

WORLD RANK: **109** | REGIONAL RANK: **23**

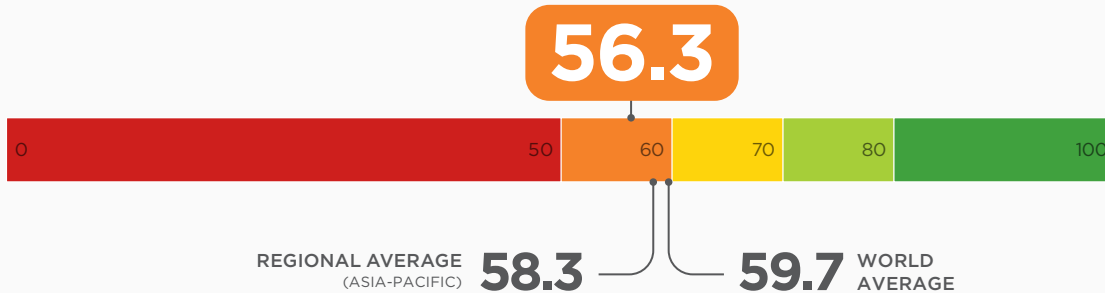
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

SOLOMON ISLANDS

The Solomon Islands' economic freedom score is 56.3, making its economy the 109th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and the Solomon Islands is ranked 23rd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the world and regional averages. The Solomon Islands' economy is considered "mostly unfree" according to the 2025 *Index*.

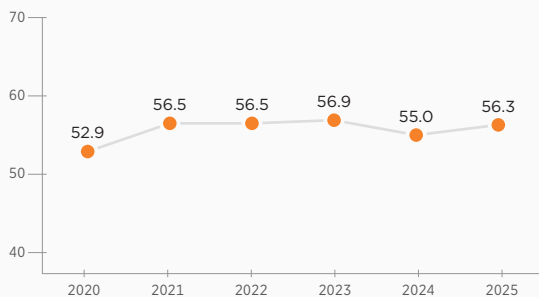
Economic dynamism and development remain stifled by deficiencies that include poor governance and an inefficient public sector. Underdeveloped legal and physical infrastructure discourages the emergence of a vibrant private sector. Implementation of a simplified registration process has marginally improved the business environment. Uneven enforcement of existing laws continues to undermine the regulatory process. The labor market is underdeveloped. Despite abundant timber and undeveloped mineral resources, much of the population depends on subsistence farming, fishing, and artisanal forestry.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +10.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.8 million

GDP (PPP):
\$2.0 billion
3.1% growth in 2023
3-year average growth rate: 2.7%
\$2,554 per capita

