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The Global Competitiveness Report 2006–2007

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The terms *country* and *nation* as used in this
report do not in all cases refer to a territorial
entity that is a state as understood by interna-
tional law and practice. The term covers
well-defined, geographically self-contained
economic areas that may not be states but
for which statistical data are maintained on a
separate and independent basis.

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Preface

KLAUS SCHWAB

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The publication of this year's *Global Competitiveness Report* comes at an important juncture for the global economy. After four years of robust growth, the global economy is expected to continue to expand by some 4.9 percent this year. The US economy, though showing signs of a slow-down, remains the world's primary engine of growth. But remarkably strong growth rates are forecast for many emerging market economies, especially China and India.

Yet amid positive growth prospects, there are a number of key uncertainties across the global economic landscape. Benchmark oil prices have continued their steep rise in 2006 driven by strong demand, refinery problems and political uncertainties. Market reactions to the spectre of war in the Middle East, the geopolitical consequences of Iran's nuclear programme, and worries about the emerging role of Russia as a major energy power, continue to have a major impact on market sentiment. But this is not all.

The persistent nature of global macroeconomic imbalances is another source of concern. Imbalances between the U.S. and the rest of the world, in particular, have continued to strain the global economy. The US current account deficit is projected to rise to close to US\$900 billion in 2006, seven times larger than a decade earlier and, at 6.5 percent of GDP, it represents an historical record for the U.S. The surpluses of oil exporting countries have continued to swell, but also those of other countries, from Germany, to China and Brazil.

There has been increasing discussion about the sustainability of the current situation and its implications for exchange rates, for trade, and for the distribution of the future burden of adjustment. Some see it as a consequence of the globalization of financial markets, ultimately a sign of the strength of the US economy and its ability to attract global savings because it is the world's centre of scientific and technological innovation and the world's largest free market. However, financial markets are becoming increasingly apprehensive about the risks of a disorderly adjustment of the widening global imbalances. A satisfactory resolution would require measures to ease a rebalancing of demand across countries and a realignment of exchange rates. A move by the U.S. to reduce its budget deficit and a strengthened structural reform effort in Europe and Japan are seen as key additional components of the solution.

The collapse of the Doha round of global trade negotiations has dented its ambition to lift millions out of poverty by slashing agricultural barriers and subsidies and further opening markets for goods and services. Although a revival of the Doha round in the future is not excluded, the most likely route forward may be a greater focus on regional and bilateral trade agreements, which have taken on greater prominence since the early 1990s. These could conceivably become a catalyst for further multilateral negotiations. But it must not be forgotten that multilateral trade liberalization has been a central engine of economic growth and increased efficiency in the post-war period.

Finally, there is emerging perception of a rising tide of "economic nationalism," characterised by protectionist attitudes to cross-border or overseas takeovers, and often fuelled by the macroeconomic imbalances alluded to above. Such protectionist sentiments, held largely by governments pursuing short-term expediency or currying favour with vested interests, are ill-adapted reactions to new economic realities. Protectionism, in the guise of "economic nationalism," contradicts the spirit of solidarity which is becoming increasingly necessary to address a large number of global problems which are soluble only in a context of enhanced international cooperation.

It is against this backdrop of burgeoning global imbalances, the collapse of the Doha round of trade negotiations and the revival of protectionist tendencies which are combining to create an atmosphere that highlights the precariousness of global economic growth prospects, that the World Economic Forum is bringing the latest edition of *The Global Competitiveness Report*. With the growing complexity of the global economy, the *Report* is a contribution to enhancing our understanding of the key factors which determine economic growth, and explain why some countries are much more successful than others in raising income levels and opportunities for their respective populations. By providing detailed assessments of the economic conditions of nations worldwide, the *Report* offers policymakers and business leaders an important tool in the formulation of improved economic policies and institutional reforms.

Given the importance of capacity building in developing countries, this year's *Report* reflects the continued expansion of our country coverage. Currently featuring a

total of 125 economies, the *Report* remains the most comprehensive assessment of its kind. The *Report* contains a detailed profile for each of the economies featured in the study as well as an extensive section of data tables with global rankings covering over 100 indicators. In addition, this year's *Report* contains a number of contributions that look at different aspects of competitiveness and, more generally, themes considered central to boosting the prosperity of nations, from the effect of labour market institutions and policies on employment and competitiveness to the role of good governance in creating the conditions for a sounder business environment.

The *Global Competitiveness Report* could not have been put together without the distinguished authors and scholars who have shared with us their knowledge and experience. We thank our longstanding partner and my Co-Director for this project, Professor Michael E. Porter, Director of the Institute for Strategy and Competitiveness at the Harvard Business School, for his leadership and collaboration. We also thank Professor Xavier Sala-i-Martin of Columbia University for his invaluable contribution of developing the Global Competitiveness Index. Appreciation also goes to Augusto Lopez-Claros, the Forum's Chief Economist and Director of the Global Competitiveness Network, and to his team, Laura Altinger, Jennifer Blanke, Ciara Browne, Margareta Drzeniek, Thierry Geiger, Kerry Jaggi, Emma Loades, Irene Mia, and Aviva Rajczyk. We thank FedEx, Microsoft, and USAID, our partners in this *Report*, for their support in this important venture. Finally, we would also like to convey our sincere gratitude to all the business executives around the world, who took the time to participate in our Executive Opinion Survey, and whose valuable inputs made the publication of this *Report* possible.

Executive Summary

AUGUSTO LOPEZ-CLAROS, World Economic Forum

The global economy has been transformed in recent years by the fall of international barriers to the flow of goods, services, capital and labor, and a marked acceleration in the pace of technological and scientific progress.

Technological advances have created new opportunities for businesses against the background of an increasingly complex global economy, while reductions in the cost of transport and communication are making location less important, spurring companies to move operations to lower cost environments. This, in turn, has made governments far more sensitive to the need to create a friendly business climate, supportive of private sector activity.

Against this backdrop of rapid systemic change in the key parameters that underpin the evolution of the global economy, we have seen shifts in the relative importance of those critical factors which determine the evolution of productivity, and hence, growth. At the World Economic Forum, we understand national competitiveness as that set of factors, policies, and institutions which determine the level of productivity of a country. Raising productivity—i.e., making better use of available factors and resources—is the driving force behind the rates of return on investment which, in turn, determine the aggregate growth rates of an economy. Thus, a more competitive economy will be one which will likely grow faster in the medium and long term. Identifying those factors which help to explain the differences in the evolution of per capita income in countries such as Finland, Russia, and Chile is very much at the center of the work we do.

It is clear that the factors determining the underlying competitiveness of nations are as diverse as they are numerous. For example, there is a broad body of theoretical work and empirical evidence highlighting the importance of a sound macroeconomic environment for growth. Mismanagement of the public finances and high inflation, one of its frequent by-products, greatly complicates the business environment, undermining incentives for investment based on long-term planning. But the presence of macroeconomic stability is not enough to increase productivity. Also important is the institutional environment within which economic actors operate, including the protection of property rights, the quality of the judicial system, even-handedness in the political process, and the reining in of corruption.

