

WORLD RANK:

108

REGIONAL RANK:

13

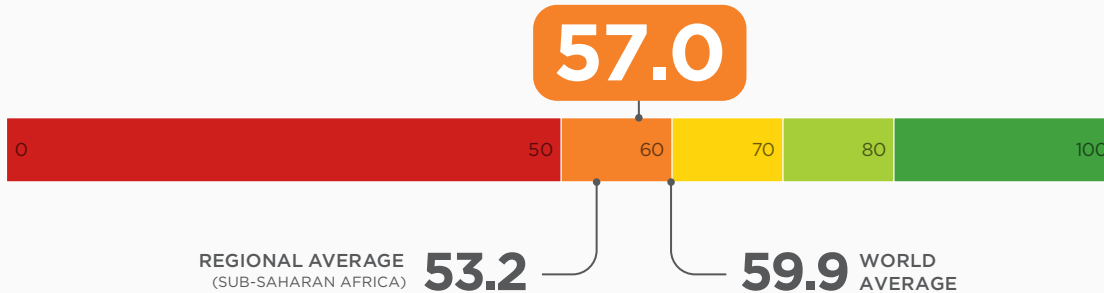
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MADAGASCAR

Madagascar's economic freedom score is 57, making its economy the 108th freest in the 2026 *Index of Economic Freedom*. Its rating is unchanged from last year, and Madagascar is ranked 13th out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the global average and higher than the regional average. Madagascar's economy is considered "mostly unfree" according to the 2026 *Index*.

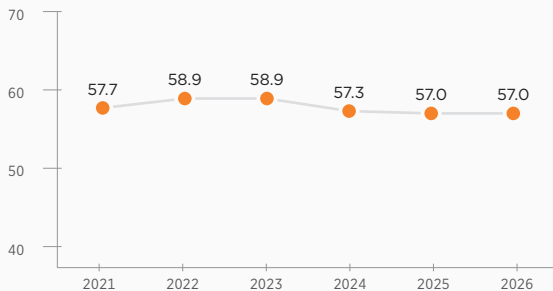
A still-deficient institutional framework and the ongoing risk of political instability continue to undermine efforts to reduce poverty. The judicial system is underdeveloped, and convoluted administrative procedures that facilitate corruption weaken the foundations of economic freedom. Policies that are needed to sustain open markets are not firmly institutionalized. Regulations often reflect customs and unwritten rules. The labor laws are outmoded, restrictive, and not conducive to the development of a dynamic labor market. State-owned enterprises influence prices.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
29.8 million

