

# 2023 INDEX OF ECONOMIC FREEDOM

Anthony B. Kim



# RANKING THE WORLD BY ECONOMIC FREEDOM

Rank	Country	Overall Score	Rank	Country	Overall Score	Rank	Country	Overall Score
1	Singapore	83.9	65	Dominican Republic	62.6	129	Guinea	53.2
2	Switzerland	83.8	66	Micronesia	62.6	130	Angola	53.0
3	Ireland	82.0	67	Bahamas	62.6	131	India	52.9
4	Taiwan	80.7	68	Bahrain	62.5	132	Tunisia	52.9
5	New Zealand	78.9	69	Italy	62.3	133	Malawi	52.8
6	Estonia	78.6	70	Vanuatu	62.1	134	Mozambique	52.5
7	Luxembourg	78.4	71	Kazakhstan	62.1	135	Kenya	52.5
8	Netherlands	78.0	72	Vietnam	61.8	136	Sri Lanka	52.2
9	Denmark	77.6	73	Mongolia	61.7	137	Rwanda	52.2
10	Sweden	77.5	74	São Tomé and Príncipe	61.5	138	Chad	52.0
11	Finland	77.1	75	Azerbaijan	61.4	139	Cameroon	51.9
12	Norway	76.9	76	Paraguay	61.0	140	Papua New Guinea	51.7
13	Australia	74.8	77	Montenegro	60.9	141	Lesotho	51.6
14	Germany	73.7	78	Kosovo	60.7	142	Nepal	51.4
15	South Korea	73.7	79	Saint Lucia	60.7	143	Uganda	51.4
16	Canada	73.7	80	Thailand	60.6	144	Argentina	51.0
17	Latvia	72.8	81	Côte d'Ivoire	60.4	145	Belarus	51.0
18	Cyprus	72.3	82	Tonga	60.0	146	Tajikistan	50.6
19	Iceland	72.2	83	Tanzania	60.0	147	Laos	50.3
20	Lithuania	72.2	84	Benin	59.8	148	Sierra Leone	50.2
21	Czech Republic	71.9	85	Belize	59.8	149	Haiti	49.9
22	Chile	71.1	86	Dominica	59.7	150	Liberia	49.6
23	Austria	71.1	87	Seychelles	59.5	151	Egypt	49.6
24	United Arab Emirates	70.9	88	Trinidad and Tobago	59.5	152	Pakistan	49.4
25	United States	70.6	89	Philippines	59.3	153	Equatorial Guinea	48.3
26	Mauritius	70.6	90	Bhutan	59.0	154	China	48.3
27	Uruguay	70.2	91	Madagascar	58.9	155	Ethiopia	48.3
28	United Kingdom	69.9	92	Kiribati	58.8	156	Congo, Rep.	48.1
29	Barbados	69.8	93	Jordan	58.8	157	Congo, Dem. Rep.	47.9
30	Portugal	69.5	94	Honduras	58.7	158	Zambia	47.8
31	Japan	69.3	95	Oman	58.5	159	Timor-Leste	47.2
32	Bulgaria	69.3	96	Moldova	58.5	160	Maldives	46.6
33	Slovakia	69.0	97	Morocco	58.4	161	Turkmenistan	46.5
34	Israel	68.9	98	Saudi Arabia	58.3	162	Burma	46.5
35	Georgia	68.7	99	Ghana	58.0	163	Suriname	46.1
36	Qatar	68.6	100	Fiji	58.0	164	Lebanon	45.6
37	Slovenia	68.5	101	Gambia	57.9	165	Guinea-Bissau	44.6
38	Samoa	68.3	102	Namibia	57.7	166	Central African Republic	43.8
39	Jamaica	68.1	103	Senegal	57.7	167	Bolivia	43.4
40	Poland	67.7	104	Türkiye	56.9	168	Algeria	43.2
41	Malta	67.5	105	Guyana	56.9	169	Iran	42.2
42	Malaysia	67.3	106	Solomon Islands	56.9	170	Burundi	41.9
43	Belgium	67.1	107	Greece	56.9	171	Eritrea	39.5
44	Peru	66.5	108	Kuwait	56.7	172	Zimbabwe	39.0
45	Costa Rica	66.5	109	Uzbekistan	56.5	173	Sudan	32.8
46	Croatia	66.4	110	Cambodia	56.5	174	Venezuela	25.8
47	Cabo Verde	65.8	111	Burkina Faso	56.2	175	Cuba	24.3
48	Brunei Darussalam	65.7	112	Djibouti	56.1	176	North Korea	2.9
49	Albania	65.3	113	Gabon	56.1			
50	Armenia	65.1	114	El Salvador	56.0			
51	Spain	65.0	115	Kyrgyz Republic	55.8			
52	Botswana	64.9	116	South Africa	55.7			
53	Romania	64.5	117	Mauritania	55.3			
54	Hungary	64.1	118	Togo	55.3			
55	Panama	63.8	119	Ecuador	55.0			
56	North Macedonia	63.7	120	Eswatini	54.9			
57	France	63.6	121	Nicaragua	54.9			
58	Serbia	63.5	122	Mali	54.5			
59	St. Vincent & Grenadines	63.5	123	Bangladesh	54.4			
60	Indonesia	63.5	124	Nigeria	53.9			
61	Mexico	63.2	125	Russia	53.8			
62	Colombia	63.1	126	Niger	53.7			
63	Bosnia and Herzegovina	62.9	127	Brazil	53.5			
64	Guatemala	62.7	128	Comoros	53.5			

## Economic Freedom Scores

- 80–100 Free
- 70–79.9 Mostly Free
- 60–69.9 Moderately Free
- 50–59.9 Mostly Unfree
- 0–49.9 Repressed

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Production of the *Index* would not be possible without the skills of many other colleagues at Heritage. Senior Editor William T. Poole continues to bear the primary responsibility for perfecting the language we employ, and Manager of Data Graphics Services John Fleming and Data Graphics Designer Luke Karnick created the wonderful charts and graphs that appear throughout the book. Director of Research Editors Therese Pennefather played a key role in keeping production on schedule. Senior Designer and Web Developer for Research Projects Jay Simon was responsible for design and layout and worked with Customer Data Solutions Architect

William Zimmerman and former Heritage staffer Jim Lawruk to create the *Index* website. Under the guidance of Marketing Director Elizabeth Fender, Graphic Designer Lydia Emrich designed the cover for this year's *Index*.

As always, members of senior management have been enthusiastic supporters and great sources of encouragement in producing this flagship product of The Heritage Foundation. We are also grateful for the continuing engagement of Heritage Founder Edwin J. Feulner in helping us to spread the message of economic freedom around the world.

Finally, we would like to express our appreciation to the many people who, year after year, pay close attention to the *Index* and use its data for various research and other purposes. The support and encouragement provided by users of the *Index* around the world remain a major source of inspiration for our ongoing work.

Anthony B. Kim  
February 2023



# PREFACE

**E**conomic freedom, properly understood, is the freedom of the common man to control his own destiny, enjoy the fruits of his labor, and fully use his God-given talents for good. That freedom, rooted in the dignity of the human spirit, is indispensable to human flourishing and is the real wellspring of economic prosperity.

Since its inception in 1995, The Heritage Foundation's *Index of Economic Freedom* has served as an essential policy guide that analyzes and highlights the state of economic freedom in countries around the globe. Over time, the *Index* has recorded profound advances as the cause of freedom has swept the globe, empowering everyday families and workers to thrive and hold their political authorities accountable.

However, economic freedom is not a gift. It must be re-earned every generation. This is the challenge we now face.

Today, economic freedom is beset on all sides, both at home and abroad. The Chinese Communist Party (CCP) is working to constrain freedom not only within its own borders, but in nations around the world. Bureaucrats are more powerful than ever. They work with globalist organizations and multinational corporations alike to write regulations that stifle the freedom of the middle class while enriching the powerful under the guise of health emergencies, global warming, and environmental, social, and governance investment.

The result of this oppression is plain to see. For example, the CCP's "zero COVID" regime and social credit system is not an aberration: It is the unavoidable and intended result of bureaucratic rule. If left unchecked, it will replicate itself in economies around the world, empowering an unaccountable elite to control where citizens travel, who they may associate with, and whether they are allowed to get a loan or own property at all. The result will be tyranny and economic collapse.

In stark contrast, free nations that reward hard work, marriage, and thrift are promoting upward

mobility, fueling civil society, and creating generational family wealth. Nations that fight to empower their people through economic freedom reap the benefits, lifting their citizens to lead lives of quiet dignity.

The world and America are at a crossroads. They must choose either the narrow path of self-governance, human dignity, and ordered liberty or the broad path of an economy run by the managerial elite with no room for dissent or responsibility. One path leads to prosperity, and the other leads to ruin.

If we hope to recognize this country three or five years from now, and if we want to pass on to our children and grandchildren a nation that's at least as free and prosperous as the one we inherited, we must focus our efforts on turning everyday Americans away from the false promises of bigger government and sweeping economic programs while turning the rest of the world away from the CCP. And we must have greater education and outreach to do it. The data we present in the *Index of Economic Freedom* are the foundation for that discussion.

The 2023 *Index* documents a pattern of countries around the world holding true to the course of economic freedom. Like its predecessors, our latest edition of the *Index* provides ample evidence of dynamic gains from advancing freedom. Countries that have not joined the march of freedom have left their citizens lagging behind and, in the worst cases, stuck in stagnation and poverty. Such failures are inexcusable. Most important, they are preventable.

As the *Index* has shown in case after case, nations that find the political will and wisdom to advance economic freedom will see their citizens prosper in the years ahead.

Kevin D. Roberts, PhD  
President  
The Heritage Foundation  
February 2023



# EXECUTIVE SUMMARY

The months since mid-2021 have been turbulent for the global economy, which continues to experience slower growth and the ongoing effects of the COVID-19 pandemic (including governments' response to the pandemic) and Russia's invasion of Ukraine.

Complicating this situation is the abrupt and shortsighted renunciation of the principles of economic freedom in too many countries, which risks not only undercutting much-needed economic recovery, but also sacrificing long-term economic resilience and prosperity as has happened after previous economic crises. A return to business as usual will not suffice. In addition to the impacts of the pandemic on public finances, countries are facing many long-term structural challenges in the areas of transparency, efficiency, openness, and government effectiveness.

More than ever, it should be remembered that a nation's true capacity for lasting growth and prosperity hinges on the quality of its institutions and economic system. Many nations around the globe are now at a crossroads. The question is whether they will recognize the paramount need to preserve and enhance the conditions for robust, resilient, and broad economic growth.

## KEY FINDINGS OF THE 2023 INDEX OF ECONOMIC FREEDOM

- The 2023 *Index*, which considers economic policies and conditions in 184 sovereign countries from July 1, 2021, through June 30, 2022, reveals a world economy that, taken as a whole, is “mostly unfree.” Regrettably, the global average economic freedom score has fallen from the previous year's 60.0 to 59.3—the lowest it has been over the past two decades.
- Globally, fiscal soundness has deteriorated significantly. Rising deficits and mounting public debt in many countries have undermined and will likely further undercut their overall productivity growth and ultimately slow economic vitality.
- Despite the notable downturn in global economic freedom, there continues to be a clear relationship between improving economic freedom and achieving higher economic dynamism as well as greater overall well-being. No matter what their existing level of development may be, countries can measurably boost their economic growth by implementing steps to increase economic freedom through policies that reduce taxes, rationalize the regulatory environment, open the economy to greater competition, and fight corruption.
- The standard of living, measured by incomes per capita, is much higher in economically freer countries. Countries rated “free,” “mostly free,” or “moderately free” in the 2023 *Index* generate incomes that are more than double the average levels in other countries and more than three times higher than the incomes of people living in economically “repressed” countries.
- As documented once again in the 2023 *Index*, economic freedom also correlates significantly with overall well-being, which includes such factors as health, education, the environment, innovation, societal progress, and democratic governance.
- As shown in the ranking table below, only four countries (down from seven in the previous year) recorded economic freedom scores of 80 or more, putting them in the ranks of the economically “free;” 23 countries earned a



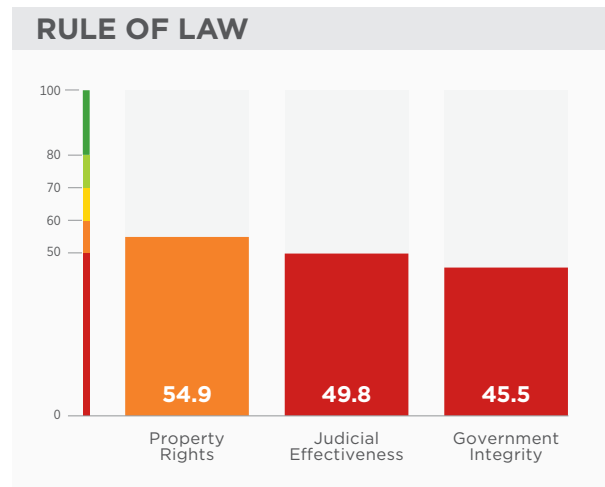
designation of “mostly free” by recording scores of 70.0 to 79.9; and an additional 56 countries were considered at least “moderately free” with scores of 60.0 to 69.9. Thus, a total of 83 countries, or slightly less than half of the 176 countries graded in the 2023 *Index*, have institutional environments in which individuals and private enterprises benefit from at least a moderate degree of economic freedom in the pursuit of greater economic development and prosperity.

- On the opposite side of the spectrum, more than 50 percent of the countries graded in the 2023 *Index* (93 economies) have registered economic freedom scores below 60. Of those, 65 economies are considered “mostly unfree” (scores of 50.0 to 59.9), and 28 countries, including China and Iran, are in the economically “repressed” category.
- Within the top 10 rankings, a notable reshuffling has taken place. Singapore maintained its status as the world’s freest economy, but both New Zealand and Australia lost their top-tier economic freedom status, with the latter no longer among the world’s 10 freest economies. Switzerland is now the world’s second freest economy, followed by Ireland, and Taiwan has moved up to the fifth slot.

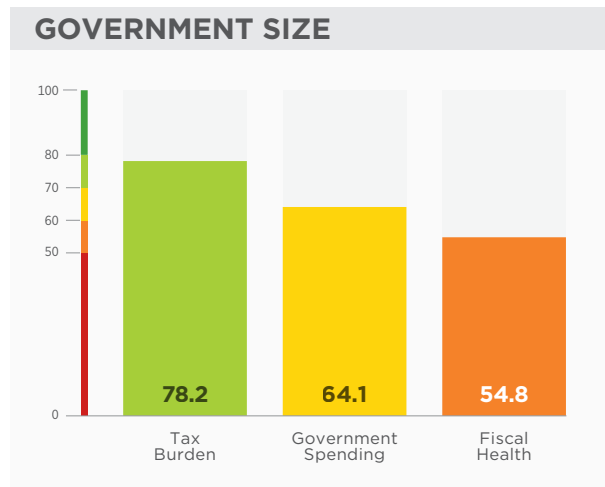
- Especially notable is the continuing decline within the “mostly free” category of the United States, whose score plummeted to 70.6, its lowest level ever in the 29-year history of the *Index*. The U.S. is now the world’s 25th freest economy. The major causative factor in the erosion of America’s economic freedom is excessive government spending, which has resulted in mounting deficit and debt burdens.

All in all, the economy remains uneven and uncertain with strikingly different outcomes across countries, sectors, and demographic groups. Output and employment gaps remain in many countries, particularly in emerging markets and developing economies, suggesting that countries face vastly different policy challenges in recovery and beyond.

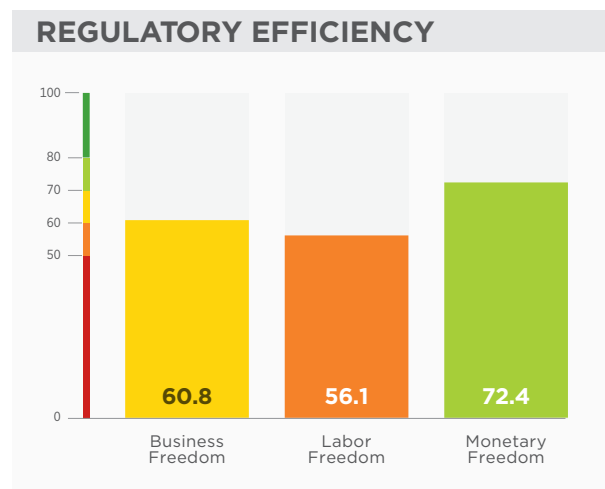
## 12 ECONOMIC FREEDOMS: A GLOBAL LOOK



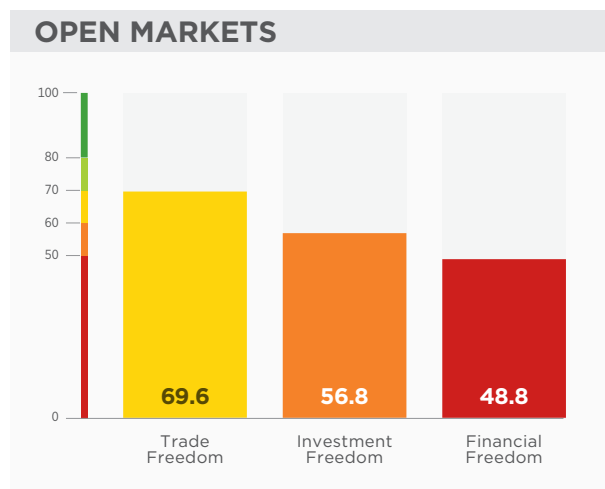
On average, of the four pillars of economic freedom on which *Index* grading is based, the rule of law indicator has the lowest scores on a scale of 0 to 100. This reflects the systemic corruption of government institutions in many countries. Without a robust rule of law, decisions by business owners and entrepreneurs are more rolls of the dice than decisions based on reliable information.



The average top individual income tax rate for all countries in the 2023 *Index* is 28.7 percent, but the average top corporate tax rate is 23.3 percent. The average overall tax burden as a percentage of gross domestic product is 19.7 percent. The average level of government spending has increased and is now 32.9 percent of GDP, and the average level of gross public debt has also risen to 67.7 percent.



Globally, of the three regulatory efficiency sub-factors of economic freedom, monetary freedom scores the highest, followed by business freedom and then labor freedom. The top countries by average regulatory efficiency score include Singapore, the United States, Austria, Taiwan, Denmark, and Finland. By contrast, the worst offenders in descending order are Sierra Leone, Iran, Cuba, Sudan, Zimbabwe, Venezuela, and North Korea.



Global trade freedom remains mostly unchanged. Investment policy measures geared toward promotion of sectoral investment rather than general market openness in many countries contribute to a global investment freedom score of just 57.0. The global score for financial freedom is the lowest of the three open-markets indicators at 48.9. Government interference in the financial sector is the norm in many countries.

## 2023 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

World Rank	Regional Rank	Country	Overall Score	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
1	1	Singapore	83.9	94.0	58.3	91.2	90.6	89.0	78.0	86.9	77.3	81.9	95.0	85	80
2	1	Switzerland	83.8	94.2	97.8	92.3	70.6	63.9	95.4	84.3	60.5	85.1	86.6	85	90
3	2	Ireland	82.0	92.9	93.9	82.8	78.4	80.5	86.8	87.2	61.2	81.5	78.6	90	70
4	2	Taiwan	80.7	81.9	94.7	76.3	79.3	91.1	93.6	84.3	69.1	82.5	85.8	70	60
5	3	New Zealand	78.9	87.8	94.7	96.8	66.6	49.7	72.2	88.8	71.5	78.7	90.4	70	80
6	3	Estonia	78.6	92.1	92.9	83.2	80.1	47.5	89.0	79.4	61.9	78.4	78.6	90	70
7	4	Luxembourg	78.4	96.8	96.5	89.7	64.8	41.6	80.0	85.5	56.8	75.1	78.6	95	80
8	5	Netherlands	78.0	95.6	96.6	91.0	51.0	37.9	90.8	84.4	59.3	80.2	78.6	90	80
9	6	Denmark	77.6	97.5	88.5	100	42.1	20.9	97.3	89.0	64.8	82.4	78.6	90	80
10	7	Sweden	77.5	96.6	95.6	95.7	45.1	26.2	96.2	84.6	65.9	80.9	78.6	85	80
11	8	Finland	77.1	100	97.2	97.6	68.7	8.5	76.5	84.9	65.5	82.1	78.6	85	80
12	9	Norway	76.9	98.9	97.2	96.2	57.4	18.7	96.2	95.2	69.2	74.4	84.6	75	60
13	4	Australia	74.8	90.7	94.9	83.2	63.1	47.0	24.8	88.3	64.7	80.5	89.8	80	90
14	10	Germany	73.7	94.8	93.1	89.4	60.2	28.3	82.7	79.7	52.8	75.3	78.6	80	70
15	5	South Korea	73.7	88.5	76.8	68.7	60.1	82.0	94.1	84.8	56.2	81.4	72.2	60	60
16	1	Canada	73.7	88.5	95.1	83.1	75.0	35.0	32.2	87.9	69.0	74.8	83.4	80	80
17	11	Latvia	72.8	87.3	73.0	64.7	76.2	49.0	78.9	78.2	62.6	80.1	78.6	85	60
18	12	Cyprus	72.3	83.0	89.7	58.8	80.8	45.8	73.3	74.9	66.5	81.5	78.6	75	60
19	13	Iceland	72.2	96.8	94.2	83.9	72.9	31.5	28.8	83.3	67.7	77.4	80.4	80	70
20	14	Lithuania	72.2	87.7	74.2	68.5	77.7	56.9	68.6	76.0	60.2	78.1	78.6	70	70
21	15	Czech Republic	71.9	88.5	81.9	60.3	79.3	39.5	73.5	76.9	56.1	78.0	78.6	70	80
22	2	Chile	71.1	72.3	88.7	71.8	73.0	73.5	43.8	75.7	59.4	77.4	78.0	70	70
23	16	Austria	71.1	97.0	95.2	80.9	45.7	13.0	54.5	78.5	78.8	80.4	78.6	80	70
24	1	United Arab Emirates	70.9	65.4	34.5	68.8	100	71.6	96.4	77.0	64.5	84.3	78.0	50	60
25	3	United States	70.6	94.7	76.1	73.4	75.4	49.3	0.0	83.8	76.3	78.0	75.4	85	80
26	1	Mauritius	70.6	87.0	81.4	58.2	91.0	70.2	2.5	76.0	69.1	73.4	87.8	80	70
27	4	Uruguay	70.2	84.3	80.6	77.3	73.7	70.1	73.3	80.1	60.8	71.8	70.8	70	30
28	17	United Kingdom	69.9	95.1	84.8	86.4	65.4	41.9	1.8	79.1	62.2	80.8	81.8	80	80
29	5	Barbados	69.8	71.9	86.9	68.4	79.2	69.7	73.9	68.5	62.6	78.8	57.6	60	60
30	18	Portugal	69.5	89.9	90.7	67.0	60.5	34.7	67.0	76.2	55.1	84.8	78.6	70	60
31	6	Japan	69.3	94.1	94.7	80.7	68.1	48.4	18.1	78.3	66.8	87.1	75.2	60	60
32	19	Bulgaria	69.3	75.3	57.1	43.9	93.7	56.5	90.5	71.8	63.8	80.2	78.6	60	60
33	20	Slovakia	69.0	84.2	70.6	56.8	77.3	41.2	62.4	72.2	64.7	74.8	78.6	75	70
34	2	Israel	68.9	82.3	82.8	62.7	60.9	49.1	31.1	84.9	56.9	83.0	82.6	80	70
35	21	Georgia	68.7	54.3	55.5	62.9	89.1	70.0	43.0	69.8	62.1	72.0	86.0	80	80
36	3	Qatar	68.6	71.2	39.8	58.3	99.7	68.9	93.2	62.4	52.6	75.6	81.6	60	60
37	22	Slovenia	68.5	88.6	83.3	64.6	62.6	31.5	60.4	75.9	74.4	82.4	78.6	70	50
38	7	Samoa	68.3	76.3	79.7	58.6	79.2	68.6	95.7	62.0	71.3	79.9	67.8	50	30
39	6	Jamaica	68.1	65.8	70.8	48.6	79.8	72.2	82.6	67.7	64.4	75.1	70.0	70	50
40	23	Poland	67.7	72.7	52.7	60.2	73.2	40.0	78.1	74.8	55.4	76.7	78.6	80	70

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41	24	Malta	67.5	86.9	90.8	57.4	69.9	45.9	43.5	75.5	62.7	79.3	78.6	70	50
42	8	Malaysia	67.3	65.4	57.6	51.6	83.9	82.4	64.5	70.3	58.0	81.1	83.0	60	50
43	25	Belgium	67.1	92.0	91.4	81.3	50.2	8.1	31.5	79.0	57.8	80.3	78.6	85	70
44	7	Peru	66.5	51.4	48.2	38.5	80.0	83.3	70.8	72.8	58.3	78.5	81.2	75	60
45	8	Costa Rica	66.5	66.0	76.7	63.3	79.5	85.9	17.4	73.8	58.1	82.2	74.6	70	50
46	26	Croatia	66.4	79.5	70.0	50.7	81.1	25.1	69.6	72.1	58.3	76.4	78.6	75	60
47	2	Cabo Verde	65.8	65.0	76.7	60.8	83.2	71.7	22.0	67.5	51.9	82.3	68.0	80	60
48	9	Brunei Darussalam	65.7	69.1	51.9	61.9	96.3	70.0	20.0	72.4	75.2	71.8	84.4	65	50
49	27	Albania	65.3	55.9	49.2	35.5	89.1	71.0	58.2	70.7	49.7	81.3	82.8	70	70
50	28	Armenia	65.1	50.3	31.5	51.6	87.5	76.3	71.4	64.9	58.7	70.5	73.6	75	70
51	29	Spain	65.0	87.2	73.1	66.9	58.2	30.2	7.4	75.2	62.1	80.6	83.6	85	70
52	3	Botswana	64.9	72.8	68.2	58.6	87.3	61.1	19.2	65.2	62.3	70.6	78.6	65	70
53	30	Romania	64.5	81.0	64.9	47.2	94.4	59.7	14.7	71.3	65.1	76.8	78.6	70	50
54	31	Hungary	64.1	69.5	62.5	44.8	84.2	29.8	38.9	73.5	61.3	76.5	78.6	80	70
55	9	Panama	63.8	56.8	51.5	38.7	85.6	81.1	19.1	71.1	61.0	77.3	78.5	75	70
56	32	North Macedonia	63.7	58.9	50.5	40.1	95.0	63.9	51.4	74.1	52.7	75.0	77.8	65	60
57	33	France	63.6	93.0	83.9	75.5	52.9	0.0	20.0	78.2	59.2	76.9	78.6	75	70
58	34	Serbia	63.5	58.7	50.0	37.8	87.9	37.6	73.5	74.3	68.1	78.6	76.0	70	50
59	10	Saint Vincent and the Grenadines	63.5	67.1	77.3	62.8	75.5	65.7	43.2	61.8	58.5	82.9	57.6	70	40
60	10	Indonesia	63.5	38.5	44.2	39.3	81.9	90.6	66.8	70.6	59.5	81.5	78.8	50	60
61	11	Mexico	63.2	47.8	40.0	30.8	75.5	77.8	73.6	72.4	57.7	70.9	76.8	75	60
62	12	Colombia	63.1	44.9	58.7	41.4	69.0	66.0	38.5	72.2	61.7	78.6	75.8	80	70
63	35	Bosnia and Herzegovina	62.9	48.2	34.3	33.1	93.2	46.6	96.3	67.0	60.6	81.9	68.0	65	60
64	13	Guatemala	62.7	39.2	28.5	24.9	91.7	94.0	85.8	65.8	50.1	77.4	74.6	70	50
65	14	Dominican Republic	62.6	55.1	56.6	33.2	84.9	89.1	61.9	72.1	53.0	68.8	67.0	70	40
66	11	Micronesia	62.6	57.7	84.7	62.4	91.0	0.0	99.5	52.5	82.0	81.5	74.8	35	30
67	15	Bahamas	62.6	60.5	78.3	65.7	96.5	79.3	0.0	67.0	68.6	75.7	49.6	50	60
68	4	Bahrain	62.5	65.4	28.1	40.4	99.9	66.3	0.0	64.0	53.6	83.5	84.2	85	80
69	36	Italy	62.3	81.2	77.9	61.1	57.3	13.7	20.4	73.8	70.6	82.6	78.6	80	50
70	12	Vanuatu	62.1	60.3	72.2	45.5	98.0	45.5	95.4	49.8	40.1	73.8	59.7	65	40
71	13	Kazakhstan	62.1	54.8	34.4	36.9	93.0	85.1	70.6	64.6	62.7	67.7	74.8	50	50
72	14	Vietnam	61.8	48.7	35.1	36.4	78.6	86.5	88.7	73.4	54.1	70.5	79.4	40	50
73	15	Mongolia	61.7	48.7	55.8	37.2	88.2	64.1	64.3	66.4	67.5	74.1	74.2	50	50
74	4	São Tomé and Príncipe	61.5	52.1	61.8	47.6	88.0	83.0	89.5	52.6	41.7	66.5	65.0	60	30
75	37	Azerbaijan	61.4	51.7	15.9	26.9	87.3	63.0	98.6	68.3	55.8	70.3	68.6	70	60
76	16	Paraguay	61.0	46.8	37.9	30.1	96.2	81.7	45.4	69.5	39.5	72.6	77.2	75	60
77	38	Montenegro	60.9	59.7	41.2	47.0	88.2	31.7	48.1	67.3	61.6	81.8	79.2	75	50
78	39	Kosovo	60.7	47.2	31.3	39.3	93.1	70.8	72.6	67.9	53.4	75.0	83.3	65	30

## 2023 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

World Rank	Regional Rank	Country	Overall Score	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
79	17	Saint Lucia	60.7	68.6	77.3	58.9	77.8	73.4	3.0	69.6	57.3	80.9	56.6	65	40
80	16	Thailand	60.6	44.2	35.1	37.7	81.0	81.5	65.2	66.6	56.6	73.4	70.8	55	60
81	5	Côte d'Ivoire	60.4	44.4	29.8	33.6	79.0	88.5	65.3	60.6	56.4	68.3	73.6	75	50
82	17	Tonga	60.0	64.6	68.8	43.2	85.4	46.5	95.5	55.7	56.1	72.7	71.9	40	20
83	6	Tanzania	60.0	44.8	28.3	37.4	80.6	91.3	86.5	50.1	62.4	73.0	60.6	55	50
84	7	Benin	59.8	43.2	48.2	43.6	69.6	90.4	73.8	47.0	60.0	81.1	60.8	50	50
85	18	Belize	59.8	34.1	71.0	41.7	80.7	76.6	60.4	59.0	60.7	75.6	52.2	55	50
86	19	Dominica	59.7	69.1	82.7	57.9	76.4	3.1	56.7	63.8	59.5	82.6	54.8	70	40
87	8	Seychelles	59.5	79.7	63.6	71.5	75.1	47.8	9.4	65.9	62.3	73.3	80.6	55	30
88	20	Trinidad and Tobago	59.5	58.1	59.9	45.2	80.3	68.5	12.7	64.5	64.8	83.0	66.9	60	50
89	18	Philippines	59.3	46.4	25.8	34.4	78.3	81.3	59.4	66.1	57.5	68.3	74.4	60	60
90	19	Bhutan	59.0	66.9	61.6	72.3	84.0	72.2	78.7	63.0	56.6	65.6	37.6	20	30
91	9	Madagascar	58.9	41.7	34.4	23.8	90.7	93.0	82.3	38.5	56.2	75.3	65.8	55	50
92	20	Kiribati	58.8	76.3	83.7	51.9	69.5	0.0	82.8	61.2	65.5	79.5	80.0	25	30
93	5	Jordan	58.8	54.1	42.7	48.3	84.7	70.0	3.1	59.8	57.4	83.6	71.4	70	60
94	21	Honduras	58.7	38.3	29.0	23.4	83.8	77.5	84.4	60.8	38.4	72.0	71.6	65	60
95	6	Oman	58.5	75.2	26.1	49.2	97.6	50.7	12.1	61.8	45.7	82.9	76.2	65	60
96	40	Moldova	58.5	37.9	29.8	35.6	93.4	64.4	82.1	60.2	46.6	71.2	75.6	55	50
97	7	Morocco	58.4	57.1	32.8	38.7	67.9	72.0	41.3	65.3	47.6	78.3	64.4	65	70
98	8	Saudi Arabia	58.3	47.3	34.4	49.6	99.4	60.3	41.3	71.8	42.5	78.9	74.2	50	50
99	10	Ghana	58.0	50.5	57.2	45.3	82.9	81.2	6.5	53.3	55.8	70.3	63.0	70	60
100	21	Fiji	58.0	58.1	45.6	55.4	89.3	69.4	6.2	63.0	65.8	79.0	58.8	55	50
101	11	Gambia	57.9	47.2	36.4	36.9	79.3	83.5	70.4	50.5	47.4	63.3	64.4	65	50
102	12	Namibia	57.7	64.0	67.2	52.5	72.0	53.0	9.6	56.0	63.3	78.5	71.8	65	40
103	13	Senegal	57.7	56.6	49.8	46.2	69.8	80.5	40.6	53.5	54.0	75.7	65.4	60	40
104	41	Türkiye	56.9	40.8	24.2	37.1	73.0	66.1	63.0	59.7	54.9	58.6	75.8	70	60
105	22	Guyana	56.9	46.7	47.1	40.2	73.2	76.0	39.0	67.1	73.8	79.6	55.0	55	30
106	22	Solomon Islands	56.9	52.5	60.8	44.8	71.5	62.4	86.9	45.0	60.9	83.8	68.6	15	30
107	42	Greece	56.9	76.7	69.9	52.9	60.8	9.7	18.1	70.3	60.7	79.6	78.6	55	50
108	9	Kuwait	56.7	42.5	40.6	43.8	97.7	3.2	80.9	59.1	52.1	69.3	75.6	55	60
109	23	Uzbekistan	56.5	30.9	13.0	24.9	92.8	74.9	85.3	58.9	48.1	63.4	76.0	60	50
110	24	Cambodia	56.5	40.8	22.3	14.5	87.9	78.7	90.1	54.4	47.9	74.3	66.8	50	50
111	14	Burkina Faso	56.2	38.2	36.9	42.7	81.5	80.6	52.0	41.1	61.8	73.5	61.2	65	40
112	15	Djibouti	56.1	31.5	28.2	27.0	83.6	82.2	89.3	48.3	50.8	72.2	49.9	60	50
113	16	Gabon	56.1	27.2	18.2	25.6	77.3	90.4	90.7	50.1	55.4	83.0	55.1	60	40
114	23	El Salvador	56.0	43.0	31.8	34.6	77.2	71.6	35.8	64.7	54.6	70.2	68.6	60	60
115	25	Kyrgyz Republic	55.8	24.2	13.0	25.2	95.0	66.0	90.1	56.1	52.1	65.4	72.0	60	50
116	17	South Africa	55.7	42.5	59.1	48.0	65.6	67.3	5.9	64.5	71.6	77.0	72.4	45	50
117	18	Mauritania	55.3	36.4	27.7	24.2	75.8	90.0	94.7	35.3	49.3	78.6	62.0	50	40
118	19	Togo	55.3	35.8	36.8	30.1	70.2	87.1	69.4	51.2	51.9	73.4	67.2	60	30



## 2023 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

World Rank	Regional Rank	Country	Overall Score	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
119	24	Ecuador	55.0	31.6	46.9	36.5	74.8	60.3	66.4	64.0	56.5	82.2	65.6	35	40
120	20	Eswatini	54.9	45.9	36.6	33.0	78.2	68.5	51.3	49.9	54.9	77.9	72.4	50	40
121	25	Nicaragua	54.9	29.7	20.4	17.6	75.6	74.4	92.0	53.9	47.0	71.3	66.4	60	50
122	21	Mali	54.5	32.6	33.4	26.9	68.9	80.5	68.7	40.5	54.4	79.2	64.0	65	40
123	26	Bangladesh	54.4	36.8	28.0	22.5	82.1	94.7	63.4	56.7	46.8	70.1	62.0	50	40
124	22	Nigeria	53.9	24.0	33.8	22.5	84.9	95.2	50.0	44.3	73.6	65.0	68.0	45	40
125	43	Russia	53.8	30.6	32.9	28.0	88.3	60.4	99.1	54.8	57.7	64.9	69.4	30	30
126	23	Niger	53.7	36.8	37.2	32.1	77.7	84.3	55.9	34.5	54.1	73.2	63.0	55	40
127	26	Brazil	53.5	49.7	55.3	39.1	70.9	55.0	2.7	63.6	57.0	73.7	65.0	60	50
128	24	Comoros	53.5	24.5	21.8	19.5	65.4	88.5	88.5	48.6	55.6	84.9	69.6	45	30
129	25	Guinea	53.2	20.4	26.7	24.1	70.1	92.5	91.7	45.4	50.0	68.2	59.4	50	40
130	26	Angola	53.0	41.1	24.8	22.9	86.5	86.9	85.1	41.6	53.9	58.9	64.8	30	40
131	27	India	52.9	49.7	53.0	42.2	78.5	73.8	5.8	64.3	58.1	70.0	59.8	40	40
132	10	Tunisia	52.9	61.8	49.0	46.7	73.7	68.4	13.7	54.4	55.8	74.8	66.3	40	30
133	27	Malawi	52.8	48.4	52.7	36.6	71.6	85.2	11.8	34.1	56.9	70.8	65.6	50	50
134	28	Mozambique	52.5	31.2	44.6	27.1	75.3	70.6	65.9	36.1	47.8	76.1	70.8	35	50
135	29	Kenya	52.5	39.7	38.9	30.0	79.0	81.7	10.8	56.0	57.1	74.7	57.2	55	50
136	28	Sri Lanka	52.2	51.6	49.7	39.5	90.3	88.0	0.0	54.4	55.8	70.2	67.2	30	30
137	30	Rwanda	52.2	61.1	27.3	52.7	78.9	71.1	11.1	51.8	42.8	79.7	50.0	60	40
138	31	Chad	52.0	28.2	14.5	12.6	78.1	91.0	93.7	28.4	53.4	76.8	47.3	60	40
139	32	Cameroon	51.9	38.4	10.3	21.1	72.3	91.1	82.1	47.2	46.7	80.3	53.6	30	50
140	29	Papua New Guinea	51.7	43.6	44.1	32.0	72.0	86.0	26.4	46.7	65.2	71.5	77.7	25	30
141	33	Lesotho	51.6	42.4	43.3	41.6	77.3	11.2	70.1	44.0	57.9	74.9	61.2	55	40
142	30	Nepal	51.4	37.6	43.4	34.0	85.0	77.2	58.9	60.1	51.5	71.8	57.8	10	30
143	34	Uganda	51.4	47.7	29.2	24.3	73.5	87.4	23.3	46.1	54.7	80.3	55.4	55	40
144	27	Argentina	51.0	34.6	56.8	42.8	66.9	53.9	33.6	55.5	55.1	36.5	61.2	55	60
145	44	Belarus	51.0	31.2	11.1	38.9	89.9	57.8	94.3	53.7	47.1	66.9	70.8	30	20
146	31	Tajikistan	50.6	29.2	11.7	17.7	92.0	75.2	87.2	56.8	43.6	66.3	72.2	25	30
147	32	Laos	50.3	41.8	11.4	21.0	89.0	90.1	54.6	56.7	44.5	72.3	66.6	35	20
148	35	Sierra Leone	50.2	34.4	42.8	34.4	87.2	81.1	40.8	34.6	38.3	67.6	61.5	60	20
149	28	Haiti	49.9	23.2	18.5	15.8	81.7	96.8	90.0	33.4	55.1	58.3	66.5	30	30
150	36	Liberia	49.6	31.6	23.2	26.1	86.1	68.6	72.6	34.1	43.3	68.3	66.8	55	20
151	11	Egypt	49.6	39.7	22.1	27.9	86.7	79.4	4.1	51.1	33.4	75.0	60.2	65	50
152	33	Pakistan	49.4	29.0	29.6	26.8	78.3	88.9	11.4	45.9	51.6	65.8	65.8	60	40
153	37	Equatorial Guinea	48.3	21.6	8.3	8.9	74.5	93.2	96.3	33.5	47.4	77.7	48.7	40	30
154	34	China	48.3	45.3	38.2	42.0	69.5	65.1	9.8	68.3	55.2	72.5	73.6	20	20
155	38	Ethiopia	48.3	30.4	21.2	34.5	77.9	93.7	82.8	39.3	39.1	53.8	56.4	30	20
156	39	Congo, Republic of	48.1	30.0	14.5	13.0	75.5	84.7	80.0	32.4	43.6	81.8	56.4	35	30
157	40	Congo, Democratic Republic of the Congo	47.9	14.4	12.9	11.8	74.4	95.2	96.0	31.7	54.4	65.8	68.2	30	20

## 2023 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS

World Rank	Regional Rank	Country	Overall Score	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
158	41	Zambia	47.8	36.0	44.4	29.9	74.8	69.6	0	43.9	42.1	62.2	65.2	55	50
159	35	Timor-Leste	47.2	38.2	36.3	40.1	97.5	0	19.8	58.4	56.5	74.6	79.9	45	20
160	36	Maldives	46.6	48.2	33.4	38.8	91.9	48.4	0.0	44.8	50.0	79.9	58.6	35	30
161	37	Turkmenistan	46.5	19.1	9.7	8.1	94.3	96.2	99.8	37.3	31.4	67.8	74.2	10	10
162	38	Burma	46.5	21.5	9.5	29.3	88.5	86.4	38.8	42.1	45.6	76.4	69.4	30	20
163	29	Suriname	46.1	41.9	46.2	38.6	70.8	61.4	0	52.8	64.4	46.0	60.6	40	30
164	12	Lebanon	45.6	33.1	25.0	22.6	89.7	80.7	44.1	48.1	53.3	19.5	71.4	30	30
165	42	Guinea-Bissau	44.6	27.5	14.7	18.7	89.1	84.2	22.2	31.6	56.6	79.9	50.7	30	30
166	43	Central African Republic	43.8	6.9	4.6	16.9	65.4	87.3	84.2	26.5	39.8	73.5	45.0	45	30
167	30	Bolivia	43.4	21.1	28.4	27.7	87.1	60.8	7.0	55.1	44.9	74.0	60.0	15	40
168	13	Algeria	43.2	27.8	29.5	28.4	71.9	50.7	12.1	53.6	51.4	75.1	57.5	30	30
169	14	Iran	42.2	25.0	26.3	19.6	81.1	94.8	58.8	38.9	50.7	40.6	55.8	5	10
170	44	Burundi	41.9	19.8	7.6	12.5	76.0	75.6	38.6	30.6	41.8	67.8	52.8	50	30
171	45	Eritrea	39.5	9.6	5.2	12.0	80.3	62.3	69.0	31.3	51.2	64.6	68.4	0	20
172	46	Zimbabwe	39.0	20.0	15.8	20.0	65.8	92.6	89.9	39.8	35.4	0	54.0	25	10
173	47	Sudan	32.8	22.6	5.9	15.7	85.2	94.9	28.5	25.4	42.0	0	48.0	5	20
174	31	Venezuela	25.8	0	3.4	6.5	74.8	95.0	12.0	30.8	34.3	0	42.3	0	10
175	32	Cuba	24.3	31.7	15.5	36.6	51.9	0	0	41.1	20.0	15.3	59.6	10	10
176	39	North Korea	2.9	16.6	6.3	1.6	0	0	0	5.0	5.0	0	0	0	0
N/A	N/A	Afghanistan	N/A	5.8	5.4	12.7	N/A	N/A	N/A	34.6	45.1	N/A	N/A	N/A	N/A
N/A	N/A	Iraq	N/A	14.6	7.6	19.0	N/A	N/A	N/A	43.1	56.8	67.1	N/A	N/A	N/A
N/A	N/A	Libya	N/A	5.4	3.6	12.5	N/A	N/A	N/A	31.1	48.6	75.1	N/A	N/A	N/A
N/A	N/A	Liechtenstein	N/A	92.9	88.0	80.8	N/A	N/A	N/A	N/A	N/A	N/A	86.6	80.0	80.0
N/A	N/A	Somalia	N/A	0.3	1.7	5.5	N/A	N/A	N/A	26.1	26.5	N/A	N/A	N/A	N/A
N/A	N/A	Syria	N/A	3.0	4.4	6.5	N/A	N/A	N/A	35.0	46.5	N/A	N/A	N/A	N/A
N/A	N/A	Ukraine	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Yemen	N/A	6.3	8.3	7.0	N/A	N/A	N/A	28.4	30.7	N/A	N/A	N/A	N/A

## ECONOMIC FREEDOM: REGIONAL VARIATIONS (REGIONAL AVERAGE)

Regional Ranking	The Americas (58.6)	Asia-Pacific (58.2)	Europe (68.2)	Middle East/ North Africa (56.8)	Sub-Saharan Africa (53.2)
1	Canada	Singapore	Switzerland	United Arab Emirates	Mauritius
2	Chile	Taiwan	Ireland	Israel	Cabo Verde
3	Uruguay	New Zealand	Estonia	Qatar	Botswana
4	Barbados	Australia	Luxembourg	Bahrain	São Tomé and Príncipe
5	United States	Korea, South	Netherlands	Jordan	Côte d'Ivoire
6	Jamaica	Japan	Denmark	Oman	Tanzania
7	Peru	Samoa	Sweden	Morocco	Benin
8	Costa Rica	Malaysia	Finland	Saudi Arabia	Seychelles
9	Panama	Brunei Darussalam	Norway	Kuwait	Madagascar
10	St. Vincent and Grenadines	Indonesia	Germany	Tunisia	Ghana
11	Mexico	Micronesia	Latvia	Egypt	Gambia
12	Colombia	Vanuatu	Cyprus	Lebanon	Namibia
13	Guatemala	Kazakhstan	Iceland	Algeria	Senegal
14	Dominican Republic	Vietnam	Lithuania	Iran	Burkina Faso
15	Bahamas	Mongolia	Czech Republic	Iraq	Djibouti
16	Paraguay	Thailand	Austria	Libya	Gabon
17	Saint Lucia	Tonga	United Kingdom	Syria	South Africa
18	Belize	Philippines	Portugal	Yemen	Mauritania
19	Dominica	Bhutan	Bulgaria		Togo
20	Trinidad and Tobago	Kiribati	Slovakia		Eswatini
21	Honduras	Fiji	Slovenia		Mali
22	Guyana	Solomon Islands	Georgia		Nigeria
23	El Salvador	Cambodia	Poland		Niger
24	Ecuador	Kyrgyz Republic	Malta		Comoros
25	Nicaragua	Uzbekistan	Belgium		Guinea
26	Brazil	Bangladesh	Croatia		Angola
27	Argentina	India	Albania		Malawi
28	Haiti	Sri Lanka	Armenia		Mozambique
29	Suriname	Papua New Guinea	Spain		Kenya
30	Bolivia	Nepal	Romania		Rwanda
31	Venezuela	Tajikistan	Hungary		Chad
32	Cuba	Laos	North Macedonia		Cameroon
33		Pakistan	France		Lesotho
34		China	Serbia		Uganda
35		Timor-Leste	Bosnia and Herzegovina		Sierra Leone
36		Maldives	Italy		Liberia
37		Turkmenistan	Azerbaijan		Equatorial Guinea
38		Burma	Montenegro		Ethiopia
39		Korea, North	Kosovo		Congo, Rep.
40		Afghanistan	Moldova		Congo, Dem. Rep.
41			Türkiye		Zambia
42			Greece		Guinea-Bissau
43			Russia		Central African Republic
44			Belarus		Burundi
45			Liechtenstein		Eritrea
46			Ukraine		Zimbabwe
47					Sudan
48					Somalia

**Economic Freedom Scores**

- 80-100 Free
- 70-79.9 Mostly Free
- 60-69.9 Moderately Free
- 50-59.9 Mostly Unfree
- 0-49.9 Repressed
- Not Graded



# THE 12 ECONOMIC FREEDOMS: POLICIES FOR LASTING PROGRESS AND PROSPERITY

**E**conomic freedom is valuable both as an end in itself and because it is a vital component of human dignity, autonomy, and personal empowerment. Just as important, however, is the fact that it provides a proven formula for economic progress and success.

Each measured aspect of economic freedom has a significant effect on economic growth and prosperity. Policies that allow greater freedom in any of the measured areas tend to spur growth, which in turn generates more opportunities for people to advance themselves economically. The result: reduced poverty and lasting prosperity.

Economic freedom is best understood as a philosophy of governance that rejects dogma and embraces a diverse range of strategies for economic advancement. The competitive pressures of a marketplace that is open to new ideas and processes encourage both excellence and innovation.

When governments inject themselves into economic decision-making, their actions, however well-meant, tend toward coercion, standardization, and the restriction of freedom. They cannot possibly account for the individual circumstances and needs of individuals as effectively as a free marketplace can. They also are nearly certain to impede efficiency and thus promote the waste of resources and effort. The *Index of Economic Freedom* provides compelling evidence that it is the counterproductive policies that our governments all too often put in place, not the policies we fail to implement, that hold back economic growth.

Those who believe in economic freedom believe in the right of individuals to decide for themselves

how to direct their lives. The added benefit from society's point of view is the proven power of self-directed individuals, whether working alone or working together in associations or corporations, to create the goods and services that respond most effectively to the needs and desires of their fellow citizens.

Throughout its previous editions, the *Index* has explored many critical aspects of the relationships between individuals and governments. In measuring economic freedom, we have focused on a comprehensive yet far from exhaustive range of policy areas in which governments typically act for good or ill. However, by its very nature, the concept of freedom resists narrow definition, and each year seems to bring new challenges from those who seek to impose their own views or control the economic actions of others.

As new challenges to economic freedom arise, our definitions and methodologies will continue to evolve so that we can provide as true a picture as possible of the state of economic freedom around the world.

## DEFINING ECONOMIC FREEDOM

At its heart, economic freedom is about individual autonomy, concerned chiefly with the freedom of choice that individuals enjoy in acquiring and using economic goods and resources. The underlying assumption of those who favor economic freedom is that individuals know their own needs and desires best and that a self-directed life, guided by one's own philosophies and priorities rather than those of a government or technocratic elite, is the foundation



of a fulfilling existence. Independence and self-respect flow from the ability and responsibility to take care of oneself and one's family and are invaluable contributors to human dignity and equality.

Obviously, because we live together with others in societies, individual autonomy can never be considered absolute. Many individuals regard the well-being of their families and communities as equal in importance to their own, and the personal rights enjoyed by one person may well end at his or her neighbor's doorstep. Decisions and activities that have an impact or potential impact on others are rightly constrained by societal norms and, in the most critical areas, by government laws or regulations.

In a market-oriented economy, societal norms, not government laws and regulations, are the primary regulators of behavior. Such norms grow organically out of society itself and reflect its history, its culture, and the experience of generations as they have learned how to live with one another. They guide our understanding of ethics, the etiquette of personal and professional relationships, and consumer tastes.

At their best, democratic political systems reflect societal norms in their laws and regulations, but if they are not constrained by constitutional or other traditional limits, even democratic governments may pose substantial threats to economic freedom. A constraint imposed on economic freedom by majority rule is no less a constraint than one imposed by an absolute ruler or oligarch. It is thus not so much the type of government that determines the degree of economic freedom as it is the extent to which government has limits beyond which it may not (or at least does not) go.

Inevitably, any discussion of economic freedom will focus on the critical relationship between the individual and government. In general, state action or government control that interferes with individual autonomy limits economic freedom.

However, the goal of economic freedom is not simply the absence of government coercion or constraint, but rather the creation and maintenance of a mutual sense of liberty for all. Some government action is necessary for the citizens of a nation to defend themselves and to promote the peaceful evolution of civil society, but government action that rises beyond the minimal necessary level will likely infringe on someone's economic or personal freedom.

Throughout history, governments have imposed a wide array of constraints on economic activity. Sometimes they have imposed these constraints in the name of equality or some other ostensibly noble societal purpose; most often, however, they have imposed them to benefit elites or special interests.

Government's excessive intrusion into wide spheres of economic activity comes at a high cost to society as a whole. By substituting political judgments for those of the marketplace, government diverts entrepreneurial resources and energy from productive activities to rent-seeking: the quest for economically unearned benefits. The result is lower productivity, economic stagnation, and declining prosperity.

## ASSESSING ECONOMIC FREEDOM

The *Index of Economic Freedom* takes a comprehensive view of economic freedom. Some of the aspects of economic freedom that are evaluated (for example, the extent of an economy's openness to global investment or trade) are concerned with a country's interactions with the rest of the world. Most, however, focus on policies within a country, assessing the liberty of individuals to use their labor or finances without undue restraint and government interference.

Each of the measured aspects of economic freedom plays a vital role in promoting and sustaining personal and national prosperity. But all are complementary in their impact, and progress in one area is often likely to reinforce or even inspire progress in another. Similarly, repressed economic freedom in one area (for example, a lack of respect for property rights) may make it much more difficult to achieve high levels of freedom in other categories.

The 12 aspects of economic freedom measured in the *Index* are grouped into four broad categories:

- **Rule of law** (property rights, judicial effectiveness, and government integrity);
- **Government size** (tax burden, government spending, and fiscal health);
- **Regulatory efficiency** (business freedom, labor freedom, and monetary freedom); and
- **Market openness** (trade freedom, investment freedom, and financial freedom).

## Rule of Law

**Property Rights.** In a fully functioning market economy, the ability to accumulate private property and wealth is a central motivating force for both workers and investors. Private property rights and an effective rule of law to protect them are vital features of any such economy. Secure property rights give citizens the confidence to undertake entrepreneurial activity, save their income, and make long-term plans because they know that their income, savings, and property (both real and intellectual) are safe from unfair expropriation or theft.

Property rights are a primary factor in the accumulation of capital for production and investment. Secure titling is key to unlocking the wealth embodied in real estate, making natural resources available for economic use, and providing collateral for investment financing. It is also by extending and protecting property rights that societies avoid the “tragedy of the commons”—the phenomenon that leads to the degradation and exploitation of property that is held communally and for which no one is accountable.

A key aspect of the protection of property rights is the enforcement of contracts. The voluntary undertaking of contractual obligations is the foundation of the market system and the basis for economic specialization, gains from commercial exchange, and trade among nations. Evenhanded government enforcement of private contracts is crucial to ensuring equity and integrity in the marketplace.

**Judicial Effectiveness.** Effectively functioning legal frameworks protect the rights of all citizens against infringement of the law by others, including by governments and powerful parties. As an essential component of the rule of law, judicial effectiveness requires efficient and fair judicial systems to ensure that laws are fully respected and appropriate legal actions are taken against violations.

Especially for developing countries, judicial effectiveness may be the area of economic freedom that is most important in laying the foundations for economic growth. In advanced economies, deviations from judicial effectiveness may be the first signs of serious problems that will lead to economic decline.

There is abundant evidence from countries around the world that an honest, fair, and effective judicial system is a critical factor in empowering individuals, ending discrimination, and enhancing competition. In the never-ending struggle to improve the human condition and achieve greater

prosperity, an institutional commitment to the preservation and advancement of judicial effectiveness is indispensable.

**Government Integrity.** In a world characterized by social and cultural diversity, practices regarded as corrupt in one place may simply reflect traditional interactions in another. For example, small informal payments to service providers or even government officials may be regarded variously as a normal means of compensation, a “tip” for unusually good service, or a corrupt form of extortion.

While such practices may indeed constrain an individual’s economic freedom, their impact on the economic system as a whole is likely to be modest. Of far greater concern is the systemic corruption of government institutions by such practices as bribery, nepotism, cronyism, patronage, embezzlement, and graft. Though not all are crimes in every society or circumstance, these practices erode the integrity of government wherever they are practiced. By allowing some individuals or special interests to gain government benefits at the expense of others, they are grossly incompatible with the principles of fair and equal treatment that are necessary ingredients of an economically free society.

There is a direct relationship between the extent of government intervention in economic activity and the prevalence of corruption. In particular, excessive and redundant government regulations provide opportunities for bribery and graft, which in turn are detrimental to economic growth and development. In addition, government regulations or restrictions in one area may create informal or black markets in another. For example, by imposing numerous burdensome barriers to the conduct of business, including regulatory red tape and high transaction costs, a government can incentivize bribery and encourage illegitimate and secret interactions that compromise the transparency that is essential to the efficient functioning of a free market.

## Government Size

**Tax Burden.** All governments impose fiscal burdens on economic activity through taxation and borrowing. Governments that permit individuals and businesses to keep and manage a larger share of their income and wealth for their own benefit and their own use maximize economic freedom.

The higher the government’s share of income or wealth, the lower the individual’s reward for his or

her economic activity and the lower the incentive to undertake work at all. Higher tax rates reduce the ability of individuals and firms to pursue their goals in the marketplace and thereby also reduce the overall level of private-sector activity.

Individual and corporate income tax rates are an important and direct constraint on an individual's economic freedom and are reflected as such in the *Index*, but they are not by themselves a comprehensive measure of the tax burden. Governments impose many other indirect taxes, including payroll, sales, and excise taxes, as well as tariffs and value-added taxes (VATs). The *Index of Economic Freedom* captures the burden of these taxes by measuring the overall tax burden from all forms of taxation as a percentage of total gross domestic product (GDP).

**Government Spending.** The cost, size, and intrusiveness of government taken together are a central economic freedom issue that the *Index* measures in a variety of ways. Government spending takes many forms, not all of which are equally harmful to economic freedom. Some government spending (for example, to provide infrastructure, fund research, or improve human capital) may be considered investment. Government also spends on public goods, the benefits of which accrue broadly to society in ways that markets cannot price appropriately.

All government spending, however, must eventually be financed by higher taxation and entails an opportunity cost—the value of the consumption or investment that would have occurred had the resources involved been left in the private sector.

Excessive government spending runs a great risk of crowding out private economic activity. Even if government spending helps to promote faster economic growth, such economic expansion tends to be only temporary, distorting the market allocation of resources and private investment incentives. Even worse, a government's insulation from market discipline often leads to bureaucracy, lower productivity, inefficiency, and mounting public debt that imposes an even greater burden on future generations.

**Fiscal Health.** One of the clearest indicators of the extent to which a government respects the principle of limited government is its budget. By delineating priorities and allocating resources, a budget signals unmistakably both the areas in which government will intervene in economic activity and the extent of that intervention. A budget also reflects a government's commitment (or lack thereof) to the

sound financial management of resources, which is both imperative for dynamic long-term economic expansion and critical to the advancement of economic freedom.

Widening deficits and a growing debt burden, both of which are direct consequences of poor government budget management, erode a country's overall fiscal health. Deviations from sound fiscal positions often disturb macroeconomic stability, induce economic uncertainty, and thus limit economic freedom.

Debt is an accumulation of budget deficits over time. In theory, debt financing of public spending could contribute to productive investment and economic growth. Debt could also be a mechanism for positive macroeconomic countercyclical interventions or even long-term growth policies. On the other hand, high levels of public debt can lead to higher interest rates, crowd out private investment, and limit government's flexibility in responding to economic crises. Mounting public debt driven by persistent budget deficits—particularly deficits caused by spending that merely boosts government consumption or transfer payments—often undermines overall productivity growth and leads to economic stagnation rather than economic growth.

## Regulatory Efficiency

**Business Freedom.** An individual's ability to establish and run an enterprise without undue interference from the state is one of the most fundamental indicators of economic freedom. Burdensome and redundant regulations are the most common barriers to the free conduct of entrepreneurial activity. By increasing the costs of production, regulations can make it difficult for entrepreneurs to succeed in the marketplace.

Many regulations hinder business productivity and profitability, but the ones that most inhibit entrepreneurship are often those that are associated with the licensing of new businesses. In some countries, as well as many states in the United States, the procedure for obtaining a business license can be as simple as mailing in a registration form with a minimal fee. In Singapore, it takes only a day and a half and two procedures to start a business, and there is no minimum-capital requirement. In other economies, such as India and parts of South America, the process for obtaining a business license can take much longer and involve endless trips to

government offices and repeated encounters with officious and sometimes corrupt bureaucrats.

Once a business is open, government regulation may interfere with the normal decision-making or price-setting process. Significantly, two countries with the same set of regulations can impose different regulatory burdens that have different consequences. A country that applies its regulations evenly and transparently can lower the regulatory burden by facilitating long-term business planning, while a country that applies regulations inconsistently adds to the regulatory burden by creating an unpredictable business environment.

**Labor Freedom.** The ability of individuals to find employment opportunities and work is a key component of economic freedom. By the same token, the ability of businesses to contract freely for labor and dismiss redundant workers when they are no longer needed is essential to the achievement of enhanced productivity and sustained economic growth.

The core principle of any economically free market is voluntary exchange. This is just as true in the labor market as it is in the market for goods.

State intervention generates the same problems in the labor market that it produces in any other market. Government labor regulations take a variety of forms: minimum wages or other wage controls, limits on hours worked or other workplace conditions, restrictions on hiring and firing, and other constraints. In many countries, unions play an important role in regulating labor freedom and, depending on the nature of their activity, may be either a force for greater freedom or an impediment to the efficient functioning of labor markets.

Onerous labor laws penalize businesses and workers alike. Rigid labor regulations prevent employers and employees from freely negotiating changes in terms and conditions of work, and the result is often a chronic mismatch of labor supply and demand.

**Monetary Freedom.** Monetary freedom requires a stable currency and market-determined prices. Whether acting as entrepreneurs or as consumers, economically free people need a steady and reliable currency as a medium of exchange, unit of account, and store of value. The lack of monetary freedom seriously limits their ability to create long-term value or amass capital.

The value of a country's currency can be influenced significantly by the monetary policy of its

government. With a monetary policy that endeavors to fight inflation, maintain price stability, and preserve the nation's wealth, people can rely on market prices for the foreseeable future. They can invest, save, and make other longer-term plans more confidently. An inflationary policy, by contrast, confiscates wealth like an invisible tax and distorts prices, misallocates resources, and raises the cost of doing business.

There is no single accepted theory of the right monetary policy for a free society. At one time, the gold standard enjoyed widespread support. What characterizes almost all monetary theories today is support for low inflation and an independent central bank. It is also widely recognized that price controls corrupt market efficiency and lead to shortages or surpluses.

### Market Openness

**Trade Freedom.** Many governments restrict their citizens' ability to interact freely as buyers or sellers in the international marketplace. Impediments to trade include tariffs, export taxes, trade quotas, outright trade bans, and nontariff barriers related to various licensing, standard-setting, and other regulatory actions. Given the development of global supply chains and cross-border production processes, businesses increasingly value stability in trade policy. Government actions that create uncertainty about future trade conditions may thus have a negative impact on trade freedom that goes beyond their immediate economic effect.

The degree to which government hinders the free flow of foreign commerce has a direct bearing on the ability of individuals to pursue their economic goals and maximize their productivity and well-being. Tariffs, for example, increase the prices that local consumers pay for foreign imports, but they also distort production incentives for local producers, causing them to produce either a good in which they lack a comparative advantage or more of a protected good than is economically ideal. This impedes overall economic efficiency and growth.

In many cases, restricting trade also means limiting the productive development of local entrepreneurs by putting advanced-technology products and services beyond their reach.

**Investment Freedom.** A free and open investment environment provides maximum entrepreneurial opportunities and incentives for expanded



economic activity, greater productivity, and job creation. The benefits of such an environment flow not only to the individual companies that take the entrepreneurial risk in expectation of greater return, but also to society as a whole. An effective investment framework is characterized by transparency and equity, supporting all types of firms rather than just large or strategically important companies, and encourages rather than discourages innovation and competition.

Restrictions on the movement of capital, both domestic and international, undermine the efficient allocation of resources and reduce productivity, thereby distorting economic decision-making. Restrictions on cross-border investment can limit both inflows and outflows of capital, thereby shrinking markets and reducing opportunities for growth.

By contrast, when individuals and companies are free to choose where and how to invest, capital can flow to its best uses: to the sectors and activities where it is most needed and the returns are greatest. State action to redirect the flow of capital and limit choice is an imposition on the freedom of both the investor and the person seeking capital. The more restrictions a country imposes on investment, the lower its level of entrepreneurial activity will be.

**Financial Freedom.** An accessible and efficiently functioning formal financial system ensures the availability of diversified savings, credit, payment, and investment services to individuals and businesses. By expanding financing opportunities and promoting entrepreneurship, an open banking environment encourages competition in order to provide the most efficient financial intermediation between households and firms as well as between investors and entrepreneurs.

Through a process driven by supply and demand, markets provide real-time information on prices and immediate discipline for those who have made

bad decisions. This process depends on transparency in the market and the integrity of the information that is made available. A prudent and effective regulatory system, through disclosure requirements and independent auditing, ensures both.

Increasingly, the central role played by banks is being complemented by other financial services that offer alternative ways to raise capital or diversify risk. As with the banking system, the useful role for government in regulating these institutions lies in ensuring transparency and integrity and in promoting disclosure of assets, liabilities, and risks.

State banking and financial regulation that goes beyond assuring transparency and honesty in financial markets can promote inefficiency, increase the costs of financing entrepreneurial activity, and limit competition. If the government intervenes in the stock market, for instance, it contravenes the choices of millions of individuals by interfering with the pricing of capital—the most critical function of a market economy.

## **ECONOMIC FREEDOM: MORE THAN A GOOD BUSINESS ENVIRONMENT**

Economic freedom is about much more than a business environment in which entrepreneurship and prosperity can flourish. With its far-reaching impacts on various aspects of human development, economic freedom empowers people, unleashes powerful forces of choice and opportunity, nourishes other liberties, and improves the overall quality of life.

No other system—and many have been tried—comes close to free-market capitalism in promoting growth and enhancing the human condition. The undeniable link between economic freedom and prosperity is a striking demonstration of what people can do when they have maximum opportunity to pursue their own interests within the rule of law.



# ECONOMIC FREEDOM: THE SUREST PATH TO HUMAN FLOURISHING

**S**ince early 2020, the global economy has confronted one of the greatest political, social, and economic challenges the world has ever faced. The livelihoods of millions of people have been deeply disrupted both by the health impacts of the COVID-19 pandemic and—perhaps even more—by governments’ responses to it in the form of lockdowns, travel bans, and restrictions on trade, all of which have exacted real and heavy economic and social costs. In countries around the world, economic policy has taken sharp and varying turns with divergent impacts across countries.

From an economic policy perspective, the imperative now is for governments to avoid compounding the problem with ill-advised actions that distort markets, destroy incentives to work and innovate, or otherwise diminish the prospects for rapid recovery and growth. In the long run, the proven way to revitalize the economic life of societies in the most broad-based, meaningful way is by restoring what we know has worked best: economic freedom, not greater government control and micromanagement.

## ECONOMIC FREEDOM MATTERS NOW MORE THAN EVER

For the 29 successive years, ever since publication of its inaugural 1995 edition, the *Index of Economic Freedom* has measured economic freedom’s advances and retreats country by country around the globe, correlating those changes with fundamental measures of economic well-being like economic growth, reductions in poverty, various social indicators like longevity and health, and environmental protection.

At the same time, the principles of economic freedom have been questioned and put to the test. Attacks on the free market, fueled by politics in many countries around the world as well as by actual economic setbacks, have gained greater momentum. Out of all the debate, two things have become clear:

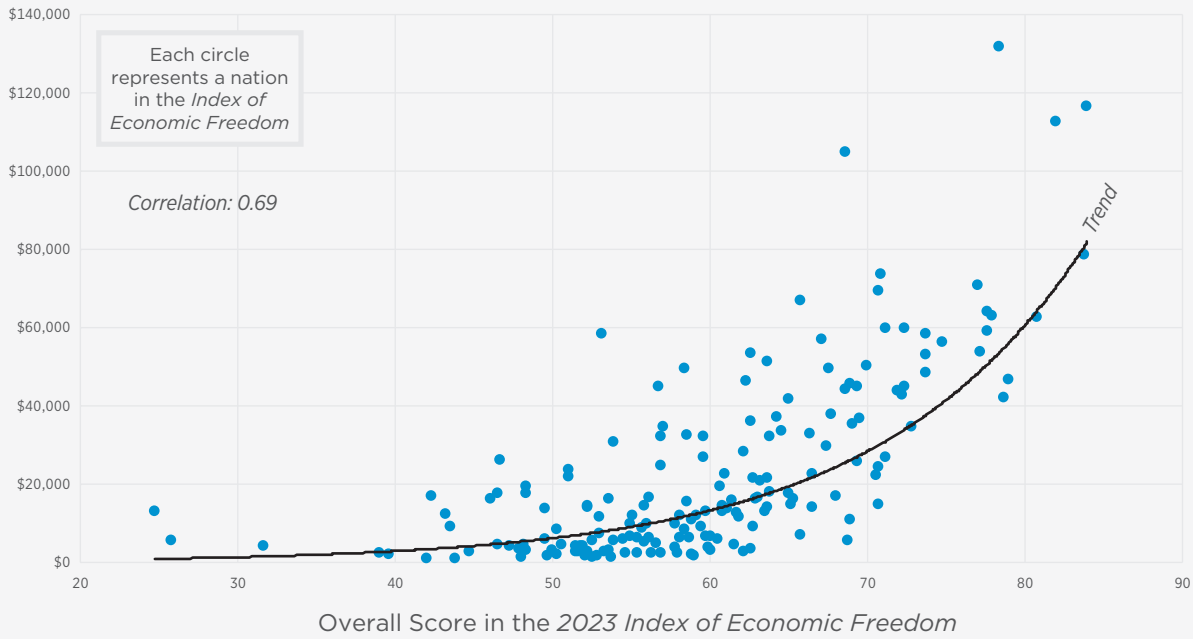
- A nation’s capacity to develop and prosper economically hinges on its economic system and the quality of its institutions, and
- Economic freedom, prosperity, and resilience are undeniably and strongly linked.

The current global economic situation does not change this fundamental truth: Economic freedom, buttressed by the rule of law, fiscal responsibility, market openness, and sound regulatory environments, remains the surest pathway to resilience and prosperity. As the global economy recovers from this challenging period, economic policy must continue to have as its overarching objective preserving the interplay between freedom and prosperity while reinforcing the values of transparency and good economic governance.

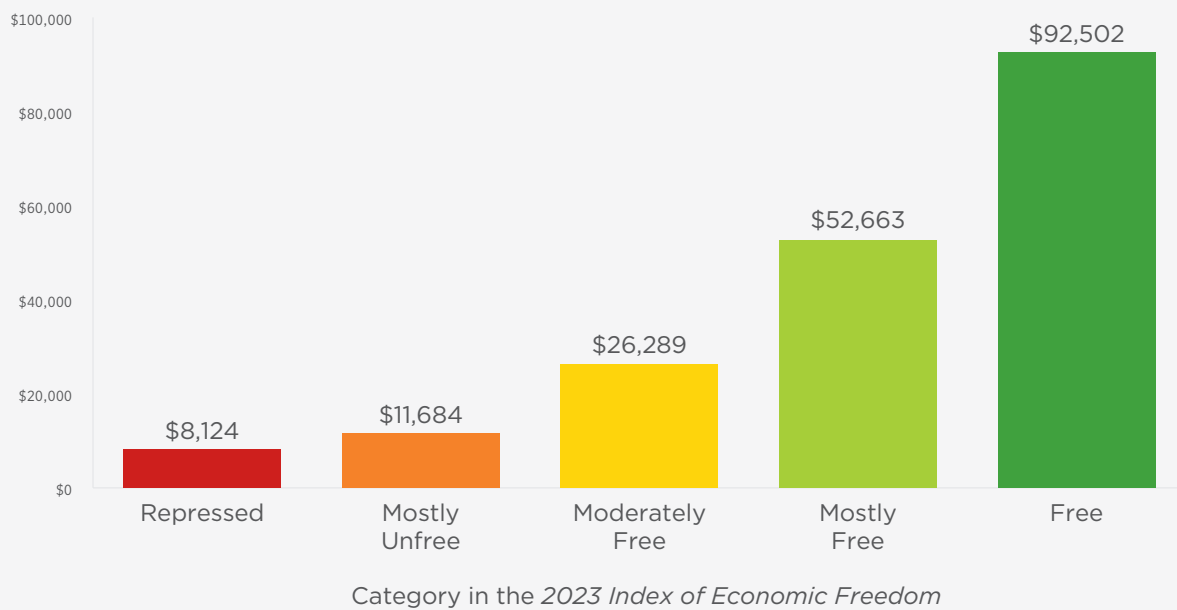
The need to advance economic freedom and vibrant entrepreneurial growth is therefore more imperative than ever. No other economic system has proven to be as capable of adapting to new challenges as has free-market capitalism built on the principles of economic freedom. The dispersed information-gathering processes and price-setting power of free markets guide change far more efficiently than centralized political processes—typically slow and often biased toward the status quo—ever can.

## ECONOMIC FREEDOM AND STANDARD OF LIVING

GDP per Capita, Purchasing Power Parity, 2021



Average GDP per Capita, Purchasing Power Parity, 2021



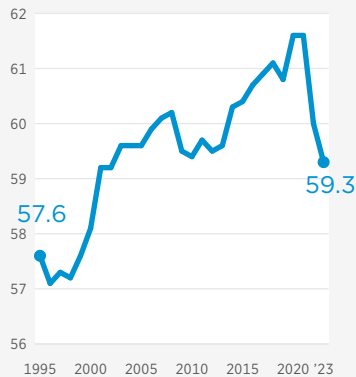
**NOTE:** Lebanon and North Korea are not included.

**SOURCES:** Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>; International Monetary Fund, World Economic Outlook database, April 2022, <https://www.imf.org/en/Publications/WEO/weo-database/2022/April> (accessed January 25, 2023); Economist Intelligence Unit; and C.I.A. *World Factbook*.

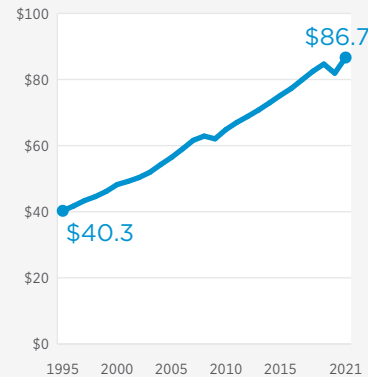
Chart 1 heritage.org

## AS ECONOMIC FREEDOM RISES, THE GLOBAL ECONOMY EXPANDS AND POVERTY FALLS

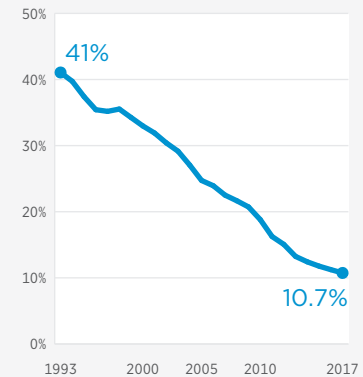
Average Score in the *Index of Economic Freedom*



Global GDP, in Trillions of 2015 U.S. Dollars



Percentage of Global Population Living in Abject Poverty



**SOURCES:** World Bank, “GDP (Constant 2015 US\$),” <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD> (accessed January 25, 2023); World Bank, “Regional Aggregation Using 2011 PPP and \$1.9/Day Poverty Line,” <http://iresearch.worldbank.org/povcalnet/povDuplicateWB.aspx> (accessed December 2, 2022); Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index..>

Chart 2 heritage.org

Free markets and free enterprises, sustained by economic freedom, stimulate both the innovation and the practical solutions in all realms that are necessary for progress and sustainable recovery, and this enables better jobs, better products, and healthier, cleaner, and safer societies for all.

### RESTORING ECONOMIC FREEDOM: IMPERATIVE FOR RECOVERY AND RESILIENCE

Economic freedom’s most fundamental benefit stems from its strong positive relationship to levels of per capita income. As indicated in Chart 1, countries moving up the economic freedom scale show increasingly high levels of average income. For countries achieving scores that reflect even moderate levels of economic freedom (60 or above), the relationship between economic freedom and per capita gross domestic product (GDP) is highly significant. Economies rated “free” or “mostly free” in the 2023 *Index* enjoy incomes that are more than twice the average levels in all other countries and more than five times higher than the incomes of “repressed” economies.

By a great many measures, over the past decades, countries that have adopted some version of

free-market capitalism with businesses supported by efficient regulations and open to the free flow of goods, services, and capital have broken the vicious cycle of poverty and dependence.

Without question, the free-market system that is rooted in empowerment of the individual and open competition has fueled unprecedented economic growth around the world. As Chart 2 illustrates, for more than two decades, as the global economy has moved toward greater economic freedom, becoming “moderately free” overall, the world economy has also achieved real GDP expansion of around 70 percent. This progress has lifted hundreds of millions of people out of poverty.

With global economic freedom rising steadily over the past two decades, the world has recorded significant economic expansion despite some ups and downs. Meanwhile, the global poverty rate has declined by about two-thirds. Opening the gates of prosperity to ever more people around the world, economic freedom has made the world a profoundly better place. More people are living longer and more fulfilling lives than ever before.

Greater economic freedom, as one of the most effective means by which to eliminate poverty, has

a major positive impact on levels of poverty as well. Poverty intensity as measured by the United Nations Development Programme’s Multidimensional Poverty Index (MPI), which assesses the nature and intensity of deprivation at the individual level in education, health outcomes, and standard of living, is also much lower on average in countries with higher levels of economic freedom. As depicted in Chart 3, the level of poverty in countries with economies that are considered “mostly free” or “moderately free” is only about one-fourth the level in countries that are rated “less free.”

### ECONOMIC FREEDOM: DRIVING VIBRANT GROWTH

Economic freedom is closely related to the openness to entrepreneurial activity that allows individuals to innovate, respond to new opportunities in the marketplace, and enjoy success based on their own efforts. Given this positive relationship, governments should be cautious in undertaking short-sighted stimulus programs that increase their own spending or add new layers of regulation, both of which reduce economic freedom.

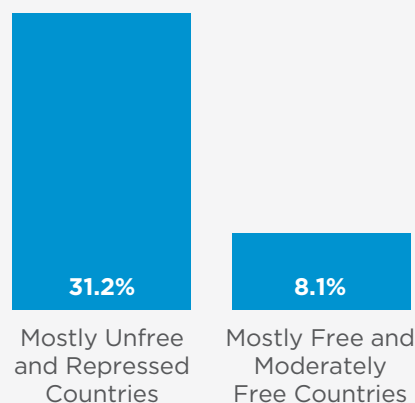
The best results are likely to be achieved instead through policy reforms that improve the incentives that drive entrepreneurial activity. These reforms include improvements in the efficiency of business and labor regulations, reductions in tariffs and other barriers to trade or investment, and financial reforms to increase competition, ensure stability, and improve and broaden access to credit.

As documented in this edition of the *Index*, as well as in previous editions and volumes of academic research, vibrant and lasting economic growth is most likely to occur when governments implement policies that enhance economic freedom and empower individuals with greater choice and more opportunities. Advancing economic freedom is a proven policy for dynamic economic expansion and is likely to be the surest path to true progress for the greatest number of people.

As Chart 4 demonstrates, there is a robust relationship between improving economic freedom and achieving higher per capita economic growth. Whether long-term (25 years), medium-term (15 years), or short-term (five years), the relationship between changes in economic freedom and changes in economic growth is consistently positive. Improvements in economic freedom are a vital

### POVERTY INTENSITY

Average Percentage of Population Living in Multidimensional Poverty



**NOTE:** Represented are the 105 developing countries scored in both indexes.

**SOURCES:** United Nations Development Programme, *2022 Global Multidimensional Poverty Index*, <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 3 heritage.org

determinant of rates of economic expansion that the record shows will reduce poverty.

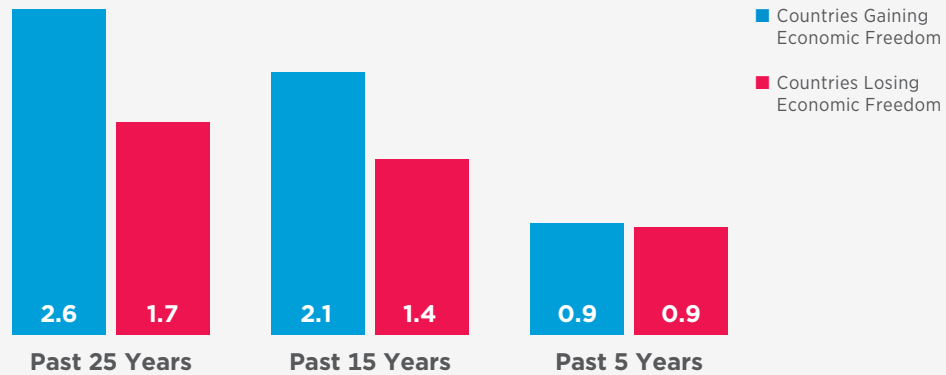
Undeniably, countries moving toward greater economic freedom tend to achieve higher growth rates of per capita GDP over time. Throughout all the time periods considered, the average annual per capita economic growth rates of countries that have increased economic freedom the most are about 25 percent higher than those of countries in which freedom has stagnated or declined.

### ECONOMIC FREEDOM: ENSURING GREATER HUMAN DEVELOPMENT AND POLITICAL FREEDOM

Increasing economic freedom is unequivocally about achieving greater overall prosperity that includes but goes beyond the materialistic and monetary dimensions of well-being. The societal benefits of economic freedom extend far beyond higher incomes or lower rates of poverty. Countries with higher levels of economic freedom enjoy higher levels of overall human development as measured by the United Nations Human Development Index (HDI),

## INCREASING ECONOMIC FREEDOM AND ECONOMIC GROWTH

Average Annual Growth of GDP per Capita (Purchasing Power Parity)



**NOTES:** Figures are country averages in which both *Index* scores and data on GDP growth are available over the same time period. Five-year growth rates include 163 countries, 15-year growth rates include 142 countries, and 25-year growth rates include 139 countries.  
**SOURCES:** World Bank, “GDP per Capita Growth (Annual %),” <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 4 heritage.org

which measures life expectancy, literacy, education, and standards of living in countries worldwide.

As Chart 5 shows, governments that choose policies that increase economic freedom are placing their societies on the path to more educational opportunities, better health care, and greater standards of living for their citizens.

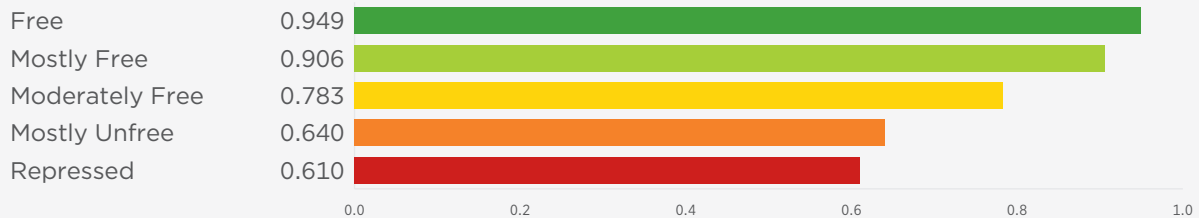
In recent years, environmentally related government policies and actions have been more intrusive

and economically distortionary. Many of the world’s governments are promoting programs to tax carbon emissions, increase taxes on fuel, and set up non-transparent and economically harmful exchanges and marketplaces for the buying and selling of carbon emissions and are using government revenue to subsidize various types of favored energy. Such policies impose a huge cost on society and retard economic growth. Fortunately, the same free-market

## ECONOMIC FREEDOM AND HUMAN DEVELOPMENT

Category in the 2023 *Index of Economic Freedom*

Average Human Development Index Score



**NOTE:** Represented are the 174 nations that are in both datasets.

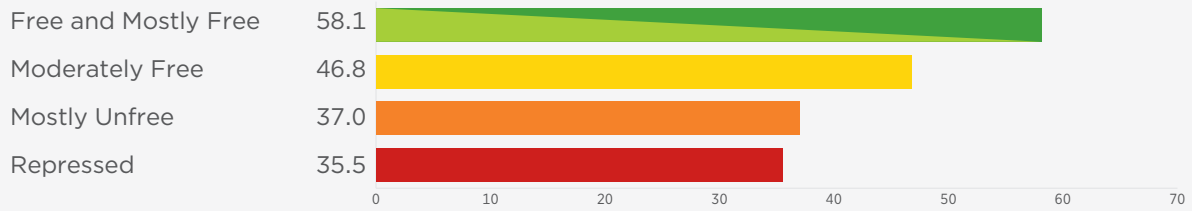
**SOURCES:** U.N. Human Development Programme, *Human Development Report 2022*, <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 5 heritage.org

## ECONOMIC FREEDOM AND ENVIRONMENTAL PERFORMANCE

Category in the  
2023 Index of  
Economic Freedom

Environmental Performance Index Score



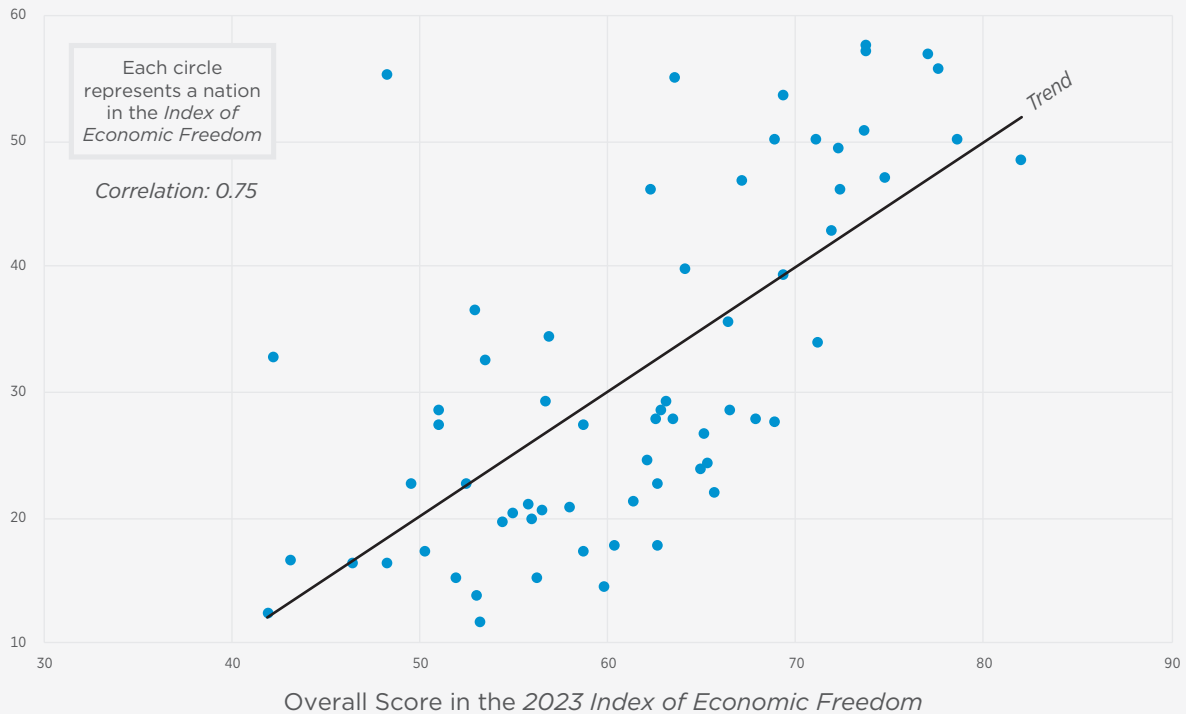
**NOTE:** Represented are the 175 nations that are in both datasets.

**SOURCES:** Yale University, *Environmental Performance Index 2022* (New Haven, CT: Yale Center for Environmental Law & Policy), <https://epi.yale.edu/> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 6 heritage.org

## ECONOMIC FREEDOM AND GLOBAL INNOVATION

Global Innovation Index Score



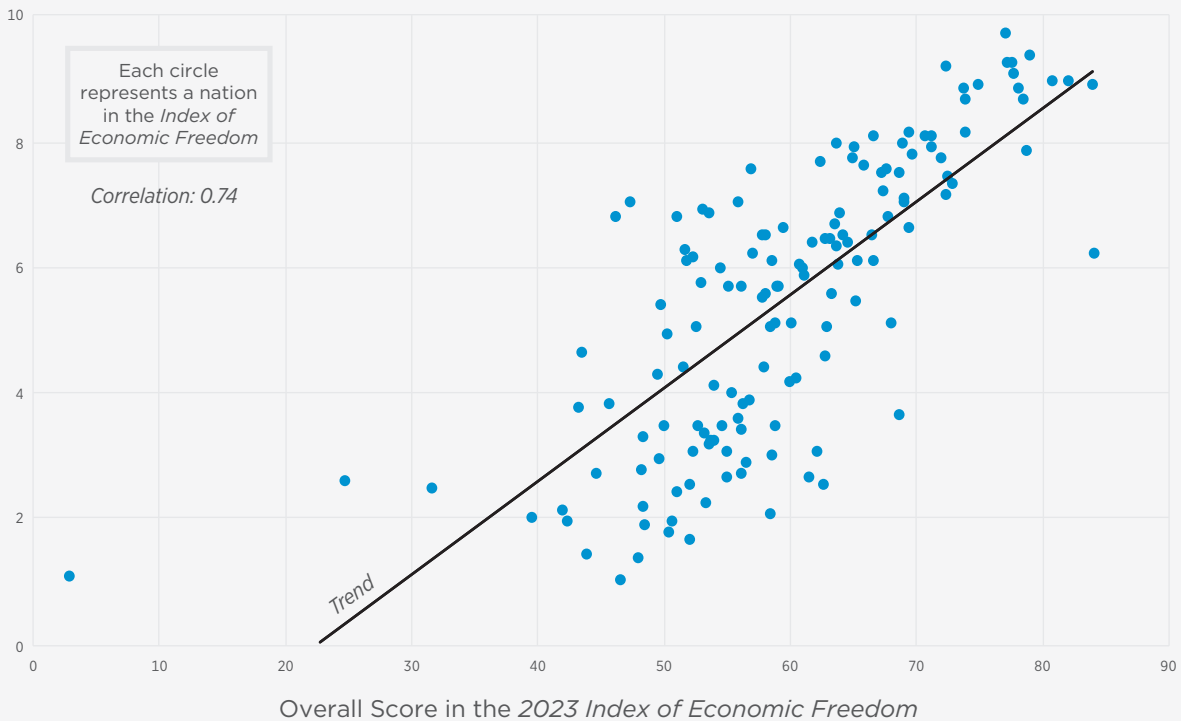
**NOTE:** Represented are the 130 nations that are in both datasets.

**SOURCES:** World Intellectual Property Organization, *Global Innovation Index 2022*, <https://www.globalinnovationindex.org/gii-2022-report> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 7 heritage.org


## ECONOMIC FREEDOM AND DEMOCRATIC GOVERNANCE

Democracy Index 2021 Score



**NOTE:** Represented are the 161 nations that are in both datasets.

**SOURCES:** Economist Intelligence Unit, *Democracy Index 2021*, <https://www.eiu.com/n/campaigns/democracy-index-2021> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 8  heritage.org

principles that have proven to be the key to economic success can also deliver environmental success.

In countries around the world, economic freedom has been shown to increase the capacity for environmentally friendly innovation. The positive link between economic freedom and higher levels of innovation ensures greater capacity to cope with environmental challenges. Moreover, the most remarkable improvements in clean energy use and energy efficiency over the past decades have occurred not as a result of government regulation, but rather because of advances in economic freedom and freer trade.

The regulatory power of the marketplace, which is generally ignored and certainly underappreciated by advocates of big government, pushes firms to identify ever more efficient means of production and respond to consumer demands for environmental

cleanliness and sustainability. The result is a virtuous cycle of investment, innovation (including in greener technologies), and dynamic economic growth. (See Chart 6 and Chart 7.)

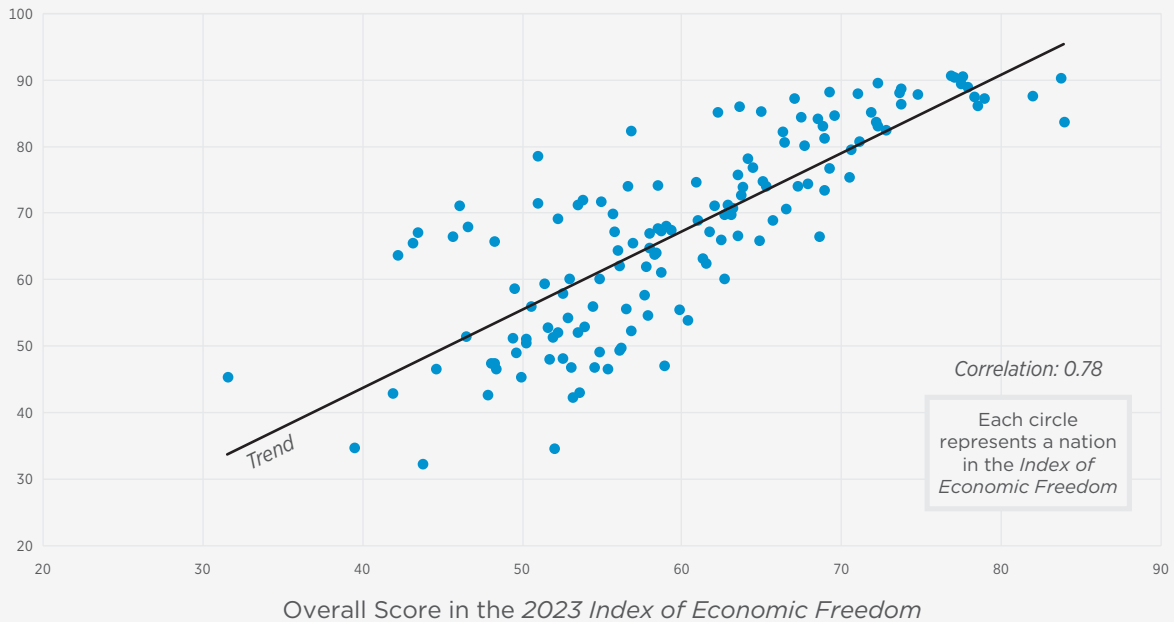
Greater economic freedom can also provide more fertile ground for effective and democratic governance. Admittedly, the achievement of political freedom through a well-functioning democratic system is a messy and often excruciating process, but the positive relationship between economic freedom and democratic governance is undeniable. (See Chart 8.)

By empowering people to exercise greater control of their daily lives, economic freedom ultimately nurtures political reform by making it possible for individuals to gain the economic resources they can use to challenge entrenched interests or compete for political power, thereby encouraging the creation of more pluralistic societies. Pursuit of




## ECONOMIC FREEDOM AND SOCIAL PROGRESS

Social Progress Index Score



**NOTE:** Represented are the 162 nations that are in both datasets.

**SOURCES:** Social Progress Imperative, *2022 Social Progress Index*, <https://www.socialprogress.org> (accessed January 25, 2023), and Anthony B. Kim, *2023 Index of Economic Freedom* (Washington: The Heritage Foundation, 2023), <http://www.heritage.org/index>.

Chart 9  heritage.org

greater economic freedom can be an important stepping-stone to democracy. It empowers the poor and builds the middle class.

### ECONOMIC FREEDOM: THE FOUNDATION OF UPWARD MOBILITY AND SOCIAL PROGRESS

The massive improvements in global indicators of income and quality of life in recent decades should reflect a paradigm shift in the debate about how societies should be structured economically to achieve the most optimal outcomes. Free-market capitalism does better by nearly every measure. Criticisms in the developed world persist, however, based primarily on the inequality of outcomes in a system that rewards individual effort and ability, which differ within any population, and where differences in individuals' starting positions can sometimes have a profound effect on their end results.

Alternatives to free-market capitalism, such as socialism, have proven to be both unequal to the task

of eliminating inequality and counterproductive in that they tend to slow economic growth and thus reduce the resources that society has available to reduce poverty or pollution. Most advanced societies have thus opted for some version of free-market capitalism with various types of government intervention to redistribute resources within society. It is our hope that the *Index of Economic Freedom's* data on governments' tax, spending, and regulatory activities can shed light on the relative impact of such interventions.

Ultimately, discussions of inequality are more about a society's values than they are about its economic system. At the heart of ensuring upward economic mobility is the task of advancing economic freedom so that dynamic and inclusive growth can occur meaningfully for *all* members of society. The evidence is strong that societies based on economic freedom are the societies in which social progress is strongest. Advancing economic freedom is really about putting in place growth-inducing pro-market

policies that benefit the greatest possible number of people rather than a select few.

As shown in Chart 9, countries that provide an environment that is conducive to social progress also largely embrace economic freedom. Countries that improve their competitiveness and open their societies to new ideas, products, and innovations have largely achieved the high levels of social progress that their citizens demand. It is not massive redistributions of wealth or government dictates on income levels that produce the most positive social outcomes.

### **TIME FOR RENEWAL, NOT RETREAT**

A recurring theme in human history has been resilience and revival. The results of the 2023 *Index of Economic Freedom* demonstrate that by building on what works, countries can accelerate their progress against even the most difficult challenges and chart ever greater economic success.

The record is clear: Economically free and dynamic societies have demonstrated repeatedly that they are able to improve standards of living and respond effectively to any crises that may arise. This record includes countless individual stories of human progress and the achievements of countries and their citizens—billions of people around the world whose lives have measurably improved and who continue to strive for greater freedom. The path by which the global economy can emerge stronger than it was before runs through the renewal of commitments to the proven ideas of the free-market system.

In times of uncertainty, people naturally look to their governments for answers, but the lasting solutions to our current economic problems do not lie in more government control and regulation. They lie in a return to free-market principles that have unambiguously made our societies strong, vibrant, and flourishing.



# **THE COUNTRIES**

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

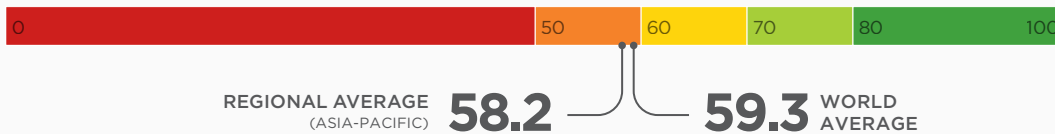
# AFGHANISTAN

The grading of Afghanistan's economic freedom has been suspended in this edition of the *Index* because of the Taliban's abrupt displacement of the democratic government in August 2021. Key economic data have been included where available.

Political uncertainty and security challenges remain formidable. The rule of law continues to be fragile and uneven across the country. The inability to deliver even basic services reliably has eroded confidence in the government, and pervasive corruption exacerbates the loss of trust. The Afghan economy's private sector is severely hampered by regulatory deficiencies.

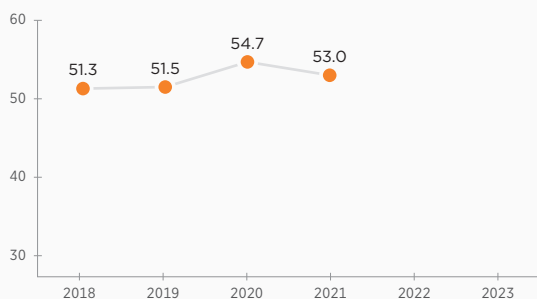
## ECONOMIC FREEDOM SCORE

**N/A**



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2017): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
39.8 million

**GDP (PPP):**  
n/a  
n/a growth in 2021  
5-year compound annual growth 1.3%  
n/a per capita

**UNEMPLOYMENT:**  
11.7%

**INFLATION (CPI):**  
n/a

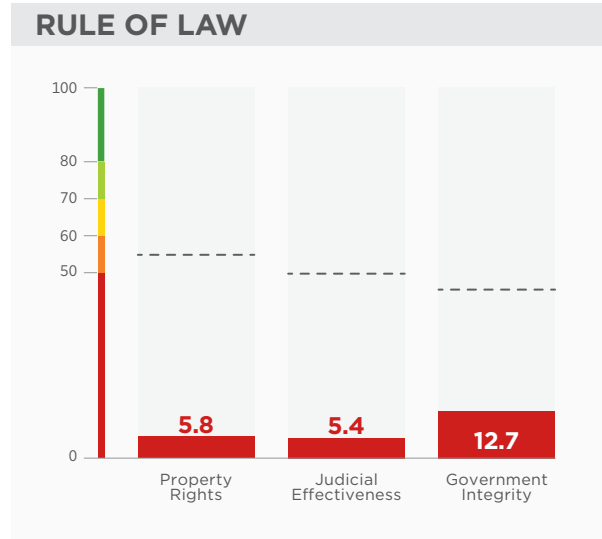
**FDI INFLOW:**  
\$20.6 million

**PUBLIC DEBT:**  
n/a

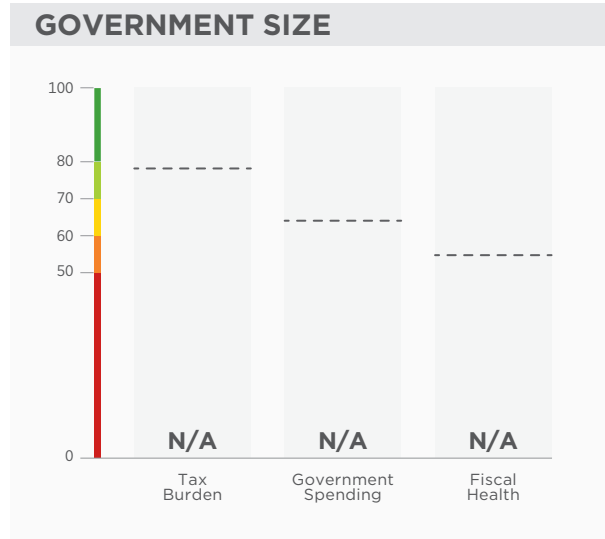
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Taliban's recapture of Afghanistan in August 2021 has had dire economic, political, and security consequences. With the world's lowest living standards, Afghanistan is experiencing economic, health, and humanitarian crises; food insecurity is especially acute. The Taliban have initiated a security crackdown in Panjshir province where resistance to their rule is most pronounced. Legal exports include carpets, rugs, dried fruit, and medicinal plants. The Taliban have begun a public campaign to enforce their ban on the illicit cultivation of opium despite its importance to the economy. An attempt to ban opium before the 2001 American intervention met with considerable success.

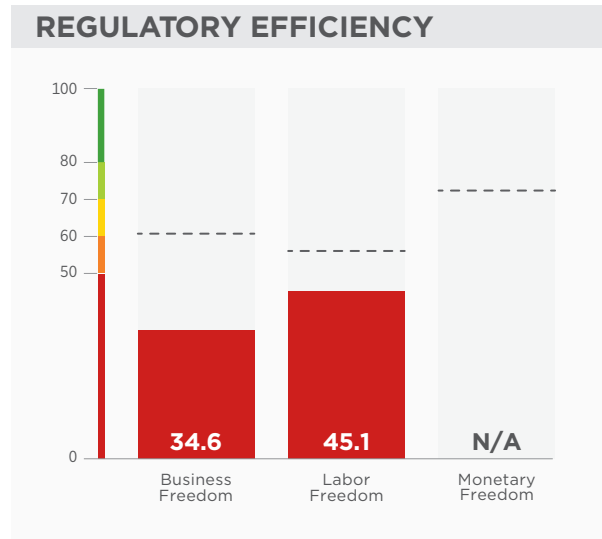
## 12 ECONOMIC FREEDOMS | AFGHANISTAN



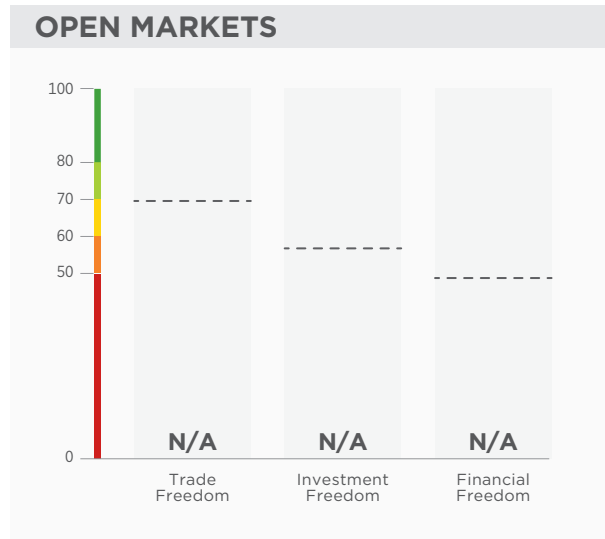
The overall rule of law is weak in Afghanistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



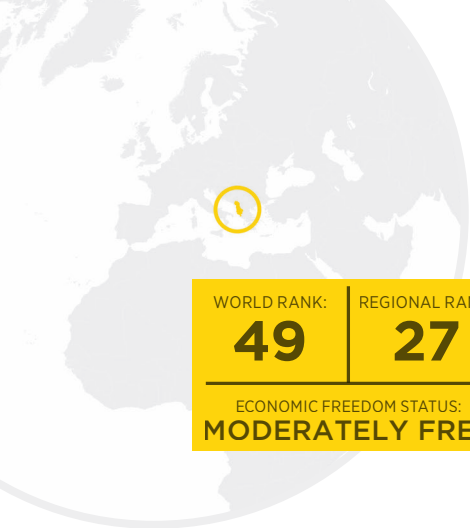
The top individual and corporate income tax rates are 20 percent. The tax burden equals 8.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, about 30 percent and -1.7 percent of GDP.



The fall of Afghanistan to the Taliban left business freedom in disarray and the physical well-being of entrepreneurs far from guaranteed. Labor freedom suffered major blows and setbacks with the fall of Kabul. Monetary stability is fragile.



Trade's contribution to economic growth has been declining. Inefficient customs administration, inadequate infrastructure, and corruption raise the cost of trade. Security concerns and the financial system's weak capacity have slowed the growth of private investment.



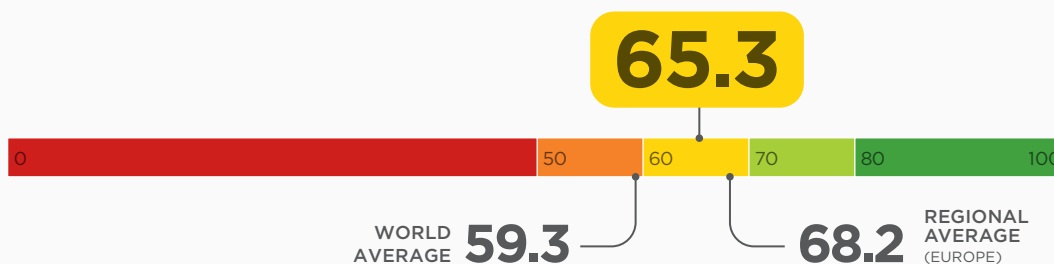
# ALBANIA

WORLD RANK:	REGIONAL RANK:
<b>49</b>	<b>27</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Albania's economic freedom score is 65.3, making its economy the 49th freest in the 2023 *Index*. Its score has decreased by 1.3 points during the past year. Albania is ranked 27th freest among the 44 countries in the Europe region, and its overall score is above the world average.

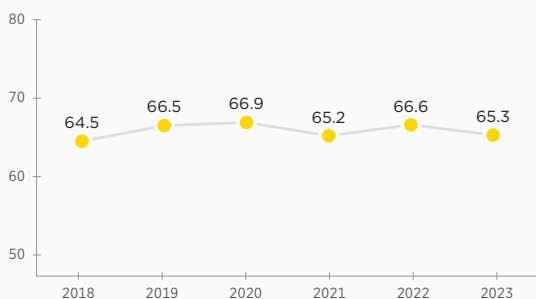
The foundations of economic freedom in Albania are undermined by weak rule of law. The country's relatively low property rights score is largely a result of political interference in the judiciary that is exacerbated by persistent corruption. Expansionary government spending has led to budget deficits in recent years.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +15.6

## RECENT FREEDOM TREND



## QUICK FACTS

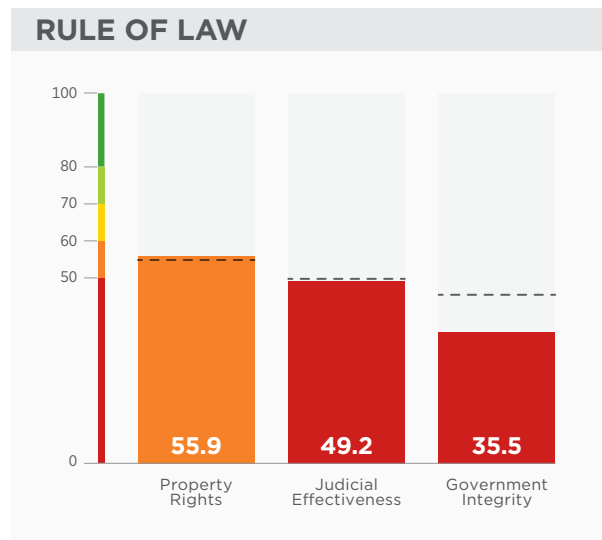
<b>POPULATION:</b> 2.8 million	<b>UNEMPLOYMENT:</b> 11.5%
<b>GDP (PPP):</b> \$46.0 billion 8.5% growth in 2021 5-year compound annual growth 3.0%	<b>INFLATION (CPI):</b> 2.0%
<b>FDI INFLOW:</b> \$1.2 billion	<b>PUBLIC DEBT:</b> 73.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

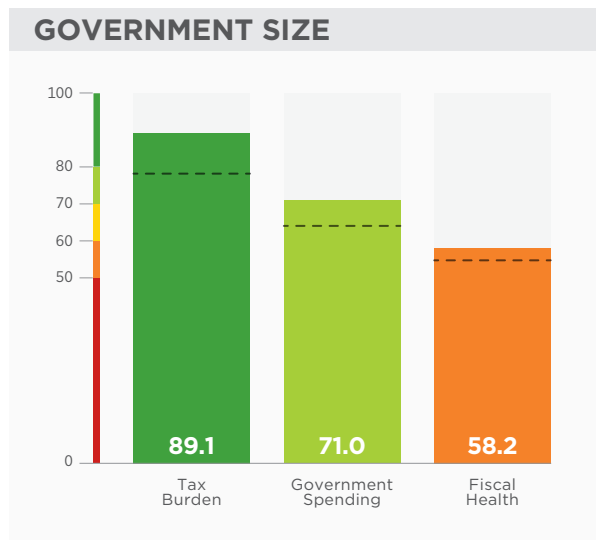
**BACKGROUND:** The Balkan nation of Albania transitioned from Communist rule to multiparty democracy in 1991. Edi Rama has been prime minister since 2013, and his Socialist Party won another parliamentary majority in April 2021. Political independent and former military officer Bajram Begaj was elected president in June 2021. After Bulgaria lifted its objections, the European Union opened accession talks with Albania in July; the nation had first applied for membership in 2009. Agriculture dominates the economy and employs about half of the workforce, but services and tourism are increasingly important. The economy has been growing despite high unemployment and weak infrastructure.



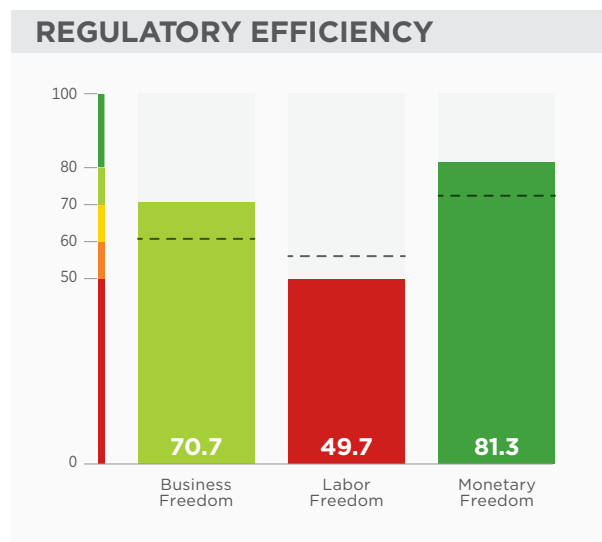
## 12 ECONOMIC FREEDOMS | ALBANIA



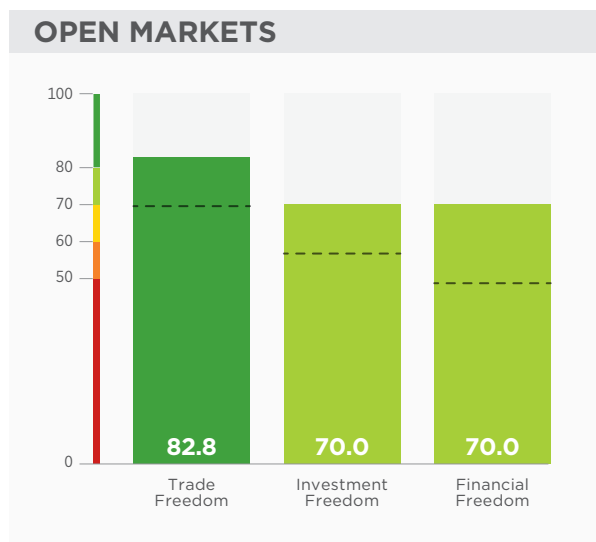
The overall rule of law is weak in Albania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 23 percent and 15 percent. The tax burden equals 18.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.1 percent and -4.4 percent of GDP. Public debt equals 73.9 percent of GDP.



Regulatory hurdles affect contract enforcement. Business opportunities are relatively plentiful in the energy, tourism, health care, agriculture, oil and mining, and information and communications technology sectors. Labor regulations are clearly stated, but enforcement is uneven. The most recent available inflation rate is 2.0 percent.



The trade-weighted average tariff rate is 3.6 percent, and more than 190 nontariff measures are in force. In general, openness to foreign investment is above the global average, but investment laws lack transparency. The banking sector is relatively well capitalized despite the challenging environment.

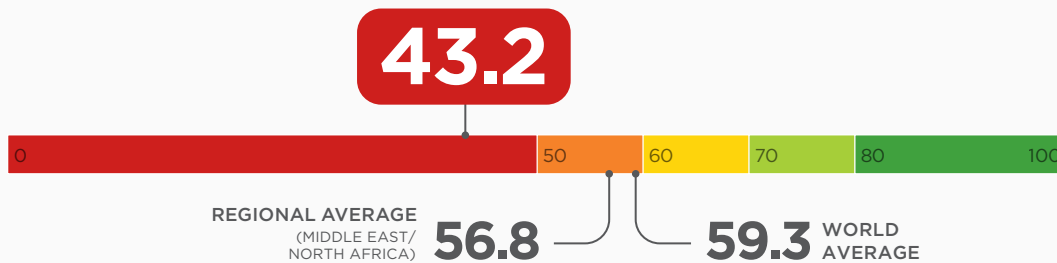
# ALGERIA

WORLD RANK: **168** | REGIONAL RANK: **13**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

Algeria's economic freedom score is 43.2, making its economy the 168th freest in the 2023 *Index*. Its score is 2.6 points lower than last year. Algeria is ranked 15th among the 17 countries in the Middle East and North Africa region, and its overall score remains lower than the regional and world averages.

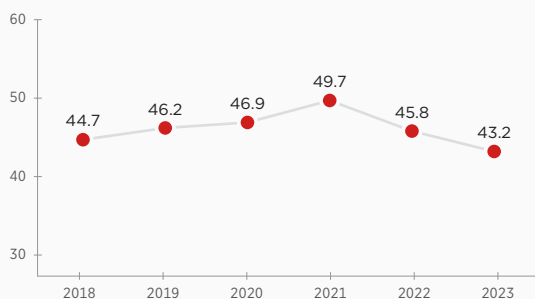
The foundations of economic freedom are neither well-established nor strongly protected. The judiciary's vulnerability to political interference and corruption undermines sustainable economic development. Despite some progress, the government still needs to improve fiscal governance. Structural reforms to diversify the economic base have been only marginally successful.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -12.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
44.6 million

**GDP (PPP):**  
\$538.4 billion  
4.0% growth in 2021  
5-year compound annual growth 0.5%  
\$12,110 per capita

**UNEMPLOYMENT:**  
13.6%

**INFLATION (CPI):**  
7.2%

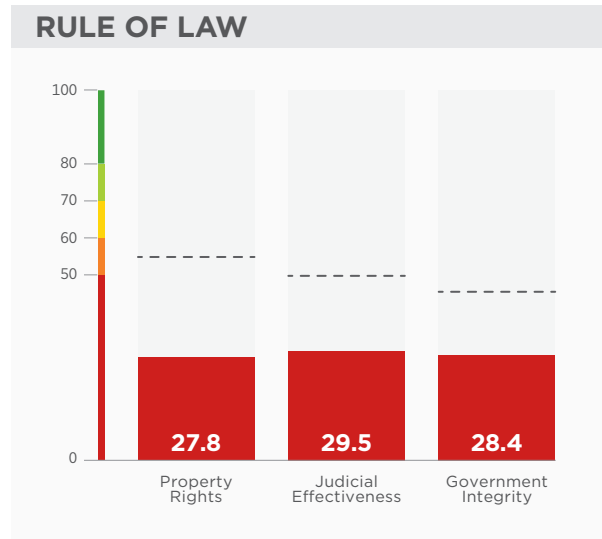
**FDI INFLOW:**  
\$869.7 million

**PUBLIC DEBT:**  
63.0% of GDP

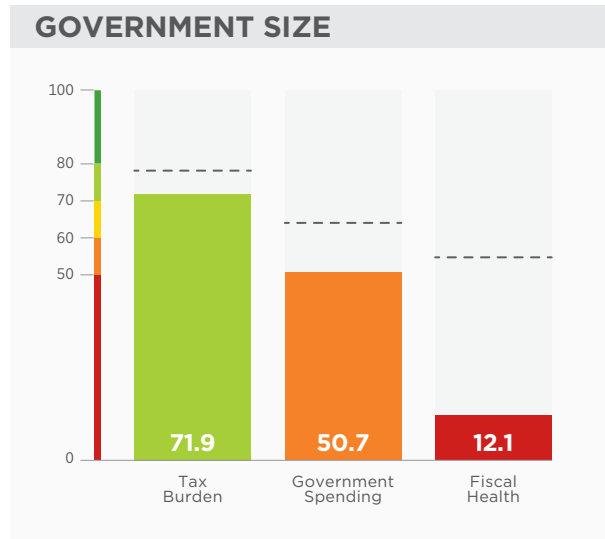
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The National Liberation Front has dominated Algerian politics ever since independence from France in 1962. President Abdelaziz Bouteflika was forced out in 2019, and Abdelmadjid Tebboune was elected president later that year. Following the June 12, 2021, parliamentary elections, Minister of Finance Ayman Benabderrahmane was appointed prime minister. Algeria's weak economy and widespread disillusionment with the political system have undermined political stability. The government has adopted protectionist measures to encourage domestic production. Algeria is the world's sixth-largest exporter of natural gas. Oil and gas account for almost 95 percent of export revenues and more than 30 percent of GDP.

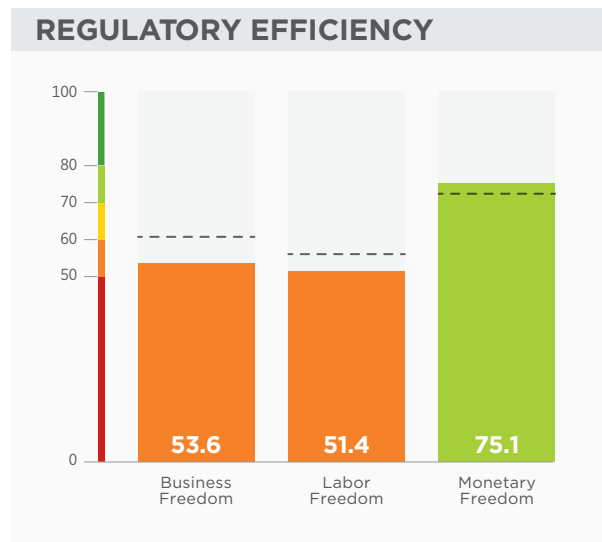
## 12 ECONOMIC FREEDOMS | ALGERIA



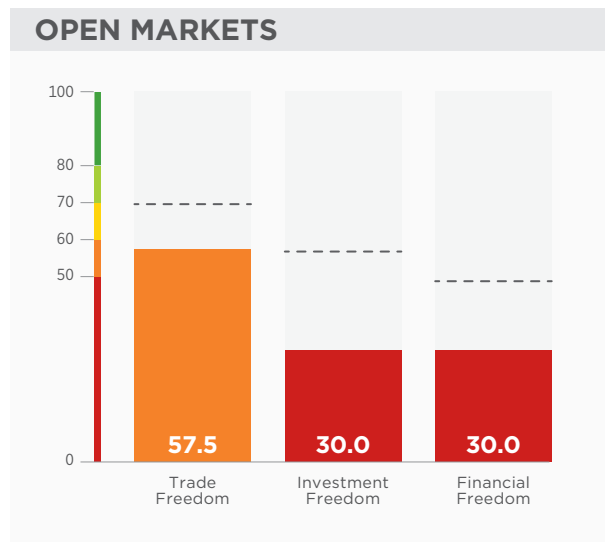
The overall rule of law is weak in Algeria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 26 percent. The tax burden equals 30.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.5 percent and -9.6 percent of GDP. Public debt equals 63.0 percent of GDP.



An inefficient entrepreneurial environment and rigid labor market impede broader economic development and job creation. More than 70 percent of the unemployed are under 30 years of age, and youth unemployment remains persistently high. The most recent available inflation rate is 7.2 percent.



The trade-weighted average tariff rate is 13.8 percent, and layers of nontariff barriers are in force. Foreign investors generally enjoy only minority status, and restrictions on foreign ownership limit dynamic investment. Capital markets are underdeveloped, and the financial sector remains dominated by public banks.

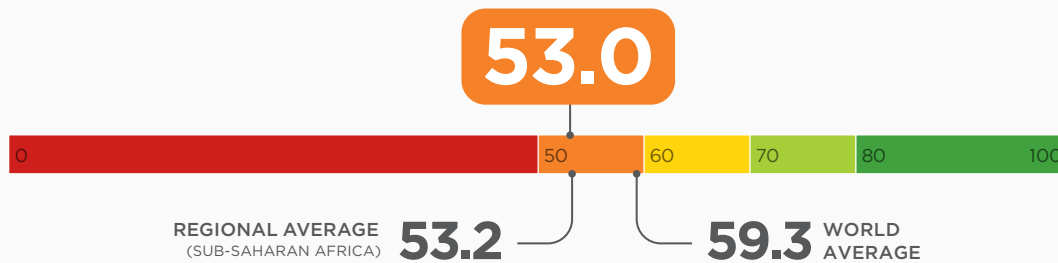
WORLD RANK: **130** | REGIONAL RANK: **26**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# ANGOLA

Angola's economic freedom score is 53, making its economy the 130th freest in the 2023 *Index*. Its score has improved by 0.4 point. Angola is ranked 26th out of 46 countries in the Sub-Saharan Africa region, and its overall score remains far below world and regional averages.

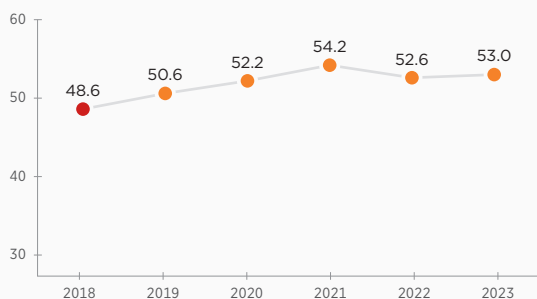
Pervasive corruption and political interference in the judiciary continue to undermine the foundations of economic freedom in Angola. The government is highly dependent on oil and diamond revenues. Its domination of the economy undermines efficiency, and the regulatory environment remains constrained by a lack of commitment to policies that support open markets.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +25.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.9 million

**GDP (PPP):**  
\$221.3 billion  
0.7% growth in 2021  
5-year compound annual growth -1.6%  
\$58,383 per capita

**UNEMPLOYMENT:**  
9.6%

**INFLATION (CPI):**  
25.8%

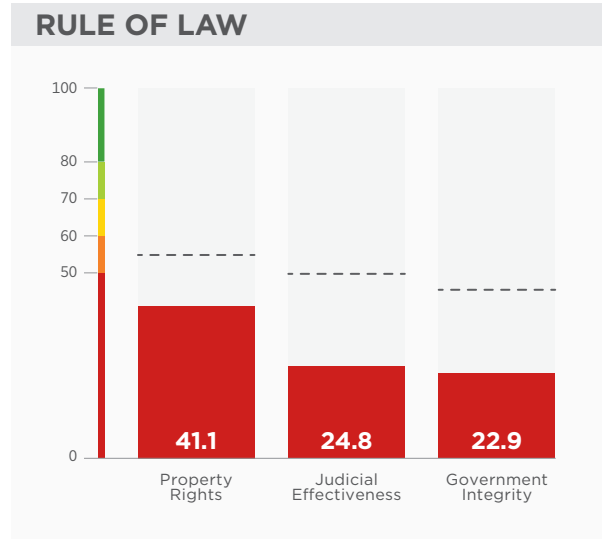
**FDI INFLOW:**  
-\$4.2 billion

**PUBLIC DEBT:**  
86.4% of GDP

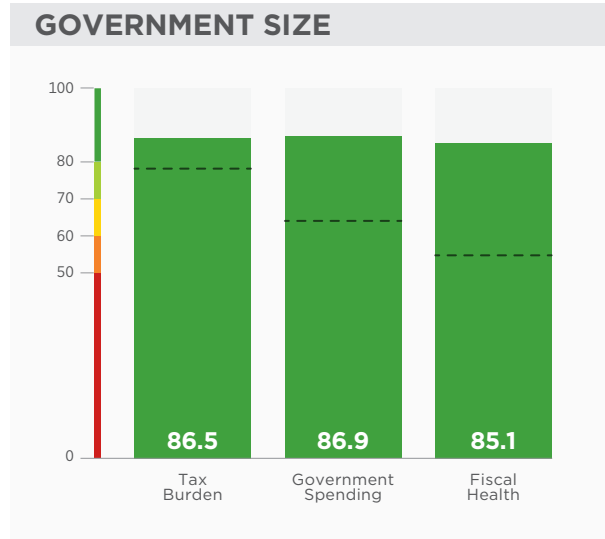
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** When President José Eduardo dos Santos stepped down in 2017 after 38 years, he was succeeded by former Defense Minister João Manuel Gonçalves Lourenço, also from the Popular Movement for the Liberation of Angola. Lourenço won reelection in 2022 by the smallest margin of victory in his party's history. Angola is one of Africa's largest oil producers, but because of production problems and the long global slump in oil prices, exports of crude oil are at their lowest level in more than a decade. Despite the country's oil, diamonds, hydroelectric potential, and rich agricultural land, most Angolans remain poor.

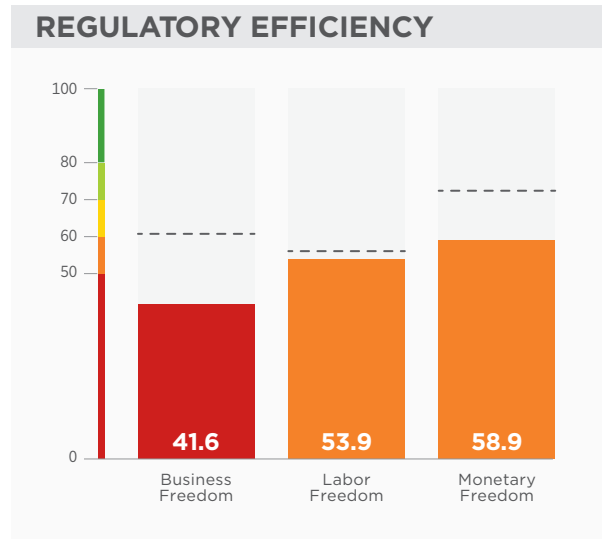
## 12 ECONOMIC FREEDOMS | ANGOLA



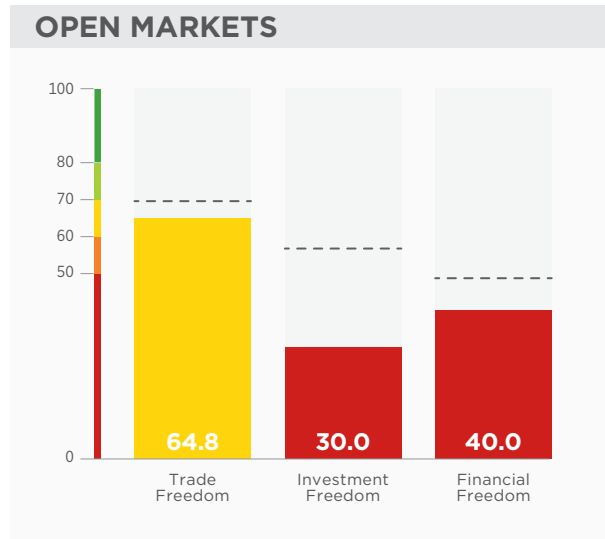
The overall rule of law is weak in Angola. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 25 percent. The tax burden equals 10.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.9 percent and 0.9 percent of GDP. Public debt equals 86.4 percent of GDP.



Despite the recent implementation of more streamlined business start-up procedures, the overall regulatory framework lacks transparency and clarity, and regulations are enforced inconsistently. The formal labor market is underdeveloped. The most recent available inflation rate is 25.8 percent.



The trade-weighted average tariff rate is 10.1 percent, and nontariff measures further undermine trade flows. The government's sectoral restrictions on foreign ownership continue to limit foreign investment. Despite some progress, access to credit remains difficult, and the equity market is underdeveloped.



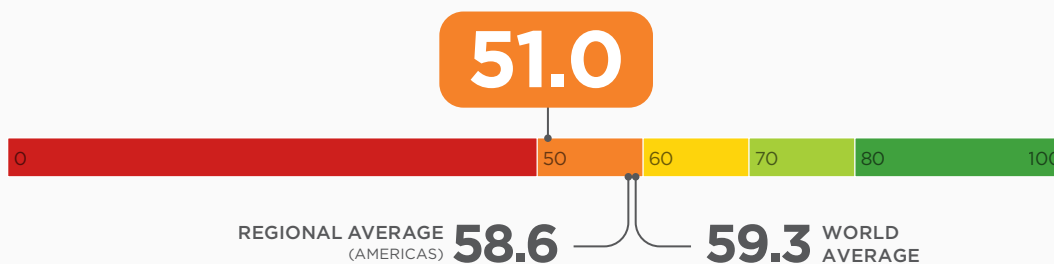
# ARGENTINA

Argentina's economic freedom score is 51.0, making its economy the 144th freest in the 2023 *Index*. Its score is essentially unchanged from last year. Argentina is ranked 27th among 32 countries in the Americas region, and its overall score is below the regional and world averages.

WORLD RANK:	REGIONAL RANK:
<b>144</b>	<b>27</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

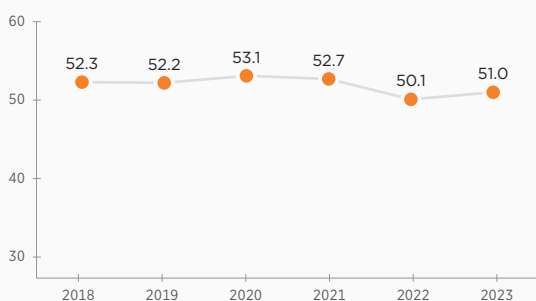
Aggravated by corruption and political interference, the lack of judicial independence has severely eroded limits on government. Leftist spending measures and price controls distort markets, and government interference still hobbles the financial sector. Fading confidence in the government's determination to promote or even sustain open markets has discouraged entrepreneurship.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -17.0

## RECENT FREEDOM TREND



## QUICK FACTS

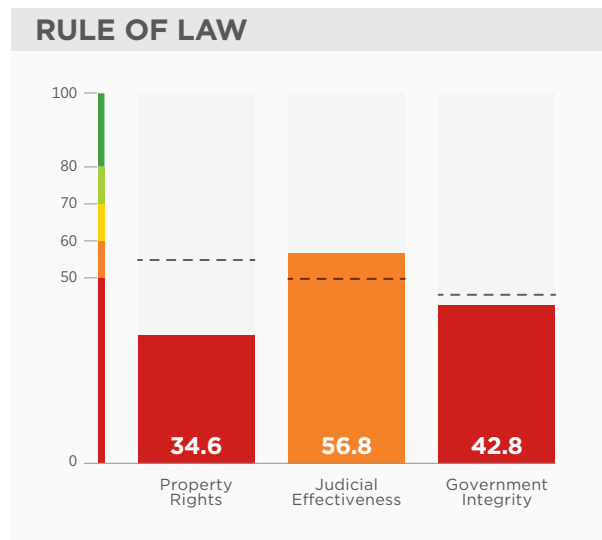
<b>POPULATION:</b> 45.8 million	<b>UNEMPLOYMENT:</b> 11.5%
<b>GDP (PPP):</b> \$1.1 trillion 10.2% growth in 2021 5-year compound annual growth -0.3% \$23,597 per capita	<b>INFLATION (CPI):</b> 48.4%
	<b>FDI INFLOW:</b> \$6.5 billion
	<b>PUBLIC DEBT:</b> 80.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

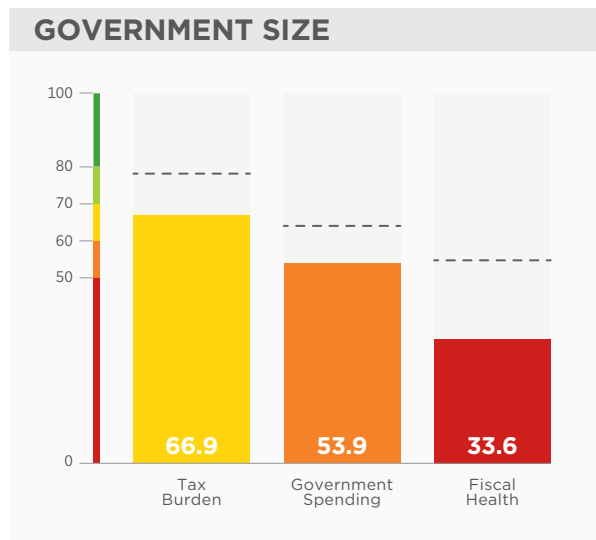
**BACKGROUND:** Argentina is South America's second-largest country. It has vast agricultural and mineral resources, a highly educated population, and a long history of political and economic instability. Peronist President Alberto Fernández and Vice President Cristina Fernández de Kirchner are up for reelection in October 2023. The center-right is divided between the Together for Change and Freedom Advances coalitions. Rising inflation and record-low sovereign bonds, fueled by statist policies and out-of-control spending, have prolonged the effects of the 2020 debt default crisis. In 2022, the IMF approved a \$44 billion Extended Arrangement. Cash-strapped Argentina has also received multimillion-dollar loans from multilateral institutions.



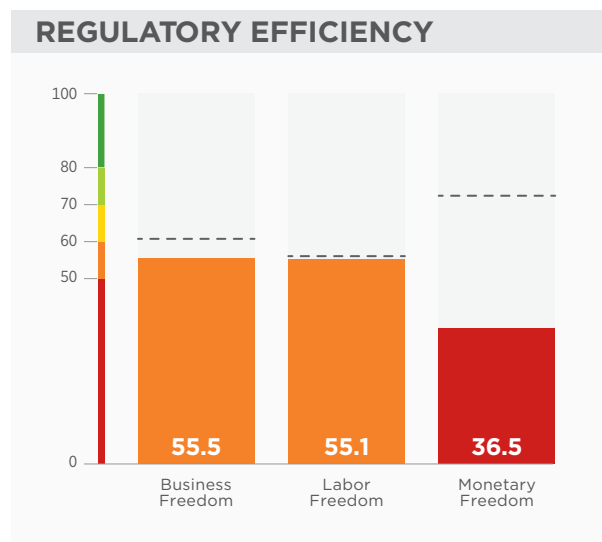
## 12 ECONOMIC FREEDOMS | ARGENTINA



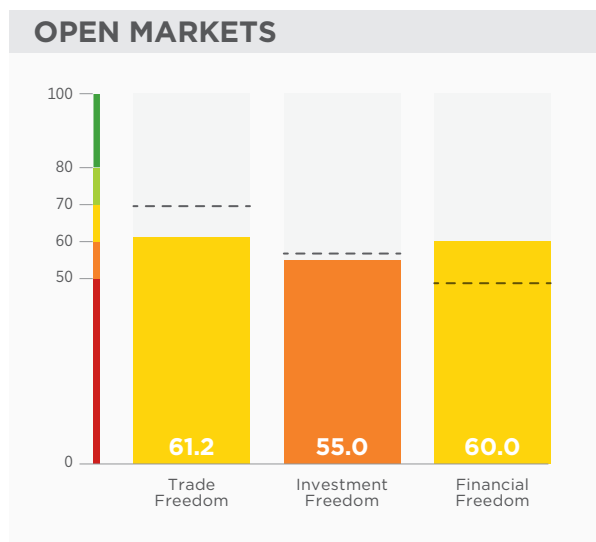
The overall rule of law is weak in Argentina. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



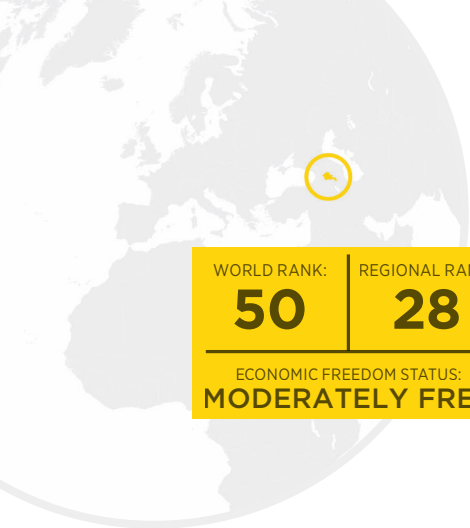
The top individual and corporate tax rates are, respectively, 35 percent and 35 percent. The tax burden equals 29.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 39.2 percent and -5.8 percent of GDP. Public debt equals 80.9 percent of GDP.



Increased government regulatory interference undermines efficiency and productivity growth. Establishing a business remains time-consuming, and getting necessary permits is costly. Reforms of the rigid labor market have long been stalled. The most recent available inflation rate is 48.4 percent.



The trade-weighted average tariff rate is 11.9 percent, and more than 140 nontariff measures are in force. Heavy state involvement in the economy slows the investment approval process. The state interferes in the financial sector, and financial account transactions are subject to limits.



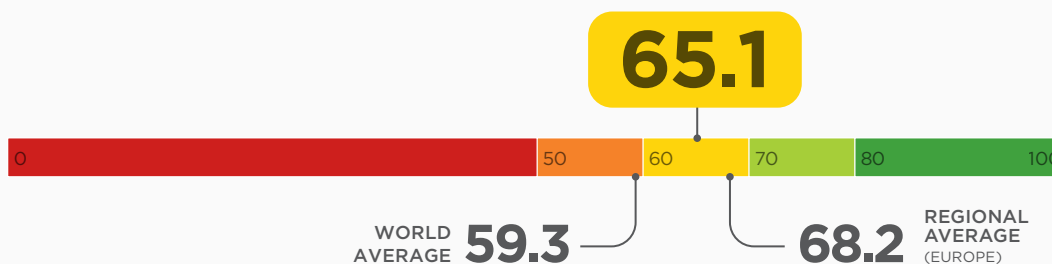
WORLD RANK: <b>50</b>	REGIONAL RANK: <b>28</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# ARMENIA

Armenia's economic freedom score is 65.1, making its economy the 50th freest in the 2023 *Index*. Its score has decreased by 0.2 point. Armenia is ranked 28th freest among the 44 countries in the Europe region, and its overall score is above the world average and below the regional average.

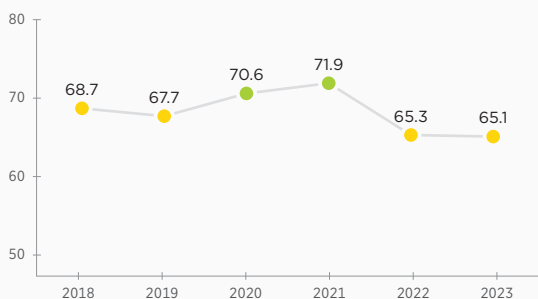
The overall regulatory framework remains efficient, and policies that support open markets are in place. Armenia performs relatively well in many of the four pillars of economic freedom, but the foundations of economic freedom are not strongly sustained by an independent judiciary. Corruption further undermines opportunities for vibrant economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +22.9

## RECENT FREEDOM TREND



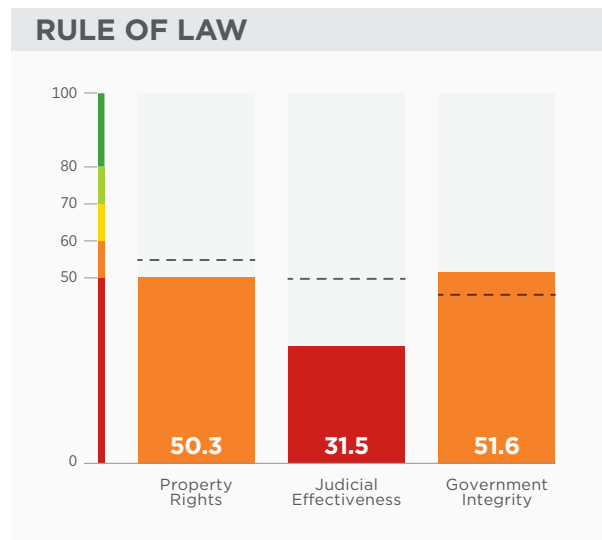
## QUICK FACTS

<b>POPULATION:</b> 3.0 million	<b>UNEMPLOYMENT:</b> 18.3%
<b>GDP (PPP):</b> \$43.4 billion 5.7% growth in 2021 5-year compound annual growth 3.7%	<b>INFLATION (CPI):</b> 7.2%
<b>FDI INFLOW:</b> \$378.8 million	<b>PUBLIC DEBT:</b> 60.2% of GDP

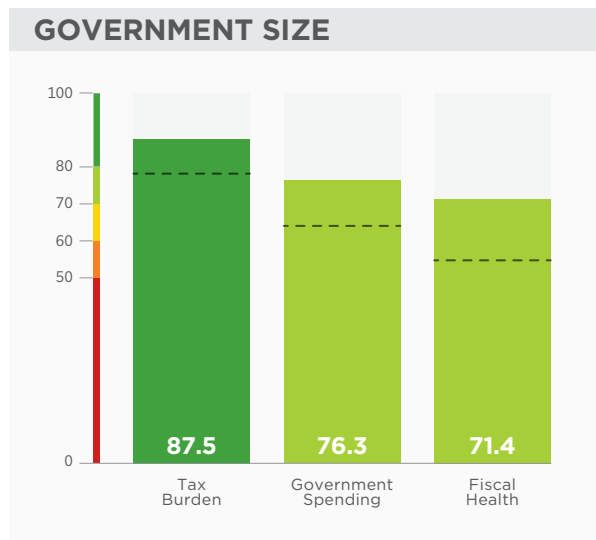
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Armenia gained its independence from the Soviet Union in 1991. Reform-minded Prime Minister Nikol Pashinyan was reelected in June 2021, but corruption remains a persistent problem. Armenia's decades-long occupation of parts of Azerbaijani territory ended after heavy fighting in 2020 when both sides agreed to a Russian-backed peace plan. The economy relies on manufacturing, services, remittances, and agriculture. Russia is Armenia's principal export market, and Armenia joined Russia's Eurasian Economic Union in 2015. It also signed a Comprehensive and Enhanced Partnership Agreement with the European Union in 2017. The government relies heavily on loans from Russia and international financial institutions.

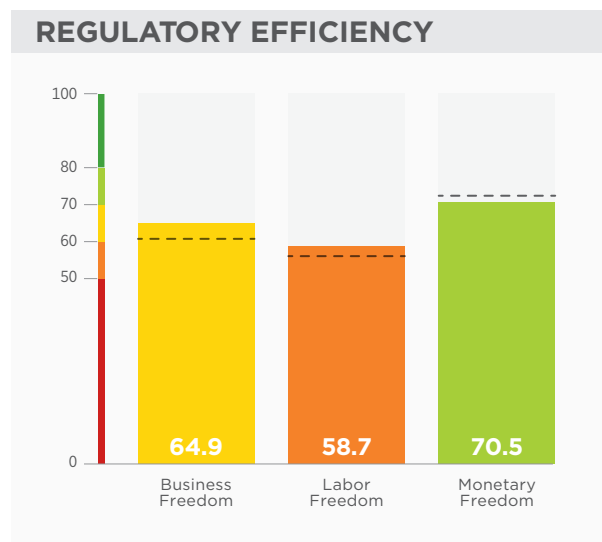
## 12 ECONOMIC FREEDOMS | ARMENIA



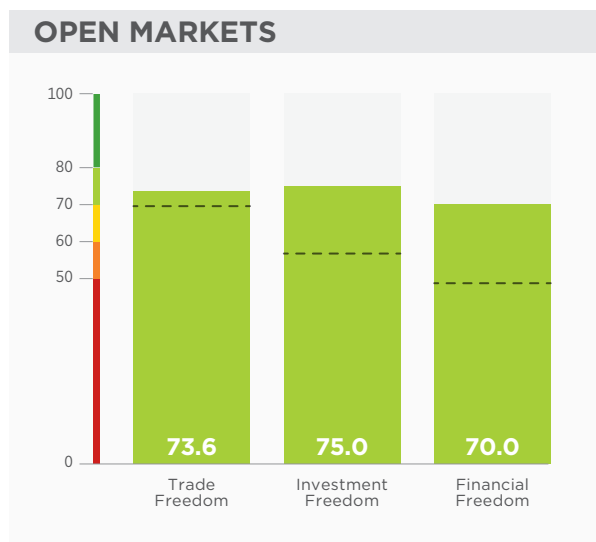
The overall rule of law is weak in Armenia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 21 percent and 18 percent. The tax burden equals 22.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.1 percent and -3.7 percent of GDP. Public debt equals 60.2 percent of GDP.



Government economic and anticorruption reforms have improved the competitive landscape, but obstacles to a stable business climate remain to be overcome. Labor laws and regulations are not evenly enforced. The informal labor market is sizable. The most recent available inflation rate is 7.2 percent.



The trade-weighted average tariff rate is 5.7 percent, and nontariff measures are in force. Foreign investment in various sectors remains regulated. The overall financial sector is not fully developed, is subject to state control, and is dominated by fairly well-capitalized banks.

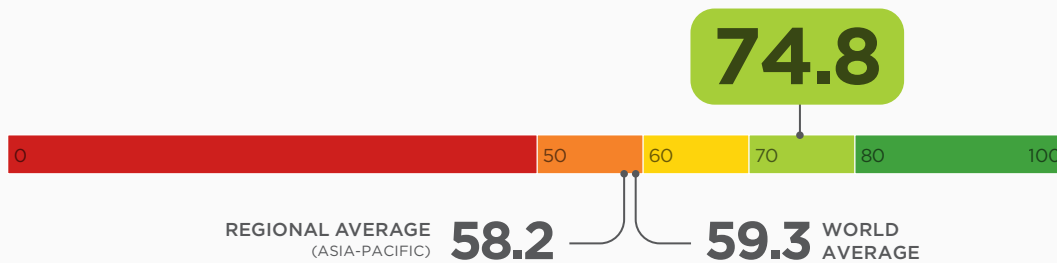
WORLD RANK: **13** | REGIONAL RANK: **4**  
 ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

# AUSTRALIA

Australia's economic freedom score is 74.8, making its economy the 13th freest in the 2023 *Index*. Its score is 2.9 points lower than last year. Australia is ranked 4th out of 39 countries in the Asia-Pacific region, and its overall score remains well above the regional and world averages.

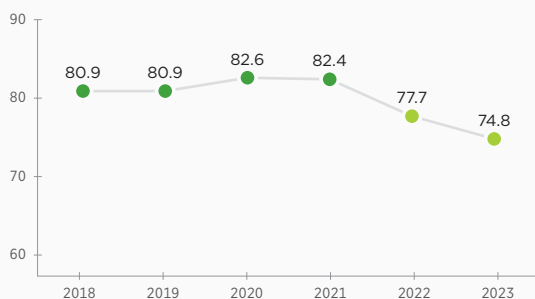
The foundations of economic freedom in Australia are strong and supported by a widely respected rule of law. The competitive economy benefits from the country's strong commitment to open-market policies that facilitate global trade and investment. Transparent and efficient regulations are generally applied evenly, encouraging dynamic private-sector entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
25.7 million

**GDP (PPP):**  
\$1.5 trillion  
4.7% growth in 2021  
5-year compound annual growth 1.9%  
\$56,403 per capita

**UNEMPLOYMENT:**  
6.5%

**INFLATION (CPI):**  
2.8%

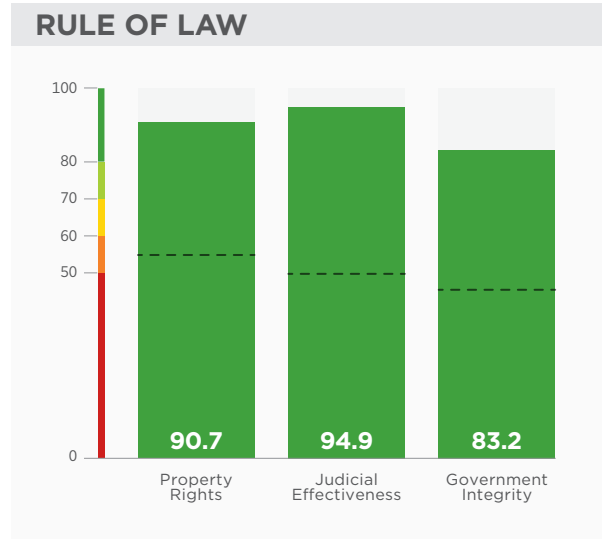
**FDI INFLOW:**  
\$25.1 billion

**PUBLIC DEBT:**  
58.4% of GDP

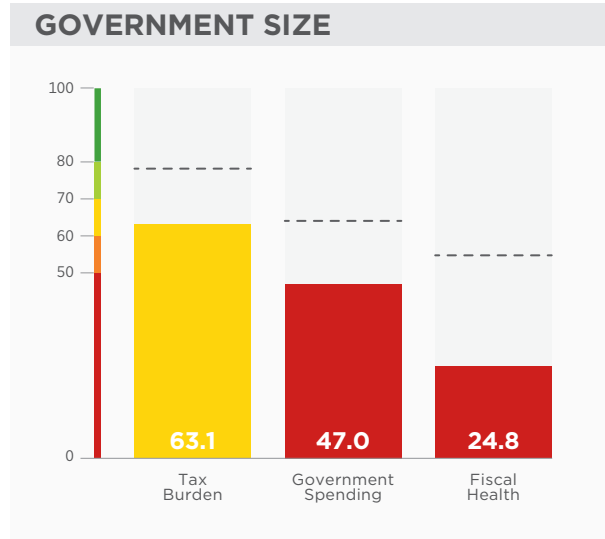
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Australia has enjoyed more than two decades of economic expansion. After nearly 10 years of Liberal Party rule, the Labor Party was victorious in the May 2022 elections. Like many other countries, Australia is experiencing relatively high inflation rates. It is internationally competitive in financial and insurance services, technologies, and high-value-added manufactured goods and has free-trade agreements with the U.S., China, Japan, South Korea, the Association of Southeast Asian Nations, and the United Kingdom. Abundant natural resources, including extensive and exportable reserves of coal, iron, copper, gold, natural gas, uranium, and renewable energy sources, attract high levels of foreign investment.

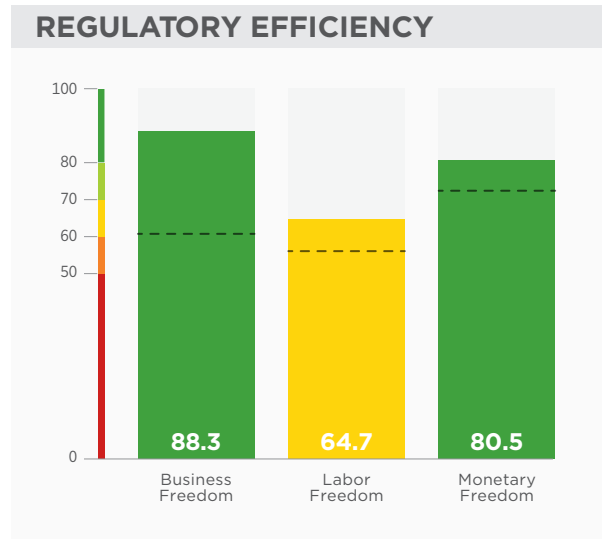
## 12 ECONOMIC FREEDOMS | AUSTRALIA



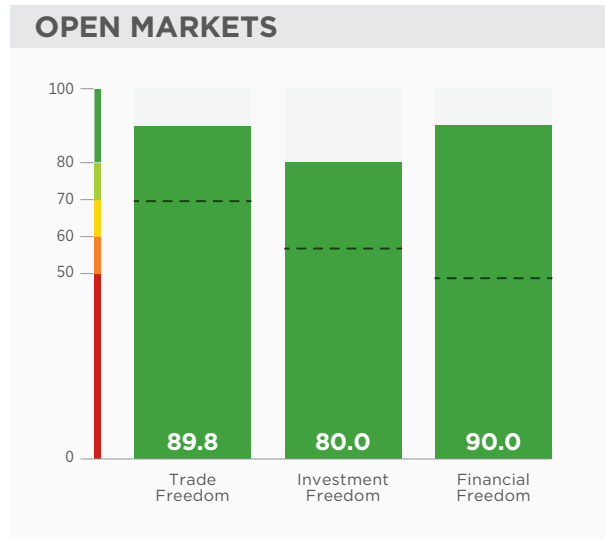
The overall rule of law is widely respected in Australia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 45 percent and 30 percent. The tax burden equals 27.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.0 percent and -6.5 percent of GDP. Public debt equals 58.4 percent of GDP.



Australia's regulatory environment is one of the most reliable, transparent, and efficient in the world despite setbacks experienced because of COVID-19 restrictions. The labor market remains flexible. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate is 2.6 percent, and more than 300 nontariff measures are in force. Government policies do not significantly interfere with foreign investment. The financial sector is both competitive and well developed, and all banks are privately owned.



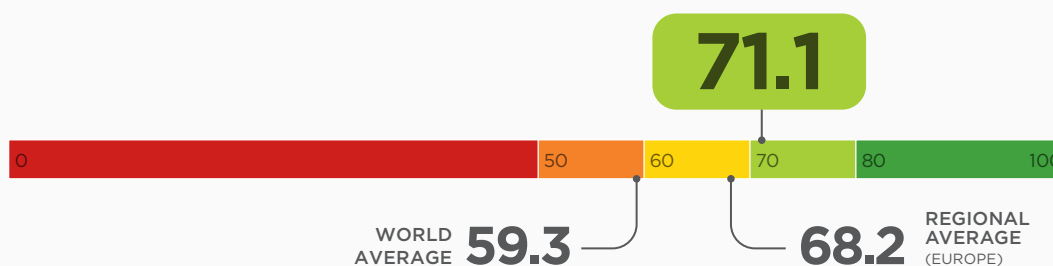
WORLD RANK:	REGIONAL RANK:
<b>23</b>	<b>16</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# AUSTRIA

Austria's economic freedom score is 71.1, making its economy the 23rd freest in the 2023 *Index*. Its score is 2.7 points worse than last year. Austria is ranked 16th out of 44 countries in the Europe region, and its overall score is well above the regional and world averages.

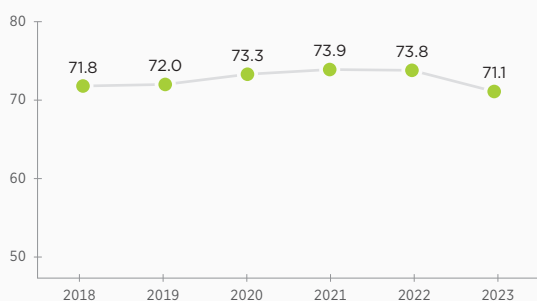
Austria's high scores for property rights and government integrity reflect its strong rule of law and the expansion of economic freedom. Institutional strength, however, is not matched by a commitment to limited government. Expansionary public spending has generated budgetary pressure. The transparent and competitive business environment has been effective.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +1.1

## RECENT FREEDOM TREND



## QUICK FACTS

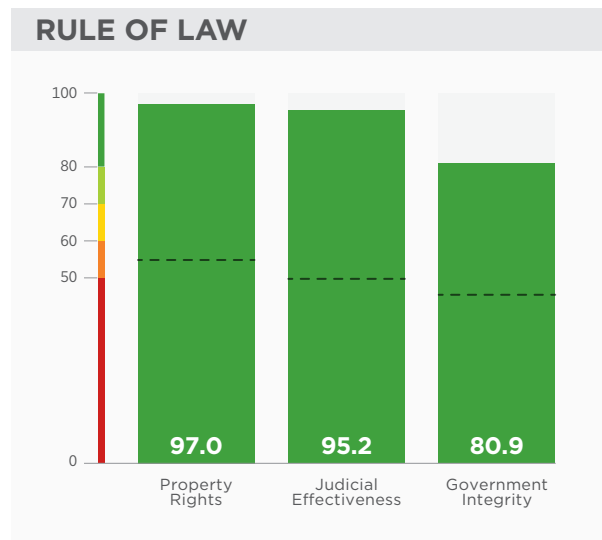
<b>POPULATION:</b> 9.0 million	<b>UNEMPLOYMENT:</b> 5.4%
<b>GDP (PPP):</b> \$534.0 billion 4.5% growth in 2021 5-year compound annual growth 0.8%	<b>INFLATION (CPI):</b> 2.8%
<b>FDI INFLOW:</b> \$5.8 billion	<b>PUBLIC DEBT:</b> 82.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

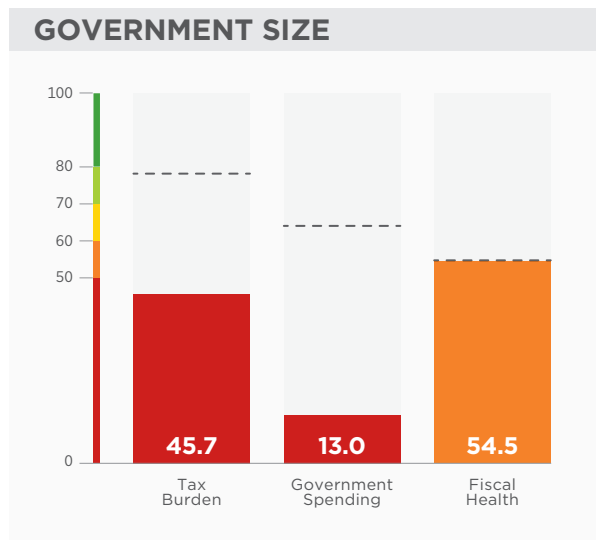
**BACKGROUND:** Austria regained full sovereignty in 1955. Former Interior Minister Karl Nehammer became chancellor in December 2021 following the resignations of Sebastian Kurz, felled by a corruption probe, and his handpicked successor Alexander Schallenberg, who held office only briefly. The ruling coalition consists of the conservative People's Party and the Austrian Green Party. Independent President Alexander Van der Bellen won reelection in October 2022. Austria has large services and industrial sectors and a small, highly developed agricultural sector. Ongoing challenges include assimilation of migrants, strains on labor markets and public finances caused by an aging population, and reliance on Russian energy.



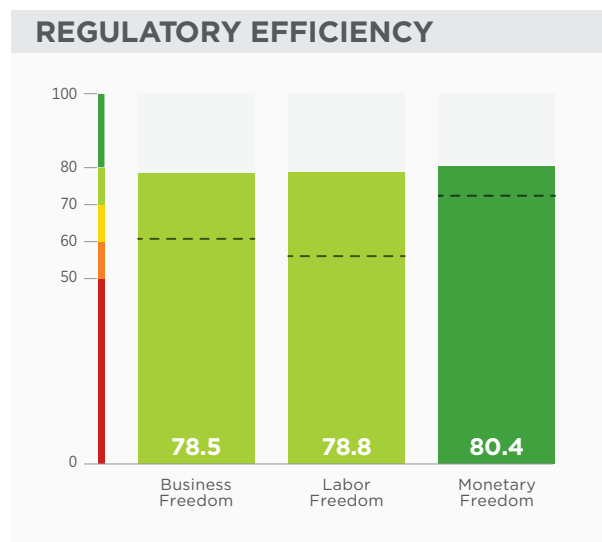
## 12 ECONOMIC FREEDOMS | AUSTRIA



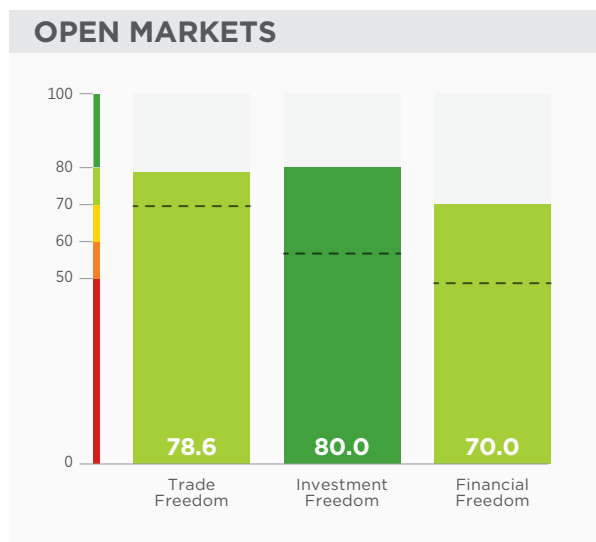
The overall rule of law is very well respected in Austria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 55 percent and 25 percent. The tax burden equals 42.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 53.8 percent and -4.5 percent of GDP. Public debt equals 82.9 percent of GDP.



The overall regulatory framework is transparent and efficient, encouraging business innovation and productivity growth. There is no nationally mandated minimum wage, but the cost of fringe benefits is among the highest in the world. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. In general, government policies do not significantly interfere with foreign investment. The relatively well-capitalized banking sector offers a wide range of financial services.

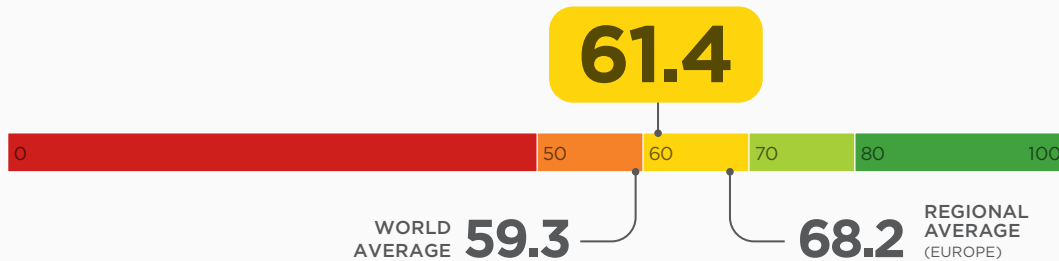
WORLD RANK: **75** | REGIONAL RANK: **37**  
 ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# AZERBAIJAN

Azerbaijan's economic freedom score is 61.4, making its economy the 75th freest in the 2023 *Index*. Its score is essentially unchanged from last year. Azerbaijan is ranked 37th out of 44 countries in the European region, and its overall score is above the world average.

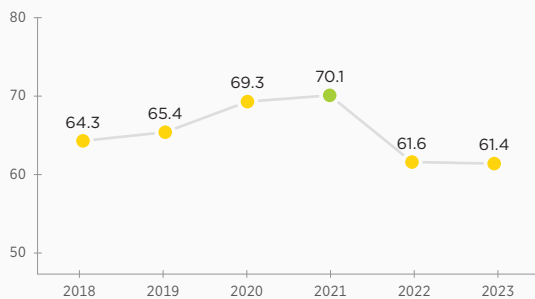
Wide-ranging reforms have resulted in some progress in regulatory efficiency and economic diversification, improving Azerbaijan's overall macroeconomic and entrepreneurial environments. Openness to global trade and investment has aided the country's transition to a more market-based system, but deeper institutional and systemic reforms are needed to strengthen the foundations of economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +31.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.1 million

**GDP (PPP):**  
\$160.7 billion  
5.6% growth in 2021  
5-year compound annual growth 1.1%  
\$15,882 per capita

**UNEMPLOYMENT:**  
4.9%

**INFLATION (CPI):**  
6.7%

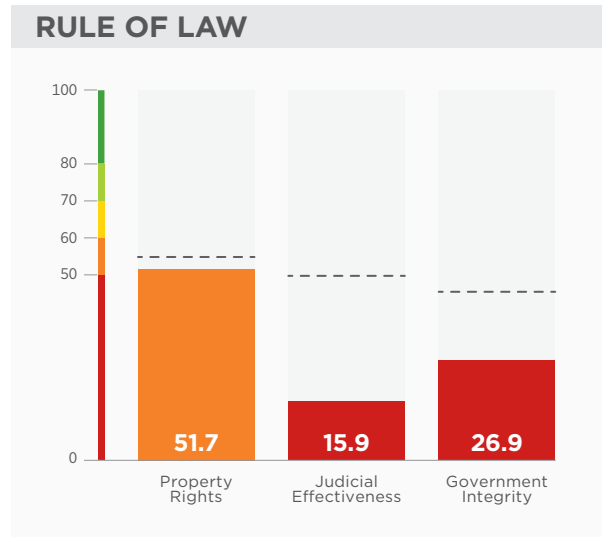
**FDI INFLOW:**  
-\$1.7 billion

**PUBLIC DEBT:**  
26.4% of GDP

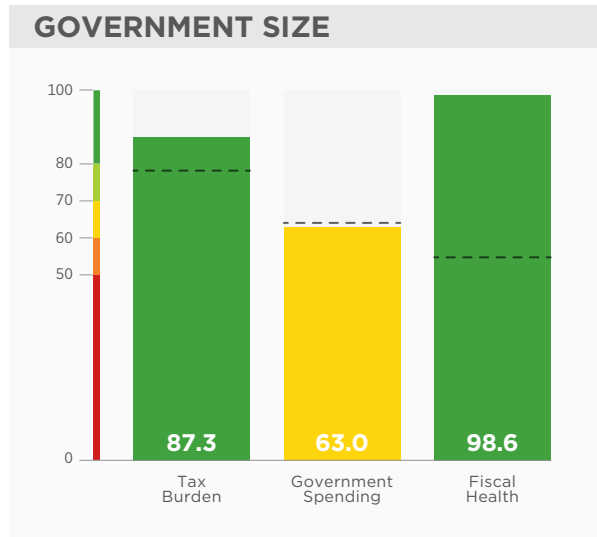
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** President Ilham Aliyev was elected to a fourth term in 2018 amid allegations of electoral fraud. His father, Heydar, ruled Azerbaijan first as a Soviet republic and then as an independent country until his death in 2003. Armenia's decades-long occupation of parts of Azerbaijani territory ended in 2020 when both sides agreed to a Russian-backed peace plan. Efforts to boost Azerbaijan's energy production are underway. Construction of the Southern Gas Corridor, a pipeline transporting gas from Azerbaijan to European customers, was completed in 2020. Some non-energy segments of the economy, such as agriculture, logistics, and information technology, require more development.

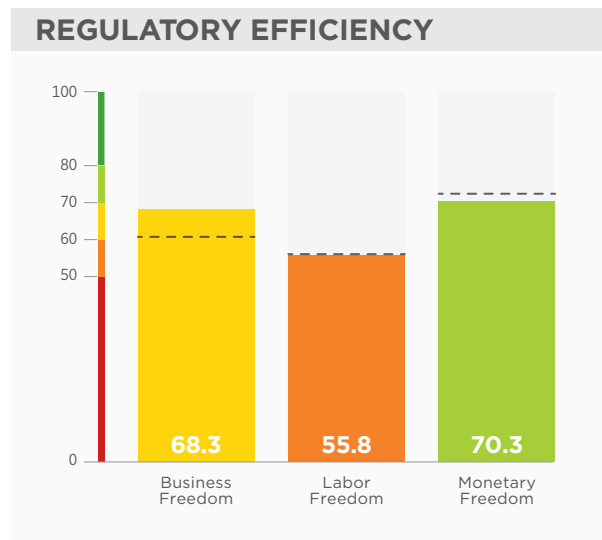
## 12 ECONOMIC FREEDOMS | AZERBAIJAN



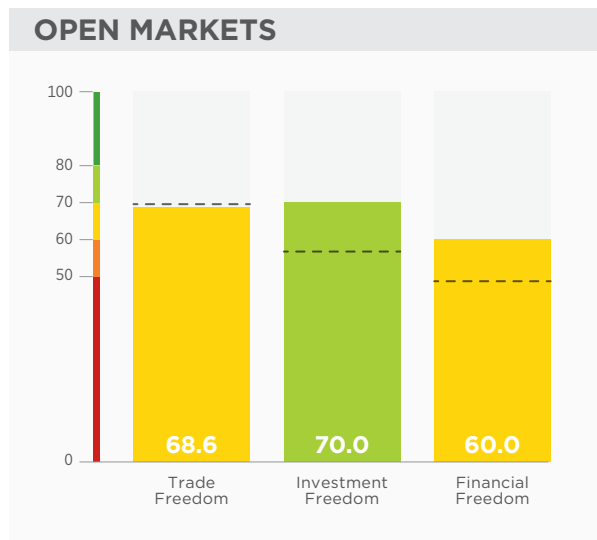
The overall rule of law is weak in Azerbaijan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 20 percent. The tax burden equals 15.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.1 percent and 2.1 percent of GDP. Public debt equals 26.4 percent of GDP.



The private sector would benefit from more competition. The oil and gas sectors dominate the economy. Relatively flexible employment regulations have recently been implemented, but enforcement has been uneven. The most recent available inflation rate is 6.7 percent.



The trade-weighted average tariff rate is 8.2 percent, and nontariff barriers continue to increase the cost of trade. Azerbaijan has gradually been moving toward greater diversification of its economy. The financial sector is dominated by state-owned banks but remains stable.

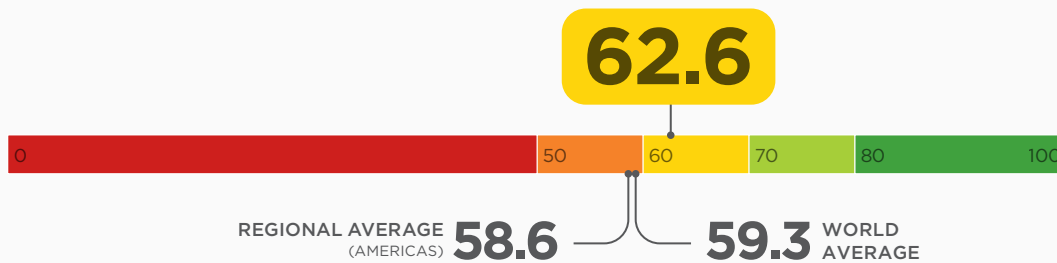
# BAHAMAS



The Bahamas' economic freedom score is 62.6, making its economy the 67th freest in the 2023 *Index*. Its score has decreased by 6.1 points from last year. The Bahamas is ranked 15th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

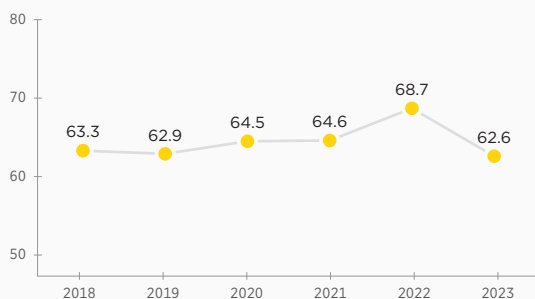
The foundations of economic freedom remain relatively sound with government integrity and property rights scoring above world averages. However, there is little momentum for deeper reform, and the country appears to be experiencing a gradual loss of competitiveness as others move more rapidly to expand economic opportunity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -9.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.4 million

**GDP (PPP):**  
\$14.1 billion  
5.6% growth in 2021  
5-year compound annual growth -0.8%  
\$36,151 per capita

**UNEMPLOYMENT:**  
10.0%

**INFLATION (CPI):**  
3.2%

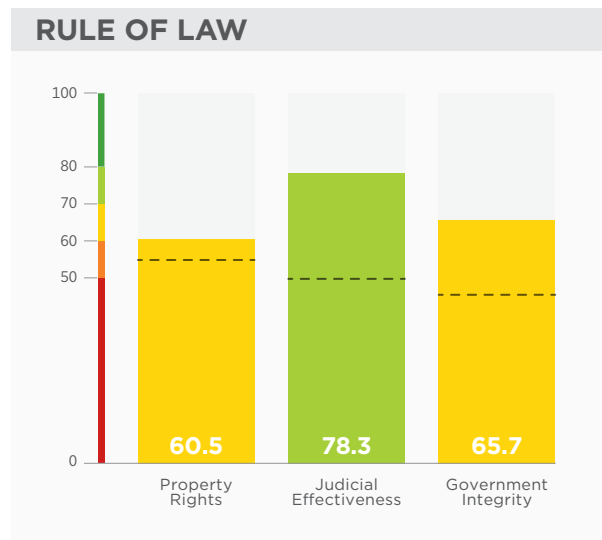
**FDI INFLOW:**  
\$359.6 million

**PUBLIC DEBT:**  
103.3% of GDP

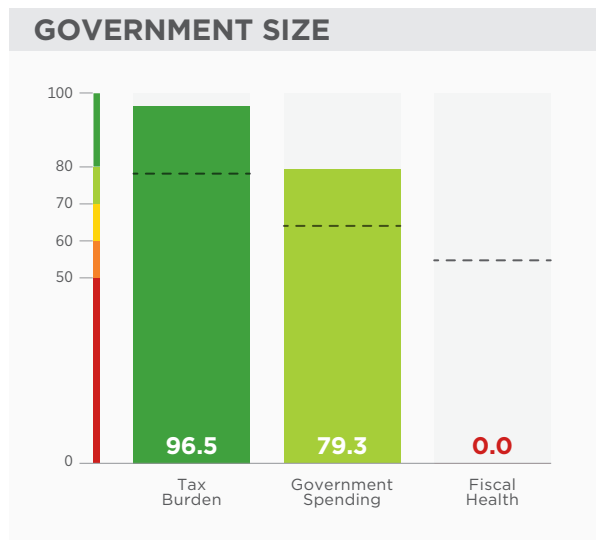
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Phillip Davis of the center-left Progressive Liberal Party was elected prime minister in September 2021 with a wide parliamentary majority, displacing the center-right Free National Movement party. Despite projected continued growth in 2022, levels of public debt and unemployment remain high. Financial services are an important sector of the economy. Tourism normally accounts for over 60 percent of GDP, but the COVID-19 pandemic and a 2019 hurricane caused a steep decline in revenues. Proximity to the U.S. makes the Bahamas a transshipment point for illegal drugs and human trafficking. The Bahamas has supported U.S. efforts to condemn Venezuela's Maduro regime.

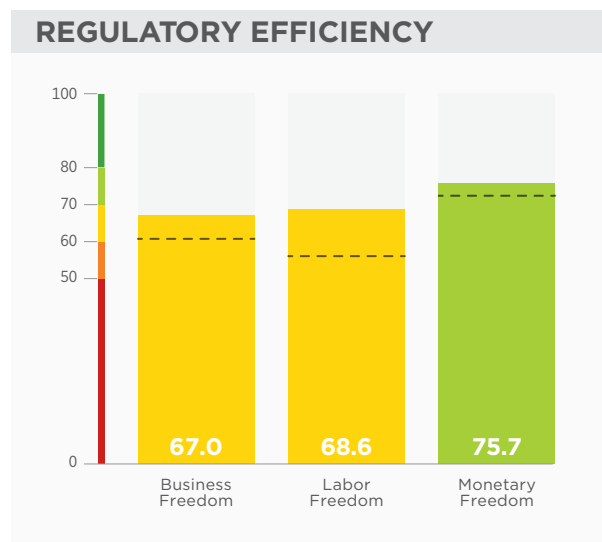
## 12 ECONOMIC FREEDOMS | BAHAMAS



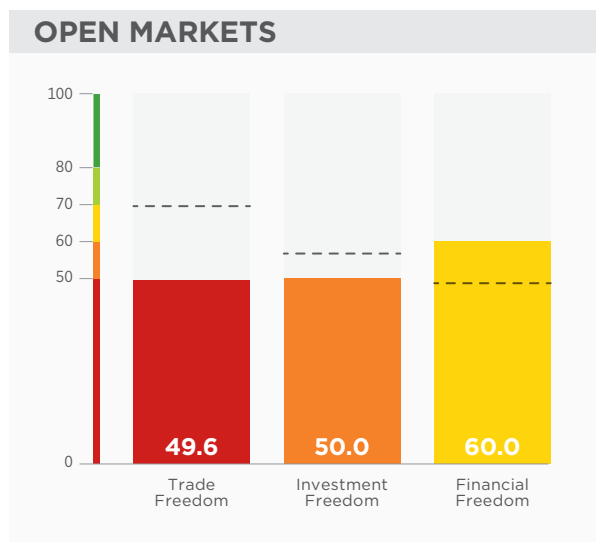
The overall rule of law is relatively well respected in the Bahamas. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



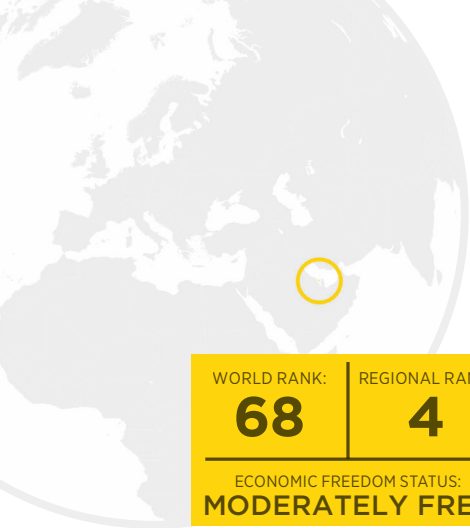
The top individual and corporate income tax rates are 0 percent. The tax burden equals 18.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.3 percent and -7.5 percent of GDP. Public debt equals 103.3 percent of GDP.



The overall regulatory environment is relatively efficient, although no major reforms have been implemented in recent years. The labor market is relatively flexible, but enforcement of the existing labor codes remains ineffective. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate is 17.7 percent, and nontariff measures further impede trade flows. New foreign investment is subject to a lengthy review process. The financial sector is fairly competitive and the second most important contributor to the economy.



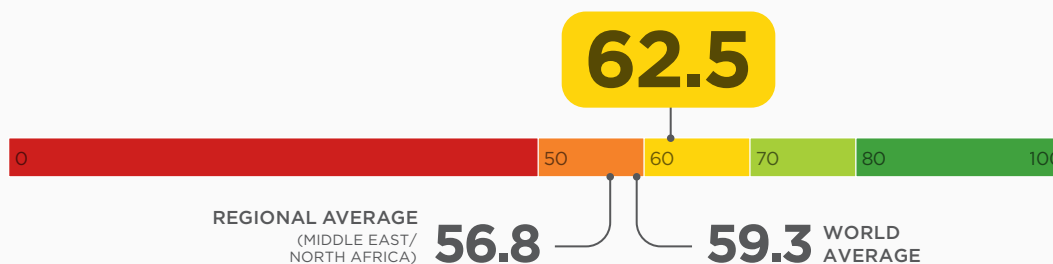
# BAHRAIN

WORLD RANK: <b>68</b>	REGIONAL RANK: <b>4</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

**B**ahrain's economic freedom score is 62.5, making its economy the 68th freest in the 2023 *Index*. Its score is 0.5 point better than last year. Bahrain is ranked 4th among 14 countries in the Middle East and North Africa region, and its overall score is above the regional and world averages.

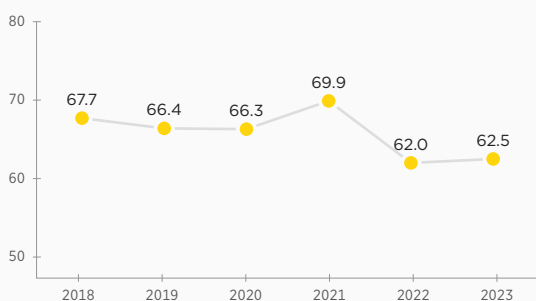
Bahrain is becoming more open and transparent. It performs quite well in many of the four pillars of economic freedom. Despite the challenging environment, Bahrain continues to be a financial hub for dynamic economic activity. Its openness to global commerce is sustained by a competitive and efficient regulatory environment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -13.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.7 million

**GDP (PPP):**  
\$79.4 billion  
2.2% growth in 2021  
5-year compound annual growth 1.2%  
\$53,384 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
-0.6%

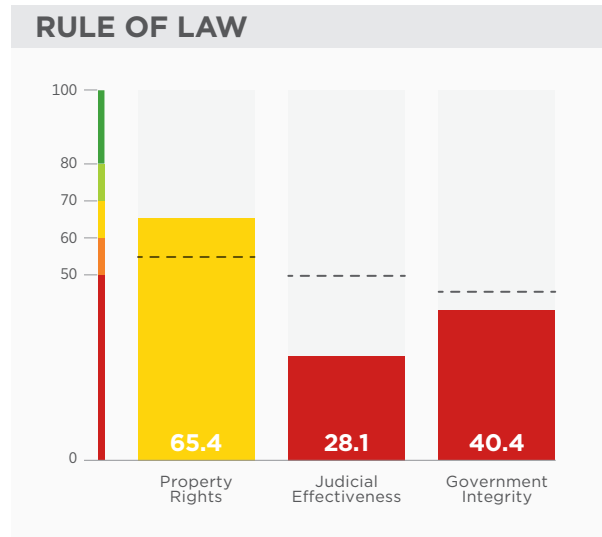
**FDI INFLOW:**  
\$1.8 billion

**PUBLIC DEBT:**  
128.5% of GDP

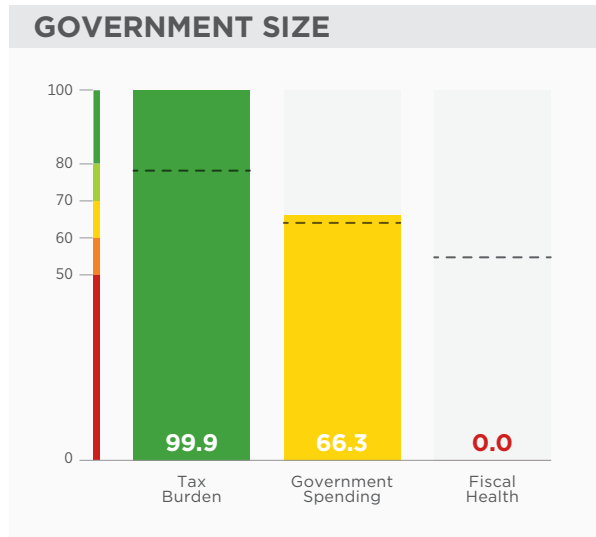
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Ruled since the 18th century by the Al-Khalifa family, initially as a British protectorate, Bahrain gained independence in 1971 and became a constitutional monarchy in 2002. Despite the adoption of key reforms, some opposition parties were banned in 2018. In 2020, King Hamad appointed Crown Prince Salman bin Hamad Al Khalifa to be prime minister. Oil revenues provide 85 percent of government revenues. Bahrain is a banking and financial services hub and regional home to many multinational firms. A September 2020 peace agreement with Israel should facilitate the normalization of trade, investment, technological cooperation, and tourism between the two countries.

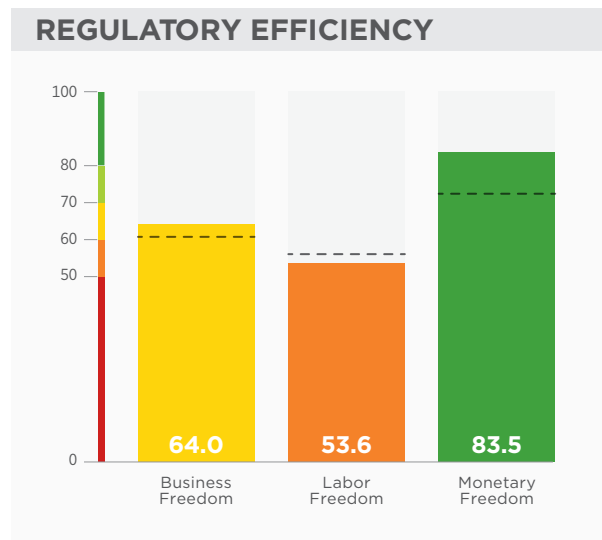
## 12 ECONOMIC FREEDOMS | BAHRAIN



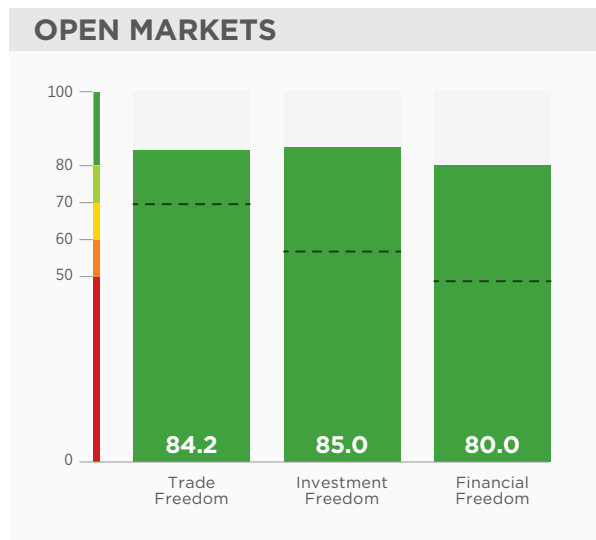
The overall rule of law is weak in Bahrain. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



Bahrain imposes no personal income or (for most companies) corporate taxes. The tax burden equals 2.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.5 percent and -12.6 percent of GDP. Public debt equals 128.5 percent of GDP.



The overall regulatory framework is more streamlined and competitive, and the commercial law system is relatively straightforward. There is no nationally mandated minimum wage, but wage increases have exceeded overall productivity growth. The most recent available inflation rate is -0.6 percent.



The trade-weighted average tariff rate is 5.4 percent, and nontariff measures are in force. The overall investment framework is generally positive and has remained transparent. Foreign and domestic investors have access to a wide range of financial services.

WORLD RANK:

123

REGIONAL RANK:

26

ECONOMIC FREEDOM STATUS:

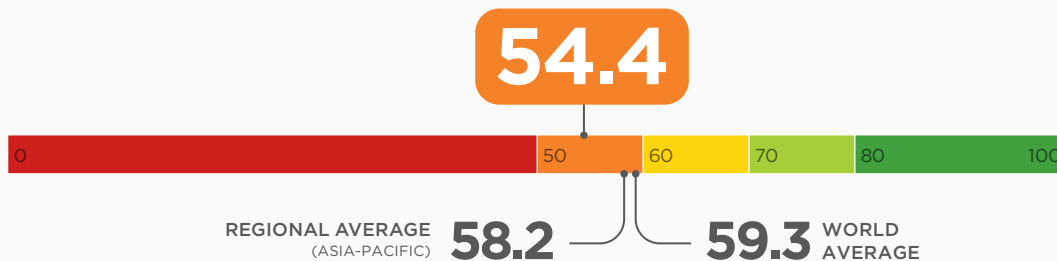
MOSTLY UNFREE

# BANGLADESH

**B**angladesh's economic freedom score is 54.4, making its economy the 123rd freest in the 2023 *Index*. Its score is 1.7 points better than last year. Bangladesh is ranked 26th among 39 countries in the Asia-Pacific region, and its overall score is below the regional and world averages.

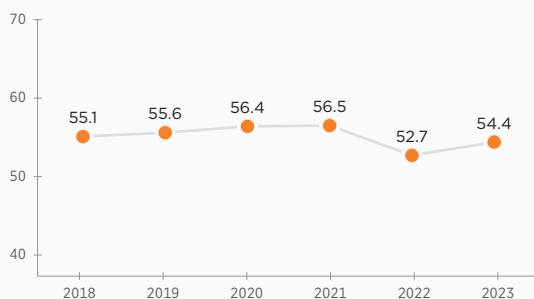
The foundations of economic freedom in Bangladesh remain fragile. Corruption and judicial inefficiency undermine the rule of law. Structural problems and weak governance constrain development. The inefficient regulatory regime is often heavily politicized, and policies needed to liberalize or sustain open markets are undercut by government interference in the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +13.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
166.3 million

**GDP (PPP):**  
\$981.1 billion  
5.0% growth in 2021  
5-year compound  
annual growth 6.4%  
\$5,900 per capita

**UNEMPLOYMENT:**  
4.4%

**INFLATION (CPI):**  
5.6%

**FDI INFLOW:**  
\$2.9 billion

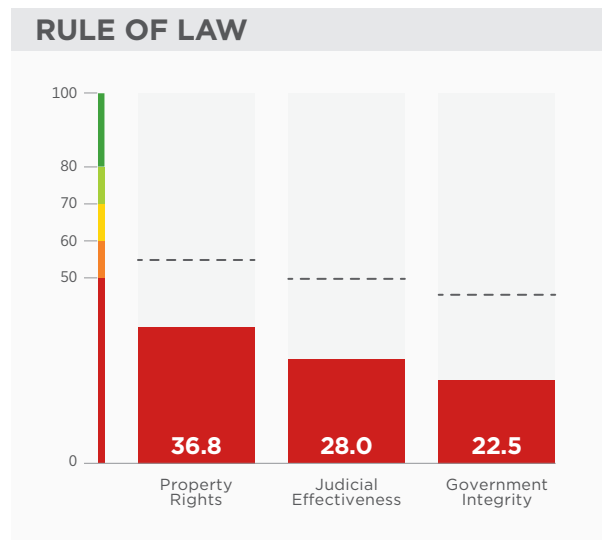
**PUBLIC DEBT:**  
35.5% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

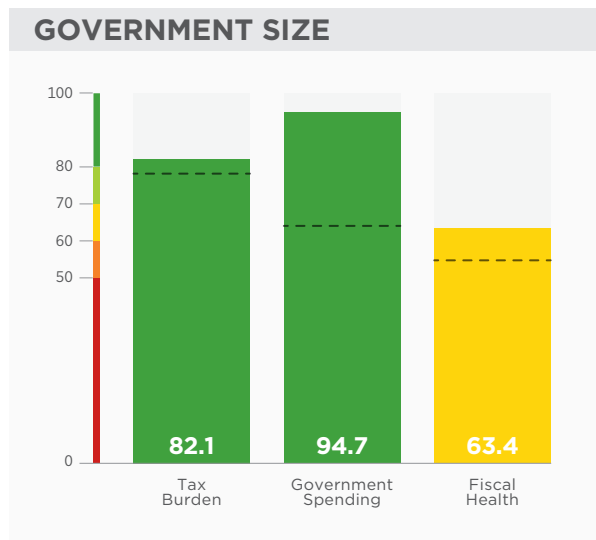
**BACKGROUND:** The British partition of India in 1947 resulted in the creation of West Pakistan and East Pakistan. In 1971, following a conflict for independence from West Pakistan, East Pakistan declared itself the independent state of Bangladesh. India is Bangladesh's largest regional trade partner, and the two countries are negotiating a comprehensive economic partnership. Prime Minister Sheikh Hasina of the Awami League secured a third term in 2018 parliamentary elections amid accusations of fraud. Economic growth, led by garment exports, has been robust despite political instability and the ruling party's authoritarian tendencies. Inflation and rising fuel prices have sparked popular discontent.



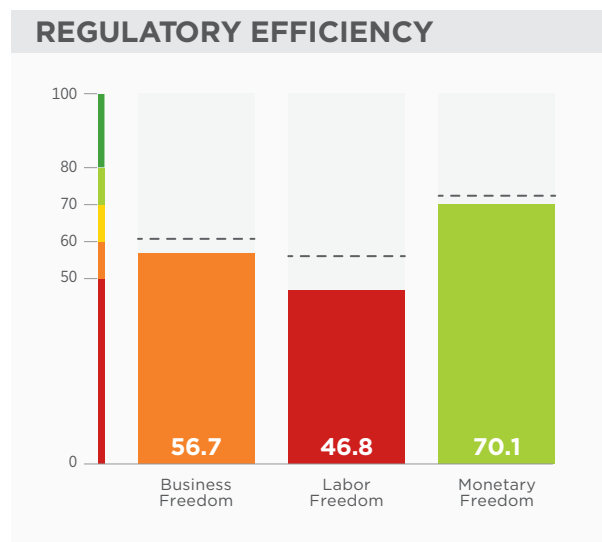
## 12 ECONOMIC FREEDOMS | BANGLADESH



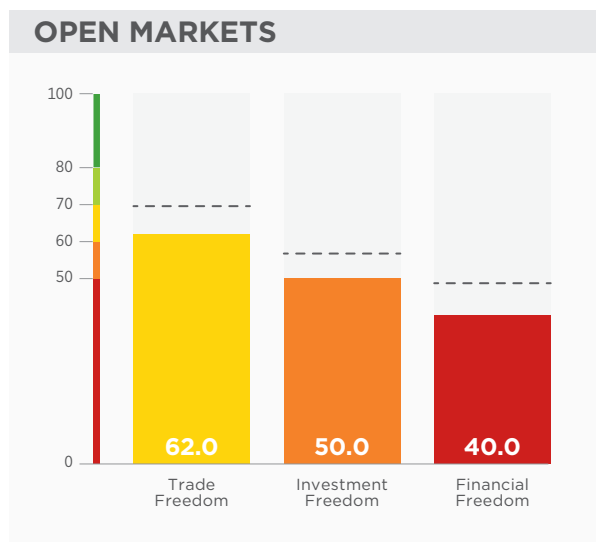
The overall rule of law is weak in Bangladesh. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



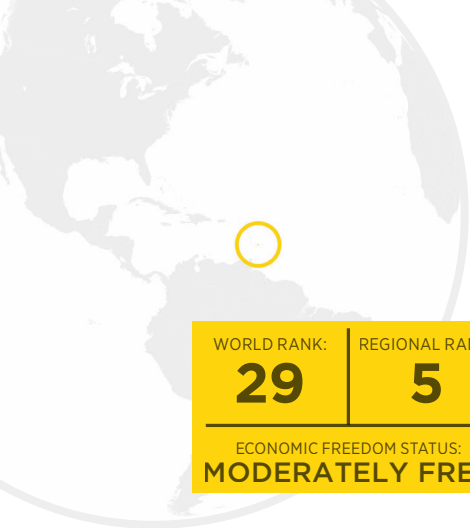
The top individual and corporate tax rates are, respectively, 25 percent and 32.5 percent. The tax burden equals 10.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.3 percent and -4.6 percent of GDP. Public debt equals 35.5 percent of GDP.



The obstacles to business are many and include poor infrastructure, unreliable electricity, inaccessible financing, and a bloated bureaucracy. Labor laws are not enforced well. The most recent available inflation rate is 5.6 percent.



The trade-weighted average tariff rate is 11.5 percent, and layers of nontariff barriers continue to impede dynamic flows of trade and investment. The financial sector is dominated by banks, and state interference is considerable.



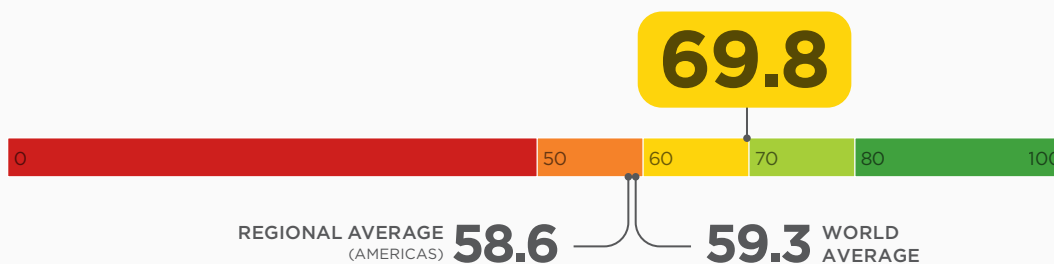
# BARBADOS

WORLD RANK: <b>29</b>	REGIONAL RANK: <b>5</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

**B**arbados's economic freedom score is 69.8, making its economy the 29th freest in the 2023 *Index*. Its score is 1.5 points worse than last year. Barbados is ranked 5th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

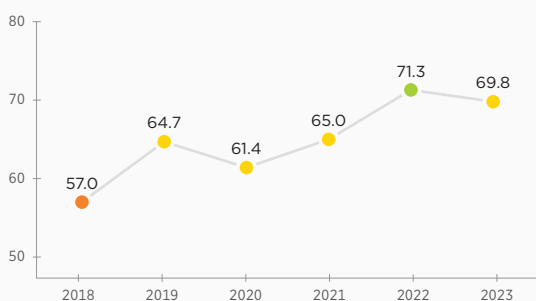
Offshore finance and tourism have been important sources of growth. With strong foundations of economic freedom supported by notable transparency and efficiency, the Barbados government's economic policies are focused on attracting international companies. However, because of a fiscal deficit, government debt has become larger than the size of the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.5

## RECENT FREEDOM TREND



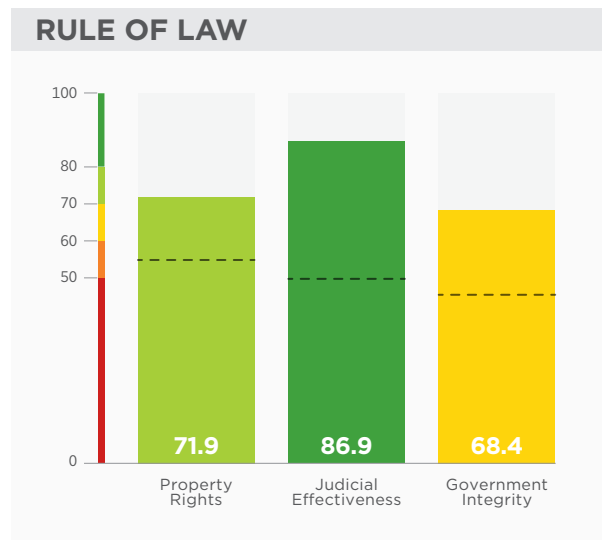
## QUICK FACTS

<b>POPULATION:</b> 0.3 million	<b>UNEMPLOYMENT:</b> 8.4%
<b>GDP (PPP):</b> \$4.3 billion 1.4% growth in 2021 5-year compound annual growth -2.7%	<b>INFLATION (CPI):</b> 3.0%
<b>FDI INFLOW:</b> \$238.7 million	<b>PUBLIC DEBT:</b> 135.4% of GDP

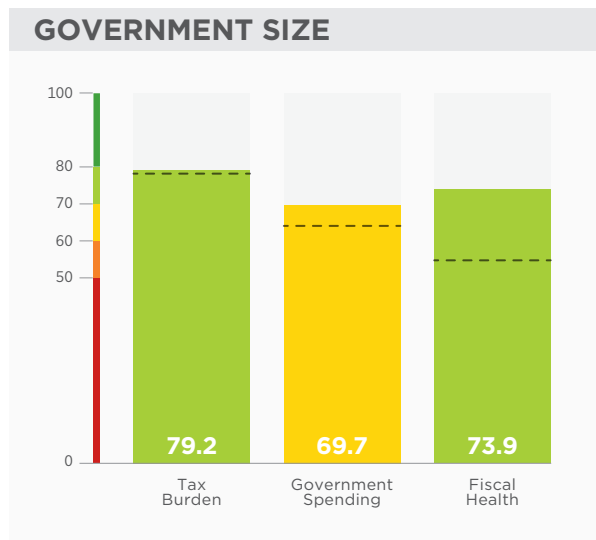
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Barbados transitioned from a parliamentary constitutional monarchy tied to the United Kingdom to become an independent republic in 2021. Following a clean sweep in the January 2022 general election, Prime Minister Mia Mottley is expected to govern unchallenged. Her administration has focused on economic recovery, meeting fiscal consolidation, and structural reform set out in new agreements signed with the IMF in September 2022. Barbados is a middle-income country with a diversified economy built on tourism and offshore banking and has one of the Caribbean's highest incomes per capita. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

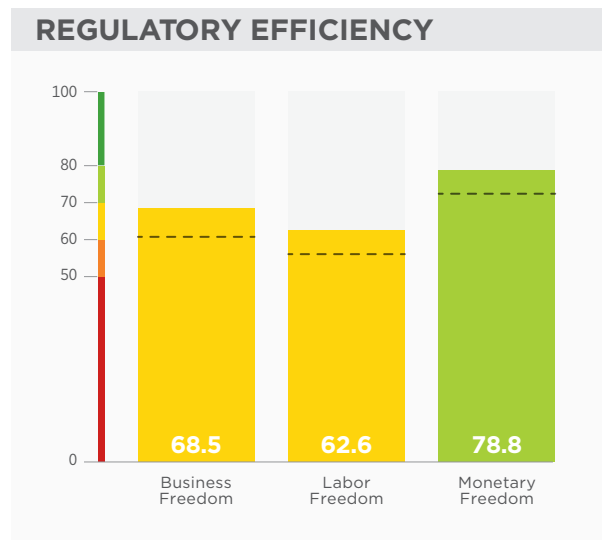
## 12 ECONOMIC FREEDOMS | BARBADOS



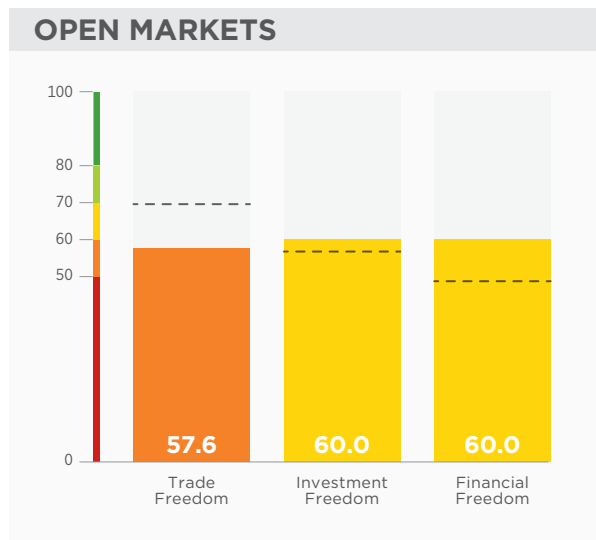
The overall rule of law is well respected in Barbados. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 28.5 percent and 5.5 percent. The tax burden equals 35.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.8 percent and -1.9 percent of GDP. Public debt equals 135.4 percent of GDP.



The legal system is based on British common law, and businesses benefit from the British system's inherent transparency. Labor laws are relatively clear and transparent, but they can also be somewhat burdensome. The most recent available inflation rate is 3.0 percent.



The trade-weighted average tariff rate is 13.7 percent, and more than 100 nontariff measures are in force. There are no limits on foreign investment, but some sectors require a government license. The banking sector provides a wide range of services for investors.



WORLD RANK: **145** | REGIONAL RANK: **44**

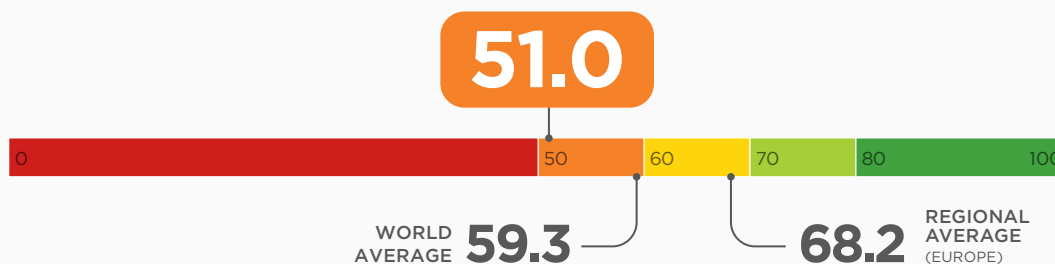
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# BELARUS

**B**elarus's economic freedom score is 51.0, making its economy the 145th freest in the 2023 *Index*. Its score is 2.0 points worse than last year. Belarus is ranked 44th among 44 countries in the Europe region, and its overall score is below the regional and world averages.

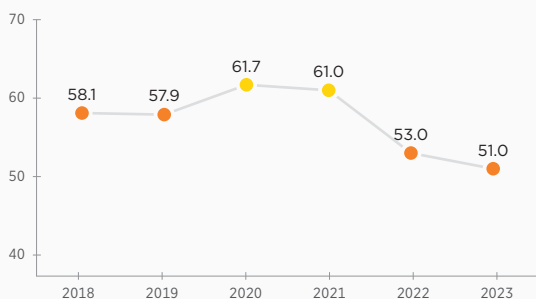
The Belarusian economy remains repressed. Poor scores for property rights and freedom from corruption reflect weak foundations of economic freedom. Corruption remains widespread, and an ineffective judiciary and time-consuming bureaucracy affect the enforcement of property rights. State involvement in the economy is pervasive and undermines regulatory efficiency and flexibility.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +10.6

## RECENT FREEDOM TREND



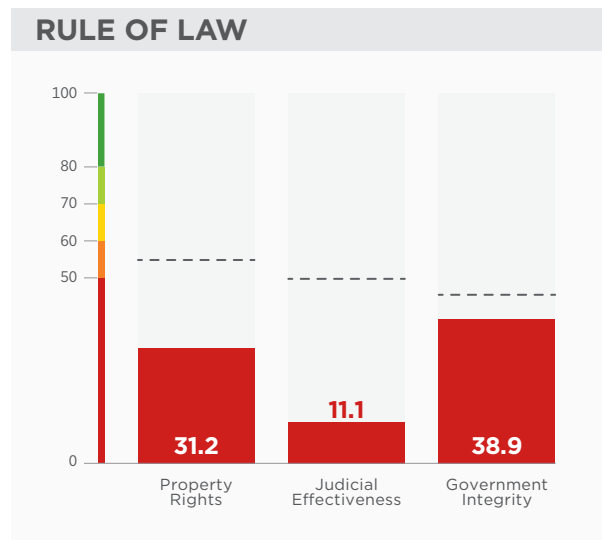
## QUICK FACTS

<b>POPULATION:</b> 9.3 million	<b>UNEMPLOYMENT:</b> 4.1%
<b>GDP (PPP):</b> \$202.8 billion 2.3% growth in 2021 5-year compound annual growth 1.8%	<b>INFLATION (CPI):</b> 9.5%
<b>FDI INFLOW:</b> \$1.2 billion	<b>PUBLIC DEBT:</b> 41.2% of GDP

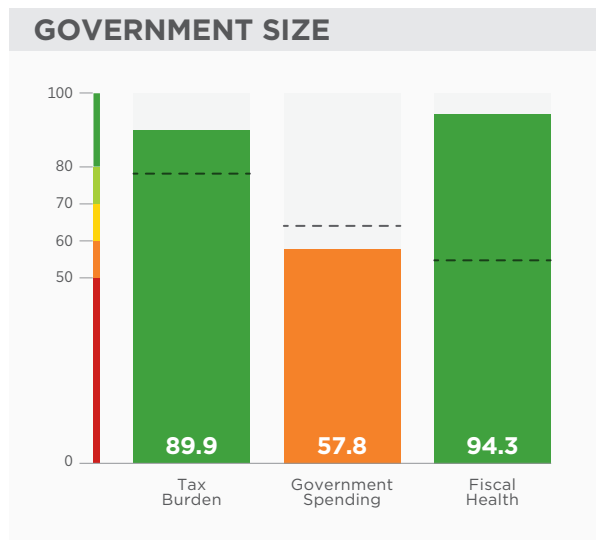
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** President Aleksandr Lukashenka has been in power since 1994 and controls all branches of government in this Eastern European nation, which has one of Europe's worst human rights records. After Lukashenka won reelection again in the 2020 presidential election, which international observers viewed as rigged, protestors called for him to resign in favor of the main opposition candidate, Sviatlana Tsikhanouskaya. Industries and state-controlled agriculture are not competitive. New non-Russian foreign investment has essentially disappeared, largely because of Belarus's unfavorable investment climate. Belarus is heavily dependent on Russia for its energy supplies and joined the Russia-backed Eurasian Economic Union in 2015.

