

WORLD RANK:

143

REGIONAL RANK:

33

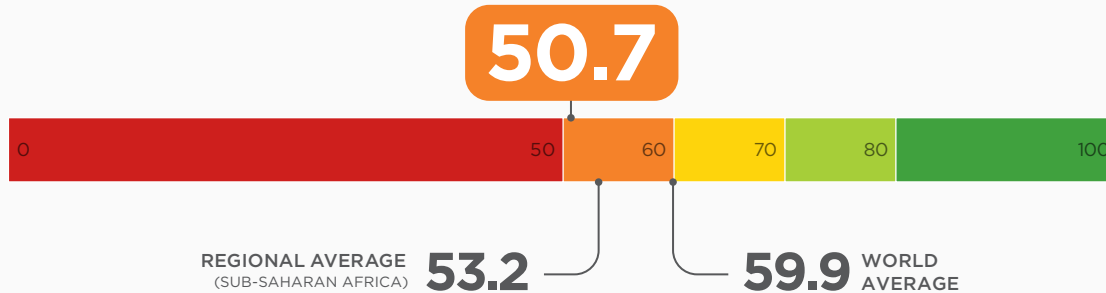
ECONOMIC FREEDOM STATUS:
MOSTLY UNFREE

MALAWI

Malawi's economic freedom score is 50.7, making its economy the 143rd freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 0.2 point from last year, and Malawi is ranked 33rd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is lower than the global and regional averages. Malawi's economy is considered "mostly unfree" according to the 2026 *Index*.

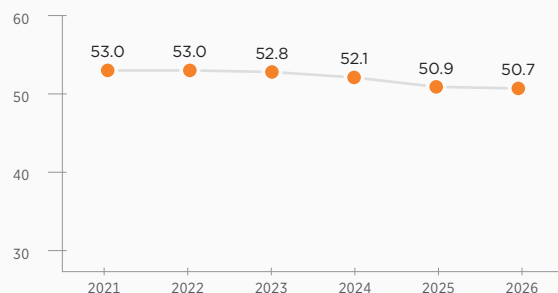
Malawi lags in competitiveness and promotion of the broad-based economic activity that is needed to reduce poverty. The poor quality of physical and legal infrastructure, exacerbated by the government's inefficiency, has been a serious impediment to long-term economic development. The inefficient business framework is slowly being improved. Labor regulations are not generally enforced, and the labor market remains poorly developed. Most Malawians are still employed outside of the formal sector, primarily in agriculture.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -4.0

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
22.7 million

GDP (PPP):
\$40.3 billion
2.4% growth in 2025
3-year average growth rate: 2.0%
\$1,758 per capita

