *Index*.

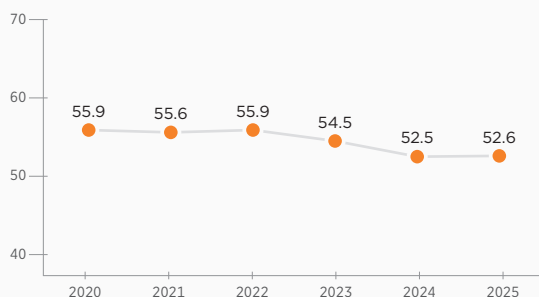
Mali has made little progress in expanding economic freedom and remains mired in the "mostly unfree" category. A lack of dynamism leaves the domestic economy highly vulnerable to external economic conditions. Institutional weaknesses broadly restrict economic freedom and prevent the dynamic growth of economic activity. The regulatory framework for business does not efficiently encourage economic diversification or private-sector development. Much private-sector activity takes place outside of the formal economy. Labor regulations are relatively rigid but not fully enforced.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
23.3 million

**GDP (PPP):**  
\$64.5 billion  
4.4% growth in 2023  
3-year average growth rate: 3.6%  
\$2,763 per capita

**UNEMPLOYMENT:**  
3.0%

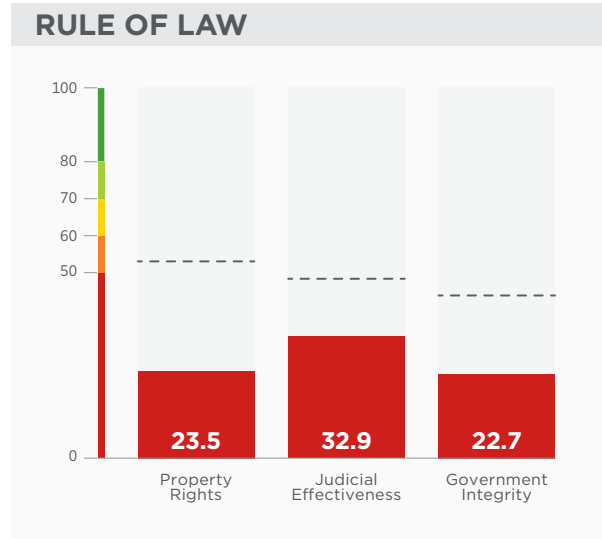
**INFLATION (CPI):**  
2.1%

**FDI INFLOW:**  
\$253.0 million

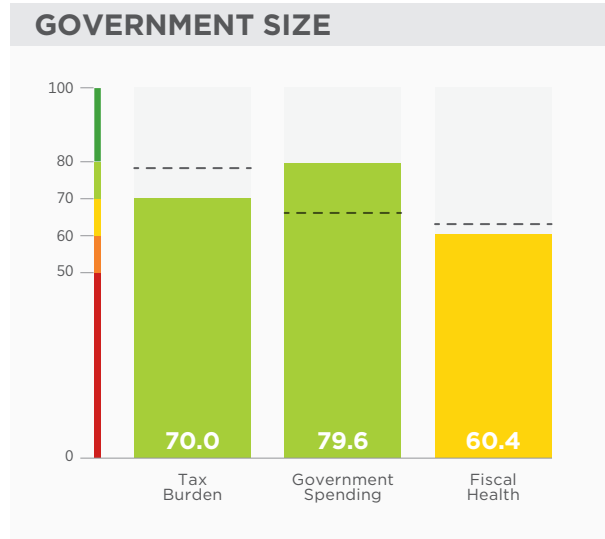
**PUBLIC DEBT:**  
55.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

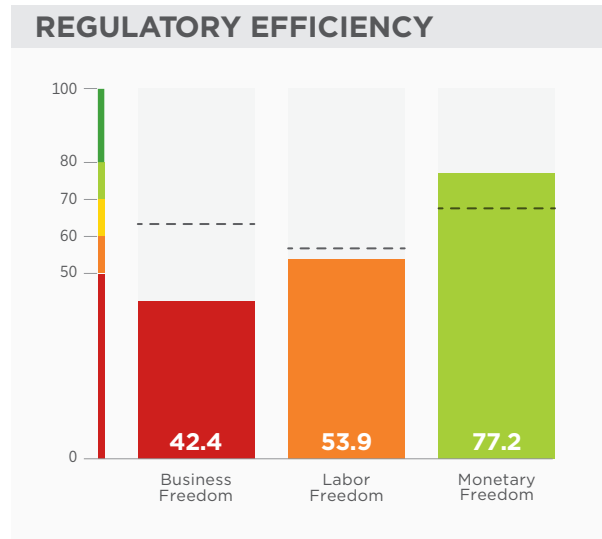
# 12 ECONOMIC FREEDOMS | MALI



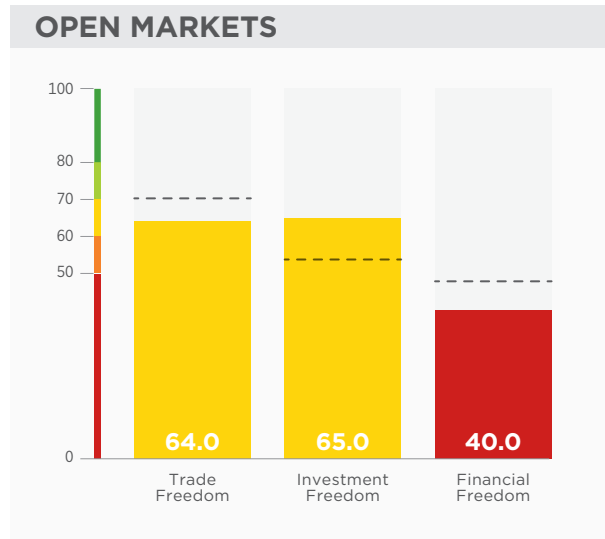
The overall rule of law is weak in Mali. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



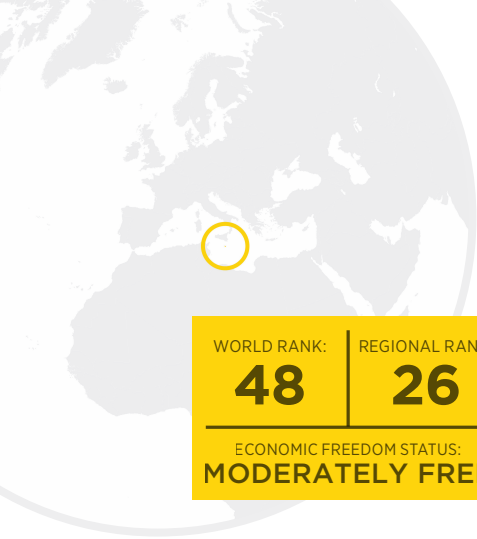
The top individual income tax rate is 40 percent, and the top corporate tax rate is 35 percent. The tax burden equals 13.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.1 percent and -4.6 percent of GDP. Public debt amounts to 55.9 percent of GDP.



Mali'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 above the world average.



The trade-weighted average tariff rate is 10.5 percent, and 20 nontariff measures are in force. The government is trying to encourage economic diversification and broader economic development, but progress is constrained by inadequate financial infrastructure and Mali's fragile security situation.



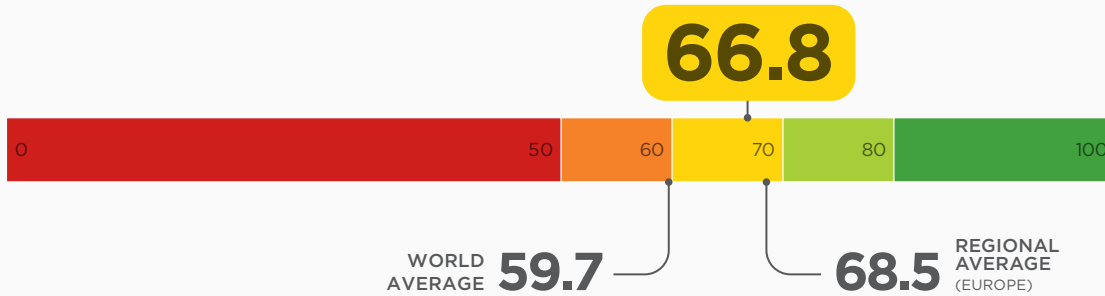
WORLD RANK:	REGIONAL RANK:
<b>48</b>	<b>26</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# MALTA

Malta's economic freedom score is 66.8, making its economy the 48th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.3 points from last year, and Malta is ranked 26th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Malta's economy is considered "moderately free" according to the 2025 *Index*.

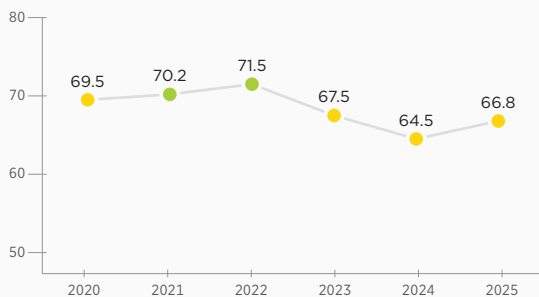
Malta's openness to international trade and investment has enhanced its competitiveness. Despite relatively good performance in many areas, some institutional foundations of economic freedom remain weak. The court system is transparent and relatively free of corruption but inefficient. Bureaucracy still discourages dynamic entrepreneurial activity. Malta has adopted transparent and effective regulations to foster competition, but the pace of reform has slowed. Business regulations are relatively straightforward. The labor market remains relatively rigid. The government mandates a minimum wage.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +10.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.5 million

**GDP (PPP):**  
\$37.5 billion  
7.5% growth in 2023  
3-year average growth rate: 8.4%  
\$69,182 per capita

**UNEMPLOYMENT:**  
3.1%

**INFLATION (CPI):**  
5.6%

**FDI INFLOW:**  
\$4.2 billion

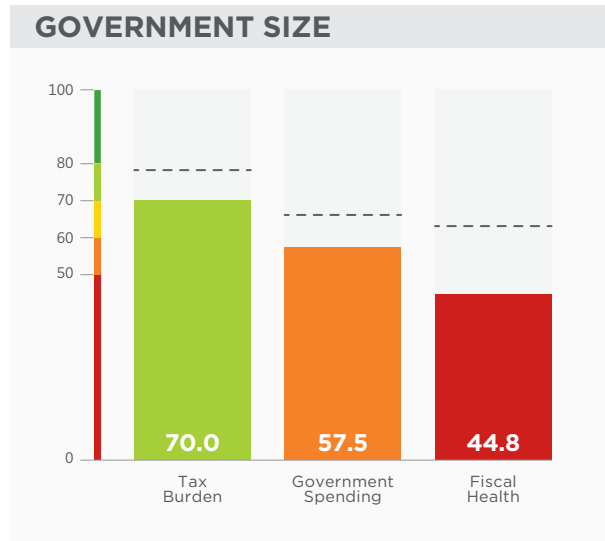
**PUBLIC DEBT:**  
47.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

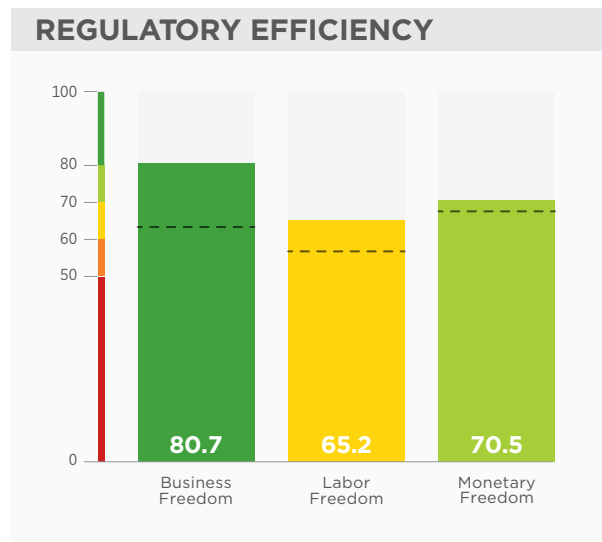
# 12 ECONOMIC FREEDOMS | MALTA



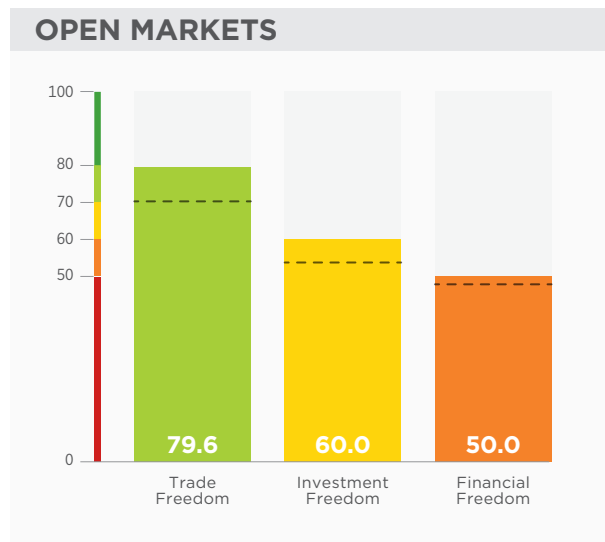
The overall rule of law is well respected in Malta. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



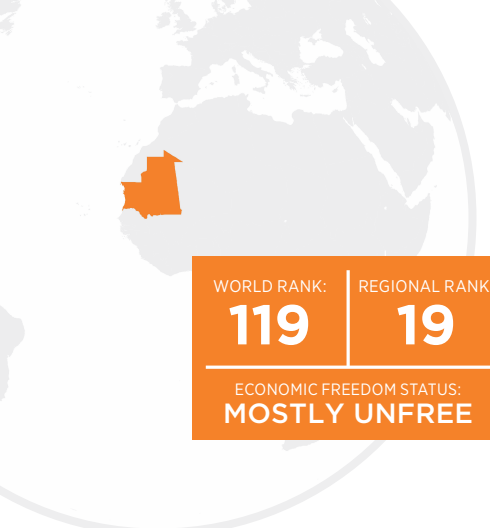
The top individual income tax rate is 35 percent, and the top corporate tax rate is 35 percent. The tax burden equals 23.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.6 percent and -5.6 percent of GDP. Public debt amounts to 47.3 percent of GDP.



Malta's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is welcome, and investment regulations are generally transparent. The financial sector has undergone restructuring, and banking is more open to foreign banks.



WORLD RANK: **119** | REGIONAL RANK: **19**

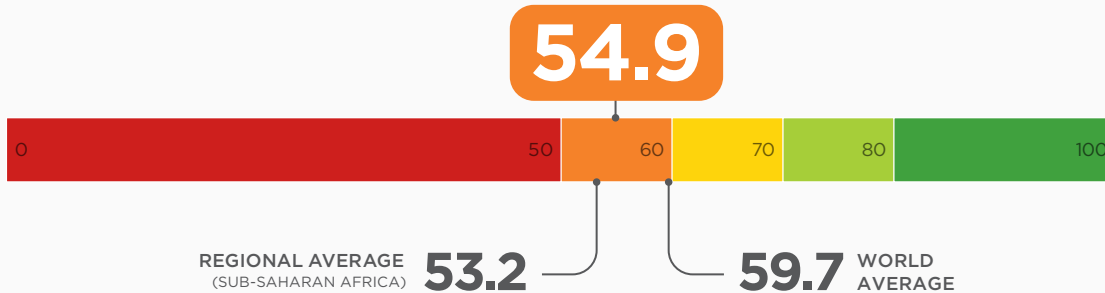
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# MAURITANIA

Mauritania’s economic freedom score is 54.9, making its economy the 119th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Mauritania is ranked 19th out of 47 countries in the Sub-Saharan Africa region. The country’s economic freedom score is lower than the world average and higher than the regional average. Mauritania’s economy is considered “mostly unfree” according to the 2025 *Index*.

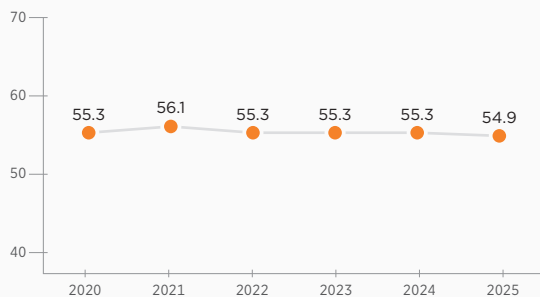
Serious institutional weaknesses continue to perpetuate a poor entrepreneurial environment and undercut prospects for long-term development. Protection of property rights is weak, and enforcement of the fragile rule of law remains limited and subject to political influence. Financial-sector shallowness and burdensome trade barriers continue to undermine overall economic efficiency. The regulatory environment imposes significant burdens on potential entrepreneurs. Outmoded labor regulations deter job creation, and the poorly functioning labor market has led to chronically high unemployment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +9.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.4 million

**GDP (PPP):**  
\$34.9 billion  
6.5% growth in 2023  
3-year average growth rate: 4.7%  
\$7,875 per capita

**UNEMPLOYMENT:**  
10.5%

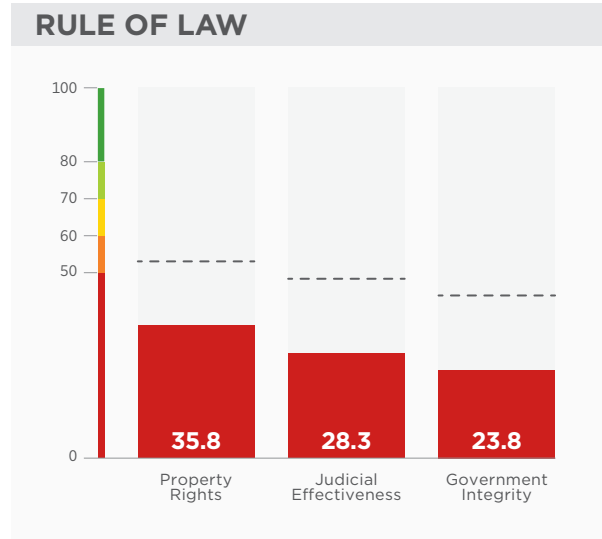
**INFLATION (CPI):**  
4.9%

**FDI INFLOW:**  
\$1.1 billion

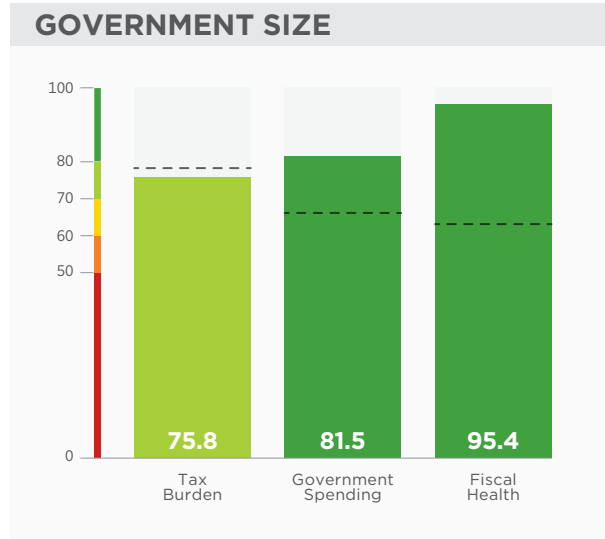
**PUBLIC DEBT:**  
48.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

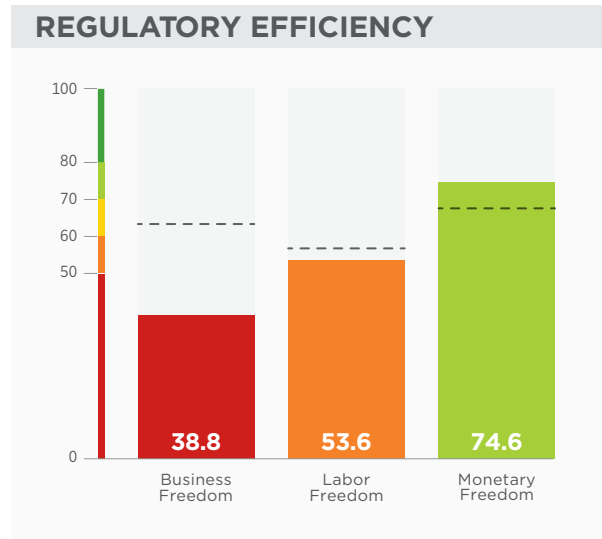
# 12 ECONOMIC FREEDOMS | MAURITANIA



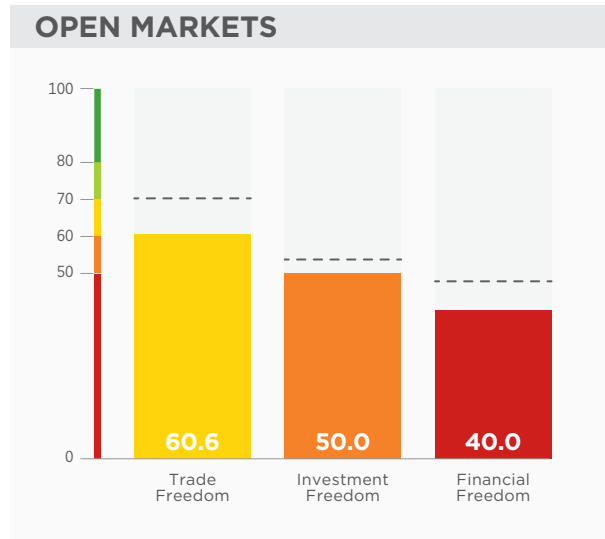
The overall rule of law is weak in Mauritania. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 25 percent. The tax burden equals 14.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.8 percent and -1.0 percent of GDP. Public debt amounts to 48.2 percent of GDP.



Mauritania'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 above the world average.



The trade-weighted average tariff rate is 9.7 percent. Nontariff barriers and other restrictions prevent entrepreneurs from participating in the global economy, and open-market policies to promote investment are not fully institutionalized. The financial sector is dominated by banking and lacks transparency and efficiency.

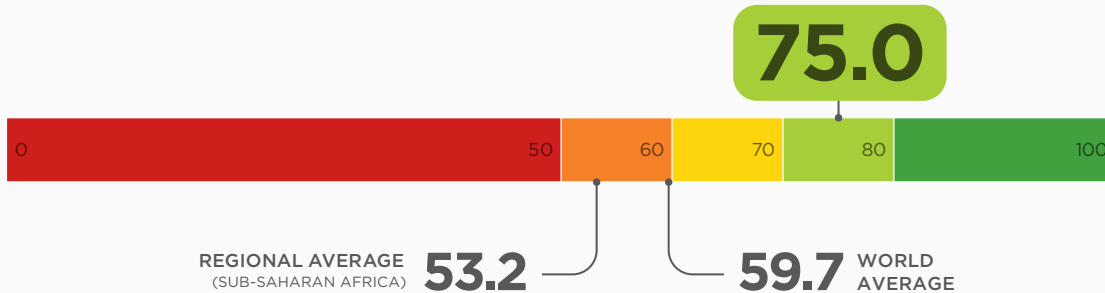
WORLD RANK: **15** | REGIONAL RANK: **1**  
 ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

# MAURITIUS

Mauritius's economic freedom score is 75.0, making its economy the 15th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.5 points from last year, and Mauritius is ranked 1st out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. Mauritius's economy is considered "mostly free" according to the 2025 *Index*.

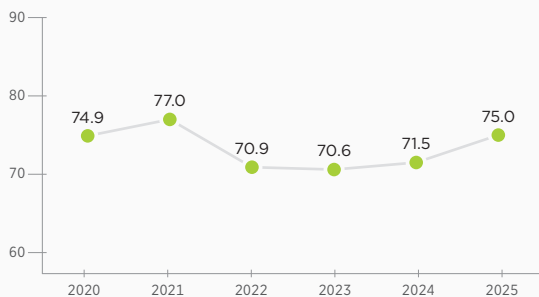
Committed to structural reforms and policies that promote integration into the global marketplace, Mauritius continues to be a leader in economic freedom. A sound and transparent legal framework strongly upholds the rule of law, and the country's efficient regulatory environment and open-market policies encourage broad-based and diversified economic development. The start-up process has been simplified, and labor regulations are relatively flexible. Overall monetary stability has been relatively well maintained. Services and tourism remain important economic drivers, and maritime security is a priority.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1999): +6.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.3 million

**GDP (PPP):**  
\$37.2 billion  
7.0% growth in 2023  
3-year average growth rate: 6.4%  
\$29,511 per capita

**UNEMPLOYMENT:**  
6.1%

**INFLATION (CPI):**  
7.0%

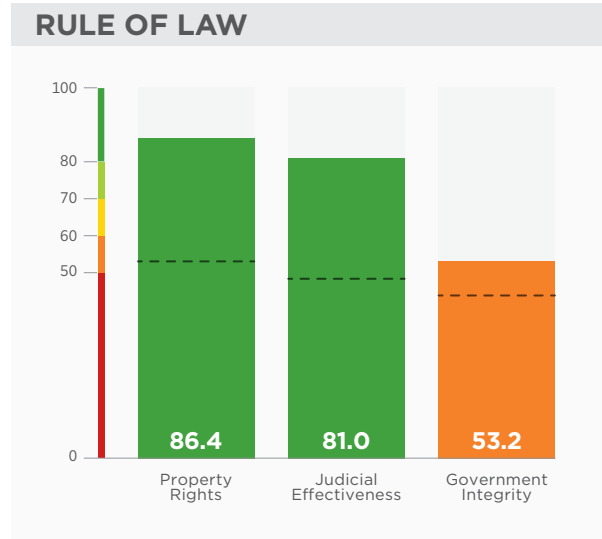
**FDI INFLOW:**  
\$252.0 million

**PUBLIC DEBT:**  
78.6% of GDP

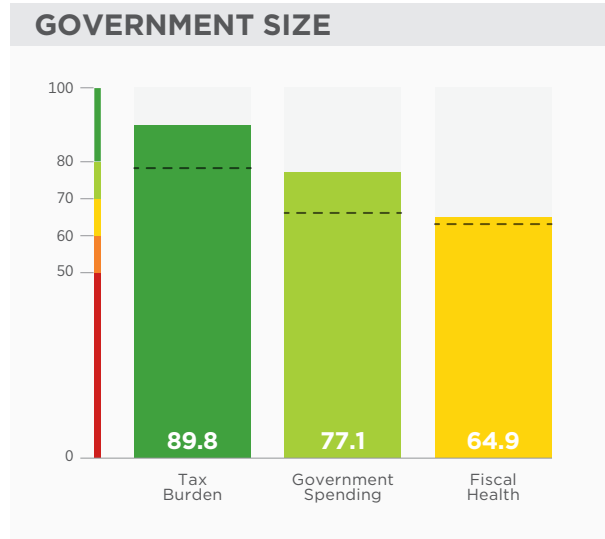
2023 data unless otherwise noted. Data compiled as of November 2024.



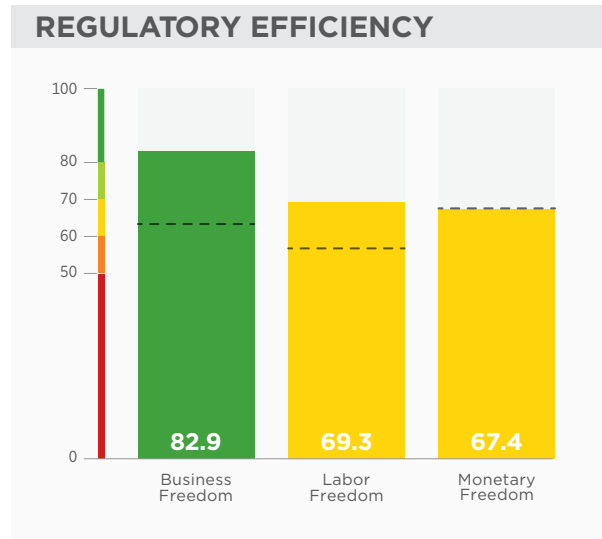
# 12 ECONOMIC FREEDOMS | MAURITIUS



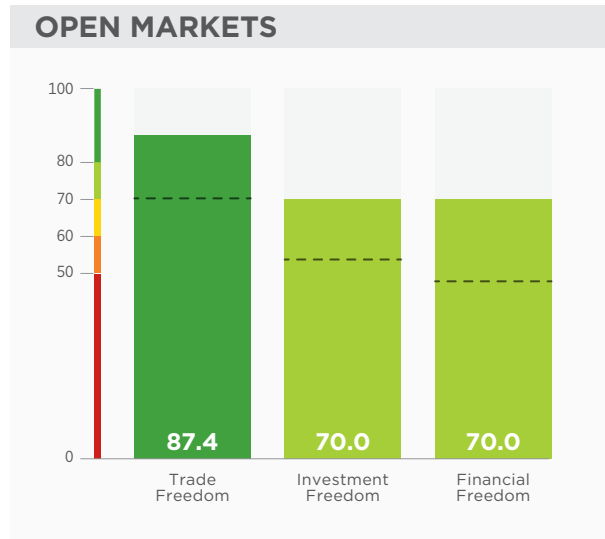
The overall rule of law is well respected in Mauritius. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



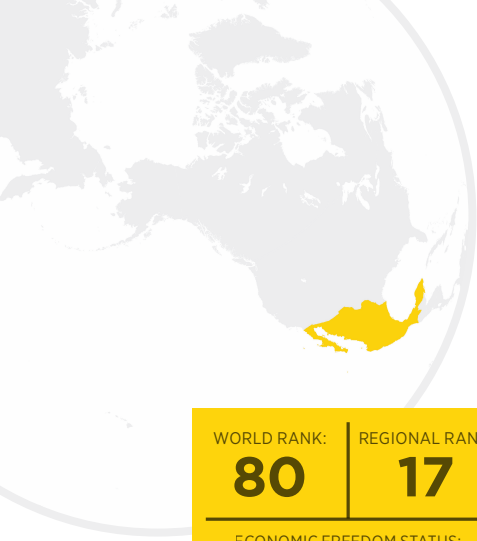
The top individual income tax rate is 20 percent, and the top corporate tax rate is 15 percent. The tax burden equals 19.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.6 percent and -3.8 percent of GDP. Public debt amounts to 78.6 percent of GDP.



Mauritius's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 1.3 percent, and a number of nontariff measures are in force. An efficient and transparent investment framework supports foreign investment inflows. The open investment regime is underpinned by a nondiscriminatory legal system. Private banks dominate the financial sector.



# MEXICO

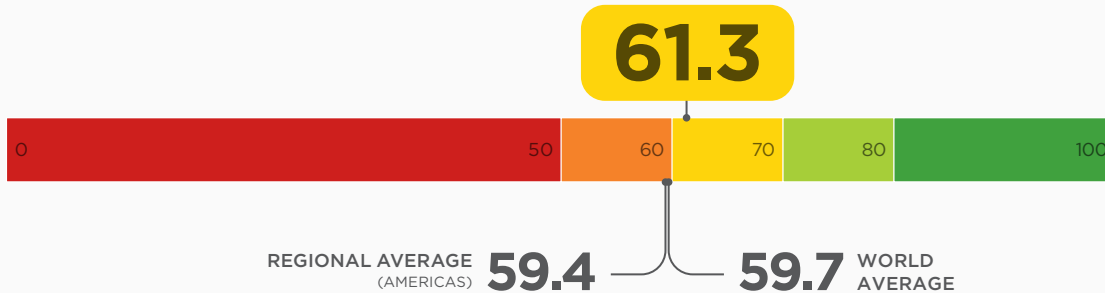
WORLD RANK: **80** | REGIONAL RANK: **17**

ECONOMIC FREEDOM STATUS:  
**MODERATELY FREE**

Mexico's economic freedom score is 61.3, making its economy the 80th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Mexico is ranked 17th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Mexico's economy is considered "moderately free" according to the 2025 *Index*.

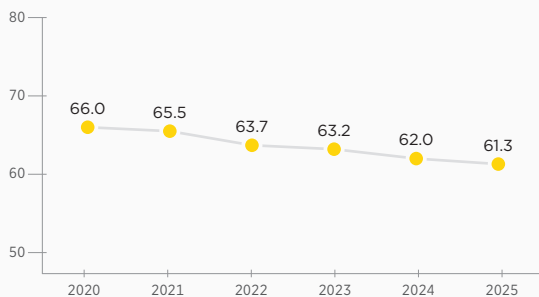
Violence and instability have severely undercut the rule of law in Mexico. Other institutional weaknesses include rampant corruption and poor protection of property rights. The government has an extensive agenda of reforms to address these deficiencies, but progress has been marginal. Uncertain enforcement of contracts, precarious security, and informality undermine business freedom. The pace of reform has slowed in comparison to other emerging economies. Labor market reforms have largely stalled, and the informal sector accounts for a large portion of economic activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
131.1 million

**GDP (PPP):**  
\$3.2 trillion  
3.2% growth in 2023  
3-year average growth rate: 4.3%  
\$24,249 per capita

**UNEMPLOYMENT:**  
2.8%

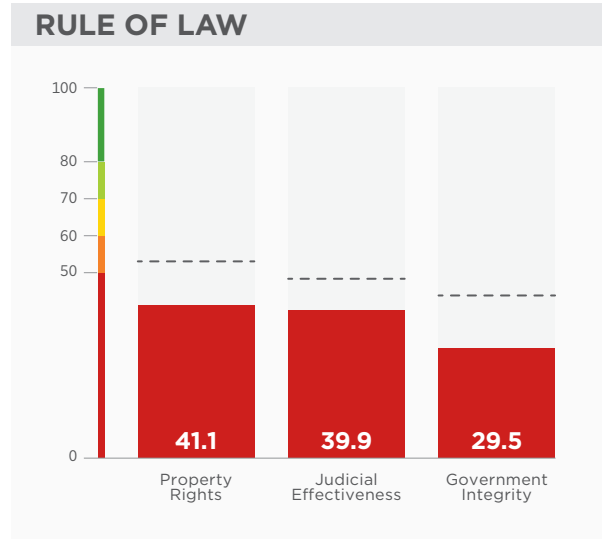
**INFLATION (CPI):**  
5.5%

**FDI INFLOW:**  
\$35.3 billion

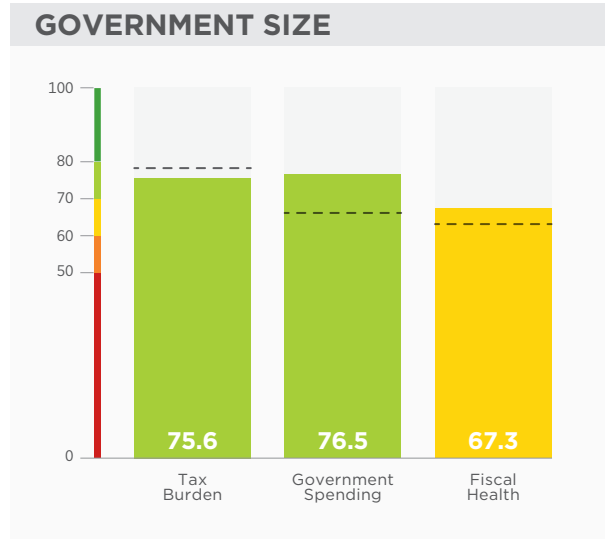
**PUBLIC DEBT:**  
53.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

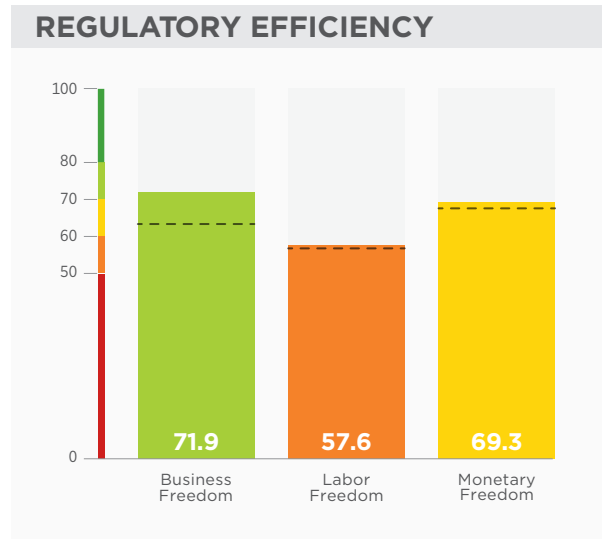
# 12 ECONOMIC FREEDOMS | MEXICO



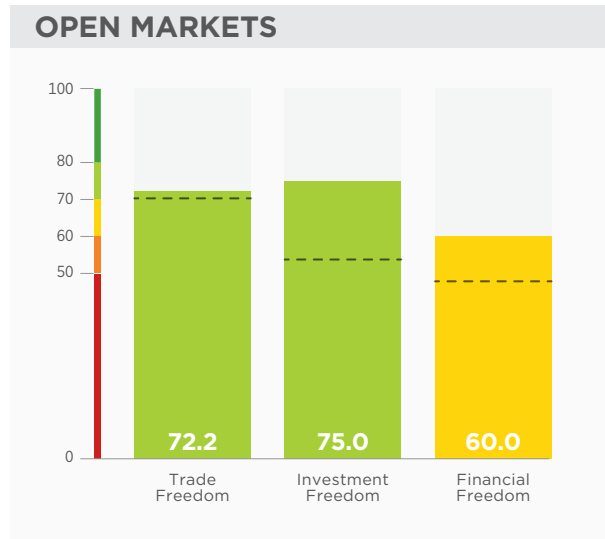
The overall rule of law is weak in Mexico. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



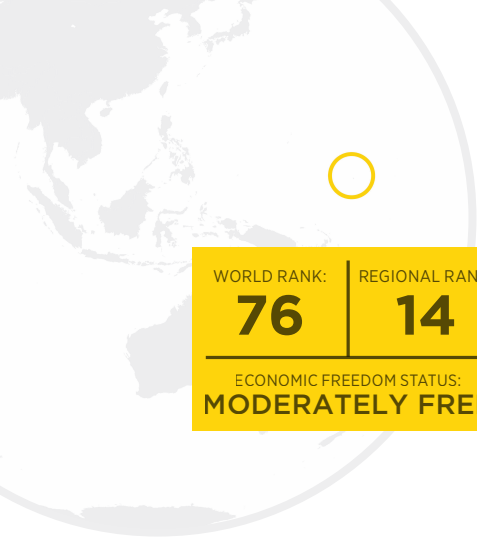
The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.0 percent and -4.1 percent of GDP. Public debt amounts to 53.1 percent of GDP.



Mexico'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 3.9 percent, and more than 200 nontariff measures are in force. Foreign direct investment in most of the economy is permitted, but certain key sectors are still reserved for the state. Much of the well-capitalized banking sector is foreign-owned.



WORLD RANK: **76** | REGIONAL RANK: **14**

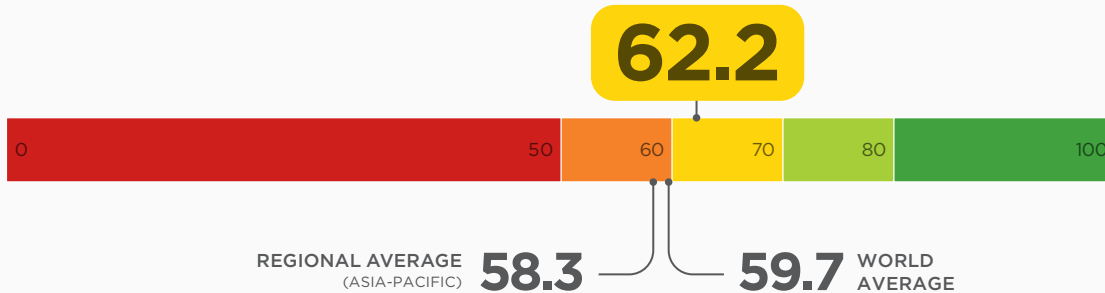
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# MICRONESIA

Micronesia’s economic freedom score is 62.2, making its economy the 76th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Micronesia is ranked 14th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is higher than the world and regional averages. Micronesia’s economy is considered “moderately free” according to the 2025 *Index*.

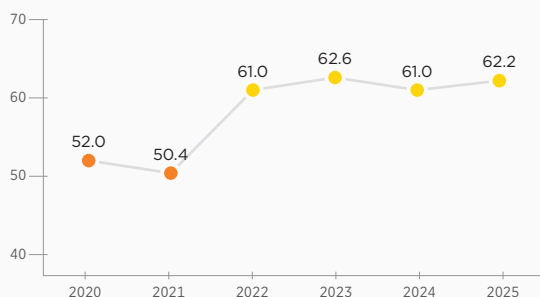
Poor governance and a lack of commitment to structural reform continue to discourage economic development in Micronesia. Long-standing problems include poor management of public finance and underdeveloped regulatory frameworks. The fragile rule of law and weak enforcement of property rights have driven many people into the informal sector. Micronesia is primarily a subsistence economy, and commercial fishing is the key industry. Private-sector jobs lag far behind public-sector jobs. Under a Compact of Free Association, the U.S. has provided economic assistance to Micronesia.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +10.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$428.0 million  
0.8% growth in 2023  
3-year average growth rate: 1.0%  
\$4,527 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
6.2%

**FDI INFLOW:**  
n/a

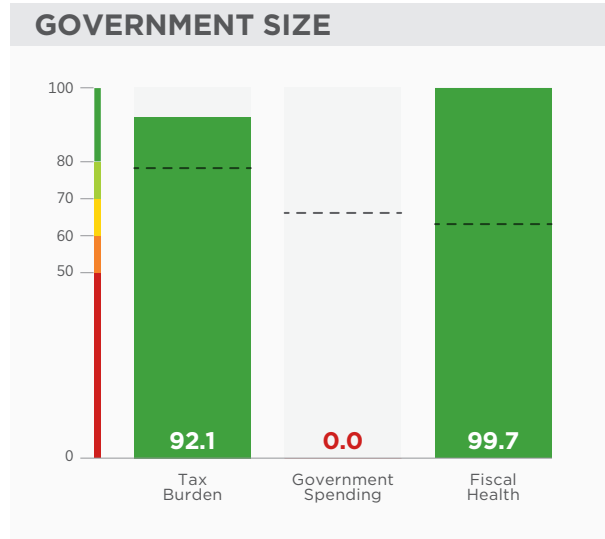
**PUBLIC DEBT:**  
12.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

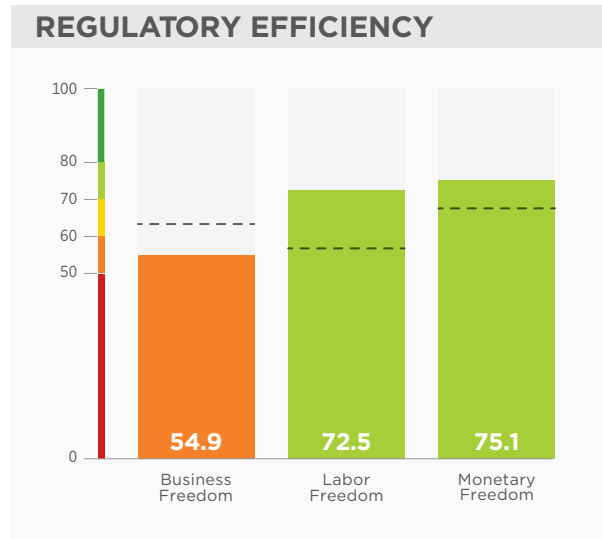
# 12 ECONOMIC FREEDOMS | MICRONESIA



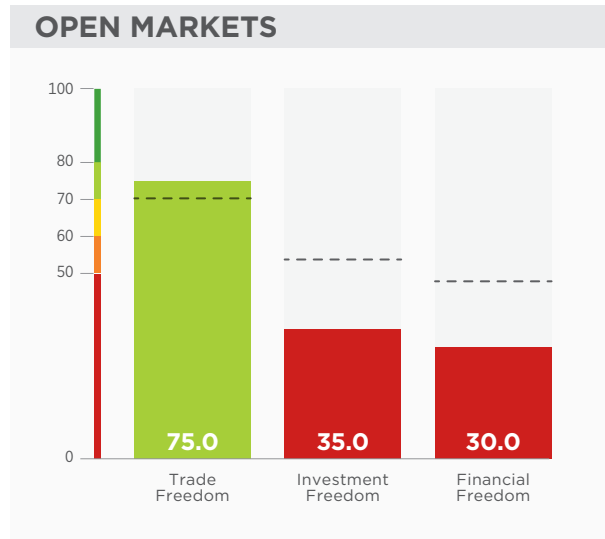
The overall rule of law is well respected in Micronesia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 21 percent. The tax burden equals 15.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 61.3 percent and 4.6 percent of GDP. Public debt amounts to 12.4 percent of GDP.



Micronesia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The average tariff rate is 5.0 percent, but nontariff barriers and poor trade infrastructure limit trade freedom. Numerous impediments discourage foreign investment. High credit costs and scarce access to financing constrain the small private sector. Much of the population does not use formal banking.



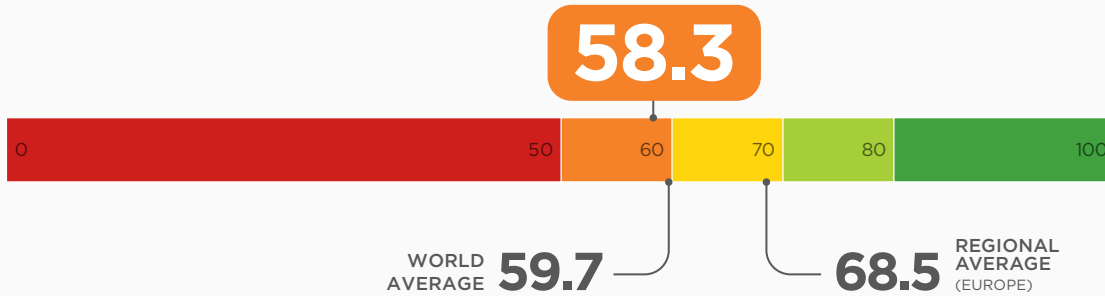
WORLD RANK: <b>97</b>	REGIONAL RANK: <b>41</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# MOLDOVA

Moldova's economic freedom score is 58.3, making its economy the 97th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Moldova 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. Moldova's economy is considered "mostly unfree" according to the 2025 *Index*.

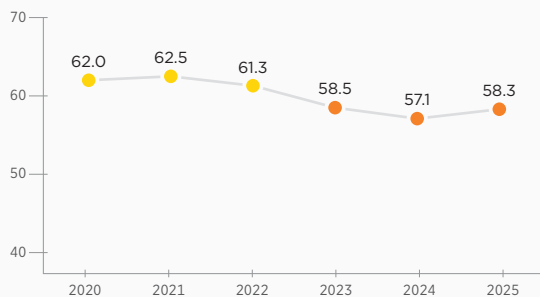
The foundations of economic freedom are neither well-established nor strongly protected in Moldova. Overall progress in achieving sound macro-economic management and enhancing the entrepreneurial climate has been uneven. The country's economic performance is below potential, and the weak rule of law undermines prospects for more significant and dynamic long-term economic development. Moldova has adopted some regulatory reforms, but bureaucracy and a lack of transparency continue to make the formation and operation of private enterprises burdensome.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +25.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.5 million

**GDP (PPP):**  
\$43.2 billion  
0.7% growth in 2023  
3-year average growth rate: 3.2%  
\$17,320 per capita

**UNEMPLOYMENT:**  
1.6%

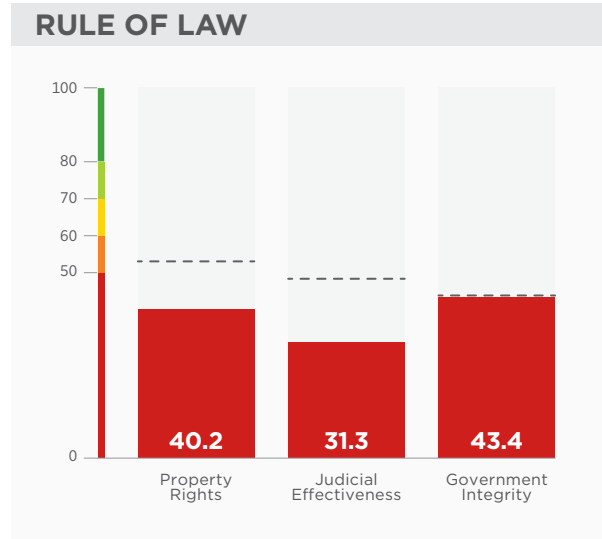
**INFLATION (CPI):**  
13.4%

**FDI INFLOW:**  
\$587.0 million

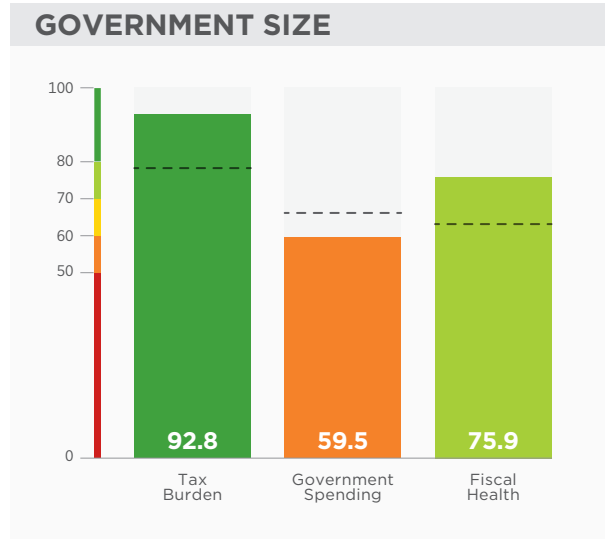
**PUBLIC DEBT:**  
35.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

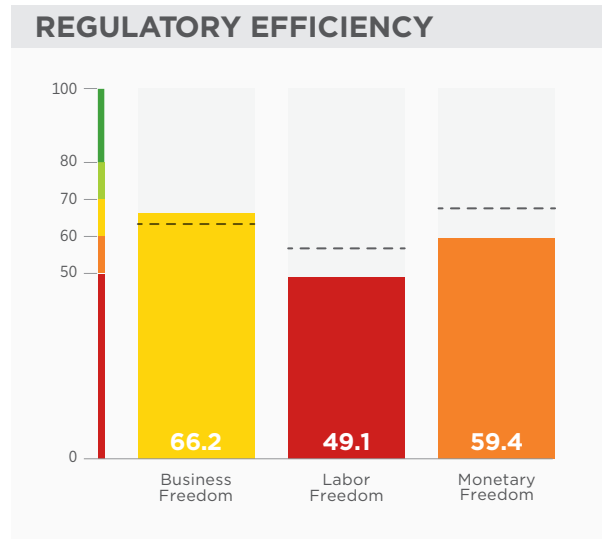
# 12 ECONOMIC FREEDOMS | MOLDOVA



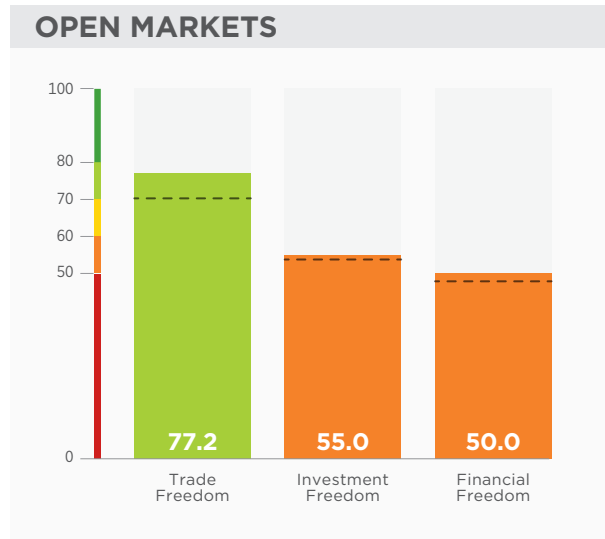
The overall rule of law is weak in Moldova. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



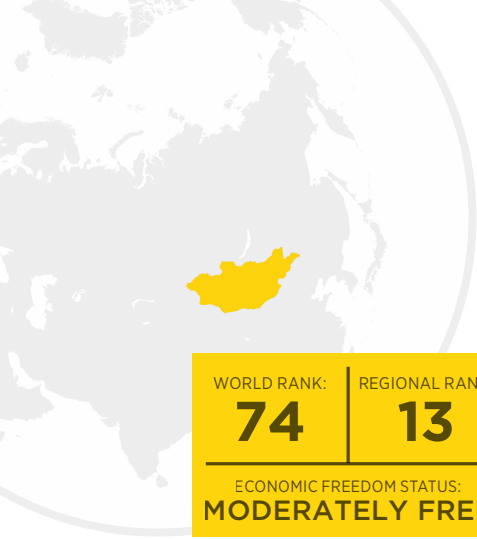
The top individual income tax rate is 12 percent, and the top corporate tax rate is 12 percent. The tax burden equals 20.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.7 percent and -3.7 percent of GDP. Public debt amounts to 35.3 percent of GDP.



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



The trade-weighted average tariff rate is 3.9 percent, and eight nontariff measures are in force. The investment framework lacks transparency and efficiency. Long-term financing remains difficult. Approximately 45 percent of adult Moldovans have access to an account with a formal banking institution.



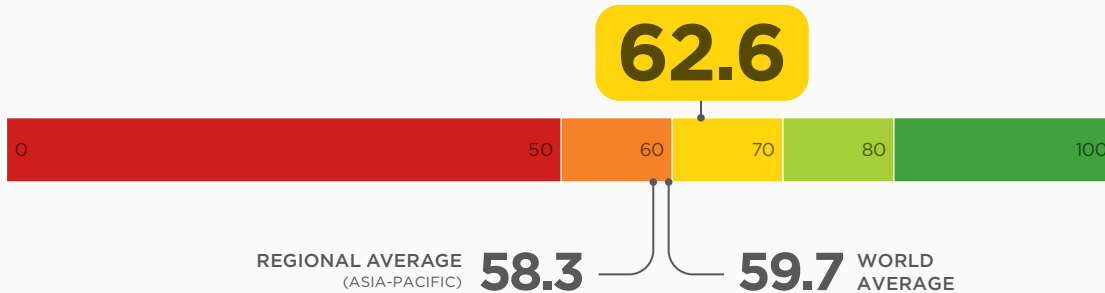
WORLD RANK:	REGIONAL RANK:
<b>74</b>	<b>13</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# MONGOLIA

Mongolia's economic freedom score is 62.6, making its economy the 74th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.0 points from last year, and Mongolia is ranked 13th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Mongolia's economy is considered "moderately free" according to the 2025 *Index*.

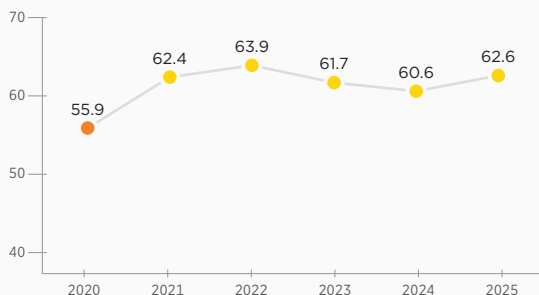
Mongolia's entrepreneurial sector benefits from a relatively open trade regime, and economic reforms have supported economic expansion and reductions in poverty. However, corruption and the weak rule of law discourage economic development. Judicial reforms and more streamlined public administration would help to sustain economic growth and broaden the improvement of living standards. The regulatory framework is evolving slowly. Employment regulations are relatively flexible, but the labor market lacks dynamism. Inflation has been volatile, and the most recent available rate is 10.3 percent.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +14.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.5 million

**GDP (PPP):**  
\$62.7 billion  
7.4% growth in 2023  
3-year average growth rate: 4.7%  
\$17,884 per capita

**UNEMPLOYMENT:**  
6.1%

**INFLATION (CPI):**  
10.3%

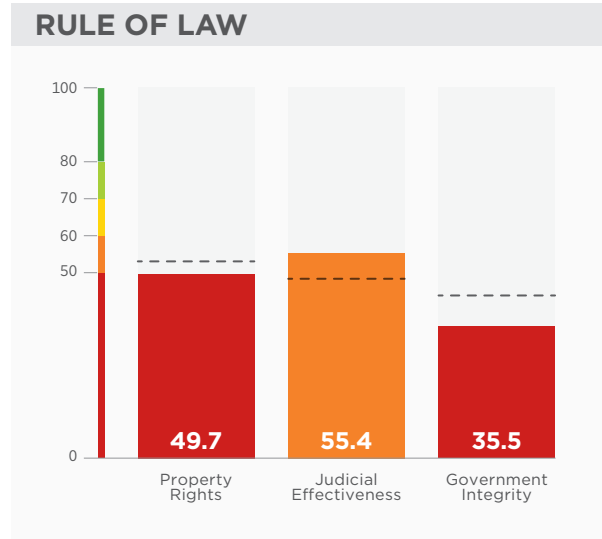
**FDI INFLOW:**  
\$2.5 billion

**PUBLIC DEBT:**  
46.8% of GDP

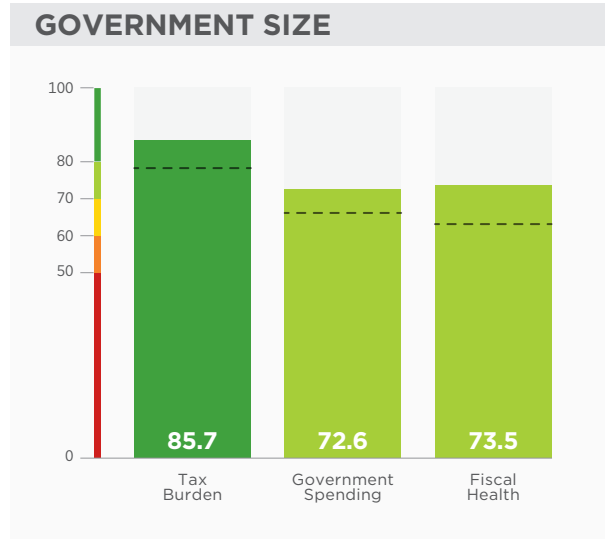
2023 data unless otherwise noted. Data compiled as of November 2024.



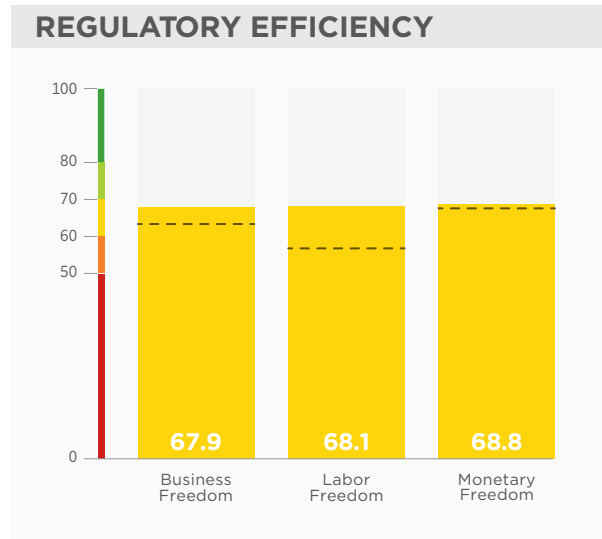
# 12 ECONOMIC FREEDOMS | MONGOLIA



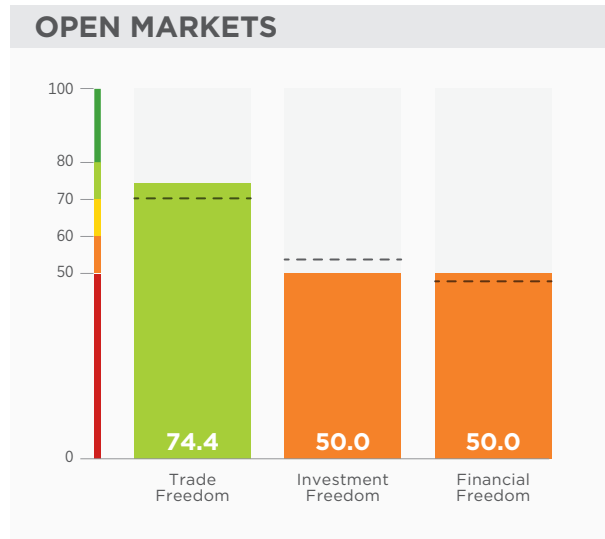
The overall rule of law is weak in Mongolia. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



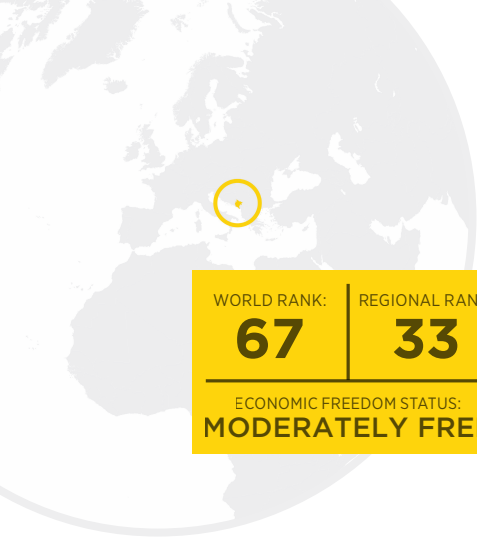
The top individual income tax rate is 20 percent, and the top corporate tax rate is 25 percent. The tax burden equals 20.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.2 percent and 3.7 percent of GDP. Public debt amounts to 46.8 percent of GDP.



Mongolia'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.3 percent, and other barriers to trade undermine trade flows. In an effort to attract more dynamic investment, Mongolia has pursued measures to liberalize markets and develop a competitive financial sector, but progress has been uneven.



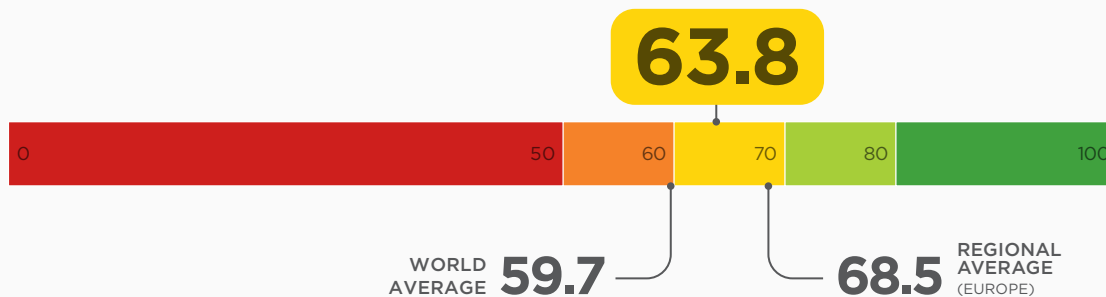
WORLD RANK:	REGIONAL RANK:
<b>67</b>	<b>33</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# MONTENEGRO

Montenegro's economic freedom score is 63.8, making its economy the 67th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 4.1 points from last year, and Montenegro is ranked 33rd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Montenegro's economy is considered "moderately free" according to the 2025 *Index*.

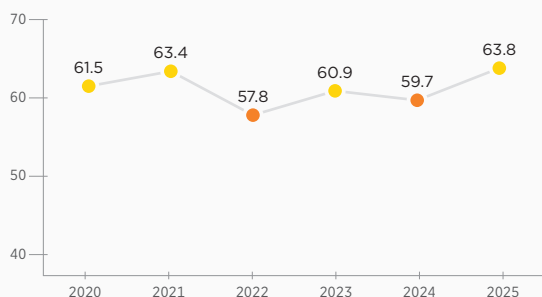
Montenegro's prospects for long-term economic growth are limited by ineffectiveness in fighting corruption and a lack of institutional commitment to the strong protection of property rights. The judicial framework remains vulnerable to political interference. Major challenges include political instability, corruption, and a lack of more sustainable investment. The number of licensing requirements has been reduced, but the pace of reform has slowed. Inflexible labor regulations discourage more dynamic job creation. Inflationary pressures persist, and overall price levels have increased.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): +17.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.6 million

**GDP (PPP):**  
\$19.0 billion  
6.0% growth in 2023  
3-year average growth rate: 8.5%  
\$30,007 per capita

**UNEMPLOYMENT:**  
15.3%

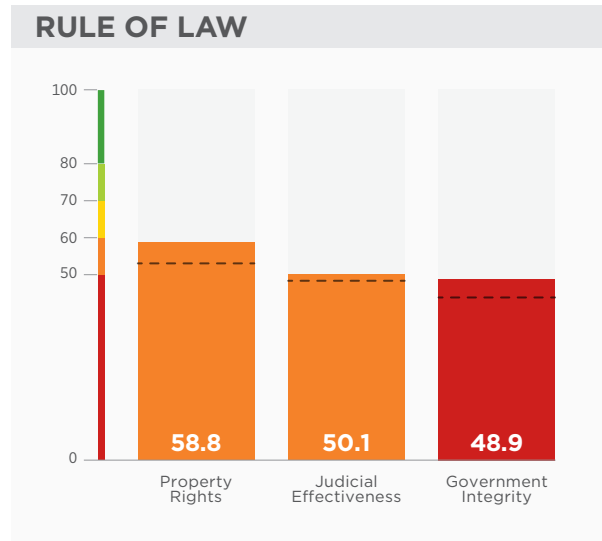
**INFLATION (CPI):**  
8.6%

**FDI INFLOW:**  
\$877.0 million

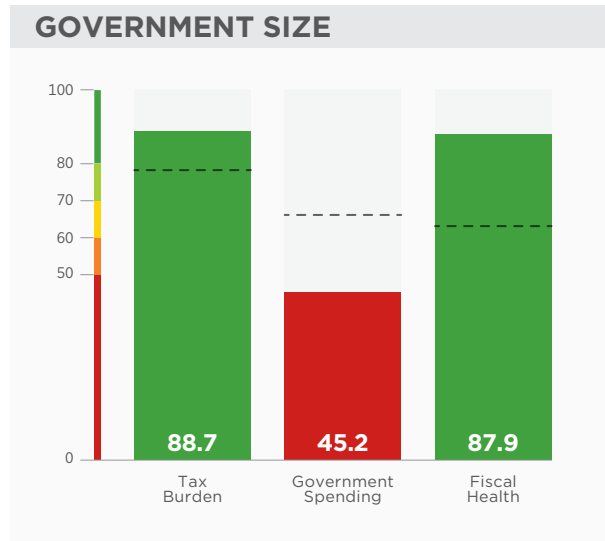
**PUBLIC DEBT:**  
61.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

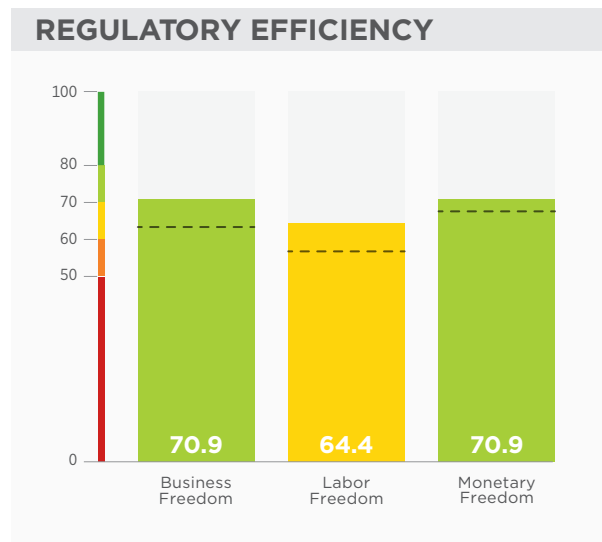
# 12 ECONOMIC FREEDOMS | MONTENEGRO



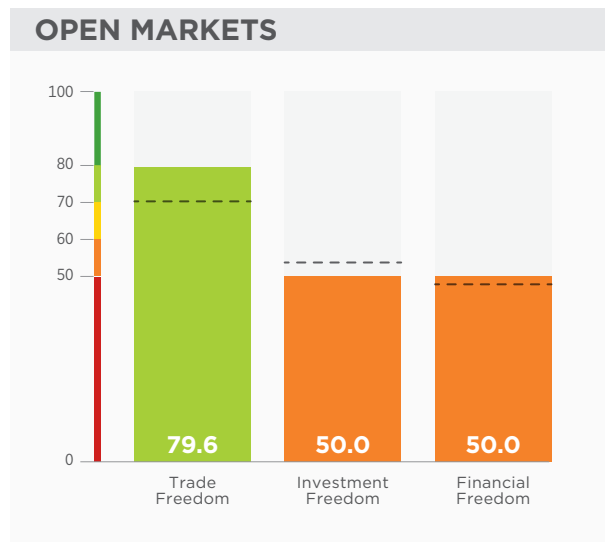
The overall rule of law is relatively well respected in Montenegro. The country's property rights score is above the world average; its judicial effectiveness score is slightly above the world average; and its government integrity score is above the world average.



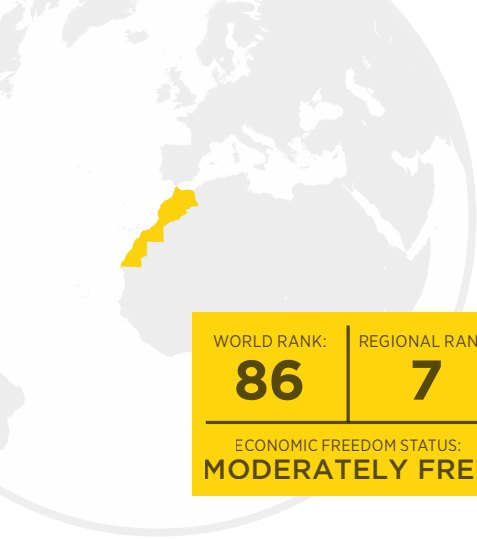
The top individual income tax rate is 15 percent, and the top corporate tax rate is 15 percent. The tax burden equals 26.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.7 percent and -1.7 percent of GDP. Public debt amounts to 61.5 percent of GDP.



Montenegro'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.2 percent. The regulatory and legal frameworks that govern foreign investment generally facilitate the development of a growing private sector. The financial sector is small, but the level of participation and investment by foreign banks is significant.



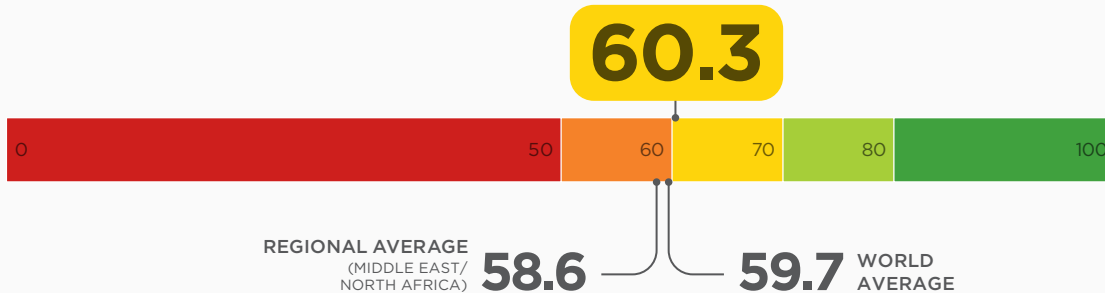
WORLD RANK:	REGIONAL RANK:
<b>86</b>	<b>7</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# MOROCCO

Morocco's economic freedom score is 60.3, making its economy the 86th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.5 points from last year, and Morocco is ranked 7th 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. Morocco's economy is considered "moderately free" according to the 2025 *Index*.

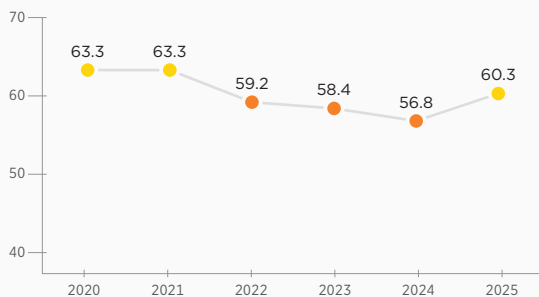
Morocco's notable progress in elevating its economic freedom is due to reforms that encourage greater private-sector dynamism. Competitiveness has improved, and the productive base has diversified. Some challenges will require deeper institutional reforms. Procedures for setting up and registering private enterprises are more streamlined, but licensing requirements are still relatively costly. Labor market rigidity still discourages dynamic job growth, and much of the labor force remains marginalized in the informal sector. Monetary stability has been maintained with relatively modest inflation.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
37.0 million

**GDP (PPP):**  
\$376.9 billion  
3.4% growth in 2023  
3-year average growth rate: 4.4%  
\$10,181 per capita

**UNEMPLOYMENT:**  
9.1%

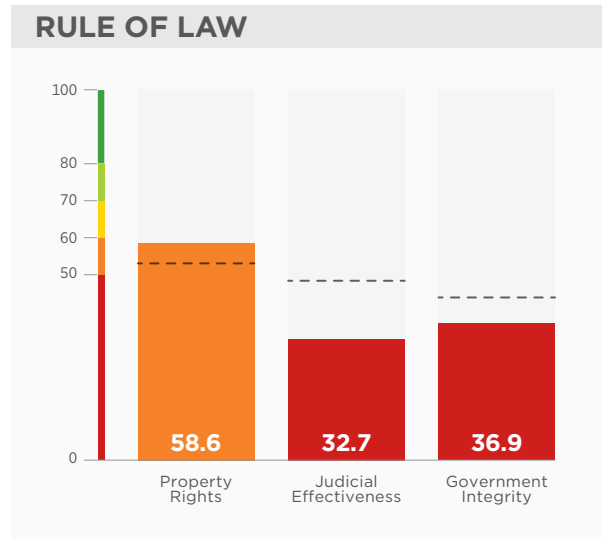
**INFLATION (CPI):**  
6.1%

**FDI INFLOW:**  
\$2.1 billion

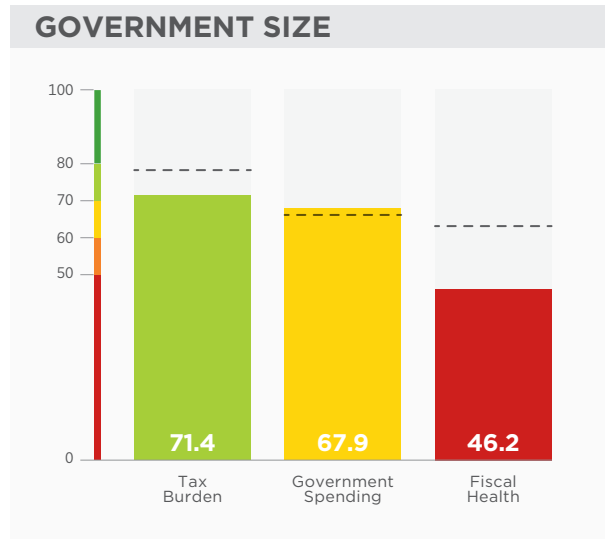
**PUBLIC DEBT:**  
69.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

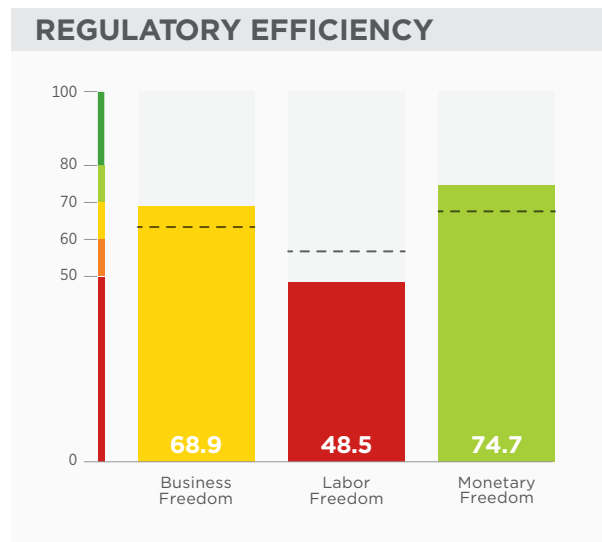
# 12 ECONOMIC FREEDOMS | MOROCCO



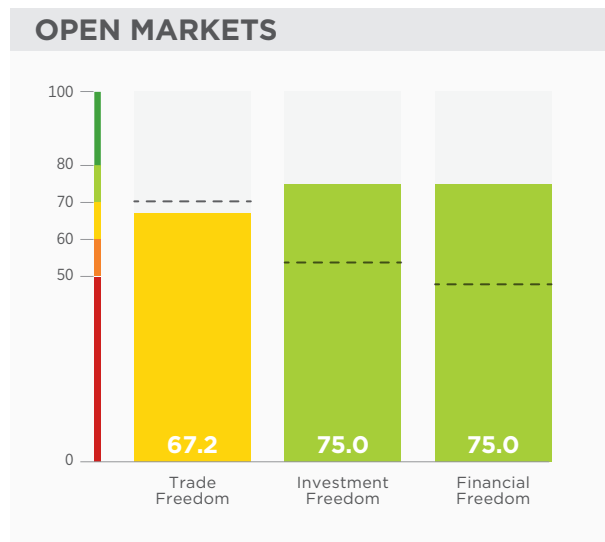
The overall rule of law is weak in Morocco. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 38 percent, and the top corporate tax rate is 32 percent. The tax burden equals 19.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.7 percent and -5.3 percent of GDP. Public debt amounts to 69.5 percent of GDP.



Morocco'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 above the world average.



The trade-weighted average tariff rate is 13.9 percent. Foreign and domestic investors are generally treated equally under the law. The competitive financial sector continues to grow and offers a range of financing options. The stock exchange does not limit foreign participation.

WORLD RANK:

147

REGIONAL RANK:

35

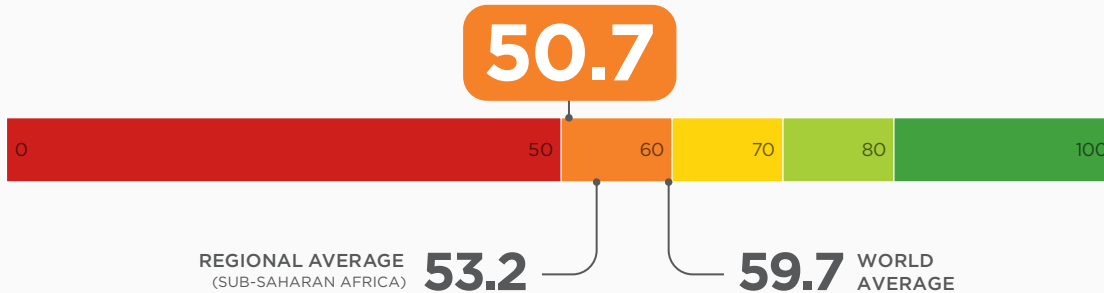
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MOZAMBIQUE

Mozambique's economic freedom score is 50.7, making its economy the 147th freest in the 2025 *Index of Economic Freedom*. Its rating is unchanged from last year, and Mozambique is ranked 35th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Mozambique's economy is considered "mostly unfree" according to the 2025 *Index*.

