



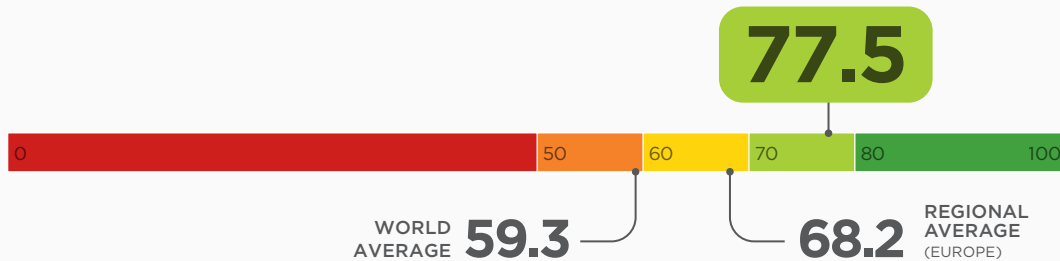
WORLD RANK: 10	REGIONAL RANK: 7
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

SWEDEN

Sweden's economic freedom score is 77.5, making its economy the 10th freest in the 2023 *Index*. Its score is about the same as last year. Sweden is ranked 7th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

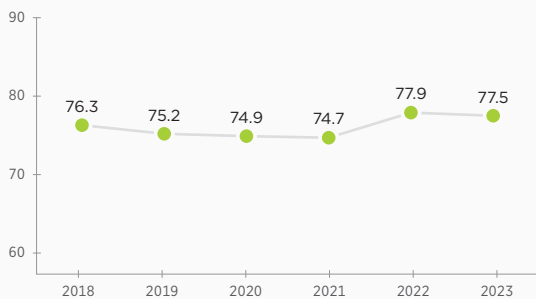
The Swedish economy performs well in regulatory efficiency, and open-market policies sustain flexibility, competitiveness, and large trade and investment flows. The transparent and efficient regulatory and legal environment encourages robust entrepreneurial activity. Banking regulations are sensible, and lending practices have been prudent. The judicial system provides strong protection of property rights.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +16.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
10.4 million

GDP (PPP):
\$616.3 billion
4.8% growth in 2021
5-year compound annual growth 1.7%
\$58,962 per capita

