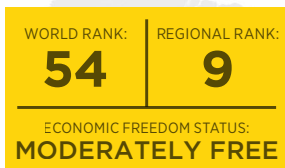


SAINT VINCENT AND THE GRENADINES

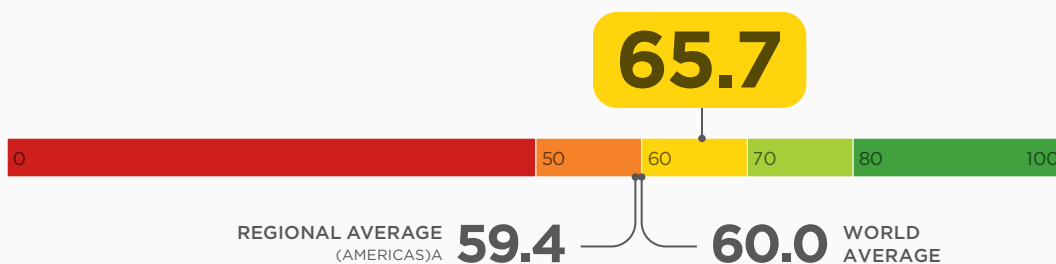
Saint Vincent and the Grenadines' economic freedom score is 65.7, making its economy the 54th freest in the 2022 *Index*. Saint Vincent and the Grenadines is ranked 9th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

Economic growth in Saint Vincent and the Grenadines accelerated in 2017 and 2018, slowed in 2019, turned negative in 2020, and resumed in 2021. A five-year trend of relatively solid economic freedom has continued. Led by improved scores for rule of law that edged ahead of losses in **business freedom** and **labor freedom**, Saint Vincent and the Grenadines has recorded a slight 0.5-point overall gain of economic freedom since 2017 and remains near the middle of the "Moderately Free" category. Monetary freedom is relatively strong, but **financial freedom** is in need of upgrading.

IMPACT OF COVID-19: As of December 1, 2021, 74 deaths had been attributed to the pandemic in Saint Vincent and the Grenadines. The economy contracted by 4.2 percent in 2020.

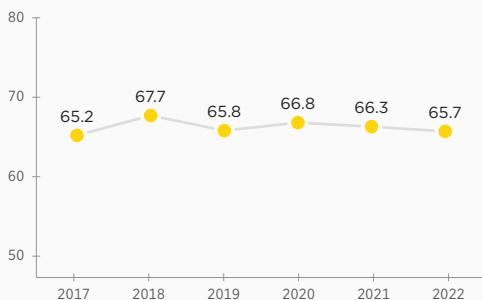


ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +1.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.1 million

GDP (PPP):
\$1.4 billion
-4.2% growth in 2020
5-year compound annual growth 0.2%
\$12,606 per capita

UNEMPLOYMENT:
20.3%

INFLATION (CPI):
-0.6%

FDI INFLOW:
\$73.0 million

PUBLIC DEBT:
87.2% of GDP

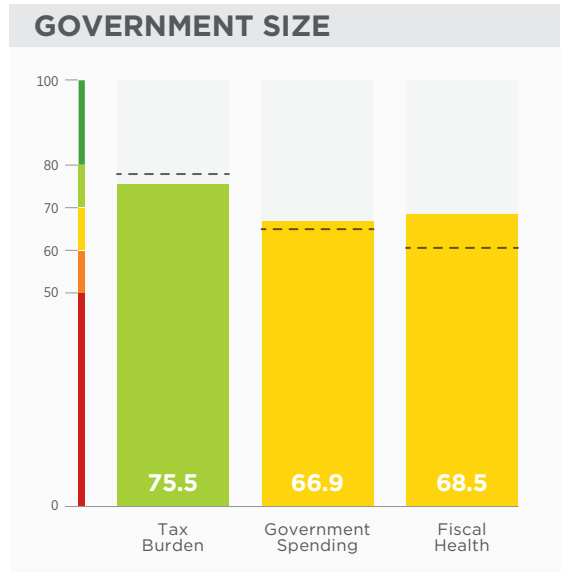
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Situated in the Windward Islands of the Lesser Antilles, 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 has been in office continuously since 2001 and won 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. Although the economy remains vulnerable, it has grown modestly in recent years because of renewed growth in construction and increased tourism through the country's new international airport. The Gonsalves government still supports the regime of Venezuelan socialist dictator Nicolás Maduro.

