



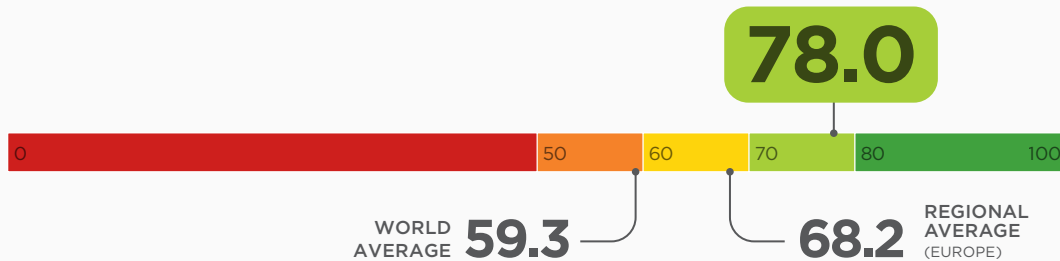
WORLD RANK: <b>8</b>	REGIONAL RANK: <b>5</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# NETHERLANDS

The Netherlands' economic freedom score is 78.0, making its economy the 8th freest in the 2023 Index. Its score is 1.5 points worse than last year. The Netherlands is ranked 5th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

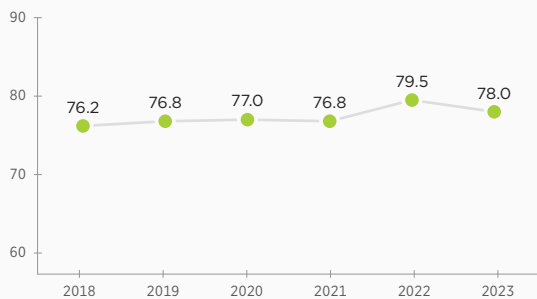
The Dutch economy benefits from a traditional emphasis on the rule of law and an efficient legal framework. The independent and corruption-free judicial system provides strong protection of property rights. Openness to global trade and investment is well established, and the overall regulatory and entrepreneurial environment remains transparent and efficient.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +8.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
17.5 million

