

Report: Competitiveness Should Lie at the Heart of Europe's Economic Agenda

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- EU economies score strongly in terms of environmental sustainability and social inclusion, but lags behind other parts of the world in building a knowledge-driven economy
- Nordic countries ranked at the top of the report's Europe 2020 Competitiveness Index; several Southern, Central and Eastern European countries lag behind
- EU economies score strongly in terms of environmental sustainability and social inclusion.
- To read the report in full, please follow: <http://www.weforum.org/Europe2020Report>
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Istanbul, Turkey, 5 June 2012 – A competitiveness divide exists throughout the Europe Union, affecting the economic and social progress of many of the weaker-performing countries, according to a new report by the World Economic Forum.

The Europe 2020 Competitiveness Report: Building a More Competitive Europe is the first of a series of reports that will be produced every two years until the end of the decade in parallel to the European Union's 2020 Strategy, providing a clear reference for dialogue between business, civil society, governments and European institutions.

The report, covering 27 Member States of the EU and the six accession and candidate economies, measures European economies on their ability to build smart, inclusive and sustainable economies. It finds that Europe as a whole tends to outperform other advanced economies in ensuring socially inclusive and environmentally sustainable societies. However, it also finds that the region trails other parts of the world in terms of building a knowledge-driven economy, with significant differences among member countries emerging. In particular, there are four broad groups of countries with distinctive competitive performances:

- *First Tier:* Nordic EU Member States Sweden, Denmark and Finland
- *Second Tier:* Western European economies, comprising the Netherlands, Austria, Germany, the United Kingdom, Luxembourg, Belgium, France, Ireland, with the notable inclusion of Estonia as the most competitive of the more recent EU Member States
- *Third Tier:* Most Central, Eastern and Southern European economies, including Slovenia, Portugal, Spain, the Czech Republic, Cyprus, Malta, Latvia, Lithuania, Italy, Slovak Republic, Poland and Hungary
- *Fourth Tier:* Greece, Bulgaria and Romania, which require improvements across many areas to achieve higher competitiveness

The report's Europe 2020 Competitiveness Index measures European countries' competitiveness according to seven areas: enterprise environment, digital agenda, innovative Europe, education and training, labour market and employment, social inclusion, and environmental sustainability, thereby closely mirroring the EU's own Europe 2020 strategy for growth.

"In today's difficult economic environment, accelerating the reform process articulated through the EU 2020 Strategy will be critical for ensuring that the region gets back to

growth,” said **Jennifer Blanke**, Lead Economist at the World Economic Forum. “Amid all the discussions presently taking place among European leaders about austerity versus growth, one would almost forget that Europe already has a growth strategy. Now is the time to do something about it.”

An important finding of the report is that there is no clear trade-off between building a smart, inclusive or sustainable society, with countries that perform better in building a smarter economy also managing to achieve more inclusive and environmentally sustainable societies.

“Competitiveness should lie at the heart of Europe’s economic agenda,” said **Børge Brende**, Managing Director at the World Economic Forum. “High levels of prosperity cannot be sustained over time without higher competitiveness.”

The Europe 2020 Competitiveness Report is produced by the World Economic Forum’s Global Competitiveness Network and Europe teams, drawing on a combination of data from publicly available sources, as well as the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum with its network of partner institutes (leading research institutes and business organizations) in the countries included in the report. It complements a more macroeconomic-focused report being released in parallel by the World Economic Forum, entitled “*Euro, Dollar, Yuan Uncertainties*”. Both reports contribute to the World Economic Forum’s Remodelling Europe Initiative, a multistakeholder endeavour that explores the future of the European project as well as new growth strategies for the European Union.

Notes to Editors

For more information on the 2012 edition of *The Europe 2020 Competitiveness Report*, please contact:

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