

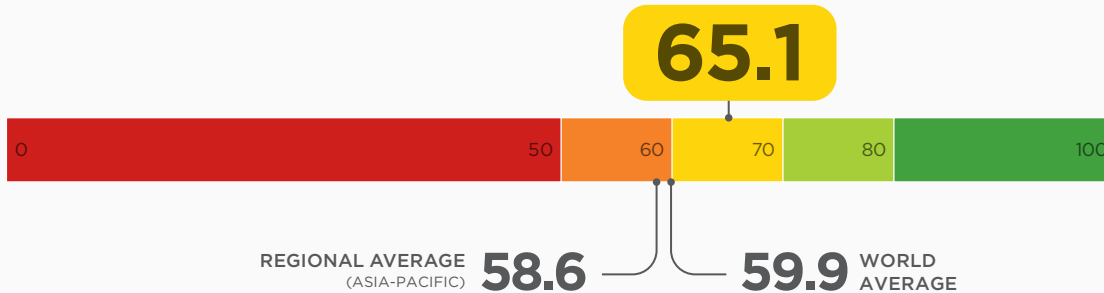
WORLD RANK: **60** | REGIONAL RANK: **10**
 ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

INDONESIA

Indonesia's economic freedom score is 65.1, making its economy the 60th freest in the 2026 *Index of Economic Freedom*. Its rating is essentially unchanged from last year, and Indonesia is ranked 10th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Indonesia's economy is considered "moderately free" according to the 2026 *Index*.

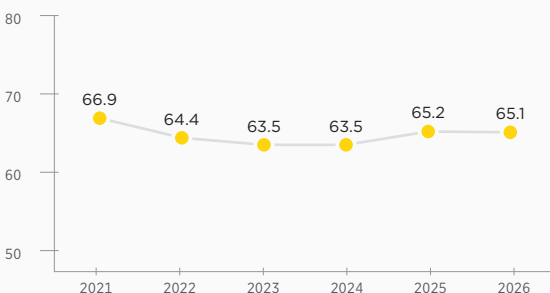
Indonesia has undertaken wide-ranging reforms to address the economy's structural weaknesses and improve competitiveness. The economy has shown considerable resilience, weathering the global economic slowdown relatively well. Recent reforms have put greater emphasis on improving regulatory efficiency, enhancing regional competitiveness, and creating a more vibrant private sector through decentralization, but institutional shortcomings continue to undercut momentum for more dynamic economic development. In the absence of a well-functioning legal and regulatory framework, corruption remains an impediment to greater private-sector dynamism.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +10.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
278.7 million

GDP (PPP):
\$4.7 trillion
4.9% growth in 2025
3-year average growth rate: 5.0%
\$17,634 per capita