As well as institutional factors, many others are also known to play a role in enhancing productivity. Education and training have emerged as key drivers of competitiveness, ensuring that the labor force has access to new knowledge and is trained in new processes and the latest technologies.

As numerous as these factors may be, they will matter differently for different countries, depending on their particular starting conditions or stage of development. Curtailing the appetite of the state for private savings

by implementing more cautious fiscal policies may be important everywhere for creating the conditions for productivity growth, but it is relatively less important in countries with a well established track record of responsible fiscal management than in countries with long histories of budgetary instability, where the move to address these problems is likely to benefit growth.

It is also clear that the factors that are critical for improving competitiveness will themselves evolve over time, given the rapid pace of change in the global economy alluded to above. For example, today we focus on the growing importance of the latest technologies in enhancing productivity growth through improved processes and management practices, in contrast to past decades when the expansion of resource endowments was still sufficient to drive world economic growth.

Over the years, the World Economic Forum has continually updated its methodology for measuring competitiveness to keep pace with the changing international environment. For the past five years, we used the Growth Competitiveness Index developed by Jeffrey Sachs and John McArthur to assess the competitiveness of nations. Although it was cutting edge at the time it was developed, more recent advances in economic research and the rising importance of the international dimension, as well as the increasing diversity of countries covered by the *Report*, call for an adjustment in methodology. With the aim of incorporating many factors driving productivity into a broader measure of competitiveness, we will now be using an index developed for the World Economic Forum by Professor Xavier Sala-i-Martin, a leading expert on growth and economic development. The new Index — representing nearly two years of collaboration with him and involving dozens of presentations by Forum staff aimed at eliciting feedback from a broad set of users— extends and deepens the concepts and ideas underpinning the earlier Sachs-McArthur index. With this year's *Report*, we have moved to the Global Competitiveness Index (GCI) as the main competitiveness indicator to be used by the World Economic Forum. The results are presented in Chapter 1.1. For reference and the sake of historical continuity we also present the rankings associated with the Growth Competitiveness Index in the back of this *Report*.

Professor Michael Porter's Business Competitiveness Index, presented in Chapter 1.2 in this volume, highlights in detail the microeconomic underpinnings of competitiveness, with its special emphasis on a range of company-specific factors conducive to improved economic efficiency and productivity.

The Global Competitiveness Index

The GCI, albeit simple in structure, provides a holistic overview of factors that are critical to driving productivity and competitiveness, and groups them into nine pillars:

Institutions
Infrastructure
Macroeconomy
Health and primary education
Higher education and training
Market efficiency
Technological readiness
Business sophistication
Innovation

The selection of these pillars and the factors underlying them is based on the latest theoretical and empirical research. It is important to note that none of these factors *alone* can ensure competitiveness. The value of increased spending on education will be undermined if rigidities in the labor market and other institutional weaknesses make it difficult for new graduates to gain access to suitable employment opportunities. Attempts to improve the macroeconomic environment—e.g., bringing public finances under control—are more likely to be successful and receive public support in countries where there is reasonable transparency in the management of public resources, as opposed to widespread corruption and abuse. Innovation or the adoption of new technologies or upgrading management practices will most likely not receive broad-based support in the business community if protection of the domestic market ensures that the returns on rent-seeking are higher than those for new investments. Therefore, the most competitive economies in the world will typically be those where concerted efforts have been made to frame policies in a comprehensive way, that is, those which recognize the importance of a broad array of factors, their interconnection, and the need to address the underlying weaknesses they reveal in a proactive way.

Beyond these pillars, which capture a more comprehensive set of growth factors, the GCI has a number of other important distinguishing features. One is the formal incorporation of the notion that countries around the world are functioning at different stages of economic development. The relative importance of particular factors for improving the competitiveness of a country will be a function of the starting conditions, that is, those institutional and structural features which characterize a country in comparison with others in terms of development, as measured by per capita income. For example, what presently drives productivity in Sweden is necessarily different from what drives it in Ghana. Thus, the GCI separates countries into three specific stages: factor-driven, efficiency-driven, and innovation-driven, each implying a

growing degree of complexity in the operation of the economy.

The pillars are organized into three subindexes, each critical to a particular stage of development: a) the *basic requirements* subindex groups those pillars most critical for countries in the factor-driven stage (institutions, infrastructure, macroeconomy, health and primary education); b) the *efficiency enhancers* subindex includes those pillars critical for countries in the efficiency-driven stage (higher education and training, market efficiency, technological readiness); c) the *innovation and sophistication factors* subindex includes all pillars critical to countries in the innovation-driven stage (business sophistication, innovation). The exact methodology underlying the construction of the GCI is described in Chapter 1.1.

The Competitiveness Rankings for 2006

The rankings from the GCI for the 125 countries covered in this year's *Report* are presented in Table 1, with comparisons to the results for those countries covered last year. Tables 2, 3, and 4 show the rankings within each subindex and individual pillar.

Switzerland takes the leading position as the world's most competitive economy in 2006–2007, overtaking Finland and Sweden, and replacing the United States, which dropped to sixth position. Switzerland's top ranking reflects a combination of a world class capacity for innovation and the presence of a highly sophisticated business culture. The country has a well developed infrastructure for scientific research, with close collaboration between the leading research centers and industry. Companies spend generously on research and development. Intellectual property protection is strong and this has helped spur high levels of technological innovation, as measured by per capita patents registration, for which the country is ranked sixth in the world. Business activity in the country benefits from a well-developed institutional framework, characterized by respect for the rule of law, an efficiently working judicial system, and high levels of transparency and accountability within public institutions. Flexible labor markets and excellent infrastructure facilities are two healthy features of the business environment.

The Scandinavian countries remain among the top performers, with Finland, Sweden, and Denmark occupying second, third and fourth places, respectively. They share with Switzerland a broadly similar institutional and structural profile. The Nordic countries have better ranks on the macroeconomy pillar of the GCI, since they are all running budget surpluses and have lower levels of public indebtedness than Switzerland and, indeed, much of the rest of Europe. Finland and Sweden have the best institutions in the world (ranked 1 and 2, respectively) and occupy places in the top ten ranks in health and primary education.

These three Nordic countries also occupy the top three positions in education and training, where Finland's rank of 1 is remarkable for its durability over time. They lag behind Switzerland in the areas of labor market flexibility and, to a lesser extent, in indicators of business sophistication. The Nordic countries show that transparent institutions and excellent macroeconomic management, coupled with world class educational attainment and a focus on technology and innovation are a successful strategy for maintaining competitiveness in small, highly developed economies.

The United States is ranked sixth this year. It remains a world leader in a number of key categories assessed by the GCI, such as market efficiency, innovation, higher education and training, and business sophistication. However, growing imbalances have dented a number of macroeconomic indicators, and the levels of efficiency and transparency underpinning its public institutions do not match those of the most developed industrial countries.

