

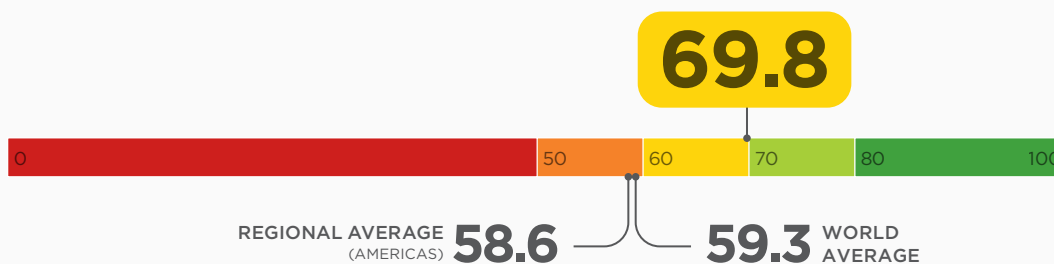
BARBADOS

WORLD RANK: 29	REGIONAL RANK: 5
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

Barbados's economic freedom score is 69.8, making its economy the 29th freest in the 2023 *Index*. Its score is 1.5 points worse than last year. Barbados is ranked 5th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

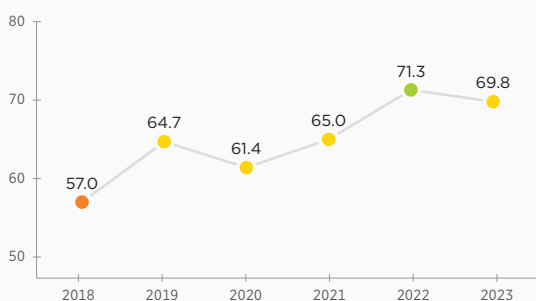
Offshore finance and tourism have been important sources of growth. With strong foundations of economic freedom supported by notable transparency and efficiency, the Barbados government's economic policies are focused on attracting international companies. However, because of a fiscal deficit, government debt has become larger than the size of the economy.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +7.5

RECENT FREEDOM TREND



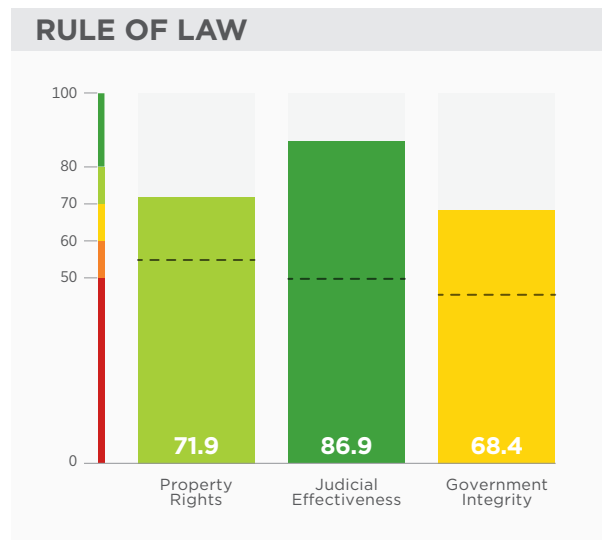
QUICK FACTS

POPULATION: 0.3 million	UNEMPLOYMENT: 8.4%
GDP (PPP): \$4.3 billion 1.4% growth in 2021 5-year compound annual growth -2.7%	INFLATION (CPI): 3.0%
FDI INFLOW: \$238.7 million	PUBLIC DEBT: 135.4% of GDP