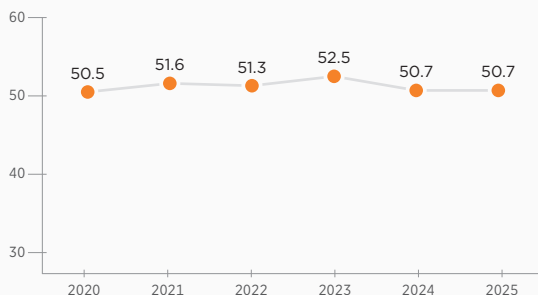
Progress with reforms to encourage economic development has been very gradual in Mozambique. Private-sector involvement in the economy is substantial, but privatization of state-owned enterprises has slowed. Persistent institutional and fiscal shortcomings have a negative effect on long-term economic development. Judicial enforcement is subject to corruption and political influence. The regulatory environment remains inefficient and burdensome. In recent years, with the country confronted by an increasingly burdensome external debt and liquidity risks, the government of Mozambique has focused on restoring macroeconomic stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.9 million

**GDP (PPP):**  
\$56.4 billion  
5.4% growth in 2023  
3-year average growth rate: 4.1%  
\$1,665 per capita

**UNEMPLOYMENT:**  
3.5%

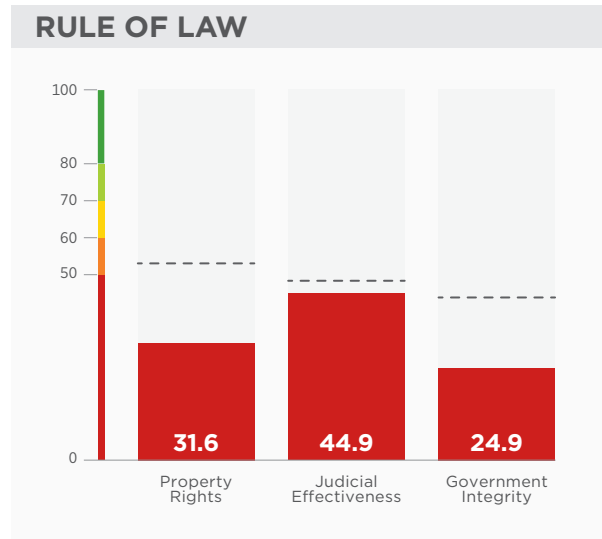
**INFLATION (CPI):**  
7.0%

**FDI INFLOW:**  
\$2.0 billion

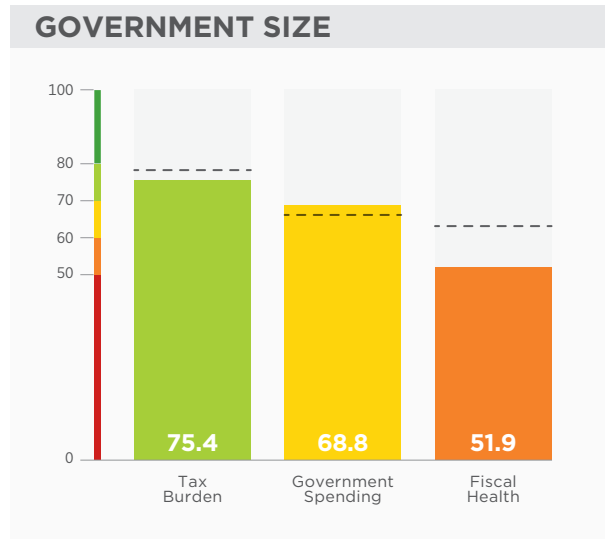
**PUBLIC DEBT:**  
93.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

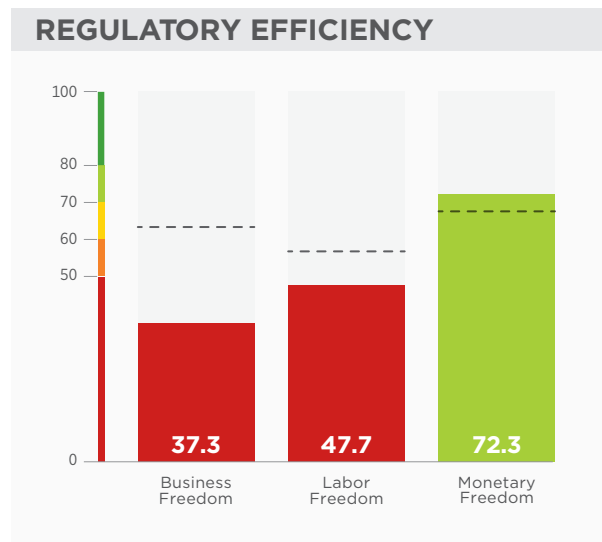
# 12 ECONOMIC FREEDOMS | MOZAMBIQUE



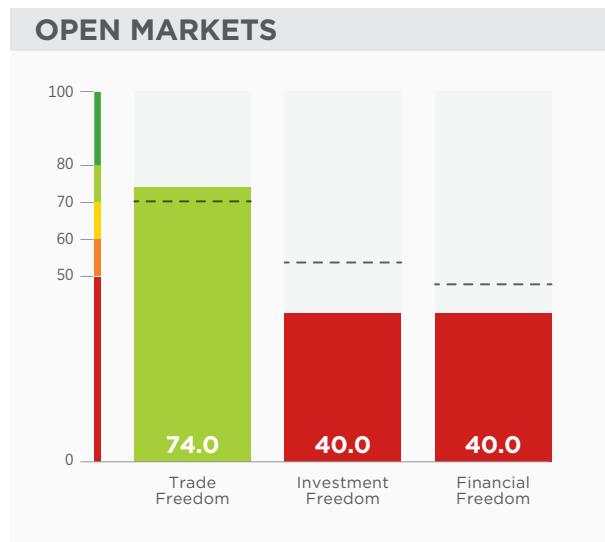
The overall rule of law is weak in Mozambique. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 32 percent, and the top corporate tax rate is 32 percent. The tax burden equals 20.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.2 percent and -4.4 percent of GDP. Public debt amounts to 93.9 percent of GDP.



Mozambique'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 above the world average.



The trade-weighted average tariff rate is 7.2 percent. The government's approval of investments depends on the size of the investment. Institutional and regulatory shortcomings continue to undermine expansion of the private sector. The financial sector is dominated by banking and remains underdeveloped.

WORLD RANK:

94

REGIONAL RANK:

7

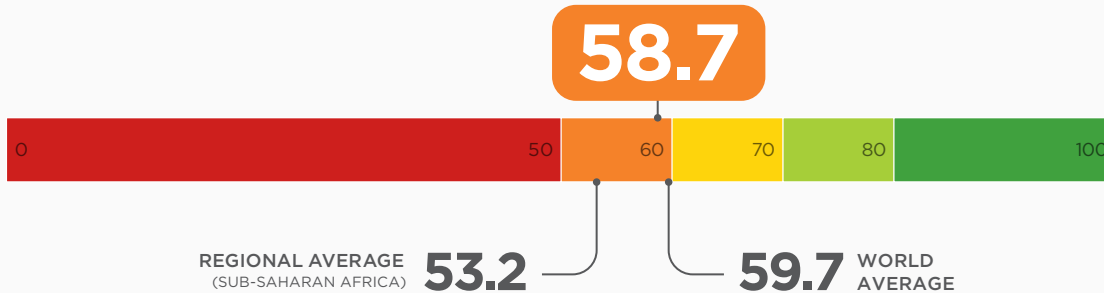
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# NAMIBIA

Namibia's economic freedom score is 58.7, making its economy the 94th freest in the *2025 Index of Economic Freedom*. Its rating has increased by 1.2 points from last year, and Namibia is ranked 7th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Namibia's economy is considered "mostly unfree" according to the *2025 Index*.

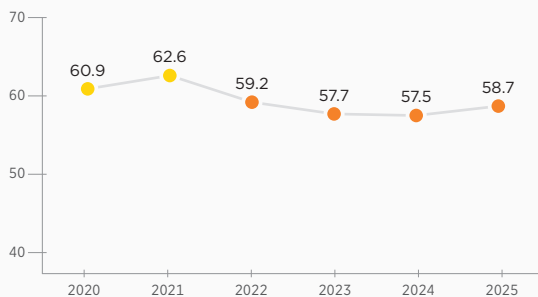
Economic expansion in Namibia is not strongly sustained by government policies or institutions. Deficiencies in the judicial framework constrain overall economic freedom. Protection of property rights is weak, and the government has not been effective in fighting corruption. Business regulations are enacted by the government without any input from private-sector stakeholders. Labor regulations are not rigid, but the labor market lacks dynamism. Mining accounts for more than 50 percent of foreign exchange earnings.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): -2.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.9 million

**GDP (PPP):**  
\$33.2 billion  
4.2% growth in 2023  
3-year average growth rate: 4.4%  
\$11,350 per capita

**UNEMPLOYMENT:**  
19.4%

**INFLATION (CPI):**  
5.9%

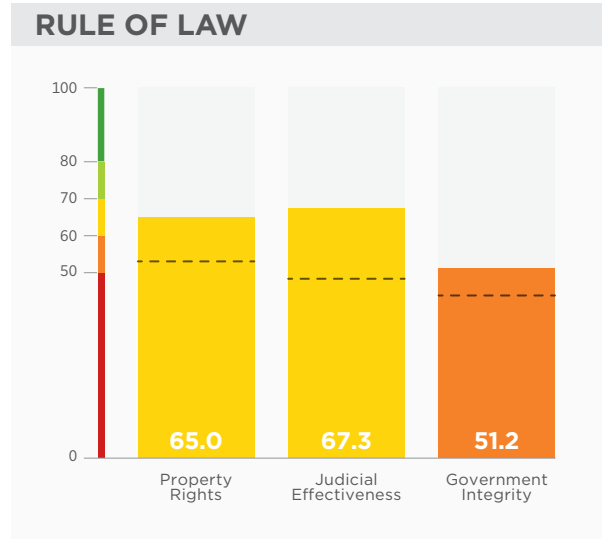
**FDI INFLOW:**  
\$945.0 million

**PUBLIC DEBT:**  
66.1% of GDP

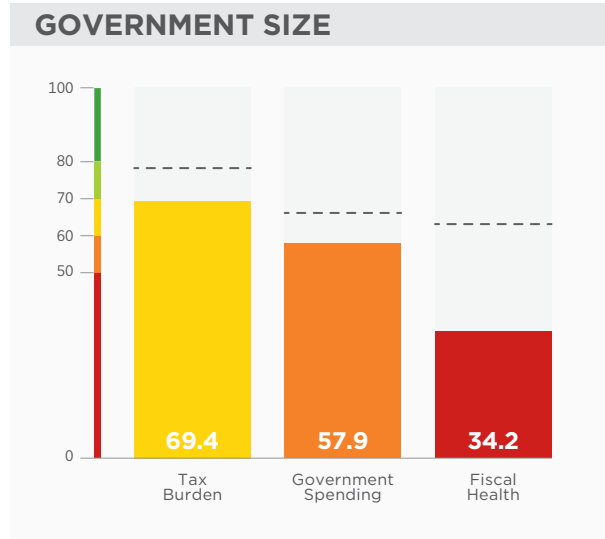
2023 data unless otherwise noted. Data compiled as of November 2024.



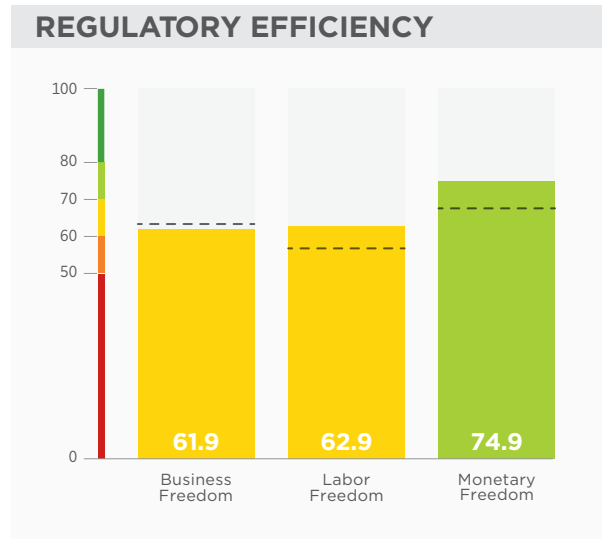
# 12 ECONOMIC FREEDOMS | NAMIBIA



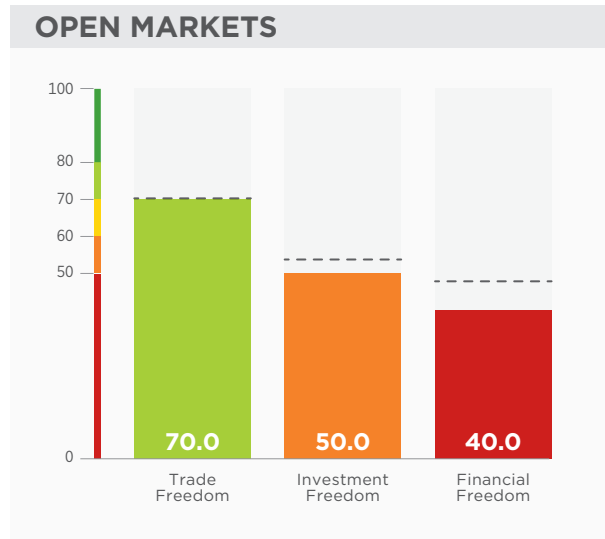
The overall rule of law is relatively well respected in Namibia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 37 percent, and the top corporate tax rate is 32 percent. The tax burden equals 25.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.5 percent and -6.0 percent of GDP. Public debt amounts to 66.1 percent of GDP.



Namibia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 7.5 percent, and other barriers undermine trade freedom. There are no formal limits on foreign ownership, but some sectors are subject to joint local ownership requirements. Despite some progress, financial intermediation is uneven across the country.

WORLD RANK:

131

REGIONAL RANK:

28

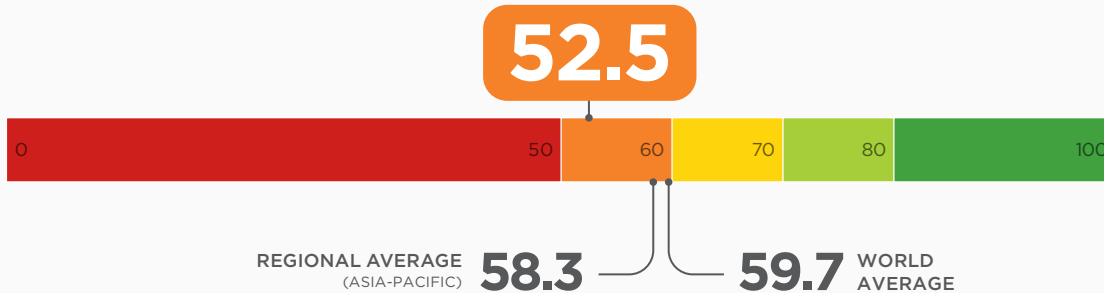
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# NEPAL

Nepal's economic freedom score is 52.5, making its economy the 131st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.4 point from last year, and Nepal is ranked 28th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Nepal's economy is considered "mostly unfree" according to the 2025 *Index*.

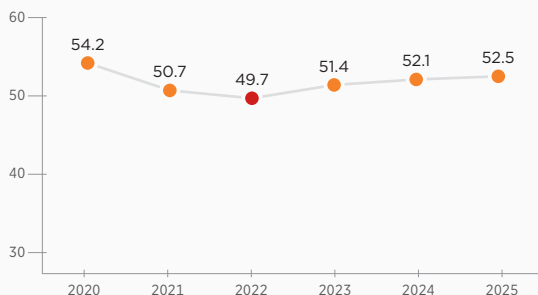
The government's statist approach to the economy seriously weakens economic freedom and development in Nepal. Corruption, a lack of transparency, and a burdensome business approval process impede much-needed expansion of private investment and production. Property rights are poorly protected by the inefficient judicial system, which is subject to substantial political influence. Despite some progress in streamlining the process for launching a business, other time-consuming and costly requirements reduce regulatory efficiency. Labor laws are restrictive. There is a talent drain, especially among educated youth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +2.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**

31.1 million

**GDP (PPP):**

\$160.2 billion  
2.0% growth in 2023  
3-year average growth rate: 4.1%  
\$5,153 per capita

**UNEMPLOYMENT:**

10.7%

**INFLATION (CPI):**

7.8%

**FDI INFLOW:**

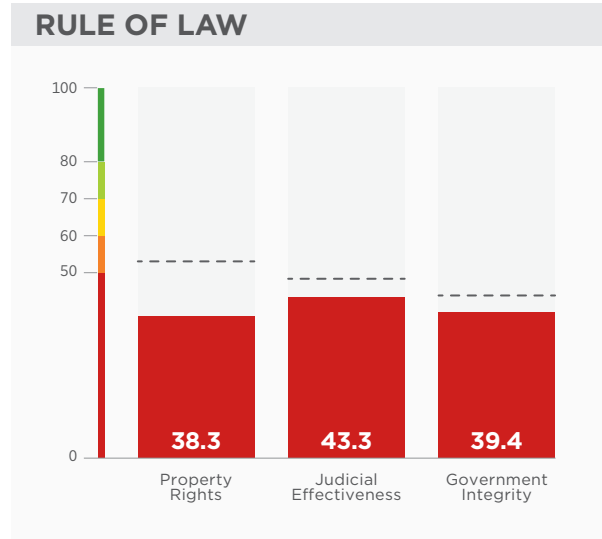
\$65.0 million

**PUBLIC DEBT:**

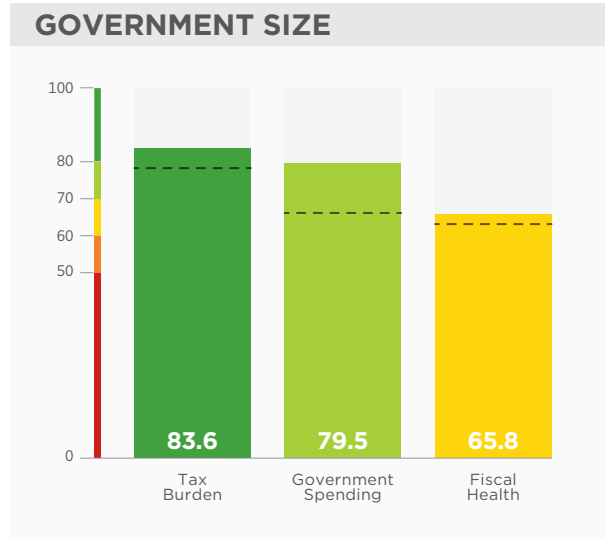
47.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

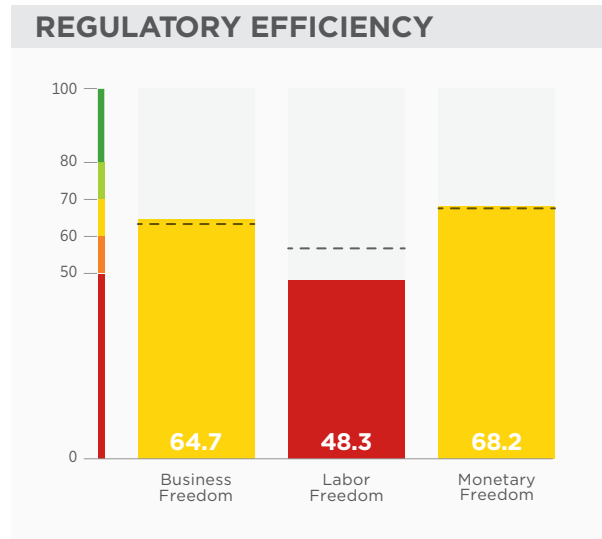
# 12 ECONOMIC FREEDOMS | NEPAL



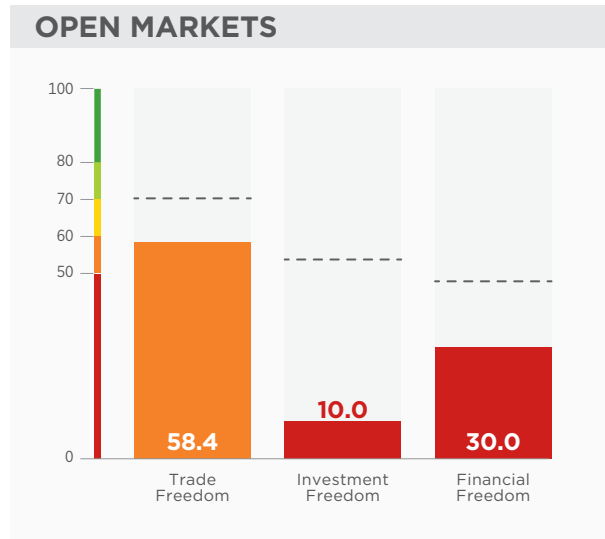
The overall rule of law is weak in Nepal. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 19.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.2 percent and -4.3 percent of GDP. Public debt amounts to 47.1 percent of GDP.



Nepal'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 above the world average.



The trade-weighted average tariff rate is 13.3 percent. The government's statist approach to economic management and development has been a serious drag on trade and investment activities. The financial sector is dominated by banking and remains underdeveloped and vulnerable to state interference.



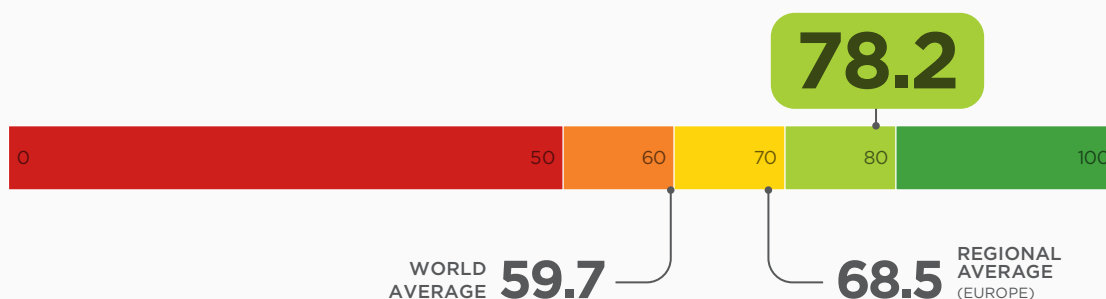
WORLD RANK:	REGIONAL RANK:
<b>10</b>	<b>7</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# NETHERLANDS

The Netherlands' economic freedom score is 78.2, making its economy the 10th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.9 point from last year, and the Netherlands is ranked 7th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. The Netherlands' economy is considered "mostly free" according to the 2025 *Index*.

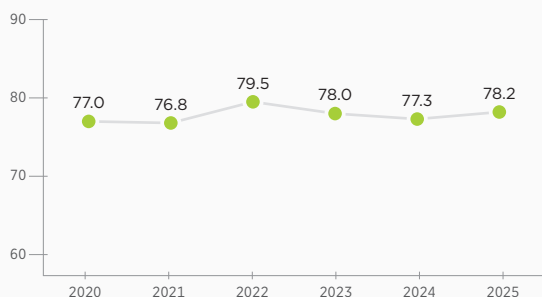
The Dutch economy benefits from a traditional emphasis on the rule of law and an efficient legal framework. The independent and corruption-free judiciary provides strong protection of property rights. Openness to global trade and investment is well established, and the regulatory and entrepreneurial environment remains transparent and efficient. Highly competitive logistics and stable political conditions enhance business freedom. Labor regulations are relatively rigid, and the non-salary cost of employing a worker is high. Monetary stability is maintained despite inflationary pressures.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +8.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.8 million

**GDP (PPP):**  
\$1.4 trillion  
0.1% growth in 2023  
3-year average growth rate: 3.8%  
\$79,586 per capita

**UNEMPLOYMENT:**  
3.6%

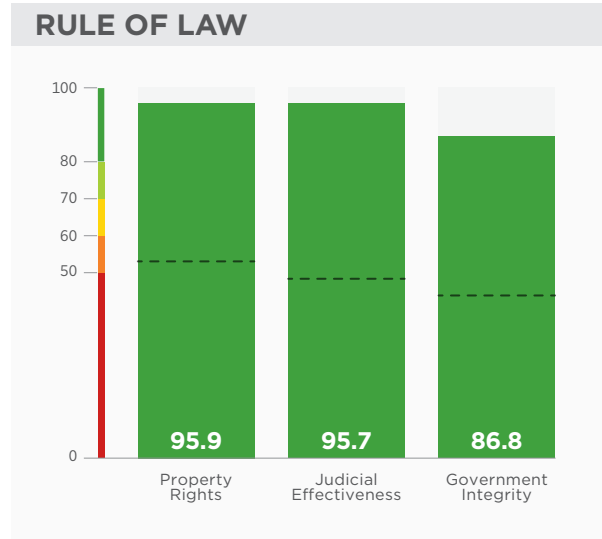
**INFLATION (CPI):**  
4.1%

**FDI INFLOW:**  
-\$67.3 billion

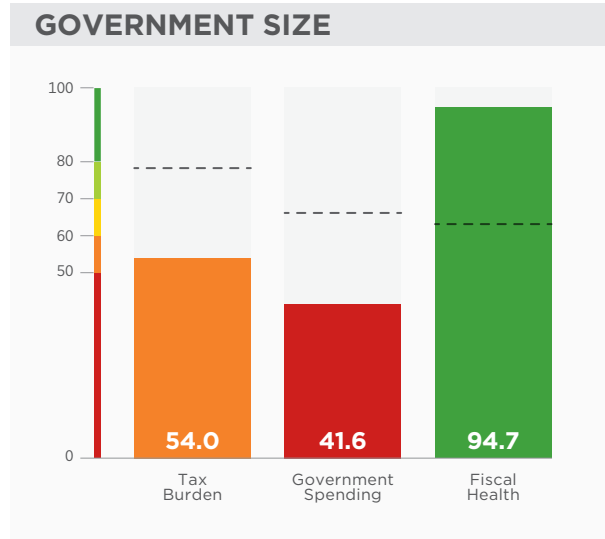
**PUBLIC DEBT:**  
45.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

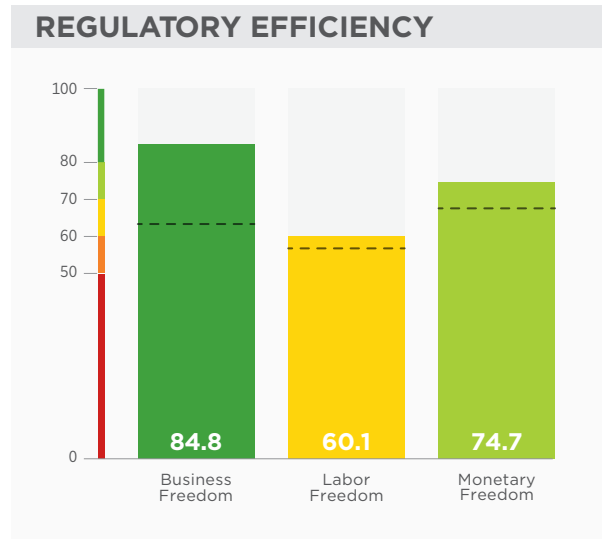
# 12 ECONOMIC FREEDOMS | NETHERLANDS



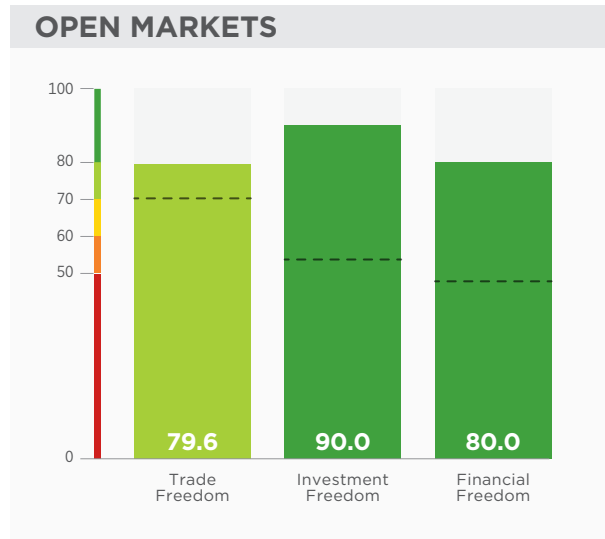
The overall rule of law is very well respected in the Netherlands. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 49.5 percent, and the top corporate tax rate is 25.8 percent. The tax burden equals 38.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.1 percent and -0.9 percent of GDP. Public debt amounts to 45.0 percent of GDP.



The Netherlands' overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is not subject to restrictive screening, and there are no restrictions on investment in most sectors. Sensible banking regulations facilitate entrepreneurial growth.



# NEW ZEALAND

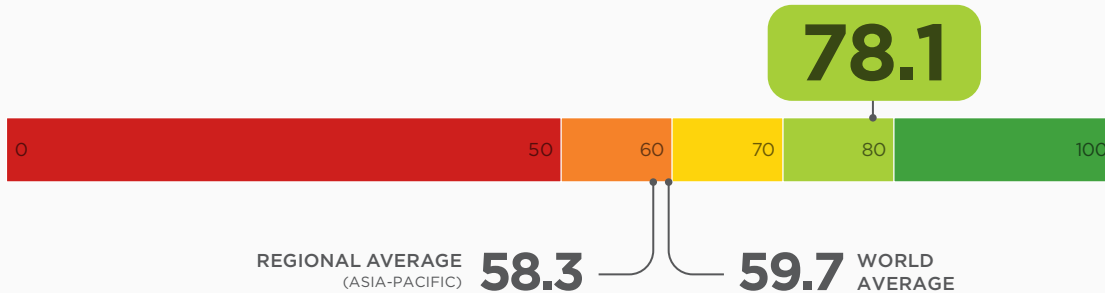
WORLD RANK: **11** | REGIONAL RANK: **4**

ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

New Zealand's economic freedom score is 78.1, making its economy the 11th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and New Zealand is ranked 4th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. New Zealand's economy is considered "mostly free" according to the 2025 *Index*.

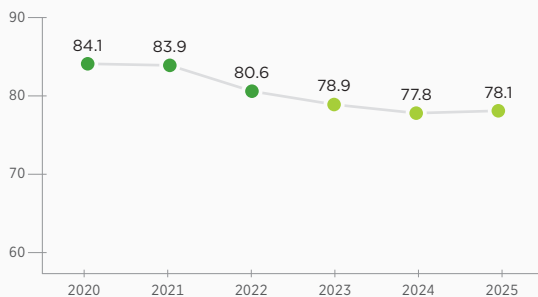
New Zealand's commitment to economic freedom has generally resulted in a policy framework that sustains a high degree of economic resilience. The rule of law and openness to global trade and investment are firmly institutionalized. The investment climate is transparent and stable. Traditionally high business freedom veered in the other direction during the COVID-19 pandemic as the government adopted a more top-down approach. Flexible labor regulations facilitate a dynamic labor market, increasing overall productivity. Inflationary pressures have not abated.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): 0 (NO CHANGE)

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.2 million

**GDP (PPP):**  
\$277.2 billion  
0.6% growth in 2023  
3-year average growth rate: 2.9%  
\$52,856 per capita

**UNEMPLOYMENT:**  
3.7%

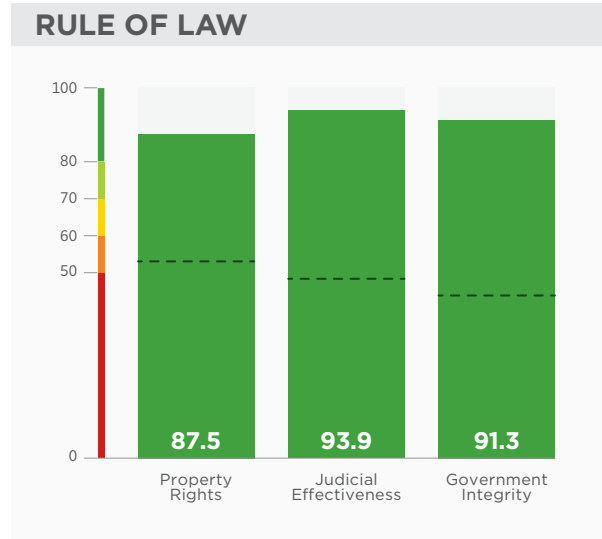
**INFLATION (CPI):**  
5.7%

**FDI INFLOW:**  
\$7.5 billion

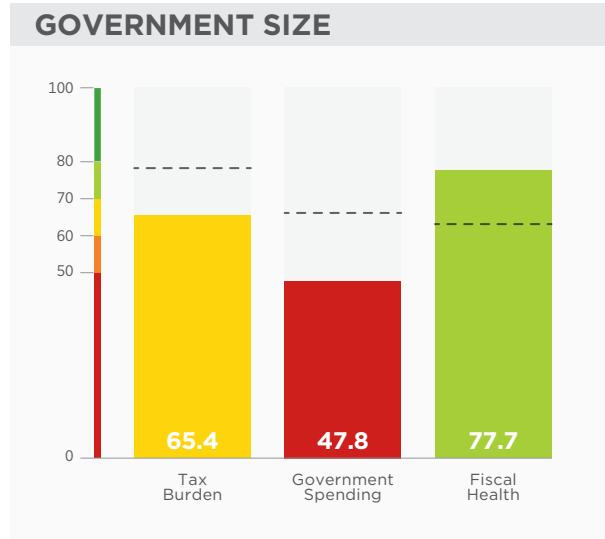
**PUBLIC DEBT:**  
45.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

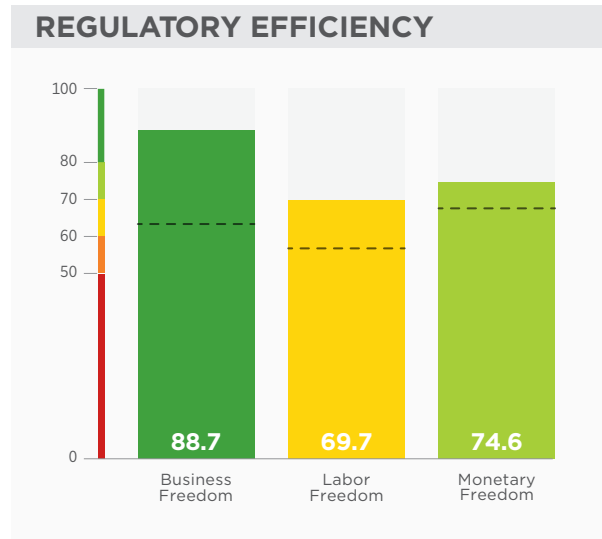
# 12 ECONOMIC FREEDOMS | NEW ZEALAND



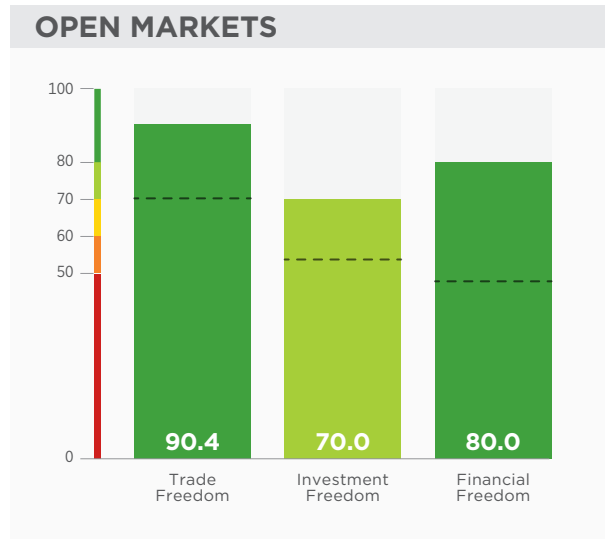
The overall rule of law is very well respected in New Zealand. The country’s property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 39 percent, and the top corporate tax rate is 28 percent. The tax burden equals 34.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.7 percent and -3.4 percent of GDP. Public debt amounts to 45.8 percent of GDP.



New Zealand’s overall regulatory environment is well institutionalized and relatively efficient. The country’s business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 2.3 percent, and more than 200 nontariff measures are in force. Openness to global trade and investment is firmly institutionalized. The financial sector is well developed and offers a wide range of services. Banking is well established and competitive.



WORLD RANK: **126** REGIONAL RANK: **27**

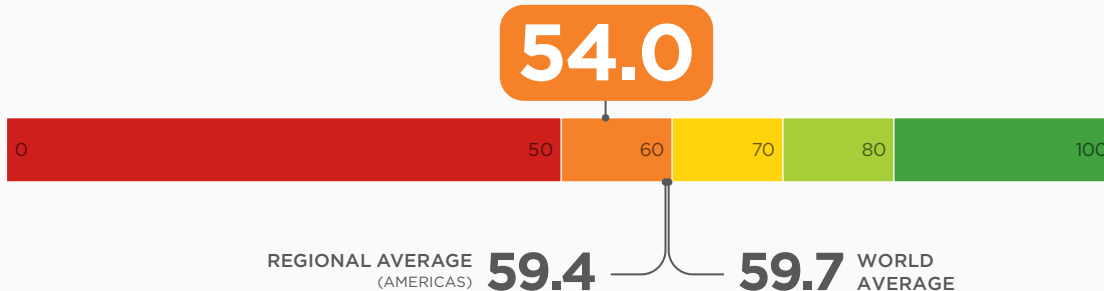
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# NICARAGUA

Nicaragua's economic freedom score is 54, making its economy the 126th freest in the *2025 Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Nicaragua is ranked 27th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Nicaragua's economy is considered "mostly unfree" according to the *2025 Index*.

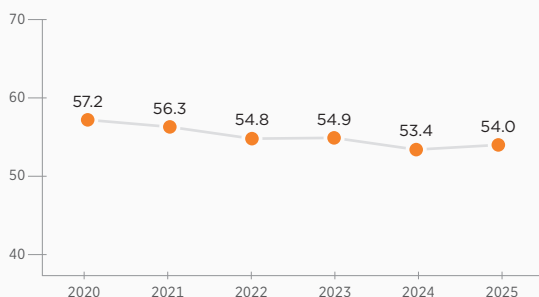
Efforts to improve macroeconomic stability and economic growth in Nicaragua have been modest. Inefficiency and uncertainty in such other areas as the regulatory and investment frameworks have held back dynamic growth. Institutional weaknesses continue to constrain economic development. The judicial system lacks the capacity to defend property rights effectively. The regulatory system is not transparent, and regulations are not always enforced consistently. The labor market remains rigid, and the lack of employment opportunities has led to chronic underemployment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +11.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.7 million

**GDP (PPP):**  
\$56.7 billion  
4.6% growth in 2023  
3-year average growth rate: 6.2%  
\$8,492 per capita

**UNEMPLOYMENT:**  
4.8%

**INFLATION (CPI):**  
8.4%

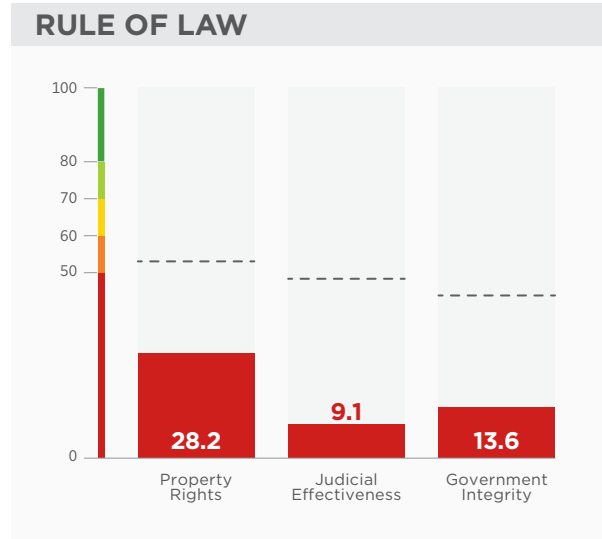
**FDI INFLOW:**  
\$1.3 billion

**PUBLIC DEBT:**  
41.7% of GDP

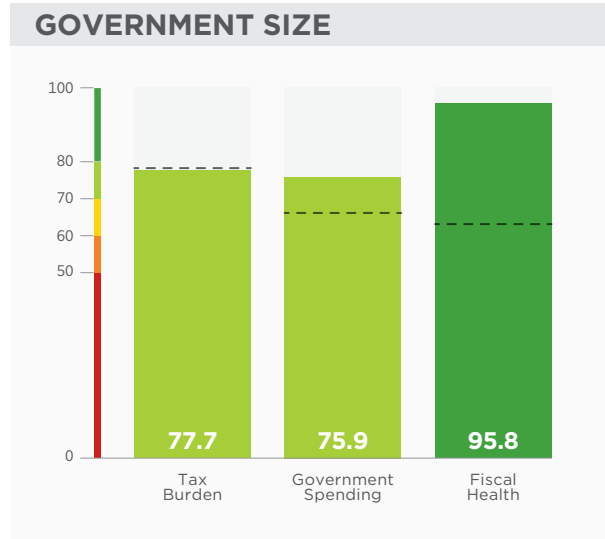
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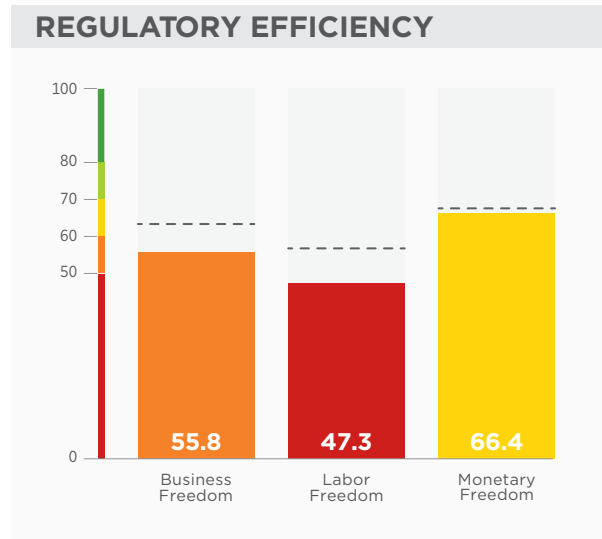
# 12 ECONOMIC FREEDOMS | NICARAGUA



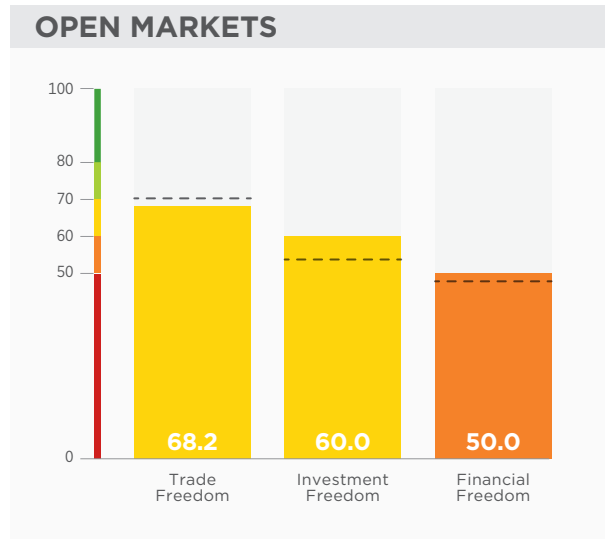
The overall rule of law is weak in Nicaragua. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



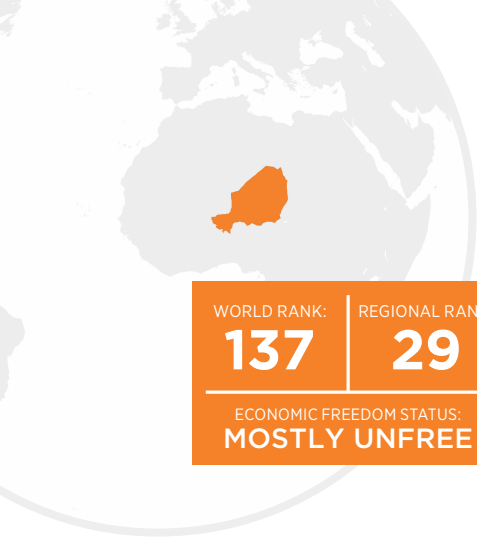
The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 20.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.4 percent and 0.7 percent of GDP. Public debt amounts to 41.7 percent of GDP.



Nicaragua'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 below the world average.



The trade-weighted average tariff rate is 5.9 percent, and layers of nontariff measures are in force. The judicial and regulatory systems favor state-owned enterprises and undermine foreign investment inflows. The low level of financial intermediation continues to discourage private-sector growth.



WORLD RANK: **137** | REGIONAL RANK: **29**

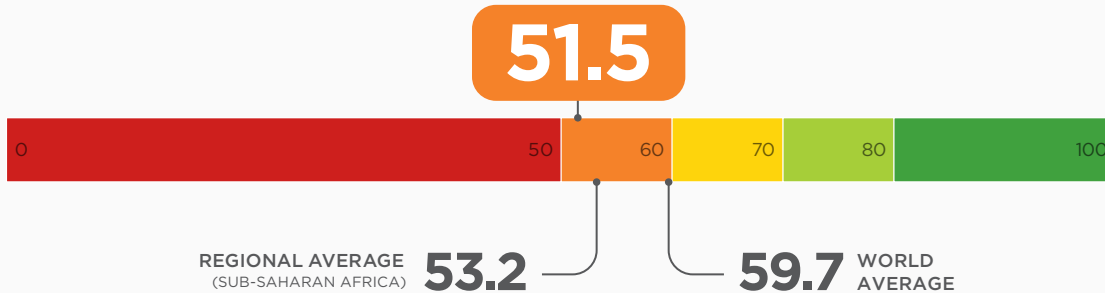
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# NIGER

Niger's economic freedom score is 51.5, making its economy the 137th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.8 point from last year, and Niger is ranked 29th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Niger's economy is considered "mostly unfree" according to the 2025 *Index*.

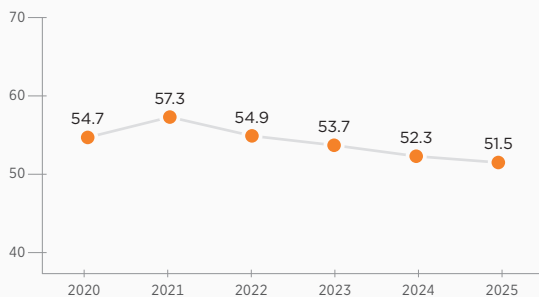
Progress toward greater economic freedom has been uneven and sluggish. Institutional weaknesses continue to discourage macroeconomic stability and poverty reduction. In particular, the rule of law, one of the key foundations of economic freedom, remains fragile because of corruption and an inept judicial system that is subject to political interference. The inadequate regulatory framework hampers private-sector development. Onerous and inconsistent regulations impose substantial costs on business operations. With the labor market poorly developed, much of the labor force works in the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +5.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
27.1 million

**GDP (PPP):**  
\$49.4 billion  
2.4% growth in 2023  
3-year average growth rate: 5.2%  
\$1,824 per capita

**UNEMPLOYMENT:**  
0.6%

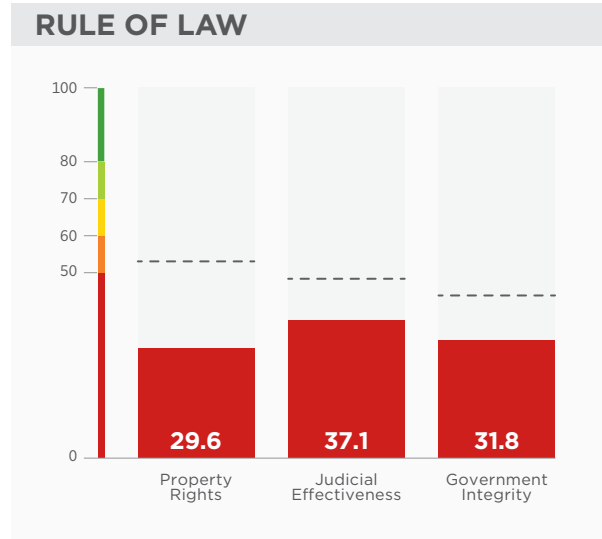
**INFLATION (CPI):**  
3.7%

**FDI INFLOW:**  
\$581.0 million

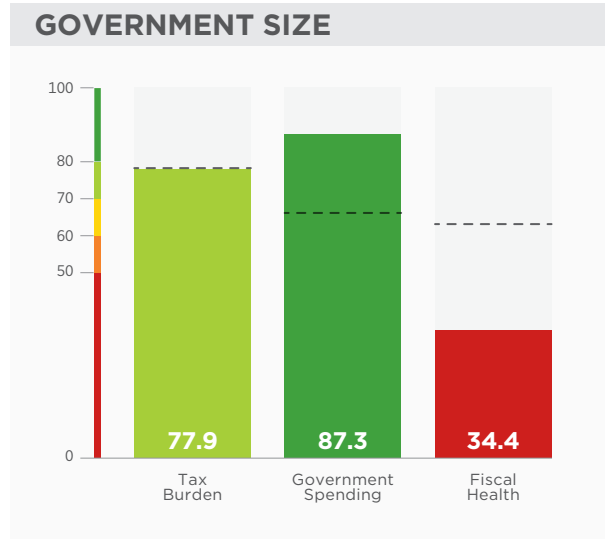
**PUBLIC DEBT:**  
56.6% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

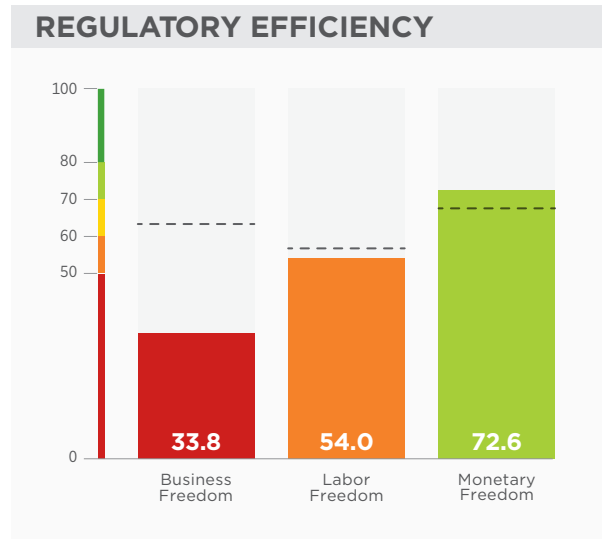
# 12 ECONOMIC FREEDOMS | NIGER



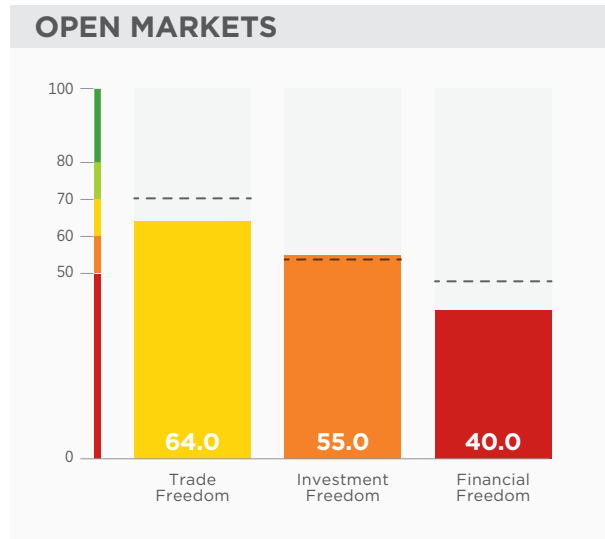
The overall rule of law is weak in Niger. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 9.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.5 percent and -6.1 percent of GDP. Public debt amounts to 56.6 percent of GDP.



Niger'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 above the world average.



The trade-weighted average tariff rate is 10.5 percent. The inefficient regulatory and legal environment constrains trade and investment. The underdeveloped, weak, and fragmented financial system reflects the small size of the formal economy. Financial inclusion is low.

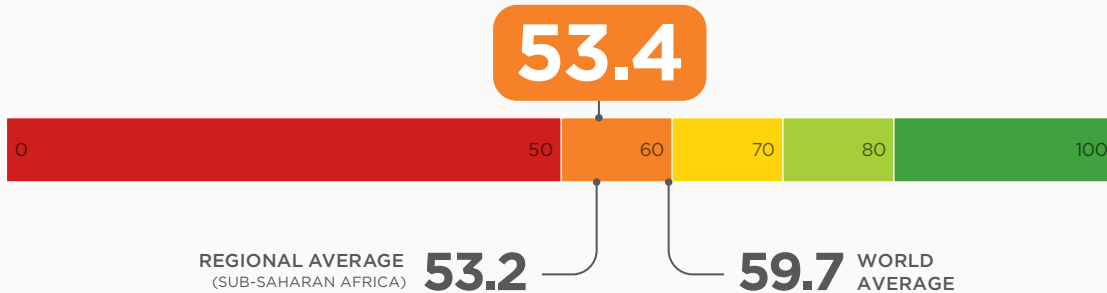
# NIGERIA

WORLD RANK: **127** | REGIONAL RANK: **24**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Nigeria's economic freedom score is 53.4, making its economy the 127th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Nigeria is ranked 24th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Nigeria's economy is considered "mostly unfree" according to the 2025 *Index*.

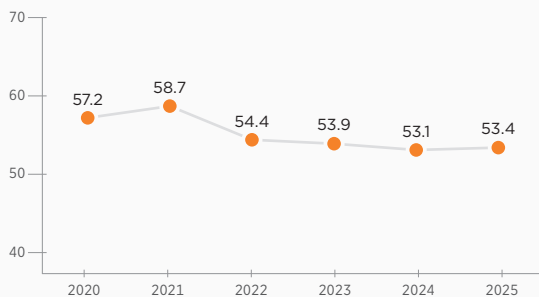
The structural changes that are needed to develop a more vibrant private sector or achieve more broad-based growth in Nigeria have not emerged. Oil continues to dominate the economy. The judicial system is susceptible to political interference, corruption is prevalent, and the rule of law is weak. The entrepreneurial environment remains burdened by time-consuming and costly regulatory procedures. Much of the formal labor force is employed in the public or energy sectors.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +6.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
222.2 million

**GDP (PPP):**  
\$1.4 trillion  
2.9% growth in 2023  
3-year average growth rate: 3.3%  
\$6,367 per capita

**UNEMPLOYMENT:**  
3.1%

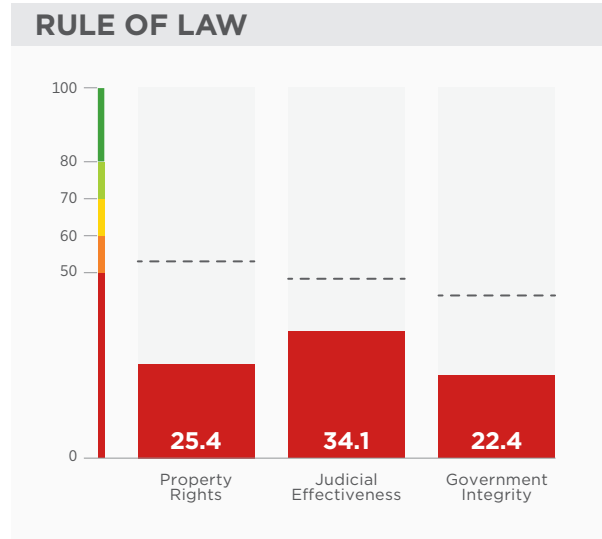
**INFLATION (CPI):**  
24.7%

**FDI INFLOW:**  
-\$187.0 million

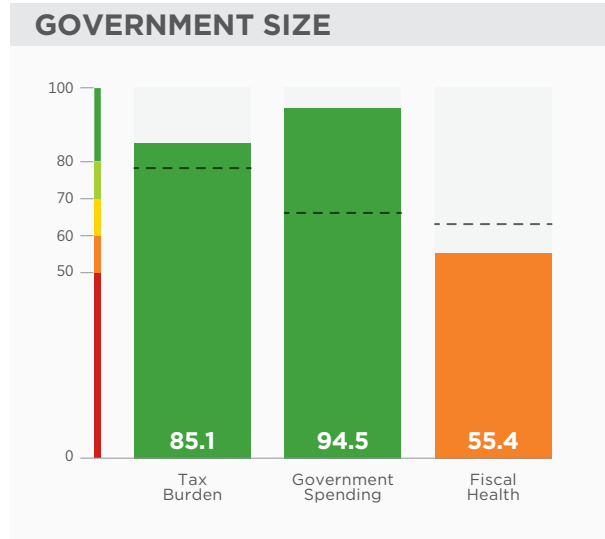
**PUBLIC DEBT:**  
46.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

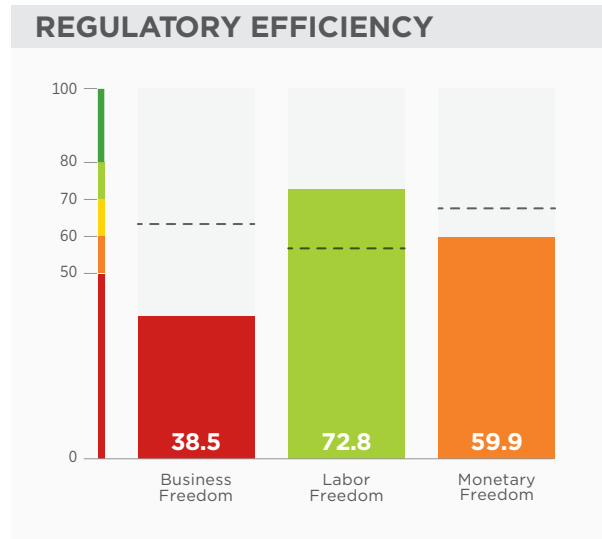
# 12 ECONOMIC FREEDOMS | NIGERIA



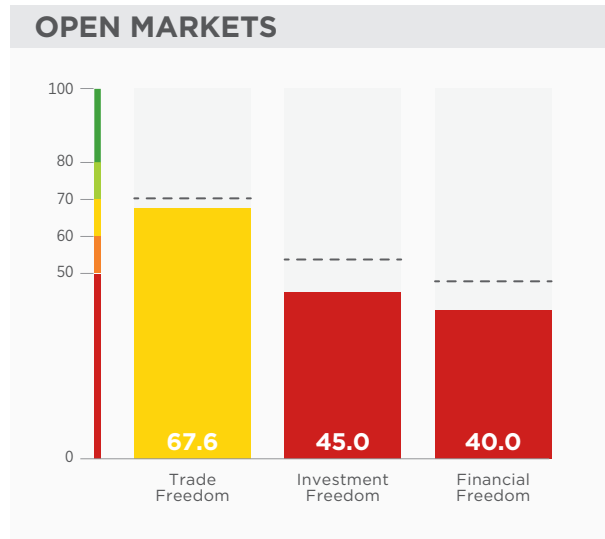
The overall rule of law is weak in Nigeria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



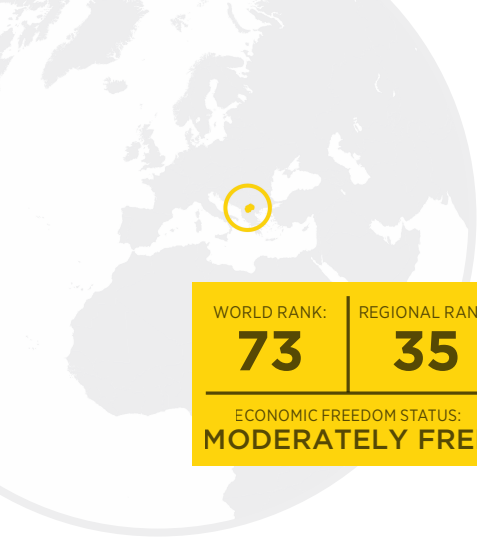
The top individual income tax rate is 24 percent, and the top corporate tax rate is 30 percent. The tax burden equals 4.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.5 percent and -5.0 percent of GDP. Public debt amounts to 46.4 percent of GDP.



Nigeria'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 8.7 percent. Persistent bureaucratic delays continue to serve as barriers to trade and investment. The financial sector is dominated by banking and growing unevenly across the country. Nonperforming loans remain a problem.



WORLD RANK: **73** | REGIONAL RANK: **35**

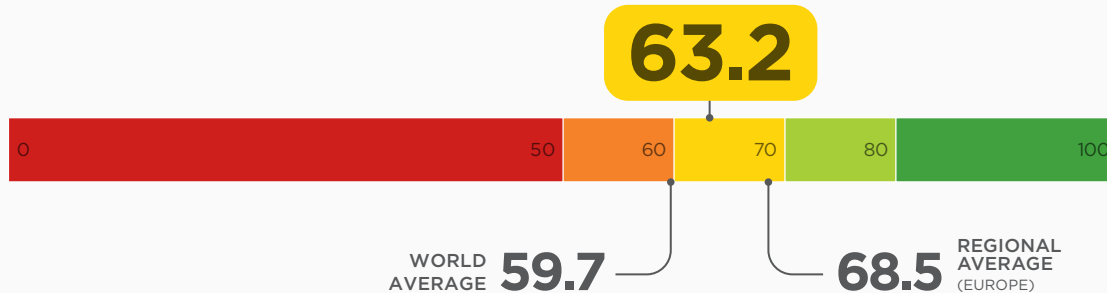
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# NORTH MACEDONIA

North Macedonia's economic freedom score is 63.2, making its economy the 73rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and North Macedonia is ranked 35th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. North Macedonia's economy is considered "moderately free" according to the 2025 *Index*.

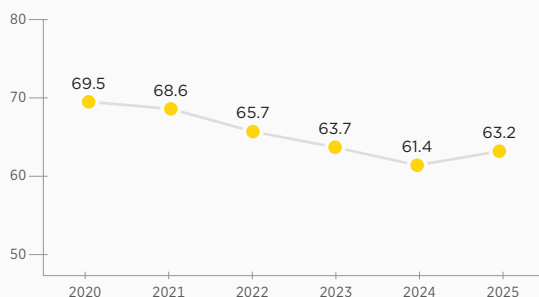
Relative openness to global commerce has encouraged private-sector dynamism in North Macedonia. Despite some progress, the development of a more vibrant private sector remains constrained. Corruption continues to be a concern. The inefficient legal framework does not provide effective protection of property rights. Streamlined processes for business formation and operation provide an environment that is fairly conducive to entrepreneurial growth. Progress in reforming the labor market has been limited.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): +5.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.8 million

**GDP (PPP):**  
\$47.1 billion  
1.0% growth in 2023  
3-year average growth rate: 2.6%  
\$25,718 per capita

**UNEMPLOYMENT:**  
13.1%

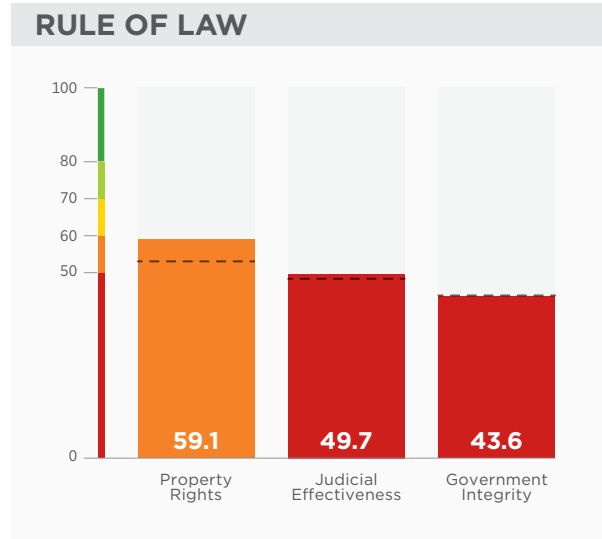
**INFLATION (CPI):**  
9.4%

**FDI INFLOW:**  
\$794.0 million

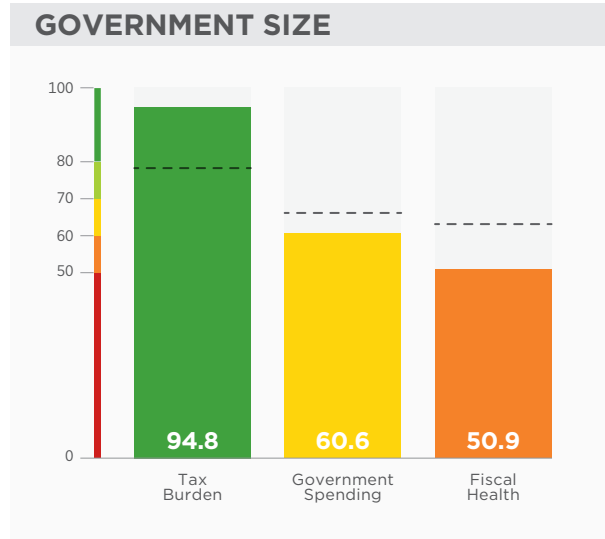
**PUBLIC DEBT:**  
54.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

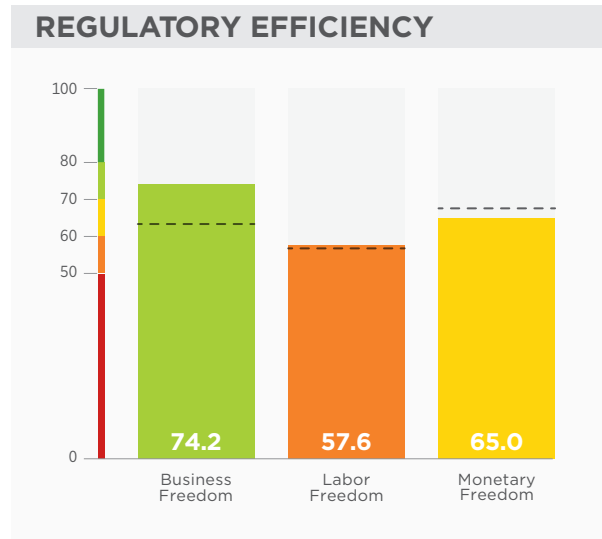
# 12 ECONOMIC FREEDOMS | NORTH MACEDONIA



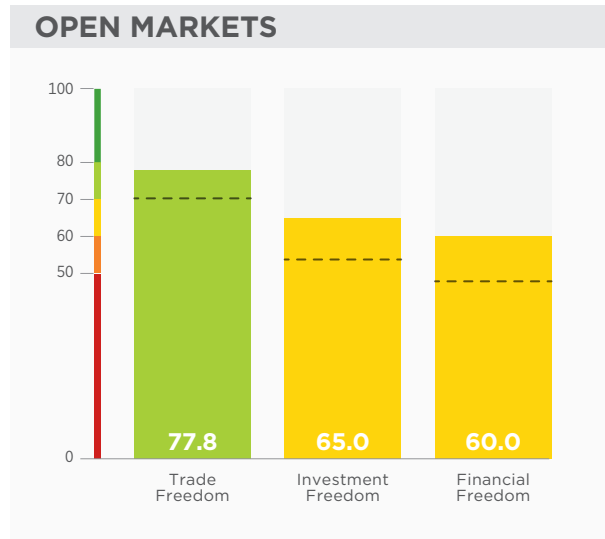
The overall rule of law is relatively well respected in North Macedonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 17.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.3 percent and -5.2 percent of GDP. Public debt amounts to 54.5 percent of GDP.



North Macedonia'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 6.1 percent, and nontariff barriers are still in force. A streamlined regulatory framework facilitates investment, but political instability undercuts more vibrant investment inflows. The financial system continues to evolve, and the banking sector is relatively stable.



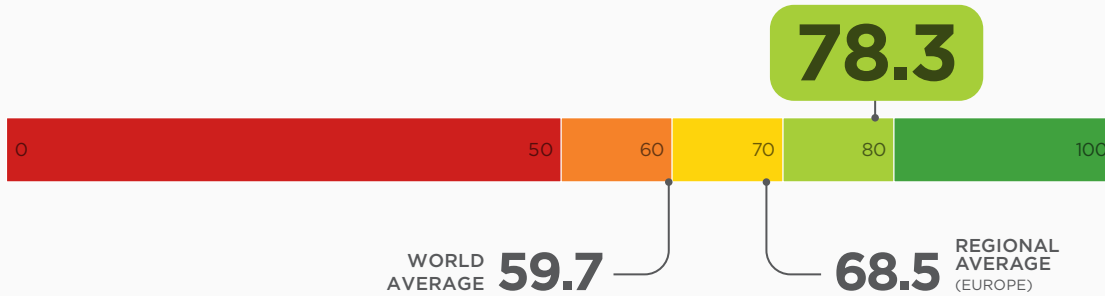
WORLD RANK: <b>9</b>	REGIONAL RANK: <b>6</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# NORWAY

Norway's economic freedom score is 78.3, making its economy the 9th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Norway is ranked 6th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Norway's economy is considered "mostly free" according to the 2025 *Index*.

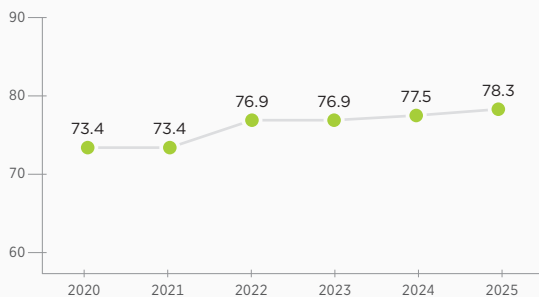
The diversified and modern Norwegian economy benefits from high levels of flexibility and institutional strengths that include strong protection of property rights and an efficient legal framework. Together with openness to global commerce, prudent and transparent regulations sustain economic dynamism and a commercial environment that is innovative and resilient. Business registration and other business-related processes are straightforward and transparent. Supply and demand of labor skills are well matched. The labor market lacks flexibility, but the non-salary cost of employment is not excessively high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +12.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.5 million

**GDP (PPP):**  
\$554.2 billion  
0.5% growth in 2023  
3-year average growth rate: 2.5%  
\$100,154 per capita

**UNEMPLOYMENT:**  
3.6%

**INFLATION (CPI):**  
5.5%

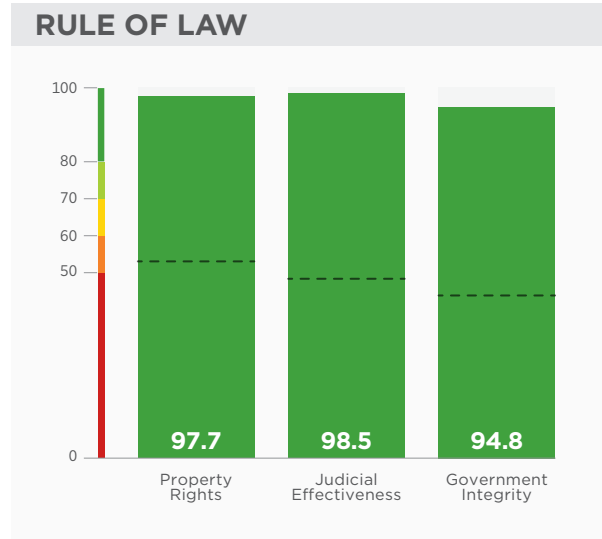
**FDI INFLOW:**  
-\$3.4 billion

**PUBLIC DEBT:**  
44.0% of GDP

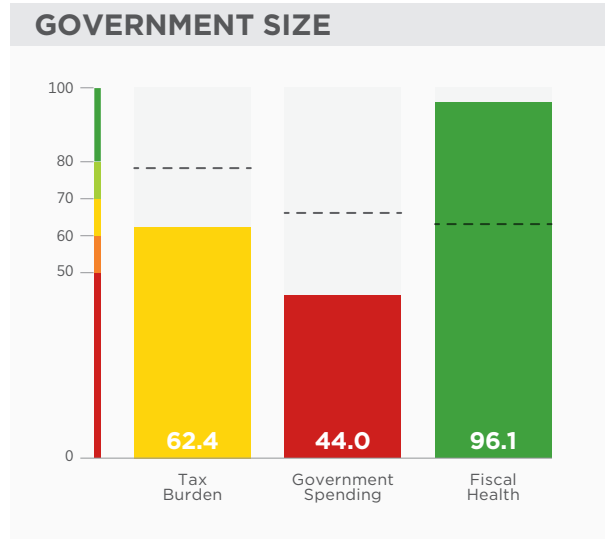
2023 data unless otherwise noted. Data compiled as of November 2024.



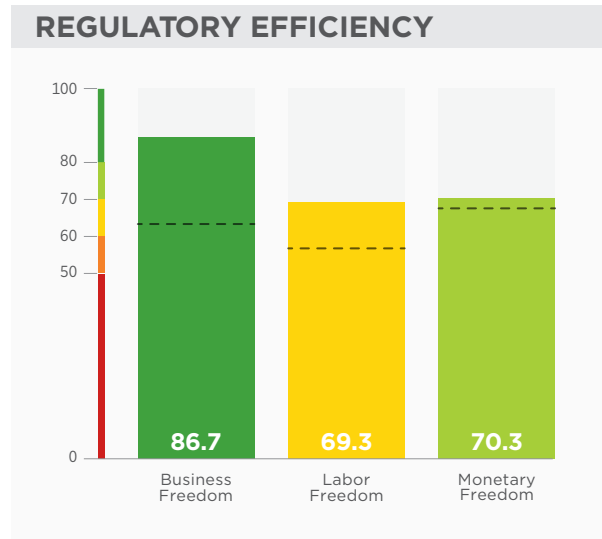
# 12 ECONOMIC FREEDOMS | NORWAY



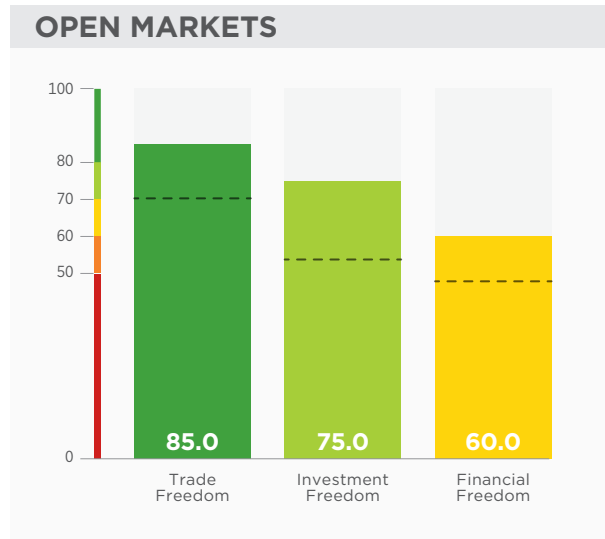
The overall rule of law is very well respected in Norway. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



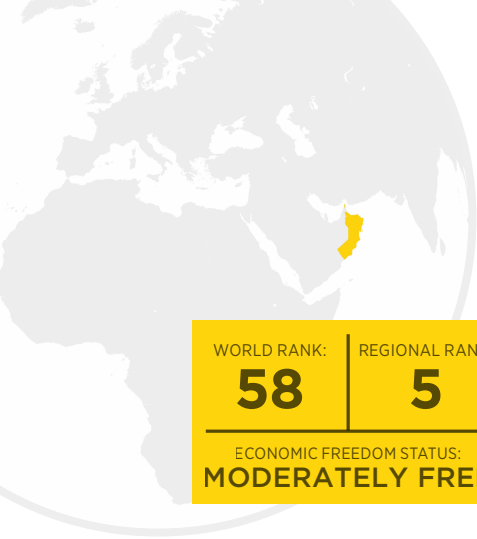
The top individual income tax rate is 39.5 percent, and the top corporate tax rate is 22 percent. The tax burden equals 41.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.2 percent and 17.4 percent of GDP. Public debt amounts to 44.0 percent of GDP.



Norway's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 2.5 percent, and more than 200 nontariff measures are in force. The economy benefits from openness to foreign investment, but there are restrictions in certain sectors. The financial sector is competitive and open. The state retains the largest financial institution.



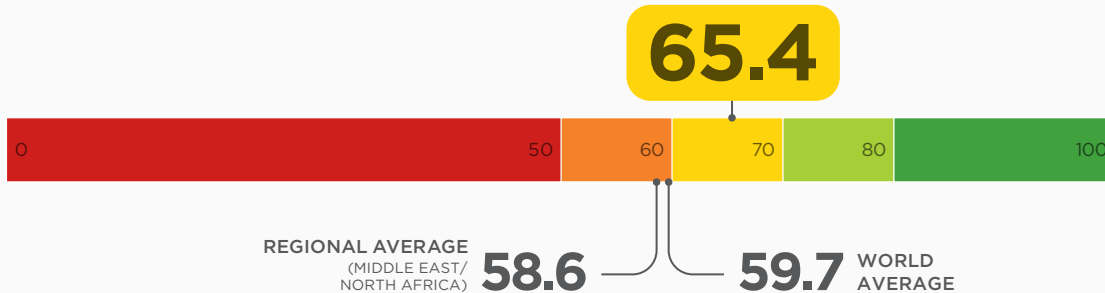
WORLD RANK: **58** | REGIONAL RANK: **5**  
 ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# OMAN

Oman's economic freedom score is 65.4, making its economy the 58th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.5 points from last year, and Oman is ranked 5th 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. Oman's economy is considered "moderately free" according to the 2025 *Index*.

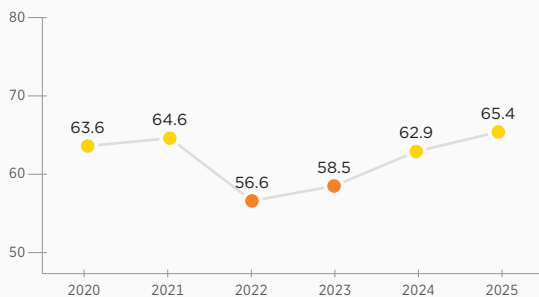
The energy sector has been the most important engine of growth in Oman's open economy. Tax rates are competitively low, and foreign investment is generally welcome in many sectors. Recognizing the importance of a more dynamic entrepreneurial environment, Oman has pursued modernization and diversification of its economy. Fiscal consolidations have progressed with budget surpluses and a low debt level. Oman's sovereign credit rating has been upgraded to investment grade. The financial sector continues to evolve with commercial banks performing well.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.2 million

**GDP (PPP):**  
\$214.7 billion  
1.3% growth in 2023  
3-year average growth rate: 4.5%  
\$41,559 per capita

**UNEMPLOYMENT:**  
1.5%

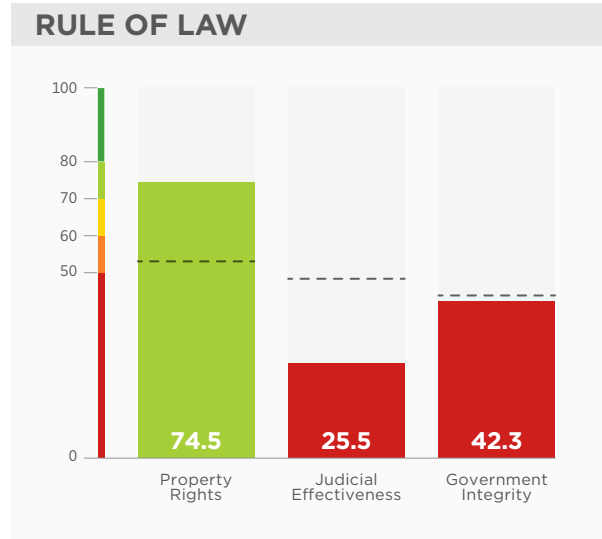
**INFLATION (CPI):**  
0.9%

**FDI INFLOW:**  
\$3.7 billion

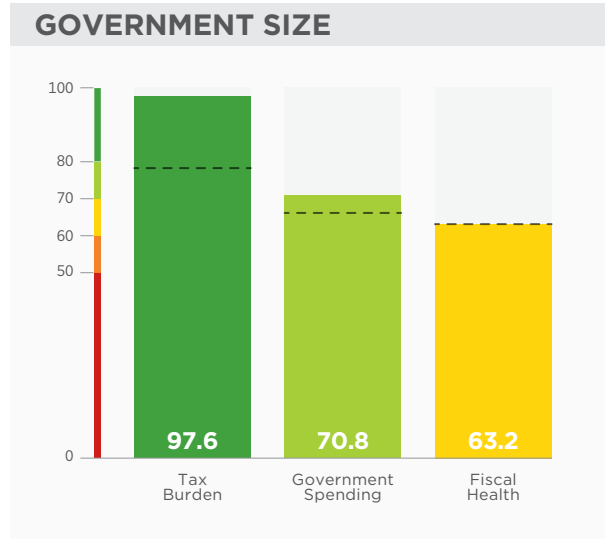
**PUBLIC DEBT:**  
36.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

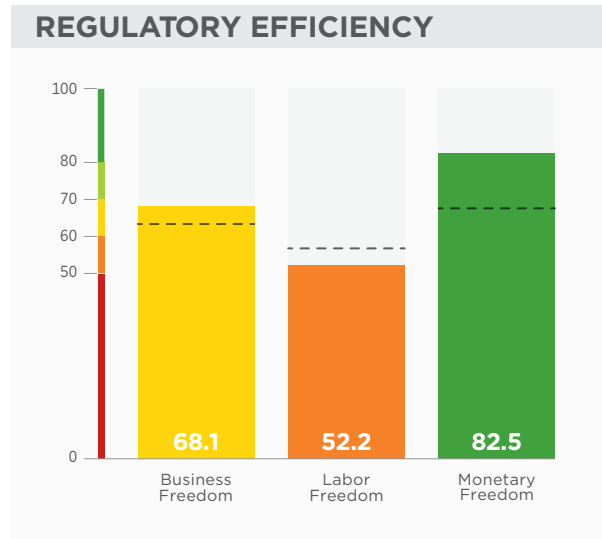
# 12 ECONOMIC FREEDOMS | OMAN



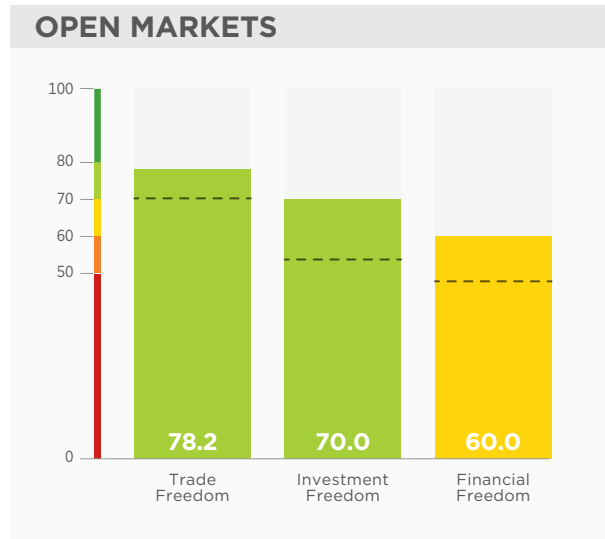
The overall rule of law is relatively well respected in Oman. The country’s property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is approximately equal to the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 15 percent. The tax burden equals 3.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.2 percent and 4.6 percent of GDP. Public debt amounts to 36.5 percent of GDP.



Oman’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 5.9 percent. Efforts to increase transparency and streamline the investment framework are ongoing. Most credit is offered at market rates, but the government uses subsidized loans to promote investment. The Muscat Securities Market is open to foreign investors.



