WORLD RANK: **49**

REGIONAL RANK: **27**

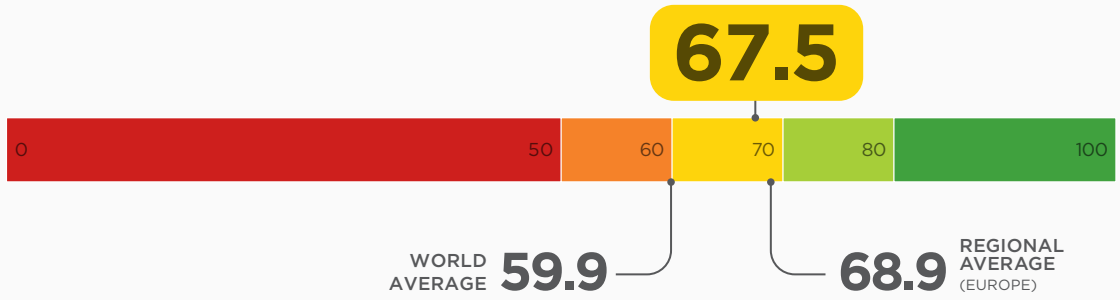
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

CROATIA

Croatia's economic freedom score is 67.5, making its economy the 49th freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 1.2 points from last year, and Croatia is ranked 27th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Croatia's economy is considered "moderately free" according to the 2026 *Index*.

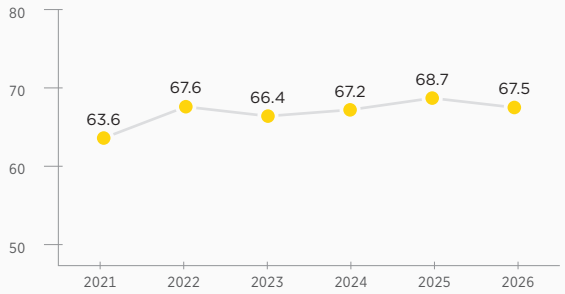
Croatia's scores on most components of economic freedom remain average with its economic growth outpacing the Eurozone average. Earlier competitive reforms and trade liberalization encouraged economic modernization and the emergence of a vibrant private sector, but overall progress has lagged behind progress in other emerging markets. Despite reform measures that have streamlined the procedures for establishing a business, the overall regulatory environment remains inefficient. Similarly, the labor market remains relatively rigid. Inflation has been relatively high in recent years.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +19.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION: 3.8 million

GDP (PPP): $187.8 billion
3.1% growth in 2025
3-year average growth rate: 3.4%
$51,453 per capita

UNEMPLOYMENT: 5.3%

INFLATION (CPI): 4.0%

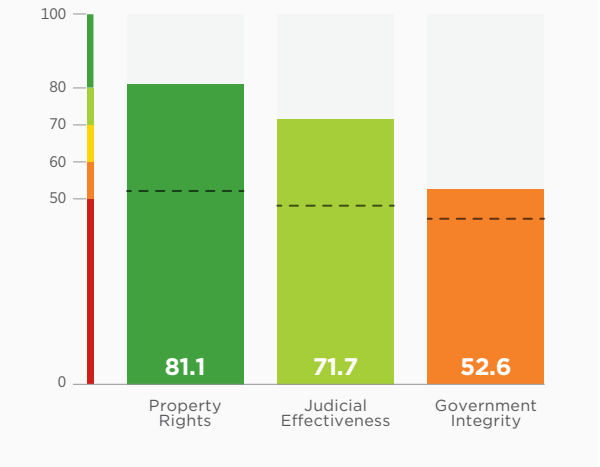
TRADE AS % OF GDP: 102.7%

PUBLIC DEBT: 57.6% of GDP

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

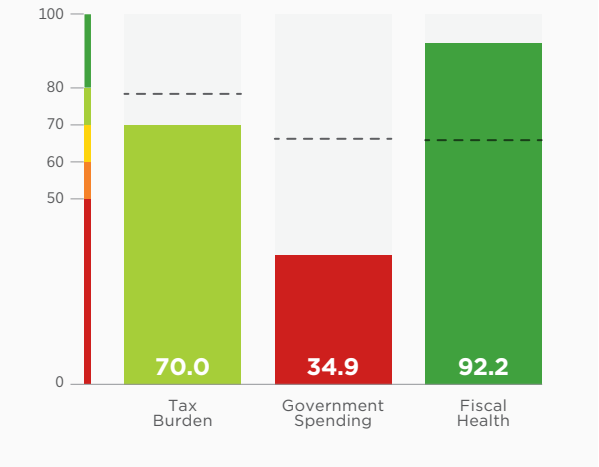
12 ECONOMIC FREEDOMS | CROATIA

RULE OF LAW



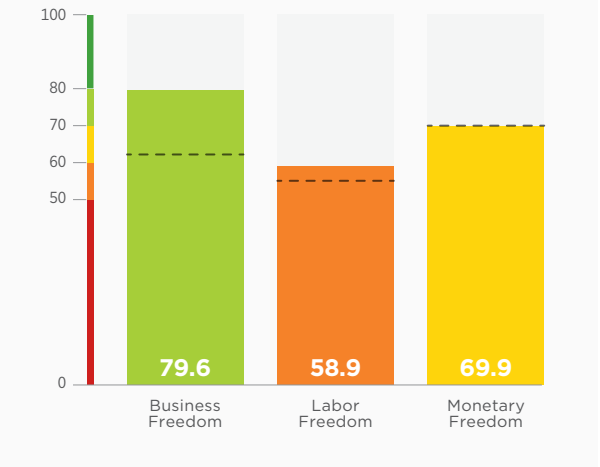
The overall rule of law is relatively well respected in Croatia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.

GOVERNMENT SIZE



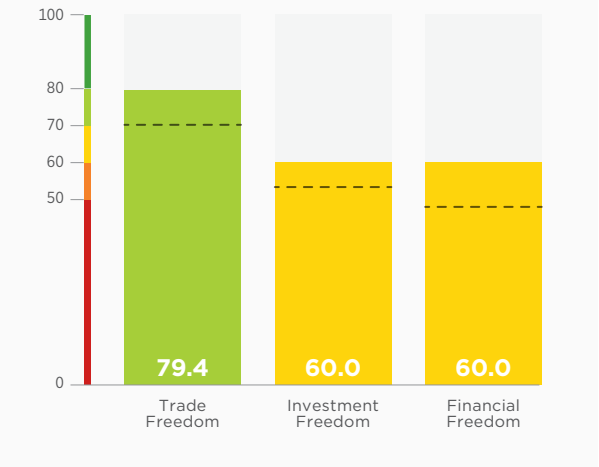
The top individual income tax rate is 36 percent, and the top corporate tax rate is 18 percent. The tax burden equals 37.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 46.6 percent and –0.9 percent of GDP. Public debt amounts to 57.6 percent of GDP.

REGULATORY EFFICIENCY



Croatia'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 2.8 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional eight country-specific nontariff barriers. Foreign investment faces no restrictive screening mechanisms. Financial markets are open to foreign investment.