

NEWS RELEASE



Canada trails U.S. in annual economic freedom ranking; Hong Kong falls out of the top spot in economic freedom for the first time

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For immediate release

TORONTO—Canada has one of the fastest growth rates in size of government in the world, suppressing the space for free exchange and Canadians' economic freedom, according to the Fraser Institute's annual [*Economic Freedom of the World*](#) report released today.

"In 2014, Canada ranked 71st in the size of government, its best historic ranking in this area, where lower rankings indicate taxation and spending. Due to its especially large COVID response, the country's size of government ranking fell to 129th in 2020. It has now climbed back, but only to 99th place, Canada's lowest ranking ever in size of government except for the COVID period," said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom with the Fraser Institute.

Over this period, Canada had the 26th fastest growth rate of government of the 162 jurisdictions measured in this area over the full period.

"This should be worrying to all Canadians as lower levels of economic freedom leads to slower economic growth and less investment," McMahon added.

Hong Kong has fallen to second place in the index, after occupying the top spot since the first comprehensive data became available in 1970.

"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 suffer as a result," said Matthew Mitchell, senior fellow in the Centre for Economic Freedom at 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 systems 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.

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.

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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