



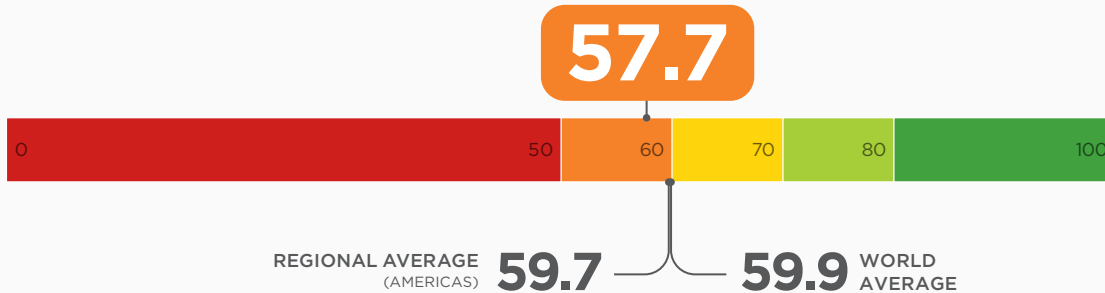
WORLD RANK: **103** REGIONAL RANK: **22**
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

EL SALVADOR

El Salvador’s economic freedom score is 57.7, making its economy the 103rd freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 1.1 points from last year, and El Salvador is ranked 22nd out of 32 countries in the Americas region. The country’s economic freedom score is lower than the global and regional averages. El Salvador’s economy is considered “mostly unfree” according to the 2026 *Index*.

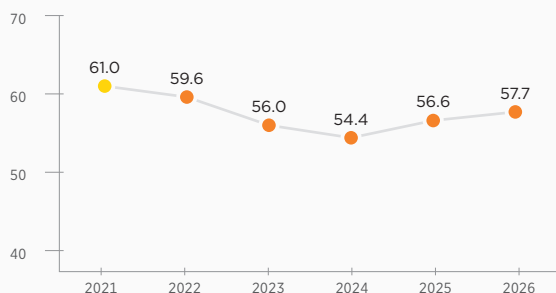
President Nayib Bukele’s administration has measurably enhanced El Salvador’s overall security by incarcerating violent gang members and bringing crime rates to record lows. The regulatory environment generally supports trade and investment. Better management of public finance remains critical to dealing with chronic fiscal deficits. The labor market lacks flexibility, and imbalances in the demand and supply of skilled workers persist. El Salvador’s overall economic competitiveness is driven by greater public safety, aggressive pro-technology legislation, and a strategic pivot toward Bitcoin.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -11.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
6.4 million

GDP (PPP):
\$84.2 billion
2.5% growth in 2025
3-year average growth rate: 2.9%
\$13,877 per capita

