

# IMD World Competitiveness Booklet 2025



June 2025

## IMD WORLD COMPETITIVENESS YEARBOOK 2025

ISBN-13 978-2-940485-60-4  
ISSN 1026-2628

Copyright © 2025  
IMD – International Institute for Management Development  
23, Ch. de Bellerive  
P.O. Box 915  
CH-1001 Lausanne  
Switzerland

e-mail: [wccinfo@imd.org](mailto:wccinfo@imd.org)  
Internet: [www.imd.org/wcc](http://www.imd.org/wcc)  
Database: <https://worldcompetitiveness.imd.org/>

Choose the product  
that meets your needs



---

Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---

# Table of Contents

<b>Preface</b>	<b>4</b>
<b>The IMD World Competitiveness Center</b>	<b>5</b>
<b>Partner Institutes</b>	<b>6</b>
<b>Analysis</b>	<b>13</b>
The macroview: 2025	14
Understanding the drivers of global fragmentation through executives' perceptions	24
Key trends and regional shifts in the 2025 WCR	34
<b>Rankings in a Nutshell</b>	<b>51</b>
The 2025 IMD World Competitiveness Ranking	52
Methodology in a Nutshell	54
What is the IMD World Competitiveness Ranking?	55
Selected Breakdowns	56
Factor Rankings	60
<b>Competitiveness Country Profiles</b>	<b>69</b>
<b>Statistical Tables</b>	<b>141</b>
Factor I: Economic Performance	142
Factor II: Government Efficiency	144
Factor III: Business Efficiency	146
Factor IV: Infrastructure	148

This booklet is just a summary.  
The complete Yearbook with full profiles and all the statistics  
is available digitally and in print.



---

Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---

# Preface

Welcome to the 37th edition of the IMD World Competitiveness Yearbook.

It can have escaped few people's attention that the global economy in 2025 comes with a very Trump-like look and feel. Sometimes it's just his rhetoric; other times, his jack-in-the-box policies set and re-set the scene. But one constant since January 2025 is protectionism.

For corporate leaders, now is not just a huge political moment in time but also a major business inflection point, and it calls for nothing less than a complete overhaul of corporate strategy including, but not limited to, sizeable investments in geopolitical scenario planning.

And yet both public and private policymakers must remember that it's not all about Trump. For some time now, leadership hasn't come from organizational charts but from influencers. Plus, we do work on a global basis where location is less and less important, and the focus is increasingly on skills and tools. Then there's AI, which cannot be ignored and indeed should be embraced as a way to enhance everything from e-governance to education to workplace skills.

What emerges clearly from the 2025 IMD World Competitiveness Ranking results is that traditional determinants of competitiveness—macroeconomic stability, business-friendly environments, and quality infrastructure—remain necessary but insufficient. Today's leaders are adding digital readiness, green transition management, and sophisticated approaches to resilience to the mix.

We are at a point where competitiveness must be “re-earned”, with wise policy and strategic agility being good places to start. The 2025 IMD World Competitiveness Ranking results reflect how nations are responding to such pressures, but also the opportunities inherent in doing so.

The 2025 results also reveal interesting regional patterns. Several Asian economies continue their upward trajectory through strategic industrial policies and digital investments. The Gulf states are making remarkable progress in economic diversification; building knowledge-strong economies while maintaining their traditional strengths. Small, agile European economies—including those outside of the EU—are demonstrating that size is not the be-all and end-all of competitiveness if governance is effective and policy is coherent.

In a world of fragments, those who can build bridges without sacrificing security will ultimately prevail. The fragmented world economy is not a temporary detour but a new context for competition. Currency misalignments, trade fragmentation, inflationary cycles, and protectionist instincts are the contours of this evolving landscape.

Within these challenges lie opportunities for renewal. Countries and companies that recognize and adapt to the new normal will outperform by being more agile, strategic, and collaborative.



---

Professor Arturo Bris  
Director  
IMD World Competitiveness Center

---

# The IMD World Competitiveness Center

For more than thirty-five years, the IMD World Competitiveness Center has pioneered research on how countries and companies compete to lay the foundations for sustainable value creation. The competitiveness of nations is probably one of the most significant developments in modern management and IMD is committed to leading the field. The World Competitiveness Center conducts its mission in cooperation with a network of 73 Partner Institutes in 60 countries to provide the government, business and academic communities with the following services:

---

Competitiveness Special Reports

---

---

Competitiveness Prognostic Reports

---

---

Workshops/Mega Dives on competitiveness

---

---

IMD World Competitiveness Yearbook

---

---

IMD World Digital Competitiveness Ranking

---

---

IMD World Talent Ranking

---

---

Hinrich-IMD Sustainable Trade Index

---

---

Smart City Index

---

## The IMD World Competitiveness Center Team

---

**Professor Arturo Bris**  
Director

---

---

**José Caballero**  
Senior Economist

---

---

**Christos Cabolis**  
Chief Economist & Head of Operations

---

---

**Fabian Grimm**  
Research Specialist

---

---

**Madeleine Hediger**  
Data Research and Online Services  
Specialist

---

---

**Jean-François Kaeser**  
IT Consultant (KAESCO Consulting)

---

---

**Odete Madureira**  
WCC Coordinator

---

---

**William Milner**  
Associate Director

---

---

**Chinar Sharma**  
Projects Analyst

---

---

**Alice Tozer**  
Content Manager

---

We also have the privilege of collaborating with a unique network of Partner Institutes, and other organizations, which guarantees the relevance of the data gathered.

## Contact

e-mail: [wccinfo@imd.org](mailto:wccinfo@imd.org)  
Internet: [www.imd.org/wcc](http://www.imd.org/wcc)

Database:  
<https://worldcompetitiveness.imd.org>

---

# Partner Institutes

We would like to express our deep appreciation for the contribution of our Partner Institutes, enabling an extensive coverage of competitiveness in their home countries. The following Institutes and people supplied data from national sources and helped distribute the survey questionnaires:

---

## Argentina

Instituto Shaw de Estudios Empresariales,  
Universidad Católica Argentina  
<http://www.uca.edu.ar>  
Dr. Marcelo Resico, Director, Shaw Institute for  
Business Studies (ISEE)  
Pilar Agostina Ferreyra, Research Assistant

---

## Australia

CEDA –Committee for Economic Development of  
Australia  
<http://www.ceda.com.au>  
Cassandra Winzar, Chief Economist  
Justine Parker, Media Manager

---

## Austria

Federation of Austrian Industries, Vienna  
Austrian Institute of Economic Research, Vienna  
[www.iv.at](http://www.iv.at)  
Dr. Christian Helmenstein, Chief Economist  
Mag. Michael Oliver, Economist

---

## Bahrain

Ministry of Finance and National Economy  
<http://www.mofne.gov.bh>  
Dr. Faisal Hammad, Assistant Undersecretary  
for Competitiveness & Economic Indicators

---

## Belgium

Federation of Enterprises in Belgium  
<http://www.feb.be>  
Dries Vantomme, Attaché Economics  
& Business Cycle

---

## Botswana

Botswana National Productivity Centre (BNPC),  
Botswana  
<http://www.bnpc.bw>  
Babuya S. Siku, General Manager (Acting)  
Letsogile Batsetswe, Experienced Research  
Consultant

---

## Brazil

Fundação Dom Cabral Innovation, AI and Digital  
Technologies Center  
<http://www.fdc.org.br>  
Hugo Tadeu, Director and Professor  
Jersone Tasso Moreira Silva, Associate Professor  
Bruna Diniz, Researcher  
Kaua Kenner, Researcher

---

## Bulgaria

Bulgarian Chamber of Commerce and Industry  
<http://www.bcci.bg>  
Boryana Abadzhieva, Head of Economic Analysis and  
Policy Department  
Magdalena Koshulyanova, Junior expert, Economic  
Analysis and Policy Department

Applied Research and Communications Fund, Sofia,  
Center for the Study of Democracy  
<http://www.csd.bg>  
Ruslan G. Stefanov, Program Director and Chief  
Economist, Center for the Study of Democracy  
Atanas Nedyalkov, Senior Analyst, Innovation  
and Finance, Applied Research  
and Communications Fund  
Daniela Mineva, Senior Analyst, Geoeconomics  
Program, Center for the Study of Democracy

---

## Canada

Information and Communications Technology  
Council (ICTC)  
<http://www.ictc-ctic.ca>  
Anne M. Patterson, Chief Research  
and Communications Officer

---

## Chile

Universidad de Chile, Facultad de Economía  
y Negocios (FEN)  
<http://www.fen.uchile.cl>  
Dr. Enrique Manzur, Vice Dean  
Dr. Sergio Olavarrieta, Vice President  
Dr. Pedro Hidalgo, Associate Professor

---

## China

China Institute for Development Planning, Tsinghua University

<http://www.cidp.tsinghua.edu.cn>

Dr. Gong Pu, Assistant Professor and Director of Research

Dr. Yang, Yongheng, Professor & Deputy Dean

Dr. Wang, Youqiang, Professor

Huang, Suyuan, Vice Director of Research

Bi, Shiyao, MA Candidate

Jin, Shiyao, Research Assistant

Dr. Lang, Yu, Postdoctoral Fellow

Dr. Su, Chaoyang, Postdoctoral Fellow

Tang, Yuwen, MA Candidate

Yu, Hanying, MA Candidate

Zhu, Siyao, PhD Candidate

---

## Colombia

National Planning Department

<http://www.dnp.gov.co>

Alexander Lopez Maya, General Director, Department of National Planning (DNP)

Mónica Lorena Ortiz Medina, Technical Director, Innovation and Private Sector Development -DNP

---

## Croatia

National Competitiveness Council

Ivan Mišetić, Acting President

Biserka Sladović, Advisor

Hrvoje Stojić, Chief Economist

Croatian Employers' Association

<http://www.hup.hr/en>

Iva Tomic, PhD, Chief Economist

---

## Cyprus

Cyprus Employers and Industrialists Federation

<http://www.oeb.org.cy>

Antonis Frangoudis

Economics Research Centre, University of Cyprus

<http://ucy.ac.cy/erc/en>

Sofronis Clerides, Professor of Economics

Nicoletta Pashourtidou, Assistant Director

---

## Denmark

Confederation of Danish Industry

<http://www.danskindustri.dk/english>

Allan Sørensen, Chief Economist

---

## Estonia

Estonian Institute of Economic Research (EKI)

<http://www.ki.ee/en>

Peeter Raudsepp, Member of the Board

Bruno Pulver, Member of the Board

Enterprise Estonia (EAS)

<https://eis.ee/en>

Helery Tasane, Head of Strategy and Analysis

---

## Finland

ETLA Economic Research

[www.etla.fi](http://www.etla.fi)

Dr. Ville Kaitila, Researcher

Päivi Puonti, Head of Forecasting

Aki Kangasharju, Managing Director

---

## Ghana

Management Development and Productivity Institute

<http://www.mdpi.gov.gh>

Professor Elijah Yendaw, Ag. Director General

Ethel Ansah-Antwi, Ag. Director, Consultancy Unit

Stephen Asirifi Essel, Consultancy Unit

---

## Greece

Federation of Industries of Greece (SBE), Thessaloniki

[sbe.org.gr](http://sbe.org.gr)

Dr. Christos Georgiou, Director Research &

Documentation Dept.

Constantinos Styliaras, Economist, Research and

Documentation Department

Foundation for Economic and Industrial Research

(FEIR/IOBE), Athens

[http://iobe.gr/default\\_en.asp](http://iobe.gr/default_en.asp)

Sophia Stavraki, Research Associate

---

## Hong Kong SAR

Hong Kong Trade Development Council

<http://www.hktdc.com>

Wing Chu, Principal Economist

Cherry Yeung, Senior Economist

Cathy Kwan, Senior Research Executive

---

**Hungary**

ICEG European Center, Budapest  
<http://icegec.org>  
Renata Jaksa, Director  
Oliver Kovacs, Senior Research Fellow

National University of Public Service  
[www.uni-nke.hu](http://www.uni-nke.hu)  
Dr. Magdolna Csath, Private Professor

---

**Iceland**

Icelandic Chamber of Commerce, Reykjavik  
<http://www.chamber.is>  
Björn Brynjúlfur Björnsson, Managing Director  
Gunnar Úlfarsson, Chief Economist

---

**India**

National Productivity Council, New Delhi  
<http://www.npcindia.gov.in>  
Rajesh Sund, Director & Group Head (Economic Services)

---

**Indonesia**

Lembaga Management, Faculty of Economics and Business, Universitas Indonesia (LM FEB UI), Jakarta  
[www.lmfebui.com](http://www.lmfebui.com)  
Prof. Dr. Ir. T. Ezni Balqiah, M.E., M.H., Director of Research and Consulting  
Dr. Nurdin Sobari, Senior Researcher  
Dr. Willem A. Makaliwe, Senior Researcher  
Bayuadi Wibowo, Senior Researcher  
AA Dwi Mustia Dewi, Researcher  
Annisa Pratiwi, Researcher

NuPMK Consulting, Jakarta  
<http://nupmk.co.id>  
Tini Moeis, Managing Director  
Devi Ria Dinanti, Chief Marketing Officer

---

**Ireland**

IDA Ireland, Investment and Development Agency  
<http://www.idaireland.com>  
Malgorzata Ferraz, Planning Manager

---

**Japan**

Keizai Doyukai, Japan Association of Corporate Executives  
<https://www.doyukai.or.jp/en>  
Katsumi Miyazaki

Mitsubishi Research Institute, Inc., Tokyo Research Centre for Policy and Economy  
<https://www.mri.co.jp/en/index.html>  
Dr. Hirotsugu Sakai, Research Director

---

**Jordan**

Ministry of Planning and International Cooperation  
<http://www.mop.gov.jo>  
Omar Fanek, National Policies Support Department Director  
Mira Mango, Head of the Competitiveness and International Indices Division

---

**Kazakhstan**

Economic Research Institute, JSC of the Ministry of National Economy of the Republic of Kazakhstan, Astana  
<https://economy.kz>  
Aidana Terlikbayeva, Leading Expert, Center for Strategic Analysis  
Aimira Sabugaliyeva, Senior Expert, Center for Strategic Analysis

---

**Kenya**

National Productivity and Competitiveness Centre  
<https://saraka.info/ministries/labour-and-social-protection/labour-and-skill-development/npcc/>  
George E. G. Njiru, Principal Productivity Officer  
Dr. Nahashon Moitaleel, Director

---

**Korea**

Korea Chamber of Commerce and Industry (KCCI)  
<http://english.korcham.net/>  
Ethan Cho, Deputy Director

Korea Institute for International Economic Policy (KIEP)  
<https://www.kiep.go.kr/eng/>  
Jiyun Lee, Researcher, International Macroeconomics Team  
Dr. Hayun Song, Associate Research Fellow, International Macroeconomics Team



---

**Kuwait**

Kuwait Anti Corruption Authority (Nazahaa)  
<https://www.nazaha.gov.kw>  
Dhari Buyabes, Head of International Organizations  
and Conferences, International Cooperation  
Department

**Latvia**

University of Latvia, Faculty of Economic and Social  
Sciences, Centre for European  
and Transition Studies -CETS  
<http://www.lu.lv/cets>  
Dr. Zane Zeibote, Director  
Prof. Dr. Tatjana Muravska, Honorary Director

**Lithuania**

Innovation Agency Lithuania  
<https://innovationagency.lt>  
Kotryna Tamoševičienė, Head of Research  
and Analysis Unit  
Indrė Žebrauskaitė, Senior Analyst

**Luxembourg**

Luxembourg Chamber of Commerce  
<https://www.cc.lu/en>  
Sidonie Paris, Senior Economist  
Anthony Villeneuve, Senior Economist  
Christel Chatelain

**Malaysia**

Malaysia Productivity Corporation  
<http://www.mpc.gov.my>  
Zahid Ismail, Director General  
Dr. Mazrina Mohamed Ibramsah,  
Deputy Director General  
Dr. Mohamad Norjayadi Tamam,  
Deputy Director General  
Wan Fazlin Nadia Wan Osman, Director  
Mohammed Alamin Rehan, Director  
Shanthini Tamadoram

**Mexico**

Center for Strategic Studies for Competitiveness  
<http://www.ceec.edu.mx>  
Carlos Maroto Espinosa, General Manager

**Mongolia**

Economic Policy and Competitiveness  
Research Center  
<http://www.ecrc.mn>  
Tsagaan Puntsag, Founder and Chairman of Board  
Lakshmi Boojoo, Director General  
Odonchimeg Ikhbayar, Deputy Director, Head  
of Research  
Ganbat Chuluun, Research Economist  
Tungalag Erdenebat, Research Economist  
Mungunjiguur Battsolmon, Research Economist

**Namibia**

Namibia Investment Promotion  
and Development Board  
<https://www.nipdb.com>  
Dr. Nangula Nelulu Uaandja, Chief Executive Officer  
Margareth Gustavo, Executive: Competitiveness  
& Branding

**Netherlands**

Confederation of Netherlands Industry and  
Employers (VNO-NCW), Netherlands  
[www.vno-ncw.nl](http://www.vno-ncw.nl)  
Thomas Grosfeld  
Tim Zandbergen

**New Zealand**

Auckland Business Chamber  
<https://aucklandchamber.co.nz>  
Simon Bridges, Chief Executive Officer

**Nigeria**

National Productivity Centre, Nigeria  
<https://productivity.gov.ng/>  
Dr. Baffa Babba Dan Agundi, Director-General  
Dr. Adejoh David Onuche, Director, Productivity  
Measurement & Index

**Oman**

National Competitiveness Office, Oman  
<https://www.nco.om>  
Dr. Fahad Rashid Saif Al Jahwari, Director  
Abdulrahman Al Hinaai, Head of National Account  
Indicators Department, National Centre for Statistics  
and Information  
Jawaher Al Habsi, Statistical Data Analyst

---

**Peru**

CENTRUM PUCP

<https://centrum.pucp.edu.pe>

Percy Marquina, General Director

Dr. Luis Del Carpio, Director of Programs

Beatrice Avolio, General Director

Victor Fajardo, Researcher

José Calsina, Research Assistant

---

**Philippines**

Asian Institute of Management R.S.N. Policy Center  
for Competitiveness (AIM RSN PCC)

<https://aim.edu/research-centers/rizalino-s-navarro-policy-center-competitiveness>

Prof. Jamil Paolo S. Francisco, Executive Director

Christopher Caboverde, Research Manager

Hauvre Somova, Economist

---

**Poland**

SGH Warsaw School of Economics

<https://www.sgh.waw.pl/en>

Prof. Marzenna Weresa, Dean

Dr. Anna Dzienis, Adjunct Professor

---

**Portugal**

Porto Business School, University of Porto, Porto

<https://www.pbs.up.pt>

José Esteves, Dean

Cátia Santana, Project Officer

Prof. Álvaro Almeida

Prof. Daniel Bessa

Prof. Filipe Grilo

Prof. José Luís Alvim

Prof. João Loureiro

Prof. Patrícia Teixeira Lopes

---

**Puerto Rico**

Puerto Rico Department of Economic Development  
and Commerce

<https://www.desarrollo.pr.gov/>

Hon. Sebastián Negrón Reichard, Secretary for  
Economic Development & Commerce

José L. Rivera Rivera, Economist - Director for  
Economic Analysis & Business Intelligence

Invest Puerto Rico

<https://www.investpr.org>

John Bozek, Chief Strategy and Research Officer

Puerto Rico International Competitiveness Center

<https://www.uagm.edu/es/division-de-negocios-turismo-y-emprendimiento>

Francisco Montalvo Fiol, Adjunct Professor,  
Doctoral Program

---

**Qatar**

National Planning Council

<http://www.npc.qa>

Ahmed Alsumaiti, Director of International indicator  
& International Cooperation Dep.

Hissa AL-Assiry, Project Manager

---

**Romania**

CIT-IRECSON Center of Technological Information

<https://cit.irecson.ro>

Dr. Bogdan Ciocanel, Phd, Director

Dan Grigore, Economist

---

**Saudi Arabia**

NCC, National Competitiveness Center

<https://www.ncc.gov.sa/en/Pages/default.aspx>

H.E. Dr Eiman AlMutairi, CEO of National  
Competitiveness Center

Waleed AlRudaian, Vice President

Salman M. AlTukhaifi, General Manager of Analytics  
& Business Intelligence

---

### **Singapore**

Ministry of Trade and Industry  
<http://www.mti.gov.sg>

Singapore Business Federation  
<https://www.sbf.org.sg>  
Edwin Heng, Director, Research and publishing  
Lim Kai Yun

---

### **Slovak Republic**

Institute of Freedom and Enterprise  
Ján Oravec, Chairman

---

### **Slovenia**

Institute for Economic Research  
<https://www.ier.si/en>  
Peter Stanovnik, President  
Sonja Uršič

University of Ljubljana, School of Economics  
and Business  
<http://www.ef.uni-lj.si/en>  
Mateja Drnovsek, Full Professor

---

### **South Africa**

Productivity SA  
[www.productivitysa.co.za](http://www.productivitysa.co.za)  
Amelia Naidoo, Acting Chief Executive Officer  
Sebolelo Juliet Mashabela, Acting Chief Economist

---

### **Spain**

Spanish Confederation of Employers  
<https://www.ceoe.es/es>  
Edita Pereira, Head of Economic Research Unit  
Paloma Blanco, Economic Research Unit

---

### **Taiwan (Chinese Taipei)**

National Development Council  
<http://www.ndc.gov.tw>  
Kao, Shien-Quey, Deputy Minister  
Chiu-Ying Chiu, Director of Economic  
Development Department  
Wang, Chen-Ya, Executive Officer

---

### **Thailand**

Thailand Management Association  
<http://www.tma.or.th>  
Wanweera Rachdawong, Chief Executive Officer  
Pornkanok Wipusanawan, Director TMA Center  
for Competitiveness  
Tossanun Preratipoomsret, Manager, TMA Center  
for Competitiveness

---

### **Türkiye**

TUSIAD Turkish Industry and Business Association,  
Economic Research Department  
<http://www.tusiad.org>  
Gizem Öztok Altınsaç, Chief Economist  
Yiğit Başat Şimşek, Director  
İsmet Tosunoğlu, Economist  
İrem Sipahi, Senior Expert

---

### **United Arab Emirates**

Federal Competitiveness  
and Statistics Centre (FCSC)  
<http://fcsc.gov.ae/>

---

### **Venezuela**

National Council to Investment Promotion (CONAPRI)  
<http://www.conapri.org>  
Dr. Juan Cabral, Executive Director  
Jennyn Osorio, Economics Affairs Manager  
Lilian Zambrano, Manager of Legal Affairs

This booklet is just a summary.  
The complete Yearbook with full profiles and all the statistics  
is available digitally and in print.



---

Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---

# Analysis

---

# The macroview: 2025

---

Professor Arturo Bris  
WCC Director

The year 2025 finds the world economy at an inflection point, marked by turbulence and fragmentation. A series of overlapping major global events – from the COVID-19 pandemic to the war in Ukraine to the US election – have upended decades of steadily increasing global integration.

Policymakers and business leaders face an environment defined by volatile currency swings, shifting trade alliances, resurgent protectionism, inflationary spikes, and heightened geopolitical tensions. Global growth has remained stable yet underwhelming, with a balance of risks tilted to the downside: geopolitical flare-ups, financial market volatility, and stalled disinflation all threaten to derail a smooth economic landing.

It is crucial for any economy or enterprise striving to remain competitive amid uncertainty to be aware of the broad global challenges and strategic lessons, which currently range from currency to trade realignments. Today's decision-makers need a nuanced understanding of the evolving landscape and potential responses.

Today's competitive landscape is like no other this generation has lived in; traditional economic powerhouses face unprecedented challenges from emerging economies that have successfully implemented strategic reforms. The most competitive nations demonstrate adaptability, forward-thinking governance, and the capacity to navigate both digital and ecological transitions while maintaining social cohesion.

---

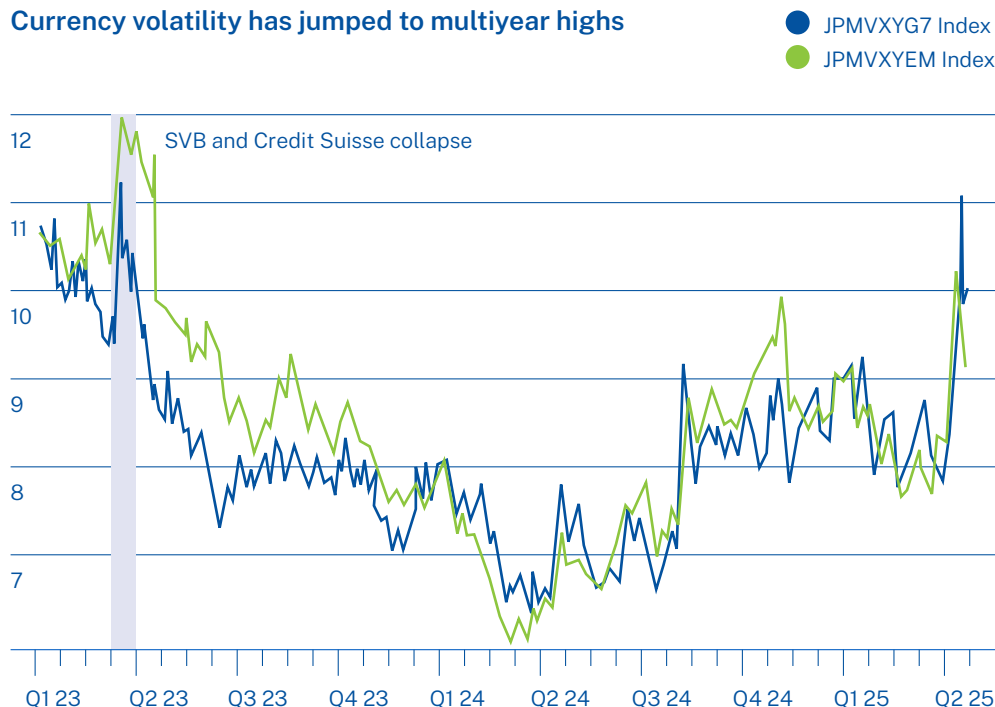
## Managing currency risk in a precarious global system

Exchange rates have become a double-edged sword in the struggle for competitiveness. On the one hand, currency values are deviating sharply from economic fundamentals, creating winners and losers in international trade. The US dollar has surged well above its fair-valued level against a broad basket of currencies, buoyed by higher US interest rates and safe-haven capital inflows.

In contrast, other major currencies have weakened dramatically amid deliberate efforts to support exports. Such misalignments distort global competitiveness by making some countries' exports artificially cheap and others expensive, regardless of productivity.

At the same time, currency volatility has spiked, adding another layer of uncertainty. Rapid swings, driven by shifting monetary policies and geopolitical risk sentiment, complicate planning for firms that operate across borders. The global financial architecture amplifies these effects: with the US dollar entrenched as the primary reserve and trade currency, US Federal Reserve policy changes reverberate worldwide. As a result, misalignments are globalized: when the dollar overshoots, entire supply chains and financing arrangements feel the strain.

## Currency volatility has jumped to multiyear highs



Source: Bloomberg

In response to both volatility and sanction risks, a number of countries have begun diversifying away from the dollar. Managing currency risk has become a strategic priority. For governments, this may entail coordinated interventions or reforms to the international monetary system; for businesses, sophisticated hedging and pricing strategies are now essential. In a fragmented world economy, exchange rates are more than just prices; they are geopolitical battlegrounds and barometers of trust.

The data reveals that economies with strategic currency management policies have generally maintained stronger positions in competitiveness rankings. Small, export-oriented nations with sophisticated financial sectors have developed particularly effective

tools for navigating currency turbulence. Several Asian economies have demonstrated remarkable resilience by maintaining stable monetary policies despite external pressures. Conversely, countries that have allowed persistent currency misalignments without compensatory productivity gains have seen their competitiveness positions erode.

Currency stability has emerged as a cornerstone of economic resilience, particularly for smaller economies dependent on international trade and investment flows. Nations with pragmatic central banks that balance exchange rate considerations with inflation management have created favorable environments for business planning and investment.

---

## Supply chain diversification and relocation in anticipation of further trade fragmentation

One of the clearest signs of a fragmenting world economy is the reorganization of global trade networks. The era of efficiency and cost optimization alone dictating supply chains is waning. By contrast, considerations of resilience, security, and geopolitics are becoming increasingly paramount. Nations are trading more within ideologically aligned blocs, and tariffs, quotas, and sanctions now exert pressure on a growing share of global goods trade.

These protectionist currents have been accompanied by a strategic business response: firms are redesigning supply chains for robustness rather than the lowest cost. A significant proportion of global companies are actively pursuing geographic diversification – sourcing inputs from multiple regions to avoid over-reliance on any single country.

Other companies are engaging in regionalization or "friendshoring," moving production closer to home – or to politically allied nations. This shift is driven not only by geopolitics but also by hard lessons from recent shocks: a pandemic that disrupted far-flung suppliers, natural disasters amplified by climate change, and transport bottlenecks that revealed the fragility of just-in-time models.

However, the process of diversifying or relocating production is a complex, multi-year endeavor. Many firms remain cautious, acting only when necessary, rather than proactively. Early evidence suggests this fragmentation is creating a more regionalized trade landscape, potentially sacrificing some efficiency for greater security.

The long-term cost of severe fragmentation could be substantial, leading to a global economy that grows more slowly than a united one. Policymakers must navigate this new trade geography by balancing resilience with openness. That means forging trade agreements among like-minded partners, developing domestic capacities in critical sectors, and avoiding a descent into autarky. Businesses, meanwhile, must build flexibility into supply chains and invest in regional hubs. The global trading system is being rewired, and those who adapt strategically will be best positioned to compete.

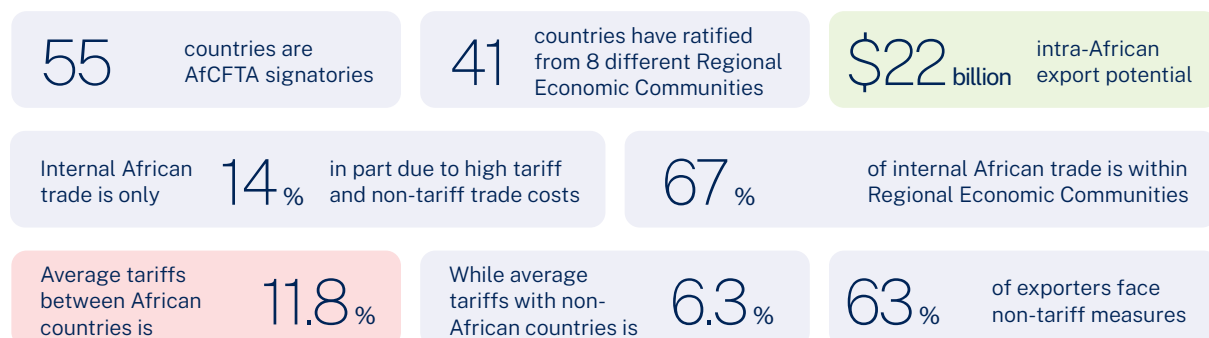
Regional economic integration efforts have accelerated as a counterbalance to broader fragmentation. The Association of Southeast Asian Nations (ASEAN) has deepened cooperation, while the African Continental Free Trade Area (AfCFTA) shows promising signs of boosting intra-African trade. Strategic ports and logistics hubs have gained importance, with competitive economies investing heavily in next-generation infrastructure that can process goods efficiently despite trade complexities.

Economies that have pursued deliberate strategies to position themselves as bridging points between trade blocs have shown remarkable resilience in the competitiveness data. These nations have developed specialized capabilities in navigating complex regulatory environments, customs procedures, and compliance requirements that now characterize international trade. Their companies have become adept at managing fragmentation as a competitive advantage rather than merely a cost center.



---

**The African Continental Free Trade Area (AfCFTA) was put into force in April 2024. It is the world's largest free trade area, encompassing 55 countries and 1.3 billion people**



AfCFTA is a pivotal opportunity for African trade and prosperity

Source: International Trade Centre

---

## **Inflation and interest rate volatility: a constant need for managing**

The past few years have reintroduced an old foe of competitiveness: high inflation, coupled with the highest interest rates seen in decades. After a long stretch of low and stable prices, the inflationary surge of the early 2020s – fed by supply chain disruptions, commodity shocks, and unprecedented stimulus – has forced central banks worldwide to tighten policy aggressively. Interest rates in many major economies have surged to record highs for the post-2008 era.

Even as global inflation gradually eases, it remains above target in numerous countries, and price pressures, especially in services, have proven more persistent than expected. Central bankers face the delicate task of taming inflation without choking off growth. Geopolitical flashpoints or supply shocks could easily trigger renewed price spikes, compelling further rate hikes.

High interest rates carry profound implications for competitiveness. Financing costs for firms have soared, altering investment calculus

and squeezing margins. Companies that grew accustomed to ultra-cheap credit now find capital expenditure and expansion plans more expensive or delayed. Entire economies face weaker growth prospects when rates are restrictive, and the risk of recessions or credit crunches increases.

This high-rate environment also raises debt sustainability concerns. Global debt levels are at record highs, and governments with large public debts see a growing share of budgets diverted to interest payments, limiting fiscal space for investment. Persistently higher real interest rates compound this by adding to fiscal pressure and posing financial stability risks. The banking system, too, has felt strain from rate shocks that erode asset values.

To maintain competitiveness, governments must pursue prudent fiscal policies and structural reforms that improve productivity. For businesses, the imperative is to improve operational efficiency and innovate in pricing and product strategy. The winners

in this environment will be those who treat inflation and interest-rate volatility not just as challenges, but as strategic factors to manage through robust risk assessment, adaptable budgeting, and investment in productivity enhancements.

The competitiveness data reveals significant divergence in how economies have managed the inflation challenge. Nations with sophisticated financial infrastructure and deep capital markets have generally weathered the storm better, enabling their businesses to access financing despite tighter conditions. Several smaller European economies have used targeted fiscal approaches rather than broad stimulus to support strategic sectors

without stoking inflationary pressures. In Asia, economies with higher domestic savings rates have shown greater resilience to global financing constraints.

An interesting pattern has emerged where economies with strong institutional frameworks for coordinating monetary, fiscal, and structural policies have maintained their competitive advantage. These "whole-of-government" approaches have allowed for more nimble responses to inflation without sacrificing growth potential. High-performing economies have also accelerated productivity-enhancing investments precisely when financing became more expensive – a counter-cyclical strategy that positions them for stronger recoveries.

## World Economic Outlook Growth Projections

(Real GDP, annual percent change)	Estimate	Projections	
	2024	2025	2026
<b>World Output</b>	<b>3.2</b>	<b>3.3</b>	<b>3.3</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>1.9</b>	<b>1.8</b>
United States	2.8	2.7	2.1
Euro Area	0.8	1.0	1.4
Germany	-0.2	0.3	1.1
France	1.1	0.8	1.1
Italy	0.6	0.7	0.9
Spain	3.1	2.3	1.8
Japan	-0.2	1.1	0.8
United Kingdom	0.9	1.6	1.5
Canada	1.3	2.0	2.0
Other Advanced Economies	2.0	2.1	2.3
<b>Emerging Market and Developing Economies</b>	<b>4.2</b>	<b>4.2</b>	<b>4.3</b>
<b>Emerging and Developing Asia</b>	<b>5.2</b>	<b>5.1</b>	<b>5.1</b>
China	4.8	4.6	4.5
India	6.5	6.5	6.5
<b>Emerging and Developing Europe</b>	<b>3.2</b>	<b>2.2</b>	<b>2.4</b>
Russia	3.8	1.4	1.2
<b>Latin America and the Caribbean</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0
<b>Middle East and Central Asia</b>	<b>2.4</b>	<b>3.6</b>	<b>3.9</b>
Saudi Arabia	1.4	3.3	4.1
<b>Sub-Saharan Africa</b>	<b>3.8</b>	<b>4.2</b>	<b>4.2</b>
Nigeria	3.1	3.2	3.0
South Africa	0.8	1.5	1.6
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	4.2	4.2	4.2
Low-Income Developing Countries	4.1	4.6	5.4

Source: International Monetary Fund (IMF), World Economic Outlook Update, January 2025

---

## Adapting to economic nationalism and protectionist policies

Another defining feature of the current landscape is the resurgence of economic nationalism, as governments prioritize domestic interests sometimes at the expense of global integration. Protectionist policies – tariffs, import quotas, export bans, localization requirements, and subsidies favoring home industries – have proliferated. From semiconductors to vaccines, countries are invoking "national security" or "strategic autonomy" to justify intervention in markets.

This protectionist wave has been bolstered by new forms of economic nationalism, including digital protectionism, currency interventions, and expansive industrial policies. Even traditionally free market economies have passed subsidy-laden laws aimed at onshoring production of critical goods. While these policies intend to bolster national competitiveness, they risk a zero-sum race that provokes retaliation and reduces trust.

From a global perspective, rising protectionism poses a collective action problem. Short-term domestic gains may come at the cost of long-term efficiency and global welfare. The political economy has shifted, and protectionist measures are often popular even when counterproductive. The result is a fragmentation into trading blocs, each fortified by its own rules and standards.

Businesses must adapt to a world of frequent policy shifts and trade barriers. Corporate strategy must account for tariff costs, export restrictions, and varying regulatory regimes. Supply chain agility – the ability to reroute production or sourcing quickly – is becoming

a core competency. Governments, meanwhile, must protect critical interests while investing in the underlying drivers of competitiveness: education, infrastructure, innovation, and macroeconomic stability. The challenge is to avoid a descent into isolationism that diminishes competitiveness for all.

The competitiveness data highlights an important paradox: the most competitive economies are not those that have embraced pure economic nationalism, but rather those implementing "smart protectionism" – targeted policies in strategic sectors while maintaining general openness. These nations have achieved a delicate balance between protecting vital industries and preserving the dynamism that comes from international competition.

East Asian economies have particularly excelled at crafting industrial policies that enhance competitiveness without triggering significant retaliation. Their focused approach to developing strategic capabilities in advanced manufacturing, particularly in semiconductors, biotechnology, and renewable energy, has created powerful competitive advantages. Meanwhile, several Gulf states have leveraged their financial resources to build new competitive industries while maintaining open investment environments.

The most successful economies have coupled sector-specific protections with ambitious domestic reform agendas to enhance productivity. This dual approach – protecting where necessary while strengthening where possible – has proven more effective than either pure nationalism or unqualified openness.

## Trade volume growth rate by region, next five years (composite forecast) vs. last five years

2019 – 2024			2024 – 2029		
1	South & Central Asia	3.9%	1	South & Central Asia	5.6%
2	ASEAN	3.6%	2	Sub-Saharan Africa	5.3%
4	Middle East & North Africa	2.9%	3	ASEAN	5.0%
4	China	2.9%	4	Middle East & North Africa	3.9%
5	S. & C. America, Caribbean	2.6%	5	S. & C. America, Caribbean	3.3%
6	North America	2.2%	6	China	2.8%
7	Rest of East Asia & Pacific	1.5%	7	Rest of East Asia & Pacific	2.7%
8	Europe	1.0%	8	North America	2.7%
9	Sub-Saharan Africa	0.8%	9	Europe	2.7%

The fastest trade volume growth from 2024 to 2029 is forecast in South Asia, Sub-Saharan Africa, and Southeast Asia.

Data Sources: Economist intelligence Unit, IMF World Economic Outlook, Oxford Economics, and S&P Global Market Intelligence.

## Being a leader not a laggard in digital transformation and innovation ecosystems

The post-pandemic period has accelerated digitalization across all economic sectors, creating a significant competitive divide between digital leaders and laggards.

Leading economies have leveraged artificial intelligence, automation, and big data to enhance productivity across manufacturing and service sectors. They have built robust digital infrastructures—including high-speed connectivity, cloud computing capabilities, and advanced cybersecurity frameworks—that form the backbone of modern competitiveness. These digital capabilities have proven particularly crucial in mitigating the impacts of trade fragmentation by enabling exports of services that are less vulnerable to physical supply chain disruptions.

The competitiveness data demonstrates a strong correlation between digital readiness and overall competitive performance. Economies with high adoption rates of advanced digital technologies have generally maintained or improved their positions, while those with digital infrastructure gaps have struggled to keep pace despite strengths in other areas.

Innovation ecosystems have become increasingly important as drivers of competitiveness. Economies that have built dense networks connecting universities, research institutions, venture capital, and established enterprises have generated disproportionate economic returns. These ecosystems are characterized by effective

---

knowledge transfer mechanisms, sophisticated intellectual property regimes, and cultures that tolerate risk and failure as part of the innovation process.

Interestingly, several mid-sized economies have successfully developed specialized innovation hubs that punch above their weight in specific technological domains. These focused strategies have proven effective at building competitive niches even for countries that cannot match the scale of the largest innovation powerhouses.

The most competitive small nations have excelled at creating regulatory sandboxes and experimental policy frameworks that attract innovative firms seeking environments to test and scale up new technologies.

---

## Transforming green imperatives from regulatory burdens to sources of competitive advantage

Environmental sustainability has emerged as a critical dimension of competitiveness in 2025. As climate policies tighten globally and consumers increasingly favor sustainable products, economies' ability to decarbonize while maintaining growth has become a key differentiator.

Leading nations have developed sophisticated green finance mechanisms that channel capital toward low-carbon investments, built renewable energy infrastructure that provides reliable and increasingly cost-competitive power, and implemented carbon pricing systems that incentivize efficiency without unduly burdening industry.

The competitiveness data shows that economies at the forefront of the green transition are capturing growing shares of rapidly expanding markets for clean technologies, sustainable materials, and environmental services. Their companies are less exposed to climate transition risks and better positioned to meet increasingly stringent environmental standards in export markets.

Companies in sectors like technology, media, telecom, and waste recycling are generally considered less exposed to climate transition risks; they have lower carbon footprints and are less reliant on carbon-intensive processes. Climate transition risks are unanticipated gains or losses due to an unexpectedly quick transition toward a carbon-neutral economy. Drivers of climate transition risk are technological shocks to the productivity and cost structure of key low-carbon technologies. Another driver is regulation; the unexpected announcement of a wide-ranging CO<sub>2</sub> tax or green subsidies would significantly accelerate the low-carbon transition.

Several European economies have leveraged their early moves toward sustainability into meaningful competitive advantages, with their firms becoming global leaders in renewable energy systems, circular economy solutions, and green hydrogen technologies. Meanwhile, resource-rich nations that have proactively diversified toward sustainable industries are showing greater resilience than those maintaining traditional economic models.

---

### Top 10 European Renewable Energy Companies

	Revenue	HQ Location	WCR 2025
1 TotalEnergies	US\$263.20bn	France	32
2 EDF	US\$99.57bn	France	32
3 Engie	US\$99.57bn	France	32
4 Fortum Corp	US\$93.68bn	Finland	14
5 Ørsted	US\$18.81bn	Denmark	4
6 Vestas	US\$14.50bn	Denmark	4
7 Acciona SA	US\$8.10bn	Spain	39
8 Iberdrola	US\$57.21bn	Spain	39
9 Enel Green Power S.p.A.	US\$9.72bn	Italy	43
10 Scatec ASA	US\$0.4bn	Norway	12

---

Source: Energy Evolution Conference

Particularly noteworthy are economies that have pursued "just transition" approaches that maintain social cohesion while transforming energy systems. These nations have implemented comprehensive retraining programs, targeted regional development initiatives, and inclusive stakeholder processes that build broad support for environmental policies.

---

## Remaining competitive in a fragmented world: building resilience

---

To remain competitive in a fragmented world, both governments and firms must adopt a resilience-oriented mindset. Rather than being paralyzed by crises or chasing short-term fixes, successful leaders proactively build the capacity to thrive in volatility.

Several strategic imperatives are emerging today:

### 1. Build agility and crisis resilience:

The ability to pivot quickly and adapt is paramount. Governments should streamline decision-making to respond to shocks. Businesses should embed agility into their culture, empower teams to act decisively and develop crisis response playbooks.

### 2. Make inflation and currency volatility strategic challenges:

Leading firms treat inflation and exchange rate swings as strategic problems to solve. This may involve innovative pricing strategies, financial hedging, and market diversification. Governments can support credible policy frameworks and financial tools.

### 3. Avoid reactive short-termism:

Leadership must resist panic-driven cost-cutting or paralysis. Strategic focus on long-term competitiveness, even amid crisis, ensures sustained innovation, talent development, and market positioning.

### 4. Foster collaboration and knowledge-sharing across borders:

Global challenges require collective approaches. Businesses and governments should seek partnerships, share best practices, and promote cross-border learning to accelerate adaptation and innovation.

### 5. Invest in long-term competitiveness drivers:

Education, infrastructure, digital capability, and innovation ecosystems form the backbone of enduring competitiveness. Policymakers and businesses alike must keep investing in these fundamentals.

### 6. Develop sectoral strategic autonomy:

Rather than pursuing complete self-sufficiency, competitive economies are identifying truly strategic sectors where domestic capacity is essential while maintaining interdependence in other areas. This targeted approach to resilience focuses resources where sovereignty matters most.

### 7. Build human capital for complex challenges:

The most competitive economies are investing heavily in education systems that develop not just technical skills but also adaptability, critical thinking, and creative problem-solving. These cognitive capabilities become increasingly valuable as routine tasks are automated, and complex challenges proliferate.

### 8. Create anticipatory governance models:

Forward-looking governments are implementing horizon-scanning capabilities, scenario planning processes, and adaptive policy frameworks that can identify emerging challenges before they become crises. This anticipatory governance provides competitive advantages in a volatile world.

### 9. Foster trust-building institutions:

Economic fragmentation is ultimately a trust deficit at the international level. Nations that invest in multilateral dialogue, transparent regulatory processes, and credible policy commitments can build islands of trust that facilitate economic exchange despite broader tension.

### 10. Balance technological self-reliance with openness to innovation:

The most competitive economies are finding ways to protect core technological capabilities while maintaining sufficient openness to benefit from global innovation. This delicate balance requires sophisticated technological governance frameworks.

---

# Understanding the drivers of global fragmentation through executives' perceptions

---

José Caballero  
WCC Senior Economist

Competitiveness goes beyond economic performance. It encompasses the capacity of a country to develop and maintain an environment that sustains long-term value creation and the well-being of its citizens. Countries that build such an environment are able to reach high levels of competitiveness. In such a context, societal polarization in the form of socio-economic and political fragmentation (e.g., income inequality, political fragmentation, and social exclusion) becomes a crucial factor for performance and stability.

Income inequality, for example, significantly undermines social cohesion, which is essential for a stable and productive economic environment. Furthermore, social inclusion is negatively related to income inequality. In addition, social capital – a combination of trust and civic engagement – and social mobility are fundamental for societal cohesion. Countries with high income disparities often experience diminished trust in institutions and reduced civic participation. Such countries present fragmented societies that hinder any collective efforts necessary for the advancement of competitiveness.

Moreover, income inequality can lead to increased social tensions and unrest, which deter investment and disrupt overall economic activities. In addition, societies experiencing significant income disparities face challenges in implementing effective policies and reforms, as the lack of consensus and trust among stakeholders hinders such efforts. For instance, Venezuela and Argentina experience social fragmentation as a result of income inequalities. In turn, such conditions affect their overall competitiveness.<sup>1</sup>

Similarly, political polarization often results in policy volatility, which leads to an unpredictable investment climate. The latter deters both domestic and foreign investment. More

specifically, policy stability is central to building a context conducive to competitiveness. In other words, constant shifts in regulatory frameworks due to political discord can lead to an unpredictable investment climate. Such policy uncertainty can cause investors to adopt a wait-and-see approach or redirect their investments to more stable environments.<sup>2</sup>

Results from the 2025 IMD World Competitiveness Ranking reveal that countries exhibiting lower levels of socioeconomic and political polarization often achieve higher competitiveness scores. For example, Switzerland consistently ranks at the top of the ranking, with a concomitant robust performance in inclusive social policies, political stability, and strong institutional frameworks. Likewise, Denmark and Sweden also perform strongly in the overall rankings and exhibit robust commitment to social equity and cohesive governance structures.

As we witness a constant rise in societal polarization around the world, the competitiveness of affected countries is increasingly at risk. In this essay, we trace the rise of polarization and its drivers. We analyze the opinions of senior business executives in 69 countries – forming a third of the computation of our overall ranking – about those factors that contribute most to polarization.

We found that societal polarization is no longer a phenomenon confined to unstable democracies or conflict-prone societies. The perceptions of executives suggest that societal polarization is driven by multiple overlapping issues. These drivers cut across income levels, regions, and political systems. Specifically, business executives do not perceive polarization as an isolated crisis but as a systemic fault line in the current global governance system.



---

## 1. Current trends in societal polarization

Societal polarization, characterized by deepening divisions along socioeconomic, cultural, and political/ideological lines, has become increasingly prominent in contemporary societies. Such a phenomenon is not limited to any country, but we can observe it globally. It can take several forms including political fragmentation, economic disparities, and social exclusion. Understanding the current trends in societal polarization is crucial because it impacts democratic processes, social cohesion, public trust, and ultimately competitiveness.

In the current global context, we observe a growing animosity between individuals with opposing political affiliations. Frictions extend beyond disagreements on policy issues to include personal disdain and mistrust. Trends in this type of polarization, referred to as affective polarization, have been particularly documented in the US, where citizens increasingly view members of the opposing party not just as adversaries but as threats to the country's well-being. Such polarization is not solely a product of social media trends but has roots in earlier media development in the US, such as the proliferation of partisan cable news and talk radio. Research indicates that affective polarization is particularly pronounced among older demographics, who are more engaged with traditional media sources.<sup>3</sup> Media consumption thus becomes key for understanding societal polarization.<sup>4</sup>

At the core of societal polarization are income inequalities and the resulting cultural backlash against “progressive” cultural shifts that some members of society see as a danger to their longstanding traditions and social status.<sup>5</sup> The decline of certain types of jobs (e.g., manufacturing) and the rise of a service-oriented economy have disproportionately affected working-class individuals. The latter feel disenfranchised and resent those who benefit from the current economy.

Segments of the working class have thus undergone economic dislocation, which has greatly contributed to the ongoing hostility toward cultural changes. In this context, progress in equality and diversity is perceived by the negatively affected individuals as a zero-sum game that threatens their socioeconomic standings. Such sentiments are often amplified by social media, which creates echo chambers that reinforce existing beliefs, biases, and grievances thus contributing to societal polarization.<sup>6</sup> Evidence suggests that such environments not only deepen ideological divides but also hinder constructive dialogue across individuals holding differing political perspectives.<sup>7</sup>

Polarization is also evident across generational and demographic lines. Younger individuals, particularly those aged 18–24, report higher levels of societal disillusionment and hopelessness.<sup>8</sup> Such demographic shift has greatly contributed to the rise of radical right anti-establishment parties, as feelings of alienation drive political engagement towards more extreme positions. Conversely, older populations tend to exhibit greater contentment with the status quo. There is, in other words, a generational divide in perceptions of societal progress and cohesion.<sup>9</sup> A related trend linked to societal polarization is the decline of social trust and the weakening of democratic norms. As divisions deepen, individuals become more skeptical of institutions, media, and even fellow citizens. Such mistrust erodes the foundations of democratic societies, reducing civic engagement and making some members of society more vulnerable to extremist ideologies.<sup>10</sup> The decline in social cohesion creates a permissive environment for the spread of disinformation and the normalization of violent attitudes, which further exacerbates polarization.<sup>11</sup>

## 2. Societal polarization from the perspective of business executives

As discussed above, polarization is a defining feature of the current global economy. For this reason, in the 2025 IMD Executive Survey, we asked respondents to identify the leading sources of polarization in the countries in which they reside. While polarization takes different forms, it is often driven by shared socioeconomic and political factors. With this in mind, we asked participants to select which among five potential causes applied to the conditions in their country (multiple causes could be selected).<sup>12</sup> Those causes were social divisions (e.g., race, religion, ethnicity), political differences (e.g., partisan politics), social inequalities (e.g., economic, educational, racial), economic opportunities (e.g., jobs, business loans), and unequal access to education and healthcare. Through the opinion of senior executives

across 69 countries, we thus explore the underlying drivers of polarization. By analyzing their responses, we gain insights into the structural challenges contributing to societal polarization.

The overall analysis of survey responses shows that polarization drivers can be highly contextual to each region's development stage, political history, and structural challenges. Moreover, such societal divisions are deeply rooted in historical, economic, and political contexts, and continue to challenge social cohesion and the democratic stability of countries. In Box 1, we present the overall highlights of executives' opinions about the drivers of societal polarization.

### Box 1. Executive survey analysis: Key findings

#### A. Drivers of societal polarization highlights

##### 1. Political differences, highest concern (57.6% average)

- **Top 10 countries reporting largest percentages:** Brazil (93.9%), Spain (92.5%), Taiwan (89.6%), Slovak Republic (88.6%), Slovenia (87.1%), Argentina (86.8%), Venezuela (85.3%), Philippines (85.1%), Hungary (84.5%), Mexico (84.4%).
- **Highlight:** Latin American countries dominate, with the largest percentages in this aspect of polarization, suggesting severe political fragmentation in the region.

##### 2. Social inequalities, second highest (54.3% average)

- **Top 10:** Philippines (74.3%), Australia (73.9%), Chile (70.8%), Mexico (70.8%), Namibia (69.7%), Peru (69.3%), South Africa (67.8%), New Zealand (67.5%), China (66.7%), Thailand (65.1%).
- **Highlight:** The mix of developing and developed countries with large percentages shows that social inequalities are a global concern.

##### 3. Economic opportunities, moderate concern (41.1% average)

- **Top 10:** South Africa (74.6%), China (68.1%), Indonesia (66.1%), Türkiye (66%), Philippines (64.4%), Puerto Rico (63%), Korea (62.8%), Oman (61.3%), Namibia (60.6%), Venezuela (60.3%).
- **Highlight:** Emerging economies dominate the top countries, signaling struggles with structural economic challenges.

##### 4. Social divisions, variable by region (40.1% average)

- **Top 10:** Netherlands (71.2%), Türkiye (70%), Austria (69.1%), South Africa (67.8%), Sweden (66.7%), India (65.4%), Australia (63%), Nigeria (62.7%), Belgium (58.3%), Norway (57.8%).
- **Highlight:** Western European countries are prominent in this polarization driver's top results, suggesting that identity issues drive the region's polarization.

##### 5. Education and healthcare, lowest concern overall (25.3% average)

- **Top 10:** Chile (62.5%), Peru (60.2%), Mexico (57.3%), Venezuela (55.9%), Namibia (54.5%), Philippines (49.5%), Türkiye (48%), Brazil (44.7%), Mongolia (43.5%), Colombia (42.7%).
- **Highlight:** The largest percentages concentrated in Latin America, demonstrating how infrastructure gaps are leading to widening inequalities in the region.

## B. Regional Insights on Fragmentation

Africa	Latin America
<ul style="list-style-type: none"> <li>• Highest regional focus on economic opportunities, with an average of 61% compared to the global average of 41.1%. All six countries score above the global average in economic opportunities, with two countries (South Africa 74.6% and Namibia 60.6%) in the global top 10. Also, the region shows consistently high education/healthcare concerns (40.9% vs 25.3% global average). These results highlight Africa's structural development challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports highest political differences concern globally (81.0% vs 57.6% global average) with four countries in the global top 10. It also dominates in education/healthcare concerns (49.7% vs 25.3% global average) with six countries in the global top 10. All eight countries score above the global average in political differences, indicating that there are region-wide political fragmentation trends.</li> </ul>
Asia	Middle East
<ul style="list-style-type: none"> <li>• Strong representation across multiple categories with four countries in economic opportunities top 10 economies with largest percentages in that category. It shows above average political differences (56.1%) and social inequalities (57.9%). The latter are probably linked to rapid development transitions and continuous structural challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• Shows moderate economic opportunity concerns (47.3% vs 41.1% global average) with six out of eight countries above the global average, but relatively lower political differences (35.1% vs 57.6% global average).</li> </ul>
Eastern Europe	Eastern Europe
<ul style="list-style-type: none"> <li>• Highest percentage in political differences after Latin America (70.6% vs 57.6% global average) with three countries in the global top 10, which may signal post-transition political tensions. It shows one of the lowest education/healthcare concerns (17.6% vs 25.3% global average).</li> </ul>	<ul style="list-style-type: none"> <li>• Dominates the social divisions category (51.1% vs 40.1% global average) with five countries in the global top 10, led by the Netherlands (71.2%). It shows the lowest economic opportunity concerns (26.4% vs 41.1% global average). It also displays non-significant levels of inequality of economic opportunities but experiences identity-based polarization challenges.</li> </ul>

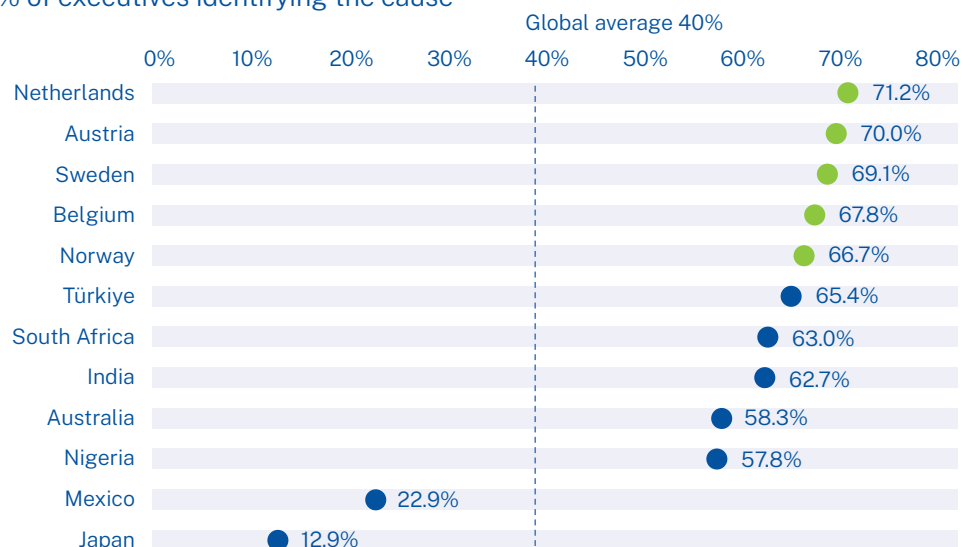
### 2.a. Social divisions

The countries with the highest percentage of respondents identifying social division as a primary cause of polarization include the Netherlands (71.2%), Türkiye (70%), and Austria (69.1%). Such trends in these high-income economies show that even in well-developed countries, societal cohesion can be threatened by entrenched cultural, ethnic, or religious divisions. In the case of Austria and the Netherlands, their high percentages may reflect anxieties linked to immigration, integration, and national identity. Such concerns have intensified in recent years. In Türkiye, social divisions may stem from longstanding tensions between secular and religious populations as well as ethnic minorities and the majority. Similarly, South Africa (67.8%), Sweden (66.7%), and India (65.4%) display high percentages in terms of concerns about social divisions. In South Africa, the legacy of apartheid still shapes present-day group disparities. Meanwhile, India, with its complex social hierarchy and religious diversity, presents a multifaceted picture of divisions. The performance of countries like Australia (63%), Nigeria (62.7%), and Belgium (58.3%) suggests that social divisions are a significant issue across different regions and income levels.

