

The Global Competitiveness Report 2007-2008

The Global Competitiveness Report

The Global Competitiveness Report series has evolved over the last three decades into the world's most comprehensive and respected assessment of countries' competitiveness, offering invaluable insights into the policies, institutions, and factors driving productivity and, thus, enabling sustained economic growth and long-term prosperity.

Produced in collaboration with leading academics and a global network of research institutes, The Global Competitiveness Report provides users with a comprehensive dataset on a broad array of competitiveness indicators for a large number of industrialized and developing economies. This year's edition features a record 131 economies, accounting for more than 98 percent of the world's GDP.

Besides hard data from leading international sources, these indicators include the results of the Executive Opinion Survey carried out by the World Economic Forum annually. The Survey captures the perceptions of several thousand business leaders across the countries covered on topics related to national competitiveness.

The Global Competitiveness Report includes the World Economic Forum's Global Competitiveness Index, developed by Professor Xavier Sala-i-Martin, at Columbia University; the Business Competitiveness Index, developed by Professor Michael E. Porter, Director of the Institute for Strategy and Competitiveness at Harvard Business School as well as detailed profiles for each of the 131 economies covered and data tables displaying relative rankings for more than 100 variables.

Table 4: Global Competitiveness Index rankings and 2006–2007 comparisons

Country/Economy	GCI 2007–2008		GCI 2007–2008 rank (among 2006 countries)*	GCI 2006–2007 rank	Country/Economy	GCI 2007–2008		GCI 2007–2008 rank (among 2006 countries)*	GCI 2006–2007 rank
	Rank	Score				Rank	Score		
United States	1	5.67	1	1	Vietnam	68	4.04	64	64
Switzerland	2	5.62	2	4	Colombia	69	4.04	65	63
Denmark	3	5.55	3	3	Sri Lanka	70	3.99	66	81
Sweden	4	5.54	4	9	Philippines	71	3.99	67	75
Germany	5	5.51	5	7	Brazil	72	3.99	68	66
Finland	6	5.49	6	6	Ukraine	73	3.98	69	69
Singapore	7	5.45	7	8	Romania	74	3.97	70	73
Japan	8	5.43	8	5	Uruguay	75	3.97	71	79
United Kingdom	9	5.41	9	2	Botswana	76	3.96	72	57
Netherlands	10	5.40	10	11	Egypt	77	3.96	73	71
Korea	11	5.40	11	23	Jamaica	78	3.95	74	67
Hong Kong SAR	12	5.37	12	10	Bulgaria	79	3.93	75	74
Canada	13	5.34	13	12	Syria	80	3.91	n/a	n/a
Taiwan, China	14	5.25	14	13	Algeria	81	3.91	76	77
Austria	15	5.23	15	18	Montenegro	82	3.91	n/a	n/a
Norway	16	5.20	16	17	Honduras	83	3.89	77	90
Israel	17	5.20	17	14	Trinidad and Tobago	84	3.88	78	76
France	18	5.18	18	15	Argentina	85	3.87	79	70
Australia	19	5.17	19	16	Peru	86	3.87	80	78
Belgium	20	5.10	20	24	Guatemala	87	3.86	81	91
Malaysia	21	5.10	21	19	Libya	88	3.85	n/a	n/a
Ireland	22	5.03	22	22	Namibia	89	3.85	82	72
Iceland	23	5.02	23	20	Georgia	90	3.83	83	87
New Zealand	24	4.98	24	21	Serbia	91	3.78	n/a	n/a
Luxembourg	25	4.88	25	25	Pakistan	92	3.77	84	83
Chile	26	4.77	26	27	Armenia	93	3.76	85	80
Estonia	27	4.74	27	26	Macedonia, FYR	94	3.73	86	84
Thailand	28	4.70	28	28	Nigeria	95	3.69	87	95
Spain	29	4.66	29	29	Dominican Republic	96	3.65	88	93
Kuwait	30	4.66	30	30	Moldova	97	3.64	89	86
Qatar	31	4.63	31	32	Venezuela	98	3.63	90	85
Tunisia	32	4.59	32	33	Kenya	99	3.61	91	88
Czech Republic	33	4.58	33	31	Senegal	100	3.61	n/a	n/a
China	34	4.57	34	35	Mongolia	101	3.60	92	89
Saudi Arabia	35	4.55	n/a	n/a	Gambia, The	102	3.59	93	103
Puerto Rico	36	4.50	n/a	n/a	Ecuador	103	3.57	94	94
United Arab Emirates	37	4.50	35	34	Tanzania	104	3.56	95	97
Lithuania	38	4.49	36	39	Bolivia	105	3.55	96	100
Slovenia	39	4.48	37	40	Bosnia and Herzegovina	106	3.55	97	82
Portugal	40	4.48	38	43	Bangladesh	107	3.55	98	92
Slovak Republic	41	4.45	39	37	Benin	108	3.49	99	107
Oman	42	4.43	n/a	n/a	Albania	109	3.48	100	98
Bahrain	43	4.42	40	48	Cambodia	110	3.48	101	106
South Africa	44	4.42	41	36	Nicaragua	111	3.45	102	101
Latvia	45	4.41	42	44	Burkina Faso	112	3.43	103	114
Italy	46	4.36	43	47	Suriname	113	3.40	104	104
Hungary	47	4.35	44	38	Nepal	114	3.38	105	105
India	48	4.33	45	42	Mali	115	3.37	106	115
Jordan	49	4.32	46	46	Cameroon	116	3.37	107	99
Barbados	50	4.32	47	41	Tajikistan	117	3.37	108	96
Poland	51	4.28	48	45	Madagascar	118	3.36	109	111
Mexico	52	4.26	49	52	Kyrgyz Republic	119	3.34	110	109
Turkey	53	4.25	50	58	Uganda	120	3.33	111	110
Indonesia	54	4.24	51	54	Paraguay	121	3.30	112	108
Cyprus	55	4.23	52	49	Zambia	122	3.29	113	118
Malta	56	4.21	53	51	Ethiopia	123	3.28	114	116
Croatia	57	4.20	54	56	Lesotho	124	3.27	115	102
Russia	58	4.19	55	59	Mauritania	125	3.26	116	117
Panama	59	4.18	56	60	Guyana	126	3.25	117	113
Mauritius	60	4.16	57	55	Timor-Leste	127	3.20	118	120
Kazakhstan	61	4.14	58	50	Mozambique	128	3.02	119	119
Uzbekistan	62	4.13	n/a	n/a	Zimbabwe	129	2.88	120	112
Costa Rica	63	4.11	59	68	Burundi	130	2.84	121	122
Morocco	64	4.08	60	65	Chad	131	2.78	122	121
Greece	65	4.08	61	61					
Azerbaijan	66	4.07	62	62					
El Salvador	67	4.05	63	53					

