

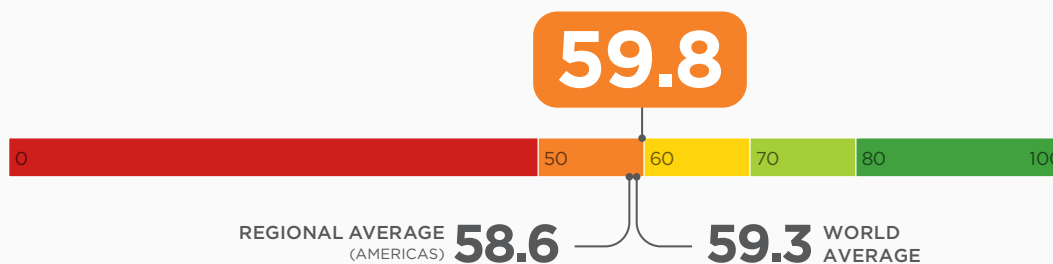
BELIZE

WORLD RANK: **85** | REGIONAL RANK: **18**
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Belize's economic freedom score is 59.8, making its economy the 85th freest in the 2023 *Index*. Its score is 3.2 points better than last year. Belize is ranked 18th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

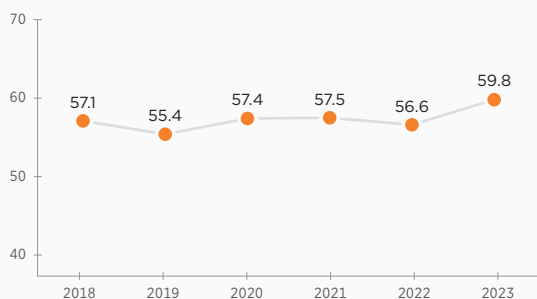
More vibrant economic growth is constrained by institutional weaknesses that undermine the foundations of economic freedom. The judicial system is vulnerable to political interference, and corruption is common. Entrepreneurial activity is limited, and recovery from the recent economic slowdown has been narrowly based. The overall regulatory infrastructure remains inefficient.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -3.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION: 0.4 million

GDP (PPP): \$2.8 billion
 9.8% growth in 2021
 5-year compound annual growth -0.2%
 \$6,515 per capita

UNEMPLOYMENT: 9.1%

INFLATION (CPI): 3.2%

FDI INFLOW: \$127.8 million

PUBLIC DEBT: 82.2% of GDP

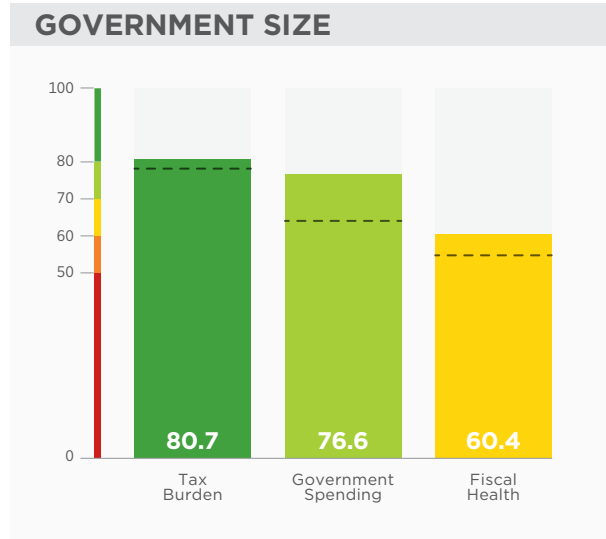
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: The former colony of British Honduras gained independence in 1981. Prime Minister Johnny Briceño was elected in 2020, and his People's United Party holds 25 of the legislature's 31 seats. High debt, high gas prices, and the rising cost of living have ignited protests. The economy relies primarily on tourism and exports of marine products, citrus, sugar, and bananas. Fluctuating agricultural commodity prices complicate policymaking. Against the backdrop of declining tourism receipts, the central bank has offered its first U.S. dollar-denominated Treasury notes, raising millions in capital for its foreign reserves. Belize's porous borders facilitate narco-trafficking and violent crime.

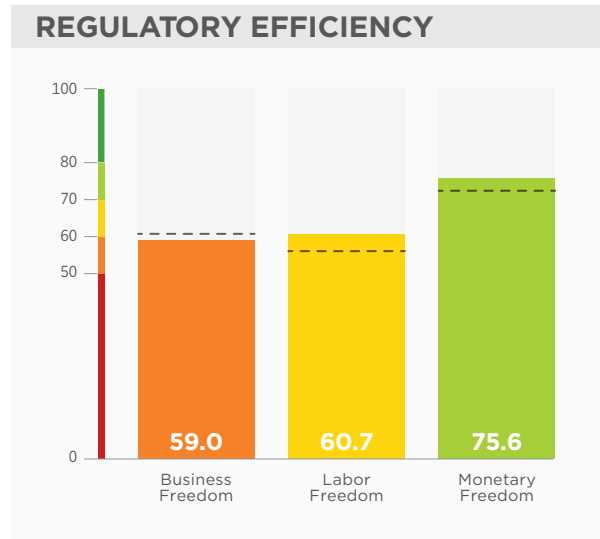
12 ECONOMIC FREEDOMS | BELIZE



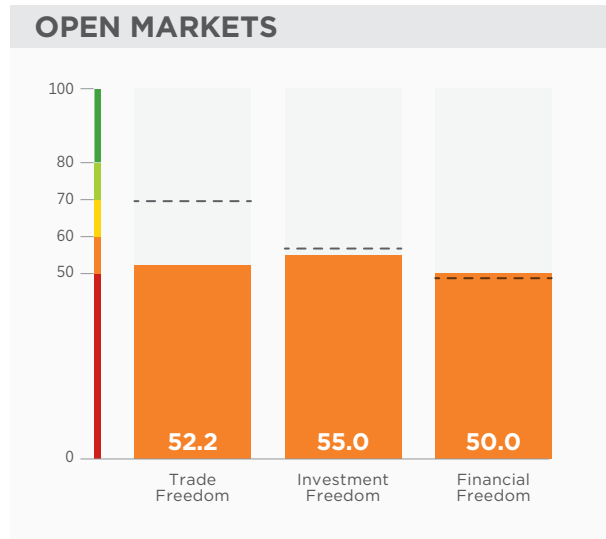
The overall rule of law is weak in Belize. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 25 percent. The tax burden equals 26.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 28.0 percent and -4.0 percent of GDP. Public debt equals 82.2 percent of GDP.



Despite a streamlined process for completing regulatory requirements, entrepreneurial activity often faces such challenges as a lack of regulatory transparency. Despite relatively flexible employment regulations, a formal labor market remains underdeveloped. The most recent available inflation rate is 3.2 percent.



The trade-weighted average tariff rate is 18.9 percent, and two nontariff measures are in force. Bureaucratic barriers may discourage foreign investment. The state influences credit allocation through quasi-government banks. The financial sector is not fully developed.