**GDP (PPP):**  
\$1.1 trillion  
5.0% growth in 2021  
5-year compound annual growth 1.7%  
\$62,841 per capita

**UNEMPLOYMENT:**  
3.8%

**INFLATION (CPI):**  
2.8%

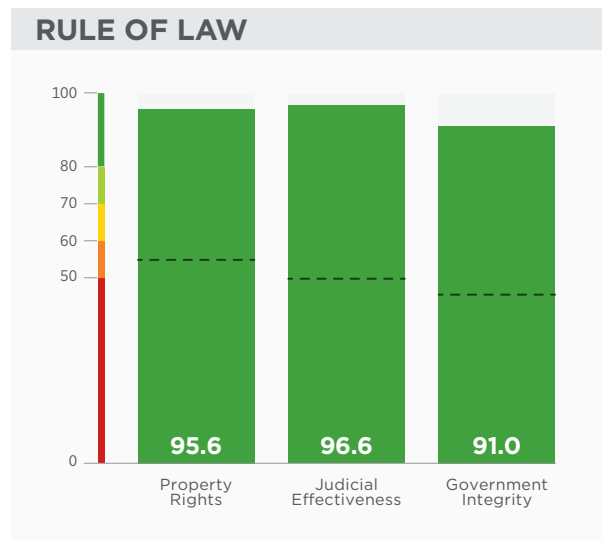
**FDI INFLOW:**  
-\$81.1 billion

**PUBLIC DEBT:**  
52.3% of GDP

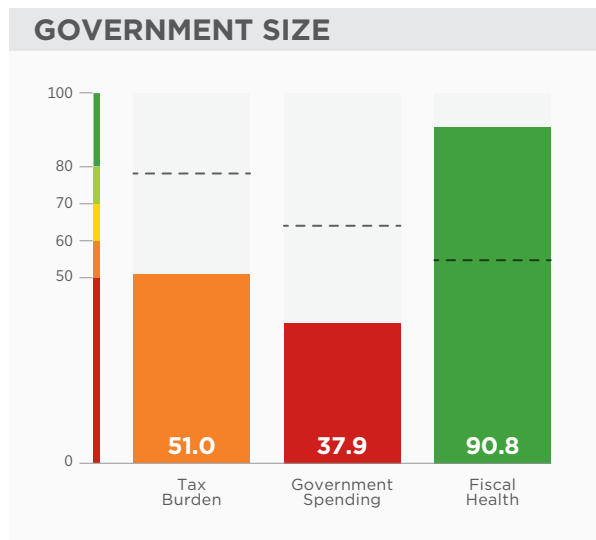
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Prime Minister Mark Rutte's center-right VVD party won the most seats in March 2021 elections. He formed a coalition with the center-left D66 and center-right CDA and CU parties in December after nearly nine months of negotiations and is the country's longest-serving prime minister. A European transportation hub, the Netherlands has the EU's fifth-largest economy, supported by exports of chemicals, refined petroleum, and electrical machinery and by a highly mechanized and profitable agricultural sector. Government emissions-reduction plans that would affect small farmers by reducing the numbers of livestock and limiting the use of certain fertilizers have led to disruptive protests.

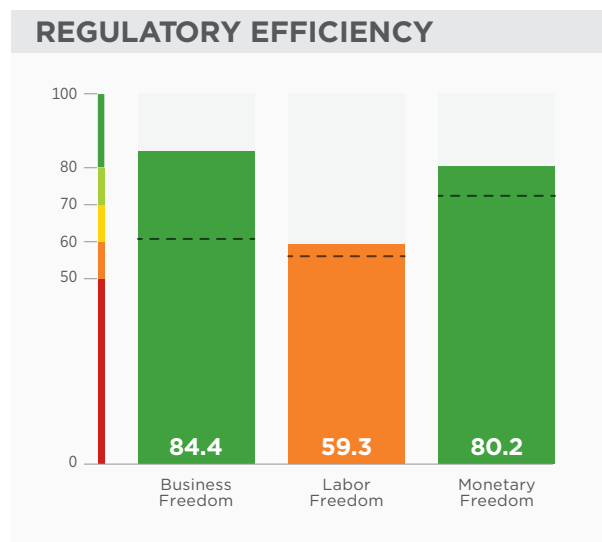
## 12 ECONOMIC FREEDOMS | NETHERLANDS



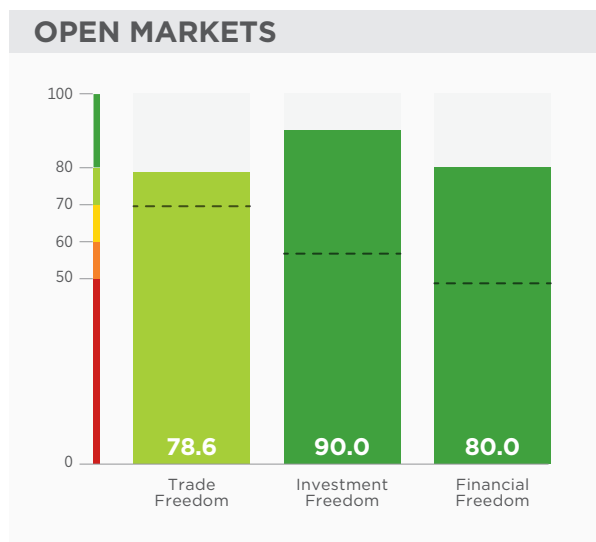
The overall rule of law is very well respected in the Netherlands. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 52 percent and 25 percent. The tax burden equals 39.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.5 percent and -1.5 percent of GDP. Public debt equals 52.3 percent of GDP.



Highly competitive logistics and stable political conditions enhance business freedom. The overall regulatory framework is transparent and competitive. Labor regulations are relatively rigid, and the non-salary cost of employing a worker is high. Monetary stability has been well maintained.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. There is no restrictive screening of foreign investment, and investment in most sectors is not restricted. Sensible banking regulations facilitate entrepreneurial growth.