

WORLD RANK: **166** | REGIONAL RANK: **13**

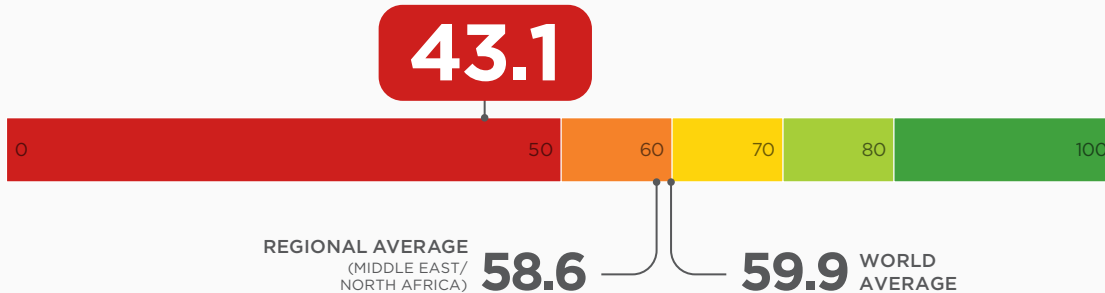
ECONOMIC FREEDOM STATUS: **REPRESSED**

LEBANON

Lebanon’s economic freedom score is 43.1, making its economy the 166th freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 1.0 point from last year, and Lebanon is ranked 13th out of 14 countries in the Middle East/North Africa region. The country’s economic freedom score is lower than the global and regional averages. Lebanon’s economy is considered “repressed” according to the 2026 *Index*.

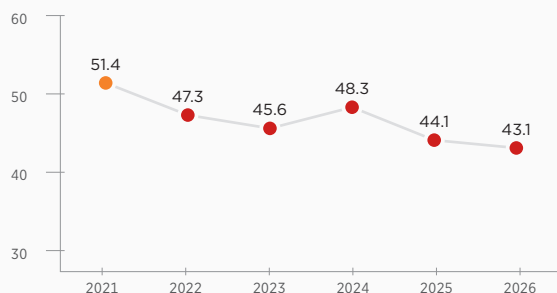
The foundations of Lebanon’s economic freedom have been severely undermined. The entrepreneurial environment, characterized by political instability and regulatory inefficiency, generally discourages more dynamic growth of private investment. Commercial regulations are still burdensome. In the absence of a well-functioning legal framework, protection of property rights remains weak, and corruption is widespread. Fiscal and financial crises exacerbate a bleak economic picture. Political instability and uncertainty have undermined the labor market.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): -20.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
5.4 million

GDP (PPP):
\$63.3 billion
n/a growth in 2025
3-year average growth rate: -4.1%
n/a per capita

