



WORLD RANK: **27** | REGIONAL RANK: **4**

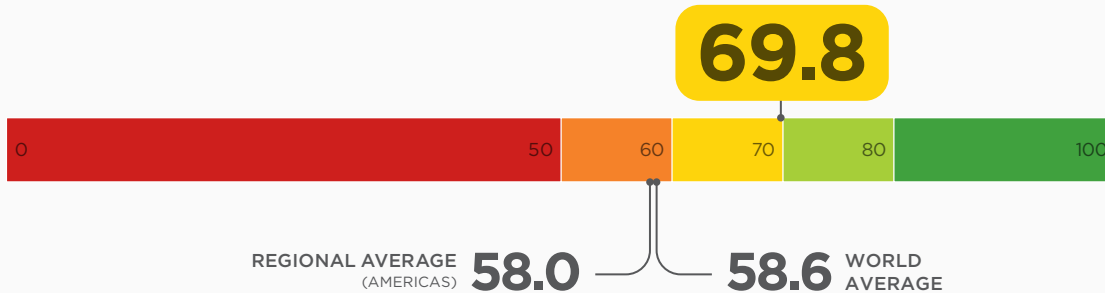
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# URUGUAY

Uruguay's economic freedom score is 69.8, making its economy the 27th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Uruguay is ranked 4th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Uruguay's economy is considered "moderately free" according to the 2024 *Index*.

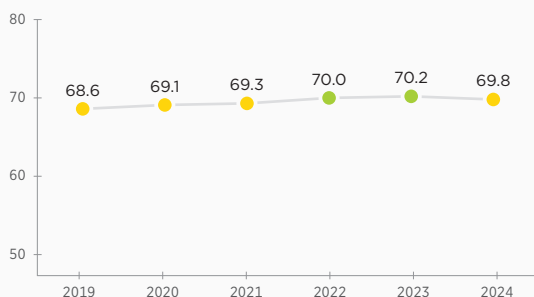
The relative openness of Uruguay's economy is supported by a strong commitment to maintaining the rule of law. Uruguay is considered Latin America's least corrupt country. Its modern entrepreneurial environment encourages the development of a more robust private sector. Recent reforms have enhanced regulatory efficiency, and the cost of completing licensing requirements has been reduced. Budget deficits and public debt have remained around 3 percent and 60 percent of GDP, respectively, in recent years. Monetary stability has been maintained despite relatively high inflation.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +7.3