In contrast, among the countries where social divisions are least cited as a cause of polarization, Argentina (7.4%), Venezuela (11.8%), and Japan (12.9%) stand out. The notably low percentage in Argentina is particularly interesting, as the same country rates political differences extremely high (discussed below). The latter suggests that executives differentiate sharply between ideological and social divisions. In Venezuela, where economic and institutional crises dominate public debate, respondents may see other drivers like governance breakdowns or economic opportunity deprivation as more immediate. Japan's low score may reflect its relatively homogenous society, where ethnic or cultural tensions are less prominent. Other countries where social divisions were seldom selected include Thailand (14.2%), Jordan (15%), and Taiwan (Chinese Taipei, 16.3%). These results could reflect either stronger societal cohesion or executive perceptions that other structural or institutional problems take precedence. Romania (18.3%), Korea, Rep. (19.2%), Hungary (20.6%), and Mexico (22.9%) also show low percentages. The latter suggests that despite ongoing challenges, cultural and/or ethnic divisions are not viewed by elites as the main source of social fragmentation.

**Figure 1 — Social divisions as drivers of polarization, selected countries**

% of executives identifying the cause

● Western Europe  
● Other Regions


**Figure 1** presents, for a selected number of countries, the percentages of executives who reported social division as one of the main drivers of polarization. It compares those percentages to the global average (i.e., the mean percentage of executives across the 69 countries in the sample who cited social division as a driver of polarization) represented by a vertically bolded line. With this in mind, the figure shows that Western European economies dominate the countries

with the largest concern about social divisions as they strongly deviate from the global average. Such results indicate that in these countries there are widespread perceptions among executives that cultural fragmentation, immigration tensions, and identity-based cleavages are significant sources of societal polarization. Countries from other regions, however, show also high concern about social divisions (e.g., South Africa and India).

## 2.b. Political differences

Political polarization refers to the process by which public opinion splits and goes to ideological extremes. In a politically polarized society, individuals or groups increasingly align with ideologically consistent positions, typically liberal or conservative.<sup>13</sup> However, divisions can also occur between mainstream political parties and radical populist movements, both on the left and on the right.<sup>14</sup> Such societies display declining similarities among political positions or moderation among those positions. This divide is often marked by greater animosity between partisan groups, reduced willingness to compromise, and a decline in shared values.

Political polarization is reported most strongly in Brazil (93.9%), Spain (92.5%), and Taiwan (89.6%). Such results illustrate the extent to which ideological frictions have intensified globally. In such contexts, high polarization may reflect growing hostility between partisan groups, declining trust in democratic institutions, or challenges related

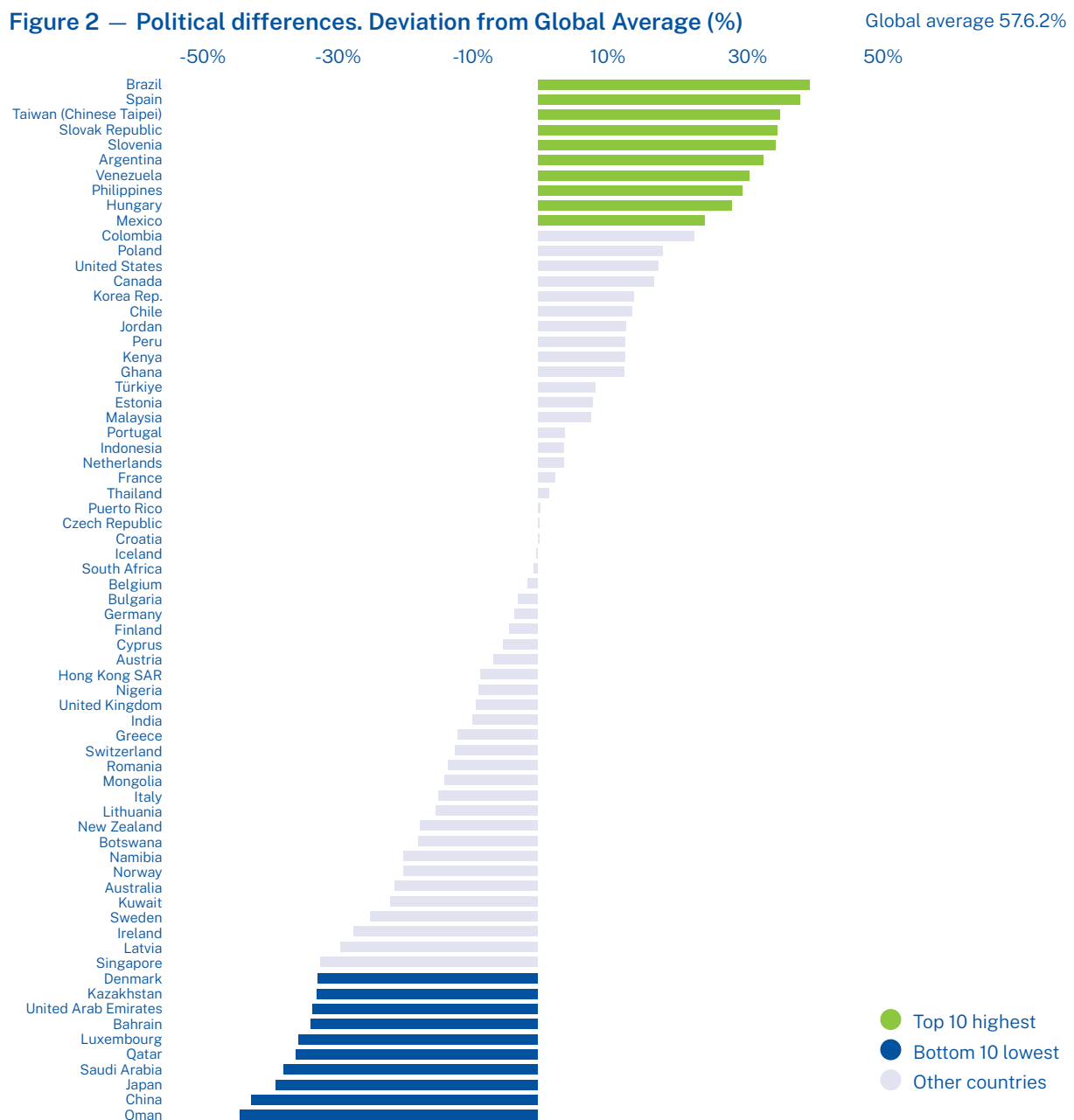
to political instability. Brazil's political context, for instance, has seen growing confrontation between populist and progressive movements, while Spain continues to deal with secessionist pressures and reactionary anti-immigration sentiments. Argentina (86.8%), Venezuela (85.3%), and the Philippines (85.1%) also exhibit deep political fragmentation.

The performance of Argentina and Venezuela is consistent with broader trends of populist mobilization and weakening institutional credibility accompanied by a deep ideological entrenchment in parts of Latin America. Conversely, Oman (12.9%), China (14.5%), and Japan (17.7%) report the lowest concern over political fragmentation as a cause of societal polarization. These findings likely reflect political systems with strong centralized control, limited pluralism, or limited public dissent. In such systems, polarization may either be subdued by institutional design or perceived as less of a public threat, particularly by elites. Saudi Arabia (18.0%) and Qatar (18.4%) follow a similar trend. The list

of countries with limited concern about political fragmentation, however, also includes established democracies like Luxembourg (20.3%) and Denmark (29.6%). In the latter, consensus around democratic norms and governance may contribute to low perceptions of political divisions.

In **Figure 2**, the global average of executives across the sample who report political differences as a driver of polarization is represented by the middle horizontal line. Each bar in the figure shows how far a country's percentage deviates from the global average of 57.6%. For example, Brazil's deviation value of +36.3% indicates that 93.9% of executives there cited political differences as a driver of polarization. Brazil's value is far above the global average. In contrast, Denmark's deviation of -25.6%

indicates that only 29.6% of executives in the country view political differences as a primary driver. Such deviations highlight how polarization intensity varies significantly across countries. The figure, furthermore, presents a clear divide among countries. Executives in highly polarized environments, particularly in Latin America and Eastern Europe, report exceptionally high levels of concern regarding political differences. These countries often face institutional distrust, ideological fragmentation, or populist cycles. Conversely, countries in the bottom group tend to exhibit centralized or consensus-based political systems, where polarization is either structurally contained or less publicly articulated. High polarization, however, can occur in both developed (e.g., the US) and developing economies (e.g., the Philippines).

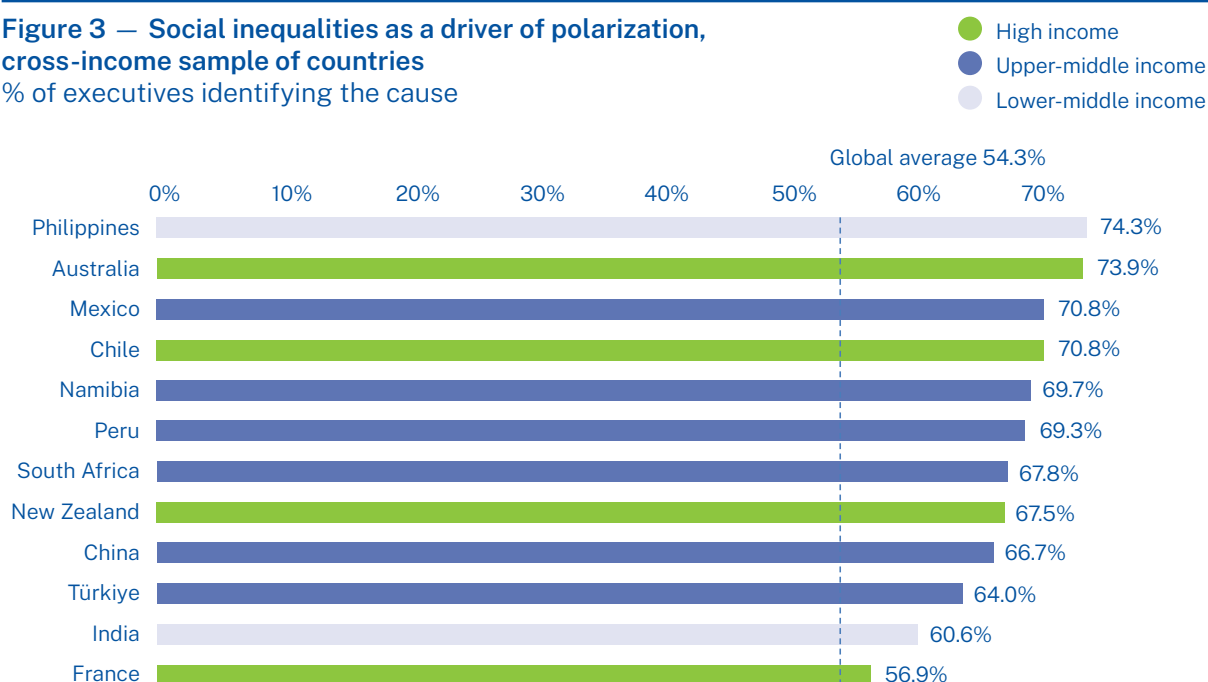


## 2.c. Social inequalities

Executives in the Philippines (74.3%), Australia (73.9%), and both Chile and Mexico (70.8%) place particular emphasis on social inequality as a leading driver of polarization. This reflects critical disparities in the distribution of wealth and other resources and the fairness of rewards (e.g., salaries) among different social groups and individuals. The high percentages in Australia and New Zealand (67.5%) show that inequality is not just a concern in emerging markets but also in advanced economies. Namibia (69.7%), Peru (69.3%), South Africa (67.8%), and China (66.7%) also display high percentages. The latter results reveal how the legacies of colonialism, structural poverty, and uneven development continue to define socioeconomic patterns. Furthermore, Thailand's performance (65.1%) supports the notion that rapid development can coincide with persistent inequalities.

The countries least likely to cite social inequalities as a major source of polarization include Taiwan (21.5%), Iceland (23.6%), and Oman (29.0%). These economies may enjoy relatively high standards of living and social safety nets, or, in the case of Oman, a more centralized resource distribution model. Similarly, Jordan (32.0%) and Canada (34.0%) display low percentages in this regard. Canada's performance perhaps echoes business executives' high levels of confidence in its universal social services. Other countries with low percentages of citing social inequalities as a cause of polarization include Saudi Arabia, Qatar, Slovenia, and Spain, which may underline a mixture of welfare state dynamics and economic affluence.

**Figure 3 — Social inequalities as a driver of polarization, cross-income sample of countries**  
% of executives identifying the cause



In **Figure 3**, we illustrate that social inequalities are a global concern. Specifically, such inequalities are not confined to any one income group or region. Executives from high-income countries like Australia and France report strong concerns, as do those from upper-middle-income economies such as Mexico and South Africa, and lower-middle-income countries like India and the Philippines. Such

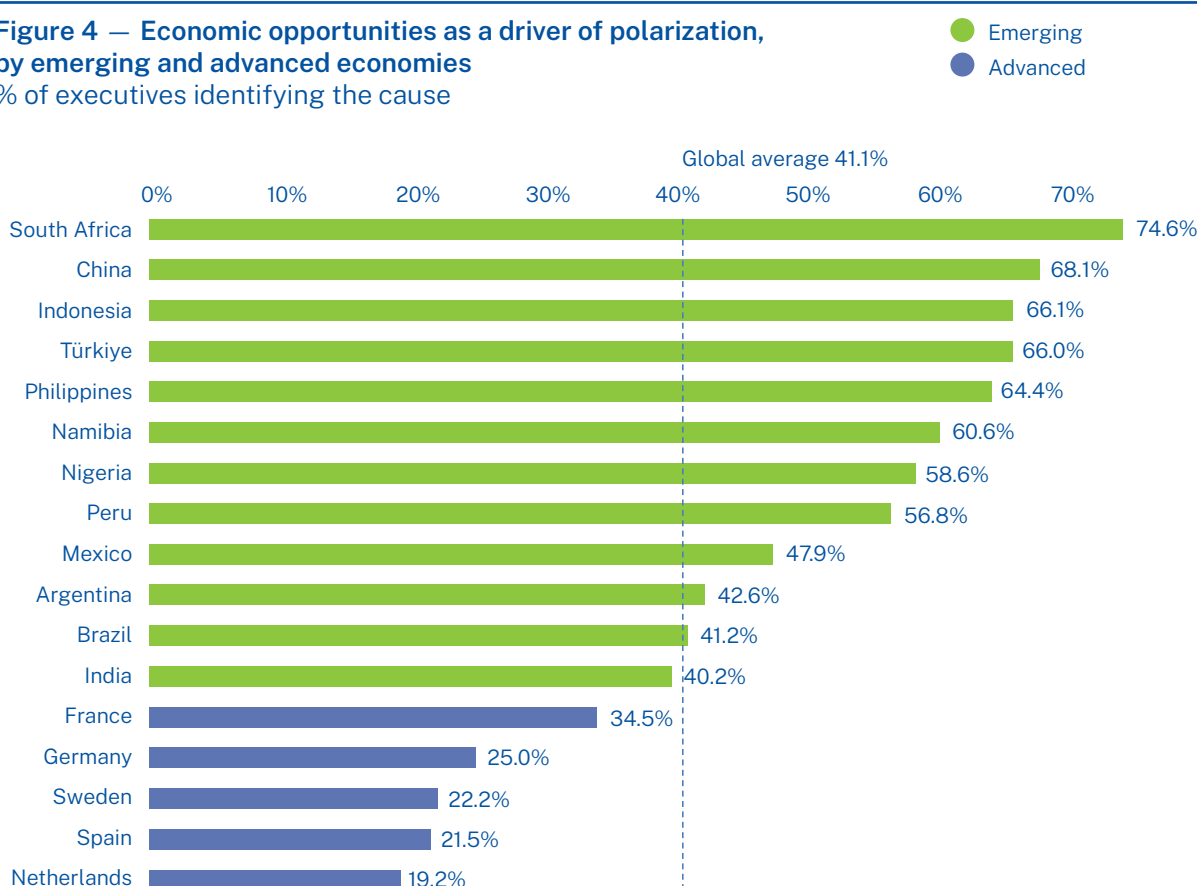
widespread distribution of high concerns across income categories reflects the global nature of inequality-related issues. While the root causes may vary from historical exclusion to uneven growth or public service gaps, the outcome is a broadly shared perception among respondents that social inequality is a major driver of societal polarization.

## 2.d. Economic opportunities

South Africa (74.6%) tops the list with respect to the perceived lack of economic opportunity, alongside China (68.1%), Indonesia (66.1%), and Türkiye (66%). These responses underline the pattern that when economies fail to generate inclusive growth, frustration and alienation rise. The Philippines (64.4%) and Puerto Rico (63%) also reinforce such a trend. Korea (62.8%), Oman (61.3%), Namibia (60.6%), and Venezuela (60.3%) further illustrate concerns about upward mobility and job creation in varied economic settings.

Among the lowest scorers in economic opportunities are Denmark (11.1%) and Iceland (14.5%) – both Nordic countries with strong labor markets and equitable income distribution. Jordan (16%), the Netherlands (19.2%), and Poland (19.7%) also suggest confidence in job access and economic stability. The presence of Canada (20%), Slovak Republic (20%), Spain (21.5%), Switzerland (22.1%), and Sweden (22.2%) among the lowest scorers highlights the role of strong institutions and labor policies in reducing polarization due to gaps in access to opportunities.

**Figure 4 — Economic opportunities as a driver of polarization, by emerging and advanced economies**  
% of executives identifying the cause



**Figure 4** reveals that executives in emerging economies perceive a lack of economic opportunities as a major driver of polarization. Countries such as China, Indonesia, and Namibia are among the economies with over 60% of executives reporting this issue. It thus suggests a general concern in countries experiencing structural inequalities, high unemployment, or uneven development. At the

same time, advanced economies like Sweden and the Netherlands fall well below the global average (41.1%). Such results imply strong confidence in their economic systems' ability to deliver equitable access to opportunities and/or the presence of more pressing societal concerns such as identity politics or governance issues.

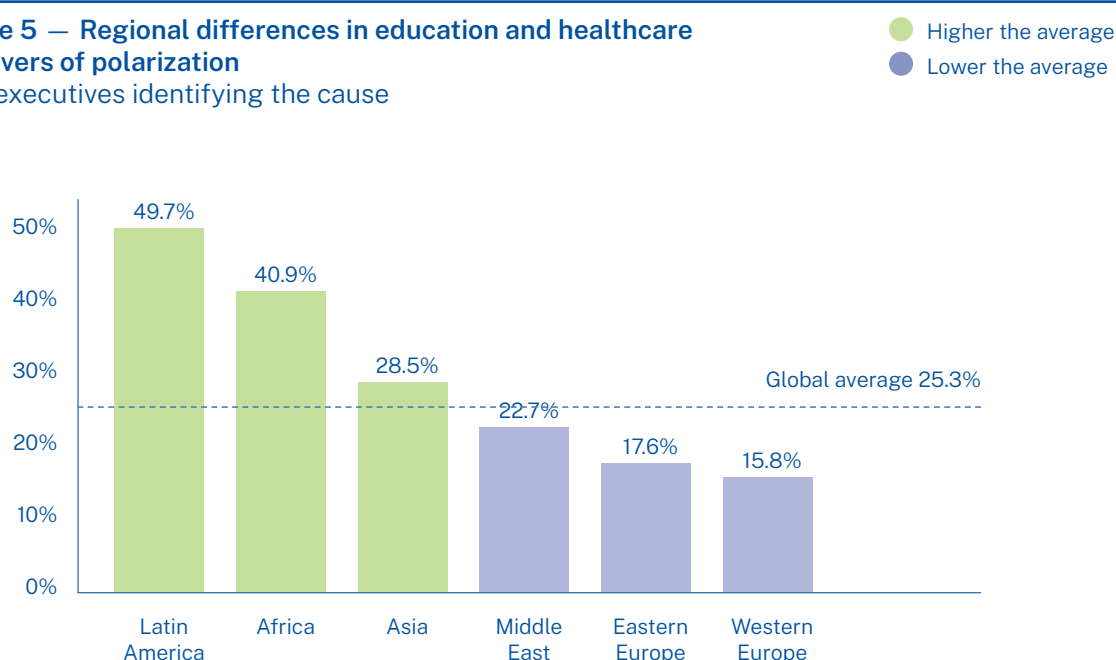


## 2.e. Education and healthcare

Although education and healthcare are cited as drivers of polarization less frequently overall, countries such as Chile (62.5%), Peru (60.2%), and Mexico (57.3%) show strong concerns about the unequal provision of such services. The latter are public goods essential for social integration. Venezuela (55.9%), Namibia (54.5%), and the Philippines (49.5%) reflect similar frustrations. Türkiye (48%), Brazil (44.7%), Mongolia (43.5%), and Colombia (42.7%) suggest that public service delivery remains a significant concern in many

middle-income economies. Conversely, Iceland (1.8%), Sweden (2.2%), and Hungary (4.1%) recorded the lowest percentages. Such performance likely underlines strong and inclusive public service systems. Taiwan (5.2%), Spain (5.4%), and Canada (10%) further present this trend. In these countries, high-quality, universally accessible systems are likely to reduce service-based grievances. Effective delivery of education and healthcare-related services offers protection against societal polarization driven by unequal access to such services.

**Figure 5 — Regional differences in education and healthcare as drivers of polarization**  
% of executives identifying the cause



In **Figure 5**, Latin America stands out as the region with the highest share of executives (49.7%) identifying education and healthcare as significant drivers of societal polarization. This result is in line with persistent inequalities in service access, especially in rural and marginalized communities, and supports concerns seen in country-level results from Chile, Mexico, Peru, and Venezuela. Africa (40.9%) follows. The latter result is evidence of the region's overall infrastructure and investment in public services challenges. Although often underemphasized in overall discussions, African executives perceive education and healthcare as

critical social fractures. In addition, Asia (28.5%) places slightly above the global average (25.3%). Respondents' perceptions thus suggest that there are growing concerns around equity in public service provision in the region. Conversely, the Middle East (22.7%), Eastern Europe (17.6%), and Western Europe (15.8%) all fall below the global average. For Western Europe, this is likely because of high levels of confidence in their welfare states. In contrast, lower concern in the Middle East and Eastern Europe may suggest other drivers such as economic or political differences take precedence in perceptions of polarization.



---

## Social cohesion is an economic necessity

The findings of the 2025 Executive Opinion Survey suggest that business leaders are increasingly aware of the systemic nature of societal polarization. The fact that senior executives across a diverse set of countries identify common structural deficiencies in those countries, ranging from political instability to uneven access to economic opportunity, indicates that polarization is not a marginal or isolated problem. Rather, it is a pervasive condition that affects the strategic environment in which enterprises operate.

In such a context, polarization becomes both a risk and a constraint to long-term competitiveness. It creates uncertainty for investors, reduces the quality of policymaking, and undermines the legitimacy of institutions that are essential for stable economic governance.

Societal polarization is shaped by several factors that include affective divisions, economic disparities, and generational differences. It is thus a multifaceted issue that requires a comprehensive approach. The latter should foster inclusive dialogue and implement policies aimed at reducing economic and social disparities.

A better understanding of the drivers of polarization can enable societies to work towards restoring trust, enhancing democratic resilience, and building a more cohesive social structure. Furthermore, countries that manage to constrain polarization are likely to become more attractive environments for investment and inclusive growth. Doing so, however, will require consistent efforts to bridge gaps in access to opportunity, address governance deficits, and design institutions that are responsive to the concerns of all citizens.

From a competitiveness perspective, reducing polarization is not just a moral imperative, but also an economic necessity. Building social cohesion, enhancing voice and representation, and investing in universally accessible services will be key to creating environments that are resilient and prosperous, and that ultimately can achieve greater competitiveness.

---

# Key trends and regional shifts in the 2025 WCR

---

Fabian Grimm  
WCC Research Specialist

The 2025 IMD World Competitiveness Yearbook reveals a dynamic reshuffling among the world's top 10 most competitive economies, with Switzerland reclaiming the top spot, followed closely by Singapore and Hong Kong SAR. A common thread among these leading economies is their ability to maintain strong institutional frameworks, robust infrastructure, and adaptive governance models. Switzerland, for instance, continues to dominate in Government Efficiency and Infrastructure, while Singapore and Hong Kong remain strong in Economic Performance and Business Efficiency despite facing emerging challenges in cost structures and workforce adaptability. Furthermore, economies like the UAE and Taiwan (Chinese Taipei) have made significant advances, mainly because of improvements in business dynamism, investment flows, and innovation capacity.

Across the board, the top performers exhibit a blend of stability and reform, balancing long-standing institutional strengths with targeted responses to evolving global pressures. While Denmark and Sweden maintain their positions through excellence in infrastructure and social cohesion, they also face challenges from high operational costs and labor market constraints. Ireland and the Netherlands, though still within the top tier, show signs of strain in productivity and investment flows. The latter are likely the results of the volatility of global capital and the importance of sustained innovation. Meanwhile, Qatar's entry into the top 10 highlights the growing competitiveness of Gulf economies, boosted by strategic investments in labor market efficiency and financial infrastructure. In short, this year's results highlight a global context in which agility, inclusiveness, and forward-looking policy frameworks are becoming critical determinants of competitiveness.

Results highlight a shifting global landscape where regional disparities persist, but new momentum is emerging in less traditionally competitive areas. While Eastern Asia and Western Europe remain institutional leaders, gains in regions like Western Asia & Africa and South America reflect the growing importance of government efficiency as a foundation for resilience. Countries that combine

strong institutions with inclusive outcomes are better positioned to manage polarization, withstand external shocks, and sustain long-term competitiveness. The latter makes effective governance a defining advantage in today's uncertain global environment.

## Top performers

### Switzerland (first)

Switzerland continues to demonstrate robust performance in the 2025 IMD World Competitiveness Yearbook (WCY), claiming first position overall, a one-spot improvement from its 2024 ranking. This result demonstrates the country's resilient and stable economic and societal structures. A closer analysis shows that Switzerland continues to lead globally in Government Efficiency and Infrastructure, maintaining its first position in both factors from the previous year. Yet, performance in the Economic Performance and Business Efficiency factors is more nuanced and moderate, with Economic Performance slipping by one position to 13th and Business Efficiency also declining by one position to sixth. Despite these minor shifts, Switzerland's overall profile remains very strong across all dimensions of competitiveness.

The basis of Switzerland's strong performance is its unparalleled strengths in Government Efficiency and Infrastructure. The country's governance model consistently ranks highly in all five subfactors of the Government Efficiency factor, with the economy taking top position in both Public Finance and Institutional Framework, reflecting high levels of policy adaptability and stability. Within the Infrastructure factor, Switzerland excels across multiple dimensions, including its education system which maintained its first position in 2025. While Scientific Infrastructure experienced a minor decline from second to third, it continues to boost the country's attractiveness, as suggested by substantial total expenditure on R&D (3.30% of GDP). Similarly, in the Health & Environment subfactor, despite experiencing a small decline from first to third, Switzerland continues to showcase strengths such as a high life expectancy at birth (83.95 years). A

---

key contributor to its economic strength this year was an improvement in the International Investment subfactor, which rose from seventh to sixth. This was largely the result of improvements in indirect investment flows abroad (% of GDP), which surged 61 places from 64th in 2024 to third in 2025, with an outflow equivalent to 11.73% of GDP. Moreover, Switzerland demonstrated the ability to enforce effective measures for the integration of young people into the labor force, with its youth exclusion rate dropping to just 6.61% (improving considerably from 22nd to ninth in 2025).

Despite its leading position, the 2025 results also highlight areas where Switzerland faces challenges or experienced a relative decline. In the Economic Performance factor for instance, while still strong in 13th, the country fell by one rank. A particular concern for the Swiss economy in this regard is the Prices subfactor, where it fell further four places from 61st to 65th. This deterioration is reflected in specific indicators such as gasoline prices, where Switzerland dropped 11 places to 64th (with a price of \$2.06 per Liter), and the cost of living index, which saw a two-position decline to 64th (index value of 109.75).

These movements underscore the high-cost environment that businesses in Switzerland operate under, which can further hinder important aspects of national competitiveness such as innovation or the ease of doing business. Consumer price inflation, though relatively low at 1.06%, also dropped two places to eighth. Similarly, the Employment subfactor experienced a modest drop, moving from 23rd to 25th, impacted primarily by a significant 23-rank drop in employment growth which fell from 21st to 44th with a growth rate of 0.56%. Likewise, the Business Efficiency factor saw a marginal decline from fifth to sixth, indicating how the country mustn't drop the ball if it is to maintain its edge in this domain. In the International Investment subfactor, Switzerland's portfolio investment liabilities saw a substantial decrease in ranking, dropping 52 places from 13th to 65th and shifting from an inflow of \$14.48bn in 2024 to an outflow of \$6.69bn in 2025, indicating a withdrawal of foreign investment from domestic securities.

#### Singapore (second)

Singapore's performance demonstrates resilience, securing second position overall among 69 economies. Although this marks a modest drop from its 2024 position, it continues to be a global leader in competitiveness. Interestingly, Singapore ranks in the top 10 across all four competitiveness factors. Its cross-factor strength underlines a robust and future-oriented economy. Singapore improved in Economic Performance, increasing two positions to reach the top spot. With regard to Government Efficiency, Singapore drops one position to third. Under Business Efficiency, however, the country recorded its biggest decline, from second to eighth. Performance in the Infrastructure factor weakened slightly from fourth to sixth.

In Economic Performance, Singapore's top rank is mainly the result of high growth in GDP and capital formation, as well as notable improvements in the export of goods and commercial services. This combined drive in the Domestic Economy and International Trade subfactors was significant enough to offset the slight declines in the International Investment (from second to third) and Employment (from fifth to sixth) subfactors. Singapore's biggest challenge under Economic Performance remains in the Prices subfactor, where it experienced a deterioration from 62nd to 67th, mainly driven by high gasoline prices, expensive office rent, as well as a high cost of living index value.

Government Efficiency continues to be a key strength of Singapore's competitiveness. Despite a minor drop from second to third place, its high ranking in 2025 shows continued excellence in Public Finance, Tax Policy, Institutional Framework, Business Legislation, and Societal Framework. Such results confirm a stable and effective governance model that leads to strong performances in government expenditure and budget surplus, balanced tax policies, a reliable and transparent bureaucracy, as well as a fair societal framework with strong social cohesion.

This year, the most significant shift in Singapore's competitiveness landscape is in Business Efficiency, which experienced a decline from second to eighth

position. This change results from a broad-based fall in performance across several crucial subfactors. Management Practices, for instance, dropped to 12th. Entrepreneurship plummeted to 56th (score: 5.35 out of 10), whilst the use of big data and analytics indicator fell significantly to 30th (score: 5.68). Similarly, customer satisfaction also saw a decline from ninth to 22nd (score: 7.33). In the Attitudes & Values subfactor, which fell from first position to 11th, substantial drops were recorded in the flexibility and adaptability (26th) and digital transformation (19th) indicators. A slight dip was also recorded in the need for economic and social reforms (fourth). Similarly, the Labor Market subfactor also recorded a small decline, falling from first to seventh. Key indicators contributing to this trend include falls in executives' perceptions of apprenticeships (30th), employee training (19th), and the availability of skilled labor (14th). These shifts suggest emerging challenges in maintaining the previously world-leading dynamism and responsiveness of Singapore's business environment and workforce to global trends.

In the Infrastructure factor, Singapore's rank decreased from fourth to sixth. This overall decline is reflected in several of its subfactors. Small drops were observed under Scientific Infrastructure (from 13th to 15th) and Health & Environment (from 28th to 29th), though a more pronounced change was observed in the Education subfactor, where Singapore's ranking fell from third to eighth. The latter could indicate a relative decline in a critical component of long-term competitiveness, and particular attention should be given to total public expenditure on education (which currently represents a mere 2.06% of Singapore's GDP, rank 63), the relatively low number of women with degrees (33.2%, rank 42), and the country's university education index (ranked 35th with a value of 5.87).

### Hong Kong SAR (third)

Hong Kong SAR advanced two positions to secure third spot in the 2025 World Competitiveness Yearbook, up from fifth in 2024. Gains across all four factors of competitiveness underpin such an advancement. The latter highlights a broad-based approach to attracting private-sector actors. Hong Kong's main strengths lie in Government Efficiency and Business Efficiency, ranking second in both factors and highlighting the importance of strong collaboration between the public and private sectors. Following a five-rank improvement in Economic Performance, the country also reintegrates the top 10 for that factor, achieving sixth position globally. A slightly more moderate two-position improvement in

the Infrastructure factor sees Hong Kong achieve a robust seventh place.

In the Economic Performance factor, Hong Kong improved five positions to sixth but showed mixed subfactor results. For instance, the Domestic Economy subfactor dropped from 25th to 26th, influenced by a slowdown in real GDP growth which registered a rate of just 2.5% (falling from 12th to 28th). The Employment subfactor also weakened from 25th to 30th position, driven by a sharp decline in employment growth from 27th to 57th (-0.13% contraction in 2025). The unemployment rate remained stable at 11th (3.0%), while youth unemployment worsened slightly from 18th to 21st (9.5%).

However, Hong Kong continues to be a leader in Government Efficiency, further solidifying its position by taking the second spot globally, from third in the previous year. This performance demonstrates a path to achieving greater competitiveness that emphasizes strongly the importance of robust and reliable institutional frameworks to support businesses conducting their activities. For instance, Hong Kong receives high marks from business leaders in the legal and regulatory framework and bribery and corruption indicators, scoring 8.19 and 8.21 out of 10 in the survey data, indicating a transparent and fair business environment.

Hong Kong's Business Efficiency ranking also improved from seventh to second, supported by advances in the Finance subfactor from fourth position to second. This strong financial sector performance was reflected across multiple indicators, including executives improved perception of stock market effectiveness which rose from 11th to second with a survey score of 7.79, and shareholder rights which increased considerably from 18th to seventh with a survey score of 8.14. These improvements occurred alongside consistently high banking sector assets which maintained second position globally at 576.03% of GDP, indicating the depth of Hong Kong's financial infrastructure.

The Infrastructure factor also saw improvement, with Hong Kong moving up two places from ninth to seventh. This progress was supported by enhancements across several key areas including Scientific Infrastructure, which edged up from 23rd to 22nd, and Health & Environment which improved from 10th to ninth. The most significant improvement occurred in the Education subfactor, however, where

---

Hong Kong climbed two places to claim second place. This high ranking highlights the strong PISA assessment scores achieved by students in Hong Kong, who averaged nearly 40 points more than the global average, and the positive perceptions of Hong Kong's university education (survey score of 8.05).

#### Denmark (fourth)

Denmark maintains its place among the world's most competitive economies, ranking fourth in the 2025 IMD World Competitiveness Yearbook, a slight drop from third in 2024. Despite the small shift, the underlying performance remains strong, with Denmark excelling in Business Efficiency (first) and Infrastructure (second), while Economic Performance improved significantly from 22nd to 15th. The most prominent improvements in the latter factor came within the International Investment subfactor, where direct investment flows abroad (% of GDP) jumped 24 places to ninth (3.72%), and portfolio investment assets rose from 59th to 26th (\$18.01bn). Direct investment flows inward also climbed 19 places to 29th. However, Denmark's economy underperformed in the Employment subfactor (falling from 30th to 38th) with its unemployment rate rising to 6.18% (45th) and youth unemployment reaching 14.52% (44th).

Like most economies in this year's top 10, Denmark displays a robust performance in the Government Efficiency factor. Within the Government Efficiency factor, it performs strongly in Public Finance (fifth), Institutional Framework (third), Business Legislation (third), and Societal Framework (first). Some examples of Denmark's major strengths include the lack of media bias (first), press freedom (second), its respect for the rule of law (second), and its high Democracy Index (seventh). However, tax policies in Denmark may stifle business dynamism and the innovation of its firms, with executives scoring a mere 4.88 out of 10 for the attractiveness of the country's real personal taxes (36th). With collected total tax revenue representing nearly 44% of GDP (66th) and personal income tax on profits and income representing just under 25% of GDP (67th), Danish businesses operate in a tight fiscal context that may cause a crowding-out of investment.

Business Efficiency (first) remains Denmark's strongest competitive factor. In the latter factor, it achieves top spot in the Productivity & Efficiency subfactor and second in Management Practices. Overall productivity in purchasing power parity ranks 13th globally with \$141,750 of GDP per person

employed, and executives have scored the Danish economy amongst the top 10 in eight of the 10 survey questions related to management practices, including adaptability to changing market conditions (score of 8.04, second), the effective use of big data and analytics (score of 7.08, second), and social responsibility (score of 7.88, third). However, high compensation levels (\$51.90/hour, 65th) and low average working hours (1384.44 annually, 68th) reflect a high-cost structure for firms operating in Denmark.

Performance in the Infrastructure factor was particularly robust in 2025, with top-tier scores in Technological Infrastructure (second), Health & Environment (fourth), and Education (Fourth). Though Denmark is one of the world's most competitive economies, persistent high living and operational costs, evident in wage levels, working hours, gasoline prices, and a high cost of living index of 88.40, could also negatively impact the competitiveness of firms. Nonetheless, Denmark continues to set a global benchmark in business and infrastructure, and with careful attention to future dynamics in employment and cost structures, it is well-positioned to maintain its status as a leader in competitiveness.

#### United Arab Emirates (fifth)

The United Arab Emirates (UAE) has achieved a significant milestone in the 2025 IMD World Competitiveness Yearbook, climbing two spots to fifth place – its highest-ever ranking. Like others at the top of the ranking, UAE's advancement reflects broad-based improvements across multiple dimensions of competitiveness. It highlights the benefits of a balanced strategy in achieving greater levels of prosperity. At the factor level, UAE performed well in Business Efficiency, which improved significantly by seven ranks from 10th to third. The Economic Performance and Government Efficiency factors remained strong, maintaining their second and fourth positions respectively, and further underscoring the UAE's economic dynamism, commitment to effective governance, and business-friendly environment. Infrastructure, historically the UAE's weakest factor, also improved, rising two spots from 25th to 23rd. This results from gains in Scientific Infrastructure (28th), Health & Environment (33rd), and Education (22nd) subfactors.

Business Efficiency saw the most notable improvement compared to last year, with the Labor Market subfactor achieving the top spot. Executives' perceptions of the effectiveness of apprenticeships in the Emirates rose significantly from 27th to sixth,



as well as their experience of worker motivation, which climbed to 12th with a score of 6.91 out of 10. Yet, challenges remain in female workforce participation, which declined slightly from 63rd to 65th, with only 23.61% of women engaged in the labor force. The Productivity & Efficiency subfactor rose from 13th to fourth, supported by increased confidence in both large corporations (fifth) and SMEs (16th), although Overall productivity (PPP) –real growth dipped from fourth to fifth, despite a strong growth rate of 4.67%. Management Practices improved to 24th, bolstered by significant gains in auditing and accounting practices from 48th to 24th (with a score of 7.64) and the perceived competency of corporate boards from 31st to eighth. Conversely, Entrepreneurial fear of failure worsened with 48.64% of respondents indicating that fear of failure would prevent them from starting a new business and taking entrepreneurial risks.

The UAE's key strengths in 2025 lie in its dynamic business environment, robust economic fundamentals, and highly effective government policies. The country's attractive tax structure (9% corporate tax), strong regulatory environment, and high-performing indicators, such as the ability of the economy to encourage the creation of firms (survey score 8.91), attract foreign highly skilled personnel (8.91), and cybersecurity (7.64), position it as a top destination for investment and innovation. Infrastructure indicators like air transportation (9.45 out of 10) and energy infrastructure (9.27 out of 10) reflect the country's ongoing commitment to world-class logistics and utilities. Despite these achievements, Infrastructure remains the UAE's comparatively weakest factor. While progressing, indicators such as R&D spending (1.19% of GDP, rank 34), patent grants, (323 patents granted; rank 45), and patent applications per capita (9.29 per 100,000 inhabitants) highlight the need for greater focus on innovation. Environmental sustainability also presents challenges, with high CO2 emissions intensity (394.15 tons per \$1m GDP, rank 54) and a very low share of renewable energy (0.90%, rank 63).

In terms of social inclusion, female labor force participation and leadership remain areas for improvement, with only 12% of board positions held by women. The rise in entrepreneurial fear of failure, down 22 places to 36th, may also signal cultural or systemic barriers to risk-taking that could hinder long-term innovation and startup growth. Ultimately, UAE's strong showing in the 2025 rankings confirms

its status as one of the world's most competitive economies. To maintain momentum, the UAE needs to intensify efforts in scientific research, education, environmental sustainability, and social equity, ensuring that future growth is both inclusive and innovation-driven.

### Taiwan (Chinese Taipei) (sixth)

Taiwan (Chinese Taipei) improved its position in the 2025 rankings, advancing to sixth position from eighth in 2024. This two-rank rise reflects a significant boost in Economic Performance (10th) and continued strengths across Business Efficiency (fourth), Government Efficiency (eighth), and Infrastructure (10th). The most notable change occurred in Economic Performance, where Taiwan advanced 16 positions to 10th. This is the result of improvements in the Domestic Economy subfactor, which rose from 13th to fourth, driven by indicators such as Real GDP growth per capita (up 28 places to fourth, at 4.68%). In the International Trade subfactor, Taiwan improved from 48th to 30th, supported by a rise in Goods export growth (eighth, 9.72%) and in Services export growth (28th, 8.95%). The International Investment subfactor also advanced from 33rd to 22nd, with the portfolio investment liabilities indicator improving 30 ranks to 32nd and Direct investment abroad reaching 11th at 3.26% of GDP. However, inward direct investment declined slightly from 31st to 36th, with flows totaling \$5.7bn.

Taiwan also advances in Business Efficiency from sixth to fourth place, led by its high productivity (\$153,623.62 per employee in PPP) and real productivity growth of 5.19%. Improvements in business sentiment were also recorded across the board with some notable upward jumps such as the perception that apprenticeships are well implemented (up six positions to 12th) and that skilled labor is more readily available (up nine positions to 27th). On the other hand, important declines occurred in the number of working hours (down 17 positions to 25th), and the threat of brain drain on the local economy (down 10 to 45th).

Government Efficiency held steady at eighth globally. Public finances (third) are well-managed with relatively low total general government debt as a percentage of GDP (25.73%, seventh) and a perception from executives that they do not hinder economic activity (6.44 out of 10, 13th). Tax Policy (ninth) and Institutional Framework (11th) subfactors also perform strongly, though the latter

---

experienced a five-position decline, partly due to a significant fall in exchange rate stability. In the Business Legislation subfactor (19th), Taiwan records some interesting positive movements with regard to investment incentives (up seven to 16th) and competition legislation (up nine to 16th). Though the Societal Framework subfactor ranks 18th, Taiwan's overall performance at the indicator level within this subfactor experienced a declining path. Risk of political instability (dropped to 44th), falling social cohesion (34th), and gender inequality (14th) are a few notable examples that deserve particular attention.

Taiwan's Infrastructure factor remained 10th, highlighting a stable trajectory grounded in sound foundations. Scientific Infrastructure improved from sixth to fifth, backed by substantial R&D investment at 3.97% of GDP and a high number of patent applications per capita (232.24). Education rose from 14th to 11th, supported by an 81% achievement rate in higher education and favorable pupil-teacher ratios in both primary (12.2) and secondary education (11.5). However, Health & Environment declined slightly from 24th to 25th. While life expectancy remains high at 80.2 years, survey responses on Pollution Problems (6.35 out of 10, 27th) and an Environmental Performance Index score of 50.1 (42nd) suggest that Taiwan could focus on environmental factors to improve the public health of its citizens.

#### **Ireland (seventh)**

Ireland falls three positions from its fourth place in 2024 but maintains its strong competitiveness levels. This drop reflects a mixed performance across competitiveness factors, with strong results in Government Efficiency and investment balanced against setbacks in productivity and Business Efficiency. Economic Performance improved slightly, moving from 10th to ninth place. A standout within this factor is Ireland's Portfolio investment assets which rose considerably to a total of \$318.17bn and grabbed the top spot (from 61st last year). However, this strength was offset by sharp declines in other investment flows: Direct investment flows abroad fell from 28th to 67th with a net outflow of \$6.60bn, and Direct investment flows inward dropped from 53rd to 66th, recording a net inward disinvestment of \$9.17bn. These figures highlight Ireland's growing reliance on portfolio investments while signaling difficulties in sustaining direct capital flows.

Government Efficiency continued to be a core strength. In the latter, it rises one position to fifth. Despite some declines in business sentiment on

areas such as protectionism (down nine to 11th) or the availability of foreign investments (down 12 to 13th), executives remain optimistic about issues such as real personal taxes (28th) and the cost of capital (10th). By contrast, the Business Efficiency factor declined significantly from third in 2024 to 11th in 2025. This resulted primarily from a sharp drop in the Productivity & Efficiency subfactor (sixth to 22nd) due in part to Overall productivity (PPP) growth, experiencing a negative rate of -5.02% in 2025. Although Overall productivity (PPP) remained relatively strong at \$108,028 per employed person, Ireland's rank declined slightly from 27th to 29th.

Infrastructure maintained its 17th place overall, though subfactor movements reveal diverging trends. Scientific Infrastructure edged up from 20th to 19th, whilst Health & Environment dipped slightly from ninth to 11th. A slightly larger drop was experienced in the Education subfactor, which declined from 12th to 16th. While Ireland still benefits from favorable pupil-teacher ratios (13.45 in primary and 12.25 in secondary), these are not keeping pace with other leading economies, signaling a potential weakening in educational competitiveness that could affect long-term innovation and workforce readiness.

#### **Sweden (eighth)**

Sweden moves down two places from sixth position. While still firmly within the most competitive economies globally, this decline reflects a mixed performance across the four core competitiveness factors. Sweden saw improvements in Economic Performance and Government Efficiency and maintained its high-performing Infrastructure but experienced a decline in Business Efficiency. Economic Performance improved slightly, rising from 23rd to 20th, driven by a 10-place gain in International Trade to 13th. This was largely due to a surge in the growth of its Exports of commercial services, which jumped from 39th to 15th with a 2025 growth rate of 12.07%. Sweden also improved its Current account balance to 13th, registering a surplus of 7.43% of GDP. However, weaknesses persisted in the Employment subfactor, which fell from 48th to 56th. Employment growth turned negative at -0.62%, youth unemployment rose to 22.07% (ranking 60th), and long-term unemployment increased slightly to 1.7%, ranking 37th.

Government Efficiency strengthened slightly, moving from 10th to ninth, supported by a high Rule of Law Index score of 93.40 (12th globally) and a relatively low government debt level of 32.64% of GDP (10th). According to executives, transparency remains

a core value of the Swedish government, though its strong ninth rank represents a two-position decline compared to the previous year. The most significant setback was in the Business Efficiency factor, which dropped from fourth to ninth. The decline was primarily due to a sharp fall in the Management Practices subfactor, which fell from fourth to 14th. Within this subfactor, the perceived ability of firms to respond to changing market conditions dropped from fourth to 35th (score of 6.89), and the ability to anticipate opportunities and threats fell from 10th to 41st (score of 5.95). Despite such drops, Sweden's workforce remains productive and broader business performance remains strong.

Infrastructure continues to be Sweden's greatest strength, holding its third position and demonstrating the robustness of its scientific, educational, and environmental commitments. The Health & Environment subfactor improved to become the best in the world, supported by high life expectancy (83.26 years), near-total wastewater treatment (96.98%), a strong Environmental Performance Index (70.3), and a high share of renewables in energy consumption (48.52%, ranking fourth). Low exposure to air pollution (5.7 µg/m<sup>3</sup>) further reinforces Sweden's environmental leadership in promoting public health through sustainable living environments. Education also improved from sixth to fifth, backed by high public expenditure (7.18% of GDP) and favorable pupil-teacher ratios. Scientific Infrastructure remained strong at seventh, underpinned by significant R&D investment (3.60% of GDP, with business R&D at 2.67%) and a globally recognized innovation record, including a high number of Nobel Prizes per capita.

### **Qatar (ninth)**

Qatar advances to ninth place, moving up from 11th and securing a spot among the world's top 10 most competitive economies for the first time. This rise reflects strong momentum across several key factors, particularly in Business Efficiency (fifth), while maintaining strong positions in Government Efficiency and Economic Performance, both ranking seventh. There remains room for improvement in the infrastructure factor, where Qatar, despite improving three positions this year, remains far behind global leaders in 30th position.

Qatar retained its strong seventh position in Government Efficiency, with a consistent performance in Public Finance, Tax Policy, and Institutional Framework. This enduring strength is one of the foundations of Qatar's competitiveness,

supporting investor confidence and policy effectiveness. Other improvements occurred in the Business Legislation subfactor, where executive sentiment on the impact of foreign investors, the strength of capital markets, and investment incentives all improved considerably. Performance in the Societal Framework subfactor (35th) is clearly divided, where some world-leading outcomes in justice (sixth), homicide rates (first), social cohesion (seventh), or low risk of political instability (fourth) are countered by relatively weak performances in indicators such as the number of females in parliament (66th), the country's Gini coefficient (38th), or the strong presence of press bias (67th).

However, the most notable development in 2025 was Qatar's advancement in Business Efficiency, where it rose from 11th to fifth. This resulted from significant improvements in the Finance and Labor Market subfactors, with the former increasing from 38th to 17th due to, for example, bolstered executives opinions regarding the availability of Venture Capital (from ninth to second, score: 7.06) and implementation of Shareholders Rights (from 14th to eighth, score: 8.0). Similarly, the Labor Market subfactor performed strongly as a result of positive perceptions of Worker Motivation (from 22nd to sixth, score: 7.24), the effective implementation of Apprenticeships from (13th to fifth, score: 6.80), and Employee Training (20th to 10th, score: 7.23). These results reflect Qatar's willingness to invest in attracting and retaining skilled labor in its economy, considering human capital as a major attribute and driving force of competitiveness.

Qatar also progressed in Infrastructure (rising from 33rd to 30th), its lowest-ranked but gradually improving factor. Under the Basic Infrastructure subfactor, Qatar excels in the quality of its air transportation (fourth), energy infrastructure (second), and low electricity costs for industrial use (third). With regard to Technological Infrastructure (16th), Qatar improved considerably in the strength, speed, and security of its internet servers but continues to have a low subscription rate (58th) and falls behind global leaders in high-tech exports as a percentage of manufacturing (2.78%, 61st). Scientific Infrastructure improves to 45th, however, there remains ample room for improvement in terms of R&D expenditure and the incentive for innovation through patent grants and applications. In the Health & Environment subfactor, Qatar boasts a very mixed performance, with strong outcomes in wastewater treatment (third), water use efficiency (eighth), and life expectancy at birth (82.4 years, 16th), but falls



---

behind global standards in terms of exposure to particle pollution (69th), the share of its renewable energies in total consumption (0.13%, 65th), and its ecological deficit (-12.09, 67th).

In the Education subfactor, Qatar performs relatively poorly in total public expenditure on education (1.88%, 65th), higher education achievement (52nd), and university education index (42nd). This perhaps reflects Qatar's approach of attracting foreign talent to supplement its domestic labor force, as suggested by its strong performance in student mobility inbound (12th). However, future progress in competitiveness will certainly need better educational outcomes in the quality of its primary and secondary education (proxied by pupil-teacher ratios and PISA scores).

#### Netherlands (tenth)

The Netherlands ranks 10th globally, slipping one position from ninth in 2024. This minor decline reflects a strong performance in Government Efficiency, Business Efficiency, and Infrastructure offset by a marked deterioration in Economic Performance. The latter factor fell from ninth to 19th. Such a decline is largely the result of a significant fall in the International Investment subfactor (11th to 41st). Some key indicators such as Direct investment flows abroad, both in terms of absolute value (69th) and as a percentage of GDP (68th), saw notable declines. However, not all investment indicators experienced negative trends; Portfolio investment assets for instance improved considerably from 64th to 15th, reaching a value of \$61.22bn. The Employment subfactor also dropped from seventh to 13th. Employment growth in the Netherlands stands at 0.64%, a relatively modest performance that led its rank to decline from 31st to 41st. Similarly, long-term employment growth, though much higher at 3.95%, also experienced a slight downward shift from 11th to 26th. Despite these small setbacks, youth unemployment remains one of the country's strengths with a low rate of just 8.68% (17th).

In contrast, the Netherlands improved in Government Efficiency, advancing from 14th to 12th. Although the Netherlands is the only economy in this analysis not included in the top 10 for this factor, the country's 12th position highlights that, due to geopolitical uncertainty, government stability and policy predictability are crucial sources of competitiveness. Government efficiency promotes greater levels of competitiveness through mechanisms such as increased investor confidence, efficient reallocation

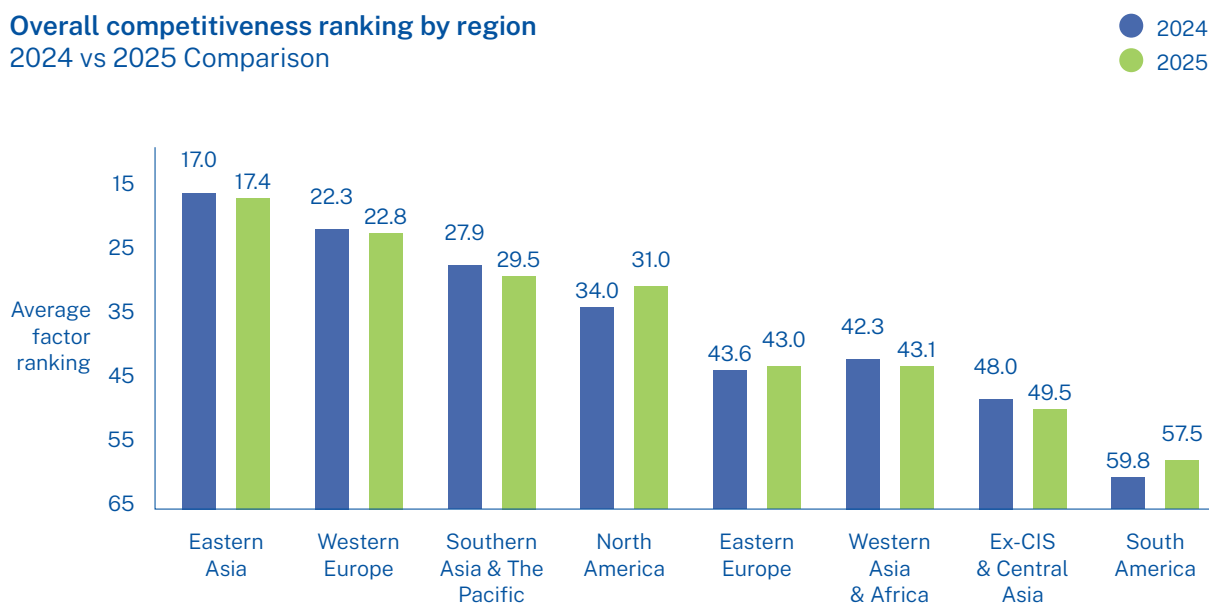
of resources, and higher levels of cohesion and trust within society. This improvement may also suggest growing public sector effectiveness, boosted by central bank policy effectiveness (score: 7.41, rank 10) and greater trust in the legal and regulatory framework (11th).

Business Efficiency declines slightly from fourth to seventh but continues to be a key strength of the Dutch economy. Within this factor, Management Practices showed clear improvement, climbing from 14th to eighth. This year, businesses were rated higher by executives in their ability to adapt to changing market conditions (10th, score: 7.56), managerial credibility went up (23rd, score: 6.63), and Auditing and Accounting Practices improved (seventh, score: 8.37). Managers were also pleased with the availability of skilled labor in the workforce (12th) and believe that the Dutch economy benefits from high levels of international experience (fourth), has strong availability of competent senior managers (second), and is attractive to obtain and retain talent (third).

Infrastructure remained one of the Netherlands' strongest assets (ninth). The country maintains world-class Technological Infrastructure (seventh) and rates highly in Education (10th). Executives are happy with the quality of both Primary and Secondary Education (score: 8.0, rank 8) and University Education (score: 8.26, rank 3). Life expectancy is high at 82.16 years, reflecting strong health infrastructure, as suggested by the high proportion of total health expenditure as a proportion of GDP (10.1%, rank 13). However, perceptions of Environmental Laws remain relatively weak, with a survey score of just 5.22 (49th), and executives voice further concern about increasing pollution problems (from 33rd to 38th) and declining performances in sustainable development (down from seventh to 17th). Sustainability and tackling environmental issues are potential areas for policy and communication improvement should the Netherlands continue to be a global leader in the Health & Environment subfactor.

## Regional trends

**Overall competitiveness ranking by region**  
2024 vs 2025 Comparison



Eastern Asia remains the most competitive region globally, led by Hong Kong SAR (third) and Taiwan (sixth). Despite a slight decline of 0.4 in its average rank to 17.4, the region maintains its position through strong institutional and economic fundamentals. Western Europe follows closely with an average rank of 22.79, which represents a slight drop of 0.53 compared to 2024. Together, these two regions comprise 70% of the world's top 10 economies. Such an achievement underlines their economic resilience and institutional strength.

