South Africa and Mauritius Continue to Lead Africa in Competitiveness; Persisting Divides Remain in Global Competitiveness

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- South Africa (52nd) and Mauritius (54th) continue to lead the ranking among sub-Saharan African economies
- Other countries, such as Botswana (79th), Rwanda (63rd), Seychelles (76th) have notable strengths, yet most of sub-Saharan Africa trails significantly in the rankings
- Switzerland, Singapore and Finland top competitiveness rankings in 2012
- US remains world's innovation powerhouse despite decline in overall ranking
- Download the full report profiling 144 economies, highlights, rankings and more at http://www.weforum.org/gcr/ Watch the video interviews on the results of the report

Geneva, Switzerland, 5 September 2012 – Switzerland, for the fourth consecutive year, tops the overall rankings in *The Global Competitiveness Report 2012-2013*, released today by the World Economic Forum. Singapore remains in second position and Finland, in third position, overtaking Sweden (4th). These and other Northern and Western European countries dominate the top 10 with the Netherlands (5th), Germany (6th) and United Kingdom (8th). The United States (7th), Hong Kong (9th) and Japan (10th) complete the ranking of the top 10 most competitive economies.

The report confirms that Africa's competitiveness has been improving in recent years, although the region continues to be characterized by wide regional disparities. South Africa (52nd) and Mauritius (54th) continue to lead the rankings, followed by Rwanda (63rd), Seychelles (76th) and Botswana (79th). However, 14 of the 20 overall lowest-ranked economies are from Africa. The region has been improving in recent years in specific areas, such as educational attainment and goods market efficiency, but a persistent infrastructure deficit and health concerns continue to be significant bottlenecks. This year's *Global Competitiveness Report* introduces five additional sub-Saharan African economies: Gabon (99th), Guinea (141th), Liberia (111th), Seychelles (76th) and Sierra Leone (143rd). Looking forward, countries in Africa continue to require comprehensive efforts across the board to improve their competitiveness.

Despite growing its overall competitiveness score, the United States continues its decline for the fourth year in a row, falling two more places to seventh position. In addition to the burgeoning macroeconomic vulnerabilities, some aspects of the country's institutional environment continue to raise concern among business leaders, particularly the low public trust in politicians and a perceived lack of government efficiency. On a more positive note, the country still remains a global innovation powerhouse and its markets work efficiently.The report suggests that Switzerland and countries in Northern Europe have been consolidating their strong competitiveness positions since the financial and economic downturn in 2008. On the other hand, countries in Southern Europe, i.e. Portugal

(49th), Spain (36th), Italy (42nd) and particularly Greece (96th) continue to suffer from competitiveness weaknesses in terms of macroeconomic imbalances, poor access to financing, rigid labour markets and an innovation deficit.

The large emerging market economies (BRICS) display different performances. Despite a slight decline in the rankings of three places, the People's Republic of China (29th) continues to lead the group. Of the others, only Brazil (48th) moves up this year, with South Africa (52nd), India (59th) and Russia (67th) experiencing small declines in rankings.

Download the full Global Competitiveness rankings (PDF or Excel format)

Behind Singapore, several Asian economies are performing strongly, with Hong Kong SAR (9th), Japan (10th),Taiwan, China (13th) and the Republic of Korea (19th) all in the top 20.

In the Middle East and North Africa, Qatar (11th) leads the region while Saudi Arabia remains among the top 20 (18th). The United Arab Emirates (24th) improves its performance while Kuwait (37th) declines slightly. Morocco (70th) and Jordan (63rd) improve slightly.

In Latin America, Chile (33rd) retains the lead and a number of countries have improved their competitiveness, such as Panama (40th), Brazil (48th), Mexico (53rd) and Peru (61st).
Read more highlights of the report.

"Persisting divides in competitiveness within regions, between regions and among emerging markets are harming productivity, and this is jeopardizing our future prosperity," said Klaus Schwab, Founder and Executive Chairman, World Economic Forum. "We urge governments to act decisively by adopting long-term measures to enhance competitiveness and return the world to a sustainable growth path."

Xavier Sala-i-Martin, Professor of Economics, Columbia University, USA, said: "The Global Competitiveness Index provides a window on the long-term trends that are shaping the competitiveness of the world's economies. In this light, we hope it offers insight into the key areas where countries must act if they are to optimize their economic development."

Notes to Editors

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was first developed for the World Economic Forum by Sala-i-Martin, a co-author of this year's report, in 2004. Defining competitiveness as *the set of institutions, policies and factors that determine the level of productivity of a country*, GCI scores are calculated by drawing together public and private data around 12 key categories – the pillars of competitiveness – that together make up a comprehensive picture of a country's competitiveness.

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