

Press Release

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IMD WORLD COMPETITIVENESS YEARBOOK 2003

The most eagerly awaited rankings on the competitiveness of nations.

All results to be found on web page (see address below)

Breaking News for 2003!

Published since 1989

The **United States** and **Finland** have the most competitive economies in the world. New split rankings by population size show each at the top of their group followed by **Australia** for the larger economies and **Singapore** for the smaller ones. These rankings now include 8 regional economies: Bavaria (Germany), Catalonia (Spain), Ile-de-France (France), Lombardy (Italy), Maharashtra (India), Rhone-Alps (France), the State of Sao Paulo (Brazil) and Zhejiang (China), and 2 additional countries: **Jordan** and **Romania**. Over 320 competitiveness criteria are aggregated to determine the rankings for the 59 economies covered in this year's edition with the collaboration of 52 Partner Institutes around the world.

THE 2003 WORLD COMPETITIVENESS OVERALL SCOREBOARDS

Group I : Population greater than 20 million				
Score 03	Country/Region	Rank 03	Rank 02	Rank 01
100.0	USA	1	1	1
86.5	Australia	2	3	3
84.1	Canada	3	2	2
72.9	Malaysia	4	6	10
69.8	Germany	5	4	4
69.3	Taiwan	6	7	5
66.5	United Kingdom	7	5	6
66.4	France	8	9	8
59.8	Spain	9	8	7
58.4	Thailand	10	13	14
56.3	Japan	11	11	9
50.8	China Mainland	12	12	12
47.8	Sao Paulo	13		
47.4	Zhejiang	14		
46.5	Korea	15	10	11
44.5	Colombia	16	20	21
44.3	Italy	17	14	13
43.9	South Africa	18	16	17
42.5	Maharashtra	19		
42.2	India	20	17	19
40.7	Brazil	21	15	16
37.9	Philippines	22	18	18
33.6	Romania	23		
33.3	Mexico	24	19	15
29.8	Turkey	25	23	20
24.6	Russia	26	21	22
21.5	Poland	27	22	25
13.2	Indonesia	28	25	24
12.5	Argentina	29	26	23
9.8	Venezuela	30	24	26

Group II : Population less than 20 million				
Score 03	Country/Region	Rank 03	Rank 02	Rank 01
100.0	Finland	1	2	4
98.2	Singapore	2	6	3
92.4	Denmark	3	4	10
90.3	Hong Kong	4	10	2
89.7	Switzerland	5	3	6
88.7	Luxembourg	6	5	5
87.1	Sweden	7	7	7
86.5	Netherlands	8	1	1
83.4	Iceland	9	11	11
82.6	Austria	10	8	9
79.4	Ireland	11	9	8
75.8	Norway	12	12	14
74.6	Belgium	13	13	12
72.2	New Zealand	14	14	15
67.0	Ile-de-France	15		
61.5	Chile	16	15	17
59.8	Estonia	17	16	16
57.5	Bavaria	18		
56.1	Rhone-Alps	19		
52.2	Catalonia	20		
45.6	Czech Republic	21	19	21
43.6	Israel	22	17	13
42.5	Hungary	23	18	18
41.4	Lombardy	24		
35.2	Portugal	25	20	20
34.2	Greece	26	21	19
30.3	Slovak Republic	27	23	22
29.2	Slovenia	28	22	23
27.8	Jordan	29		

(Score: The Score is actually an index generated for the unique purpose of constructing charts and graphics. Scores in Group I and II are not comparable.)

THE WORLD COMPETITIVENESS LANDSCAPE IN 2003 – HIGHLIGHTS FROM THE EXECUTIVE SUMMARY

by Stéphane Garelli
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In Group I, Australia (2) and **Malaysia** (4) increased their competitiveness in 2003 while the **US** (1) kept the lead. All the large industrialized nations rank in the first 10 places, with the exception of **Japan** (11) and **Italy** (17). The **State of Sao Paulo** (13) tops the list of the most competitive regions in this category. **China Mainland** (12) stands out with a formidable growth rate of 8% and is on its way to becoming “The” manufacturing center of the World.

The **US** is resilient, due to interest rate cuts and consumer spending. However, the current account deficit (4.8% of GDP), the expected budget deficit (\$300 billion) and the \$350 billion proposed tax cuts could increase foreign debt and **further weaken the dollar** in 2003.

Europe battles with deficits and the ability to reform governments. Overregulation and complexity hamper its growth. **Germany** (5), the **UK** (7), **France** (8), and **Spain** (9) are all confronted with structural problems (social system, the burden of the public sector, etc.) which hinder their competitiveness potential. The upcoming members, such as **Estonia** (17 in Group II), show more dynamism.

Latin America struggles to overcome the side effects of the implosion of **Argentina** (29) and **Venezuela** (30). **Brazil's** (21) new administration has been well received so far. **Chile** (16 in Group II) resists the best.

In Group II, Singapore (2) and **Hong Kong** (4) are making a strong comeback. However, this was before the SARS epidemic, which could have dire consequences for Asian competitiveness. **Finland** (1) remains in the lead while the **Netherlands** (8) pays the full price of political and social uncertainties. In general, smaller nations are more vulnerable to a weaker economic environment. This is especially true for **Switzerland** (5) and **Ireland** (11), both falling two ranks. **Ile-de-France** (15) is the most competitive region in the group.

Globally, **two sectors are restructuring**: *IT*, which used to be the locomotive of world competitiveness and *Banking and Finance*, which used to act as a buffer in case of economic slowdown. The weakness of both sectors delays economic recovery in 2003.

Two time bombs are also ticking: *Corporate debt*, which is at an all-time high and *pension funds*, which have lost \$2'800 billion worth of assets.

Finally, **management needs to restore its credibility** in 2003, through increased transparency in practices, true professionalism, honesty in dealings, and ethical behavior.

WHAT IS THE WCY?

<ul style="list-style-type: none">• Competitiveness of 59 economies, using 321 criteria• Focuses primarily on Hard data (from international, regional and national sources)• Survey data – from the annual WCY Executive Opinion Survey	<ul style="list-style-type: none">• Published since 1989 without interruption and Earliest publication every year• Worldwide reference point with objective benchmarking• Reliable and up-to-date data with unique network of 52 Partner Institutes worldwide
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What is IMD?

IMD is a top provider of management education and focuses on executive development. With over 50 years' experience developing leaders for the world's most innovative corporations, IMD is a global meeting place and offers a truly international environment. Fifty-five faculty members, from 20 countries, and active learning partnerships with 150 companies from all industry sectors make IMD one of the leading business schools in the world today. In executive education overall, IMD ranked number 1 in Europe and number 2 worldwide in custom programs (Financial Times Global 2002 Survey Business Education).

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