# PAKISTAN

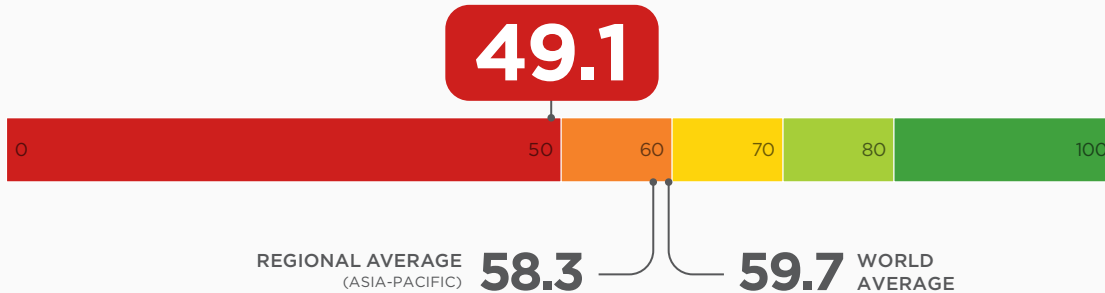
WORLD RANK: **150** | REGIONAL RANK: **33**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Pakistan's economic freedom score is 49.1, making its economy the 150th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Pakistan is ranked 33rd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Pakistan's economy is considered "repressed" according to the 2025 *Index*.

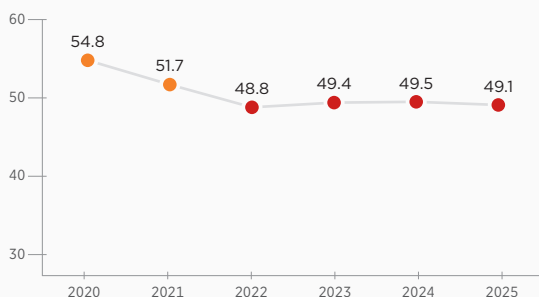
The government has demonstrated little commitment to much-needed economic reform. Efforts in key areas have been marginal at best. Measures to strengthen the management of public finance and reform outmoded economic structures have met institutional resistance. A judiciary that is susceptible to political interference and corruption undercuts property rights. Neither the entrepreneurial environment nor private-sector dynamism has been improved to any meaningful degree. The labor market remains stagnant. Much of the workforce is underemployed in the informal sector. High inflation has disrupted monetary stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -8.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
231.4 million

**GDP (PPP):**  
\$1.5 trillion  
-0.2% growth in 2023  
3-year average growth rate: 3.9%  
\$6,531 per capita

**UNEMPLOYMENT:**  
5.5%

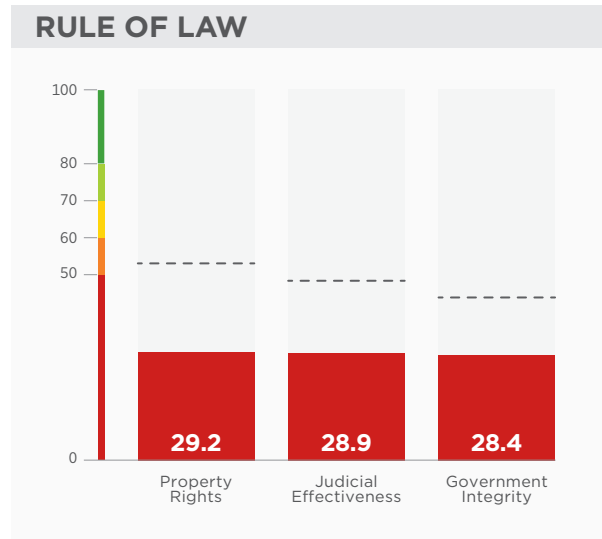
**INFLATION (CPI):**  
29.2%

**FDI INFLOW:**  
\$1.3 billion

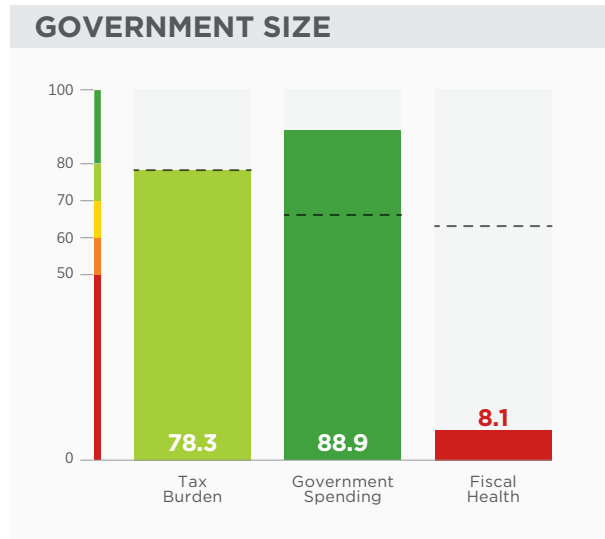
**PUBLIC DEBT:**  
77.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

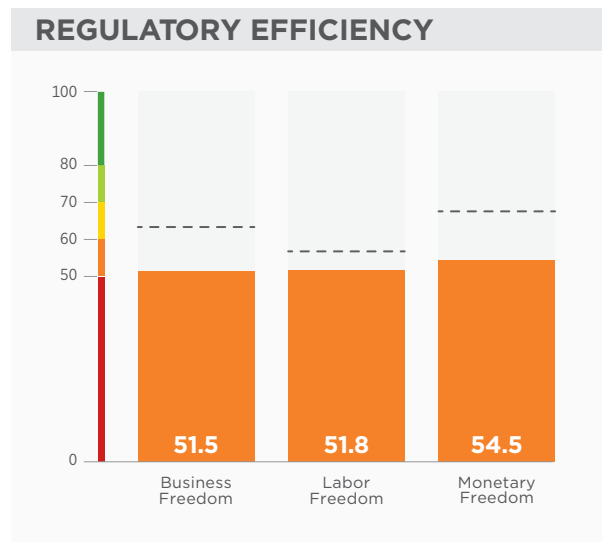
# 12 ECONOMIC FREEDOMS | PAKISTAN



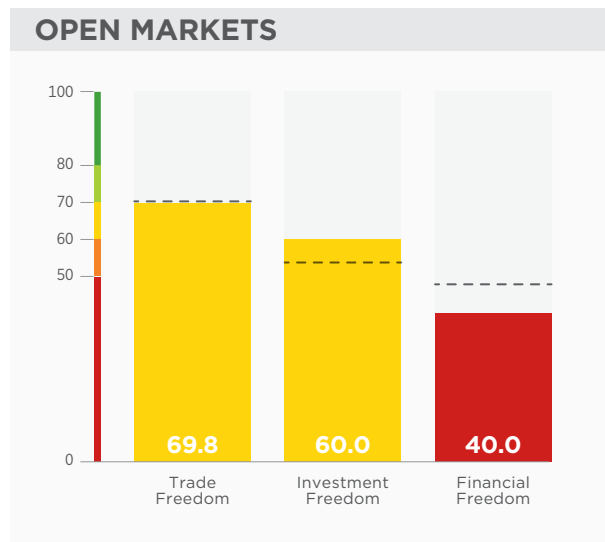
The overall rule of law is weak in Pakistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



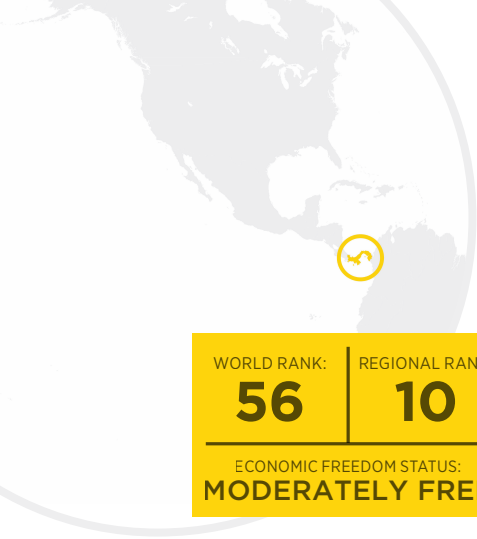
The top individual income tax rate is 35 percent, and the top corporate tax rate is 29 percent. The tax burden equals 10.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.2 percent and -7.2 percent of GDP. Public debt amounts to 77.3 percent of GDP.



Pakistan'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 well below the world average.



The trade-weighted average tariff rate is 7.6 percent. State involvement in the economy and restrictions on foreign investment are serious drags on economic dynamism. The financial sector remains underdeveloped, and foreign participation is limited. Financial inclusion is low.



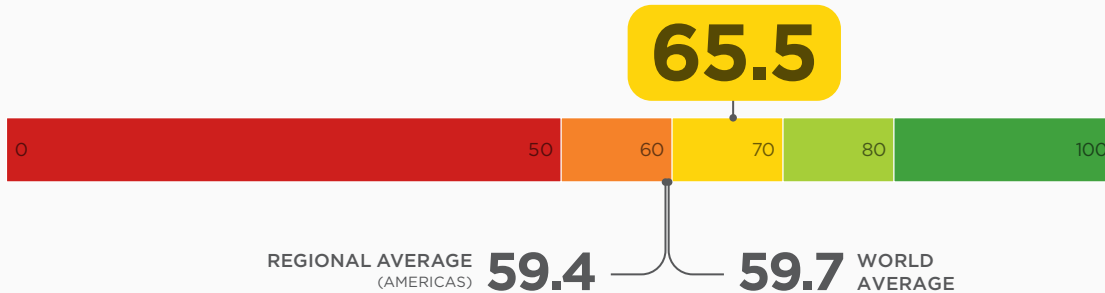
# PANAMA

WORLD RANK:	REGIONAL RANK:
<b>56</b>	<b>10</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

**P**anama’s economic freedom score is 65.5, making its economy the 56th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Panama is ranked 10th out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Panama’s economy is considered “moderately free” according to the 2025 *Index*.

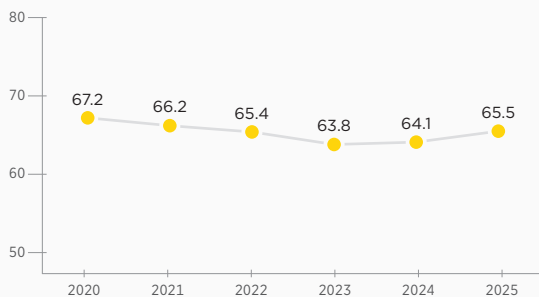
Despite some progress, institutional shortcomings that undermine long-term economic expansion continue to limit economic freedom. The judicial system remains vulnerable to political interference. The regulatory environment is efficient, but the pace of reform has slowed. The labor market lacks flexibility. Restrictions on work hours are rigid, and the non-salary cost of hiring a worker is relatively high. Monetary stability has been fairly well maintained. Panama’s service-oriented economy remains an international business hub for such activities as maritime transport, distribution services, and banking.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.5 million

**GDP (PPP):**  
\$177.4 billion  
7.3% growth in 2023  
3-year average growth rate: 11.3%  
\$39,846 per capita

**UNEMPLOYMENT:**  
6.7%

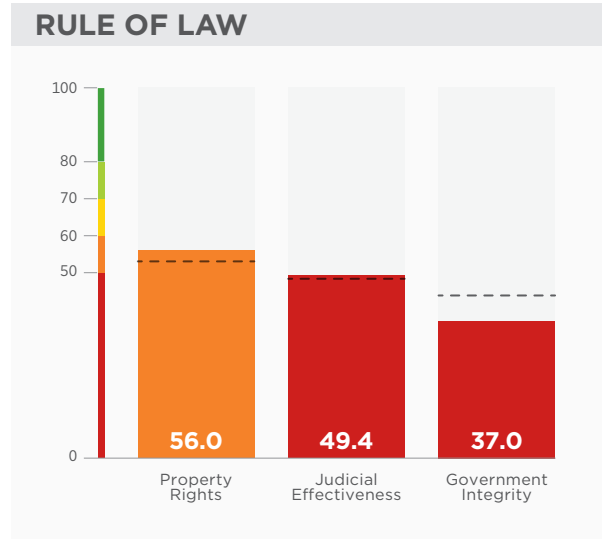
**INFLATION (CPI):**  
1.5%

**FDI INFLOW:**  
\$2.6 billion

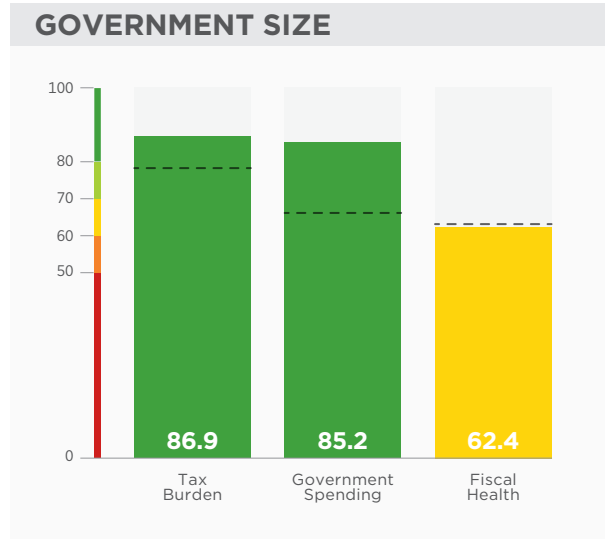
**PUBLIC DEBT:**  
52.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

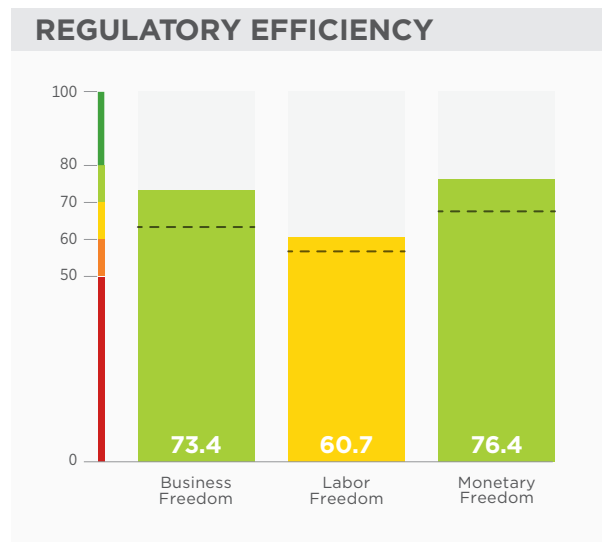
# 12 ECONOMIC FREEDOMS | PANAMA



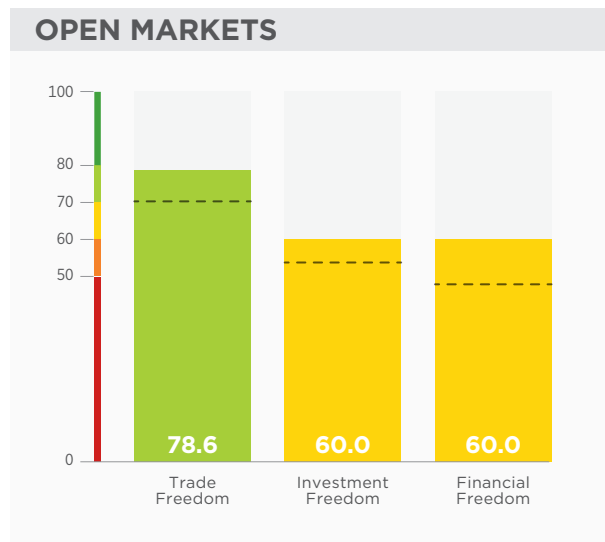
The overall rule of law is weak in Panama. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 25 percent. The tax burden equals 7.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.2 percent and -4.5 percent of GDP. Public debt amounts to 52.4 percent of GDP.



Panama's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 5.7 percent, and layers of nontariff measures are in force. The government does not generally screen or discriminate against foreign investment. The financial sector provides a wide range of services. Efforts to strengthen laws against money laundering continue.



WORLD RANK: **130** | REGIONAL RANK: **27**

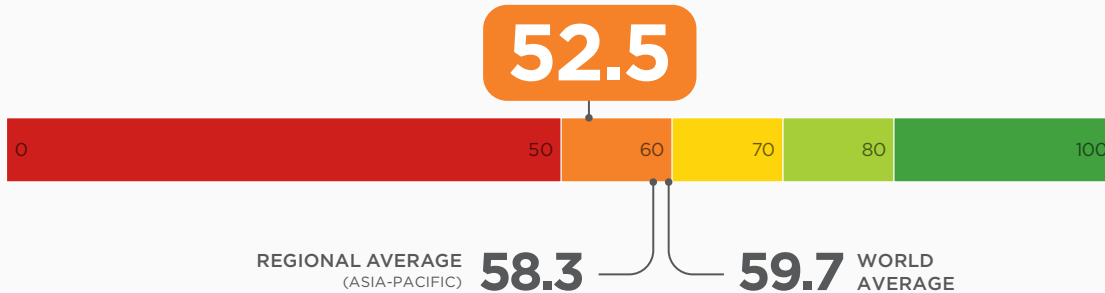
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# PAPUA NEW GUINEA

Papua New Guinea’s economic freedom score is 52.5, making its economy the 130th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.1 points from last year, and Papua New Guinea is ranked 27th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. Papua New Guinea’s economy is considered “mostly unfree” according to the 2025 *Index*.

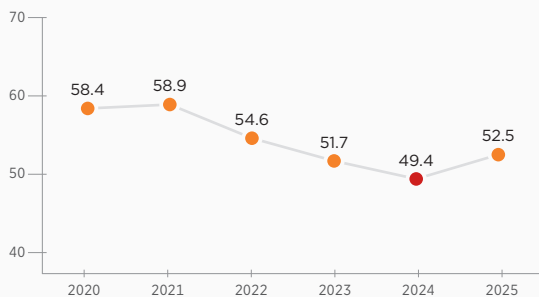
The formal economy is based on exports of natural resources, and the large informal economy relies on subsistence farming and other small-scale activity. A low property rights score and a level of corruption that undermines the rule of law reflect challenges to long-term development. The regulatory framework remains poor. Progress toward making the structural changes needed to promote entrepreneurial activity has been limited. The formal labor market is not fully developed, and informal labor activity is substantial.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -6.1

## RECENT FREEDOM TREND



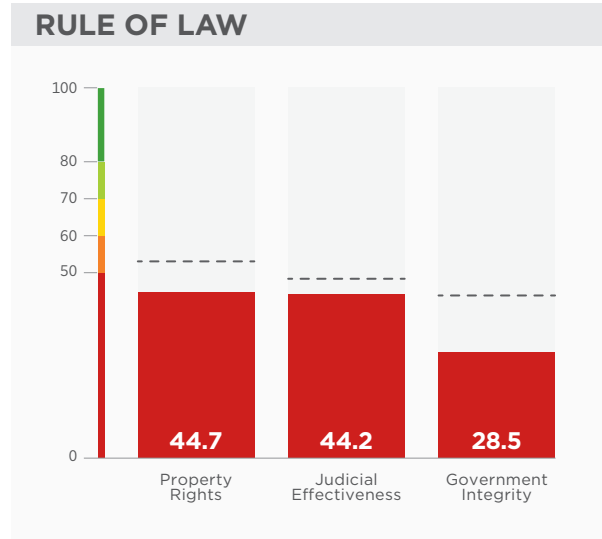
## QUICK FACTS

- POPULATION:** 12.3 million
- UNEMPLOYMENT:** 2.7%
- GDP (PPP):** \$41.5 billion
- INFLATION (CPI):** 2.3%
- 2.9% growth in 2023
- FDI INFLOW:** \$327.0 million
- 3-year average growth rate: 2.4%
- PUBLIC DEBT:** 52.0% of GDP
- \$3,376 per capita

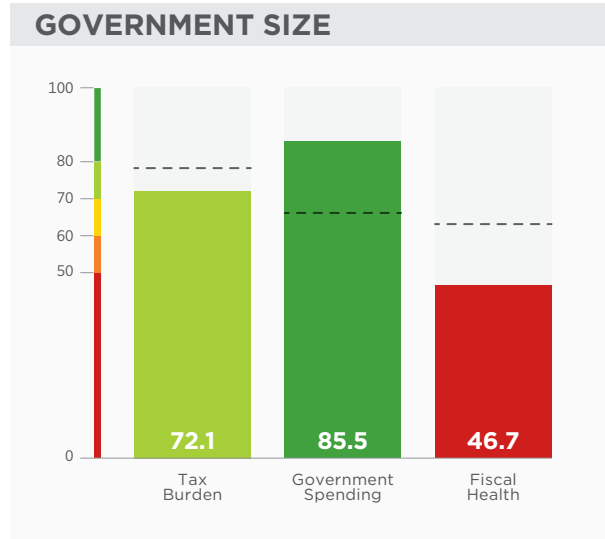
2023 data unless otherwise noted. Data compiled as of November 2024.



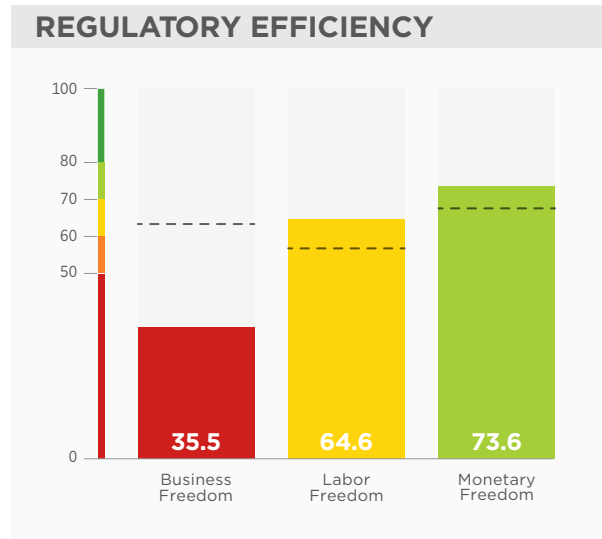
# 12 ECONOMIC FREEDOMS | PAPUA NEW GUINEA



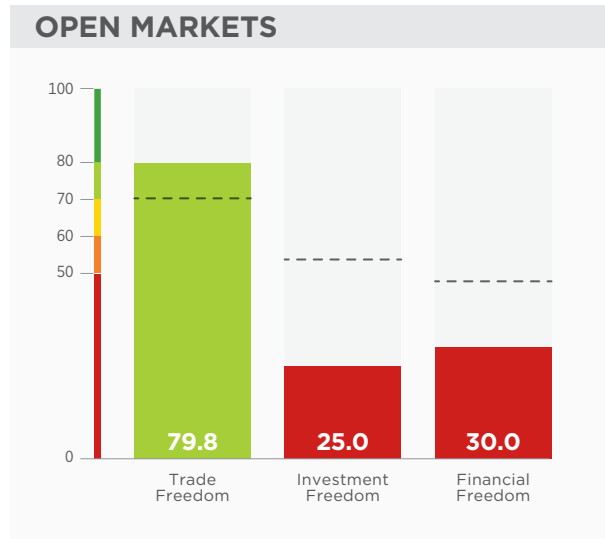
The overall rule of law is weak in Papua New Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



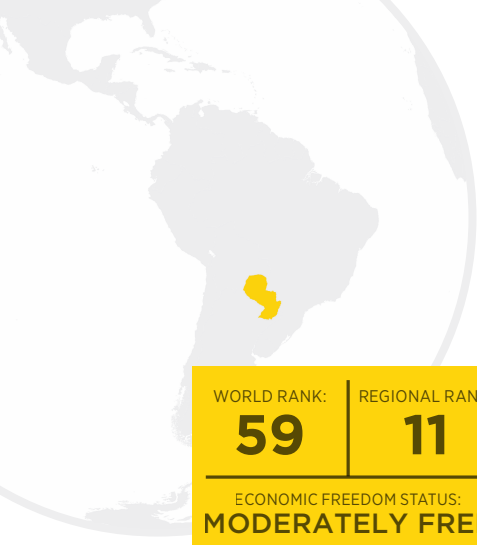
The top individual income tax rate is 42 percent, and the top corporate tax rate is 30 percent. The tax burden equals 11.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.0 percent and -5.5 percent of GDP. Public debt amounts to 52.0 percent of GDP.



Papua New Guinea's regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 2.6 percent, but numerous nontariff barriers undercut trade flows. Foreign investment in several sectors is restricted. Financial intermediation varies across the country, and a large portion of the population remains unconnected to the banking system.

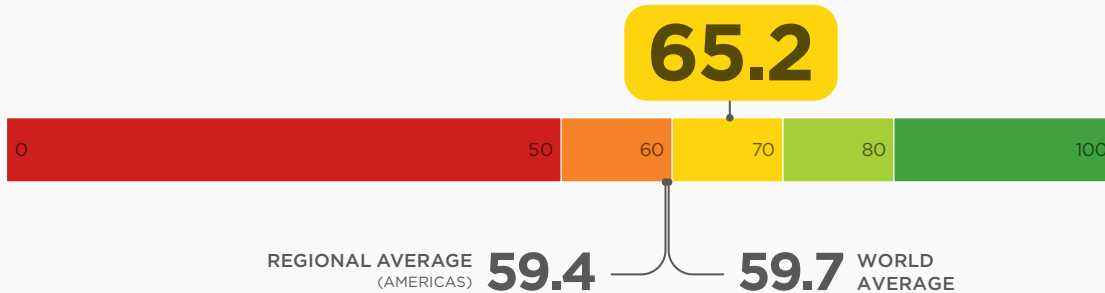


# PARAGUAY

Paraguay's economic freedom score is 65.2, making its economy the 59th freest in the 2025 *Index of Economic Freedom*. Its rating has increased notably by 5.1 points from last year, and Paraguay is ranked 11th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Paraguay's economy is considered "moderately free" according to the 2025 *Index*.

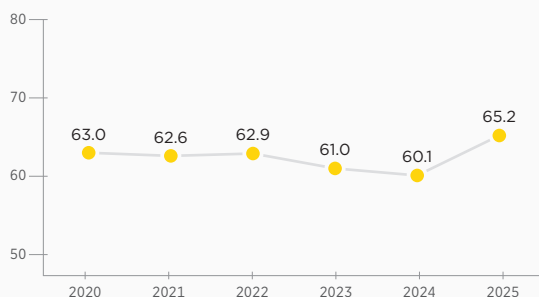
The Paraguayan economy has recorded one of the largest economic freedom score increases in the 2025 *Index* and has undergone notable expansion. The reform-minded Santiago Peña administration, which took office in August 2023, has pursued a series of legislative reforms to enhance the overall entrepreneurial environment and develop a stronger private sector to generate broader-based job growth. Despite progress, however, the informal economy remains large, and institutional weaknesses continue to undermine the rule of law and hold back more dynamic investment growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -0.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.6 million

**GDP (PPP):**  
\$119.9 billion  
4.7% growth in 2023  
3-year average growth rate: 3.0%  
\$15,869 per capita

**UNEMPLOYMENT:**  
5.8%

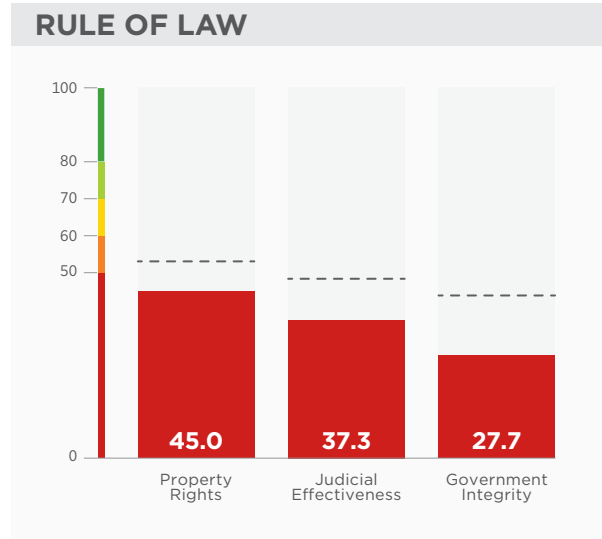
**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
\$474.0 million

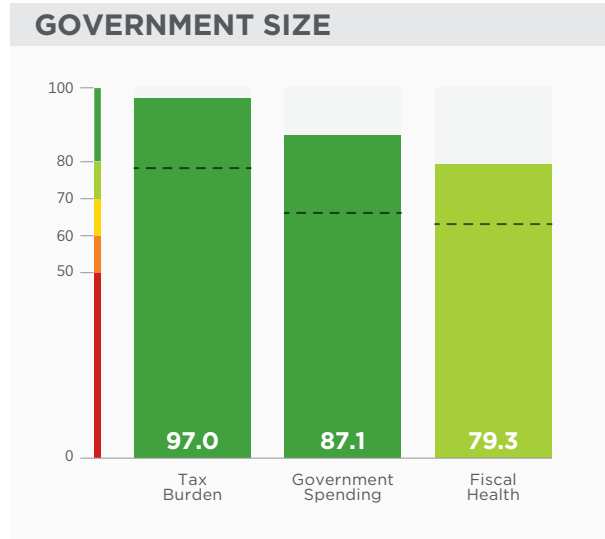
**PUBLIC DEBT:**  
41.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

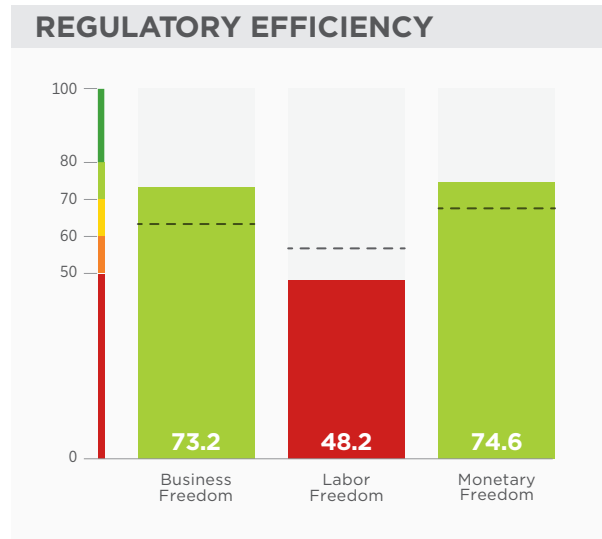
# 12 ECONOMIC FREEDOMS | PARAGUAY



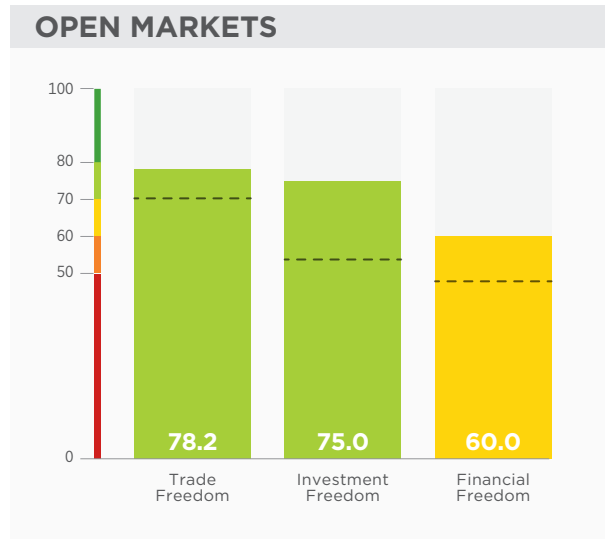
The overall rule of law is weak in Paraguay. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



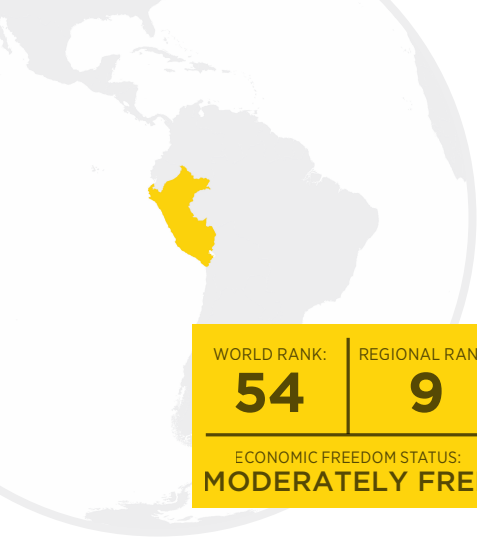
The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 10.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.7 percent and -3.3 percent of GDP. Public debt amounts to 41.2 percent of GDP.



Paraguay's overall regulatory environment is relatively well institutionalized but lacks overall 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 above the world average.



The trade-weighted average tariff rate is 5.9 percent. Foreign investment is not subject to restrictive screening, and foreign entities are allowed to own property. The informal economy remains large, and institutional weaknesses deter more dynamic investment growth. The financial sector is driven by banking.

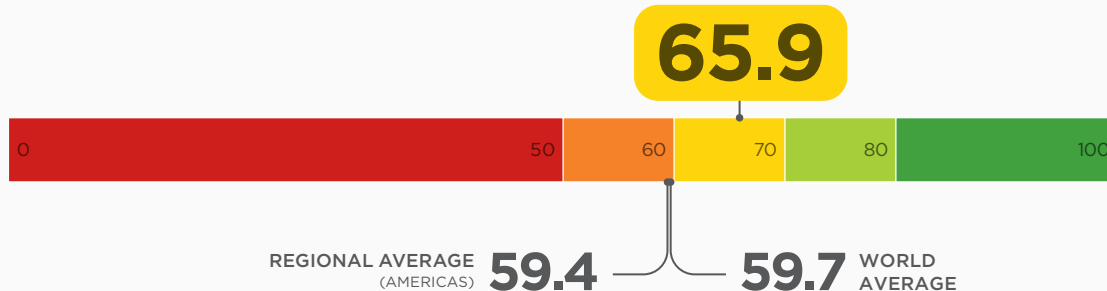


# PERU

Peru's economic freedom score is 65.9, making its economy the 54th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Peru is ranked 9th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Peru's economy is considered "moderately free" according to the 2025 *Index*.

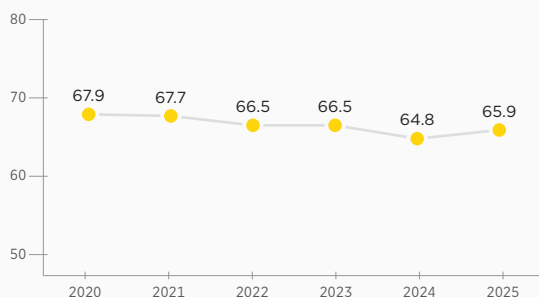
Economic reforms have supported economic expansion and gradual reductions in poverty. Open-market policies that support trade and investment have been institutionalized, but corruption and the weak rule of law continue to undermine prospects for long-term economic development. Peru's evolving entrepreneurial sector benefits from increased access to financing and improved regulatory efficiency. Recent reforms have dismantled barriers to launching and running private enterprises, but political instability and social unrest have a negative impact on business freedom. Employment regulations are gradually becoming more flexible.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +9.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.7 million

**GDP (PPP):**  
\$574.3 billion  
-0.6% growth in 2023  
3-year average growth rate: 5.2%  
\$17,025 per capita

**UNEMPLOYMENT:**  
4.8%

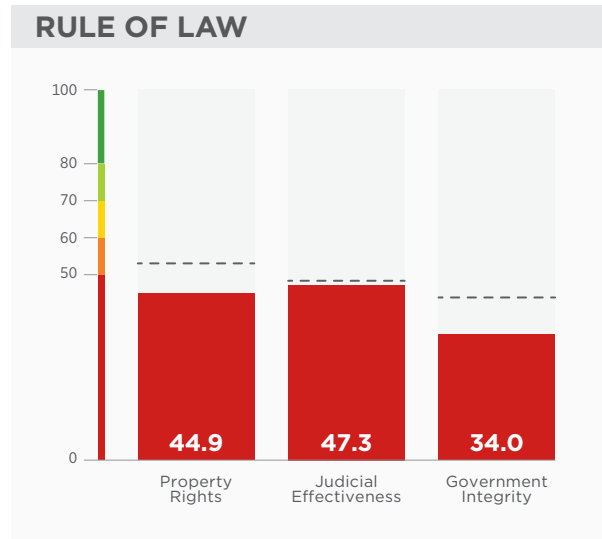
**INFLATION (CPI):**  
6.3%

**FDI INFLOW:**  
\$11.7 billion

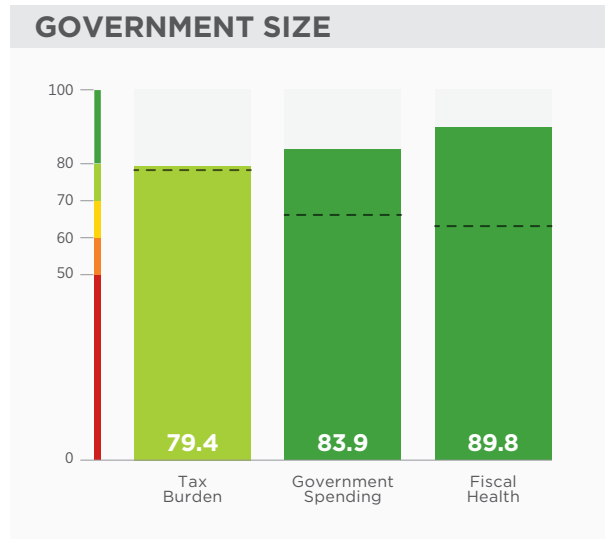
**PUBLIC DEBT:**  
33.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

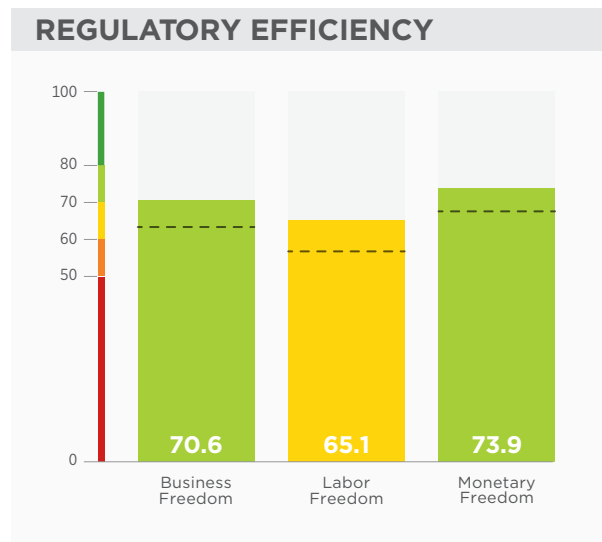
# 12 ECONOMIC FREEDOMS | PERU



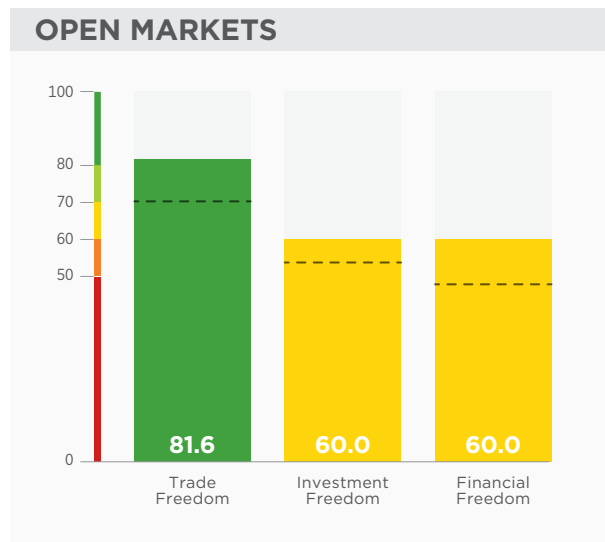
The overall rule of law is weak in Peru. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



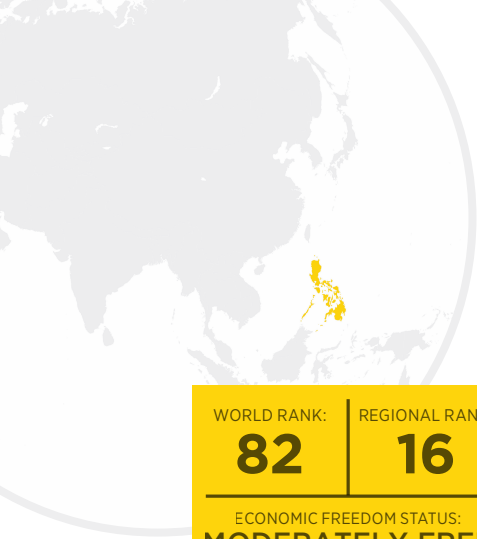
The top individual income tax rate is 30 percent, and the top corporate tax rate is 29.5 percent. The tax burden equals 17.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.2 percent and -2.2 percent of GDP. Public debt amounts to 33.0 percent of GDP.



Peru'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 1.7 percent, and approximately 400 nontariff measures are in force. The economy is relatively open to foreign investment, but regulatory unpredictability impedes dynamic investment. About 50 percent of adult Peruvians have an account with a formal banking institution.



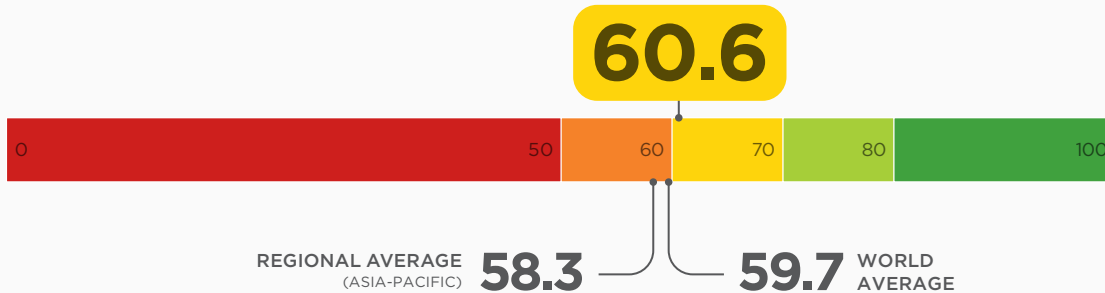
WORLD RANK:	REGIONAL RANK:
<b>82</b>	<b>16</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# PHILIPPINES

The Philippines' economic freedom score is 60.6, making its economy the 82nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.6 points from last year, and the Philippines is ranked 16th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. The Philippines' economy is considered "moderately free" according to the 2025 *Index*.

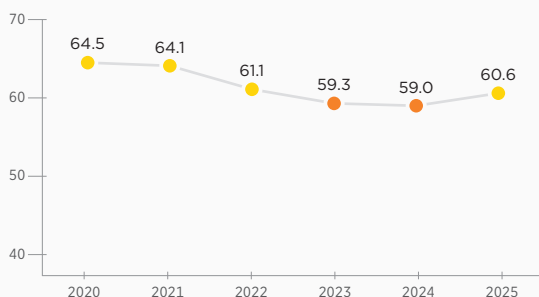
Despite the challenging global economic environment, the Philippine economy has been on a steady path of expansion. The government has pursued legislative reforms to enhance the entrepreneurial environment and develop a stronger private sector to generate broader-based job growth. Regulatory efficiency has been notably enhanced. The economy has expanded at an average annual rate of more than 6 percent over the past three years. Nevertheless, institutional challenges persist. Although there has been some progress, corruption continues to undermine long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
111.9 million

**GDP (PPP):**  
\$1.3 trillion  
5.5% growth in 2023  
3-year average growth rate: 6.3%  
\$11,281 per capita

**UNEMPLOYMENT:**  
2.2%

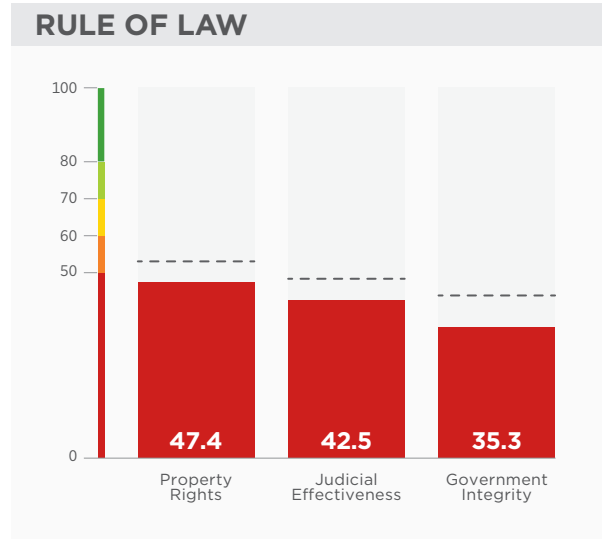
**INFLATION (CPI):**  
6.0%

**FDI INFLOW:**  
\$9.2 billion

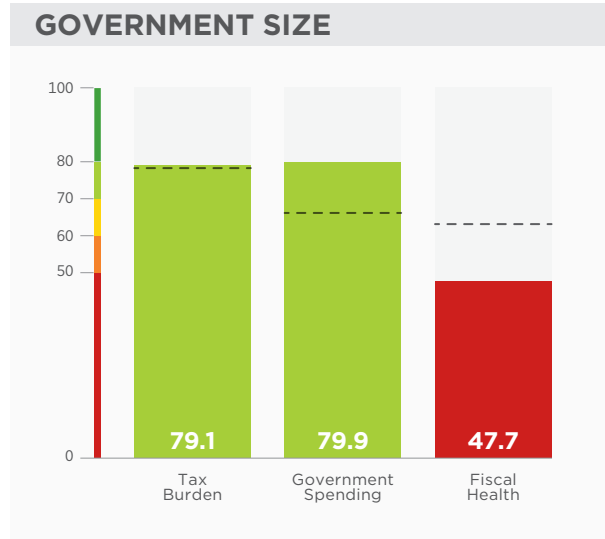
**PUBLIC DEBT:**  
56.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

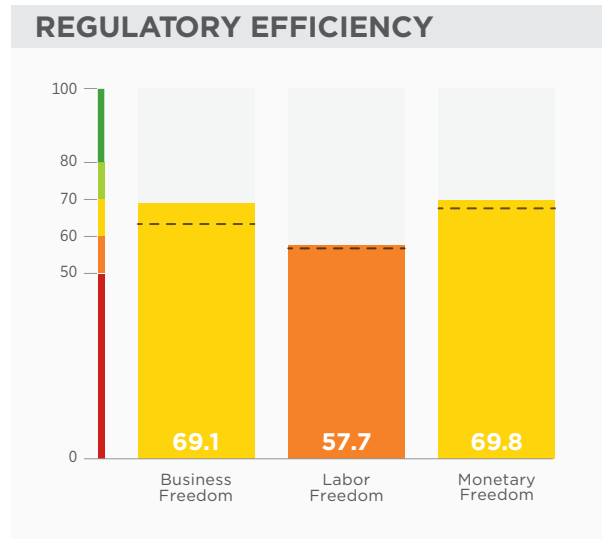
# 12 ECONOMIC FREEDOMS | PHILIPPINES



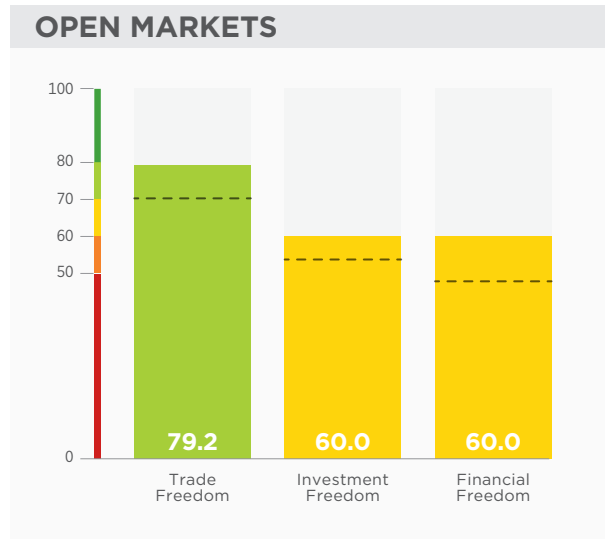
The overall rule of law is weak in the Philippines. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 15.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.9 percent and -5.4 percent of GDP. Public debt amounts to 56.5 percent of GDP.



The Philippines' 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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.4 percent. Foreign investment is generally welcome, and the investment code treats foreign investors the same as it treats domestic investors. The financial sector is dominated by banking and relatively stable, but capital markets are underdeveloped.

WORLD RANK: **45** | REGIONAL RANK: **25**

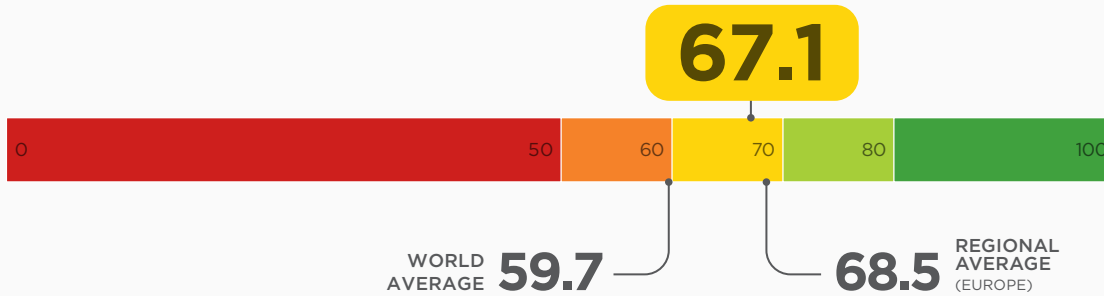
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# POLAND

Poland's economic freedom score is 67.1, making its economy the 45th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and Poland is ranked 25th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Poland's economy is considered "moderately free" according to the 2025 *Index*.

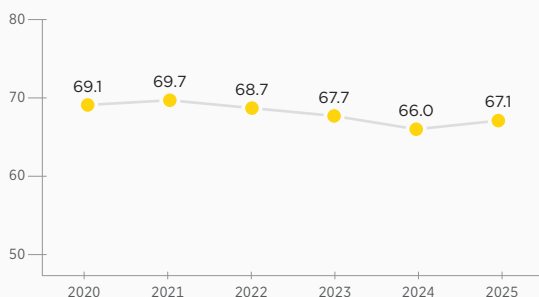
The Polish economy performs relatively well in many areas of economic freedom. With a competitive business climate supported by political stability, the business environment is dynamic. Commercial operations are aided by regulations that support open-market policies. However, institutional weaknesses still prevent more dynamic growth. The accumulation of large fiscal deficits risks undermining long-term competitiveness. Measures have been taken to make business start-up procedures easier and facilitate private-sector development, but the pace of reform has slowed. Inflationary pressures persist.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +16.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
36.8 million

**GDP (PPP):**  
\$1.8 trillion  
0.2% growth in 2023  
3-year average growth rate: 4.2%  
\$48,799 per capita

**UNEMPLOYMENT:**  
2.9%

**INFLATION (CPI):**  
11.4%

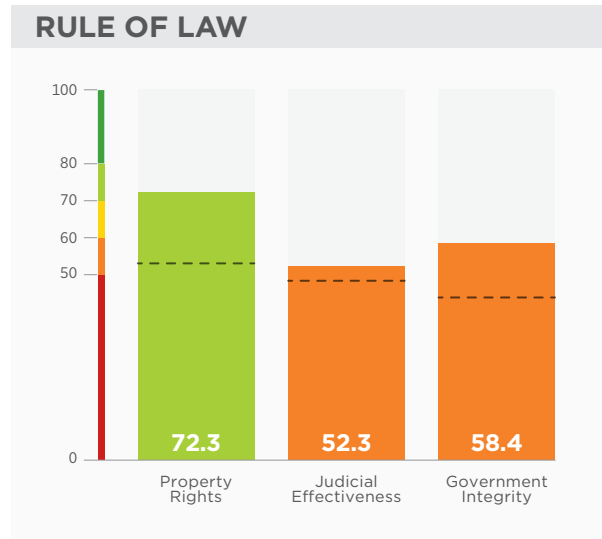
**FDI INFLOW:**  
\$29.5 billion

**PUBLIC DEBT:**  
49.6% of GDP

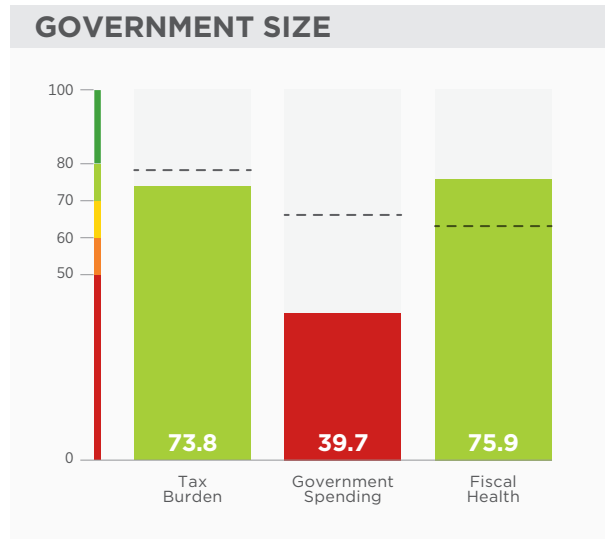
2023 data unless otherwise noted. Data compiled as of November 2024.



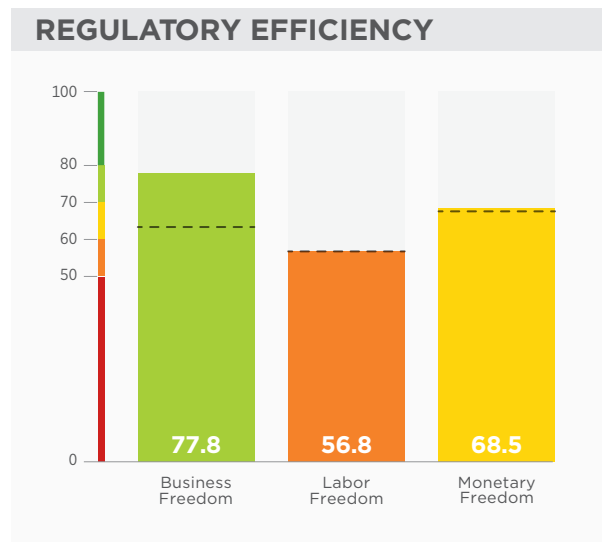
# 12 ECONOMIC FREEDOMS | POLAND



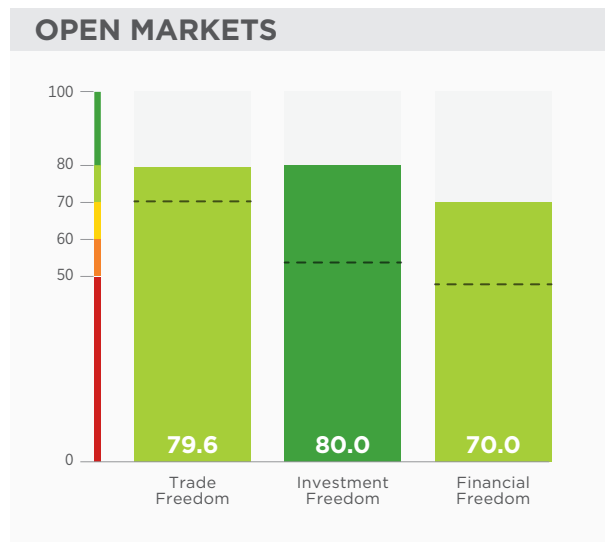
The overall rule of law is relatively well respected in Poland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



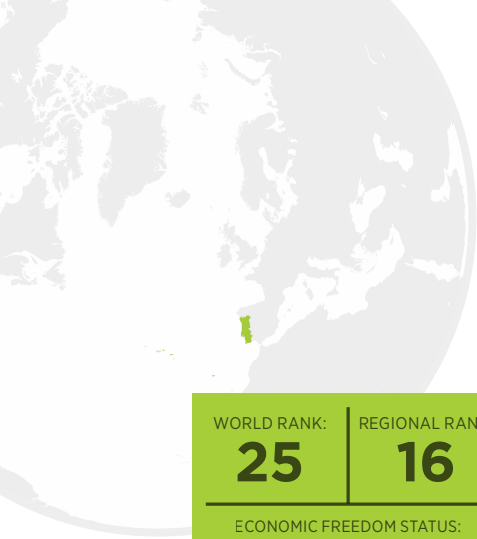
The top individual income tax rate is 32 percent, and the top corporate tax rate is 19 percent. The tax burden equals 35.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.8 percent and -3.5 percent of GDP. Public debt amounts to 49.6 percent of GDP.



Poland's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is welcome, but foreign ownership in selected strategic sectors is limited. The financial sector continues to expand.



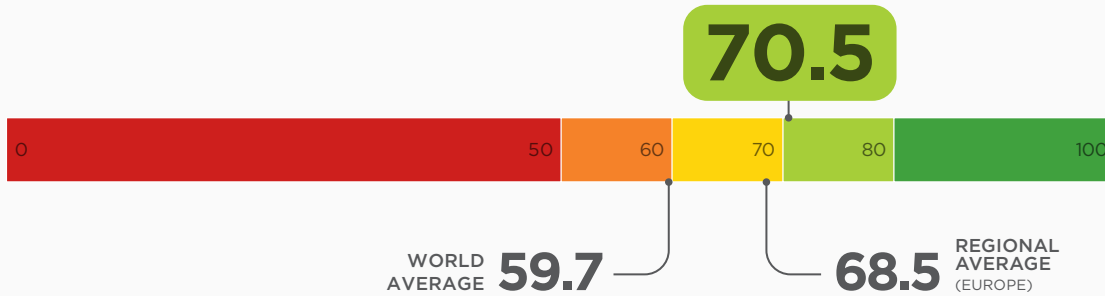
WORLD RANK:	REGIONAL RANK:
<b>25</b>	<b>16</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# PORTUGAL

Portugal's economic freedom score is 70.5, making its economy the 25th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and Portugal is ranked 16th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Portugal's economy is considered "mostly free" according to the 2025 *Index*.

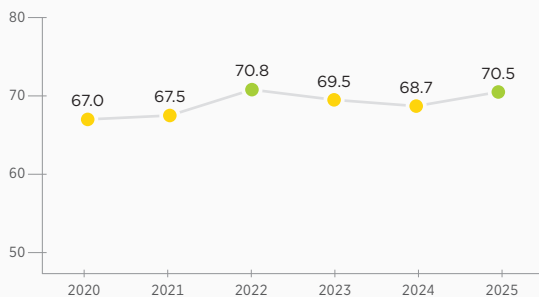
The Portuguese economy has been undergoing challenging adjustments. Despite such relatively sound institutional processes as an efficient business framework and a well-functioning judicial system, the debt-burdened public sector undermines private-sector dynamism and overall competitiveness. Comprehensive public-sector reform and greater labor market flexibility to improve competitiveness and productivity are needed to revitalize the economy. The overall entrepreneurial and investment framework is efficient. Rules on forming and operating private enterprises are now more straightforward. Monetary stability is relatively well maintained, but inflationary pressures persist.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.3 million

**GDP (PPP):**  
\$487.3 billion  
2.3% growth in 2023  
3-year average growth rate: 4.9%  
\$47,226 per capita

**UNEMPLOYMENT:**  
6.5%

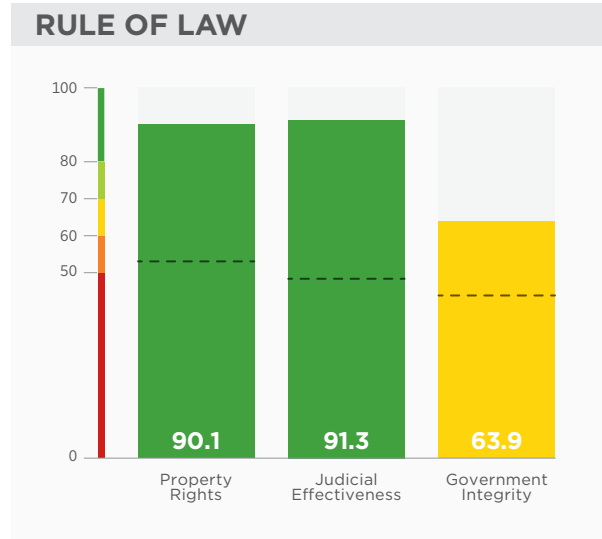
**INFLATION (CPI):**  
5.3%

**FDI INFLOW:**  
\$9.1 billion

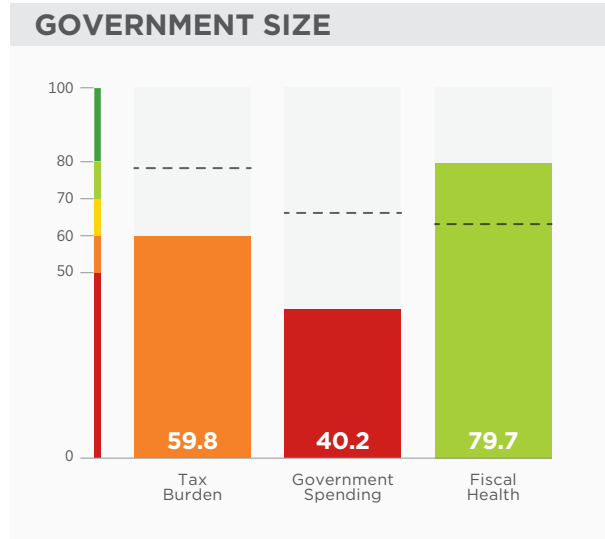
**PUBLIC DEBT:**  
99.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

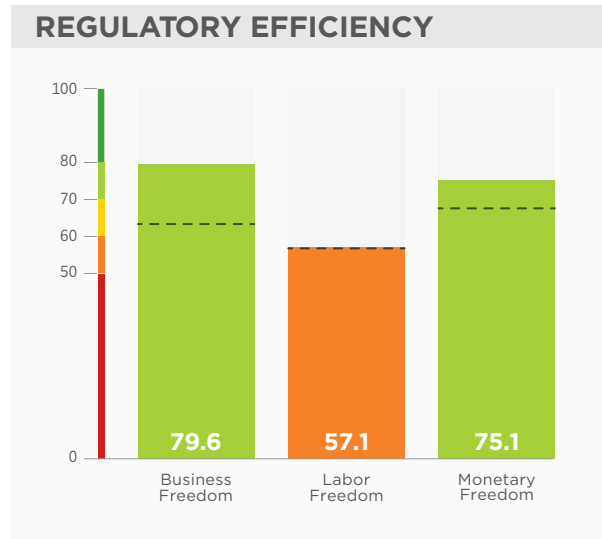
# 12 ECONOMIC FREEDOMS | PORTUGAL



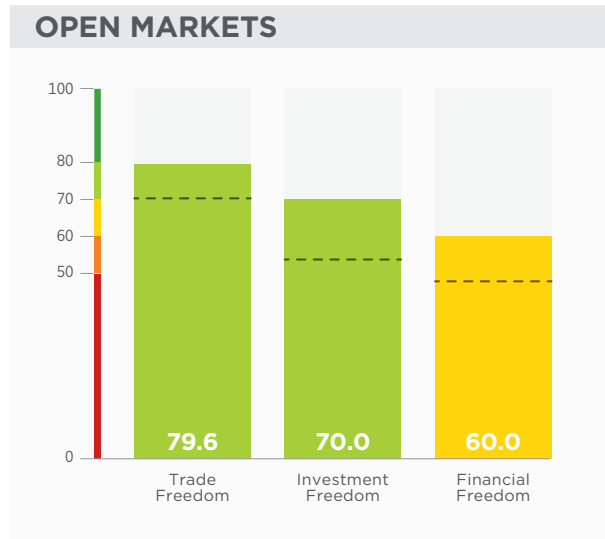
The overall rule of law is well respected in Portugal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 48 percent, and the top corporate tax rate is 21 percent. The tax burden equals 35.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.6 percent and -0.7 percent of GDP. Public debt amounts to 99.1 percent of GDP.



Portugal's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. The investment regime is conducive to new investment. The financial sector, dominated by banking, has regained stability and offers a range of financial services.



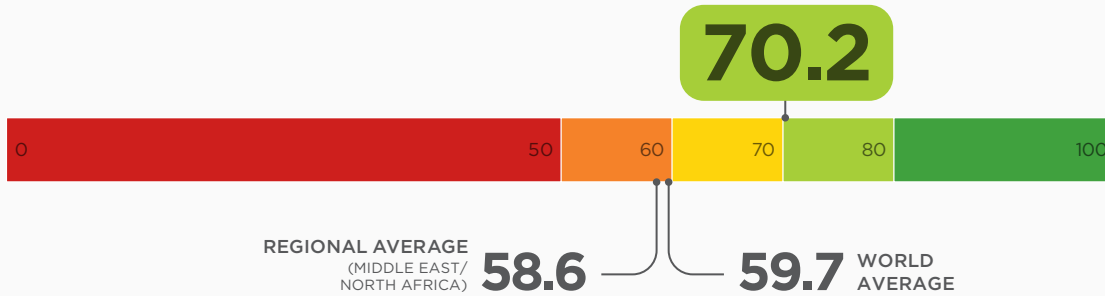
WORLD RANK:	REGIONAL RANK:
<b>27</b>	<b>2</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# QATAR

**Q**atar’s economic freedom score is 70.2, making its economy the 27th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Qatar is ranked 2nd 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. Qatar’s economy is considered “mostly free” according to the 2025 *Index*.

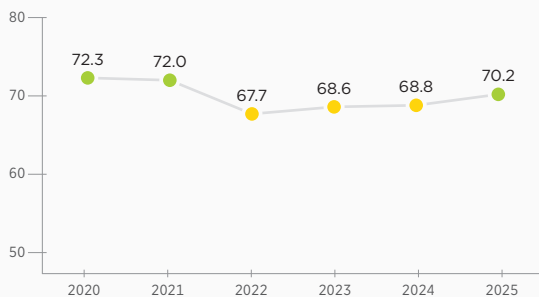
Qatar has improved its entrepreneurial environment and broadened its economic base. The foundations of economic freedom are relatively solid. The regulatory system is flexible. The country’s open trade regime and growing status as a regional financial hub have encouraged more diversified private-sector growth. Procedures involved in launching a business and completing licensing requirements have been simplified, but the pace of reform has slowed. The labor force consists primarily of expatriate workers, and immigration and employment rules are tightly managed.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1999): +8.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.1 million

**GDP (PPP):**  
\$342.4 billion  
1.2% growth in 2023  
3-year average growth rate: 2.3%  
\$111,789 per capita

**UNEMPLOYMENT:**  
0.1%

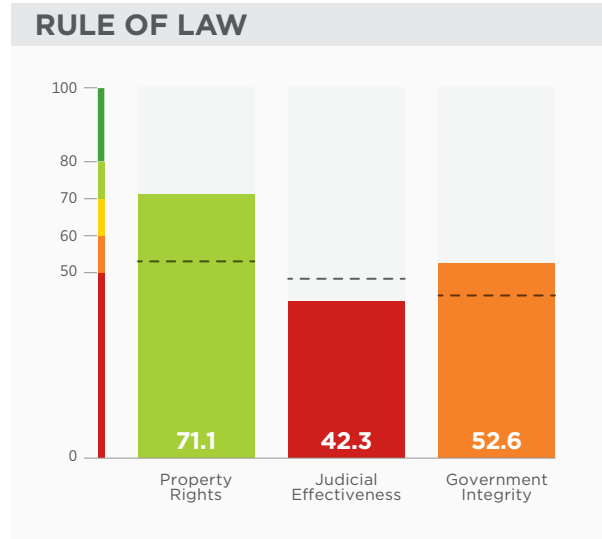
**INFLATION (CPI):**  
3.1%

**FDI INFLOW:**  
\$76.0 million

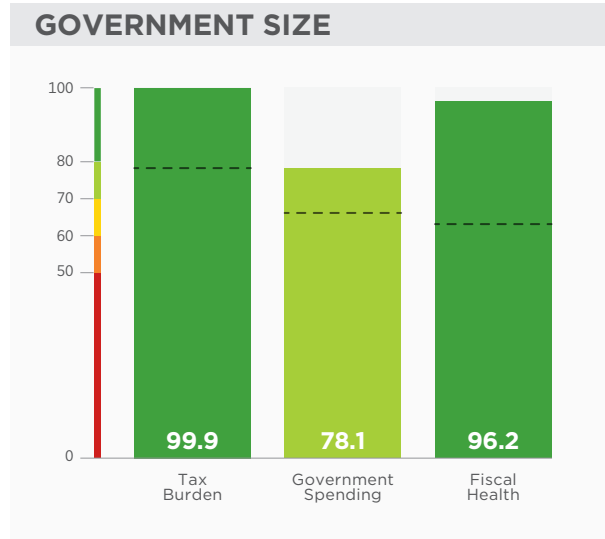
**PUBLIC DEBT:**  
43.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

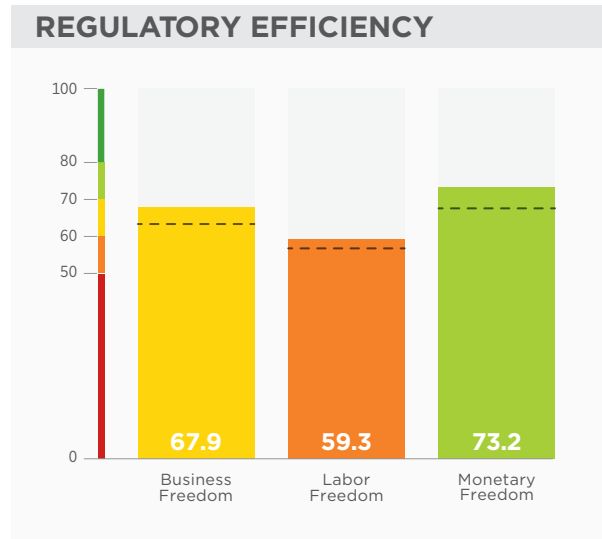
# 12 ECONOMIC FREEDOMS | QATAR



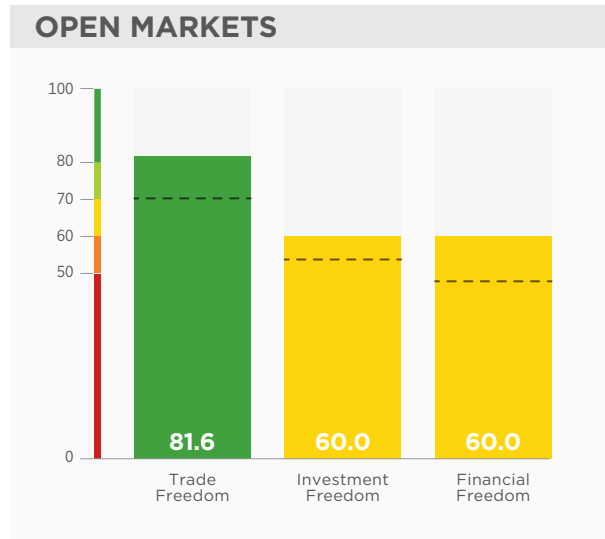
The overall rule of law is relatively well respected in Qatar. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 3.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.0 percent and 5.4 percent of GDP. Public debt amounts to 43.3 percent of GDP.



Qatar's regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 4.2 percent. Openness to global commerce through trade and investment underpins Qatar's competitiveness. Foreign investment in several sectors of the economy is capped. Banking remains stable and competitive. Growth in financial services has contributed to economic diversification.



WORLD RANK: **51** | REGIONAL RANK: **28**

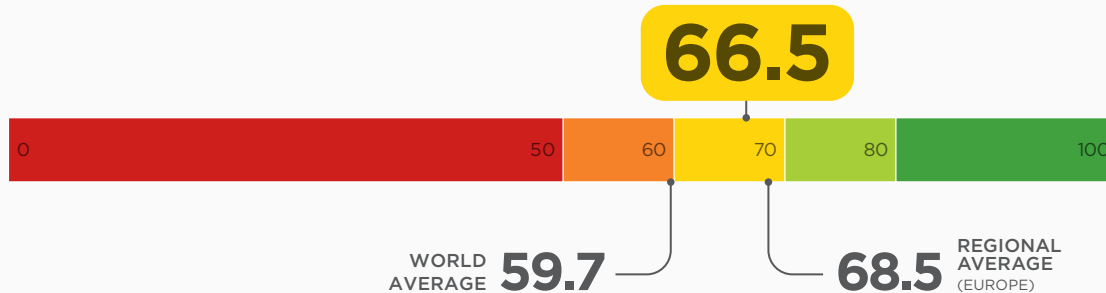
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# ROMANIA

Romania's economic freedom score is 66.5, making its economy the 51st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.1 points from last year, and Romania is ranked 28th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Romania's economy is considered "moderately free" according to the 2025 *Index*.

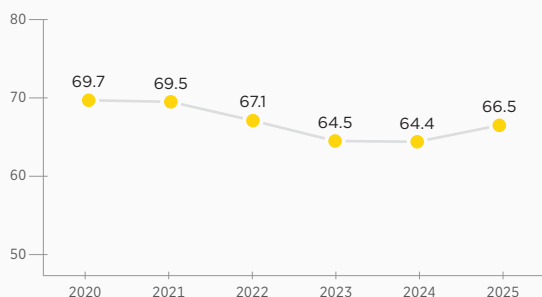
The Romanian economy has benefitted substantially from a decade of openness and flexibility, but deeper institutional and structural reforms in such areas as the labor market and management of public finance are still needed. The judiciary remains inefficient and vulnerable to political interference, and corruption continues to undermine long-term economic development. The process for business registration and operation has been streamlined, but efficient bankruptcy procedures have not been fully implemented. Relatively high inflation has weakened overall monetary stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +23.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.1 million

**GDP (PPP):**  
\$857.0 billion  
2.1% growth in 2023  
3-year average growth rate: 4.0%  
\$44,974 per capita

**UNEMPLOYMENT:**  
5.6%

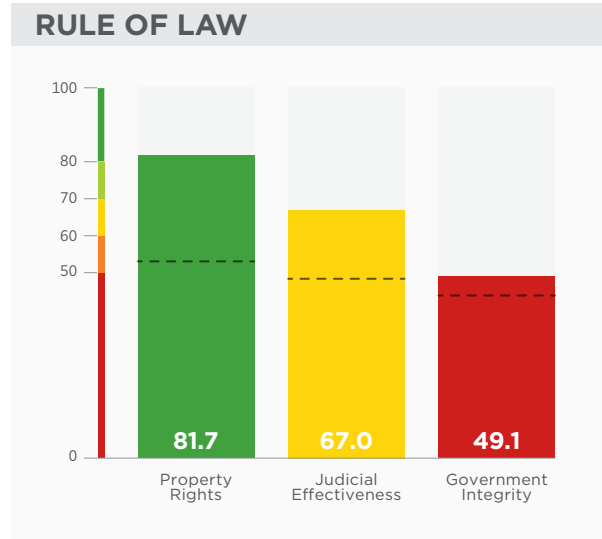
**INFLATION (CPI):**  
10.4%

**FDI INFLOW:**  
\$11.3 billion

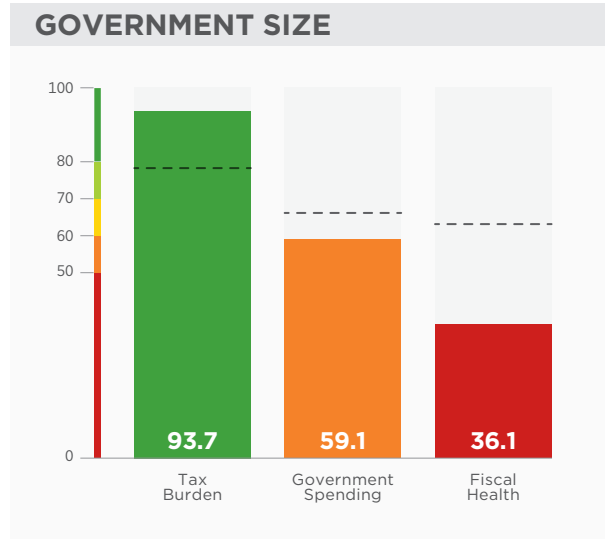
**PUBLIC DEBT:**  
52.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

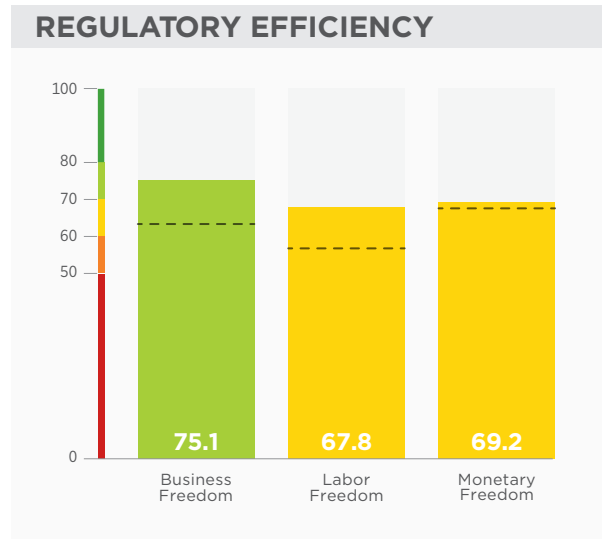
# 12 ECONOMIC FREEDOMS | ROMANIA



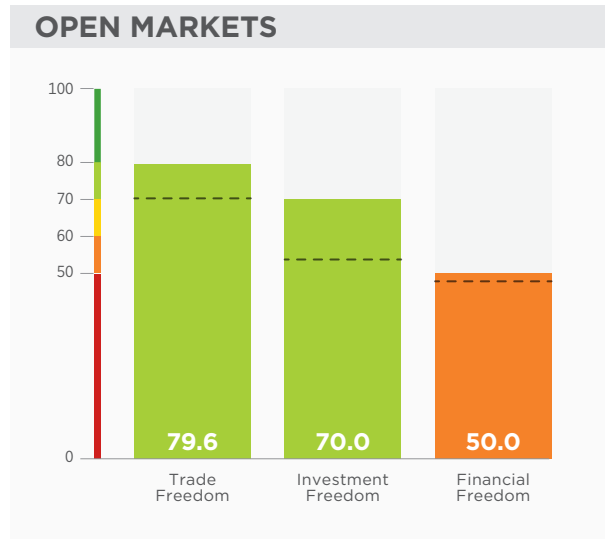
The overall rule of law is relatively well respected in Romania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 16 percent. The tax burden equals 16.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.9 percent and -6.0 percent of GDP. Public debt amounts to 52.1 percent of GDP.



Romania's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Despite progress, the regulatory system tends to discourage more dynamic foreign investment. The financial sector's continued growth is driven primarily by banking.



# RUSSIA

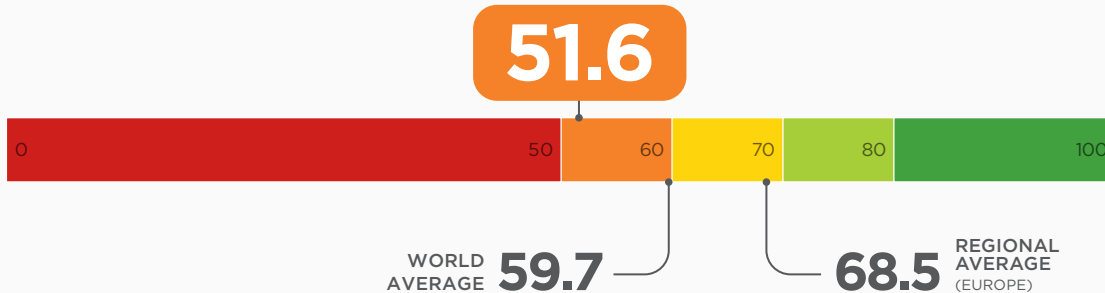
WORLD RANK: **135** | REGIONAL RANK: **43**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Russia's economic freedom score is 51.6, making its economy the 135th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Russia is ranked 43rd out of 44 countries in the Europe region. The country's economic freedom score is lower than the world and regional averages. Russia's economy is considered "mostly unfree" according to the 2025 *Index*.

