

Headline	Malaysia slips five spots to No 24 in global business competitiveness ranking
MediaTitle	The Edge Financial Daily
Date	01 Jun 2017
Section	Home Business
Page No	1,4
Language	English
Journalist	NEILY SYAFIQAH EUSQFF
Frequency	Daily



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Malaysia slips further in IMD global ranking

It falls five notches to 24th spot in business competitiveness

BY NEILY SYAFIQAH EUSOFF

Malaysia, however, is ahead of Japan, Thailand, the Philippines, Indonesia and India.

KUALA LUMPUR: Malaysia slipped another five notches to 24th place in this year's ranking of business competitiveness by the IMD World Competitiveness Centre, after falling to 19th spot last year from 14th in 2015.

Malaysia, however, is ahead of Japan (26th place), Thailand (27th), the Philippines (41st), Indonesia (42nd) and India (45th), according to the research group based at the IMD Business School in Switzerland.

Hong Kong and Switzerland took the top two spots again, while Singapore improved to third from fourth in 2016. The US ranked fourth, its lowest position in five years and down from third last year. The Netherlands completed the top five, jumping up

from eighth last year.

For Malaysia, the areas of decline in the overall performance of the economy listed by the centre include start-up days, start-up procedures, the current account balance, renewable energies, redundancy costs, real gross domestic product growth per capita (3.6 to 2.59), public expenditure on education per pupil and exchange rate stability.

Improvements, meanwhile, include Internet bandwidth speed, mobile broadband subscribers, government subsidies, labour productivity, youth unemployment, higher education achievement and the cost-of-living index.

"From a list of 15 indicators, respondents to the executive opinion

survey were asked to select five that they perceived as the key attractiveness factors of their economy.

"The five highest key attractiveness indicators are cost competitiveness [at] about 52.9%, followed by [a] business-friendly environment at 48.1%, reliable infrastructure at 47.1%, the dynamism of the economy at 43.3% and [a] skilled workforce at 42.3%," said the centre.

The IMD World Competitiveness Centre has been publishing the rankings every year since 1989. The rankings are based on 260 indicators, about two-thirds of which come from hard data, such as national employment and trade statistics, and a third from more than 6,250 responses to an executive opinion survey that measures the

business perception of issues such as corruption, environmental concerns and quality of life.

"This year, 63 countries are ranked, with Cyprus and Saudi Arabia making their first appearance.

The key indicators in the determination of the countries' rankings include their economic performance, government efficiency, business efficiency and infrastructure.

IMD World Competitiveness Centre director Professor Arturo Bris said the indicators that stood out among the most improved countries are related to government and business efficiency as well as productivity.

"These countries have maintained a business-friendly environment that encourages openness

and productivity.

"If you look at China, its improvement of seven places to 18th can be traced to its dedication to international trade. This continues to drive the economy and the improvement in government and business efficiency," he said.

The bottom of the table, meanwhile, is largely occupied by countries experiencing political and economic upheaval.

"You would expect to see countries such as Ukraine (60th), Brazil (61st) and Venezuela (63rd) here because you read about their political issues in the news. These issues are at the root of poor government efficiency which diminished their place in the rankings," said Bris.