

City is freest economy for 25th year in succession

US think tank does not change overall score, but highlights decline in judicial effectiveness

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Hong Kong has been ranked the world's freest economy by an American think tank for the 25th consecutive year, but the researchers also said the judiciary had become less effective.

The Heritage Foundation, a conservative research and educational institution based in Washington, placed the mainland at 100th in its study of 180 countries.

Singapore, often seen as Hong Kong's main rival, came in second again but closed the gap.

The foundation's results were published yesterday and Hong Kong's score was 90.2 out of 100.

The rankings are compiled based on 12 factors covering law, governance, market openness and regulations.

"Hong Kong's overall score is unchanged from 2018, with increases in its scores for trade freedom, monetary freedom, and government integrity," a report on the study read.

However, the foundation also highlighted what it called a decline in judicial effectiveness brought about by China's central government issuing an interpretation of the Basic Law, the city's mini-constitution, which the researchers said had limited the power of Hong Kong's top court.

The score awarded in this category was 75.3, down from 84.3.

"The judiciary is independent, but Beijing reserves the right to make final interpretations ... effectively limiting the power of Hong Kong's Court of Final Appeal," the report read.

The researchers also took note of a ban placed last year on the pro-independence Hong Kong National Party, saying the move raised concerns about freedom of speech and association.

Ronny Tong Ka-wah, a member of the Executive Council that advises Hong Kong's leader on policy, said the foundation could have misunderstood the "one country, two systems" formula under which China has managed Hong Kong since 1997.

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"They have to understand that Hong Kong is not an independent country," Tong said. Local courts therefore did not have the power to interpret the Basic Law. Tong stressed the courts were independent in settling local affairs.

Civic Party leader Alvin Yeung Ngok-kiu, a pro-democracy lawmaker, said it was obvious that foreign institutions were expressing concern over the rule of law.

"It sends a very strong signal to the government that we should not take this ranking for granted," Yeung said.

Should Hong Kong fail to retain the confidence of foreign investors, he said countries such as Singapore could surpass the city in the future. Singapore's score went from 88.8 last year to 89.4.