

WORLD RANK:

100

REGIONAL RANK:

9

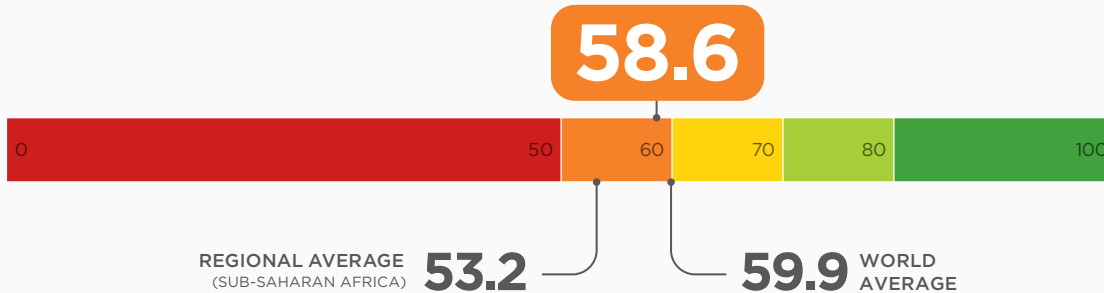
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# SOUTH AFRICA

South Africa's economic freedom score is 58.6, making its economy the 100th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and South Africa is ranked 9th 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. South Africa's economy continues to be "mostly unfree" according to the 2026 *Index*.

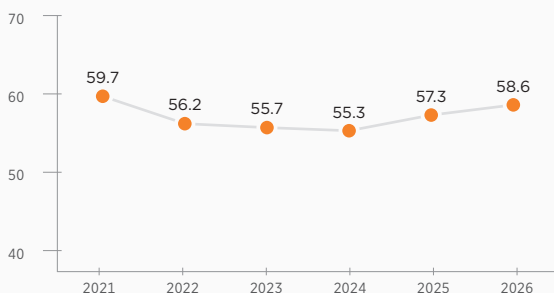
A relatively competitive trade regime has encouraged the development of a growing entrepreneurial sector, but the overall foundations of economic freedom are fragile and will need to be strengthened to ensure renewed economic dynamism and long-term development. Institutional shortcomings such as corruption and the weak rule of law add to the cost of doing business and weaken economic competitiveness. The regulatory framework remains costly, and the labor market lacks flexibility. Rising public debt and spending pressures undermine macroeconomic stability and add to South Africa's fiscal vulnerability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.1

## RECENT FREEDOM TREND



## QUICK FACTS

### POPULATION:

62.3 million

### GDP (PPP):

\$990.7 billion  
1.1% growth in 2025  
3-year average growth rate: 0.8%  
\$16,050 per capita

