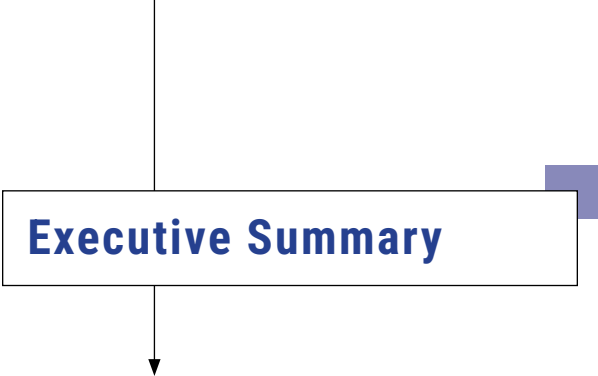




Executive Summary

The index published in *Economic Freedom of the World* (EFW) measures economic freedom in up to 165 jurisdictions as far back as 1970. Economic freedoms are a subset of human freedoms and concern economic activity such as working, transacting, contracting, and owning and using productive property.

Individuals are more economically free when they are allowed to make more of their own economic choices, with others imposing fewer and less severe constraints on those choices. They must, however, respect the rights of others.

The index measures economic freedom using 46 components and subcomponents grouped into five areas: [1] Size of Government, [2] Legal System and Property Rights, [3] Sound Money, [4] Freedom to Trade Internationally, and [5] Regulation. Each component and subcomponent is placed on a scale from zero to 10, reflecting the distribution of the underlying data.

Despite a precipitous decline in economic freedom since 2018, Hong Kong remained the world's most economically free jurisdiction in 2024 (the latest year for which we have data). It was followed by Switzerland (2nd), Singapore (3rd), New Zealand (4th), and the United States (5th).

Canada has now slipped from 9th to 18th, just ahead of Germany at 19th. The United Kingdom is 10th, Japan is 13th, France is 39th, Italy is 47th, South Korea is 53rd, Indonesia is 72nd, Mexico is 77th, Brazil is 85th, India is 88th, China is 110th, and Russia is 143rd.

Global economic freedom fell following the pandemic as policymakers imposed new regulations, raised barriers to trade, expanded the size of government, and then printed money to pay for spending. While governments have begun to reverse these policies, economic freedom in the average country has not yet returned to pre-pandemic levels.

A preliminary estimate of US economic freedom in the first year of the Trump Administration finds increases in the size of government, weaker protection of property rights and the rule of law, and significant restrictions on trade freedom caused a 0.12-point decline in US economic freedom in 2025.

Comparing the economically freest 25 percent of countries with the least free, we find:

- Average incomes are 6.9 times greater;
- The bottom 10 percent of incomes are 7.1 times greater;
- People live 14 years longer;
- People work six fewer hours each week;
- Far fewer children die in infancy;
- People are more satisfied with their lives;
- Governments are less corrupt; and
- Environments are cleaner.

This year's report includes a guest chapter by George Mason University Professor of Economics Vincent Geloso, examining the ways in which economic freedom can improve the natural environment. It also includes a tribute by Dr. Signè DeWind to the late James Gwartney, the lead author of the Economic Freedom of the World for nearly three decades.

The complete EFW dataset can be downloaded at <https://www.freetheworld.com/> or by scanning the following QR code:

