

MEXICO

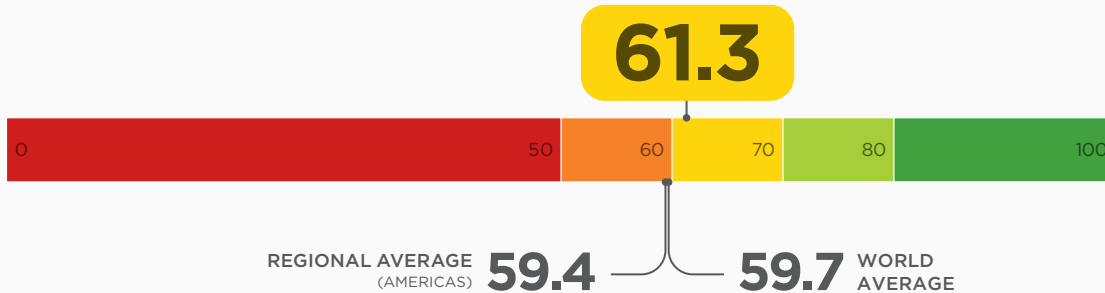
WORLD RANK: **80** | REGIONAL RANK: **17**

ECONOMIC FREEDOM STATUS:
MODERATELY FREE

Mexico's economic freedom score is 61.3, making its economy the 80th freest in the 2025 *Index of Economic Freedom*. Its rating has decreased by 0.7 point from last year, and Mexico is ranked 17th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Mexico's economy is considered "moderately free" according to the 2025 *Index*.

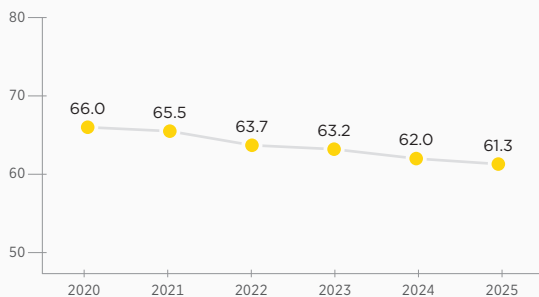
Violence and instability have severely undercut the rule of law in Mexico. Other institutional weaknesses include rampant corruption and poor protection of property rights. The government has an extensive agenda of reforms to address these deficiencies, but progress has been marginal. Uncertain enforcement of contracts, precarious security, and informality undermine business freedom. The pace of reform has slowed in comparison to other emerging economies. Labor market reforms have largely stalled, and the informal sector accounts for a large portion of economic activity.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.8

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
131.1 million

GDP (PPP):
\$3.2 trillion
3.2% growth in 2023
3-year average growth rate: 4.3%
\$24,249 per capita

