



WORLD RANK: **134** REGIONAL RANK: **28**

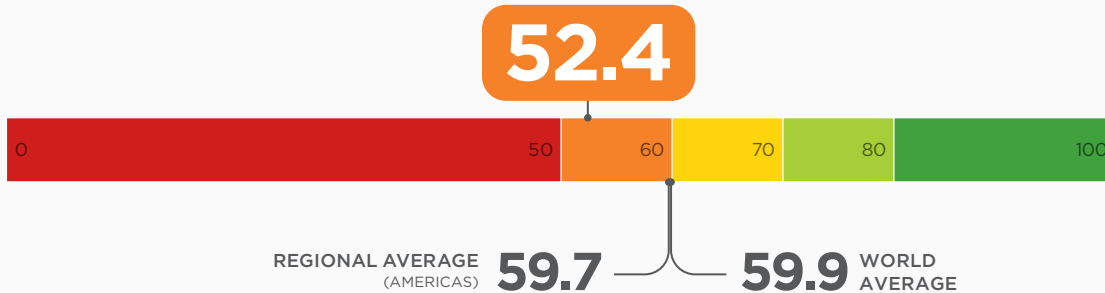
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

# BRAZIL

**B**razil's economic freedom score is 52.4, making its economy the 134th freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 2.7 points from last year, and Brazil is ranked 28th out of 32 countries in the Americas region. The country's economic freedom score is lower than the global and regional averages. Brazil's economy is considered "mostly unfree" according to the 2026 *Index*.

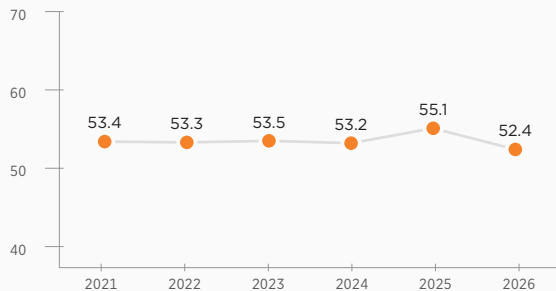
Stronger foundations of economic freedom remain critical to ensuring an improved economic future. Brazil's corruption and property rights scores are relatively low, and its judicial system remains vulnerable to political influence. The state's presence in the economy continues to undercut development of a more vibrant private sector. Despite some progress, the process for organizing new investment and production remains cumbersome and bureaucratic. Launching or closing a business is costly and time-consuming. Stifling labor regulations continue to undermine employment and productivity growth.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +1.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
211.7 million

