



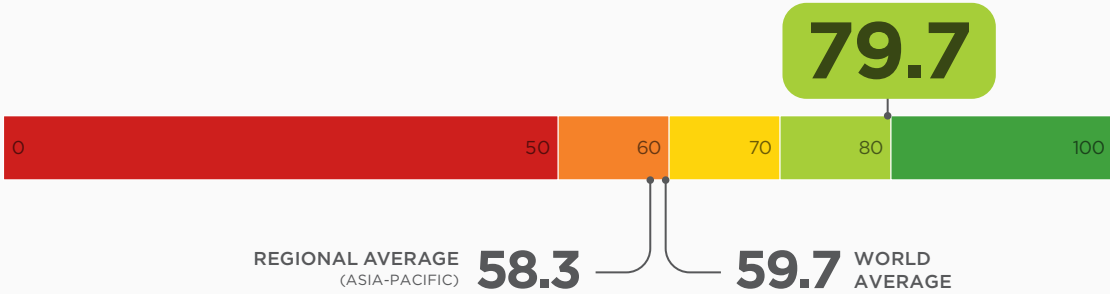
WORLD RANK:	REGIONAL RANK:
4	2
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

TAIWAN

Taiwan's economic freedom score is 79.7, making its economy the 4th freest in the 2025 *Index of Economic Freedom*. Its rating is largely unchanged from last year, and Taiwan is ranked 2nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Taiwan's economy is considered "mostly free" according to the 2025 *Index*.

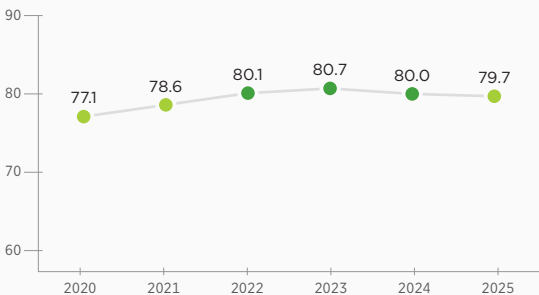
Taiwan is one of the world's five freest economies and an exemplary free-market democracy. A strong commitment to the rule of law and openness to global commerce have enabled it to become a global leader in economic freedom. The dynamic economy has benefitted from a well-functioning institutional framework, and small and medium-size enterprises have been the backbone of economic growth and resilience. A sound legal foundation provides strong protection of property rights and upholds the rule of law. Monetary stability has been well maintained.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.5

