

WORLD RANK: **113** | REGIONAL RANK: **23**

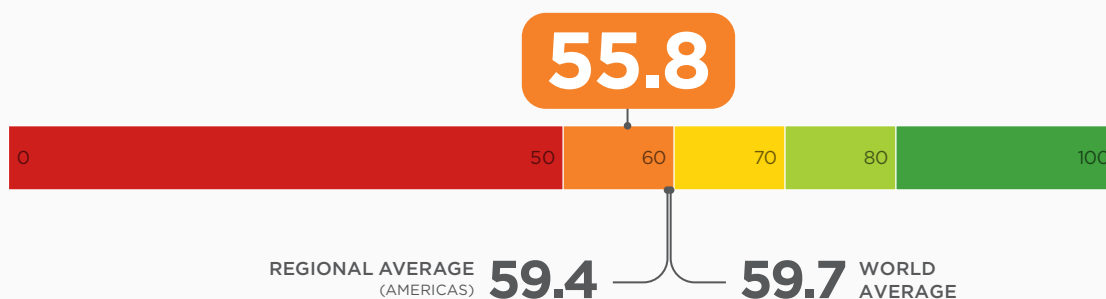
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECUADOR

Ecuador’s economic freedom score is 55.8, making its economy the 113th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Ecuador is ranked 23rd out of 32 countries in the Americas region. The country’s economic freedom score is lower than the world and regional averages. Ecuador’s economy is considered “mostly unfree” according to the 2025 *Index*.

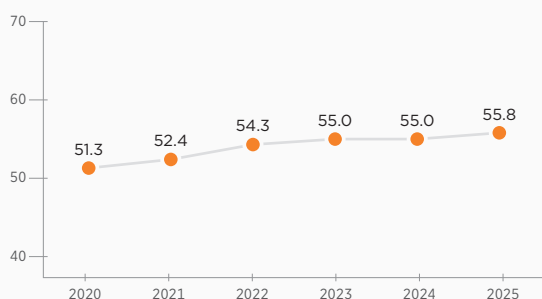
The reach of Ecuador’s government continues to expand to economic sectors beyond the petroleum industry. The rule of law is undermined by pervasive corruption that weakens property rights. The private sector is struggling to operate in a restrictive entrepreneurial environment. The inconsistent application of commercial laws increases the cost of doing business. Nontransparency and unfair competition from state-backed firms are persistent problems. Outdated labor regulations discourage new hiring, and employers resort to short-term outsourcing contracts. Price controls are frequently imposed by the state.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
17.8 million

GDP (PPP):
\$288.8 billion
2.4% growth in 2023
3-year average growth rate: 6.1%
\$16,193 per capita