Overall, the picture in the other European Union countries remains relatively stable, with only a few countries registering significant moves in the rankings. Germany and the United Kingdom continue to hold privileged positions, ranked eighth and tenth, respectively. There are interesting contrasts in the performance of both economies from the perspective of the GCI pillars. Both countries have excellent institutional underpinnings, and in some areas namely, the property rights environment and quality of the judicial system, Germany is second to none. The United Kingdom excels in market efficiency indicators, with the most efficient financial markets in the world. The flexibility of the UK labor market and its low levels of unemployment stand in sharp contrast to that of Germany, where the business community is saddled with cumbersome labor regulations. But Germany does somewhat better than the United Kingdom in innovation indicators and the sophistication of its business community, which are among the best in the world.

Italy's competitive position has continued the downward trend observed over the past few years, and the country dropped four places in this year's *Report*. The list of problems is long, beginning with the poor underlying macroeconomic environment. Italy has been running budget deficits without interruption for the past 20 years. The fiscal situation has deteriorated significantly since 2000, with Italy's public debt well over 100 percent of GDP, among the highest in the world. The poor state of Italy's public finances may itself reflect more deep-seated institutional problems, which are reflected in low rankings for such variables as the efficiency of government spending, the burden of government regulation, and, more generally, the quality of public sector institutions. The market efficiency pillar does not deliver very good results either, with particular weaknesses in the areas of labor market flexibility and financial market sophistication and openness.

As in previous years, Poland remains the worst performer among the EU countries, with a rank of 48, right behind Greece (47) and well behind Estonia (25), the Czech Republic (29), and Slovenia (33), Central and Eastern Europe's top performers. Particular weaknesses in Poland stem from the highly protected and rigid labor markets, particularly harmful in a country where unemployment is close to 18 percent. Deeper institutional reforms will be necessary if Poland is to increase productivity and stay competitive in the face of rising labor costs.

Asia is home to some of the most, as well as some of the least competitive economies in our rankings. Singapore leads the pack, ranked fifth overall, followed by Japan in seventh place, with Hong Kong in 11th and Taiwan in 13th place, respectively. These economies all have high-quality infrastructure, flexible and efficient markets, and healthy, well-educated workforces. They are also operating on the outer boundaries of the technology frontier, both at the firm and consumer level.

In Japan, economic recovery has begun with deflation on the wane, yet a number of challenges remain, mainly in management of the public finances and market efficiency. Nevertheless, private sector commitment to R&D, sophisticated production processes, and a highly educated labor force contribute to deliver one of the most innovative economies in the world.

India's overall rank of 43 demonstrates remarkably high scores in capacity for innovation and sophistication of firm operations. This is especially true of the quality of scientific research and the number of scientists and engineers, which are increasingly supplying highly skilled professionals to the private sector. Firm use of technology and rates of technology transfer are high, although penetration rates of the latest technologies are still quite low by international standards, reflecting India's still low levels of per capita income and high incidence of poverty. However, weaknesses in the coverage of educational opportunities and poor-quality infrastructure limit the more equitable distribution of the benefits of India's high growth rates.

China's ranking has fallen from 48 to 54. Consistent with the cautious macro-economic management of its authorities, the macroeconomy pillar of the GCI shows a very high rank, sixth overall in the world. This reflects China's low inflation, one of the highest savings rates in the world, and manageable levels of public debt. Like India, China has low penetration rates for the latest technologies and because these are expanding more quickly in other countries, China's ranks in these indicators are actually falling behind. Secondary and tertiary school enrolment rates are better than they are in India, but still low by international standards. Further progress is needed in improving various components of the institutional environment, including reducing the burden of government regulation, improving the climate for the protection of

property rights, as well as safeguarding the independence of the judiciary.

Once again, at 27th and unchanged with respect to 2005, Chile has the highest ranking overall in Latin America and the Caribbean. Chile's competitiveness position reflects not only solid institutions—already operating at levels of transparency and openness above the average for the EU—but also the presence of efficient markets, relatively free of distortions. The state has played a supportive role in the creation of a credible, stable regulatory regime. Competent macroeconomic management has been a critical element in creating the conditions for rapid growth and sustained efforts to reduce poverty.

Continuing reductions in public debt levels, supported by a fiscal policy that targets an overall government budget surplus have also played a pivotal role in buttressing the credibility of government policy. Given Chile's strong competitive position, the authorities will have to focus attention on upgrading the capacities of the labor force, with a view to rapidly narrowing the skills gap with respect to Finland, Ireland and New Zealand, the relevant comparator group for Chile.

Brazil's ranking, 66th overall, but down from 57th last year, reflects a particularly poor position in the macroeconomy pillar of the GCI (114th as compared to 91st in 2005). This is the result of a large budget deficit in relation to that of other countries, if not to Brazil's poor historical performance. High levels of government debt and a wide interest rate spread indicate the heavy intermediation costs in the Brazilian banking sector, which negatively affect private sector investment and contribute to lower economic growth. Mexico's ranking has remained broadly stable, moving up one place to 58. The country shows a somewhat uneven performance over the various pillars of the GCI, with relatively good scores on health and primary education, goods market efficiency, and selected components of technological readiness, e.g., FDI and technology transfer, no doubt reflecting the close links of the Mexican market to the United States in the context of NAFTA. However, this is offset by the same institutional weaknesses prevalent in the rest of Latin America.

A lack of sound and credible institutions remains a significant stumbling block in many Latin American countries. Bolivia (97), Ecuador (90), Guyana (111), Honduras (93), Nicaragua (95), Paraguay (106), and Venezuela (88) achieve low overall rankings and are among the worst performers in the GCR sample for the absence of the basic elements of good governance, including reasonably transparent and open institutions. All these countries suffer from poorly defined property rights, undue influence in decision making, inefficient government operations, as well as unstable business environments, making it difficult for the business community to compete effectively, either within the region or in the world.

