The World Competitiveness Scoreboard presents the 2009 overall rankings for the 57 economies covered by the WCY. The economies are ranked from the most to the least competitive and the results from the previous year’s scoreboard (2008) are shown in brackets. The Scores shown to the left are actually indices (0 to 100) generated for the unique purpose of constructing charts and graphics.
Of the 57 economies ranked by IMD, the US still ranks No. 1 in 2009. Hong Kong has switched places with Singapore to gain the 2nd place and is swiftly “closing the gap” with the US. Switzerland maintains its 4th rank from last year. All of the Nordic economies have increased or maintained their rankings compared to the US: Denmark improves one rank to 5th position, Sweden moves up 3 places to 6th, and Finland, a huge bound from 15th place last year to 9th place. Norway maintains its 11th position.

In a free-fall economy, competitiveness is also about how countries can resist adversity and show resilience to weather the storm (please refer to this year’s “Stress Test”). What is their ability to withstand “one-off events” such as today’s turmoil? For example, Japan comes out better than expected in 17th position, likewise Germany (13th) and the UK (21st). However, one must take into account that these rankings are based on a majority of statistics from 2008, especially the growth period of early 2008, and countries entered the economic crisis at different times.

The most spectacular movements are seen for Indonesia, rising from 51st place to 42nd and Estonia, falling 12 ranks to 35th place. Some countries suffered important reversals: Colombia (51st), Greece (52nd) and Taiwan (23rd) fell 10 places each, followed by Romania (from 45th to 54th). Other important declines include: Luxembourg (from 5th to 12th), Hungary (from 38th to 45th), Spain (from 33rd to 39th) and Ireland (from 12th to 19th). And to think that Ireland was ranked 5th in 2000!

Lastly, IMD’s definition of competitiveness is: “How nations and businesses are managing the totality of their competencies to achieve greater prosperity”. Competitiveness is not just about growth or economic performance but should take into consideration the “soft factors” of competitiveness, such as the environment, quality of life, technology, knowledge, etc. This helps explain why some countries, the US, Japan, the UK, Nordic economies and small, open economies like Hong Kong, Singapore and Switzerland are able to maintain their rankings in the top league despite short-term disruptions. Too much focus on short-termism helped trigger the crisis!

The IMD World Competitiveness Ranking is a photograph of competitiveness at one point in time. But it is also important to look at the evolution of countries’ performances over the longer period that IMD has been studying competitiveness – now more than 20 years!