(cont'd.)

* Two countries that were covered in last year's Report but are not included in the present Report for lack of Survey data are excluded from the comparison (Angola and Malawi). Serbia and Montenegro, treated as one country last year, are now treated as two individual countries. We therefore do not show data for Serbia and Montenegro for last year.

Country/Economy Analysis

Australia

Country performance	Problematic Factors	Balance Sheet
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Global Competitiveness Index

	Rank (Out of 131 countries/economies)	Score (Out of 7)
Global Competitiveness Index 2007-2008	19	5.17
Subindex A: Basic requirements	12	5.71
1st pillar: Institutions	13	5.66
2nd pillar: Infrastructure	18	5.53
3rd pillar: Macroeconomic stability	34	5.39
4th pillar: Health and primary education	17	6.26
Subindex B: Efficiency enhancers	10	5.29
5th pillar: Higher education and training	14	5.46
6th pillar: Goods market efficiency	11	5.32
7th pillar: Labor market efficiency	13	5.00
8th pillar: Financial market sophistication	7	5.87
9th pillar: Technological readiness	17	5.20
10th pillar: Market size	20	4.90
Subindex C: Innovation and sophistication factors	23	4.61
11th pillar: Business sophistication	28	4.81
12th pillar: Innovation	22	4.41

	Rank (Out of 131 countries/economies)	
Business Competitiveness Index 2007-2008	18	
Sophistication of company operations and strategy		24
Quality of the national business environment		15

