



WORLD RANK: **141** | REGIONAL RANK: **30**

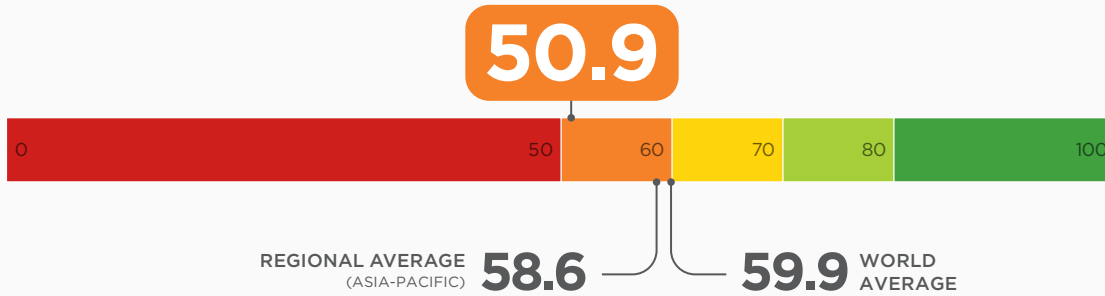
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# LAOS

Laos's economic freedom score is 50.9, making its economy the 141st freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 0.2 point from last year, and Laos is ranked 30th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the global and regional averages. Laos's economy is considered "mostly unfree" according to the 2026 *Index*.

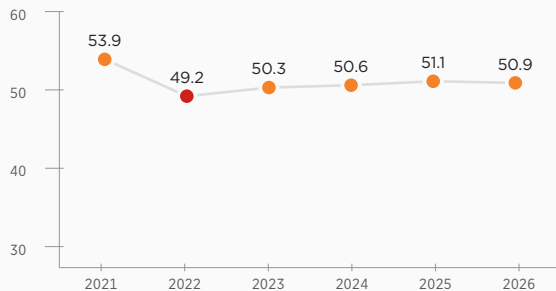
Deeper institutional reforms are needed in many economic areas to encourage broad-based long-term development. As indicated by low scores for property rights and freedom from corruption, the legal framework is inefficient and lacks transparency. Corruption and political interference undermine the rule of law. The transition to a more market-friendly economy has been slow. Despite some progress, the underdeveloped labor market does not provide dynamic employment opportunities for the growing supply of labor. State-owned enterprises and utilities influence many prices.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +12.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.6 million

