

WORLD RANK: **115** | REGIONAL RANK: **25**

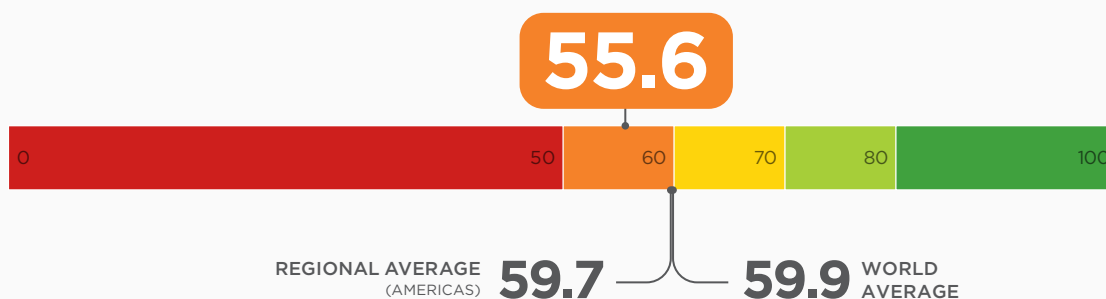
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECUADOR

Ecuador’s economic freedom score is 55.6, making its economy the 115th freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 0.2 point from last year, and Ecuador is ranked 25th out of 32 countries in the Americas region. The country’s economic freedom score is lower than the global and regional averages. Ecuador’s economy is considered “mostly unfree” according to the 2026 *Index*.

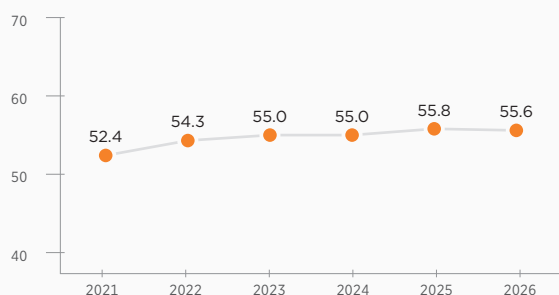
The reach of Ecuador’s government continues to expand to economic sectors beyond the petroleum industry. Pervasive corruption weakens property rights and undermines the rule of law. The private sector is struggling to operate in a restrictive entrepreneurial environment. The inconsistent application of commercial laws increases the cost of doing business. Nontransparency and unfair competition from state-backed firms persist. Outdated labor regulations discourage new hiring, and employers resort to short-term outsourcing contracts. Price controls are frequently imposed by the state.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -2.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
17.8 million

GDP (PPP):
\$287.7 billion
3.2% growth in 2025
3-year average growth rate: 1.1%
\$16,805 per capita