Table 1: Global Competitiveness Index rankings and 2005 comparisons

Country/Economy	GCI 2006 Rank	GCI 2006 Score	GCI 2005 Rank	Country/Economy	GCI 2006 Rank	GCI 2006 Score	GCI 2005 Rank
Switzerland	1	5.81	4	Azerbaijan	64	4.06	62
Finland	2	5.76	2	Colombia	65	4.04	58
Sweden	3	5.74	7	Brazil	66	4.03	57
Denmark	4	5.70	3	Trinidad and Tobago	67	4.03	66
Singapore	5	5.63	5	Romania	68	4.02	67
United States	6	5.61	1	Argentina	69	4.01	54
Japan	7	5.60	10	Morocco	70	4.01	76
Germany	8	5.58	6	Philippines	71	4.00	73
Netherlands	9	5.56	11	Bulgaria	72	3.96	61
United Kingdom	10	5.54	9	Uruguay	73	3.96	70
Hong Kong SAR	11	5.46	14	Peru	74	3.94	77
Norway	12	5.42	17	Guatemala	75	3.91	95
Taiwan, China	13	5.41	8	Algeria	76	3.90	82
Iceland	14	5.40	16	Vietnam	77	3.89	74
Israel	15	5.38	23	Ukraine	78	3.89	68
Canada	16	5.37	13	Sri Lanka	79	3.87	80
Austria	17	5.32	15	Macedonia, FYR	80	3.86	75
France	18	5.31	12	Botswana	81	3.79	72
Australia	19	5.29	18	Armenia	82	3.75	81
Belgium	20	5.27	20	Dominican Republic	83	3.75	91
Ireland	21	5.21	21	Namibia	84	3.74	79
Luxembourg	22	5.16	24	Georgia	85	3.73	86
New Zealand	23	5.15	22	Moldova	86	3.71	89
Korea, Rep.	24	5.13	19	Serbia and Montenegro	87	3.69	85
Estonia	25	5.12	26	Venezuela	88	3.69	84
Malaysia	26	5.11	25	Bosnia and Herzegovina	89	3.67	88
Chile	27	4.85	27	Ecuador	90	3.67	87
Spain	28	4.77	28	Pakistan	91	3.66	94
Czech Republic	29	4.74	29	Mongolia	92	3.60	90
Tunisia	30	4.71	37	Honduras	93	3.58	97
Barbados	31	4.70	—	Kenya	94	3.57	93
United Arab Emirates	32	4.66	32	Nicaragua	95	3.52	96
Slovenia	33	4.64	30	Tajikistan	96	3.50	92
Portugal	34	4.60	31	Bolivia	97	3.46	101
Thailand	35	4.58	33	Albania	98	3.46	100
Latvia	36	4.57	39	Bangladesh	99	3.46	98
Slovak Republic	37	4.55	36	Suriname	100	3.45	—
Qatar	38	4.55	46	Nigeria	101	3.45	83
Malta	39	4.54	44	Gambia	102	3.43	109
Lithuania	40	4.53	34	Cambodia	103	3.39	111
Hungary	41	4.52	35	Tanzania	104	3.39	105
Italy	42	4.46	38	Benin	105	3.37	106
India	43	4.44	45	Paraguay	106	3.33	102
Kuwait	44	4.41	49	Kyrgyz Republic	107	3.31	104
South Africa	45	4.36	40	Cameroon	108	3.30	99
Cyprus	46	4.36	41	Madagascar	109	3.27	107
Greece	47	4.33	47	Nepal	110	3.26	—
Poland	48	4.30	43	Guyana	111	3.24	108
Bahrain	49	4.28	50	Lesotho	112	3.22	—
Indonesia	50	4.26	69	Uganda	113	3.19	103
Croatia	51	4.26	64	Mauritania	114	3.17	—
Jordan	52	4.25	42	Zambia	115	3.16	—
Costa Rica	53	4.25	56	Burkina Faso	116	3.07	—
China	54	4.24	48	Malawi	117	3.07	114
Mauritius	55	4.20	55	Mali	118	3.02	115
Kazakhstan	56	4.19	51	Zimbabwe	119	3.01	110
Panama	57	4.18	65	Ethiopia	120	2.99	116
Mexico	58	4.18	59	Mozambique	121	2.94	112
Turkey	59	4.14	71	Timor-Leste	122	2.90	113
Jamaica	60	4.10	63	Chad	123	2.61	117
El Salvador	61	4.09	60	Burundi	124	2.59	—
Russian Federation	62	4.08	53	Angola	125	2.50	—
Egypt	63	4.07	52				

(cont'd.)

Table 2: Global Competitiveness Index: Basic requirements

Country/Economy	Basic requirements		1st pillar: Institutions		2nd pillar: Infrastructure		3rd pillar: Macroeconomy		4th pillar: Health and primary education	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	92	3.98	108	3.09	121	1.92	83	4.21	34	6.68
Algeria	43	4.88	58	3.87	78	2.91	1	6.19	45	6.56
Angola	125	2.48	111	3.02	113	2.07	123	2.40	125	2.45
Argentina	67	4.42	112	2.98	72	3.26	51	4.64	23	6.78
Armenia	81	4.21	84	3.44	92	2.66	71	4.33	62	6.40
Australia	11	5.72	11	5.51	18	5.42	23	5.15	21	6.79
Austria	18	5.58	13	5.45	17	5.43	36	4.91	49	6.52
Azerbaijan	56	4.59	72	3.63	56	3.67	17	5.30	96	5.76
Bahrain	35	5.18	45	4.21	40	4.26	11	5.55	30	6.72
Bangladesh	96	3.92	121	2.88	117	2.03	47	4.72	90	6.04
Barbados	32	5.24	23	4.94	28	4.85	61	4.45	28	6.74
Belgium	17	5.59	26	4.85	11	5.85	44	4.76	15	6.89
Benin	104	3.68	90	3.32	114	2.06	92	4.03	101	5.29
Bolivia	98	3.89	118	2.90	107	2.22	77	4.25	81	6.20
Bosnia and Herzegovina	78	4.24	106	3.10	96	2.50	45	4.75	38	6.63
Botswana	77	4.27	37	4.46	66	3.37	39	4.85	112	4.42
Brazil	87	4.14	91	3.29	71	3.29	114	3.42	47	6.54
Bulgaria	62	4.50	109	3.07	65	3.41	35	4.92	39	6.61
Burkina Faso	121	3.13	62	3.78	110	2.14	116	3.37	124	3.24
Burundi	124	2.68	113	2.97	123	1.71	122	2.51	120	3.50
Cambodia	100	3.83	95	3.26	97	2.48	101	3.87	98	5.71
Cameroon	105	3.66	117	2.91	120	1.93	40	4.83	104	4.96
Canada	13	5.68	21	5.01	13	5.81	32	4.96	2	6.95
Chad	123	2.84	124	2.44	125	1.43	107	3.76	119	3.74
Chile	28	5.35	25	4.88	35	4.41	7	5.70	57	6.43
China	44	4.80	80	3.51	60	3.54	6	5.72	55	6.44
Colombia	73	4.34	68	3.70	75	3.15	65	4.43	88	6.07
Costa Rica	64	4.48	55	3.97	73	3.22	81	4.23	52	6.49
Croatia	55	4.60	66	3.72	51	3.98	73	4.30	67	6.38
Cyprus	37	5.03	35	4.52	34	4.47	72	4.33	22	6.79
Czech Republic	42	4.89	60	3.84	33	4.50	42	4.81	58	6.42
Denmark	1	6.15	2	5.98	5	6.24	14	5.44	4	6.94
Dominican Republic	89	4.09	93	3.26	80	2.86	85	4.20	89	6.04
Ecuador	74	4.34	116	2.92	94	2.65	21	5.18	41	6.59
Egypt	59	4.52	48	4.12	55	3.72	108	3.75	50	6.51
El Salvador	54	4.60	61	3.80	54	3.75	64	4.44	60	6.41
Estonia	30	5.31	30	4.70	30	4.66	16	5.31	43	6.58
Ethiopia	115	3.29	83	3.45	102	2.34	95	3.98	121	3.39
Finland	3	6.10	1	6.05	10	5.91	12	5.50	7	6.93
France	15	5.66	24	4.91	4	6.25	56	4.55	12	6.92
Gambia	101	3.82	54	4.02	95	2.62	105	3.77	107	4.85
Georgia	82	4.20	78	3.51	79	2.87	93	4.02	61	6.40
Germany	9	5.75	7	5.69	1	6.51	63	4.44	71	6.37
Greece	40	4.96	41	4.36	29	4.71	102	3.86	11	6.92
Guatemala	75	4.32	81	3.49	74	3.20	79	4.24	73	6.34
Guyana	108	3.58	115	2.93	104	2.27	121	2.81	75	6.31
Honduras	90	4.07	110	3.03	81	2.86	87	4.18	80	6.22
Hong Kong SAR	4	6.04	10	5.54	3	6.29	9	5.65	35	6.67
Hungary	52	4.64	46	4.18	48	4.05	98	3.94	66	6.39
Iceland	12	5.70	3	5.98	20	5.39	58	4.51	3	6.95
India	60	4.51	34	4.55	62	3.50	88	4.12	93	5.90
Indonesia	68	4.41	52	4.04	89	2.72	57	4.52	72	6.35
Ireland	23	5.46	17	5.15	31	4.61	20	5.27	24	6.78
Israel	29	5.34	29	4.77	24	5.06	50	4.65	17	6.86
Italy	48	4.70	71	3.66	50	4.00	84	4.21	8	6.93
Jamaica	79	4.24	76	3.58	53	3.75	118	3.21	65	6.39
Japan	19	5.53	22	4.97	7	6.11	91	4.05	1	6.98
Jordan	50	4.66	33	4.55	52	3.85	103	3.84	63	6.40
Kazakhstan	51	4.64	75	3.59	68	3.33	10	5.57	86	6.08
Kenya	107	3.62	98	3.22	86	2.75	99	3.91	110	4.59
Korea, Rep.	22	5.47	47	4.18	21	5.38	13	5.48	18	6.85
Kuwait	33	5.24	38	4.39	45	4.12	2	6.13	76	6.30
Kyrgyz Republic	109	3.56	123	2.66	103	2.30	117	3.27	91	6.02

