News Release

WORLD ECONOMIC FORUM

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United States Falls in Competitiveness Rankings

9 September 2010

- The United States falls two places to fourth position, overtaken by Sweden and Singapore in the rankings of the World Economic Forum ' s Global Competitiveness Report 2010-2011
- The People ' s Republic of China continues to move up the rankings, with marked improvements in several other Asian countries
- Germany moves up two places to fifth place, leading the Eurozone countries
- Switzerland tops the rankings
- Watch video interview with Jennifer Blanke, Lead Economist Director, Head of Centre for Global Competitiveness and Performance and download the full report profiling 139 economies, highlights, rankings and more at http://www.weforum.org/gcr

Beijing, People ' s Republic of China, 9 September 2010 Switzerland tops the overall rankings in The Global Competitiveness Report 2010-2011, released today by the World Economic Forum ahead of its Annual Meeting of the New Champions 2010 in Tianjin. The United States falls two places to fourth position, overtaken by Sweden (2nd) and Singapore (3rd), after already ceding the top place to Switzerland last year. In addition to the macroeconomic imbalances that have been building up over time, there has been a weakening of the United States ' public and private institutions, as well as lingering concerns about the state of its financial markets. The Nordic countries continue to be well positioned in the ranking, with Sweden, Finland (7th) and Denmark (9th) among the top 10, and with Norway at 14th. Sweden overtakes the US and Singapore this year to be placed 2nd overall. The United Kingdom, after falling in the rankings over recent years, moves back up by one place to 12th position.

The People ' s Republic of China (27th) continues to lead the way among large developing economies, improving by two more places this year, and solidifying its place among the top 30. Among the three other BRIC economies, Brazil (58th), India (51st) and Russia (63rd) remain stable. Several Asian economies perform strongly, with Japan (6th) and Hong Kong SAR (11th) also in the top 20. In Latin America, Chile (30th) is the highest ranked country, followed by Panama (53rd) Costa Rica (56th) and Brazil.

Several countries from the Middle East and North Africa region occupy the upper half of the rankings, led by Qatar (17th), Saudi Arabia (21st), Israel (24th), United Arab Emirates (25th), Tunisia (32nd), Kuwait (35th) and Bahrain (37th), with most Gulf States continuing their upward trend of recent years. In sub-Saharan Africa, South Africa (54th) and Mauritius (55th) feature in the top half of the rankings, followed by second-tier best regional performers Namibia (74th), Botswana (76th) and Rwanda (80th). Read the highlights of the report.

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

" Policy-makers are struggling with ways of managing the present economic challenges while preparing their economies to perform well in a future economic landscape characterized by uncertainty and shifting balances, " said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. " In such a global economic environment, it is more important than ever for countries to put into place the fundamentals underpinning economic growth and development. "

Xavier Sala-i-Martin, Professor of Economics, Columbia University, USA, and co-author of the report, added: " Amid concerns about the outlook for the global economy, policy-makers must not lose sight of long-term competitiveness fundamentals amid short-term challenges. For economies to remain competitive, they must ensure that they have in place those factors driving the productivity enhancements on which their present and future prosperity is built. A competitiveness-supporting economic environment can help national economies to weather business cycle downturns and ensure that the mechanisms enabling solid economic performance going into the future are in place. "

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 is based on 12 pillars of competitiveness, providing a comprehensive picture of the competitiveness landscape in countries around the world at all stages of development. 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, comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the study. This year, over 13,500 business leaders were polled in 139 economies. The survey is designed to capture a broad range of factors affecting an economy ' s business climate. The report also includes comprehensive listings of the main strengths and weaknesses of countries, making it possible to identify key priorities for policy reform.

The report contains an extensive data section with a detailed profile for each of the 139 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 competitiveness of the European Union countries (guest-authored by European Commissioner Joachim Almunia); a review of Latin America ' s infrastructure challenges, with a special focus on Brazil; a timely discussion on the relationship between macroeconomic stability and longer-term competitiveness; and the results of the EU Joint Research Centre ' s analysis of the GCI, highlighting the statistical robustness and soundness of the index.

Notes to Editors

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