**GDP (PPP):**  
\$60.3 billion  
3.8% growth in 2025  
3-year average growth rate: 4.1%  
\$2,040 per capita

**UNEMPLOYMENT:**  
3.1%

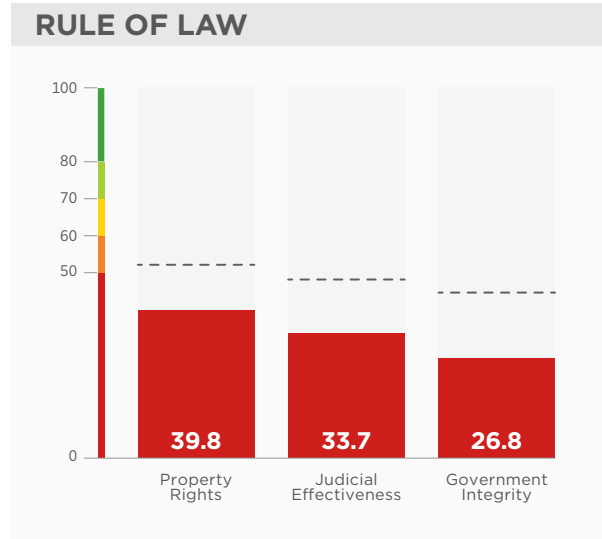
**INFLATION (CPI):**  
7.6%

**TRADE AS % OF GDP:**  
55.0%

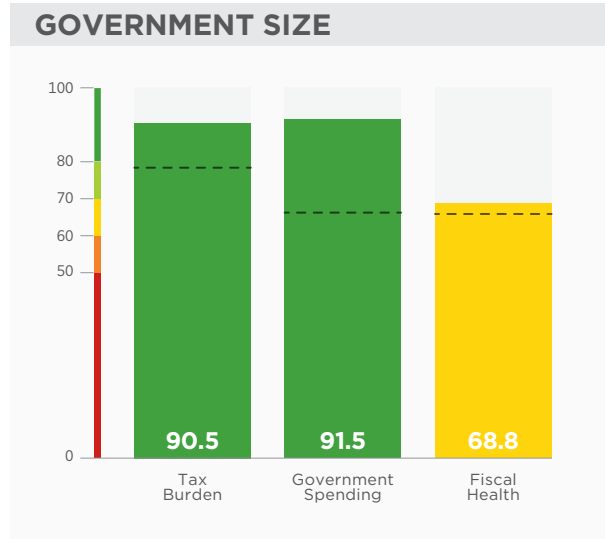
**PUBLIC DEBT:**  
50.3% of GDP

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

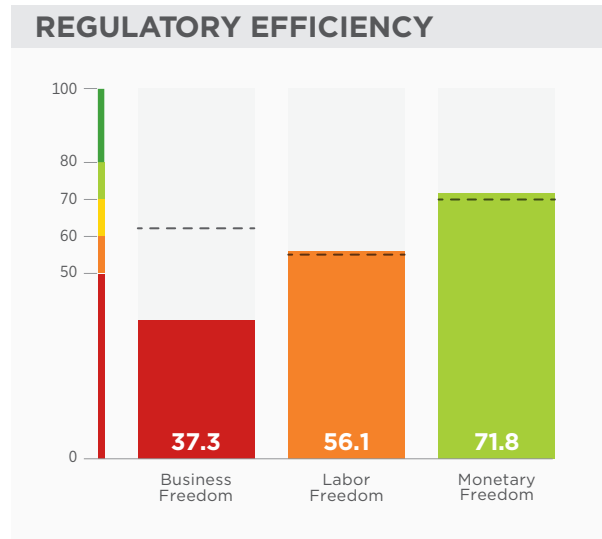
# 12 ECONOMIC FREEDOMS | MADAGASCAR



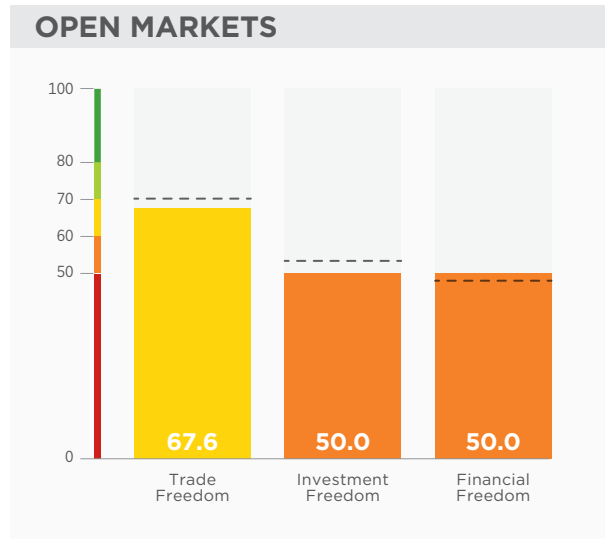
The overall rule of law is weak in Madagascar. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 20 percent. The tax burden equals 12.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 16.8 percent and -4.0 percent of GDP. Public debt amounts to 50.3 percent of GDP.



Madagascar's overall regulatory environment is poorly institutionalized and inefficient. The country's business freedom score is far below the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 8.7 percent, and layers of nontariff measures are in force. Judicial and regulatory barriers deter foreign investment. State-owned enterprises distort the economy. Fewer than 20 percent of adult Malagasies have access to an account with a formal banking institution.