



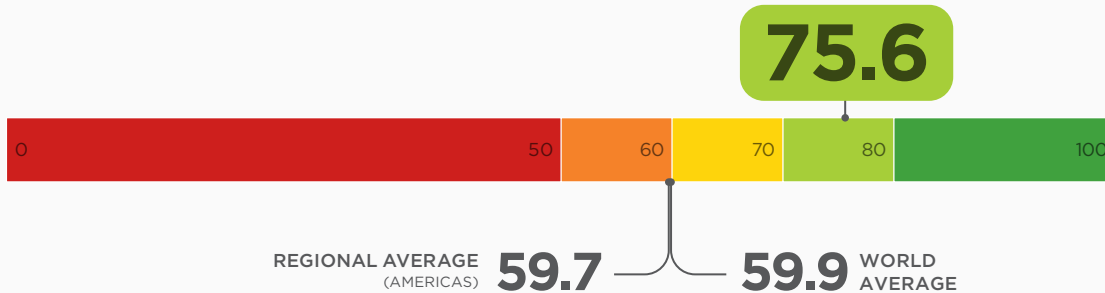
WORLD RANK:	REGIONAL RANK:
<b>14</b>	<b>1</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# CANADA

Canada’s economic freedom score is 75.6, making its economy the 14th freest in the 2026 *Index of Economic Freedom*. Its rating is essentially unchanged from last year, and Canada is ranked 1st out of 32 countries in the Americas region. The country’s economic freedom score is higher than the world and regional averages. Canada’s economy is considered “mostly free” according to the 2026 *Index*.

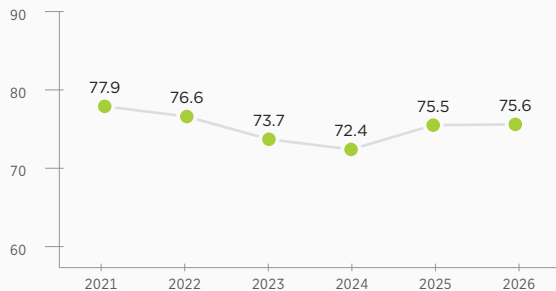
The foundations of economic freedom in Canada remain relatively strong. An effective court system sustains the rule of law, ensuring the protection of property rights and application of the commercial code. Fiscal policy has been expansionary, but the overall level of budget deficits and public debt is relatively modest. The government’s policy focus has tilted toward income redistribution through adjustments in taxation and other measures. Despite the economy’s resilience, lagging labor productivity remains an enduring challenge.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +6.2

