

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

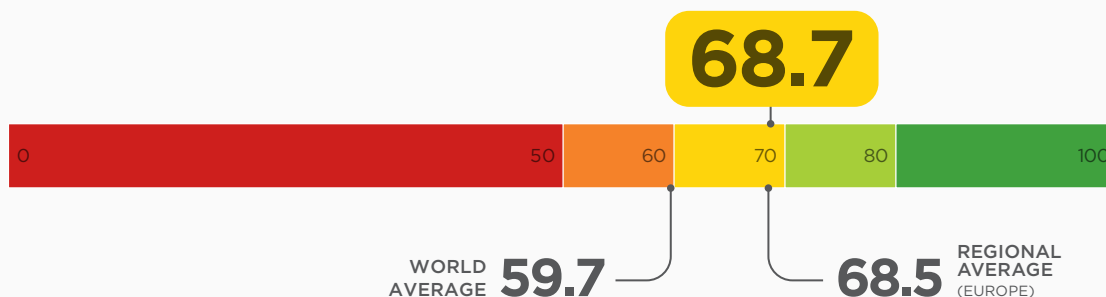
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

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*.

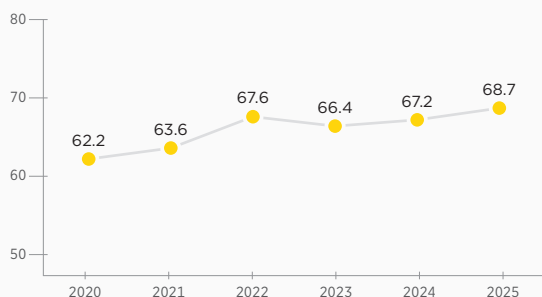
Croatia's scores on most components of economic freedom remain average. Earlier competitive reforms and trade liberalization have encouraged economic modernization and the emergence of a vibrant private sector, but overall progress has lagged behind progress in other emerging markets, and further reform 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

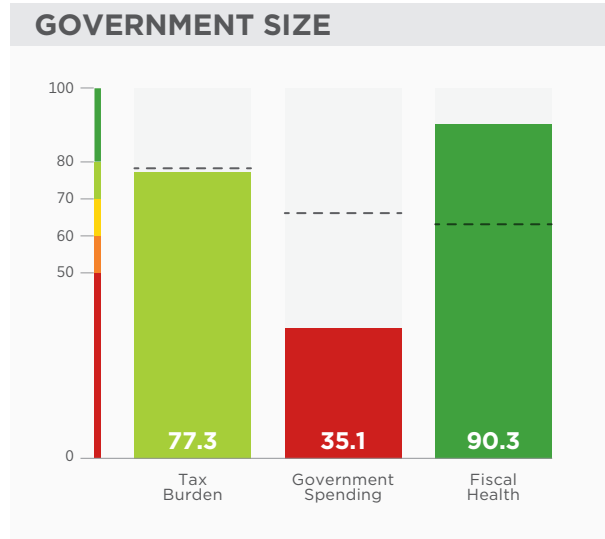
PUBLIC DEBT:
63.0% of GDP

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

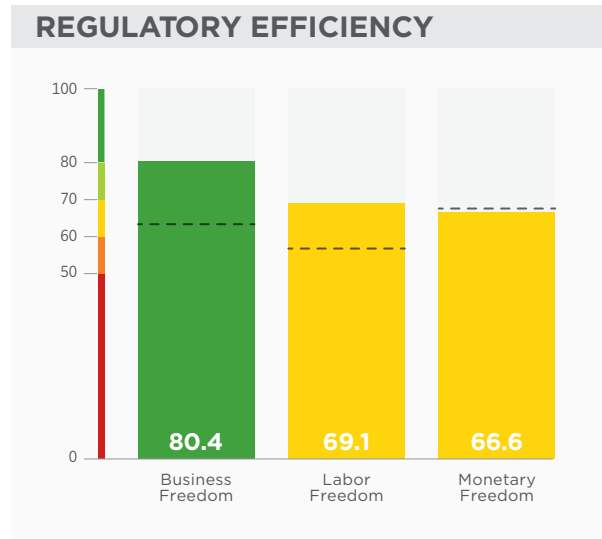
12 ECONOMIC FREEDOMS | CROATIA



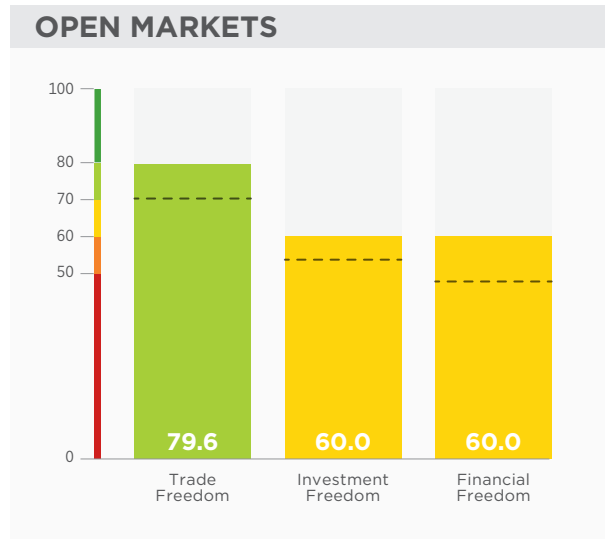
The overall rule of law is relatively well respected in Croatia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



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.