



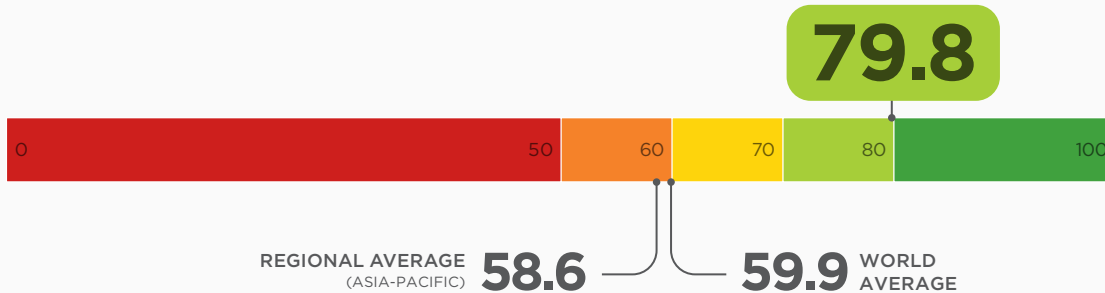
WORLD RANK:	REGIONAL RANK:
5	3
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

TAIWAN

Taiwan's economic freedom score is 79.8, making its economy the 5th freest in the 2026 *Index of Economic Freedom*. Its rating is essentially unchanged from last year, and Taiwan is ranked 3rd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Taiwan's economy is considered "mostly free" according to the 2026 *Index*.

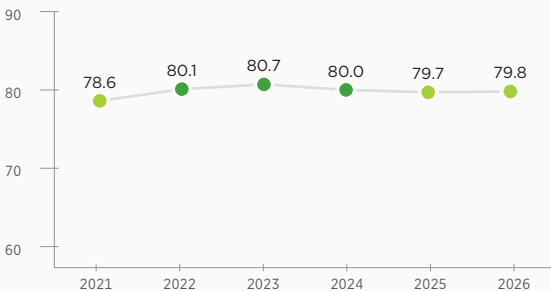
Committed to the rule of law and openness to international commerce, Taiwan remains one of the world's five freest economies, an exemplary free-market democracy, and a global leader in economic freedom. The dynamic and adaptive economy benefits from a well-functioning institutional framework, and small and medium-size enterprises are the backbone of economic growth and resilience. A sound legal foundation provides strong protection of property rights and upholds the rule of law. Despite the challenging geoeconomic environment, monetary stability has been well maintained.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +5.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
23.3 million

GDP (PPP):
\$1.9 trillion
3.7% growth in 2025
3-year average growth rate: 3.2%
\$85,127 per capita