UNEMPLOYMENT:
4.8%

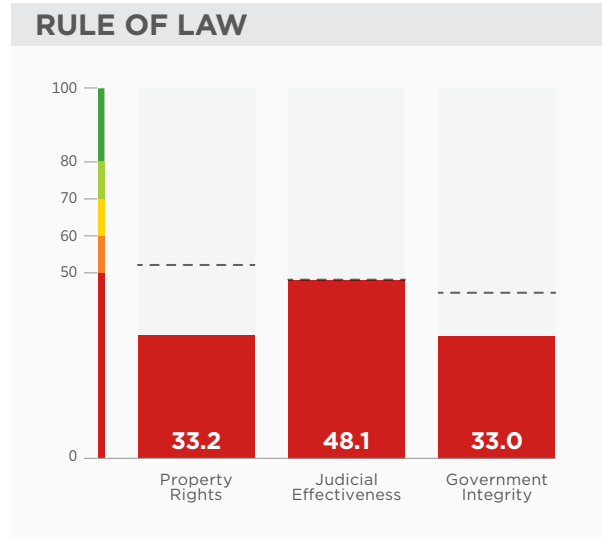
INFLATION (CPI):
1.5%

TRADE AS % OF GDP: 57.2%

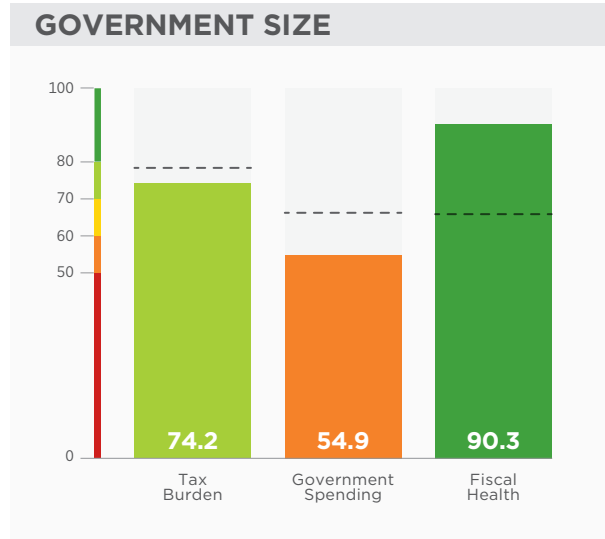
PUBLIC DEBT:
53.8% of GDP

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

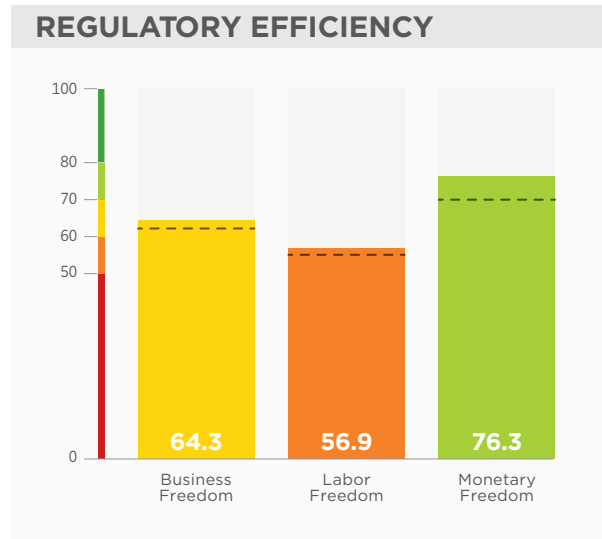
12 ECONOMIC FREEDOMS | ECUADOR



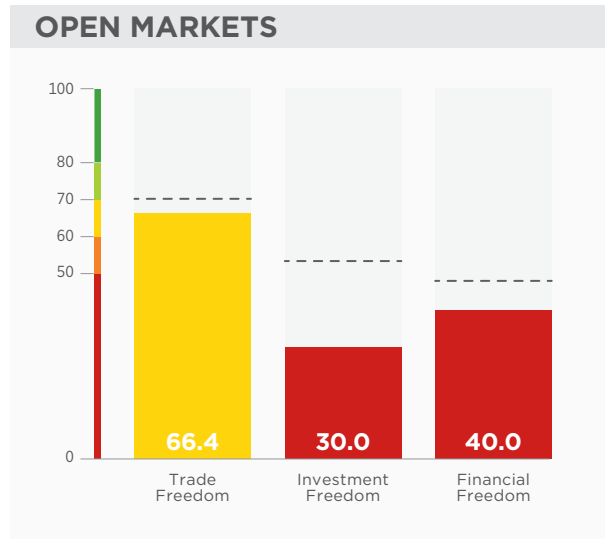
The overall rule of law is weak in Ecuador. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 37 percent, and the top corporate tax rate is 28 percent. The tax burden equals 20.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.8 percent and -1.6 percent of GDP. Public debt amounts to 53.8 percent of GDP.



Ecuador'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 6.8 percent, and more than 200 nontariff measures are in force. The investment climate remains uncertain. The underdeveloped and state-controlled financial sector limits access to credit. Approximately 50 percent of adults have access to accounts with a formal banking institution.