UNEMPLOYMENT:
2.8%

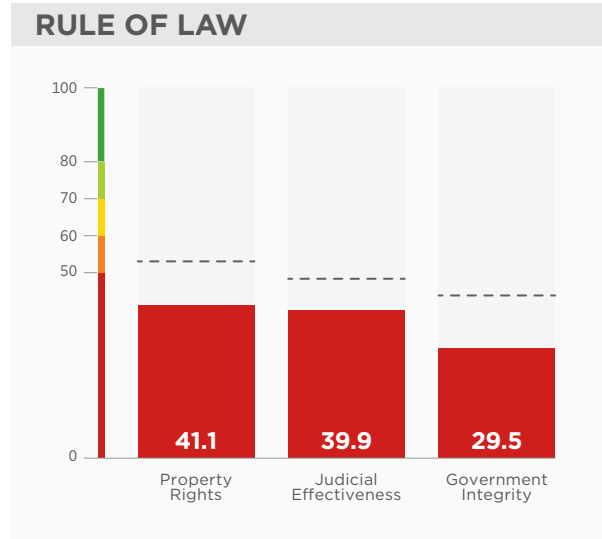
INFLATION (CPI):
5.5%

FDI INFLOW:
\$35.3 billion

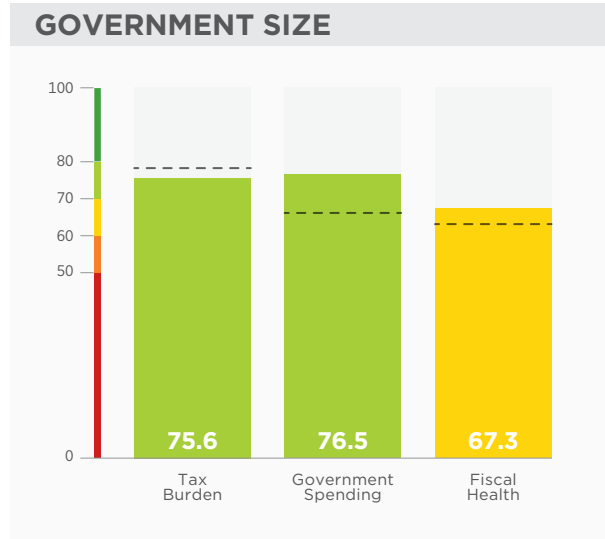
PUBLIC DEBT:
53.1% of GDP

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

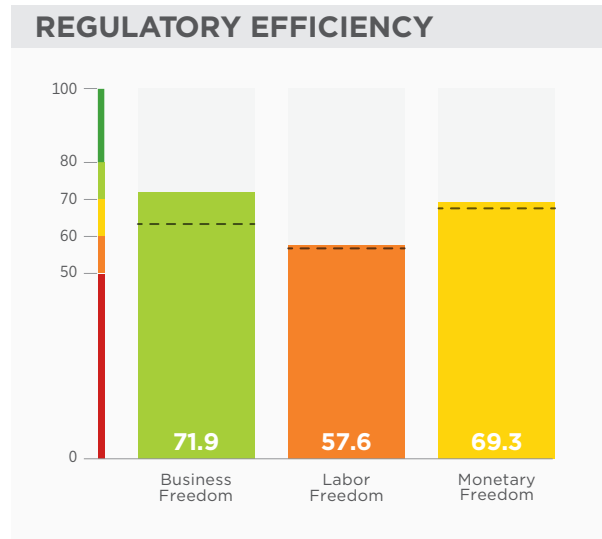
12 ECONOMIC FREEDOMS | MEXICO



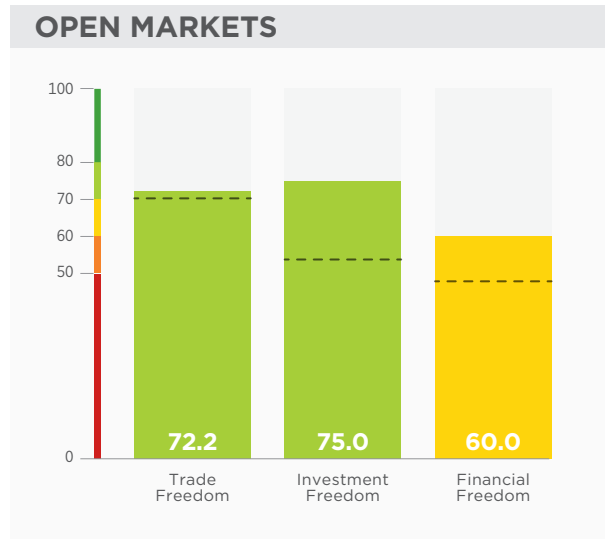
The overall rule of law is weak in Mexico. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 30 percent. The tax burden equals 17.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.0 percent and -4.1 percent of GDP. Public debt amounts to 53.1 percent of GDP.



Mexico'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 3.9 percent, and more than 200 nontariff measures are in force. Foreign direct investment in most of the economy is permitted, but certain key sectors are still reserved for the state. Much of the well-capitalized banking sector is foreign-owned.