



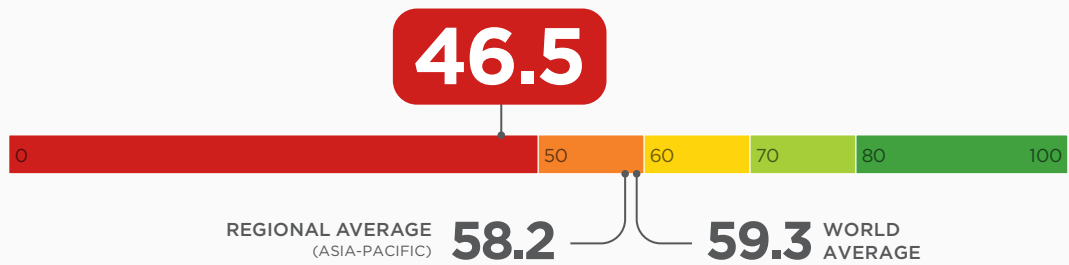
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|--|-----------------------------|
| WORLD RANK: 161 | REGIONAL RANK: 37 |
| ECONOMIC FREEDOM STATUS: REPRESSED | |

TURKMENISTAN

Turkmenistan's economic freedom score is 46.5, making its economy the 161st freest in the 2023 *Index*. Its score is 0.3 point higher than last year. Turkmenistan is ranked 37th out of 39 countries in the Asia-Pacific region, and its overall score is significantly lower than the world and regional averages.

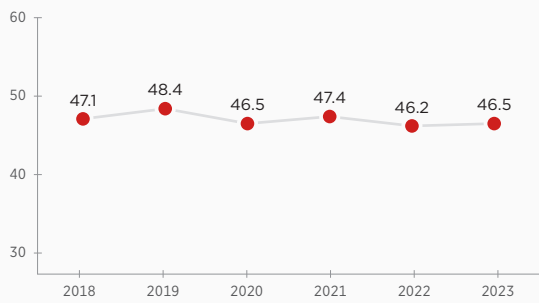
Turkmenistan has performed dismally with respect to structural reform. Much-needed economic growth is severely constrained by long-standing institutional weaknesses that undermine the foundations of economic freedom. The inefficient legal framework remains highly vulnerable to political interference, and heavy state involvement in the leading economic sectors dampens private-sector dynamism.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +11.5

RECENT FREEDOM TREND



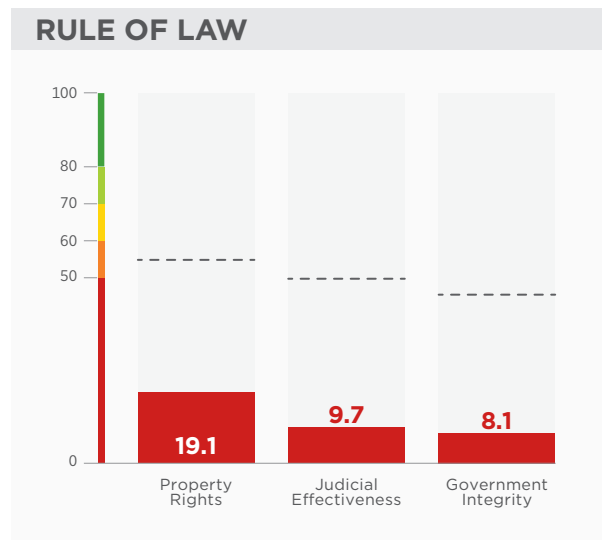
QUICK FACTS

- POPULATION:** 6.1 million
- GDP (PPP):** \$109.0 billion
4.9% growth in 2021
5-year compound annual growth 0.8%
\$17,721 per capita
- UNEMPLOYMENT:** n/a
- INFLATION (CPI):** 15.0%
- FDI INFLOW:** \$1.5 billion
- PUBLIC DEBT:** 11.1% of GDP