(cont'd.)

Table 2: Global Competitiveness Index: Basic requirements (cont'd.)

Country/Economy	Basic requirements		1st pillar: Institutions		2nd pillar: Infrastructure		3rd pillar: Macroeconomy		4th pillar: Health and primary education	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Latvia	41	4.90	50	4.07	39	4.33	34	4.93	79	6.27
Lesotho	103	3.68	86	3.40	119	1.99	52	4.64	109	4.69
Lithuania	45	4.80	59	3.86	44	4.14	41	4.82	70	6.37
Luxembourg	10	5.73	14	5.45	15	5.63	19	5.28	46	6.56
Macedonia, FYR	70	4.37	103	3.15	82	2.83	30	5.03	54	6.47
Madagascar	110	3.56	92	3.28	116	2.03	115	3.39	100	5.53
Malawi	117	3.26	63	3.78	115	2.06	124	2.31	106	4.89
Malaysia	24	5.44	18	5.12	23	5.09	31	4.97	42	6.58
Mali	120	3.14	70	3.66	112	2.09	113	3.48	122	3.34
Malta	39	4.98	31	4.59	37	4.37	76	4.26	32	6.69
Mauritania	114	3.40	64	3.77	111	2.09	120	2.82	105	4.91
Mauritius	49	4.70	44	4.26	42	4.17	104	3.79	44	6.58
Mexico	53	4.61	69	3.68	64	3.41	54	4.63	31	6.71
Moldova	88	4.09	101	3.18	85	2.77	67	4.41	92	6.01
Mongolia	97	3.91	105	3.13	106	2.24	60	4.46	95	5.82
Morocco	65	4.44	57	3.87	59	3.57	78	4.24	87	6.07
Mozambique	119	3.21	107	3.09	99	2.41	112	3.50	117	3.85
Namibia	69	4.40	49	4.07	43	4.15	43	4.79	111	4.58
Nepal	106	3.65	99	3.20	122	1.83	59	4.47	102	5.09
Netherlands	8	5.94	9	5.60	8	6.09	22	5.16	13	6.90
New Zealand	16	5.65	8	5.65	27	4.88	25	5.12	6	6.93
Nicaragua	95	3.93	102	3.15	101	2.34	89	4.07	83	6.16
Nigeria	112	3.53	94	3.26	105	2.26	55	4.62	116	3.98
Norway	6	5.96	6	5.71	19	5.41	5	5.80	10	6.93
Pakistan	93	3.96	79	3.51	67	3.36	86	4.19	108	4.79
Panama	46	4.72	65	3.77	46	4.10	75	4.27	27	6.76
Paraguay	102	3.81	122	2.66	109	2.15	90	4.07	68	6.38
Peru	76	4.28	96	3.25	91	2.69	49	4.66	48	6.53
Philippines	84	4.19	88	3.38	88	2.73	62	4.45	82	6.20
Poland	57	4.59	73	3.62	57	3.64	70	4.34	26	6.76
Portugal	34	5.22	28	4.83	26	4.93	80	4.23	16	6.88
Qatar	20	5.51	16	5.16	41	4.22	3	6.03	37	6.64
Romania	83	4.19	87	3.40	77	3.05	97	3.94	69	6.38
Russian Federation	66	4.43	114	2.97	61	3.52	33	4.95	77	6.29
Serbia and Montenegro	99	3.87	97	3.24	90	2.72	106	3.76	97	5.74
Singapore	2	6.13	4	5.90	6	6.16	8	5.67	20	6.81
Slovak Republic	47	4.70	53	4.03	47	4.08	68	4.37	74	6.31
Slovenia	36	5.17	43	4.27	32	4.51	29	5.08	19	6.83
South Africa	58	4.58	36	4.49	49	4.04	46	4.74	103	5.07
Spain	25	5.42	39	4.37	22	5.22	24	5.13	5	6.94
Sri Lanka	80	4.22	82	3.48	76	3.07	110	3.66	36	6.66
Suriname	91	4.06	89	3.37	100	2.36	94	4.01	51	6.50
Sweden	7	5.95	12	5.51	9	5.97	15	5.40	9	6.93
Switzerland	5	6.02	5	5.73	2	6.34	18	5.28	29	6.72
Taiwan, China	21	5.50	32	4.56	16	5.58	27	5.10	25	6.77
Tajikistan	94	3.94	77	3.53	108	2.20	96	3.94	85	6.09
Tanzania	111	3.54	56	3.88	93	2.65	100	3.88	118	3.76
Thailand	38	4.98	40	4.37	38	4.36	28	5.10	84	6.09
Timor-Leste	116	3.27	119	2.90	124	1.66	82	4.22	114	4.31
Trinidad and Tobago	63	4.49	85	3.41	70	3.29	38	4.88	64	6.39
Tunisia	31	5.27	19	5.09	36	4.39	37	4.91	33	6.69
Turkey	72	4.34	51	4.05	63	3.46	111	3.58	78	6.28
Uganda	118	3.22	100	3.18	118	1.99	66	4.42	123	3.29
Ukraine	86	4.15	104	3.14	69	3.30	74	4.27	94	5.88
United Arab Emirates	26	5.41	20	5.05	25	4.99	4	5.92	99	5.67
United Kingdom	14	5.67	15	5.38	14	5.74	48	4.67	14	6.89
United States	27	5.41	27	4.84	12	5.82	69	4.37	40	6.60
Uruguay	61	4.51	42	4.29	58	3.59	109	3.73	59	6.41
Venezuela	85	4.19	125	2.38	84	2.78	26	5.11	53	6.48
Vietnam	71	4.37	74	3.62	83	2.79	53	4.63	56	6.43
Zambia	113	3.43	67	3.72	87	2.75	119	3.07	115	4.17
Zimbabwe	122	2.96	120	2.88	98	2.44	125	2.20	113	4.32

