



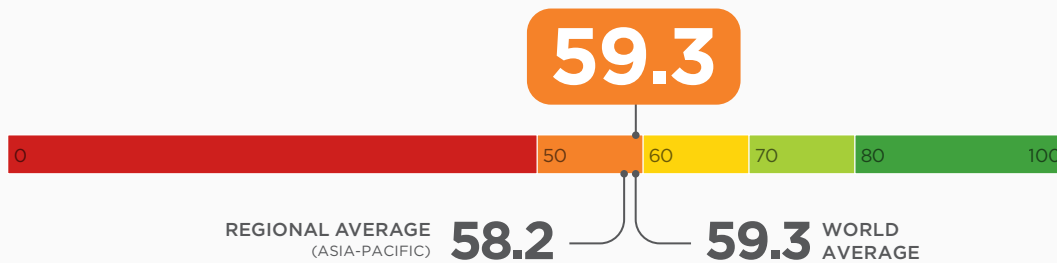
PHILIPPINES

WORLD RANK: 89	REGIONAL RANK: 18
ECONOMIC FREEDOM STATUS: MOSTLY UNFREE	

The Philippines' economic freedom score is 59.3, making its economy the 89th freest in the 2023 *Index*. Its score is 1.8 points lower than last year. The Philippines ranks 18th out of 39 countries in the Asia-Pacific region, and its overall score is approximately the world average.

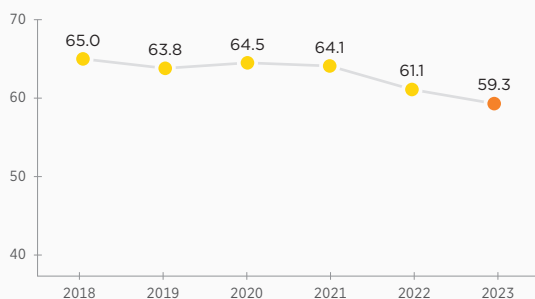
Despite the challenging global economic environment, the Philippine economy has been expanding. The government has pursued legislative reforms to enhance the entrepreneurial environment and generate greater job growth. Overall progress has been gradual. There are institutional challenges that need to be overcome. Despite some progress, corruption continues to undermine long-term economic development.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +4.3

RECENT FREEDOM TREND



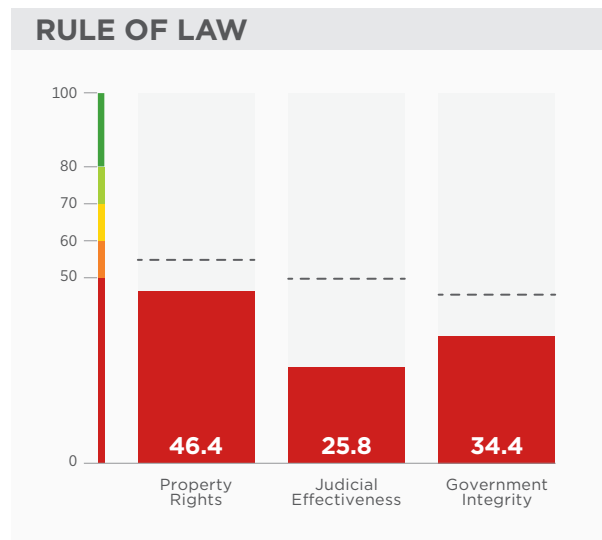
QUICK FACTS

POPULATION: 111.0 million	UNEMPLOYMENT: 2.5%
GDP (PPP): \$1.0 trillion 5.6% growth in 2021 5-year compound annual growth 3.1% \$9,175 per capita	INFLATION (CPI): 3.9%
	FDI INFLOW: \$10.5 billion
	PUBLIC DEBT: 57.0% of GDP

