



WORLD RANK: **140** | REGIONAL RANK: **30**

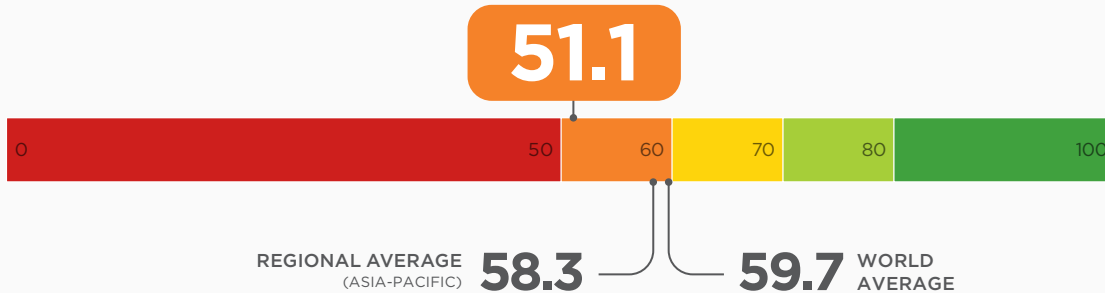
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

LAOS

Laos's economic freedom score is 51.1, making its economy the 140th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.5 point from last year, and Laos is ranked 30th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. Laos's economy is considered "mostly unfree" according to the 2025 *Index*.

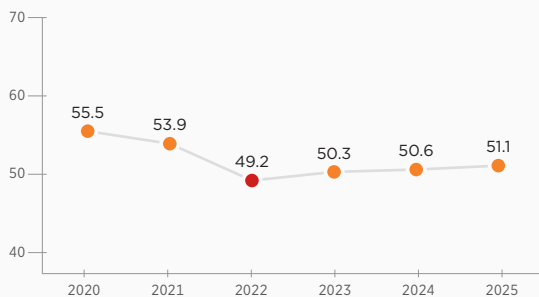
Deeper institutional reforms are needed in many areas to encourage broad-based long-term economic development. As indicated by low scores for property rights and freedom from corruption, the legal framework is inefficient and lacks transparency. Corruption and political interference undermine the rule of law. The transition to a more market-friendly economy has been slow. Despite some progress, the underdeveloped labor market does not provide dynamic employment opportunities for the growing supply of labor. The government influences many prices through state-owned enterprises and utilities.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +12.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
7.6 million

GDP (PPP):
\$70.1 billion
3.7% growth in 2023
3-year average growth rate: 2.7%
\$9,250 per capita

