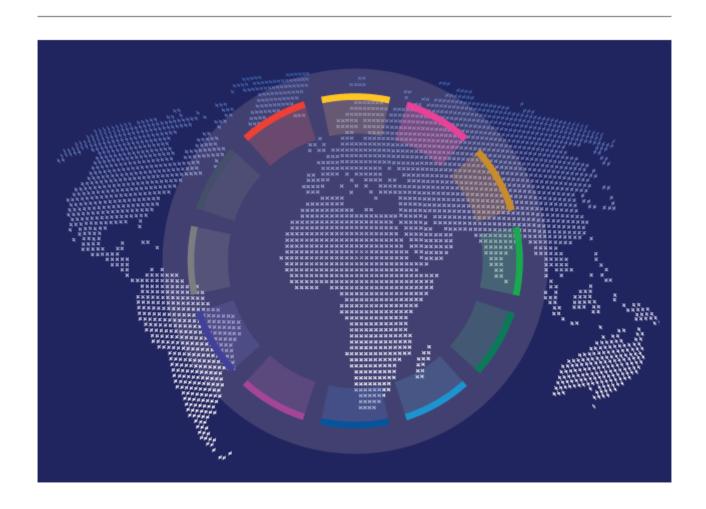


The Global Competitiveness Report 2015–2016

Highlights



The Global Competitiveness Index 2015-2016 Rankings

Covering 140 economies, the Global Competitiveness Index 2015–2016 measures national competitiveness—defined as the set of institutions, policies and factors that determine the level of productivity.

	Economy	Score.	Prev.	Trend-
0	Switzerland	5.76	1	
8	Singapore	5.68	2	
ă	United States	5.61	3	-
ă	Germany	5.53	5	
ă	Netherlands	5.50	8	
ă		5.47	6	
×	Japan Hong Kong SAR	5.46	7	
ĕ	Hong Kong SAR			
Ō	Finland	5.45	4	
0	Sweden	5.43	10	
0	United Kingdom	5.43	9	
0	Norway	5.41	11	
Œ	Denmark	5.33	13	
1	Canada	5.31	15	
0	Qatar	5.30	16	-
ø	Talwan, China	5.28	14	
ŏ	New Zealand	5.25	17	
ā	United Arab Emirates	5.24	12	
0	Malaysia	5.23	20	
Ö	Belgium	5.20	18	
8	Luxembourg	5.20	19	
=				
8	Australia	5.15	. 22	
8	France	5.13	23	
0	Austria	5.12	21	
❷	Ireland	5.11	25	
8	Saudi Arabia	5.07	24	
8	Korea, Rep.	4.99	26	
8	Israel	4.98	27	-
(2)	China	4.89	28	
Ö	losiand	4.83	30	
ă	Estonia	4.74	29	
ă	Czech Republic	4.69	37	
ă	Thalland	4.64	31	
ă	Spain	4.59	35	
9	Kuwalt	4.59	40	
×	Chile			
9		4.58	33	
9	Lithuania	4.55	41	
<u> </u>	Indonesia	4.52	34	
2	Portugal	4.52	36	
0	Bahrain	4.52	44	
0	Azerbaijan	4.50	38	
•	Poland	4.49	43	
3	Kazakhstan	4.49	50	
0	Italy	4.46	49	
ă	Latvia	4.45	42	-
000	Russian Federation	4.44		-
ă	Mauritius	4.43		
ă	Philippines	4.39		-
-	ppr. see	4.00		

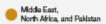
Score¹ Prev.² Trend²

Economy

	Economy	Score	Prev. ²	Trenda
•	Malta	4.39	47	-
a	South Africa	4.39	56	**********
ă	Panama	4.38	48	
ă	Turkey	4.37	45	
ă	Costa Rica	4.33	51	
9	Romania	4.32	59	
8				
_	Bulgaria	4.32	54	
83	India	4.31	71	
3	Vietnam	4.30	68	
0	Mexico	4.29	61	
4	Rwanda	4.29	62	-
3	Slovenia	4.28	70	
②	Macedonia, FYR	4.28	63	
0	Colombia	4.28	66	
@	Oman	4.25	46	
ø	Hungary	4.25	60	-
<u>a</u>	Jordan	4.23	64	
ă	Cyprus	4.23	58	
ŏ	Georgia	4.22	69	
ă	Slovak Republic	4.22	75	-
<u>a</u>	Srl Lanka	421	73	
ă	Peru	421	65	
=		420	67	
9	Montenegro			
9	Botswana	4.19	74	
@	Morocco	4.17	72	
0	Uruguay	4.09	80	
0	Iran, Islamic Rep.	4.09	83	
0	Brazil	4.08	57	
8	Ecuador	4.07	r/a	
•	Croatia	4.07	77	-
2	Guatemala	4.05	78	
0	Ukraine	4.03	76	*****
0	Tajikistan	4.03	91	-
0	Greece	4.02	81	-
0	Armenia	4.01	85	
Ŏ	Lao PDR	4.00	93	
0	Moldova	4.00	82	
ă	Namibia	3.99	88	
ă	Jamaica	3.97	86	
ă	Algeria	3.97	79	
_	Honduras			
ă	Trinidad and Tobago	3.94	89	
_	Cambodia			
ă	Côte d'Ivoire			
_		3.93		
9	Tunisia			+=4
9	Albania	3.93		-
•	Serbia	3.89	94	

