

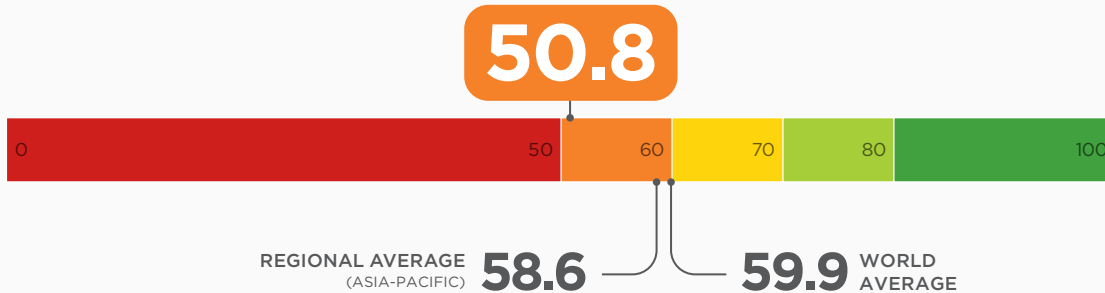
WORLD RANK: **142** | REGIONAL RANK: **31**
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

KIRIBATI

Kiribati's economic freedom score is 50.8, making its economy the 142nd freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and Kiribati is ranked 31st out of 39 countries in the Asia-Pacific region. The country's economic freedom score is lower than the global and regional averages. Kiribati's economy is considered "mostly unfree" according to the 2026 *Index*.

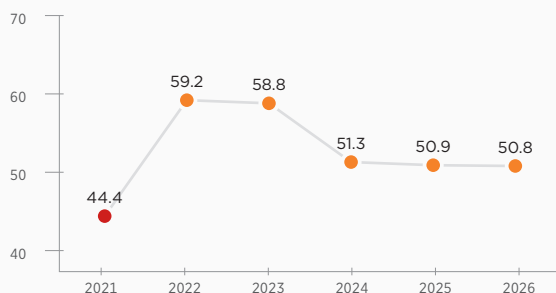
The public sector dominates economic activity. It also accounts for two-thirds of employment and more than half of the economy. The economy relies heavily on foreign assistance and remittances. The absence of firmly institutionalized open-market policies that are critical to private-sector development continues to discourage economic dynamism. The regulatory environment is rudimentary. Commercial regulations are enforced inconsistently and lack the capacity to spur more dynamic entrepreneurial growth. A small share of the labor force participates in the formal economy.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 2009): +5.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.1 million

GDP (PPP):
\$0.5 billion
3.9% growth in 2025
3-year average growth rate: 3.9%
\$3,705 per capita

