

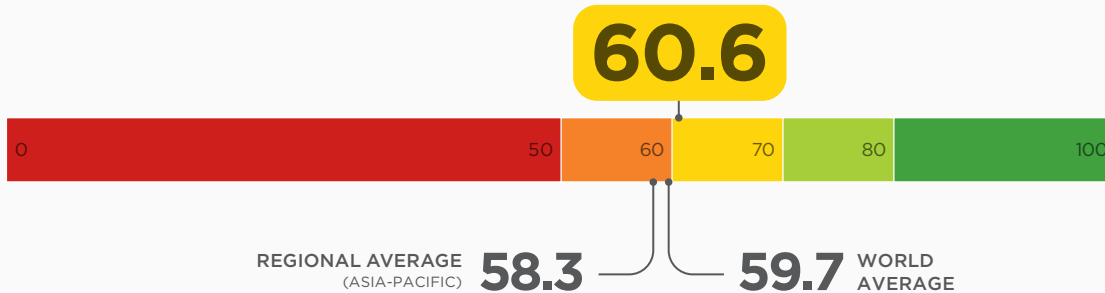
WORLD RANK:	REGIONAL RANK:
82	16
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

PHILIPPINES

The Philippines' economic freedom score is 60.6, making its economy the 82nd freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.6 points from last year, and the Philippines is ranked 16th out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. The Philippines' economy is considered "moderately free" according to the 2025 *Index*.

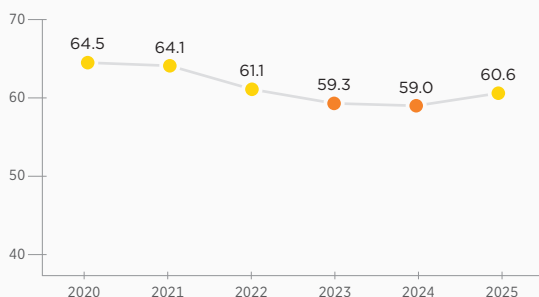
Despite the challenging global economic environment, the Philippine economy has been on a steady path of expansion. The government has pursued legislative reforms to enhance the entrepreneurial environment and develop a stronger private sector to generate broader-based job growth. Regulatory efficiency has been notably enhanced. The economy has expanded at an average annual rate of more than 6 percent over the past three years. Nevertheless, institutional challenges persist. Although there has been some progress, corruption continues to undermine long-term economic development.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
111.9 million

GDP (PPP):
\$1.3 trillion
5.5% growth in 2023
3-year average growth rate: 6.3%
\$11,281 per capita

UNEMPLOYMENT:
2.2%

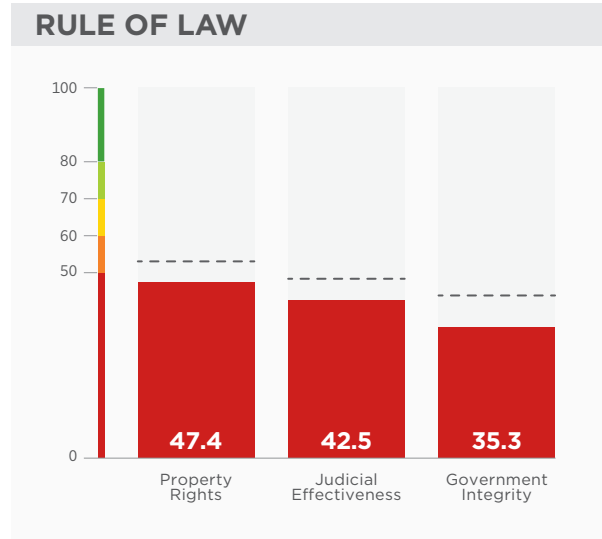
INFLATION (CPI):
6.0%

FDI INFLOW:
\$9.2 billion

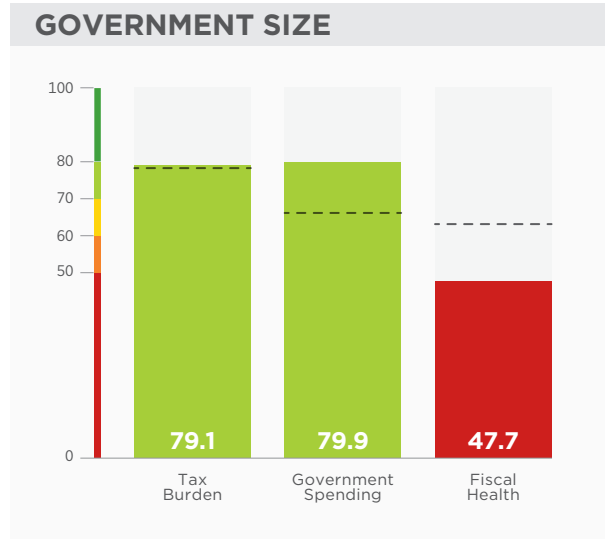
PUBLIC DEBT:
56.5% of GDP

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

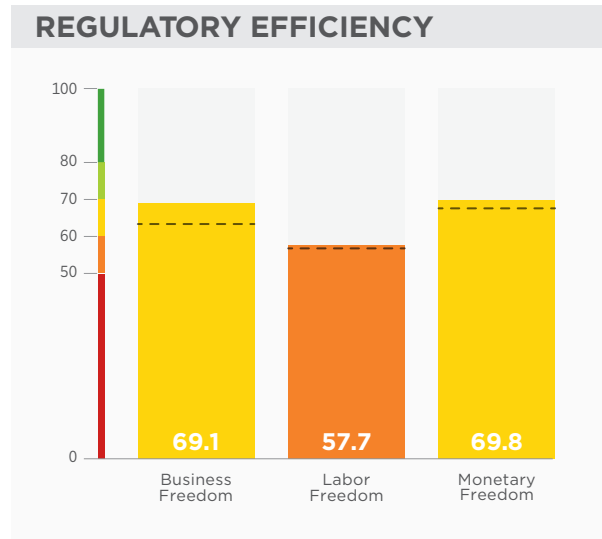
12 ECONOMIC FREEDOMS | PHILIPPINES



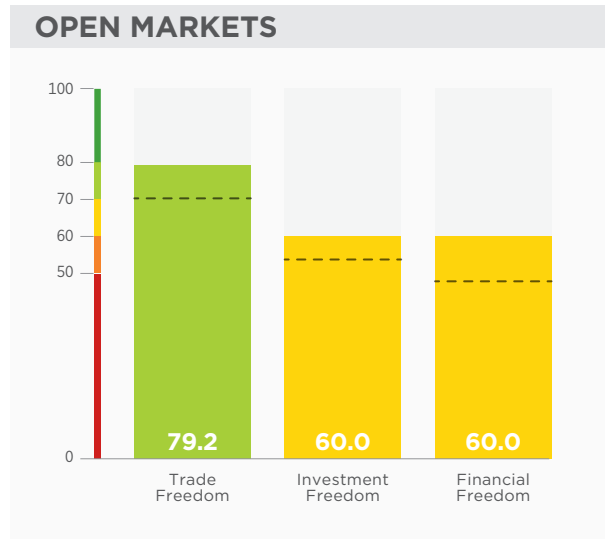
The overall rule of law is weak in the Philippines. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 25 percent. The tax burden equals 15.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 25.9 percent and -5.4 percent of GDP. Public debt amounts to 56.5 percent of GDP.



The Philippines' 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 5.4 percent. Foreign investment is generally welcome, and the investment code treats foreign investors the same as it treats domestic investors. The financial sector is dominated by banking and relatively stable, but capital markets are underdeveloped.