**GDP (PPP):**  
\$4.7 trillion  
2.4% growth in 2025  
3-year average growth rate: 3.0%  
\$23,310 per capita

**UNEMPLOYMENT:**  
7.7%

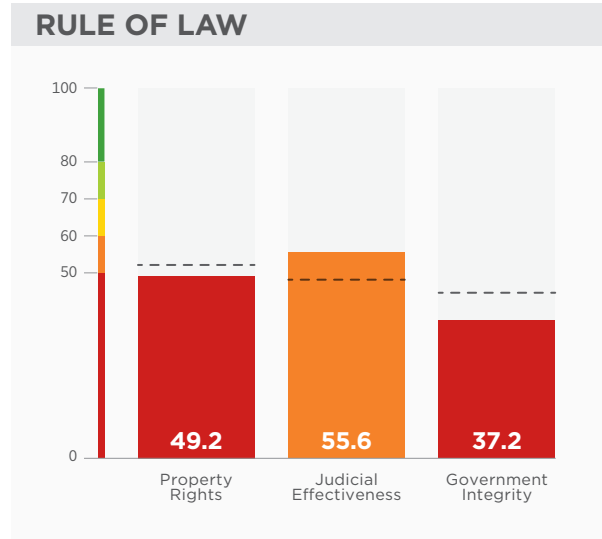
**INFLATION (CPI):**  
4.4%

**TRADE AS % OF GDP:** 35.5%

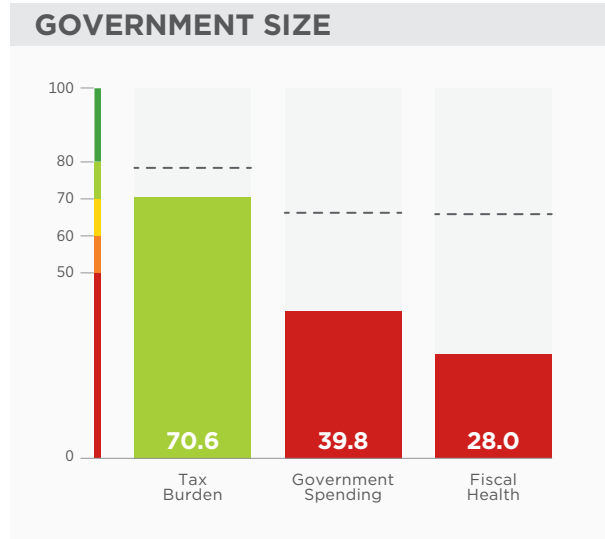
**PUBLIC DEBT:**  
87.3% of GDP

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

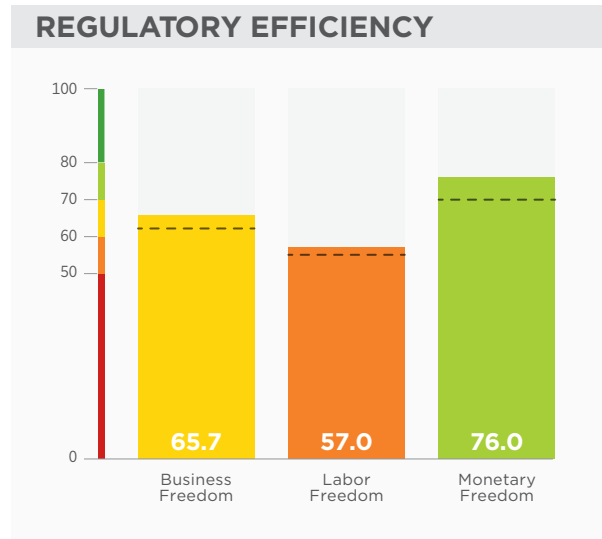
# 12 ECONOMIC FREEDOMS | BRAZIL



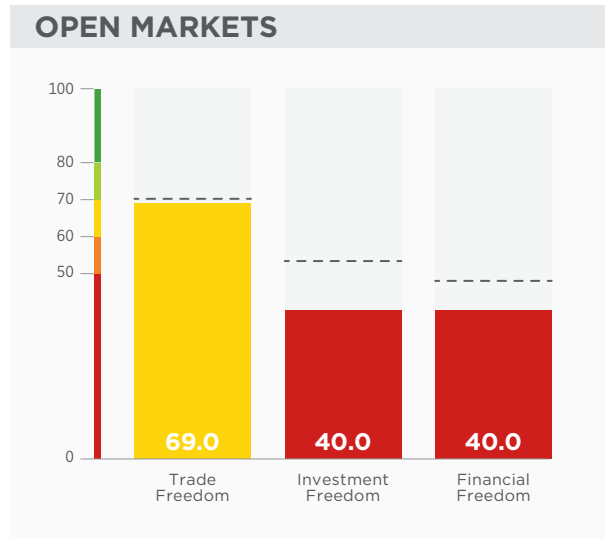
The overall rule of law is weak in Brazil. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 34 percent. The tax burden equals 32.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.8 percent and -6.0 percent of GDP. Public debt amounts to 87.3 percent of GDP.



Brazil's overall 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 well above the world average.



The trade-weighted average tariff rate is 8.0 percent, and more than 600 nontariff measures are in force. Foreign investment faces bureaucratic hurdles. The financial sector is competitive, but state involvement remains considerable, and public banks account for more than 50 percent of loans to the private sector.