Country/Economy Analysis

Australia

Country performance Problematic Factors Balance Sheet

National competitiveness balance sheet

NOTABLE COMPETITIVE ADVANTAGES	Rank/131	NOTABLE COMPETITIVE DISADVANTAGES	Rank/131
1st pillar: Institutions		1st pillar: Institutions	
01.17 Efficacy of corporate boards	3	01.11 Business costs of terrorism	79
01.16 Strength of auditing and reporting standards	4	01.08 Burden of government regulation	68
01.05 Judicial independence	6	01.12 Business costs of crime and violence	26
01.01 Property rights	8	01.13 Organized crime	24
01.18 Protection of minority shareholders' interests	8		
01.02 Intellectual property protection	10	2nd pillar: Infrastructure	
01.03 Diversion of public funds	10	02.04 Quality of port infrastructure	29
01.07 Wastefulness of government spending	10	02.02 Quality of roads	25
01.09 Efficiency of legal framework	11	02.07 Quality of electricity supply	23
01.15 Ethical behavior of firms	12	02.03 Quality of railroad infrastructure	22
01.14 Reliability of police services	12	02.01 Quality of overall infrastructure	21
01.10 Transparency of government policymaking	12		
01.06 Favoritism in decisions of government officials	13	3rd pillar: Macroeconomic stability	
01.04 Public trust of politicians	16	03.02 National savings rate (hard data)	73
		03.04 Interest rate spread (hard data)	66
2nd pillar: Infrastructure		03.03 Inflation (hard data)	53
02.06 Available seat kilometers (hard data)	8	03.01 Government surplus/deficit (hard data)	38
02.05 Quality of air transport infrastructure	14		
02.08 Telephone lines (hard data)	16	4th pillar: Health and primary education	
		04.01 Business impact of malaria	48
3rd pillar: Macroeconomic stability		04.11 Education expenditure (hard data)	45
03.05 Government debt (hard data)	16	04.05 Business impact of HIV/AIDS	37
		04.10 Primary enrollment (hard data)	34
4th pillar: Health and primary education		04.06 HIV prevalence (hard data)	25
04.02 Malaria incidence (hard data)	1	04.03 Business impact of tuberculosis	22
04.08 Life expectancy (hard data)	3	04.07 Infant mortality (hard data)	22
04.04 Tuberculosis incidence (hard data)	9		
04.09 Quality of primary education	12	5th pillar: Higher education and training	
		05.04 Quality of math and science education	24
5th pillar: Higher education and training		05.08 Extent of staff training	20
05.01 Secondary enrollment (hard data)	1		
05.03 Quality of the educational system	8	6th pillar: Goods market efficiency	
05.02 Tertiary enrollment (hard data)	13	06.05 Total tax rate (hard data)	83

05.06	Internet access in schools	15	06.04	Extent and effect of taxation	75
05.05	Quality of management schools	16	06.10	Trade-weighted tariff rate (hard data)	67
05.07	Local availability of specialized research and training services	16	06.12	Business impact of rules on FDI	54
<hr/>			06.11	Prevalence of foreign ownership	25
6th pillar: Goods market efficiency			06.13	Burden of customs procedures	25
06.06	Number of procedures required to start a business (hard data)	1	06.09	Prevalence of trade barriers	24
06.07	Time required to start a business (hard data)	1	06.15	Buyer sophistication	20
06.03	Effectiveness of anti-monopoly policy	5	06.02	Extent of market dominance	20
06.08	Agricultural policy costs	10	06.14	Degree of customer orientation	19
06.01	Intensity of local competition	15	<hr/>		
7th pillar: Labor market efficiency			7th pillar: Labor market efficiency		
<hr/>			07.02	Flexibility of wage determination	87
7th pillar: Labor market efficiency			07.03	Non-wage labor costs (hard data)	83
07.04	Rigidity of employment (hard data)	4	07.05	Hiring and firing practices	63
07.08	Reliance on professional management	5	07.01	Cooperation in labor-employer relations	47
07.06	Firing costs (hard data)	6	07.10	Female participation in labor force (hard data)	42
<hr/>			07.07	Pay and productivity	40
8th pillar: Financial market sophistication			07.09	Brain drain	36
08.08	Regulation of securities exchanges	2	<hr/>		
08.09	Legal rights index (hard data)	3	8th pillar: Financial market sophistication		
08.02	Financing through local equity market	6	08.05	Restriction on capital flows	50
08.01	Financial market sophistication	8	08.06	Strength of investor protection (hard data)	35
08.07	Soundness of banks	9	<hr/>		
08.04	Venture capital availability	13	9th pillar: Technological readiness		
08.03	Ease of access to loans	13	09.08	Broadband Internet subscribers (hard data)	30
<hr/>			09.05	Mobile telephone subscribers (hard data)	29
9th pillar: Technological readiness			09.04	FDI and technology transfer	19
09.06	Internet users (hard data)	4	09.03	Laws relating to ICT	19
09.07	Personal computers (hard data)	6	09.01	Availability of latest technologies	19
09.02	Firm-level technology absorption	18	<hr/>		
<hr/>			10th pillar: Market size		
10th pillar: Market size			10.02	Foreign market size index (hard data)	36
10.01	Domestic market size index (hard data)	17	<hr/>		
<hr/>			11th pillar: Business sophistication		
11th pillar: Business sophistication			11.05	Value chain breadth	86
11.08	Extent of marketing	12	11.03	State of cluster development	49
11.09	Willingness to delegate authority	14	11.04	Nature of competitive advantage	43
11.02	Local supplier quality	16	11.06	Control of international distribution	34
<hr/>			11.01	Local supplier quantity	33
12th pillar: Innovation			11.07	Production process sophistication	23
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12th pillar: Innovation			12th pillar: Innovation		

