

Preface

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This year's *Global Competitiveness Report* is being released at a time of multiple shocks to the global economy. The subprime mortgage crisis and the ensuing credit crunch, combined with rising inflation worldwide and the consequent slowdown in demand in many advanced economies, has engendered significant uncertainty about the short-term outlook for the world economy. Global growth is slowing, and it is not yet clear when the effects of the present crisis will subside.

The financial market crisis that began in early 2007 is almost unprecedented in its impact, having resulted not only in losses in markets and for financial institutions, but also in an erosion of public confidence in the financial sector and among the institutions themselves across the industrialized world. In the meantime, rising energy and commodity prices are having a dual effect on emerging and developing economies: on the one hand, boosting growth; on the other hand creating inflationary pressures that raise the basic cost of living, thus increasing poverty levels. More generally, although the present slowdown was originally expected to be confined mainly to the United States, it is now spreading to other industrialized economies and it is not yet clear what the future will bring for emerging markets.

Policymakers are presently struggling with ways of managing these multiple shocks intelligently while preparing their economies to perform well in an economic landscape characterized by growing volatility. In an unstable global financial environment, it is more important than ever for countries to put into place the fundamentals underpinning economic growth and development. The World Economic Forum has for the past 30 years played a facilitating role in this process, by providing detailed assessments of the productive potential of nations worldwide. The *Report* is a contribution to enhancing our understanding of the key factors determining economic growth, and explaining why some countries are much more successful than others in raising income levels and opportunities for their respective populations, offering policymakers and business leaders an important tool in the formulation of improved economic policies and institutional reforms.

This year's *Report* is characterized by the continued expansion of our country coverage. Currently featuring a total of 134 economies, it remains the most comprehensive assessment of its kind. The *Report* contains a detailed profile for each of the economies featured in

the study as well as an extensive section of data tables with global rankings covering over 100 indicators.

This *Report* remains our flagship publication within our Global Competitiveness Network, which groups a number of research studies that truly mirror the increased integration and complexity of the world economy. Concurrent complementary publications include *The Global Information Technology Report 2007–2008*, *The Travel & Tourism Competitiveness Report 2008*, *The Global Enabling Trade Report 2008*, *The Financial Development Report 2008*, and *The Global Gender Gap Report 2007*.

The Global Competitiveness Report could not have been put together without the thought leadership of our distinguished editor, Professor Michael E. Porter, Director of the Institute for Strategy and Competitiveness at the Harvard Business School, and his team Christian Ketels, Richard Bryden, and Mercedes Delgado. Appreciation also goes to Professor Xavier Sala-i-Martin, at Columbia University, for his ongoing intellectual support of our competitiveness research. Appreciation also goes to Fiona Paua, Head of Strategic Insight Teams at the Forum, and Jennifer Blanke, Head of the Global Competitiveness Network, as well as team members Ciara Browne, Agustina Ciocia, Margareta Drzeniek Hanouz, Thierry Geiger, Patrick McGee, Irene Mia, Pearl Samandari, and Eva Trujillo Herrera. We thank FedEx and USAID, our partners in this *Report*, for their support in this important venture. Finally, we would also like to convey our sincere gratitude to all the business executives around the world, who took the time to participate in our Executive Opinion Survey, and whose valuable inputs made the publication of this *Report* possible.