



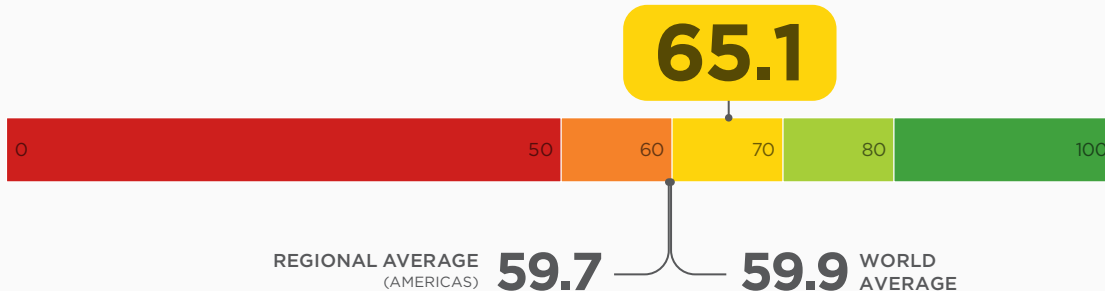
WORLD RANK:	REGIONAL RANK:
61	11
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

BAHAMAS

The Bahamas' economic freedom score is 65.1, making its economy the 61st freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 1.9 points from last year, and Bahamas is ranked 11th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. The Bahamas' economy is considered "moderately free" according to the 2026 *Index*.

Relatively sound macroeconomic management has contributed to steady economic growth, but overall economic freedom has been declining, and the economy has been fluctuating within the "moderately free" range. The country's overall regulatory system is conducive to entrepreneurial activity, and there are no individual or corporate income taxes. The foundations of economic freedom remain relatively sound with freedom from corruption and property rights scoring above world averages, but further improvement in these two areas is critically needed to improve institutional efficiency.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -6.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.4 million

GDP (PPP):
\$16.6 billion
2.2% growth in 2025
3-year average growth rate: 2.9%
\$42,003 per capita

UNEMPLOYMENT:
8.5%

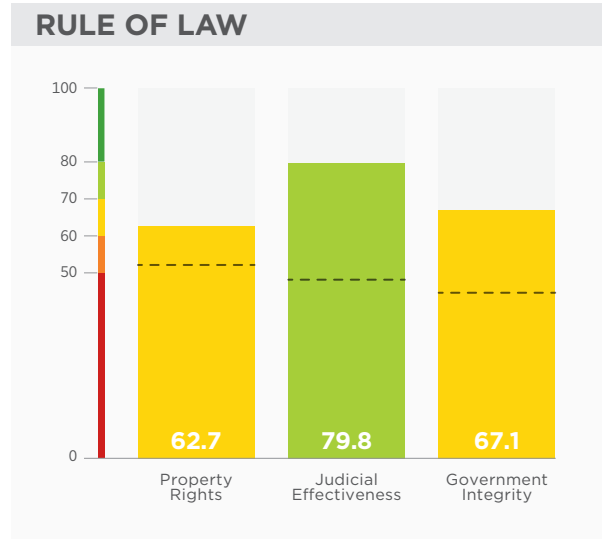
INFLATION (CPI):
0.4%

TRADE AS % OF GDP: 79.2%

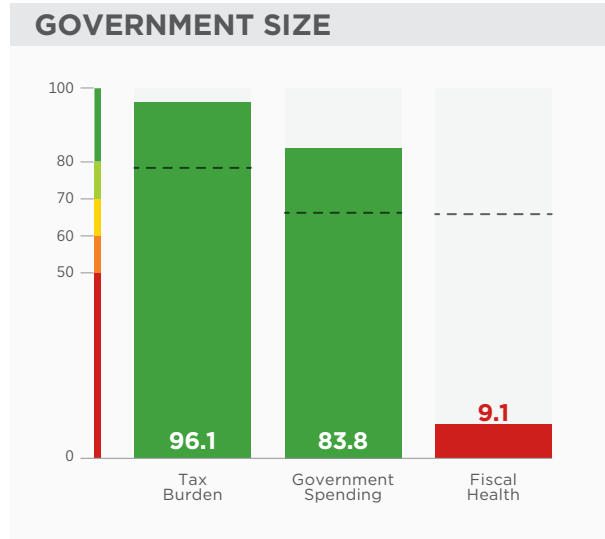
PUBLIC DEBT:
73.8% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

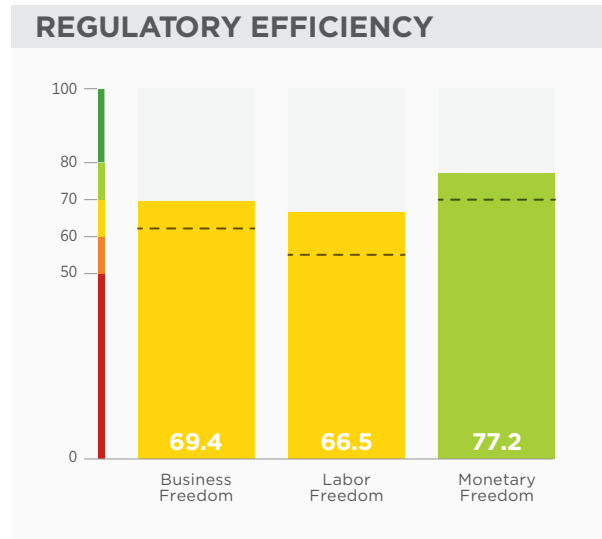
12 ECONOMIC FREEDOMS | BAHAMAS



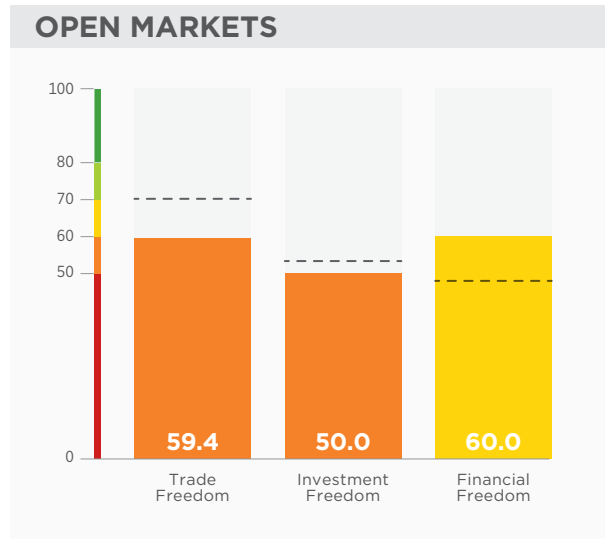
The overall rule of law is relatively well respected in the Bahamas. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 0 percent, and the top corporate tax rate is 0 percent. The tax burden equals 19.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 23.3 percent and -7.6 percent of GDP. Public debt amounts to 73.8 percent of GDP.



The Bahamas' overall regulatory environment is well institutionalized and relatively efficient. 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 well above the world average.



The trade-weighted average tariff rate is 12.8 percent, and nontariff measures further impede trade flows. New foreign investment is subject to a lengthy review process. The financial sector is fairly competitive and the second most important contributor to the economy.