Country/Economy Analysis

Russian Federation

Country performance	Problematic Factors	Balance Sheet
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Global Competitiveness Index

	Rank (Out of 131 countries/economies)	Score (Out of 7)
Global Competitiveness Index 2007-2008	58	4.19
Subindex A: Basic requirements	68	4.36
1st pillar: Institutions	116	3.10
2nd pillar: Infrastructure	65	3.48
3rd pillar: Macroeconomic stability	37	5.35
4th pillar: Health and primary education	60	5.51
Subindex B: Efficiency enhancers	48	4.19
5th pillar: Higher education and training	45	4.33
6th pillar: Goods market efficiency	84	3.94
7th pillar: Labor market efficiency	33	4.70
8th pillar: Financial market sophistication	109	3.60
9th pillar: Technological readiness	72	3.03
10th pillar: Market size	9	5.54
Subindex C: Innovation and sophistication factors	77	3.50
11th pillar: Business sophistication	88	3.70
12th pillar: Innovation	57	3.31

	Rank (Out of 131 countries/economies)	
Business Competitiveness Index 2007-2008	71	
Sophistication of company operations and strategy		77
Quality of the national business environment		70

Country/Economy Analysis

Russian Federation

Country
performanceProblematic
FactorsBalance
Sheet

National competitiveness balance sheet

NOTABLE COMPETITIVE ADVANTAGES	Rank/ 131	NOTABLE COMPETITIVE DISADVANTAGES	Rank/ 131
1st pillar: Institutions		1st pillar: Institutions	
01.17 Efficacy of corporate boards	38	01.18 Protection of minority shareholders' interests	125
		01.01 Property rights	122
		01.15 Ethical behavior of firms	120
2nd pillar: Infrastructure		2nd pillar: Infrastructure	
02.06 Available seat kilometers (hard data)	14	01.08 Burden of government regulation	118
02.03 Quality of railroad infrastructure	29	01.10 Transparency of government policymaking	118
02.08 Telephone lines (hard data)	44	01.02 Intellectual property protection	115
		01.14 Reliability of police services	111
		01.11 Business costs of terrorism	108
		01.06 Favoritism in decisions of government officials	107
3rd pillar: Macroeconomic stability		3rd pillar: Macroeconomic stability	
03.01 Government surplus/deficit (hard data)	9	01.09 Efficiency of legal framework	106
03.05 Government debt (hard data)	11	01.05 Judicial independence	106
03.02 National savings rate (hard data)	30	01.04 Public trust of politicians	104
		01.13 Organized crime	103
		01.07 Wastefulness of government spending	100
		01.16 Strength of auditing and reporting standards	95
4th pillar: Health and primary education		4th pillar: Health and primary education	
04.02 Malaria incidence (hard data)	1	01.03 Diversion of public funds	94
04.05 Business impact of HIV/AIDS	39	01.12 Business costs of crime and violence	86
04.01 Business impact of malaria	41		
04.09 Quality of primary education	46		
		2nd pillar: Infrastructure	
		02.02 Quality of roads	106
		02.01 Quality of overall infrastructure	81
5th pillar: Higher education and training		5th pillar: Higher education and training	
05.02 Tertiary enrollment (hard data)	14	02.05 Quality of air transport infrastructure	79
05.04 Quality of math and science education	38	02.07 Quality of electricity supply	76
05.03 Quality of the educational system	46	02.04 Quality of port infrastructure	72
05.01 Secondary enrollment (hard data)	47		
		3rd pillar: Macroeconomic stability	
		03.03 Inflation (hard data)	113
6th pillar: Goods market efficiency		6th pillar: Goods market efficiency	
06.06 Number of procedures required to start a business (hard data)	27	03.04 Interest rate spread (hard data)	77
		4th pillar: Health and primary education	
		04.06 HIV prevalence (hard data)	100
7th pillar: Labor market efficiency		7th pillar: Labor market efficiency	
07.07 Pay and productivity	14	04.08 Life expectancy (hard data)	96
07.05 Hiring and firing practices	15	04.04 Tuberculosis incidence (hard data)	90
		04.11 Education expenditure (hard data)	79

