

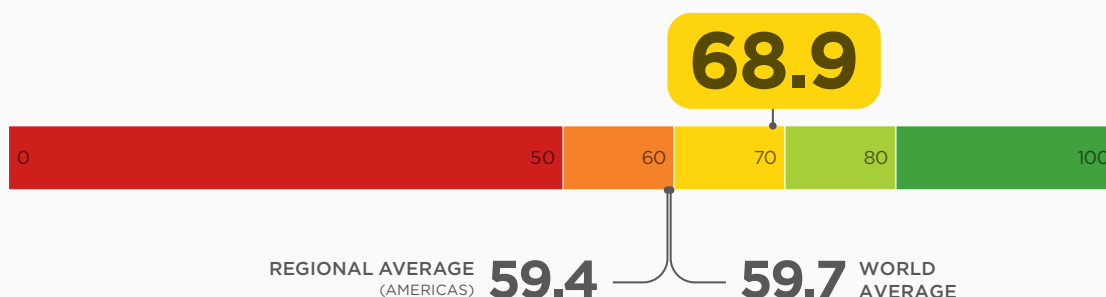
WORLD RANK:	REGIONAL RANK:
36	5
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

BARBADOS

Barbados's economic freedom score is 68.9, making its economy the 36th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 2.1 points from last year, and Barbados is ranked 5th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Barbados's economy is considered "moderately free" according to the 2025 *Index*.

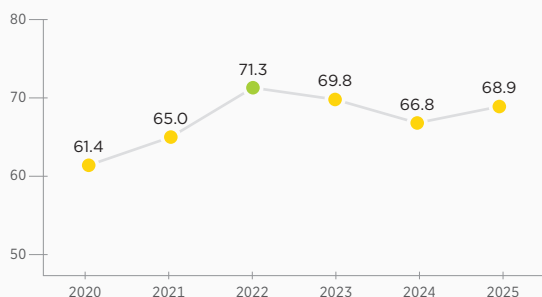
A middle-income country with a diversified economy built on tourism and offshore banking, Barbados has one of the Caribbean's highest incomes per capita. Relatively strong foundations of economic freedom are supported by transparency and efficiency, but the government's economic policies are focused on attracting international companies. The overall business and investment framework is relatively clear. However, the fiscal deficit has caused government debt to become larger than the size of the economy. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +6.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.3 million

GDP (PPP):
\$6.0 billion
4.1% growth in 2023
3-year average growth rate: 7.2%
\$20,765 per capita

UNEMPLOYMENT:
8.0%

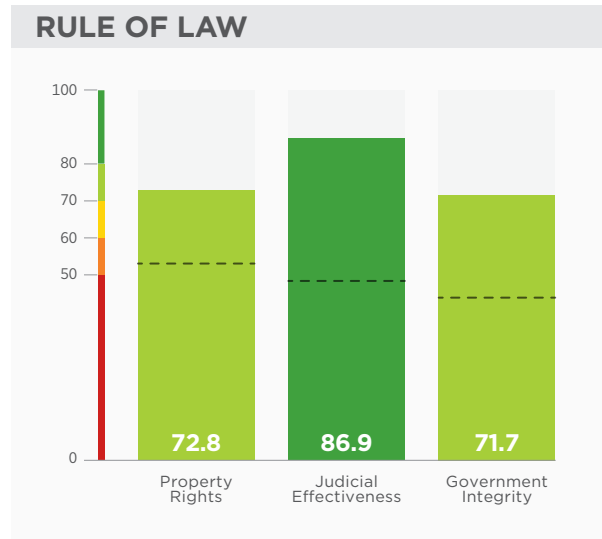
INFLATION (CPI):
3.2%

FDI INFLOW:
\$200.0 million

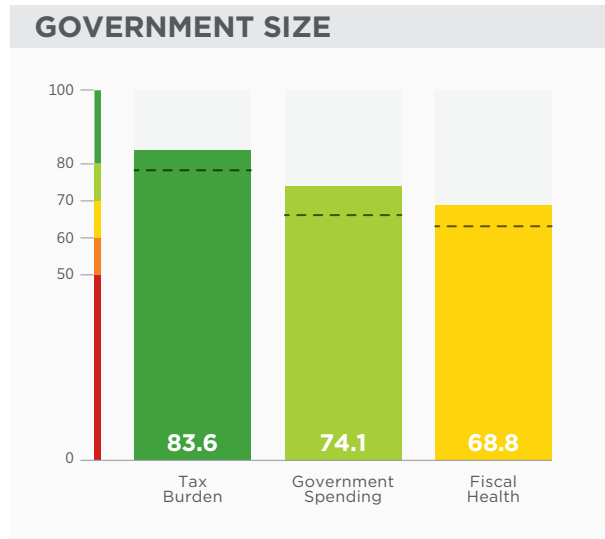
PUBLIC DEBT:
110.8% of GDP

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

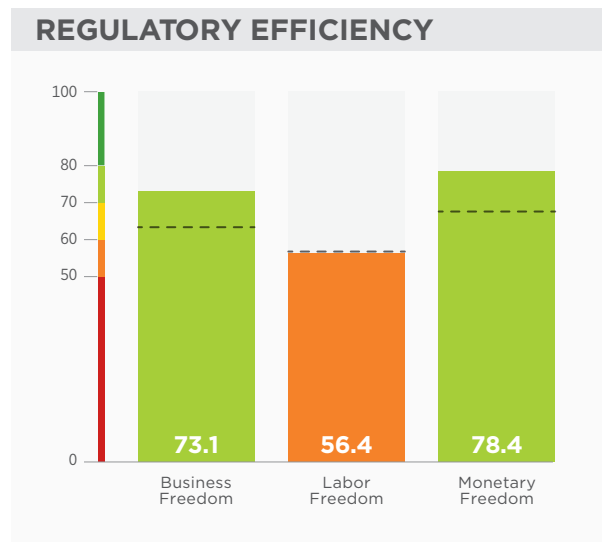
12 ECONOMIC FREEDOMS | BARBADOS



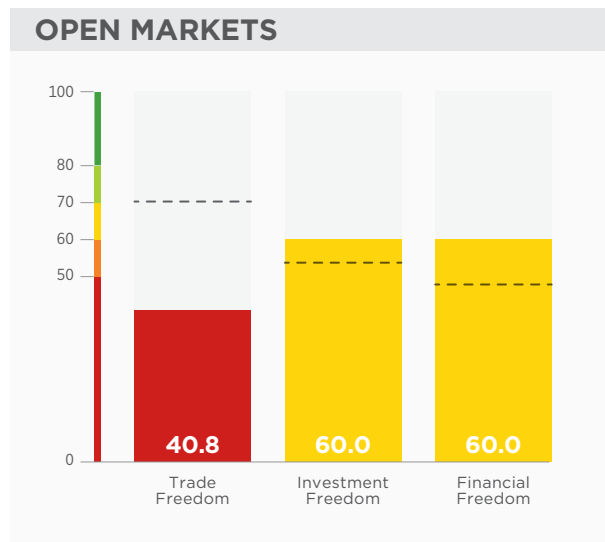
The overall rule of law is well respected in Barbados. The country’s property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 28.5 percent, and the top corporate tax rate is 9 percent. The tax burden equals 27.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.4 percent and -2.6 percent of GDP. Public debt amounts to 110.8 percent of GDP.



Barbados’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 above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 22.1 percent, and more than 100 nontariff measures are in effect. There are no limits on foreign investment, but some sectors require a government license. The banking sector provides a wide range of services for investors.