

WORLD RANK:

120

REGIONAL RANK:

20

ECONOMIC FREEDOM STATUS:

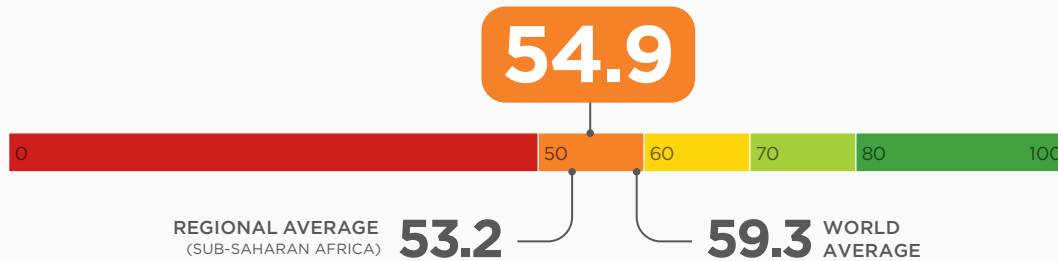
MOSTLY UNFREE

# 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.

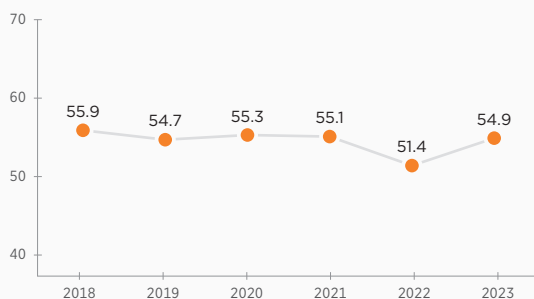
Progress toward greater economic freedom has been uneven. Annual growth has averaged 1.7 percent over the past five years, and development lags behind other economies in the region. The economic base is fairly diversified, but inefficient regulatory and legal frameworks undermine the development of private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

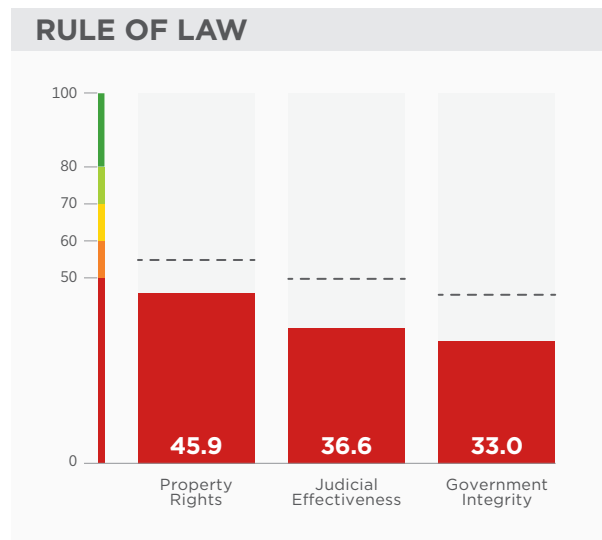
**FDI INFLOW:**  
\$125.9 million

**PUBLIC DEBT:**  
45.0% of GDP

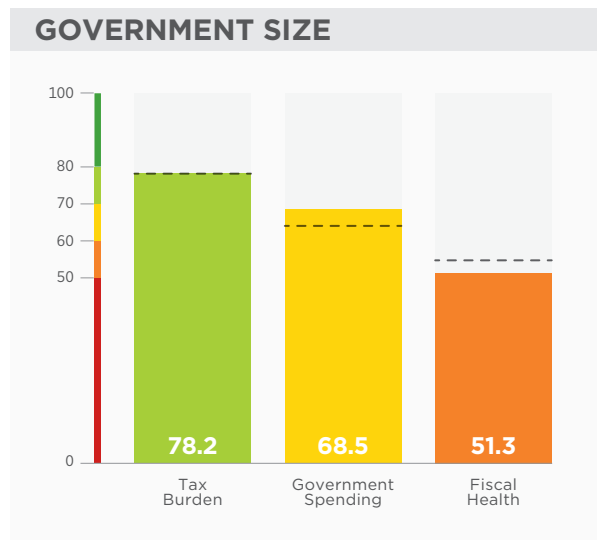
2021 data unless otherwise noted. Data compiled as of September 2022

**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.

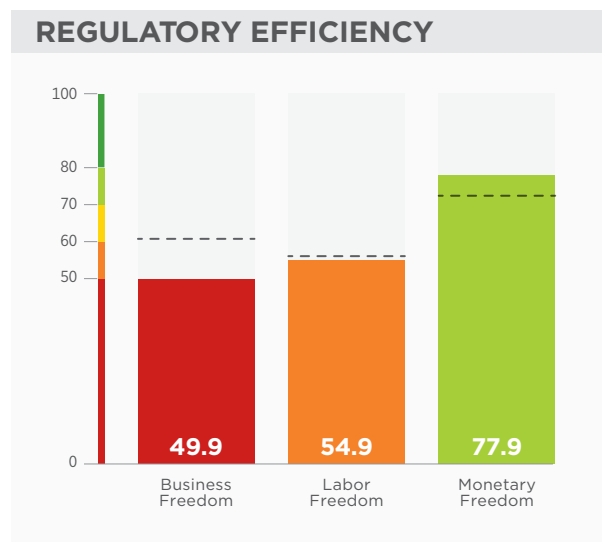
## 12 ECONOMIC FREEDOMS | ESWATINI



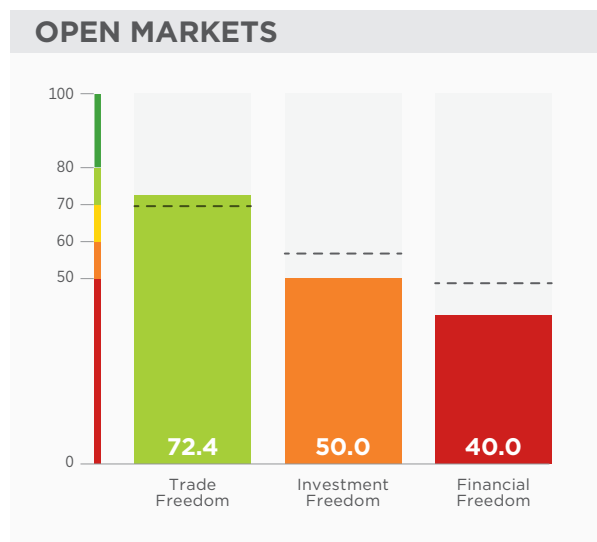
The overall rule of law is weak in Eswatini. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



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.