

# World Competitiveness Yearbook 2023 recognised that Hong Kong continued to be one of the most competitive economies in the world

In the latest World Competitiveness Yearbook (WCY) 2023 published by the International Institute for Management Development (IMD), Hong Kong was ranked seventh globally.

Among the four competitiveness factors in WCY 2023, Hong Kong continued to rank second globally in "Government efficiency", and our ranking in "Infrastructure" also improved. Yet, due to the epidemic upsurge last year, our ranking in "Business efficiency" fell slightly. Our ranking in "Economic performance" dropped as the Hong Kong economy weakened notably and recorded negative growth in 2022. As regards the sub-factors, Hong Kong continued to top the ranking in "Business legislation", and was amongst the top-five in "Tax policy", "International investment", "International trade" and "Technological infrastructure".

A Government spokesperson said today (June 20), "The IMD's WCY 2023 recognised that Hong Kong continued to be one of the most competitive economies in the world. Hong Kong's competitiveness is underpinned by 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, etc. Last year, the COVID-19 epidemic posed daunting challenges to Hong Kong and weighed heavily on our economic performance. As a result, Hong Kong's overall competitiveness ranking fell by two places from the preceding year. As Hong Kong resumes normalcy and restores full connectivity to the Mainland and the rest of the world, Hong Kong's economy will improve notably this year."

The spokesperson added, "While Hong Kong's overall competitiveness ranking remained at the forefront in WCY 2023, and our slight fall in ranking was mainly dragged down by the epidemic upsurge and weak economy last year, we should stay vigilant of the increasingly intense competition among economies and respond proactively, striving to further enhance Hong Kong's competitiveness. Since taking office, the new-term of HKSAR Government has been promoting a better integration of 'capable government' and 'highly efficient market'. Aside from upholding Hong Kong's institutional strengths and competitive advantages, we have implemented strategies to 'compete for talents and enterprises' with a view to attracting strategic enterprises as well as talents and capital from around the world, stepped up investment in

infrastructure as well as innovation and technology, and continued to increase land and housing supply, in order to expand capacity for the sustained growth of Hong Kong's economy and pursuit of high-quality development. Work in these areas has made good progress."

"Moving forward, Hong Kong will continue to benefit from the sustained eastward shift of global economic gravity. Under 'One Country, Two Systems', Hong Kong will leverage the staunch support of our Motherland while staying connected to the world, and continue to serve our distinctive roles as a gateway, a springboard and an intermediary by virtue of our distinctive institutional and geographical advantages. We will actively align with national development strategies, seize the opportunities arising from the National 14th Five-Year Plan, the Greater Bay Area development and the Belt and Road Initiative, so as to pursue economic development and enhance people's quality of life."