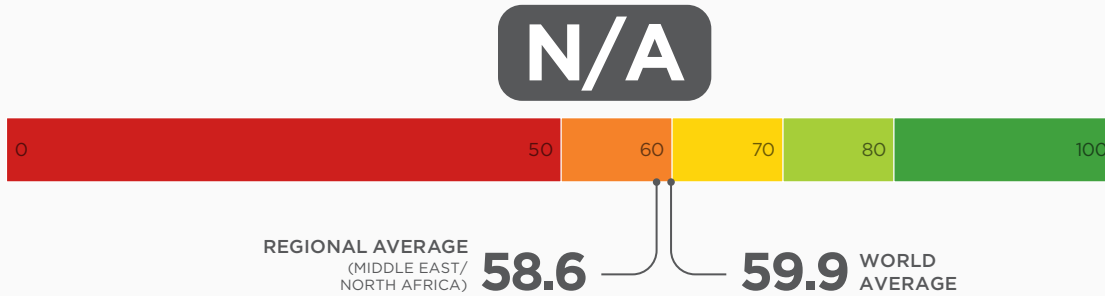


# LIBYA

Libya is not ranked in the 2026 *Index of Economic Freedom* because of the lack of reliable data. Official government reporting of economic data is insufficient, and data reported by many of the international organizations on which *Index* grading depends are incomplete.

Aggravated by systemic corruption and the weak rule of law, substantial structural rigidities further marginalize the private sector and undermine productivity growth, employment, and attempts at modernization. The economic infrastructure was significantly degraded during the civil war, and economic uncertainty remains very high as Libya struggles to restore the rule of law and establish a new system of governance. The regulatory framework is severely undermined by ongoing political instability and turmoil. The labor market remains destabilized, and the large informal sector is an important source of employment. Oil and natural gas dominate the economy and provide almost all of Libya's export revenues.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.8 million

**GDP (PPP):**  
\$105.8 billion  
15.6% growth in 2025  
3-year average growth rate: 9.2%  
\$17,931 per capita

**UNEMPLOYMENT:**  
18.7%

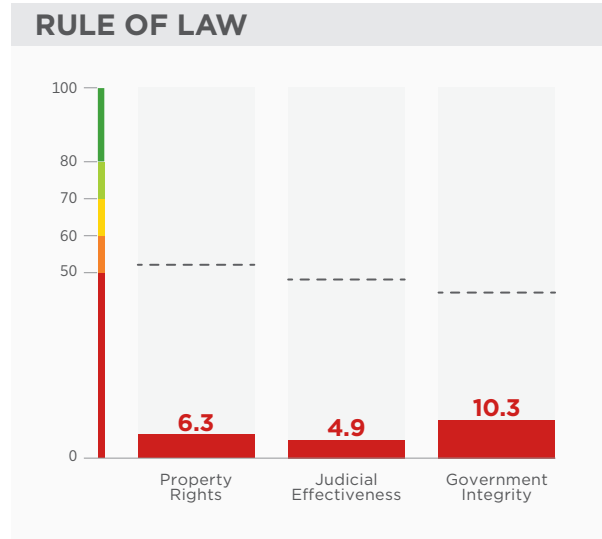
**INFLATION (CPI):**  
2.1%

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

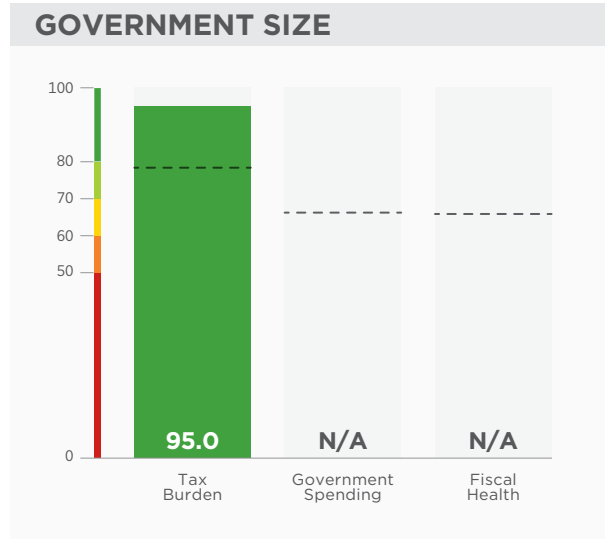
**PUBLIC DEBT:**  
n/a

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

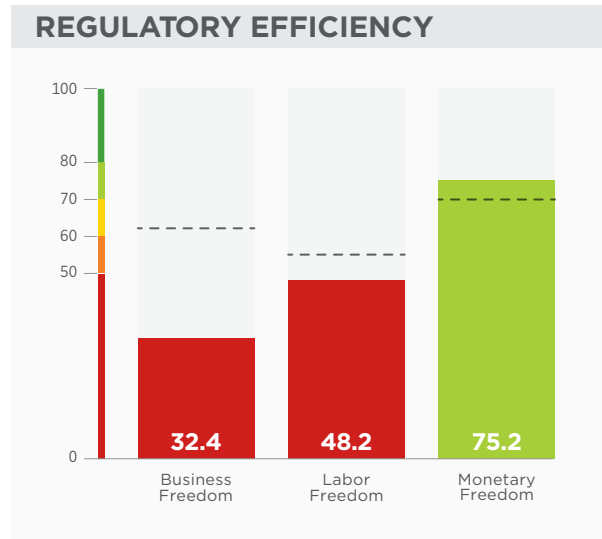
# 12 ECONOMIC FREEDOMS | LIBYA



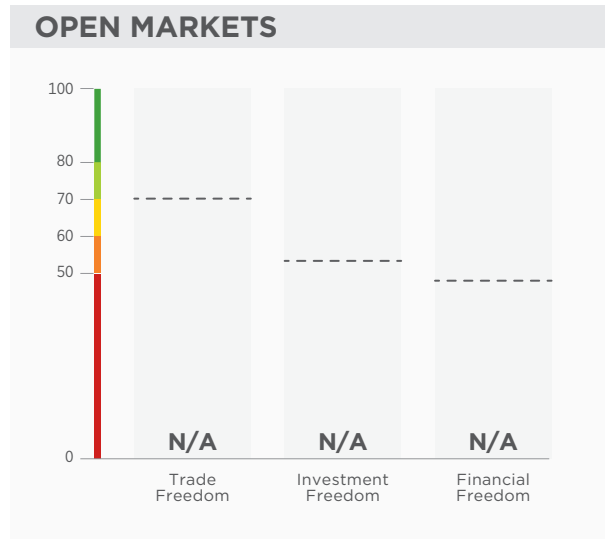
The overall rule of law is weak in Libya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



Political and economic instability have prevented the effective enforcement of taxation for years. The government is overly dependent on the oil sector but has undertaken very sluggish and limited reforms to diversify the economy, much of which remains tightly controlled by the state.



State meddling in business decisions is extensive, and the application of existing regulations is inconsistent and nontransparent. The state-controlled labor market functions poorly, and the informal sector is large. Unemployment and underemployment are chronically high. Monetary stability has been fragile.



Political instability, exacerbated by security threats, is a significant impediment to foreign trade and investment. The financial infrastructure has been significantly degraded by Libya's unstable political and economic conditions. Limited access to financing severely impedes any meaningful private business development.