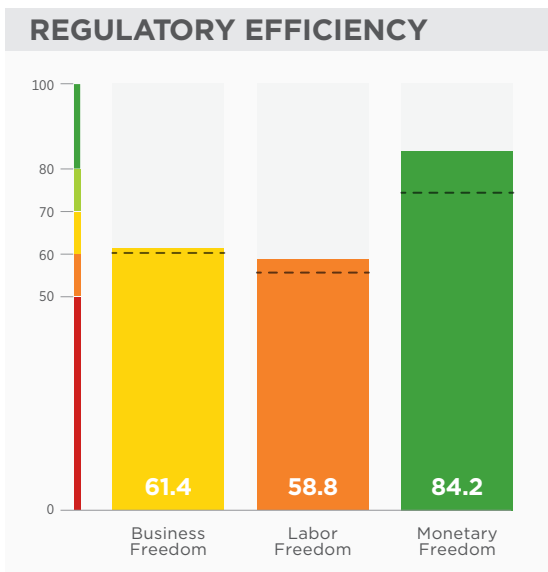
12 ECONOMIC FREEDOMS | SAINT VINCENT AND THE GRENADINES



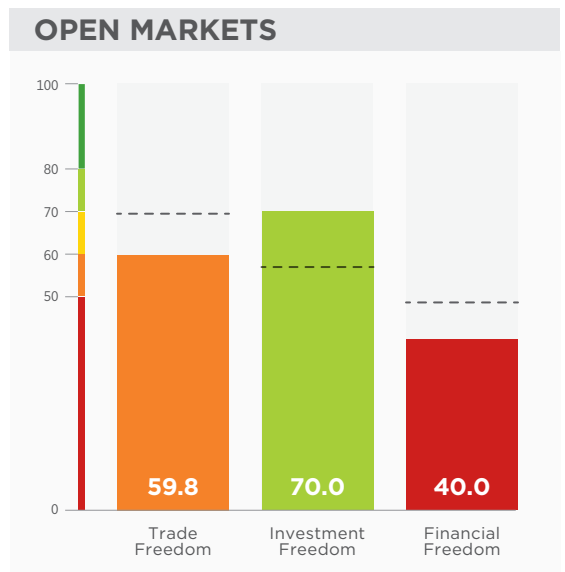
The judicial system, based on English common law, is slow but relatively independent. Property rights are protected, and contracts can be enforced. Foreigners may own property if they meet certain requirements. Property registration is time-consuming and expensive. Compared with some of its neighbors, Saint Vincent and the Grenadines continues to benefit from a strong rule of law, and corruption is not viewed as a major problem.



The top individual income and corporate tax rates are 30 percent. Other taxes include property and value-added taxes. The overall tax burden equals 25.4 percent of total domestic income. Government spending has amounted to 33.2 percent of total output (GDP) over the past three years, and budget deficits have averaged 3.2 percent of GDP. Public debt is equivalent to 87.2 percent of GDP.



An attorney is usually used to incorporate a business. The government is trying to attract new investment in tourism and other leading sectors including international financial services, agro-processing, and light manufacturing. Labor laws are clearly stated and enforced consistently. After a staff visit, the World Bank estimated that subsidies and transfers would consume 10.6 percent of the government's 2021 budget.



Saint Vincent and the Grenadines has three preferential trade agreements in force. The trade-weighted average tariff rate is 12.6 percent, and onerous nontariff barriers further constrain the freedom to trade. Complex and nontransparent investment-related regulations undermine prospects for attracting new investment. The financial system is dominated by banking. Credit to the private sector has been expanding slowly.