Burma’s economic freedom score is 55.2, making its economy the 135th freest in the 2021 Index. Its overall score has increased by 1.2 points, primarily because of an improvement in business freedom. Burma is ranked 30th among 40 countries in the Asia–Pacific region, and its overall score is below the regional and world averages.

Burma’s economy has been trending upward over the past decade. To continue that progress, the government will need to implement deep, broad, and well-institutionalized reforms that dramatically improve respect for property rights, judicial effectiveness, and government integrity. Additional reforms to improve aspects of investment freedom and financial freedom are also needed.

**IMPACT OF COVID-19:** As of December 1, 2020, 1,972 deaths had been attributed to the pandemic in Burma, and economic growth was forecast to decline to 2.0 percent for the year.

**BACKGROUND:** Despite some efforts at democratization in recent years, the military remains the dominant force in Burmese politics, and it reimposed military rule in early 2021, arresting civilian officials as well as National League for Democracy (NLD) leader Aung San Suu Kyi, whose party had won a decisive victory in November 2020 general elections. Burma has received international censure for its treatment of the Rohingya and other ethnic minorities. Wages in Burma remain low compared with wages elsewhere in Asia, and more than 25 percent of the population lives in poverty.
Contentious disputes over land grabbing continued in 2019. Ownership of land is sometimes not well established, particularly after a half-century of military expropriations. The judiciary is not independent, and courts at times fail to rule impartially. Graft is deeply rooted in Burma, and despite government initiatives aimed at curbing it, official corruption remains rampant at both the national and local levels.

The top individual income and corporate tax rates are 25 percent. Other taxes include commercial and capital gains taxes. The overall tax burden equals 5.9 percent of total domestic income. Government spending has amounted to 20.7 percent of total output (GDP) over the past three years, and budget deficits have averaged 3.1 percent of GDP. Public debt is equivalent to 38.2 percent of GDP.

The process for starting a business has been simplified, and incorporation fees have been reduced. The law now requires more corporate transparency, greater disclosure of company transactions, and increased director liability. The value added per worker relative to the minimum wage has improved. Electricity tariffs have been raised, as have fuel prices, to reduce the heavy costs of those previous subsidies.

Burma has seven preferential trade agreements in force. The trade-weighted average tariff rate is 5.0 percent. Burma has one formal nontariff measure in force, and other barriers to trade persist. Numerous state-owned enterprises distort the economy, undermining foreign and domestic investment in the private sector. About 30 percent of adult Burmese have access to an account with a formal banking institution.