UNEMPLOYMENT:
1.6%

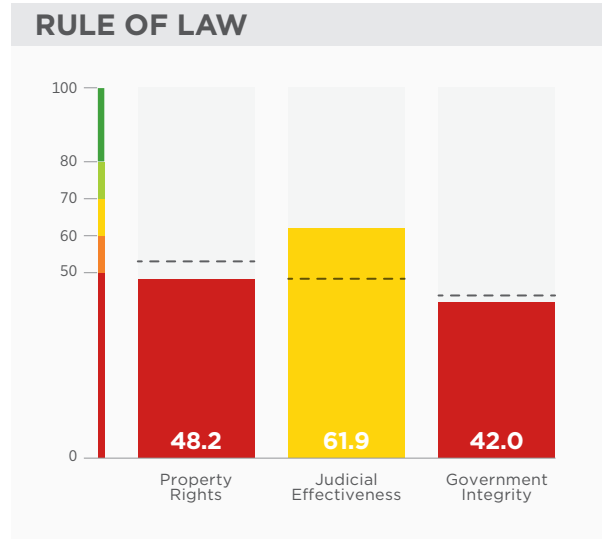
INFLATION (CPI):
5.1%

FDI INFLOW:
\$41.0 million

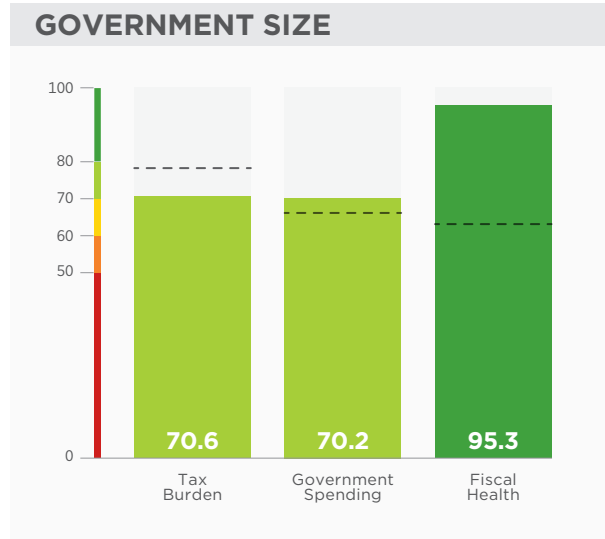
PUBLIC DEBT:
20.9% of GDP

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

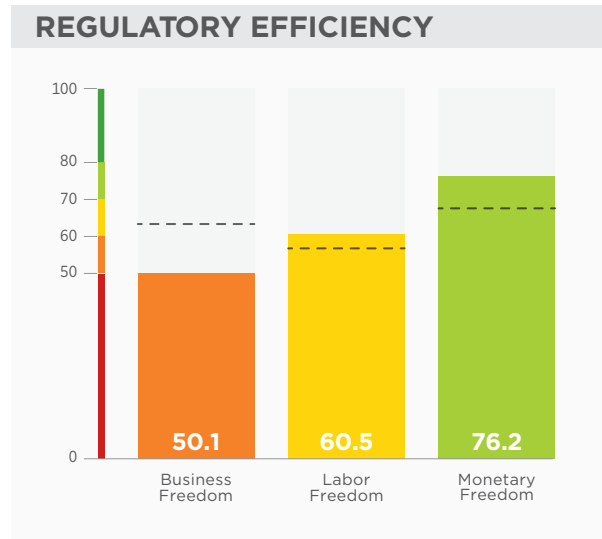
12 ECONOMIC FREEDOMS | SOLOMON ISLANDS



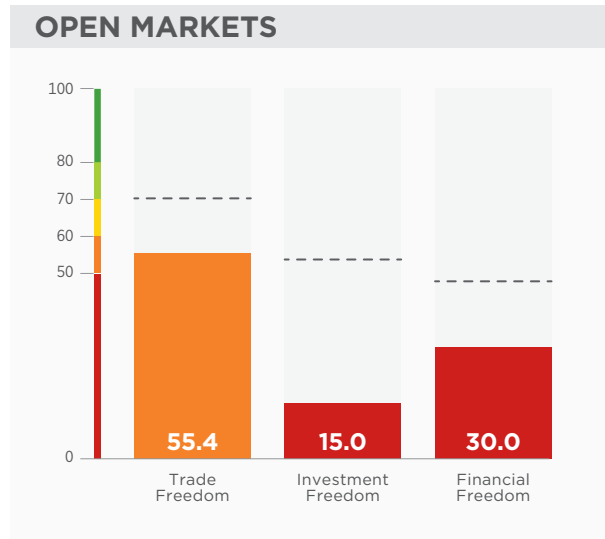
The overall rule of law is relatively well respected in the Solomon Islands. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 30 percent. The tax burden equals 21.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.5 percent and -1.5 percent of GDP. Public debt amounts to 20.9 percent of GDP.



The Solomon Islands' overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far below 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 14.8 percent, and extensive layers of nontariff barriers further limit trade freedom. Investment laws are outmoded, and bureaucracy is slow and inefficient. Banking dominates the underdeveloped financial sector, and access to credit remains limited.