Southern Asia & the Pacific experienced its first setback since 2022, with a regional average decline of 1.62 to 29.5. However, this masks stark country-level divergences: Malaysia increased its ranking by 11 places to 23rd, while Indonesia dropped 13 ranks to 40th. Australia and Thailand both declined by five positions (18th and 30, respectively), yet New Zealand (31st) and the Philippines (51st) made minor gains. Such a trend exemplifies the region's mixed performances.

North America follows closely with an average ranking of 31. Excluding the United States which experienced a drop to 13th, all other economies in the region experienced gains. Canada (11th), Puerto Rico (44th), and Mexico (55th) gained in ranking positions. Such trends show that non-hegemonic

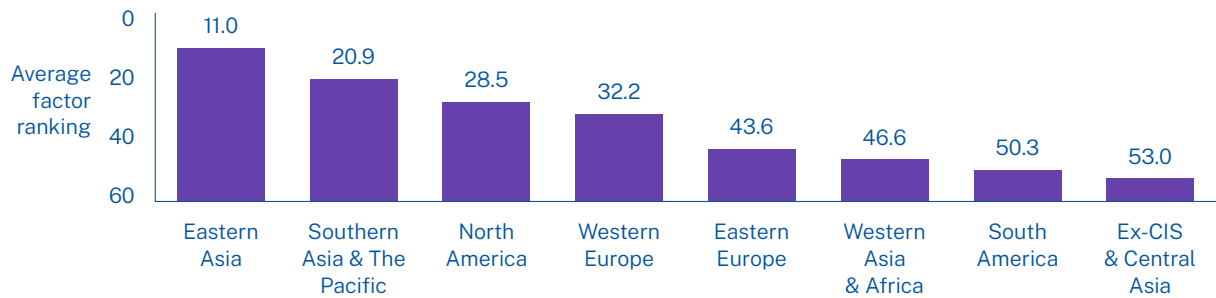
economies can shape their competitiveness path somewhat independently of major players within the same region.

Eastern Europe (average rank 43) and Western Asia & Africa (43.07) remain stable overall. Notably, we expanded the latter region's sample with the inclusion of Kenya, Namibia, and Oman in this year's ranking. Both regions show a relatively heterogeneous sample of countries with regards to overall competitiveness. While Eastern Europe boasts some commendable performances in 2025, thanks to economies like Lithuania (21st) and the Czech Republic (25th), it also includes economies on the lower end of our ranking, such as Bulgaria (57th) and the Slovak Republic (63rd). This gap is even more pronounced in the Western Asia & Africa region, which is headed up by regional leaders such as the UAE (fifth) and Qatar (ninth) who make the overall top 10 of this year's global ranking.

The Ex-CIS & Central Asia region averages 49.50 in 2025, with Kazakhstan improving slightly (34th) and Mongolia dropping four ranks to 65th. South America, despite persistent competitiveness challenges, showed an encouraging 2.3-rank improvement to 57.5, with gains in five out of six countries.

---

## Economic Performance

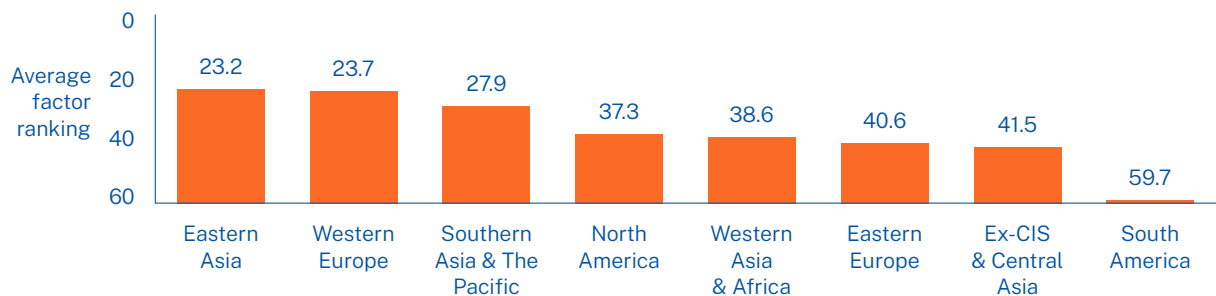


Regional strengths and weaknesses become clearer at the factor level. In 2025, Eastern Asia leads in Economic Performance with an average rank of 11th. Such performance shows a notable five-rank improvement from 2024. South America also advanced significantly, gaining over six ranks

on average. Western Asia & Africa followed with an improvement of 2.82 ranks on average. In contrast, North America declined by 5.75 ranks on average, and Ex-CIS & Central Asia posted the steepest drop at 10.5. Western and Eastern Europe remained relatively stable.

---

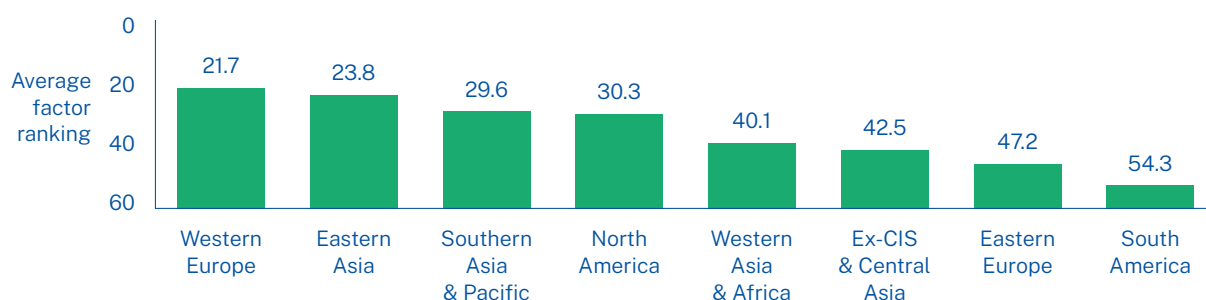
## Government Efficiency



In terms of Government Efficiency, Western Europe (23.74) and Eastern Asia (23.20) top the rankings in 2025. This result aligns with previous analysis showing that efficient governance underpins competitiveness. Eastern Asia improved slightly (+0.6), while Western Europe declined marginally

(-0.69). North America saw a notable improvement (+3.5), and Western Asia & Africa also gained (+1.36). Conversely, Ex-CIS & Central Asia declined sharply (-6), and Southern Asia & the Pacific fell by 2.38. Eastern Europe and South America showed only minor changes.

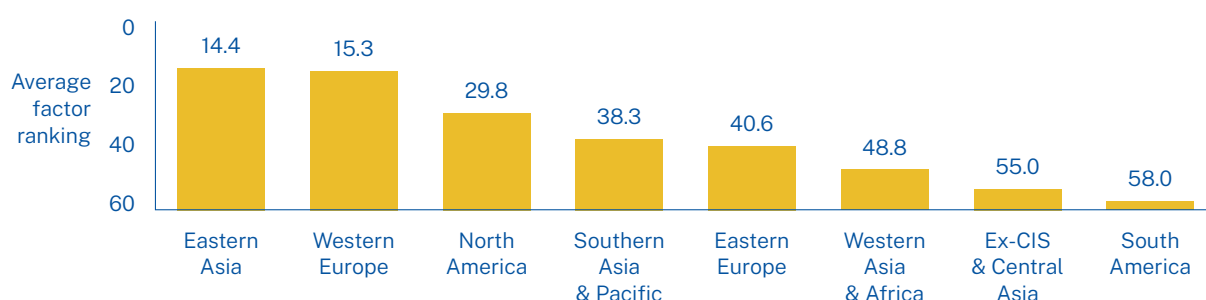
## Business Efficiency



Western Europe leads in Business Efficiency with an average rank of 21.74 in 2025, despite a modest 1.85-rank decline. North America improved by 4.5 ranks, while Western Asia & Africa recorded the largest gain

at 5.27. Eastern Europe, South America, and Ex-CIS & Central Asia also saw improvements. Meanwhile, Eastern Asia declined by 3.4 ranks and Southern Asia & the Pacific by 3.63.

## Infrastructure



In Infrastructure, Western Europe holds the top position with an average rank of 15.26, falling slightly by 0.21. North America significantly improves its Infrastructure average by 3.5 ranks. Eastern Asia follows closely at 14.40 but declined by 0.8 ranks. North America posted a strong improvement of 3.5,

while Western Asia & Africa and Ex-CIS & Central Asia improved by 2.09 and 1.50, respectively. Southern Asia & the Pacific and South America experienced minor declines, while Eastern Europe remained steady.

## Government Efficiency as a shield against polarization: Insights from global competitiveness data

As explored in the previous essay, in an age of geopolitical fragmentation and social unrest, government efficiency is no longer a governance ideal; it is a competitiveness necessity. In this section, we draw data from 69 economies to show that effective governance mitigates polarization

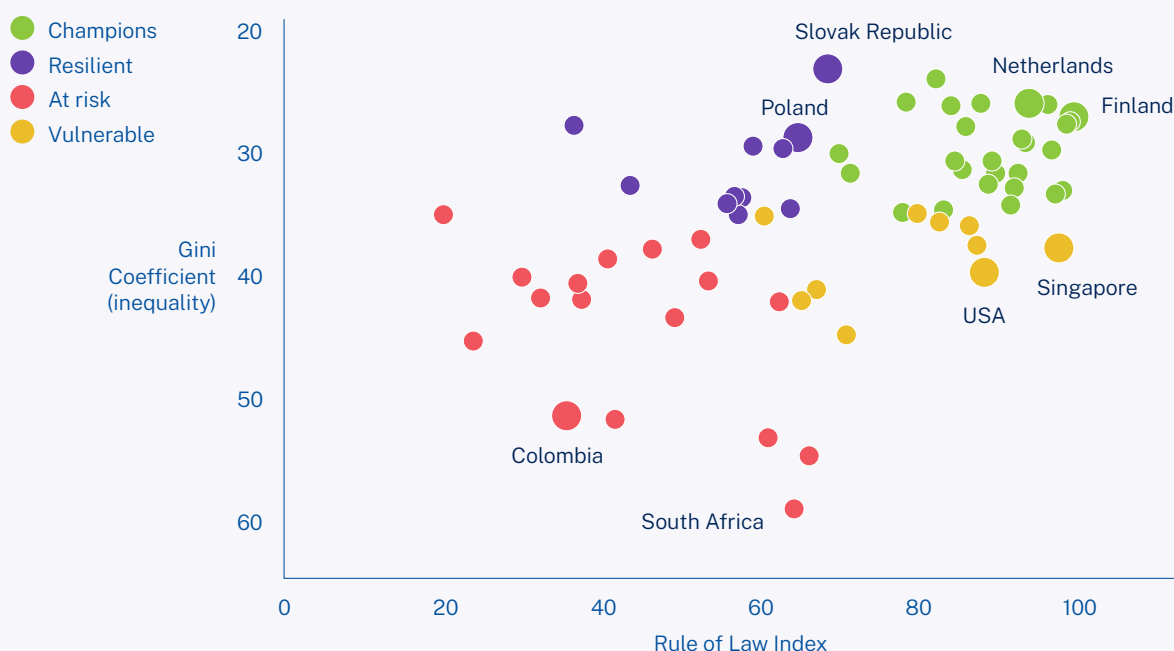
and strengthens long-term competitiveness. Such cross-national data analysis reveals a strong inverse relationship between institutional effectiveness and social division indicators. Specifically, the Rule of Law Index correlates negatively (-0.488) with income inequality. Such relationships suggest

that strong legal institutions contribute to fairer economic outcomes and mitigate the drivers of polarization. Equally significant is the strong positive correlation (0.864) between social cohesion and political stability. Cohesive societies foster trust in institutions, enabling stable governance and effective policy enforcement. The latter is a virtuous cycle that supports long-term competitiveness. In this section, we analyze the relationship between effective governance (i.e., government efficiency) and proxies of social polarization. We thus use the Rule of Law Index to measure institutional strength and

the Gini coefficient as a proxy for polarization. The Rule of Law Index is used as a measure of how well each economy's government applies and administers justice fairly and effectively to its citizens, while the Gini coefficient, which measures income inequality in societies, provides a proxy measure for polarization. This analysis identifies four competitiveness archetypes: Champions (efficient and equitable), Resilient (weak institutions, low inequality), At Risk (strong institutions, highly unequal), and Vulnerable (weak institutions and high inequality). These categories are examined in detail below.

### Government Efficiency vs. Inequality Analysis

Rule of Law Index vs Gini Coefficient (across the 66 countries with available data)



### Champions: The Efficiency-Equity Integration Model

Twenty-seven economies (in green) achieve the optimal combination of high institutional effectiveness and low inequality, representing the gold standard for competitive resilience. These Champions demonstrate that government efficiency and social equity are not competing objectives but complementary competitive advantages.

The Nordic cluster (i.e., Finland, Denmark, Norway, Sweden, and Iceland) offers the most compelling evidence of this model's effectiveness. These

countries consistently rank among the world's most competitive economies while maintaining low levels of inequality. Their success stems from comprehensive government efficiency that operates across multiple dimensions simultaneously: strong legal frameworks, adaptive policy mechanisms, robust rule of law, stable political systems, cohesive societies, equitable socioeconomic outcomes, and inclusive institutions.

These countries demonstrate remarkable resilience during external shocks precisely because their strong institutions prevent external pressures from translating into internal divisions. During the

2008 financial crisis, Nordic countries maintained social cohesion and policy effectiveness while implementing necessary adjustments, emerging stronger and with higher levels of competitiveness than before the crisis. Could a similar trend emerge following the turbulent start to 2025 marked by the global escalation in protectionism and trade wars?

### Resilient: Managing constraints through social cohesion

Eleven economies (in blue) demonstrate that effective governance can create competitive advantages even under institutional constraints or weaknesses. These resilient countries maintain relatively low inequality despite weaker formal institutions. Such an achievement shows an alternative pathway to competitive resilience.

Poland provides a compelling example of this dynamic. Despite modest institutional scores across several dimensions, including a Rule of Law Index of just 65.09, the country maintains inequality levels that are above average in our sample (Gini coefficient of 28.8) and demonstrates consistent competitiveness progress within the WCY framework. This success originates in the social cohesion mechanisms that operate somewhat independently of formal institutions. In turn, this pattern creates an environment where economic growth translates into broad-based benefits despite institutional limitations. Similarly, the Slovak Republic offers another example of resilience through social cohesion. With moderate institutional scores (Rule of Law Index: 68.87) but strong management of inequalities (Gini coefficient: 23.2), the country demonstrates how strong social bonds can compensate for institutional weaknesses. In other words, such bonds can create competitive advantages through alternative mechanisms. These cases reveal that while strong institutions represent the optimal pathway to competitive resilience, alternative approaches can greatly contribute to competitiveness when comprehensive institutional development faces constraints. The key insight is that social cohesion mechanisms can serve as proxies for institutional strength, though they may be less reliable during periods of severe external stress.

### At risk: Institutional strength but pervasive inequality

Ten economies (in orange) present a fascinating paradox: strong institutional frameworks coexisting

with high inequality levels. This category offers crucial insights into the limitations of partial approaches to government efficiency.

The United States exemplifies this challenge most clearly. Despite a very high score in the rule of law indicator (88.7), the country faces significant inequality as evidenced by its high levels of income inequality (Gini coefficient: 39.8) and relatively low social cohesion (score of 4.0 out of 10). Such conditions create a competitiveness vulnerability: strong institutions provide stability and predictability for businesses, but the underlying social tensions lead to political volatility that can undermine long-term strategic planning. Singapore also offers an additional instructive case. The country achieves excellent scores across most institutional dimensions (i.e., rule of law index: 98.1, political stability 8.97 out of 10, equal opportunity 8.27 out of 10), yet maintains relatively high-income inequality (Gini coefficient: 37.8). Such a context of strong institutional capacity and effective governance has enabled Singapore to benefit from consistent economic success, as demonstrated by its continued presence in the WCY's top three over the past five years. The resulting tensions from societal imbalances or inequalities, however, create potential vulnerabilities during periods of external stress when social tensions might amplify political pressures.

The competitive implications of this archetype become evident during crisis periods. Countries in this category can maintain economic performance during stable periods but face challenges when shifts in external factors create conditions that exacerbate social polarization. The key insight is that technical governance excellence, while valuable, cannot substitute for comprehensive approaches that address all dimensions of government efficiency simultaneously.

### Vulnerable: The dual disadvantage of weak institutions and high inequality

Eighteen economies (in red) face the difficult combination of weak institutions and high inequality. This category is the most challenging environment for competitiveness. Vulnerable economies exemplify how institutional deficits exacerbate social divisions. In turn, the latter enables an environment where polarization undermines both policy effectiveness and business confidence.

---

Colombia (Rule of Law: 35.9, Gini coefficient: 51.5, Social cohesion: 2.92 out of 10) exemplifies the challenges facing this group. Weak institutions cannot manage social tensions effectively, while high inequality creates conditions that further undermine institutional effectiveness. Such conditions lead to a dangerous cycle in which polarization reduces governmental capacity precisely when strong institutions are most needed.

Likewise, South Africa presents another striking case (Rule of Law: 54.3, Gini coefficient: 63.0, Social cohesion: 3.93 out of 10). Despite displaying some institutional strengths, the country faces severe divisions, including income inequality and high youth unemployment, which constantly undermine social cohesion and create political instability. Such

a context severely constrains competitiveness, as businesses face uncertainty both from institutional weakness and social tension. Additionally, Brazil (Rule of Law: 42.0, Gini coefficient: 51.8, Social cohesion: 3.17 out of 10) shows how this dual disadvantage can persist even in large, resource-rich economies. Specifically, the combination of weak institutions and high inequality allows for conditions where external shocks amplify internal divisions, reducing the government's capacity to respond effectively and further weakening competitive positioning. Examples of such shocks include the 2016 Olympic Games in Rio de Janeiro. The games led to numerous social tensions because of the uneven distribution of costs and benefits to the wider society (e.g., displacement of certain communities, and high public spending on temporary infrastructure).

---

## Strategic investment, innovation, and inclusive policymaking

The 2025 IMD World Competitiveness Yearbook shows that the most competitive economies are those that successfully balance institutional strength with adaptability. From Switzerland's leadership in infrastructure and governance to the rising momentum of the UAE, Taiwan, and Qatar, top performers demonstrate that strategic investment, innovation, and inclusive policymaking are critical in the current volatile global economy. As economic pressures shift, sustained competitiveness increasingly depends on the agility of governance and the ability to align longstanding strengths with emerging demands.

The results highlight an increasingly complex global landscape, where regional dynamics play a critical role in shaping competitiveness. While Eastern Asia and Western Europe continue to lead in overall performance and institutional strength, regions like Western Asia & Africa and South America are making notable gains, particularly in Business Efficiency and Economic Performance. These shifts suggest that even in the context of global uncertainty, marked by trade tensions and social polarization, regions that prioritize economic reform and institutional

development can achieve meaningful progress. The growth of Africa's tech sector and renewed business confidence in emerging economies signal a broader rebalancing of global competitiveness.

At the heart of this evolving landscape is government efficiency, which has emerged as a decisive factor in managing polarization and ensuring long-term competitiveness. The strong correlations observed between rule of law, inequality, social cohesion, and political stability support the claim that institutional quality is not merely an administrative feature but a strategic asset. Countries that combine institutional strength with inclusive outcomes form a group of champions that can withstand external shocks without yielding to internal fragmentation. In contrast, those who overlook institutional reform risk deepening social divisions and losing their competitiveness levels. As such, both policymakers and business leaders must view government efficiency not as a governance ideal, but as a practical requirement for sustaining economic resilience and investment appeal in the years ahead.

## Appendix 1: Composition of regions and sub-regions

Western Europe	Austria	Italy	Europe, Middle East & Africa
	Belgium	Luxemburg	
	Cyprus	Netherlands	
	Denmark	Norway	
	Finland	Portugal	
	France	Spain	
	Germany	Sweden	
	Greece	Switzerland	
	Iceland	United Kingdom	
	Ireland		
Eastern Europe	Bulgaria	Lithuania	
	Czech Republic	Poland	
	Estonia	Romania	
	Croatia	Slovenia	
	Hungary	Slovak Republic	
	Latvia		
Western Asia & Africa	Bahrain	Nigeria	Asia & Pacific
	Botswana	Oman	
	Ghana	Qatar	
	Jordan	Saudi Arabia	
	Kenya	South Africa	
	Kuwait	Türkiye	
	Namibia	UAE	
Ex-CIS & Central Asia	Kazakhstan		
	Mongolia		
Eastern Asia	China	Korea Republic	
	Hong Kong SAR	Taiwan (Chinese Taipei)	
	Japan		
Southern Asia & The Pacific	Australia	New Zealand	
	India	Philippines	
	Indonesia	Singapore	
	Malaysia	Thailand	
North America	Canada	Puerto Rico	The Americas
	Mexico	USA	
South America	Argentina	Colombia	
	Brazil	Peru	
	Chile	Venezuela	





This booklet is just a summary.  
The complete Yearbook with full profiles and all the statistics  
is available digitally and in print.



---































Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---








































# Ranking in a Nutshell

# The 2025 IMD World Competitiveness Ranking

## 2025 COMPETITIVENESS RANKING

			Score		
01	Switzerland		100.00	↗	1
02	Singapore		99.44	↘	1
03	Hong Kong SAR		99.22	↗	2
04	Denmark		97.51	↘	1
05	UAE		96.09	↗	2
06	Taiwan (Chinese Taipei)		93.71	↗	2
07	Ireland		91.31	↘	3
08	Sweden		90.20	↘	2
09	Qatar		89.93	↗	2
10	Netherlands		89.75	↘	1
11	Canada		88.73	↗	8
12	Norway		86.17	↘	2
13	USA		84.27	↘	1
14	Finland		83.83	↗	1
15	Iceland		83.49	↗	2
16	China		82.13	↘	2
17	Saudi Arabia		82.09	↘	1
18	Australia		78.36	↘	5
19	Germany		78.24	↗	5
20	Luxembourg		78.17	↗	3
21	Lithuania		77.68	↗	9
22	Bahrain		76.56	↘	1
23	Malaysia		74.81	↗	11
24	Belgium		74.57	↘	6
25	Czech Republic		73.66	↗	4
26	Austria		73.55		-
27	Korea Rep.		73.39	↘	7
28	Oman		72.86		-
29	United Kingdom		71.95	↘	1
30	Thailand		71.32	↘	5

The IMD World Competitiveness Ranking presents the 2025 overall ranking for the 69 economies covered by the WCY. The economies are ranked from the most to the least competitive. The Scores shown to the right are actually indices (0 to 100) generated for the unique purpose of constructing charts and graphics. The final column shows the improvement or decline from the previous year.

31	New Zealand		70.23	↗	1
32	France		69.93	↙	1
33	Estonia		69.65		-
34	Kazakhstan		68.99	↗	1
35	Japan		68.74	↗	3
36	Kuwait		68.69	↗	1
37	Portugal		67.84	↙	1
38	Latvia		67.03	↗	7
39	Spain		65.80	↗	1
40	Indonesia		64.32	↙	13
41	India		64.19	↙	2
42	Chile		62.52	↗	2
43	Italy		62.50	↙	1
44	Cyprus		61.80	↙	1
45	Puerto Rico		61.03	↗	4
46	Slovenia		59.14		-
47	Jordan		57.79	↗	1
48	Hungary		56.71	↗	6
49	Romania		56.64	↗	1
50	Greece		55.33	↙	3
51	Philippines		54.88	↗	1
52	Poland		53.91	↙	11
53	Croatia		51.19	↙	2
54	Colombia		49.66	↗	3
55	Mexico		48.84	↗	1
56	Kenya		48.29		-
57	Bulgaria		47.96	↗	1
58	Brazil		46.41	↗	4
59	Botswana		46.12	↙	4
60	Peru		45.89	↗	3
61	Ghana		44.25	↗	4
62	Argentina		42.84	↗	4
63	Slovak Republic		42.79	↙	4
64	South Africa		41.98	↙	4
65	Mongolia		40.91	↙	4
66	Türkiye		40.41	↙	13
67	Nigeria		39.73	↙	3
68	Namibia		37.48		-
69	Venezuela		25.47	↙	2

---

# Methodology in a Nutshell

The IMD World Competitiveness Ranking analyzes and ranks the capacity of countries to create and maintain an environment that sustains the competitiveness of enterprises.

It means that we assume that wealth creation takes place primarily at an enterprise level (whether private or state-owned). This field of research is called “competitiveness of enterprises”.

However, enterprises operate in a national environment which enhances or hinders their ability to compete domestically or internationally. This field of research is called “competitiveness of countries” and is covered by the World Competitiveness Ranking.

---

Based on analyses made by leading scholars and by our own research and experience, the methodology of the World Competitiveness Ranking thus divides the national environment into four main factors:

---

**Economic Performance**

---

**Government Efficiency**

---

**Business Efficiency**

---

**Infrastructure**

---

In turn, each of these factors is divided into 5 sub-factors which highlight every facet of the areas analyzed. Altogether, the World Competitiveness Ranking features 20 such sub-factors.

These 20 sub-factors comprise 341 criteria, although each sub-factor does not necessarily have the same number of criteria (for example, it takes more criteria to assess Education than to evaluate Prices).

Each sub-factor, independently of the number of criteria it contains, has the same weight in the overall consolidation of results, that is 5% ( $20 \times 5 = 100$ ).

Criteria can be hard data, which analyzes competitiveness as it can be measured (e.g. GDP), or soft data, which analyzes

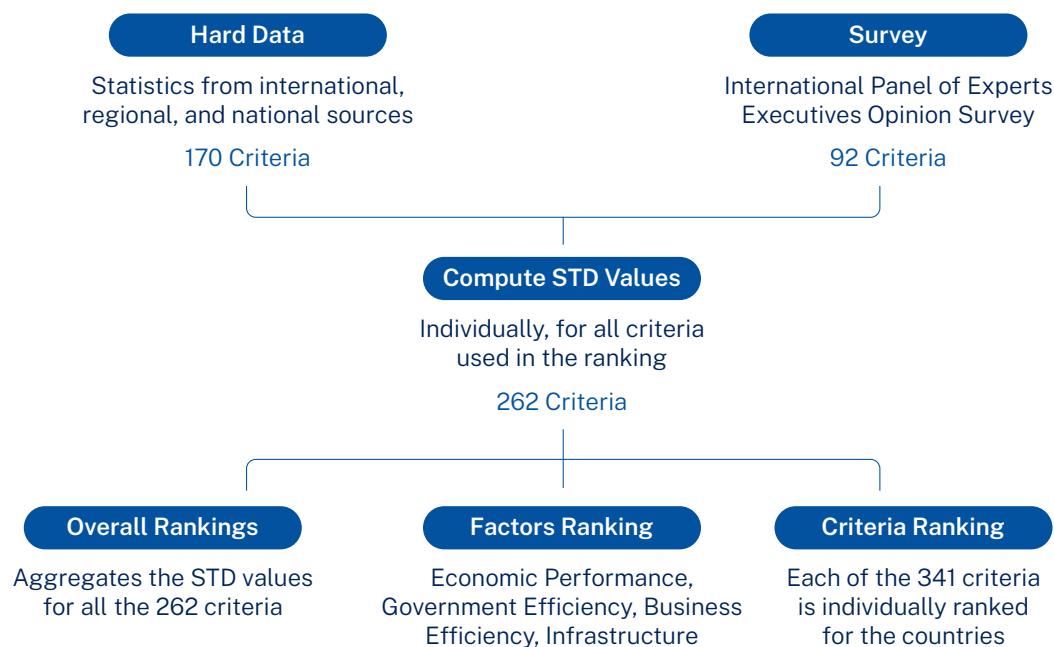
competitiveness as it is perceived (e.g. availability of competent managers). Hard criteria represent a weight of 2/3 in the overall ranking whereas the survey data represent a weight of 1/3.

In addition, some criteria are for background information only, which means that they are not used in calculating the overall competitiveness ranking (e.g. population under 15).

Finally, aggregating the results of the 20 sub-factors makes the total consolidation, which leads to the overall ranking of the IMD World Competitiveness Ranking.

# What is the IMD World Competitiveness Ranking?

## Computing the Rankings



## Competitiveness Factors and Sub-factors

### Economic Performance

Macro-economic evaluation of the domestic economy, employment trends, and price.

- Domestic Economy
- International Trade
- International Investment
- Employment
- Prices

### Government Efficiency

Extent to which government policies are conducive to competitiveness.

- Public Finance
- Tax Policy
- Institutional Framework
- Business Legislation
- Social Framework

### Business Efficiency

Extent to which the national environment encourages enterprises to perform in an innovative, profitable, and responsible manner.

- Productivity
- Labor Market
- Finance
- Management Practices
- Attitudes and Values

### Infrastructure

Extent to which basic, technological, scientific, and human resources meet the needs of the business.

- Basic Infrastructure
- Technological Infrastructure
- Scientific Infrastructure
- Health and Environment
- Education

# The 2025 IMD World Competitiveness Ranking

## Selected Breakdowns

### Europe - Middle East - Africa

		Score
01	Switzerland	100.00
02	Denmark	97.51
03	UAE	96.09
04	Ireland	91.31
05	Sweden	90.20
06	Qatar	89.93
07	Netherlands	89.75
08	Norway	86.17
09	Finland	83.83
10	Iceland	83.49
11	Saudi Arabia	82.09
12	Germany	78.24
13	Luxembourg	78.17
14	Lithuania	77.68
15	Bahrain	76.56
16	Belgium	74.57
17	Czech Republic	73.66
18	Austria	73.55
19	Oman	72.86
20	United Kingdom	71.95
21	France	69.93
22	Estonia	69.65
23	Kazakhstan	68.99
24	Kuwait	68.69
25	Portugal	67.84
26	Latvia	67.03
27	Spain	65.80
28	Italy	62.50
29	Cyprus	61.80
30	Slovenia	59.14
31	Jordan	57.79
32	Hungary	56.71
33	Romania	56.64
34	Greece	55.33
35	Poland	53.91
36	Croatia	51.19
37	Kenya	48.29
38	Bulgaria	47.96
39	Botswana	46.12
40	Ghana	44.25
41	Slovak Republic	42.79
42	South Africa	41.98
43	Türkiye	40.41
44	Nigeria	39.73
45	Namibia	37.48



---

## Asia - Pacific

		Score
01	Singapore	99.44
02	Hong Kong SAR	99.22
03	Taiwan (Chinese Taipei)	93.71
04	China	82.13
05	Australia	78.36
06	Malaysia	74.81
07	Korea Rep.	73.39
08	Thailand	71.32
09	New Zealand	70.23
10	Japan	68.74
11	Indonesia	64.32
12	India	64.19
13	Philippines	54.88
14	Mongolia	40.91

---

## The Americas

		Score
01	Canada	88.73
02	USA	84.27
03	Chile	62.52
04	Puerto Rico	61.03
05	Colombia	49.66
06	Mexico	48.84
07	Brazil	46.41
08	Peru	45.89
09	Argentina	42.84
10	Venezuela	25.47

## GDP per capita greater than \$20,000

		Score
01	Switzerland	100.00
02	Singapore	99.44
03	Hong Kong SAR	99.22
04	Denmark	97.51
05	UAE	96.09
06	Taiwan (Chinese Taipei)	93.71
07	Ireland	91.31
08	Sweden	90.20
09	Qatar	89.93
10	Netherlands	89.75
11	Canada	88.73
12	Norway	86.17
13	USA	84.27
14	Finland	83.83
15	Iceland	83.49
16	Saudi Arabia	82.09
17	Australia	78.36
18	Germany	78.24
19	Luxembourg	78.17
20	Lithuania	77.68
21	Bahrain	76.56
22	Belgium	74.57
23	Czech Republic	73.66
24	Austria	73.55
25	Korea Rep.	73.39
26	Oman	72.86
27	United Kingdom	71.95
28	New Zealand	70.23
29	France	69.93
30	Estonia	69.65
31	Japan	68.74
32	Kuwait	68.69
33	Portugal	67.84
34	Latvia	67.03
35	Spain	65.80
36	Italy	62.50
37	Cyprus	61.80
38	Puerto Rico	61.03
39	Slovenia	59.14
40	Hungary	56.71
41	Romania	56.64
42	Greece	55.33
43	Poland	53.91
44	Croatia	51.19
45	Slovak Republic	42.79

## GDP per capita less than \$20,000

		Score
01	China	82.13
02	Malaysia	74.81
03	Thailand	71.32
04	Kazakhstan	68.99
05	Indonesia	64.32
06	India	64.19
07	Chile	62.52
08	Jordan	57.79
09	Philippines	54.88
10	Colombia	49.66
11	Mexico	48.84
12	Kenya	48.29
13	Bulgaria	47.96
14	Brazil	46.41
15	Botswana	46.12
16	Peru	45.89
17	Ghana	44.25
18	Argentina	42.84
19	South Africa	41.98
20	Mongolia	40.91
21	Türkiye	40.41
22	Nigeria	39.73
23	Namibia	37.48
24	Venezuela	25.47

## Population over 20 million

		Score
01	Taiwan (Chinese Taipei)	93.71
02	Canada	88.73
03	USA	84.27
04	China	82.13
05	Saudi Arabia	82.09
06	Australia	78.36
07	Germany	78.24
08	Malaysia	74.81
09	Korea Rep.	73.39
10	United Kingdom	71.95
11	Thailand	71.32
12	France	69.93
13	Kazakhstan	68.99
14	Japan	68.74
15	Spain	65.80
16	Indonesia	64.32
17	India	64.19
18	Chile	62.52
19	Italy	62.50
20	Philippines	54.88
21	Poland	53.91
22	Colombia	49.66
23	Mexico	48.84
24	Kenya	48.29
25	Brazil	46.41
26	Peru	45.89
27	Ghana	44.25
28	Argentina	42.84
29	South Africa	41.98
30	Türkiye	40.41
31	Nigeria	39.73
32	Venezuela	25.47

## Population under 20 million

		Score
01	Switzerland	100.00
02	Singapore	99.44
03	Hong Kong SAR	99.22
04	Denmark	97.51
05	UAE	96.09
06	Ireland	91.31
07	Sweden	90.20
08	Qatar	89.93
09	Netherlands	89.75
10	Norway	86.17
11	Finland	83.83
12	Iceland	83.49
13	Luxembourg	78.17
14	Lithuania	77.68
15	Bahrain	76.56
16	Belgium	74.57
17	Czech Republic	73.66
18	Austria	73.55
19	Oman	72.86
20	New Zealand	70.23
21	Estonia	69.65
22	Kuwait	68.69
23	Portugal	67.84
24	Latvia	67.03
25	Cyprus	61.80
26	Puerto Rico	61.03
27	Slovenia	59.14
28	Jordan	57.79
29	Hungary	56.71
30	Romania	56.64
31	Greece	55.33
32	Croatia	51.19
33	Bulgaria	47.96
34	Botswana	46.12
35	Slovak Republic	42.79
36	Mongolia	40.91
37	Namibia	37.48

# The 2025 IMD World Competitiveness Factor Rankings






































































## ECONOMIC PERFORMANCE

Macro-economic evaluation of the domestic economy

			Score		
01	Singapore		82.20	↗	2
02	UAE		79.64	-	-
03	USA		79.24	↙	2
04	Malaysia		74.08	↗	4
05	China		73.22	↗	1
06	Hong Kong SAR		70.46	↗	5
07	Qatar		69.53	↙	3
08	Thailand		68.48	↙	3
09	Ireland		67.71	↗	1
10	Taiwan (Chinese Taipei)		66.41	↗	16
11	Korea Rep.		66.18	↗	5
12	Germany		64.17	↗	1
13	Switzerland		63.91	↙	1
14	Canada		63.64	-	-
15	Denmark		62.68	↗	7
16	Australia		62.47	↙	9
17	Saudi Arabia		62.29	↙	2
18	Bahrain		61.10	-	-
19	Netherlands		60.33	↙	10
20	Sweden		59.92	↗	3
21	France		59.81	↗	8
22	Spain		59.73	↗	5
23	Japan		58.74	↙	2
24	Indonesia		58.68	-	-
25	Poland		58.64	↙	6
26	Norway		58.31	↗	4
27	India		58.25	↙	7
28	Czech Republic		57.81	↗	7
29	Belgium		56.53	↙	12
30	Brazil		55.25	↗	8
31	Italy		55.07	↗	13
32	United Kingdom		54.93	-	-
33	Philippines		54.88	↗	7
34	Croatia		54.53	↗	15
35	Luxembourg		54.46	↗	22
36	Cyprus		54.23	↙	8
37	Slovenia		53.85	-	-
38	Lithuania		53.51	↗	10
39	Mexico		53.01	↙	14
40	Austria		52.11	↙	7
41	Hungary		51.84	↙	5
42	Portugal		51.80	↙	3
43	Kuwait		49.60	↙	12
44	Chile		49.24	↗	11
45	Türkiye		49.16	↙	11
46	Finland		48.99	↗	4
47	Peru		48.78	↗	13
48	Oman		48.63	-	-
49	Colombia		48.39	↗	9
50	Bulgaria		46.95	↙	5
51	Kazakhstan		46.37	↙	8
52	Iceland		45.91	↗	1
53	Greece		45.63	↙	1
54	New Zealand		45.09	↙	8
55	Mongolia		44.85	↙	13
56	Romania		43.81	↙	9
57	Estonia		43.41	↙	3
58	Puerto Rico		42.61	↙	7
59	Latvia		42.51	-	-
60	Slovak Republic		41.54	↙	4
61	Nigeria		35.97	↗	6
62	Kenya		34.86	-	-
63	South Africa		34.55	↙	2
64	Argentina		33.94	↙	2
65	Jordan		33.93	↙	2
66	Ghana		27.38	↙	1
67	Namibia		21.74	-	-
68	Venezuela		20.04	↙	2
69	Botswana		12.47	↙	5






































































## GOVERNMENT EFFICIENCY

Extent to which government policies are conducive to competitiveness

			Score	
01	Switzerland		94.80	-
02	Hong Kong SAR		94.35	↗ 1
03	Singapore		90.49	↙ 1
04	UAE		87.28	-
05	Ireland		85.43	↗ 1
06	Denmark		83.10	↙ 1
07	Qatar		82.88	-
08	Taiwan (Chinese Taipei)		81.37	-
09	Sweden		72.98	↗ 1
10	Norway		72.95	↙ 1
11	Canada		72.88	↗ 8
12	Netherlands		71.95	↗ 2
13	Australia		71.75	-
14	Luxembourg		71.74	↙ 3
15	Finland		70.39	↗ 1
16	Oman		69.97	-
17	Saudi Arabia		69.26	↙ 5
18	Iceland		68.86	↙ 1
19	Kuwait		67.26	↗ 3
20	New Zealand		66.83	↙ 5
21	Czech Republic		63.28	↗ 4
22	Kazakhstan		63.22	↙ 4
23	Lithuania		63.14	↗ 3
24	Estonia		62.19	↙ 4
25	Malaysia		60.37	↗ 8
26	Cyprus		58.35	↗ 2
27	Germany		57.91	↗ 5
28	Bahrain		57.73	↙ 7
29	Latvia		56.54	↗ 7
30	Chile		56.51	-
31	Korea Rep.		55.74	↗ 8
32	Thailand		55.65	↙ 8
33	USA		54.64	↗ 1
34	Indonesia		53.54	↙ 11
35	Portugal		53.23	↗ 6
36	United Kingdom		53.20	↙ 5
37	China		53.04	↙ 10
38	Japan		52.56	↗ 4
39	Jordan		51.59	↙ 2
40	Austria		50.10	-
41	Botswana		48.68	↙ 3
42	Belgium		47.86	↙ 7
43	Puerto Rico		44.93	↗ 7
44	Romania		44.78	↗ 4
45	India		44.36	-
46	Hungary		44.09	↗ 5
47	France		43.20	↙ 4
48	Slovenia		42.82	↙ 2
49	Ghana		41.23	↗ 10
50	Bulgaria		41.13	↗ 6
51	Philippines		39.31	↙ 2
52	Croatia		38.39	↙ 5
53	Greece		37.92	↙ 1
54	Italy		37.75	↗ 3
55	Namibia		37.34	-
56	Spain		37.06	↗ 2
57	Nigeria		36.89	↙ 3
58	Poland		36.88	↙ 14
59	Peru		35.78	↙ 4
60	Kenya		34.86	-
61	Mongolia		32.57	↙ 8
62	Mexico		32.34	↙ 2
63	South Africa		28.48	↙ 2
64	Slovak Republic		25.59	↙ 2
65	Colombia		23.12	↙ 1
66	Türkiye		21.51	↙ 3
67	Argentina		20.81	-
68	Brazil		15.03	↙ 3
69	Venezuela		0.00	↙ 3

## BUSINESS EFFICIENCY

Extent to which enterprises are performing in an innovative, profitable and responsible manner

			Score		
01	Denmark		100.00	-	
02	Hong Kong SAR		95.43	↗	5
03	UAE		92.55	↗	7
04	Taiwan (Chinese Taipei)		92.08	↗	2
05	Qatar		91.41	↗	6
06	Switzerland		90.64	↘	1
07	Netherlands		90.38	↗	1
08	Singapore		88.13	↘	6
09	Sweden		86.03	↘	5
10	Iceland		85.43	↗	3
11	Ireland		84.20	↘	8
12	Saudi Arabia		81.40	-	
13	Canada		81.11	↗	14
14	Bahrain		78.13	↗	2
15	Norway		76.95	↘	6
16	Finland		75.01	↗	2
17	Lithuania		74.19	↗	7
18	China		71.45	↘	3
19	USA		68.70	-	
20	Kazakhstan		66.82	↗	8
21	Oman		65.72	-	
22	Belgium		65.32	↘	5
23	Luxembourg		64.48	↗	3
24	Thailand		62.18	↘	4
25	India		61.87	-	
26	Indonesia		59.01	↘	12
27	Austria		58.94	↗	2
28	Estonia		57.92	↗	3
29	Germany		57.55	↗	6
30	Czech Republic		57.25	-	
31	Kuwait		56.86	↗	5
32	Malaysia		55.45	↗	8
33	Jordan		55.32	↗	1
34	Latvia		54.87	↗	15
35	Puerto Rico		54.45	↗	10
36	United Kingdom		53.68	↘	3
37	Australia		53.67	↘	15
38	Kenya		52.45	-	
39	New Zealand		51.35	↗	3
40	France		48.83	↘	8
41	Spain		48.27	↘	3
42	Portugal		46.45	↘	3
43	Chile		46.27	↘	2
44	Korea Rep.		46.04	↘	21
45	Italy		44.68	↘	8
46	Philippines		44.43	↗	3
47	Colombia		40.28	↗	3
48	Botswana		39.18	↘	1
49	Ghana		39.00	↗	7
50	Romania		38.46	↗	4
51	Japan		36.63	-	
52	Cyprus		35.38	↗	3
53	Greece		33.94	↘	9
54	Mexico		33.36	↘	1
55	Slovenia		33.09	↗	2
56	Brazil		29.70	↗	5
57	South Africa		28.64	↘	9
58	Argentina		28.50	↗	8
59	Nigeria		24.12	↘	1
60	Peru		23.05	-	
61	Hungary		21.81	↗	6
62	Venezuela		21.34	↗	1
63	Namibia		21.03	-	
64	Poland		17.41	↘	18
65	Mongolia		16.52	↘	3
66	Croatia		16.50	↘	7
67	Bulgaria		14.50	↘	2
68	Slovak Republic		9.87	↘	4
69	Türkiye		3.78	↘	17

## INFRASTRUCTURE

Extent to which basic, technological, scientific and human resources meet the needs of business

			Score	
01	Switzerland		94.76	-
02	Denmark		88.35	-
03	Sweden		85.96	-
04	Finland		85.02	↗ 2
05	Canada		81.37	↗ 11
06	Singapore		81.03	✓ 2
07	Hong Kong SAR		80.74	↗ 2
08	Norway		80.59	✓ 3
09	Netherlands		80.45	✓ 1
10	Taiwan (Chinese Taipei)		79.08	-
11	USA		78.60	✓ 4
12	Iceland		77.86	-
13	Germany		77.45	↗ 7
14	Austria		77.17	-
15	China		74.92	-
16	Belgium		72.68	↗ 3
17	Ireland		72.02	-
18	France		71.98	↗ 3
19	Japan		71.12	↗ 4
20	United Kingdom		70.09	↗ 2
21	Korea Rep.		69.72	✓ 10
22	Australia		69.67	✓ 4
23	UAE		69.00	↗ 2
24	Luxembourg		66.10	-
25	Portugal		64.00	↗ 1
26	Lithuania		63.99	↗ 3
27	Spain		62.23	-
28	New Zealand		61.77	↗ 3
29	Czech Republic		60.42	✓ 1
30	Qatar		60.00	↗ 3
31	Saudi Arabia		59.50	↗ 3
32	Estonia		59.20	-
33	Latvia		58.32	↗ 3
34	Italy		56.61	✓ 4
35	Malaysia		53.47	-
36	Bahrain		53.38	↗ 3
37	Hungary		53.19	↗ 4
38	Oman		51.21	-
39	Slovenia		50.89	✓ 2
40	Greece		47.92	-
41	Poland		46.83	✓ 3
42	Puerto Rico		46.24	↗ 6
43	Kuwait		45.14	↗ 3
44	Kazakhstan		43.63	↗ 5
45	Romania		43.63	↗ 6
46	Cyprus		43.36	✓ 4
47	Thailand		43.09	✓ 4
48	Chile		42.16	✓ 3
49	Croatia		39.43	✓ 5
50	Slovak Republic		38.27	-
51	India		36.38	↗ 2
52	Jordan		34.45	↗ 3
53	Bulgaria		33.37	↗ 6
54	Argentina		32.23	↗ 2
55	Türkiye		31.30	✓ 8
56	Colombia		30.97	✓ 2
57	Indonesia		30.18	✓ 5
58	Brazil		29.75	-
59	Botswana		28.27	✓ 2
60	Philippines		25.00	↗ 1
61	Mexico		20.77	↗ 1
62	South Africa		20.36	✓ 2
63	Peru		20.04	-
64	Kenya		15.12	-
65	Namibia		13.90	-
66	Mongolia		13.80	✓ 2
67	Ghana		13.48	✓ 2
68	Nigeria		6.03	✓ 2
69	Venezuela		4.61	✓ 2

# Factor Rankings: Five-year Overview

	OVERALL					ECONOMIC PERFORMANCE				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Argentina	63	62	63	66	62	59	57	59	62	64
Australia	22	19	19	13	18	19	16	10	07	16
Austria	19	20	24	26	26	20	24	22	33	40
Bahrain	-	30	25	21	22	-	39	23	18	18
Belgium	24	21	13	18	24	24	14	13	17	29
Botswana	61	58	59	55	59	62	60	62	64	69
Brazil	57	59	60	62	58	51	48	41	38	30
Bulgaria	53	53	57	58	57	41	49	48	45	50
Canada	14	14	15	19	11	14	10	09	14	14
Chile	44	45	44	44	42	53	50	52	55	44
China	16	17	21	14	16	04	04	08	06	05
Colombia	56	57	58	57	54	56	45	37	58	49
Croatia	59	46	50	51	53	50	32	46	49	34
Cyprus	33	40	45	43	44	13	38	47	28	36
Czech Republic	34	26	18	29	25	23	18	27	35	28
Denmark	03	01	01	03	04	17	13	15	22	15
Estonia	26	22	26	33	33	29	33	54	54	57
Finland	11	08	11	15	14	34	44	39	50	46
France	29	28	33	31	32	28	17	24	29	21
Germany	15	15	22	24	19	03	05	12	13	12
Ghana	-	-	-	65	61	-	-	-	65	66
Greece	46	47	49	47	50	52	51	58	52	53
Hong Kong SAR	07	05	07	05	03	30	15	36	11	06
Hungary	42	39	46	54	48	08	08	21	36	41
Iceland	21	16	16	17	15	55	56	45	53	52
India	43	37	40	39	41	37	28	33	20	27
Indonesia	37	44	34	27	40	35	42	29	24	24
Ireland	13	11	02	04	07	22	07	01	10	09
Italy	41	41	41	42	43	39	41	44	44	31
Japan	31	34	35	38	35	12	20	26	21	23
Jordan	49	56	54	48	47	63	62	63	63	65
Kazakhstan	35	43	37	35	34	45	58	57	43	51
Kenya	-	-	-	-	56	-	-	-	-	62
Korea Rep.	23	27	28	20	27	18	22	14	16	11
Kuwait	-	-	38	37	36	-	-	19	31	43
Latvia	38	35	51	45	38	44	54	55	59	59
Lithuania	30	29	32	30	21	33	43	49	48	38
Luxembourg	12	13	20	23	20	10	01	38	57	35
Malaysia	25	32	27	34	23	15	12	07	08	04
Mexico	55	55	56	56	55	49	27	30	25	39
Mongolia	60	61	62	61	65	58	61	60	42	55
Namibia	-	-	-	-	68	-	-	-	-	67
Netherlands	04	06	05	09	10	02	19	11	09	19
New Zealand	20	31	31	32	31	32	47	50	46	54
Nigeria	-	-	-	64	67	-	-	-	67	61
Norway	06	09	14	10	12	25	25	17	30	26
Oman	-	-	-	-	28	-	-	-	-	48
Peru	58	54	55	63	60	60	40	53	60	47
Philippines	52	48	52	52	51	57	53	40	40	33
Poland	47	50	43	41	52	27	29	25	19	25
Portugal	36	42	39	36	37	43	46	42	39	42
Puerto Rico	-	-	-	49	45	-	-	-	51	58
Qatar	17	18	12	11	09	11	09	05	04	07
Romania	48	51	48	50	49	40	55	51	47	56
Saudi Arabia	32	24	17	16	17	48	31	06	15	17
Singapore	05	03	04	01	02	01	02	03	03	01
Slovak Republic	50	49	53	59	63	47	52	56	56	60
Slovenia	40	38	42	46	46	31	26	34	37	37
South Africa	62	60	61	60	64	61	59	61	61	63
Spain	39	36	36	40	39	42	35	32	27	22
Sweden	02	04	08	06	08	16	21	28	23	20
Switzerland	01	02	03	02	01	07	30	18	12	13
Taiwan (Chinese Taipei)	08	07	06	08	06	06	11	20	26	10
Thailand	28	33	30	25	30	21	34	16	05	08
Türkiye	51	52	47	53	66	46	37	43	34	45
UAE	09	12	10	07	05	09	06	04	02	02
United Kingdom	18	23	29	28	29	26	23	35	32	32
USA	10	10	09	12	13	05	03	02	01	03
Venezuela	64	63	64	67	69	64	63	64	66	68



## GOVERNMENT EFFICIENCY

2021	2022	2023	2024	2025
64	63	64	67	67
16	16	18	13	13
29	34	36	40	40
-	20	20	21	28
37	33	22	35	42
42	41	37	38	41
62	61	62	65	68
47	49	55	56	50
15	18	16	19	11
22	30	32	30	30
27	29	35	27	37
58	59	61	64	65
57	46	49	47	52
25	24	30	28	26
36	22	17	25	21
07	06	05	05	06
18	15	15	20	24
14	10	13	16	15
39	40	47	43	47
23	21	27	32	27
-	-	-	59	49
52	55	53	52	53
01	02	02	03	02
40	37	40	51	46
17	14	19	17	18
46	45	44	45	45
26	35	31	23	34
13	11	03	06	05
55	54	56	57	54
41	39	42	42	38
35	44	41	37	39
21	25	23	18	22
-	-	-	-	60
34	36	38	39	31
-	-	26	22	19
32	28	39	36	29
31	23	33	26	23
10	13	10	11	14
30	38	29	33	25
59	60	60	60	62
54	57	58	53	61
-	-	-	-	55
12	12	12	14	12
11	17	21	15	20
-	-	-	54	57
04	05	09	09	10
-	-	-	-	16
48	52	50	55	59
45	48	52	49	51
56	56	54	44	58
38	43	43	41	35
-	-	-	50	43
06	07	04	07	07
44	47	46	48	44
24	19	11	12	17
05	04	07	02	03
51	51	48	62	64
43	42	45	46	48
61	53	59	61	63
49	50	51	58	56
09	09	14	10	09
02	01	01	01	01
08	08	06	08	08
20	31	24	24	32
60	58	57	63	66
03	03	08	04	04
19	26	28	31	36
28	27	25	34	33
63	62	63	66	69

## BUSINESS EFFICIENCY

2021	2022	2023	2024	2025
63	63	63	66	58
34	26	30	22	37
18	18	26	29	27
-	24	22	16	14
20	19	05	17	22
61	57	50	47	48
49	52	61	61	56
59	59	62	65	67
16	13	17	27	13
40	41	45	41	43
17	15	21	15	18
51	60	59	50	47
64	49	56	59	66
43	44	55	55	52
41	29	15	30	30
01	01	01	01	01
31	22	25	31	28
12	05	09	18	16
36	35	39	32	40
23	21	29	35	29
-	-	-	56	49
44	46	48	44	53
03	07	11	07	02
56	48	58	67	61
14	08	10	13	10
32	23	28	25	25
25	31	20	14	26
11	11	03	03	11
35	34	38	37	45
48	51	47	51	51
33	45	36	34	33
28	32	31	28	20
-	-	-	-	38
27	33	33	23	44
-	-	42	36	31
42	37	57	49	34
30	25	27	24	17
13	20	19	26	23
24	38	32	40	32
47	47	51	53	54
60	61	64	62	65
-	-	-	-	63
04	03	02	08	07
22	36	35	42	39
-	-	-	58	59
06	10	18	09	15
-	-	-	-	21
53	53	53	60	60
37	39	40	43	46
57	58	43	46	64
38	42	41	39	42
-	-	-	45	35
15	14	12	11	05
52	50	49	54	50
26	16	13	12	12
09	09	08	02	08
55	54	52	64	68
45	43	46	57	55
58	56	54	48	57
39	40	37	38	41
02	02	06	04	09
05	04	07	05	06
07	06	04	06	04
21	30	23	20	24
46	55	44	52	69
08	17	16	10	03
19	28	34	33	36
10	12	14	19	19
62	62	60	63	62

## INFRASTRUCTURE

2021	2022	2023	2024	2025	
56	54	56	56	54	Argentina
23	19	20	18	22	Australia
12	10	15	14	14	Austria
-	39	37	39	36	Bahrain
19	20	10	19	16	Belgium
63	61	61	57	59	Botswana
52	53	55	58	58	Brazil
54	51	54	59	53	Bulgaria
08	11	11	16	05	Canada
45	47	46	45	48	Chile
18	21	21	15	15	China
53	56	57	54	56	Colombia
50	45	45	44	49	Croatia
41	40	42	42	46	Cyprus
31	28	24	28	29	Czech Republic
03	02	02	02	02	Denmark
30	27	29	32	32	Estonia
05	04	03	06	04	Finland
15	15	17	21	18	France
10	09	14	20	13	Germany
-	-	-	65	67	Ghana
39	41	40	40	40	Greece
16	14	13	09	07	Hong Kong SAR
37	36	38	41	37	Hungary
09	08	07	12	12	Iceland
49	49	52	53	51	India
57	52	51	52	57	Indonesia
20	23	19	17	17	Ireland
29	31	30	30	34	Italy
22	22	23	23	19	Japan
55	55	53	55	52	Jordan
47	46	47	49	44	Kazakhstan
-	-	-	-	64	Kenya
17	16	16	11	21	Korea Rep.
-	-	49	46	43	Kuwait
35	35	41	36	33	Latvia
34	32	31	29	26	Lithuania
24	24	25	24	24	Luxembourg
32	37	35	35	35	Malaysia
58	58	59	62	61	Mexico
62	62	63	64	66	Mongolia
-	-	-	-	65	Namibia
07	05	05	08	09	Netherlands
25	29	28	31	28	New Zealand
-	-	-	66	68	Nigeria
04	06	08	05	08	Norway
-	-	-	-	38	Oman
60	59	60	63	63	Peru
59	57	58	61	60	Philippines
42	43	39	38	41	Poland
27	30	32	26	25	Portugal
-	-	-	48	42	Puerto Rico
40	38	33	33	30	Qatar
48	48	50	51	45	Romania
36	34	34	34	31	Saudi Arabia
11	12	09	04	06	Singapore
44	42	44	50	50	Slovak Republic
33	33	36	37	39	Slovenia
61	60	62	60	62	South Africa
26	25	27	27	27	Spain
02	03	04	03	03	Sweden
01	01	01	01	01	Switzerland
14	13	12	10	10	Taiwan (Chinese Taipei)
43	44	43	43	47	Thailand
46	50	48	47	55	Türkiye
28	26	26	25	23	UAE
13	18	22	22	20	United Kingdom
06	07	06	07	11	USA
64	63	64	67	69	Venezuela

# 2025 Sub-factor Rankings

## ECONOMIC PERFORMANCE

	Domestic Economy	International Trade	International Investment	Employment	Prices
Argentina	64	54	40	21	68
Australia	28	40	11	12	38
Austria	42	19	28	46	41
Bahrain	37	17	27	45	03
Belgium	27	18	14	48	48
Botswana	69	69	66	68	02
Brazil	31	56	20	18	27
Bulgaria	49	39	63	62	15
Canada	20	48	05	24	24
Chile	44	57	24	47	26
China	01	27	04	23	43
Colombia	51	49	31	53	21
Croatia	36	28	44	31	23
Cyprus	45	45	23	42	14
Czech Republic	32	21	29	20	31
Denmark	07	09	17	38	50
Estonia	62	31	38	59	35
Finland	47	42	19	58	42
France	13	24	08	40	60
Germany	18	12	10	15	53
Ghana	66	62	64	64	58
Greece	46	32	52	60	44
Hong Kong SAR	26	03	02	30	69
Hungary	56	16	39	36	28
Iceland	40	63	60	08	59
India	05	33	34	44	47
Indonesia	09	46	42	17	16
Ireland	33	08	07	11	46
Italy	23	25	18	54	49
Japan	16	47	35	04	51
Jordan	61	50	61	66	11
Kazakhstan	35	60	47	28	54
Kenya	57	65	69	50	33
Korea Rep.	08	34	21	05	30
Kuwait	65	35	37	27	09
Latvia	60	41	54	63	25
Lithuania	39	14	51	55	12
Luxembourg	29	07	48	34	56
Malaysia	15	06	26	10	01
Mexico	30	52	32	09	55
Mongolia	43	68	55	57	06
Namibia	68	58	62	69	08
Netherlands	14	05	41	13	57
New Zealand	59	59	50	26	32
Nigeria	52	64	65	33	64
Norway	11	37	15	19	52
Oman	58	61	49	51	04
Peru	50	51	56	35	20
Philippines	22	55	45	07	39
Poland	34	20	36	16	29
Portugal	54	22	33	39	36
Puerto Rico	55	67	68	22	05
Qatar	12	38	43	02	10
Romania	41	53	53	61	37
Saudi Arabia	25	29	16	29	19
Singapore	03	01	03	06	67
Slovak Republic	53	43	67	52	34
Slovenia	48	10	58	41	17
South Africa	63	44	46	67	07
Spain	21	11	12	49	40
Sweden	17	13	09	56	45
Switzerland	06	15	06	25	65
Taiwan (Chinese Taipei)	04	30	22	37	18
Thailand	38	04	30	03	13
Türkiye	19	23	59	43	61
UAE	10	02	25	01	22
United Kingdom	24	26	13	32	66
USA	02	36	01	14	63
Venezuela	67	66	57	65	62

## GOVERNMENT EFFICIENCY

Public Finance	Tax Policy	Institutional Framework	Business Legislation	Societal Framework
43	65	67	68	53
17	31	18	15	11
46	64	28	35	17
67	05	47	09	52
64	68	25	23	09
41	16	44	41	60
69	47	65	67	65
37	29	52	58	56
30	28	12	07	13
20	39	33	26	41
33	27	46	39	34
55	48	59	65	67
42	55	50	52	33
32	22	40	30	27
22	46	14	34	15
05	54	03	03	01
28	43	31	11	23
26	60	05	08	03
62	69	23	31	22
29	61	17	33	14
48	19	60	48	50
61	58	48	38	42
06	01	10	01	30
58	34	43	42	40
25	41	19	16	02
44	37	35	45	57
24	10	51	49	47
08	20	07	05	06
66	66	34	43	31
54	40	21	36	28
40	26	39	27	51
18	07	53	25	32
59	33	63	47	58
21	30	24	50	36
09	04	38	44	37
35	44	32	22	26
23	38	26	20	21
14	49	13	17	10
27	11	20	46	38
52	23	62	62	61
38	36	64	66	54
47	21	58	63	48
11	67	08	06	08
34	42	06	18	16
19	14	68	55	68
12	50	09	21	05
07	06	37	29	46
39	32	57	57	62
49	17	54	59	59
56	51	42	56	39
36	56	30	24	25
16	24	55	53	63
10	02	16	14	35
53	35	36	37	49
13	12	27	13	55
04	15	02	02	12
68	59	56	64	43
45	57	45	51	20
63	25	61	61	64
57	62	41	54	29
15	63	04	10	07
01	13	01	04	04
03	09	11	19	18
31	08	49	40	45
60	45	66	60	66
02	03	15	12	19
50	53	22	28	24
51	18	29	32	44
65	52	69	69	69

## BUSINESS EFFICIENCY

Productivity & Efficiency	Labor Market	Finance	Management Practices	Attitudes & Values
54	46	65	50	60
49	38	12	43	36
19	27	27	20	53
13	08	38	11	10
10	42	20	19	41
51	45	59	47	37
59	56	50	48	62
61	69	56	66	63
21	11	04	10	15
62	28	30	40	40
20	14	28	27	16
60	35	63	22	45
52	64	53	68	66
48	48	42	62	51
27	29	34	32	34
01	03	09	02	07
33	36	35	23	29
16	18	14	15	21
26	44	24	36	61
23	33	11	37	48
58	32	66	54	24
50	60	47	58	47
07	16	02	03	06
57	57	44	63	67
18	20	21	01	04
28	25	25	45	19
44	10	37	30	26
22	06	18	07	02
32	59	29	49	46
56	49	13	65	56
41	21	54	18	27
30	24	39	16	18
46	22	60	31	20
45	53	33	55	33
31	31	32	35	31
29	34	55	29	23
17	19	41	06	17
14	26	23	33	32
34	23	26	42	39
38	50	62	53	57
69	58	64	64	54
64	65	58	59	59
08	04	07	08	09
42	51	31	39	30
66	54	68	51	52
09	13	16	13	25
35	05	40	28	14
67	52	61	61	55
43	37	51	44	38
55	63	48	67	65
47	43	45	46	28
24	40	49	21	35
11	02	17	05	01
25	62	52	57	43
15	09	19	17	03
06	07	05	12	11
53	68	57	60	69
36	61	43	52	64
63	55	46	56	58
40	47	22	41	49
05	12	06	14	12
03	15	03	09	13
02	30	08	04	08
39	17	36	26	22
65	67	67	69	68
04	01	10	24	05
37	39	15	38	44
12	41	01	25	42
68	66	69	34	50

## INFRASTRUCTURE

Basic Infrastructure	Technological Infrastructure	Scientific Infrastructure	Health & Environment	Education	
56	59	58	48	47	Argentina
18	42	20	12	13	Australia
15	30	12	08	14	Austria
22	18	60	41	32	Bahrain
38	24	16	18	12	Belgium
49	58	63	56	53	Botswana
52	57	42	45	65	Brazil
61	52	57	46	50	Bulgaria
05	11	17	16	07	Canada
36	37	56	44	51	Chile
17	08	06	36	28	China
43	55	59	51	59	Colombia
57	54	49	39	45	Croatia
68	49	55	34	20	Cyprus
30	34	23	24	35	Czech Republic
09	02	09	04	04	Denmark
37	41	41	23	15	Estonia
12	06	13	02	09	Finland
27	15	14	17	30	France
28	28	04	07	23	Germany
48	63	66	68	67	Ghana
47	51	36	35	41	Greece
10	04	22	09	02	Hong Kong SAR
32	38	31	38	42	Hungary
04	05	33	06	06	Iceland
42	36	27	66	60	India
33	46	50	63	62	Indonesia
44	13	19	11	16	Ireland
50	48	21	20	33	Italy
39	27	08	10	36	Japan
62	53	46	49	52	Jordan
31	45	54	53	38	Kazakhstan
58	60	64	65	68	Kenya
35	39	02	32	27	Korea Rep.
41	35	52	52	37	Kuwait
26	19	51	27	24	Latvia
21	20	39	22	19	Lithuania
14	44	30	21	03	Luxembourg
13	25	35	50	44	Malaysia
66	62	53	59	64	Mexico
63	66	68	67	57	Mongolia
59	67	69	57	56	Namibia
19	07	10	15	10	Netherlands
29	40	25	14	29	New Zealand
65	68	61	69	69	Nigeria
01	14	18	05	17	Norway
08	22	44	55	43	Oman
54	65	65	60	58	Peru
60	43	62	61	63	Philippines
53	50	32	37	40	Poland
16	29	26	28	21	Portugal
67	17	40	31	48	Puerto Rico
02	16	45	42	31	Qatar
45	31	43	43	49	Romania
07	23	29	47	39	Saudi Arabia
11	01	15	29	08	Singapore
46	56	47	40	46	Slovak Republic
55	47	34	30	26	Slovenia
64	61	48	64	61	South Africa
20	33	24	19	34	Spain
23	09	07	01	05	Sweden
06	03	03	03	01	Switzerland
34	10	05	25	11	Taiwan (Chinese Taipei)
25	32	37	58	55	Thailand
51	64	38	54	54	Türkiye
03	12	28	33	22	UAE
40	26	11	13	25	United Kingdom
24	21	01	26	18	USA
69	69	67	62	66	Venezuela

This booklet is just a summary.  
The complete Yearbook with full profiles and all the statistics  
is available digitally and in print.



