

WORLD RANK: **88** | REGIONAL RANK: **18**

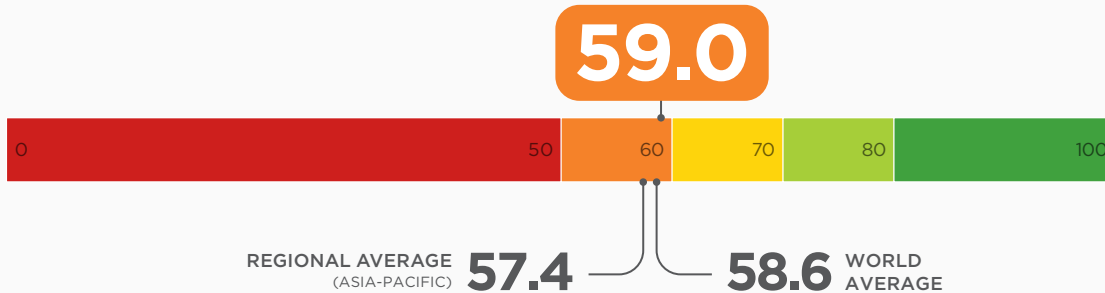
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

PHILIPPINES

The Philippines' economic freedom score is 59, making its economy the 88th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.3 point from last year, and the Philippines is ranked 18th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. The Philippines' economy is considered "mostly unfree" according to the 2024 *Index*.

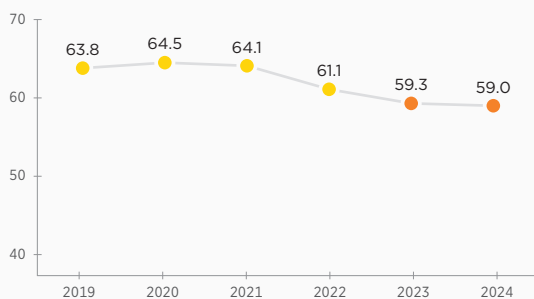
Despite the challenging global economic environment, the Philippine economy has expanded and maintained notable resilience. The government has pursued legislative reforms to enhance the entrepreneurial environment and increase job growth. Nevertheless, there still are institutional challenges. Despite some progress, corruption continues to undermine long-term economic development. The business regulatory environment has generally been streamlined. The time and cost involved in dealing with licensing requirements have been reduced. The labor market remains structurally rigid, but regulations are not particularly burdensome.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +4.0

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
111.0 million

GDP (PPP):
\$1.2 trillion
7.6% growth in 2022
5-year average growth rate: 3.2%
\$10,495 per capita

UNEMPLOYMENT:
2.4%

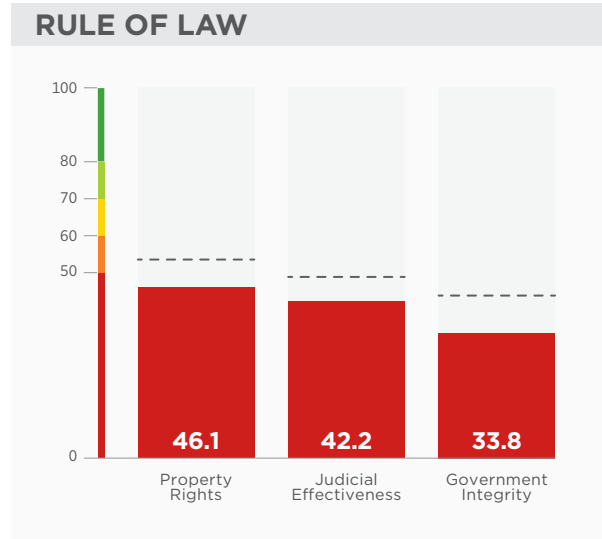
INFLATION (CPI):
5.8%

FDI INFLOW:
\$9.2 billion

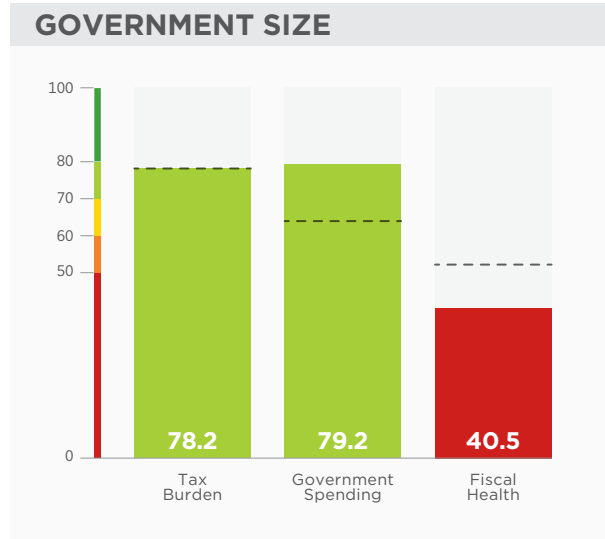
PUBLIC DEBT:
57.5% of GDP

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

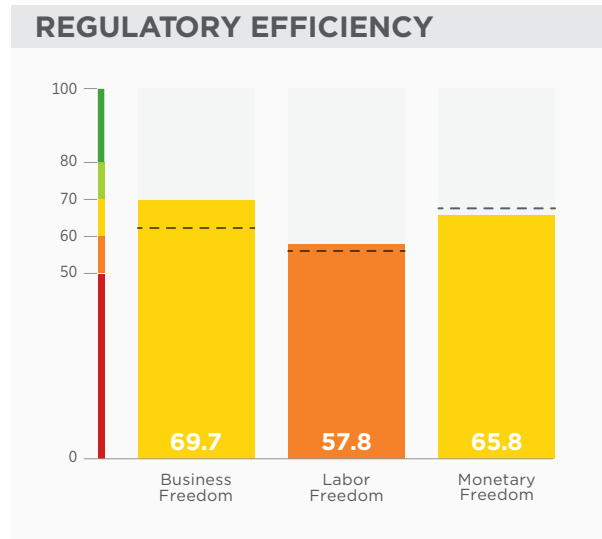
12 ECONOMIC FREEDOMS | PHILIPPINES



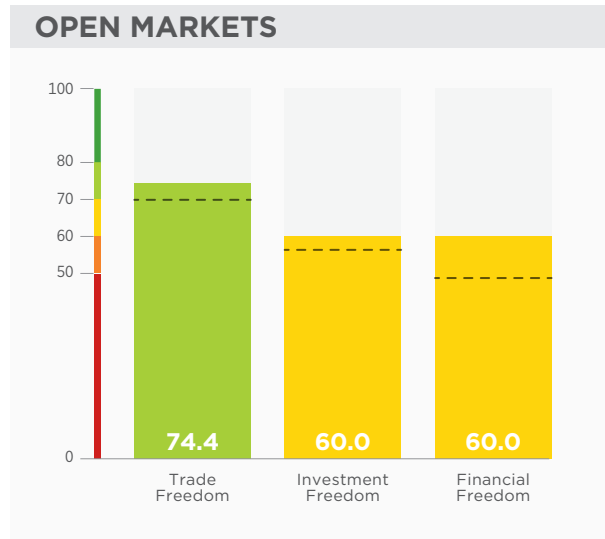
The overall rule of law is weak in the Philippines. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 18.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.3 percent and -5.8 percent of GDP. Public debt amounts to 57.5 percent of GDP.



The Philippines' 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 below the world average.



The trade-weighted average tariff rate is 5.3 percent. Foreign investment is generally welcome, and the investment code treats foreign investors the same as domestic investors. The financial sector is dominated by banking and relatively stable, but capital markets are underdeveloped.