
Australia tumbles in global rankings of digital competitiveness

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Australia has fallen eight places in an international ranking of digital competitiveness, with a decline in performance across the board.

Australia ranked 23rd in the *2025 IMD World Digital Competitiveness Ranking* (WDCR) of 69 countries released today, down from 15th in 2024.

It was our worst result in the nine years of the ranking.

“While this survey shows Australia went backwards on most measures, it is particularly concerning to see our big falls in education and training, and our persistently weak scores on business agility,” CEDA chief executive Melinda Cilento said.

“We tumbled to 60th on employee training and 59th on international experience of talent. In other words, Australia is neither adequately training employees, nor properly recognising international qualifications and experience.

“This risks leaving us behind in the adoption of technologies amid rapid change brought on by AI.

“Put simply, we are moving further away from global excellence in the key areas that will drive future opportunity and prosperity.”

Australia’s worst performance was on business agility, ranking just 65th, while companies’ ability to respond quickly to opportunities and threats dropped from 37th place to 57th.

“Australian businesses must get better at seizing new opportunities, rather than just focussing on business as usual,” Ms Cilento said.

“These results reflect the insights shared at last month’s CEDA-NAIC AI Leadership Summit, which highlighted that Australia continues to lag on AI adoption, in part due to risk aversion.

“Participants also noted low levels of AI literacy and trust in AI.

“We need to ensure that Australia seizes the opportunities of this rapidly evolving technology and does not fall behind.”

Overall, these weaknesses are consistent with CEDA research highlighting the need to: streamline excessive and fragmented regulation; improve access to and use of data across the country; lift the dynamic capabilities of Australian businesses; address poor skills matching and bias against international skills and experience; and reverse the decline in work-related training in Australia.

Globally, Switzerland topped the ranking this year, while the United States was second and Singapore came in third.

The Swiss-based Institute for Management Development’s (IMD’s) World Competitiveness Center said the top three nations were frontrunners primarily due to their infrastructure and talent, but warned it would be “unsustainable for economies to hedge all their bets on these areas”, as trade and investment barriers were having an impact on economies’ digital prowess.

“We know that US President Trump has shaken the ground that trade moves upon, but it will seem surprising to some that trade fragmentation could so significantly affect digital competitiveness because, at first glance, the digital economy doesn’t seem dependent on traditional trade flows due to its intangibility,” World Competitiveness Center Director Arturo Bris said.

The centre has ranked the digital competitiveness of nations across three main factors – knowledge, technology and future readiness – since 2017.

These factors are broken down into 61 criteria quantified through both hard data and survey responses from executives. CEDA is the Australian partner for the report.

CEDA Chief Executive Melinda Cilento is available for further comment and interviews.

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About CEDA

The Committee for Economic Development of Australia (CEDA) is an independent, membership-based think tank. CEDA’s members span industry, government, community and academia.

Our research, advocacy and programming are centred on our Progress 2050 vision to achieve sustainable, long-term prosperity for all Australians through a strong economy and strong social compact. CEDA was founded in 1960 by leading economist Sir Douglas Copland.