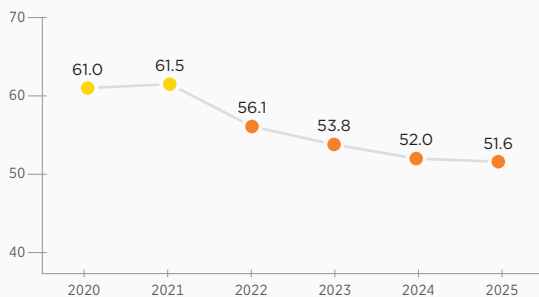
Pervasive corruption and limited respect for property rights have long undermined the rule of law in Russia, increasing the level of uncertainty and risk for investors. Extensive state interference in the economy discourages private-sector dynamism. The business environment remains repressive, and regulations remain burdensome and inconsistently enforced. The outmoded labor code continues to limit employment and productivity growth. The state's influence on prices is extensive, and overall monetary stability has been fragile.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
146.3 million

**GDP (PPP):**  
\$6.5 trillion  
3.6% growth in 2023  
3-year average growth rate: 2.8%  
\$44,512 per capita

**UNEMPLOYMENT:**  
3.3%

**INFLATION (CPI):**  
5.9%

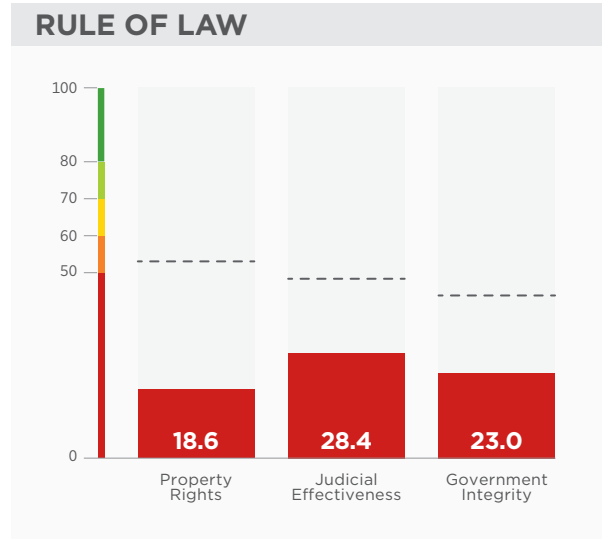
**FDI INFLOW:**  
-\$18.7 billion

**PUBLIC DEBT:**  
19.5% of GDP

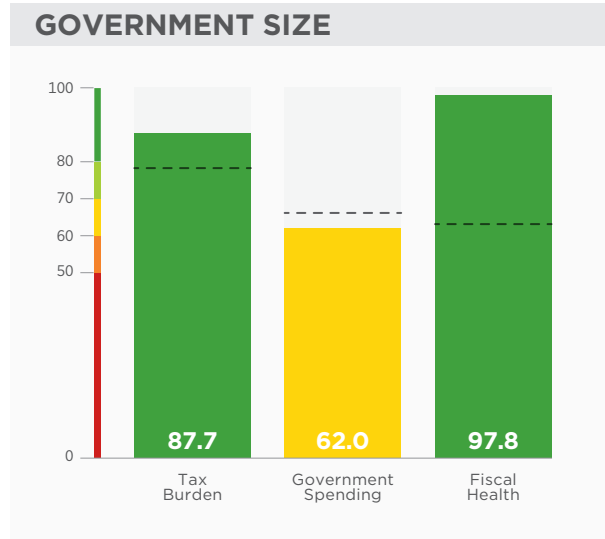
2023 data unless otherwise noted. Data compiled as of November 2024.



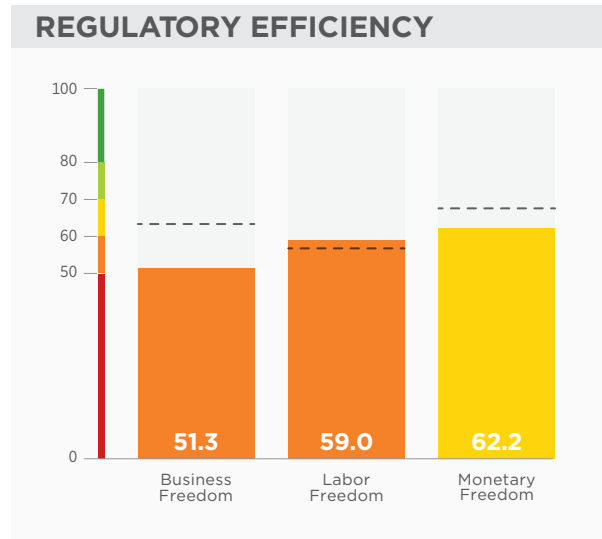
# 12 ECONOMIC FREEDOMS | RUSSIA



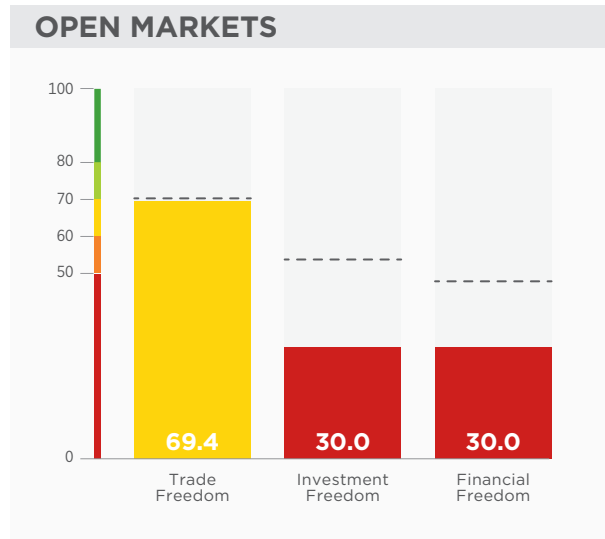
The overall rule of law is weak in Russia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



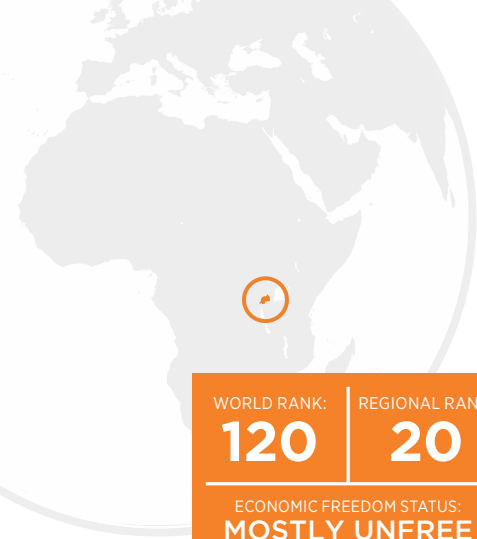
The top individual income tax rate is 13 percent, and the top corporate tax rate is 20 percent. The tax burden equals 25.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.6 percent and -1.0 percent of GDP. Public debt amounts to 19.5 percent of GDP.



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



The trade-weighted average tariff rate is 5.3 percent. Private-sector trade and investment activities are undercut by structural and institutional constraints caused by state interference in the marketplace. Foreign investment is screened, and the financial sector is subject to government influence.



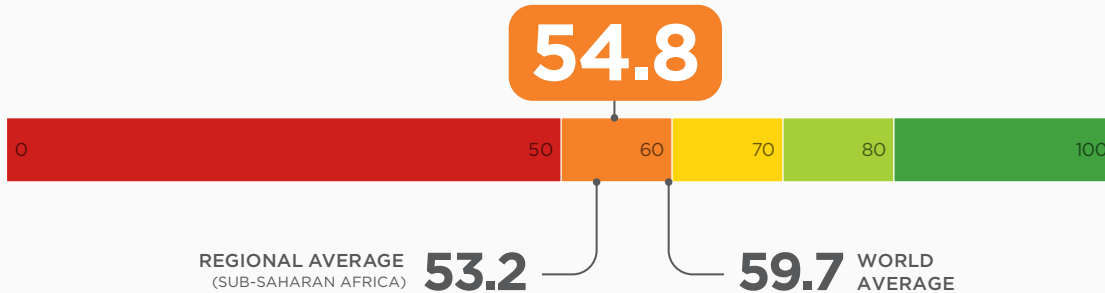
WORLD RANK: **120** | REGIONAL RANK: **20**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# RWANDA

Rwanda's economic freedom score is 54.8, making its economy the 120th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.2 points from last year, and Rwanda is ranked 20th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Rwanda's economy is considered "mostly unfree" according to the 2025 *Index*.

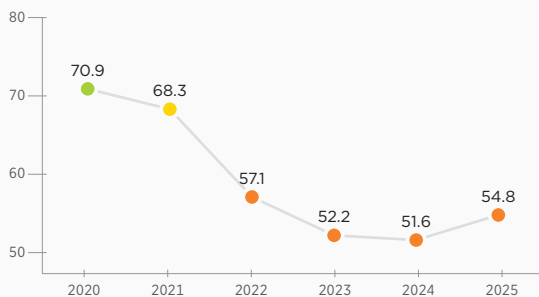
Reforms have supported economic expansion and the gradual reduction of poverty, but corruption and weak rule of law discourage long-term economic development. Accelerated judicial reform and continued efforts to streamline public administration would help to sustain economic growth and broaden improvements in living standards. Despite some improvement in the business environment, the pace of reform is slower than in previous years. Labor regulations are relatively flexible, but a more vibrant formal labor market has not developed. Inflationary pressures continue.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): +16.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
13.5 million

**GDP (PPP):**  
\$47.4 billion  
8.2% growth in 2023  
3-year average growth rate: 9.1%  
\$3,511 per capita

**UNEMPLOYMENT:**  
14.9%

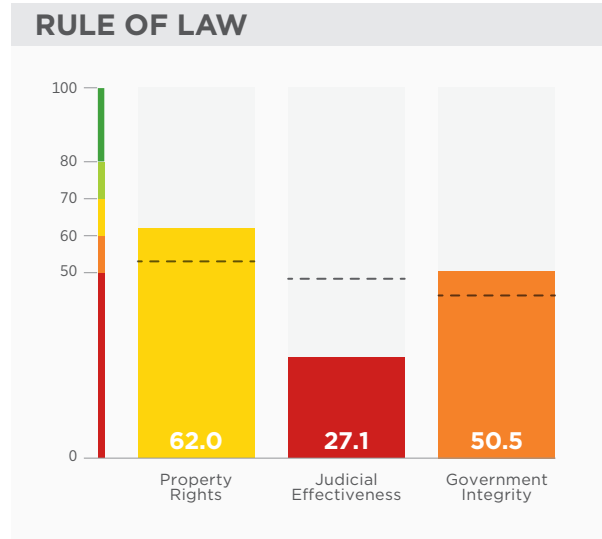
**INFLATION (CPI):**  
14.0%

**FDI INFLOW:**  
\$399.0 million

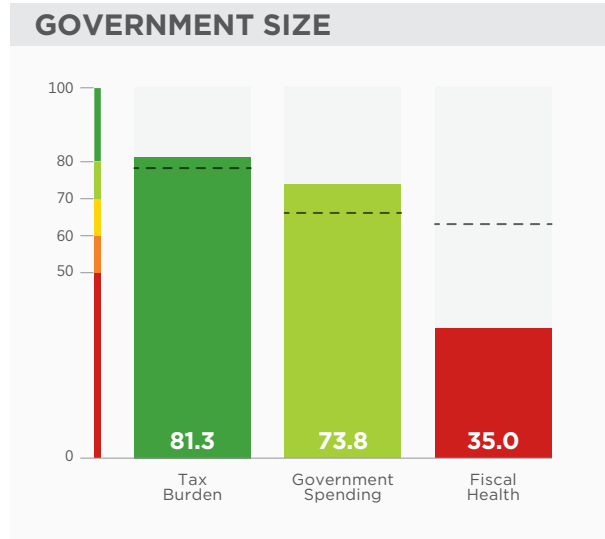
**PUBLIC DEBT:**  
64.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

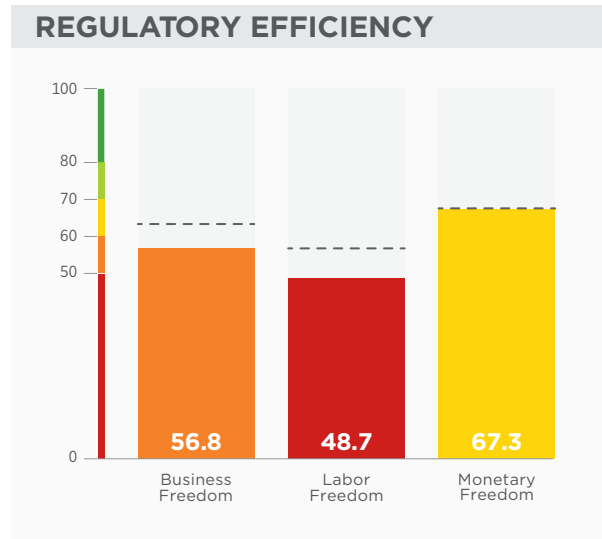
# 12 ECONOMIC FREEDOMS | RWANDA



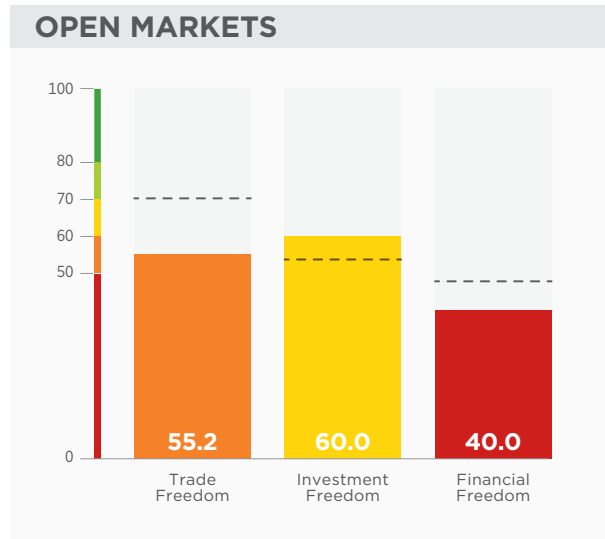
The overall rule of law is weak in Rwanda. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



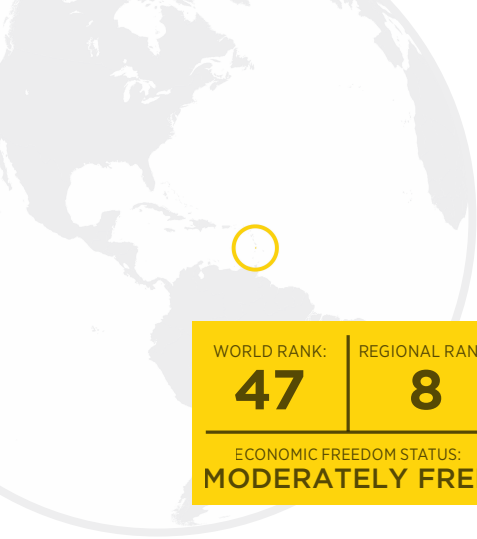
The top individual income tax rate is 30 percent, and the top corporate tax rate is 28 percent. The tax burden equals 13.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.6 percent and -6.0 percent of GDP. Public debt amounts to 64.5 percent of GDP.



Rwanda's overall regulatory environment is not well institutionalized and lacks efficiency. 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 slightly below the world average.



The trade-weighted average tariff rate is 17.4 percent. Foreign investment is generally welcome, and the investment code provides for equal treatment of foreigners and nationals for many types of activity. The financial sector is dominated by banking and expanding, albeit slowly.



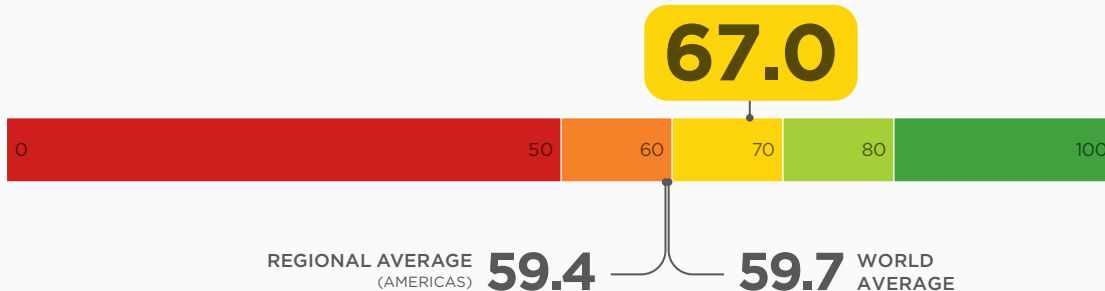
WORLD RANK:	REGIONAL RANK:
<b>47</b>	<b>8</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# SAINT LUCIA

Saint Lucia's economic freedom score is 67.0, making its economy the 47th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 4.8 points from last year, and Saint Lucia is ranked 8th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Saint Lucia's economy is considered "moderately free" according to the 2025 *Index*.

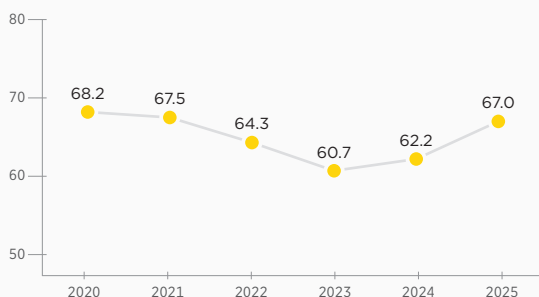
The Saint Lucian economy has long benefited from a well-developed legal and commercial infrastructure and a tradition of private-sector dynamism. The business environment is generally efficient and transparent, and the regulatory framework has become more streamlined. Greater access to financing opportunities is needed to encourage private-sector development and attract foreign investment. The government is working to diversify from bananas into other commodities and is prioritizing communications and information technology. Saint Lucia remains one of five Caribbean nations to recognize Taiwan.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -1.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.2 million

**GDP (PPP):**  
\$4.7 billion  
2.2% growth in 2023  
3-year average growth rate: 11.4%  
\$25,598 per capita

**UNEMPLOYMENT:**  
11.1%

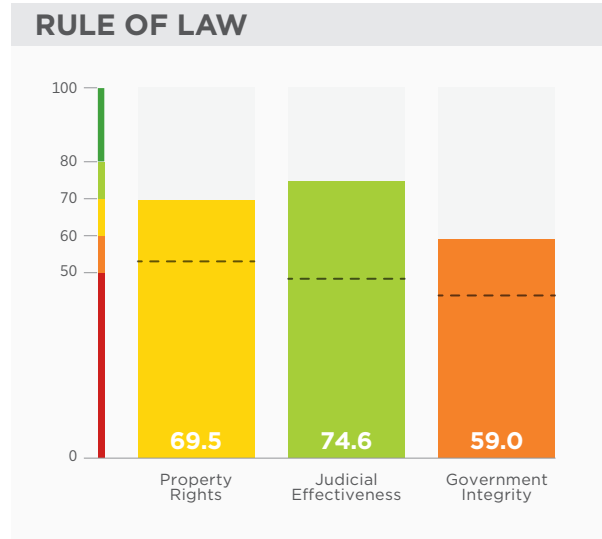
**INFLATION (CPI):**  
4.1%

**FDI INFLOW:**  
\$67.0 million

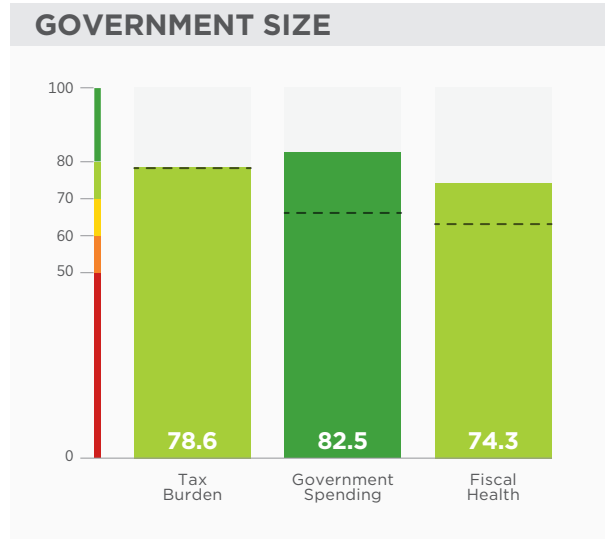
**PUBLIC DEBT:**  
74.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

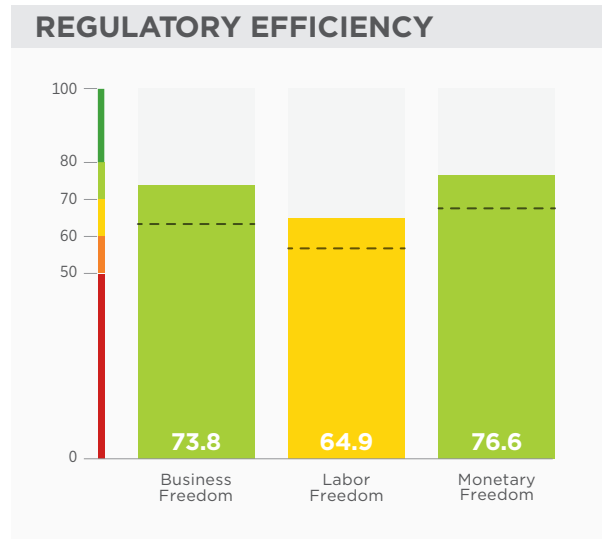
# 12 ECONOMIC FREEDOMS | SAINT LUCIA



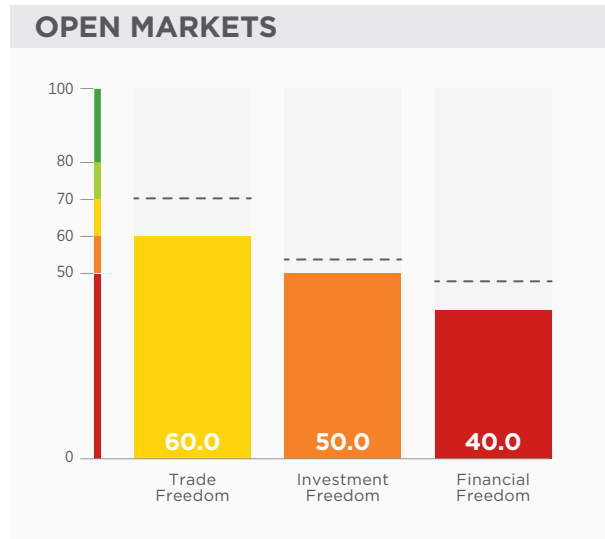
The overall rule of law is relatively well respected in Saint Lucia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



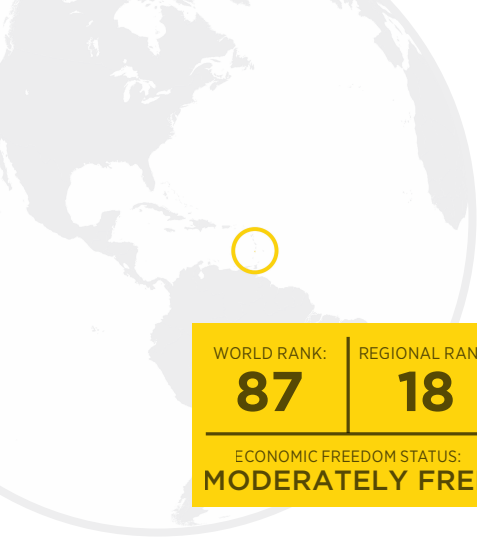
The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 18.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.2 percent and -3.0 percent of GDP. Public debt amounts to 74.5 percent of GDP.



Saint Lucia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 12.5 percent, and layers of nontariff measures are in force. Foreign investment is welcome, and the investment code provides for equal treatment of foreigners and nationals for many types of activity. The financial sector is dominated by banking and expanding slowly.



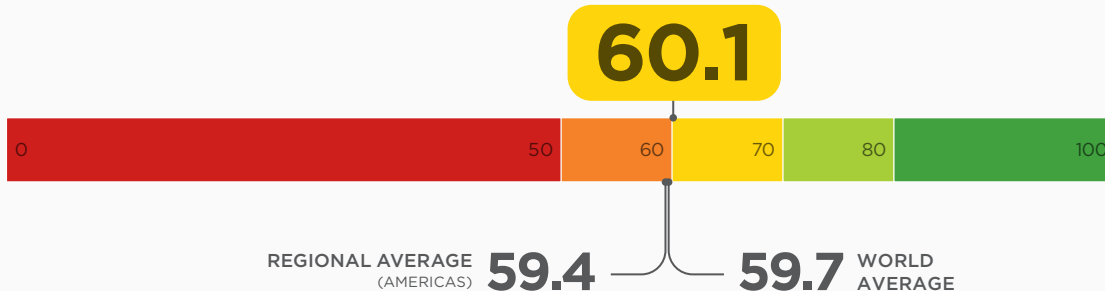
WORLD RANK:	REGIONAL RANK:
<b>87</b>	<b>18</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# SAINT VINCENT AND THE GRENADINES

Saint Vincent and the Grenadines' economic freedom score is 60.1, making its economy the 87th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Saint Vincent and the Grenadines is ranked 18th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Saint Vincent and the Grenadines' economy is considered "moderately free" according to the 2025 *Index*.

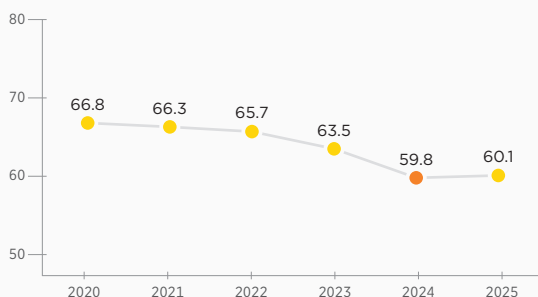
The Saint Vincentian economy is characterized by flexible regulations, an efficient legal system that secures private property, and macroeconomic stability. Tourism is the primary economic driver and the principal draw for foreign investment. Enforcement of regulations is relatively affective, but more vibrant entrepreneurial activity remains stifled by limited access to financing. A well-functioning labor market is not fully developed, and much of the labor force is employed in agriculture and tourism.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -4.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$2.0 billion  
5.8% growth in 2023  
3-year average growth rate: 3.7%  
\$18,175 per capita

**UNEMPLOYMENT:**  
18.7%

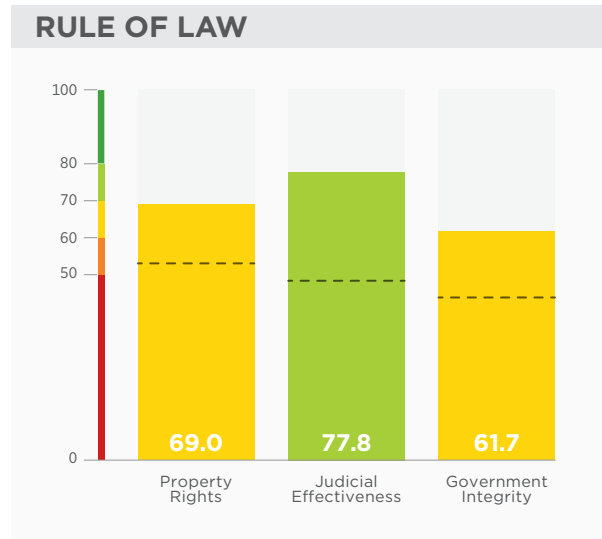
**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
\$86.0 million

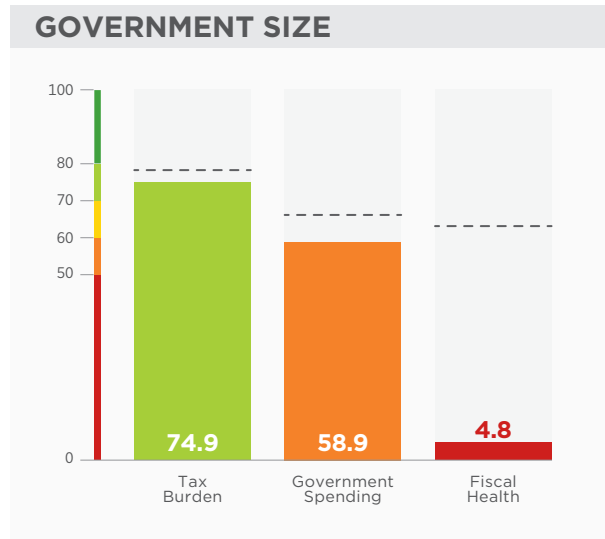
**PUBLIC DEBT:**  
87.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

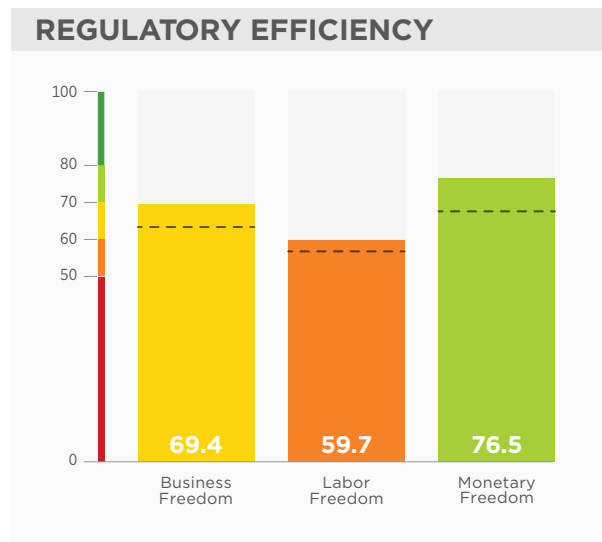
# 12 ECONOMIC FREEDOMS | SAINT VINCENT AND THE GRENADINES



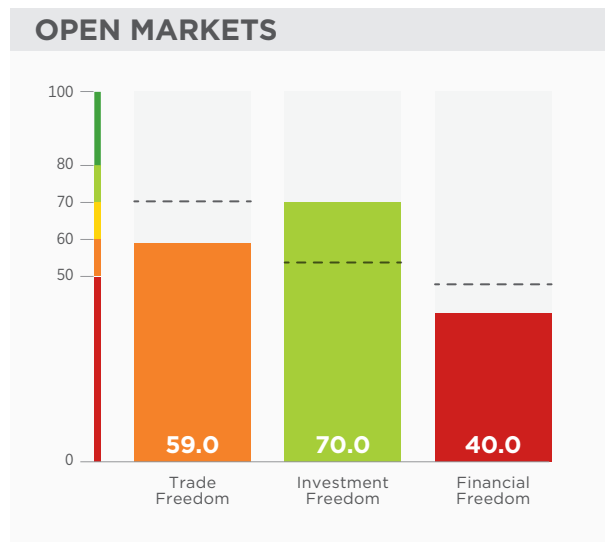
The overall rule of law is relatively well respected in Saint Vincent and the Grenadines. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



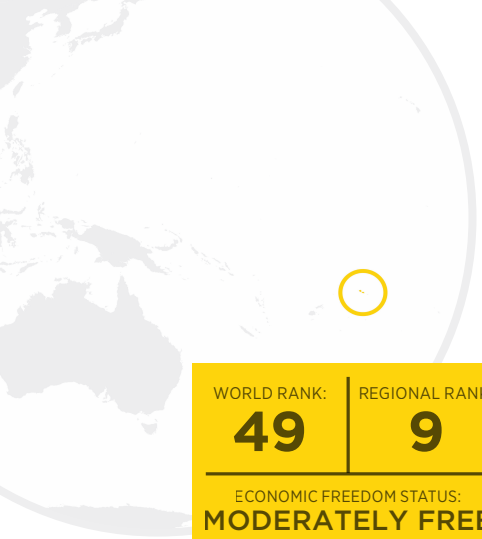
The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 26.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.0 percent and -9.3 percent of GDP. Public debt amounts to 87.1 percent of GDP.



Saint Vincent and the Grenadines' 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 above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 13.0 percent, and nontariff barriers further undermine overall trade freedom. In general, foreign and domestic investors are treated equally, but the government screens foreign investment. Businesses lack adequate access to a wide variety of financing instruments.



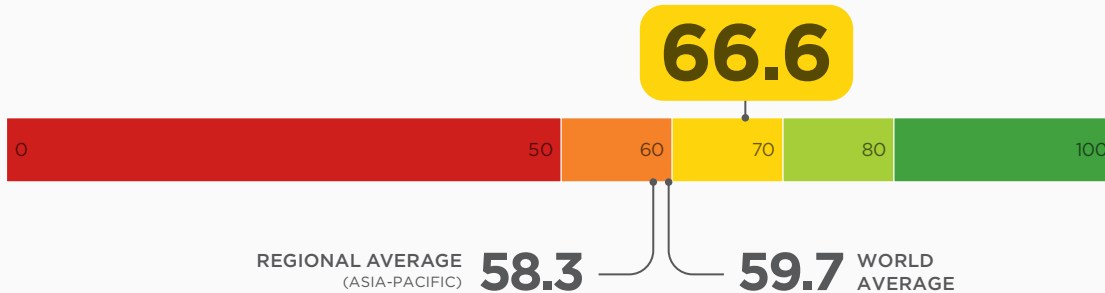
# SAMOA

WORLD RANK:	REGIONAL RANK:
<b>49</b>	<b>9</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Samoa's economic freedom score is 66.6, making its economy the 49th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.6 point from last year, and Samoa is ranked 9th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Samoa's economy is considered "moderately free" according to the 2025 *Index*.

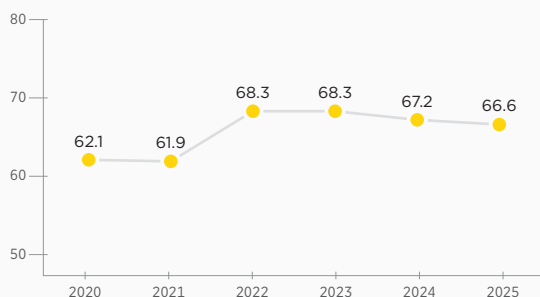
Structural and institutional reform in Samoa has progressed unevenly. More vibrant economic growth is constrained by structural weaknesses that continue to undermine the private sector. The pace of reform has slowed in recent years. The regulatory framework supports entrepreneurial activity, but application of the commercial codes is not always straightforward. A modern labor market is not fully developed, and informal labor activity remains substantial. Two-thirds of the workforce is employed in fishing and agriculture, and the economy relies heavily on remittances from emigrants.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +19.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.2 million

**GDP (PPP):**  
\$1.3 billion  
8.0% growth in 2023  
3-year average growth rate: -1.5%  
\$6,316 per capita

**UNEMPLOYMENT:**  
9.8%

**INFLATION (CPI):**  
12.0%

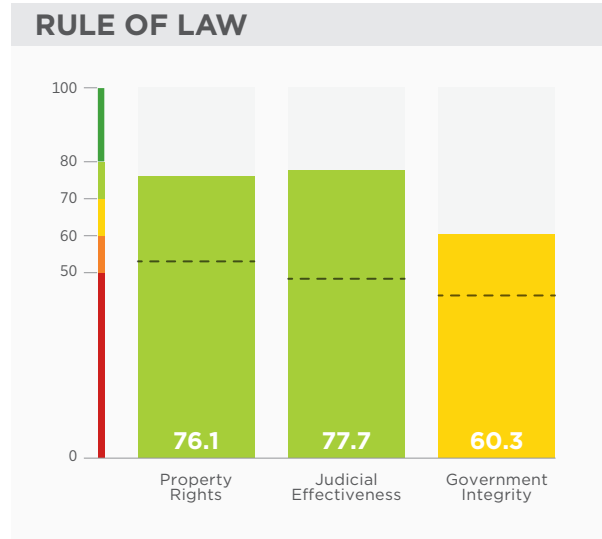
**FDI INFLOW:**  
\$5.0 million

**PUBLIC DEBT:**  
33.4% of GDP

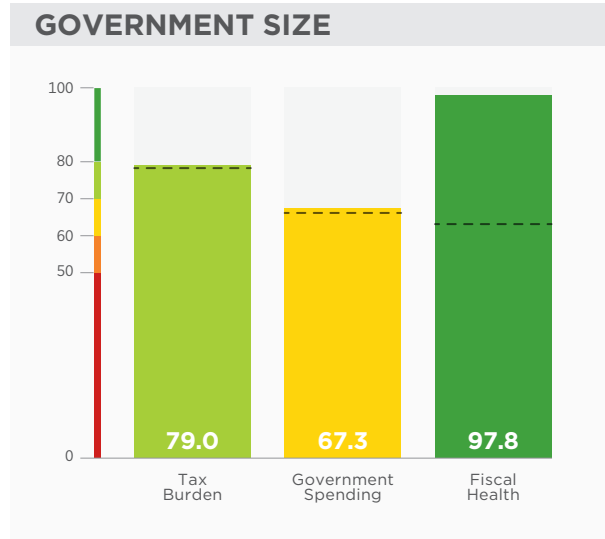
2023 data unless otherwise noted. Data compiled as of November 2024.



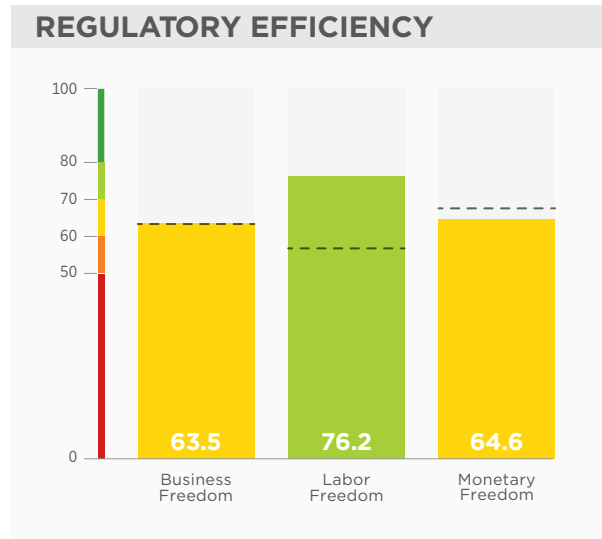
# 12 ECONOMIC FREEDOMS | SAMOA



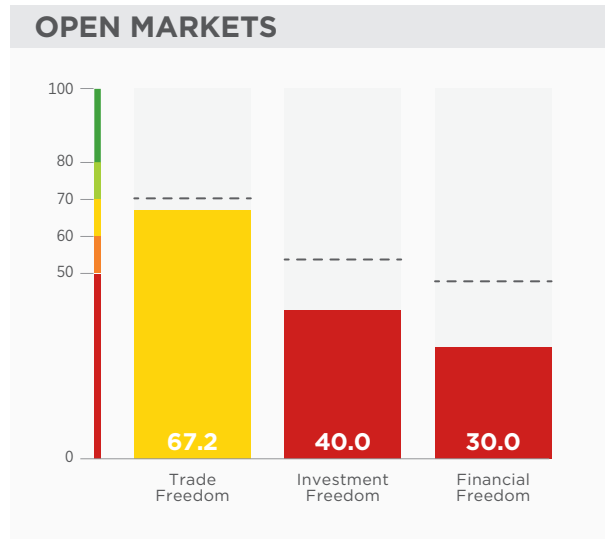
The overall rule of law is relatively well respected in Samoa. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 27 percent, and the top corporate tax rate is 27 percent. The tax burden equals 25.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.0 percent and 3.4 percent of GDP. Public debt amounts to 33.4 percent of GDP.



Samoa'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 above the world average; and its monetary freedom score is slightly below the world average.



The trade-weighted average tariff rate is 8.9 percent. Other barriers remain in force, and policies critical to market openness have not advanced. The small and underdeveloped financial sector is dominated by banking, but a significant portion of the population remains unconnected to the formal banking system.

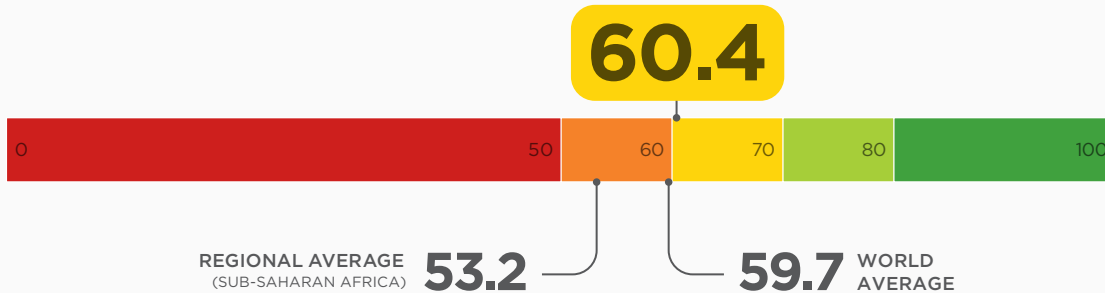
# SÃO TOMÉ AND PRÍNCIPE



São Tomé and Príncipe's economic freedom score is 60.4, making its economy the 85th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and São Tomé and Príncipe is ranked 5th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. São Tomé and Príncipe's economy is considered "moderately free" according to the 2025 *Index*.

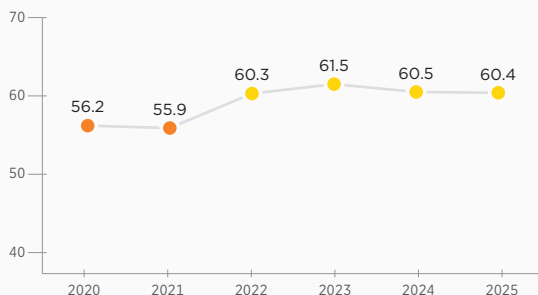
Institutional weaknesses continue to limit economic freedom and private-sector dynamism in São Tomé and Príncipe. The judicial system's lack of capacity to defend property rights effectively undermines prospects for more sustainable economic development. The time needed to start a company has been reduced, and licensing requirements have been simplified, but overall regulatory efficiency remains weak. In the absence of a well-functioning labor market, informal labor activity remains significant. Monetary stability has been weak.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +16.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.2 million

**GDP (PPP):**  
\$1.4 billion  
0.4% growth in 2023  
3-year average growth rate: 0.8%  
\$6,124 per capita

**UNEMPLOYMENT:**  
14.2%

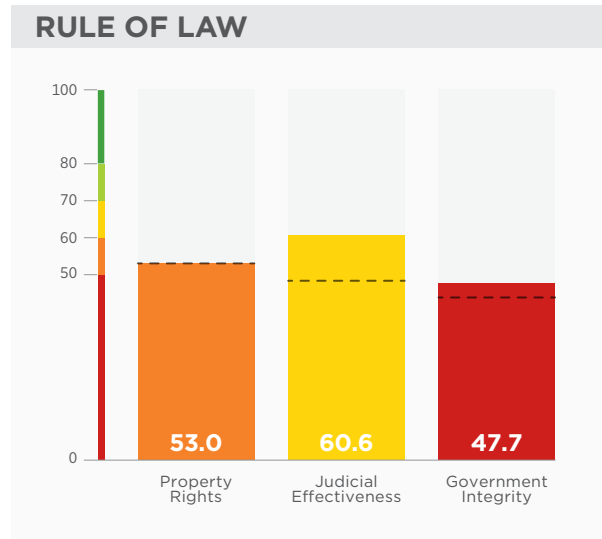
**INFLATION (CPI):**  
21.2%

**FDI INFLOW:**  
\$127.0 million

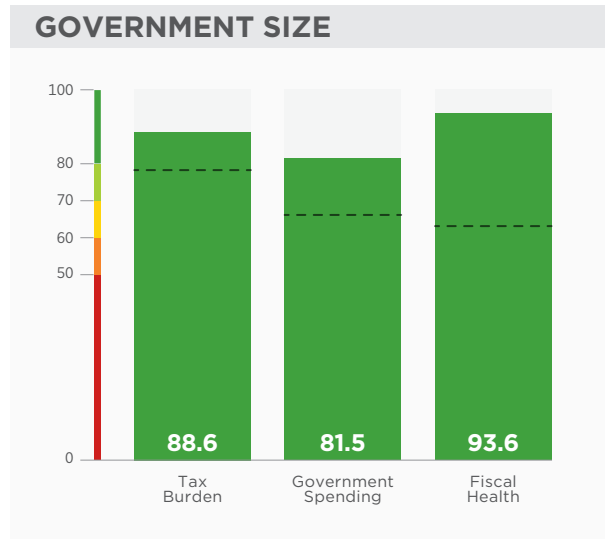
**PUBLIC DEBT:**  
50.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

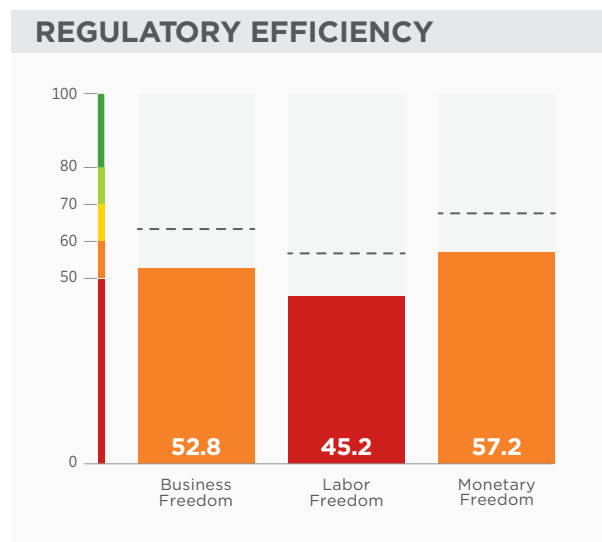
# 12 ECONOMIC FREEDOMS | SÃO TOMÉ AND PRÍNCIPE



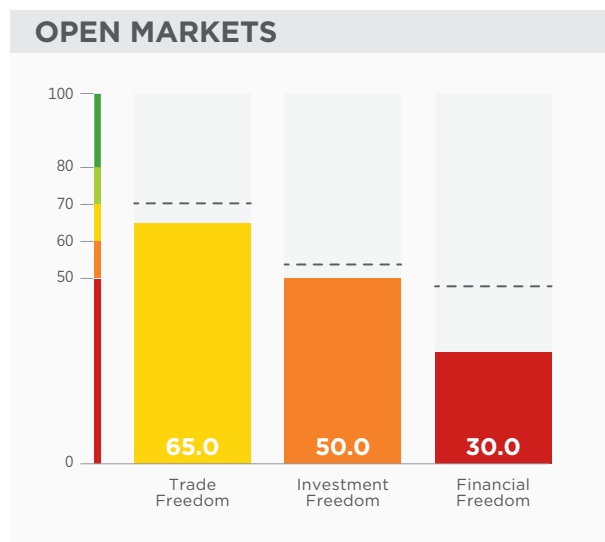
The overall rule of law is relatively well respected in São Tomé and Príncipe. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



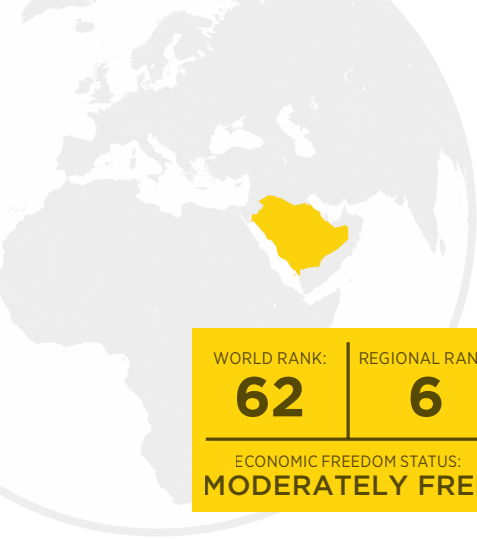
The top individual income tax rate is 20 percent, and the top corporate tax rate is 25 percent. The tax burden equals 10.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.8 percent and -0.9 percent of GDP. Public debt amounts to 50.7 percent of GDP.



São Tomé and Príncipe'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 10.0 percent, and layers of nontariff barriers limit the freedom to trade. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit, especially long-term credit, remains very limited.



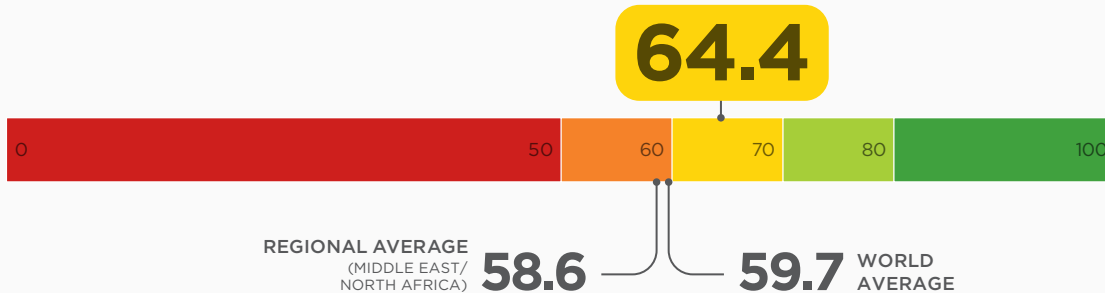
WORLD RANK:	REGIONAL RANK:
<b>62</b>	<b>6</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SAUDI ARABIA

**S**audi Arabia's economic freedom score is 64.4, making its economy the 62nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.5 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 2025 *Index*.

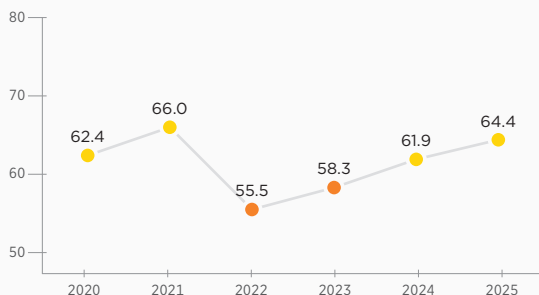
Economic freedom in Saudi Arabia remains modest and evolving. Efforts to deal with corruption and enhance regulatory efficiency have progressed. The judicial system remains susceptible to political influence. Bureaucracy and a lack of transparency still limit investment freedom. Forming a business has become less time-consuming, and licensing requirements have been eased. Government subsidies and state-owned enterprises influence prices. Gradual transformation of the financial sector has included the easing of some restrictions on foreign investment in financial services.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -3.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
32.8 million

**GDP (PPP):**  
\$2.0 trillion  
-0.8% growth in 2023  
3-year average growth rate: 3.9%  
\$61,933 per capita

**UNEMPLOYMENT:**  
4.9%

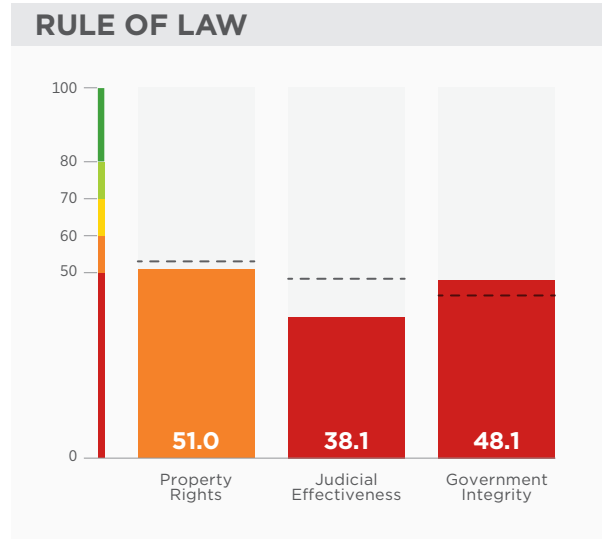
**INFLATION (CPI):**  
2.3%

**FDI INFLOW:**  
\$7.9 billion

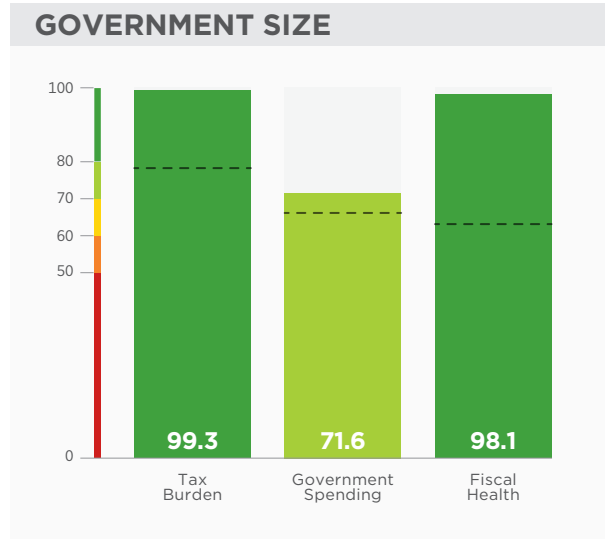
**PUBLIC DEBT:**  
26.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

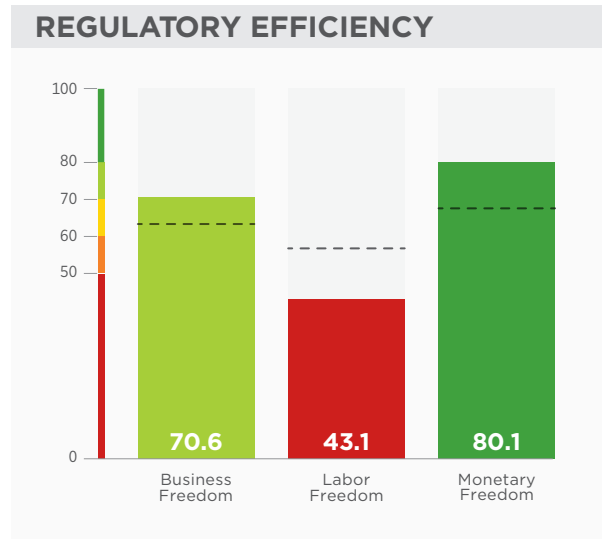
# 12 ECONOMIC FREEDOMS | SAUDI ARABIA



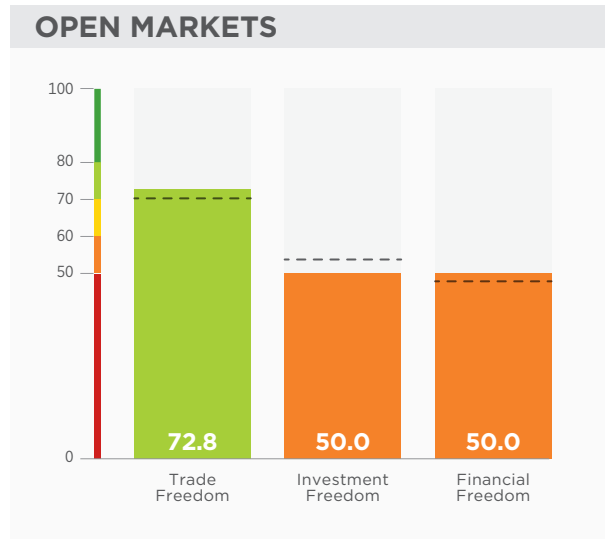
The overall rule of law is weak in Saudi Arabia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 2.5 percent, and the top corporate tax rate is 2.5 percent. The tax burden equals 7.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.7 percent and -0.6 percent of GDP. Public debt amounts to 26.2 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 6.1 percent, and more than 100 nontariff measures are in force. Regulatory reforms allow foreign investors to own controlling stakes, but the overall investment regime remains restrictive with controls in some sectors. The financial sector is open and offers a range of options.

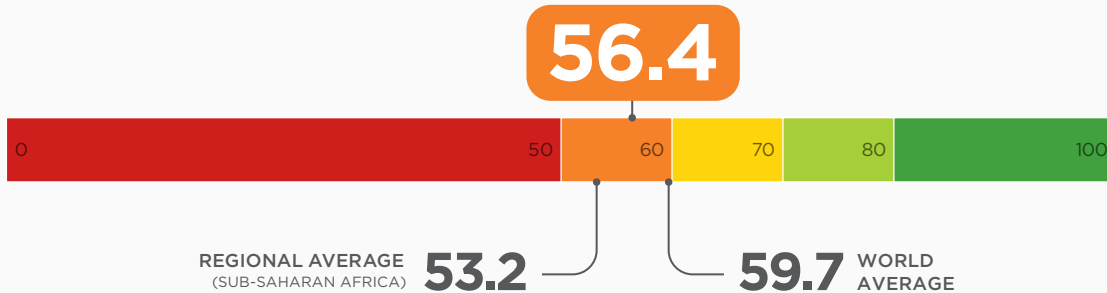
# SENEGAL

WORLD RANK: **108** REGIONAL RANK: **14**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Senegal's economic freedom score is 56.4, making its economy the 108th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.0 point from last year, and Senegal is ranked 14th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Senegal's economy is considered "mostly unfree" according to the 2025 *Index*.

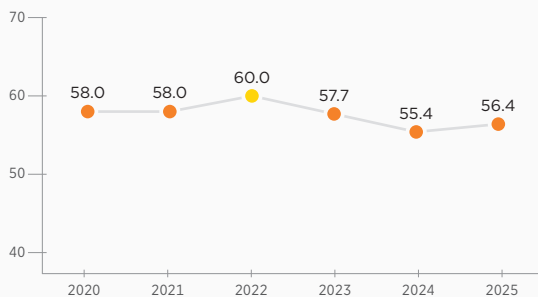
Progress toward greater economic freedom in Senegal has been uneven. The regulatory framework discourages dynamism and tends to curb development of the private sector. Despite some streamlining of business formation, deeper institutional reforms are needed to improve the foundations of economic freedom and encourage long-term economic development and greater poverty reduction. The large agricultural sector employs about 70 percent of working Senegalese, and a formal urban labor market has been slow to emerge. Inflationary pressures remain a problem.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -1.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
18.2 million

**GDP (PPP):**  
\$86.9 billion  
4.6% growth in 2023  
3-year average growth rate: 5.0%  
\$4,786 per capita

**UNEMPLOYMENT:**  
2.9%

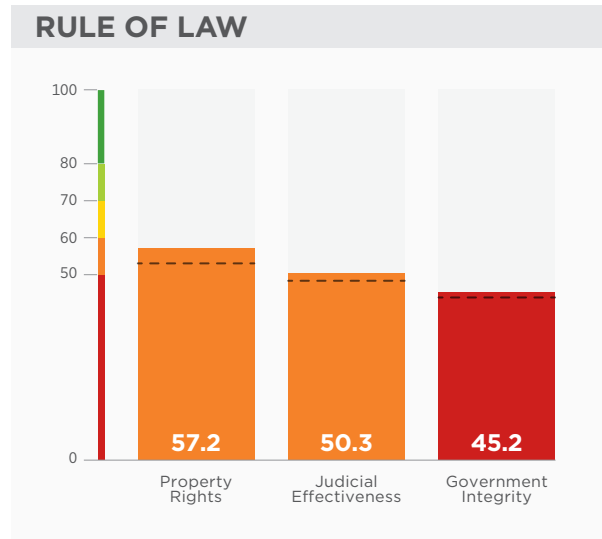
**INFLATION (CPI):**  
5.9%

**FDI INFLOW:**  
\$2.6 billion

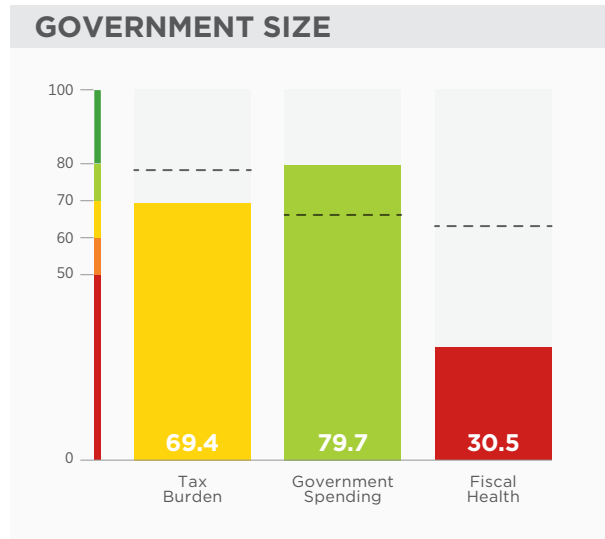
**PUBLIC DEBT:**  
81.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

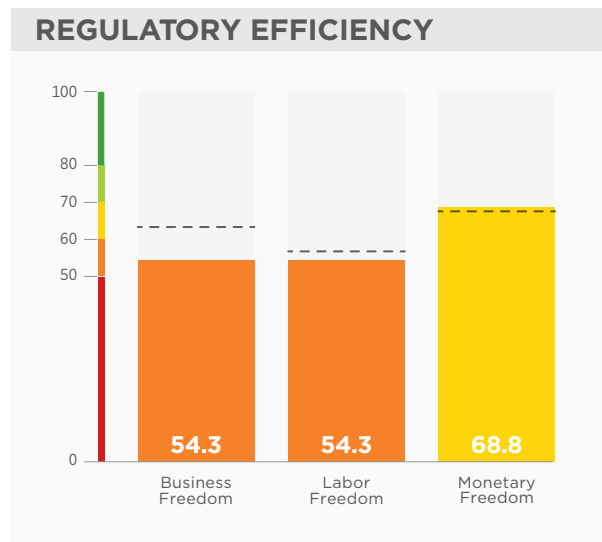
# 12 ECONOMIC FREEDOMS | SENEGAL



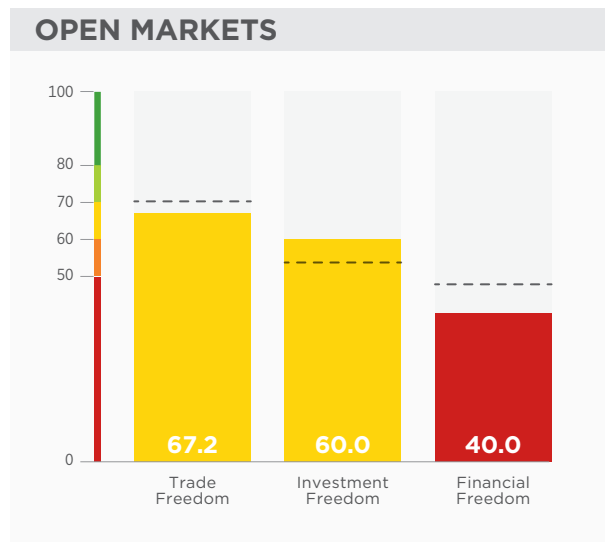
The overall rule of law is relatively well respected in Senegal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



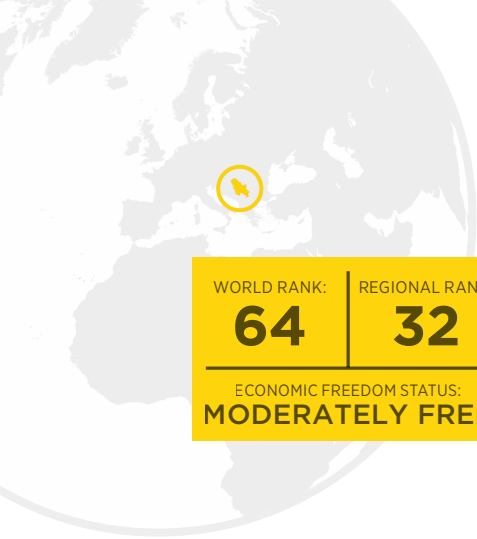
The top individual income tax rate is 43 percent, and the top corporate tax rate is 30 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.0 percent and -5.9 percent of GDP. Public debt amounts to 81.2 percent of GDP.



Senegal'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 above the world average.



The trade-weighted average tariff rate is 8.9 percent, and layers of complex nontariff barriers are in force. The bureaucratic approval process and poor investment infrastructure can discourage investors. High credit costs and scarce access to financing continue to constrain the small private sector.



WORLD RANK: **64** | REGIONAL RANK: **32**

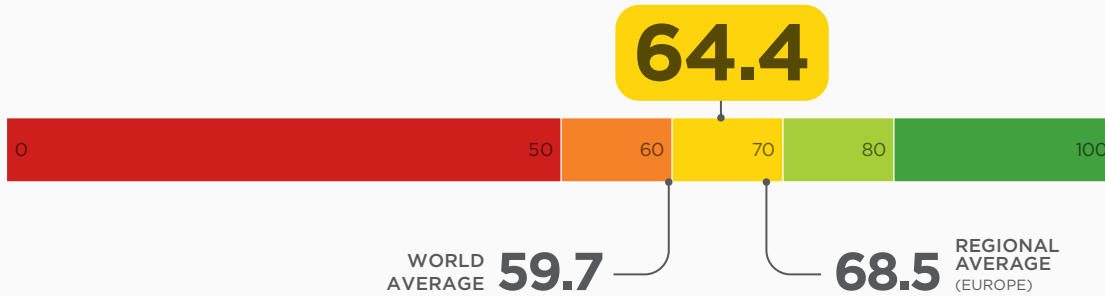
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# SERBIA

Serbia's economic freedom score is 64.4, making its economy the 64th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.7 points from last year, and Serbia is ranked 32nd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Serbia's economy is considered "moderately free" according to the 2025 *Index*.

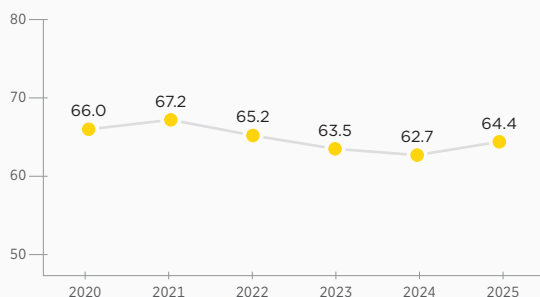
The Serbian economy's competitiveness is supported by relative openness to global trade and ongoing regulatory reform. The banking sector continues to evolve. However, there is a lack of political will to undertake bolder institutional reforms to reduce corruption and strengthen the judicial system, which is vulnerable to political interference. Energy, historical, and political ties to Russia are strong, and links with China are growing. State-owned companies remain a significant presence in certain sectors of Serbia's economy. Inflationary pressures continue.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2002): +17.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.6 million

**GDP (PPP):**  
\$180.0 billion  
2.5% growth in 2023  
3-year average growth rate: 4.3%  
\$27,183 per capita

**UNEMPLOYMENT:**  
8.7%

**INFLATION (CPI):**  
12.4%

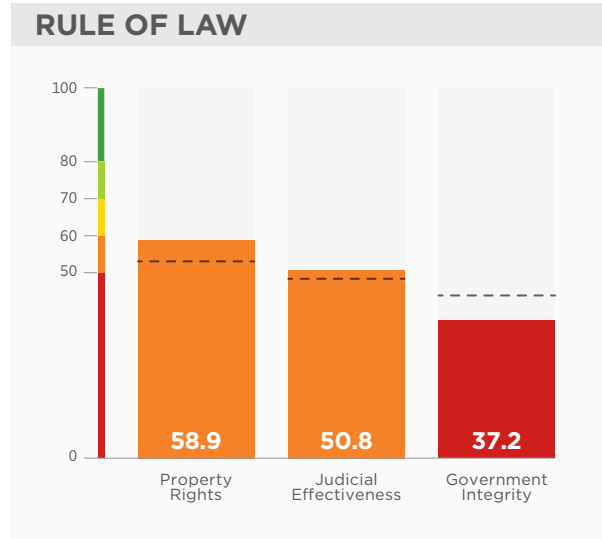
**FDI INFLOW:**  
\$5.5 billion

**PUBLIC DEBT:**  
48.9% of GDP

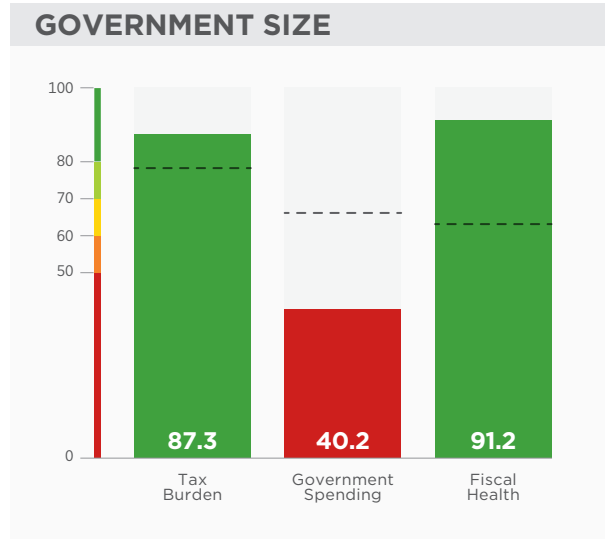
2023 data unless otherwise noted. Data compiled as of November 2024.



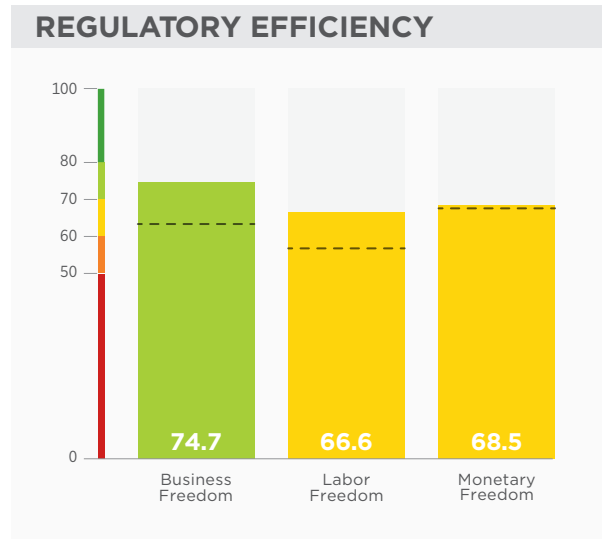
# 12 ECONOMIC FREEDOMS | SERBIA



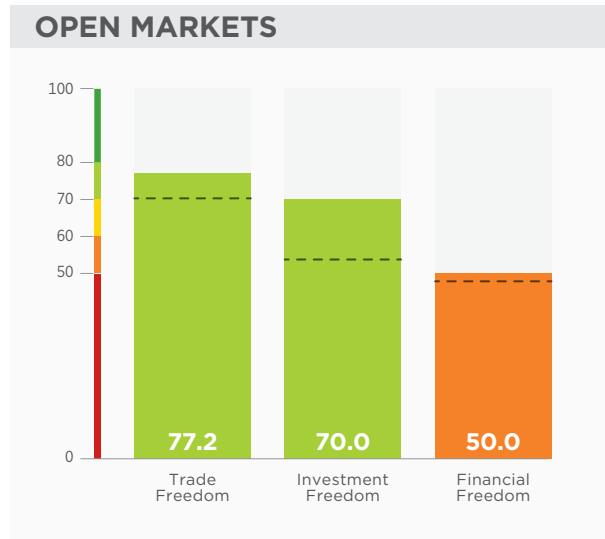
The overall rule of law is weak in Serbia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 15 percent. The tax burden equals 25.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.7 percent and -1.6 percent of GDP. Public debt amounts to 48.9 percent of GDP.



Serbia'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 above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.4 percent, and layers of non-tariff barriers are in force. Most sectors are open to foreign investment, but regulatory uncertainty and lack of transparency deter growth. The private sector now has access to a wider range of credit instruments.

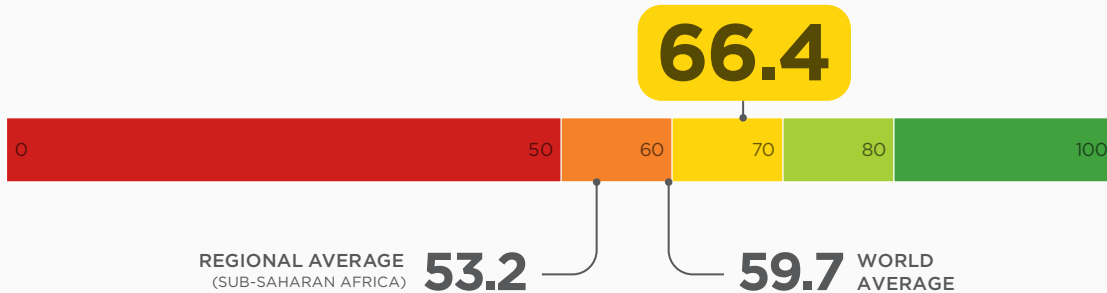
# SEYCHELLES



Seychelles' economic freedom score is 66.4, making its economy the 52nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 6.0 points from last year, and Seychelles is ranked 4th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. Seychelles' economy is considered "moderately free" according to the 2025 *Index*.

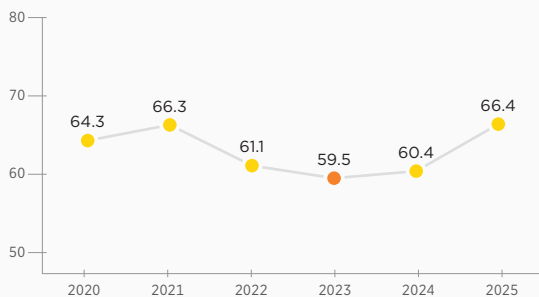
Efforts to enhance the Seychelles economy's efficiency and competitiveness continue. With a relatively stable macroeconomic environment, the island economy has welcomed foreign investment. However, the overall entrepreneurial climate remains hampered by an inefficient regulatory framework, poor access to financing, and the state's pervasive presence in the economy. Despite some progress, institutional weaknesses stemming from an inefficient legal framework and corruption still discourage the emergence of a dynamic private sector beyond the tourism industry. The formal labor market is not fully developed.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +18.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$3.9 billion  
3.2% growth in 2023  
3-year average growth rate: 6.2%  
\$39,249 per capita

**UNEMPLOYMENT:**  
3.0%

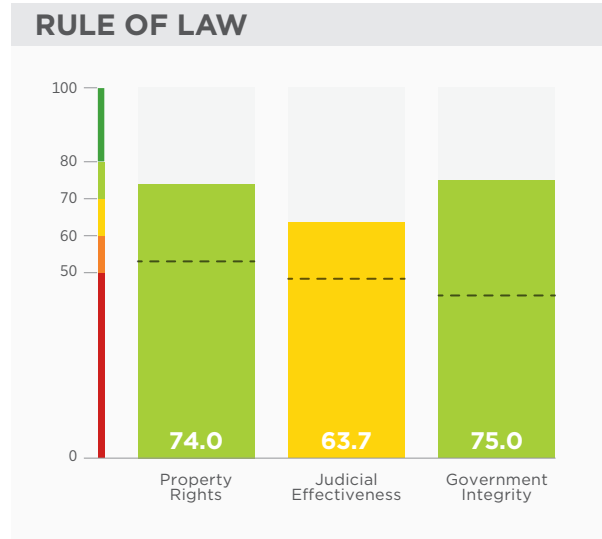
**INFLATION (CPI):**  
-1.0%

**FDI INFLOW:**  
\$212.0 million

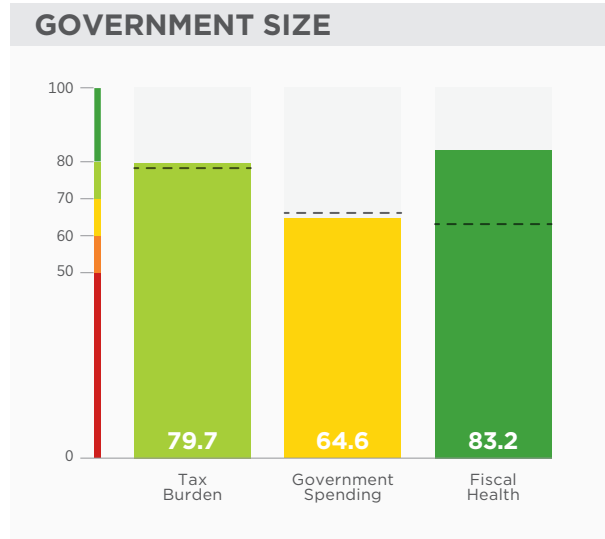
**PUBLIC DEBT:**  
56.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

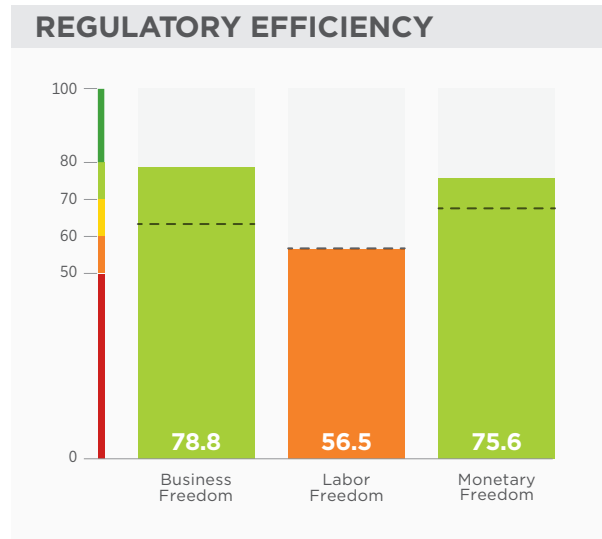
# 12 ECONOMIC FREEDOMS | SEYCHELLES



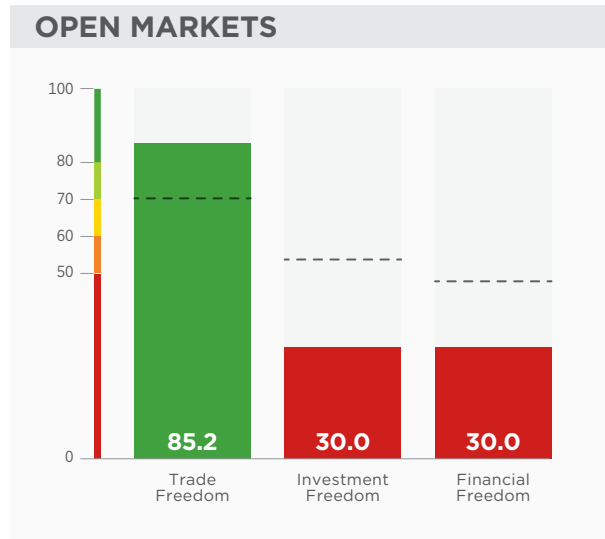
The overall rule of law is relatively well respected in Seychelles. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 15 percent, and the top corporate tax rate is 33 percent. The tax burden equals 26.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.4 percent and -2.6 percent of GDP. Public debt amounts to 56.5 percent of GDP.



Seychelles' overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 2.4 percent, and nontariff barriers add to the cost of trade. Investment is subject to bureaucratic restrictions. A large part of the population lacks access to formal banking services, and limited capacity for lending to the private sector inhibits growth.



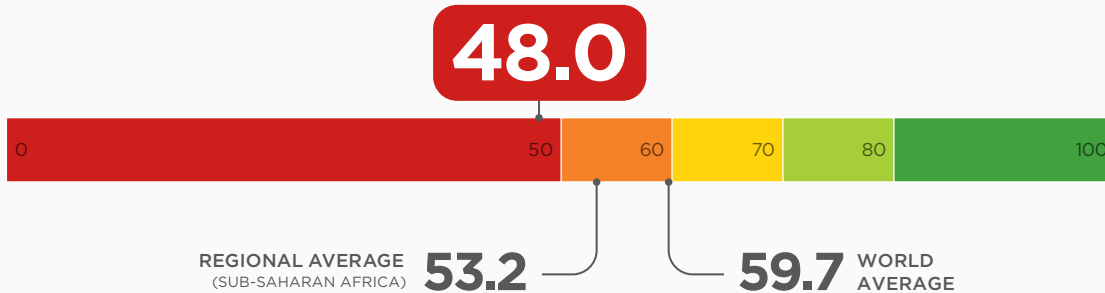
WORLD RANK: **157** | REGIONAL RANK: **39**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

# SIERRA LEONE

Sierra Leone’s economic freedom score is 48.0, making its economy the 157th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.4 points from last year, and Sierra Leone is ranked 39th out of 47 countries in the Sub-Saharan Africa region. The country’s economic freedom score is lower than the world and regional averages. Sierra Leone’s economy is considered “repressed” according to the 2025 *Index*.