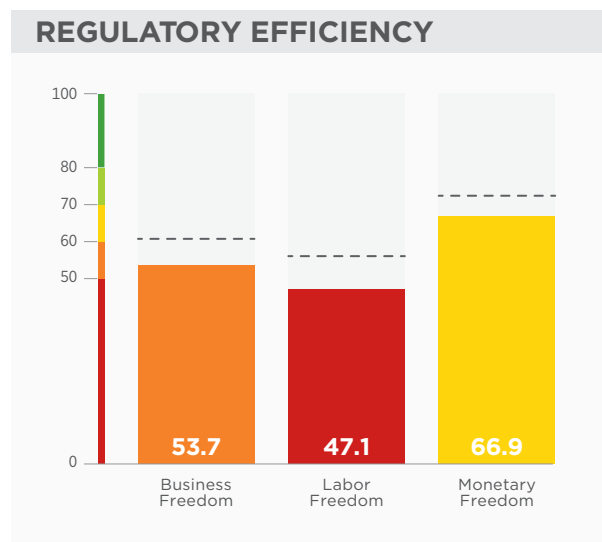
## 12 ECONOMIC FREEDOMS | BELARUS



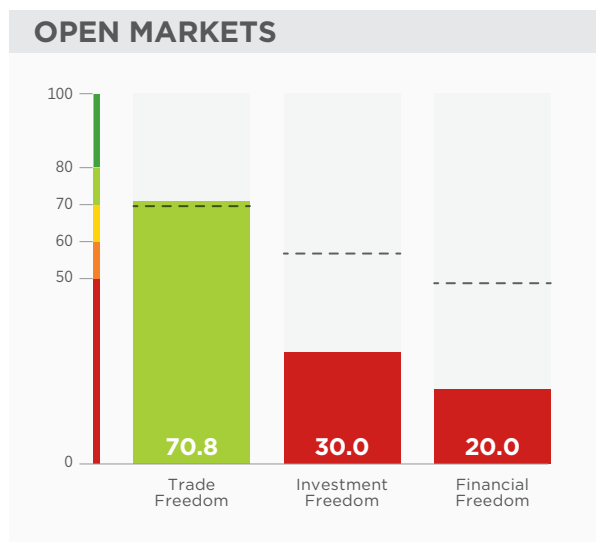
The overall rule of law is weak in Belarus. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 13 percent and 18 percent. The tax burden equals 22.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.5 percent and -1.2 percent of GDP. Public debt equals 41.2 percent of GDP.



Arbitrary application of business-related laws and regulations to discriminate against the private sector is common. Lack of independence in the courts makes for a relatively lawless labor dispute resolution environment. The most recent available inflation rate is 9.5 percent.



The trade-weighted average tariff rate is 4.6 percent, but trade flows remain restricted by various nontariff barriers. Belarus is not a member of the World Trade Organization. Extensive state ownership and government control severely limit investment and financial activity.



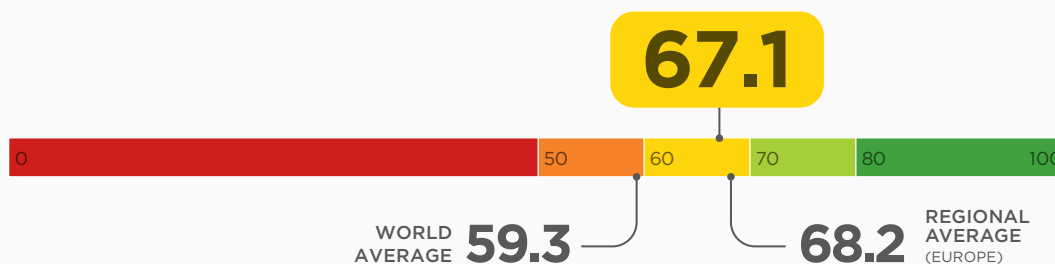
WORLD RANK:	REGIONAL RANK:
<b>43</b>	<b>25</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# BELGIUM

**B**elgium's economic freedom score is 67.1, making its economy the 43rd freest in the 2023 *Index*. Its score is 2.5 points lower than last year. Belgium is ranked 25th freest among the 44 countries in the Europe region, and its overall score is above the global average.

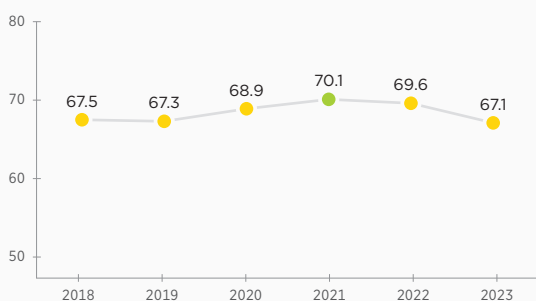
With its strong foundations of economic freedom, Belgium's economy has long benefited from open-market policies that support global trade and investment. However, structural weaknesses hinder international competitiveness, the tax system is burdensome, and the extensive welfare state is costly. Labor market rigidities remain a major barrier to productivity and job growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +1.1

## RECENT FREEDOM TREND



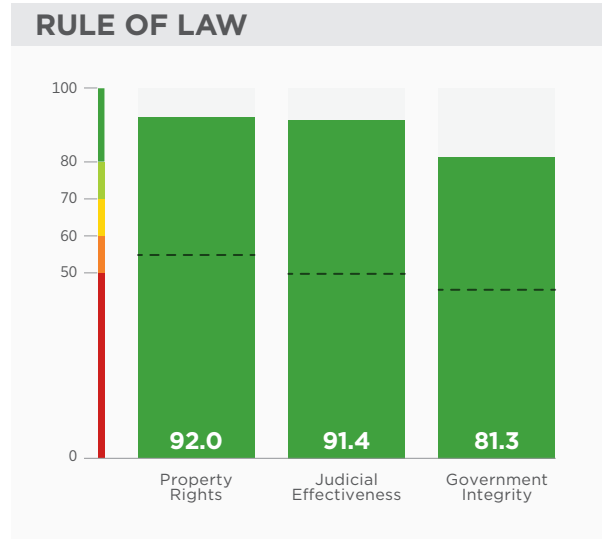
## QUICK FACTS

<b>POPULATION:</b> 11.6 million	<b>UNEMPLOYMENT:</b> 5.6%
<b>GDP (PPP):</b> \$659.7 billion 6.3% growth in 2021 5-year compound annual growth 1.2%	<b>INFLATION (CPI):</b> 3.2%
<b>FDI INFLOW:</b> \$25.6 billion	<b>PUBLIC DEBT:</b> 108.4% of GDP

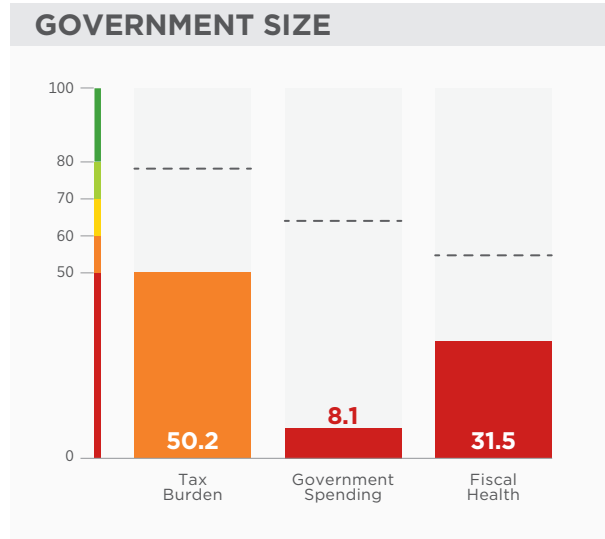
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Belgium is a federal state with three culturally distinct regions: Flanders, Wallonia, and the capital city of Brussels, home to the headquarters of NATO and the European Union. Alexander De Croo of the classically liberal Open Flemish Liberals and Democrats became prime minister in October 2020 leading a seven-party coalition. Neighboring countries have a strong impact on Belgium. Services account for a large portion of GDP in its export-driven economy. Belgium has a dense network of rails and roadways and Europe's second-busiest port, Antwerp. A Chinese retailer's massive new logistics hub has highlighted China's presence in poorer Wallonia.

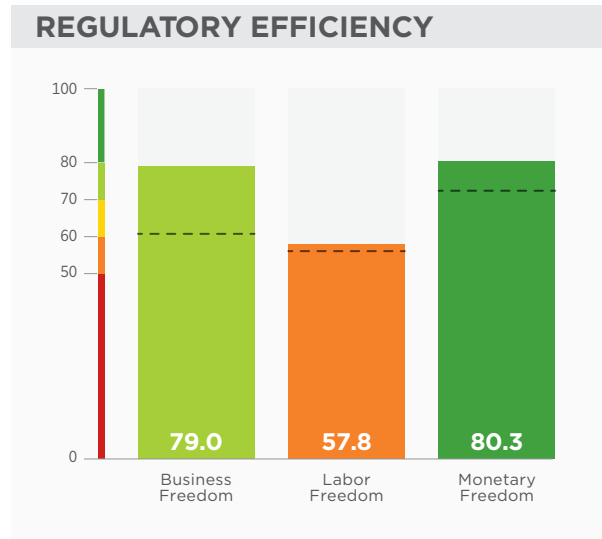
## 12 ECONOMIC FREEDOMS | BELGIUM



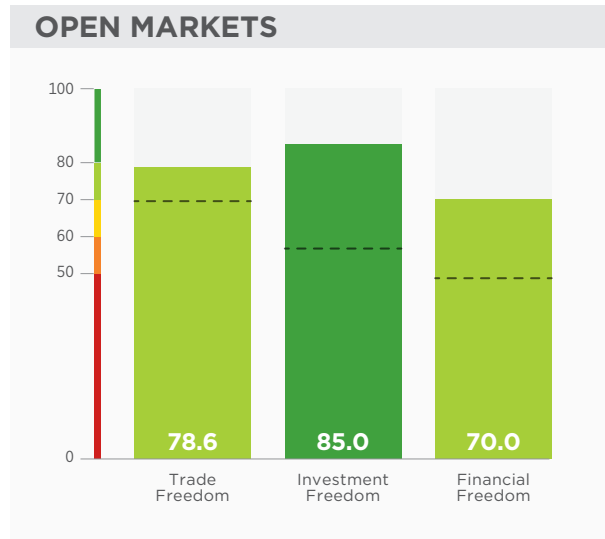
The overall rule of law is widely respected in Belgium. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 50 percent and 25 percent. The tax burden equals 43.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 55.3 percent and -5.5 percent of GDP. Public debt equals 108.4 percent of GDP.



Business owners are generally well-protected from unfair government interference in their operations. Clear and transparent laws and regulations are well enforced. The minimum wage structure is complicated and protracted. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign and domestic investors are treated equally. The financial system remains vibrant and generally free from government involvement.

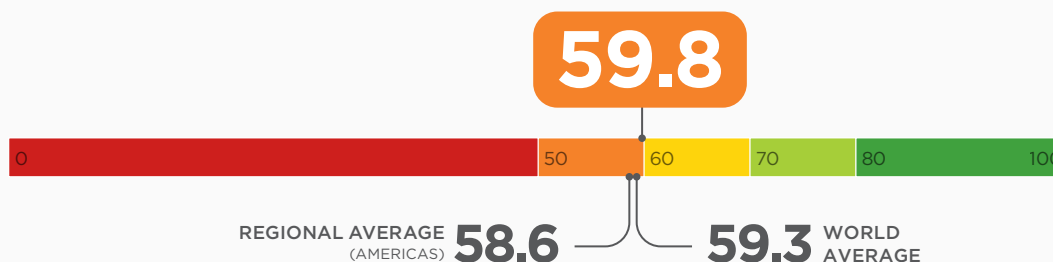
# BELIZE

WORLD RANK: **85** | REGIONAL RANK: **18**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**B**elize's economic freedom score is 59.8, making its economy the 85th freest in the 2023 *Index*. Its score is 3.2 points better than last year. Belize is ranked 18th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

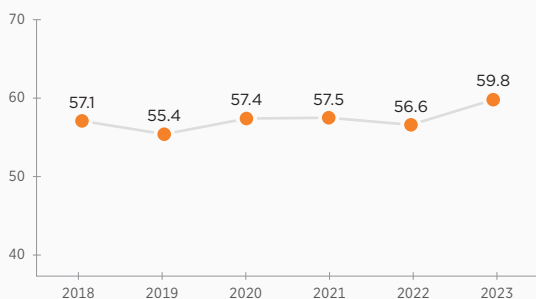
More vibrant economic growth is constrained by institutional weaknesses that undermine the foundations of economic freedom. The judicial system is vulnerable to political interference, and corruption is common. Entrepreneurial activity is limited, and recovery from the recent economic slowdown has been narrowly based. The overall regulatory infrastructure remains inefficient.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -3.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:** 0.4 million

**GDP (PPP):** \$2.8 billion  
 9.8% growth in 2021  
 5-year compound annual growth -0.2%  
 \$6,515 per capita

**UNEMPLOYMENT:** 9.1%

**INFLATION (CPI):** 3.2%

**FDI INFLOW:** \$127.8 million

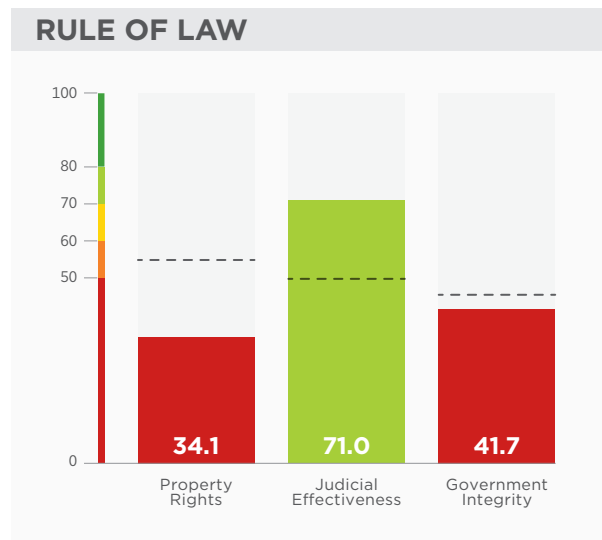
**PUBLIC DEBT:** 82.2% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

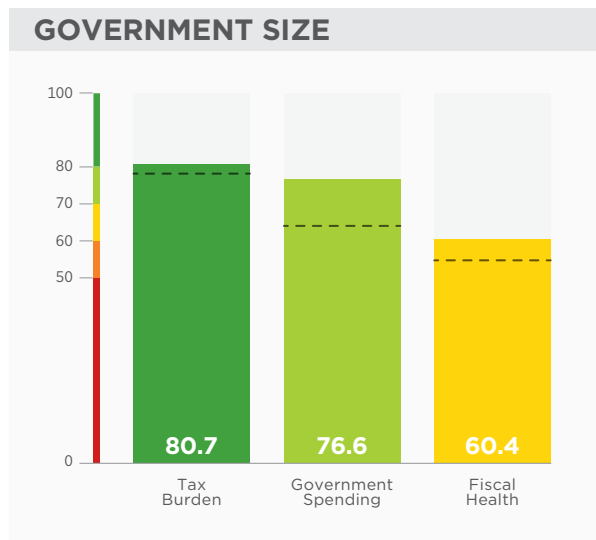
**BACKGROUND:** The former colony of British Honduras gained independence in 1981. Prime Minister Johnny Briceño was elected in 2020, and his People's United Party holds 25 of the legislature's 31 seats. High debt, high gas prices, and the rising cost of living have ignited protests. The economy relies primarily on tourism and exports of marine products, citrus, sugar, and bananas. Fluctuating agricultural commodity prices complicate policymaking. Against the backdrop of declining tourism receipts, the central bank has offered its first U.S. dollar-denominated Treasury notes, raising millions in capital for its foreign reserves. Belize's porous borders facilitate narco-trafficking and violent crime.



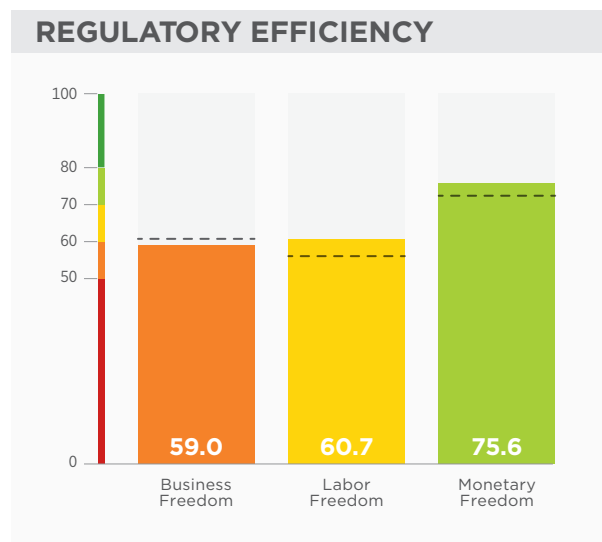
## 12 ECONOMIC FREEDOMS | BELIZE



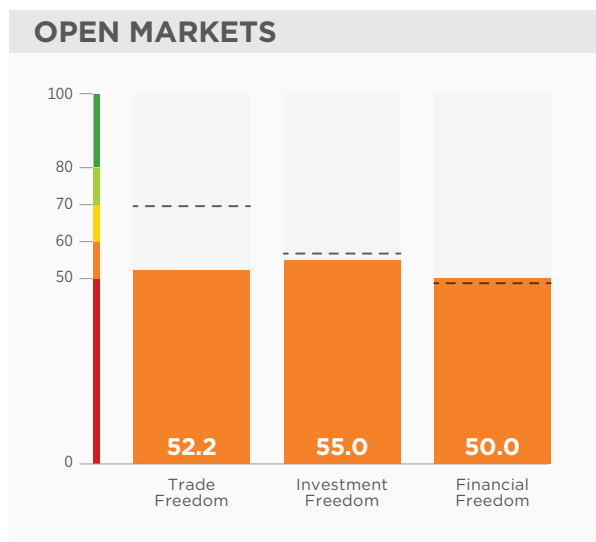
The overall rule of law is weak in Belize. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 25 percent. The tax burden equals 26.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.0 percent and -4.0 percent of GDP. Public debt equals 82.2 percent of GDP.



Despite a streamlined process for completing regulatory requirements, entrepreneurial activity often faces such challenges as a lack of regulatory transparency. Despite relatively flexible employment regulations, a formal labor market remains underdeveloped. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate is 18.9 percent, and two nontariff measures are in force. Bureaucratic barriers may discourage foreign investment. The state influences credit allocation through quasi-government banks. The financial sector is not fully developed.

# BENIN

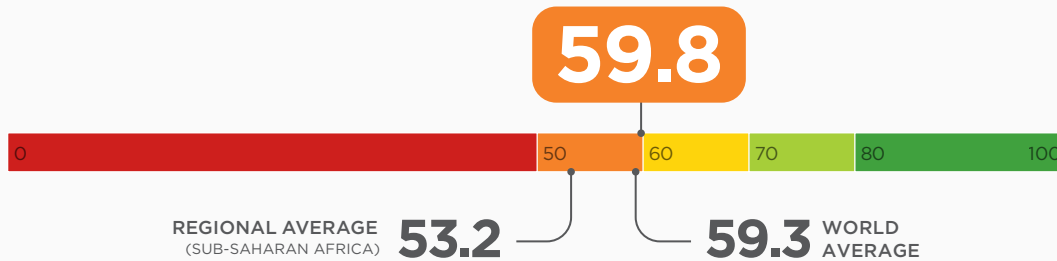
WORLD RANK: **84** REGIONAL RANK: **7**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**B**enin's economic freedom score is 59.8, making its economy the 84th freest in the 2023 *Index*. Its score is 1.2 points worse than last year. Benin is ranked 7th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional and world averages.

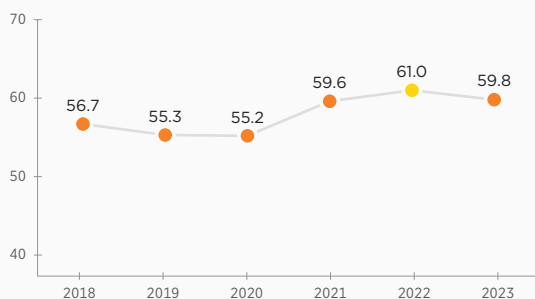
The lack of political momentum remains a serious obstacle to the implementation of necessary reforms. The most visible constraints on private-sector development are related to administrative complexities and the lack of respect for contracts. Bureaucratic inefficiency and corruption affect much of the economy, undermining the foundations of economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +5.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
12.5 million

**GDP (PPP):**  
\$47.2 billion  
6.6% growth in 2021  
5-year compound annual growth 5.9%

**UNEMPLOYMENT:**  
1.5%

**INFLATION (CPI):**  
1.7%

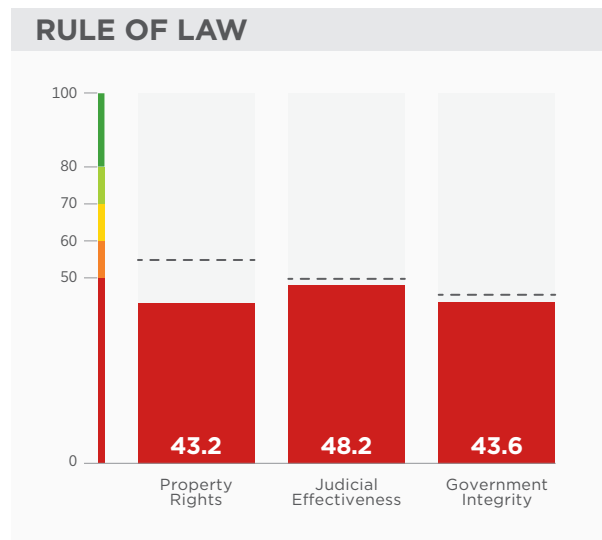
**FDI INFLOW:**  
\$242.4 million

**PUBLIC DEBT:**  
49.9% of GDP

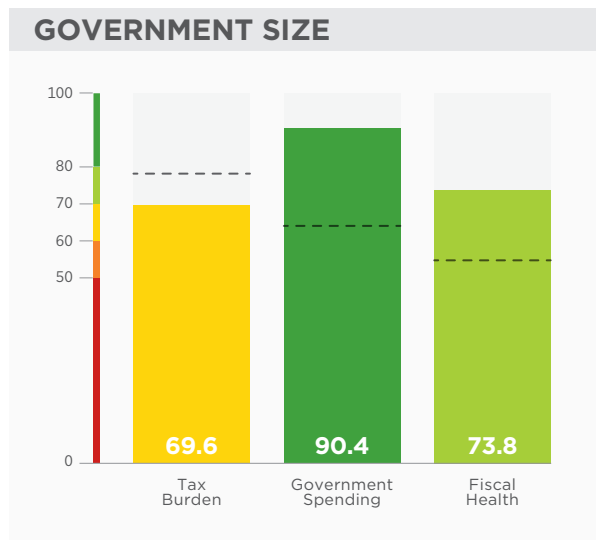
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** One of Africa's largest producers of cotton, the former French colony of Benin nevertheless remains underdeveloped and dependent on subsistence agriculture and regional trade. President Patrice Talon was reelected in 2021 after the government barred most opposition candidates from running; the opposition responded with violent protests. Benin has suffered a growing number of Islamist terrorist attacks in its northern regions. Government efforts to increase power generation capacity should stimulate economic growth. Expansion of the privately managed port of Cotonou, which accounts for approximately 60 percent of GDP, will further encourage growth by increasing port services to regional neighbors.

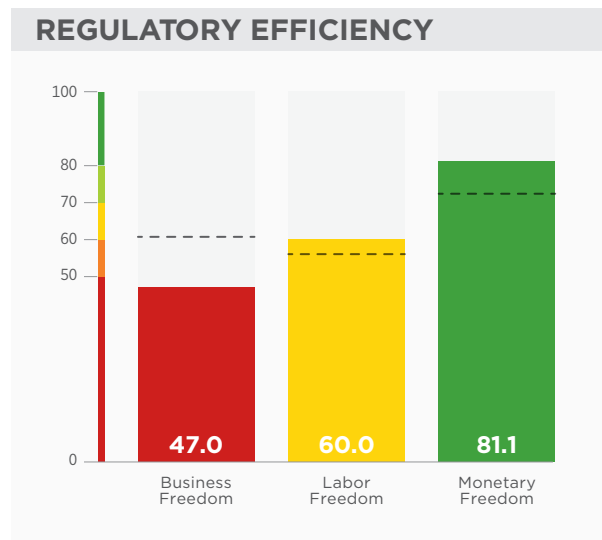
## 12 ECONOMIC FREEDOMS | BENIN



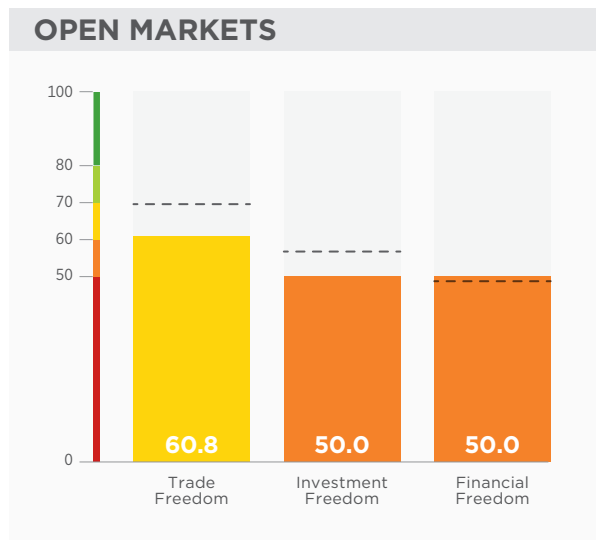
The overall rule of law is weak in Benin. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 45 percent, and 30 percent. The tax burden equals 10.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.8 percent and -3.6 percent of GDP. Public debt equals 49.9 percent of GDP.



There is a system in place to enforce contracts, but it is inefficient, and enforcement is problematic. Benin's labor code as revised in 2017 is more favorable to employers than employees. The most recent available inflation rate is 1.7 percent.



The trade-weighted average tariff rate is 12.1 percent, and nontariff measures are in force. Dynamic flows of foreign investment are constrained by persistent policy and institutional weaknesses. Despite the development of microfinance institutions, overall access to credit remains low.

WORLD RANK: REGIONAL RANK:

90

19

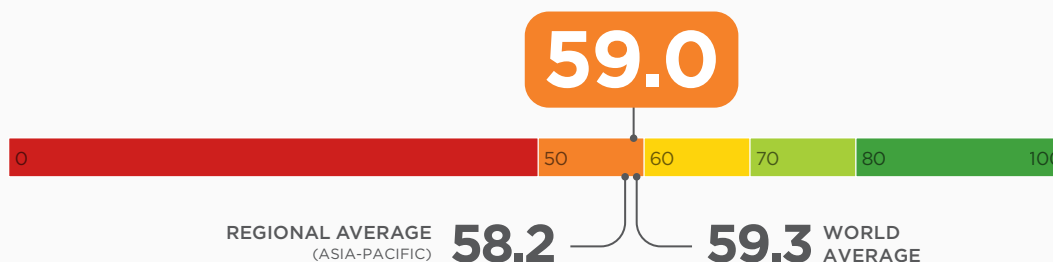
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# BHUTAN

**B**hutan's economic freedom score is 59.0, making its economy the 90th freest in the 2023 *Index*. Its score has decreased 0.3 point from last year. Bhutan is ranked 19th out of 39 countries in the Asia-Pacific region, and its overall score is below the global average.

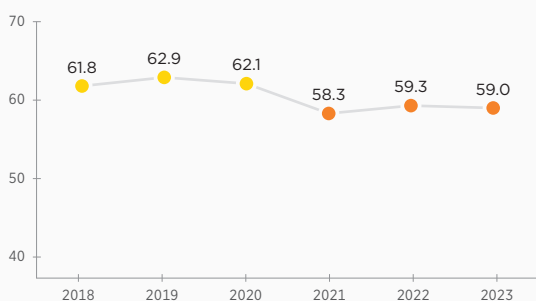
Bhutan is modernizing its economic structure. The public sector has long been the main source of economic growth, but the government now recognizes the importance of private-sector development and has assigned a higher priority to economic diversification, particularly in light of demographic shifts that will bring more young people into the labor market.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +1.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.8 million

**GDP (PPP):**  
\$8.9 billion  
-3.7% growth in 2021  
5-year compound  
annual growth 1.7%  
\$11,802 per capita

**UNEMPLOYMENT:**  
2.5%

**INFLATION (CPI):**  
8.2%

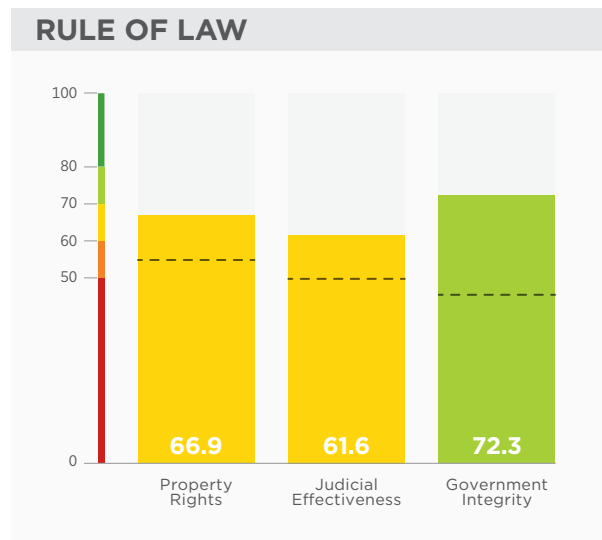
**FDI INFLOW:**  
\$1.6 million

**PUBLIC DEBT:**  
132.4% of GDP

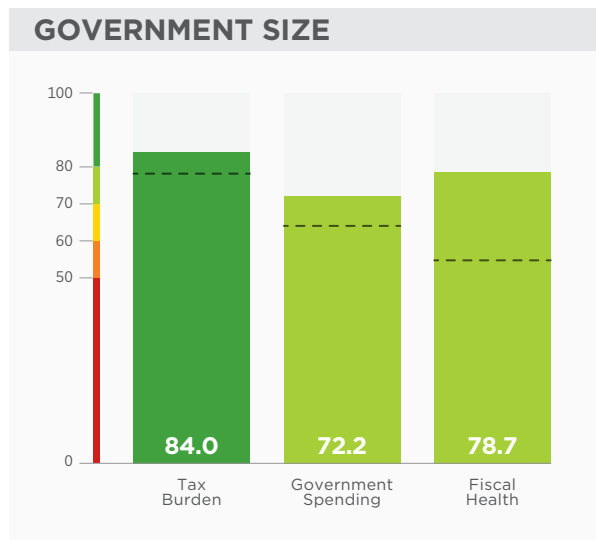
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The small Himalayan kingdom of Bhutan transitioned from absolute monarchy to constitutional parliamentary democracy in 2008 and is one of the world's smallest and least-developed economies. Until recently, the landlocked country was largely agrarian with few roads, little electricity, and no modern hospitals. Bhutan is in the throes of an economic crisis prompted by its zero-COVID policies and supply shortages that have been made worse by Russia's war in Ukraine. These crises have damaged tourism, diminished foreign exchange reserves, and prompted a spike in fuel and food prices. Bhutan's principal exports include ferroalloys, semi-finished iron, cement, dolomite, and carbides.

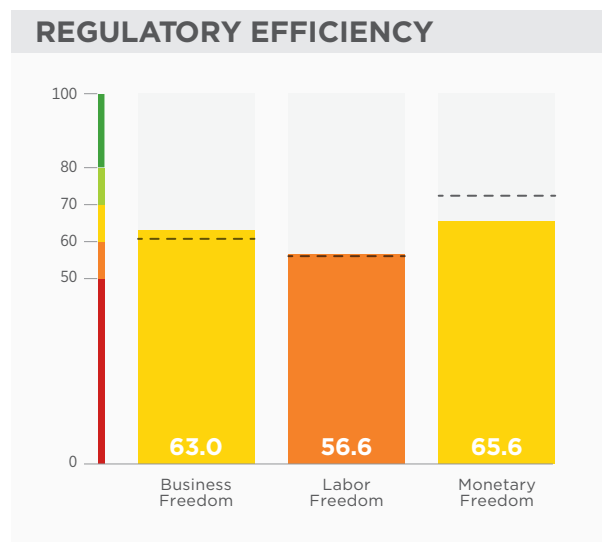
## 12 ECONOMIC FREEDOMS | BHUTAN



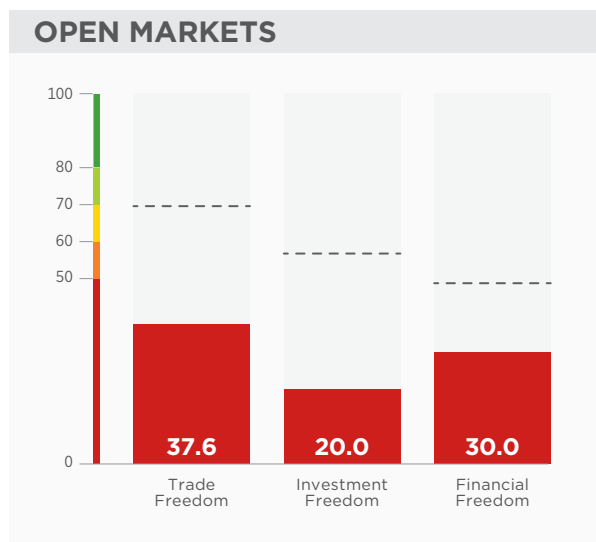
The overall rule of law is relatively well respected in Bhutan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 30 percent. The tax burden equals 8.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.4 percent and -0.9 percent of GDP. Public debt equals 132.4 percent of GDP.



A modern regulatory framework has not been fully developed. Despite recent efforts, the enforcement of regulations continues to be inconsistent. The government has responded to labor shortages by initiating several skilling and reskilling programs. The most recent available inflation rate is 8.2 percent.



The trade-weighted average tariff rate is 23.7 percent, and layers of nontariff barriers significantly impede dynamic flows of trade. The underdeveloped investment framework limits opportunities to attract foreign investment. The financial sector is rudimentary.



WORLD RANK: **167** | REGIONAL RANK: **30**

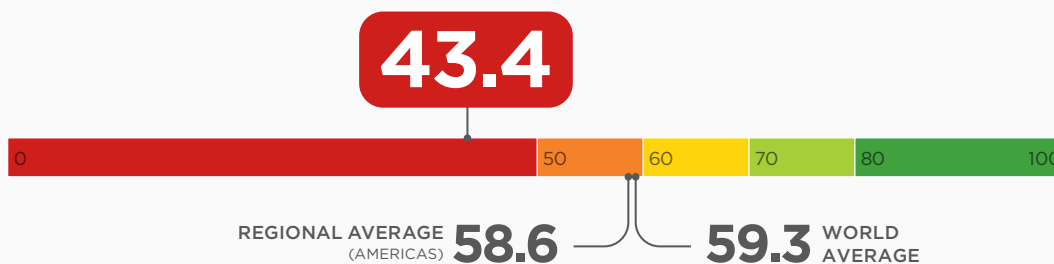
ECONOMIC FREEDOM STATUS: **REPRESSED**

# BOLIVIA

**B**olivia's economic freedom score is 43.4, making its economy the 167th freest in the 2023 *Index*. Its score is 0.4 point better than last year. Bolivia is ranked 22nd among 32 countries in the Americas region, and its overall score is below the regional and world averages.

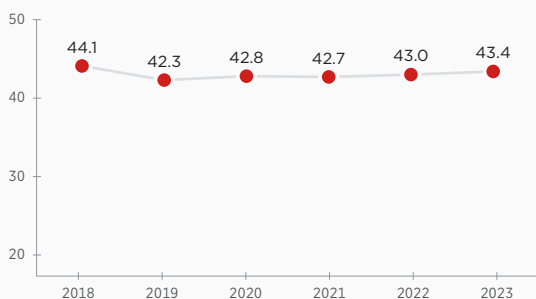
The foundations of economic freedom in Bolivia remain severely hampered by structural and institutional problems. The judicial system is vulnerable to political interference, corruption is prevalent, and the rule of law is weak. The state's growing presence in economic activity has moved the economy ever further from free-market openness.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -13.4

## RECENT FREEDOM TREND



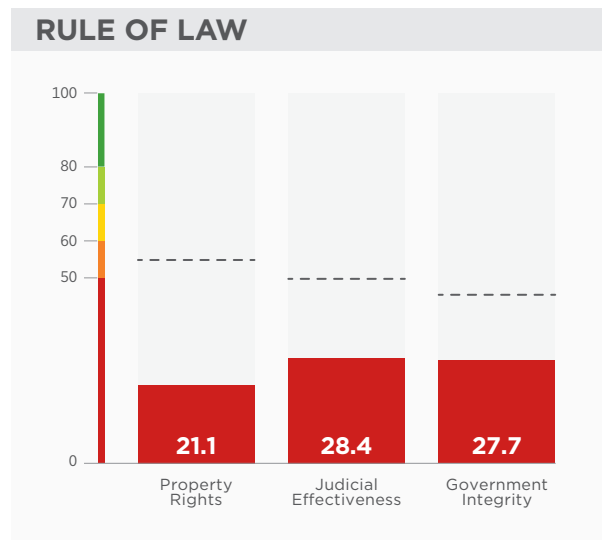
## QUICK FACTS

<b>POPULATION:</b> 11.8 million	<b>UNEMPLOYMENT:</b> 7.9%
<b>GDP (PPP):</b> \$106.9 billion 6.1% growth in 2021 5-year compound annual growth 1.6%	<b>INFLATION (CPI):</b> 0.7%
<b>FDI INFLOW:</b> \$594.1 million	<b>PUBLIC DEBT:</b> 80.5% of GDP

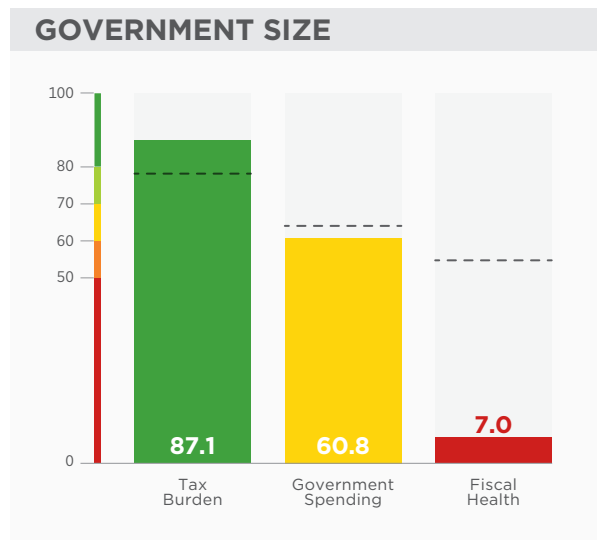
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Despite one of the world's richest lithium reserves and high natural gas exports, Bolivia remains characterized by deeply rooted poverty, illegal drug activity, and populist authoritarian tendencies. President Luis Arce was elected in 2020 following Evo Morales's resignation after nearly 14 years in power, the brief tenure of the centrist Democratic Unity coalition's Jeanine Áñez, and the return of Morales's Socialist Movement and subsequent political arrest of Áñez. Arce has continued Morales's interventionist policies, but fiscal deficits and recession may force him to be more pragmatic. Amid the global lithium rush, the presence of China, Russia, and Iran is growing.

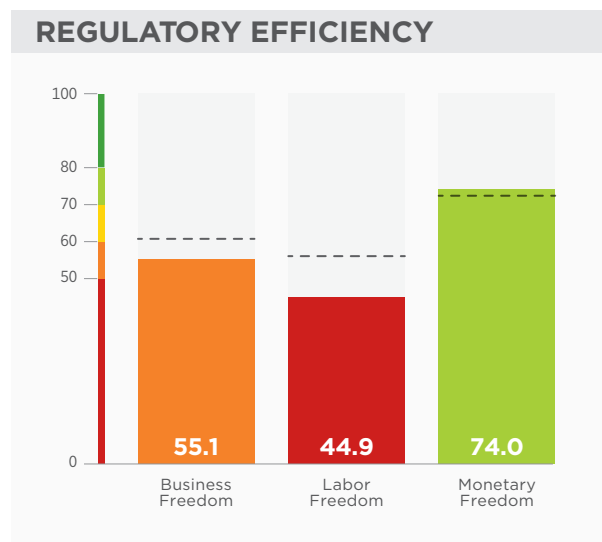
## 12 ECONOMIC FREEDOMS | BOLIVIA



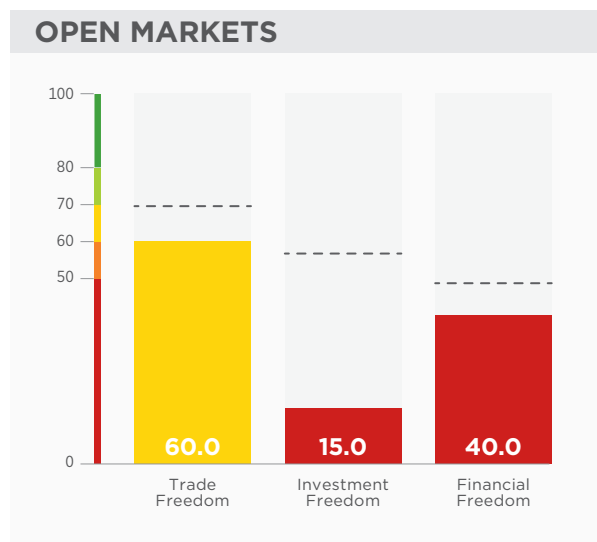
The overall rule of law is weak in Bolivia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 13 percent and 25 percent. The tax burden equals 22.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.1 percent and -9.8 percent of GDP. Public debt equals 80.5 percent of GDP.



Overall business freedom remains mostly unchanged and at a low level. The labor code is outdated and burdensome. The government maintains controls on the prices of products such as sugar, maize, and bread. The most recent available inflation rate is 0.7 percent.



The trade-weighted average tariff rate is 10 percent, and four nontariff measures are in force. The overall investment framework is opaque, and the government prioritizes domestic investment over foreign investment. The financial sector is vulnerable to state interference and is not fully developed.

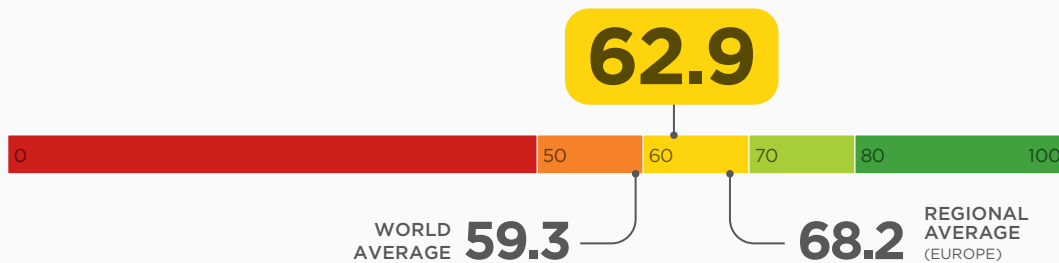
# BOSNIA AND HERZEGOVINA



**B**osnia and Herzegovina's economic freedom score is 62.9, making its economy the 63rd freest in the 2023 *Index*. Its score is 0.5 point worse than last year. Bosnia and Herzegovina is ranked 35th out of 44 countries in the Europe region, and its overall score is above the world average.

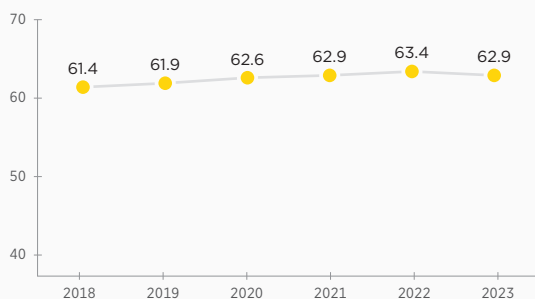
Bosnia and Herzegovina's economic dynamism has been affected by the global economic slowdown and the government's generally slow transition to regulatory efficiency and open-market policies. The foundations of economic freedom are fragile and uneven across the country. Poor protection of property rights and widespread corruption discourage entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +33.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.3 million

**GDP (PPP):**  
\$55.7 billion  
5.8% growth in 2021  
5-year compound annual growth 2.5%  
\$16,010 per capita

**UNEMPLOYMENT:**  
15.9%

**INFLATION (CPI):**  
2.0%

**FDI INFLOW:**  
\$519.1 million

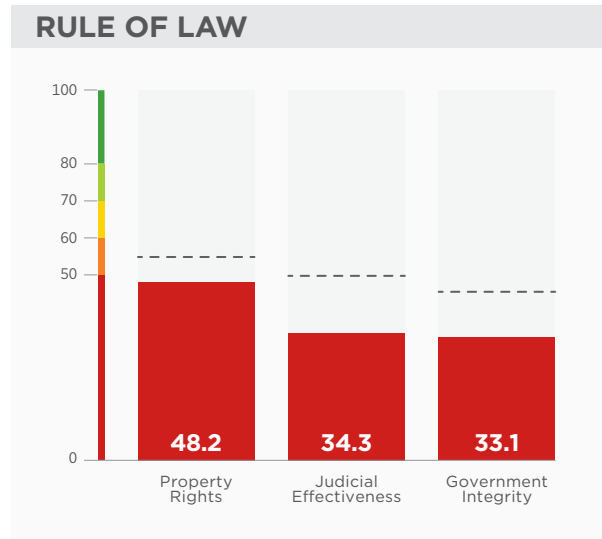
**PUBLIC DEBT:**  
35.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

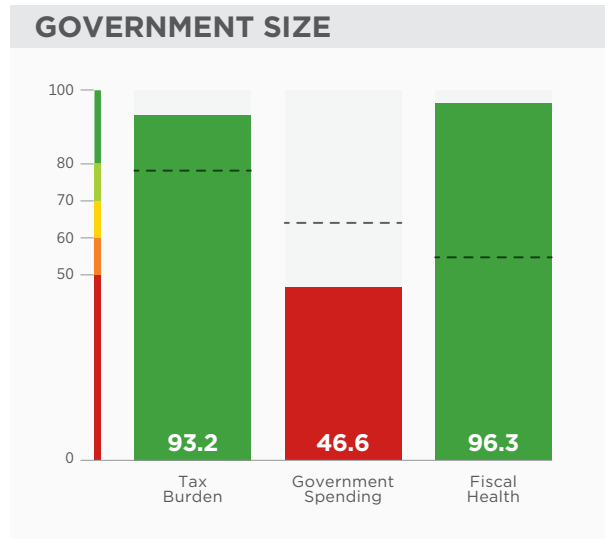
**BACKGROUND:** The 1995 Dayton Agreement finalized Bosnia and Herzegovina's independence. The Republika Srpska (Serbian) and Federation of Bosnia and Herzegovina (Muslim/Croat) exist under a loose central government. Republika Srpska's plans to strip the central government of several competencies fanned fears of secession and led to U.S. and U.K. sanctions. Aspirations for accession to the European Union remain stalled because of incomplete reforms. The economy relies heavily on exports of metals, energy, textiles, and furniture as well as remittances, foreign aid, and Chinese infrastructure investment. Challenges include political uncertainty, high unemployment, high energy and food prices, poor infrastructure, and environmental concerns.



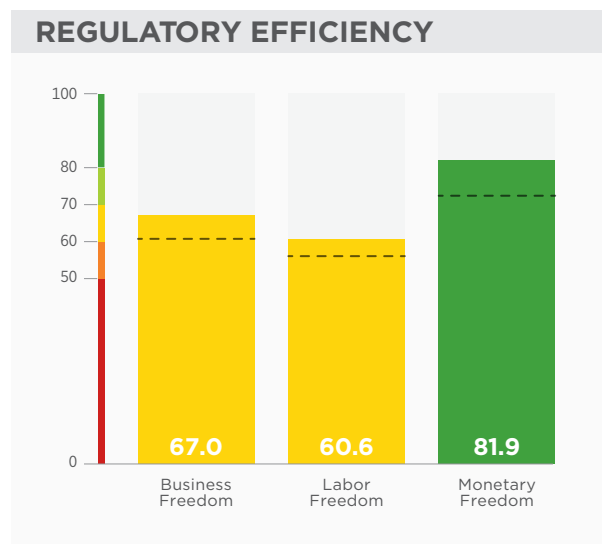
## 12 ECONOMIC FREEDOMS | BOSNIA AND HERZEGOVINA



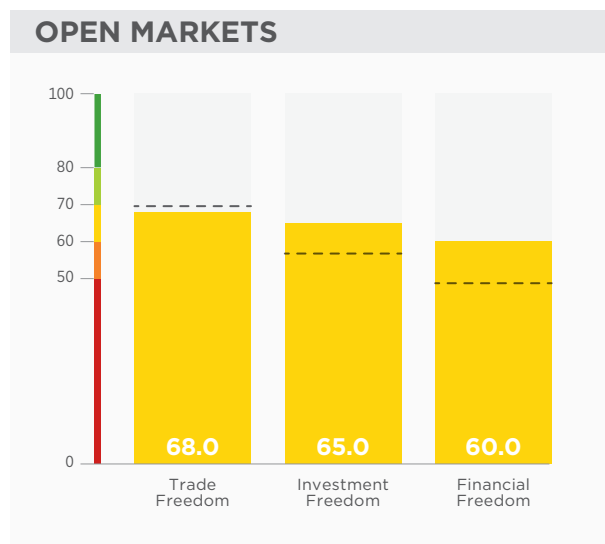
The overall rule of law is weak in Bosnia and Herzegovina. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 22.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.2 percent and -0.8 percent of GDP. Public debt equals 35.4 percent of GDP.



The complicated and fragmentary regulatory framework undermines business freedom, although natural resources provide opportunities for investment in energy, agriculture, timber, and tourism. Labor laws are complex and not fully enforced. The most recent available inflation rate is 2.0 percent.



The trade-weighted average tariff rate is 8.5 percent, and a variety of nontariff barriers further restrict trade flows. Complex regulatory frameworks are impediments to new foreign investment. The banking sector remains stable, but the number of nonperforming loans is sizable.

WORLD RANK: **52** | REGIONAL RANK: **3**

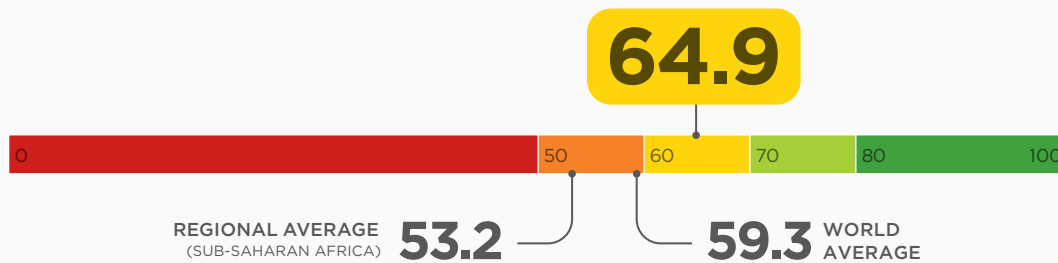
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BOTSWANA

**B**otswana's economic freedom score is 64.9, making its economy the 52nd freest in the 2023 *Index*. Its score is essentially unchanged from last year. Botswana is ranked 3rd out of 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional and world averages.

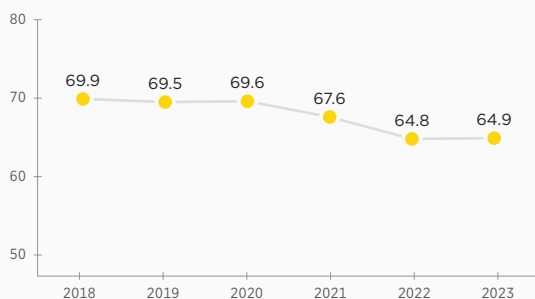
Botswana continues its transformation to a dynamic economy and performs well in many of the four pillars of economic freedom. The foundations of economic freedom are among the region's strongest and solid in comparison to others of the world's countries. The independent judiciary provides strong protection of property rights.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.4 million

**GDP (PPP):**  
\$42.6 billion  
12.5% growth in 2021  
5-year compound annual growth 3.0%  
\$17,761 per capita

**UNEMPLOYMENT:**  
24.9%

**INFLATION (CPI):**  
6.7%

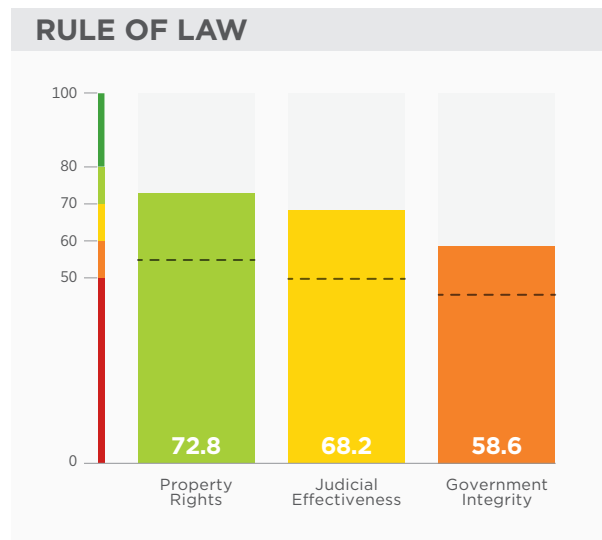
**FDI INFLOW:**  
\$55.2 million

**PUBLIC DEBT:**  
19.5% of GDP

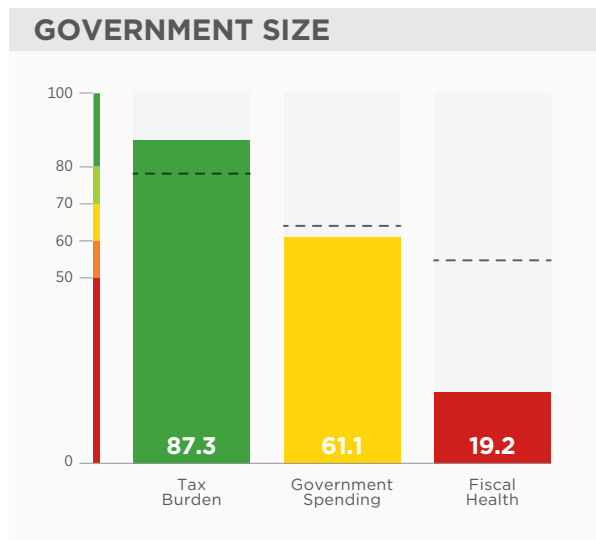
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Sparsely populated Botswana's land area is larger than Spain and dominated by the vast Kalahari Desert. The Botswana Democratic Party (BDP) has governed this multiparty democracy since independence from the United Kingdom in 1966. Despite a challenge from former President Ian Khama's party and other opposition groups, the BDP managed to secure President Mokgweetsi Masisi's continued tenure in the 2019 elections. Risks to political stability remain low. Botswana has abundant diamonds and other natural resources, a market-oriented economy, and one of Africa's highest sovereign credit ratings. Ecotourism in its extensive nature preserves is helping to diversify the economy.

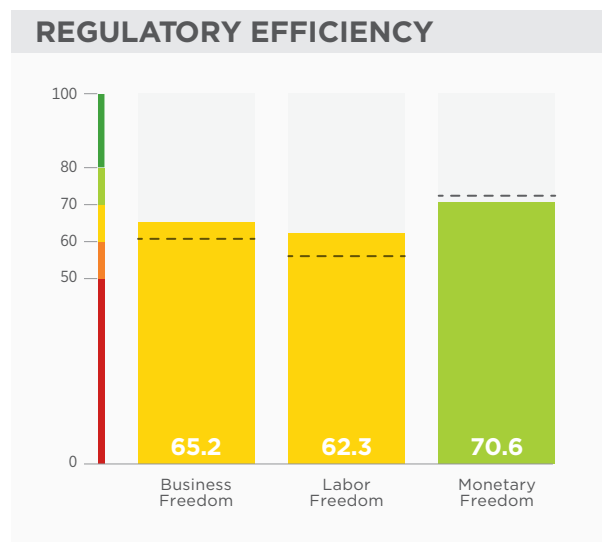
## 12 ECONOMIC FREEDOMS | BOTSWANA



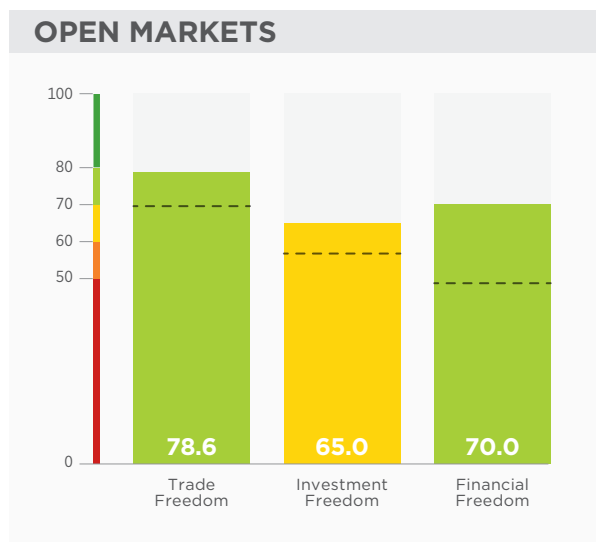
The overall rule of law is relatively well respected in Botswana. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 22 percent. The tax burden equals 12.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.0 percent and -7.4 percent of GDP. Public debt equals 19.5 percent of GDP.



The government has implemented numerous measures that are designed to enhance business freedom and opportunities in the private sector, but progress has been uneven. Low labor productivity contributes to high unemployment. The most recent available inflation rate is 6.7 percent.



The trade-weighted average tariff rate is 5.7 percent, and nontariff measures are in force. Foreign investment in some sectors is restricted. Generally adhering to global standards in the transparency of banking supervision, the financial sector provides considerable access to credit.



# BRAZIL

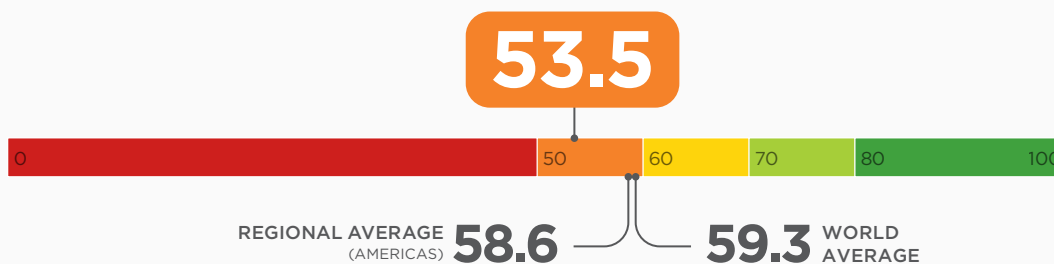
WORLD RANK: **127** | REGIONAL RANK: **26**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**B**razil's economic freedom score is 53.5, making its economy the 127th freest in the 2023 *Index*. Its score is essentially unchanged from last year. Brazil is ranked 26th among 32 countries in the Americas region, and its overall score is below the regional and world averages.

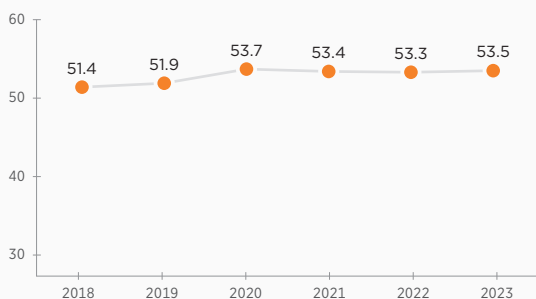
Stronger foundations of economic freedom remain critical to ensuring a greater economic future. Brazil's corruption and property rights scores are relatively low, and its judicial system remains vulnerable to political influence. The state's presence in many areas of the economy remains considerable, undercutting development of a more vibrant private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
214.0 million

**GDP (PPP):**  
\$3.4 trillion  
4.6% growth in 2021  
5-year compound annual growth 1.0%  
\$16,161 per capita

**UNEMPLOYMENT:**  
13.9%

**INFLATION (CPI):**  
8.3%

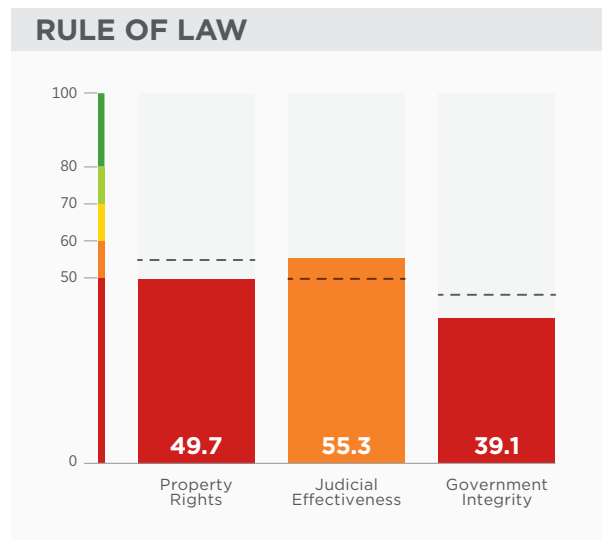
**FDI INFLOW:**  
\$50.4 billion

**PUBLIC DEBT:**  
93.0% of GDP

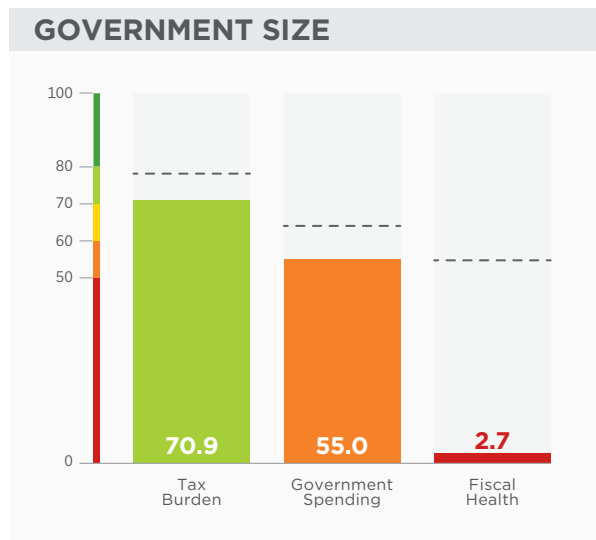
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Brazil is the world's fifth-largest country and Latin America's largest economy. Dominated geographically by the Amazon River and the world's largest rain forest, it has rich mineral reserves. In October, former President Luiz Inacio "Lula" Da Silva of the leftist Worker's Party (PT) narrowly defeated incumbent President Jair Bolsonaro. It is expected that Lula will reverse course on Bolsonaro's privatization reforms, including plans to privatize the state oil company, while maintaining trade benefits to the agricultural sector. Lula's leftist allies and traditional centrist parties will likely form a congressional majority, although the center-right opposition holds a large plurality.

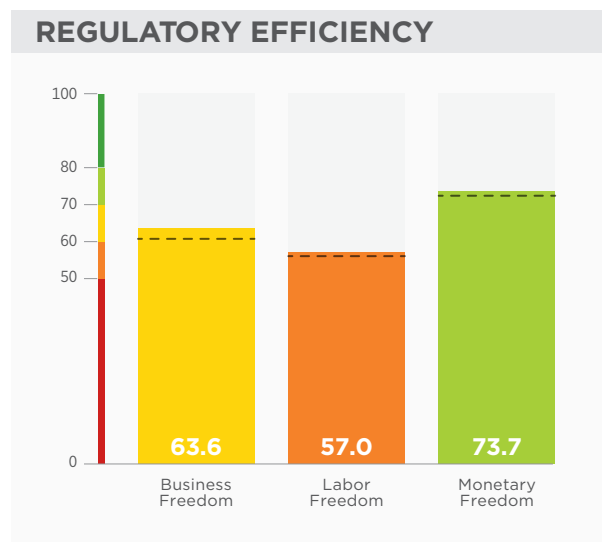
## 12 ECONOMIC FREEDOMS | BRAZIL



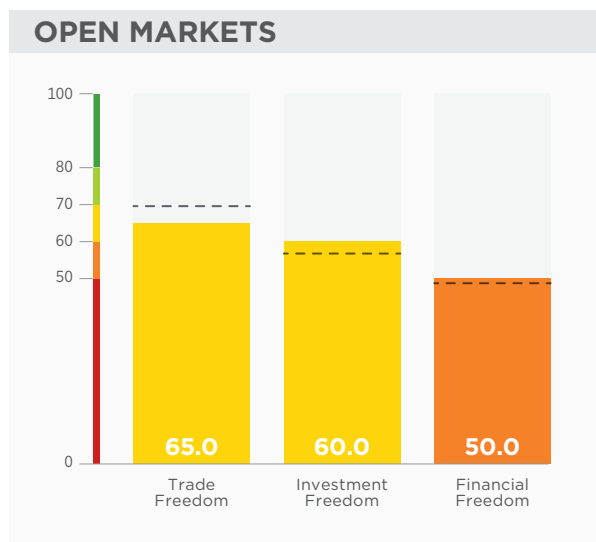
The overall rule of law is weak in Brazil. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 27.5 percent and 34 percent. The tax burden equals 31.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.7 percent and -7.9 percent of GDP. Public debt equals 93.0 percent of GDP.



Despite some progress, the organization of new investment and production remains a cumbersome and bureaucratic process. Launching or closing a business is both costly and time-consuming. Stifling labor regulations continue to undermine employment and productivity growth. The most recent available inflation rate is 8.3 percent.



The trade-weighted average tariff rate is 10.0 percent, and more than 600 nontariff measures are in force. Foreign investment faces bureaucratic hurdles. The financial sector is competitive, but state involvement remains considerable, and public banks account for over 50 percent of loans to the private sector.

WORLD RANK: **48** | REGIONAL RANK: **9**

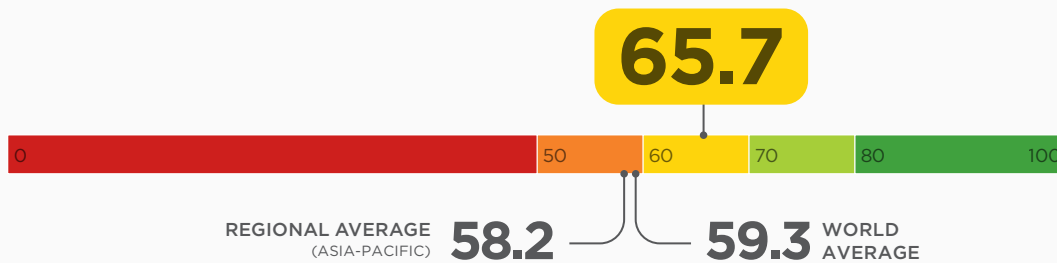
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# BRUNEI DARUSSALAM

**B**runei Darussalam's economic freedom score is 65.7, making its economy the 48th freest in the 2023 *Index*. Its score is 0.9 point better than last year. Brunei Darussalam is ranked 9th among 39 countries in the Asia-Pacific region, and its overall score is above the regional and world averages.

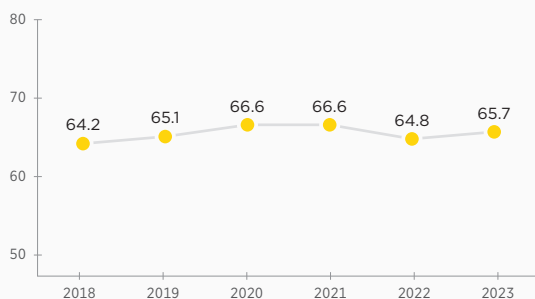
Brunei's economy is characterized by a relatively high level of market openness that facilitates trade and investment, by a legal system that generally secures private property, and by macroeconomic stability. The investment environment is generally efficient and transparent, but a more streamlined regulatory framework would enhance economic freedom and competitiveness.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2014): -3.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.4 million

**GDP (PPP):**  
\$29.7 billion  
-0.7% growth in 2021  
5-year compound annual growth 1.1%  
\$66,795 per capita

**UNEMPLOYMENT:**  
6.9%

**INFLATION (CPI):**  
1.5%

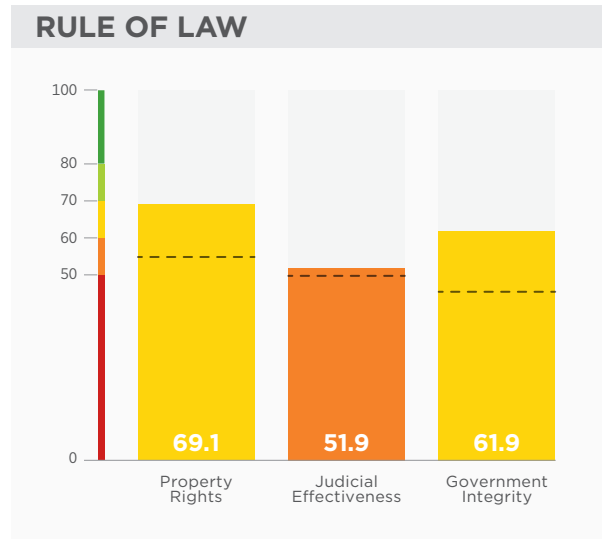
**FDI INFLOW:**  
\$204.7 million

**PUBLIC DEBT:**  
2.5% of GDP

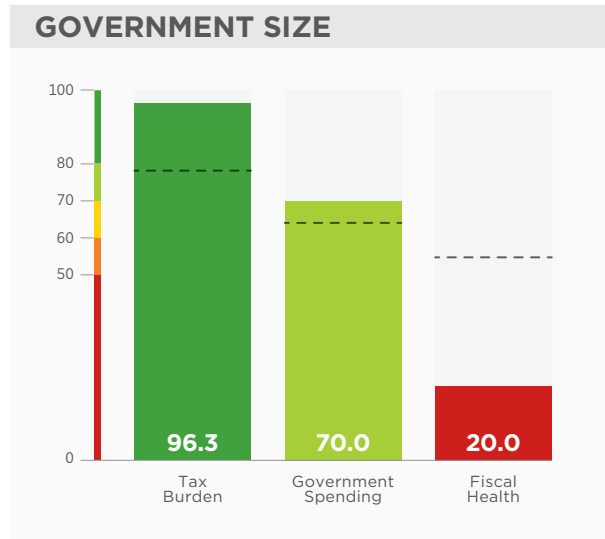
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Brunei Darussalam consists of two enclaves surrounded by Malaysia on the northern coast of Borneo. Sultan Hassanal Bolkiah has reigned since 1967 and is prime minister, minister of defense, foreign minister, and minister of finance. His 2019 decision to implement certain provisions of Sharia (Islamic) law sparked international condemnation. Oil and gas production provides 90 percent of government revenue, 90 percent of exports, and more than half of GDP but relatively few jobs for locals. OPEC production caps and higher global oil prices have stimulated modest economic growth. Brunei has to import most of its manufactured goods and food.

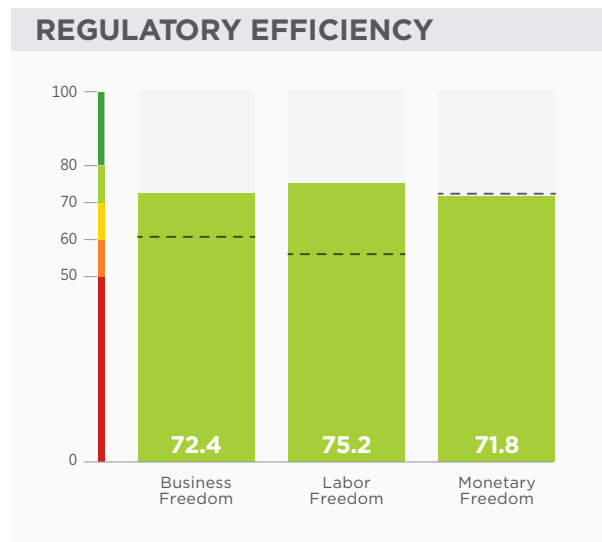
## 12 ECONOMIC FREEDOMS | BRUNEI DARUSSALAM



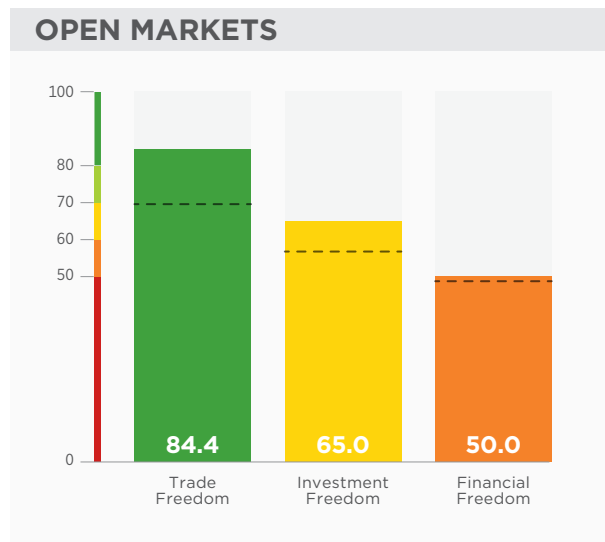
The overall rule of law is relatively well respected in Brunei Darussalam. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



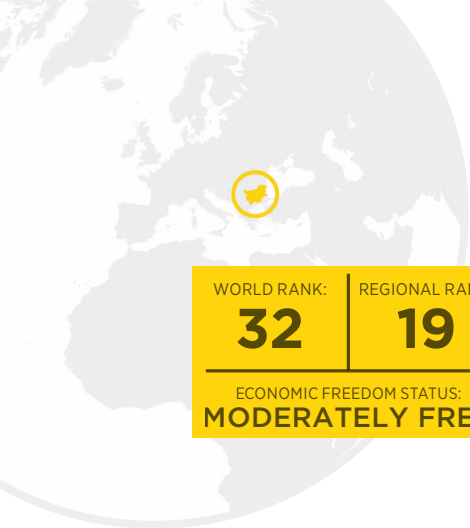
The top individual and corporate tax rates are, respectively, 0 percent and 18.5 percent. The tax burden equals 5.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -11.1 percent of GDP. Public debt equals 2.5 percent of GDP.



Despite some progress, the process required to establish a private enterprise remains time-consuming. The labor market is relatively flexible, and foreign workers account for more than 70 percent of all private-sector employment. The most recent available inflation rate is 1.5 percent.



The trade-weighted average tariff rate is 0.3 percent; other nontariff measures are in force, and additional impediments to trade flows persist. State-owned enterprises distort the economy, and foreign ownership of land is restricted. The small financial sector remains dominated by banks.



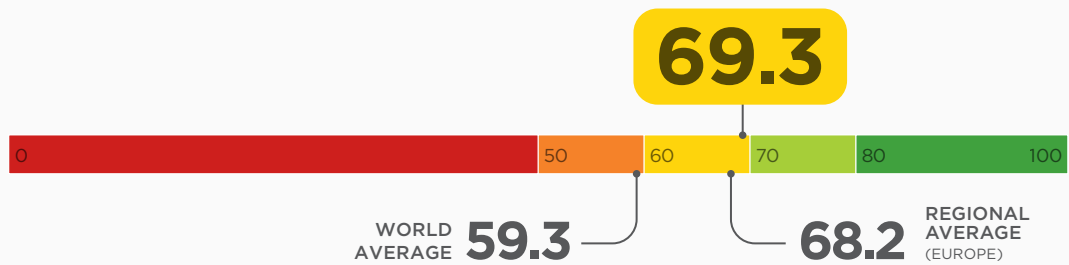
WORLD RANK:	REGIONAL RANK:
<b>32</b>	<b>19</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# BULGARIA

**B**ulgaria's economic freedom score is 69.3, making its economy the 32nd freest in the 2023 *Index*. Its score has declined by 1.7 points. Bulgaria is ranked 19th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

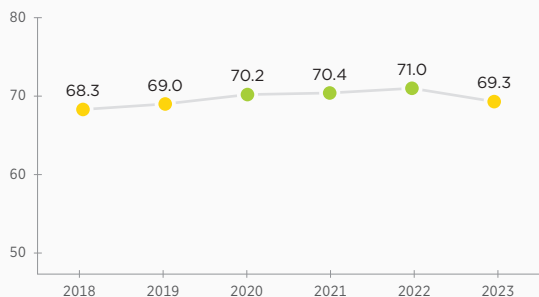
Bulgaria's transition to a more market-oriented economy has been facilitated by a decade of substantial restructuring measures. The country has made considerable progress while maintaining macroeconomic stability. Continued reform to strengthen the foundations of economic freedom will be critical. Corruption and the weak rule of law add to the cost of conducting business.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +19.3

### RECENT FREEDOM TREND



### QUICK FACTS

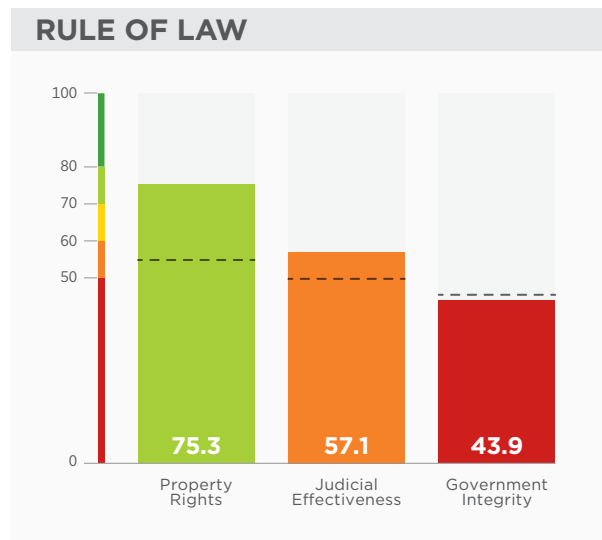
- POPULATION:** 6.9 million
- GDP (PPP):** \$178.2 billion  
4.2% growth in 2021  
5-year compound annual growth 1.9%
- UNEMPLOYMENT:** 5.1%
- INFLATION (CPI):** 2.8%
- FDI INFLOW:** \$1.5 billion
- PUBLIC DEBT:** 23.8% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

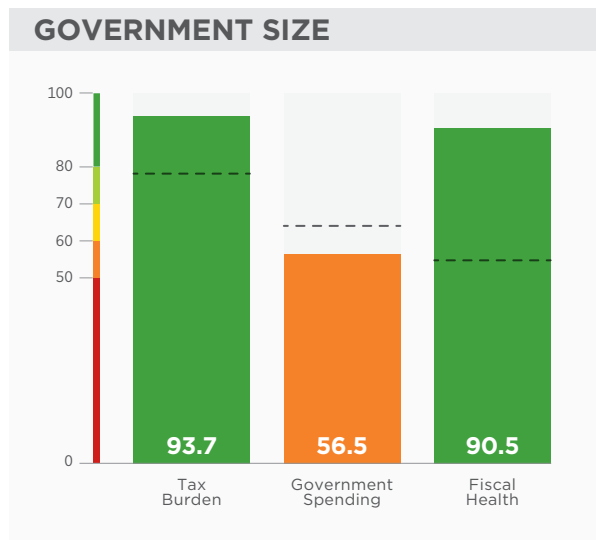
**BACKGROUND:** The former People's Republic of Bulgaria joined NATO in 2004 and the European Union in 2007. Kiril Petkov's centrist We Continue the Change party was the upset winner of the November 2021 elections, but his coalition government collapsed in June 2022. Elections were scheduled for October. Pro-Russian independent Rumen Radev won a second presidential term in 2021. Tourism, information technology and telecommunications, agriculture, pharmaceuticals, and textiles are leading industries. Bulgaria remains outside the Schengen Area but is closer to qualifying for eurozone membership. Challenges in the EU's poorest nation include corruption and Russian penetration in the energy and media sectors.



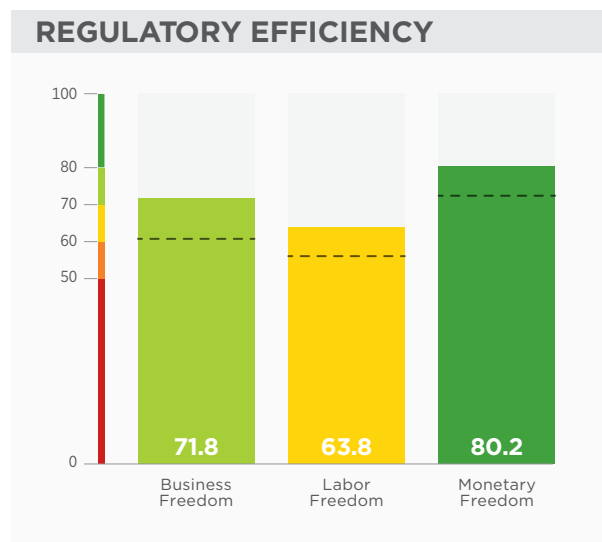
## 12 ECONOMIC FREEDOMS | BULGARIA



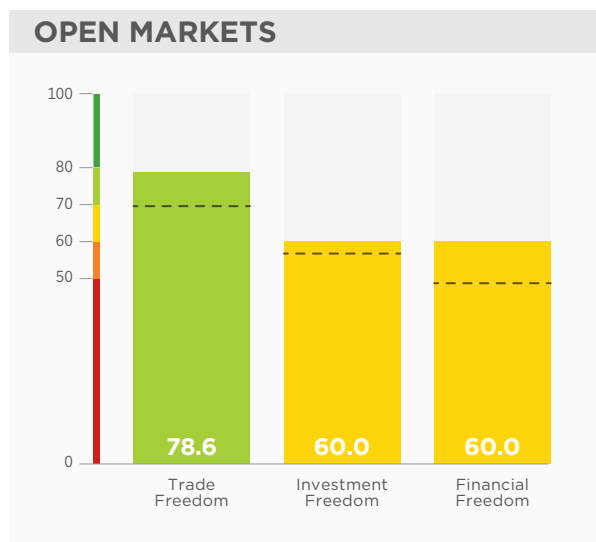
The overall rule of law is relatively well respected in Bulgaria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 20.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.1 percent and -2.3 percent of GDP. Public debt equals 23.8 percent of GDP.



Launching a business has become less time-consuming, but the pace of reform has lagged behind the pace in some other countries. Labor regulations are relatively flexible, although the non-salary cost of employees can be burdensome. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and 116 country-specific nontariff barriers are in force. Generally, foreign and domestic investors are treated equally. Measures to support financial-sector liquidity have been introduced.

# BURKINA FASO

WORLD RANK:

111

REGIONAL RANK:

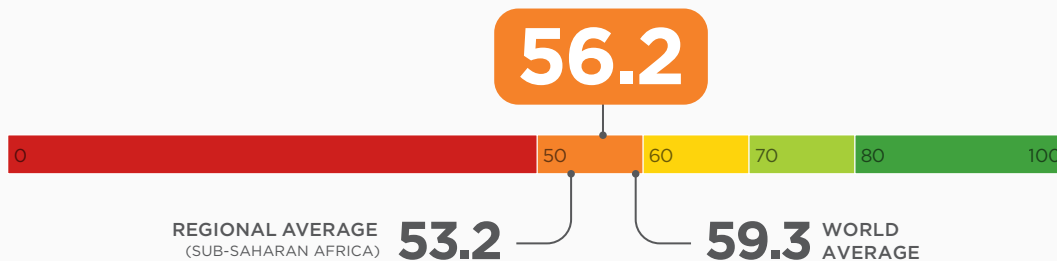
14

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

**B**urkina Faso's economic freedom score is 56.2, making its economy the 111th freest in the 2023 *Index*. Its score is 2.1 points lower than last year. Burkina Faso is ranked 14th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

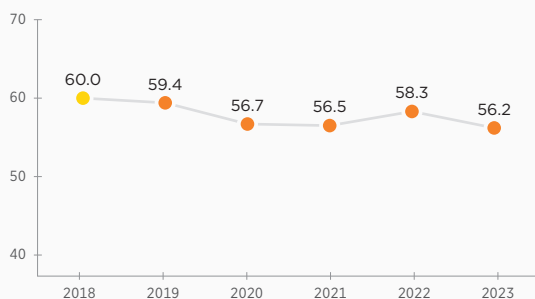
Sustained effort and pro-growth investments have led to reduced poverty and some positive human development trends, but Burkina Faso still faces systemic economic challenges. The foundations of economic freedom remain fragile. Coupled with a lack of transparency, the regulatory burden continues to prevent the emergence of a more dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +6.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
21.5 million

**GDP (PPP):**  
\$53.0 billion  
6.9% growth in 2021  
5-year compound  
annual growth 5.5%  
\$2,463 per capita

**UNEMPLOYMENT:**  
4.7%

**INFLATION (CPI):**  
3.9%

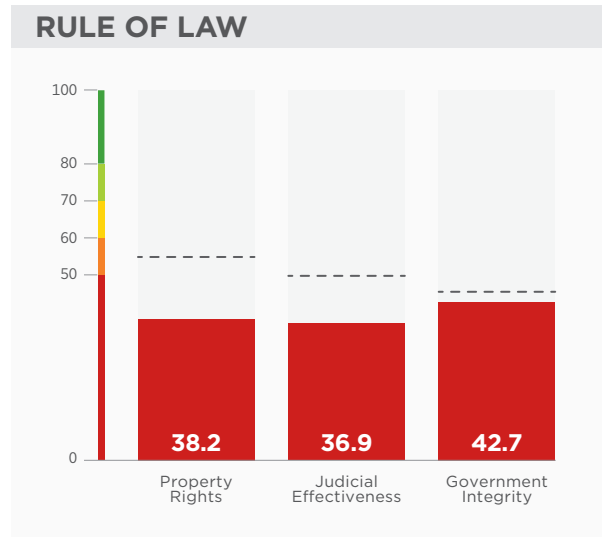
**FDI INFLOW:**  
\$137.4 million

**PUBLIC DEBT:**  
52.4% of GDP

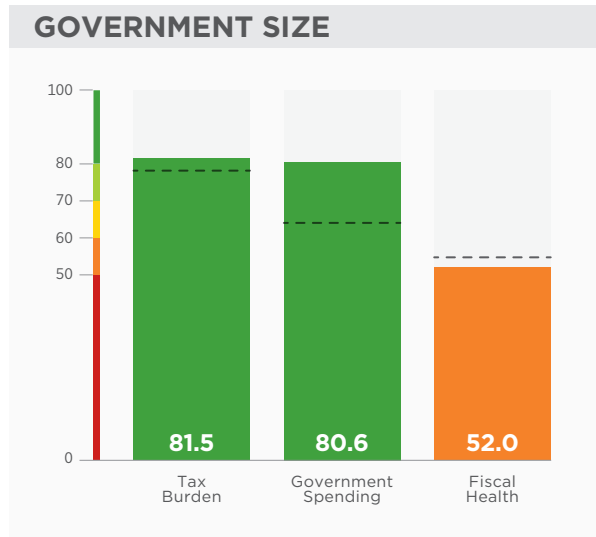
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The former French colony of Burkina Faso is one of the world's poorest countries. Amid popular anger against the government because of Islamist terrorist violence that has wrested as much as 40 percent of the country from government control, military officers launched coups in January and September 2022 that eventually installed army Captain Ibrahim Traore as president. About 90 percent of the population is engaged in subsistence farming, and cotton is the principal cash crop. Literacy rates are well below the regional average. Other challenges include political insecurity in neighboring Mali, unreliable energy supplies, and poor transportation links.

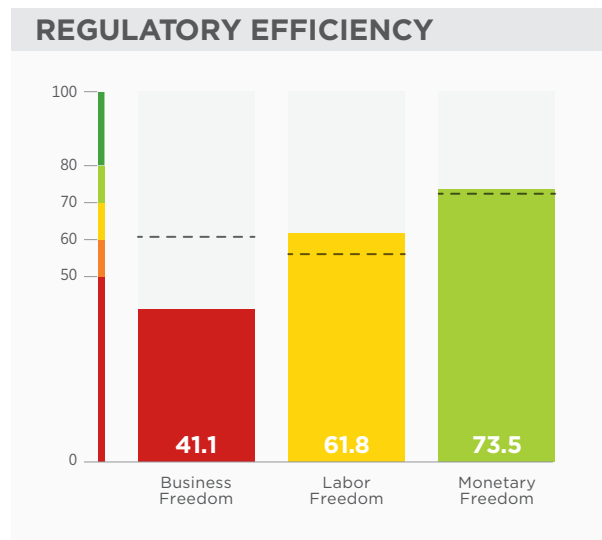
## 12 ECONOMIC FREEDOMS | BURKINA FASO



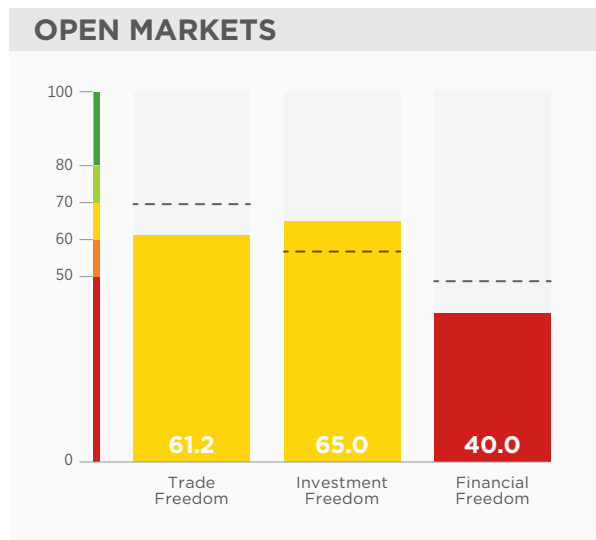
The overall rule of law is weak in Burkina Faso. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 27.5 percent and 28 percent. The tax burden equals 17.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.4 percent and -5.2 percent of GDP. Public debt equals 52.4 percent of GDP.



Reforms to reduce red tape and streamline the regulatory process have been implemented and, despite mixed progress, have helped to enhance the regulatory environment. A formal labor market has not been fully developed. The most recent available inflation rate is 3.9 percent.



The trade-weighted average tariff rate is 9.4 percent. Nontariff barriers are considerable, and bureaucracy continues to hinder foreign investment. Despite the effort to modernize the financial system, the sector still lacks the capacity to provide a full range of modern services.



# BURMA

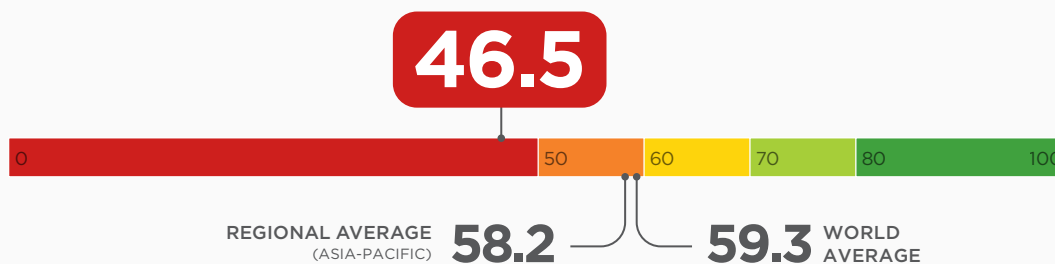
WORLD RANK: **162** | REGIONAL RANK: **38**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Burma's economic freedom score is 46.5, making its economy the 162nd freest in the 2023 *Index*. Its score is 3.1 points lower than last year. Burma is ranked 38th out of 39 countries in the Asia-Pacific region, and its overall score is much lower than the world and regional averages.

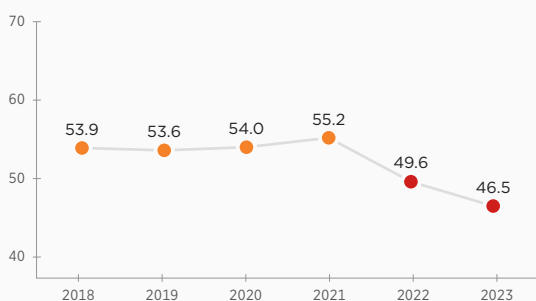
The foundations of economic freedom are fragile in Burma. Historically scoring far below the world average, Burma's lack of economic freedom continues to justify characterization of its economy as "repressed." Extensive state controls and structural problems severely undermine private-sector development. Burma lags in productivity growth and dynamic economic expansion.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +1.4

## RECENT FREEDOM TREND



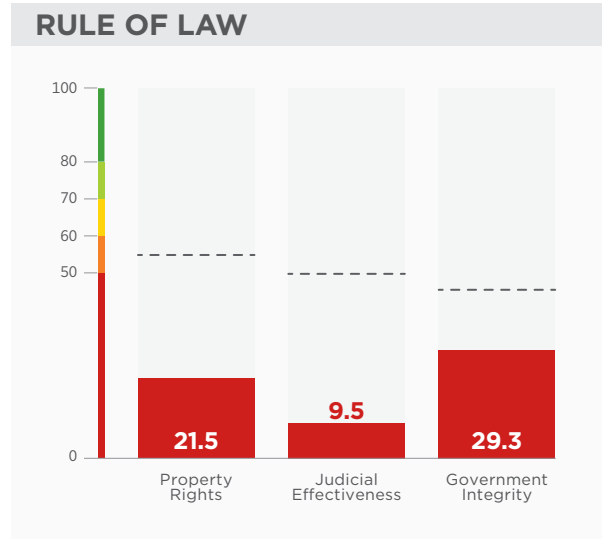
## QUICK FACTS

- POPULATION:** 54.8 million
- UNEMPLOYMENT:** 0.5%
- GDP (PPP):** \$238.3 billion  
-17.9% growth in 2021  
5-year compound annual growth 0.8%
- INFLATION (CPI):** 3.6%
- FDI INFLOW:** \$2.1 billion
- PUBLIC DEBT:** 62.3% of GDP

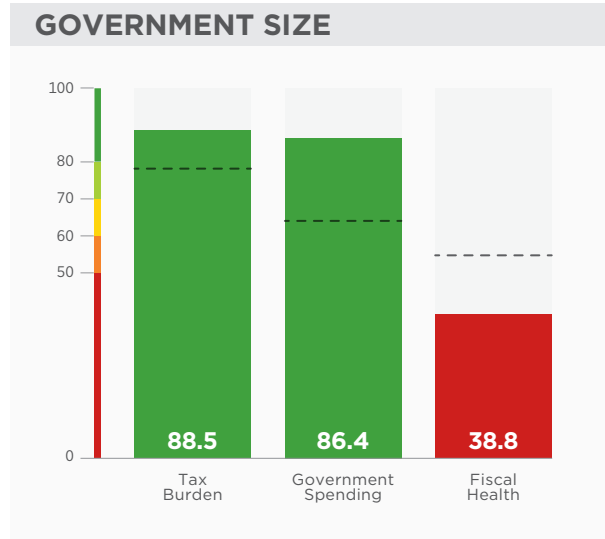
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The military has dominated Burmese politics since 1962. A February 2021 coup installed Senior-General Min Aung Hlaing as de facto head of state despite the National League for Democracy's landslide victory in 2020 elections. Since then, the military has been locked in a struggle with the civilian National Unity Government. The economy suffers from the effects of food and fuel shortages as well as escalating international sanctions. Wages remain low compared to wages in other Asian countries, and more than 25 percent of the population lives in poverty. Principal exports include petroleum gas, rice, coats, refined copper, and dried legumes.

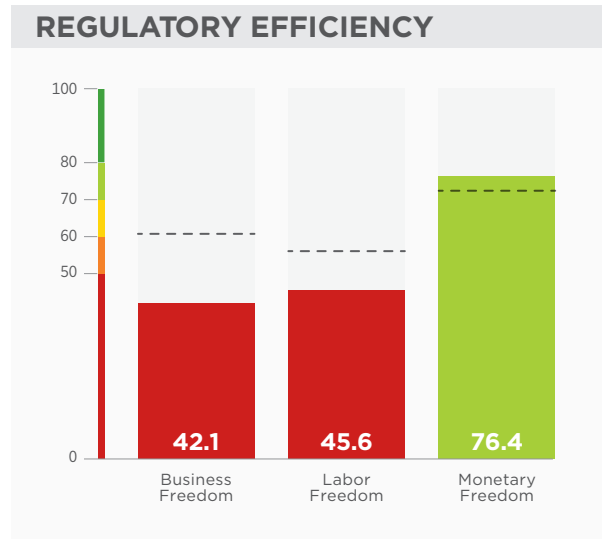
## 12 ECONOMIC FREEDOMS | BURMA



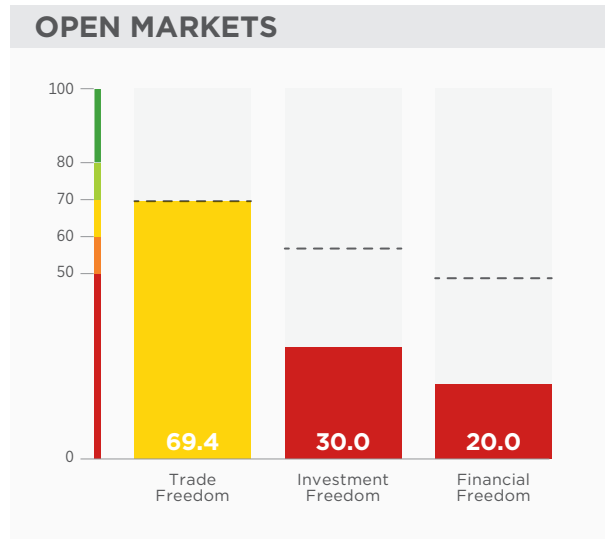
The overall rule of law is weak in Burma. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 22 percent. The tax burden equals 6.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.3 percent and -5.8 percent of GDP. Public debt equals 62.3 percent of GDP.



The Burmese military's brutal crackdown on the Burmese people has decimated business freedom. Mass detentions, extrajudicial killings, and violence that deliberately target civilians are a potentially lethal threat to labor freedom. The most recent available inflation rate is 3.6 percent.



The trade-weighted average tariff rate is 5.3 percent, and other barriers to trade persist. State-owned enterprises undermine investment in the private sector. Approximately 30 percent of adult Burmese have access to an account with a formal banking institution.

# BURUNDI

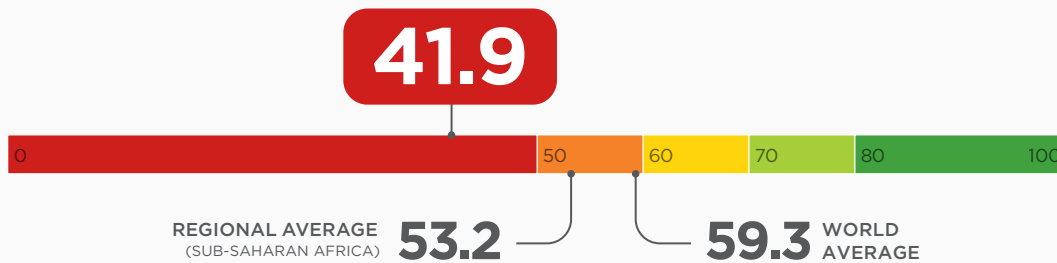


WORLD RANK: **170** | REGIONAL RANK: **44**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

**B**urundi's economic freedom score is 41.9, making its economy the 170th freest in the 2023 *Index*. Its score is 2.5 points better than last year. Burundi is ranked 44th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

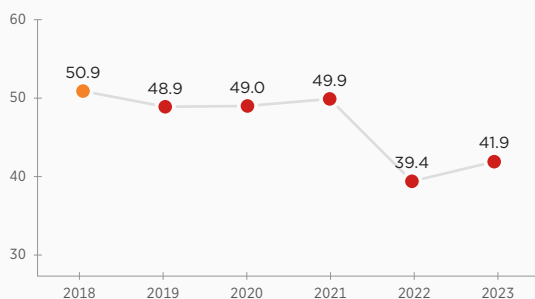
Continuing its status as a “repressed” economy, Burundi performs below world averages in many of the 10 economic freedoms. Very low scores for property rights and corruption, which undermines the rule of law, reflect foundations of economic freedom that are fragile. Many aspects of the entrepreneurial framework are subject to intrusive state interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): -3.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
12.3 million

**GDP (PPP):**  
\$9.8 billion  
2.4% growth in 2021  
5-year compound annual growth 1.3%  
\$800 per capita

**UNEMPLOYMENT:**  
1.6%

**INFLATION (CPI):**  
8.3%

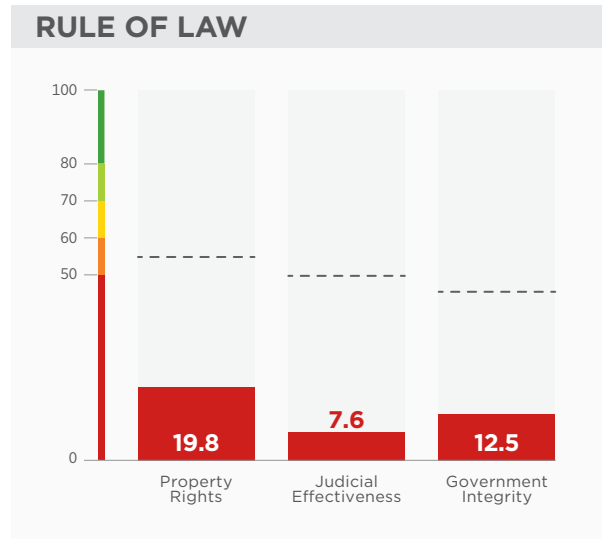
**FDI INFLOW:**  
\$7.9 million

**PUBLIC DEBT:**  
66.6% of GDP

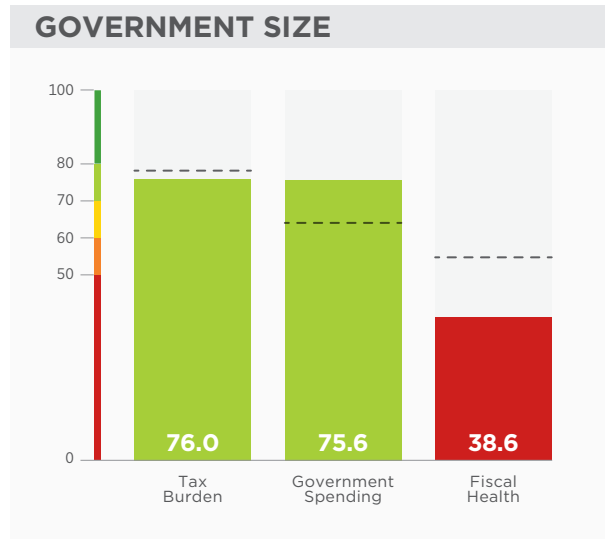
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Burundi gained independence from Belgium in 1962, and its first democratically elected president was assassinated in 1993. Ignoring the two-term constitutional limit, President Pierre Nkurunziza won a third term in 2015, and hundreds of Burundians died in the ensuing unrest. The government used violence and intimidation to win a 2018 referendum that further centralized presidential power. In 2020, Nkurunziza's hand-picked successor, Evariste Ndayishimiye, won elections that the opposition denounced as fraudulent. He was sworn in two months early after Nkurunziza died of COVID-19. Subsistence agriculture dominates the economy, and well over half of the population lives below the poverty line.

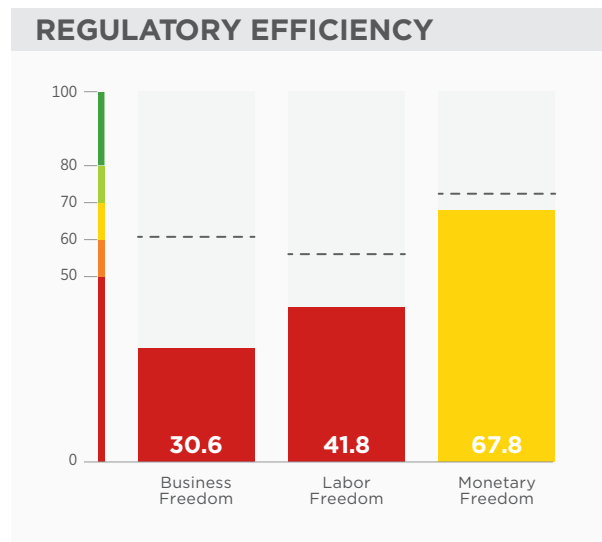
## 12 ECONOMIC FREEDOMS | BURUNDI



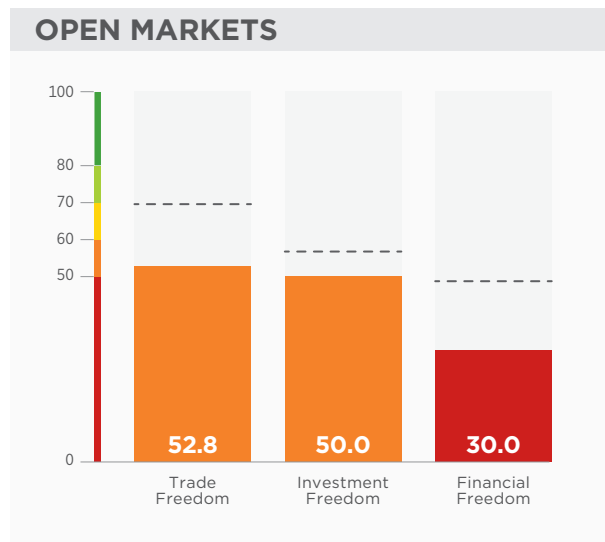
The overall rule of law is weak in Burundi. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 16.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.5 percent and -5.7 percent of GDP. Public debt equals 66.6 percent of GDP.



Burundi faces an uphill battle to improve its business environment as it copes with numerous institutional challenges. Skilled labor is scarce, and formal employment is not widespread. Labor statistics are not tracked well. The most recent available inflation rate is 8.3 percent.



The trade-weighted average tariff rate is 13.6 percent, and nontariff measures are in force. Bureaucratic barriers interfere with foreign and domestic investment. The financial system remains underdeveloped. Banks have increased their domestic assets, but overall access to credit remains limited.



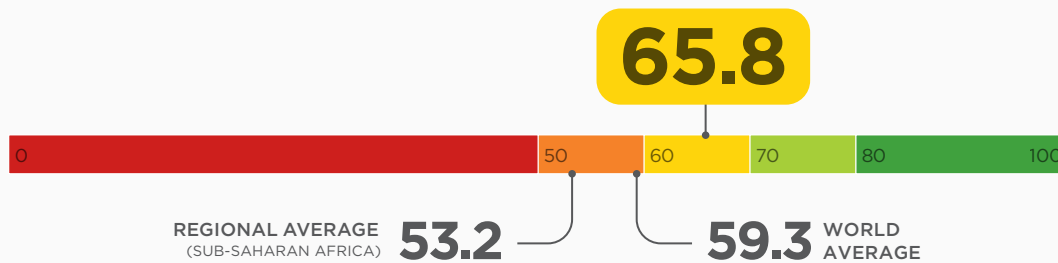
# CABO VERDE

WORLD RANK: <b>47</b>	REGIONAL RANK: <b>2</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

**C**abo Verde's economic freedom score is 65.8, making its economy the 47th freest in the 2023 *Index*. Its score is 0.9 point worse than last year. Cabo Verde is ranked 2nd out of 47 countries in the Sub-Saharan Africa region, and its overall score is higher than the regional average.

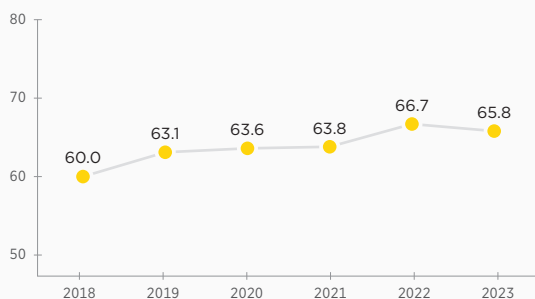
The small island economy has performed relatively well in many of the four pillars of economic freedom. The foundations of economic freedom are solid with property rights strongly protected in comparison to other economies in the region. In recent years, expansionary public spending has led to widening deficits.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +16.1

## RECENT FREEDOM TREND



## QUICK FACTS

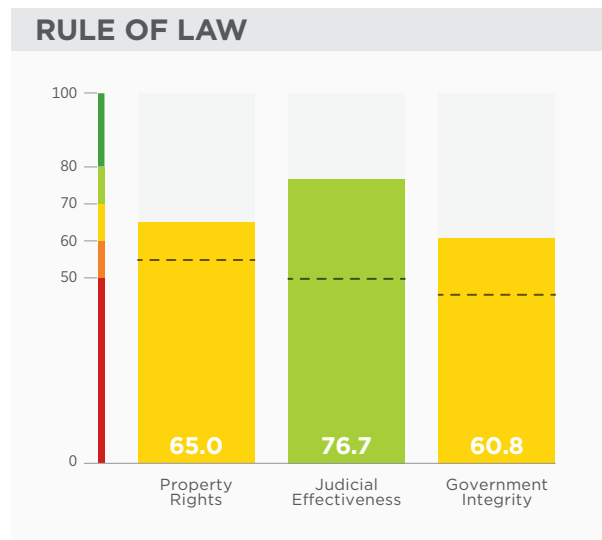
<b>POPULATION:</b> 0.6 million	<b>UNEMPLOYMENT:</b> 11.3%
<b>GDP (PPP):</b> \$3.9 billion 6.9% growth in 2021 5-year compound annual growth 1.2% \$7,005 per capita	<b>INFLATION (CPI):</b> 1.9%
	<b>FDI INFLOW:</b> \$117.5 million
	<b>PUBLIC DEBT:</b> 142.3% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

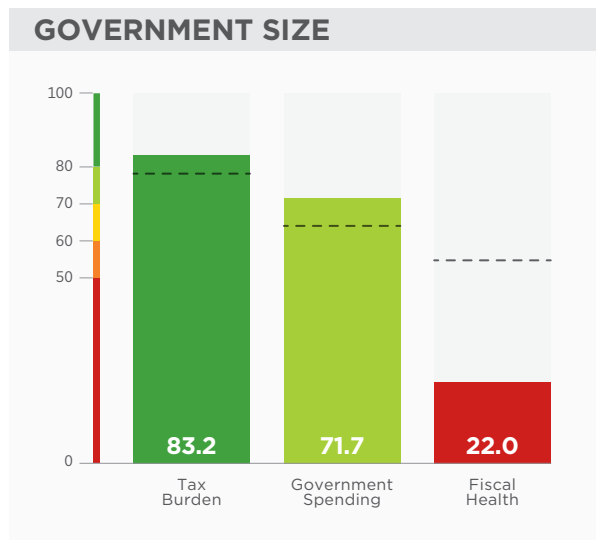
**BACKGROUND:** The former Portuguese colony of Cabo Verde has few natural resources but has become a trading center and a stable, multiparty parliamentary democracy. Former Prime Minister José Maria Neves of the opposition African Party for the Independence of Cape Verde won the presidency in October 2021. The other major party, the Movement for Democracy, maintained its parliamentary majority in the April 2021 elections. Services account for approximately 75 percent of GDP. Tourism and emigrants' remittances are also important. Foreign aid finances the country's traditionally high trade deficit. The government wants to generate all energy through renewables by 2025.



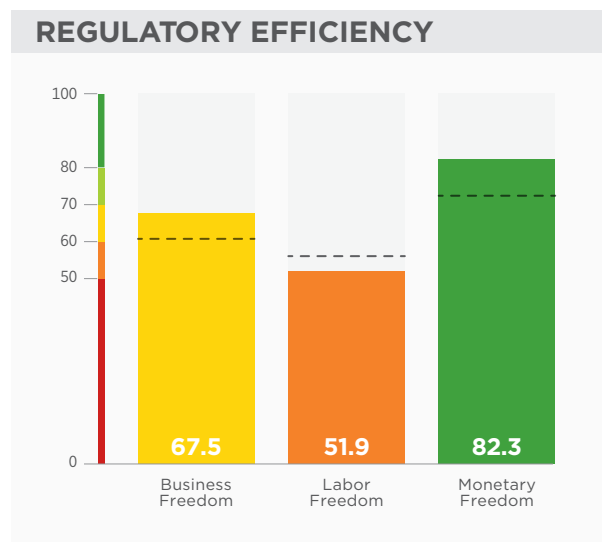
## 12 ECONOMIC FREEDOMS | CABO VERDE



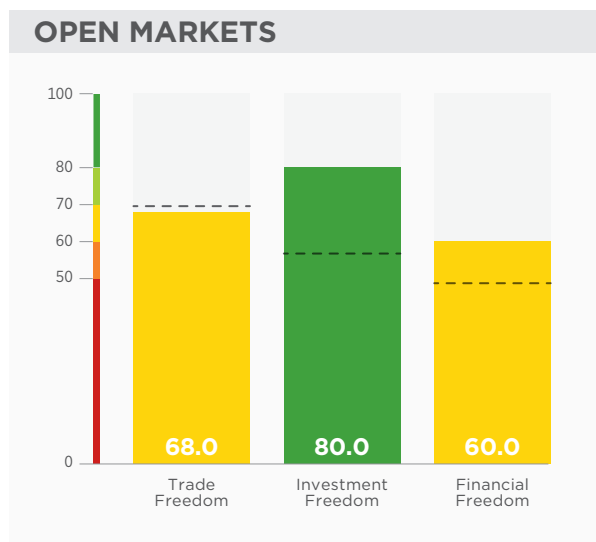
The overall rule of law is relatively well respected in Cabo Verde. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 27.5 percent and 22.4 percent. The tax burden equals 20.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.7 percent and -6.0 percent of GDP. Public debt equals 142.3 percent of GDP.



The overall business environment has gradually become more efficient, and licensing requirements are less burdensome. Modern and efficient bankruptcy procedures are not fully developed. Employment regulations remain rigid despite recent reform efforts. The most recent available inflation rate is 1.9 percent.



The trade-weighted average tariff rate is 11.0 percent, and nontariff measures are in force. Foreign and domestic investors are generally treated equally under the law. The number of the banking system's nonperforming loans has decreased. Credit is generally allocated on market terms.



# CAMBODIA

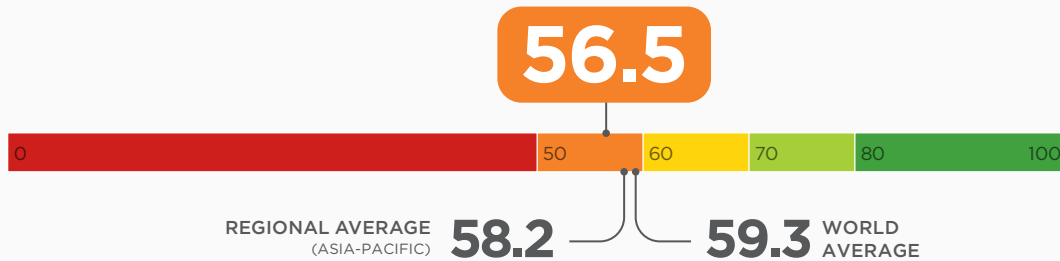
WORLD RANK: **110** | REGIONAL RANK: **24**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Cambodia's economic freedom score is 56.5, making its economy the 110th freest in the 2023 *Index*. Its score is 0.6 point worse than last year. Cambodia is ranked 24th out of 39 countries in the Asia-Pacific region, and its overall score is lower than the regional average.

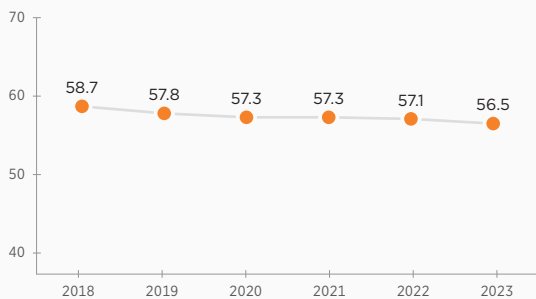
Institutional weaknesses still restrict economic freedom and prevent more dynamic growth. The rule of law, one of the basic foundations of economic freedom, remains fragile because of corruption and an inefficient judicial system that is vulnerable to political interference. Government tariffs and other restrictions reduce the benefits of international trade.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +3.7

## RECENT FREEDOM TREND



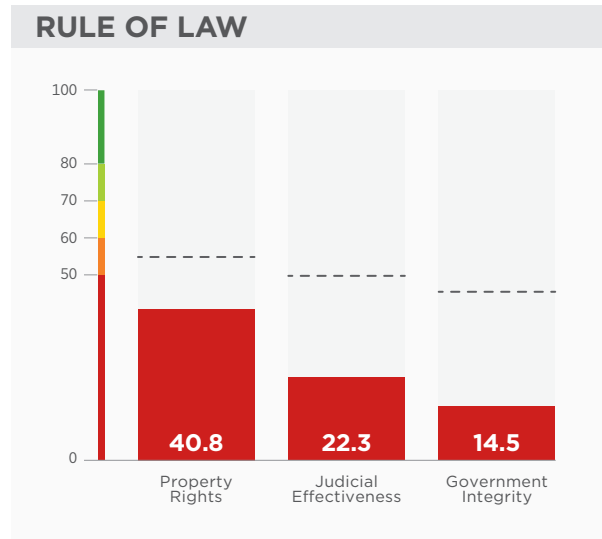
## QUICK FACTS

- POPULATION:** 16.9 million
- UNEMPLOYMENT:** 1.2%
- GDP (PPP):** \$78.7 billion  
2.2% growth in 2021  
5-year compound annual growth 4.1%
- INFLATION (CPI):** 3.0%
- FDI INFLOW:** \$3.5 billion
- PUBLIC DEBT:** 36.3% of GDP

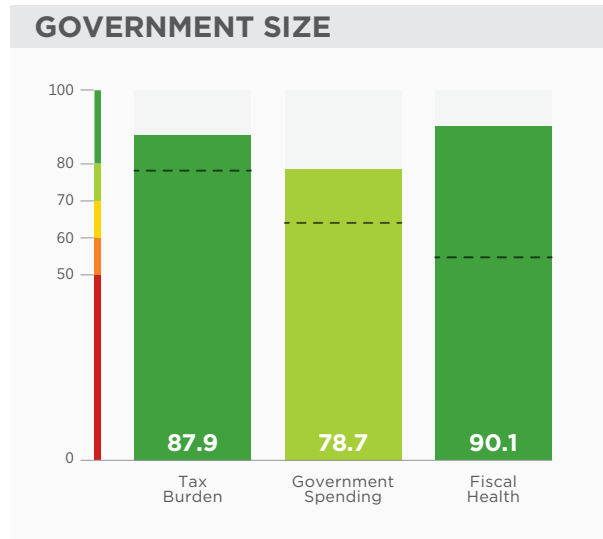
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Prime Minister and former Khmer Rouge member Hun Sen has ruled since 1985. In 2017, his Cambodian People's Party cracked down on the Cambodia National Rescue Party, which was later banned and dissolved by the Cambodian Supreme Court. The economy is heavily dependent on tourism revenues and garment exports. More than half of the labor force is engaged in subsistence farming, and Cambodia remains one of Asia's poorest countries. The European Union, Cambodia's largest export market, partially suspended Cambodia's preferential trade treatment in 2020 because of government human rights violations. China is reportedly building a secret naval base in Cambodia.

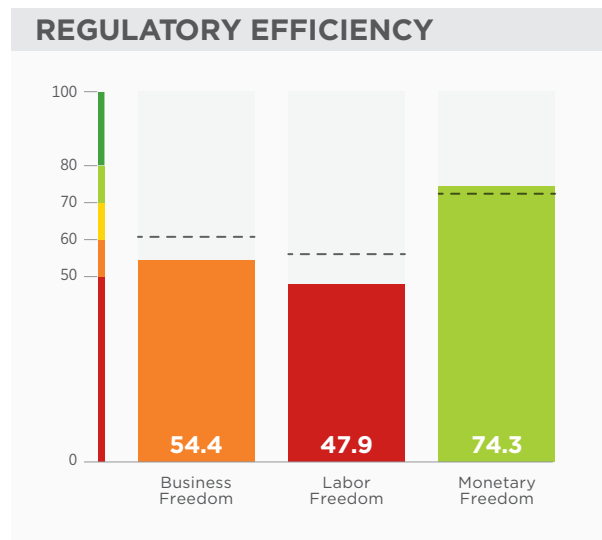
## 12 ECONOMIC FREEDOMS | CAMBODIA



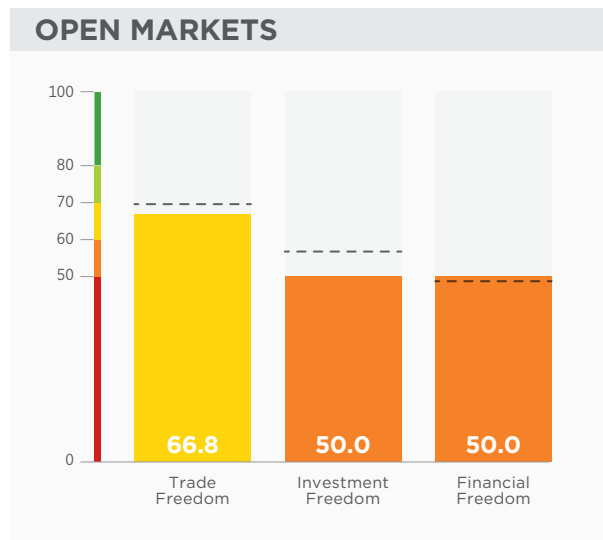
The overall rule of law is weak in Cambodia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 20 percent. The tax burden equals 20.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.6 percent and -2.1 percent of GDP. Public debt equals 36.3 percent of GDP.



Measures to modernize commercial codes and facilitate private-sector development have been adopted in recent years. The non-salary cost of employing a worker is low, but enforcement of many aspects of the labor codes is not effective. The most recent available inflation rate is 3.0 percent.



The trade-weighted average tariff rate is 9.1 percent. One formal nontariff measure is in force, but other impediments to trade flows persist. The lack of transparency in approval processes undermines inflows of new foreign investment. Banking has become more market-oriented.

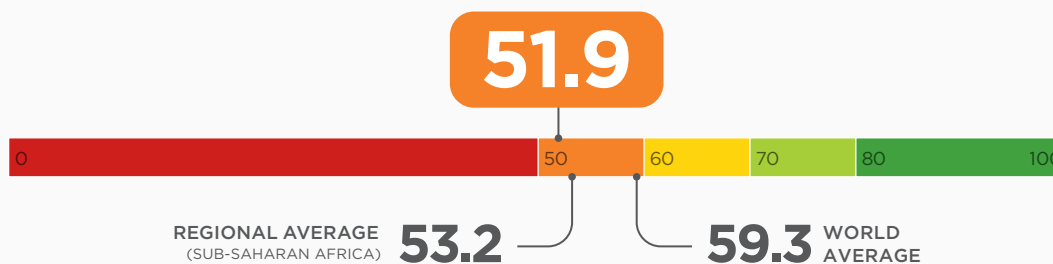
# CAMEROON

WORLD RANK: **139** | REGIONAL RANK: **32**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Cameroon's economic freedom score is 51.9, making its economy the 135th freest in the 2023 *Index*. Its score is 1.0 point worse than last year. Cameroon is ranked 29th out of 46 countries in the Sub-Saharan Africa region, and its overall score is lower than the regional average.

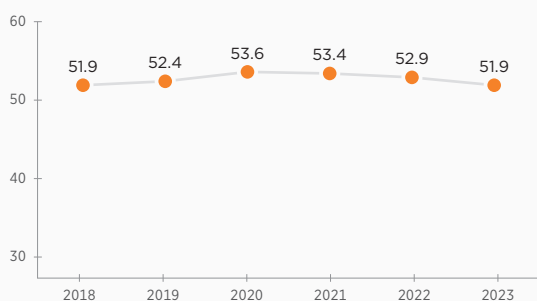
Weak foundations of economic freedom prevent sustained economic expansion. An unreliable legal system provides little protection for property rights and engenders widespread corruption. The lack of a dynamic private sector holds back economic development. Structural reform has progressed only marginally, and the entrepreneurial environment is not conducive to the creation of economic opportunity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.6

## RECENT FREEDOM TREND



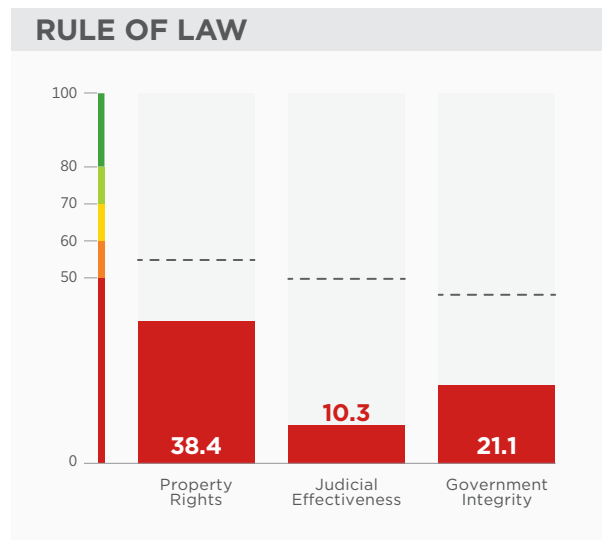
## QUICK FACTS

**POPULATION:** 27.2 million  
**UNEMPLOYMENT:** 3.5%  
**GDP (PPP):** \$110.8 billion  
 3.5% growth in 2021  
 5-year compound annual growth 3.0%  
 \$4,070 per capita  
**INFLATION (CPI):** 2.3%  
**FDI INFLOW:** \$850.0 million  
**PUBLIC DEBT:** 45.5% of GDP

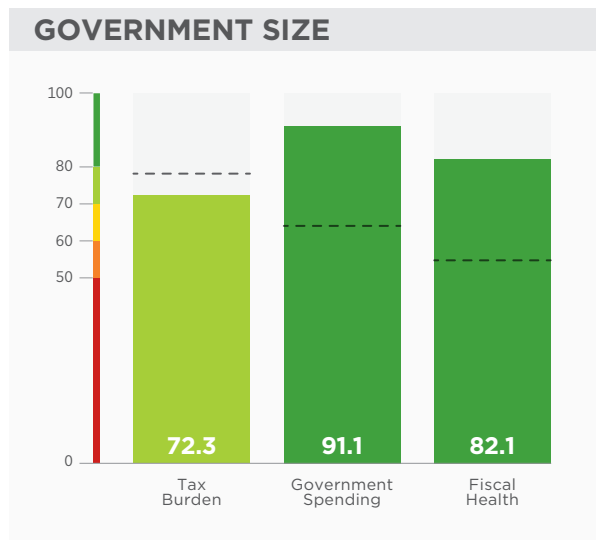
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Former French and British colonies merged in the 1960s to form Cameroon. President Paul Biya, Africa's second-longest-ruling head of state, abolished term limits in 2008 and won seven-year terms in 2011 and 2018 in elections marred by irregularities. Violence between the Anglophone minority and the central government reportedly has involved atrocities on both sides. The Islamist terrorist group Boko Haram frequently attacks across Cameroon's 1,230-mile border with Nigeria. The economy depends on oil, which accounts for about 40 percent of export earnings. Cameroon is building Central Africa's only deep-sea port, financed primarily by China's Export-Import Bank, and expanding hydropower generation.

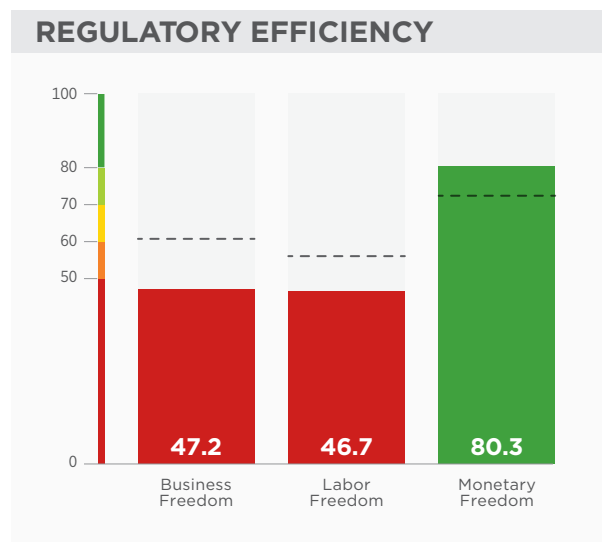
## 12 ECONOMIC FREEDOMS | CAMEROON



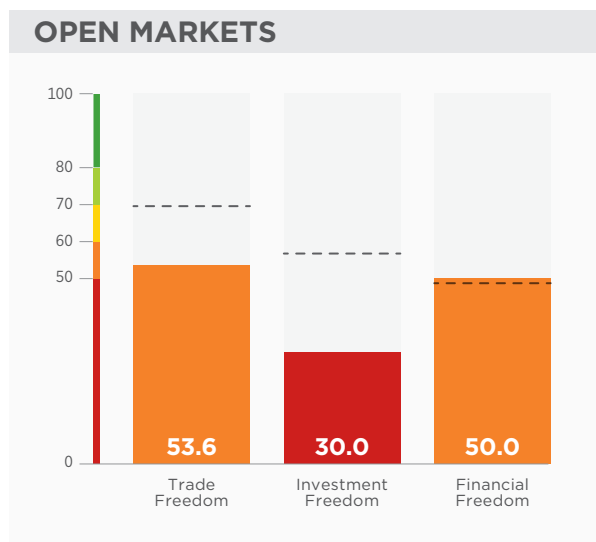
The overall rule of law is weak in Cameroon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 38.5 percent and 33 percent. The tax burden equals 14.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.3 percent and -2.9 percent of GDP. Public debt equals 45.5 percent of GDP.



Structural reform has progressed only marginally, and the overall entrepreneurial environment remains hampered by inefficiency and a lack of transparency. The labor market remains underdeveloped. Informality in labor arrangements is widespread. The most recent available inflation rate is 2.3 percent.



The trade-weighted average tariff rate is 14.9 percent, and layers of nontariff measures discourage more dynamic trade flows. The investment code includes several general minimum and local content requirements. The cost of financing remains high, and access to credit remains limited in rural areas.



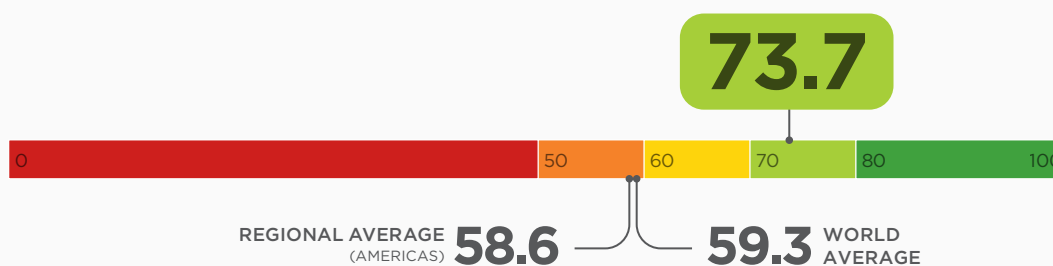
# CANADA

WORLD RANK: <b>16</b>	REGIONAL RANK: <b>1</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

Canada's economic freedom score is 73.7, making its economy the 16th freest in the 2023 *Index*. Its score is 2.9 points lower than last year. Canada is ranked 1st among 32 countries in the Americas region, and its overall score is above the regional and world averages.

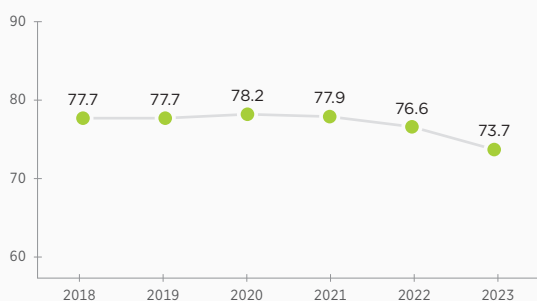
The foundations of economic freedom are strong, and the economy has emerged from the global economic slowdown relatively unscathed. An effective court system sustains the rule of law, ensuring protection of property rights and application of the commercial code. Canada performs relatively well in other pillars of economic freedom and maintains its resilience.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +4.3

## RECENT FREEDOM TREND



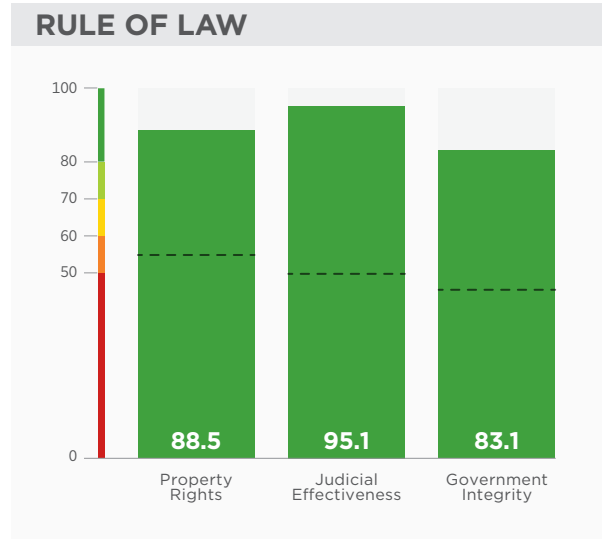
## QUICK FACTS

<b>POPULATION:</b> 38.2 million	<b>UNEMPLOYMENT:</b> 7.5%
<b>GDP (PPP):</b> \$2.0 trillion 4.6% growth in 2021 5-year compound annual growth 1.4%	<b>INFLATION (CPI):</b> 3.4%
<b>FDI INFLOW:</b> \$59.7 billion	<b>PUBLIC DEBT:</b> 112.9% of GDP

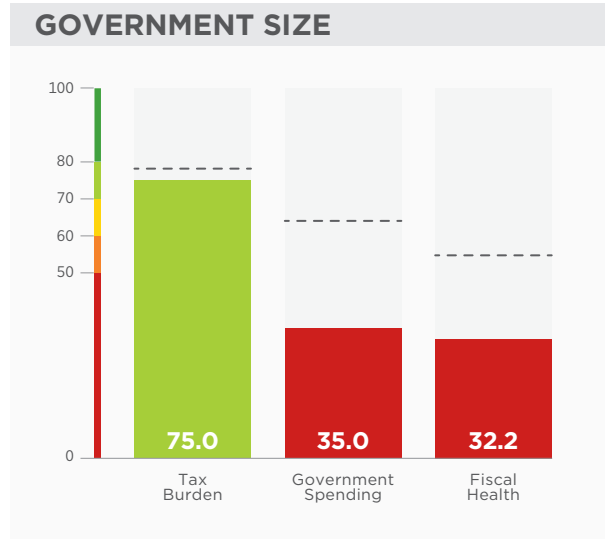
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Canada is the world's second-largest country by land area and has a resilient economy. Prime Minister Justin Trudeau's Liberal Party has entered an agreement with the left-leaning New Democratic Party (NDP), reducing the chances for political swings before the next election, which is due in 2025. Canada's market-oriented economic system closely resembles that of the United States. Leading sectors include automotive and other manufactures, forest products, minerals, and petroleum. Because approximately three-quarters of Canada's exports are to the United States, the U.S.-Mexico-Canada Agreement (USMCA) that entered into force in 2020 is vital to Canada's flourishing economy.

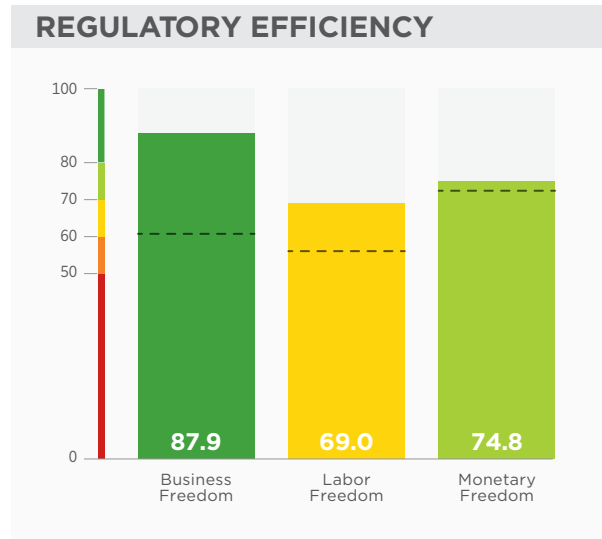
## 12 ECONOMIC FREEDOMS | CANADA



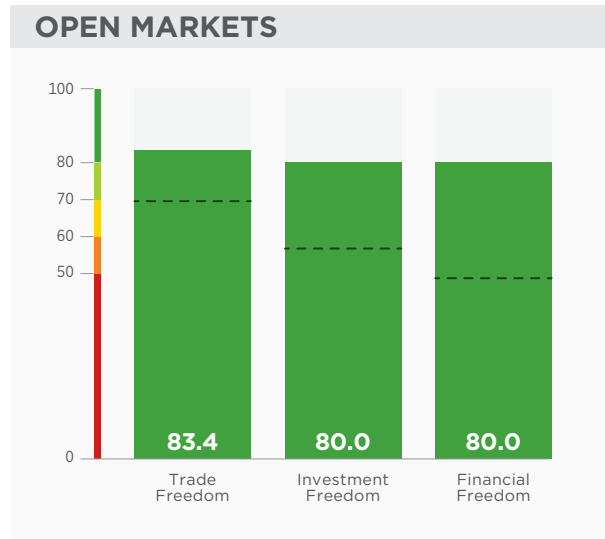
The overall rule of law is well respected in Canada. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 33 percent and 15 percent. The tax burden equals 34.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 46.6 percent and -5.5 percent of GDP. Public debt equals 112.9 percent of GDP.



The regulatory framework is highly conducive to business formation and operation, and no minimum capital is required to start a company. The average cost of necessary licenses is not burdensome. Flexible labor regulations enhance employment growth. The most recent available inflation rate is 3.4 percent.



The trade-weighted average tariff rate is 3.3 percent, and more than 400 nontariff measures are in force. The government caps foreign investment in some sectors. The banking sector, dominated by six major banks, remains sound and offers a wide range of financial services.

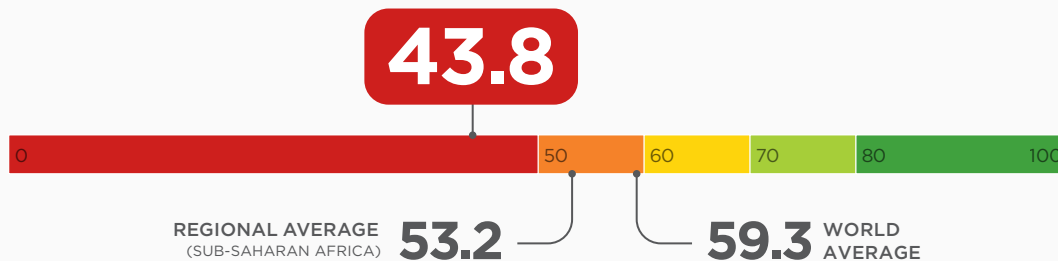
# CENTRAL AFRICAN REPUBLIC

WORLD RANK: **166** | REGIONAL RANK: **43**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

The Central African Republic's economic freedom score is 43.8, making its economy the 166th freest in the 2023 *Index*. Its score is 1.9 points lower than last year. The CAR is ranked 43rd out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the world and regional averages.

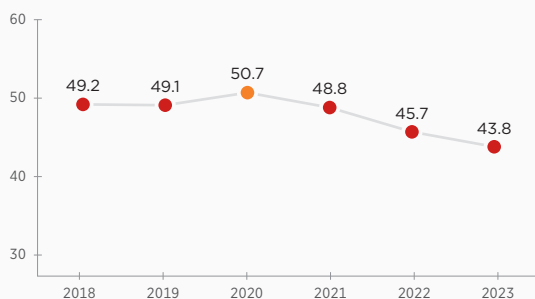
The Central African Republic performs poorly in many of the four pillars of economic freedom and needs to build stronger momentum for reform. The foundations of economic freedom remain fragile because of pervasive corruption and a deficient judicial system that undermine equity and erode governmental effectiveness.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2002): -16.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.9 million

**GDP (PPP):**  
\$5.0 billion  
1.0% growth in 2021  
5-year compound annual growth 2.7%  
\$1,021 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
4.3%

**FDI INFLOW:**  
\$30.2 million

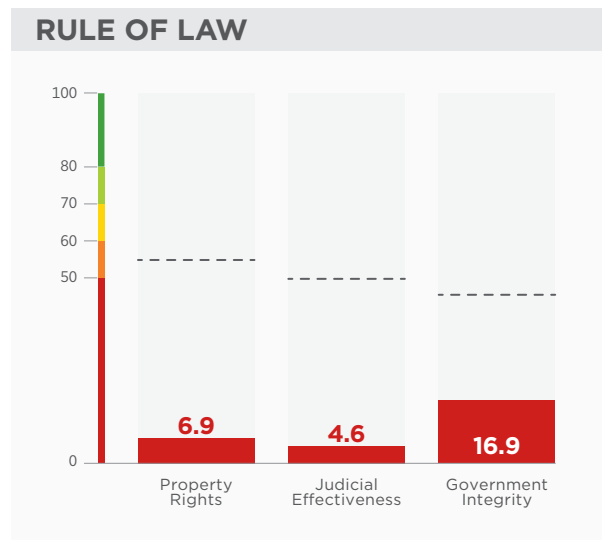
**PUBLIC DEBT:**  
47.6% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

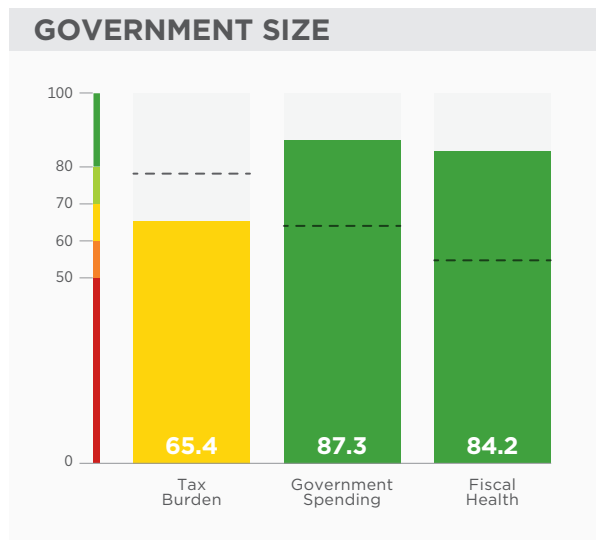
**BACKGROUND:** A former French colony, the Central African Republic became independent in 1960. A democracy established in 1993 after more than 30 years of frequently brutal military regimes ended in 2003 with a military coup led by François Bozizé, who was later elected president. In 2013, Séléka, a rebel coalition led by Michel Djotodia, overthrew Bozizé, triggering sectarian violence. Djotodia stepped down in 2014. Former Prime Minister Faustin-Archange Touadéra was elected president in 2016 and reelected in December 2020. Russian Wagner Group mercenaries are influential in the country and have committed atrocities. The CAR has abundant timber, gold, diamonds, and uranium.



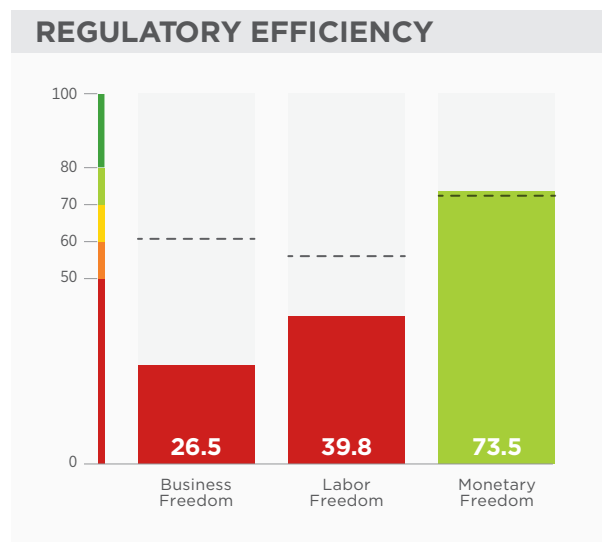
## 12 ECONOMIC FREEDOMS | CENTRAL AFRICAN REPUBLIC



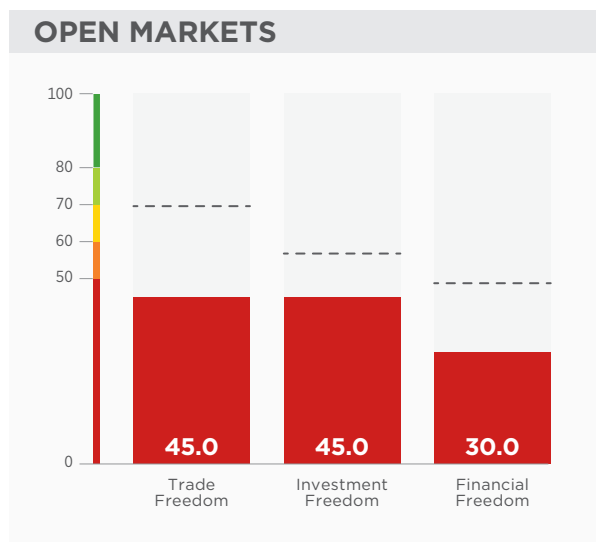
The overall rule of law is weak in the Central African Republic. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 50 percent and 30 percent. The tax burden equals 7.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.6 percent and -2.7 percent of GDP. Public debt equals 47.6 percent of GDP.



The process for establishing a business has become less time-consuming, but the opacity of other regulatory requirements increases the cost of conducting business. The underdeveloped labor market continues to discourage employment growth. The most recent available inflation rate is 4.3 percent.



The trade-weighted average tariff rate is 17.5 percent. Persistent nontariff barriers and impediments to investment are made worse by political instability. The financial system is underdeveloped. Fewer than 20 percent of adult Central Africans have access to an account with a formal banking institution.

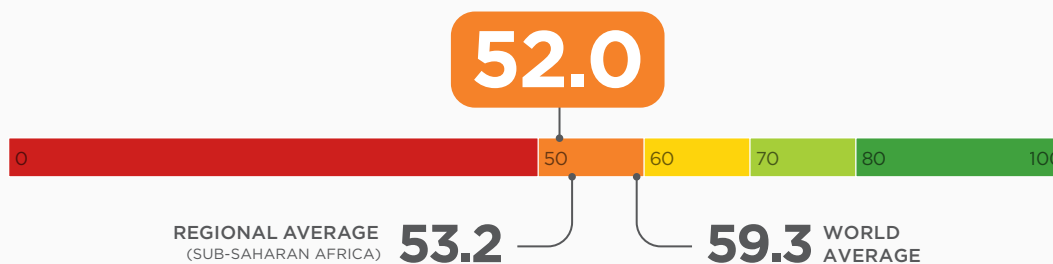
# CHAD

WORLD RANK: **138** REGIONAL RANK: **31**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Chad's economic freedom score is 52.0, making its economy the 138th freest in the 2023 *Index*. Its score is 2.2 points better than last year. Chad is ranked 31st out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the world and regional averages.

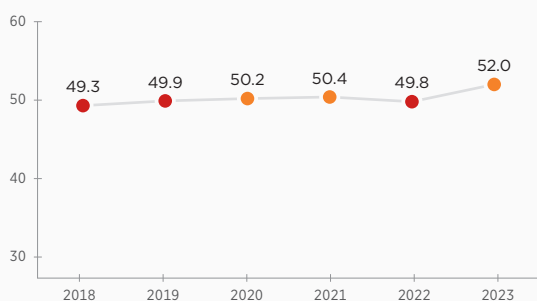
Chad performs poorly in many of the four pillars of economic freedom. In particular, the rule of law is too fragile to sustain meaningful economic progress. Protection of property rights remains weak, and corruption is rampant. Much-needed private-sector development is held back by an inefficient and unstructured regulatory system.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +6.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:** 16.9 million

**GDP (PPP):** \$27.0 billion  
 -1.1% growth in 2021  
 5-year compound annual growth 0.0%  
 \$1,598 per capita

**UNEMPLOYMENT:** 1.1%

**INFLATION (CPI):** -0.8%

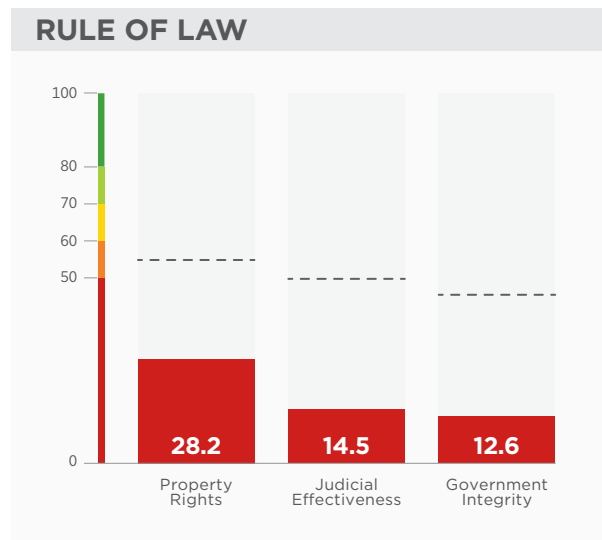
**FDI INFLOW:** \$562.2 million

**PUBLIC DEBT:** 56.0% of GDP

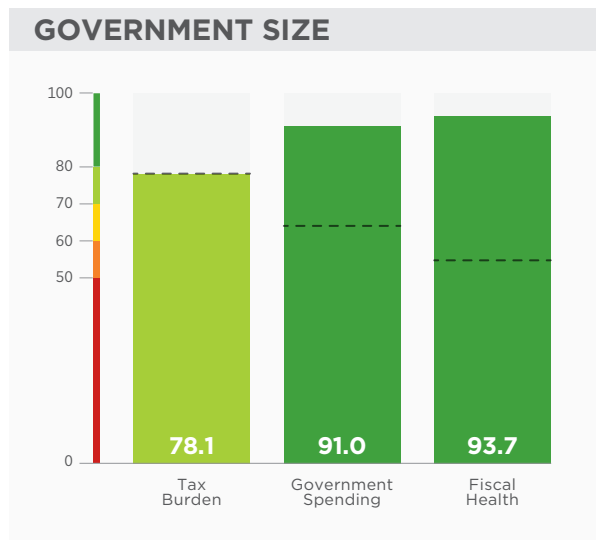
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** A former French colony, Chad endured three decades of civil war and invasions before the restoration of peace in 1990. A rebellion in the North flares up sporadically, and Chad remains at war with the Nigeria-based Boko Haram Islamist terrorists. President Idriss Déby seized power in 1990 and was killed in 2021 fighting a rebel advance. His son Mahamat subsequently took power, and promised elections have not been held. Landlocked Chad pays dearly for imported goods, and oil accounts for approximately 60 percent of export revenues. Cotton, cattle, livestock, and gum arabic account for the largest portion of non-oil exports.

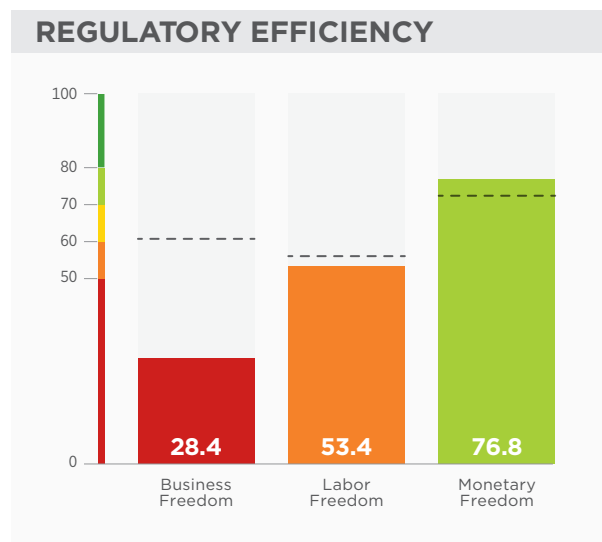
## 12 ECONOMIC FREEDOMS | CHAD



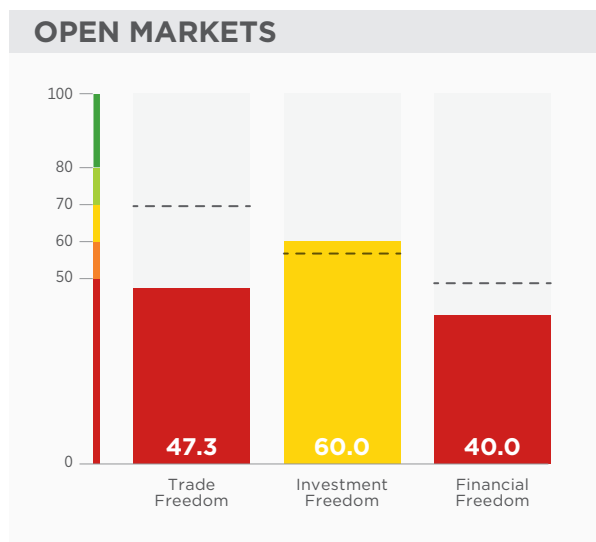
The overall rule of law is weak in Chad. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 35 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.3 percent and 0.0 percent of GDP. Public debt equals 56.0 percent of GDP.



Business freedom is severely restricted by (among other things) poor infrastructure, lack of transportation, unreliable electricity, and poor contract enforcement. Skilled labor is uncommon. Most Chadians work in agriculture and livestock breeding. The most recent available inflation rate is -0.8 percent deflation.



The trade-weighted average tariff rate is 16.4 percent, and nontariff barriers further impede trade. Openness to foreign investment remains severely constrained by institutional weaknesses. The high cost of credit and scarce access to financing deter private-sector development.

WORLD RANK: REGIONAL RANK:

22

2

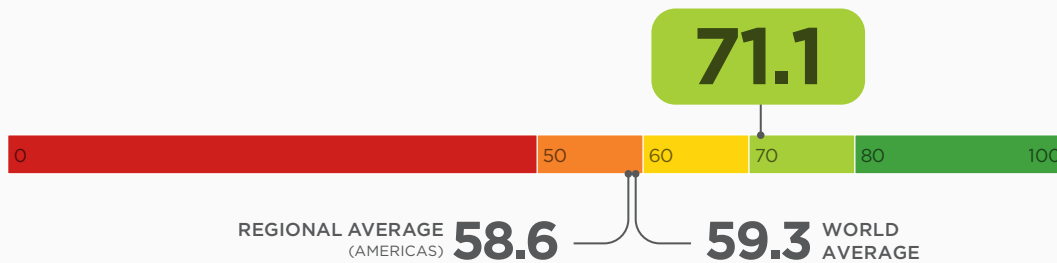
ECONOMIC FREEDOM STATUS:  
MOSTLY FREE

# CHILE

Chile's economic freedom score is 71.1, making its economy the 22nd freest in the 2023 *Index*. Its score is 3.3 points lower than last year. Chile is ranked 2nd among 32 countries in the Americas region, and its overall score is above the regional and world averages.

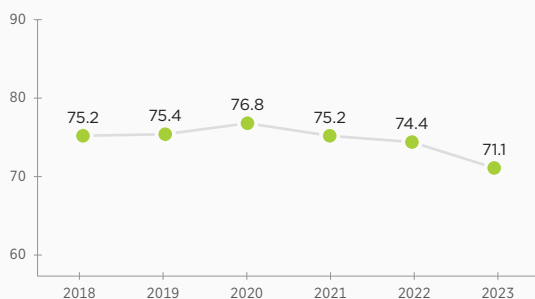
All of the pillars of economic freedom remain relatively well maintained in Chile, whose economy is still considered “mostly free.” With a transparent business climate, the country has created a dynamic environment for entrepreneurs. Barriers to free trade are quite low, and commercial operations are aided by efficient regulations that support open-market policies.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -0.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.2 million

**GDP (PPP):**  
\$526.7 billion  
11.7% growth in 2021  
5-year compound  
annual growth 2.4%  
\$26,713 per capita

**UNEMPLOYMENT:**  
11.2%

**INFLATION (CPI):**  
4.5%

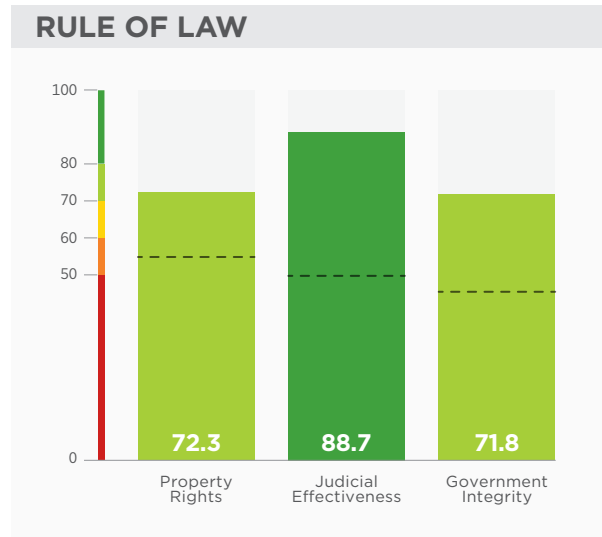
**FDI INFLOW:**  
\$12.7 billion

**PUBLIC DEBT:**  
36.3% of GDP

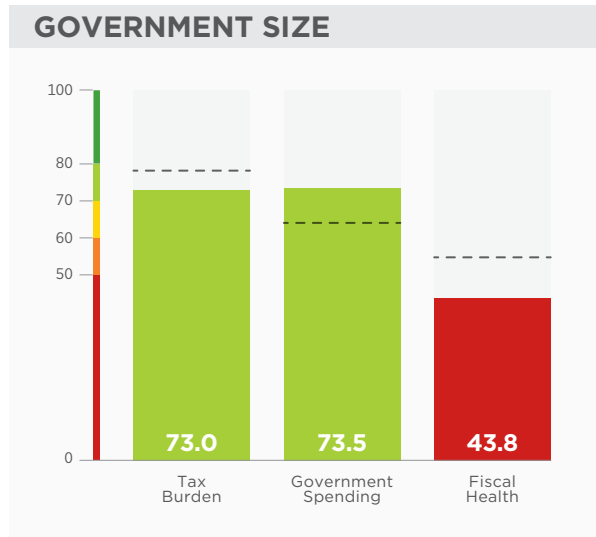
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Chile is the world's leading producer of copper, and GDP growth has been driven by exports of minerals, wood, fruit, seafood, and wine. With Bolivia and Argentina, it has the world's highest quantity of commercially viable lithium. In 2021, Chile elected a new Constitutional Assembly to replace the Pinochet-era pro-market constitution and a new president, 35-year-old left-wing activist Gabriel Boric. The new constitution takes a radical left turn on identity issues, the rise of the plurinational state, the independence of the central bank, and the growing welfare state, and it could jeopardize the future of Chile's successful orthodox economic model.

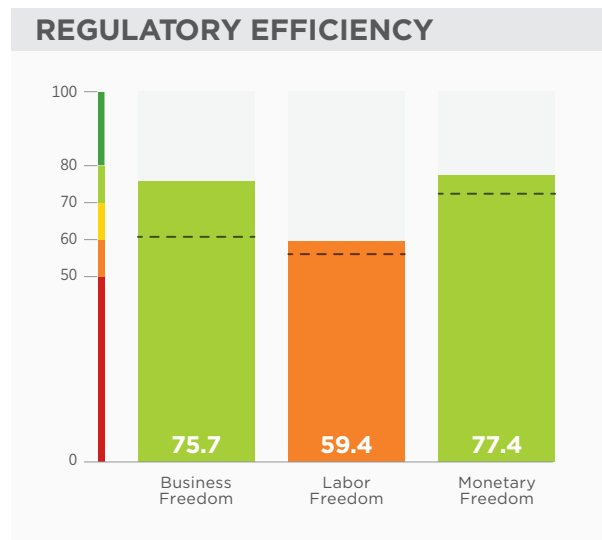
## 12 ECONOMIC FREEDOMS | CHILE



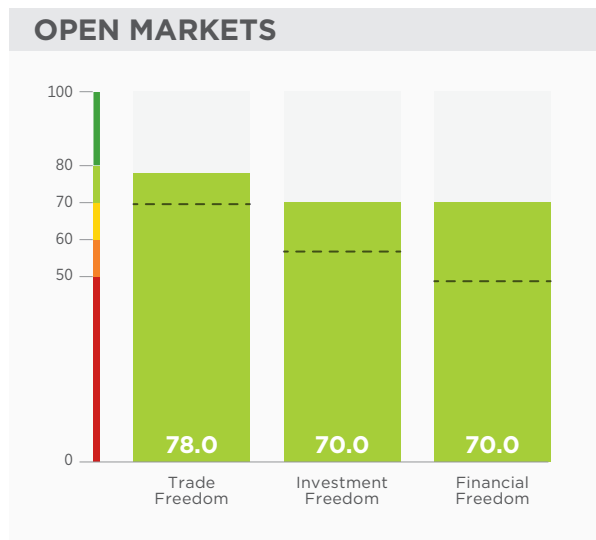
The overall rule of law is well respected in Chile. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 27 percent. The tax burden equals 19.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.7 percent and -5.8 percent of GDP. Public debt equals 36.3 percent of GDP.



The overall regulatory framework facilitates entrepreneurial activity and productivity growth. Minimum wage increases have exceeded overall productivity growth in recent years, but labor laws generally facilitate efficient hiring and dismissal procedures. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 6.0 percent, and more than 100 nontariff measures are in force. Market-oriented policies, facilitated by a sound and transparent investment framework, attract significant foreign investment. The open, resilient, and relatively competitive financial sector offers a wide range of services.



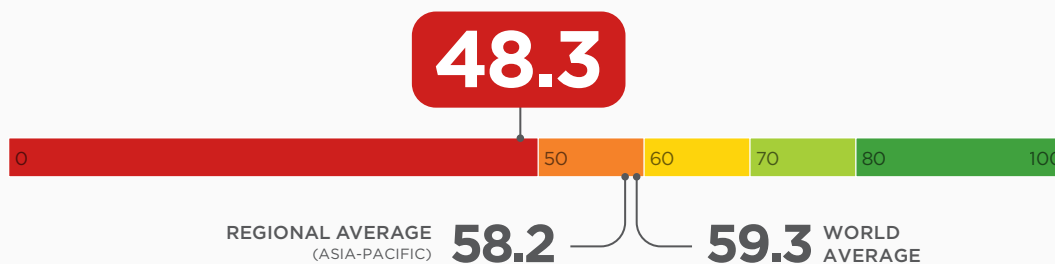
# CHINA

China's economic freedom score is 48.3, making its economy the 154th freest in the 2023 *Index*. Its score is about the same as last year. China is ranked 34th out of 39 countries in the Asia-Pacific region, and its overall score is well below the global and regional averages.

WORLD RANK:	REGIONAL RANK:
<b>154</b>	<b>34</b>
ECONOMIC FREEDOM STATUS:	
<b>REPRESSED</b>	

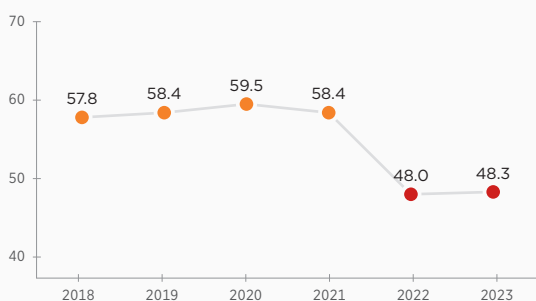
The Chinese economy remains “repressed.” The rule of law is vulnerable to political influence and Communist Party directives, and corruption is widespread. The party’s leadership group holds ultimate authority and exercises direct control of economic activity. Liberalizing economic reform has either slowed or stopped. The state controls the financial sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -3.7

## RECENT FREEDOM TREND



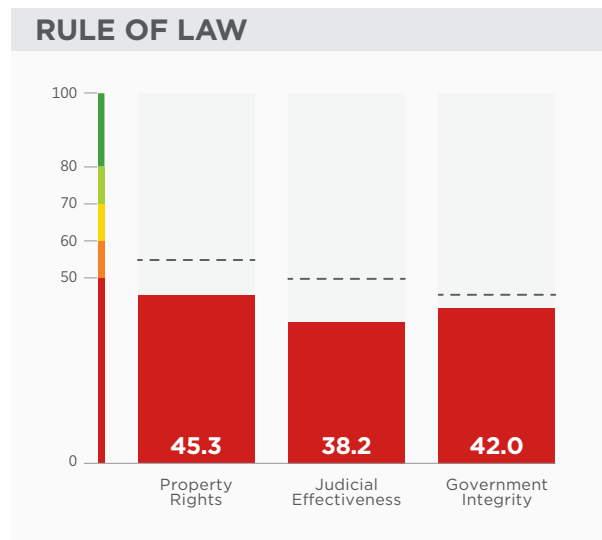
## QUICK FACTS

<b>POPULATION:</b> 1.4 billion	<b>UNEMPLOYMENT:</b> 5.2%
<b>GDP (PPP):</b> \$27.2 trillion 8.1% growth in 2021 5-year compound annual growth 6.0%	<b>INFLATION (CPI):</b> 0.9%
<b>FDI INFLOW:</b> \$181.0 billion	<b>PUBLIC DEBT:</b> 71.5% of GDP

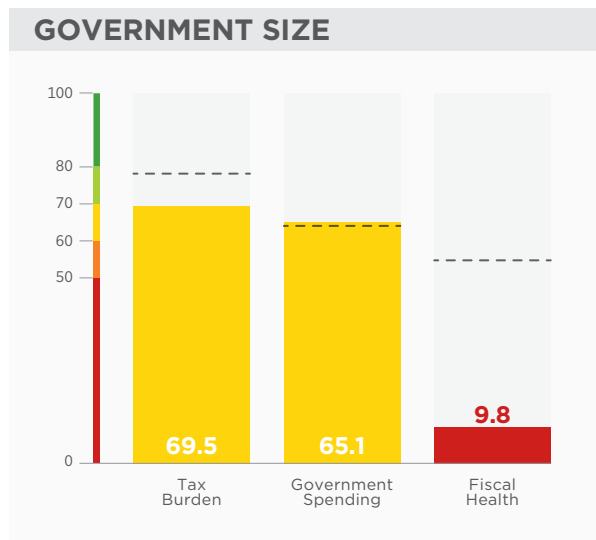
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Communist Party Chairman Xi Jinping has centralized authority, ousted internal political enemies, and tightened control of civil society. He easily won an unprecedented third term as CCP Chairman at the 20th Party Congress in October 2022. China has one of the world’s largest economies and is the world’s biggest exporter, but its income per capita remains below the global average. A post-COVID slowdown in economic growth may be more severe than officials acknowledge. China’s zero-COVID policies and severe lockdowns had been retarding GDP growth and disrupting supply chains. Additional pressure on real estate and banking has contributed to worsening economic forecasts.

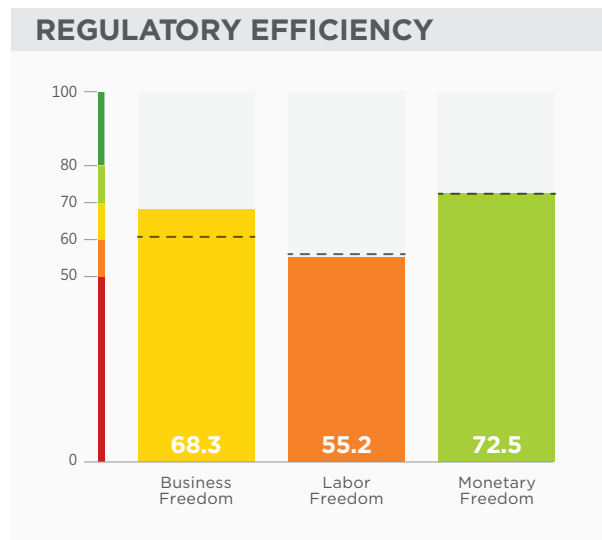
## 12 ECONOMIC FREEDOMS | CHINA



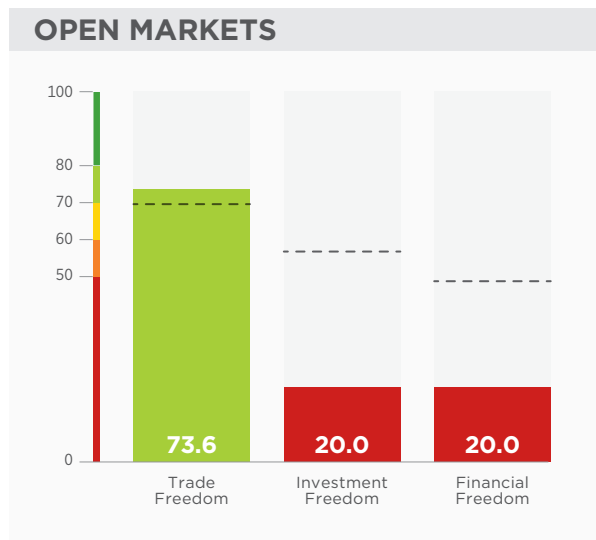
The overall rule of law is weak in China. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



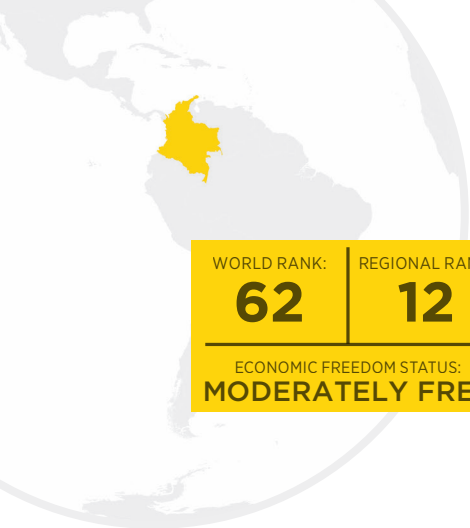
The top individual and corporate tax rates are, respectively, 45 percent and 25 percent. The tax burden equals 20.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.1 percent and -7.3 percent of GDP. Public debt equals 71.5 percent of GDP.



The overall regulatory framework remains complex and uneven. China's arbitrary and frequently revised business-related rules and labor codes cause the private sector to be subjected to the unpredictable whims of the Communist government. The most recent available inflation rate is 0.9 percent.



The trade-weighted average tariff rate is 3.2 percent, and layers of nontariff measures are in force. China's protectionist approval system for foreign investment remains restrictive and lacking in transparency. The government continues to maintain its tight grip on the financial system.



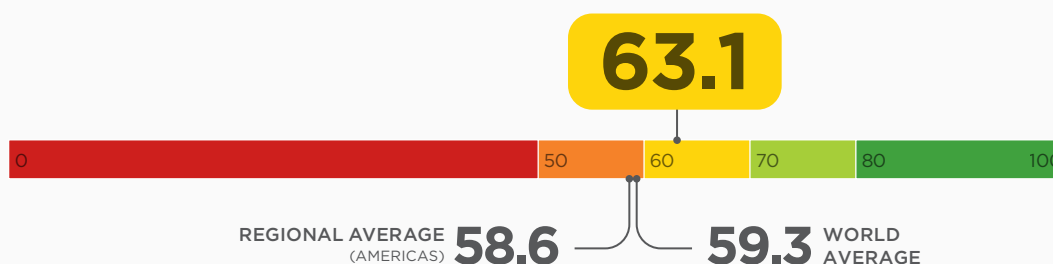
WORLD RANK: <b>62</b>	REGIONAL RANK: <b>12</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# COLOMBIA

Colombia's economic freedom score is 63.1, making its economy the 62nd freest in the 2023 *Index*. Its score is 2.0 points lower than last year. Colombia is ranked 12th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

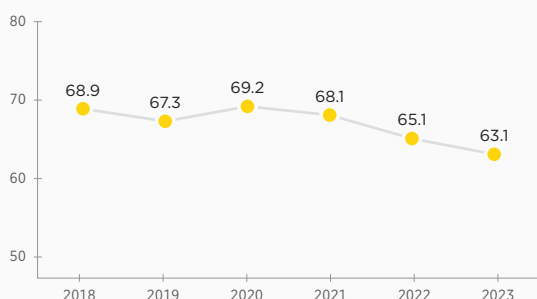
The Colombian economy has shown moderate resilience in a challenging economic environment. Policies that support open markets and a strong private sector have been implemented, but Colombia also has lagged in promoting the effective rule of law. The judicial system remains vulnerable to political interference, and corruption further undermines the country's economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.4

## RECENT FREEDOM TREND



## QUICK FACTS

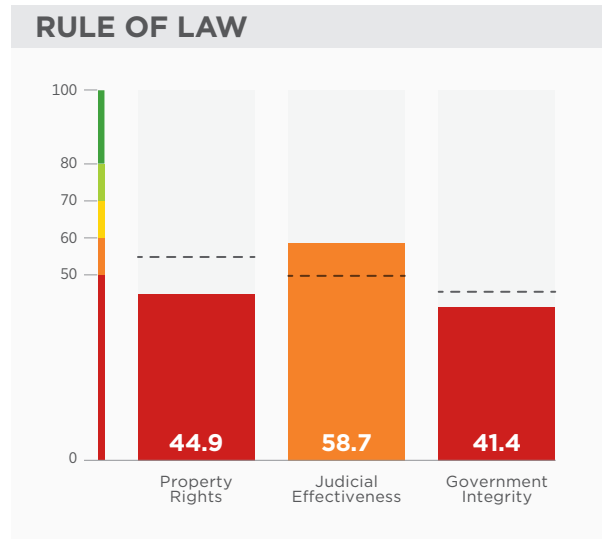
<b>POPULATION:</b> 51.3 million	<b>UNEMPLOYMENT:</b> 15.0%
<b>GDP (PPP):</b> \$836.5 billion 10.6% growth in 2021 5-year compound annual growth 2.1%	<b>INFLATION (CPI):</b> 3.5%
<b>FDI INFLOW:</b> \$9.4 billion	<b>PUBLIC DEBT:</b> 64.6% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

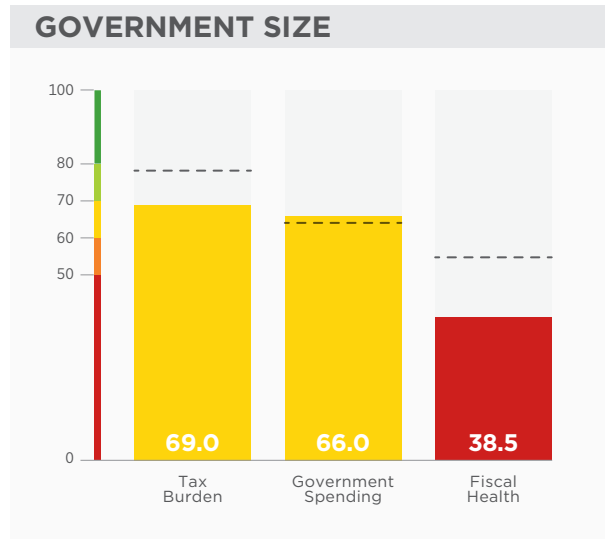
**BACKGROUND:** Colombia has Latin America's fourth-largest economy. Far-left President Gustavo Petro was elected in 2022 amid social discontent over a stagnating economy, growing narco-terrorism, and the influx of more than 2 million Venezuelans who have fled violent conflict involving armed non-state actors and the Maduro regime. Colombia remains the world's top producer and exporter of cocaine. Petro's deemphasizing of security in pursuit of a peace process with the National Liberation Army, his hostility to existing free-trade agreements, and his statist policies that include raising land taxes and halting new oil and gas exploration present new uncertainties for the Andean nation.



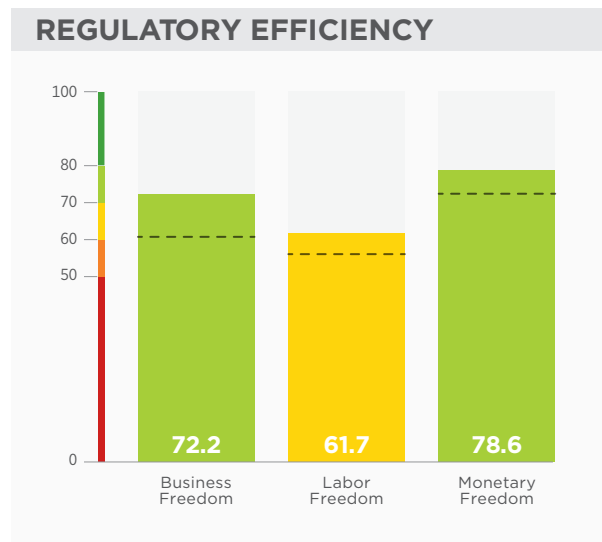
## 12 ECONOMIC FREEDOMS | COLOMBIA



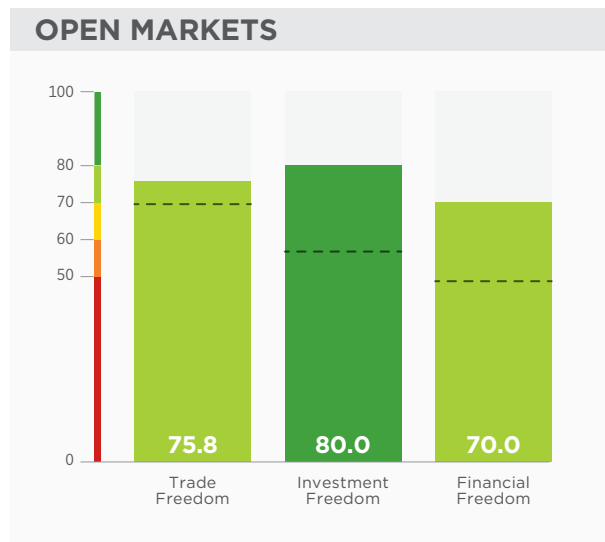
The overall rule of law is weak in Colombia. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 39 percent and 35 percent. The tax burden equals 18.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.7 percent and -5.8 percent of GDP. Public debt equals 64.6 percent of GDP.



The overall regulatory framework has become more efficient, and business procedures have been streamlined. The non-salary cost of employing a worker remains somewhat burdensome, and informal labor market activity is widespread. The most recent available inflation rate is 3.5 percent.



The trade-weighted average tariff rate is 7.1 percent, and more than 150 nontariff measures are in force. Foreign investment in some sectors is subject to investment registration and concession agreements with the government. Credit is generally allocated on market terms.

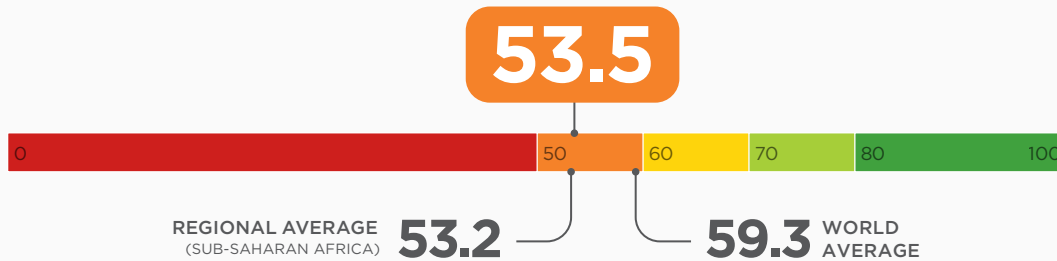
# COMOROS

Comoros's economic freedom score is 53.5, making its economy the 128th freest in the 2023 *Index*. Its score is 3.1 points higher than last year. Comoros is ranked 40th out of 46 countries in the Sub-Saharan Africa region, and its overall score is lower than the world average.

The foundations of economic freedom in Comoros are fragile. Scores for property rights and freedom from corruption are low. The public sector is inefficient and lacks transparency. Poor management of macroeconomic policies, coupled with a decade of political crises, has hindered overall economic development. The overall business environment remains severely constrained.

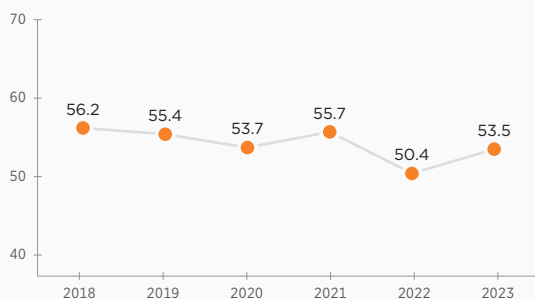
WORLD RANK: **128** | REGIONAL RANK: **24**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +10.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.9 million

**GDP (PPP):**  
\$2.9 billion  
2.2% growth in 2021  
5-year compound annual growth 2.3%  
\$3,162 per capita

**UNEMPLOYMENT:**  
8.1%

**INFLATION (CPI):**  
1.5%

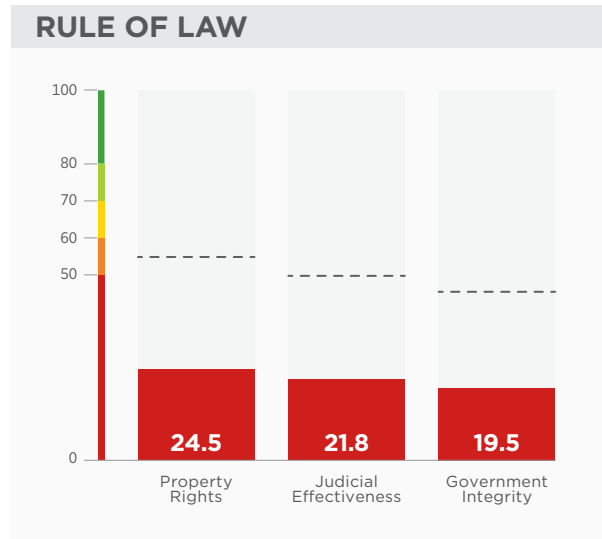
**FDI INFLOW:**  
\$4.1 million

**PUBLIC DEBT:**  
26.0% of GDP

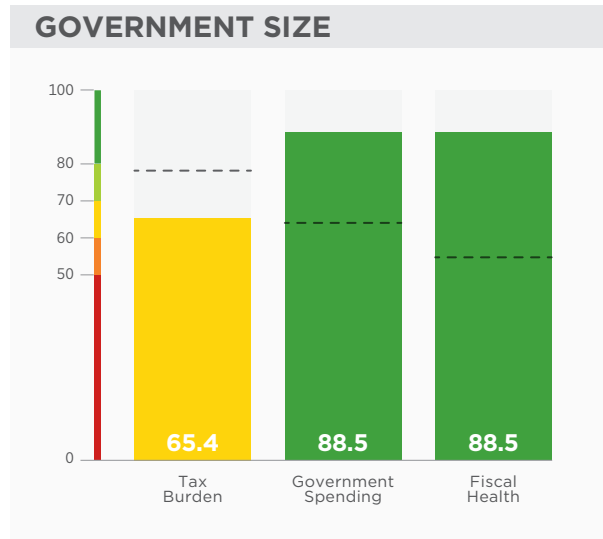
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Since independence from France in 1975, the three-island Union of the Comoros has experienced several attempted coups. The two smaller islands seceded in 1997 but returned in 2001. In 2018, President Azali Assoumani cracked down on the opposition and won a referendum that centralized executive power. He was reelected in 2019 in an election discredited by international observers. Comoros prioritizes its aid and trade relations with France, and the French Treasury guarantees the Comoran franc. Comoros is a leading producer of ylang-ylang perfume essence, cloves, and vanilla. It became a full member of the Southern African Development Community in 2018.

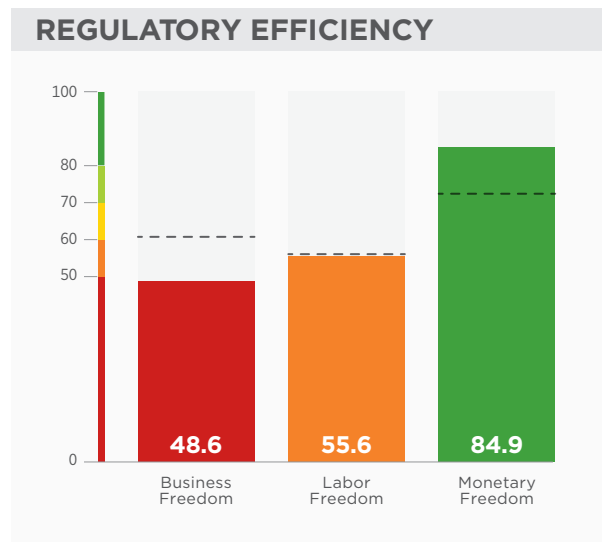
## 12 ECONOMIC FREEDOMS | COMOROS



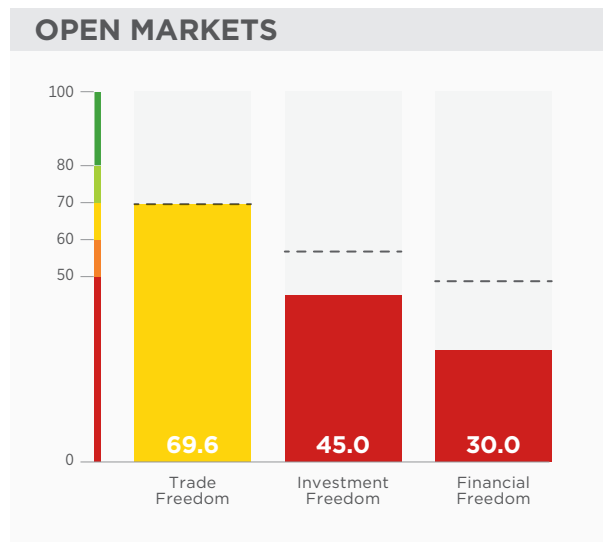
The overall rule of law is weak in Comoros. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 50 percent. The tax burden equals 7.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.6 percent and -2.5 percent of GDP. Public debt equals 26.0 percent of GDP.



The overall freedom to establish and run private enterprises is constrained by an inefficient regulatory environment. Much of the workforce is employed in the small retail services sector, and informal labor activity is widespread. The most recent available inflation rate is 1.5 percent.



The trade-weighted average tariff rate is 5.2 percent, and nontariff barriers further restrict trade. The law generally treats foreign and domestic investors equally. The small financial sector still lacks adequate regulation or supervision, and many Comorans are without bank accounts and rely on informal lending.

# DEMOCRATIC REPUBLIC OF CONGO

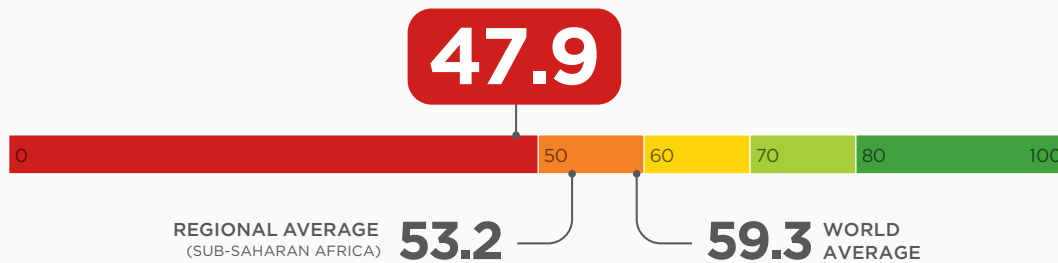
WORLD RANK: **157** | REGIONAL RANK: **40**

ECONOMIC FREEDOM STATUS: **REPRESSED**

The Democratic Republic of the Congo's economic freedom score is 47.9, making it the 157th freest economy in the 2023 *Index*. Its score is 0.3 point higher than last year. The DRC is ranked 40th out of 47 countries in the Sub-Saharan Africa region, and its overall score is far below the world and regional averages.

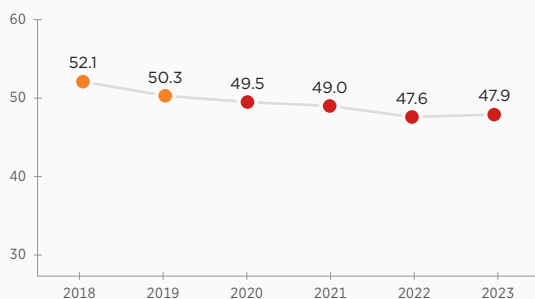
Economic development continues to be hampered by instability and violence. The weak rule of law and the marginal enforcement of property rights have driven many people and enterprises into the informal sector. Poor economic management has been made worse by repeated political crises.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +6.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
92.4 million

**GDP (PPP):**  
\$112.6 billion  
5.7% growth in 2021  
5-year compound annual growth 4.3%  
\$1,201 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
9.0%

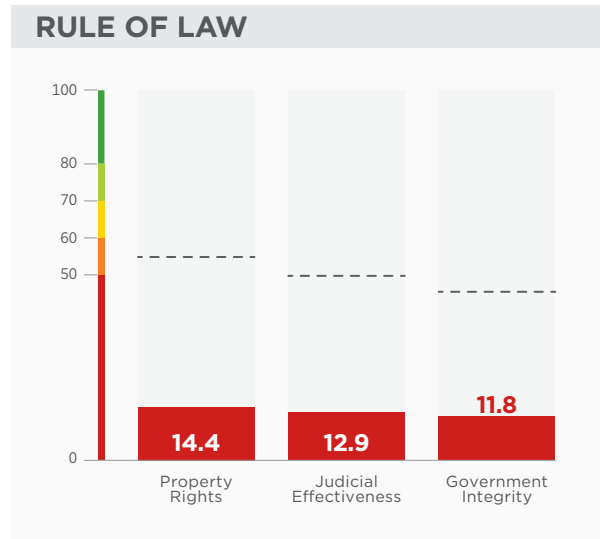
**FDI INFLOW:**  
\$1.9 billion

**PUBLIC DEBT:**  
16.1% of GDP

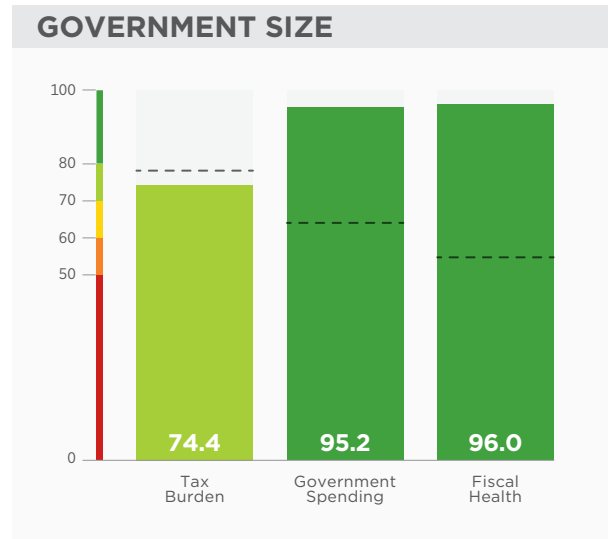
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** In 2006, Joseph Kabila won the Democratic Republic of the Congo's first multiparty election in 40 years. Félix Tshisekedi won the 2019 presidential election, and his Sacred Union parliamentary coalition has undermined Kabila's influence. Violence in the eastern DRC sparked tensions with Rwanda in 2022. The DRC's natural resource wealth, estimated at \$24 trillion, includes large deposits of rare earth minerals used in many high-technology products. The DRC is Africa's largest producer of copper and the world's largest producer of cobalt. It is also one of the world's least-developed countries, and its political instability and high inflation discourage international investors.

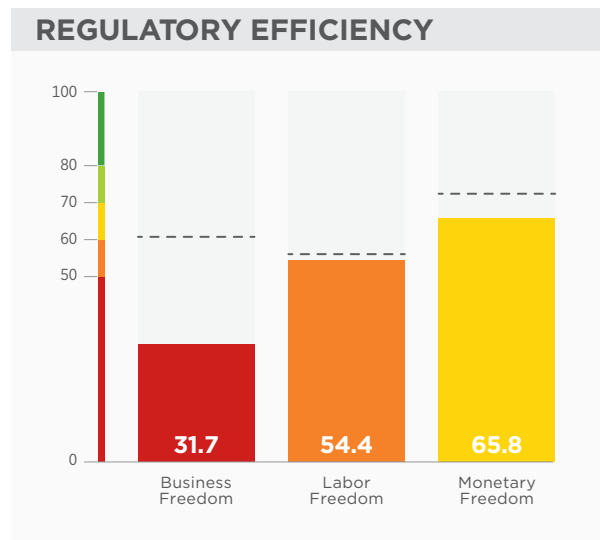
## 12 ECONOMIC FREEDOMS | DEMOCRATIC REPUBLIC OF CONGO



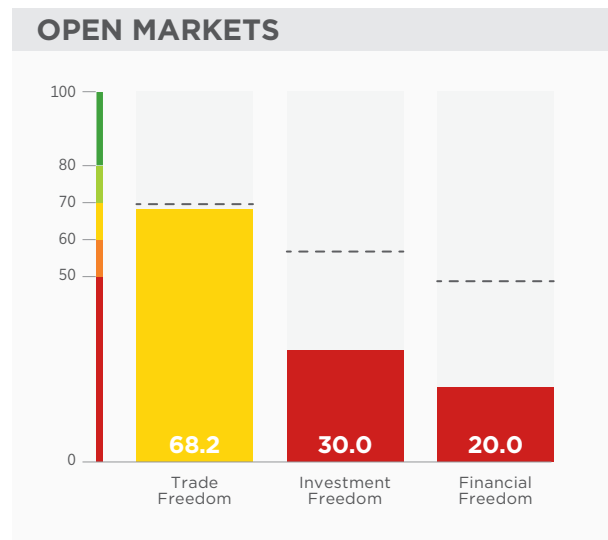
The overall rule of law is weak in the Democratic Republic of the Congo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 30 percent. The tax burden equals 7.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.7 percent and -1.5 percent of GDP. Public debt equals 16.1 percent of GDP.



Political turmoil and a fragile security situation undermine business freedom and make the business environment very challenging. The labor code is rarely enforced, and forced labor has been a concern. The most recent available inflation rate is 9.0 percent.



The trade-weighted average tariff rate is 8.4 percent, and other barriers to dynamic trade flows persist. The government screens and regulates foreign investment. The financial system is underdeveloped, and access to financing for businesses remains very limited.

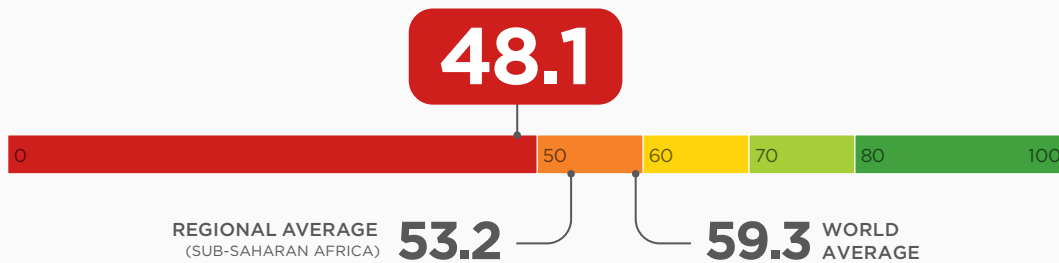
# REPUBLIC OF CONGO

WORLD RANK: **156** | REGIONAL RANK: **39**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

The Republic of the Congo's economic freedom score is 48.1, making its economy the 156th freest in the 2023 *Index*. Its score is 0.4 point lower than last year. Congo is ranked 39th out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the global and regional averages.

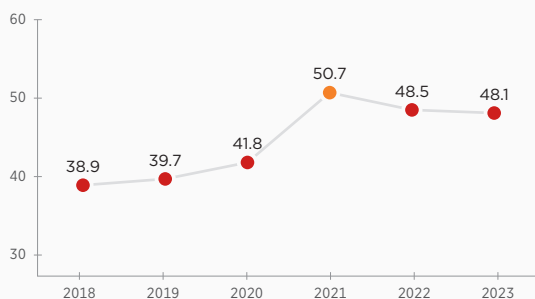
Economic freedom remains fragile in Congo because of repressive governance exacerbated by the weak rule of law. The weak judiciary fuels corruption, and extensive state controls persist. The slow pace of reform, coupled with political instability, has left the nation with an inadequate institutional capacity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.7 million

**GDP (PPP):**  
\$20.7 billion  
-0.2% growth in 2021  
5-year compound annual growth -3.6%  
\$4,312 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
2.0%

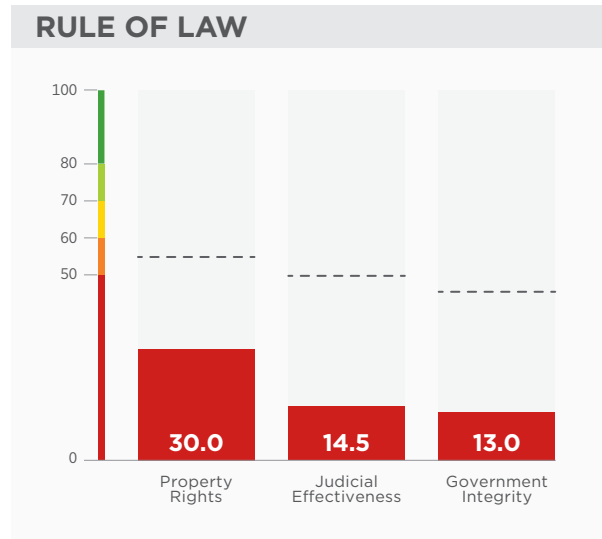
**FDI INFLOW:**  
\$3.7 billion

**PUBLIC DEBT:**  
103.6% of GDP

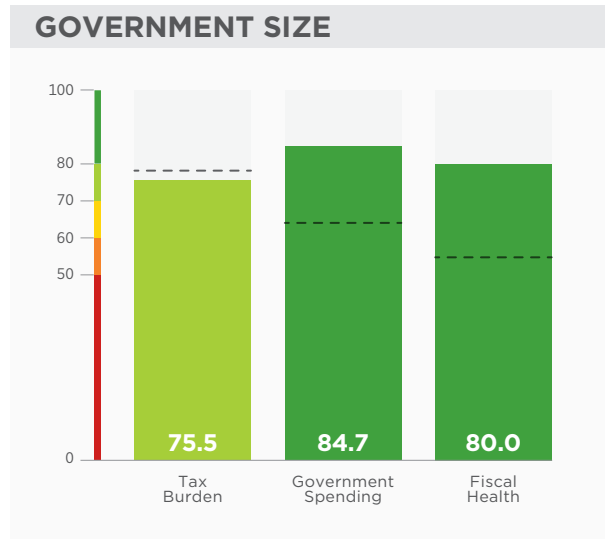
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Republic of the Congo became independent from France in 1960. Denis Sassou-Nguesso seized power in 1979 and ruled until 1992 when he allowed a multiparty election to be conducted. He was defeated but seized power again after a 1997 civil war and won flawed elections in 2002, 2009, 2016, and 2021. A referendum approved in 2015 modified constitutional limits so that he could run again. Congo is one of sub-Saharan Africa's largest producers of oil but lacks the infrastructure to exploit its natural gas reserves and hydropower potential. The country shipped its first exports of iron ore in 2019.

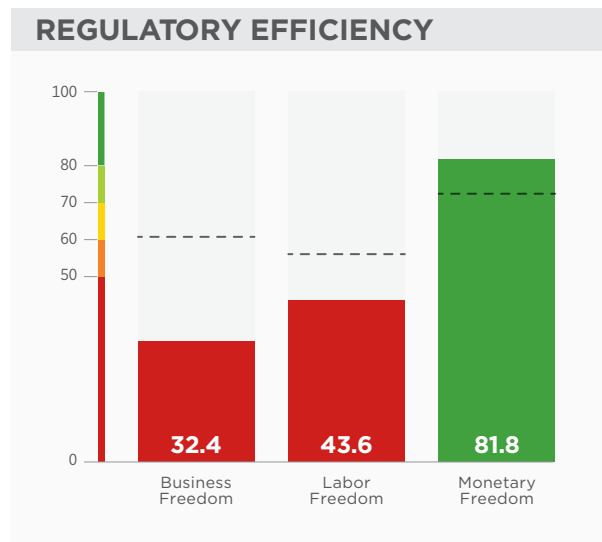
## 12 ECONOMIC FREEDOMS | REPUBLIC OF CONGO



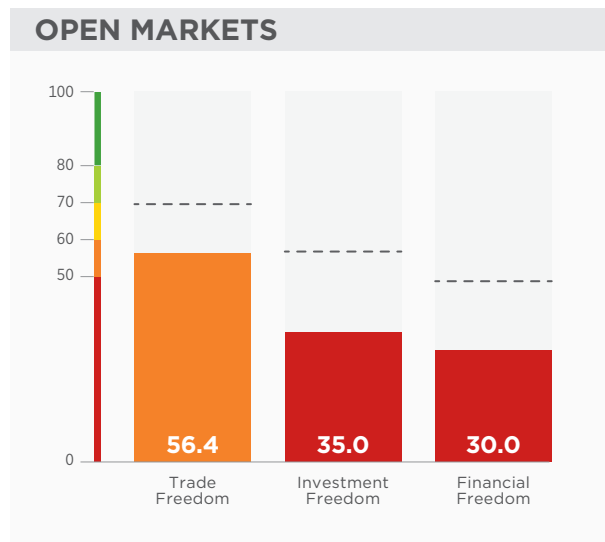
The overall rule of law is weak in the Republic of Congo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 28 percent. The tax burden equals 8.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.6 percent and 1.7 percent of GDP. Public debt equals 103.6 percent of GDP.



Government interactions with respect to registering businesses, obtaining land titles, paying taxes, and negotiating natural resource contracts are arbitrary, unreliable, and subject to corruption. The formal labor market is not well developed across the country. The most recent available inflation rate is 2.0 percent.



The trade-weighted average tariff rate is 11.8 percent, and nontariff barriers persist. Poor economic management aggravated by political instability has constrained the growth of much-needed domestic and foreign investment. Companies have very limited access to financial services.

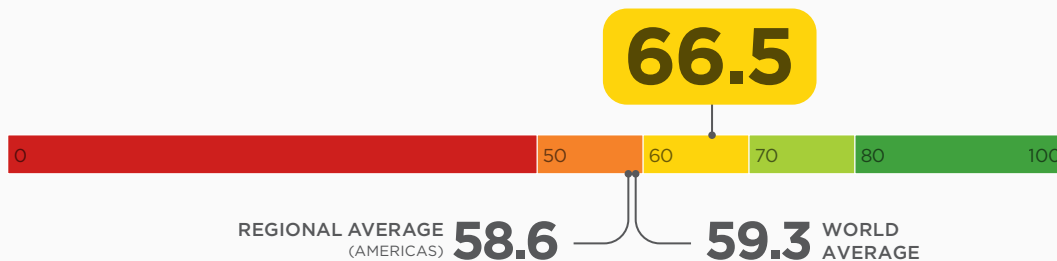
# COSTA RICA



Costa Rica's economic freedom score is 66.5, making its economy the 45th freest in the 2023 *Index*. Its score is 1.1 points higher than last year. Costa Rica is ranked 8th out of 32 countries in the Americas region, and its overall score is higher than the global and regional averages.

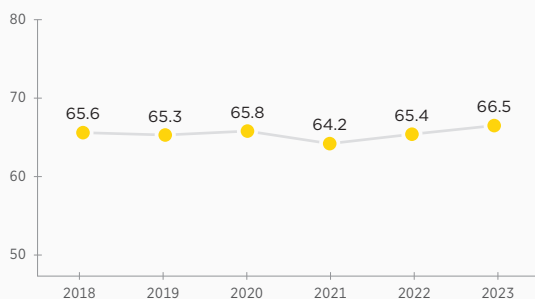
All four pillars of economic freedom are relatively well maintained, although the rule of law could be strengthened. The court system is transparent but also inefficient, and enforcement of property rights can be weak. The trade regime is open, but bureaucracy continues to discourage more dynamic entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.1 million

**GDP (PPP):**  
\$116.7 billion  
7.6% growth in 2021  
5-year compound annual growth 2.5%  
\$22,523 per capita

**UNEMPLOYMENT:**  
17.4%

**INFLATION (CPI):**  
1.7%

**FDI INFLOW:**  
\$3.2 billion

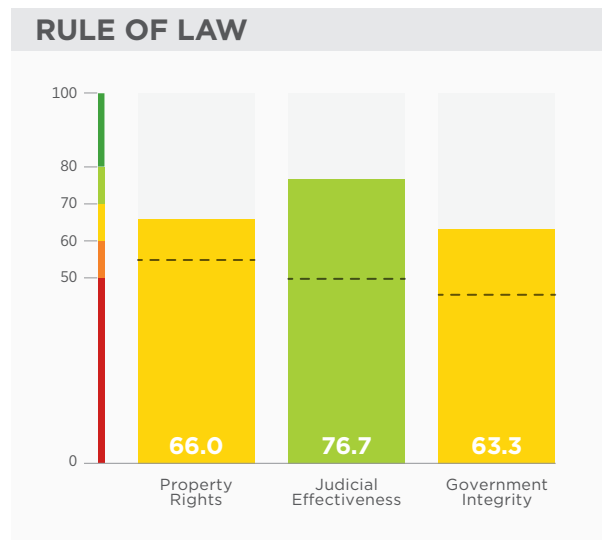
**PUBLIC DEBT:**  
68.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

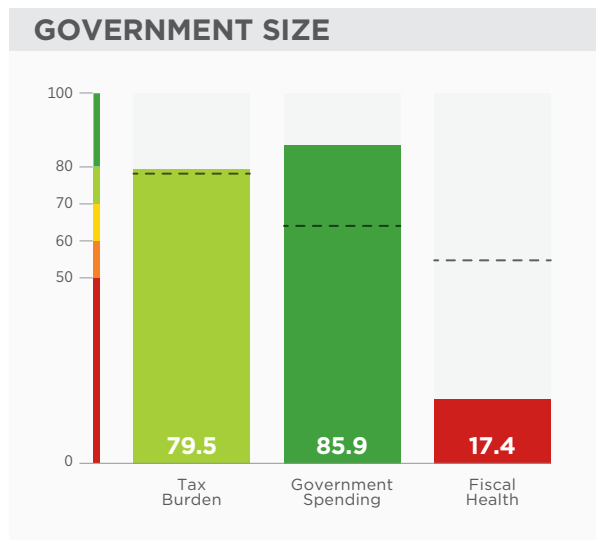
**BACKGROUND:** The most prosperous Central American Common Market country and Central America's oldest democracy, Costa Rica has a long history of stability and one of Latin America's highest levels of foreign direct investment per capita. Rodrigo Chaves Robles, elected president in 2022 on a centrist anticorruption platform, has pursued policies designed to reduce regulatory burdens and eliminate state-regulated food prices and has initiated the process for entry into the Pacific Alliance trade bloc. Costa Rica is part of China's Belt and Road Initiative and the first Central American country to enter the OECD. It has welcomed more than 150,000 Nicaraguan refugees.



