



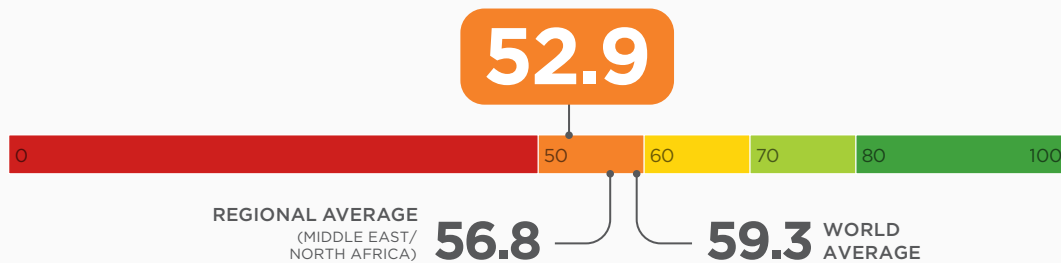
WORLD RANK: 132	REGIONAL RANK: 10
ECONOMIC FREEDOM STATUS: MOSTLY UNFREE	

TUNISIA

Tunisia's economic freedom score is 52.9, making its economy the 132nd freest in the 2023 *Index*. Its score is 1.3 points lower than last year. Tunisia is ranked 10th out of 14 countries in the Middle East/North Africa region, and its overall score is below the world and regional averages.

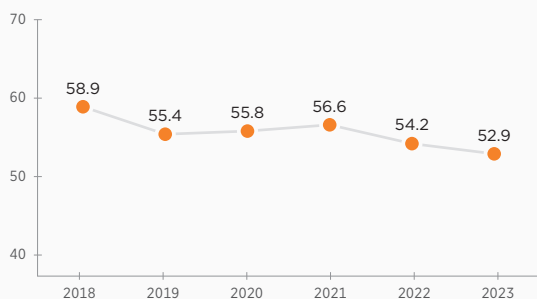
Key institutional reform measures have failed to bring tangible benefits to the economy. The country is undergoing a challenging transition, and deeper reforms such as strengthening of the judicial system, stronger protection for property rights, and more effective eradication of corruption to enhance political and economic governance are critically needed.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -10.5

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
11.9 million

GDP (PPP):
\$137.3 billion
3.1% growth in 2021
5-year compound annual growth 0.0%
\$11,424 per capita

