WORLD RANK: **121** | REGIONAL RANK: **21**

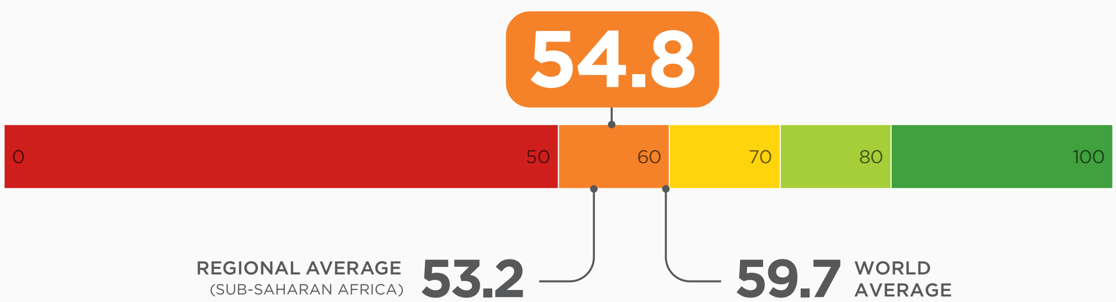
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

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*.

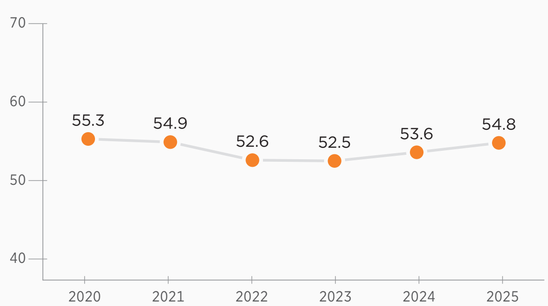
Despite some progress, the foundations of economic freedom are fragile and uneven. The rule of law is weak, and local courts are subject to substantial political interference. Poor protection of property rights and widespread corruption discourage entrepreneurial activity. Progress in reforming public 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%

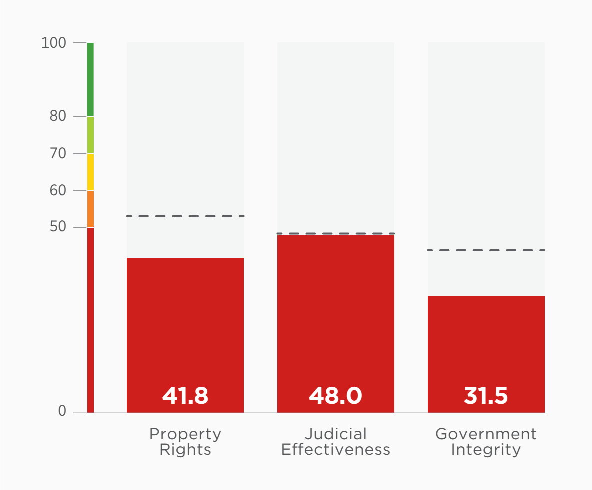
FDI INFLOW:
$759.0 million

PUBLIC DEBT:
73.1% of GDP

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

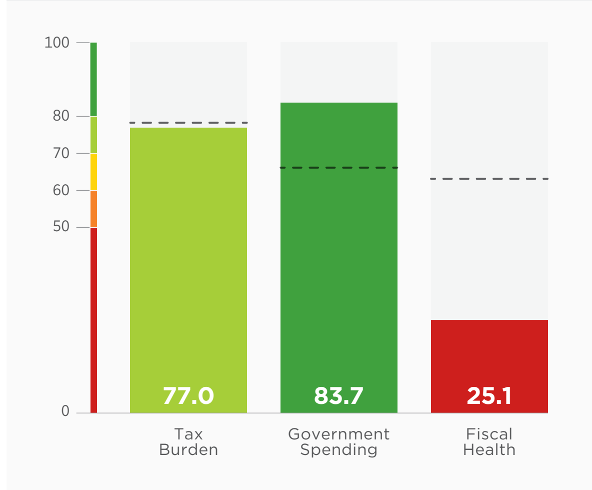
12 ECONOMIC FREEDOMS | KENYA

RULE OF LAW



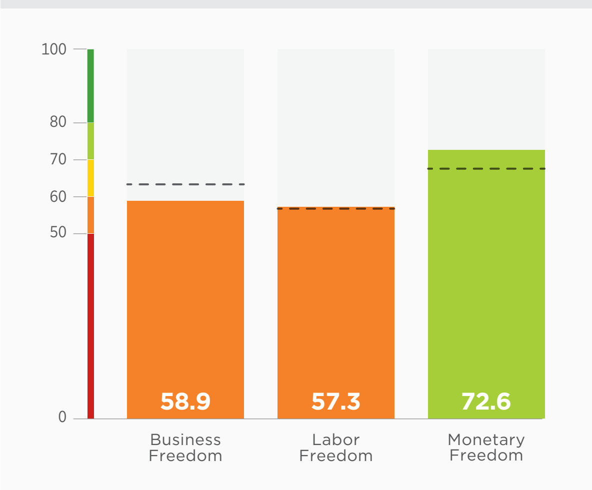
The overall rule of law is weak in Kenya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



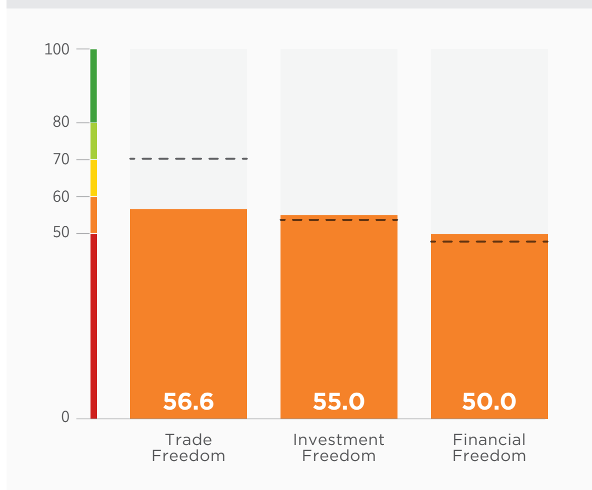
The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 13.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.3 percent and –6.3 percent of GDP. Public debt amounts to 73.1 percent of GDP.

REGULATORY EFFICIENCY



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.

OPEN MARKETS



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.