

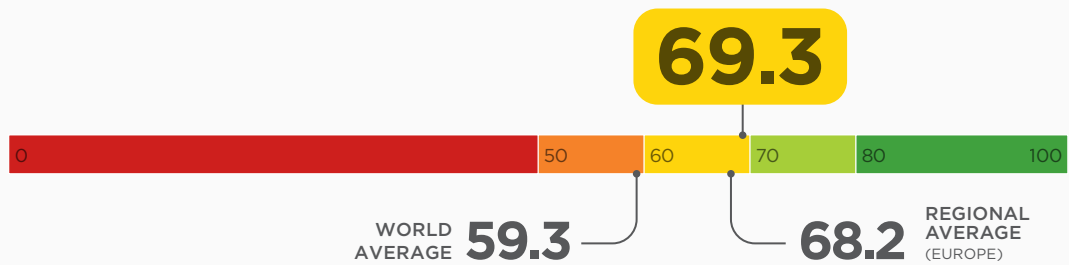
WORLD RANK:	REGIONAL RANK:
<b>32</b>	<b>19</b>
ECONOMIC FREEDOM STATUS:	
<b>MODERATELY FREE</b>	

# 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.

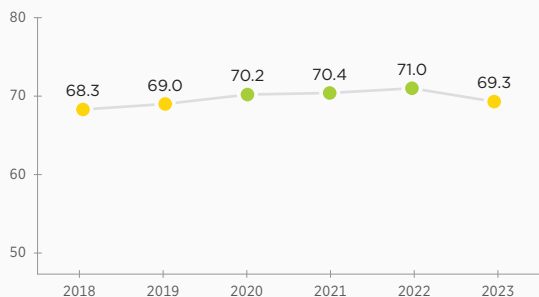
Bulgaria's transition to a more market-oriented economy has been facilitated by a decade of substantial restructuring measures. The country has made considerable progress while maintaining macroeconomic stability. Continued reform to strengthen the foundations of economic freedom will be critical. Corruption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



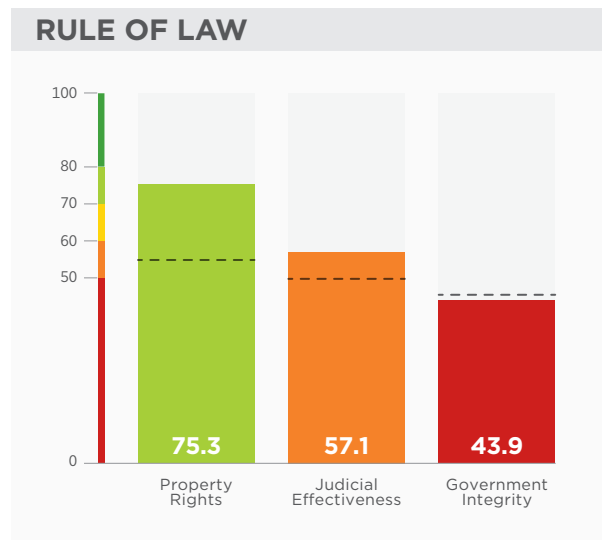
### QUICK FACTS

- POPULATION:** 6.9 million
- GDP (PPP):** \$178.2 billion  
4.2% growth in 2021  
5-year compound annual growth 1.9%  
\$25,914 per capita
- UNEMPLOYMENT:** 5.1%
- INFLATION (CPI):** 2.8%
- FDI INFLOW:** \$1.5 billion
- PUBLIC DEBT:** 23.8% of GDP

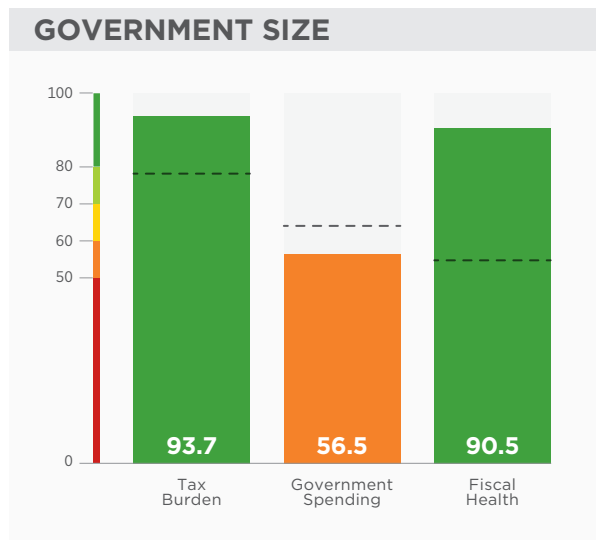
*2021 data unless otherwise noted. Data compiled as of September 2022*

**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.

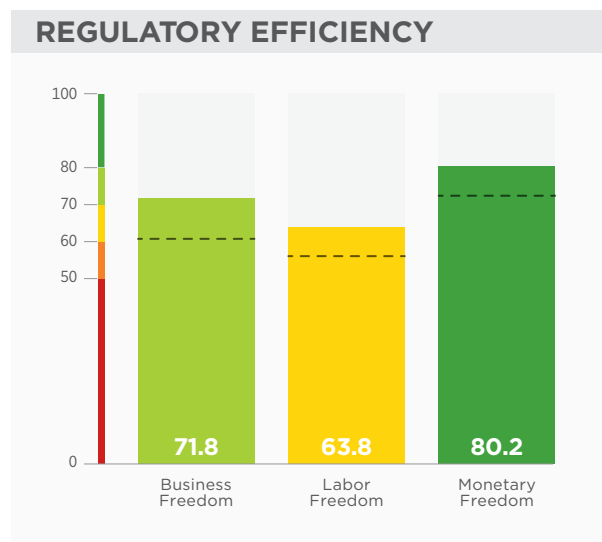
## 12 ECONOMIC FREEDOMS | BULGARIA



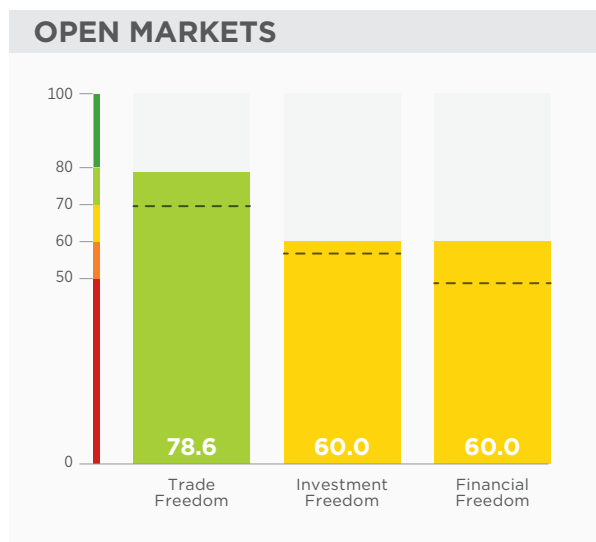
The overall rule of law is relatively well respected in Bulgaria. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



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.