UNEMPLOYMENT:
15.1%

INFLATION (CPI):
5.7%

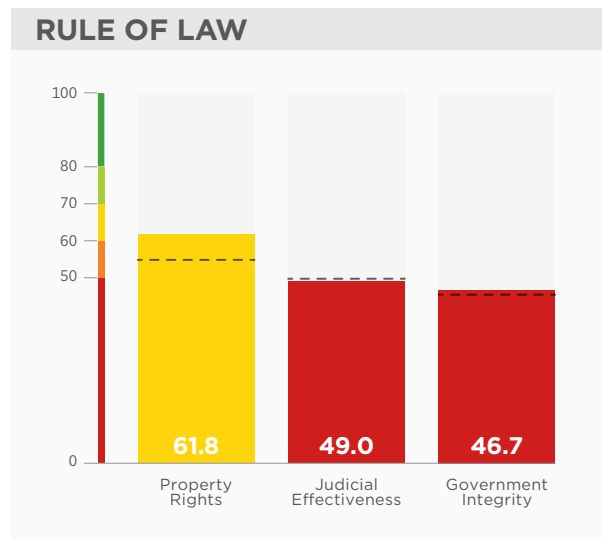
FDI INFLOW:
\$660.2 million

PUBLIC DEBT:
81.8% of GDP

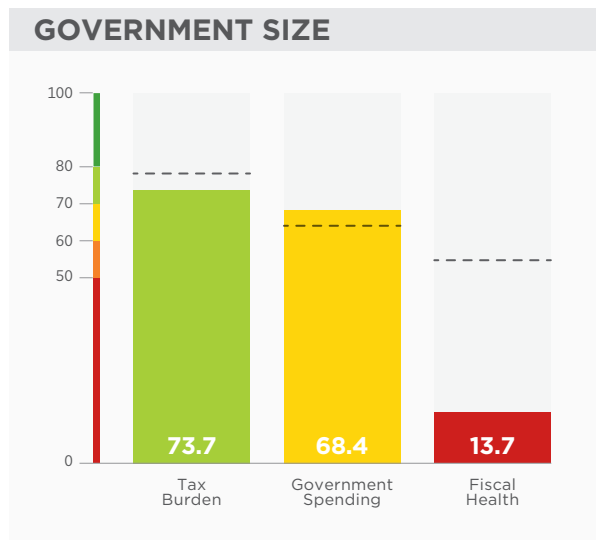
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: In 2019, center-left constitutional lawyer Kaïs Saïed was elected president in a landslide that highlighted a strong anti-establishment sentiment, particularly among younger voters. The moderately Islamist Hizb al-Nahda party won the most parliamentary seats. In July 2021, Saïed dismissed the prime minister and suspended parliament. He then asserted the right to rule by decree and cemented his power through a constitutional referendum. Tunisia's transformation to a more market-oriented economy has been slowed by political instability and violent anti-austerity protests. Key exports include textiles and apparel, food products, petroleum products, chemicals, and phosphates. The European Union is Tunisia's principal trading partner.

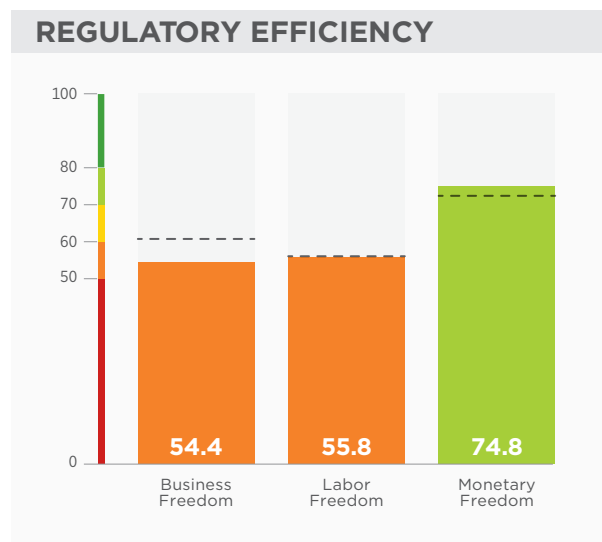
12 ECONOMIC FREEDOMS | TUNISIA



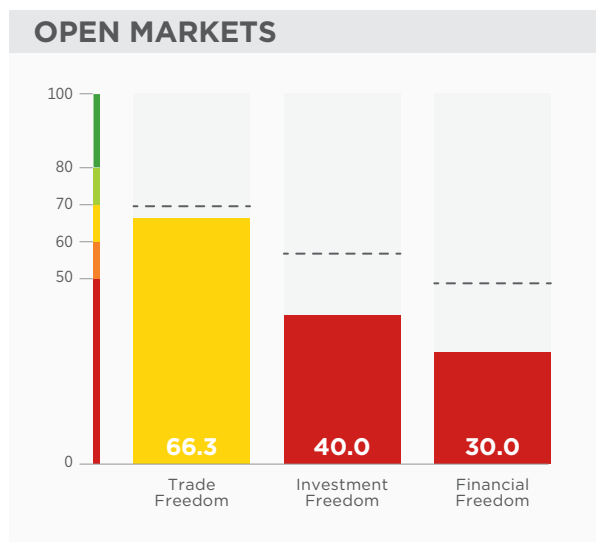
The overall rule of law is relatively well respected in Tunisia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 15 percent. The tax burden equals 34.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -6.8 percent of GDP. Public debt equals 81.8 percent of GDP.



The regulatory framework remains nontransparent and inefficient. The business start-up process has been streamlined on paper, but licensing requirements remain costly. The rigid labor market has been stagnant, failing to generate dynamic job growth. The government influences prices through state-owned enterprises.



The trade-weighted average tariff rate is 9.4 percent, and nontariff barriers further increase the cost of trade. Despite efforts to attract foreign investment, bureaucracy and political uncertainty discourage long-term investment growth. The weak financial sector is fragmented and dominated by the state.