

NEWS RELEASE

Hong Kong leads world in economic freedom, ranking well ahead of United States and United Kingdom

October 7, 2014
For immediate release

TORONTO—Hong Kong is once again the most economically free jurisdiction in the world, according to the Fraser Institute’s annual *Economic Freedom of the World* report, released today at an international event in Brussels.

The report measures the economic freedom (levels of personal choice, ability to enter markets, security of privately owned property, rule of law, etc.) by analysing the policies and institutions of 151 countries and Hong Kong.

“The link between economic freedom and prosperity is undeniable. The most economically free countries offer the highest quality of life and personal freedoms while the lowest-ranked countries, are usually burdened by oppressive regimes that limit the freedom and opportunity of their citizens,” said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom with the Fraser Institute.

“Hong Kong’s number one rating based on 2012 data and the ongoing protests this year highlight how much Hong Kong stands to lose if the rule of law or fair treatment of all is undermined. This is threatened by encroaching mainland Chinese influence in Hong Kong’s legal system and attempts to impose government control on judges and their decisions—potentially turning the rule of law into a political instrument. This is an attack on Hong Kong’s future prosperity and international standing,” McMahon said.

According to the report, based on 2012 statistics (the most recent year of available data), the top 10 most economically free jurisdictions are Hong Kong (which continues its streak of number one rankings), Singapore, New Zealand, Switzerland, Mauritius, United Arab Emirates, Canada, Australia, Jordan and (tied for 10th) Chile and Finland.

The United States, once considered a bastion of economic freedom, now ranks 12th in the world, tied with the United Kingdom.

“The United States has suffered from a weakened rule of law, the ramifications of wars on terrorism and drugs, and a confused regulatory environment. Consequently, it’s dropped from second place in the world rankings in 2000 to 12th place this year, behind countries such as Jordan and the U.A.E.,” said Michael Walker, Fraser Institute senior fellow and co-founder of the Economic Freedom of the World project.

Other notable rankings include Japan (23rd), Germany (28th), Russia (98th), India (110th) and China (115th).

The 10 lowest-ranked countries are Myanmar, Democratic Republic of Congo, Burundi, Chad, Iran, Algeria, Argentina, Zimbabwe, Republic of Congo and Venezuela, which retains the title of the world’s least economically free country. Some despotic countries such as North Korea and Cuba could not be ranked due to lack of data.

Globally, the average economic freedom score dropped slightly to 6.84 out of 10 from 6.87 last year.

According to fact-based research in top peer-reviewed journals, people living in countries with high levels of economic freedom enjoy greater prosperity, more political and civil liberties, and longer life spans.

For example, countries in the top quartile of economic freedom had an average per-capita GDP of US\$39,899 in 2012, compared to US\$6,253 for bottom quartile nations.

Moreover, the average income of the poorest 10 per cent in the most economically free countries in 2012, US\$11,610, was almost double the overall average income in the least free countries. And life expectancy is 79.9 years in the top quartile compared to 63.2 years in the bottom quartile.

The Fraser Institute produces the annual *Economic Freedom of the World* report in cooperation with the Economic Freedom Network, a group of independent research and educational institutes in nearly 90 nations and territories. It's the world's premier measurement of economic freedom, using 42 distinct variables to create an index, ranking countries based on economic freedom, which is measured in five areas: size of government, legal structure and security of property rights, access to sound money, freedom to trade internationally, and regulation of credit, labour and business.

The 2014 report was prepared by James Gwartney, Florida State University, Robert A. Lawson, Southern Methodist University and Joshua Hall, West Virginia University.

The full report is available at www.freetheworld.com. And you can 'Like' the Economic Freedom Network @ www.facebook.com/EconomicFreedomNetwork.

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