---

Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---

# Competitiveness Country Profiles

# Argentina

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Continue price stabilization program and exchange rate liberalization, fostering economic activity recovery.
- Promote employment, reducing monetary costs for job creation in the formal sector.
- Invest in infrastructure for sustainable economic and social development.
- Strengthen public administration and rule of law to reduce discretion and rent-seeking behavior.
- Diminish impact of uncertainty about effects of upcoming elections on the economy.

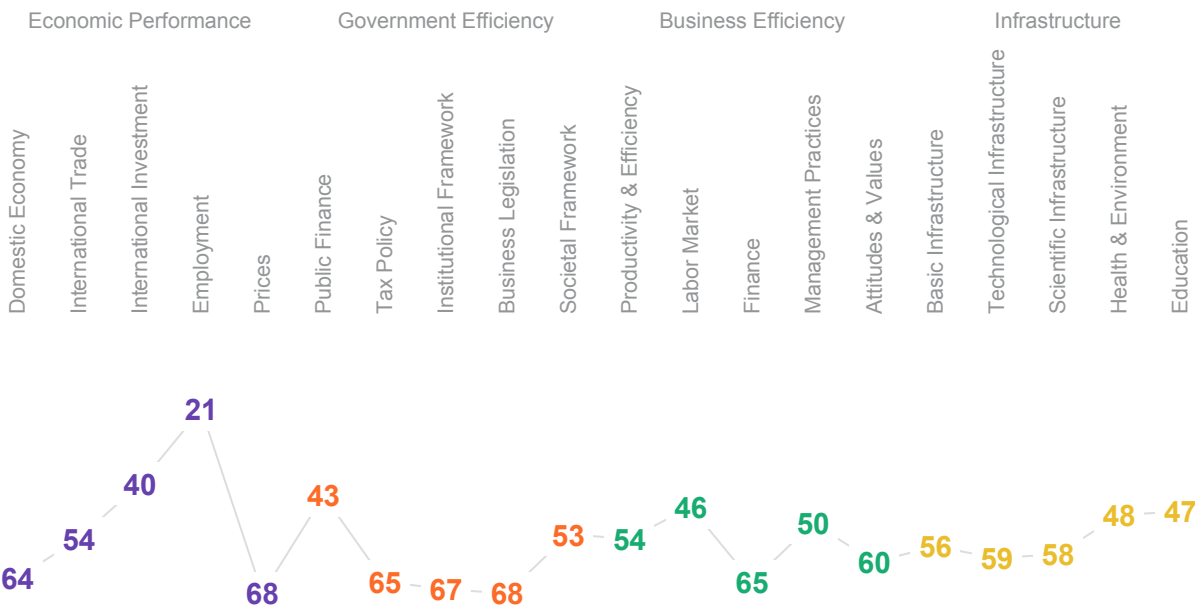
PROVIDED BY: Research Department, Faculty of Economic Sciences, Catholic University of Argentina, Argentina

### BASIC FACTS

### Rank

Capital	Buenos Aires
Land area (square km '000)	2,780 <sup>2024</sup>
Exchange rate (per \$)	914.695 <sup>2024</sup>
Population - market size (millions)	47.07 <sup>2024</sup> 21
Gross Domestic Product (GDP) (US\$ billions)	633.3 <sup>2024</sup> 23
GDP (PPP) per capita (US\$)	29,296 <sup>2024</sup> 51
Real GDP growth (%)	-1.7 <sup>2024</sup> 66
Consumer price inflation (%)	219.89 <sup>2024</sup> 69
Unemployment rate (%)	6.40 <sup>2024</sup> 48
Labor force (millions)	22.29 <sup>2023</sup> 20
Current account balance (% of GDP)	0.99 <sup>2024</sup> 35
Direct investment stocks inward (\$bn)	128.9 <sup>2023</sup> 40
Direct investment flows inward (% of GDP)	3.58 <sup>2023</sup> 15

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Australia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Relieve cost of living pressure on households.
- Address housing affordability and supply constraints.
- Accelerate the clean energy transition and climate adaptation.
- Take action to return productivity growth to long-term averages.
- Build economic resilience amid ongoing geopolitical tensions and uncertainty.

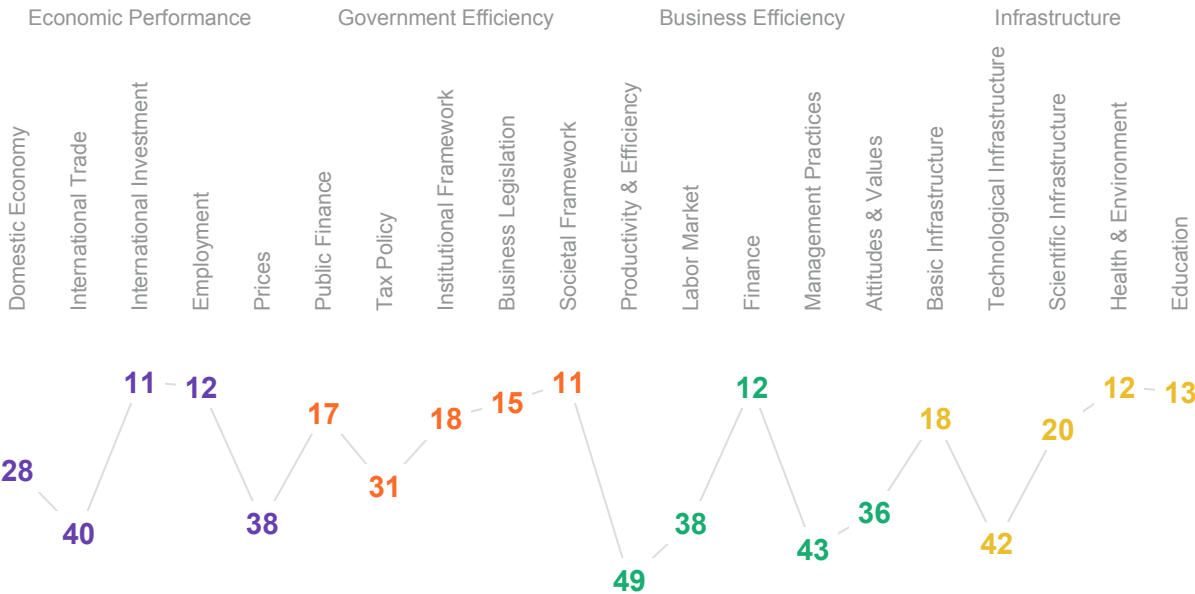
PROVIDED BY: CEDA – Committee for Economic Development of Australia, Australia

### BASIC FACTS

### Rank

Capital	Canberra	
Land area (square km '000)	7,741	2024
Exchange rate (per \$)	1.515	2024
Population - market size (millions)	27.31	2024 29
Gross Domestic Product (GDP) (US\$ billions)	1,796.3	2024 13
GDP (PPP) per capita (US\$)	69,491	2024 18
Real GDP growth (%)	1.0	2024 47
Consumer price inflation (%)	3.20	2024 45
Unemployment rate (%)	4.00	2024 25
Labor force (millions)	15.14	2024 26
Current account balance (% of GDP)	-1.93	2024 53
Direct investment stocks inward (\$bn)	807.4	2023 15
Direct investment flows inward (% of GDP)	1.72	2023 33

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Austria

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Intra-ecological conflicts impede energy transformation.
- Natural gas: address lack of supplier diversity.
- Address above-average rate of inflation and high payroll taxes.
- Reform pension and healthcare systems.
- Early segregation in education to be addressed, as it severely hampers the education and integration progresses of migrant children.

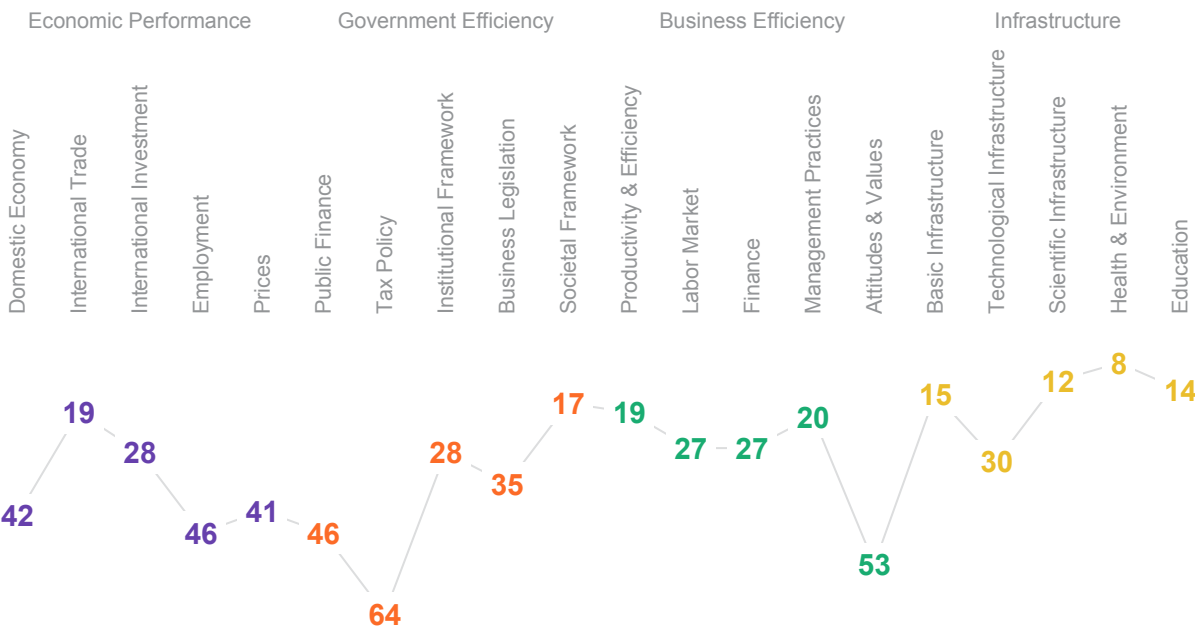
### BASIC FACTS

### Rank

Capital	Vienna	
Land area (square km '000)	84	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	9.16	2024 43
Gross Domestic Product (GDP) (US\$ billions)	521.6	2024 29
GDP (PPP) per capita (US\$)	72,817	2024 15
Real GDP growth (%)	-1.2	2024 65
Consumer price inflation (%)	2.92	2024 39
Unemployment rate (%)	5.16	2024 38
Labor force (millions)	4.73	2024 42
Current account balance (% of GDP)	2.42	2024 23
Direct investment stocks inward (\$bn)	226.3	2023 28
Direct investment flows inward (% of GDP)	0.87	2023 53

PROVIDED BY: Federation of Austrian Industries, Austria

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)





# Bahrain

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Enhance public-private partnerships to drive economic growth and business development.
- Prioritize the development of talent with digital and technical skills.
- Continue fostering an ecosystem that is business and investment friendly.
- Streamline regulations to keep pace with digital and economic advancements.
- Further adopt AI and innovative solutions in government services.

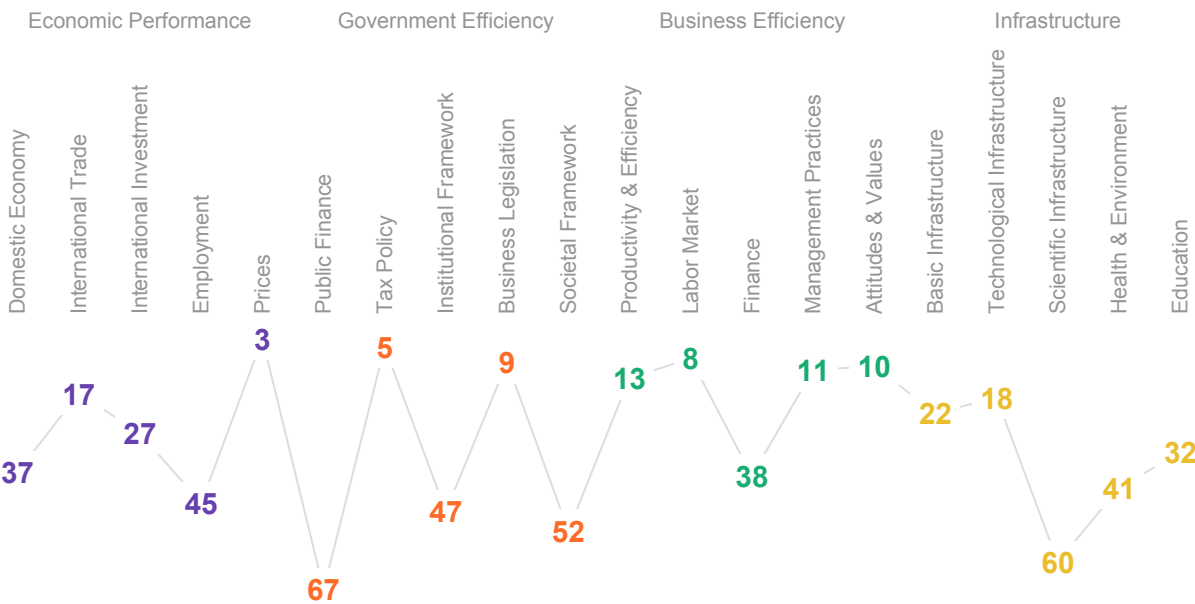
PROVIDED BY: Ministry of Finance and National Economy, Bahrain

### BASIC FACTS

Rank

Capital	Manama	
Land area (square km '000)	1	2024
Exchange rate (per \$)	0.376	2024
Population - market size (millions)	1.59	2024 65
Gross Domestic Product (GDP) (US\$ billions)	46.9	2024 62
GDP (PPP) per capita (US\$)	67,000	2024 19
Real GDP growth (%)	2.6	2024 26
Consumer price inflation (%)	0.92	2024 06
Unemployment rate (%)	6.20	2024 46
Labor force (millions)	0.94	2024 64
Current account balance (% of GDP)	4.86	2024 18
Direct investment stocks inward (\$bn)	43.1	2023 54
Direct investment flows inward (% of GDP)	15.64	2023 04

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



POPULATIONS < 20 MILLION (37 countries)

2021 2022 2023 2024 2025



# Belgium

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Adhere to real-wage moderation set out in competitiveness law to compensate for strong rise in labour costs due to automatic wage indexation.
- Continue efforts to reduce the tax wedge.
- Address labour market shortages by promoting lifelong learning and STEM skills.
- Reduce administrative burdens for businesses.
- Reduce public spending and undertake labour market and social security reforms to tackle high government budget deficits.

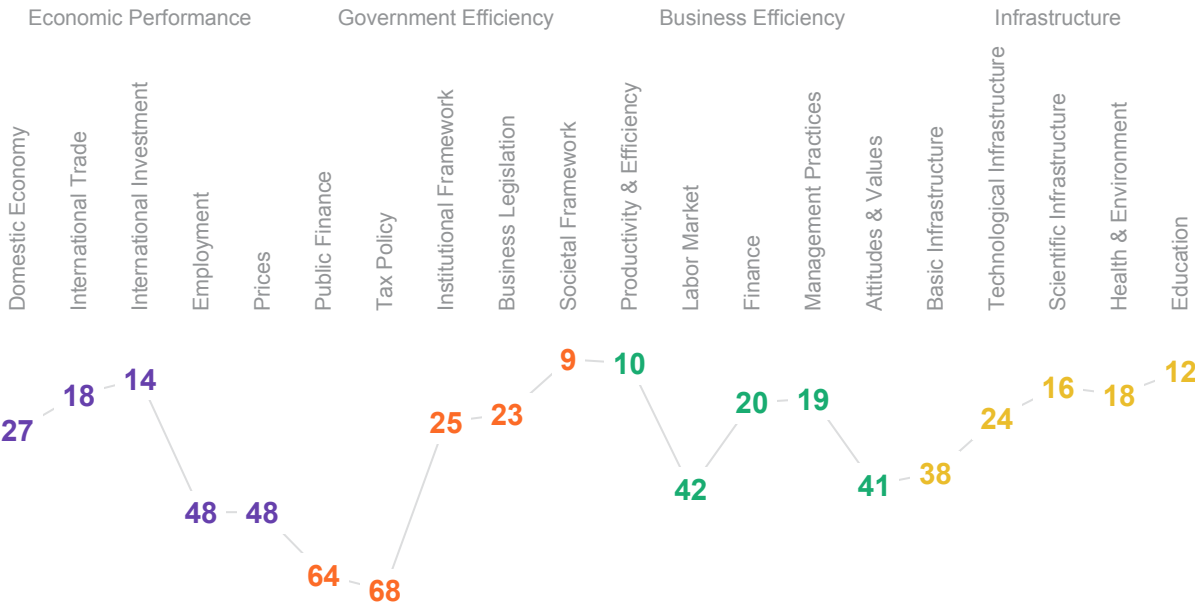
PROVIDED BY: FEB – Federation of Enterprises in Belgium, Belgium

### BASIC FACTS

### Rank

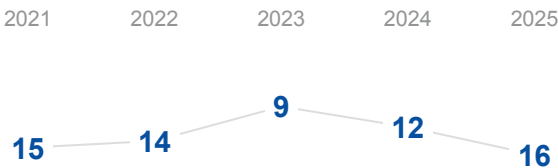
Capital	Brussels	
Land area (square km '000)	31	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	11.79	2024 35
Gross Domestic Product (GDP) (US\$ billions)	665.1	2024 22
GDP (PPP) per capita (US\$)	73,670	2024 14
Real GDP growth (%)	1.0	2024 48
Consumer price inflation (%)	4.32	2024 54
Unemployment rate (%)	5.70	2024 43
Labor force (millions)	5.71	2024 37
Current account balance (% of GDP)	-0.85	2024 47
Direct investment stocks inward (\$bn)	578.0	2023 17
Direct investment flows inward (% of GDP)	3.74	2023 14

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



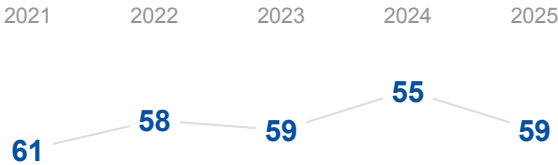
#### POPULATIONS < 20 MILLION (37 countries)



# Botswana

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Align education with market needs through strong partnerships to address youth unemployment.
- Promote private sector-led diversification and sustained growth.
- Strengthen policies and support to increase exports.
- Improve transport infrastructure to cut costs and boost efficiency.
- Fund R&D and leverage public-private partnerships to drive innovation.

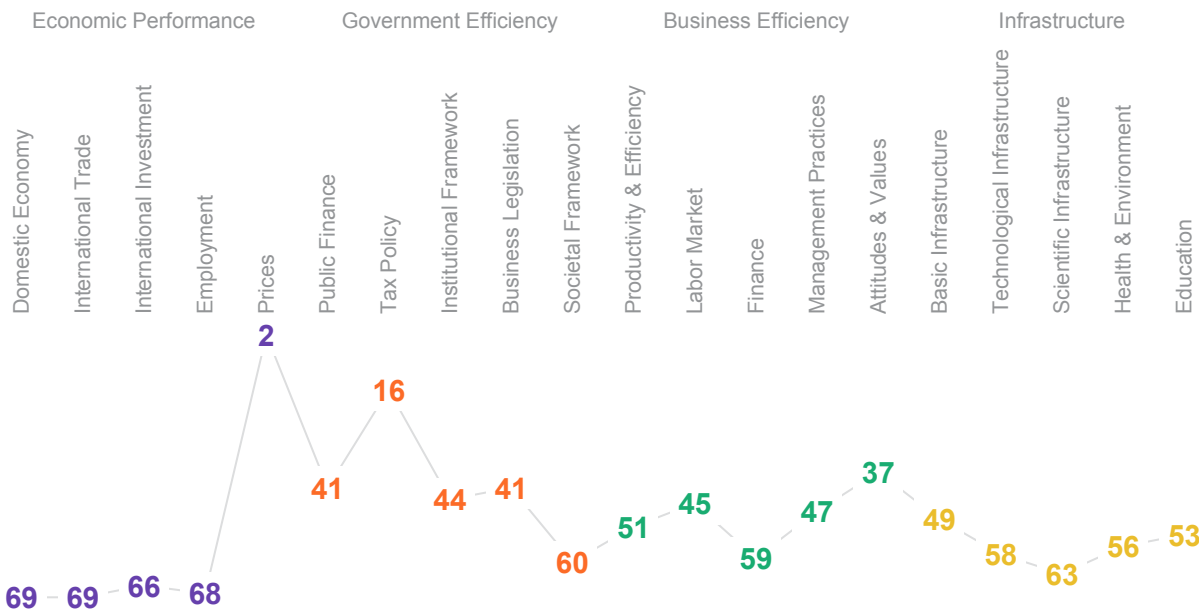
PROVIDED BY: BNPC – Botswana National Productivity Centre, Botswana

### BASIC FACTS

Rank

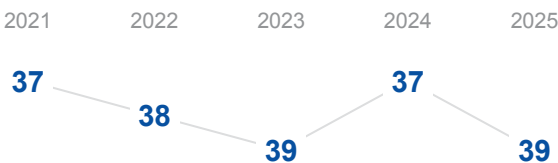
Capital	Gaborone	
Land area (square km '000)	582	2024
Exchange rate (per \$)	13.563	2024
Population - market size (millions)	2.72	2024 62
Gross Domestic Product (GDP) (US\$ billions)	19.4	2024 68
GDP (PPP) per capita (US\$)	19,037	2024 57
Real GDP growth (%)	-3.0	2024 67
Consumer price inflation (%)	2.83	2024 36
Unemployment rate (%)	27.60	2024 67
Labor force (millions)	1.04	2024 61
Current account balance (% of GDP)	-4.72	2024 62
Direct investment stocks inward (\$bn)	5.4	2023 68
Direct investment flows inward (% of GDP)	1.02	2023 49

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)



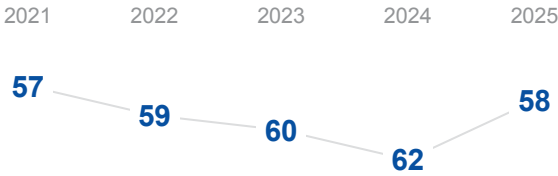
POPULATIONS < 20 MILLION (37 countries)



# Brazil

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Ensure access to quality education and lifelong learning opportunities.
- Improve talent attraction, retention, and development.
- Advance innovation capacity through investment and collaboration.
- Strengthen macroeconomic stability to foster investor confidence.
- Upgrade national infrastructure to support productivity and growth.

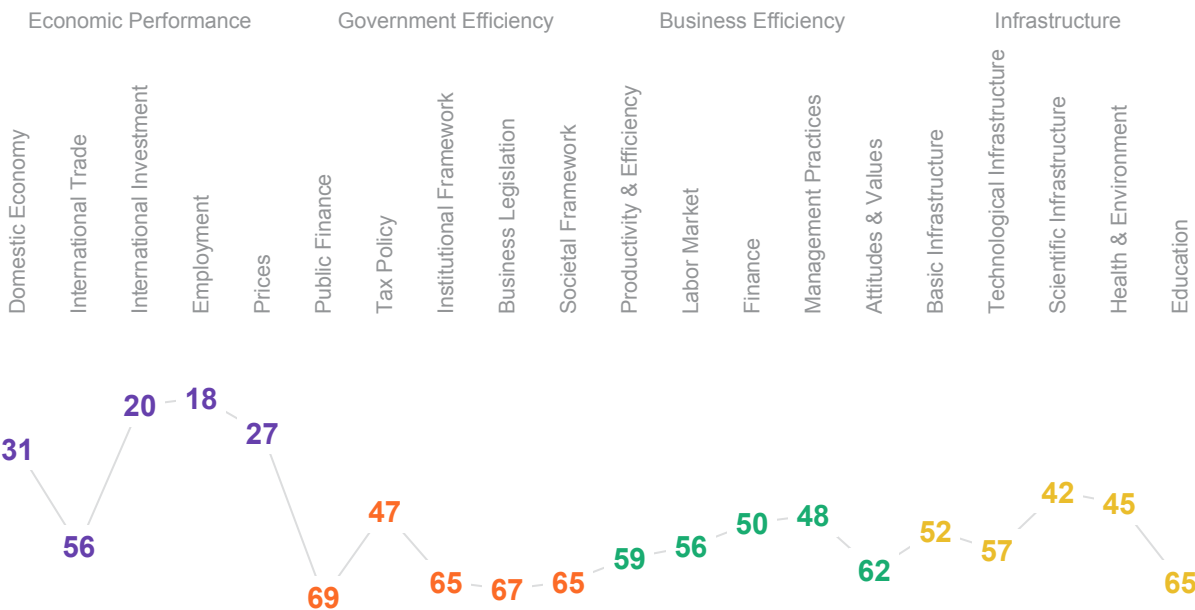
PROVIDED BY: Fundação Dom Cabral, Innovation and Entrepreneurship Center, Brazil

### BASIC FACTS

### Rank

Capital	Brasilia	
Land area (square km '000)	8,516	2024
Exchange rate (per \$)	5.389	2024
Population - market size (millions)	212.58	2024 06
Gross Domestic Product (GDP) (US\$ billions)	2,179.4	2024 10
GDP (PPP) per capita (US\$)	22,272	2024 55
Real GDP growth (%)	3.4	2024 17
Consumer price inflation (%)	4.37	2024 55
Unemployment rate (%)	6.60	2024 51
Labor force (millions)	109.72	2024 05
Current account balance (% of GDP)	-2.81	2024 57
Direct investment stocks inward (\$bn)	997.6	2023 13
Direct investment flows inward (% of GDP)	3.03	2023 19

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Bulgaria

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- State capture and strategic corruption distort market competition.
- Weak judiciary and politicized administration deter investment and reform.
- Brain drain, aging, undeclared work, and skills gaps erode workforce capacity.
- Innovation and growth suffer from weak capital markets and poor R&D incentives.
- Slow green and digital transitions, energy innovation, and poor connectivity weaken resilience.

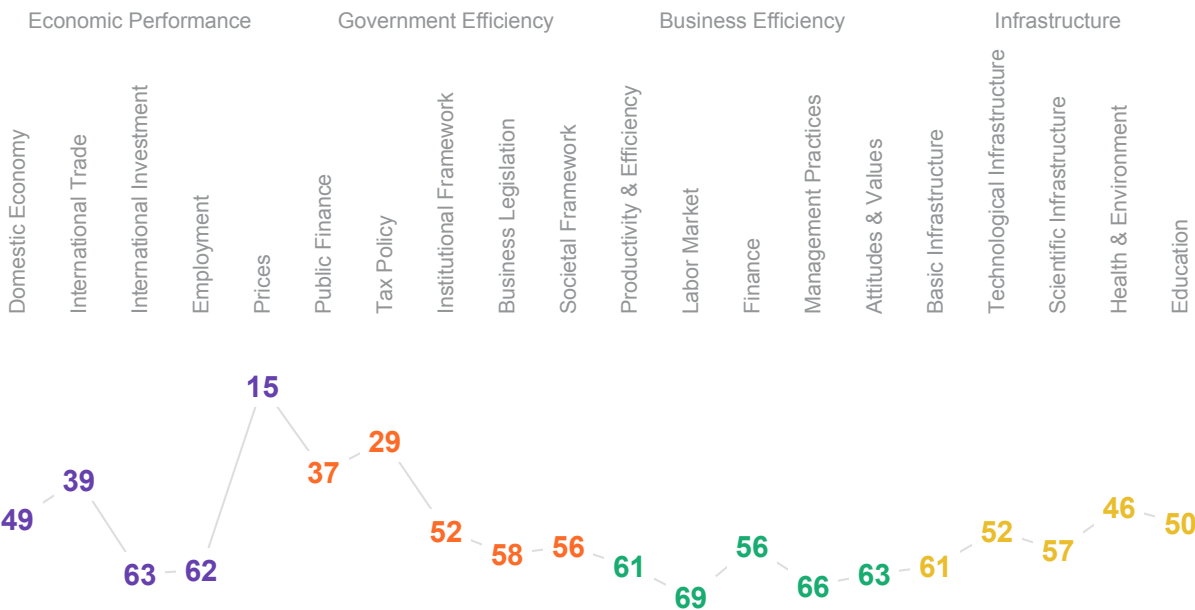
PROVIDED BY: Center for the Study of Democracy, Bulgaria

### BASIC FACTS

### Rank

Capital	Sofia	
Land area (square km '000)	111	2024
Exchange rate (per \$)	1.808	2024
Population - market size (millions)	6.45	2024 46
Gross Domestic Product (GDP) (US\$ billions)	112.2	2024 54
GDP (PPP) per capita (US\$)	39,044	2024 49
Real GDP growth (%)	2.8	2024 23
Consumer price inflation (%)	2.60	2024 33
Unemployment rate (%)	3.80	2024 22
Labor force (millions)	3.05	2024 48
Current account balance (% of GDP)	0.22	2024 38
Direct investment stocks inward (\$bn)	61.9	2023 49
Direct investment flows inward (% of GDP)	3.82	2023 13

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Canada

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Strengthen Canada-US trade relations despite tariff uncertainties.
- Encourage greater business investment and building economic confidence.
- Attract new talent to support population and labour-force growth.
- Improve productivity to enhance the country's long-term economic potential.
- Achieve emissions reductions while supporting sustainable economic growth.

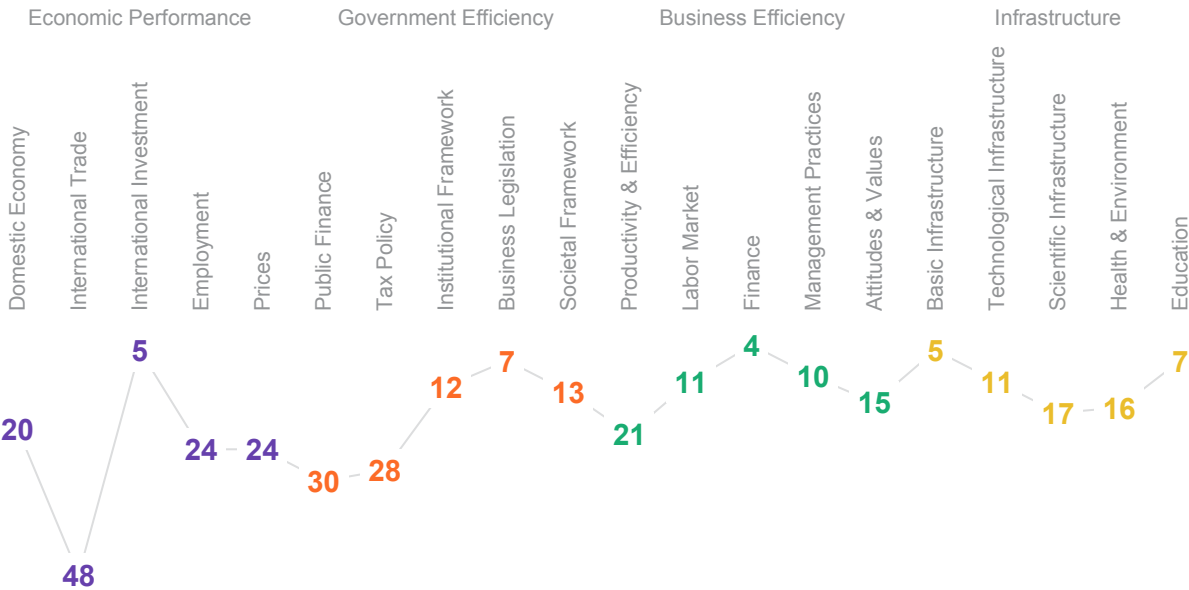
PROVIDED BY: Information and Communications Technology Council (ICTC)

### BASIC FACTS

Rank

Capital	Ottawa	
Land area (square km '000)	15,641	2024
Exchange rate (per \$)	1.369	2024
Population - market size (millions)	41.14	2024 22
Gross Domestic Product (GDP) (US\$ billions)	2,241.3	2024 09
GDP (PPP) per capita (US\$)	63,760	2024 21
Real GDP growth (%)	1.5	2024 40
Consumer price inflation (%)	2.40	2024 29
Unemployment rate (%)	6.35	2024 47
Labor force (millions)	22.13	2024 21
Current account balance (% of GDP)	-0.51	2024 41
Direct investment stocks inward (\$bn)	1,665.8	2023 07
Direct investment flows inward (% of GDP)	2.32	2023 24

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Chile

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Navigate the trade war by increasing export value added and destination diversification.
- Increase labor productivity by boosting training in new technologies.
- Improve public security by strengthening and supporting police work.
- Increase the quality and pertinence of education by capitalizing on AI.
- Increase R&D and innovation by promoting joint projects between universities, companies, and the public sector.

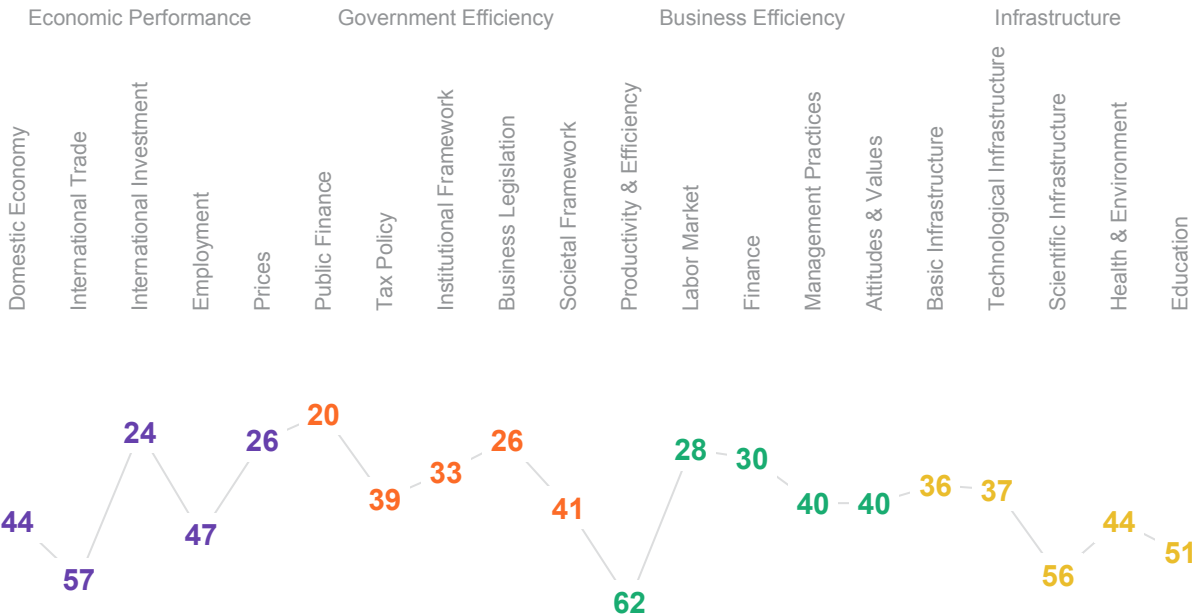
PROVIDED BY: FEN – Universidad de Chile, Facultad de Economía y Negocios, Chile

### BASIC FACTS

### Rank

Capital	Santiago de Chile	
Land area (square km '000)	757	2024
Exchange rate (per \$)	943.572	2024
Population - market size (millions)	20.09	2024 32
Gross Domestic Product (GDP) (US\$ billions)	330.3	2024 39
GDP (PPP) per capita (US\$)	33,757	2024 50
Real GDP growth (%)	2.6	2024 26
Consumer price inflation (%)	3.93	2024 51
Unemployment rate (%)	8.49	2024 61
Labor force (millions)	10.15	2024 32
Current account balance (% of GDP)	-1.47	2024 51
Direct investment stocks inward (\$bn)	267.1	2023 25
Direct investment flows inward (% of GDP)	6.27	2023 08

### COMPETITIVENESS LANDSCAPE

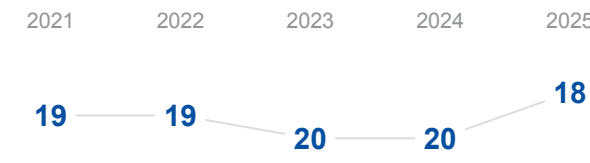


### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# China

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Deepen reform and open up to boost internal development momentum.
- Stimulate innovation to advance industrial upgrading and structural optimization.
- Strengthen consumption as a key driver of high-quality, socio-economic growth.
- Intensify policy support to improve people's wellbeing.
- Resolve trade disputes to stabilize international economic cooperation.

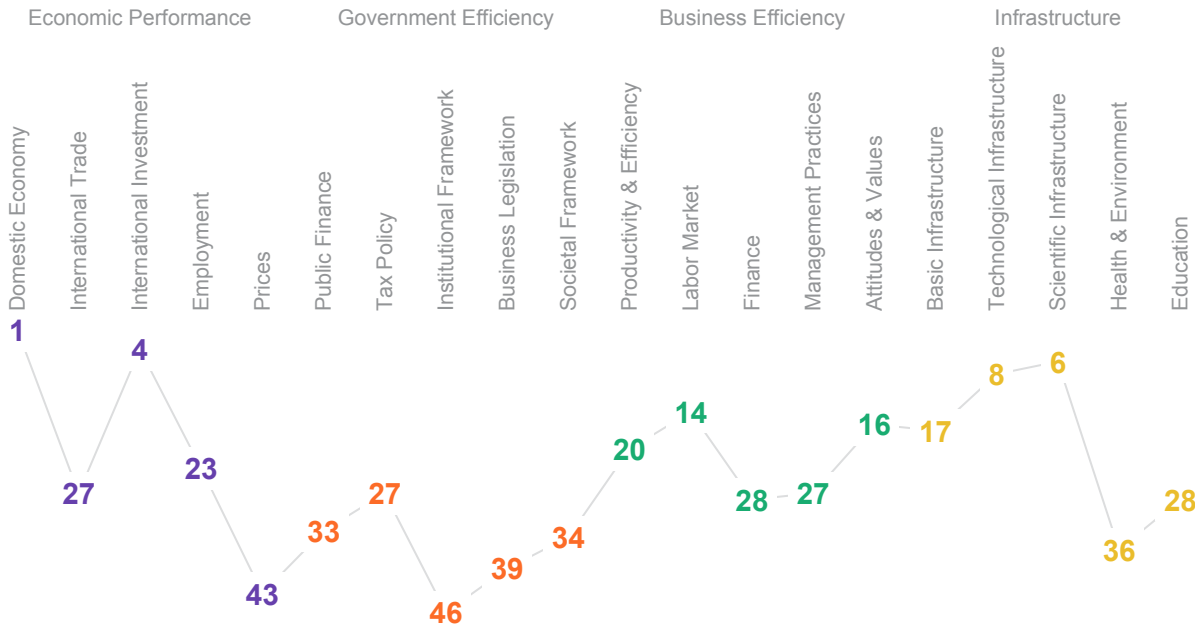
PROVIDED BY: China Institute for Development Planning, Tsingua University, China

### BASIC FACTS

### Rank

Capital	Beijing	
Land area (square km '000)	9,600	2024
Exchange rate (per \$)	7.197	2024
Population - market size (millions)	1,408.28	2024 02
Gross Domestic Product (GDP) (US\$ billions)	18,743.8	2024 02
GDP (PPP) per capita (US\$)	27,093	2024 52
Real GDP growth (%)	5.0	2024 06
Consumer price inflation (%)	0.21	2024 02
Unemployment rate (%)	5.10	2024 37
Labor force (millions)	772.16	2023 01
Current account balance (% of GDP)	2.26	2024 25
Direct investment stocks inward (\$bn)	3,659.6	2023 02
Direct investment flows inward (% of GDP)	0.89	2023 51

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



#### POPULATIONS > 20 MILLION (32 countries)





# Colombia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Reduce the operating costs of public administration.
- Reduce central government debt levels.
- Increase investment to raise growth.
- Improve the relationship between the private and public sectors to achieve economic growth.
- Improve state presence across Colombia's regions to reduce violence and insecurity.

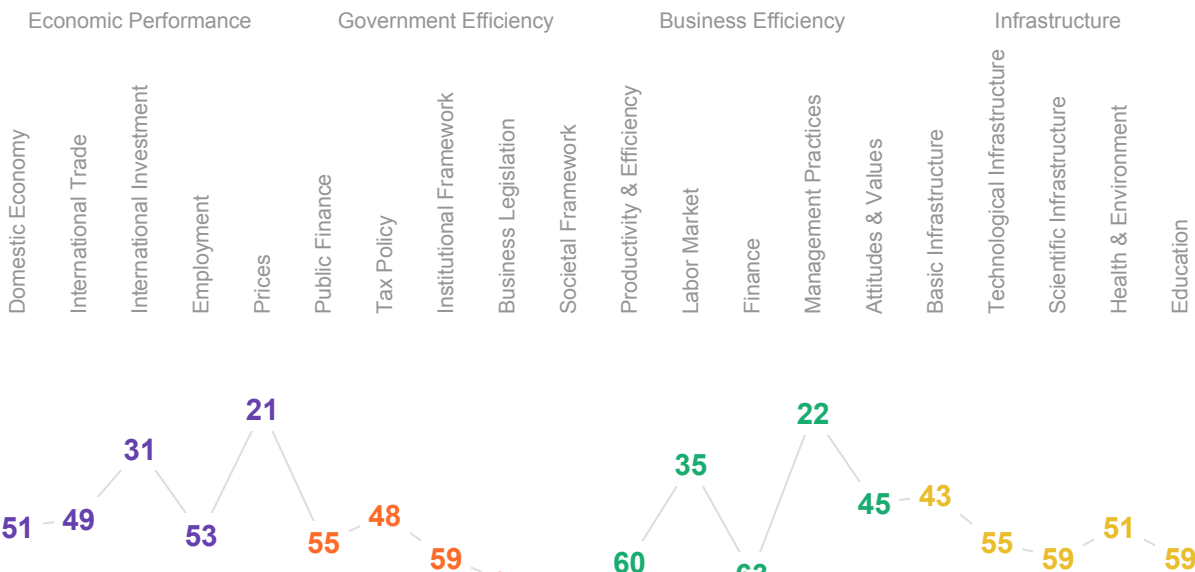
### BASIC FACTS

### Rank

Capital	Bogota	
Land area (square km '000)	1,141	2024
Exchange rate (per \$)	4,074.434	2024
Population - market size (millions)	51.79	2024 18
Gross Domestic Product (GDP) (US\$ billions)	418.5	2024 34
GDP (PPP) per capita (US\$)	21,871	2024 56
Real GDP growth (%)	1.7	2024 37
Consumer price inflation (%)	6.60	2024 62
Unemployment rate (%)	9.10	2024 63
Labor force (millions)	25.99	2024 16
Current account balance (% of GDP)	-1.77	2024 52
Direct investment stocks inward (\$bn)	254.3	2023 26
Direct investment flows inward (% of GDP)	4.76	2023 11

PROVIDED BY: National Planning Department, Colombia

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Croatia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Taxation policy.
- Functioning of the labor market, including framework for labor contracts and undeclared work.
- Active labor market policies, incentives to work and labor market participation.
- Public administration.
- Renewable energy, energy infrastructure, and networks.

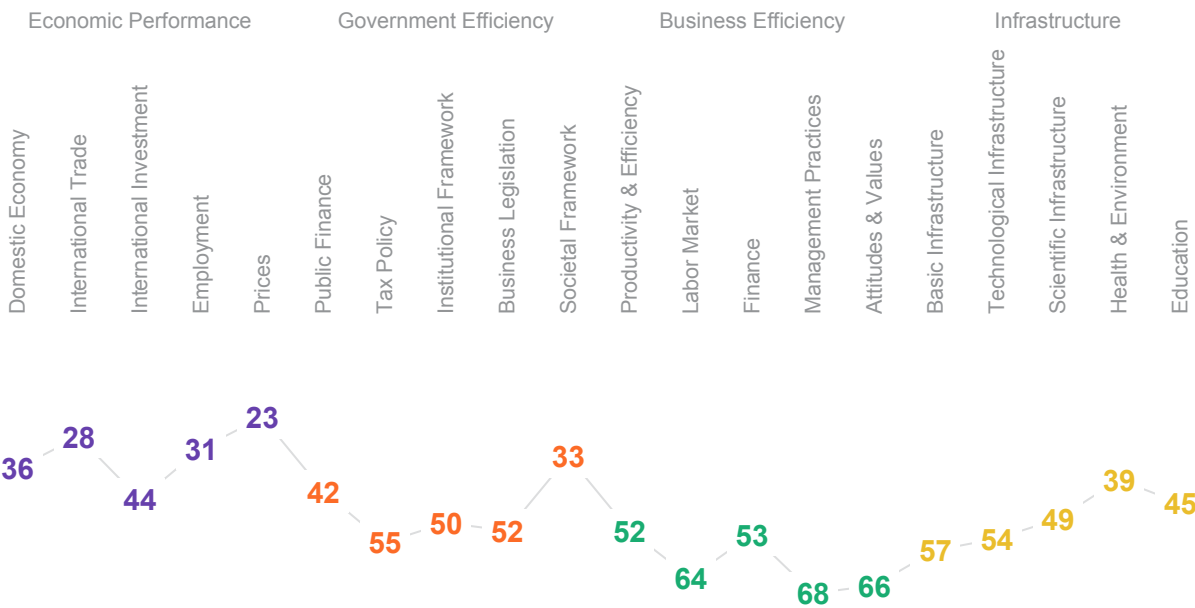
### BASIC FACTS

### Rank

Capital	Zagreb
Land area (square km '000)	88 <sup>2024</sup>
Exchange rate (per \$)	0.924 <sup>2024</sup>
Population - market size (millions)	3.86 <sup>2024</sup> 56
Gross Domestic Product (GDP) (US\$ billions)	92.7 <sup>2024</sup> 57
GDP (PPP) per capita (US\$)	48,493 <sup>2024</sup> 37
Real GDP growth (%)	3.8 <sup>2024</sup> 13
Consumer price inflation (%)	4.02 <sup>2024</sup> 52
Unemployment rate (%)	5.00 <sup>2024</sup> 36
Labor force (millions)	1.77 <sup>2024</sup> 57
Current account balance (% of GDP)	-1.24 <sup>2024</sup> 49
Direct investment stocks inward (\$bn)	42.9 <sup>2023</sup> 55
Direct investment flows inward (% of GDP)	3.26 <sup>2023</sup> 17

PROVIDED BY: National Competitiveness Council, Croatia

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Cyprus

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Manage the green transition and climate-related risks through investments and reforms.
- Tackle the economic effects of elevated trade policy and geopolitical uncertainty.
- Implement tax and education reforms to enhance economic outcomes.
- Address skills shortages, improve productivity, and create quality jobs.
- Remain on the expenditure path detailed in the Medium-Term Fiscal-Structural Plan.

PROVIDED BY: Economics Research Centre, University of Cyprus, Cyprus

### BASIC FACTS

Rank

Capital	Nicosia	
Land area (square km '000)	9	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	0.97	2024 67
Gross Domestic Product (GDP) (US\$ billions)	36.2	2024 65
GDP (PPP) per capita (US\$)	59,839	2024 26
Real GDP growth (%)	3.4	2024 16
Consumer price inflation (%)	2.27	2024 23
Unemployment rate (%)	4.96	2024 35
Labor force (millions)	0.51	2024 68
Current account balance (% of GDP)	-6.83	2024 65
Direct investment stocks inward (\$bn)	90.8	2023 47
Direct investment flows inward (% of GDP)	10.17	2023 07

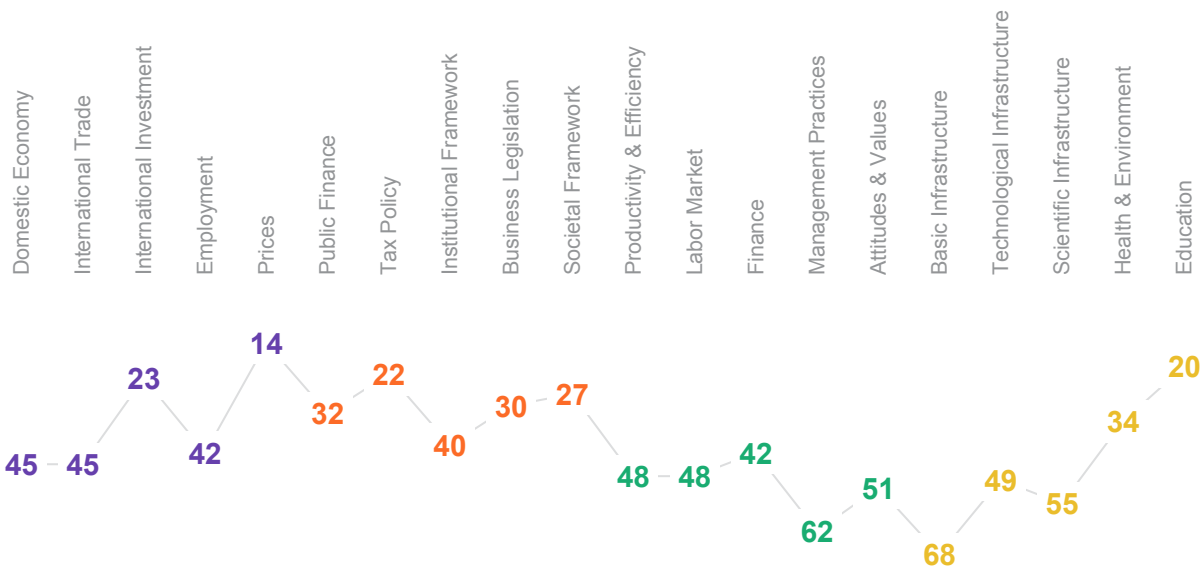
### COMPETITIVENESS LANDSCAPE

Economic Performance

Government Efficiency

Business Efficiency

Infrastructure



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



POPULATIONS < 20 MILLION (37 countries)

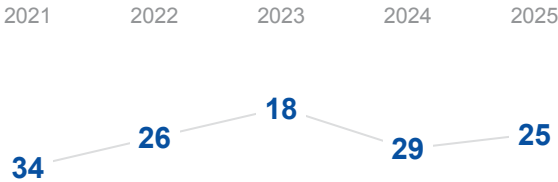
2021 2022 2023 2024 2025



# Czech Republic

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

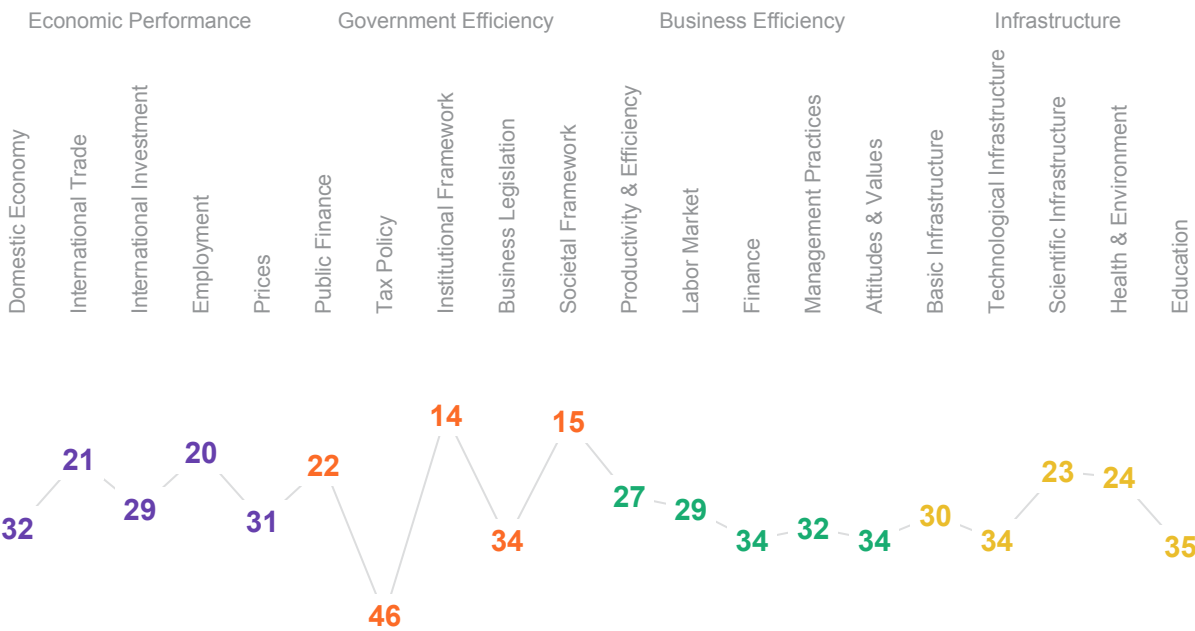


### BASIC FACTS

### Rank

Capital	Prague	
Land area (square km '000)	79	2024
Exchange rate (per \$)	23.217	2024
Population - market size (millions)	10.94	2024 38
Gross Domestic Product (GDP) (US\$ billions)	345.0	2024 38
GDP (PPP) per capita (US\$)	56,720	2024 28
Real GDP growth (%)	1.1	2024 44
Consumer price inflation (%)	2.44	2024 30
Unemployment rate (%)	2.60	2024 07
Labor force (millions)	5.33	2024 39
Current account balance (% of GDP)	1.75	2024 31
Direct investment stocks inward (\$bn)	216.6	2023 30
Direct investment flows inward (% of GDP)	2.27	2023 25

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Denmark

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Ensure fair and free trade with as many countries and products as possible.
- Strengthen competitiveness through fewer administrative burdens and faster approval times.
- Reform the labor market to strengthen access to qualified labor.
- Boost productivity through incentivizing investments in ICT equipment, automation, and digital skills.
- Rethink the design of the public sector incorporating greater public-private collaboration, increased digitization, and fewer public employees.