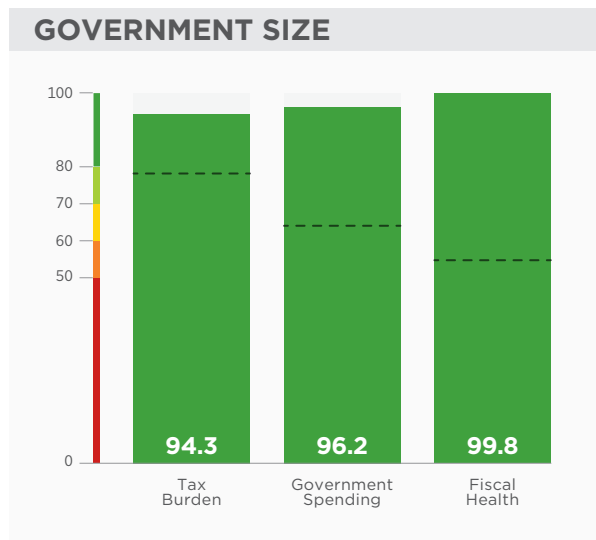
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: The Central Asian republic of Turkmenistan is a dictatorship and one of the world's most secretive, closed, and authoritarian countries. President Gurbanguly Berdymukhamedov, in power since 2007, stepped down in February 2022 without having initiated any advances in political, social, or media freedom. His son Serdar won the March 2022 snap presidential election. The economy remains dominated by state-owned monopolies and is based on intensive agriculture in irrigated oases, sizable oil resources, and the world's fifth-largest reserves of natural gas. China is Turkmenistan's largest export market, especially for gas, but deliveries of natural gas to Russia were resumed in 2019.

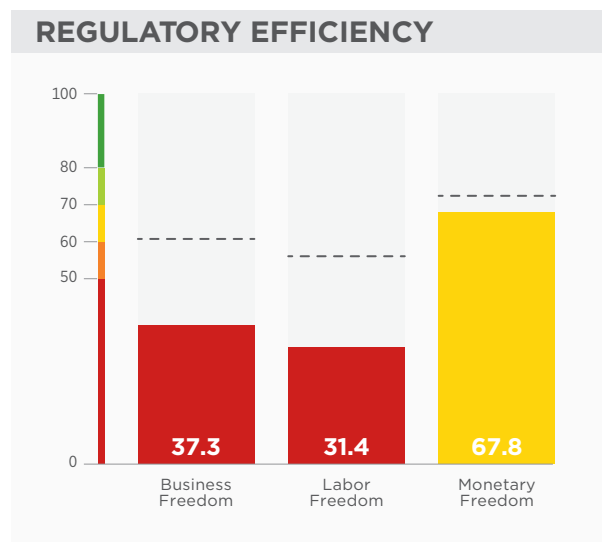
12 ECONOMIC FREEDOMS | TURKMENISTAN



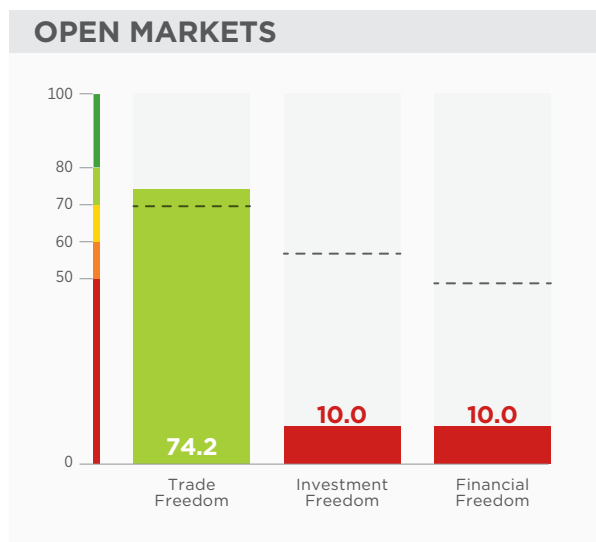
The overall rule of law is weak in Turkmenistan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 10 percent and 20 percent. The tax burden equals 8.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 11.3 percent and 0.0 percent of GDP. Public debt equals 11.1 percent of GDP.



The overall freedom to establish and run a business is very limited. The system is nontransparent, and enforcement is inconsistent. Regulatory codes are outmoded. The public sector provides most jobs, and the informal sector remains an important source of employment. Monetary stability is weak.



The trade-weighted average tariff rate is 2.9 percent, but extensive nontariff barriers severely undermine trade freedom. The government controls most of the economy and limits foreign participation to a few sectors. Foreign exchange accounts require government approval. The financial system remains heavily government-controlled.