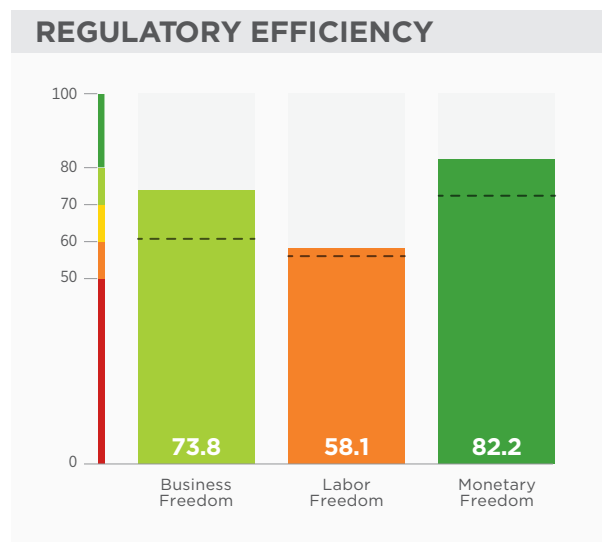
## 12 ECONOMIC FREEDOMS | COSTA RICA



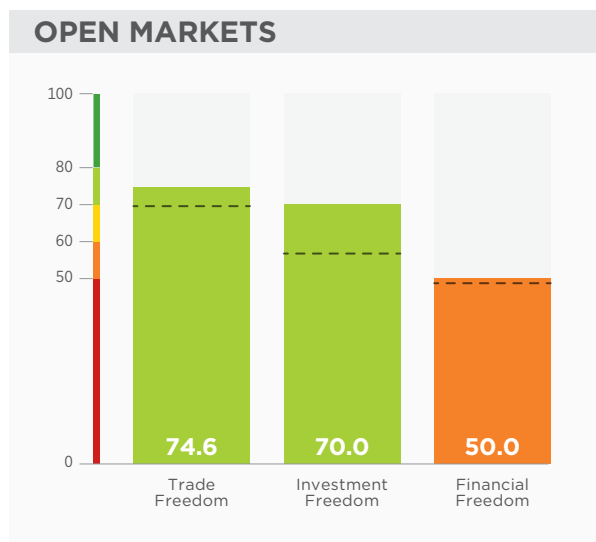
The overall rule of law is relatively well respected in Costa Rica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 30 percent. The tax burden equals 22.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.7 percent and -6.8 percent of GDP. Public debt equals 68.2 percent of GDP.



Although licensing requirements have been reduced, procedures for launching a business remain cumbersome and time-consuming. Rules on work hours are quite flexible, but the non-salary cost of employing a worker remains high. The most recent available inflation rate is 1.7 percent.



The trade-weighted average tariff rate is 5.2 percent, and more than 60 nontariff measures are in force. The government restricts investment in some sectors. The central bank responded to the pandemic by reducing state-owned banks' preferential interest rates and easing regulations on loan restructuring.

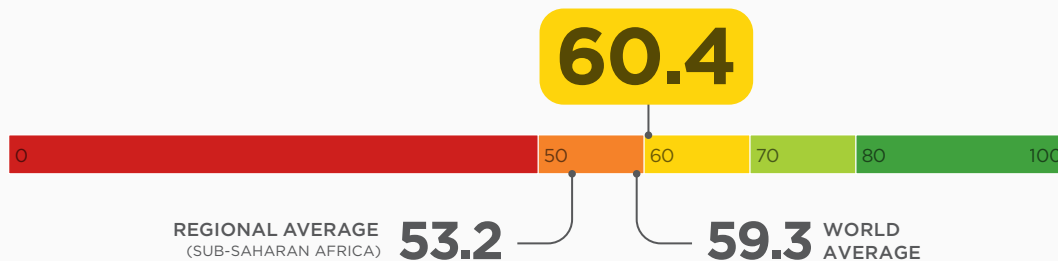
# CÔTE D'IVOIRE



Côte d'Ivoire's economic freedom score is 60.4, making its economy the 81st freest in the 2023 *Index*. Its score is 1.2 points lower than last year. Côte d'Ivoire is ranked 5th out of 47 countries in the Sub-Saharan Africa region, and its overall score is above the global and regional averages.

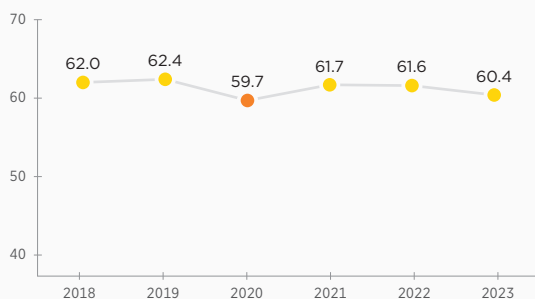
Progress in strengthening the four pillars of economic freedom in Côte d'Ivoire has been limited despite some efforts to improve macroeconomic stability and growth potential. The prospects for long-term private investment and productivity growth remain unfavorable. Property rights are severely undercut by the weak judiciary, and corruption is debilitating.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
27.1 million

**GDP (PPP):**  
\$159.9 billion  
6.5% growth in 2021  
5-year compound annual growth 5.8%  
\$5,781 per capita

**UNEMPLOYMENT:**  
3.3%

**INFLATION (CPI):**  
4.2%

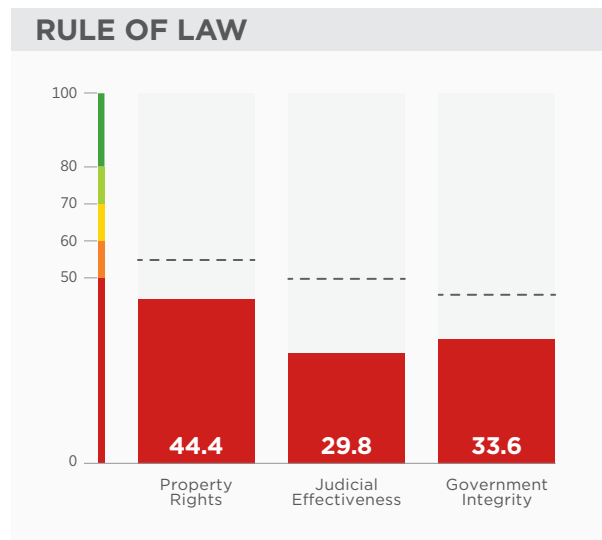
**FDI INFLOW:**  
\$1.4 billion

**PUBLIC DEBT:**  
52.1% of GDP

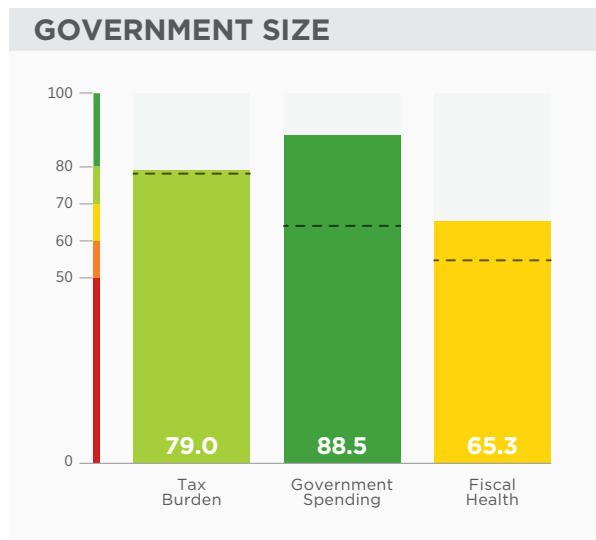
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Following independence in 1960, cocoa and cashew exports made Côte d'Ivoire West Africa's second-largest economy. The North-South civil war ended in 2007, but after the 2010 presidential election, the U.N. and France intervened to ensure that the internationally recognized winner, Alassane Ouattara, could take office. Following the death of his hand-picked successor, Ouattara won a third term in October 2020 with 95 percent of the vote in a violence-marred election. Pro-business reforms and strong private investment in such areas as agriculture, agribusiness, mining, light manufacturing, housing, and services have driven robust economic growth in recent years.

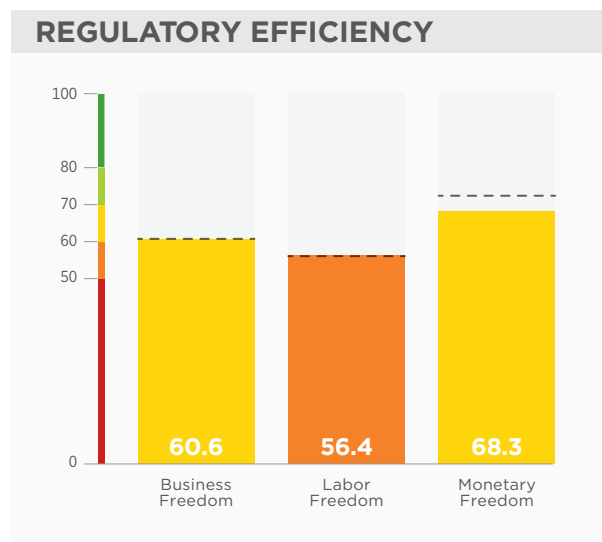
## 12 ECONOMIC FREEDOMS | CÔTE D'IVOIRE



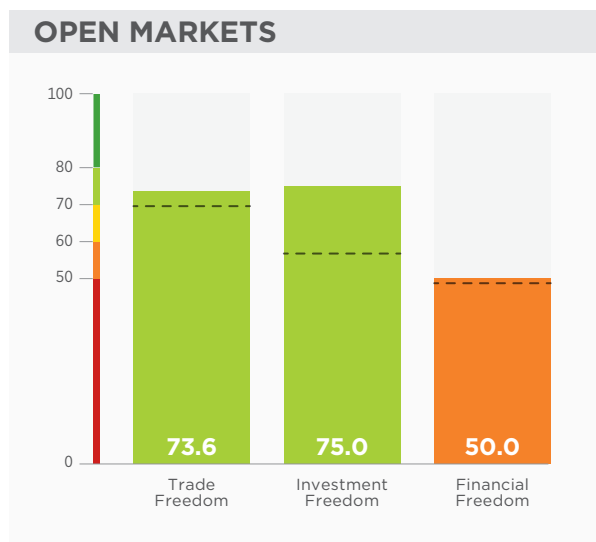
The overall rule of law is weak in Côte d'Ivoire. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



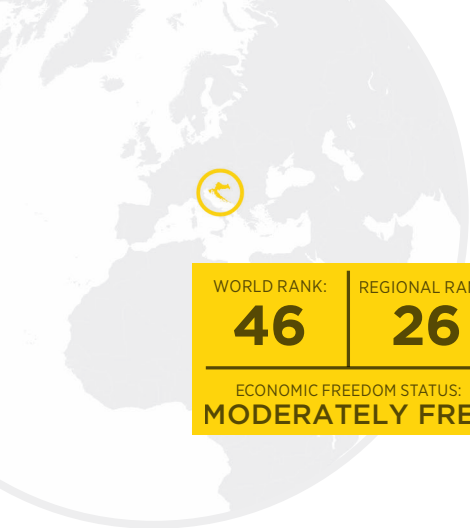
The top individual and corporate tax rates are, respectively, 36 percent and 25 percent. The tax burden equals 13.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.6 percent and -4.3 percent of GDP. Public debt equals 52.1 percent of GDP.



Despite recognition of the need for business law reforms, action has been only marginal. With development of a modern labor market lagging, the informal sector is a growing source of employment. The most recent available inflation rate is 4.2 percent.



The trade-weighted average tariff rate is 8.2 percent, and nontariff measures increase the cost of trade. In most sectors, there are no laws that limit foreign investment. The financial sector is relatively stable. Credit allocation is based on market terms and supports the private sector.



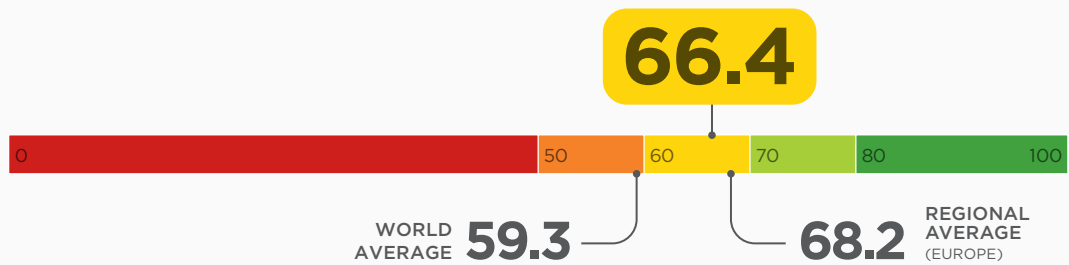
WORLD RANK:	REGIONAL RANK:
<b>46</b>	<b>26</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# CROATIA

Croatia's economic freedom score is 66.4, making its economy the 46th freest in the 2023 *Index*. Its score is 1.2 points lower than last year. Croatia is ranked 26th freest of the 44 countries in the Europe region, and its overall score is above the world average and below the regional average.

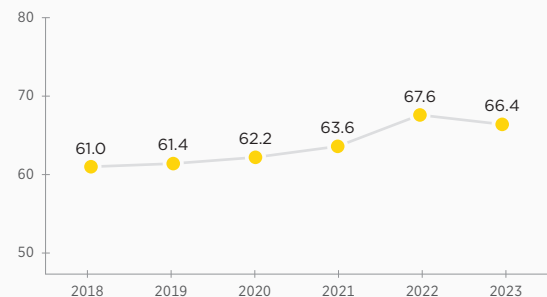
Despite some significant improvements, Croatia's scores on most components of economic freedom remain average. Earlier competitive reforms and trade liberalization have encouraged economic modernization and the emergence of a vibrant private sector, but overall progress has lagged behind that of other emerging markets, and further reform is essential.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +18.4

### RECENT FREEDOM TREND



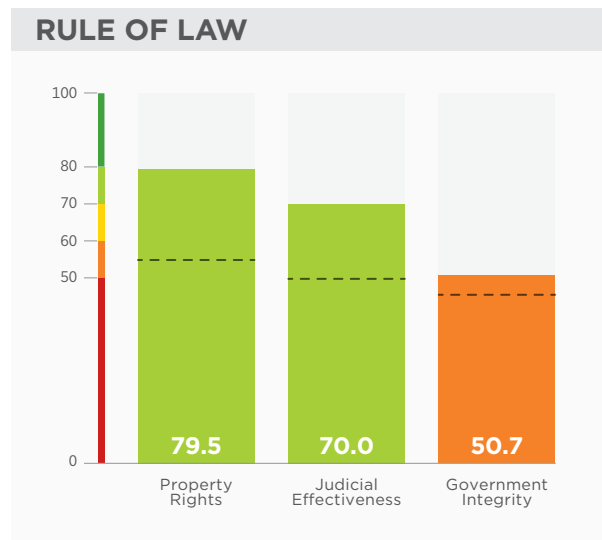
### QUICK FACTS

- POPULATION:** 3.9 million
- UNEMPLOYMENT:** 7.5%
- GDP (PPP):** \$132.9 billion
- INFLATION (CPI):** 2.6%
- 10.4% growth in 2021
- FDI INFLOW:** \$568.8 million
- 5-year compound annual growth 2.4%
- PUBLIC DEBT:** 79.8% of GDP
- \$32,943 per capita

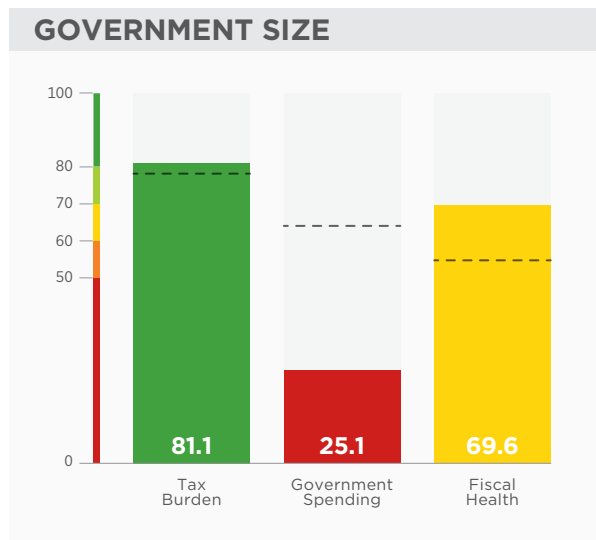
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Independent since 1991, Croatia joined NATO in 2009 and the European Union in 2013. Prime Minister Andrej Plenkovic's center-right Croatian Democratic Union won the most seats in July 2020 elections and formed a parliamentary coalition with the liberal Croatian People's Party, the People's Party-Reformists, and representatives of national minorities. Croatia will adopt the euro in 2023 and join the Schengen Area in 2024. Shipbuilding and tourism are major industries. A weak export base, emigration, labor shortages, and slow privatization remain significant challenges. Croatia recently opened a liquid natural gas import terminal at Krk Island and a Chinese-built bridge along its coast.

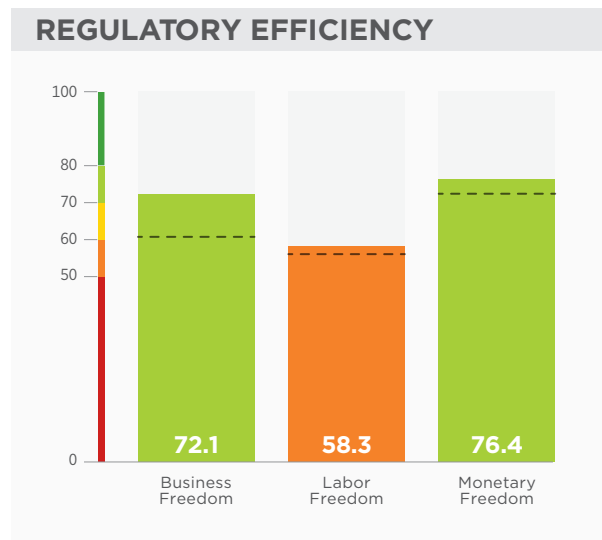
## 12 ECONOMIC FREEDOMS | CROATIA



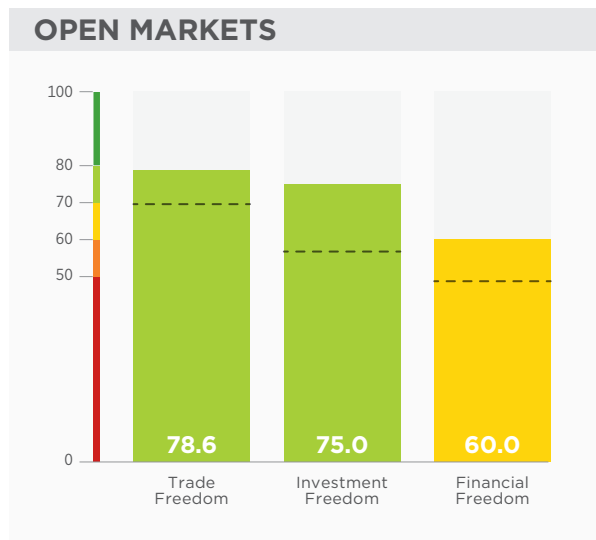
The overall rule of law is relatively well respected in Croatia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 18 percent. The tax burden equals 25.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 50.0 percent and -3.3 percent of GDP. Public debt equals 79.8 percent of GDP.



Despite reform measures that have streamlined the procedures for establishing a business, Croatia's overall regulatory environment remains burdensome and inefficient. Similarly, the labor market remains relatively rigid despite some improvements. The most recent available inflation rate is 2.6 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and eight country-specific nontariff barriers are in force. Foreign investment faces no restrictive screening mechanisms. Financial markets are open to foreign investment.

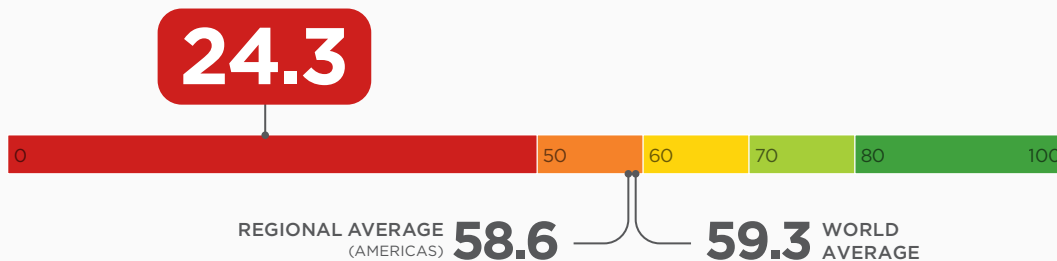
# CUBA

WORLD RANK: **175** | REGIONAL RANK: **32**  
 ECONOMIC FREEDOM STATUS: **REPPRESSED**

Cuba's economic freedom score is 24.3, making its economy one of the world's least free. Its score is 5.2 points lower than last year. Cuba is ranked least free of 32 countries in the Americas region, and its overall score is significantly lower than the world and regional averages.

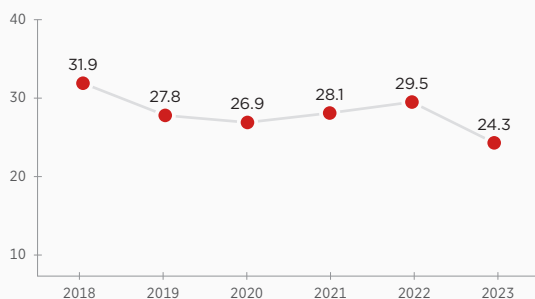
Cuba's inefficient state-run economy performs very poorly with component scores far below world averages in many categories. The foundations of economic freedom are poorly laid and ill-defended. The absence of an independent and fair judiciary weakens the rule of law. The private sector has long been shackled by tight state control.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -3.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.3 million

**GDP (PPP):**  
\$148.4 billion  
n/a growth in 2021  
5-year compound annual growth n/a  
\$13,120 per capita

**UNEMPLOYMENT:**  
1.7%

**INFLATION (CPI):**  
n/a

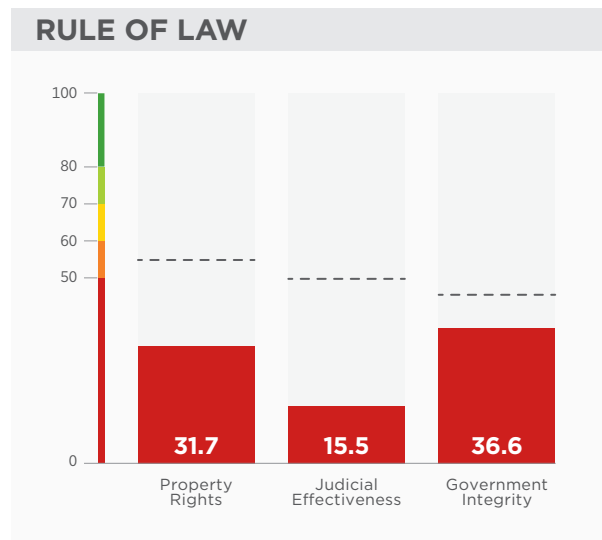
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
147.0%

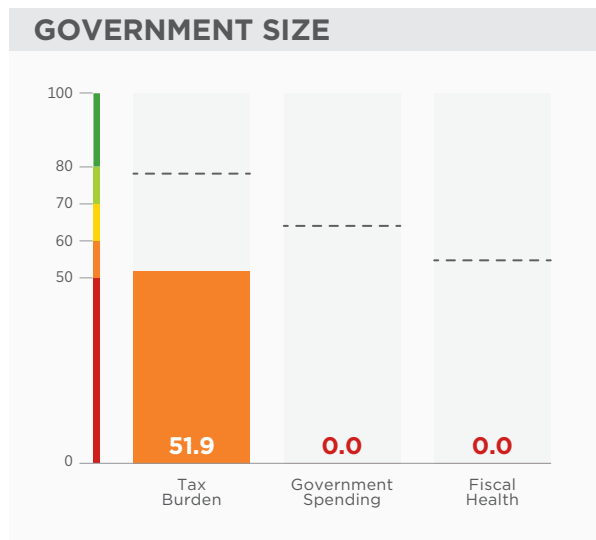
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Western Hemisphere's oldest Communist military dictatorship has ruled Cuba since 1959. Miguel Díaz-Canel became the figurehead ruler in 2018, but the Castro family and its allies remain widely influential. In 2022, Cuba expanded its police state repression to undermine historic July 11, 2021, pro-freedom protests. The regime profits from tourists, a scheme for the forcible export of Cuban health care professionals, and subsidies from other repressive regimes like those of Venezuela, Russia, China, and Iran. It also seizes the salaries of average Cubans to convert into hard currency and uses employment and microbusiness licenses as tools of political control.

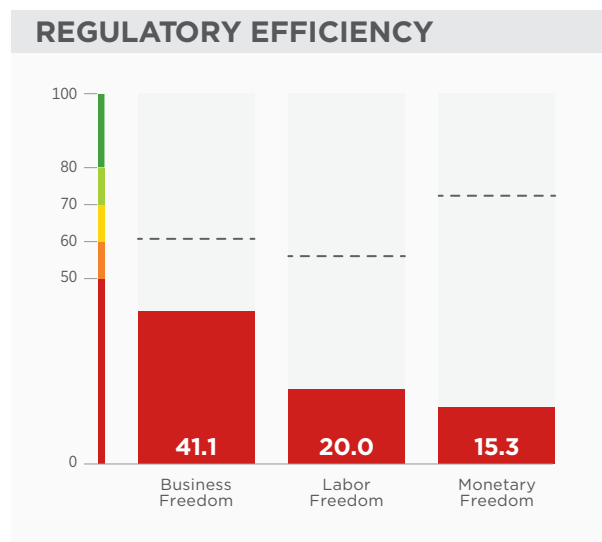
## 12 ECONOMIC FREEDOMS | CUBA



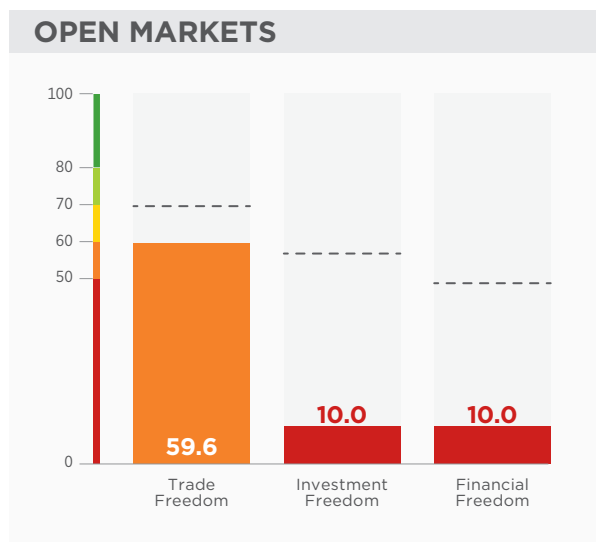
The overall rule of law is weak in Cuba. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 50 percent and 30 percent. The tax burden equals 37.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 63.7 percent and -12.1 percent of GDP. Public debt equals 147.0 percent of GDP.



Regulatory efficiency remains poor, and private entrepreneurship is limited. The application of regulations is inconsistent and nontransparent. The state-controlled labor market has resulted in a large informal sector. Monetary stability is vulnerable to state interference, and prices are subject to controls.



The trade-weighted average tariff rate is 10.2 percent, and layers of nontariff measures are in force. State-owned enterprises significantly distort the economy. Access to credit for private-sector activity is severely impeded by the shallow financial market. The state remains firmly in control.



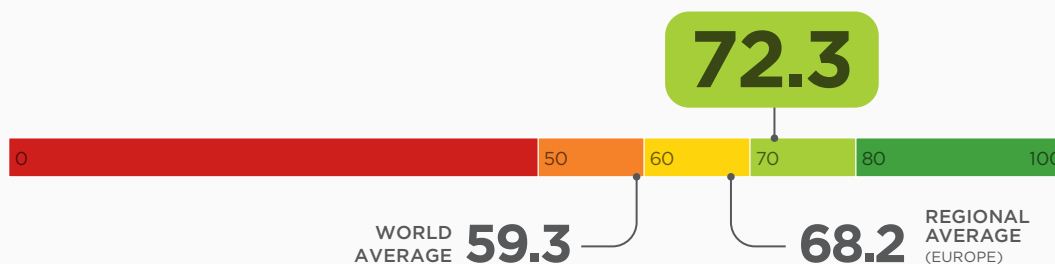
WORLD RANK:	REGIONAL RANK:
<b>18</b>	<b>12</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY FREE</b>	

# CYPRUS

Cyprus's economic freedom score is 72.3, making its economy the 18th freest in the 2023 *Index*. Its score is 0.6 point worse than last year. Cyprus is ranked 12th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

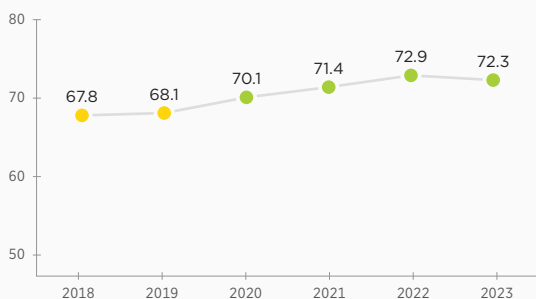
Particularly compared to other developing economies, the sound foundations of economic freedom in Cyprus are sustained by a generally well-functioning judicial system. Although public debt is moderate compared to that of other European economies, growing public spending is eroding respect for the principle of limited government and limiting Cyprus's overall economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +4.6

## RECENT FREEDOM TREND



## QUICK FACTS

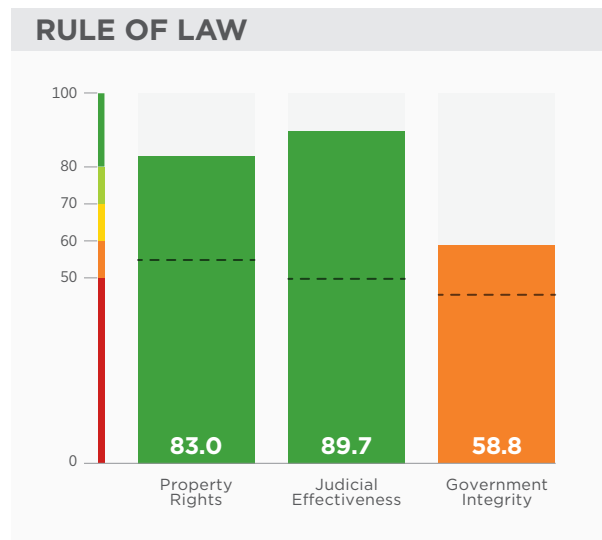
<b>POPULATION:</b> 1.2 million	<b>UNEMPLOYMENT:</b> 7.6%
<b>GDP (PPP):</b> \$40.4 billion 5.5% growth in 2021 5-year compound annual growth 3.5%	<b>INFLATION (CPI):</b> 2.2%
<b>FDI INFLOW:</b> \$463.1 million	<b>PUBLIC DEBT:</b> 103.6% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

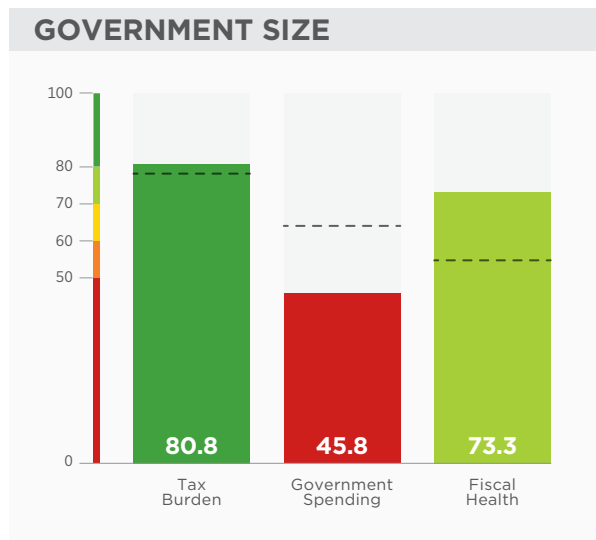
**BACKGROUND:** Cyprus gained independence from the United Kingdom in 1960, and ongoing ethnic violence led to the creation of a U.N. buffer zone that has separated the Greek Cypriot Republic of Cyprus from the Turkish Republic of Northern Cyprus since 1974. The Republic of Cyprus joined the European Union in 2004. Periodic reunification talks have failed to gain traction. Disputes continue over offshore hydrocarbon resources, and tensions flare on a regular basis. Center-right Cyprus President Nicos Anastasiades won a second five-year term in 2018. Services such as tourism, finance, shipping, and real estate account for more than 80 percent of GDP.



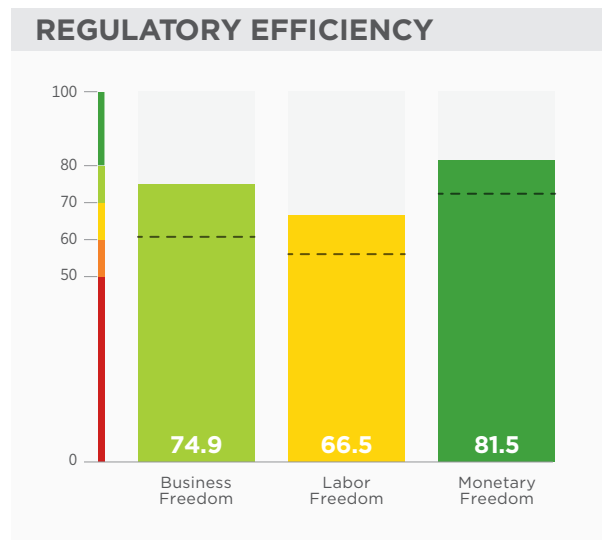
## 12 ECONOMIC FREEDOMS | CYPRUS



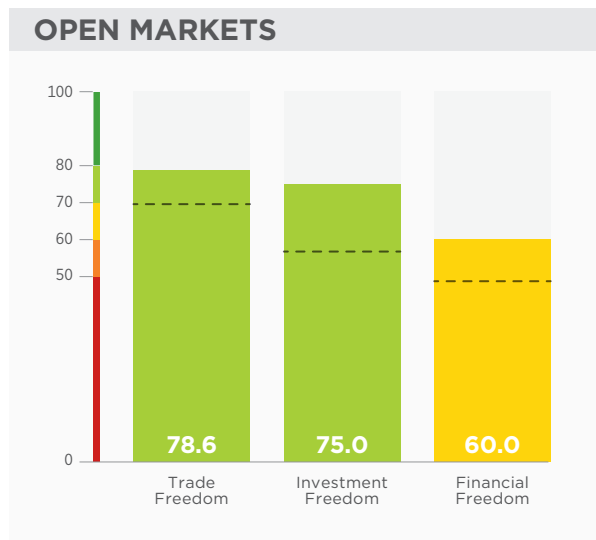
The overall rule of law is well respected in Cyprus. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 12.5 percent. The tax burden equals 23.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.5 percent and -2.0 percent of GDP. Public debt equals 103.6 percent of GDP.



The overall freedom to start, operate, and close a business is relatively well maintained within the regulatory framework, and there is no minimum capital requirement. Relatively flexible labor regulations facilitate employment and productivity growth. The most recent available inflation rate is 2.2 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and nine country-specific nontariff barriers are in force. There is no restrictive screening of foreign investment. The small financial markets are stable, and banking is well-capitalized.



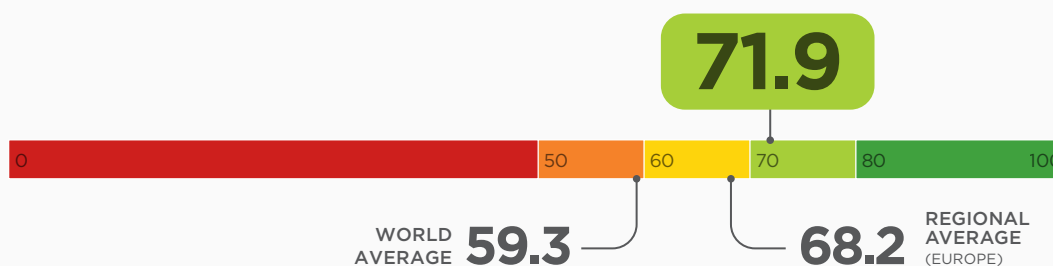
WORLD RANK: <b>21</b>	REGIONAL RANK: <b>15</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# CZECH REPUBLIC

The Czech Republic's economic freedom score is 71.9, making its economy the 21st freest in the 2023 *Index*. Its score is 2.5 points lower than last year. The Czech Republic is ranked 15th among 44 countries in the Europe region, and its overall score is higher than the regional and global averages.

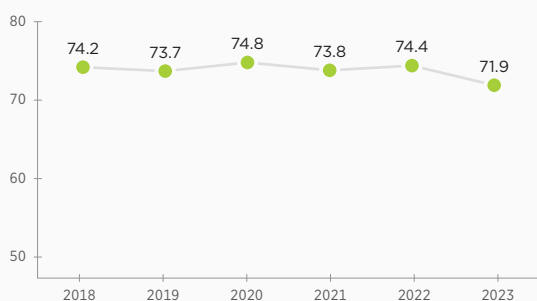
Strongly committed to economic and structural reform, the Czech Republic has developed a modern and flexible economy and performs above world averages in many of the four pillars of economic freedom. Open-market policies have enabled the economy to capitalize further on regulatory efficiencies gained through earlier reforms.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +4.1

## RECENT FREEDOM TREND



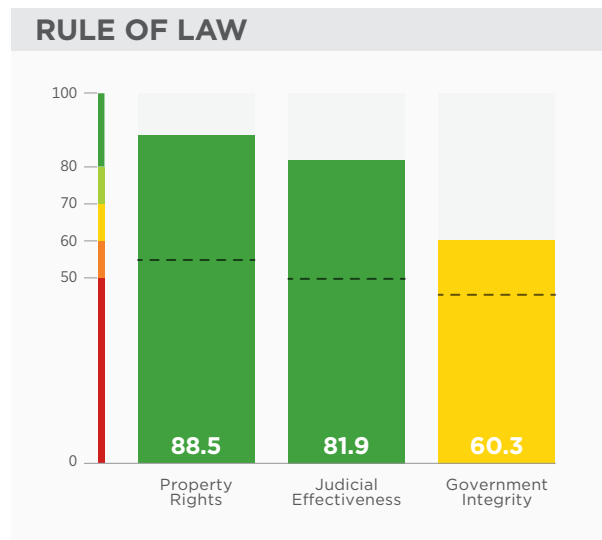
## QUICK FACTS

<b>POPULATION:</b> 10.7 million	<b>UNEMPLOYMENT:</b> 2.6%
<b>GDP (PPP):</b> \$469.1 billion 3.3% growth in 2021 5-year compound annual growth 1.8%	<b>INFLATION (CPI):</b> 3.8%
<b>FDI INFLOW:</b> \$5.8 billion	<b>PUBLIC DEBT:</b> 42.0% of GDP

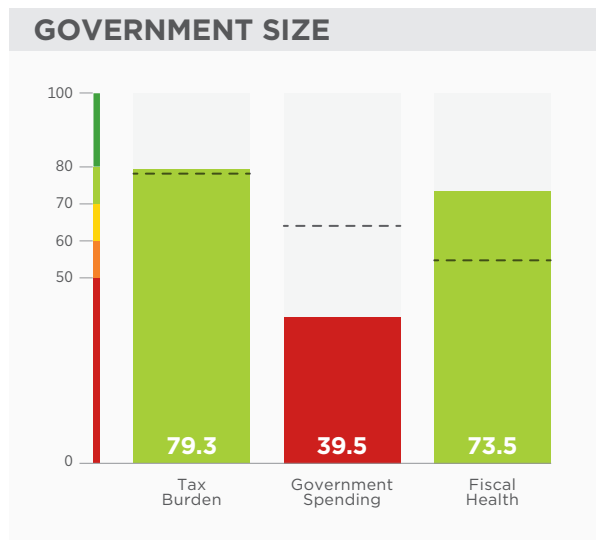
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The so-called Velvet Revolution ended Czechoslovakia's Communist dictatorship in 1989, and the Czech Republic became independent from Slovakia in 1993. Health concerns have led to questions about whether President Miloš Zeman of the center-left Czech Social Democrat Party should remain in office. Prime Minister Petr Fiala of the Civic Democratic Party leads a five-party center-right coalition, having defeated populist former Prime Minister Andrej Babiš in October 2021 elections. Challenges include the decline of the automotive industry, which accounts for 25 percent of exports, and heavy reliance on Russian energy. A series of disputes has caused relations with China to deteriorate.

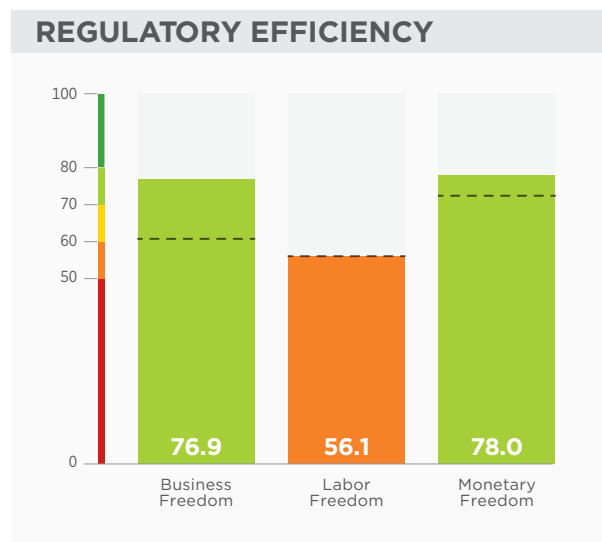
## 12 ECONOMIC FREEDOMS | CZECH REPUBLIC



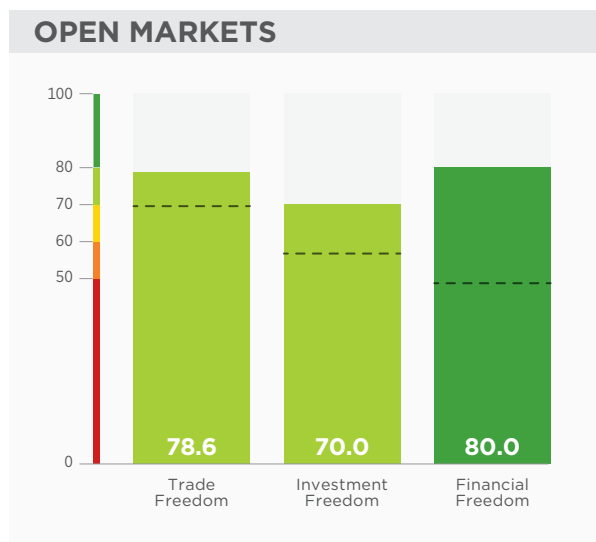
The overall rule of law is well respected in the Czech Republic. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 23 percent and 19 percent. The tax burden equals 34.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.9 percent and -3.8 percent of GDP. Public debt equals 42.0 percent of GDP.



The regulatory framework governing businesses is clear and straightforward, and all interested parties can participate in the process of enacting new regulations. The labor market is relatively flexible. The most recent available inflation rate is 3.8 percent.



The trade-weighted average tariff (common among EU members) rate is 3.2 percent; more than 600 EU-mandated nontariff measures and 116 country-specific nontariff barriers are in force. The government has reduced bureaucratic barriers to investment. The financial sector remains resilient.



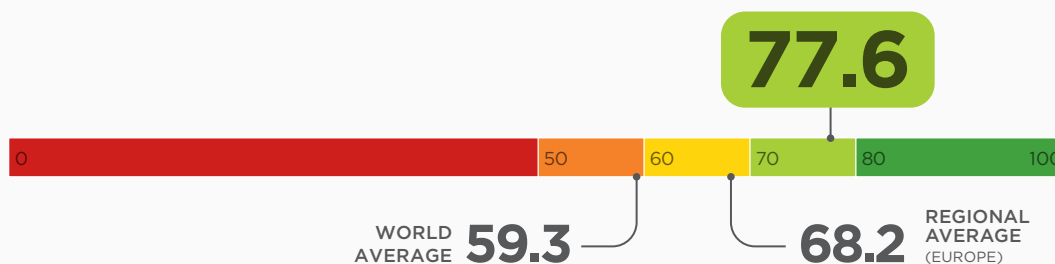
WORLD RANK: <b>9</b>	REGIONAL RANK: <b>6</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# DENMARK

**D**enmark's economic freedom score is 77.6, making its economy the 9th freest in the 2023 *Index*. Its score is 0.4 point lower than last year. Denmark is ranked 6th out of 44 countries in the Europe region, and its overall score remains well above the world and regional averages.

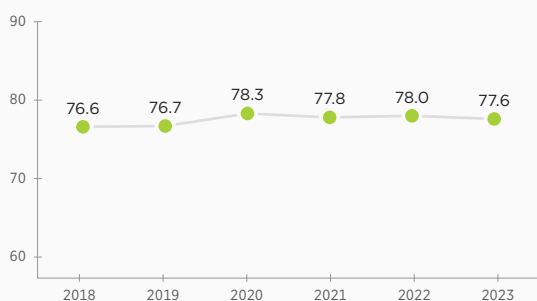
The independent and corruption-free judicial system provides strong protection of property rights. Although the corporate tax rate is competitive, the overall tax burden remains heavy. Government spending accounts for more than half of GDP. With its economy open to global trade and investment, Denmark benefits from high degrees of business freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +10.3

## RECENT FREEDOM TREND



## QUICK FACTS

<b>POPULATION:</b> 5.9 million	<b>UNEMPLOYMENT:</b> 5.6%
<b>GDP (PPP):</b> \$373.5 billion 4.1% growth in 2021 5-year compound annual growth 1.8%	<b>INFLATION (CPI):</b> 1.9%
<b>FDI INFLOW:</b> \$5.5 billion	<b>PUBLIC DEBT:</b> 36.6% of GDP

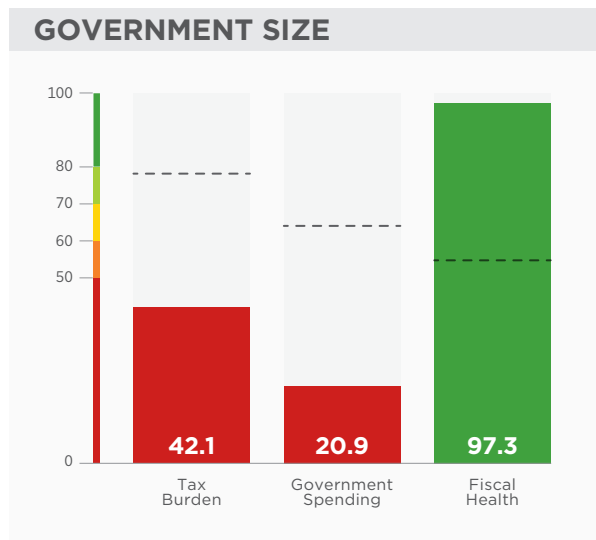
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Denmark has been a member of the European Union since 1973. Mette Frederiksen of the center-left Social Democratic Party is the country's youngest prime minister and leads a one-party minority government that relies on support from three leftist parties to pass legislation. The Danish public has supported consecutive governments' continued tightening of immigration policy with an emphasis on assimilation. The government has introduced ambitious greenhouse gas targets and a corporate carbon tax. The economy, heavily reliant on foreign trade and well-integrated into the global marketplace, has a robust private sector that includes world-leading pharmaceutical, maritime shipping, and processed food firms.

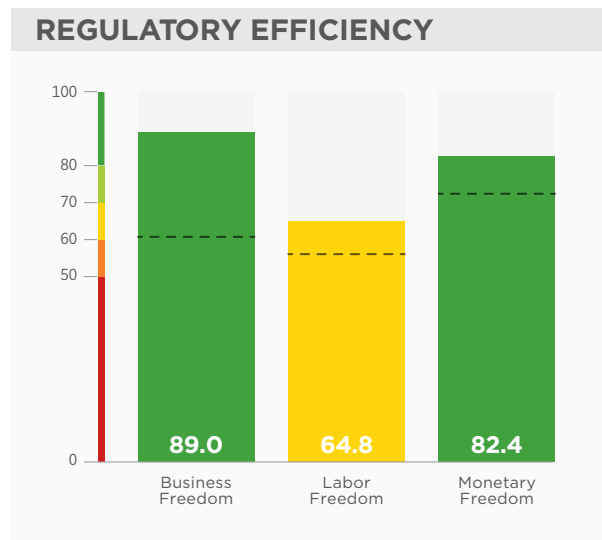
## 12 ECONOMIC FREEDOMS | DENMARK



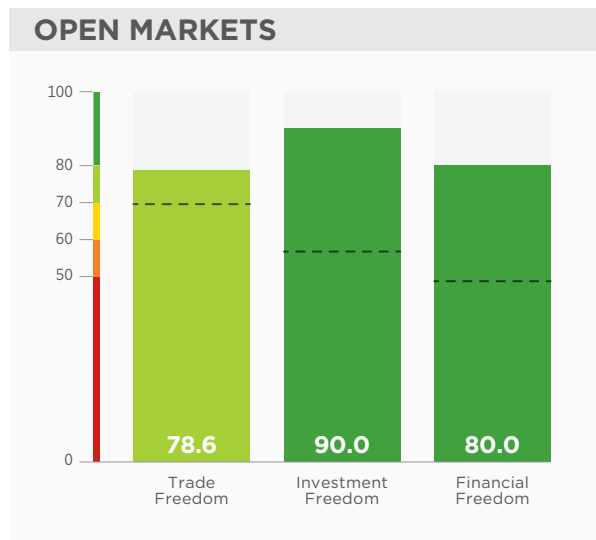
The overall rule of law is very well respected in Denmark. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 56 percent and 22 percent. The tax burden equals 46.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 51.3 percent and 2.3 percent of GDP. Public debt equals 36.6 percent of GDP.



The overall regulatory environment remains one of the world's most transparent and efficient, encouraging entrepreneurial activity. Flexible and modern employment regulations sustain the labor market. Monetary stability is well established, and the most recent available inflation rate is 1.9 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and 15 country-specific nontariff barriers are in force. Openness to foreign investment is well institutionalized. The overall financial system remains stable.

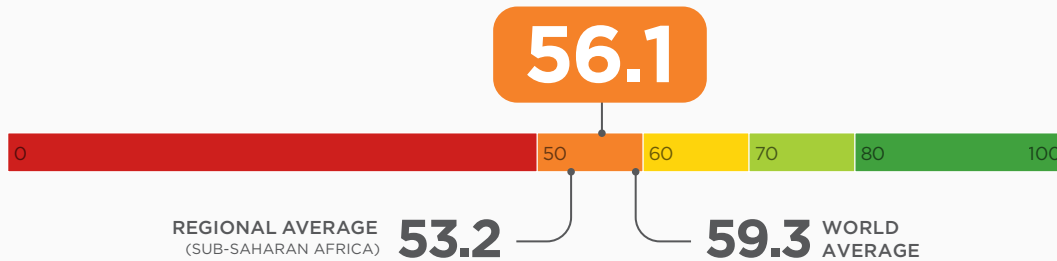
# DJIBOUTI

WORLD RANK: **112** | REGIONAL RANK: **15**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Djibouti's economic freedom score is 56.1, making its economy the 112th freest in the 2023 *Index*. Its score is 0.8 point higher than last year. Djibouti is ranked 15th out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the world average.

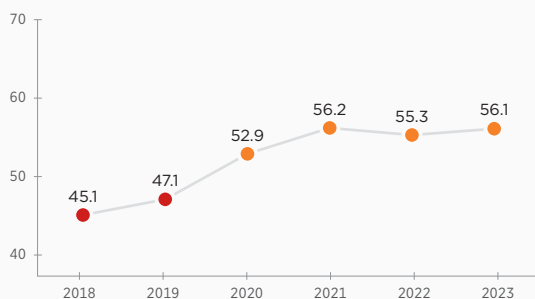
Implementation of deeper institutional reforms is critical to inspiring more dynamic economic growth. Systemic weaknesses persist in the protection of property rights and effective enforcement of anticorruption measures. The judiciary remains vulnerable to political influence. Regulatory efficiency remains poor as burdensome regulations continue to hinder development of a more entrepreneurial environment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +1.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.0 million

**GDP (PPP):**  
\$6.2 billion  
4.0% growth in 2021  
5-year compound annual growth 5.0%  
\$6,175 per capita

**UNEMPLOYMENT:**  
26.1%

**INFLATION (CPI):**  
1.2%

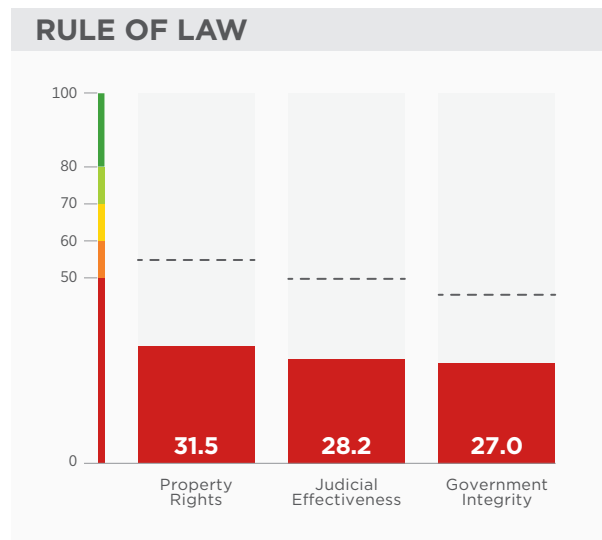
**FDI INFLOW:**  
\$166.8 million

**PUBLIC DEBT:**  
46.0% of GDP

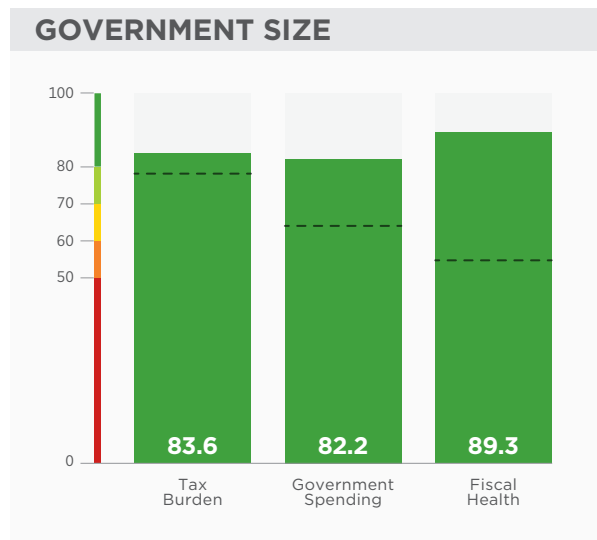
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The French Territory of the Afars and the Issas became Djibouti in 1977. President Ismael Omar Guelleh won a fifth five-year term in 2021. Djibouti hosts the U.S.'s only permanent African military base and other bases maintained by China, France, Italy, and Japan. Its services-based economy depends on commerce related to Djibouti's strategic location at the mouth of the Red Sea. In 2018, Djibouti launched Africa's biggest free-trade zone, which Chinese companies will manage. Djibouti has lost a series of international arbitration rulings to a Dubai-based company in a controversy stemming from its nationalization of a Port of Djibouti terminal.

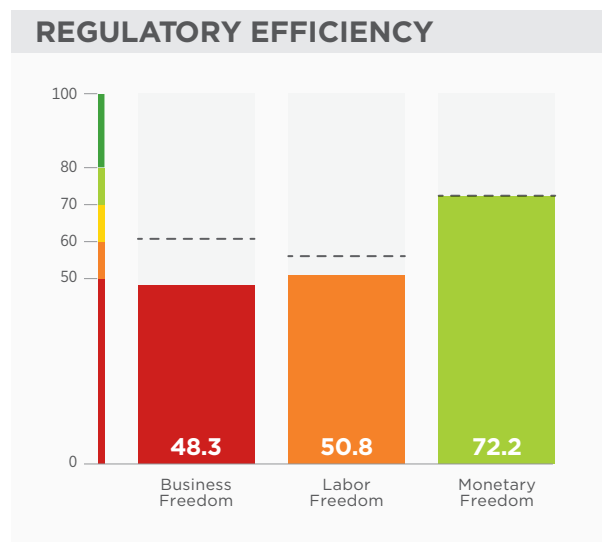
## 12 ECONOMIC FREEDOMS | DJIBOUTI



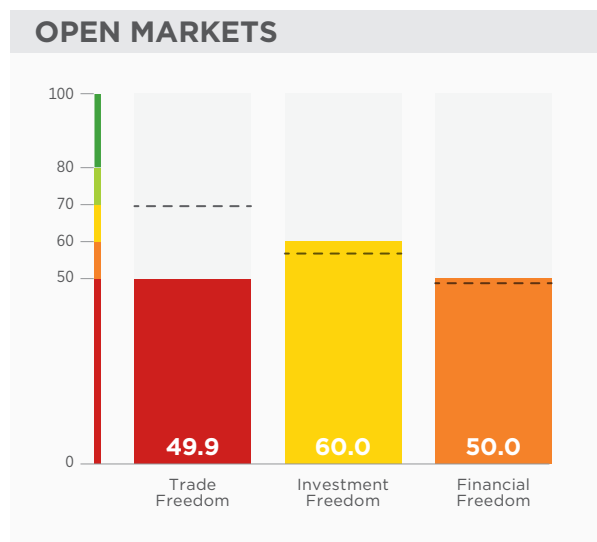
The overall rule of law is weak in Djibouti. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



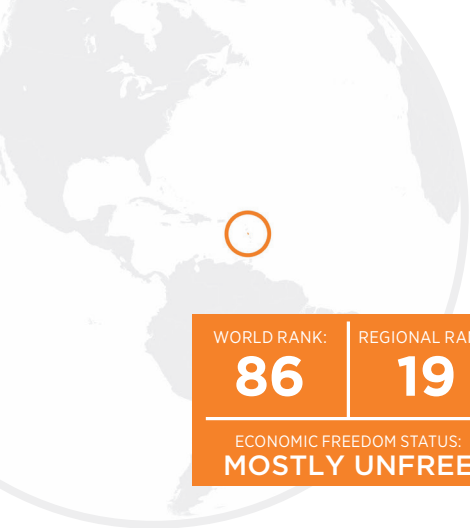
The top individual and corporate tax rates are, respectively, 30 percent and 25 percent. The tax burden equals 10.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.4 percent and -2.0 percent of GDP. Public debt equals 46.0 percent of GDP.



The regulatory system is characterized by a lack of transparency and clarity that injects considerable uncertainty into entrepreneurial decision-making. Labor laws are inefficient and complicated. Women work predominantly in the informal sector. The most recent available inflation rate is 1.2 percent.



The trade-weighted average tariff rate is 17.6 percent, and nontariff barriers further restrict trade. State-owned enterprises distort the economy, preventing dynamic private investment from taking place. Credit for entrepreneurial activity is limited by high costs and the lack of access to financing instruments.



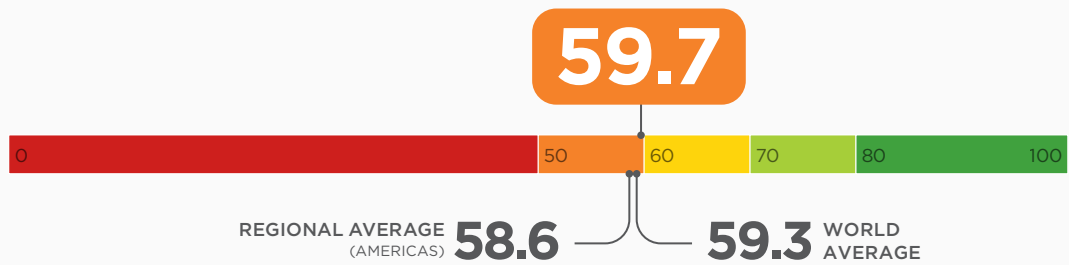
# DOMINICA

WORLD RANK:	REGIONAL RANK:
<b>86</b>	<b>19</b>
ECONOMIC FREEDOM STATUS:	
<b>MOSTLY UNFREE</b>	

**D**ominica's economic freedom score is 59.7, making its economy the 86th freest in the 2023 *Index*. Its score is 5.3 points higher than last year. Dominica is ranked 19th out of 32 countries in the Americas region, and its overall score is above the world average.

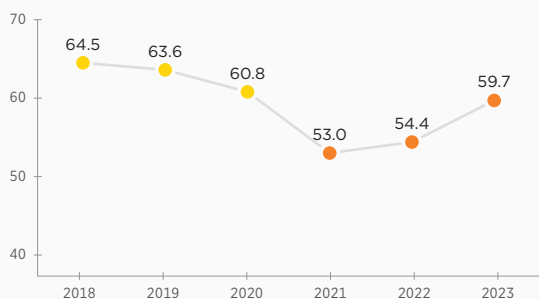
Institutional reform in Dominica has been uneven, and economic growth is constrained by structural weaknesses that continue to undercut economic freedom. The rule of law is not strongly supported by the judicial system, particularly because of corruption. Inefficient and high public spending has imposed a considerable fiscal burden on the population.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -2.9

### RECENT FREEDOM TREND



### QUICK FACTS

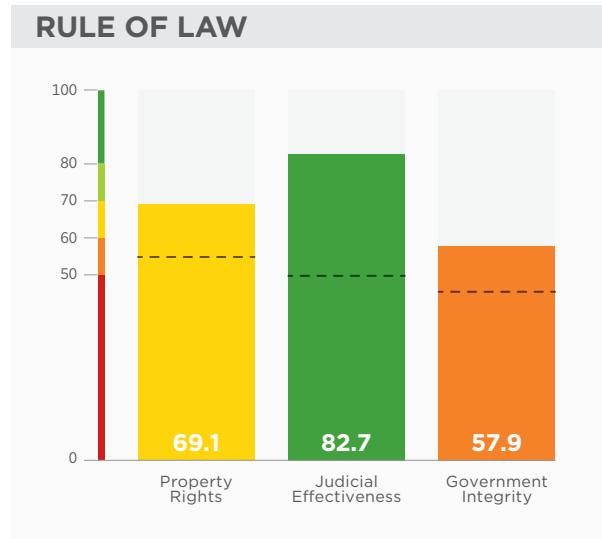
- |   |                                      |
|---|--------------------------------------|
| <b>POPULATION:</b><br>0.1 million   | <b>UNEMPLOYMENT:</b><br>n/a          |
| <b>GDP (PPP):</b><br>\$0.9 billion<br>3.7% growth in 2021<br>5-year compound annual growth -0.6%<br>\$12,835 per capita | <b>INFLATION (CPI):</b><br>0.5%      |
|   | <b>FDI INFLOW:</b><br>\$44.0 million |
|   | <b>PUBLIC DEBT:</b><br>102.7% of GDP |

2021 data unless otherwise noted. Data compiled as of September 2022

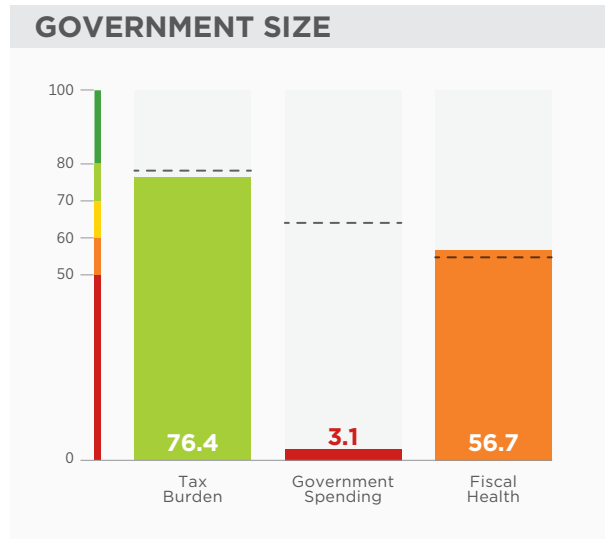
**BACKGROUND:** Dominica is a member of the Organization of Eastern Caribbean States. Prime Minister Roosevelt Skerrit of the leftist Dominica Labour Party was elected to a fifth five-year term in 2019. Dominica has made considerable investments to prepare for recurrent hurricanes since the devastating effects of Hurricane Maria in 2017. In 2022, it also committed billions to a new international airport. Dominica offers the Caribbean's cheapest program of citizenship by investment but has stepped up efforts to prevent use of the program to evade taxes. Dominica maintains relations with Venezuela's Maduro regime and has maintained formal relations with China since 2004.



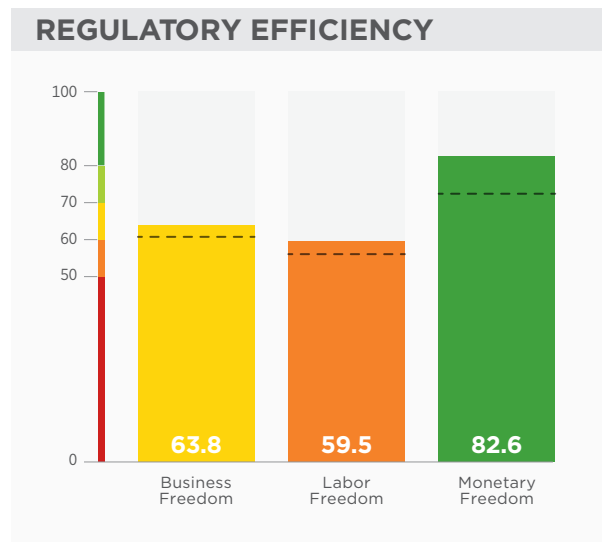
## 12 ECONOMIC FREEDOMS | DOMINICA



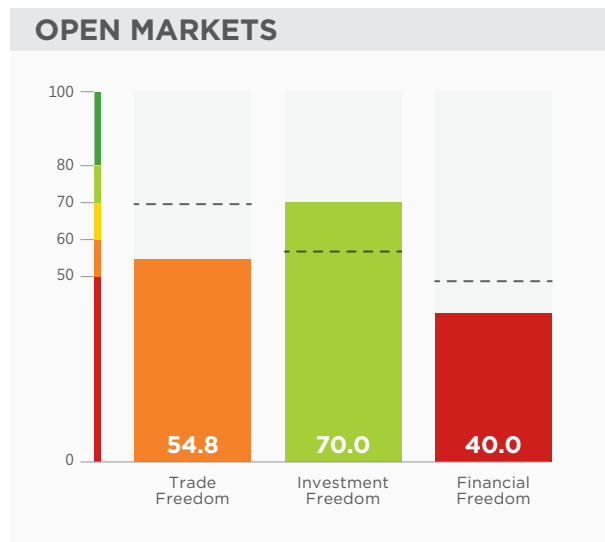
The overall rule of law is relatively well respected in Dominica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 25 percent. The tax burden equals 22.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 56.8 percent and -3.8 percent of GDP. Public debt equals 102.7 percent of GDP.



Dominica has made progress in eliminating regulatory bottlenecks and reducing the overall cost of conducting business. The non-salary cost of employing a worker is moderate, but the labor market lacks flexibility in other areas. The most recent available inflation rate is 0.5 percent.



The trade-weighted average tariff rate is 15.1 percent, and myriad nontariff measures are in force. The government may screen foreign investment. Measures to facilitate investment have been implemented. The financial sector remains underdeveloped, but the banking system is stable and growing, albeit gradually.

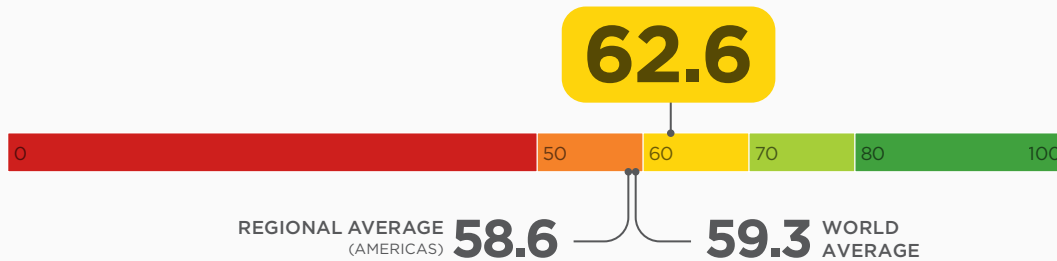
# DOMINICAN REPUBLIC



The Dominican Republic's economic freedom score is 62.6, making its economy the 65th freest in the 2023 *Index*. Its score is 0.4 point lower than last year. The Dominican Republic is ranked 14th out of 32 countries in the Americas region, and its overall score is above the world average.

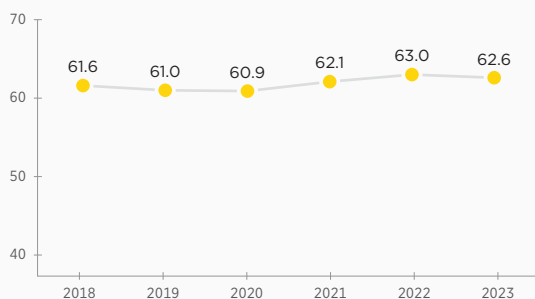
Wide-ranging reforms have somewhat improved regulatory efficiency. A relatively high degree of openness to global trade has aided the ongoing transition to a competitive economy. Substantial challenges remain to be overcome, particularly in implementing deeper institutional and systemic reforms that are needed to strengthen the foundations of economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +6.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.0 million

**GDP (PPP):**  
\$227.5 billion  
12.3% growth in 2021  
5-year compound annual growth 4.4%  
\$21,583 per capita

**UNEMPLOYMENT:**  
6.1%

**INFLATION (CPI):**  
8.2%

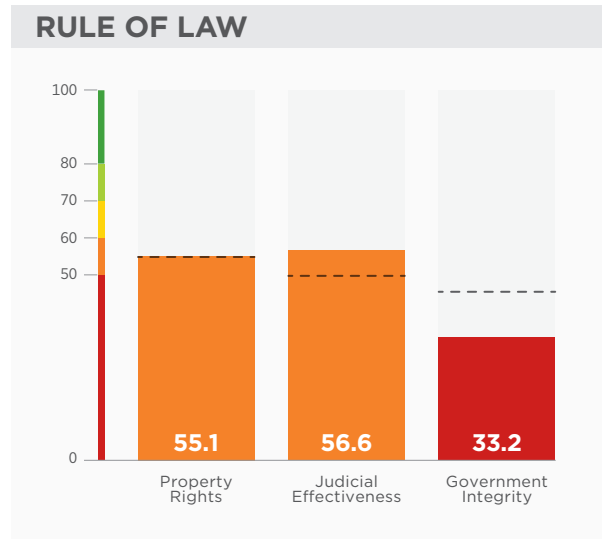
**FDI INFLOW:**  
\$3.1 billion

**PUBLIC DEBT:**  
63.1% of GDP

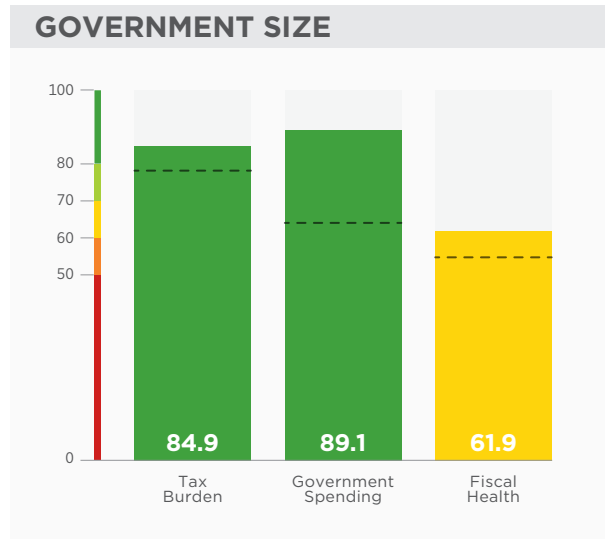
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Dominican Republic occupies the eastern two-thirds of the island of Hispaniola. Luis Abinader of the centrist Modern Revolutionary Party was elected president in 2020 promising to fight corruption, pursue economic reform, expand some social programs, and strengthen ties with the United States. In 2021, instead of raising taxes, he focused on efforts to reduce public spending. Construction of a border wall with neighboring Haiti began in 2022. In four years of formal relations, there has been a sizable expansion of imports from China. The island remains a major transshipment point for drugs bound for the United States and Europe.

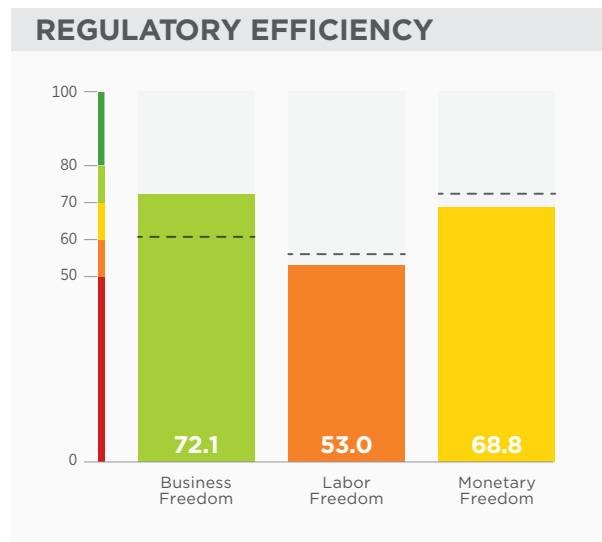
## 12 ECONOMIC FREEDOMS | DOMINICAN REPUBLIC



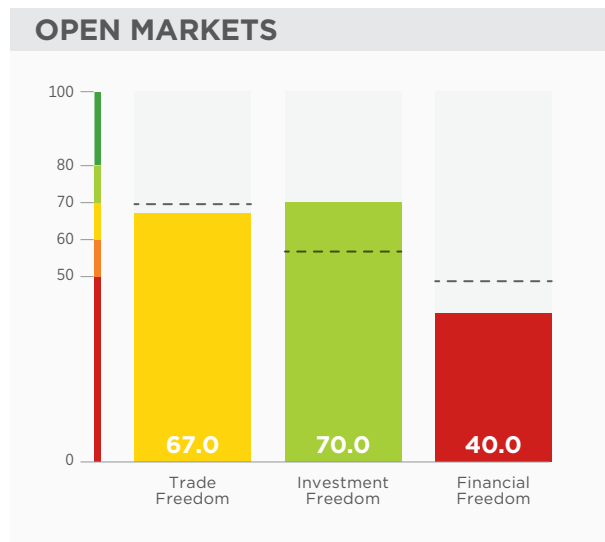
The overall rule of law is weak in the Dominican Republic. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



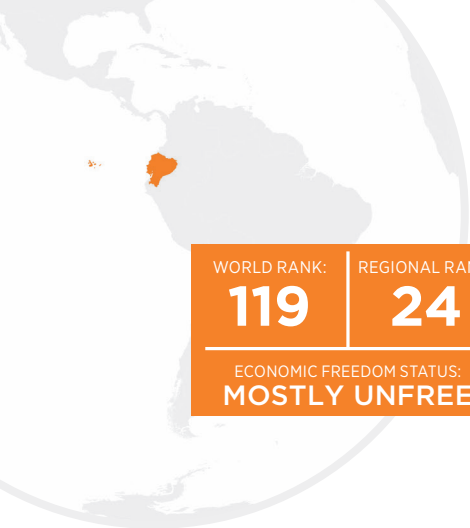
The top individual and corporate tax rates are, respectively, 25 percent and 27 percent. The tax burden equals 12.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.1 percent and -4.3 percent of GDP. Public debt equals 63.1 percent of GDP.



The entrepreneurial environment is relatively streamlined, and launching a business is becoming less time-consuming. However, overall regulatory efficiency remains inefficient. The non-salary cost of employing a worker is moderate, but restrictions on work hours are rigid. The most recent available inflation rate is 8.2 percent.



The trade-weighted average tariff rate is 9.0 percent, and more than 80 nontariff measures are in force. In general, the government does not discriminate against or screen foreign investment. The financial sector has been growing, and the stock market continues to expand.



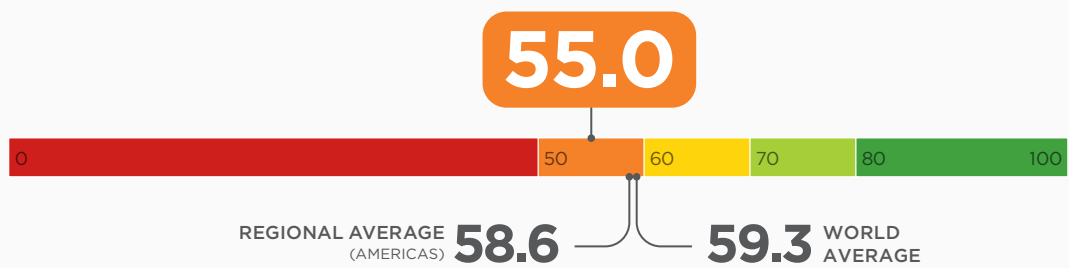
WORLD RANK:	REGIONAL RANK:
<b>119</b>	<b>24</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# ECUADOR

Ecuador's economic freedom score is 55.0, making its economy the 119th freest in the 2023 *Index*. Its score is 0.7 point better than last year. Ecuador is ranked 24th out of 32 countries in the Americas, and its overall score is below the world and regional averages.

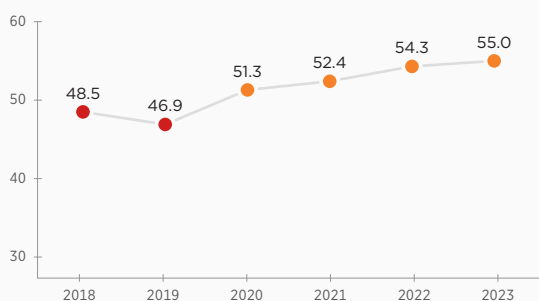
Considerably undermining economic freedom, the reach of Ecuador's government continues to expand to economic sectors beyond the petroleum industry. The rule of law is undermined by pervasive corruption that weakens property rights. The private sector is struggling to operate in what is now a restrictive entrepreneurial environment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -2.7

### RECENT FREEDOM TREND



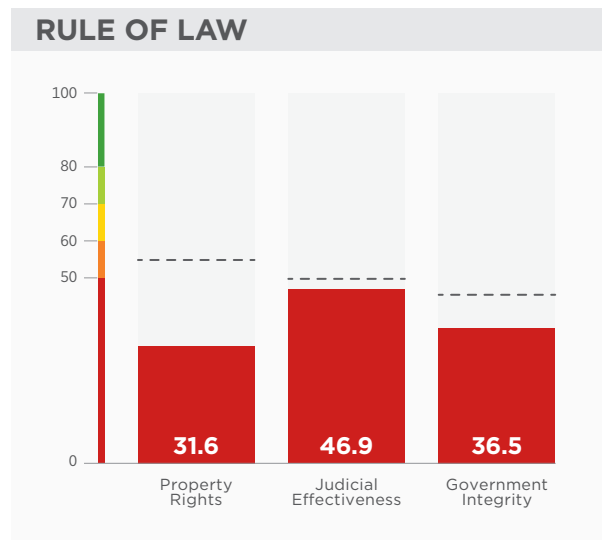
### QUICK FACTS

- POPULATION:** 17.9 million
- GDP (PPP):** \$208.6 billion  
4.2% growth in 2021  
5-year compound annual growth 0.0%
- UNEMPLOYMENT:** 6.1%
- INFLATION (CPI):** 0.1%
- FDI INFLOW:** \$620.6 million
- PUBLIC DEBT:** \$11,748 per capita  
62.2% of GDP

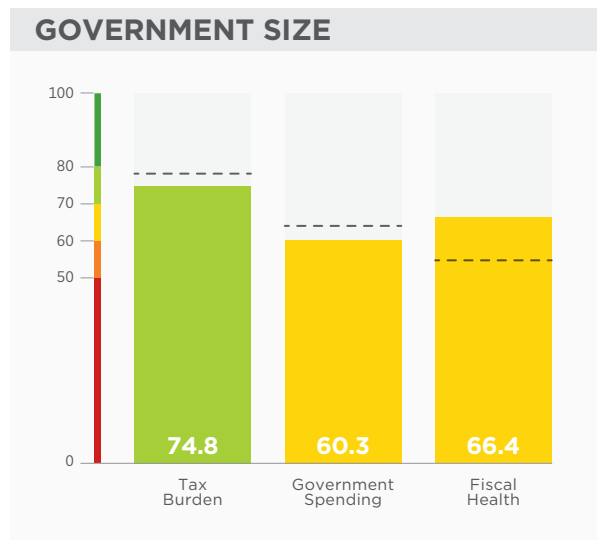
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** President Guillermo Lasso was elected in April 2021 with the center-right CREO party, replacing socialist Rafael Correa. Lasso has pursued moderate labor and tax reforms to revitalize economic growth, and his government faces opposition from the unicameral parliament's leftist majority and violent protests from left-wing indigenous activists. The government has negotiated a \$6.5 billion loan with the IMF and in 2022 agreed to negotiate a \$4.6 billion debt with China. The world's largest banana exporter, Ecuador remains a major transit country for narco-trafficking and prime target for Chinese illegal fishing. Its dollarized economy is substantially dependent on petroleum production.

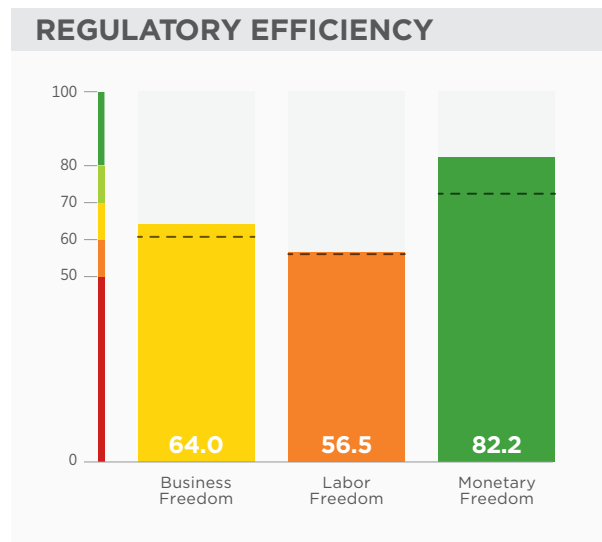
## 12 ECONOMIC FREEDOMS | ECUADOR



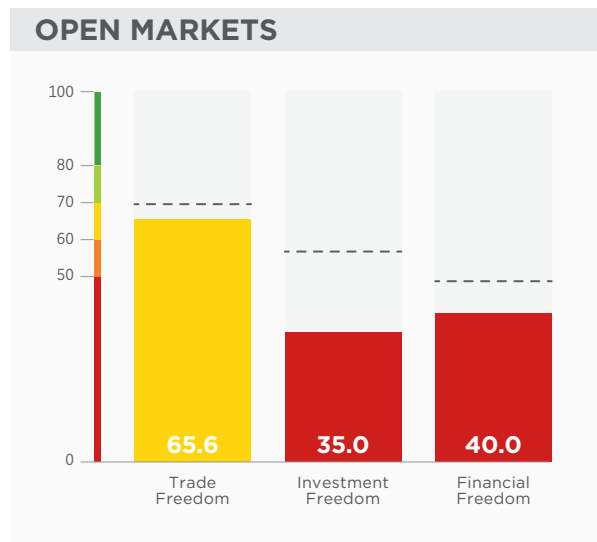
The overall rule of law is weak in Ecuador. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



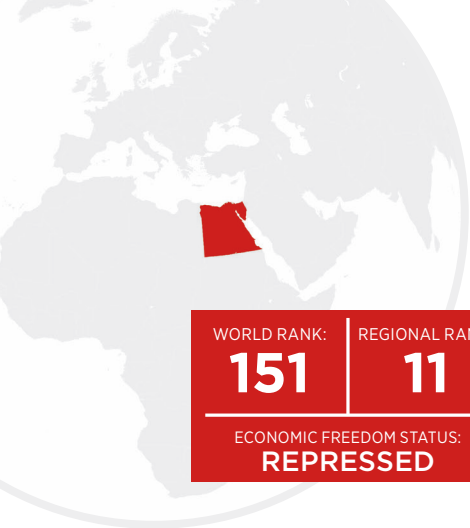
The top individual and corporate tax rates are, respectively, 37 percent and 28 percent. The tax burden equals 19.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.4 percent and -4.0 percent of GDP. Public debt equals 62.2 percent of GDP.



The inconsistent application of commercial laws increases the cost of doing business. Non-transparency and unfair competition from state-backed firms persist. Outdated labor regulations discourage new hiring, and employers resort to short-term outsourcing contracts. Price controls are often used by the state.



The trade-weighted average tariff rate is 7.2 percent, and more than 200 nontariff measures are in force. The investment climate remains uncertain. The underdeveloped and state-controlled financial sector limits access to credit. About 50 percent of adults have access to accounts with formal banking institutions.



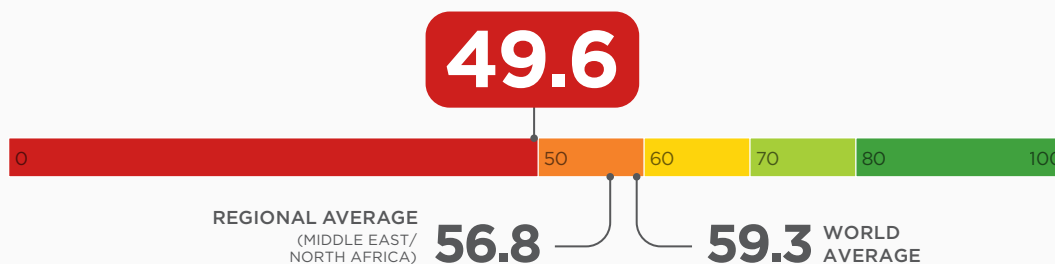
# EGYPT

WORLD RANK:	REGIONAL RANK:
<b>151</b>	<b>11</b>
ECONOMIC FREEDOM STATUS: <b>REPPRESSED</b>	

**E**gypt's economic freedom score is 49.6, making its economy the 151st freest in the 2023 *Index*. Its score is 0.5 point higher than last year. Egypt is ranked 11th out of 14 countries in the Middle East/North Africa region, and its overall score is below the regional and world averages.

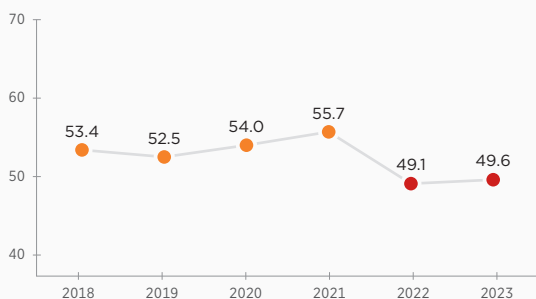
Deeper institutional reforms needed to sustain long-term growth and stable economic development include strengthening of the judicial system, better protection of property rights, and more effective eradication of corruption. Policies that might have helped to open markets have been undercut by the heavy state presence in the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
104.3 million

**GDP (PPP):**  
\$1.4 trillion  
3.3% growth in 2021  
5-year compound annual growth 4.4%  
\$13,530 per capita

**UNEMPLOYMENT:**  
7.9%

**INFLATION (CPI):**  
4.5%

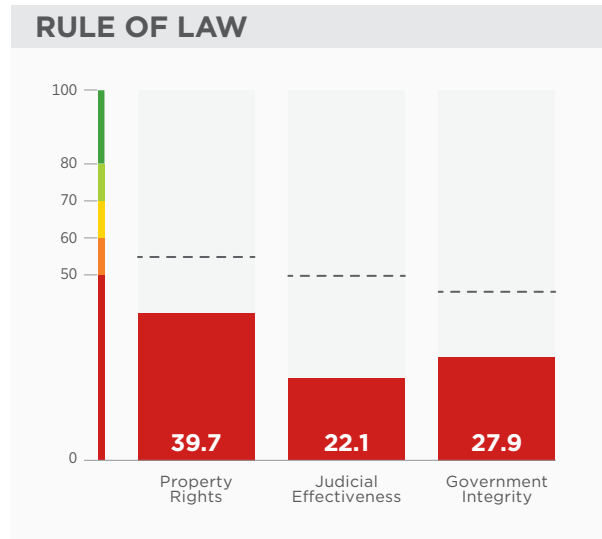
**FDI INFLOW:**  
\$5.1 billion

**PUBLIC DEBT:**  
89.2% of GDP

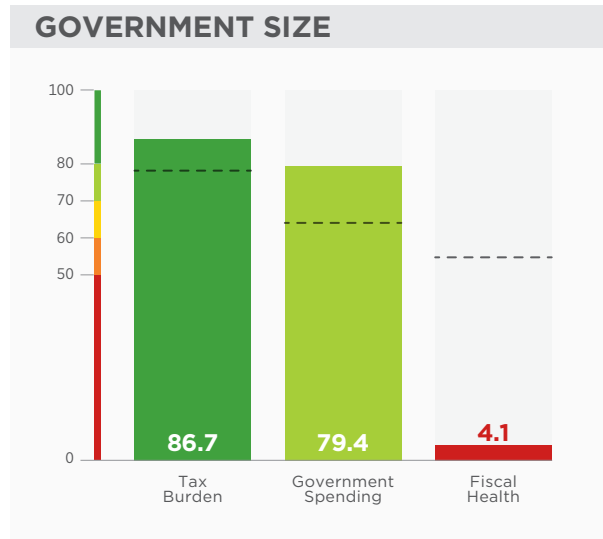
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** After the army deposed President Hosni Mubarak in 2011, the ensuing political instability eventually led it to oust Mubarak's elected but increasingly unpopular successor, the Muslim Brotherhood's Mohamed Morsi. Under a new constitution, President Abdel Fattah el-Sisi was elected to a four-year term in 2014 and reelected in 2018; constitutional amendments approved in 2019 strengthened presidential authority and could permit him to rule until 2030. Most economic activity takes place in the highly fertile Nile Valley. Despite sporadic terrorist attacks, post-pandemic tourism is beginning to rebound, but Egypt remains dependent on aid from Saudi Arabia and international financial institutions.

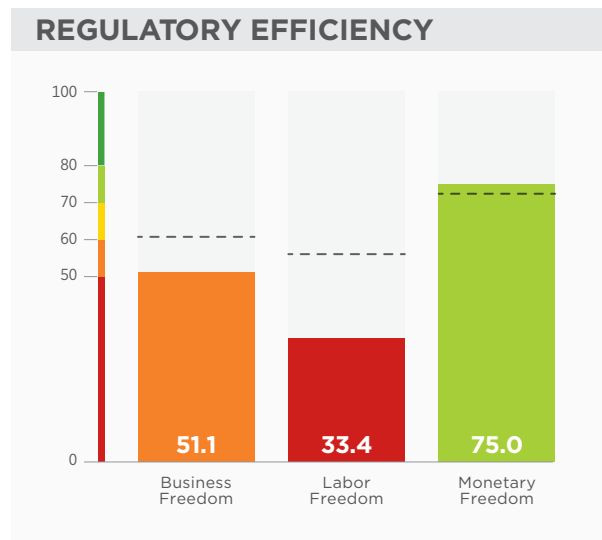
## 12 ECONOMIC FREEDOMS | EGYPT



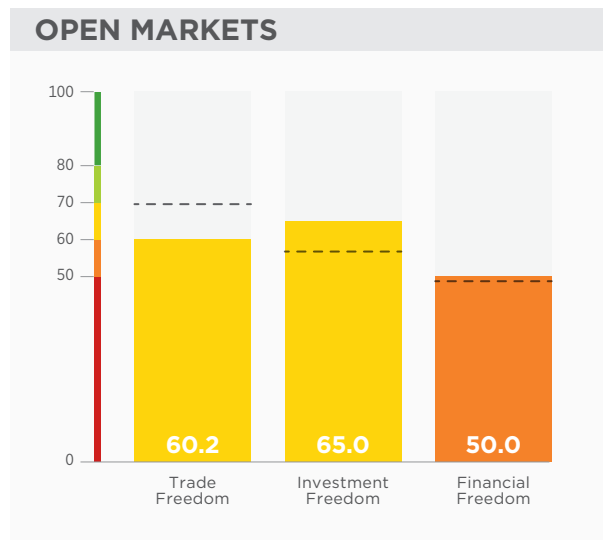
The overall rule of law is weak in Egypt. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 22.5 percent. The tax burden equals 14.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.2 percent and -7.3 percent of GDP. Public debt equals 89.2 percent of GDP.



There have been reforms aimed at reducing regulatory overhang and improving the ease of doing business in recent years. In the absence of a well-functioning labor market, informal labor activity persists in many sectors. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 12.4 percent, and more than 150 nontariff measures are in force. Investment in several sectors remains restricted. Banking is well capitalized and stable, and local banks are attaining continued profitability. The credit market is vibrant and open to foreigners.

# EL SALVADOR

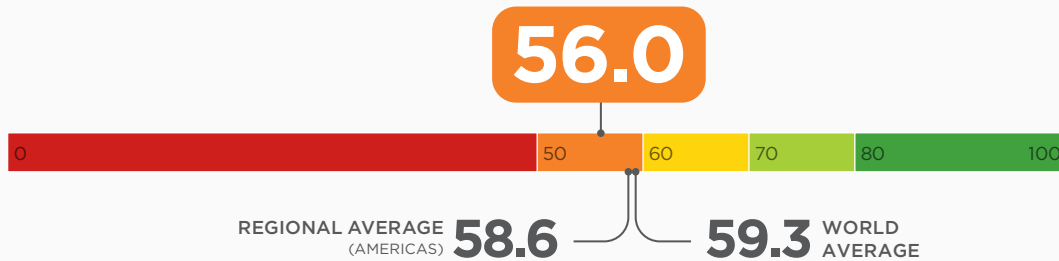
WORLD RANK: **114** REGIONAL RANK: **23**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**E**l Salvador's economic freedom score is 56.0, making its economy the 114th freest in the 2023 *Index*. Its score is 3.6 points lower than last year. El Salvador is ranked 23rd out of 32 countries in the Americas region, and its overall score is below the world average.

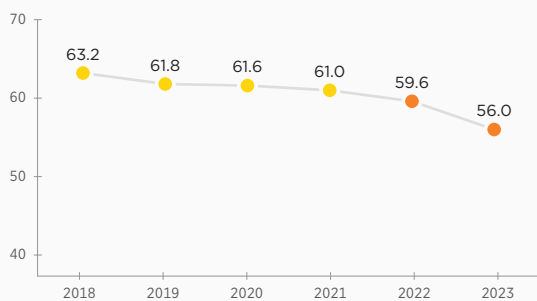
The regulatory environment supports trade, investment, and overall competitiveness, but institutional weaknesses continue to slow El Salvador's transition to greater economic freedom. Property rights are only moderately well protected, and the judicial system is relatively inefficient. Improved management of public finance is needed to eliminate chronic fiscal deficits.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -13.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.5 million

**GDP (PPP):**  
\$63.3 billion  
10.3% growth in 2021  
5-year compound annual growth 1.9%  
\$9,714 per capita

**UNEMPLOYMENT:**  
5.0%

**INFLATION (CPI):**  
3.5%

**FDI INFLOW:**  
\$314.2 million

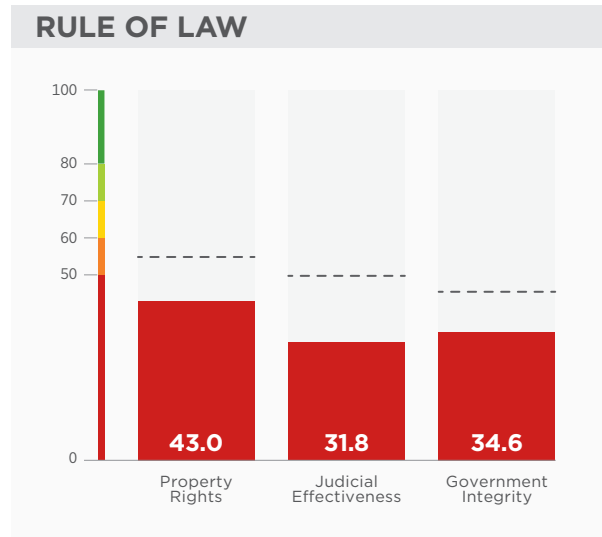
**PUBLIC DEBT:**  
82.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

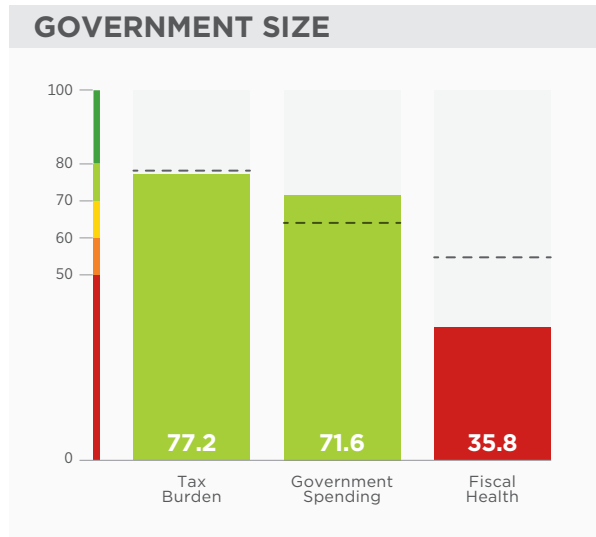
**BACKGROUND:** Since his election in 2019, President Nayib Bukele, a former mayor with ties to the leftist Farabundo Martí National Liberation Front (FMLN), has consolidated power across the government. In 2021, his recently appointed Supreme Court allies lifted a constitutional reelection ban, raising concerns about authoritarian tendencies. Despite a hardened policy against violent gangs, the government has been accused of making pacts with gang leaders. Bukele has also continued to implement the controversial adoption of Bitcoin as one of the country's official currencies. El Salvador remains a key transshipment point for drug trafficking and a strategic location for growing Chinese influence.



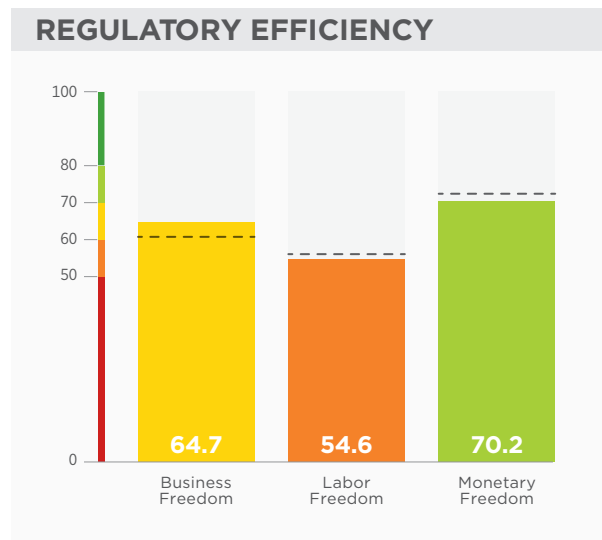
## 12 ECONOMIC FREEDOMS | EL SALVADOR



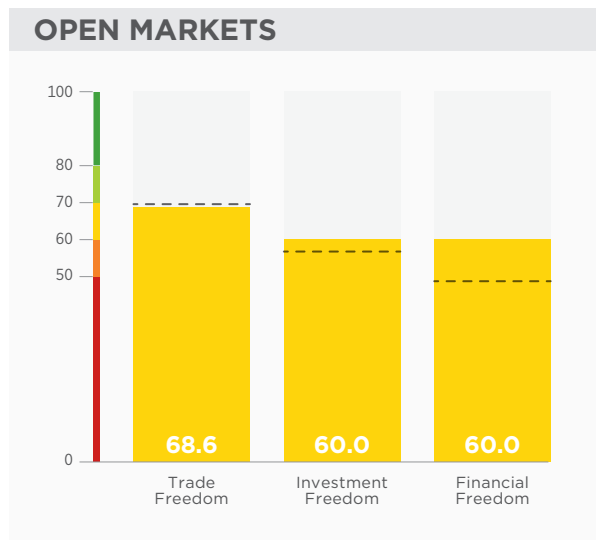
The overall rule of law is weak in El Salvador. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 21.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.8 percent and -5.6 percent of GDP. Public debt equals 82.4 percent of GDP.



Progress in easing constraints on El Salvador's business environment lags behind progress in other countries. The labor market lacks flexibility, and imbalances persist in the demand and supply of skilled workers. Price controls are imposed on a range of goods and services.



The trade-weighted average tariff rate is 8.2 percent, and layers of nontariff measures are in force. In general, foreign and domestic investors are treated equally. Banking is highly concentrated, and foreign banks can offer all of the services that domestic banks offer.

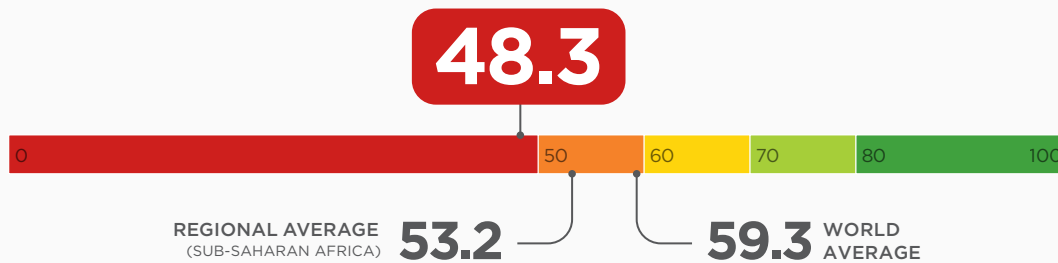
# EQUATORIAL GUINEA



Equatorial Guinea's economic freedom score is 48.3, making its economy the 153rd freest in the 2023 *Index*. Its score is 1.1 points higher this year. Equatorial Guinea is ranked 37th out of 47 countries in the Sub-Saharan Africa region, and its score is below the regional and world averages.

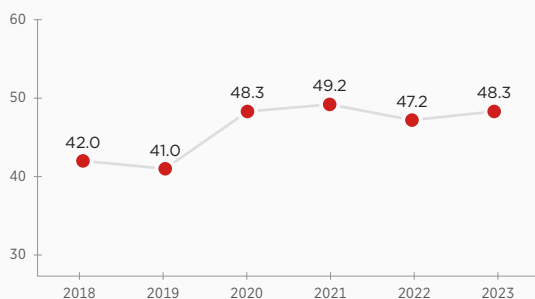
Persistent institutional weaknesses impede the emergence of a vibrant private sector, and improving the investment and business climate to generate more broadly based economic expansion remains a priority. Pervasive corruption further undermines the already weak rule of law, and limited economic reform has led to overreliance on natural resource-driven investment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +3.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 million

**GDP (PPP):**  
\$25.3 billion  
-3.5% growth in 2021  
5-year compound annual growth -5.3%  
\$17,412 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
-0.1%

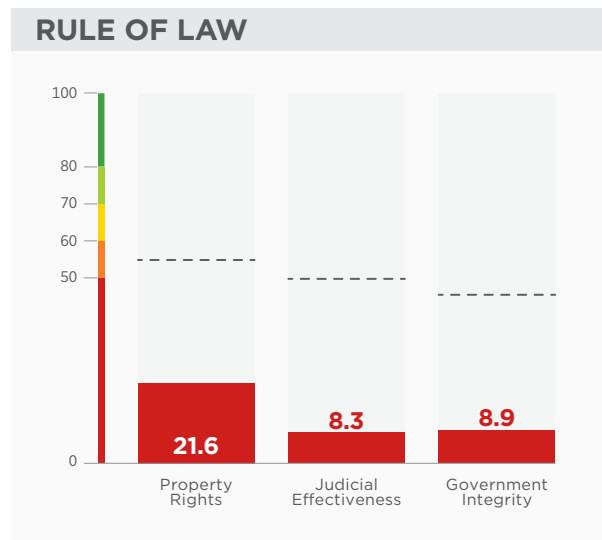
**FDI INFLOW:**  
\$491.1 million

**PUBLIC DEBT:**  
42.8% of GDP

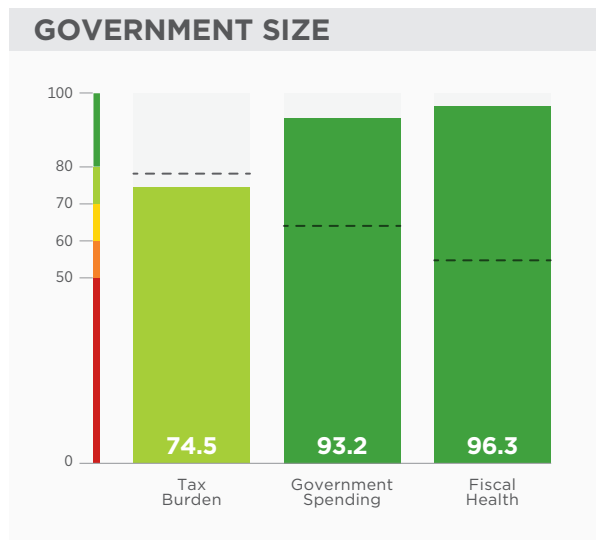
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Equatorial Guinea gained independence from Spain in 1968. President Teodoro Obiang, Africa's longest-serving leader, seized power in 1979 and won reelection in 2016 with 93 percent of the vote. The ruling party controls 99 of 100 parliamentary seats. In 2018, the Supreme Court approved the dissolution of the main opposition party and 30-year prison sentences for nearly two dozen members of the opposition. Obiang later declared a total amnesty for political prisoners. Equatorial Guinea was once one of Africa's fastest-growing economies and sub-Saharan Africa's third-largest oil producer, but corruption, falling oil revenues, and lack of diversification have hurt the economy.

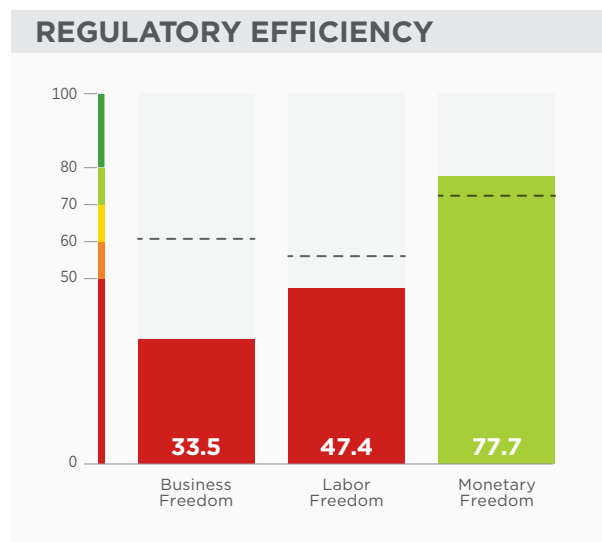
## 12 ECONOMIC FREEDOMS | EQUATORIAL GUINEA



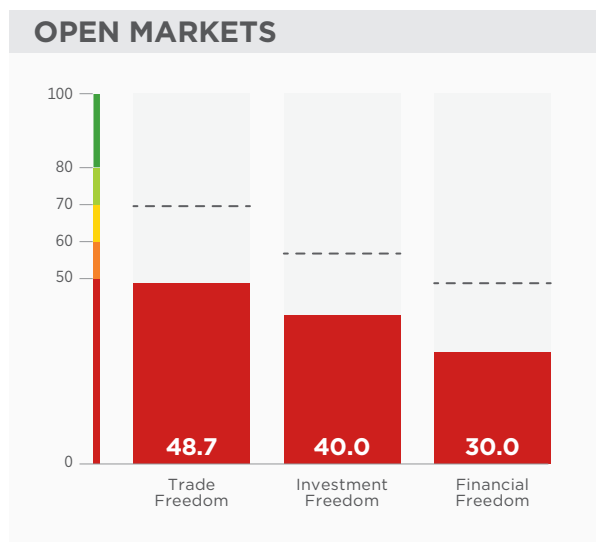
The overall rule of law is weak in Equatorial Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 35 percent. The tax burden equals 10.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.1 percent and 0.9 percent of GDP. Public debt equals 42.8 percent of GDP.



Despite some progress, constraints include cumbersome administrative procedures and the relatively high costs of complying with licensing requirements. In the absence of private-sector employment opportunities, an efficient labor market has not emerged. Monetary stability has been fragile, and price controls are imposed.



The most recent available average tariff rate is 15.6 percent. Onerous regulations, exacerbated by other institutional shortcomings, impede trade and foreign investment flows. High credit costs limit access to financing. The government controls long-term lending through the state-owned development bank.

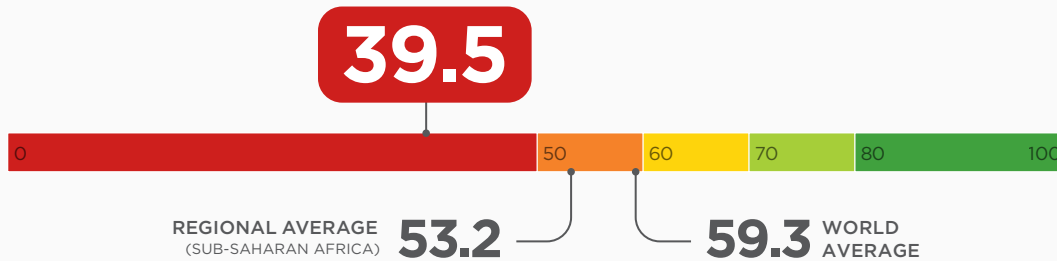
# ERITREA

WORLD RANK: **171** | REGIONAL RANK: **45**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

Eritrea's economic freedom score is 39.5, making its economy one of the least free in the 2023 *Index*. Its score is 0.2 point lower than last year. Eritrea is ranked 45th out of 46 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

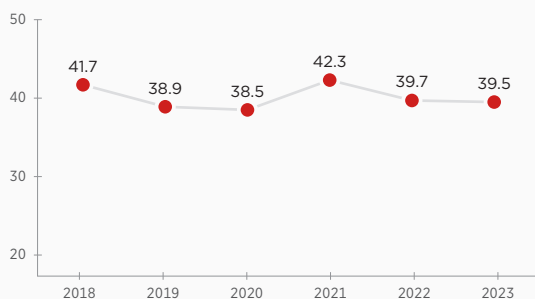
Eritrea's long-standing problems include poor governance, a lack of commitment to structural reform, poor management of public finance, and underdeveloped legal and regulatory frameworks. Weak enforcement of property rights and fragile rule of law have driven many people into the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +1.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.6 million

**GDP (PPP):**  
\$6.9 billion  
2.9% growth in 2021  
5-year compound annual growth 1.8%  
\$1,921 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
4.5%

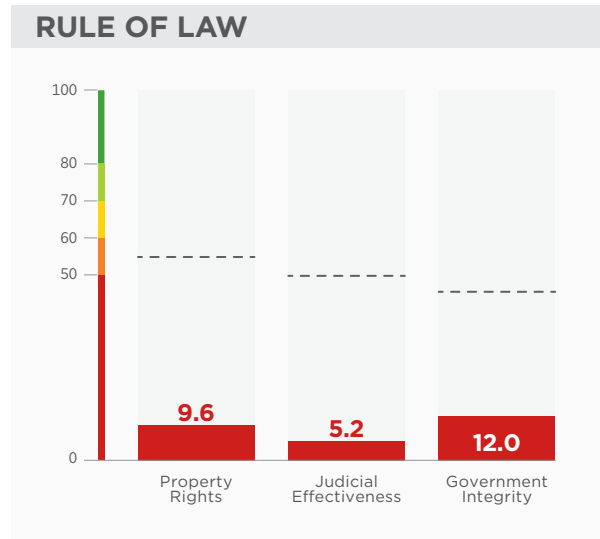
**FDI INFLOW:**  
\$70.5 million

**PUBLIC DEBT:**  
176.3% of GDP

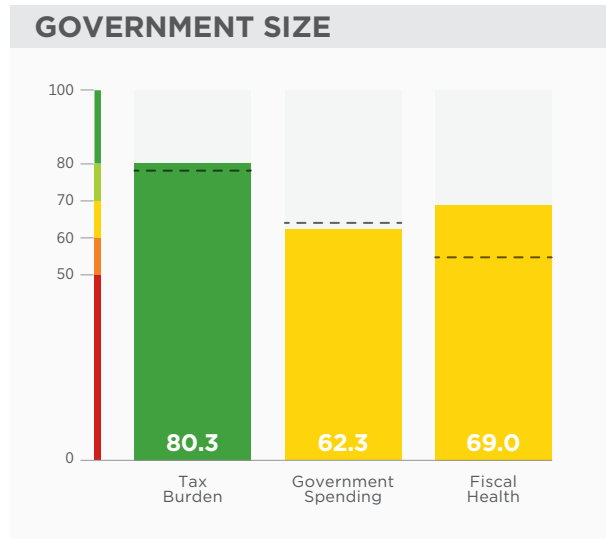
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Ethiopia's 1962 annexation of Eritrea sparked a violent struggle for independence that ended with the Eritrean rebels' victory in 1991. Isaias Afewerki's autocratic rule has created a rigidly militarized society, and mandatory conscription can be for indefinite periods. Eritrea and Ethiopia normalized relations in 2018. Eritrean troops entered northern Ethiopia to support the Ethiopian government's offensive against a rebel group in 2020 and have been accused of widespread brutality. The president's development agenda has led to the expansion of military-owned and party-owned businesses. Copper and gold are important exports, but military spending drains resources needed for public infrastructure.

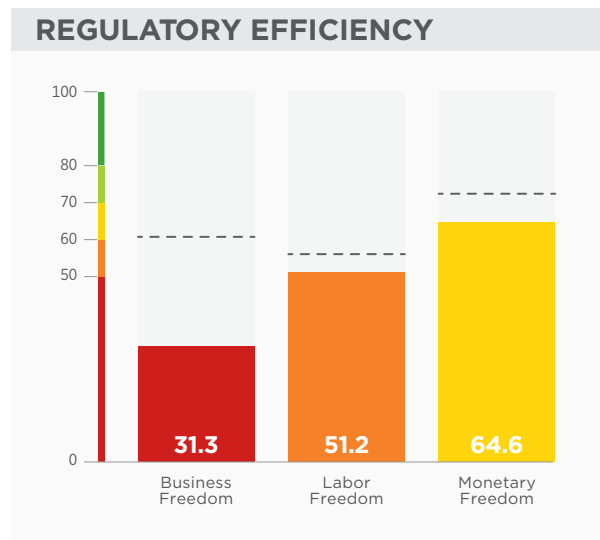
## 12 ECONOMIC FREEDOMS | ERITREA



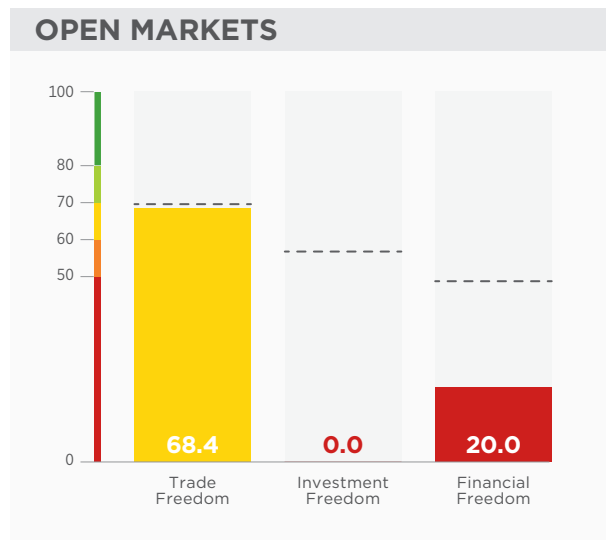
The overall rule of law is weak in Eritrea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 12.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.5 percent and -2.6 percent of GDP. Public debt equals 176.3 percent of GDP.



Businesses face the constant threat of government interference. Few sizable private businesses exist, and employment opportunities are limited. Reliable economic and labor statistics are difficult or impossible to find. Monetary stability is fragile, and the most recent available inflation rate is 4.5 percent.



The most recent publicly available average tariff rate is 5.8 percent, but layers of nontariff barriers severely restrict trade flows. Foreign investment in several economic sectors is restricted, and state-owned enterprises distort markets. The financial system remains underdeveloped, and capital markets are nonexistent.



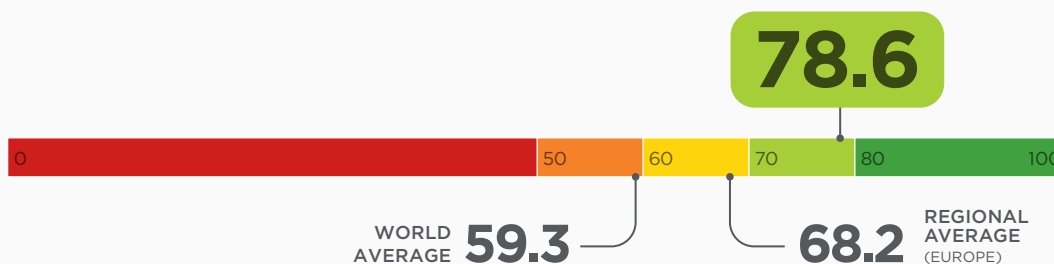
WORLD RANK:	REGIONAL RANK:
<b>6</b>	<b>3</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# ESTONIA

**E**stonia's economic freedom score is 78.6, making its economy the 6th freest in the 2023 *Index*. Its score is 1.4 points lower than last year. Estonia is ranked 3rd out of 44 countries in the Europe region, and its overall score is well above the regional and world averages.

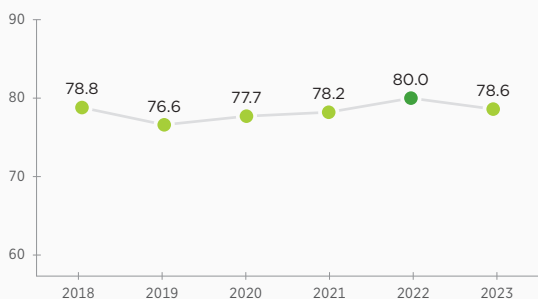
Estonia upholds all four pillars of economic freedom relatively well. An independent and efficient judicial system strongly enforces the rule of law. The debt burden remains quite low and has not undermined long-term economic competitiveness. Flexibility and openness have equipped the economy with an impressive ability to adjust to external shocks.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +13.4

## RECENT FREEDOM TREND



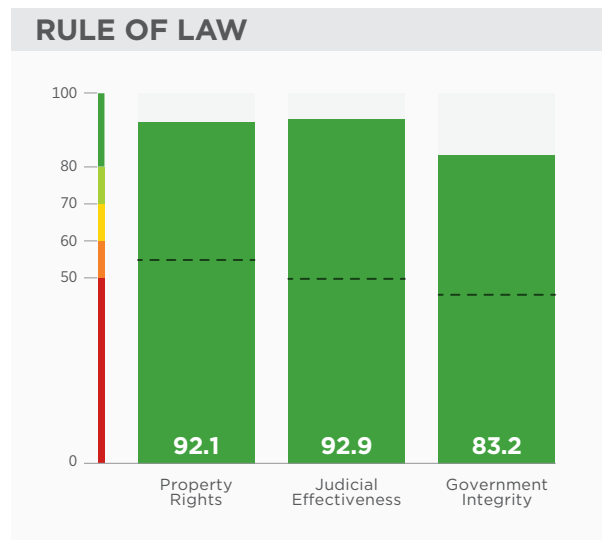
## QUICK FACTS

<b>POPULATION:</b> 1.3 million	<b>UNEMPLOYMENT:</b> 6.8%
<b>GDP (PPP):</b> \$55.9 billion 8.3% growth in 2021 5-year compound annual growth 3.9%	<b>INFLATION (CPI):</b> 4.5%
<b>FDI INFLOW:</b> \$989.2 million	<b>PUBLIC DEBT:</b> 17.6% of GDP

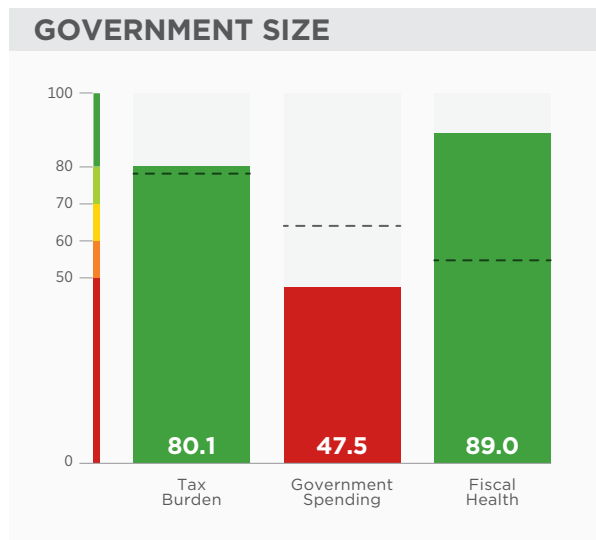
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Estonia has been independent since 1991 and is a stable multiparty democracy. It joined NATO and the European Union in 2004 and the Organisation for Economic Co-operation and Development in 2010 when it also became the first former Soviet state to adopt the euro. Prime Minister Kaja Kallas of the center-right, pro-market Reform Party formed a new coalition government with the center-right Isamaa and center-left Social Democratic parties in July 2022 after her first cabinet collapsed. The economy relies on robust electronics and telecommunications sectors and strong regional trade ties. Estonia is the largest per capita supporter of Ukraine.

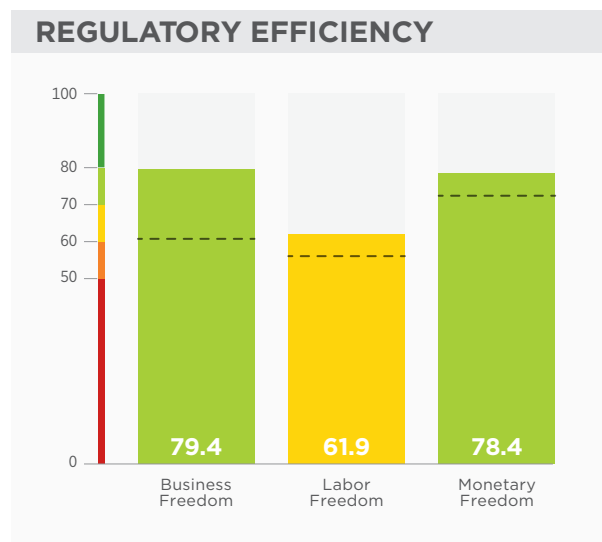
## 12 ECONOMIC FREEDOMS | ESTONIA



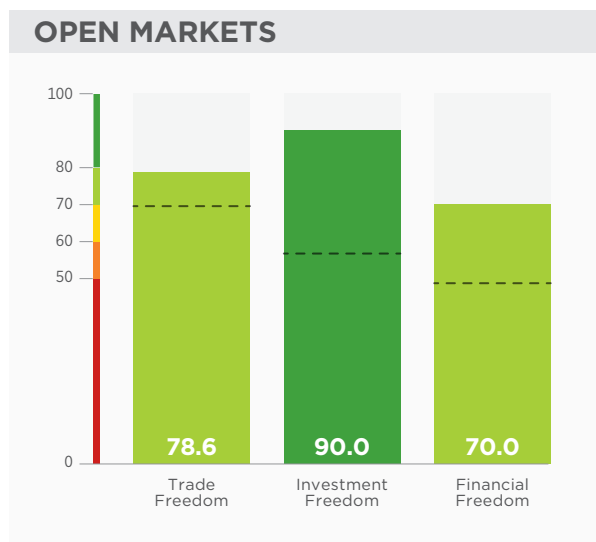
The overall rule of law is well respected in Estonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 20 percent. The tax burden equals 34.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.8 percent and -2.5 percent of GDP. Public debt equals 17.6 percent of GDP.



The overall regulatory framework is efficient and competitive and facilitates entrepreneurial dynamism in the private sector. A modern labor market is in place, and enhancing the flexibility of the market has been a key goal. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and six country-specific nontariff barriers are in force. The transparent investment regime facilitates openness to foreign investment. The financial sector remains stable.

WORLD RANK:

120

REGIONAL RANK:

20

ECONOMIC FREEDOM STATUS:

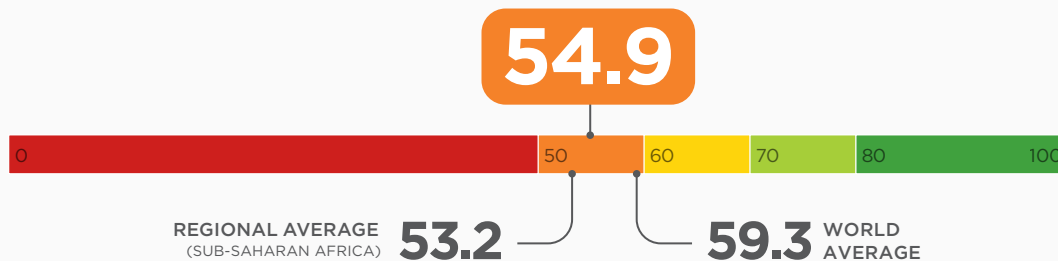
MOSTLY UNFREE

# ESWATINI

Eswatini's economic freedom score is 54.9, making its economy the 120th freest in the 2023 *Index*. Its score is 3.5 points higher than last year. Eswatini is ranked 20th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

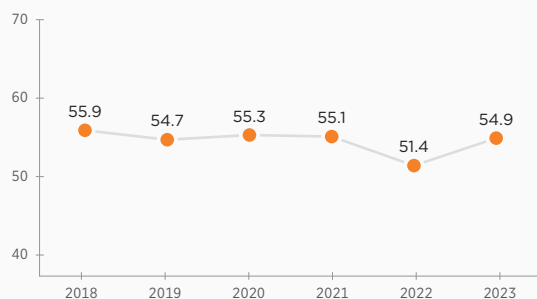
Progress toward greater economic freedom has been uneven. Annual growth has averaged 1.7 percent over the past five years, and development lags behind other economies in the region. The economic base is fairly diversified, but inefficient regulatory and legal frameworks undermine the development of private investment and production. Privatization has progressed only marginally.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -8.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.2 million

**GDP (PPP):**  
\$11.0 billion  
3.1% growth in 2021  
5-year compound  
annual growth 1.7%  
\$9,701 per capita

**UNEMPLOYMENT:**  
22.7%

**INFLATION (CPI):**  
3.7%

**FDI INFLOW:**  
\$125.9 million

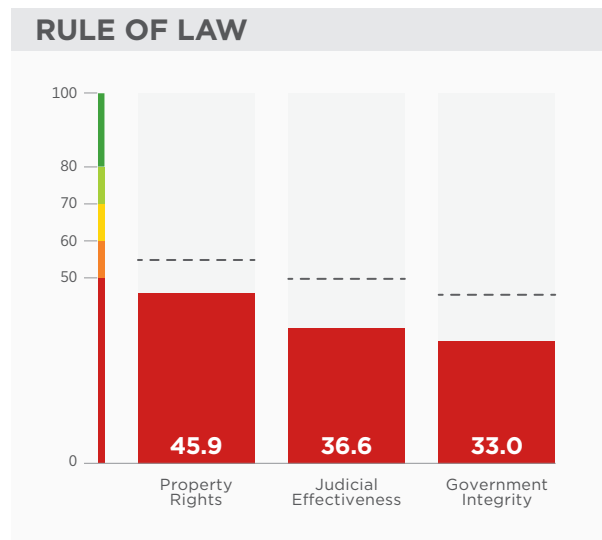
**PUBLIC DEBT:**  
45.0% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

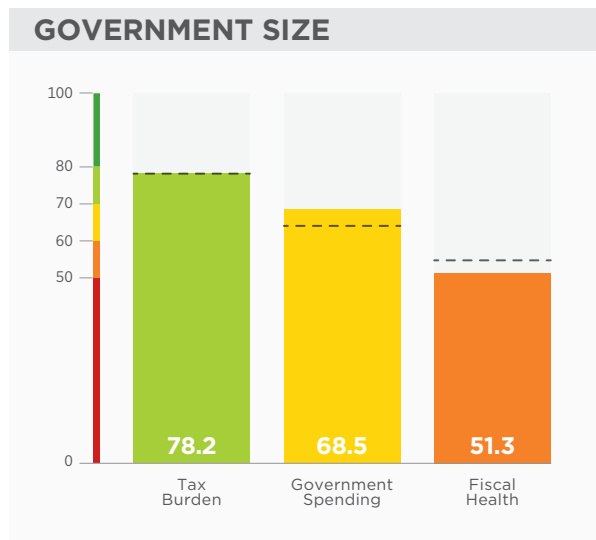
**BACKGROUND:** Eswatini (formerly Swaziland) gained independence from the United Kingdom in 1968. King Mswati III holds absolute power. Political parties are banned, and human rights groups accuse the government of imprisoning journalists and pro-democracy activists. Chiefs loyal to Mswati pick parliamentary candidates. Protests against police brutality and broader social and economic problems in 2021 were violently suppressed by the security services. Eswatini depends on South Africa for most of its trade. Approximately 70 percent of the population works in subsistence agriculture, and unemployment is high. Manufacturing was diversified in the 1980s and 1990s but has grown little during the past decade.



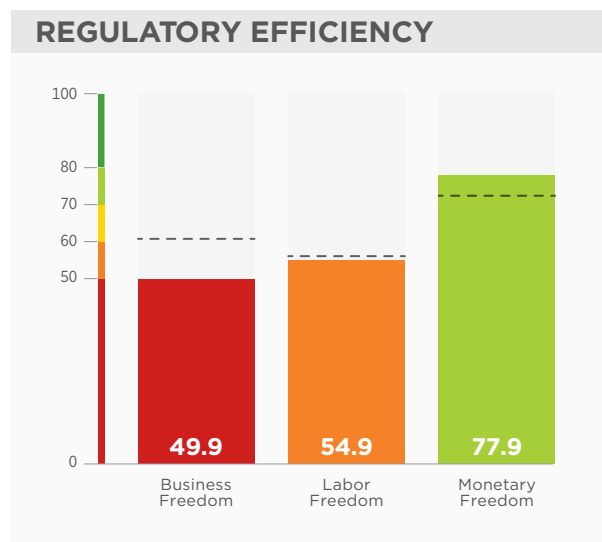
## 12 ECONOMIC FREEDOMS | ESWATINI



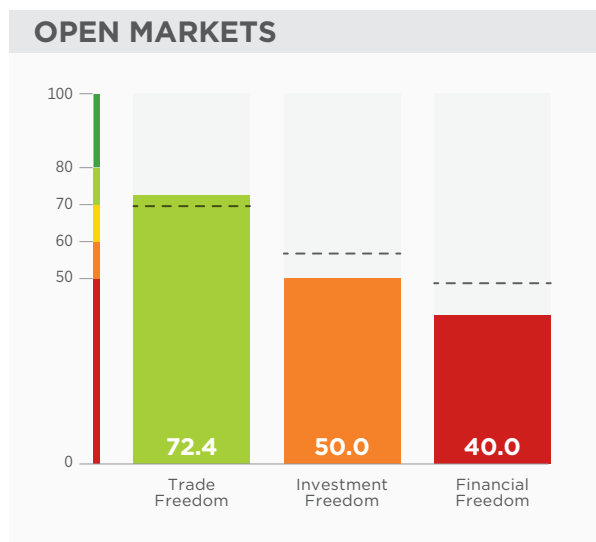
The overall rule of law is weak in Eswatini. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 33 percent and 27.5 percent. The tax burden equals 18.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -5.3 percent of GDP. Public debt equals 45.0 percent of GDP.



Eswatini's inefficient regulatory environment includes many requirements that increase the overall cost of entrepreneurial activity. A formal labor market has not been fully developed, and informal labor activity remains substantial. The most recent available inflation rate is 3.7 percent.



The trade-weighted average tariff rate is 8.8 percent, and nontariff barriers discourage the development of more dynamic trade activity. Foreign investment is screened, and state-owned enterprises distort the economy. The financial sector remains subject to government influence.

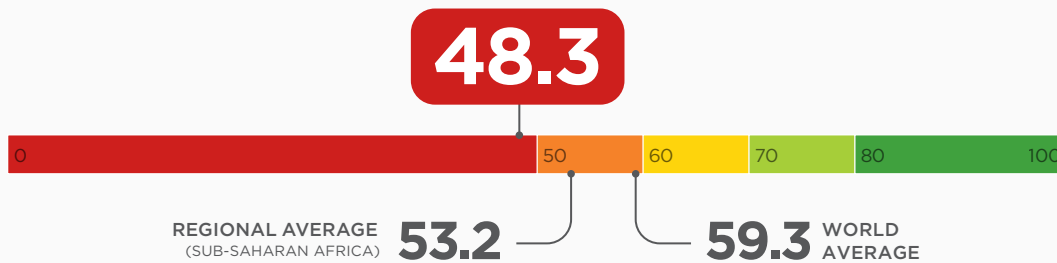
# ETHIOPIA

WORLD RANK: **155** REGIONAL RANK: **38**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

Ethiopia's economic freedom score is 48.3, making its economy the 155th freest in the 2023 *Index*. Its score is 1.3 points lower than last year. Ethiopia is ranked 38th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

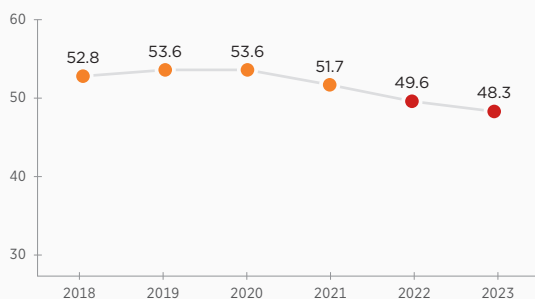
Progress toward greater economic freedom has been very uneven, and Ethiopia underperforms in many critical policy areas. The absence of an independent and fair judiciary weakens the rule of law and undermines prospects for long-term economic development. Corruption is pervasive, and government services are inefficient. Open-market policies have advanced only marginally.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +5.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
117.9 million

**GDP (PPP):**  
\$312.8 billion  
6.3% growth in 2021  
5-year compound annual growth 7.9%  
\$3,137 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
26.8%

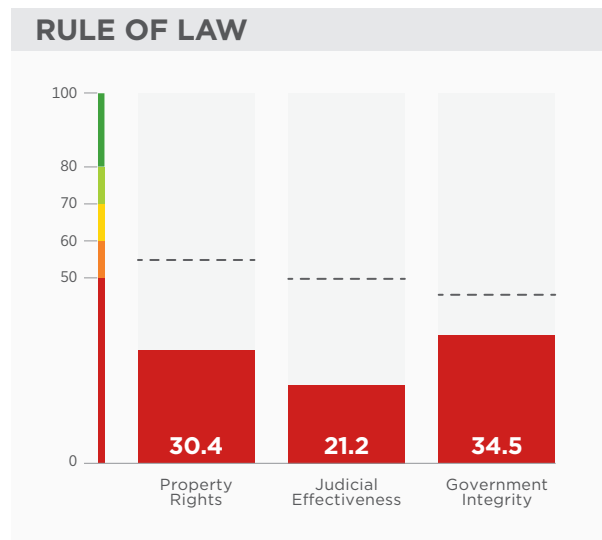
**FDI INFLOW:**  
\$4.3 billion

**PUBLIC DEBT:**  
53.0% of GDP

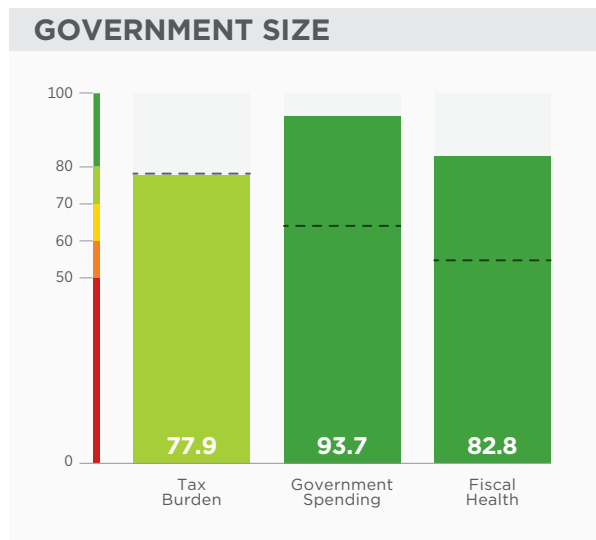
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** A military junta deposed Emperor Haile Selassie in 1974 and established a socialist state. In 1991, the Ethiopian People's Revolutionary Democratic Front replaced the junta with a repressive one-party system dominated by the Tigray tribe. The marginalized Oromo tribe's protests led to the rise of Prime Minister Abiy Ahmed in 2018. A civil war broke out in 2020, and Abiy returned to power in 2021 after his Prosperity Party won a large majority of parliamentary seats following the imprisonment of some opposition leaders. The war has exacerbated the persistent challenges of high unemployment, poverty, and a large debt burden.

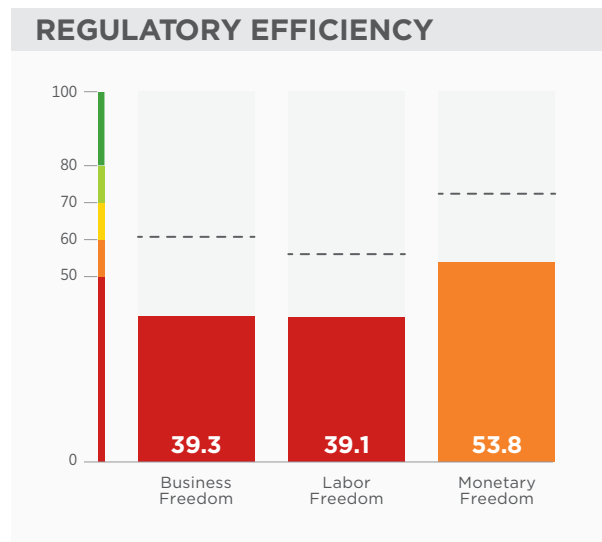
## 12 ECONOMIC FREEDOMS | ETHIOPIA



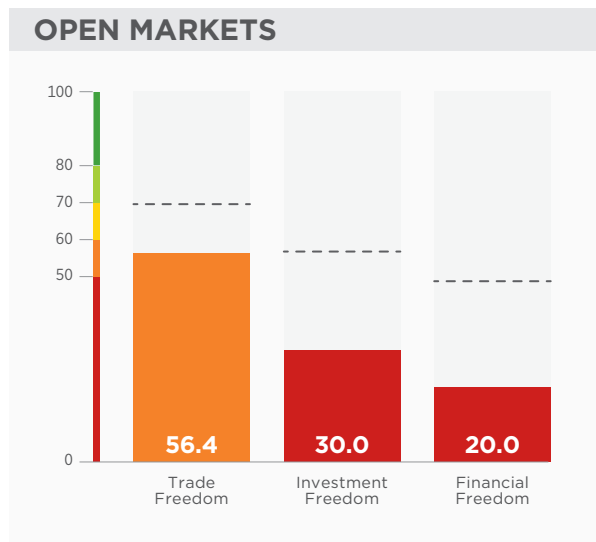
The overall rule of law is weak in Ethiopia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 9.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.5 percent and -2.7 percent of GDP. Public debt equals 53.0 percent of GDP.



The weak and uncertain regulatory framework impedes expansion and diversification of the productive base. The formal labor market is underdeveloped. Outmoded employment regulations remain a barrier to business, although enforcement is not stringent. The most recent available inflation rate is 26.8 percent.



The trade-weighted average tariff rate is 11.8 percent, and nontariff barriers further increase the cost of trade. Lack of access to financing precludes entrepreneurial growth. The investment environment is undermined by political and security challenges and lacks transparency.

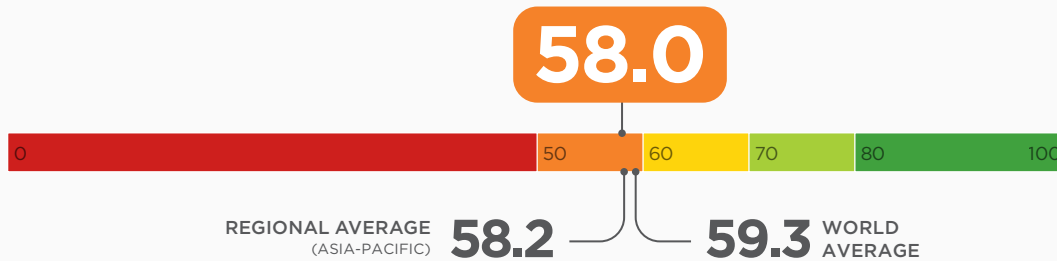
# FIJI



**F**iji's economic freedom score is 58.0, making its economy the 100th freest in the 2023 *Index*. Its score is 1.6 points higher than last year. Fiji is ranked 21st out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

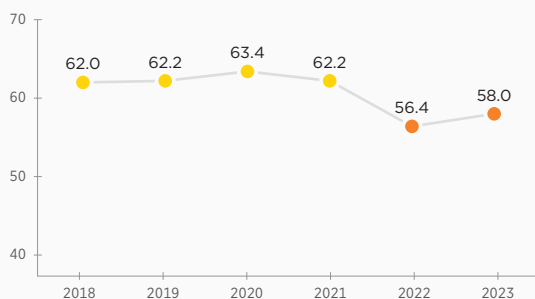
The island economy is one of the “mostly unfree” in the *Index*. The quality of the judicial framework, severely hampered by the lack of judicial independence or any strong political will to eradicate corruption, has deteriorated considerably. Regulatory uncertainty and the lack of effective open-market policies continue to cause economic stagnation.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.9 million

**GDP (PPP):**  
\$10.9 billion  
-4.0% growth in 2021  
5-year compound annual growth -2.1%  
\$12,048 per capita

**UNEMPLOYMENT:**  
4.3%

**INFLATION (CPI):**  
0.2%

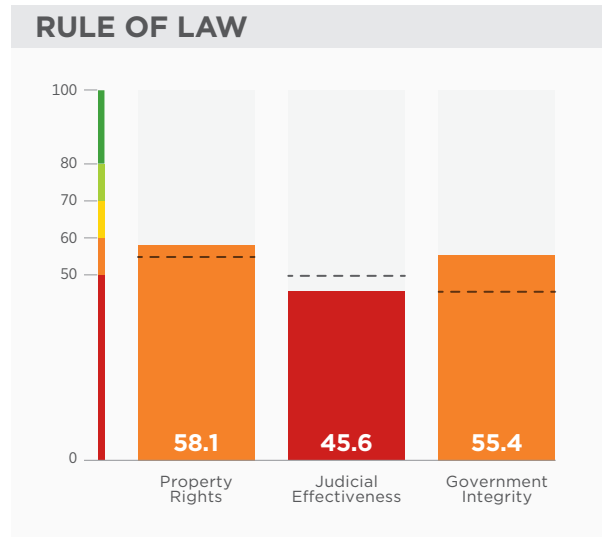
**FDI INFLOW:**  
\$401.0 million

**PUBLIC DEBT:**  
83.0% of GDP

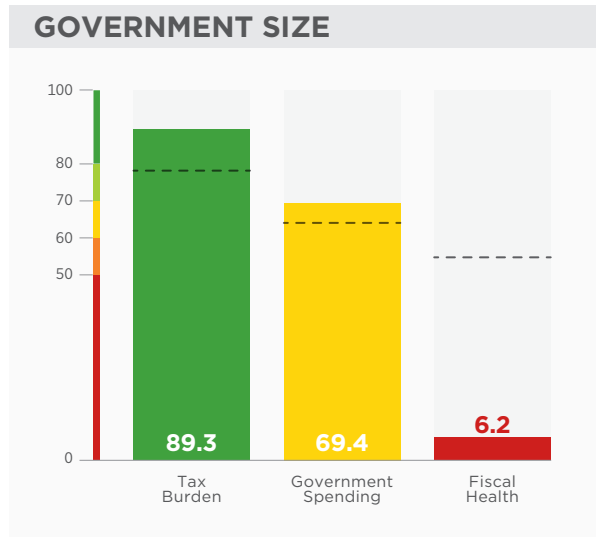
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The former British colony of Fiji gained independence in 1970. Military strongman Frank Bainimarama, who has ruled this Pacific Island nation continuously since a coup in 2006, maintained his control of the government in the 2018 general election. The next general election was scheduled to be held in December 2022. There is a long history of ethnic tension between the indigenous, mostly Christian population and a large minority of Hindu and Muslim Indo-Fijians. Fiji's economy relies heavily on tourism, remittances, and the sugar industry. The government's principal priority is infrastructure construction with a particular focus on the energy sector.

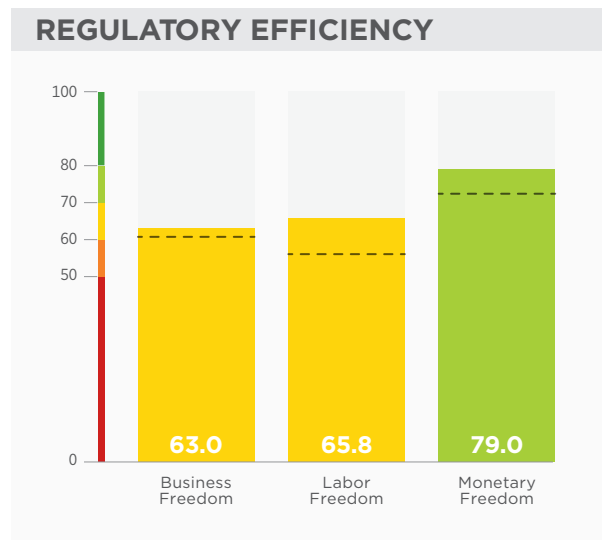
## 12 ECONOMIC FREEDOMS | FIJI



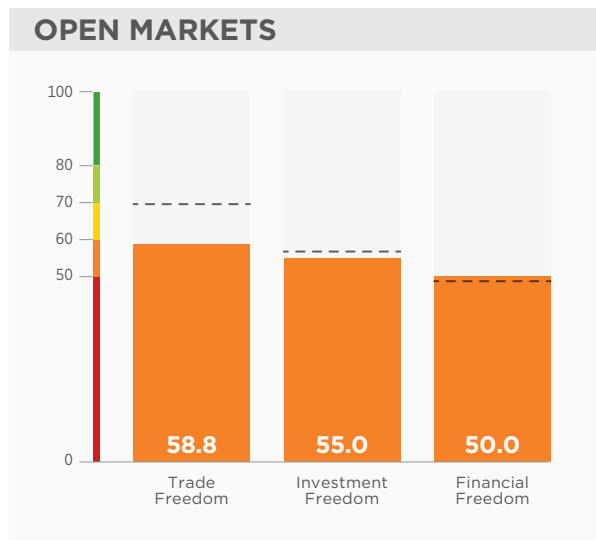
The overall rule of law is relatively well respected in Fiji. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



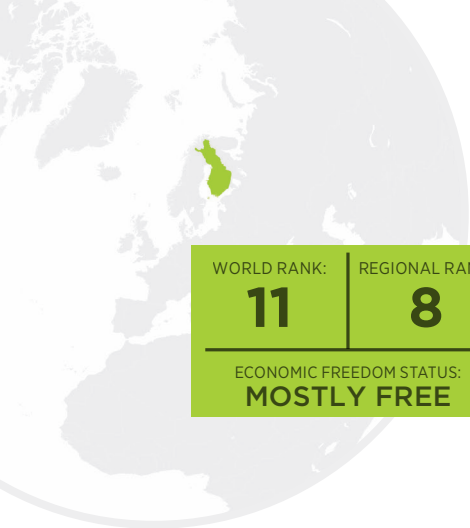
The top individual and corporate tax rates are 20 percent. The tax burden equals 16.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.0 percent and -8.4 percent of GDP. Public debt equals 83.0 percent of GDP.



The overall regulatory framework is not conducive to dynamic economic expansion. Procedures for establishing and running a company are time-consuming and costly. Labor regulations are rigid, and an efficient labor market is not fully developed. Monetary freedom remains constrained by state-imposed price controls.



The trade-weighted average tariff rate is 13.1 percent, and nontariff barriers further restrict trade flows. Foreign investment is screened, and investment in land remains restricted. The government has gradually withdrawn from commercial banking, and foreign participation has gradually been growing.



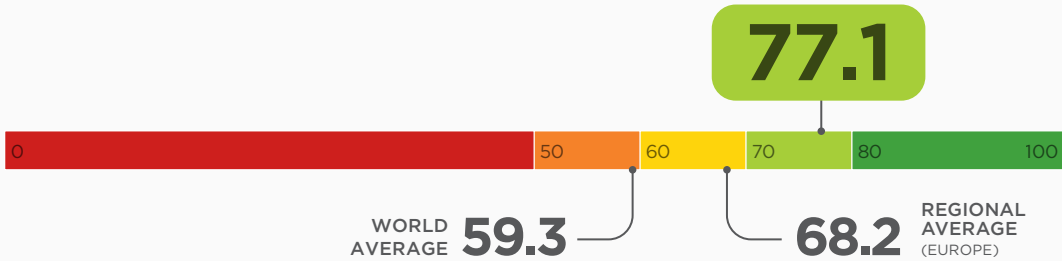
WORLD RANK: <b>11</b>	REGIONAL RANK: <b>8</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# FINLAND

**F**inland's economic freedom score is 77.1, making its economy the 11th freest in the 2023 *Index*. Its score is 1.2 points lower than last year. Finland is ranked 8th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

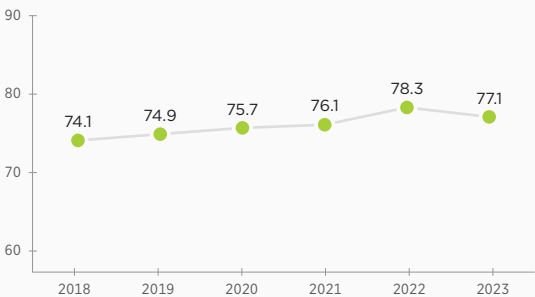
Finland's economy is characterized by openness and transparency. The quality of the legal framework is among the world's highest, and property rights are protected. The rule of law is respected, and tolerance of corruption is minimal. Finland has long benefited from open-market policies that support dynamic trade and investment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +13.4

## RECENT FREEDOM TREND



## QUICK FACTS

- POPULATION:** 5.5 million
- UNEMPLOYMENT:** 7.8%
- GDP (PPP):** \$297.5 billion  
3.3% growth in 2021  
5-year compound annual growth 1.3%
- INFLATION (CPI):** 2.1%
- FDI INFLOW:** \$9.4 billion
- PUBLIC DEBT:** 66.2% of GDP

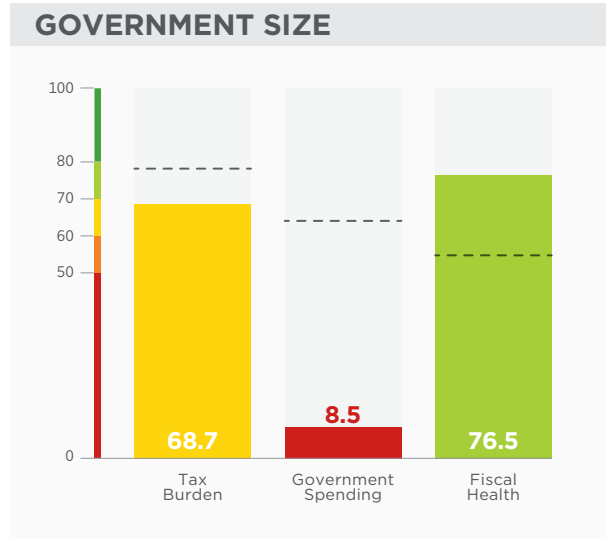
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Finland joined the European Union in 1995 and adopted the euro in 1999. Russia's war against Ukraine led to a surge in public support for NATO membership, and Finland reversed decades of policy by applying for membership in May 2022. Prime Minister Sanna Marin of the Social Democratic Party heads a center-left coalition with the Centre Party, the Green League, the Left Alliance, and the Swedish People's Party of Finland. President Sauli Niinistö of the National Coalition Party won a second term in 2018. The export-led economy is centered on manufacturing, principally in the wood, metals, telecommunications, and electronics industries.

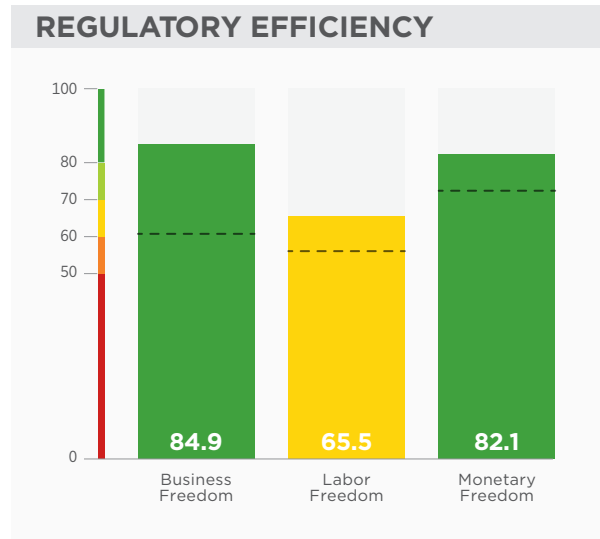
## 12 ECONOMIC FREEDOMS | FINLAND



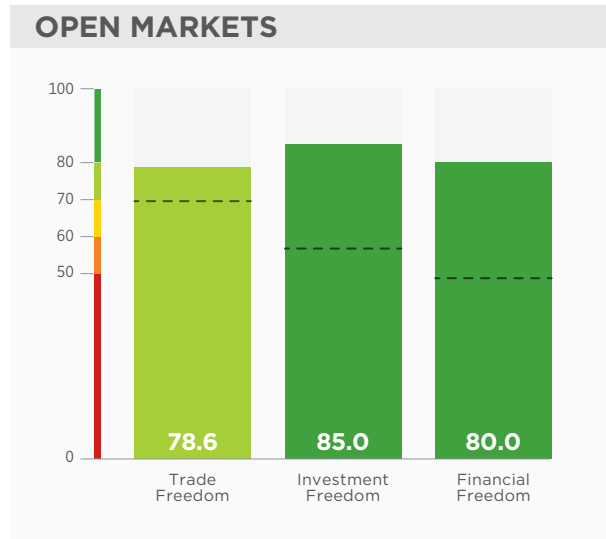
The overall rule of law is very well respected in Finland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



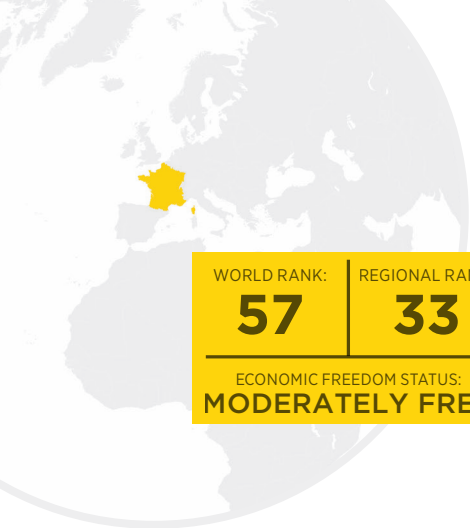
The top individual and corporate tax rates are, respectively, 31.3 percent and 20 percent. The tax burden equals 41.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 55.2 percent and -3.0 percent of GDP. Public debt equals 66.2 percent of GDP.



The business framework encourages innovation and productivity growth. The labor market is characterized by high costs and burdensome regulations. The non-salary cost of employing a worker is high, and the severance payment system remains costly. The most recent available inflation rate is 2.1 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and nine country-specific nontariff barriers are in force. Sound and transparent frameworks facilitate investment. The financial sector provides a wide range of services.



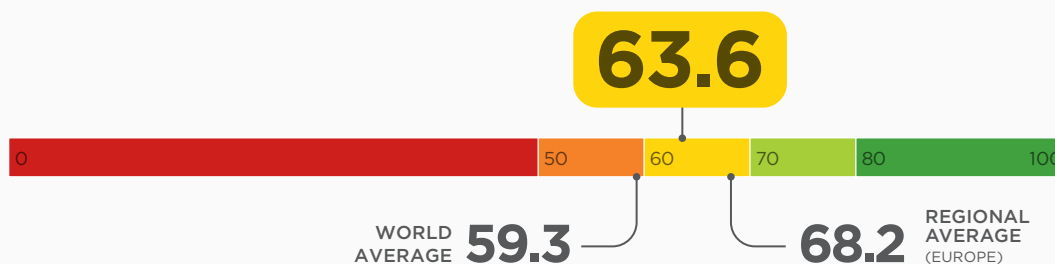
WORLD RANK: <b>57</b>	REGIONAL RANK: <b>33</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# FRANCE

France's economic freedom score is 63.6, making its economy the 57th freest in the 2023 *Index*. Its score has declined by 2.3 points. France is ranked 33rd out of 44 countries in the Europe region, and its overall score is higher than the world average and below the regional average.

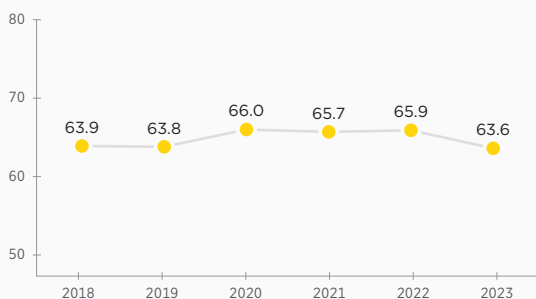
The French economy remains diversified and relatively resilient. Such institutional strengths as strong protection of property rights and a fairly efficient regulatory framework facilitate entrepreneurial activity. Reforms to increase the economy's competitiveness and flexibility have been adopted, but progress has been marginal. The state dominates major sectors of the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -0.8

## RECENT FREEDOM TREND



## QUICK FACTS

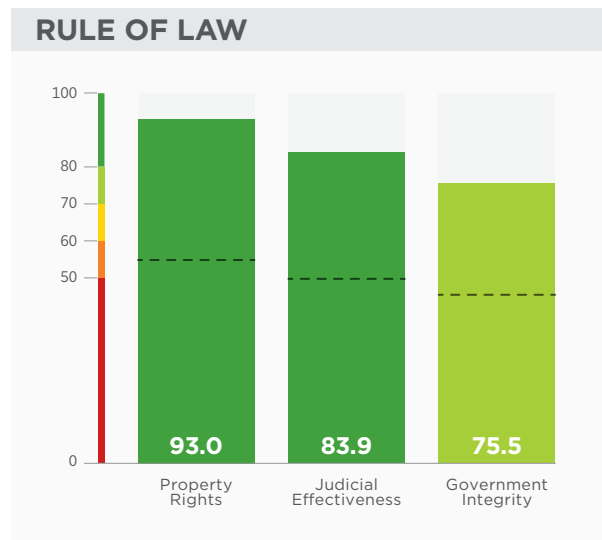
<b>POPULATION:</b> 67.5 million	<b>UNEMPLOYMENT:</b> 8.0%
<b>GDP (PPP):</b> \$3.4 trillion 7.0% growth in 2021 5-year compound annual growth 1.0%	<b>INFLATION (CPI):</b> 2.1%
<b>FDI INFLOW:</b> \$14.2 billion	<b>PUBLIC DEBT:</b> 112.6% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

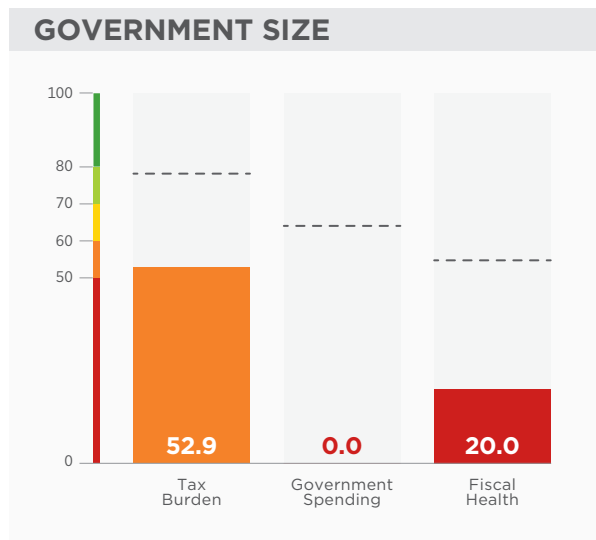
**BACKGROUND:** France is one of the world's most modern countries and sees itself as a leader in Europe. President Emmanuel Macron of the center-left Renaissance party won a second term in April 2022 with reduced support. His coalition lost its parliamentary majority in June as a far-left coalition and the far-right National Rally made significant gains. Widespread issues with nuclear power plants have hurt the nation's energy outlook. Tourism, manufacturing, and pharmaceuticals lead France's diversified economy. The government has partially or fully privatized many large companies but maintains a strong presence in such sectors as power, public transport, and defense.



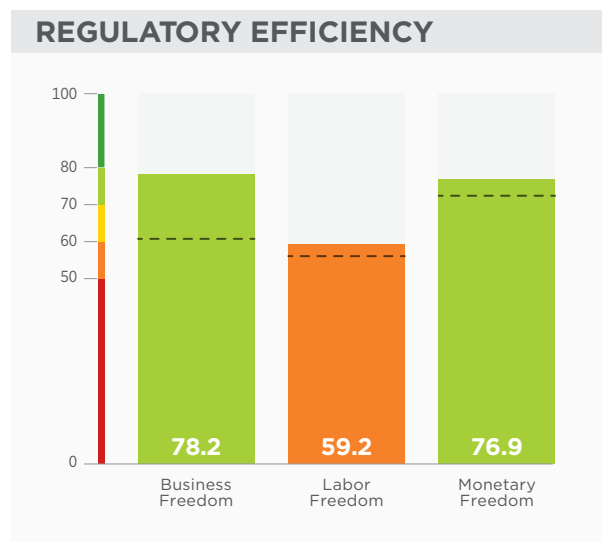
## 12 ECONOMIC FREEDOMS | FRANCE



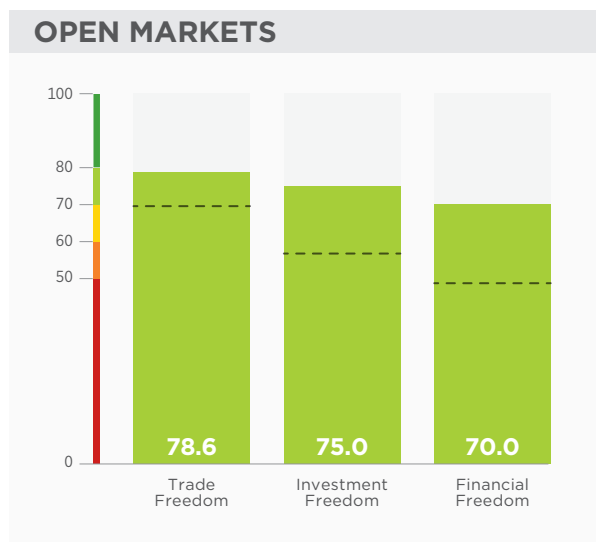
The overall rule of law is well respected in France. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 45 percent and 25 percent. The tax burden equals 45.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 58.6 percent and -6.1 percent of GDP. Public debt equals 112.6 percent of GDP.



The regulatory framework remains relatively efficient. The business start-up process is straightforward, and no minimum capital is required. The labor market is burdened by rigid regulations and lacks the capacity to generate vibrant employment growth. The most recent available inflation rate is 2.1 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and 29 country-specific nontariff barriers are in force. Investment in some sectors is restricted. The financial sector is modern and mostly in private hands.

# GABON

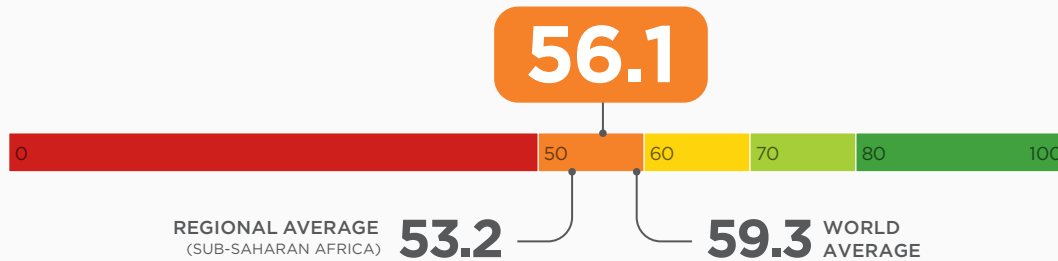
WORLD RANK: **113** | REGIONAL RANK: **16**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Gabon's economic freedom score is 56.1, making its economy the 113th freest in the 2023 *Index*. Its score is 0.3 point higher than last year. Gabon is ranked 16th out of 47 countries in the Sub-Saharan Africa region, and its overall score is lower than the world average.

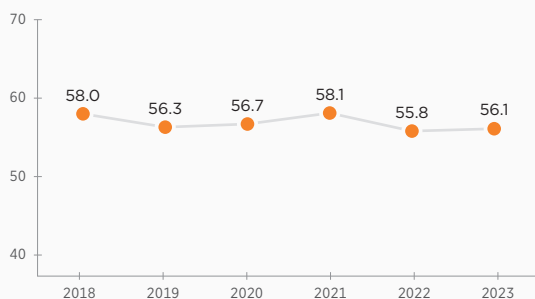
Undermining much-needed progress on reform, institutional weaknesses severely undercut the foundations of economic freedom in Gabon and constrain long-term economic development. Corruption continues to raise the cost of doing business. Open-market policies related to free trade and the free flow of capital are not deeply rooted in the economic system.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.3 million

**GDP (PPP):**  
\$35.3 billion  
0.9% growth in 2021  
5-year compound annual growth 0.9%  
\$16,550 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
1.1%

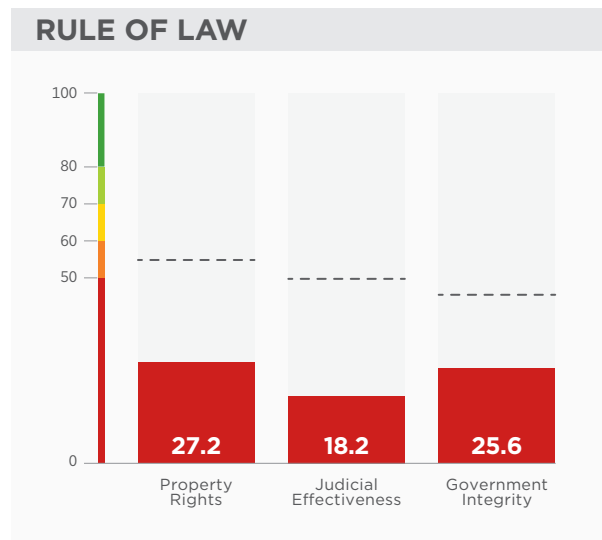
**FDI INFLOW:**  
\$1.6 billion

**PUBLIC DEBT:**  
65.8% of GDP

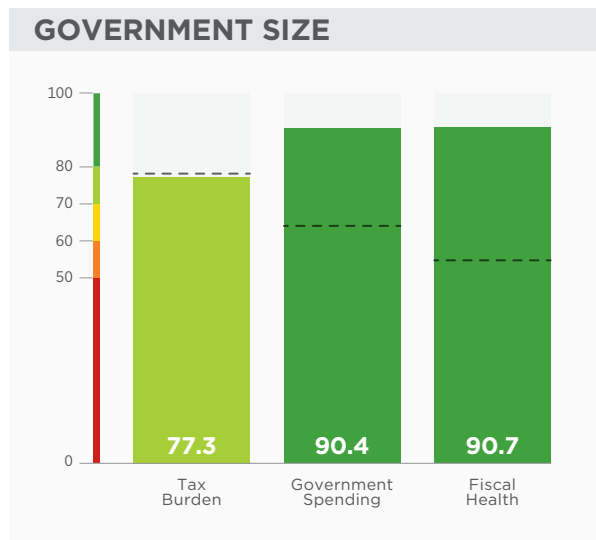
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Gabon gained independence from France in 1960. Omar Bongo ruled for more than 40 years until his son, Ali Bongo Ondimba, became president in 2009. Opposition leaders accused the Bongos of electoral fraud. Bongo won a second seven-year term in disputed 2016 elections. He governs despite an apparent stroke, and his party won a strong legislative majority in 2018. Poor fiscal management and over-reliance on oil have stifled the economy. Power cuts and water shortages are frequent. Average income per capita is one of Africa's highest, but oil wealth is held by only a few; most Gabonese live in poverty.

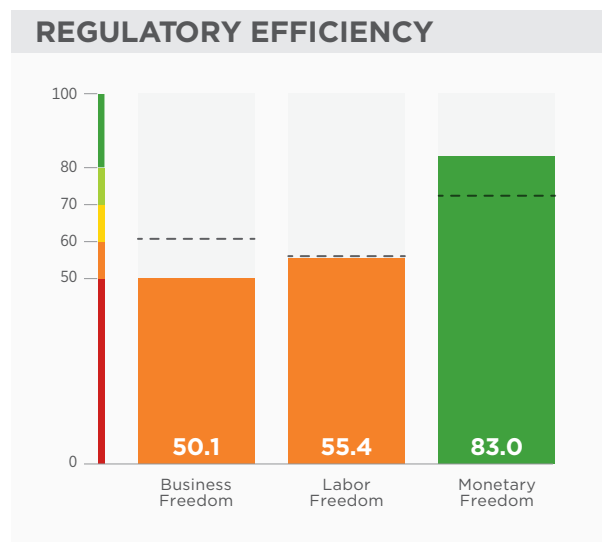
## 12 ECONOMIC FREEDOMS | GABON



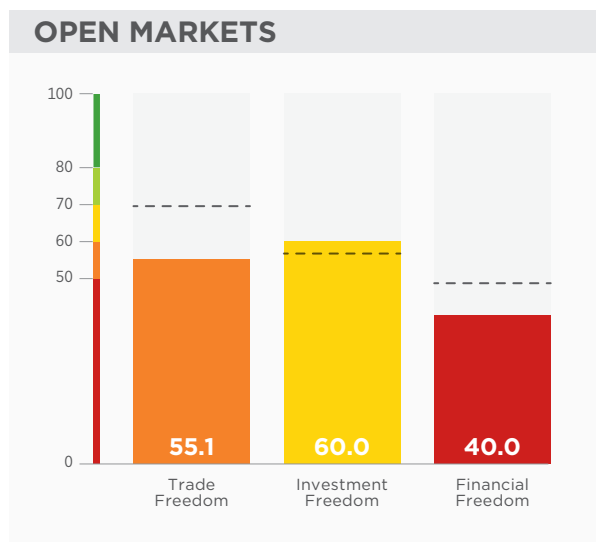
The overall rule of law is weak in Gabon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 12.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.9 percent and -0.6 percent of GDP. Public debt equals 65.8 percent of GDP.



Gabon's economy is characterized by poor governance and the lack of a sound regulatory framework. Time-consuming administrative procedures discourage more dynamic entrepreneurship. Labor regulations are outmoded, and the labor market does not function well. The most recent available inflation rate is 1.1 percent.



The trade-weighted average tariff rate is 14.9 percent, and nontariff measures persist. The government screens foreign investment, and investment is discouraged by inefficient regulatory regimes. The underdeveloped financial sector remains state-controlled. Credit costs are high, and access to financing is scarce.



# THE GAMBIA

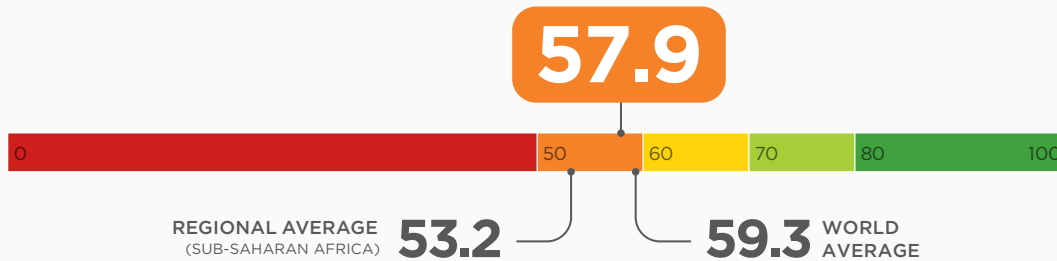
WORLD RANK: **101** | REGIONAL RANK: **11**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

The Gambia's economic freedom score is 57.9, making its economy the 101st freest in the 2023 *Index*. Its score is essentially unchanged from last year. The Gambia is ranked 11th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

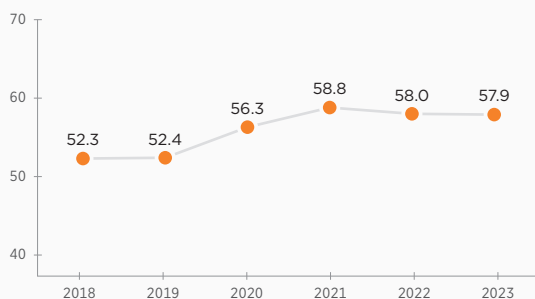
Much-needed measures to improve macroeconomic stability and economic growth, which include reforming fiscal policies and strengthening the management of public finance, have generated some positive results, but institutional weaknesses still constrain overall economic freedom. The judicial system lacks the capacity to defend property rights effectively. Corruption undermines prospects for long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +5.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.5 million

**GDP (PPP):**  
\$6.1 billion  
5.6% growth in 2021  
5-year compound annual growth 4.7%  
\$2,428 per capita

**UNEMPLOYMENT:**  
10.2%

**INFLATION (CPI):**  
7.4%

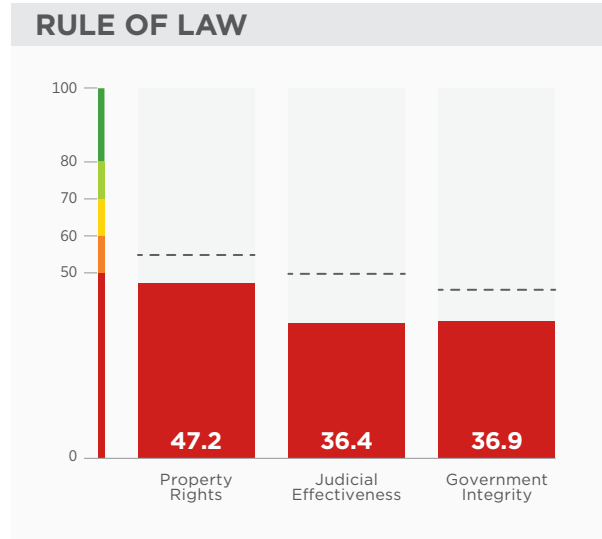
**FDI INFLOW:**  
\$251.8 million

**PUBLIC DEBT:**  
83.8% of GDP

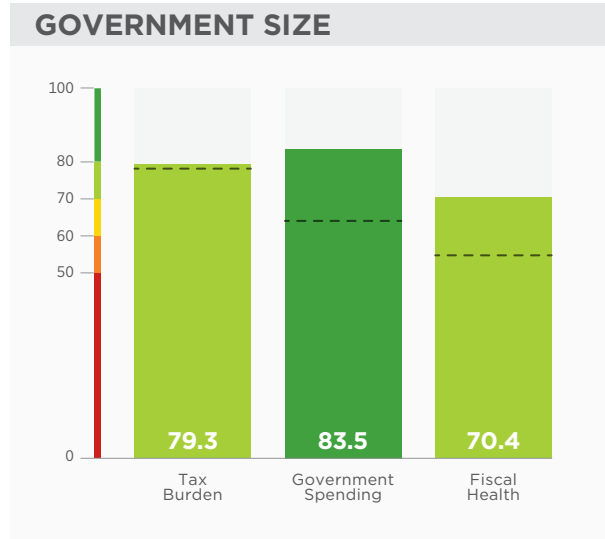
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Gambia gained independence from the United Kingdom in 1965. Dictator Yahya Jammeh took power in 1994, was defeated by Adama Barrow in the 2016 presidential election, and refused to step down until regional countries forced him from office. Barrow decided to serve his full term until 2021, breaking a pledge to leave after three years, and won a second term in 2021 as head of the National People's Party. The government encourages Chinese investment and has signed a duty-free trade agreement with Beijing. Heavy dependence on exports of peanuts leaves the economy vulnerable to price fluctuations and market shocks.

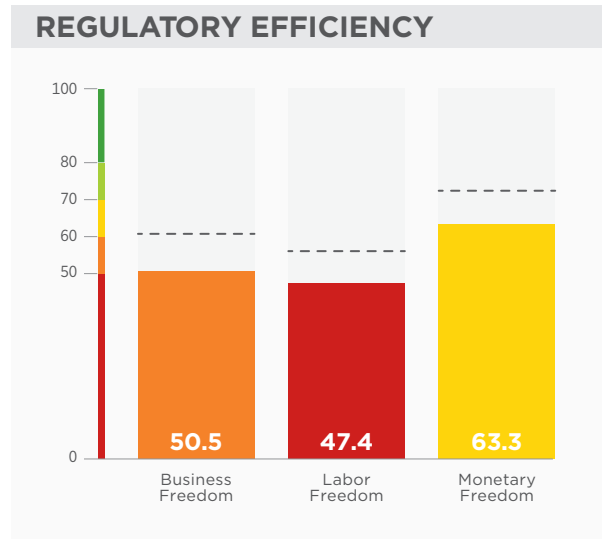
## 12 ECONOMIC FREEDOMS | THE GAMBIA



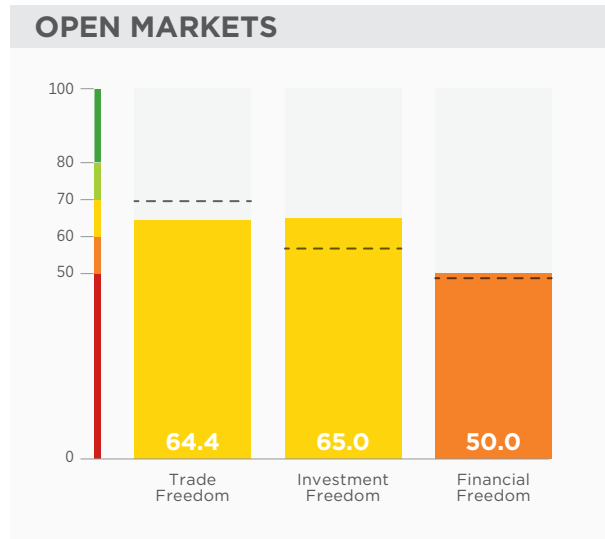
The overall rule of law is weak in The Gambia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 27 percent. The tax burden equals 11.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.4 percent and -3.1 percent of GDP. Public debt equals 83.8 percent of GDP.



The overall regulatory framework is characterized by red tape and a lack of transparency, and regulations are applied inconsistently. The labor market remains stagnant, burdened with high unemployment and underemployment. The most recent available inflation rate is 7.4 percent.



The trade-weighted average tariff rate is 12.8 percent, and layers of nontariff barriers further deter trade flows. Foreign and domestic investors are generally treated equally under the law. Credit to the private sector has increased, but the overall financial system remains underdeveloped.



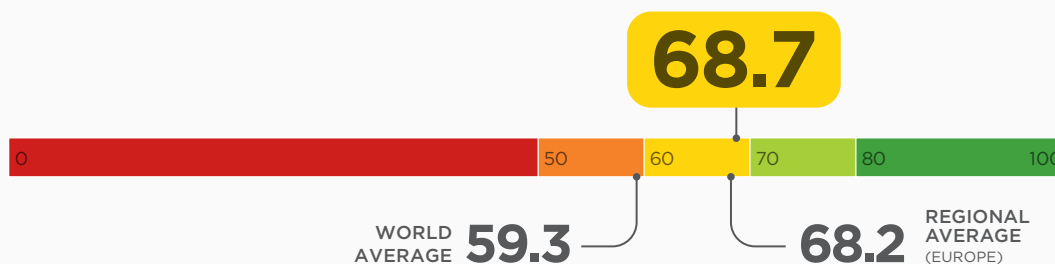
WORLD RANK:	REGIONAL RANK:
<b>35</b>	<b>21</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# GEORGIA

Georgia's economic freedom score is 68.7, making its economy the 35th freest in the 2023 *Index*. Its score has declined over the past year. Georgia is ranked 21st out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

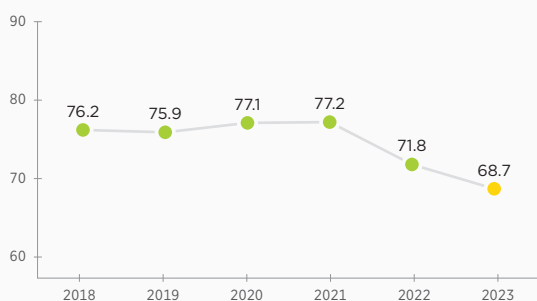
Georgia is considered a “moderately free” economy and performs quite well in some key policy areas. Notable reforms to enhance regulatory efficiency have been implemented, and open-market policies are maintained along with low tax rates. The economy has demonstrated a high level of resilience. Persistent institutional weaknesses require much more committed reforms.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +24.6

## RECENT FREEDOM TREND



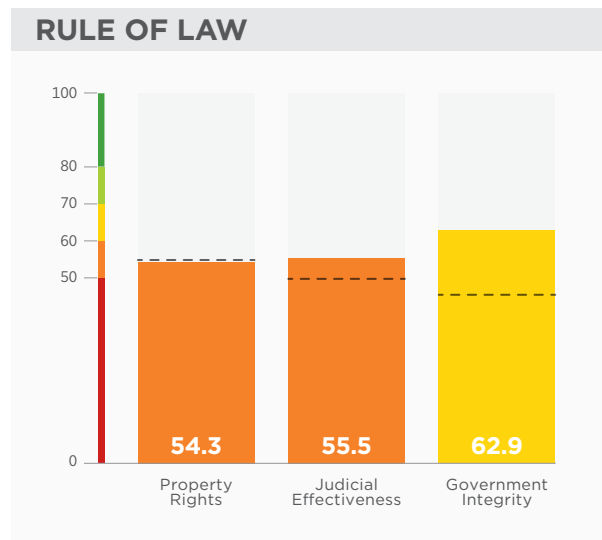
## QUICK FACTS

<b>POPULATION:</b> 3.7 million	<b>UNEMPLOYMENT:</b> 18.5%
<b>GDP (PPP):</b> \$63.0 billion 10.4% growth in 2021 5-year compound annual growth 3.7%	<b>INFLATION (CPI):</b> 9.6%
<b>FDI INFLOW:</b> \$1.2 billion	<b>PUBLIC DEBT:</b> 49.5% of GDP

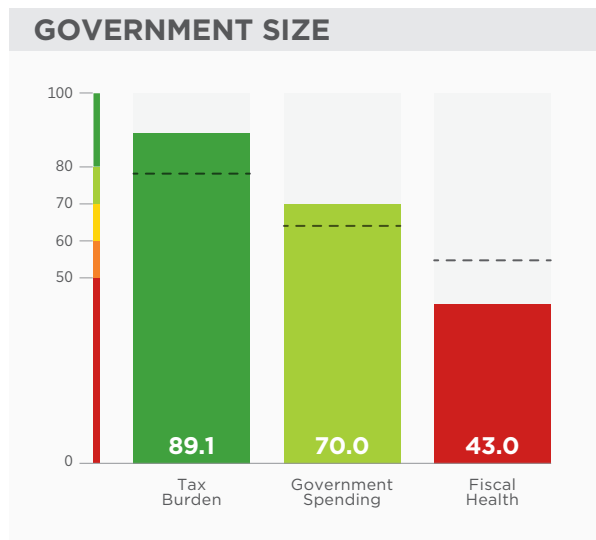
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Russia invaded this South Caucasus country in 2008 and continues to occupy South Ossetia and Abkhazia, which together account for approximately 20 percent of Georgia's territory. Prime Minister Giorgi Gakharia resigned in February 2021 because of disagreements over the detention of Nika Melia, leader of the opposition United National Movement. Former Prime Minister Irakli Garibashvili, a member of the ruling Georgian Dream party, was chosen to replace Gakharia. Georgia's economy was making notable progress until the onset of the COVID-19 pandemic. Agriculture and related industries employ more than half of the workforce. Georgia remains an official aspirant for NATO membership.

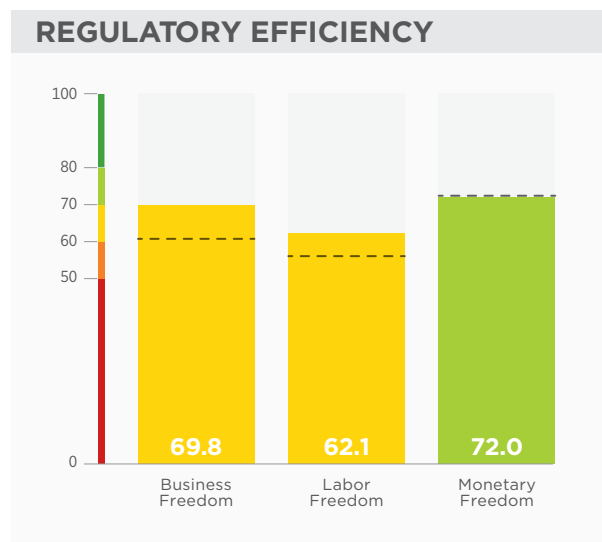
## 12 ECONOMIC FREEDOMS | GEORGIA



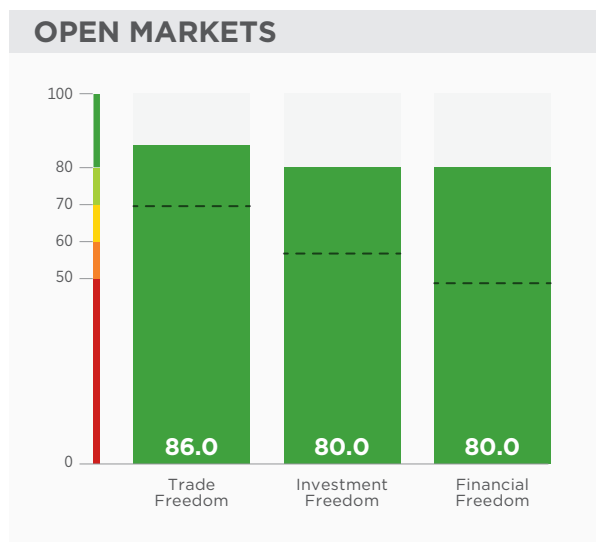
The overall rule of law is relatively well respected in Georgia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 20 percent and 15 percent. The tax burden equals 22.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -5.7 percent of GDP. Public debt equals 49.5 percent of GDP.



The regulatory environment is relatively efficient. The non-salary cost of hiring a worker is moderate, and regulations on work hours are flexible. Prices are generally set in the market, but the state maintains price-control measures. The most recent available inflation rate is 9.6 percent.



The trade-weighted average tariff rate is 2.0 percent, and more than 60 nontariff measures are in force. Foreign ownership of agricultural land is subject to restrictions. Access to financing has improved in the banking sector. Capital markets are evolving, but the stock exchange remains small.



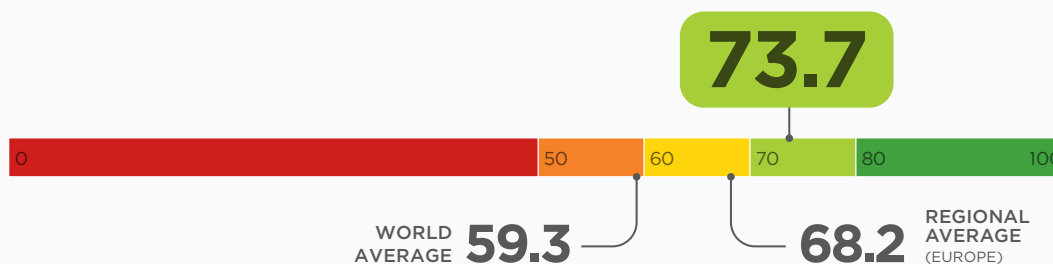
WORLD RANK:	REGIONAL RANK:
<b>14</b>	<b>10</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# GERMANY

Germany's economic freedom score is 73.7, making its economy the 14th freest in the 2023 *Index*. Its score has declined by 2.4 points. Germany is ranked 10th out of 44 countries in the Europe region, and its overall score is higher than the world and regional averages.

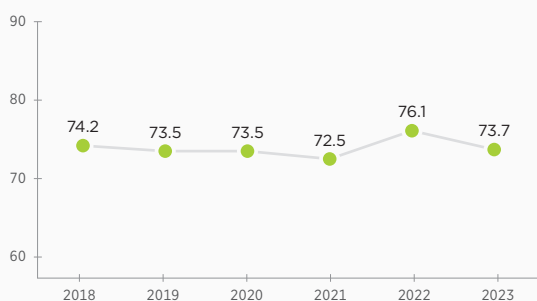
Long-term competitiveness and dynamic growth are supported by a judicial regime that upholds a strong rule of law. Regulatory efficiency and open-market policies enhance the benefits of vibrant engagement in global commerce. The economy has gradually emerged from the effects of the global economic slowdown, which had a significant impact on public finances.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.9

## RECENT FREEDOM TREND



## QUICK FACTS

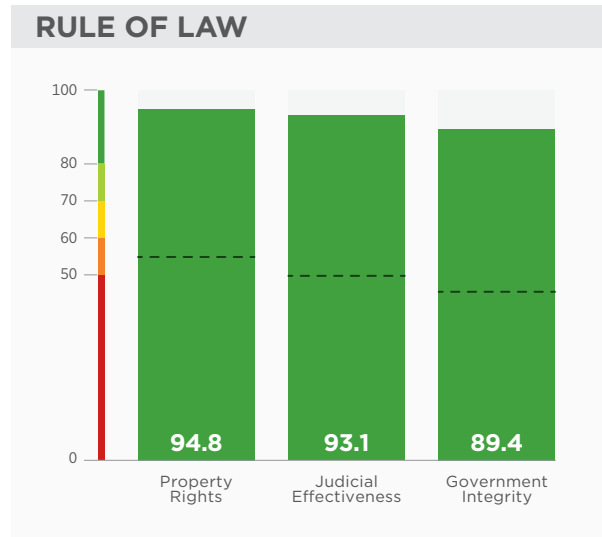
<b>POPULATION:</b> 83.1 million	<b>UNEMPLOYMENT:</b> 3.8%
<b>GDP (PPP):</b> \$4.9 trillion 2.8% growth in 2021 5-year compound annual growth 0.6%	<b>INFLATION (CPI):</b> 3.2%
<b>FDI INFLOW:</b> \$31.3 billion	<b>PUBLIC DEBT:</b> 69.6% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

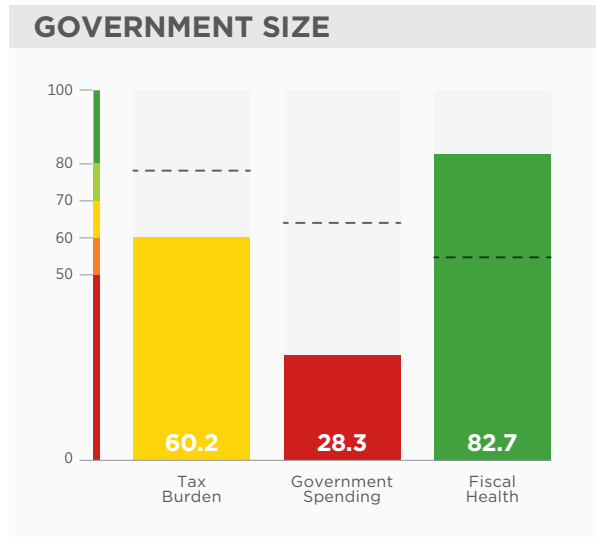
**BACKGROUND:** Germany remains the European Union's most politically and economically influential member nation. In December 2021, after 16 years under Christian Democrat Angela Merkel, Olaf Scholz formed a complicated coalition government with the environmentalist Alliance '90/Greens and the market-liberal Free Democrats to become the fourth Social Democratic chancellor since the end of World War II. He has promised significant increases in defense spending. Germany's economy, the world's fourth largest and Europe's largest, is based on exports of high-quality manufactured goods and has been hurt by high energy prices. Reliance on imports of Russian energy and exports to China are major liabilities.



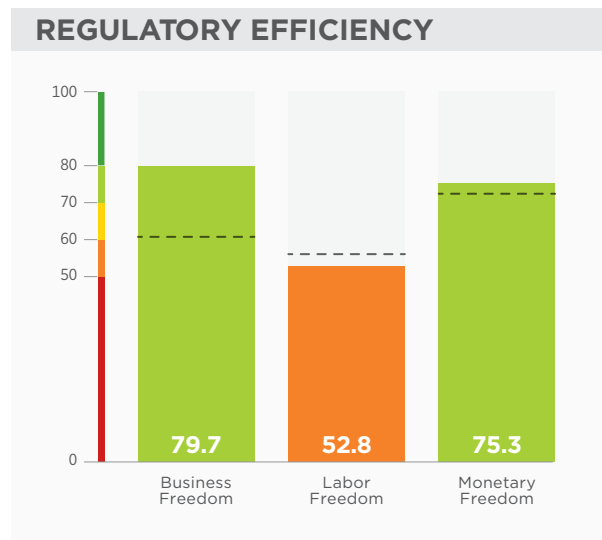
## 12 ECONOMIC FREEDOMS | GERMANY



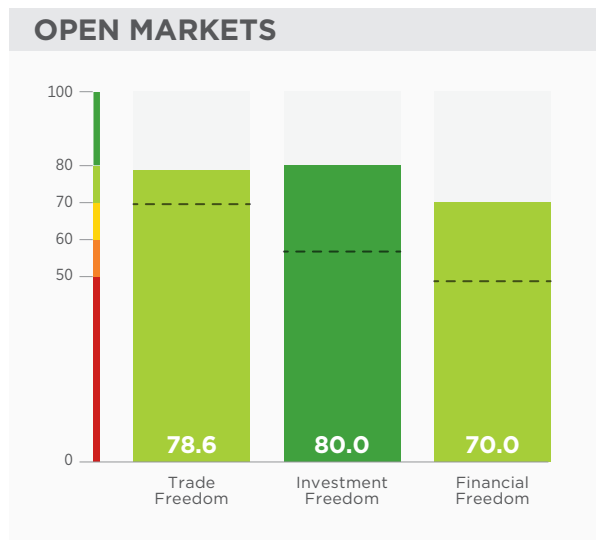
The overall rule of law is very well respected in Germany. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 47.5 percent and 15.8 percent. The tax burden equals 38.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.9 percent and -2.2 percent of GDP. Public debt equals 69.6 percent of GDP.



The efficient regulatory regime allows dynamic and innovative business formation and operation. Labor relations are sound, and employers and workers have responded to the changing economic environment by working cooperatively to adjust wages and work hours. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and two country-specific nontariff barriers are in force. Openness to global commerce supports competitiveness and investment. The financial sector offers a full range of services.

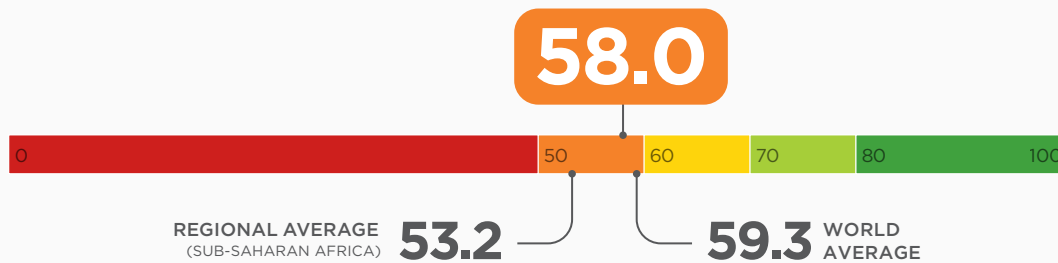
# GHANA

WORLD RANK: **99** | REGIONAL RANK: **10**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**G**hana's economic freedom score is 58.0, making its economy the 99th freest in the 2023 *Index*. Its score is 1.8 points lower than last year. Ghana is ranked 10th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

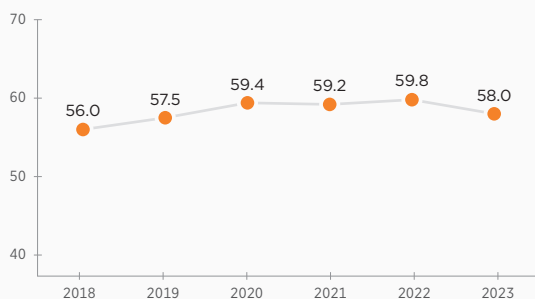
Maintaining the momentum for reform will be vital to solidifying an entrepreneurial framework that can sustain long-term economic growth and further reduce poverty. Persistent institutional impediments to economic freedom include inefficient protection of property rights and weak rule of law. Despite progress, corruption remains a deterrent to sustained and broad-based economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
31.7 million

**GDP (PPP):**  
\$193.8 billion  
4.2% growth in 2021  
5-year compound annual growth 5.1%  
\$6,194 per capita

**UNEMPLOYMENT:**  
4.2%

**INFLATION (CPI):**  
10.0%

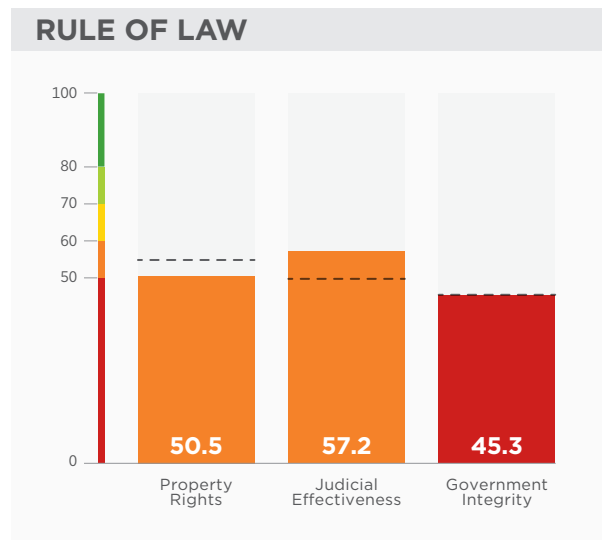
**FDI INFLOW:**  
\$2.6 billion

**PUBLIC DEBT:**  
82.1% of GDP

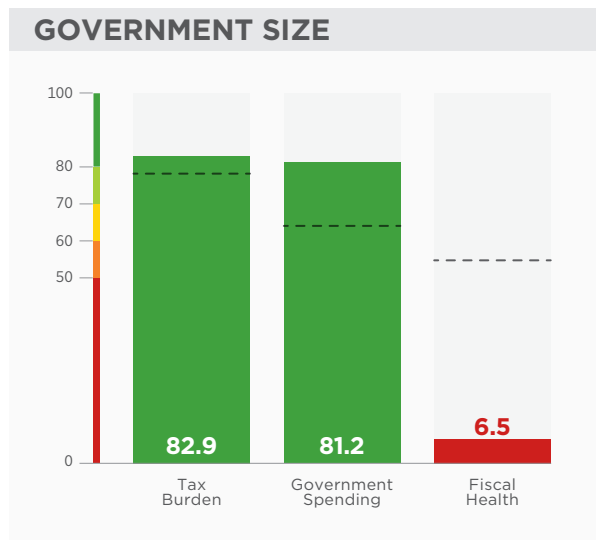
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Formed from the British colony of Gold Coast and the Trust Territory of Togoland in 1957, Ghana was the first sub-Saharan country to gain independence. It has been a stable democracy since 1992. Nana Akufo-Addo won the presidency from John Dramani Mahama in 2016 and defeated him again in December 2020. At least five people died in the post-election violence. Surging inflation led to protests in 2022, and the government reversed its pledge not to seek help from the IMF. Ghana is Africa's second-biggest producer of gold and second-largest producer of cocoa. It also is rich in diamonds and oil.

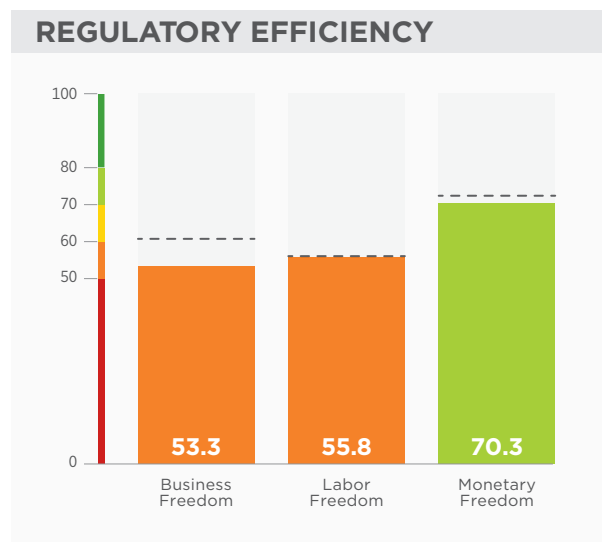
## 12 ECONOMIC FREEDOMS | GHANA



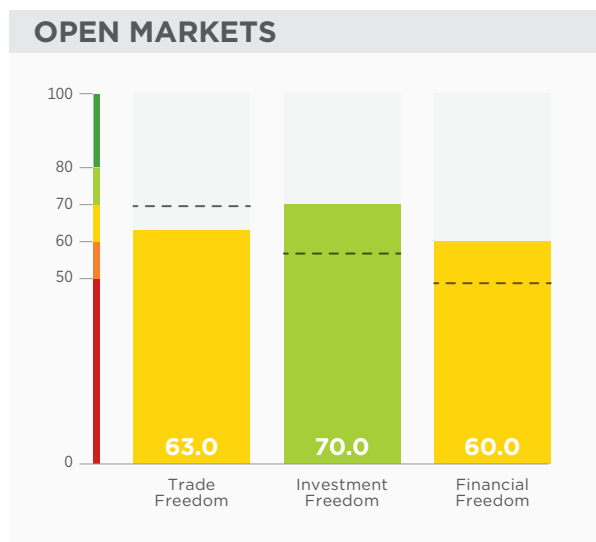
The overall rule of law is relatively well respected in Ghana. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 25 percent. The tax burden equals 13.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.1 percent and -11.3 percent of GDP. Public debt equals 82.1 percent of GDP.



Recent regulatory reforms have increased transparency, but progress in enhancing overall regulatory efficiency has lagged compared to other economies. Labor regulations have been modernized, but informal labor activity remains significant. The most recent available inflation rate is 10.0 percent.



The trade-weighted average tariff rate is 11.0 percent. Ghana's economy is one of the more open to foreign investment in sub-Saharan Africa, but investment in some sectors is restricted. The financial system has undergone restructuring, and the supervisory framework is relatively strong.

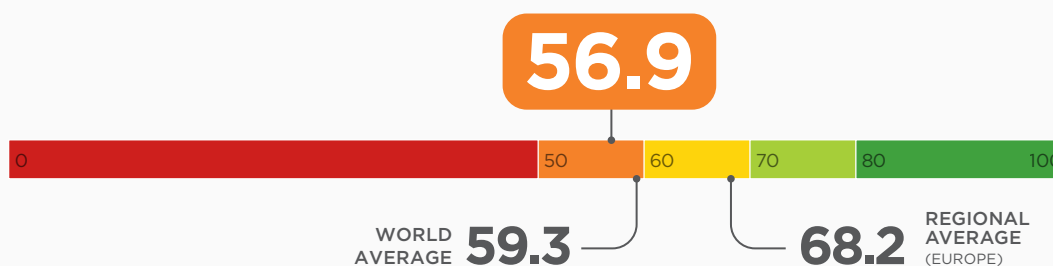
# GREECE

WORLD RANK: **107** REGIONAL RANK: **42**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Greece's economic freedom score is 56.9, making its economy the 107th freest in the 2023 *Index*. Its score is 4.6 points lower than last year. Greece is ranked 42nd out of 44 countries in the Europe region, and its overall score is below the world and regional averages.

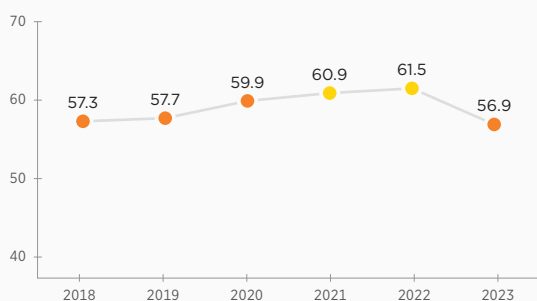
Bold adjustments are needed in such areas as government spending and labor freedom. The fiscal deficit remains unsustainable with public debt close to 200 percent of GDP. The lack of competitiveness and fading business confidence are serious impediments to economic revival. The rigid labor market discourages productivity gains and dynamic entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -4.3

## RECENT FREEDOM TREND



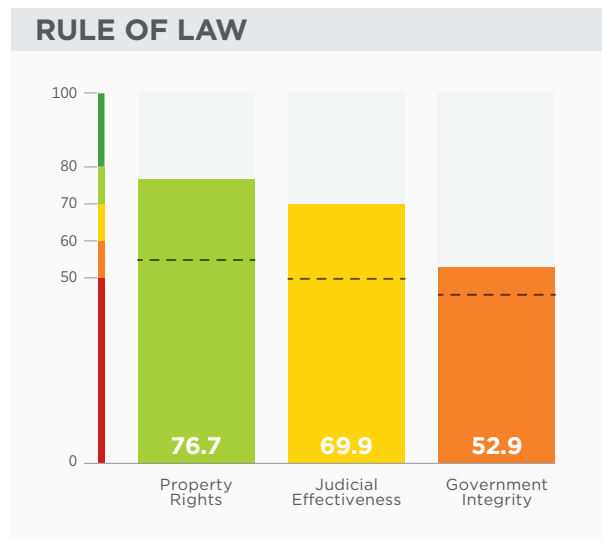
## QUICK FACTS

<b>POPULATION:</b> 10.7 million	<b>UNEMPLOYMENT:</b> 16.3%
<b>GDP (PPP):</b> \$344.2 billion 8.3% growth in 2021 5-year compound annual growth 0.8%	<b>INFLATION (CPI):</b> 0.6%
<b>FDI INFLOW:</b> \$5.7 billion	<b>PUBLIC DEBT:</b> 199.4% of GDP

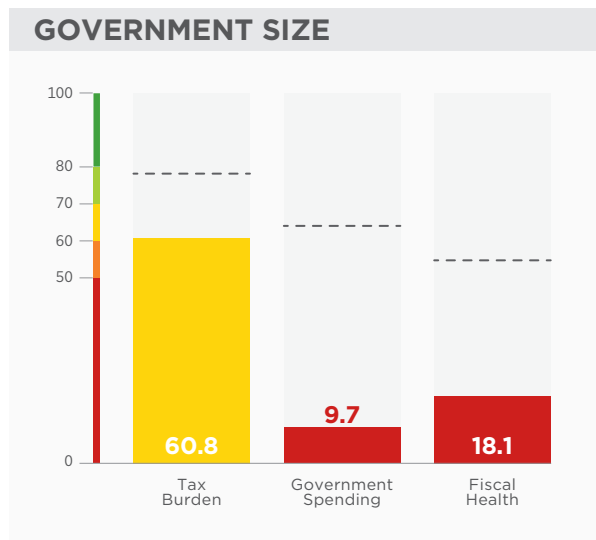
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Greece joined NATO in 1952, the European Union in 1981, and the eurozone in 2002. The center-right New Democracy Party's Kyriakos Mitsotakis has been prime minister since 2019. The government adopted labor reforms in 2021 and has strengthened defense ties with the U.S. In 2018, Greece exited from an eight-year bailout program conditioned on economic reforms and deeply unpopular austerity measures. Tourism and shipping are Greece's most important industries. Unemployment and public debt remain high. Significant Chinese investment includes a controlling stake in the port of Piraeus. Overlapping claims to Mediterranean hydrocarbon resources remain a source of contention with Türkiye.

