

WORLD RANK: **41** | REGIONAL RANK: **7**

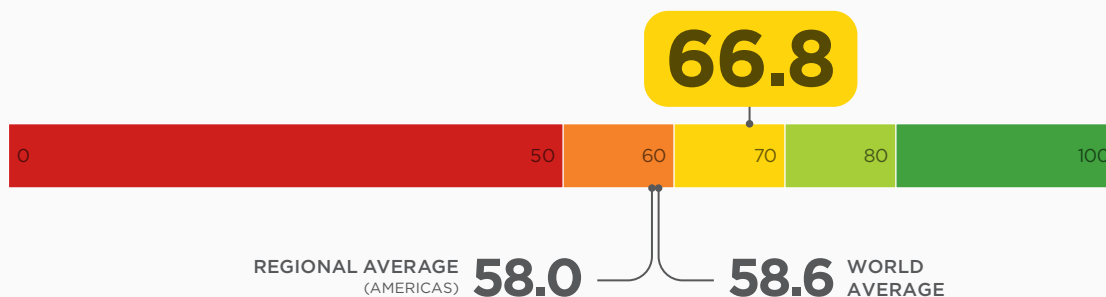
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

BARBADOS

Barbados’s economic freedom score is 66.8, making its economy the 41st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 3 points from last year, and Barbados is ranked 7th out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Barbados’s economy is considered “moderately free” according to the 2024 *Index*.

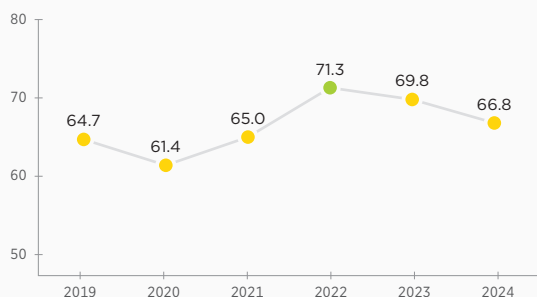
A middle-income country with a diversified economy built on tourism and offshore banking, Barbados has one of the Caribbean’s highest incomes per capita. Relatively strong foundations of economic freedom are supported by transparency and efficiency, but the government’s economic policies are focused on attracting international companies. The overall business and investment framework is relatively clear. However, due to a fiscal deficit, government debt has become larger than the size of the economy. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +4.5

RECENT FREEDOM TREND



QUICK FACTS

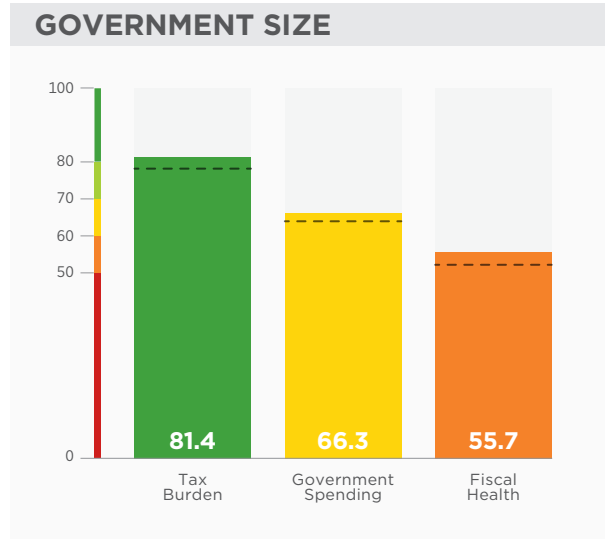
- POPULATION:** 0.3 million
- UNEMPLOYMENT:** 10.4%
- GDP (PPP):** \$5.0 billion
- INFLATION (CPI):** 5.0%
- 9.8% growth in 2022
- FDI INFLOW:** \$200.0 million
- 5-year average growth rate: -1.0%
- PUBLIC DEBT:** 122.5% of GDP
- \$17,339 per capita

2022 data unless otherwise noted. Data compiled as of October 2023.

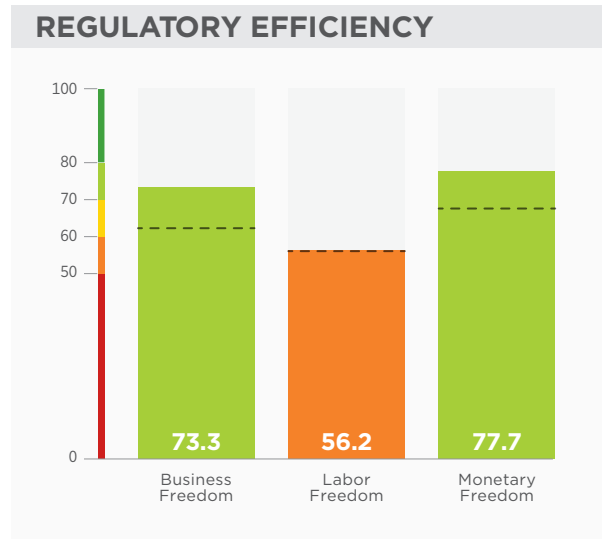
12 ECONOMIC FREEDOMS | BARBADOS



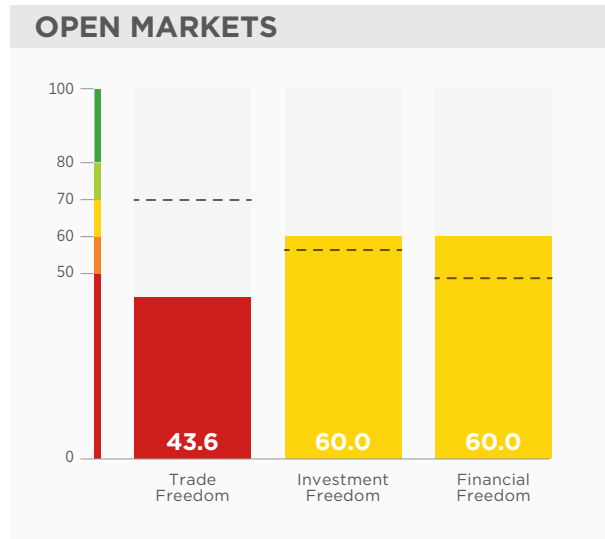
The overall rule of law is well respected in Barbados. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 28.5 percent, and the top corporate tax rate is 5.5 percent. The tax burden equals 31.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.5 percent and -3.9 percent of GDP. Public debt amounts to 122.5 percent of GDP.



Barbados's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 20.7 percent, and more than 100 nontariff measures are in effect. There are no limits on foreign investment, although some sectors require a government license. The banking sector provides a wide range of services for investors.