UNEMPLOYMENT:
5.1%

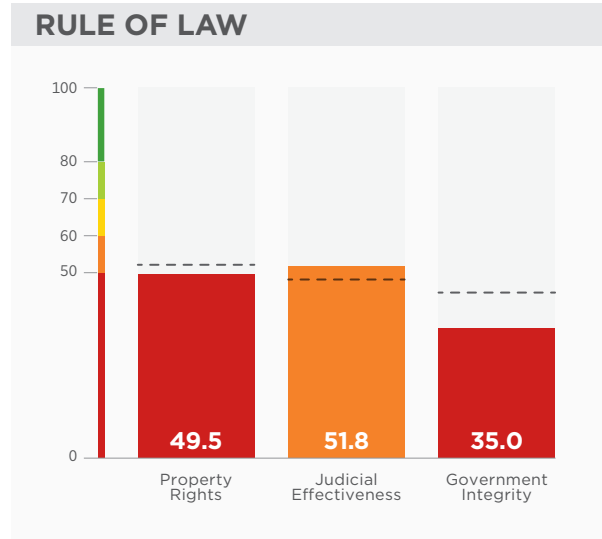
INFLATION (CPI):
32.2%

TRADE AS % OF GDP: 42.0%

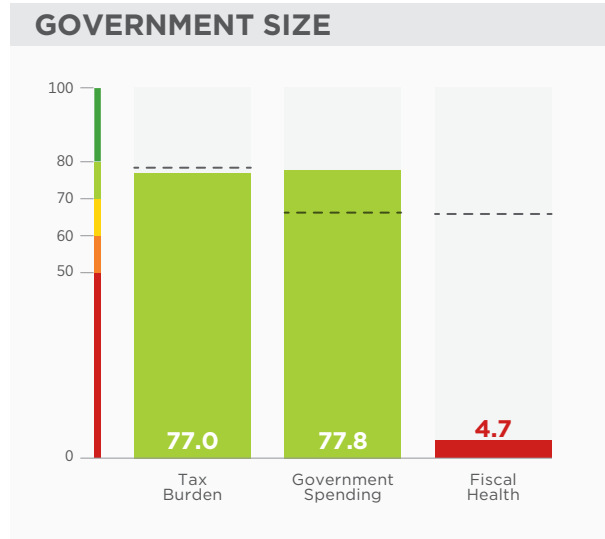
PUBLIC DEBT:
87.6% of GDP

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

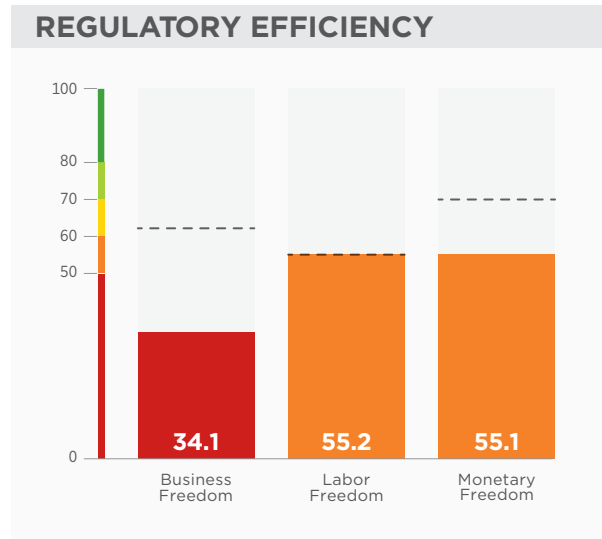
12 ECONOMIC FREEDOMS | MALAWI



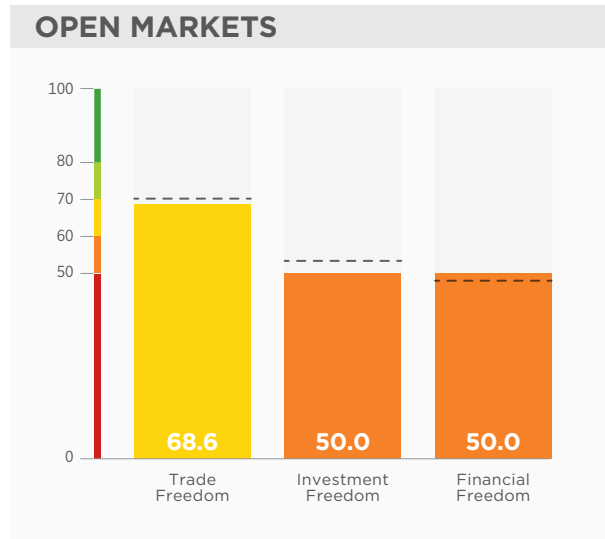
The overall rule of law is weak in Malawi. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 13.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.2 percent and -9.4 percent of GDP. Public debt amounts to 87.6 percent of GDP.



Malawi'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 above the world average; and its monetary freedom score is well below the world average.



The trade-weighted average tariff rate is 8.2 percent. The lack of transparency, often made worse by bureaucratic delays, is a major impediment to foreign trade and investment. Poor access to finance continues to discourage more dynamic foreign investment inflows and private-sector development.