

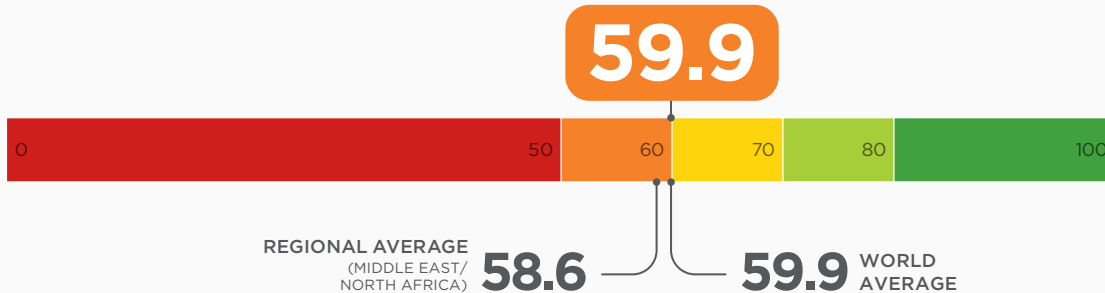
WORLD RANK:	REGIONAL RANK:
90	8
ECONOMIC FREEDOM STATUS: MOSTLY UNFREE	

KUWAIT

Kuwait's economic freedom score is 59.9, making its economy the 90th freest in the 2026 *Index of Economic Freedom*. Its rating has not changed from last year, and Kuwait is ranked 8th out of 14 countries in the Middle East/North Africa region. The country's economic freedom score is higher than the world and regional averages. Kuwait's economy is considered "mostly unfree" according to the 2026 *Index*.

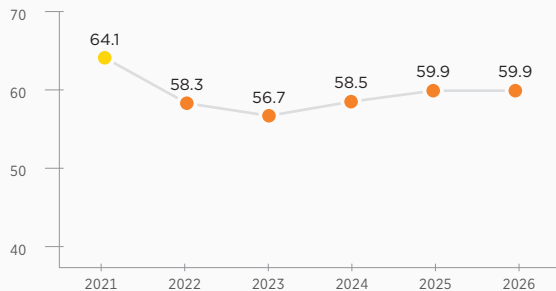
Institutional weaknesses continue to constrain overall economic freedom and competitiveness. The judicial system lacks the capacity to defend property rights effectively. Despite some progress, corruption continues to undermine prospects for long-term economic development. Kuwait has taken steps to improve its regulatory framework, but progress has been gradual and uneven. Overall, labor regulations lack flexibility. The government provides numerous subsidies and controls prices through state-owned utilities and enterprises.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -6.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
4.9 million

GDP (PPP):
\$257.2 billion
2.6% growth in 2025
3-year average growth rate: -0.6%
\$52,866 per capita