UNEMPLOYMENT:
1.2%

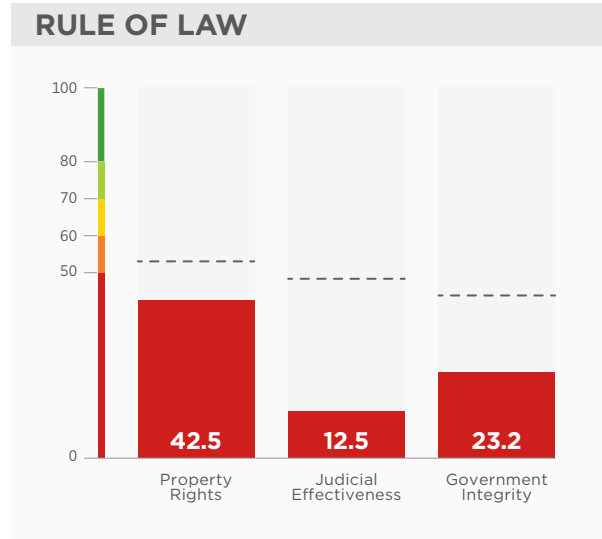
INFLATION (CPI):
31.2%

FDI INFLOW:
\$528.0 million

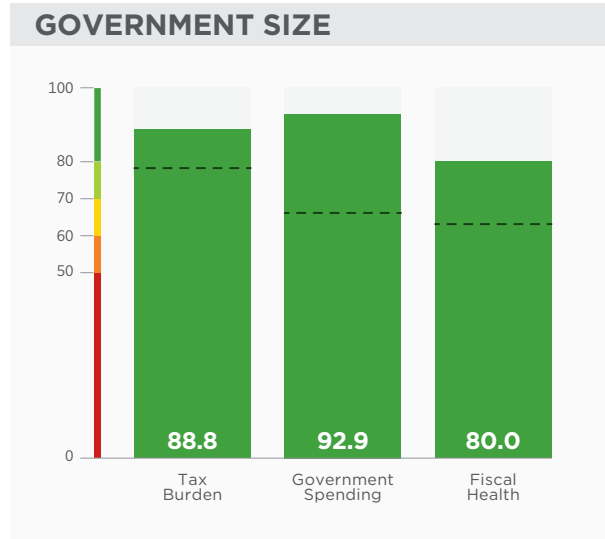
PUBLIC DEBT:
115.9% of GDP

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

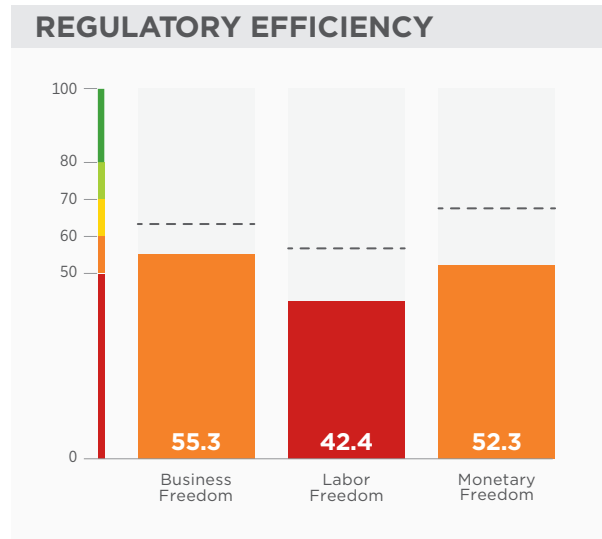
12 ECONOMIC FREEDOMS | LAOS



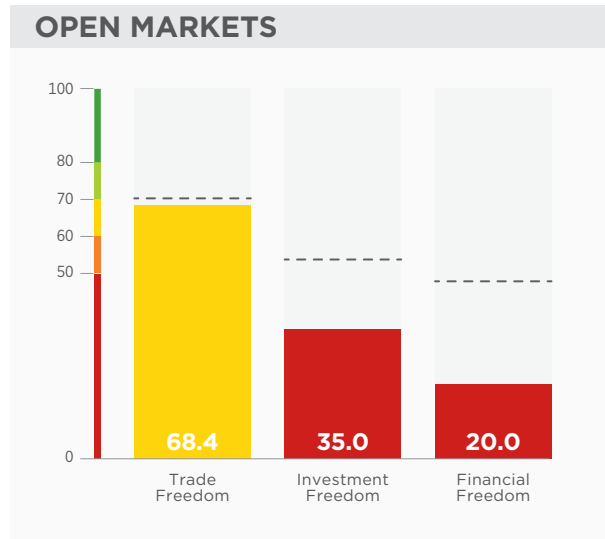
The overall rule of law is weak in Laos. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 9.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.4 percent and 0.0 percent of GDP. Public debt amounts to 115.9 percent of GDP.



Laos's overall regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is below the world average; its labor freedom score is below the world average; and its monetary freedom score is well below the world average.



The trade-weighted average tariff rate is 8.3 percent, and multiple nontariff measures are in force. State-owned enterprises distort the economy, and layers of restrictions discourage more dynamic foreign investment. The financial sector is subject to state involvement and undermined by political vested interests.