



WORLD RANK: **28** | REGIONAL RANK: **4**

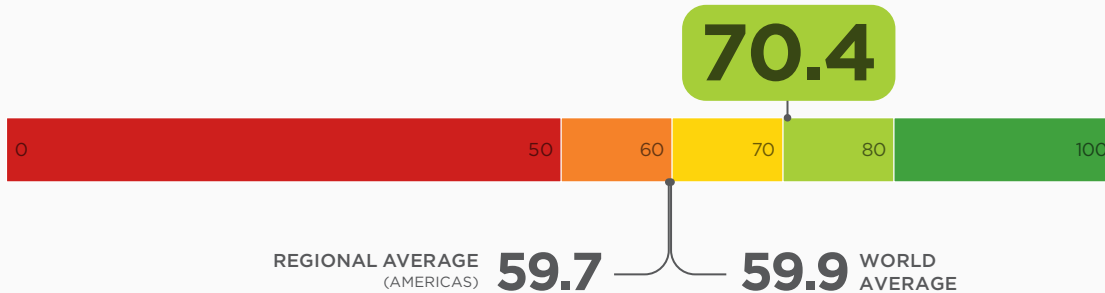
ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

BARBADOS

Barbados's economic freedom score is 70.4, making its economy the 28th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and Barbados is ranked 4th out of 32 countries in the Americas region. The country's economic freedom score is higher than the world and regional averages. Barbados's economy is considered "mostly free" according to the 2026 *Index*.

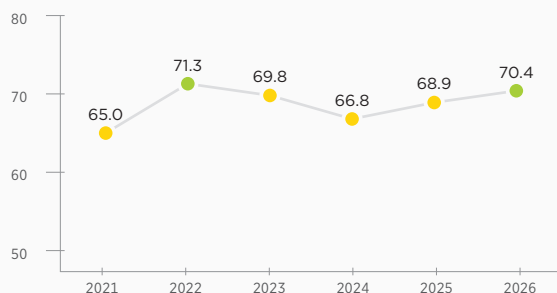
A middle-income country with a diversified economy built on tourism and offshore banking, Barbados has one of the Caribbean's highest incomes per capita. Relatively strong foundations of economic freedom are supported by transparency and efficiency, but the government's economic policies are focused on attracting international companies. The overall business and investment framework is relatively clear. However, because of the fiscal deficit, government debt exceeds the size of the economy. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +8.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.3 million

GDP (PPP):
\$6.4 billion
2.7% growth in 2025
3-year average growth rate: 3.6%
\$23,184 per capita

UNEMPLOYMENT:
7.6%

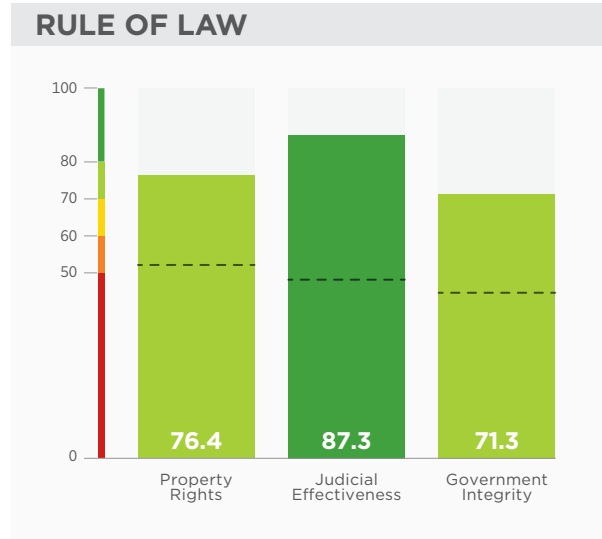
INFLATION (CPI):
1.4%

TRADE AS % OF GDP: 0.0%

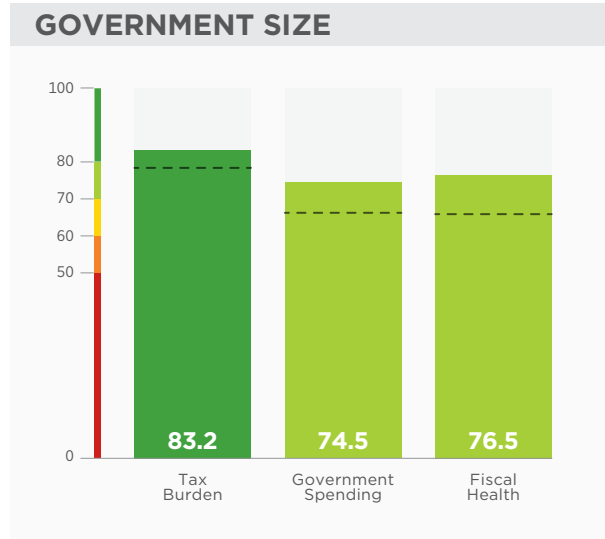
PUBLIC DEBT:
104.8% of GDP

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

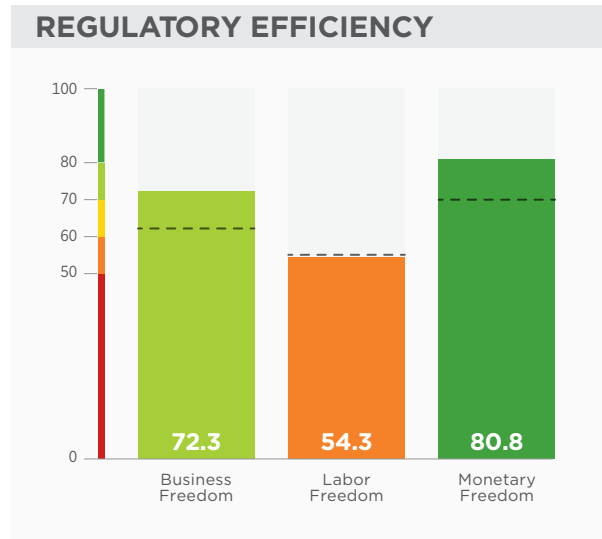
12 ECONOMIC FREEDOMS | BARBADOS



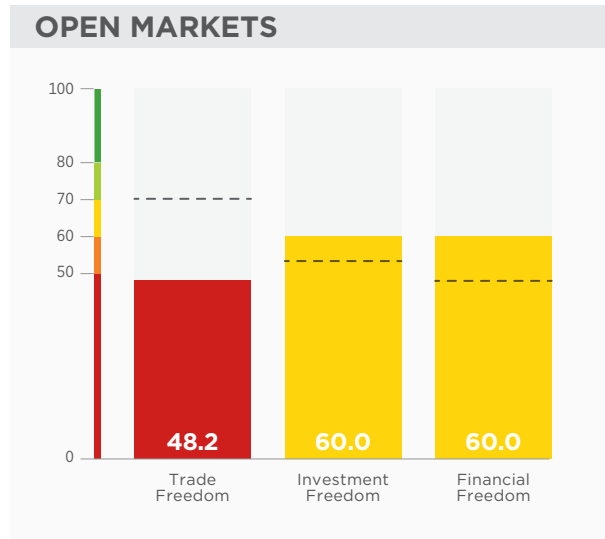
The overall rule of law is well respected in Barbados. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 28.5 percent, and the top corporate tax rate is 9 percent. The tax burden equals 28.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 29.2 percent and -1.5 percent of GDP. Public debt amounts to 104.8 percent of GDP.



Barbados's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is far above the world average; its labor freedom score is below the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate is 18.4 percent, and more than 100 nontariff measures are in force. There are no limits on foreign investment, but some sectors require a government license. The banking sector provides a wide range of services for investors.