UNEMPLOYMENT:
11.6%

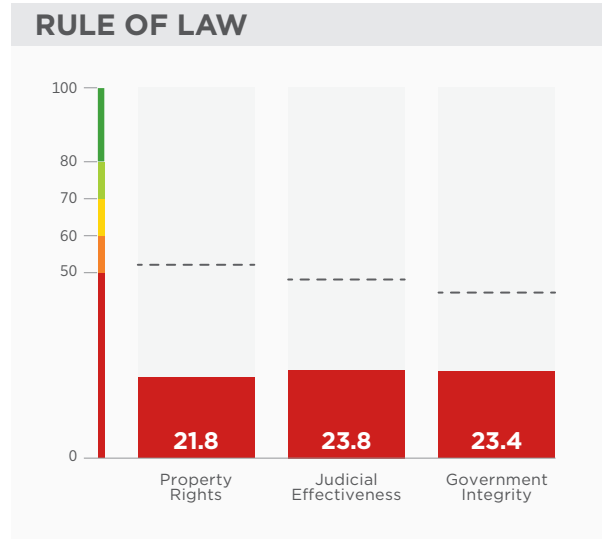
INFLATION (CPI):
45.2%

TRADE AS % OF GDP: 104.2%

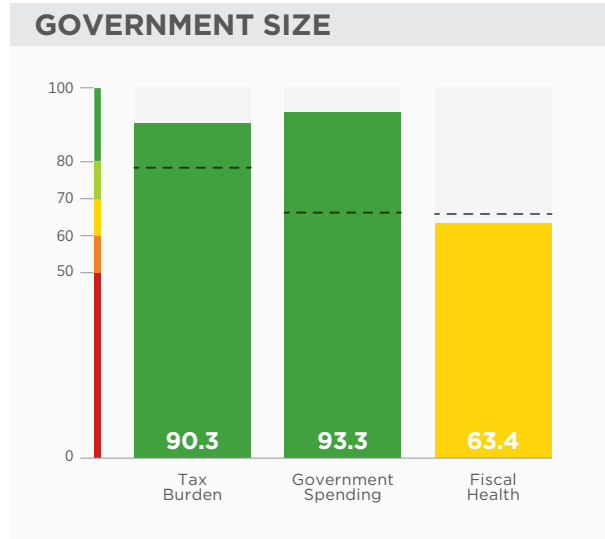
PUBLIC DEBT:
163.8% of GDP

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

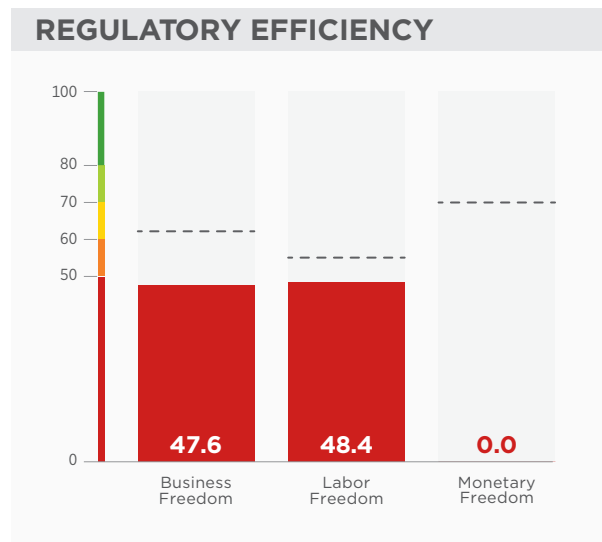
12 ECONOMIC FREEDOMS | LEBANON



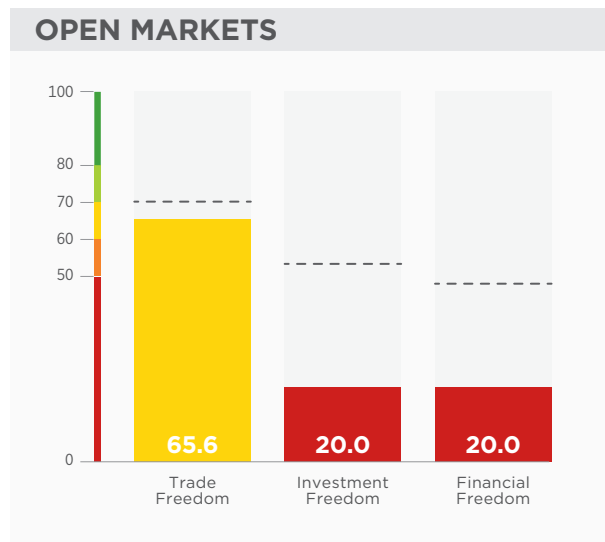
The overall rule of law is weak in Lebanon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 17 percent. The tax burden equals 7.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.9 percent and -3.2 percent of GDP. Public debt amounts to 163.8 percent of GDP.



Lebanon's overall regulatory environment is very inefficient and not conducive to entrepreneurial activity. 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 trade-weighted average tariff rate is 7.2 percent, and poor regulatory systems discourage dynamic trade and investment flows. Lebanon's financial sector used to be a regional hub, but ongoing political insecurity has subjected it to a high degree of uncertainty and strain.