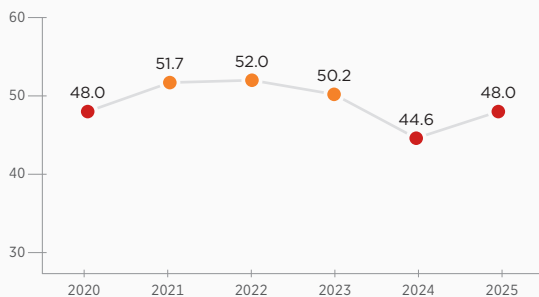
Sierra Leone is improving its legal and physical infrastructure, but multiple legislative, structural, institutional, and regulatory challenges threaten what otherwise could be the foundations of economic freedom. The rule of law is weak, and corruption continues to deter private-sector development. Inefficient regulatory enforcement impedes expansion and diversification of the productive base. Licensing requirements are time-consuming. Outmoded labor regulations have little practical impact because much of the labor force is employed in the informal sector. Inflation has been chronically high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.5 million

**GDP (PPP):**  
\$28.5 billion  
5.7% growth in 2023  
3-year average growth rate: 5.6%  
\$3,360 per capita

**UNEMPLOYMENT:**  
3.2%

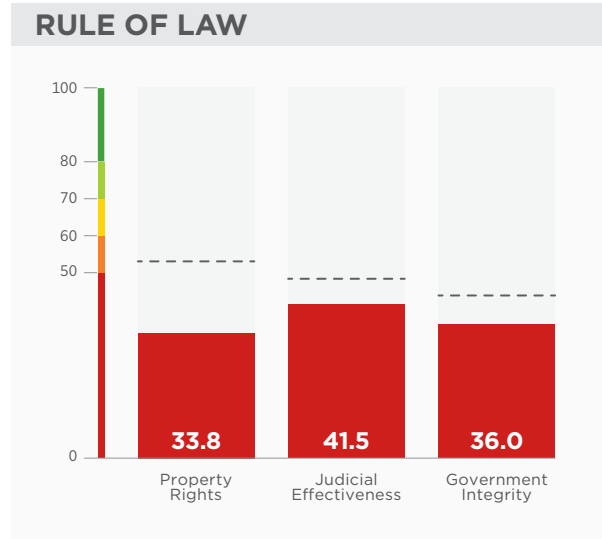
**INFLATION (CPI):**  
47.7%

**FDI INFLOW:**  
\$250.0 million

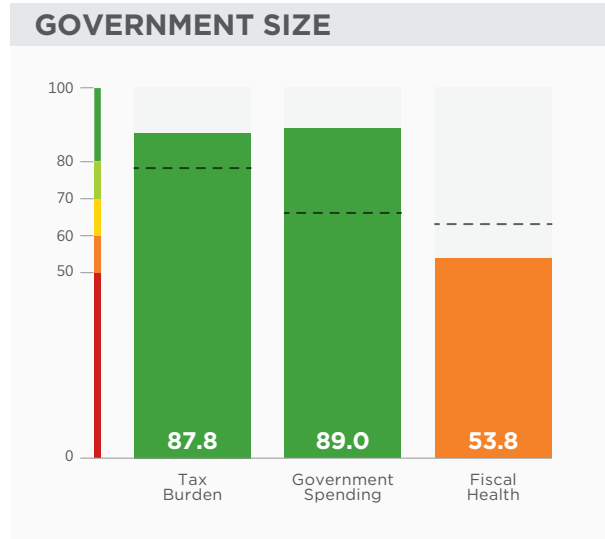
**PUBLIC DEBT:**  
49.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

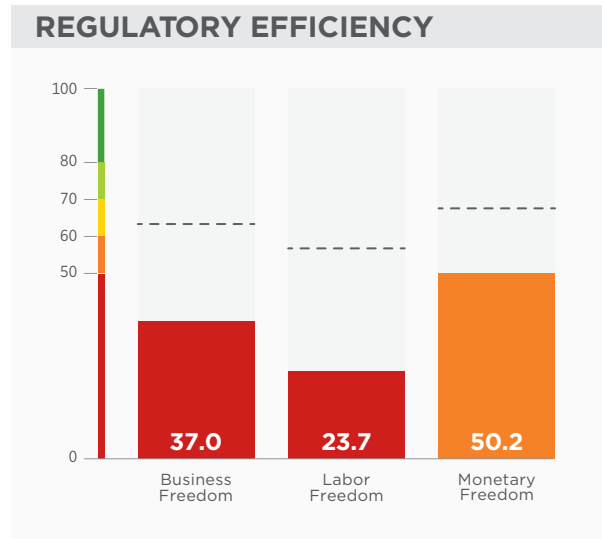
# 12 ECONOMIC FREEDOMS | SIERRA LEONE



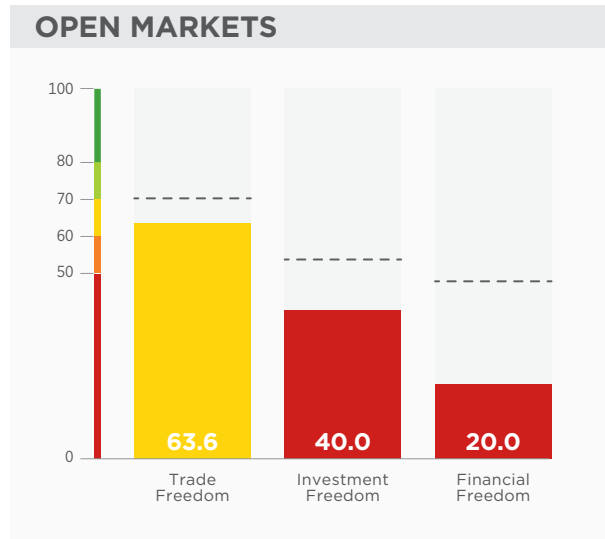
The overall rule of law is weak in Sierra Leone. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



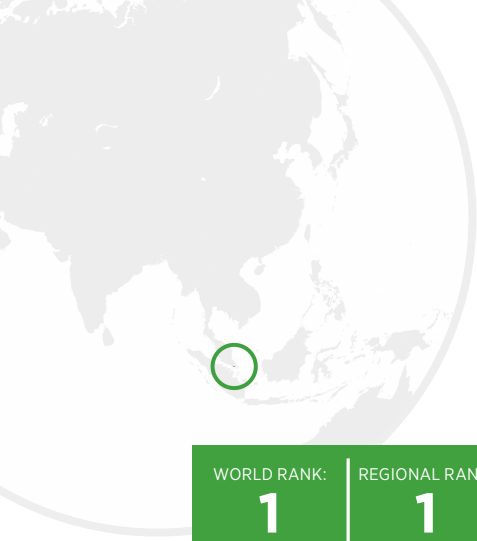
The top individual income tax rate is 15 percent, and the top corporate tax rate is 30 percent. The tax burden equals 9.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.2 percent and -5.1 percent of GDP. Public debt amounts to 49.2 percent of GDP.



Sierra Leone'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 well below the world average.



The trade-weighted average tariff rate is 13.2 percent, and nontariff barriers add to the cost of trade. Instability and the weak rule of law continue to discourage much-needed long-term investment. The state controls most bank assets.



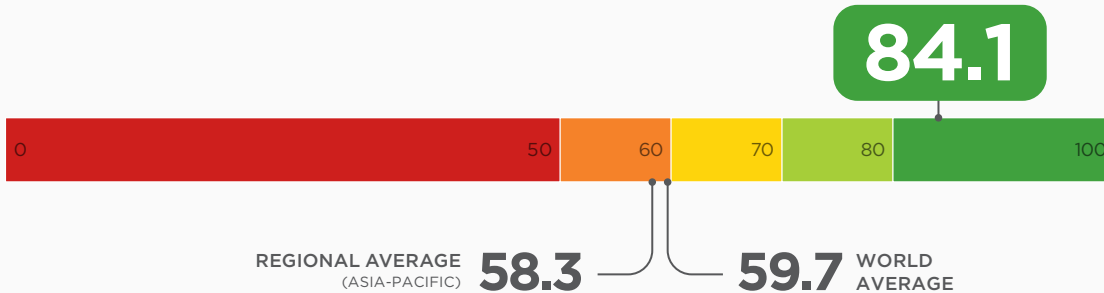
WORLD RANK:	REGIONAL RANK:
<b>1</b>	<b>1</b>
ECONOMIC FREEDOM STATUS:	
<b>FREE</b>	

# SINGAPORE

Singapore's economic freedom score is 84.1, making its economy the freest of the 176 rated in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Singapore is ranked 1st out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Singapore's economy is considered one of the world's three "free" economies according to the 2025 *Index*.

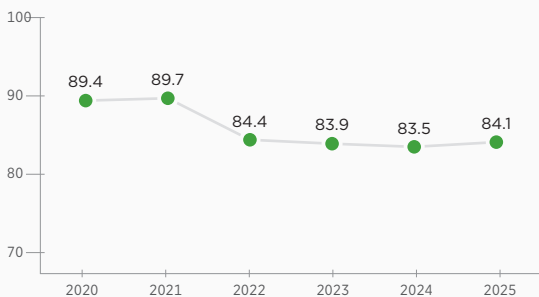
Strong protection of property rights and effective enforcement of anticorruption laws sustain the foundations of Singapore's economic freedom. Tax rates are competitive, and the regulatory environment encourages vibrant economic activity. Openness to global commerce boosts productivity and facilitates the emergence of a more dynamic and competitive financial sector. The business start-up process is straightforward. There is no statutory minimum wage, but the National Wage Council guides wage adjustments. Inflation is under control despite the challenging external environment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.9 million

**GDP (PPP):**  
\$837.7 billion  
1.1% growth in 2023  
3-year average growth rate: 4.9%  
\$141,554 per capita

**UNEMPLOYMENT:**  
3.5%

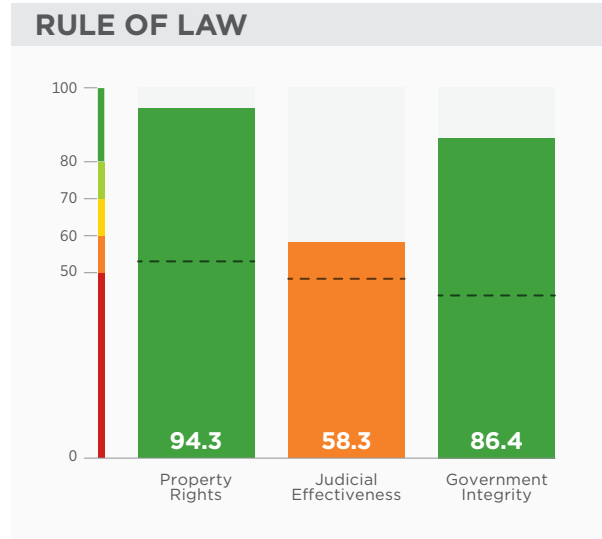
**INFLATION (CPI):**  
4.8%

**FDI INFLOW:**  
\$141.2 billion

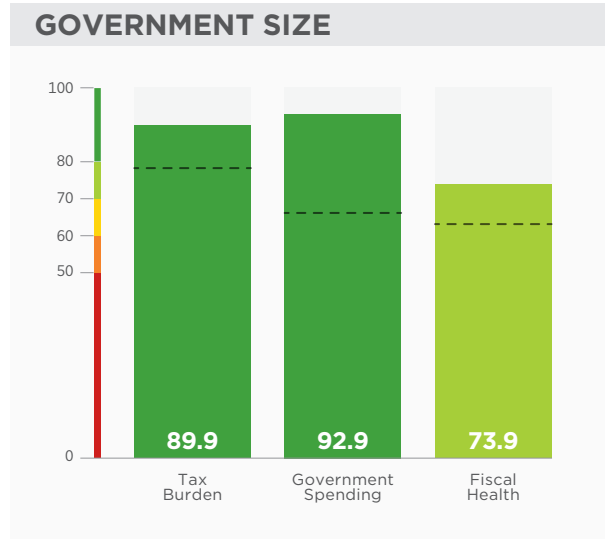
**PUBLIC DEBT:**  
174.8% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

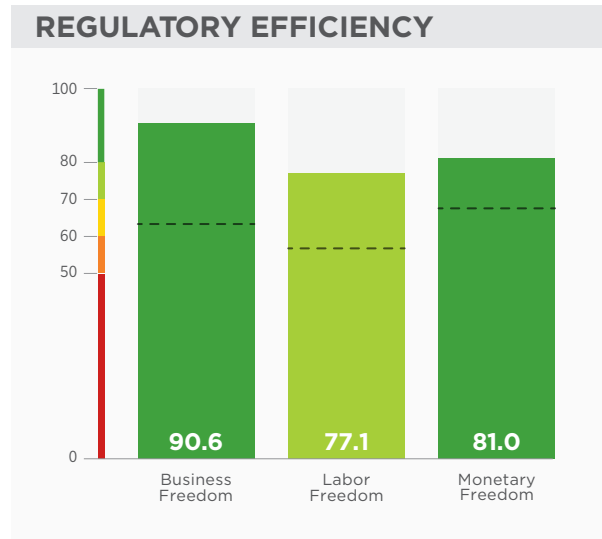
# 12 ECONOMIC FREEDOMS | SINGAPORE



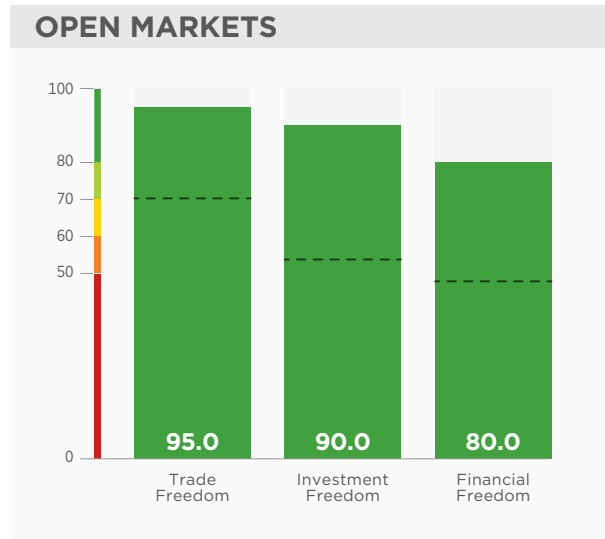
The overall rule of law is well respected in Singapore. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 24 percent, and the top corporate tax rate is 17 percent. The tax burden equals 11.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.4 percent and 2.0 percent of GDP. Public debt amounts to 174.8 percent of GDP.



Singapore's overall regulatory environment is well institutionalized and highly efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade regime is open and competitive, and no tariffs are imposed on imports. Foreign and domestic businesses are treated equally under the law, and nearly all sectors of the economy are open to 100 percent foreign ownership. The financial sector is highly competitive and resilient.



WORLD RANK: **42** | REGIONAL RANK: **23**

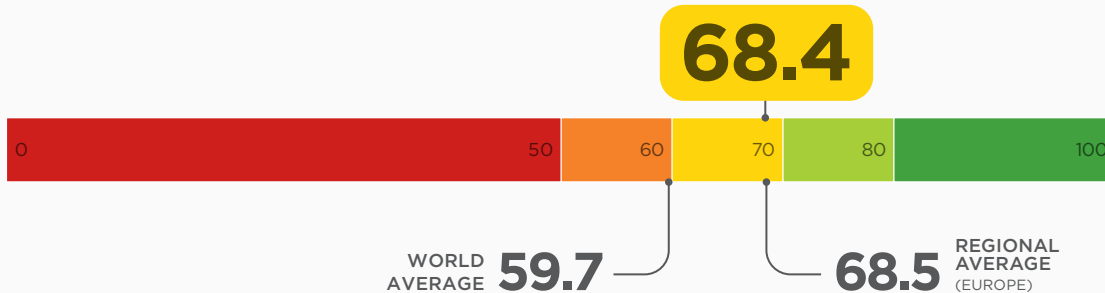
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# SLOVAKIA

Slovakia's economic freedom score is 68.4, making its economy the 42nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Slovakia is ranked 23rd out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Slovakia's economy is considered "moderately free" according to the 2025 *Index*.

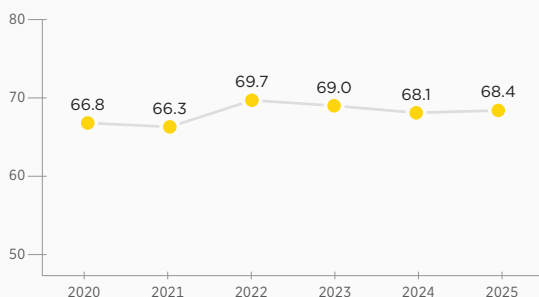
The pillars of economic freedom are relatively well maintained in Slovakia, which has a transparent and stable entrepreneurial environment. Barriers to trade are relatively low, and regulations generally support open-market policies. Foreign investment is welcome, and the financial sector is relatively sound. The regulatory framework has undergone a series of reforms to facilitate entrepreneurial activity, but the pace of reform has slowed in comparison to other emerging economies. The labor market lacks flexibility. Inflationary pressure is an ongoing concern.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.4 million

**GDP (PPP):**  
\$236.5 billion  
1.6% growth in 2023  
3-year average growth rate: 2.7%  
\$43,556 per capita

**UNEMPLOYMENT:**  
5.8%

**INFLATION (CPI):**  
11.0%

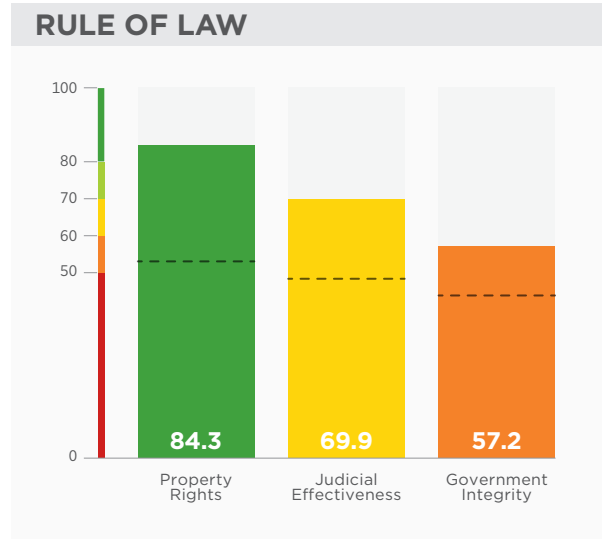
**FDI INFLOW:**  
\$2.9 billion

**PUBLIC DEBT:**  
56.0% of GDP

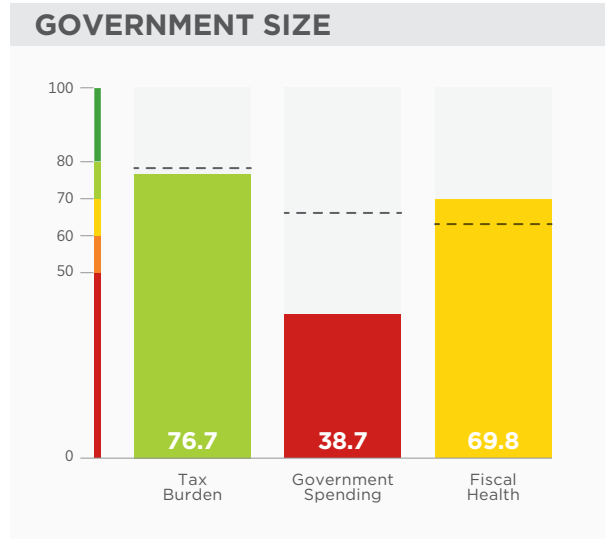
2023 data unless otherwise noted. Data compiled as of November 2024.



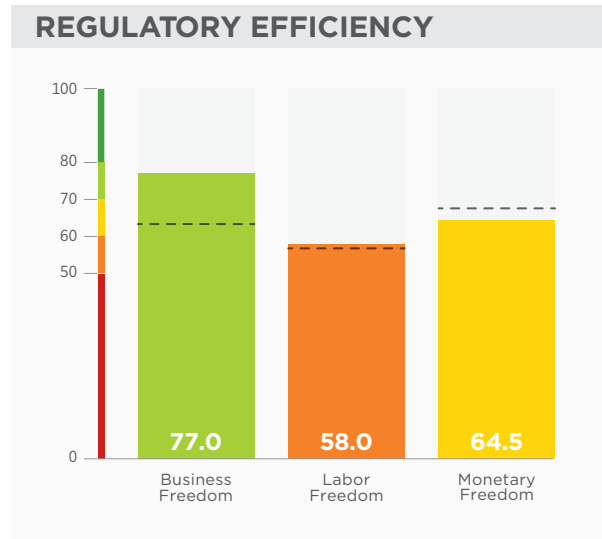
# 12 ECONOMIC FREEDOMS | SLOVAKIA



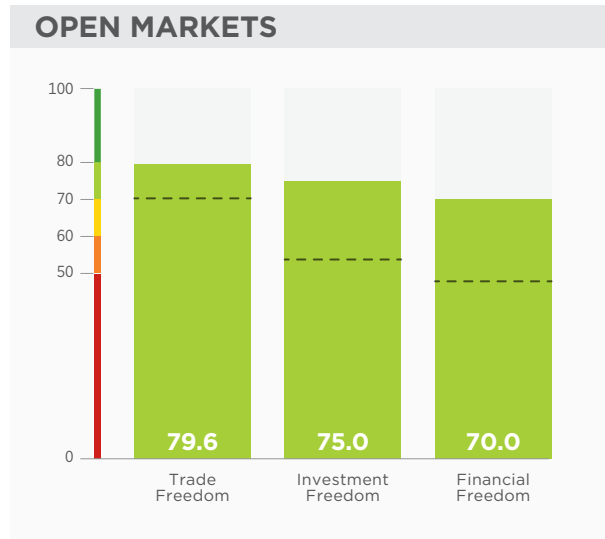
The overall rule of law is relatively well respected in Slovakia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



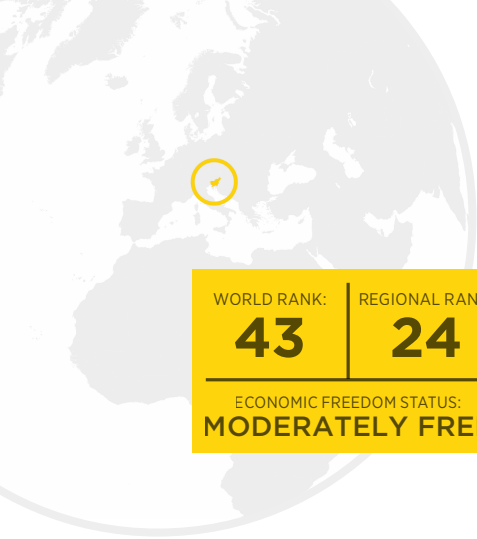
The top individual income tax rate is 25 percent, and the top corporate tax rate is 21 percent. The tax burden equals 35.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.2 percent and -3.9 percent of GDP. Public debt amounts to 56.0 percent of GDP.



Slovakia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Full foreign ownership is permitted in most sectors. The banking sector remains relatively sound.



WORLD RANK: **43** | REGIONAL RANK: **24**

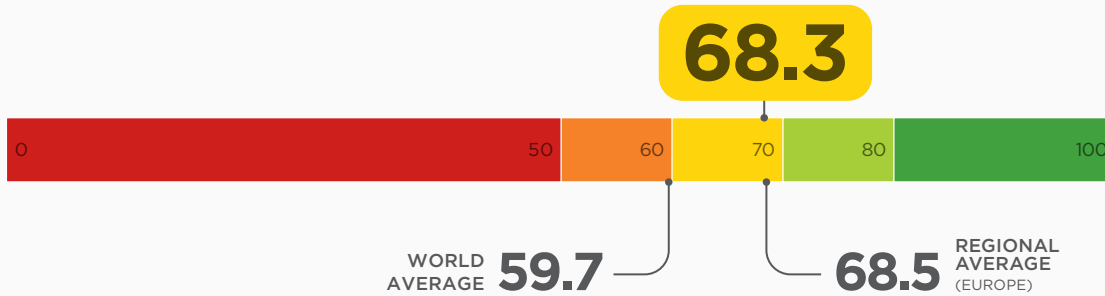
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# SLOVENIA

Slovenia’s economic freedom score is 68.3, making its economy the 43rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.4 points from last year, and Slovenia is ranked 24th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world average and lower than the regional average. Slovenia’s economy is considered “moderately free” according to the 2025 *Index*.

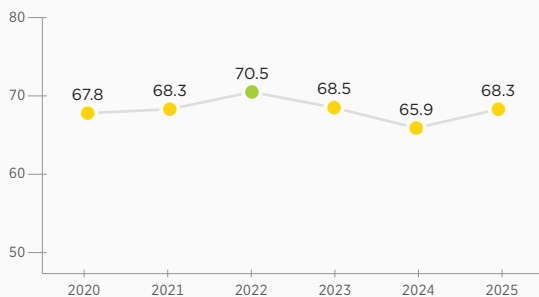
The overall regulatory framework has been evolving to promote the emergence of a more vibrant private sector and encourage broad-based employment growth. The Slovenian economy has benefitted from a comparatively high degree of market openness and regulatory efficiency, but economic dynamism remains constrained by institutional weaknesses that undermine prospects for long-term development. In particular, the judicial system remains inefficient and vulnerable to political interference. Despite some improvement, corruption continues to be perceived as widespread.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +17.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.1 million

**GDP (PPP):**  
\$113.5 billion  
2.1% growth in 2023  
3-year average growth rate: 4.4%  
\$53,632 per capita

**UNEMPLOYMENT:**  
3.6%

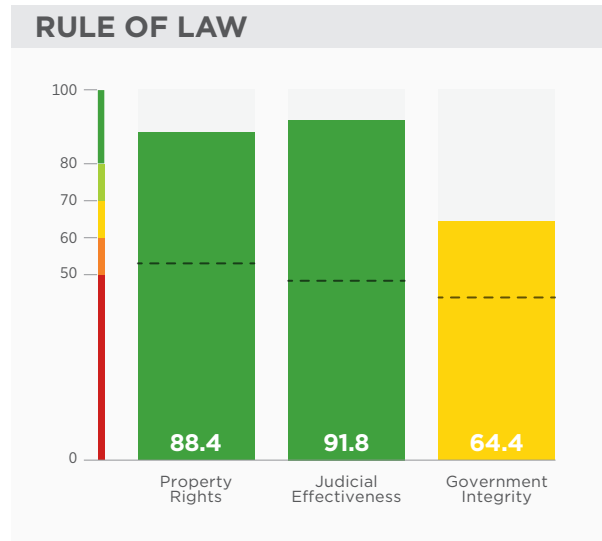
**INFLATION (CPI):**  
7.4%

**FDI INFLOW:**  
\$1.6 billion

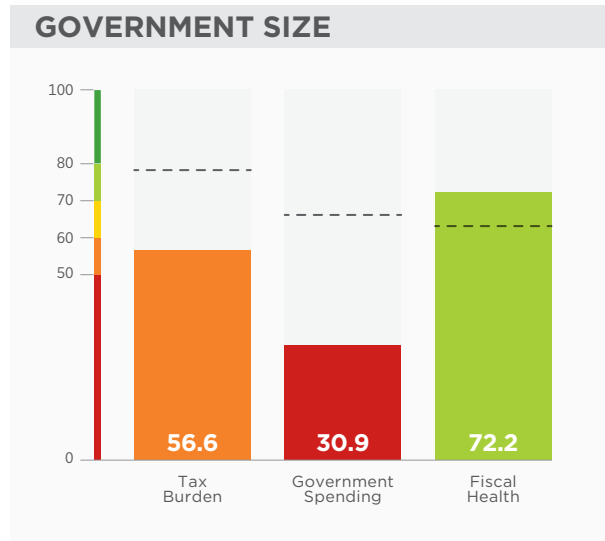
**PUBLIC DEBT:**  
68.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

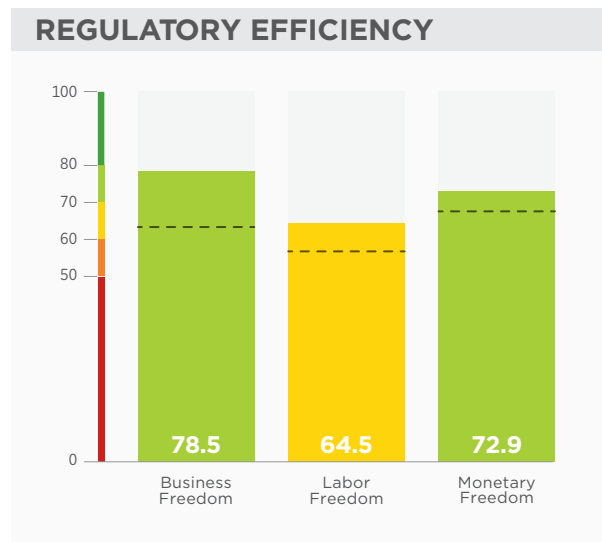
# 12 ECONOMIC FREEDOMS | SLOVENIA



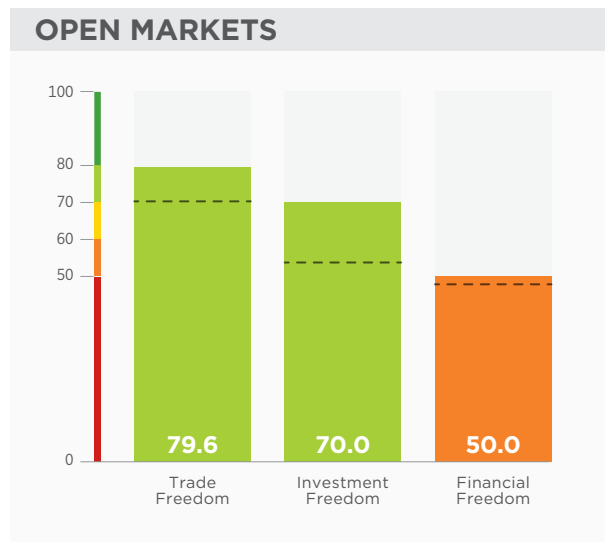
The overall rule of law is relatively well respected in Slovenia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 50 percent, and the top corporate tax rate is 22 percent. The tax burden equals 36.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.0 percent and -3.4 percent of GDP. Public debt amounts to 68.4 percent of GDP.



Slovenia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. Most sectors of the economy are open to foreign investment, but the overall investment regime lacks efficiency. The financial sector is relatively stable.



WORLD RANK: **109** | REGIONAL RANK: **23**

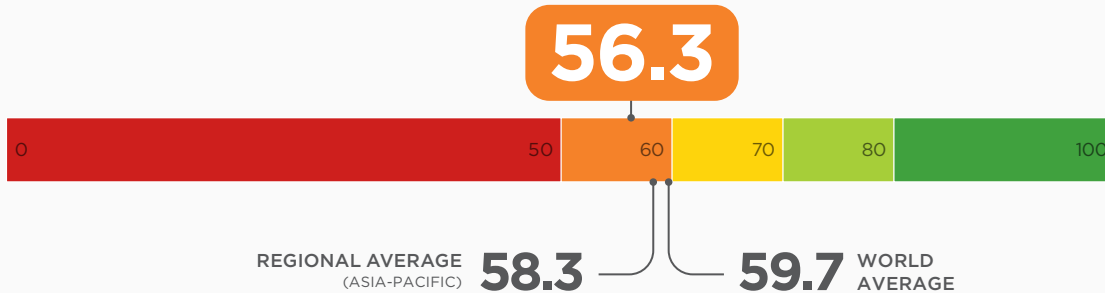
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# SOLOMON ISLANDS

The Solomon Islands' economic freedom score is 56.3, making its economy the 109th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and the Solomon Islands is ranked 23rd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. The Solomon Islands' economy is considered "mostly unfree" according to the 2025 *Index*.

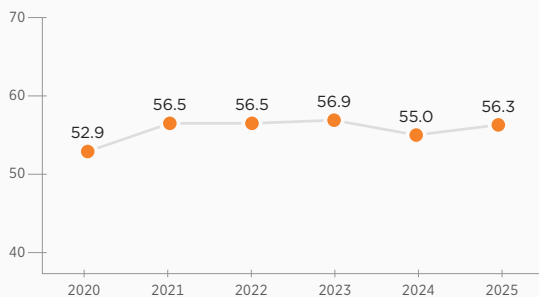
Economic dynamism and development remain stifled by deficiencies that include poor governance and an inefficient public sector. Underdeveloped legal and physical infrastructure discourages the emergence of a vibrant private sector. Implementation of a simplified registration process has marginally improved the business environment. Uneven enforcement of existing laws continues to undermine the regulatory process. The labor market is underdeveloped. Despite abundant timber and undeveloped mineral resources, much of the population depends on subsistence farming, fishing, and artisanal forestry.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +10.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.8 million

**GDP (PPP):**  
\$2.0 billion  
3.1% growth in 2023  
3-year average growth rate: 2.7%  
\$2,554 per capita

**UNEMPLOYMENT:**  
1.6%

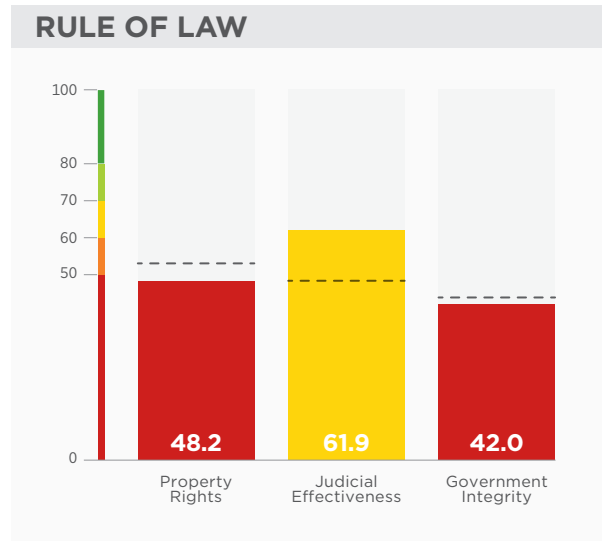
**INFLATION (CPI):**  
5.1%

**FDI INFLOW:**  
\$41.0 million

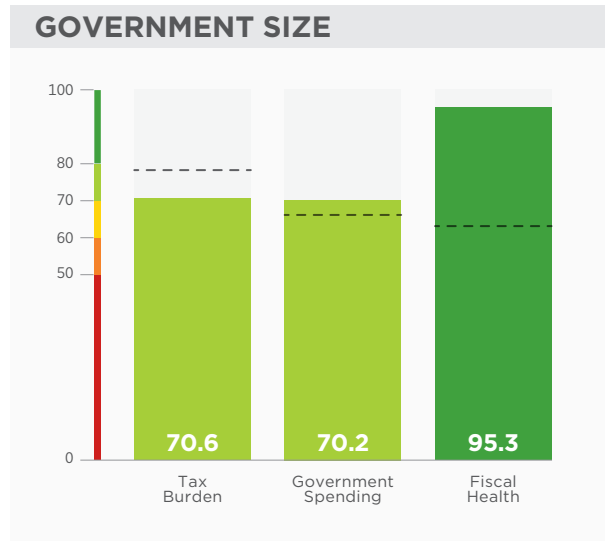
**PUBLIC DEBT:**  
20.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

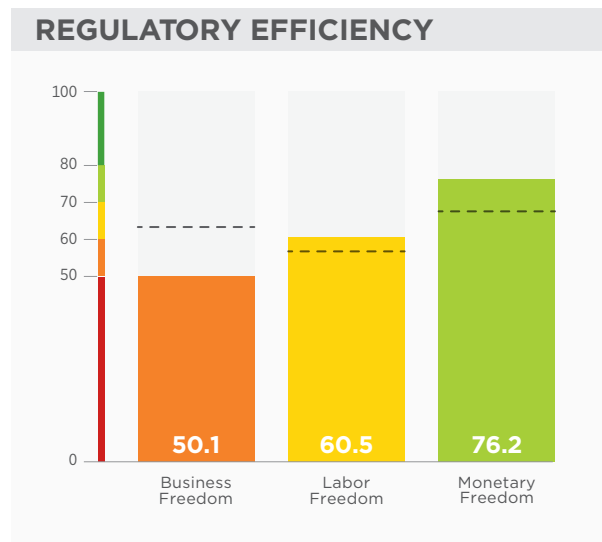
# 12 ECONOMIC FREEDOMS | SOLOMON ISLANDS



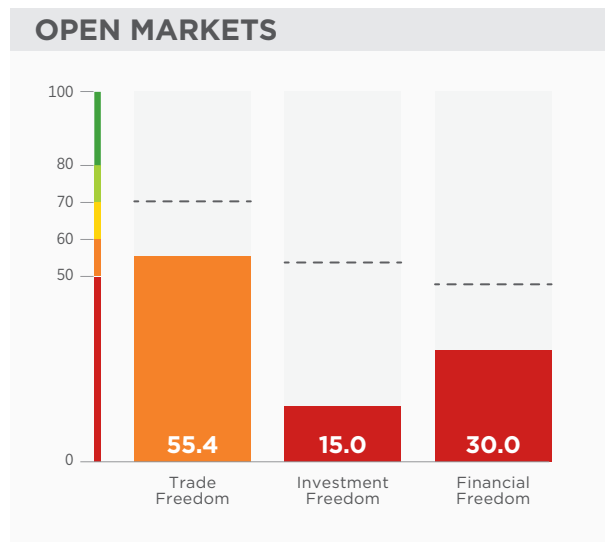
The overall rule of law is relatively well respected in the Solomon Islands. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 30 percent. The tax burden equals 21.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.5 percent and -1.5 percent of GDP. Public debt amounts to 20.9 percent of GDP.



The Solomon Islands' overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 14.8 percent, and extensive layers of nontariff barriers further limit trade freedom. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit remains limited.



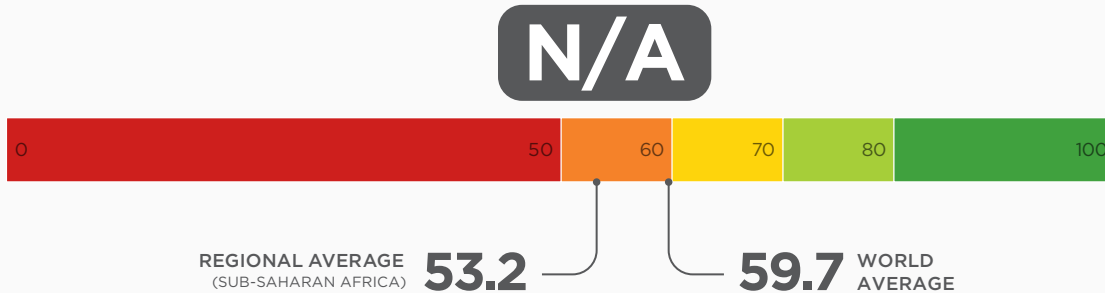
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS: **NOT GRADED**

# SOMALIA

**S**omalia’s economic freedom is not graded because of the lack of reliable data. Somalia is a failed state. Over the past decade, extreme violence and civil war, political instability, and famine have ravaged an already fragile living situation. The result is an utterly devastated economy and a country that lacks a functioning national government with the ability to provide even basic services.

Decades of lawlessness have destroyed any foundation of economic freedom on which a developing economy might be built. Somalia remains mired in corruption, violence, and political intrigue. The country’s nearly complete economic collapse has resulted in massive human migrations, and a humanitarian catastrophe has been unfolding in the devastated economy. Somalia’s GDP and living standards are among the world’s lowest, and many Somalis depend on remittances from abroad. Livestock, agriculture, and fishing are economic mainstays.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
16.1 million

**GDP (PPP):**  
\$28.6 billion  
4.2% growth in 2023  
3-year average growth rate: 3.5%  
\$1,780 per capita

**UNEMPLOYMENT:**  
19.0%

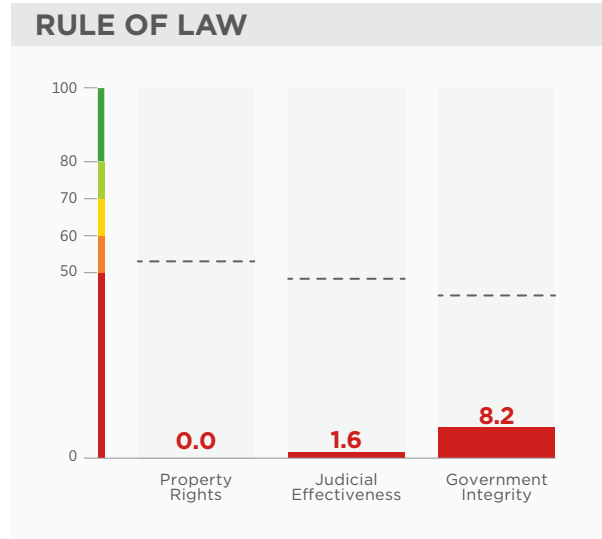
**INFLATION (CPI):**  
6.2%

**FDI INFLOW:**  
\$636.0 million

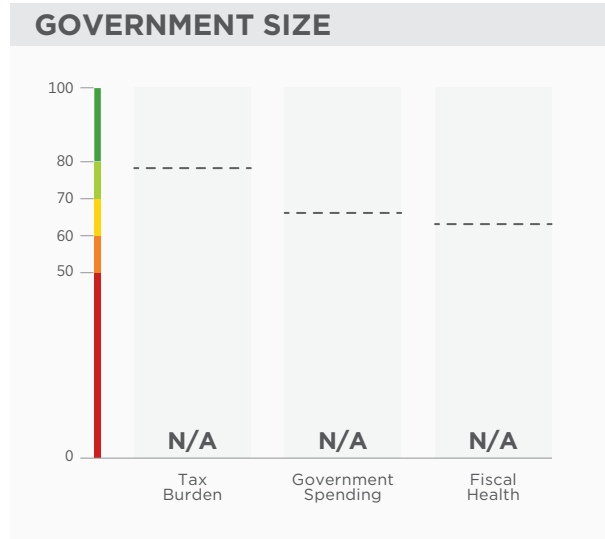
**PUBLIC DEBT:**  
n/a

2023 data unless otherwise noted. Data compiled as of November 2024.

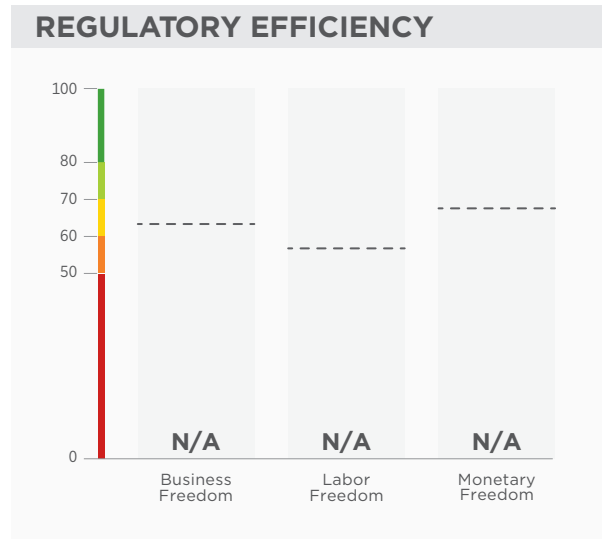
# 12 ECONOMIC FREEDOMS | SOMALIA



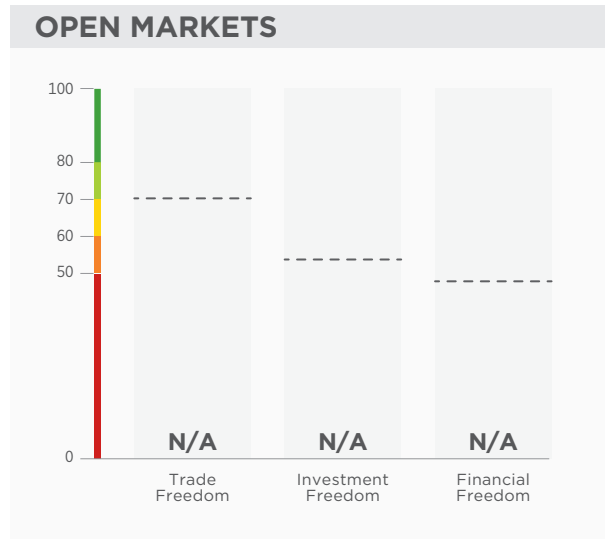
The overall rule of law is extremely weak in Somalia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no fully effective national government that can provide even basic services to Somalis. Other than the collection of very limited duties and taxes, little formal fiscal policy is in place. In southern Somalia, taxes are often levied by local warlords or clan leaders.



Political instability, an outmoded regulatory environment, and inadequate infrastructure significantly deter the formation and operation of businesses. The labor market is dominated by the agricultural sector and informal hiring practices. There is no effective regulatory framework or monetary framework.



Much of the population is still outside of the formal trade and banking sectors, and private investment remains extremely limited. Somalia and its economy have been ravaged by violence, civil war, and famine, and there is no functioning national government.

WORLD RANK:

103

REGIONAL RANK:

10

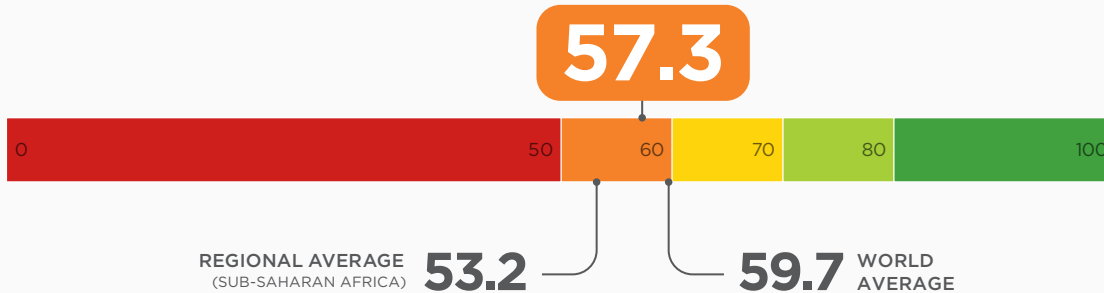
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# SOUTH AFRICA

South Africa's economic freedom score is 57.3, making its economy the 103rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.0 points from last year, and South Africa is ranked 10th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. South Africa's economy is considered "mostly unfree" according to the 2025 *Index*.

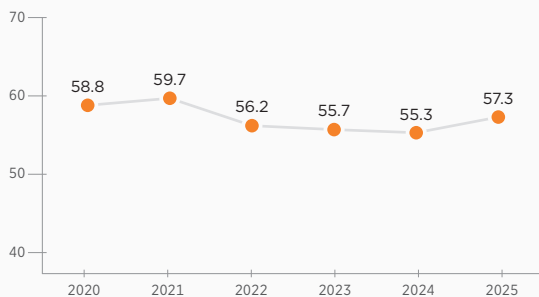
A relatively competitive trade regime has encouraged the development of a growing entrepreneurial sector, but the foundations of economic freedom will need to be strengthened to ensure long-term economic development. Corruption and the weak rule of law add to the cost of doing business and weaken economic competitiveness. The regulatory framework remains costly, and the labor market lacks flexibility. Rising public debt and spending pressures undermine macroeconomic stability and add to South Africa's fiscal vulnerability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
62.3 million

**GDP (PPP):**  
\$960.5 billion  
0.7% growth in 2023  
3-year average growth rate: 2.5%  
\$15,424 per capita

**UNEMPLOYMENT:**  
28.0%

**INFLATION (CPI):**  
5.9%

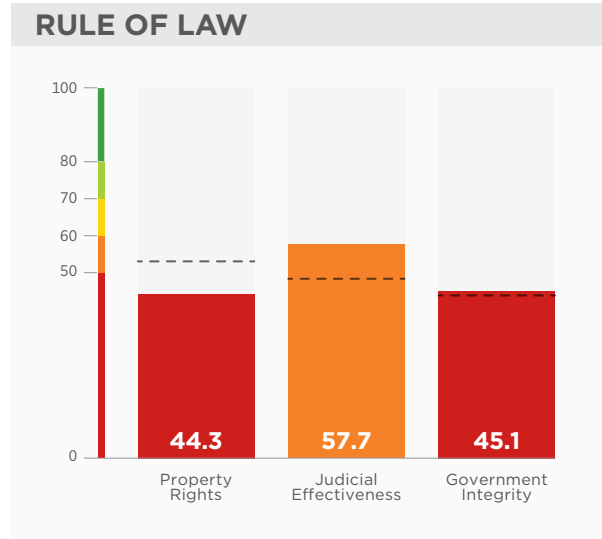
**FDI INFLOW:**  
\$9.1 billion

**PUBLIC DEBT:**  
73.4% of GDP

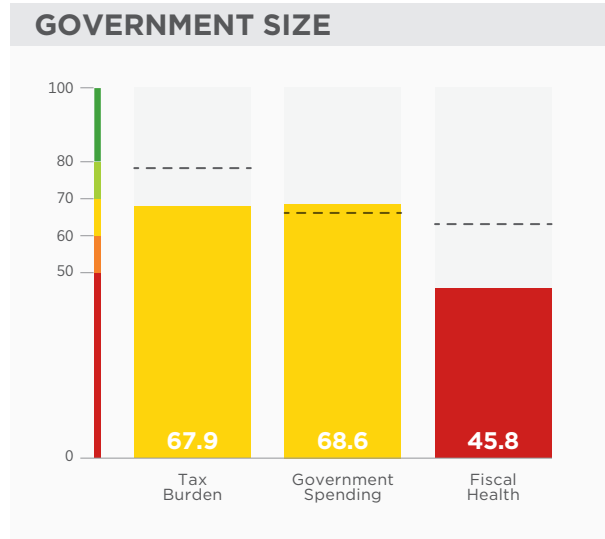
2023 data unless otherwise noted. Data compiled as of November 2024.



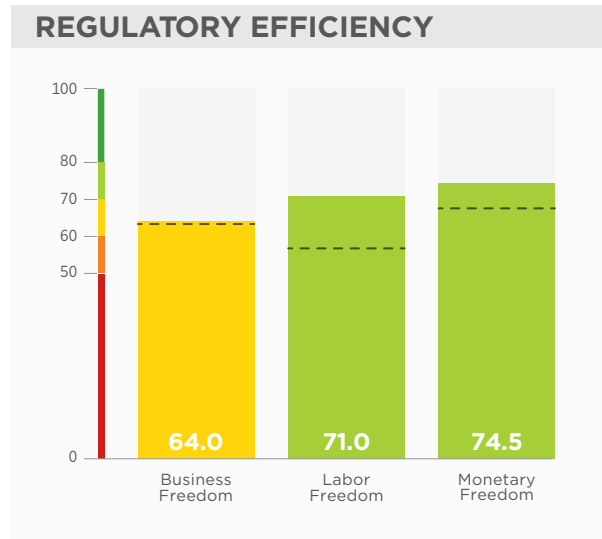
# 12 ECONOMIC FREEDOMS | SOUTH AFRICA



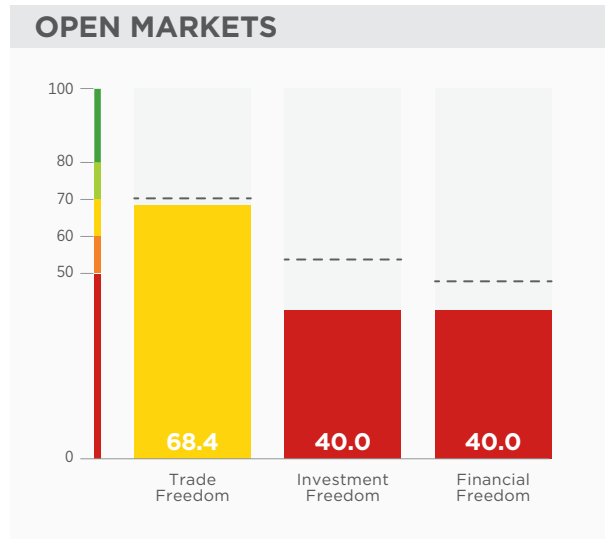
The overall rule of law is weak in South Africa. The country's property rights score is below the world average, and its judicial effectiveness score is below the world average. The judicial system has become vulnerable to political interference, and scandals and political infighting have severely undermined government integrity.



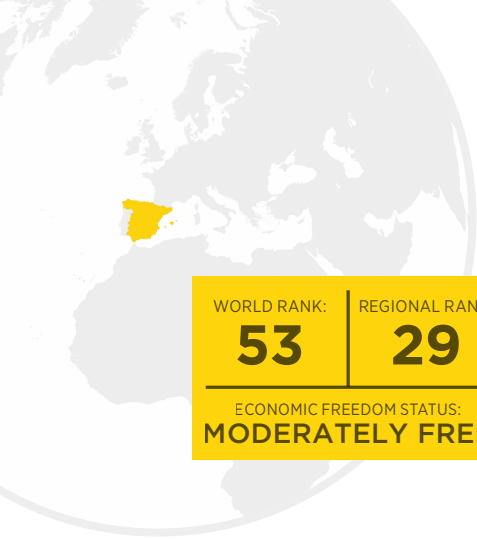
The top individual income tax rate is 45 percent, and the top corporate tax rate is 27 percent. The tax burden equals 21.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.3 percent and -5.2 percent of GDP. Public debt amounts to 73.4 percent of GDP.



South Africa's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.8 percent, but extensive nontariff barriers limit trade freedom. Nontransparent laws discourage private investment, and foreign investment is subject to additional inefficiency. The financial sector has undergone modernization, and the banking sector is regarded as resilient.



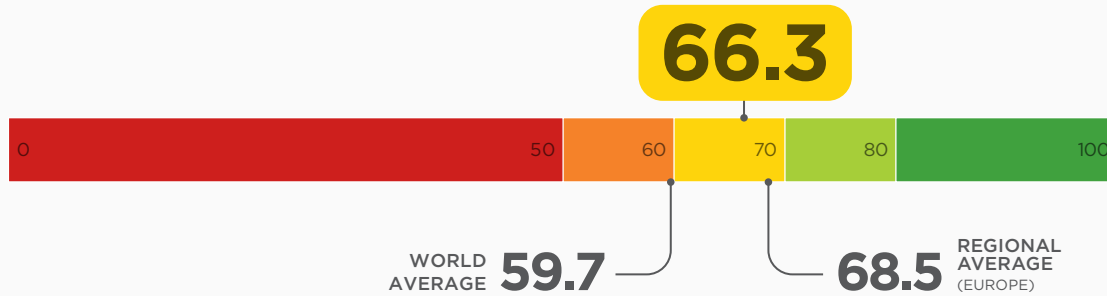
WORLD RANK: <b>53</b>	REGIONAL RANK: <b>29</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SPAIN

Spain's economic freedom score is 66.3, making its economy the 53rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.0 points from last year, and Spain is ranked 29th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Spain's economy is considered "moderately free" according to the 2025 *Index*.

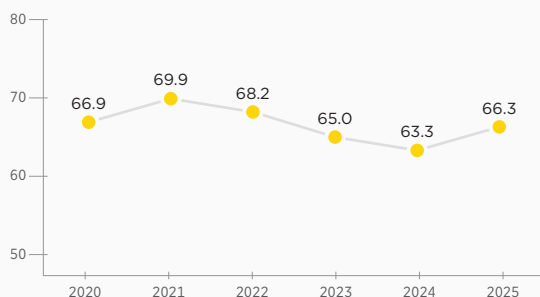
Progress toward greater economic freedom in Spain has been uneven. Regulatory efficiency and the rule of law are relatively well maintained, but long-term gains have been modest. Fiscal freedom, government spending, and financial freedom challenges are significant. Fiscal deficits and high public debt reflect a need to reform financial management. Regulations are transparent. Business start-up procedures have been streamlined, and there are now fewer licensing requirements. Despite some progress, labor regulations remain restrictive and burdensome. Inflationary pressure persists.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +3.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
47.8 million

**GDP (PPP):**  
\$2.5 trillion  
2.7% growth in 2023  
3-year average growth rate: 5.2%  
\$52,908 per capita

**UNEMPLOYMENT:**  
12.1%

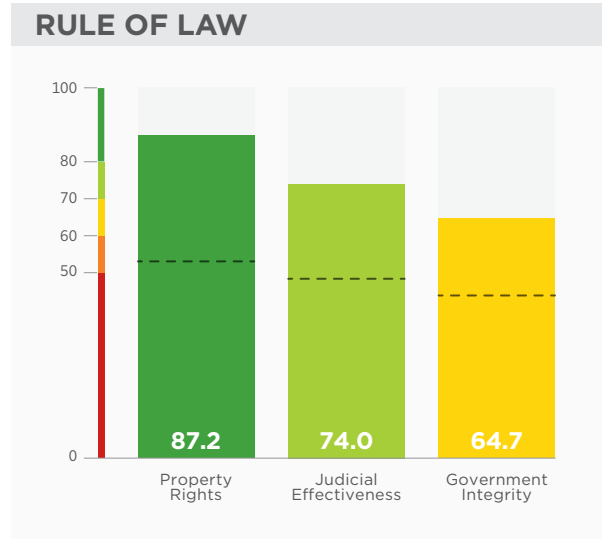
**INFLATION (CPI):**  
3.4%

**FDI INFLOW:**  
\$34.8 billion

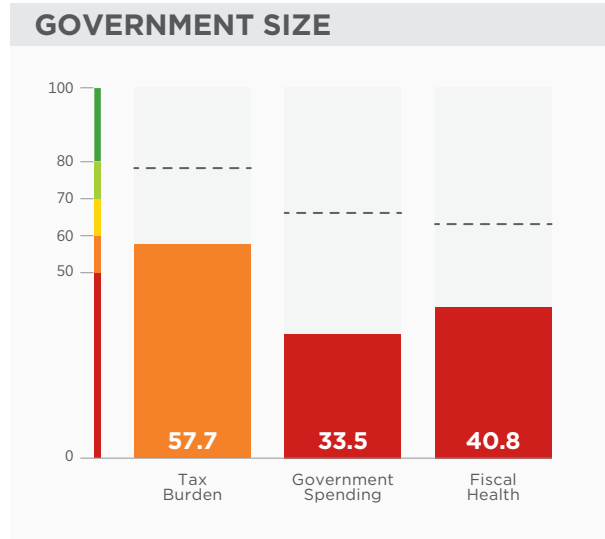
**PUBLIC DEBT:**  
105.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

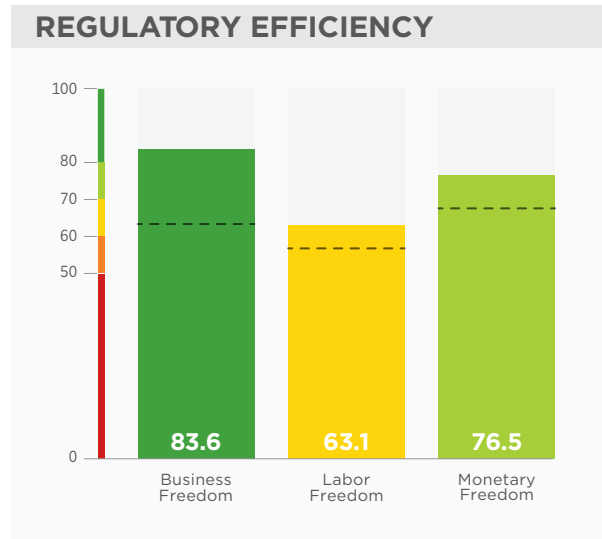
# 12 ECONOMIC FREEDOMS | SPAIN



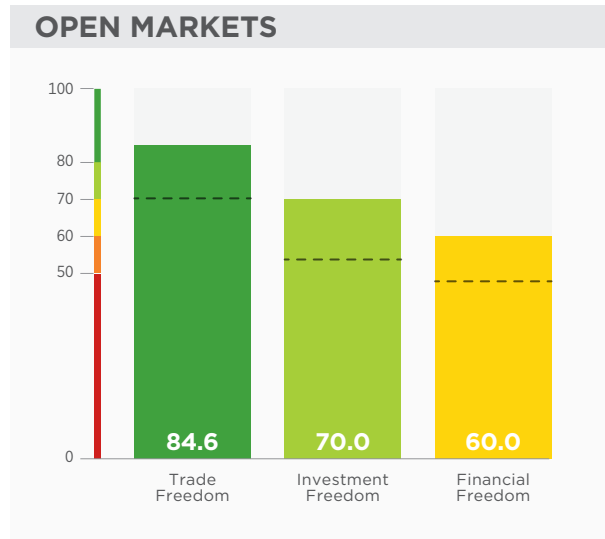
The overall rule of law is relatively well respected in Spain. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 47 percent, and the top corporate tax rate is 25 percent. The tax burden equals 37.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.1 percent and -4.9 percent of GDP. Public debt amounts to 105.0 percent of GDP.



Spain's overall regulatory environment is relatively well institutionalized and efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures in force. Many sectors of the economy are open to foreign investment. The banking sector has been relatively stable.

WORLD RANK:

148

REGIONAL RANK:

32

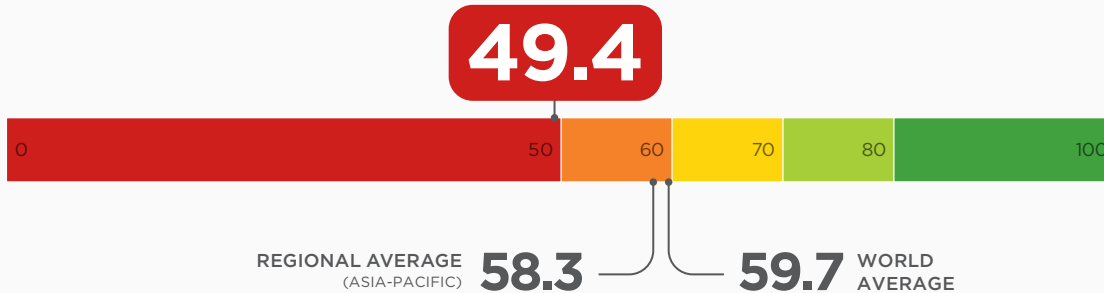
ECONOMIC FREEDOM STATUS:  
**REPRESSED**

# SRI LANKA

Sri Lanka's economic freedom score is 49.4, making its economy the 148th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Sri Lanka is ranked 32nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Sri Lanka's economy is considered "repressed" according to the 2025 *Index*.

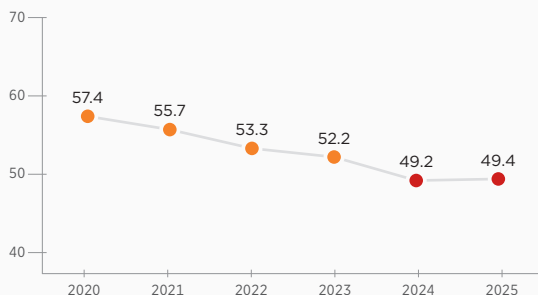
In a period of instability and uncertainty, challenges to economic freedom in Sri Lanka are considerable. The inefficient judicial system remains susceptible to corruption and political influence, undermining property rights. The state's extensive presence in the economy discourages private-sector development. The overall regulatory framework is burdensome, and the unpredictable economic policy environment and state interference further increase the cost of conducting business. Labor regulations are rigid, and the labor market is underdeveloped. Monetary stability has been weakened, and inflationary pressure persists.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -11.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
22.2 million

**GDP (PPP):**  
\$319.5 billion  
-7.8% growth in 2022  
3-year average growth rate: -1.6%  
\$14,267 per capita

**UNEMPLOYMENT:**  
6.4%

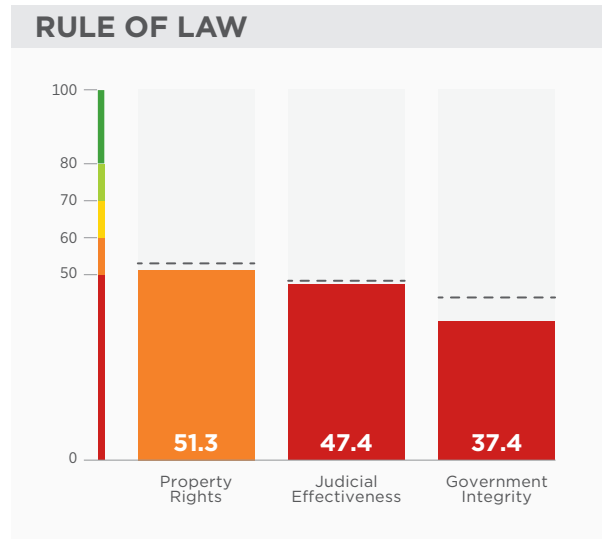
**INFLATION (CPI):**  
45.2%

**FDI INFLOW:**  
\$898.0 million

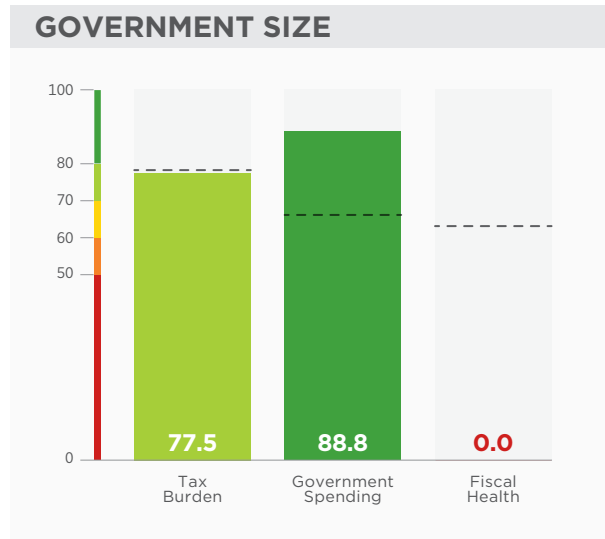
**PUBLIC DEBT:**  
115.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

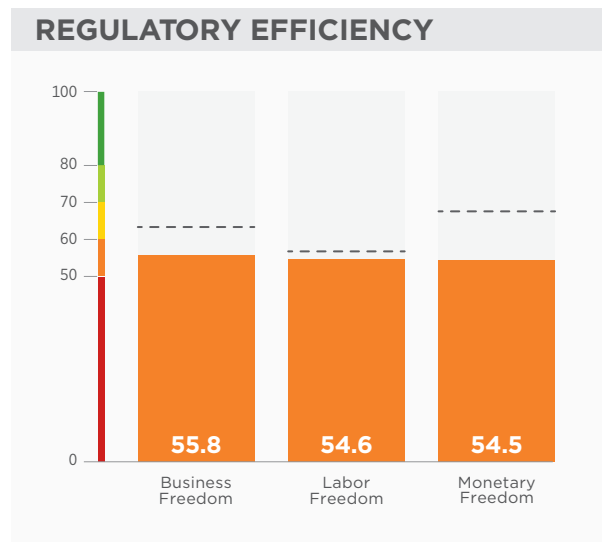
# 12 ECONOMIC FREEDOMS | SRI LANKA



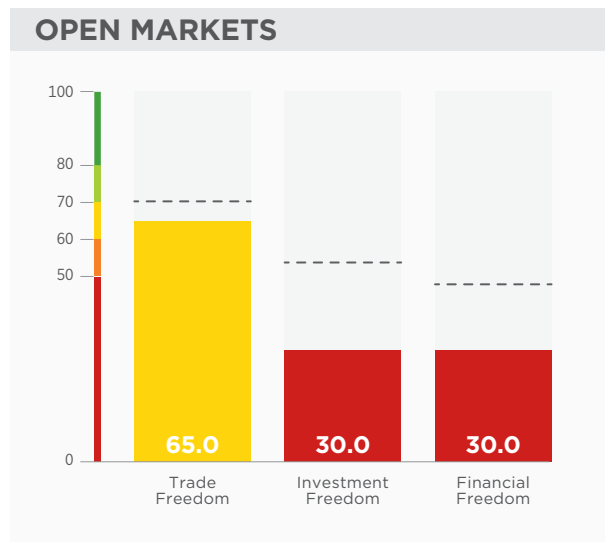
The overall rule of law is weak in Sri Lanka. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



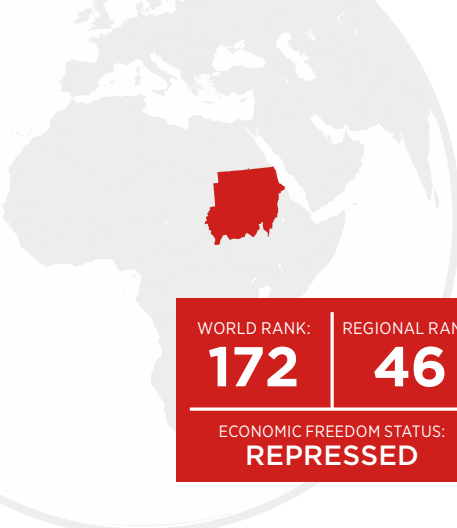
The top individual income tax rate is 36 percent, and the top corporate tax rate is 30 percent. The tax burden equals 7.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.3 percent and -11.4 percent of GDP. Public debt amounts to 115.5 percent of GDP.



Sri Lanka'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 7.5 percent, and extensive nontariff barriers are in force. Bureaucracy and inadequate infrastructure discourage the dynamic growth of private investment. Nonperforming loans remain a problem in the banking system, and the state continues to influence credit allocation.



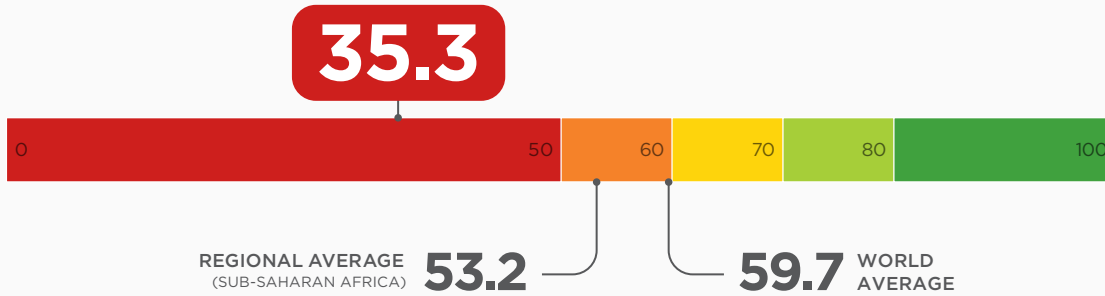
WORLD RANK: **172** | REGIONAL RANK: **46**  
 ECONOMIC FREEDOM STATUS: **REPPRESSED**

# SUDAN

Sudan's economic freedom score is 35.3, making its economy the 172nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Sudan is ranked 46th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Sudan's economy is considered "repressed" according to the 2025 *Index*.

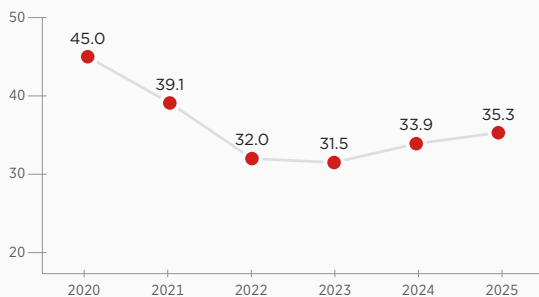
The large informal economy has been an important source of employment. Outside of the hydrocarbon sector, economic development is limited by the region's ongoing political instability. A lack of institutional capacity constrains efforts to develop and diversify the Sudanese economy. Rampant corruption and insufficient respect for private property rights are serious impediments to long-term private-sector development. Oil has driven much of Sudan's GDP growth. Approximately half of the population is at or below the poverty line and dependent on subsistence agriculture.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.1

## RECENT FREEDOM TREND

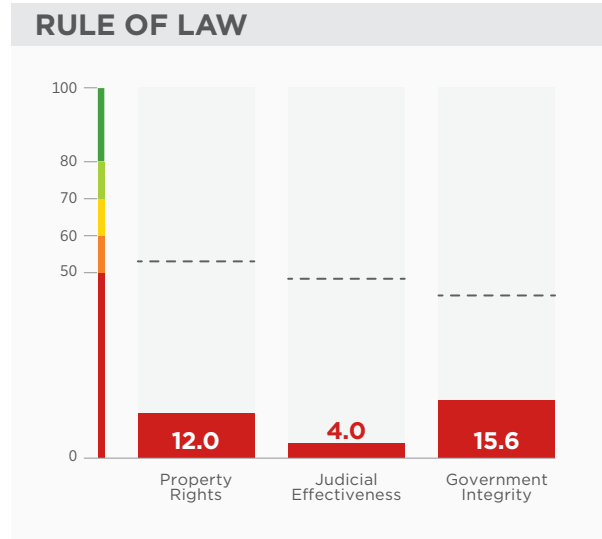


## QUICK FACTS

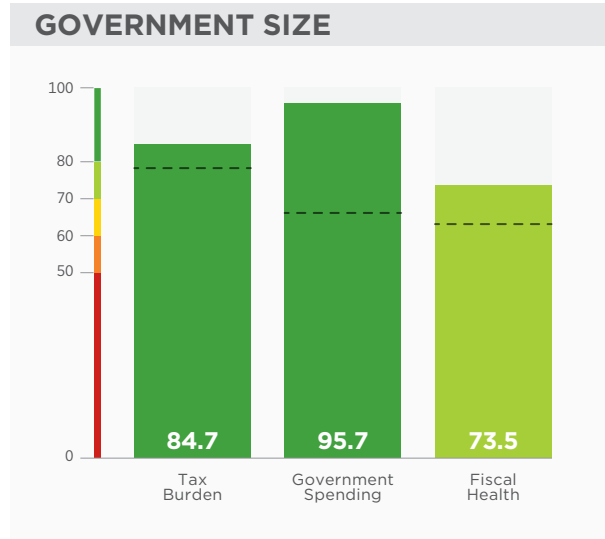
<b>POPULATION:</b> 47.9 million	<b>UNEMPLOYMENT:</b> 11.4%
<b>GDP (PPP):</b> \$151.3 billion -18.3% growth in 2023 3-year average growth rate: -6.8% \$3,158 per capita	<b>INFLATION (CPI):</b> 77.2%
	<b>FDI INFLOW:</b> \$574.0 million
	<b>PUBLIC DEBT:</b> 252.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

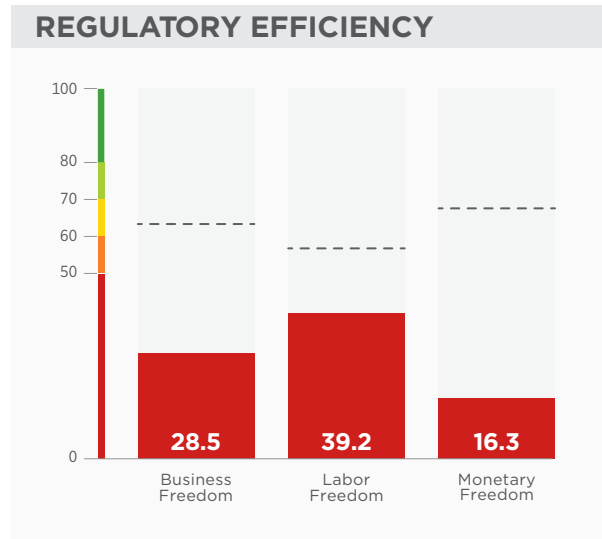
# 12 ECONOMIC FREEDOMS | SUDAN



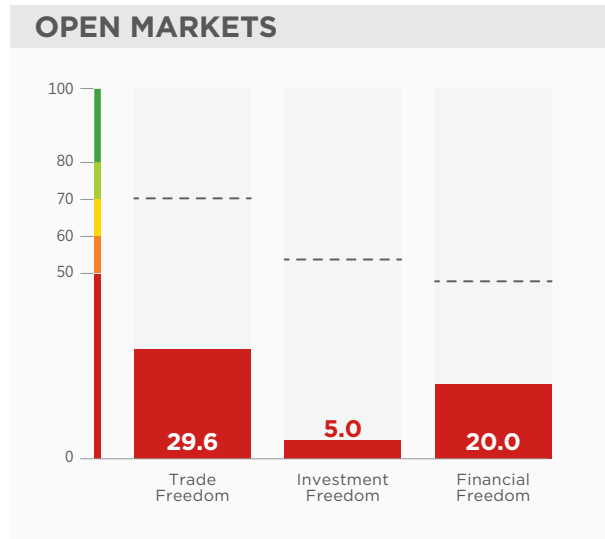
The overall rule of law is weak in Sudan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



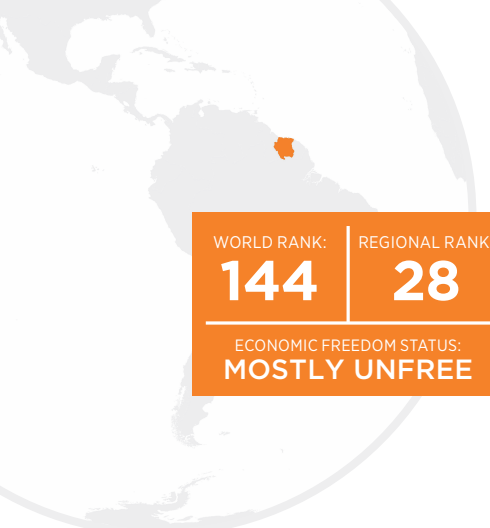
The top individual income tax rate is 15 percent, and the top corporate tax rate is 35 percent. The tax burden equals 8.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.0 percent and -2.0 percent of GDP. Public debt amounts to 252.2 percent of GDP.



Sudan'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 well below the world average.



The trade-weighted average tariff rate is 25.2 percent, and extensive nontariff barriers severely constrain trade freedom. Political instability and an outmoded regulatory environment are major deterrents to private investment. Access to credit remains limited.



WORLD RANK: **144** | REGIONAL RANK: **28**

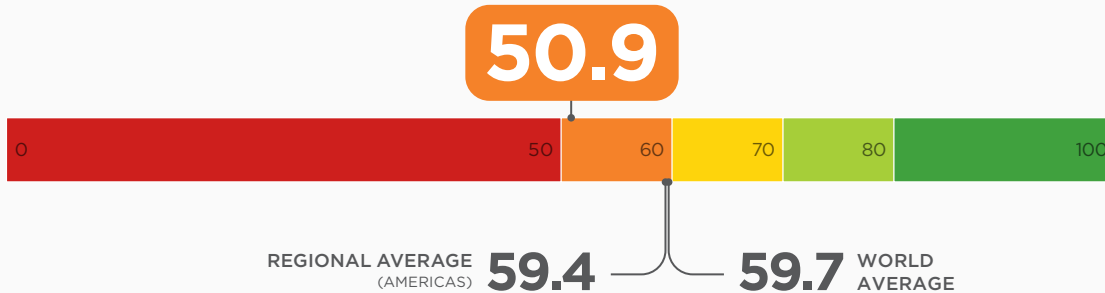
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# SURINAME

Suriname's economic freedom score is 50.9, making its economy the 144th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 4.2 points from last year, and Suriname is ranked 28th out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Suriname's economy is considered "mostly unfree" according to the 2025 *Index*.

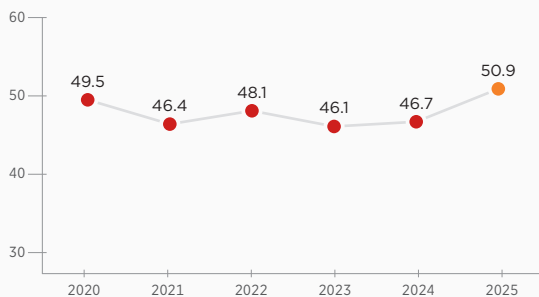
Poor policy choices and uncertainty generated by the weak rule of law have severely weakened the prospects for long-term economic development. Pervasive corruption undermines the judicial system, making it harder to establish a foundation for economic freedom. Little has been done to develop a more dynamic private sector. Suriname's regulatory code limits the freedom to launch and run a business. The formal labor market is not fully developed, and the public sector remains a major source of employment. Regulations and state-owned enterprises influence prices.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +14.2

## RECENT FREEDOM TREND



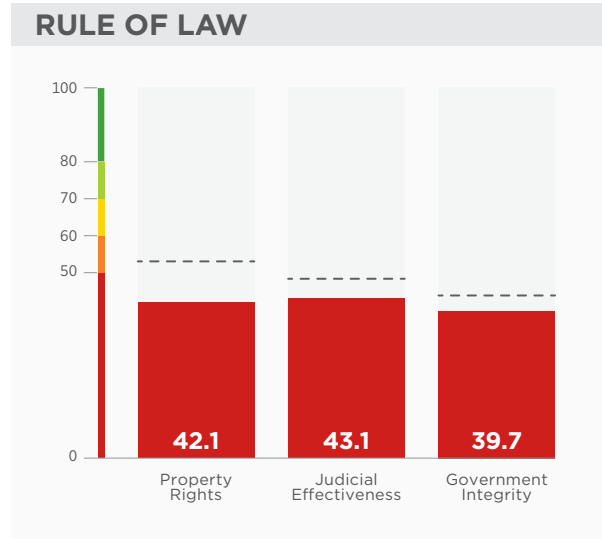
## QUICK FACTS

- POPULATION:** 0.6 million
- UNEMPLOYMENT:** 7.7%
- GDP (PPP):** \$13.1 billion
- INFLATION (CPI):** 51.6%
- 2.1% growth in 2023
- FDI INFLOW:** \$7.0 million
- 3-year average growth rate: 0.7%
- PUBLIC DEBT:** 90.3% of GDP
- \$20,614 per capita

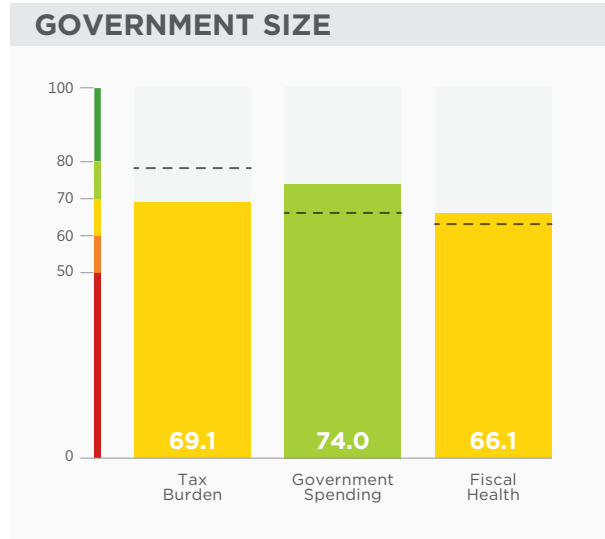
2023 data unless otherwise noted. Data compiled as of November 2024.



