

WORLD RANK: **72** | REGIONAL RANK: **16**

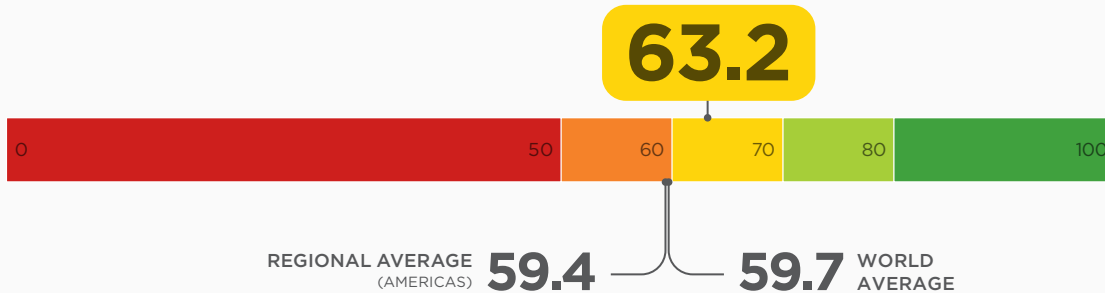
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

BAHAMAS

The Bahamas' economic freedom score is 63.2, making its economy the 72nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and the Bahamas is ranked 16th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. The Bahamas' economy is considered "moderately free" according to the 2025 *Index*.

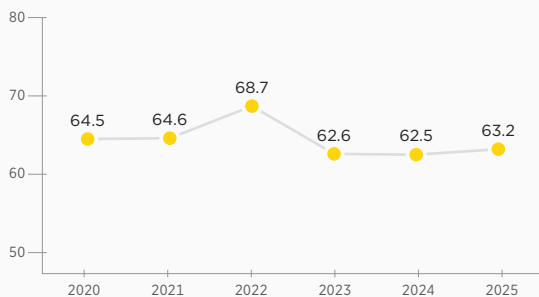
Relatively sound macroeconomic management has contributed to steady economic growth, but overall economic freedom has been declining, and the economy has been fluctuating within the "moderately free" range. The country's overall regulatory system is conducive to entrepreneurial activity, and there are no individual or corporate income taxes. The foundations of economic freedom remain relatively sound with freedom from corruption and property rights scoring above world averages. However, further improvements in these two areas will be critical to improving institutional efficiency.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -8.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.4 million

GDP (PPP):
\$14.7 billion
2.6% growth in 2023
3-year average growth rate: 9.6%
\$36,354 per capita

UNEMPLOYMENT:
9.2%

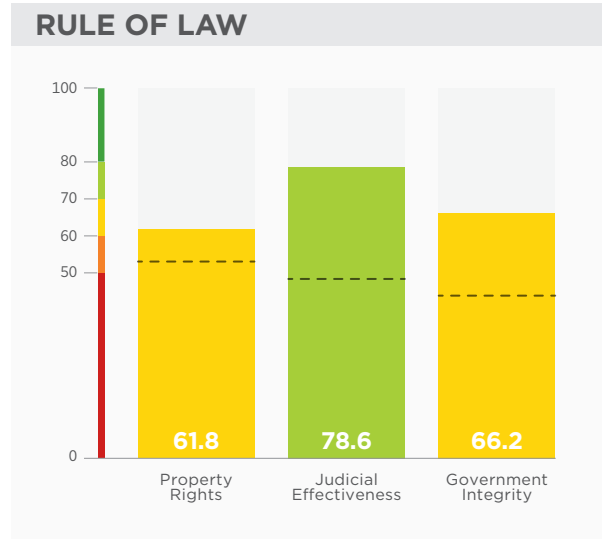
INFLATION (CPI):
3.1%

FDI INFLOW:
\$1.3 billion

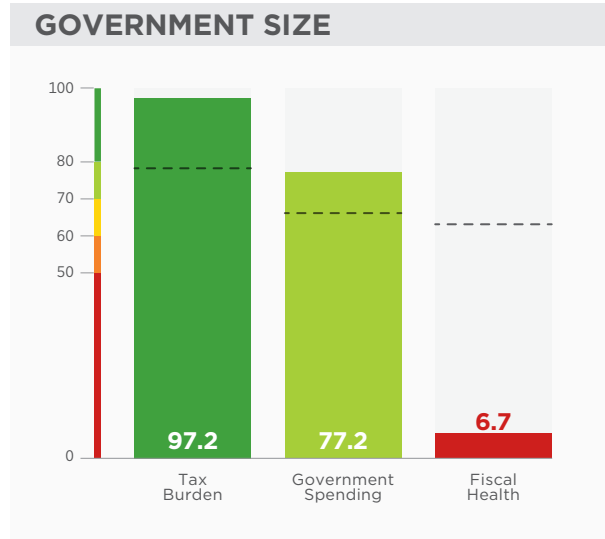
PUBLIC DEBT:
81.5% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

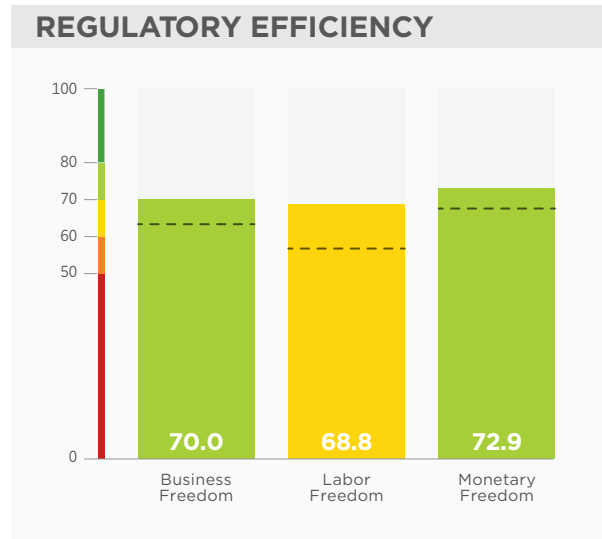
12 ECONOMIC FREEDOMS | BAHAMAS



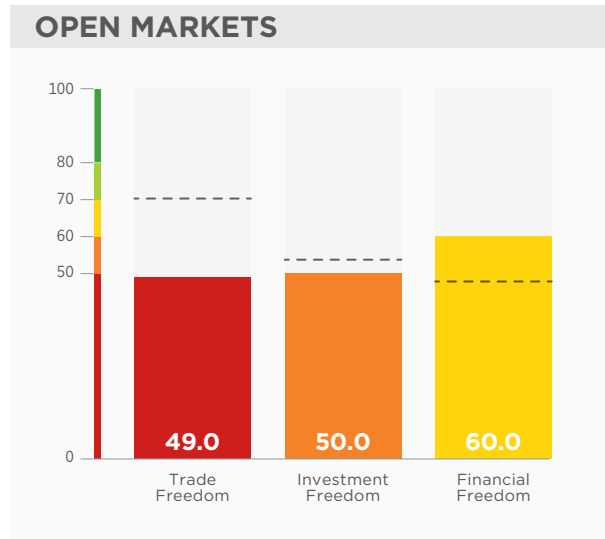
The overall rule of law is relatively well respected in the Bahamas. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 16.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.6 percent and -7.6 percent of GDP. Public debt amounts to 81.5 percent of GDP.



The Bahamas' overall regulatory environment is well institutionalized and relatively efficient. 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 above the world average.



The trade-weighted average tariff rate is 18 percent, and nontariff measures further impede trade flows. New foreign investment is subject to a lengthy review process. The financial sector is fairly competitive and the second most important contributor to the economy.