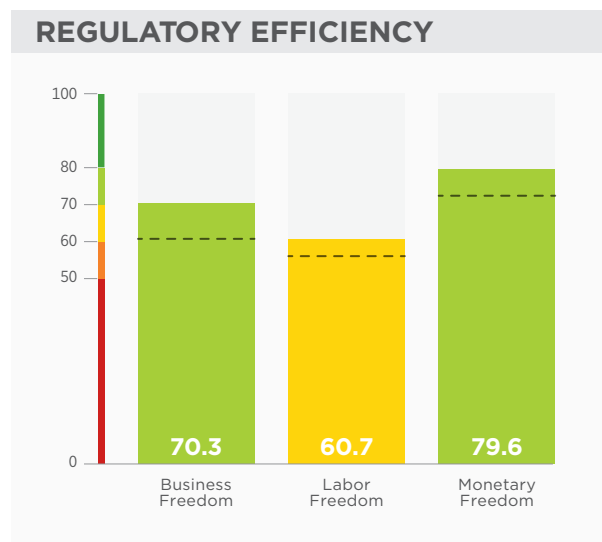
## 12 ECONOMIC FREEDOMS | GREECE



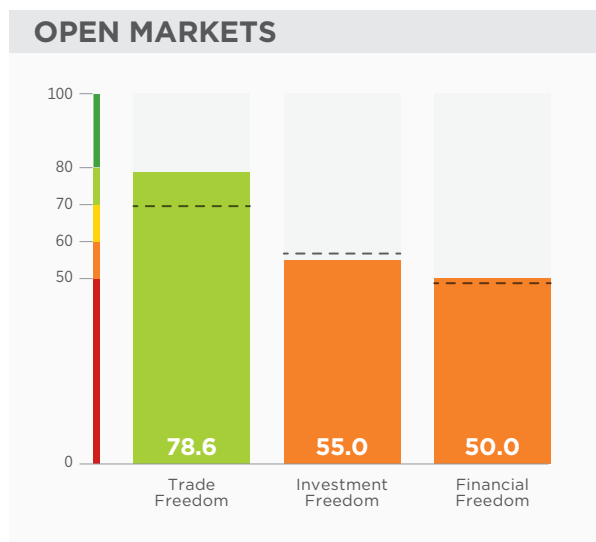
The overall rule of law is relatively well respected in Greece. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 44 percent and 22 percent. The tax burden equals 38.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 54.9 percent and -6.2 percent of GDP. Public debt equals 199.4 percent of GDP.



The overall regulatory framework is hampered by government bureaucracy, and efforts to enhance the business environment have been sporadic at best. Labor regulations are restrictive, and the non-salary cost of employing a worker is high. The most recent available inflation rate is 0.6 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign and domestic investors are generally treated equally, but investment faces bureaucratic barriers. The banking sector remains burdened by nonperforming loans.

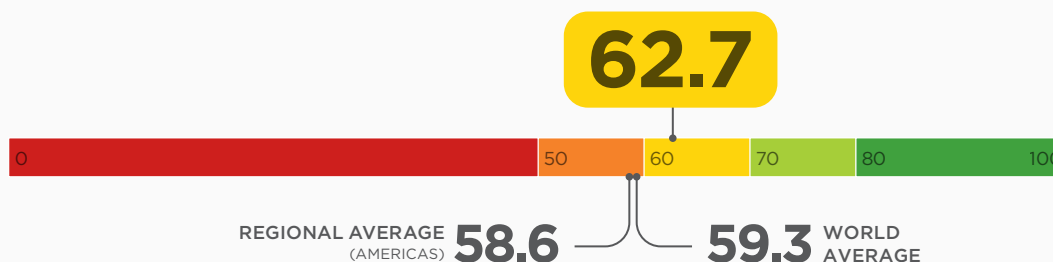
# GUATEMALA



Guatemala's economic freedom score is 62.7, making its economy the 64th freest in the 2023 *Index*. Its score has decreased by 0.5 point from last year. Guatemala is ranked 13th out of 32 countries in the Americas region, and its overall score is just above the world and regional averages.

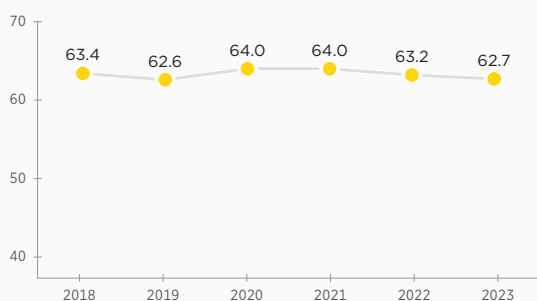
Guatemala's record on structural reform is uneven, and institutional weaknesses continue to constrain long-term economic development. The judicial system remains inefficient and vulnerable to political interference. Guatemala enjoys relatively high trade freedom, but the dynamic economic gains from trade are undercut by the absence of progress in other areas.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.1 million

**GDP (PPP):**  
\$167.9 billion  
8.0% growth in 2021  
5-year compound annual growth 3.4%  
\$9,154 per capita

**UNEMPLOYMENT:**  
2.2%

**INFLATION (CPI):**  
4.3%

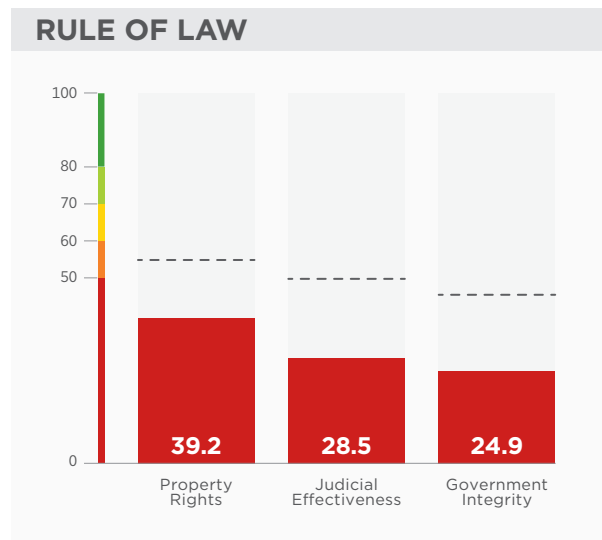
**FDI INFLOW:**  
\$3.5 billion

**PUBLIC DEBT:**  
30.8% of GDP

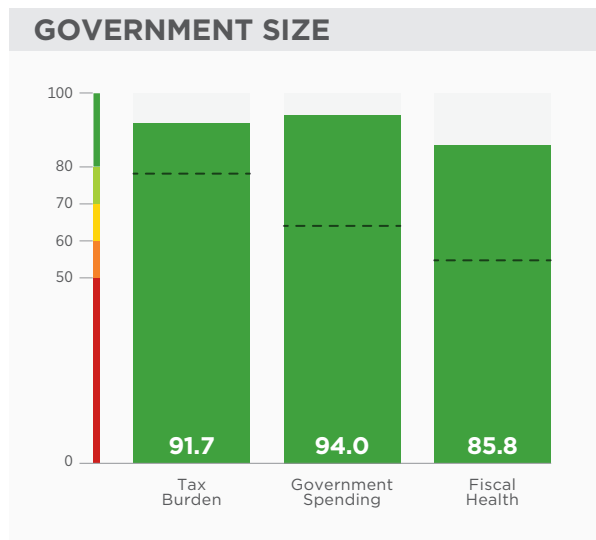
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** After a multidecade guerrilla conflict that killed more than 200,000 people ended in 1996, stability and gradual reform attracted foreign investment. President Alejandro Giammattei of the center-right Vamos party will complete his four-year term in 2023. His administration implemented the removal of the politicized, U.N.-sponsored International Commission Against Impunity in Guatemala, but corruption and a sizable bureaucracy remain constants. More than half of the population lives in poverty; remittances account for nearly 14 percent of GDP; and unemployment, particularly among young males, remains challenging. Guatemala is pursuing opportunities for growth in such strategic sectors as English-speaking call centers and textiles.

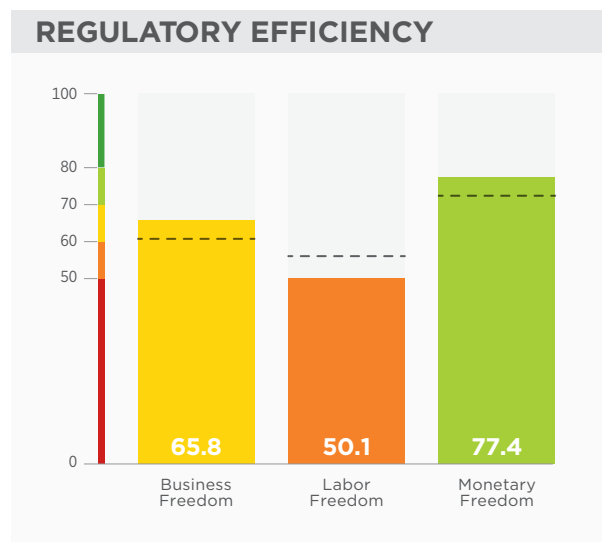
## 12 ECONOMIC FREEDOMS | GUATEMALA



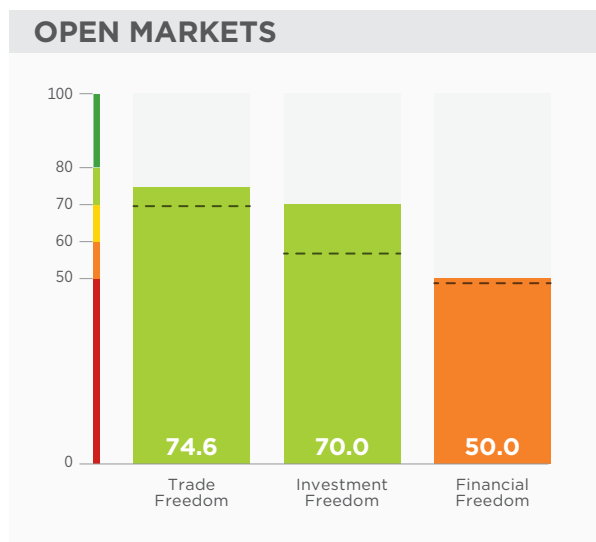
The overall rule of law is weak in Guatemala. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 7 percent and 25 percent. The tax burden equals 12.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.2 percent and -2.8 percent of GDP. Public debt equals 30.8 percent of GDP.



Bureaucratic hurdles, including lengthy processes for launching a business and obtaining necessary permits, remain common. Labor regulations are rigid, and a large portion of the workforce is employed in the informal sector. The most recent available inflation rate is 4.3 percent.



The trade-weighted average tariff rate is 5.2 percent. There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors, but inefficient regulatory systems discourage investment. The overall financial sector is underdeveloped.

# GUINEA

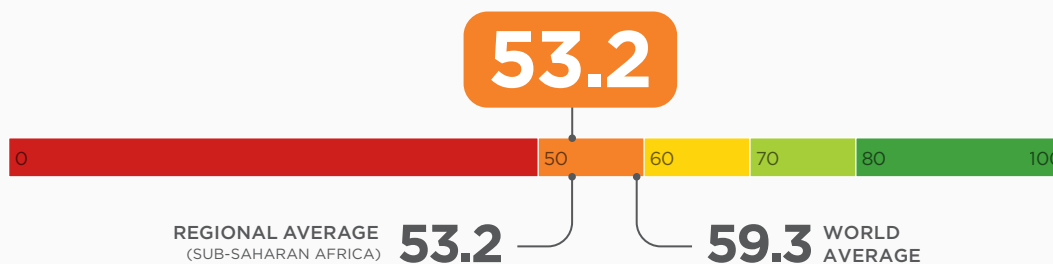
WORLD RANK: **129** | REGIONAL RANK: **25**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Guinea's economic freedom score is 53.2, making its economy the 129th freest in the 2023 *Index*. Its score is 1.0 point lower than last year. Guinea is ranked 25th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

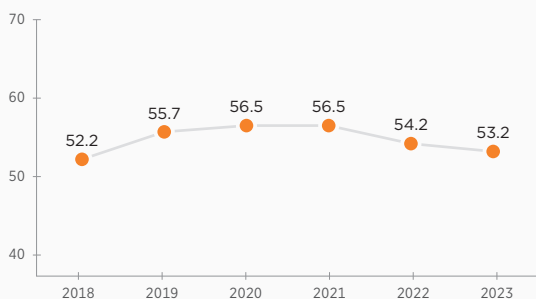
Instability and weak rule of law continue to constrain economic development in Guinea. Marginal enforcement of property rights and high levels of corruption have driven many people into the informal sector. The judicial system is weak and vulnerable to political interference. Economic growth remains fragile. State-controlled enterprises dominate key sectors.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -6.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
13.5 million

**GDP (PPP):**  
\$39.9 billion  
4.2% growth in 2021  
5-year compound annual growth 6.6%  
\$2,789 per capita

**UNEMPLOYMENT:**  
5.0%

**INFLATION (CPI):**  
12.6%

**FDI INFLOW:**  
\$173.0 million

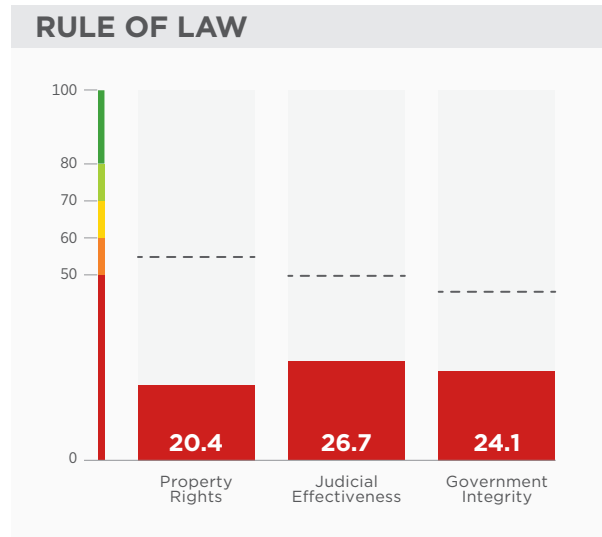
**PUBLIC DEBT:**  
42.5% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

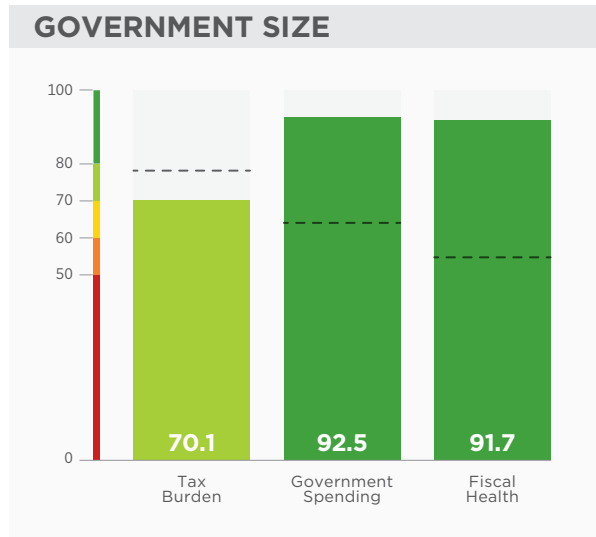
**BACKGROUND:** In 2010, Alpha Condé won Guinea's first presidential election since independence from France in 1958, but the election was marred by irregularities and violence. Condé easily won a second term in 2015 after the opposition boycotted the elections. In 2020, a constitutional referendum enabled him to seek a third term, which he won in October elections that were followed by violence and the arrests of opposition leaders. A coup ousted Condé in September 2021, and the regional body ECOWAS suspended Guinea's membership. Despite huge bauxite reserves and large deposits of iron ore, gold, and diamonds, many Guineans live in poverty.



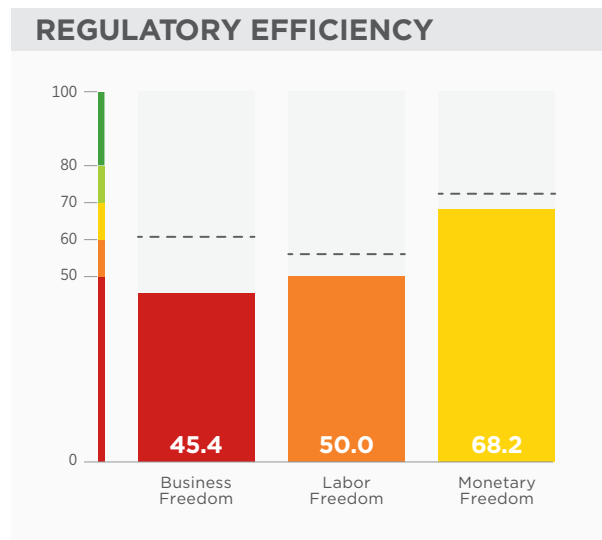
## 12 ECONOMIC FREEDOMS | GUINEA



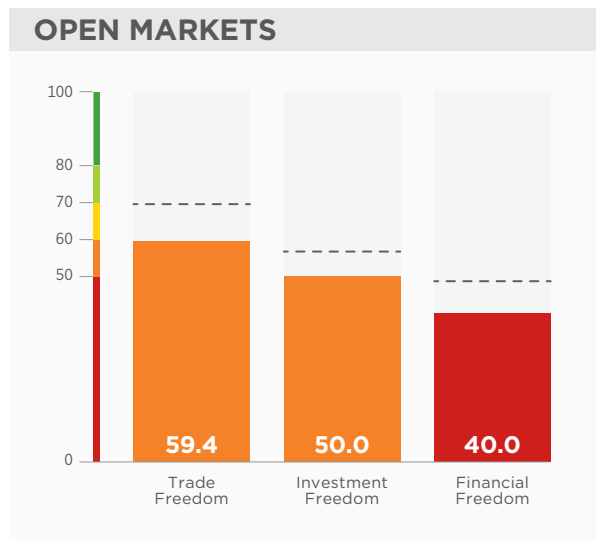
The overall rule of law is weak in Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 35 percent. The tax burden equals 12.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.8 percent and -1.7 percent of GDP. Public debt equals 42.5 percent of GDP.



Underdevelopment and the "resource curse," combined with a long history of undemocratic government, have undermined economic development and business freedom. The labor market suffers from a lack of workers with specialized skills. The most recent available inflation rate is 12.6 percent.



The trade-weighted average tariff rate is 12.8 percent, and nontariff barriers prevent more dynamic trade from taking place. The inefficient regulatory system impedes foreign investment. The underdeveloped financial sector continues to provide a very limited range of services.



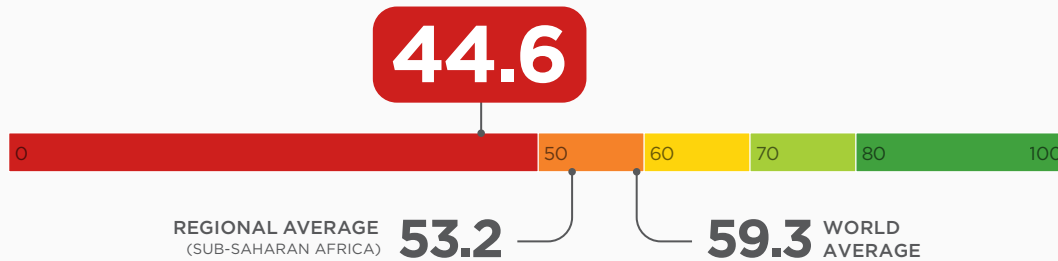
# GUINEA-BISSAU

WORLD RANK: **165** | REGIONAL RANK: **42**  
 ECONOMIC FREEDOM STATUS: **REPRESSED**

**G**uinea-Bissau's economic freedom score is 44.6, making its economy the 165th freest in the 2023 *Index*. Its score has decreased by 1.4 points. Guinea-Bissau is ranked 42nd out of 47 countries in the Sub-Saharan Africa region, and its overall score remains well below the world and regional averages.

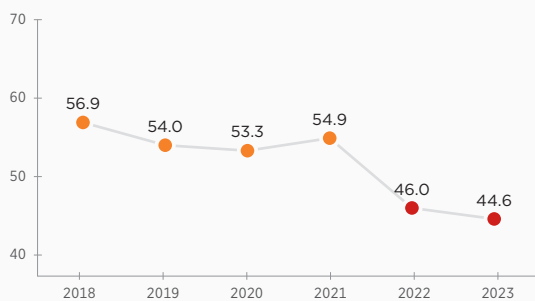
The economic foundations for long-term development remain notably weak. Guinea-Bissau's property rights and corruption scores are far below world averages, and the judicial system is inefficient and nontransparent. A lack of commitment to open-market policies discourages trade and investment growth and the emergence of a more dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +11.1

## RECENT FREEDOM TREND



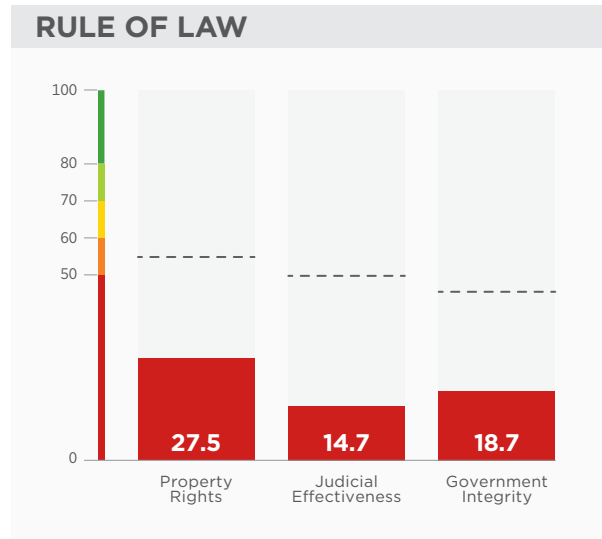
## QUICK FACTS

**POPULATION:** 2.0 million  
**UNEMPLOYMENT:** 3.2%  
**GDP (PPP):** \$4.8 billion  
 3.8% growth in 2021  
 5-year compound annual growth 3.6%  
 \$2,581 per capita  
**INFLATION (CPI):** 3.3%  
**FDI INFLOW:** \$23.8 million  
**PUBLIC DEBT:** 78.5% of GDP

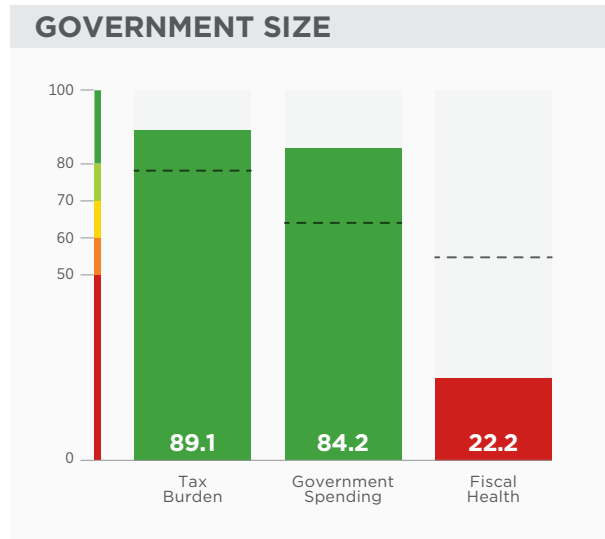
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Conflict has wracked Guinea-Bissau almost continuously since independence from Portugal in 1974. A contested presidential election in 2019 plunged the country into crisis before Umaro Sissoco Embaló, a former prime minister and general, was confirmed as sole president. Embaló survived an assassination attempt early in 2022, prompting the regional ECOWAS community to deploy a force in June to stabilize the country. Guinea-Bissau is highly dependent on subsistence agriculture, exports of cashew nuts, and foreign assistance, which normally accounts for about 80 percent of its budget. The incomes of approximately two-thirds of the population are below the extreme-poverty line.

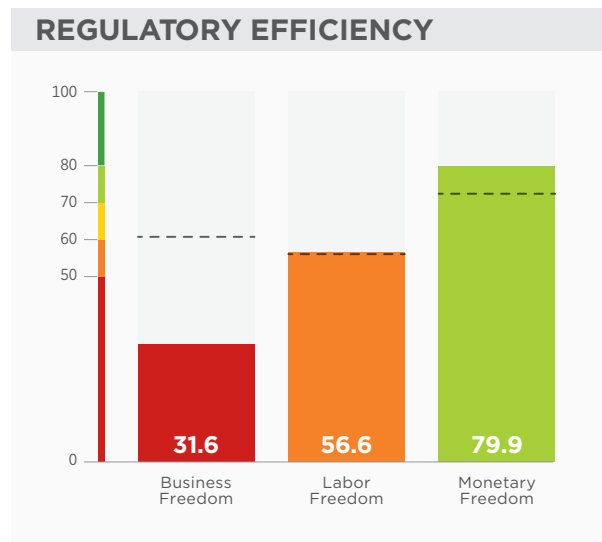
## 12 ECONOMIC FREEDOMS | GUINEA-BISSAU



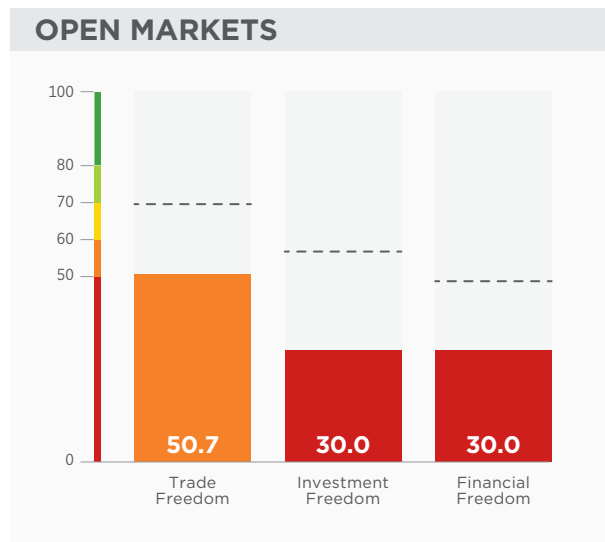
The overall rule of law is weak in Guinea-Bissau. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



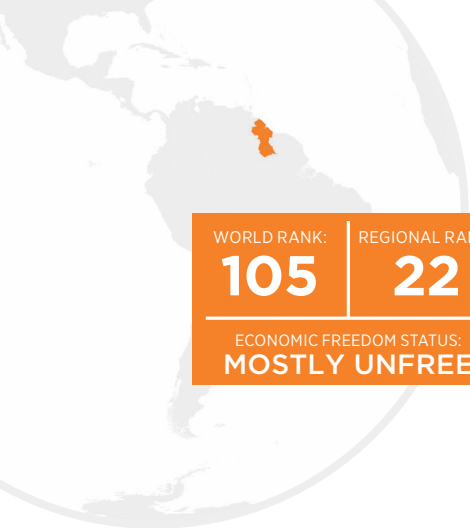
The top individual and corporate tax rates are, respectively, 20 percent and 25 percent. The tax burden equals 8.0 percent of GDP. Three-year government spending and budget balance averages are, correspondingly, 23.0 percent and -6.4 percent of GDP. Public debt amounts to 78.5 percent of GDP.



With weak institutions and no stable government, Guinea-Bissau continues to have a difficult time improving its business climate. Much of the labor force is employed in the public sector or the informal economy. The most recent available inflation rate is 3.3 percent.



The trade-weighted average tariff rate is 14.7 percent, and nontariff barriers continue to impede trade. The law treats foreign and domestic investment equally, but openness to foreign investment is below average. High credit costs and scarce access to financing discourage entrepreneurial activity.



WORLD RANK: **105** | REGIONAL RANK: **22**

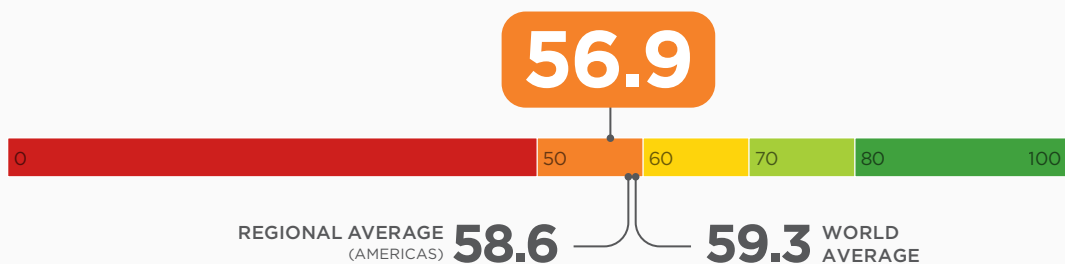
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# GUYANA

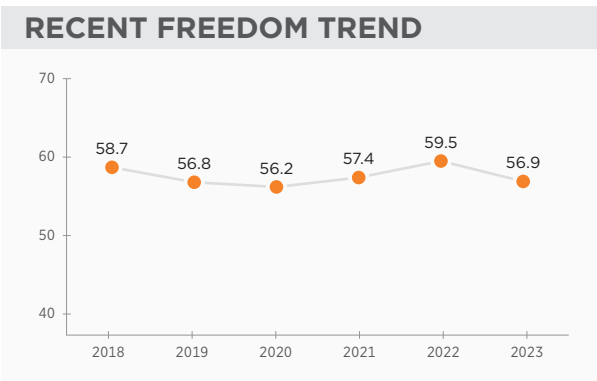
**G**uyana's economic freedom score is 56.9, making its economy the 105th freest in the 2023 *Index*. Its score is 2.6 points lower than last year. Guyana is ranked 22nd out of 32 countries in the Americas region, and its overall score is below the world and regional averages.

If economic freedom is to be sustained and advanced in Guyana, the foundations of economic freedom must be strengthened. Broad-based long-term economic development remains constrained by structural weaknesses that stem from an inefficient legal framework and widespread corruption. Restrictions on foreign investment and inefficient bureaucracy continue to undermine the entrepreneurial environment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +11.2



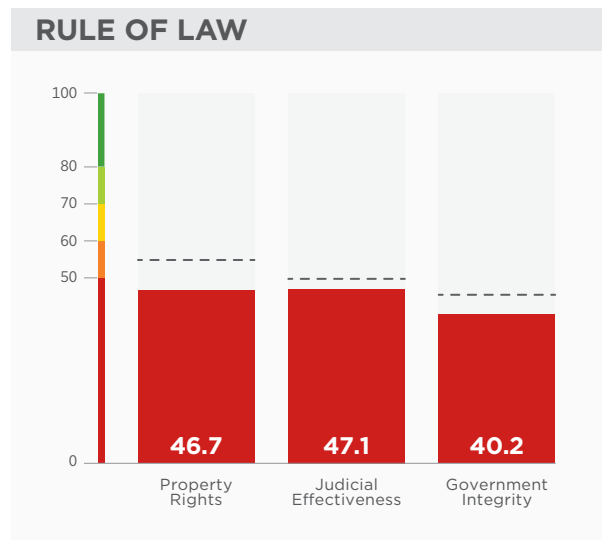
### QUICK FACTS

<b>POPULATION:</b> 0.8 million	<b>UNEMPLOYMENT:</b> 13.5%
<b>GDP (PPP):</b> \$19.4 billion 19.9% growth in 2021 5-year compound annual growth 15.4% \$24,526 per Capita	<b>INFLATION (CPI):</b> 5.1%
	<b>FDI INFLOW:</b> \$1.2 billion
	<b>PUBLIC DEBT:</b> 42.9% of GDP

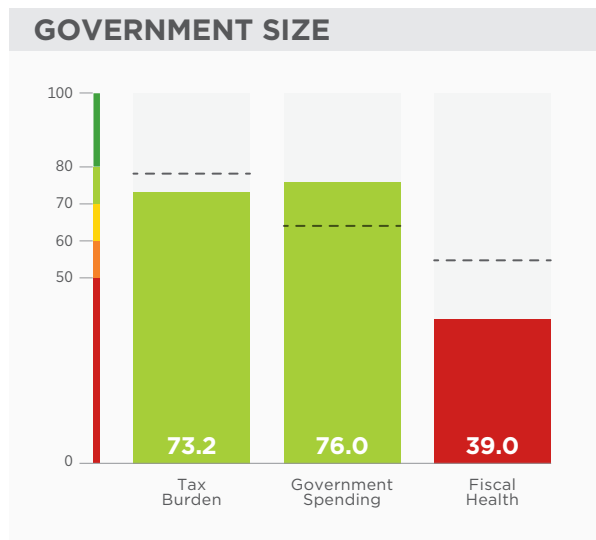
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Guyana's ethno-cultural divide has led to a history of political turmoil and electoral violence that stretches back to independence from the United Kingdom in 1966. Irfaan Ali of the leftist People's Progressive Party/Civic has been president since 2020. His moderate agenda includes addressing Guyana's nascent oil production and negotiating with foreign oil companies. Petroleum, recently discovered offshore, is expected to transform Guyana's economy and raise GDP substantially. Ali has created a sovereign wealth fund that is subject to parliamentary oversight each fiscal year. Venezuela claims more than two-thirds of Guyana's territory and has pursued annexation unsuccessfully in international courts.

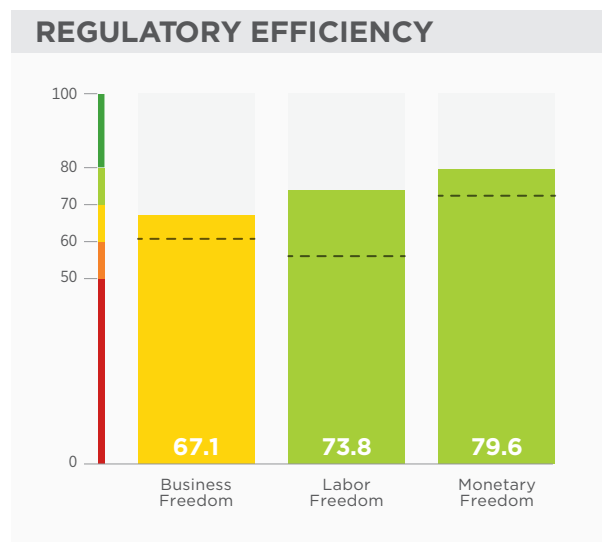
## 12 ECONOMIC FREEDOMS | GUYANA



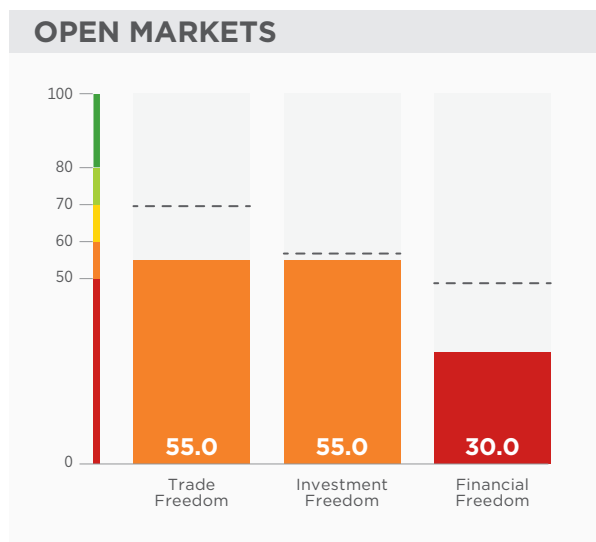
The overall rule of law is weak in Guyana. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 25 percent. The tax burden equals 21.3 percent of GDP. Three-year government spending and budget balance averages are, correspondingly, 28.3 percent and -6.0 percent of GDP. Public debt amounts to 42.9 percent of GDP.



Reform measures have streamlined the procedures for establishing a business, but the overall pace of regulatory reform has lagged behind the pace in other countries. A well-functioning private labor market has not yet emerged. The most recent available inflation rate is 5.1 percent.



The trade-weighted average tariff rate is 12.5 percent, and nontariff measures further increase the cost of trade. Foreign and domestic investors are generally treated equally under the law. The financial sector is underdeveloped, and limited access to financing discourages the long-term growth of entrepreneurial activity.

# HAITI

WORLD RANK:

149

REGIONAL RANK:

28

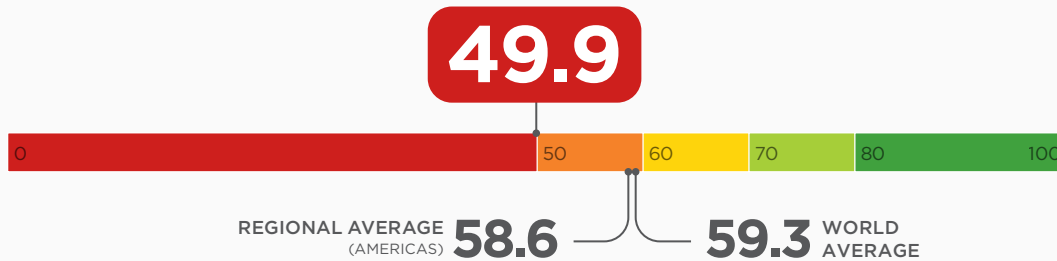
ECONOMIC FREEDOM STATUS:

REPPRESSED

Haiti's economic freedom score is 49.9, making its economy the 149th freest in the 2023 *Index*. Its score is 0.1 point lower than last year. Haiti is ranked 28th out of 32 countries in the Americas region, and its overall score is lower than the world and regional averages.

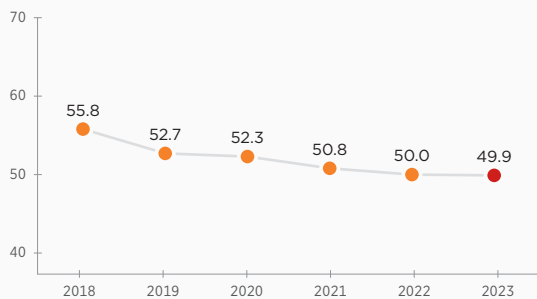
Progress in reforming the Haitian economy has been minimal. Reforms to improve the business climate have had little effect in light of the country's pervasive corruption and inefficient judicial framework. Investment is deterred by bureaucracy and red tape, which are exacerbated by the weak rule of law.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +6.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.5 million

**GDP (PPP):**  
\$36.1 billion  
-1.8% growth in 2021  
5-year compound  
annual growth -0.5%  
\$3,032 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
15.9%

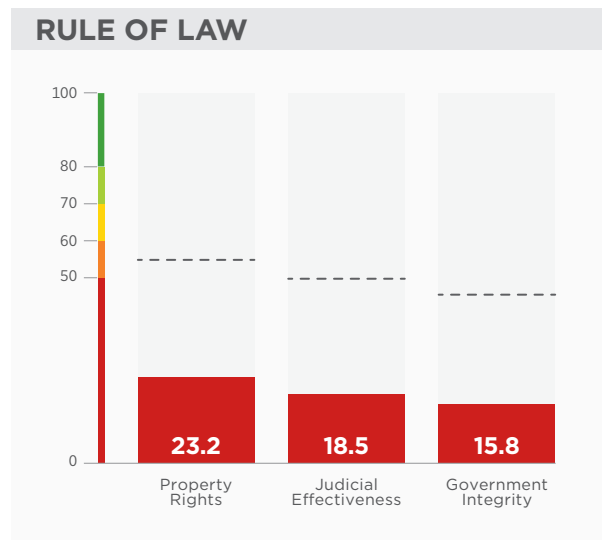
**FDI INFLOW:**  
\$50.0 million

**PUBLIC DEBT:**  
24.2% of GDP

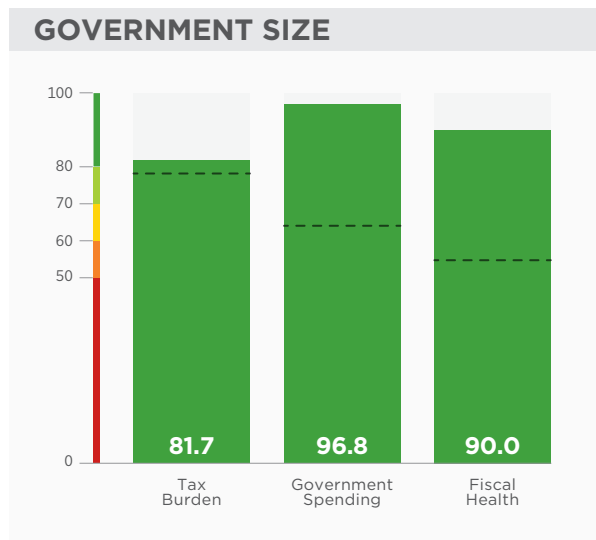
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Western Hemisphere's poorest country and plagued by widespread corruption, gang violence, drug trafficking, and organized crime, Haiti is becoming a failed state and has yet to recover, either institutionally or in terms of security, from President Jovenel Moïse's assassination in 2021. Armed violence has spiked, including in the capital of Port-au-Prince, as gangs clash for control of territory. Acting Prime Minister Ariel Henry's promised provisional electoral council to schedule elections has been delayed indefinitely. More than 25 percent of Haitians live in extreme poverty, and record numbers have emigrated to the Dominican Republic, South America, and the United States.

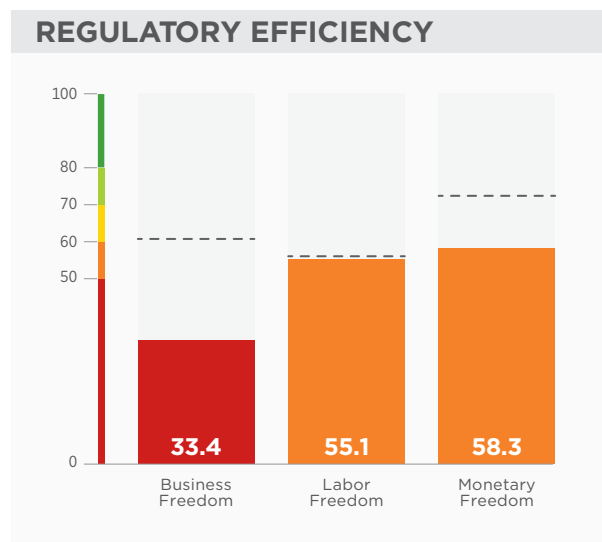
## 12 ECONOMIC FREEDOMS | HAITI



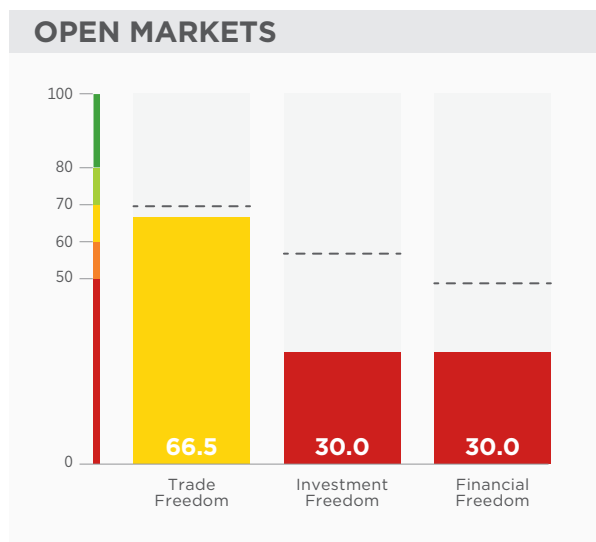
The overall rule of law is weak in Haiti. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 5.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 10.3 percent and -2.3 percent of GDP. Public debt equals 24.2 percent of GDP.



Political uncertainty and unstable security continue to undermine the business environment, which has never been efficient or conducive to sustainable entrepreneurial activity. Haiti's formal labor market is not fully developed. Labor laws are loosely enforced. The most recent available inflation rate is 15.9 percent.



The trade-weighted average tariff rate is 6.8 percent, and other barriers to trade freedom are extensive. Bureaucratic impediments, made worse by institutional shortcomings, discourage foreign investment. The strained financial infrastructure remains fragile. Many economic transactions are conducted outside of the formal banking sector.

# HONDURAS

WORLD RANK:

94

REGIONAL RANK:

21

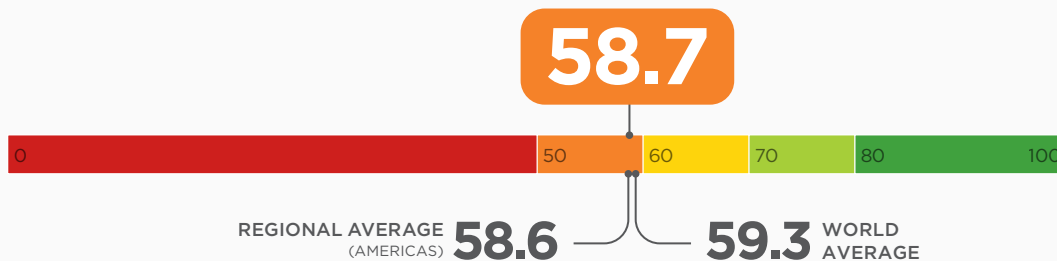
ECONOMIC FREEDOM STATUS:

**MOSTLY UNFREE**

**H**onduras's economic freedom score is 58.7, making its economy the 94th freest in the 2023 *Index*. Its score is 0.8 point lower than last year. Honduras is ranked 21st out of 32 countries in the Americas region, and its overall score is lower than the world average.

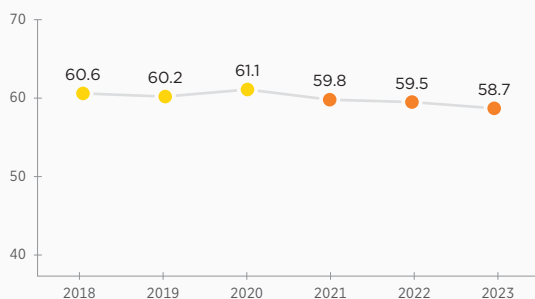
Deeper institutional reforms are needed to strengthen economic freedom and economic growth. Systemic weaknesses persist in the protection of property rights and enforcement of anticorruption measures. The judicial system is vulnerable to political influence. The economy receives relatively high scores for policies that support and sustain open markets.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +1.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.1 million

**GDP (PPP):**  
\$62.9 billion  
12.5% growth in 2021  
5-year compound annual growth 3.0%  
\$6,218 per capita

**UNEMPLOYMENT:**  
11.0%

**INFLATION (CPI):**  
4.5%

**FDI INFLOW:**  
\$700.2 million

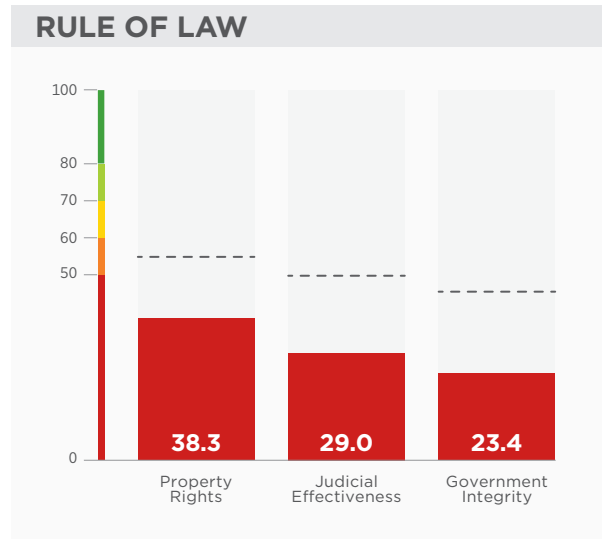
**PUBLIC DEBT:**  
50.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

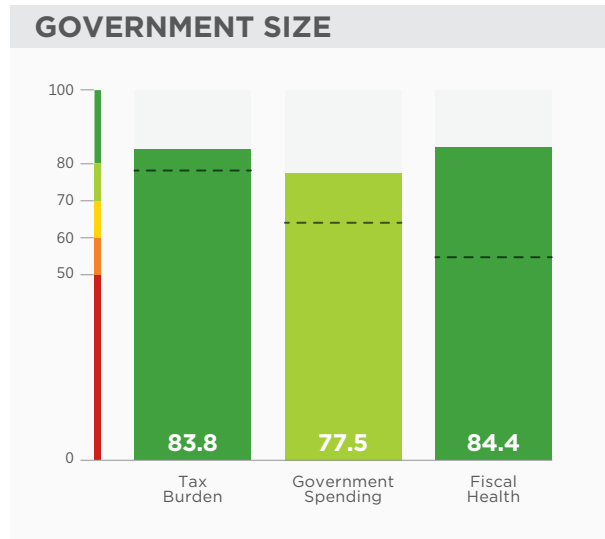
**BACKGROUND:** Honduras is Central America's second-poorest country and has one of the world's highest homicide rates. Gangs and transnational criminal networks prey on communities, often in collusion with authorities. Xiomara Castro of the leftist Liberty and Refoundation party, whose husband Manuel was deposed in 2009, began her term as president in 2021. In 2022, a crisis ensued when a faction of her party refused to accept the results of a congressional leadership election. The country's location makes it vulnerable to narco-trafficking. Unemployment and violence continue to encourage emigration. Honduras has diversified its export base to include apparel and automobile wire harnesses.



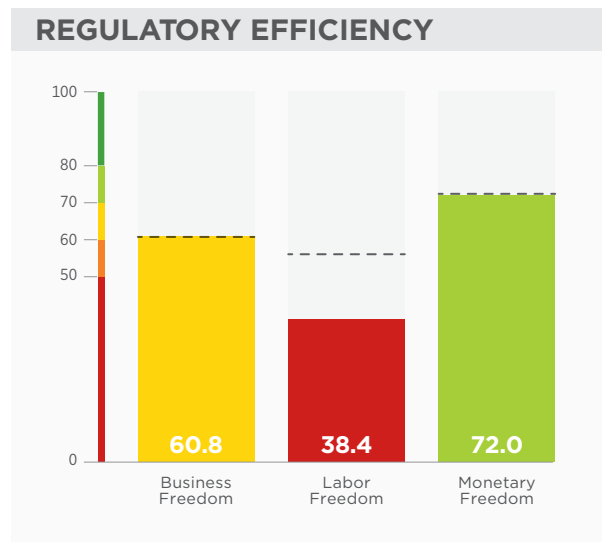
## 12 ECONOMIC FREEDOMS | HONDURAS



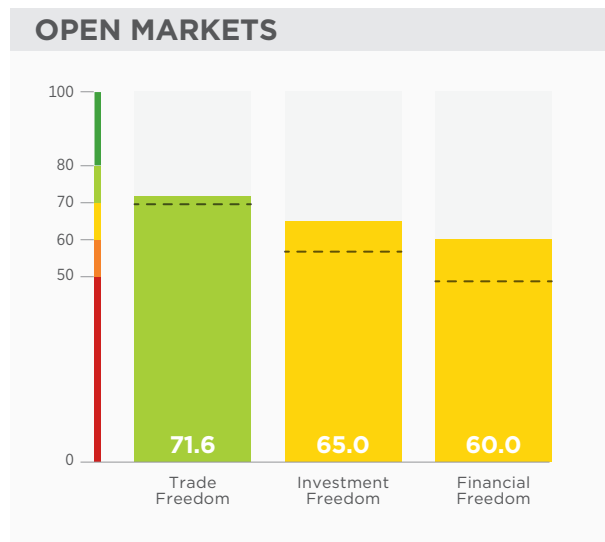
The overall rule of law is weak in Honduras. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



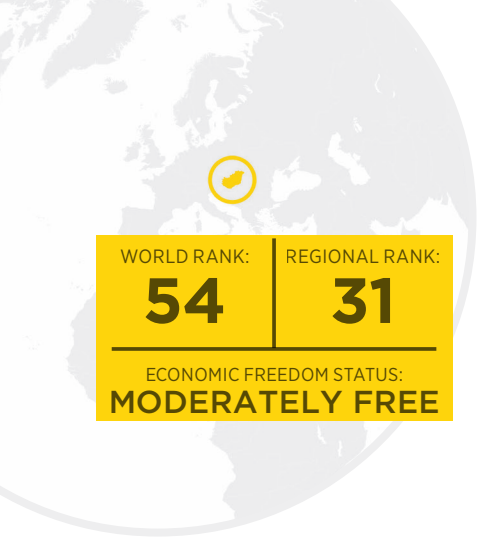
The top individual and corporate tax rates are 25 percent. The tax burden equals 19.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.4 percent and -2.6 percent of GDP. Public debt equals 50.2 percent of GDP.



The regulatory environment continues to evolve, but the pace of reform has been sluggish. Labor regulations are burdensome and outmoded. A large part of the labor force relies on the informal sector for employment. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 6.7 percent, and regulatory systems may act as barriers to foreign investment. The financial sector remains relatively stable and continues to expand. About 50 percent of adult Hondurans have access to an account with a formal banking institution.



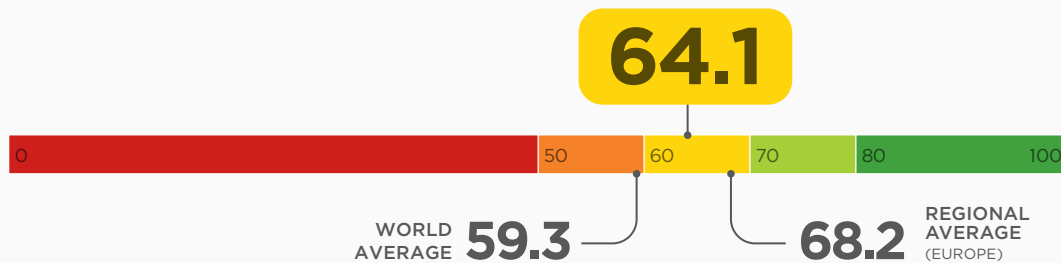
WORLD RANK: <b>54</b>	REGIONAL RANK: <b>31</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# HUNGARY

**H**ungary's economic freedom score is 64.1, making its economy the 54th freest in the 2023 *Index*. Its score has decreased by 2.8 points. Hungary is ranked 31st out of 44 countries in the Europe region, and its overall score is well above the world average.

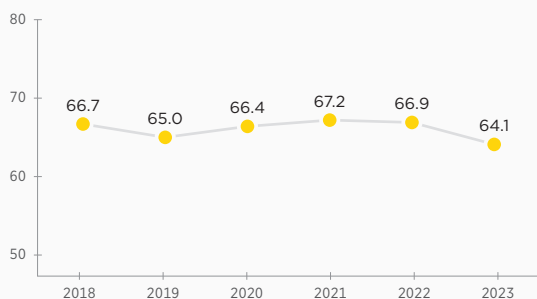
Reforms have been implemented in many areas of Hungary's economy to sustain a vibrant private sector and market openness. The relatively sound judicial framework that sustains the rule of law and provides protection for property rights has contributed to Hungary's stability and long-term competitiveness. Fiscal consolidation is needed to curb the growing debt burden.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
9.7 million

**GDP (PPP):**  
\$361.3 billion  
7.1% growth in 2021  
5-year compound annual growth 3.3%  
\$37,128 per capita

**UNEMPLOYMENT:**  
4.3%

**INFLATION (CPI):**  
5.1%

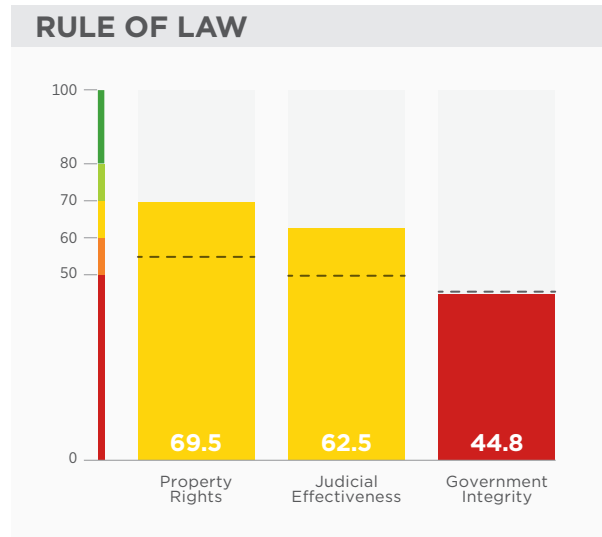
**FDI INFLOW:**  
\$5.5 billion

**PUBLIC DEBT:**  
76.8% of GDP

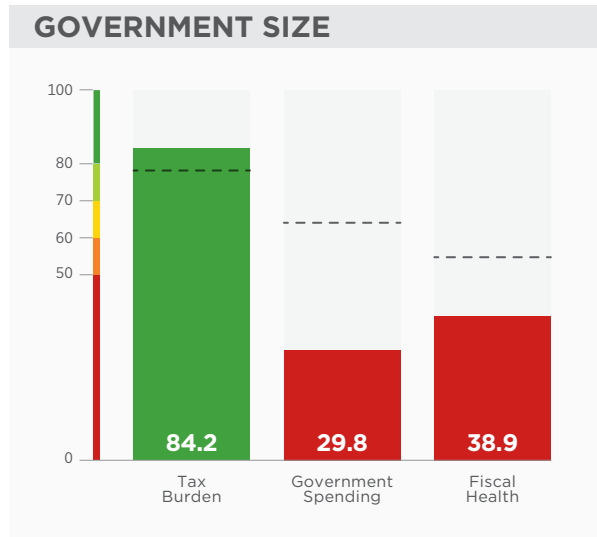
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Hungary emerged from 45 years of Communist rule to become fully independent in 1990. It joined NATO in 1999 and the European Union in 2004. Prime Minister Viktor Orbán won reelection to a fourth term in April 2022, and his center-right Fidesz-Hungarian Civic Alliance again won two-thirds of the seats in parliament despite a united opposition. The EU continues to withhold relief funds because of rule-of-law, media, and judicial independence concerns. Despite pressure, Hungary has retained its ties to China and Russia. The government's nationalist and populist approach to economic management has set Hungary somewhat apart from its neighbors.

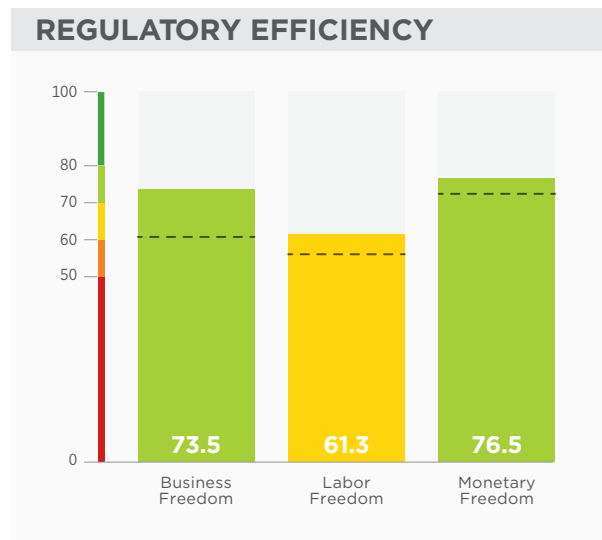
## 12 ECONOMIC FREEDOMS | HUNGARY



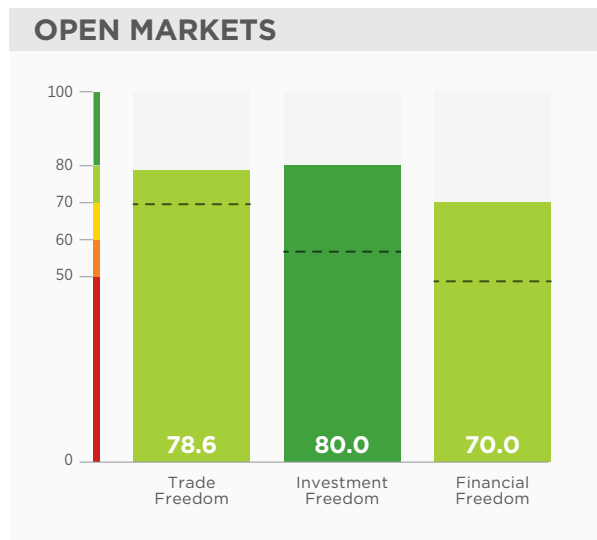
The overall rule of law is relatively well respected in Hungary. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 9 percent. The tax burden equals 35.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.4 percent and -5.6 percent of GDP. Public debt equals 76.8 percent of GDP.



The transparent regulatory framework allows dynamic business formation and flexible and efficient operations. Labor regulations are fairly stringent and include rigid restrictions on work hours. The most recent available inflation rate is 5.1 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures are in force. The investment framework is efficient but lacks transparency. The government has largely withdrawn from banking, and the financial sector offers a range of services.



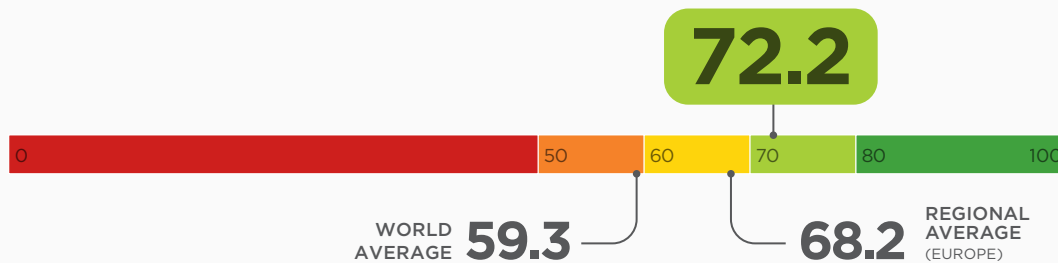
# ICELAND

WORLD RANK:	REGIONAL RANK:
<b>19</b>	<b>13</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

Iceland's economic freedom score is 72.2, making its economy the 19th freest in the 2023 *Index*. Its score is 4.8 points lower than last year. Iceland is ranked 13th out of 44 countries in the Europe region, and its overall score remains above the world and regional averages.

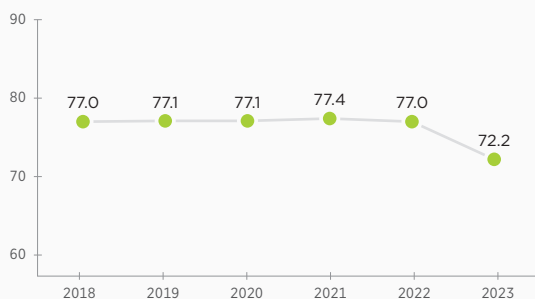
The legal framework remains among the world's best, providing effective protection of property rights. The rule of law is well maintained, and a strong tradition of minimum tolerance for corruption is firmly in place. Despite the challenging global economic situation, the economy has been resilient, bolstered by regulatory efficiency and open-market policies.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +1.7

## RECENT FREEDOM TREND



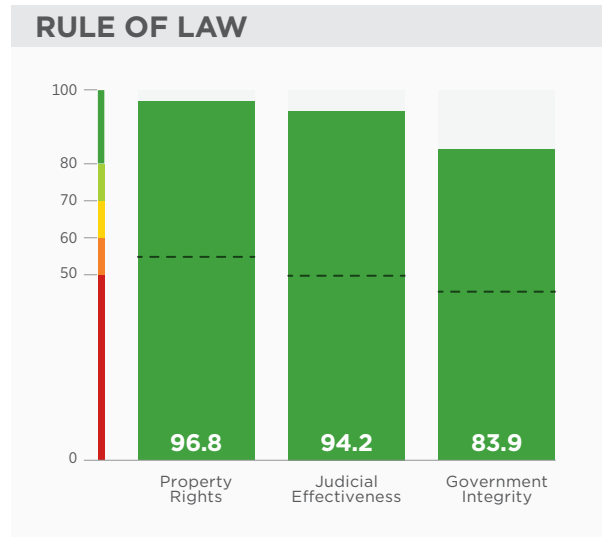
## QUICK FACTS

<b>POPULATION:</b> 0.4 million	<b>UNEMPLOYMENT:</b> 5.5%
<b>GDP (PPP):</b> \$22.1 billion 4.3% growth in 2021 5-year compound annual growth 1.8%	<b>INFLATION (CPI):</b> 4.5%
<b>FDI INFLOW:</b> \$173.5 million	<b>PUBLIC DEBT:</b> 74.6% of GDP

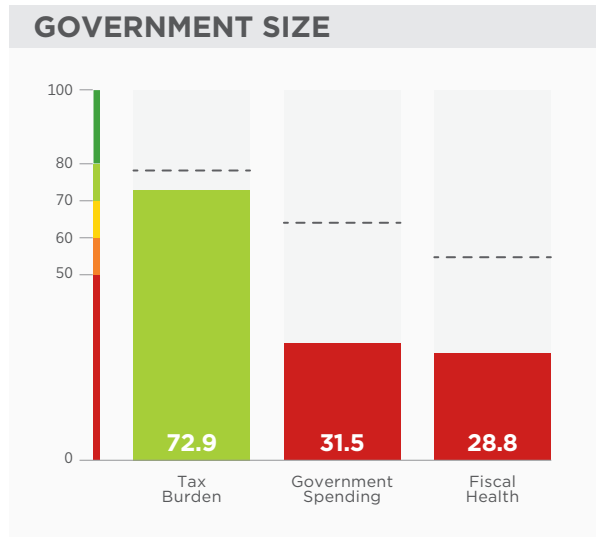
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Iceland is one of the world's oldest democracies. Prime Minister Katrin Jakobsdottir's Left-Green Movement and its coalition partners, the center-right Independence Party and populist Progressive Party, won additional seats in parliament in 2021. Independent Guðni Jóhannesson was reelected to the largely ceremonial presidency in 2020. The government has pledged aggressive targets for emission reductions. Iceland's economy relies heavily on tourism, which increased significantly in 2021 but has not fully recovered its pre-pandemic volume. Iceland withdrew its application for membership in the European Union in 2015 but enjoys free trade and movement of capital, labor, goods, and services with the EU.

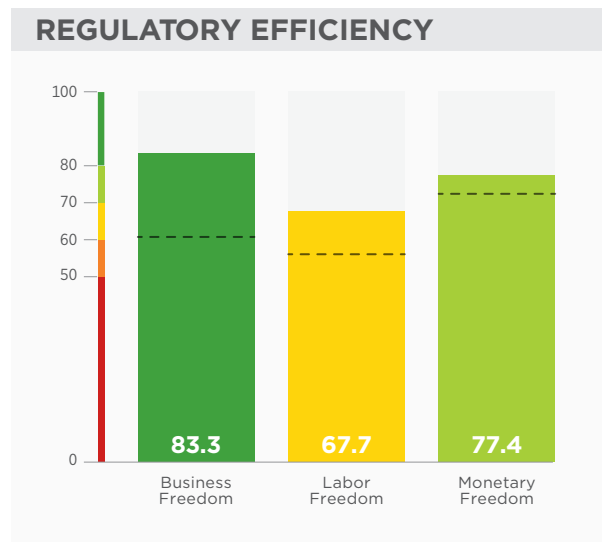
## 12 ECONOMIC FREEDOMS | ICELAND



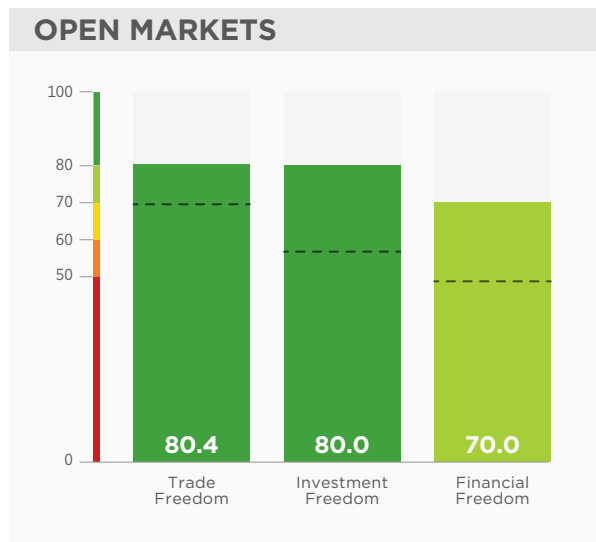
The overall rule of law is very well respected in Iceland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



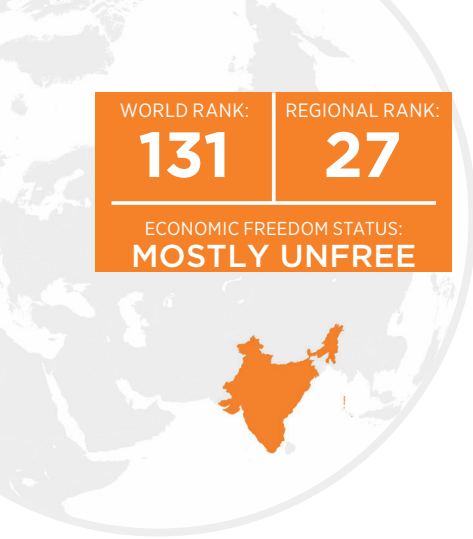
The top individual and corporate tax rates are, respectively, 31.8 percent and 20 percent. The tax burden equals 36.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.8 percent and -6.1 percent of GDP. Public debt equals 74.6 percent of GDP.



Iceland's modern, transparent regulatory environment encourages entrepreneurial activity by allowing the formation and operation of businesses to be both efficient and dynamic. Labor regulations are relatively rigid with broad wage settlements and high unionization. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 2.3 percent, and more than 80 nontariff measures are in force. Transparent and efficient regulations, generally applied evenly, encourage investment. The financial sector has regained stability with capital controls removed. A range of commercial banking services is available.

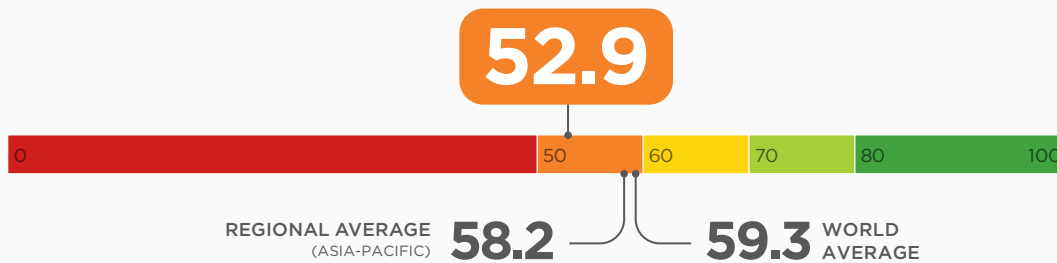


# INDIA

India's economic freedom score is 52.9, making its economy the 131st freest in the 2023 *Index*. Its score is 1.0 point lower than last year. India is ranked 27th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

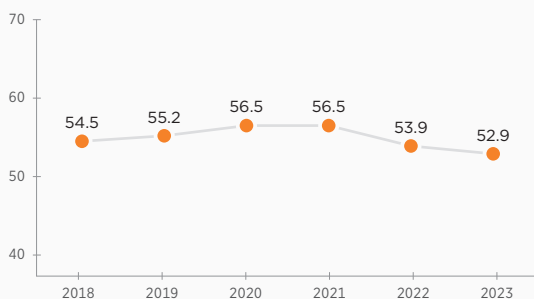
The foundations for long-term economic development remain fragile without an efficiently functioning legal framework. The state's presence in many sectors through state-owned enterprises is extensive, and the legacy of decades of failed socialist policies includes a substantial tolerance for government meddling in economic activity. Progress with market-oriented reforms has been uneven.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.4 billion

**GDP (PPP):**  
\$10.2 trillion  
8.9% growth in 2021  
5-year compound annual growth 3.9%  
\$7,341 per capita

**UNEMPLOYMENT:**  
4.7%

**INFLATION (CPI):**  
5.5%

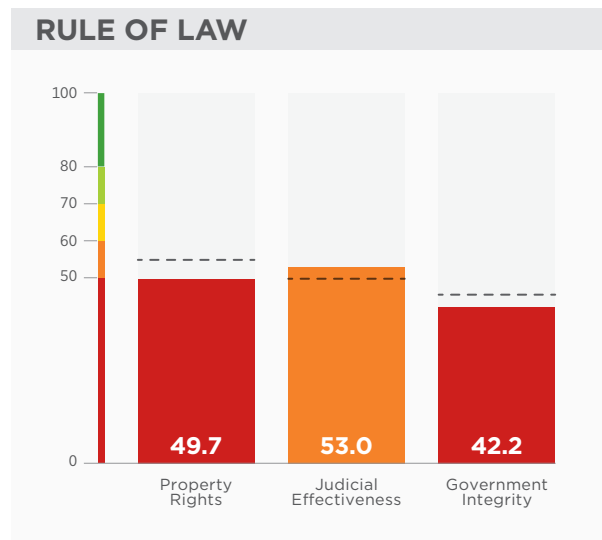
**FDI INFLOW:**  
\$44.7 billion

**PUBLIC DEBT:**  
84.2% of GDP

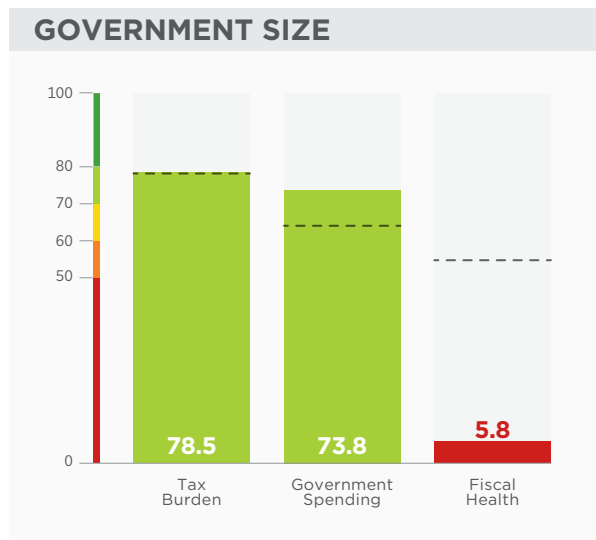
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Approximately 80 percent of India's nearly 1.4 billion people are Hindu, but the country also has one of the world's largest Muslim populations. Bharatiya Janata Party (BJP) leader Narendra Modi became prime minister in 2014 and retained his position when the BJP expanded its majority in 2019. Skirmishes at the disputed border between India and China in 2020 exacerbated the two countries' long-standing rivalry. India's economy encompasses traditional village farming, industrial-scale agriculture, handicrafts, and a wide range of modern industries. With a well-educated English-speaking population, India is a major exporter of information technology services, business outsourcing services, and software workers.

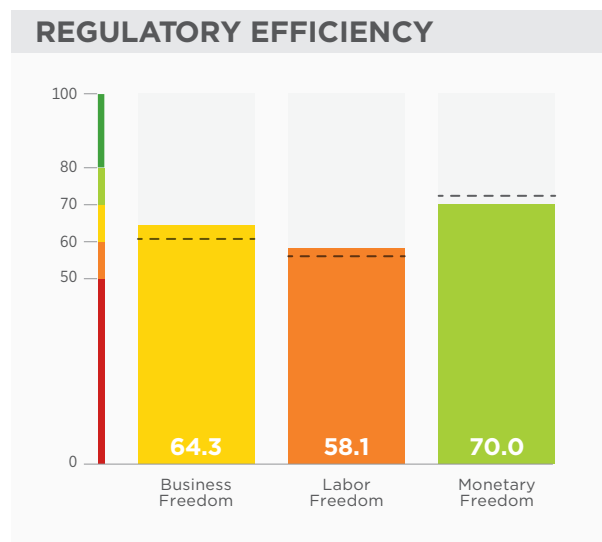
## 12 ECONOMIC FREEDOMS | INDIA



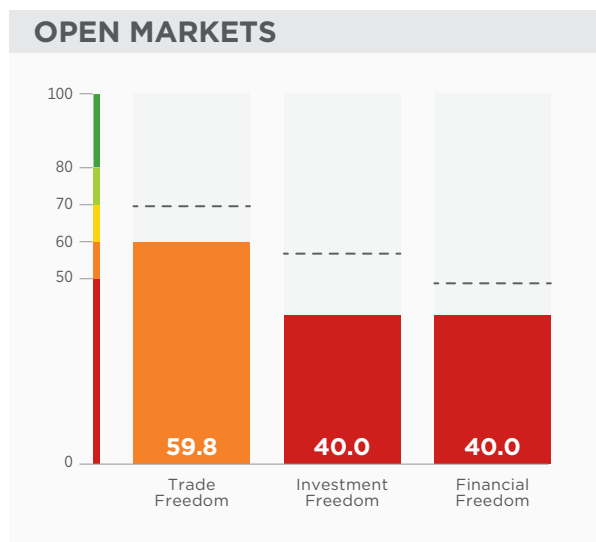
The overall rule of law is weak in India. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



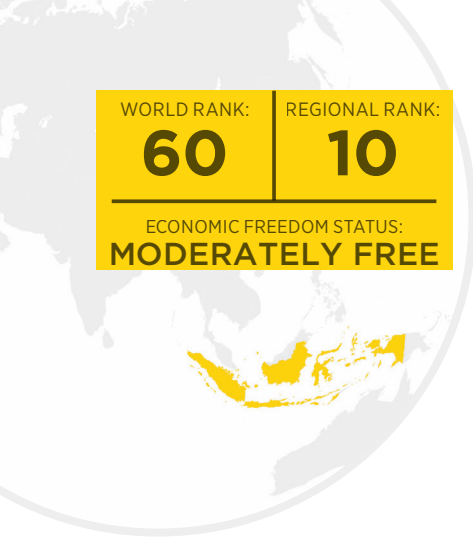
The top individual and corporate tax rates are, respectively, 30.9 percent and 32.4 percent. The tax burden equals 12.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.5 percent and -10.1 percent of GDP. Public debt equals 84.2 percent of GDP.



Entrepreneurs continue to face severe challenges. The regulatory framework is burdensome. The labor regulatory framework is still evolving, and the informal economy remains an important source of employment. The state maintains price controls on a range of products, and monetary stability has weakened.



The trade-weighted average tariff rate is 12.6 percent, and more than 300 nontariff measures are in force. Foreign investment is screened, although ownership restrictions in some sectors have been reduced. The government has recapitalized state-owned banks, but the number of nonperforming loans remains high.

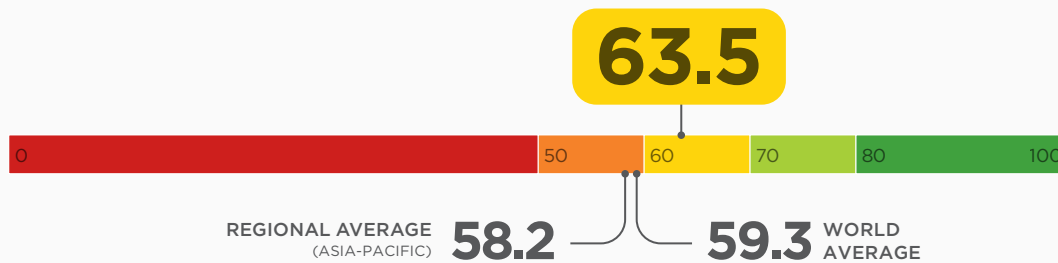


# INDONESIA

Indonesia's economic freedom score is 63.5, making its economy the 60th freest in the 2023 *Index*. Its score is 0.9 point lower than last year. Indonesia is ranked 10th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

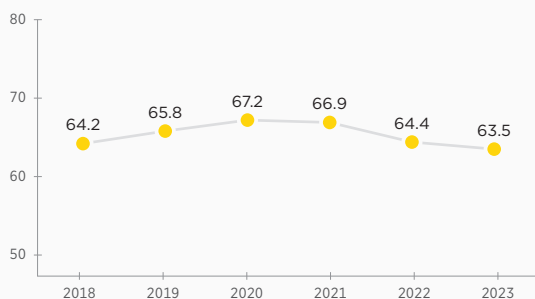
Indonesia has undertaken wide-ranging reforms to address various structural weaknesses in the economy and improve competitiveness. The economy has shown considerable resilience, weathering the global economic slowdown relatively well. Recent reforms have put greater emphasis on improving regulatory efficiency, enhancing regional competitiveness, and creating a more vibrant private sector through decentralization.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
276.4 million

**GDP (PPP):**  
\$3.6 trillion  
3.7% growth in 2021  
5-year compound annual growth 3.4%  
\$13,099 per capita

**UNEMPLOYMENT:**  
4.3%

**INFLATION (CPI):**  
1.6%

**FDI INFLOW:**  
\$20.1 billion

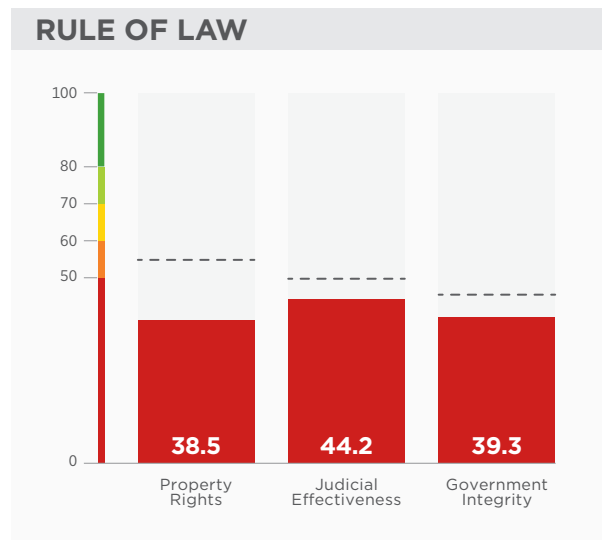
**PUBLIC DEBT:**  
41.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

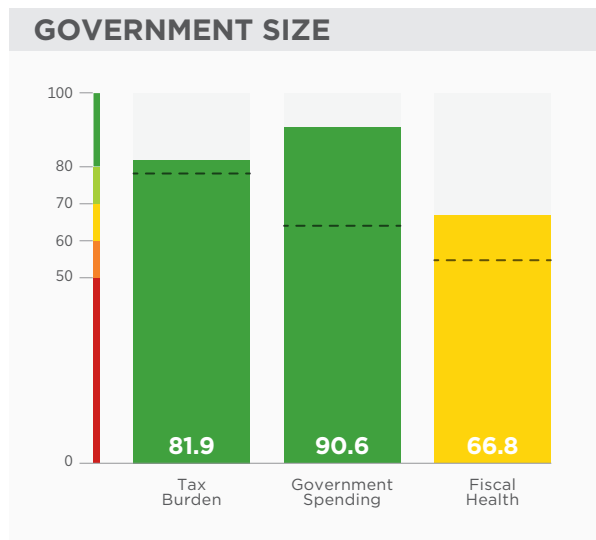
**BACKGROUND:** Indonesia, the world's most populous Muslim-majority country, has become a democracy since the departure of authoritarian ruler General Suharto in 1998. Joko Widodo, former governor of Jakarta, was reelected to a second five-year presidential term in 2019. Indonesia is Southeast Asia's largest economy. Key exports include mineral fuels, animal and vegetable fat, electrical machinery, rubber, machinery, and parts for mechanical appliances. Infrastructure improvements should help to reduce high transport and logistical costs. Significant untapped maritime resources could facilitate development, but barriers to international trade and investment undermine prospects for growth. Rising food and fuel costs have led to popular discontent.



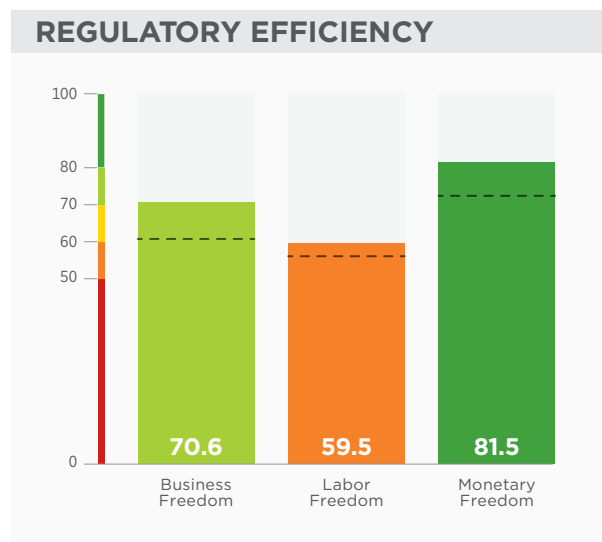
## 12 ECONOMIC FREEDOMS | INDONESIA



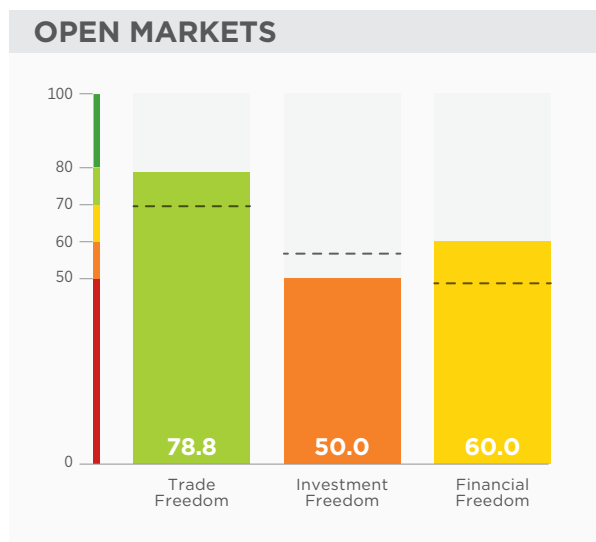
The overall rule of law is weak in Indonesia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 22 percent. The tax burden equals 10.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.7 percent and -4.3 percent of GDP. Public debt equals 41.2 percent of GDP.



Despite simplified licensing requirements, overall regulatory efficiency is weak. Compared with other economies in the region, Indonesia's rigid labor market imposes regulatory costs on the creation and termination of employment relationships. Inflation has been modest, but government interference in the market distorts prices.



The trade-weighted average tariff rate is 5.6 percent, and more than 100 nontariff measures are in force. The government has moved to dismantle some of its previously imposed barriers to foreign investment. The financial system's overall efficiency has increased. The state still owns several banks.



WORLD RANK: **169** REGIONAL RANK: **14**

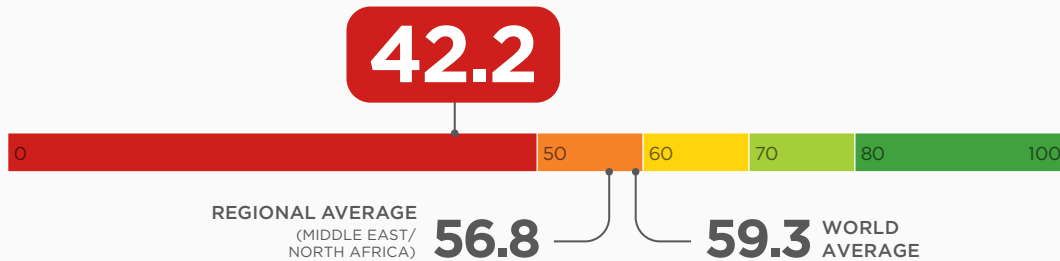
ECONOMIC FREEDOM STATUS: **REPRESSED**

# IRAN

Iran's economic freedom score is 42.2, making its economy the 169th freest in the 2023 *Index*. Its score has decreased by 0.2 point from last year. Iran is ranked 14th out of 14 countries in the Middle East/North Africa region, and its overall score is well below the world and regional averages.

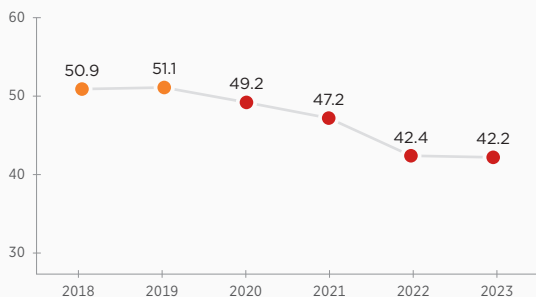
State interference undermines every category of economic freedom measured in the *Index*. Corruption and deficiencies in the legal framework undermine the rule of law. The government dictates production activity and derives most of its revenue from the oil sector. The restrictive regulatory environment marginalizes the private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +6.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
85.0 million

**GDP (PPP):**  
\$1.4 trillion  
4.0% growth in 2021  
5-year compound annual growth 1.0%  
\$16,908 per capita

**UNEMPLOYMENT:**  
9.7%

**INFLATION (CPI):**  
40.1%

**FDI INFLOW:**  
\$1.4 billion

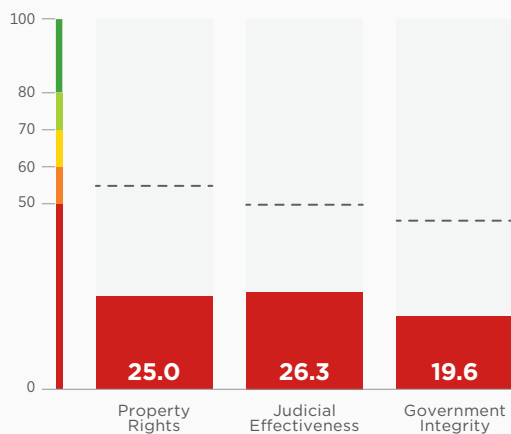
**PUBLIC DEBT:**  
42.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Iran's economy, among the Middle East's most advanced before the country's 1979 revolution, has been undermined by mismanagement, international sanctions, and pervasive graft under a repressive Islamic government. President Ebrahim Raisi, installed after rigged elections in June 2021, is a protégé of Supreme Leader Ayatollah Ali Khamenei. Iran has the world's second-largest reserves of natural gas and fourth-largest reserves of crude oil. U.S. sanctions imposed after Washington withdrew from the 2015 nuclear agreement in 2018 slashed Iran's oil exports, but current talks could yield an agreement that allows Tehran to expand oil exports, attract greater foreign investment, and increase trade.

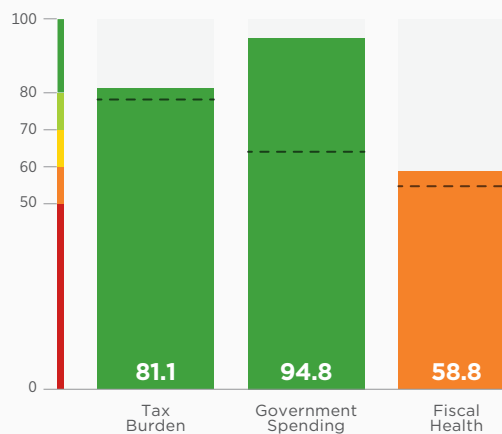
## 12 ECONOMIC FREEDOMS | IRAN

### RULE OF LAW



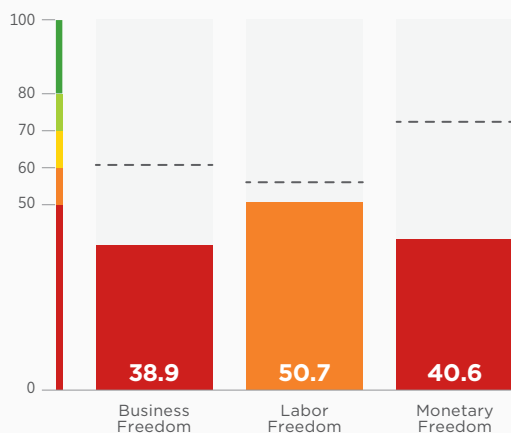
The overall rule of law is weak in Iran. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

### GOVERNMENT SIZE



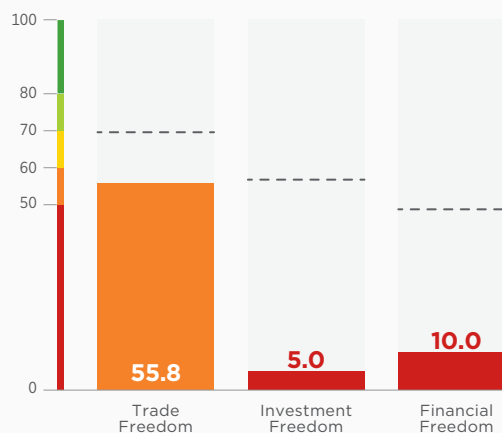
The top individual and corporate tax rates are, respectively, 35 percent and 25 percent. The tax burden equals 6.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.2 percent and -4.9 percent of GDP. Public debt equals 42.4 percent of GDP.

### REGULATORY EFFICIENCY



The private sector remains constrained by a restrictive and burdensome regulatory environment. Employment regulations are restrictive, and the labor market remains stagnant. Monetary stability is weak, and tight government controls distort price levels. The most recent available inflation rate is 40.1 percent.

### OPEN MARKETS



The trade-weighted average tariff rate is 12.1 percent. The state continues to hold back economic development, undermining trade and investment flows. Government controls limit access to financing for businesses. State-owned commercial banks and specialized financial institutions account for a majority of banking-sector assets.

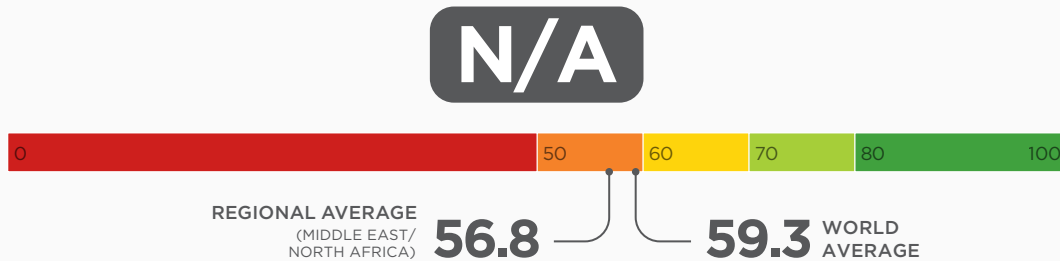


# IRAQ

Iraq remains unranked in the 2023 *Index* because of the lack of sufficiently reliable data on economic freedom within the country, which faces continuing ethnic and religious tensions. Iraq was last graded in the 2002 *Index*, receiving an overall score of 15.6.

Iraq's economic growth is highly volatile, and its ongoing economic reconstruction has been fragile at best. Political instability and pervasive corruption continue to undermine the limited progress that has been achieved. Operating well below potential, the economy lacks effective monetary and fiscal policies. Iraq needs especially to improve security and fully restore the rule of law.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
41.2 million

**GDP (PPP):**  
\$440.7 billion  
5.9% growth in 2021  
5-year compound  
annual growth -0.5%  
\$10,702 per capita

**UNEMPLOYMENT:**  
13.0%

**INFLATION (CPI):**  
6.0%

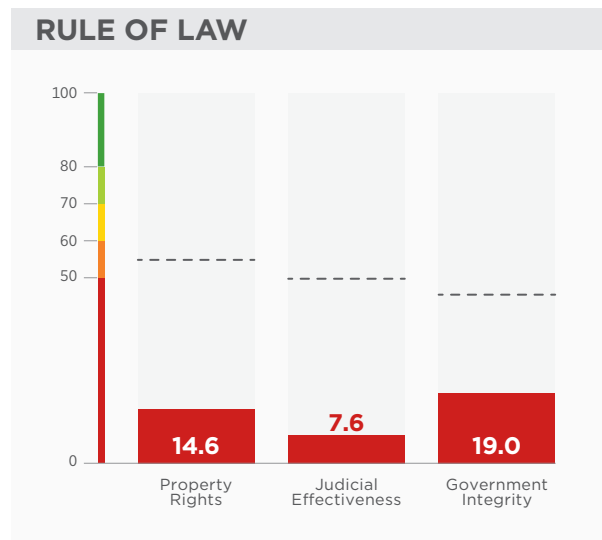
**FDI INFLOW:**  
-\$2,613.0 million

**PUBLIC DEBT:**  
59.1% of GDP

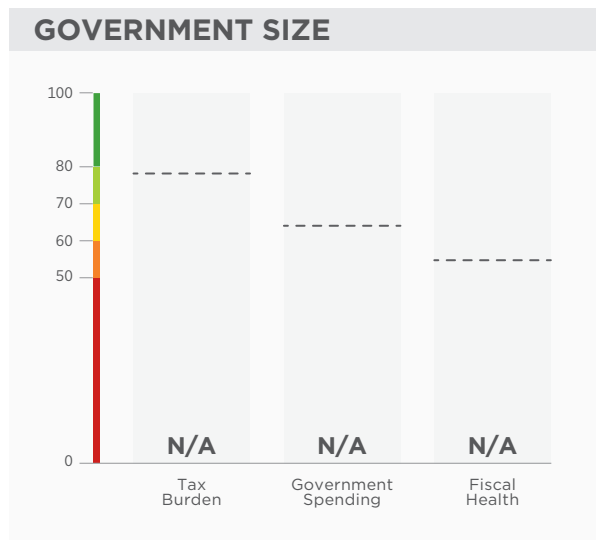
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Iraq is slowly recovering from a traumatic war against the Islamic State, which seized significant amounts of territory in 2014 and remains a terrorist threat. Populist Shia cleric Muqtada al-Sadr's party won the most seats in the October 2021 parliamentary elections, but Iran-backed parties blocked him from forming a governing coalition. He then called on his followers to resign their seats, precipitating a political crisis with no end in sight. Iraq's state-dominated economy is led by the oil sector, which provides approximately 85 percent of government revenue. The economy has been hurt by rampant corruption and war-related damage to infrastructure.

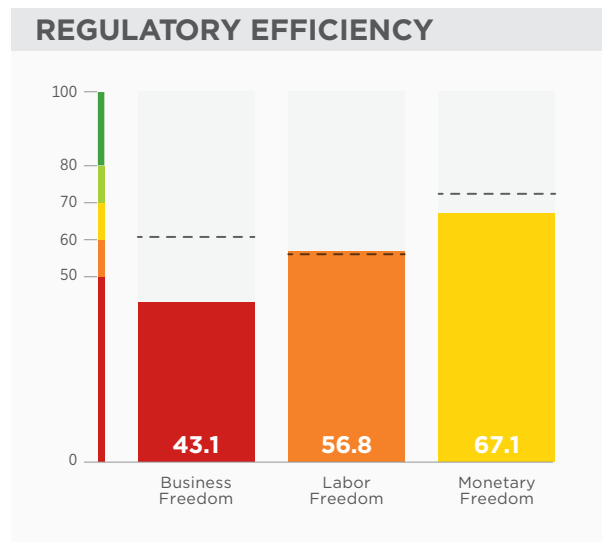
## 12 ECONOMIC FREEDOMS | IRAQ



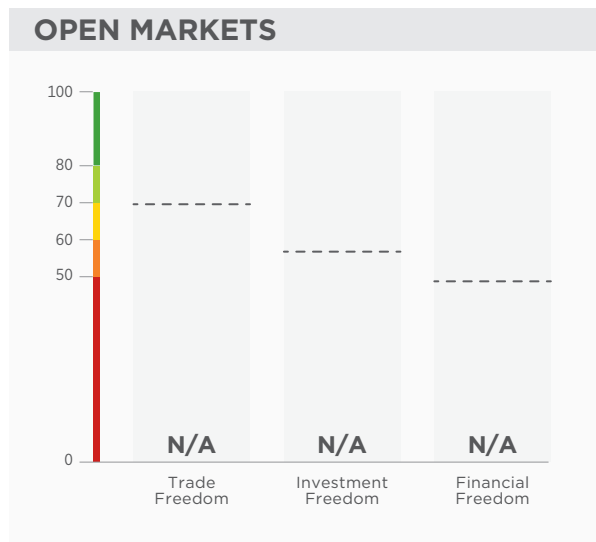
The overall rule of law is weak in Iraq. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 35 percent. The tax burden equals 2.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.4 percent and -4.3 percent of GDP. Public debt equals 59.1 percent of GDP.



Despite some enhancement of the business environment, significant impediments to entrepreneurial activity persist. Enforcement of commercial regulations is overly bureaucratic and inconsistent. A formal labor market is not fully developed, and most private-sector jobs are short-term and informal. Monetary stability is weak.



Security challenges and institutional shortcomings continue to deter foreign trade and investment. Political instability undermines the economy. Iraq's cash-based economy lacks the infrastructure of a fully functioning financial system. The banking regulation frameworks are not yet strong enough to deepen financial intermediation.



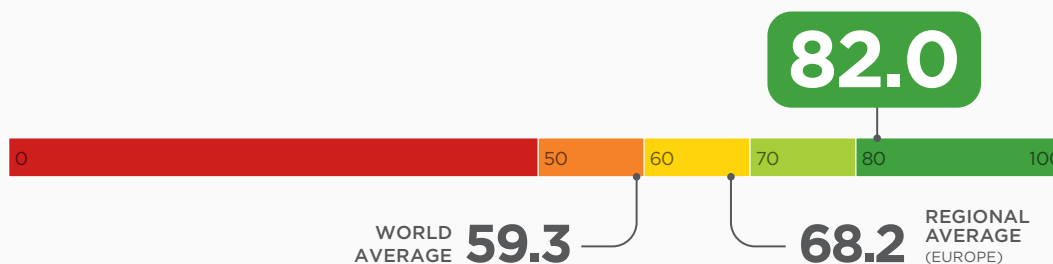
WORLD RANK: <b>3</b>	REGIONAL RANK: <b>2</b>
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

# IRELAND

Ireland's economic freedom score is 82.0, making its economy the 3rd freest in the 2023 *Index*. Its score is unchanged from last year. Ireland is ranked 2nd out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

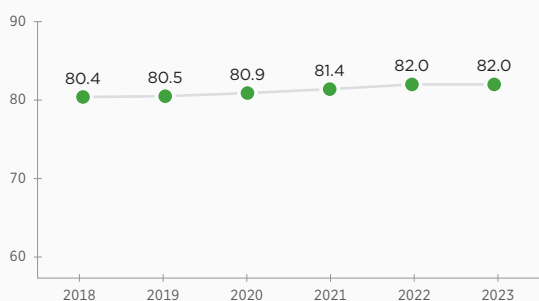
The Irish economy has many firmly intact institutional strengths. The foundations of economic freedom are buttressed by well-institutionalized protection of property rights and a stable judiciary. Regulatory efficiency and openness to global trade and investment support Ireland's competitiveness. The budget deficit has been on the rise, increasing the debt burden.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +13.5

## RECENT FREEDOM TREND



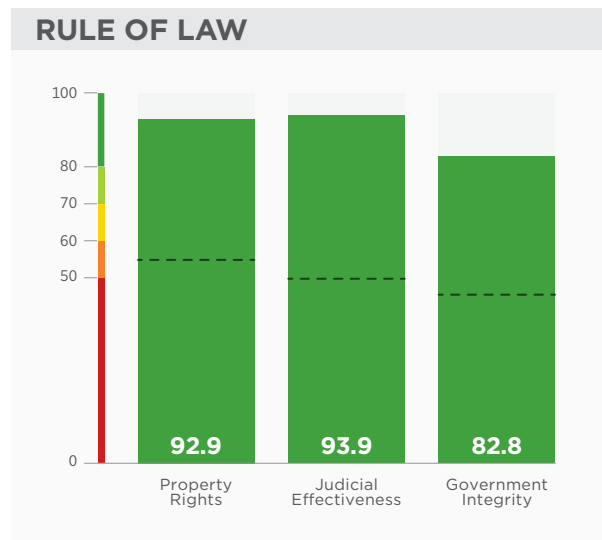
## QUICK FACTS

- POPULATION:** 5.0 million
- GDP (PPP):** \$566.7 billion  
13.5% growth in 2021  
5-year compound annual growth 8.4%  
\$112,463 per capita
- UNEMPLOYMENT:** 5.6%
- INFLATION (CPI):** 2.4%
- FDI INFLOW:** \$15.7 billion
- PUBLIC DEBT:** 55.3% of GDP

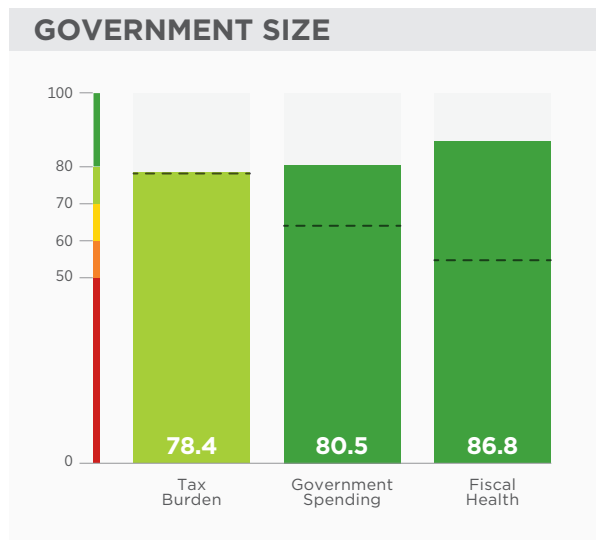
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Micheál Martin of the conservative Fianna Fáil (FF) became prime minister in June 2020 leading a coalition with center-right Fine Gael (FG) and the Green Party. The coalition lost its majority in July but won a vote of confidence shortly thereafter. The FG's Leo Varadkar returned as prime minister in December 2022. Ireland's small, modern, and trade-dependent economy has performed extraordinarily well for decades and was among the first in the European Union to recover from the 2008 financial crisis. Foreign multinationals dominate the export sector, led by machinery and equipment, computers, chemicals, medical devices, pharmaceuticals, foodstuffs, and animal products.

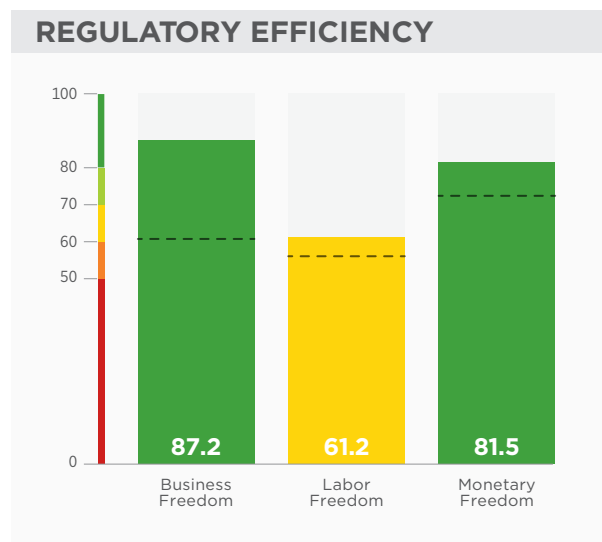
## 12 ECONOMIC FREEDOMS | IRELAND



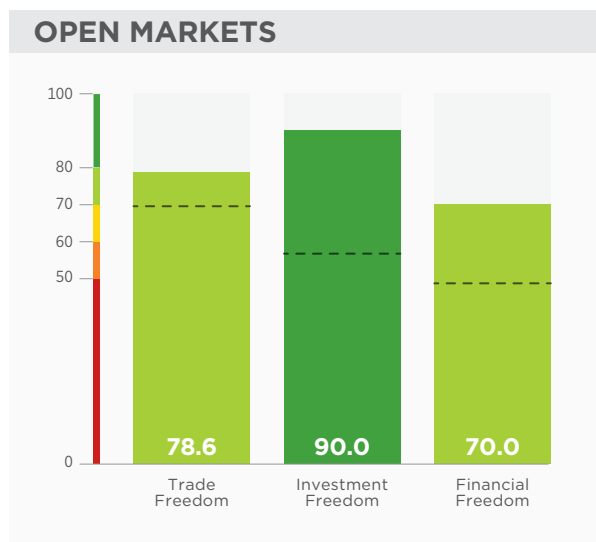
The overall rule of law is well respected in Ireland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 12.5 percent. The tax burden equals 20.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.5 percent and -2.1 percent of GDP. Public debt equals 55.3 percent of GDP.



With no minimum capital requirement, the streamlined regulatory process is very conducive to dynamic investment. The labor market remains relatively flexible, and labor costs are moderate. Monetary stability has been relatively well maintained. The most recent available inflation rate is 2.4 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Commitment to facilitating global investment flows is institutionalized. Recapitalization and restructuring have restored financial-sector stability. The number of nonperforming loans remains relatively high.



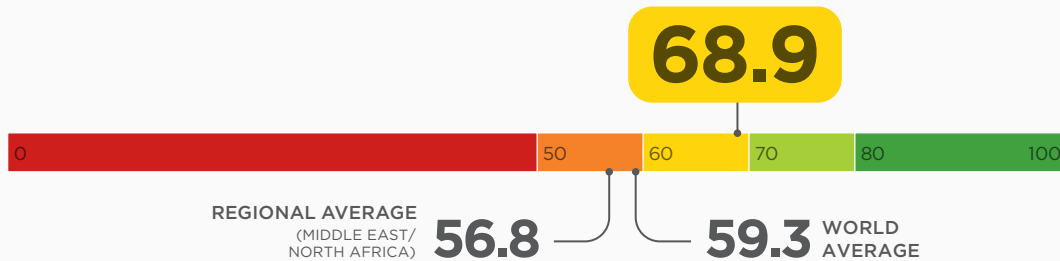
WORLD RANK:	REGIONAL RANK:
<b>34</b>	<b>2</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# ISRAEL

Israel's economic freedom score is 68.9, making its economy the 34th freest in the 2023 *Index*. Its score has increased by 0.9 point. Israel is ranked 2nd out of 14 countries in the Middle East/North Africa region, and its overall score is above the world and regional averages.

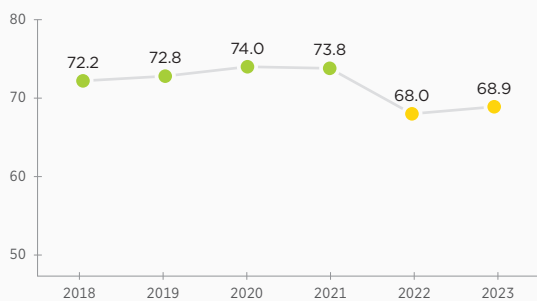
Israel's economic competitiveness is anchored in strong protection of property rights and relatively low levels of corruption, both of which have been cornerstones of long-term economic dynamism. There is still room for improvement in the management of public finance. Despite the challenging global economic environment, openness to global commerce supports productivity growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.4

## RECENT FREEDOM TREND



## QUICK FACTS

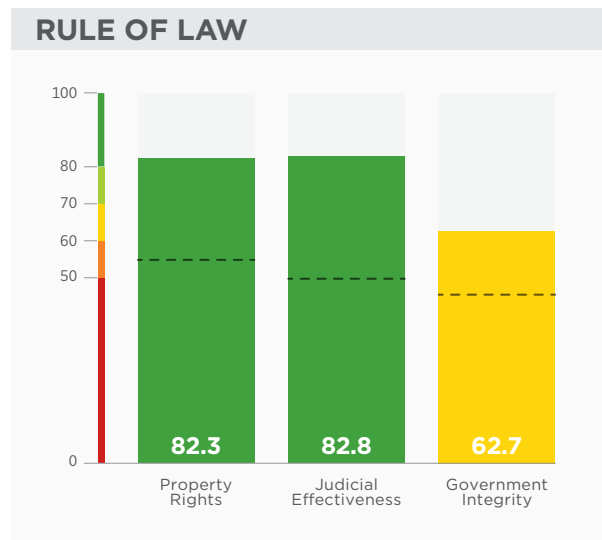
<b>POPULATION:</b> 9.4 million	<b>UNEMPLOYMENT:</b> 4.3%
<b>GDP (PPP):</b> \$428.5 billion 8.2% growth in 2021 5-year compound annual growth 3.6%	<b>INFLATION (CPI):</b> 1.5%
<b>FDI INFLOW:</b> \$29.6 billion	<b>PUBLIC DEBT:</b> 68.0% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

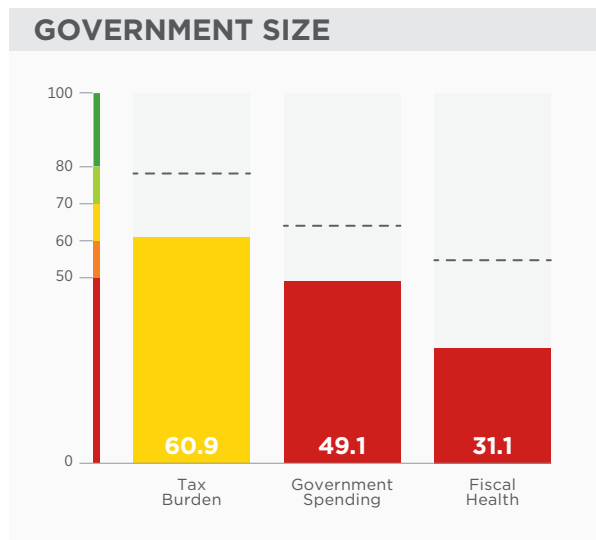
**BACKGROUND:** Israel won its war for independence in 1948, and its democracy remains unique in the region. Naftali Bennett became prime minister in June 2021, but his governing coalition dissolved in June 2022. Centrist Yair Lapid is interim prime minister. Israel's high-technology sector attracts considerable foreign investment, and large offshore natural gas deposits have improved its energy security and balance-of-payments prospects. Despite the constant threat of terrorism, Israel's modern market economy is fundamentally sound and dynamic. Agreements signed with Bahrain, the United Arab Emirates, Morocco, and Sudan in 2020 should encourage greater regional trade, investment, tourism, and technological and strategic cooperation.



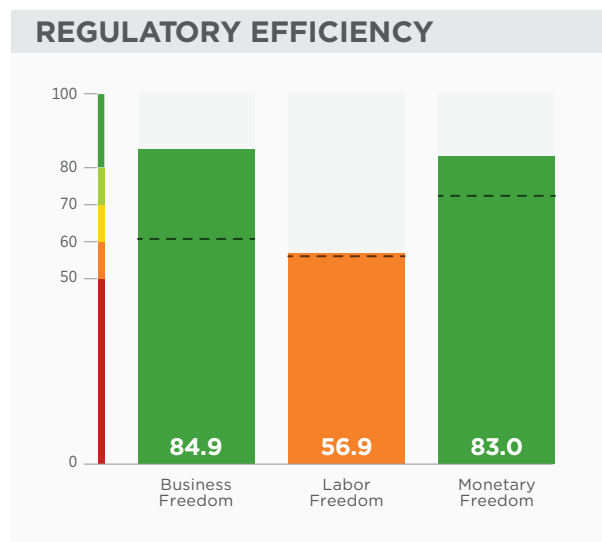
## 12 ECONOMIC FREEDOMS | ISRAEL



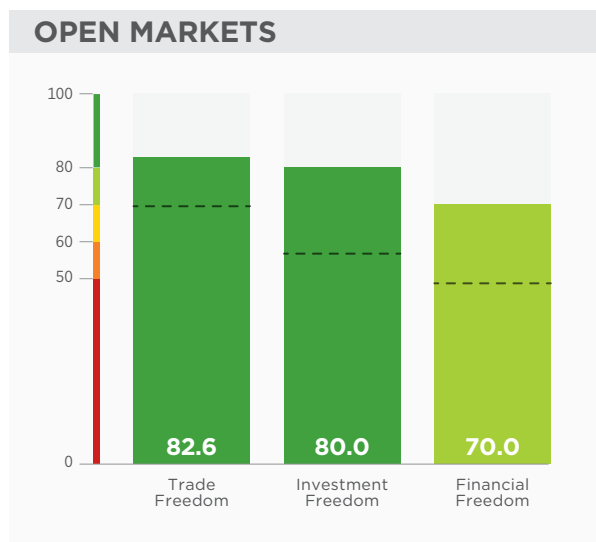
The overall rule of law is well respected in Israel. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



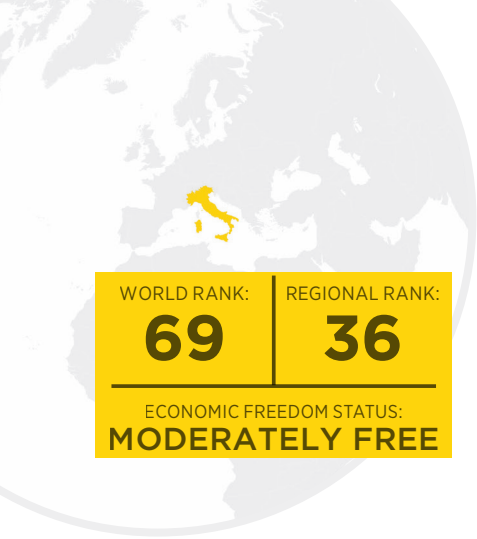
The top individual and corporate tax rates are, respectively, 50 percent and 23 percent. The tax burden equals 29.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.2 percent and -6.1 percent of GDP. Public debt equals 68.0 percent of GDP.



Israel's overall regulatory framework promotes efficient entrepreneurial activity. The pace of regulatory reform has lagged slightly behind that of other emerging economies. The labor market needs more flexibility to accommodate rapid economic transformation. Despite persistent upward pressures, inflation has been modest.



The trade-weighted average tariff rate is 3.7 percent, and more than 90 nontariff measures are in force. Economic competitiveness has been facilitated by openness to foreign investment. Banking remains concentrated, but commercial banks offer a range of financial services that support the private sector.



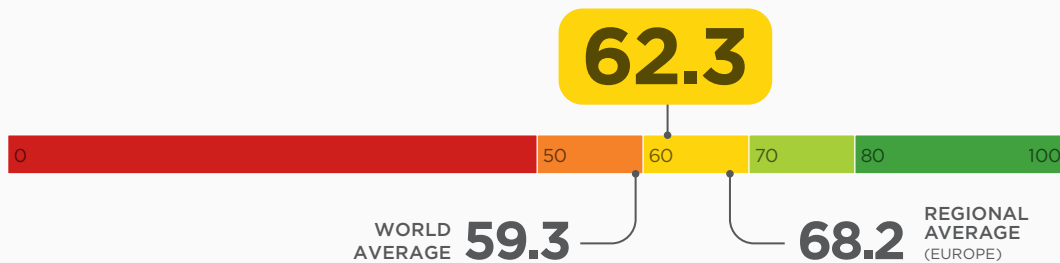
WORLD RANK: <b>69</b>	REGIONAL RANK: <b>36</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# ITALY

Italy's economic freedom score is 62.3, making its economy the 69th freest in the 2023 *Index*. Its score is 3.1 points lower than last year. Italy is ranked 36th out of 44 countries in the Europe region, and its overall score is above the world average.

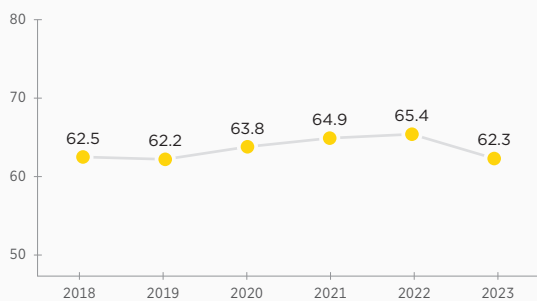
Despite repeated attempts at reform, moves toward greater economic freedom, including short-term fixes, have been uneven and relatively ineffective. Persistent corruption severely undercuts confidence and trust in the government. Increases in the debt burden, aggravated by structural weaknesses, are undermining long-term competitiveness. The informal sector accounts for a considerable amount of economic activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +1.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
59.1 million

**GDP (PPP):**  
\$2.7 trillion  
6.6% growth in 2021  
5-year compound annual growth 0.1%  
\$46,161 per capita

**UNEMPLOYMENT:**  
9.2%

**INFLATION (CPI):**  
1.9%

**FDI INFLOW:**  
\$8.5 billion

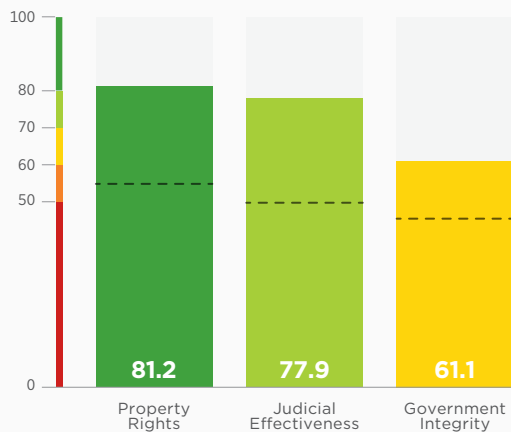
**PUBLIC DEBT:**  
150.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Italy is a charter member of NATO and the European Union. The unity government of former EU banker Mario Draghi collapsed in July 2022, and Brothers of Italy's Giorgia Meloni won the September elections and was sworn in as Italy's first female prime minister on October 22. The populist 5 Star Movement split in June over disagreements about support for Ukraine. Key challenges include migration, the higher cost of living, and rising energy costs. Private companies dominate the highly developed industrial North; unemployment is higher in the less-developed, highly subsidized agricultural South. Tourism accounts for 13 percent of GDP.

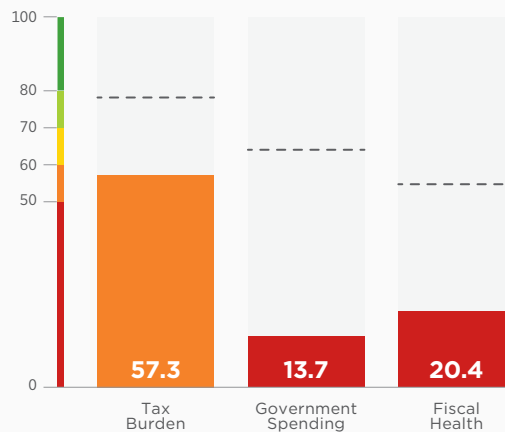
## 12 ECONOMIC FREEDOMS | ITALY

### RULE OF LAW



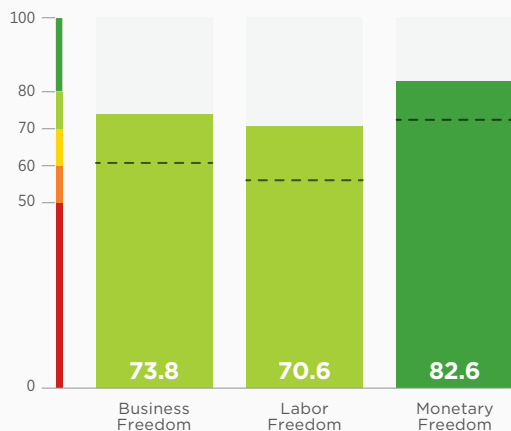
The overall rule of law is well respected in Italy. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.

### GOVERNMENT SIZE



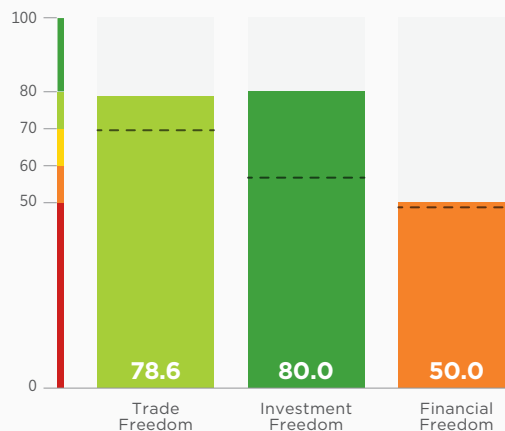
The top individual and corporate tax rates are, respectively, 43 percent and 24 percent. The tax burden equals 42.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 53.6 percent and -6.1 percent of GDP. Public debt equals 150.9 percent of GDP.

### REGULATORY EFFICIENCY



Organization of new production remains cumbersome. Regulatory complexity causes delays and increases the cost of entrepreneurial activity. Labor market rigidities discourage dynamic job growth, and the informal labor market accounts for a large proportion of employment. The most recent available inflation rate is 1.9 percent.

### OPEN MARKETS



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is not generally screened, and the economy is largely open. The financial sector is stable, but nonperforming loans remain a problem.

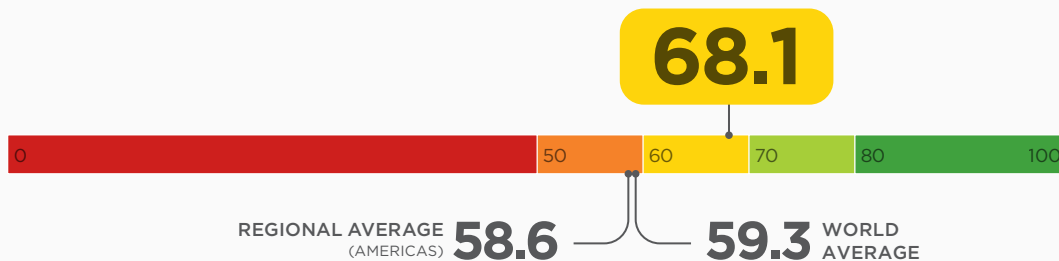
# JAMAICA



Jamaica's economic freedom score is 68.1, making its economy the 39th freest in the 2023 *Index*. Its score is 0.7 point lower than last year. Jamaica ranks 6th out of 32 countries in the Americas region, and its overall score is above the world and regional averages.

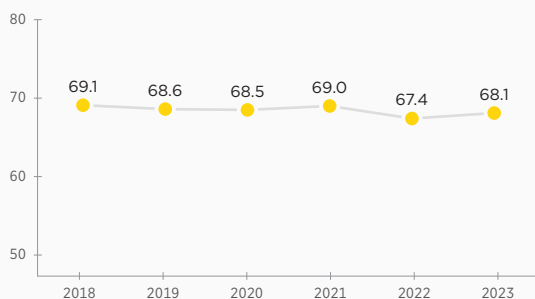
Jamaica has taken steps to enhance regulatory efficiency and better integrate its economy into the global marketplace. The economy performs relatively well in investment freedom and business freedom, but persistent corruption, relatively high government spending, the country's bloated public sector, and the need to enforce expenditure restraint remain critical challenges.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.7

## RECENT FREEDOM TREND



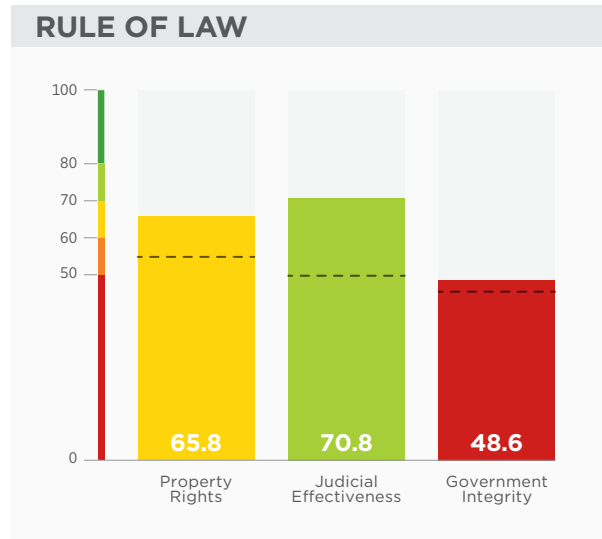
## QUICK FACTS

<b>POPULATION:</b> 3.0 million	<b>UNEMPLOYMENT:</b> 6.5%
<b>GDP (PPP):</b> \$29.7 billion 4.4% growth in 2021 5-year compound annual growth -0.4%	<b>INFLATION (CPI):</b> 5.9%
<b>FDI INFLOW:</b> \$320.5 million	<b>PUBLIC DEBT:</b> 92.3% of GDP

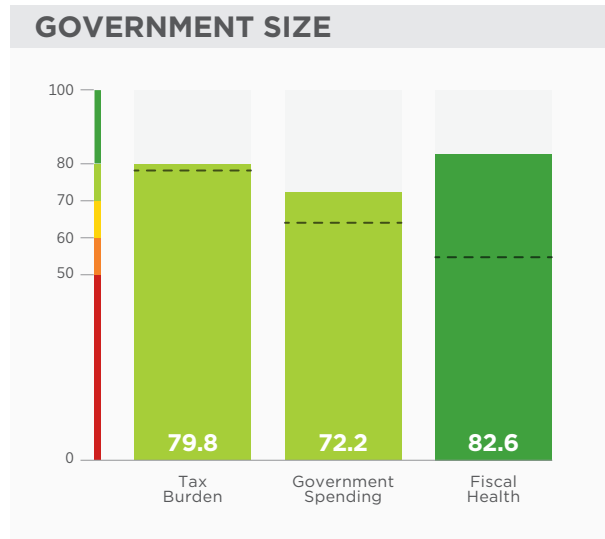
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Jamaica gained independence from the United Kingdom in 1962. Prime Minister Andrew Holness was elected to a third (nonconsecutive) term in 2020 on a pro-market, reformist platform. His Jamaica Labour Party holds 49 of 63 parliamentary seats. Jamaica is on a small list of Financial Action Task Force countries that are required to fix weaknesses in their institutional safeguards against money-laundering of criminal proceeds. Recurring violence among organized crime networks that are involved in illicit drug and arms trafficking (and often affiliated with political parties) is a long-standing problem. Jamaica is heavily dependent on remittances, tourism, and exports of bauxite.

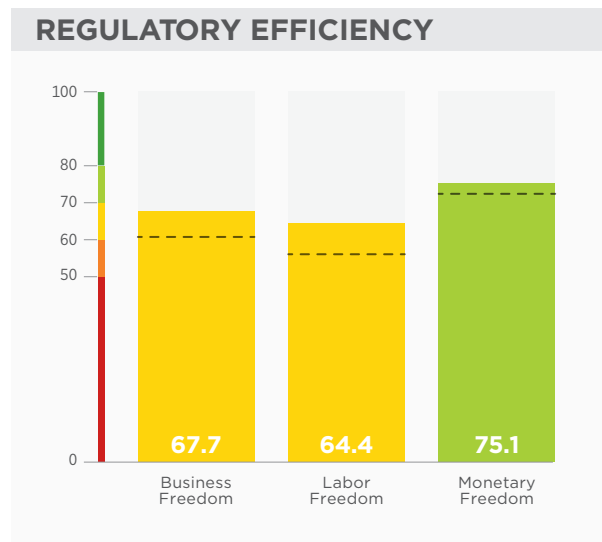
## 12 ECONOMIC FREEDOMS | JAMAICA



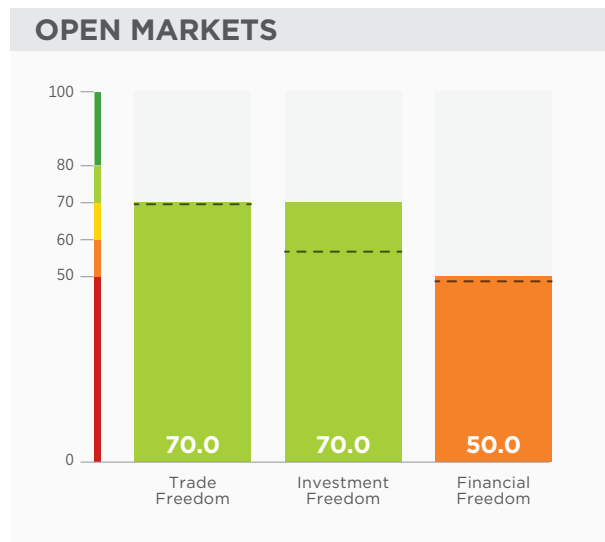
The overall rule of law is relatively well respected in Jamaica. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 25 percent. The tax burden equals 27.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.5 percent and -0.5 percent of GDP. Public debt equals 92.3 percent of GDP.



The overall process for starting a business has been streamlined, but licensing requirements remain burdensome. Although the labor market remains underdeveloped and relatively constraining, restrictions on work hours are flexible. The most recent available inflation rate is 5.9 percent.



The trade-weighted average tariff rate is 10.0 percent. Jamaica is relatively open to foreign investment, but state-owned enterprises distort the economy. High financing costs deter private-sector growth. Approximately 80 percent of adult Jamaicans have an account with a formal banking institution.

# JAPAN

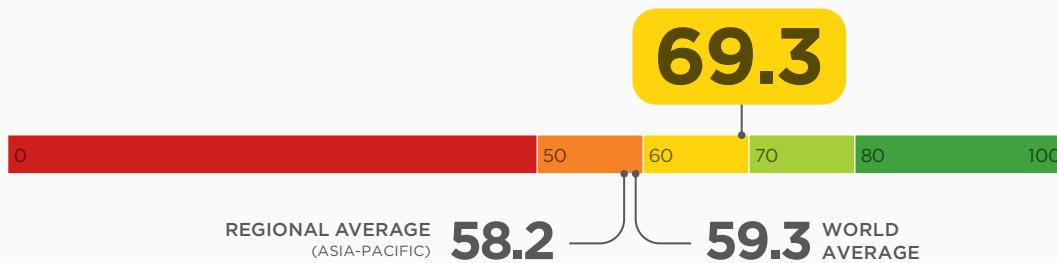
WORLD RANK: **31** | REGIONAL RANK: **6**

ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

Japan's economic freedom score is 69.3, making its economy the 31st freest in the 2023 *Index*. Its score is 0.6 point lower than last year. Japan is ranked 6th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

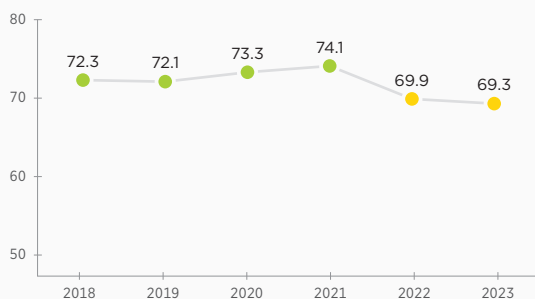
The Japanese economy benefits from relatively good levels of economic freedom in all areas. The foundations of economic freedom are supported by an effective judicial framework and the absence of corruption. However, Japan's overall progress in moving toward greater economic freedom has been uneven, and the economy remains stagnant.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -5.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
125.7 million

**GDP (PPP):**  
\$5.6 trillion  
1.6% growth in 2021  
5-year compound annual growth -0.2%  
\$44,739 per capita

**UNEMPLOYMENT:**  
2.8%

**INFLATION (CPI):**  
-0.3%

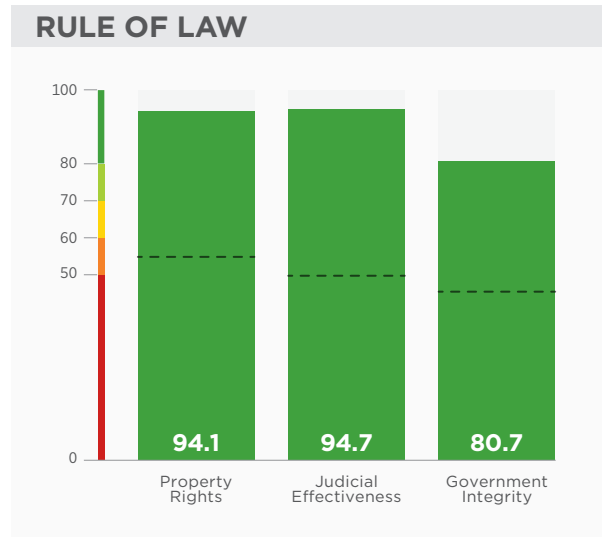
**FDI INFLOW:**  
\$24.7 billion

**PUBLIC DEBT:**  
262.5% of GDP

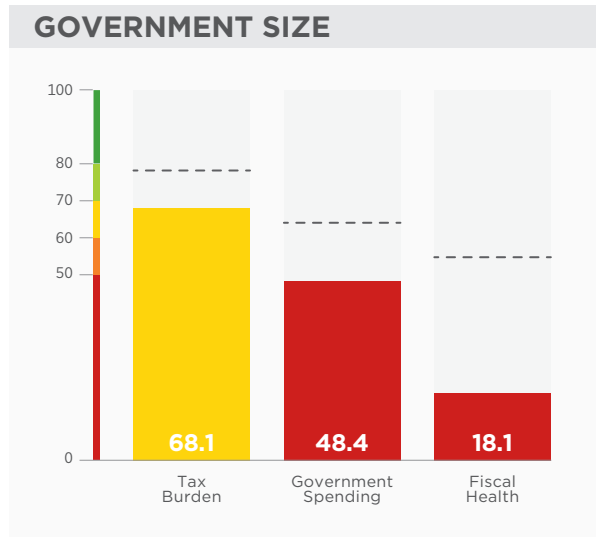
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Japan has long been a global economic power. The July 2022 Japanese parliamentary elections, which were held shortly after the assassination of former Prime Minister Shinzo Abe, resulted in gains for Abe's Liberal Democratic Party (LDP). Prime Minister Fumio Kishida, also from the LDP, was elected in October 2021 and faces rising discontent because of inflation and increases in the cost of living as he seeks to encourage growth and reinvigorate Japan's sluggish economy. Japan's principal exports include cars, circuits, electronics, and heavy machinery.

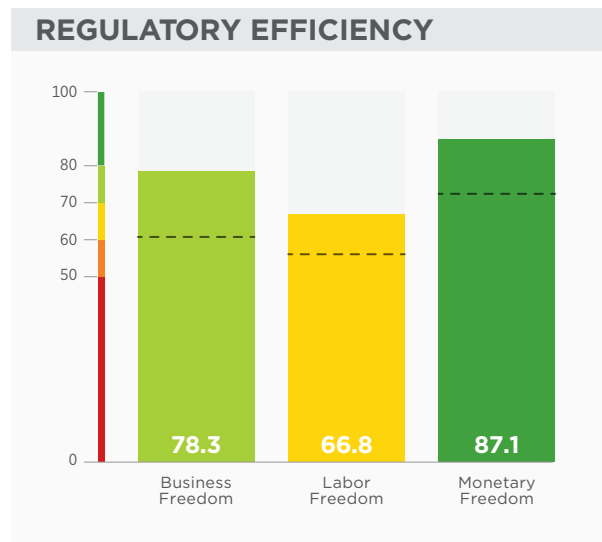
## 12 ECONOMIC FREEDOMS | JAPAN



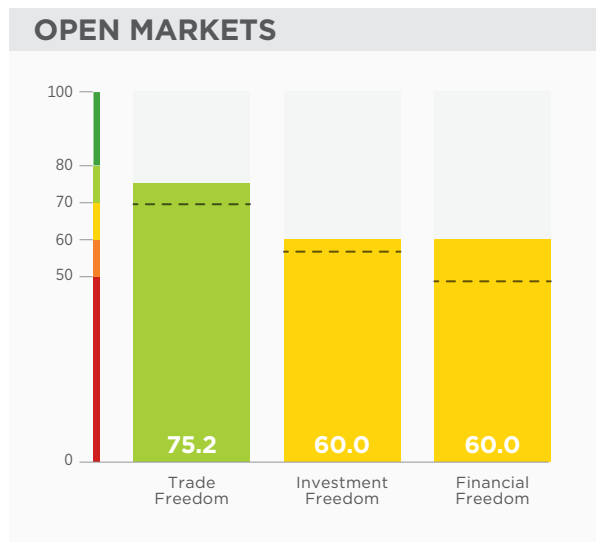
The overall rule of law is well respected in Japan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40.8 percent and 23.2 percent. The tax burden equals 31.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.5 percent and -6.2 percent of GDP. Public debt equals 262.5 percent of GDP.



Although the regulatory framework is relatively streamlined, structural problems discourage greater entrepreneurial growth. The labor market functions well, but a propensity for lifetime employment guarantees and seniority-based wages impedes the development of a more flexible labor market. Inflation has been minimal.



The trade-weighted average tariff rate is 2.4 percent, and more than 300 nontariff measures are in force. The government screens foreign investment in some sectors. The competitive financial sector offers a wide range of modern financial services, but the state still maintains a presence.

# JORDAN



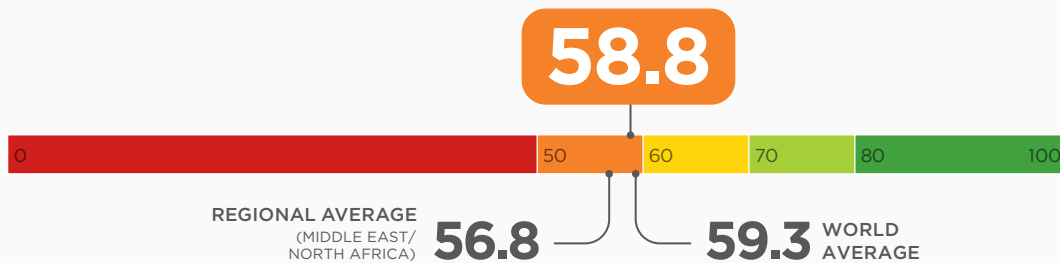
WORLD RANK: **93** | REGIONAL RANK: **5**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Jordan's economic freedom score is 58.8, making its economy the 93rd freest in the 2023 *Index*. Its score is 1.3 points lower than last year. Jordan is ranked 5th out of 14 countries in the Middle East/North Africa region, and its overall score is below the world average.

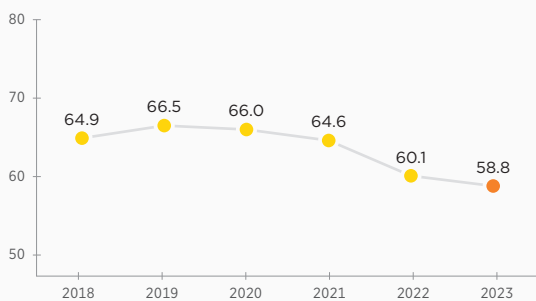
More vibrant economic growth is constrained by structural weaknesses that weaken economic freedom. The rule of law is not strongly supported by the judicial system. Despite the challenging global economic situation, however, progress in upgrading Jordan's economic infrastructure has been facilitated by the country's openness to international trade and investment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -3.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.3 million

**GDP (PPP):**  
\$112.3 billion  
2.0% growth in 2021  
5-year compound annual growth 1.3%  
\$10,933 per capita

**UNEMPLOYMENT:**  
19.2%

**INFLATION (CPI):**  
1.3%

**FDI INFLOW:**  
\$621.8 million

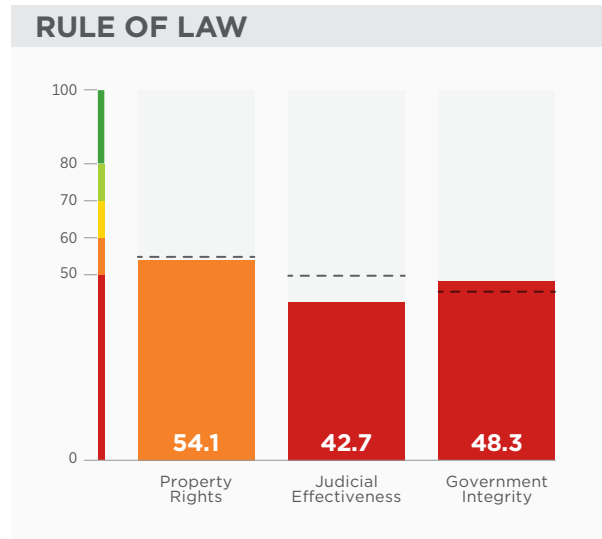
**PUBLIC DEBT:**  
91.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

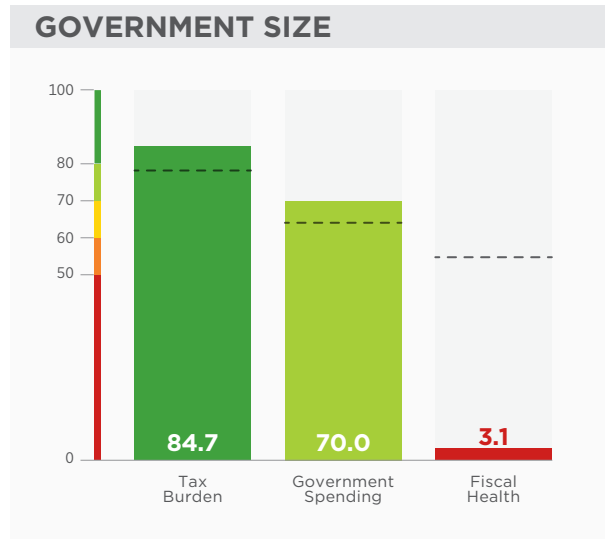
**BACKGROUND:** Independent since 1946, Jordan is a constitutional monarchy with relatively few natural resources. King Abdullah II assumed the throne in 1999. The small economy is supported by foreign loans, international aid, and remittances from expatriate workers. In 2000, Jordan joined the World Trade Organization and signed a free-trade agreement with the United States. In October 2020, the king appointed Bisher al-Khasawneh to be prime minister with a focus on economic reform that includes a realistic budget. The conflicts in Iraq and Syria have disrupted Jordan's economy and regional trade, and more than 1.3 million refugees have strained its limited resources.



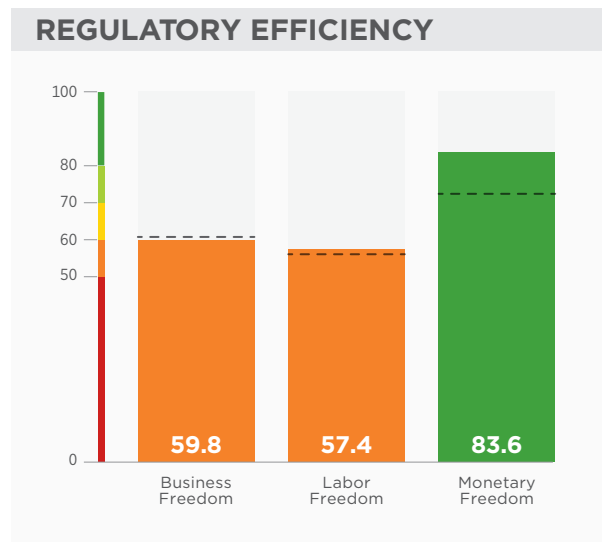
## 12 ECONOMIC FREEDOMS | JORDAN



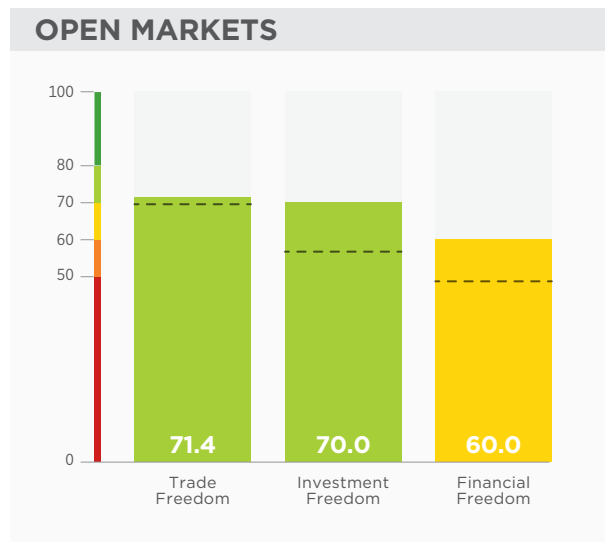
The overall rule of law is weak in Jordan. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



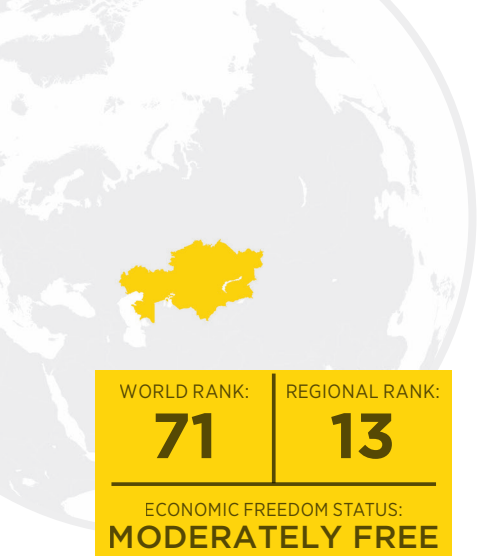
The top individual and corporate tax rates are, respectively, 30 percent and 20 percent. The tax burden equals 15.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -7.5 percent of GDP. Public debt equals 91.9 percent of GDP.



Recent reforms have made business formation and operation more efficient and dynamic. Progress toward reforming bloated public-sector employment has been slow, and the labor market is characterized by significant rigidity. Most price controls have been eliminated, but the government sets prices for some services.



The trade-weighted average tariff rate is 9.3 percent, and nontariff barriers continue to add to the cost of trade. In general, foreign and local investors are treated equally under the law. Banking regulations generally conform to international standards.



# KAZAKHSTAN

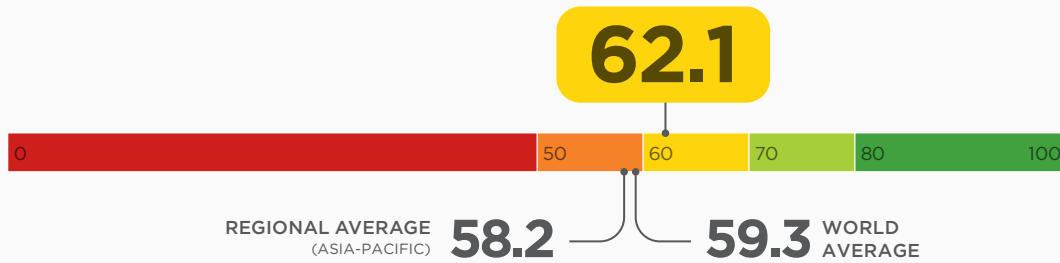
WORLD RANK: **71** | REGIONAL RANK: **13**

ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

**K**azakhstan's economic freedom score is 62.1, making its economy the 71st freest in the 2023 *Index*. Its score is 2.3 points lower than last year. Kazakhstan ranks 13th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

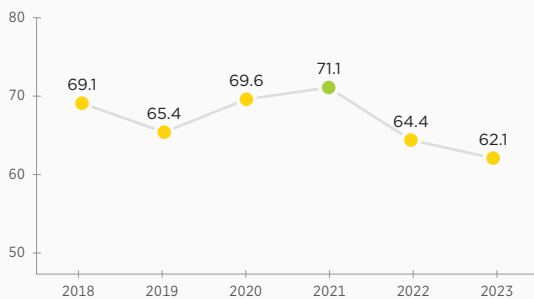
Substantial oil revenues enable a high degree of fiscal freedom. As growth progresses, stronger foundations of economic freedom are even more critical to the country's long-term economic prospects and overall competitiveness. Despite progress over the past decade, institutional shortcomings such as a weak judicial system and widespread corruption discourage diversification and modernization.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +20.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.0 million

**GDP (PPP):**  
\$542.9 billion  
4.0% growth in 2021  
5-year compound annual growth 2.8%  
\$28,387 per capita

**UNEMPLOYMENT:**  
4.9%

**INFLATION (CPI):**  
8.0%

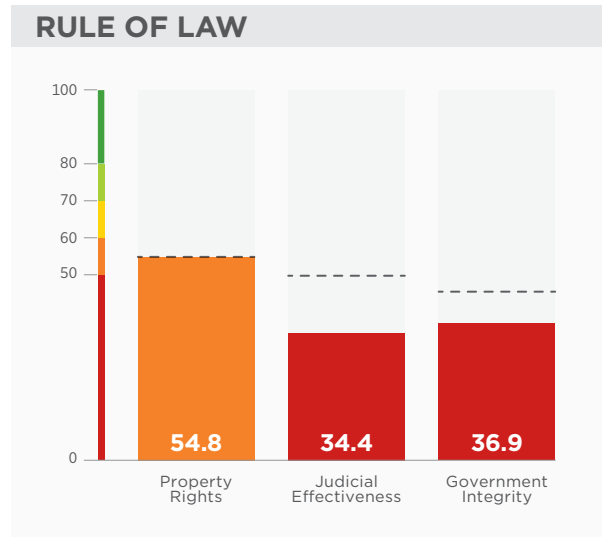
**FDI INFLOW:**  
\$3.2 billion

**PUBLIC DEBT:**  
25.1% of GDP

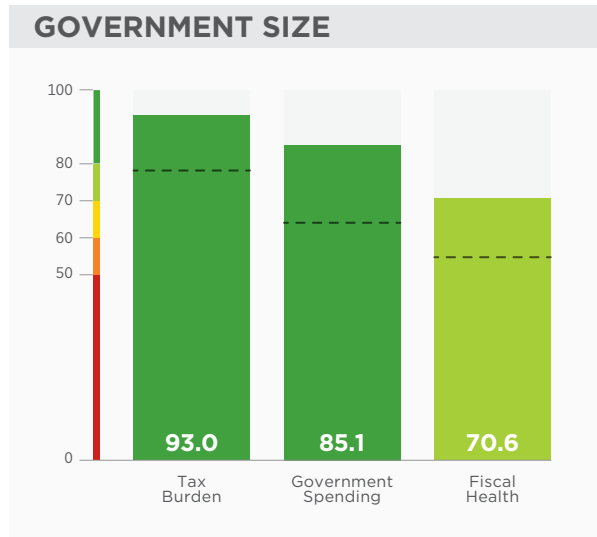
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** A vast semiarid steppe, Kazakhstan is geographically the largest nation in Central Asia. President Nursultan Nazarbayev, whose rule lasted nearly 30 years, resigned early in 2019; Kassym-Jomart Tokayev won the snap presidential election in June. Kazakhstan has been changing from the Cyrillic alphabet to the Latin alphabet. Oil production is booming, primarily because of a nearly \$37 billion expansion of the Tengiz oil field. Kazakhstan's vast hydrocarbon and mineral reserves, especially in the Caspian Basin, form the backbone of its economy. Kazakhstan is the world's largest producer of uranium and has a large agricultural sector that features livestock and grain.

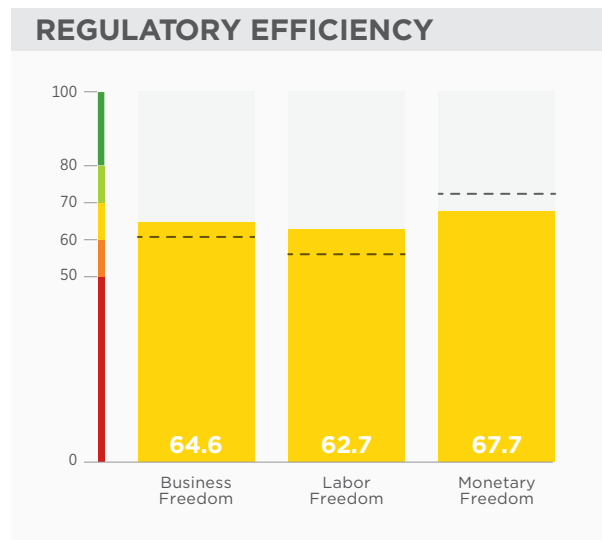
## 12 ECONOMIC FREEDOMS | KAZAKHSTAN



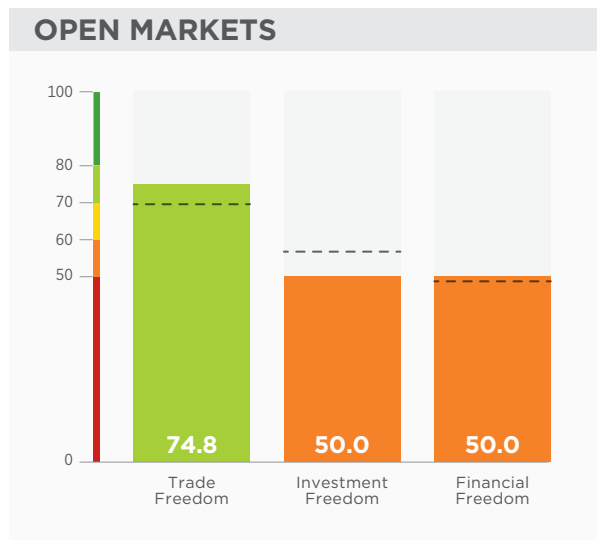
The overall rule of law is weak in Kazakhstan. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 10 percent and 20 percent. The tax burden equals 14.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.3 percent and -4.2 percent of GDP. Public debt equals 25.1 percent of GDP.

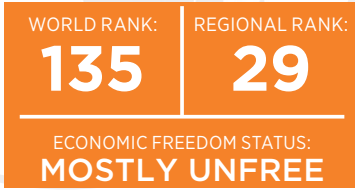


The regulatory framework has undergone reform. The procedures for establishing a business have been streamlined, although they remain costly. Labor regulations are relatively flexible, but enforcement of the labor code remains inefficient. The most recent available inflation rate is 8.0 percent.



The trade-weighted average tariff rate is 5.1 percent, and layers of nontariff measures are in force. Foreign investment in some sectors is restricted, and state-owned enterprises distort the economy. The financial sector is relatively stable but subject to state influence.

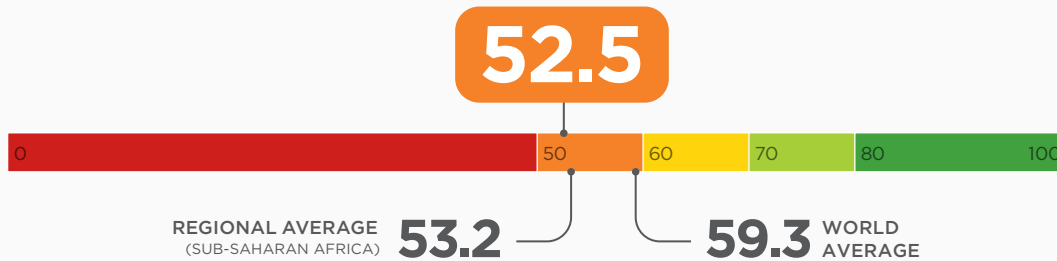
# KENYA



Kenya's economic freedom score is 52.5, making its economy the 135th freest in the 2023 *Index*. Its score is virtually unchanged from last year. Kenya is ranked 29th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

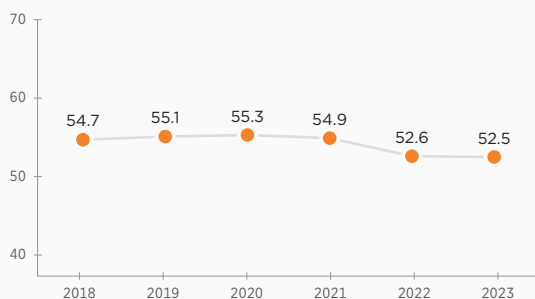
The foundations of economic freedom in Kenya are fragile and uneven across the country. Poor protection of property rights and widespread corruption discourage entrepreneurial activity. The rule of law is weak, and local courts are subject to substantial political interference. Progress in reforming the management of public finance has been sluggish.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -2.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
55.0 million

**GDP (PPP):**  
\$274.9 billion  
7.2% growth in 2021  
5-year compound annual growth 4.3%  
\$5,520 per capita

**UNEMPLOYMENT:**  
5.0%

**INFLATION (CPI):**  
6.1%

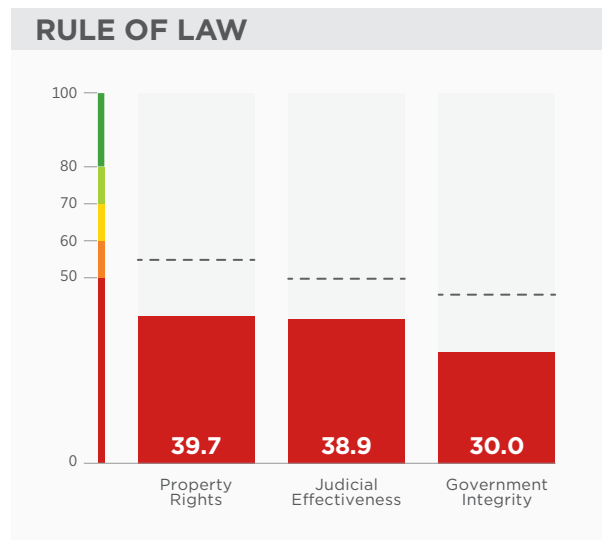
**FDI INFLOW:**  
\$448.1 million

**PUBLIC DEBT:**  
67.8% of GDP

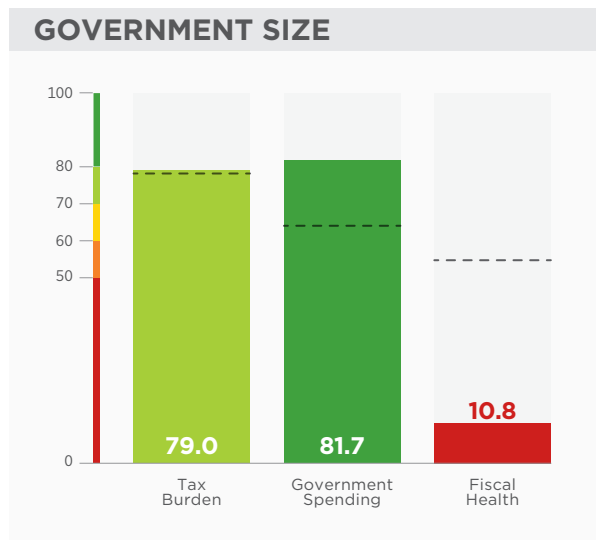
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Kenya achieved independence from Britain in 1963, but true political liberalization did not begin until the early 1990s. In 2013, Uhuru Kenyatta, son of Kenya's first president, won the first presidential election conducted under a new 2010 constitution. After the Supreme Court annulled his victory in the initial vote, Kenyatta won reelection in October 2017. In 2018, Kenyatta reconciled with Raila Odinga, his opponent in the contested election. The Supreme Court dismissed Odinga's challenge to the results of the August 2022 presidential election that gave William Ruto a narrow victory. Kenya is an East African economic, financial, and transport hub.

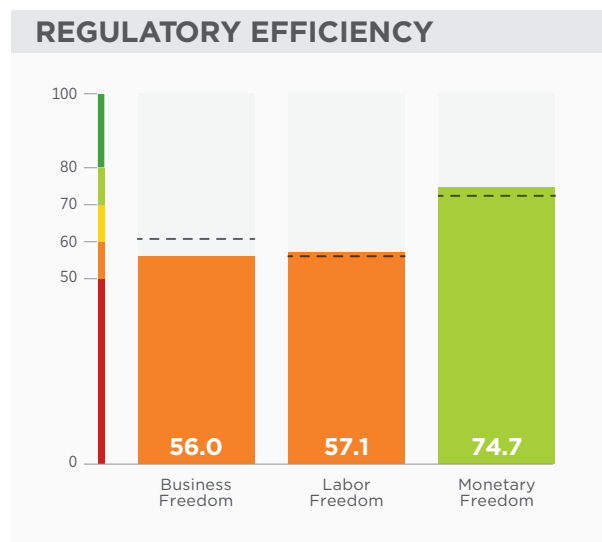
## 12 ECONOMIC FREEDOMS | KENYA



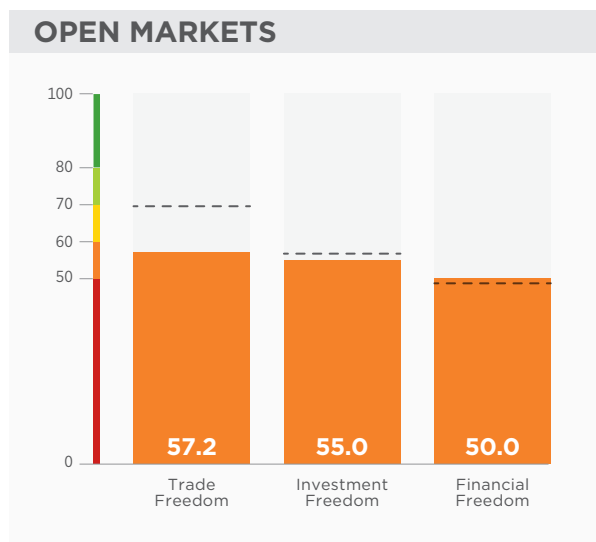
The overall rule of law is weak in Kenya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 17.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.7 percent and -7.8 percent of GDP. Public debt equals 67.8 percent of GDP.



Implementation and enforcement of reforms to enhance regulatory efficiency have been uneven. The informal economy employs a large portion of the labor force. Monetary stability has weakened with rising inflation. The government regulates prices. The most recent available inflation rate is 6.1 percent.



The trade-weighted average tariff rate is 11.4 percent. Foreign ownership in some sectors is restricted, and state-owned enterprises undermine more dynamic private-sector development. The financial sector has become more open to competition, and its overall stability is maintained relatively well.

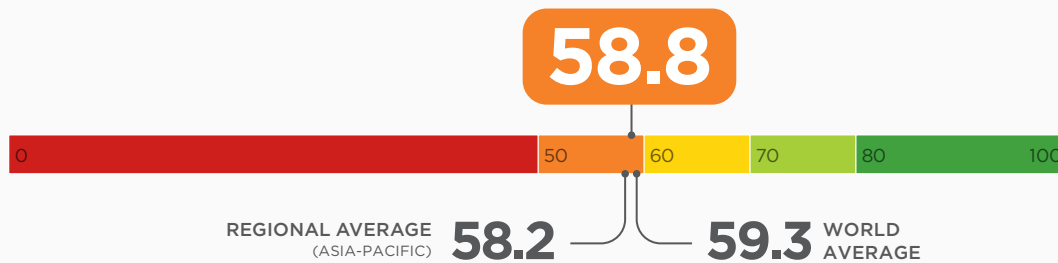


# KIRIBATI

**K**iribati's economic freedom score is 58.8, making its economy the 92nd freest in the 2023 *Index*. Its score is 0.4 point lower this year. Kiribati is ranked 20th out of 39 countries in the Asia-Pacific region, and its overall score is below the world average.

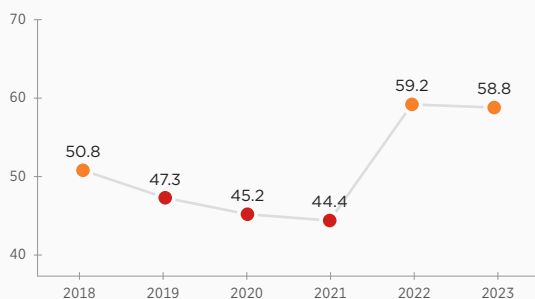
Economic activity is still dominated by a public sector that accounts for two-thirds of employment and more than half of the economy. The economy relies heavily on foreign assistance and remittances. An inefficient regulatory framework and the absence of open-market policies that are critical to private-sector development continue to discourage economic dynamism.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +13.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$0.2 billion  
1.5% growth in 2021  
5-year compound annual growth 1.1%  
\$2,035 per capita

**UNEMPLOYMENT:**  
8.6%

**INFLATION (CPI):**  
3.0%

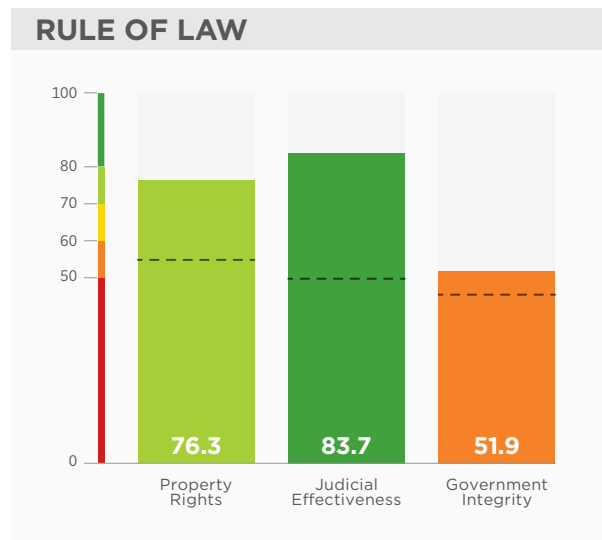
**FDI INFLOW:**  
\$1.0 million

**PUBLIC DEBT:**  
17.6% of GDP

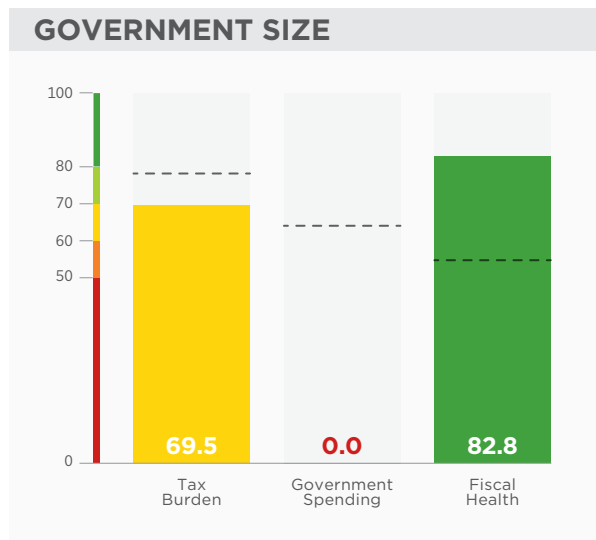
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Comprised of 33 scattered coral atolls, Kiribati gained independence from the United Kingdom in 1979 and is an electoral democracy. In 2022, the government caused a constitutional crisis by suspending members of the judiciary. President Taneti Maamau of the Tobwaan Kiribati Party was reelected in 2020. Kiribati's 2022 withdrawal from the Pacific Islands Forum is seen as a shift toward China. Phosphate deposits, formerly the center of economic activity, are now exhausted, but a \$722 million fund created with mining revenues still helps to support the government's budget. Kiribati relies on foreign assistance, emigrants' remittances, fishing, coconut exports, and tourism.

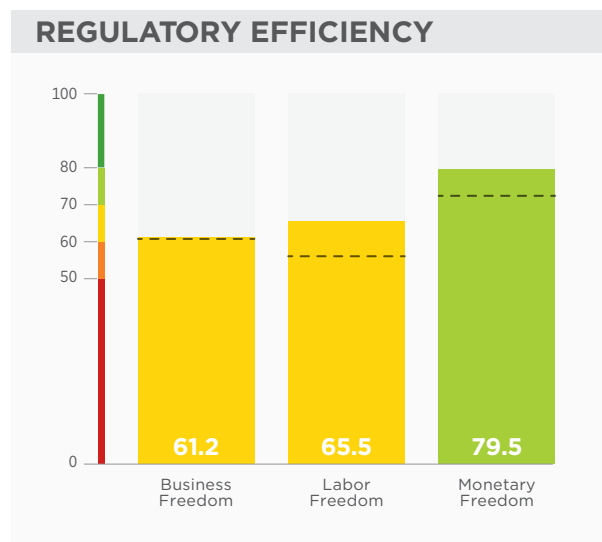
## 12 ECONOMIC FREEDOMS | KIRIBATI



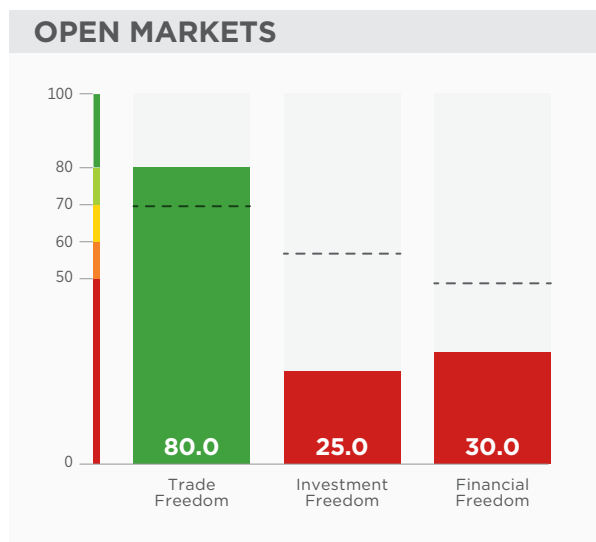
The overall rule of law is well respected in Kiribati. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 35 percent. The tax burden equals 24.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 123.5 percent and -3.2 percent of GDP. Public debt equals 17.6 percent of GDP.



The regulatory environment is rudimentary. Commercial regulations are enforced inconsistently and lack the capacity to spur more dynamic entrepreneurial growth. Only a small share of the labor force participates in the formal economy. The most recent available inflation rate is 3.0 percent.



The trade-weighted average tariff rate is 0.0 percent, but nontariff barriers persist. Kiribati is not a member of the World Trade Organization. Inefficient state-owned enterprises and regulations that hinder private-sector development continue to discourage investment. High credit costs undermine the private sector.

# NORTH KOREA

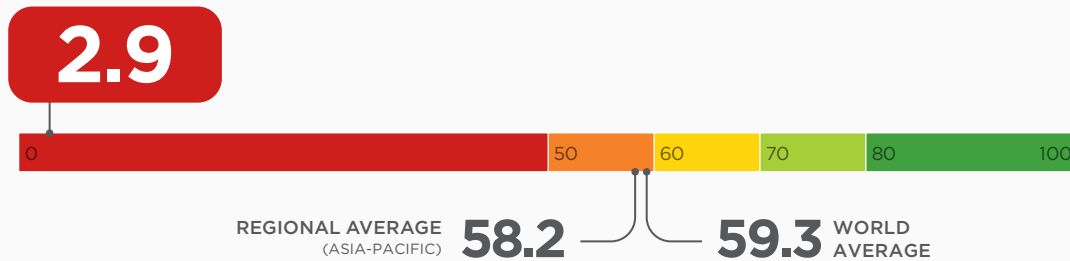
WORLD RANK: **176** REGIONAL RANK: **39**

ECONOMIC FREEDOM STATUS: **REPRESSED**

**N**orth Korea continues its isolation from much of the rest of the world. Based on limited available information, North Korea's economic freedom score is 2.9, making its economy the least free in the 2023 *Index*. North Korea is ranked last out of 39 countries in the Asia-Pacific region.

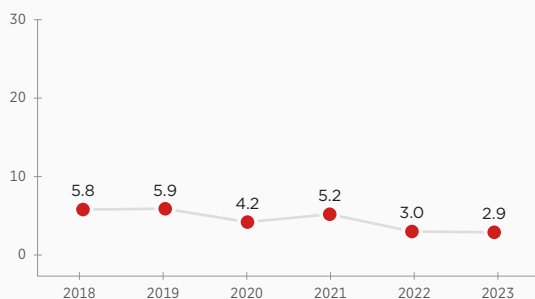
North Korea's dictatorial leadership remains unwilling to open or restructure its economy. Despite experimenting with a few market reforms, the regime adheres to the system of state command and control that has kept the country and its people near bankruptcy for decades. The Communist Party controls every aspect of economic activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -6.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
25.9 million

**GDP (PPP):**  
n/a  
n/a growth in 2021  
5-year compound  
annual growth n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
\$18.1 million

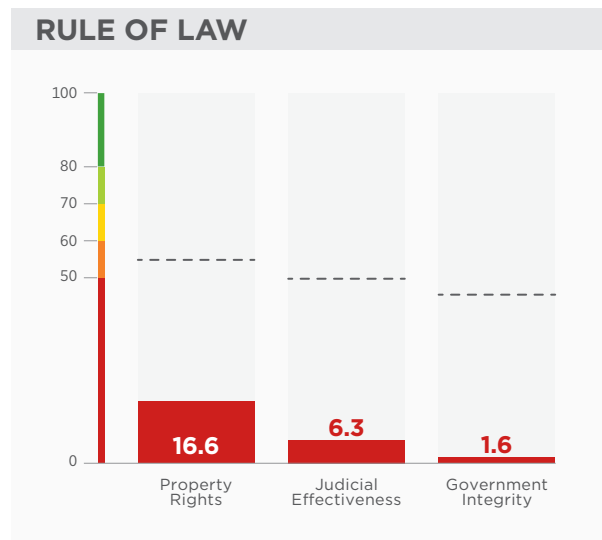
**PUBLIC DEBT:**  
n/a

2021 data unless otherwise noted. Data compiled as of September 2022

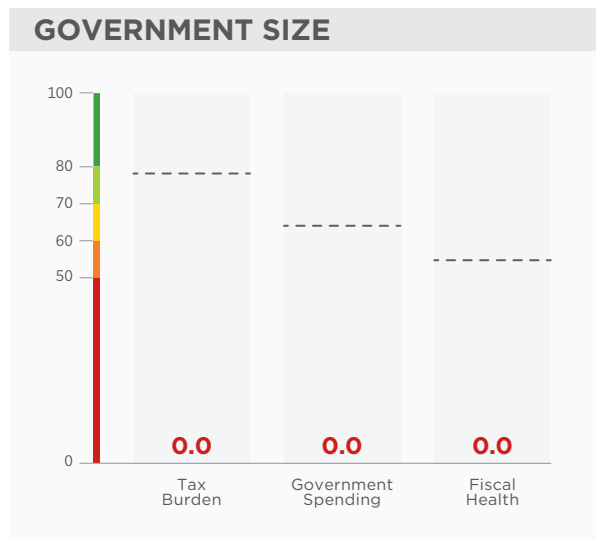
**BACKGROUND:** Founding President Kim Il-sung's family has ruled the Democratic People's Republic of Korea (DPRK) since 1948. After years of self-imposed national isolation, Kim Il-sung's grandson, Kim Jong-un, initiated summits with South Korea, China, and the United States in 2018, but hopes for diplomatic progress were dashed when Pyongyang made clear its refusal to disarm its nuclear weapons program unilaterally. There has been little progress toward denuclearization, and in 2022, North Korea effectively declared itself a nuclear state. After decades of financial mismanagement, relative autarky, and resource misallocation, the DPRK has faced chronic economic problems and food shortages since the mid-1990s.



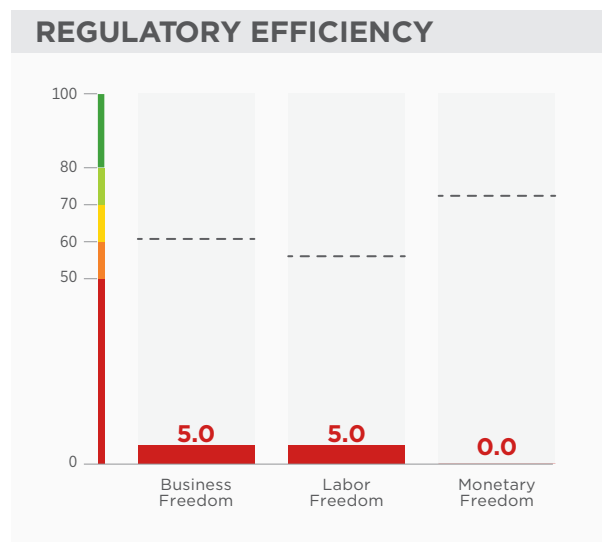
## 12 ECONOMIC FREEDOMS | NORTH KOREA



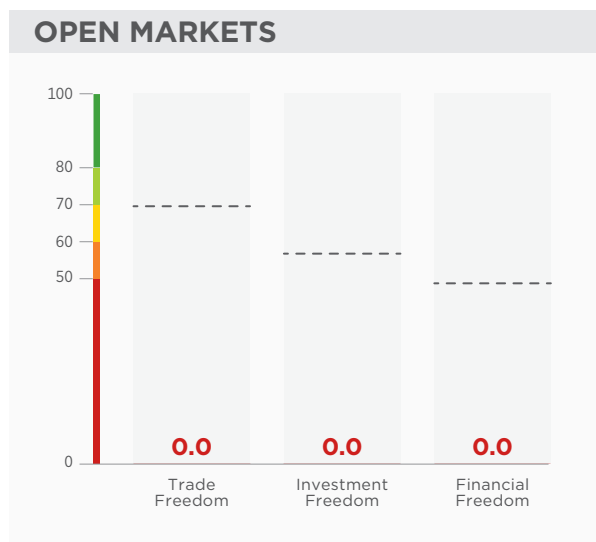
The overall rule of law is weak in North Korea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



There is no effective tax system. The government controls all significant activity. The state sets production levels for most products, and state-owned industries account for nearly 100 percent of the country's GDP. The magnitude of North Korea's military spending further drains scarce resources.



Heavy state regulation of the economy continues through central planning and control. Entrepreneurial activity remains virtually impossible. Since the 2002 economic reforms, factory managers have had limited autonomy to set wages and offer incentives, but the government controls the labor market.



Trade and investment flows are controlled by the government. The dominant influence of the military establishment makes any meaningful near-term change unlikely. Access to financing is very limited and constrained by the repressive economic system, which remains firmly controlled by the state.

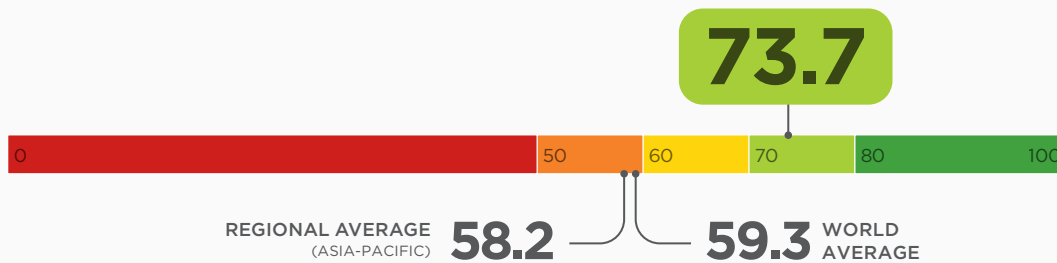
# SOUTH KOREA



South Korea's economic freedom score is 73.7, making its economy the 15th freest in the 2023 *Index*. Its score is essentially unchanged from last year. South Korea is ranked 5th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

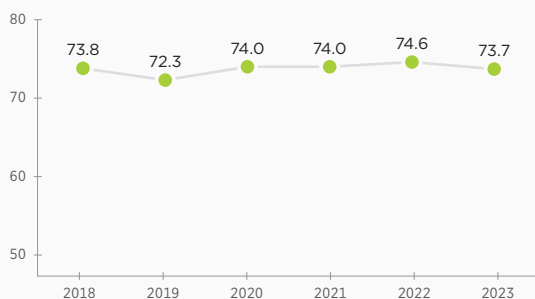
The dynamic economy has demonstrated notable resilience. A vibrant private sector bolstered by a well-educated labor force and high capacity for innovation capitalizes on the country's openness to global commerce. A sound legal framework is firmly in place, but corruption continues to undermine both government integrity and overall economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +1.7

## RECENT FREEDOM TREND



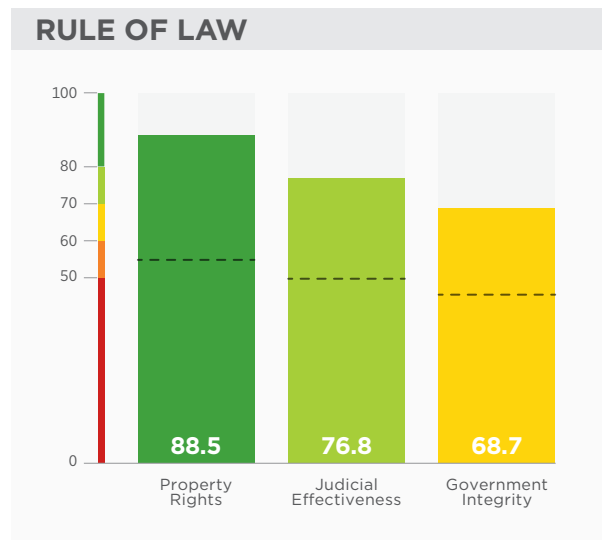
## QUICK FACTS

<b>POPULATION:</b> 51.7 million	<b>UNEMPLOYMENT:</b> 3.9%
<b>GDP (PPP):</b> \$2.5 trillion 4.0% growth in 2021 5-year compound annual growth 2.3%	<b>INFLATION (CPI):</b> 2.5%
<b>FDI INFLOW:</b> \$16.8 billion	<b>PUBLIC DEBT:</b> 51.3% of GDP

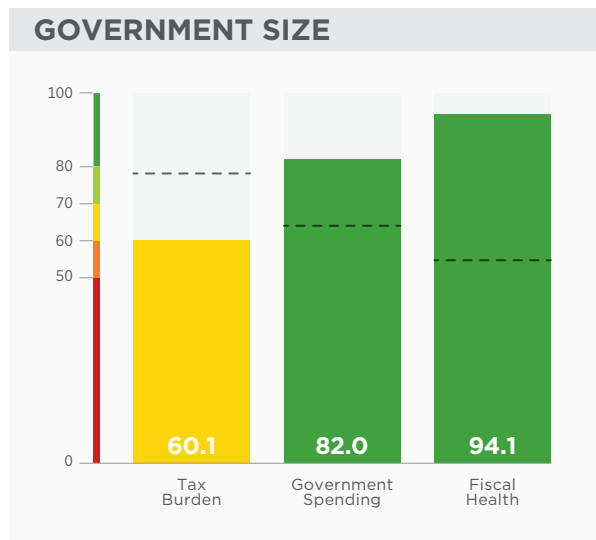
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Since his election in 2022 by the closest margin in Korean history, conservative President Yoon Suk-yeol has supported stronger ties with Japan and the U.S. Despite his skeptical view of engagement with North Korea, Yoon offered aid to Pyongyang in exchange for denuclearization. After decades of rapid economic growth and global integration, South Korea is a high-technology, industrialized economy led by such sectors as electronics, telecommunications, automobile production, chemicals, shipbuilding, and steel. Challenges include an aging population, low worker productivity, and the need to implement a structural shift away from overreliance on export-led growth and expansionary fiscal policy.

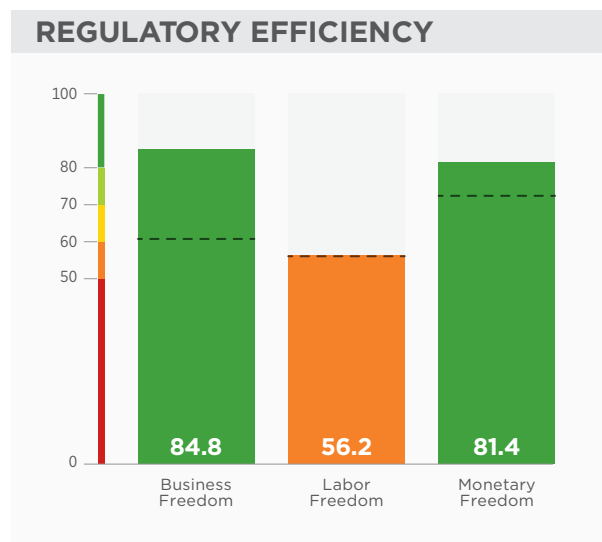
## 12 ECONOMIC FREEDOMS | SOUTH KOREA



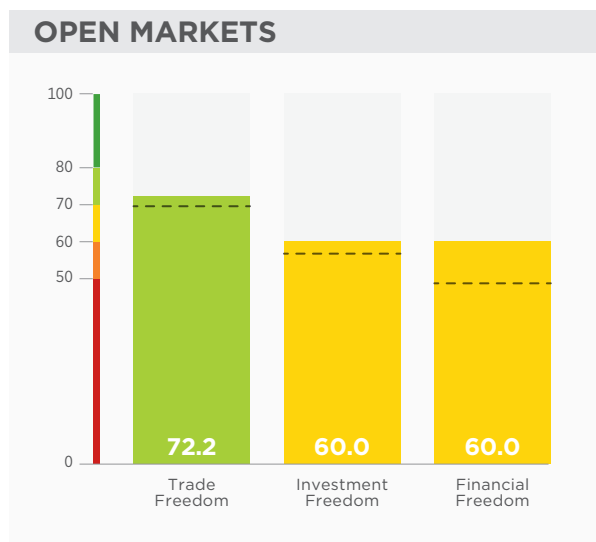
The overall rule of law is well respected in South Korea. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 49.5 percent and 27.5 percent. The tax burden equals 28.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.5 percent and -0.6 percent of GDP. Public debt equals 51.3 percent of GDP.



The competitive regulatory framework facilitates entrepreneurial activity and innovation. The labor market is dynamic, but regulatory rigidities are still present, and powerful trade unions add to the cost of conducting business. Monetary stability has been relatively well maintained despite inflationary pressures.



The trade-weighted average tariff rate is 8.9 percent, and more than 400 nontariff measures are in force. Foreign investment is welcome and facilitated by an efficient and modern regulatory framework. The financial sector is competitive, but business start-ups still struggle to obtain financing.

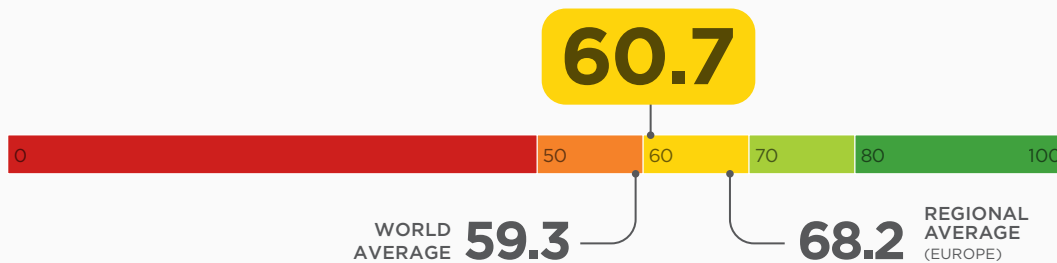
# KOSOVO



Kosovo's economic freedom score is 60.7, making its economy the 78th freest in the 2023 *Index*. Its score has increased by 0.6 point. Kosovo is ranked 39th among 44 countries in the Europe region, and its overall score is below the regional average and above the world average.

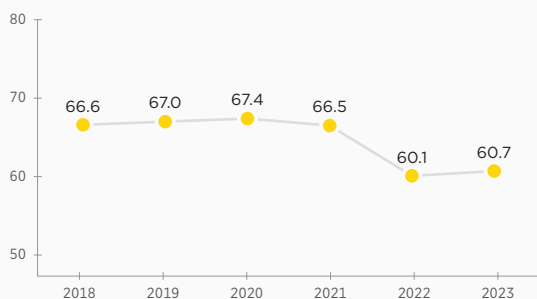
Kosovo is Europe's youngest country. Despite positive growth rates, the economy is characterized by political instability, corruption, an unreliable energy supply, a large informal economy, and a tenuous rule of law. The majority of state-owned enterprises have been privatized, but limited regional and global economic integration still blocks business success.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2016): -0.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.8 million

**GDP (PPP):**  
\$23.1 billion  
9.5% growth in 2021  
5-year compound annual growth 3.4%  
\$12,833 per capita

**UNEMPLOYMENT:**  
26.2%

**INFLATION (CPI):**  
3.3%

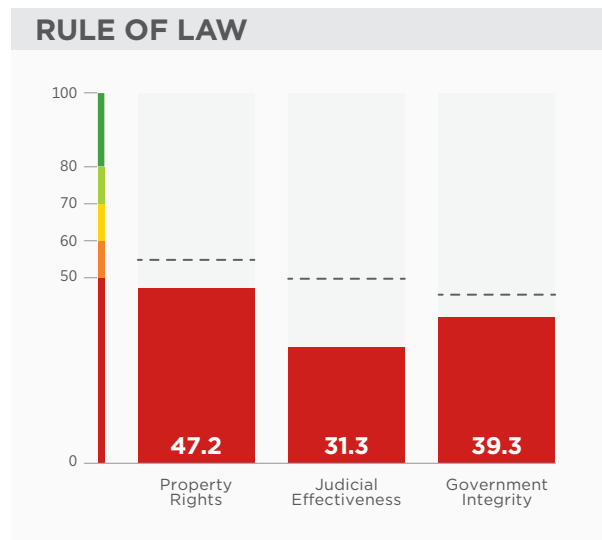
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
22.4% of GDP

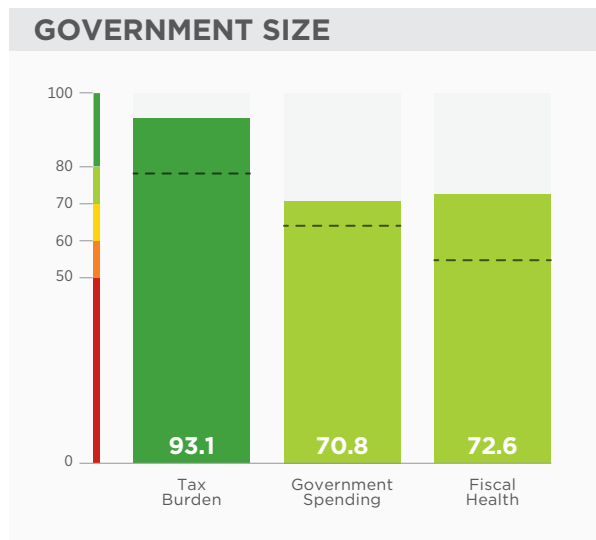
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Most European Union countries recognize the sovereignty of Kosovo, which gained independence from Serbia in 2008, but NATO still maintains a peacekeeping force there. Prime Minister Albin Kurti of the leftist-nationalist Movement for Self-Determination was reelected in February 2022 with support from several minority parties. Former President Hashim Thaci was indicted for war crimes in June 2020. Proposed license plate and travel regulations caused a flare-up in tensions with Serbia in August 2022. Despite some progress in transitioning to a market-based, macroeconomically stable economy, Kosovo still depends on remittances and financial and technical assistance from Western donors and the diaspora.

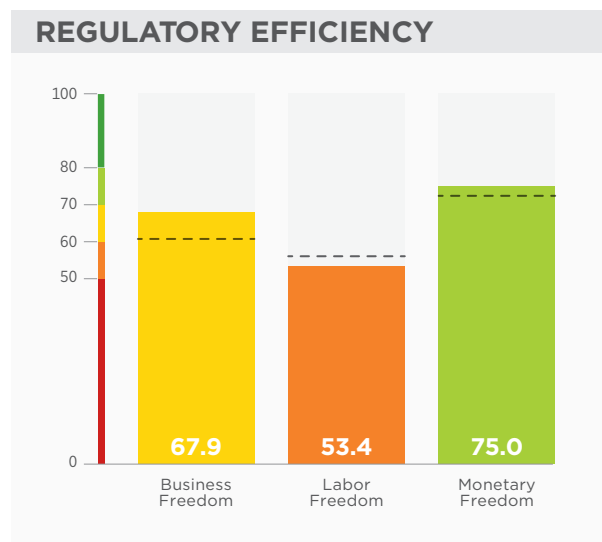
## 12 ECONOMIC FREEDOMS | KOSOVO



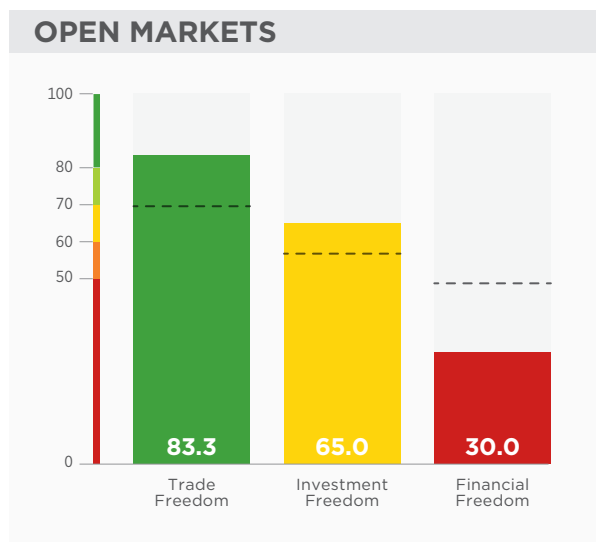
The overall rule of law is weak in Kosovo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 22.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.2 percent and -4.1 percent of GDP. Public debt equals 22.4 percent of GDP.



Kosovo has pursued and implemented business-friendly reforms, but the overall regulatory framework remains burdensome. Informal market activity remains sizable. The formal labor market is not fully developed. Large agricultural and energy-related subsidies continue. The most recent available inflation rate is 3.3 percent.



The trade-weighted average tariff rate is 3.4 percent, and efforts to dismantle nontariff barriers continue. In general, foreign and domestic investors are treated equally under the law. State-owned enterprises distort the economy. The financial system, dominated by banking, continues to evolve.



WORLD RANK: **108** REGIONAL RANK: **9**

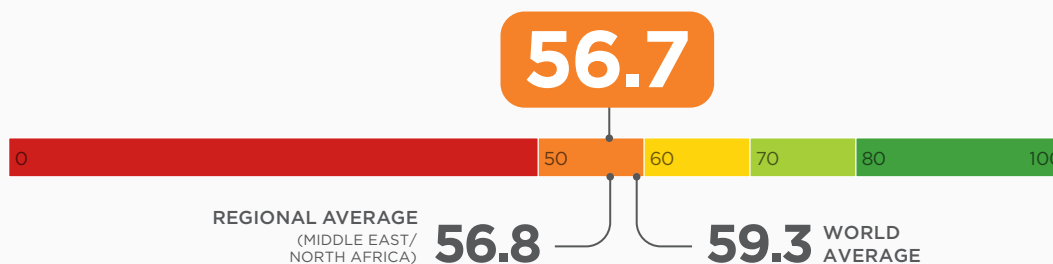
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# KUWAIT

**K**uwait's economic freedom score is 56.7, making its economy the 108th freest in the 2023 *Index*. Its score is 1.6 points lower than last year. Kuwait is ranked 9th out of 14 countries in the Middle East/North Africa region, and its overall score is below the world and regional averages.

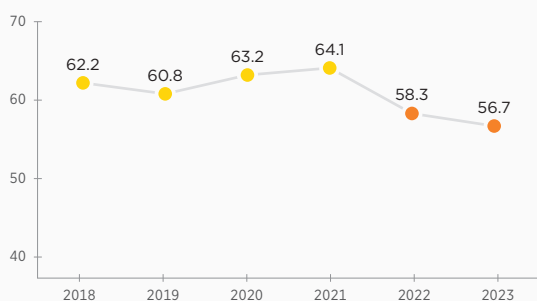
Institutional weaknesses continue to constrain overall economic freedom. The judicial system lacks the capacity to defend property rights effectively. Despite some progress, corruption continues to undermine prospects for long-term economic development. There have been efforts to enhance the efficiency of the business regulatory framework, but overall progress has been mixed.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -9.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.3 million

**GDP (PPP):**  
\$213.2 billion  
1.3% growth in 2021  
5-year compound annual growth -2.1%  
\$45,009 per capita

**UNEMPLOYMENT:**  
2.2%

**INFLATION (CPI):**  
3.4%

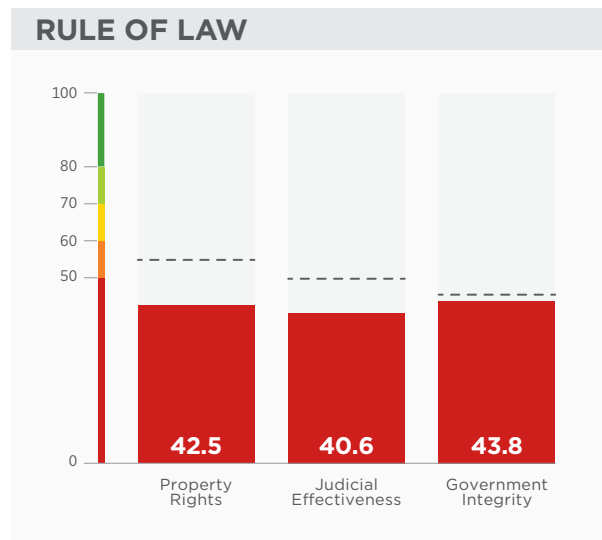
**FDI INFLOW:**  
\$198.2 million

**PUBLIC DEBT:**  
8.7% of GDP

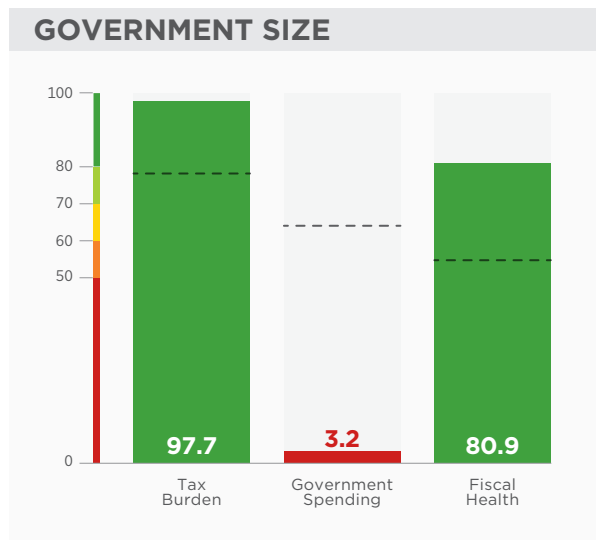
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The constitutional monarchy of Kuwait has been ruled by the al-Sabah dynasty since the 18th century. Opposition from Islamists and tribal populists has triggered protests, cabinet shakeups, and dissolutions of the National Assembly. Nawaf al-Ahmad Al-Jaber al-Sabah became emir in 2020, and his eldest son, Sheikh Ahmed Nawaf al-Ahmed al-Sabah, is prime minister. Kuwait controls approximately 6 percent of the world's oil reserves. Oil and gas account for more than half of GDP and approximately 92 percent of export revenues. The government saves at least 10 percent of revenue annually as a hedge against the impact of lower oil prices.

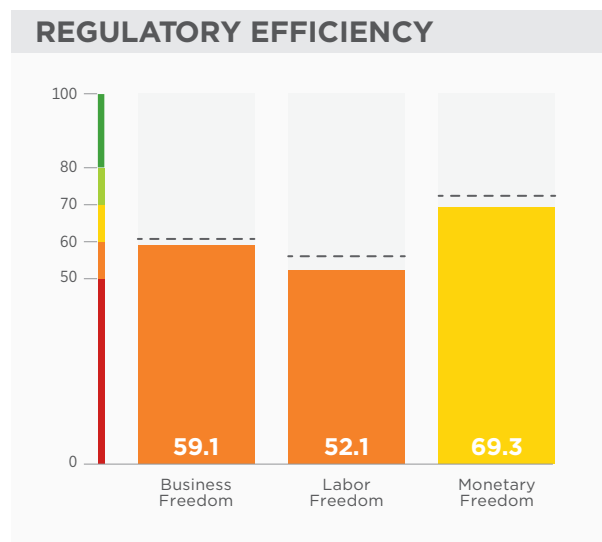
## 12 ECONOMIC FREEDOMS | KUWAIT



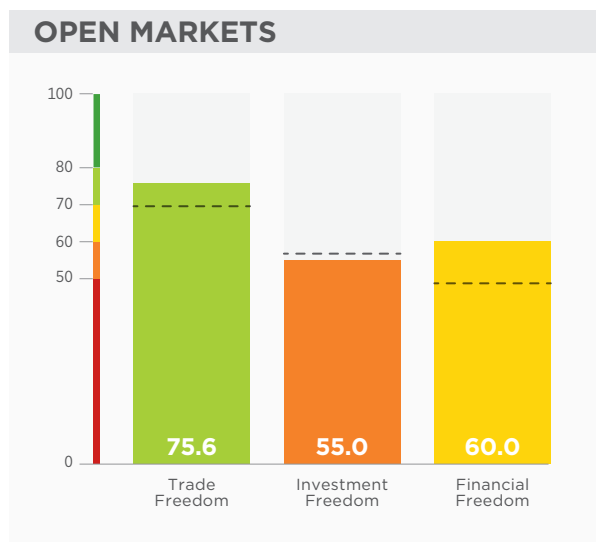
The overall rule of law is weak in Kuwait. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 0 percent and 15 percent. The tax burden equals 1.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 56.8 percent and -3.4 percent of GDP. Public debt equals 8.7 percent of GDP.



Kuwait has taken steps to improve its regulatory framework, but progress has been gradual and uneven. Overall labor regulations lack flexibility. The government provides numerous subsidies and controls prices through state-owned utilities and enterprises. The most recent available inflation rate is 3.4 percent.



The trade-weighted average tariff rate is 4.7 percent, and nontariff barriers increase the cost of trade. The economy is generally open to foreign investment, but some sectors are restricted. A modern financial regulatory system facilitates and welcomes portfolio investment. The banking sector remains well capitalized.

# KYRGYZSTAN



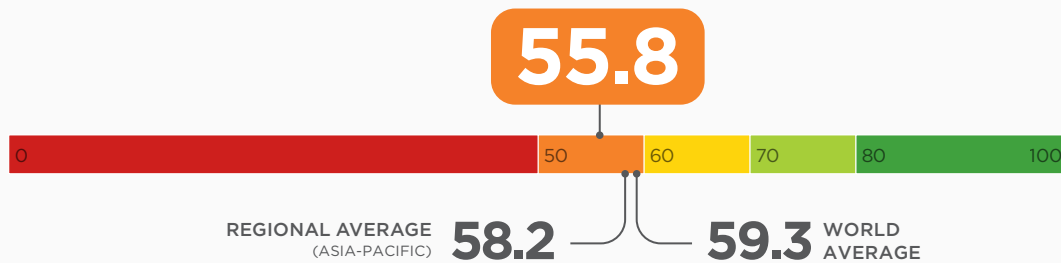
WORLD RANK: **115** | REGIONAL RANK: **25**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

The Kyrgyz Republic's economic freedom score is 55.8, making its economy the 115th freest in the 2023 *Index*. Its score is the same as last year. The Kyrgyz Republic is ranked 25th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

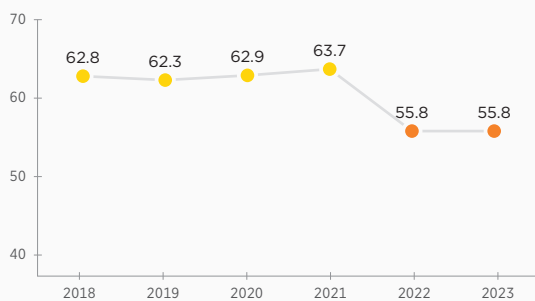
The Kyrgyz Republic's transition to a more market-driven economy is still a work in progress. Despite the implementation of reform measures, overall improvement in the entrepreneurial environment has been slow and uneven. Policies needed to support open markets remain deficient, and corruption undermines the rule of law.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +4.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.7 million

**GDP (PPP):**  
\$35.3 billion  
3.7% growth in 2021  
5-year compound annual growth 1.6%

**UNEMPLOYMENT:**  
5.8%

**INFLATION (CPI):**  
11.9%

**FDI INFLOW:**  
\$247.5 million

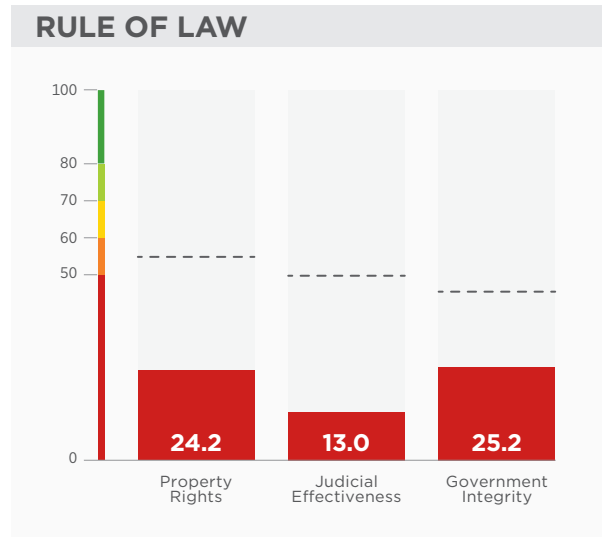
**PUBLIC DEBT:**  
61.1% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

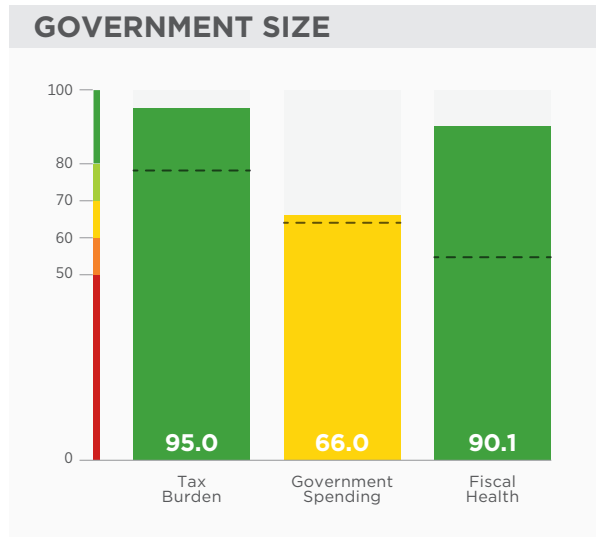
**BACKGROUND:** Independent since 1991, Kyrgyzstan is plagued by weak governance, organized crime, and corruption. President Sooronbai Jeenbekov resigned in 2020 after protests occasioned by a disputed parliamentary election. In January 2021, Sadyr Japarov was elected to succeed him. The influx of Chinese workers, nontransparent Chinese loans and investment, and government contracts won by Chinese firms have bred political instability. Kyrgyzstan is a member of the Russia-backed Eurasian Economic Union. Its economy depends on gold exports and remittances from Kyrgyzstanis working in Russia and Kazakhstan. Cotton, wool, and meat are the main agricultural products, but only cotton is exported in any quantity.