Table 3: Global Competitiveness Index: Efficiency enhancers

Country/Economy	Efficiency enhancers		5th pillar: Higher education and training		6th pillar: Market efficiency		7th pillar: Technological readiness	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	99	3.12	92	3.24	109	3.55	104	2.56
Algeria	92	3.24	84	3.46	96	3.67	100	2.58
Angola	123	2.51	125	1.92	120	3.35	120	2.26
Argentina	66	3.79	39	4.51	94	3.68	70	3.19
Armenia	88	3.33	80	3.58	104	3.60	86	2.81
Australia	10	5.43	14	5.56	11	5.23	7	5.50
Austria	20	5.16	19	5.39	26	4.94	21	5.15
Azerbaijan	78	3.52	82	3.56	81	3.96	76	3.03
Bahrain	49	4.15	64	3.97	39	4.47	41	4.01
Bangladesh	108	3.01	108	2.68	83	3.93	114	2.41
Barbados	29	4.60	24	5.23	49	4.33	34	4.23
Belgium	23	5.07	4	5.83	32	4.69	27	4.68
Benin	105	3.02	101	2.96	95	3.67	112	2.42
Bolivia	97	3.13	89	3.40	111	3.53	111	2.46
Bosnia and Herzegovina	93	3.22	86	3.44	93	3.69	108	2.52
Botswana	77	3.52	87	3.41	59	4.20	80	2.95
Brazil	57	3.94	60	4.10	58	4.21	57	3.50
Bulgaria	70	3.67	62	4.05	90	3.75	68	3.21
Burkina Faso	109	2.95	116	2.51	87	3.78	103	2.56
Burundi	124	2.46	123	2.16	123	3.28	125	1.96
Cambodia	110	2.94	110	2.63	99	3.63	105	2.56
Cameroon	113	2.90	103	2.85	115	3.45	113	2.41
Canada	15	5.35	17	5.51	7	5.26	17	5.28
Chad	125	2.35	124	1.99	124	3.07	124	1.99
Chile	31	4.58	40	4.48	24	5.04	35	4.22
China	71	3.66	77	3.68	56	4.22	75	3.07
Colombia	65	3.82	69	3.89	51	4.32	65	3.24
Costa Rica	51	4.08	52	4.26	52	4.25	44	3.74
Croatia	52	4.07	44	4.43	68	4.11	47	3.68
Cyprus	44	4.27	41	4.48	55	4.22	38	4.10
Czech Republic	27	4.73	27	5.04	41	4.43	26	4.74
Denmark	6	5.59	2	5.91	6	5.40	10	5.46
Dominican Republic	76	3.58	91	3.36	82	3.95	58	3.42
Ecuador	96	3.13	97	3.09	112	3.51	88	2.79
Egypt	74	3.61	75	3.73	65	4.14	79	2.97
El Salvador	68	3.70	83	3.51	50	4.32	64	3.27
Estonia	19	5.18	23	5.26	25	4.98	16	5.29
Ethiopia	120	2.68	120	2.39	118	3.40	121	2.26
Finland	4	5.60	1	6.23	17	5.13	12	5.44
France	22	5.07	12	5.57	28	4.83	25	4.81
Gambia	101	3.09	106	2.81	89	3.77	92	2.69
Georgia	87	3.36	76	3.69	86	3.86	106	2.54
Germany	17	5.22	18	5.42	20	5.09	20	5.16
Greece	47	4.18	34	4.78	62	4.17	50	3.58
Guatemala	82	3.46	94	3.19	77	4.03	71	3.17
Guyana	114	2.89	114	2.54	106	3.56	101	2.57
Honduras	100	3.10	95	3.11	107	3.56	95	2.63
Hong Kong SAR	11	5.40	25	5.08	1	5.69	13	5.44
Hungary	32	4.57	30	4.93	37	4.61	36	4.18
Iceland	8	5.47	13	5.57	8	5.25	4	5.60
India	41	4.32	49	4.35	21	5.07	55	3.52
Indonesia	50	4.12	53	4.25	27	4.93	72	3.17
Ireland	18	5.21	16	5.52	13	5.22	24	4.89
Israel	12	5.40	20	5.39	14	5.17	3	5.65
Italy	40	4.41	35	4.77	78	4.02	32	4.43
Jamaica	53	4.06	67	3.94	61	4.19	40	4.04
Japan	16	5.33	15	5.54	10	5.23	19	5.21
Jordan	58	3.92	54	4.22	53	4.25	62	3.30
Kazakhstan	56	3.97	51	4.28	44	4.39	66	3.23
Kenya	81	3.47	88	3.41	72	4.10	81	2.91
Korea, Rep.	25	5.00	21	5.38	43	4.39	18	5.22
Kuwait	45	4.20	59	4.11	29	4.80	46	3.70
Kyrgyz Republic	102	3.08	79	3.60	114	3.48	122	2.16

(cont'd.)

Table 3: Global Competitiveness Index: Efficiency enhancers (cont'd.)

