WORLD RANK: N/A | REGIONAL RANK: N/A

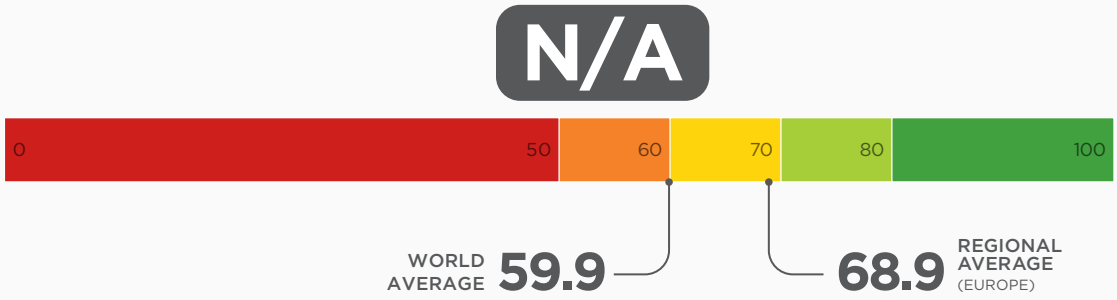
ECONOMIC FREEDOM STATUS: NOT GRADED

UKRAINE

Assessment of Ukraine's economic freedom has been temporarily suspended because of Russia's ongoing invasion since February 24, 2022. A vibrant and resilient economy is essential for Ukrainian freedom and independence. Ukraine's economic potential has long been suppressed by poor economic governance. Before the war, the foundations of economic freedom were fragile and unevenly established across the country.

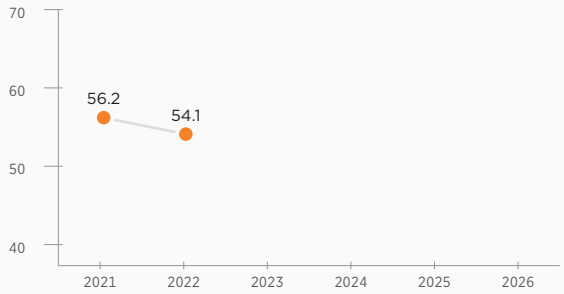
Before the war, Ukraine's economy was considered economically "repressed." Low rankings in the *Index of Economic Freedom* and other international studies offered unambiguous indications of systemic shortcomings in the key areas of transparency, efficiency, and openness. Deeper institutional and structural reforms were needed to achieve more broadly based development. The inefficient legal framework was highly vulnerable to political interference and prevented full realization of Ukraine's economic potential. Corruption further undermined the fragile rule of law. Russia's illegal annexation of the Crimean Peninsula and second invasion continue to damage Ukraine's economy.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): N/A

RECENT FREEDOM TREND



QUICK FACTS

POPULATION: 34.0 million

GDP (PPP): $657.5 billion
2.0% growth in 2025
3-year average growth rate: 3.5%
$20,904 per capita

UNEMPLOYMENT: 9.9%

INFLATION (CPI): 6.5%

TRADE AS % OF GDP: 77.8%

PUBLIC DEBT: 89.7% of GDP

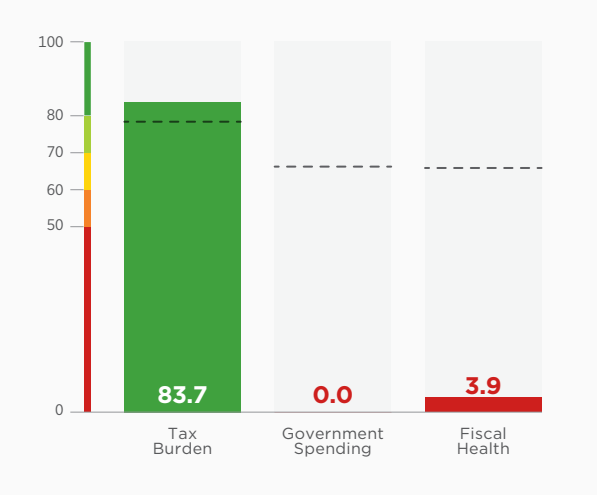
2025 data unless otherwise noted. Data compiled as of January 2026.

12 ECONOMIC FREEDOMS | UKRAINE

RULE OF LAW

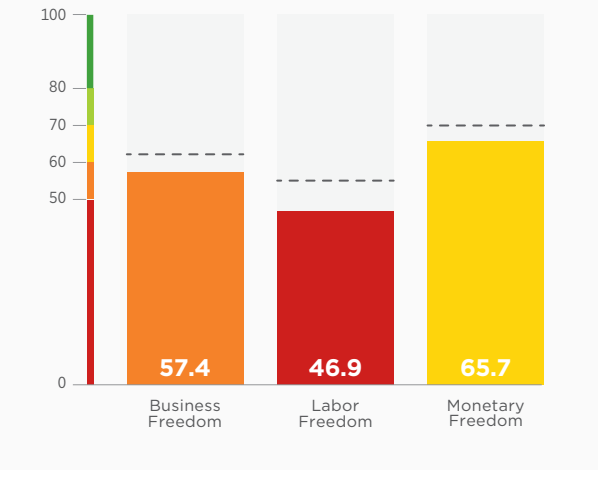
The overall rule of law is weak in Ukraine. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



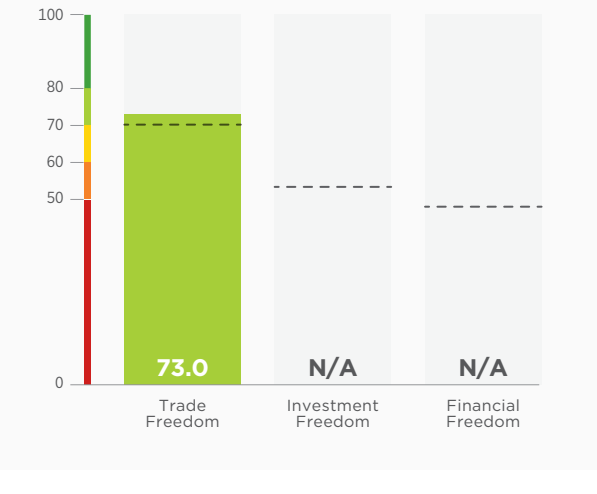
The top individual income tax rate is 18 percent, and the top corporate tax rate is 18 percent. The tax burden equals 31.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 70.0 percent and –17.4 percent of GDP. Public debt amounts to 89.7 percent of GDP.

REGULATORY EFFICIENCY



Before the war, despite some reform, regulatory complexity often created uncertainty in commercial transactions. The business start-up process had been streamlined, but licensing requirements were still time-consumizng. The labor code lacked flexibility. State-owned enterprises influenced prices.

OPEN MARKETS



Before Russia's invasion, Ukraine's tariff rate was approximately 3.5 percent, and nontariff barriers severely limited trade freedom. The investment framework was underdeveloped, and bureaucratic requirements deterred much-needed private investment growth. The banking system was burdened by a large number of nonperforming loans.