

Press Release

IMD ANNOUNCES ITS 2012 WORLD COMPETITIVENESS RANKINGS

Top 3 are Hong Kong, US and Switzerland US competitiveness remains the key to global recovery

LAUSANNE, SWITZERLAND (May 31, 2012) - IMD, a top-ranked global business school based in Switzerland, today announced the findings of its annual World Competitiveness Yearbook (WCY). The WCY rankings measure how well countries manage their economic and human resources to increase their prosperity.

The most competitive of the 59 ranked economies in 2012 are Hong Kong, the US and Switzerland (see overall rankings table on page 2). Despite all its setbacks, the US remains at the center of world competitiveness because of its unique economic power, the dynamism of its enterprises and its capacity for innovation.

"US competitiveness has a deep impact on the rest of the world because it is uniquely interacting with every economy, advanced or emerging. No other nation can exercise such a strong "pull effect" on the world. Europe is burdened with austerity and fragmented political leadership and is hardly a credible substitute, while a South-South bloc of emerging markets is still a work in progress. In the end, if the US competes, the world succeeds!" said Professor Stephane Garelli, director of IMD's World Competitiveness Center.

The most competitive nations in Europe are Switzerland (3), Sweden (5) and Germany (9), which have export-oriented manufacturing and fiscal discipline. Meanwhile, Ireland (20), Iceland (26) and Italy (40) look better equipped to bounce back than Spain (39), Portugal (41) and Greece (58), which continue to scare investors.

Emerging economies are not yet immune to turmoil elsewhere. China (23), India (35) and Brazil (46) have all slipped in the rankings, while Russia (48) climbed only one place. All Asian economies have declined apart from Hong Kong (1), Malaysia (14) and Korea (22). Latin America also had a tough year, with every nation falling except Mexico (37).

Globalization and economic reform under threat

One-third of the 329 ranking criteria come from an exclusive IMD survey of more than 4,200 international executives, which reveals a growing skepticism in some of the 59 economies toward globalization and the need for economic reforms (see charts on page 3).

Globalization is still seen as a positive development in Ireland, Scandinavia, Chile, the UAE and many Asian economies. But attitudes are much more negative in Greece, Russia, most of Eastern Europe, a growing part of Latin America, and, last of all, in France.

Attitudes toward reforms are more positive in Ireland, emerging Asia, Qatar and the UAE, Switzerland and Sweden. But the impetus for reform is much weaker in Argentina, the Czech Republic, Spain, and lastly – again – in France, where austerity is seen as a cure worse than the disease.

"The recession has made the world economy more fragmented and diverse than ever, forcing companies to operate several parallel business models," said Professor Garelli. "Emerging economies are relying on domestic demand and national champion companies to insulate themselves from economic turmoil, while the "submerging" developed economies are turning to re-industrialization. In both cases, economic nationalism is back and protectionism is tempting."

THE 2012 WCY OVERALL RANKING							
Rank 2012	Rank 2011	Country	Score 2012	Rank 2012	Rank 2011	Country	Score 2012
1	1	Hong Kong	100.00	31	33	Estonia	66.95
2	1	USA	97.75	32	36	Kazakhstan	66.89
3	5	Switzerland	96.68	33	30	Czech Republic	66.19
4	3	Singapore	95.92	34	34	Poland	64.18
5	4	Sweden	91.39	35	32	India	63.60
6	7	Canada	90.29	36	45	Lithuania	63.42
7	6	Taiwan	89.96	37	38	Mexico	63.18
8	13	Norway	89.67	38	39	Turkey	62.24
9	10	Germany	89.26	39	35	Spain	61.12
10	8	Qatar	88.48	40	42	Italy	60.64
11	14	Netherlands	87.16	41	40	Portugal	60.38
12	11	Luxembourg	86.05	42	37	Indonesia	59.50
13	12	Denmark	84.88	43	41	Philippines	59.27
14	16	Malaysia	84.22	44	43	Peru	58.71
15	9	Australia	83.18	45	47	Hungary	57.34
16	28	UAE	82.49	46	44	Brazil	56.52
17	15	Finland	82.47	47	48	Slovak Republic	55.67
18	20	United Kingdom	80.14	48	49	Russia	55.16
19	17	Israel	78.57	49	53	Jordan	53.23
20	24	Ireland	78.47	50	52	South Africa	53.16
21	18	Austria	77.67	51	51	Slovenia	52.96
22	22	Korea	76.75	52	46	Colombia	51.89
23	19	China Mainland	75.77	53	50	Romania	48.93
24	21	New Zealand	74.88	54	55	Bulgaria	48.45
25	23	Belgium	73.48	55	54	Argentina	48.20
26	31	Iceland	71.54	56	57	Ukraine	46.88
27	26	Japan	71.35	57	58	Croatia	45.30
28	25	Chile	71.28	58	56	Greece	43.05
29	29	France	70.00	59	59	Venezuela	31.45
30	27	Thailand	69.00				

NB. The scores are indices (0 to 100) generated for the unique purpose of constructing charts and graphics (access through download link - green=up, red=down, white=unchanged).

The IMD World Competitiveness Center is a part of IMD

IMD is a world pioneer in executive education. More than a business school, we collaborate with individuals, teams and organizations to resolve real business issues, build capabilities and prepare for the future. We do so through a unique Real World, Real Learning approach, which stems from our ongoing partnerships with leading international companies (www.imd.org). Published since 1989, the World Competitiveness Yearbook is recognized as the leading annual report on the competitiveness of nations.