

# LIBERIA



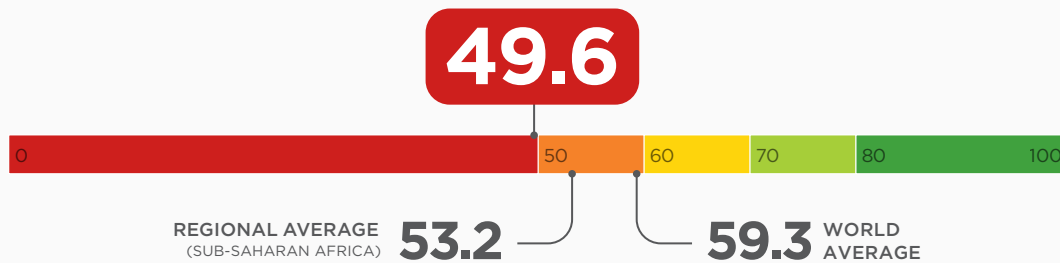
WORLD RANK: **150** | REGIONAL RANK: **36**

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.

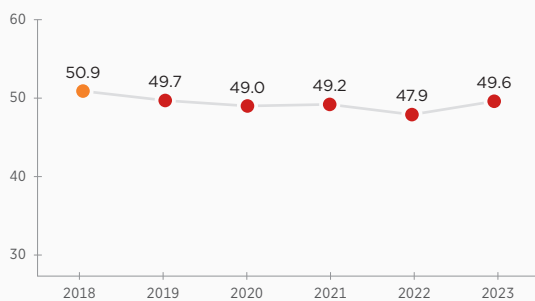
Liberia faces significant challenges in furthering its transition to a modern, open, market-based system. The foundations of economic freedom are fragile, and while the security situation has become more stable, the absence of an effectively functioning legal system undermines the protection of property 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%

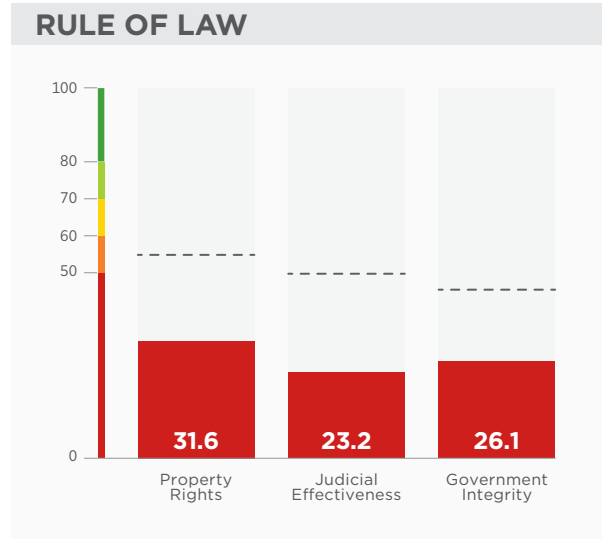
**FDI INFLOW:**  
\$45.7 million

**PUBLIC DEBT:**  
53.2% of GDP

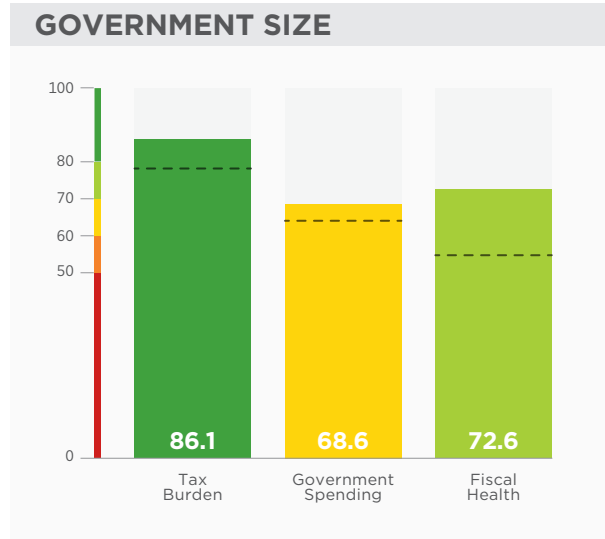
2021 data unless otherwise noted. Data compiled as of September 2022

**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.

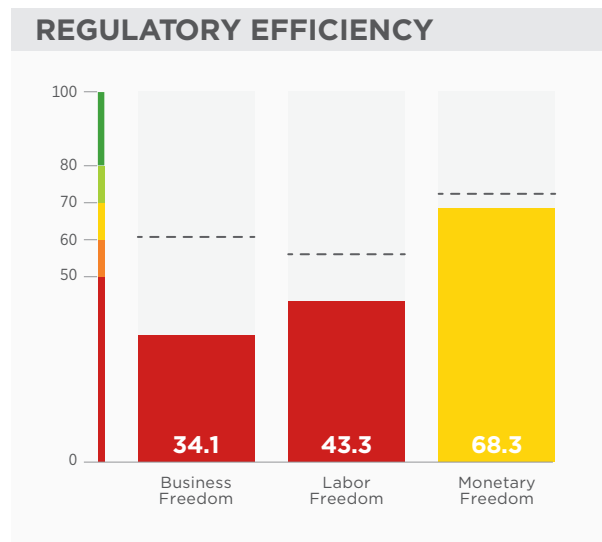
## 12 ECONOMIC FREEDOMS | LIBERIA



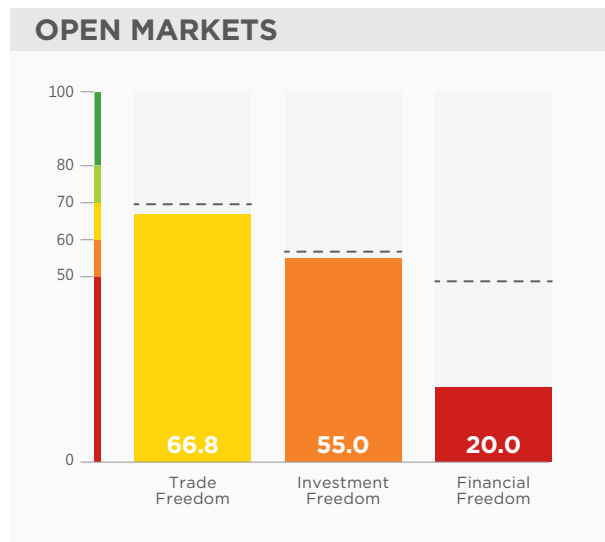
The overall rule of law is weak in Liberia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



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.