UNEMPLOYMENT:
3.3%

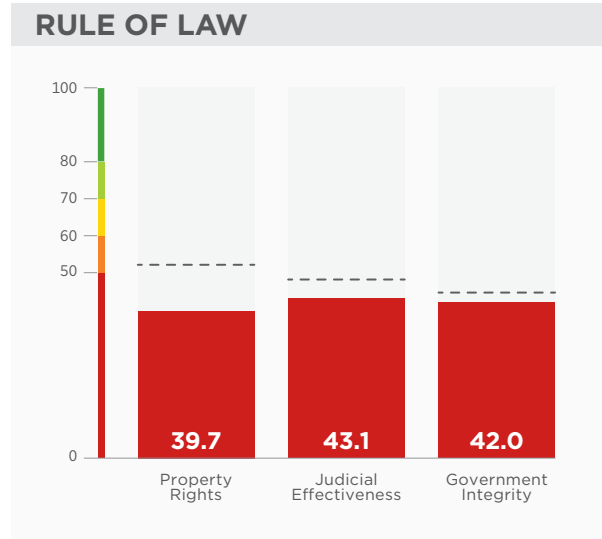
INFLATION (CPI):
2.3%

TRADE AS % OF GDP: 42.6%

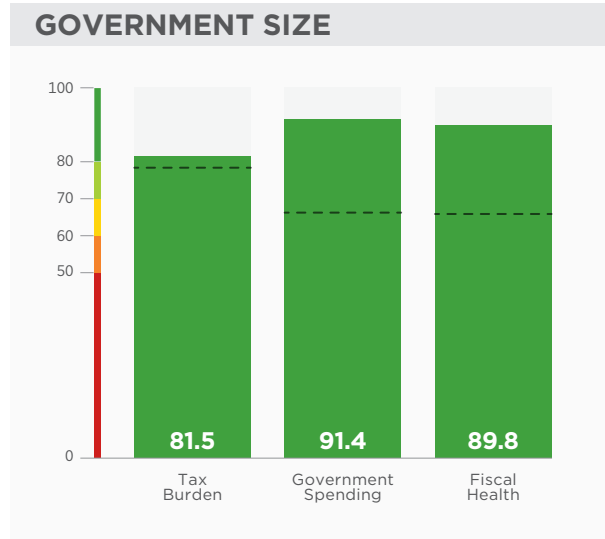
PUBLIC DEBT:
40.2% of GDP

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

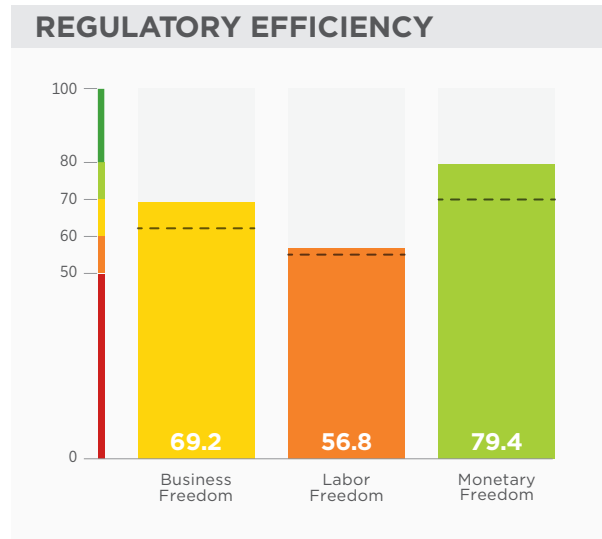
12 ECONOMIC FREEDOMS | INDONESIA



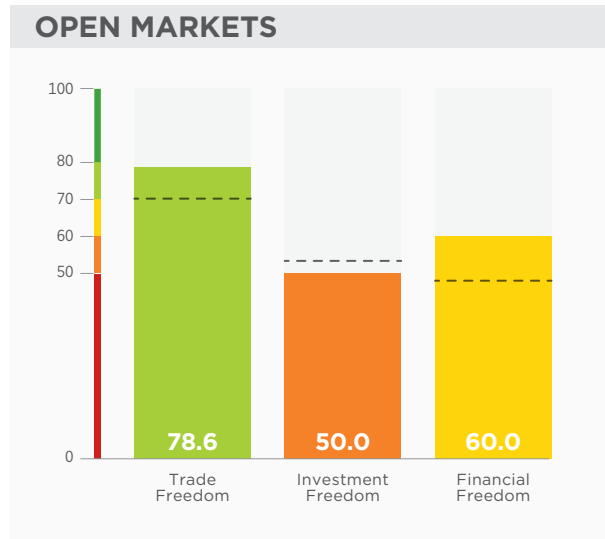
The overall rule of law is weak in Indonesia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 22 percent. The tax burden equals 12 percent of GDP. Three-year government spending and budget balance averages are, respectively, 16.9 percent and -2.1 percent of GDP. Public debt amounts to 40.2 percent of GDP.



Indonesia's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 5.7 percent, and various nontariff measures are in force. The government has moved to dismantle some of its previously imposed barriers to foreign investment. Overall, the financial system's efficiency has increased. The state still owns several banks.