RECENT FREEDOM TREND

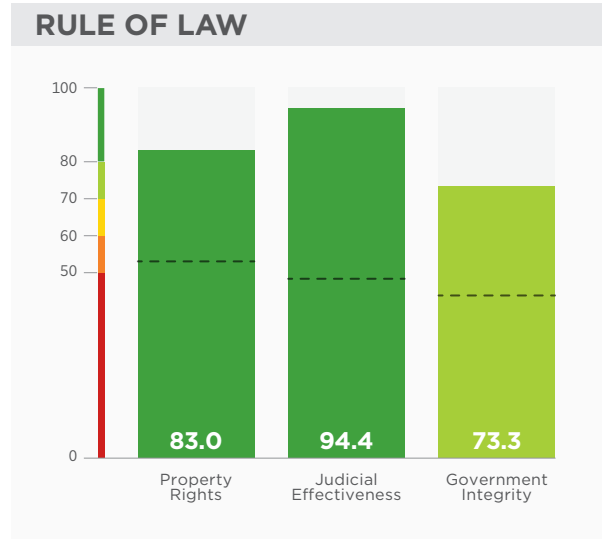


QUICK FACTS

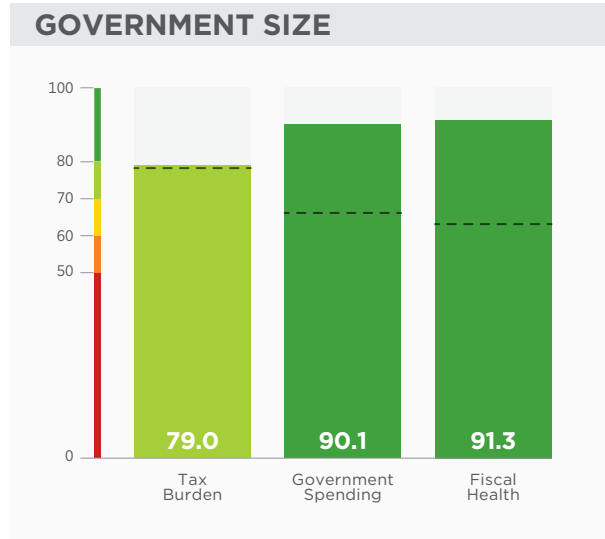
- POPULATION:** 23.3 million
- UNEMPLOYMENT:** 3.7%
- GDP (PPP):** \$1.7 trillion
- INFLATION (CPI):** 2.5%
- 1.3% growth in 2023
- FDI INFLOW:** \$10.2 billion
- 3-year average growth rate: 3.5%
- PUBLIC DEBT:** 29.1% of GDP
- \$74,409 per capita

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

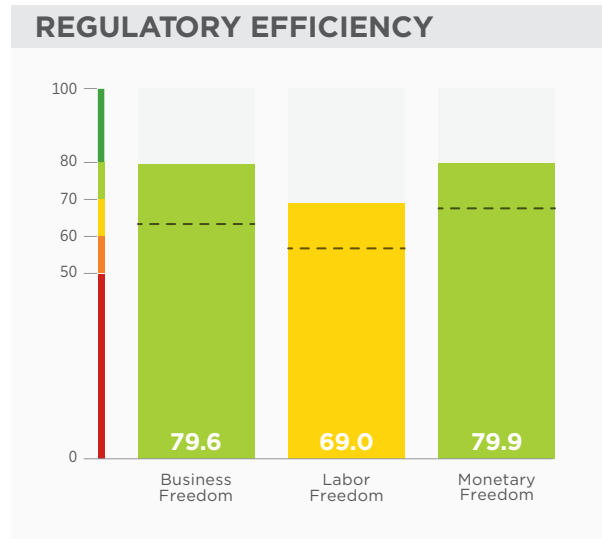
12 ECONOMIC FREEDOMS | TAIWAN



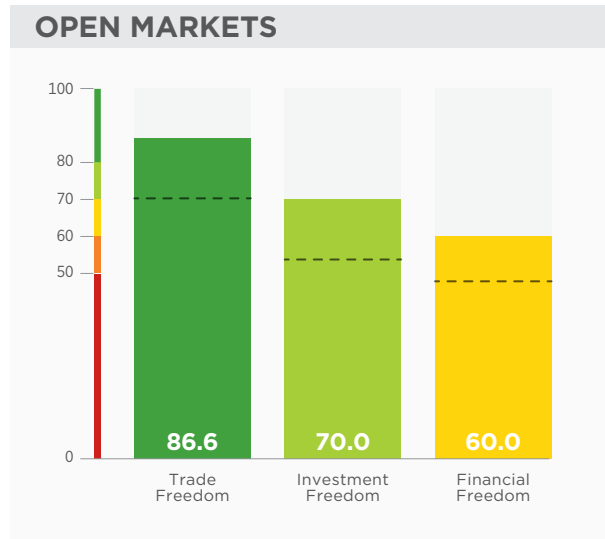
The overall rule of law is well respected in Taiwan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 20 percent. The tax burden equals 10.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.1 percent and -2.1 percent of GDP. Public debt amounts to 29.1 percent of GDP.



Taiwan's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above 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 1.7 percent, but nontariff barriers add to the cost of trade. Foreign investment is welcome, and the overall investment framework has become more streamlined. The financial sector continues to evolve and provides a wide range of financial services.