## RECENT FREEDOM TREND

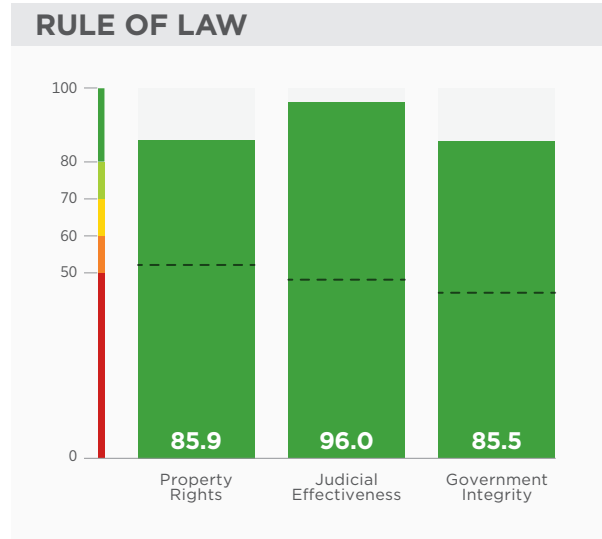


## QUICK FACTS

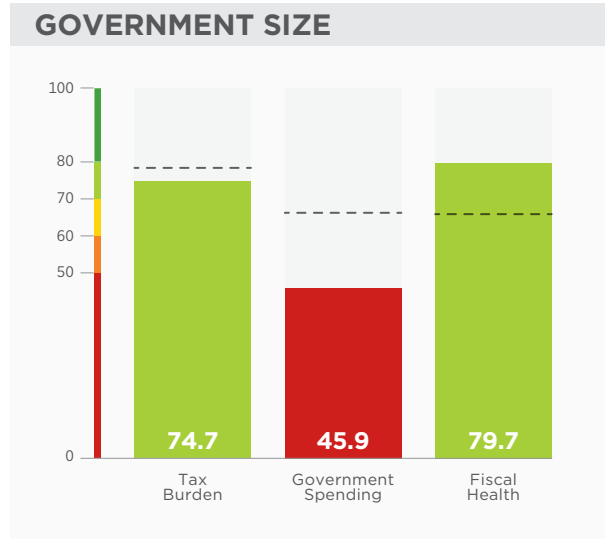
- |   |                                      |
|---|--------------------------------------|
| <b>POPULATION:</b><br>40.0 million  | <b>UNEMPLOYMENT:</b><br>6.5%         |
| <b>GDP (PPP):</b><br>\$2.6 trillion<br>1.2% growth in 2025<br>3-year average growth rate: 1.4%<br>\$65,500 per capita | <b>INFLATION (CPI):</b><br>2.4%      |
|   | <b>TRADE AS % OF GDP:</b> 65.2%      |
|   | <b>PUBLIC DEBT:</b><br>111.3% of GDP |

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

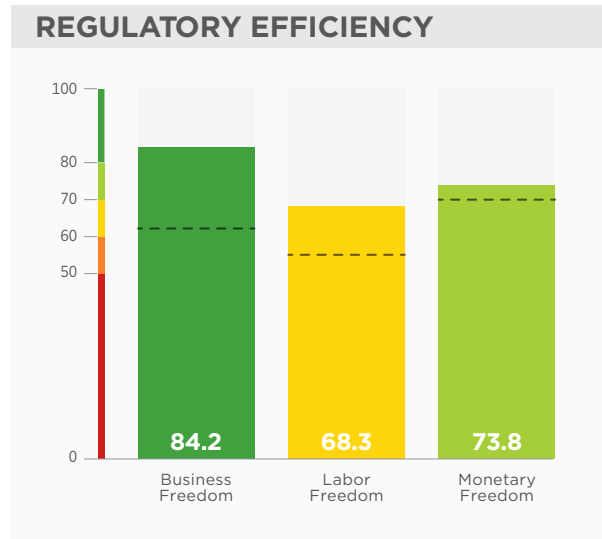
# 12 ECONOMIC FREEDOMS | CANADA



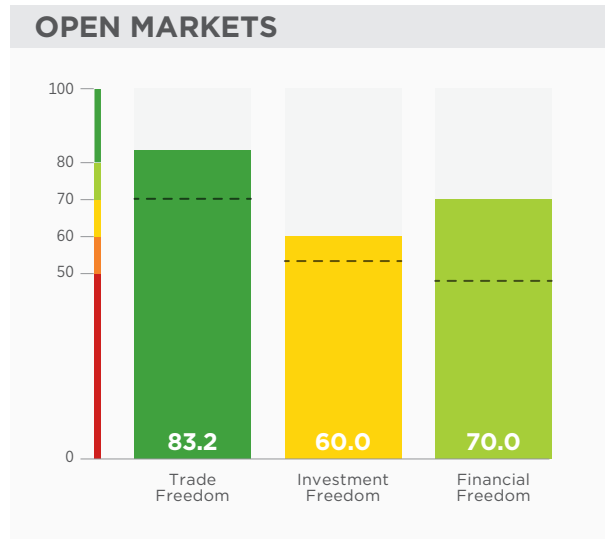
The overall rule of law is well respected in Canada. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 33 percent, and the top corporate tax rate is 15 percent. The tax burden equals 34.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.5 percent and -0.5 percent of GDP. Public debt amounts to 111.3 percent of GDP.



Canada'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 above the world average.



The trade-weighted average tariff rate is 3.4 percent, and more than 400 nontariff measures are in force. The government caps foreign investment in some sectors. The banking sector, dominated by six major banks, remains sound and offers a wide range of financial services.