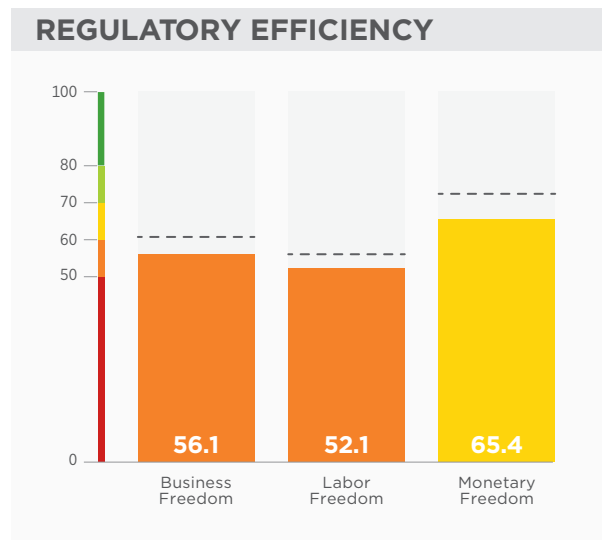
## 12 ECONOMIC FREEDOMS | KYRGYZSTAN



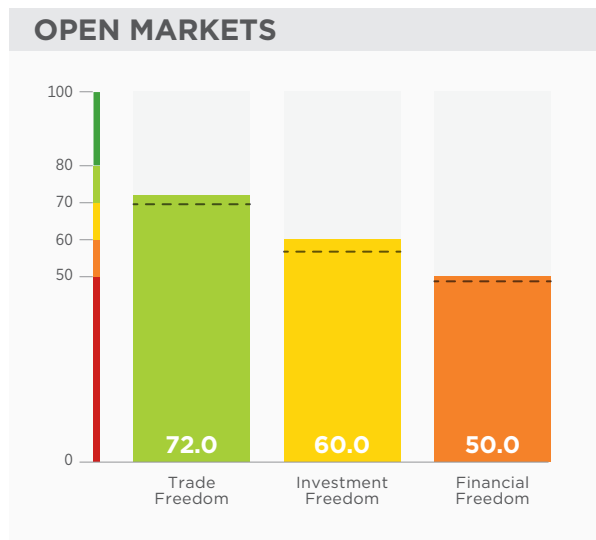
The overall rule of law is weak in the Kyrgyz Republic. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



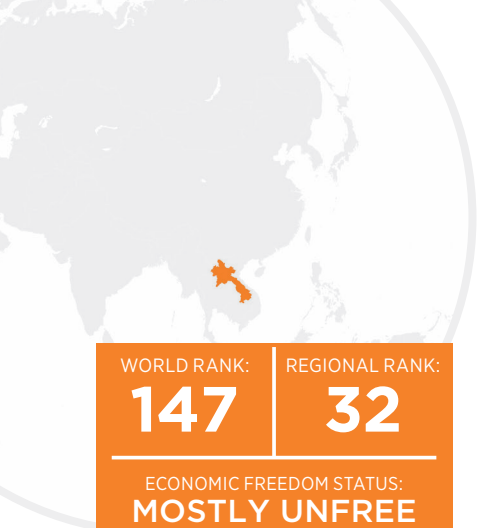
The top individual and corporate tax rates are 10 percent. The tax burden equals 17.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.7 percent and -1.2 percent of GDP. Public debt equals 61.1 percent of GDP.



Bureaucratic impediments to private-sector production and investment still affect the overall regulatory environment. A labor code designed to encourage employment changes in response to free-market conditions has been implemented. Monetary stability has been weak. The most recent available inflation rate is 11.9 percent.



The trade-weighted average tariff rate is 6.5 percent, and layers of nontariff measures are in force. The overall investment climate is subject to considerable risk and uncertainty. The financial sector, dominated by banking, is underdeveloped and lacks effective regulatory infrastructure. Credit costs remain high.



# LAOS

WORLD RANK:

147

REGIONAL RANK:

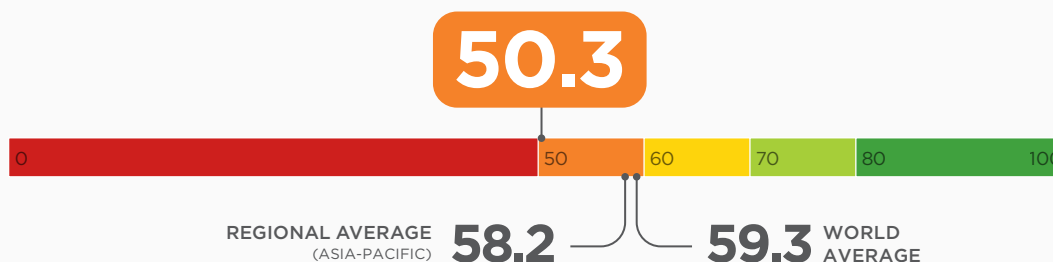
32

ECONOMIC FREEDOM STATUS:  
**MOSTLY UNFREE**

Laos's economic freedom score is 50.3, making its economy the 147th freest in the 2023 *Index*. Its score is 1.1 points higher than last year. Laos is ranked 32nd out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

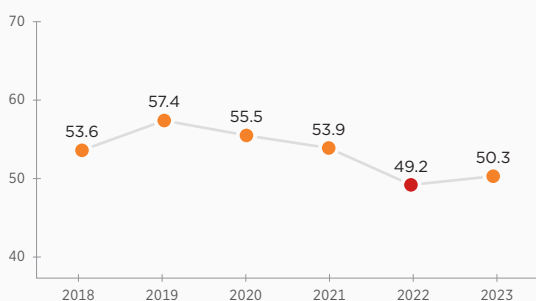
Deeper institutional reforms are needed in many areas of the Laotian economy to encourage broad-based long-term economic development. As indicated by low scores for property rights and freedom from corruption, the overall legal framework is inefficient and lacks transparency. The rule of law is undermined by corruption and political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +11.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.4 million

**GDP (PPP):**  
\$62.6 billion  
2.1% growth in 2021  
5-year compound  
annual growth 3.9%  
\$8,489 per capita

**UNEMPLOYMENT:**  
9.4%

**INFLATION (CPI):**  
3.8%

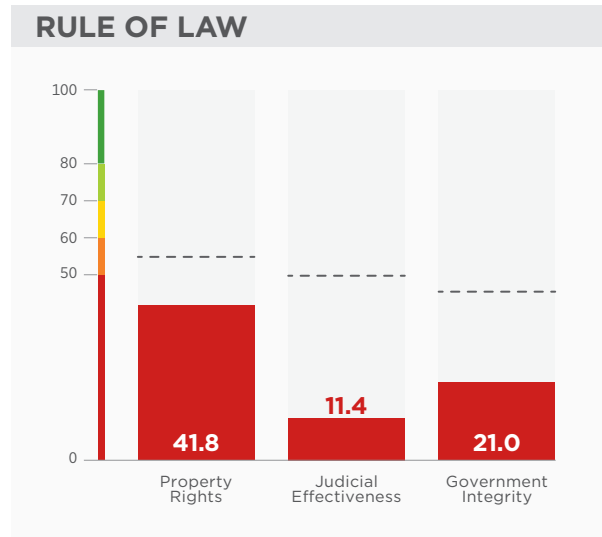
**FDI INFLOW:**  
\$1.1 billion

**PUBLIC DEBT:**  
93.5% of GDP

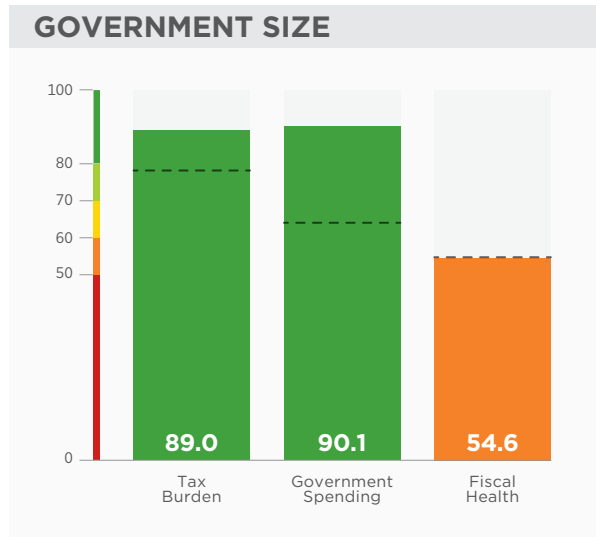
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Communist government that seized power in 1975 destroyed the Laotian economy. Despite some minimal liberalization, civil liberties remain heavily restricted. In 2021, the National Assembly elected former Prime Minister Thongloun Sisoulith to a five-year term as President of Laos and General Secretary of the Lao People's Revolutionary Party. He is the first non-military civilian to be elected. The economy is at severe risk of default because of insufficient liquidity to meet debt obligations. Approximately 80 percent of the rural population works in subsistence farming. The economy relies heavily on exports of such natural resources as copper, gold, and timber.

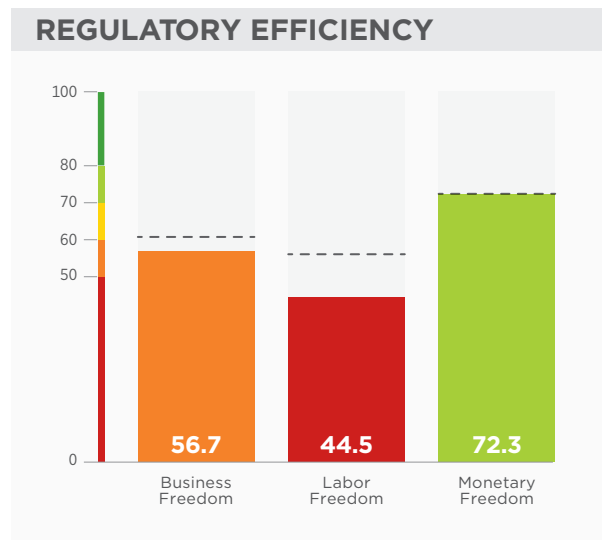
## 12 ECONOMIC FREEDOMS | LAOS



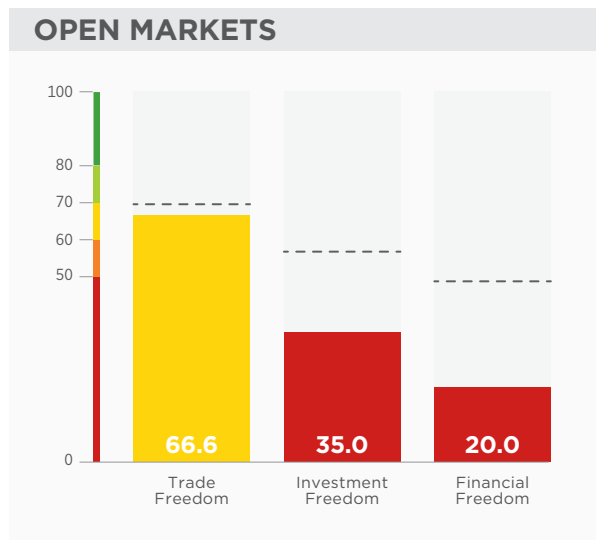
The overall rule of law is weak in Laos. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 20 percent. The tax burden equals 8.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.2 percent and -4.2 percent of GDP. Public debt equals 93.5 percent of GDP.



The transition to a more market-friendly economy has been slow. Despite some progress, an underdeveloped labor market does not provide dynamic employment opportunities for the growing supply of labor. The government influences many prices through state-owned enterprises and utilities.



The trade-weighted average tariff rate is 9.2 percent, and nontariff measures increase the cost of trade. State-owned enterprises distort the economy, and layers of restrictions discourage more dynamic foreign investment. The financial sector is subject to state involvement and undermined by politically vested interests.



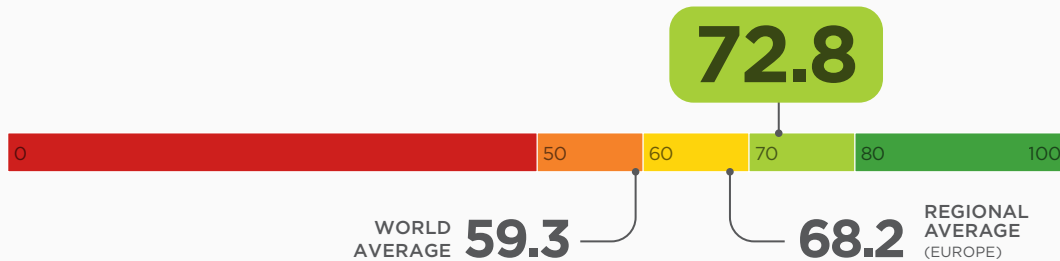
WORLD RANK: <b>17</b>	REGIONAL RANK: <b>11</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# LATVIA

Latvia's economic freedom score is 72.8, making its economy the 17th freest in the 2023 *Index*. Its score is 2.0 points worse than last year. Latvia is ranked 11th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

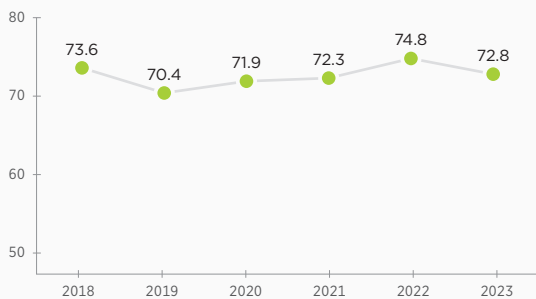
Market openness and business regulations that efficiently promote entrepreneurial dynamism have facilitated Latvia's ongoing transition to a more vibrant and market-oriented economy. With institutional competitiveness and committed political leadership in place, Latvia is well positioned to counter the effects of the global economic slowdown and other external difficulties on its economic vitality.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +17.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.9 million

**GDP (PPP):**  
\$65.7 billion  
4.7% growth in 2021  
5-year compound annual growth 2.1%  
\$34,707 per capita

**UNEMPLOYMENT:**  
8.1%

**INFLATION (CPI):**  
3.2%

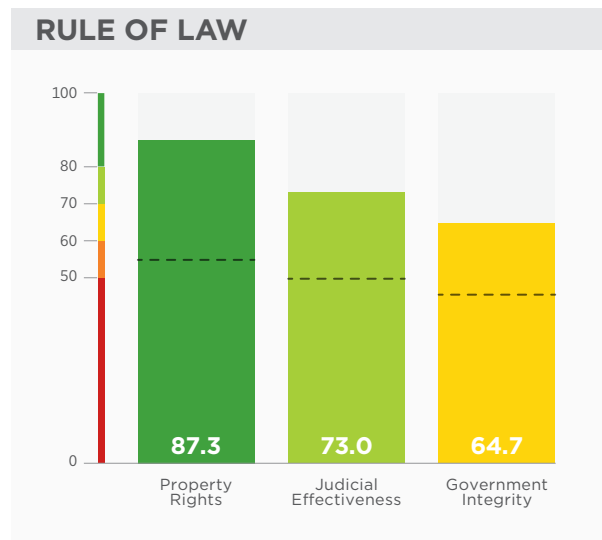
**FDI INFLOW:**  
\$5.3 billion

**PUBLIC DEBT:**  
45.7% of GDP

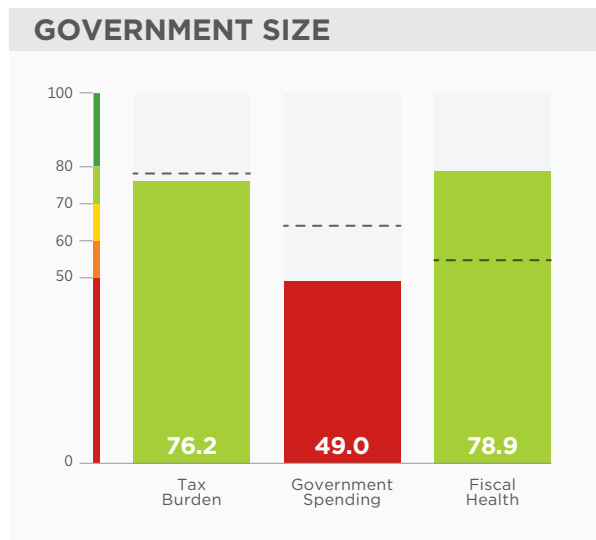
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Latvia regained its independence from the Soviet Union in 1991, joined the European Union and NATO in 2004, and joined the eurozone in 2014. Although his center-right New Unity party holds the fewest seats in parliament, Arturs Krišjanis Karinš became prime minister in 2019. His four-party coalition also includes the New Conservative Party (JKP), For Development/For!, and the National Alliance. Latvia's small, open economy relies heavily on exports. Transit services, timber and wood processing, agriculture and food products, and machinery manufacturing and electronics are highly developed. Latvia is reintroducing conscription in response to the threat from Russia.

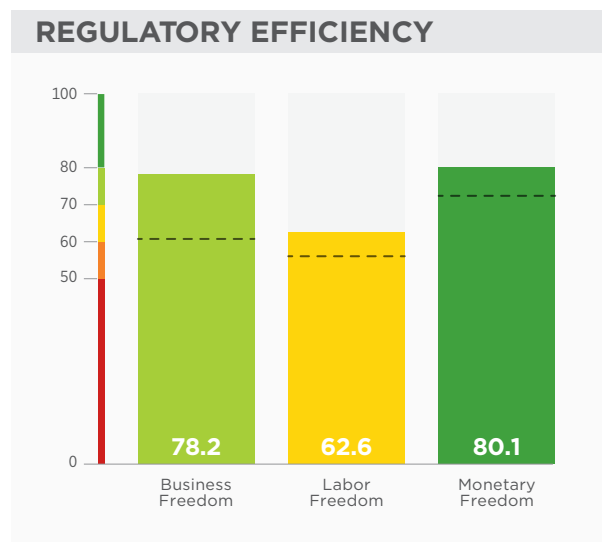
## 12 ECONOMIC FREEDOMS | LATVIA



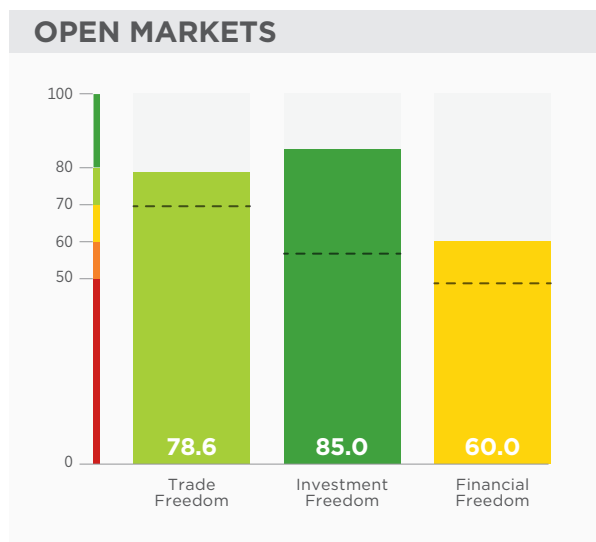
The overall rule of law is well respected in Latvia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 31 percent and 20 percent. The tax burden equals 31.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.2 percent and -3.3 percent of GDP. Public debt equals 45.7 percent of GDP.



The overall regulatory framework is relatively efficient. Despite bureaucratic bottlenecks, rules regarding the formation and operation of private enterprises are relatively simple. The labor market lacks flexibility, and the non-salary costs of employing workers are high. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The investment regulatory framework is relatively efficient. Rules on foreign investment are generally not burdensome. The financial sector is resilient and well capitalized.



# LEBANON

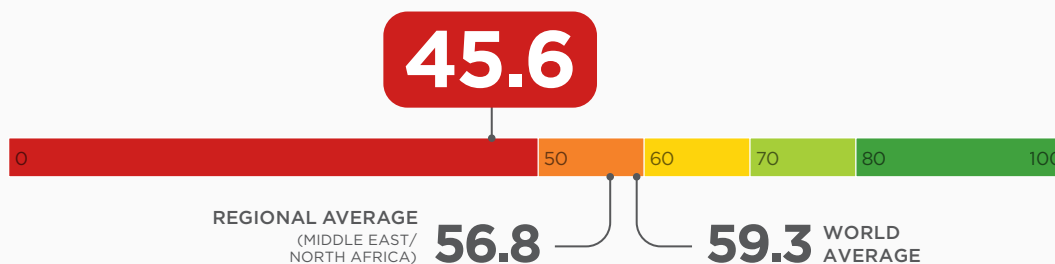
WORLD RANK: **164** | REGIONAL RANK: **12**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Lebanon's economic freedom score is 45.6, making its economy the 164th freest in the 2023 *Index*. Its score is 1.7 points worse than last year. Lebanon is ranked 12th out of 14 countries in the Middle East/North Africa region, and its overall score is below the world and regional averages.

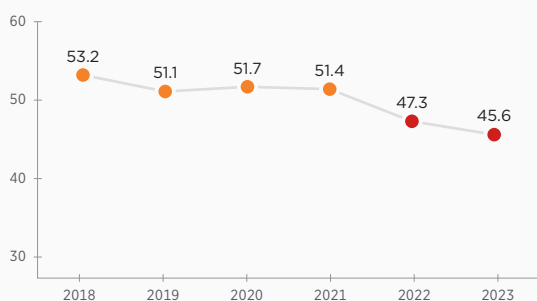
The foundation of Lebanon's economic freedom has been severely undermined. The entrepreneurial environment, characterized by political instability and regulatory inefficiency, discourages the dynamic growth of private investment. Commercial regulations remain burdensome. In the absence of a properly functioning legal framework, protection of property rights remains weak, and corruption is widespread.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -17.6

## RECENT FREEDOM TREND



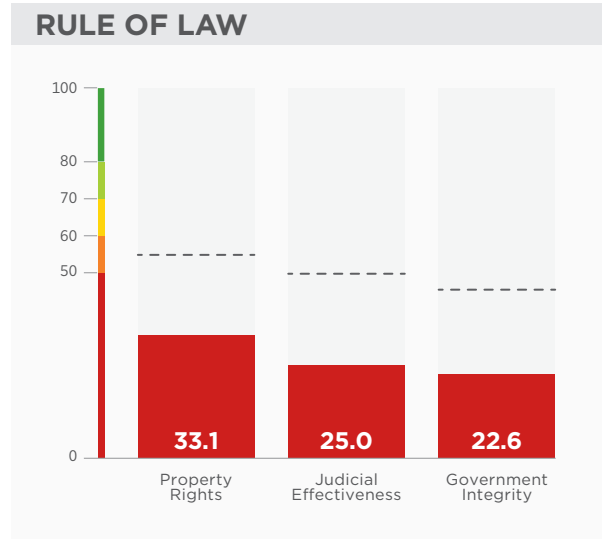
## QUICK FACTS

<b>POPULATION:</b> 6.8 million	<b>UNEMPLOYMENT:</b> 11.4%
<b>GDP (PPP):</b> n/a n/a growth in 2021 5-year compound annual growth -7.5%	<b>INFLATION (CPI):</b> 154.8%
<b>FDI INFLOW:</b> \$273.1 million	<b>PUBLIC DEBT:</b> 150.6%

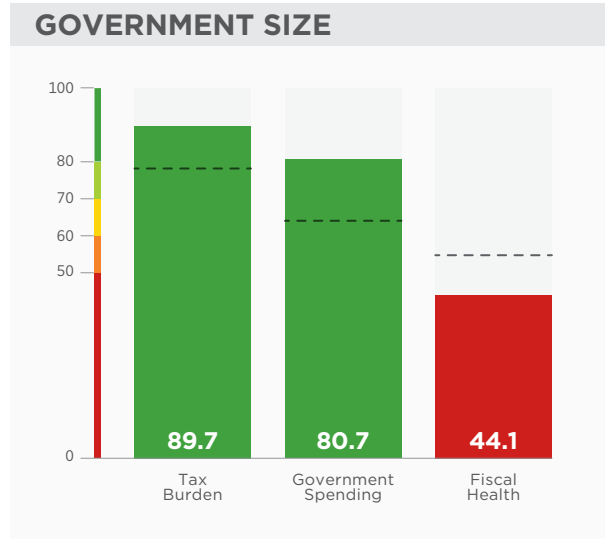
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Once a leading regional finance and trade center, Lebanon now faces an economic and financial crisis caused by decades of mismanagement, endemic corruption, and political turmoil. Sectarian tensions fueled by the 1975–1990 civil war, Syrian occupation until 2005, and clashes between Israel and Hezbollah make political cooperation difficult. In July 2021, after former Prime Minister Saad al-Hariri failed to form a government, President Michel Aoun appointed Nijab Mikati, another former prime minister, to form a new government. Hezbollah and its Christian allies lost their parliamentary majority in May 2022, and as of July, a government had not been formed.

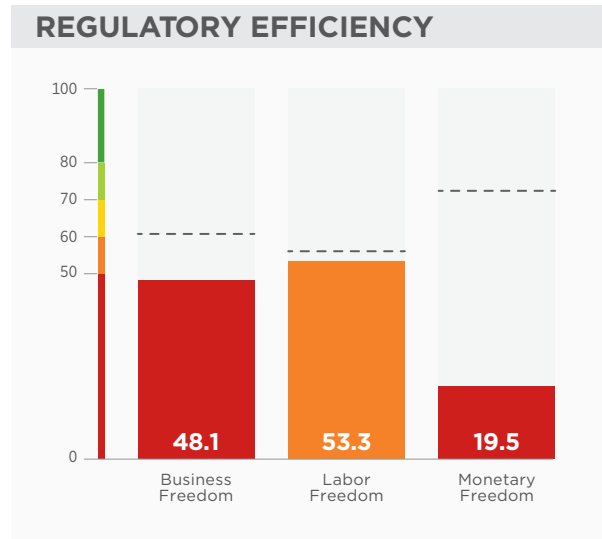
## 12 ECONOMIC FREEDOMS | LEBANON



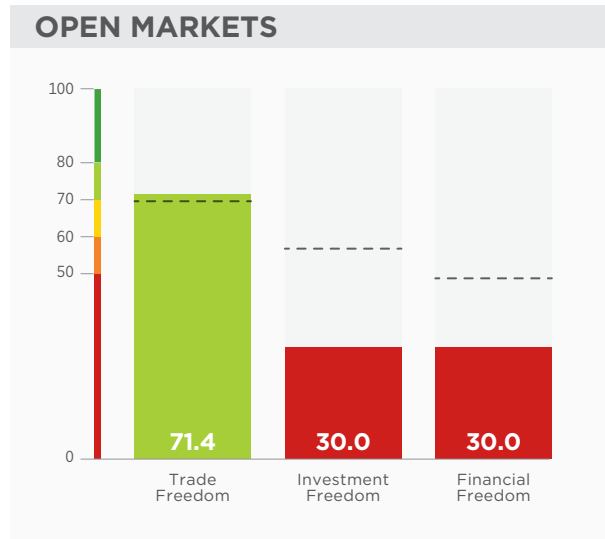
The overall rule of law is weak in Lebanon. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 17 percent. The tax burden equals 10.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.4 percent and -4.7 percent of GDP. Public debt equals 150.6 percent of GDP.



The fiscal and financial crises exacerbate a bleak economic picture. Regulatory transparency is low. Economic and governance reforms are badly needed. The labor market has been severely undermined by political instability and uncertainty. The most recent available inflation rate is 154.8 percent.



The trade-weighted average tariff rate is 4.3 percent, but poor regulatory systems discourage dynamic trade and investment flows. Lebanon's financial sector used to be a regional hub, but ongoing political insecurity has subjected it to a high degree of uncertainty and strain.



WORLD RANK: **141** | REGIONAL RANK: **33**

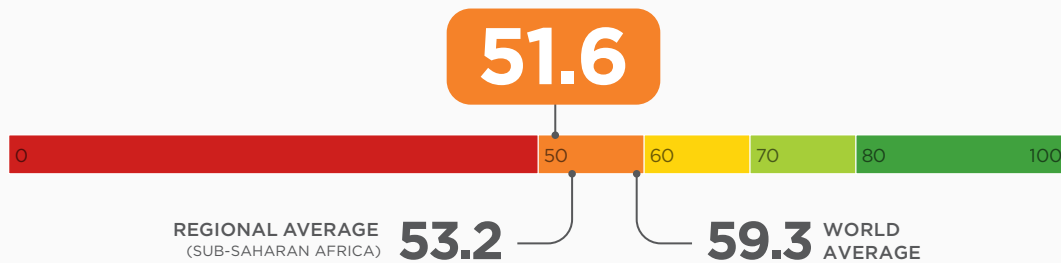
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# LESOTHO

Lesotho's economic freedom score is 51.6, making its economy the 141st freest in the 2023 *Index*. Its score is 3.5 points higher than last year. Lesotho is ranked 33rd out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

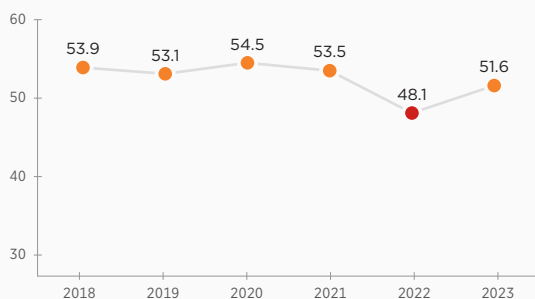
Lesotho lags far behind many other developing countries in terms of economic development, largely because of its failure to institute much-needed institutional reforms. The economy performs poorly in many of the four pillars of economic freedom. In particular, the rule of law is not strong enough to sustain meaningful economic progress.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +4.6

## RECENT FREEDOM TREND



## QUICK FACTS

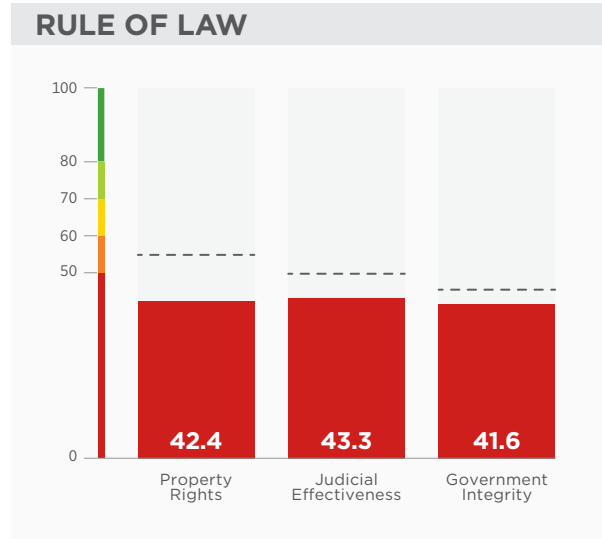
- POPULATION:** 2.2 million
- UNEMPLOYMENT:** 22.4%
- GDP (PPP):** \$5.9 billion  
2.1% growth in 2021  
5-year compound annual growth -1.7%
- INFLATION (CPI):** 6.0%
- FDI INFLOW:** \$26.6 million
- PUBLIC DEBT:** 53.5% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

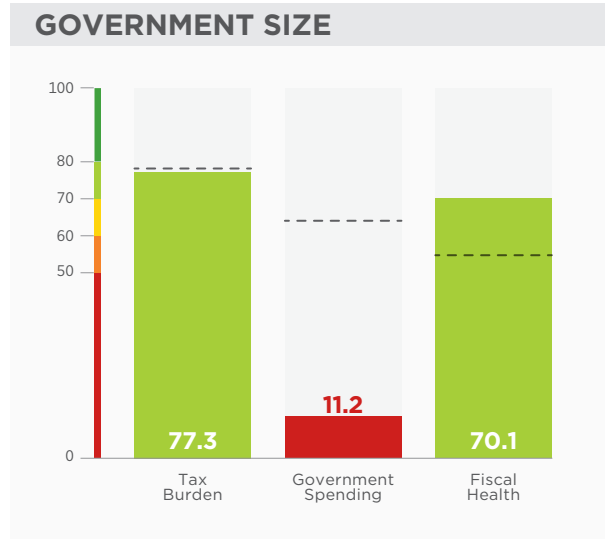
**BACKGROUND:** Basutoland was renamed the Kingdom of Lesotho upon independence from the United Kingdom in 1966. Lesotho is a parliamentary constitutional monarchy that is currently headed by King Letsie III. Diamond magnate Samuel Matekane was sworn in as prime minister in October 2022. Lesotho's narrow economic base consists of textile manufacturing, agriculture, diamond mining, remittances from Basothos working in South Africa, and regional customs revenue. About three-fourths of the population is engaged in animal herding and subsistence agriculture. A large dam and tunnel infrastructure project will divert water to South Africa and provide money and hydropower to Lesotho.



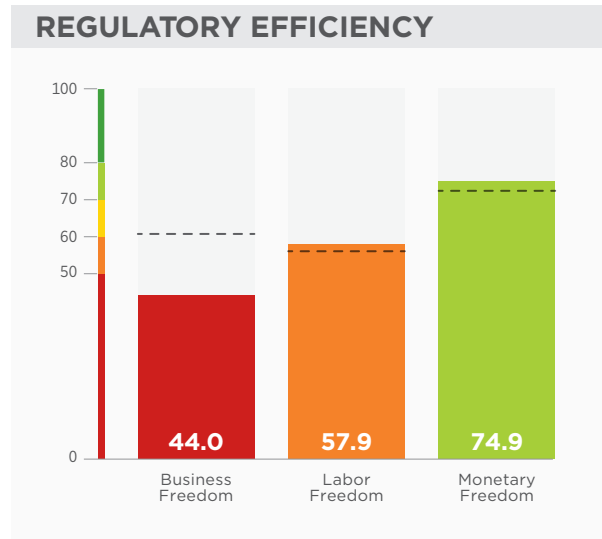
## 12 ECONOMIC FREEDOMS | LESOTHO



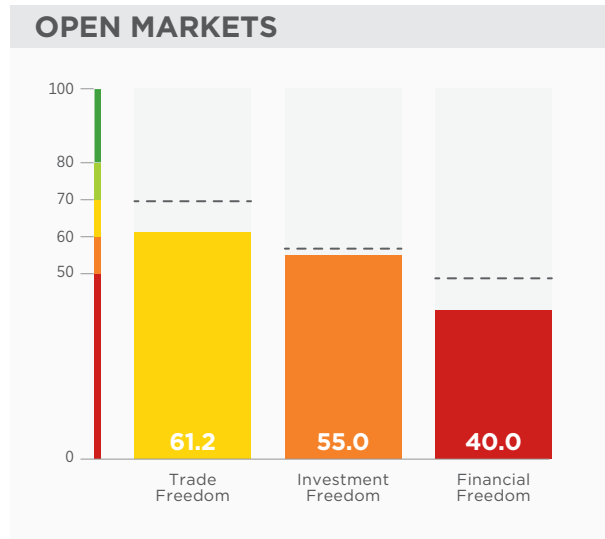
The overall rule of law is weak in Lesotho. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 25 percent. The tax burden equals 20.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 54.4 percent and -3.9 percent of GDP. Public debt equals 53.5 percent of GDP.



The regulatory system's overall efficiency remains limited. The labor market's rigidity continues to drive much of the labor force into the informal economy. Inflation has moderated. The government influences prices through state-owned enterprises. The most recent available inflation rate is 6.0 percent.



The trade-weighted average tariff rate is 11.9 percent, and nontariff barriers increase the cost of trade. Political fragmentation has stymied efforts to facilitate economic diversification, and investment inflows remain constrained. The high cost of credit discourages the development of a vibrant private sector.

# LIBERIA



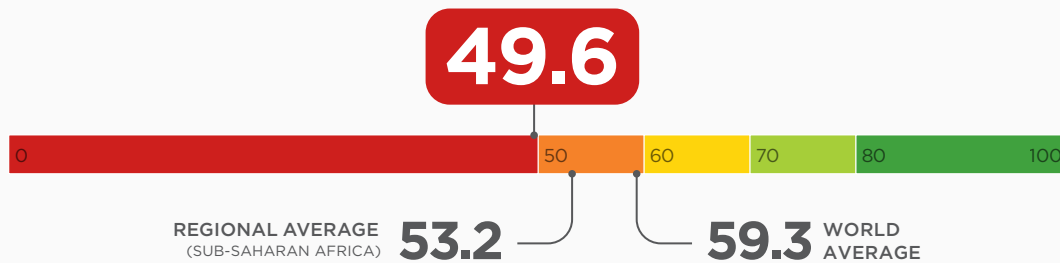
WORLD RANK: **150** | REGIONAL RANK: **36**

ECONOMIC FREEDOM STATUS: **REPPRESSED**

Liberia's economic freedom score is 49.6, making its economy the 150th freest in the 2023 *Index*. Its score has increased by 1.7 points from last year. Liberia is ranked 36th out of 47 countries in the Sub-Saharan Africa region, and its overall score remains below the world and regional averages.

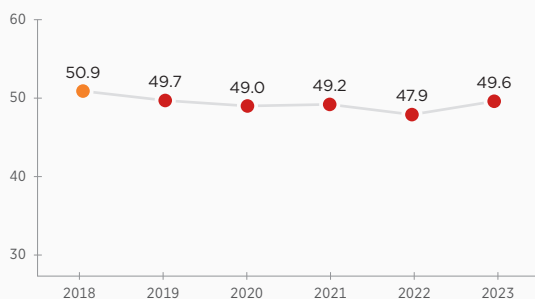
Liberia faces significant challenges in furthering its transition to a modern, open, market-based system. The foundations of economic freedom are fragile, and while the security situation has become more stable, the absence of an effectively functioning legal system undermines the protection of property rights and discourages efforts to eradicate corruption.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +1.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.2 million

**GDP (PPP):**  
\$7.9 billion  
4.2% growth in 2021  
5-year compound annual growth 0.5%  
\$1,642 per capita

**UNEMPLOYMENT:**  
3.1%

**INFLATION (CPI):**  
7.8%

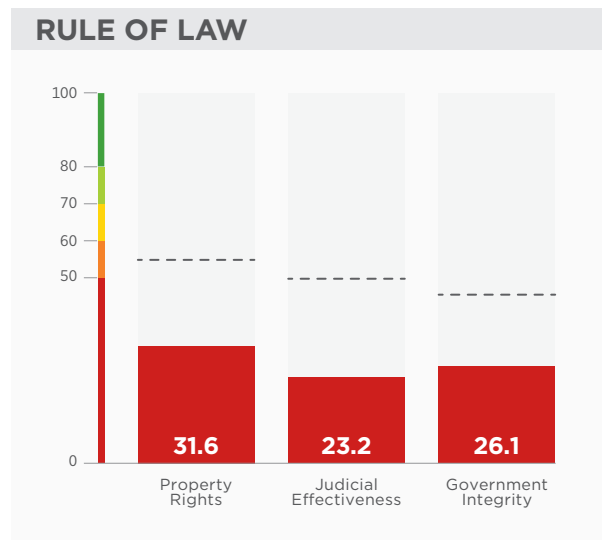
**FDI INFLOW:**  
\$45.7 million

**PUBLIC DEBT:**  
53.2% of GDP

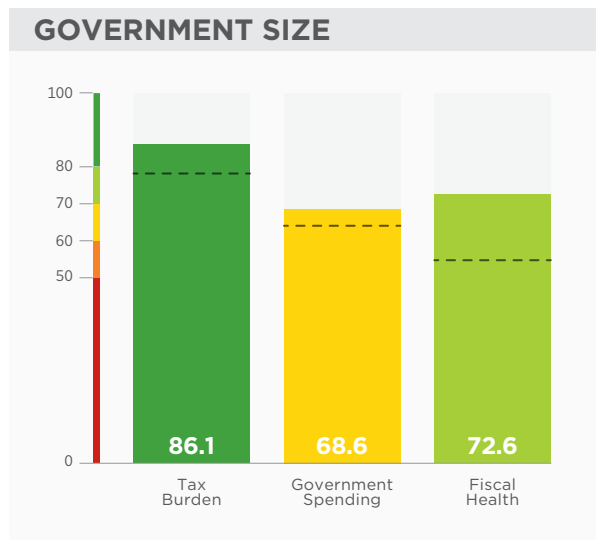
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Settled in the 19th century by freed slaves, mainly from the United States, Liberia enjoyed relative peace until a long civil war that ended in 1995. President Charles Taylor was forced out in 2003 and later convicted of war crimes. Ellen Johnson Sirleaf became president in 2006 and brought stability. In 2017, former soccer star George Weah won the presidency in an allegedly fraudulent election. Opposition and independent candidates' strong performance in the December 2020 midterm elections reflected popular frustration with government corruption and economic underperformance. Although Liberia is rich in rubber, mineral resources, and iron ore, poverty is widespread.

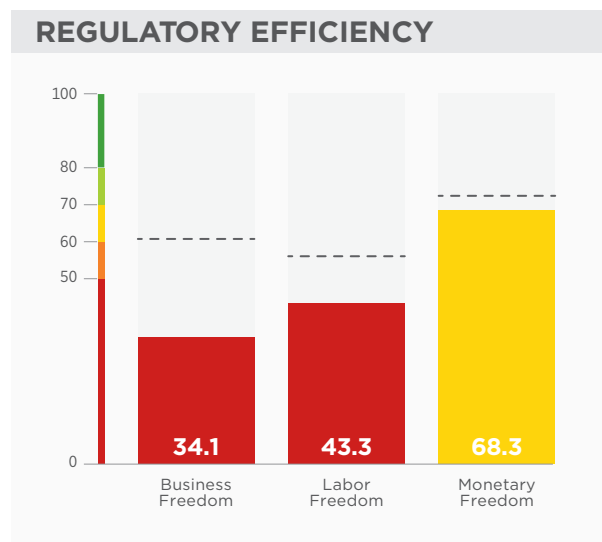
## 12 ECONOMIC FREEDOMS | LIBERIA



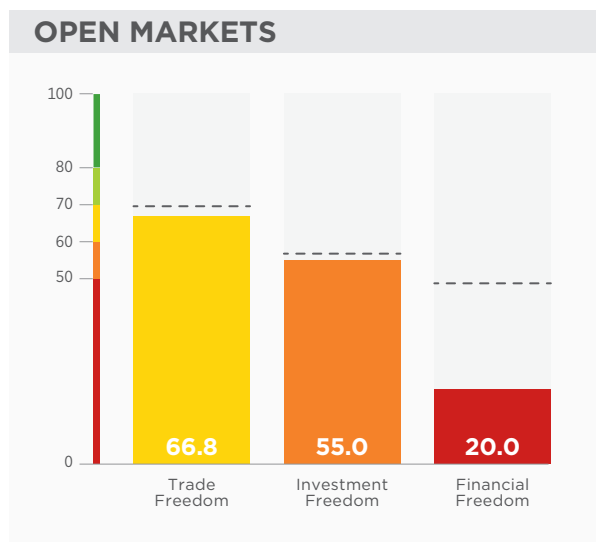
The overall rule of law is weak in Liberia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



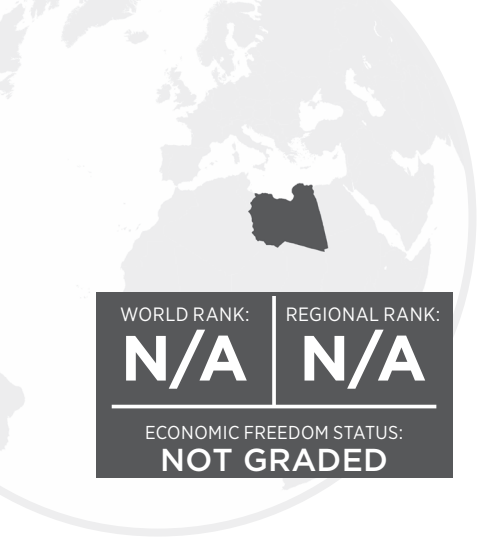
The top individual and corporate tax rates are 25 percent. The tax burden equals 12.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.3 percent and -3.7 percent of GDP. Public debt equals 53.2 percent of GDP.



Despite efforts to modernize the regulatory framework, various regulatory hurdles remain in force. The labor market is underdeveloped, and more than 60 percent of the workforce is engaged in informal activity. The most recent available inflation rate is 7.8 percent.



The average tariff rate is 6.6 percent. Reforms have dismantled some nontariff barriers, but a lack of transparency persists. Foreign investment in several sectors is restricted. The financial system is underdeveloped, and much of the population remains outside of the formal banking sector.

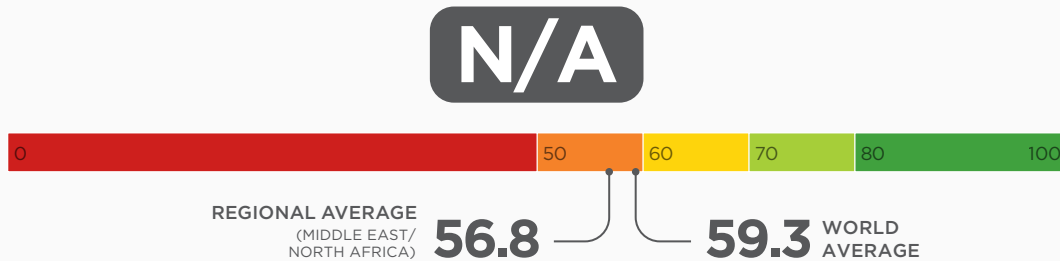


# LIBYA

Libya is not ranked in the 2023 *Index of Economic Freedom* because of the lack of reliable data. Official government reporting of economic data is insufficient, and data reported by many of the international organizations on which *Index* grading depends are incomplete.

Aggravated by systemic corruption and the weak rule of law, substantial structural rigidities further marginalize the private sector and hurt productivity growth, employment, and attempted modernization. The economic infrastructure was significantly degraded during the civil war, and economic uncertainty remains very high as Libya struggles to restore the rule of law and establish a new system of governance.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.0 million

**GDP (PPP):**  
\$113.0 billion  
177.3% growth in 2021  
5-year compound  
annual growth 42.5%  
\$16,848 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
3.7%

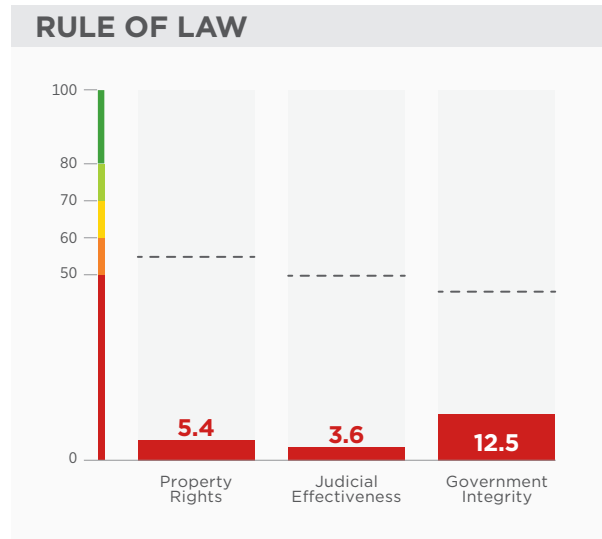
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
n/a

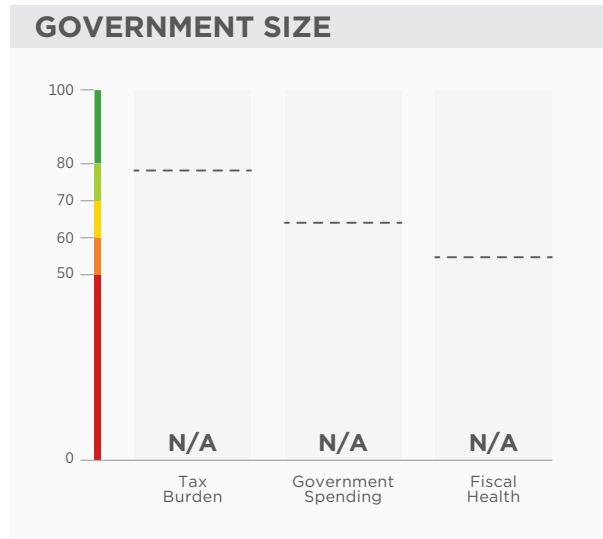
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Muammar Qadhafi seized power in 1969 and ruled until he was overthrown in 2011. A U.N.-brokered Government of National Unity was established in 2016, but civil war, foreign intervention, and the 2019 offensive of Commander Khalifa Haftar disrupted unification. Abdelhamid Dbeibah became interim prime minister in February 2021, tasked with implementing a U.N.-brokered political road map that included elections in December. The elections never took place, Tobruk-based Dbeibah refused to step down, and the Tripoli-based Government of National Unity made Fathy Bashaghda prime minister. Oil and natural gas dominate the economy and provide almost all of Libya's export revenues.

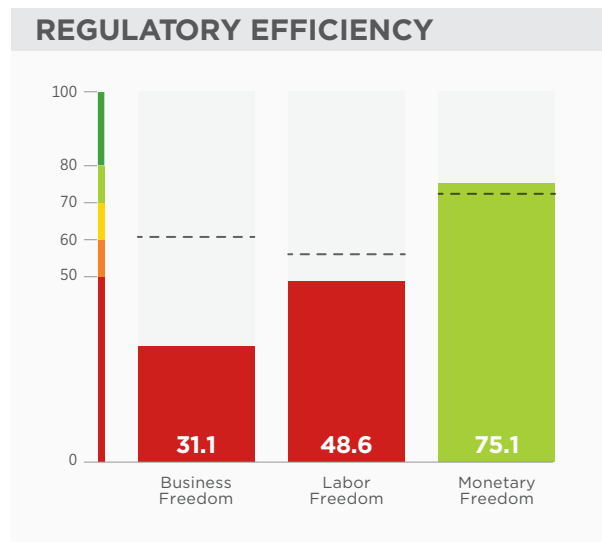
## 12 ECONOMIC FREEDOMS | LIBYA



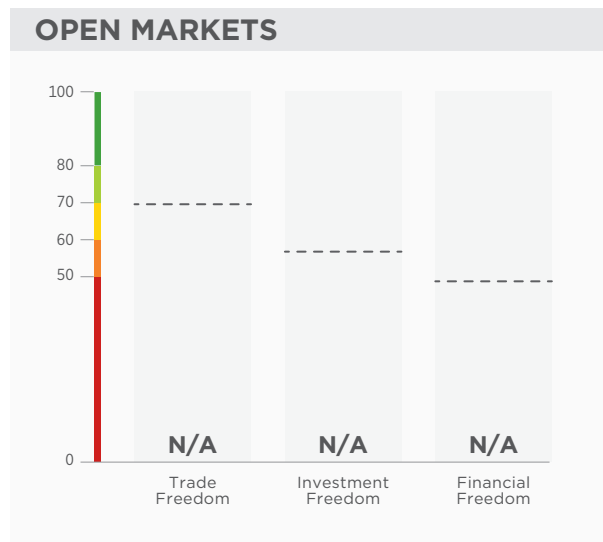
The overall rule of law is weak in Libya. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



Taxation has not been enforced effectively for years because of political and economic instability. The government, overly dependent on the oil sector, has undertaken very sluggish and limited reforms to diversify the economy, much of which remains tightly controlled by the state.



State meddling in business decisions is extensive, and the application of existing regulations is inconsistent and nontransparent. The state-controlled labor market functions poorly, and the informal sector is large. Unemployment and underemployment are chronically high. Monetary stability has been fragile.



Political instability, exacerbated by security threats, is a significant impediment to foreign trade and investment. The financial infrastructure has been significantly degraded by unstable political and economic conditions. Limited access to financing severely impedes any meaningful private business development.

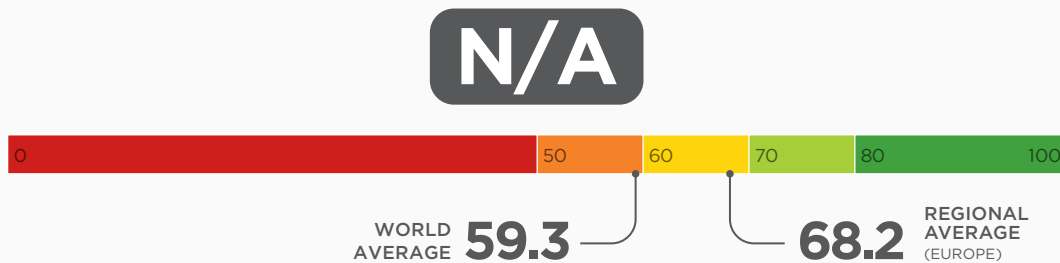


# LIECHTENSTEIN

Liechtenstein is not graded in the 2023 *Index of Economic Freedom*. The country is closely interlocked with Switzerland and shares the Swiss franc. Flexibility and openness to global commerce have been the cornerstone of Liechtenstein's modern and efficient economy.

The country's vigorous defense of property rights and minimum tolerance for corruption strongly sustain the foundations of economic freedom and competitiveness. Liechtenstein's stable macroeconomic and regulatory environments help to make it an attractive place in which to conduct business. Moderate tax rates and a well-maintained monetary framework promote vibrant entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.0 million

**GDP (PPP):**  
n/a  
n/a growth in 2021  
5-year compound  
annual growth n/a  
n/a per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
n/a

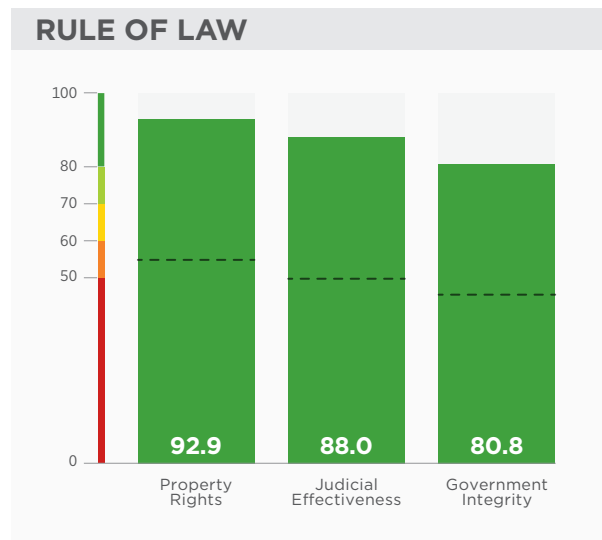
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
n/a

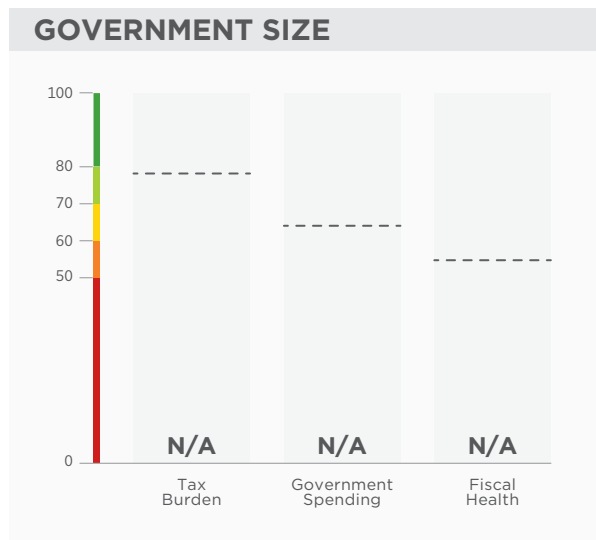
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Liechtenstein is a member of the European Free Trade Association, Schengen Area, and European Economic Area. Prince Hans-Adam II is head of state, but his son, Prince Alois, as regent can dismiss the government and veto bills. Prime Minister Daniel Risch's governing coalition includes his center-right Patriotic Union and the center-right Progressive Citizens' Party. Strict bank secrecy has helped financial institutions to attract funds as well as interest from block chain and cryptocurrency businesses. Liechtenstein has signed agreements with the European Union on the automatic exchange of financial account information and Switzerland on the exchange of tax information.

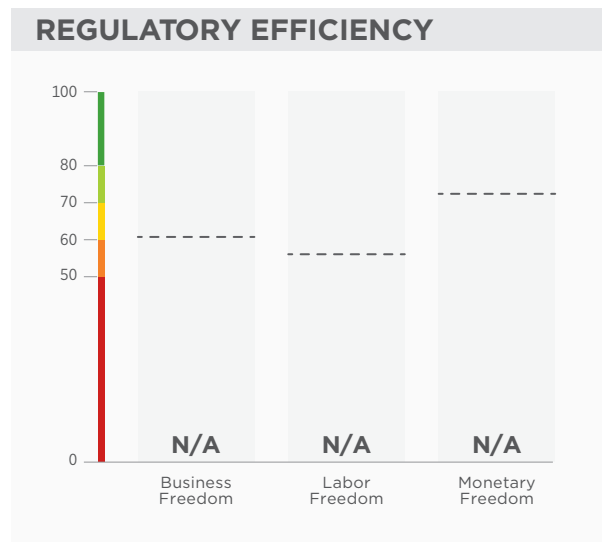
## 12 ECONOMIC FREEDOMS | LIECHTENSTEIN



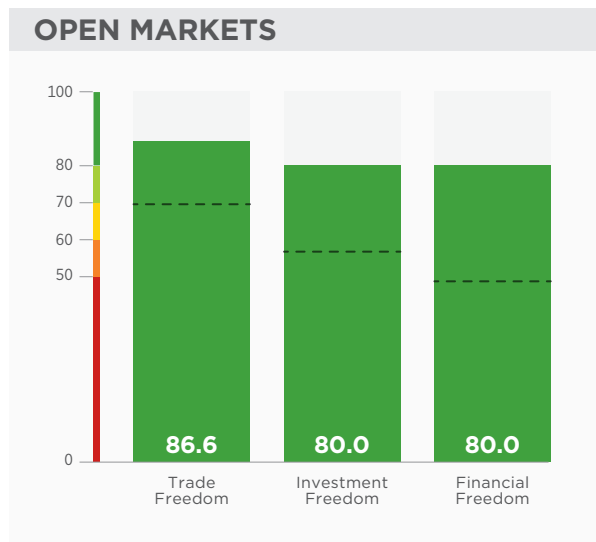
The overall rule of law is well respected in Liechtenstein. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



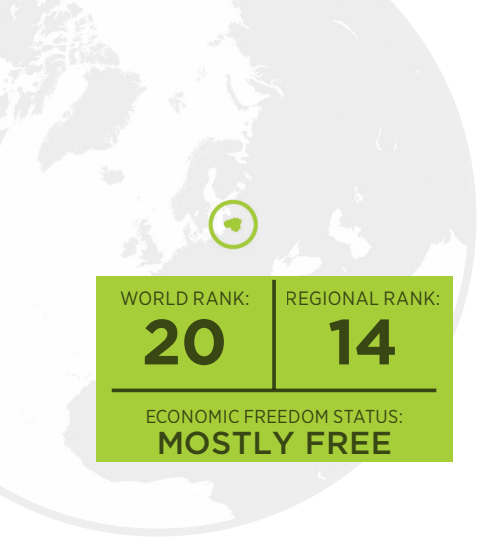
Liechtenstein has a competitive tax system and imposes relatively low taxes. The corporate tax rate is 12.5 percent, and the capital gains, inheritance, and gift taxes have been abolished. Although the fiscal system lacks some transparency, fiscal management has been relatively sound.



The overall freedom to conduct a business is well protected under an efficient and transparent regulatory environment. Administrative procedures are straightforward and applied consistently. The labor market is stable, and unemployment has traditionally been very low. Monetary stability is well maintained.



Minimal barriers to trade and investment foster vibrant economic activity. Nontariff barriers are relatively minimal. Foreign and domestic investors are generally treated equally. The banking sector benefits from the country's high degree of political stability and its sound and transparent judicial system.



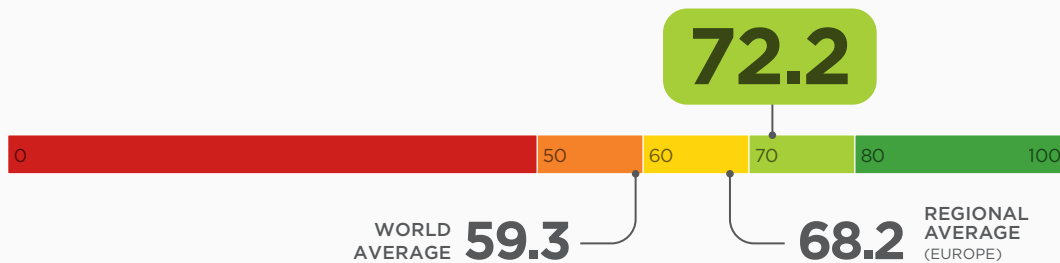
WORLD RANK: <b>20</b>	REGIONAL RANK: <b>14</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# LITHUANIA

Lithuania's economic freedom score is 72.2, making its economy the 20th freest in the 2023 *Index*. Its score is 3.6 points lower than last year. Lithuania is ranked 14th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

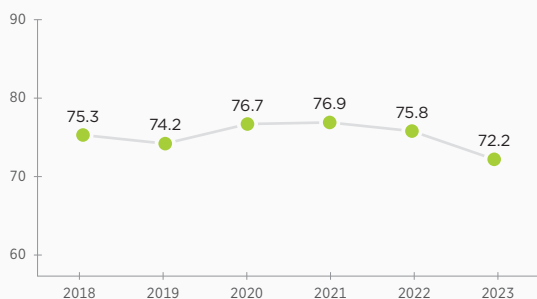
Lithuania's ongoing transition to a free-market economy is facilitated by the rule of law, structural reforms, and an increasingly vibrant private sector. Along with policies that open Lithuania to global commerce and trade, competitive taxation and a relatively efficient regulatory system have encouraged a more dynamic and broadly based economic expansion.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +22.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.8 million

**GDP (PPP):**  
\$119.8 billion  
4.9% growth in 2021  
5-year compound annual growth 3.5%  
\$42,944 per capita

**UNEMPLOYMENT:**  
8.5%

**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
\$2.1 billion

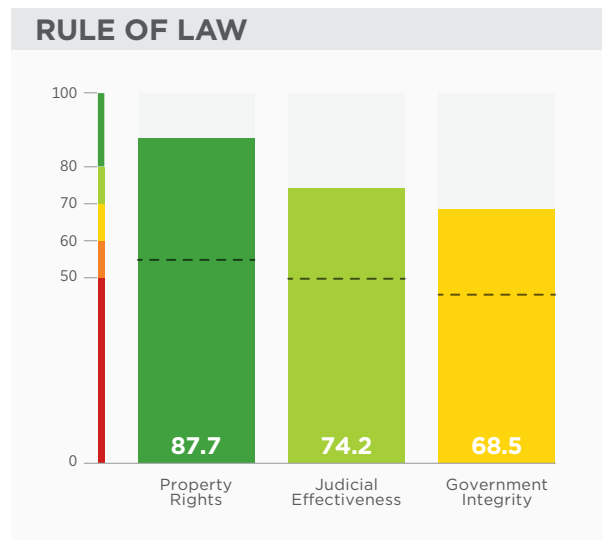
**PUBLIC DEBT:**  
44.7% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

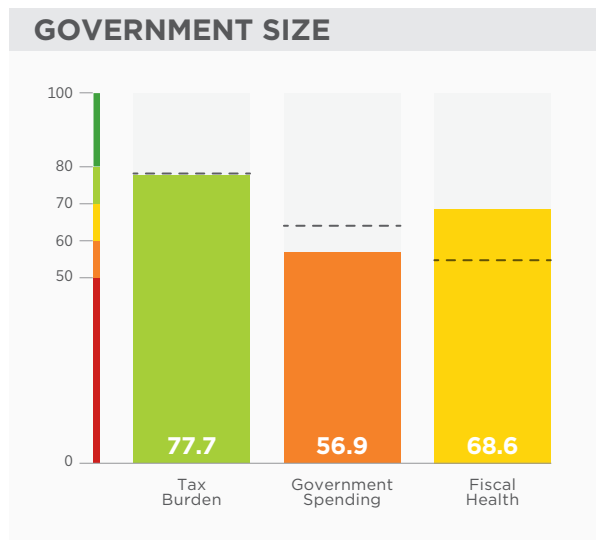
**BACKGROUND:** Lithuania regained independence in 1991 and joined the European Union in 2004 and the Organisation for Economic Co-operation and Development in 2018. Political independent Gitanas Nausėda was elected president in 2019. Prime Minister Ingrida Šimonytė's governing coalition includes her center-right Homeland Union–Lithuanian Christian Democrats (TS–LKD), the economics-focused Liberal Movement, and the centrist Freedom Party. Privatization of most state-owned enterprises helped to encourage years of growth, but youth emigration is still a problem. An offshore liquefied natural gas terminal at Klaipėda has helped to diversify energy imports. China has targeted Lithuania because of its ties to Taiwan.



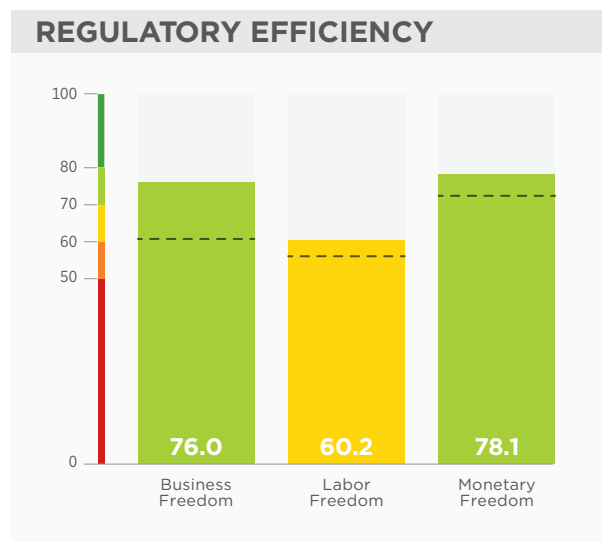
## 12 ECONOMIC FREEDOMS | LITHUANIA



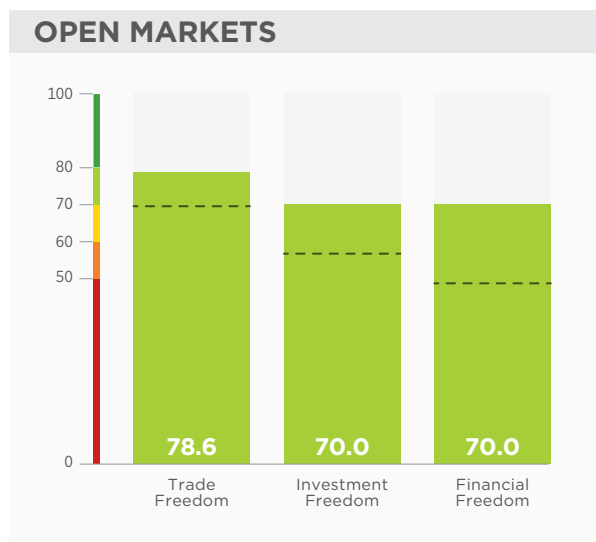
The overall rule of law is well respected in Lithuania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 32 percent and 15 percent. The tax burden equals 31.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.9 percent and -2.7 percent of GDP. Public debt equals 44.7 percent of GDP.



The overall entrepreneurial framework is fairly streamlined and efficient. Business formation and operation take place without bureaucratic interference. The minimum capital requirement is relatively low. Despite some reform, the labor market remains relatively rigid. The most recent available inflation rate is 4.6 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The regulatory framework facilitates foreign investment flows. The financial sector offers a full range of services, and the banking system is stable.



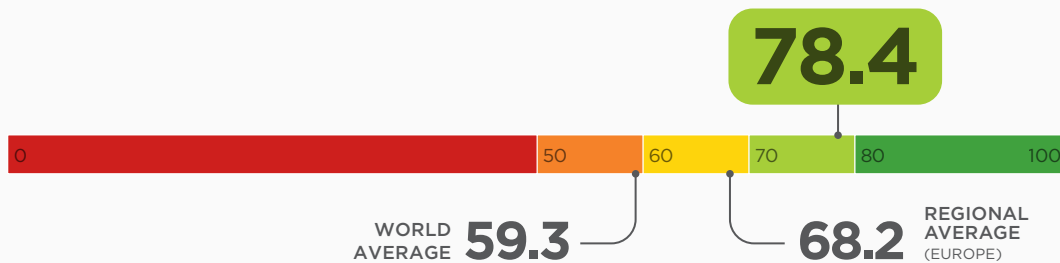
WORLD RANK: <b>7</b>	REGIONAL RANK: <b>4</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# LUXEMBOURG

Luxembourg's economic freedom score is 78.4, making its economy the 7th freest in the 2023 *Index*. Its score is 2.2 points worse than last year. Luxembourg is ranked 4th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

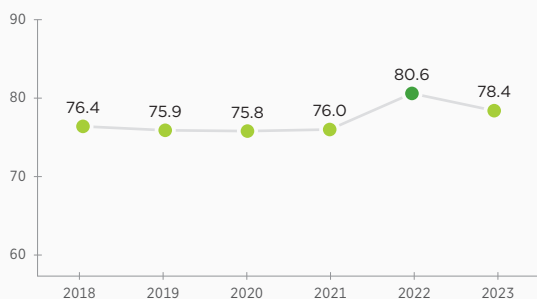
Luxembourg has long benefited from a favorable climate for entrepreneurial activity and high levels of openness and flexibility. Prudent financial regulations support its position as a global financial hub. The judiciary, independent of politics and corruption free, provides strong protection for property rights. Institutional support for open markets is similarly strong.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +5.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.6 million

**GDP (PPP):**  
\$83.7 billion  
6.9% growth in 2021  
5-year compound  
annual growth 2.3%  
\$131,875 per capita

**UNEMPLOYMENT:**  
6.8%

**INFLATION (CPI):**  
3.5%

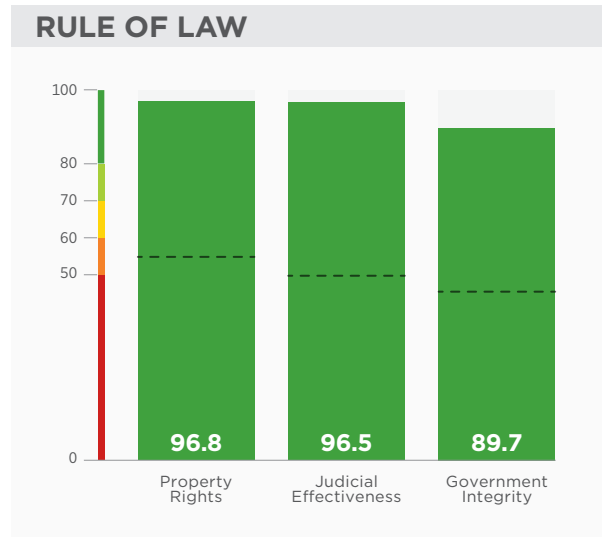
**FDI INFLOW:**  
-\$9,053.9 million

**PUBLIC DEBT:**  
24.3% of GDP

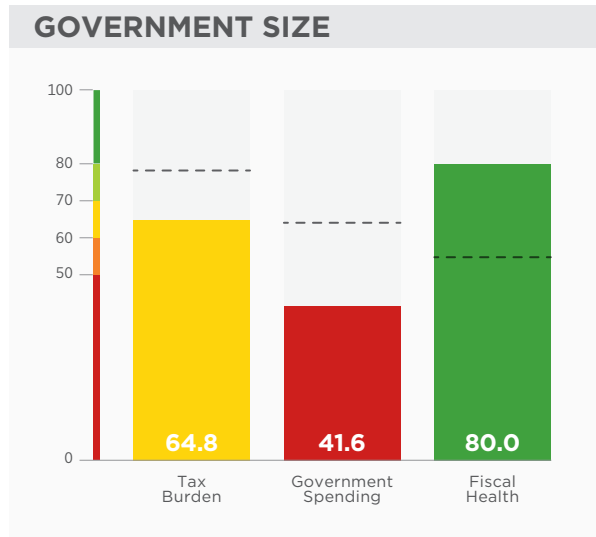
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** A founding member of the European Union in 1957 and the eurozone in 1999, the Grand Duchy of Luxembourg promotes European integration. Democratic Party Prime Minister Xavier Bettel leads a three-party left-leaning coalition. Luxembourg enjoys high levels of prosperity: The recession provoked by the economic crisis in 2009 was its first in 60 years. Luxembourg now has a mixed manufacturing and services economy, and financial services account for 25 percent of GDP. With low energy costs, a reliable electricity grid, stable governance, and a growing data-storage sector, Luxembourg is attracting interest as a hub for the 21st century information economy.

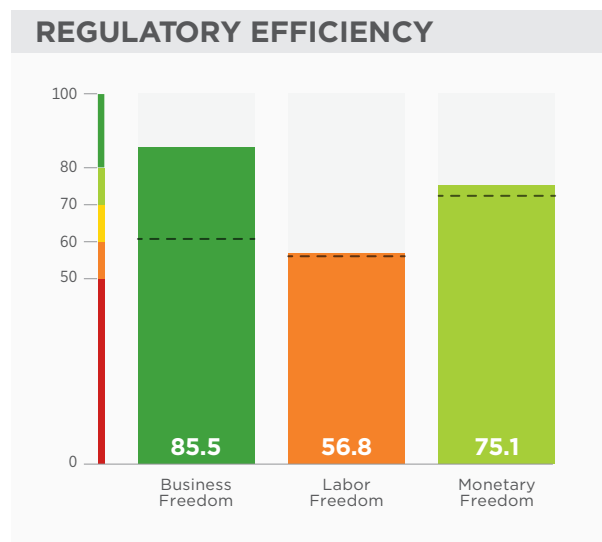
## 12 ECONOMIC FREEDOMS | LUXEMBOURG



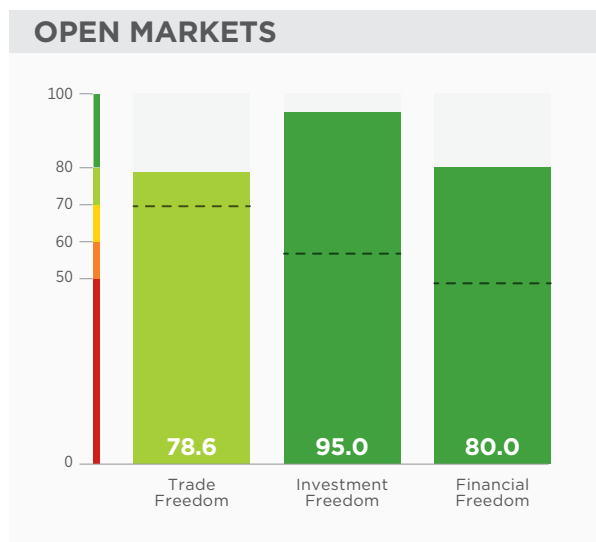
The overall rule of law is very well respected in Luxembourg. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 42 percent and 17 percent. The tax burden equals 38.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.1 percent and -0.1 percent of GDP. Public debt equals 24.3 percent of GDP.



The regulatory environment is transparent and efficient. The labor market is competitive but lacks flexibility. Unemployment benefits are notably higher than those in neighboring countries, and the minimum wage is one of the region's highest. The most recent available inflation rate is 3.5 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Investment activity is sustained by the solid institutional foundations of an open-market system. The sophisticated financial sector is well capitalized and competitive.

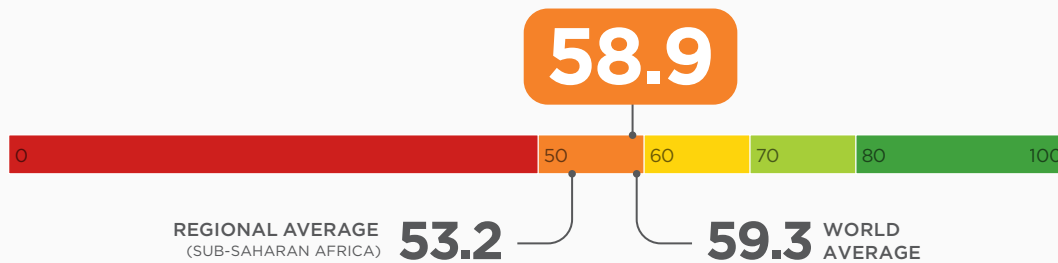


# MADAGASCAR

**M**adagascar's economic freedom score is 58.9, making its economy the 91st freest in the 2023 *Index*. Its score is unchanged from last year. Madagascar is ranked 9th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

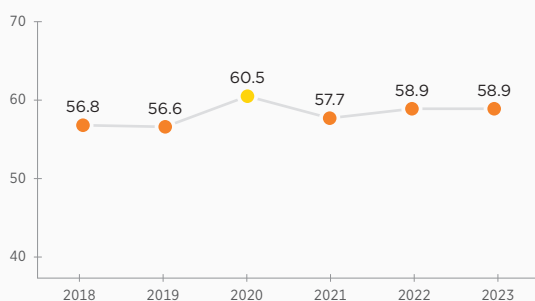
A still-deficient institutional framework and the ongoing risk of political instability continue to undermine much of the progress that has been made in reducing poverty. The judicial system is underdeveloped, and convoluted administrative procedures facilitate corruption, weakening the foundations of free economic activity. Policies needed to sustain open markets are not firmly institutionalized.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.3

## RECENT FREEDOM TREND



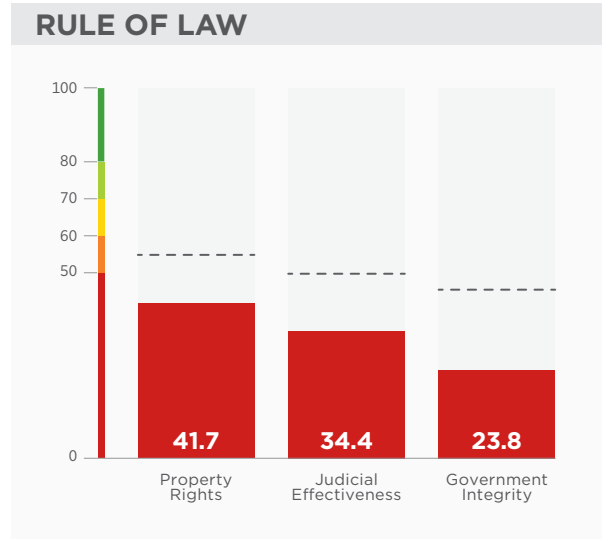
## QUICK FACTS

<b>POPULATION:</b> 28.4 million	<b>UNEMPLOYMENT:</b> 1.8%
<b>GDP (PPP):</b> \$46.1 billion 3.5% growth in 2021 5-year compound annual growth 1.6%	<b>INFLATION (CPI):</b> 5.8%
<b>FDI INFLOW:</b> \$300.2 million	<b>PUBLIC DEBT:</b> 53.1% of GDP

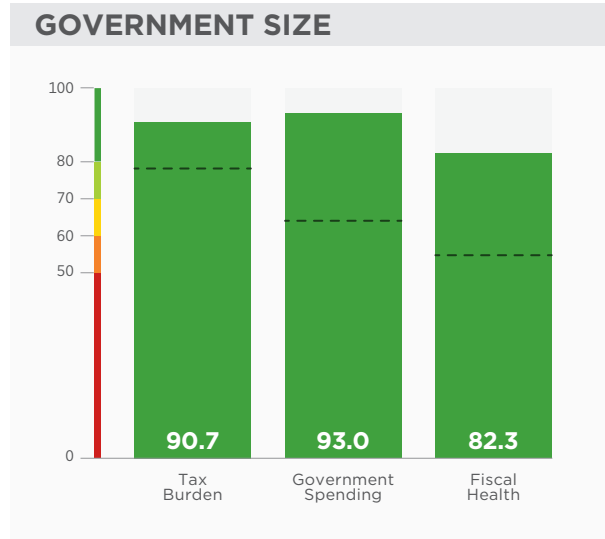
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Madagascar, a former French colony, endured decades of military coups, political violence, and corruption. In 2014, after years of instability, Hery Rajaonarimampianina was elected president, and international donor assistance resumed. In 2018, protests against proposed changes in the election law forced the prime minister to resign. Former President Andry Rajoelina reclaimed the office in a December runoff election. His ruling coalition gained a majority in the lower house in 2019 and a majority in the upper house in 2020. Agriculture, forestry, and fishing are economic mainstays. Interruptions in the power supply caused by deficient infrastructure and natural disasters are frequent.

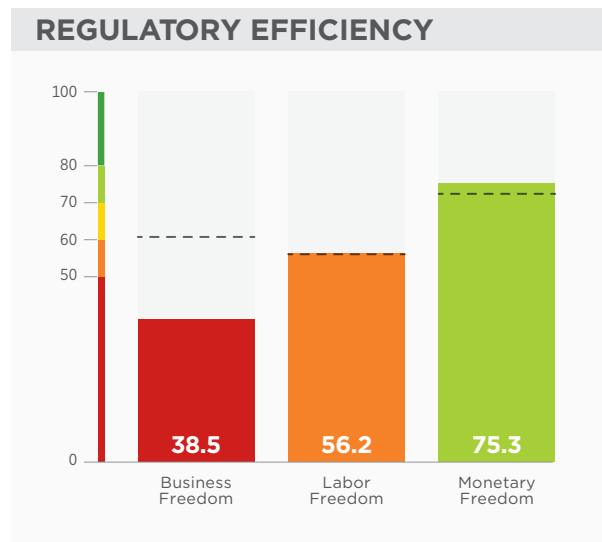
## 12 ECONOMIC FREEDOMS | MADAGASCAR



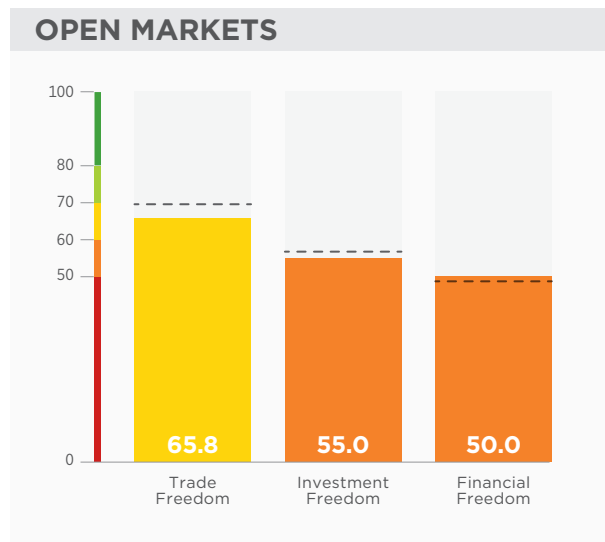
The overall rule of law is weak in Madagascar. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 20 percent. The tax burden equals 11.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.3 percent and -2.7 percent of GDP. Public debt equals 53.1 percent of GDP.



Regulations often reflect historical customs and unwritten rules. The labor laws are outmoded, restrictive, and not conducive to the development of a dynamic labor market. The government influences prices through state-owned enterprises. The most recent available inflation rate is 5.8 percent.



The trade-weighted average tariff rate is 9.6 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.

WORLD RANK:

133

REGIONAL RANK:

27

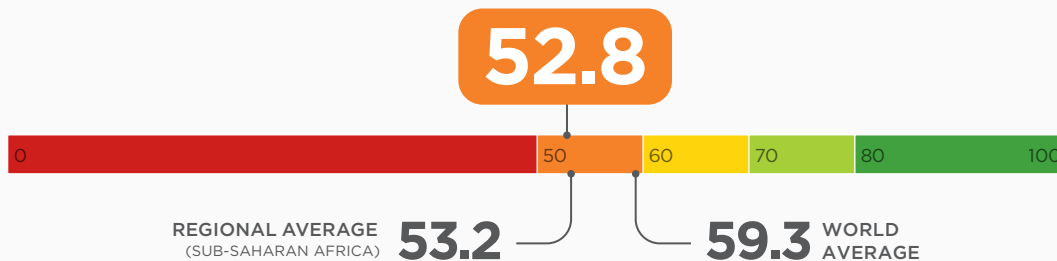
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MALAWI

Malawi's economic freedom score is 52.8, making its economy the 133rd freest in the 2023 *Index*. Its score has decreased 0.2 point from last year. Malawi is ranked 27th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

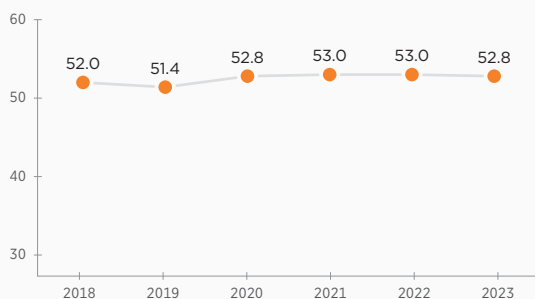
Economic expansion remains fragile in the absence of a dynamic private sector. Malawi lags in competitiveness and promotion of the broad-based economic activity that is needed to reduce poverty. The poor quality of physical and legal infrastructure, made worse by the government's inefficiency, is a serious impediment to long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.6 million

**GDP (PPP):**  
\$32.4 billion  
2.2% growth in 2021  
5-year compound  
annual growth 3.4%  
\$1,511 per capita

**UNEMPLOYMENT:**  
1.3%

**INFLATION (CPI):**  
9.3%

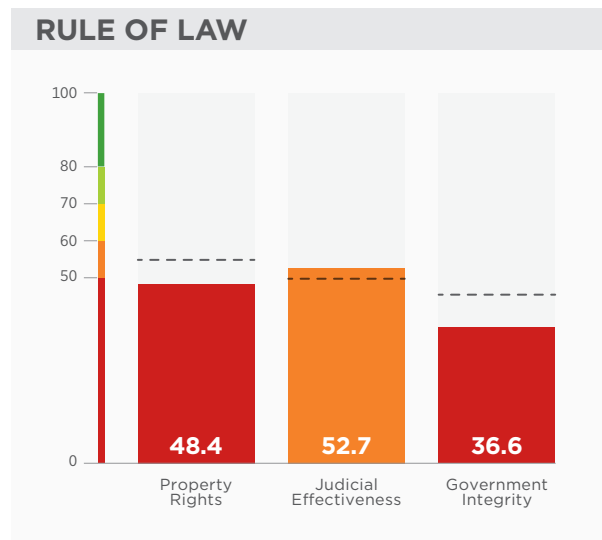
**FDI INFLOW:**  
\$50.3 million

**PUBLIC DEBT:**  
63.9% of GDP

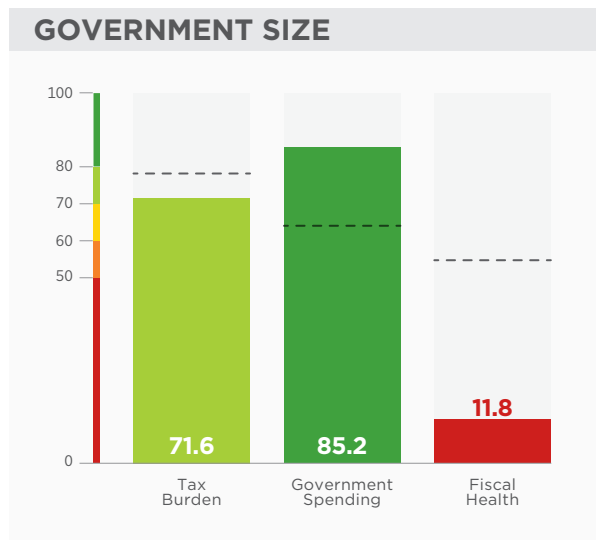
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Malawi achieved independence from the United Kingdom in 1964 and was ruled as a one-party state by Dr. Hastings Kamuzu Banda for 30 years. Former President Bingu wa Mutharika's brother, Arthur Peter Mutharika, won a questionable presidential election in 2014. The constitutional court overturned his reelection in 2019, citing significant irregularities, and Lazarus Chakwera won a rerun election in 2020. More than half of the population lives below the poverty line, dependent on subsistence agriculture. Tobacco, tea, and sugar are important exports. A long-running border dispute with Tanzania centers on Lake Malawi and its potentially large oil and gas reserves.

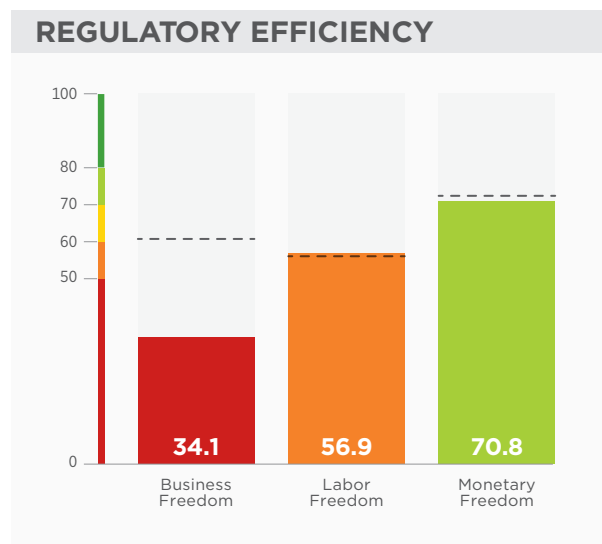
## 12 ECONOMIC FREEDOMS | MALAWI



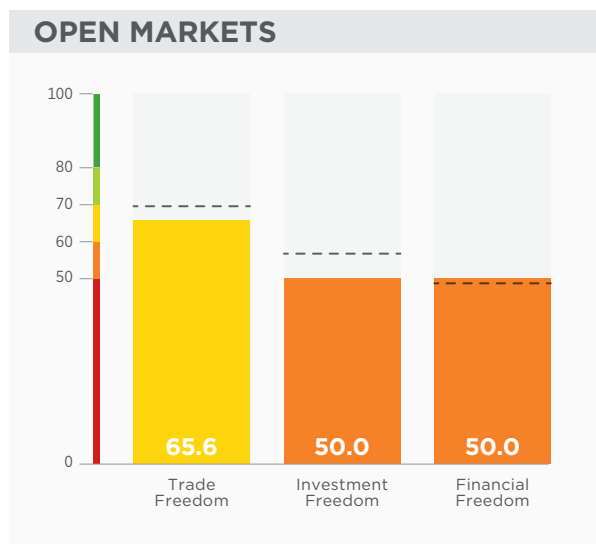
The overall rule of law is weak in Malawi. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



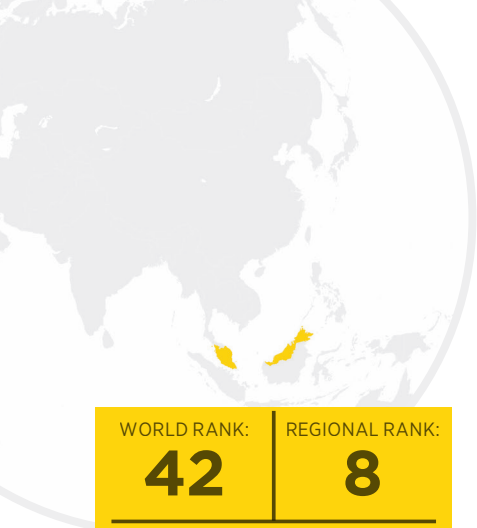
The top individual and corporate tax rates are, respectively, 40 percent and 30 percent. The tax burden equals 18.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.2 percent and -7.2 percent of GDP. Public debt equals 63.9 percent of GDP.



The inefficient business framework is slowly being improved. Labor regulations are not generally enforced, and the labor market remains poorly developed. Most of the population remains employed outside of the formal sector, primarily in agriculture. The most recent available inflation rate is 9.3 percent.



The trade-weighted average tariff rate is 9.7 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.



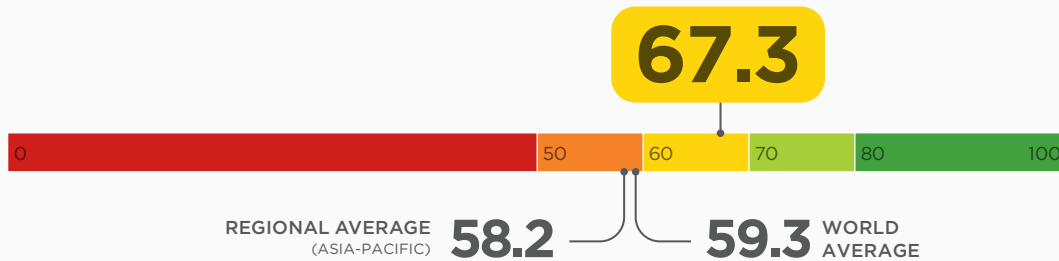
# MALAYSIA

WORLD RANK: <b>42</b>	REGIONAL RANK: <b>8</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Malaysia's economic freedom score is 67.3, making its economy the 42nd freest in the 2023 *Index*. Its score is 0.8 point lower than last year. Malaysia is ranked 8th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

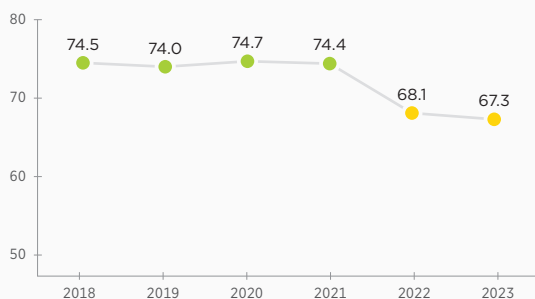
The economy has shown a moderate degree of resilience. Implementation of policies to support open markets and encourage a vibrant private sector is enhancing investment flows and improving entrepreneurial vitality. However, Malaysia has not done enough to promote the effective rule of law or to enhance and modernize its legal framework.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -4.6

## RECENT FREEDOM TREND



## QUICK FACTS

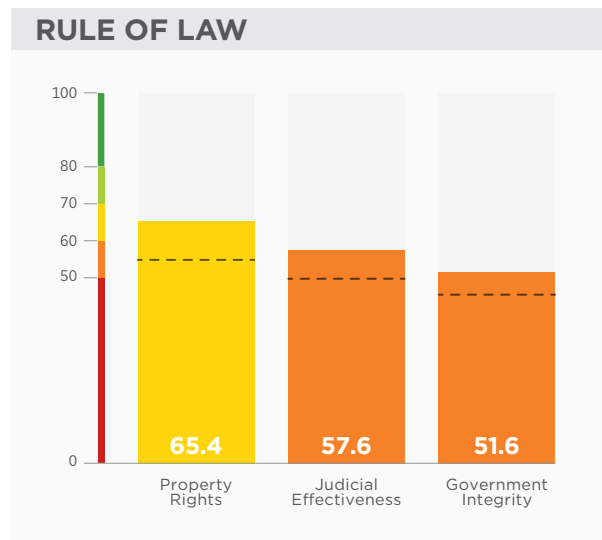
<b>POPULATION:</b> 32.8 million	<b>UNEMPLOYMENT:</b> 4.5%
<b>GDP (PPP):</b> \$970.7 billion 3.1% growth in 2021 5-year compound annual growth 2.5%	<b>INFLATION (CPI):</b> 2.5%
<b>FDI INFLOW:</b> \$11.6 billion	<b>PUBLIC DEBT:</b> 69.0% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

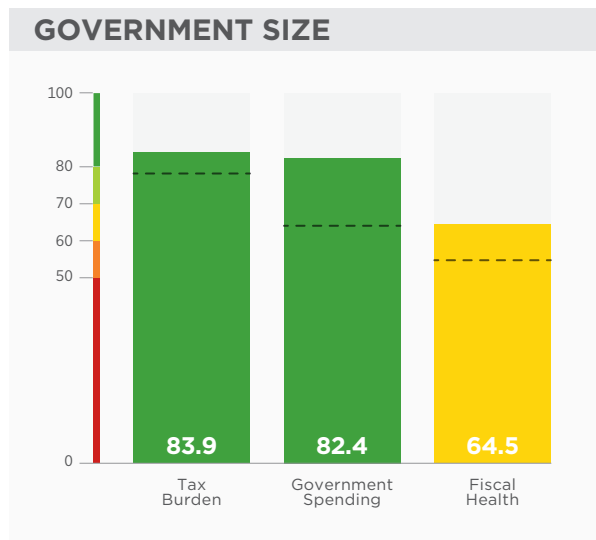
**BACKGROUND:** Malaysia is a multicultural democracy that has undergone multiple changes in leadership since its elections in 2018. The current governing coalition remains fragile, and it is expected that elections will be held either late in 2022 or in 2023. Malaysia has experienced healthy economic growth during the past decade. Exports account for more than 65 percent of the country's GDP and for a significant share of its labor market. Principal exports include consumer electronics, petroleum, chemicals, and palm oil.



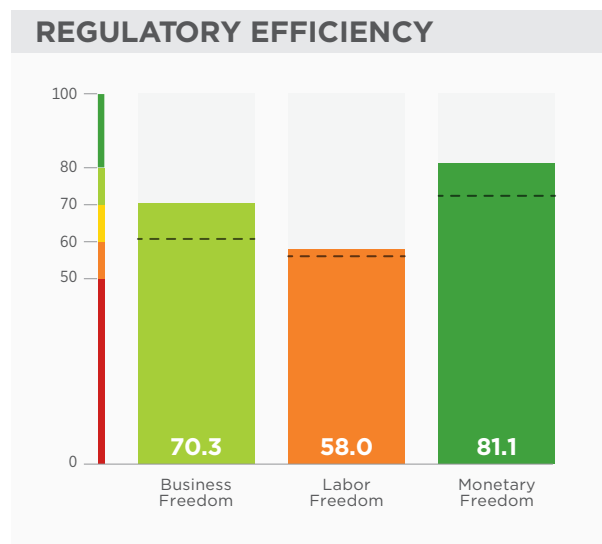
## 12 ECONOMIC FREEDOMS | MALAYSIA



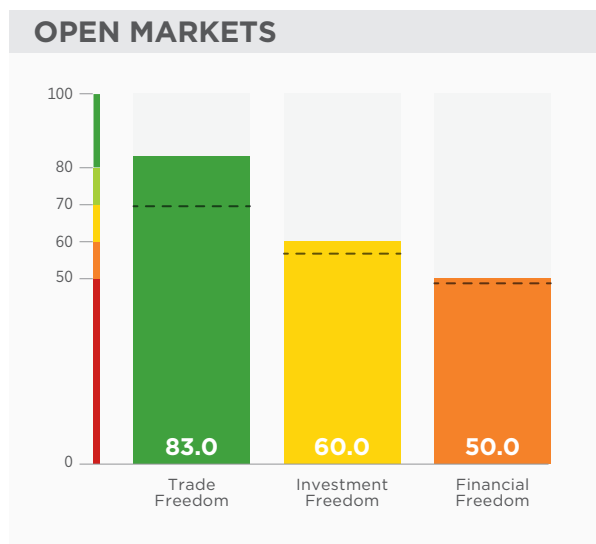
The overall rule of law is relatively well respected in Malaysia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 30 percent and 24 percent. The tax burden equals 11.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.2 percent and -4.0 percent of GDP. Public debt equals 69.0 percent of GDP.



Greater regulatory efficiency has been implemented in recent years, and licensing requirements are now less time-consuming and bureaucratic. Labor regulations are now more modern and flexible, but the labor market remains fragmented. The most recent available inflation rate is 2.5 percent.



The trade-weighted average tariff rate is 3.5 percent. The government has taken steps to liberalize foreign investment policies, but for some sectors, restrictions are still in place. Regulatory adjustments in the financial sector include the easing of limits on foreign ownership.

WORLD RANK:

160

REGIONAL RANK:

36

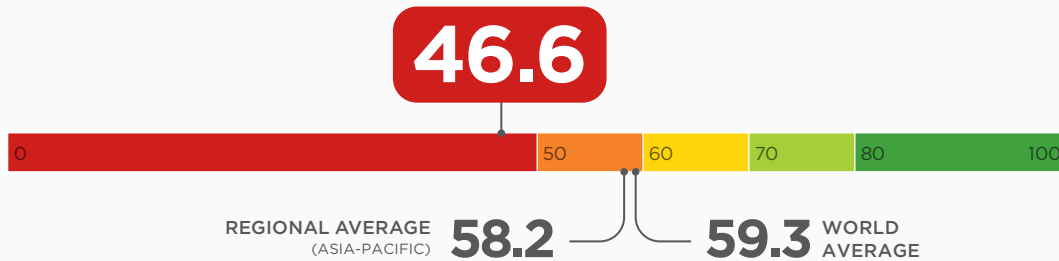
ECONOMIC FREEDOM STATUS:  
REPRESSED

# MALDIVES

**M**aldives' economic freedom score is 46.6, making its economy the 160th freest in the 2023 *Index*. Its score has decreased by 0.7 point from last year. The Maldives is ranked 36th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

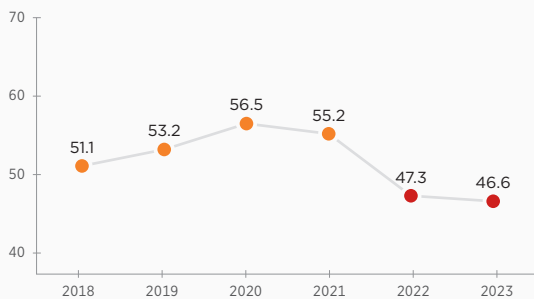
Reforms are needed to enhance prospects for long-term sustainable development. Significant impediments to sustained private-sector growth and diversification persist, in large part because of institutional deficiencies such as corruption and weak protection of property rights. The government still plays a large role in the economy through state-owned enterprises.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -4.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.5 million

**GDP (PPP):**  
\$10.1 billion  
33.4% growth in 2021  
5-year compound  
annual growth 4.4%  
\$26,270 per capita

**UNEMPLOYMENT:**  
5.3%

**INFLATION (CPI):**  
0.2%

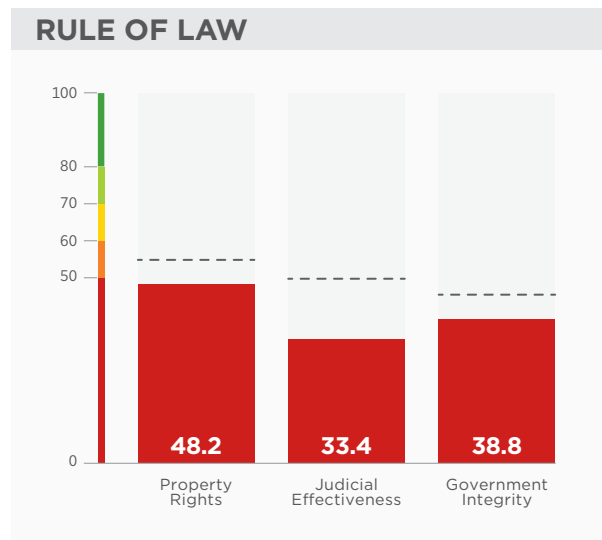
**FDI INFLOW:**  
\$443.5 million

**PUBLIC DEBT:**  
124.8% of GDP

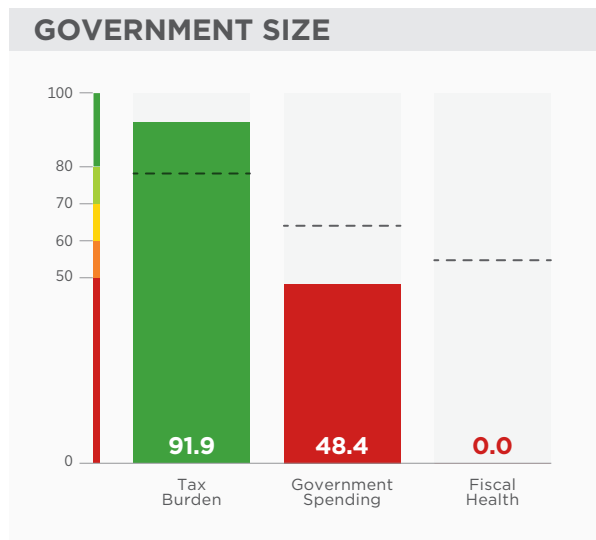
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Maldives archipelago lies southwest of India in the Arabian Sea. Ibrahim Mohamed Solih defeated incumbent President Abdulla Yameen in 2018, and his Maldivian Democratic Party won the most seats in the 2019 parliamentary elections. Yameen weakened democratic institutions, curtailed civil liberties, and tilted the country away from India toward China, from which he borrowed heavily. Multiple corruption charges against Yameen are pending before the court that could disqualify him from the 2023 elections. Driven by the rapid growth of tourism and fisheries, Maldives is a middle-income country, although its economy was seriously affected by the COVID-19 pandemic.

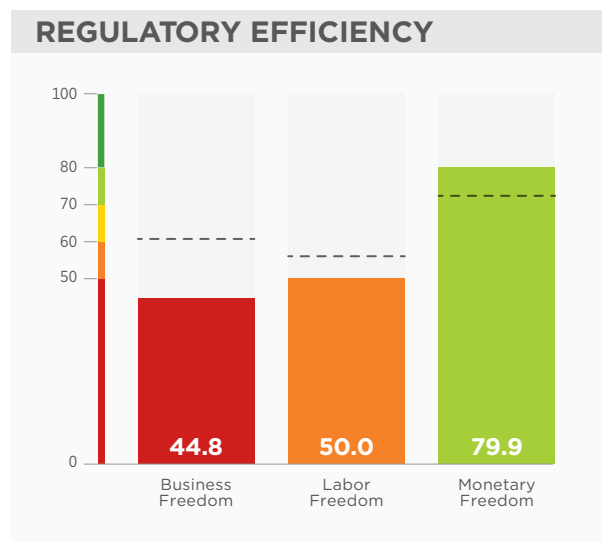
## 12 ECONOMIC FREEDOMS | MALDIVES



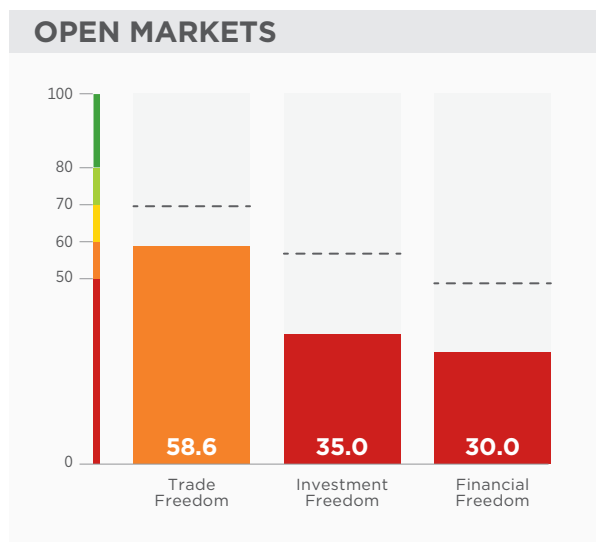
The overall rule of law is weak in Maldives. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 15 percent. The tax burden equals 19.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.5 percent and -14.8 percent of GDP. Public debt equals 124.8 percent of GDP.



The regulatory framework remains relatively underdeveloped. Enforcement of labor regulations is not effective, and the large public sector employs much of the labor force. Lack of competition in the market has affected price levels, but monetary stability has been maintained.



The trade-weighted average tariff rate is 13.2 percent, and nontariff barriers persist. Foreign participation and ownership remain limited and restricted in some sectors. The shallow financial sector is dominated by banking. Costly credit and limited access to financial services discourage vibrant private-sector development.

# MALI

WORLD RANK:

122

REGIONAL RANK:

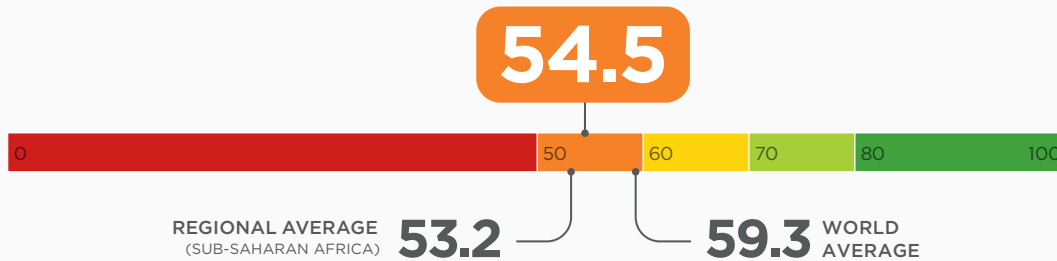
21

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

Mali's economic freedom score is 54.5, making its economy the 122nd freest in the 2023 *Index*. Its score has decreased by 1.4 points from last year. Mali is ranked 21st out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

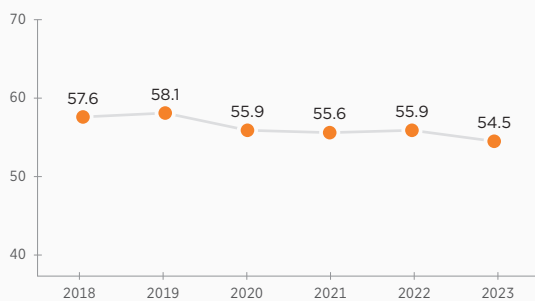
Mali has made little progress in expanding economic freedom over the years and remains mired in the *Index*'s "mostly unfree" category. A lack of dynamism leaves the domestic economy highly vulnerable to external economic conditions. Institutional weaknesses broadly restrict citizens' economic freedom and prevent the dynamic growth of economic activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
20.9 million

**GDP (PPP):**  
\$51.0 billion  
3.1% growth in 2021  
5-year compound  
annual growth 3.3%

**UNEMPLOYMENT:**  
1.6%

**INFLATION (CPI):**  
4.0%

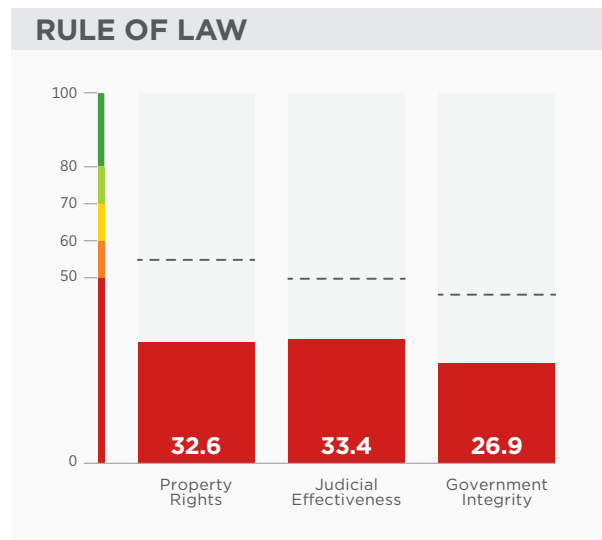
**FDI INFLOW:**  
\$659.7 million

**PUBLIC DEBT:**  
51.9% of GDP

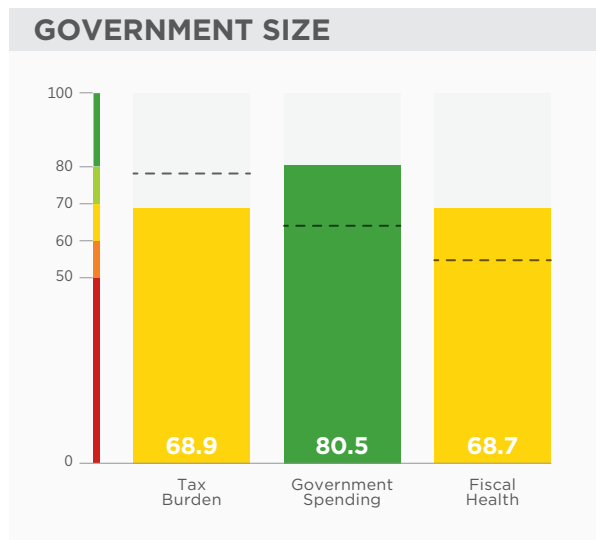
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** After decades of French colonial rule and a brief federation with Senegal, the Republic of Mali was established in 1960. In 2012, Tuareg separatists and militants linked to al-Qaeda took control of northern Mali, prompting a French military intervention that ended in 2022. An August 2020 coup ousted Ibrahim Boubacar Keita, and Colonel Assimi Goita became president when an interim government was overthrown in May 2021. The ECOWAS community lifted its sanctions in July 2022 after the junta agreed to a two-year pre-election transitional period. One of the world's 25 poorest countries, Mali depends on gold mining and agricultural exports.

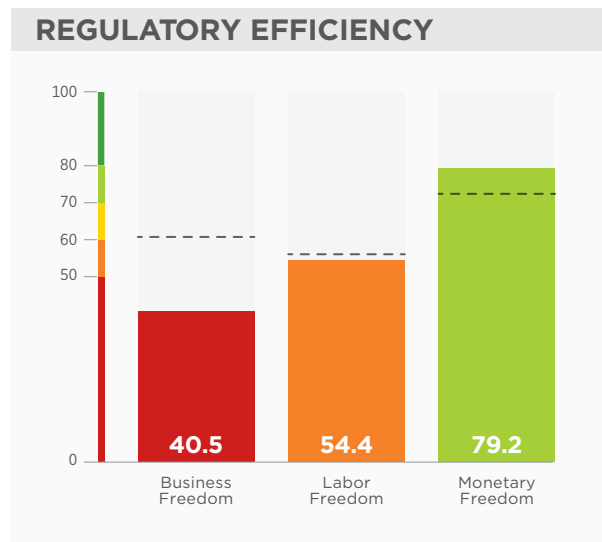
## 12 ECONOMIC FREEDOMS | MALI



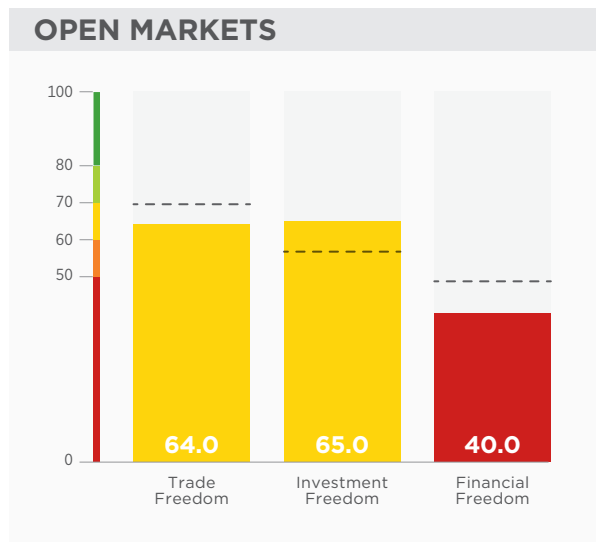
The overall rule of law is weak in Mali. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



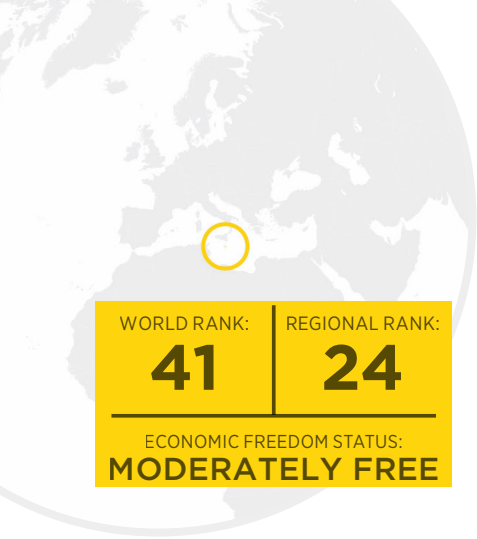
The top individual and corporate tax rates are, respectively, 40 percent and 35 percent. The tax burden equals 16.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.5 percent and -4.0 percent of GDP. Public debt equals 51.9 percent of GDP.



The regulatory framework for business does not efficiently encourage economic diversification or private-sector development. Much private-sector activity takes place outside of the formal economy. Labor regulations, although not fully enforced, are relatively rigid. The most recent available inflation rate is 4.0 percent.



The trade-weighted average tariff rate is 10.5 percent, and 20 nontariff measures are in force. The government is trying to encourage economic diversification and broader economic development, but progress is constrained by inadequate financial infrastructure and the country's fragile security situation.



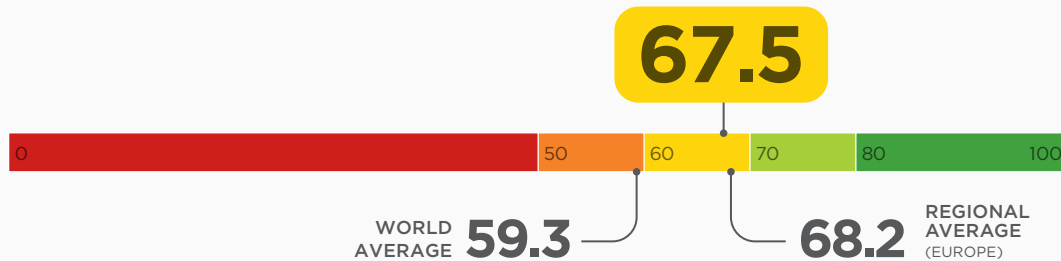
WORLD RANK: <b>41</b>	REGIONAL RANK: <b>24</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# MALTA

**M**alta's economic freedom score is 67.5, making its economy the 41st freest in the 2023 *Index*. Its score is 4.0 points lower than last year. Malta ranks 24th out of 44 countries in the Europe region, and its overall score is above the world average.

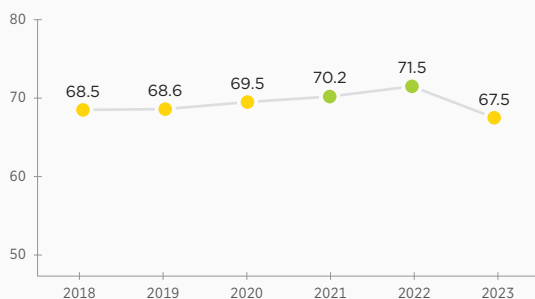
Malta's openness to international trade and investment has enhanced its competitiveness. Despite relatively good performance in many areas of economic freedom, some institutional foundations remain weak, undermining prospects for more dramatic growth. The court system is transparent and relatively free of corruption, but it is also inefficient. Bureaucracy continues to discourage dynamic entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +11.2

## RECENT FREEDOM TREND



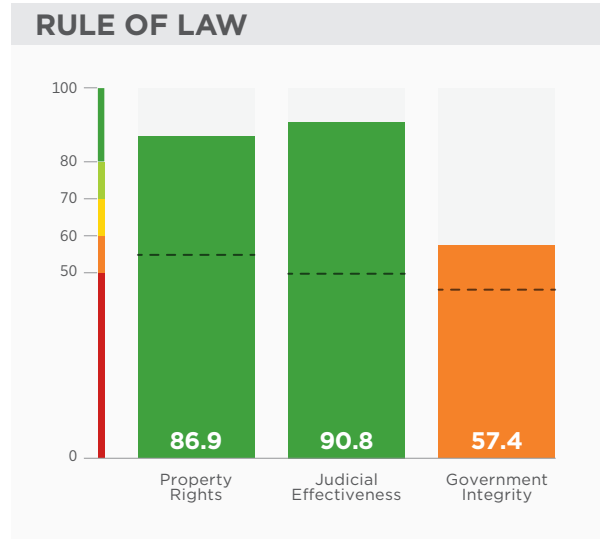
## QUICK FACTS

<b>POPULATION:</b> 0.5 million	<b>UNEMPLOYMENT:</b> 4.3%
<b>GDP (PPP):</b> \$25.6 billion 9.4% growth in 2021 5-year compound annual growth 4.8%	<b>INFLATION (CPI):</b> 0.7%
<b>FDI INFLOW:</b> \$4.0 billion	<b>PUBLIC DEBT:</b> 56.4% of GDP

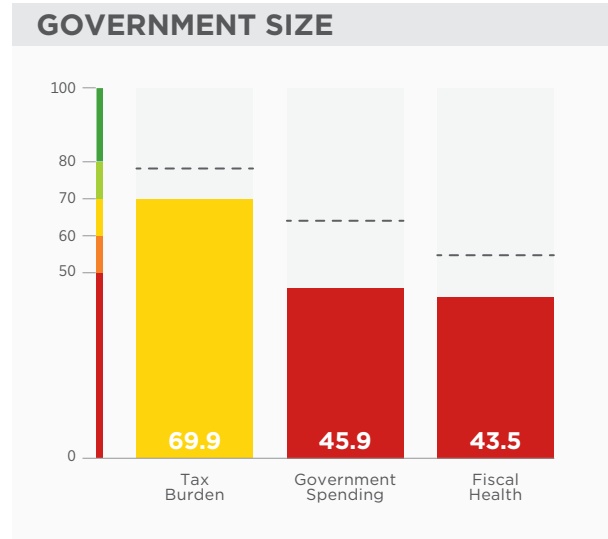
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Malta joined the European Union in 2004 and the eurozone in 2008. Prime Minister Robert Abela's center-left Labour Party won an absolute majority in March 2022 elections. His predecessor, Joseph Muscat, resigned in 2020 after months of protests. With few natural resources, the island nation imports most of its food, most of its fresh water, and all of its energy. A sprawling bureaucracy oversees heavy entitlement spending. The economy depends on tourism, trade, and manufacturing. Malta's recent appearance on a money-laundering "Greylist" could have a negative effect on investment. The arrival of migrants from North Africa remains a substantial challenge.

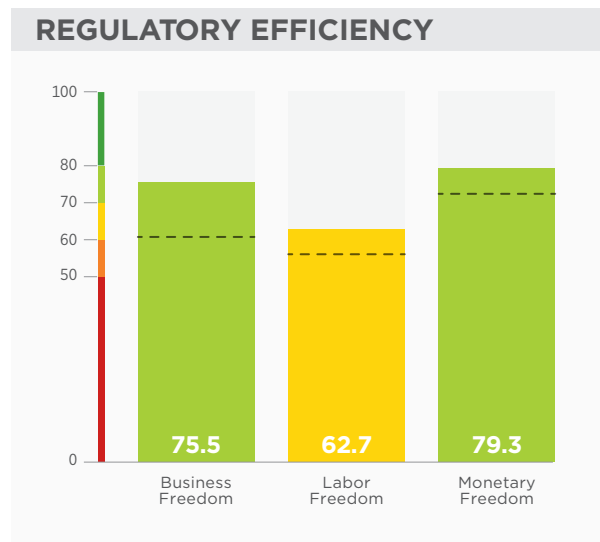
## 12 ECONOMIC FREEDOMS | MALTA



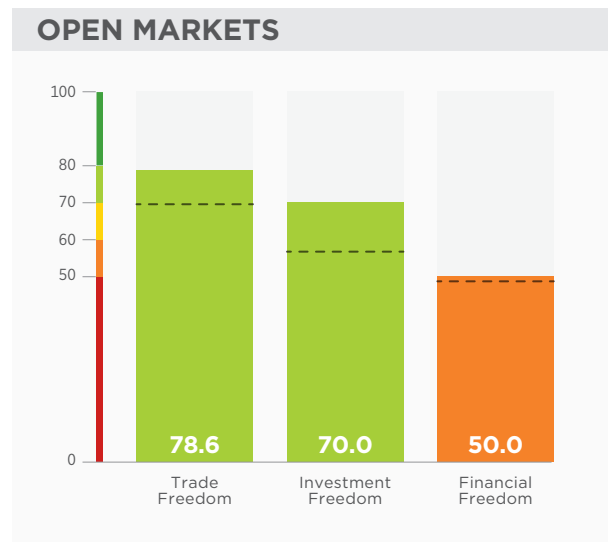
The overall rule of law is well respected in Malta. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 35 percent. The tax burden equals 23.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.5 percent and -5.6 percent of GDP. Public debt equals 56.4 percent of GDP.



Malta has adopted transparent and effective regulations to foster competition, but the pace of reform has slowed. Business regulations are relatively straightforward. The labor market remains relatively rigid. The government mandates a minimum wage. The most recent available inflation rate is 0.7 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and over 600 EU-mandated nontariff measures are in force. Foreign investment is welcome, and investment regulations are generally transparent. The financial sector has undergone gradual restructuring, and openness to foreign banks has increased.

# MAURITANIA

WORLD RANK:

117

REGIONAL RANK:

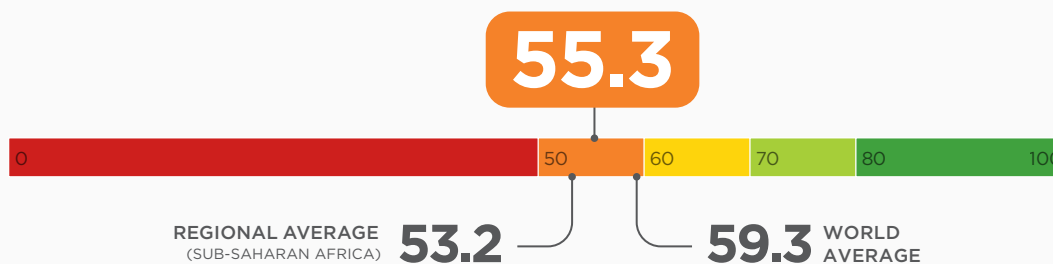
18

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

Mauritania's economic freedom score is 55.3, making its economy the 117th freest in the 2023 *Index*. Its score is unchanged from last year. Mauritania is ranked 18th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

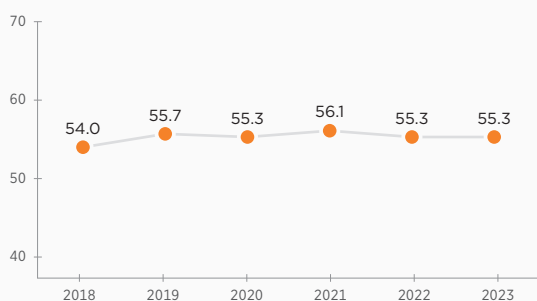
Serious institutional weaknesses continue to perpetuate a poor entrepreneurial environment and undercut prospects for long-term development. The protection of property rights is weak, and limited enforcement of the fragile rule of law remains subject to political influence. Financial-sector shallowness and burdensome barriers to trade continue to undermine overall economic efficiency.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +9.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.8 million

**GDP (PPP):**  
\$26.9 billion  
3.0% growth in 2021  
5-year compound  
annual growth 3.6%  
\$6,341 per capita

**UNEMPLOYMENT:**  
10.3%

**INFLATION (CPI):**  
3.8%

**FDI INFLOW:**  
\$22.2 million

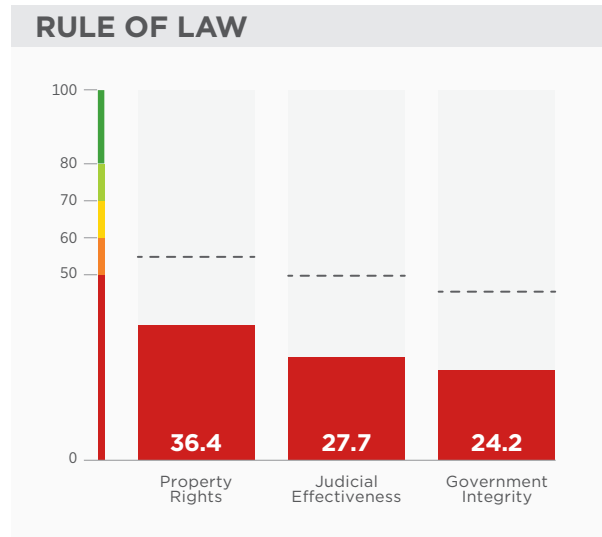
**PUBLIC DEBT:**  
51.7% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

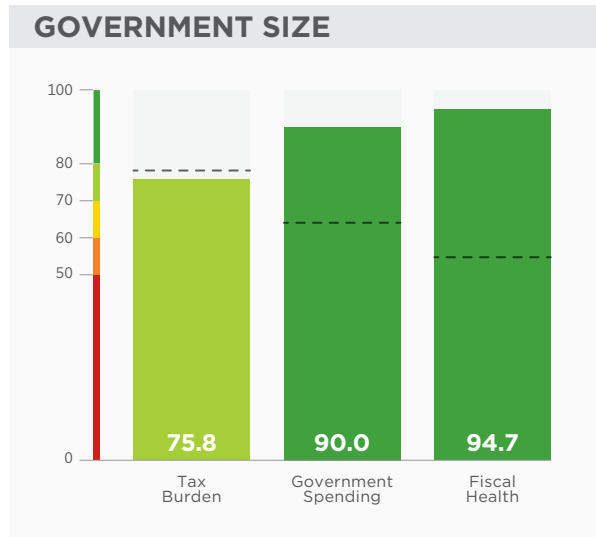
**BACKGROUND:** Since independence from France in 1960, the Islamic Republic of Mauritania has been governed by dictators and authoritarian regimes typically ended by military coups. Mohamed Ghazouani's victory in the June 2019 presidential elections has been described as the first peaceful transfer of power in Mauritania's history and, because of Ghazouani's military ties, as "just another coup." Tensions run high among Arabic-speaking descendants of slaves, Arabic-speaking "White Moors," and sub-Saharan ethnic groups. In 2020, a corruption scandal prompted a cabinet reshuffle. Terrorist groups are active in the mostly desert country. Extractive industries (oil and mines), fisheries, and agriculture dominate the economy.



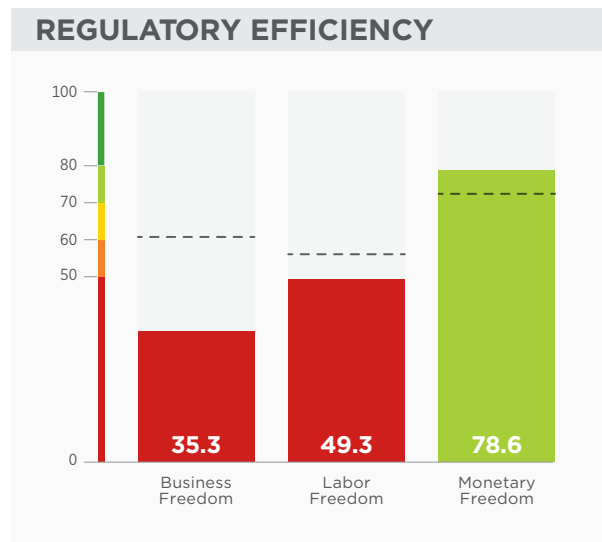
## 12 ECONOMIC FREEDOMS | MAURITANIA



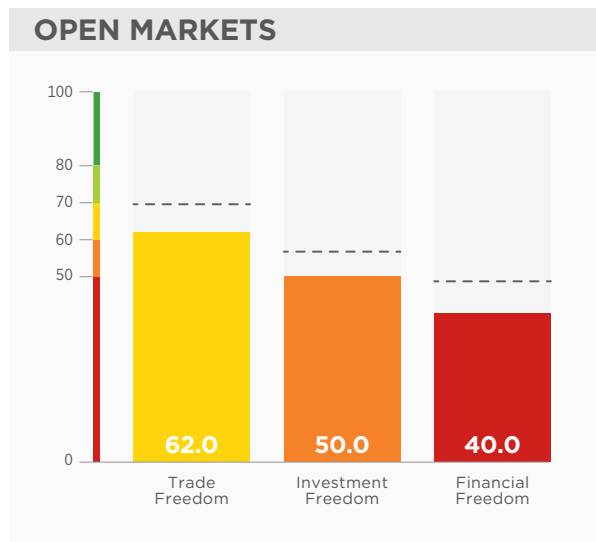
The overall rule of law is weak in Mauritania. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 25 percent. The tax burden equals 14.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.3 percent and 2.7 percent of GDP. Public debt equals 51.7 percent of GDP.



The overall regulatory environment places significant burdens on potential entrepreneurs. Outmoded labor regulations hinder job creation, and the absence of a properly functioning labor market has led to chronically high unemployment. The most recent available inflation rate is 3.8 percent.



The trade-weighted average tariff rate is 9.0 percent. Nontariff barriers and other restrictions prevent entrepreneurs from participating in the global economy, and open-market policies to promote investment are not fully institutionalized. The financial sector, dominated by banking, lacks transparency and efficiency.

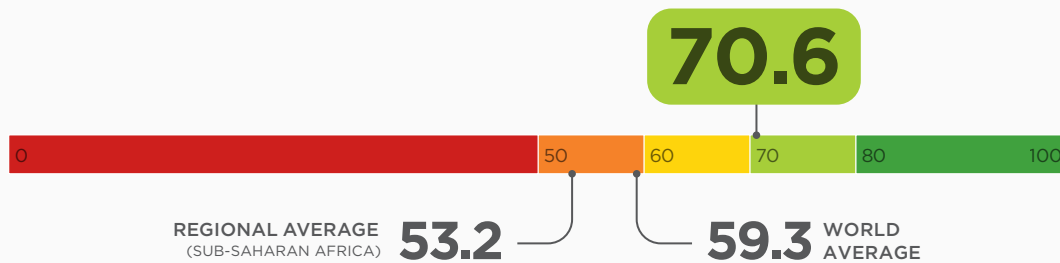


# MAURITIUS

Mauritius's economic freedom score is 70.6, making its economy the 26th freest in the 2023 *Index*. Its score is 0.3 point lower than last year. Mauritius is ranked 1st out of 47 countries in the Sub-Saharan African region, and its overall score is well above the world average.

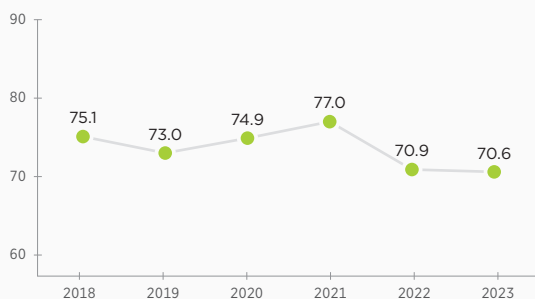
With a continued commitment to structural reforms and policies that promote integration into the global marketplace, Mauritius has become a leader in economic freedom. A sound and transparent legal framework strongly upholds the rule of law, and the country's efficient regulatory environment and open-market policies encourage broad-based and diversified economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +2.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.3 million

**GDP (PPP):**  
\$28.1 billion  
3.9% growth in 2021  
5-year compound annual growth -0.1%  
\$22,195 per capita

**UNEMPLOYMENT:**  
8.6%

**INFLATION (CPI):**  
4.0%

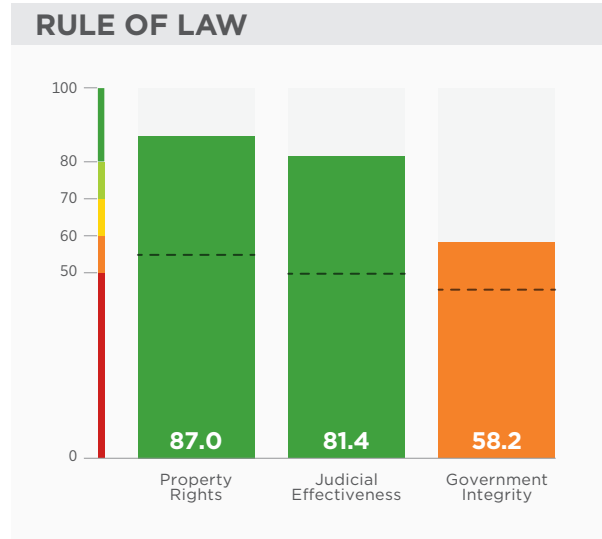
**FDI INFLOW:**  
\$253.2 million

**PUBLIC DEBT:**  
93.6% of GDP

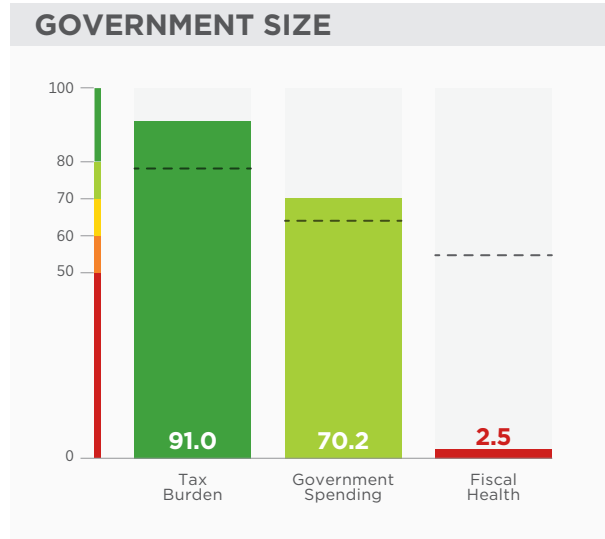
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Mauritius gained independence from the United Kingdom in 1968. Prime Minister Sir Anerood Jugnauth resigned in 2017 in favor of his son Pravind, whose party won a rare parliamentary majority in 2019. Once a low-income, agriculturally based economy, Mauritius is now a diversified, upper-middle-income country that attracts considerable foreign investment and has one of the Africa region's highest GDPs per capita. The government is trying to modernize the sugar and textile industries while promoting diversification into such other areas as information technology and financial and business services. Services and tourism remain important economic drivers, and maritime security is a priority.

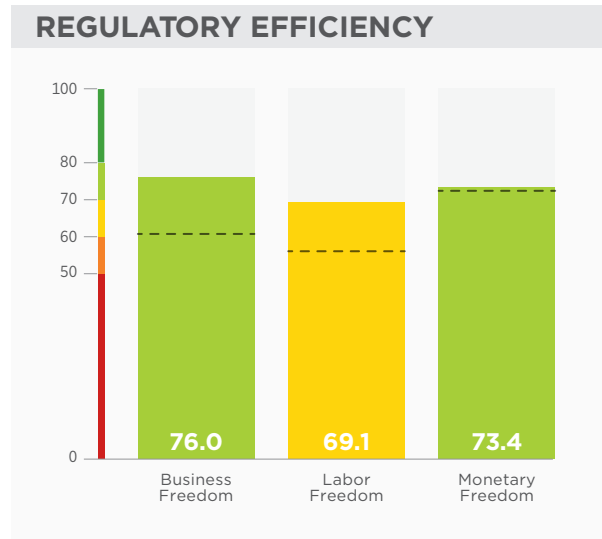
## 12 ECONOMIC FREEDOMS | MAURITIUS



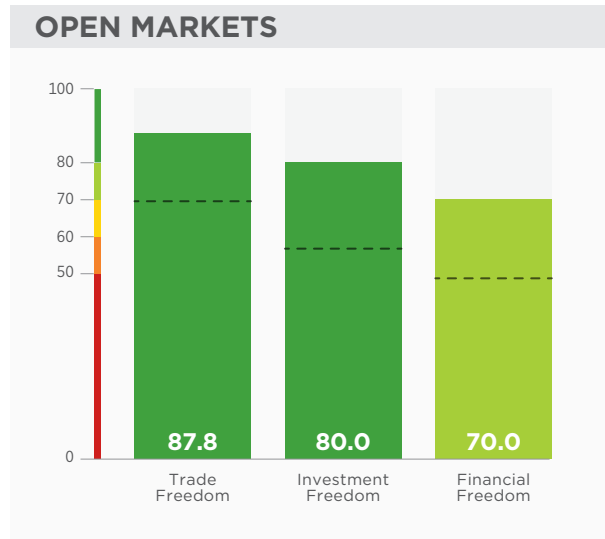
The overall rule of law is well respected in Mauritius. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



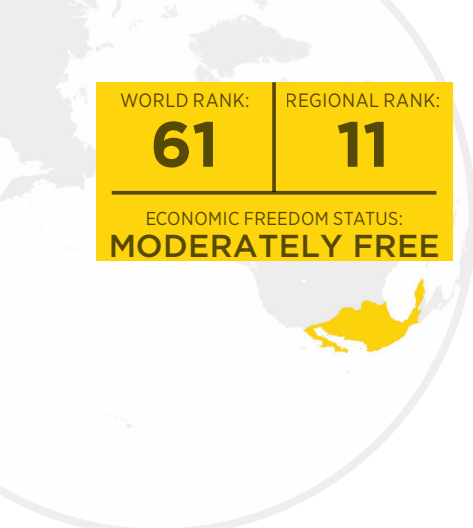
The top individual and corporate tax rates are 15 percent. The tax burden equals 21.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.5 percent and -8.5 percent of GDP. Public debt equals 93.6 percent of GDP.



The regulatory framework has undergone a series of reforms and continues to be competitive. No minimum capital is required to start a business, and the overall start-up process has been simplified. Labor regulations are relatively flexible. Monetary stability has been relatively well maintained.



The trade-weighted average tariff rate is 1.1 percent, and several nontariff measures are in force. An efficient and transparent investment framework supports foreign investment inflows. The open investment regime is underpinned by a nondiscriminatory legal system. Private banks dominate the financial sector.

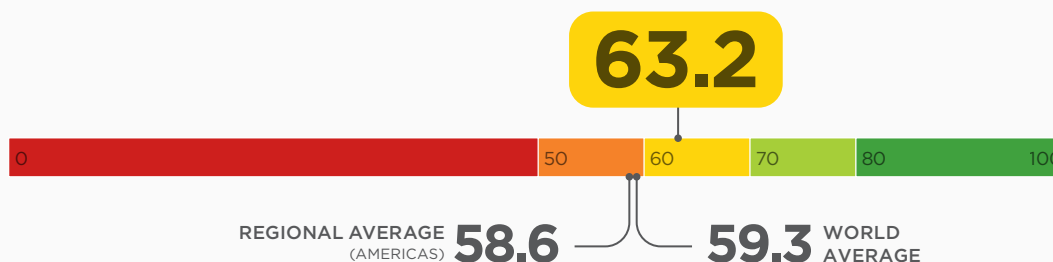


# MEXICO

**M**exico's economic freedom score is 63.2, making its economy the 61st freest in the 2023 *Index*. Its score is 0.5 point worse than last year. Mexico is ranked 11th out of 32 countries in the Americas region, and its score is above the world and regional averages.

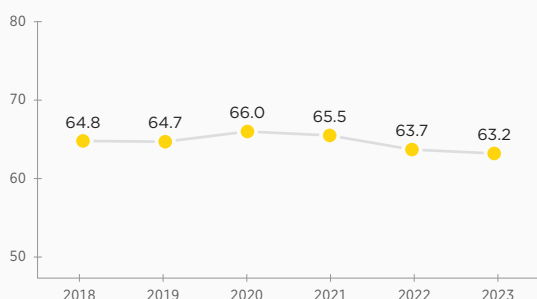
The rule of law in Mexico has been severely undercut by violence and instability related to drug trafficking. Other grave institutional weaknesses include rampant corruption and poor protection of private property rights. The government has an extensive agenda of reforms to address these deficiencies, but progress has been sluggish and marginal.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
130.3 million

**GDP (PPP):**  
\$2.7 trillion  
4.8% growth in 2021  
5-year compound  
annual growth 0.2%  
\$20,676 per capita

**UNEMPLOYMENT:**  
4.5%

**INFLATION (CPI):**  
5.7%

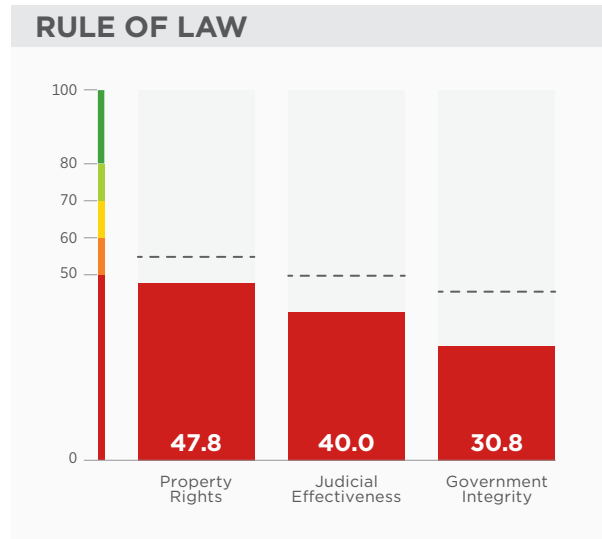
**FDI INFLOW:**  
\$31.6 billion

**PUBLIC DEBT:**  
57.6% of GDP

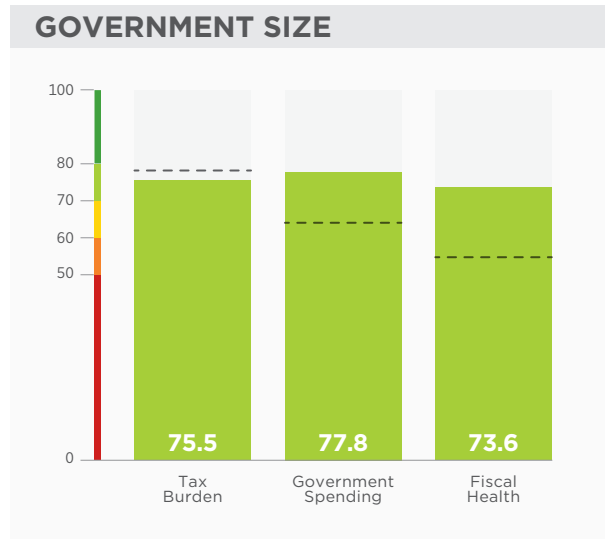
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The failure of President Andrés Manuel López Obrador of the populist-leftist MORENA party to address crime, corruption, and poverty has narrowed his congressional majority, but In 2022, he called for a recall referendum and won more than 90 percent of the vote. Lopez Obrador's statist energy and natural resource policies undermine foreign investment and violate the U.S.-Mexico-Canada trade agreement. Recent proposals to reform the electoral system inspired mass protests. Lopez Obrador supports Cuba's doctor-trafficking scheme, and masses of migrants are traveling through Mexico toward the U.S. border. The informal sector accounts for nearly 60 percent of economic activity.

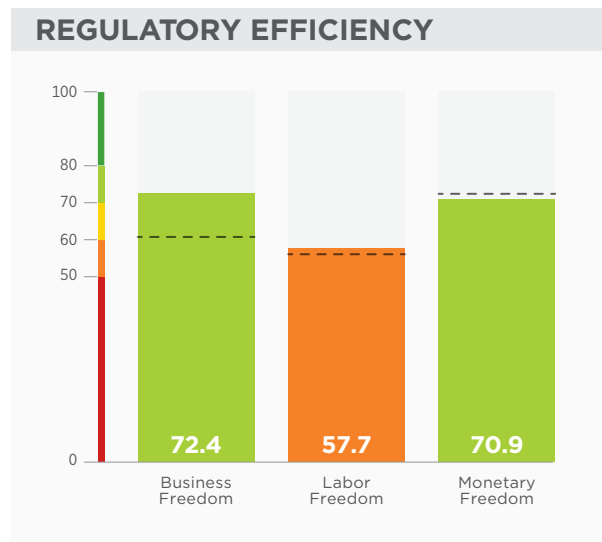
## 12 ECONOMIC FREEDOMS | MEXICO



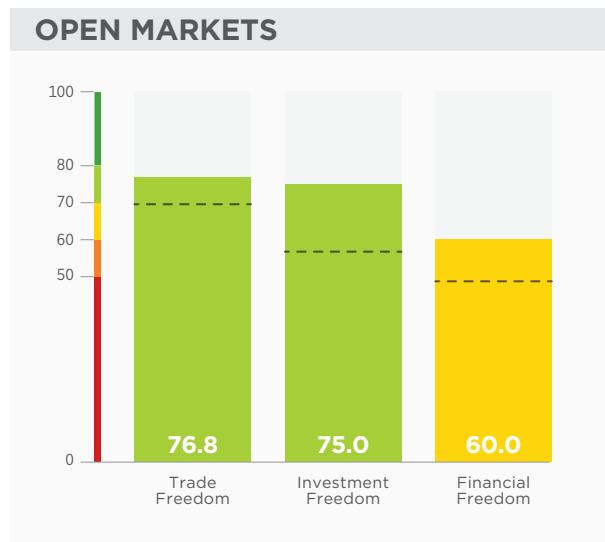
The overall rule of law is weak in Mexico. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 17.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.2 percent and -3.5 percent of GDP. Public debt equals 57.6 percent of GDP.



Uncertain enforcement of contracts, a precarious security situation, and informality undermine business freedom. The pace of reform has slowed in comparison to other emerging economies. Labor market reforms have largely stalled. The most recent available inflation rate is 5.7 percent.



The trade-weighted average tariff rate is 4.1 percent, and more than 200 nontariff measures are in force. Foreign direct investment in most of the economy is permitted, but certain key sectors are still reserved for the state. Much of the well-capitalized banking sector is foreign-owned.



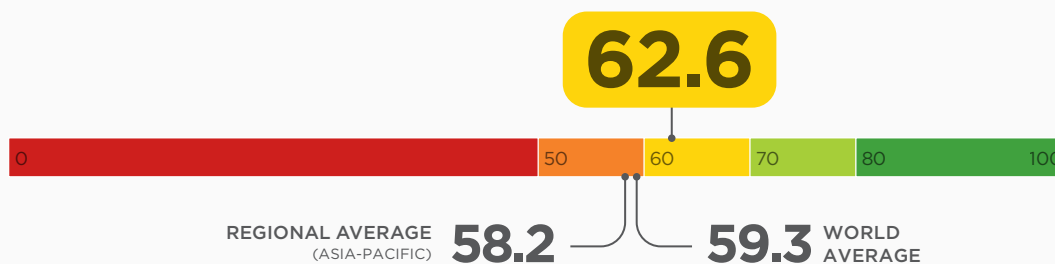
WORLD RANK: <b>66</b>	REGIONAL RANK: <b>11</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# MICRONESIA

Micronesia's economic freedom score is 62.6, making its economy the 66th freest in the 2023 *Index*. Its score has increased by 1.6 points since last year. Micronesia is ranked 11th out of 39 countries in the Asia-Pacific region, and its overall score is higher than the world and regional averages.

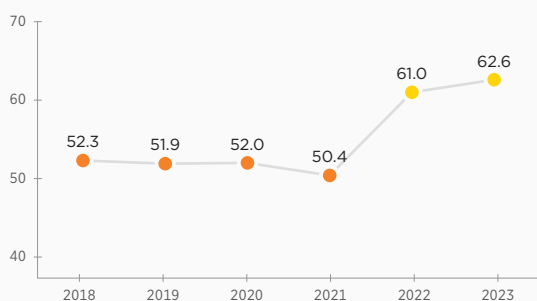
Poor governance and a lack of commitment to structural reform continue to discourage economic development in Micronesia. Long-standing problems include poor management of public finance and underdeveloped regulatory frameworks. The fragile rule of law and weak enforcement of property rights have driven many people into the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +10.9

## RECENT FREEDOM TREND



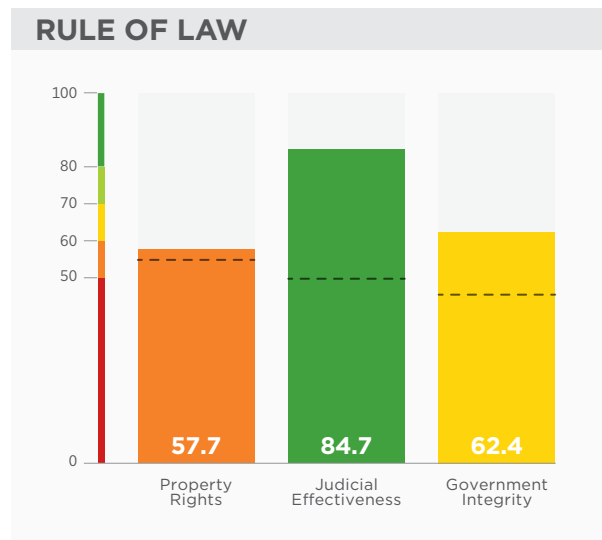
## QUICK FACTS

<b>POPULATION:</b> 0.1 million	<b>UNEMPLOYMENT:</b> 8.9%
<b>GDP (PPP):</b> \$0.4 billion -3.2% growth in 2021 5-year compound annual growth -0.2% \$3,459 per capita	<b>INFLATION (CPI):</b> 2.1%
	<b>FDI INFLOW:</b> \$0.0 million
	<b>PUBLIC DEBT:</b> 15.0% of GDP

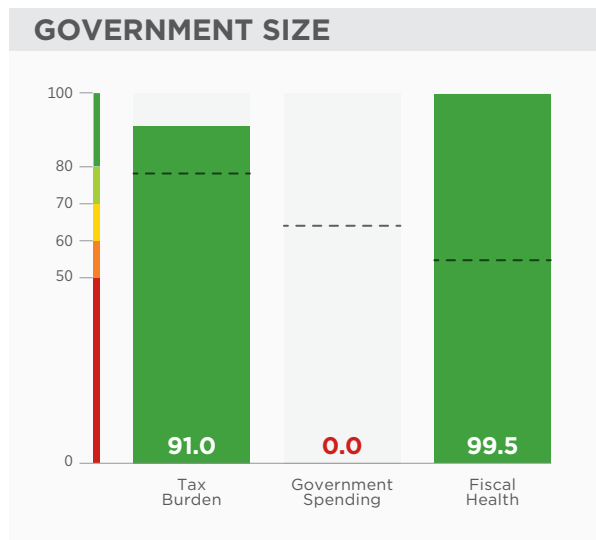
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** In 1979, the eastern four island groups (Pohnpei, Chuuk, Yap, and Kosrae) of the South-west Pacific's widely scattered Caroline Islands adopted a constitution and became the Federated States of Micronesia. The 607-island archipelago's central government has limited powers. David Panuelo was elected president by a narrow margin in 2019. Elections for the unicameral parliament were held in March 2021. Under a Compact of Free Association signed in 1986 and up for renewal in 2023, the U.S. is responsible for Micronesia's defense and provides more than \$110 million annually in economic assistance. Economic activity consists largely of subsistence farming and fishing.

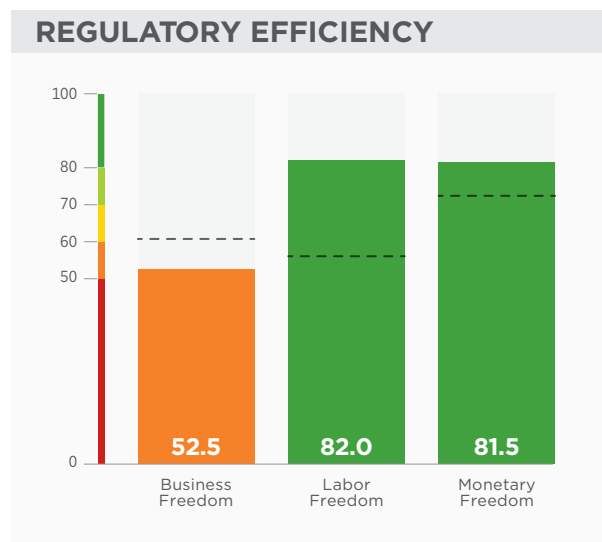
## 12 ECONOMIC FREEDOMS | MICRONESIA



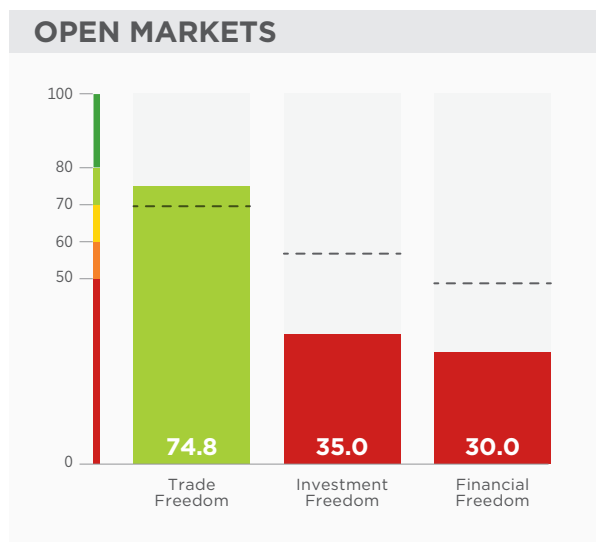
The overall rule of law is relatively well respected in Micronesia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



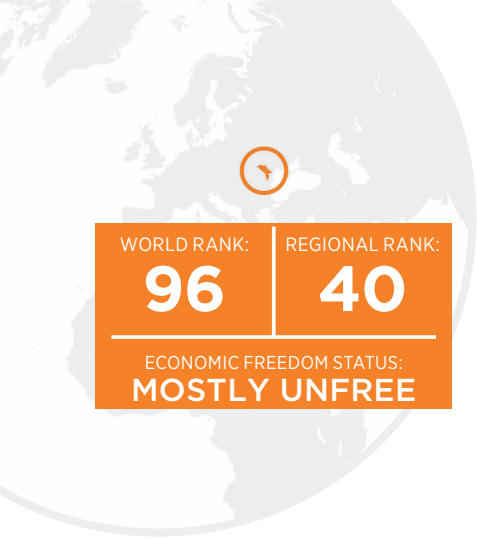
The top individual and corporate tax rates are, respectively, 10 percent and 21 percent. The tax burden equals 18.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 61.2 percent and 8.5 percent of GDP. Public debt equals 15.0 percent of GDP.



There is limited commercial activity. Government is the major player in larger towns, and Micronesia is primarily a subsistence economy. Commercial fishing is the key industry. Private-sector jobs lag far behind public-sector jobs. The most recent available inflation rate is 2.1 percent.



The average tariff rate is 5.1 percent, but nontariff barriers and poor trade infrastructure limit trade freedom. Numerous impediments discourage foreign investment. High credit costs and scarce access to financing constrain the small private sector. Much of the population does not use formal banking.



WORLD RANK: **96** | REGIONAL RANK: **40**

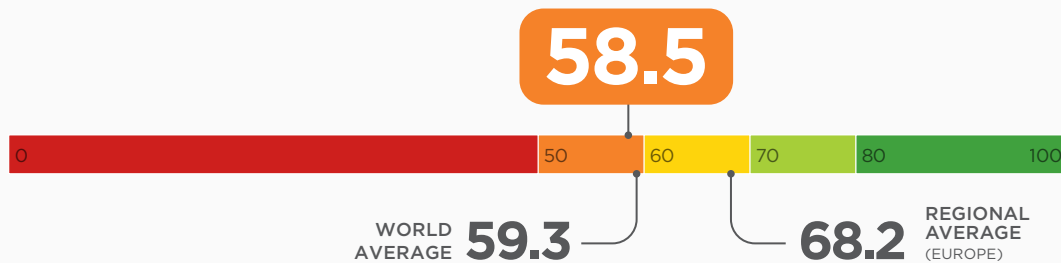
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# MOLDOVA

Moldova's economic freedom score is 58.5, making its economy the 96th freest in the 2023 *Index*. Its score has decreased by 2.8 points since last year. Moldova ranks 40th among 44 countries in the Europe region, and its overall score is below the regional and world averages.

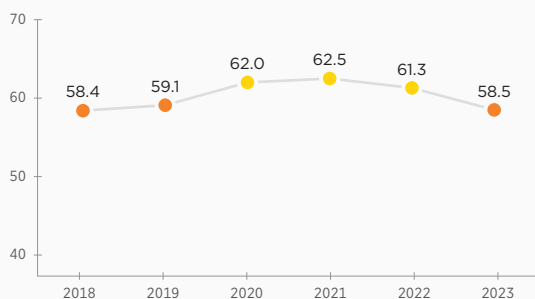
The government's overall progress in achieving sound macroeconomic management and enhancing the entrepreneurial climate has been uneven. The foundations of economic freedom are neither well-established nor strongly protected. The country's economic performance is below potential, and the weak rule of law undermines prospects for more significant and dynamic long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +25.5

## RECENT FREEDOM TREND



## QUICK FACTS

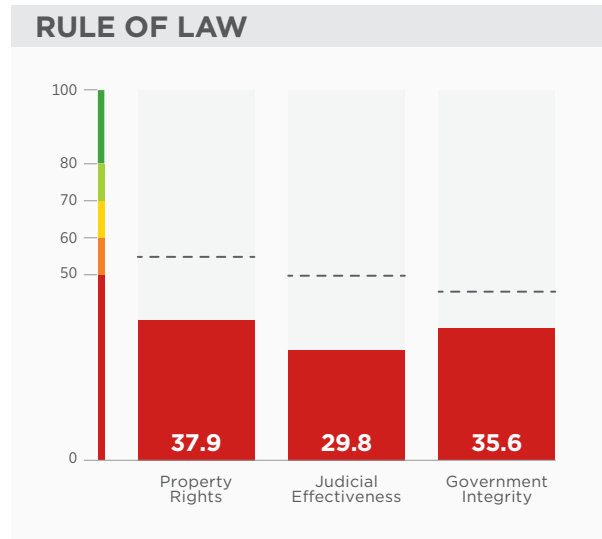
- POPULATION:** 2.6 million
- GDP (PPP):** \$39.9 billion  
13.9% growth in 2021  
5-year compound annual growth 3.7%  
\$15,406 per capita
- UNEMPLOYMENT:** 3.8%
- INFLATION (CPI):** 5.1%
- FDI INFLOW:** \$263.5 million
- PUBLIC DEBT:** 33.1% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

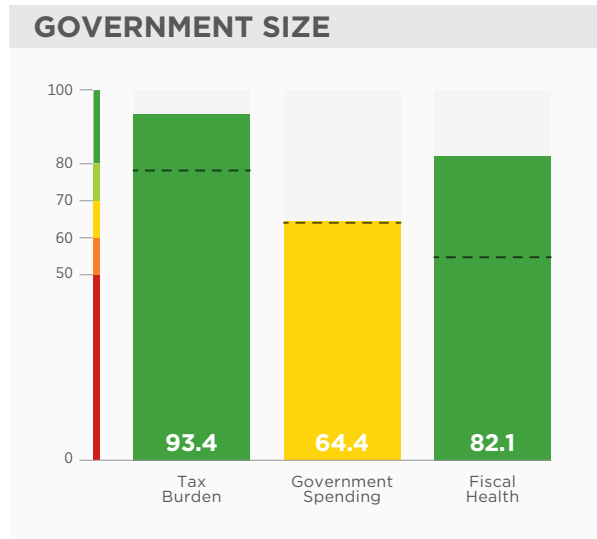
**BACKGROUND:** Moldova became an EU candidate in June 2022, but it remains vulnerable to Russian economic pressure and must contend with a secessionist pro-Russian movement in its Transnistria region, currently home to about 1,500 Russian troops. The election of Western-leaning President Maia Sandu, street protests, a constitutional crisis, and dissolution of the Russia-friendly parliament led to snap elections in July 2021. The pro-Western Party of Action and Solidarity gained a clear victory. Former Finance Minister Natalia Gavrilita was appointed prime minister in August 2021. Moldova's economy depends on emigrants' remittances and such agricultural products as fruits, vegetables, wine, and tobacco.



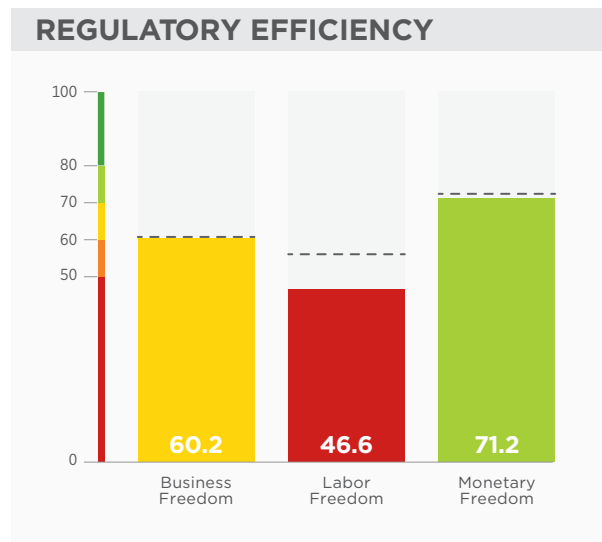
## 12 ECONOMIC FREEDOMS | MOLDOVA



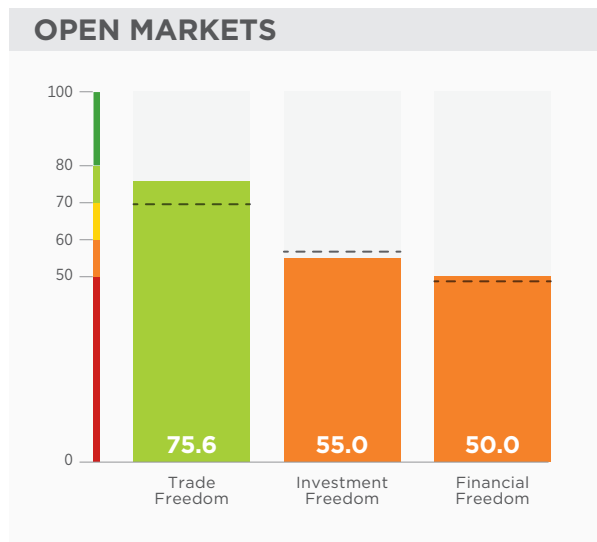
The overall rule of law is weak in Moldova. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 12 percent. The tax burden equals 19.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.4 percent and -3.1 percent of GDP. Public debt equals 33.1 percent of GDP.



Moldova has adopted some regulatory reforms, but bureaucracy and a lack of transparency still make the formation and operation of private enterprises burdensome. Labor regulations are rigid, and there is a skills mismatch. The most recent available inflation rate is 5.1 percent.



The trade-weighted average tariff rate is 4.7 percent, and eight nontariff measures are in force. The investment framework lacks transparency and efficiency. Long-term financing remains difficult. Approximately 45 percent of adult Moldovans have access to an account with a formal banking institution.



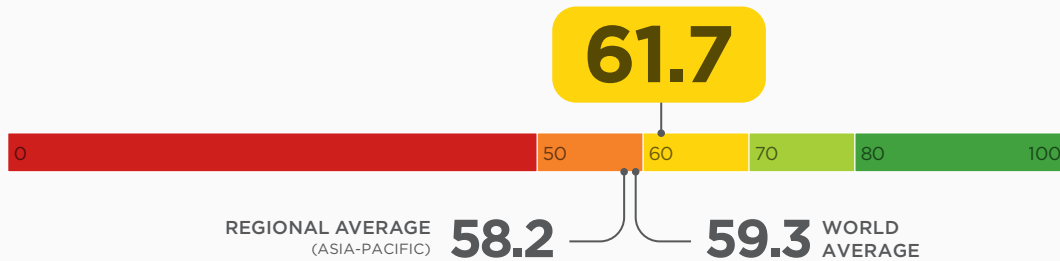
# MONGOLIA

WORLD RANK: <b>73</b>	REGIONAL RANK: <b>15</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Mongolia's economic freedom score is 61.7, making its economy the 73rd freest in the 2023 *Index*. Its score is 2.2 points lower than last year. Mongolia is ranked 15th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

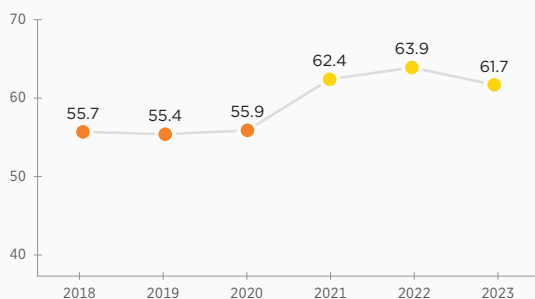
Economic reforms have supported economic expansion and reductions in poverty. The entrepreneurial sector benefits from an open trade regime, but corruption and the weak rule of law discourage economic development. Judicial reforms and a more streamlined public administration would help to sustain economic growth and broaden the improvement of living standards.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +13.9

## RECENT FREEDOM TREND



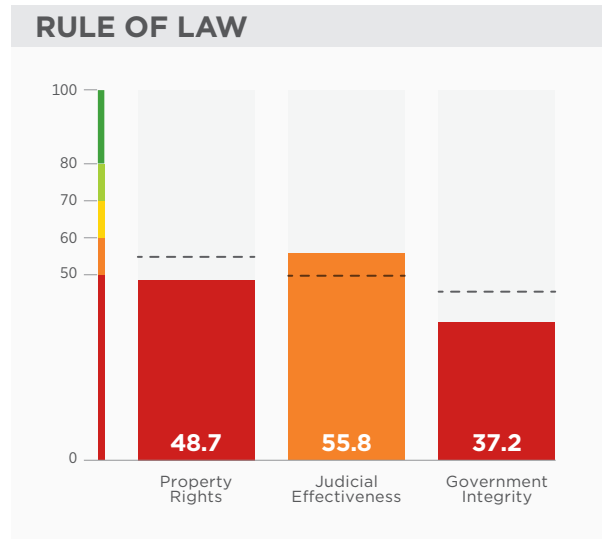
## QUICK FACTS

<b>POPULATION:</b> 3.3 million	<b>UNEMPLOYMENT:</b> 7.0%
<b>GDP (PPP):</b> \$42.8 billion 1.4% growth in 2021 5-year compound annual growth 3.2% \$12,530 per capita	<b>INFLATION (CPI):</b> 7.1%
	<b>FDI INFLOW:</b> \$2.1 billion
	<b>PUBLIC DEBT:</b> 79.8% of GDP

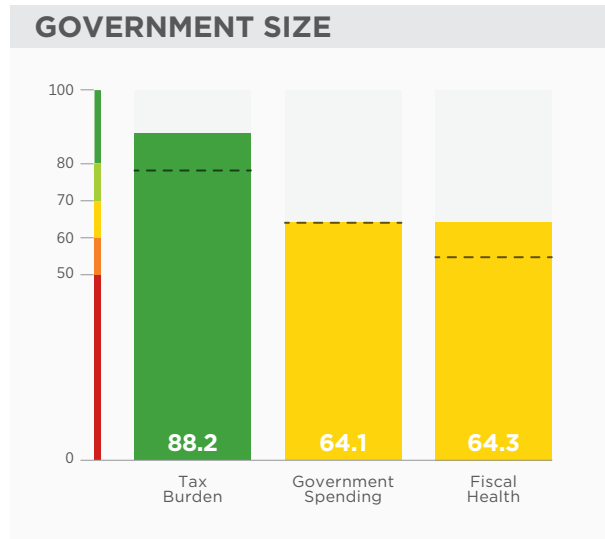
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** After adopting a new constitution in 1992, Mongolia was transformed from a closed single-party Communist state into a dynamic multiparty democracy. This transition has been accompanied by the gradual introduction of free-market reforms and relative political stability. The Soviet-era Mongolian People's Party (MPP) has held a parliamentary majority since 2016. The MPP also reclaimed the presidency from the Democratic Party in the June 2021 elections, electing Ukhnaa Khurelsukh as Mongolia's president. Agriculture and mining remain the most important sectors of the economy. The majority of ethnic Mongolians today live in China.

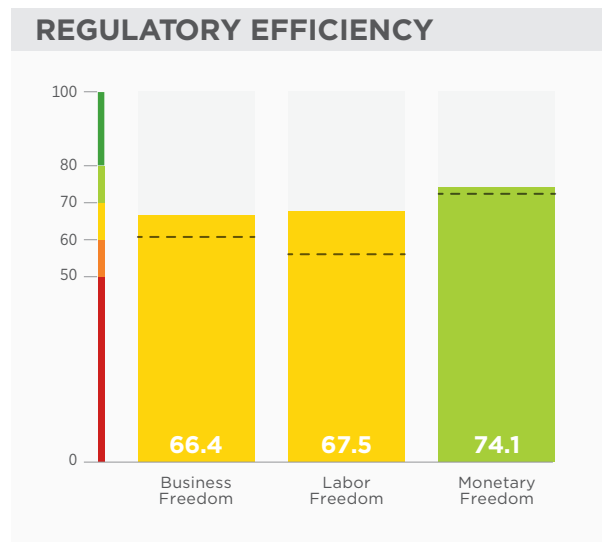
## 12 ECONOMIC FREEDOMS | MONGOLIA



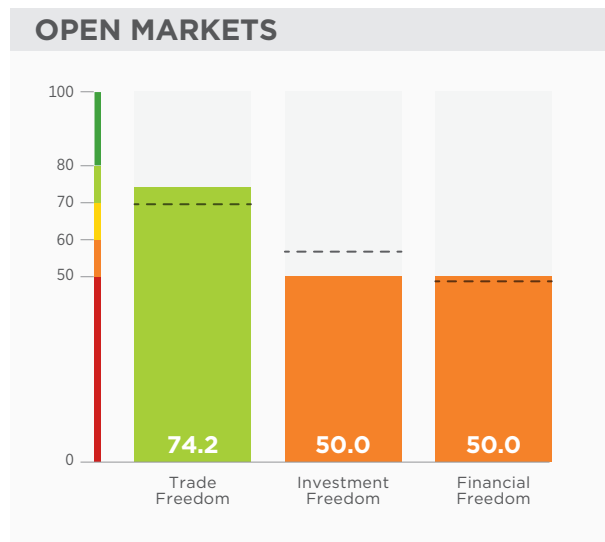
The overall rule of law is weak in Mongolia. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 10 percent and 25 percent. The tax burden equals 21.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.6 percent and -3.8 percent of GDP. Public debt equals 79.8 percent of GDP.



The regulatory framework is evolving, albeit slowly. The minimum capital requirement for launching a business has been reduced. Employment regulations are relatively flexible, but the labor market lacks dynamism. Inflation has been volatile, and the most recent available inflation rate is 7.1 percent.



The trade-weighted average tariff rate is 5.4 percent, and other barriers to trade undermine trade flows. In an effort to attract more dynamic investment, Mongolia has pursued measures to liberalize markets and develop a competitive financial sector, but progress has been uneven.

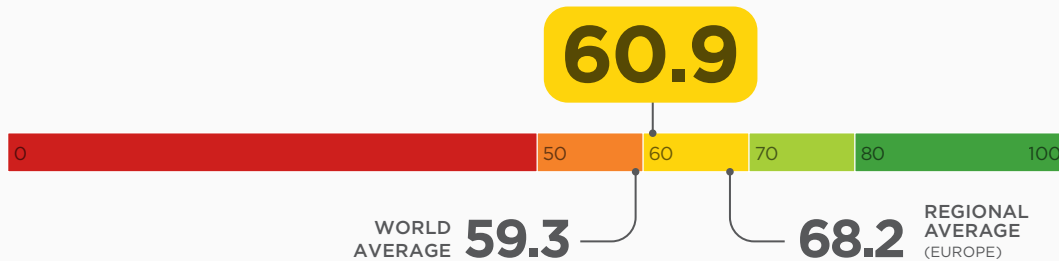
# MONTENEGRO



Montenegro's economic freedom score is 60.9, making its economy the 77th freest in the 2023 *Index*. Its score is 3.1 points higher than last year. Montenegro ranks 38th out of 44 countries in the Europe region, and its overall score is above the world average.

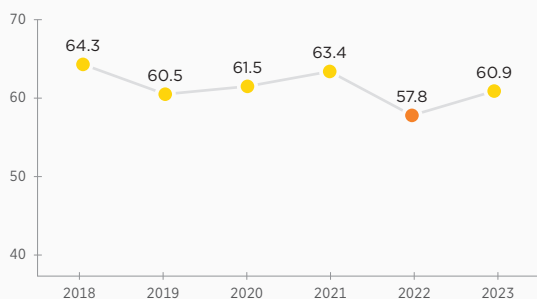
Montenegro is developing a more vibrant economy. The trade framework is relatively open, and a more efficient regulatory environment supports a growing private sector. Ineffectiveness in fighting corruption and a lack of institutional commitment to the strong protection of property rights undermine prospects for long-term economic growth. The judicial framework remains vulnerable to political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2002): +14.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.6 million

**GDP (PPP):**  
\$14.0 billion  
12.4% growth in 2021  
5-year compound annual growth 2.2%  
\$22,566 per capita

**UNEMPLOYMENT:**  
17.9%

**INFLATION (CPI):**  
2.4%

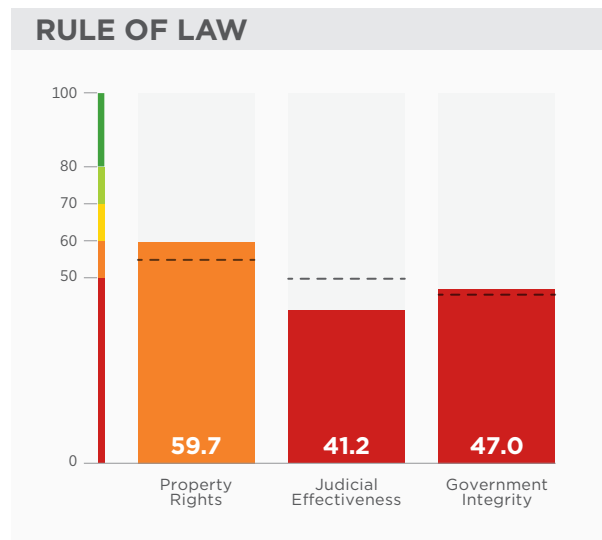
**FDI INFLOW:**  
\$663.8 million

**PUBLIC DEBT:**  
86.6% of GDP

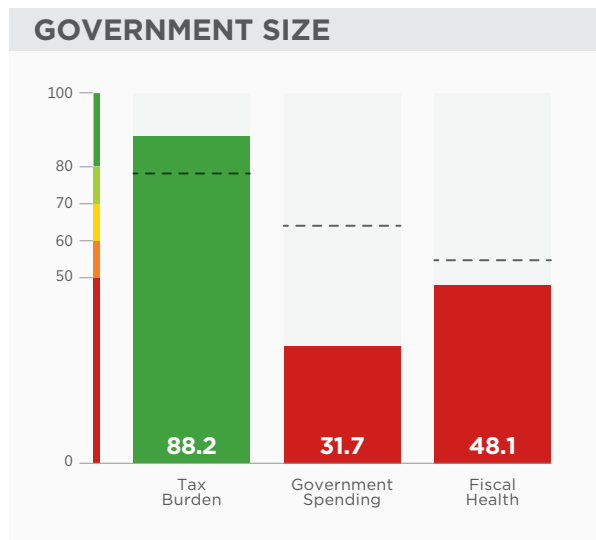
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Montenegro declared independence from Serbia in 2006, introduced privatizations, and (though not a member of the eurozone) adopted the euro. It joined NATO in 2017 and is an EU candidate country. The Democratic Party of Socialists, in power for 30 years, failed to form a majority after the August 2020 elections. Prime Minister Dritan Abazovic of the Green URA party formed a minority government in April 2022 following the pro-Serbian coalition's collapse. Major challenges include political instability, corruption, and a lack of inward investment. In July 2022, Abazovic's government signed a controversial agreement on relations with the Serbian Orthodox Church.

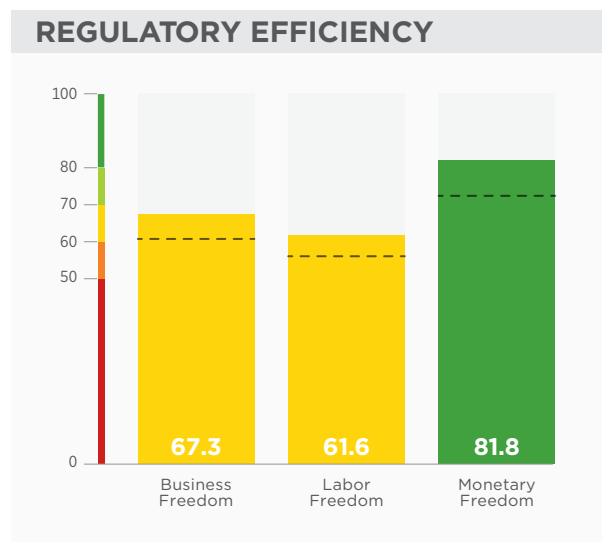
## 12 ECONOMIC FREEDOMS | MONTENEGRO



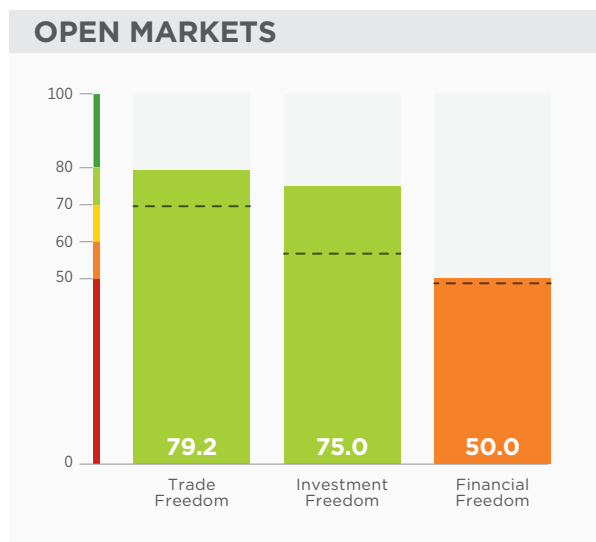
The overall rule of law is weak in Montenegro. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



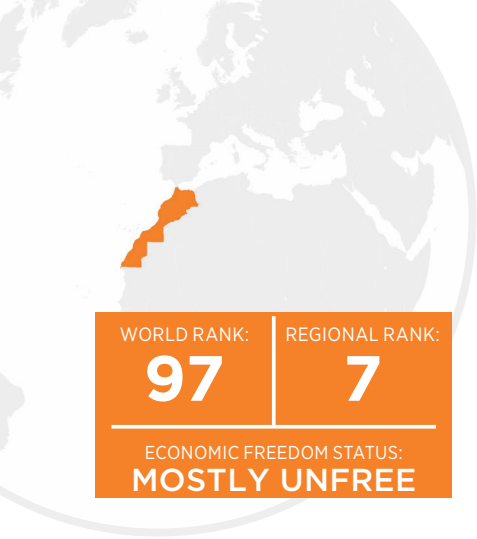
The top individual and corporate tax rates are 15 percent. The tax burden equals 27.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.7 percent and -4.8 percent of GDP. Public debt equals 86.6 percent of GDP.



Procedures for establishing businesses have been streamlined, and the number of licensing requirements has been reduced, but the pace of reform has slowed. Inflexible labor regulations discourage more dynamic job creation. Overall price levels have moderated, but inflationary pressures persist.



The trade-weighted average tariff rate is 5.4 percent. The regulatory and legal frameworks that govern foreign investment generally facilitate the growing private sector's development. The financial sector is small, but the level of foreign banks' participation and investment is significant.

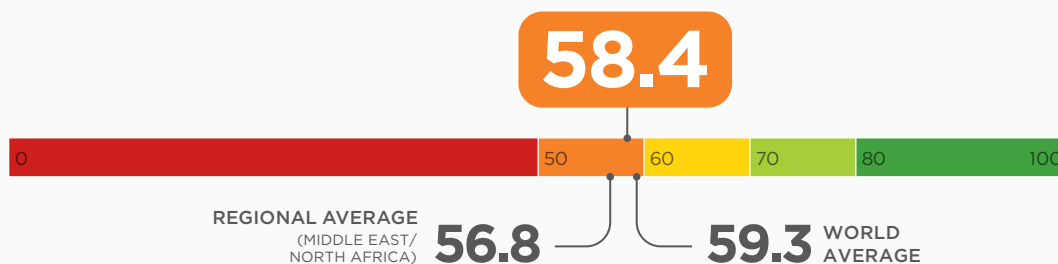


# MOROCCO

Morocco's economic freedom score is 58.4, making its economy the 97th freest in the 2023 *Index*. Its score is 0.8 point lower than last year. Morocco is ranked 7th out of 14 countries in the Middle East/North Africa region, and its overall score is approximately the world average.

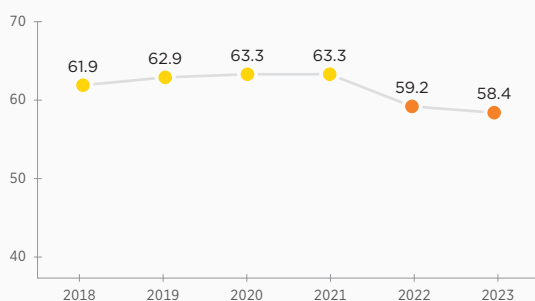
Morocco's gradual but notable progress is due partly to economic reforms that have encouraged private-sector dynamism. Competitiveness has improved, and the productive base has diversified. Some challenges, however, will require deeper institutional reforms. The labor market is not flexible, and much of the labor force remains marginalized in the informal sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -4.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
37.3 million

**GDP (PPP):**  
\$308.6 billion  
7.2% growth in 2021  
5-year compound  
annual growth 2.2%  
\$8,497 per capita

**UNEMPLOYMENT:**  
9.3%

**INFLATION (CPI):**  
1.4%

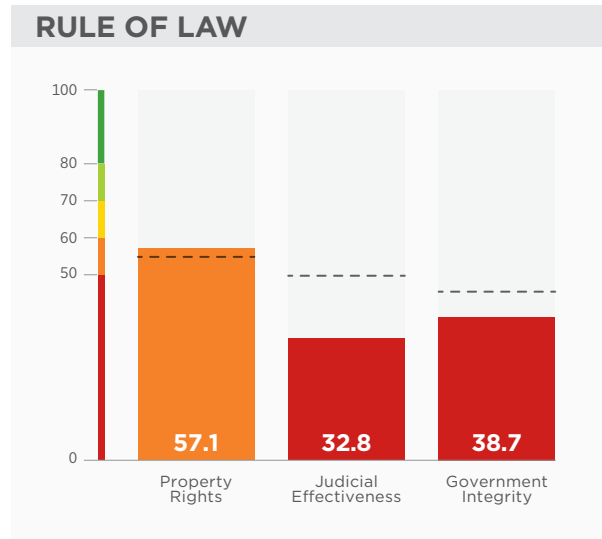
**FDI INFLOW:**  
\$2.2 billion

**PUBLIC DEBT:**  
68.9% of GDP

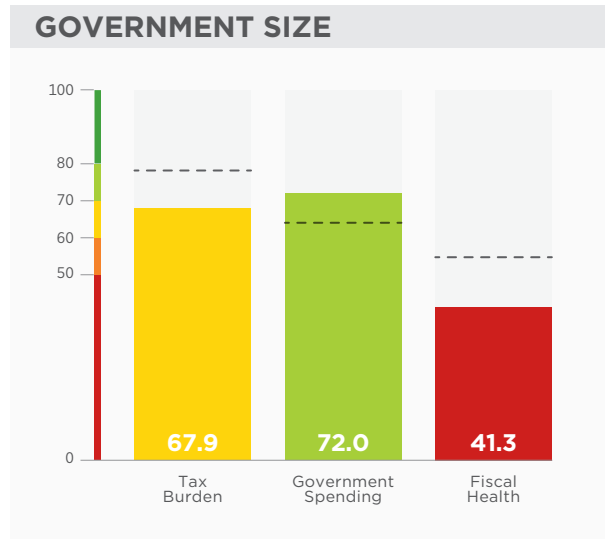
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** A constitutional monarchy with an elected parliament, Morocco has been a key Western ally in the fight against Islamist terrorism. Aziz Akhannouch is prime minister, and King Mohammed VI remains chief executive and a key stabilizing influence. The 1991 U.N.-monitored cease-fire between Morocco and the Polisario Front in the Western Sahara broke down in November 2020 after the Front resumed its armed struggle with Morocco. A December 2020 peace agreement with Israel led to U.S. recognition of Moroccan sovereignty over the Western Sahara and should facilitate the normalization of trade, investment, technological cooperation, and tourism between Israel and Morocco.

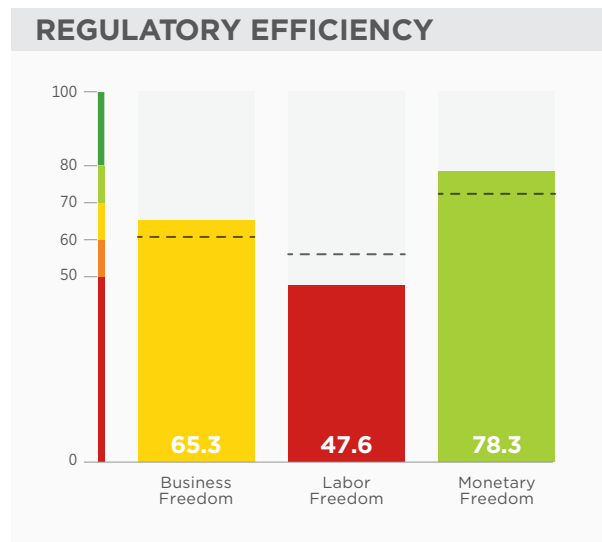
## 12 ECONOMIC FREEDOMS | MOROCCO



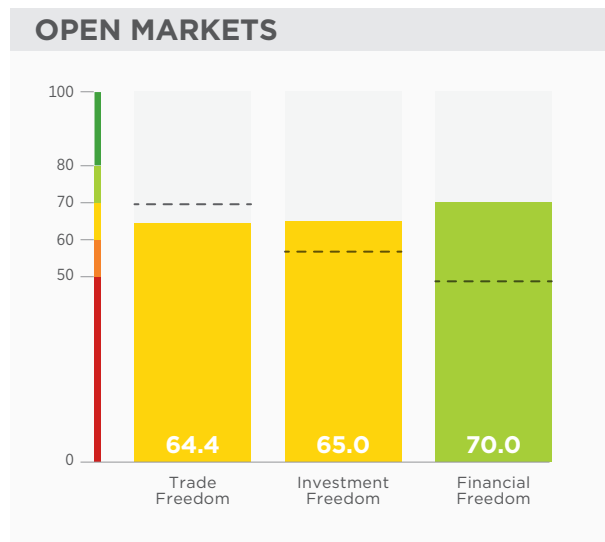
The overall rule of law is weak in Morocco. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 38 percent and 31 percent. The tax burden equals 28.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.5 percent and -5.5 percent of GDP. Public debt equals 68.9 percent of GDP.



Procedures for establishing and registering private enterprises have been further streamlined. The cost of completing licensing requirements is still relatively high. Labor market rigidity continues to discourage dynamic job growth. Monetary stability has been maintained with relatively modest inflation.



The trade-weighted average tariff rate is 12.8 percent. Foreign and domestic investors are generally treated equally under the law. The competitive financial sector continues to grow and offers a range of financing options. The stock exchange does not restrict foreign participation.

WORLD RANK:

134

REGIONAL RANK:

28

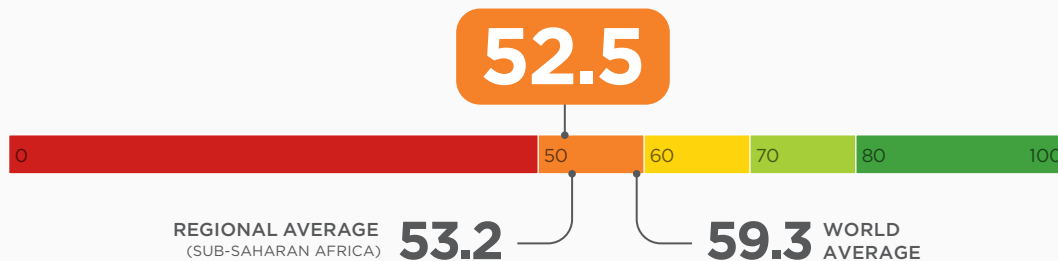
ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

# MOZAMBIQUE

Mozambique's economic freedom score is 52.5, making its economy the 134th freest in the 2023 *Index*. Its score is 1.2 points better than last year. Mozambique is ranked 28th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

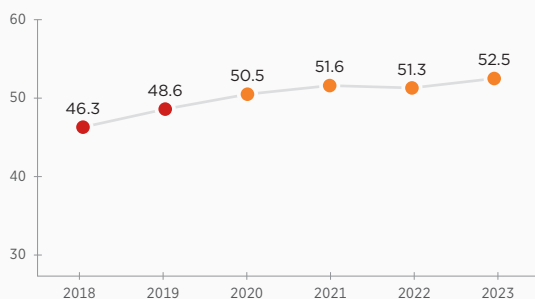
Mozambique has been implementing much-needed reforms in its regulatory and investment frameworks. Private-sector economic activity has increased, but privatization of state-owned enterprises has slowed. Critical institutional shortcomings continue to discourage long-term economic development. The legal framework is ineffective, and judicial proceedings remain vulnerable to corruption and political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
32.2 million

**GDP (PPP):**  
\$43.1 billion  
2.2% growth in 2021  
5-year compound  
annual growth 2.1%  
\$1,341 per capita

**UNEMPLOYMENT:**  
3.4%

**INFLATION (CPI):**  
5.7%

**FDI INFLOW:**  
\$5.1 billion

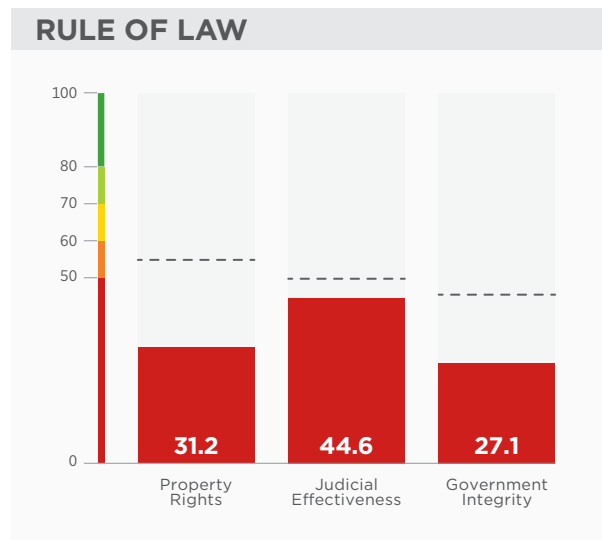
**PUBLIC DEBT:**  
106.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

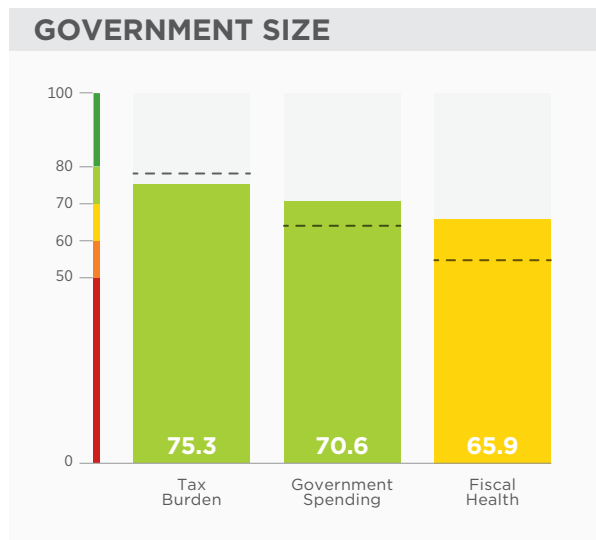
**BACKGROUND:** The Mozambique Liberation Front (FRELIMO), headed since 2015 by President Filipe Nyusi, has been in power since independence from Portugal in 1975. Despite a 1992 peace agreement ending the 16-year civil war between FRELIMO and the Mozambican National Resistance (RENAMO), sporadic violence has persisted. Islamist terrorists threaten the development of large gas fields in the North, and a multinational military force has been deployed to the area. International legal proceedings to determine liability for the fictive accrual of massive unauthorized government debt are ongoing. More than half of the population remains below the poverty line and reliant on subsistence agriculture.



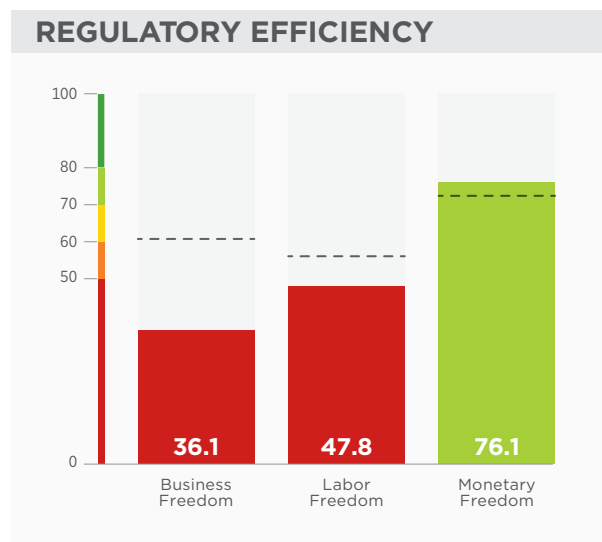
## 12 ECONOMIC FREEDOMS | MOZAMBIQUE



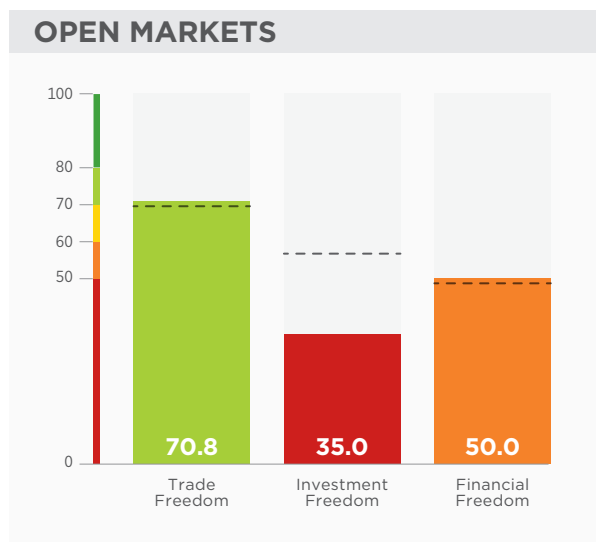
The overall rule of law is weak in Mozambique. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 32 percent. The tax burden equals 20.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.3 percent and -3.0 percent of GDP. Public debt equals 106.4 percent of GDP.



The regulatory system is complicated and opaque, and business processes are mired in bureaucracy. Hiring and firing workers is difficult, and the institutional framework's limitations increase the time needed to resolve labor disputes. The most recent available inflation rate is 5.7 percent.



The trade-weighted average tariff rate is 7.1 percent. The government approves investments depending on the size of the investment. Institutional and regulatory shortcomings continue to undermine expansion of the private sector. The financial sector is dominated by banking and remains underdeveloped.



WORLD RANK: **102** | REGIONAL RANK: **12**

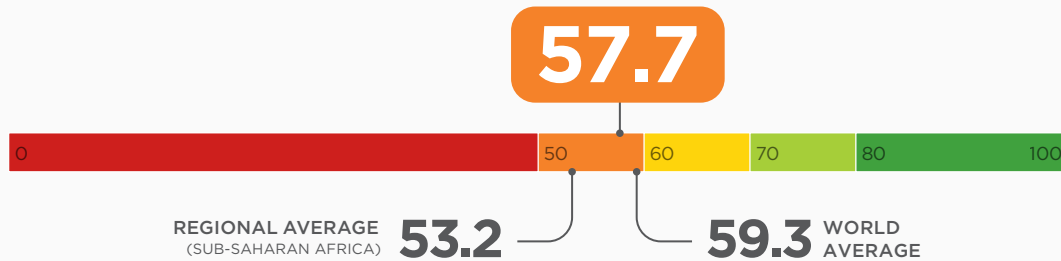
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# NAMIBIA

Namibia's economic freedom score is 57.7, making its economy the 102nd freest in the 2023 Index. Its score is 1.5 points worse than last year. Namibia is ranked 12th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

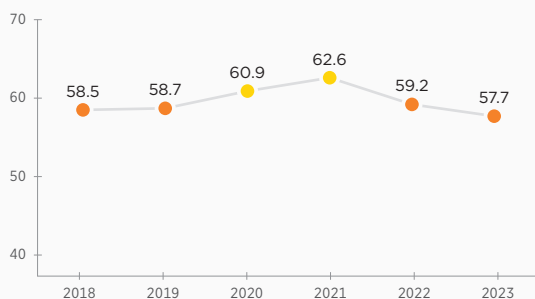
Namibia's economic expansion is not strongly sustained by government policies or institutions. As reflected in low scores for property rights and freedom from corruption, overall economic freedom is constrained by deficiencies in the judicial framework. Protection of property rights is weak, and the government has not been effective in fighting corruption.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1997): -3.9

## RECENT FREEDOM TREND



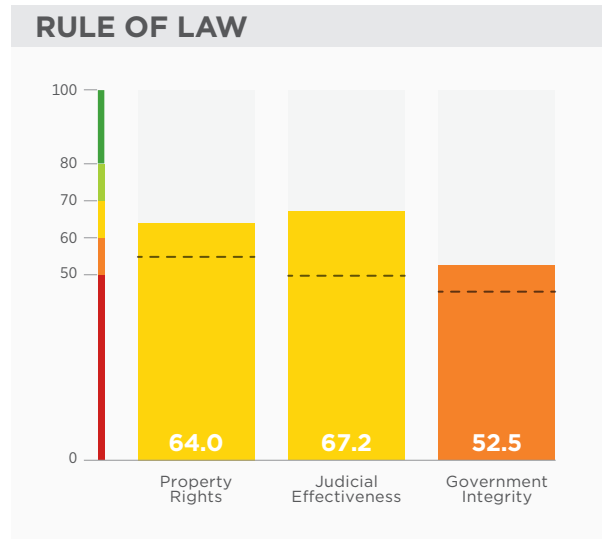
## QUICK FACTS

<b>POPULATION:</b> 2.6 million	<b>UNEMPLOYMENT:</b> 19.9%
<b>GDP (PPP):</b> \$24.8 billion 0.9% growth in 2021 5-year compound annual growth -1.7%	<b>INFLATION (CPI):</b> 3.6%
<b>FDI INFLOW:</b> \$411.6 million	<b>PUBLIC DEBT:</b> 72.0% of GDP

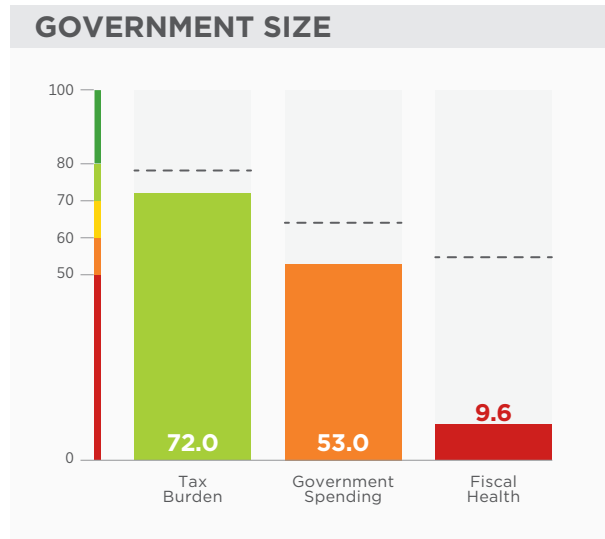
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Namibia gained its independence from South Africa in 1990 and is politically stable. President Hage Geingob was elected to a second five-year term in 2019. The ruling SWAPO Party of Namibia, which has won every election by large majorities since 1990, lost its parliamentary supermajority in 2019. Mining, especially the mining of uranium, brings in more than 50 percent of foreign exchange earnings. Namibia's economy is closely linked to South Africa's, and its credit rating is one of the highest in the Sub-Saharan Africa region.

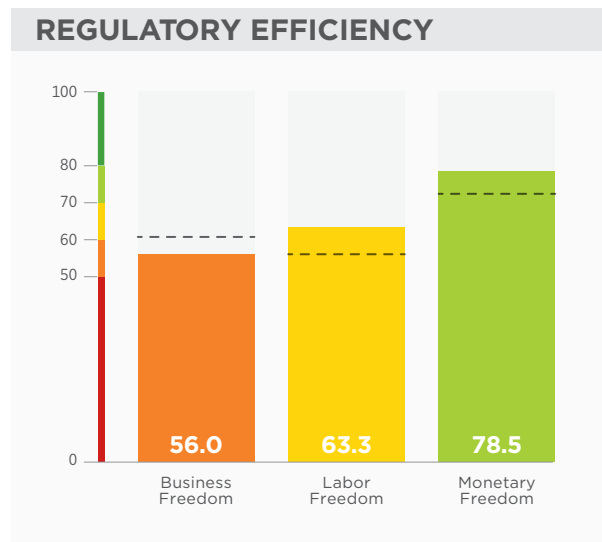
## 12 ECONOMIC FREEDOMS | NAMIBIA



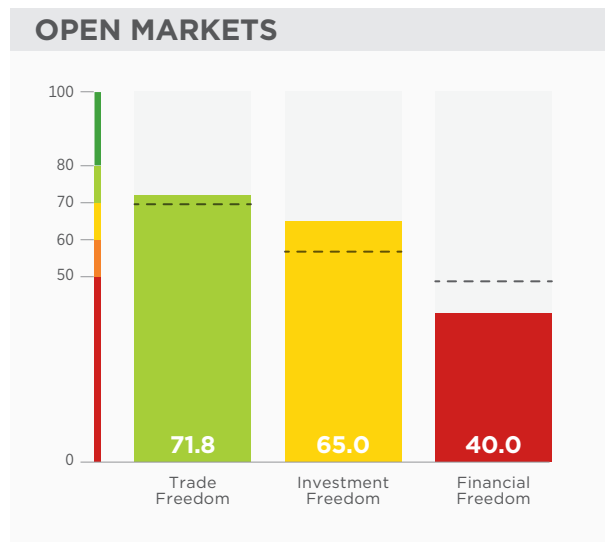
The overall rule of law is relatively well respected in Namibia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 37 percent and 32 percent. The tax burden equals 20.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 39.6 percent and -7.6 percent of GDP. Public debt equals 72.0 percent of GDP.



Business regulations are enacted by the government without input from private-sector stakeholders. There are no formal processes for the reconsideration of published regulations. Labor regulations are not rigid, but the labor market lacks dynamism. The most recent available inflation rate is 3.6 percent.



The trade-weighted average tariff rate is 6.6 percent, and other barriers undermine overall trade freedom. There are no formal limits on foreign ownership, but some sectors are subject to joint local ownership requirements. Despite some progress, financial intermediation is uneven across the country.

