

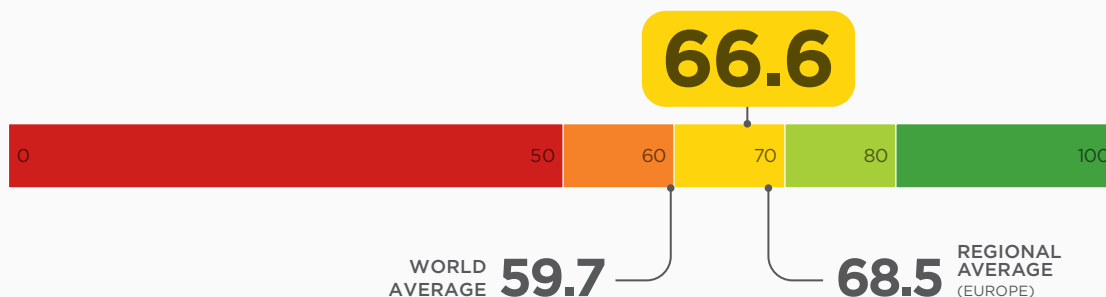
WORLD RANK:	REGIONAL RANK:
50	27
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

ALBANIA

Albania'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*.

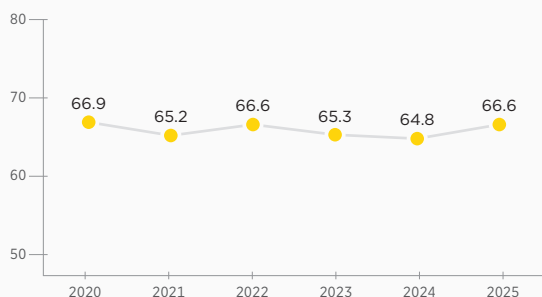
Ongoing diversification of the economic base has increased economic dynamism in Albania, but expansionary government spending has led to budget deficits in recent years. The regulatory system's efficiency has been enhanced by a broad simplification of business procedures. Foreign direct investment has 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%

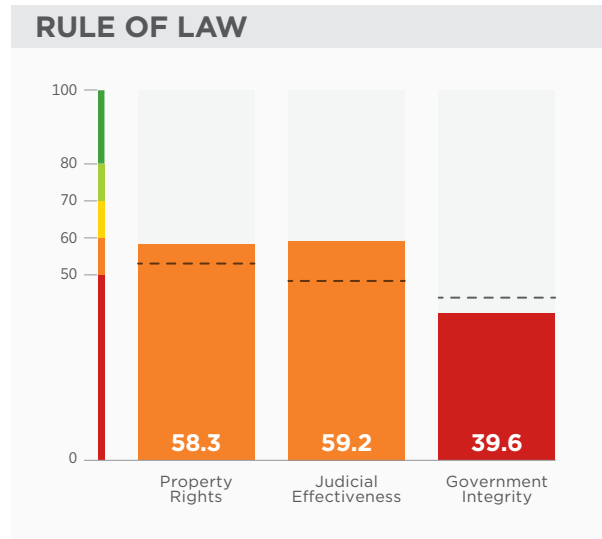
INFLATION (CPI):
4.8%

FDI INFLOW:
\$1.4 billion

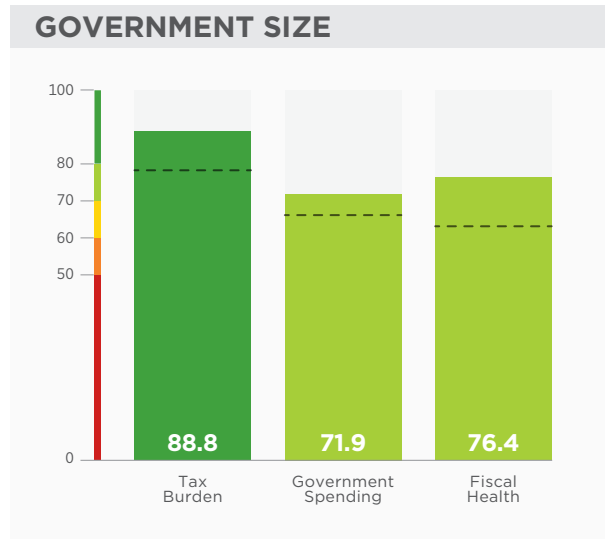
PUBLIC DEBT:
59.8% of GDP

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

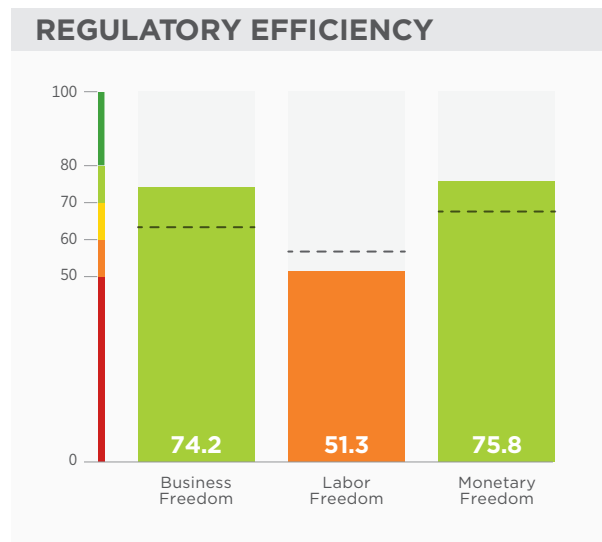
12 ECONOMIC FREEDOMS | ALBANIA



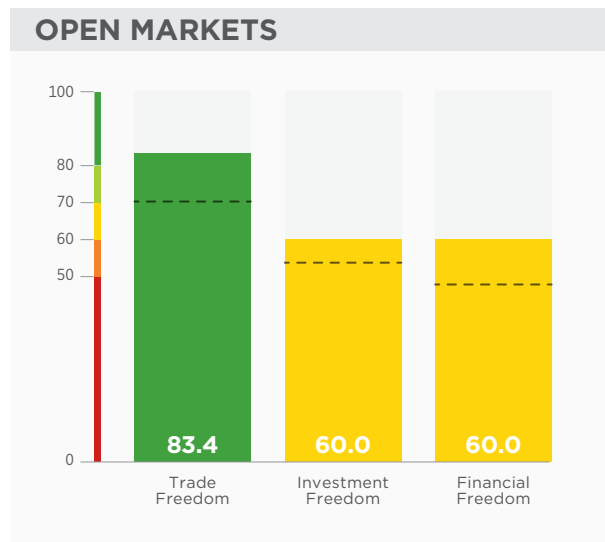
The overall rule of law is relatively well respected in Albania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



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.