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IMD RELEASES ITS 2015 WORLD COMPETITIVENESS RANKING

The USA continues to top the ranking; Asia experiences mixed results; and large emerging economies mostly linger

LAUSANNE, SWITZERLAND (May 27, 2015): IMD, a top-ranked global business school in Switzerland and Singapore, today announced its annual world competitiveness ranking. As part of its ranking of 61 economies for 2015, the IMD World Competitiveness Center looks at several aspects of each country as a place to conduct business.

“A general analysis of the 2015 ranking shows that top countries are going back to the basics,” said Professor Arturo Bris, Director of the IMD World Competitiveness Center. “Productivity and efficiency are in the driver’s seat of the competitiveness wagon. Companies in those countries are increasing their efforts to minimize their environmental impact and provide a strong organizational structure for workforces to thrive.”

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Highlights of the 2015 ranking

The **USA** remains at the top of the ranking as a result of its strong business efficiency and financial sector, its innovation drive and the effectiveness of its infrastructure. **Hong Kong** (2) and **Singapore** (3) move up overtaking **Switzerland**, which drops to fourth place. **Canada** (5), **Norway** (7), **Denmark** (8), **Sweden** (9) and **Germany** (10) remain in the top 10. **Luxembourg** moves to the top (6) from 11th place in 2014.

Results for Asia are mixed. **Malaysia** (12 to 14), **Japan** (21 to 27), **Thailand** (29 to 30) and **Indonesia** (37 to 42) move down. **Taiwan** (13 to 11), **Republic of Korea** (26 to 25) and **the Philippines** (42 to 41) slightly rise in the ranking. Most Asian economies in decline have seen a drop in their domestic economies and are impacted by weakening/aging infrastructure.

Eastern Europe experiences a mixture of results as well. **Poland** (36 to 33), the **Czech Republic** (33 to 29) and **Slovenia** (55 to 49) move up in the ranking. In the Baltic States, **Estonia** (30 to 31) and **Latvia** (35 to 43) rank lower than last year; although, **Lithuania** gains in the ranking (34 to 28). Elsewhere in the region, current events in **Russia** (38 to 45) and **Ukraine** (49 to 60) highlight the negative impact that armed conflict and the accompanying higher market volatility have on competitiveness in an increasingly interconnected international economy.

A pattern of decline is observed in Latin America. **Chile** moves from 31 to 35, **Peru** from 50 to 54, **Argentina** from 58 to 59 and **Venezuela** remains at the bottom of the table. **Colombia** stays at 51.

Among large emerging economies, **Brazil** (54 to 56) and **South Africa** (52 to 53) slightly drop, **China** (23 to 22) and **Mexico** (41 to 39) experience improvements while **India** remains at the same spot (44). This trend shows the difficulty in grouping emerging markets in one category, as the issues impacting their competitiveness differ. China’s slight increase stems from improvements in education and public expenditure, whereas Brazil suffers from a drop in domestic economy and less optimistic executive opinions.

A question of business efficiency

The ranking highlights one particular commonality among the best ranking countries. Nine countries from the top 10 are also listed in the top 10 of the business efficiency factor.

Business efficiency focuses on the extent to which the national environment encourages enterprises to perform in an innovative, profitable and responsible manner. It is assessed through indicators related to productivity such as the labor market, finance, management practices and the attitudes and values that characterize the business environment.

“Simply put, business efficiency requires greater productivity and the competitiveness of countries is greatly linked to the ability of enterprises to remain profitable over time,” said Professor Bris.

“Increasing productivity remains a fundamental challenge for all countries.”

Long-term business profitability and productivity are difficult to achieve because they are largely underpinned by the strategic efforts of companies striving to maximize positive externalities that originate in economic activities.

Impact of business efficiency

Luxembourg experiences one of the largest gains in this factor (14 to 4) which greatly contributes to its ascendancy in the ranking. **Qatar**'s improvement (19 to 13) in the ranking largely reflects its recovering in terms of the business efficiency factor (24 to 11) due to increases in its overall productivity. **Greece**'s recovery (57 to 50) also comes on a strong performance in business efficiency in which it increases from 54 to 43. The **UAE**'s drop (8 to 12) in the ranking is partly the result of lower scores (15 to 18) in the business factor. Similarly, **Germany**'s retreat (6 to 10) is a reflection of its fall in business efficiency (9 to 16). Likewise **Indonesia**'s decline in the ranking is accompanied by a steep drop in the business efficiency factor (22 to 34).

