

Hong Kong continues to rank among top of world's freest economies

In the Economic Freedom of the World 2023 Annual Report (2023 Report) published by the Fraser Institute, Hong Kong continues to rank among the top, second globally.

Among the five areas of assessment in the 2023 Report, Hong Kong continued to rank top in "Freedom to trade internationally", and third globally in "Regulation". Our scores and rankings in "Size of government" and "Sound money" also improved from those of last year.

A spokesman for the Hong Kong Special Administrative Region (HKSAR) Government today (September 19) said, "We have been striving to enhance market efficiency and support, regulate enterprises in an appropriate manner, thereby leveraging the advantages of the free market, and maintaining an efficient, free, open and fair business environment.

"Hong Kong is one of the most liberal and easiest places to do business in the world, being home to almost 9 000 Mainland and overseas companies. This is a testament to our distinctive institutional strengths under 'one country, two systems' including the continuation of the common law system, the exercise of independent judicial power by the Judiciary, a favourable business environment with efficient and transparent markets, a regulatory regime in line with international rules, an efficient and clean government, a simple and low tax system, world-class professional services, and free flow of goods and factors of production including talents, capital and information. Hong Kong remains the only place in the world where the global advantage and the China advantage come together in a single economy. The Fraser Institute's claims that the Mainland imposed new and significant barriers to entry, limits on the employment of foreign labour, and increases in the costs of doing business in Hong Kong are factually wrong. We totally disagree with such unfounded claims and express our disappointment. There is no change to the labour policy in the HKSAR. On the premise of according employment priority to local workers, the HKSAR Government operates different schemes for employers to apply for importation of labour on account of their actual circumstances so as to supplement skills not readily available in the local labour market, and sustain the competitiveness and meet the development needs of Hong Kong. The HKSAR Government also strives to maintain Hong Kong as an attractive place for labour from different places to work.

"Since taking office, the current term of the HKSAR Government has proactively implemented strategies and measures to 'compete for talents and enterprises' with a view to attracting strategic enterprises as well as global top talents and international capital to Hong Kong. Response to these measures has been very enthusiastic. We strive to consolidate and enhance Hong Kong's position as an international financial centre, push forward the development of innovation and technology, continue to increase land and housing supply, as well as open up new development paths in the areas of

digital economy, green technology, green finance and Web3, etc, in order to provide new impetus, expand capacity and enhance our competitiveness for the sustained growth of Hong Kong's economy and pursuit of high-quality development.

"Under 'one country, two systems', Hong Kong enjoys our country's staunch and robust support and stays closely connected to the world. As our country adheres to the strategy of two-way opening up and sustains high-quality development, coupled with the eastward shift of global economic gravity, the Mainland and other fast-growing economies in the region will remain a major engine of global economic growth and a key source of business opportunities. Hong Kong is also positioned to continually reap the enormous benefits of this trend, in particular the development opportunities brought by national strategies, including the Guangdong-Hong Kong-Macao Greater Bay Area development and the high-quality development of the Belt and Road Initiative."

The spokesman solemnly pointed out that the argument of the so-called "Mainland's military interference on Hong Kong's rule of law" in the 2023 Report is completely fictitious and contrary to the facts. The spokesman stressed that "The HKSAR enjoys a high degree of autonomy under 'one country, two systems'. The rule of law in Hong Kong is not subject to military interference. Under Article 14 of the Basic Law, military forces stationed by the Central People's Government in the HKSAR for defence shall not interfere in the local affairs of the Region and in addition to abiding by national laws, members of the Garrison shall abide by the laws of the HKSAR. Similarly, under Article 9 of the Garrison Law, the Hong Kong Garrison shall not interfere in the local affairs of Hong Kong."

In relation to the so-called "eroding confidence in judicial independence and the impartiality of Hong Kong courts", the spokesman reiterated, "As a matter of fact, Hong Kong's legal and judicial system has always been highly regarded by international communities. The Constitution and the Basic Law provide constitutional guarantee for fundamental rights and freedoms, including the right to equality before the law, and is buttressed by the rule of law and independent judicial power. Article 85 of the Basic Law clearly provides that the courts of the HKSAR shall exercise judicial power independently, free from any interference. Judges are immune from legal action in the performance of their judicial functions. The appointment and removal of judges in Hong Kong are free from political or other irrelevant considerations. Judgments of the courts contain detailed reasoning for the relevant decision and are publicly available on the website of the Judiciary, which the public can access at any time. Equality before the law is a fundamental principle observed in Hong Kong. The allegation against the independence and impartiality of our judiciary is totally groundless and unsupported by objective evidence."

In relation to the implementation of the Hong Kong National Security Law (NSL), the spokesman reiterated, "National security is a matter within the purview of the Central Authorities. It is the responsibility and right of every country to safeguard its national security. The HKSAR steadfastly safeguards national sovereignty, security and development interests, and

fully and faithfully lives up to this top priority of the 'one country, two systems' principle. The HKSAR law enforcement agencies have been taking law enforcement actions based on evidence and strictly in accordance with the law in respect of the acts of the persons or entities concerned, and have nothing to do with their political stance or background. The 2023 Report's comments on the relevant enforcement actions are biased, casting doubts on the impartiality of the conclusion of the Report. The HKSAR Government will continue to resolutely, fully and faithfully implement the NSL and further strengthen the HKSAR's legal system and enforcement mechanisms for safeguarding national security to effectively prevent, suppress and punish acts and activities that endanger national security in accordance with the law. At the same time, we will safeguard the rights and freedoms enjoyed by Hong Kong residents in accordance with the law, and ensure the steadfast and successful implementation of 'one country, two systems'.

"The implementation of the NSL has enabled the livelihood and economic activities of the Hong Kong community at large to resume as normal and the business environment to be restored. It has also enabled Hong Kong people to enjoy the rights and freedoms which were impaired during the period of serious violence and Hong Kong version of 'colour revolution' in 2019, and swiftly and effectively restored the stability and security in Hong Kong. It is the personal experience of people living in and businesses operating in Hong Kong that Hong Kong has successfully achieved the major transition from 'chaos to order'."

The spokesman stressed, "Since the return of Hong Kong to the Motherland, the HKSAR Government has been fully, faithfully and resolutely implementing the principles of 'one country, two systems', 'Hong Kong people administering Hong Kong' and a high degree of autonomy in accordance with the Constitution and the Basic Law to ensure the long-term prosperity and stability of Hong Kong. Hong Kong has entered a new stage of advancing from stability to prosperity."