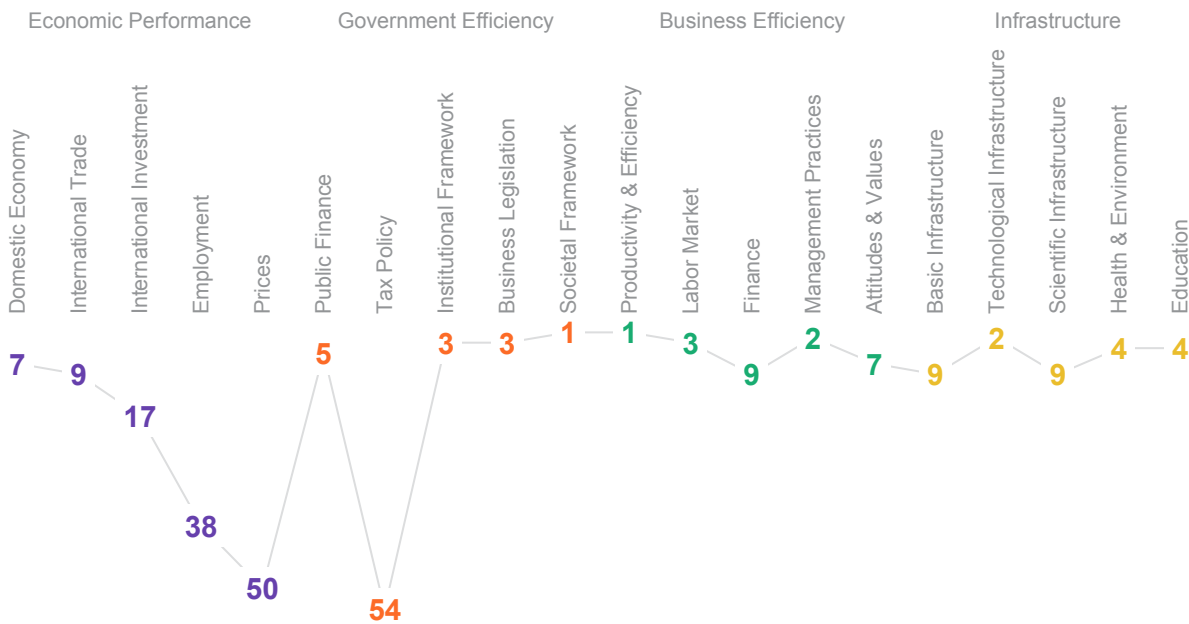
PROVIDED BY: Confederation of Danish Industry, Denmark

### BASIC FACTS

### Rank

Capital	Copenhagen	
Land area (square km '000)	43	2024
Exchange rate (per \$)	6.894	2024
Population - market size (millions)	5.98	2024 48
Gross Domestic Product (GDP) (US\$ billions)	429.5	2024 32
GDP (PPP) per capita (US\$)	84,539	2024 08
Real GDP growth (%)	3.7	2024 15
Consumer price inflation (%)	1.27	2024 11
Unemployment rate (%)	6.18	2024 45
Labor force (millions)	3.27	2024 46
Current account balance (% of GDP)	13.02	2024 08
Direct investment stocks inward (\$bn)	125.1	2023 42
Direct investment flows inward (% of GDP)	2.15	2023 29

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Estonia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Return to economic growth.
- Assure competitive energy prices.
- Reduce regulations to support investments.
- Strengthen defense capabilities.
- Accelerate innovation and infrastructure development.

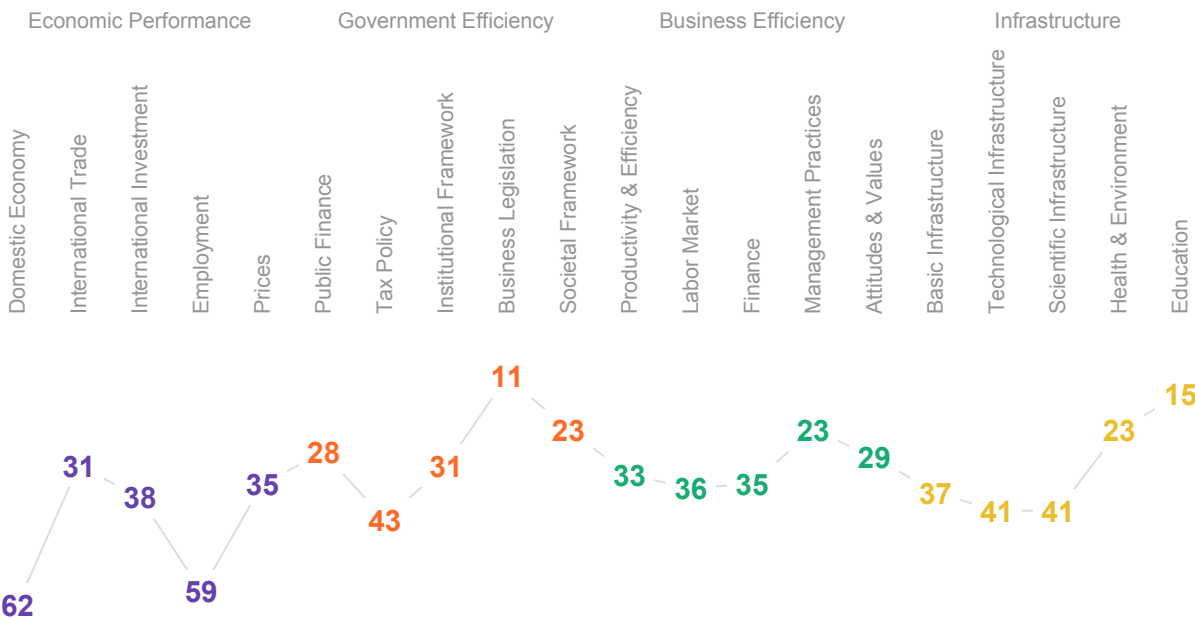
### BASIC FACTS

### Rank

Capital	Tallinn	
Land area (square km '000)	45	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	1.37	2024 66
Gross Domestic Product (GDP) (US\$ billions)	42.8	2024 64
GDP (PPP) per capita (US\$)	48,090	2024 38
Real GDP growth (%)	-0.3	2024 62
Consumer price inflation (%)	3.73	2024 50
Unemployment rate (%)	7.56	2024 56
Labor force (millions)	0.76	2024 66
Current account balance (% of GDP)	-1.13	2024 48
Direct investment stocks inward (\$bn)	40.5	2023 56
Direct investment flows inward (% of GDP)	11.08	2023 06

PROVIDED BY: EKI – Estonian Institute of Economic Research, Estonia

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Finland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Manage geopolitical risks and their economic impact.
- Decrease the general budget deficit and lower the public debt-to-GDP ratio.
- Improve access to skilled labor.
- Raise the share of young adults with tertiary education.
- Tackle the high structural unemployment.

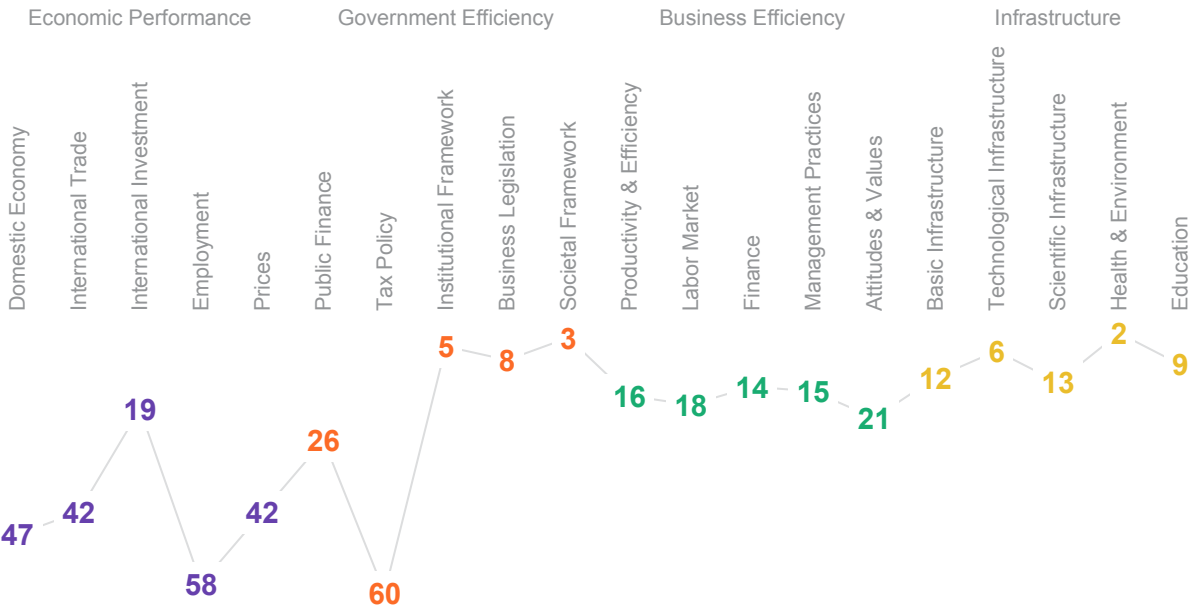
### BASIC FACTS

### Rank

Capital	Helsinki	
Land area (square km '000)	338	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	5.60	2024 49
Gross Domestic Product (GDP) (US\$ billions)	298.9	2024 42
GDP (PPP) per capita (US\$)	64,247	2024 20
Real GDP growth (%)	-0.1	2024 60
Consumer price inflation (%)	0.98	2024 07
Unemployment rate (%)	8.40	2024 60
Labor force (millions)	2.84	2024 52
Current account balance (% of GDP)	0.31	2024 37
Direct investment stocks inward (\$bn)	149.6	2023 37
Direct investment flows inward (% of GDP)	-0.57	2023 64

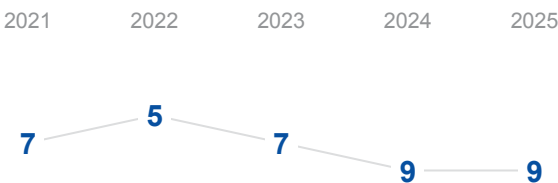
PROVIDED BY: ETLA – Economic Research, Finland

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# France

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- France isn't immune to the same threat to democracy as some other countries have seen lately with the rise of the extremes. Although this threat has lessened somewhat since Marine LePen was convicted, uncertainty remains.
- Insufficient critical thinking among significant parts of the general population has left them ill-prepared to deal with misinformation and disinformation challenges, such as vaccinations and foreign interference in domestic politics.
- Widening economic inequalities between the very wealthy and everyone else is creating less-than-ideal conditions including apathy among the younger generations and a widespread fatigue among the lower- and middle-classes.

PROVIDED BY: Arnaud Chevallier, Professor of Strategy, IMD

### BASIC FACTS

Rank

Capital	Paris	
Land area (square km '000)	549	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	68.44	2024 13
Gross Domestic Product (GDP) (US\$ billions)	3,164.9	2024 07
GDP (PPP) per capita (US\$)	63,695	2024 22
Real GDP growth (%)	1.1	2024 46
Consumer price inflation (%)	2.32	2024 25
Unemployment rate (%)	7.24	2024 54
Labor force (millions)	31.28	2024 14
Current account balance (% of GDP)	0.40	2024 36
Direct investment stocks inward (\$bn)	1,012.7	2023 12
Direct investment flows inward (% of GDP)	1.38	2023 42

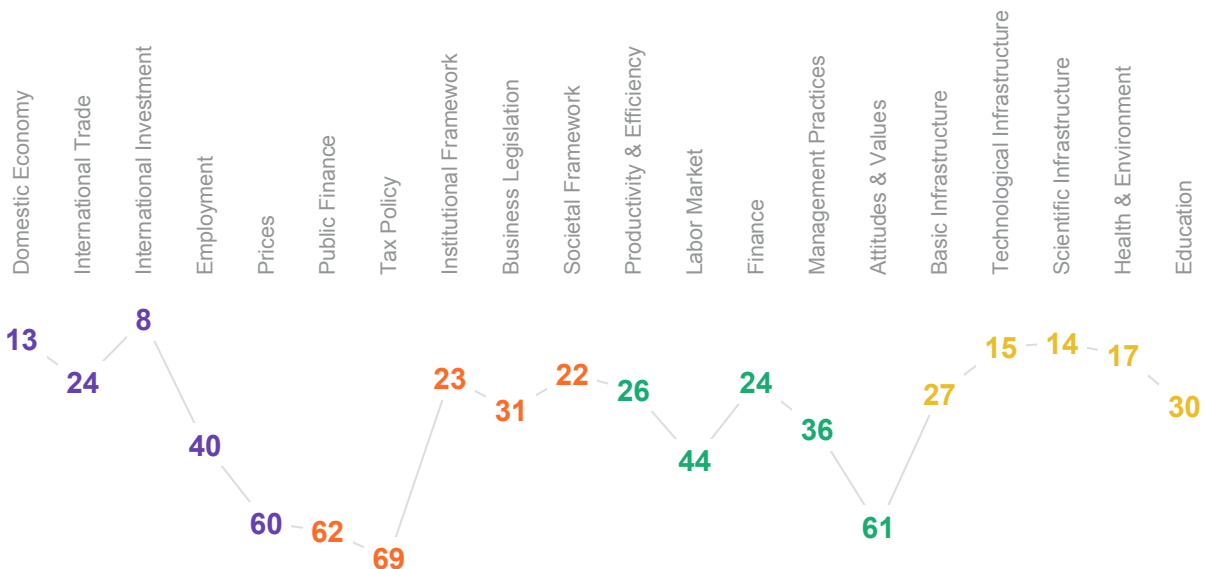
### COMPETITIVENESS LANDSCAPE

Economic Performance

Government Efficiency

Business Efficiency

Infrastructure



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025





# Germany

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Rebalancing social welfare and individual responsibility: increase working hours and reduce social benefits such as sick pay, unemployment benefits and "Bürgergeld".
- Reviewing immigration and support integration of those with needed skills, who are willing and able to work. Tracking the progress of integration tightly, excluding those who don't.
- Accelerating digitalization of public administration.
- Creating economic policies that incentivize FDI and drive innovation to replace loss of employment in traditional German industries such as automotive.
- Bringing back excellence into school education, introducing exams and tuition for public universities.

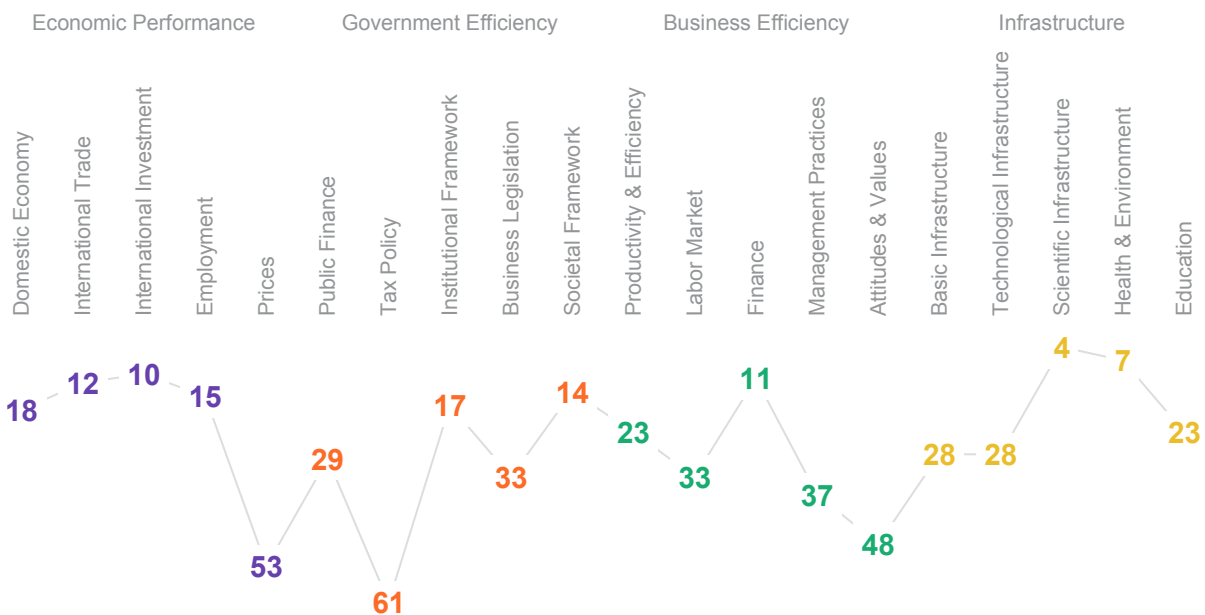
PROVIDED BY: Katharina Lange, Affiliate Professor of Leadership, IMD

### BASIC FACTS

### Rank

Capital	Berlin	
Land area (square km '000)	358	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	84.72	2024 11
Gross Domestic Product (GDP) (US\$ billions)	4,659.9	2024 03
GDP (PPP) per capita (US\$)	70,879	2024 17
Real GDP growth (%)	-0.2	2024 61
Consumer price inflation (%)	2.49	2024 31
Unemployment rate (%)	3.38	2024 16
Labor force (millions)	44.78	2024 10
Current account balance (% of GDP)	5.73	2024 15
Direct investment stocks inward (\$bn)	1,128.3	2023 11
Direct investment flows inward (% of GDP)	0.81	2023 55

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



#### POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Ghana

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025

61  
65

### CHALLENGES IN 2025

- Uncertainty about government's ability to execute large fiscal adjustment to stay on track with the IMF ECF Program.
- A decline in living standards due to weak economic growth, limited government spending, and high inflation.
- Digitalization of basic services is made difficult by inclusion deficit, limited internet services, and the high costs of devices and data.
- Grappling with the debt crisis and devaluation of the local currency, leading to high costs of imported goods and taxes.
- Limited job opportunities resulting in rising unemployment among the young.

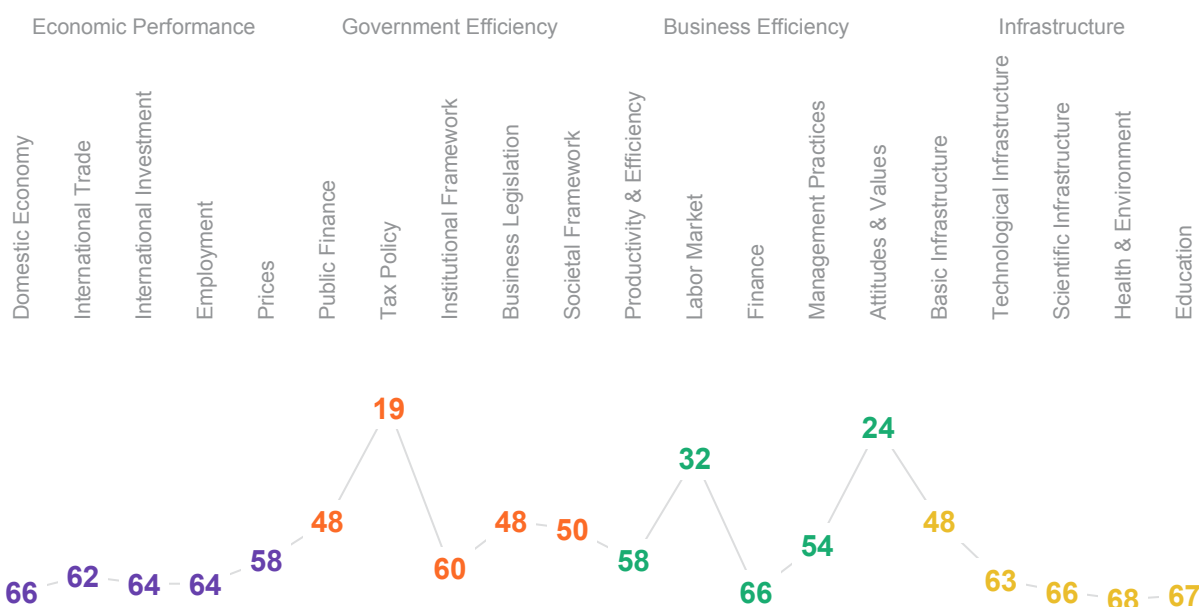
PROVIDED BY: MDPI – Management Development and Productivity Institute

### BASIC FACTS

### Rank

Capital	Accra	
Land area (square km '000)	239	2024
Exchange rate (per \$)	14.201	2024
Population - market size (millions)	34.43	2024 25
Gross Domestic Product (GDP) (US\$ billions)	82.8	2024 59
GDP (PPP) per capita (US\$)	8,027	2024 66
Real GDP growth (%)	5.7	2024 02
Consumer price inflation (%)	22.88	2024 65
Unemployment rate (%)	3.08	2022 12
Labor force (millions)	12.69	2022 29
Current account balance (% of GDP)	1.60	2024 33
Direct investment stocks inward (\$bn)	47.4	2023 53
Direct investment flows inward (% of GDP)	1.77	2023 32

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025

40  
42

POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025

27  
29

# Greece

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Reform the labor market through VET policies to meet labor shortages and skills mismatches in critical sectors.
- Promote job-generating investments in the manufacturing sector, increasing the resilience of the economy.
- Improve efficiency of justice system (especially by reducing the length of proceedings of commercial disputes).
- Introduce policies that facilitate the twin transition (green and digital) of enterprises, with a special focus on energy.
- Reduce the administrative burden on enterprises.

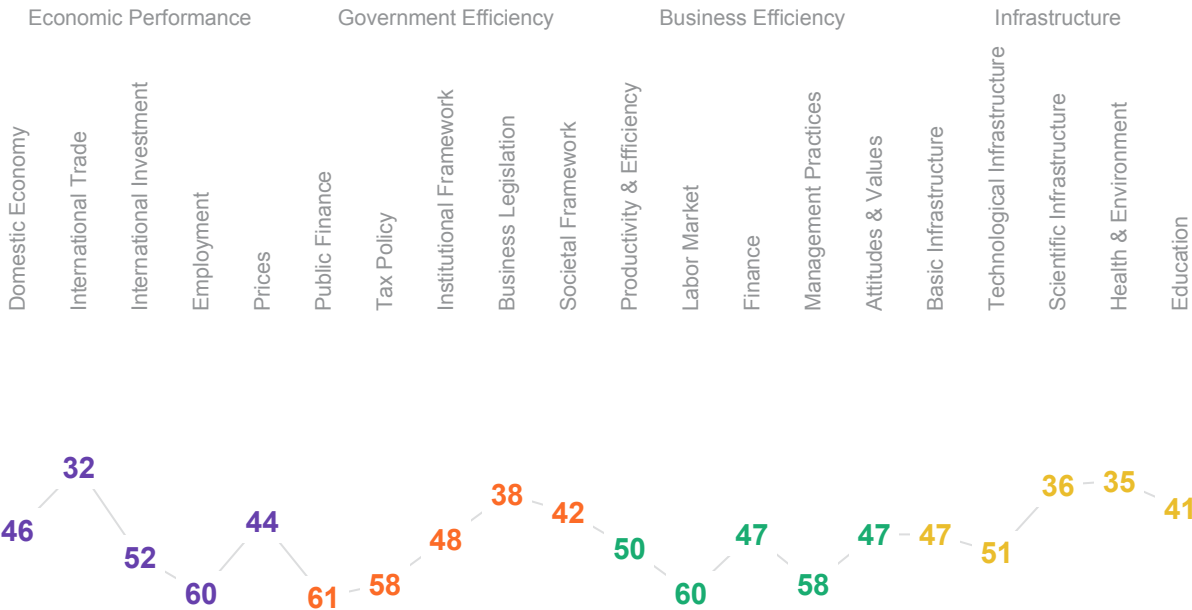
PROVIDED BY: SBE – Federation of Industries of Greece, Greece

### BASIC FACTS

### Rank

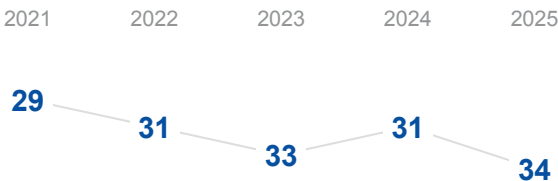
Capital	Athens	
Land area (square km '000)	132	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	10.40	2024 41
Gross Domestic Product (GDP) (US\$ billions)	257.1	2024 45
GDP (PPP) per capita (US\$)	42,926	2024 43
Real GDP growth (%)	2.3	2024 31
Consumer price inflation (%)	3.00	2024 42
Unemployment rate (%)	10.10	2024 64
Labor force (millions)	4.62	2024 43
Current account balance (% of GDP)	-6.93	2024 66
Direct investment stocks inward (\$bn)	61.6	2023 50
Direct investment flows inward (% of GDP)	2.23	2023 26

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Hong Kong SAR

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Navigate the challenging external environment amid heightened geo-economic fragmentation and increased economic uncertainties.
- Leverage the role of connecting Mainland China to the rest of the world through international engagement and cooperation.
- Expedite innovation and technology development and applications to create new growth impetus.
- Expand economic capacity by increasing land and manpower supply.
- Address the economic implications posed by an ageing population.

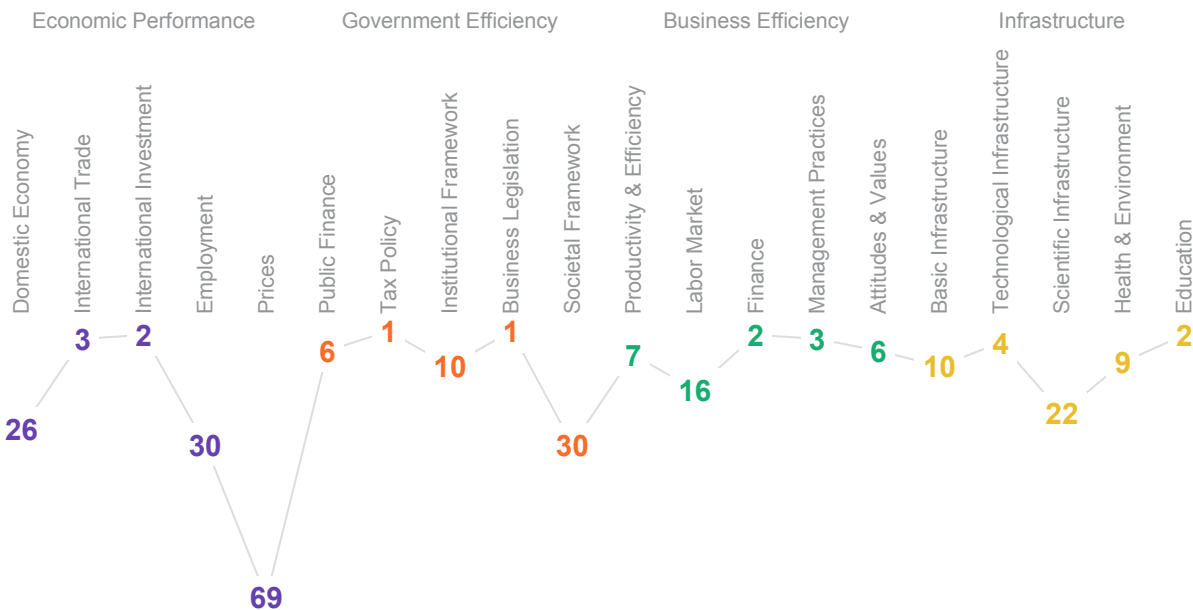
PROVIDED BY: Hong Kong Trade Development Council, Hong Kong SAR

### BASIC FACTS

### Rank

Capital	Hong Kong	
Land area (square km '000)	1	2024
Exchange rate (per \$)	7.804	2024
Population - market size (millions)	7.52	2024 45
Gross Domestic Product (GDP) (US\$ billions)	406.9	2024 35
GDP (PPP) per capita (US\$)	75,217	2024 13
Real GDP growth (%)	2.5	2024 28
Consumer price inflation (%)	1.73	2024 16
Unemployment rate (%)	3.00	2024 11
Labor force (millions)	3.81	2024 45
Current account balance (% of GDP)	12.96	2024 09
Direct investment stocks inward (\$bn)	2,107.0	2023 06
Direct investment flows inward (% of GDP)	29.57	2023 02

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



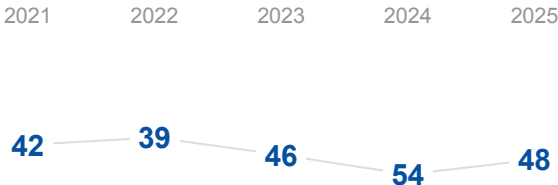
#### POPULATIONS < 20 MILLION (37 countries)



# Hungary

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Enhancing transparency, efficiency, predictability, and accountability of public decision making.
- Decreasing state interventions and bureaucracy in the economy, while controlling and decreasing high deficit.
- Improving access of SMEs to state-sponsored innovation and development funds.
- Speeding up efficiency improvements of budget-related expenditures.
- Enhancing AI skills in businesses and society.

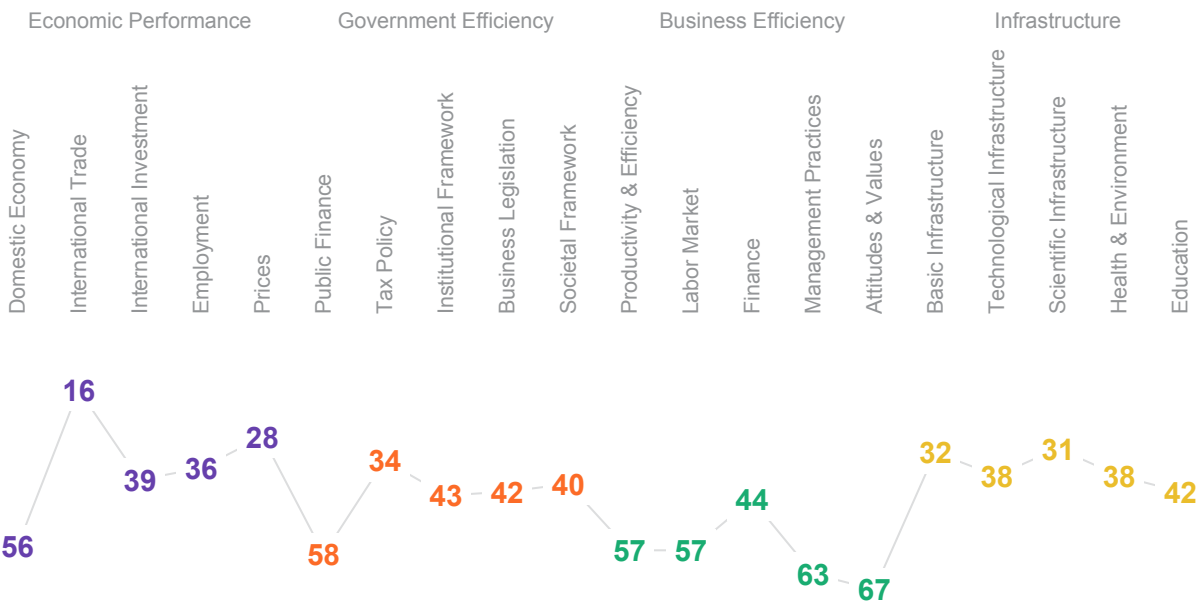
PROVIDED BY: Dr Magdolna Csath

### BASIC FACTS

### Rank

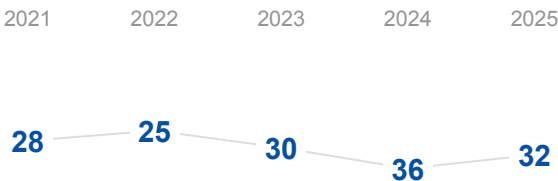
Capital	Budapest	
Land area (square km '000)	93	2024
Exchange rate (per \$)	365.691	2024
Population - market size (millions)	9.59	2024 42
Gross Domestic Product (GDP) (US\$ billions)	222.9	2024 46
GDP (PPP) per capita (US\$)	46,546	2024 41
Real GDP growth (%)	0.5	2024 56
Consumer price inflation (%)	3.71	2024 48
Unemployment rate (%)	4.47	2024 31
Labor force (millions)	4.93	2024 41
Current account balance (% of GDP)	2.23	2024 26
Direct investment stocks inward (\$bn)	119.0	2023 45
Direct investment flows inward (% of GDP)	2.81	2023 21

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Iceland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Improve outcomes in the primary education system.
- Reduce red tape to unlock private sector growth.
- Curb public spending to restore fiscal balance.
- Accelerate infrastructure and energy investment to support further growth.
- Address labor shortages and increasing labor market flexibility.

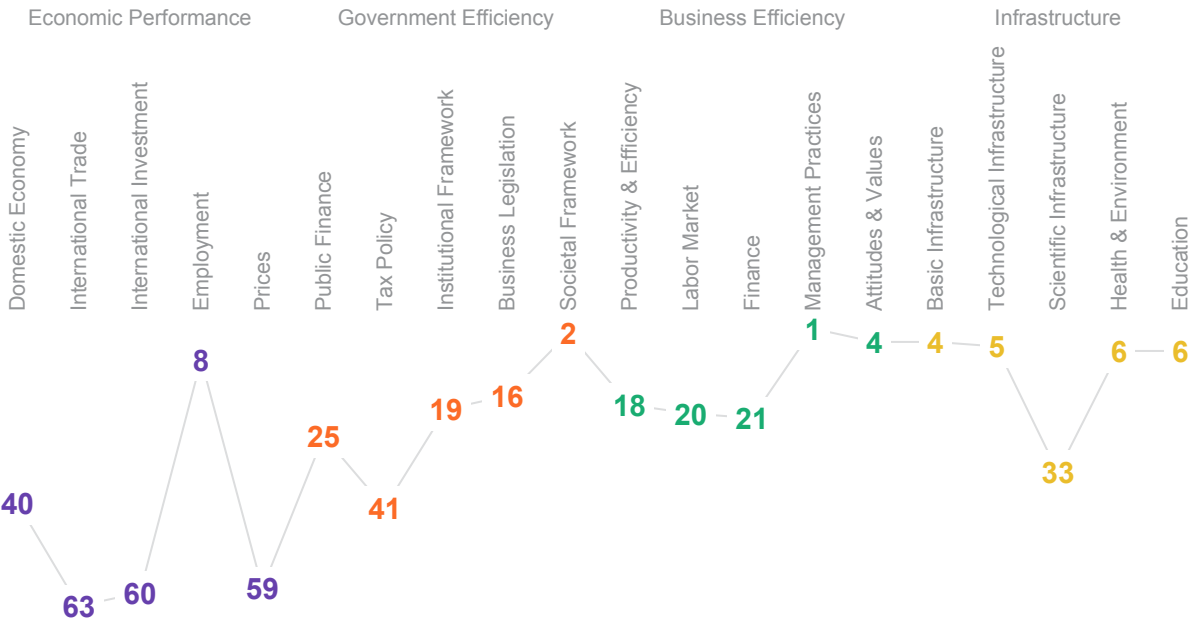
### BASIC FACTS

### Rank

Capital	Reykjavik	
Land area (square km '000)	103	<sup>2024</sup>
Exchange rate (per \$)	137.958	<sup>2024</sup>
Population - market size (millions)	0.38	<sup>2024</sup> 69
Gross Domestic Product (GDP) (US\$ billions)	33.5	<sup>2024</sup> 66
GDP (PPP) per capita (US\$)	78,984	<sup>2024</sup> 11
Real GDP growth (%)	0.5	<sup>2024</sup> 57
Consumer price inflation (%)	5.86	<sup>2024</sup> 61
Unemployment rate (%)	3.40	<sup>2024</sup> 17
Labor force (millions)	0.22	<sup>2024</sup> 69
Current account balance (% of GDP)	-2.53	<sup>2024</sup> 55
Direct investment stocks inward (\$bn)	9.4	<sup>2023</sup> 66
Direct investment flows inward (% of GDP)	3.11	<sup>2023</sup> 18

PROVIDED BY: Icelandic Chamber of Commerce, Iceland

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# India

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Address slowdown in GDP growth momentum.
- Deal with rising trade deficits.
- Manage global economic uncertainties.
- Create continuous job opportunities.
- Maintain fiscal stability.

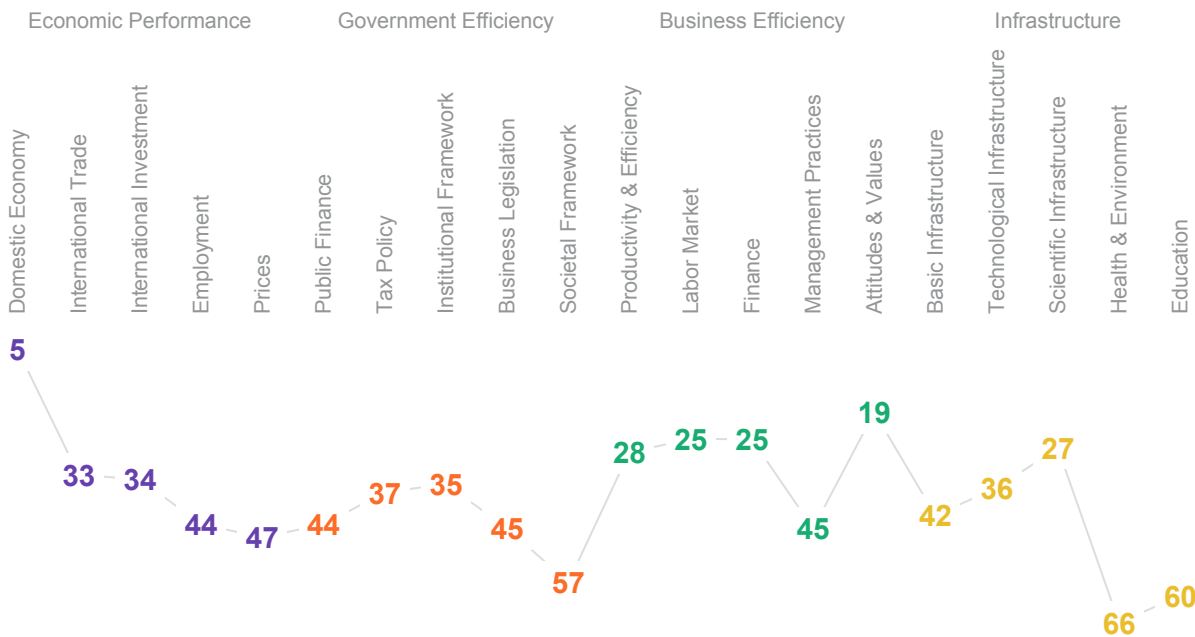
### BASIC FACTS

### Rank

Capital	New Delhi	
Land area (square km '000)	3,287	2024
Exchange rate (per \$)	83.669	2024
Population - market size (millions)	1,441.72	2024 01
Gross Domestic Product (GDP) (US\$ billions)	3,956.4	2024 05
GDP (PPP) per capita (US\$)	11,228	2024 64
Real GDP growth (%)	6.5	2024 01
Consumer price inflation (%)	4.67	2024 58
Unemployment rate (%)	7.80	2024 57
Labor force (millions)	638.89	2024 02
Current account balance (% of GDP)	-0.78	2024 46
Direct investment stocks inward (\$bn)	536.9	2023 18
Direct investment flows inward (% of GDP)	0.77	2023 57

PROVIDED BY: National Productivity Council, India

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



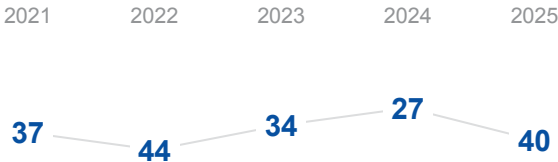
#### POPULATIONS > 20 MILLION (32 countries)



# Indonesia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Integrate strategic map from upstream to processing downstream.
- Develop a productive workforce that enhances competitiveness in the global economy.
- Enhance finance's real sector contribution and non-banking institution growth.
- Adhere to global demands related to environmental, social, business ethics and governance issues.
- Enhance value added through diaspora links and research development.

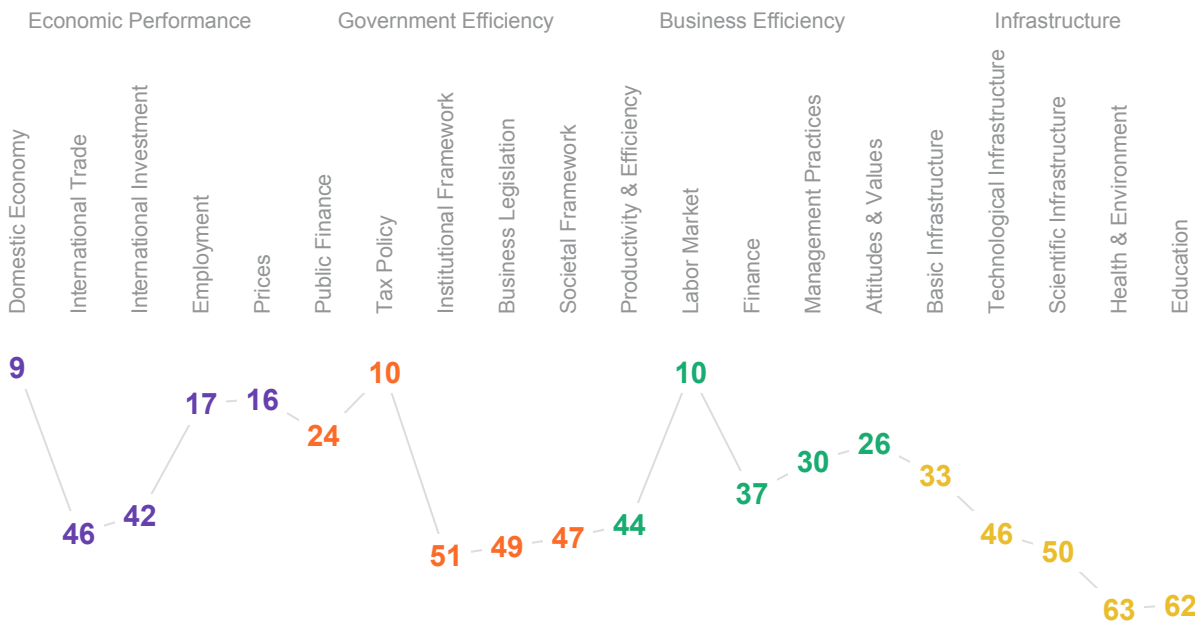
PROVIDED BY: LM FEB UI – Lembaga Management, Faculty of Economics and Business, Universitas Indonesia, Indonesia

### BASIC FACTS

### Rank

Capital	Jakarta
Land area (square km '000)	1,917 <sup>2024</sup>
Exchange rate (per \$)	15,855.448 <sup>2024</sup>
Population - market size (millions)	281.60 <sup>2024</sup> 04
Gross Domestic Product (GDP) (US\$ billions)	1,388.8 <sup>2024</sup> 15
GDP (PPP) per capita (US\$)	16,558 <sup>2024</sup> 60
Real GDP growth (%)	5.0 <sup>2024</sup> 05
Consumer price inflation (%)	2.30 <sup>2024</sup> 24
Unemployment rate (%)	4.91 <sup>2024</sup> 33
Labor force (millions)	152.11 <sup>2024</sup> 04
Current account balance (% of GDP)	-0.64 <sup>2024</sup> 43
Direct investment stocks inward (\$bn)	285.7 <sup>2023</sup> 23
Direct investment flows inward (% of GDP)	1.58 <sup>2023</sup> 37

### COMPETITIVENESS LANDSCAPE

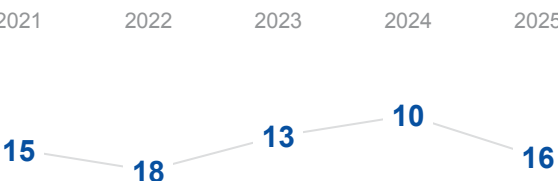


### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



#### POPULATIONS > 20 MILLION (32 countries)

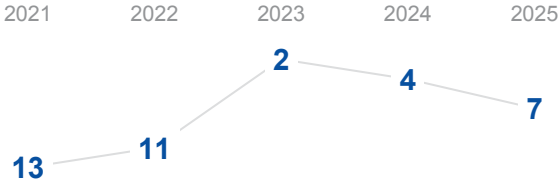




# Ireland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Global economic uncertainty.
- Capacity constraints.
- Cost base (housing, energy, labor).
- Attraction of skilled talent.
- Impact of AI.

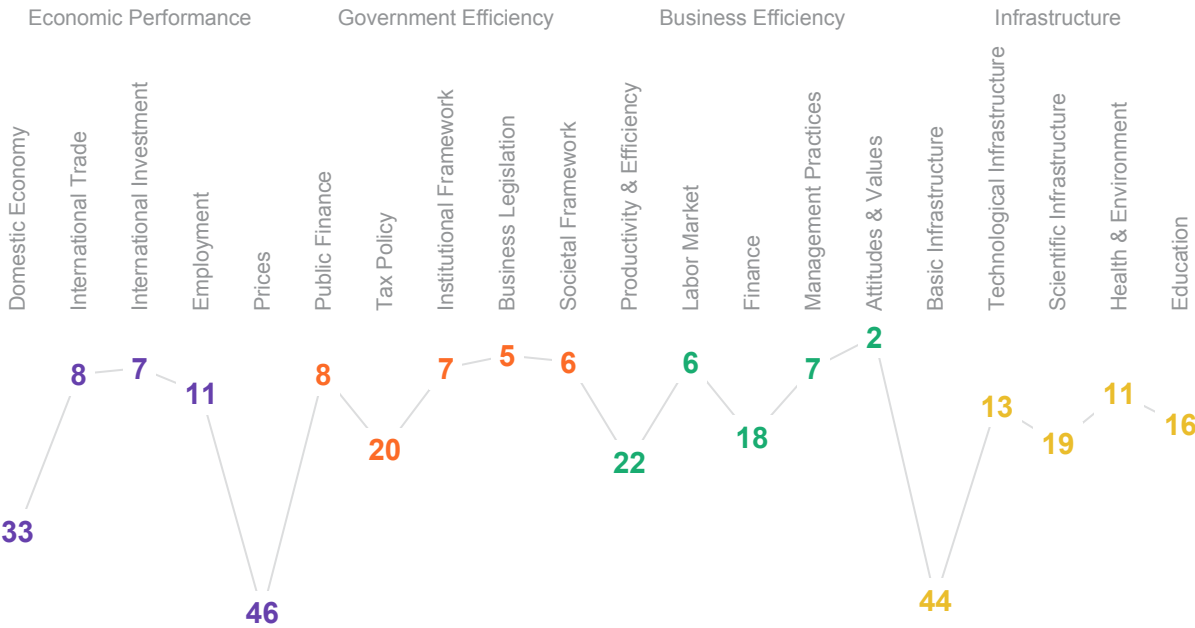
### BASIC FACTS

### Rank

Capital	Dublin	
Land area (square km '000)	70	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	5.42	2024 51
Gross Domestic Product (GDP) (US\$ billions)	575.0	2024 25
GDP (PPP) per capita (US\$)	129,436	2024 03
Real GDP growth (%)	1.2	2024 43
Consumer price inflation (%)	1.32	2024 12
Unemployment rate (%)	4.00	2024 25
Labor force (millions)	2.89	2024 51
Current account balance (% of GDP)	17.22	2024 04
Direct investment stocks inward (\$bn)	1,410.1	2023 08
Direct investment flows inward (% of GDP)	-1.66	2023 66

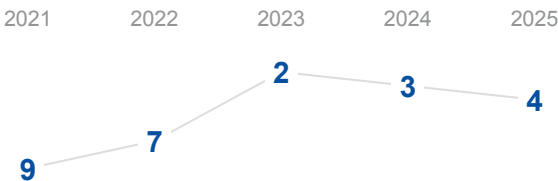
PROVIDED BY: IDA – Investment and Development Agency, Ireland

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Italy

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Address known weaknesses of the judiciary system.
- Unlock the full potential of digitalization in the public system.
- Foster entrepreneurial activity, facilitating access to capital, especially to young entrepreneurs.
- Enhance competitiveness of the labor market, especially to retain talent and attract it from abroad.
- Address tax evasion and ensure sustainable financing of the pension system.

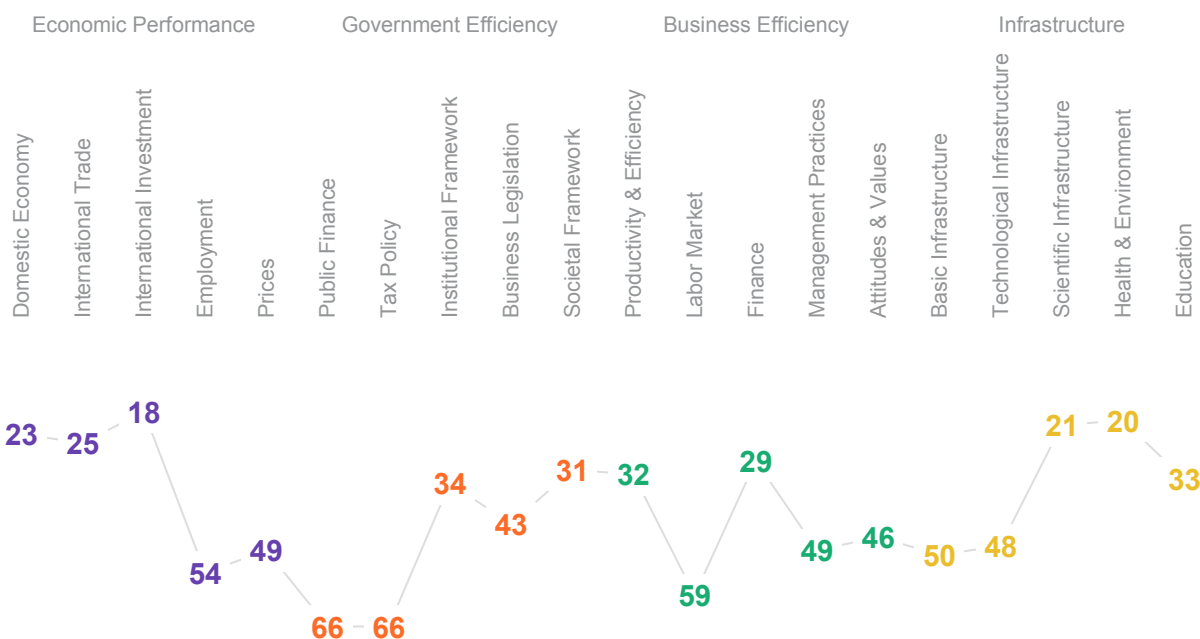
PROVIDED BY: Niccolò Pisani, Professor of Strategy and International Business, IMD

### BASIC FACTS

### Rank

Capital	Rome	
Land area (square km '000)	302	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	58.97	2024 16
Gross Domestic Product (GDP) (US\$ billions)	2,372.8	2024 08
GDP (PPP) per capita (US\$)	61,166	2024 25
Real GDP growth (%)	0.7	2024 54
Consumer price inflation (%)	1.09	2024 10
Unemployment rate (%)	6.50	2024 50
Labor force (millions)	25.60	2024 17
Current account balance (% of GDP)	1.13	2024 34
Direct investment stocks inward (\$bn)	493.5	2023 19
Direct investment flows inward (% of GDP)	0.79	2023 56

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Japan

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Address demographic challenges and labor shortages.
- Foster entrepreneurship, innovation ecosystems, and green energy transitions.
- Advance digital transformation across all sectors.
- Boost productivity through economic revitalization and enhanced competition.
- Ensure fiscal sustainability and strengthen social security systems.

### BASIC FACTS

### Rank

Capital	Tokyo
Land area (square km '000)	378 <sup>2024</sup>
Exchange rate (per \$)	151.366 <sup>2024</sup>
Population - market size (millions)	123.74 <sup>2024</sup> 08
Gross Domestic Product (GDP) (US\$ billions)	4,026.2 <sup>2024</sup> 04
GDP (PPP) per capita (US\$)	52,777 <sup>2024</sup> 33
Real GDP growth (%)	0.1 <sup>2024</sup> 59
Consumer price inflation (%)	2.74 <sup>2024</sup> 35
Unemployment rate (%)	2.50 <sup>2024</sup> 06
Labor force (millions)	69.57 <sup>2024</sup> 06
Current account balance (% of GDP)	4.79 <sup>2024</sup> 19
Direct investment stocks inward (\$bn)	246.8 <sup>2023</sup> 27
Direct investment flows inward (% of GDP)	0.51 <sup>2023</sup> 61

PROVIDED BY: Mitsubishi Research Institute, Inc., Tokyo,  
Research Center for Policy and Economy, Japan

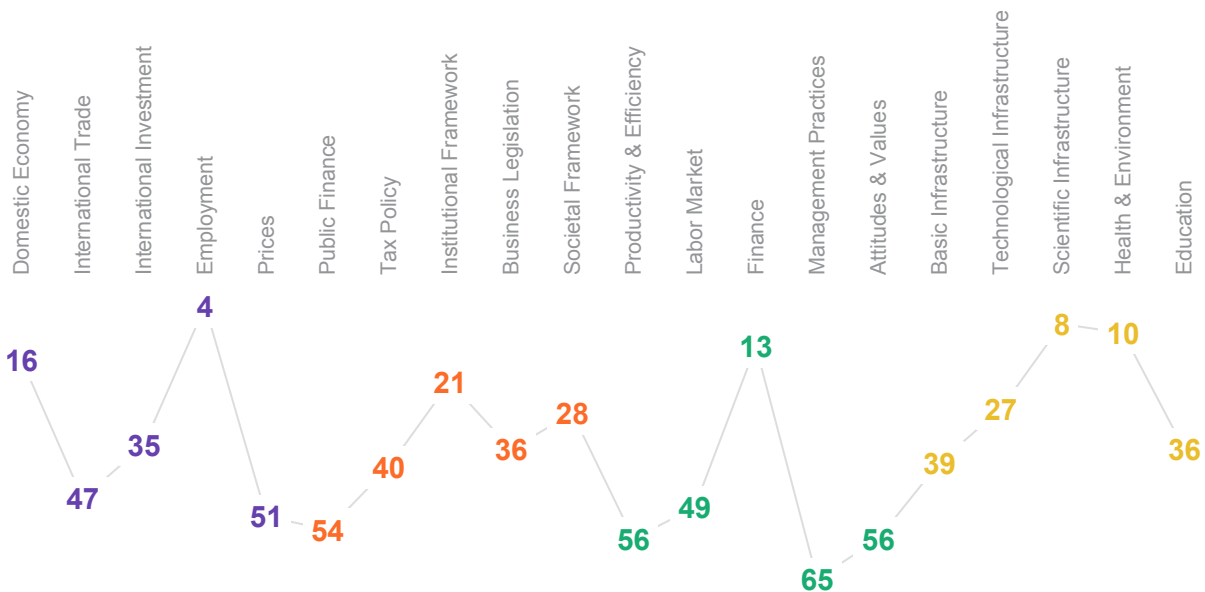
### COMPETITIVENESS LANDSCAPE

#### Economic Performance

#### Government Efficiency

#### Business Efficiency

#### Infrastructure



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)

2021 2022 2023 2024 2025



#### POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Jordan

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Regional tensions and trade disruptions: ongoing regional conflicts are increasing uncertainty and disrupting trade routes.
- Weak domestic demand: lower consumption and investment are slowing economic activity across key sectors.
- Persistently high unemployment: unemployment remains an issue, especially among youth and women.
- Public debt constraints: high public debt limits fiscal space for development initiatives.
- Falling export prices: lower global prices for key exports are widening the current account deficit.