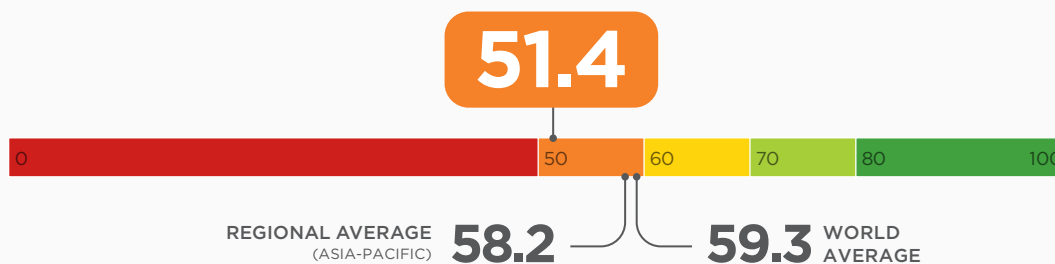


# NEPAL

Nepal's economic freedom score is 51.4, making its economy the 142nd freest in the 2023 *Index*. Its score is 1.7 points higher than last year. Nepal is ranked 30th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

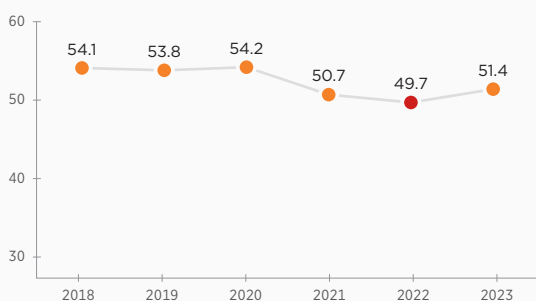
The government's statist approach to the economy seriously weakens economic freedom and development in Nepal. Corruption, a lack of transparency, and a burdensome business approval process impede much-needed expansion of private investment and production. Property rights are poorly protected by the inefficient judicial system, which is subject to substantial political influence.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +1.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.0 million

**GDP (PPP):**  
\$124.9 billion  
2.7% growth in 2021  
5-year compound  
annual growth 4.8%  
\$4,211 per capita

**UNEMPLOYMENT:**  
11.4%

**INFLATION (CPI):**  
3.6%

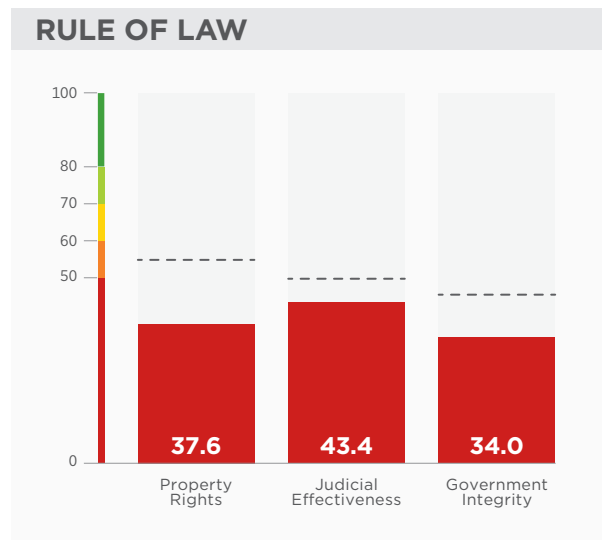
**FDI INFLOW:**  
\$196.0 million

**PUBLIC DEBT:**  
45.8% of GDP

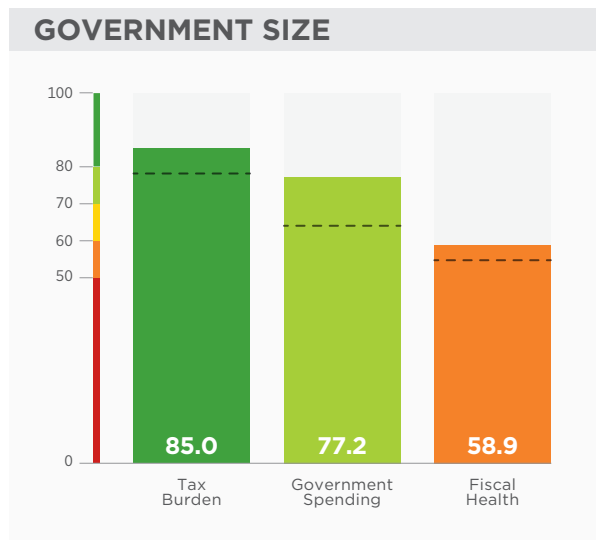
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Kingdom of Nepal, a small Himalayan nation wedged between India and China, became a multiparty federal republic in 2008. Since then, its political life has been paralyzed by continuous instability. Nepal remains one of the world's poorest and least-developed countries. Sher Bahadur Deuba of the social democratic-leaning Nepali Congress Party became prime minister in 2021. China's growing footprint has become a source of contention with India, which traditionally has enjoyed an outsized influence on Nepal's foreign and economic policies. Nepal's principal exports include iron, steel, carpets, textiles, plastics, hollow tubes, beverages, and vegetables.

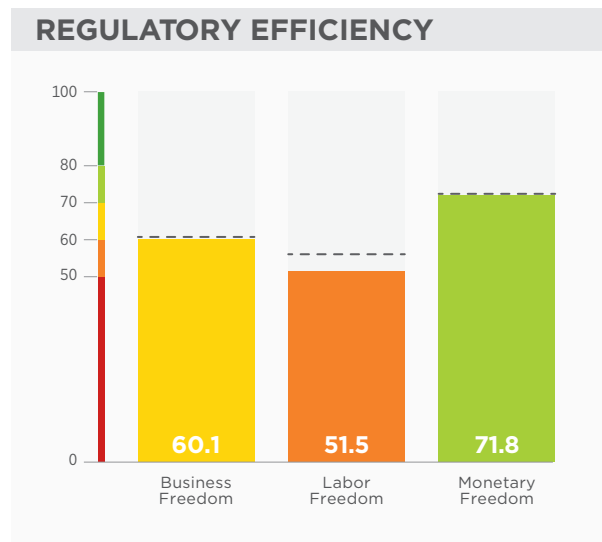
## 12 ECONOMIC FREEDOMS | NEPAL



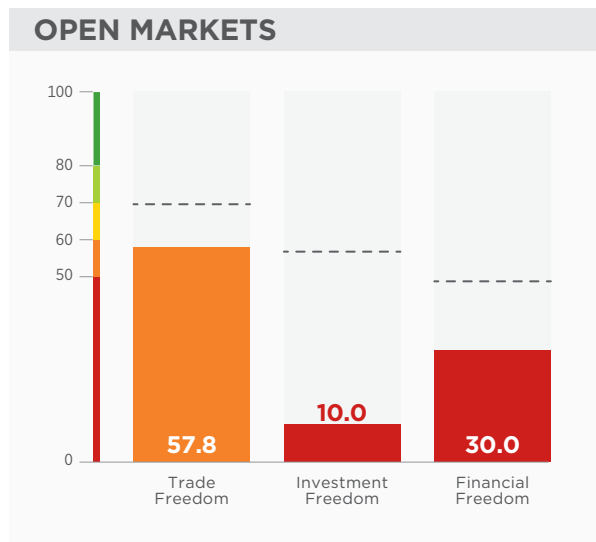
The overall rule of law is weak in Nepal. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 25 percent. The tax burden equals 15.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.6 percent and -4.8 percent of GDP. Public debt equals 45.8 percent of GDP.



Despite some progress in streamlining the process for launching a business, other time-consuming and costly requirements reduce regulatory efficiency. Labor laws are restrictive. There is a talent drain, especially among educated youth. The most recent available inflation rate is 3.6 percent.



The trade-weighted average tariff rate is 13.6 percent. The government's statist approach to economic management and development has had a seriously deterrent effect on trade and investment activities. The financial sector, dominated by banking, remains underdeveloped and vulnerable to state interference.

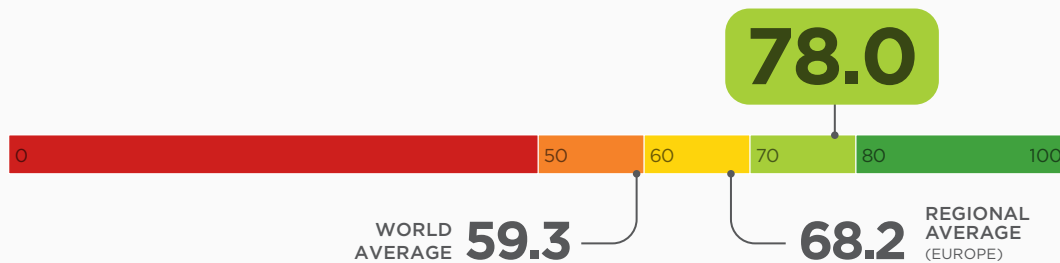


# NETHERLANDS

The Netherlands' economic freedom score is 78.0, making its economy the 8th freest in the 2023 *Index*. Its score is 1.5 points worse than last year. The Netherlands is ranked 5th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

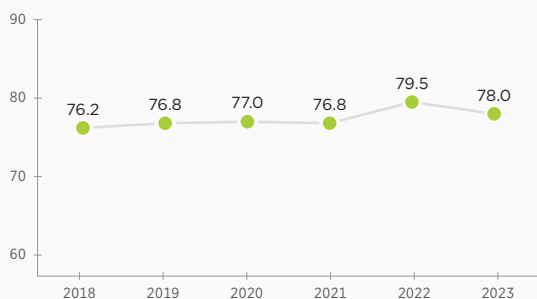
The Dutch economy benefits from a traditional emphasis on the rule of law and an efficient legal framework. The independent and corruption-free judicial system provides strong protection of property rights. Openness to global trade and investment is well established, and the overall regulatory and entrepreneurial environment remains transparent and efficient.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +8.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.5 million

**GDP (PPP):**  
\$1.1 trillion  
5.0% growth in 2021  
5-year compound  
annual growth 1.7%  
\$62,841 per capita

**UNEMPLOYMENT:**  
3.8%

**INFLATION (CPI):**  
2.8%

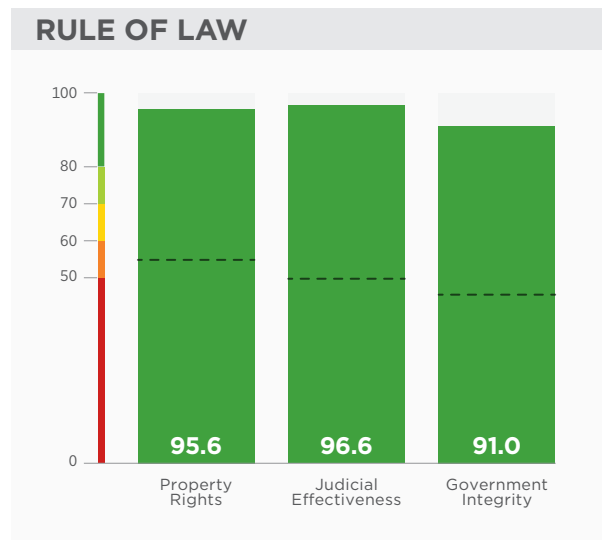
**FDI INFLOW:**  
-\$81.1 billion

**PUBLIC DEBT:**  
52.3% of GDP

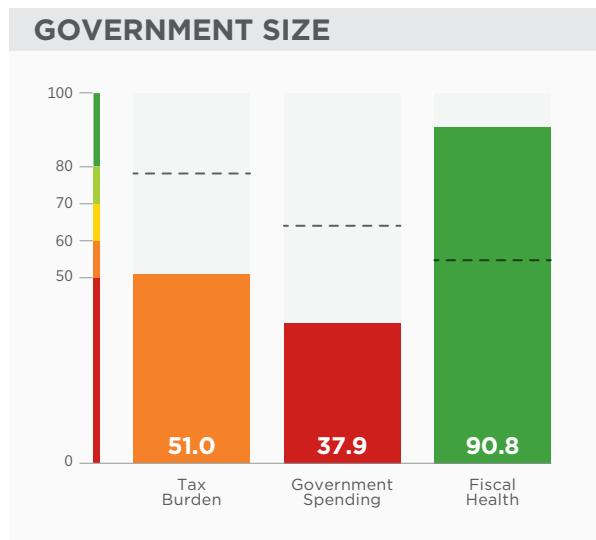
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Prime Minister Mark Rutte's center-right VVD party won the most seats in March 2021 elections. He formed a coalition with the center-left D66 and center-right CDA and CU parties in December after nearly nine months of negotiations and is the country's longest-serving prime minister. A European transportation hub, the Netherlands has the EU's fifth-largest economy, supported by exports of chemicals, refined petroleum, and electrical machinery and by a highly mechanized and profitable agricultural sector. Government emissions-reduction plans that would affect small farmers by reducing the numbers of livestock and limiting the use of certain fertilizers have led to disruptive protests.

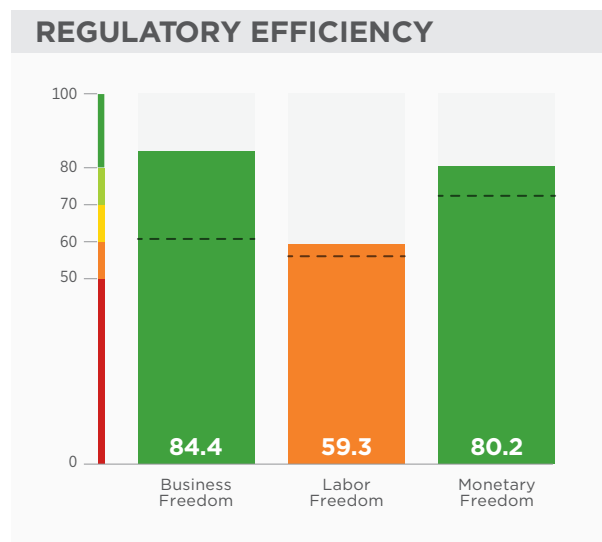
## 12 ECONOMIC FREEDOMS | NETHERLANDS



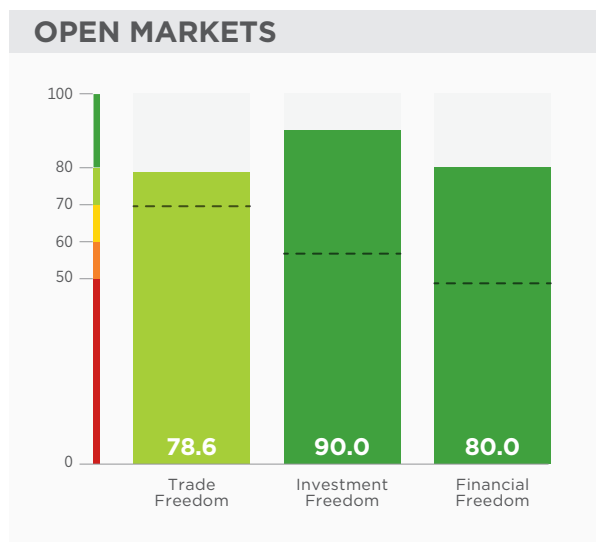
The overall rule of law is very well respected in the Netherlands. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 52 percent and 25 percent. The tax burden equals 39.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.5 percent and -1.5 percent of GDP. Public debt equals 52.3 percent of GDP.



Highly competitive logistics and stable political conditions enhance business freedom. The overall regulatory framework is transparent and competitive. Labor regulations are relatively rigid, and the non-salary cost of employing a worker is high. Monetary stability has been well maintained.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. There is no restrictive screening of foreign investment, and investment in most sectors is not restricted. Sensible banking regulations facilitate entrepreneurial growth.

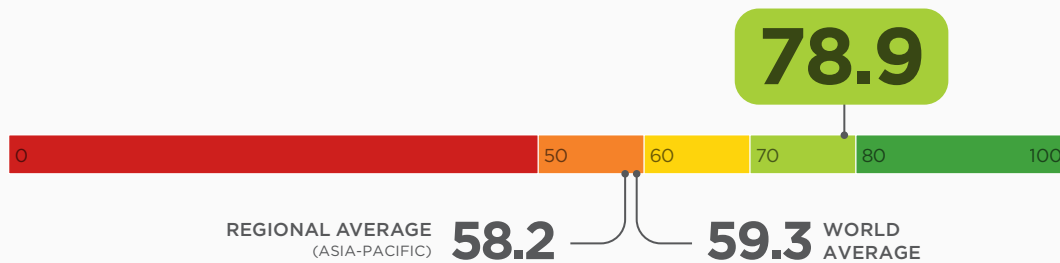


# NEW ZEALAND

New Zealand's economic freedom score is 78.9, making its economy drop to 5th place in the 2023 *Index*. Its score is nearly 2.0 points worse than last year. New Zealand is ranked 4th among 39 countries in the Asia-Pacific region, and its overall score is above the world average, but it is no longer a "free" economy in the *Index*.

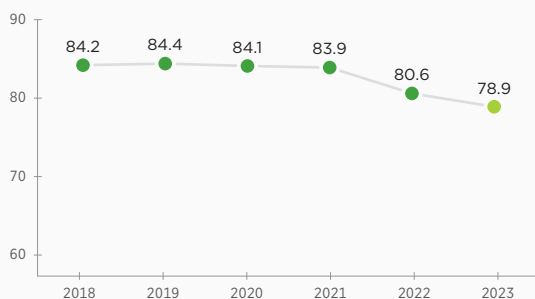
New Zealand's policy framework has generally demonstrated a high degree of economic resilience. The rule of law and openness to global trade and investment are firmly institutionalized. Foreign investors are attracted by New Zealand's transparent and stable investment climate.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +0.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.1 million

**GDP (PPP):**  
\$238.3 billion  
5.6% growth in 2021  
5-year compound  
annual growth 2.7%  
\$46,585 per capita

**UNEMPLOYMENT:**  
4.6%

**INFLATION (CPI):**  
3.9%

**FDI INFLOW:**  
\$3.5 billion

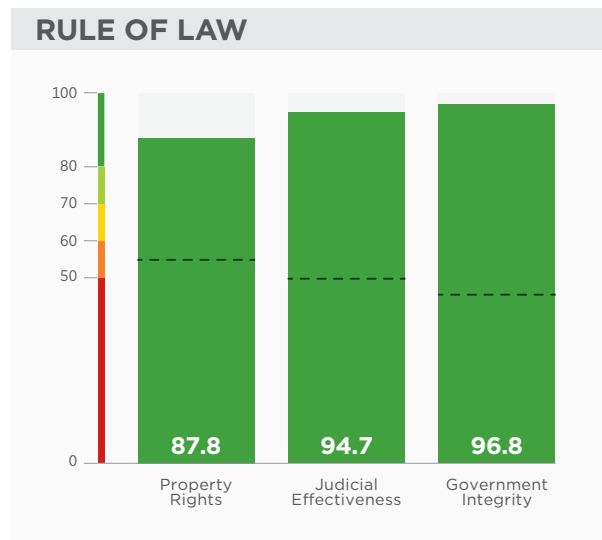
**PUBLIC DEBT:**  
50.8% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

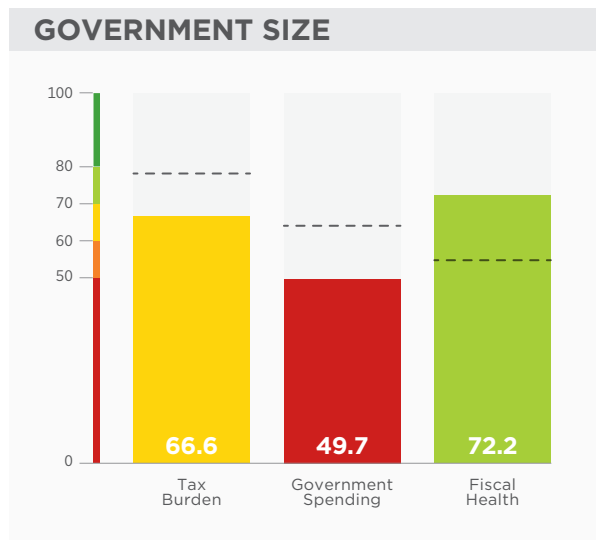
**BACKGROUND:** The former British colony of New Zealand is one of the Asia-Pacific region's most prosperous countries. In the 2017 general elections, no party succeeded in winning a parliamentary majority, and Prime Minister Jacinda Ardern's center-left Labor Party was able to return to power. Far-reaching deregulation and privatization since the 1980s have largely liberated the economy. Agriculture is important as are manufacturing, tourism, and a strong geothermal energy resource base. Ongoing trade tensions between the U.S. and China are of special concern to New Zealand, which relies heavily on China for export revenue.



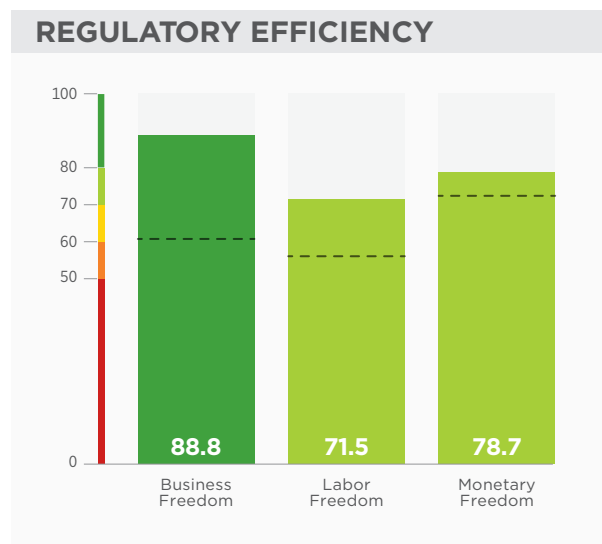
## 12 ECONOMIC FREEDOMS | NEW ZEALAND



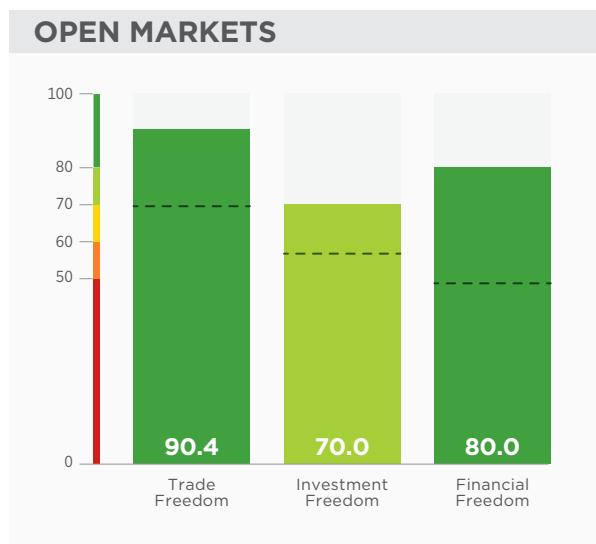
The overall rule of law is very well respected in New Zealand. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 39 percent and 28 percent. The tax burden equals 32.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.0 percent and -3.8 percent of GDP. Public debt equals 50.8 percent of GDP.



Traditionally high business freedom veered in the other direction during the COVID-19 pandemic as the government adopted a more top-down approach. Flexible labor regulations facilitate a dynamic labor market, increasing overall productivity. The most recent available inflation rate is 3.9 percent.



The trade-weighted average tariff rate is 2.3 percent, and more than 200 nontariff measures are in force. Openness to global trade and investment is firmly institutionalized. The financial sector is well developed and offers a wide range of services. Banking is well established and competitive.

# NICARAGUA

WORLD RANK:

121

REGIONAL RANK:

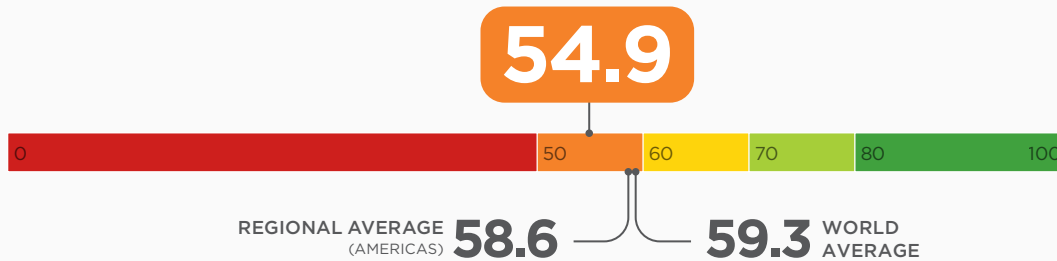
25

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

Nicaragua's economic freedom score is 54.9, making its economy the 121st freest in the 2023 *Index*. Its score is virtually unchanged from last year. Nicaragua is ranked 25th out of 32 countries in the Americas region, and its overall score is below the world and regional averages.

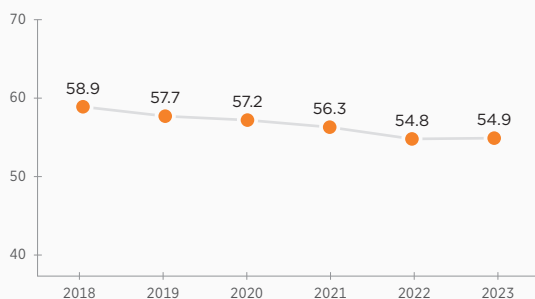
Efforts to improve macroeconomic stability and economic growth have been modest. Inefficiency and uncertainty in such other key areas as the regulatory and investment frameworks have held back dynamic growth. Institutional weaknesses continue to constrain overall economic development. The judicial system lacks the capacity to defend property rights effectively.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +12.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.7 million

**GDP (PPP):**  
\$42.4 billion  
10.3% growth in 2021  
5-year compound  
annual growth 1.2%  
\$6,477 per capita

**UNEMPLOYMENT:**  
5.2%

**INFLATION (CPI):**  
4.9%

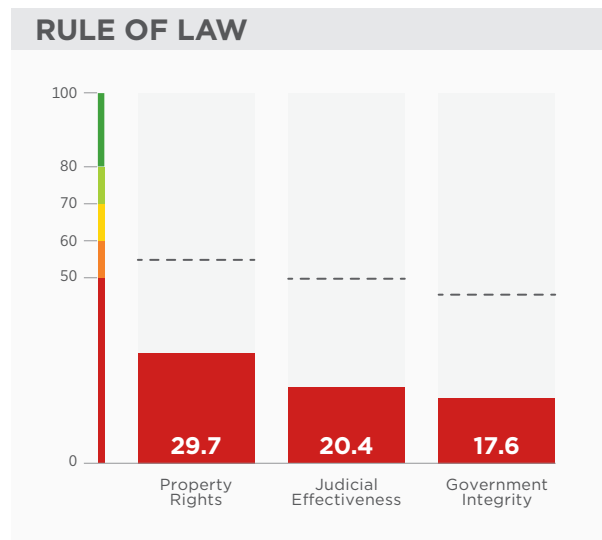
**FDI INFLOW:**  
\$1.2 billion

**PUBLIC DEBT:**  
49.4% of GDP

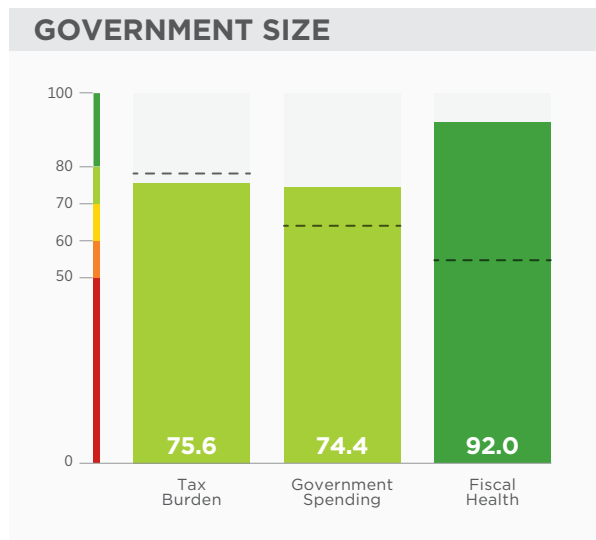
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Sandinista National Liberation Front (FSLN) leader Daniel Ortega overthrew the authoritarian Somoza regime in the late 1970s and headed an FSLN-led junta until losing a free election in 1990. He was elected president again in 2006, and he and his wife, Vice President Rosario Murillo, have tightened their grip on power. Since 2021, the government has arrested seven potential presidential contenders and hardened its repression of civil society. Nicaragua withdrew its recognition of Taiwan and has embraced a growing Russian presence that includes Russian troops. Although sanctions against its military have expanded, Nicaragua still has access to multilateral institution financing.

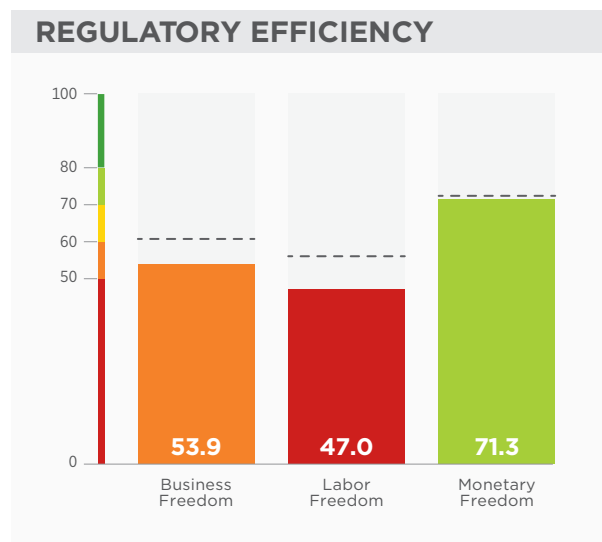
## 12 ECONOMIC FREEDOMS | NICARAGUA



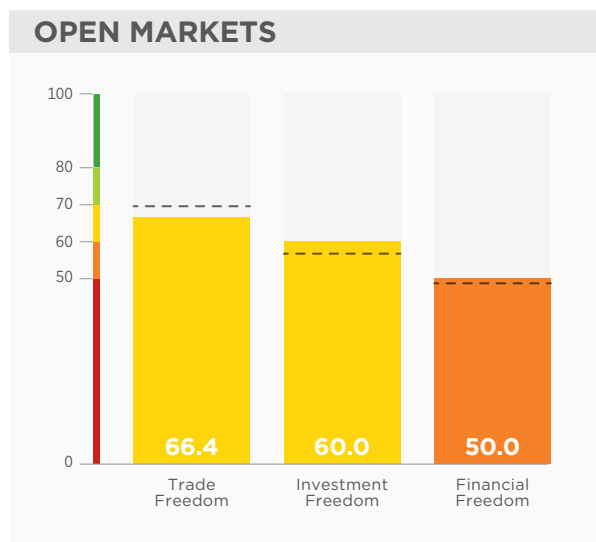
The overall rule of law is weak in Nicaragua. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 25.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.2 percent and -1.4 percent of GDP. Public debt equals 49.4 percent of GDP.



The regulatory system lacks transparency and clarity, and regulations are not always enforced consistently. The labor market remains rigid, and the lack of employment opportunities has caused chronic underemployment. The most recent available inflation rate is 4.9 percent.



The trade-weighted average tariff rate is 6.8 percent, and layers of nontariff measures are in force. The judicial and regulatory systems favor state-owned enterprises and undermine foreign investment inflows. The low level of financial intermediation continues to discourage private-sector growth.

# NIGER

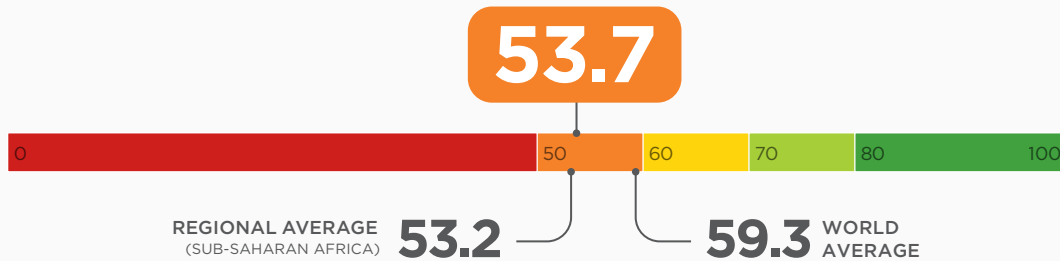
WORLD RANK: **126** REGIONAL RANK: **23**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Niger's economic freedom score is 53.7, making its economy the 126th freest in the 2023 *Index*. Its score is 1.2 points lower than last year. Niger is ranked 23rd out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average but above the regional average.

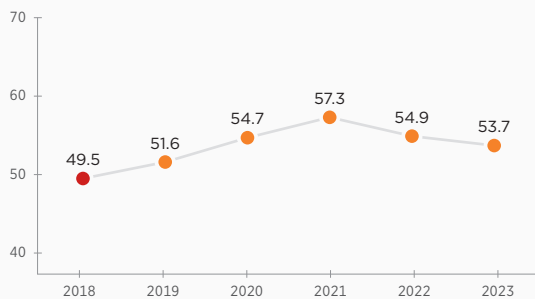
Progress toward greater economic freedom has been uneven and sluggish. Institutional weaknesses continue to discourage macroeconomic stability and poverty reduction. In particular, the rule of law, a key foundation of economic freedom, remains fragile because of corruption and an inept judicial system that is subject to political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
25.1 million

**GDP (PPP):**  
\$32.9 billion  
1.3% growth in 2021  
5-year compound  
annual growth 4.6%  
\$1,310 per capita

**UNEMPLOYMENT:**  
7.8%

**INFLATION (CPI):**  
3.8%

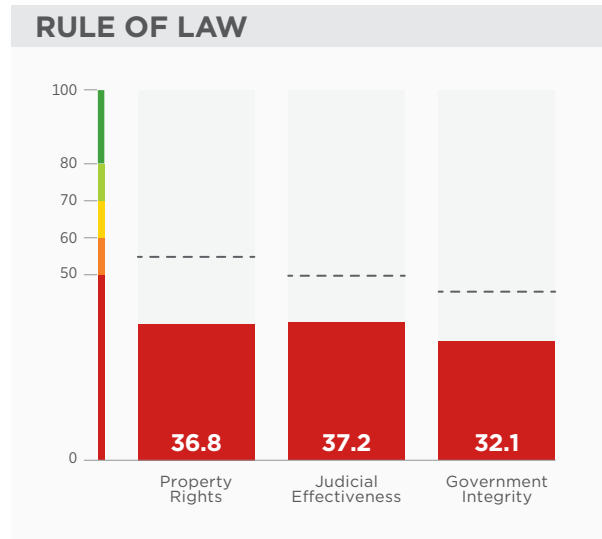
**FDI INFLOW:**  
\$754.6 million

**PUBLIC DEBT:**  
51.2% of GDP

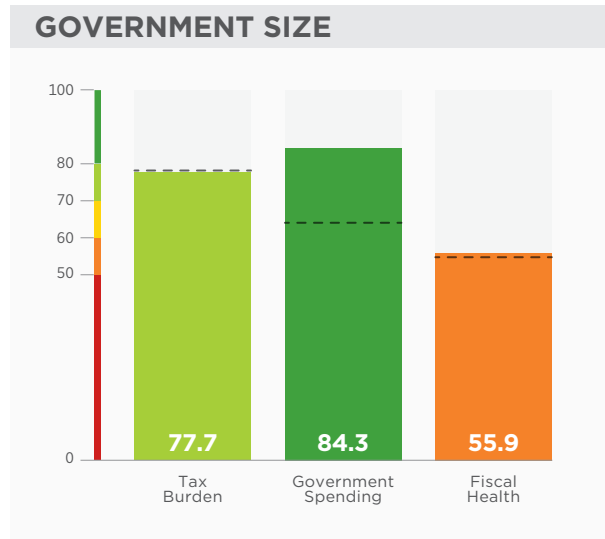
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** After independence from France in 1960, a single-party military regime ruled Niger until elections led to democratic government in 1993. Mohamed Bazoum won a five-year term as president in a disputed 2021 election. Together, his Nigerien Party for Democracy and Socialism (PNDS) and the Movement for the Rebirth of Niger constitute a parliamentary majority. Challenges include a restive Tuareg population in the North, spillover violence from conflicts in Libya and Mali, and terrorist groups linked to al-Qaeda and the Islamic State. Niger has some of the world's largest uranium deposits, but its economy is centered on subsistence crops and livestock.

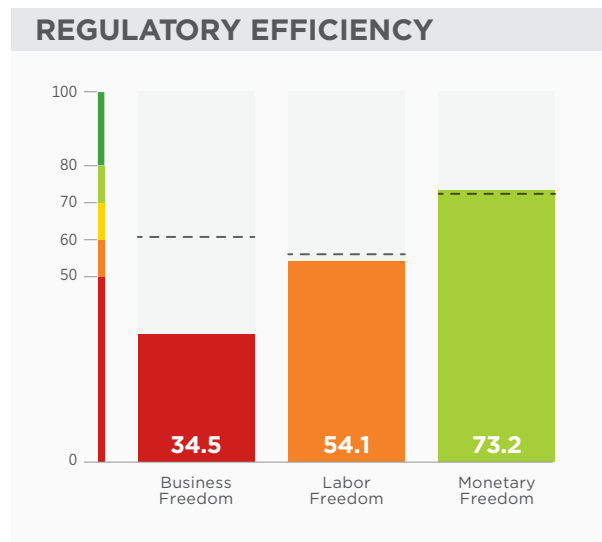
## 12 ECONOMIC FREEDOMS | NIGER



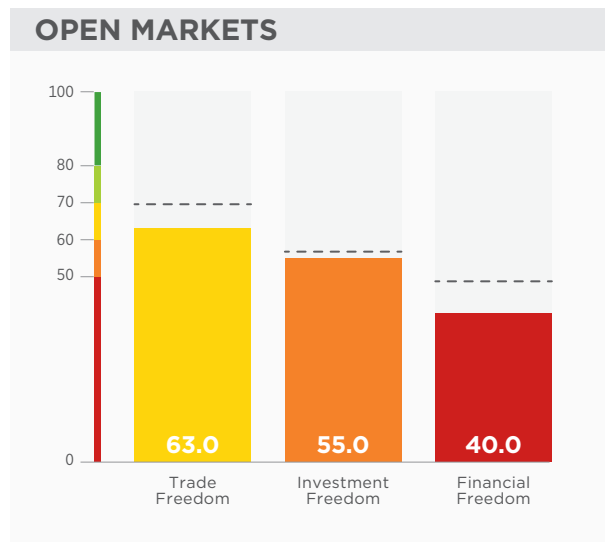
The overall rule of law is weak in Niger. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 30 percent. The tax burden equals 10.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 22.9 percent and -4.9 percent of GDP. Public debt equals 51.2 percent of GDP.



The inadequate regulatory framework hampers private-sector development. Onerous and inconsistent regulations impose substantial costs on business operations. With the labor market poorly developed, much of the labor force works in the informal sector. The most recent available inflation rate is 3.8 percent.



The trade-weighted average tariff rate is 11.0 percent. The inefficient regulatory and legal environment constrains trade and investment. The underdeveloped, weak, and fragmented financial system reflects the small size of the formal economy. Financial inclusion is low.

# NIGERIA

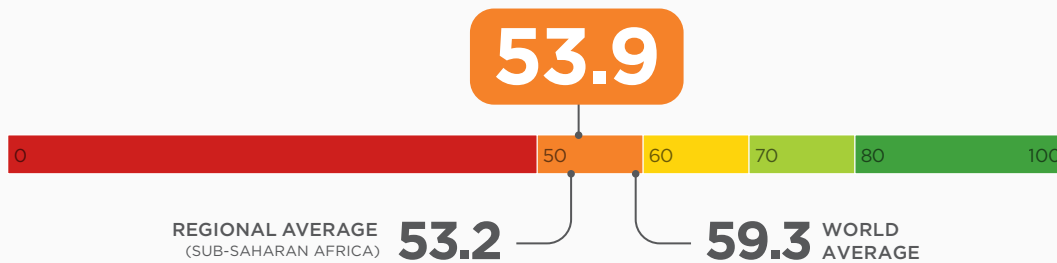
WORLD RANK: **124** REGIONAL RANK: **22**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Nigeria's economic freedom score is 53.9, making its economy the 124th freest in the 2023 *Index*. Its score is 0.5 point lower than last year. Nigeria is ranked 22nd out of 46 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

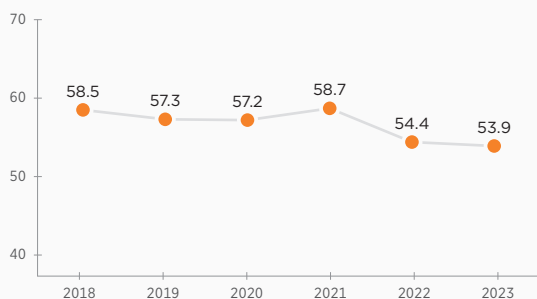
The structural changes that are needed to develop a more vibrant private sector or achieve more broad-based growth have not emerged. Oil continues to dominate the economy, and institutional problems negatively affect other economic activity. The judicial system is susceptible to political interference, corruption is prevalent, and the rule of law is weak.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +6.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
211.4 million

**GDP (PPP):**  
\$1.2 trillion  
3.6% growth in 2021  
5-year compound annual growth 1.4%  
\$5,459 per capita

**UNEMPLOYMENT:**  
8.5%

**INFLATION (CPI):**  
17.0%

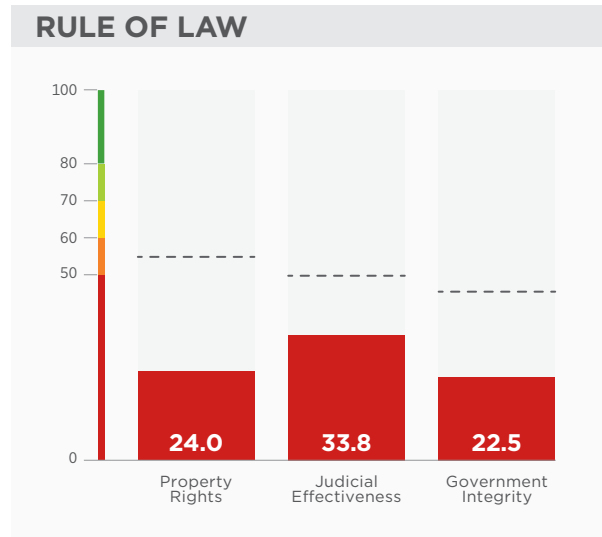
**FDI INFLOW:**  
\$4.8 billion

**PUBLIC DEBT:**  
36.6% of GDP

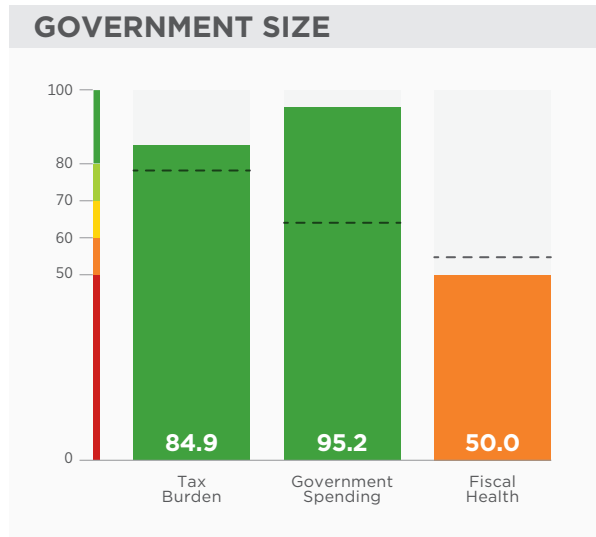
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Nigeria is Africa's most populous country. President Muhammadu Buhari won reelection in 2019 despite long absences and rumored ill health. The Islamist terrorist group Boko Haram has been expelled from many of its strongholds in northeast Nigeria, but attacks by the increasingly powerful Islamic State West Africa Province continue. There also have been lethal outbreaks of violence in the Middle Belt, Niger Delta, and northwestern regions. The petroleum-based economy's fortunes depend on the fluctuating price of oil. Agriculture, telecommunications, and services contribute to modest economic growth, but more than 60 percent of Nigeria's 170 million people still live in extreme poverty.

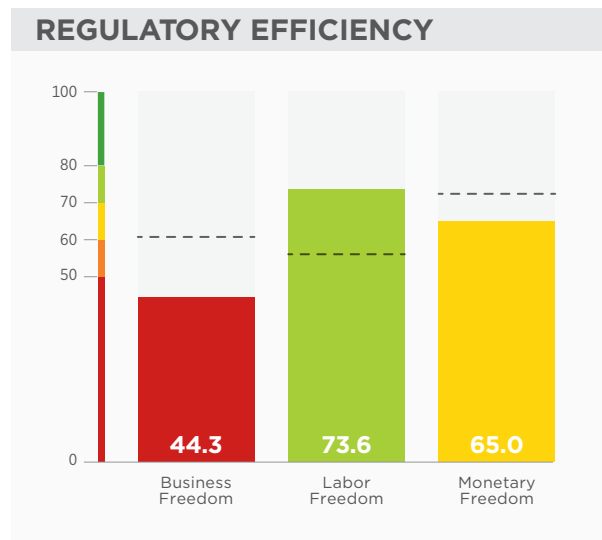
## 12 ECONOMIC FREEDOMS | NIGERIA



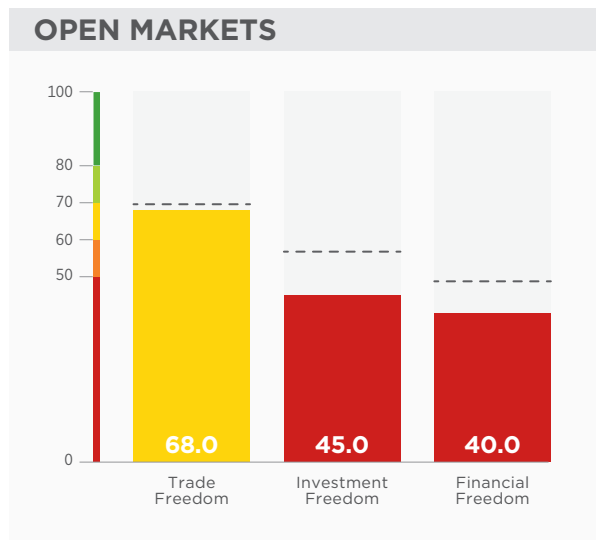
The overall rule of law is weak in Nigeria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



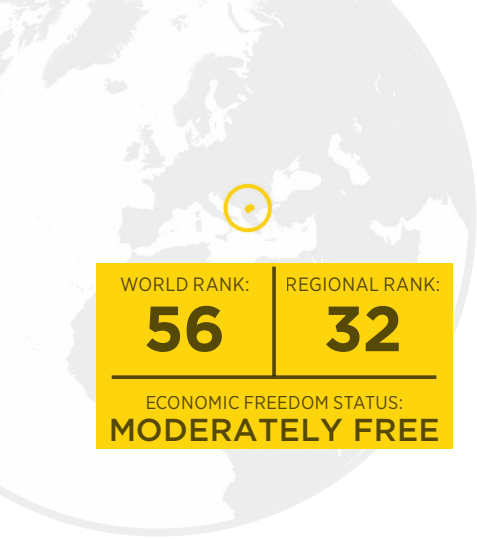
The top individual and corporate tax rates are, respectively, 24 percent and 30 percent. The tax burden equals 6.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.6 percent and -5.4 percent of GDP. Public debt equals 36.6 percent of GDP.



The business environment has improved only marginally. The entrepreneurial environment remains burdened by time-consuming and costly regulatory procedures. Much of the formal labor force is employed in the public or energy sectors. The most recent available inflation rate is 17.0 percent.



The trade-weighted average tariff rate is 8.5 percent. Persistent bureaucratic delays continue to serve as barriers to trade and investment. The financial sector is dominated by banking and growing unevenly across the country. Nonperforming loans remain a problem.



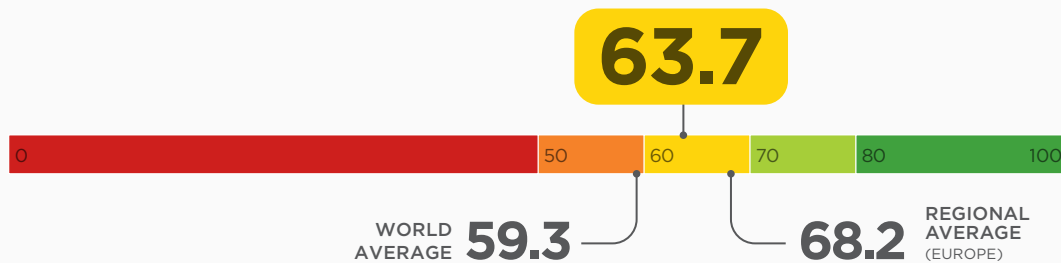
WORLD RANK: <b>56</b>	REGIONAL RANK: <b>32</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# NORTH MACEDONIA

North Macedonia's economic freedom score is 63.7, making its economy the 56th freest in the 2023 *Index*. Its overall score has decreased 2.0 points from last year. North Macedonia is ranked 32nd out of 44 countries in the Europe region, and its overall score is above the world average.

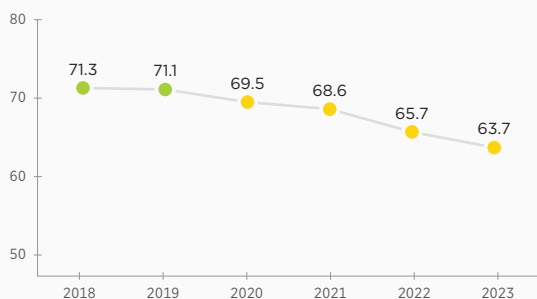
Relative openness to global trade and investment has encouraged private-sector dynamism. Despite some progress, the development of a more vibrant private sector continues to be constrained. Corruption remains an ongoing concern. The inefficient legal framework does not provide effective protection of property rights and undermines economic efficiency.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2002): +5.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
2.1 million

**GDP (PPP):**  
\$37.2 billion  
4.0% growth in 2021  
5-year compound annual growth 1.1%  
\$17,986 per capita

**UNEMPLOYMENT:**  
16.6%

**INFLATION (CPI):**  
3.2%

**FDI INFLOW:**  
\$605.6 million

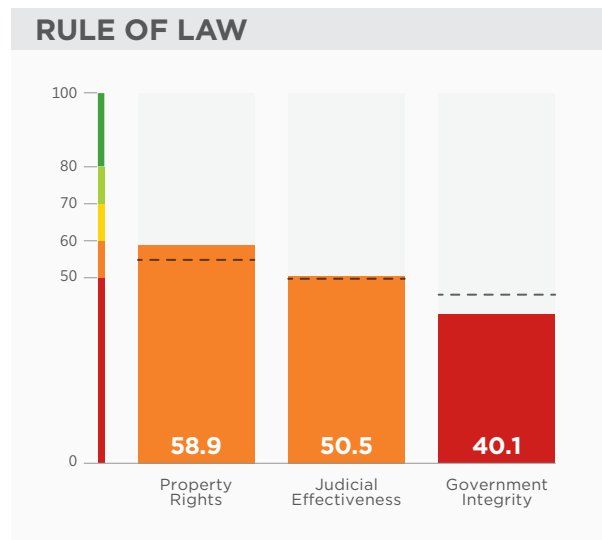
**PUBLIC DEBT:**  
53.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

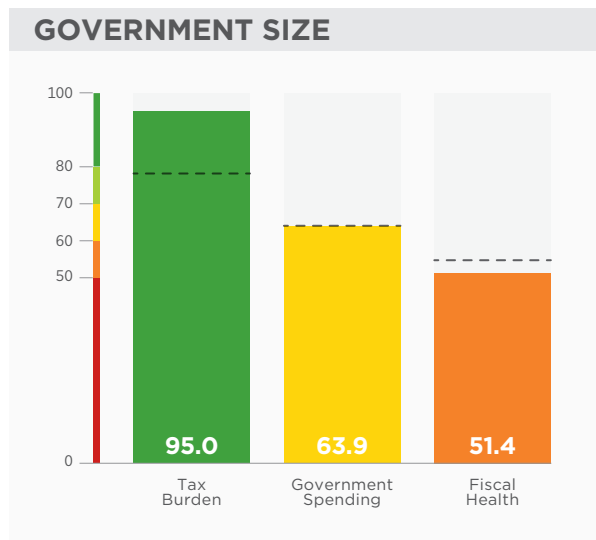
**BACKGROUND:** The newly named Republic of North Macedonia gained independence from the former Yugoslavia in 1991 and joined NATO in 2020. Prime Minister Zoran Zaev of the center-left Social Democratic Union (SDSM) resigned in December 2021 after his party performed poorly in municipal elections. The SDSM's Dimitar Kovačevski formed a multiparty coalition government in January 2022. In July, accession talks with the European Union began after Bulgaria agreed to lift its veto in exchange for North Macedonian constitutional amendments. An equally contested 2019 name-change agreement with Greece had unlocked NATO membership. The EU is North Macedonia's principal trade and investment partner.



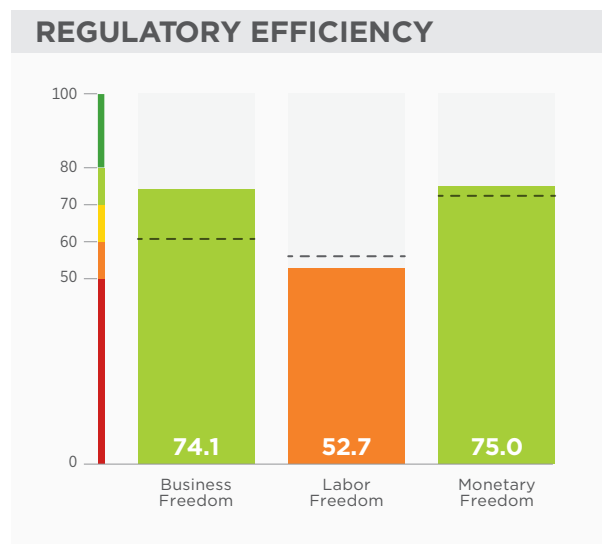
## 12 ECONOMIC FREEDOMS | NORTH MACEDONIA



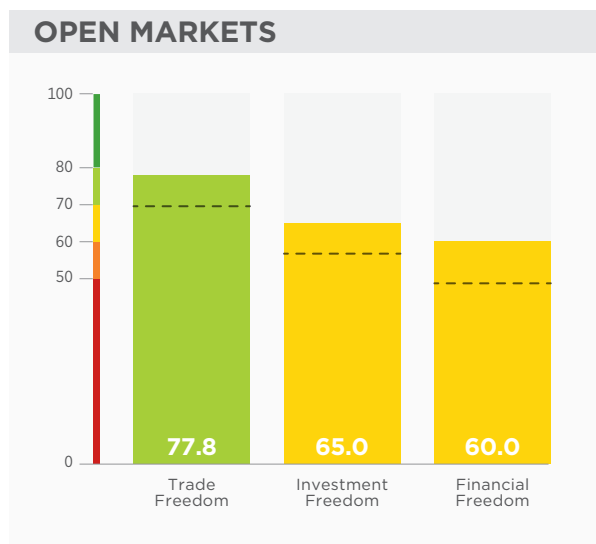
The overall rule of law is weak in North Macedonia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 17.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.7 percent and -5.2 percent of GDP. Public debt amounts to 53.2 percent of GDP.



Business regulations are relatively efficient. Streamlined processes for business formation and operation provide an environment that is fairly conducive to dynamic private-sector growth. Progress in reforming the labor market has been limited. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate is 6.1 percent, and nontariff barriers add to the cost of trade. A streamlined regulatory framework facilitates investment, but political instability undercuts more vibrant investment inflows. The financial system continues to evolve, and the banking sector is relatively stable.



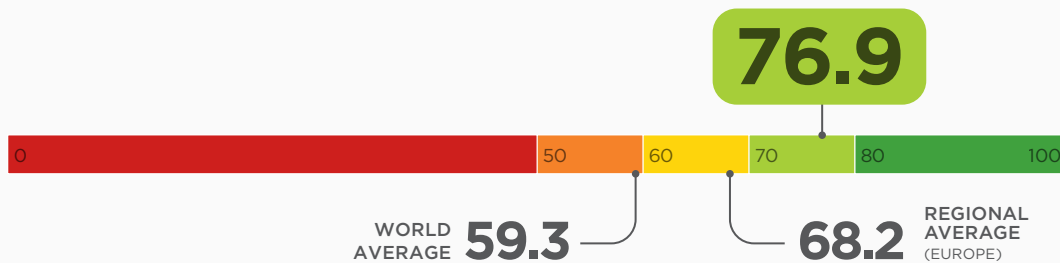
WORLD RANK: <b>12</b>	REGIONAL RANK: <b>9</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# NORWAY

Norway's economic freedom score is 76.9, making its economy the 12th freest in the 2023 *Index*. Its score is unchanged from last year. Norway is ranked 9th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

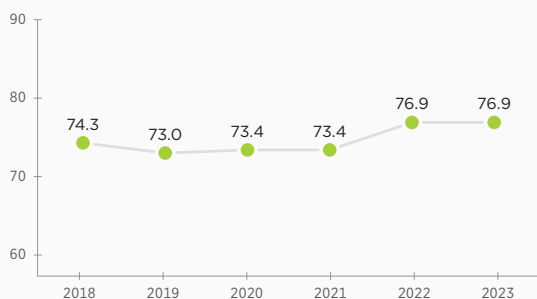
The diversified and modern Norwegian economy benefits from high levels of flexibility and institutional strengths that include strong protection of property rights and an efficient legal framework. Together with openness to global commerce, prudent and transparent regulations sustain economic dynamism and a commercial environment that is both innovative and resilient.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +11.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.4 million

**GDP (PPP):**  
\$383.5 billion  
3.9% growth in 2021  
5-year compound annual growth 1.5%  
\$70,825 per capita

**UNEMPLOYMENT:**  
4.4%

**INFLATION (CPI):**  
3.5%

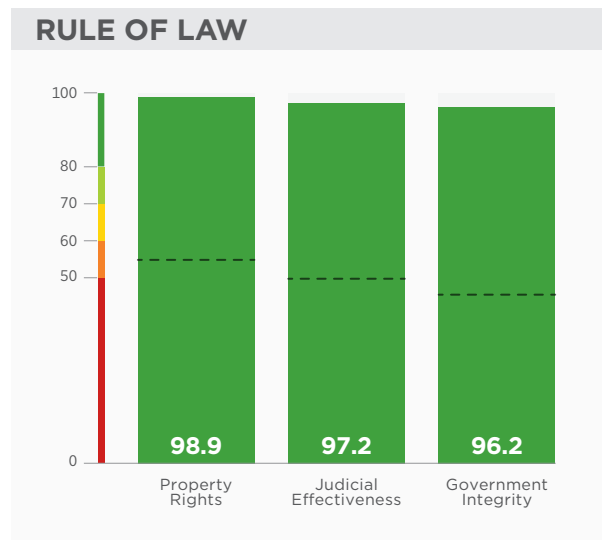
**FDI INFLOW:**  
-\$1,628.1 million

**PUBLIC DEBT:**  
43.4% of GDP

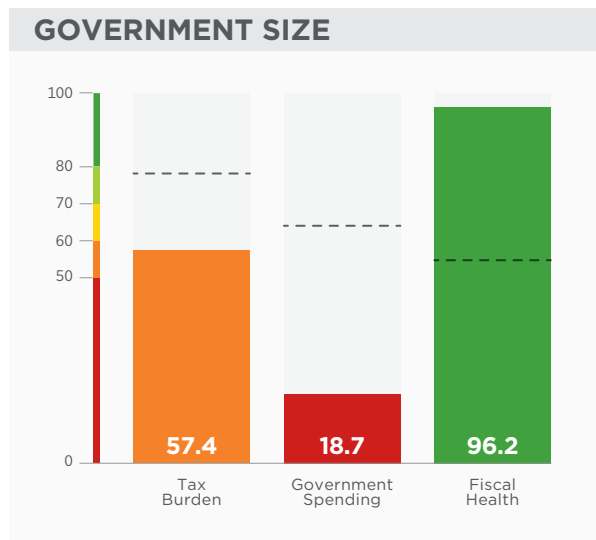
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Norway abandoned its traditional neutrality and became a charter member of NATO in 1949. It also joined the European Free Trade Association. A minority center-left coalition of Prime Minister Jonas Gahr Stoere's Labor Party and the agrarian Center Party took office in October 2021. Norway is one of the world's most prosperous countries, and the production of oil and gas accounts for 20 percent of its economy. Other important sectors include hydropower, fish, forests, and minerals. Revenues from petroleum are deposited in the world's largest sovereign wealth fund. Unemployment is typically low, but the aging of the population presents challenges.

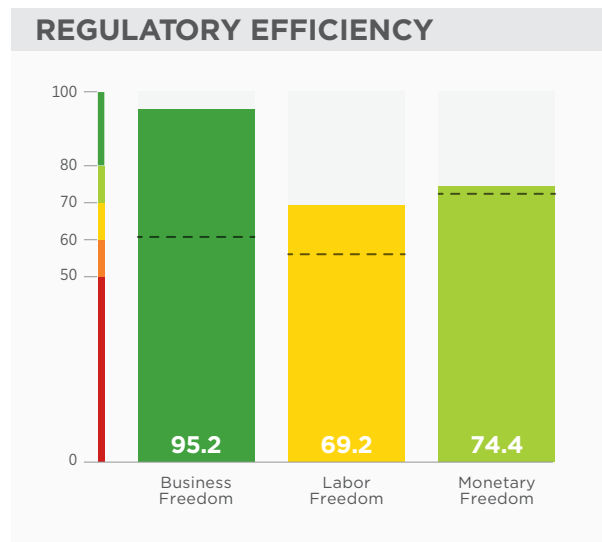
## 12 ECONOMIC FREEDOMS | NORWAY



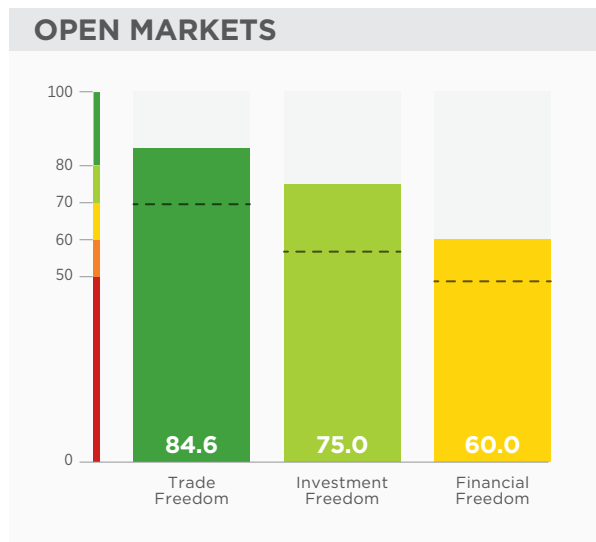
The overall rule of law is very well respected in Norway. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



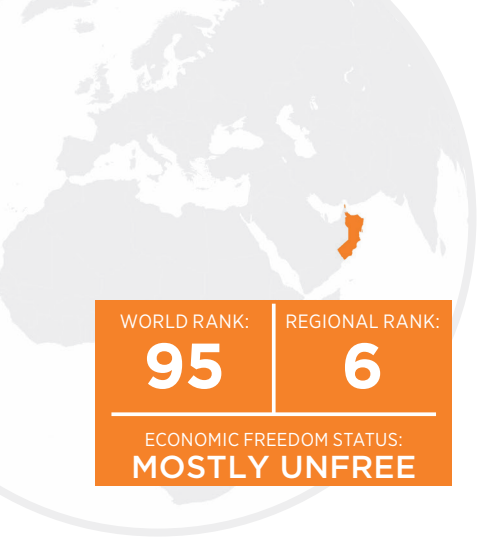
The top individual and corporate tax rates are, respectively, 47.8 percent and 22 percent. The tax burden equals 38.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 52.0 percent and 4.3 percent of GDP. Public debt equals 43.4 percent of GDP.



Business registration and related processes are straightforward and transparent. The supply of labor skills and the demand for them are well matched. The labor market lacks flexibility, but the non-salary cost of employment is not high. The most recent available inflation rate is 3.5 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The economy benefits from openness to foreign investment. The financial sector is competitive and open. The state still owns the largest financial institution.



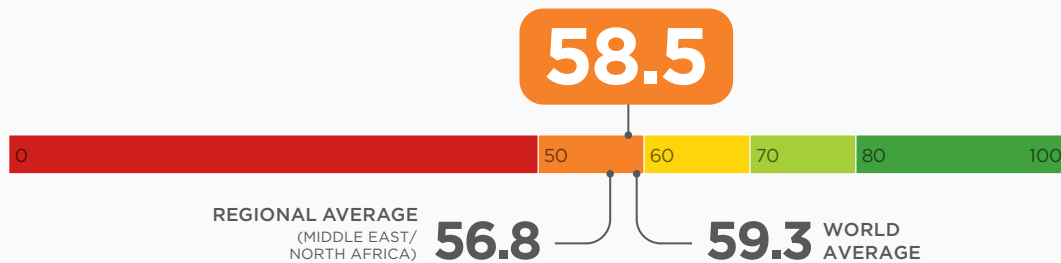
WORLD RANK: <b>95</b>	REGIONAL RANK: <b>6</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# OMAN

Oman's economic freedom score is 58.5, making its economy the 95th freest in the 2023 *Index*. Its score is 1.9 points higher than last year. Oman is ranked 6th out of 14 countries in the Middle East/North Africa region, and its overall score is above the regional average.

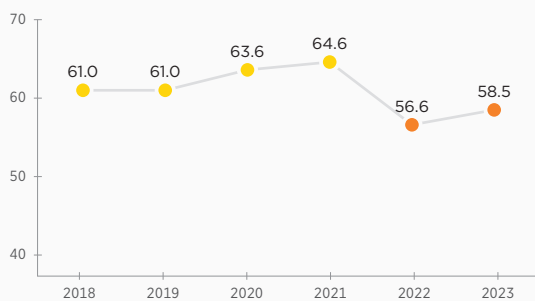
Oman's economy is being modernized. Although the rule of law has been relatively well maintained, the judiciary remains vulnerable to political interference. Overall economic freedom remains constrained by state involvement in the private sector. Recognizing the importance of a dynamic entrepreneurial environment, the government is trying to diversify the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -11.7

## RECENT FREEDOM TREND



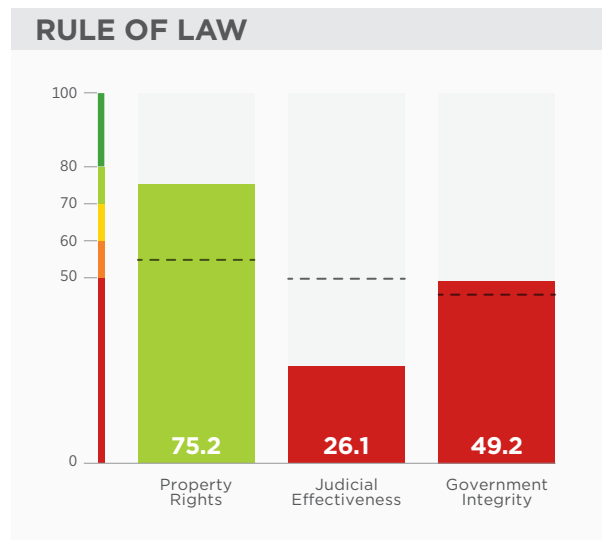
## QUICK FACTS

<b>POPULATION:</b> 5.2 million	<b>UNEMPLOYMENT:</b> 2.9%
<b>GDP (PPP):</b> \$147.9 billion 2.0% growth in 2021 5-year compound annual growth -0.1% \$32,347 per capita	<b>INFLATION (CPI):</b> 1.5%
	<b>FDI INFLOW:</b> \$3.6 billion
	<b>PUBLIC DEBT:</b> 62.9% of GDP

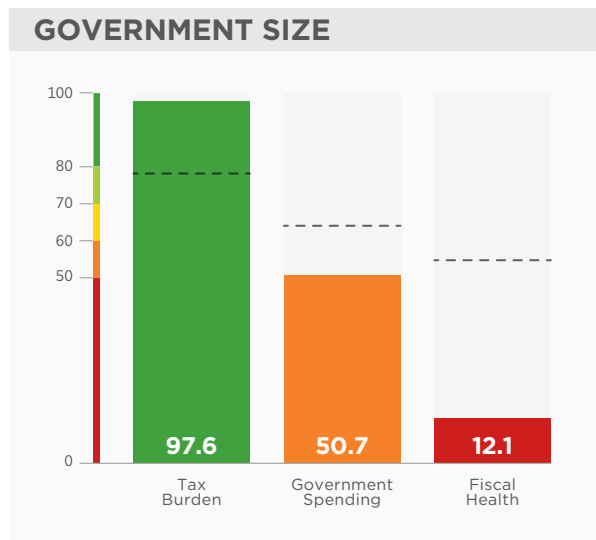
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Oman is one of the least populous Arab countries. During the 2011 Arab Spring protests, Sultan Qaboos bin Said Al-Said changed cabinet ministers and expanded government regulatory and legislative powers. After his death in 2020, he was replaced by his cousin, Haitham bin Tariq al-Said. In 2021, Dhi Yazam bin Haitham, the current sultan's son, was named Oman's first crown prince. Oman joined the World Trade Organization in 2000 and is heavily dependent on its dwindling oil resources, which generate about four-fifths of government revenue. Tourism, shipping, mining, manufacturing, and gas-based industries are key components of the government's diversification strategy.

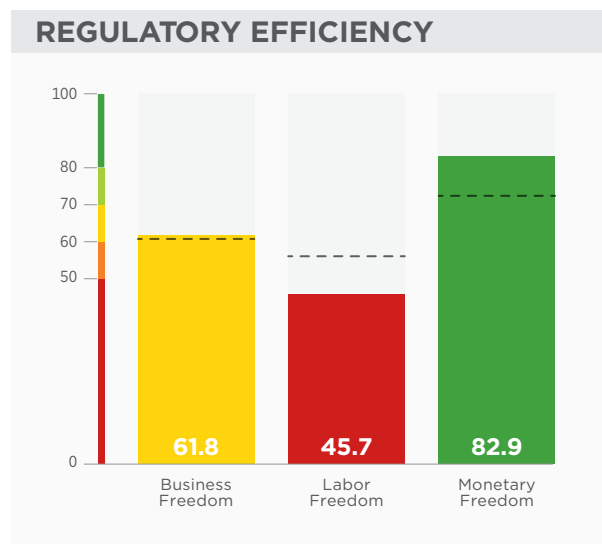
## 12 ECONOMIC FREEDOMS | OMAN



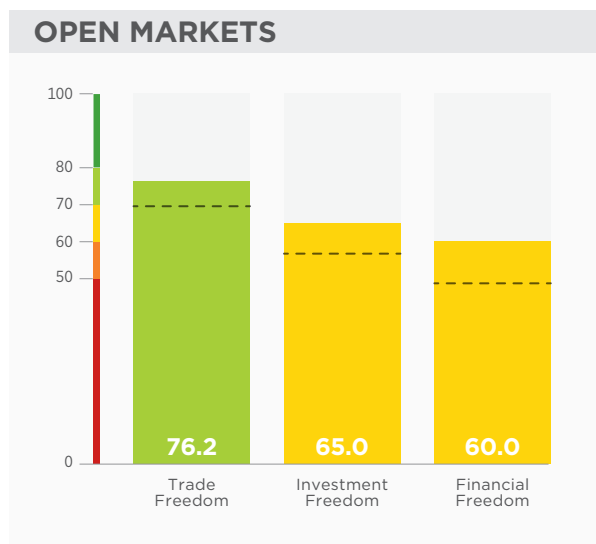
The overall rule of law is relatively well respected in Oman. The country’s property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 0 percent and 15 percent. The tax burden equals 3.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.5 percent and -8.1 percent of GDP. Public debt equals 62.9 percent of GDP.



Oman’s regulatory environment is still evolving. The labor laws enforce the “Omanization” policy that requires private-sector firms to meet quotas for hiring native Omani workers. The state influences prices through an extensive subsidy system. The most recent available inflation rate is 1.5 percent.



The trade-weighted average tariff rate is 4.4 percent. Efforts to increase transparency and streamline the investment framework are ongoing. Most credit is offered at market rates, but the government uses subsidized loans to promote investment. The Muscat Securities Market is open to foreign investors.

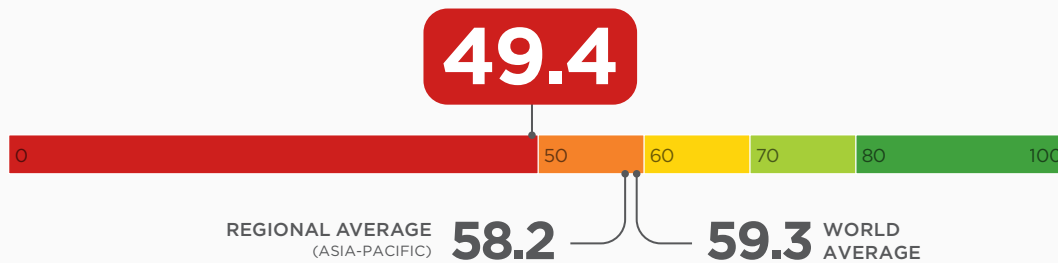


# PAKISTAN

**P**akistan's economic freedom score is 49.4, making its economy the 152nd freest in the 2023 *Index*. Its score is 0.6 point higher than last year. Pakistan is ranked 33rd out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

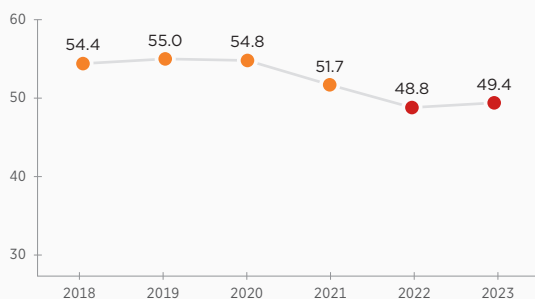
The government has demonstrated little commitment to much-needed economic reform. Efforts in key areas have been marginal at best. Measures to strengthen the management of public finance and reform outmoded economic structures have met institutional resistance. Property rights are undercut by a judiciary that is susceptible to political interference and corruption.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -8.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
225.2 million

**GDP (PPP):**  
\$1.3 trillion  
5.6% growth in 2021  
5-year compound  
annual growth 3.7%  
\$5,973 per capita

**UNEMPLOYMENT:**  
4.8%

**INFLATION (CPI):**  
8.9%

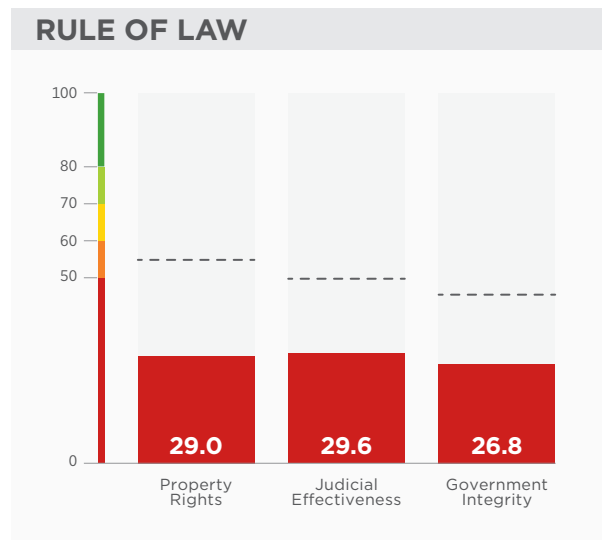
**FDI INFLOW:**  
\$2.1 billion

**PUBLIC DEBT:**  
74.9% of GDP

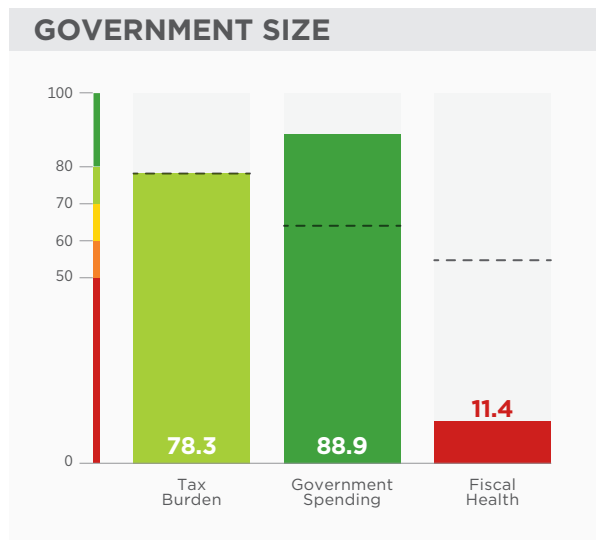
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Civilian authorities are subservient to the military, and Islamist extremist groups are sanctioned by the state. Shehbaz Sharif became prime minister in 2022. Tensions between India and Pakistan over the disputed territory of Kashmir persist, and domestic terrorism has surged since the Taliban regained power in Afghanistan. Political and social instability hinder economic development, and Pakistan is heavily indebted to foreign lenders, including China. In 2022, devastating floods caused over \$10 billion in damage and affected more than 30 million Pakistanis. Textiles and apparel account for most export earnings, but much of the economy is informal, and underemployment is high.

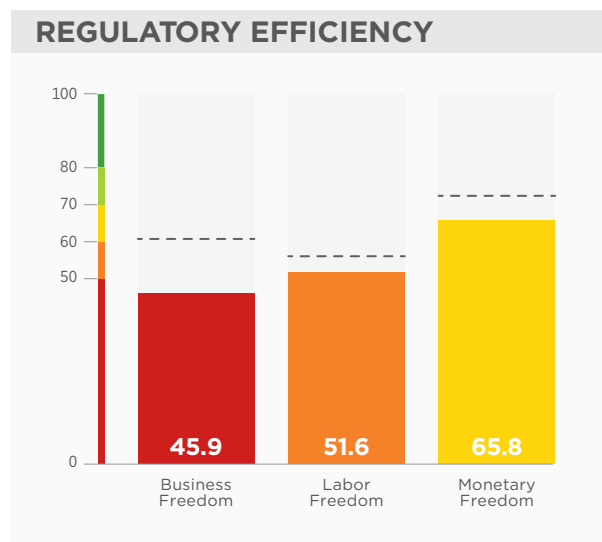
## 12 ECONOMIC FREEDOMS | PAKISTAN



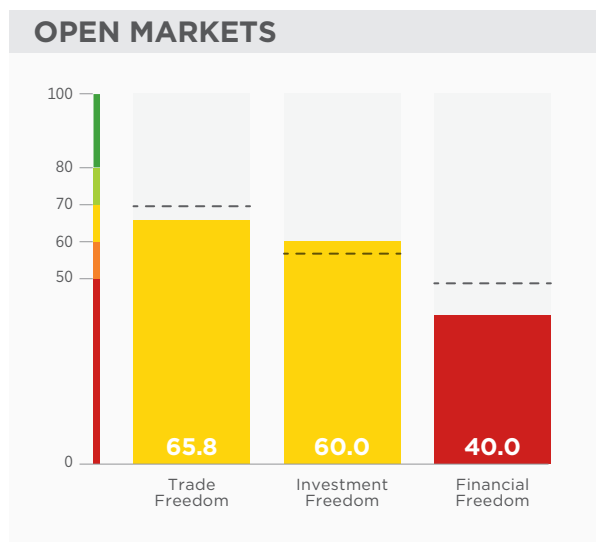
The overall rule of law is weak in Pakistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 29 percent. The tax burden equals 10.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.3 percent and -7.0 percent of GDP. Public debt equals 74.9 percent of GDP.



Little progress has been made in improving either the overall entrepreneurial environment or private-sector dynamism. The labor market remains stagnant. Much of the workforce is underemployed in the informal sector. Inflation has been quite high, disrupting monetary stability.



The trade-weighted average tariff rate is 9.6 percent. State involvement in the economy and restrictions on foreign investment are serious drags on economic dynamism. The financial sector remains underdeveloped, and foreign participation is limited. Financial inclusion is low.

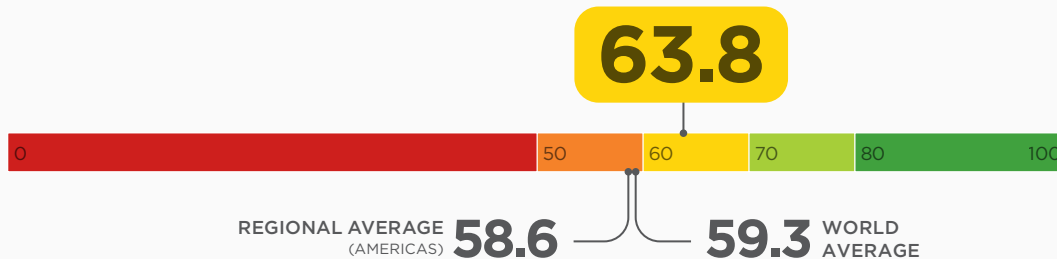
# PANAMA



**P**anama's economic freedom score is 63.8, making its economy the 55th freest in the 2023 *Index*. Its score is 1.6 points lower than last year. Panama is ranked 9th out of 29 countries in the South and Central America/Caribbean region, and its overall score is above the world and regional averages.

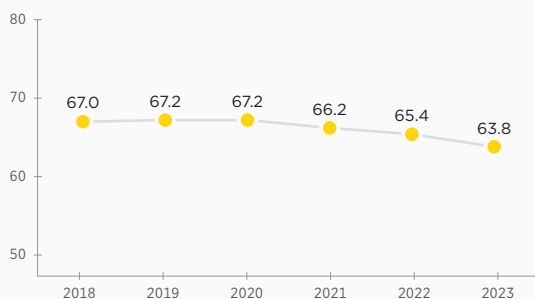
With liberal trade and investment frameworks, Panama's service-oriented economy continues to be an international business hub for such activities as maritime transport, distribution services, and banking. Despite progress, overall economic freedom remains restrained by institutional shortcomings that undermine long-term economic expansion. The judicial system remains vulnerable to political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -7.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
4.4 million

**GDP (PPP):**  
\$138.8 billion  
15.3% growth in 2021  
5-year compound  
annual growth 1.9%  
\$32,003 per capita

**UNEMPLOYMENT:**  
10.3%

**INFLATION (CPI):**  
1.6%

**FDI INFLOW:**  
\$1.8 billion

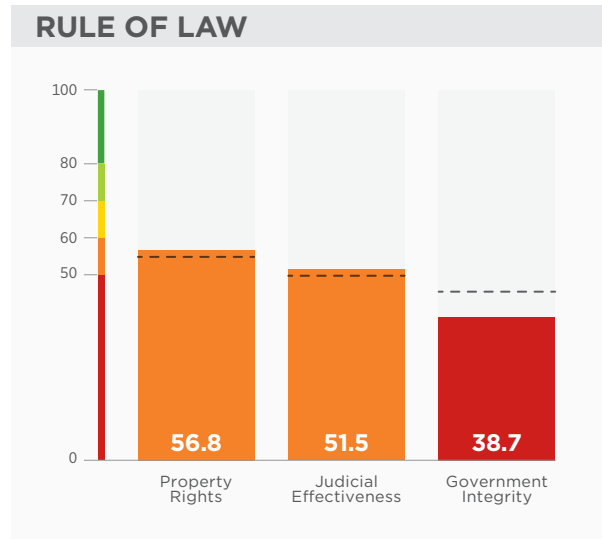
**PUBLIC DEBT:**  
58.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

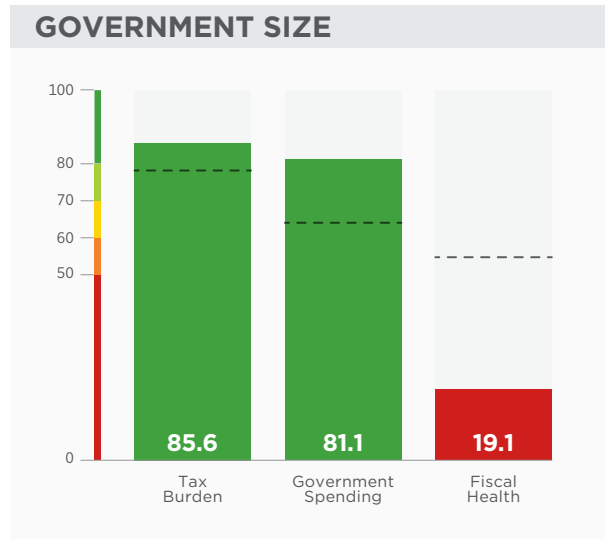
**BACKGROUND:** The Panama Canal has been vital to global commerce ever since it opened in 1914. In 2022, President Laurentino “Nito” Cortizo of the Revolutionary Democratic Party faced record-size protests against rising food prices and corruption. Cortizo has signaled that he might restart negotiations for a free-trade agreement with China, and Beijing’s influence is increasing. Although growth has slowed, the canal’s 2016 expansion, additional public infrastructure projects, and rising copper exports have stimulated Panama’s dollar-based economy. Services account for more than 75 percent of GDP. Panama is an illicit financing and narco-trafficking hub, and international regulators have increased their oversight.



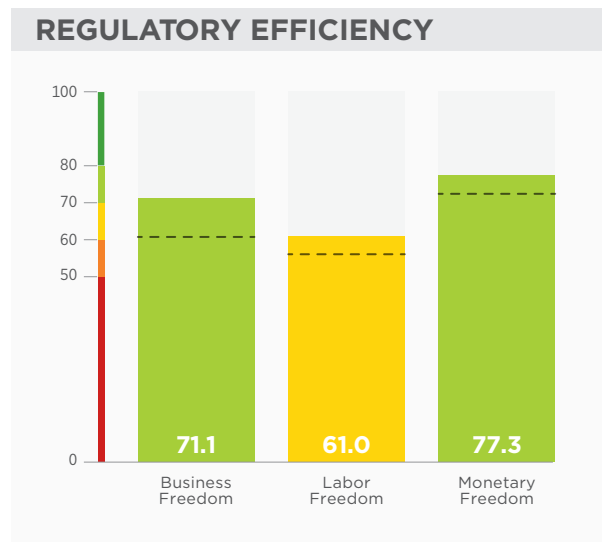
## 12 ECONOMIC FREEDOMS | PANAMA



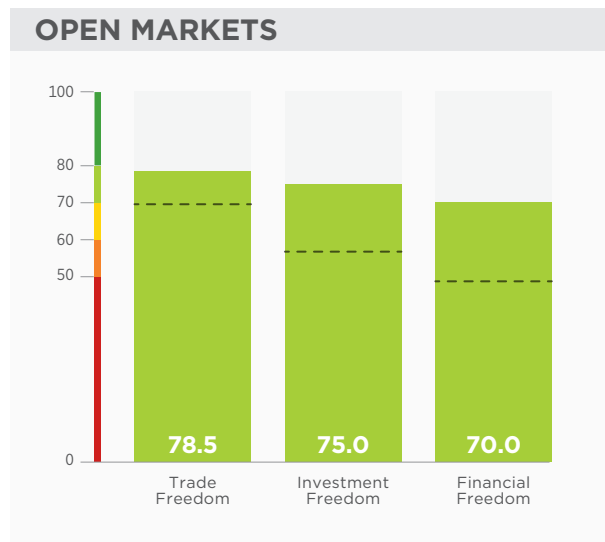
The overall rule of law is weak in Panama. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 25 percent. The tax burden equals 13.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.1 percent and -6.8 percent of GDP. Public debt equals 58.4 percent of GDP.



The overall regulatory environment is efficient, but the pace of reform has slowed. The labor market lacks flexibility. Restrictions on work hours are rigid, and the non-salary cost of hiring a worker is relatively high. Monetary stability has been fairly well maintained.



The trade-weighted average tariff rate is 5.8 percent, and layers of nontariff measures are in force. In general, the government does not screen or discriminate against foreign investment. The financial sector provides a wide range of services. Efforts to strengthen laws against money laundering continue.



# PAPUA NEW GUINEA

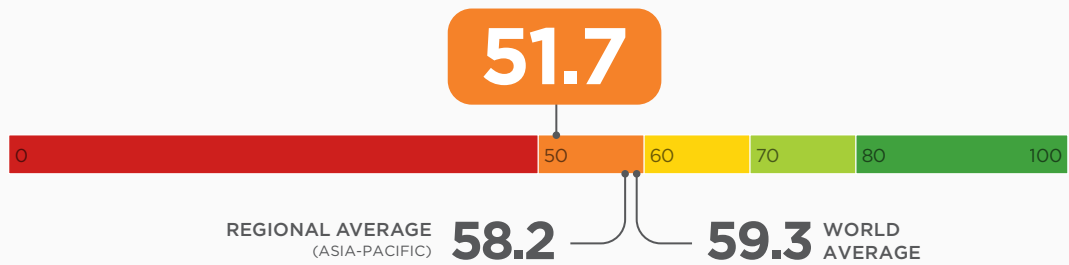
WORLD RANK: **140** REGIONAL RANK: **29**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

**P**apua New Guinea’s economic freedom score is 51.7, making its economy the 140th freest in the 2023 *Index*. Its score is 2.9 points lower than last year. Papua New Guinea is ranked 29th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

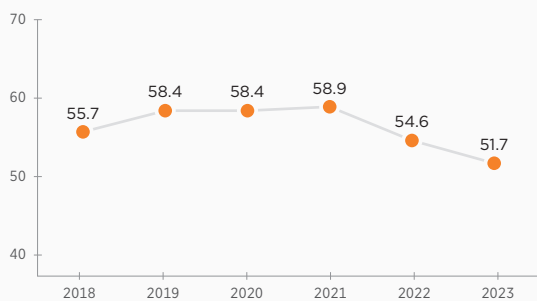
The economy’s formal sector is based on exports of natural resources, and its large informal sector relies on subsistence farming and other small-scale economic activity. A low property rights score and a level of corruption that undermines the rule of law reflect challenges to long-term development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -6.9

## RECENT FREEDOM TREND



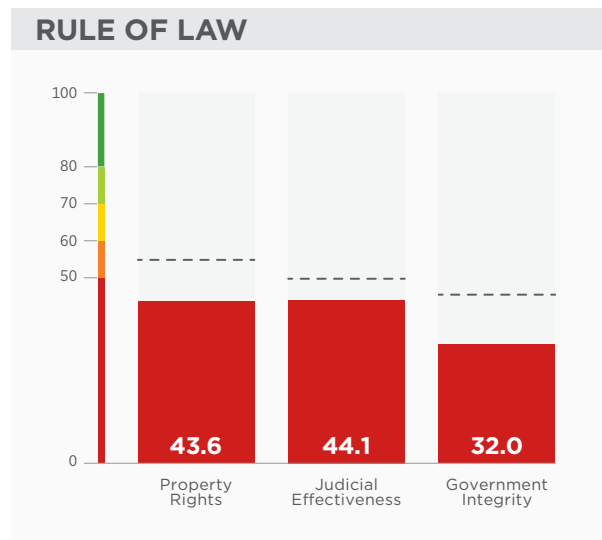
## QUICK FACTS

- POPULATION:** 9.1 million
- UNEMPLOYMENT:** 3.2%
- GDP (PPP):** \$35.3 billion
- INFLATION (CPI):** 4.5%
- 1.7% growth in 2021
- FDI INFLOW:** \$86.8 million
- 5-year compound annual growth 1.2%
- PUBLIC DEBT:** 50.9% of GDP
- \$3,941 per capita

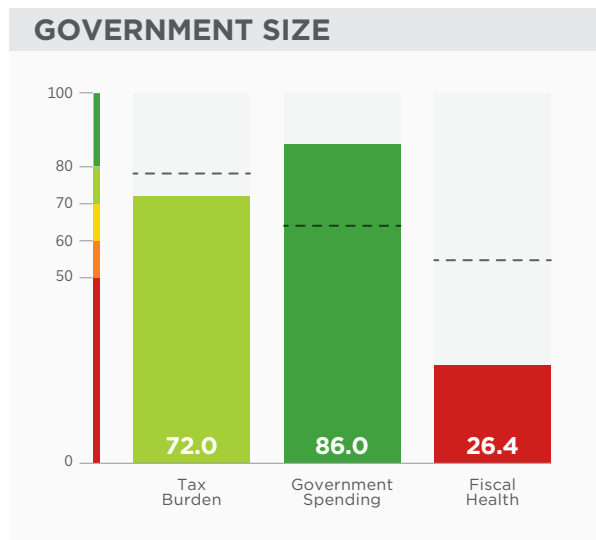
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Papua New Guinea became an independent parliamentary democracy in 1975. Its more than 8 million people speak more than 840 different languages. The Pangu Party’s James Marape became prime minister in 2019 and went on to win controversial general elections in 2022. Papua New Guinea is richly endowed with natural resources, and its small formal sector is focused on exports of such commodities as gold, copper, oil, and natural gas. The vast majority of its people live below the poverty line and depend on subsistence agriculture. In 2019, the Autonomous Region of Bougainville voted for independence in a non-binding referendum.

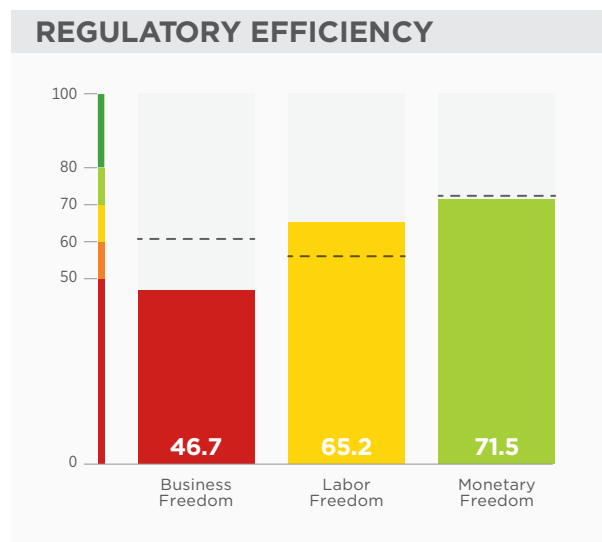
## 12 ECONOMIC FREEDOMS | PAPUA NEW GUINEA



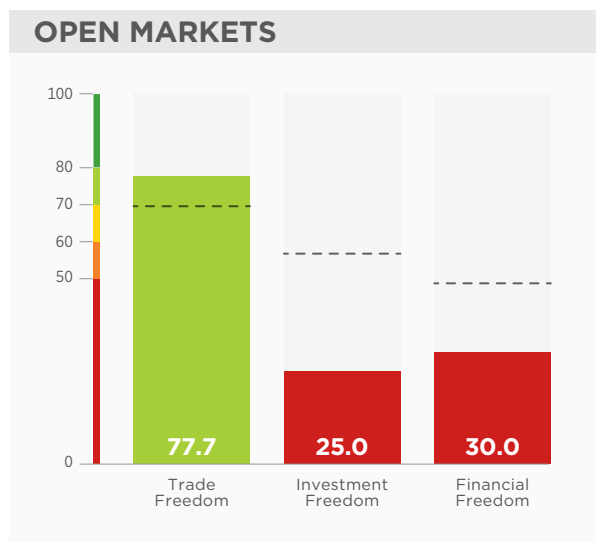
The overall rule of law is weak in Papua New Guinea. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



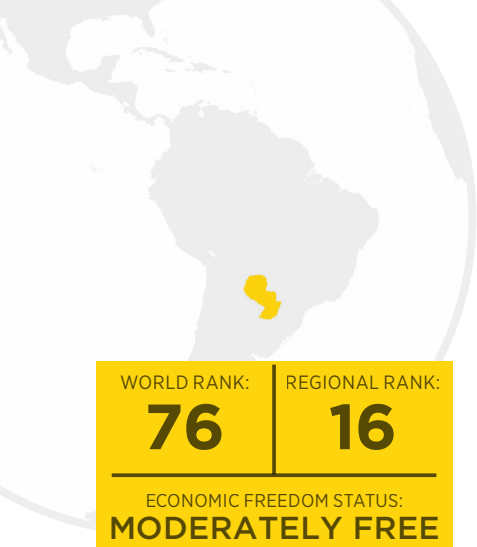
The top individual and corporate tax rates are, respectively, 42 percent and 30 percent. The tax burden equals 11.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.6 percent and -6.5 percent of GDP. Public debt equals 50.9 percent of GDP.



The overall regulatory framework remains poor. Progress toward making the structural changes needed to promote entrepreneurial activity has been limited. The formal labor market is not fully developed, and informal labor activity is substantial. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 3.6 percent, but numerous nontariff barriers undercut trade flows. Foreign investment in several sectors is restricted. Financial intermediation varies across the country, and a large portion of the population remains unconnected to the banking system.

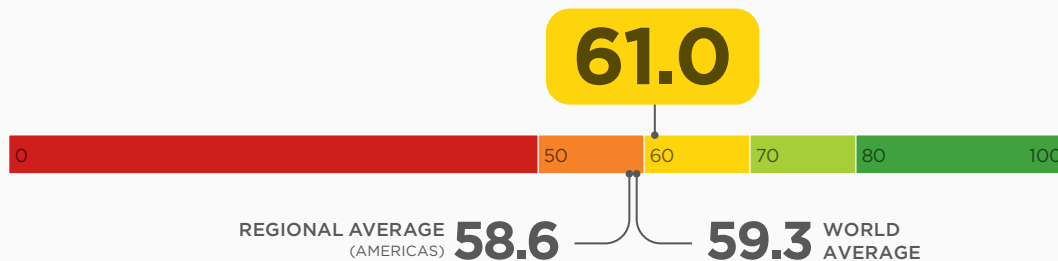


# PARAGUAY

Paraguay's economic freedom score is 61.0, making its economy the 76th freest in the 2023 *Index*. Its score is 1.9 points worse than last year. Paraguay is ranked 16th out of 32 countries in the Americas region, and its overall score is above the world and regional averages.

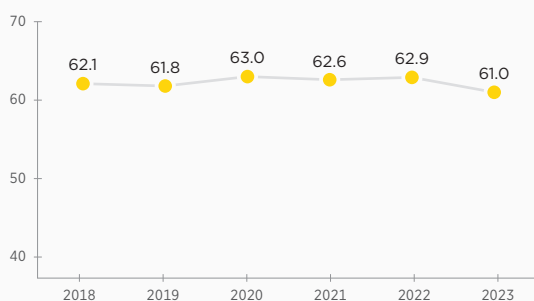
The economy underperforms in many critical areas. The absence of an independent judiciary weakens the rule of law and undermines long-term economic development. Reform measures have been pursued and have encountered entrenched resistance. A lack of deeper commitment to enhanced regulatory efficiency impedes the emergence of a more vibrant private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -4.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
7.2 million

**GDP (PPP):**  
\$100.9 billion  
4.2% growth in 2021  
5-year compound  
annual growth 2.2%  
\$13,722 per capita

**UNEMPLOYMENT:**  
7.6%

**INFLATION (CPI):**  
4.8%

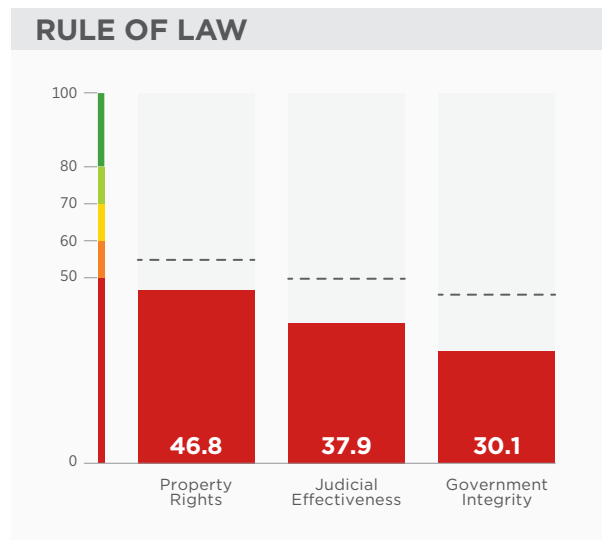
**FDI INFLOW:**  
\$121.6 million

**PUBLIC DEBT:**  
37.7% of GDP

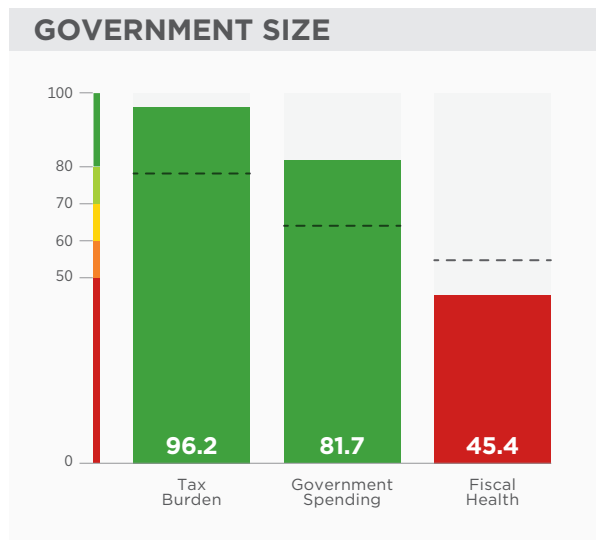
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Paraguay was established in the 19th century along with Bolivia and Uruguay as a buffer between Brazil and Argentina. It is a global leader in hydroelectricity production, one-quarter of which is generated by the state-owned Itaipú dam. The Itaipú dam is co-owned by Paraguay and Brazil, and renegotiation of its financial terms is critical to Paraguay's fiscal health. Mario Abdo of the center-right Colorado Party will complete a five-year term in 2023 following tumultuous protests in 2021 and growing concerns about government corruption. Despite legislation to increase controls on illicit finance, Paraguay remains an international money-laundering and illicit smuggling hub.

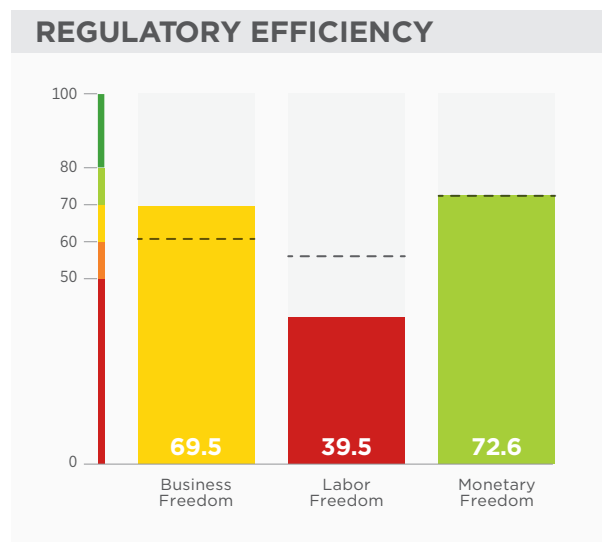
## 12 ECONOMIC FREEDOMS | PARAGUAY



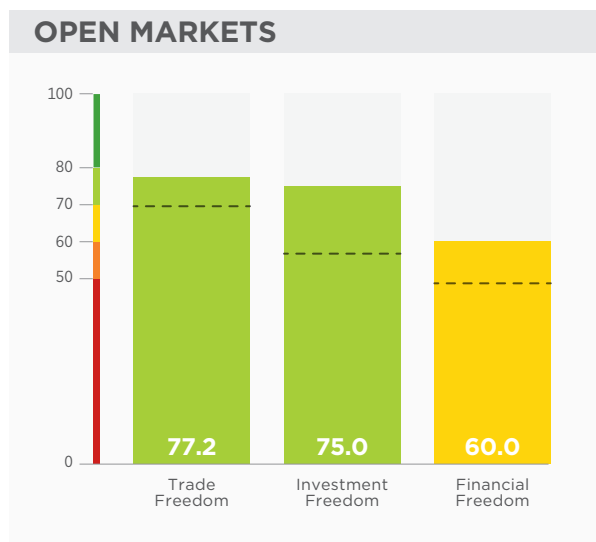
The overall rule of law is weak in Paraguay. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



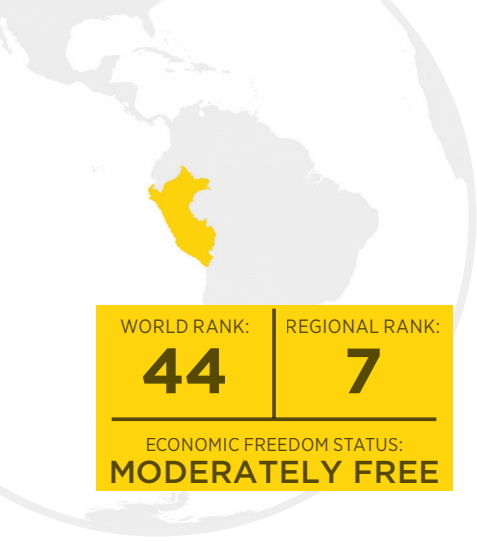
The top individual and corporate tax rates are 10 percent. The tax burden equals 13.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.7 percent and -5.7 percent of GDP. Public debt equals 37.7 percent of GDP.



Despite some progress in recent years, the overall regulatory framework remains burdensome and costly. The labor market's lack of flexibility hurts job growth and discourages the emergence of a more dynamic labor market. The most recent available inflation rate is 4.8 percent.



The trade-weighted average tariff rate is 6.4 percent. Foreign investment is not subject to restrictive screening, and foreign entities are allowed to own property. The informal economy remains large, and institutional weaknesses deter more dynamic investment growth. The financial sector is driven by banking.

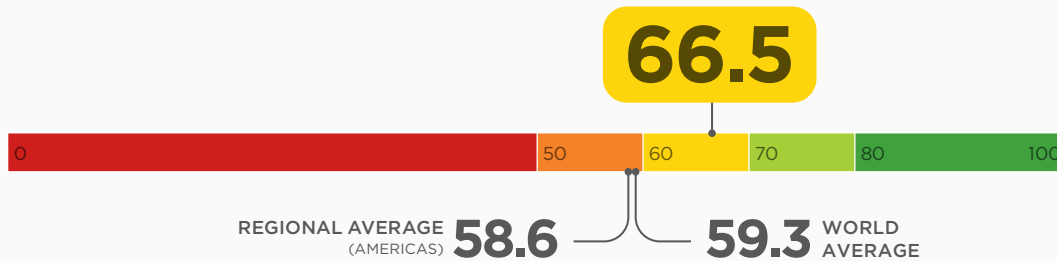


# PERU

**P**eru's economic freedom score is 66.5, making its economy the 44th freest in the 2023 *Index*. Its score is virtually unchanged from last year. Peru is ranked 7th out of 29 countries in the Americas region, and its overall score is above the world and regional averages.

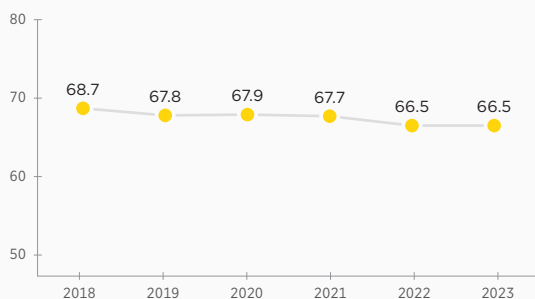
Economic reforms have supported economic expansion and reductions in poverty. Peru's evolving entrepreneurial sector benefits from increased access to financing and improved regulatory efficiency. Open-market policies that support trade and investment have been institutionalized, but corruption and the weak rule of law continue to undermine prospects for long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +9.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
33.4 million

**GDP (PPP):**  
\$469.5 billion  
13.3% growth in 2021  
5-year compound  
annual growth 2.2%  
\$13,879 per capita

**UNEMPLOYMENT:**  
7.2%

**INFLATION (CPI):**  
4.0%

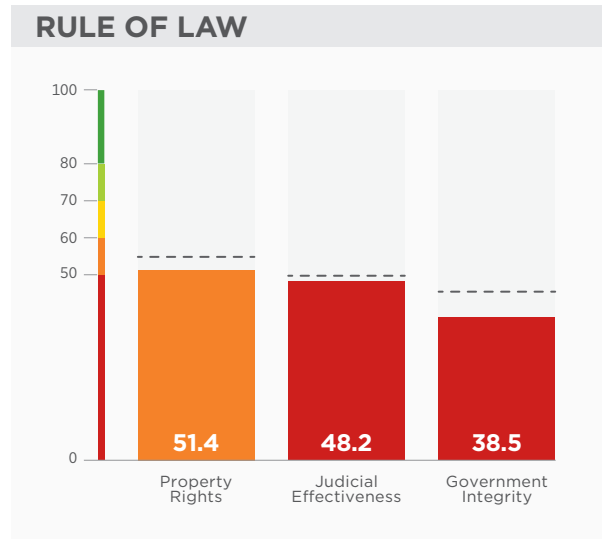
**FDI INFLOW:**  
\$5.9 billion

**PUBLIC DEBT:**  
36.4% of GDP

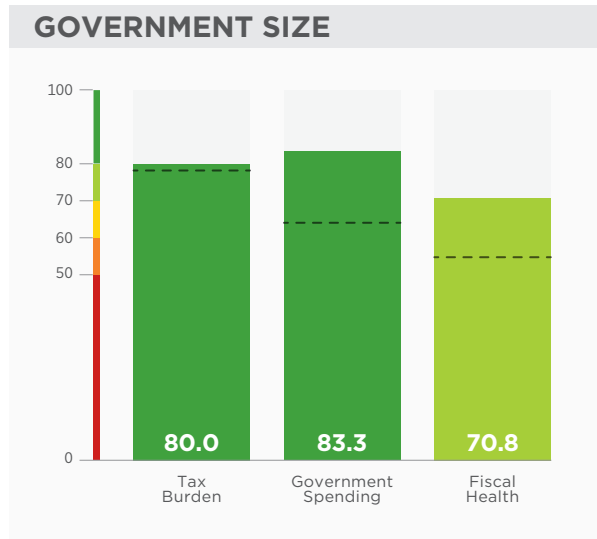
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Peru has alternated between military rule and democracy. A multi-decade guerilla insurgency was defeated in the 1990s by ex-President Alberto Fujimori, an authoritarian who nevertheless implemented economic reforms. In December 2022, President Pedro Castillo of the socialist Free Peru party, who had been elected in 2021, attempted a coup against Congress to avoid impeachment. He was removed from power and subsequently arrested. Dina Boluarte, his vice president, became president amid riots instigated by radical pro-Castillo groups. There are concerns that Boluarte might push for a Constitutional Assembly to overhaul Peru's constitution. Peru remains the world's second-largest producer of cocaine.

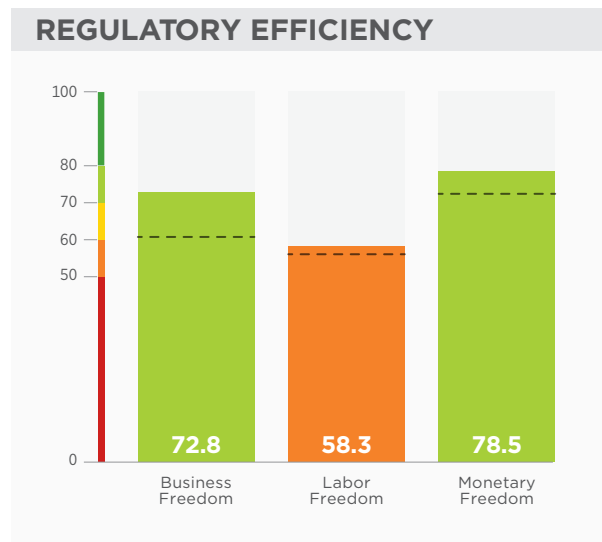
## 12 ECONOMIC FREEDOMS | PERU



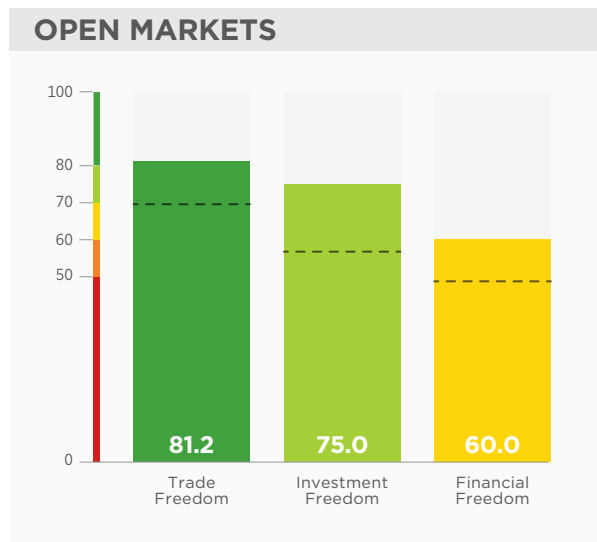
The overall rule of law is weak in Peru. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



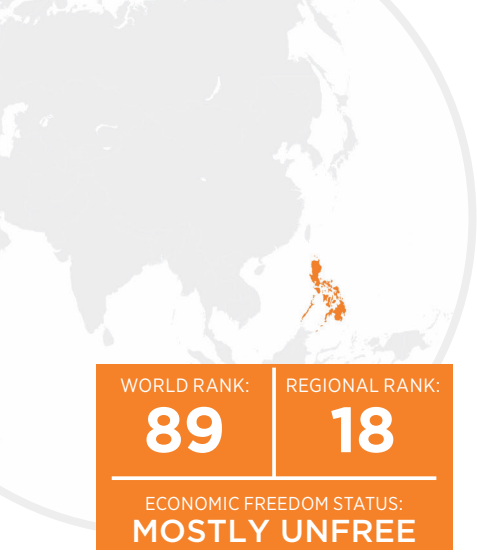
The top individual and corporate tax rates are, respectively, 30 percent and 29.5 percent. The tax burden equals 15.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.6 percent and -4.1 percent of GDP. Public debt equals 36.4 percent of GDP.



Recent reforms dismantled barriers to launching and running private enterprises, but political instability and social unrest have a negative impact on business freedom. Employment regulations are gradually becoming more flexible. The most recent available inflation rate is 4.0 percent.



The trade-weighted average tariff rate is 1.9 percent, and about 400 nontariff measures are in force. The economy is relatively open to foreign investment, but regulatory unpredictability impedes dynamic investment. Approximately 50 percent of adult Peruvians have an account with a formal banking institution.



# PHILIPPINES

WORLD RANK:

89

REGIONAL RANK:

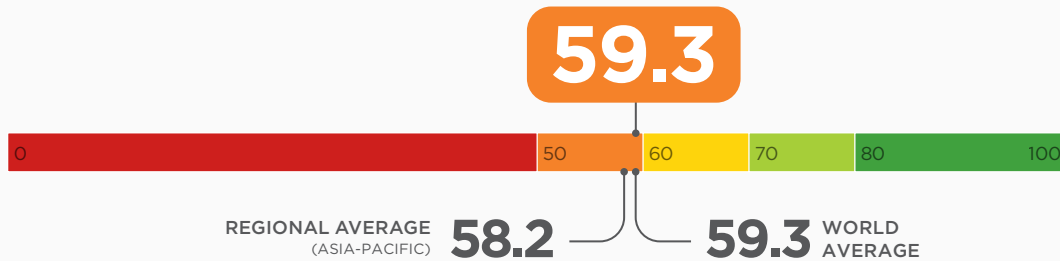
18

ECONOMIC FREEDOM STATUS:  
**MOSTLY UNFREE**

The Philippines' economic freedom score is 59.3, making its economy the 89th freest in the 2023 *Index*. Its score is 1.8 points lower than last year. The Philippines ranks 18th out of 39 countries in the Asia-Pacific region, and its overall score is approximately the world average.

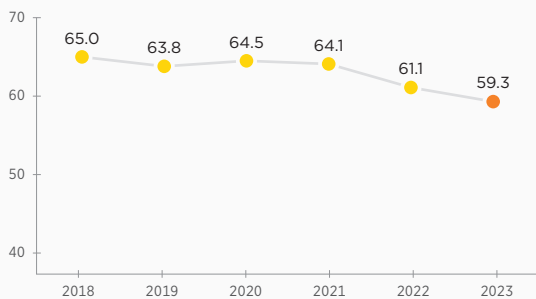
Despite the challenging global economic environment, the Philippine economy has been expanding. The government has pursued legislative reforms to enhance the entrepreneurial environment and generate greater job growth. Overall progress has been gradual. There are institutional challenges that need to be overcome. Despite some progress, corruption continues to undermine long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +4.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
111.0 million

**GDP (PPP):**  
\$1.0 trillion  
5.6% growth in 2021  
5-year compound annual growth 3.1%  
\$9,175 per capita

**UNEMPLOYMENT:**  
2.5%

**INFLATION (CPI):**  
3.9%

**FDI INFLOW:**  
\$10.5 billion

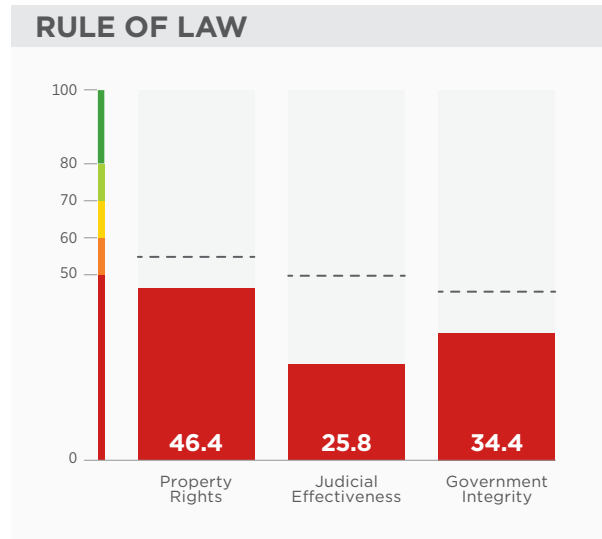
**PUBLIC DEBT:**  
57.0% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

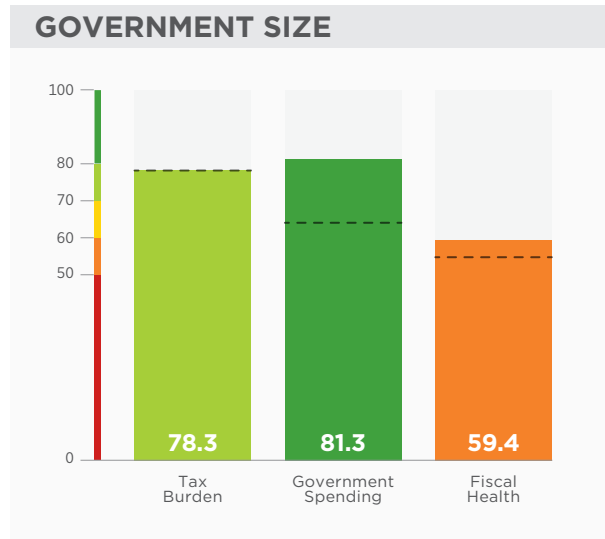
**BACKGROUND:** A former colony of Spain and the U.S. spread over 7,000 linguistically diverse Western Pacific islands, the Philippines became a self-governing commonwealth in 1935. President Ferdinand “Bong-bong” Marcos Jr., son of the late dictator Ferdinand Marcos, won election by a wide margin in 2022. His running mate, Sara Duterte, is the daughter of former President Rodrigo Duterte. Agriculture remains a significant part of the economy, but industrial production in such areas as electronics, apparel, and shipbuilding has been growing rapidly. Remittances from overseas workers are equivalent to 10.5 percent of GDP.



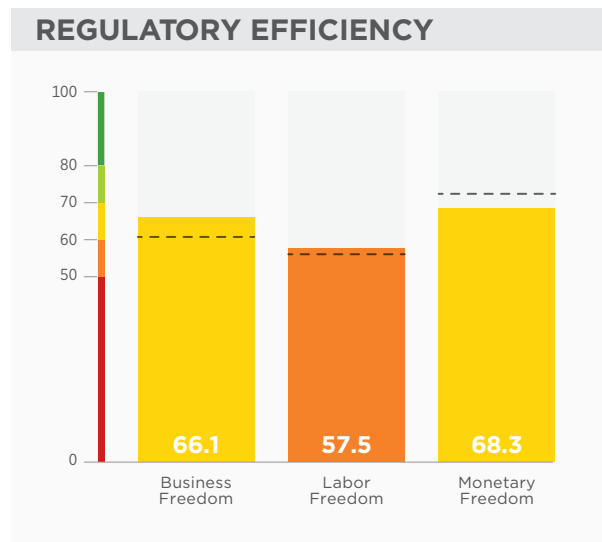
## 12 ECONOMIC FREEDOMS | PHILIPPINES



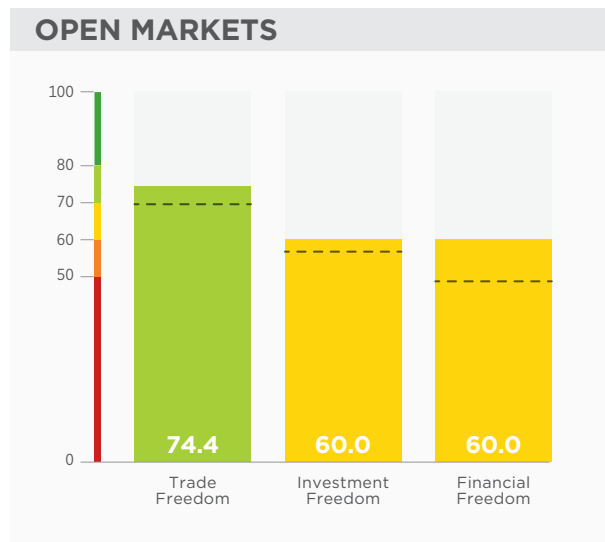
The overall rule of law is weak in the Philippines. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 25 percent. The tax burden equals 17.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.9 percent and -4.6 percent of GDP. Public debt equals 57.0 percent of GDP.



The business regulatory environment has generally been streamlined. The time and cost involved in dealing with licensing requirements have been reduced. The labor market remains structurally rigid, but regulations are not particularly burdensome. The most recent available inflation rate is 3.9 percent.



The trade-weighted average tariff rate is 5.3 percent. Foreign investment is generally welcome, and the investment code treats foreign investors the same as it treats domestic investors. The financial sector is dominated by banking and relatively stable, but capital markets are underdeveloped.

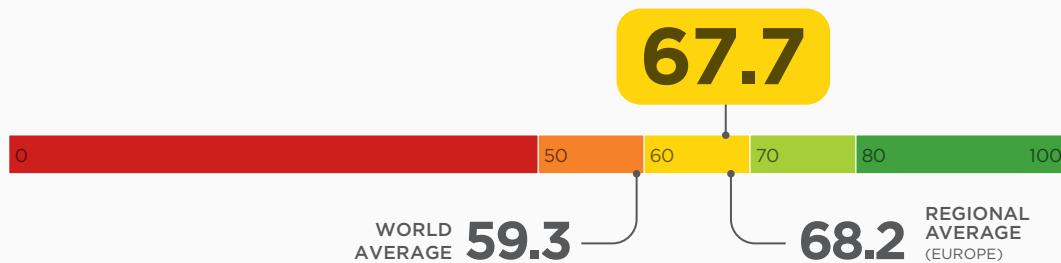


# POLAND

Poland's economic freedom score is 67.7, making its economy the 40th freest in the 2023 *Index*. Its score is 1.0 points lower than last year. Poland is ranked 23rd out of 44 countries in the Europe region, and its overall score is above the world average.

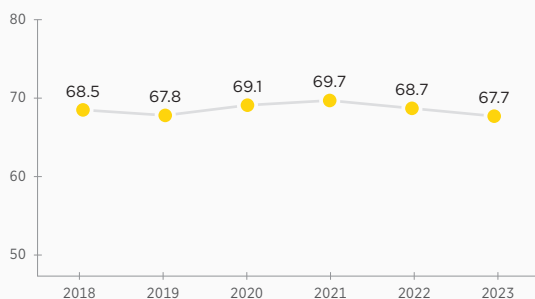
The economy performs relatively well in many areas of economic freedom. With a competitive business climate supported by political stability, Poland has a dynamic business environment. Commercial operations are aided by regulations that support open-market policies. However, institutional weaknesses still prevent more dynamic growth. The accumulation of large fiscal deficits risks undermining long-term competitiveness.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +17.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
37.8 million

**GDP (PPP):**  
\$1.4 trillion  
5.7% growth in 2021  
5-year compound  
annual growth 3.6%  
\$37,786 per capita

**UNEMPLOYMENT:**  
3.2%

**INFLATION (CPI):**  
5.1%

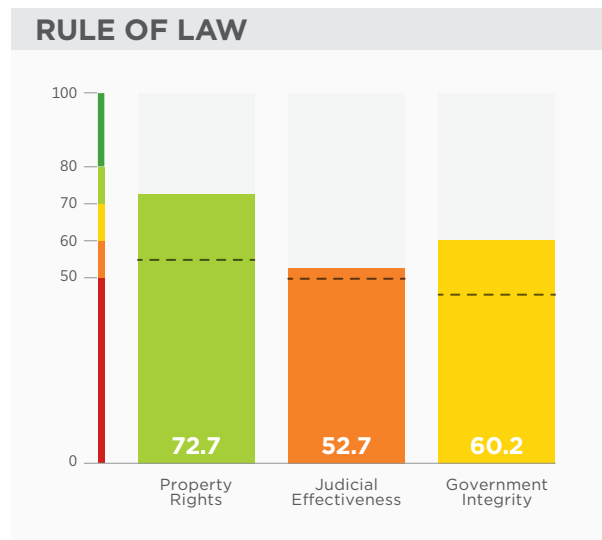
**FDI INFLOW:**  
\$24.8 billion

**PUBLIC DEBT:**  
53.8% of GDP

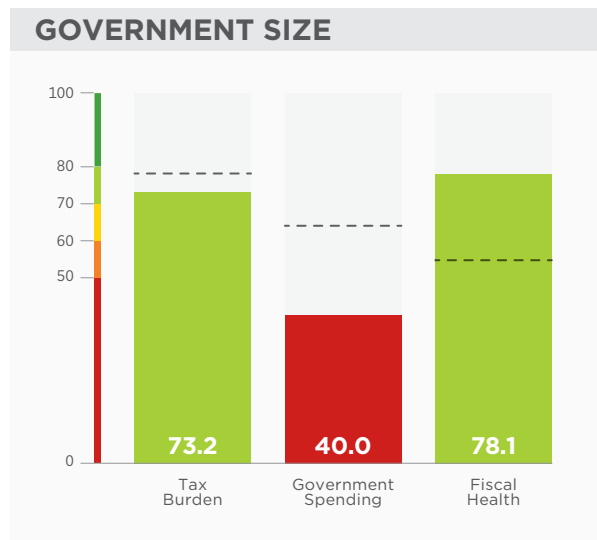
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Poland played a pivotal role in ending Soviet domination of Eastern Europe and is a member of NATO and the European Union. The conservative and Euroskeptic Law and Justice Party (PiS) increased its parliamentary majority in 2019, and President Andrzej Duda of the PiS won reelection in 2020. Poland's support for Ukraine includes delivery of weapons, hosting of refugees, and serving as a staging ground for donated aid and supplies. Close Polish-U.S. cooperation remains key as the EU continues to withhold funds. Tensions exist between Poland's poorer and rural eastern region and its more prosperous and industrialized western region.

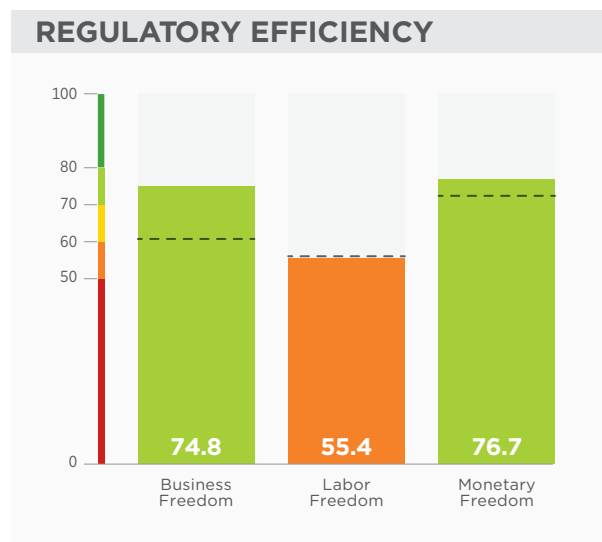
## 12 ECONOMIC FREEDOMS | POLAND



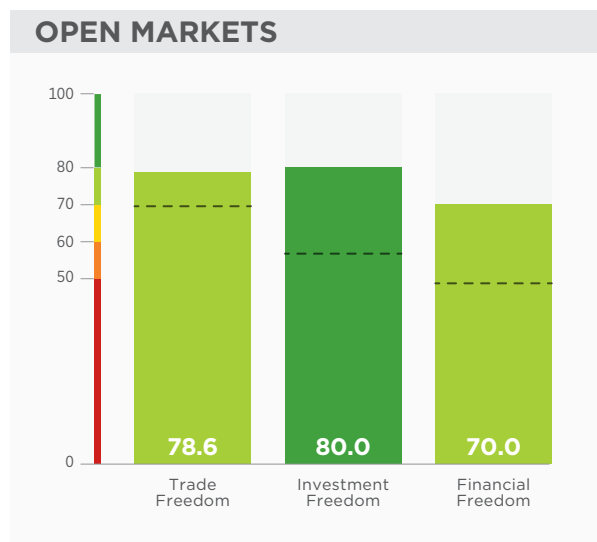
The overall rule of law is relatively well respected in Poland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 32 percent and 19 percent. The tax burden equals 36.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.7 percent and -3.2 percent of GDP. Public debt equals 53.8 percent of GDP.



Measures have been taken to further streamline business start-up procedures and facilitate private-sector development, but the pace of reform has slowed. Labor codes are relatively stringent, and unions exercise considerable influence on labor issues. The most recent available inflation rate is 5.1 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is welcome, but foreign ownership in selected strategic sectors is limited. The financial sector continues to expand.



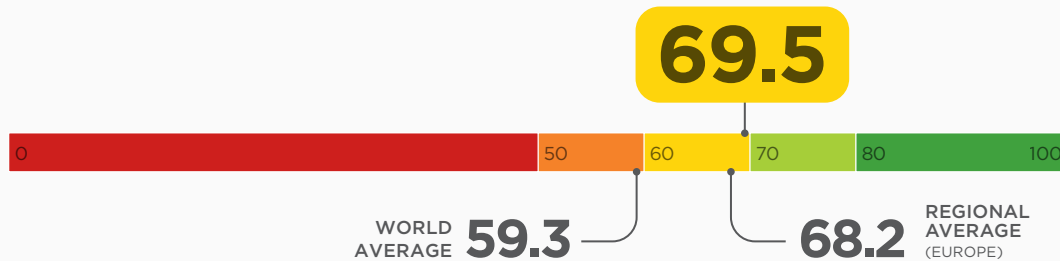
# PORTUGAL

WORLD RANK: <b>30</b>	REGIONAL RANK: <b>18</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

Portugal's economic freedom score is 69.5, making its economy the 30th freest in the 2023 *Index*. Its score is 1.3 point worse than last year. Portugal is ranked 18th among 44 countries in the Europe region, and its overall score is above the world and regional averages.

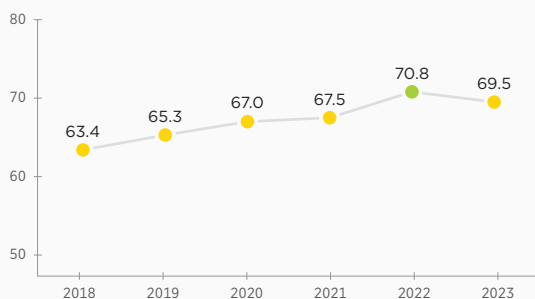
Portugal has been undergoing challenging economic adjustments. Despite relatively sound institutional processes such as an efficient business framework and a well-functioning judicial system, the indebted public sector has hurt private-sector dynamism and overall competitiveness. Comprehensive public-sector reform and greater labor market flexibility to improve competitiveness and productivity are needed to revitalize the economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.1

## RECENT FREEDOM TREND



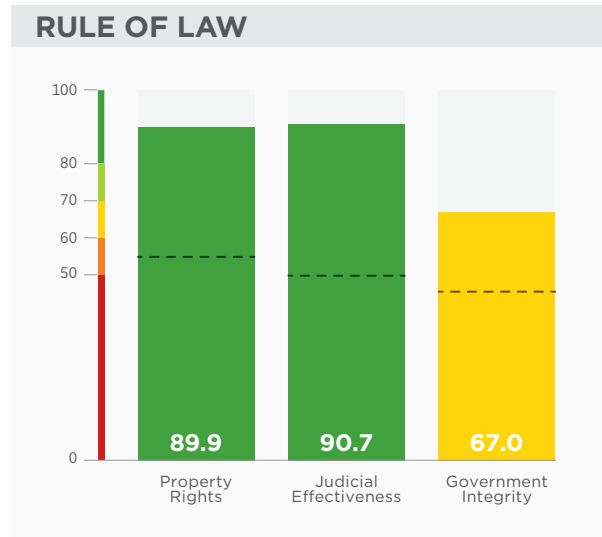
## QUICK FACTS

<b>POPULATION:</b> 10.3 million	<b>UNEMPLOYMENT:</b> 6.8%
<b>GDP (PPP):</b> \$379.7 billion 4.9% growth in 2021 5-year compound annual growth 1.1%	<b>INFLATION (CPI):</b> 0.9%
<b>FDI INFLOW:</b> \$8.0 billion	<b>PUBLIC DEBT:</b> 127.4% of GDP

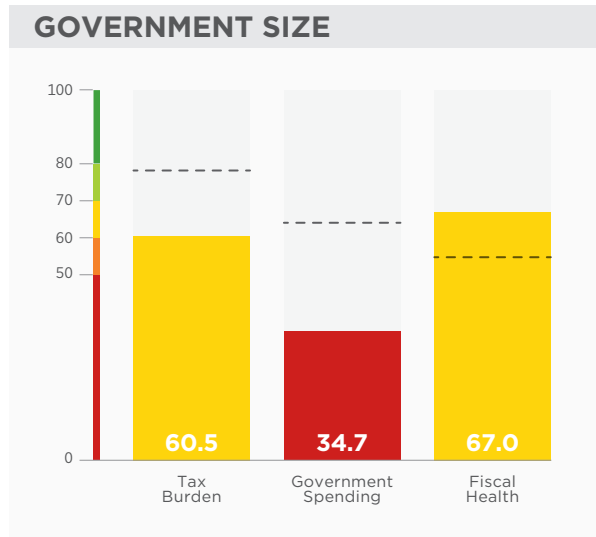
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Portugal returned to democracy in 1976 and joined the European Union in 1986. In January 2022, Prime Minister António Costa's Socialist Party defeated the center-right Social Democratic Party and the populist Chega to win a parliamentary majority. Major challenges include significant debt, high inflation and unemployment, burdensome public spending, and serious structural shortcomings. Leading economic sectors include financial services, telecommunications, and a tourism industry that began to recover in 2021. In 2019, shareholders of Portugal's largest electrical utility blocked a takeover bid by its largest shareholder, a Chinese state-owned enterprise. A state-owned development bank is handling EU bailout funds.

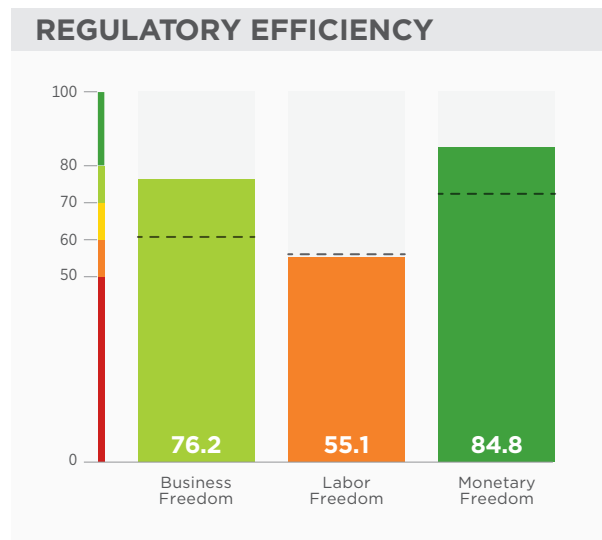
## 12 ECONOMIC FREEDOMS | PORTUGAL



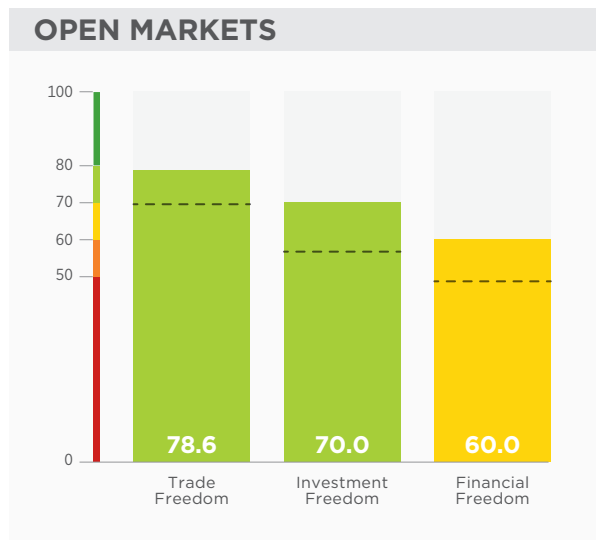
The overall rule of law is well respected in Portugal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 48 percent and 21 percent. The tax burden equals 34.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 46.6 percent and -2.9 percent of GDP. Public debt equals 127.4 percent of GDP.



The overall regulatory framework is efficient. Rules on forming and operating private enterprises are now more straightforward, although regulations on dismissals and temporary contracts are burdensome and costly. Monetary stability is relatively well maintained. The most recent available inflation rate is 0.9 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The investment regime encourages new investment. The financial sector, dominated by banking, has regained stability and offers a range of financial services.

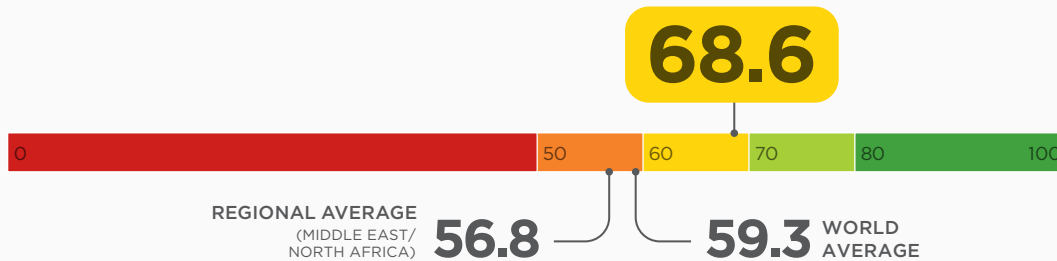
# QATAR



**Q**atar's economic freedom score is 68.6, making its economy the 36th freest in the 2023 *Index*. Its score is 0.9 point better than last year. Qatar is ranked 3rd out of 14 countries in the Middle East/North Africa region, and its overall score is above the world and regional averages.

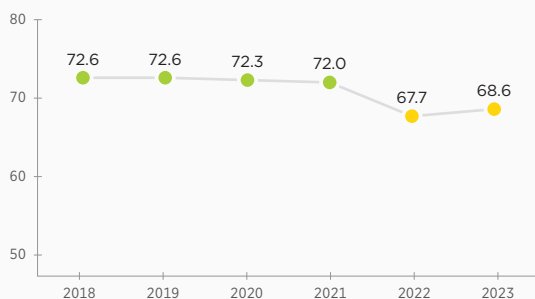
Qatar is trying to improve its entrepreneurial environment and broaden its economic base. The foundations of economic freedom are relatively solid. The regulatory system is flexible. The country's open trade regime and growing status as a regional financial hub have encouraged private-sector growth outside of the oil and gas industries.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +6.6

## RECENT FREEDOM TREND



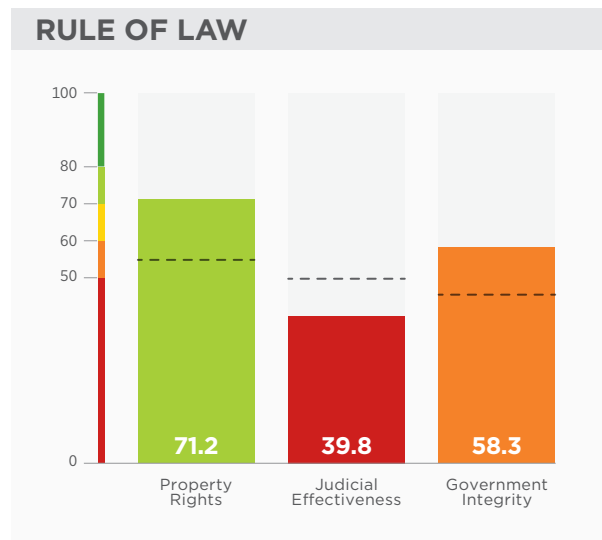
## QUICK FACTS

<b>POPULATION:</b> 2.9 million	<b>UNEMPLOYMENT:</b> 0.1%
<b>GDP (PPP):</b> \$274.1 billion 1.5% growth in 2021 5-year compound annual growth -0.3% \$104,668 per capita	<b>INFLATION (CPI):</b> 2.3%
	<b>FDI INFLOW:</b> -\$1.1 billion
	<b>PUBLIC DEBT:</b> 58.4% of GDP

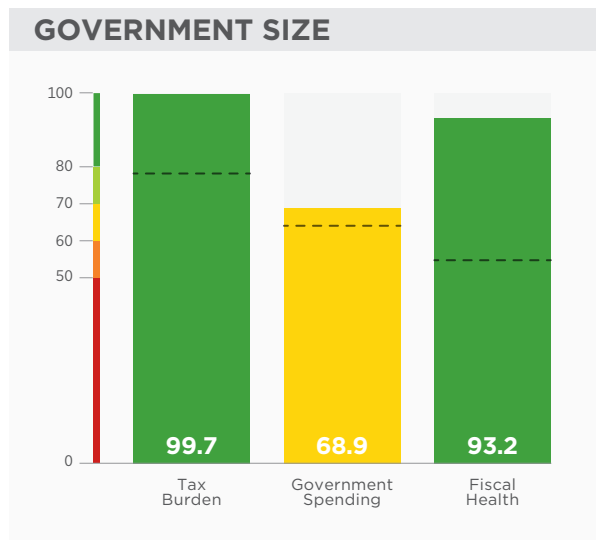
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Qatar gained independence in 1971, and massive oil and natural gas reserves have made it one of the world's richest countries. Sheikh Tamim bin Hamad Al-Thani has promoted improvements in infrastructure, health care, and education and the expansion of manufacturing, construction, and financial services. A dispute with Saudi Arabia, Bahrain, Egypt, and the United Arab Emirates related to Qatar's support for Islamist extremists and friendly relations with Iran was resolved in January 2021. As host of the 2022 World Cup, Qatar has expedited large infrastructure projects including roads, light rail transportation, a new port, stadiums, and other sporting facilities.

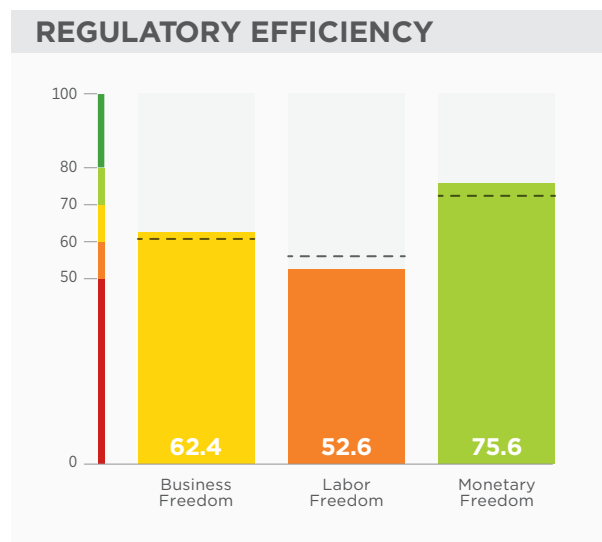
## 12 ECONOMIC FREEDOMS | QATAR



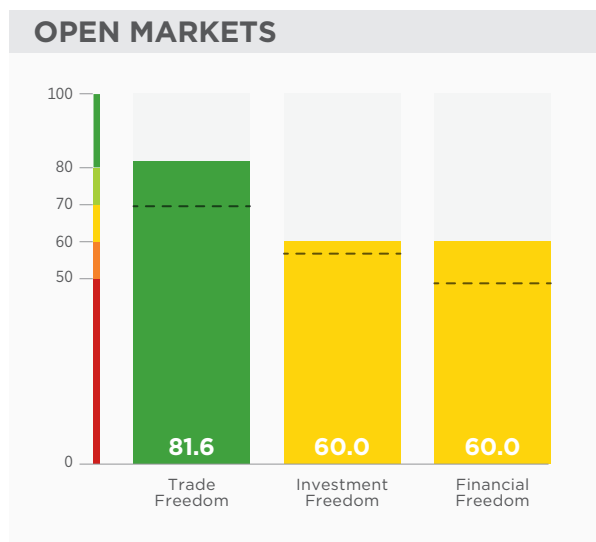
The overall rule of law is relatively well respected in Qatar. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 0 percent. The tax burden equals 5.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.2 percent and 3.5 percent of GDP. Public debt equals 58.4 percent of GDP.



It is now easier to launch a business and complete licensing requirements, but the pace of reform has slowed. The labor force consists primarily of expatriate workers, and immigration and employment rules are tightly managed. The most recent available inflation rate is 2.3 percent.



The trade-weighted average tariff rate is 4.2 percent. Openness to global commerce through trade and investment underpins Qatar's competitiveness. Foreign investment in several sectors of the economy is capped. The stable banking sector remains competitive. Growth in financial services has contributed to economic diversification.



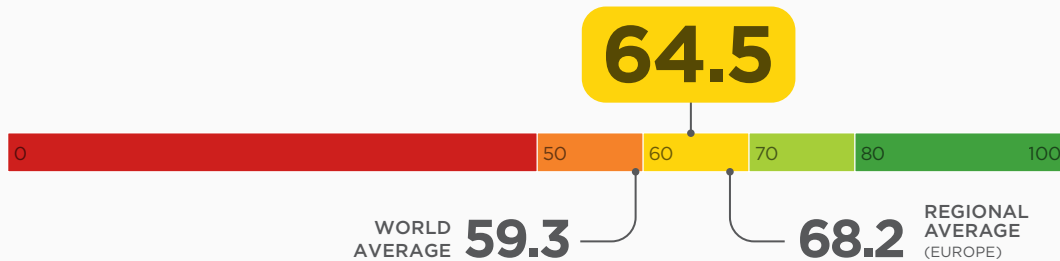
WORLD RANK: <b>53</b>	REGIONAL RANK: <b>30</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# ROMANIA

Romania's economic freedom score is 64.5, making its economy the 53rd freest in the 2023 *Index*. Its score is 2.6 points worse than last year. Romania is ranked 30th out of 44 countries in the Europe region, and its overall score is higher than the world average.

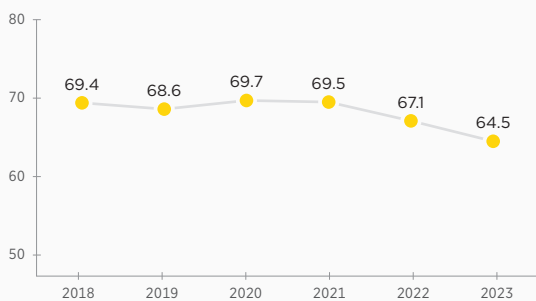
The Romanian economy has benefitted substantially from its openness and flexibility over the past decade. However, deeper institutional reforms in such areas as the labor market and the management of public finance are still needed. The judiciary remains inefficient and vulnerable to political interference, and corruption continues to undermine long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +21.6

## RECENT FREEDOM TREND



## QUICK FACTS

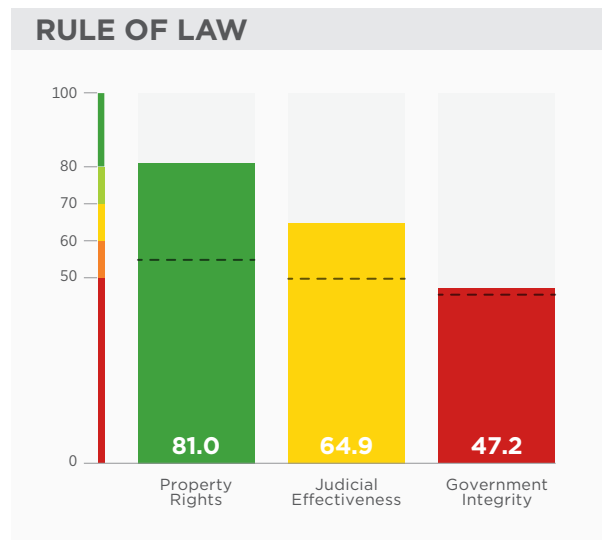
<b>POPULATION:</b> 19.1 million	<b>UNEMPLOYMENT:</b> 5.0%
<b>GDP (PPP):</b> \$651.6 billion 5.9% growth in 2021 5-year compound annual growth 3.6%	<b>INFLATION (CPI):</b> 5.0%
<b>FDI INFLOW:</b> \$8.6 billion	<b>PUBLIC DEBT:</b> 51.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

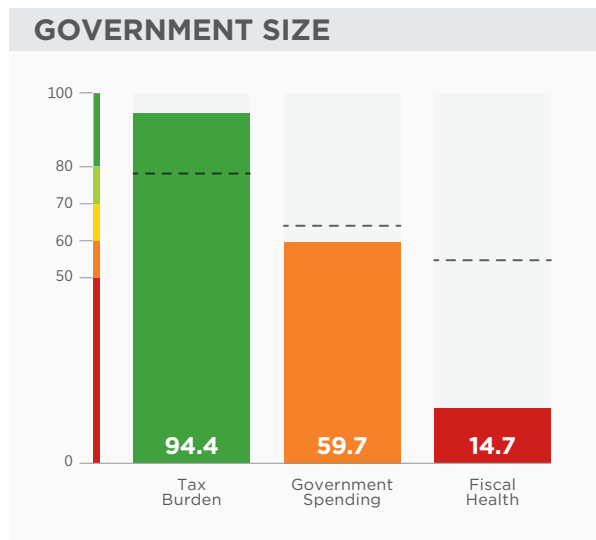
**BACKGROUND:** Romania's transition to a free-market economy began with a new constitution in 1991. Romania joined NATO in 2004 and the European Union in 2007. Parliament elected Nicolae Ciucă of the center-right National Liberal Party (PNL) to serve as prime minister in November 2021 after the previous center-right coalition collapsed. The PNL governs in coalition with the center-left Social Democrat Party (PSD) and the Democratic Alliance of Hungarians in Romania (UDMR). Strategically located on the Black Sea, Romania has extensive natural resources and a productive agriculture sector. Challenges include Russia's war against nearby Ukraine, inflation, and post-pandemic recovery.



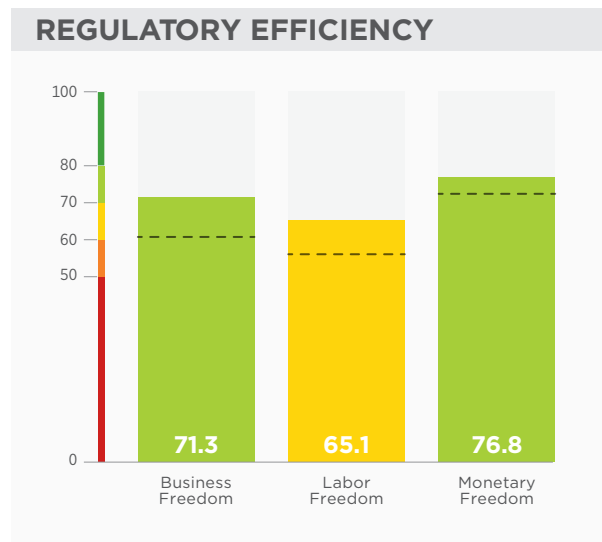
## 12 ECONOMIC FREEDOMS | ROMANIA



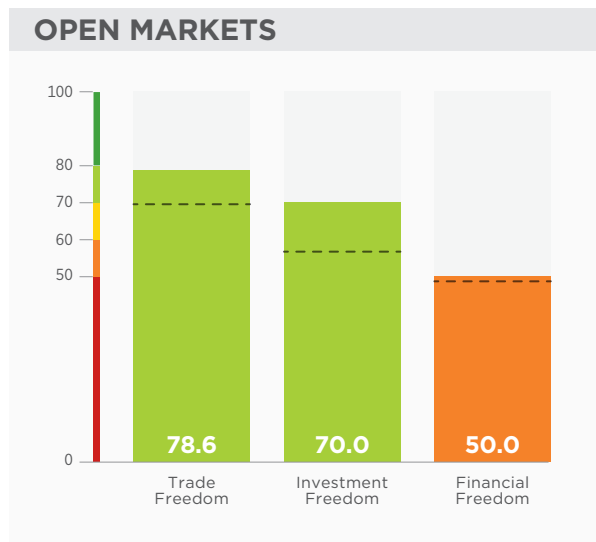
The overall rule of law is relatively well respected in Romania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



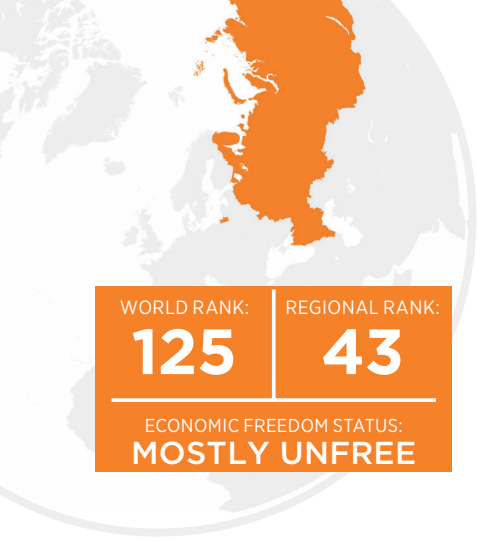
The top individual and corporate tax rates are, respectively, 10 percent and 16 percent. The tax burden equals 14.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.7 percent and -7.2 percent of GDP. Public debt equals 51.4 percent of GDP.



The process for business registration and operation has been streamlined, but efficient bankruptcy procedures have not been fully implemented. Labor regulations remain rigid, although amendments to improve the labor code's flexibility have been adopted. The most recent available inflation rate is 5.0 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Despite progress, the uneven regulatory system tends to prevent more dynamic foreign investment. The financial sector continues to grow, driven primarily by banking.



# RUSSIA

WORLD RANK: **125**

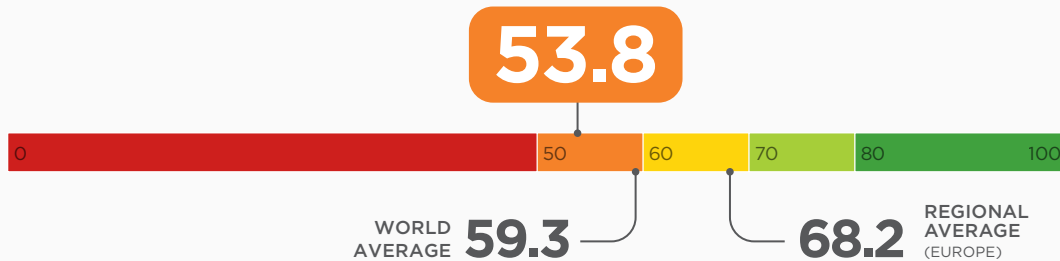
REGIONAL RANK: **43**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Russia's economic freedom score is 53.8, making its economy the 125th freest in the 2023 *Index*. Its score is 2.3 points worse than last year. Russia is ranked 43rd out of 44 countries in the Europe region, and its overall score is below the world and regional averages.

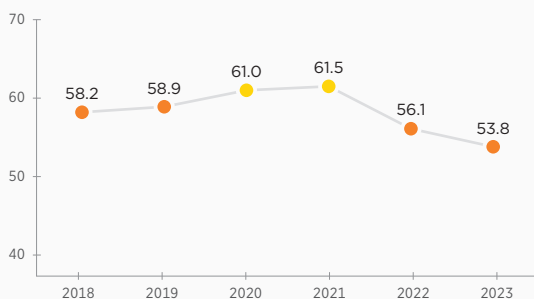
Russia remains at the lower end of the “mostly unfree” category. Pervasive corruption, the lack of judicial independence, and disrespect for private property rights severely undermine the rule of law, increasing uncertainty and investor risk. Extensive state interference discourages private-sector dynamism.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
143.4 million

**GDP (PPP):**  
\$4.5 trillion  
4.7% growth in 2021  
5-year compound annual growth 1.8%  
\$30,850 per capita

**UNEMPLOYMENT:**  
5.6%

**INFLATION (CPI):**  
6.7%

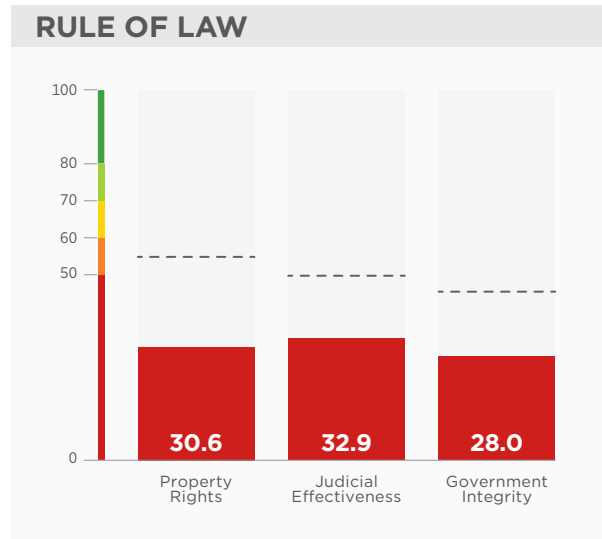
**FDI INFLOW:**  
\$38.2 billion

**PUBLIC DEBT:**  
17.0% of GDP

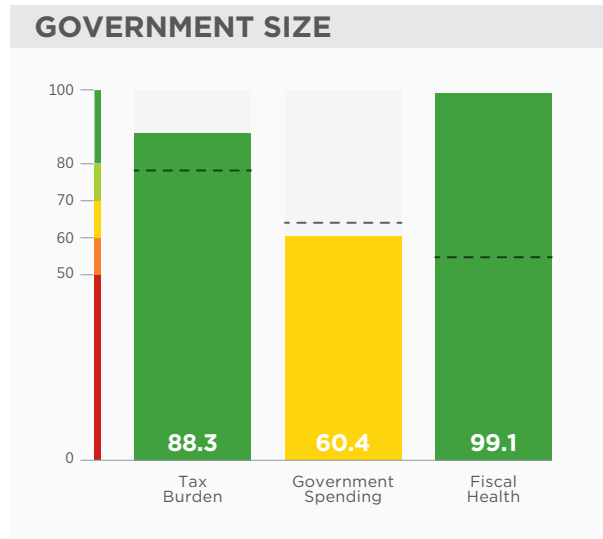
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Vladimir Putin was reelected president in 2018 amid allegations of electoral fraud. Russia illegally annexed Ukraine's Crimean Peninsula early in 2014 and launched its second invasion of Ukraine in February 2022. Western economic sanctions have led to a brain drain, capital flight, and nearly complete isolation from the rest of the world's economy. A number of international companies have curtailed operations in Russia, and Russia's bid to join the Organisation for Economic Co-operation and Development has been postponed indefinitely. Russia's economy depends heavily on exports of oil and gas, which also have been negatively affected by the war in Ukraine.

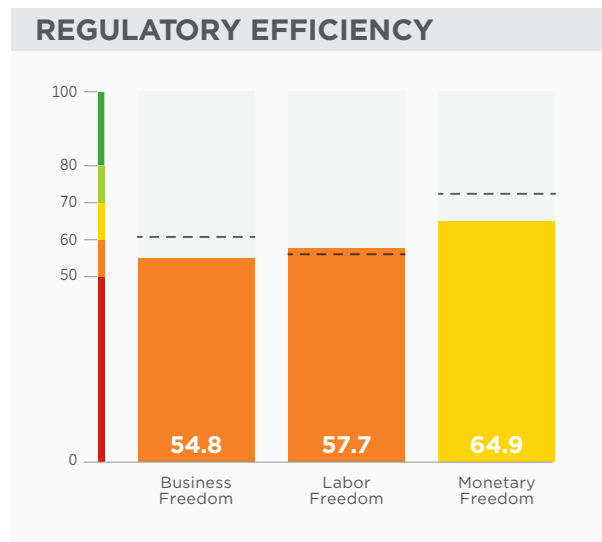
## 12 ECONOMIC FREEDOMS | RUSSIA



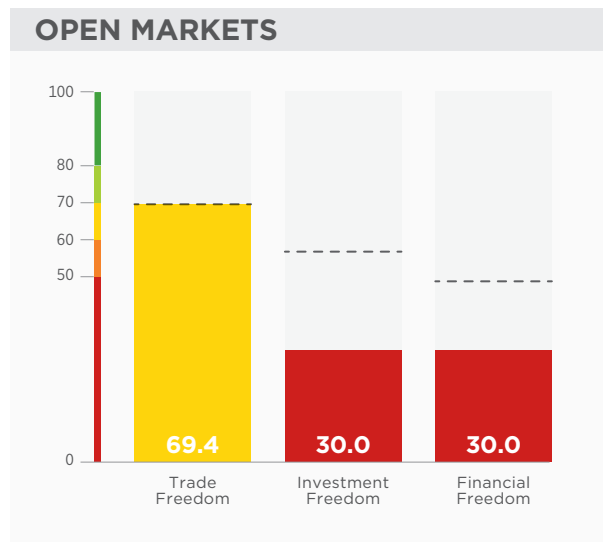
The overall rule of law is weak in Russia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 13 percent and 20 percent. The tax burden equals 24.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.3 percent and -0.4 percent of GDP. Public debt equals 17.0 percent of GDP.



The business environment remains repressive, and regulations remain burdensome and inconsistently enforced. The outmoded labor code continues to limit employment and productivity growth. The state's influence on prices is extensive, and the most recent available inflation rate is 6.7 percent.



The trade-weighted average tariff rate is 5.3 percent. Private-sector trade and investment activities are undercut by structural and institutional constraints caused by state interference in the marketplace. Foreign investment is screened, and the financial sector is subject to government influence.

# RWANDA

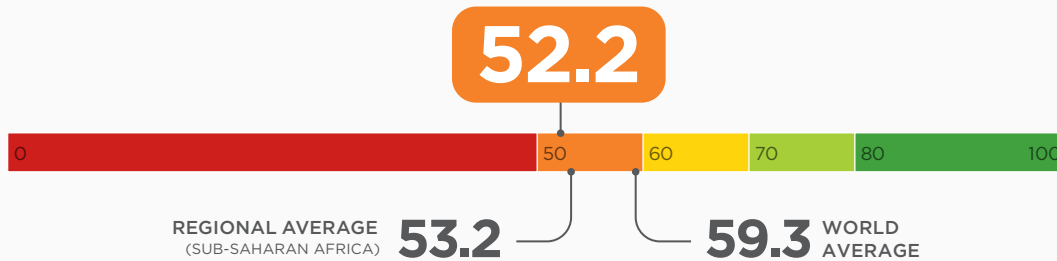
WORLD RANK: **137** | REGIONAL RANK: **30**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Rwanda's economic freedom score is 52.2, making its economy the 137th freest in the 2023 *Index*. Its score is 4.9 points lower than last year. Rwanda is ranked 30th out of 47 countries in the Sub-Saharan Africa region, and its economic freedom score is below the world and regional averages.

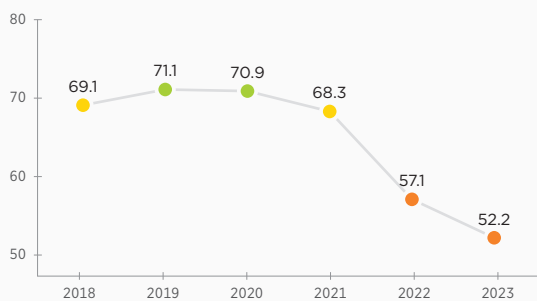
Reforms have supported economic expansion and a gradual reduction in poverty, but the weak rule of law and persistent corruption discourage long-term economic development. Accelerating judicial reforms, along with continued efforts to streamline public administration, would help to sustain economic growth and further broaden improvements in living standards.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1997): +13.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
13.3 million

**GDP (PPP):**  
\$32.9 billion  
10.2% growth in 2021  
5-year compound annual growth 5.8%  
\$2,540 per capita

**UNEMPLOYMENT:**  
16.5%

**INFLATION (CPI):**  
0.8%

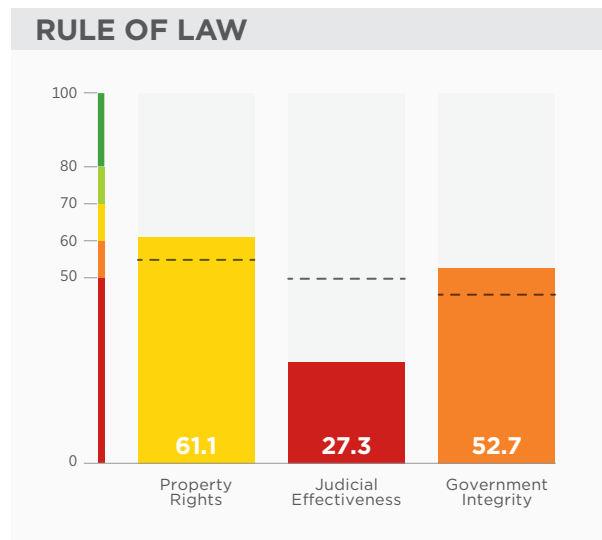
**FDI INFLOW:**  
\$211.9 million

**PUBLIC DEBT:**  
66.6% of GDP

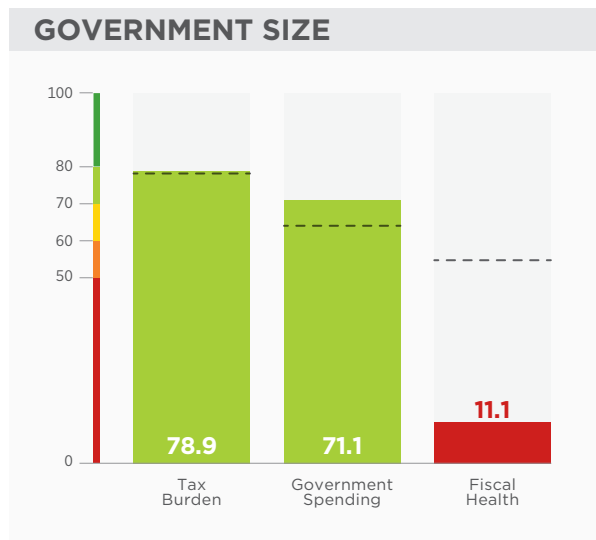
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Decades of violence followed independence from Belgium in 1959. In 1994, Paul Kagame's Tutsi-led Rwandan Patriotic Front seized power after state-sponsored genocide killed an estimated 800,000 people, mostly Tutsis. Kagame has been president since 2000 and was reelected in 2010 and 2017 amid allegations of fraud, intimidation, and violence. In 2015, voters approved a constitutional change that would permit him to govern until 2034 and strengthen his rule. In July 2021, Rwanda deployed 1,000 security service personnel to Mozambique to fight an insurgency linked to Islamic State terrorists. Tourism, minerals, coffee, and tea are the main sources of foreign exchange.

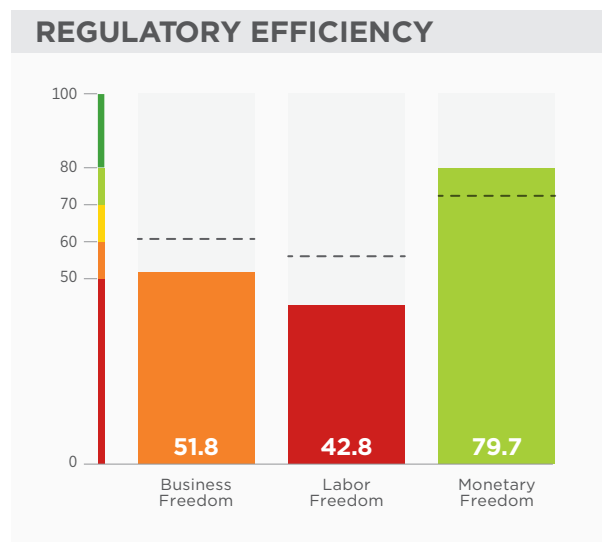
## 12 ECONOMIC FREEDOMS | RWANDA



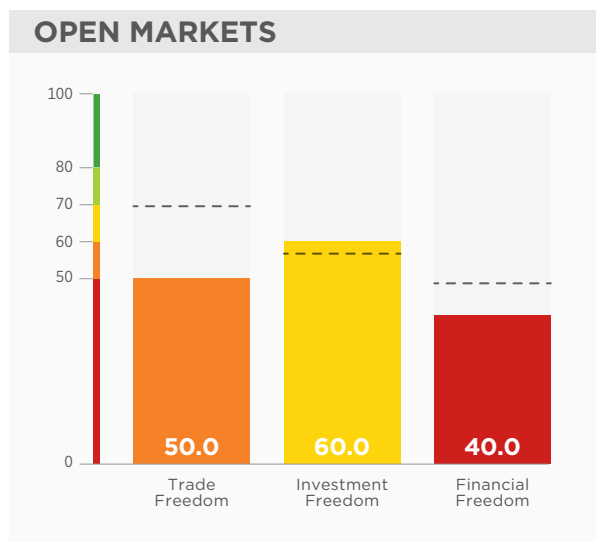
The overall rule of law is weak in Rwanda. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



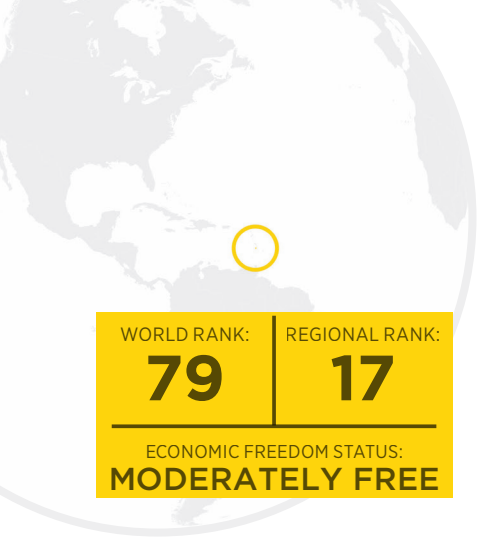
The top individual and corporate tax rates are 30 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.1 percent and -7.2 percent of GDP. Public debt equals 66.6 percent of GDP.



Legislative actions have helped to improve the business environment, but the pace of reform is slower than in previous years. Despite relatively flexible labor regulations, a more vibrant formal labor market has yet to develop. Monetary stability is relatively well maintained.



The trade-weighted average tariff rate is 17.5 percent. Foreign investment is generally welcome, and the investment code provides for equal treatment of foreigners and nationals for many types of activity. The financial sector is dominated by banking and expanding, albeit slowly.



WORLD RANK: **79** | REGIONAL RANK: **17**

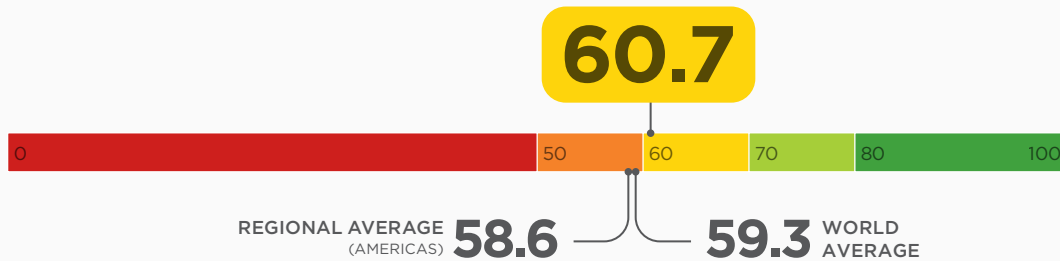
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# SAINT LUCIA

Saint Lucia's economic freedom score is 60.7, making its economy the 79th freest in the 2023 *Index*. Its score is 3.6 points lower than last year. Saint Lucia is ranked 17th out of 32 countries in the Americas region, and its overall score is above the world and regional averages.

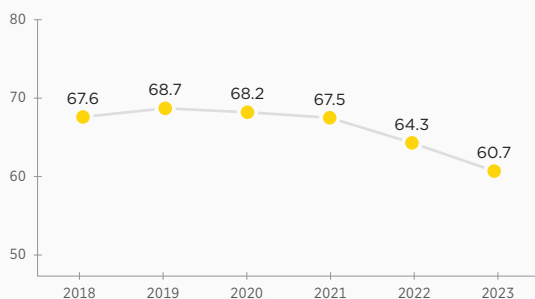
The Saint Lucian economy has long benefited from a well-developed legal and commercial infrastructure and a tradition of private-sector entrepreneurial dynamism. The business environment is generally efficient and transparent, and the regulatory framework has become more streamlined. Greater access to financing opportunities is needed to encourage private-sector development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -8.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.2 million

**GDP (PPP):**  
\$2.6 billion  
6.8% growth in 2021  
5-year compound annual growth -1.4%  
\$14,255 per capita

**UNEMPLOYMENT:**  
15.3%

**INFLATION (CPI):**  
2.4%

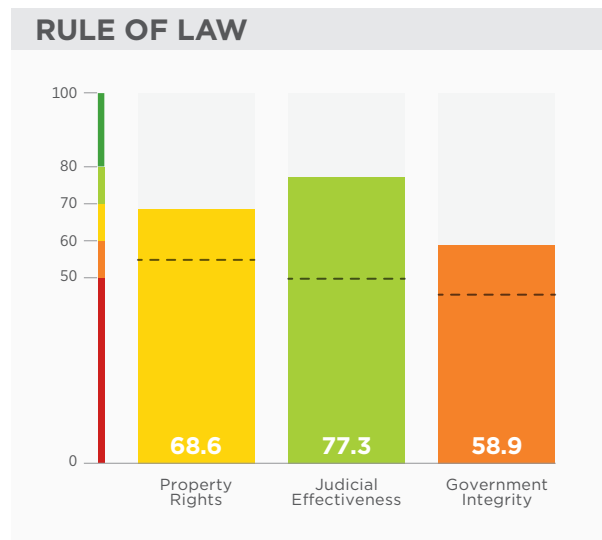
**FDI INFLOW:**  
\$46.7 million

**PUBLIC DEBT:**  
92.2% of GDP

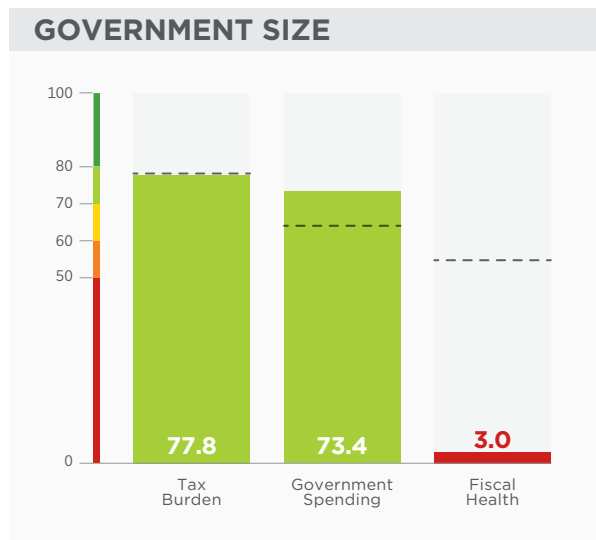
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Saint Lucia is a two-party democracy with a bicameral parliament. Phillip J. Pierre of the center-left Labour Party became prime minister in 2021. Saint Lucia is a member of the Caribbean Community and Common Market and the headquarters of the Organization of Eastern Caribbean States. The economy depends primarily on tourism, banana production, and some light manufacturing. A well-educated workforce and recent public infrastructure improvements have attracted foreign investment. The government is working to diversify from bananas into other commodities and is prioritizing growth in communications and information technology. Saint Lucia remains one of five Caribbean nations to recognize Taiwan.

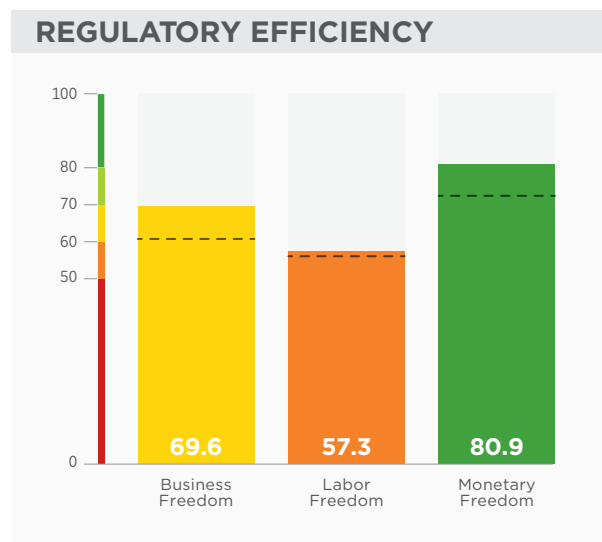
## 12 ECONOMIC FREEDOMS | SAINT LUCIA



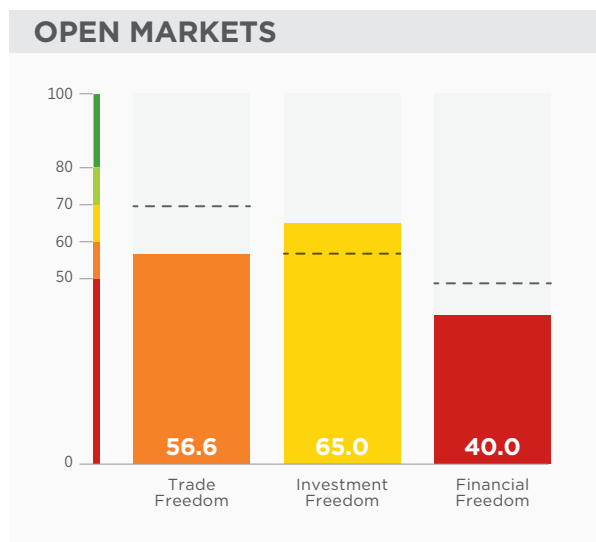
The overall rule of law is relatively well respected in Saint Lucia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 20.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.8 percent and -7.3 percent of GDP. Public debt equals 92.2 percent of GDP.



The regulatory environment fosters private-sector development. It is not time-consuming or costly to establish a business, and licensing requirements are not burdensome. Labor regulations are flexible, but an efficient labor market has not fully developed. The most recent available inflation rate is 2.4 percent.



The trade-weighted average tariff rate is 14.2 percent, and layers of nontariff measures are in force. Foreign investment is welcome, and the investment code treats foreigners and nationals equally for many types of activity. The financial sector, dominated by banking, is expanding slowly.

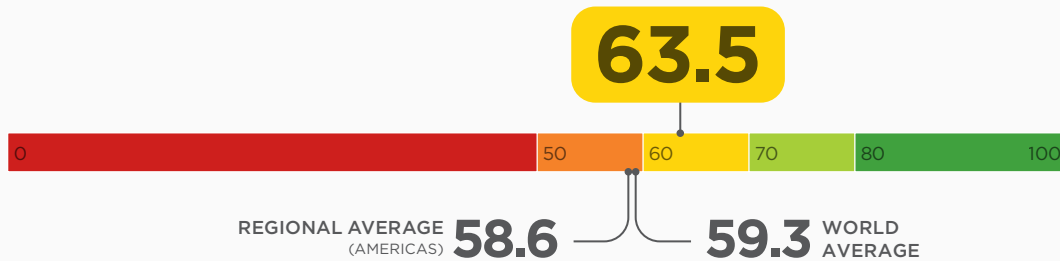
# SAINT VINCENT AND THE GRENADINES



Saint Vincent and the Grenadines' economic freedom score is 63.5, making its economy the 59th freest in the 2023 *Index*. Its score is 2.2 points lower than last year. The country ranks 10th out of 32 countries in the Americas region, and its score is well above the world and regional averages.

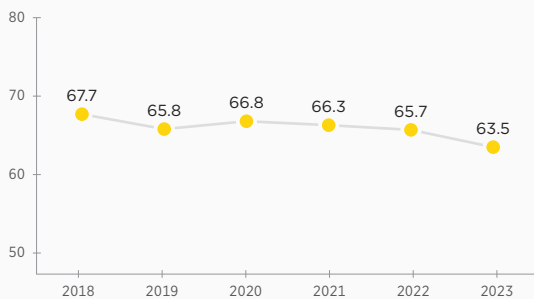
The country's economic system is characterized by flexible regulations, an efficient legal system that secures private property, and macroeconomic stability. The tourism industry is the primary driver of the economy and the main draw for foreign investment. More vibrant entrepreneurial activity remains stifled by limited access to financing.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -0.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$1.5 billion  
-0.5% growth in 2021  
5-year compound annual growth -0.1%  
\$13,910 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
1.6%

**FDI INFLOW:**  
\$65.3 million

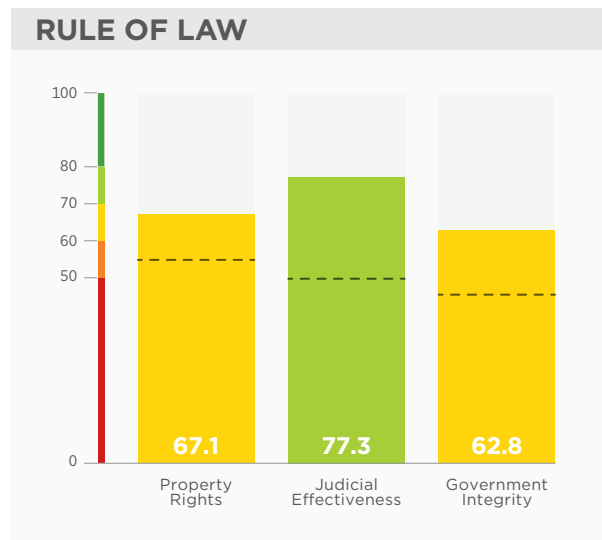
**PUBLIC DEBT:**  
88.4% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

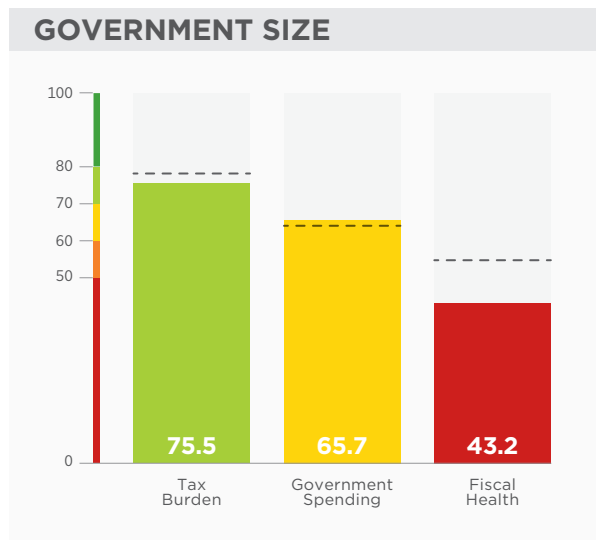
**BACKGROUND:** Saint Vincent and the Grenadines gained full independence from the United Kingdom as a parliamentary democracy in 1979. Prime Minister Ralph Gonsalves of the leftist Unity Labour Party secured a fifth mandate in 2020. In 2021, eruption of the La Soufrière volcano caused millions of dollars in damage. Agriculture and tourism employ a significant portion of the workforce. The economy has grown modestly because of renewed growth in construction and increased tourism through a new international airport. The Gonsalves government supports Venezuelan socialist dictator Nicolás Maduro's regime, but Gonsalves also visited Taiwan in 2021 and maintains formal relations with Taipei.



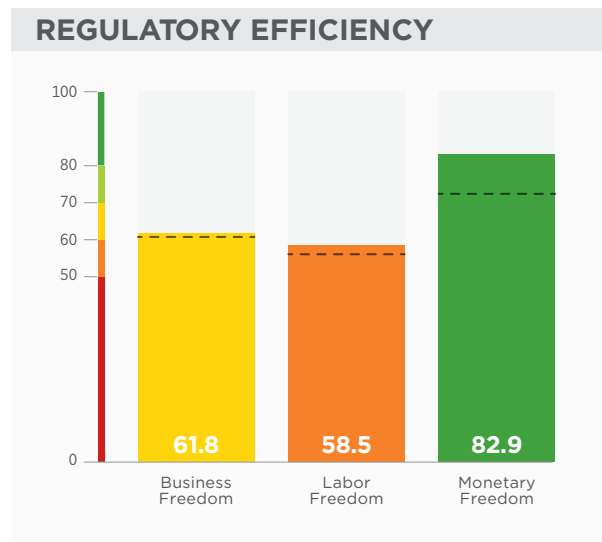
## 12 ECONOMIC FREEDOMS | SAINT VINCENT AND THE GRENADINES



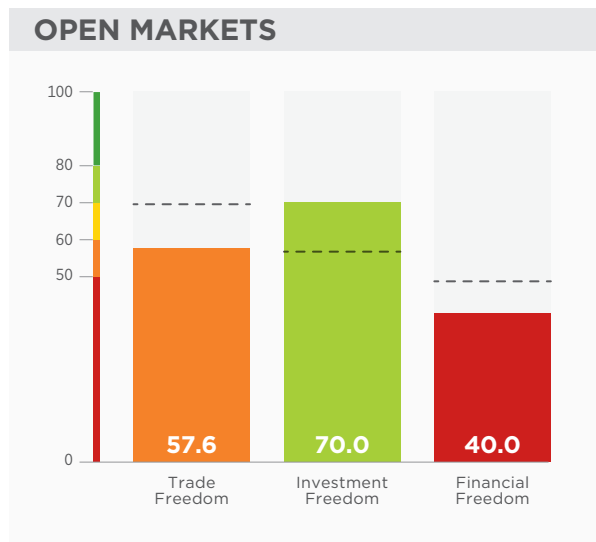
The overall rule of law is relatively well respected in Saint Vincent and the Grenadines. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 25.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.8 percent and -5.1 percent of GDP. Public debt equals 88.4 percent of GDP.

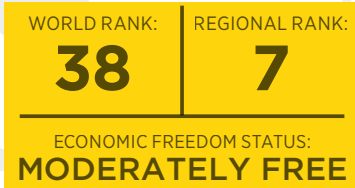


Business operations are not subject to excessive government interference, and enforcement of regulations is relatively effective. A well-functioning labor market is not fully developed, and much of the labor force is employed in agriculture and tourism. The most recent available inflation rate is 1.6 percent.



The trade-weighted average tariff rate is 13.7 percent, and nontariff barriers further undermine overall trade freedom. In general, foreign and domestic investors are treated equally, but the government screens foreign investment. Businesses lack adequate access to a wide variety of financing instruments.

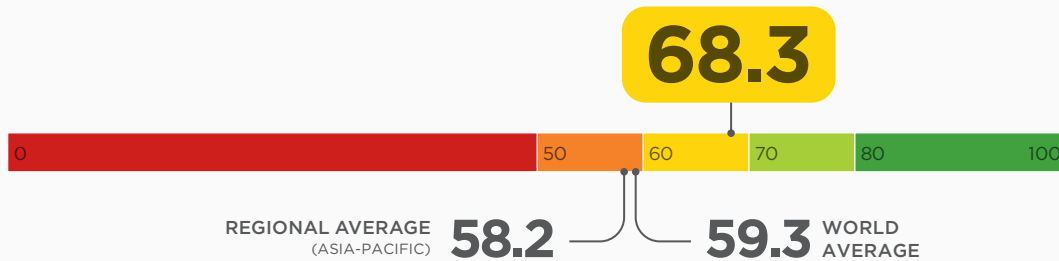
# SAMOA



Samoa's economic freedom score is 68.3, making its economy the 38th freest in the 2023 *Index*. Its score is unchanged from last year. Samoa ranks 7th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

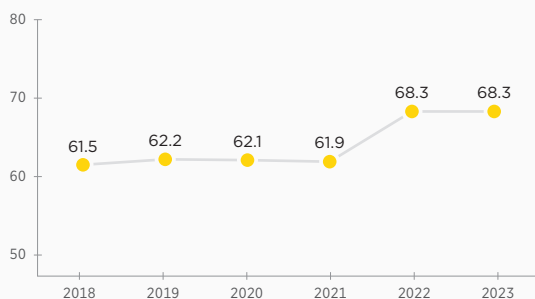
Samoa is a moderately free economy. Scores for the rule of law and fiscal health are relatively high. However, structural and institutional reform has been uneven. More vibrant economic growth is constrained by structural weaknesses that continue to undermine economic freedom and the private sector. The pace of reform has slowed in recent years.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +20.7

## RECENT FREEDOM TREND



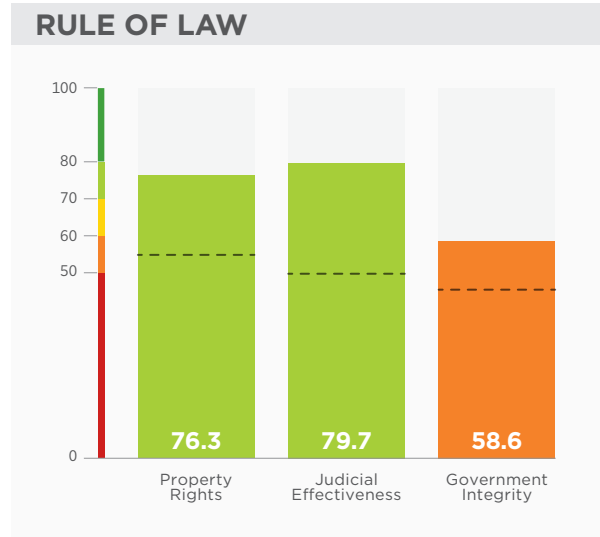
## QUICK FACTS

<b>POPULATION:</b> 0.2 million	<b>UNEMPLOYMENT:</b> 14.5%
<b>GDP (PPP):</b> \$1.1 billion -8.1% growth in 2021 5-year compound annual growth -1.3% \$5,622 per capita	<b>INFLATION (CPI):</b> -3.0%
	<b>FDI INFLOW:</b> \$8.8 million
	<b>PUBLIC DEBT:</b> 46.3% of GDP

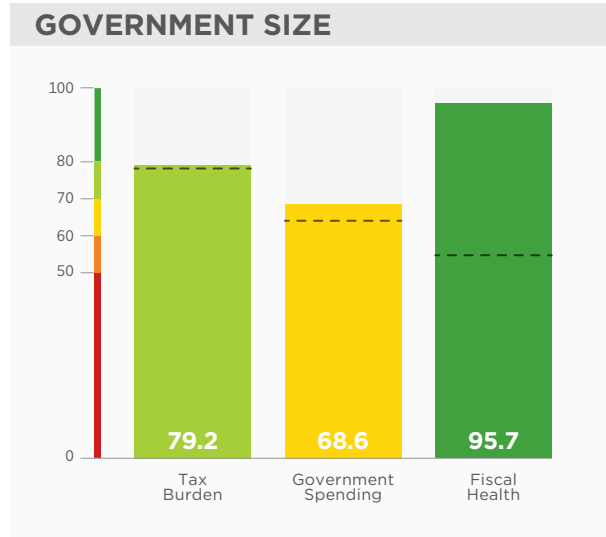
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** A small South Pacific archipelago with a population of fewer than 200,000, Samoa was administered by New Zealand until 1962 and is now a multiparty, unicameral parliamentary democracy. Following general elections in 2021, Prime Minister Tuilaepa Aiono Sailele refused to step down and accept the victory of Naomi Mata'afa. The crisis was resolved in 2021 when the Supreme Court declared Mata'afa the victor. Two-thirds of the workforce is employed in fishing and agriculture, which produce 90 percent of exports, and the economy relies heavily on remittances from emigrants. The government is encouraging more offshore banking and foreign investment in manufacturing.

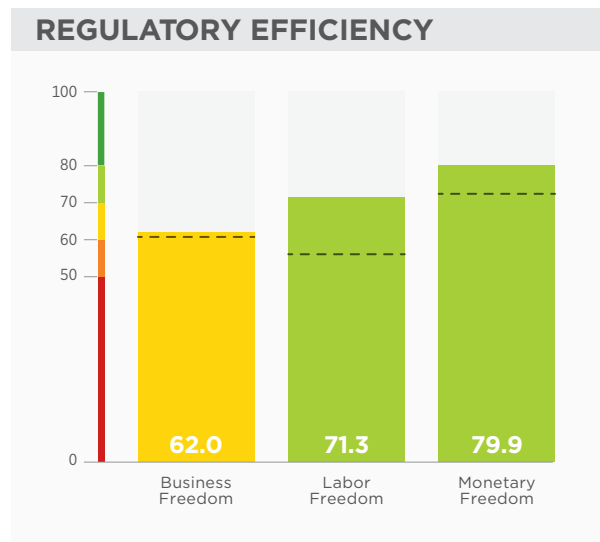
## 12 ECONOMIC FREEDOMS | SAMOA



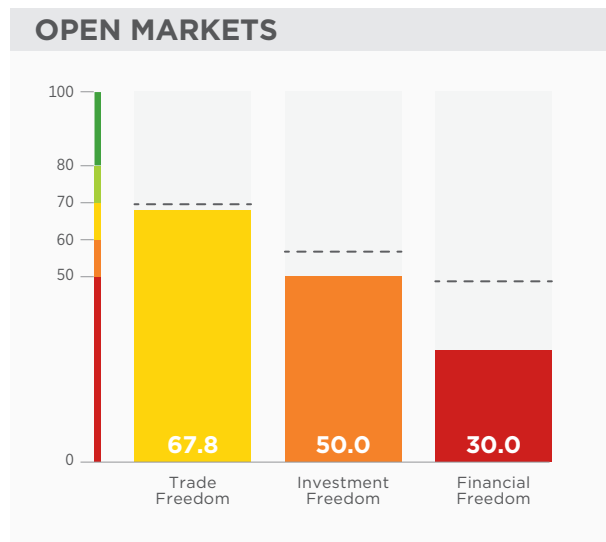
The overall rule of law is well respected in Samoa. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 27 percent. The tax burden equals 25.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.3 percent and 2.9 percent of GDP. Public debt equals 46.3 percent of GDP.



The regulatory framework supports entrepreneurial activity, but application of the commercial codes is not always straightforward. A modern labor market is not fully developed, and informal labor activity remains substantial. Monetary stability has been fragile, and inflation levels vary widely from year to year.



The trade-weighted average tariff rate is 8.6 percent. Other barriers persist, and policies critical to market openness have not advanced. The small and underdeveloped financial sector is dominated by banking, but a significant portion of the population remains unconnected to the formal banking system.

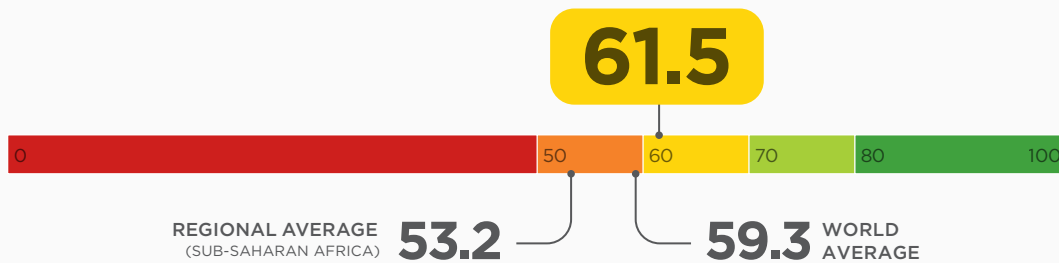
# SÃO TOMÉ AND PRÍNCIPE



São Tomé and Príncipe's economic freedom score is 61.5, making its economy the 74th freest in the 2023 *Index*. Its score has increased by 1.2 points from last year. São Tomé and Príncipe is ranked 4th out of 47 countries in the Sub-Saharan Africa region, and its overall score is above the world and regional averages.

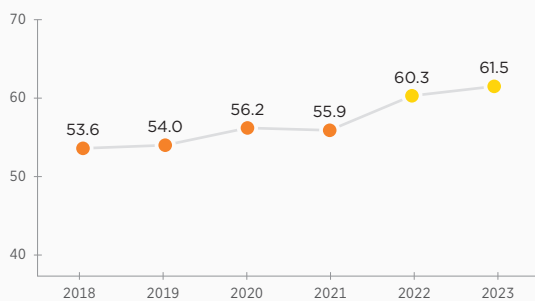
Institutional weaknesses continue to limit the country's overall economic freedom. The judicial system's lack of capacity to defend property rights effectively undermines prospects for long-term sustainable economic development. A lack of commitment to open-market policies discourages the emergence of a more dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +17.7

## RECENT FREEDOM TREND



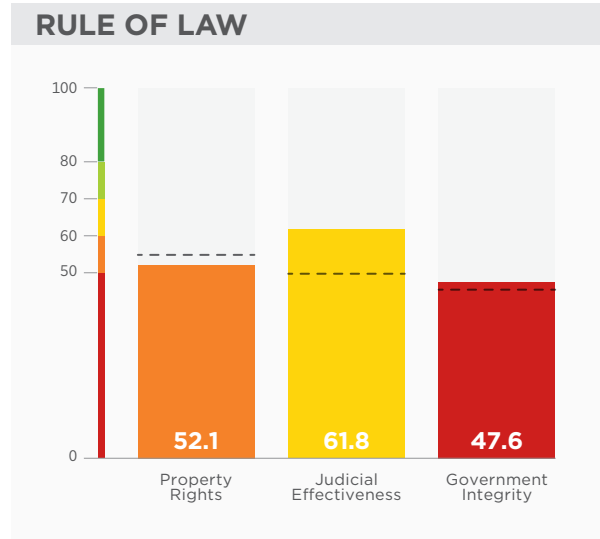
## QUICK FACTS

<b>POPULATION:</b> 0.2 million	<b>UNEMPLOYMENT:</b> 14.1%
<b>GDP (PPP):</b> \$1.0 billion 1.8% growth in 2021 5-year compound annual growth 2.8% \$4,412 per capita	<b>INFLATION (CPI):</b> 8.1%
	<b>FDI INFLOW:</b> \$60.1 million
	<b>PUBLIC DEBT:</b> 72.4% of GDP

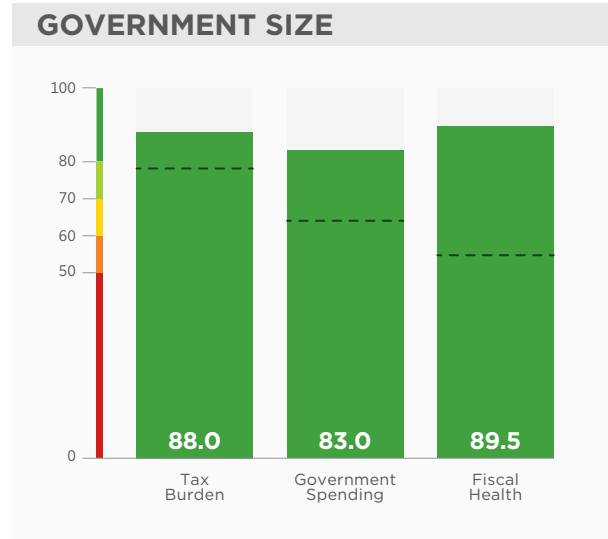
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** This former Portuguese colony gained its independence in 1975, but democratic reforms were not instituted until the late 1980s. Evaristo Carvalho won the presidency in 2016 in a runoff election that was marred by accusations of irregularities and boycotted by incumbent President Manuel Pinto da Costa. Opposition leader Carlos Vila Nova won the presidency in a second round of voting in September 2021. Cocoa production, an economic mainstay, has declined in recent years because of drought and mismanagement, but there is potential for tourism. The country is seeking to develop oil fields in the Gulf of Guinea jointly with Nigeria.

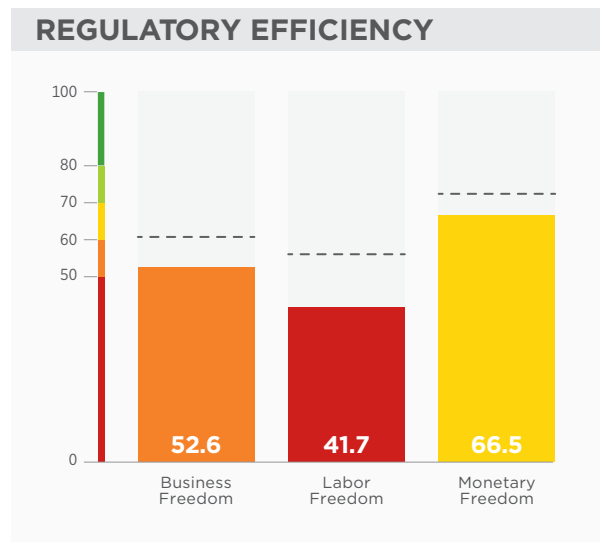
## 12 ECONOMIC FREEDOMS | SÃO TOMÉ AND PRÍNCIPE



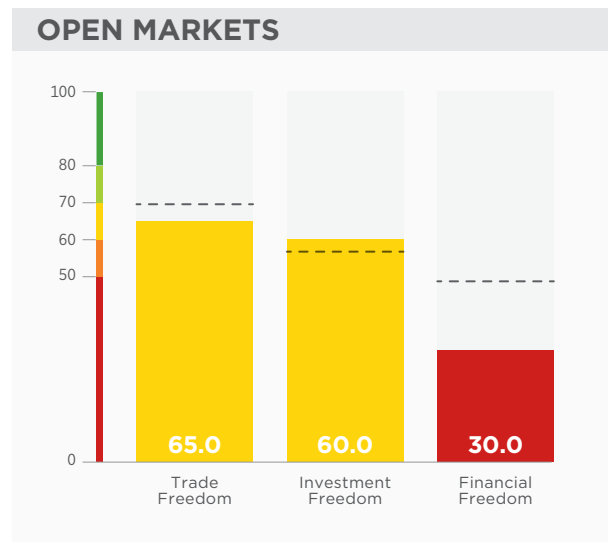
The overall rule of law is relatively well respected in São Tomé and Príncipe. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



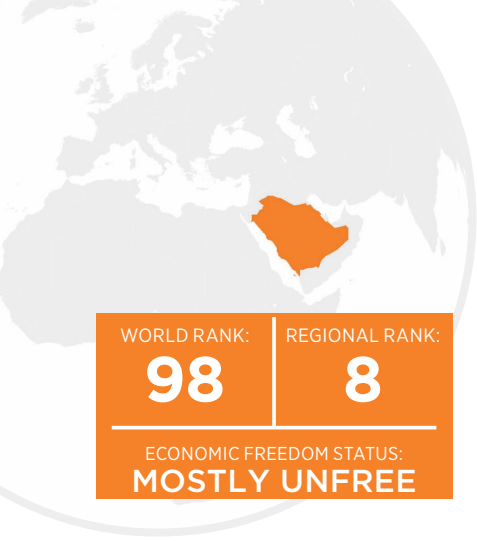
The top individual and corporate tax rates are, respectively, 20 percent and 25 percent. The tax burden equals 13.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.8 percent and 2.5 percent of GDP. Public debt equals 72.4 percent of GDP.



The time needed to start a company has been reduced, and licensing requirements have been simplified. However, overall regulatory efficiency remains weak. In the absence of a well-functioning labor market, informal labor activity remains significant. Monetary stability has been weak.



The trade-weighted average tariff rate is 10.0 percent, and layers of nontariff barriers add to the cost of trade. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit, particularly long-term credit, remains very limited.



WORLD RANK: **98** | REGIONAL RANK: **8**

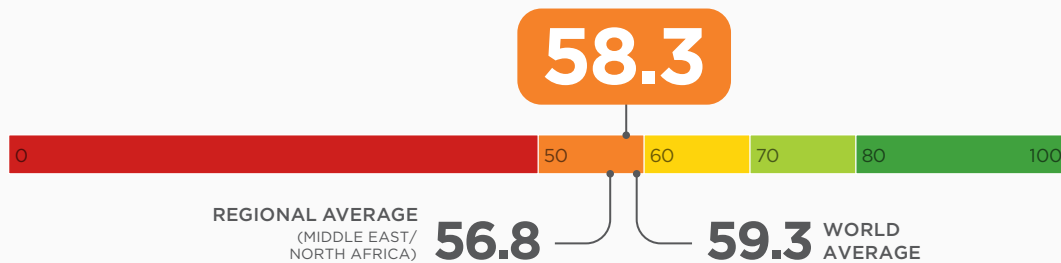
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# SAUDI ARABIA

**S**audi Arabia's economic freedom score is 58.3, making its economy the 98th freest in the 2023 *Index*. Its score is 2.8 points higher than last year. Saudi Arabia is ranked 8th out of 14 countries in the Middle East/North Africa region, and its overall score remains above the regional average.

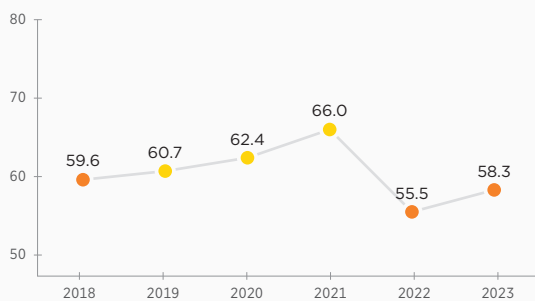
Overall, economic freedom in Saudi Arabia remains modest. Despite progress in tackling corruption and regulatory efficiency in recent years, levels of monetary freedom, investment freedom, and property rights are average at best. The judicial system remains susceptible to political influence. Bureaucracy and a lack of transparency still limit investment freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -10.0

## RECENT FREEDOM TREND



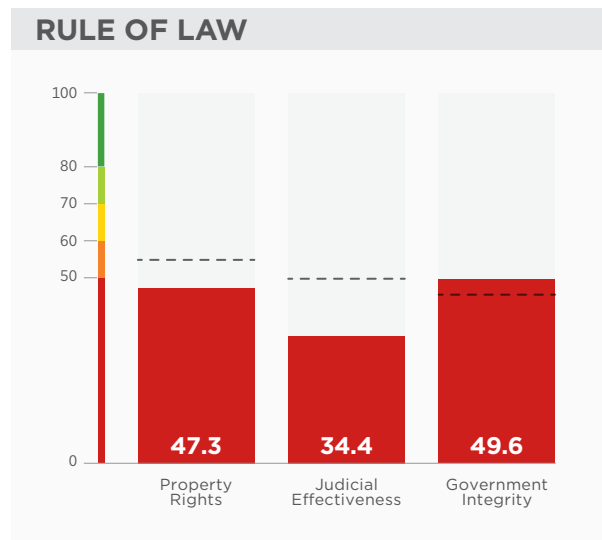
## QUICK FACTS

<b>POPULATION:</b> 35.3 million	<b>UNEMPLOYMENT:</b> 7.7%
<b>GDP (PPP):</b> \$1.8 trillion 3.2% growth in 2021 5-year compound annual growth 0.2%	<b>INFLATION (CPI):</b> 3.1%
<b>FDI INFLOW:</b> \$19.3 billion	<b>PUBLIC DEBT:</b> 30.0% of GDP

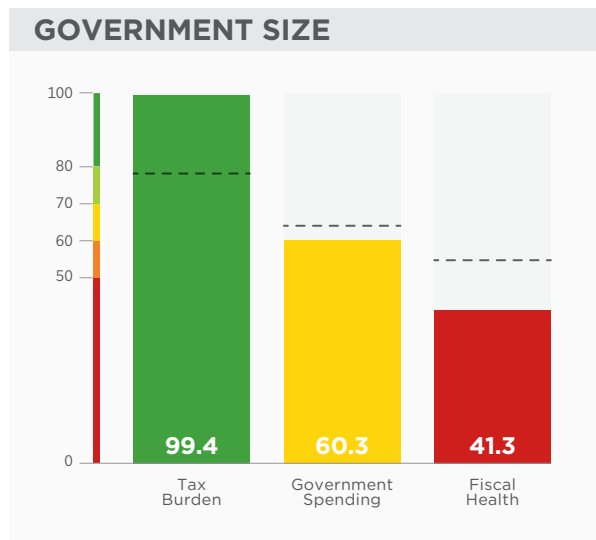
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The birthplace of Islam and home to its two holiest shrines in Mecca and Medina, Saudi Arabia is an absolute monarchy ruled by King Salman bin Abdulaziz Al Saud. Historically, Saudi Arabia has embraced Wahhabism, a particularly strict form of Sunni Islam. The government is pushing back against Iran's efforts to radicalize Saudi Arabia's Shia minority and has intervened in Yemen against Iran-backed Houthi rebels. Oil exports account for approximately 87 percent of government revenue. With about 15 percent of the world's proven oil reserves, Saudi Arabia is the world's largest exporter of crude oil and a leader in OPEC.