UNEMPLOYMENT:
2.9%

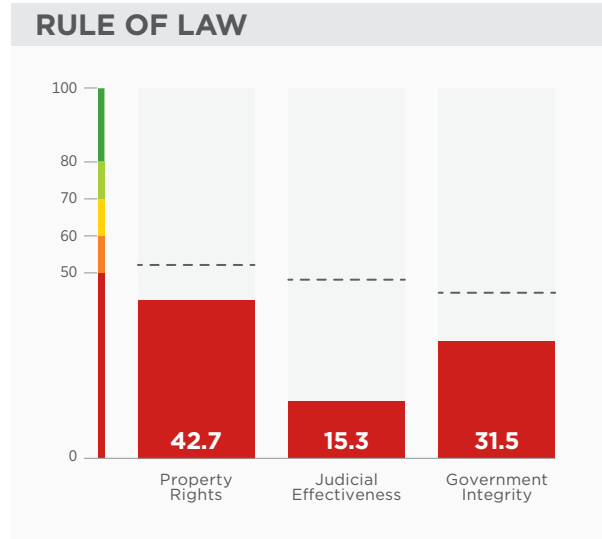
INFLATION (CPI):
0.9%

TRADE AS % OF GDP: 84.7%

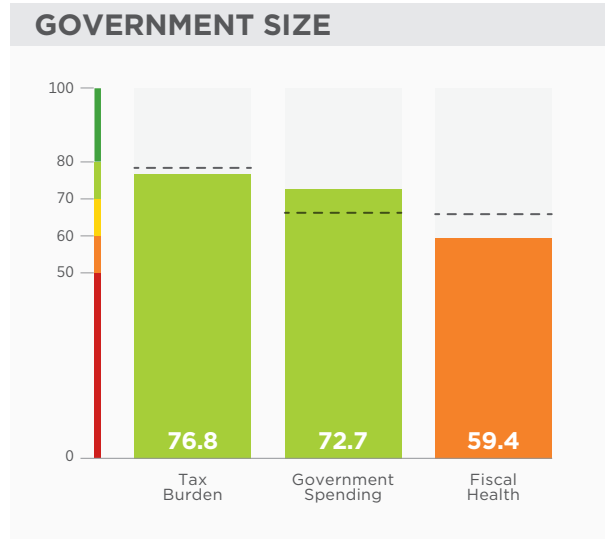
PUBLIC DEBT:
87.5% of GDP

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

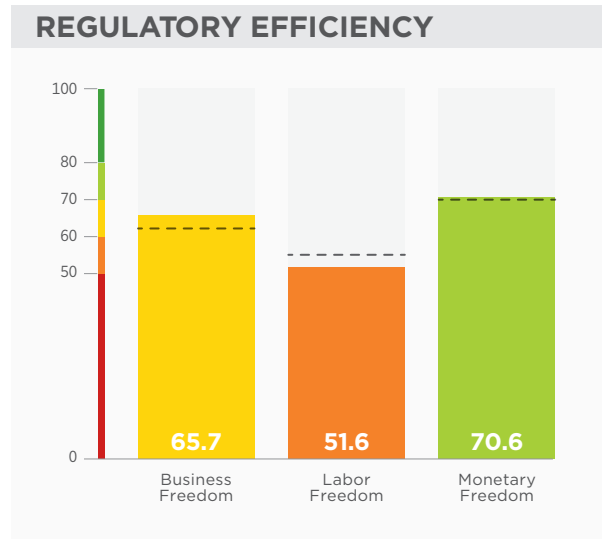
12 ECONOMIC FREEDOMS | EL SALVADOR



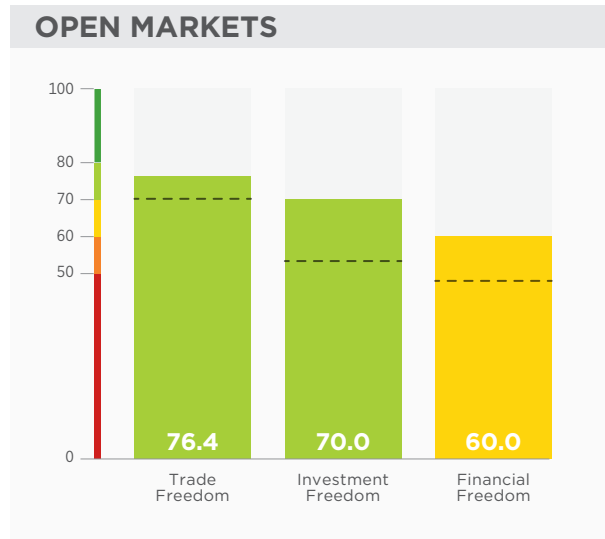
The overall rule of law has been strengthened in El Salvador with the significant decrease in gang violence. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 30 percent, and the top corporate tax rate is 30 percent. The tax burden equals 22.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.2 percent and -4.0 percent of GDP. Public debt amounts to 87.5 percent of GDP.



El Salvador'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 below the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 6.8 percent, and layers of nontariff measures are in force. In general, foreign and domestic investors are treated equally. Banking is highly concentrated, and foreign banks can offer all of the services that domestic banks offer.