

NEWS RELEASE

Canada continues to lead the United States in economic freedom while Hong Kong again tops global rankings

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For Immediate Release

TORONTO, ON—Canada is again ranked among the world’s most economically free countries, placing eighth overall and well ahead of the United States in 17th spot, according to the Fraser Institute’s annual *Economic Freedom of the World* report.

Canada’s ranking is down slightly to 7.93 compared to 7.97 last year, when it tied with Australia to place fifth globally.

“Canada has consistently ranked among the top 10 countries for economic freedom, a testament to its strong record of enacting policies that support economic growth, job creation, and prosperity,” said Fred McMahon, co-author of the *Economic Freedom of the World: 2013 Annual Report*.

“Unfortunately for the United States, we’ve seen overspending, weakening rule of law, and regulatory overkill on the part of the U.S. government, causing its economic freedom score to plummet in recent years. This is a stark contrast from 2000, when the U.S. was considered a bastion of economic freedom and ranked second globally.”

Hong Kong again topped the rankings of 151 countries this year, followed by Singapore, New Zealand, and Switzerland.

Research shows that people living in countries with high levels of economic freedom enjoy greater prosperity, more political and civil liberties, and longer life spans.

“The link between economic freedom and prosperity is undeniable: the nations with the most economic freedom also offer people the best quality of life. Compare the bottom-ranked countries, where oppressive regimes deny their citizens opportunities for economic growth and personal freedom,” McMahon said.

The annual *Economic Freedom of the World* report is the premier measurement of economic freedom, using 42 distinct variables to create an index ranking of countries around the world based on policies that encourage economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of private property. Economic freedom is measured in five different areas: (1) size of government, (2) legal structure and security of property rights, (3) access to sound money, (4) freedom to trade internationally, and (5) regulation of credit, labour, and business. The full report is available at www.freetheworld.com.

International rankings

Hong Kong has the highest level of economic freedom worldwide, with a score of 8.97 out of 10, followed by Singapore (8.73), New Zealand (8.49), Switzerland (8.30), United Arab Emirates (8.07), Mauritius (8.01), Finland (7.98), Canada and Bahrain (each 7.93), and Australia (7.88).

The rankings of other large economies include: United States (17th with a score of 7.73), Germany (19th at 7.68), Japan and South Korea (tied at 33rd with a score of 7.50), France (40th at 7.38), Italy (83rd at 6.85), Mexico (94th at 6.64), Russia (101st at 6.55), Brazil (102nd at 6.51), India (111th at 6.34), and China (123rd at 6.22).

(more)

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Globally, the average economic freedom score rose slightly to 6.87 out of 10 compared to 6.74 last year.

Venezuela has the lowest level of economic freedom worldwide with a score of 3.93, with Myanmar (4.08), Republic of Congo (4.57), Zimbabwe (4.59), and Chad (4.98) rounding out the bottom five countries. Some nations, like North Korea and Cuba, could not be ranked because of a lack of data.

The report notes that among the highest-ranked countries, the average income of the poorest 10 per cent of people was \$10,556 (US) in 2011, compared to only \$932 (US) for those living in the least free economies. On average, the poorest 10 per cent of people in the freest nations are more than twice as prosperous as the average population of the countries with the least economic freedom.

About the Economic Freedom Index

Economic Freedom of the World measures the degree to which the policies and institutions of countries support economic freedom. The annual report is published in conjunction with the Economic Freedom Network, a group of independent research and educational institutes in nearly 90 nations and territories worldwide. The 2013 report was prepared by James Gwartney, Florida State University; Robert A. Lawson, Southern Methodist University; and Joshua Hall, West Virginia University. The complete publication may be downloaded, free of charge, from www.freetheworld.com.

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MEDIA CONTACT:

Fred McMahon
Michael A. Walker Research Chair in Economic Freedom, Fraser Institute
Tel: (416) 363-6575, ext. 226
Cell: (416) 727-7138
E-mail: fred.mcmahon@fraserinstitute.org

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For further information, contact:
Dean Pelkey
Director of Communications, Fraser Institute
Tel: 604-714-4582
E-mail: dean.pelkey@fraserinstitute.org