

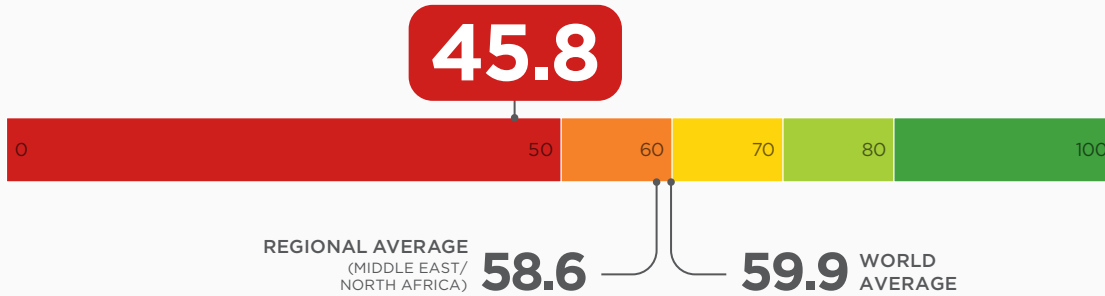
WORLD RANK:	REGIONAL RANK:
163	12
ECONOMIC FREEDOM STATUS:	
REPRESSED	

ALGERIA

Algeria’s economic freedom score is 45.8, making its economy the 163rd freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 1.7 points from last year, and Algeria is ranked 12th out of 14 countries in the Middle East/North Africa region. The country’s economic freedom score is lower than the world and regional averages. Algeria’s economy continues to be considered “repressed” according to the 2026 *Index*.

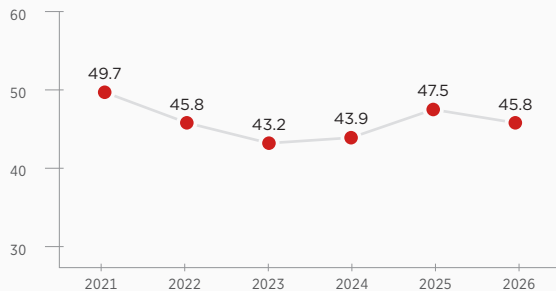
The foundations of economic freedom are not well institutionalized. The judiciary’s vulnerability to political interference and corruption undermines sustainable economic development. Despite some progress, the government still needs to improve fiscal governance. Structural reforms to diversify the economic base have achieved only marginal success. Protectionist regulatory measures have been used to encourage domestic production. Algeria is one of the world’s leading natural gas exporters. Oil and gas account for almost 95 percent of export revenues and more than 30 percent of GDP.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -9.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
46.0 million

GDP (PPP):
\$826.1 billion
3.4% growth in 2025
3-year average growth rate: 3.7%
\$18,509 per capita