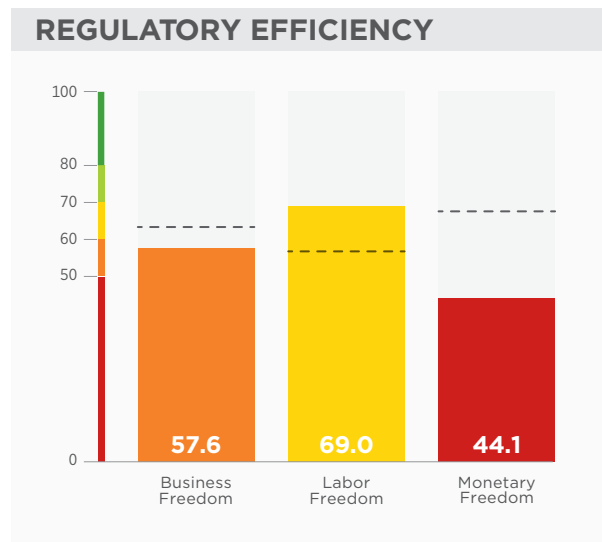
# 12 ECONOMIC FREEDOMS | SURINAME



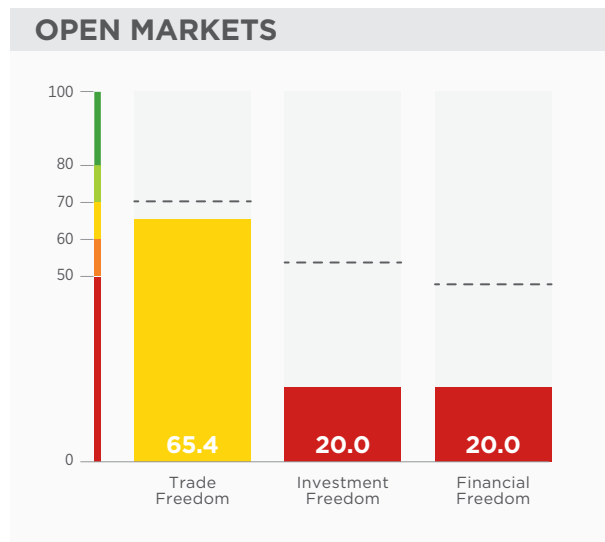
The overall rule of law is weak in Suriname. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 38 percent, and the top corporate tax rate is 36 percent. The tax burden equals 18.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.4 percent and -3.3 percent of GDP. Public debt amounts to 90.3 percent of GDP.



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



The trade-weighted average tariff rate is 9.8 percent, and pervasive nontariff barriers further limit trade freedom. The onerous and nontransparent investment regime continues to deter long-term foreign investment. The financial sector is underdeveloped, and credit decisions are subject to state influence.



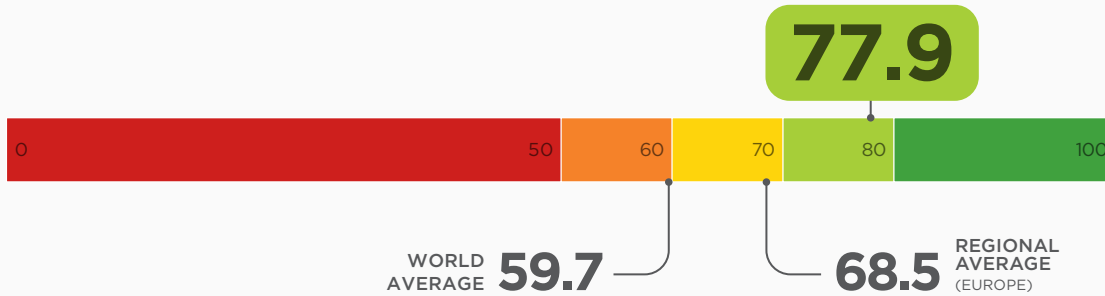
WORLD RANK:	REGIONAL RANK:
<b>12</b>	<b>8</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# SWEDEN

Sweden’s economic freedom score is 77.9, making its economy the 12th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.4 point from last year, and Sweden is ranked 8th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world and regional averages. Sweden’s economy is considered “mostly free” according to the 2025 *Index*.

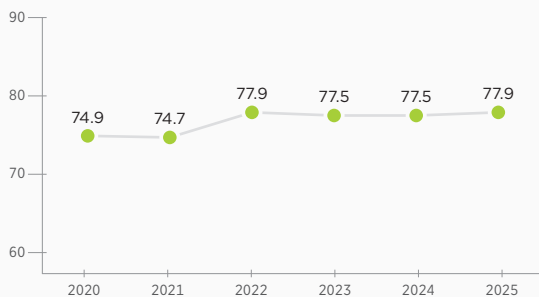
The Swedish economy performs well in the economic freedom pillars of rule of law and regulatory efficiency, facilitated by open-market policies that sustain dynamic trade and investment flows. The firmly institutionalized regulatory and legal environment encourages entrepreneurial activity, but labor regulations are among Europe’s most rigid. Monetary stability has been well maintained, but inflationary pressure continues. Banking regulations are sensible, and lending practices have been prudent. The influx of large numbers of migrants and rising gang violence have made immigration a central issue.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +16.5

## RECENT FREEDOM TREND

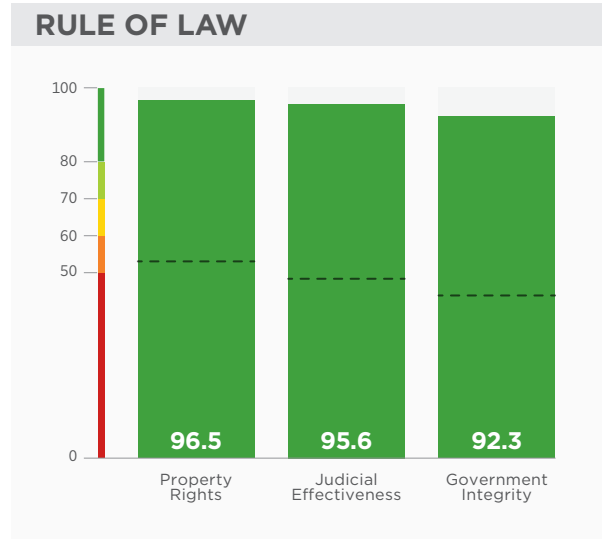


## QUICK FACTS

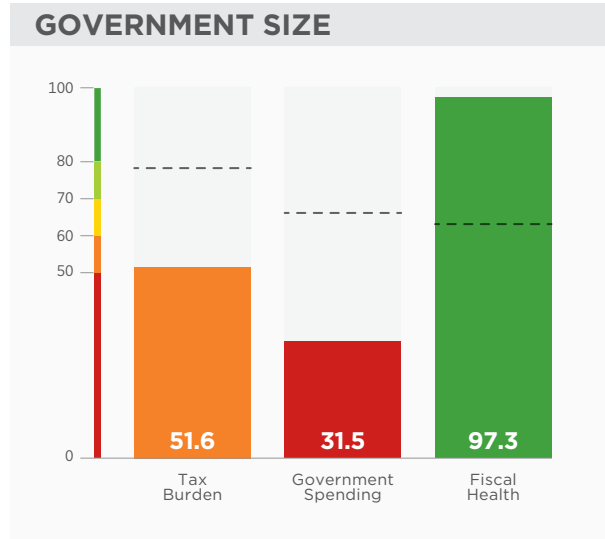
- POPULATION:** 10.6 million
- UNEMPLOYMENT:** 7.6%
- GDP (PPP):** \$739.1 billion  
-0.2% growth in 2023  
3-year average growth rate: 2.4%  
\$70,047 per capita
- INFLATION (CPI):** 5.9%
- FDI INFLOW:** \$46.0 billion
- PUBLIC DEBT:** 36.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

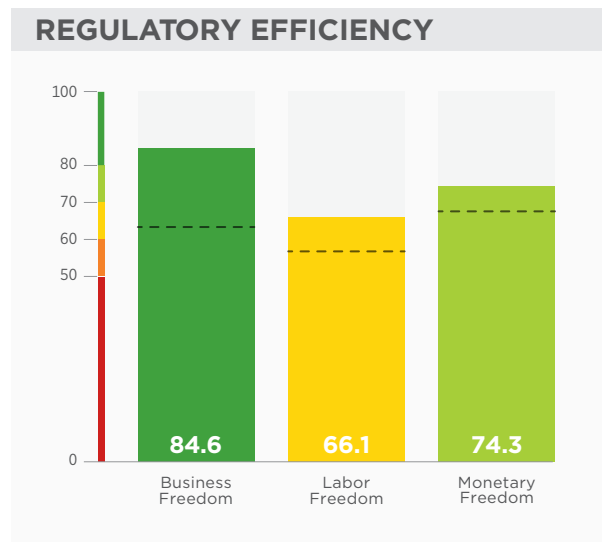
# 12 ECONOMIC FREEDOMS | SWEDEN



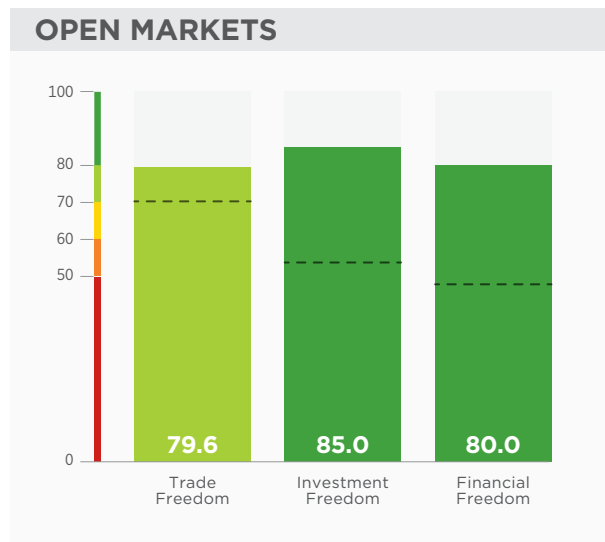
The overall rule of law is very well respected in Sweden. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



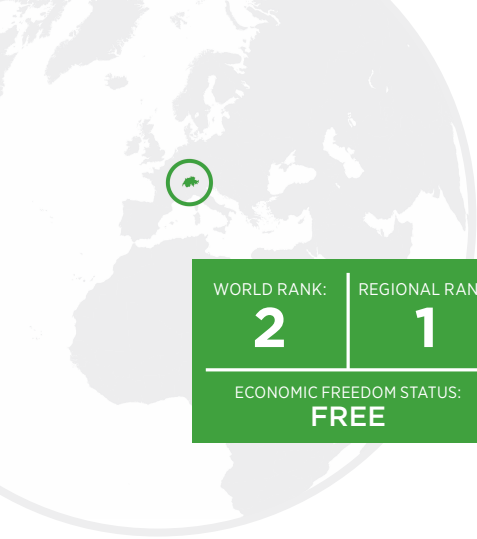
The top individual income tax rate is 52 percent, and the top corporate tax rate is 20.6 percent. The tax burden equals 41.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.8 percent and 0.2 percent of GDP. Public debt amounts to 36.4 percent of GDP.



Sweden's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force. The modern investment regime is open and generally transparent, and regulations are applied consistently. The financial sector is competitive and stable.



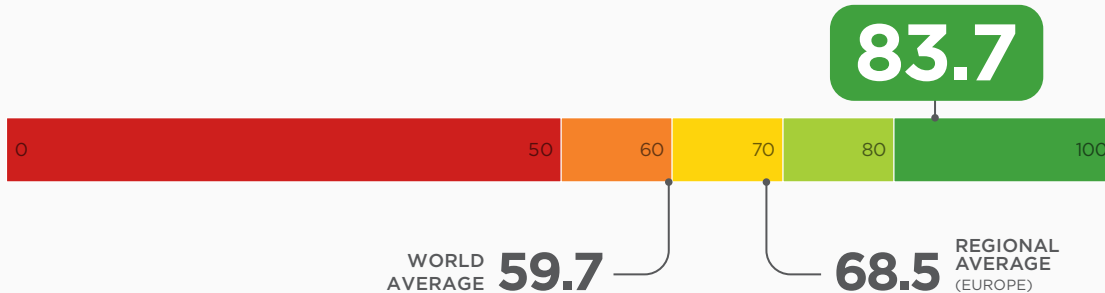
WORLD RANK: <b>2</b>	REGIONAL RANK: <b>1</b>
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

# SWITZERLAND

Switzerland's economic freedom score is 83.7, making its economy the 2nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and Switzerland is ranked 1st out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Switzerland's economy is considered one of the world's three "free" economies according to the 2025 *Index*.

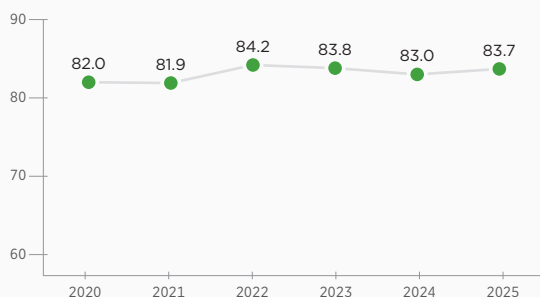
Well-secured property rights, including for intellectual property, promote vibrant entrepreneurship and productivity. Minimum tolerance for corruption is institutionalized in an efficient legal framework. The judicial system, free of political influence, ensures effective and transparent enforcement of contracts. Switzerland's openness to foreign trade and investment continues to encourage a dynamic and resilient economy. The competitive and modern regulatory framework allows business formation and operation to be efficient and dynamic. Labor regulations are relatively flexible. Monetary stability has been well maintained.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +6.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.8 million

**GDP (PPP):**  
\$820.3 billion  
0.7% growth in 2023  
3-year average growth rate: 3.1%  
\$93,055 per capita

**UNEMPLOYMENT:**  
4.0%

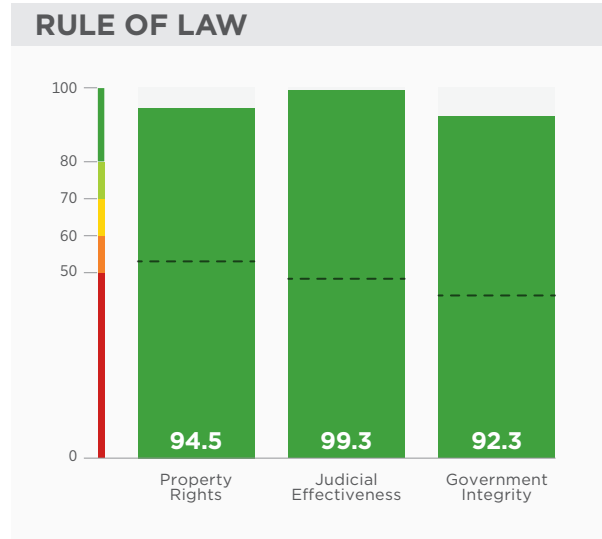
**INFLATION (CPI):**  
2.1%

**FDI INFLOW:**  
\$13.3 billion

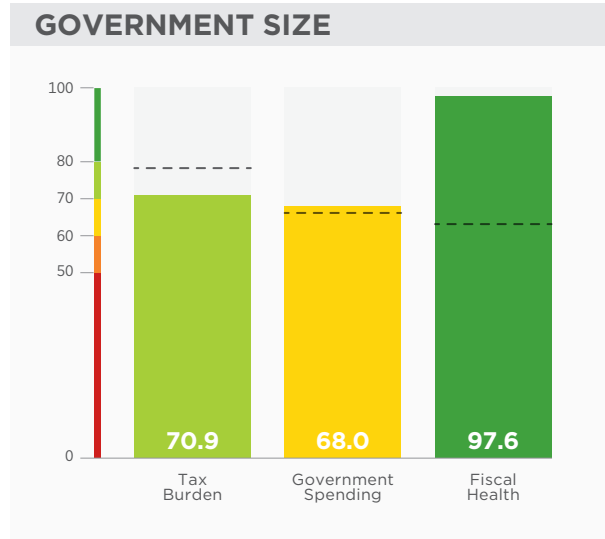
**PUBLIC DEBT:**  
33.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

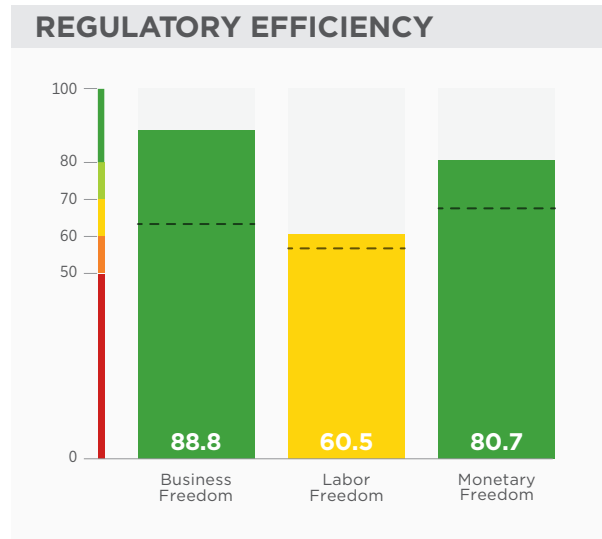
# 12 ECONOMIC FREEDOMS | SWITZERLAND



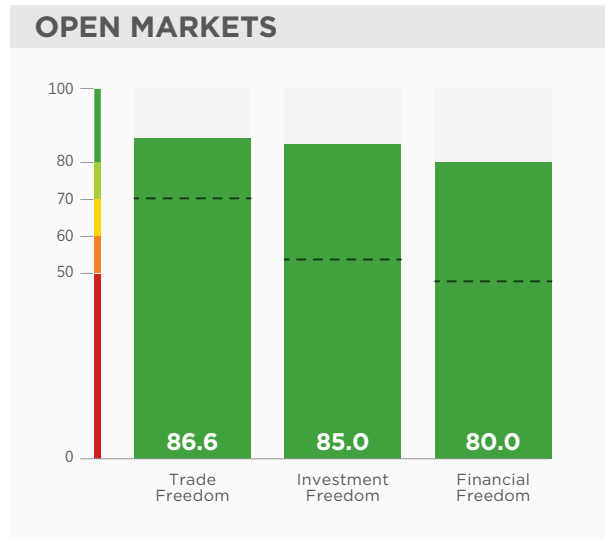
The overall rule of law is very well respected in Switzerland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 24 percent. The tax burden equals 27.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.6 percent and 0.4 percent of GDP. Public debt amounts to 33.3 percent of GDP.



Switzerland's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 1.7 percent. Switzerland's economy continues to be open to foreign investment, and the investment code is transparent and efficiently administered. The modern and highly developed financial sector provides a wide range of financing instruments.



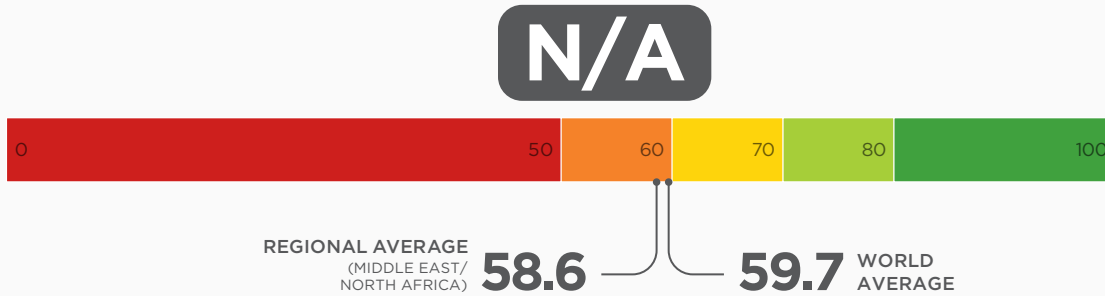
WORLD RANK:	REGIONAL RANK:
<b>N/A</b>	<b>N/A</b>
ECONOMIC FREEDOM STATUS:	
<b>NOT GRADED</b>	

# SYRIA

Ongoing instability and the devastation caused by more than a decade of conflict again preclude any ranking of Syria in the 2025 *Index of Economic Freedom*. In addition to its horrific death toll, Syria's civil war has caused the economy to collapse.

The Assad regime fell on December 8, 2024. Armed rebels took Damascus, forcing long-time ruler Bashar al-Assad to flee the country. The collapse of the brutal regime came after more than a decade of civil war, which largely wiped out economic freedom in Syria. Even before the ongoing conflict, very low scores for property rights and corruption reflected the fragility of the foundations of economic freedom. Politically motivated enforcement seriously undermined the rule of law, and state intervention in many aspects of the economy persisted.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
n/a

**GDP (PPP):**  
n/a  
n/a growth in 2022  
3-year average growth rate: n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

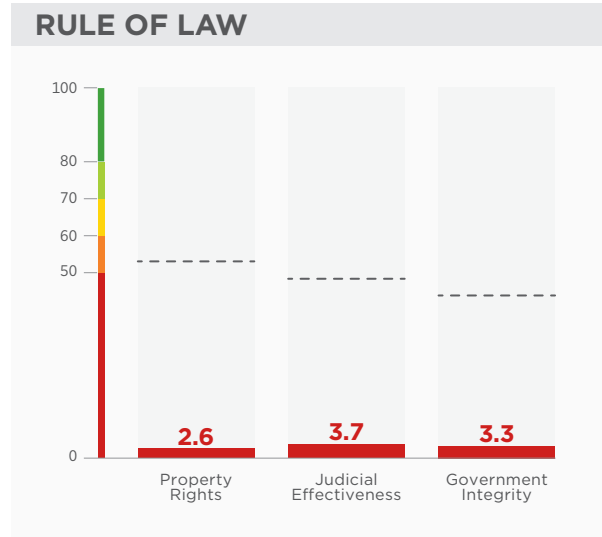
**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
n/a

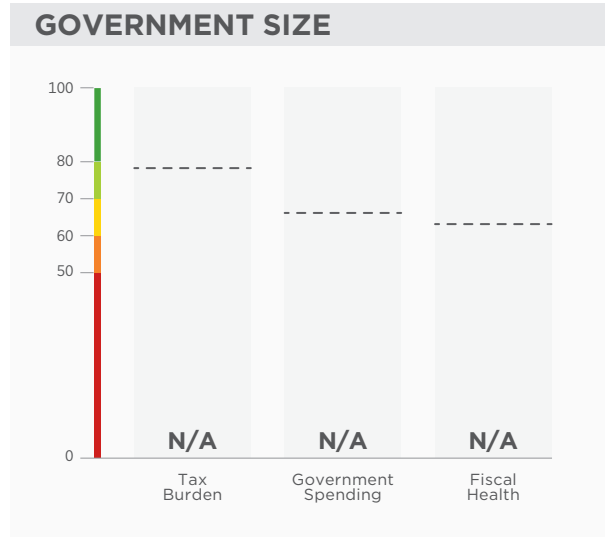
**PUBLIC DEBT:**  
n/a

2023 data unless otherwise noted. Data compiled as of November 2024.

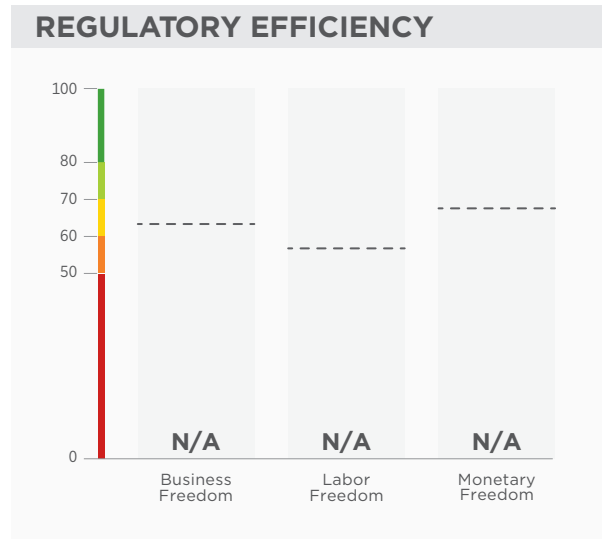
# 12 ECONOMIC FREEDOMS | SYRIA



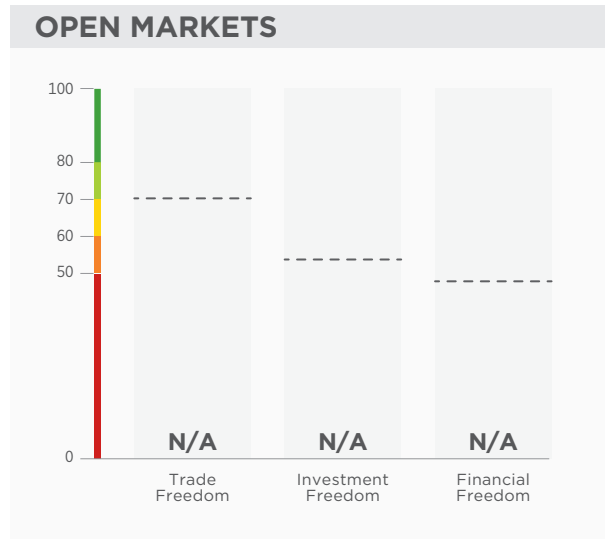
The rule of law has been severely undermined in past decades. The Assad regime seized properties and businesses of political opponents. Those who questioned or went against the state policy faced harassment, imprisonment, or death. Government institutions were characterized by widespread corruption and a lack of public accountability.



The civil conflict has caused mounting damage to the economy. Economic policy has focused on protecting the regime and maintaining the military's fighting capacity. Government spending is driven by political concerns. Economic mismanagement has brought the economy to the brink of collapse.



The repressive and fragile business environment, already burdened by heavy state intervention and gravely exacerbated by the civil war and severely damaged infrastructure, continues to affect entrepreneurial activity. Functioning labor markets do not exist in many war-torn locations. Monetary stability has long been eroded.



Political instability, exacerbated by significant security threats, is a significant impediment to trade and investment. The investment environment lacks transparency and efficiency. The financial infrastructure has been significantly degraded. Severely limited access to financing impedes any meaningful development of private business.



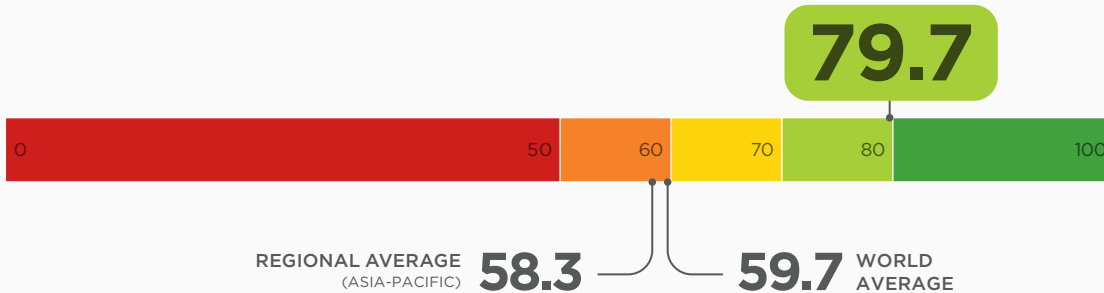
WORLD RANK:	REGIONAL RANK:
<b>4</b>	<b>2</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# TAIWAN

Taiwan's economic freedom score is 79.7, making its economy the 4th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Taiwan is ranked 2nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Taiwan's economy is considered "mostly free" according to the 2025 *Index*.

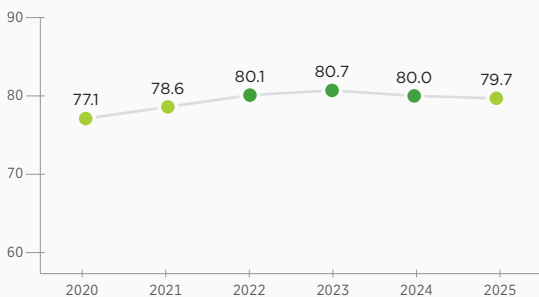
Taiwan is one of the world's five freest economies and an exemplary free-market democracy. A strong commitment to the rule of law and openness to global commerce have enabled it to become a global leader in economic freedom. The dynamic economy has benefitted from a well-functioning institutional framework, and small and medium-size enterprises have been the backbone of economic growth and resilience. A sound legal foundation provides strong protection of property rights and upholds the rule of law. Monetary stability has been well maintained.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.5

## RECENT FREEDOM TREND



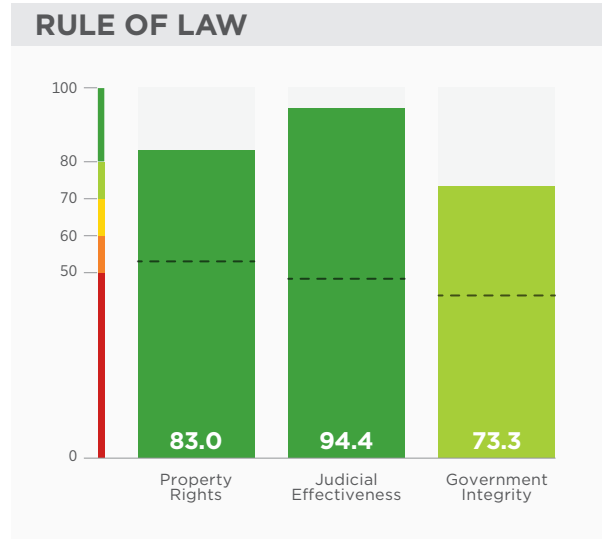
## QUICK FACTS

- POPULATION:** 23.3 million
- UNEMPLOYMENT:** 3.7%
- GDP (PPP):** \$1.7 trillion
- INFLATION (CPI):** 2.5%
- 1.3% growth in 2023
- FDI INFLOW:** \$10.2 billion
- 3-year average growth rate: 3.5%
- PUBLIC DEBT:** 29.1% of GDP
- \$74,409 per capita

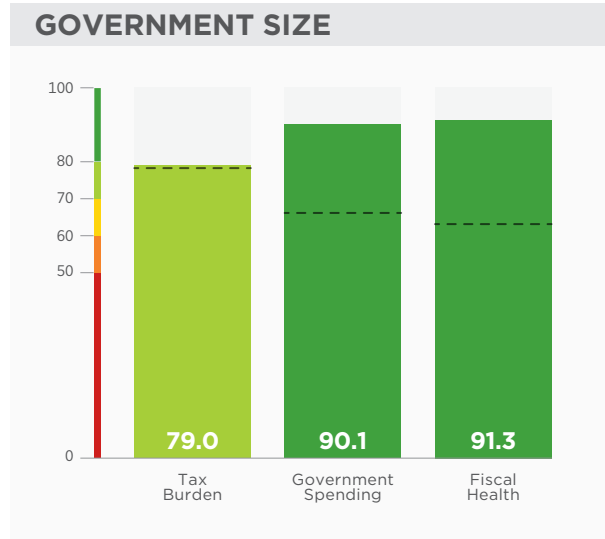
2023 data unless otherwise noted. Data compiled as of November 2024.



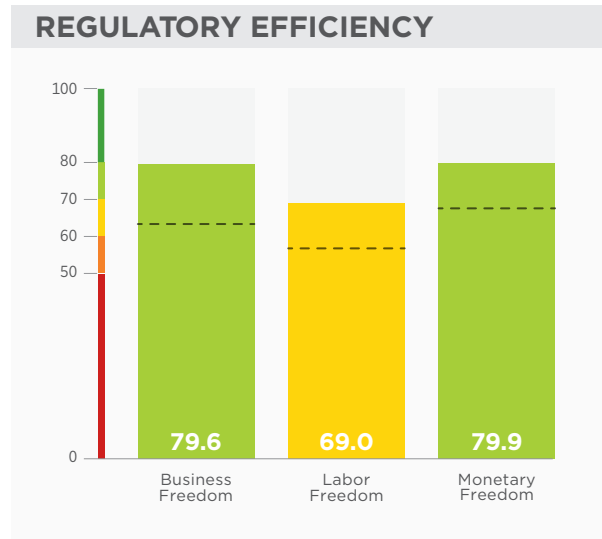
# 12 ECONOMIC FREEDOMS | TAIWAN



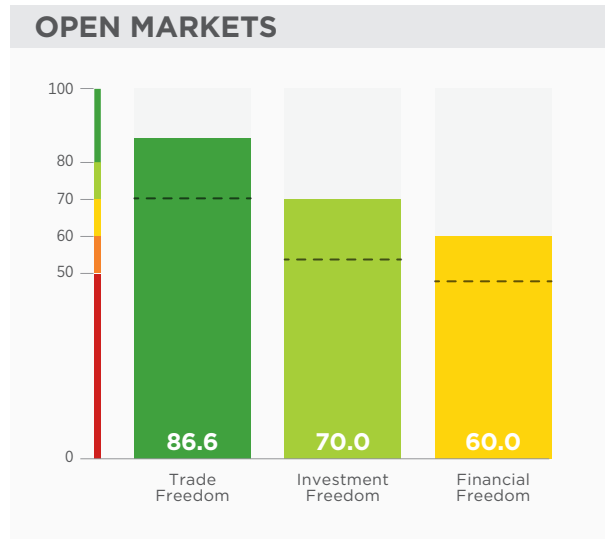
The overall rule of law is well respected in Taiwan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 20 percent. The tax burden equals 10.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.1 percent and -2.1 percent of GDP. Public debt amounts to 29.1 percent of GDP.



Taiwan's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 1.7 percent, but nontariff barriers add to the cost of trade. Foreign investment is welcome, and the overall investment framework has become more streamlined. The financial sector continues to evolve and provides a wide range of financial services.



WORLD RANK: **136** | REGIONAL RANK: **29**

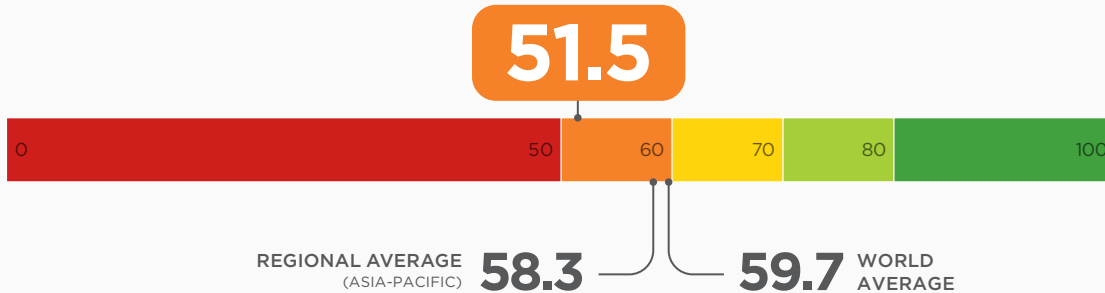
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# TAJIKISTAN

Tajikistan’s economic freedom score is 51.5, making its economy the 136th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Tajikistan is ranked 29th out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. Tajikistan’s economy is considered “mostly unfree” according to the 2025 *Index*.

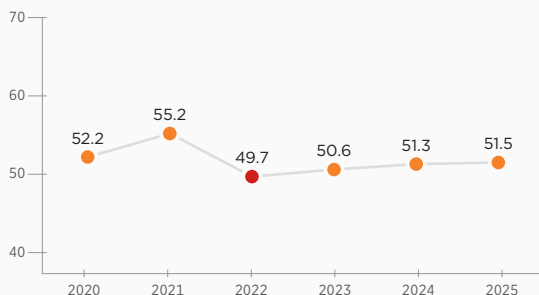
Tajikistan’s economic development lags far behind that of many other developing countries. The economy is overly dependent on commodity export earnings and vulnerable to market volatility. Corruption persists, and the rule of law is too weak to sustain meaningful economic progress. The business environment has improved only marginally. Inconsistent bureaucracy and state interference that increases regulatory costs limit entrepreneurial activity. The labor market remains underdeveloped. The government influences prices through regulation, subsidies, and numerous state-owned enterprises. Tajikistan remains one of Asia’s poorest countries.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +10.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.0 million

**GDP (PPP):**  
\$51.5 billion  
8.3% growth in 2023  
3-year average growth rate: 8.6%  
\$5,148 per capita

**UNEMPLOYMENT:**  
7.0%

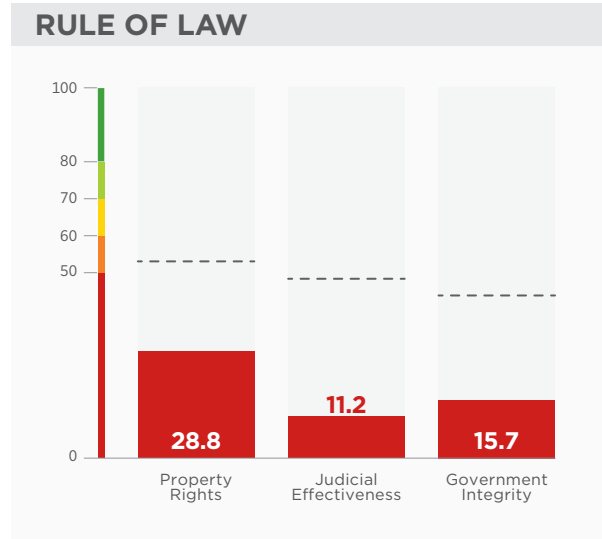
**INFLATION (CPI):**  
3.7%

**FDI INFLOW:**  
\$174.0 million

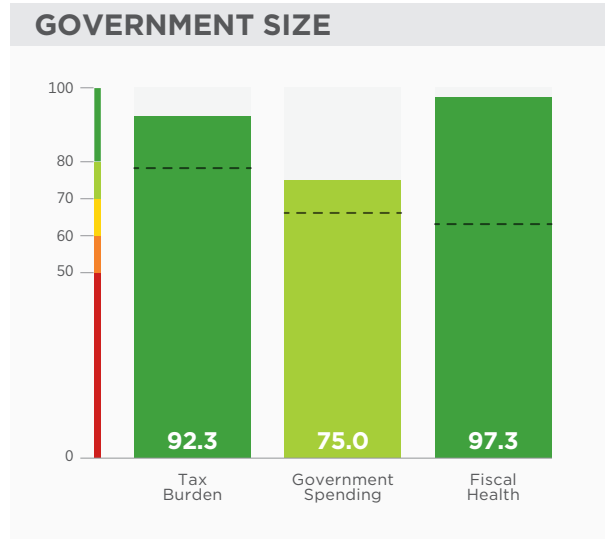
**PUBLIC DEBT:**  
30.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

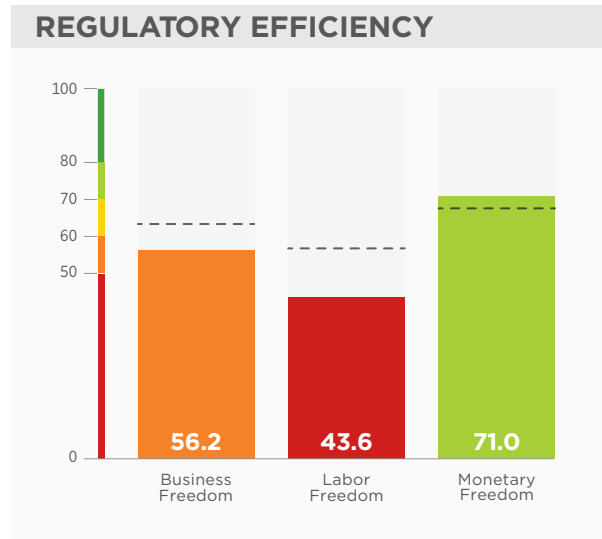
# 12 ECONOMIC FREEDOMS | TAJIKISTAN



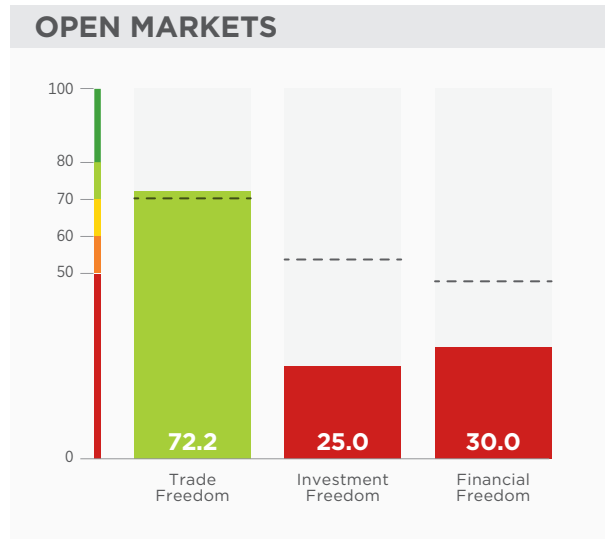
The overall rule of law is weak in Tajikistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 12 percent, and the top corporate tax rate is 18 percent. The tax burden equals 17.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.9 percent and -0.7 percent of GDP. Public debt amounts to 30.9 percent of GDP.

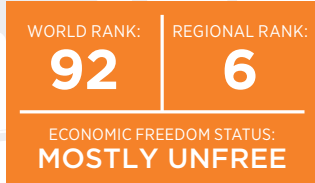


Tajikistan's regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is below the world average; its labor freedom score is below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.4 percent, but onerous and pervasive nontariff barriers severely limit trade freedom. All private investment is screened and requires government approval. Financial-sector assets have grown, but the state's continued interference seriously handicaps private-sector development.

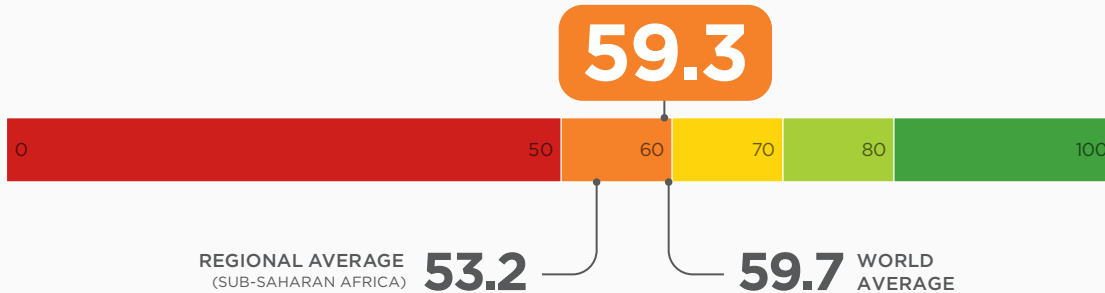
# TANZANIA



Tanzania's economic freedom score is 59.3, making its economy the 92nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Tanzania is ranked 6th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world average and higher than the regional average. Tanzania's economy is considered "mostly unfree" according to the 2025 *Index*.

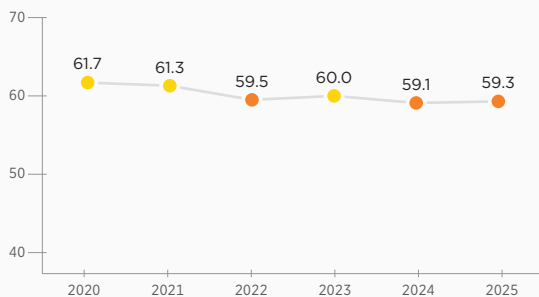
Tanzania has achieved some income growth and poverty reduction over the past decade. The small financial sector has undergone modernization, and credit is increasingly allocated at market rates, supporting the development of a more vibrant entrepreneurial sector. Nevertheless, deeper institutional reforms remain critical to the country's broader long-term economic development. Long-standing structural problems include poor management of public finance and an underdeveloped legal framework that interferes with regulatory efficiency. Corruption further undermines the weak rule of law.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +2.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
63.3 million

**GDP (PPP):**  
\$249.8 billion  
5.1% growth in 2023  
3-year average growth rate: 4.9%  
\$3,944 per capita

**UNEMPLOYMENT:**  
2.6%

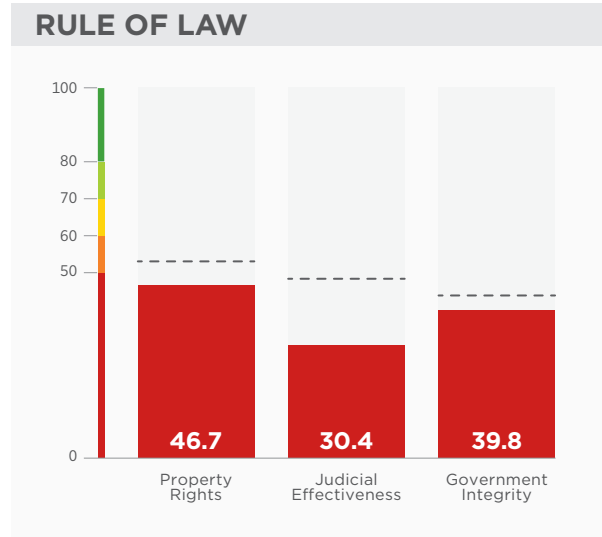
**INFLATION (CPI):**  
3.8%

**FDI INFLOW:**  
\$1.1 billion

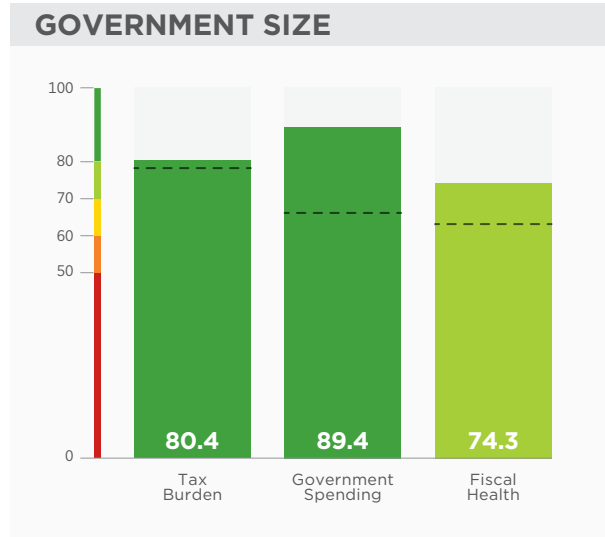
**PUBLIC DEBT:**  
46.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

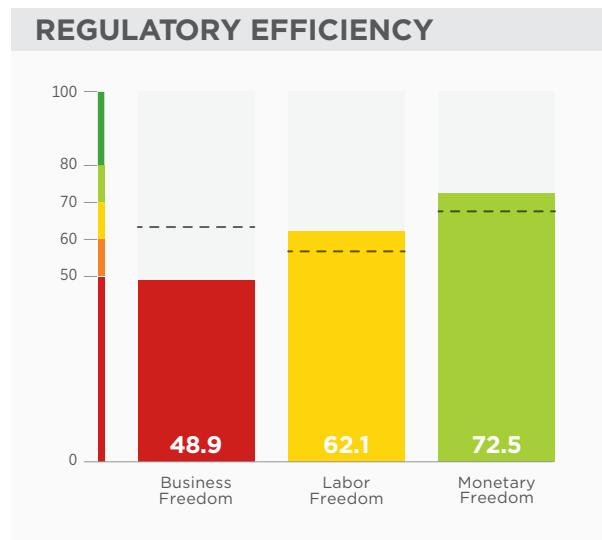
# 12 ECONOMIC FREEDOMS | TANZANIA



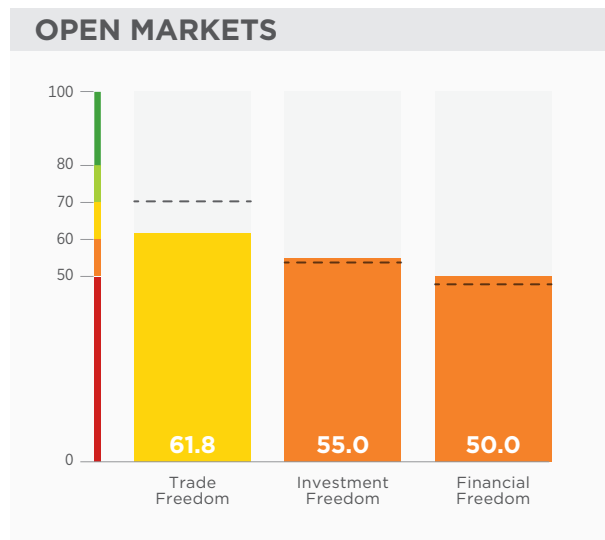
The overall rule of law is weak in Tanzania. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



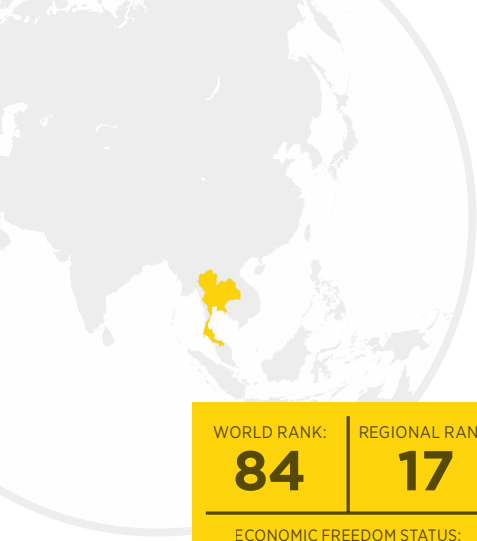
The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 12.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.8 percent and -3.7 percent of GDP. Public debt amounts to 46.9 percent of GDP.



Tanzania's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 9.1 percent, and costly nontariff barriers further inhibit trade. Investment regulations are outmoded, and burdensome bureaucracy is an ongoing deterrent to investment growth. A range of commercial credit instruments is available to the private sector.



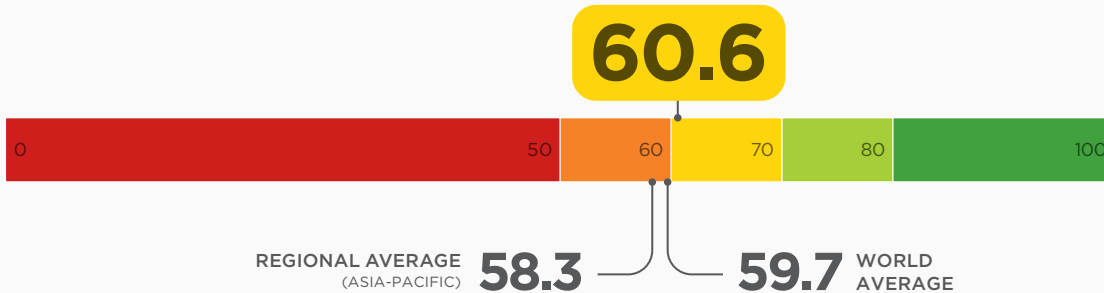
WORLD RANK:	REGIONAL RANK:
<b>84</b>	<b>17</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# THAILAND

Thailand's economic freedom score is 60.6, making its economy the 84th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.6 points from last year, and Thailand is ranked 17th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Thailand's economy is considered "moderately free" according to the 2025 *Index*.

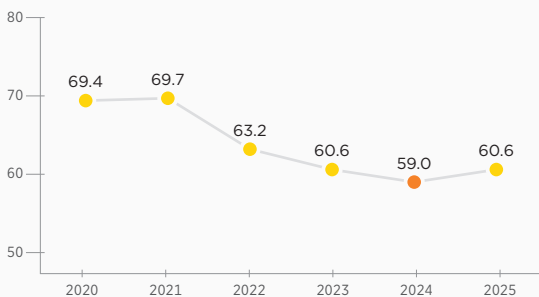
Thailand's economic fundamentals remain relatively solid, but economic freedom still faces challenges that include the need to advance institutional reform. A major concern is persistent political instability, which undermines the country's investment climate and economic potential. The judicial system remains inefficient and vulnerable to political interference, and corruption persists. With no minimum capital requirement, the business start-up process has been made easier. Labor regulations are relatively flexible, but informal labor activity remains substantial. Monetary stability has been maintained despite inflationary pressure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -10.7

## RECENT FREEDOM TREND

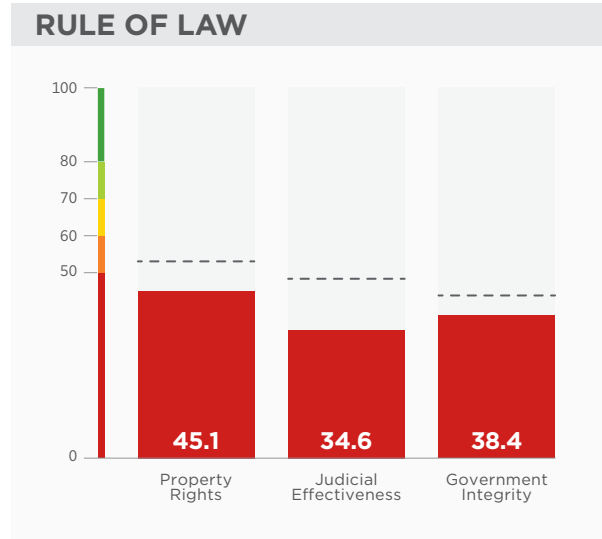


## QUICK FACTS

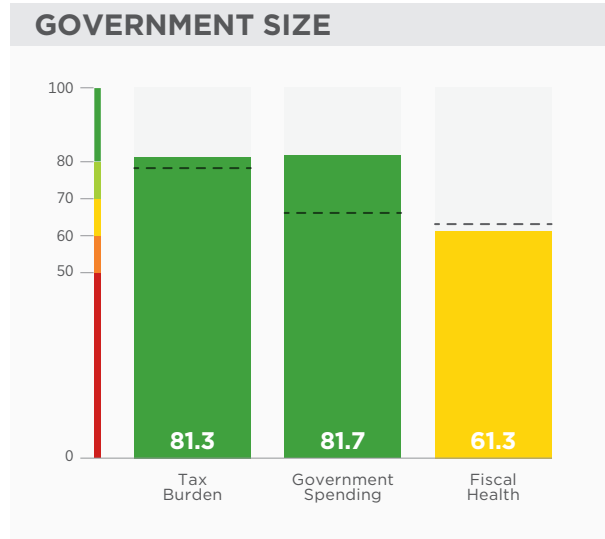
- POPULATION:** 70.2 million
- UNEMPLOYMENT:** 0.9%
- GDP (PPP):** \$1.7 trillion
- INFLATION (CPI):** 1.2%
- 1.9% growth in 2023
- FDI INFLOW:** \$10.0 billion
- 3-year average growth rate: 2.0%
- PUBLIC DEBT:** 62.4% of GDP
- \$23,981 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

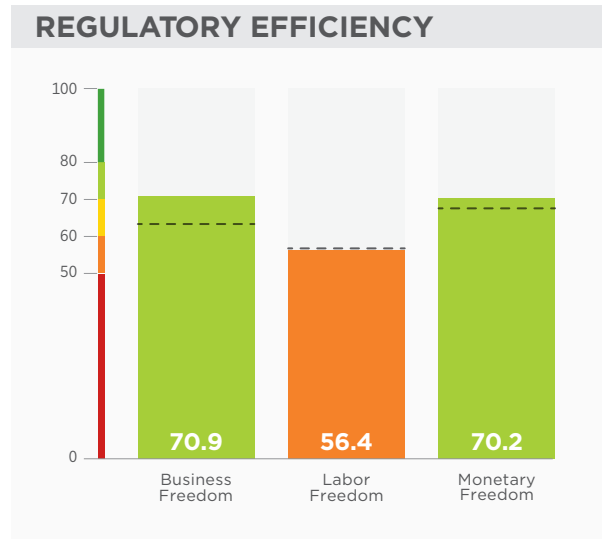
# 12 ECONOMIC FREEDOMS | THAILAND



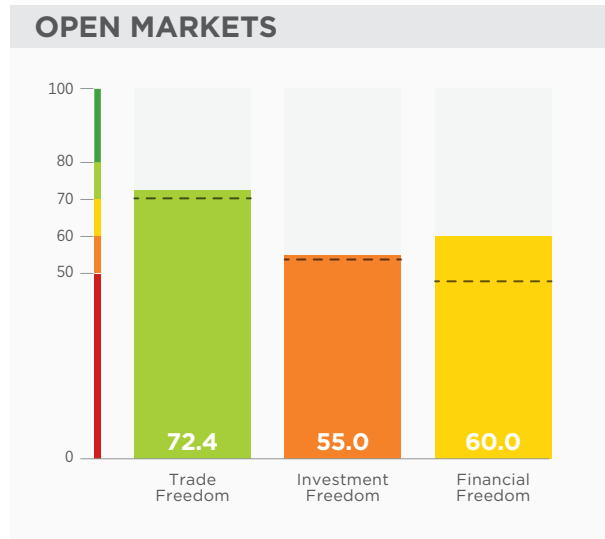
The overall rule of law is weak in Thailand. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



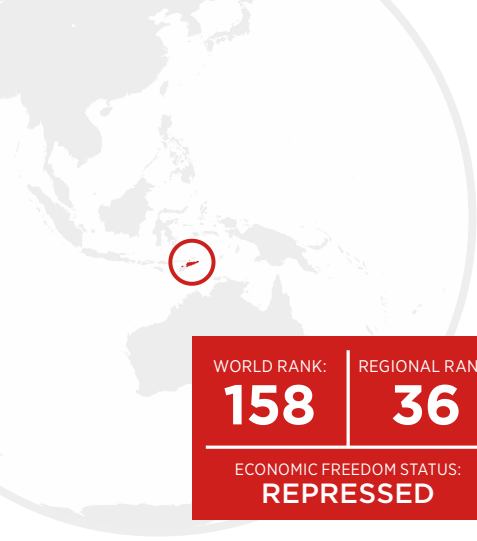
The top individual income tax rate is 35 percent, and the top corporate tax rate is 20 percent. The tax burden equals 15.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.7 percent and -4.4 percent of GDP. Public debt amounts to 62.4 percent of GDP.



Thailand'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 6.3 percent, and onerous nontariff barriers add to the cost of trade. Although foreign direct investment is officially welcome, the overall investment framework lacks efficiency and transparency. The financial system is relatively well developed and dynamic.



WORLD RANK: **158** | REGIONAL RANK: **36**

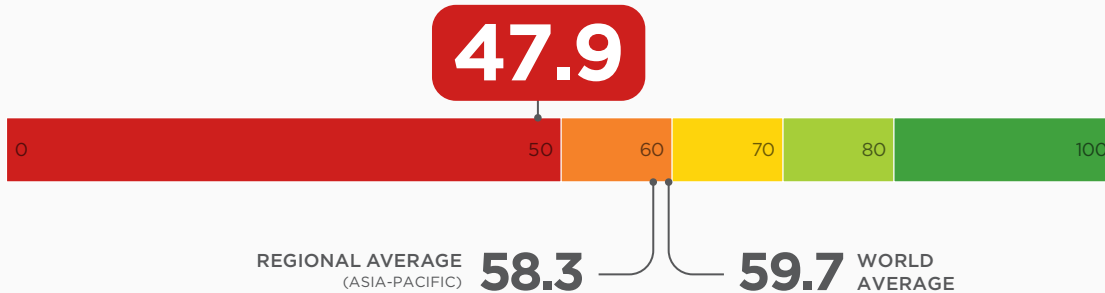
ECONOMIC FREEDOM STATUS: **REPRESSED**

# TIMOR-LESTE

**T**imor-Leste's economic freedom score is 47.9, making its economy the 158th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 2.3 points from last year, and Timor-Leste is ranked 36th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Timor-Leste's economy is considered "repressed" according to the 2025 *Index*.

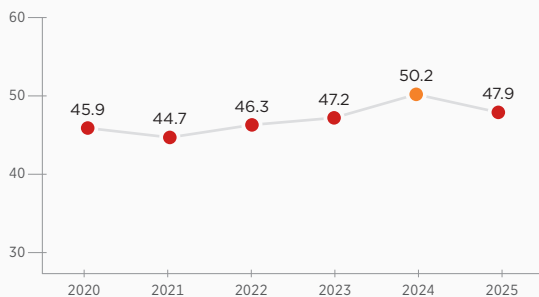
Timor-Leste's economic base is narrow, and political instability discourages lasting economic development. The state plays an outsized role in the economy. Private-sector development is also limited by burdensome regulation and an underdeveloped financial sector. The public sector accounts for about half of non-agricultural employment, and the formal labor market remains underdeveloped. Timor-Leste remains one of East Asia's poorest countries and is heavily dependent on foreign aid. Oil and gas account for more than 90 percent of GDP and 70 percent of government revenue.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): -2.6

## RECENT FREEDOM TREND



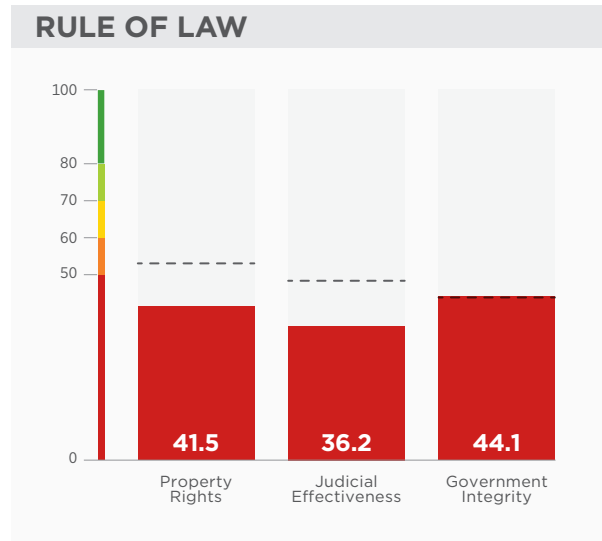
## QUICK FACTS

- POPULATION:** 1.4 million
- UNEMPLOYMENT:** 1.5%
- GDP (PPP):** \$7.0 billion
- INFLATION (CPI):** 8.4%
- 2.3% growth in 2023
- FDI INFLOW:** \$262.0 million
- 3-year average growth rate: 2.6%
- PUBLIC DEBT:** 10.9% of GDP
- \$5,152 per capita

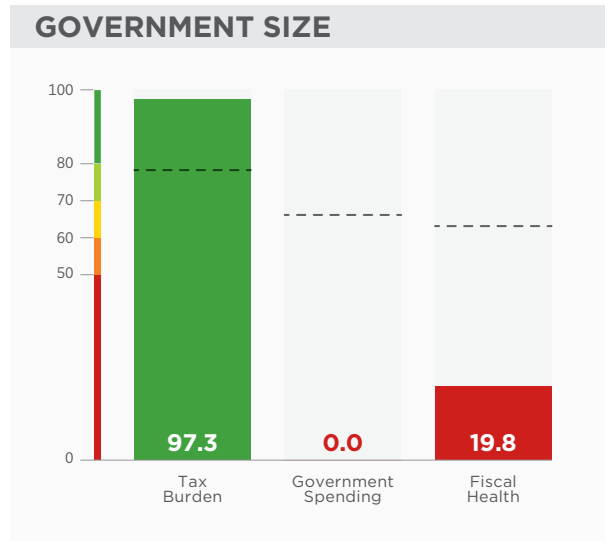
2023 data unless otherwise noted. Data compiled as of November 2024.



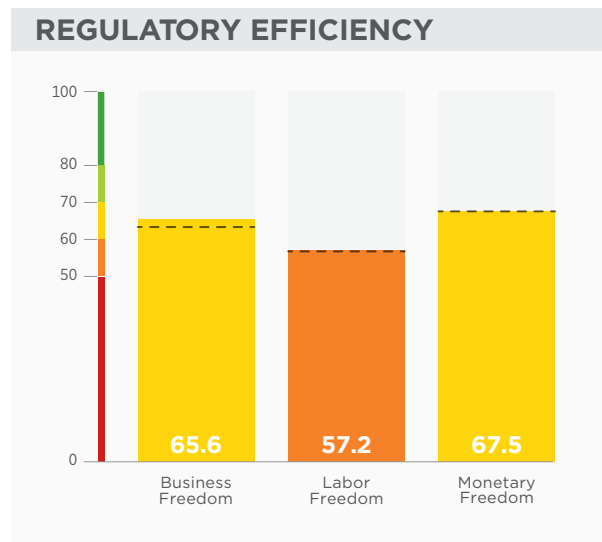
# 12 ECONOMIC FREEDOMS | TIMOR-LESTE



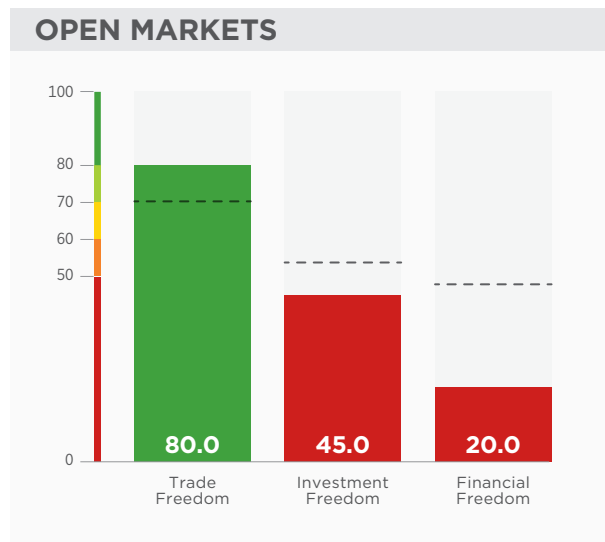
The overall rule of law is weak in Timor-Leste. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 8.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 58.8 percent and -27.2 percent of GDP. Public debt amounts to 10.9 percent of GDP.



Timor-Leste'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 2.5 percent, and nontariff barriers distort trade flows. The investment environment is significantly limited by inadequate institutional capacity and poor infrastructure. The financial sector is very small and underdeveloped. Timorese have only limited access to financial services.



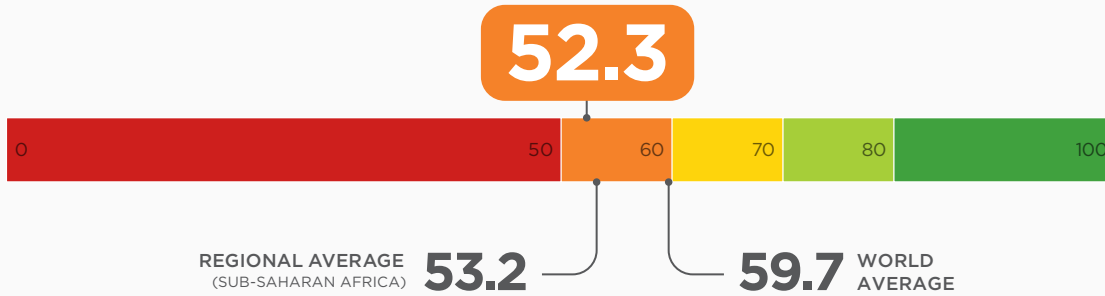
WORLD RANK: **132** | REGIONAL RANK: **26**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# TOGO

Togo's economic freedom score is 52.3, making its economy the 132nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.4 points from last year, and Togo is ranked 26th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Togo's economy is considered "mostly unfree" according to the 2025 *Index*.

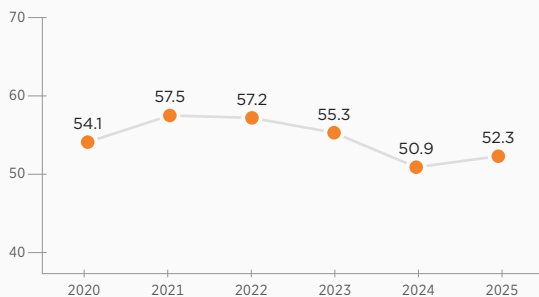
Togo has undertaken a series of economic reforms, restructuring its key sectors. The government has also taken steps to divest public enterprises. However, an inefficient business environment continues to undermine overall competitiveness. The informal sector accounts for a significant portion of economic activity. Togo depends on foreign aid, and its judicial system is still vulnerable to political interference. Togo has one of West Africa's few natural deep-water ports, and its secure territorial waters are a relatively safe zone for international shippers.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1999): +4.1

## RECENT FREEDOM TREND

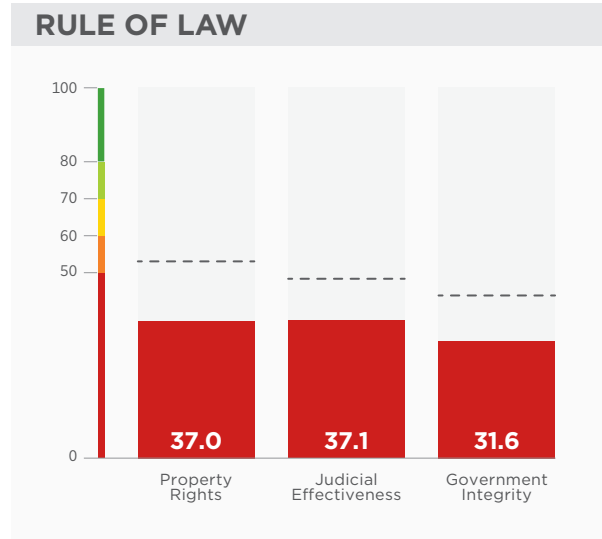


## QUICK FACTS

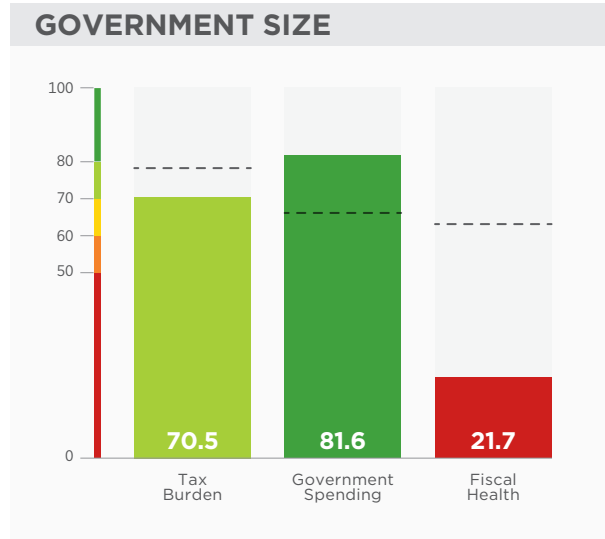
<b>POPULATION:</b> 9.1 million	<b>UNEMPLOYMENT:</b> 2.0%
<b>GDP (PPP):</b> \$28.3 billion 5.6% growth in 2023 3-year average growth rate: 5.8% \$3,125 per capita	<b>INFLATION (CPI):</b> 5.3%
	<b>FDI INFLOW:</b> -\$227.0 million
	<b>PUBLIC DEBT:</b> 68.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

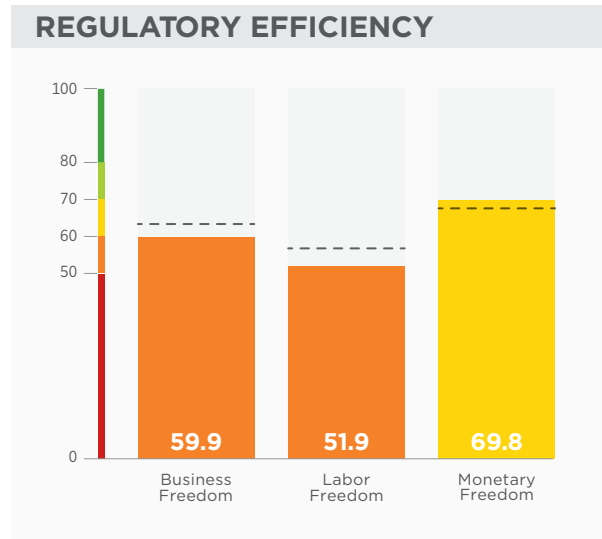
# 12 ECONOMIC FREEDOMS | TOGO



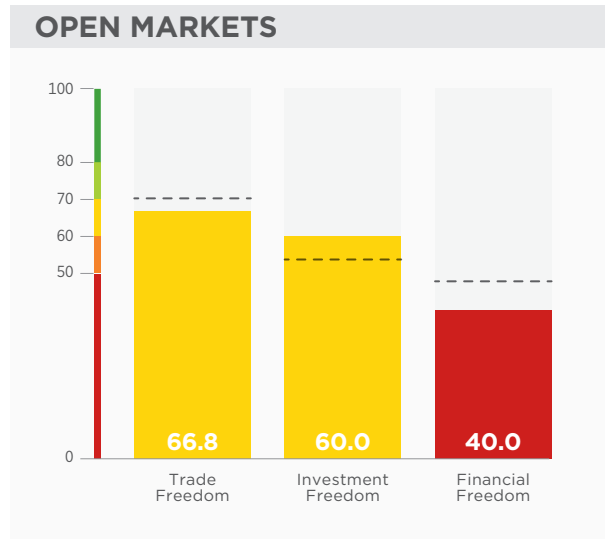
The overall rule of law is weak in Togo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



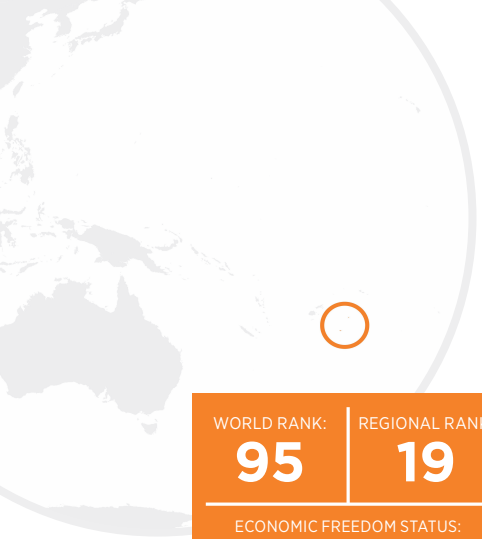
The top individual income tax rate is 45 percent, and the top corporate tax rate is 27 percent. The tax burden equals 13.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.8 percent and -6.6 percent of GDP. Public debt amounts to 68.0 percent of GDP.



Togo's overall regulatory environment is relatively well institutionalized but lacks overall efficiency. 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 above the world average.



The trade-weighted average tariff rate is 11.6 percent, and nontariff barriers further limit trade. Investment is permitted in certain sectors and screened on a case-by-case basis. The underdeveloped banking system remains subject to government influence and suffers from a lack of liquidity.



# TONGA

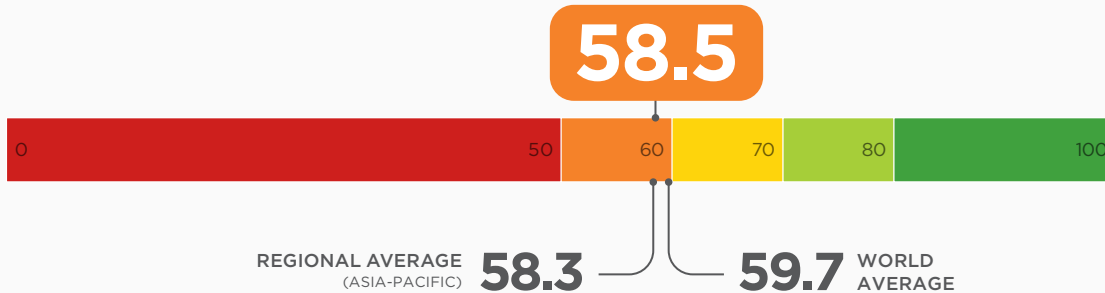
WORLD RANK: **95** | REGIONAL RANK: **19**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Tonga's economic freedom score is 58.5, making its economy the 95th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Tonga is ranked 19th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world average and higher than the regional average. Tonga's economy is considered "mostly unfree" according to the 2025 *Index*.

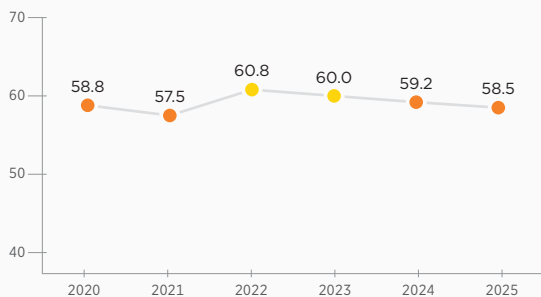
The institutional capacity for long-term economic development remains weak. The judicial system is inefficient and lacks transparency. A lack of commitment to opening markets discourages investment growth and private-sector dynamism. Implementation of relatively sound regulations remains ineffective. No minimum capital is needed to establish a business, but the process can be time-consuming. The labor market is not fully developed, and informal labor is considerable. Inflationary pressure continues. Tonga's economy remains heavily dependent on foreign aid and overseas remittances.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +4.4

## RECENT FREEDOM TREND

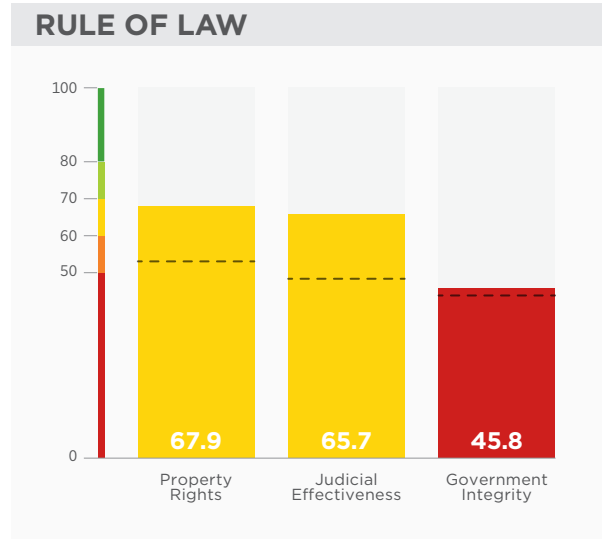


## QUICK FACTS

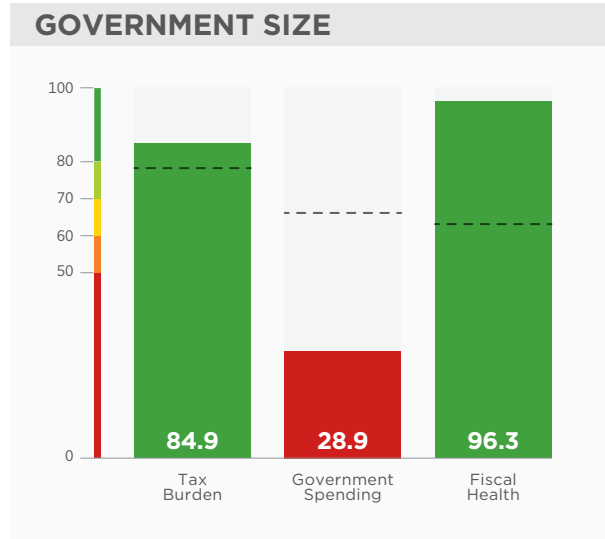
<b>POPULATION:</b> 0.1 million	<b>UNEMPLOYMENT:</b> 2.3%
<b>GDP (PPP):</b> \$746.0 million 2.0% growth in 2023 3-year average growth rate: 0.2% \$7,477 per capita	<b>INFLATION (CPI):</b> 10.2%
	<b>FDI INFLOW:</b> \$3.0 million
	<b>PUBLIC DEBT:</b> 43.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

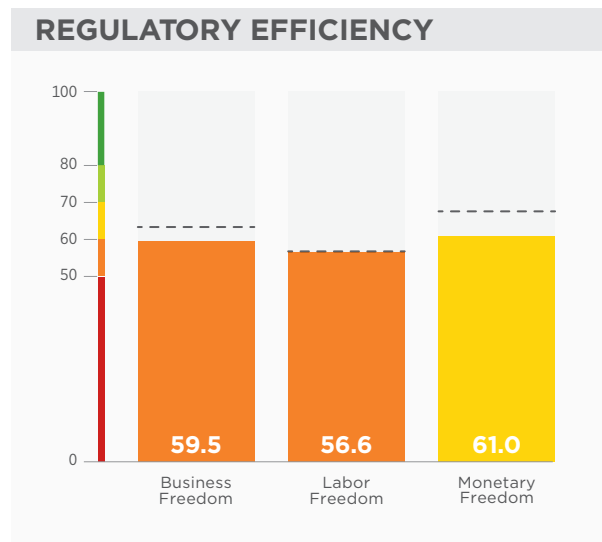
# 12 ECONOMIC FREEDOMS | TONGA



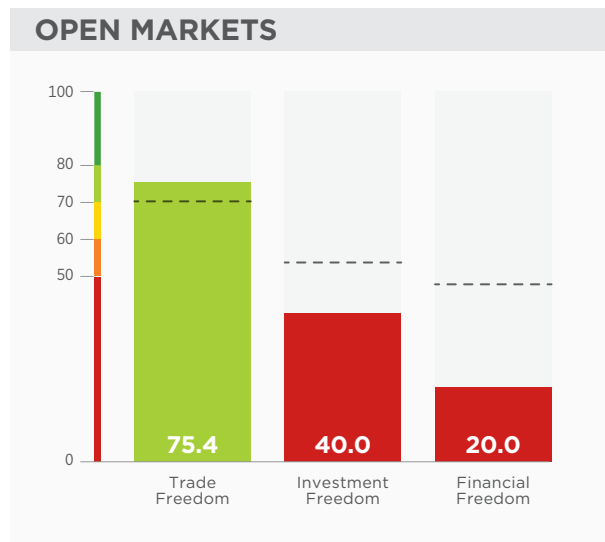
The overall rule of law is relatively well respected in Tonga. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 25 percent. The tax burden equals 22.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.7 percent and 1.4 percent of GDP. Public debt amounts to 43.3 percent of GDP.



Tonga'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 above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 4.8 percent, and nontariff barriers further raise the cost of trade. Many investment activities are stringently regulated. The legal system impedes efficient lending, and the lack of reliable information on creditworthiness increases credit costs. There are no capital markets.