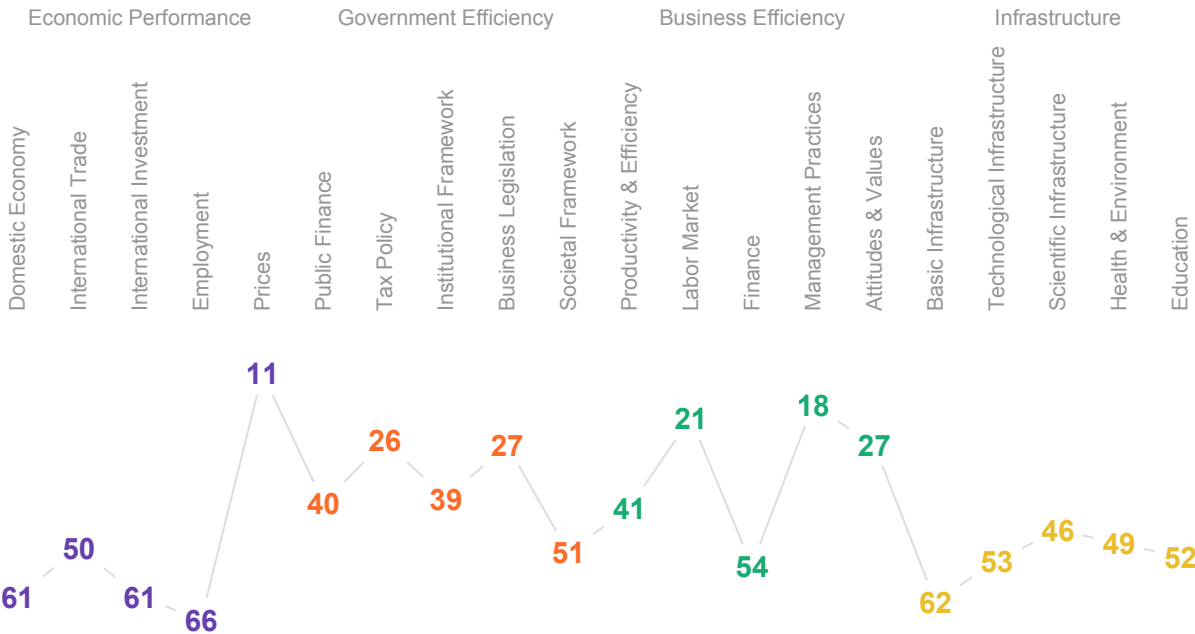
PROVIDED BY: Ministry of Planning and International Cooperation, Jordan

### BASIC FACTS

### Rank

Capital	Amman	
Land area (square km '000)	89	2024
Exchange rate (per \$)	0.710	2024
Population - market size (millions)	11.73	2024 36
Gross Domestic Product (GDP) (US\$ billions)	53.4	2024 61
GDP (PPP) per capita (US\$)	10,655	2024 65
Real GDP growth (%)	2.3	2024 31
Consumer price inflation (%)	0.16	2024 01
Unemployment rate (%)	21.40	2024 66
Labor force (millions)	2.01	2024 56
Current account balance (% of GDP)	-5.77	2024 63
Direct investment stocks inward (\$bn)	39.5	2023 57
Direct investment flows inward (% of GDP)	1.65	2023 34

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Kazakhstan

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Establish a stable fiscal policy to support quality growth and business responsibility.
- Modernize the energy and public utility sectors.
- Provide the economy with skilled blue-collar professionals.
- Integrate AI elements into the e-government system.
- Improve the investment climate and business environment.

### BASIC FACTS

### Rank

Capital	Astana	
Land area (square km '000)	2,725	2024
Exchange rate (per \$)	468.963	2024
Population - market size (millions)	20.16	2024 31
Gross Domestic Product (GDP) (US\$ billions)	288.4	2024 43
GDP (PPP) per capita (US\$)	41,675	2024 45
Real GDP growth (%)	4.8	2024 08
Consumer price inflation (%)	8.68	2024 64
Unemployment rate (%)	4.70	2024 32
Labor force (millions)	9.66	2024 33
Current account balance (% of GDP)	-1.28	2024 50
Direct investment stocks inward (\$bn)	157.2	2023 34
Direct investment flows inward (% of GDP)	1.23	2023 46

PROVIDED BY: Center for Strategic Analysis of Economic Research Institute

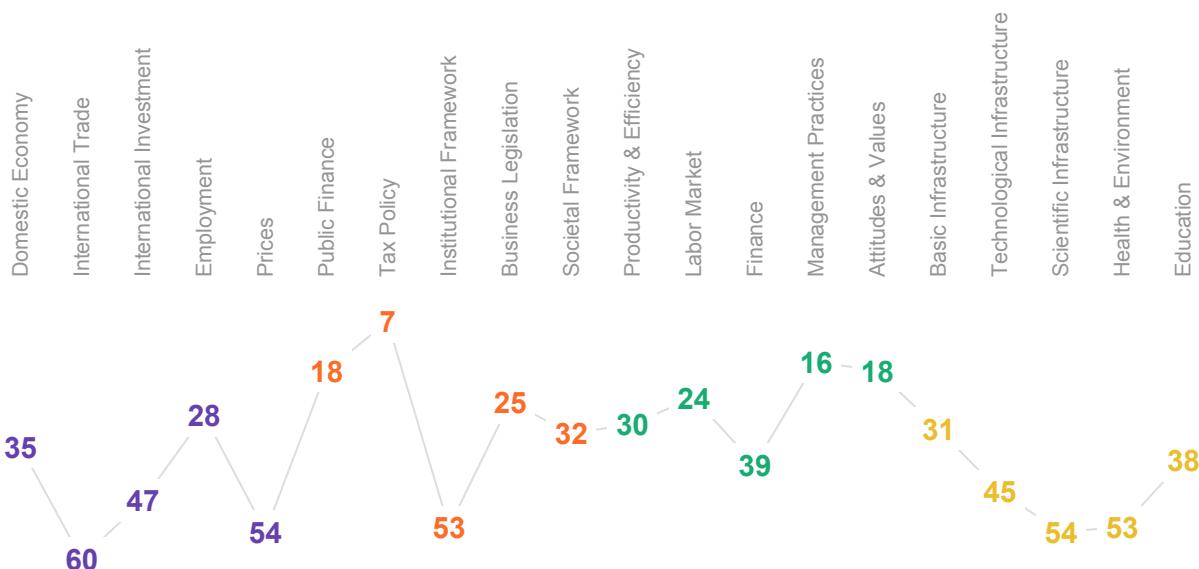
### COMPETITIVENESS LANDSCAPE

#### Economic Performance

#### Government Efficiency

#### Business Efficiency

#### Infrastructure



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



#### POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Kenya

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025

56

### CHALLENGES IN 2025

- Civil unrest and demonstrations.
- Adverse climatic conditions i.e. heavy rainfall leading to flooding.
- Political instability including the impeachment of the deputy president.
- Increasing national debt.
- Increased taxes on both businesses and citizens.

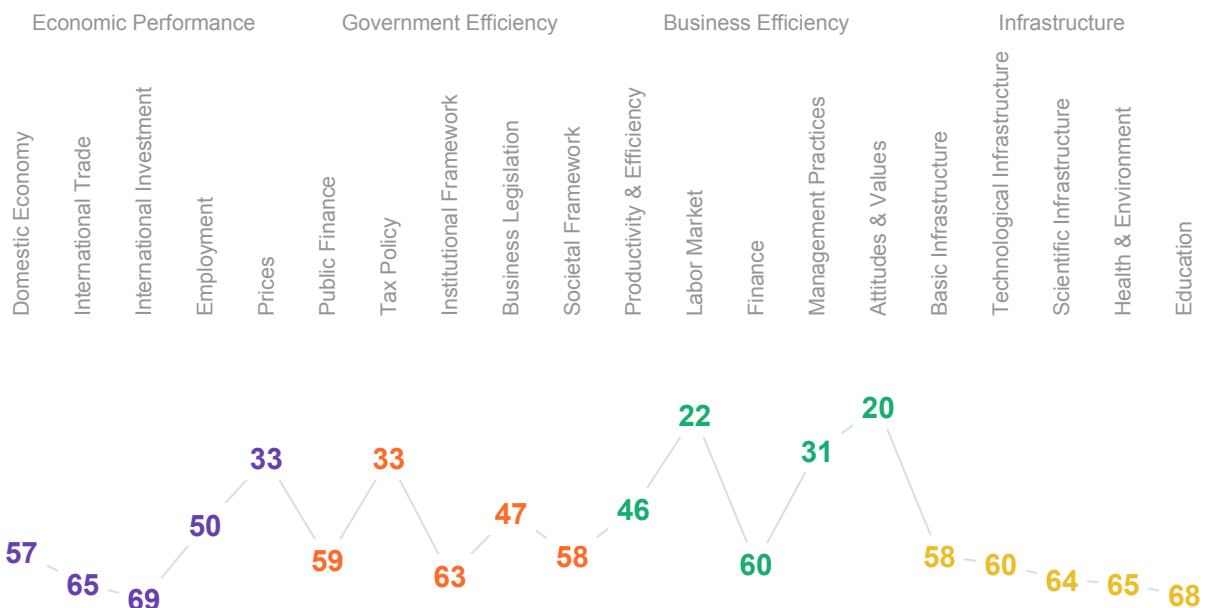
PROVIDED BY: NPCC – National Productivity and Competitiveness Centre, Kenya

### BASIC FACTS

Rank

Capital	Nairobi	
Land area (square km '000)	580	<sup>2024</sup>
Exchange rate (per \$)	134.822	<sup>2024</sup>
Population - market size (millions)	52.44	<sup>2024</sup> 17
Gross Domestic Product (GDP) (US\$ billions)	121.9	<sup>2024</sup> 52
GDP (PPP) per capita (US\$)	7,124	<sup>2024</sup> 67
Real GDP growth (%)	4.5	<sup>2024</sup> 10
Consumer price inflation (%)	4.50	<sup>2024</sup> 57
Unemployment rate (%)	5.60	<sup>2023</sup> 42
Labor force (millions)	20.29	<sup>2022</sup> 22
Current account balance (% of GDP)	-3.68	<sup>2024</sup> 59
Direct investment stocks inward (\$bn)	11.2	<sup>2023</sup> 65
Direct investment flows inward (% of GDP)	1.39	<sup>2023</sup> 41

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025

POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025

37

24

# Korea Rep.

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Address demographic decline with world-lowest birth rates and mounting fiscal pressures.
- Navigate geopolitical tensions through strategic supply chain restructuring.
- Overcome regulatory barriers to maintain competitiveness in emerging technologies.
- Balance climate commitments with energy security and industrial competitiveness.
- Manage unprecedented household debt levels amid rising interest rates.

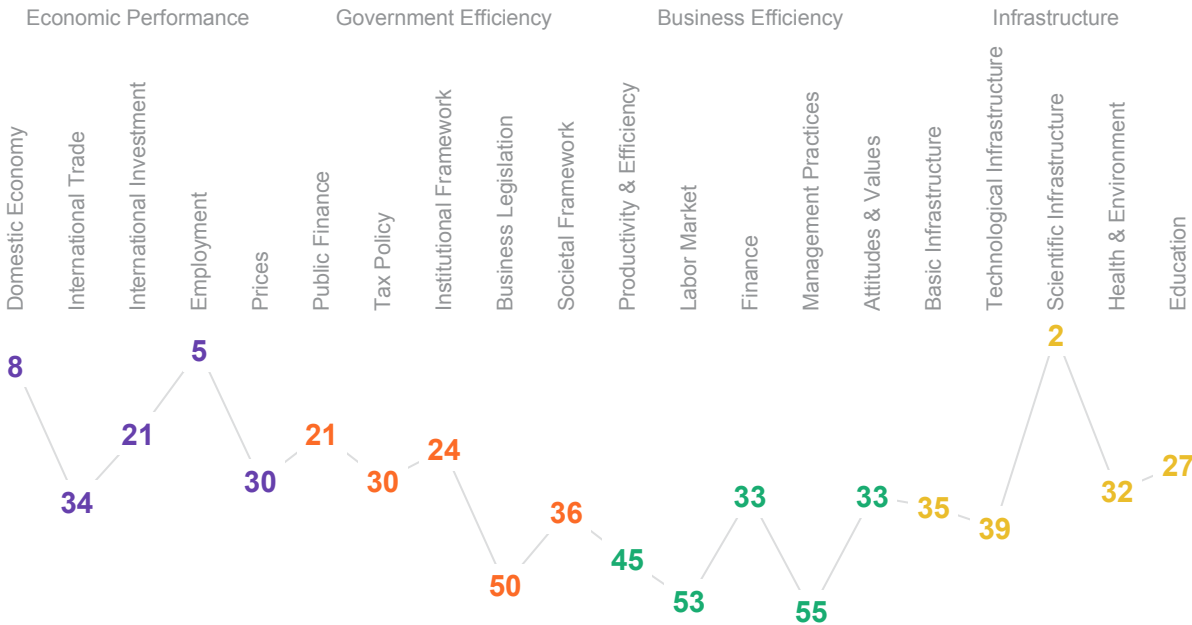
PROVIDED BY: Korea Institute for International Economic Policy, Korea

### BASIC FACTS

### Rank

Capital	Seoul	
Land area (square km '000)	100	2024
Exchange rate (per \$)	1,363.375	2024
Population - market size (millions)	51.75	2024 19
Gross Domestic Product (GDP) (US\$ billions)	1,869.7	2024 12
GDP (PPP) per capita (US\$)	62,697	2024 23
Real GDP growth (%)	2.0	2024 34
Consumer price inflation (%)	2.32	2024 25
Unemployment rate (%)	2.80	2024 09
Labor force (millions)	29.40	2024 15
Current account balance (% of GDP)	5.30	2024 16
Direct investment stocks inward (\$bn)	284.1	2023 24
Direct investment flows inward (% of GDP)	0.83	2023 54

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Kuwait

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Kuwait's oil dependence makes it vulnerable to international oil market fluctuation, and leads to fiscal strain.
- Slow implementation of economic reforms leaves the economy at risk if oil demand decreases.
- Unappealing investment environment: due to cumbersome bureaucracy that weighs on investment decisions.
- Ballooning size of the public sector and over-generous subsidies results in reduced public investment in infrastructure upgrades.
- Workforce skills gap could hinder the country's transition to a knowledge-based economy.

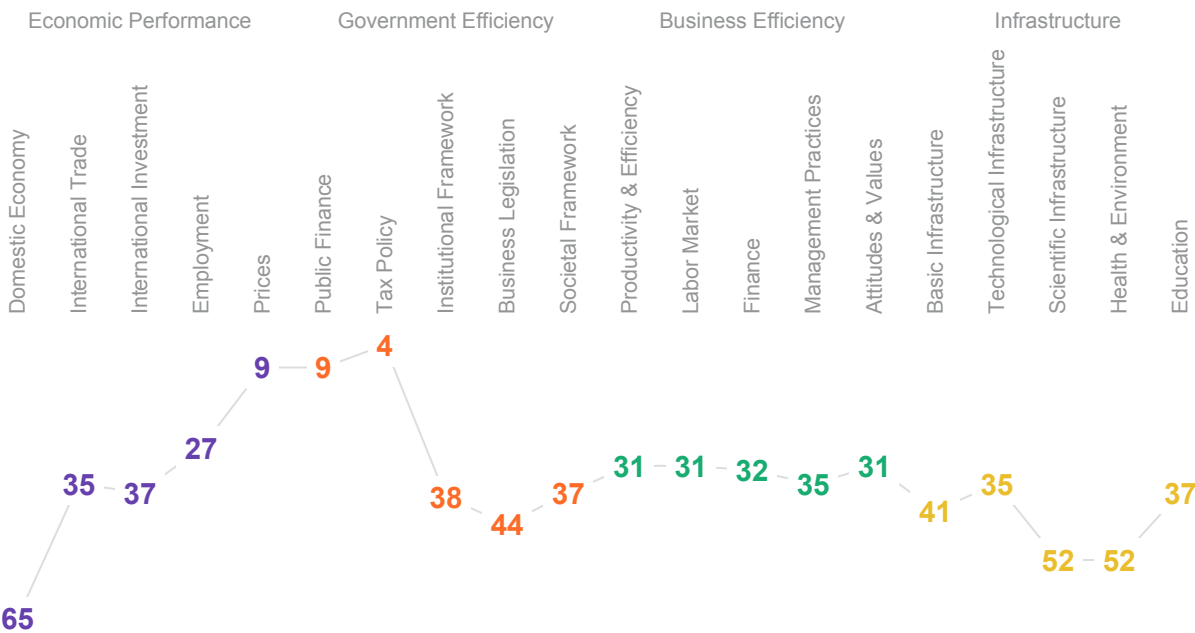
PROVIDED BY: Kuwait Anti Corruption Authority (Nazaha), Kuwait

### BASIC FACTS

### Rank

Capital	Kuwait City	
Land area (square km '000)	18	2024
Exchange rate (per \$)	0.307	2024
Population - market size (millions)	5.01	2024 55
Gross Domestic Product (GDP) (US\$ billions)	160.2	2024 49
GDP (PPP) per capita (US\$)	49,703	2024 35
Real GDP growth (%)	-4.9	2024 69
Consumer price inflation (%)	2.90	2024 38
Unemployment rate (%)	1.21	2024 03
Labor force (millions)	2.96	2024 50
Current account balance (% of GDP)	29.16	2024 01
Direct investment stocks inward (\$bn)	16.6	2023 64
Direct investment flows inward (% of GDP)	1.28	2023 44

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)

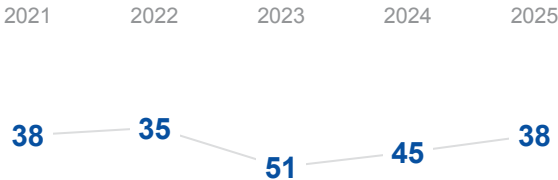




# Latvia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Global economic turbulences related to the impacts of changes in trade tariffs.
- Economic security due to geopolitical tensions caused by military conflicts.
- Risk of economic recession if the global economic situation continues to deteriorate.
- Ability of entrepreneurs to adapt to green transition and take on new technologies and solutions.
- Municipal elections may impact economic continuity in cities and regions.

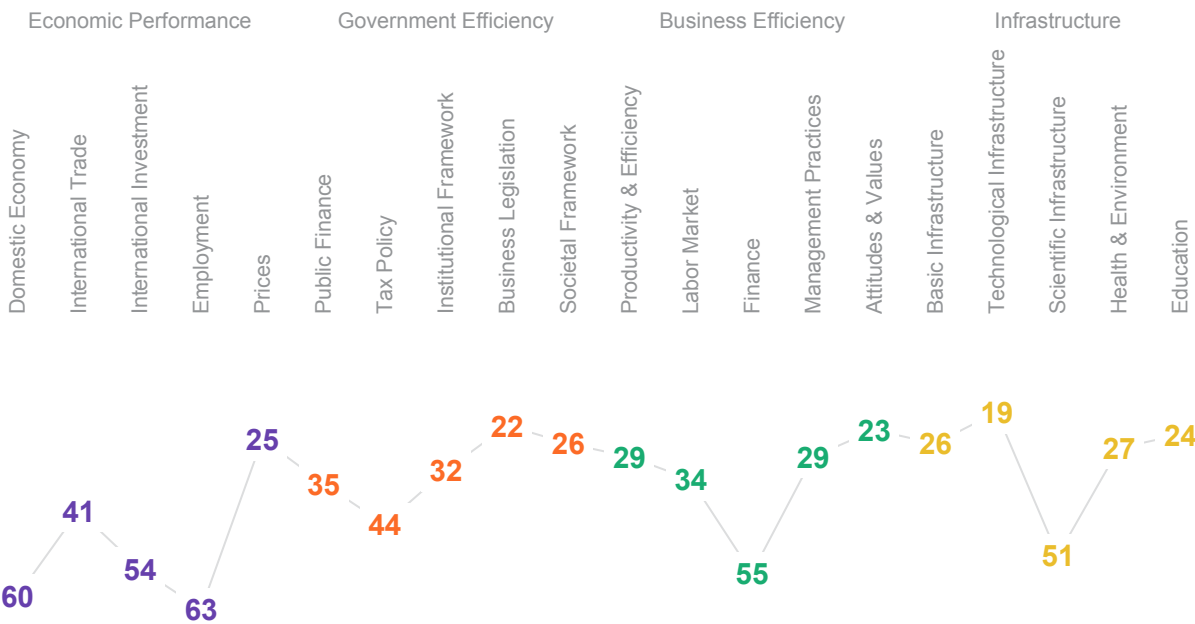
PROVIDED BY: LU CETS – University of Latvia Centre for European and Transition Studies, Latvia

### BASIC FACTS

### Rank

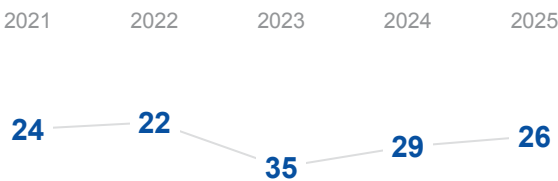
Capital	Riga	
Land area (square km '000)	65	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	1.86	2024 64
Gross Domestic Product (GDP) (US\$ billions)	43.5	2024 63
GDP (PPP) per capita (US\$)	42,816	2024 44
Real GDP growth (%)	-0.4	2024 63
Consumer price inflation (%)	1.35	2024 13
Unemployment rate (%)	7.30	2024 55
Labor force (millions)	0.94	2024 63
Current account balance (% of GDP)	-2.11	2024 54
Direct investment stocks inward (\$bn)	26.6	2023 61
Direct investment flows inward (% of GDP)	2.85	2023 20

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Lithuania

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- The war in Ukraine and geopolitical tensions hamper investment prospects.
- Plans to increase defense spending threaten fiscal sustainability.
- An aging population strains the labor market and workforce availability.
- Slow productivity gains limit competitiveness and innovation.
- Tariff-related uncertainties may hinder export growth.

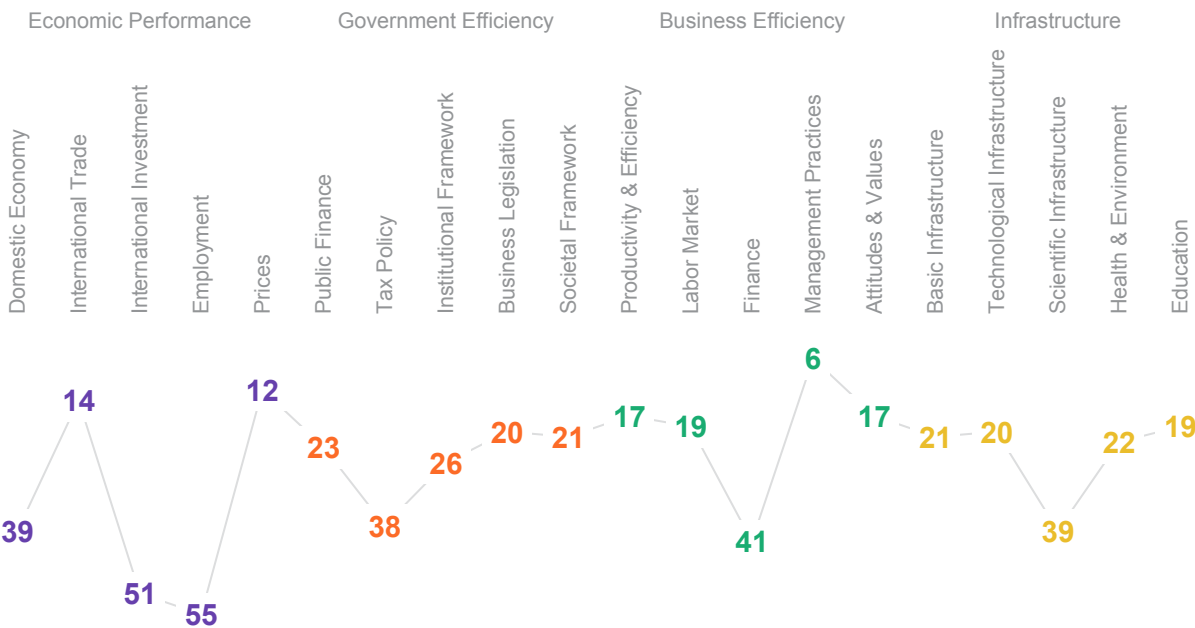
### BASIC FACTS

### Rank

Capital	Vilnius	
Land area (square km '000)	65	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	2.89	2024 61
Gross Domestic Product (GDP) (US\$ billions)	84.4	2024 58
GDP (PPP) per capita (US\$)	54,229	2024 31
Real GDP growth (%)	2.7	2024 25
Consumer price inflation (%)	0.85	2024 05
Unemployment rate (%)	7.10	2024 53
Labor force (millions)	1.58	2024 58
Current account balance (% of GDP)	2.49	2024 22
Direct investment stocks inward (\$bn)	31.6	2023 58
Direct investment flows inward (% of GDP)	2.34	2023 23

PROVIDED BY: Innovation Agency Lithuania, Lithuania

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



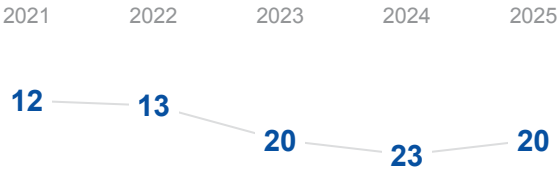
#### POPULATIONS < 20 MILLION (37 countries)



# Luxembourg

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Step up defence efforts within a comprehensive economic and industrial strategy.
- Create a fully integrated and coherent ecosystem around AI.
- Ensure the long-term viability of the social security system.
- Attract and retain top talents to sustain economic growth.
- Ensure competitive energy costs while advancing the energy transition.

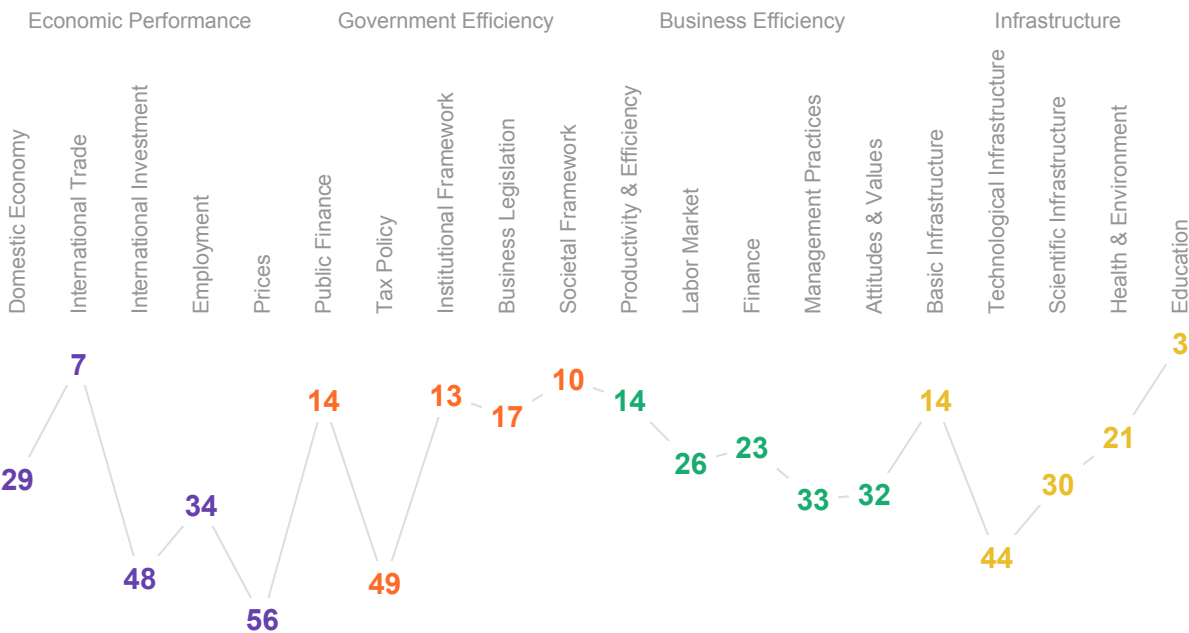
### BASIC FACTS

Rank

Capital	Luxembourg	
Land area (square km '000)	3	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	0.67	2024 68
Gross Domestic Product (GDP) (US\$ billions)	93.2	2024 56
GDP (PPP) per capita (US\$)	149,587	2024 02
Real GDP growth (%)	1.0	2024 48
Consumer price inflation (%)	2.25	2024 22
Unemployment rate (%)	6.40	2024 48
Labor force (millions)	0.54	2024 67
Current account balance (% of GDP)	13.77	2024 07
Direct investment stocks inward (\$bn)	1,183.7	2023 09
Direct investment flows inward (% of GDP)	-71.72	2023 69

PROVIDED BY: Chamber of Commerce, Luxembourg

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)



POPULATIONS < 20 MILLION (37 countries)



# Malaysia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Strengthen workforce efficiency through skills development and automation readiness.
- Accelerate technology adoption by boosting digitalization and AI capabilities.
- Boost private-led R&D investment to drive innovation and competitiveness.
- Modernize business regulations to foster productivity and economic growth.
- Strengthen supply chains and expand global market opportunities.

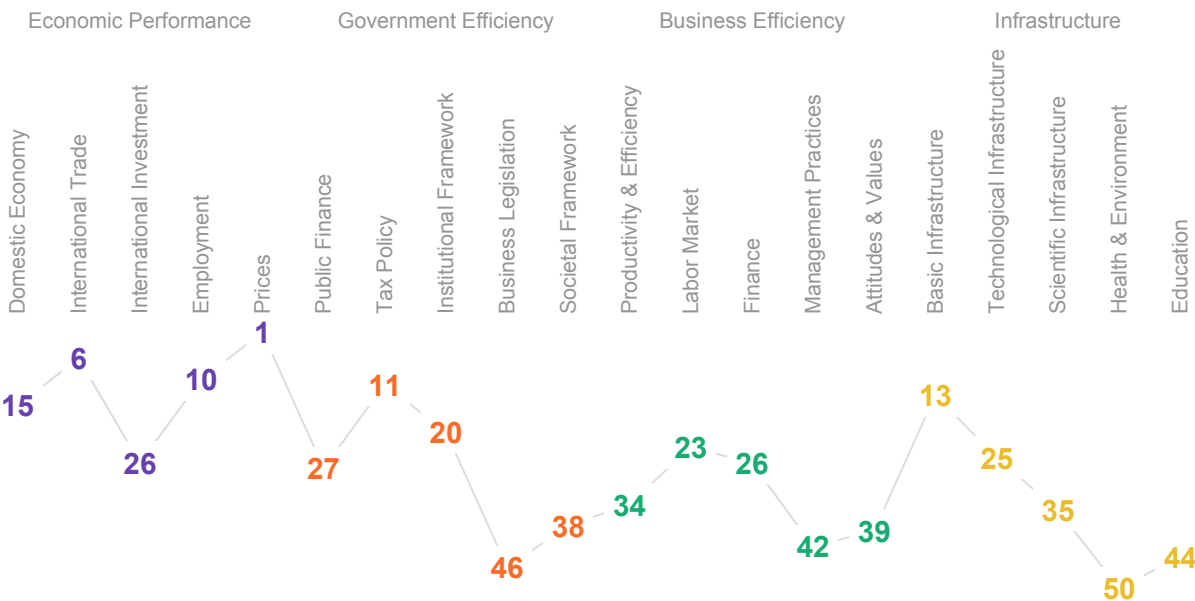
PROVIDED BY: Malaysia Productivity Corporation, Malaysia

### BASIC FACTS

Rank

Capital	Kuala Lumpur	
Land area (square km '000)	330	2024
Exchange rate (per \$)	4.576	2024
Population - market size (millions)	34.10	2024 27
Gross Domestic Product (GDP) (US\$ billions)	422.0	2024 33
GDP (PPP) per capita (US\$)	40,384	2024 48
Real GDP growth (%)	5.1	2024 04
Consumer price inflation (%)	1.83	2024 18
Unemployment rate (%)	3.30	2024 13
Labor force (millions)	16.37	2023 25
Current account balance (% of GDP)	1.69	2024 32
Direct investment stocks inward (\$bn)	201.7	2023 32
Direct investment flows inward (% of GDP)	2.16	2023 28

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

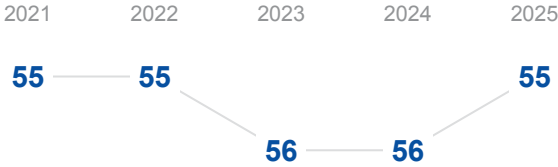
2021 2022 2023 2024 2025



# Mexico

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Leverage US economic policy to promote domestic market growth through innovation – "Mexican Markets for Mexican Products".
- Implement logistics infrastructure to take advantage of nearshoring in Mexico.
- Promote structural reforms for better education and clean energy.
- Promote a higher GDP growth (2-3%).
- Improve relationships with relevant economies in the world.

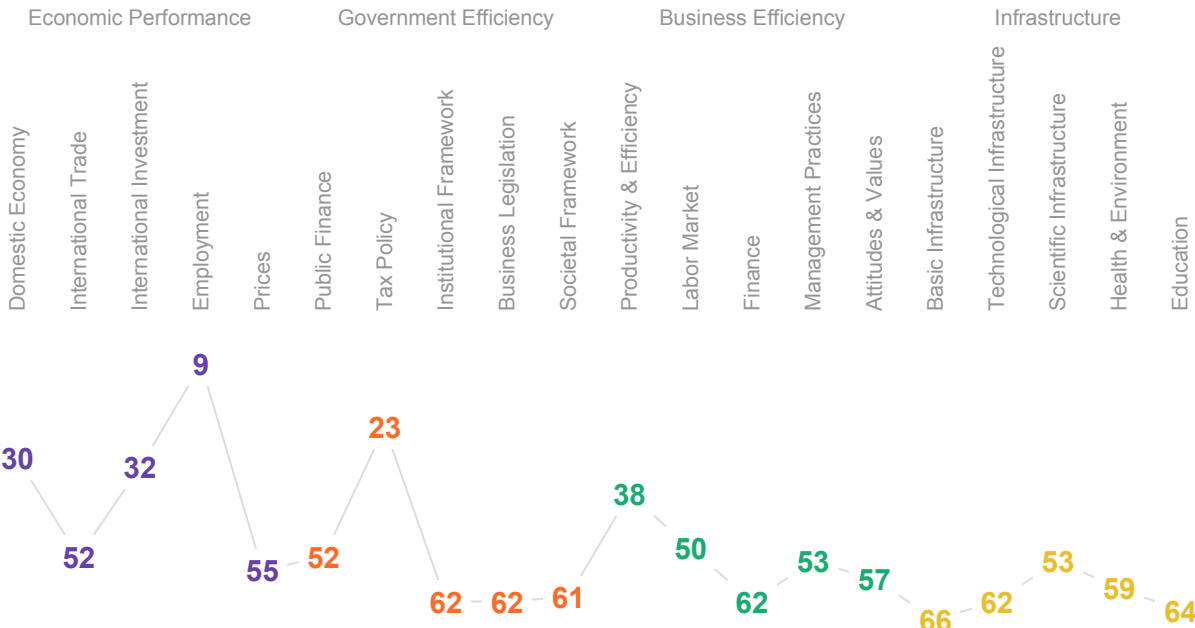
### BASIC FACTS

### Rank

Capital	Mexico City
Land area (square km '000)	1,964 <sup>2024</sup>
Exchange rate (per \$)	18.305 <sup>2024</sup>
Population - market size (millions)	130.29 <sup>2024</sup> 07
Gross Domestic Product (GDP) (US\$ billions)	1,929.7 <sup>2024</sup> 11
GDP (PPP) per capita (US\$)	25,455 <sup>2024</sup> 54
Real GDP growth (%)	0.5 <sup>2024</sup> 57
Consumer price inflation (%)	4.72 <sup>2024</sup> 59
Unemployment rate (%)	2.64 <sup>2024</sup> 08
Labor force (millions)	61.05 <sup>2024</sup> 08
Current account balance (% of GDP)	-0.31 <sup>2024</sup> 40
Direct investment stocks inward (\$bn)	778.4 <sup>2023</sup> 16
Direct investment flows inward (% of GDP)	1.92 <sup>2023</sup> 31

PROVIDED BY: Center for Strategic Studies for Competitiveness, Mexico

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



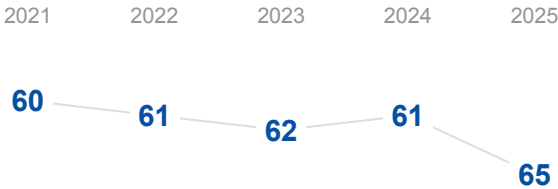
#### POPULATIONS > 20 MILLION (32 countries)



# Mongolia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Overreliance on mining and vulnerability to commodity price fluctuations.
- Inflationary pressures due to expansionary domestic monetary policy and imported inflation due to global trade wars.
- Risk of deterioration of the business environment due to tax burden and government intervention.
- Brain drain as educated and skilled youth are moving abroad while domestic sectors need skilled workers.
- Vulnerability to climate change and extreme weather.

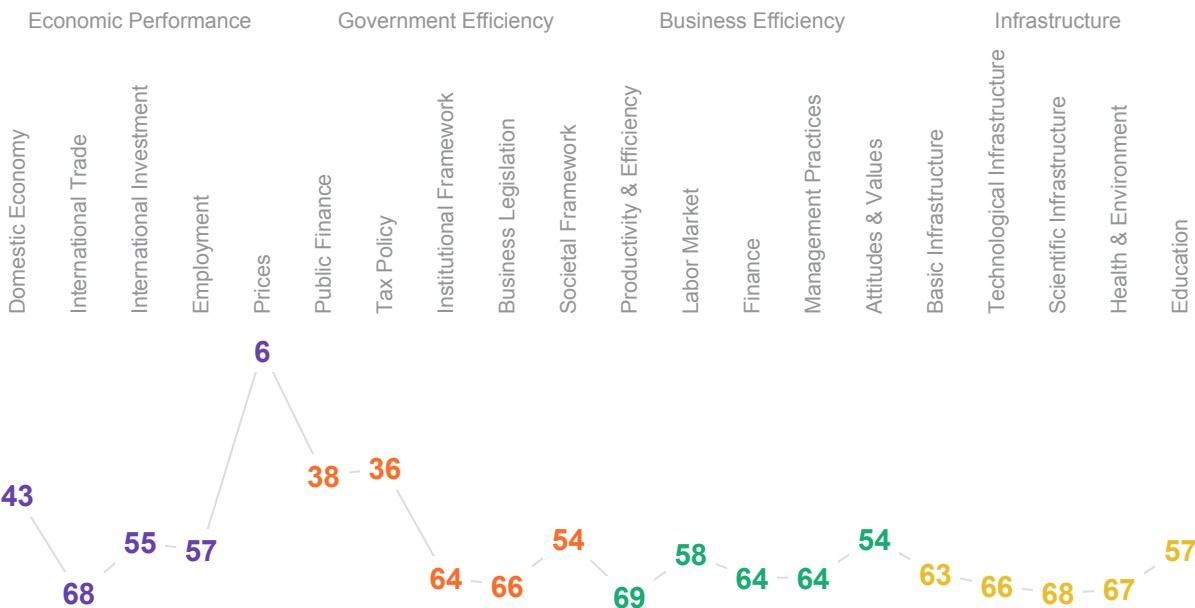
PROVIDED BY: Economic Policy and Competitiveness Research Center, Mongolia

### BASIC FACTS

### Rank

Capital	Ulaanbaatar	
Land area (square km '000)	1,564	2024
Exchange rate (per \$)	3,389.982	2024
Population - market size (millions)	3.54	2024 57
Gross Domestic Product (GDP) (US\$ billions)	23.6	2024 67
GDP (PPP) per capita (US\$)	18,991	2024 58
Real GDP growth (%)	4.9	2024 07
Consumer price inflation (%)	6.80	2024 63
Unemployment rate (%)	5.57	2024 40
Labor force (millions)	1.43	2024 59
Current account balance (% of GDP)	-9.29	2024 68
Direct investment stocks inward (\$bn)	30.7	2023 59
Direct investment flows inward (% of GDP)	11.31	2023 05

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Namibia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

20212022202320242025

68

### CHALLENGES IN 2025

- Unemployment (particularly youth unemployment).
- High-income inequalities.
- Climate change and its impact on food security.
- Limited economic diversification.
- Dependency on Southern African Customs Union (SACU) receipts.

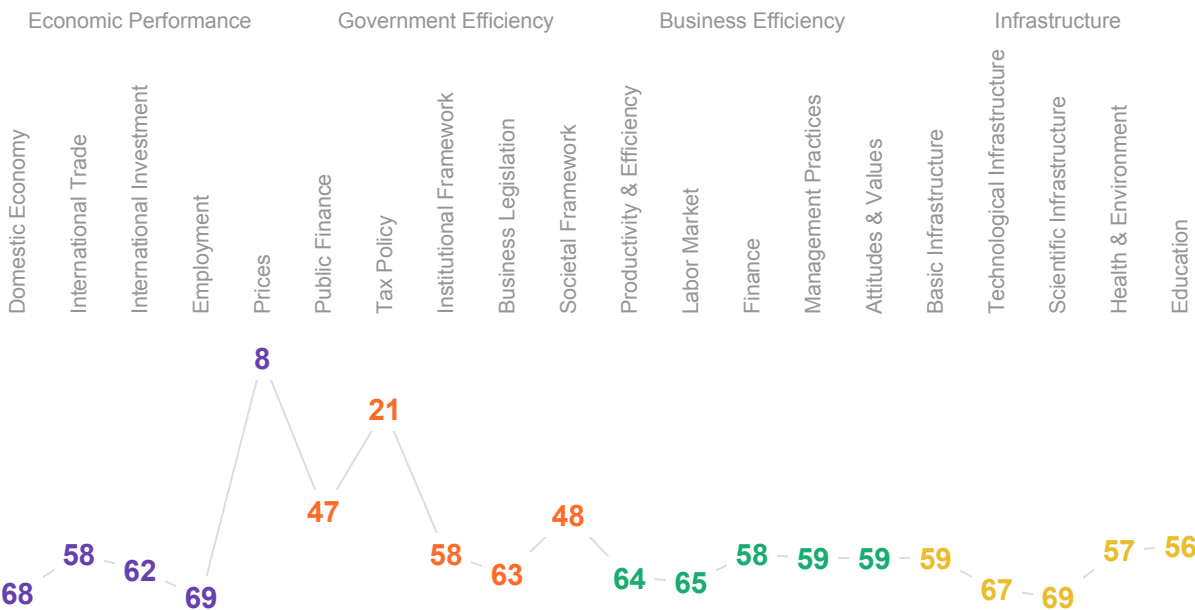
PROVIDED BY: Namibia Investment Promotion and Development Board

### BASIC FACTS

Rank

Capital	Windhoek
Land area (square km '000)	824 <sup>2024</sup>
Exchange rate (per \$)	18.329 <sup>2024</sup>
Population - market size (millions)	2.99 <sup>2024</sup> 60
Gross Domestic Product (GDP) (US\$ billions)	13.4 <sup>2024</sup> 69
GDP (PPP) per capita (US\$)	11,843 <sup>2024</sup> 63
Real GDP growth (%)	3.7 <sup>2024</sup> 14
Consumer price inflation (%)	4.24 <sup>2024</sup> 53
Unemployment rate (%)	0.00 <sup>0</sup> -
Labor force (millions)	0.87 <sup>2023</sup> 65
Current account balance (% of GDP)	-15.37 <sup>2024</sup> 69
Direct investment stocks inward (\$bn)	9.1 <sup>2023</sup> 67
Direct investment flows inward (% of GDP)	18.90 <sup>2023</sup> 03

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

POPULATIONS < 20 MILLION (37 countries)

20212022202320242025

20212022202320242025

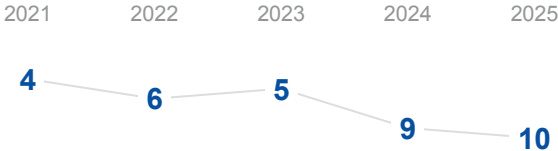
45

37

# Netherlands

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Support EU efforts to pursue free international trade on a level playing field.
- Ensure a welcoming, international business climate, corresponding to a rules-based international economy.
- Deregulate cluttered legislation.
- Expedite valorization of academic research, especially in key enabling technologies.
- Stimulate construction of vital infrastructure and housing by solving legal obstacles.

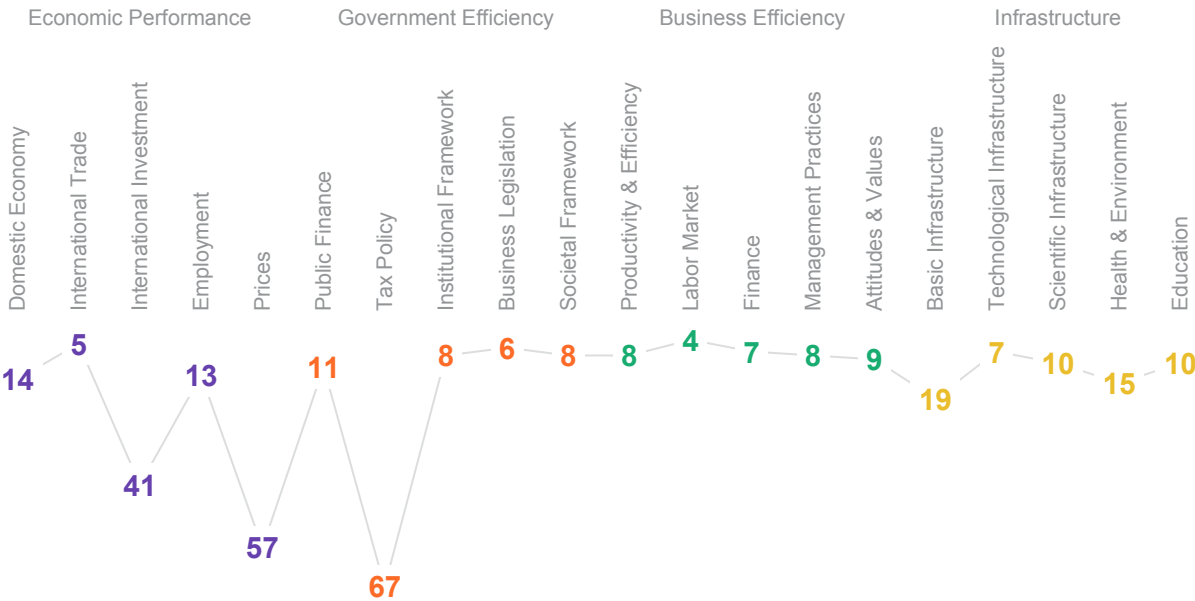
PROVIDED BY: VNO-NCW –Confederation of Netherlands Industry and Employers

### BASIC FACTS

### Rank

Capital	Amsterdam
Land area (square km '000)	42 <sup>2024</sup>
Exchange rate (per \$)	0.924 <sup>2024</sup>
Population - market size (millions)	17.94 <sup>2024</sup> 34
Gross Domestic Product (GDP) (US\$ billions)	1,226.0 <sup>2024</sup> 17
GDP (PPP) per capita (US\$)	81,705 <sup>2024</sup> 09
Real GDP growth (%)	1.0 <sup>2024</sup> 51
Consumer price inflation (%)	3.22 <sup>2024</sup> 47
Unemployment rate (%)	3.64 <sup>2024</sup> 19
Labor force (millions)	10.24 <sup>2024</sup> 31
Current account balance (% of GDP)	9.95 <sup>2024</sup> 10
Direct investment stocks inward (\$bn)	2,678.2 <sup>2023</sup> 04
Direct investment flows inward (% of GDP)	-15.07 <sup>2023</sup> 68

### COMPETITIVENESS LANDSCAPE

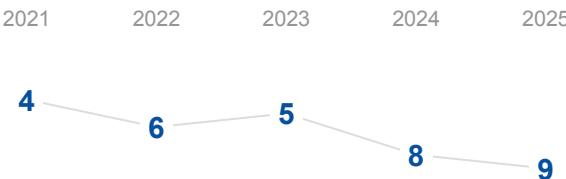


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)





# New Zealand

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Initiatives and policies to lift business and consumer confidence are keenly wanted.
- A more certain and pro-trade environment is sought in the midst of the “tariff war” playing out.
- A more favorable macro-economic context for business and consumers with lower interest rates and a tax regime that incentivizes investment and growth.
- Lower cost and compliance from central and local government for business would be helpful.
- A more stable world, geopolitically speaking, would be highly desirable.

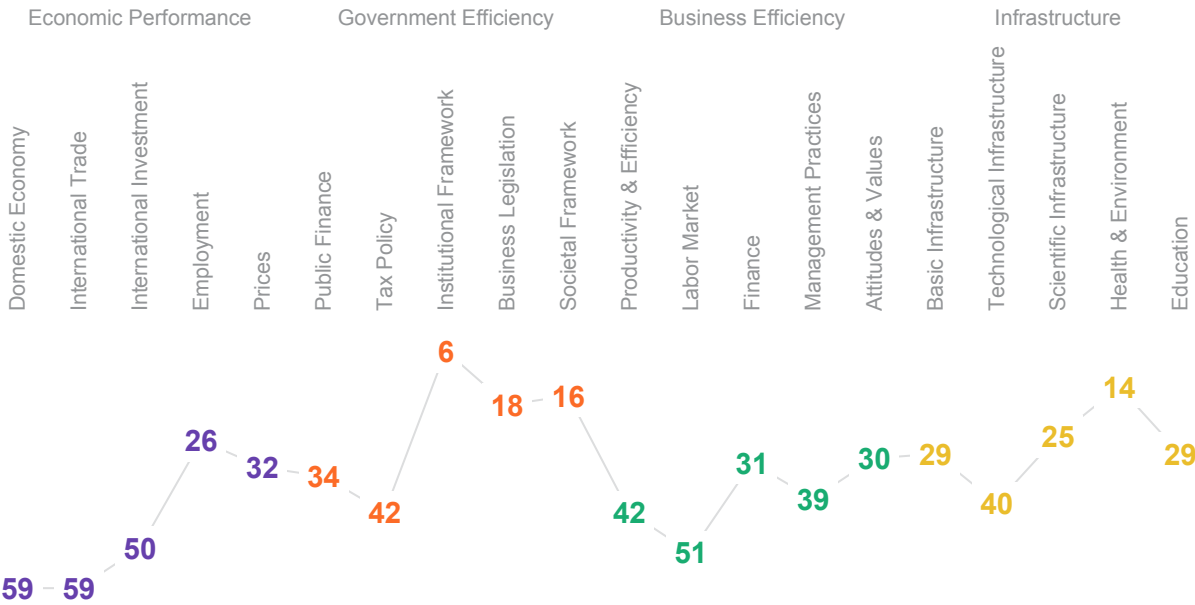
PROVIDED BY: Auckland Business Chamber, New Zealand

### BASIC FACTS

Rank

Capital	Wellington	
Land area (square km '000)	268	2024
Exchange rate (per \$)	1.652	2024
Population - market size (millions)	5.34	2024 53
Gross Domestic Product (GDP) (US\$ billions)	258.4	2024 44
GDP (PPP) per capita (US\$)	53,844	2024 32
Real GDP growth (%)	-0.5	2024 64
Consumer price inflation (%)	2.92	2024 39
Unemployment rate (%)	3.70	2023 21
Labor force (millions)	3.07	2024 47
Current account balance (% of GDP)	-6.01	2024 64
Direct investment stocks inward (\$bn)	99.1	2023 46
Direct investment flows inward (% of GDP)	1.41	2023 40

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

2021 2022 2023 2024 2025



POPULATIONS < 20 MILLION (37 countries)

2021 2022 2023 2024 2025



# Nigeria

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025

64  
67

### CHALLENGES IN 2025

- Macroeconomic and social instability: pervasive insecurity and banditry occasioned by the high level of youth unemployment.
- Low level of technology diffusion across the key economic sectors.
- Huge infrastructural deficits (transportation, energy, etc.) impacting cost of doing business.
- Poor manufacturing base, limiting industry capability.
- Corruption and governance challenges (weak public institutions).

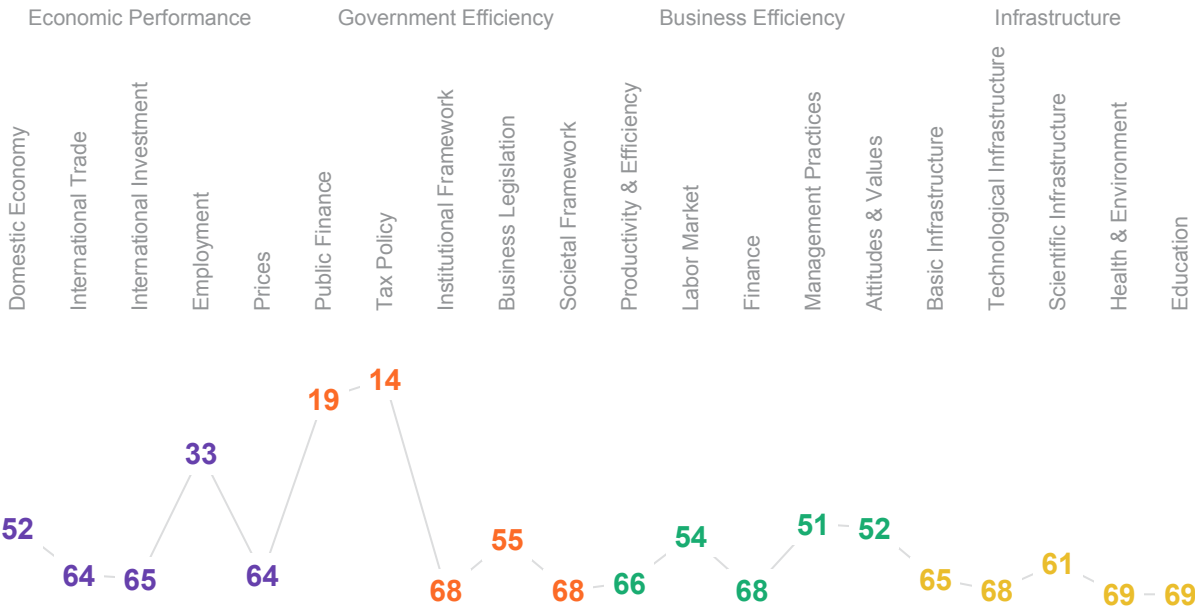
PROVIDED BY: National Productivity Centre, Nigeria

### BASIC FACTS

### Rank

Capital	Abuja	
Land area (square km '000)	924	2024
Exchange rate (per \$)	1,478.965	2024
Population - market size (millions)	227.71	2024 05
Gross Domestic Product (GDP) (US\$ billions)	187.6	2024 48
GDP (PPP) per capita (US\$)	6,580	2024 69
Real GDP growth (%)	3.4	2024 17
Consumer price inflation (%)	33.24	2024 66
Unemployment rate (%)	4.30	2024 29
Labor force (millions)	68.18	2023 07
Current account balance (% of GDP)	9.14	2024 11
Direct investment stocks inward (\$bn)	73.4	2023 48
Direct investment flows inward (% of GDP)	0.52	2023 60

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025

41  
44

POPULATIONS > 20 MILLION (32 countries)

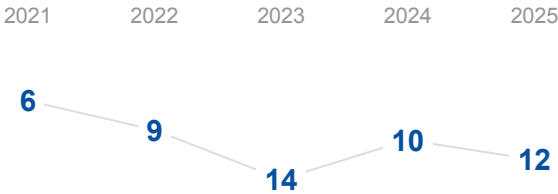
2021 2022 2023 2024 2025

28  
31

# Norway

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Limiting (and ideally reducing) government spending, which is still rising and very high compared to other countries.
- Improving productivity by increasing employee activity through more effective sickness and disability agreements.
- Ensuring effective spending on infrastructure by prioritizing and selecting projects based on cost/benefit assessments.
- Aligning taxes to ensure that Norway attracts investments and talent from abroad, while also retaining national investors.
- Triggering higher private spending on R&D, prioritizing leading higher-educational institutions.

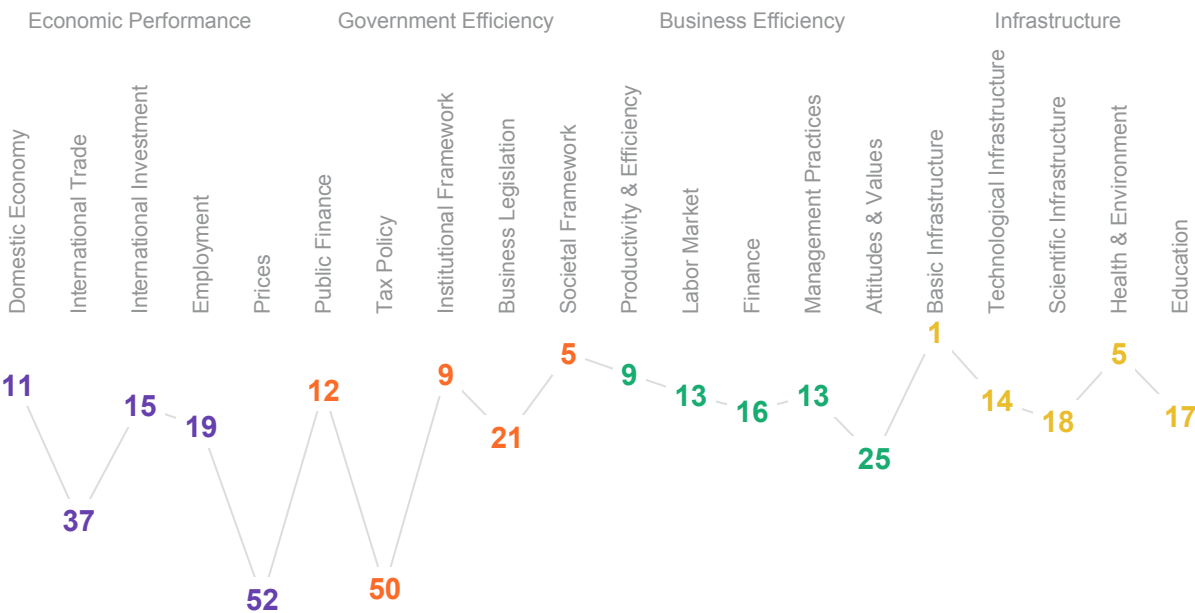
PROVIDED BY: Knut Haanaes, Professor of Strategy and Lundin Sustainability Chair, IMD

### BASIC FACTS

### Rank

Capital	Oslo	
Land area (square km '000)	624	2024
Exchange rate (per \$)	10.746	2024
Population - market size (millions)	5.59	2024 50
Gross Domestic Product (GDP) (US\$ billions)	483.7	2024 30
GDP (PPP) per capita (US\$)	103,586	2024 05
Real GDP growth (%)	2.1	2024 33
Consumer price inflation (%)	3.15	2024 43
Unemployment rate (%)	3.98	2024 24
Labor force (millions)	3.03	2024 49
Current account balance (% of GDP)	17.13	2024 05
Direct investment stocks inward (\$bn)	157.2	2023 35
Direct investment flows inward (% of GDP)	1.65	2023 35

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Oman

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025

28

### CHALLENGES IN 2025

- Economy still exposed to oil price fluctuations.
- Oil's direct GDP contribution declined to 30%, but many non-oil sectors still rely on hydrocarbon revenues.
- Oil accounts for three-quarters of government revenues, despite the introduction of alternatives like VAT.
- Most construction workers are unskilled foreign labor. Meanwhile, a growing number of Omani graduates require fulfilling careers.
- Over 60% of foreign investment remains focused on oil and gas, limiting diversification into tourism, logistics, and manufacturing.

