



WORLD RANK: **88** | REGIONAL RANK: **20**

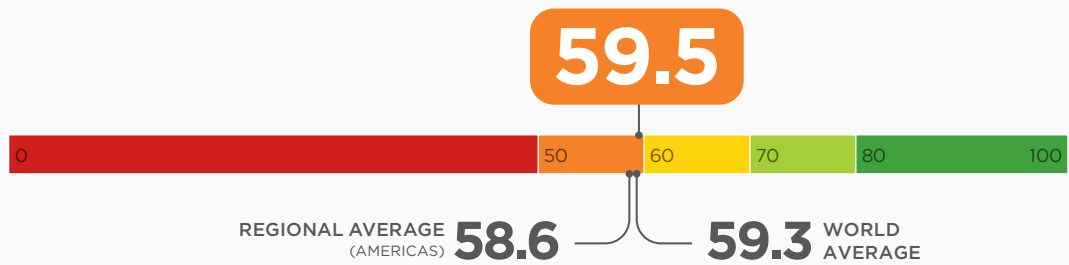
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

TRINIDAD AND TOBAGO

Trinidad and Tobago's economic freedom score is 59.5, making its economy the 88th freest in the 2023 *Index*. Its score is 0.7 point higher than last year. Trinidad and Tobago is ranked 20th out of 32 countries in the Americas region, and its overall score is higher than the world and regional averages.

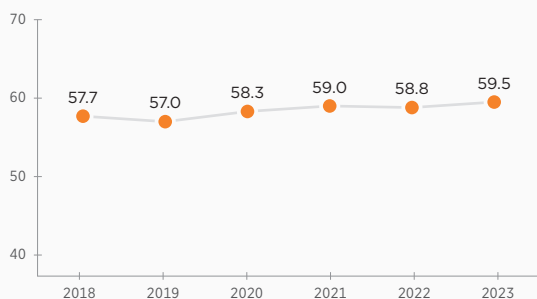
Overall progress in enhancing economic freedom and the entrepreneurial climate has been uneven. Overdependence on oil and gas discourages private-sector development, although diversification of the economic base has progressed. The judiciary is relatively independent, and Trinidad and Tobago has a tradition of institutional stability.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): -9.7

RECENT FREEDOM TREND



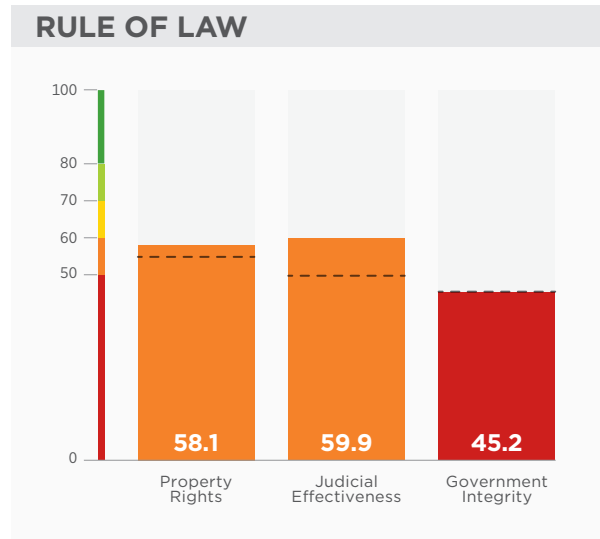
QUICK FACTS

- POPULATION:** 1.4 million
- UNEMPLOYMENT:** 3.2%
- GDP (PPP):** \$37.7 billion
- INFLATION (CPI):** 1.1%
- 1.0% growth in 2021
- FDI INFLOW:** \$341.6 million
- 5-year compound annual growth -2.4%
- PUBLIC DEBT:** 60.6% of GDP
- \$26,802 per capita