UNEMPLOYMENT:
3.4%

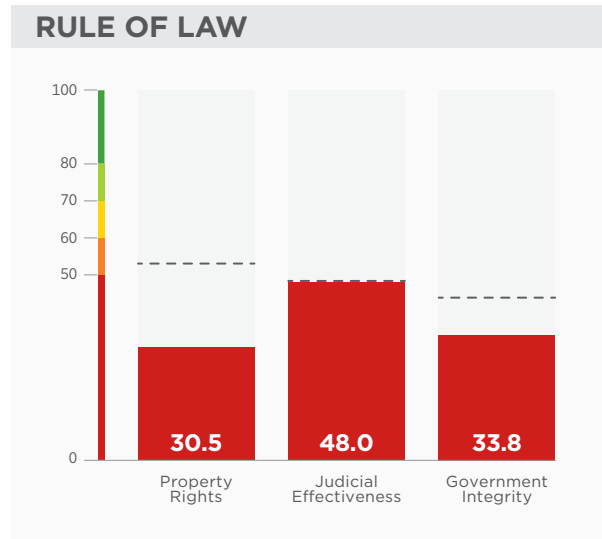
INFLATION (CPI):
2.2%

FDI INFLOW:
\$788.0 million

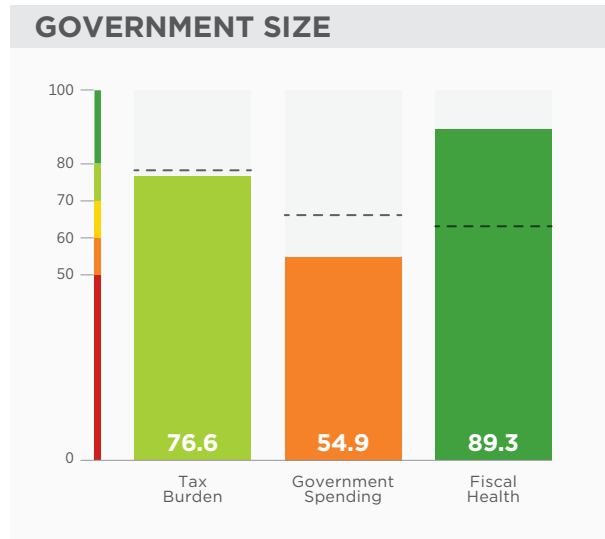
PUBLIC DEBT:
55.3% of GDP

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

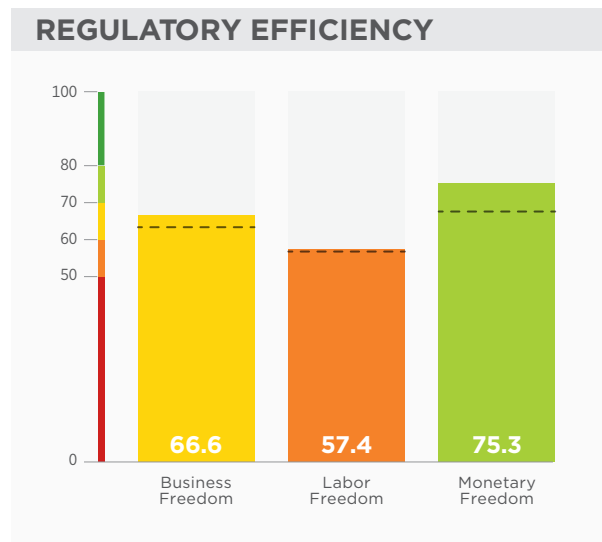
12 ECONOMIC FREEDOMS | ECUADOR



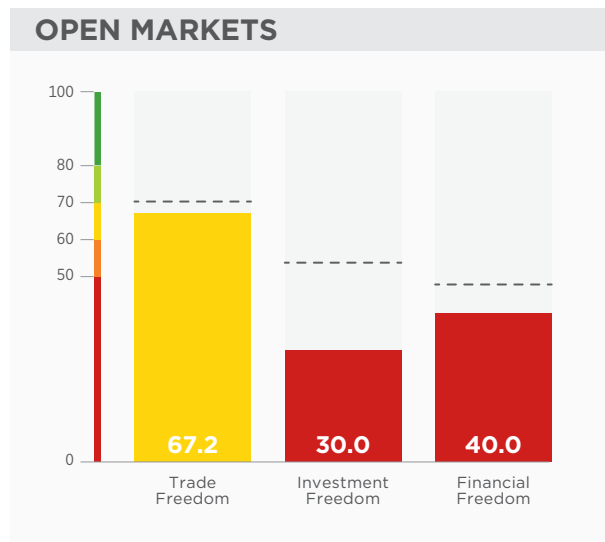
The overall rule of law is weak in Ecuador. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 37 percent, and the top corporate tax rate is 28 percent. The tax burden equals 13.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.8 percent and -1.7 percent of GDP. Public debt amounts to 55.3 percent of GDP.



Ecuador'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 above the world average.



The trade-weighted average tariff rate is 6.4 percent, and more than 200 nontariff measures are in force. The investment climate remains uncertain. The underdeveloped and state-controlled financial sector limits access to credit. Approximately 50 percent of adults have access to accounts with a formal banking institution.