



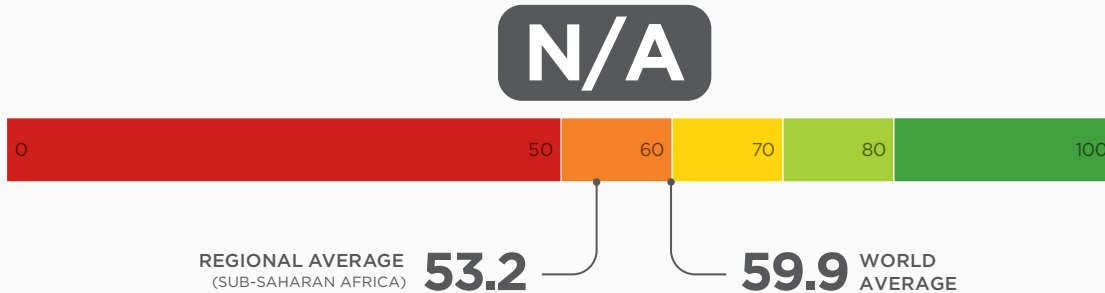
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS: **NOT GRADED**

# SOMALIA

**S**omalia’s economic freedom is not graded because of the lack of reliable data. Somalia is a failed state. Over the past decade, extreme violence and civil war, political instability, and famine have ravaged an already fragile living situation. The result is an utterly devastated economy and a country that lacks a functioning national government with the ability to provide even basic services.

Decades of lawlessness have destroyed any foundation of economic freedom on which a developing economy might be built. Somalia remains mired in corruption, violence, and political intrigue. The country’s nearly complete economic collapse has resulted in massive human migrations, and a humanitarian catastrophe has been unfolding in the devastated economy. Somalia’s GDP and living standards are among the world’s lowest, and many Somalis depend on remittances from abroad. Livestock, agriculture, and fishing are economic mainstays.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
16.1 million

**GDP (PPP):**  
\$30.5 billion  
3.0% growth in 2025  
3-year average growth rate: 3.8%  
\$1,898 per capita

**UNEMPLOYMENT:**  
18.9%

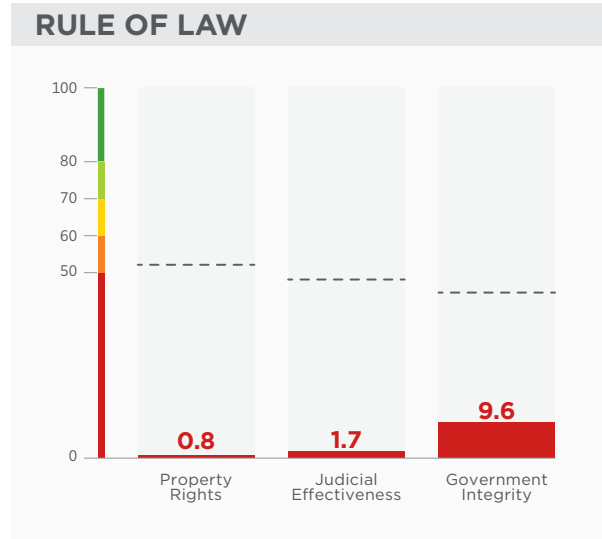
**INFLATION (CPI):**  
5.5%

**TRADE AS % OF GDP:** 94.4%

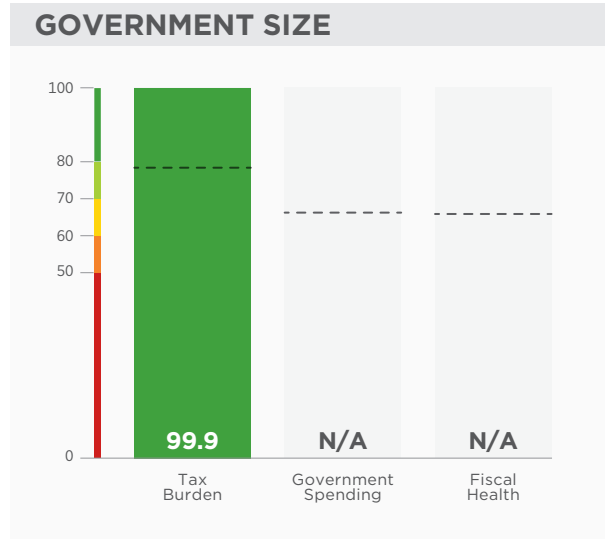
**PUBLIC DEBT:**  
n/a

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

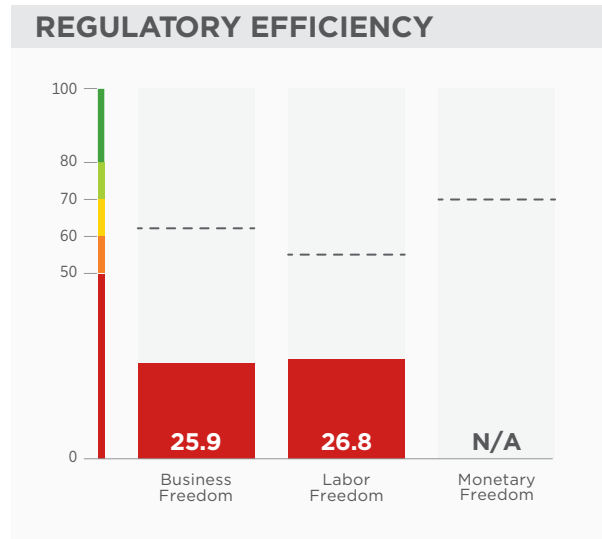
# 12 ECONOMIC FREEDOMS | SOMALIA



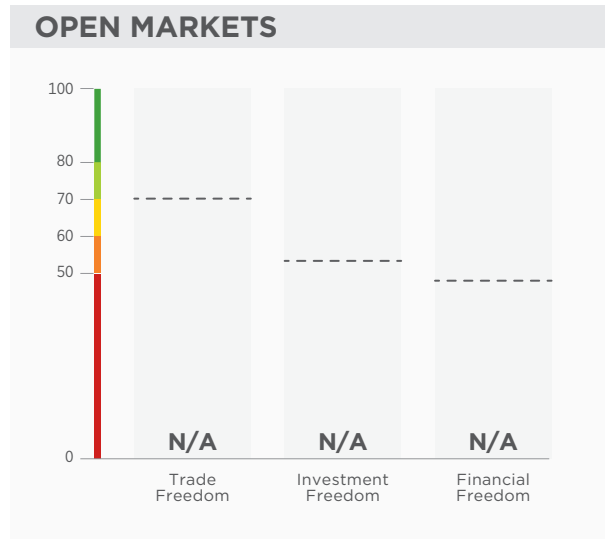
The overall rule of law is extremely weak in Somalia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no fully effective national government that can provide even basic services to Somalis. Other than the collection of very limited duties and taxes, little formal fiscal policy is in place. In southern Somalia, taxes are often levied by local warlords or clan leaders.



Political instability, an outmoded regulatory environment, and inadequate infrastructure significantly impede the formation and operation of businesses. The agricultural sector and informal hiring practices dominate the labor market. There is no effective regulatory or monetary framework.



Much of the population is still outside of the formal trade and banking sectors, and private investment remains extremely limited. Somalia and its economy have been ravaged by violence, civil war, and famine, and there is no functioning national government.