UNEMPLOYMENT:
n/a

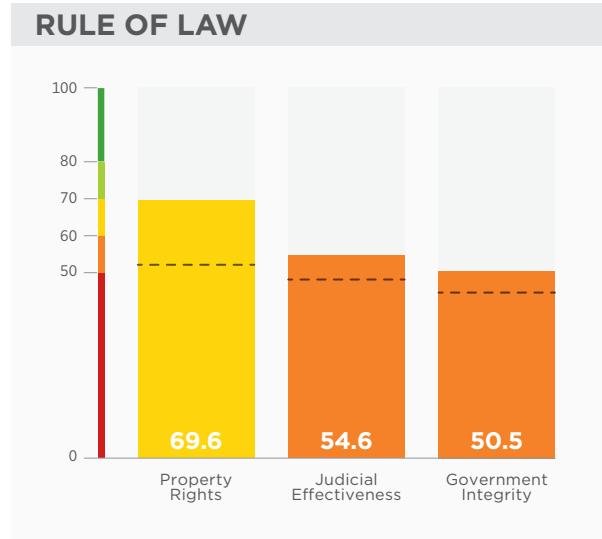
INFLATION (CPI):
2.5%

TRADE AS % OF GDP: 101.2%

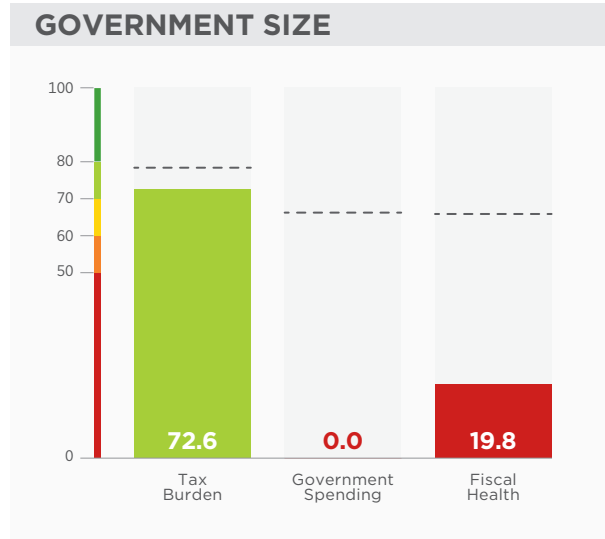
PUBLIC DEBT:
9.9% of GDP

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

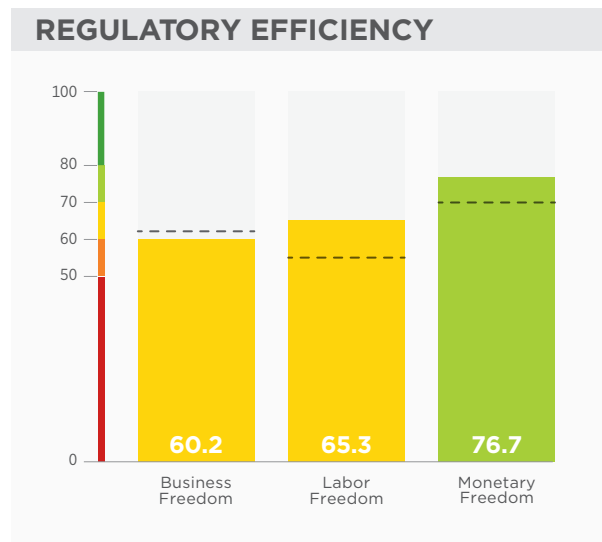
12 ECONOMIC FREEDOMS | KIRIBATI



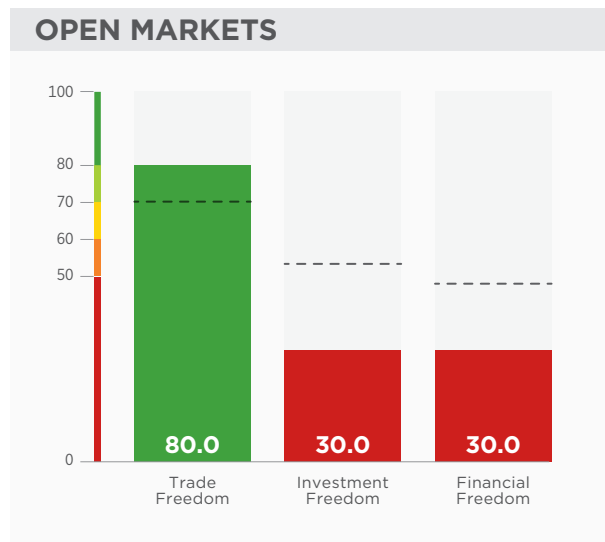
The overall rule of law is relatively well respected in Kiribati. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 35 percent, and the top corporate tax rate is 35 percent. The tax burden equals 16.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 93.6 percent and -13.4 percent of GDP. Public debt amounts to 9.9 percent of GDP.



Kiribati's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is below 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 0 percent, but nontariff barriers persist. Kiribati is not a member of the World Trade Organization. Inefficient state-owned enterprises and regulations that discourage private-sector development also discourage investment. High credit costs undermine the private sector.