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
3.5 million

**GDP (PPP):**  
\$98.7 billion  
4.9% growth in 2022  
5-year average growth rate: 1.0%  
\$27,770 per capita

**UNEMPLOYMENT:**  
10.4%

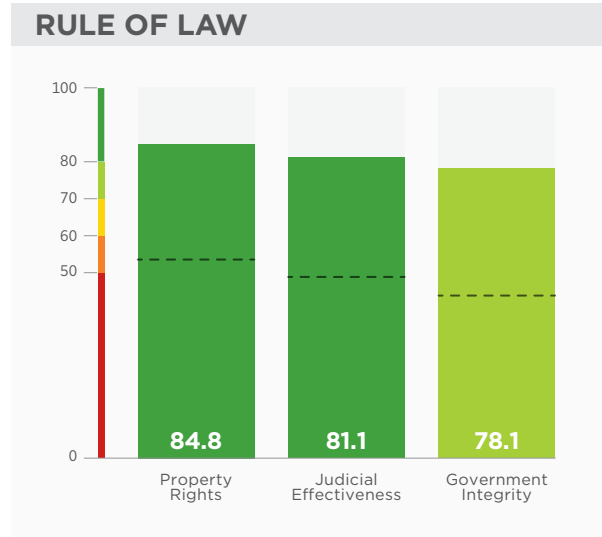
**INFLATION (CPI):**  
9.1%

**FDI INFLOW:**  
\$3.8 billion

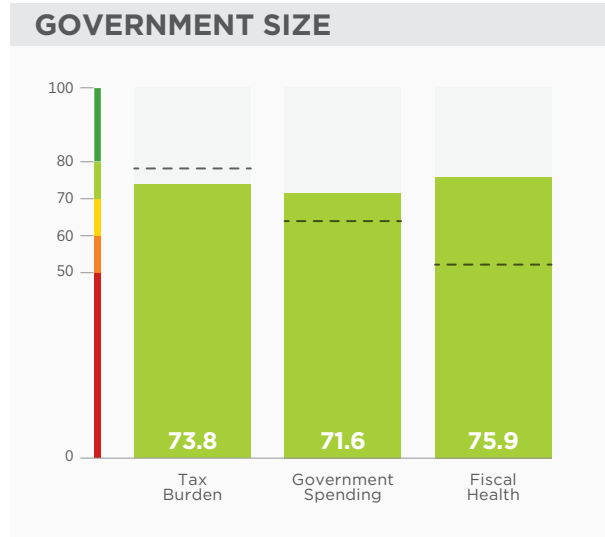
**PUBLIC DEBT:**  
59.3% of GDP

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

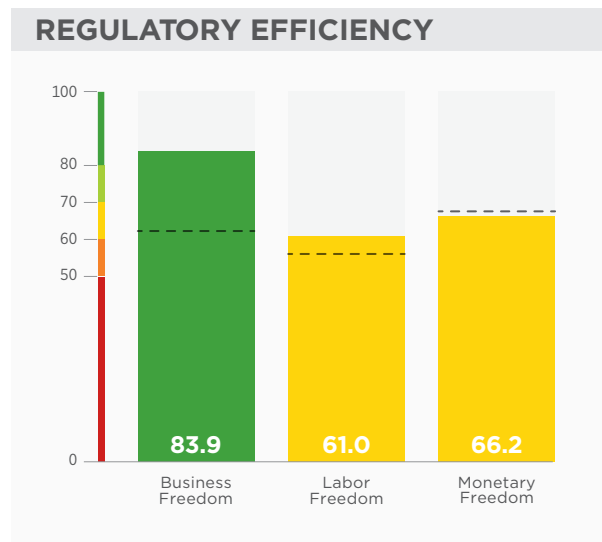
# 12 ECONOMIC FREEDOMS | URUGUAY



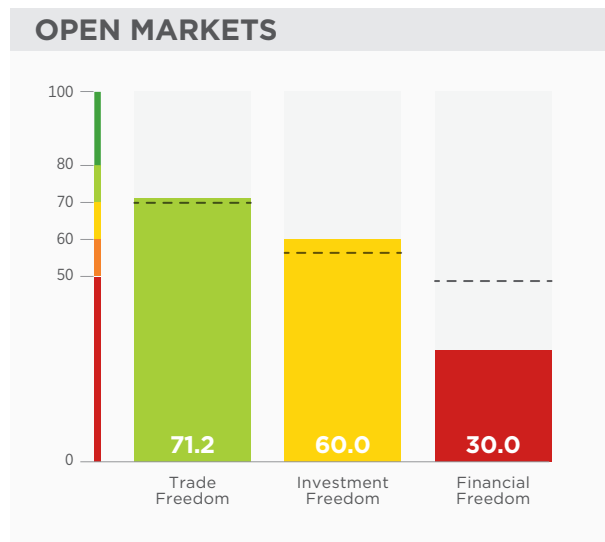
The overall rule of law is well respected in Uruguay. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 36 percent, and the top corporate tax rate is 25 percent. The tax burden equals 26.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.8 percent and -3.3 percent of GDP. Public debt amounts to 59.3 percent of GDP.



Uruguay'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 below the world average.



The trade-weighted average tariff rate is 9.4 percent, and nontariff barriers add to the cost of trade. Foreign investments do not need prior authorization or registration, and the investment regime is efficient. The financial sector has become more modernized, but the government's presence remains significant.