

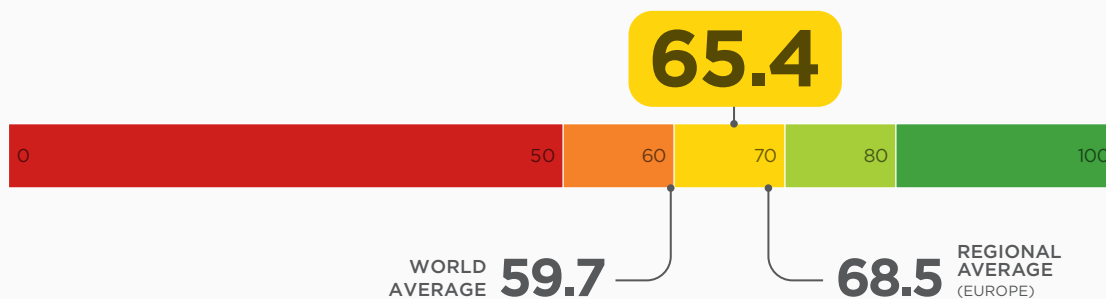
WORLD RANK: 57	REGIONAL RANK: 30
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

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*.

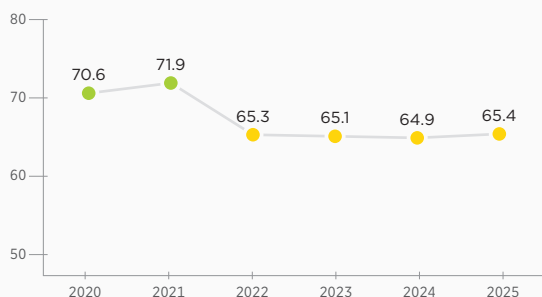
The overall regulatory framework remains efficient, and policies that support open markets are in place. Armenia performs relatively well in many of the four pillars of economic freedom, but the foundations of economic freedom are not strongly sustained by an independent judiciary. Corruption continues 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%

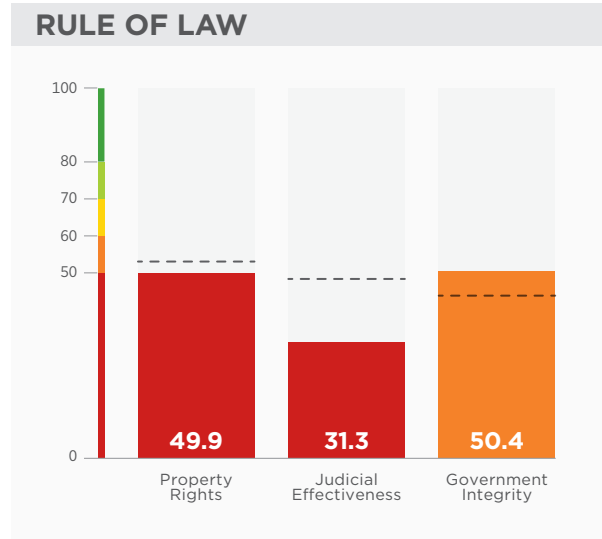
INFLATION (CPI):
2.0%

FDI INFLOW:
\$998.0 million

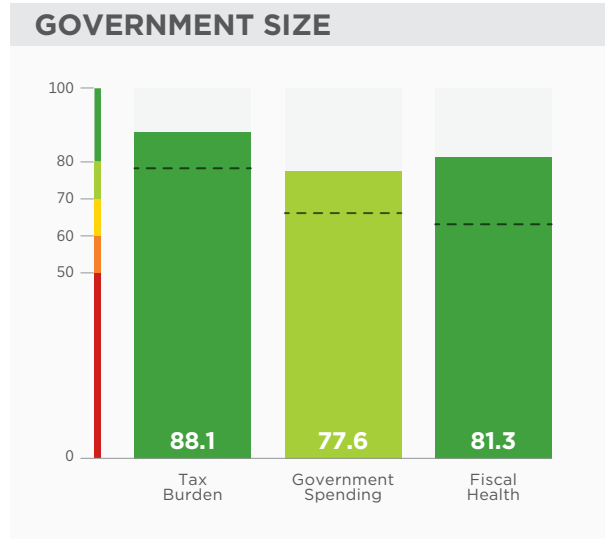
PUBLIC DEBT:
50.7% of GDP

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

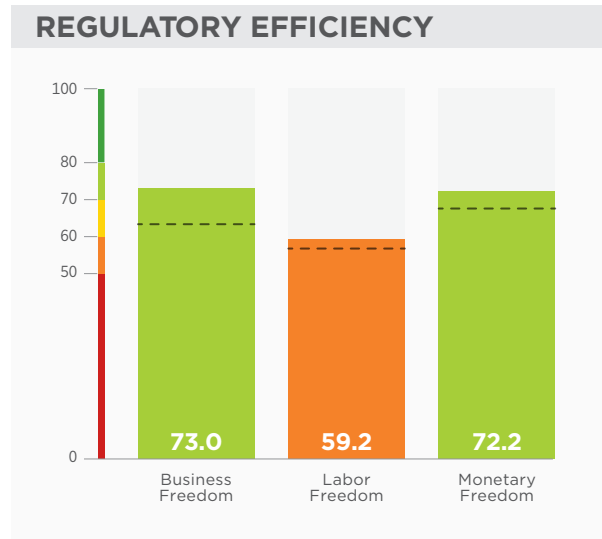
12 ECONOMIC FREEDOMS | ARMENIA



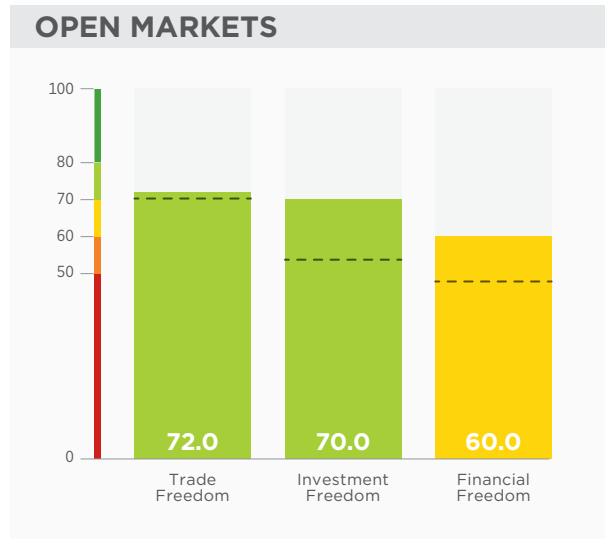
The overall rule of law is weak in Armenia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



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.