

NEWS RELEASE

Hong Kong again leads the globe in economic freedom while the United States languishes in 17th spot

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For Immediate Release

TORONTO, ON—Hong Kong again topped the rankings of 151 countries and territories, followed by Singapore, New Zealand, and Switzerland in the Fraser Institute's annual Economic Freedom of the World report.

The United States, once considered a bastion of economic freedom, now ranks 17th in the world.

“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 one of the most economically free nations and ranked second globally,” said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom with the Fraser Institute.

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

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

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 cornerstones of economic freedom are personal choice, voluntary exchange, freedom to compete, and security of private property.

“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 produced by the Fraser Institute in cooperation with the Economic Freedom Network, a group of independent research and educational institutes in nearly 90 nations and territories worldwide. It is the world's premier measurement of economic freedom, using 42 distinct variables to create an index ranking countries around the world based on policies that encourage economic freedom. 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, labor, and business. The full report is available at www.freetheworld.com.

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), Bahrain and Canada (each 7.93), and Australia (7.88).

The rankings of other large economies include: United States (17th), Germany (19th), Japan and South Korea (tied at 33rd), France (40th), Italy (83rd), Mexico (94th), Russia (101st), Brazil (102nd), India (111th), and China (123rd).

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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 2013 report was prepared by James Gwartney, Florida State University; Robert A. Lawson, Southern Methodist University; and Joshua Hall, West Virginia University.

This year's publication ranks 151 nations representing more than 95 per cent of the world's population for 2011, the most recent year for which data is available. The report also updates data in earlier reports in instances where data have been revised.

For more information on the Economic Freedom Network, datasets, and previous *Economic Freedom of the World* reports, visit www.freetheworld.com. Also 'Like' the Economic Freedom Network on Facebook: www.facebook.com/EconomicFreedomNetwork.

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