WORLD RANK: **69** | REGIONAL RANK: **14**

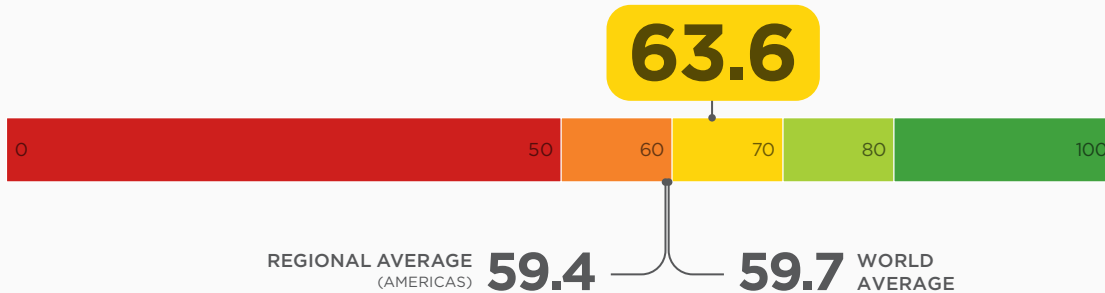
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# TRINIDAD AND TOBAGO

Trinidad and Tobago's economic freedom score is 63.6, making its economy the 69th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 3.2 points from last year, and Trinidad and Tobago is ranked 14th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Trinidad and Tobago's economy is considered "moderately free" according to the 2025 *Index*.

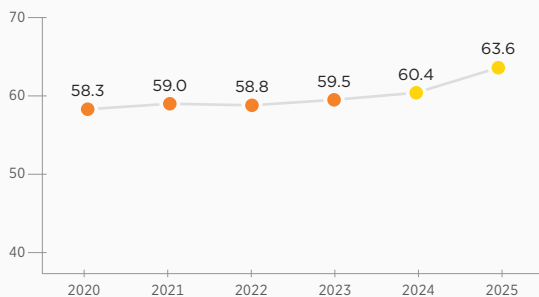
Trinidad and Tobago has a mixed record with respect to the advancement of economic freedom and enhancement of the entrepreneurial climate. Overdependence on oil and gas continues to discourage private-sector development, but there has been some diversification of the economic base, including the financial sector. The judiciary is relatively independent, and the country has a tradition of institutional stability. Nevertheless, corruption and ineffective protection of private property rights continue to undermine prospects for more dynamic long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -5.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 million

**GDP (PPP):**  
\$48.0 billion  
1.1% growth in 2023  
3-year average growth rate: 0.5%  
\$33,791 per capita

**UNEMPLOYMENT:**  
4.2%

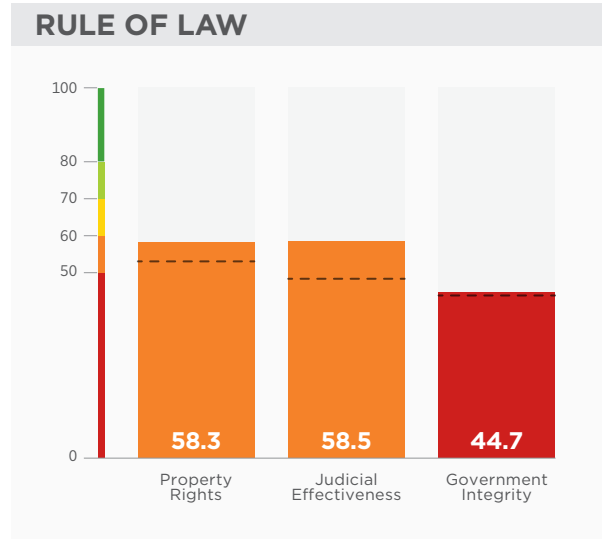
**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
-\$493.0 million

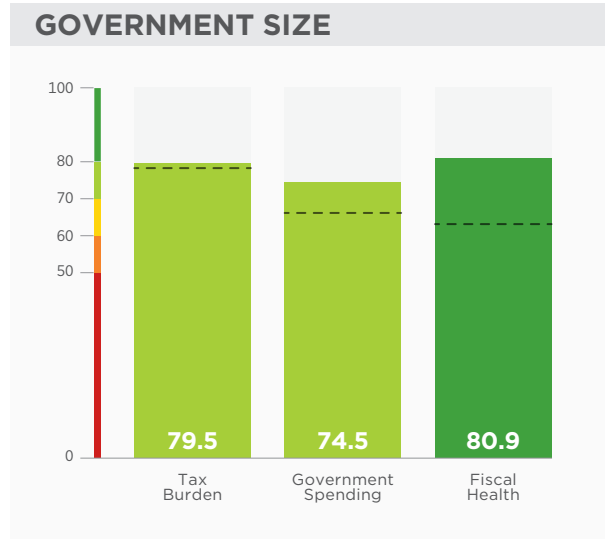
**PUBLIC DEBT:**  
56.1% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

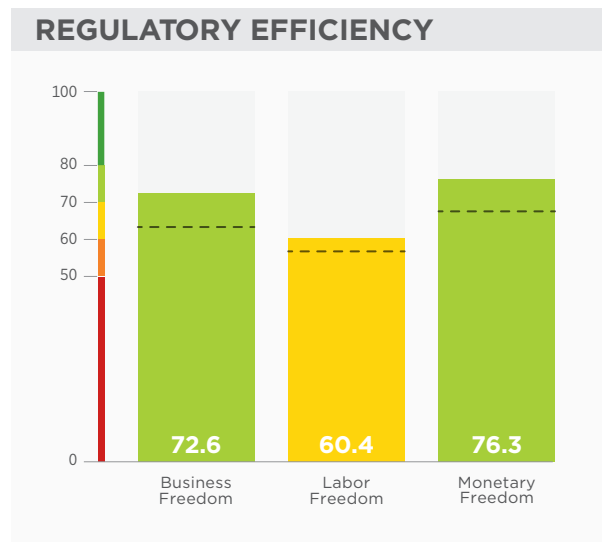
# 12 ECONOMIC FREEDOMS | TRINIDAD AND TOBAGO



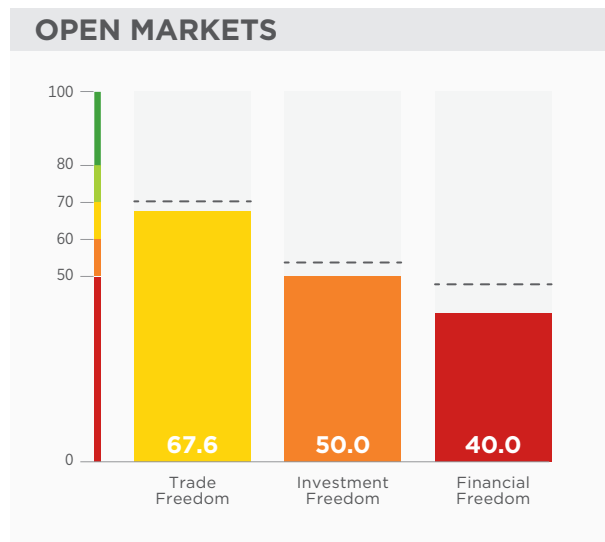
The overall rule of law is relatively well respected in Trinidad and Tobago. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 15.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.2 percent and -2.8 percent of GDP. Public debt amounts to 56.1 percent of GDP.



Trinidad and Tobago'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 above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 8.7 percent, and cumbersome nontariff barriers further increase the cost of trade. Foreign investment in private business is not subject to limits, but the overall investment regime lacks efficiency. The financial sector is relatively well developed.



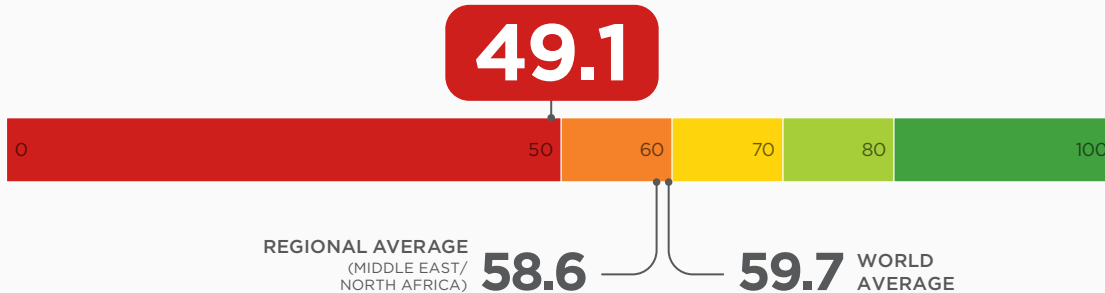
WORLD RANK: <b>149</b>	REGIONAL RANK: <b>11</b>
ECONOMIC FREEDOM STATUS: <b>REPPRESSED</b>	

# TUNISIA

Tunisia's economic freedom score is 49.1, making its economy the 149th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.3 point from last year, and Tunisia is ranked 11th out of 14 countries in the Middle East / North Africa region. The country's economic freedom score is lower than the world and regional averages. Tunisia's economy is considered "repressed" according to the 2025 *Index*.

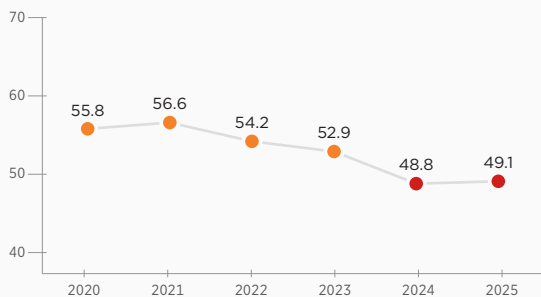
Tunisia has been undergoing a challenging transition, and deeper reforms designed to enhance political and economic governance and strengthen the pillars of economic freedom as part of this transition are critically needed. These essential reforms include strengthening of the judicial system and the more effective eradication of corruption. The regulatory framework remains nontransparent and inefficient. The labor market, both rigid and stagnant, has failed to generate dynamic job growth. The government continues to influence prices through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -14.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
12.2 million

**GDP (PPP):**  
\$170.0 billion  
0.0% growth in 2023  
3-year average growth rate: 2.5%  
\$13,893 per capita

**UNEMPLOYMENT:**  
15.1%

**INFLATION (CPI):**  
9.3%

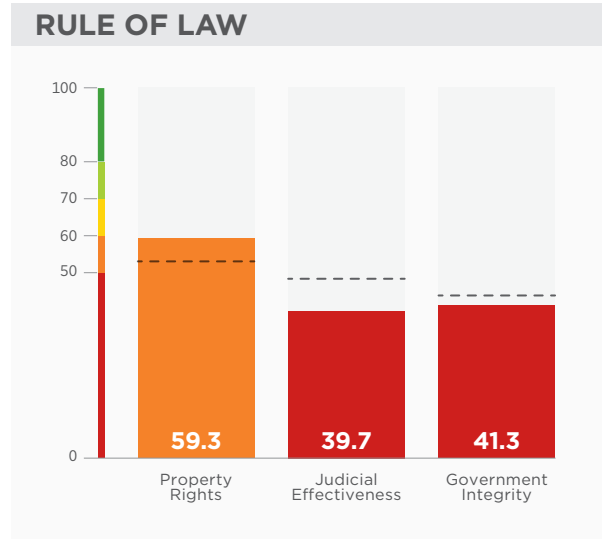
**FDI INFLOW:**  
\$713.0 million

**PUBLIC DEBT:**  
82.4% of GDP

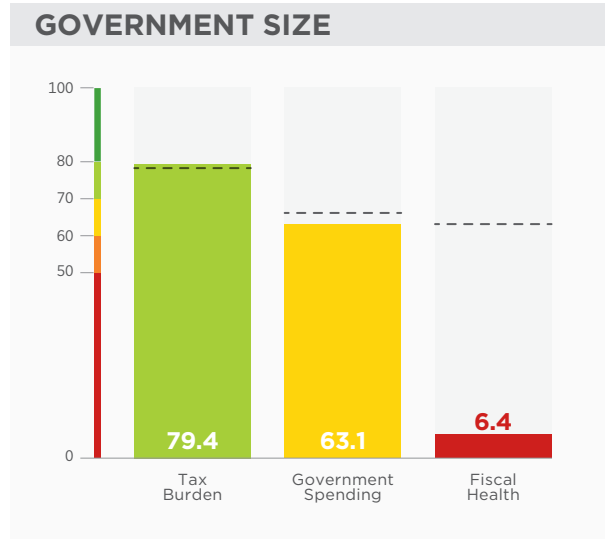
2023 data unless otherwise noted. Data compiled as of November 2024.



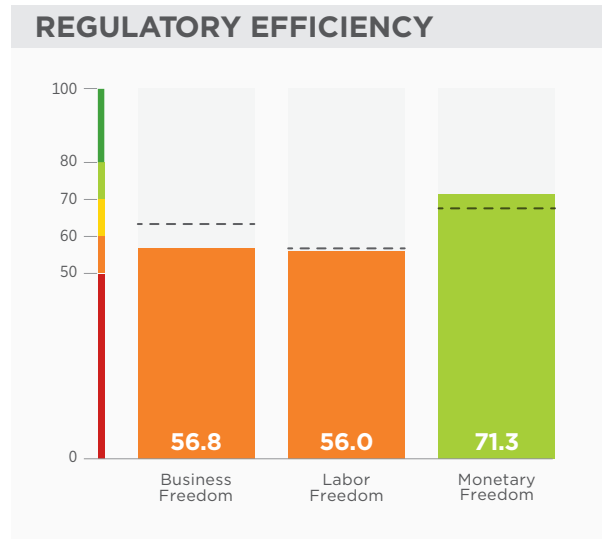
# 12 ECONOMIC FREEDOMS | TUNISIA



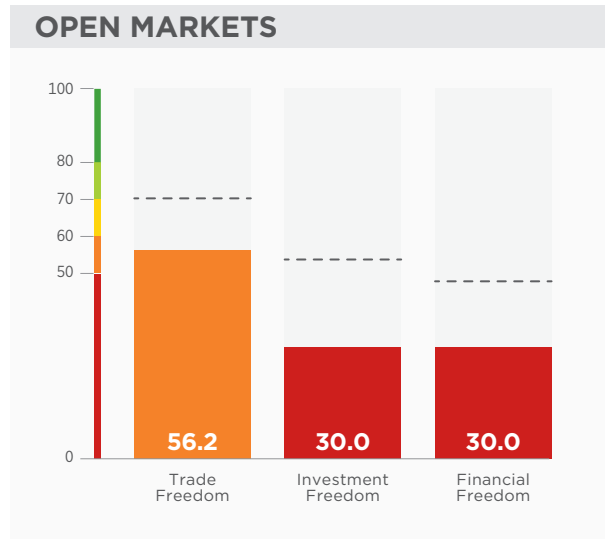
The overall rule of law is weak in Tunisia. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



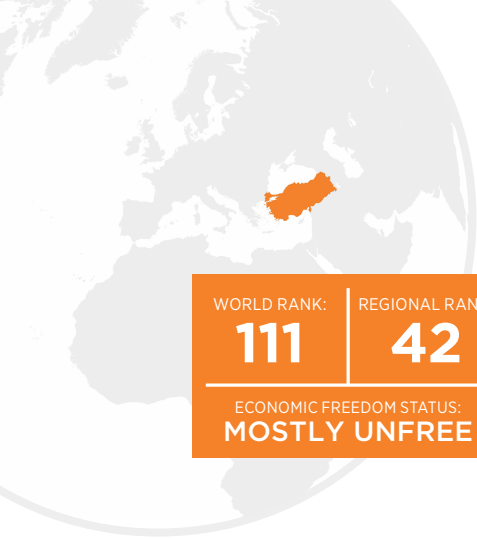
The top individual income tax rate is 35 percent, and the top corporate tax rate is 15 percent. The tax burden equals 24.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.1 percent and -7.1 percent of GDP. Public debt amounts to 82.4 percent of GDP.



Tunisia's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 14.4 percent, and nontariff barriers further increase the cost of trade. Despite efforts to attract foreign investment, bureaucracy and political uncertainty discourage long-term investment growth. The financial sector is weak, fragmented, and dominated by the state.



WORLD RANK: **111** | REGIONAL RANK: **42**

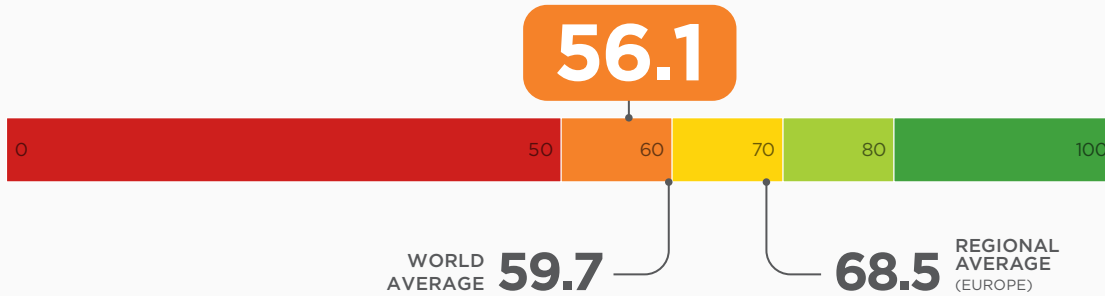
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# TÜRKIYE

Türkiye's economic freedom score is 56.1, making its economy the 111th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and Türkiye is ranked 42nd 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 2025 *Index*.

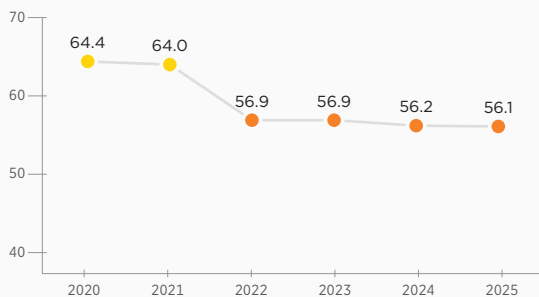
The Turkish economy is one of the region's most dynamically developing markets. Despite heavy state involvement in the economy, the private sector is expanding rapidly. However, institutional shortcomings still limit economic freedom. The judicial system is inefficient and ineffective in combating corruption. 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 the labor market's rigidity. Monetary stability remains fragile, and inflation remains high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
85.4 million

**GDP (PPP):**  
\$3.3 trillion  
5.1% growth in 2023  
3-year average growth rate: 7.4%  
\$38,391 per capita

**UNEMPLOYMENT:**  
9.4%

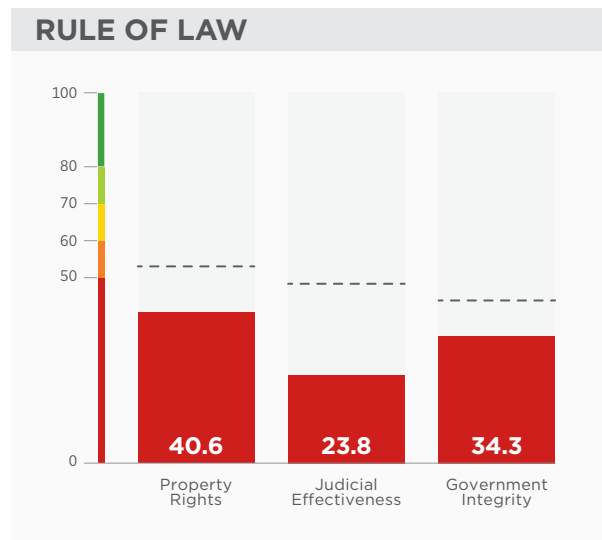
**INFLATION (CPI):**  
53.9%

**FDI INFLOW:**  
\$12.9 billion

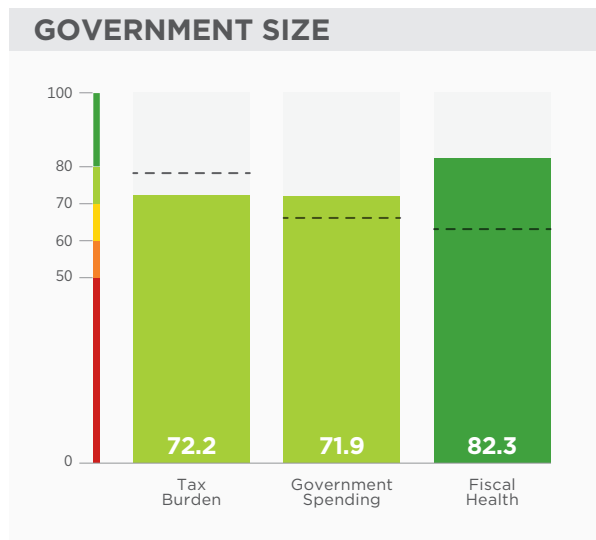
**PUBLIC DEBT:**  
29.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

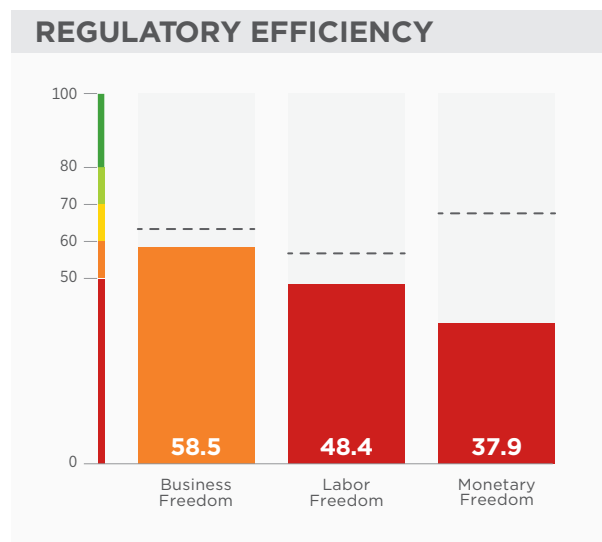
# 12 ECONOMIC FREEDOMS | TÜRKIYE



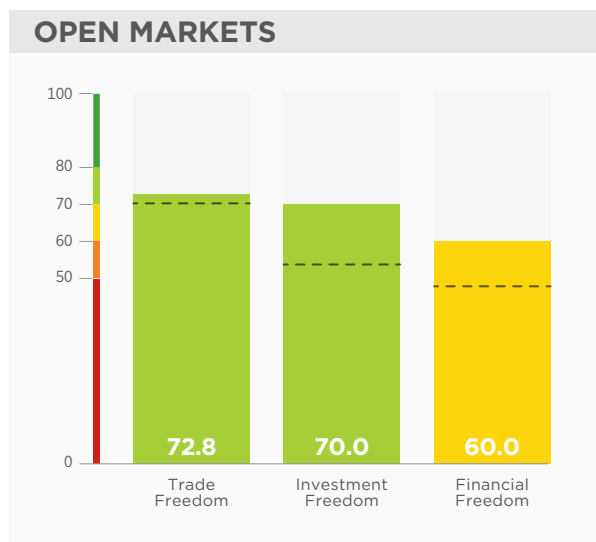
The overall rule of law is weak in Türkiye. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



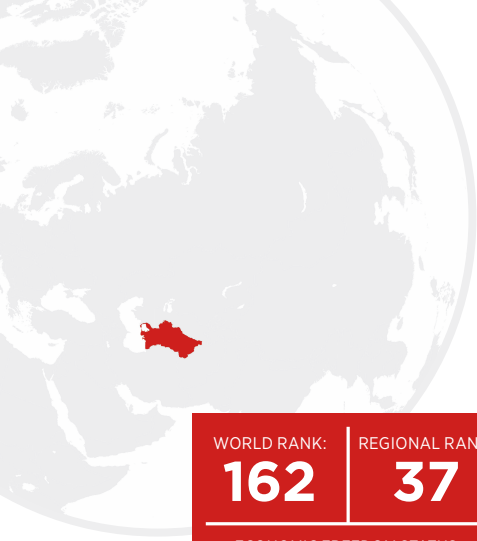
The top individual income tax rate is 40 percent, and the top corporate tax rate is 25 percent. The tax burden equals 23.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.6 percent and -3.2 percent of GDP. Public debt amounts to 29.3 percent of GDP.



Türkiye's overall regulatory environment is not effectively institutionalized and is not efficient. 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 6.1 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.



# TURKMENISTAN

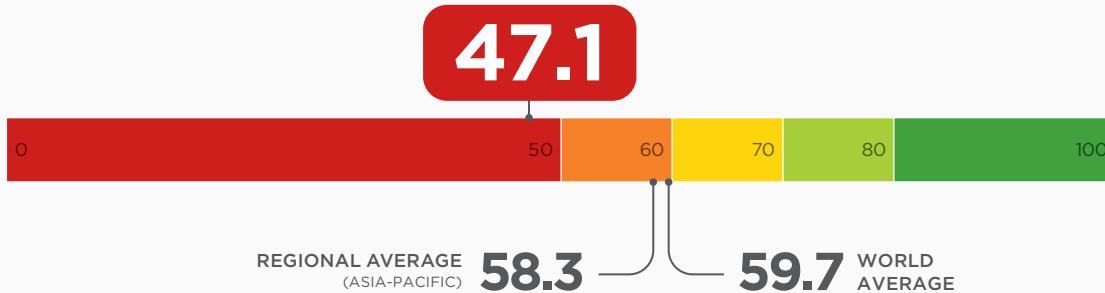
WORLD RANK: **162** | REGIONAL RANK: **37**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Turkmenistan’s economic freedom score is 47.1, making its economy the 162nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 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 2025 *Index*.

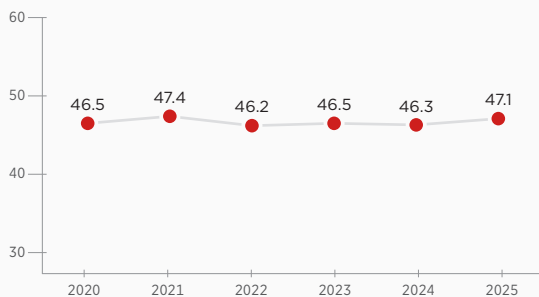
Turkmenistan has performed dismally with respect to structural reform, and institutional weaknesses deter much-needed economic growth. The inefficient legal framework remains vulnerable to political interference, and heavy state involvement in the leading economic sectors dampens private-sector dynamism.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

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +12.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.5 million

**GDP (PPP):**  
\$169.3 billion  
2.0% growth in 2023  
3-year average growth rate: 2.3%  
\$25,978 per capita

**UNEMPLOYMENT:**  
4.1%

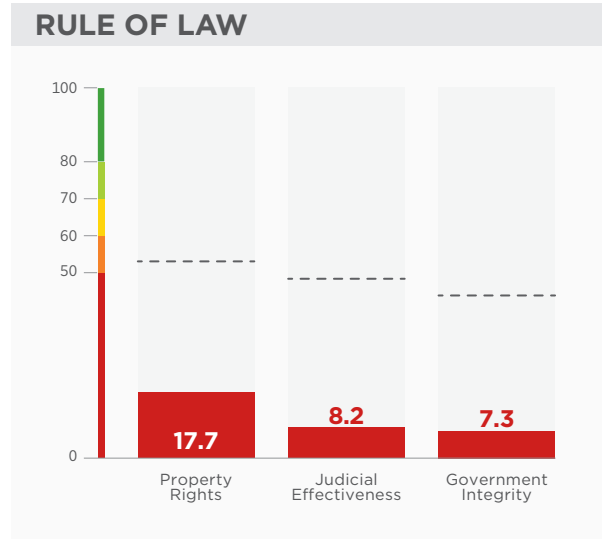
**INFLATION (CPI):**  
-1.6%

**FDI INFLOW:**  
\$936.0 million

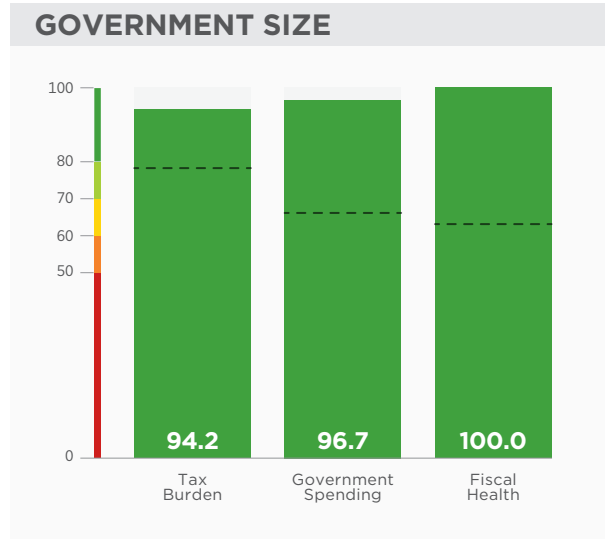
**PUBLIC DEBT:**  
4.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

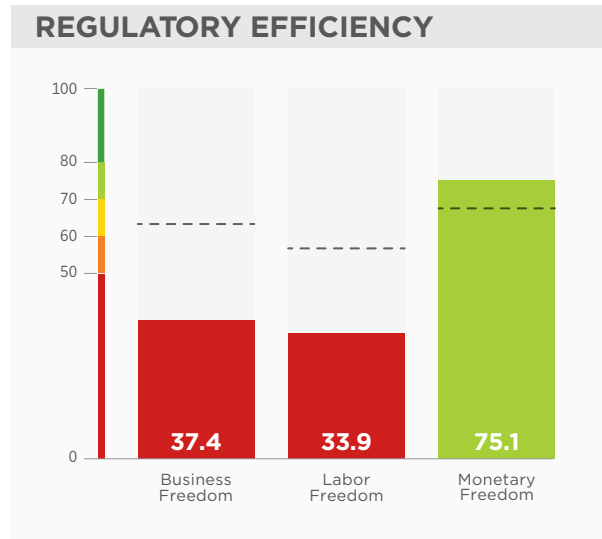
# 12 ECONOMIC FREEDOMS | TURKMENISTAN



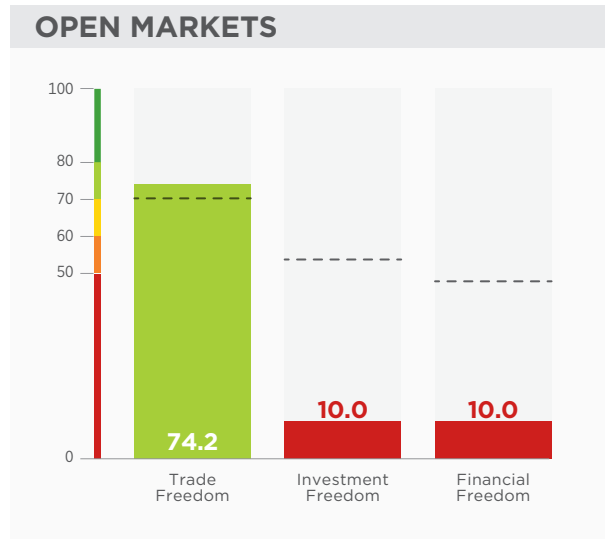
The overall rule of law is weak in Turkmenistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



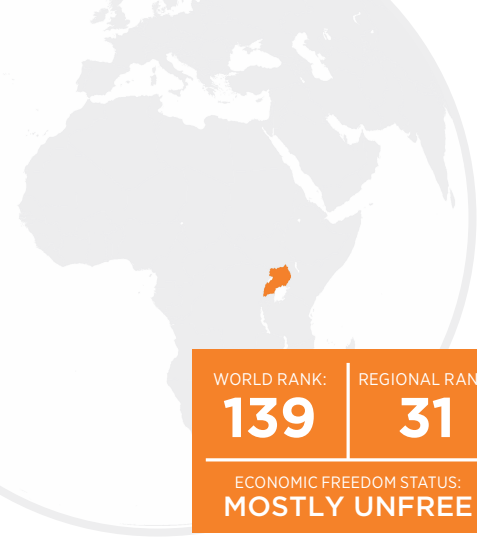
The top individual income tax rate is 10 percent, and the top corporate tax rate is 20 percent. The tax burden equals 9.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 10.4 percent and 1.4 percent of GDP. Public debt amounts to 4.7 percent of GDP.



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 above 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.



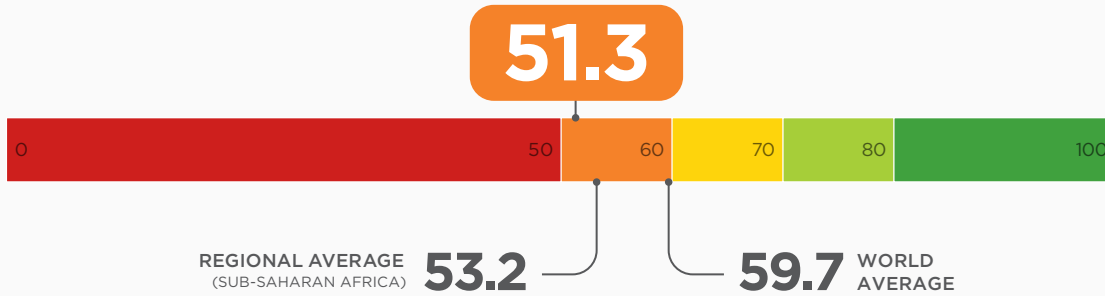
WORLD RANK: **139** | REGIONAL RANK: **31**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# UGANDA

Uganda's economic freedom score is 51.3, making its economy the 139th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.6 point from last year, and Uganda is ranked 31st out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Uganda's economy is considered "mostly unfree" according to the 2025 *Index*.

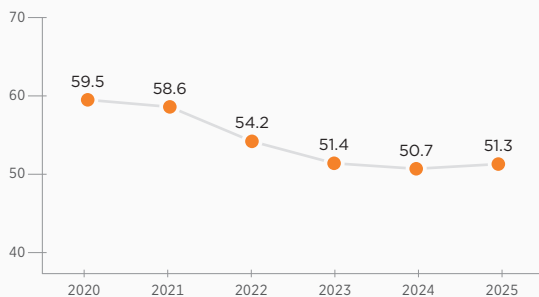
Uganda has attempted to update various commercial laws to reduce administrative delays and the cost of conducting business, but the overall regulatory framework remains poor, and institutional shortcomings still undermine prospects for dynamic long-term economic expansion. A well-functioning labor market is not fully developed. Monetary stability is weak. An inefficient judicial system and pervasive corruption continue to erode the effectiveness of government. Uganda's significant natural wealth includes gold, oil, and rich agricultural lands from which more than two-thirds of Ugandans derive employment.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -11.6

## RECENT FREEDOM TREND

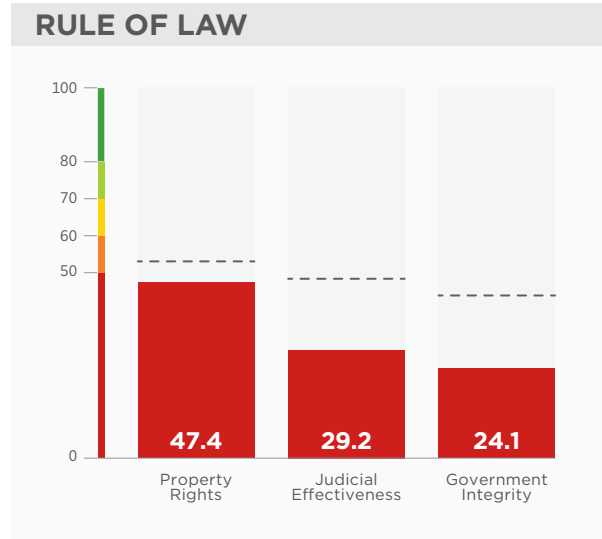


## QUICK FACTS

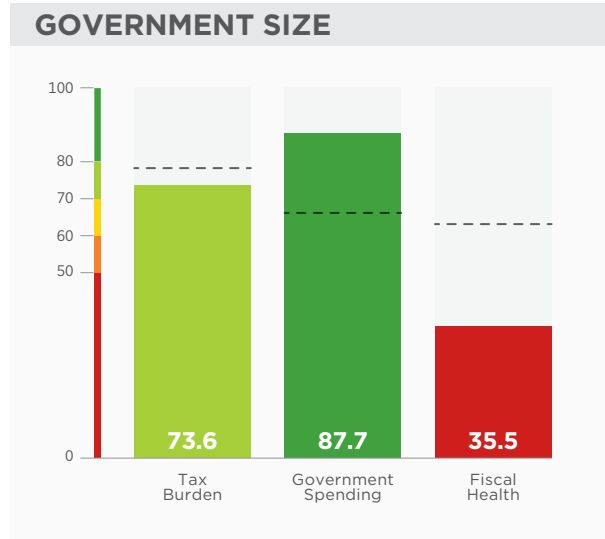
<b>POPULATION:</b> 45.5 million	<b>UNEMPLOYMENT:</b> 2.8%
<b>GDP (PPP):</b> \$157.4 billion 4.6% growth in 2023 3-year average growth rate: 5.5%	<b>INFLATION (CPI):</b> 5.4%
<b>FDI INFLOW:</b> \$1.5 billion	<b>PUBLIC DEBT:</b> 51.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

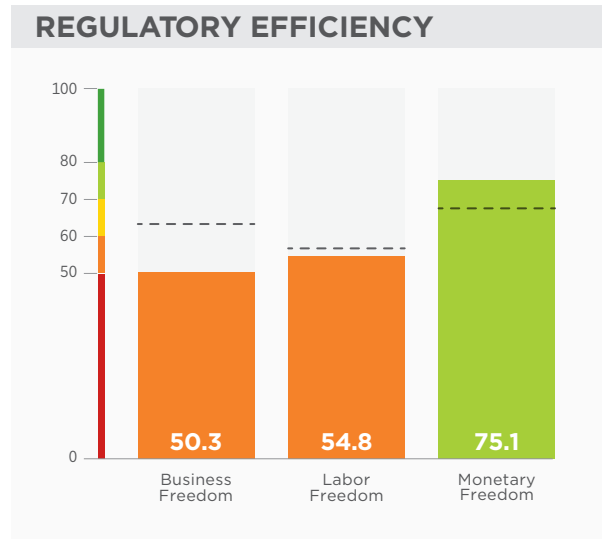
# 12 ECONOMIC FREEDOMS | UGANDA



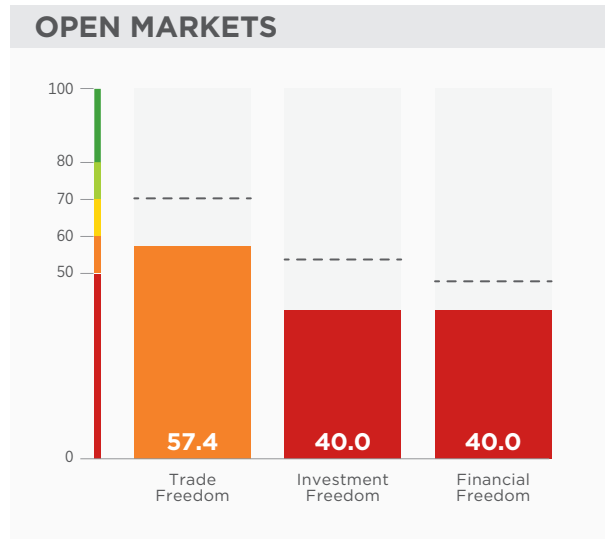
The overall rule of law is weak in Uganda. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 30 percent. The tax burden equals 11.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.3 percent and -6.1 percent of GDP. Public debt amounts to 51.0 percent of GDP.



Uganda's overall regulatory environment is relatively well institutionalized but lacks efficiency. 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 above the world average.



The trade-weighted average tariff rate is 13.8 percent, and nontariff barriers further limit trade freedom. The investment regime is complex and nontransparent, but foreign investment is allowed in most sectors. The financial system is dominated by banking and not fully developed.

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

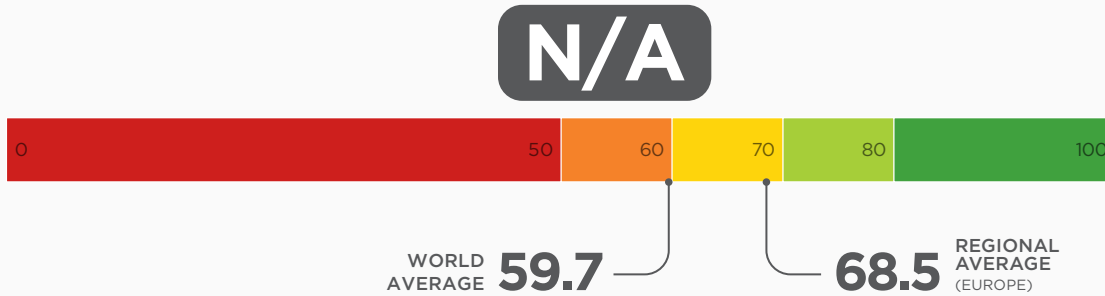
ECONOMIC FREEDOM STATUS:  
**NOT GRADED**

# UKRAINE

**A**ssessment of Ukraine’s economic freedom has been temporarily suspended because of 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.

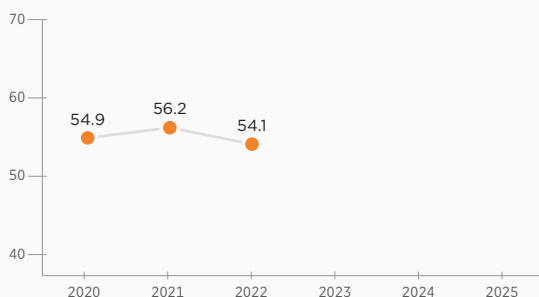
Before the war, Ukraine’s economy was considered economically “repressed.” Low rankings in the *Index of Economic Freedom* and other international studies offered unambiguous indications of systemic shortcomings in the key areas of transparency, efficiency, and openness. Deeper institutional and structural 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 Ukraine’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:**  
34.0 million

**GDP (PPP):**  
\$621.6 billion  
5.3% growth in 2023  
3-year average growth rate: -6.7%  
\$18,270 per capita

**UNEMPLOYMENT:**  
9.8%

**INFLATION (CPI):**  
12.9%

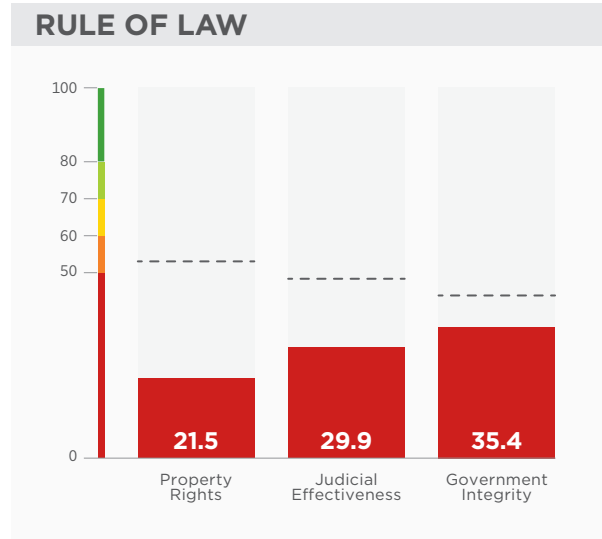
**FDI INFLOW:**  
\$848.0 million

**PUBLIC DEBT:**  
82.3% of GDP

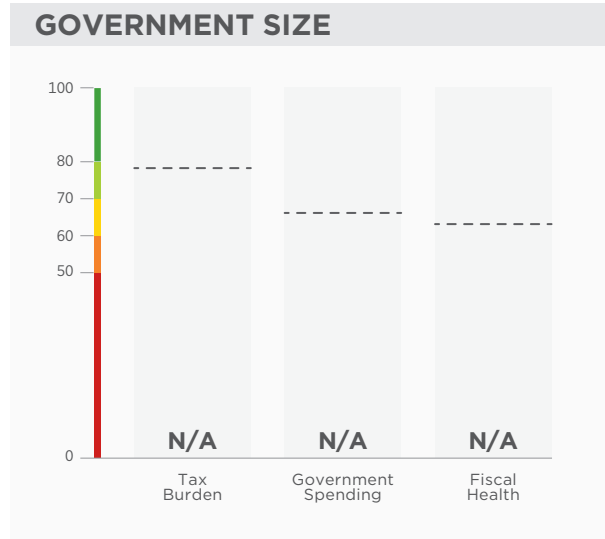
2023 data unless otherwise noted. Data compiled as of November 2024.



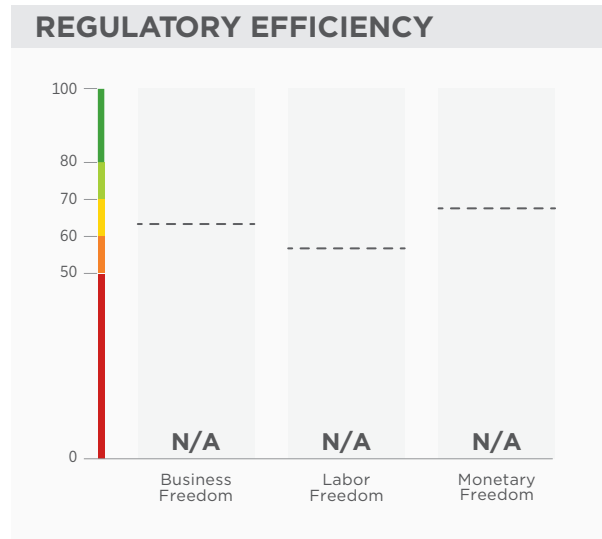
# 12 ECONOMIC FREEDOMS | UKRAINE



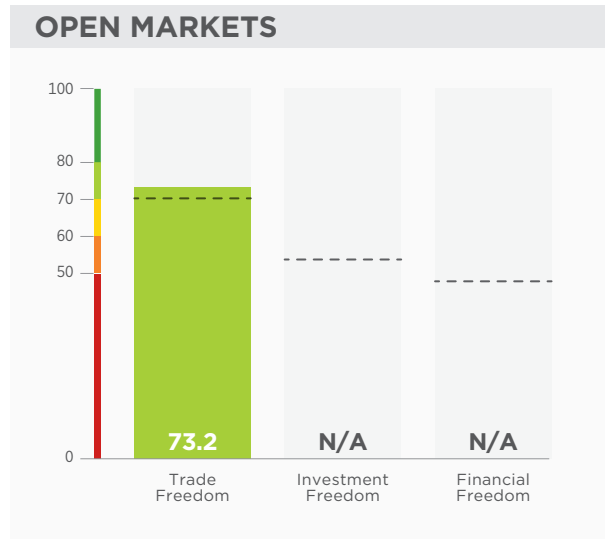
The overall rule of law is weak in Ukraine. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 18 percent, and the top corporate tax rate is 18 percent. The tax burden equals 26.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 60.1 percent and -13.1 percent of GDP. Public debt amounts to 82.3 percent of GDP.



Before the war, despite some reform, regulatory complexity often created uncertainty in commercial transactions. 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 approximately 3.4 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.



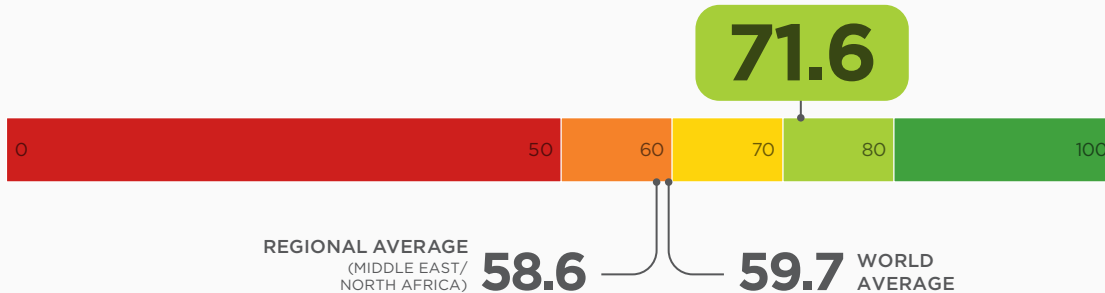
WORLD RANK:	REGIONAL RANK:
<b>23</b>	<b>1</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# UNITED ARAB EMIRATES

The United Arab Emirates' economic freedom score is 71.6, making its economy the 23rd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and the UAE is ranked 1st 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. The United Arab Emirates' economy is considered "mostly free" according to the 2025 *Index*.

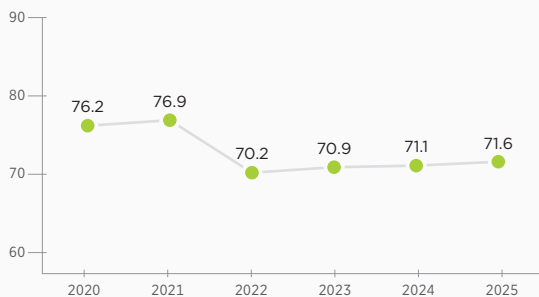
Economic development is underpinned by efforts to strengthen the business climate, boost investment, and cultivate a more vibrant private sector. The generally open trade regime sustains momentum for growth. The modern financial sector is competitive. No minimum capital is required to establish a business, and licensing has been streamlined. Employment regulations are relatively flexible, and the non-salary cost of employing a worker is moderate. Monetary stability has been maintained with inflationary pressure under control.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): 0 (NO CHANGE)

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.7 million

**GDP (PPP):**  
\$797.9 billion  
3.6% growth in 2023  
3-year average growth rate: 5.2%  
\$74,714 per capita

**UNEMPLOYMENT:**  
2.7%

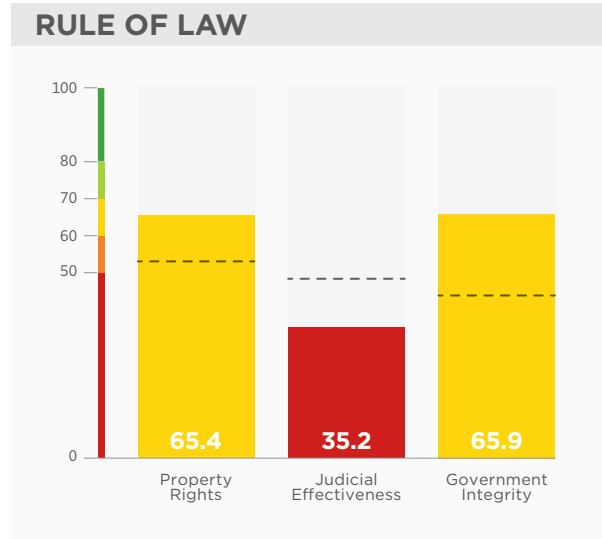
**INFLATION (CPI):**  
1.6%

**FDI INFLOW:**  
\$22.7 billion

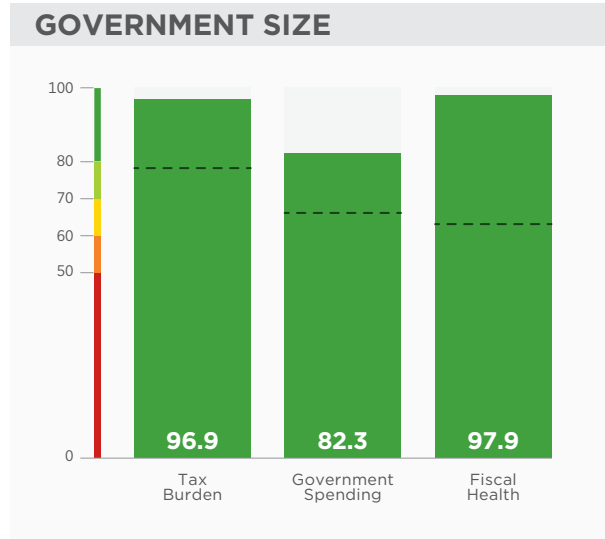
**PUBLIC DEBT:**  
32.4% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

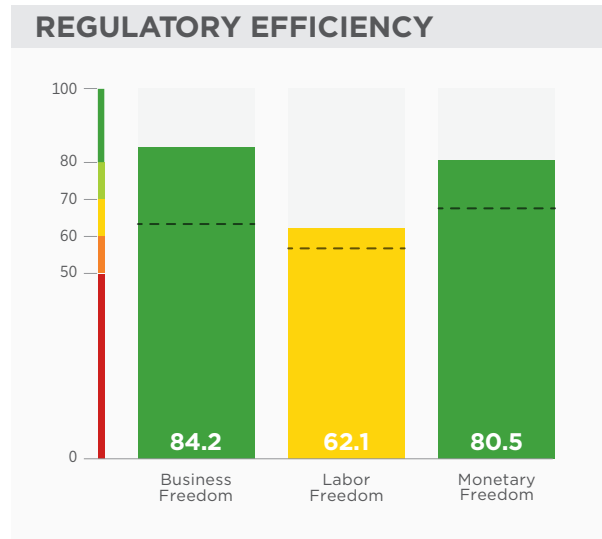
# 12 ECONOMIC FREEDOMS | UNITED ARAB EMIRATES



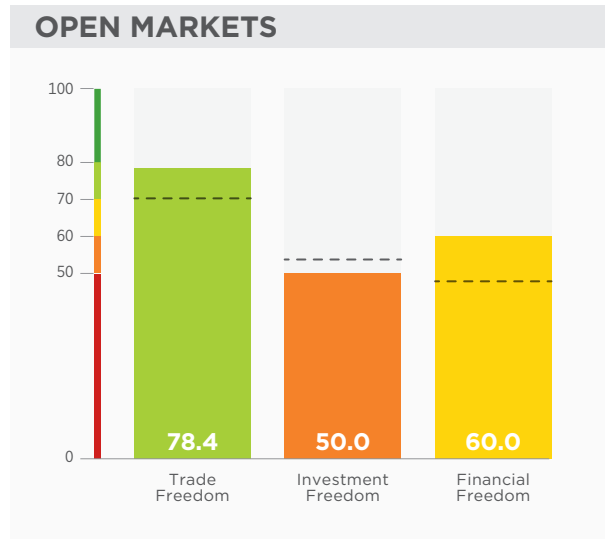
The overall rule of law is relatively well respected in the United Arab Emirates. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



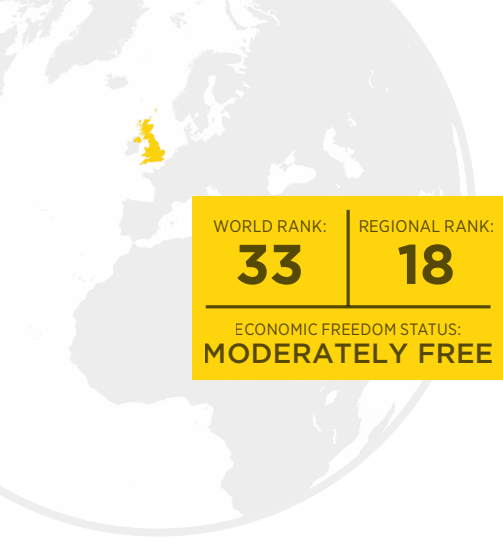
The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 17.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.3 percent and 6.3 percent of GDP. Public debt amounts to 32.4 percent of GDP.



The United Arab Emirates' overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 3.5 percent, and nontariff barriers add to the cost of trade. The overall investment framework has been made more streamlined and open. The financial sector provides a full range of services, but the state's presence is considerable.

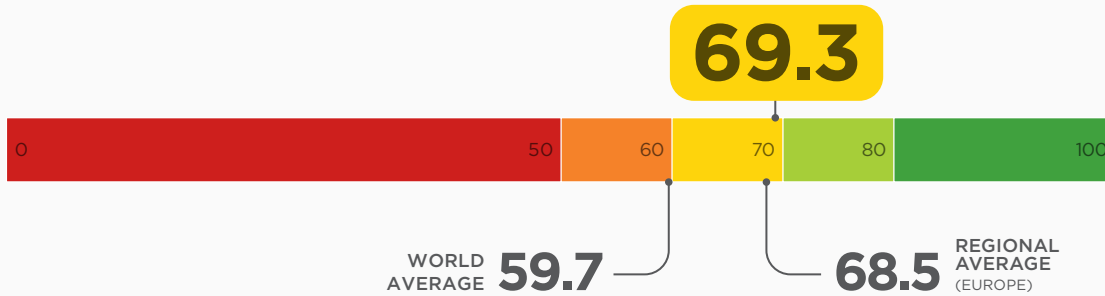


# UNITED KINGDOM

The United Kingdom's economic freedom score is 69.3, making its economy the 33rd freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and the U.K. is ranked 18th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. The United Kingdom's economy is considered "moderately free" according to the 2025 *Index*.

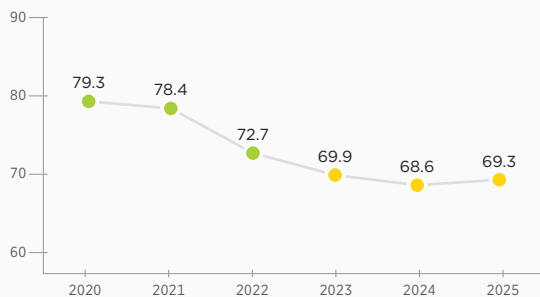
The British economy has been undergoing a period of challenge. The state has expanded dramatically in scope, and more committed reforms are needed for the economy to recover. Restoring sound public finance remains a critical issue. The significant growth in government spending has undermined Britain's competitive edge. Public debt now amounts to 100 percent of GDP, and budget deficits continue. Despite inflationary pressures, monetary stability has been relatively well maintained. Significant structural and institutional reforms are needed to restore economic vitality.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -8.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
68.1 million

**GDP (PPP):**  
\$4.1 trillion  
0.3% growth in 2023  
3-year average growth rate: 4.6%  
\$60,735 per capita

**UNEMPLOYMENT:**  
4.1%

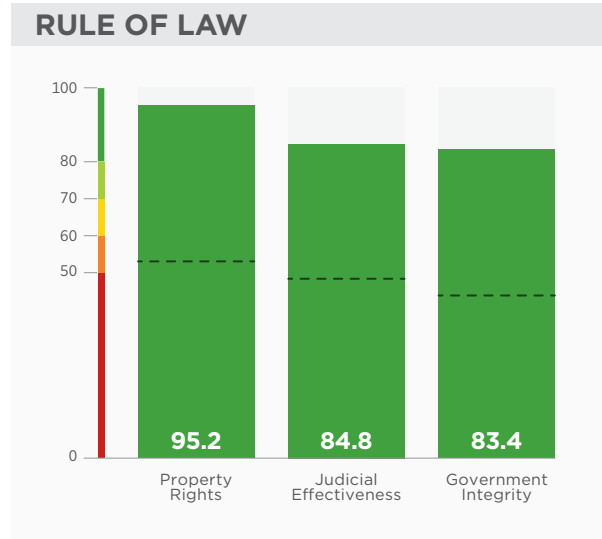
**INFLATION (CPI):**  
7.3%

**FDI INFLOW:**  
\$14.1 billion

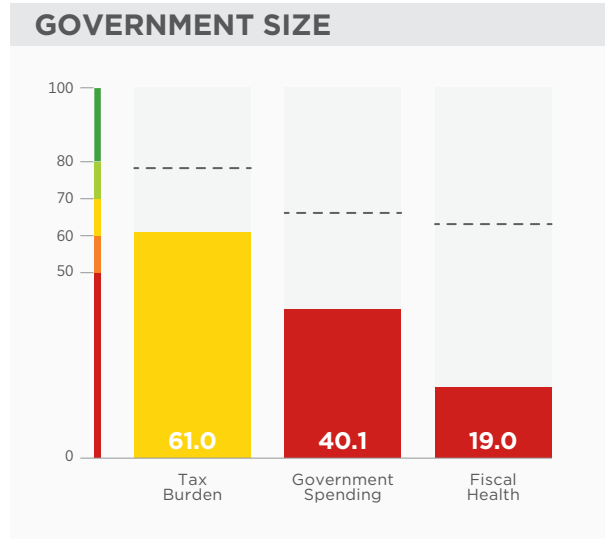
**PUBLIC DEBT:**  
100.0% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

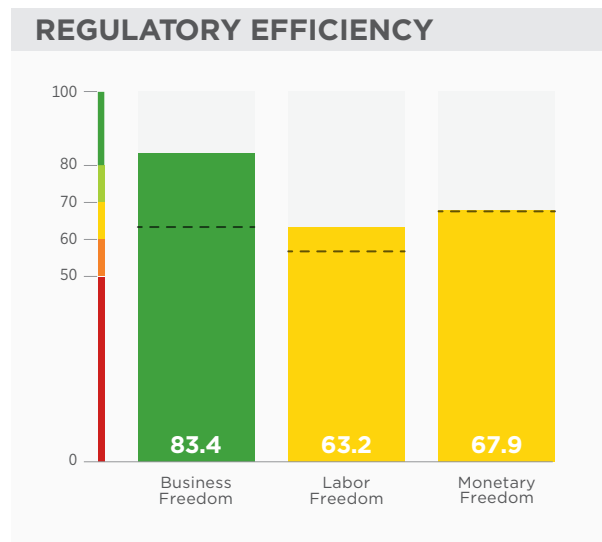
# 12 ECONOMIC FREEDOMS | UNITED KINGDOM



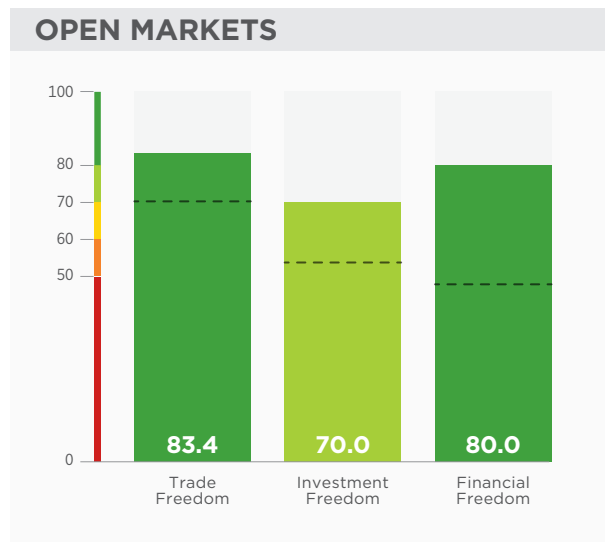
The overall rule of law is well respected in the United Kingdom. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



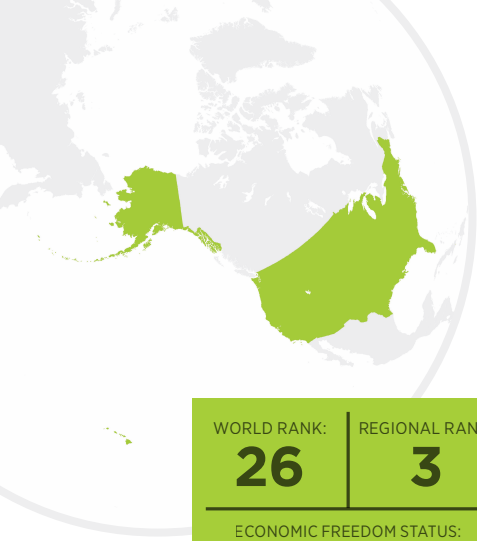
The top individual income tax rate is 45 percent, and the top corporate tax rate is 25 percent. The tax burden equals 35.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.7 percent and -6.2 percent of GDP. Public debt amounts to 100.0 percent of GDP.



The United Kingdom's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 3.3 percent. The U.K. has signed three new trade agreements since leaving the EU and is negotiating additional trade pacts with various countries. The investment regime is efficient, and foreign investment is welcomed. The resilient financial sector is competitive.



WORLD RANK: **26** | REGIONAL RANK: **3**

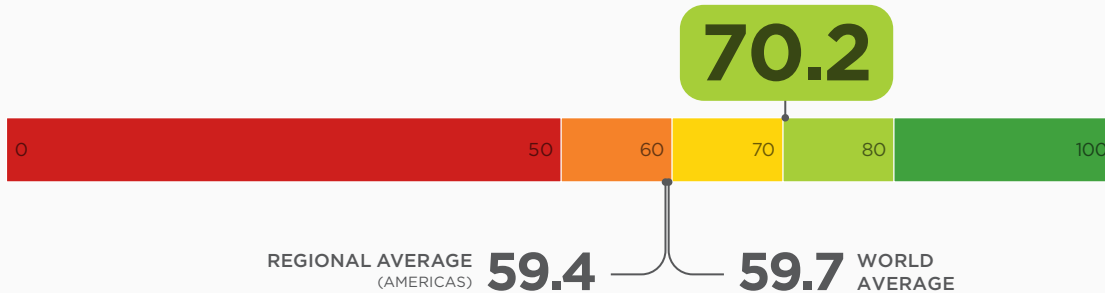
ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

# UNITED STATES

United States' economic freedom score is 70.2, making its economy the 26th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.1 point from last year, and the U.S. is ranked 3rd out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. The United States' economy is considered "mostly free" according to the 2025 *Index*.

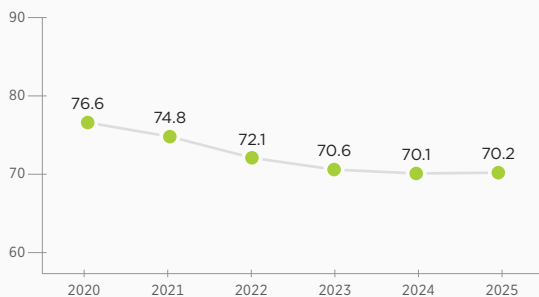
The United States is no longer among the world's 25 freest economies. Substantial government expansion, increased regulatory and tax burdens, and a loss of confidence in the government engendered by growing perceptions of cronyism, elite privilege, and corruption have undermined America's economic freedom. Unchecked deficit spending and government debt have accelerated, and inflation undercuts economic livelihood. The November 2024 election of Donald J. Trump to a second term as President could provide a much-needed opportunity for economic reform and revitalization.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
335.1 million

**GDP (PPP):**  
\$27.7 trillion  
2.9% growth in 2023  
3-year average growth rate: 3.8%  
\$82,715 per capita

**UNEMPLOYMENT:**  
3.6%

**INFLATION (CPI):**  
4.1%

**FDI INFLOW:**  
\$285.1 billion

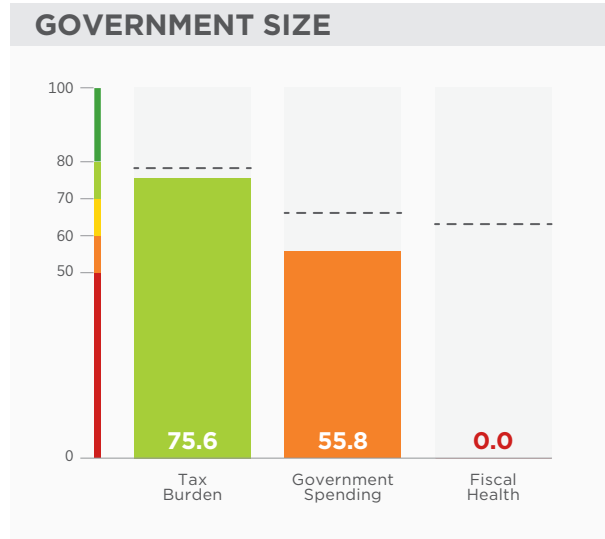
**PUBLIC DEBT:**  
118.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

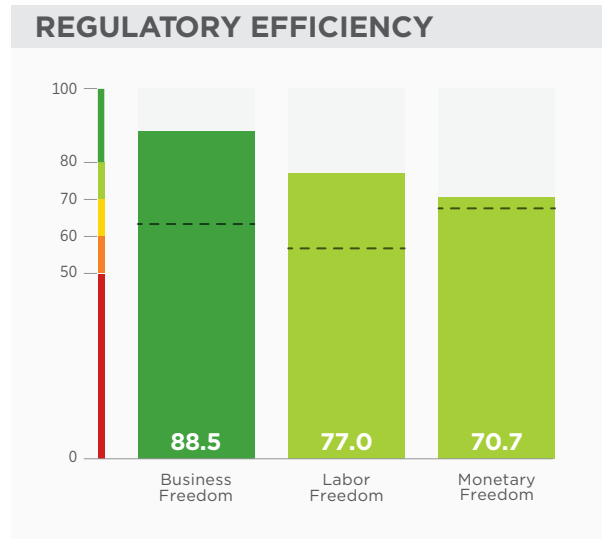
# 12 ECONOMIC FREEDOMS | UNITED STATES



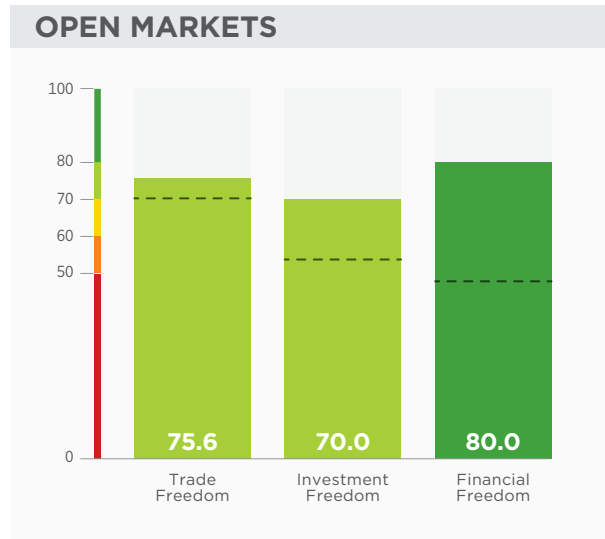
The overall rule of law is well respected in the United States. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



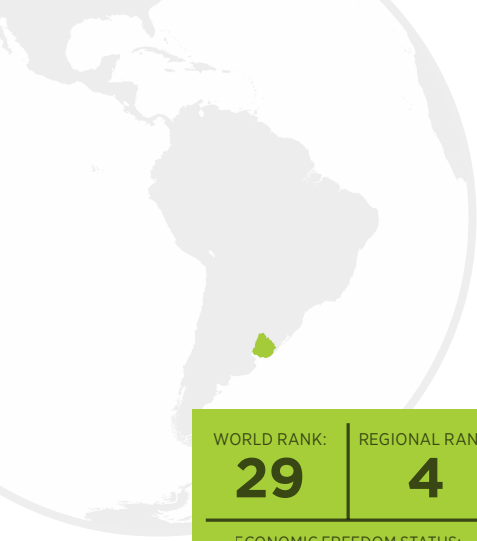
The top individual income tax rate is 37 percent, and the top corporate tax rate is 21 percent. The tax burden equals 25.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.4 percent and -7.3 percent of GDP. Public debt amounts to 118.7 percent of GDP.



The overall U.S. regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 2.2 percent, and layers of nontariff barriers add to the cost of trade. Investment freedom is limited by ongoing protectionist restrictions and uncertainty. The financial sector is one of the world's most developed and competitive and remains resilient.



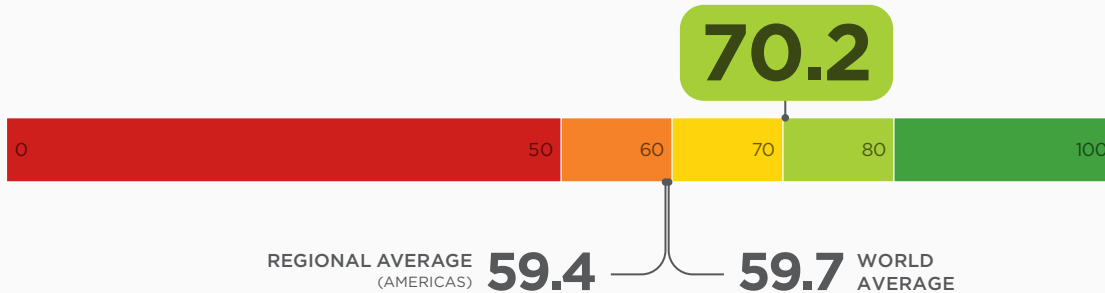
WORLD RANK:	REGIONAL RANK:
<b>29</b>	<b>4</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# URUGUAY

Uruguay's economic freedom score is 70.2, making its economy the 29th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.4 point from last year, and Uruguay is ranked 4th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Uruguay's economy is considered "mostly free" according to the 2025 *Index*.

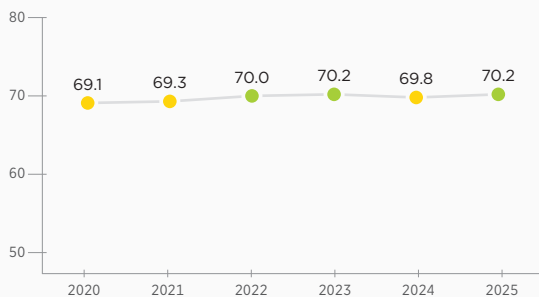
The relative openness of Uruguay's economy is supported by a strong commitment to the rule of law. Uruguay is regarded as Latin America's least corrupt country. Its modern entrepreneurial environment encourages the development of a more robust private sector. Recent reforms have enhanced regulatory efficiency, and the cost of completing licensing requirements has been reduced. Budget deficits and public debt have remained around 3 percent and 60 percent of GDP, respectively, in recent years. Monetary stability has been maintained despite relatively high inflation.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +7.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.6 million

**GDP (PPP):**  
\$116.6 billion  
0.4% growth in 2023  
3-year average growth rate: 3.5%  
\$32,704 per capita

**UNEMPLOYMENT:**  
8.4%

**INFLATION (CPI):**  
5.9%

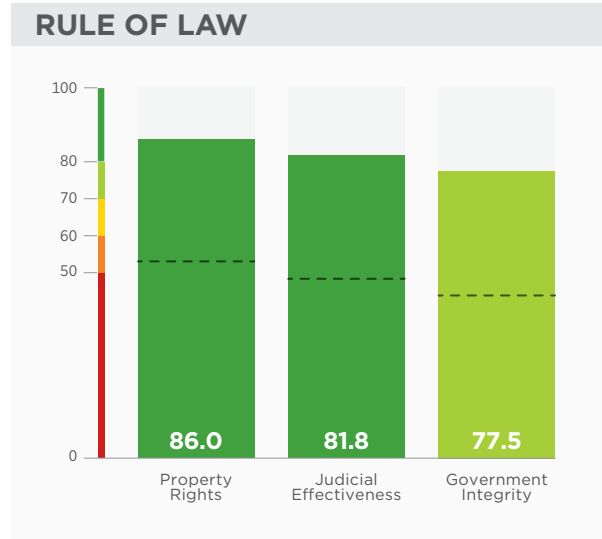
**FDI INFLOW:**  
\$3.8 billion

**PUBLIC DEBT:**  
64.5% of GDP

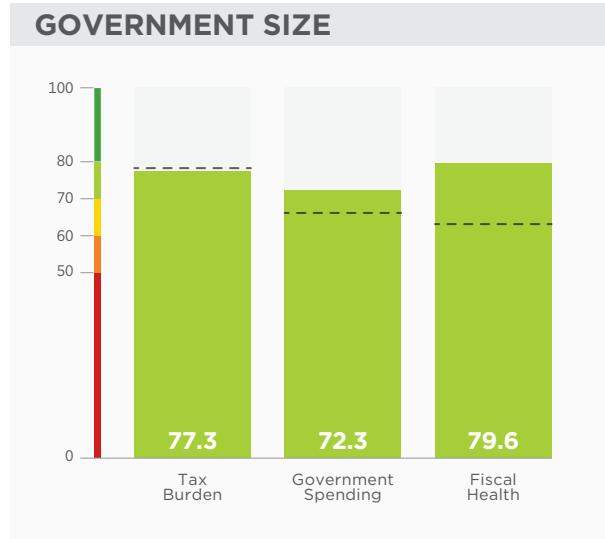
2023 data unless otherwise noted. Data compiled as of November 2024.



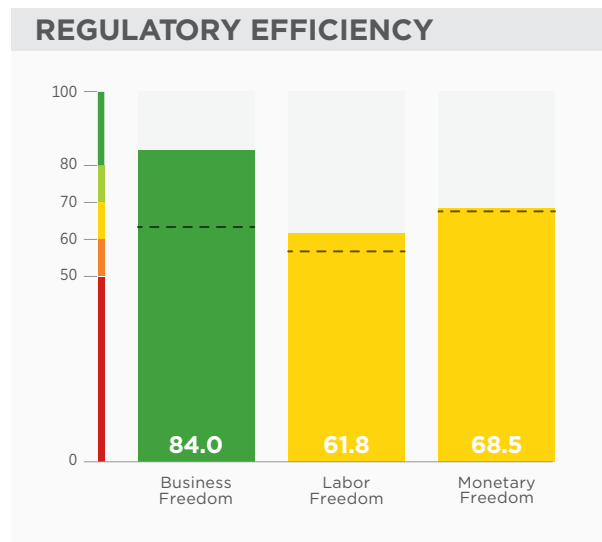
# 12 ECONOMIC FREEDOMS | URUGUAY



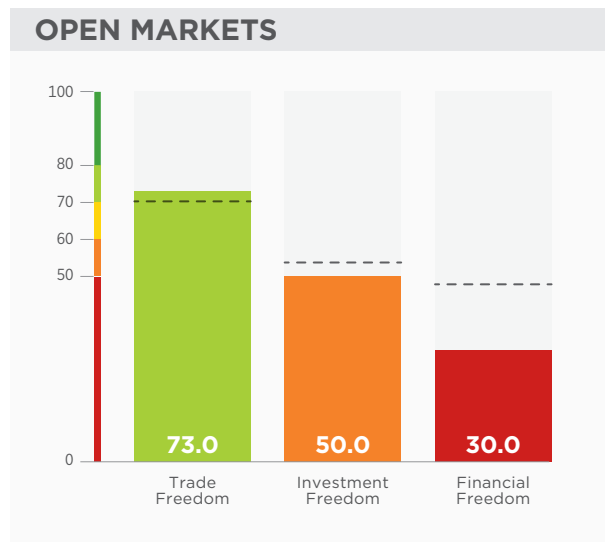
The overall rule of law is well respected in Uruguay. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 36 percent, and the top corporate tax rate is 25 percent. The tax burden equals 18.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.4 percent and -2.8 percent of GDP. Public debt amounts to 64.5 percent of GDP.



Uruguay's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 8.5 percent, and nontariff barriers add to the cost of trade. Foreign investments do not need prior authorization or registration, and the investment regime is efficient. The financial sector has become more modernized, but the government's presence remains significant.



# UZBEKISTAN

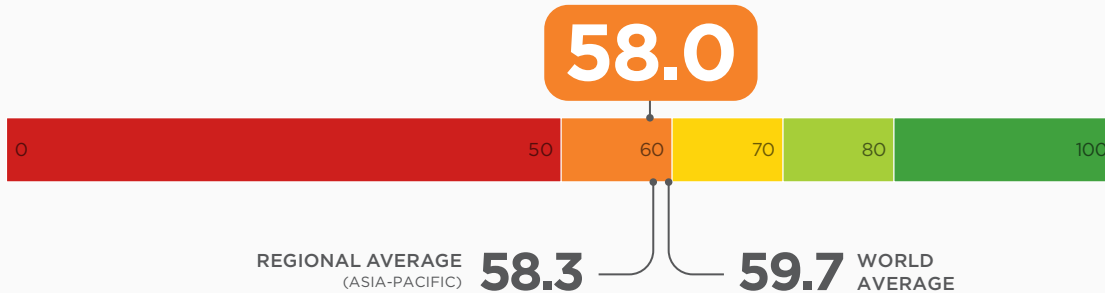
WORLD RANK: **100** | REGIONAL RANK: **21**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Uzbekistan’s economic freedom score is 58, making its economy the 100th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.1 points from last year, and Uzbekistan is ranked 21st out of 39 countries in the Asia-Pacific region. The country’s economic freedom score is lower than the world and regional averages. Uzbekistan’s economy is considered “mostly unfree” according to the 2025 *Index*.

