

NEWS RELEASE

Hong Kong drops from #1 rank for the first time in history; Singapore takes top spot

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For immediate release

TORONTO—For the first time Hong Kong has not ranked number one in economic freedom and is expected to drop even further in future years, according to the Fraser Institute’s annual [*Economic Freedom of the World*](#) report released today.

“This is the first year Hong Kong has not ranked number one on the index since its inception, and the expectation is that its score will only fall further as the Chinese Communist Party continues to suppress freedom of all sorts,” said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom with the Fraser Institute.

The report measures the economic freedom of individuals—their ability to make their own economic decisions—by analyzing the policies and institutions of 165 jurisdictions. The policies examined include regulation, freedom to trade internationally, size of government, legal system and property rights, and sound monetary policy. The 2023 report is based on data from 2021, the last year with available comparable statistics across jurisdictions.

According to this year’s report, Hong Kong—for the first time in the history of this report—slipped from the top position. New regulatory barriers to entry, limits on employment of foreign labor, and increases in the cost of business drove a decline in its regulatory freedom component. Meanwhile, increased military interference in the rule of law and eroding confidence in judicial independence and the impartiality of courts led to a decline in its legal system and property rights.

The number one spot is now occupied by Singapore, followed by Hong Kong, Switzerland, New Zealand, the United States, Ireland, Denmark, Australia, the United Kingdom, and Canada.

“Hong Kong’s recent turn is an example of how economic freedom is intimately connected with civil and political freedom. The Chinese government’s aim was to crack down on political and civil dissent. These repressions, combined with the government’s efforts to control the private sector, inevitably led to diminished economic freedom. Hong Kong’s prosperity will likely suffer as a result,” said Matthew Mitchell, senior fellow at the Fraser Institute.

Other notable countries include Japan (20th), Germany (23rd), France (47th) and Russia (104th).

Venezuela once again ranks last. Some despotic countries such as North Korea and Cuba can’t be ranked due to lack of data.

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 100 countries and territories. It’s the world’s premier measure of economic freedom.

The report was prepared by Professor James Gwartney of Florida State University and Professors Robert A. Lawson and Ryan Murphy of Southern Methodist University.

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