Jamaica's economic freedom score is 69.0, making its economy the 45th freest in the 2021 Index. Its overall score has increased by 0.5 point, primarily because of an improvement in judicial effectiveness. Jamaica is ranked 5th among 32 countries in the Americas region, and its overall score is above the regional and world averages.

Jamaica’s economy remains in the moderately free category where it has been since the inception of the Index in 1995. Progress toward greater economic freedom would require clear government action to strengthen financial freedom, reform and update the judicial system, and pursue a vigorous anticorruption agenda.

**IMPACT OF COVID-19**: As of December 1, 2020, 258 deaths had been attributed to the pandemic in Jamaica, and the economy was forecast to contract by 8.6 percent for the year.

**ECONOMIC FREEDOM SCORE**

![Economic Freedom Score Chart]

**RECENT FREEDOM TREND**

![Recent Freedom Trend Chart]

**QUICK FACTS**

- **POPULATION**: 2.9 million
- **GDP (PPP)**: $27.9 billion
  - 1.0% growth in 2019
  - 5-year compound annual growth 1.2%
  - $10,166 per capita
- **UNEMPLOYMENT**: 8.0%
- **INFLATION (CPI)**: 3.9%
- **FDI INFLOW**: $665.4 million
- **PUBLIC DEBT**: 91.9% of GDP

**BACKGROUND**: English planters seized Jamaica from Spain in 1655 and established a plantation economy based on slave labor. The island gained independence from the United Kingdom in 1962. In August 2020, incumbent Prime Minister Andrew Holness was elected to his third nonconsecutive term in early elections, and his center-left Jamaica Labour Party won 49 of 63 parliamentary seats. The international Financial Action Task Force placed Jamaica on a small list of countries requiring increased oversight to fix weaknesses in its anti-money laundering and anti-terrorism financing capabilities. Long-standing recurrent violence among powerful organized crime networks that are involved in illicit drug and arms trafficking (and are also affiliated with major political parties) is an ongoing problem.
Secured interests in property are enforced, but bureaucratic delays make the registration of property difficult. Nearly 20 percent of Jamaica’s people live as squatters, mostly on public lands. The judicial system is fair, but its inefficiency and large backlog of cases weaken the rule of law. Corruption, often linked to organized crime, is one of the root causes of Jamaica’s high crime rate and economic stagnation.

The top individual income and corporate tax rates are 25 percent. Other taxes include property transfer and general consumption taxes. The overall tax burden equals 27.9 percent of total domestic income. Government spending has amounted to 29.2 percent of total output (GDP) over the past three years, and budget surpluses have averaged 0.6 percent of GDP. Public debt is equivalent to 91.9 percent of GDP.

The entry costs of starting a business in Jamaica are low, and the process generally takes only two days. The labor force participation rate declined in 2019. Tourism accounts for about 20 percent of GDP, and remittances account for approximately 14 percent of GDP. The government continues to subsidize medications and health care through the National Health Fund and regulates utility prices for water, electricity, and telecommunications services.

Jamaica has two preferential trade agreements in force. The trade-weighted average tariff rate is 10.4 percent, and five nontariff measures are in effect. Jamaica is relatively open to foreign investment, but state-owned enterprises distort the economy. High financing costs hamper private-sector growth. About 80 percent of adult Jamaicans have an account with a formal banking institution.