UNEMPLOYMENT:
11.5%

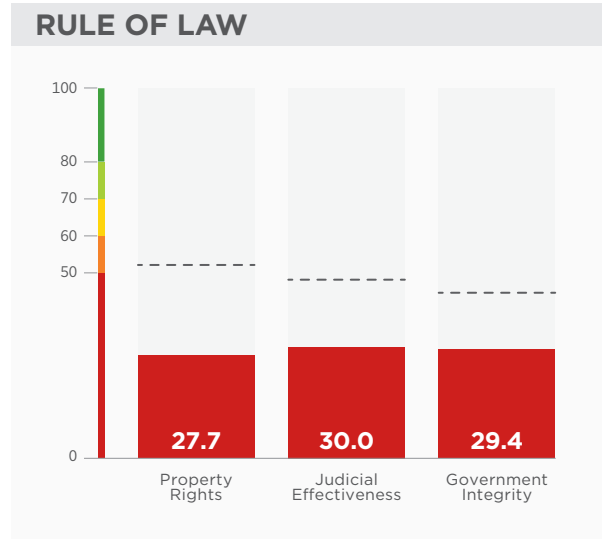
INFLATION (CPI):
4.0%

TRADE AS % OF GDP: 43.7%

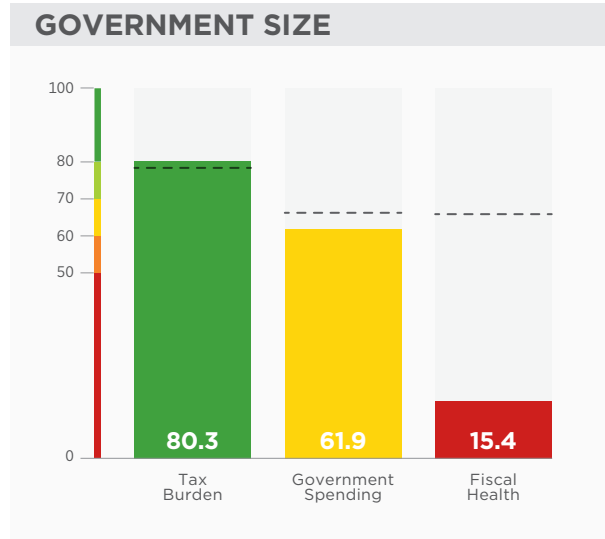
PUBLIC DEBT:
48.1% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

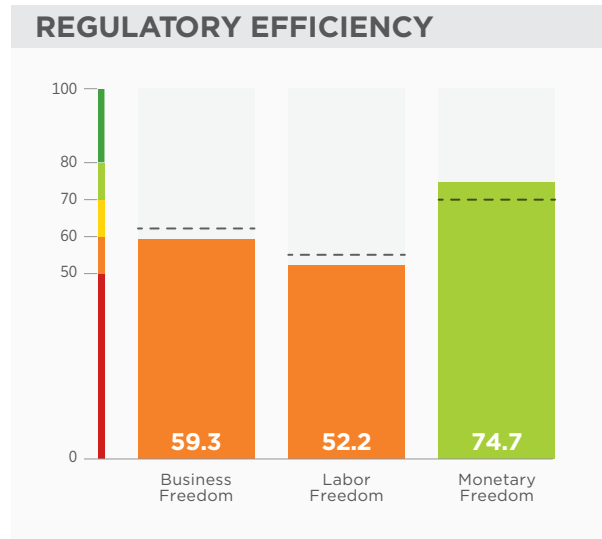
12 ECONOMIC FREEDOMS | ALGERIA



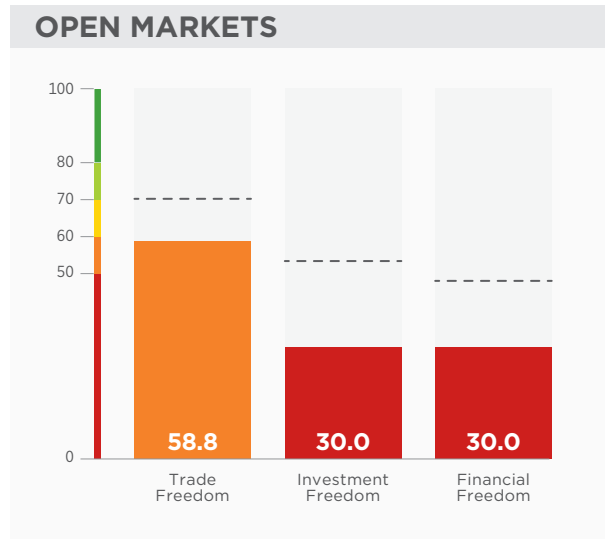
The overall rule of law is weak in Algeria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 26 percent. The tax burden equals 8.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.6 percent and -7.4 percent of GDP. Public debt amounts to 48.1 percent of GDP.



Algeria'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 below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 13.1 percent, and layers of nontariff barriers are in force. Foreign investors generally enjoy only minority status, and restrictions on foreign ownership still limit much-needed dynamic investment. Capital markets are underdeveloped, and public banks still dominate the financial sector.