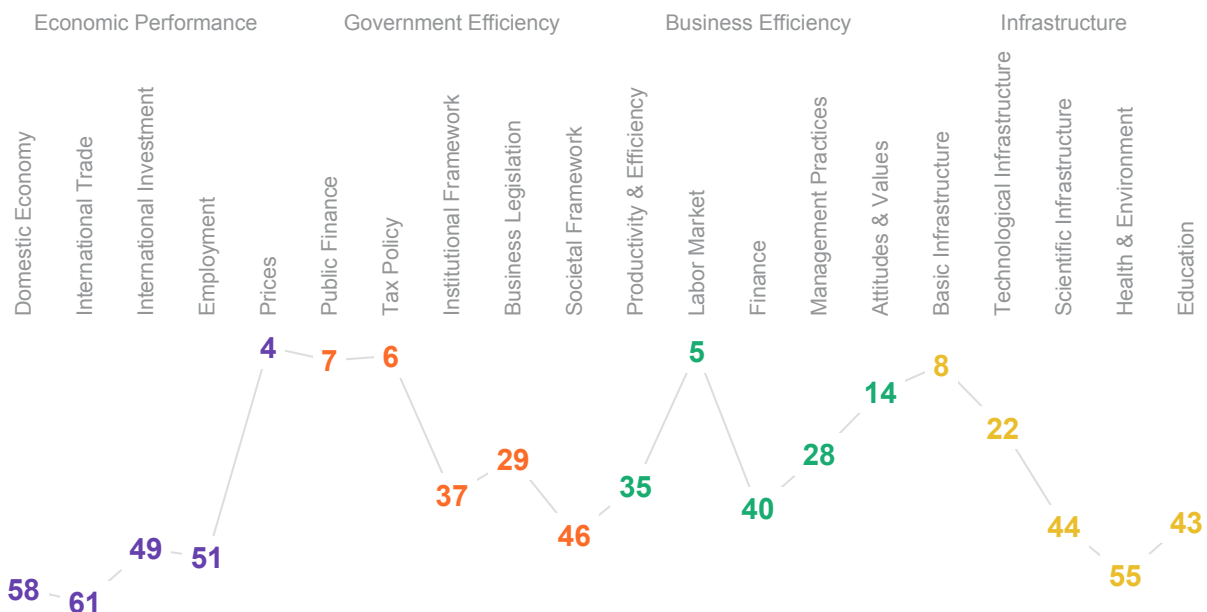
PROVIDED BY: National Competitiveness Office

### BASIC FACTS

Rank

Capital	Muscat	
Land area (square km '000)	310	2024
Exchange rate (per \$)	0.385	2024
Population - market size (millions)	5.33	2024 54
Gross Domestic Product (GDP) (US\$ billions)	109.7	2024 55
GDP (PPP) per capita (US\$)	41,277	2024 46
Real GDP growth (%)	1.7	2024 38
Consumer price inflation (%)	0.59	2024 04
Unemployment rate (%)	3.31	2024 14
Labor force (millions)	2.77	2023 53
Current account balance (% of GDP)	2.12	2024 28
Direct investment stocks inward (\$bn)	56.1	2023 52
Direct investment flows inward (% of GDP)	4.52	2023 12

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

POPULATIONS < 20 MILLION (37 countries)

2021 2022 2023 2024 2025

2021 2022 2023 2024 2025

19

19

# Peru

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Improve the business environment by reducing uncertainty and strengthening the framework of justice, security, and democracy.
- Eliminate corruption, reinforce public institutions, and achieve greater political stability.
- Execute strategic projects that generate significant regional impact.
- Promote economic growth aligned with sustainable development.
- Increase competitiveness and social progress.

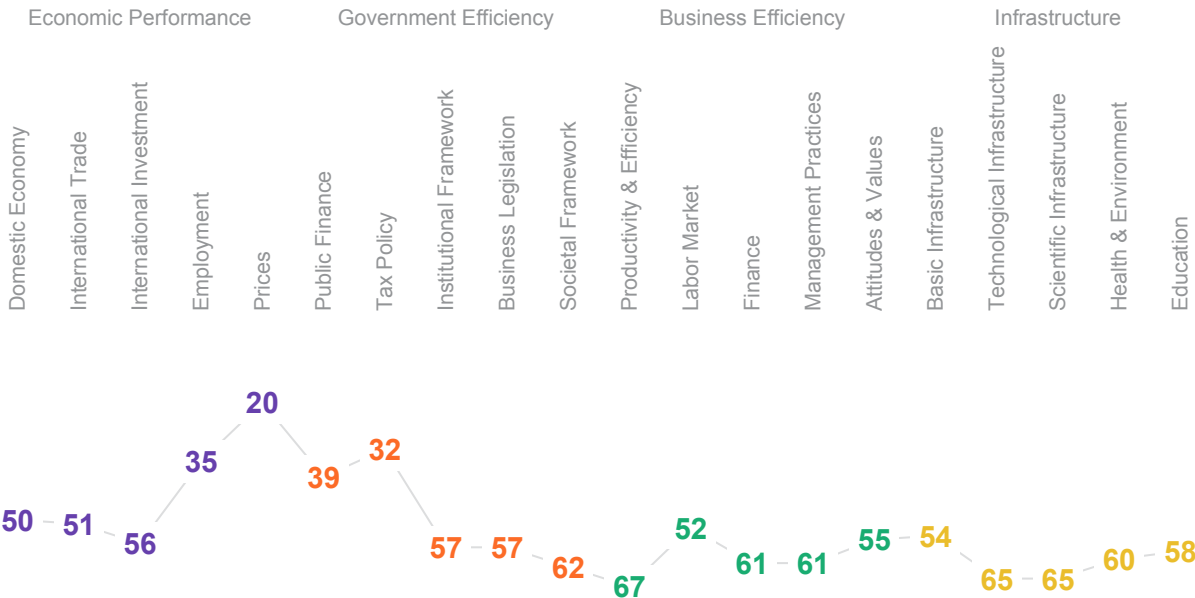
PROVIDED BY: Centrum PUCP, Peru

### BASIC FACTS

### Rank

Capital	Lima	
Land area (square km '000)	1,285	2024
Exchange rate (per \$)	3.478	2024
Population - market size (millions)	34.10	2024 26
Gross Domestic Product (GDP) (US\$ billions)	312.0	2024 40
GDP (PPP) per capita (US\$)	17,861	2024 59
Real GDP growth (%)	3.3	2024 19
Consumer price inflation (%)	2.35	2024 27
Unemployment rate (%)	5.60	2024 41
Labor force (millions)	18.34	2024 23
Current account balance (% of GDP)	2.03	2024 30
Direct investment stocks inward (\$bn)	132.5	2023 38
Direct investment flows inward (% of GDP)	1.25	2023 45

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



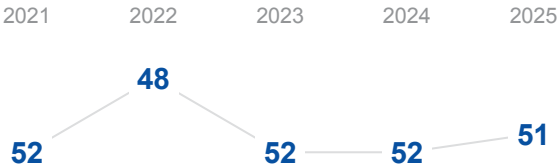
#### POPULATIONS > 20 MILLION (32 countries)



# Philippines

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Re-kindle the country's economic dynamism and growth trajectory.
- Address inflation expectations.
- Promote investments in inclusive technology to boost labor productivity and empower entrepreneurship.
- Improve education and healthcare to promote inclusive growth and reduce vulnerabilities.
- Adapt to shifting global economic and geo-political dynamics.

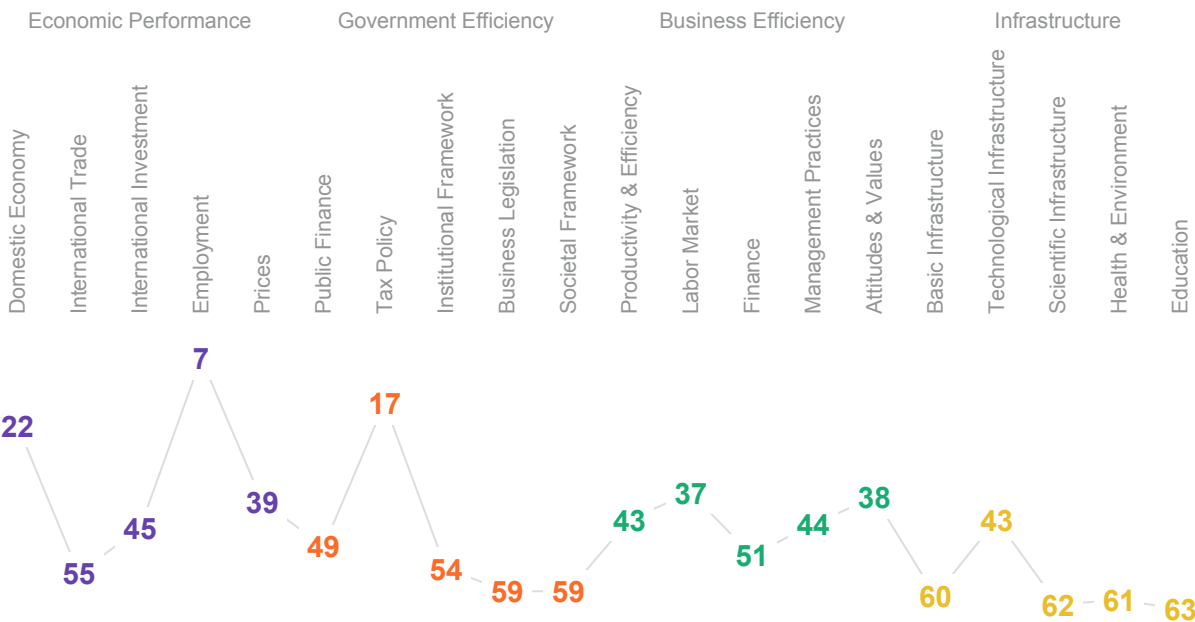
PROVIDED BY: AIM-RSN Policy Center for Competitiveness, Philippines

### BASIC FACTS

Rank

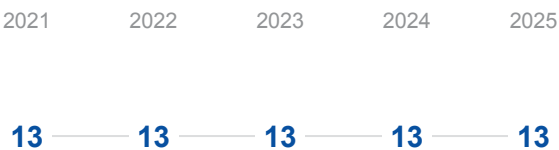
Capital	Manila	
Land area (square km '000)	300	2024
Exchange rate (per \$)	57.291	2024
Population - market size (millions)	114.16	2024 09
Gross Domestic Product (GDP) (US\$ billions)	461.5	2024 31
GDP (PPP) per capita (US\$)	11,968	2024 62
Real GDP growth (%)	5.6	2024 03
Consumer price inflation (%)	3.21	2024 46
Unemployment rate (%)	3.81	2024 23
Labor force (millions)	50.65	2024 09
Current account balance (% of GDP)	-3.80	2024 60
Direct investment stocks inward (\$bn)	119.0	2023 44
Direct investment flows inward (% of GDP)	1.42	2023 39

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)



POPULATIONS > 20 MILLION (32 countries)



# Poland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Strengthen corporate capacity for green and digital transformation.
- Foster innovation, skills development, and productivity by leveraging effective digitalization.
- Address inequality through fair taxation and inclusive labor market policies.
- Enhance defense integration, procurement efficiency, and technological sovereignty.
- Enhance energy sector resilience against geopolitical, environmental, and market challenges.

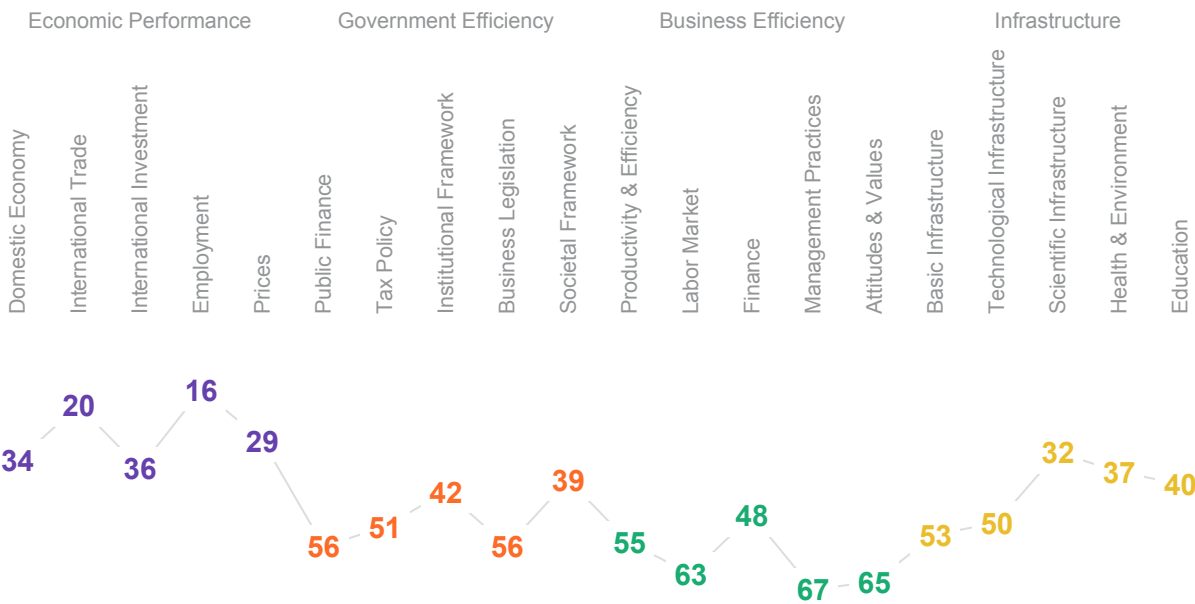
PROVIDED BY: SGH Warsaw School of Economics, World Economy Research Institute, Collegium of World Economy, Poland

### BASIC FACTS

Rank

Capital	Warsaw	
Land area (square km '000)	313	2024
Exchange rate (per \$)	3.981	2024
Population - market size (millions)	37.49	2024 23
Gross Domestic Product (GDP) (US\$ billions)	908.7	2024 20
GDP (PPP) per capita (US\$)	50,780	2024 34
Real GDP growth (%)	2.9	2024 22
Consumer price inflation (%)	3.72	2024 49
Unemployment rate (%)	2.90	2024 10
Labor force (millions)	17.36	2023 24
Current account balance (% of GDP)	0.14	2024 39
Direct investment stocks inward (\$bn)	335.5	2023 21
Direct investment flows inward (% of GDP)	3.54	2023 16

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Portugal

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Economic diversification to reduce shifts in tourism and global trade policy.
- Developing education to enhance competitiveness, management skills, digital and green transitions, high-value jobs, and investment.
- Reforming public services (health, justice, education, social security) to improve quality, reduce debt, and reorient to new priorities such as defence.
- Tackling aging and low birth rates while developing an immigration policy that promotes social integration.
- Update bankruptcy and debt restructuring laws to ease SME debt burdens and foster M&As to boost competitiveness.

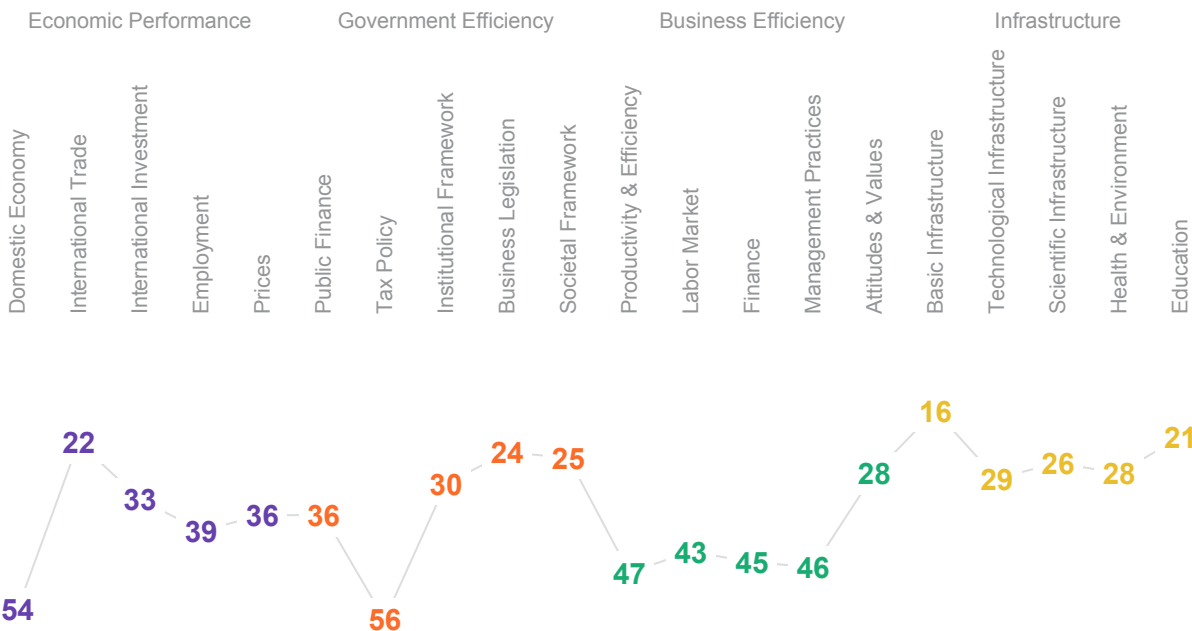
PROVIDED BY: Porto Business School, University of Porto, Portugal

### BASIC FACTS

### Rank

Capital	Lisbon	
Land area (square km '000)	92	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	10.67	2024 39
Gross Domestic Product (GDP) (US\$ billions)	308.3	2024 41
GDP (PPP) per capita (US\$)	48,011	2024 39
Real GDP growth (%)	1.9	2024 36
Consumer price inflation (%)	2.67	2024 34
Unemployment rate (%)	6.70	2024 52
Labor force (millions)	5.52	2024 38
Current account balance (% of GDP)	2.16	2024 27
Direct investment stocks inward (\$bn)	195.3	2023 33
Direct investment flows inward (% of GDP)	2.49	2023 22

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)





# Puerto Rico

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025

49 45

### CHALLENGES IN 2025

- Aging infrastructure vulnerable to increasingly severe hurricanes.
- High public debt levels constraining economic growth.
- Ongoing population decline reducing tax base.
- Workforce participation rates persistently below mainland US.
- Challenging government bureaucracy hampering business permits and compliance.

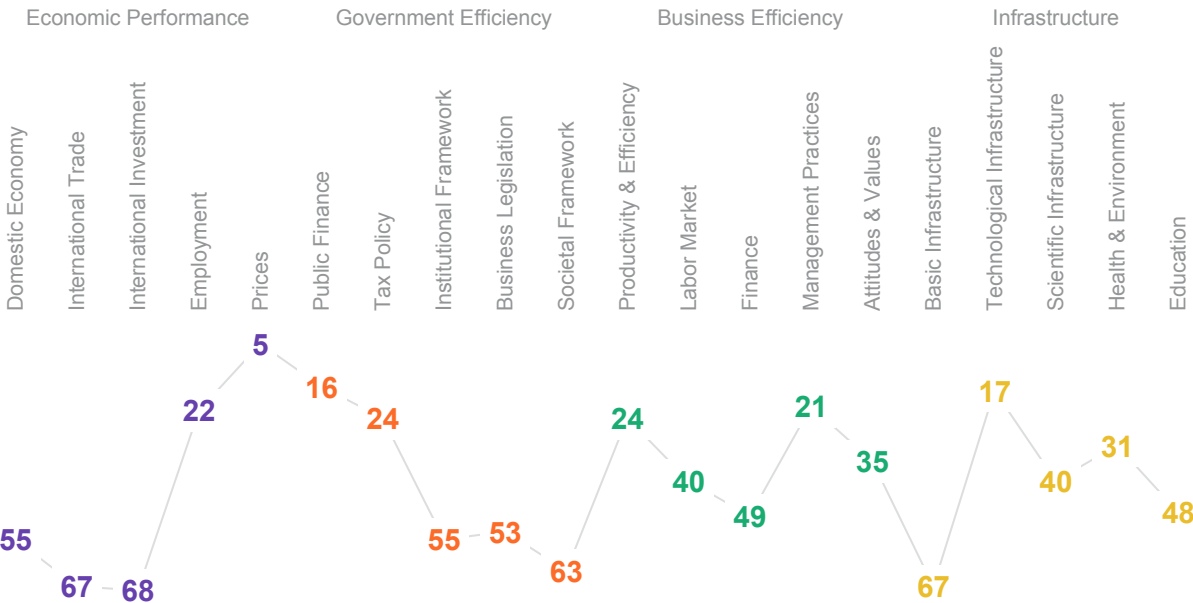
### BASIC FACTS

### Rank

Capital	San Juan	
Land area (square km '000)	9	2024
Exchange rate (per \$)	1.000	2024
Population - market size (millions)	3.19	2024 58
Gross Domestic Product (GDP) (US\$ billions)	125.8	2024 51
GDP (PPP) per capita (US\$)	49,602	2024 36
Real GDP growth (%)	1.0	2024 48
Consumer price inflation (%)	1.59	2024 14
Unemployment rate (%)	5.80	2024 44
Labor force (millions)	1.22	2024 60
Current account balance (% of GDP)	6.71	2022 14
Direct investment stocks inward (\$bn)	1.0	2023 69
Direct investment flows inward (% of GDP)	-0.60	2023 65

PROVIDED BY: Invest Puerto Rico, Puerto Rico

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)

2021 2022 2023 2024 2025

4 4

#### POPULATIONS < 20 MILLION (37 countries)

2021 2022 2023 2024 2025

28 26

# Qatar

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Accelerate diversification and private-sector growth through incentives and PPPs.
- Strengthen human capital via education, upskilling, and workforce reforms.
- Attract strategic foreign investments in innovation-driven growth sectors.
- Improve public sector efficiency, governance, and regulatory transparency.
- Digitize government and enhance data quality for policy decisions.

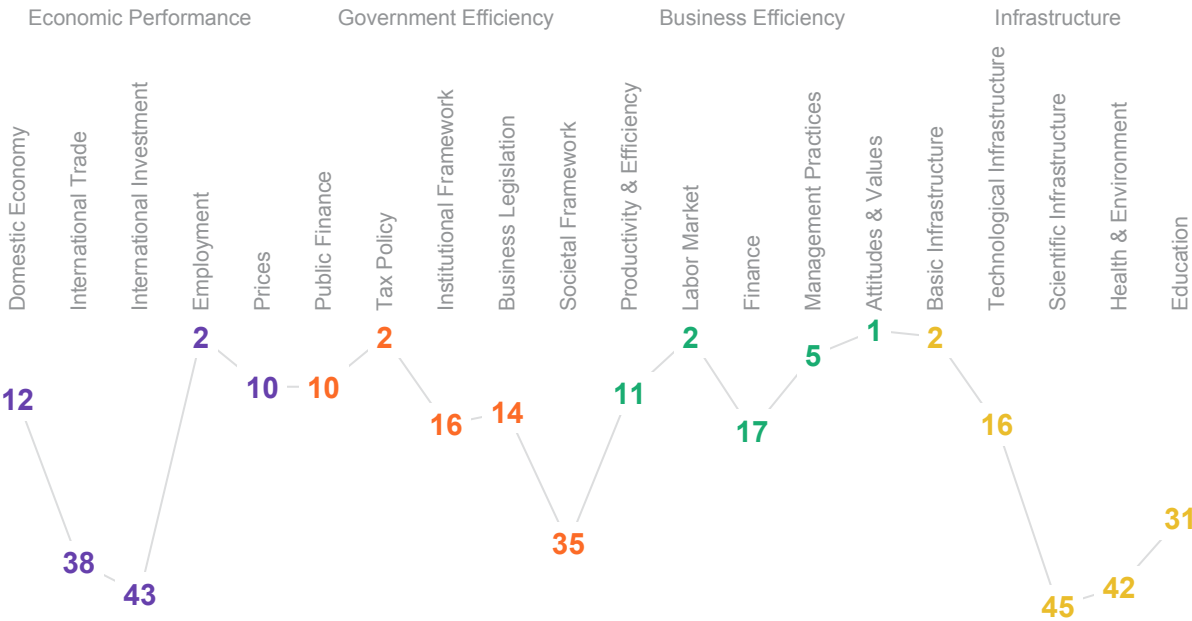
PROVIDED BY: National Planning Council, State of Qatar

### BASIC FACTS

### Rank

Capital	Doha	
Land area (square km '000)	11	2024
Exchange rate (per \$)	3.640	2024
Population - market size (millions)	3.09	2024 59
Gross Domestic Product (GDP) (US\$ billions)	219.2	2024 47
GDP (PPP) per capita (US\$)	116,235	2024 04
Real GDP growth (%)	2.4	2024 30
Consumer price inflation (%)	1.07	2024 09
Unemployment rate (%)	0.13	2024 01
Labor force (millions)	2.24	2024 55
Current account balance (% of GDP)	17.39	2024 03
Direct investment stocks inward (\$bn)	27.1	2023 60
Direct investment flows inward (% of GDP)	-0.19	2023 63

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



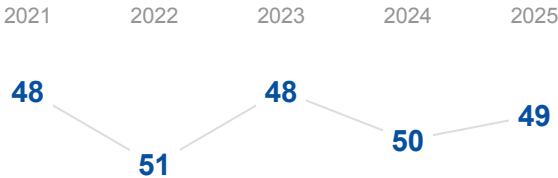
#### POPULATIONS < 20 MILLION (37 countries)



# Romania

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Higher efficiency of public expenditures to decrease the budgetary deficit.
- Accelerate investments in areas of smart specialization, research, development and innovation.
- Provide support for companies to implement digital transformation accompanied by the workforce upgrading digital skills.
- Improve the healthcare and education systems to meet pressing societal challenges.
- Modernization of the national defense industry.

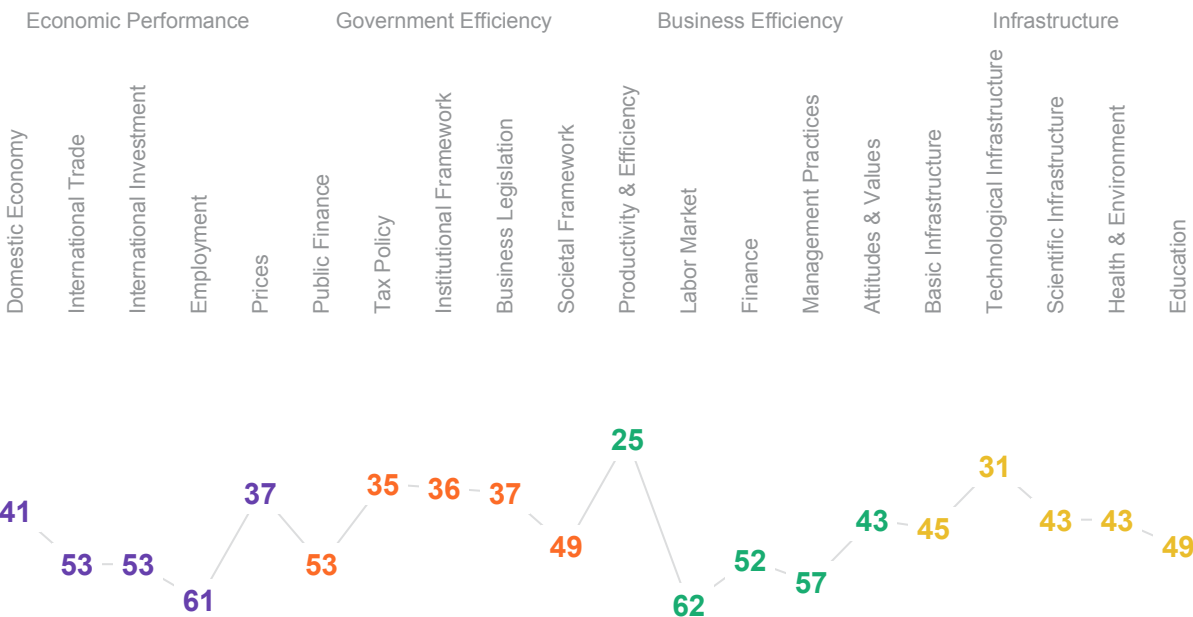
PROVIDED BY: CIT-IRECSON Center of Technological Information

### BASIC FACTS

### Rank

Capital	Bucharest	
Land area (square km '000)	238	2024
Exchange rate (per \$)	4.598	2024
Population - market size (millions)	19.07	2024 33
Gross Domestic Product (GDP) (US\$ billions)	382.8	2024 37
GDP (PPP) per capita (US\$)	46,602	2024 40
Real GDP growth (%)	0.8	2024 53
Consumer price inflation (%)	5.58	2024 60
Unemployment rate (%)	5.40	2024 39
Labor force (millions)	8.15	2023 35
Current account balance (% of GDP)	-8.30	2024 67
Direct investment stocks inward (\$bn)	125.6	2023 41
Direct investment flows inward (% of GDP)	2.03	2023 30

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Saudi Arabia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Ongoing government endeavors to achieve the targets in the Saudi 2030 vision.
- Continue efforts to promote renewable energy and reduce carbon emissions.
- Carry on enhancing overall competitiveness across multiple pillars.
- Continue efforts to unleash new opportunities for the private sector, local and foreign.
- Invest even more in human capital development across all economic sectors.

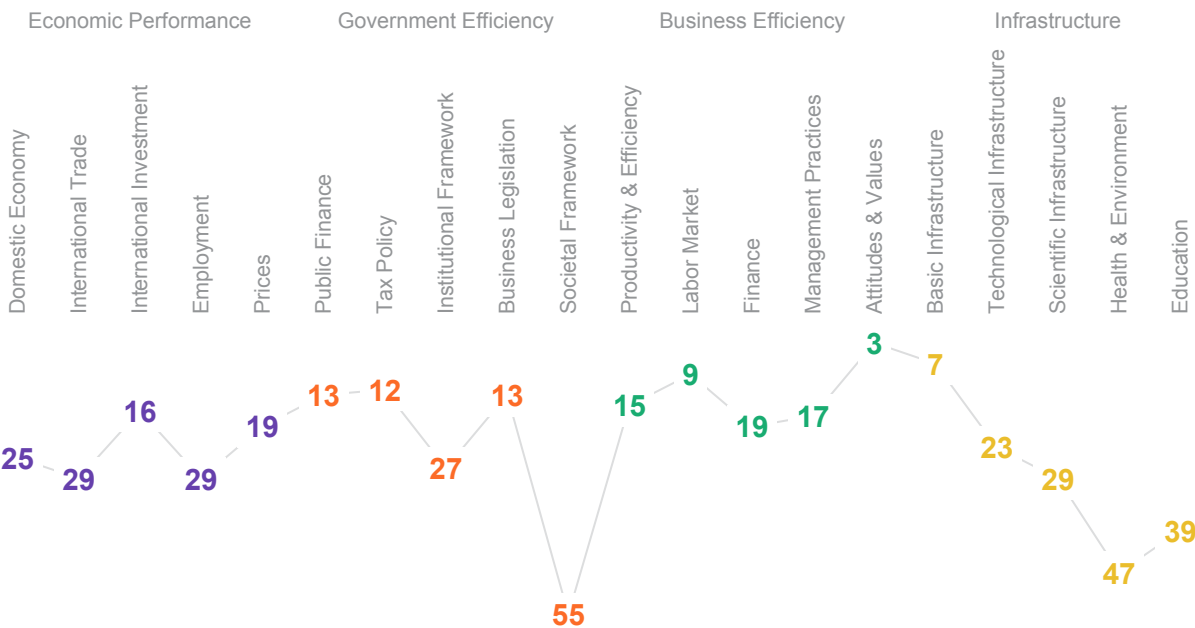
PROVIDED BY: NCC – National Competitiveness Center, Saudi Arabia

### BASIC FACTS

Rank

Capital	Riyadh	
Land area (square km '000)	2,150	2024
Exchange rate (per \$)	3.750	2024
Population - market size (millions)	35.30	2024 24
Gross Domestic Product (GDP) (US\$ billions)	1,085.4	2024 18
GDP (PPP) per capita (US\$)	59,742	2024 27
Real GDP growth (%)	1.3	2024 41
Consumer price inflation (%)	1.69	2024 15
Unemployment rate (%)	3.52	2024 18
Labor force (millions)	14.57	2020 27
Current account balance (% of GDP)	-0.52	2024 42
Direct investment stocks inward (\$bn)	215.5	2023 31
Direct investment flows inward (% of GDP)	1.15	2023 47

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)



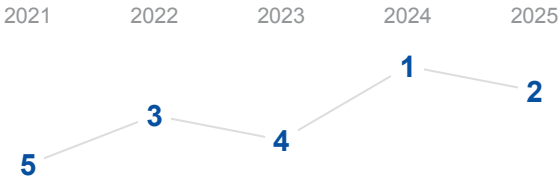
POPULATIONS > 20 MILLION (32 countries)



# Singapore

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Navigate challenges posed by a fractured global economy amidst growing likelihood of a trade war.
- Enhance Singapore's economic competitiveness amidst resource constraints.
- Seize opportunities and manage disruptions from new technologies such as AI, by supporting workers in reskilling and businesses in transformation.

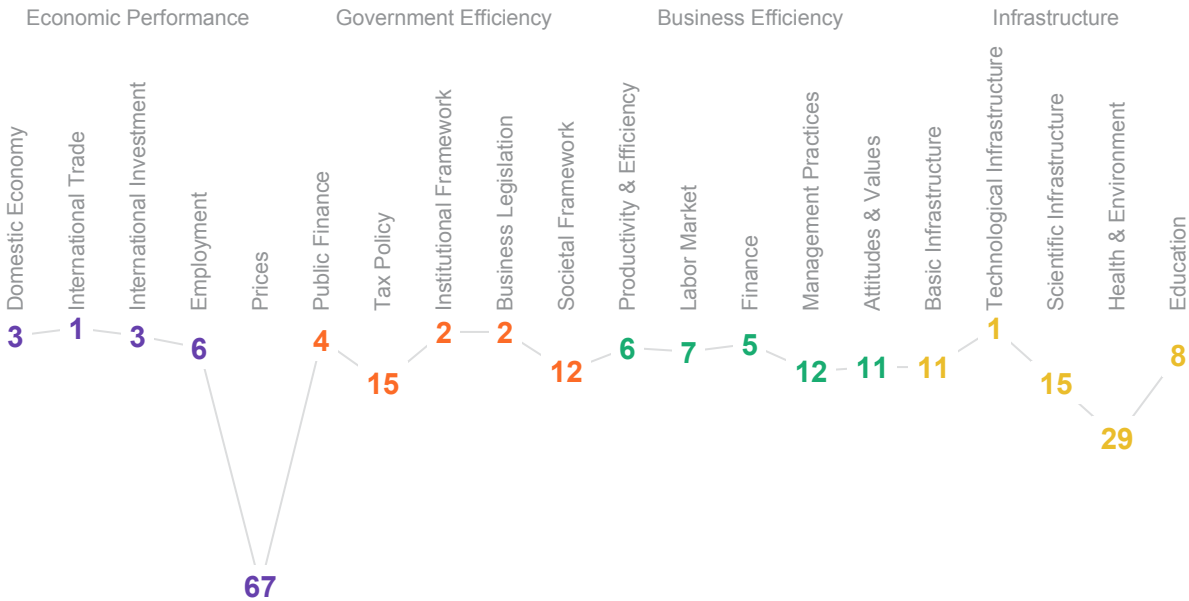
### BASIC FACTS

### Rank

Capital	Singapore	
Land area (square km '000)	1	2024
Exchange rate (per \$)	1.336	2024
Population - market size (millions)	6.04	2024 47
Gross Domestic Product (GDP) (US\$ billions)	547.4	2024 27
GDP (PPP) per capita (US\$)	150,689	2024 01
Real GDP growth (%)	4.4	2024 11
Consumer price inflation (%)	2.39	2024 28
Unemployment rate (%)	2.00	2024 05
Labor force (millions)	4.01	2024 44
Current account balance (% of GDP)	17.54	2024 02
Direct investment stocks inward (\$bn)	2,632.4	2023 05
Direct investment flows inward (% of GDP)	31.59	2023 01

PROVIDED BY: Ministry of Trade & Industry, Singapore

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### ASIA - PACIFIC (14 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Slovak Republic

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- A slowing GDP with the auto sector especially at risk from US tariffs.
- Tax oriented fiscal consolidation, without spending cuts, includes a transaction tax that harms the economy.
- High energy costs threaten industrial competitiveness and exports.
- Labor shortages in key industrial sectors, meaning brain drain of young skilled professionals.
- Inflation is eroding household purchasing power and savings.

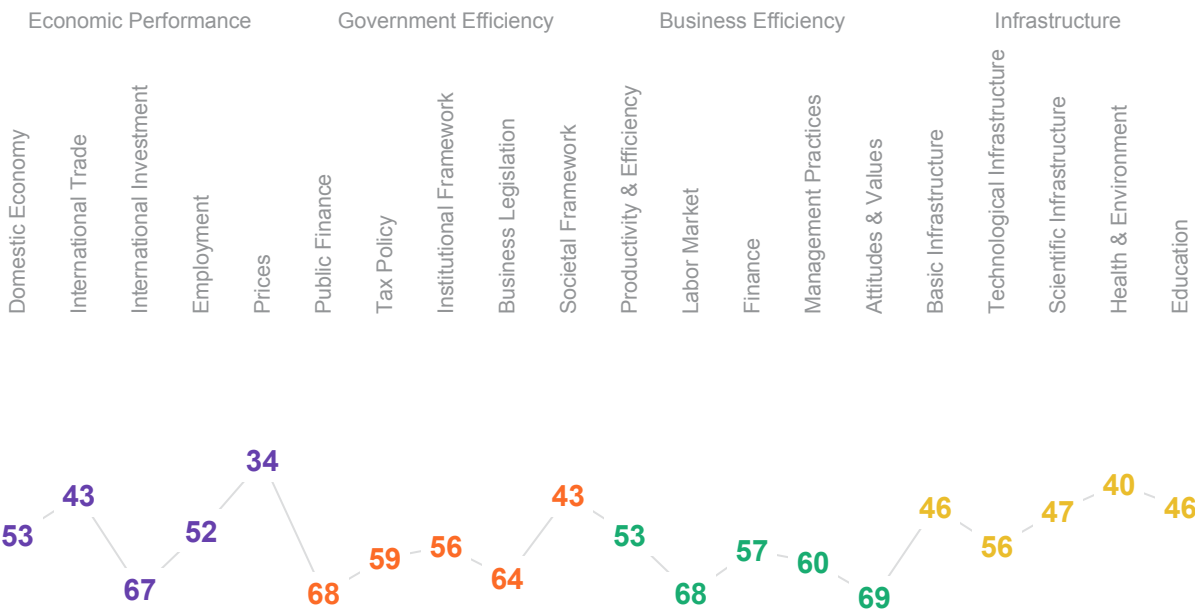
PROVIDED BY: The Institute of Freedom and Entrepreneurship, Slovak Republic

### BASIC FACTS

### Rank

Capital	Bratislava	
Land area (square km '000)	49	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	5.42	2024 52
Gross Domestic Product (GDP) (US\$ billions)	140.7	2024 50
GDP (PPP) per capita (US\$)	45,626	2024 42
Real GDP growth (%)	2.0	2024 34
Consumer price inflation (%)	3.15	2024 43
Unemployment rate (%)	4.96	2024 34
Labor force (millions)	2.77	2024 54
Current account balance (% of GDP)	-2.78	2024 56
Direct investment stocks inward (\$bn)	60.5	2023 51
Direct investment flows inward (% of GDP)	0.14	2023 62

### COMPETITIVENESS LANDSCAPE

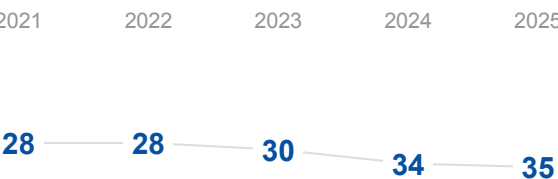


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



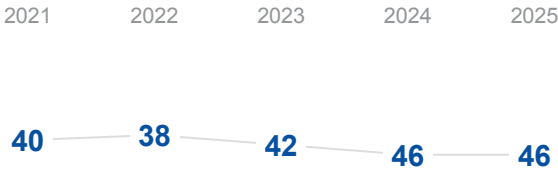
#### POPULATIONS < 20 MILLION (37 countries)



# Slovenia

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Boost GDP and productivity growth through incentivizing private investments in tangible and intangible assets.
- Complete pension reform and continue healthcare reform.
- Address labor and talent shortages.
- Increase venture capital and private equity financing for start-ups and innovative companies.
- Further improve the efficiency and effectiveness of public service delivery and reduce administrative burdens.

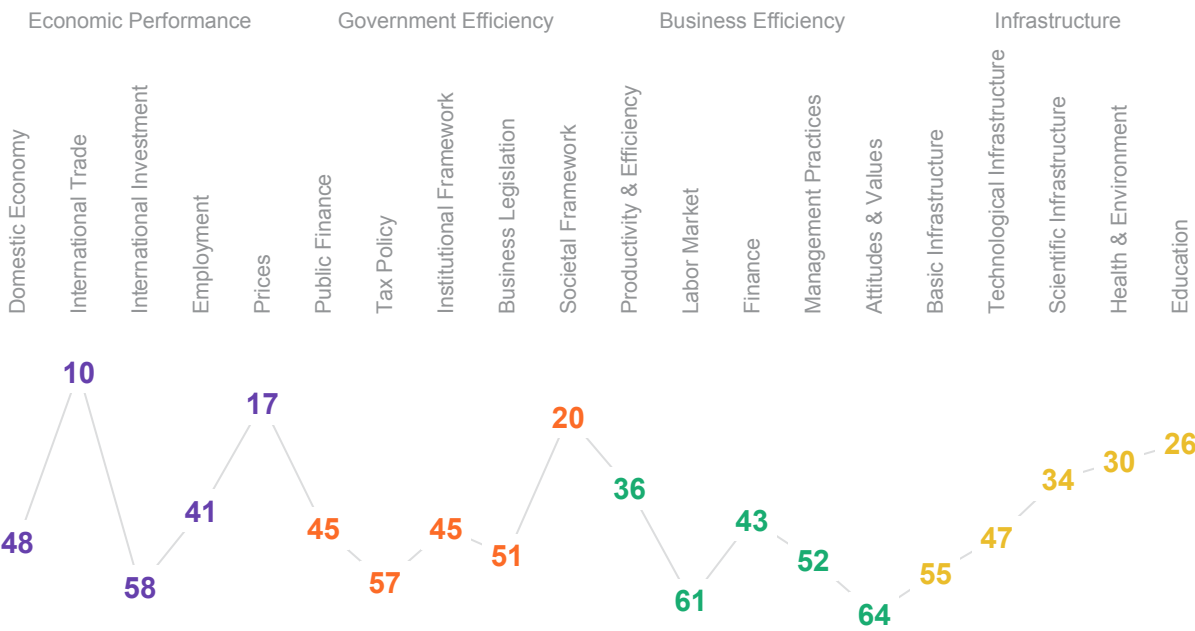
### BASIC FACTS

### Rank

Capital	Ljubljana	
Land area (square km '000)	20	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	2.13	2024 63
Gross Domestic Product (GDP) (US\$ billions)	72.5	2024 60
GDP (PPP) per capita (US\$)	55,556	2024 29
Real GDP growth (%)	1.6	2024 39
Consumer price inflation (%)	1.97	2024 19
Unemployment rate (%)	3.70	2024 20
Labor force (millions)	1.04	2024 62
Current account balance (% of GDP)	4.45	2024 20
Direct investment stocks inward (\$bn)	23.7	2023 63
Direct investment flows inward (% of GDP)	1.60	2023 36

PROVIDED BY: Institute for Economic Research, Slovenia

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# South Africa

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- High unemployment rate and lack of employment opportunities.
- Corruption and poor government effectiveness.
- Poorly located and inadequate infrastructure that limits social inclusion and economic growth.
- Rising public debt levels amid a shrinking fiscal space.
- Lack of decisive plans to revive the struggling economy.

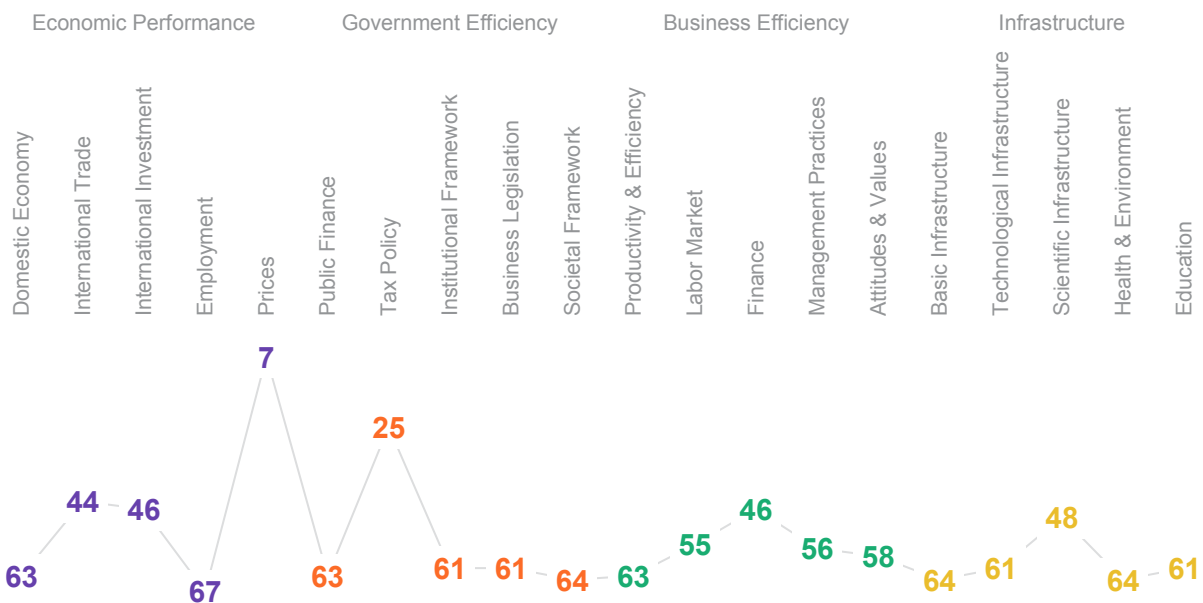
### BASIC FACTS

### Rank

Capital	Pretoria	
Land area (square km '000)	1,219	2024
Exchange rate (per \$)	18.329	2024
Population - market size (millions)	63.02	2024 15
Gross Domestic Product (GDP) (US\$ billions)	400.3	2024 36
GDP (PPP) per capita (US\$)	15,701	2024 61
Real GDP growth (%)	0.6	2024 55
Consumer price inflation (%)	4.43	2024 56
Unemployment rate (%)	31.90	2024 68
Labor force (millions)	25.07	2024 18
Current account balance (% of GDP)	-0.64	2024 44
Direct investment stocks inward (\$bn)	124.0	2023 43
Direct investment flows inward (% of GDP)	1.37	2023 43

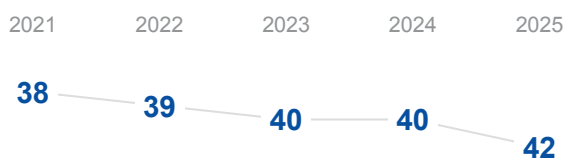
PROVIDED BY: Productivity SA, South Africa

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS > 20 MILLION (32 countries)





# Spain

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Reduce tax burden and generate a stable regulatory framework for companies.
- Structural reforms to promote competitiveness and productivity in an uncertain international environment.
- Set up an educational framework more adapted to the new needs of companies.
- Invest European funds efficiently, strengthening manufacturing productivity and configuring a more resilient economy.
- Increase investment in R&D (both in the public and private sectors), strengthen coordination between the different actors, and promote the transfer of knowledge.

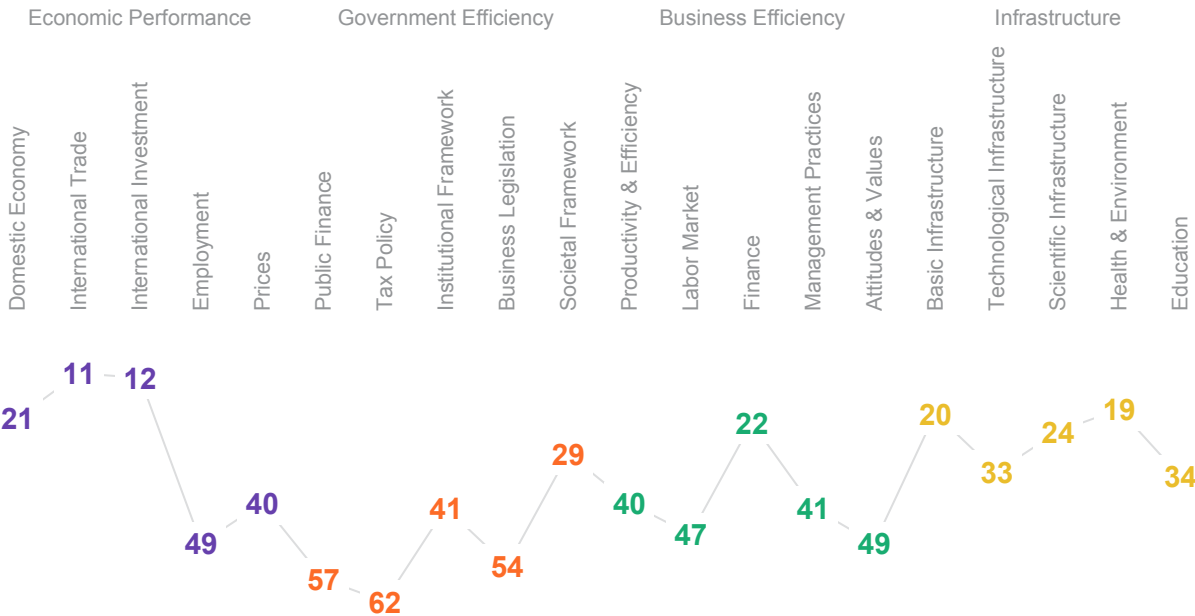
PROVIDED BY: Spanish Confederation of Employers, Spain

### BASIC FACTS

### Rank

Capital	Madrid	
Land area (square km '000)	506	2024
Exchange rate (per \$)	0.924	2024
Population - market size (millions)	48.78	2024 20
Gross Domestic Product (GDP) (US\$ billions)	1,722.7	2024 14
GDP (PPP) per capita (US\$)	54,786	2024 30
Real GDP growth (%)	3.2	2024 21
Consumer price inflation (%)	2.87	2024 37
Unemployment rate (%)	11.34	2024 65
Labor force (millions)	24.42	2024 19
Current account balance (% of GDP)	3.02	2024 21
Direct investment stocks inward (\$bn)	897.3	2023 14
Direct investment flows inward (% of GDP)	2.22	2023 27

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS > 20 MILLION (32 countries)



# Sweden

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

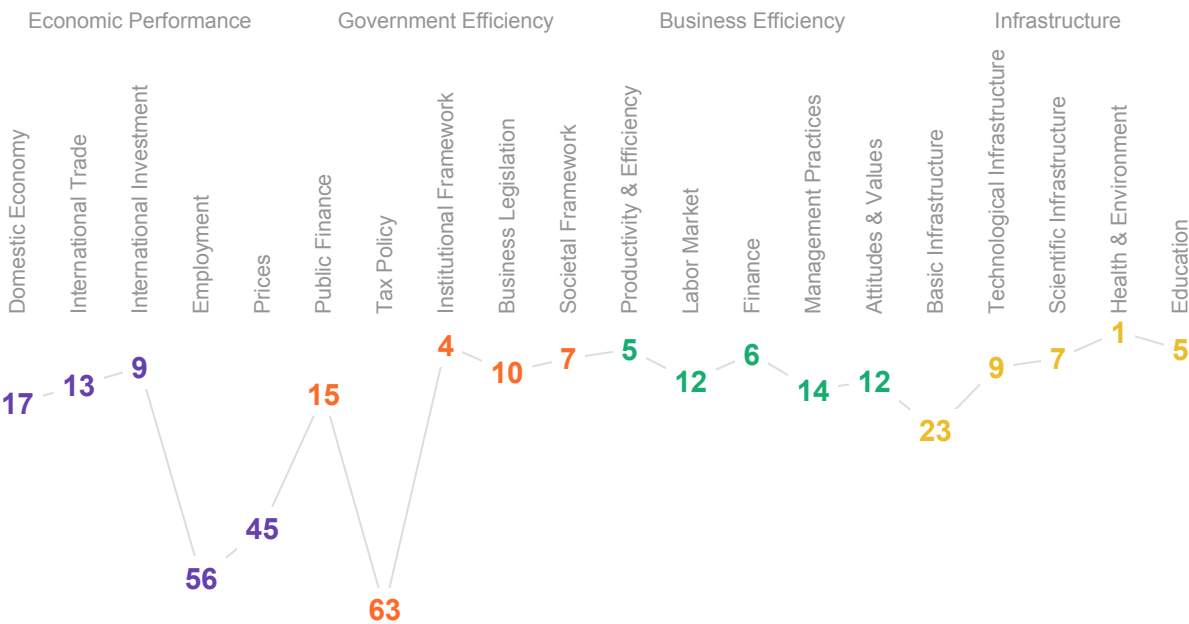


### BASIC FACTS

### Rank

Capital	Stockholm	
Land area (square km '000)	529	2024
Exchange rate (per \$)	10.568	2024
Population - market size (millions)	10.59	2024 40
Gross Domestic Product (GDP) (US\$ billions)	610.1	2024 24
GDP (PPP) per capita (US\$)	72,231	2024 16
Real GDP growth (%)	1.0	2024 52
Consumer price inflation (%)	2.00	2024 20
Unemployment rate (%)	8.30	2024 59
Labor force (millions)	5.78	2024 36
Current account balance (% of GDP)	7.43	2024 13
Direct investment stocks inward (\$bn)	413.1	2023 20
Direct investment flows inward (% of GDP)	5.02	2023 10

### COMPETITIVENESS LANDSCAPE

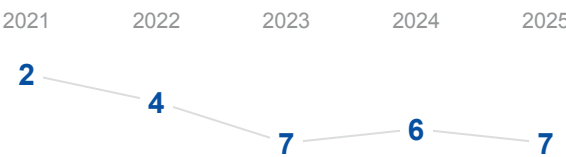


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Switzerland

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Ensure sustainable economic growth against the backdrop of protectionist tendencies and a weakening of the multilateral trading system.
- Improve and diversify access to foreign markets.
- Ensure economically efficient and business-friendly regulation.
- Strengthen competition in domestic sectors.
- Improve the sustainability of public finances and pension systems.

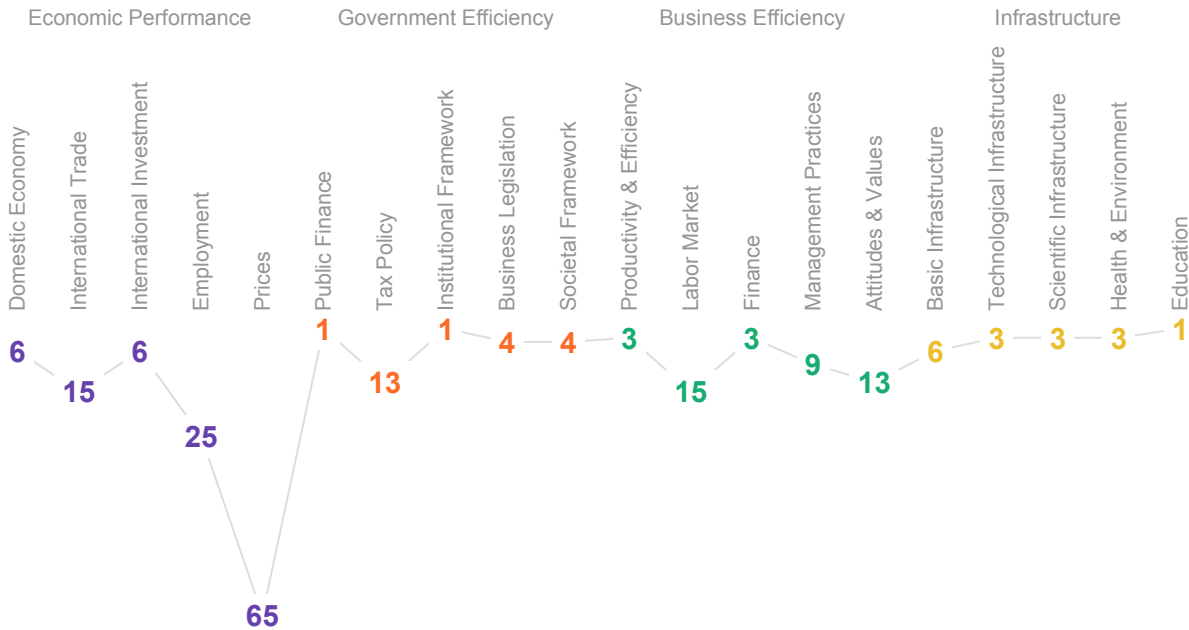
### BASIC FACTS

### Rank

Capital	Bern	
Land area (square km '000)	41	2024
Exchange rate (per \$)	0.880	2024
Population - market size (millions)	8.96	2024 44
Gross Domestic Product (GDP) (US\$ billions)	936.6	2024 19
GDP (PPP) per capita (US\$)	94,938	2024 06
Real GDP growth (%)	1.3	2024 42
Consumer price inflation (%)	1.06	2024 08
Unemployment rate (%)	4.34	2024 30
Labor force (millions)	5.10	2024 40
Current account balance (% of GDP)	5.07	2024 17
Direct investment stocks inward (\$bn)	1,136.8	2023 10
Direct investment flows inward (% of GDP)	1.51	2023 38

PROVIDED BY: SECO - State Secretariat for Economic Affairs

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS < 20 MILLION (37 countries)



# Taiwan (Chinese Taipei)

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Deepen international cooperation to enhance strategic positioning in the global value chain.
- Diversify export markets and investment layouts to strengthen economic resilience.
- Enhance the cultivation of domestic talent for key industries, whilst recruiting and retain foreign professionals.
- Integrate AI with industries to enhance productivity and competitiveness.
- Accelerate the net-zero transition and drive green growth.

