



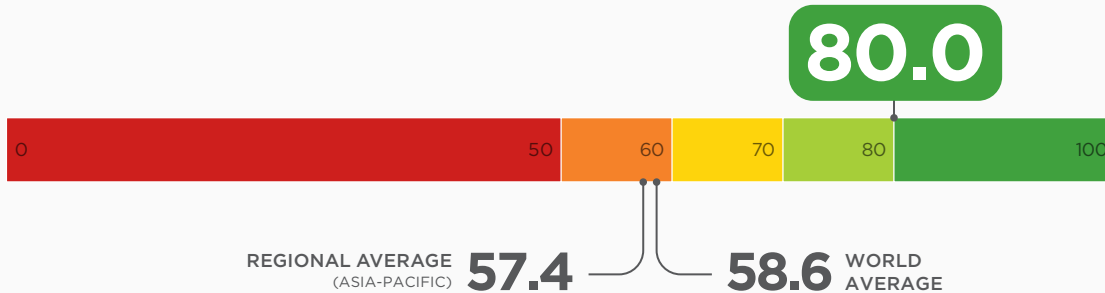
WORLD RANK:	REGIONAL RANK:
<b>4</b>	<b>2</b>
ECONOMIC FREEDOM STATUS:	
<b>FREE</b>	

# TAIWAN

Taiwan's economic freedom score is 80, making its economy the 4th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Taiwan is ranked 2nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Taiwan continues to be one of the world's four "free" economies according to the 2024 *Index*.

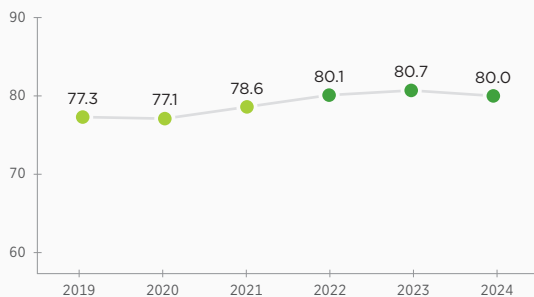
Taiwan is an exemplary free-market democracy. A strong commitment to the rule of law and openness to global commerce have enabled it to become a global leader in economic freedom. The dynamic economy has benefitted from well-functioning institutional and regulatory frameworks with small and medium-size enterprises the backbone of economic growth and resilience. A sound legal framework provides strong protection of property rights and upholds the rule of law. Monetary stability has been well maintained despite inflationary pressure.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
23.4 million