UNEMPLOYMENT:
8.3%

INFLATION (CPI):
2.7%

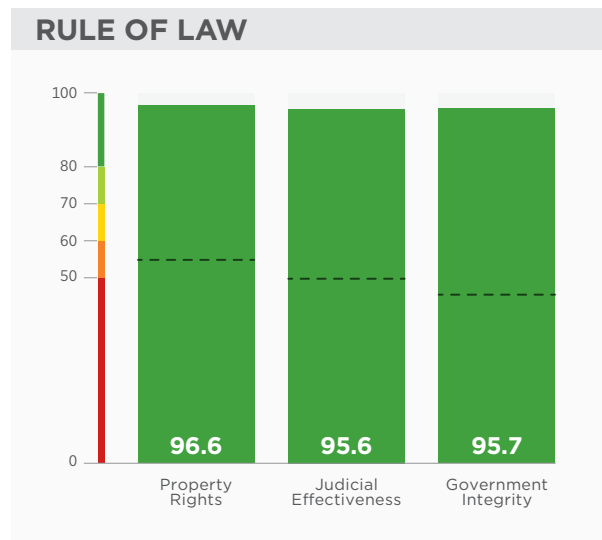
FDI INFLOW:
\$27.0 billion

PUBLIC DEBT:
36.8% of GDP

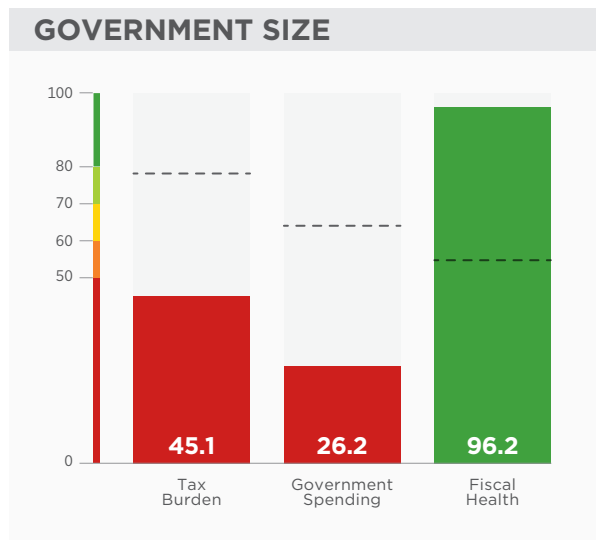
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Sweden joined the European Union in 1995, but voters rejected adoption of the euro in 2003. Social Democrat Magdalena Andersson became Sweden's first female prime minister in November 2021 and formed a fragile minority government after being appointed pursuant to a razor-thin vote by a sharply divided parliament. Reversing decades of government policy, Sweden applied for NATO membership in May 2022. The influx of large numbers of migrants since 2015, a 2017 terrorist attack, and gang violence have made immigration a central issue. Timber, hydropower, and iron ore constitute the resource base of a vibrant and outwardly oriented manufacturing-based economy.

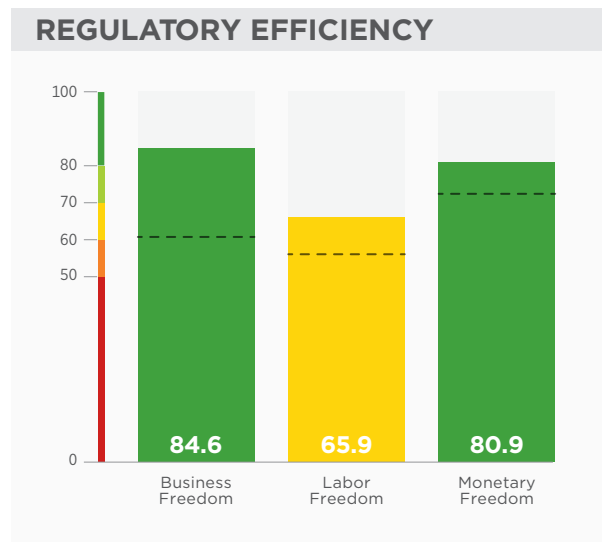
12 ECONOMIC FREEDOMS | SWEDEN



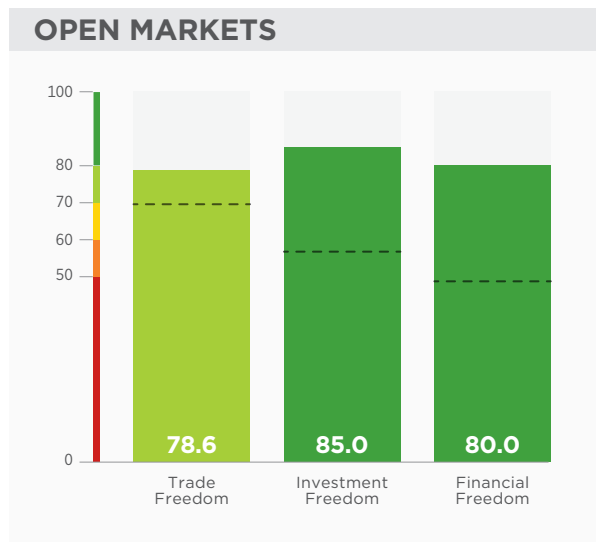
The overall rule of law is very well respected in Sweden. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 57 percent and 20.6 percent. The tax burden equals 42.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 49.6 percent and -0.8 percent of GDP. Public debt equals 36.8 percent of GDP.



The regulatory environment is very efficient. The number of procedures required to start a business is less than the world average. Labor regulations, particularly in terms of non-salary costs, are among Europe's most rigid. Monetary stability has been well maintained, but inflationary pressures continue.



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. The modern investment regime is open and generally transparent, and regulations are applied consistently. The financial sector is competitive and stable.