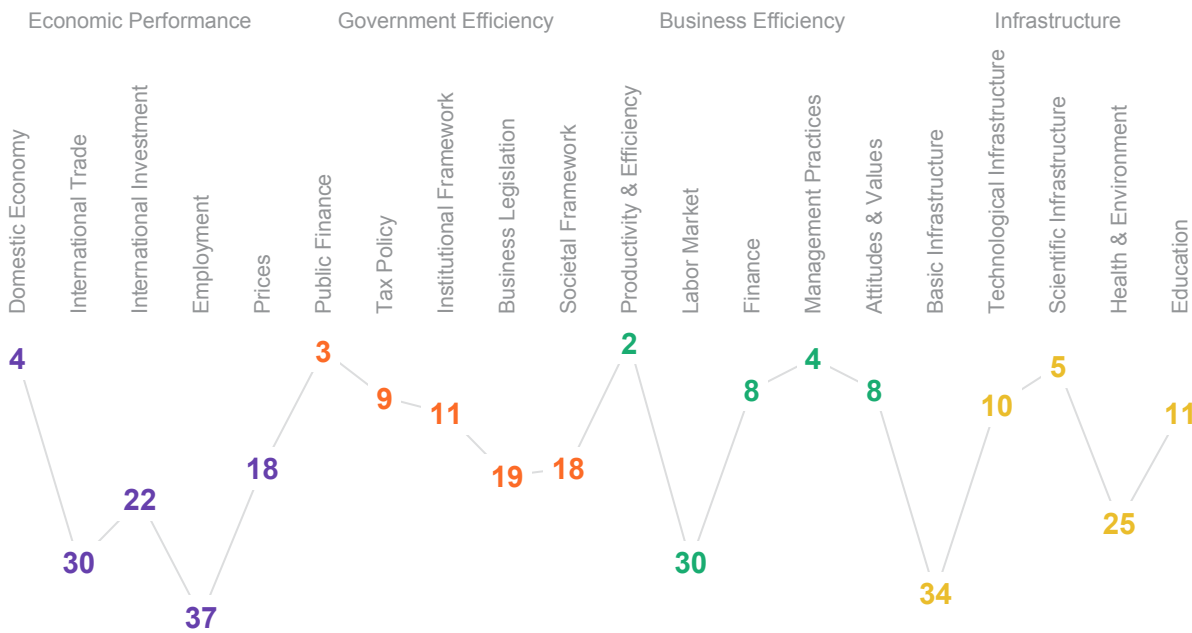
### BASIC FACTS

### Rank

Capital	Taipei	
Land area (square km '000)	36	2024
Exchange rate (per \$)	32.111	2024
Population - market size (millions)	23.40	2024 30
Gross Domestic Product (GDP) (US\$ billions)	795.7	2024 21
GDP (PPP) per capita (US\$)	79,566	2024 10
Real GDP growth (%)	4.6	2024 09
Consumer price inflation (%)	2.18	2024 21
Unemployment rate (%)	3.38	2024 15
Labor force (millions)	12.00	2024 30
Current account balance (% of GDP)	15.45	2024 06
Direct investment stocks inward (\$bn)	130.1	2023 39
Direct investment flows inward (% of GDP)	0.75	2023 58

PROVIDED BY: National Development Council, Taiwan

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025



# Thailand

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Formulate a multifaceted, agile strategy to tackle the tariff incidents.
- Explore options to stabilize the economy against geopolitics and geoeconomics uncertainty.
- Provide support to businesses especially SMEs to adjust and comply with global requirements on ESG.
- Develop quick-win interventions to close the talent gap in key industries.
- Engage private partnerships to help solve economic and social challenges the country faces.

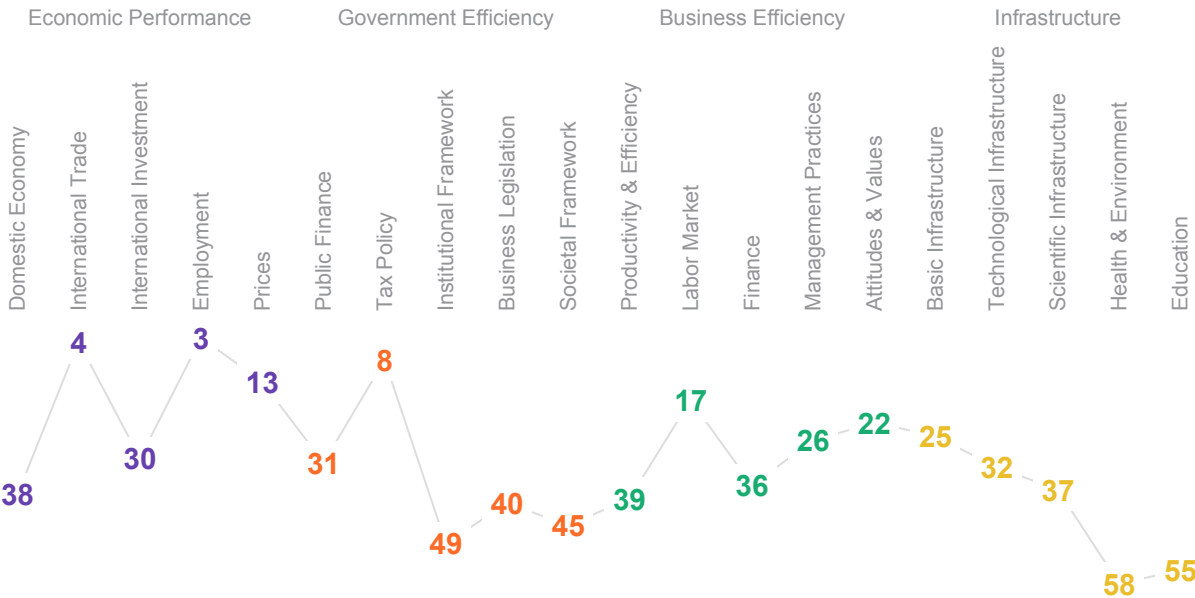
PROVIDED BY: TMA – Thailand Management Association

### BASIC FACTS

Rank

Capital	Bangkok	
Land area (square km '000)	513	2024
Exchange rate (per \$)	35.294	2024
Population - market size (millions)	65.95	2024 14
Gross Domestic Product (GDP) (US\$ billions)	526.4	2024 28
GDP (PPP) per capita (US\$)	26,860	2024 53
Real GDP growth (%)	2.5	2024 28
Consumer price inflation (%)	0.40	2024 03
Unemployment rate (%)	1.08	2024 02
Labor force (millions)	40.48	2024 11
Current account balance (% of GDP)	2.11	2024 29
Direct investment stocks inward (\$bn)	290.9	2023 22
Direct investment flows inward (% of GDP)	0.88	2023 52

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)



POPULATIONS > 20 MILLION (32 countries)



# Türkiye

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Political instability.
- Necessity for legal and educational framework reform.
- Rising stress over manufacturing sector.
- Coping with inflation.
- Rising income inequality.

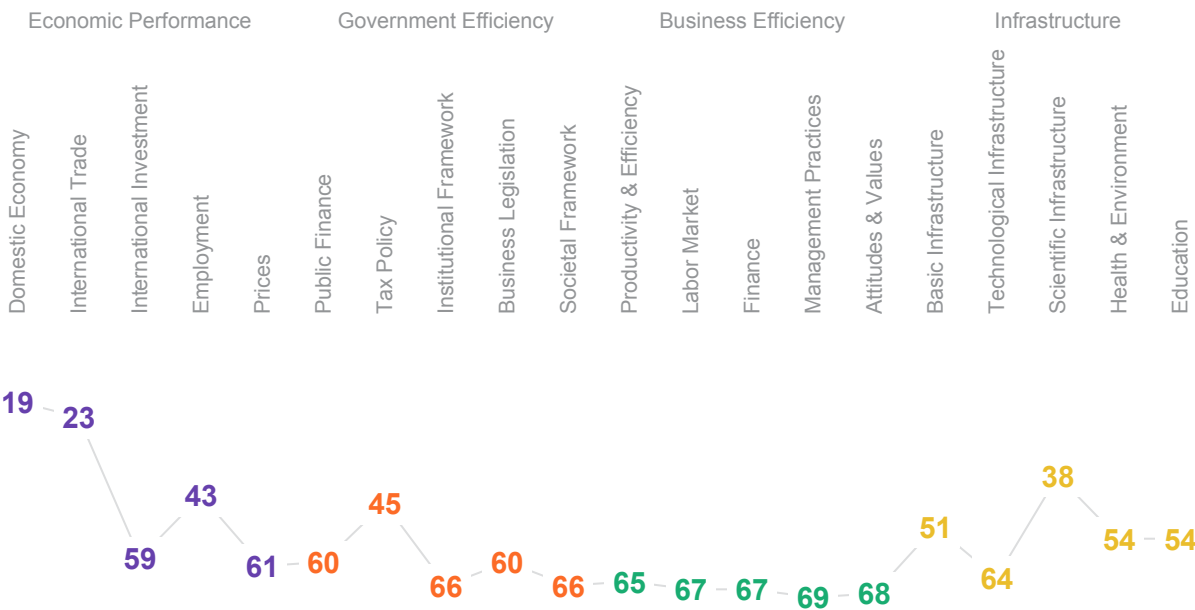
### BASIC FACTS

### Rank

Capital	Ankara	
Land area (square km '000)	785	2024
Exchange rate (per \$)	32.806	2024
Population - market size (millions)	85.66	2024 10
Gross Domestic Product (GDP) (US\$ billions)	1,323.3	2024 16
GDP (PPP) per capita (US\$)	40,432	2024 47
Real GDP growth (%)	3.2	2024 20
Consumer price inflation (%)	58.51	2024 68
Unemployment rate (%)	8.70	2024 62
Labor force (millions)	35.73	2024 12
Current account balance (% of GDP)	-0.76	2024 45
Direct investment stocks inward (\$bn)	156.5	2023 36
Direct investment flows inward (% of GDP)	0.93	2023 50

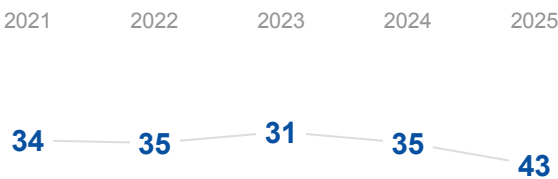
PROVIDED BY: TUSIAD, Turkish Industry and Business Association, Economic Research Department

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (45 countries)



#### POPULATIONS > 20 MILLION (32 countries)



### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Align the education curriculums outputs with the needs of the economy and the labor market.
- Retain talents and encourage the workforce to join the private sector.
- Harness the potential of AI by ensuring its development and deployment are guided by ethical and responsible practices.
- Align economic growth with sustainability by integrating green policies and environmentally responsible practices.
- Maintain adaptability in order to best manage inflation, interest rates, and global economic fluctuations.

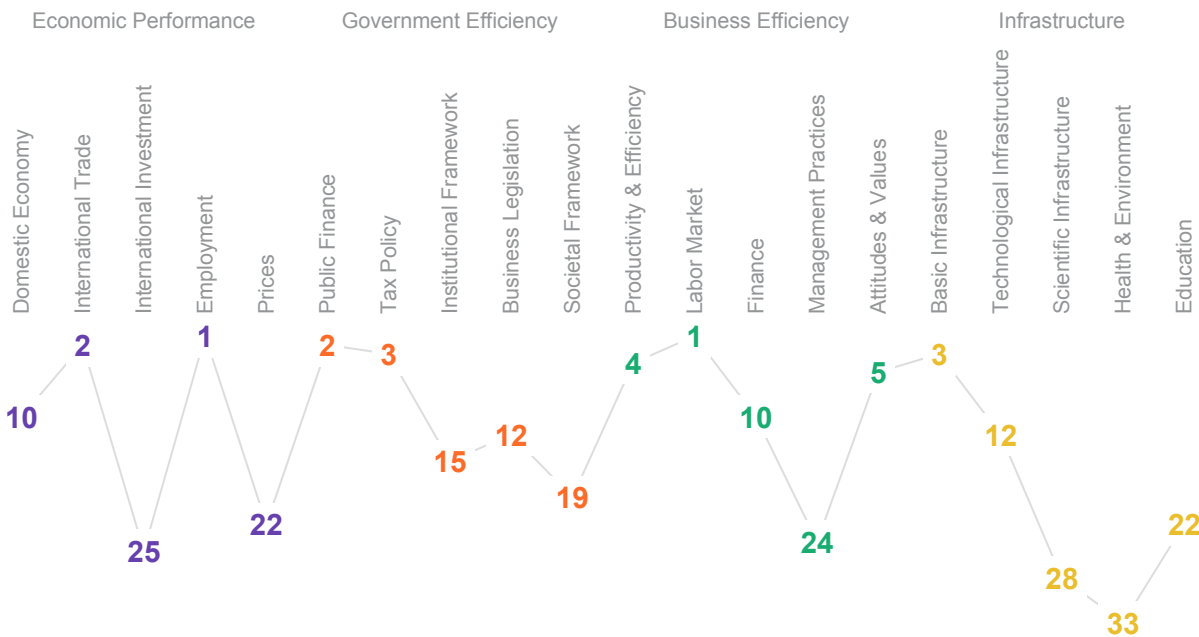
PROVIDED BY: FCSC – Federal Competitiveness & Statistics Centre

### BASIC FACTS

### Rank

Capital	Abu Dhabi
Land area (square km '000)	99 <sup>2024</sup>
Exchange rate (per \$)	3.673 <sup>2024</sup>
Population - market size (millions)	11.00 <sup>2024</sup> 37
Gross Domestic Product (GDP) (US\$ billions)	552.3 <sup>2024</sup> 26
GDP (PPP) per capita (US\$)	77,094 <sup>2024</sup> 12
Real GDP growth (%)	4.0 <sup>2024</sup> 12
Consumer price inflation (%)	1.74 <sup>2024</sup> 17
Unemployment rate (%)	1.90 <sup>2024</sup> 04
Labor force (millions)	8.75 <sup>2024</sup> 34
Current account balance (% of GDP)	8.88 <sup>2024</sup> 12
Direct investment stocks inward (\$bn)	225.0 <sup>2023</sup> 29
Direct investment flows inward (% of GDP)	5.87 <sup>2023</sup> 09

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)



POPULATIONS < 20 MILLION (37 countries)



# United Kingdom

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)

2021 2022 2023 2024 2025



### CHALLENGES IN 2025

- Improving job-worker matching through more vocational training and regional transport links that connect talent to high-productivity opportunities.
- Reforming pension fund regulations and capital markets so that firms can scale up with domestic funds.
- Reducing industrial electricity costs with grid modernization, and supporting the business adoption of best practice equipment.
- Establishing a consensus towards long-term commitment to infrastructure, R&D, and the business investment.
- Simplifying the tax code for business and streamlining planning approval processes.

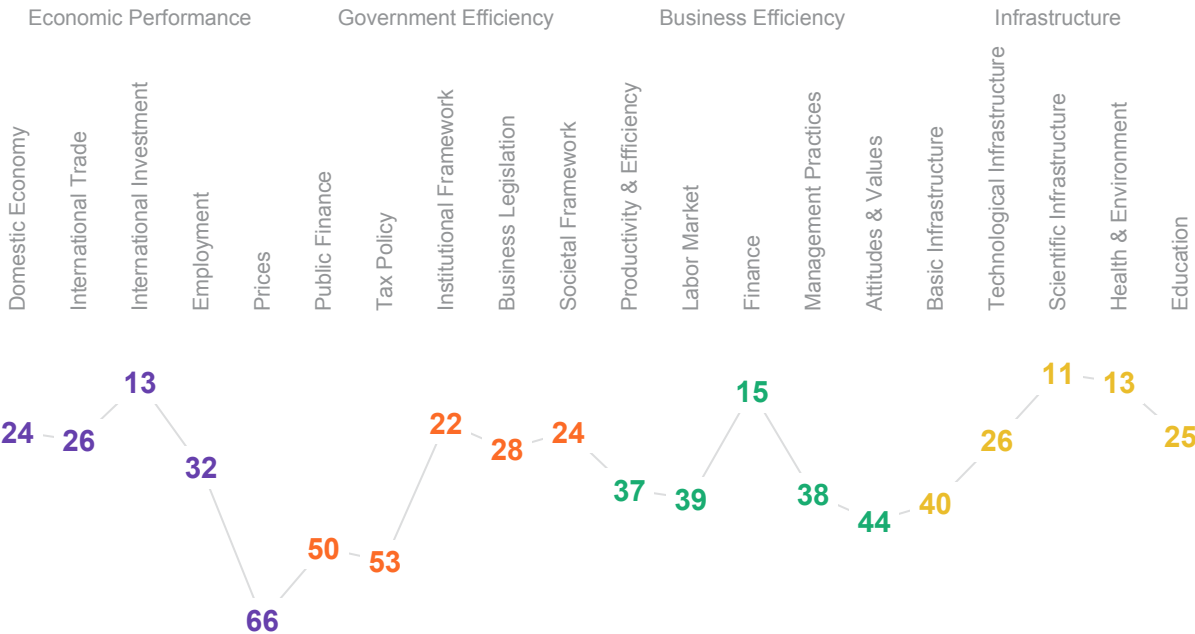
PROVIDED BY: Simon J Evenett, Professor of Geopolitics & Strategy, IMD

### BASIC FACTS

### Rank

Capital	London	
Land area (square km '000)	244	2024
Exchange rate (per \$)	0.782	2024
Population - market size (millions)	69.23	2024 12
Gross Domestic Product (GDP) (US\$ billions)	3,643.8	2024 06
GDP (PPP) per capita (US\$)	61,921	2024 24
Real GDP growth (%)	1.1	2024 45
Consumer price inflation (%)	2.53	2024 32
Unemployment rate (%)	4.29	2024 28
Labor force (millions)	35.12	2024 13
Current account balance (% of GDP)	-3.37	2024 58
Direct investment stocks inward (\$bn)	3,048.9	2023 03
Direct investment flows inward (% of GDP)	-2.65	2023 67

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (45 countries)

2021 2022 2023 2024 2025



POPULATIONS > 20 MILLION (32 countries)

2021 2022 2023 2024 2025

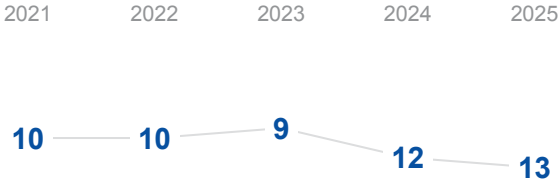




# USA

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Ensuring innovative leadership despite challenges to the intellectual independence of US universities.
- Improving the predictability of US trade policy to encourage long-term industrial planning.
- Developing a plan for restoring fiscal sustainability to the federal budget.

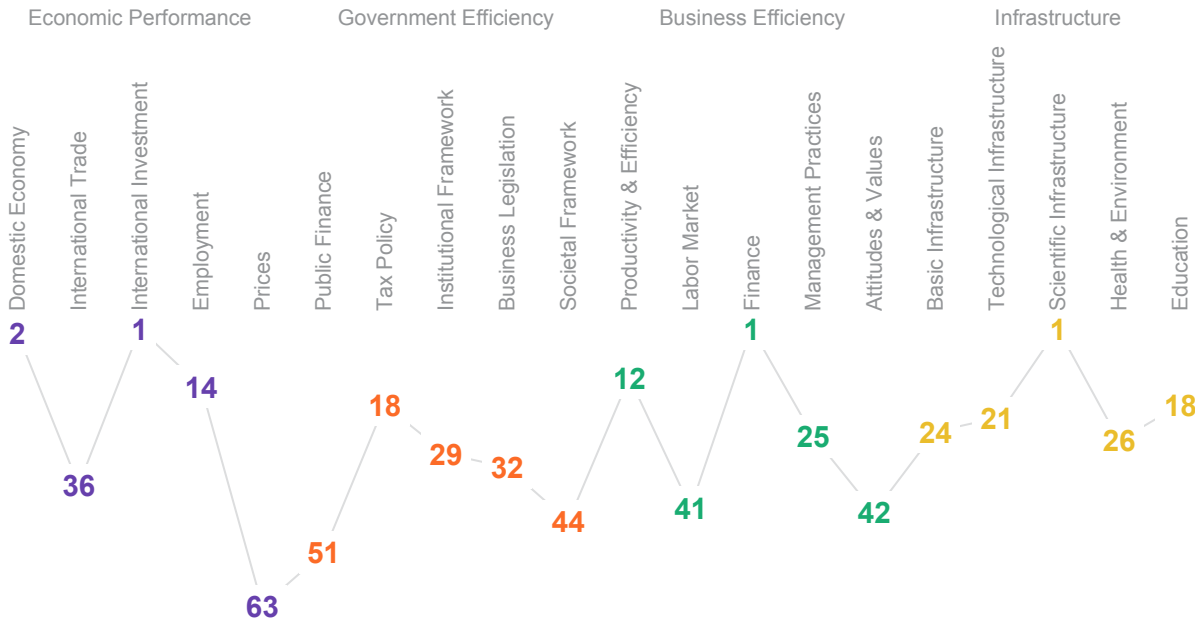
PROVIDED BY: Richard Baldwin, Professor of International Economics, IMD

### BASIC FACTS

### Rank

Capital	Washington, D.C.	
Land area (square km '000)	9,832	2024
Exchange rate (per \$)	1.000	2024
Population - market size (millions)	340.10	2024 03
Gross Domestic Product (GDP) (US\$ billions)	29,184.9	2024 01
GDP (PPP) per capita (US\$)	85,812	2024 07
Real GDP growth (%)	2.8	2024 23
Consumer price inflation (%)	2.95	2024 41
Unemployment rate (%)	4.02	2024 27
Labor force (millions)	168.11	2024 03
Current account balance (% of GDP)	-3.88	2024 61
Direct investment stocks inward (\$bn)	12,817.1	2023 01
Direct investment flows inward (% of GDP)	1.12	2023 48

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



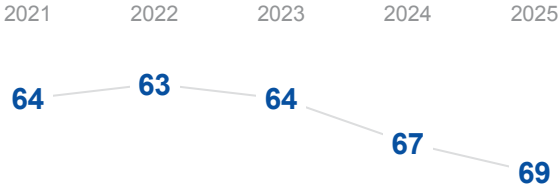
#### POPULATIONS > 20 MILLION (32 countries)



# Venezuela

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (69 countries)



### CHALLENGES IN 2025

- Strengthen the regulatory framework, law, and public institutions: investors need confidence.
- Political uncertainty and the intensification of sanctions limit access to financing and international trade.
- Implement structural reforms for economic recovery. The exchange rate, wages, and inflation restrict consumption.
- Lack of investment has led to a deterioration in essential services, requiring a strategy to address structural problems and attract investment.
- Reduce uncertainty, strengthen the regulatory framework, improve access to financing, and reduce the tax burden in order to better the business environment.

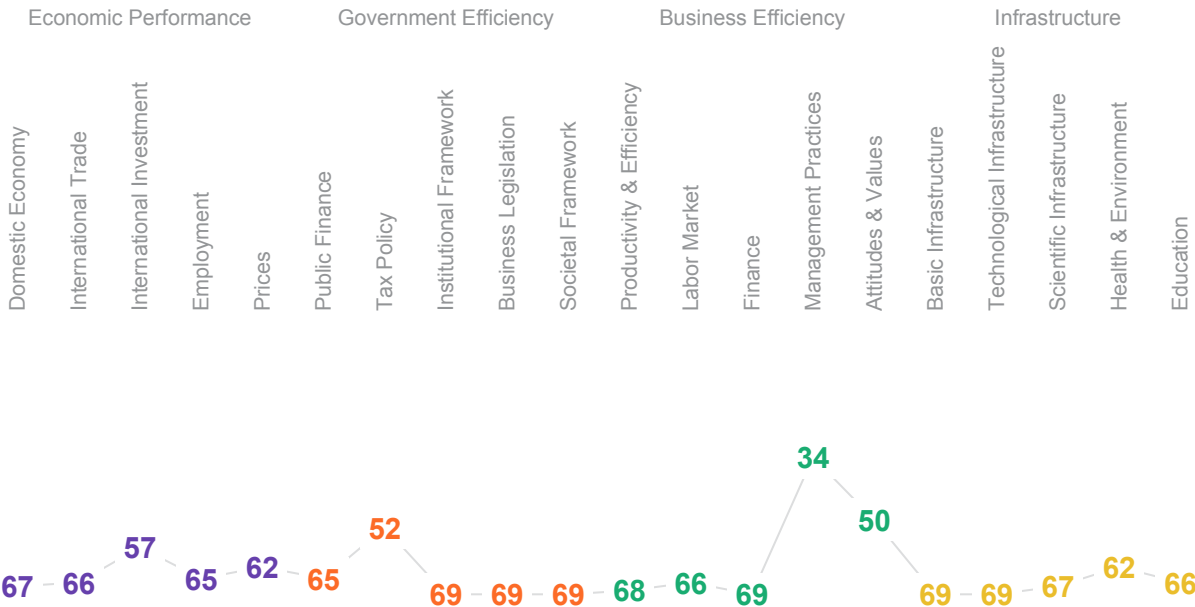
PROVIDED BY: CONAPRI – National Council to Investment Promotion, Venezuela

### BASIC FACTS

Rank

Capital	Caracas	
Land area (square km '000)	912	2024
Exchange rate (per \$)	41.147	2024
Population - market size (millions)	34.09	2024 28
Gross Domestic Product (GDP) (US\$ billions)	120.8	2024 53
GDP (PPP) per capita (US\$)	6,667	2024 68
Real GDP growth (%)	-4.0	2024 68
Consumer price inflation (%)	48.98	2024 67
Unemployment rate (%)	7.90	2021 58
Labor force (millions)	14.32	2021 28
Current account balance (% of GDP)	2.39	2024 24
Direct investment stocks inward (\$bn)	26.6	2023 62
Direct investment flows inward (% of GDP)	0.69	2023 59

### COMPETITIVENESS LANDSCAPE



### PEER GROUPS RANKINGS

#### THE AMERICAS (10 countries)



#### POPULATIONS > 20 MILLION (32 countries)





This booklet is just a summary.  
The complete Yearbook with full profiles and all the statistics  
is available digitally and in print.



---

Visit our eShop:  
[www.wcceshop.org](http://www.wcceshop.org)

---

# Statistical Tables

# Factor I: Economic Performance

[S] Survey data

[B] Background data

## 1.1 Domestic Economy

1.1.00 [B] Exchange Rate	National currency per US\$ (average)	345
--------------------------	--------------------------------------	-----

### Size

1.1.01 Gross Domestic Product (GDP)	US\$ billions	346
1.1.02 GDP (PPP)	Estimates: US\$ billions at purchasing power parity	346
1.1.03 [B] World GDP contribution (%)	Percentage share of world GDP in market prices	347
1.1.04 [B] Household consumption expenditure (\$bn)	US\$ billions	347
1.1.05 [B] Household consumption expenditure (%)	Percentage of GDP	348
1.1.06 [B] Government consumption expenditure (\$bn)	US\$ billions	348
1.1.07 [B] Government consumption expenditure (%)	Percentage of GDP	349
1.1.08 [B] Gross fixed capital formation (\$bn)	US\$ billions	349
1.1.09 Gross fixed capital formation (%)	Percentage of GDP	350
1.1.10 [B] Gross domestic savings (\$bn)	US\$ billions	350
1.1.11 [B] Gross domestic savings (%)	Percentage of GDP	351
1.1.12 [B] Economic sectors	Breakdown of the economic sectors, percentage of GDP	351
1.1.13 Economic complexity index	Measures knowledge intensity, by considering exports	352

### Growth

1.1.14 Real GDP growth	Percentage change, based on national currency in constant prices	352
1.1.15 Real GDP growth per capita	Percentage change, based on national currency in constant prices	353
1.1.16 [B] Household consumption exp. -real growth	Percentage change, based on constant prices	353
1.1.17 [B] Government consumption exp. -real growth	Percentage change, based on constant prices	354
1.1.18 Gross fixed capital formation -real growth	Percentage change, based on constant prices	354
1.1.19 [S] Resilience of the economy	Resilience of the economy to economic cycles is strong	355

### Wealth

1.1.20 GDP per capita	US\$ per capita	355
1.1.21 GDP (PPP) per capita	Estimates; US\$ per capita at purchasing power parity	356

### Forecasts

1.1.22 [B] Forecast: Real GDP growth	Percentage change, based on national currency in constant prices	356
1.1.23 [B] Forecast: Inflation	Percentage change	357
1.1.24 [B] Forecast: Unemployment	Percentage of total labor force	357
1.1.25 [B] Forecast: Current account balance	Percentage of GDP/GNP	358

## 1.2 International Trade

1.2.01 [B] Current account balance (\$bn)	US\$ billions (minus sign = deficit)	358
1.2.02 Current account balance (%)	Percentage of GDP	359
1.2.03 [B] Balance of trade (\$bn)	US\$ billions (minus sign = deficit)	359
1.2.04 [B] Balance of trade (%)	Percentage of GDP	360
1.2.05 [B] Balance of commercial services (\$bn)	US\$ billions (minus sign = deficit)	360
1.2.06 [B] Balance of commercial services (%)	Percentage of GDP	361
1.2.07 [B] World exports contribution (%)	Percentage share of world exports (goods and commercial services)	361
1.2.08 Exports of goods (\$bn)	US\$ billions	362
1.2.09 Exports of goods (%)	Percentage of GDP	362
1.2.10 [B] Exports of goods per capita	US\$ per capita	363
1.2.11 Exports of goods -growth	Percentage change, based on US\$ values	363
1.2.12 Exports of commercial services (\$bn)	US\$ billions	364
1.2.13 Exports of commercial services (%)	Percentage of GDP	364
1.2.14 Exports of commercial services -growth	Percentage change, based on US\$ values	365
1.2.15 [B] Exports of goods & commercial serv.	US\$ billions	365
1.2.16 [B] Exports breakdown by economic sector	Percentage of total exports	366

1.2.17 Export Concentration by Partner	Exports to top 5 countries, percentage of total exports	366
1.2.18 Export concentration by product	Top 5 products, percentage of total exports	367
1.2.19 [B] Imports of goods & commercial serv. (\$bn)	US\$ billions	367
1.2.20 [B] Imports of goods & commercial serv. (%)	Percentage of GDP	368
1.2.21 [B] Imports of goods & commercial serv. growth	US\$ values	368
1.2.22 [B] Imports breakdown by economic sector	Percentage of total imports	369
1.2.23 Trade to GDP ratio	(Exports + Imports) / GDP	369
1.2.24 Terms of trade index	Unit value of exports over unit value of imports	370
1.2.25 Tourism receipts (%)	International tourism receipts as a percentage of GDP	370

## 1.3 International Investment

### Investment

1.3.01 Direct investment flows abroad (\$bn)	US\$ billions	371
1.3.02 Direct investment flows abroad (% of GDP)	Percentage of GDP	371
1.3.03 Direct investment stocks abroad (\$bn)	US\$ billions	372
1.3.04 Direct investment stocks abroad (% of GDP)	Percentage of GDP	372
1.3.05 Direct investment flows inward (\$bn)	US\$ billions	373
1.3.06 Direct investment flows inward (% of GDP)	Percentage of GDP	373
1.3.07 Direct investment stocks inward (\$bn)	US\$ billions	374
1.3.08 Direct investment stocks inward (% of GDP)	Percentage of GDP	374
1.3.09 [B] Balance of direct investment flows (\$bn)	US\$ billions (flows abroad minus flows inward)	375
1.3.10 [B] Balance of direct investment flows (%)	Percentage of GDP (flows abroad minus flows inward)	375
1.3.11 [B] Net position in direct investment stocks (\$bn)	US\$ billions (stocks abroad minus stocks inward)	376
1.3.12 [B] Net position in direct investment stocks (%)	Percentage of GDP (stocks abroad minus stocks inward)	376
1.3.13 [S] Relocation threats of business	Relocation of business is not a threat to the future of your economy	377

### Finance

1.3.14 Portfolio investment assets (\$bn)	US\$ billions	377
1.3.15 Portfolio investment liabilities (\$bn)	US\$ billions	378

## 1.4 Employment

1.4.01 Employment	Total employment in millions	378
1.4.02 Employment (%)	Percentage of population	379
1.4.03 Employment -growth	Estimates: percentage change	379
1.4.04 Employment -long-term growth	Estimates: five year percentage change	380
1.4.05 [B] Employment by sector	Percentage of total employment	380
1.4.06 [B] Employment in the public sector (%)	Percentage of total employment	381
1.4.07 Unemployment rate	Percentage of labor force	381
1.4.08 Long-term unemployment	Percentage of labor force	382
1.4.09 Youth unemployment	Percentage of youth labor force (under the age of 25)	382
1.4.10 Youth exclusion	Share of youth population (15-24) not in education, employment or training	383

## 1.5 Prices

1.5.01 Consumer price inflation	Average annual rate	383
1.5.02 Cost-of-living index	Index of a basket of goods & services in the main city, including housing (New York City = 100)	384
1.5.03 [B] Apartment rent	3-room apartment monthly rent in major cities, US\$	384
1.5.04 Office rent	Total occupation cost in the main city (US\$/Sq.M. per year)	385
1.5.05 Food costs	Percentage of household final consumption expenditures	385
1.5.06 Gasoline prices	Premium unleaded gasoline (95 Ron) US\$ per litre	386

# Factor II: Government Efficiency

[S] Survey data

[B] Background data

## 2.1 Public Finance

2.1.01 [B] Government budget surplus/deficit (\$bn)	US\$ billions	393
2.1.02 Government budget surplus/deficit (%)	Percentage of GDP	393
2.1.03 [B] Total general government debt (\$bn)	US\$ billions	394
2.1.04 Total general government debt (%)	Percentage of GDP	394
2.1.05 [B] Total general government debt-real growth	Percentage change, based on national currency in constant prices	395
2.1.06 Interest payment (%)	Percentage of current revenue	395
2.1.07 [S] Public finances	Public finances are being efficiently managed	396
2.1.08 [S] Tax evasion	Tax evasion is not a threat to your economy	396
2.1.09 [S] Pension funding	Pension funding is adequately addressed for the future	397
2.1.10 General government expenditure	Percentage of GDP	397

## 2.2 Tax Policy

2.2.01 Collected total tax revenues	Percentage of GDP	398
2.2.02 Collected personal income tax	On profits, income and capital gains, as a percentage of GDP	398
2.2.03 [B] Collected corporate taxes	On profits, income and capital gains, as a percentage of GDP	399
2.2.04 [B] Collected indirect tax revenues	Taxes on goods and services as a percentage of GDP	399
2.2.05 [B] Collected capital and property taxes	Percentage of GDP	400
2.2.06 [B] Collected social security contribution	Compulsory contribution of employees and employers as a percentage of GDP	400
2.2.07 Corporate tax rate on profit	Maximum tax rate, calculated on profit before tax	401
2.2.08 Consumption tax rate	Standard rate of VAT/GST	401
2.2.09 Employer social security tax rate	%	402
2.2.10 Employee social security tax rate	%	402
2.2.11 [S] Real personal taxes	Real personal taxes do not discourage people from working or seeking advancement	403

## 2.3 Institutional Framework

### Central Bank

2.3.01 [B] Real short-term interest rate	Real discount / bank rate	403
2.3.02 [S] Cost of capital	Cost of capital encourages business development	404
2.3.03 Interest rate spread	Lending rate minus deposit rate	404
2.3.04 Country credit rating	Index (0-60) of three country credit ratings: Fitch, Moody's and S&P	405
2.3.05 [S] Central bank policy	Central bank policy has a positive impact on economic development	405
2.3.06 [B] Foreign currency reserves (\$bn)	US\$ billions	406
2.3.07 Foreign currency reserves per capita	US\$ per capita	406
2.3.08 Exchange rate stability	Parity change from national currency to SDR, 2023 / 2021	407

### State Efficiency

2.3.09 [S] Legal and regulatory framework	The legal and regulatory framework encourages the competitiveness of enterprises	407
2.3.10 [S] Adaptability of government policy	Adaptability of government policy to changes in the economy is high	408
2.3.11 [S] Transparency	Transparency of government policy is satisfactory	408
2.3.12 [S] Bureaucracy	Bureaucracy does not hinder business activity	409
2.3.13 [S] Bribery and corruption	Bribing and corruption do not exist	409
2.3.14 Rule of law	Index	410
2.3.15 Sustainable development goals	Country performance on the 17 SDGs	410
2.3.16 Democracy index	EIU Overall Democracy Index, © The Economist Intelligence Unit Limited	411
2.3.17 Freely Elected Government	Score (0-4) - Do the freely elected head of government and national legislative representatives determine the government policies?	411
2.3.18 Passport freedom	Score	412



---

## 2.4 Business Legislation

### Openness

2.4.01 Tariff barriers	Tariffs on imports: Applied weighted mean tariff rate for all products	412
2.4.02 [S] Protectionism	Protectionism does not impair the conduct of your business	413
2.4.03 [S] Public sector contracts	Public sector contracts are sufficiently open to foreign bidders	413
2.4.04 [S] Foreign investors	Foreign investors are free to acquire control in domestic companies	414
2.4.05 [S] Capital markets	Capital markets (foreign and domestic) are easily accessible	414
2.4.06 [S] Investment incentives	Investment incentives are attractive to foreign investors	415

### Competition and Regulations

2.4.07 Government subsidies	To private and public companies as a percentage of GDP	415
2.4.08 [S] Subsidies	Subsidies do not distort fair competition and economic development	416
2.4.09 [S] State ownership of enterprises	State ownership of enterprises is not a threat to business activities	416
2.4.10 [S] Competition legislation	Competition legislation is efficient in preventing unfair competition	417
2.4.11 [S] Parallel economy	Parallel (black-market, unrecorded) economy does not impair economic development	417
2.4.12 New business density	Registered new businesses per 1'000 people aged 15-64	418
2.4.13 [S] Creation of firms	Creation of firms is supported by legislation	418
2.4.14 Start-up days	Number of days to start a business	419
2.4.15 Start-up procedures	Number of procedures to start a business	419

### Labor Regulations

2.4.16 [S] Labor regulations	Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities	420
2.4.17 [S] Unemployment legislation	Unemployment legislation provides an incentive to look for work	420
2.4.18 [S] Immigration laws	Immigration laws do not prevent your company from employing foreign labor	421
2.4.19 Redundancy costs	Number of weeks of salary	421

## 2.5 Societal Framework

2.5.01 [S] Justice	Justice is fairly administered	422
2.5.02 Homicide	Intentional homicide, rate per 100'000 population	422
2.5.03 Ageing of population	Population over 65, percentage of total population	423
2.5.04 [S] Risk of political instability	The risk of political instability is very low	423
2.5.05 [S] Social cohesion	Social cohesion is high	424
2.5.06 Gini coefficient	Equal distribution of income scale: 0 (absolute equality) to 100 (absolute inequality)	424
2.5.07 [B] Income distribution -lowest 10%	Percentage of household incomes going to lowest 10% of households	425
2.5.08 [B] Income distribution -highest 10%	Percentage of household incomes going to highest 10% of households	425
2.5.09 Income distribution -lowest 40%	Percentage going to the lowest 40% of households	426
2.5.10 [B] Income distribution -lowest 40% -growth	Percentage going to the lowest 40% of households -growth	426
2.5.11 [S] Equal opportunity	Equal opportunity legislation in your economy encourages economic development	427
2.5.12 Females in parliament	Percentage of total seats in Parliament	427
2.5.13 Unemployment rate -gender ratio	Difference between the female and male unemployment rates	428
2.5.14 Gender inequality	Gender Inequality Index (UNDP)	428
2.5.15 Disposable Income	Female / male ratio	429
2.5.16 Freedom of the Press	Reporters Without Borders: World Press Freedom Score	429
2.5.17 Media bias	Whether the print/broadcast media cover parties/candidates impartially and proportionately	430
2.5.18 Inequality in life expectancy	Index	430

# Factor III: Business Efficiency

[S] Survey data

[B] Background data

## 3.1 Productivity and Efficiency

3.1.01 Overall productivity (PPP)	Estimates: GDP (PPP) per person employed, US\$	435
3.1.02 Overall productivity (PPP) -real growth	Estimates: Percentage change of real GDP per person employed	435
3.1.03 Labor productivity (PPP)	Estimates: GDP (PPP) per person employed per hour, US\$	436
3.1.04 [B] Agricultural productivity (PPP)	Estimates: Related GDP (PPP) per person employed in agriculture, US\$	436
3.1.05 [B] Productivity in industry (PPP)	Estimates: Related GDP (PPP) per person employed in industry, US\$	437
3.1.06 [B] Productivity in services (PPP)	Estimates: Related GDP (PPP) per person employed in services, US\$	437
3.1.07 [S] Workforce productivity	Workforce productivity is competitive by international standards	438
3.1.08 [S] Large corporations	Large corporations are efficient by international standards	438
3.1.09 [S] Small and medium-size enterprises	Small and medium-size enterprises are efficient by international standards	439
3.1.10 [S] Use of digital tools and technologies	Companies are very good at using digital tools and technology to improve their performance	439

## 3.2 Labor Market

### Costs

3.2.01 Compensation levels	Total hourly compensation in manufacturing (wages + supplementary benefits), US\$	440
3.2.02 [B] Unit labor costs for total economy	Percentage change	440
3.2.03 [B] Remuneration in services professions	Gross annual income including supplements such as bonuses, US\$	441
3.2.04 Statutory minimum wage	Statutory gross monthly minimum wage	442
3.2.05 Remuneration of management	Total base salary plus bonuses and long-term incentives, US\$	443
3.2.06 [B] Remuneration spread	Ratio of CEO to personal assistant remuneration	444

### Relations

3.2.07 Working hours	Average number of working hours per year	444
3.2.08 [S] Worker motivation	Worker motivation in companies is high	445
3.2.09 [B] Industrial disputes	Working days lost per 1,000 inhabitants per year (average 2020-2022)	445
3.2.10 [S] Apprenticeships	Apprenticeships are sufficiently implemented	446
3.2.11 [S] Employee training	Employee training is a high priority in companies	446

### Availability of Skills

3.2.12 Labor force	Employed and registered unemployed (millions)	447
3.2.13 Labor force (%)	Percentage of population	447
3.2.14 Labor force growth	Percentage change	448
3.2.15 Labor force long-term growth	Estimates: five year percentage change	448
3.2.16 Part-time employment	Percentage of total employment	449
3.2.17 Female labor force	Percentage of total labor force	449
3.2.18 Foreign labor force-migrant stock	Migrant stock, age 20-64, % of population	450
3.2.19 [S] Skilled labor	Skilled labor is readily available	450
3.2.20 [S] Finance skills	Finance skills are readily available	451
3.2.21 [S] Attracting and retaining talents	Attracting and retaining talents is a priority in companies	451
3.2.22 [S] Brain drain	Brain drain (well-educated and skilled people) does not hinder competitiveness in your economy	452
3.2.23 [S] Foreign highly-skilled personnel	Foreign highly-skilled personnel are attracted to your country's business environment	452
3.2.24 [S] International experience	International experience of senior managers is generally significant	453
3.2.25 [S] Competent senior managers	Competent senior managers are readily available	453

---

## 3.3 Finance

### Bank Efficiency

3.3.01 Banking sector assets	Percentage of GDP	454
3.3.02 [B] Financial cards in circulation	Number of cards per capita	454
3.3.03 Financial card transactions	US\$ per capita	455
3.3.04 Access to financial services	Proportion of adults with a bank account or mobile-money-service provider	455
3.3.05 Access to financial services-gender ratio	Difference between the female and male access to a bank account or mobile-money-service provider	456
3.3.06 [S] Banking and financial services	Banking and financial services do support business activities efficiently	456
3.3.07 [S] Regulatory compliance (banking laws)	Regulatory compliance is sufficiently developed	457

### Stock Market Efficiency

3.3.08 [S] Stock markets	Stock markets provide adequate financing to companies	457
3.3.09 [B] Stock market capitalization (\$bn)	US\$ billions	458
3.3.10 Stock market capitalization (%)	Percentage of GDP	458
3.3.11 [B] Value traded on stock markets	US\$ per capita	459
3.3.12 Listed domestic companies	Number of listed domestic companies	459
3.3.13 Stock market index	Percentage change on index in national currency	460
3.3.14 [S] Shareholders' rights	Shareholders' rights are sufficiently implemented	460
3.3.15 Initial public offerings	By acquiror nation (average 2021-2023) US\$ millions	461

### Finance Management

3.3.16 [S] Credit	Credit is easily available for business	461
3.3.17 [S] Venture capital	Venture capital is easily available for business	462
3.3.18 M&A activity	Deals per listed company (three-year-average)	462
3.3.19 [S] Corporate debt	Corporate debt does not restrain the ability of enterprises to compete	463

## 3.4 Management Practices

3.4.01 [S] Agility of companies	Companies are agile	463
3.4.02 [S] Changing market conditions	Companies are generally extremely aware of changing market conditions	464
3.4.03 [S] Opportunities and threats	Companies are very good at responding quickly to opportunities and threats	464
3.4.04 [S] Credibility of managers	Credibility of managers in society is strong	465
3.4.05 [S] Corporate boards	Corporate boards do supervise the management of companies effectively	465
3.4.06 [S] Auditing and accounting practices	Auditing and accounting practices are adequately implemented in business	466
3.4.07 [S] Use of big data and analytics	Companies are very good at using big data and analytics to support decision-making	466
3.4.08 [S] Customer satisfaction	Customer satisfaction is emphasized in companies	467
3.4.09 [S] Entrepreneurship	Entrepreneurship of managers is widespread in business	467
3.4.10 [S] Social responsibility	Social responsibility of business leaders is high	468
3.4.11 Women in management	Female share of senior and middle management (% of management)	468
3.4.12 Women on boards (%)	Boardmembers of all companies analyzed by MSCI	469
3.4.13 Entrepreneurial fear of failure (%)	% indicating that fear of failure would prevent them from setting up a business	469
3.4.14 Total early-stage Entrepreneurial Activity (%)	who are either a nascent entrepreneur or owner-manager of a new business	470

## 3.5 Attitudes and Values

3.5.01 [S] Attitudes toward globalization	Attitudes toward globalization are generally positive in your society	470
3.5.02 [S] Image abroad or branding	The image abroad of your country encourages business development	471
3.5.03 [S] National culture	The national culture is open to foreign ideas	471
3.5.04 [S] Flexibility and adaptability	Flexibility and adaptability of people are high when faced with new challenges	472
3.5.05 [S] Need for economic and social reforms	The need for economic and social reforms is generally well understood	472
3.5.06 [S] Digital transformation in companies	Digital transformation in companies is generally well understood	473
3.5.07 [S] Value system	The value system in your society supports competitiveness	473

# Factor IV: Infrastructure

[S] Survey data

[B] Background data

## 4.1 Basic Infrastructure

4.1.01 [B] Land area	Square kilometers ('000)	480
4.1.02 Arable area	Square meters per capita	480
4.1.03 Water resources	Total internal renewable per capita in cubic meters	481
4.1.04 [S] Access to water	Access to water is adequately ensured and managed	481
4.1.05 [S] Management of cities	Management of cities supports business development	482
4.1.06 [B] Population -market size	Estimates in millions	482
4.1.07 Population -growth	Percentage change	483
4.1.08 [B] Dependent Population	Percentage of total population	483
4.1.09 Dependency ratio	Population under 15 and over 64 years old, divided by active population (15 to 64 years)	484
4.1.10 Roads	Density of the network, km roads/square km land area	484
4.1.11 Railroads	Density of the network, km per square km	485
4.1.12 [B] Air transportation	Number of passengers carried by main companies, thousands	485
4.1.13 [S] Quality of air transportation	Quality of air transportation encourages business development	486
4.1.14 [S] Distribution infrastructure	The distribution infrastructure of goods and services is generally efficient	486
4.1.15 [S] Energy infrastructure	Energy infrastructure is adequate and efficient	487
4.1.16 [B] Total indigenous energy production	Millions MTOE	487
4.1.17 Total indigenous energy production (%)	Percentage of total requirements in tons of oil equivalent	488
4.1.18 [B] Total final energy consumption	Millions MTOE	488
4.1.19 [B] Total final energy consumption per capita	MTOE per capita	489
4.1.20 Electricity costs for industrial clients	US\$ per kwh	489

## 4.2 Technological Infrastructure

4.2.01 Investment in telecommunications	Percentage of GDP	490
4.2.02 Mobile broadband subscribers	5G market, % of mobile market	490
4.2.03 Mobile telephone costs	Monthly blended average revenue per user US\$	491
4.2.04 [S] Communications technology	Communications technology (voice and data) meets business requirements	491
4.2.05 Secure internet servers	The number of distinct, publicly-trusted TLS/SSL certificates found in the Netcraft Secure Server Survey.	492
4.2.06 Internet users	Number of internet users per 1000 people	492
4.2.07 Broadband subscribers	Number of subscribers per 1000 inhabitants	493
4.2.08 Internet bandwidth speed	Average speed (Mbps)	493
4.2.09 [S] Digital/Technological skills	Digital/technological skills are readily available	494
4.2.10 [S] Qualified engineers	Qualified engineers are available in your labor market	494
4.2.11 [S] Public-private partnerships	Public and private sector ventures are supporting technological development	495
4.2.12 [S] Development and application of technology	Development and application of technology are supported by the legal environment	495
4.2.13 [S] Funding for technological development	Funding for technological development is readily available	496
4.2.14 High-tech exports (\$)	US\$ millions	496
4.2.15 High-tech exports (%)	Percentage of manufactured exports	497
4.2.16 ICT Service Exports (%)	Percentage of Service Exports	497
4.2.17 [S] Cyber security	Cyber security is being adequately addressed by corporations	498

### 4.3 Scientific Infrastructure

4.3.01 Total expenditure on R&D (\$)	US\$ millions	498
4.3.02 Total expenditure on R&D (%)	Percentage of GDP	499
4.3.03 [B] Total expenditure on R&D per capita (\$)	US\$ per capita	499
4.3.04 Business expenditure on R&D (\$)	US\$ millions	500
4.3.05 Business expenditure on R&D (%)	Percentage of GDP	500
4.3.06 Total R&D personnel	Full-time work equivalent (FTE thousands)	501
4.3.07 Total R&D personnel per capita	Full-time work equivalent (FTE) per 1000 people	501
4.3.08 [B] Total R&D personnel in business enterprise	Full-time work equivalent (FTE thousands)	502
4.3.09 [B] Total R&D personnel in business per capita	Full-time work equivalent (FTE) per 1000 people	502
4.3.10 Researchers in R&D per capita	Full-time work equivalent (FTE) per 1000 people	503
4.3.11 Graduates in sciences	Percentage of total % of graduates in ICT, Engineering, Math & Natural Sciences	503
4.3.12 Scientific articles	Scientific articles published by origin of author	504
4.3.13 [B] Nobel prizes	Awarded in physics, chemistry, physiology or medicine and economics since 1950	504
4.3.14 Nobel prizes per capita	Awarded in physics, chemistry, etc and economics since 1950 per million people	505
4.3.15 Patent applications	Number of applications filed by applicant's origin	505
4.3.16 Patent applications per capita	Number of applications filed by applicant's origin, per 100,000 inhabitants	506
4.3.17 Patents grants	Number of patents granted by applicant's origin (average 2018-2020)	506
4.3.18 Number of patents in force	By applicant's origin, per 100,000 inhabitants	507
4.3.19 Patent publications for AI-related technology	Number of patent publications	507
4.3.20 Medium-and high-tech value added	Proportion of total manufacturing value added, expressed as a percentage	508
4.3.21 [S] Scientific research legislation	Laws relating to scientific research do encourage innovation	508
4.3.22 [S] Intellectual property rights	Intellectual property rights are adequately enforced	509
4.3.23 [S] Knowledge transfer	Knowledge transfer is highly developed between companies and universities	509

### 4.4 Health and Environment

4.4.01 Total health expenditure	Percentage of GDP	510
4.4.02 [B] Total health expenditure per capita	US\$ per capita	510
4.4.03 [B] Public expenditure on health (%)	Percentage of total health expenditure	511
4.4.04 [S] Health infrastructure	Health infrastructure meets the needs of society	511
4.4.05 Universal health care coverage index	Index (0-100) measuring coverage of essential health services	512
4.4.06 Life expectancy at birth	Average estimate	512
4.4.07 [B] Healthy life expectancy	Average estimate	513
4.4.08 [B] Infant mortality	Under five mortality rate per 1000 live births	513
4.4.09 Medical assistance	Number of inhabitants per physician and per nurse	514
4.4.10 [B] Urban population	Percentage of total population	514
4.4.11 Human development index	Combines economic -social -educational indicators/ Source: HDR	515
4.4.12 Energy intensity	Total energy consumed for each 1000 US\$ of GDP in MTOE	515
4.4.13 Safely treated waste water	Percentage of waste water	516
4.4.14 Water use efficiency	US\$ per cubic meter	516
4.4.15 [B] CO2 emissions	Metric tons of carbon dioxide	517
4.4.16 CO2 emissions intensity	CO2 industrial emissions in metric tons per one million US\$ of GDP	517
4.4.17 Exposure to particle pollution	Mean population exposure to PM2.5, Micrograms per cubic metre	518
4.4.18 Renewable energies (%)	Share of renewables in total energy requirements, %	518
4.4.19 Forest area growth	Five year percentage change of hectares	519
4.4.20 [B] Total biocapacity	Global hectares per capita of biologically productive space	519

4.4.21 [B] Ecological footprint	Global hectares per person	520
4.4.22 Ecological balance (reserve/deficit)	Total biocapacity minus total footprint in global hectare per capita	520
4.4.23 Food waste	KG per capita, Including household, service and retail	521
4.4.24 Environment-related technologies	Development of environment-related technologies, % inventions worldwide	521
4.4.25 Environmental agreements	Multilateral agreements on hazardous waste, proportion fulfilled	522
4.4.26 Environmental Performance Index	EPI Score, quantifying the environmental performance of a state's policies	522
4.4.27 [S] Sustainable development	Sustainable development is a priority in companies	523
4.4.28 [S] Pollution problems	Pollution problems do not seriously affect your economy	523
4.4.29 [S] Environmental laws	Environmental laws and compliance do not hinder the competitiveness of businesses	524
4.4.30 [S] Quality of life	Quality of life is high	524

## 4.5 Education

4.5.01 Total public expenditure on education	Percentage of GDP	525
4.5.02 [B] Total public exp. on education per capita	US\$ per capita	525
4.5.03 Total public exp. on education per student	Spending per enrolled pupil/student, all levels	526
4.5.04 Pupil-teacher ratio (primary education)	Ratio of students to teaching staff	526
4.5.05 Pupil-teacher ratio (secondary education)	Ratio of students to teaching staff	527
4.5.06 Secondary school enrollment	Percentage of relevant age group receiving full-time education	527
4.5.07 Higher education achievement	Percentage of population that has attained at least tertiary education for persons 25-34	528
4.5.08 Women with degrees	Share of women who have a degree in the population 25-65	528
4.5.09 Student mobility inbound	Foreign tertiary-level students per 1000 inhabitants	529
4.5.10 [B] Student mobility outbound	National tertiary-level students studying abroad per 1000 inhabitants	529
4.5.11 [3] Educational assessment - PISA	PISA survey of 15-year olds	530
4.5.12 Students who are not low achievers - PISA	% of students who are not low achievers in maths, sciences and reading	530
4.5.13 [B] English proficiency - TOEFL	TOEFL scores	531
4.5.14 [S] Primary and secondary education	Primary and secondary education meets the needs of a competitive economy	531
4.5.15 [S] University education	University education meets the needs of a competitive economy	532
4.5.16 [S] Management education	Management education meets the needs of the business community	532
4.5.17 University education index	Country score calculated from Times Higher Education university ranking	533
4.5.18 Illiteracy	Adult (over 15 years) illiteracy rate as a percentage of population	533
4.5.19 [S] Language skills	Language skills are meeting the needs of enterprises	534



Challenging what is and inspiring what could be, we develop leaders who transform organizations for a more prosperous, sustainable, and inclusive world.

#### **About the Institute for Management Development (IMD)**

We are an independent academic institute with close ties to business and a strong focus on impact. Through our Executive Education, MBA, Executive MBA, and advisory work we help leaders and policy-makers navigate complexity and change.

We support the transition to a new model that balances prosperity and growth with ecological sustainability and social inclusion. Sustainability and diversity, equity, and inclusion are in our DNA.

We combine a deep understanding of human dynamics with a pioneering approach to technology and AI. We deliver powerful learning experiences for individuals and teams across the globe.

**[www.imd.org](http://www.imd.org)**