07.10	Female participation in labor force (hard data)	18	04.10	Primary enrollment (hard data)	68
07.06	Firing costs (hard data)	27	04.03	Business impact of tuberculosis	59
07.02	Flexibility of wage determination	31	04.07	Infant mortality (hard data)	56
07.09	Brain drain	49			

5th pillar: Higher education and training

			05.08	Extent of staff training	96
			05.07	Local availability of specialized research and training services	79
			05.05	Quality of management schools	78
			05.06	Internet access in schools	55

9th pillar: Technological readiness

09.05	Mobile telephone subscribers (hard data)	36			
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6th pillar: Goods market efficiency

			06.11	Prevalence of foreign ownership	129
			06.12	Business impact of rules on FDI	127
			06.08	Agricultural policy costs	117
			06.13	Burden of customs procedures	110
			06.10	Trade-weighted tariff rate (hard data)	108
			06.03	Effectiveness of anti-monopoly policy	106
			06.09	Prevalence of trade barriers	104
			06.04	Extent and effect of taxation	97
			06.01	Intensity of local competition	92
			06.05	Total tax rate (hard data)	90
			06.02	Extent of market dominance	78
			06.14	Degree of customer orientation	67
			06.15	Buyer sophistication	58
			06.07	Time required to start a business (hard data)	52

10th pillar: Market size

10.02	Foreign market size index (hard data)	7			
10.01	Domestic market size index (hard data)	10			

12th pillar: Innovation

12.06	Availability of scientists and engineers	37			
12.02	Quality of scientific research institutions	44			
12.07	Utility patents (hard data)	45			
12.03	Company spending on R&D	50			

7th pillar: Labor market efficiency

			07.03	Non-wage labor costs (hard data)	107
			07.04	Rigidity of employment (hard data)	79
			07.08	Reliance on professional management	70
			07.01	Cooperation in labor-employer relations	67

8th pillar: Financial market sophistication

			08.05	Restriction on capital flows	118
			08.07	Soundness of banks	108
			08.08	Regulation of securities exchanges	103
			08.09	Legal rights index (hard data)	94
			08.01	Financial market sophistication	88
			08.03	Ease of access to loans	86
			08.02	Financing through local equity market	81
			08.04	Venture capital availability	60

9th pillar: Technological readiness

09.04	FDI and technology transfer	115
09.02	Firm-level technology absorption	103
09.01	Availability of latest technologies	99
09.03	Laws relating to ICT	85
09.06	Internet users (hard data)	63
09.08	Broadband Internet subscribers (hard data)	60
09.07	Personal computers (hard data)	56

11th pillar: Business sophistication

11.05	Value chain breadth	120
11.04	Nature of competitive advantage	115
11.06	Control of international distribution	92
11.08	Extent of marketing	90
11.02	Local supplier quality	86
11.03	State of cluster development	85
11.09	Willingness to delegate authority	82
11.07	Production process sophistication	79
11.01	Local supplier quantity	73

12th pillar: Innovation

12.05	Government procurement of advanced technology products	83
12.04	University-industry research collaboration	61
12.01	Capacity for innovation	54
