

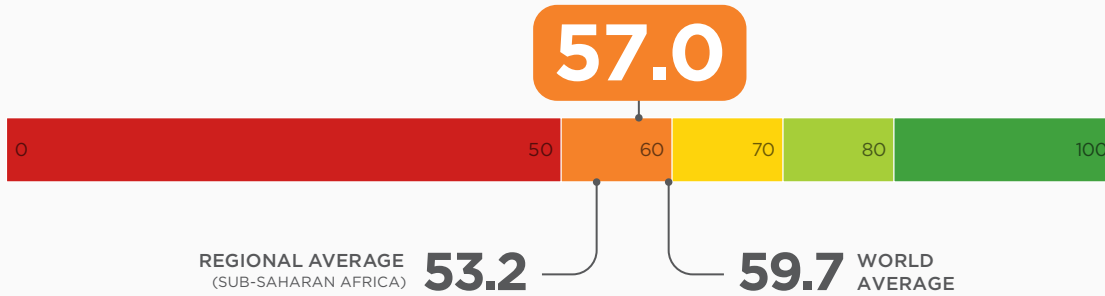
WORLD RANK: **104** REGIONAL RANK: **11**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# MADAGASCAR

Madagascar's economic freedom score is 57.0, making its economy the 104th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and Madagascar is ranked 11th 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. Madagascar's economy is considered "mostly unfree" according to the 2025 *Index*.

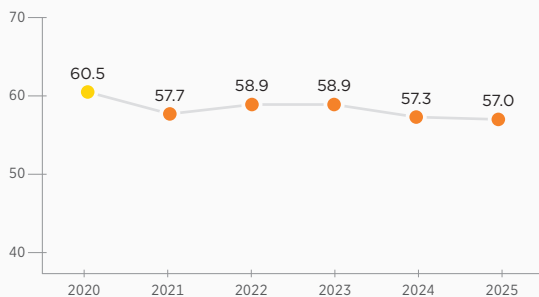
A still-deficient institutional framework and the ongoing risk of political instability continue to undermine efforts to reduce poverty. The judicial system is underdeveloped, and convoluted administrative procedures facilitate corruption, weakening the foundations of economic freedom. Policies needed to sustain open markets are not firmly institutionalized. Regulations often reflect customs and unwritten rules. The labor laws are outmoded, restrictive, and not conducive to the development of a dynamic labor market. The government influences prices through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.4

