



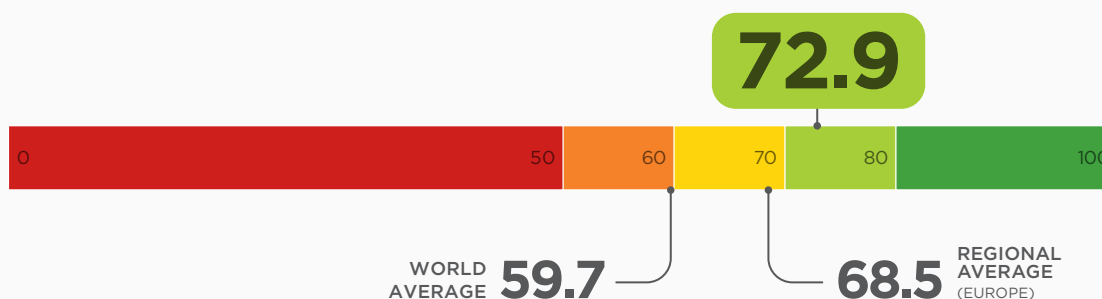
WORLD RANK:	REGIONAL RANK:
<b>20</b>	<b>12</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# 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*.

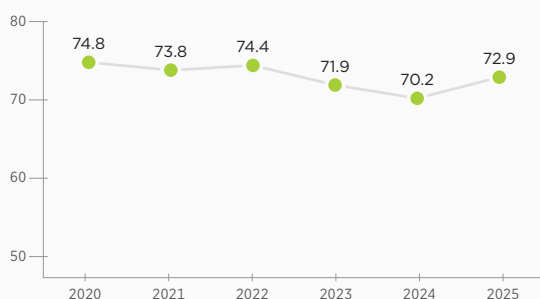
Strongly committed to economic and structural reform, the Czech Republic has developed a modern and flexible economy and performs above world averages in many of the four pillars of economic freedom. Open-market policies enable the economy to capitalize further on the results of earlier regulatory reforms. 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

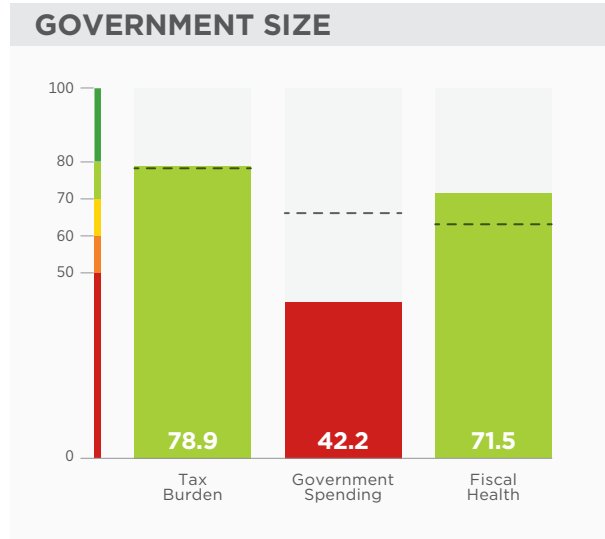
**PUBLIC DEBT:**  
42.4% of GDP

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

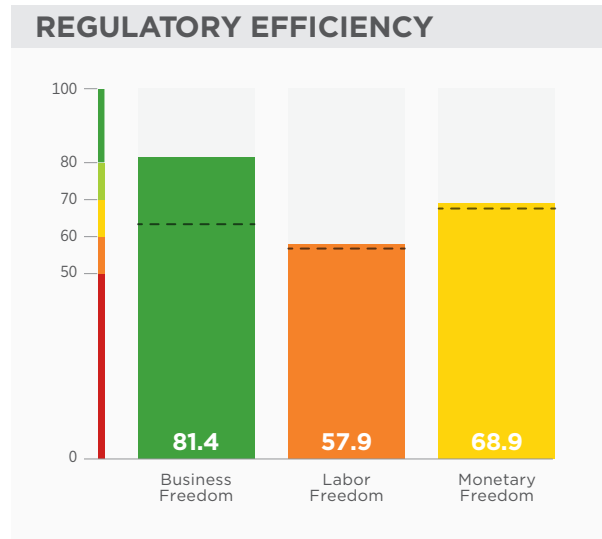
# 12 ECONOMIC FREEDOMS | CZECH REPUBLIC



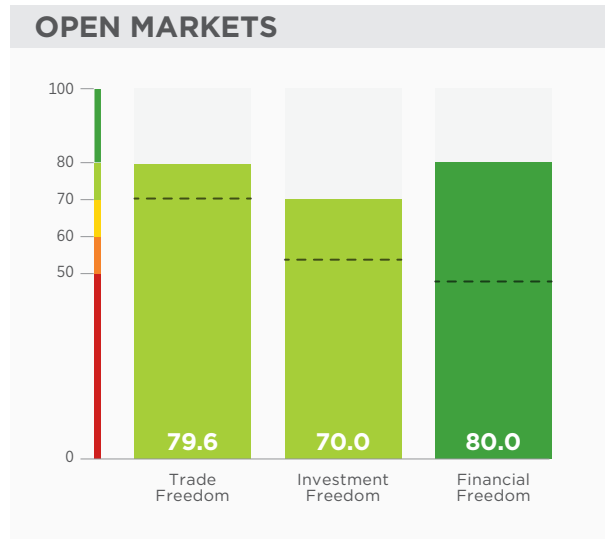
The overall rule of law is well respected in the Czech Republic. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



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.