

ECONOMY

Hong Kong slips into second place in global competitiveness ranking

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Hong Kong's decline in health, education and the environment means the city is no longer the world's most competitive economy, according to the latest rankings from the IMD World Competitiveness Centre.

The United States jumped three places to claim top spot, with Hong Kong dropping to second on the list compiled by the Switzerland-based organisation, which released its findings yesterday. Regional rival Singapore remained in third place, according to the centre, which ranks 63 regions around the world annually.

According to this year's ranking, Hong Kong still leads the world in government and business efficiency, and improved slightly in economic performance, from 11th last year to ninth. However, the city declined three places to 23rd in infrastructure, caused by a drop of three places to 18th in its education ranking, five places to 23rd in health and environment, and one place to 19th in technological infrastructure.

The ranking report identified a series of weaknesses in the city's infrastructure, such as total public expenditure on education, busi-

ness expenditure on research and development, total expenditure on research and development, and health expenditure.

In his budget speech in February, Financial Secretary Paul Chan Mo-po estimated that the government would spend HK\$113.7 billion on education in financial year 2018-19, an increase of 28.4 per cent from HK\$88.5 billion the previous year.

Expenditure on public health care services will also increase by 13 per cent to HK\$71.2 billion. Innovation and technology has also seen a fivefold budget boost to HK\$50 billion.

A government spokesman yesterday said the ranking again recognised the city as one of the most competitive in the world.

"Amid the fierce competition from other economies, it is of utmost importance for us to consolidate Hong Kong's competitive edges, including the fine tradition of the rule of law, an open and free market, an efficient public sector and a robust institutional framework," he said.

Mainland China rose five places to 13th this year. Its economic performance remained second, business efficiency rose three places to 15th, and infrastructure rose six places to 19th. However, government efficiency slipped one place to 46th. Taiwan was 17th, down three places.