Liberia’s economic freedom score is 49.7, making its economy the 160th freest in the 2019 Index. Its overall score has decreased by 1.2 points, with sharp drops in government integrity, labor freedom, and trade freedom outweighing a spike in the score for fiscal health. Liberia is ranked 37th among 47 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

The new president is focused on poverty reduction, job creation, critical infrastructure needs, and agricultural development to increase food production. The government hopes that new mining projects and expanded electricity production will spur broad-based economic growth. The rule of law is not enforced effectively, and weak property rights and the judicial system’s lack of transparency seriously impede private-sector development. Sustained economic revitalization will depend on diversification, increased investment and trade, higher global commodity prices, remittances, strengthened institutions, action to combat corruption, and political stability.

**ECONOMIC FREEDOM SCORE**

<table>
<thead>
<tr>
<th>REGIONAL AVERAGE</th>
<th>WORLD AVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(SUB-SAHARAN AFRICA REGION) 54.2</td>
<td>60.8</td>
</tr>
</tbody>
</table>

**RELATIVE STRENGTHS:** Tax Burden and Fiscal Health

**HISTORICAL INDEX SCORE CHANGE (SINCE 2009):** +1.6

**CONCERNS:** Financial Freedom and Government Integrity

**FREEDOM TREND**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.7</td>
<td>52.2</td>
<td>49.1</td>
<td>50.9</td>
<td>49.7</td>
</tr>
</tbody>
</table>

**QUICK FACTS**

- **POPULATION:** 4.5 million
- **GDP (PPP):** $61.1 billion
- **UNEMPLOYMENT:** 2.4%
- **INFLATION (CPI):** 12.4%
- **FDI INFLOW:** $247.8 million
- **PUBLIC DEBT:** 34.4% of GDP

**BACKGROUND:** Settled in the 18th century by freed slaves, predominantly from the United States, Liberia enjoyed relative peace until a long and bloody civil war that ended in 1995. Rebel leader Charles Taylor was forced to step down as president in 2003 and was later convicted of war crimes. Ellen Johnson Sirleaf became president in 2006 and stabilized the country during her two terms. U.N. peacekeepers departed in 2016. Former soccer star George Weah defeated Vice President Joseph Boakai in the 2017 presidential election following delays to investigate allegations of fraud. Liberia is rich in natural resources, including rubber, mineral resources, and iron ore, but suffers from widespread poverty.

2017 data unless otherwise noted. Data compiled as of September 2018.
Property rights are not strongly protected, and enforcement of contracts is a lengthy process. The judiciary is independent but weak and underresourced. The government functions poorly because of inadequate administrative capacity and pervasive corruption, although antigraft statutes have been strengthened. Liberia was the first African state to comply with the Extractive Industries Transparency Initiative.

Liberia's top individual and corporate income tax rates are 25 percent. Other taxes include property and goods and services taxes. The overall tax burden equals 21.8 percent of total domestic income. Over the past three years, government spending has amounted to 35.5 percent of the country's output (GDP), and budget deficits have averaged 4.2 percent of GDP. Public debt is equivalent to 34.4 percent of GDP.

Despite some legislative efforts to modernize the regulatory framework, private investment and production remain severely hampered by bureaucratic inefficiency. With the labor market not fully developed, a large portion of the workforce is engaged in the informal sector. Following the Ebola crisis, the government increased subsidies for education and health care and received higher levels of subsidized food aid from international donors.

The combined value of exports and imports is equal to 121.7 percent of GDP. The most recent average applied tariff rate reported by the World Bank is 12.4 percent. Reforms have dismantled some nontariff barriers to trade, but a lack of transparency persists. Foreign investment in several sectors is restricted, and foreign investors may not own land. A large part of the population remains outside of the formal banking sector.