	Economy	Score ¹	Prev. ²	Trend ²
8	El Salvador	3.87	84	-
2	Zambia	3.87	96	
ŏ	Søychelles	3.86	92	-
ă	Dominican Republic	3.86	101	
ă	Kenya	3.85	90	
<u></u>	Nepal	3.85	102	
ă	Lebanon	3.84	113	
2	Kyrgyz Republic	3.83	108	
<u>a</u>	Gabon	3.83	106	
<u>a</u>	Mongolia	3.81	98	
93	Bhutan	3.80	103	
<u></u>	Argentina	3.79	104	
<u> </u>	Bangladesh	3.76	109	
<u> </u>			99	
0	Nicaragua Ethiopia	3.75	118	-
=				
•	Senegal	3.73	112	-
0	Bosnia & Herzegovina	3.71	n/a	-
•	Cape Verde	3.70	114	
100	Lesotho	3.70	107	
•	Cameroon	3.69	116	
®	Uganda	3.66	122	-
₩	Egypt	3.66	119	-
9	Bolvia	3.60	105	
•	Paraguay	3.60	120	
•	Ghana	3.58	111	-
100	Tanzania	3.57	121	********
B	Guyana	3.56	117	
122	Benin	3.55	n/a	-
22)	Gambia, The	3.48	125	-
124	Nigeria	3.46	127	
223	Zimbabwe	3.45	124	
126	Pakistan	3.45	129	-
₩	Mal	3.44	128	-
122	Swaziland	3.40	123	
229	Liberia	3.37	n/a	~ .
20	Madagascar	3.32	130	***************************************
121	Myanmar	3.32	134	
222	Venezuela	3.30	131	
22	Mozambique	3.20	133	
22	Halti	3.18	137	
23	Malawi	3.15	132	
ø	Burundi	3.11	139	
ŏ	Sierra Leone	3.06	138	
0	Mauritania	3.03	141	
ă	Chad		143	
0	Guinea		144	
				······································





 Emerging and Daveloping Asia Latin America and the Caribbean Commonwealth of Independent States

 Emerging and Developing Europe 9ub-9aharan Africa

Note: The Global Competitiveness index captures the fundamentals of an economy. Recent developments, including currency (e.g., @witzerland) and commodity price fluctuations (e.g., Azerbaljan, Catar, Saudi Arabia), geopolitical uncertainties (e.g., Ukraine), and security issues (e.g., Turkey) must be kept in mind when interpreting the results.

¹ Scale ranges from 1 to 7.

^{2 2014-2015} rank out of 144 economies. 3 Evolution in percentile rank since 2007.

Reforms to improve productivity needed to break out of the "new normal"

Despite substantive efforts to re-ignite recovery, global economic growth remains low and unemployment persistently high. The Global Competitiveness Report 2015-2016 calls for productivity-enhancing reforms to break with this pattern.

Seven years after the beginning of the financial crisis in 2008, its consequences are still being felt around the world. The recovery has been less robust, more uncertain and taken longer than many expected, suggesting a "new normal" of subdued economic growth, lower productivity growth and high unemployment. Recent geopolitical shocks - from the crisis in Ukraine to conflicts in the Middle East, terrorism and the migrant crisis - have added to economic

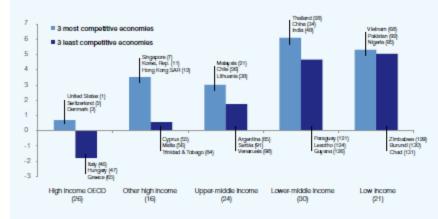
Addressing constraints to growth on the supply side could go a long way to restoring growth. Through a systematic assessment of the drivers of productivity, the Report identifies priority areas for structural reforms.

The Report shows that competitivenessunderstood as higher productivity - is a key driver of growth and resilience. The historic proportions of the economic crisis and the relative performance of economies since its onset in 2008 have shed light on how structural weaknesses can exacerbate the effects of, and hinder recovery from shocks.

