WORLD RANK: **16**

REGIONAL RANK: **10**

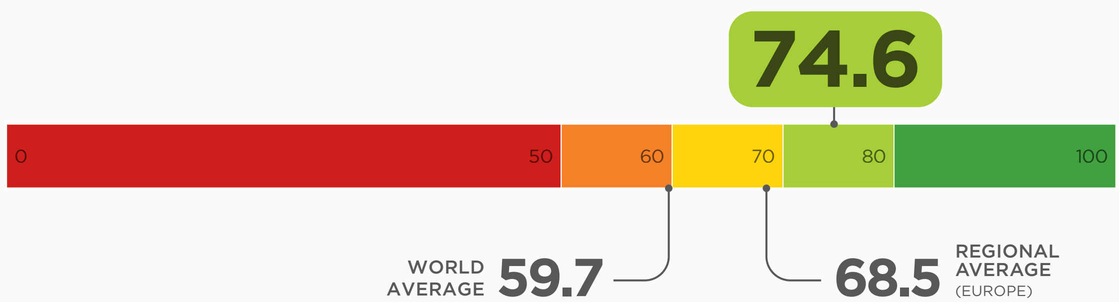
ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

LITHUANIA

Lithuania's economic freedom score is 74.6, making its economy the 16th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.7 points from last year, and Lithuania is ranked 10th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Lithuania's economy is considered "mostly free" according to the 2025 *Index*.

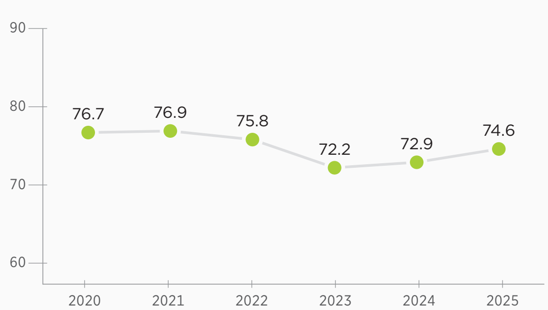
Lithuania's transition to a free-market economy has been facilitated by the rule of law, structural reforms, and an increasingly vibrant private sector. Competitive taxation, a relatively efficient regulatory system, and policies that open Lithuania to global commerce and trade have encouraged more dynamic and broadly based economic expansion. The entrepreneurial framework is fairly streamlined and efficient. Business formation and operation take place without bureaucratic interference. Despite some reform, the labor market remains relatively rigid.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +24.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
2.9 million

GDP (PPP):
$147.4 billion
–0.3% growth in 2023
3-year average growth rate: 2.8%
$51,129 per capita

UNEMPLOYMENT:
7.0%

INFLATION (CPI):
8.7%

FDI INFLOW:
$2.2 billion

PUBLIC DEBT:
38.3% of GDP

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

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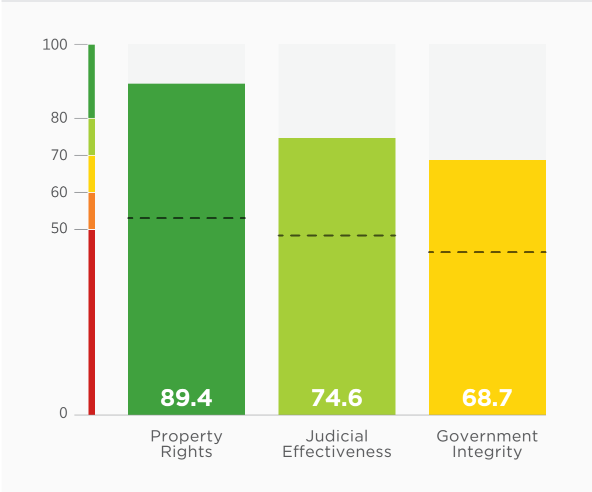
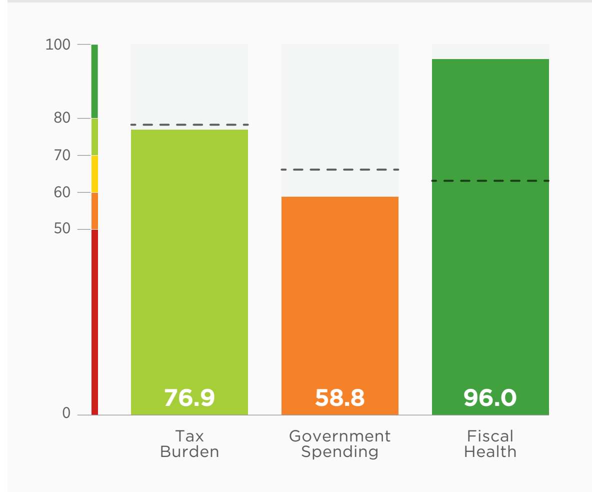
RULE OF LAW



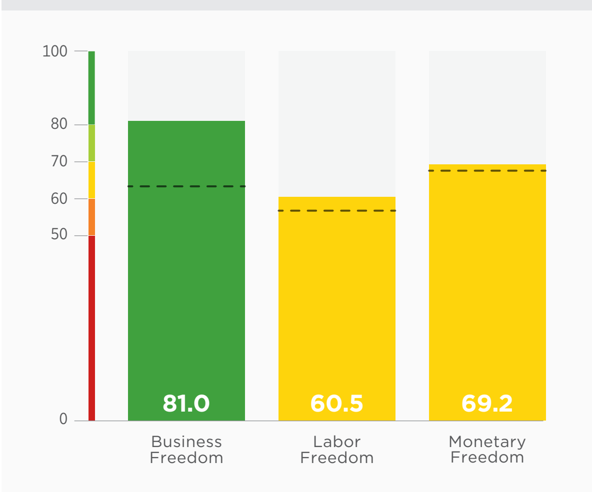
The overall rule of law is well respected in Lithuania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.

GOVERNMENT SIZE



The top individual income tax rate is 32 percent, and the top corporate tax rate is 15 percent. The tax burden equals 32.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.0 percent and –0.8 percent of GDP. Public debt amounts to 38.3 percent of GDP.

REGULATORY EFFICIENCY



Lithuania'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 below the world average.

OPEN MARKETS

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. The relatively sound regulatory framework facilitates foreign investment. The financial sector offers a full range of services, and the banking system is stable.