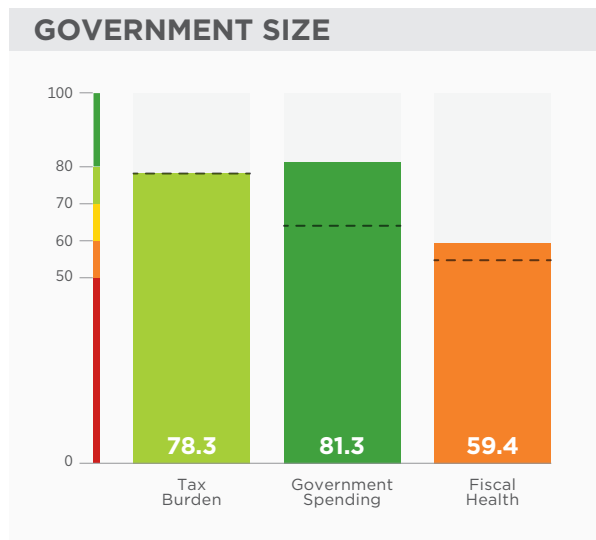
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: A former colony of Spain and the U.S. spread over 7,000 linguistically diverse Western Pacific islands, the Philippines became a self-governing commonwealth in 1935. President Ferdinand “Bong-bong” Marcos Jr., son of the late dictator Ferdinand Marcos, won election by a wide margin in 2022. His running mate, Sara Duterte, is the daughter of former President Rodrigo Duterte. Agriculture remains a significant part of the economy, but industrial production in such areas as electronics, apparel, and shipbuilding has been growing rapidly. Remittances from overseas workers are equivalent to 10.5 percent of GDP.

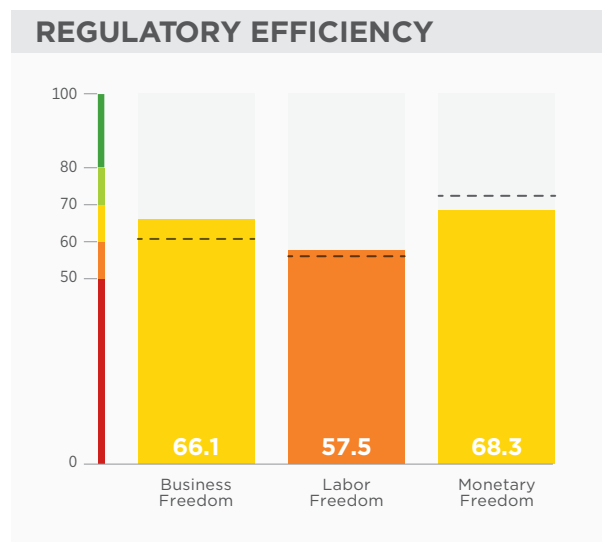
12 ECONOMIC FREEDOMS | PHILIPPINES



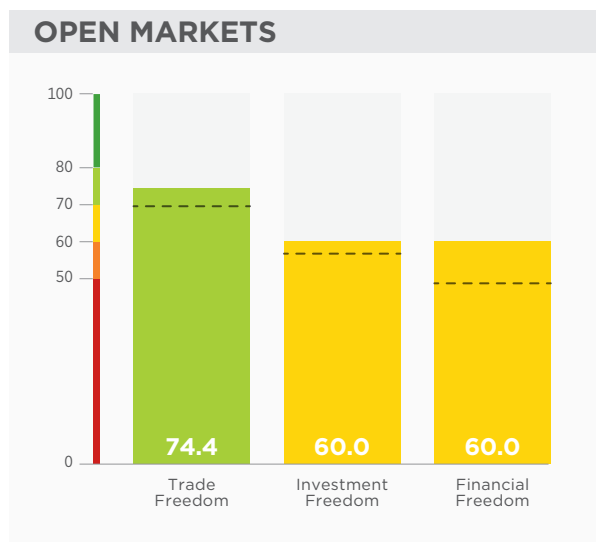
The overall rule of law is weak in the Philippines. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 35 percent and 25 percent. The tax burden equals 17.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 24.9 percent and -4.6 percent of GDP. Public debt equals 57.0 percent of GDP.



The business regulatory environment has generally been streamlined. The time and cost involved in dealing with licensing requirements have been reduced. The labor market remains structurally rigid, but regulations are not particularly burdensome. The most recent available inflation rate is 3.9 percent.



The trade-weighted average tariff rate is 5.3 percent. Foreign investment is generally welcome, and the investment code treats foreign investors the same as it treats domestic investors. The financial sector is dominated by banking and relatively stable, but capital markets are underdeveloped.