During the crisis, the more competitive economies its capacity to leverage talent. High unemployment systematically outperformed the least competitive in terms of economic growth: they either withstood prolonged lower demand but also the de-skilling the crisis better or recovered more quickly. This result holds true at every stage of development

Average growth rates of the most and least competitive economies, by income group

Average growth rate, 2007-14



Note: The GCI 2007-2008 rank out of 131 appears next to the country name. The number of economies included in each group is indicated in

Competitiveness drives resilience For example, Switzerland, ranked 1st in the Report, has since 2007 experienced only a mild recession in 2009 and its unemployment rate has remained around 3% throughout the crisis. Meanwhile, Greece, ranked 81st, has seen its

Leveraging the human factor

remains above 20%.

economy shrink by 25% and the jobless rate

At the heart of an economy's competitiveness is figures weigh heavily on societies, risking not only of a significant segment of the labour force and growing discontent.

This holds even truer in the post-crisis years, which coincide with a fundamental shift away from the traditional manufacturing industry while the widespread use of ICT is generating entirely new industries and disrupting others. Talent-driven economies are best equipped to adapt to the changes brought about by this tech revolution and to reap their benefits.

A tool for policy-makers

Growth recovery in unchartered territory will require recognizing that we need a shared assessment and understanding of the future sources of competitiveness. By reducing complexity and providing a tool to identify strengths and weaknesses and track progress the Report serves to inform and support policy makers, businesses and civil society in their development of a shared, long-term vision.

Beyond the vision, enhancing competitiveness is a complex and often protracted process that demands difficult trade-offs, careful consideration for sequencing reforms and room for calibration in changing conditions. Steering the course towards enhanced competitiveness requires vigilance and commitment from all stakeholders and throughout the process, for which the Report serves as a

The Global Competitiveness Map

70-80%

60-70%

50-60%

40-50%

Note: Unless mentioned otherwise, the ranks

cited in the country and regional highlights as

competitive

United States The United States retains 3rd place While many risks, arguably, loom on the horizon, the country's recovery can build on improvements in institutions, the macroeconomic environment UNITED STATES and the financial markets. The country's major strength is its unique combination of exceptional innovation capacity, large market size and Global Competitiveness Latin America There is a wide Index Percentile Rank competitiveness divide among economies in Lati America and the Caribbean Once again, Chile (35th) 80-90% leads the regional rankings

Southern Europe

In Southern Europe, Spain (33rd), Portugal (38th) and Italy (43rd) continue to show some improvements, especially in the functioning of their market in labour and goods. Greece (B1st) fails to improve and remains by far European Union's weakest performer. Access to finance remains the main drag to competitiveness across the region

Colombia

Colombia ranks 61st, up 5 places, improving for the second year in a row, which reflects continued efforts to improve competitiveness. The country's performance is relatively stable across most pillars, with small improvements on most dimensions compared with last year. Yet, further improvement in the quality of the education system and in the country's institutional framework are needed to achieve a higher level of competitiveness.

China

Stable at 28th, well ahead of the other BRICS economies. China faces new challenges. After years of rapid growth, quick and easy productivity gains are dwindling. Building on its strong foundations, China must pursue market-oriented reforms, promote entrepreneurship and nurture talent to continue to move up the value chain.

gressing for the third consecutive year. Vietnam is 56th (up 12). Challenges are plenty, most notably in higher education, technological adoption and business sophistication. However, trends are overwhelmingly positive. The country reflects the dynamism of the South East Asian region, where the five largest ASEAN members -Malaysia (18th), Thailand (32nd), Indonesia (37th), the Philippines (47th) and Vietnam- al rank in the top half of the overall GCI. Middle East and

North Africa

Stark differences in

competitiveness characterize

Africa region. While many GCC

the Middle East and North

South Africa reverses its downward trend, going up to 49th, largely due to an increased uptake country boasts the continent's most efficient financial market (12th) and an efficient transport infrastructure (29th). Among many challenges, South Africa needs to address persistent inefficiencies in its labour market (107th), as well as unsatisfactory health (128th) and education (120th) outcomes

South Africa

Switzerland

Switzerland tops the ranking for

the seventh consecutive year.

The very strong fundamentals

explain the country's remarkable

resilience throughout the crisis. In

nurturing and attracting talent, which

particular, the country excels at

powers a remarkable innovation

costs, Switzerland must retain its

innovation edge. It must address

the challenges of skills shortage and

unfavourable demographics, while

avoiding the pitfalls of populism and

ecosystem (1st). In the face of

countries are fairly competitive. the Levant and North Africa lag significantly behind. Recent progress in many countries could be undone by spreading geopolitical conflicts, the recent drop in energy prices and terrorism. Generating the right conditions for the private sector to grow will be crucial for creating sufficient employment opportunities for the region's youthful populations.