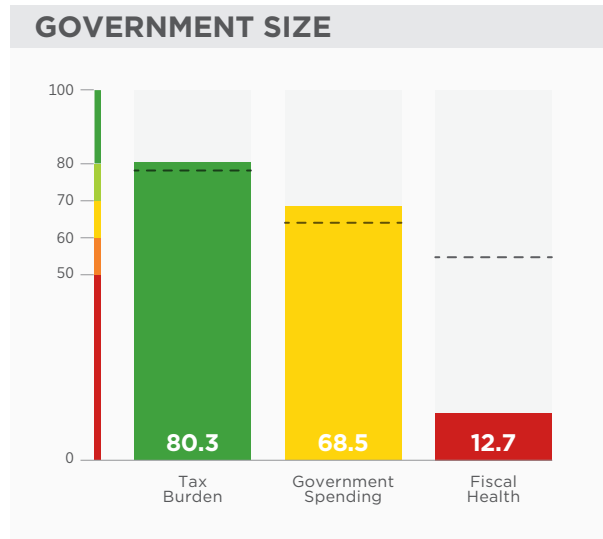
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Trinidad and Tobago is one of the Caribbean's largest economies. Hydrocarbons account for more than 40 percent of GDP and 80 percent of exports. Prime Minister Keith Rowley of the leftist People's National Movement must contend with weak growth and rising crime. Regarded as a tax haven, the country has been accused by the OECD of failing to comply with international financial standards. Rowley has helped Venezuela's Nicolás Maduro to circumvent U.S. sanctions and has expanded relations with China. Oil production has declined, and natural gas production is increasing. Financial services and construction are strong, and tourism has considerable potential.

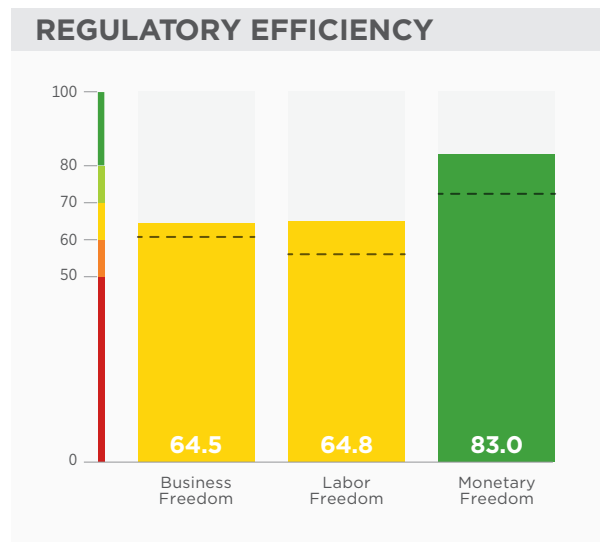
12 ECONOMIC FREEDOMS | TRINIDAD AND TOBAGO



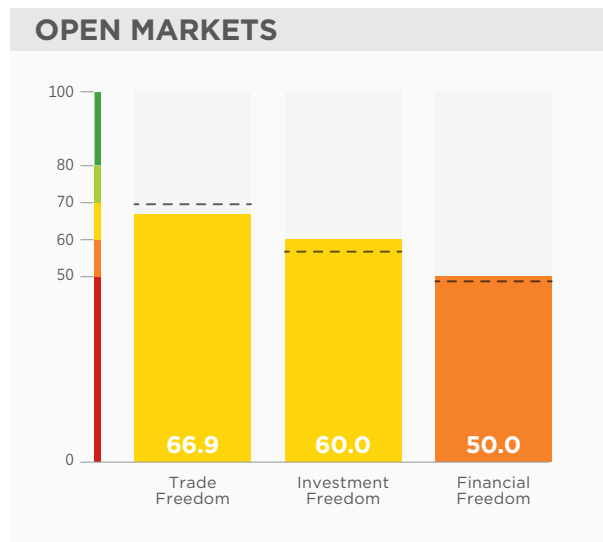
The overall rule of law is relatively well respected in Trinidad and Tobago. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 30 percent. The tax burden equals 21.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.4 percent and -8.2 percent of GDP. Public debt equals 60.6 percent of GDP.



Despite some progress, the regulatory system lacks transparency and clarity, and regulations are enforced inconsistently, although there is no minimum capital requirement. The labor market's relative flexibility facilitates the matching of supply and demand for the country's highly educated labor force.



The trade-weighted average tariff rate is 9.0 percent, and cumbersome nontariff barriers further increase the cost of trade. Foreign investment in private business is not subject to limitations, but the overall investment regime lacks efficiency. The financial sector is relatively well developed.