### UNEMPLOYMENT:

33.2%

### INFLATION (CPI):

4.4%

### TRADE AS % OF GDP:

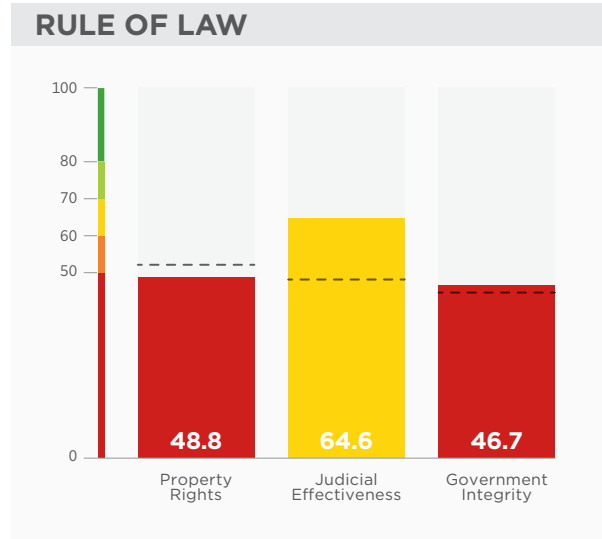
61.7%

### PUBLIC DEBT:

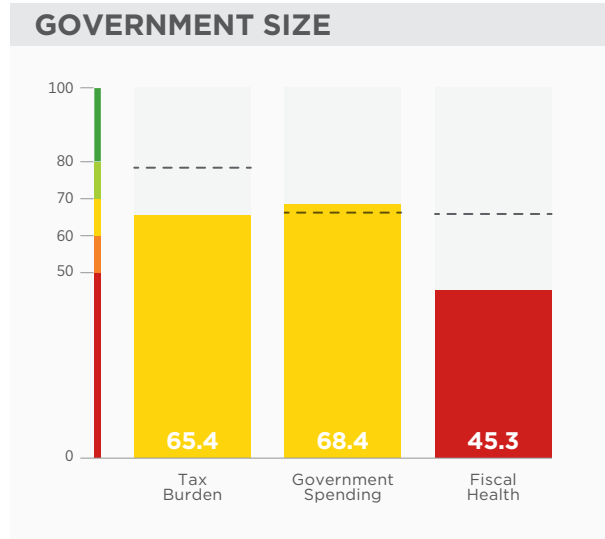
76.0% of GDP

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

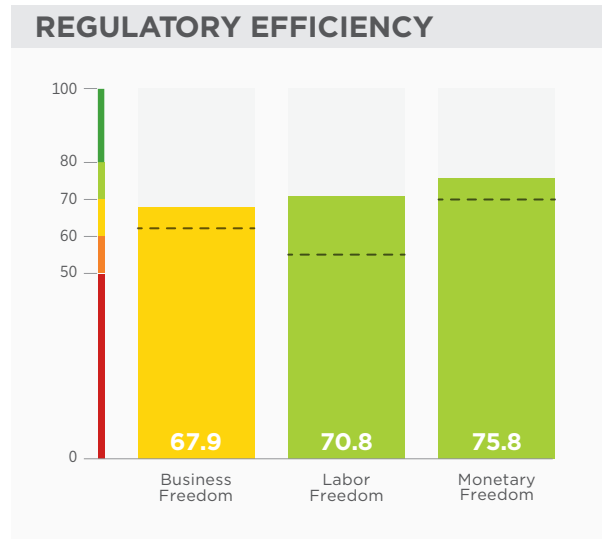
# 12 ECONOMIC FREEDOMS | SOUTH AFRICA



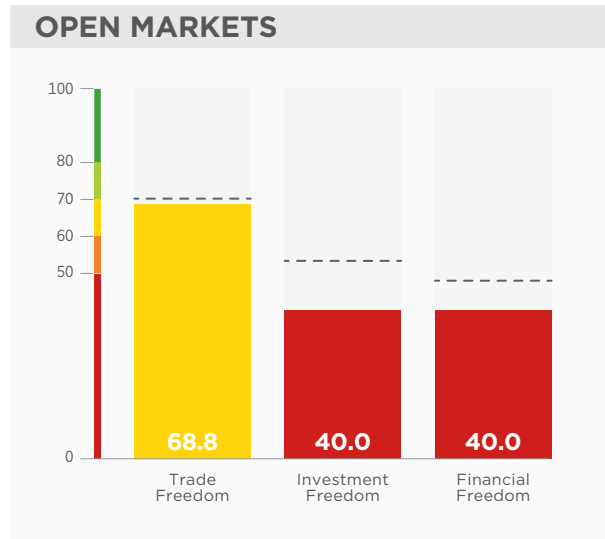
The overall rule of law is weak in South Africa. The country's property rights score is below the world average, and its judicial effectiveness score is below the world average. The judicial system is vulnerable to political interference, and numerous scandals and political infighting have severely undermined government integrity.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 27 percent. The tax burden equals 26.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -5.2 percent of GDP. Public debt amounts to 76.0 percent of GDP.



South Africa's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 5.6 percent, but extensive nontariff barriers limit trade freedom. Nontransparent laws discourage private investment, and foreign investment is subject to additional inefficiency. The financial sector has undergone modernization, and the banking sector is regarded as resilient.