Regional Rankings



and Brazil continues its

downward trend, dropping

18 places to 75th. The region

must build resilience against

external economic shocks

and infrastructure, skills

and innovation - areas in

the fundamentals to be

strengthened.

which the region performs

relatively poorly - are among

About the Global Competitiveness Index

Competitiveness is defined as the set of institutions, policies and factors that determine a country's level of productivity. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy.

Since 2005, the World Economic Forum has based its competitiveness analysis on the Global Competitiveness Index (GCI), a comprehensive framework that measures the microeconomic and macroeconomic foundations of national competitiveness, grouped into 12 categories.

To produce The Global Competitiveness Report, as well as other regional and industry benchmarking reports, the World Economic Forum relies on a large set of data sourced from international organizations such as the World Bank, the United Nations and the International Monetary Fund, and from its own annual Executive Opinion Survey.

The Survey captures invaluable information on a broad range of economic and social factors, for which data sources are non-existent, too scarce, unreliable, or outdated. In 2015, the Survey captured the opinions of over 14,000 business executives.

The GCI Framework: The 12 Pillars of Competitiveness



Institutions

Concepts related to protection of property rights, efficiency and transparency of public administration, independence of the judiciary, physical security, business ethics and corporate governance

- Public Institutions
- Private institutions



Innovation

Capacity for, and commitment to technological innovation



Business sophistication

Efficiency and sophistication of business processes in the country



Market size

Size of the domestic and export markets

- Domestic market size
- Foreign market size



Infrastructure

Quality and availability of transport, electricity and communication infrastructures

ASC REQUIREMENTS

- Transport Infrastructure
- Electricity & telephony Infrastructure



Macroeconomic environment

Fiscal and monetary indicators, savings rate and sovereign debt rating



Health & primary education

State of public health, quality and quantity of basic education

- HealthPrimary education



Higher education & training

Quality and quantity of higher education, and quality and availability of on-the-job training

- Quantity of education
 Quality of education
- On-the-lob training



Goods market efficiency

Factors that drive the Intensity of domestic and foreign competition, and demand conditions

- Competition
- Quality of demand conditions



Technological readiness

Adoption of the technologies by Individuals and businesses.

- Technological adoption
 ICT use



Financial market development

EFFCENCY ENHANCES

Efficiency, stability and trustworthiness of the financial and banking system

- Efficiency
 Trustworthiness and confidence



Labour market efficiency

Labour market efficiency and flexibility, meritocracy and gender parity in the workplace

- Flexibility
 Efficient use of talent

Latest Research

The Global Competitiveness and Risks Team measures the drivers of social and economic development through a set of proprietary global indexes and conducts an annual assessment of global risks. Its research serves as a platform for multi-stakeholder dialogue and public-private cooperation for better policymaking and more resilience.





The Global Risks 2015 Report

Every year since 2006, this report assesses the global risks landscape and analyzes the complex interconnections among key risks. Drawing on the perspectives of leading experts, the report aims to stimulate multi-stakeholder dialogue around the world on how to address, mitigate, and prepare for the most significant risks.

Visit www.weforum.org/risks.



The Global Information Technology Report 2015

Launched in 2001, The Global Information Technology Report series features the Network Readiness Index, an annual assessment of the factors, policies and institutions that enable a country to fully leverage information and communication technologies (ICTs) for increased competitiveness and well-being. Under the theme "ICTs for inclusive growth", the 2015 edition evaluates 143 economies and showcases practical solutions to allow everyone to participate in and benefit from the ICT revolution. Visit www.weforum.org/gitr.



The Travel & Tourism Competitiveness Report 2015

This report assesses economies based on the policies they are implementing to develop the travel and tourism sector. It explores how the travel and tourism industry has the potential to boost economic resilience and job creation, and examines a number of factors that continue to hinder its development. Visit www.weforum.org/ttcr.



The Africa Competitiveness Report 2015

The Africa Competitiveness Report highlights areas that require policy action and investment to ensure Africa's sustained growth. The Report, which is the result of a long-standing collaboration, leverages the knowledge and expertise of the African Development Bank, the Organisation for Economic Co-operation and Development (OECD), the World Bank Group, and the World Economic Forum to present a joint vision to inform policies that can help Africa transform its economies. Visit www.weeforum.org/acr.

Acknowledgements

The World Economic Forum's Global Competitiveness and Risks Team is pleased to acknowledge and thank its network of valued Partner Institutes, without which the realization of *The Global Competitiveness Report 2015–2016* would not have been possible. Partner Institutes typically consist of leading research or academic Institutes, business organizations, national competitiveness councils or recognized professional entities, committed to improving the competitiveness of their economy. By being responsible for the administration of the Executive Opinion Survey in their countries, the Partner Institutes provide the Forum with a representative sample of data, which allows the research to be carried out.



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About the World Economic Forum

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests, it cooperates closely with all leading international organizations.