

WORLD RANK: **176** | REGIONAL RANK: **39**

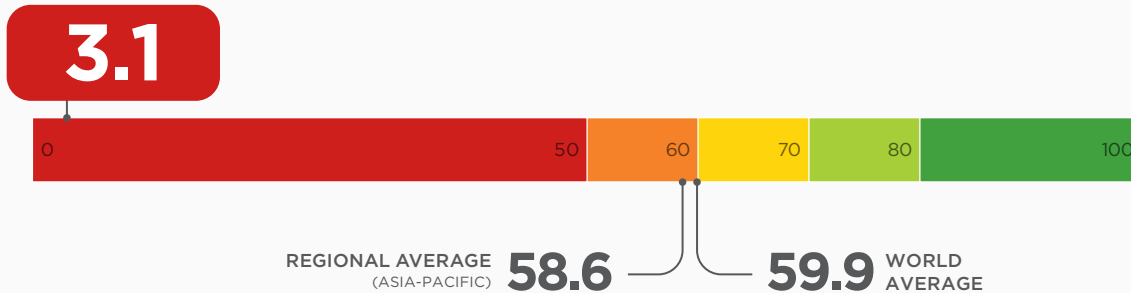
ECONOMIC FREEDOM STATUS: **REPRESSED**

NORTH KOREA

North Korea's economic freedom score (relying on limited available information) is 3.1, making its economy the 176th freest in the 2026 *Index of Economic Freedom*. Its rating is essentially unchanged from last year, and North Korea is ranked 39th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the global and regional averages. North Korea's economy is considered "repressed" according to the 2026 *Index*.

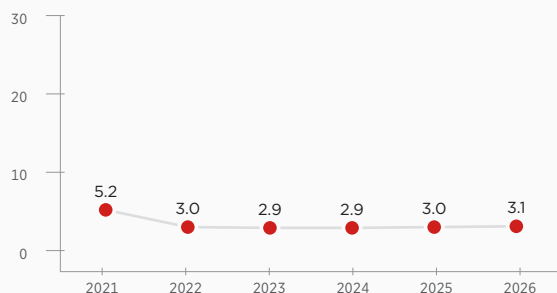
North Korea is still largely isolated from the rest of the world, and its dictatorial leadership remains unwilling to open or restructure the economy. Despite experimentation with a few market reforms, the state still controls the economy. The Communist Party dictates every aspect of the economy through central planning, and entrepreneurial activity is virtually impossible. After decades of financial mismanagement, relative autarky, and resource misallocation, North Korea has faced chronic food shortages.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -5.8