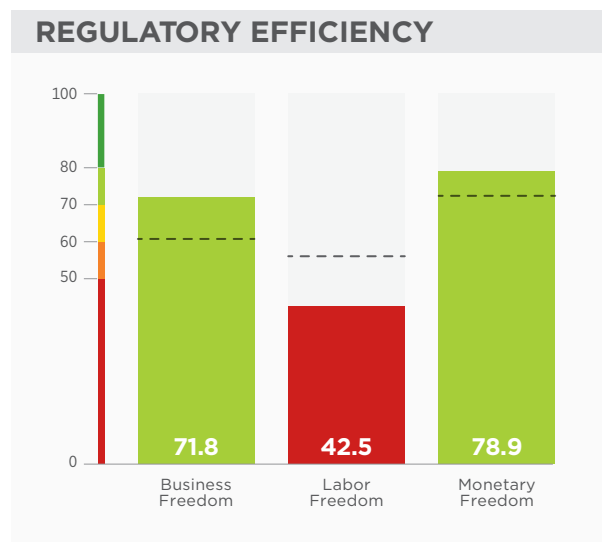
## 12 ECONOMIC FREEDOMS | SAUDI ARABIA



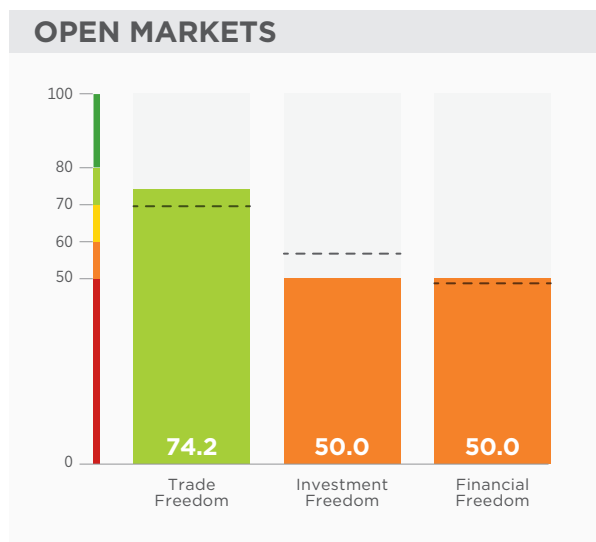
The overall rule of law is weak in Saudi Arabia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 2.5 percent. The tax burden equals 7.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.4 percent and -6.0 percent of GDP. Public debt equals 30.0 percent of GDP.



Regulation is relatively sound. Business formation has become less time-consuming, and no minimum capital is required. There is no mandated minimum wage, but wage increases have exceeded labor productivity. Government subsidies and state-owned enterprises influence prices. The most recent available inflation rate is 3.1 percent.



The trade-weighted average tariff rate is 5.4 percent, and more than 100 nontariff measures are in force. Regulatory reforms have been made to allow foreign investors to own controlling stakes. The financial sector is open and offers a range of options.

# SENEGAL

WORLD RANK: **103**

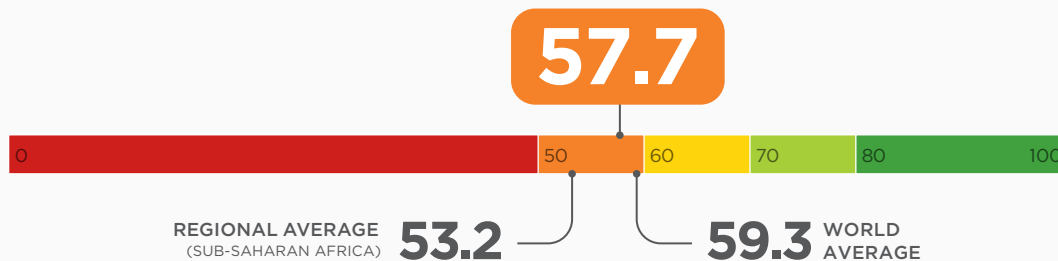
REGIONAL RANK: **13**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Senegal's economic freedom score is 57.7, making its economy the 103rd freest in the 2023 *Index*. Its score has decreased by 2.3 points since last year. Senegal is ranked 13th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

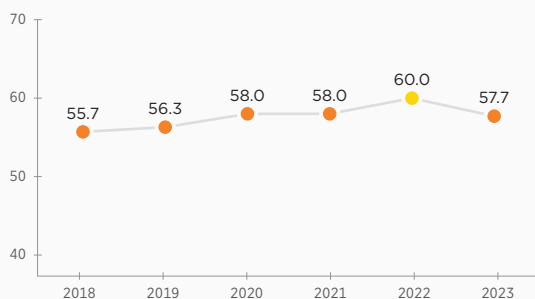
Progress toward greater economic freedom in Senegal has been uneven. The regulatory framework discourages dynamism and tends to curb development of the private sector. Despite some streamlining of business formation, deeper institutional reforms are needed to improve the foundations of economic freedom and encourage long-term economic development and greater poverty reduction.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -0.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.2 million

**GDP (PPP):**  
\$64.8 billion  
6.1% growth in 2021  
5-year compound annual growth 5.1%  
\$3,767 per capita

**UNEMPLOYMENT:**  
2.9%

**INFLATION (CPI):**  
2.2%

**FDI INFLOW:**  
\$2.2 billion

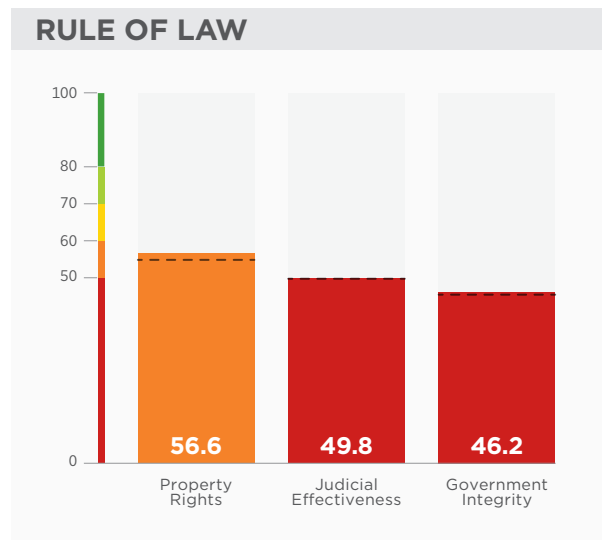
**PUBLIC DEBT:**  
73.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

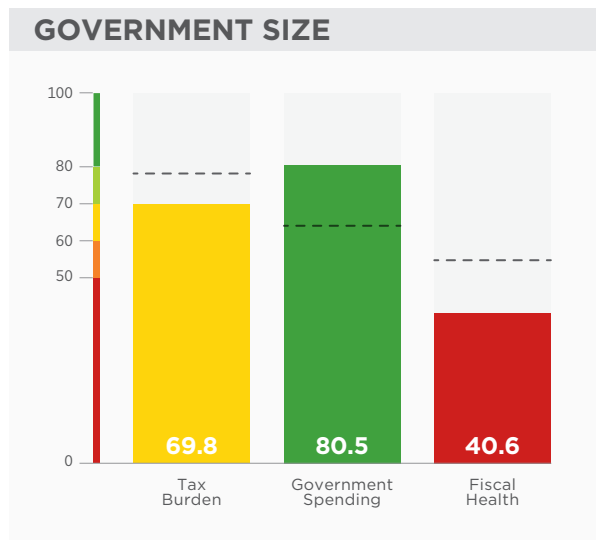
**BACKGROUND:** Senegal achieved full independence from France in 1989. President Macky Sall was reelected in 2019 in accordance with a 2016 constitutional change that shortened presidential terms from seven to five years, prohibited the president from serving more than two terms, and reduced presidential power. Sall's two primary competitors were excluded from the election based on what the opposition claims were trumped-up charges of corruption. In July 2022 legislative elections, the ruling coalition won a scant one-seat majority. Phosphate mining, fertilizer production, construction, tourism, fisheries, and agriculture propel Senegal's economy. Major offshore oil and gas fields are also being developed.



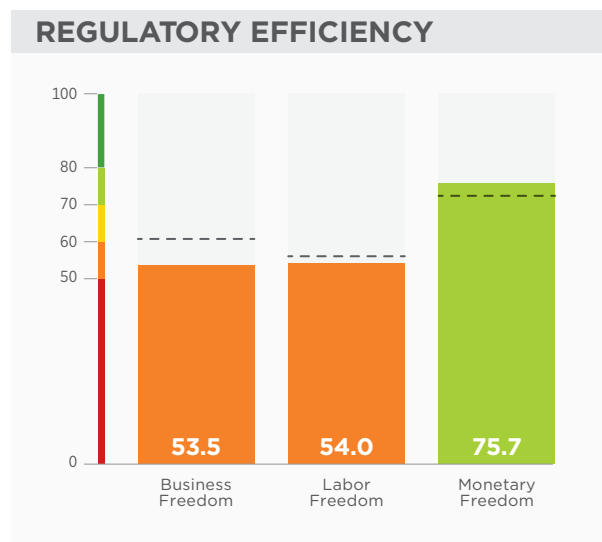
## 12 ECONOMIC FREEDOMS | SENEGAL



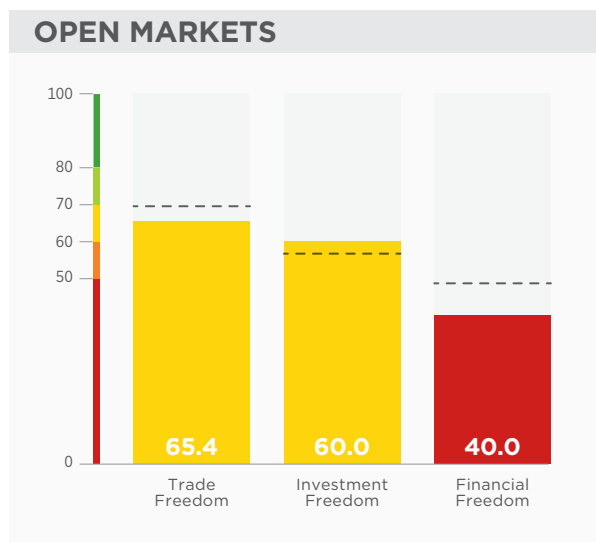
The overall rule of law is relatively well respected in Senegal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



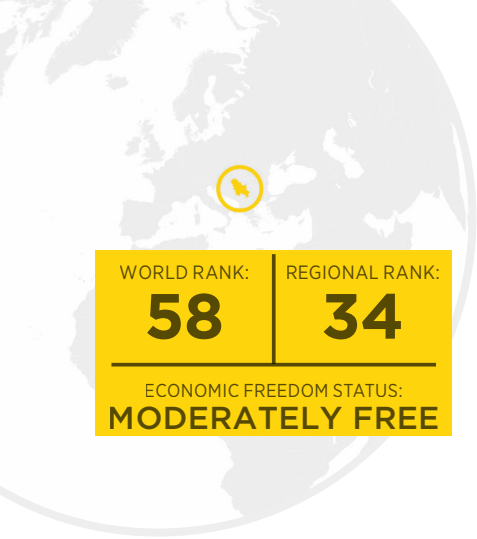
The top individual and corporate tax rates are, respectively, 43 percent and 30 percent. The tax burden equals 16.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.5 percent and -5.5 percent of GDP. Public debt equals 73.2 percent of GDP.



Licensing requirements are time-consuming and cost over four times the level of average income. The agricultural sector employs about 70 percent of working Senegalese, and a formal urban labor market has been slow to emerge. The most recent available inflation rate is 2.2 percent.



The trade-weighted average tariff rate is 9.8 percent, and layers of complex nontariff barriers are in force. The bureaucratic approval process and poor investment infrastructure can discourage investors. High credit costs and scarce access to financing continue to constrain the small private sector.



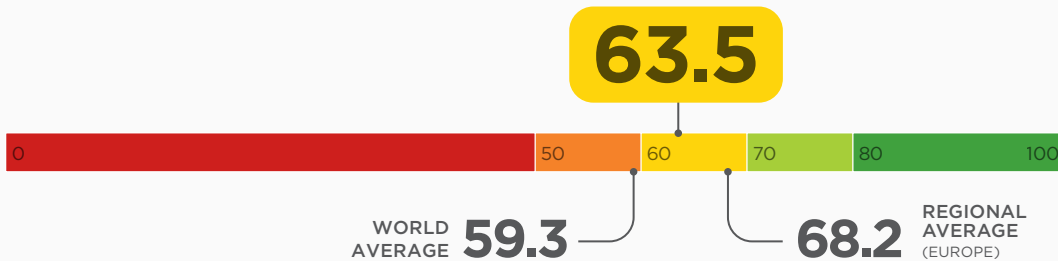
WORLD RANK: <b>58</b>	REGIONAL RANK: <b>34</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SERBIA

Serbia's economic freedom score is 63.5, making its economy the 58th freest in the 2023 *Index*. Its score is 1.7 points lower than last year. Serbia is ranked 34th out of 44 countries in the Europe region, and its overall score is above the world average and below the regional average.

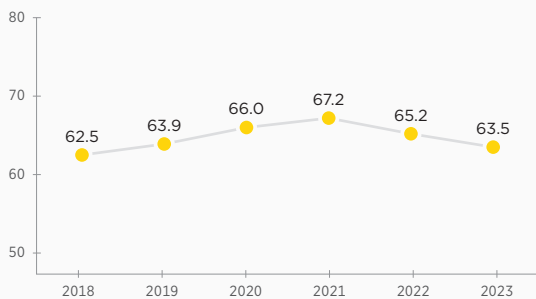
Competitiveness is supported by Serbia's relative openness to global trade and ongoing regulatory reform. Banking continues to evolve. However, there is a lack of political will to undertake the deeper institutional reforms that are needed to reduce corruption and strengthen a judicial system that is vulnerable to political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2002): +16.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.8 million

**GDP (PPP):**  
\$148.7 billion  
7.4% growth in 2021  
5-year compound annual growth 3.5%  
\$21,637 per capita

**UNEMPLOYMENT:**  
9.0%

**INFLATION (CPI):**  
4.1%

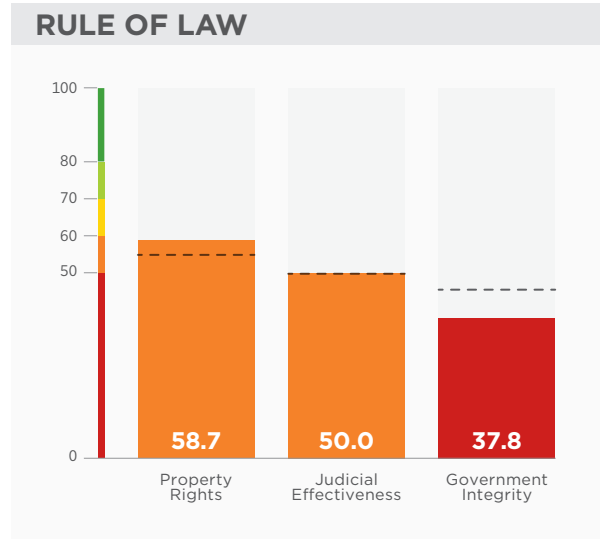
**FDI INFLOW:**  
\$4.6 billion

**PUBLIC DEBT:**  
57.9% of GDP

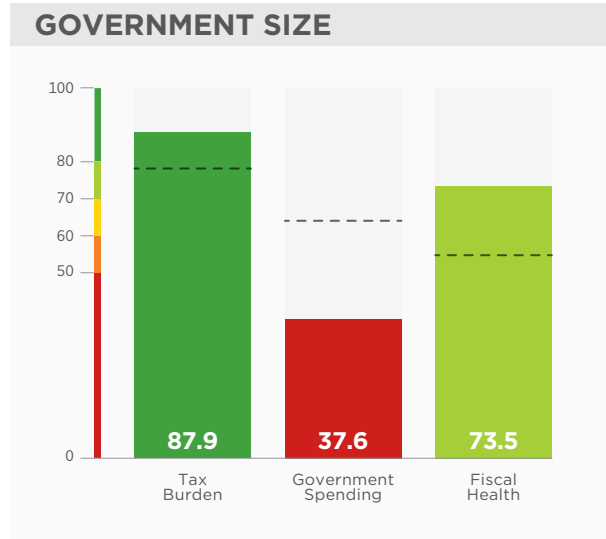
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Serbia became independent with the collapse of Yugoslavia in 1991. A 2013 agreement normalized relations with Kosovo. President Aleksandar Vucic won reelection in April 2022, but his center-right Progressive Party failed to win a parliamentary majority in legislative elections. Serbia has applied for membership in the European Union but cannot become a member without additional reforms, stronger rule of law, and improved relations with regional neighbors. Energy, historical, and political ties to Russia are strong, and links with China are growing. Serbia's largely market-based economy relies on manufacturing and exports, and state-owned companies remain a significant presence in certain sectors.

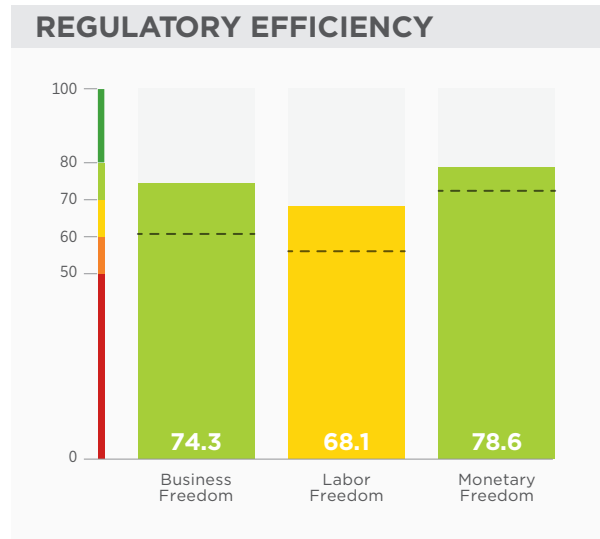
## 12 ECONOMIC FREEDOMS | SERBIA



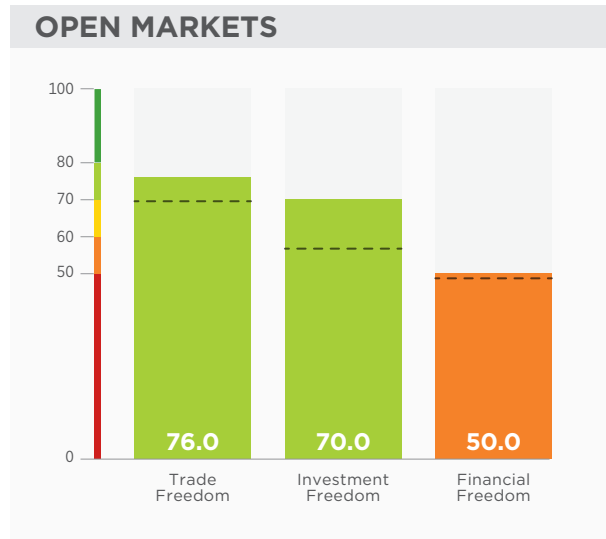
The overall rule of law is weak in Serbia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 20 percent and 15 percent. The tax burden equals 24.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.6 percent and -3.5 percent of GDP. Public debt equals 57.9 percent of GDP.



Despite some streamlining of the process for launching a business, the overall regulatory environment can be costly and burdensome. A fully functioning modern labor market has not developed, and the informal sector remains significant. The most recent available inflation rate is 4.1 percent.



The trade-weighted average tariff rate is 7.0 percent, and layers of non-tariff barriers are in force. Most sectors are open to foreign investment, but regulatory uncertainty and lack of transparency deter growth. The private sector now has access to a wider range of credit instruments.

# SEYCHELLES

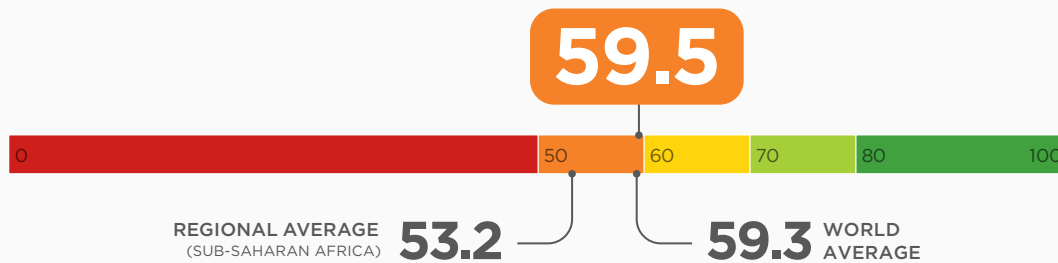
WORLD RANK: **87** | REGIONAL RANK: **8**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Seychelles' economic freedom score is 59.5, making its economy the 87th freest in the 2023 *Index*. Its score is 1.6 points lower than last year. Seychelles is ranked 8th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the world and regional averages.

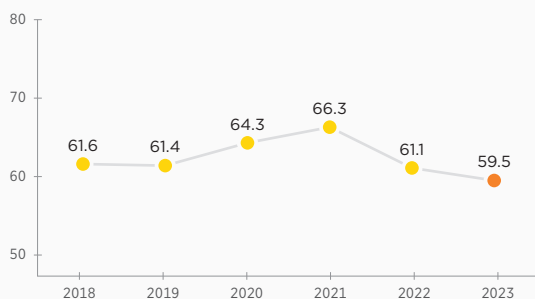
Efforts to enhance the economy's efficiency continue. Despite some progress, the entrepreneurial environment remains hampered by an inefficient regulatory framework, poor access to financing, and the state's pervasive presence in the economy. The judicial system is unable to defend property rights effectively. Corruption continues to undermine long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +11.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.1 million

**GDP (PPP):**  
\$3.1 billion  
8.0% growth in 2021  
5-year compound annual growth 2.2%  
\$32,000 per capita

**UNEMPLOYMENT:**  
4.3%

**INFLATION (CPI):**  
9.8%

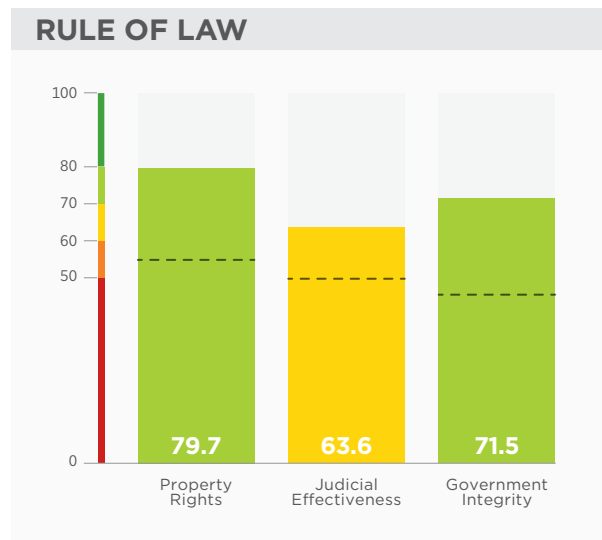
**FDI INFLOW:**  
\$156.9 million

**PUBLIC DEBT:**  
72.9% of GDP

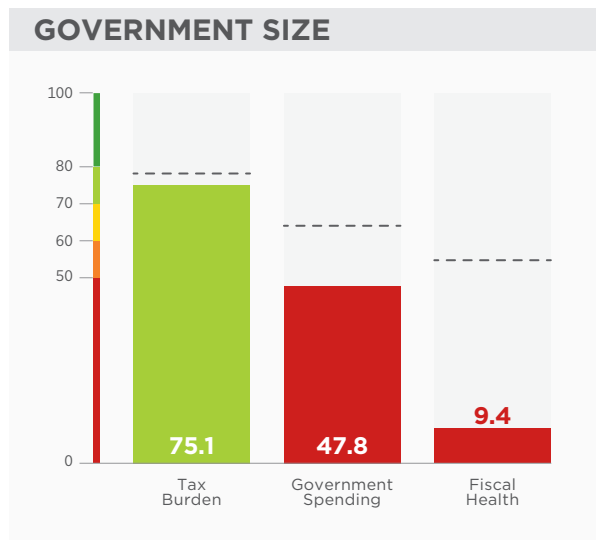
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Republic of Seychelles gained independence from the United Kingdom in 1976. France-Albert René of the People's Party seized power in 1977, won Seychelles' first presidential election in 1993, and in 2004 ceded power to Vice President James Michel. Michel resigned in 2016 and transferred power to Vice President Danny Faure. In 2020, Faure was defeated by Wavel Ramkalawan of the Seychellois Democratic Alliance, which increased its parliamentary majority. With a stable economic environment, Seychelles encourages foreign investment to upgrade hotels and other services while promoting the development of farming, fishing, and small-scale manufacturing to reduce its dependence on tourism.

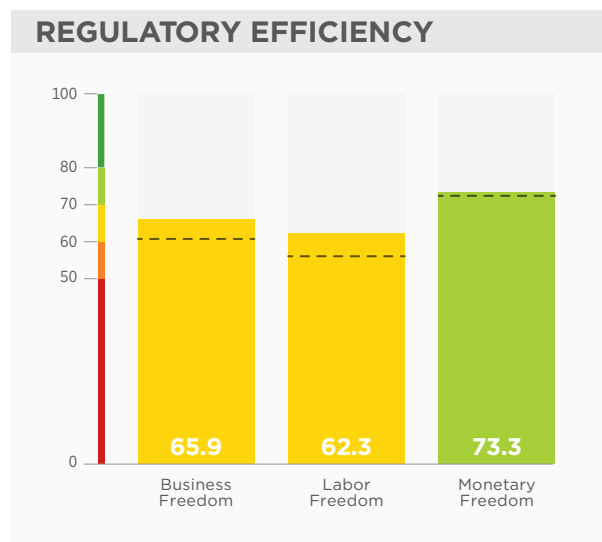
## 12 ECONOMIC FREEDOMS | SEYCHELLES



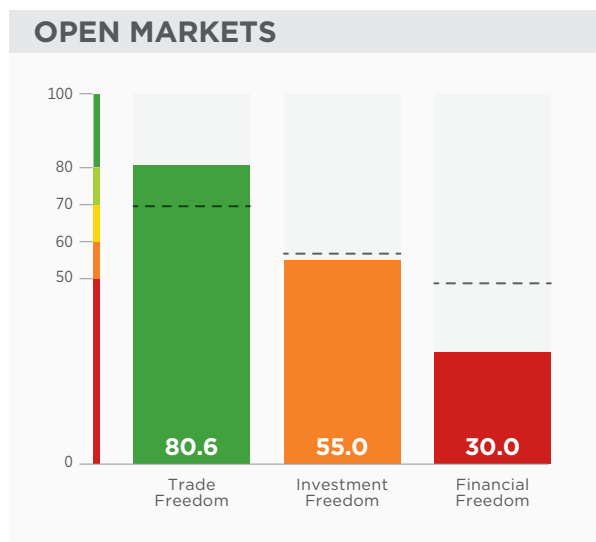
The overall rule of law is well respected in Seychelles. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 33 percent. The tax burden equals 34.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.7 percent and -7.2 percent of GDP. Public debt equals 72.9 percent of GDP.



Potential entrepreneurs still face considerable bureaucratic and procedural regulatory hurdles, and continuing reform will be critical. The formal labor market is not fully developed. Monetary stability remains weak, and the most recent available inflation rate is 9.8 percent.



The trade-weighted average tariff rate is 4.7 percent, and nontariff barriers add to the cost of trade. Investment is hindered by bureaucracy. A large part of the population lacks access to formal banking services, and limited capacity for lending to the private sector inhibits growth.

# SIERRA LEONE

WORLD RANK:

148

REGIONAL RANK:

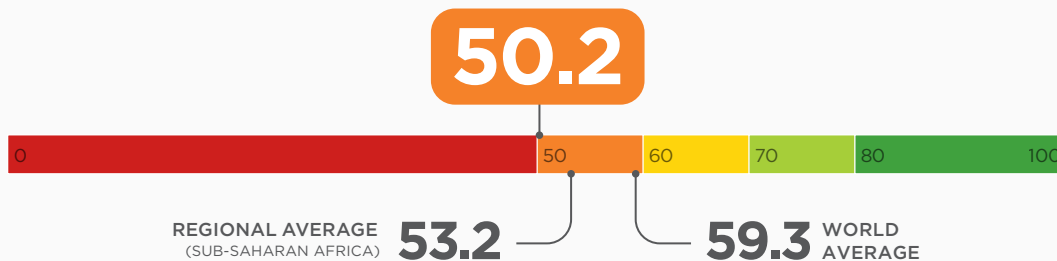
35

ECONOMIC FREEDOM STATUS:  
MOSTLY UNFREE

Sierra Leone's economic freedom score is 50.2, making its economy the 148th freest in the 2023 *Index*. Its score is 1.8 points lower than last year. Sierra Leone is ranked 35th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world and regional averages.

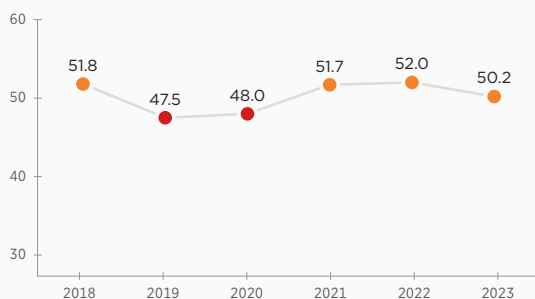
Sierra Leone has invested in improving its legal and physical infrastructure, the foundations of economic freedom remain beset by structural and institutional problems. The rule of law is weak, and corruption continues to deter private-sector development. Inefficient regulatory enforcement impedes expansion and diversification of the productive base.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.1 million

**GDP (PPP):**  
\$14.8 billion  
3.2% growth in 2021  
5-year compound  
annual growth 2.7%  
\$1,818 per capita

**UNEMPLOYMENT:**  
3.2%

**INFLATION (CPI):**  
11.9%

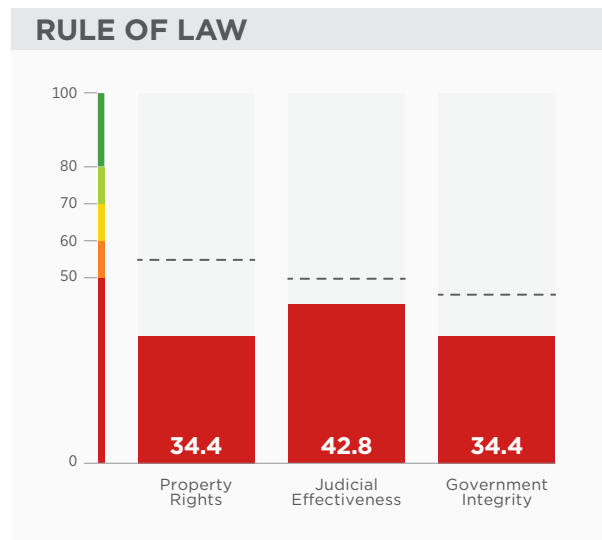
**FDI INFLOW:**  
\$218.3 million

**PUBLIC DEBT:**  
79.3% of GDP

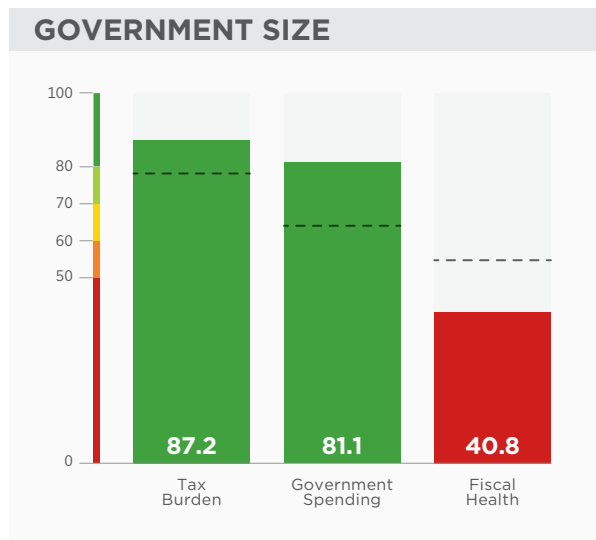
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Sierra Leone became independent from the United Kingdom in 1961. A civil war killed or displaced about a third of the population in the 1990s, and the first peaceful transfer of power did not occur until 2007. Former junta leader Julius Maada Bio of the Sierra Leone People's Party won the presidency in 2018. Dozens of people were killed in August 2022 during protests against the rising cost of living. Gem-quality diamonds account for nearly half of exports. Much of the population depends on subsistence agriculture, and political instability hinders development of the country's substantial mineral, agricultural, and fishery resources.

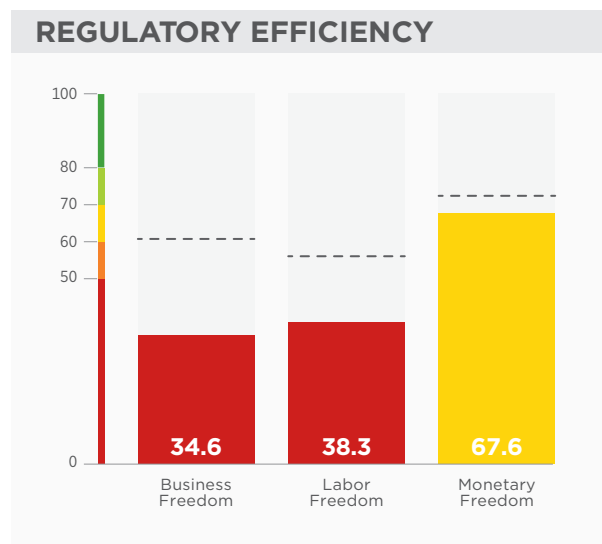
## 12 ECONOMIC FREEDOMS | SIERRA LEONE



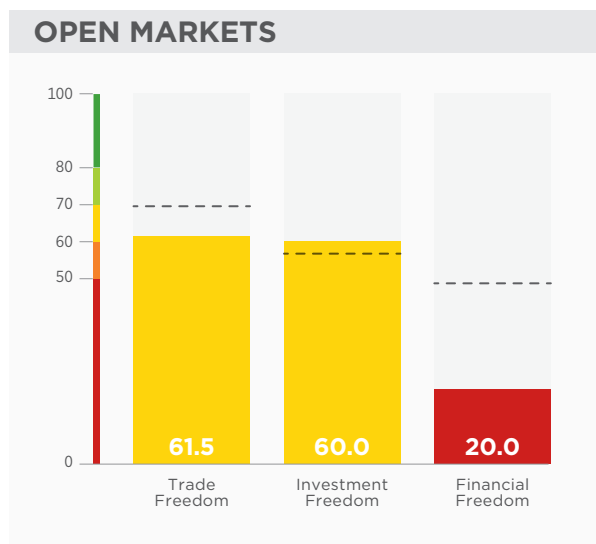
The overall rule of law is weak in Sierra Leone. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 30 percent. The tax burden equals 12.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.1 percent and -5.4 percent of GDP. Public debt equals 79.3 percent of GDP.



Legislative, institutional, and regulatory challenges abound. Licensing requirements are time-consuming. Outmoded labor regulations have little practical impact as much of the labor force is employed in the informal sector. Inflation has been chronically high. The most recent available inflation rate is 11.9 percent.



The trade-weighted average tariff rate is 14.2 percent, and nontariff barriers add to the cost of trade. Instability and the weak rule of law continue to discourage much-needed long-term investment. The state controls the majority of bank assets.

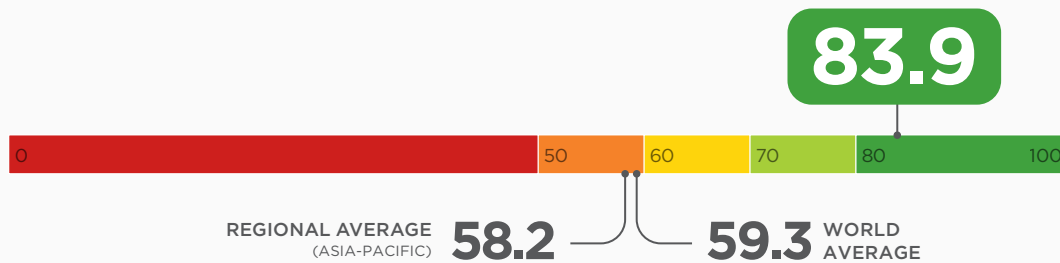


# SINGAPORE

Singapore's economic freedom score is 83.9, making its economy the world's freest in the 2023 *Index*. Its score is about the same as last year. Singapore is ranked 1st out of 39 countries in the Asia-Pacific region, and its overall score remains significantly higher than the world and regional averages.

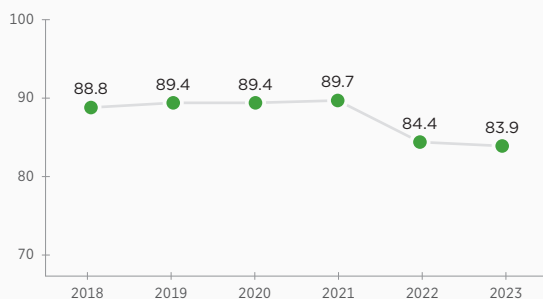
The foundations of Singapore's economic freedom are sustained by strong protection of property rights and effective enforcement of anticorruption laws. Tax rates are competitive, and the regulatory environment is transparent. Openness to global commerce boosts productivity while facilitating the emergence of a more dynamic and competitive financial sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -2.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.5 million

**GDP (PPP):**  
\$635.3 billion  
7.6% growth in 2021  
5-year compound  
annual growth 2.6%

**UNEMPLOYMENT:**  
4.1%

**INFLATION (CPI):**  
2.3%

**FDI INFLOW:**  
\$99.1 billion

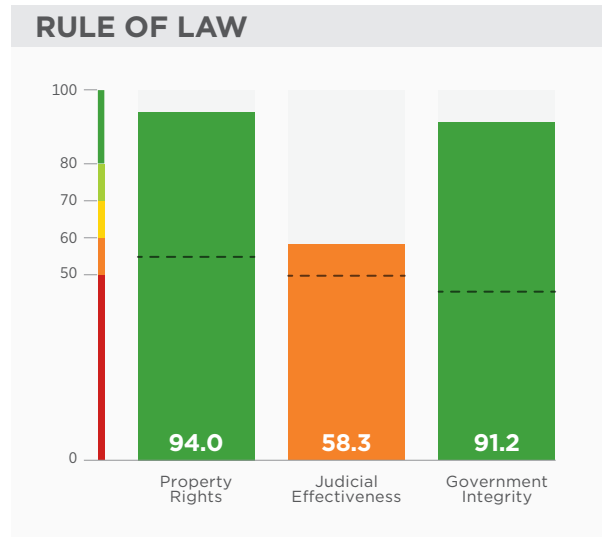
**PUBLIC DEBT:**  
159.9% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

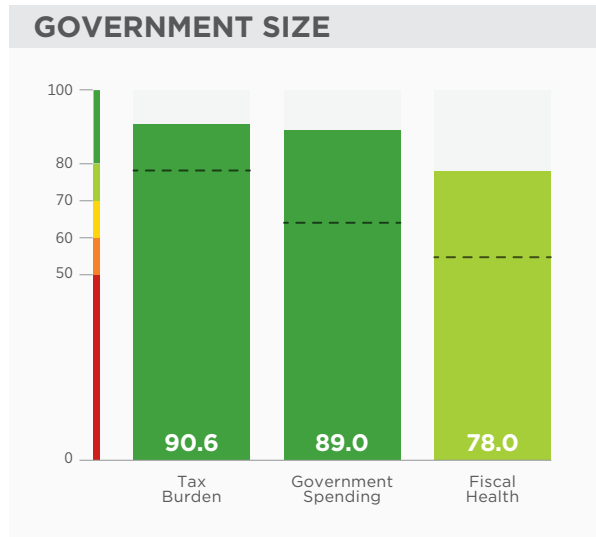
**BACKGROUND:** With a business-friendly regulatory environment and a very low unemployment rate, Singapore is one of the world's most prosperous nations. Despite an active parliamentary opposition, it has been ruled by the People's Action Party (PAP) for many decades. Lee Hsien Loong has been prime minister since 2004 and has suggested a near-term leadership transition. Although certain civil liberties remain restricted, the PAP champions economic liberalization and international trade. Services dominate the economy, but Singapore is also a major manufacturer of electronics and chemicals and operates one of the world's largest ports. Principal exports include integrated circuits, refined petroleum, and computers.



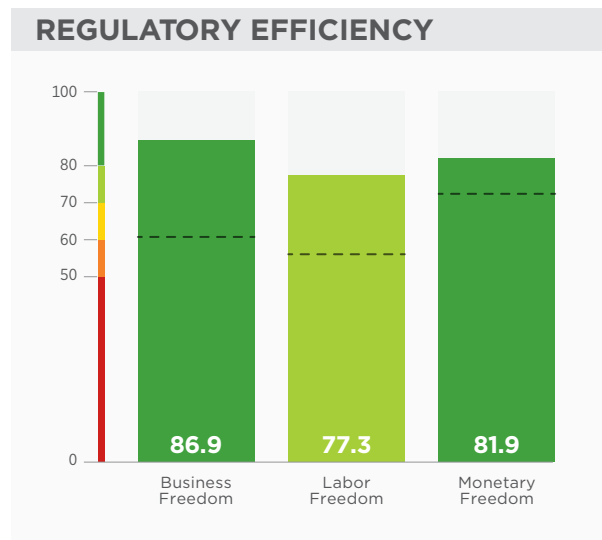
## 12 ECONOMIC FREEDOMS | SINGAPORE



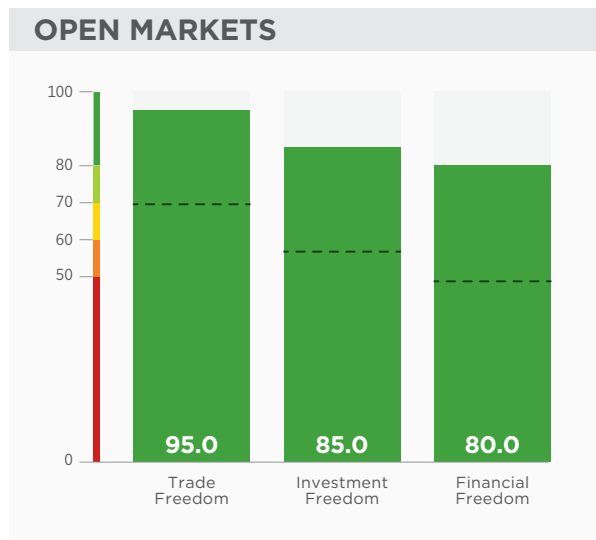
The overall rule of law is well respected in Singapore. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 22 percent and 17 percent. The tax burden equals 12.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 19.1 percent and -1.1 percent of GDP. Public debt equals 159.9 percent of GDP.



The process for starting a business is straightforward, and required procedures are streamlined. There is no statutory minimum wage, but the National Wage Council guides wage adjustments. Inflation is under control despite the challenging external environment. Government regulation and state-linked enterprises influence prices.



The trade regime is open and competitive, and no tariffs are imposed on imports. The law treats foreign and domestic businesses equally, and nearly all sectors of the economy are open to 100 percent foreign ownership. The financial sector is highly competitive and resilient.



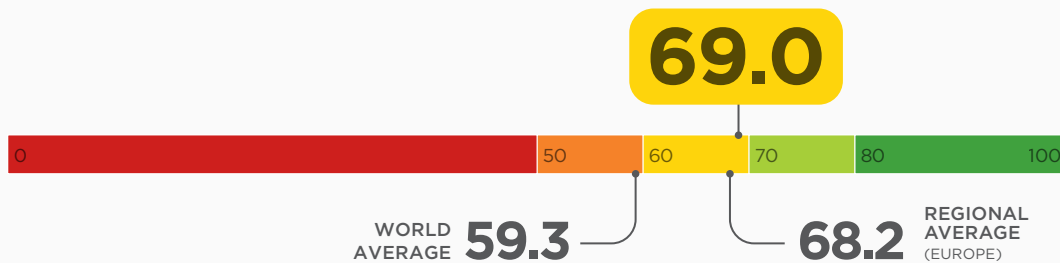
WORLD RANK: <b>33</b>	REGIONAL RANK: <b>20</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SLOVAKIA

Slovakia's economic freedom score is 69.0, making its economy the 33rd freest in the 2023 *Index*. Its score has decreased by 0.7 point from last year. Slovakia is ranked 20th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

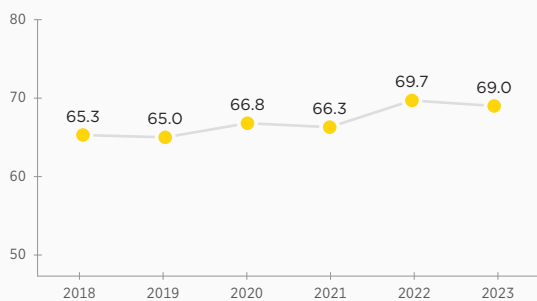
The pillars of economic freedom are relatively well maintained. Slovakia has a transparent and stable business climate and a dynamic entrepreneurial environment. Barriers to trade are low, and commercial operations are aided by efficient regulations that generally support open-market policies. Foreign investment is welcome, and the financial sector is relatively sound.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.6

## RECENT FREEDOM TREND



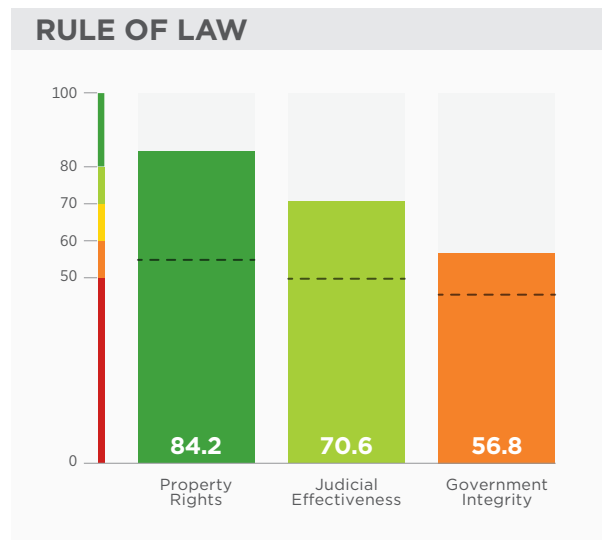
## QUICK FACTS

<b>POPULATION:</b> 5.4 million	<b>UNEMPLOYMENT:</b> 6.7%
<b>GDP (PPP):</b> \$193.6 billion 3.0% growth in 2021 5-year compound annual growth 1.6% \$35,463 per capita	<b>INFLATION (CPI):</b> 2.8%
	<b>FDI INFLOW:</b> \$58.7 million
	<b>PUBLIC DEBT:</b> 63.1% of GDP

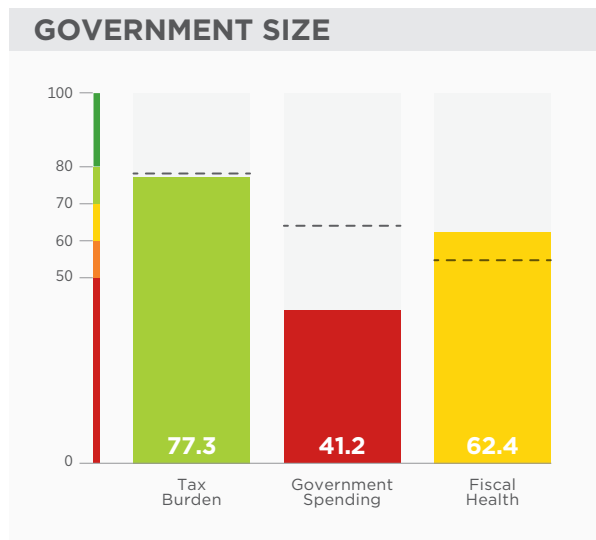
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** After Slovakia gained independence from Czechoslovakia in 1993, market reforms made it one of Europe's rising economic stars. Slovakia entered the European Union and NATO in 2004 and the eurozone in 2009. Prime Minister Eduard Heger of the anticorruption Ordinary People and Independent Personalities–New Majority (OLaNO–NOVA) leads a four-party center-right governing coalition. The 2018 murder of an investigative journalist sparked massive anticorruption protests and a backlash against the once-dominant center-left Smer party. Slovakia's first female president, independent Zuzana Caputová, was elected in 2019. The country's small, open economy is driven mainly by exports of automobiles and electronics.

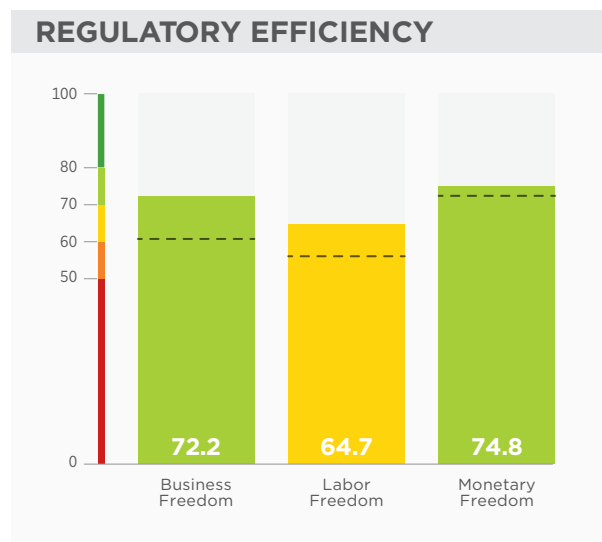
## 12 ECONOMIC FREEDOMS | SLOVAKIA



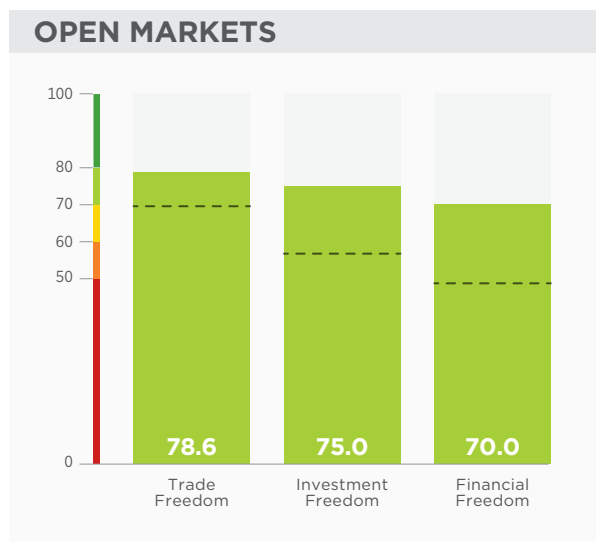
The overall rule of law is well respected in Slovakia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 21 percent. The tax burden equals 34.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.3 percent and -4.3 percent of GDP. Public debt equals 63.1 percent of GDP.



The regulatory framework has undergone a series of reforms to facilitate entrepreneurial activity, but the pace of reform has slowed in comparison to other emerging economies. The labor market lacks flexibility. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Full foreign ownership is permitted in most sectors. The banking sector remains relatively sound.



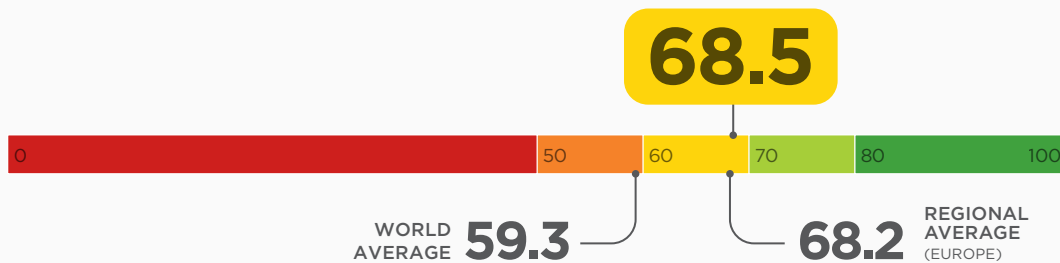
WORLD RANK: <b>37</b>	REGIONAL RANK: <b>22</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SLOVENIA

Slovenia's economic freedom score is 68.5, making its economy the 37th freest in the 2023 *Index*. Its score has decreased by 2.0 points since last year. Slovenia is ranked 22nd out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

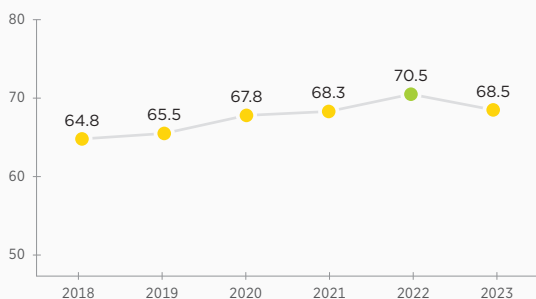
Structural reform has been uneven, and institutional weaknesses continue to undermine prospects for long-term economic development. The judicial system remains inefficient and vulnerable to political interference. The overall regulatory framework has been evolving to facilitate the emergence of a more vibrant private sector and encourage broad-based employment growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +18.1

## RECENT FREEDOM TREND



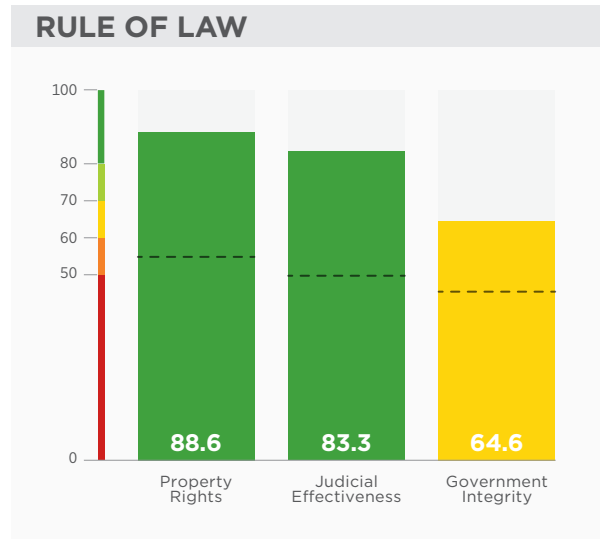
## QUICK FACTS

<b>POPULATION:</b> 2.1 million	<b>UNEMPLOYMENT:</b> 5.0%
<b>GDP (PPP):</b> \$92.9 billion 8.1% growth in 2021 5-year compound annual growth 3.3%	<b>INFLATION (CPI):</b> 1.9%
<b>FDI INFLOW:</b> \$1.5 billion	<b>PUBLIC DEBT:</b> 74.4% of GDP

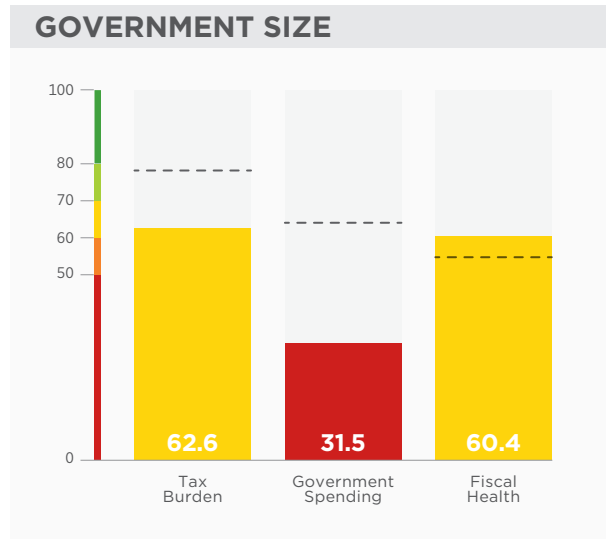
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Slovenia joined the European Union and NATO in 2004 and adopted the euro in 2007. Robert Golob became prime minister in May 2022 heading a center-left coalition of his Freedom Movement, the center-left Social Democrats, and the democratic socialist Left party. The government's priorities include economic recovery, improvements in health care, welfare expansion, green energy investments, and closer relations with the EU. Slovenia's strong economic recovery will be hampered by its dependence on Russian energy. With its excellent infrastructure, well-educated workforce, and strategic location between the Balkans and Western Europe, Slovenia has one of Central Europe's higher per capita GDPs.

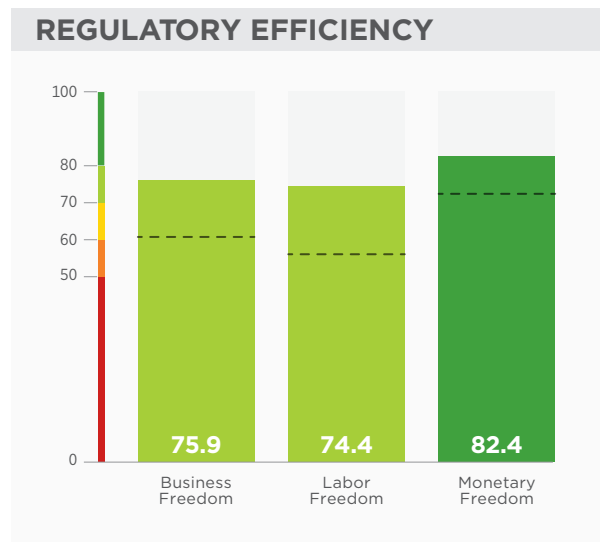
## 12 ECONOMIC FREEDOMS | SLOVENIA



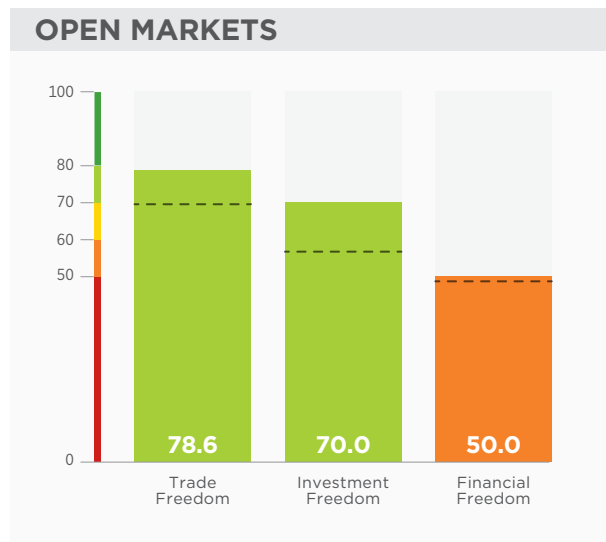
The overall rule of law is well respected in Slovenia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 45 percent and 19 percent. The tax burden equals 36.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.8 percent and -4.2 percent of GDP. Public debt equals 74.4 percent of GDP.



Despite a more streamlined process for launching a business, other time-consuming requirements reduce the efficiency of the regulatory system. The labor market remains saddled with rigid labor regulations that discourage dynamic employment growth. The most recent available inflation rate is 1.9 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Most sectors of the economy are open to foreign investment, but the investment regime lacks efficiency. The financial sector is relatively stable.



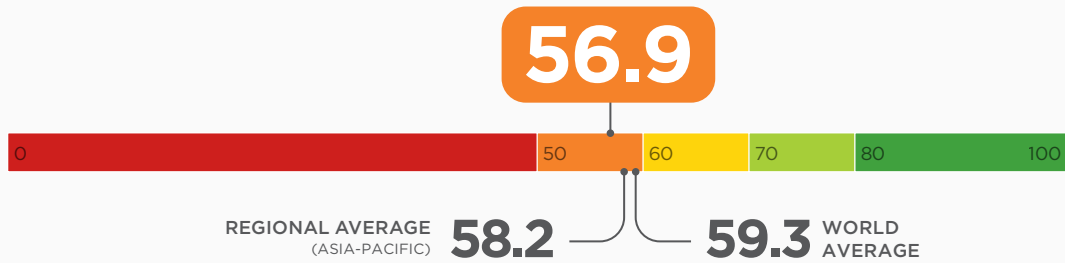
# SOLOMON ISLANDS

WORLD RANK:	REGIONAL RANK:
<b>106</b>	<b>22</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

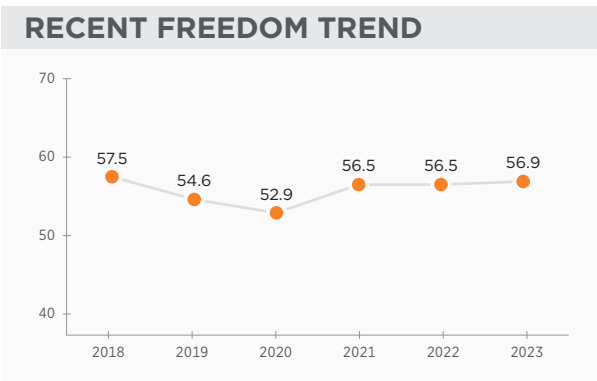
The Solomon Islands' economic freedom score is 56.9, making its economy the 106th freest in the 2023 *Index*. Its score is 0.4 point better than last year. The Solomon Islands is ranked 22nd out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

Economic dynamism and development remain stifled by serious deficiencies that include poor governance and an inefficient public sector. Underdeveloped legal and physical infrastructure discourages the emergence of a vibrant private sector. With few new enterprises to generate jobs, most employment remains in the agricultural sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +10.9



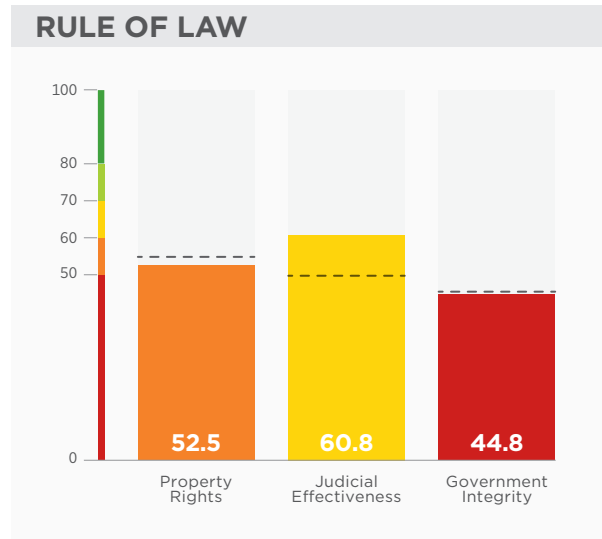
### QUICK FACTS

<b>POPULATION:</b> 0.7 million	<b>UNEMPLOYMENT:</b> n/a
<b>GDP (PPP):</b> \$1.7 billion -0.2% growth in 2021 5-year compound annual growth 1.2%	<b>INFLATION (CPI):</b> -0.1%
<b>FDI INFLOW:</b> \$50.0 million	<b>PUBLIC DEBT:</b> 16.5% of GDP

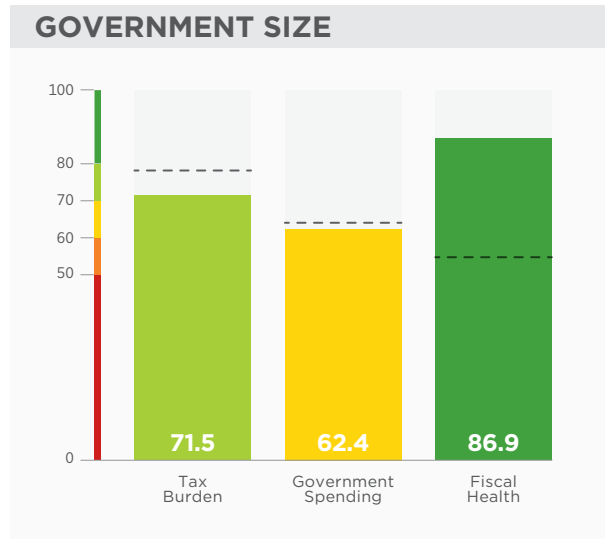
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Solomon Islands gained independence from the United Kingdom in 1976 and became a parliamentary democracy. Years of ethnic violence ended in 2003 when an Australian-led multinational force disarmed ethnic militias and rebuilt government institutions. Prime Minister Manasseh Sogavare was reelected in 2019. A 2022 security pact with China has raised concerns that the archipelago could be drifting into Beijing's orbit. Although the islands are rich in timber and such undeveloped mineral resources as lead, zinc, nickel, and gold, much of the population depends on subsistence farming, fishing, and artisanal forestry. The Solomon Islands remains one of Asia's poorest nations.

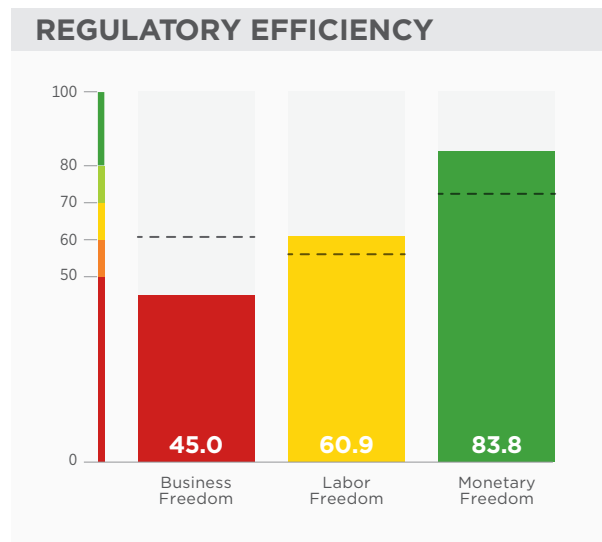
## 12 ECONOMIC FREEDOMS | SOLOMON ISLANDS



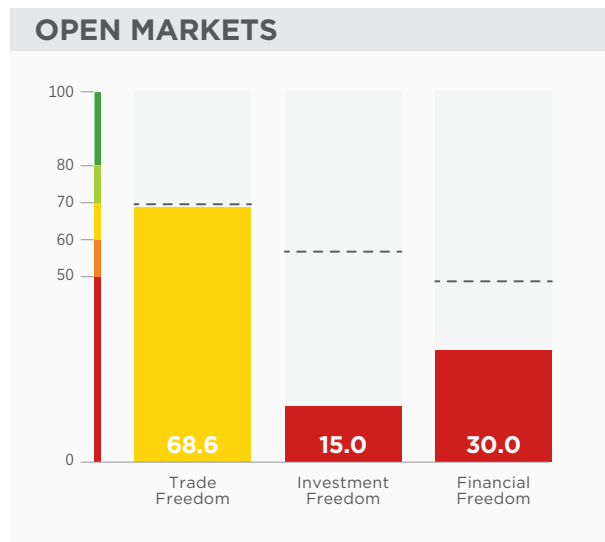
The overall rule of law is relatively well respected in the Solomon Islands. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 30 percent. The tax burden equals 18.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.4 percent and -2.8 percent of GDP. Public debt equals 16.5 percent of GDP.



The business environment has been marginally improved by the implementation of a simplified registration process. Uneven enforcement of existing laws continues to undermine the regulatory process. The labor market is underdeveloped, and informal labor activity remains substantial. Monetary stability is weak.



The trade-weighted average tariff is 8.2 percent, and extensive layers of nontariff barriers further constrain the freedom to trade. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit remains limited.

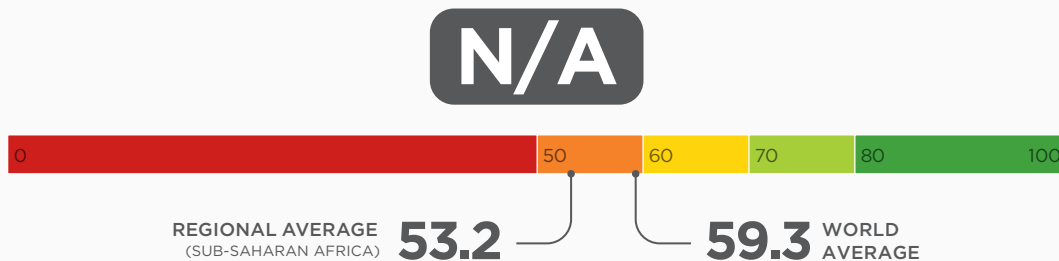
# SOMALIA



**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 without 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. Complete economic collapse has resulted in massive human migrations, and a humanitarian catastrophe has been unfolding in the devastated economy.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
16.4 million

**GDP (PPP):**  
\$18.9 billion  
2.0% growth in 2021  
5-year compound annual growth 2.2%  
\$1,241 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
4.6%

**FDI INFLOW:**  
\$455.5 million

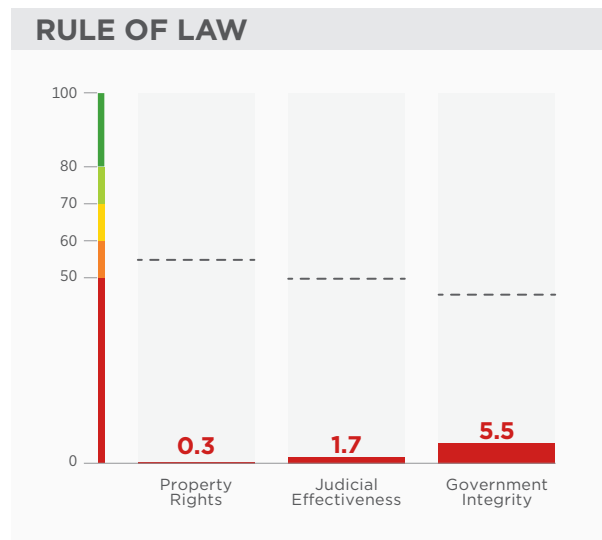
**PUBLIC DEBT:**  
n/a

2021 data unless otherwise noted. Data compiled as of September 2022

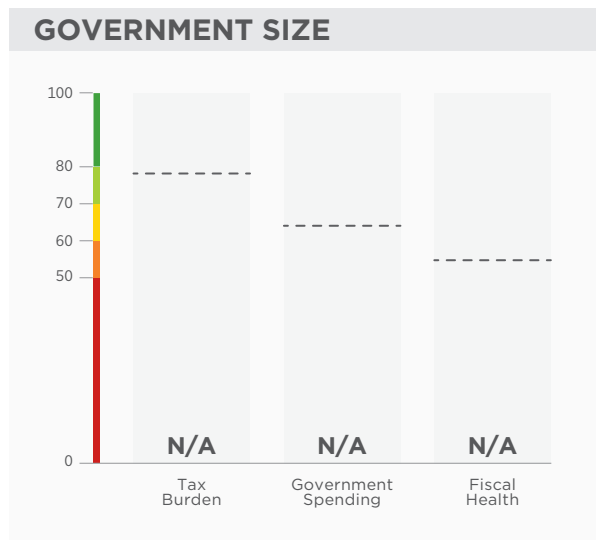
**BACKGROUND:** British and Italian Somalilands merged to form Somalia in 1960. A coup led by Mohamed Siad Barre in 1969 ushered in two decades of brutal socialist rule that ended when his regime collapsed in 1991. The U.S. recognized the government in 2013, but Somalia remains mired in corruption, violence, and political intrigue. Hassan Sheikh Mohamud, first selected for the presidency in 2013, was selected again in 2022 in a corrupt and long-delayed electoral process. 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.



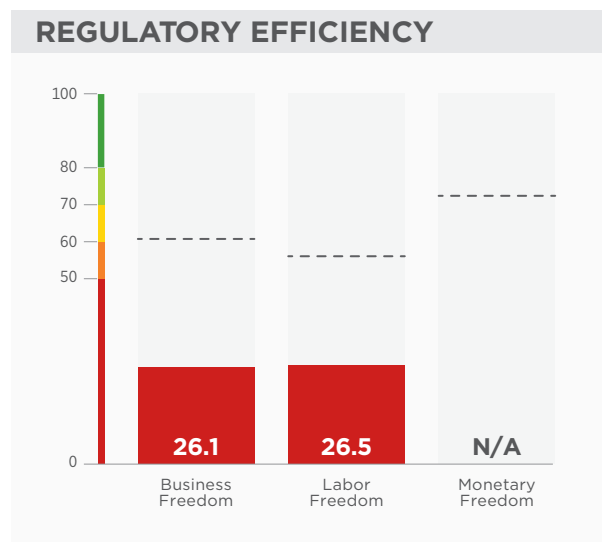
## 12 ECONOMIC FREEDOMS | SOMALIA



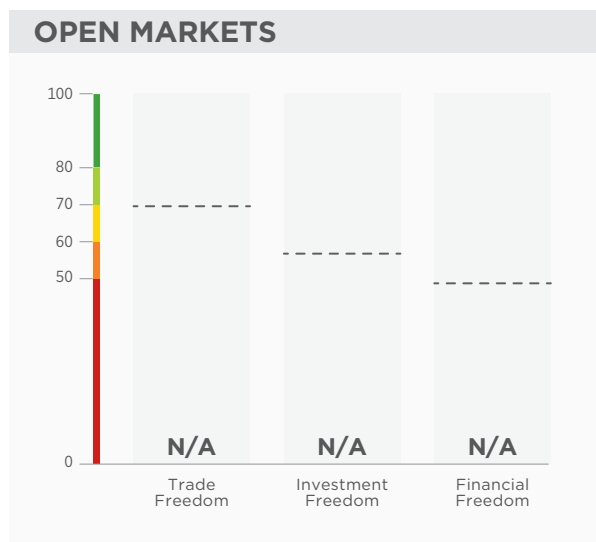
The overall rule of law is extremely weak in Somalia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



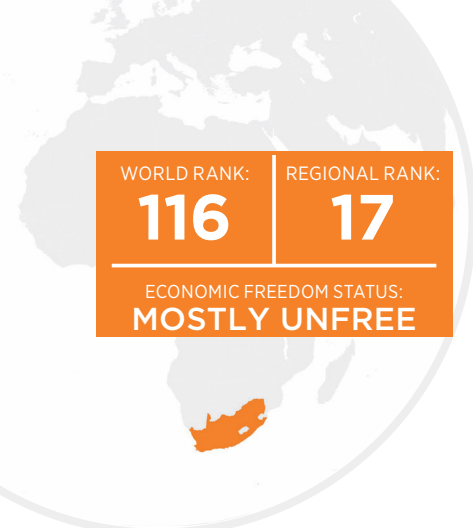
There is no fully effective national government that can provide even basic services to Somalis. Other than the collection of very limited duties and taxes, little formal fiscal policy is in place. In southern Somalia, taxes are often levied by local warlords or clan leaders.



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



Much of the population remains 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.



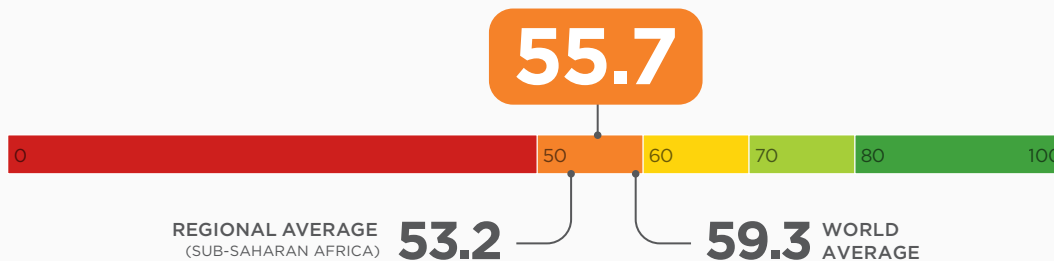
WORLD RANK: <b>116</b>	REGIONAL RANK: <b>17</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# SOUTH AFRICA

South Africa's economic freedom score is 55.7, making its economy the 116th freest in the 2023 *Index*. Its score is about the same as last year. South Africa is ranked 17th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

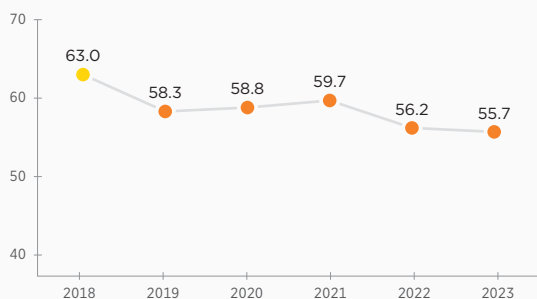
A relatively competitive trade regime has encouraged the development of a growing entrepreneurial sector. To ensure long-term economic development, further reform will be needed to strengthen the foundations of economic freedom. Corruption and the weak rule of law add to the cost of doing business and erode overall economic competitiveness.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -5.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
60.0 million

**GDP (PPP):**  
\$865.8 billion  
4.9% growth in 2021  
5-year compound annual growth 0.2%  
\$14,396 per capita

**UNEMPLOYMENT:**  
29.2%

**INFLATION (CPI):**  
4.5%

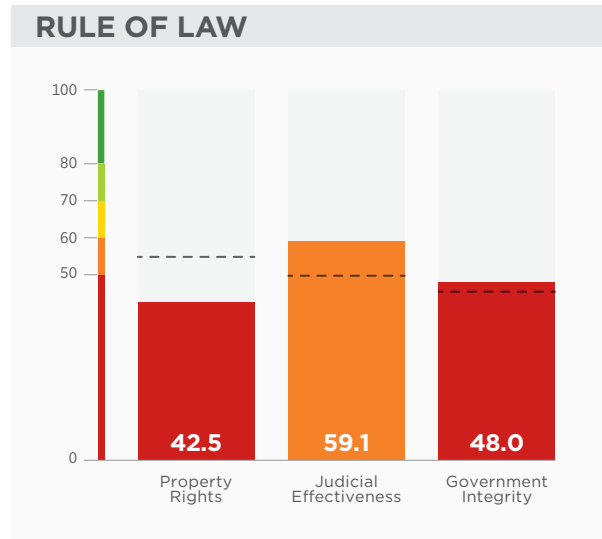
**FDI INFLOW:**  
\$40.9 billion

**PUBLIC DEBT:**  
69.0% of GDP

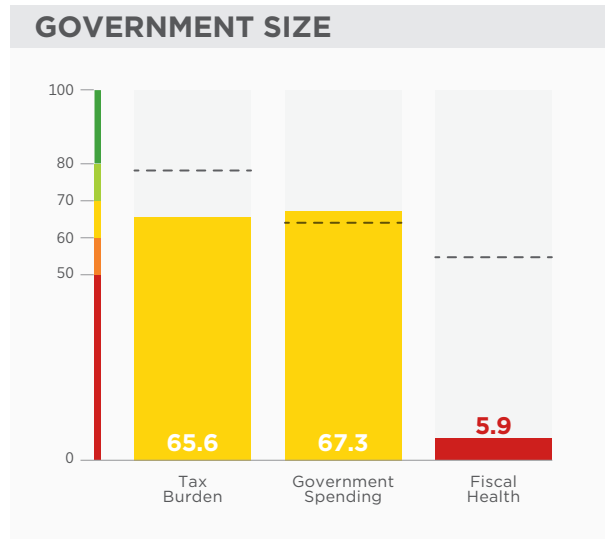
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The African National Congress has dominated South African politics since the end of apartheid in 1994. Corruption scandals forced President Jacob Zuma to resign in 2018. Cyril Ramaphosa won a five-year term in 2019 and was involved in a corruption scandal in 2022. Rioting erupted in 2021 after Zuma was jailed. South Africa has a highly developed economy and an advanced infrastructure. One of the world's largest exporters of gold, platinum, and other natural resources, it also has well-established financial, legal, communications, energy, and transport sectors and Africa's largest stock exchange. However, rates of formal-sector unemployment and crime are high.

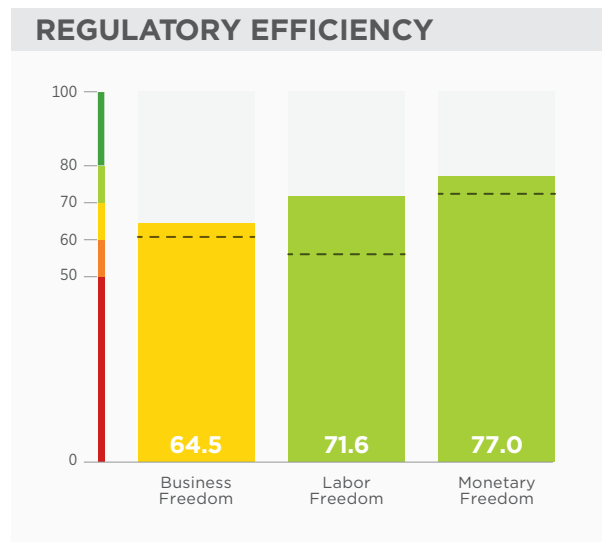
## 12 ECONOMIC FREEDOMS | SOUTH AFRICA



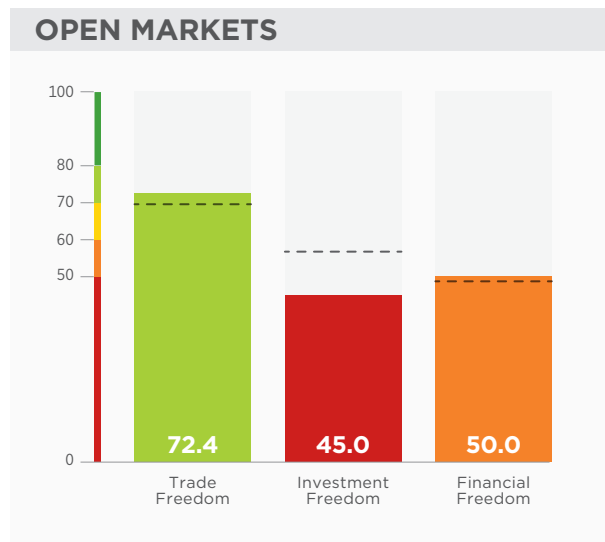
The overall rule of law is weak in South Africa. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 45 percent and 27 percent. The tax burden equals 26.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.0 percent and -6.8 percent of GDP. Public debt equals 69.0 percent of GDP.



No minimum capital is required to establish a business. The cost of licensing requirements has been reduced, but the overall regulatory framework remains costly. Labor regulations are not applied effectively, and the labor market lacks flexibility. The most recent available inflation rate is 4.5 percent.



The trade-weighted average tariff rate is 6.3 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.

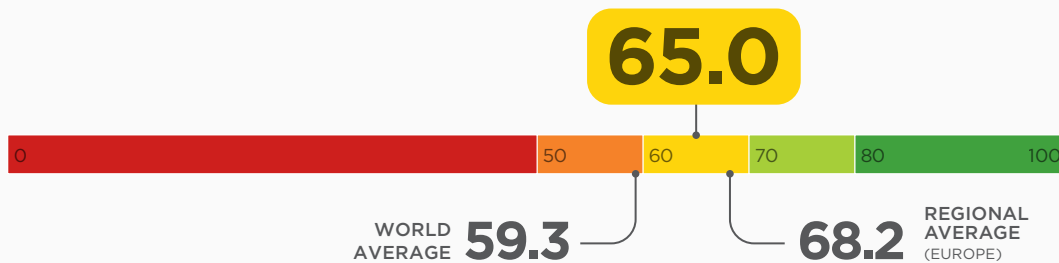
# SPAIN



Spain's economic freedom score is 65.0, making its economy the 51st freest in the 2023 *Index*. Its score is 3.2 points lower than last year. Spain is ranked 29th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

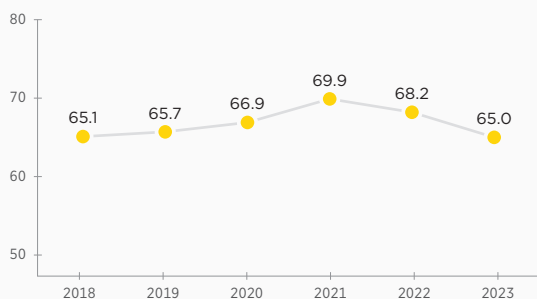
Spain's progress toward greater economic freedom has been limited and uneven. Regulatory efficiency and the rule of law have been relatively well maintained, but long-term gains have been modest. Fiscal freedom, government spending, and financial freedom challenges are significant. Fiscal deficits and high public debt reflect a need to reform financial management.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.2

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
47.3 million

**GDP (PPP):**  
\$2.0 trillion  
5.1% growth in 2021  
5-year compound annual growth 0.3%  
\$41,839 per capita

**UNEMPLOYMENT:**  
15.5%

**INFLATION (CPI):**  
3.1%

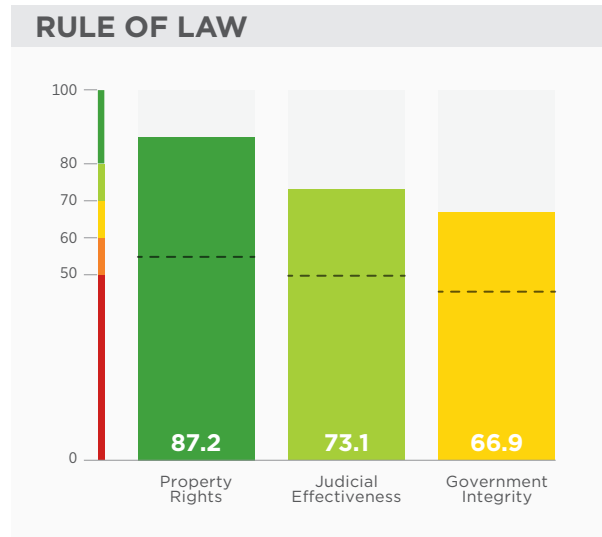
**FDI INFLOW:**  
\$9.8 billion

**PUBLIC DEBT:**  
118.6% of GDP

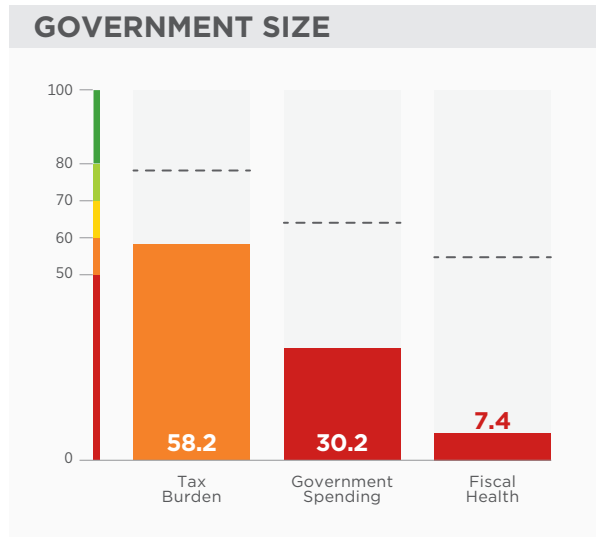
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Spain returned to democracy in 1975 and is the eurozone's fourth-largest economy. The government in Madrid removed a rogue regional government in Catalonia after an illegal 2017 independence referendum, but February 2021 regional elections returned a pro-independence Catalanian majority to power. Prime Minister Pedro Sánchez's center-left Spanish Socialist Workers Party (PSOE) heads a minority coalition with the radical-left Podemos party. The center-right People's Party has won a series of regional elections including a June 2022 vote in Andalusia, typically a PSOE stronghold. Spain's diversified economy includes manufacturing, financial services, pharmaceuticals, textiles and apparel, footwear, chemicals, and a booming tourism industry.

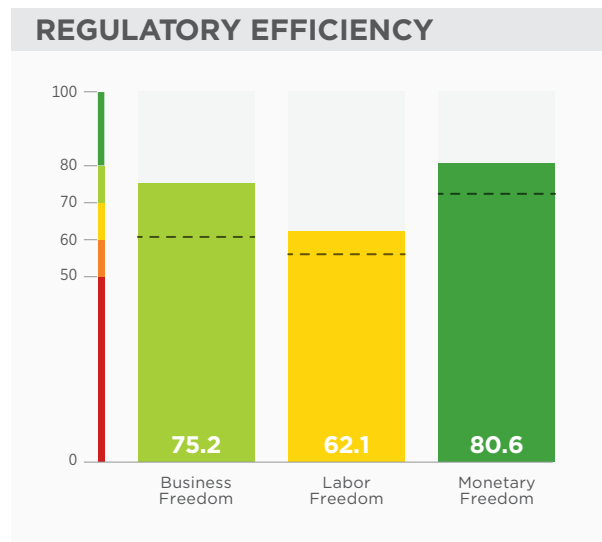
## 12 ECONOMIC FREEDOMS | SPAIN



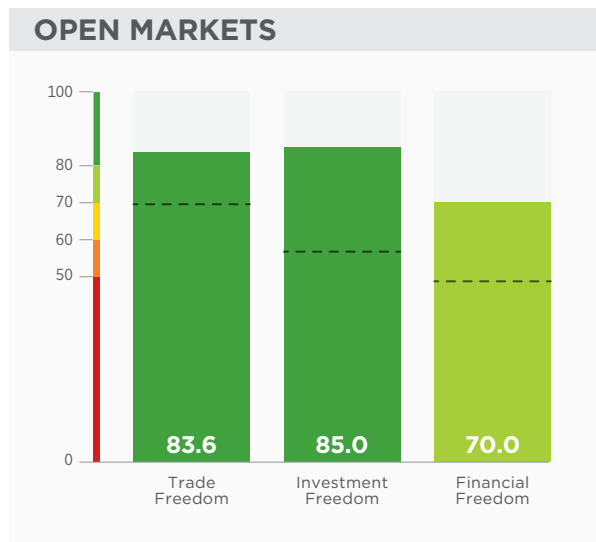
The overall rule of law is well respected in Spain. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 47 percent and 25 percent. The tax burden equals 36.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 48.2 percent and -6.7 percent of GDP. Public debt equals 118.6 percent of GDP.



Regulations are transparent. Procedures for setting up a business have been streamlined, and the number of licensing requirements has been reduced. Despite some progress, labor regulations remain restrictive and burdensome. Monetary stability has been relatively well maintained, but inflationary pressures continue.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Many sectors of the economy are open to foreign investment. The banking sector has been relatively stable.



WORLD RANK: **136** | REGIONAL RANK: **28**

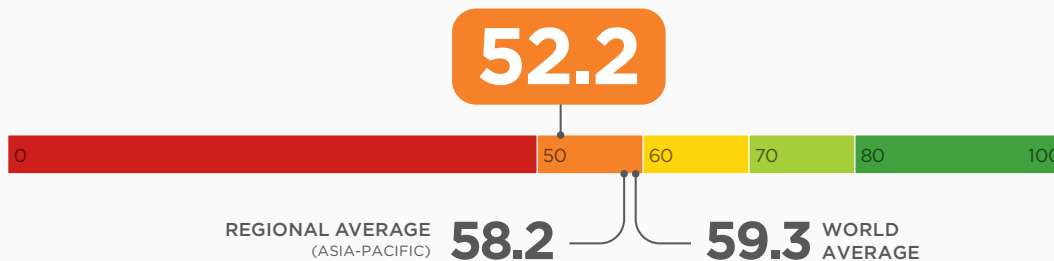
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# SRI LANKA

Sri Lanka's economic freedom score is 52.2, making its economy the 136th freest in the 2023 *Index*. Its score is 1.1 points lower than last year. Sri Lanka is ranked 28th out of 39 countries in the Asia-Pacific region, and its score remains below the world and regional averages.

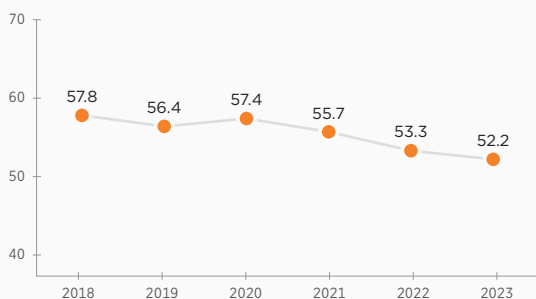
In a period of instability and uncertainty, challenges to economic freedom in Sri Lanka are considerable, particularly with respect to strengthening the fundamentals. Property rights are undermined by an inefficient judicial system that remains susceptible to corruption and political influence. The heavy state presence in the economy discourages private-sector development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -8.4

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
22.2 million

**GDP (PPP):**  
\$312.7 billion  
3.6% growth in 2021  
5-year compound annual growth 1.8%  
\$14,190 per capita

**UNEMPLOYMENT:**  
4.7%

**INFLATION (CPI):**  
6.0%

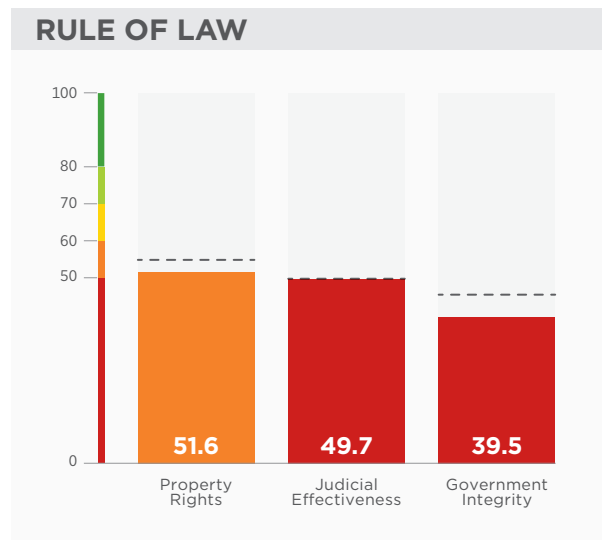
**FDI INFLOW:**  
\$597.5 million

**PUBLIC DEBT:**  
103.1% of GDP

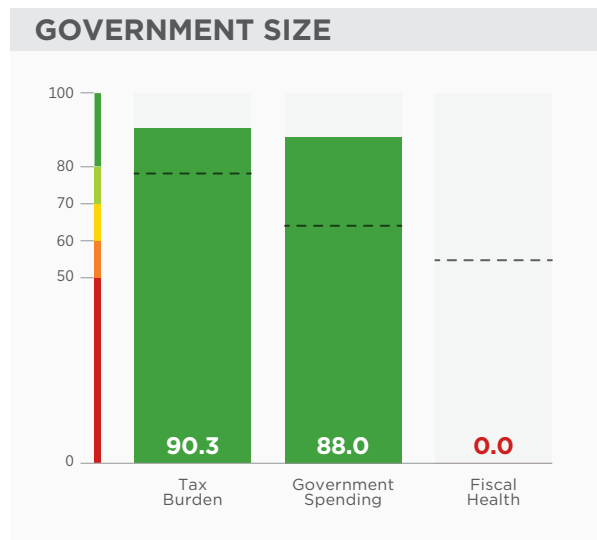
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Ceylon gained independence from the United Kingdom in 1948 and changed its name to Sri Lanka in 1972. In 2019, following a constitutional crisis and bombings by Islamist terrorists, former Defense Secretary Gotabaya Rajapaksa was elected president. He appointed his brother, former President Mahinda Rajapaksa, to be prime minister. In 2022, protests against deteriorating economic conditions forced both Rajapaksas to flee the country. The parliament chose former Prime Minister Ranil Wickremesinghe to serve as president. Religious and ethnic tensions between the Buddhist Sinhalese majority and Hindu Tamil minority persist. The economy is based on exports of processed commodities and garments.

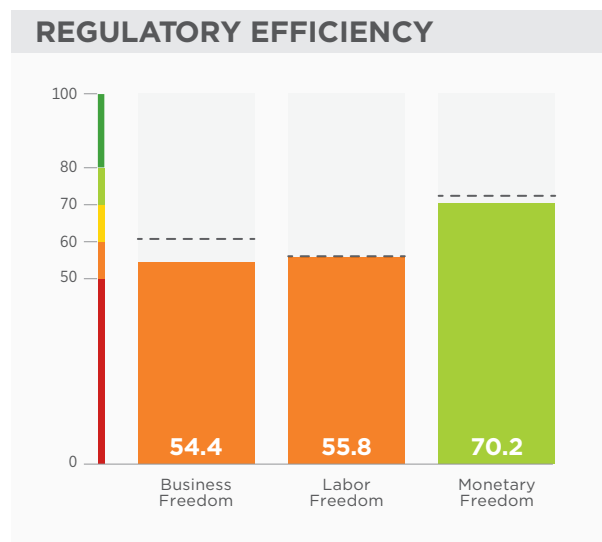
## 12 ECONOMIC FREEDOMS | SRI LANKA



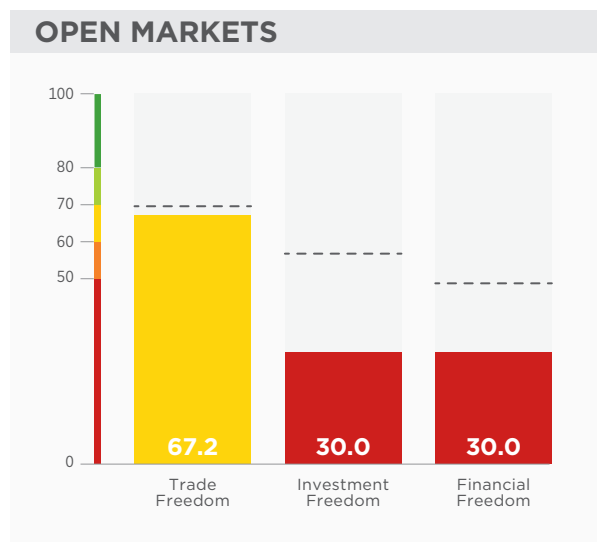
The overall rule of law is weak in Sri Lanka. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 18 percent and 24 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.0 percent and -10.4 percent of GDP. Public debt equals 103.1 percent of GDP.



The overall regulatory framework is burdensome, and the unpredictable economic policy environment and state interference further increase the cost of conducting business. Labor regulations are rigid, and the labor market is underdeveloped. Monetary stability has been weakened, and inflationary pressure persists.



The trade-weighted average tariff rate is 6.4 percent, and extensive nontariff barriers are in force. Bureaucracy and inadequate infrastructure discourage the dynamic growth of private investment. Nonperforming loans remain a problem in the banking system, and the state continues to influence credit allocation.

# SUDAN

WORLD RANK: **173**

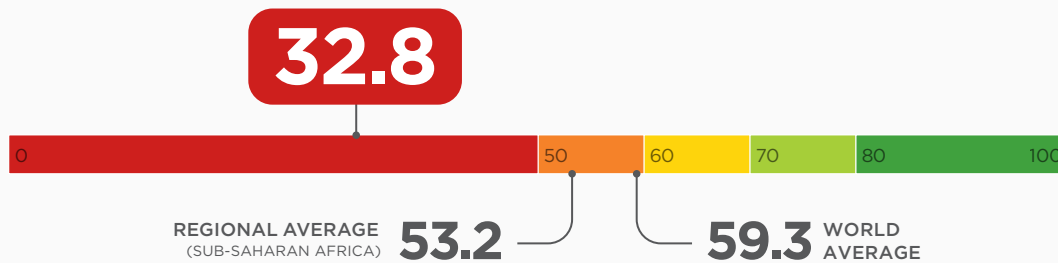
REGIONAL RANK: **47**

ECONOMIC FREEDOM STATUS: **REPRESSED**

Sudan's economic freedom score is 32.8, making its economy the 173rd freest in the 2023 *Index*. Sudan is ranked 47th among 47 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

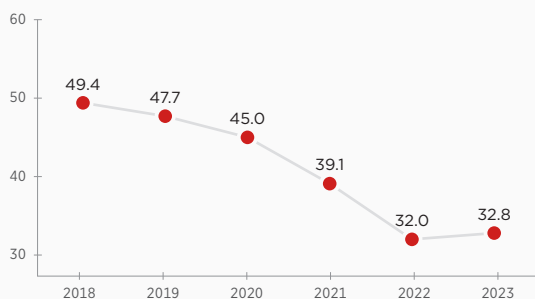
The large informal economy has been an important source of employment. Outside of the hydrocarbon sector, economic development is limited by the region's political instability. Attempts to develop and diversify the economy are constrained by a lack of institutional capacity. Rampant corruption and insufficient respect for private property rights are serious impediments to long-term development of the private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -7.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
44.9 million

**GDP (PPP):**  
\$194.5 billion  
0.5% growth in 2021  
5-year compound annual growth -1.4%  
\$4,275 per capita

**UNEMPLOYMENT:**  
n/a

**INFLATION (CPI):**  
359.1%

**FDI INFLOW:**  
\$462.5 million

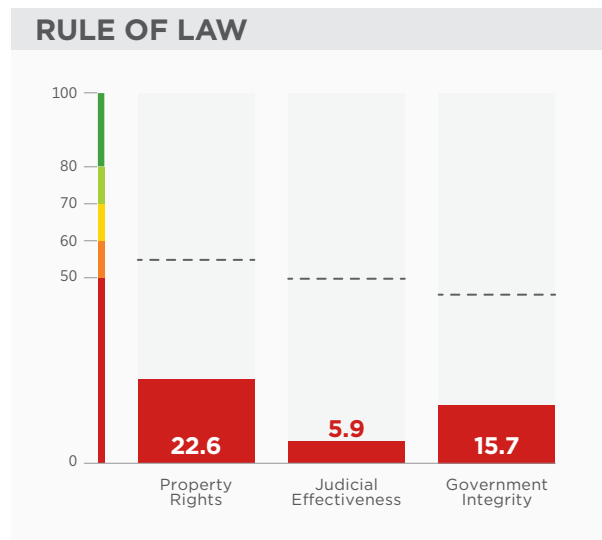
**PUBLIC DEBT:**  
182.0% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

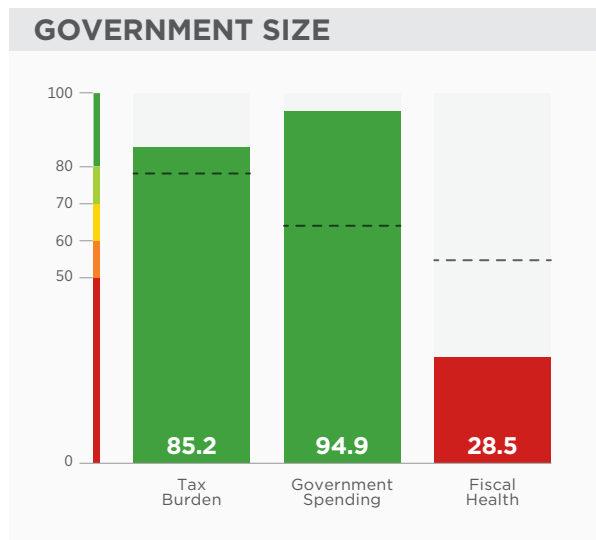
**BACKGROUND:** Military regimes have dominated Sudanese politics since independence from Anglo-Egyptian rule in 1956. In 2019, the security services ousted longtime Islamist dictator Omar al-Bashir. In 2021, security service elements of the transitional government launched a coup. In July 2022, facing brutally suppressed popular protests, the security services announced that they would allow the civilian political movement to form its own government. Oil has driven much of Sudan's GDP growth, but the secession of South Sudan cost Sudan two-thirds of its oil revenue. Approximately half of the population is at or below the poverty line and dependent on subsistence agriculture.



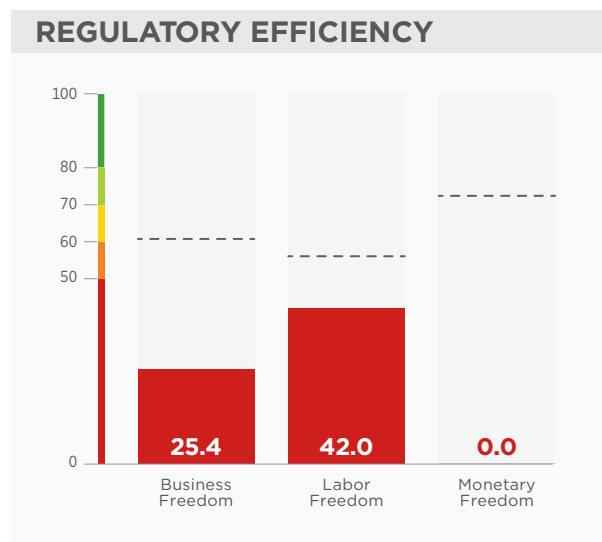
## 12 ECONOMIC FREEDOMS | SUDAN



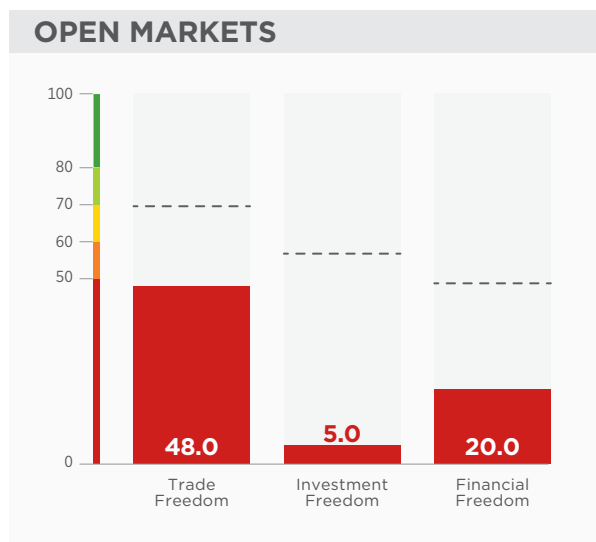
The overall rule of law is weak in Sudan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 35 percent. The tax burden equals 5.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.0 percent and -5.7 percent of GDP. Public debt equals 182.0 percent of GDP.



Inconsistent enforcement of regulations and other institutional shortcomings, including a dysfunctional court system, impede business activity and discourage sustained economic development. The labor market remains underdeveloped, and much of the labor force works in the informal sector. Monetary stability has been severely undermined.



The trade-weighted average tariff rate is 16.0 percent, and extensive nontariff barriers severely constrain the freedom to trade. Political instability and an outmoded regulatory environment are major deterrents to private investment. Access to credit remains limited.



WORLD RANK: **163** | REGIONAL RANK: **29**

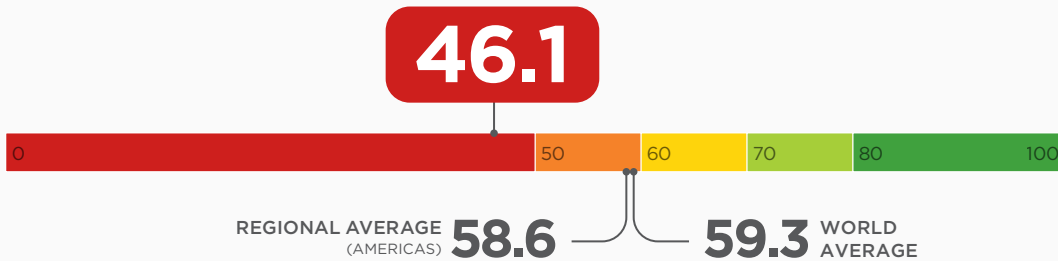
ECONOMIC FREEDOM STATUS: **REPRESSED**

# SURINAME

Suriname's economic freedom score is 46.1, making its economy the 163rd freest in the 2023 *Index*. Its score is 2.0 points lower than last year. Suriname is ranked 29th out of 32 countries in the Americas region, and its overall score is lower than the world and regional averages.

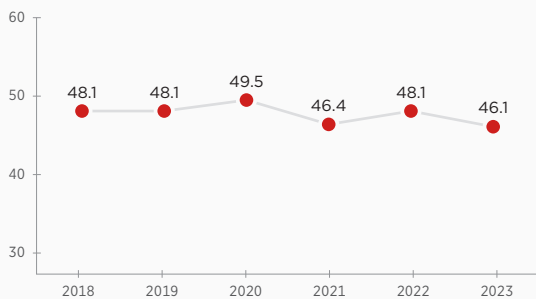
Poor policy choices and uncertainty generated by the weak rule of law have severely weakened the prospects for long-term economic development. Pervasive corruption undermines the judicial system, making it harder to establish a foundation for economic freedom. Little has been done to develop a more dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +9.4

## RECENT FREEDOM TREND



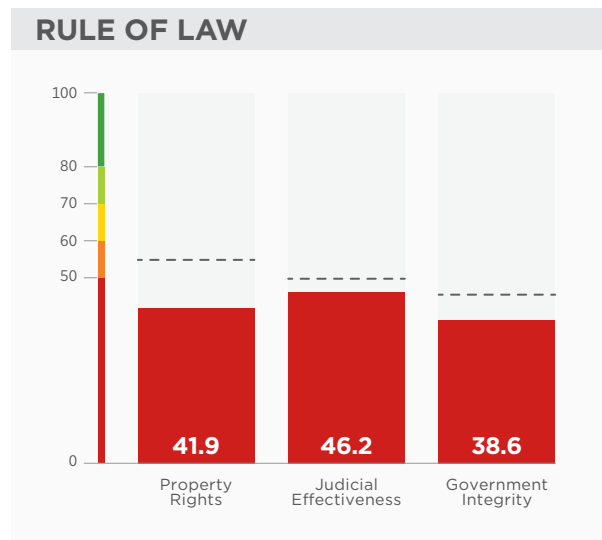
## QUICK FACTS

<b>POPULATION:</b> 0.6 million	<b>UNEMPLOYMENT:</b> 7.9%
<b>GDP (PPP):</b> \$9.9 billion -3.5% growth in 2021 5-year compound annual growth -2.4%	<b>INFLATION (CPI):</b> 59.1%
<b>FDI INFLOW:</b> -\$164.4 million	<b>PUBLIC DEBT:</b> 125.7% of GDP

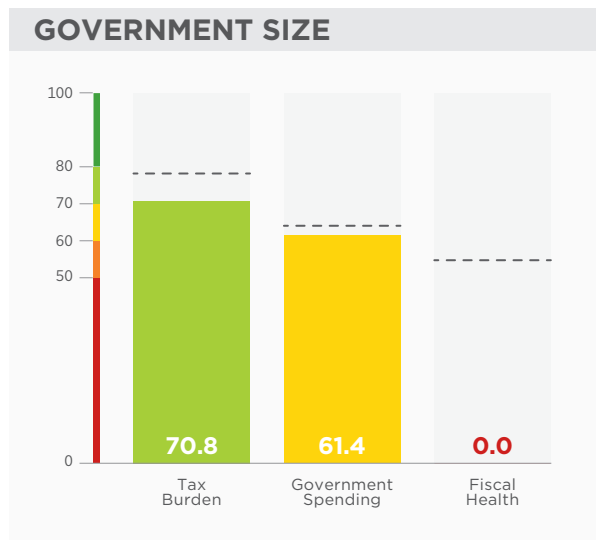
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Republic of Suriname is South America's smallest sovereign state as well as one of its most ethnically diverse and least developed. President Chandrikapersad "Chan" Santokhi was elected to a five-year term in 2020, and his centrist Progressive Reform Party leads a 33-seat parliamentary majority coalition. Corruption and money laundering are widespread. Suriname relies primarily on the extraction of natural resources, and new oil discoveries off the coast are attracting investment. Suriname is an important transit point for cocaine trafficking to Europe from Colombia and Venezuela. It also was one of the first Caribbean countries to establish relations with China.

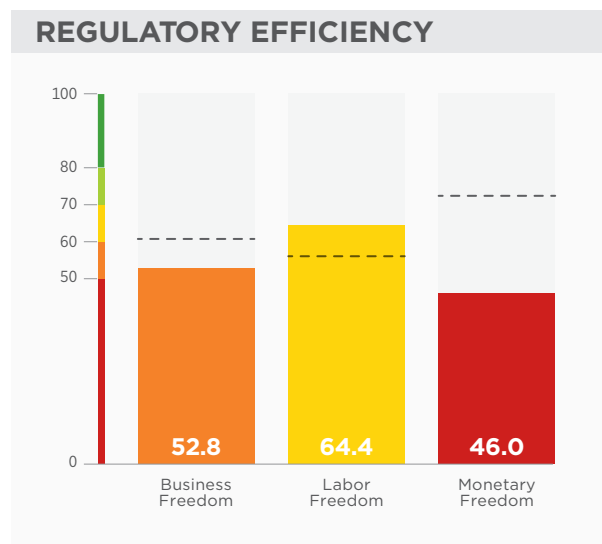
## 12 ECONOMIC FREEDOMS | SURINAME



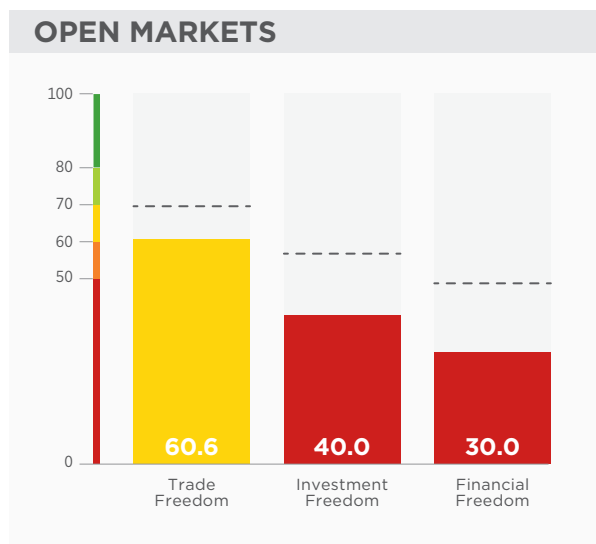
The overall rule of law is weak in Suriname. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 38 percent and 36 percent. The tax burden equals 13.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 35.9 percent and -13.9 percent of GDP. Public debt equals 125.7 percent of GDP.



The overall freedom to launch and run a business is very limited under Suriname's regulatory code. The formal labor market is not fully developed, and the public sector remains a major source of employment. The state influences prices through regulations and state-owned enterprises.



The trade-weighted average tariff rate is 12.2 percent, and pervasive nontariff barriers further limit trade freedom. The onerous and nontransparent investment regime continues to deter long-term foreign investment. The financial sector is underdeveloped, and credit decisions are subject to state influence.



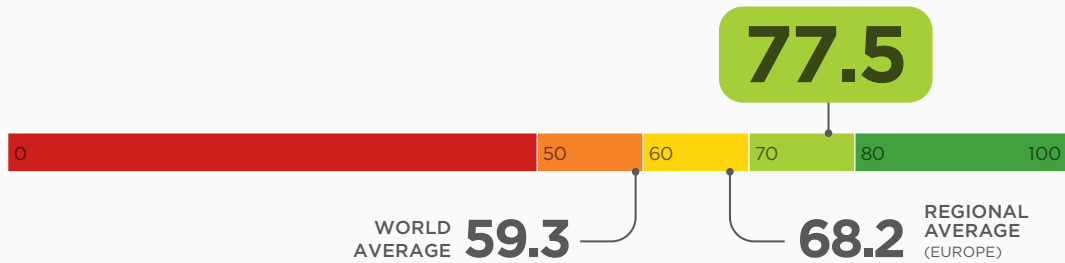
WORLD RANK: <b>10</b>	REGIONAL RANK: <b>7</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# SWEDEN

Sweden's economic freedom score is 77.5, making its economy the 10th freest in the 2023 *Index*. Its score is about the same as last year. Sweden is ranked 7th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

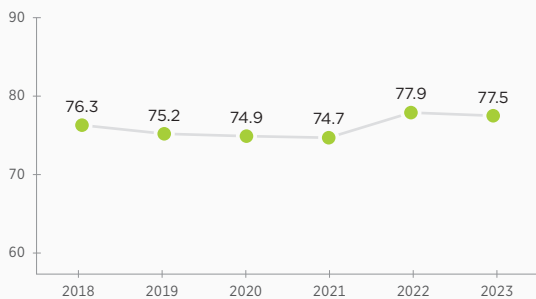
The Swedish economy performs well in regulatory efficiency, and open-market policies sustain flexibility, competitiveness, and large trade and investment flows. The transparent and efficient regulatory and legal environment encourages robust entrepreneurial activity. Banking regulations are sensible, and lending practices have been prudent. The judicial system provides strong protection of property rights.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +16.1

## RECENT FREEDOM TREND



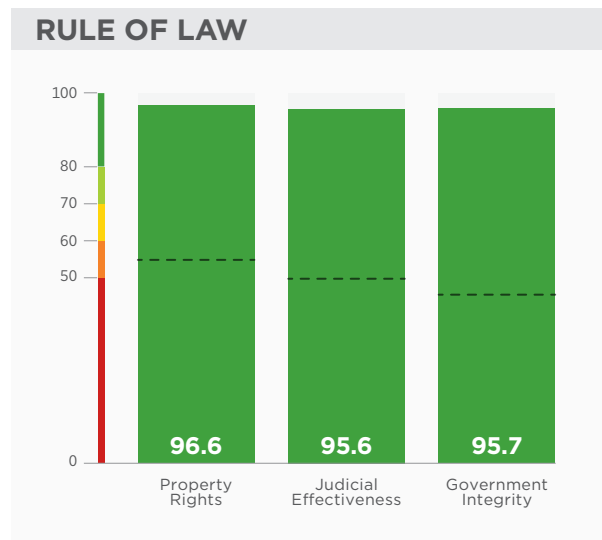
## QUICK FACTS

- POPULATION:** 10.4 million
- GDP (PPP):** \$616.3 billion  
4.8% growth in 2021  
5-year compound annual growth 1.7%  
\$58,962 per capita
- UNEMPLOYMENT:** 8.3%
- INFLATION (CPI):** 2.7%
- FDI INFLOW:** \$27.0 billion
- PUBLIC DEBT:** 36.8% of GDP

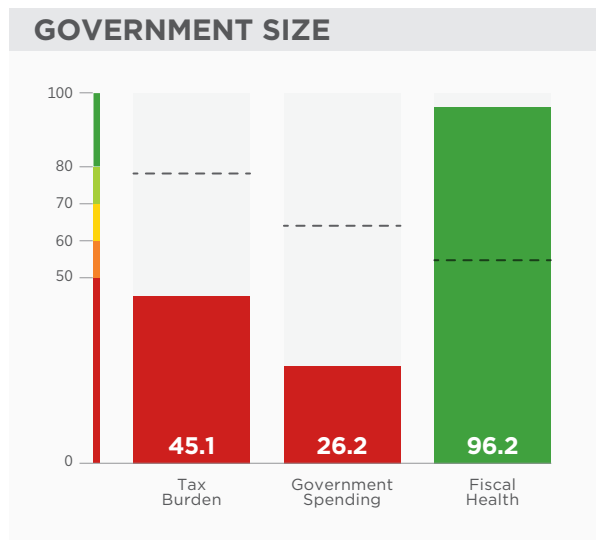
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Sweden joined the European Union in 1995, but voters rejected adoption of the euro in 2003. Social Democrat Magdalena Andersson became Sweden's first female prime minister in November 2021 and formed a fragile minority government after being appointed pursuant to a razor-thin vote by a sharply divided parliament. Reversing decades of government policy, Sweden applied for NATO membership in May 2022. The influx of large numbers of migrants since 2015, a 2017 terrorist attack, and gang violence have made immigration a central issue. Timber, hydropower, and iron ore constitute the resource base of a vibrant and outwardly oriented manufacturing-based economy.

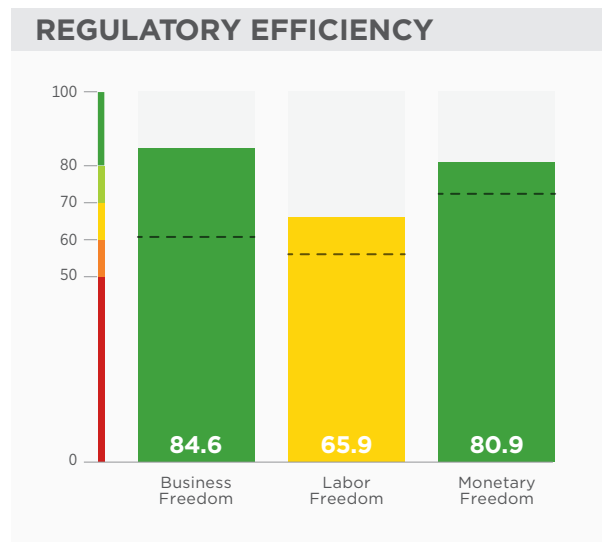
## 12 ECONOMIC FREEDOMS | SWEDEN



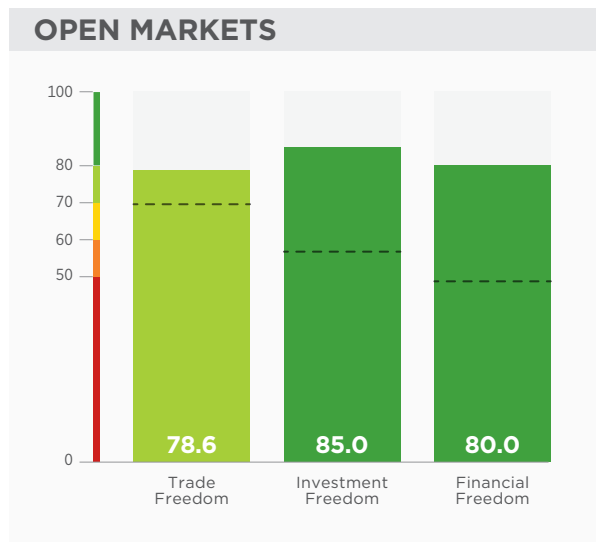
The overall rule of law is very well respected in Sweden. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 57 percent and 20.6 percent. The tax burden equals 42.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 49.6 percent and -0.8 percent of GDP. Public debt equals 36.8 percent of GDP.



The regulatory environment is very efficient. The number of procedures required to start a business is less than the world average. Labor regulations, particularly in terms of non-salary costs, are among Europe's most rigid. Monetary stability has been well maintained, but inflationary pressures continue.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. The modern investment regime is open and generally transparent, and regulations are applied consistently. The financial sector is competitive and stable.



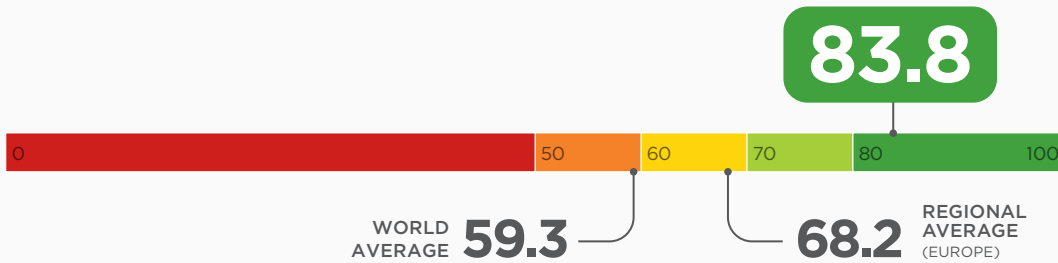
WORLD RANK: <b>2</b>	REGIONAL RANK: <b>1</b>
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

# SWITZERLAND

Switzerland's economic freedom score is 83.8, making its economy the 2nd freest in the 2023 *Index*. Its score is about the same as last year. Switzerland is ranked 1st out of 44 countries in the Europe region, and its overall score is higher than the world and regional averages.

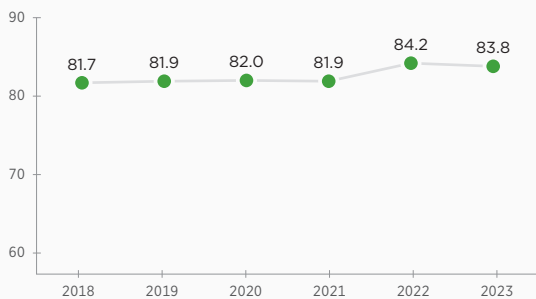
Well-secured property rights, including for intellectual property, promote entrepreneurship and productivity. Minimum tolerance for corruption is institutionalized in an efficient legal framework. The judicial system, independent of political influence, ensures effective enforcement of commercial contracts. Switzerland's openness to foreign trade and investment continues to encourage a dynamic and resilient economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.7 million

**GDP (PPP):**  
\$680.9 billion  
3.7% growth in 2021  
5-year compound annual growth 1.4%  
\$78,530 per capita

**UNEMPLOYMENT:**  
4.8%

**INFLATION (CPI):**  
0.6%

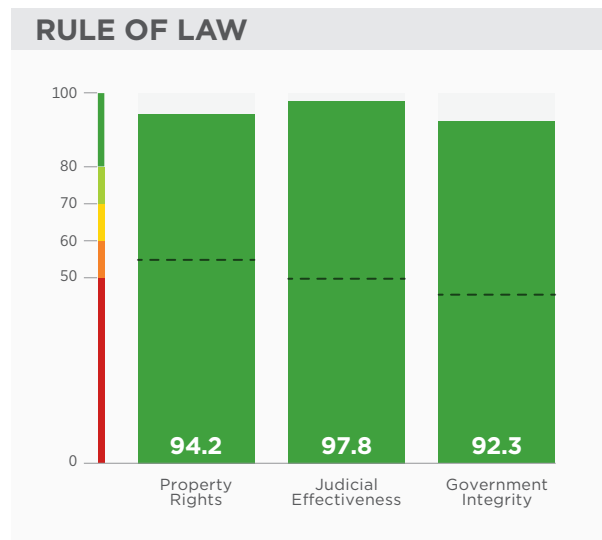
**FDI INFLOW:**  
\$1.0 billion

**PUBLIC DEBT:**  
42.1% of GDP

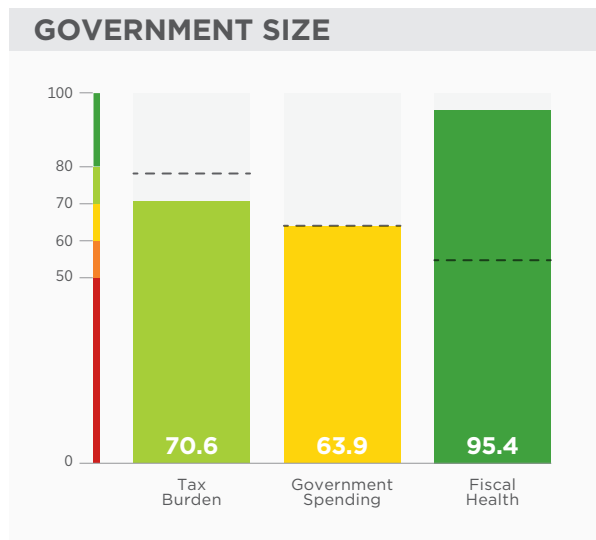
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Switzerland's federal canton system of government disperses power widely. A seven-member Federal Council exercises executive authority. Though open to the world, Switzerland jealously guards its independence and neutrality. In 2019 elections, the Green Party surged to fourth place and overtook one of the parties in the coalition government, the Christian Democrats. Public policies are often subjected to referenda on such issues as legalizing same-sex marriage and banning tobacco advertising to minors. Switzerland has one of the world's highest GDPs per capita and a highly skilled labor force. The economy relies on financial services, precision manufacturing, metals, pharmaceuticals, chemicals, and electronics.

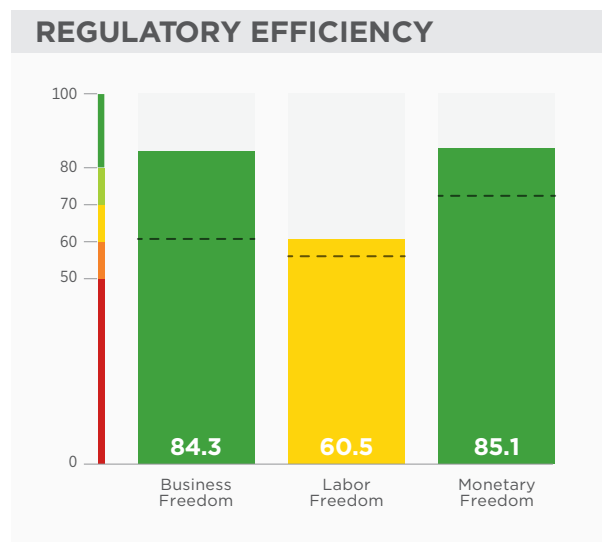
## 12 ECONOMIC FREEDOMS | SWITZERLAND



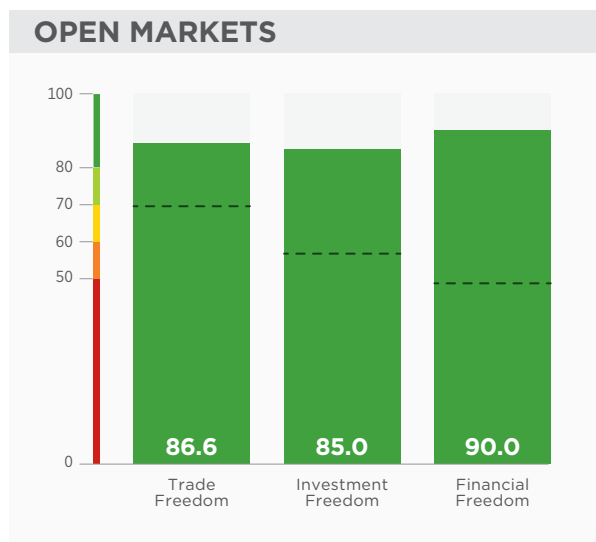
The overall rule of law is very well respected in Switzerland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 24 percent. The tax burden equals 27.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 34.7 percent and -0.8 percent of GDP. Public debt equals 42.1 percent of GDP.



The competitive and modern regulatory framework strongly supports commercial activity, allowing business formation and operation to be efficient and dynamic. Labor regulations are relatively flexible in comparison to other countries in the region. Overall monetary stability has been well maintained.



The trade-weighted average tariff rate is 1.7 percent. Switzerland's economy continues to be open to foreign investment, and the investment code is transparent and efficiently administered. The modern and highly developed financial sector provides a wide range of financing instruments.

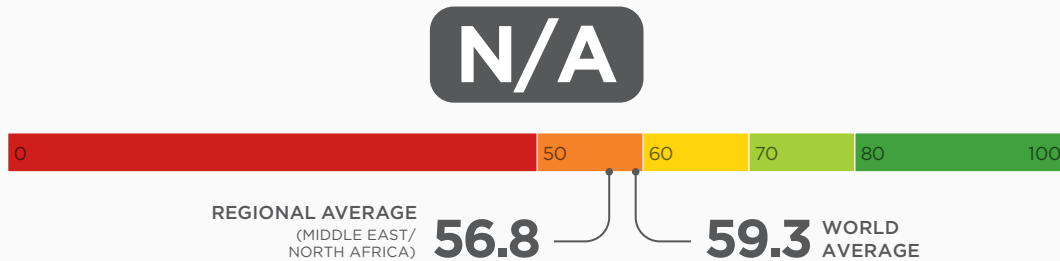


# SYRIA

Ongoing chaos and the devastation caused by more than a decade of conflict again preclude any ranking of Syria in the *Index of Economic Freedom*. In addition to a horrific death toll, Syria's civil war has caused the near collapse of economic output and has largely wiped out economic freedom.

Even before the ongoing conflict, the fragility of the foundations of economic freedom was reflected in very low scores for property rights and corruption. Politically motivated enforcement severely undermines the rule of law, and state intervention has undermined many aspects of the entrepreneurial framework that are needed for economic dynamism.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
18.3 million

**GDP (PPP):**  
\$68.4 billion  
n/a growth in 2021  
5-year compound  
annual growth n/a  
n/a per capita

**UNEMPLOYMENT:**  
60.0%

**INFLATION (CPI):**  
n/a

**FDI INFLOW:**  
n/a

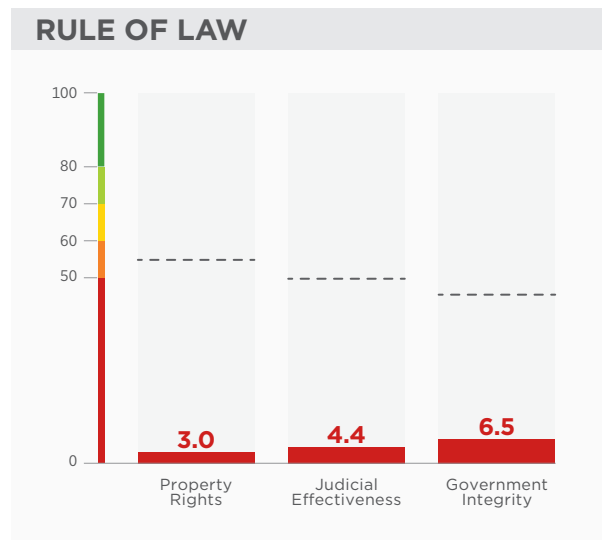
**PUBLIC DEBT:**  
n/a

2021 data unless otherwise noted. Data compiled as of September 2022

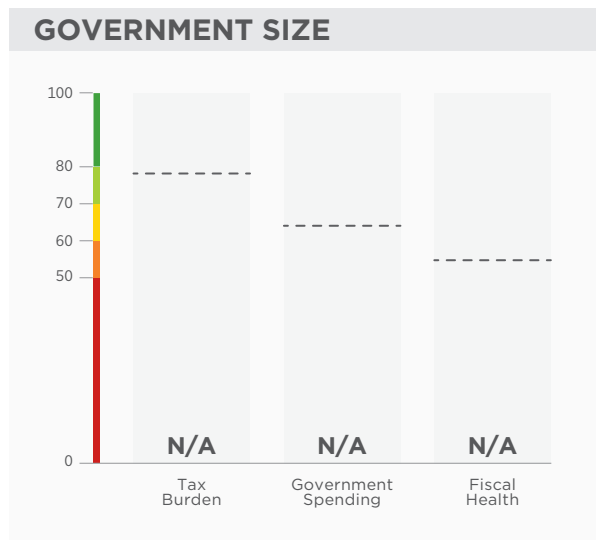
**BACKGROUND:** The Assad family has ruled Syria since Hafez al-Assad's military coup in 1970. Bashar al-Assad succeeded his father in 2000 and failed to fulfill promises to open the socialist economy and ease repression. A sectarian civil war between predominantly Sunni rebels and the Alawite-dominated regime has killed more than 500,000 Syrians and driven about 5.7 million refugees out of the country, but Assad's regime, supported by Iran, Russia, and the terrorist Hezbollah, has largely defeated the fractured armed opposition. Assad claimed to have won 95 percent of the votes in the May 2021 presidential election. Syria's economy remains severely depressed.



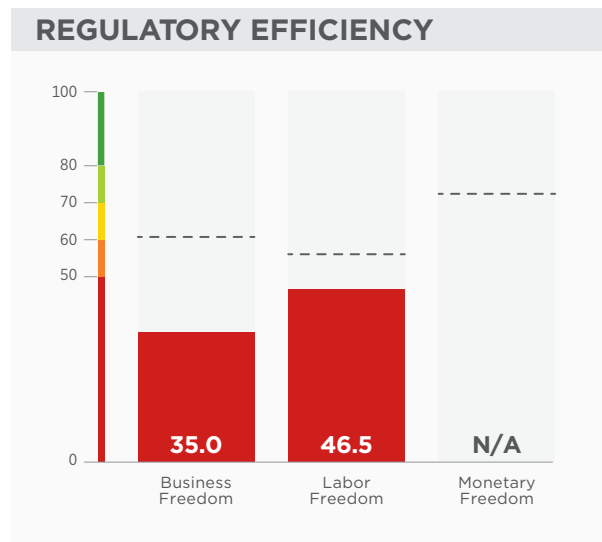
## 12 ECONOMIC FREEDOMS | SYRIA



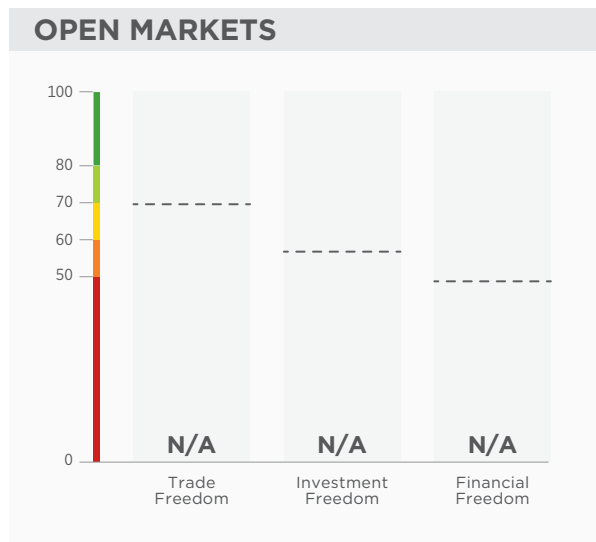
The overall rule of law is weak in Syria. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The civil conflict has caused mounting damage to the economy. Economic policy has focused on protecting the regime and maintaining the military's fighting capacity. Government spending is driven by political concerns. Economic mismanagement has brought the economy to the brink of collapse.



The repressive and fragile business environment, already burdened by heavy state intervention and gravely exacerbated by the civil war and severely damaged infrastructure, continues to affect entrepreneurial activity. Functioning labor markets do not exist in many war-torn locations. Monetary stability has long been eroded.



Political instability, made worse by significant security threats, is a significant impediment to trade and investment. The investment environment lacks transparency and efficiency. The financial infrastructure has been significantly degraded. Severely limited access to financing impedes any meaningful private business development.

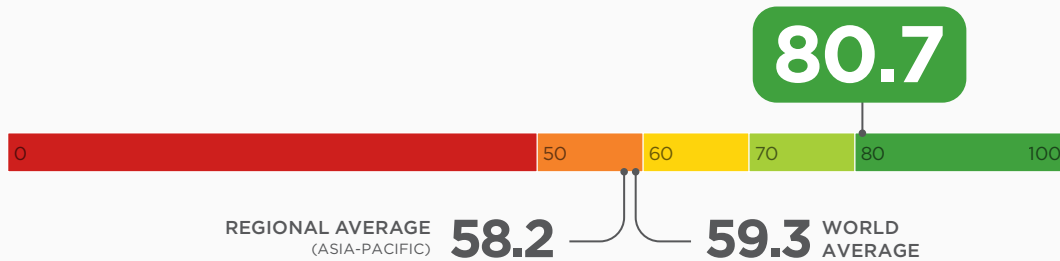


# TAIWAN

Taiwan's economic freedom score is 80.7, making its economy the 4th freest in the 2023 *Index*. Its score is 0.6 point higher than last year. The island economy is ranked 2nd out of 39 economies in the Asia-Pacific region.

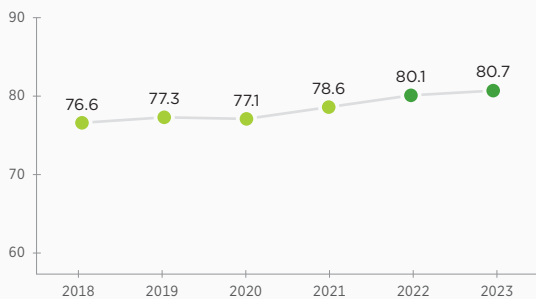
Taiwan's economy is rated "free" in the *Index*. A strong commitment to the rule of law and openness to global commerce have enabled it to become a global leader in economic freedom. The dynamic economy has benefitted from a well-developed institutional framework, a tradition of private-sector entrepreneurial dynamism, and open-market policies that facilitate the free flow of goods and capital.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +6.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
23.4 million

**GDP (PPP):**  
\$1.5 trillion  
6.3% growth in 2021  
5-year compound annual growth 3.8%  
\$62,527 per capita

**UNEMPLOYMENT:**  
3.8%

**INFLATION (CPI):**  
1.8%

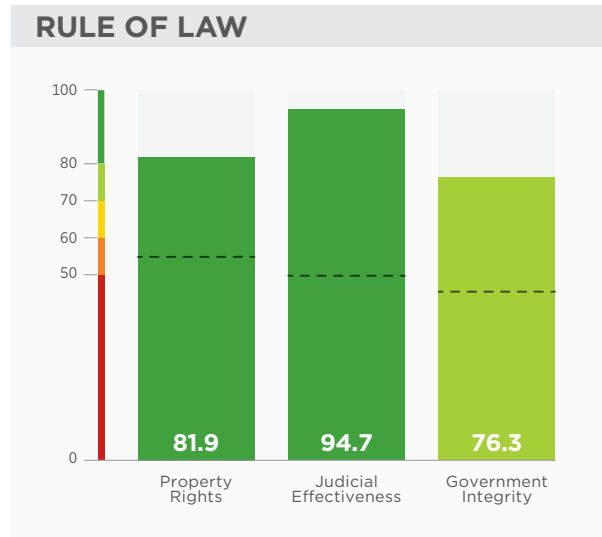
**FDI INFLOW:**  
\$5.4 billion

**PUBLIC DEBT:**  
28.4% of GDP

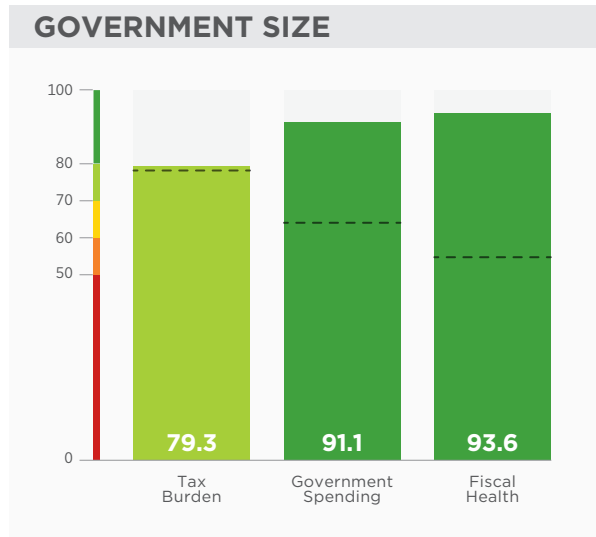
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Taiwan's multiparty democracy operates under a 1947 constitution that was intended to include all of China. Its economy is one of Asia's wealthiest. The Democratic Progressive Party returned to power when Tsai Ing-wen was elected president in 2016. In 2020, against the backdrop of the 2019–2020 Hong Kong protests and threats from China, Tsai secured reelection in a landslide victory. China's ongoing attempts to isolate Taiwan diplomatically hinder its economic growth and threaten its presence in overseas markets. Taiwan's trade-dependent economy is driven by a competitive manufacturing sector that encompasses electronics, machinery, petrochemicals, and information and communications technology products.

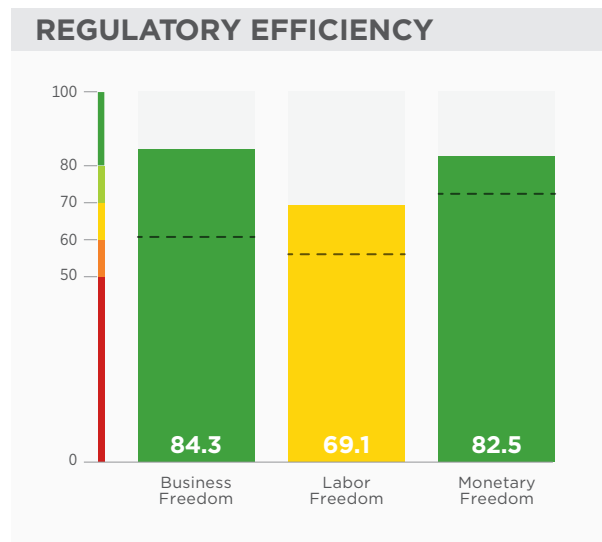
## 12 ECONOMIC FREEDOMS | TAIWAN



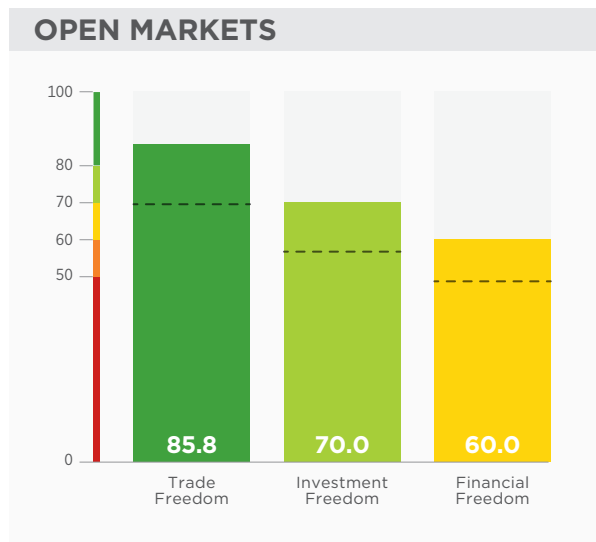
The overall rule of law is well respected in Taiwan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 20 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.2 percent and -1.7 percent of GDP. Public debt equals 28.4 percent of GDP.



Overall business freedom is well protected under an efficient regulatory environment, and no minimum capital is required to establish a business. The labor market lacks flexibility, and the minimum wage has been rising since 2017. Monetary stability has been well maintained despite inflationary pressure.



The trade-weighted average tariff rate is 2.1 percent, but nontariff barriers add to the cost of trade. Foreign investment is welcome, and the overall investment framework has become more streamlined. The financial sector continues to evolve and provides a wide range of financial services.

# TAJIKISTAN



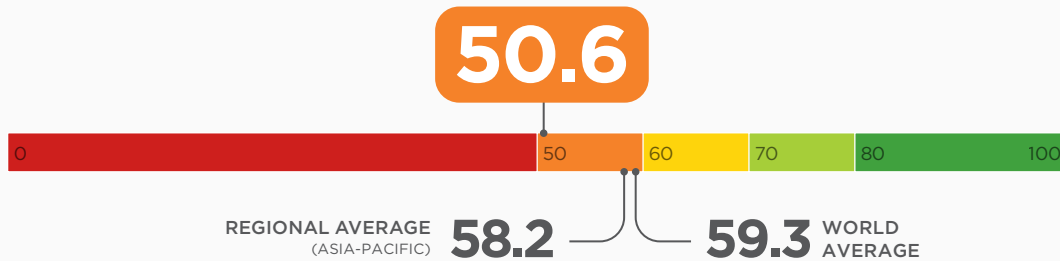
WORLD RANK: **146** | REGIONAL RANK: **31**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Tajikistan's economic freedom score is 50.6, making its economy the 146th freest in the 2023 *Index*. Its score is 0.9 point higher than last year. Tajikistan is ranked 31st out of 39 countries in the Asia-Pacific region, and its overall score is lower than the world and regional averages.

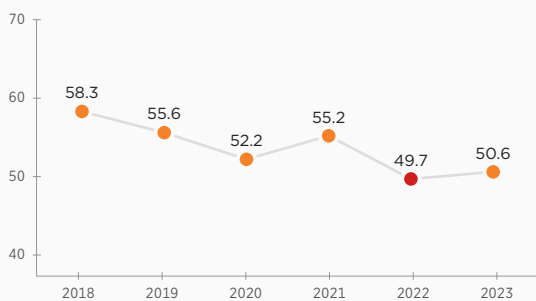
Tajikistan's economic development lags far behind that of many other developing countries. Excessive dependence on commodity export earnings leaves the economy vulnerable to market volatility. The government does a poor job of advancing economic freedom. Corruption persists, and the rule of law is too weak to sustain meaningful economic progress.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +9.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
9.7 million

**GDP (PPP):**  
\$41.8 billion  
9.2% growth in 2021  
5-year compound annual growth 7.1%  
\$4,329 per capita

**UNEMPLOYMENT:**  
6.9%

**INFLATION (CPI):**  
8.7%

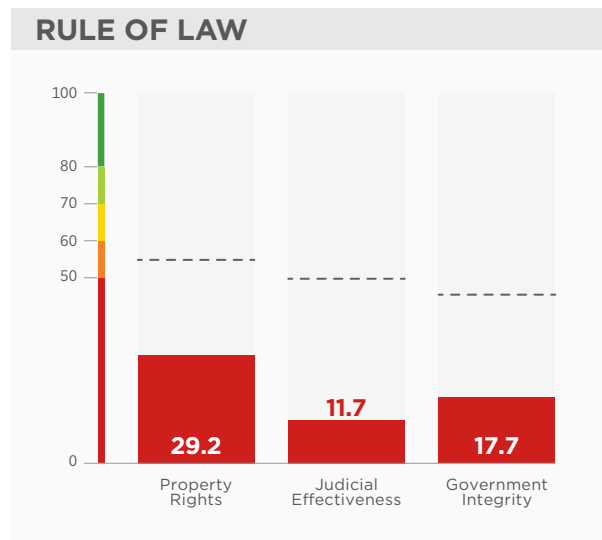
**FDI INFLOW:**  
\$84.0 million

**PUBLIC DEBT:**  
44.4% of GDP

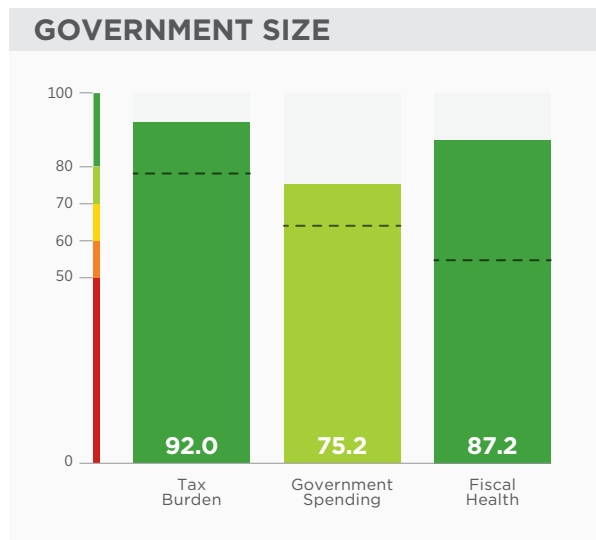
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Mountainous and landlocked, Tajikistan is Centra Asia's smallest nation in terms of area. Autocratic President Emomali Rahmon has been in power since 1994, and abuses of human rights are widespread. The victory of Rahmon's party in the 2020 parliamentary elections was criticized by international monitors. Tajikistan relies heavily on revenues from exports of aluminum, gold, and cotton. With less than 7 percent of its land arable and given high state-mandated cotton production, the country must import most of its food. Although Tajikistan's economy is growing, it remains one of Asia's poorest and is still partly dependent on remittances and narco-trafficking.

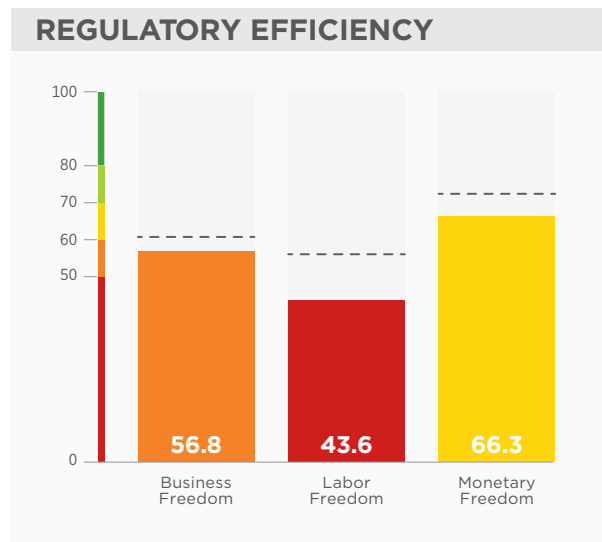
## 12 ECONOMIC FREEDOMS | TAJIKISTAN



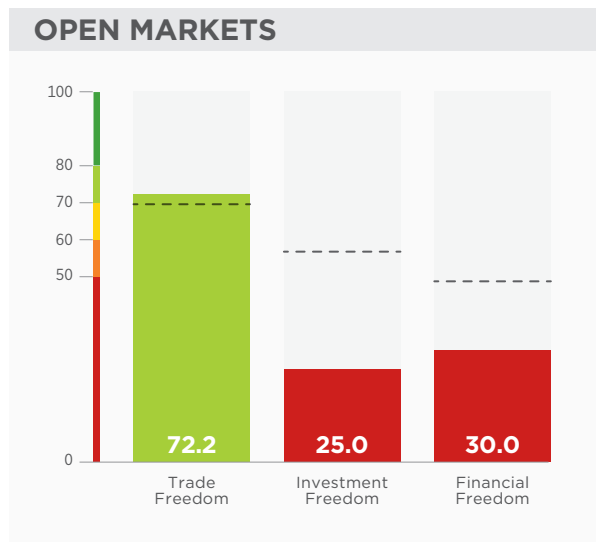
The overall rule of law is weak in Tajikistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 12 percent and 18 percent. The tax burden equals 18.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.7 percent and -2.4 percent of GDP. Public debt equals 44.4 percent of GDP.

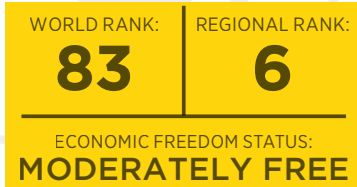


The business environment has improved but only marginally. Entrepreneurial activity is seriously hampered by state interference that increases regulatory costs and by inconsistent bureaucracy. The labor market remains underdeveloped. The government influences prices through regulation, subsidies, and numerous state-owned enterprises.



The trade-weighted average tariff rate is 6.4 percent, but onerous and pervasive nontariff barriers severely limit trade freedom. All private investment is screened and requires government approval. Financial-sector assets have grown, but the state's continuing interference seriously handicaps private-sector development.

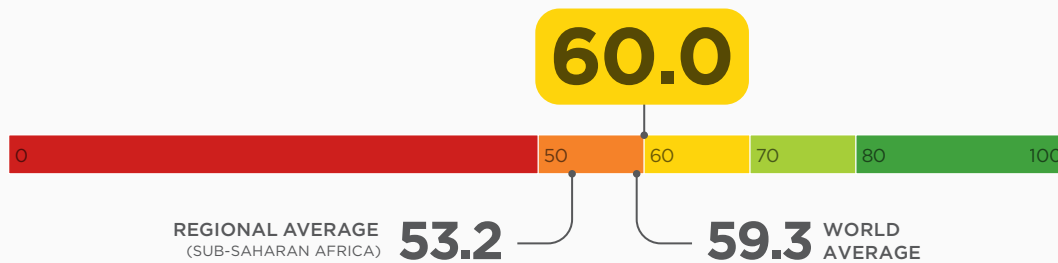
# TANZANIA



Tanzania's economic freedom score is 60.0, making its economy the 83rd freest in the 2023 *Index*. Its score is 0.5 point higher than last year. Tanzania is ranked 6th out of 47 countries in the Sub-Saharan Africa region, and its overall score is slightly higher than the world average.

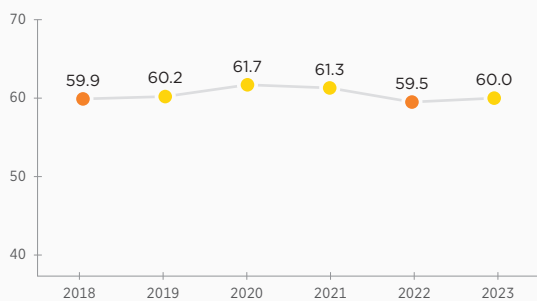
Despite a decade of progress in achieving income growth and reducing poverty, the Tanzanian government seems to lack the strong commitment to further institutional reform that is needed for long-term economic development. Long-standing structural problems include poor management of public finance and an underdeveloped legal framework that interferes with regulatory efficiency.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.7

## RECENT FREEDOM TREND



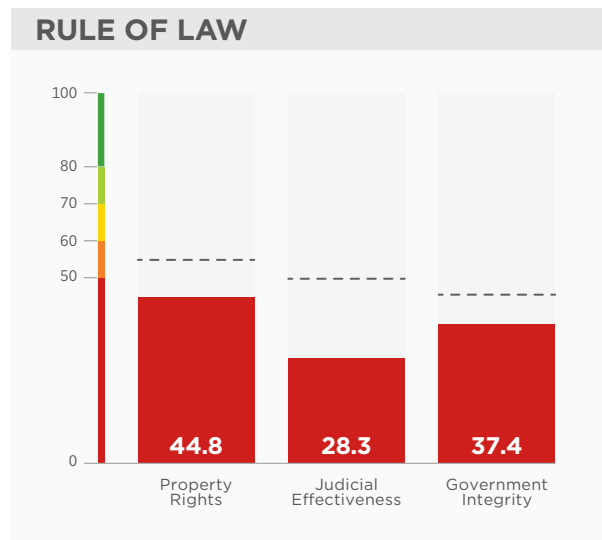
## QUICK FACTS

<b>POPULATION:</b> 61.5 million	<b>UNEMPLOYMENT:</b> 2.1%
<b>GDP (PPP):</b> \$185.4 billion 4.9% growth in 2021 5-year compound annual growth 6.1% \$3,104 per capita	<b>INFLATION (CPI):</b> 3.7%
	<b>FDI INFLOW:</b> \$921.8 million
	<b>PUBLIC DEBT:</b> 40.7% of GDP

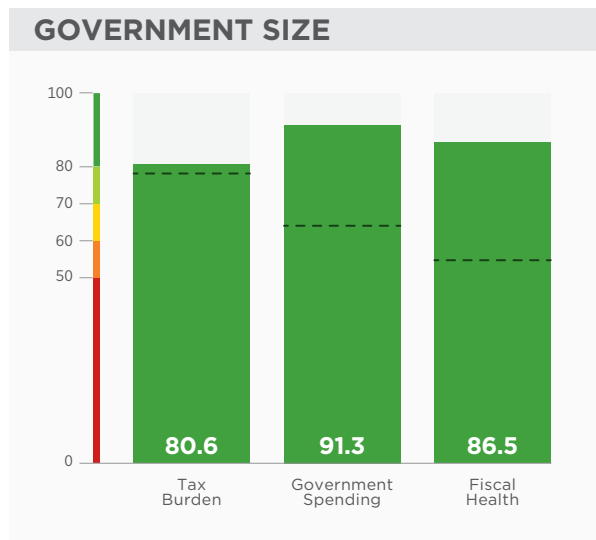
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** In 1964, shortly after independence from Britain, Tanganyika and the island of Zanzibar merged to form the United Republic of Tanzania. The Chama Cha Mapinduzi party has been in power continuously since then. President John Magufuli's reelection to another five-year term in 2020 was marred by violence and by intimidation and harassment of the opposition. With Magufuli's death in 2021, Vice President Samia Suluhu Hassan became president. Despite vast mineral and natural resources and tourism, most Tanzanians are poor and dependent on subsistence agriculture. Plans for construction of an oil pipeline from western Uganda to Tanzania's Tanga port are ongoing.

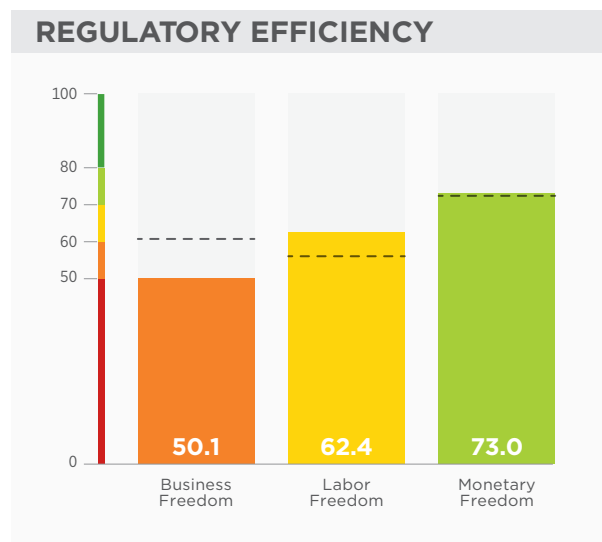
## 12 ECONOMIC FREEDOMS | TANZANIA



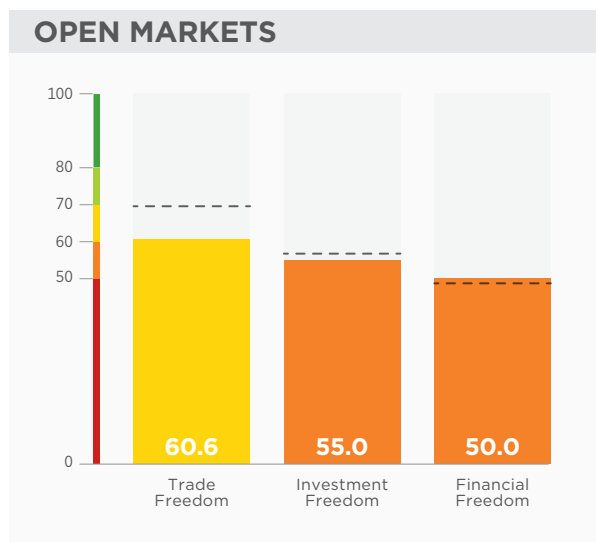
The overall rule of law is weak in Tanzania. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 11.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.1 percent and -2.5 percent of GDP. Public debt equals 40.7 percent of GDP.



The business environment remains hampered by problems in the regulatory framework, although requirements for launching a business are not time-consuming. Labor regulations are not modern and flexible enough to support a vibrant labor market. The lack of market competition hurts monetary stability.



The trade-weighted average tariff rate is 9.7 percent, and costly nontariff barriers further inhibit trade. Investment regulations are outdated, and burdensome bureaucracy is an ongoing deterrent to investment growth. A range of commercial credit instruments is available to the private sector.



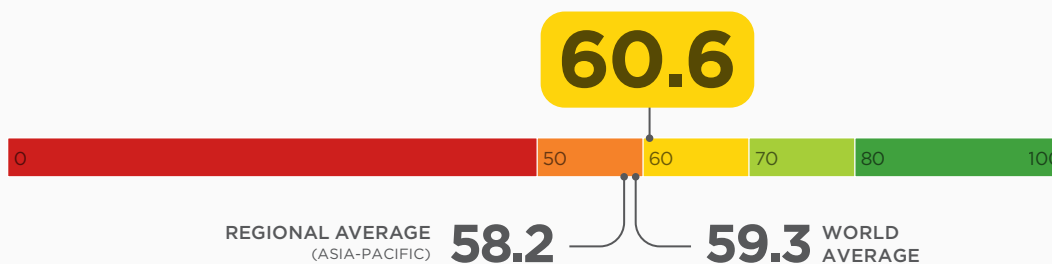
# THAILAND

WORLD RANK: <b>80</b>	REGIONAL RANK: <b>16</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

**T**hailand's economic freedom score is 60.6, making its economy the 80th freest in the 2023 *Index*. Its score is 2.6 points lower than last year. Thailand is ranked 16th out of 39 countries in the Asia-Pacific region, and its overall score is higher than the world and regional averages.

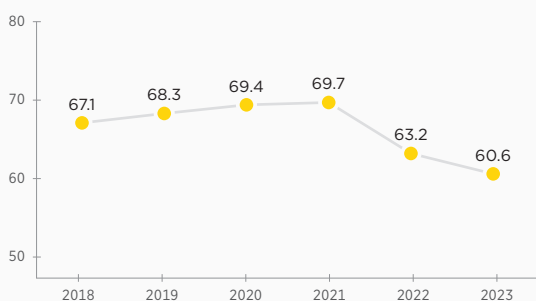
Economic fundamentals remain relatively solid. Principal challenges include the need to strengthen investor confidence and advance institutional reform. A major concern is political instability, which continues to undermine Thailand's investment climate and economic potential. The judicial system is inefficient and vulnerable to political interference, and corruption remains a problem.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -10.7

## RECENT FREEDOM TREND



## QUICK FACTS

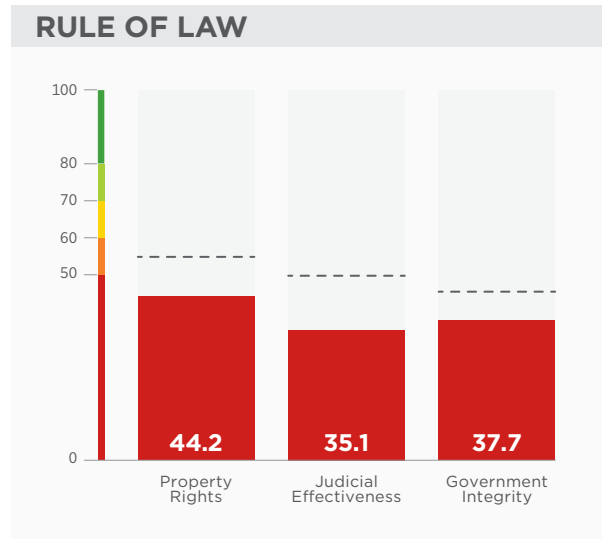
<b>POPULATION:</b> 70.0 million	<b>UNEMPLOYMENT:</b> 1.1%
<b>GDP (PPP):</b> \$1.3 trillion 1.6% growth in 2021 5-year compound annual growth 1.2%	<b>INFLATION (CPI):</b> 1.2%
	<b>FDI INFLOW:</b> \$11.4 billion
	<b>PUBLIC DEBT:</b> 58.4% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

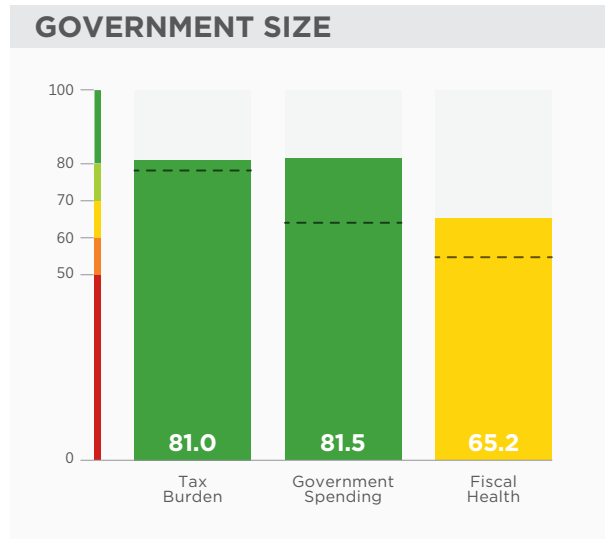
**BACKGROUND:** Thailand has experienced 19 military coups since becoming a constitutional monarchy in 1932. In 2019, national legislative elections solidified the pro-junta Phalang Pracharat party's power. In 2022, the supreme court suspended Prayut Chan-ocha from the premiership while it considered claims that he was exceeding the constitution's term limit clause. Prawit Wongsuwan, another royalist military officer, is acting prime minister. After King Bhumibol Adulyadej died, his son, King Maha Vijiralongkorn, was crowned in 2019. Thailand's free-market economy benefits from relatively well-developed infrastructure. Exports of electronics, agricultural commodities, automobiles and parts, processed foods, and other goods account for approximately two-thirds of GDP.



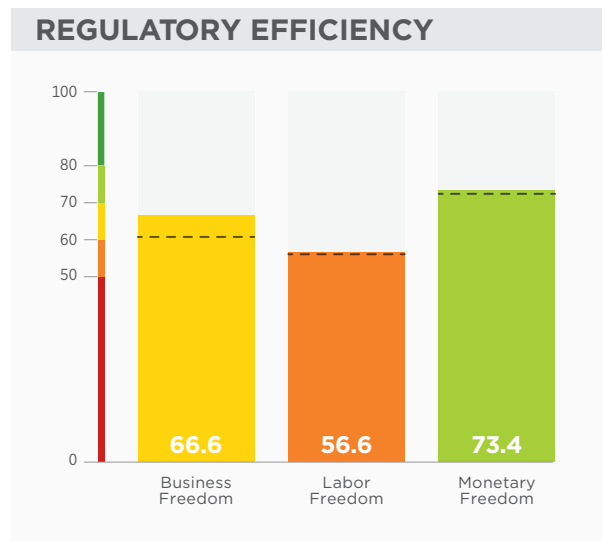
## 12 ECONOMIC FREEDOMS | THAILAND



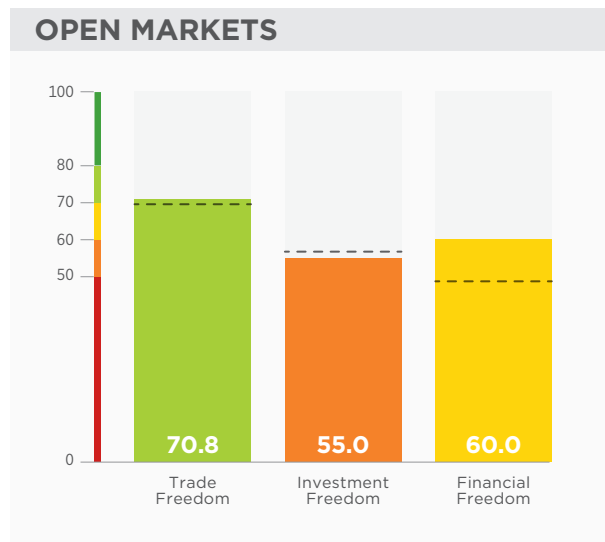
The overall rule of law is weak in Thailand. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



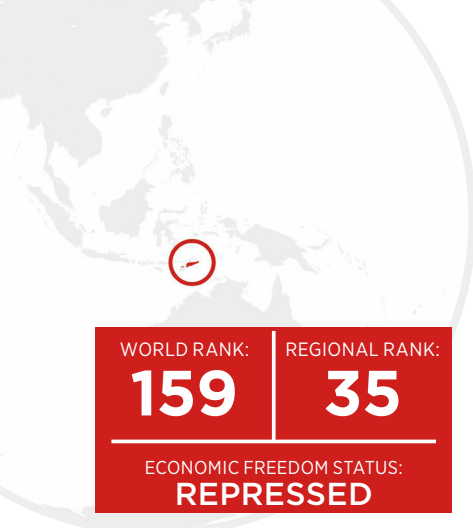
The top individual and corporate tax rates are, respectively, 35 percent and 20 percent. The tax burden equals 16.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.8 percent and -4.2 percent of GDP. Public debt equals 58.4 percent of GDP.



With no minimum capital requirement, the process for starting a business has been streamlined. Labor regulations are relatively flexible, but informal labor activity remains substantial. Monetary stability has been maintained despite inflationary pressure. The government influences prices through subsidies and other measures.



The trade-weighted average tariff rate is 7.1 percent, but onerous nontariff barriers add to the cost of trade. Although foreign direct investment is officially welcome, the overall investment frameworks lacks efficiency and transparency. The financial system is relatively well developed and dynamic.



WORLD RANK: **159** | REGIONAL RANK: **35**

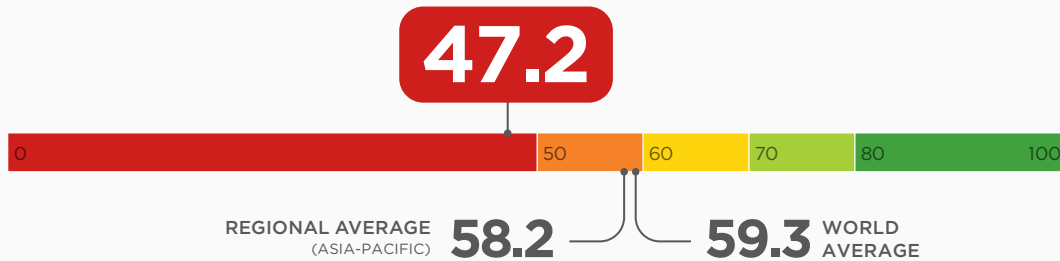
ECONOMIC FREEDOM STATUS: **REPPRESSED**

# TIMOR-LESTE

**T**imor-Leste's economic freedom score is 47.2, making its economy the 159th freest in the 2023 *Index*. Its score has increased by 0.9 point from last year. Timor-Leste is ranked 35th out of 39 countries in the Asia-Pacific region, and its overall score is well below the world and regional averages.

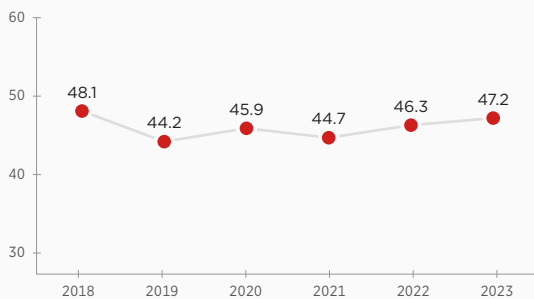
Despite improved freedom from corruption and investment freedom, economic freedom remains severely constrained in Timor-Leste. The economic base is narrow, and political instability discourages lasting economic development. The state plays an outsized role in the economy. Private-sector development is also limited by burdensome regulation and an underdeveloped financial sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -3.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.3 million

**GDP (PPP):**  
\$5.4 billion  
1.8% growth in 2021  
5-year compound annual growth -1.7%  
\$4,053 per capita

**UNEMPLOYMENT:**  
4.7%

**INFLATION (CPI):**  
3.8%

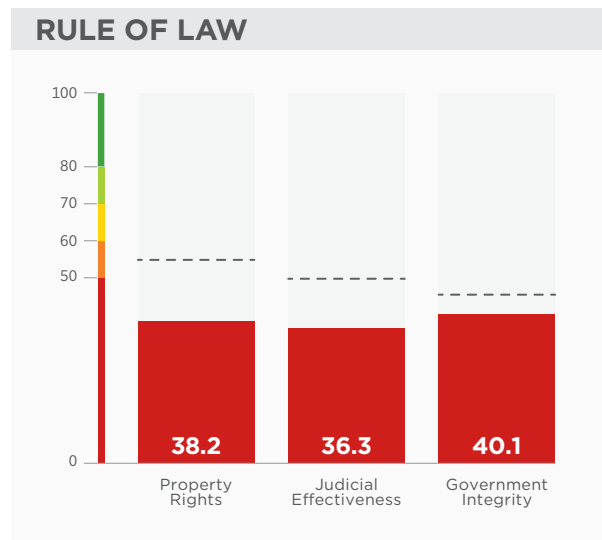
**FDI INFLOW:**  
\$85.3 million

**PUBLIC DEBT:**  
10.0% of GDP

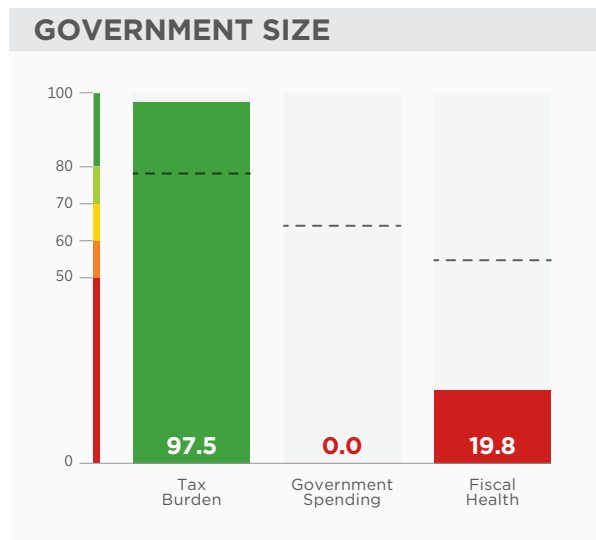
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Democratic Republic of Timor-Leste gained independence from Indonesia in 2002 and has struggled to achieve political stability. Current President Jose Ramos-Horta, who served previously as president from 2007–2008 and 2008–2012, was reelected by an overwhelming margin in 2022. Timor-Leste remains one of the poorest countries in East Asia and is heavily dependent on foreign aid. Economic liberalization has largely stalled. Oil and gas account for more than 90 percent of GDP and 70 percent of government revenue. The technology-intensive oil industry has done little to create jobs.

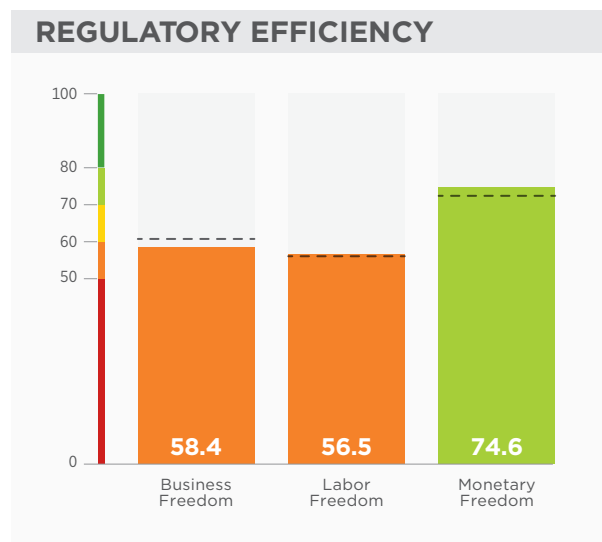
## 12 ECONOMIC FREEDOMS | TIMOR-LESTE



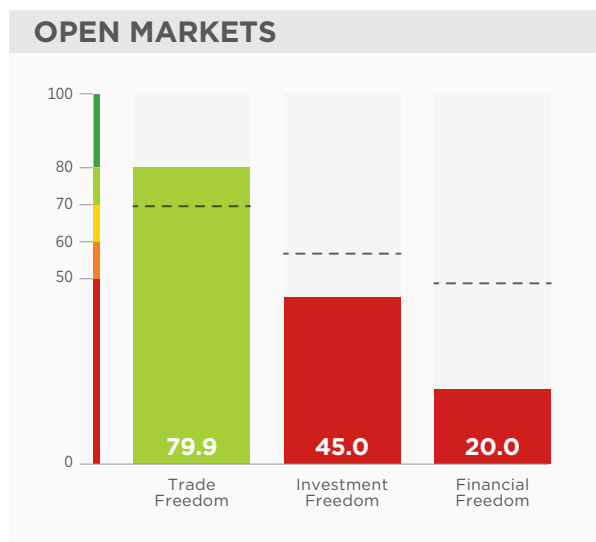
The overall rule of law is weak in Timor-Leste. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 7.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 68.9 percent and -25.8 percent of GDP. Public debt equals 10.0 percent of GDP.

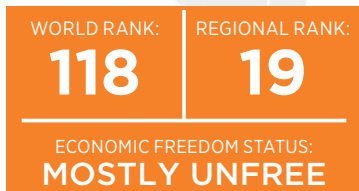


The overall freedom to launch and operate a business remains constrained by a burdensome regulatory environment. The public sector accounts for about half of nonagricultural employment, and the formal labor market remains underdeveloped. Monetary stability has not been well established.



The trade-weighted average tariff rate is 2.5 percent, and nontariff barriers distort trade flows. The investment environment is significantly limited by inadequate institutional capacity and poor infrastructure. The financial sector is very small and underdeveloped. The population has limited access to financial services.

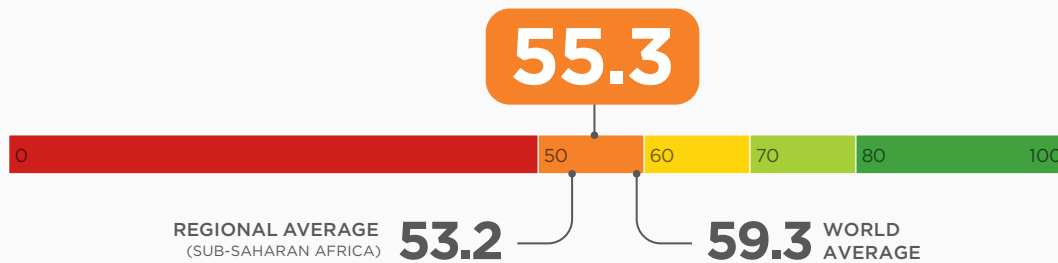
# TOGO



Togo's economic freedom score is 55.3, making its economy the 118th freest in the 2023 *Index*. Its score is 1.9 points lower than last year. Togo is ranked 19th out of 47 countries in the Sub-Saharan Africa region, and its overall score is well below the world average.

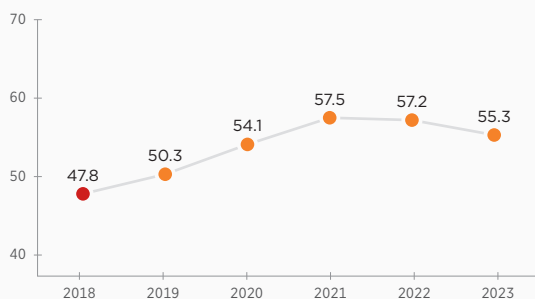
Togo's scores for business freedom, government spending, and freedom from corruption have declined over the past year. The weak judicial system increases investment risk. An opaque regulatory environment, coupled with a lack of policies designed to facilitate investment, discourages the emergence of a vibrant private sector and undermines economic progress.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1999): +7.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
8.5 million

**GDP (PPP):**  
\$20.1 billion  
5.1% growth in 2021  
5-year compound annual growth 4.3%  
\$2,373 per capita

**UNEMPLOYMENT:**  
3.7%

**INFLATION (CPI):**  
4.3%

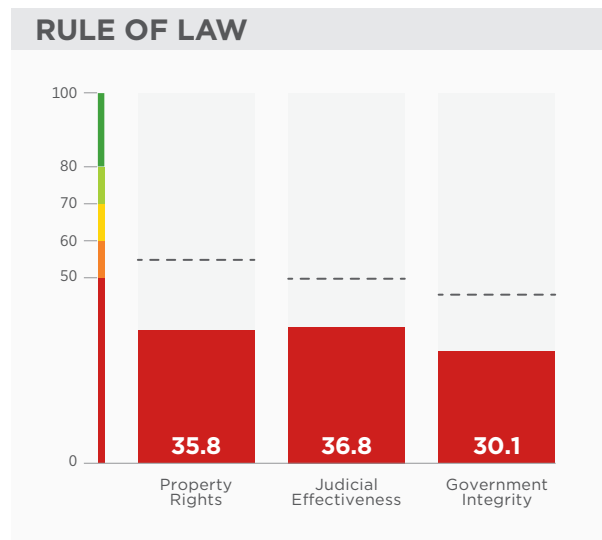
**FDI INFLOW:**  
\$129.9 million

**PUBLIC DEBT:**  
63.7% of GDP

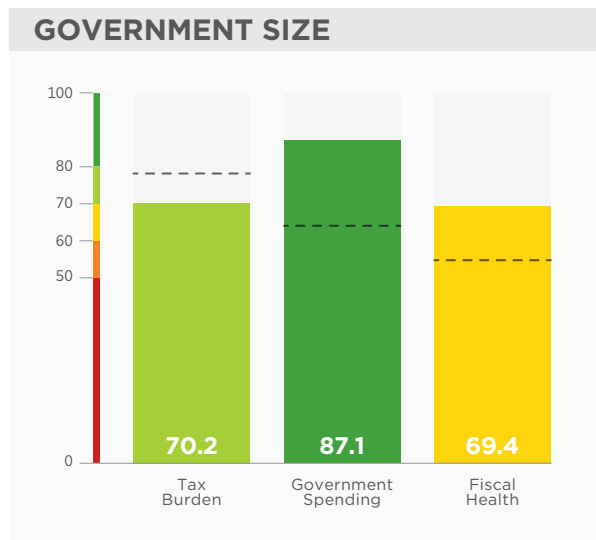
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** French Togoland became Togo in 1960. General Gnassingbé Eyadema remained in power for almost four decades. Faure Gnassingbé, appointed to the presidency by the military in 2005 after his father died, was elected president later that year. His Union for the Republic dominates Togolese politics. In 2020, he won a fourth five-year term following a 2019 constitutional change permitting him to serve two additional terms. Commercial and subsistence agriculture employs about 60 percent of the labor force. Togo has one of West Africa's few natural deep-water ports, and its secure territorial waters are a relatively safe zone for international shippers.

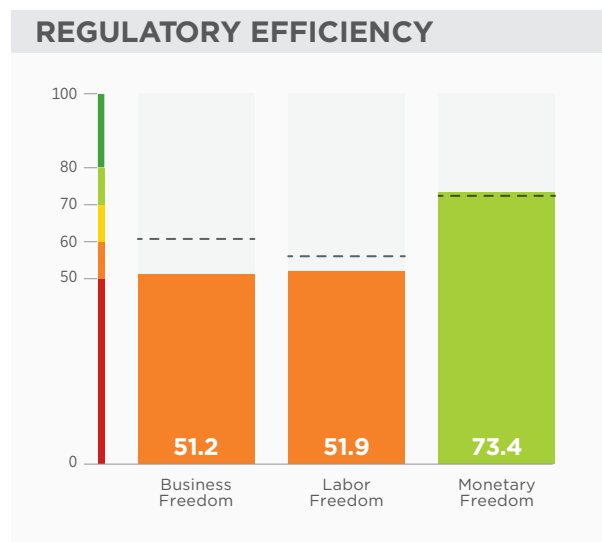
## 12 ECONOMIC FREEDOMS | TOGO



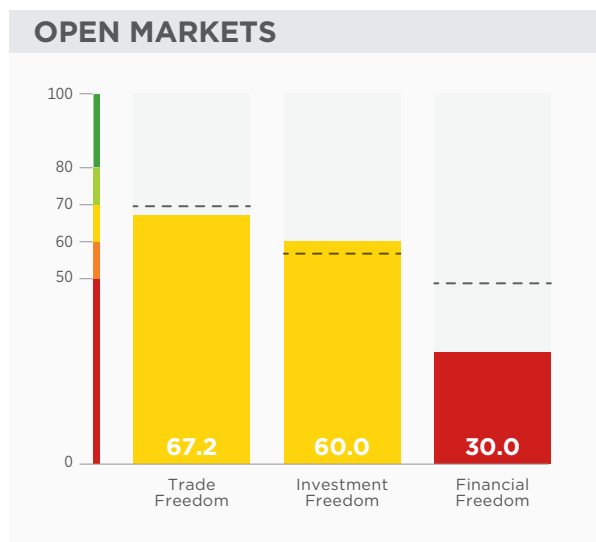
The overall rule of law is weak in Togo. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



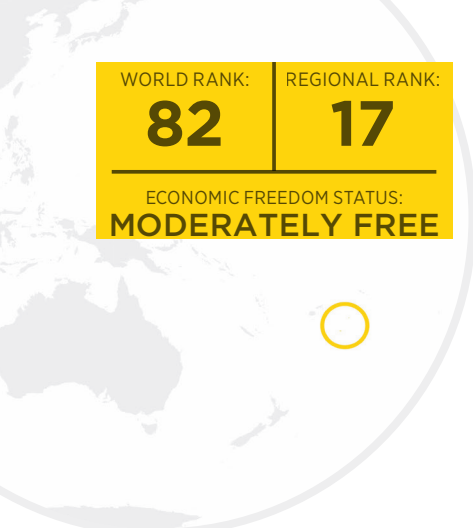
The top individual and corporate tax rates are, respectively, 45 percent and 27 percent. The tax burden equals 15.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.7 percent and -3.7 percent of GDP. Public debt equals 63.7 percent of GDP.



Measures to improve the entrepreneurial environment have been considered but have not been implemented effectively. The overall business environment remains very burdensome. The labor market is underdeveloped, and informal labor activity remains substantial. Monetary stability has been fragile, and inflationary pressures continue.



The trade-weighted average tariff rate is 11.4 percent, and nontariff barriers further limit trade. Investment is permitted in certain sectors and is screened on a case-by-case basis. The underdeveloped banking system remains subject to government influence and suffers from a lack of liquidity.



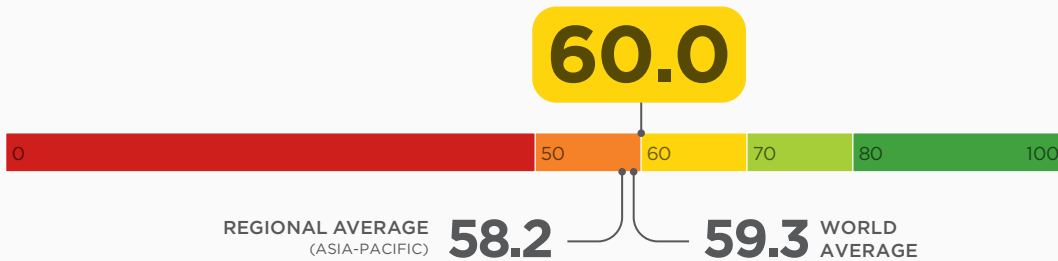
WORLD RANK: <b>82</b>	REGIONAL RANK: <b>17</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# TONGA

**T**onga's economic freedom score is 60.0, making its economy the 82nd freest in the 2023 *Index*. Its score has decreased by 0.8 point from last year. Tonga is ranked 17th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

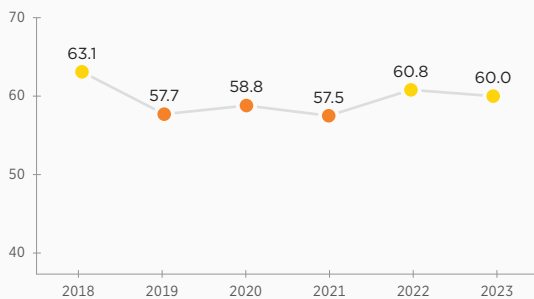
The economic foundations for the kingdom's long-term development remain weak. Tonga's corruption score is below the world average, and its overall judicial system remains inefficient and lacking in transparency. A lack of commitment to opening markets holds back investment growth and thwarts the emergence of a dynamic private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +5.9

## RECENT FREEDOM TREND



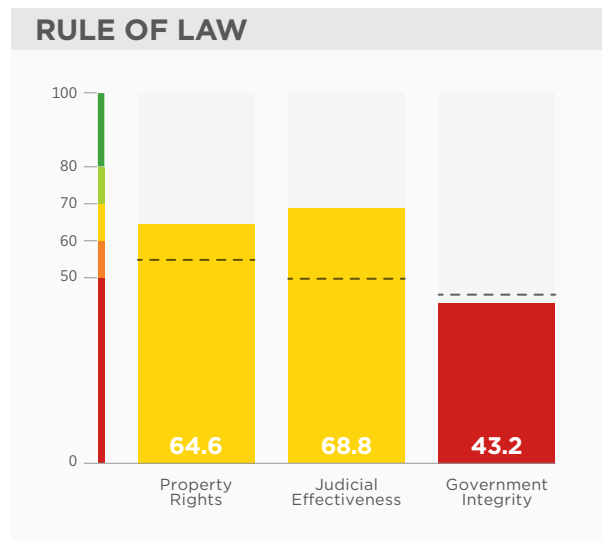
## QUICK FACTS

<b>POPULATION:</b> 0.1 million	<b>UNEMPLOYMENT:</b> 3.1%
<b>GDP (PPP):</b> \$0.6 billion -0.7% growth in 2021 5-year compound annual growth 0.9%	<b>INFLATION (CPI):</b> 1.4%
<b>FDI INFLOW:</b> \$1.7 million	<b>PUBLIC DEBT:</b> 47.5% of GDP

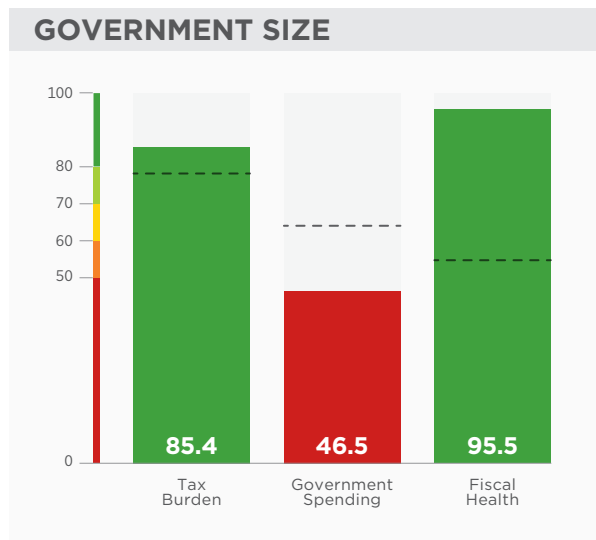
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Kingdom of Tonga withdrew from British protection to become fully independent in 1970. The royal family of King Tupou VI, hereditary nobles, and a few other landholders control its politics. Tonga held its first elections in 2010 under a newly formed constitutional monarchy. After his death, Prime Minister 'Akilisi Pohiva was replaced by Pohiva Tu'i'onetoa, who was succeeded in turn by political independent Siaso Sovaleni following the 2021 general elections. Tonga's economy depends on such agricultural products as squash, vanilla beans, and yams as well as tourism and exports of fish. Emigrants' remittances account for nearly one-third of GDP.

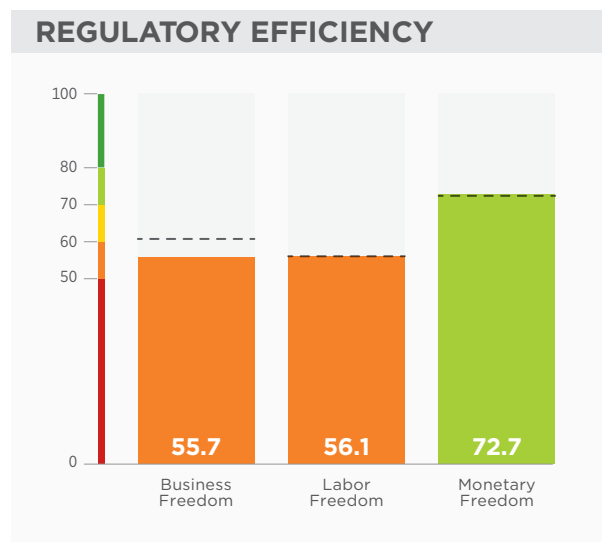
## 12 ECONOMIC FREEDOMS | TONGA



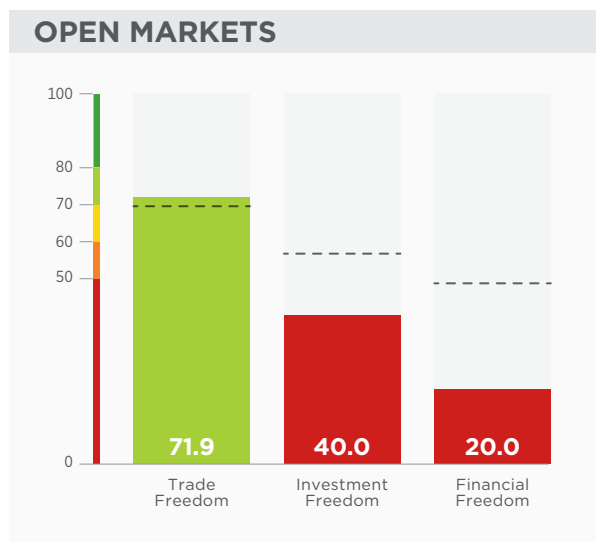
The overall rule of law is relatively well respected in Tonga. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 20 percent and 25 percent. The tax burden equals 20.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.2 percent and 2.5 percent of GDP. Public debt equals 47.5 percent of GDP.



Regulatory codes are relatively sound, but implementation of regulations remains ineffective. Although minimum capital is needed to establish a business, the process can be time-consuming. Labor codes are favorable to labor market flexibility, but informal labor is considerable. Inflationary pressure continues.



The trade-weighted average tariff rate is 6.6 percent, and nontariff barriers further raise the cost of trade. Many investment activities are stringently regulated. The legal system impedes efficient lending, and the lack of reliable information on creditworthiness increases credit costs. There are no capital markets.



WORLD RANK: **88** | REGIONAL RANK: **20**

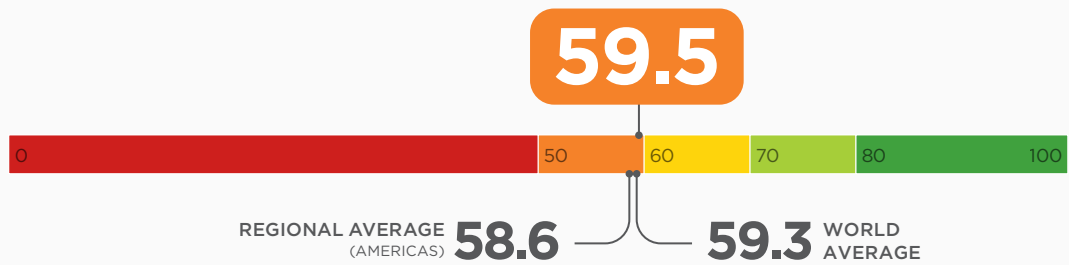
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# TRINIDAD AND TOBAGO

Trinidad and Tobago's economic freedom score is 59.5, making its economy the 88th freest in the 2023 *Index*. Its score is 0.7 point higher than last year. Trinidad and Tobago is ranked 20th out of 32 countries in the Americas region, and its overall score is higher than the world and regional averages.

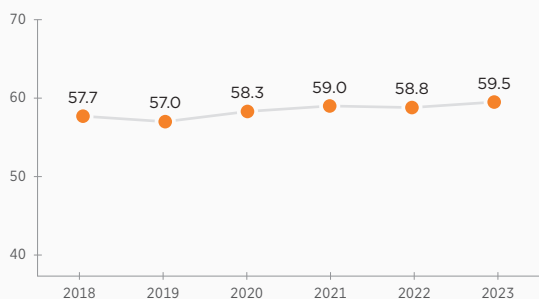
Overall progress in enhancing economic freedom and the entrepreneurial climate has been uneven. Overdependence on oil and gas discourages private-sector development, although diversification of the economic base has progressed. The judiciary is relatively independent, and Trinidad and Tobago has a tradition of institutional stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -9.7

## RECENT FREEDOM TREND



## QUICK FACTS

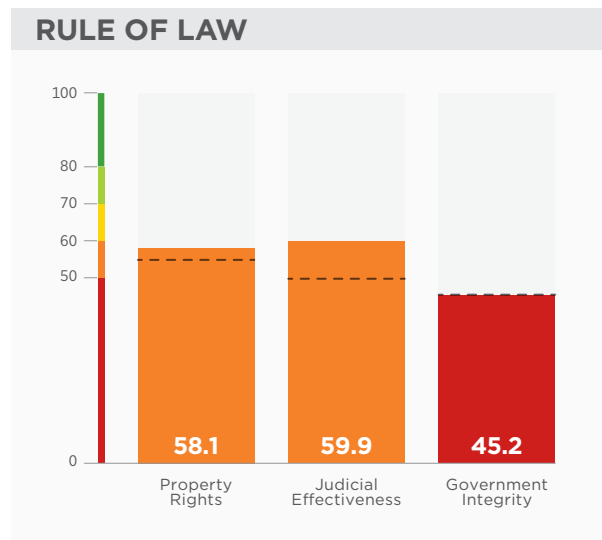
- POPULATION:** 1.4 million
- GDP (PPP):** \$37.7 billion  
-1.0% growth in 2021  
5-year compound annual growth -2.4%  
\$26,802 per capita
- UNEMPLOYMENT:** 3.2%
- INFLATION (CPI):** 1.1%
- FDI INFLOW:** \$341.6 million
- PUBLIC DEBT:** 60.6% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

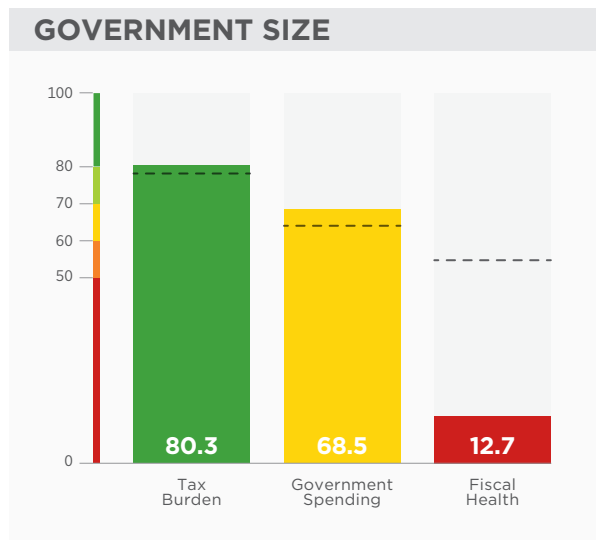
**BACKGROUND:** Trinidad and Tobago is one of the Caribbean's largest economies. Hydrocarbons account for more than 40 percent of GDP and 80 percent of exports. Prime Minister Keith Rowley of the leftist People's National Movement must contend with weak growth and rising crime. Regarded as a tax haven, the country has been accused by the OECD of failing to comply with international financial standards. Rowley has helped Venezuela's Nicolás Maduro to circumvent U.S. sanctions and has expanded relations with China. Oil production has declined, and natural gas production is increasing. Financial services and construction are strong, and tourism has considerable potential.



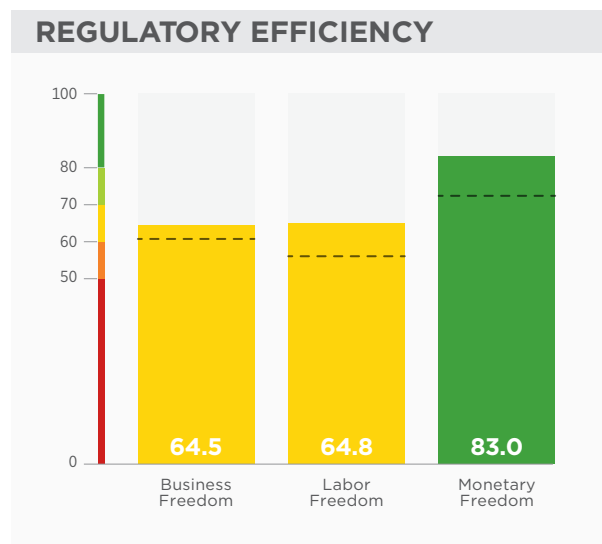
## 12 ECONOMIC FREEDOMS | TRINIDAD AND TOBAGO



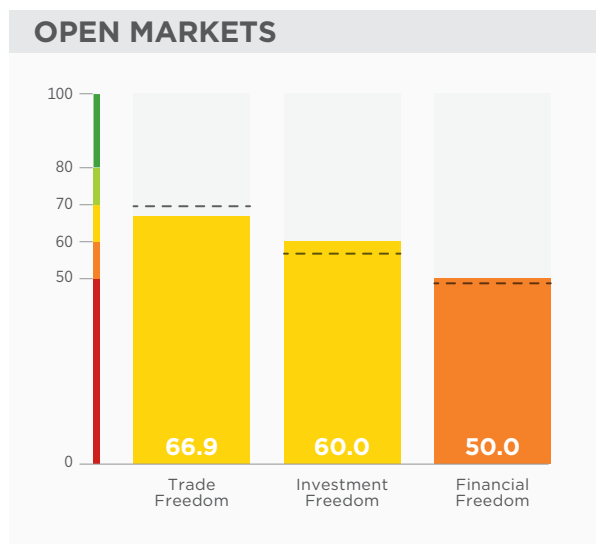
The overall rule of law is relatively well respected in Trinidad and Tobago. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 30 percent. The tax burden equals 21.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -8.2 percent of GDP. Public debt equals 60.6 percent of GDP.



Despite some progress, the regulatory system lacks transparency and clarity, and regulations are enforced inconsistently, although there is no minimum capital requirement. The labor market's relative flexibility facilitates the matching of supply and demand for the country's highly educated labor force.



The trade-weighted average tariff rate is 9.0 percent, and cumbersome nontariff barriers further increase the cost of trade. Foreign investment in private business is not subject to limitations, but the overall investment regime lacks efficiency. The financial sector is relatively well developed.



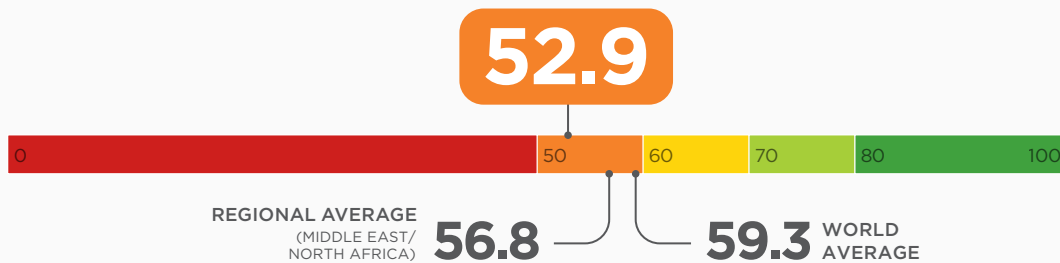
WORLD RANK: <b>132</b>	REGIONAL RANK: <b>10</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY UNFREE</b>	

# TUNISIA

Tunisia's economic freedom score is 52.9, making its economy the 132nd freest in the 2023 *Index*. Its score is 1.3 points lower than last year. Tunisia is ranked 10th out of 14 countries in the Middle East/North Africa region, and its overall score is below the world and regional averages.

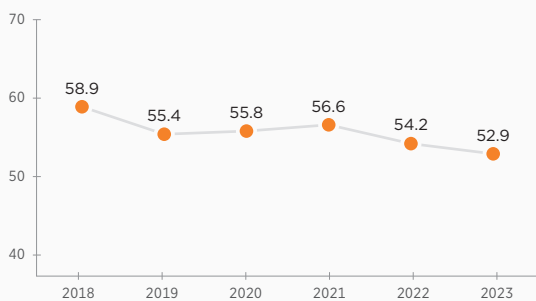
Key institutional reform measures have failed to bring tangible benefits to the economy. The country is undergoing a challenging transition, and deeper reforms such as strengthening of the judicial system, stronger protection for property rights, and more effective eradication of corruption to enhance political and economic governance are critically needed.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -10.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
11.9 million

**GDP (PPP):**  
\$137.3 billion  
3.1% growth in 2021  
5-year compound annual growth 0.0%  
\$11,424 per capita

**UNEMPLOYMENT:**  
15.1%

**INFLATION (CPI):**  
5.7%

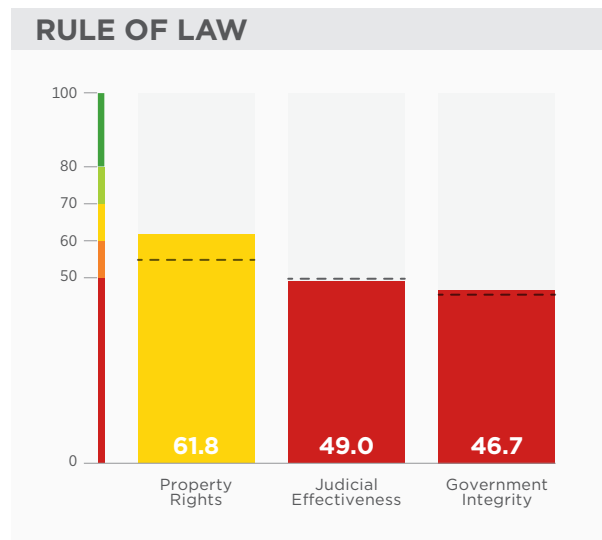
**FDI INFLOW:**  
\$660.2 million

**PUBLIC DEBT:**  
81.8% of GDP

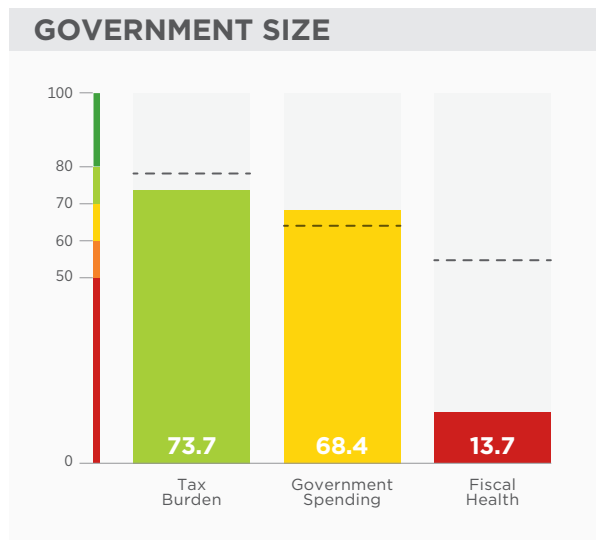
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** In 2019, center-left constitutional lawyer Kaïs Saïed was elected president in a landslide that highlighted a strong anti-establishment sentiment, particularly among younger voters. The moderately Islamist Hizb al-Nahda party won the most parliamentary seats. In July 2021, Saïed dismissed the prime minister and suspended parliament. He then asserted the right to rule by decree and cemented his power through a constitutional referendum. Tunisia's transformation to a more market-oriented economy has been slowed by political instability and violent anti-austerity protests. Key exports include textiles and apparel, food products, petroleum products, chemicals, and phosphates. The European Union is Tunisia's principal trading partner.

