

# PORTUGAL

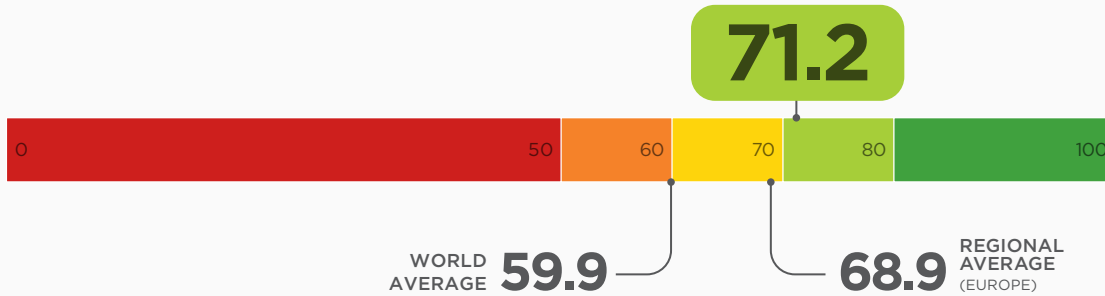
WORLD RANK: **27** | REGIONAL RANK: **16**

ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

Portugal's economic freedom score is 71.2, making its economy the 27th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 0.7 point from last year, and Portugal is ranked 16th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Portugal's economy is considered "mostly free" according to the 2026 *Index*.

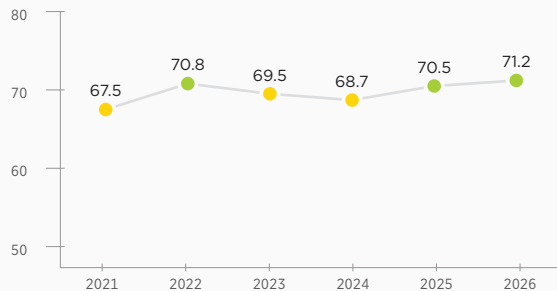
Portugal's economy continues to display notable resilience and has outpaced the eurozone average since 2022. In addition to achieving low inflation, fiscal stability, and a gradually falling public debt, Portugal has enacted a major multi-year tax reform to attract business. The legal system provides strong protection of property rights and upholds the rule of law. The entrepreneurial framework is fairly streamlined and efficient. Business formation and operation take place without bureaucratic interference, facilitated by a financial sector that has regained stability and competitive profitability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +8.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
10.3 million