An expanded ranking

Mongolia is a new addition to the competitiveness ranking in 2015. Mongolia is a fast-growing country (11.6% GDP growth, 2013). Although, growth slowed to 5.3% in 2014 (data for the first half of the year), the country's economic performance remained strong. Growth is driven by mining and natural resources, domestic consumption growth, levels of employment, an education system that promotes talent, and a favorable fiscal environment for enterprises. During the 2013-2014 period, however, Mongolia experienced a 74% decline in foreign direct investment which may reflect investor perceptions of the country's political and financial stability, its adherence to rule of law, the soundness of its corporate governance practices and imbalance risk-return trade-offs.

The IMD World Competitiveness Yearbook, which will be published at the end of June, measures how well countries manage all their resources and competencies to facilitate long-term value creation. The overall ranking released today reflects more than 300 criteria, approximately two-thirds of which are based on statistical indicators and one-third on an exclusive IMD survey of 6,234 international executives.

The IMD World Competitiveness Center is a part of IMD

IMD is the top-ranked business school, recognized as the expert in developing global leaders through high-impact [executive education](#). The school is 100% focused on real-world executive development; offers Swiss excellence with a global perspective; and has a flexible, customized and effective approach.

Published since 1989, the World Competitiveness Yearbook is recognized as the leading annual report on the competitiveness of nations.

IMD is based in Lausanne (Switzerland) and has an Executive Learning Center in Singapore.

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IMD World Competitiveness Ranking 2015

WCY 2015	Country	WCY 2014	Change	WCY 2015	Country	WCY 2014	Change
1	USA	1	- —	31	Estonia	30	-1 ↓
2	China Hong Kong	4	+2 ↗	32	France	27	-5 ↓
3	Singapore	3	- —	33	Poland	36	+3 ↗
4	Switzerland	2	-2 ↓	34	Kazakhstan	32	-2 ↓
5	Canada	7	+2 ↗	35	Chile	31	-4 ↓
6	Luxembourg	11	+5 ↗	36	Portugal	43	+7 ↗
7	Norway	10	+3 ↗	37	Spain	39	+2 ↗
8	Denmark	9	+1 ↗	38	Italy	46	+8 ↗
9	Sweden	5	-4 ↓	39	Mexico	41	+2 ↗
10	Germany	6	-4 ↓	40	Turkey	40	- —
11	Taiwan	13	+2 ↗	41	Philippines	42	+1 ↗
12	UAE	8	-4 ↓	42	Indonesia	37	-5 ↓
13	Qatar	19	+6 ↗	43	Latvia	35	-8 ↓
14	Malaysia	12	-2 ↓	44	India	44	- —
15	Netherlands	14	-1 ↓	45	Russia	38	-7 ↓
16	Ireland	15	-1 ↓	46	Slovak Republic	45	-1 ↓
17	New Zealand	20	+3 ↗	47	Romania	47	- —
18	Australia	17	-1 ↓	48	Hungary	48	- —
19	United Kingdom	16	-3 ↓	49	Slovenia	55	+6 ↗
20	Finland	18	-2 ↓	50	Greece	57	+7 ↗
21	Israel	24	+3 ↗	51	Colombia	51	- —
22	China Mainland	23	+1 ↗	52	Jordan	53	+1 ↗
23	Belgium	28	+5 ↗	53	South Africa	52	-1 ↓
24	Iceland	25	+1 ↗	54	Peru	50	-4 ↓
25	Korea Rep.	26	+1 ↗	55	Bulgaria	56	+1 ↗
26	Austria	22	-4 ↓	56	Brazil	54	-2 ↓
27	Japan	21	-6 ↓	57	Mongolia	N/A	- —
28	Lithuania	34	+6 ↗	58	Croatia	59	+1 ↗
29	Czech Republic	33	+4 ↗	59	Argentina	58	-1 ↓
30	Thailand	29	-1 ↓	60	Ukraine	49	-11 ↓
				61	Venezuela	60	-1 ↓

↗ Indicates a rise in the ranking compared to 2014.

↓ Indicates a fall in the ranking.

— Indicates no change in the ranking.

The charts for the **World Competitiveness Ranking 2015** and **country profiles** can be downloaded from www.worldcompetitiveness.com/press

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