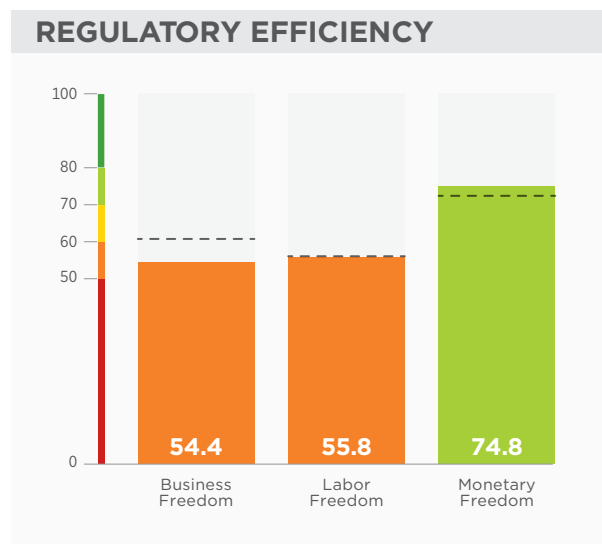
## 12 ECONOMIC FREEDOMS | TUNISIA



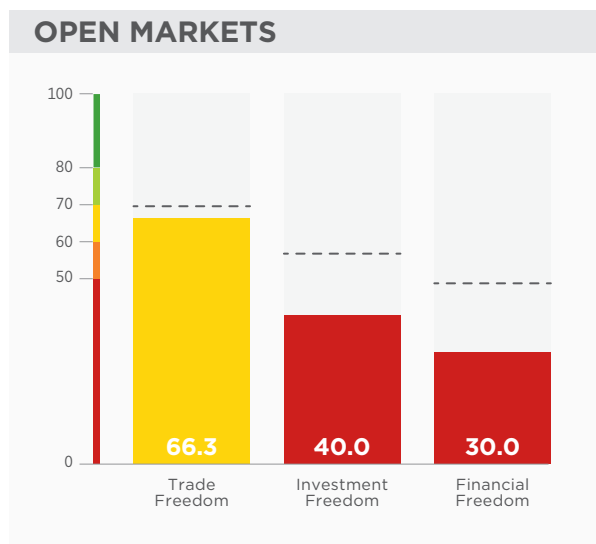
The overall rule of law is relatively well respected in Tunisia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 15 percent. The tax burden equals 34.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -6.8 percent of GDP. Public debt equals 81.8 percent of GDP.



The regulatory framework remains nontransparent and inefficient. The business start-up process has been streamlined on paper, but licensing requirements remain costly. The rigid labor market has been stagnant, failing to generate dynamic job growth. The government influences prices through state-owned enterprises.



The trade-weighted average tariff rate is 9.4 percent, and nontariff barriers further increase the cost of trade. Despite efforts to attract foreign investment, bureaucracy and political uncertainty discourage long-term investment growth. The weak financial sector is fragmented and dominated by the state.

# TÜRKIYE

WORLD RANK:

104

REGIONAL RANK:

41

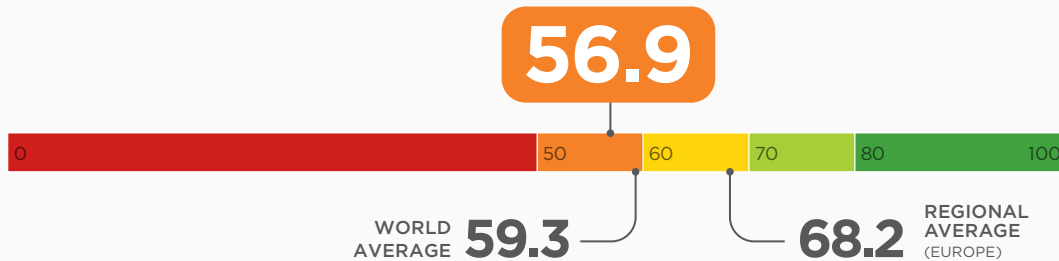
ECONOMIC FREEDOM STATUS:

**MOSTLY UNFREE**

Türkiye's economic freedom score is 56.9, making its economy the 104th freest in the 2023 *Index*. Its score is unchanged from last year. Türkiye is ranked 41st out of 44 countries in the Europe region, and its overall score is lower than the world average.

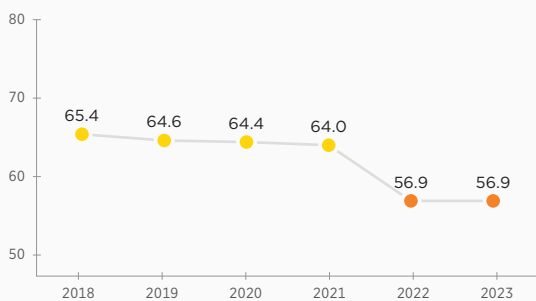
Türkiye's economy is one of the region's most dynamically developing markets. Despite heavy state involvement in the economy, the private sector is expanding rapidly. Progress toward greater economic freedom has been slowed by institutional shortcomings. Property rights are moderately well protected, but the relatively inefficient judicial system is ineffective in combating corruption.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -1.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
85.0 million

**GDP (PPP):**  
\$2.9 trillion  
11.0% growth in 2021  
5-year compound  
annual growth 4.8%  
\$34,755 per capita

**UNEMPLOYMENT:**  
13.1%

**INFLATION (CPI):**  
19.6%

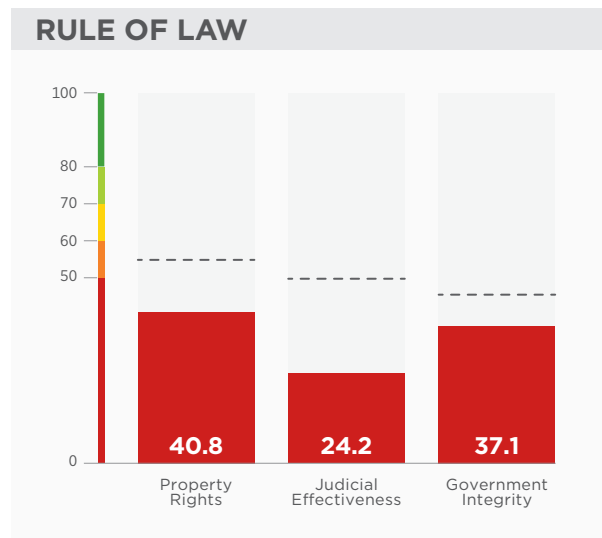
**FDI INFLOW:**  
\$12.5 billion

**PUBLIC DEBT:**  
41.8% of GDP

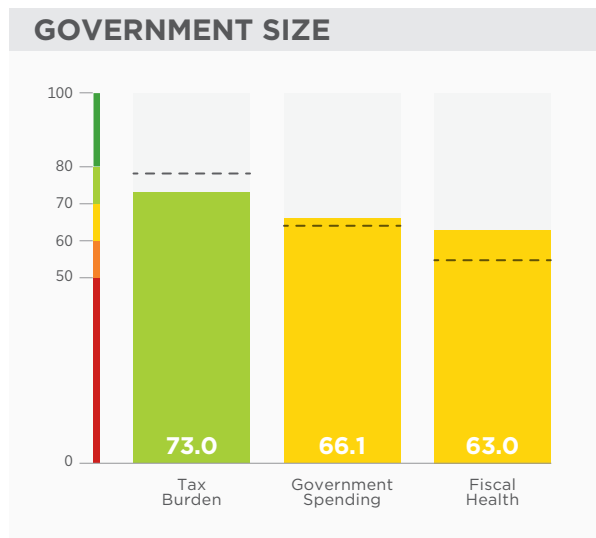
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Türkiye is constitutionally secular, but President Recep Tayyip Erdogan's Justice and Development Party (AKP) has pursued an Islamist agenda and eroded democracy. Erdogan further consolidated his power after 2018 elections allowed an AKP coalition with the Nationalist Action Party to retain control of the unicameral national assembly while he managed to win a second four-year term. Türkiye's largely market and diversified economy is driven by its industrial and service sectors, but traditional agriculture still accounts for about 25 percent of employment. Relatively high economic growth followed a currency devaluation driven by artificially low interest rates that affected price stability.

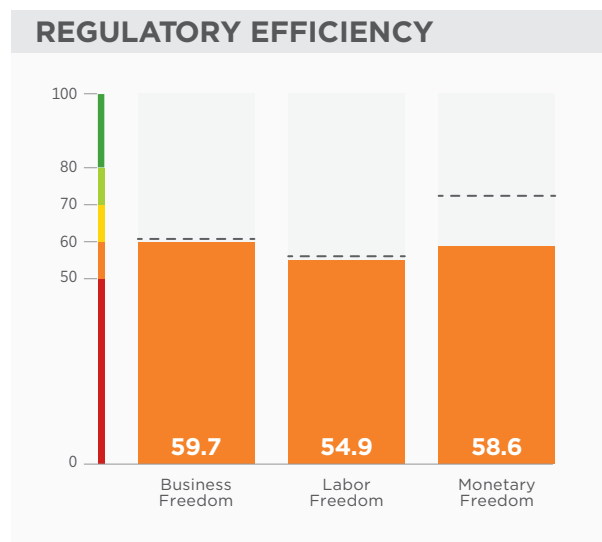
## 12 ECONOMIC FREEDOMS | TÜRKIYE



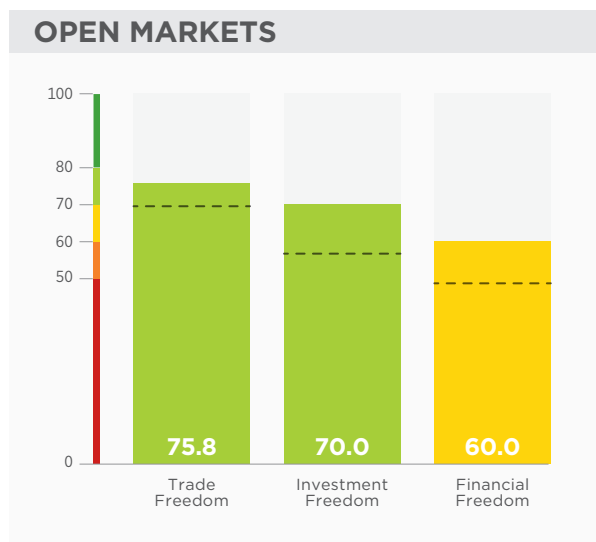
The overall rule of law is weak in Türkiye. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 23 percent. The tax burden equals 23.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.6 percent and -4.6 percent of GDP. Public debt equals 41.8 percent of GDP.



The process for establishing private enterprises has become less time-consuming, but bureaucratic red tape and ineffective enforcement of regulations continue to discourage entrepreneurship. The informal sector is large, partly because of the labor market's rigidity. Monetary stability remains fragile, and inflation remains high.



The trade-weighted average tariff rate is 9.4 percent, and nontariff barriers constrain trade freedom. Foreign investment is officially welcome, but restrictions remain in a number of sectors. The financial system has undergone a rapid transformation and is now more transparent and competitive.



WORLD RANK: **161**

REGIONAL RANK: **37**

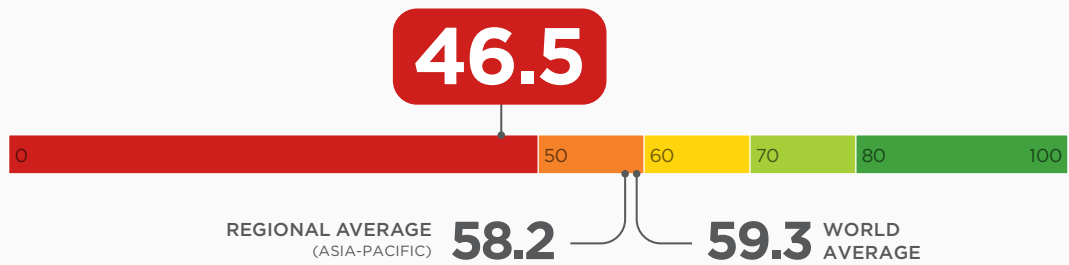
ECONOMIC FREEDOM STATUS: **REPRESSED**

# TURKMENISTAN

Turkmenistan's economic freedom score is 46.5, making its economy the 161st freest in the 2023 *Index*. Its score is 0.3 point higher than last year. Turkmenistan is ranked 37th out of 39 countries in the Asia-Pacific region, and its overall score is significantly lower than the world and regional averages.

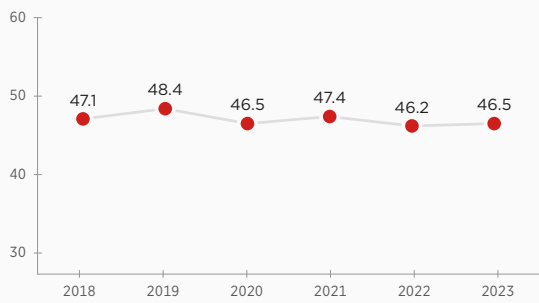
Turkmenistan has performed dismally with respect to structural reform. Much-needed economic growth is severely constrained by long-standing institutional weaknesses that undermine the foundations of economic freedom. The inefficient legal framework remains highly vulnerable to political interference, and heavy state involvement in the leading economic sectors dampens private-sector dynamism.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +11.5

## RECENT FREEDOM TREND



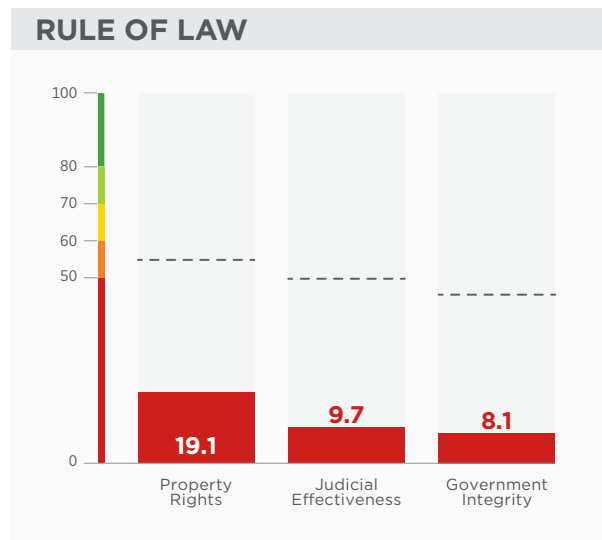
## QUICK FACTS

- POPULATION:** 6.1 million
- GDP (PPP):** \$109.0 billion  
4.9% growth in 2021  
5-year compound annual growth 0.8%  
\$17,721 per capita
- UNEMPLOYMENT:** n/a
- INFLATION (CPI):** 15.0%
- FDI INFLOW:** \$1.5 billion
- PUBLIC DEBT:** 11.1% of GDP

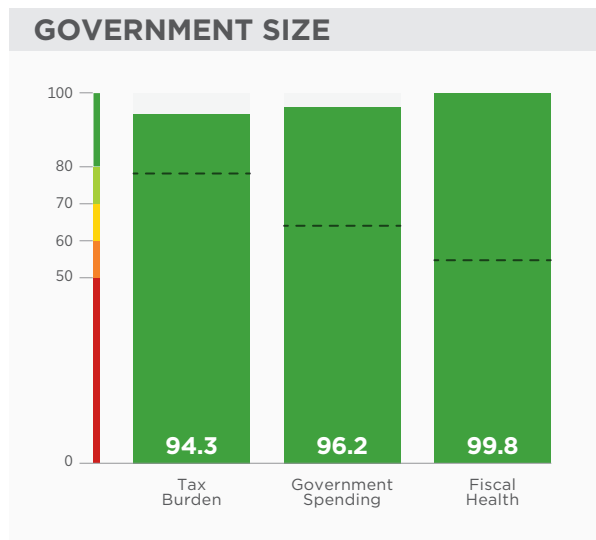
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Central Asian republic of Turkmenistan is a dictatorship and one of the world's most secretive, closed, and authoritarian countries. President Gurbanguly Berdymukhamedov, in power since 2007, stepped down in February 2022 without having initiated any advances in political, social, or media freedom. His son Serdar won the March 2022 snap presidential election. The economy remains dominated by state-owned monopolies and is based on intensive agriculture in irrigated oases, sizable oil resources, and the world's fifth-largest reserves of natural gas. China is Turkmenistan's largest export market, especially for gas, but deliveries of natural gas to Russia were resumed in 2019.

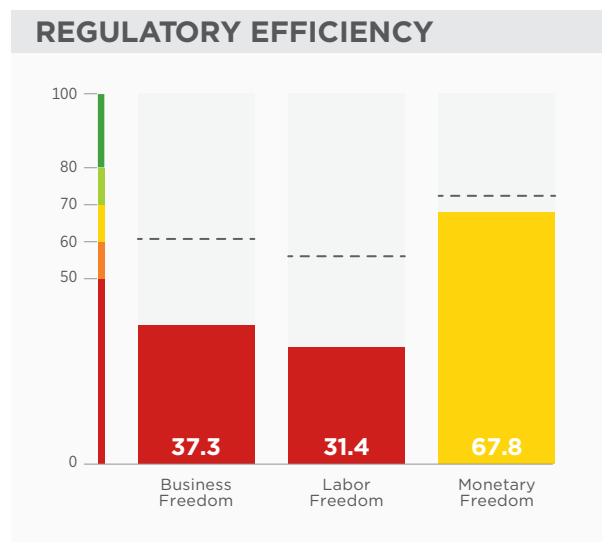
## 12 ECONOMIC FREEDOMS | TURKMENISTAN



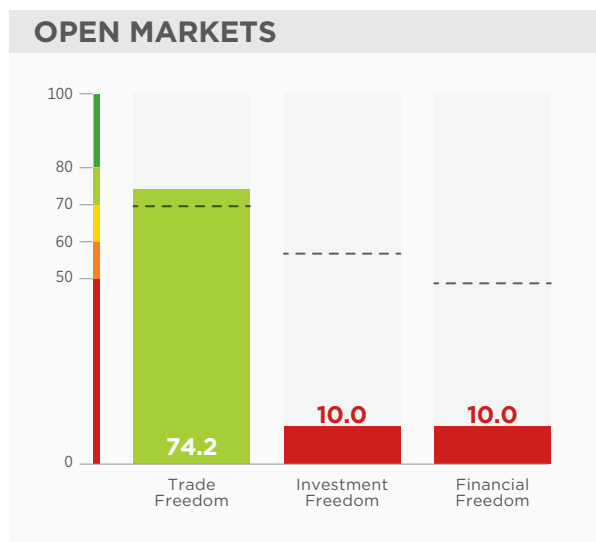
The overall rule of law is weak in Turkmenistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 10 percent and 20 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 11.3 percent and 0.0 percent of GDP. Public debt equals 11.1 percent of GDP.

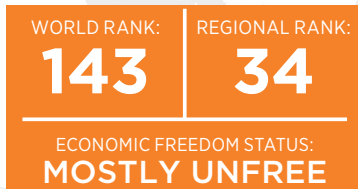


The overall freedom to establish and run a business is very limited. The system is nontransparent, and enforcement is inconsistent. Regulatory codes are outmoded. The public sector provides most jobs, and the informal sector remains an important source of employment. Monetary stability is weak.



The trade-weighted average tariff rate is 2.9 percent, but extensive nontariff barriers severely undermine trade freedom. The government controls most of the economy and limits foreign participation to a few sectors. Foreign exchange accounts require government approval. The financial system remains heavily government-controlled.

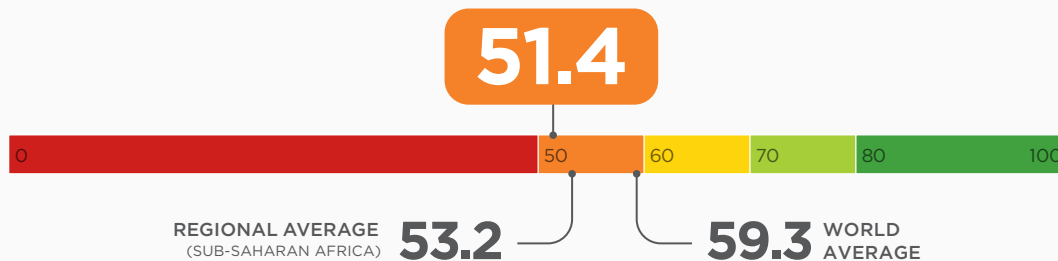
# UGANDA



Uganda's economic freedom score is 51.4, making it the 143rd freest economy in the 2023 *Index*. Its score is 2.8 points lower than last year. Uganda is ranked 34th out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the world average.

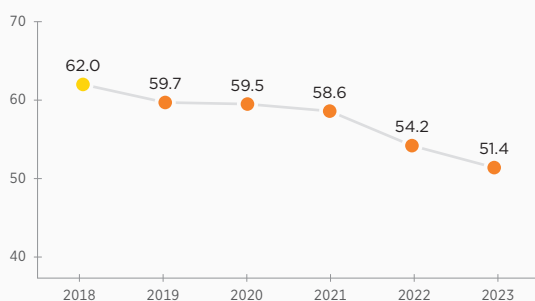
Despite some progress, institutional shortcomings continue to undermine prospects for dynamic long-term economic expansion. Uganda has attempted to update various commercial laws to reduce administrative delays and the cost of conducting business, but the overall regulatory framework remains poor. An inefficient judicial system and pervasive corruption continue to erode the effectiveness of government.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -11.5

## RECENT FREEDOM TREND



## QUICK FACTS

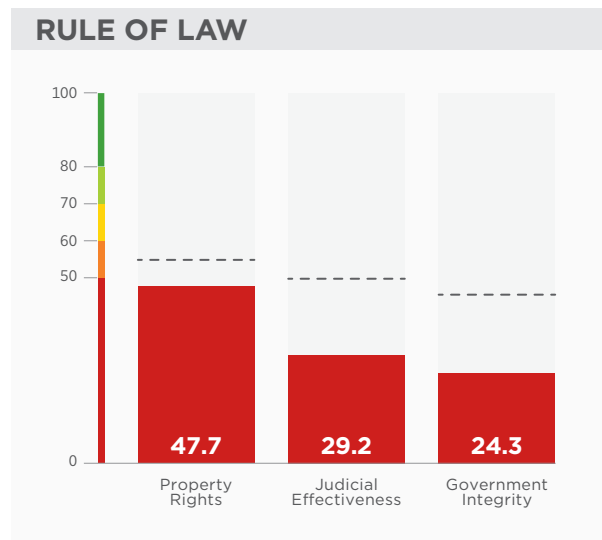
<b>POPULATION:</b> 47.1 million	<b>UNEMPLOYMENT:</b> 10.1%
<b>GDP (PPP):</b> \$116.2 billion 5.1% growth in 2021 5-year compound annual growth 4.7%	<b>INFLATION (CPI):</b> 2.2%
<b>FDI INFLOW:</b> \$1.1 billion	<b>PUBLIC DEBT:</b> 51.8% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

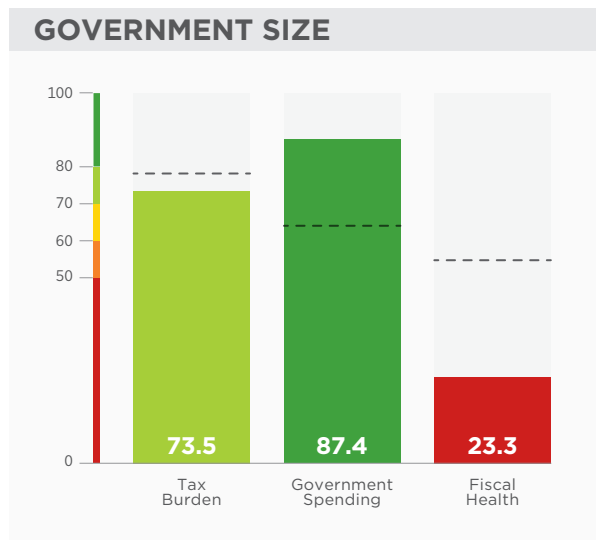
**BACKGROUND:** The mix of ethnic groups in the former British colony of Uganda complicated governance after independence in 1962. President Yoweri Museveni and his National Resistance Movement have been in power since 1986. In 2021, Museveni won a sixth five-year term in elections that were tainted by government intimidation and the arrest of the principal opposition leader. A Congo-based terrorist group's November 2021 suicide bombings in Uganda's capital city prompted a military incursion into the Democratic Republic of the Congo. Uganda's significant natural wealth includes gold, oil, and rich agricultural lands from which more than two-thirds of the workforce derives employment.



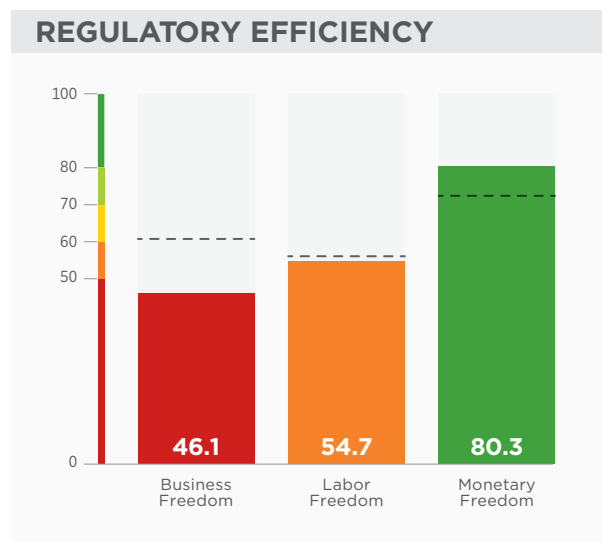
## 12 ECONOMIC FREEDOMS | UGANDA



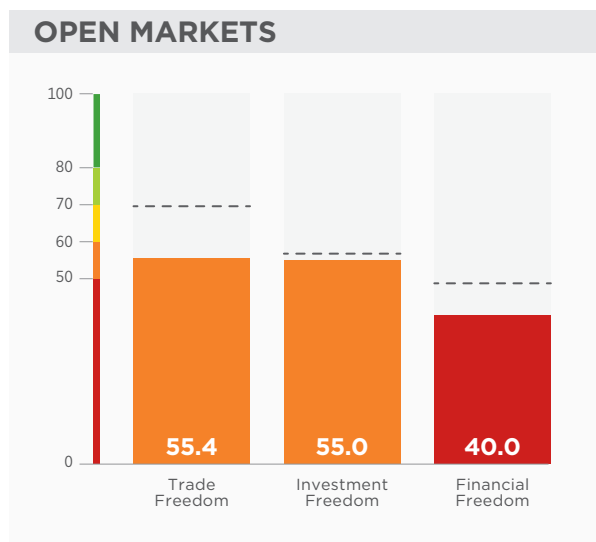
The overall rule of law is weak in Uganda. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 40 percent and 30 percent. The tax burden equals 12.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 20.5 percent and -6.7 percent of GDP. Public debt equals 51.8 percent of GDP.



The overall regulatory framework remains poor. There is no minimum capital requirement, but establishing a business is time-consuming, and licensing requirements are costly. Labor regulations are relatively flexible, but a well-functioning labor market is not fully developed. Monetary stability is weak.



The trade-weighted average tariff rate is 14.8 percent, and nontariff barriers further constrain trade freedom. The investment regime is complex and nontransparent, although foreign investment is allowed in most sectors. The financial system is dominated by banking and not fully developed.

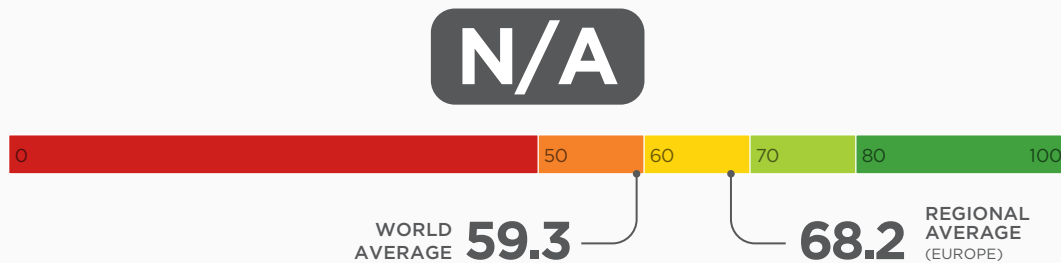


# UKRAINE

**A**ssessment of Ukraine’s economic freedom has been temporarily suspended due to Russia’s ongoing invasion since February 24, 2022.

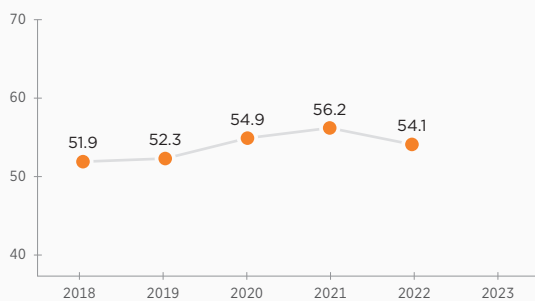
A vibrant and resilient economy is an essential engine for Ukrainian freedom and independence. Ukraine’s economic potential has long been suppressed by poor economic governance. Before the war, the foundations of economic freedom had been fragile and unevenly established across the country. Low rankings in the *Index of Economic Freedom* and other international studies have offered unambiguous indications of systemic shortcomings in the critical areas of transparency, efficiency, and openness that prevent the country’s economic potential from being fully realized.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
43.8 million

**GDP (PPP):**  
\$588.4 billion  
3.4% growth in 2021  
5-year compound annual growth 1.7%  
\$14,325 per capita

**UNEMPLOYMENT:**  
9.5%

**INFLATION (CPI):**  
9.4%

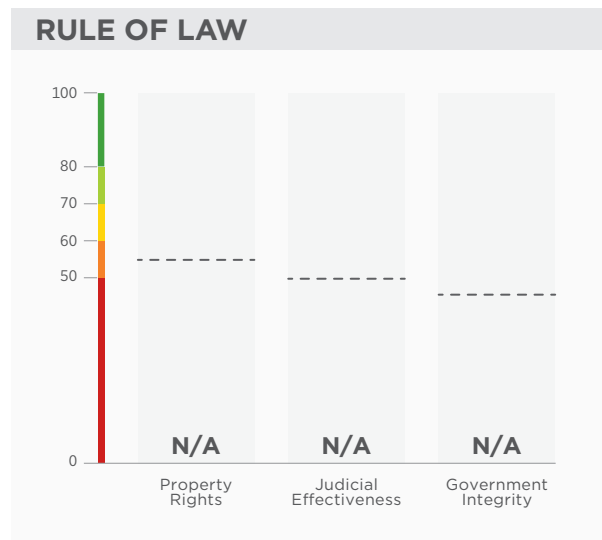
**FDI INFLOW:**  
\$6.5 billion

**PUBLIC DEBT:**  
47.6% of GDP

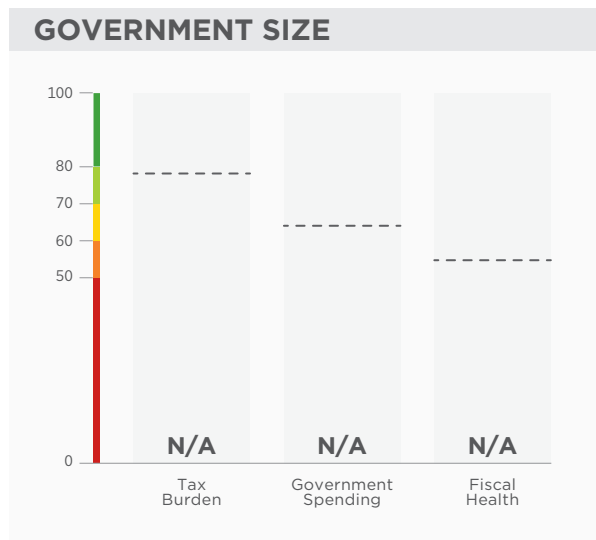
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Long known as the “Breadbasket of Europe,” Ukraine is located in Eastern Europe north of the Black Sea. Its business and political networks have been transformed by Russia’s second invasion, which began in February 2022. Russia has burned much of Ukraine’s grain supply, causing a global food crisis. Political newcomer Volodymyr Zelenskyy won the April 2019 presidential election, and his party won an absolute majority in July 2019 parliamentary elections. Russia’s illegal annexation of the Crimean Peninsula and second invasion continue to damage Ukraine’s economy, which relies heavily on the production of wheat and exports of industrial and energy products.

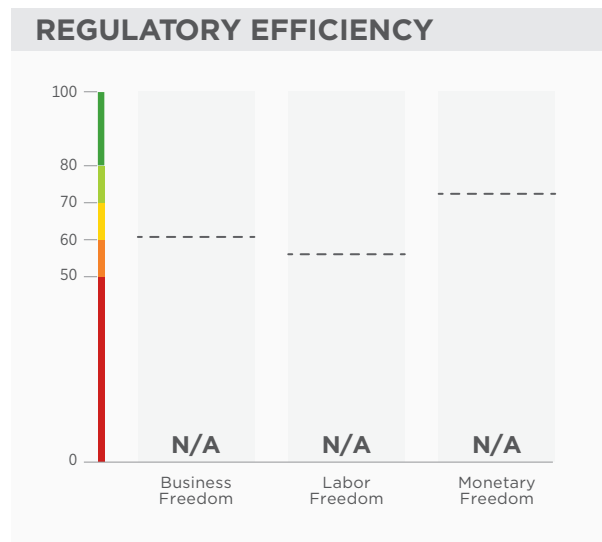
## 12 ECONOMIC FREEDOMS | UKRAINE



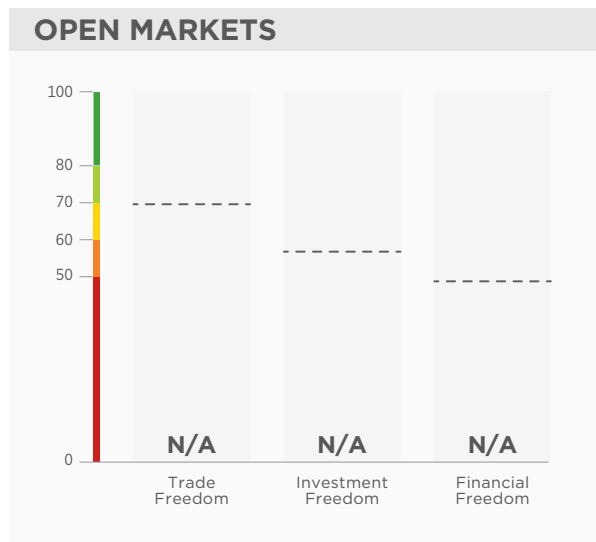
The overall rule of law is weak in Ukraine. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 18 percent. Before the war, overall progress on much-needed fiscal and structural reforms had lagged. The influence of vested interests had severely undermined Ukraine's efforts to upgrade its economic system toward greater transparency and fiscal discipline.



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



Before Russia's invasion, Ukraine's tariff rate was about 3 percent, but nontariff barriers severely constrained trade freedom. The investment framework was underdeveloped, and bureaucratic requirements deterred the much-needed growth of private investment. The banking system was burdened by a large number of nonperforming loans.

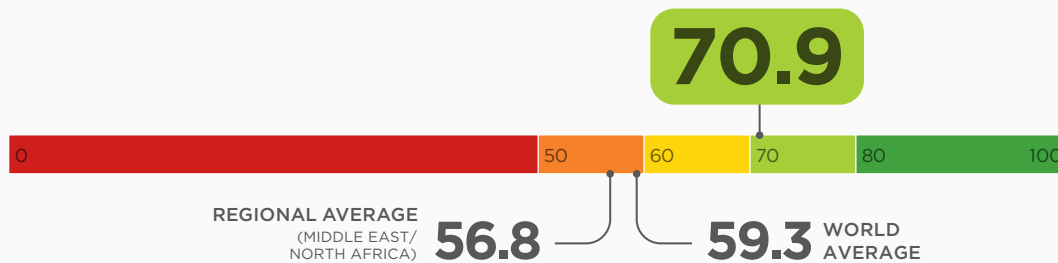
# UNITED ARAB EMIRATES



The United Arab Emirates' economic freedom score is 70.9, making its economy the 24th freest in the 2023 *Index*. Its score is 0.7 point higher than last year. The UAE is ranked 1st out of 14 countries in the Middle East/North Africa region, and its overall score is higher than the world and regional averages.

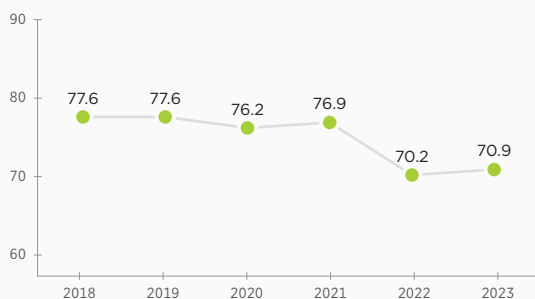
Economic restructuring has been underpinned by efforts to strengthen the business climate, boost investment, and foster the emergence of a more vibrant private sector. The generally open trade regime helps to sustain momentum for growth. The banking sector handled the recent financial turmoil comparatively well.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -0.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.0 million

**GDP (PPP):**  
\$703.4 billion  
2.3% growth in 2021  
5-year compound annual growth 0.6%  
\$73,575 per capita

**UNEMPLOYMENT:**  
2.3%

**INFLATION (CPI):**  
0.2%

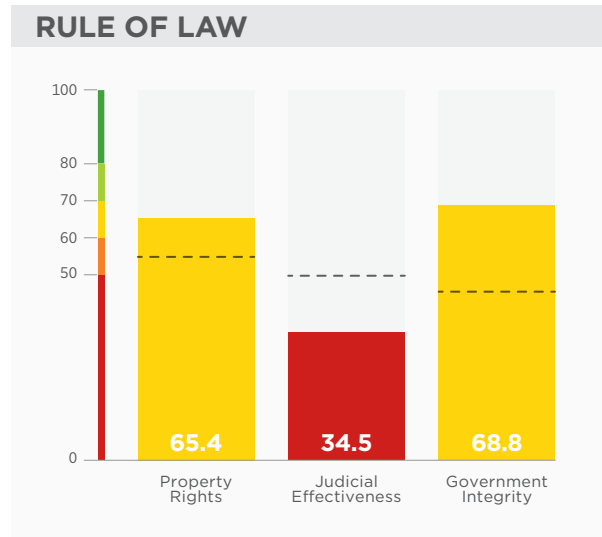
**FDI INFLOW:**  
\$20.7 billion

**PUBLIC DEBT:**  
34.7% of GDP

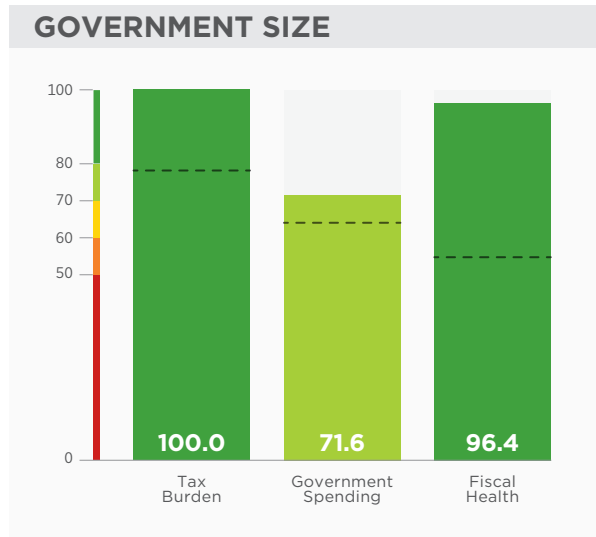
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The United Arab Emirates is a federation of seven monarchies: Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al-Khaimah, Sharjah, and Umm al-Qaiwain. The Federal Supreme Council selects the president and vice president for five-year terms. Abu Dhabi's ruler, Sheikh Mohamed bin Zayed al-Nahyan, became the UAE's third president in May 2022. The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Oil and gas account for approximately 30 percent of GDP. A September 2020 peace agreement with Israel should lead to increased bilateral trade, investment, technological cooperation, tourism, and strategic cooperation against Iran.

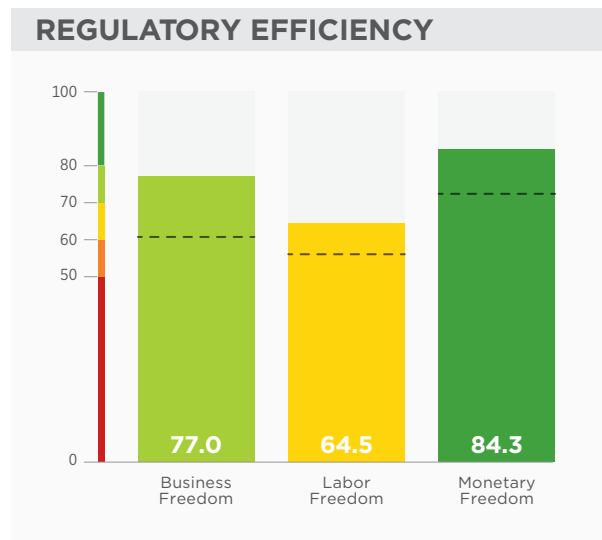
## 12 ECONOMIC FREEDOMS | UNITED ARAB EMIRATES



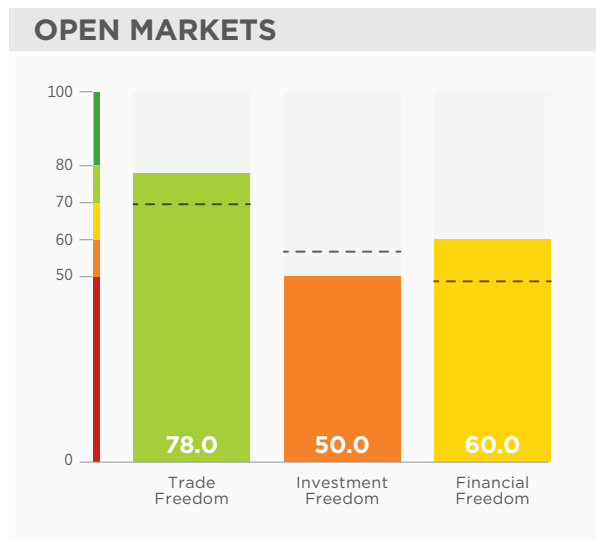
The overall rule of law is relatively well respected in the United Arab Emirates. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is above the world average.



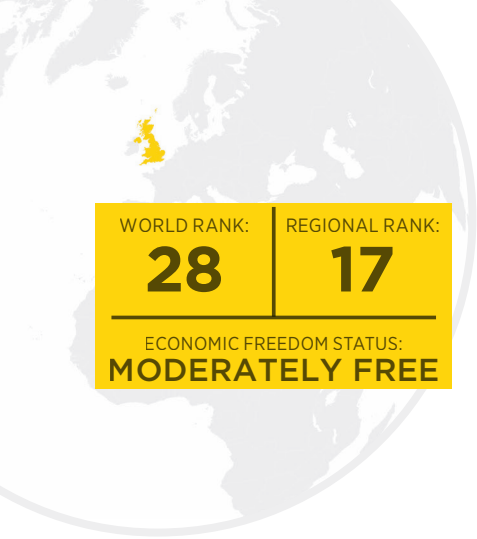
The top individual and corporate tax rates are 0 percent. The tax burden equals 0.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.8 percent and -0.9 percent of GDP. Public debt equals 34.7 percent of GDP.



No minimum capital is required to establish a business, and licensing has been streamlined and made less costly. Employment regulations are relatively flexible, and the non-salary cost of employing a worker is moderate. Monetary stability has been maintained, and inflationary pressure is under control.



The trade-weighted average tariff rate is 3.5 percent, but nontariff barriers add to the cost of trade. The overall investment framework has been made more streamlined and open. The financial sector provides a full range of services, but the state's presence is considerable.



WORLD RANK: **28** | REGIONAL RANK: **17**

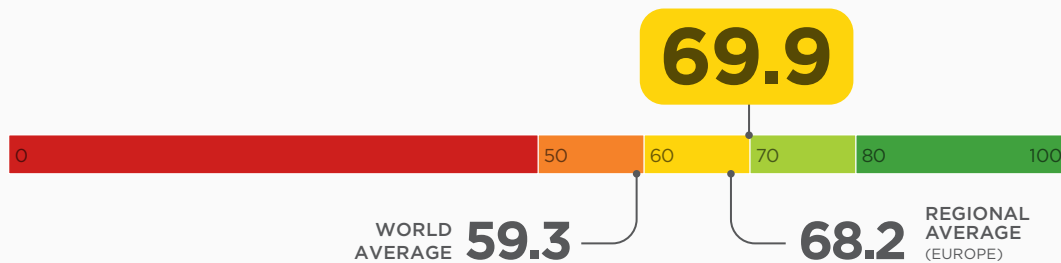
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# UNITED KINGDOM

The United Kingdom's economic freedom score is 69.9, making its economy the 28th freest in the 2023 *Index*. Its score is 2.8 points lower than last year. The U.K. is ranked 17th out of 44 countries in the Europe region, and its overall score is much higher than the world average.

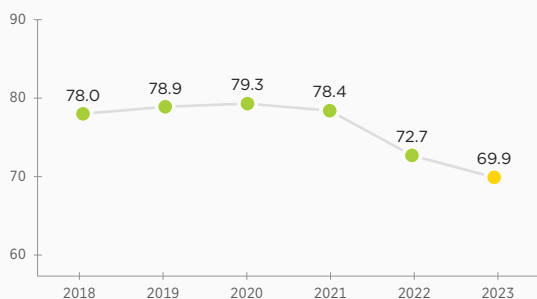
The size and scope of the state have expanded dramatically since 2020, and significant reforms are needed to place the economy on a solid path of recovery. Restoring the soundness of public finances remains the most critical issue and will require a sustained commitment to downsizing government spending.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -8.0

## RECENT FREEDOM TREND



## QUICK FACTS

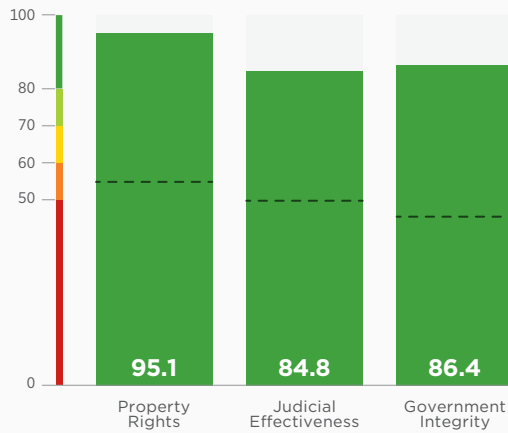
<b>POPULATION:</b> 67.3 million	<b>UNEMPLOYMENT:</b> 3.7%
<b>GDP (PPP):</b> \$3.4 trillion 7.4% growth in 2021 5-year compound annual growth 0.7%	<b>INFLATION (CPI):</b> 2.6%
<b>FDI INFLOW:</b> \$27.6 billion	<b>PUBLIC DEBT:</b> 95.3% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Britain has one of the world's leading economies, and services, particularly banking, insurance, and business services, remain key drivers of GDP growth. However, the economy struggles to emerge from the economic slowdown. The expansion of government and growth of government spending have damaged Britain's competitive edge. Public debt is now almost 100 percent of GDP, and budget deficits persist. In 2016, British voters approved departure from the European Union, and the U.K. formally left the EU on January 31, 2020. A U.K.-EU Trade and Cooperation Agreement was concluded in December 2020, but some aspects of the relationship remain uncertain.

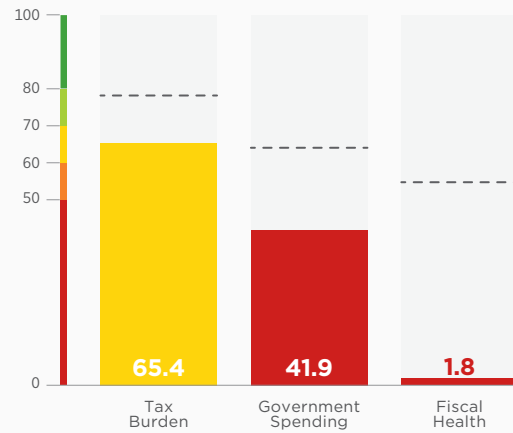
## 12 ECONOMIC FREEDOMS | UNITED KINGDOM

### RULE OF LAW



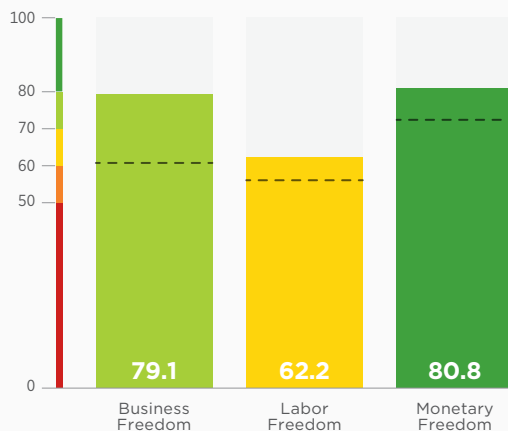
The overall rule of law is well respected in the United Kingdom. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.

### GOVERNMENT SIZE



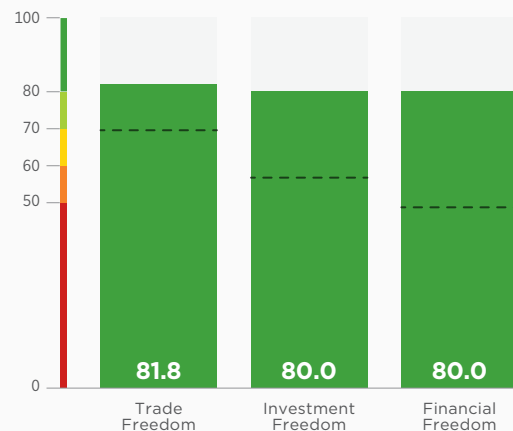
The top individual and corporate tax rates are, respectively, 45 percent and 19 percent. The tax burden equals 32.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.0 percent and -7.7 percent of GDP. Public debt equals 95.3 percent of GDP.

### REGULATORY EFFICIENCY



The efficient and transparent regulatory framework encourages entrepreneurial growth. The labor market is relatively flexible. The non-salary cost of employing a worker is moderate, and severance payments are not overly burdensome. Despite inflationary pressures, monetary stability has been relatively well maintained.

### OPEN MARKETS



The trade-weighted average tariff rate is 4.1 percent. The U.K. has signed three new trade agreements since leaving the EU and is negotiating additional trade pacts with various countries. Under the efficient investment regime, foreign investment is welcomed. The financial sector is resilient and competitive.



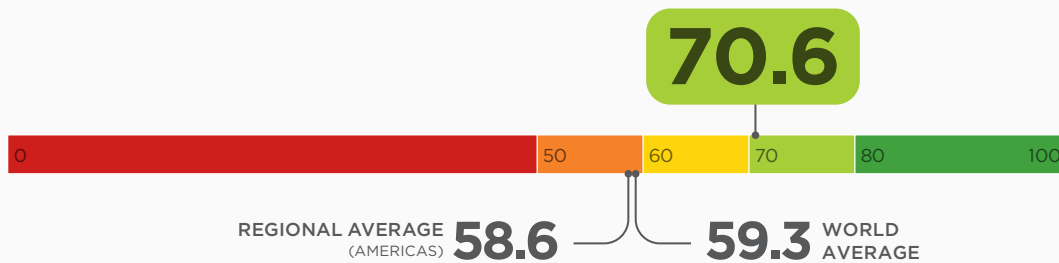
# UNITED STATES

WORLD RANK:	REGIONAL RANK:
<b>25</b>	<b>3</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

The United States' economic freedom score is 70.6, making its economy the 25th freest in the 2023 *Index*. Its score is 1.5 points lower than last year. The U.S. is ranked 3rd out of 32 countries in the Americas region, and its overall score remains above the world and regional averages.

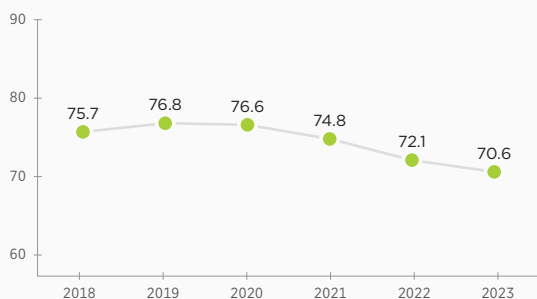
The U.S. economy faces enormous challenges. Big-government policies have eroded limits on government, public spending continues to rise, and the regulatory burden on business has increased. Restoring the U.S. economy to the status of "free" will require significant changes to reduce the size and scope of government.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -6.1

## RECENT FREEDOM TREND



## QUICK FACTS

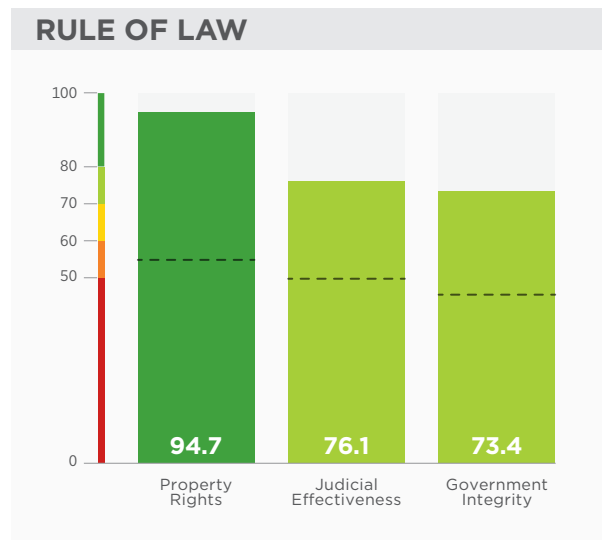
- POPULATION:** 331.9 million
- UNEMPLOYMENT:** 5.4%
- GDP (PPP):** \$23.0 trillion  
5.7% growth in 2021  
5-year compound annual growth 1.9%
- INFLATION (CPI):** 4.7%
- FDI INFLOW:** \$367.4 billion
- PUBLIC DEBT:** \$69,231 per capita  
128.1% of GDP

*2021 data unless otherwise noted. Data compiled as of September 2022*

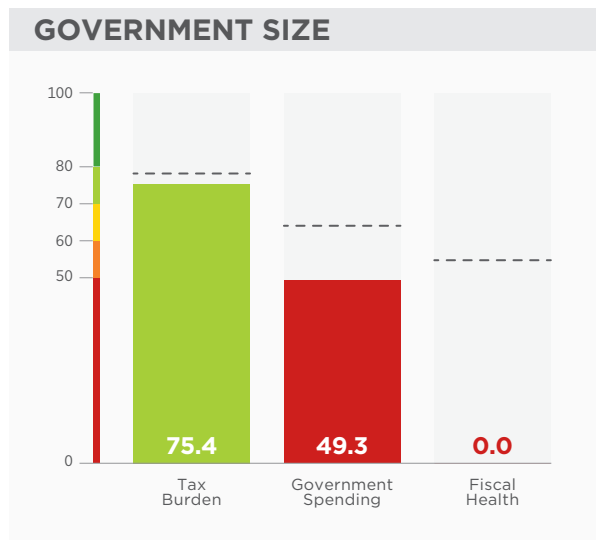
**BACKGROUND:** The United States has one of the world's most dynamic economies but has been undergoing policy challenges that undermine its long-term economic competitiveness. Since assuming office in 2021, President Joseph Biden has pursued and implemented policies that have expanded the size and scope of the federal government. Unchecked deficit spending and government debt have accelerated, and inflation undercuts economic livelihood. The combination of uncertainty and poor policy choices has left the U.S. economic outlook in flux. The November 2022 election of a Republican Party majority in the House of Representatives could provide an opportunity to slow spending and debt growth.



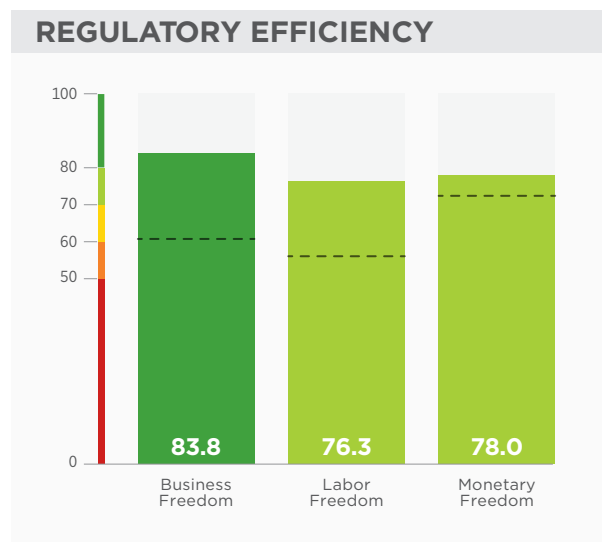
## 12 ECONOMIC FREEDOMS | UNITED STATES



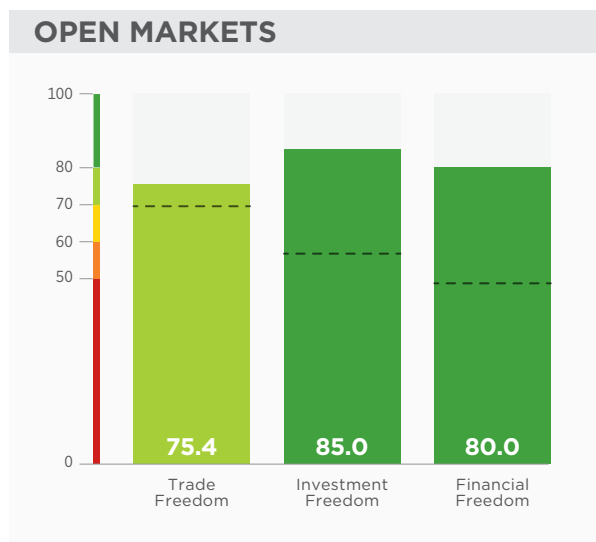
The overall rule of law is well respected in the United States. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 37 percent and 21 percent. The tax burden equals 25.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.1 percent and -10.3 percent of GDP. Public debt equals 128.1 percent of GDP.



The U.S. has a high level of business freedom, but regulations vary by state. Labor freedom is mostly high but varies from locality to locality. Massive government borrowing and the printing of money have aggravated inflation. Large deficits persist, and public debt is growing.



The trade-weighted average tariff rate is 2.3 percent, and layers of nontariff barriers add to the cost of trade. Investment freedom is hampered by ongoing interventionist, big-government policies. The financial sector, one of the world's most developed and competitive, continues to be resilient.

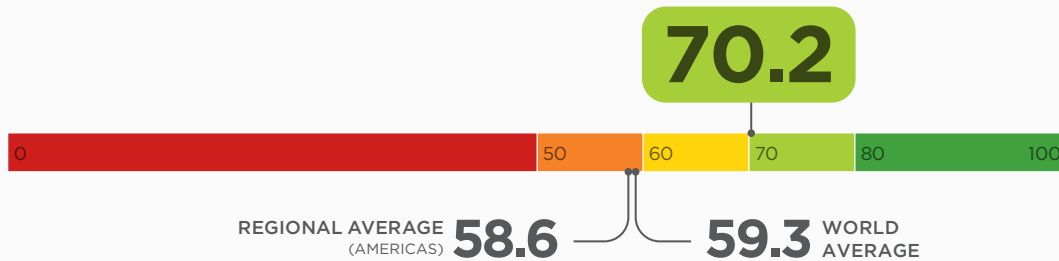


# URUGUAY

Uruguay's economic freedom score is 70.2, making its economy the 27th freest in the 2023 *Index*. Its score is 0.2 point higher than last year. Uruguay is ranked 4th out of 32 countries in the Americas region, and its overall score is significantly above the world and regional averages.

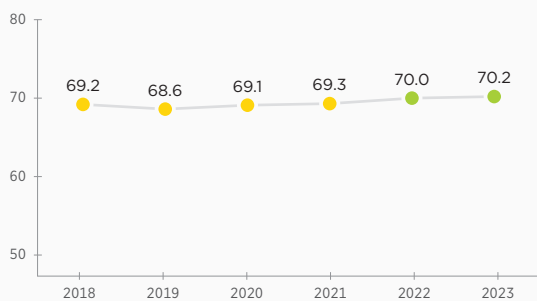
Overall, Uruguay's economy performs quite well in maintaining the four pillars of economic freedom and a prudent macroeconomic environment. Scores for property rights and freedom from corruption are relatively high compared to other countries in the region. The modern regulatory environment encourages the development of a more robust private sector.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +7.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.5 million

**GDP (PPP):**  
\$85.9 billion  
4.4% growth in 2021  
5-year compound annual growth 0.1%  
\$24,233 per capita

**UNEMPLOYMENT:**  
10.5%

**INFLATION (CPI):**  
7.7%

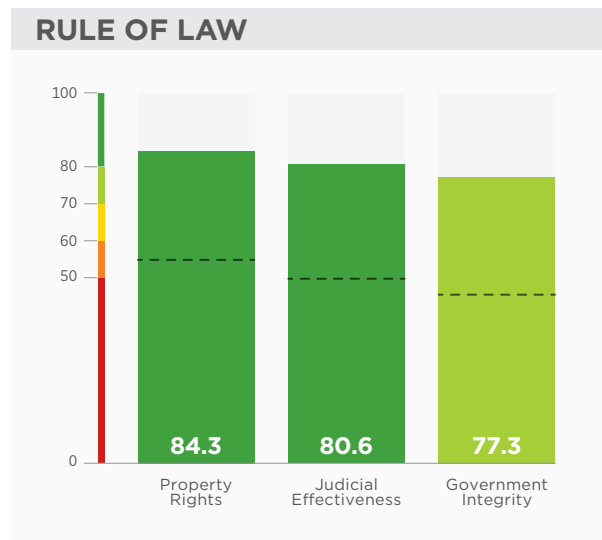
**FDI INFLOW:**  
\$1.6 billion

**PUBLIC DEBT:**  
65.1% of GDP

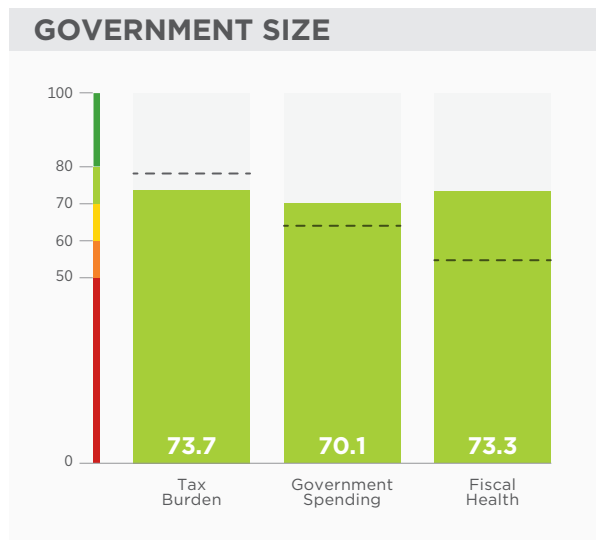
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** One of Latin America's most stable democracies, Uruguay was established in the 19th century along with Bolivia and Paraguay as a buffer between Brazil and Argentina. President Luis Lacalle Pou of the center-right National Party won a five-year term in 2020. He has withdrawn Uruguay from the leftist UNASUR regional group and has pressed for pro-market reforms in the MERCOSUR trade bloc. He seeks a free-trade agreement with the United States and is negotiating a trade agreement with China. The economy, based on exports of commodities like milk, beef, rice, and wool, has been stimulated by construction and infrastructure projects.

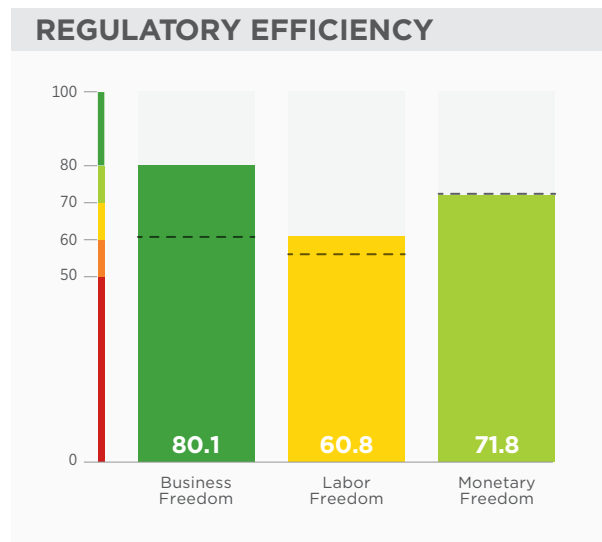
## 12 ECONOMIC FREEDOMS | URUGUAY



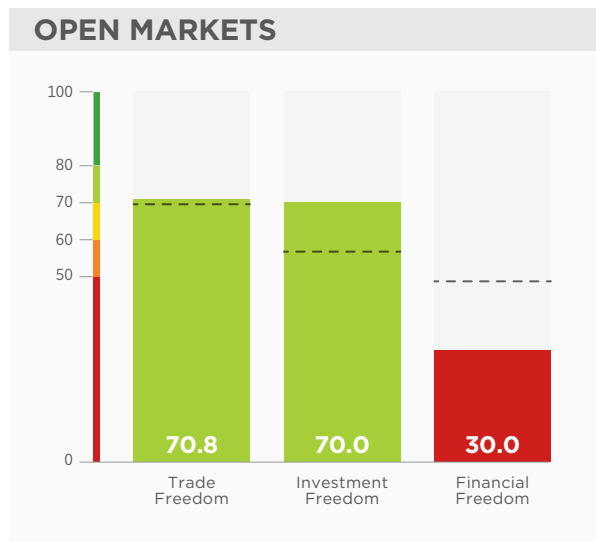
The overall rule of law is well respected in Uruguay. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 36 percent and 25 percent. The tax burden equals 26.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.6 percent and -3.4 percent of GDP. Public debt equals 65.1 percent of GDP.



Recent reforms have significantly enhanced regulatory efficiency, and the cost of completing licensing requirements has been reduced. The non-salary cost of employing a worker is low, but restrictions on work hours are not flexible. Despite relatively high inflation, monetary stability has been maintained.



The trade-weighted average tariff rate is 9.6 percent, and nontariff barriers add to the cost of trade. Foreign investments do not need prior authorization or registration, and the investment regime is efficient. The financial sector has become more modernized, but the government presence remains significant.



WORLD RANK: **109** | REGIONAL RANK: **23**

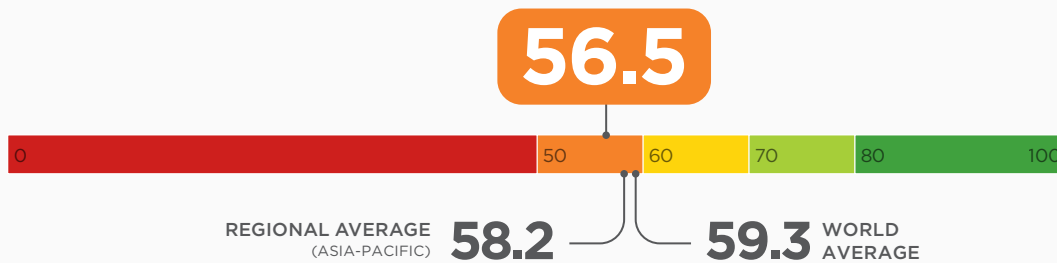
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# UZBEKISTAN

Uzbekistan's economic freedom score is 56.5, making its economy the 109th freest in the 2023 *Index*. Its score is 0.8 point higher than last year. Uzbekistan is ranked 23rd out of 39 countries in the Asia-Pacific region, and its overall score is below the world average.

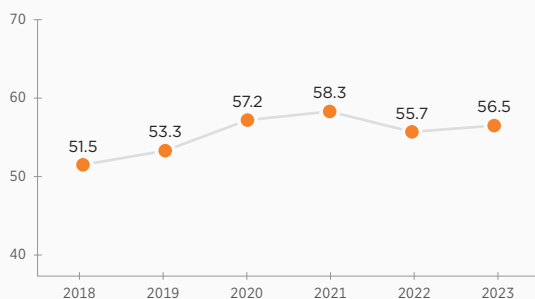
Uzbekistan has been adopting policies that advance its economic freedom, transitioning to greater openness and modernization. There are institutional shortcomings that limit political and other fundamental freedoms, but positive changes have been taking root. After years of economic stagnation, Uzbekistan has proactively pursued critical reforms since 2017 to build a competitive market economy.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +25.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
34.9 million

**GDP (PPP):**  
\$296.7 billion  
7.4% growth in 2021  
5-year compound annual growth 5.0%  
\$8,585 per capita

**UNEMPLOYMENT:**  
5.3%

**INFLATION (CPI):**  
10.8%

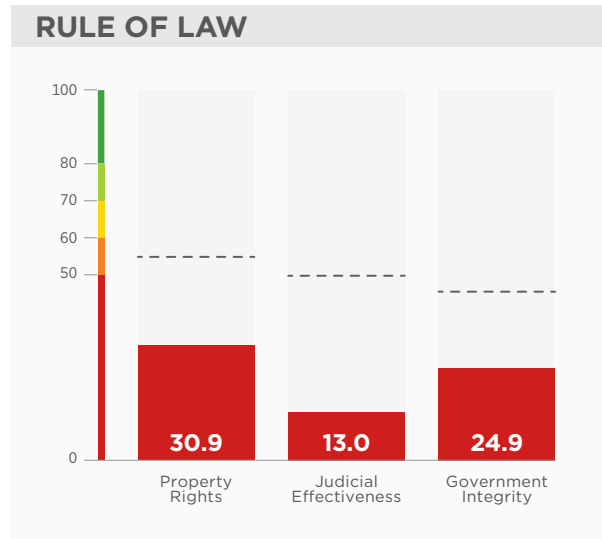
**FDI INFLOW:**  
\$2.0 billion

**PUBLIC DEBT:**  
35.8% of GDP

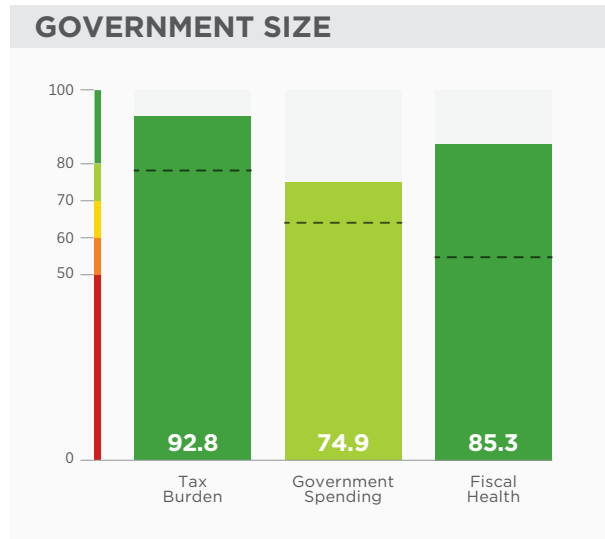
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Measured by population, Uzbekistan is Central Asia's largest nation. Islam Karimov ruled from the late 1980s until his death in 2016. President Shavkat Mirziyoyev was reelected in October 2021 and has tried to improve relations with neighboring countries and attract greater foreign investment. Approximately 9 percent of the land is cultivated in irrigated river valleys. More than 50 percent of the population lives in urbanized areas. Uzbekistan is the world's fifth-largest exporter and seventh-largest producer of cotton, but unsound cultivation has degraded the land and depleted water supplies. The economy also relies on exports of natural gas and gold.

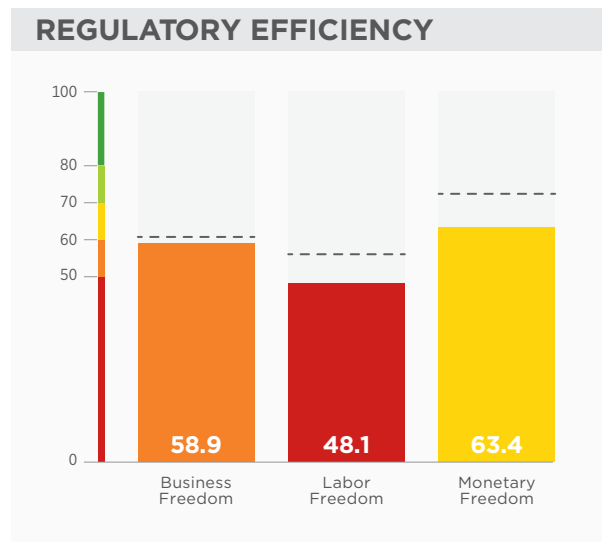
## 12 ECONOMIC FREEDOMS | UZBEKISTAN



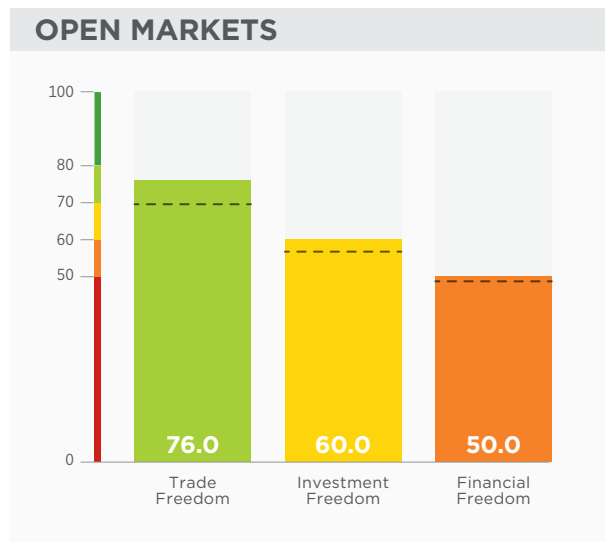
The overall rule of law is weak in Uzbekistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 12 percent and 15 percent. The tax burden equals 18.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.9 percent and -2.8 percent of GDP. Public debt equals 35.8 percent of GDP.



Despite some progress, the overall regulatory system lacks transparency and clarity. The business start-up process has been streamlined. A modern labor market continues to evolve, but informal-sector employment remains substantial. Despite inflationary pressures, monetary stability has been relatively well maintained.



The trade-weighted average tariff rate is 4.5 percent, and nontariff barriers further increase the cost of trade. Reform measures to enhance the overall investment framework have been implemented. The financial sector has undergone modernization, but state-owned banks remain dominant.

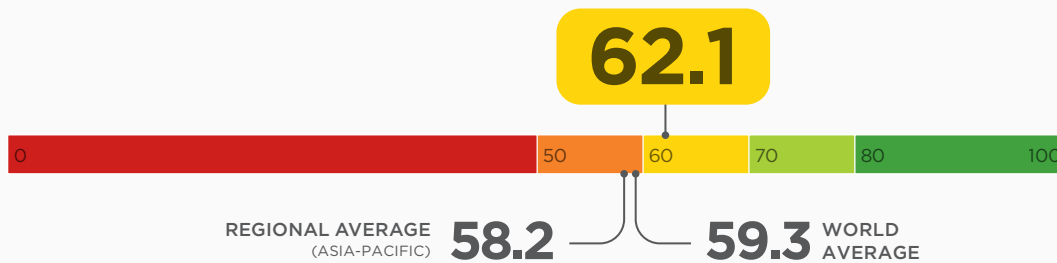
# VANUATU



Vanuatu's economic freedom score is 62.1, making its economy the 70th freest in the 2023 *Index*. Its score has decreased by 0.8 point since last year. Vanuatu is ranked 12th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

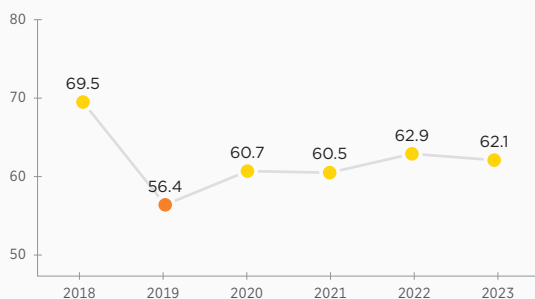
Despite some progress, improvements in the investment and business climate are needed to generate more broadly based economic expansion. Reluctance to undertake institutional reforms continues to slow the development of a dynamic private sector. Vanuatu has taken steps to integrate its economy more thoroughly into the global marketplace.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +3.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.3 million

**GDP (PPP):**  
\$0.8 billion  
0.5% growth in 2021  
5-year compound annual growth 1.5%  
\$2,716 per capita

**UNEMPLOYMENT:**  
7.9%

**INFLATION (CPI):**  
3.0%

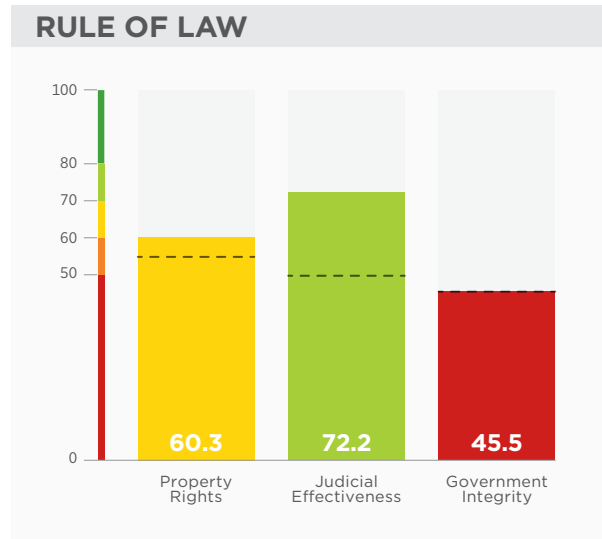
**FDI INFLOW:**  
\$25.7 million

**PUBLIC DEBT:**  
48.2% of GDP

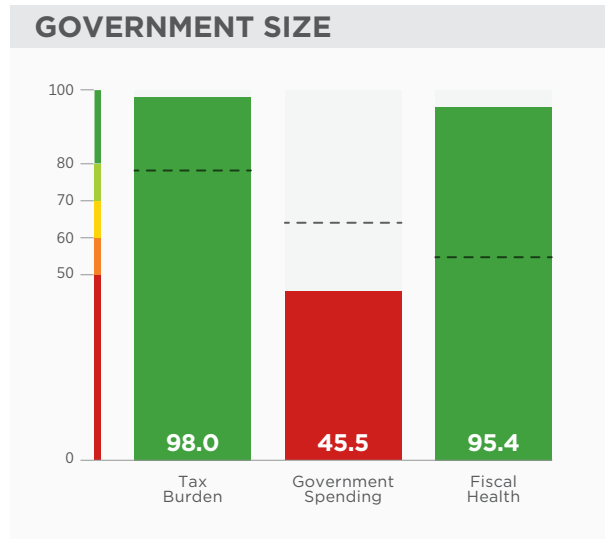
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** The Republic of Vanuatu won independence from British-French administration in 1980 and today is a parliamentary democracy divided between its English-speaking and French-speaking citizens. Bob Loughman was elected to serve as prime minister in 2020, and Nikenike Vurobaravu of the leftist Vanua'aku Party was elected to serve as president after eight rounds of voting in 2022. Vanuatu is heavily dependent on agriculture, particularly subsistence farming, and tourism, which accounts for 40 percent of the economy. Vanuatu had barely recovered from 2015's Cyclone Pam, which had a devastating impact on tourism, when the Category Five Cyclone Harold struck in 2020.

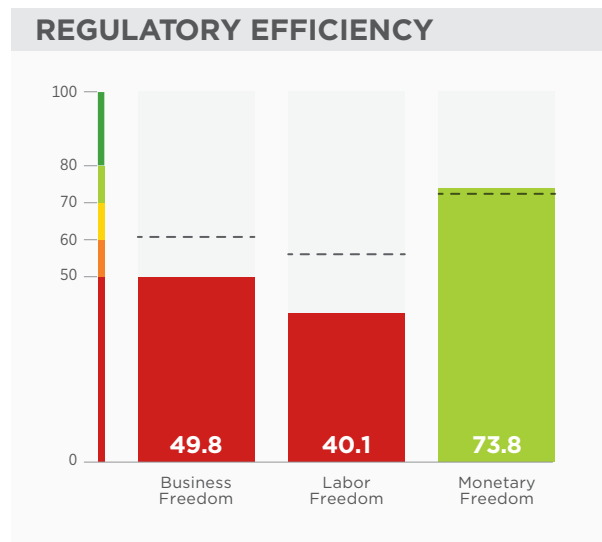
## 12 ECONOMIC FREEDOMS | VANUATU



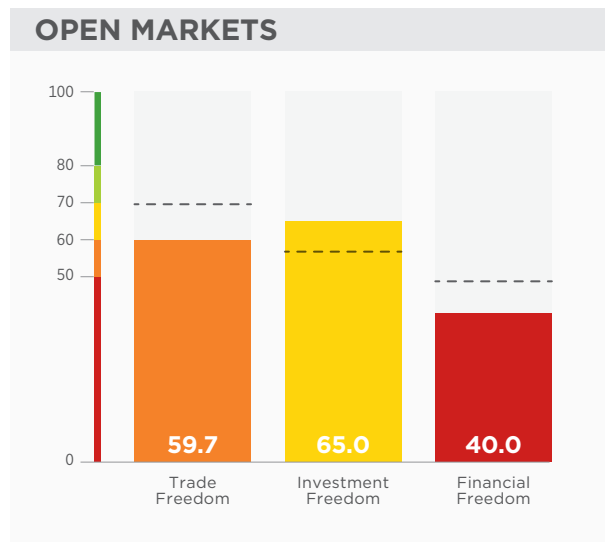
The overall rule of law is relatively well respected in Vanuatu. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 0 percent. The tax burden equals 14.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.6 percent and 1.1 percent of GDP. Public debt equals 48.2 percent of GDP.



Bureaucratic procedures are complex and nontransparent. Starting a business remains time-consuming, but there is no minimum capital requirement. Labor codes are rigid and outmoded, and the formal labor market is not fully developed. Monetary stability has been relatively well maintained despite inflationary pressures.



The trade-weighted average tariff rate is 12.7 percent, and nontariff barriers distort trade flows. Inadequate infrastructure and heavy state involvement deter long-term investment. Access to financing remains poor with formal banking services available to a limited number of rural adults.



WORLD RANK: **174** | REGIONAL RANK: **31**

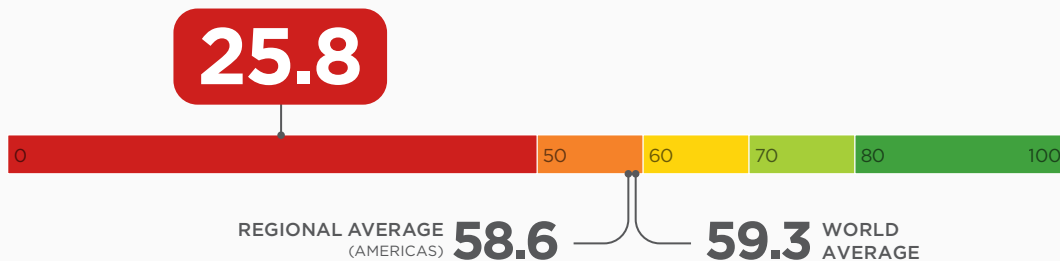
ECONOMIC FREEDOM STATUS: **REPRESSED**

# VENEZUELA

Venezuela's economic freedom score is 25.8, making its economy the 174th freest in the 2023 Index. Its score has increased by 1.0 point since last year. Venezuela is ranked 31st out of 32 countries in the Americas region, and its overall score is much lower than the world and regional averages.

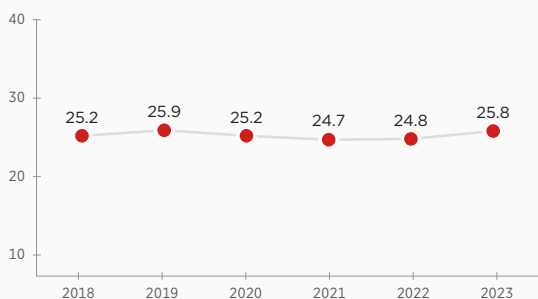
Venezuela remains economically repressed. Severely hampered by state interference, the formal economy is increasingly stagnant, and informal economic activity is expanding. Prices of almost all goods and services are controlled. Because of rampant corruption and the legal framework's deficiencies, the rule of law remains fragile and uneven.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -34.0

## RECENT FREEDOM TREND



## QUICK FACTS

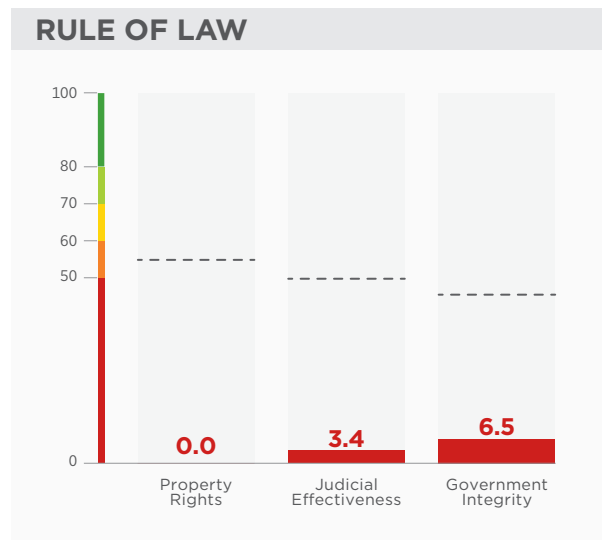
<b>POPULATION:</b> 28.7 million	<b>UNEMPLOYMENT:</b> 7.5%
<b>GDP (PPP):</b> \$148.5 billion -1.5% growth in 2021 5-year compound annual growth -20.4% \$5,381 per capita	<b>INFLATION (CPI):</b> 1,588.5%
	<b>FDI INFLOW:</b> -\$761.3 million
	<b>PUBLIC DEBT:</b> 240.5% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

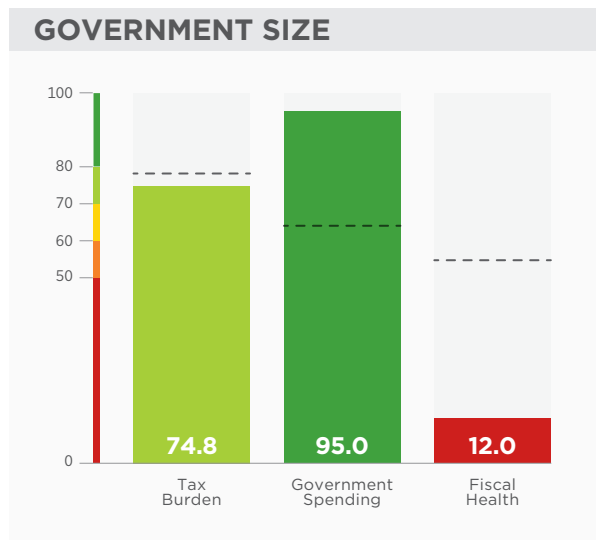
**BACKGROUND:** Venezuela's modern democratic era lasted from the end of military rule in 1959 until the election of Hugo Chávez in 1999. Nicolás Maduro completed the destruction of democracy and consolidated dictatorship in 2017. The deeply corrupt socialist regime's policies led to one of history's worst depressions and Latin America's worst migration crises. The regime also bankrupted state-owned oil company PDVSA and engages in illicit trafficking. Following international censure of Maduro's sham 2018 reelection, then-National Assembly head Juan Guaidó constitutionally challenged Maduro's rule, but the regime still exercises de facto control. Iran, Russia, and China help Venezuela to circumvent U.S. sanctions.



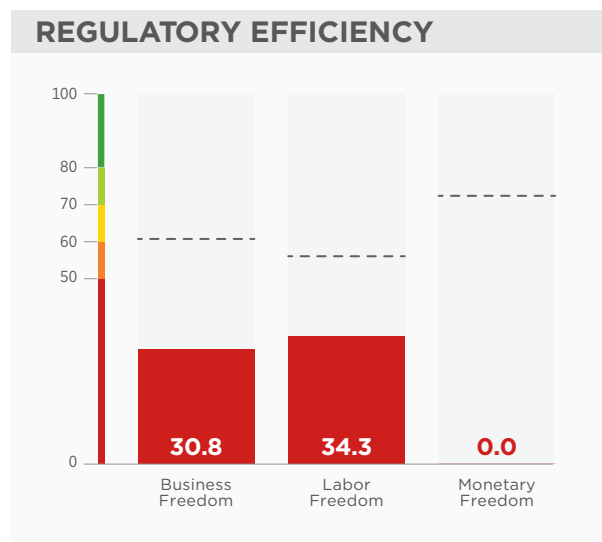
## 12 ECONOMIC FREEDOMS | VENEZUELA



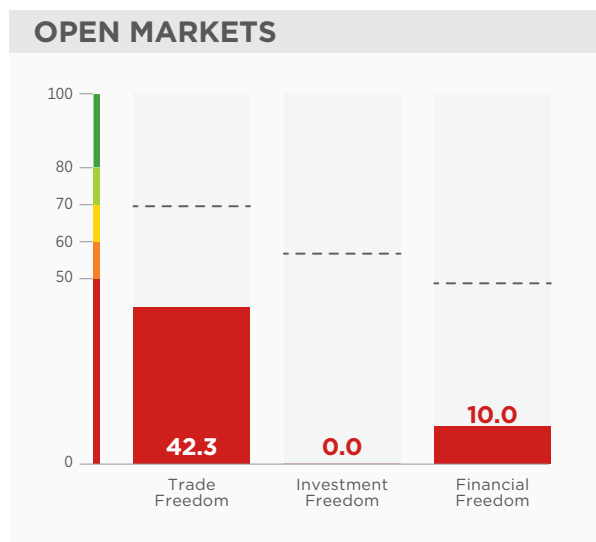
The overall rule of law is weak in Venezuela. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



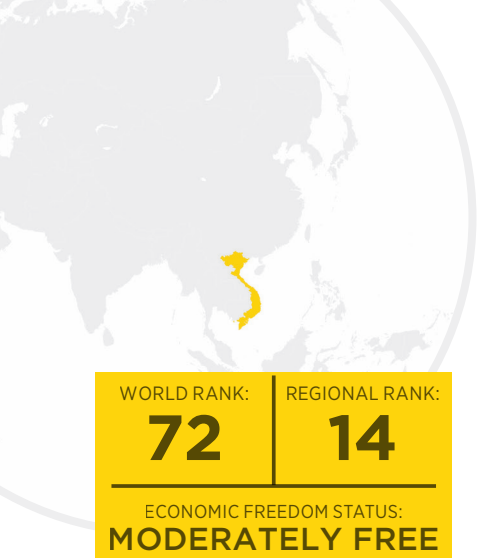
The top individual and corporate tax rates are 34 percent. The tax burden equals 14.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 12.9 percent and -6.5 percent of GDP. Public debt equals 240.5 percent of GDP.



The overall freedom to engage in entrepreneurial activity is constrained by heavy government control and inconsistent enforcement of regulations. There is little decision-making transparency, and most contracts are awarded without competition. The labor market remains controlled by the state. Inflation has been very high.



The trade-weighted average tariff rate is 18.9 percent, and extensive nontariff barriers further distort trade flows. Private investment remains hampered by state interference in the economy, and threats of expropriation persist. The financial sector is tightly controlled by the state.



WORLD RANK: **72**

REGIONAL RANK: **14**

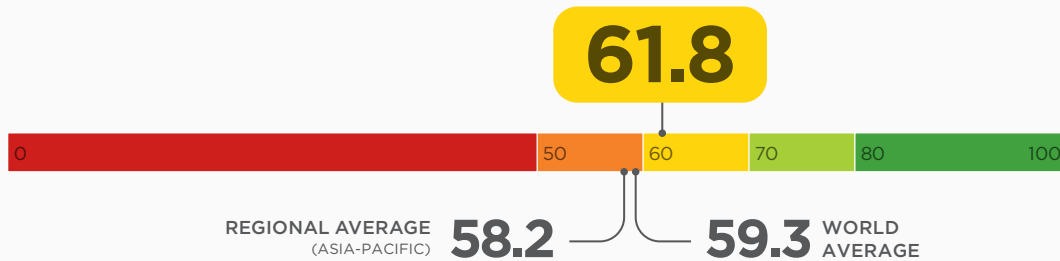
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# VIETNAM

Vietnam's economic freedom score is 61.8, making its economy the 72nd freest in the 2023 *Index*. Its score is 1.2 points better than last year. Vietnam is ranked 14th out of 39 countries in the Asia-Pacific region, and its overall score is above the world and regional averages.

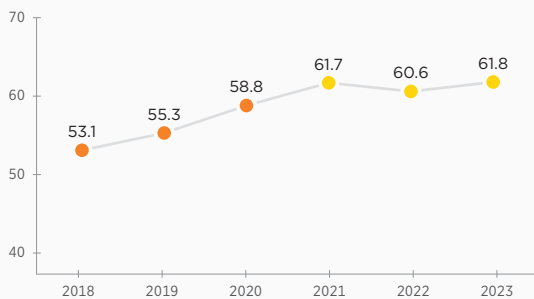
Capitalizing on its gradual integration into the global trade and investment system, the economy is becoming more market-oriented. Reforms have included partial privatization of state-owned enterprises, liberalization of the trade regime, and increasing recognition of private property rights. Nonetheless, institutional shortcomings continue to discourage more sustained long-term economic development.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +20.1

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
98.2 million

**GDP (PPP):**  
\$1.1 trillion  
2.6% growth in 2021  
5-year compound annual growth 5.4%  
\$11,534 per capita

**UNEMPLOYMENT:**  
2.4%

**INFLATION (CPI):**  
1.9%

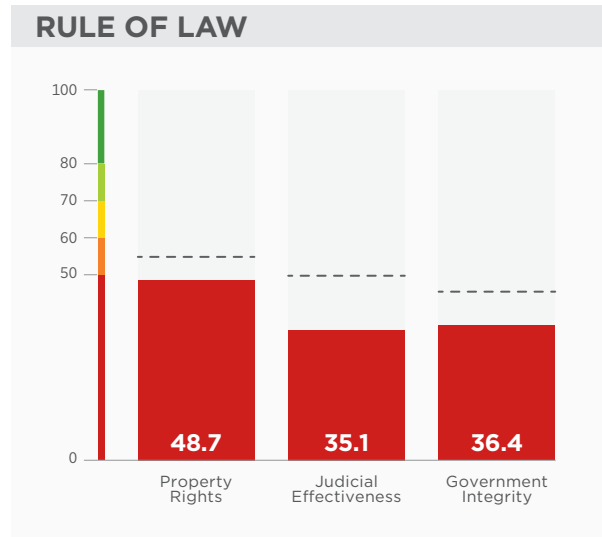
**FDI INFLOW:**  
\$15.7 billion

**PUBLIC DEBT:**  
39.7% of GDP

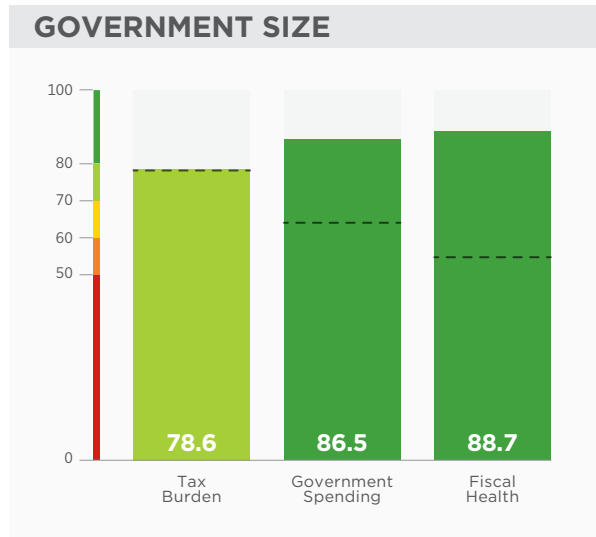
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** The Socialist Republic of Vietnam remains a Communist dictatorship that heavily restricts political freedom. Economic liberalization began in 1986 with *doi moi* reforms aimed at transitioning to a more industrial and market-based economy. Economic growth, based on tourism and manufactured exports, was among the world's fastest under former Prime Minister Nguyen Tan Dung, and state-managed economic liberalization continued under Communist Party General Secretary and former President Nguyen Phu Trong, who handed over the presidency to Nguyen Xuan Phuc in 2021. Vietnam joined the World Trade Organization in 2007 and signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership in 2018.

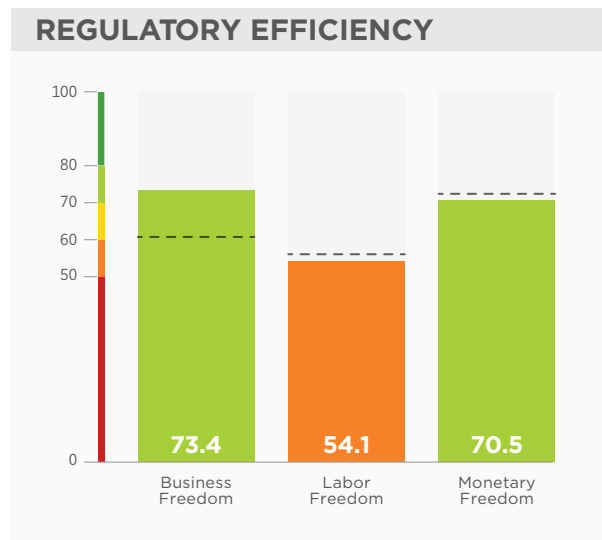
## 12 ECONOMIC FREEDOMS | VIETNAM



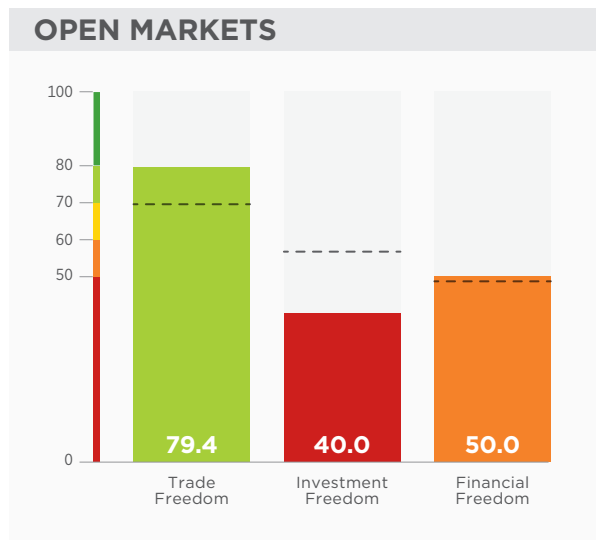
The overall rule of law is weak in Vietnam. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 20 percent. The tax burden equals 22.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 21.2 percent and -2.3 percent of GDP. Public debt equals 39.7 percent of GDP.



Despite ongoing reform efforts, the regulatory framework is inefficient. Even with no minimum capital requirement, starting a business is costly. The labor market remains rigid and controlled, and informal labor activity is considerable. Monetary stability is relatively well maintained, but inflationary pressures continue.



The trade-weighted average tariff rate is 5.3 percent, and layers of nontariff barriers prevent more dynamic gains from trade. Despite progress, the overall investment regime lacks efficiency. The financial sector continues to evolve, and directed lending by state-owned commercial banks has been scaled back.

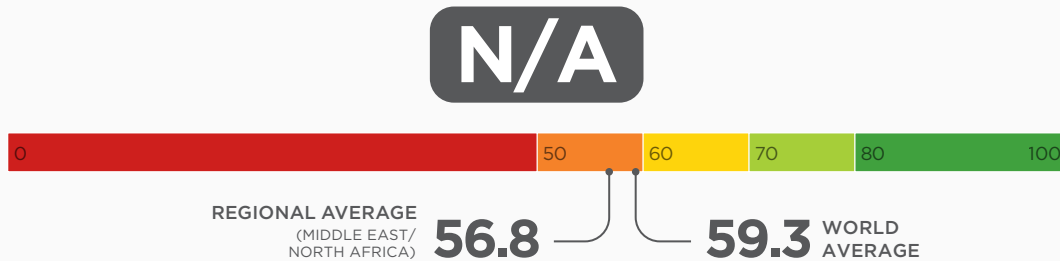


# YEMEN

Numerical grading of Yemen's overall economic freedom was suspended in 2015, and the continuing lack of reliable economic statistics for the country has prevented its grading in the 2023 *Index*. Prospects for an end to Yemen's civil war and a peaceful rebuilding of its economy remain bleak.

Yemen's daunting economic challenges are made worse by ongoing political turmoil. Civil conflict has devastated the economy and destroyed critical infrastructure. Even before the current conflict, mismanagement and corruption had resulted in chronic poverty, underdevelopment, and minimal access to such basic services as electricity, water, and health care in much of the country.

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
30.5 million

**GDP (PPP):**  
\$61.1 billion  
-2.0% growth in 2021  
5-year compound  
annual growth -2.7%  
\$1,977 per capita

**UNEMPLOYMENT:**  
13.5%

**INFLATION (CPI):**  
63.8%

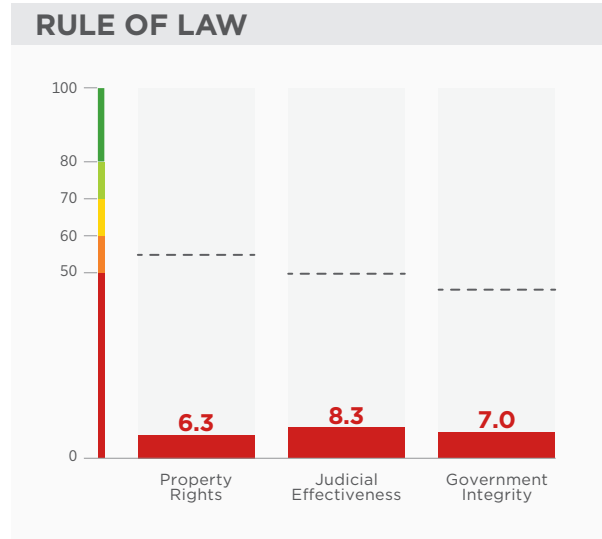
**FDI INFLOW:**  
n/a

**PUBLIC DEBT:**  
63.1% of GDP

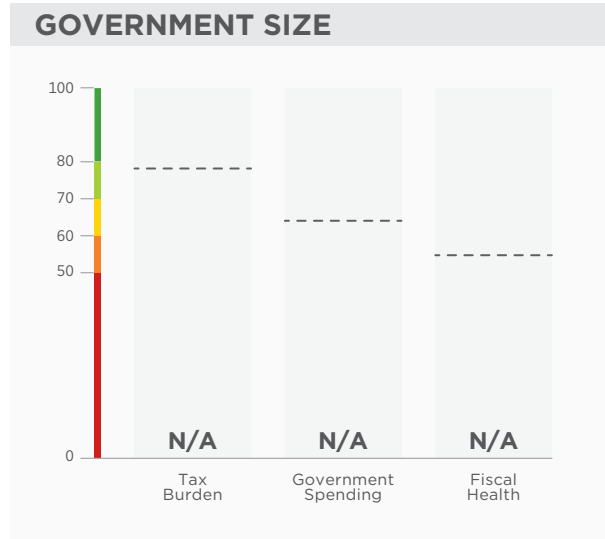
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Yemen, one of the poorest Arab countries, is highly dependent on declining revenues from relatively small oil and gas reserves. A complex civil war has exacerbated economic problems, unemployment, and shortages of food, water, and medical resources. President Abed Rabbo Mansour Hadi ceded power to an eight-member Presidential Council led by Rashad al-Alimi in April 2022. There are two opposing governments: the Presidential Council based in Aden and the Iran-backed Zayda Shia Houthis in Sanaa. Al-Qaeda in the Arabian Peninsula and the smaller Islamic State have flourished in the resulting chaos. U.N.-brokered peace talks remain deadlocked despite a six-month truce.

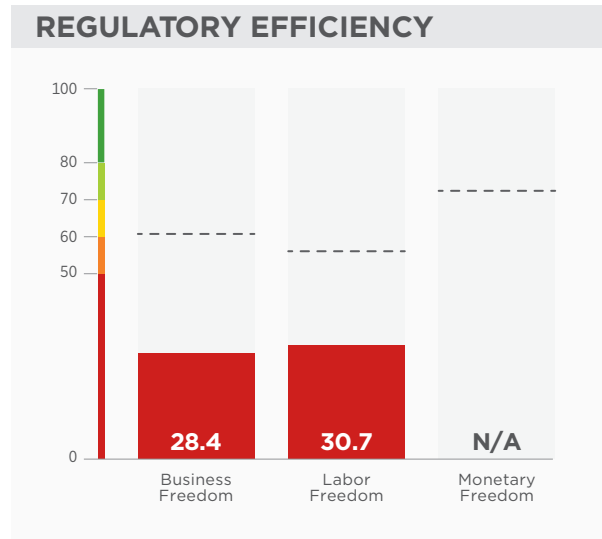
## 12 ECONOMIC FREEDOMS | YEMEN



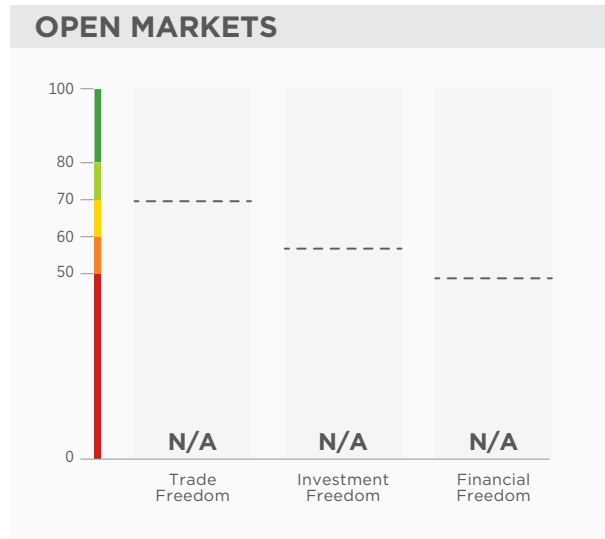
The overall rule of law is weak in Yemen. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



Political turmoil and civil conflict have severely damaged the overall fiscal situation, and the collapse of oil and tax revenue compounds the impact of the conflict's escalating cost. Economic policymaking is focused largely on marshalling limited fiscal resources to finance the conflict.



The civil war has severely undermined the overall business environment. Even before the conflict, the private sector's weakness resulted in chronic underemployment in widespread informal economic activities. A functional labor market does not exist. Monetary stability has been very weak.



The civil war has seriously degraded Yemen's capacity and infrastructure as they relate to international trade and investment. The economy is largely cash-based. The limited financial system is dominated by the state, and the banking system is very fragile.

WORLD RANK:

158

REGIONAL RANK:

41

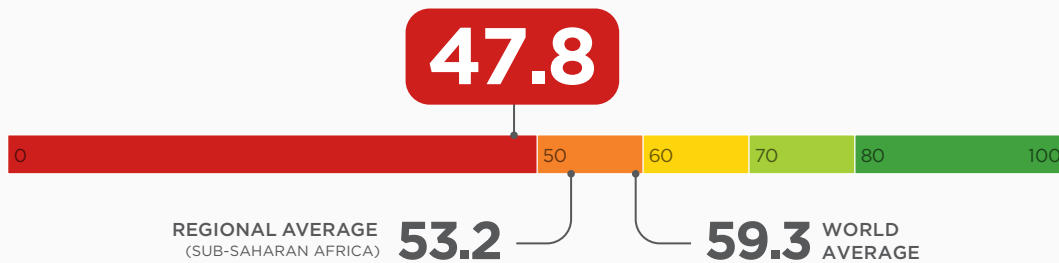
ECONOMIC FREEDOM STATUS:  
REPRESSED

# ZAMBIA

Zambia's economic freedom score is 47.8, making its economy the 158th freest in the 2023 *Index*. Its score has decreased by 0.9 point. Zambia is ranked 41st out of 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

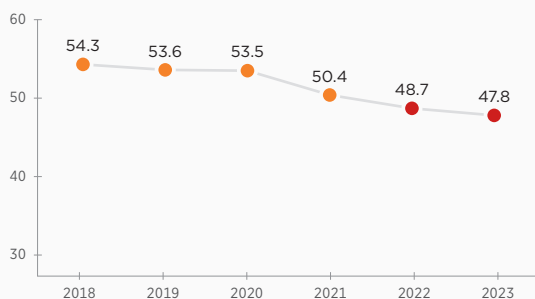
The Zambian economy is still characterized by a need for more intensive structural reform. With its inefficiency and lack of transparency, the legal framework discourages long-term economic development. The overall rule of law is fragile and undermined by political interference, in addition to which rampant corruption corrodes the foundations of economic freedom.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -7.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
18.9 million

**GDP (PPP):**  
\$69.1 billion  
4.3% growth in 2021  
5-year compound  
annual growth 2.1%  
\$3,549 per capita

**UNEMPLOYMENT:**  
12.5%

**INFLATION (CPI):**  
20.5%

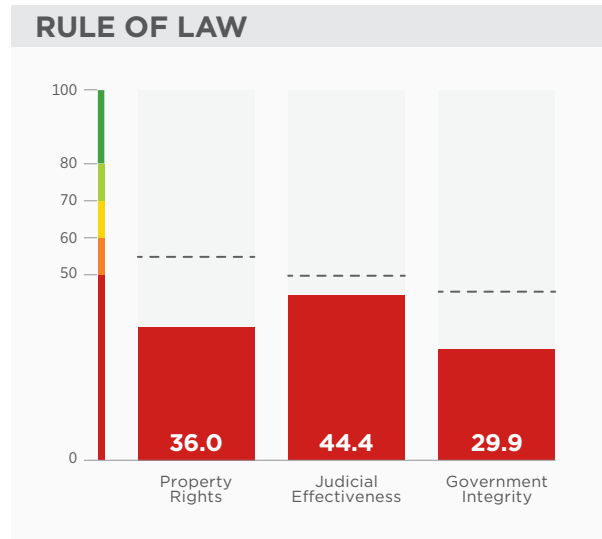
**FDI INFLOW:**  
-\$456.7 million

**PUBLIC DEBT:**  
119.1% of GDP

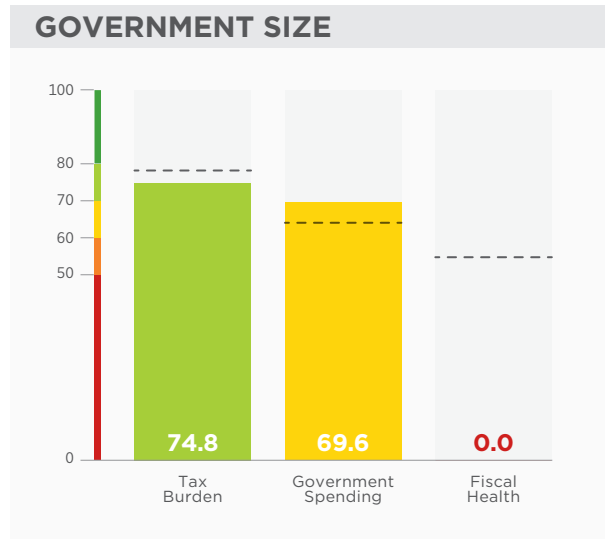
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Independent from the United Kingdom since 1964, Zambia has been one of southern Africa's most politically stable countries. The Patriotic Front's Edgar Lungu won a special presidential election in 2015, his predecessor having died in office, and was elected to a full five-year term in 2016. Opposition leader Hakainde Hichilema won the presidency in August 2021 and secured a debt relief deal from creditors that included China, Zambia's largest bilateral creditor. Zambia is Africa's second-largest producer of copper, and an uptick in world mineral prices would encourage higher output and export receipts. Two-thirds of Zambians live below the poverty line.

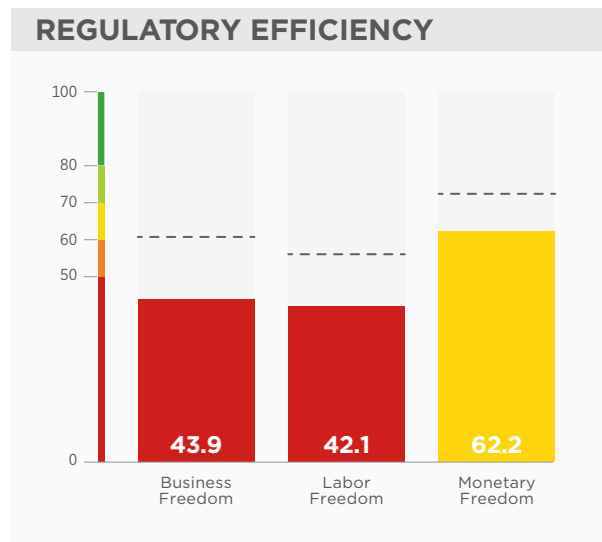
## 12 ECONOMIC FREEDOMS | ZAMBIA



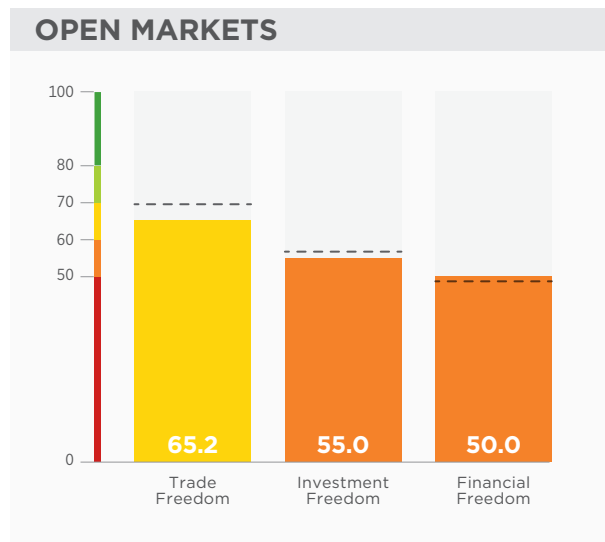
The overall rule of law is weak in Zambia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



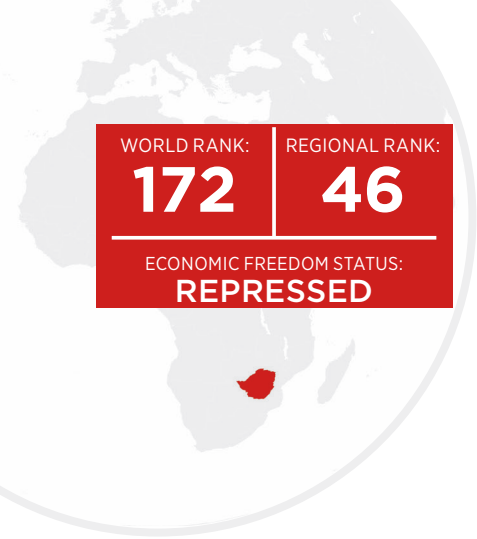
The top individual and corporate tax rates are, respectively, 37.5 percent and 30 percent. The tax burden equals 14.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.8 percent and -10.5 percent of GDP. Public debt equals 119.1 percent of GDP.



Despite some reforms, the regulatory environment is not conducive to entrepreneurial activity. Businesses can be established with no minimum capital required, but commercial licensing requirements are time-consuming and costly. Labor regulations are outdated and not consistently applied. Monetary stability has been weak.



The trade-weighted average tariff rate is 9.9 percent, and extensive nontariff barriers distort trade flows. Zambia has no modern investment framework. The financial system is dominated by banking, and financial intermediation and credit to the private sector have gradually expanded.

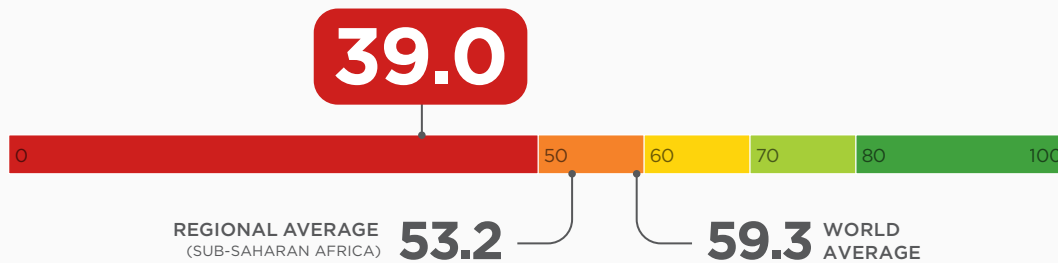


# ZIMBABWE

Zimbabwe's economic freedom score is 39.0, making its economy the 172nd freest in the 2023 *Index*. Its score has increased from last year. Zimbabwe is ranked 46th out of 47 countries in the Sub-Saharan Africa region and is one of the least free economies ranked in the 2023 *Index*.

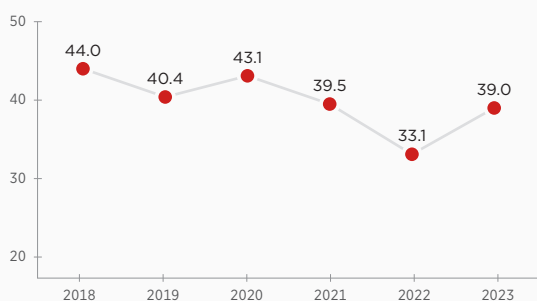
The Zimbabwean economy is characterized by instability and policy volatility, which are hallmarks of excessive government interference and mismanagement. The fragile economic infrastructure has crumbled after years of neglect. The impact of years of hyperinflation continues to impede entrepreneurial activity. A corrupt and inefficient judicial system seriously increases entrepreneurial risk.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -9.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
15.1 million

**GDP (PPP):**  
\$36.3 billion  
6.3% growth in 2021  
5-year compound annual growth 0.9%

2021 data unless otherwise noted. Data compiled as of September 2022

**UNEMPLOYMENT:**  
16.9%

**INFLATION (CPI):**  
98.5%

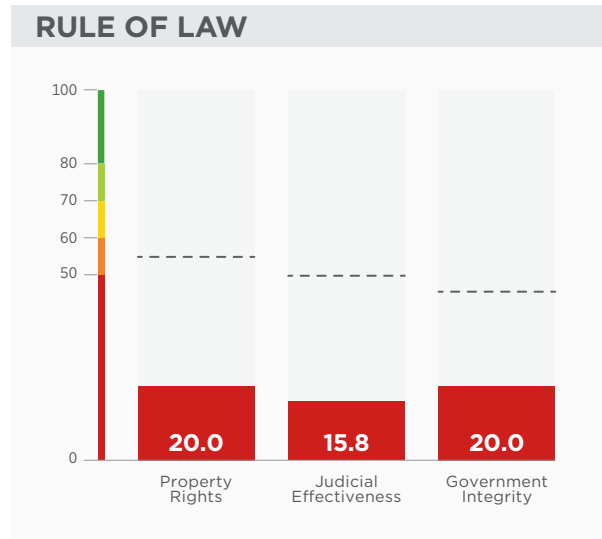
**FDI INFLOW:**  
\$166.0 million

**PUBLIC DEBT:**  
66.9% of GDP

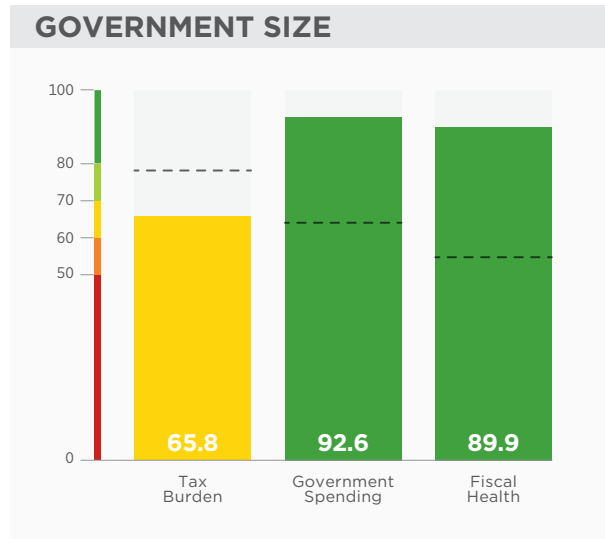
**BACKGROUND:** The former British colony of Rhodesia became the fully independent Zimbabwe in 1980. President Robert Mugabe of the Zimbabwe African National Union–Patriotic Front was forced out in a 2017 coup and replaced by former Vice President Emmerson Mnangagwa. Following Mnangagwa's victory in a 2018 election marred by vote rigging and voter intimidation, security services cracked down on the opposition. The government frequently responds to protests against economic mismanagement and violations of human rights with violence and arbitrary detention. The economy depends on mining and agriculture, but political instability and a protracted economic crisis have undermined Zimbabwe's economic potential.



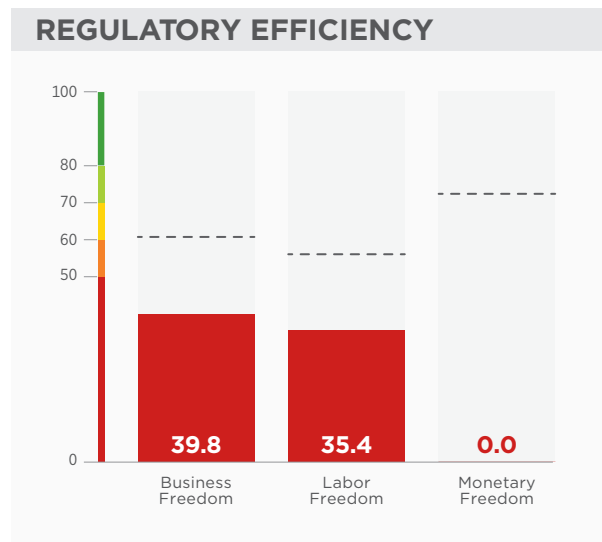
## 12 ECONOMIC FREEDOMS | ZIMBABWE



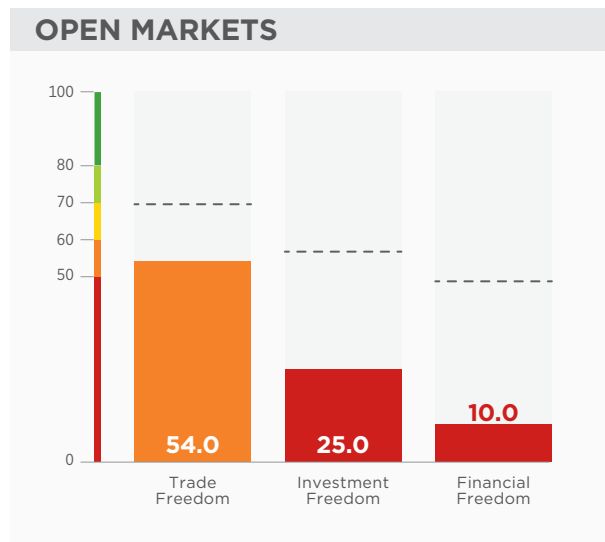
The overall rule of law is weak in Zimbabwe. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 51.5 percent and 24 percent. The tax burden equals 13.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 15.7 percent and -0.9 percent of GDP. Public debt equals 66.9 percent of GDP.



The overall regulatory environment is opaque. Licensing requirements remain costly and burdensome. The labor market is nonfunctional for all intents and purposes, but informal markets provide some jobs. The previous hyperinflation has caused monetary stability to be fragile.



The trade-weighted average tariff rate is 13 percent, and pervasive nontariff barriers further limit trade freedom. Heavy government interference cripples investment opportunities. The financial sector remains underdeveloped because of extensive state involvement and ongoing political instability.



# **APPENDIX**

# INDEX OF ECONOMIC FREEDOM SCORES, 1995-2023

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Afghanistan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48.9	51.3	51.5	54.7	53.0	N/A	N/A
Albania	49.7	53.8	54.8	53.9	53.4	53.6	56.6	56.8	56.8	58.5	57.8	60.3	61.4	62.4	63.7	66.0	64.0	65.1	65.2	66.9	65.7	65.9	64.4	64.5	66.5	66.9	65.2	66.6	65.3	
Algeria	55.7	54.5	54.9	55.8	57.2	56.8	57.3	61.0	57.7	58.1	53.2	55.7	55.4	56.2	56.6	56.9	52.4	51.0	49.6	50.8	48.9	50.1	46.5	44.7	46.2	46.9	49.7	45.8	43.2	
Angola	27.4	24.4	24.2	24.9	23.7	24.3	N/A	N/A	N/A	N/A	N/A	43.5	44.7	46.9	47.0	48.4	46.2	46.7	47.3	47.7	47.9	48.9	48.5	48.6	50.6	52.2	54.2	52.6	53.0	
Argentina	68.0	74.7	73.3	70.9	70.6	70.0	68.6	65.7	56.3	53.9	51.7	53.4	54.0	54.2	52.3	51.2	51.7	48.0	46.7	44.6	44.1	43.8	50.4	52.3	52.2	53.1	52.7	50.1	51.0	
Armenia	N/A	42.2	46.7	49.6	56.4	63.0	66.4	68.0	67.3	70.3	69.8	70.6	68.6	69.9	69.9	69.2	69.7	68.8	69.4	68.9	67.1	67.0	70.3	68.7	67.7	70.6	71.9	65.3	65.1	
Australia	74.1	74.0	75.5	75.6	76.4	77.1	77.4	77.3	77.4	77.9	79.0	79.9	81.1	82.2	82.6	82.6	82.5	83.1	82.6	82.0	81.4	80.3	81.0	80.9	80.9	82.6	82.4	77.7	74.8	
Austria	70.0	68.9	65.2	65.4	64.0	68.4	68.1	67.4	67.6	67.6	68.8	71.1	71.6	71.4	71.2	71.6	71.9	70.3	71.8	72.4	71.2	71.7	72.3	71.8	72.0	73.3	73.9	73.8	71.1	
Azerbaijan	N/A	30.0	34.0	43.1	47.4	49.8	50.3	53.3	54.1	53.4	54.4	53.2	54.6	55.3	58.0	58.8	59.7	58.9	59.7	61.3	61.0	60.2	63.6	64.3	65.4	69.3	70.1	61.6	61.4	
Bahamas	71.8	74.0	74.5	74.5	74.7	73.9	74.8	74.4	73.5	72.1	72.6	72.3	72.0	71.1	70.3	67.3	68.0	68.0	70.1	69.8	68.7	70.9	61.1	63.3	62.9	64.5	64.6	68.7	62.6	
Bahrain	76.2	76.4	76.1	75.6	75.2	75.7	75.9	75.6	76.3	75.1	71.2	71.6	71.2	72.2	74.8	76.3	77.7	75.2	75.5	75.1	73.4	74.3	68.5	67.7	66.4	66.3	69.9	62.0	62.5	
Bangladesh	40.9	51.1	49.9	52.0	50.0	48.9	51.2	51.9	49.3	50.0	47.5	52.9	46.7	44.2	47.5	51.1	53.0	53.2	52.6	54.1	53.9	53.3	55.0	55.1	55.6	56.4	56.5	52.7	54.4	
Barbados	N/A	62.3	64.5	67.9	66.7	69.5	71.5	73.6	71.3	69.4	70.1	71.9	70.0	71.3	71.5	68.3	68.5	69.0	69.3	68.3	67.9	68.3	54.5	57.0	64.7	61.4	65.0	71.3	69.8	
Belarus	40.4	38.7	39.8	38.0	35.4	41.3	38.0	39.0	39.7	43.1	46.7	47.5	47.0	45.3	45.0	48.7	47.9	49.0	48.0	50.1	49.8	48.8	58.6	58.1	57.9	61.7	61.0	53.0	51.0	
Belgium	N/A	66.0	64.6	64.7	62.9	63.5	63.8	67.6	68.1	68.7	69.0	71.8	72.5	71.7	72.1	70.1	70.2	69.0	69.2	69.9	68.8	68.4	67.8	67.5	67.3	68.9	70.1	69.6	67.1	
Belize	62.9	61.6	64.3	59.1	60.7	63.3	65.9	65.6	63.5	62.8	64.5	64.7	63.3	63.0	63.0	61.5	63.8	61.9	57.3	56.7	56.8	57.4	58.6	57.1	55.4	57.4	57.5	56.6	59.7	
Benin	N/A	N/A	61.3	61.7	60.6	61.5	60.1	57.3	54.9	54.6	52.3	54.0	55.1	55.2	55.4	55.4	56.0	55.7	57.6	57.1	58.8	59.3	59.2	56.7	55.3	55.2	59.6	61.0	59.8	
Bhutan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57.7	57.0	57.6	56.6	55.0	56.7	57.4	59.5	58.4	61.8	62.9	62.1	58.3	59.3	59.0
Bolivia	56.8	65.2	65.1	68.8	65.6	65.0	68.0	65.1	64.3	64.5	58.4	57.8	54.2	53.1	53.6	49.4	50.0	50.2	47.9	48.4	46.8	47.4	47.7	44.1	42.3	42.8	42.7	43.0	43.4	
Bosnia and Herzegovina	N/A	N/A	N/A	29.4	29.4	45.1	36.6	37.4	40.6	44.7	48.8	55.6	54.4	53.9	53.1	56.2	57.5	57.3	57.3	58.4	59.0	58.6	60.2	61.4	61.9	62.6	62.9	63.4	62.8	
Botswana	56.8	61.6	59.1	62.8	62.9	65.8	66.8	66.2	68.6	69.9	69.3	68.8	68.1	68.2	69.7	70.3	68.8	69.6	70.6	72.0	69.8	71.1	70.1	69.9	69.5	69.6	67.6	64.8	64.9	
Brazil	51.4	48.1	52.6	52.3	61.3	61.1	61.9	61.5	63.4	62.0	61.7	60.9	56.2	56.2	56.7	55.6	56.3	57.9	57.7	56.9	56.6	56.5	52.9	51.4	51.9	53.7	53.4	53.3	53.5	
Brunei Darussalam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69.8	64.2	65.1	66.6	66.6	64.8	65.7
Bulgaria	50.0	48.6	47.6	45.7	46.2	47.3	51.9	57.1	57.0	59.2	62.3	64.1	62.7	63.7	64.6	62.3	64.9	64.7	65.0	65.7	66.8	65.9	67.9	68.3	69.0	70.2	70.4	71.0	69.3	
Burkina Faso	N/A	49.4	54.0	54.5	55.0	55.7	56.7	58.8	58.9	58.0	56.6	55.8	55.1	55.7	59.5	59.4	60.6	60.6	59.9	58.9	58.6	59.1	59.6	60.0	59.4	56.7	56.5	58.3	56.2	
Burma	N/A	45.1	45.4	45.7	46.4	47.9	46.1	45.5	44.9	43.6	40.5	40.0	41.0	39.5	37.7	36.7	37.8	38.7	39.2	46.5	46.9	48.7	52.5	53.9	53.6	54.0	55.2	49.6	46.5	
Burundi	N/A	N/A	45.4	44.7	41.1	42.6	N/A	N/A	N/A	N/A	N/A	48.7	46.9	46.2	48.8	47.5	49.6	48.1	49.0	51.4	53.7	53.9	53.2	50.9	48.9	49.0	49.9	39.4	41.9	
Cabo Verde	N/A	49.7	47.7	48.0	50.7	51.9	56.3	57.6	56.1	58.1	57.8	58.6	56.5	57.9	61.3	61.8	64.6	63.5	63.7	66.1	66.4	66.5	56.9	60.0	63.1	63.6	63.8	66.7	65.8	
Cambodia	N/A	N/A	52.8	59.8	59.9	59.3	59.6	60.7	63.7	61.1	60.0	56.7	55.9	55.9	56.6	56.6	57.9	57.6	58.5	57.4	57.5	57.9	59.5	58.7	57.8	57.3	57.3	57.1	56.5	
Cameroon	51.3	45.7	44.6	48.0	50.3	49.9	53.3	52.8	52.7	52.3	53.0	54.6	55.6	54.3	53.0	52.3	51.8	51.8	52.3	52.6	51.9	54.2	51.8	51.9	52.4	53.6	53.4	52.9	51.9	
Canada	69.4	70.3	67.9	68.5	69.3	70.5	71.2	74.6	74.8	75.3	75.8	77.4	78.0	80.2	80.5	80.4	80.8	79.9	79.4	80.2	79.1	78.0	78.5	77.7	77.7	78.2	77.9	76.6	73.7	
Central African Republic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.8	60.0	57.5	56.5	54.2	50.6	48.6	48.3	48.4	49.3	50.4	46.7	45.9	45.2	51.8	49.2	49.1	50.7	48.8	45.7	43.8	
Chad	N/A	N/A	45.1	46.6	47.2	46.8	46.4	49.2	52.6	53.1	52.1	50.0	50.1	47.8	47.5	47.5	45.3	44.8	45.2	44.5	45.9	46.3	49.0	49.3	49.9	50.2	50.4	49.8	52.0	
Chile	71.2	72.6	75.9	74.9	74.1	74.7	75.1	77.8	76.0	76.9	77.8	78.0	77.7	78.6	78.3	77.2	77.4	78.3	79.0	78.7	78.5	77.7	76.5	75.2	75.4	76.8	75.2	74.4	71.1	
China	52.0	51.3	51.7	53.1	54.8	56.4	52.6	52.8	52.6	52.5	53.7	53.6	52.0	55.1	53.2	51.0	52.0	51.2	51.9	52.5	52.7	52.0	57.4	57.8	58.4	59.5	58.4	48.0	48.3	
Colombia	64.5	64.3	66.4	65.5	65.3	63.3	65.6	64.2	64.2	61.2	59.6	60.4	59.9	62.2	62.3	65.5	68.0	68.0	69.6	70.7	71.7	70.8	69.7	68.9	67.3	69.2	68.1	65.1	63.1	
Comoros	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	43.3	44.9	43.8	45.7	47.5	51.4	52.1	52.4	55.8	56.2	55.4	53.7	50.4	53.5
Congo, Dem. Rep.	41.4	39.5	39.5	40.6	34.0	34.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42.8	41.4	40.7	41.1	39.6	40.6	45.0	46.4	56.4	52.1	50.3	49.5	49.0	47.6	47.9
Congo, Rep.	N/A	40.3	42.2	33.8	41.6	40.6	44.3	45.3	47.7	45.9	46.2	43.8	44.4	45.3	45.4	43.2	43.6	43.8	45.8	43.5	43.7	42.7	42.8	40.0	38.9	39.7	41.8	50.7	48.5	

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Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Costa Rica	68.0	66.4	65.6	67.4	68.4	67.6	67.5	67.5	67.0	66.4	66.1	65.9	64.0	64.2	66.4	65.9	67.3	68.0	67.0	66.9	67.2	67.4	65.0	65.6	65.3	65.8	64.2	65.4	66.5	
Côte d'Ivoire	53.4	49.9	50.5	51.3	51.7	50.2	54.8	57.3	56.7	57.8	56.6	56.2	54.9	53.9	55.0	54.1	55.4	54.3	54.1	57.7	58.5	60.0	63.0	62.0	62.4	59.7	61.7	61.6	60.4	
Croatia	N/A	N/A	48.0	46.7	51.7	53.1	53.6	50.7	51.1	53.3	53.1	51.9	53.6	53.4	54.1	55.1	59.2	61.1	60.9	61.3	60.4	61.5	59.1	59.4	61.0	61.4	62.2	63.6	67.6	66.4
Cuba	27.8	27.8	27.8	28.2	29.7	31.3	31.6	32.4	35.1	34.4	35.5	29.3	28.6	27.5	27.9	26.7	27.7	28.3	28.5	28.7	29.6	29.8	33.9	31.9	27.8	26.9	28.1	29.5	24.3	
Cyprus	N/A	67.7	67.9	68.2	67.8	67.2	71.0	73.0	73.3	74.1	71.9	71.8	71.7	71.5	70.8	70.9	73.3	71.8	69.0	67.6	67.9	68.7	67.9	67.8	68.1	70.1	71.4	72.9	72.3	
Czech Republic	67.8	68.1	68.8	68.4	69.7	68.6	70.2	66.5	67.5	67.0	64.6	66.4	67.4	68.1	69.4	69.8	70.4	69.9	70.2	72.2	72.5	73.2	73.3	74.2	73.7	74.8	73.8	74.4	71.9	
Denmark	N/A	67.3	67.5	67.5	68.1	68.3	68.3	71.1	73.2	72.4	75.3	75.4	77.0	79.2	79.6	77.9	78.6	76.2	76.1	76.1	76.3	75.3	75.1	76.6	76.7	78.3	77.8	78.0	77.6	
Djibouti	N/A	N/A	54.5	55.9	57.1	55.1	58.3	57.8	55.7	55.6	55.2	53.2	52.4	51.2	51.3	51.0	54.5	53.9	53.9	55.9	57.5	56.0	46.7	45.1	47.1	52.9	56.2	55.3	56.1	
Dominica	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	62.6	63.2	63.3	61.6	63.9	65.2	66.1	67.0	63.7	64.5	68.6	60.8	53.0	54.4	59.7
Dominican Republic	55.8	58.1	53.5	58.1	58.1	59.0	59.1	58.6	57.8	54.6	55.1	56.3	56.8	57.7	59.2	60.3	60.0	60.2	59.7	61.3	61.0	61.0	62.9	61.6	61.0	60.9	62.1	63.0	62.6	
Ecuador	57.7	60.1	61.0	62.8	62.9	59.8	55.1	53.1	54.1	54.4	52.9	54.6	55.3	55.2	52.5	49.3	47.1	48.3	46.9	48.0	49.2	48.6	49.3	48.5	46.9	51.3	52.4	54.3	55.0	
Egypt	45.7	52.0	54.5	55.8	58.0	51.7	51.5	54.1	55.3	55.5	55.8	53.2	54.4	58.5	58.0	59.0	59.1	57.9	54.8	52.9	55.2	56.0	52.6	53.4	52.5	54.0	55.7	49.1	49.5	
El Salvador	69.1	70.1	70.5	70.2	75.1	76.3	73.0	73.0	71.5	71.2	71.5	69.6	68.9	68.5	69.8	69.9	68.8	68.7	66.7	66.2	65.7	65.1	64.1	63.2	61.8	61.6	61.0	59.6	56.0	
Equatorial Guinea	N/A	N/A	N/A	N/A	45.1	45.6	47.9	46.4	55.1	53.3	53.3	51.5	53.2	51.6	51.3	48.6	47.5	42.8	42.3	44.4	40.4	43.7	45.0	42.0	41.0	48.3	49.2	47.2	48.3	
Eritrea	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38.5	35.3	36.7	36.2	36.3	38.5	38.9	42.7	42.2	41.7	38.9	38.5	42.3	39.7	39.5
Estonia	65.2	65.4	69.1	72.5	73.8	69.9	76.1	77.6	77.7	77.4	75.2	74.9	78.0	77.9	76.4	74.7	75.2	73.2	75.3	75.9	76.8	77.2	79.1	78.8	76.6	77.7	78.2	80.0	78.6	
Eswatini	63.3	58.6	59.4	62.0	62.1	62.6	63.6	60.9	59.6	58.6	59.4	61.4	60.1	58.4	59.1	57.4	59.1	57.2	57.2	61.0	59.0	59.7	61.1	55.9	54.7	55.3	55.1	51.4	54.9	
Ethiopia	42.6	45.9	48.1	49.2	46.7	50.2	48.9	49.8	48.8	54.5	51.1	50.9	53.6	52.5	53.0	51.2	50.5	52.0	49.4	50.0	51.5	51.5	52.7	52.8	53.6	53.6	51.7	49.6	48.3	
Fiji	54.7	57.4	58.0	58.2	58.4	57.8	53.7	53.9	54.7	58.0	58.2	58.4	60.8	61.8	61.0	60.3	60.4	57.3	57.2	58.7	59.0	58.8	63.4	62.0	62.2	63.4	62.2	56.4	58.0	
Finland	N/A	63.7	65.2	63.5	63.9	64.3	69.7	73.6	73.7	73.4	71.0	72.9	74.0	74.6	74.5	73.8	74.0	72.3	74.0	73.4	73.4	72.6	74.0	74.1	74.9	75.7	76.1	78.3	77.1	
France	64.4	63.7	59.1	58.9	59.1	57.4	58.0	58.0	59.2	60.9	60.5	61.1	62.1	64.7	63.3	64.2	64.6	63.2	64.1	63.5	62.5	62.3	63.3	63.9	63.8	66.0	65.7	65.9	63.6	
Gabon	57.5	55.7	58.8	59.2	60.5	58.2	55.0	58.0	58.7	57.1	54.8	56.1	54.8	54.2	55.0	55.4	56.7	56.4	57.8	57.8	58.3	59.0	58.6	58.0	56.3	56.7	58.1	55.8	56.1	
Gambia	N/A	N/A	52.9	53.4	52.1	52.7	56.6	57.7	56.3	55.3	56.5	57.3	57.7	56.9	55.8	55.1	57.4	58.8	58.8	59.5	57.5	57.1	53.4	52.3	52.4	56.3	58.8	58.0	57.9	
Georgia	N/A	44.1	46.5	47.9	52.5	54.3	58.3	56.7	58.6	58.9	57.1	64.5	69.3	69.2	69.8	70.4	70.4	69.4	72.2	72.6	73.0	72.6	76.0	76.2	75.9	77.1	77.2	71.8	68.7	
Germany	69.8	69.1	67.5	64.3	65.6	65.7	69.5	70.4	69.7	69.5	68.1	70.8	70.6	70.5	71.1	71.8	71.0	72.8	73.4	73.8	74.4	73.8	74.4	73.8	74.2	73.5	75.5	72.5	76.1	73.7
Ghana	55.6	57.7	56.7	57.0	57.9	58.1	58.0	57.2	58.2	59.1	56.5	55.6	57.6	57.0	58.1	60.2	59.4	60.7	61.3	64.2	63.0	63.5	56.2	56.0	57.5	59.4	59.2	59.8	58.0	
Greece	61.2	60.5	59.6	60.6	61.0	61.0	63.4	59.1	58.8	59.1	59.0	60.1	58.7	60.6	60.8	62.7	60.3	55.4	55.4	55.7	54.0	53.2	55.0	57.3	57.7	59.9	60.9	61.5	56.8	
Guatemala	62.0	63.7	65.7	65.8	66.2	64.3	65.1	62.3	62.3	59.6	59.5	59.1	60.5	59.8	59.4	61.0	61.9	60.9	60.0	61.2	60.4	61.8	63.0	63.4	62.6	64.0	64.0	63.2	62.7	
Guinea	59.4	58.5	52.9	61.0	59.4	58.2	58.4	52.9	54.6	56.1	57.4	52.8	54.5	52.8	51.0	51.8	51.8	50.8	51.2	53.5	52.1	53.3	47.6	52.2	55.7	56.5	56.5	54.2	53.2	
Guinea-Bissau	N/A	N/A	N/A	N/A	N/A	33.5	34.7	42.5	42.3	43.1	42.6	46.0	46.5	46.1	44.4	45.4	43.6	46.5	50.1	51.1	51.3	52.0	51.8	56.1	56.9	54.0	53.3	54.9	46.0	44.6
Guyana	45.7	50.1	53.2	52.7	53.3	52.4	53.3	54.3	50.3	53.0	56.5	56.6	53.7	48.8	48.4	48.4	49.4	51.3	53.8	55.7	55.5	55.4	58.5	58.7	56.8	56.2	57.4	59.5	56.9	
Haiti	43.0	41.0	45.8	45.7	45.9	45.7	47.1	47.9	50.6	51.2	48.4	49.2	51.4	49.0	50.5	50.8	52.1	50.7	48.1	48.9	51.3	51.3	49.6	55.8	52.7	52.3	50.8	50.0	49.9	
Honduras	57.0	56.6	56.0	56.2	56.7	57.6	57.0	58.7	60.4	55.3	55.3	57.4	59.1	58.9	58.7	58.3	58.6	58.8	58.4	57.1	57.4	57.7	58.8	60.6	60.2	61.1	59.8	59.5	58.7	
Hong Kong	88.6	90.5	88.6	88.0	88.5	89.5	89.9	89.4	89.8	90.0	89.5	88.6	89.9	89.7	90.0	89.7	89.7	89.9	89.3	90.1	89.6	88.6	89.8	90.2	90.2	89.1	N/A	N/A	N/A	
Hungary	55.2	56.8	55.3	56.9	59.6	64.4	65.6	64.5	63.0	62.7	63.5	65.0	64.8	67.6	66.8	66.1	66.6	67.1	67.3	67.0	66.8	66.0	65.8	66.7	65.0	66.4	67.2	66.9	64.1	
Iceland	N/A	N/A	70.5	71.2	71.4	74.0	73.4	73.1	73.5	72.1	76.6	75.8	76.0	75.8	75.9	73.7	68.2	70.9	72.1	72.4	72.0	73.3	74.4	77.1	77.1	77.1	77.1	77.1	77.1	72.3
India	45.1	47.4	49.7	49.7	50.2	47.4	49.0	51.2	51.2	51.5	54.2	52.2	53.9	54.1	54.4	53.8	54.6	54.6	55.2	55.2	54.6	56.2	52.6	54.5	55.2	56.5	55.5	53.9	52.9	
Indonesia	54.9	61.0	62.0	63.4	61.5	55.2	52.5	54.8	55.8	52.1	52.9	51.9	53.2	53.2	53.4	55.5	56.0	56.4	56.9	58.5	58.1	59.4	59.4	61.9	64.2	65.8	67.2	66.5	63.5	
Iran	N/A	36.1	34.5	36.0	36.8	36.1	35.9	36.4	43.2	42.8	50.5	45.0	45.0	45.0	44.6	44.4	43.4	42.1	42.3	43.2	40.3	41.8	45.5	50.5	50.9	51.1	49.2	47.2	42.4	42.2
Iraq	N/A	17.2	17.2	17.2	17.2	17.2	17.2	17.2	15.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ireland	68.5	68.5	72.6	73.7	74.6	76.1	81.2	80.5	80.9	80.3	80.8	82.2	82.6	82.6	82.5	82.2	81.3	78.7	76.9	75.7	76.2	76.6	77.3	76.7	80.4	80.5	80.9	81.4	82.0	

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Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Israel	61.5	62.0	62.7	68.0	68.3	65.5	66.1	66.9	62.7	61.4	62.6	64.4	64.8	66.3	67.6	67.7	68.5	67.8	66.9	68.4	70.5	70.7	69.7	72.2	72.8	74.0	73.8	68.0	68.9		
Italy	61.2	60.8	58.1	59.1	61.6	61.9	63.0	63.6	64.3	64.2	64.9	62.0	62.8	62.6	61.4	62.7	60.3	58.8	60.6	60.9	61.7	61.2	62.5	62.5	62.2	63.8	64.9	65.4	62.3		
Jamaica	64.4	66.7	67.7	67.1	64.7	65.5	63.7	61.7	67.0	66.7	67.0	66.4	65.5	65.7	65.2	65.5	65.7	65.1	66.8	66.7	67.7	67.5	69.5	69.1	68.6	68.5	69.0	67.4	68.1		
Japan	75.0	72.6	70.3	70.2	69.1	70.7	70.9	66.7	67.6	64.3	67.3	72.7	73.0	72.8	72.8	72.9	72.8	71.6	71.8	72.4	73.3	73.1	69.6	72.3	72.1	73.3	74.1	69.9	69.3		
Jordan	62.7	60.8	63.6	66.8	67.4	67.5	68.3	66.2	65.3	66.1	66.7	63.3	64.1	65.4	65.4	66.1	68.9	69.9	70.4	69.2	69.3	68.3	68.7	64.9	66.5	66.0	64.6	60.1	58.7		
Kazakhstan	N/A	N/A	N/A	41.7	47.3	50.4	51.8	52.4	52.3	49.7	53.9	60.2	59.6	61.1	60.1	61.0	62.1	63.6	63.0	63.7	63.3	63.6	63.6	69.0	69.1	65.4	69.6	71.1	64.4	62.1	
Kenya	54.5	56.4	60.1	58.4	58.2	59.7	57.6	58.2	58.6	57.7	57.9	59.7	59.6	59.3	58.7	57.5	57.4	57.5	55.9	57.1	55.6	57.5	53.5	54.7	55.1	55.3	54.9	52.6	52.5		
Kiribati	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45.7	44.8	46.9	45.9	46.3	46.4	46.2	50.9	50.8	47.3	45.2	44.4	59.2	58.8		
Korea, North	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.0	4.0	3.0	3.0	2.0	1.0	1.0	1.0	1.5	1.0	1.3	2.3	4.9	5.8	5.9	4.2	5.2	3.0	2.9		
Korea, South	72.0	73.0	69.8	73.3	69.7	69.7	69.1	69.5	68.3	67.8	66.4	67.5	67.8	68.6	68.1	69.9	69.8	69.9	70.3	71.2	71.5	71.7	74.3	73.8	72.3	74.0	74.0	74.6	73.7		
Kosovo	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61.4	67.9	66.6	67.0	67.4	66.5	60.1	60.7	
Kuwait	N/A	66.1	64.8	66.3	69.5	69.7	68.2	65.4	66.7	63.6	64.6	66.5	66.4	68.1	65.6	67.7	64.9	62.5	63.1	62.3	62.5	62.7	65.1	62.2	60.8	63.2	64.1	58.3	56.7		
Kyrgyz Republic	N/A	N/A	N/A	51.8	54.8	55.7	53.7	51.7	56.8	58.0	56.6	61.0	60.2	61.1	61.8	61.3	61.1	60.2	59.6	61.1	61.3	59.6	61.1	62.8	62.3	62.9	63.7	55.8	55.7		
Laos	N/A	38.5	35.1	35.2	35.2	36.8	33.5	36.8	41.0	42.0	44.4	47.5	50.3	50.3	50.4	51.1	51.3	50.0	50.1	51.2	51.4	49.8	54.0	53.6	57.4	55.5	53.9	49.2	50.2		
Latvia	N/A	55.0	62.4	63.4	64.2	63.4	66.4	65.0	66.0	67.4	66.3	66.9	67.9	68.3	66.6	66.2	65.8	65.2	66.5	68.7	69.7	70.4	74.8	73.6	70.4	71.9	72.3	74.8	72.8		
Lebanon	N/A	63.2	63.9	59.0	59.1	56.1	61.0	57.1	56.7	56.9	57.2	57.5	60.4	60.0	58.1	59.5	60.1	60.1	59.5	59.4	59.3	59.5	53.3	53.2	51.1	51.7	51.4	47.3	45.6		
Lesotho	N/A	47.0	47.2	48.4	48.2	48.4	50.6	48.9	52.0	50.3	53.9	54.7	53.2	52.1	49.7	48.1	47.5	46.6	47.9	49.5	49.6	50.6	53.9	53.9	53.1	54.5	53.5	48.1	51.6		
Liberia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48.1	46.2	46.5	48.6	49.3	52.4	52.7	53.2	49.1	50.9	49.7	49.0	49.2	47.9	49.6	
Libya	N/A	31.7	28.9	32.0	32.3	34.7	34.0	35.4	34.6	31.5	32.8	33.2	37.0	38.7	43.5	40.2	38.6	35.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Liechtenstein	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lithuania	N/A	49.7	57.3	59.4	61.5	61.9	65.5	66.1	69.7	72.4	70.5	71.8	71.5	70.9	70.0	70.3	71.3	71.5	72.1	73.0	74.7	75.2	73.9	75.3	74.2	76.7	76.9	75.8	72.2		
Luxembourg	N/A	72.5	72.8	72.7	72.4	76.4	80.1	79.4	79.9	78.9	76.3	74.6	74.7	75.2	75.4	76.2	74.5	74.2	74.2	74.2	73.2	73.2	73.9	75.9	76.4	75.9	75.8	76.0	80.6	78.4	
Macau	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	72.0	72.5	73.1	71.8	71.7	71.3	70.3	70.1	70.7	70.9	71.0	70.3	N/A	N/A	N/A	
Madagascar	51.6	52.2	53.8	51.8	52.8	54.4	53.9	56.8	62.8	60.9	63.1	61.0	61.1	62.4	62.2	63.2	61.2	62.4	62.0	61.7	61.7	61.1	57.4	56.8	56.6	60.5	57.7	58.9	58.9		
Malawi	54.7	56.2	53.4	54.1	54.0	57.4	56.2	56.9	55.2	53.6	55.4	52.9	52.7	53.7	53.7	54.1	55.8	56.4	55.3	55.4	54.8	51.8	52.2	52.0	51.4	52.8	55.0	53.0	52.8		
Malaysia	71.9	69.9	66.8	68.2	68.9	66.0	60.2	60.1	61.1	59.9	61.9	61.6	63.8	63.9	64.6	64.8	66.3	66.4	66.1	69.6	70.8	71.5	73.8	74.5	74.0	74.7	74.4	68.1	67.3		
Maldives	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51.3	49.0	48.3	49.2	49.0	51.0	53.4	53.9	50.3	51.1	53.2	56.5	55.2	47.3	46.6		
Mali	52.4	57.0	56.4	57.3	58.4	60.3	60.1	61.1	58.6	56.6	57.3	54.1	54.7	55.6	55.6	55.6	56.3	55.8	56.4	55.5	56.4	56.5	58.6	57.6	58.1	55.9	55.6	55.9	54.5		
Malta	56.3	55.8	57.9	61.2	59.3	58.3	62.9	62.2	61.1	63.3	68.9	67.3	66.1	66.0	66.1	67.2	65.7	67.0	67.5	66.4	66.5	66.7	67.7	68.5	68.6	69.5	70.2	71.5	67.5		
Mauritania	N/A	45.5	47.0	43.7	42.8	46.0	48.5	52.5	59.0	61.8	59.4	55.7	53.6	55.2	53.9	52.0	52.1	53.0	52.3	53.2	53.3	54.8	54.4	54.0	55.7	55.3	56.1	55.3	55.3		
Mauritius	N/A	63.1	61.2	57.1	57.9	58.5	60.6	63.0	65.3	66.0	65.2	64.7	66.0	66.2	65.8	68.3	67.8	65.3	67.0	66.8	66.4	65.2	63.6	64.8	64.7	66.0	65.5	63.7	63.2		
Mexico	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51.7	50.6	50.3	50.7	50.1	49.8	49.6	51.8	54.1	52.3	51.9	52.0	50.4	61.0	62.6	
Moldova	33.0	52.5	48.9	53.5	56.1	59.6	54.9	57.4	60.0	57.1	57.4	58.0	58.7	57.9	54.9	53.7	55.7	54.4	55.5	57.3	57.5	57.4	58.0	58.4	59.1	62.0	62.5	61.3	58.5		
Mongolia	47.8	47.4	52.9	57.3	58.6	58.5	56.0	56.7	57.7	56.5	59.7	62.4	60.3	63.6	62.8	60.0	59.5	61.5	61.7	58.9	59.2	59.4	54.8	55.7	55.4	55.9	62.4	63.9	61.7		
Montenegro	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58.2	63.6	62.5	62.6	63.6	64.7	64.9	62.0	64.3	60.5	61.5	63.4	57.8	60.9		
Morocco	62.8	64.3	64.7	61.1	63.8	63.2	63.9	59.0	57.8	56.7	52.2	51.5	56.4	55.6	57.7	59.2	59.6	60.2	59.6	58.3	60.1	61.3	61.5	61.9	62.9	63.3	63.3	59.2	58.4		
Mozambique	45.5	48.4	44.0	43.0	48.9	52.2	59.2	57.7	58.6	57.2	54.6	51.9	54.7	55.4	55.7	56.0	56.8	57.1	55.0	54.8	53.2	54.9	46.3	48.6	50.5	51.6	51.3	52.5			
Namibia	N/A	N/A	61.6	66.1	66.1	66.7	64.8	65.1	67.3	62.4	61.4	60.7	63.5	61.4	62.4	62.2	62.7	61.9	60.3	59.4	59.6	61.9	62.5	58.5	58.7	60.9	62.6	59.2	57.8		
Nepal	N/A	50.3	53.6	53.5	53.1	51.3	51.6	52.3	51.5	51.2	51.4	53.7	54.4	54.1	53.2	52.2	50.1	50.2	50.4	50.4	51.3	50.9	55.1	54.1	53.8	54.2	50.7	49.7	51.5		
Netherlands	N/A	69.7	70.4	69.2	70.2	70.4	73.0	75.1	74.6	74.5	72.9	75.4	75.5	77.4	77.0	75.0	74.7	73.3	73.5	74.2	73.7	74.6	75.8	76.2	76.8	77.0	76.8	79.5	78.0		
New Zealand	N/A	78.1	79.0	79.2	81.7	80.9	81.1	80.7	81.1	81.5	82.3	82.0	81.4	80.7	82.0	82.1	82.3	82.1	81.4	81.2	82.1	81.6	83.7	84.2	84.4	84.1	83.9	80.6	78.9		

# INDEX OF ECONOMIC FREEDOM SCORES, 1995-2023

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Nicaragua	42.5	54.1	53.3	53.8	54.0	56.9	58.0	61.1	62.6	61.4	62.5	63.8	62.7	60.8	59.8	58.3	58.8	57.9	56.6	58.4	57.6	58.6	59.2	58.9	57.7	57.2	56.3	54.8	54.9	
Niger	N/A	45.8	46.6	47.5	48.6	45.9	48.9	48.2	54.2	54.6	54.1	52.5	53.2	52.9	53.8	52.9	54.3	54.3	53.9	55.1	54.6	54.3	50.8	49.5	51.6	54.7	57.3	54.9	55.6	
Nigeria	47.3	47.4	52.8	52.3	55.1	53.1	49.6	50.9	49.5	49.2	48.4	48.7	55.6	55.1	55.1	56.8	56.7	56.3	55.1	54.3	55.6	57.5	57.1	58.5	57.3	57.2	58.7	54.4	53.9	
North Macedonia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58.0	60.1	56.8	56.1	59.2	60.6	61.1	61.2	65.7	66.0	68.5	68.2	68.6	67.1	67.5	70.7	71.3	71.1	69.5	68.6	65.7	63.7	
Norway	N/A	65.4	65.1	68.0	68.6	70.1	67.1	67.4	67.2	66.2	64.5	67.9	67.6	67.9	68.6	70.2	69.4	70.3	68.8	70.5	70.9	71.8	70.8	74.0	74.3	73.0	73.4	76.9	76.9	
Oman	70.2	65.4	64.5	64.9	64.9	64.1	67.7	64.0	64.6	66.9	66.5	63.7	65.8	67.3	67.0	67.7	69.8	67.9	68.1	67.4	66.7	67.1	62.1	61.0	61.0	63.6	64.6	56.6	58.5	
Pakistan	57.6	58.4	56.0	53.2	53.0	56.4	56.0	55.8	55.0	54.9	53.3	57.9	57.2	55.6	57.0	55.2	55.1	54.7	55.1	55.2	55.6	55.9	52.8	54.4	55.0	54.8	51.7	48.8	49.4	
Panama	71.6	71.8	72.4	72.6	72.6	71.6	70.6	68.5	68.4	65.3	64.3	65.6	64.6	64.7	64.7	64.8	64.9	65.2	62.5	63.4	64.1	64.8	66.3	67.0	67.2	67.2	66.2	65.4	63.8	
Papua New Guinea	N/A	58.6	56.7	55.2	56.3	55.8	57.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	54.8	53.5	52.6	53.8	53.6	53.9	53.1	53.2	50.9	55.7	58.4	58.4	58.9	54.6	51.7	
Paraguay	65.9	67.1	67.3	65.2	63.7	64.0	60.3	59.6	58.2	56.7	53.4	55.6	58.3	60.0	61.0	61.3	62.3	61.8	61.1	62.0	61.1	61.5	62.4	62.1	61.8	63.0	62.6	62.9	61.0	
Peru	56.9	62.5	63.8	65.0	69.2	68.7	69.6	64.8	64.6	64.7	61.3	60.5	62.7	63.8	64.6	67.6	68.6	68.7	68.2	67.4	67.7	67.4	68.9	68.7	67.8	67.9	67.7	66.5	66.5	
Philippines	55.0	60.2	62.2	62.8	61.9	62.5	60.9	60.7	61.3	59.1	54.7	56.3	56.0	56.0	56.8	56.3	56.2	57.1	58.2	60.1	62.2	63.1	65.6	65.0	63.8	64.5	64.1	61.1	59.3	
Poland	50.7	57.8	56.8	59.2	59.6	60.0	61.8	65.0	61.8	58.7	59.6	59.3	58.1	60.3	60.3	63.2	64.1	64.2	66.0	67.0	68.6	69.3	68.3	68.5	68.0	69.1	69.7	68.7	67.7	
Portugal	62.4	64.5	63.6	65.0	65.6	65.5	66.0	65.4	64.9	64.9	62.4	62.9	64.0	63.9	64.9	64.4	64.0	65.0	63.1	63.5	65.3	65.1	62.6	63.4	65.3	67.0	67.5	70.8	69.5	
Qatar	N/A	N/A	N/A	N/A	62.0	62.0	60.0	61.9	65.9	66.5	63.5	62.4	62.9	62.2	65.8	69.0	70.5	71.3	71.3	71.2	70.8	70.7	73.1	72.6	72.6	72.3	72.0	67.7	68.6	
Romania	42.9	46.2	50.8	54.4	50.1	52.1	50.0	48.7	50.6	50.0	52.1	58.2	61.2	61.7	63.2	64.2	64.7	64.4	65.1	65.5	66.6	65.6	69.7	69.4	68.6	69.7	69.5	67.1	64.5	
Russia	51.1	51.6	48.6	52.8	54.5	51.8	49.8	48.7	50.8	52.8	51.3	52.4	52.2	49.8	50.8	50.3	50.5	50.5	51.1	51.9	52.1	50.6	57.1	58.2	58.9	61.0	61.5	56.1	53.8	
Rwanda	N/A	N/A	38.3	39.1	39.8	42.3	45.4	50.4	47.8	53.3	51.7	52.8	52.4	54.2	54.2	59.1	62.7	64.9	64.1	64.7	64.8	63.1	67.6	69.1	71.1	70.9	68.3	57.1	52.2	
Saint Lucia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.8	70.5	70.8	71.3	70.4	70.7	70.2	70.0	65.0	67.6	68.7	68.2	67.5	64.3	60.7	
Saint Vincent and the Grenadines	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64.3	66.9	66.9	66.5	66.7	67.0	68.0	68.8	65.2	67.7	65.8	66.8	66.3	65.7	63.5	
Samoa	N/A	47.6	51.5	49.9	58.7	60.8	63.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.5	60.4	60.6	60.5	57.1	61.1	61.9	63.5	58.4	61.5	62.2	62.1	61.9	68.3	68.7	
Sao Tomé and Príncipe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	43.8	48.8	49.5	50.2	48.0	48.8	53.3	56.7	55.4	53.6	54.0	56.2	55.9	60.3	61.5	
Saudi Arabia	N/A	68.3	68.7	69.3	65.5	66.5	62.2	65.3	63.2	60.4	63.0	63.0	60.9	62.5	64.3	64.1	66.2	62.5	60.6	62.2	62.1	62.1	64.4	59.6	60.7	62.4	66.0	55.5	58.3	
Senegal	N/A	58.2	58.1	59.7	60.6	58.9	58.7	58.6	58.1	58.9	57.9	56.2	58.1	58.3	56.3	54.6	55.7	55.4	55.5	55.4	57.8	58.1	55.9	55.7	56.3	58.0	58.0	60.0	57.7	
Serbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	46.6	43.5	N/A	N/A	N/A	N/A	56.6	56.9	58.0	58.0	58.6	59.4	60.0	62.1	58.9	62.5	63.9	66.0	67.2	65.2	63.5	
Seychelles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	47.8	47.9	51.2	53.0	54.9	56.2	57.5	62.2	61.8	61.6	61.4	64.3	66.3	61.1	59.5	
Sierra Leone	49.8	52.3	45.0	47.7	47.2	44.2	N/A	N/A	42.2	43.6	44.8	45.2	47.0	48.3	47.8	47.9	49.6	49.1	48.3	50.5	51.7	52.3	52.6	51.8	47.5	48.0	51.7	52.0	50.2	
Singapore	86.3	86.5	87.3	87.0	86.9	87.7	87.8	87.4	88.2	88.9	88.6	88.0	87.1	87.3	87.1	86.1	87.2	87.5	88.0	89.4	89.4	87.8	88.6	88.8	89.4	89.4	89.7	84.4	83.9	
Slovakia	60.4	57.6	55.5	57.5	54.2	53.8	58.5	59.8	59.0	64.6	66.8	69.8	69.6	70.0	69.4	69.7	69.5	67.0	68.7	66.4	67.2	66.6	65.7	65.3	65.0	66.8	66.3	69.7	69.0	
Slovenia	N/A	50.4	55.6	60.7	61.3	58.3	61.8	57.8	57.7	59.2	59.6	61.9	59.6	60.2	62.9	64.7	64.6	62.9	45.0	46.2	47.0	55.0	57.5	54.6	65.5	67.8	68.3	70.5	68.5	
Solomon Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	46.0	42.9	45.9	46.2	45.0	46.2	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Somalia	N/A	25.6	25.6	27.8	27.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa	60.7	62.5	63.2	64.3	63.3	63.7	63.8	64.0	67.1	66.3	62.9	63.7	63.5	63.4	63.8	62.8	62.7	62.7	61.8	62.5	62.6	61.9	62.3	63.0	58.3	58.8	59.7	56.2	55.7	
Spain	62.8	59.6	59.6	62.6	65.1	65.9	68.1	68.8	68.8	68.9	67.0	68.2	69.2	69.1	70.1	69.6	70.2	69.1	68.0	67.2	67.6	68.5	63.6	65.1	65.7	66.9	68.2	65.0	65.0	
Sri Lanka	60.6	62.5	65.5	64.6	64.0	63.2	66.0	64.0	62.5	61.6	61.0	58.7	59.4	58.4	56.0	54.6	57.1	58.3	60.7	60.0	58.6	59.9	57.4	57.8	56.4	57.4	55.7	53.3	52.2	
Sudan	39.4	39.2	39.9	38.3	39.6	47.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	47.8	49.4	47.7	45.0	39.1	32.0	32.8
Suriname	N/A	36.7	35.9	39.9	40.1	45.8	44.3	48.0	46.9	47.9	51.9	55.1	54.8	54.3	54.1	52.5	53.1	52.6	52.0	54.2	54.2	53.8	48.0	48.1	48.1	49.5	46.4	48.1	46.1	
Sweden	61.4	61.8	63.3	64.0	64.2	65.1	66.6	70.8	70.0	70.1	69.8	70.9	69.3	70.8	70.5	72.4	71.9	71.7	72.9	73.1	72.7	72.0	74.9	76.3	75.2	74.9	74.7	77.9	77.5	
Switzerland	N/A	76.8	78.6	79.0	79.1	76.8	76.0	79.3	79.0	79.5	79.3	78.9	78.0	79.5	79.4	81.1	81.9	81.1	81.0	81.6	80.5	81.0	81.5	81.7	81.9	82.0	81.9	84.2	83.8	
Syria	N/A	42.3	43.0	42.2	39.0	37.2	36.6	36.3	41.3	40.6	46.3	51.2	48.3	47.2	51.3	49.4	51.3	51.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

## INDEX OF ECONOMIC FREEDOM SCORES, 1995-2023

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Taiwan	74.2	74.1	70.0	70.4	71.5	72.5	72.8	71.3	71.7	69.6	71.3	69.7	69.4	70.3	69.5	70.4	70.8	71.9	72.7	73.9	75.1	74.7	76.5	76.6	77.3	77.1	78.6	80.1	80.7	
Tajikistan	N/A	N/A	N/A	41.1	41.2	44.8	46.8	47.3	46.5	48.7	50.4	52.6	53.6	54.4	54.6	53.0	53.5	55.4	53.4	52.0	52.7	51.3	58.2	58.3	55.6	52.2	55.2	49.7	50.6	
Tanzania	57.3	57.5	59.3	59.6	60.0	56.0	54.9	58.3	56.9	60.1	56.3	58.5	56.8	56.5	58.3	58.3	57.0	57.0	57.9	57.8	57.5	58.5	58.6	59.9	60.2	61.7	61.3	59.5	60.0	
Thailand	71.3	71.0	66.1	67.3	66.9	66.6	68.9	69.1	65.8	63.7	62.5	63.3	63.5	62.3	63.0	64.1	64.7	64.9	64.1	63.3	62.4	63.9	66.2	67.1	68.3	69.4	69.7	63.2	60.6	
Timor-Leste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50.5	45.8	42.8	43.3	43.7	45.2	45.5	45.8	46.3	48.1	44.2	45.9	44.7	46.3	47.2	
Togo	N/A	N/A	N/A	N/A	48.2	46.4	45.3	45.2	46.8	47.0	48.2	47.3	49.7	48.9	48.7	47.1	49.1	48.3	48.8	49.9	53.0	53.6	53.2	47.8	50.3	54.1	57.5	57.2	55.3	
Tonga	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	54.1	53.4	55.8	57.0	56.0	58.2	59.3	59.6	63.0	63.1	57.7	58.8	57.5	60.8	60.0	
Trinidad and Tobago	N/A	69.2	71.3	72.0	72.4	74.5	71.8	70.1	68.8	71.3	71.5	70.4	70.6	69.5	68.0	65.7	66.5	64.4	62.3	62.7	64.1	62.9	61.2	61.2	57.7	57.0	58.3	59.0	58.8	59.5
Tunisia	63.4	63.9	63.8	63.9	61.1	61.3	60.8	60.2	58.1	58.4	55.4	57.5	60.3	60.1	58.0	58.9	58.5	58.6	57.0	57.3	57.7	57.6	55.7	58.9	55.4	55.8	56.6	54.2	52.9	
Türkiye	58.4	56.7	60.8	60.9	59.2	63.4	60.6	54.2	51.9	52.8	50.6	57.0	57.4	59.9	61.6	63.8	64.2	62.5	62.9	64.9	63.2	62.1	65.2	65.4	64.6	64.4	64.0	56.9	56.9	
Türkmenistan	N/A	N/A	N/A	N/A	35.0	36.1	37.6	41.8	43.2	51.3	50.7	43.8	43.0	43.4	44.2	42.5	43.6	43.8	42.6	42.2	41.4	41.9	47.4	47.1	48.4	46.5	47.4	46.2	46.5	
Uganda	62.9	66.2	66.6	64.7	64.8	58.2	60.4	61.0	60.1	64.1	62.9	63.9	63.1	63.8	63.5	62.2	61.7	61.9	61.1	59.9	59.7	59.3	60.9	62.0	59.7	59.5	58.6	54.2	51.4	
Ukraine	39.9	40.6	43.5	40.4	43.7	47.8	48.5	48.2	51.1	53.7	55.8	54.4	51.5	51.0	48.8	46.4	45.8	46.1	46.3	49.3	46.9	46.8	48.1	51.9	52.3	54.9	56.2	54.1	N/A	
United Arab Emirates	N/A	71.6	71.9	72.2	71.5	74.2	74.9	73.6	73.4	67.2	65.2	62.2	62.6	62.6	64.7	67.3	67.8	69.3	71.1	71.4	72.4	72.6	76.9	77.6	77.6	76.2	76.9	70.2	70.9	
United Kingdom	77.9	76.4	76.4	76.5	76.2	77.3	77.6	78.5	77.5	77.7	79.2	80.4	79.9	79.4	79.0	76.5	74.5	74.1	74.8	74.9	75.8	76.4	76.4	76.4	78.0	78.9	79.3	78.4	72.7	69.9
United States	76.7	76.7	75.6	75.4	75.5	76.4	79.1	78.4	78.2	78.7	79.9	81.2	81.2	81.0	80.7	78.0	77.8	76.3	76.0	75.5	76.2	75.4	75.1	75.7	76.8	76.6	74.8	72.1	70.6	
Uruguay	62.5	63.7	67.5	68.6	68.5	69.3	70.7	68.7	69.8	66.7	66.9	65.3	68.4	67.9	69.1	69.8	70.0	69.9	69.7	69.3	68.6	68.8	69.7	69.2	68.6	69.1	69.3	70.0	70.2	
Uzbekistan	N/A	N/A	N/A	N/A	31.5	33.8	38.1	38.2	38.5	38.3	39.1	45.8	48.7	51.5	50.5	47.5	45.8	45.8	46.0	46.5	47.0	46.0	52.3	51.5	53.3	57.2	58.3	55.7	56.5	
Vanuatu	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58.4	56.4	56.7	56.6	56.6	59.5	61.1	60.8	67.4	69.5	56.4	60.7	60.5	62.9	62.1	
Venezuela	59.8	54.5	52.8	54.0	56.1	57.4	54.6	54.7	54.8	46.7	45.2	44.6	47.9	44.7	39.9	37.1	37.6	38.1	36.1	36.3	34.3	33.7	27.0	25.2	25.9	25.2	24.7	24.8	25.8	
Vietnam	41.7	40.2	38.6	40.4	42.7	43.7	44.3	45.6	46.2	46.1	48.1	50.5	49.8	50.4	51.0	49.8	51.6	51.3	51.0	50.8	51.7	54.0	52.4	53.1	55.3	58.8	61.7	60.6	61.8	
Yemen	49.8	49.6	48.4	46.1	43.3	44.5	44.3	48.6	50.3	50.5	53.8	52.6	54.1	53.8	56.9	54.4	54.2	55.3	55.9	55.5	53.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Zambia	55.1	59.6	62.1	62.7	64.2	62.8	59.5	59.6	55.3	54.9	55.0	56.8	56.2	56.2	56.6	58.0	59.7	58.3	58.7	60.4	58.7	58.8	55.8	54.3	53.6	53.3	50.4	48.7	47.7	
Zimbabwe	48.5	46.7	48.0	44.6	47.2	48.7	38.8	36.7	36.7	34.4	35.2	33.5	32.0	29.5	22.7	21.4	22.1	26.3	28.6	35.5	37.6	38.2	44.0	44.0	40.4	45.1	39.5	33.1	39.0	



# METHODOLOGY

The *Index of Economic Freedom* focuses on four key aspects of the economic and entrepreneurial environment that governments typically control:

- **Rule of law,**
- **Government size,**
- **Regulatory efficiency,** and
- **Market openness.**

In assessing conditions in these four categories, the *Index* measures 12 specific components of economic freedom, each of which is graded on a scale from 0 to 100. Scores on these 12 components of economic freedom are calculated from a number of sub-variables and then equally weighted and averaged to produce an overall economic freedom score for each economy.

The following sections explain the formulas and methodology used to compute the scores for each of the 12 components of economic freedom.

## RULE OF LAW

### Property Rights

The property rights component assesses the extent to which a country's legal framework allows individuals to acquire, hold, and utilize private property and the extent to which these rights are secured by applicable laws that the government enforces effectively. Relying on a mix of survey data and independent assessments, it provides a quantifiable measure of the degree to which a country's laws protect private property rights and the extent to which those laws are respected. It also assesses the level of state expropriation of private property.

The more effective the legal protection of property is, the higher a country's score will be. Similarly, the greater the chances of government expropriation of property are, the lower a country's score will be.

The score for this component is derived by averaging scores for three equally weighted sub-factors:

- Risk of expropriation;
- Respect for intellectual property rights; and
- Quality of contract enforcement, property rights, and law enforcement.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_i) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})^1$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent available versions of the following sources in assessing property rights: Credendo, *Country Risk and Insights*; U.S. Chamber of Commerce, Global Innovation Policy Center, *International IP Index*; and World Bank, *Worldwide Governance Indicators*.

### Judicial Effectiveness

Properly functioning legal frameworks are essential for protecting the rights of all citizens against unlawful acts by others, including governments and powerful private parties. Judicial effectiveness requires efficient and fair judicial systems to ensure that laws are fully respected and appropriate legal actions are taken against violations.

The score for the judicial effectiveness component is derived by averaging scores for three equally weighted sub-factors:

- Judicial independence,
- Quality of the judicial process, and
- Perceptions of the quality of public services and the independence of the civil service.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent available versions of the following sources in assessing judicial effectiveness: Freedom House, *Freedom in the World*, and World Bank, *Worldwide Governance Indicators*.

### Government Integrity

Corruption erodes economic freedom by introducing insecurity and coercion into economic relations. Of greatest concern is the systemic corruption of government institutions and decision-making by such practices as bribery, extortion, nepotism, cronyism, patronage, embezzlement, and graft. The lack of government integrity that such practices cause reduces public trust and economic vitality by increasing the costs of economic activity.

The score for this component is derived by averaging scores for three equally weighted sub-factors:

- Perceptions of corruption,
- Bribery risk, and
- Control of corruption including “capture” of the state by elites and private interests.

Each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score}_i = 100 \times (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_i) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})^2$$

where  $\text{Sub-factor}_i$  represents the original data for country  $i$ ,  $\text{Sub-factor}_{\text{Max}}$  and  $\text{Sub-factor}_{\text{Min}}$  represent the upper and lower bounds for the corresponding data set, and  $\text{Sub-factor Score}_i$  represents the computed sub-factor score for country  $i$ .

**Sources.** The *Index* relies on the most recent versions of the following sources in assessing government integrity: Transparency International, *Corruption Perceptions Index*; TRACE International, *Trace Bribery Risk Matrix*®; and World Bank, *Worldwide Governance Indicators*.

## GOVERNMENT SIZE

### Tax Burden

Tax burden is a composite measure that reflects marginal tax rates on both personal and corporate income and the overall level of taxation (including direct and indirect taxes imposed by all levels of government) as a percentage of gross domestic product (GDP).

The component score is derived from three equally weighted quantitative sub-factors:

- The top marginal tax rate on individual income,
- The top marginal tax rate on corporate income, and
- The total tax burden as a percentage of GDP.

The equal weighting of these numerical variables allows a country to achieve a score as high as 67 based on two of the sub-factors even if it receives a score of zero on the third.

Tax burden scores are calculated with a quadratic cost function to reflect the diminishing revenue returns from very high rates of taxation. The data for each sub-factor are converted to a 100-point scale using the following equation:

$$\text{Tax Burden}_{ij} = 100 - \alpha (\text{Sub-factor}_{ij})^2$$

where  $\text{Tax Burden}_{ij}$  represents the tax burden in country  $i$  for sub-factor  $j$ ;  $\text{Sub-factor}_{ij}$  represents the value (a percentage expressed on a scale of 0 to 100) in country  $i$  for sub-factor  $j$ ; and  $\alpha$  is a coefficient set equal to 0.03. The minimum score for each sub-factor is zero, which is not represented in the printed equation but is used because it means that no single high tax burden will make the other two sub-factors irrelevant.

**Sources.** The *Index* relies on the most recent available data from the following sources for information on tax rates, in order of priority: KPMG International; Deloitte, *Tax Guides and Highlights*; International Monetary Fund, *Staff Country Report*, “Selected Issues and Statistical Appendix,” and *Staff Country Report*, “Article IV Consultation”; PricewaterhouseCoopers, *Worldwide Tax Summaries*; countries’ investment agencies; other government authorities (embassy confirmations and/or the country’s treasury or tax authority); and Economist Intelligence Unit, *Country Commerce and Country Finance*.

For information on the tax burden as a percentage of GDP, the primary sources are World Bank, *World Development Indicators*; Organisation for Economic Co-operation and Development data; Eurostat, Government Finance Statistics; African Development Bank Group, *African Economic Outlook*; International Monetary Fund, *Government Finance Statistics (GFS)* database, *Staff Country Report*, “Selected Issues,” and *Staff Country Report*, “Article IV Consultation”; Asian Development Bank, *Key Indicators for Asia and the Pacific*; United Nations Economic Commission for Latin America, *Economic Survey of Latin America and the Caribbean*; and Economist Intelligence Unit, Data Tool.

### Government Spending

The government spending component captures the burden imposed by government expenditures, which includes consumption by the state and all transfer payments related to various entitlement programs.

The *Index* does not identify an optimal level of government spending. The ideal level will vary from country to country, depending on factors that range from culture to geography to level of economic development. At some point, however, government spending becomes an unavoidable burden as growth in the public sector’s size and scope leads inevitably to misallocation of resources and loss of economic efficiency. Volumes of research have shown that excessive government spending that causes chronic budget deficits and the accumulation of public debt is one of the most serious drags on economic dynamism.

The *Index* methodology treats zero government spending as the benchmark. As a result, underdeveloped countries, particularly those with little government capacity, may receive artificially high scores. However, such governments, which can provide few if any public goods, will probably receive low scores on some of

the other components of economic freedom (such as property rights, financial freedom, and investment freedom) that measure aspects of government effectiveness.

Government spending has a major impact on economic freedom, but it is just one of many important components. The scale for scoring government spending is nonlinear, which means that spending that is close to zero is lightly penalized while spending that exceeds 30 percent of GDP leads to much worse scores in a quadratic fashion (for example, doubling spending yields four times less freedom). Only extraordinarily high levels of government spending (for example, more than 58 percent of GDP) receive a score of zero.

The equation used to compute a country's government spending score is:

$$GE_i = 100 - \alpha (\text{Expenditures}_i)^2$$

where  $GE_i$  represents the government expenditure score in country  $i$ ;  $\text{Expenditures}_i$  represents the average total government spending at all levels as a percentage of GDP for the most recent three years; and  $\alpha$  is a coefficient to control for variation among scores (set at 0.03). The minimum component score is zero.

For most countries, the *Index* uses general government expenditure data for all levels of government, from national to local. In cases where data on general government spending are not available, data on central government expenditures are used.

For several countries, particularly developing countries, statistics related to government spending as a percentage of GDP are subject to frequent revisions by such data sources as the International Monetary Fund (IMF).

**Sources.** The *Index* relies on the most recent versions of the following sources for information on government intervention in the economy, in order of priority: Economist Intelligence Unit, Data Tool; Organisation for Economic Co-operation and Development data; Eurostat data; African Development Bank Group, *African Economic Outlook*; International Monetary Fund, *Staff Country Report*, "Selected Issues and Statistical Appendix," *Staff Country Report*, "Article IV Consultation," and *World Economic Outlook* database; Asian Development Bank, *Key Indicators for Asia and the Pacific*; African Development Bank, *AfDB Statistics Pocketbook*; official government publications of each country; and United Nations Economic Commission for Latin America, *Economic Survey of Latin America and the Caribbean*.

## Fiscal Health

Widening deficits and a growing debt burden, both of which are caused by poor government budget management, lead to the erosion of a country's overall fiscal health, and deteriorating fiscal health is associated with macroeconomic instability and economic uncertainty.

Debt is an accumulation of budget deficits over time. In theory, debt financing of public spending could contribute to productive investment and ultimately to economic growth. However, mounting public debt driven by persistent budget deficits—particularly spending that merely boosts government consumption or transfer payments—often undermines overall productivity growth and leads ultimately to economic stagnation rather than growth.

The score for the fiscal health component is based on two sub-factors, which are weighted as follows in calculating the overall component score:

- Average deficits as a percentage of GDP for the most recent three years (80 percent of score)<sup>3</sup> and
- Debt as a percentage of GDP (20 percent of score).

The equation used to compute a country's fiscal health score is:

$$\text{Sub-factor Score}_i = 100 - \alpha (\text{Sub-factor}_i)^2$$

where  $\text{Sub-factor Score}_i$  represents the deficit or debt score in country  $i$ ;  $\text{Sub-factor}_i$  represents the factor value as a portion of GDP; and  $\alpha$  is a coefficient to control for variation among scores (set at 2 for deficit and 0.01 for debt). The minimum sub-factor score is zero.

For most countries, the *Index* uses general government deficit and debt data for all levels of government, from national to local. In cases where such general government data are not available, data on central government expenditures are used.

For several countries, particularly developing countries, statistics related to budget balance as a percentage of GDP are subject to frequent revisions by such data sources as the IMF.

**Sources.** The *Index* relies on the most recent available versions of the following sources for information on government intervention in the economy, in order of priority: Economist Intelligence Unit, Data Tool; International Monetary Fund, *World Economic Outlook* database, *Staff Country Report*, “Selected Issues and Statistical Appendix,” and *Staff Country Report*, “Article IV Consultation”; Asian Development Bank, *Key Indicators for Asia and the Pacific*; African Development Bank, *AfDB Statistics Pocketbook*; and official government publications of each country.

## REGULATORY EFFICIENCY

### Business Freedom

The business freedom component measures the extent to which a country’s regulatory and infrastructure environments constrain the efficient operation of businesses. The quantitative score is derived from an array of factors that affect the ease of starting, operating, and closing a business.

The business freedom score for each country is a number between 0 and 100 with 100 indicating the freest business environment. It is based on four equally weighted sub-factors:

- Access to electricity,
- Business environment risk,
- Regulatory quality, and
- Women’s economic inclusion.

Except for the women’s economic inclusion variable, which is readily available in a scale of 0 to 100, each sub-factor is converted to a scale of 0 to 100 using the following equation:

$$\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_{i} - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$$

where Sub-factor<sub>*i*</sub> represents the original data for country *i*, Sub-factor<sub>Max</sub> and Sub-factor<sub>Min</sub> represent the upper and lower bounds for the corresponding data set, and Sub-factor Score *i* represents the computed sub-factor score for country *i*.

**Sources.** The *Index* relies on the most recent available versions of the following sources in determining business freedom scores: World Bank, *Worldwide Governance Indicators*; World Bank, *World Development Indicators*; Credendo, *Country Risk and Insights*; and World Bank, *Women, Business and the Law*.

### Labor Freedom

The labor freedom component is a quantitative measure that considers various aspects of the legal and regulatory framework of a country’s labor market, including regulations concerning minimum wages, associational rights, laws inhibiting layoffs, severance requirements, and measurable regulatory restraints on hiring and hours worked, in addition to the labor force participation rate and labor productivity as an indicative measure of employment opportunities in the labor market.

The score for the labor freedom component is based on nine equally weighted sub-factors:

- Minimum wage,
- Associational right,
- Paid annual leave,
- Notice period for redundancy dismissal,

- Severance pay for redundancy dismissal,
- Labor productivity,
- Labor force participation rate,
- Restrictions on overtime work, and
- Redundancy dismissal permitted by law.

In constructing the labor freedom score, the first seven of the nine sub-factors are converted to a scale of 0 to 100 based on the following equation:

$$\text{Sub-factor Score}_i = 50 \times (\text{Sub-factor}_{\text{average}} / \text{Sub-factor}_i)$$

where country  $i$  data are calculated relative to the world average and then multiplied by 50. The seven sub-factor scores are then averaged for each country, yielding a labor freedom score in comparison to scores for other countries.

For the existence of overtime restrictions, 100 is assigned to a country whose value is No, and 0 is given to a country whose value is Yes. For the question of redundancy dismissal permitted by law, 100 is assigned to a country whose value is Yes, and 0 is given to a country whose value is No.

The simple average of the converted values for the nine sub-factors is computed to obtain the country's overall labor freedom score.

**Sources.** The *Index* relies on the most recent data available from the following sources for data on labor freedom: World Bank, *Worldwide Governance Indicators*; World Bank, *World Development Indicators*; Freedom House, *Freedom in the World*; International Labour Organization, statistics and databases; and World Bank, Employing Workers project.

## Monetary Freedom

Monetary freedom combines a measure of inflation with an assessment of various government activities that distort prices. Price stability without microeconomic intervention is the ideal state for the free market.

The score for the monetary freedom component is based on two sub-factors:

- The weighted average rate of inflation for the most recent three years and
- A qualitative judgement about the extent of government manipulation of prices through direct controls or subsidies.

The weighted average rate of inflation for the most recent three years serves as the primary input into an equation that generates the base score for monetary freedom. The extent of price controls is then assessed as a penalty deduction of 0–20 points from the base score. The two equations used to convert rates of inflation into the final monetary freedom score are:

$$\text{Weighted Avg. Inflation}_i = \theta_1 \text{Inflation}_{it} + \theta_2 \text{Inflation}_{it-1} + \theta_3 \text{Inflation}_{it-2}$$

$$\text{Monetary Freedom}_i = 100 - \alpha \sqrt{\text{Weighted Avg. Inflation}_i - \text{PC penalty}_i}$$

where  $\theta_1$  through  $\theta_3$  (thetas 1–3) represent three numbers that sum to 1 and are exponentially smaller in sequence (in this case, values of 0.665, 0.245, and 0.090, respectively);  $\text{Inflation}_{it}$  is the absolute value of the annual rate of inflation in country  $i$  during year  $t$  as measured by the Consumer Price Index;  $\alpha$  represents a coefficient that stabilizes the variance of scores; and the price control (PC) penalty is an assigned value of 0–20 penalty points based on the extent of price controls.

The convex (square root) functional form was chosen to create separation among countries with low rates of inflation. A concave functional form would essentially treat all hyperinflations as equally bad, whether



they were price increases of 100 percent annually or 100,000 percent annually, whereas the square root provides much more gradation. The  $\alpha$  coefficient is set to equal 6.333, which converts a 10 percent inflation rate into a monetary freedom score of 80.0 and a 2 percent inflation rate into a score of 91.0.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on monetary policy, in order of priority: International Monetary Fund, *International Financial Statistics Online*; International Monetary Fund, *World Economic Outlook* database and *Staff Country Report*, “Article IV Consultation”; Economist Intelligence Unit, ViewsWire and Data Tool; various World Bank country reports; various news and magazine articles; and official government publications of each country.

## OPEN MARKETS

### Trade Freedom

Trade freedom is a composite measure of the extent of tariff and nontariff barriers that affect imports and exports of goods and services. The trade freedom score is based on two inputs:

- The trade-weighted average tariff rate and
- A qualitative evaluation of nontariff barriers (NTBs).

Different imports entering a country can be (and often are) subject to different tariff rates. The weighted average tariff uses weights for each tariff based on the share of imports for each good. Weighted average tariffs are a purely quantitative measure and account for the calculation of the base trade freedom score using the following equation:

$$\text{Trade Freedom}_i = 100(\text{Tariff}_{\text{Max}} - \text{Tariff}_i) / (\text{Tariff}_{\text{Max}} - \text{Tariff}_{\text{Min}}) - \text{NTB}_i$$

where  $\text{Trade Freedom}_i$  represents the trade freedom in country  $i$ ;  $\text{Tariff}_{\text{max}}$  and  $\text{Tariff}_{\text{min}}$  represent the upper and lower bounds for tariff rates (%); and  $\text{Tariff}_i$  represents the weighted average tariff rate (%) in country  $i$ . The minimum tariff is naturally 0 percent, and the upper bound was set at 50 percent.

We determine the extent of NTBs in a country’s trade policy regime using both qualitative and quantitative information. Restrictive rules that hinder trade vary widely, and their overlapping and shifting nature makes their complexity hard to measure. The types of NTBs considered in our scoring include:

- **Quantity restrictions:** import quotas; export limitations; voluntary export restraints; import–export embargoes and bans; countertrade; etc.
- **Regulatory restrictions:** licensing; domestic content and mixing requirements; sanitary and phytosanitary standards (SPSs); safety and industrial standards regulations; packaging, labeling, and trademark regulations; advertising and media regulations.
- **Customs restrictions:** advance deposit requirements; customs valuation procedures; customs classification procedures; customs clearance procedures.
- **Direct government intervention:** subsidies and other aid; government industrial policies; government-financed research and other technology policies; competition policies; government procurement policies; state trading, government monopolies, and exclusive franchises.
- In addition, where possible, we consider and report the number of nontariff measures in force as calculated by the World Trade Organization (WTO).

Gathering tariff statistics to make a consistent cross-country comparison is a challenging task. Unlike data on inflation, for instance, some countries do not report their weighted average tariff rate or simple average tariff rate every year.

To preserve consistency in grading the trade freedom component, the *Index* uses a country’s most recently reported most favored nation (MFN)<sup>5</sup> trade-weighted average tariff rate from our primary source.

The most comprehensive and consistent information on MFN trade-weighted average tariff rates is published by the WTO. When the MFN trade-weighted average applied tariff rate is not available, the *Index* uses the country's simple average of MFN tariff rates; when the country's simple average MFN tariff rate is not available, the weighted average or the simple average of applied tariff rates is used. In the very few cases for which tariff rates are not available from the WTO or the World Bank, data on international trade taxes or an estimated effective tariff rate are used.

**Sources.** The *Index* relies on the most recent versions of the following sources in determining scores for trade policy, in order of priority: World Trade Organization, *World Tariff Profiles*; World Bank, *World Development Indicators*; World Trade Organization, *Trade Policy Review*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; U.S. Department of Commerce, *Country Commercial Guide*; Economist Intelligence Unit, *Country Commerce*; and official government publications of each country.

## Investment Freedom

In an economically free country, there would be no constraints on the flow of investment capital. Individuals and firms could move their resources into and out of specific activities, both internally and across the country's borders, without restriction. Such an ideal country would receive a score of 100 on the *Index*'s investment freedom component.

In practice, however, most countries impose a variety of restrictions on investment. Some have different rules for foreign and domestic investment. Some restrict access to foreign exchange. Some impose restrictions on payments, transfers, and capital transactions. In some, certain industries are closed to foreign investment.

The *Index* evaluates a variety of regulatory restrictions that typically are imposed on investment. Points, as indicated below, are deducted from the ideal score of 100 for each of the restrictions in a country's investment regime. It is not necessary for a government to impose all of the listed restrictions at the maximum level to eliminate investment freedom. The scores for the few governments that impose so many restrictions that they total more than 100 points in deductions are set at zero.

## Investment Restrictions

### *National treatment of foreign investment*

- No national treatment; investment prescreened 25 points deducted
- Some national treatment, some prescreening 15 points deducted
- Some national treatment or prescreening 5 points deducted

### *Foreign investment code*

- Burdensome bureaucracy and no transparency 20 points deducted
- Inefficient policy implementation and bureaucracy 10 points deducted
- Some investment laws and practices nontransparent or inefficiently implemented 5 points deducted

### *Restrictions on land ownership*

- All real estate purchases restricted 15 points deducted
- No foreign purchases of real estate 10 points deducted
- Some restrictions on purchases of real estate 5 points deducted

### *Sectoral investment restrictions*

- Multiple sectors restricted 20 points deducted
- Few sectors restricted 10 points deducted
- One or two sectors restricted 5 points deducted



### *Expropriation of investments without fair compensation*

- Common with no legal recourse 25 points deducted
- Common with some legal recourse 15 points deducted
- Uncommon but does occur 5 points deducted

### *Foreign exchange controls*

- No access by foreigners or residents 25 points deducted
- Access available but heavily restricted 15 points deducted
- Access available with few restrictions 5 points deducted

### *Capital controls*

- No repatriation of profits; all transactions require government approval 25 points deducted
- Inward and outward capital movements require approval and face some restrictions 15 points deducted
- Most transfers approved with some restrictions 5 points deducted

As many as 20 additional points may be deducted for security problems, a lack of basic investment infrastructure, or other government policies that inject a considerable degree of uncertainty and indirectly burden the investment process and limit investment freedom.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on capital flows and foreign investment, in order of priority: official government publications of each country; U.S. Department of State, *Investment Climate Statements*; Economist Intelligence Unit, *Country Commerce*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; World Bank, *Investing Across Borders*; Organisation for Economic Co-operation and Development, *Services Trade Restrictiveness Index*; and U.S. Department of Commerce, *Country Commercial Guide*.

## Financial Freedom

Financial freedom is both an indicator of banking efficiency and a measure of independence from government control and interference in the financial sector. State ownership of banks and other financial institutions such as insurers and capital markets reduces competition and generally lowers the level of access to credit.

In an ideal banking and financing environment characterized by a minimum level of government interference, independent central bank supervision and regulation of financial institutions are limited to enforcing contractual obligations and preventing fraud; credit is allocated on market terms; the government does not own financial institutions; financial institutions provide various types of financial services to individuals and companies; banks are free to extend credit, accept deposits, and conduct operations in foreign currencies; and foreign financial institutions operate freely and are treated the same as domestic institutions.

To assess the overall level of financial freedom that ensures easy and effective access to financing opportunities for people and businesses in a country's economy, the *Index* takes account of five broad areas:

- The extent of government regulation of financial services,
- The degree of state intervention in banks and other financial firms through direct and indirect ownership,
- Government influence on the allocation of credit,
- The extent of financial and capital market development, and
- Openness to foreign competition.

Based on this assessment, an economy receives an overall financial freedom score on a scale of 0 to 100 according to the following criteria:

- **100—No government interference.** Government oversight is limited solely to the enforcement of contractual obligations and prevention of fraud.
- **90—Minimal government interference.** Regulation of financial institutions is minimal but may extend beyond the enforcement of contractual obligations and prevention of fraud to capitalization or reserve requirements.
- **80—Nominal government interference.** Government ownership of financial institutions represents a small share of overall sector assets. Financial institutions face almost no restrictions on their ability to offer financial services.
- **70—Limited government interference.** The government influences the allocation of credit, and private allocation of credit is subject to almost no restrictions. Government ownership of financial institutions is sizeable. Foreign financial institutions are subject to few restrictions.
- **60—Moderate government interference.** Banking and financial regulations are somewhat burdensome. The government exercises ownership and control of financial institutions with a significant share of overall sector assets. The ability of financial institutions to offer financial services is subject to some restrictions.
- **50—Considerable government interference.** The government significantly influences the allocation of credit, and private allocation of credit faces significant barriers. The ability of financial institutions to offer financial services is subject to significant restrictions. Foreign financial institutions are subject to some restrictions.
- **40—Strong government interference.** The central bank is subject to government influence, its supervision of financial institutions is heavy-handed, and its ability to enforce contracts and prevent fraud is weak. The government exercises active ownership and control of financial institutions with a large minority share of overall sector assets.
- **30—Extensive government interference.** The government influences the allocation of credit extensively. The government owns or controls a majority of financial institutions or is in a dominant position. Financial institutions are heavily restricted, and bank formation faces significant barriers. Foreign financial institutions are subject to significant restrictions.
- **20—Heavy government interference.** The central bank is not independent, and its supervision of financial institutions is repressive. Foreign financial institutions are discouraged or highly constrained.
- **10—Near-repressive.** The government controls the allocation of credit. Bank formation is restricted. Foreign financial institutions are prohibited.
- **0—Repressive.** Supervision and regulation are designed to prevent private financial institutions from functioning. Private financial institutions are nonexistent.

**Sources.** The *Index* relies on the most recent versions of the following sources for data on banking and finance, in order of priority: Economist Intelligence Unit, *Country Commerce* and *Country Finance*; International Monetary Fund, *Staff Country Report*, “Selected Issues,” and *Staff Country Report*, “Article IV Consultation”; Organisation for Economic Co-operation and Development, *Economic Surveys*; official government publications of each country; U.S. Department of Commerce, *Country Commercial Guide*; Office of the U.S. Trade Representative, *National Trade Estimate Report on Foreign Trade Barriers*; U.S. Department of State, *Investment Climate Statements*; World Bank, *World Development Indicators*; and various news and magazine articles on banking and finance.

## GENERAL METHODOLOGICAL PARAMETERS

**Period of Study.** Scores for the *2023 Index of Economic Freedom* are generally based on data for the period covering the second half of 2021 through the first half of 2022. To the extent possible, the information considered for each variable was current as of June 30, 2022. It should be noted, however, that some component scores are based on historical information. For example, the monetary freedom component uses a three-year weighted average rate of inflation from January 1, 2019, through December 31, 2021.

**Equal Weight.** In the *Index of Economic Freedom*, the 12 components of economic freedom are weighted equally so that the overall score will not be biased toward any one component or policy direction. The 12 economic freedoms obviously interact, but the exact mechanisms of this interaction are not clearly definable: Is a minimum threshold for each one essential? Is it possible for one to maximize if others are minimized? Are they dependent or exclusive, complementary or supplementary?

These questions, while valid, are beyond the scope of our fundamental mission. The *Index of Economic Freedom* is designed to reflect the economic and entrepreneurial environment in every country studied in as balanced a way as possible, not specifically to explain economic growth or any other dependent variable; that is ably done by researchers elsewhere. The raw data for each component are provided so that others can study, weight, and integrate as they see fit.

**Using the Most Currently Available Information.** By analyzing economic freedom annually, the *Index* can include the most recent information as it becomes available country by country. Using a data cutoff date ensures that all countries are treated fairly. As described above, each year's *Index* considers all information as of the last day of June of the previous year (in this case, June 30, 2022). Any new legislative changes or policy actions that take effect after that date have no positive or negative impact on scores or rankings.<sup>6</sup>

## DEFINING THE COUNTRY PAGES' "QUICK FACTS"

The "Quick Facts" section of each country page is a statistical profile that includes the country's principal economic and demographic indicators. To facilitate comparisons among countries, the GDP and GDP per capita figures in the "Quick Facts" section are adjusted to reflect purchasing power parity (PPP). Caution should be used in interpreting changes in these figures over time because PPP conversion rates are subject to regular revision by the International Monetary Fund and the World Bank. To provide accurate estimates of annual and five-year GDP growth rates, these figures have been calculated using constant U.S. dollars for the most recent available years.

Exact definitions and sources for each category of data reported are as follows:

**Population:** 2021 data from World Bank, *World Development Indicators* database midyear estimates, which count all residents regardless of legal status or citizenship. In some cases, other sources include the country's statistical agency and/or central bank.

**GDP:** Gross domestic product (total production of goods and services) adjusted to reflect purchasing power parity. The primary source is International Monetary Fund, *World Economic Outlook* database, April 2022. The secondary source is Economist Intelligence Unit, Data Tool. Other sources include a country's statistical agency and/or central bank.

**GDP growth rate:** Annual percentage growth rate of real GDP derived from constant currency units. Annual percent changes are year-over-year. The primary source is International Monetary Fund, *World Economic Outlook* database, April 2022. Secondary sources include Economist Intelligence Unit, Data Tool; U.S. Central Intelligence Agency, *The World Factbook 2022*; and a country's statistical agency and/or central bank.

**GDP five-year average annual growth:** Average growth rate measured over a specified period of time. The five-year annual growth rate is measured using data from 2017 through 2021 based on real GDP growth rates. The primary source is International Monetary Fund, *World Economic Outlook* database, April 2022. Secondary sources are Economist Intelligence Unit, Data Tool; U.S. Central Intelligence Agency, *The World Factbook 2022*; and a country's statistical agency and/or central bank.

**GDP per capita:** Gross domestic product (adjusted for PPP) divided by total population. The sources for these data are International Monetary Fund, *World Economic Outlook* database, April 2022; Economist Intelligence Unit, Data Tool; U.S. Central Intelligence Agency, *The World Factbook 2022*; and a country's statistical agency and/or central bank.

**Unemployment rate:** A measure of the portion of the workforce that is not employed but is actively seeking work. Data are from International Labour Organization, *World Employment and Social Outlook: Trends 2022*.

**Inflation:** Annual percent change in consumer prices as measured for 2021 (or the most recent available year). The primary source for 2021 data is International Monetary Fund, *World Economic Outlook* database,

April 2022. Secondary sources are Economist Intelligence Unit, Data Tool, and a country’s statistical agency and/or central bank.

**Foreign direct investment (FDI) inward flow:** Total annual inward flow of FDI in current 2020 U.S. dollars, reported in millions. FDI flows are defined as investments that acquire a lasting management interest (10 percent or more of voting stock) in a local enterprise by an investor operating in another country. Such investment is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments and both short-term and long-term international loans. Data are from United Nations Conference on Trade and Development, *World Investment Report 2022: International Tax Reforms and Sustainable Investment*.

**Public debt:** Gross government debt as a percentage of GDP, which indicates the cumulative total of all government borrowings less repayments that are denominated in a country’s currency. Public debt is different from external debt, which reflects the foreign currency liabilities of both the private and public sectors and must be financed out of foreign exchange earnings. The primary sources for 2021 data are International Monetary Fund, IMF Data Mapper, and Economist Intelligence Unit, Data Tool.

## COMMONLY USED ABBREVIATIONS

**ECOWAS:** Economic Community of West African States, founded in 1975 and self-described as “a 15-member regional group with a mandate of promoting economic integration in all fields of activity of the constituting countries.”<sup>7</sup> Its 15 member countries include Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea–Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

**EU:** European Union, founded in 1963 and self-described as “a unique economic and political union between 27 European countries.”<sup>8</sup> Its 27 member countries currently include Austria, Belgium, Bulgaria, Cyprus, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden. (The United Kingdom completed its withdrawal from the EU on January 31, 2020.)

**GCC:** Gulf Cooperation Council, self-described as founded in 1981 “[to] effect co-ordination, integration and inter-connection between member states in all fields in order to achieve unity between them.”<sup>9</sup> Its six member countries include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

**IDB:** Inter-American Development Bank, self-described as “the leading source of development financing for Latin America and the Caribbean.”<sup>10</sup> Its 26 “borrowing member countries” include Argentina, the Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, and Venezuela. Its 22 “non-borrowing members” include Austria, Belgium, Canada, Croatia, Denmark, Finland, France, Germany, Israel, Italy, Japan, the Republic of Korea, the Netherlands, Norway, the People’s Republic of China, Portugal, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

**IMF:** International Monetary Fund, established in 1945 and self-described as “an organization of 190 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.”<sup>11</sup>

**MERCOSUR:** Southern Common Market, self-described as “an open and dynamic process” that has as “its main objective” the promotion of “a common space that generates business and investment opportunities through the competitive integration of national economies into the international market.”<sup>12</sup> Its five “States Parties” include Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Its seven “Associated States” include Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname. (Venezuela currently “is suspended in all the rights and obligations inherent to its status as a State Party of MERCOSUR, in accordance with the provisions of the second paragraph of the Article 5 of the Protocol of Ushuaia.” Bolivia “is in the process of accession.”)<sup>13</sup>

**NATO:** North Atlantic Treaty Organization, established in 1949 and self-described as an alliance whose “purpose is to guarantee the freedom and security of its members through political and military means.”<sup>14</sup>

Its 30 member countries as of November 2022 include Albania, Belgium, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, the Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Türkiye, the United Kingdom, and the United States.<sup>15</sup>

**OECD:** Organisation for Economic Co-operation and Development, an international organization of developed countries founded in 1948 as the Organisation for European Economic Co-operation and self-described as working “with governments, policy makers and citizens...on establishing evidence-based international standards and finding solutions to a range of social, economic and environmental challenges.”<sup>16</sup> Its 38 member countries include Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom, and the United States.<sup>17</sup>

**OECS:** Organisation of Eastern Caribbean States, self-described as “an International **Inter-governmental** Organisation dedicated to **regional integration** in the Eastern Caribbean.”<sup>18</sup> Its 11 member countries include Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, the Federation of Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines as “Protocol Members” and Anguilla, the British Virgin Islands, Guadeloupe, and Martinique as “Associate Members.”

**OPEC:** Organization of the Petroleum Exporting Countries, self-described as “a permanent intergovernmental organization of 13 oil-exporting developing nations that coordinates and unifies the petroleum policies of its Member Countries.”<sup>19</sup> Its 13 member countries currently include Algeria, Angola, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, the Republic of the Congo, Saudi Arabia, the United Arab Emirates, and Venezuela.<sup>20</sup>

**WTO:** World Trade Organization, founded in 1995 and self-described as “the only global international organization dealing with the rules of trade between nations.”<sup>21</sup> Specifically, it “operates a global system of trade rules,” “acts as a forum for negotiating trade agreements,” “settles trade disputes between its members,” and “supports the needs of developing countries.” As of the time this edition of the *Index* was being prepared, the WTO included 164 member economies.



## ENDNOTES

1. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
2. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
3. The maximum sub-factor score of 100 is assigned to balanced budgets or budget surpluses.
4. The following equation is used where values of sub-factor data are ranked in ascending order:  $\text{Sub-factor Score } i = 100 \times (\text{Sub-factor}_i - \text{Sub-factor}_{\text{Min}}) / (\text{Sub-factor}_{\text{Max}} - \text{Sub-factor}_{\text{Min}})$ .
5. Known since 1998 as permanent normal trade relations (PNTR).
6. Because the *Index* is published several months after the cutoff date for evaluation, more recent events cannot be factored into the scores. As in past editions, however, such events may be noted in the text. The impact of policy changes and macroeconomic statistics available in the second half of 2022 has not affected the rankings for the 2023 *Index* but almost certainly will affect scores in the next edition.
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