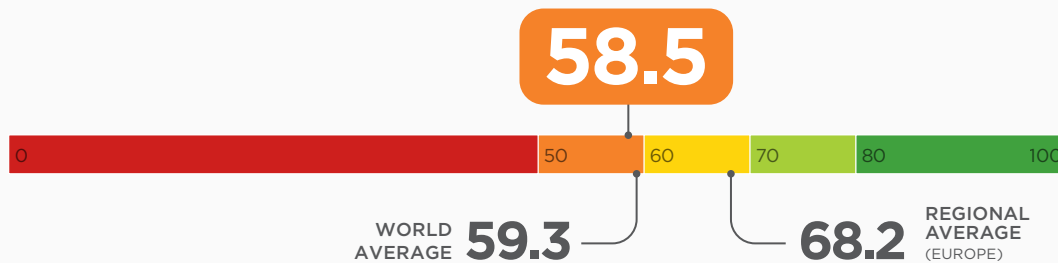


# MOLDOVA

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.

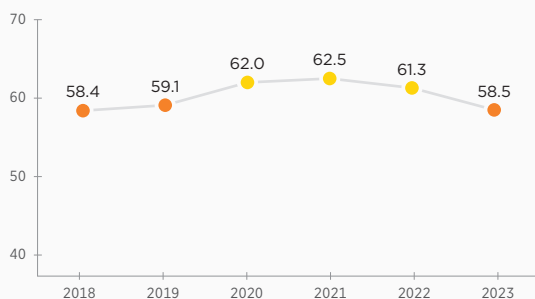
The government's overall progress in achieving sound macroeconomic management and enhancing the entrepreneurial climate has been uneven. The foundations of economic freedom are neither well-established nor strongly protected. The country's economic performance is below potential, and the weak rule of 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%

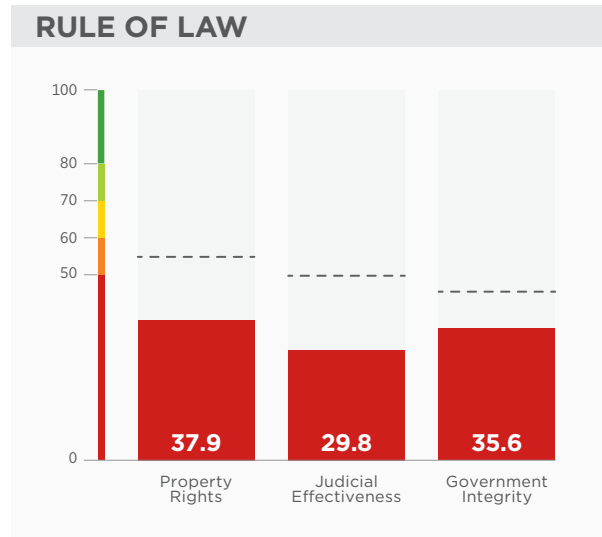
**FDI INFLOW:**  
\$263.5 million

**PUBLIC DEBT:**  
33.1% of GDP

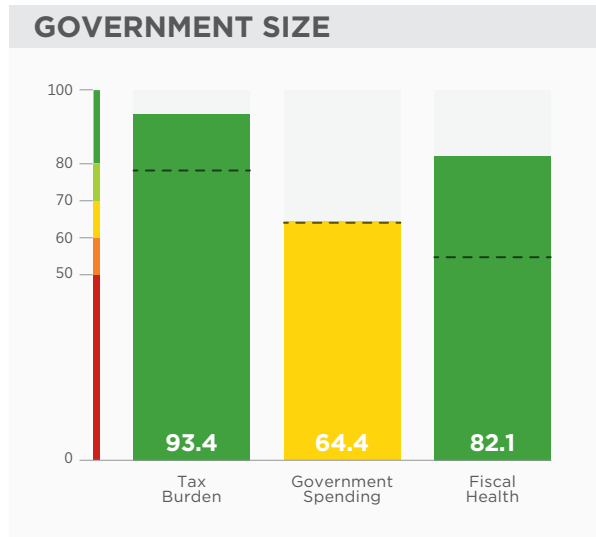
2021 data unless otherwise noted. Data compiled as of September 2022

**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.

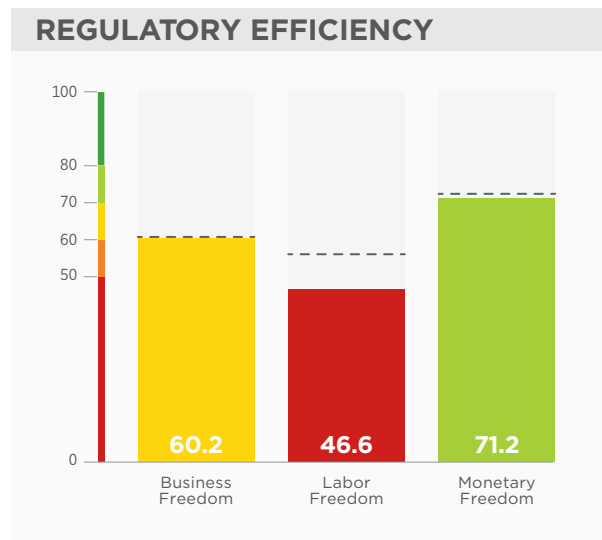
## 12 ECONOMIC FREEDOMS | MOLDOVA



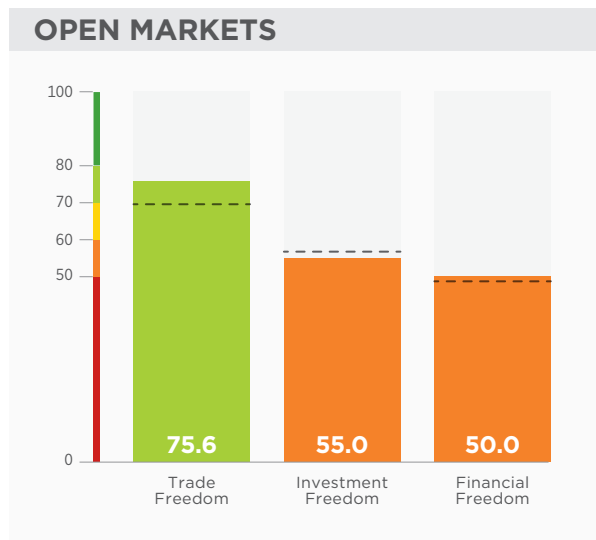
The overall rule of law is weak in Moldova. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



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.