UNEMPLOYMENT:
2.2%

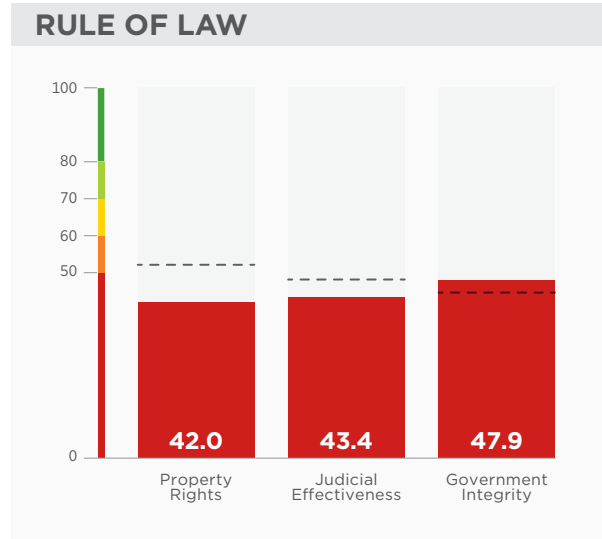
INFLATION (CPI):
2.9%

TRADE AS % OF GDP: 96.0%

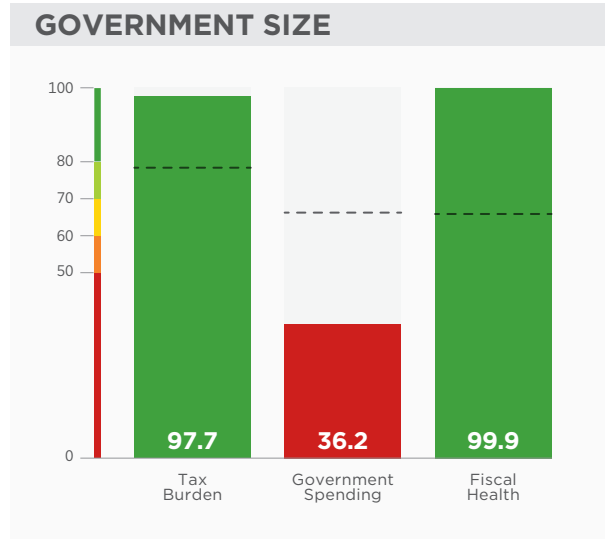
PUBLIC DEBT:
2.9% of GDP

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

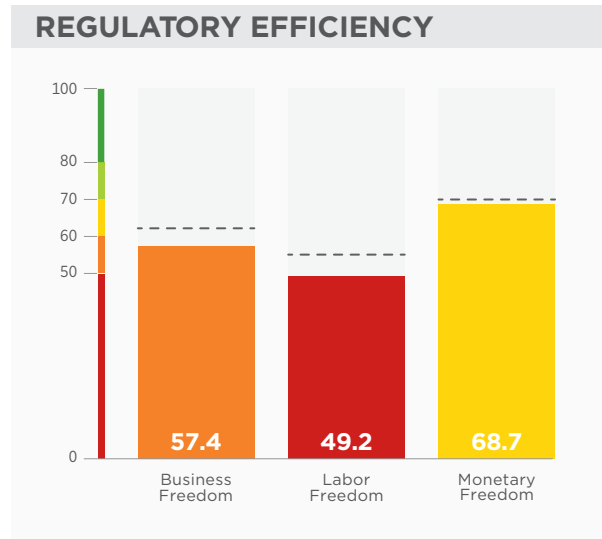
12 ECONOMIC FREEDOMS | KUWAIT



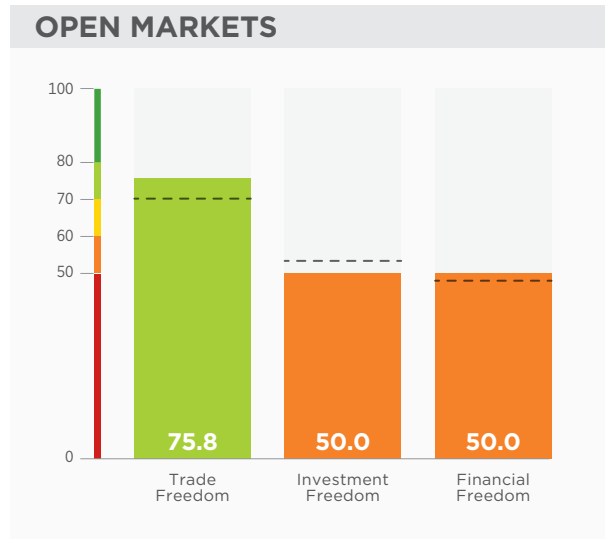
The overall rule of law is weak in Kuwait. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 15 percent. The tax burden equals 1.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 46.1 percent and 27.3 percent of GDP. Public debt amounts to 2.9 percent of GDP.



Kuwait's overall regulatory environment is poorly institutionalized and inefficient. 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 below the world average.



The trade-weighted average tariff rate is 4.6 percent, and nontariff barriers remain in force. The economy is generally open to foreign investment, but some sectors are restricted. A modern financial regulatory system facilitates and welcomes portfolio investment. The banking sector remains well capitalized and relatively sound.