

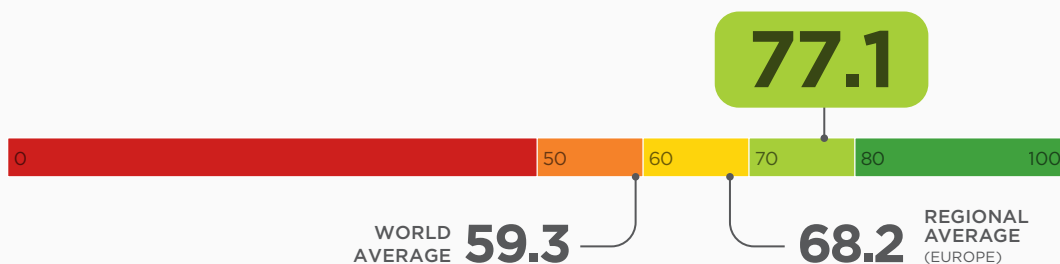
WORLD RANK: <b>11</b>	REGIONAL RANK: <b>8</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# FINLAND

Finland's economic freedom score is 77.1, making its economy the 11th freest in the 2023 *Index*. Its score is 1.2 points lower than last year. Finland is ranked 8th out of 44 countries in the Europe region, and its overall score is well above the world and regional averages.

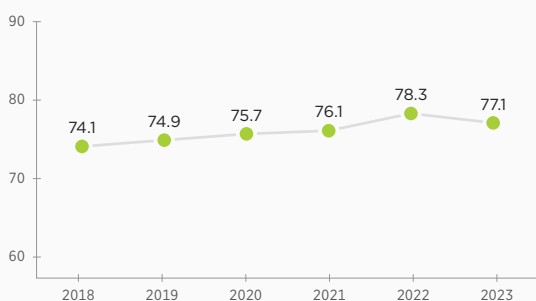
Finland's economy is characterized by openness and transparency. The quality of the legal framework is among the world's highest, and property rights are protected. The rule of law is respected, and tolerance of corruption is minimal. Finland has long benefited from open-market policies that support dynamic trade and investment.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +13.4

## RECENT FREEDOM TREND



## QUICK FACTS

<b>POPULATION:</b> 5.5 million	<b>UNEMPLOYMENT:</b> 7.8%
<b>GDP (PPP):</b> \$297.5 billion 3.3% growth in 2021 5-year compound annual growth 1.3%	<b>INFLATION (CPI):</b> 2.1%
<b>FDI INFLOW:</b> \$9.4 billion	<b>PUBLIC DEBT:</b> 66.2% of GDP

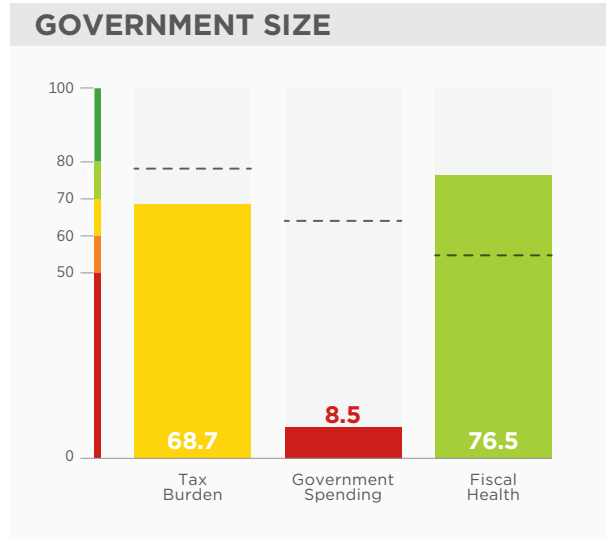
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Finland joined the European Union in 1995 and adopted the euro in 1999. Russia's war against Ukraine led to a surge in public support for NATO membership, and Finland reversed decades of policy by applying for membership in May 2022. Prime Minister Sanna Marin of the Social Democratic Party heads a center-left coalition with the Centre Party, the Green League, the Left Alliance, and the Swedish People's Party of Finland. President Sauli Niinistö of the National Coalition Party won a second term in 2018. The export-led economy is centered on manufacturing, principally in the wood, metals, telecommunications, and electronics industries.

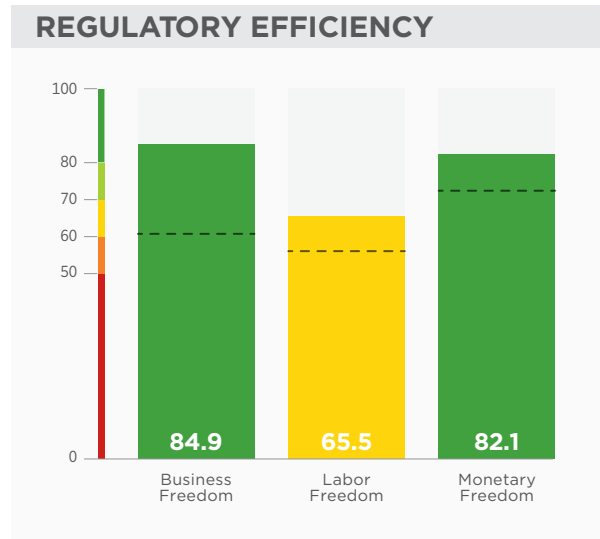
## 12 ECONOMIC FREEDOMS | FINLAND



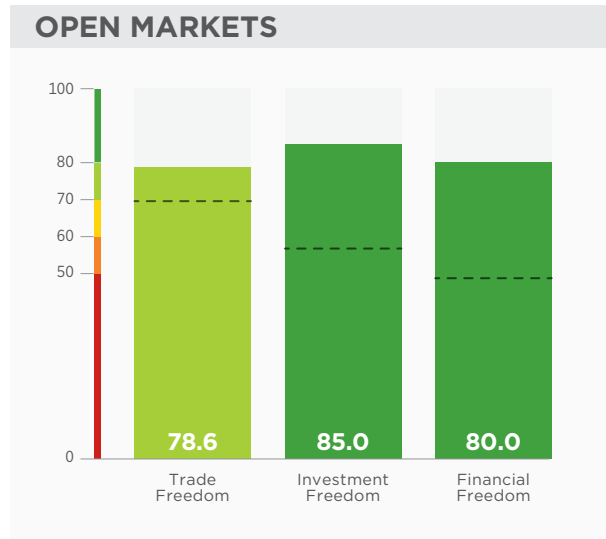
The overall rule of law is very well respected in Finland. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 31.3 percent and 20 percent. The tax burden equals 41.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 55.2 percent and -3.0 percent of GDP. Public debt equals 66.2 percent of GDP.



The business framework encourages innovation and productivity growth. The labor market is characterized by high costs and burdensome regulations. The non-salary cost of employing a worker is high, and the severance payment system remains costly. The most recent available inflation rate is 2.1 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent; more than 600 EU-mandated nontariff measures and nine country-specific nontariff barriers are in force. Sound and transparent frameworks facilitate investment. The financial sector provides a wide range of services.