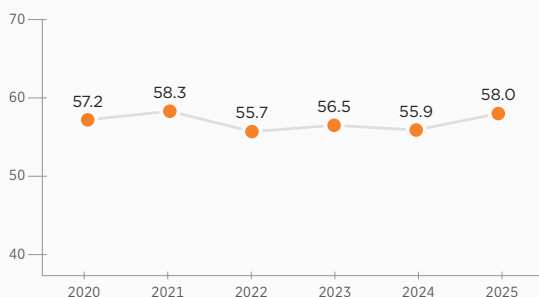
Uzbekistan has pursued critical reforms to build a competitive market economy, adopting policies that advance economic freedom and transitioning to greater openness and modernization. Institutional shortcomings continue to limit political and other fundamental freedoms, but positive changes have been taking root. Despite progress, however, the overall regulatory system lacks transparency and clarity. The business start-up process has been streamlined. A modern labor market continues to evolve, but informal-sector employment remains substantial. Monetary stability has been relatively well maintained despite ongoing inflationary pressure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +26.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
36.0 million

**GDP (PPP):**  
\$396.0 billion  
6.3% growth in 2023  
3-year average growth rate: 6.8%  
\$10,992 per capita

**UNEMPLOYMENT:**  
4.5%

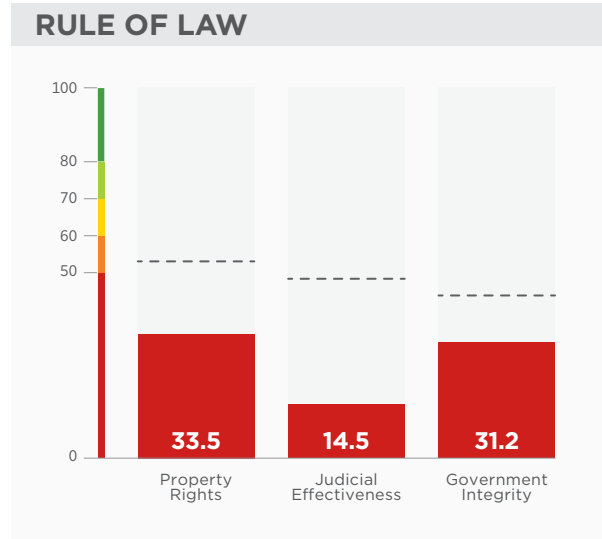
**INFLATION (CPI):**  
10.0%

**FDI INFLOW:**  
\$2.5 billion

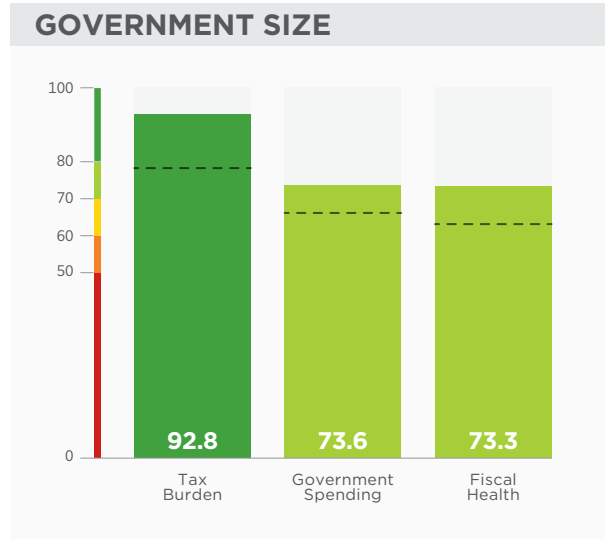
**PUBLIC DEBT:**  
32.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

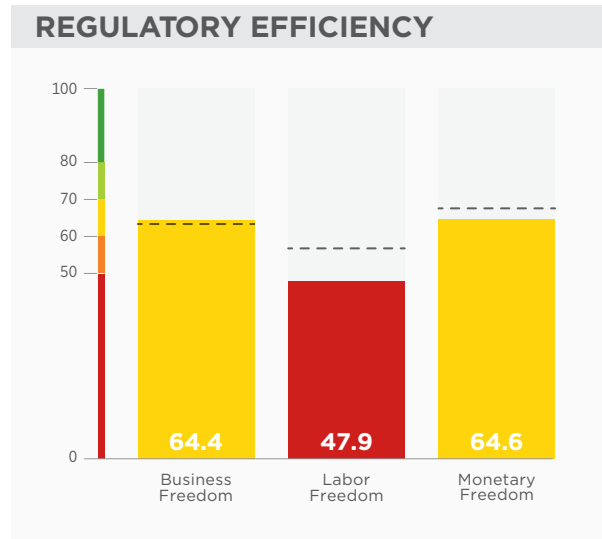
# 12 ECONOMIC FREEDOMS | UZBEKISTAN



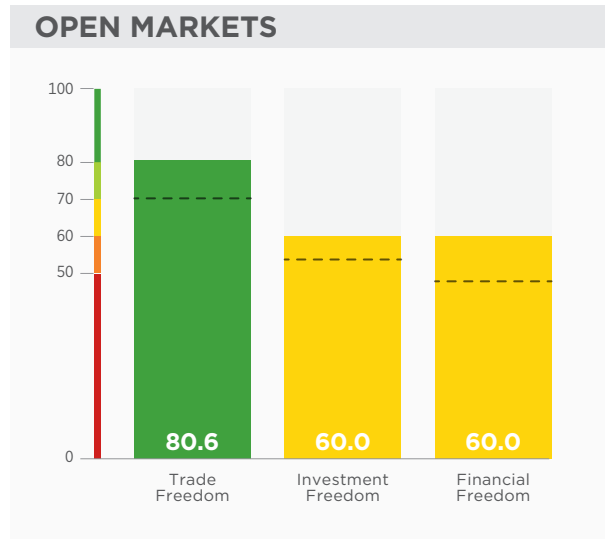
The overall rule of law is weak in Uzbekistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 12 percent, and the top corporate tax rate is 15 percent. The tax burden equals 18.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.7 percent and -3.9 percent of GDP. Public debt amounts to 32.5 percent of GDP.



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



The trade-weighted average tariff rate is 4.7 percent, and nontariff barriers further increase the cost of trade. Reforms to enhance the overall investment framework have been implemented. The financial sector has undergone modernization, but state-owned banks remain dominant.



# VANUATU

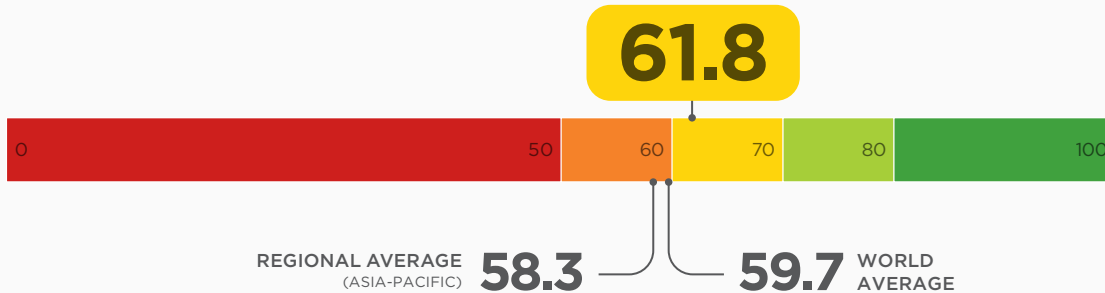
WORLD RANK: **77** | REGIONAL RANK: **15**

ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

Vanuatu's economic freedom score is 61.8, making its economy the 77th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Vanuatu is ranked 15th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Vanuatu's economy is considered "moderately free" according to the 2025 *Index*.

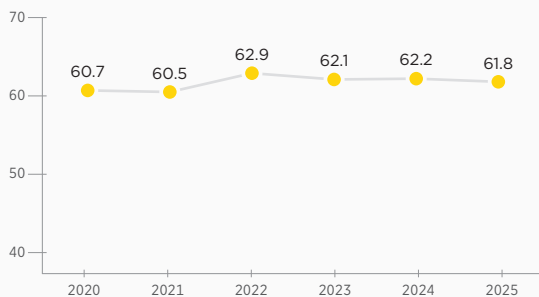
Vanuatu has taken steps to integrate its economy more thoroughly into the global marketplace, but the investment and business climate needs to be improved to generate more broadly based economic expansion. The lack of political will to undertake institutional reforms continues to discourage dynamic private-sector development. Bureaucratic procedures are complex and nontransparent, and starting a business remains time-consuming. Labor codes are rigid and outmoded, and the formal labor market is not fully developed. Monetary stability has been relatively well maintained despite inflationary pressure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +3.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.3 million

**GDP (PPP):**  
\$962.0 million  
2.2% growth in 2023  
3-year average growth rate: 0.9%  
\$2,883 per capita

**UNEMPLOYMENT:**  
5.1%

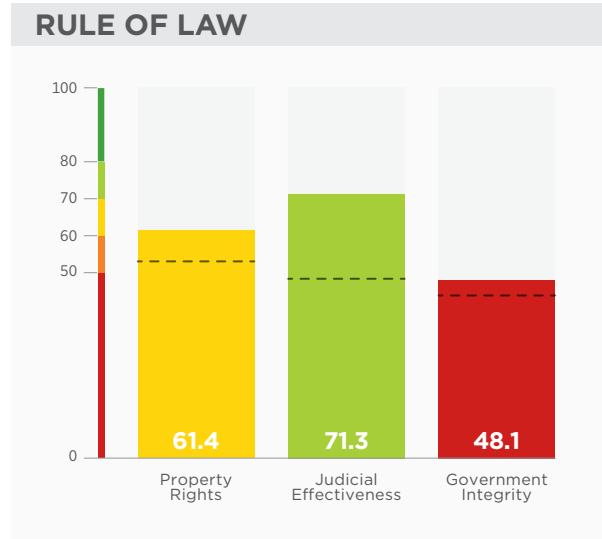
**INFLATION (CPI):**  
11.2%

**FDI INFLOW:**  
-\$4.0 million

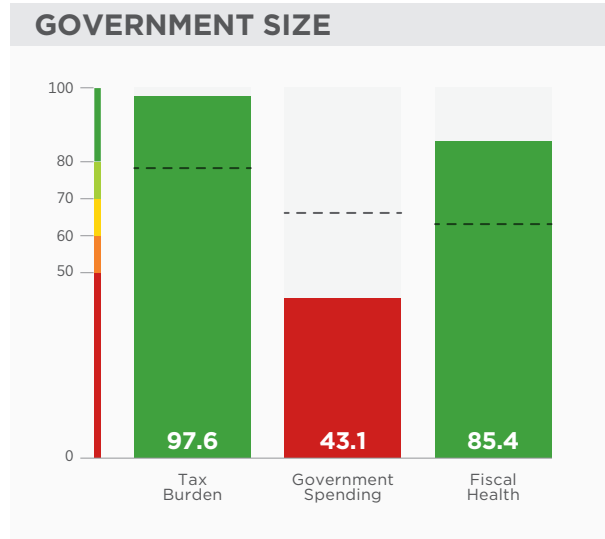
**PUBLIC DEBT:**  
41.9% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

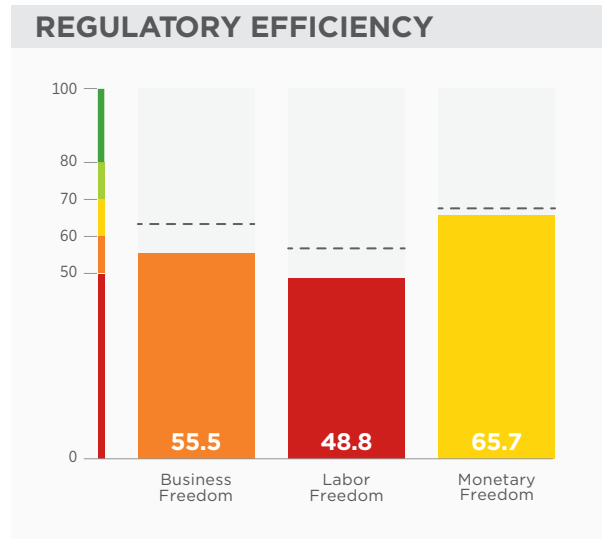
# 12 ECONOMIC FREEDOMS | VANUATU



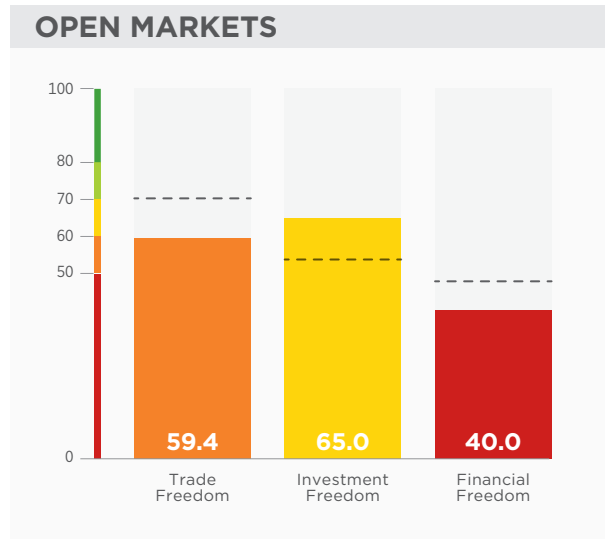
The overall rule of law is relatively well respected in Vanuatu. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



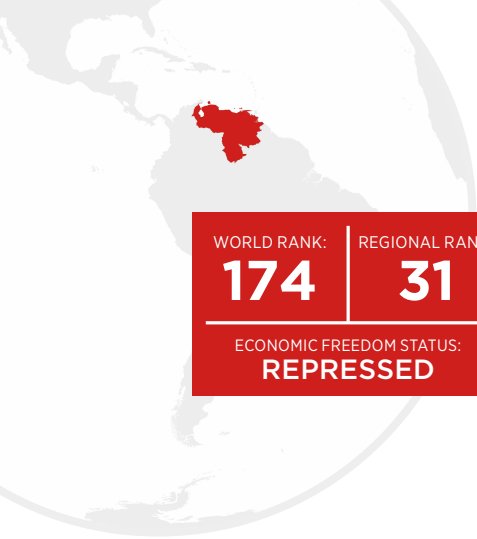
The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 15.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.6 percent and -2.6 percent of GDP. Public debt amounts to 41.9 percent of GDP.



Vanuatu'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 below the world average.



The trade-weighted average tariff rate is 12.8 percent, and multiple nontariff barriers distort trade flows. Inadequate infrastructure and heavy state involvement deter long-term investment. Access to financing remains poor with formal banking services available to a limited number of rural adults.



WORLD RANK: **174** | REGIONAL RANK: **31**

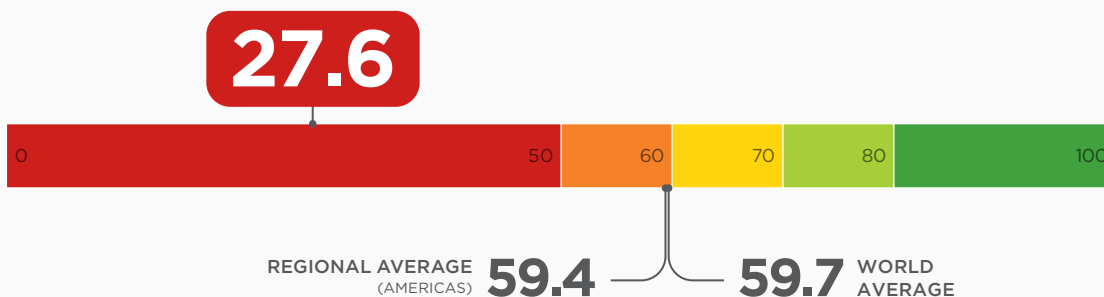
ECONOMIC FREEDOM STATUS: **REPRESSED**

# VENEZUELA

Venezuela's economic freedom score is 27.6, making its economy the 174th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.5 point from last year, and Venezuela is ranked 31st out of 32 countries in the Americas region. The country's economic freedom score is lower than the world and regional averages. Venezuela's economy is considered "repressed" according to the 2025 *Index*.

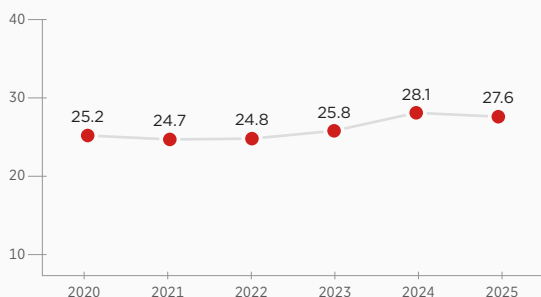
Severely hampered by state interference, Venezuela's formal economy is increasingly stagnant, and informal activity is expanding. Prices of almost all goods and services are controlled. Because of rampant corruption and the legal framework's deficiencies, the rule of law remains fragile and uneven. The freedom to engage in entrepreneurial activity is constrained by heavy government control and inconsistent enforcement of regulations. There is little decision-making transparency, and most contracts are awarded without competition. The labor market is still controlled by the state.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -32.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
26.5 million

**GDP (PPP):**  
\$210.8 billion  
4.0% growth in 2023  
3-year average growth rate: 4.3%  
\$7,943 per capita

**UNEMPLOYMENT:**  
5.5%

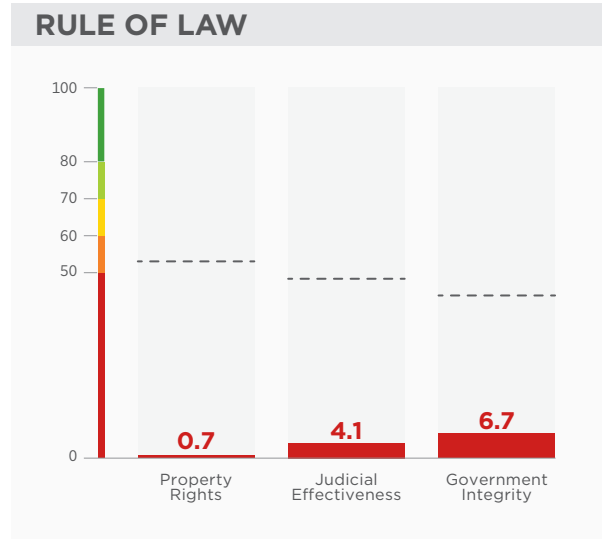
**INFLATION (CPI):**  
337.5%

**FDI INFLOW:**  
\$941.0 million

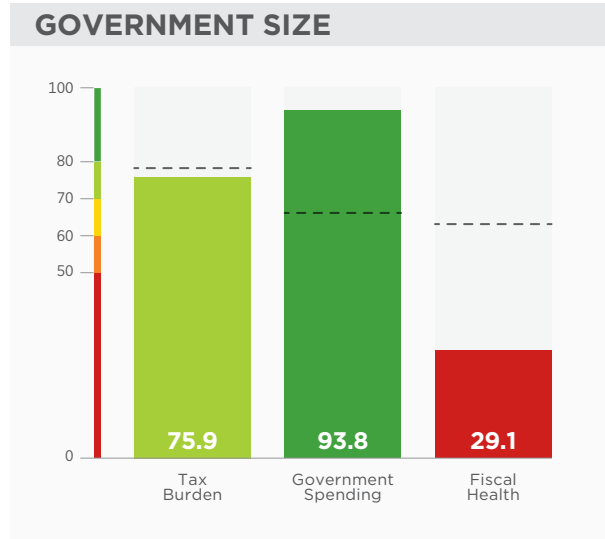
**PUBLIC DEBT:**  
146.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

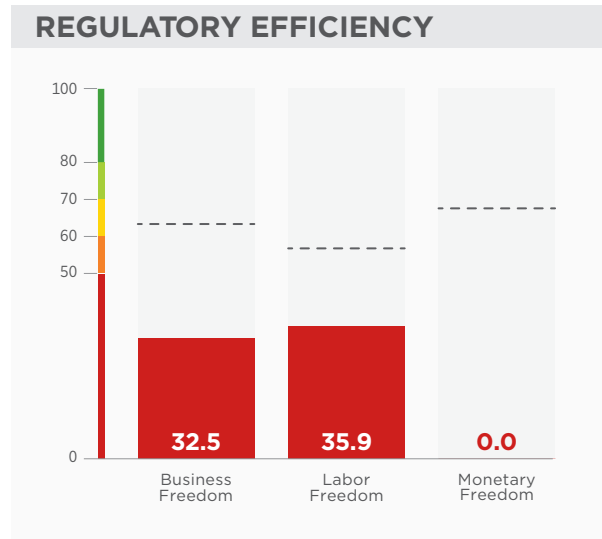
# 12 ECONOMIC FREEDOMS | VENEZUELA



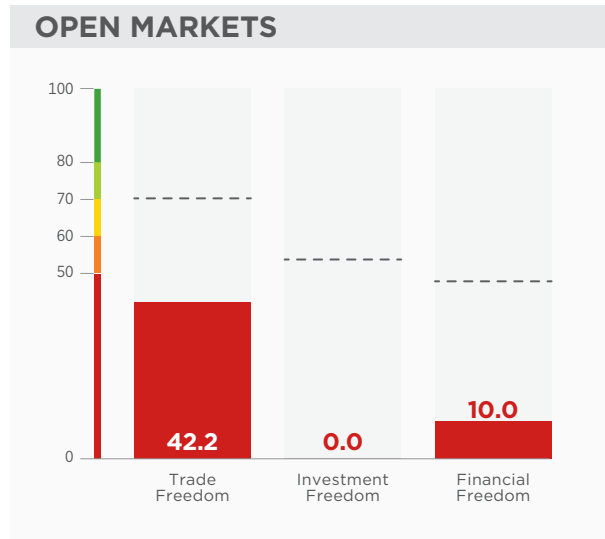
The overall rule of law is weak in Venezuela. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 34 percent, and the top corporate tax rate is 34 percent. The tax burden equals 9.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.4 percent and -5.6 percent of GDP. Public debt amounts to 146.3 percent of GDP.



Venezuela'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 well below the world average.



The trade-weighted average tariff rate is 18.9 percent, and extensive nontariff barriers further distort trade flows. Private investment remains hampered by state interference in the economy, and threats of expropriation persist. The financial sector is tightly controlled by the state.



WORLD RANK: **61** | REGIONAL RANK: **11**

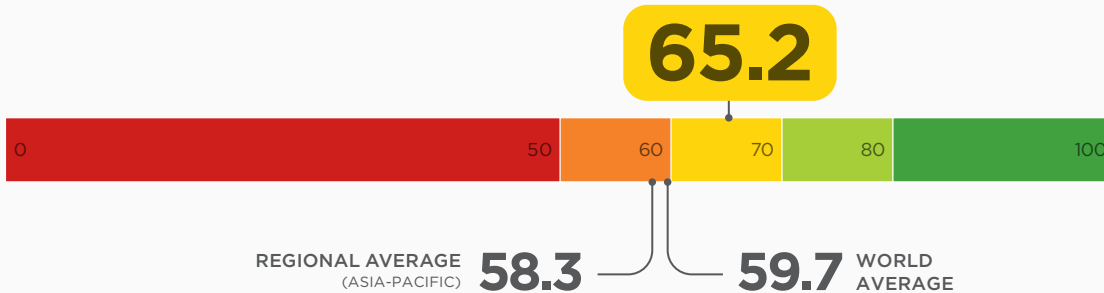
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# VIETNAM

Vietnam's economic freedom score is 65.2, making its economy the 61st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.4 points from last year, and Vietnam is ranked 11th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Vietnam's economy is considered "moderately free" according to the 2025 *Index*.

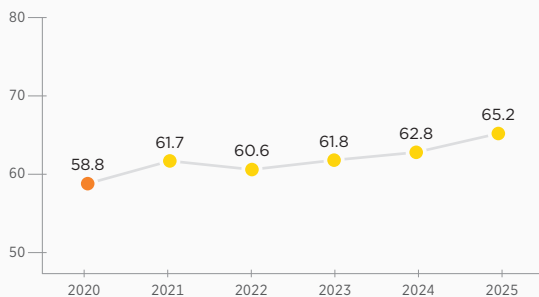
Capitalizing on its gradual integration into the global trade and investment system, Vietnam's economy is becoming more market-oriented. However, despite partial privatization of state-owned enterprises, liberalization of the trade regime, and increasing recognition of private property rights, institutional shortcomings still discourage more sustained development. The regulatory framework remains inefficient. There is no minimum capital requirement, but starting a business is costly. The labor market remains rigid and controlled, and informal labor activity is considerable. Monetary stability is relatively well maintained despite inflationary pressure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +23.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
100.3 million

**GDP (PPP):**  
\$1.5 trillion  
5.0% growth in 2023  
3-year average growth rate: 5.2%  
\$14,982 per capita

**UNEMPLOYMENT:**  
1.6%

**INFLATION (CPI):**  
3.3%

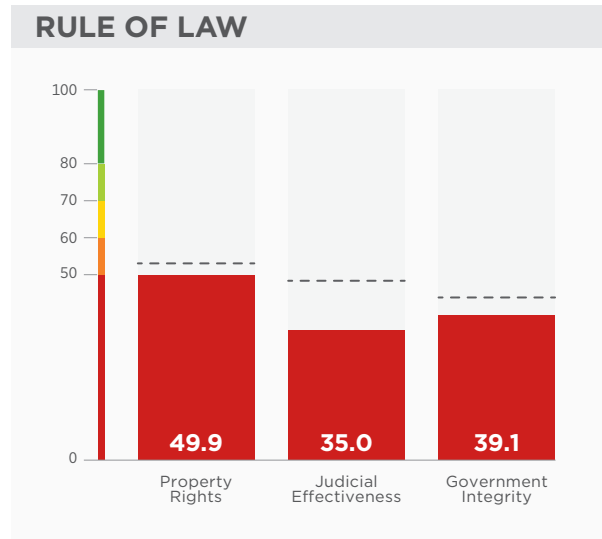
**FDI INFLOW:**  
\$17.9 billion

**PUBLIC DEBT:**  
34.4% of GDP

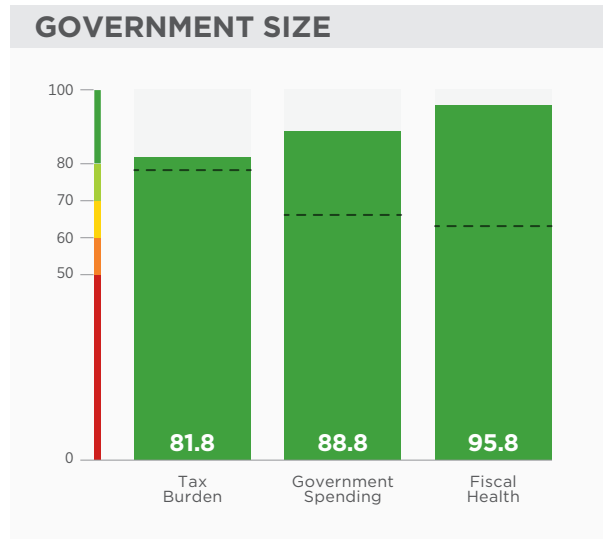
2023 data unless otherwise noted. Data compiled as of November 2024.



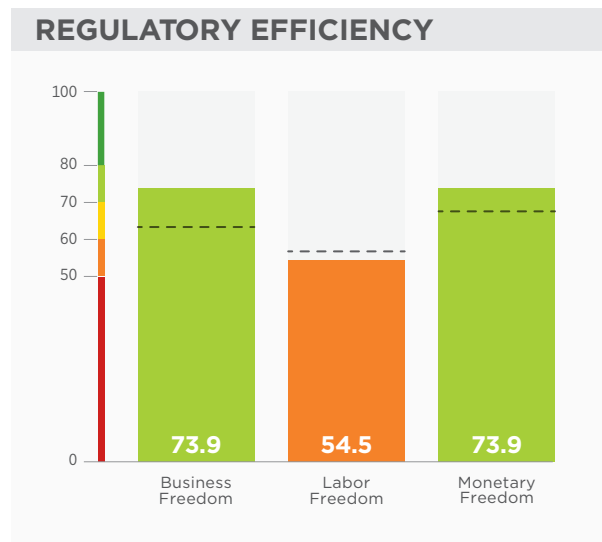
# 12 ECONOMIC FREEDOMS | VIETNAM



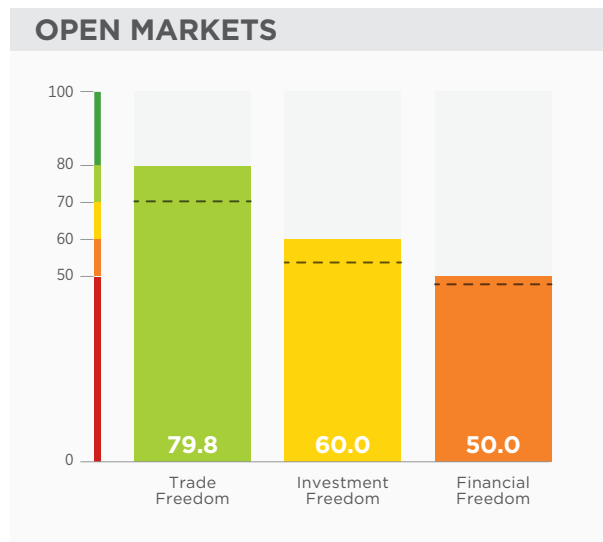
The overall rule of law is weak in Vietnam. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 20 percent. The tax burden equals 13.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.3 percent and -1.1 percent of GDP. Public debt amounts to 34.4 percent of GDP.



Vietnam'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 above the world average.



The trade-weighted average tariff rate is 5.1 percent, and layers of nontariff barriers prevent more dynamic gains from trade. Despite progress, the overall investment regime lacks efficiency. The financial sector continues to evolve, and state-owned commercial banks have scaled back directed lending.



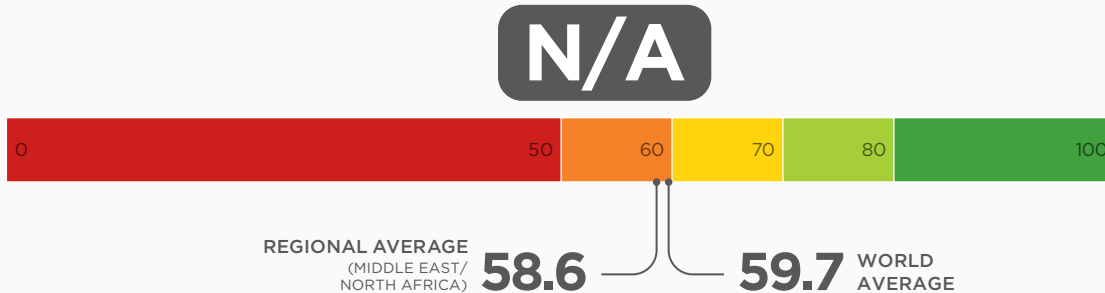
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS: **NOT GRADED**

# YEMEN

**N**umerical grading of Yemen’s overall economic freedom was suspended in 2015, and the continuing lack of reliable economic statistics for the country has prevented its grading in the 2025 *Index of Economic Freedom*. Prospects for an end to Yemen’s civil war and a peaceful rebuilding of its economy remain bleak.

Yemen’s daunting economic challenges are aggravated by ongoing political turmoil. The civil conflict has devastated the economy and destroyed critical infrastructure. Even before the current conflict, years of mismanagement and corruption, compounded by the depletion of natural resources, had resulted in chronic poverty and underdevelopment. The absence of a dynamic private sector has led to chronic underemployment and a large informal sector. Yemen’s limited oil and gas production has been severely disrupted, and the prolonged conflict continues to take a heavy toll on the already fragile economy.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
34.1 million

**GDP (PPP):**  
\$68.6 billion  
-2.0% growth in 2023  
3-year average growth rate: -0.5%  
\$2,013 per capita

**UNEMPLOYMENT:**  
17.2%

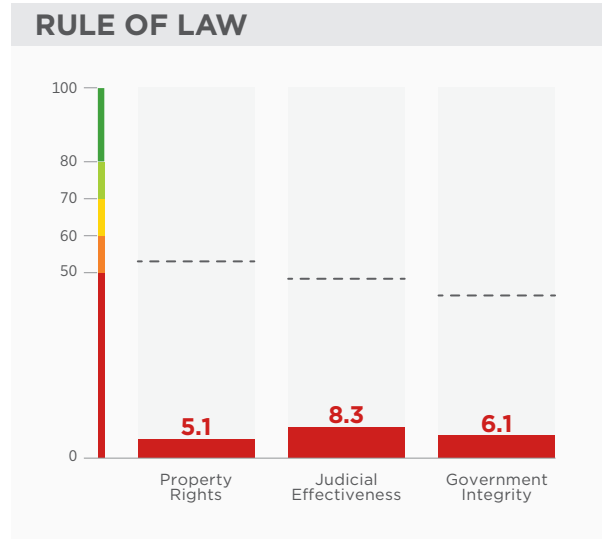
**INFLATION (CPI):**  
0.9%

**FDI INFLOW:**  
n/a

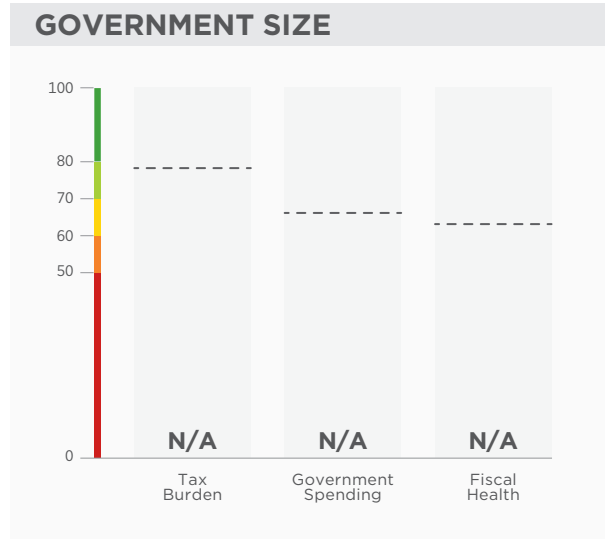
**PUBLIC DEBT:**  
81.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

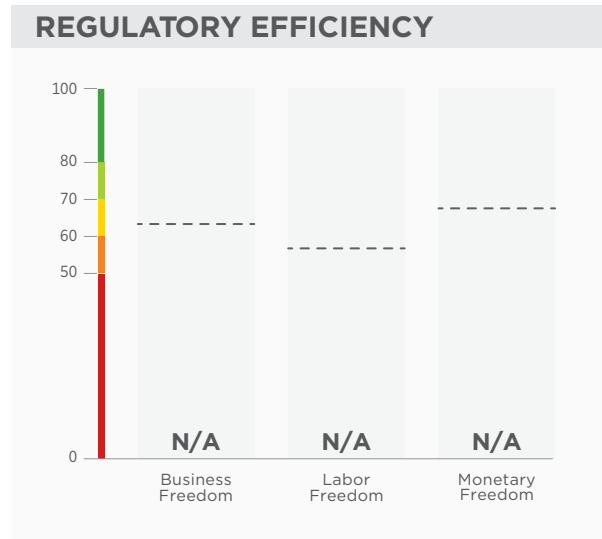
# 12 ECONOMIC FREEDOMS | YEMEN



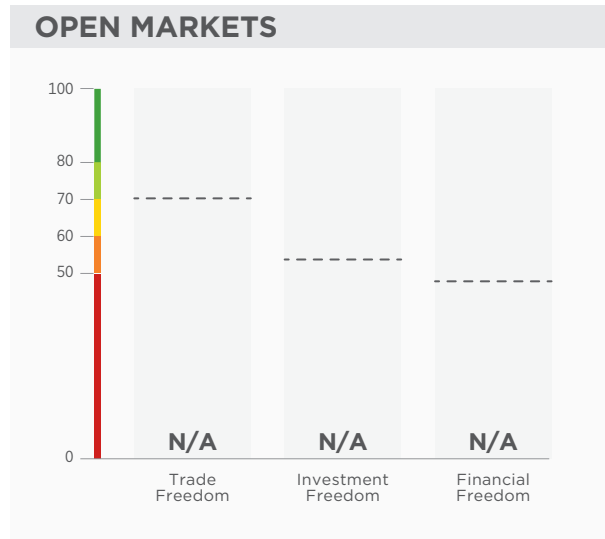
The overall rule of law is weak in Yemen. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



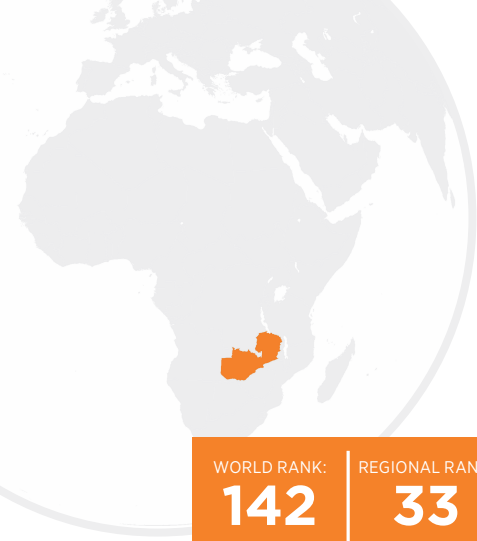
Political turmoil and civil conflict have severely damaged the overall fiscal situation, and the collapse of oil and tax revenue compounds the impact of the conflict's escalating cost. Economic policymaking is focused largely on marshalling limited fiscal resources to finance the conflict.



The overall business environment has been severely undermined by the ongoing civil war. Even before the conflict, the private sector's weakness resulted in chronic underemployment in widespread informal economic activities. A functional labor market does not exist. Monetary stability has been very weak.



The civil war has severely degraded Yemen's capacity and infrastructure as they relate to international trade and investment. The economy is largely cash-based. The limited financial system is dominated by the state, and the banking system is very fragile.



# ZAMBIA

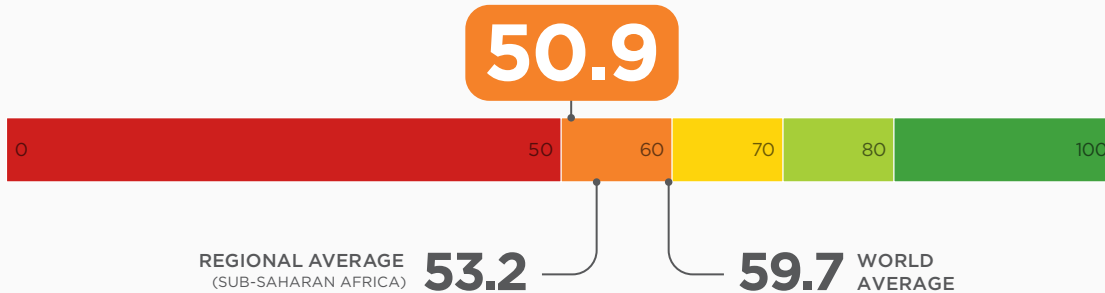
WORLD RANK: **142** | REGIONAL RANK: **33**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Zambia's economic freedom score is 50.9, making its economy the 142nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.5 points from last year, and Zambia is ranked 33rd 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 "mostly unfree" according to the 2025 *Index*.

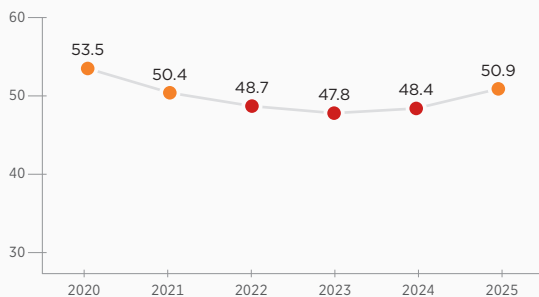
Zambia needs institutional and structural reform. The legal framework, which is characterized by inefficiency and lack of transparency, discourages long-term economic development. The overall rule of law is fragile and undermined by political interference, and corruption is pervasive. Despite some reforms, the regulatory environment is not conducive to entrepreneurial activity. Businesses can be established with no minimum capital required, but commercial licensing requirements are 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): -4.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
20.6 million

**GDP (PPP):**  
\$84.5 billion  
5.4% growth in 2023  
3-year average growth rate: 5.6%  
\$4,110 per capita

**UNEMPLOYMENT:**  
5.9%

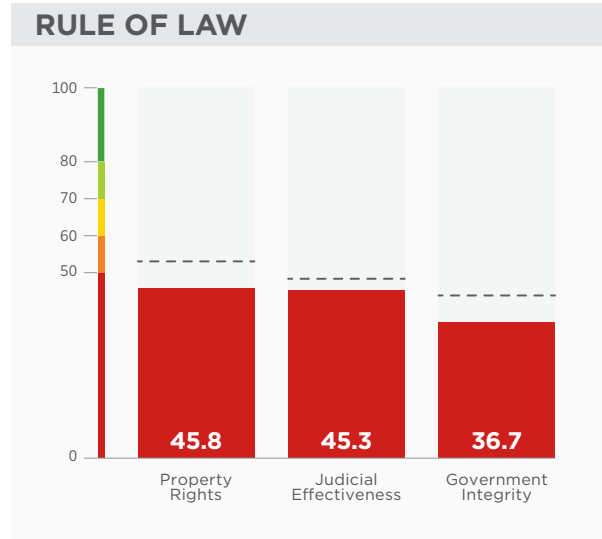
**INFLATION (CPI):**  
10.9%

**FDI INFLOW:**  
\$116.0 million

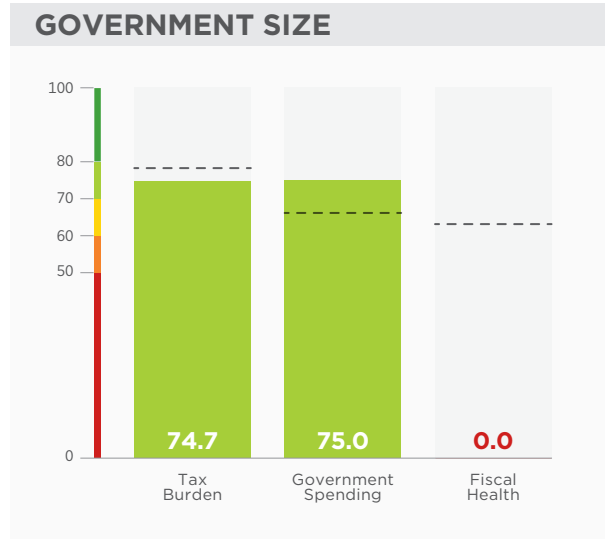
**PUBLIC DEBT:**  
127.3% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

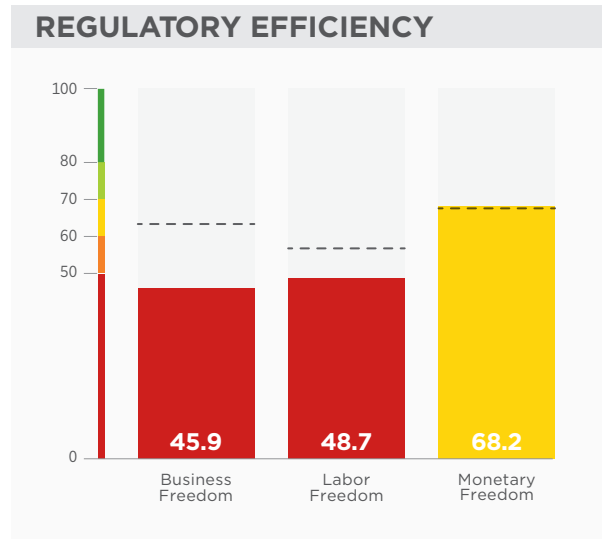
# 12 ECONOMIC FREEDOMS | ZAMBIA



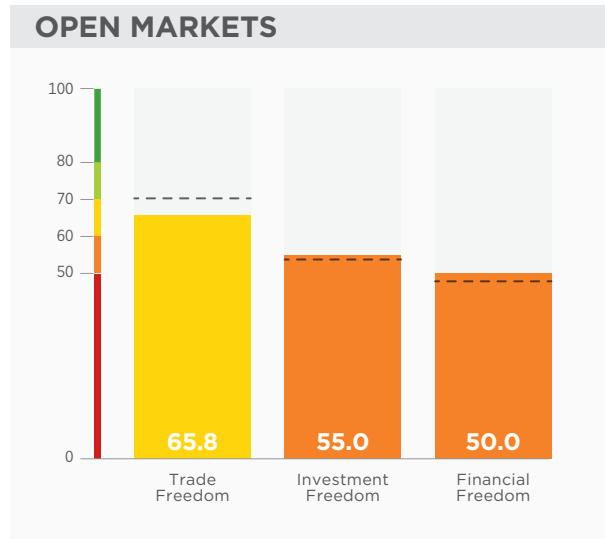
The overall rule of law is weak in Zambia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 37 percent, and the top corporate tax rate is 30 percent. The tax burden equals 16.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.9 percent and -7.5 percent of GDP. Public debt amounts to 127.3 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 above the world average.



The trade-weighted average tariff rate is 9.6 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.



WORLD RANK: **173** | REGIONAL RANK: **47**

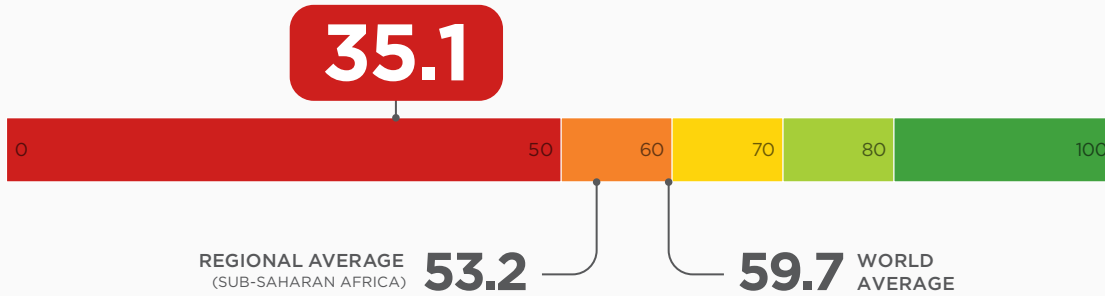
ECONOMIC FREEDOM STATUS: **REPRESSED**

# ZIMBABWE

Zimbabwe's economic freedom score is 35.1, making its economy the 173rd freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 3.1 points from last year, and Zimbabwe is ranked 47th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the world and regional averages. Zimbabwe's economy is considered "repressed" according to the 2025 *Index*.

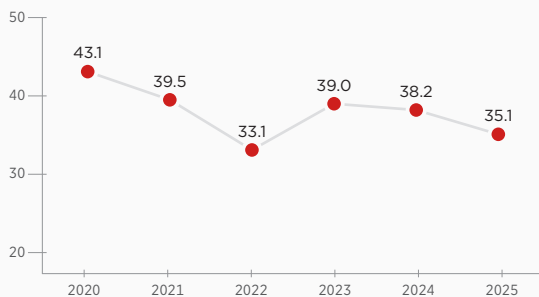
The Zimbabwean economy is characterized by instability and policy volatility, both hallmarks of the excessive government interference and mismanagement that have undermined the country's economic potential. The fragile economic infrastructure has crumbled after years of neglect. The impacts of years of hyperinflation continue to impede entrepreneurial activity, and the overall regulatory environment remains opaque. Licensing requirements remain costly and burdensome. A corrupt and inefficient judicial system severely exacerbates entrepreneurial risk. Monetary stability continues to be very weak, and inflation is persistently high.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -13.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
16.6 million

**GDP (PPP):**  
\$82.5 billion  
5.3% growth in 2023  
3-year average growth rate: 6.6%  
\$4,965 per capita

**UNEMPLOYMENT:**  
8.8%

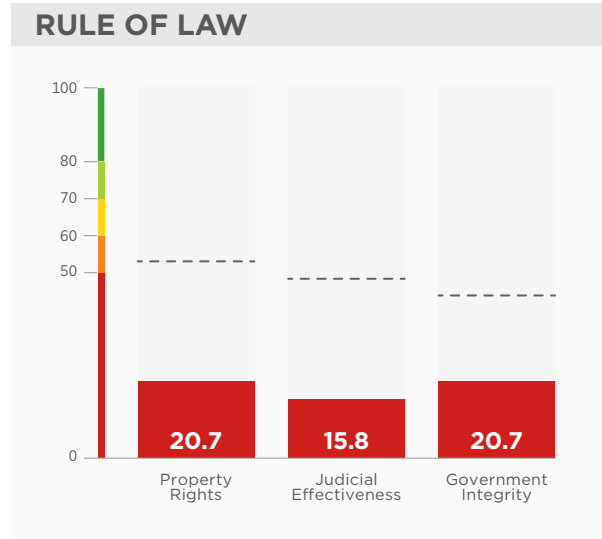
**INFLATION (CPI):**  
667.4%

**FDI INFLOW:**  
\$342.0 million

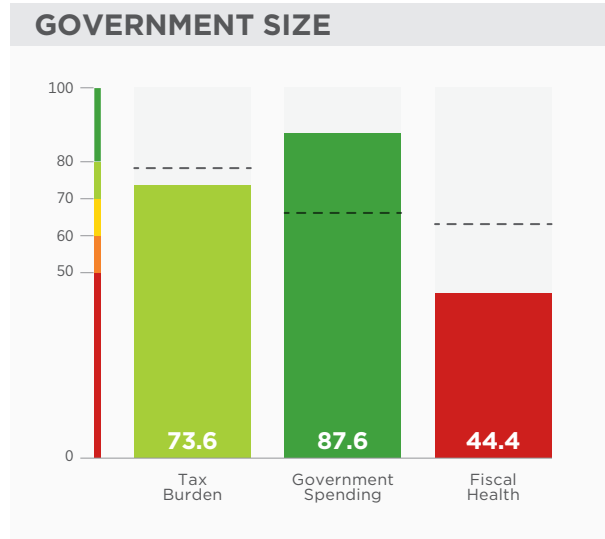
**PUBLIC DEBT:**  
96.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

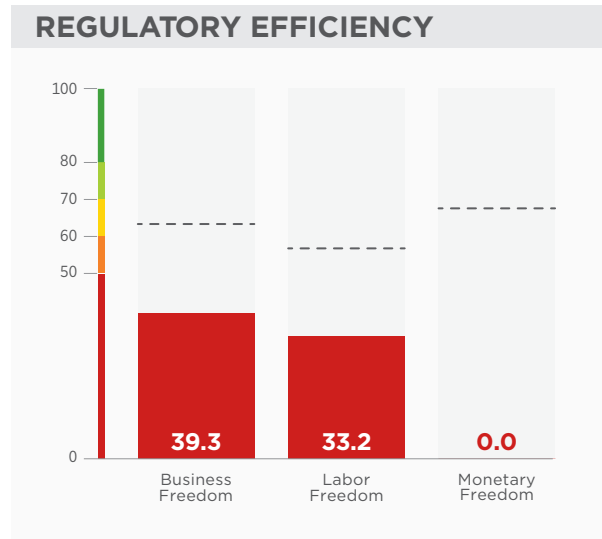
# 12 ECONOMIC FREEDOMS | ZIMBABWE



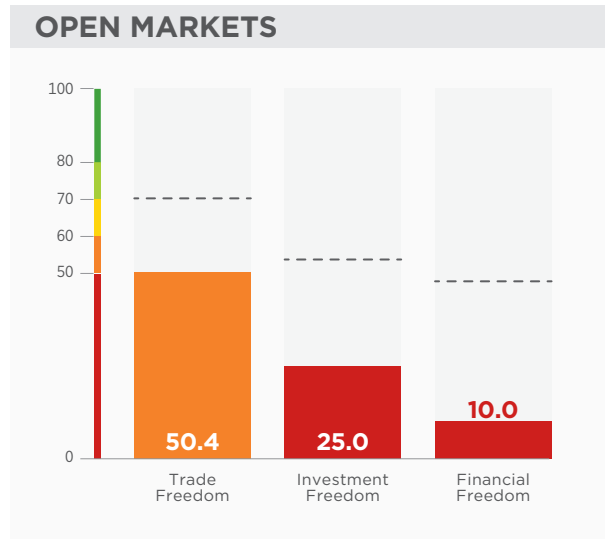
The overall rule of law is weak in Zimbabwe. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 41.2 percent, and the top corporate tax rate is 25.6 percent. The tax burden equals 16.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.3 percent and -4.8 percent of GDP. Public debt amounts to 96.7 percent of GDP.



Zimbabwe'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 well below the world average.



The trade-weighted average tariff rate is 14.8 percent, and pervasive nontariff barriers further limit trade freedom. Heavy government interference cripples investment opportunities. The financial sector remains underdeveloped because of extensive state involvement and ongoing political instability.





# METHODOLOGY

The *Index of Economic Freedom* focuses on four key dimensions of the economic and entrepreneurial environment:

- **Rule of law,**
- **Government size,**
- **Regulatory efficiency,** and
- **Market openness.**

In assessing conditions in these four categories, the Index measures 12 specific components of economic freedom, each of which is graded on a scale from 0 to 100. Scores on these 12 components of economic freedom are calculated from a number of sub-variables and then equally weighted and averaged to produce an overall economic freedom score for each economy.

The following sections explain the formulas and methodology used to compute the scores for each of the 12 components of economic freedom.

## RULE OF LAW

### Property Rights

The property rights component assesses the extent to which a country's legal framework allows individuals to acquire, hold, and use private property and the extent to which these rights are secured by applicable laws that the government enforces effectively. Relying on a mix of survey data and independent assessments, it provides a quantifiable measure of the degree to which a country's laws protect private property rights and the extent to which those laws are respected. It also assesses the level of state expropriation of private property. The more effective the legal protection of property is, the higher a country's score will be, and the greater the chances of government expropriation of property are, the lower a country's score will be.

The score for this component is derived by averaging scores for three equally weighted sub-factors:

- Risk of expropriation;
- Respect for intellectual property rights; and
- Quality of contract enforcement, property rights, and law enforcement.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_i) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})^1$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent available versions of the following sources in assessing property rights: Credendo, *Country Risk and Insights*; U.S. Chamber of Commerce, Global Innovation Policy Center, *International IP Index*; and World Bank, *Worldwide Governance Indicators*.

### Judicial Effectiveness

Properly functioning legal frameworks are essential for protecting the rights of all citizens against unlawful acts by others, including governments and powerful private parties. Judicial effectiveness requires efficient and fair judicial systems to ensure that laws are fully respected and appropriate legal actions are taken against violations.

The score for the judicial effectiveness component is derived by averaging scores for three equally weighted sub-factors:

- Judicial independence,
- Quality of the judicial process, and
- Perceptions of the quality of public services and the independence of the civil service.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent available versions of the following sources in assessing judicial effectiveness: Freedom House, *Freedom in the World*, and World Bank, *Worldwide Governance Indicators*.

### Government Integrity

Corruption erodes economic freedom by introducing insecurity and coercion into economic relations. Of greatest concern is the systemic corruption of government institutions and decision-making by such practices as bribery, extortion, nepotism, cronyism, patronage, embezzlement, and graft. The lack of government integrity that such practices cause reduces public trust and economic vitality by increasing the costs of economic activity.

The score for this component is derived by averaging scores for three equally weighted sub-factors:

- Perceptions of corruption,
- Bribery risk, and
- Control of corruption including “capture” of the state by elites and private interests.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_i) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})^2$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent versions of the following sources in assessing government integrity: Transparency International, *Corruption Perceptions Index*; TRACE International, *Trace Bribery Risk Matrix*®; and World Bank, *Worldwide Governance Indicators*.

## GOVERNMENT SIZE

### Tax Burden

Tax burden is a composite measure that reflects marginal tax rates on both personal and corporate income and the overall level of taxation (including direct and indirect taxes imposed by all levels of government) as a percentage of gross domestic product (GDP).

The component score is derived from three equally weighted quantitative sub-factors:

- The top marginal tax rate on individual income,
- The top marginal tax rate on corporate income, and
- The total tax burden as a percentage of GDP.

The equal weighting of these numerical variables allows a country to achieve a score as high as 67 based on two of the sub-factors even if it receives a score of zero on the third.

Tax burden scores are calculated with a quadratic cost function to reflect the diminishing revenue returns from very high rates of taxation. The data for each sub-factor are converted to a 100-point scale using the following equation:

$$\text{Tax Burden}_{ij} = 100 - \alpha (\text{Sub-factor}_{ij})^2$$

where  $\text{Tax Burden}_{ij}$  represents the tax burden in country  $i$  for Sub-factor  $j$ ;  $\text{Sub-factor}_{ij}$  represents the value (a percentage expressed on a scale of 0 to 100) in country  $i$  for Sub-factor  $j$ ; and  $\alpha$  is a coefficient set equal to 0.03. The minimum score for each sub-factor is zero, which is not represented in the printed equation but is used because it means that no single high tax burden will make the other two sub-factors irrelevant.

**Sources.** The *Index* relies on the most recent available data from the following sources for information on tax rates, in order of priority: KPMG International; Deloitte, *Tax Guides and Highlights*; International Monetary Fund, *Staff Country Report*, “Selected Issues and Statistical Appendix,” and *Staff Country Report*, “Article IV Consultation”; PricewaterhouseCoopers, *Worldwide Tax Summaries*; countries’ investment agencies; and other government authorities (embassy confirmations and/or the country’s treasury or tax authority).

For information on the tax burden as a percentage of GDP, the primary sources are World Bank, *World Development Indicators*; Organisation for Economic Co-operation and Development data; Eurostat, Government Finance Statistics; African Development Bank Group, *African Economic Outlook*; International Monetary Fund, *Government Finance Statistics (GFS)* database, *Staff Country Report*, “Selected Issues,” and *Staff Country Report*, “Article IV Consultation”; Asian Development Bank, *Key Indicators for Asia and the Pacific*; and United Nations Economic Commission for Latin America, *Economic Survey of Latin America and the Caribbean*.

### Government Spending

The government spending component captures the burden imposed by government expenditures, which includes consumption by the state and all transfer payments related to various entitlement programs.

The *Index* does not identify an optimal level of government spending. The ideal level will vary from country to country, depending on factors that range from culture to geography to level of economic development. At some point, however, government spending becomes an unavoidable burden as growth in the public sector’s size and scope leads inevitably to misallocation of resources and loss of economic efficiency. As volumes of research have shown, excessive government spending that causes chronic budget deficits and the accumulation of public debt is one of the most serious drags on economic dynamism.

The *Index* methodology treats zero government spending as the benchmark. As a result, underdeveloped countries—especially those with little government capacity—may receive artificially high scores. However, such governments can provide few if any public goods and will probably receive low scores on some of

the other components of economic freedom (such as property rights, financial freedom, and investment freedom) that measure aspects of government effectiveness.

Government spending has a major impact on economic freedom but is just one of many important components. The scale for scoring government spending is nonlinear, which means that spending that is close to zero is lightly penalized and spending that exceeds 30 percent of GDP leads to much worse scores in a quadratic fashion (for example, twice as much spending yields four times less freedom). Only extraordinarily high levels of government spending (for example, more than 58 percent of GDP) receive a score of zero.

The equation used to compute a country's government spending score is:

$$GE_i = 100 - \alpha (\text{Expenditures}_i)^2$$

where  $GE_i$  represents the government expenditure score in country  $i$ ;  $\text{Expenditures}_i$  represents average total government spending at all levels as a percentage of GDP for the most recent three years; and  $\alpha$  is a coefficient to control for variation among scores (set at 0.03). The minimum component score is zero.

For most countries, the *Index* uses general government expenditure data for all levels of government, from national to local. In cases where data on general government spending are not available, data on central government expenditures are used.

For several countries—especially developing countries—statistics related to government spending as a percentage of GDP are subject to frequent revisions by such data sources as the International Monetary Fund (IMF).

**Sources.** The *Index* relies on the most recent versions of the following sources for information on government intervention in the economy, in order of priority: Organisation for Economic Co-operation and Development data; Eurostat data; African Development Bank Group, *African Economic Outlook*; International Monetary Fund, *Staff Country Report*, “Selected Issues and Statistical Appendix,” *Staff Country Report*, “Article IV Consultation,” and *World Economic Outlook* database; Asian Development Bank, *Key Indicators for Asia and the Pacific*; African Development Bank, *AfDB Statistics Pocketbook*; official government publications of each country; and United Nations Economic Commission for Latin America, *Economic Survey of Latin America and the Caribbean*.

## Fiscal Health

Widening deficits and a growing debt burden, both of which are caused by poor government budget management, lead to the erosion of a country's overall fiscal health, and deteriorating fiscal health is associated with macroeconomic instability and economic uncertainty.

Debt is an accumulation of budget deficits over time. In theory, debt financing of public spending could contribute to productive investment and ultimately to economic growth. However, mounting public debt driven by persistent budget deficits—especially by spending that merely boosts government consumption or transfer payments—often undermines overall productivity growth and leads ultimately to economic stagnation rather than growth.

The score for the fiscal health component is based on two sub-factors, which are weighted as follows in calculating the overall component score:

- Average deficits as a percentage of GDP for the most recent three years (80 percent of score)<sup>3</sup> and
- Debt as a percentage of GDP (20 percent of score).

The equation used to compute a country's fiscal health score is:

$$\text{Sub-factor Score}_i = 100 - \alpha (\text{Sub-factor}_i)^2$$

where  $\text{Sub-factor Score}_i$  represents the deficit or debt score in country  $i$ ;  $\text{Sub-factor}_i$  represents the factor value as a portion of GDP; and  $\alpha$  is a coefficient to control for variation among scores (set at 2 for deficit and 0.01 for debt). The minimum sub-factor score is zero.

For most countries, the *Index* uses general government deficit and debt data for all levels of government, from national to local. In cases where such general government data are not available, data on central government expenditures are used.

For several countries, particularly developing countries, statistics related to budget balance as a percentage of GDP are subject to frequent revisions by such data sources as the IMF.

**Sources.** The *Index* relies on the most recent available versions of the following sources for information on government intervention in the economy, in order of priority: International Monetary Fund, *World Economic Outlook* database, *Staff Country Report*, “Selected Issues and Statistical Appendix,” and *Staff Country Report*, “Article IV Consultation”; Asian Development Bank, *Key Indicators for Asia and the Pacific*; African Development Bank, *AfDB Statistics Pocketbook*; and official government publications of each country.

## REGULATORY EFFICIENCY

### Business Freedom

The business freedom component measures the extent to which a country’s regulatory and infrastructure environments constrain the efficient operation of businesses. The quantitative score is derived from an array of factors that affect the ease of starting, operating, and closing a business.

The business freedom score for each country is a number between 0 and 100, with 100 indicating the freest business environment, and is based on four equally weighted sub-factors:

- Access to electricity,
- Business environment risk,
- Regulatory quality, and
- Women’s economic inclusion.

Except for the women’s economic inclusion variable, which is readily available in a scale of 0 to 100, each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_i) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})^4$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and Sub-factor Score  $i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent available versions of the following sources in determining business freedom scores: World Bank, *Worldwide Governance Indicators*; World Bank, *World Development Indicators*; Credendo, *Country Risk and Insights*; and World Bank, *Women, Business and the Law*.

### Labor Freedom

The labor freedom component is a quantitative measure that considers various aspects of the legal and regulatory framework of a country’s labor market, including regulations concerning minimum wages, associational rights, laws inhibiting layoffs, severance requirements, and measurable regulatory restraints on hiring and hours worked, in addition to the labor force participation rate and labor productivity as an indicative measure of employment opportunities in the labor market.

The score for the labor freedom component is based on nine equally weighted sub-factors:

- Minimum wage,
- Associational rights,
- Paid annual leave,
- Notice period for redundancy dismissal,
- Severance pay for redundancy dismissal,
- Labor productivity,

- Labor force participation rate,
- Restrictions on overtime work, and
- Redundancy dismissal permitted by law.

In constructing the labor freedom score, the first seven of the nine sub-factors are converted to a scale of 0 to 100 based on the following equation:

$$\text{Sub-factor Score}_i = 50 \times (\text{Sub-factor}_{\text{average}} / \text{Sub-factor}_i)$$

where country  $i$  data are calculated relative to the world average and then multiplied by 50. The seven sub-factor scores are then averaged for each country, yielding a labor freedom score in comparison to scores for other countries.

For the existence of overtime restrictions, 100 is assigned to a country whose value is No, and 0 is assigned to a country whose value is Yes. For the question of redundancy dismissal permitted by law, 100 is assigned to a country whose value is Yes, and 0 is assigned to a country whose value is No.

The simple average of the converted values for the nine sub-factors is computed to obtain the country's overall labor freedom score.

**Sources.** The *Index* relies on the most recent data available from the following sources for data on labor freedom: World Bank, *Worldwide Governance Indicators*; World Bank, *World Development Indicators*; Freedom House, *Freedom in the World*; International Labour Organization, statistics and databases; and World Bank, Employing Workers project.

## Monetary Freedom

Monetary freedom combines a measure of inflation with an assessment of various government activities that distort prices. Price stability without microeconomic intervention is the ideal state for the free market.

The score for the monetary freedom component is based on two sub-factors:

- The weighted average rate of inflation for the most recent three years and
- A qualitative judgment about the extent of government manipulation of prices through direct controls or subsidies.

The weighted average rate of inflation for the most recent three years serves as the primary input into an equation that generates the base score for monetary freedom. The extent of price controls is then assessed as a penalty deduction of 0–20 points from the base score. The two equations used to convert rates of inflation into the final monetary freedom score are:

$$\text{Weighted Avg. Inflation}_i = \theta_1 \text{Inflation}_{it} + \theta_2 \text{Inflation}_{it-1} + \theta_3 \text{Inflation}_{it-2}$$

$$\text{Monetary Freedom}_i = 100 - \alpha \sqrt{\text{Weighted Avg. Inflation}_i} - \text{PC penalty}_i$$

where  $\theta_1$  through  $\theta_3$  (thetas 1–3) represent three numbers that sum to 1 and are exponentially smaller in sequence (in this case, values of 0.665, 0.245, and 0.090, respectively);  $\text{Inflation}_{it}$  is the absolute value of the annual rate of inflation in country  $i$  during year  $t$  as measured by the Consumer Price Index;  $\alpha$  represents a coefficient that stabilizes the variance of scores; and the price control (PC) penalty is an assigned value of 0–20 penalty points based on the extent of price controls.

The convex (square root) functional form was chosen to create separation among countries with low rates of inflation. A concave functional form would essentially treat all hyperinflations as equally bad, whether they were price increases of 100 percent annually or 100,000 percent annually, whereas the square root provides much more gradation. The  $\alpha$  coefficient is set to equal 6.333, which converts a 10 percent inflation rate into a monetary freedom score of 80.0 and a 2 percent inflation rate into a score of 91.0.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on monetary policy, in order of priority: International Monetary Fund, *International Financial Statistics Online*; International Monetary Fund, *World Economic Outlook* database and *Staff Country Report*, “Article IV Consultation”; various World Bank country reports; various news and magazine articles; and official government publications of each country.

## OPEN MARKETS

### Trade Freedom

Trade freedom is a composite measure of the extent of tariff and nontariff barriers that affect imports and exports of goods and services. The trade freedom score is based on two inputs:

- The trade-weighted average tariff rate and
- A qualitative evaluation of nontariff barriers (NTBs).

Different imports entering a country can be (and often are) subject to different tariff rates. The weighted average tariff uses weights for each tariff based on the share of imports for each good. Weighted average tariffs are a purely quantitative measure and account for our calculation of the base trade freedom score using the following equation:

$$\text{Trade Freedom}_i = 100(\text{Tariff}_{\text{max}} - \text{Tariff}_i) / (\text{Tariff}_{\text{max}} - \text{Tariff}_{\text{min}}) - \text{NTB}_i$$

where  $\text{Trade Freedom}_i$  represents the level of trade freedom in country  $i$ ;  $\text{Tariff}_{\text{max}}$  and  $\text{Tariff}_{\text{min}}$  represent the upper and lower bounds for tariff rates (%); and  $\text{Tariff}_i$  represents the weighted average tariff rate (%) in country  $i$ . The minimum tariff is naturally 0 percent, and the upper bound was set at 50 percent.

We determine the extent of NTBs in a country’s trade policy regime using both qualitative and quantitative information. Restrictive rules that hinder trade vary widely, and their overlapping and shifting nature makes their complexity hard to measure. The types of NTBs considered in our scoring include:

- **Quantity restrictions:** import quotas; export limitations; voluntary export restraints; import–export embargoes and bans; countertrade; etc.
- **Regulatory restrictions:** licensing; domestic content and mixing requirements; sanitary and phytosanitary standards (SPSs); safety and industrial standards regulations; packaging, labeling, and trademark regulations; advertising and media regulations.
- **Customs restrictions:** advance deposit requirements; customs valuation procedures; customs classification procedures; customs clearance procedures.
- **Direct government intervention:** subsidies and other aid; government industrial policies; government-financed research and other technology policies; competition policies; government procurement policies; state trading, government monopolies, and exclusive franchises.
- In addition, where possible, we consider and report the number of nontariff measures in force as calculated by the World Trade Organization (WTO).

Gathering tariff statistics to make a consistent cross-country comparison is a challenging task. Unlike data on inflation, for instance, some countries do not report their weighted average tariff rate or simple average tariff rate every year.

To preserve consistency in grading the trade freedom component, the *Index* uses a country’s most recently reported most favored nation (MFN)<sup>5</sup> trade-weighted average tariff rate from our primary source.

The most comprehensive and consistent information on MFN trade-weighted average tariff rates is published by the WTO. When the MFN trade-weighted average applied tariff rate is not available, the *Index* uses the country’s simple average of MFN tariff rates; when the country’s simple average MFN tariff rate

is not available, the weighted average or the simple average of applied tariff rates is used. In the very few cases for which tariff rates are not available from the WTO or the World Bank, data on international trade taxes or an estimated effective tariff rate are used.

**Sources.** The *Index* relies on the most recent versions of the following sources in determining scores for trade policy, in order of priority: World Trade Organization, *World Tariff Profiles*; World Bank, *World Development Indicators*; World Trade Organization, *Trade Policy Review*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; U.S. Department of Commerce, *Country Commercial Guide*; and official government publications of each country.

## Investment Freedom

In an economically free country, there would be no constraints on the flow of investment capital. Individuals and firms would be able to move their resources into and out of specific activities, both internally and across the country's borders, without restriction. Such an ideal country would receive a score of 100 on the *Index's* investment freedom component.

In practice, however, most countries impose a variety of restrictions on investment. Some have different rules for foreign and domestic investment. Some restrict access to foreign exchange. Some impose restrictions on payments, transfers, and capital transactions. In some, certain industries are closed to foreign investment.

The *Index* evaluates a variety of regulatory restrictions that typically are imposed on investment. Points, as indicated below, are deducted from the ideal score of 100 for each of the restrictions in a country's investment regime. It is not necessary for a government to impose all of the listed restrictions at the maximum level to eliminate investment freedom. The scores for the few governments that impose so many restrictions that they total more than 100 points in deductions are set at zero.

## Investment Restrictions

### *National treatment of foreign investment*

- No national treatment; investment prescreened 25 points deducted
- Some national treatment and some prescreening 15 points deducted
- Some national treatment or prescreening 5 points deducted

### *Foreign investment code*

- Burdensome bureaucracy and no transparency 20 points deducted
- Inefficient policy implementation and bureaucracy 10 points deducted
- Some investment laws and practices nontransparent or inefficiently implemented 5 points deducted

### *Restrictions on land ownership*

- All real estate purchases restricted 15 points deducted
- No foreign purchases of real estate 10 points deducted
- Some restrictions on purchases of real estate 5 points deducted

### *Sectoral investment restrictions*

- Multiple sectors restricted 20 points deducted
- Few sectors restricted 10 points deducted
- One or two sectors restricted 5 points deducted

### *Expropriation of investments without fair compensation*

- Common with no legal recourse 25 points deducted
- Common with some legal recourse 15 points deducted
- Uncommon but does occur 5 points deducted



#### *Foreign exchange controls*

- No access by foreigners or residents 25 points deducted
- Access available but heavily restricted 15 points deducted
- Access available with few restrictions 5 points deducted

#### *Capital controls*

- No repatriation of profits; all transactions require government approval 25 points deducted
- Inward and outward capital movements require approval and are subject to some restrictions 15 points deducted
- Most transfers approved with some restrictions 5 points deducted

As many as 20 additional points may be deducted for security problems, a lack of basic investment infrastructure, or other government policies that inject a considerable degree of uncertainty and indirectly burden the investment process and limit investment freedom.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on capital flows and foreign investment, in order of priority: official government publications of each country; U.S. Department of State, *Investment Climate Statements*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; World Bank, *Investing Across Borders*; Organisation for Economic Co-operation and Development, *Services Trade Restrictiveness Index*; and U.S. Department of Commerce, *Country Commercial Guide*.

### Financial Freedom

Financial freedom is both an indicator of banking efficiency and a measure of independence from government control and interference in the financial sector. State ownership of banks and other financial institutions such as insurers and capital markets reduces competition and generally lowers the level of access to credit.

In an ideal banking and financing environment characterized by a minimum level of government interference, independent central bank supervision and regulation of financial institutions are limited to enforcing contractual obligations and preventing fraud; credit is allocated on market terms; the government does not own financial institutions; financial institutions provide various types of financial services to individuals and companies; banks are free to extend credit, accept deposits, and conduct operations in foreign currencies; and foreign financial institutions operate freely and are treated the same as domestic institutions are treated.

To assess the overall level of financial freedom that ensures easy and effective access to financing opportunities for people and businesses in a country's economy, the *Index* takes account of five broad areas:

- The extent of government regulation of financial services,
- The degree of state intervention in banks and other financial firms through direct and indirect ownership,
- Government influence on the allocation of credit,
- The extent of financial and capital market development, and
- Openness to foreign competition.

Based on this assessment, an economy receives an overall financial freedom score on a scale of 0 to 100 according to the following criteria:

- **100—No government interference.** Government oversight is limited solely to the enforcement of contractual obligations and prevention of fraud.
- **90—Minimal government interference.** Regulation of financial institutions is minimal but may extend beyond the enforcement of contractual obligations and prevention of fraud to capitalization or reserve requirements.

- **80—Nominal government interference.** Government ownership of financial institutions represents a small share of overall sector assets. Financial institutions face almost no restrictions on their ability to offer financial services.
- **70—Limited government interference.** The government influences the allocation of credit, but private allocation of credit is subject to almost no restrictions. Government ownership of financial institutions is sizeable. Foreign financial institutions are subject to few restrictions.
- **60—Moderate government interference.** Banking and financial regulations are somewhat burdensome. The government exercises ownership and control of financial institutions with a significant share of overall sector assets. The ability of financial institutions to offer financial services is subject to some restrictions.
- **50—Considerable government interference.** The government significantly influences the allocation of credit, and private allocation of credit faces significant barriers. The ability of financial institutions to offer financial services is subject to significant restrictions. Foreign financial institutions are subject to some restrictions.
- **40—Strong government interference.** The central bank is subject to government influence, its supervision of financial institutions is heavy-handed, and its ability to enforce contracts and prevent fraud is weak. The government exercises active ownership and control of financial institutions with a large minority share of overall sector assets.
- **30—Extensive government interference.** The government influences the allocation of credit extensively. The government owns or controls a majority of financial institutions or is in a dominant position. Financial institutions are heavily restricted, and bank formation faces significant barriers. Foreign financial institutions are subject to significant restrictions.
- **20—Heavy government interference.** The central bank is not independent, and its supervision of financial institutions is repressive. Foreign financial institutions are discouraged or highly constrained.
- **10—Near-repressive.** The government controls the allocation of credit. Bank formation is restricted. Foreign financial institutions are prohibited.
- **0—Repressive.** Supervision and regulation are designed to prevent private financial institutions from functioning. Private financial institutions are nonexistent.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on banking and finance, in order of priority: International Monetary Fund, *Staff Country Report*, “Selected Issues,” and *Staff Country Report*, “Article IV Consultation”; Organisation for Economic Co-operation and Development, *Economic Surveys*; official government publications of each country; U.S. Department of Commerce, *Country Commercial Guide*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; U.S. Department of State, *Investment Climate Statements*; World Bank, *World Development Indicators*; and various news and magazine articles on banking and finance.

## GENERAL METHODOLOGICAL PARAMETERS

**Period of Study.** Scores for the *2025 Index of Economic Freedom* are generally based on data for the period covering the second half of 2023 through the first half of 2024. To the extent possible, the information considered for each variable was current as of June 30, 2024. It should be noted, however, that some component scores are based on historical information. For example, the monetary freedom component uses a three-year weighted average rate of inflation from January 1, 2021, through December 31, 2023.

**Equal Weight.** In the *Index of Economic Freedom*, the 12 components of economic freedom are weighted equally so that the overall score will not be biased in favor of any one component or policy direction. The 12 economic freedoms obviously interact, but the exact mechanisms of this interaction are not clearly definable: Is a minimum threshold for each one essential? Is it possible for one to maximize if others are minimized? Are they dependent or exclusive, complementary or supplementary?

These questions, while valid, are beyond the scope of our fundamental mission. The *Index of Economic Freedom* is designed to reflect the economic and entrepreneurial environment in every country studied in

as balanced a way as possible, not specifically to explain economic growth or any other dependent variable; that is ably done by researchers elsewhere. The raw data for each component are provided so that others can study, weight, and integrate as they see fit.

**Most Recent Available Information.** By analyzing economic freedom annually, the *Index* can include the most recent information as it becomes available country by country. Using a data cutoff date ensures that all countries are treated fairly. As described above, each year's *Index* considers all information as of the last day of June of the previous year (in this case, June 30, 2024). Any new legislative changes or policy actions that take effect after that date have no positive or negative impact on scores or rankings.<sup>6</sup>

## DEFINING THE COUNTRY PAGES' "QUICK FACTS"

The "Quick Facts" section of each country page is a statistical profile that includes the country's principal economic and demographic indicators. To facilitate comparisons among countries, the GDP and GDP per capita figures in the "Quick Facts" section are adjusted to reflect purchasing power parity (PPP). Caution should be used in interpreting changes in these figures over time because PPP conversion rates are subject to regular revision by the International Monetary Fund and the World Bank. To provide accurate estimates of annual and five-year GDP growth rates, these figures have been calculated using constant U.S. dollars for the most recent available years.

Exact definitions and sources for each category of data reported are as follows:

**Population:** 2023 data from World Bank, *World Development Indicators* database midyear estimates, which count all residents regardless of legal status or citizenship. In some cases, other sources include the country's statistical agency and/or central bank.

**GDP:** Gross domestic product (total production of goods and services) adjusted to reflect PPP. The primary source is International Monetary Fund, *World Economic Outlook* database, October 2024. Other sources include a country's statistical agency and/or central bank.

**GDP growth rate:** Annual percentage growth rate of real GDP derived from constant currency units. Annual percentage changes are year over year. The primary source is International Monetary Fund, *World Economic Outlook* database, October 2024.

**GDP three-year average annual growth:** Average growth rate measured over a specified period of time. The three-year annual growth rate is measured using data from 2021 through 2023 based on real GDP growth rates. The primary source is International Monetary Fund, *World Economic Outlook* database, October 2024.

**GDP per capita:** Gross domestic product (adjusted for PPP) divided by total population. The source for these data is International Monetary Fund, *World Economic Outlook* database, October 2024.

**Unemployment rate:** A measure of the portion of the workforce that is not employed but is actively seeking work. Data are from International Labour Organization, *World Employment and Social Outlook: Trends 2023*.

**Inflation:** Annual percentage change in consumer prices as measured for 2023 (or the most recent available year). The primary source for 2023 data is International Monetary Fund, *World Economic Outlook* database, October 2024. The secondary source is a country's statistical agency and/or central bank.

**Foreign direct investment (FDI) inward flow:** Total annual inward flow of FDI in current 2020 U.S. dollars, reported in millions. FDI flows are defined as investments that acquire a lasting management interest (10 percent or more of voting stock) in a local enterprise by an investor operating in another country. Such investment is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments and both short-term and long-term international loans. Data are from United Nations Conference on Trade and Development, *World Investment Report 2023: International Tax Reforms and Sustainable Investment*.

**Public debt:** Gross government debt as a percentage of GDP, which indicates the cumulative total of all government borrowings less repayments that are denominated in a country's currency. Public debt is different from external debt, which reflects the foreign currency liabilities of both the private and public

sectors and must be financed out of foreign exchange earnings. The primary sources for 2023 data are the International Monetary Fund and the IMF DataMapper.

## COMMONLY USED ABBREVIATIONS

**EU:** European Union, founded in 1963 and self-described as “a unique economic and political union between 27 European countries.”<sup>7</sup> Its 27 member countries currently include Austria, Belgium, Bulgaria, Cyprus, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden. (The United Kingdom completed its withdrawal from the EU on January 31, 2020.)

**IMF:** International Monetary Fund, established in 1945 and self-described as “an organization of 191 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.”<sup>8</sup>

**OECD:** Organisation for Economic Co-operation and Development, an international organization of developed countries founded in 1948 as the Organisation for European Economic Co-operation and self-described as working “with policy makers, stakeholders and citizens to establish evidence-based international standards and to find solutions to social, economic and environmental challenges.”<sup>9</sup> Its 38 member countries include Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom, and the United States.<sup>10</sup>

**WTO:** World Trade Organization, founded in 1995 and self-described as “the only global international organization dealing with the rules of trade between nations.”<sup>11</sup> Specifically, it “operates the global system of trade rules,” “helps developing countries improve their capacity to trade,” and “provides a forum for its members to negotiate trade agreements and to resolve the trade problems they face with each other.”<sup>12</sup> As of August 2024, the WTO included 166 member economies.<sup>13</sup>

## ENDNOTES

1. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
2. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
3. The maximum sub-factor score of 100 is assigned to balanced budgets or budget surpluses.
4. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
5. Known since 1998 as permanent normal trade relations (PNTR).
6. Because the *Index* is published several months after the cutoff date for evaluation, more recent events cannot be factored into the scores. As in past editions, however, such events may be noted in the text. The impact of policy changes and macroeconomic statistics available in the second half of 2023 has not affected the rankings for the 2025 *Index* but almost certainly will affect scores in the next edition.
7. European Commission, *The European Union: What It Is and What It Does* (Luxembourg: Publications Office of the European Union, 2022), p. 7, <https://op.europa.eu/en/publication-detail/-/publication/ac0a88a6-4369-11ea-b81b-01aa75ed71a1/language-en/> (accessed January 3, 2025).
8. International Monetary Fund, “IMF Country Information,” <https://www.imf.org/en/Countries> (accessed January 3, 2025). This source also includes a list of the IMF’s 191 member countries.
9. Organisation for Economic Co-operation and Development, “About: Who We Are,” <https://www.oecd.org/about/> (accessed January 3, 2025).
10. Organisation for Economic Co-operation and Development, “About: Members and Partners,” <https://www.oecd.org/en/about/members-partners.html> (accessed January 3, 2025).
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13. For a list of the WTO’s 166 member countries, see World Trade Organization, “Members and Observers,” [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm) (accessed January 3, 2025).



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