

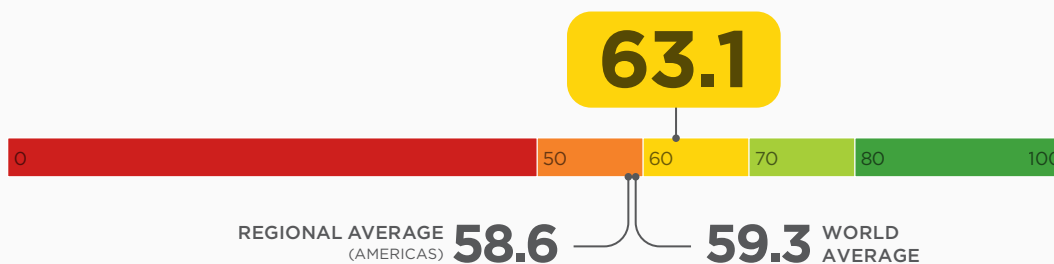
WORLD RANK:	REGIONAL RANK:
<b>62</b>	<b>12</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# 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.

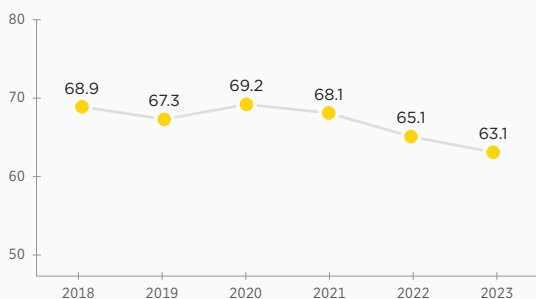
The Colombian economy has shown moderate resilience in a challenging economic environment. Policies that support open markets and a strong private sector have been implemented, but Colombia also has lagged in promoting the effective rule of law. The judicial system remains vulnerable to political interference,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

## ECONOMIC FREEDOM SCORE



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

## RECENT FREEDOM TREND



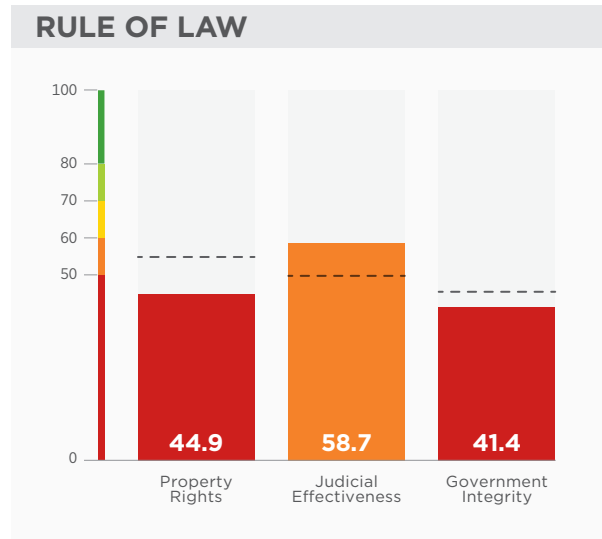
## QUICK FACTS

<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

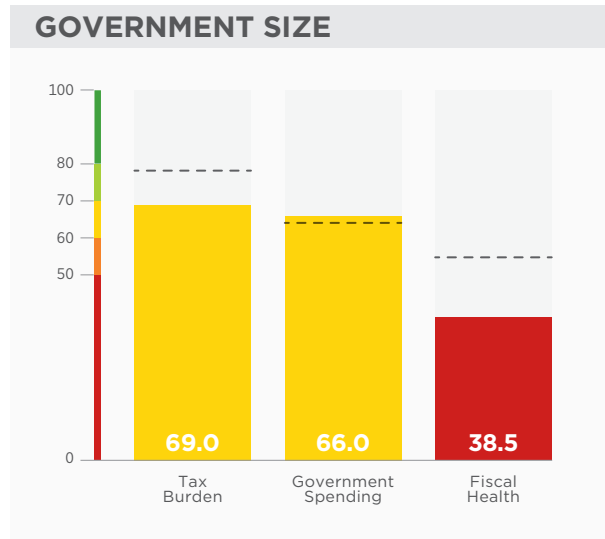
2021 data unless otherwise noted. Data compiled as of September 2022

**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.

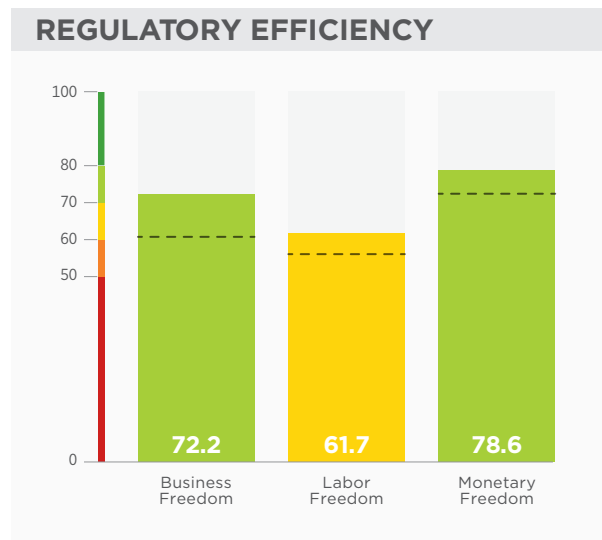
## 12 ECONOMIC FREEDOMS | COLOMBIA



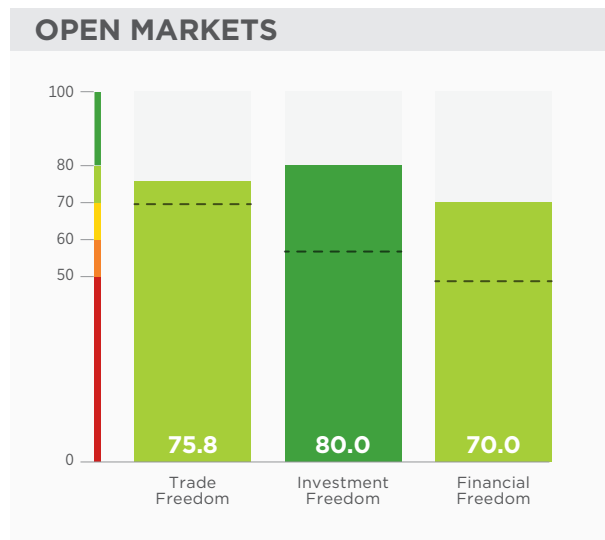
The overall rule of law is weak in Colombia. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



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.