

US Competitiveness Ranking Continues to Fall; Emerging Markets Are Closing the Gap

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- Switzerland, Singapore and Sweden top the Global Competitiveness Report ranking
- The United States continues the decline it began three years ago, falling one more place to fifth position
- Emerging economies continue to close the competitiveness gap with OECD economies
- Download the full report profiling 142 economies, highlights, rankings and more at <http://www.weforum.org/gcr>
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Geneva, Switzerland, 7 September 2011 – Switzerland tops the overall rankings in The Global Competitiveness Report 2011-2012, released today by the World Economic Forum. Singapore overtakes Sweden for second position. Northern and Western European countries dominate the top 10 with Sweden (3rd), Finland (4th), Germany (6th), the Netherlands (7th), Denmark (8th) and the United Kingdom (10th). Japan remains the second-ranked Asian economy at 9th place, despite falling three places since last year.

The United States continues its decline for the third year in a row, falling one more place to fifth position. In addition to the macroeconomic vulnerabilities that continue to build, some aspects of the United States' institutional environment continue to raise concern among business leaders, particularly related to low public trust in politicians and concerns about government inefficiency. On a more positive note, banks and financial institutions are rebounding for the first time since the financial crisis and are assessed as somewhat sounder and more efficient.

Germany maintains a strong position within the Eurozone, although it goes down one position to sixth place, while the Netherlands (7th) improves by one position in the rankings, France drops three places to 18th, and Greece continues its downward trend to 90th. Competitiveness-enhancing reforms will play a key role in revitalizing growth in the region and tackling its key challenges, fiscal consolidation and persistent unemployment.

The results show that while competitiveness in advanced economies has stagnated over the past seven years, in many emerging markets it has improved, placing their growth on a more stable footing and mirroring the shift in economic activity from advanced to emerging economies.

The People's Republic of China (26th) continues to lead the way among large developing economies, improving by one more place and solidifying its position among the top 30. Among the four other BRICS economies, South Africa (50th) and Brazil (53rd) move upwards while India (56th) and Russia (66th) experience small declines. Several Asian economies perform strongly, with Japan (9th) and Hong Kong SAR (11th) also in the top 20.

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In the Middle East, Qatar (14th) solidifies its place in the top 20 while Saudi Arabia (17th) enters it for the first time, followed by Israel (22nd), the United Arab Emirates (27th), Kuwait (34th) and Bahrain (37th). Most Gulf States continue their upward trend of recent years. In sub-Saharan Africa, South Africa (50th) and Mauritius (54th) feature in the top half of the rankings, followed by second-tier best regional performers Rwanda (70th), Botswana (80th) and Namibia (83rd). In Latin America, Chile (31st) retains the lead and a number of countries see their competitiveness improve, such as Panama (49th), Brazil (53rd), Mexico (58th) and Peru (67th). Read more [highlights](#) of the report.

“ After a number of difficult years, a recovery from the economic crisis is tentatively emerging, although it has been very unequally distributed: much of the developing world is still seeing relatively strong growth, despite some risk of overheating, while most advanced economies continue to experience sluggish recovery, persistent unemployment and financial vulnerability, with no clear horizon for improvement, ” said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. “ The complexity of today ’ s global economic environment has made it more important than ever to recognize and encourage the qualitative as well as the quantitative aspects of growth, integrating such concepts as inclusiveness and environmental sustainability to provide a fuller picture of what is needed and what works. ”

Xavier Sala-i-Martin, Professor of Economics, Columbia University, USA, and co-author of the report, added: “ Amid re-emerging concerns about the global economic outlook, policy-makers must not lose sight of long-term competitiveness fundamentals. For the recovery to be put on a more stable footing, emerging and developing economies must ensure that growth is based on productivity enhancements. Advanced economies, many of which struggle with fiscal challenges and anaemic growth, need to focus on competitiveness-enhancing measures in order to create a virtuous cycle of growth and ensure solid economic recovery. ”

The Global Competitiveness Report ’ s competitiveness ranking is based on the Global Competitiveness Index (GCI), developed for the World Economic Forum by Sala-i-Martin and introduced in 2004. The GCI comprises 12 categories – the pillars of competitiveness – which together provide a comprehensive picture of a country ’ s competitiveness landscape. The pillars are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication and innovation.

The rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum with its network of [Partner Institutes](#). This year, over 14,000 business leaders were polled in a record 142 economies. The survey is designed to capture a broad range of factors affecting an economy ’ s business climate.

The report contains an extensive data section with a detailed profile for each of the 142 economies featured in the study, providing a comprehensive summary of the overall position in the rankings, as well as data tables with global rankings for over 110 indicators.

This year ’ s report also features discussions on selected regions and topics. These include an analysis of the effects of debt crises on competitiveness, a review of the innovation challenge for Latin America, and competitiveness trends and prospects for sub-Saharan Africa. In addition, the report includes a chapter describing the World Economic Forum ’ s preliminary work aimed at integrating the concept of sustainability more fully into its competitiveness work.

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