**GDP (PPP):**  
\$75.0 billion  
3.5% growth in 2025  
3-year average growth rate: 3.8%  
\$10,212 per capita

**UNEMPLOYMENT:**  
1.3%

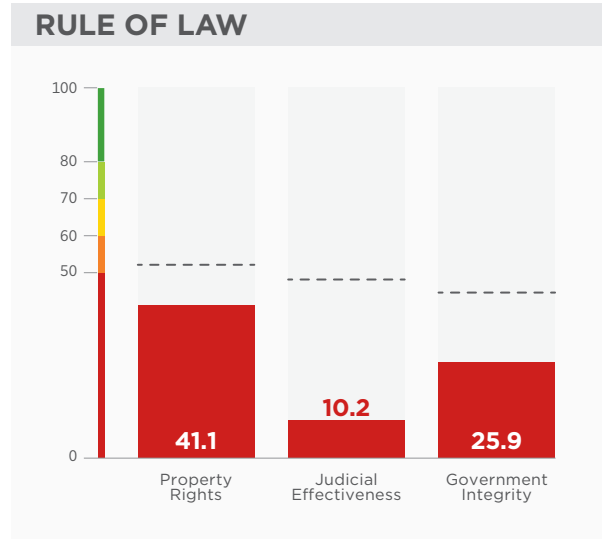
**INFLATION (CPI):**  
23.1%

**TRADE AS % OF GDP:**  
n/a

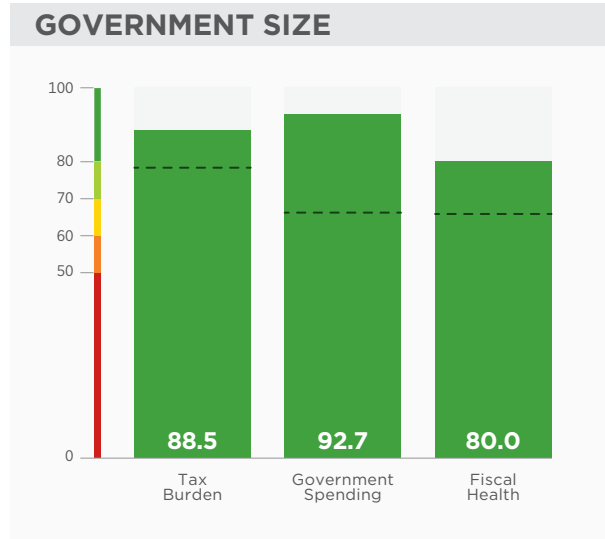
**PUBLIC DEBT:**  
100.5% of GDP

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

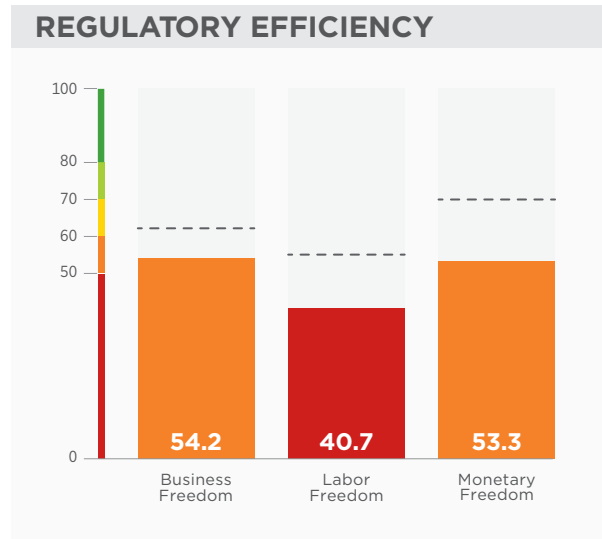
# 12 ECONOMIC FREEDOMS | LAOS



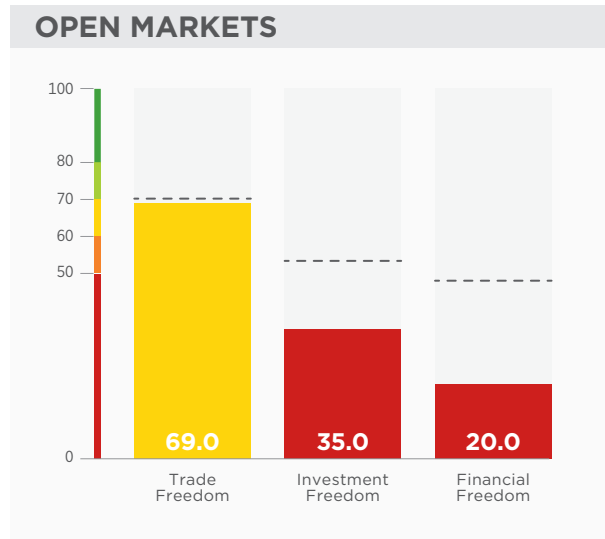
The overall rule of law is weak in Laos. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 11.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.6 percent and 0.8 percent of GDP. Public debt amounts to 100.5 percent of GDP.



Laos's overall regulatory environment is very inefficient and not conducive to entrepreneurial activity. 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 well below the world average.



The trade-weighted average tariff rate is 8.0 percent, and many nontariff measures are in force. State-owned enterprises distort the economy, and layers of restrictions discourage more dynamic foreign investment. The financial sector is subject to state involvement and undermined by political vested interests.