

NEWS RELEASE

Canada drops out of top 10 countries in annual economic freedom report

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For immediate release

TORONTO—In the Fraser Institute’s annual [*Economic Freedom of the World*](#) report, Canada is no longer among the top 10 most economically-free countries in the world.

In this year’s report, Canada ranks 14th based on 2019 data, the most recent comprehensive data, part of a downward trend since 2016. (Last year, Canada initially ranked 8th, although data revisions later lowered its rank to 13th.)

“Due to higher taxes and increased regulation in Ottawa and the provinces, Canadians are less economically free, which means slower economic growth and less investment in Canada,” said Fred McMahon, Dr. Michael A. Walker Research Chair in Economic Freedom at the Fraser Institute.

The report, which was first launched in 1996, measures economic freedom—the ability of individuals to make their own economic decisions—by analyzing the policies and institutions of 165 countries and territories. Indicators include regulation, freedom to trade internationally, size of government, property rights, government spending and taxation.

Hong Kong again ranks 1st followed by Singapore, New Zealand, Switzerland, Georgia, the United States, Ireland, Lithuania, Australia and Denmark.

However, the reports warns China’s heavy hand will lower Hong Kong’s in future years

“While Hong Kong remains the most economically-free jurisdiction in the world, it’s important to remember that the measurement is based on 2019 data and that more recent interference from China threatens to undermine Hong Kong’s rule of law, which helps ensure equal freedom for all,” McMahon said.

The rankings of other major countries include Japan (18th), Germany (22nd), Italy (47th), France (53rd), Mexico (75th), Russia (100th), India (108th), Brazil (109th) and China (116th).

People living in countries with high levels of economic freedom enjoy greater prosperity, more political and civil liberties, and longer lives.

For example, countries in the top quartile of economic freedom had an average per-capita GDP of US\$50,619 in 2019, compared to US\$5,911 for bottom quartile countries. And poverty rates are lower. In the top quartile, 0.9 per cent of the population experienced extreme poverty (US\$1.90 a day) compared to 34.1 per cent in the lowest quartile.

Finally, life expectancy is 81.1 years in the top quartile of countries compared to 65.9 years in the bottom quartile.

“Where people are free to pursue their own opportunities and make their own choices, they lead more prosperous, happier and healthier lives,” McMahon said.

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 measurement of economic freedom.

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

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