UNEMPLOYMENT:
3.4%

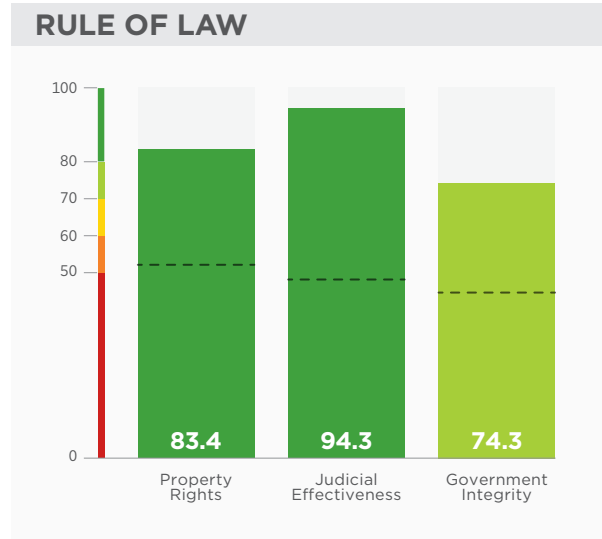
INFLATION (CPI):
2.2%

TRADE AS % OF GDP: 129.3%

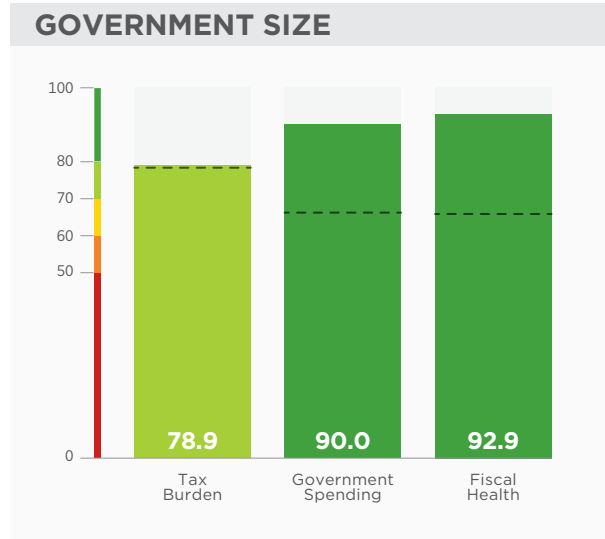
PUBLIC DEBT:
26.3% of GDP

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

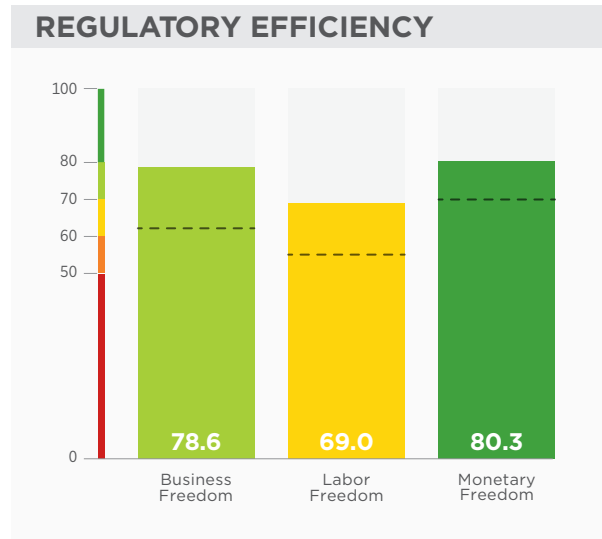
12 ECONOMIC FREEDOMS | TAIWAN



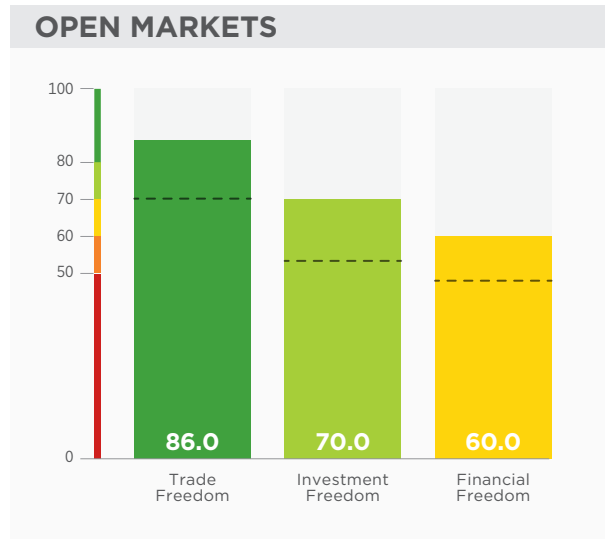
The overall rule of law is well respected in Taiwan. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 20 percent. The tax burden equals 10.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 18.2 percent and -1.9 percent of GDP. Public debt amounts to 26.3 percent of GDP.



Taiwan'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 well above the world average.



The trade-weighted average tariff rate is 2.0 percent, but nontariff barriers add to the cost of trade. Foreign investment is welcome, and the overall investment framework has become more streamlined. The financial sector continues to evolve and provides a wide range of financial services.