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
25.9 million

GDP (PPP):
n/a
n/a growth in 2025
3-year average growth rate: n/a
n/a per capita

UNEMPLOYMENT:
n/a

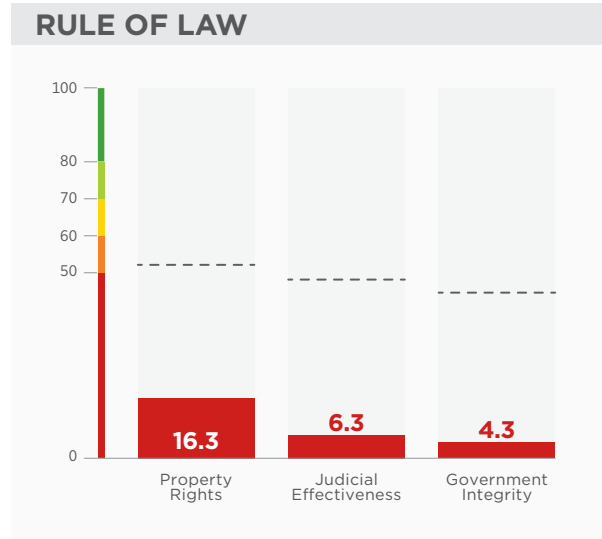
INFLATION (CPI):
n/a

TRADE AS % OF GDP: n/a

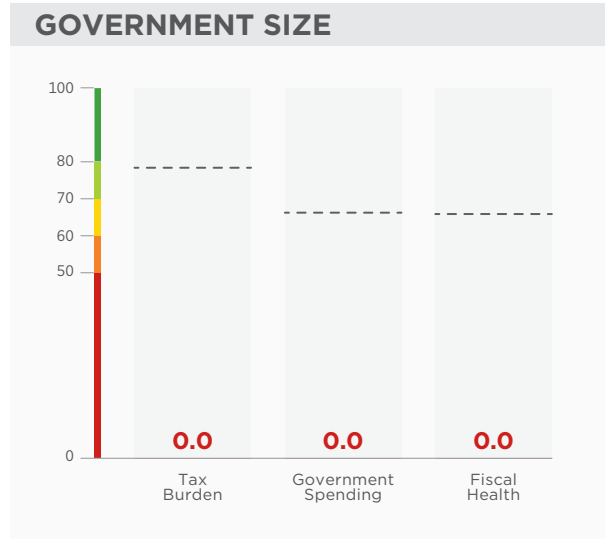
PUBLIC DEBT:
n/a

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

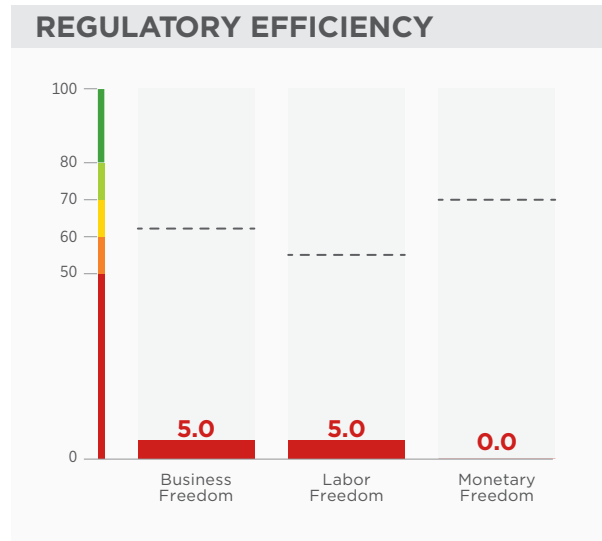
12 ECONOMIC FREEDOMS | NORTH KOREA



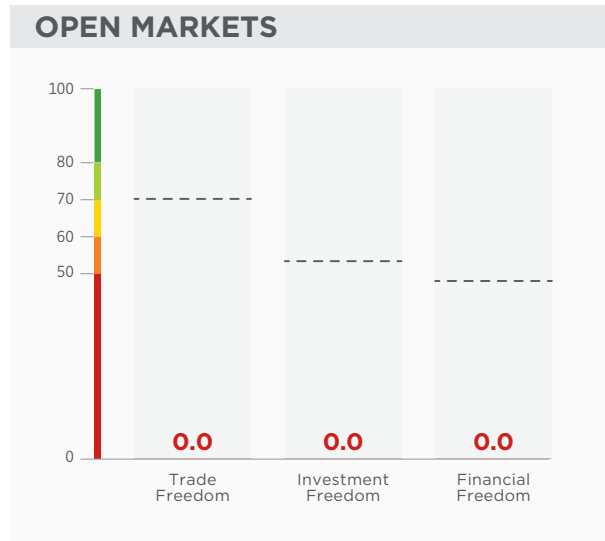
The overall rule of law is weak in North Korea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no effective tax system. The government controls all significant activity. The state sets production levels for most products, and state-owned industries account for nearly 100 percent of the country's GDP. The magnitude of North Korea's military spending further drains scarce resources.



North Korea's overall regulatory environment is very inefficient, and heavy state regulation of the economy continues unabated. 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 well below the world average.



The government controls flows of trade and investment. The dominant influence of the military establishment makes any meaningful near-term change unlikely. Access to financing is very limited and constrained by the repressive economic system, which remains firmly controlled by the state.