



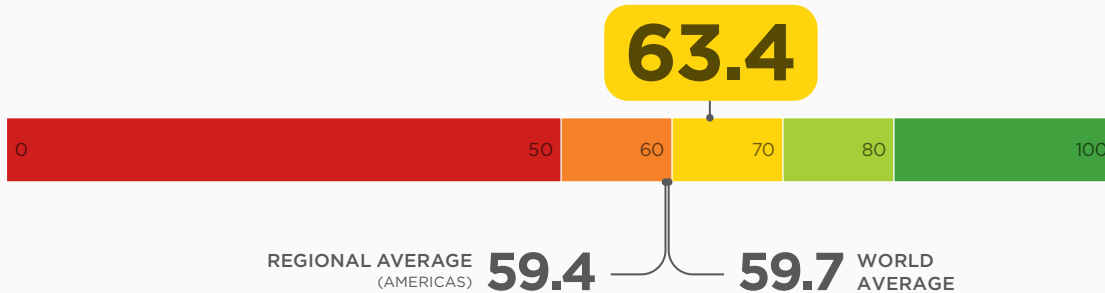
WORLD RANK:	REGIONAL RANK:
71	15
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

GUATEMALA

Guatemala’s economic freedom score is 63.4, making its economy the 71st freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.0 point from last year, and Guatemala is ranked 15th out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Guatemala’s economy is considered “moderately free” according to the 2025 *Index*.

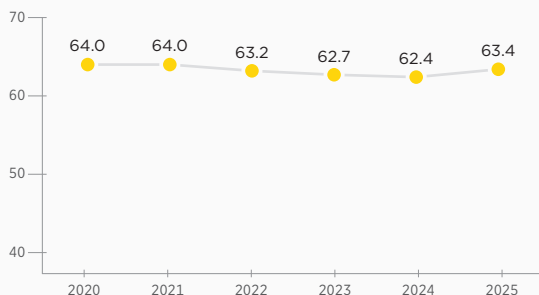
Guatemala’s structural reform record has been uneven, and institutional weaknesses still constrain long-term economic development. The judicial system remains inefficient and vulnerable to political interference. Guatemala enjoys relatively high trade freedom, but dynamic economic development is undercut by the absence of progress in other policy areas that are critical to sustaining and advancing economic freedom. Corruption is perceived as widespread. More than half of the population lives in poverty; remittances account for nearly 10 percent of GDP; and unemployment remains challenging.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +1.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
17.6 million

GDP (PPP):
\$249.2 billion
3.5% growth in 2023
3-year average growth rate: 5.3%
\$14,158 per capita

UNEMPLOYMENT:
2.7%

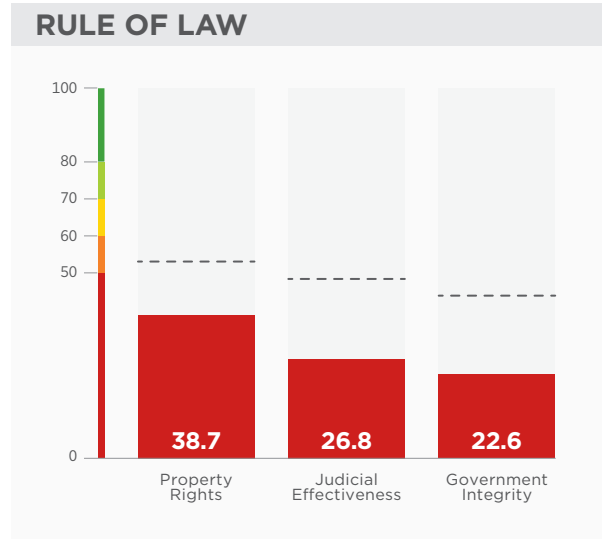
INFLATION (CPI):
6.2%

FDI INFLOW:
\$1.4 billion

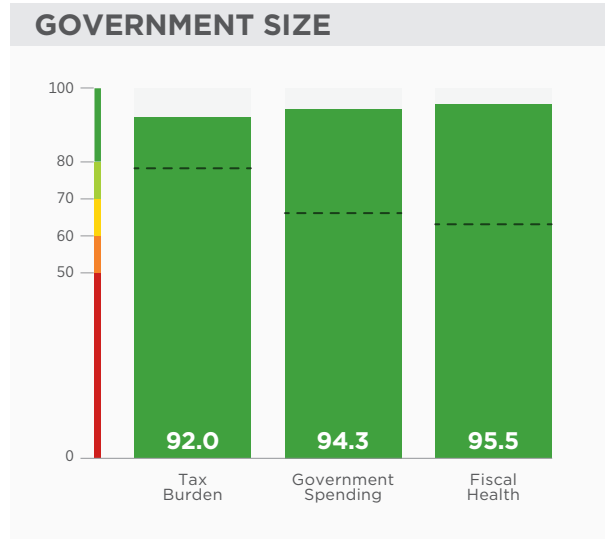
PUBLIC DEBT:
27.2% of GDP

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

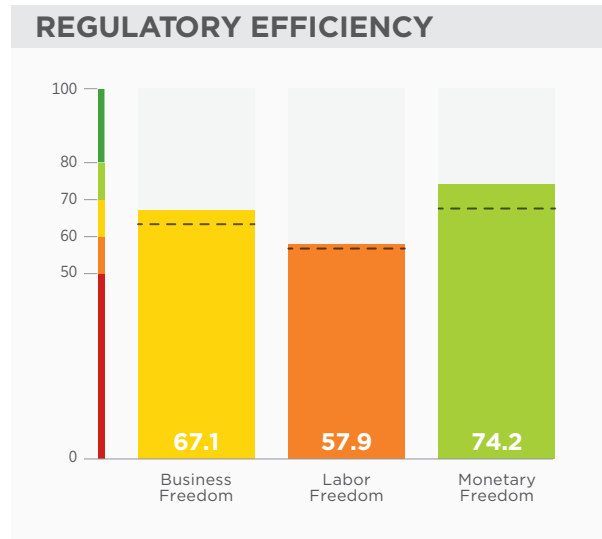
12 ECONOMIC FREEDOMS | GUATEMALA



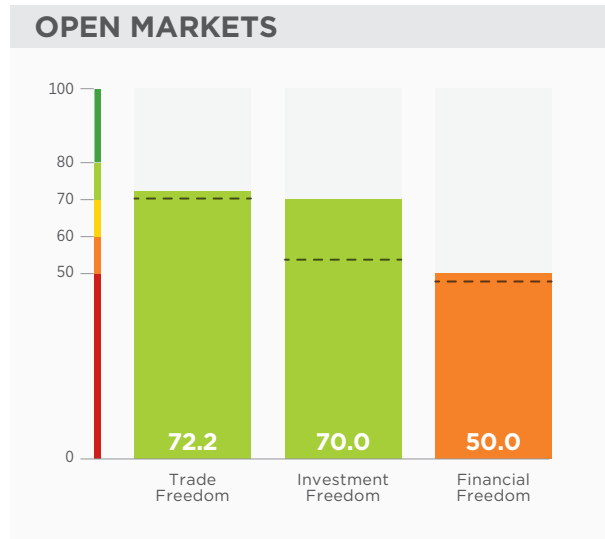
The overall rule of law is weak in Guatemala. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 7 percent, and the top corporate tax rate is 25 percent. The tax burden equals 11.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 13.8 percent and -1.4 percent of GDP. Public debt amounts to 27.2 percent of GDP.



Guatemala's overall regulatory environment is relatively well institutionalized but lacks overall 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. There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors, but the government's inefficient regulatory systems discourage investment. The financial sector is underdeveloped.