

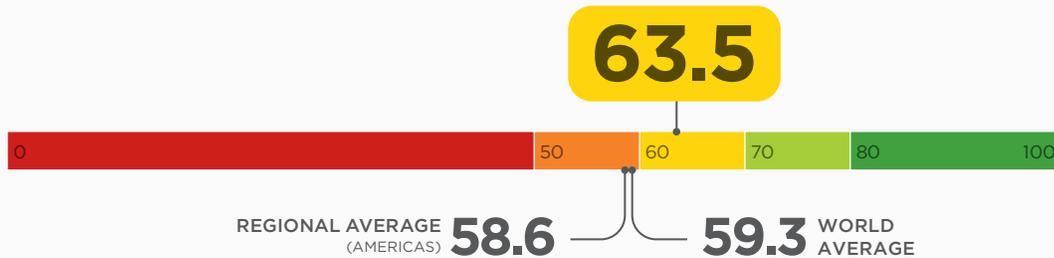
SAINT VINCENT AND THE GRENADINES



Saint Vincent and the Grenadines' economic freedom score is 63.5, making its economy the 59th freest in the 2023 *Index*. Its score is 2.2 points lower than last year. The country ranks 10th out of 32 countries in the Americas region, and its score is well above the world and regional averages.

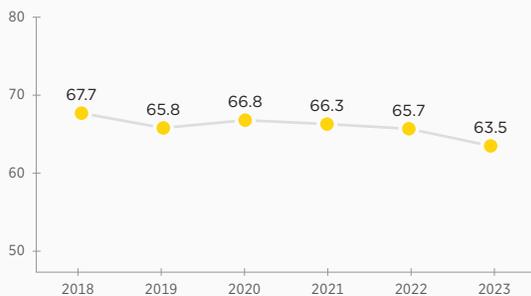
The country's economic system is characterized by flexible regulations, an efficient legal system that secures private property, and macroeconomic stability. The tourism industry is the primary driver of the economy and the main draw for foreign investment. More vibrant entrepreneurial activity remains stifled by limited access to financing.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): -0.8

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.1 million

GDP (PPP):
\$1.5 billion
-0.5% growth in 2021
5-year compound annual growth -0.1%
\$13,910 per capita