Country/Economy	Efficiency enhancers		5th pillar: Higher education and training		6th pillar: Market efficiency		7th pillar: Technological readiness	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Latvia	36	4.48	28	5.01	40	4.44	43	3.98
Lesotho	119	2.80	115	2.52	119	3.40	110	2.48
Lithuania	38	4.44	29	4.97	45	4.35	42	3.99
Luxembourg	24	5.00	45	4.42	18	5.11	9	5.47
Macedonia, FYR	80	3.47	66	3.96	91	3.74	91	2.71
Madagascar	112	2.92	113	2.55	103	3.62	99	2.58
Malawi	116	2.87	119	2.46	88	3.77	118	2.37
Malaysia	26	4.89	32	4.80	9	5.24	28	4.64
Mali	118	2.83	118	2.48	102	3.62	117	2.38
Malta	33	4.57	47	4.36	46	4.35	22	5.00
Mauritania	111	2.94	121	2.33	101	3.62	84	2.86
Mauritius	61	3.86	68	3.94	67	4.11	54	3.55
Mexico	59	3.91	71	3.88	48	4.35	56	3.51
Moldova	85	3.38	73	3.78	92	3.73	96	2.62
Mongolia	86	3.37	70	3.89	100	3.62	97	2.60
Morocco	75	3.58	85	3.45	74	4.08	67	3.22
Mozambique	121	2.62	122	2.30	122	3.29	119	2.27
Namibia	90	3.28	105	2.82	79	4.00	78	3.00
Nepal	117	2.87	109	2.63	105	3.58	116	2.39
Netherlands	9	5.45	8	5.67	12	5.23	11	5.45
New Zealand	21	5.15	22	5.33	15	5.17	23	4.94
Nicaragua	95	3.15	93	3.23	98	3.65	98	2.59
Nigeria	89	3.31	100	3.04	70	4.10	87	2.79
Norway	13	5.38	9	5.64	16	5.16	15	5.32
Pakistan	91	3.27	104	2.82	54	4.23	89	2.77
Panama	62	3.86	74	3.75	42	4.41	59	3.41
Paraguay	115	2.89	102	2.93	121	3.33	115	2.40
Peru	67	3.70	72	3.79	66	4.12	69	3.21
Philippines	63	3.85	63	4.02	57	4.21	61	3.32
Poland	48	4.17	33	4.79	64	4.16	51	3.56
Portugal	37	4.47	37	4.63	38	4.61	37	4.18
Qatar	39	4.41	46	4.36	30	4.77	39	4.10
Romania	55	3.99	50	4.34	76	4.03	49	3.59
Russian Federation	60	3.91	43	4.44	60	4.20	74	3.10
Serbia and Montenegro	72	3.63	61	4.09	97	3.66	73	3.16
Singapore	3	5.63	10	5.59	4	5.62	2	5.69
Slovak Republic	34	4.56	38	4.52	34	4.66	30	4.50
Slovenia	30	4.58	26	5.07	63	4.17	29	4.51
South Africa	46	4.19	56	4.17	33	4.67	45	3.72
Spain	28	4.62	31	4.86	36	4.63	33	4.38
Sri Lanka	79	3.51	81	3.56	71	4.10	83	2.87
Suriname	107	3.01	99	3.08	117	3.41	107	2.53
Sweden	2	5.65	3	5.85	19	5.11	1	6.01
Switzerland	5	5.59	6	5.77	5	5.44	5	5.57
Taiwan, China	14	5.36	7	5.67	22	5.07	14	5.32
Tajikistan	103	3.07	98	3.09	108	3.56	102	2.57
Tanzania	94	3.16	112	2.56	75	4.07	82	2.87
Thailand	43	4.29	42	4.44	31	4.76	48	3.67
Timor-Leste	122	2.57	111	2.62	125	2.95	123	2.15
Trinidad and Tobago	64	3.82	65	3.97	69	4.11	60	3.40
Tunisia	42	4.31	36	4.72	35	4.65	53	3.56
Turkey	54	4.02	57	4.15	47	4.35	52	3.56
Uganda	98	3.12	107	2.78	84	3.90	94	2.67
Ukraine	69	3.68	48	4.35	80	3.96	90	2.71
United Arab Emirates	35	4.55	58	4.13	23	5.05	31	4.47
United Kingdom	7	5.59	11	5.57	3	5.63	6	5.56
United States	1	5.66	5	5.82	2	5.67	8	5.49
Uruguay	73	3.63	55	4.19	116	3.42	63	3.27
Venezuela	84	3.40	78	3.63	110	3.53	77	3.02
Vietnam	83	3.45	90	3.39	73	4.10	85	2.85
Zambia	106	3.01	117	2.48	85	3.87	93	2.67
Zimbabwe	104	3.02	96	3.10	113	3.48	109	2.48

Table 4: Global Competitiveness Index: Innovation factors

Country/Economy	Innovation factors		8th pillar: Business sophistication		9th pillar: Innovation	
	Rank	Score	Rank	Score	Rank	Score
Albania	121	2.57	115	3.10	125	2.04
Algeria	90	3.22	103	3.36	76	3.09
Angola	123	2.52	123	2.74	121	2.30
Argentina	79	3.44	75	3.85	83	3.03
Armenia	93	3.17	104	3.34	84	3.00
Australia	24	4.66	28	4.98	24	4.35
Austria	12	5.28	4	5.91	17	4.65
Azerbaijan	70	3.59	70	3.92	63	3.26
Bahrain	77	3.47	55	4.24	101	2.71
Bangladesh	104	3.01	96	3.42	109	2.59
Barbados	54	3.78	58	4.21	49	3.36
Belgium	14	5.21	12	5.73	16	4.68
Benin	88	3.23	85	3.58	90	2.87
Bolivia	119	2.64	119	2.97	120	2.31
Bosnia and Herzegovina	99	3.08	92	3.47	104	2.68
Botswana	95	3.15	95	3.43	91	2.87
Brazil	38	4.09	38	4.61	38	3.56
Bulgaria	85	3.26	84	3.59	87	2.93
Burkina Faso	84	3.27	98	3.40	69	3.14
Burundi	118	2.66	117	3.01	119	2.32
Cambodia	102	3.05	100	3.37	98	2.72
Cameroon	101	3.05	101	3.37	97	2.73
Canada	16	5.08	18	5.33	13	4.82
Chad	122	2.53	121	2.81	122	2.26
Chile	33	4.22	30	4.88	39	3.56
China	57	3.75	65	4.05	46	3.44
Colombia	48	3.82	48	4.34	57	3.30
Costa Rica	35	4.16	34	4.66	36	3.65
Croatia	50	3.81	61	4.17	45	3.45
Cyprus	49	3.81	50	4.32	55	3.30
Czech Republic	27	4.47	29	4.96	28	3.98
Denmark	7	5.40	9	5.76	10	5.04
Dominican Republic	91	3.22	79	3.72	99	2.72
Ecuador	97	3.14	82	3.63	105	2.65
Egypt	65	3.63	57	4.22	82	3.04
El Salvador	75	3.51	62	4.13	89	2.89
Estonia	32	4.24	35	4.65	30	3.83
Ethiopia	116	2.72	120	2.94	114	2.50
Finland	6	5.65	11	5.74	4	5.56
France	13	5.28	10	5.76	14	4.80
Gambia	112	2.89	106	3.30	115	2.48
Georgia	113	2.86	116	3.02	102	2.71
Germany	3	5.89	1	6.26	5	5.51
Greece	45	3.89	46	4.35	47	3.43
Guatemala	64	3.63	60	4.19	78	3.07
Guyana	106	2.95	97	3.42	116	2.48
Honduras	100	3.07	87	3.53	107	2.61
Hong Kong SAR	18	4.97	13	5.48	22	4.46
Hungary	39	4.08	49	4.34	31	3.82
Iceland	17	5.00	14	5.45	19	4.55
India	26	4.60	25	5.06	26	4.14
Indonesia	41	4.07	42	4.53	37	3.60
Ireland	19	4.96	16	5.39	20	4.54
Israel	8	5.40	17	5.38	7	5.42
Italy	31	4.29	24	5.08	43	3.50
Jamaica	56	3.77	56	4.22	54	3.32
Japan	1	6.02	2	6.14	1	5.90
Jordan	61	3.65	67	4.04	64	3.25
Kazakhstan	74	3.51	72	3.90	70	3.13
Kenya	59	3.73	68	4.04	48	3.42
Korea, Rep.	20	4.96	22	5.20	15	4.71
Kuwait	46	3.85	33	4.66	81	3.04
Kyrgyz Republic	108	2.93	105	3.31	111	2.55

(cont'd.)