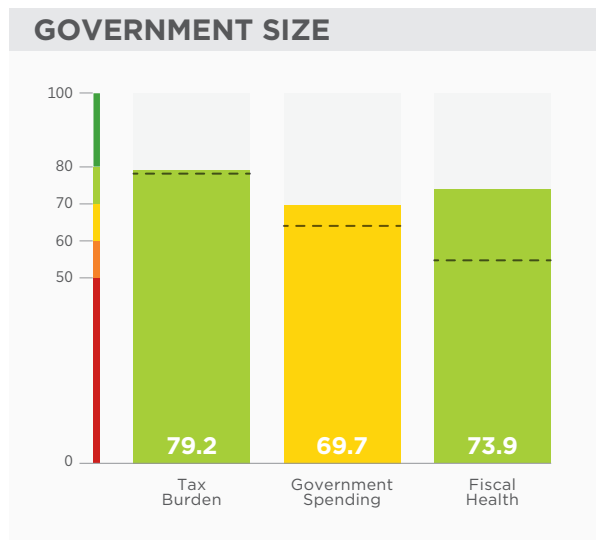
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Barbados transitioned from a parliamentary constitutional monarchy tied to the United Kingdom to become an independent republic in 2021. Following a clean sweep in the January 2022 general election, Prime Minister Mia Mottley is expected to govern unchallenged. Her administration has focused on economic recovery, meeting fiscal consolidation, and structural reform set out in new agreements signed with the IMF in September 2022. Barbados is a middle-income country with a diversified economy built on tourism and offshore banking and has one of the Caribbean's highest incomes per capita. Tourism has rebounded, but Barbados still faces challenges to medium-term growth.

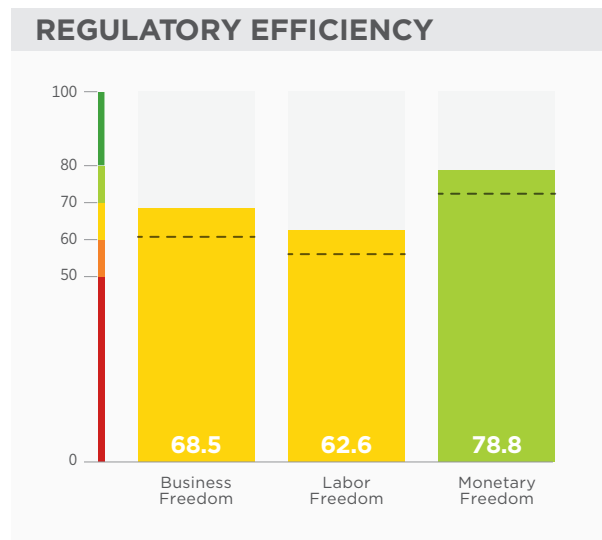
12 ECONOMIC FREEDOMS | BARBADOS



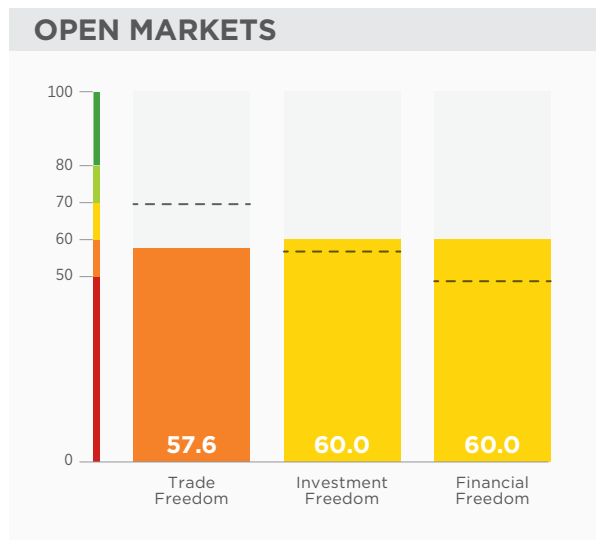
The overall rule of law is well respected in Barbados. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 28.5 percent and 5.5 percent. The tax burden equals 35.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 31.8 percent and -1.9 percent of GDP. Public debt equals 135.4 percent of GDP.



The legal system is based on British common law, and businesses benefit from the British system's inherent transparency. Labor laws are relatively clear and transparent, but they can also be somewhat burdensome. The most recent available inflation rate is 3.0 percent.



The trade-weighted average tariff rate is 13.7 percent, and more than 100 nontariff measures are in force. There are no limits on foreign investment, but some sectors require a government license. The banking sector provides a wide range of services for investors.