## RECENT FREEDOM TREND

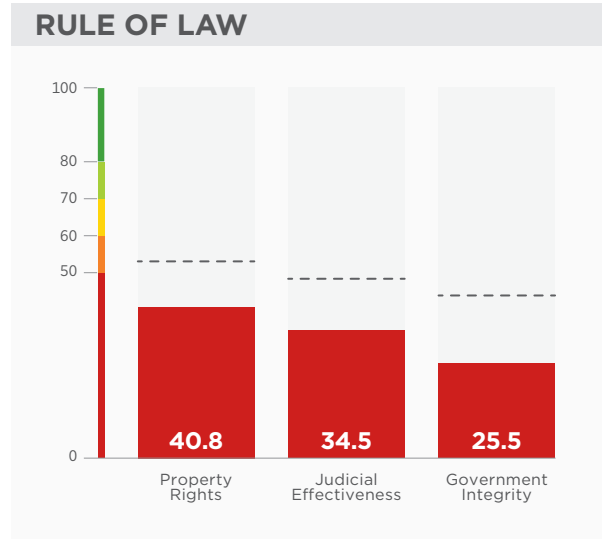


## QUICK FACTS

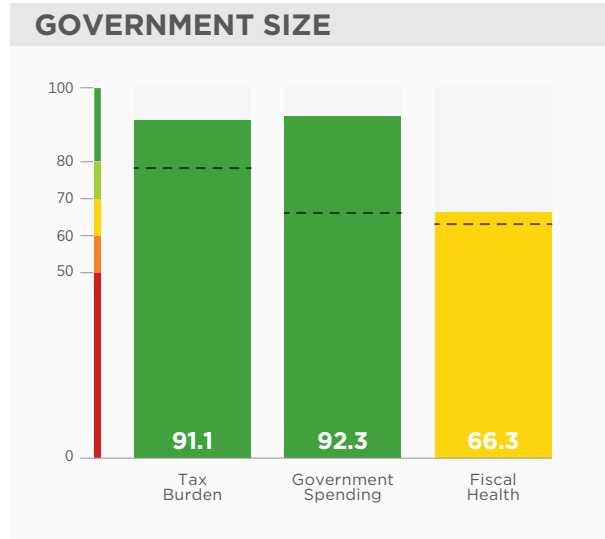
<b>POPULATION:</b> 29.8 million	<b>UNEMPLOYMENT:</b> 3.1%
<b>GDP (PPP):</b> \$56.9 billion 3.8% growth in 2023 3-year average growth rate: 4.5%	<b>INFLATION (CPI):</b> 9.9%
<b>FDI INFLOW:</b> \$396.0 million	<b>PUBLIC DEBT:</b> 55.6% of GDP

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

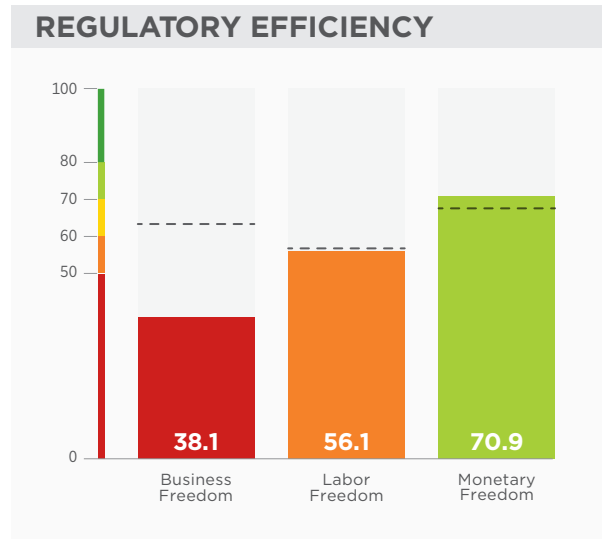
# 12 ECONOMIC FREEDOMS | MADAGASCAR



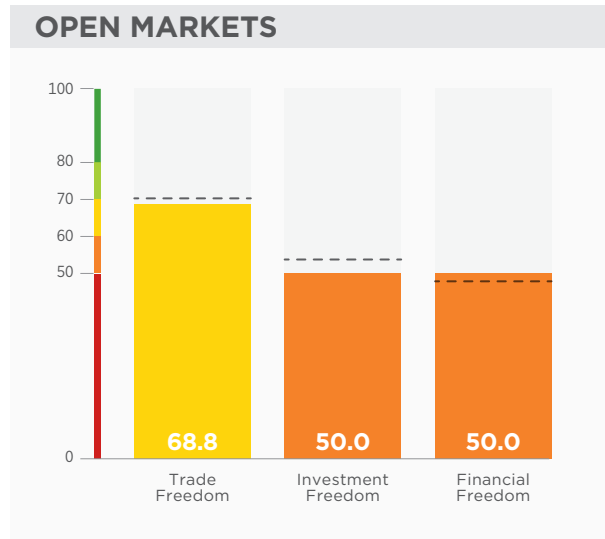
The overall rule of law is weak in Madagascar. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 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, 16.0 percent and -4.2 percent of GDP. Public debt amounts to 55.6 percent of GDP.



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



The trade-weighted average tariff rate is 8.1 percent, and layers of nontariff measures are in force. Judicial and regulatory barriers deter foreign investment. State-owned enterprises distort the economy. Fewer than 20 percent of adult Malagasies have access to an account with a formal banking institution.