**GDP (PPP):**  
\$1.6 trillion  
2.4% growth in 2022  
5-year average growth rate: 3.6%  
\$69,290 per capita

**UNEMPLOYMENT:**  
3.7%

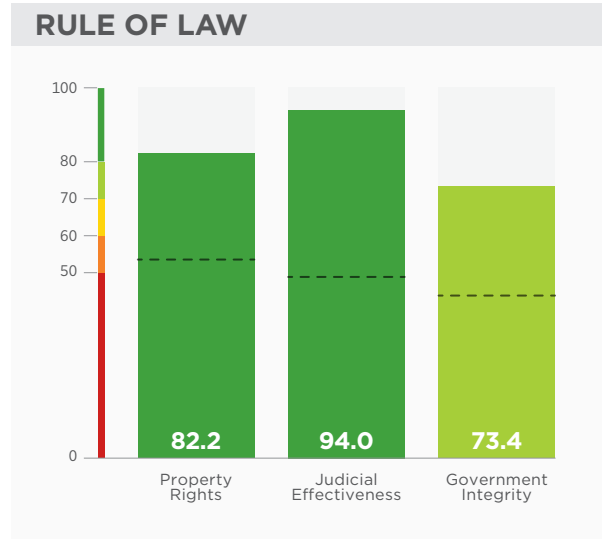
**INFLATION (CPI):**  
2.9%

**FDI INFLOW:**  
\$10.2 billion

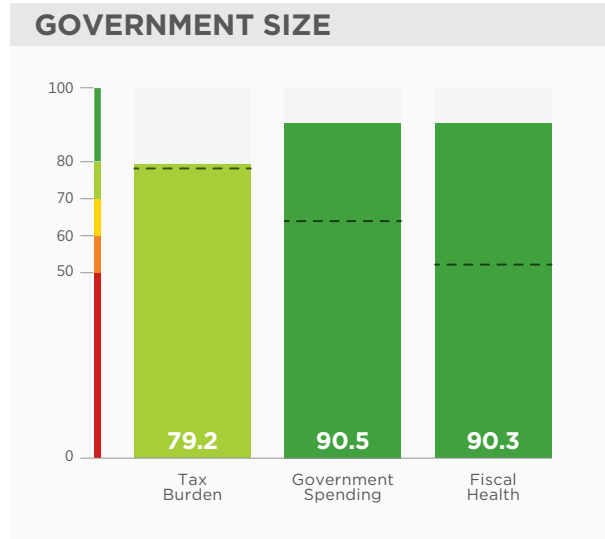
**PUBLIC DEBT:**  
29.7% of GDP

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

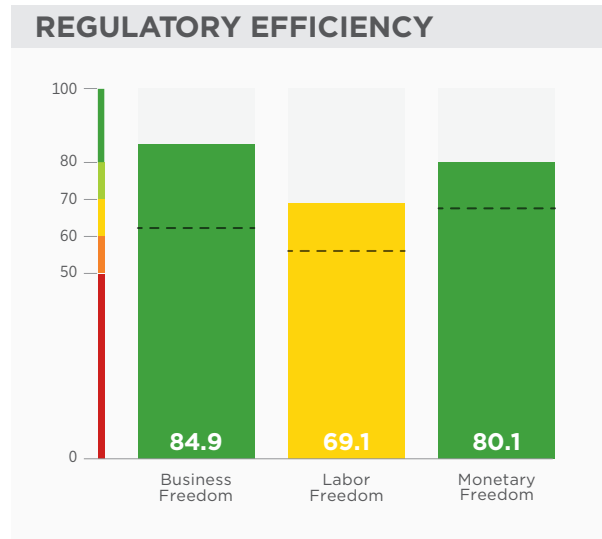
# 12 ECONOMIC FREEDOMS | TAIWAN



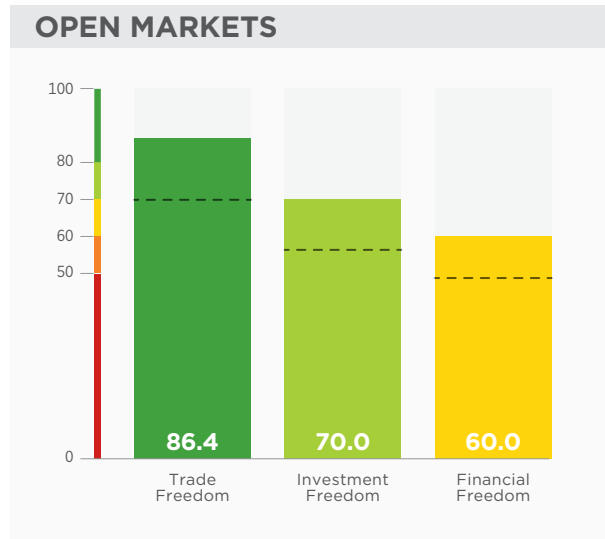
The overall rule of law is well respected in Taiwan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 20 percent. The tax burden equals 9.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 17.8 percent and -2.2 percent of GDP. Public debt amounts to 29.7 percent of GDP.



Taiwan's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far 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 1.8 percent, but nontariff barriers add to the cost of trade. Foreign investment is welcome, and the overall investment framework has become more streamlined. The financial sector continues to evolve and provides a wide range of financial services.