



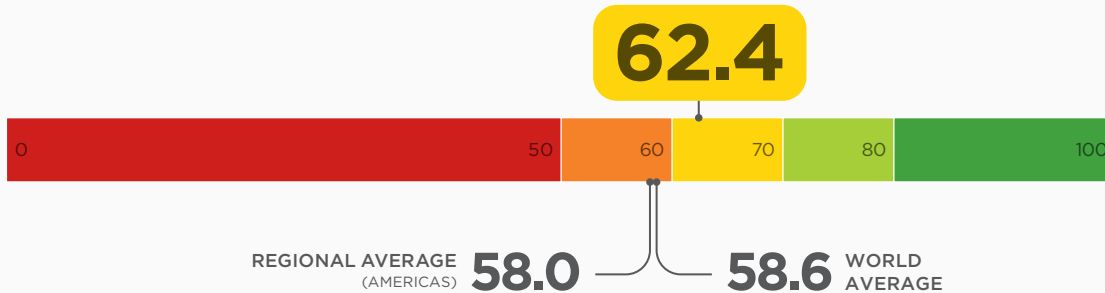
WORLD RANK:	REGIONAL RANK:
63	12
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

GUATEMALA

Guatemala's economic freedom score is 62.4, making its economy the 63rd freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and Guatemala is ranked 12th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Guatemala's economy is considered "moderately free" according to the 2024 *Index*.

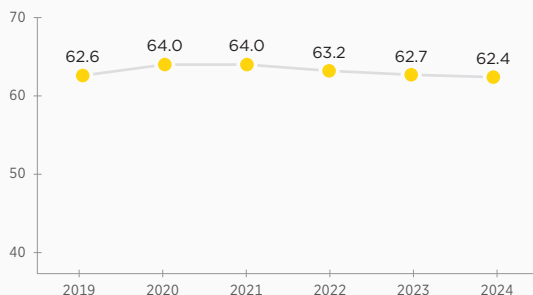
Guatemala's structural reform record has been uneven, and institutional weaknesses still constrain long-term economic development. The judicial system remains inefficient and vulnerable to political interference. Guatemala enjoys relatively high trade freedom, but dynamic economic development is undercut by the absence of progress in other key policy areas that are critical to sustaining and advancing economic freedom. Corruption is perceived as widespread. More than half of the population lives in poverty; remittances account for nearly 10 percent of GDP; and unemployment remains challenging.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +0.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
17.1 million

GDP (PPP):
\$187.8 billion
4.1% growth in 2022
5-year average growth rate: 3.6%
\$10,076 per capita

UNEMPLOYMENT:
3.6%

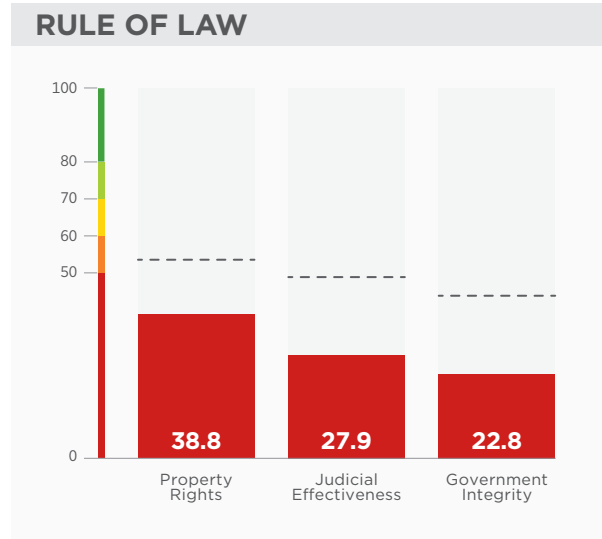
INFLATION (CPI):
6.9%

FDI INFLOW:
\$1.4 billion

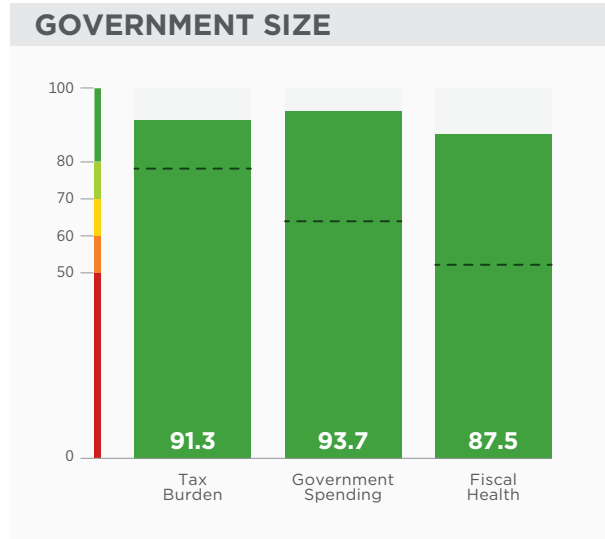
PUBLIC DEBT:
29.2% of GDP

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

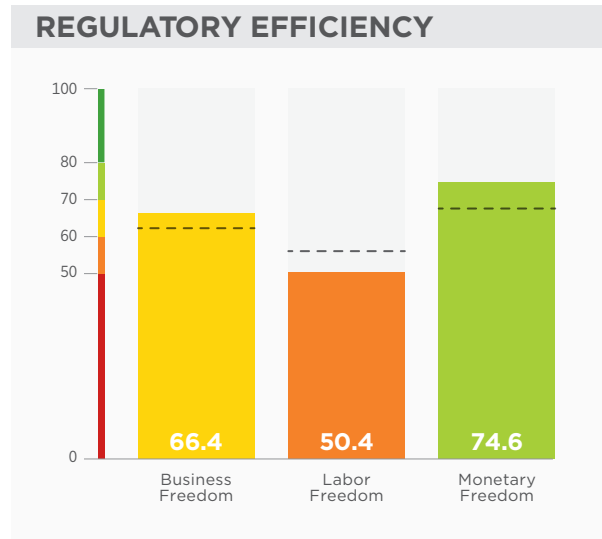
12 ECONOMIC FREEDOMS | GUATEMALA



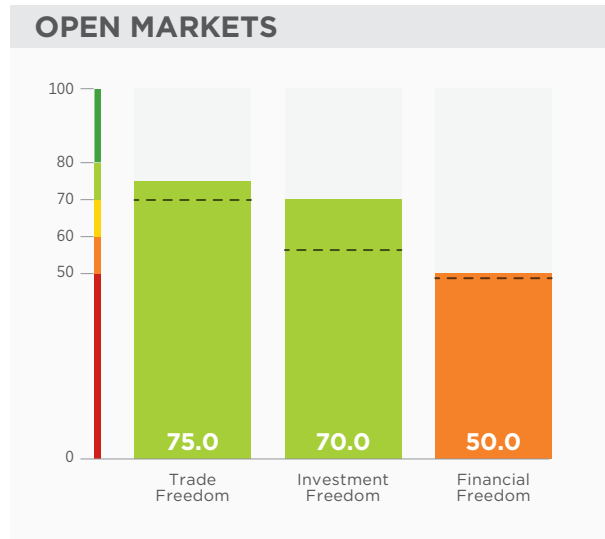
The overall rule of law is weak in Guatemala. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 7 percent, and the top corporate tax rate is 25 percent. The tax burden equals 14.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 14.5 percent and -2.6 percent of GDP. Public debt amounts to 29.2 percent of GDP.



Guatemala'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 below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 5.0 percent. There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors, but the inefficient regulatory systems discourage investment. The overall financial sector is underdeveloped.