**GDP (PPP):**  
\$512.9 billion  
1.9% growth in 2025  
3-year average growth rate: 2.1%  
\$49,753 per capita

**UNEMPLOYMENT:**  
6.4%

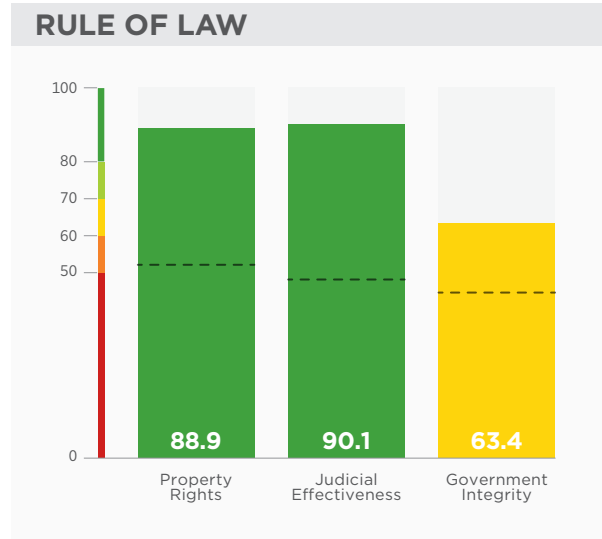
**INFLATION (CPI):**  
2.7%

**TRADE AS % OF GDP:** 91.1%

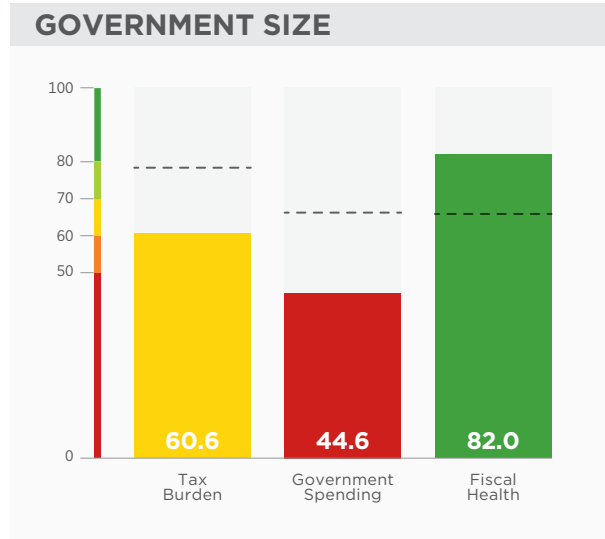
**PUBLIC DEBT:**  
94.9% of GDP

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

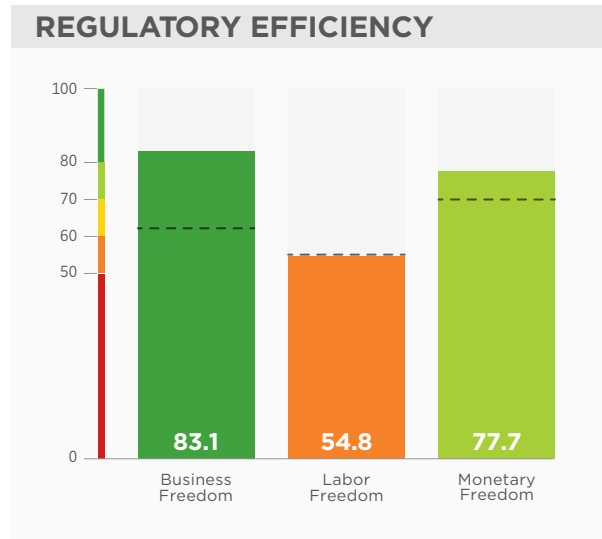
# 12 ECONOMIC FREEDOMS | PORTUGAL



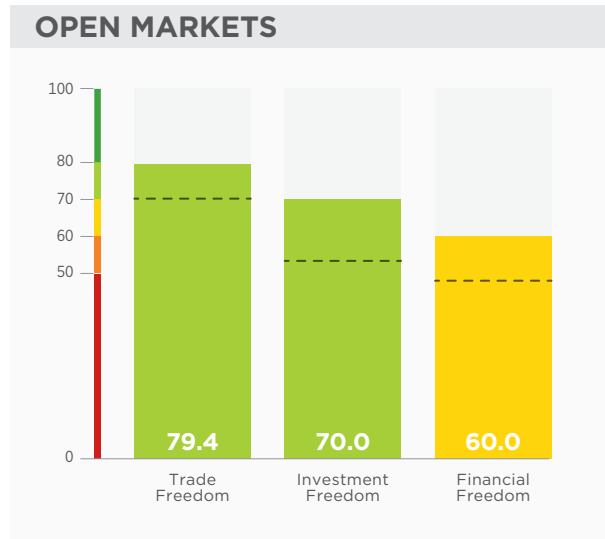
The overall rule of law is well respected in Portugal. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 48 percent, and the top corporate tax rate is 19 percent. The tax burden equals 35.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 43.0 percent and -0.5 percent of GDP. Public debt amounts to 94.9 percent of GDP.



Portugal'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 below the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.8 percent, and various EU-mandated nontariff measures are in force. The investment regime is conducive to new investment. The financial sector, dominated by banking, has regained stability and offers a range of financial services.