UNEMPLOYMENT:
n/a

INFLATION (CPI):
1.6%

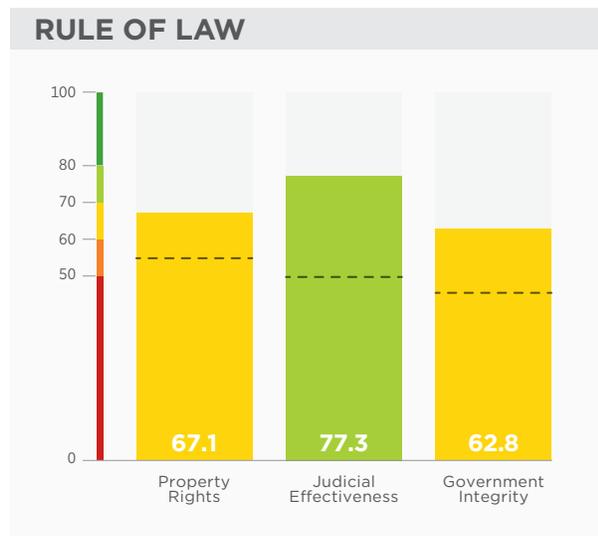
FDI INFLOW:
\$65.3 million

PUBLIC DEBT:
88.4% of GDP

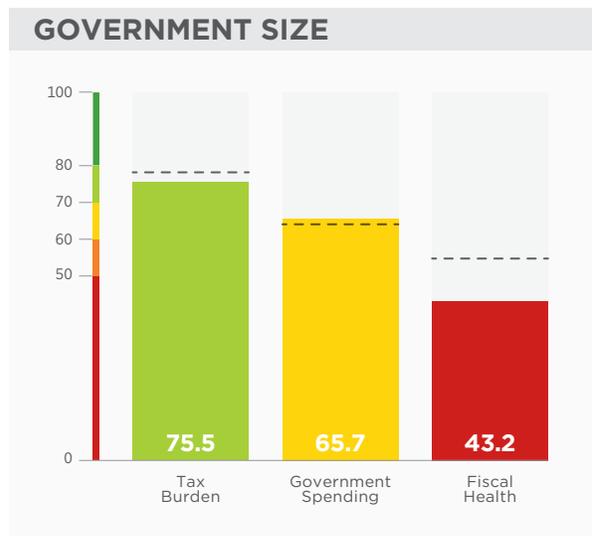
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Saint Vincent and the Grenadines gained full independence from the United Kingdom as a parliamentary democracy in 1979. Prime Minister Ralph Gonsalves of the leftist Unity Labour Party secured a fifth mandate in 2020. In 2021, eruption of the La Soufrière volcano caused millions of dollars in damage. Agriculture and tourism employ a significant portion of the workforce. The economy has grown modestly because of renewed growth in construction and increased tourism through a new international airport. The Gonsalves government supports Venezuelan socialist dictator Nicolás Maduro's regime, but Gonsalves also visited Taiwan in 2021 and maintains formal relations with Taipei.

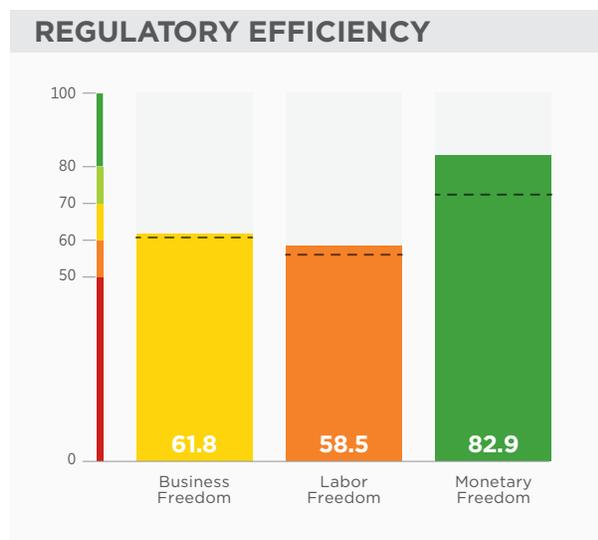
12 ECONOMIC FREEDOMS | SAINT VINCENT AND THE GRENADINES



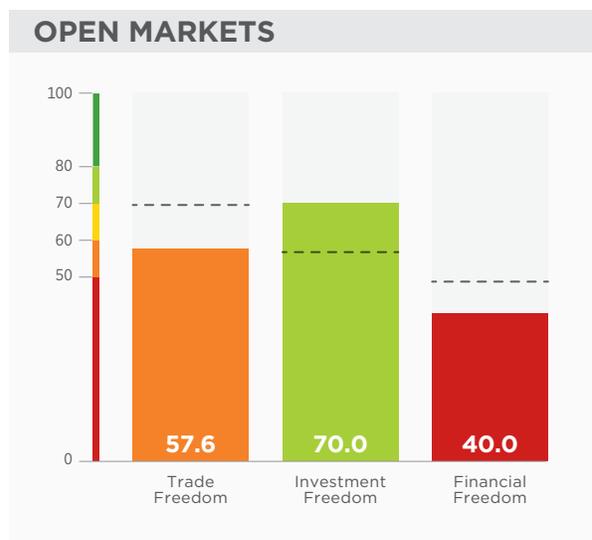
The overall rule of law is relatively well respected in Saint Vincent and the Grenadines. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are 30 percent. The tax burden equals 25.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.8 percent and -5.1 percent of GDP. Public debt equals 88.4 percent of GDP.



Business operations are not subject to excessive government interference, and enforcement of regulations is relatively effective. A well-functioning labor market is not fully developed, and much of the labor force is employed in agriculture and tourism. The most recent available inflation rate is 1.6 percent.



The trade-weighted average tariff rate is 13.7 percent, and nontariff barriers further undermine overall trade freedom. In general, foreign and domestic investors are treated equally, but the government screens foreign investment. Businesses lack adequate access to a wide variety of financing instruments.