Table 4: Global Competitiveness Index: Innovation factors (cont'd.)

Country/Economy	Innovation factors		8th pillar: Business sophistication		9th pillar: Innovation	
	Rank	Score	Rank	Score	Rank	Score
Latvia	58	3.74	54	4.28	66	3.19
Lesotho	120	2.59	122	2.80	117	2.37
Lithuania	44	3.96	41	4.56	50	3.35
Luxembourg	23	4.81	21	5.27	23	4.36
Macedonia, FYR	87	3.24	88	3.50	86	2.98
Madagascar	89	3.23	99	3.39	77	3.07
Malawi	109	2.93	113	3.16	103	2.70
Malaysia	22	4.91	20	5.29	21	4.53
Mali	94	3.17	107	3.29	80	3.04
Malta	53	3.79	51	4.32	62	3.26
Mauritania	105	2.98	102	3.36	108	2.60
Mauritius	47	3.84	44	4.44	65	3.23
Mexico	52	3.80	52	4.30	58	3.29
Moldova	98	3.09	93	3.46	100	2.72
Mongolia	110	2.92	118	2.98	94	2.86
Morocco	72	3.54	78	3.82	61	3.26
Mozambique	115	2.86	114	3.13	110	2.58
Namibia	86	3.25	83	3.60	88	2.91
Nepal	111	2.90	108	3.26	112	2.54
Netherlands	11	5.35	7	5.80	11	4.90
New Zealand	25	4.65	26	5.06	25	4.23
Nicaragua	107	2.94	109	3.23	106	2.64
Nigeria	69	3.60	74	3.87	52	3.33
Norway	21	4.95	19	5.30	18	4.59
Pakistan	60	3.66	66	4.05	60	3.27
Panama	62	3.64	53	4.29	85	2.99
Paraguay	117	2.68	112	3.16	123	2.20
Peru	68	3.61	47	4.35	92	2.86
Philippines	66	3.63	59	4.20	79	3.05
Poland	51	3.80	63	4.13	44	3.47
Portugal	37	4.14	43	4.47	32	3.81
Qatar	55	3.78	69	4.04	41	3.51
Romania	73	3.52	73	3.89	68	3.14
Russian Federation	71	3.55	77	3.83	59	3.28
Serbia and Montenegro	83	3.27	94	3.44	71	3.11
Singapore	15	5.11	23	5.17	9	5.04
Slovak Republic	43	3.96	45	4.41	42	3.51
Slovenia	34	4.18	36	4.64	34	3.71
South Africa	29	4.35	32	4.79	29	3.92
Spain	30	4.34	27	5.00	35	3.68
Sri Lanka	67	3.61	71	3.90	53	3.32
Suriname	114	2.86	111	3.18	113	2.54
Sweden	5	5.66	5	5.87	6	5.44
Switzerland	2	5.89	3	6.06	3	5.72
Taiwan, China	9	5.38	15	5.45	8	5.31
Tajikistan	103	3.02	110	3.19	95	2.85
Tanzania	76	3.49	81	3.68	56	3.30
Thailand	36	4.15	40	4.57	33	3.74
Timor-Leste	125	2.36	124	2.58	124	2.14
Trinidad and Tobago	63	3.63	64	4.10	67	3.17
Tunisia	28	4.42	31	4.80	27	4.05
Turkey	42	3.96	39	4.58	51	3.35
Uganda	82	3.30	90	3.49	72	3.11
Ukraine	78	3.47	76	3.84	73	3.11
United Arab Emirates	40	4.08	37	4.63	40	3.52
United Kingdom	10	5.36	6	5.82	12	4.89
United States	4	5.75	8	5.78	2	5.72
Uruguay	80	3.41	80	3.71	74	3.10
Venezuela	96	3.14	91	3.48	96	2.80
Vietnam	81	3.32	86	3.55	75	3.10
Zambia	124	2.43	125	2.51	118	2.35
Zimbabwe	92	3.18	89	3.50	93	2.86

As in previous years, Venezuela's overall performance continues to deteriorate, reflecting a sharp deterioration in the quality of Venezuelan institutions, especially in combating corruption, undue influence in decision-making, and in reducing government intervention. For all the talk about the social dimension of the government's "benign" revolution, school enrolment rates are either mediocre or poor, with Venezuela ranking 85, just behind Vietnam, Suriname, and China at the secondary school level. Venezuela's infant mortality rate of 16 per 1,000 live births is on a par with Albania, and actually higher than that of Russia or the Ukraine, two countries still recovering from decades of public health neglect.

The competitiveness landscape in the Middle East and North African region has generally seen an improvement since last year's *Report*. Among the larger economies, Algeria and Morocco moved up six places each, to ranks 76 and 70, respectively, while Tunisia, the most competitive economy of the region, reached rank 30, up seven places from last year, closely followed by the United Arab Emirates at rank 32. The smaller Gulf States also did well: Kuwait was up five places to rank 44, Qatar leaped eight places to rank 38 and Bahrain achieved rank 49. Israel also saw a notable improvement, moving up eight places to rank 15. Only Egypt (rank 63) and Jordan (rank 52) lost significant ground, dropping ten and nine ranks respectively.

Although sub-Saharan Africa has experienced high growth over the past few years, the results of the Global Competitiveness Index suggest that this trend may not be sustainable. In terms of competitiveness, the region lags far behind the rest of the world. Out of the 24 countries from Sub-Saharan Africa included in this year's sample, 19 rank among the 25 weakest performers occupying rank 100 or below. The seven newcomers to the Report from the region (Angola, Burkina Faso, Burundi, Cameroon, Lesotho, Mauritania, and Zambia) are no exception. All rank below 100 and suffer from a weak performance in most of the nine pillars. Only a few countries are taking advantage of the global boom in commodity prices to build a strong institutional basis for long-term growth.

South Africa remains the top performer of the region (45th overall). Despite significant achievements since the ending of apartheid, the country is in many ways still struggling with its legacy, including gross inequalities, high unemployment, major skill shortages, and a striking dichotomy between first and third world characteristics.

Nigeria shows a very different picture. Weak and deteriorating institutions, including a serious security problem, lower scores in the areas of infrastructure and basic health and education, and a very significant change for the worse in macroeconomic management have depressed the country's rank to 101, from 83 last year. Despite its huge revenues from record high oil prices, the large majority of the population remains very poor and

without access to basic healthcare and education.

Botswana has been relatively successful, ranking 81st, the third best performance in sub-Saharan Africa after South Africa and Mauritius (55th). The government succeeded in using its wealth from key natural resources to boost the country's growth rate. Key to Botswana's success were reliable public institutions and the country is known to have one of the lowest levels of corruption in Africa.

The Business Competitiveness Index

Competitiveness finds its ultimate expression in the prosperity that countries can sustain over time. Prosperity is sustainable, if it is based on the productivity companies can reach given the conditions they face in an economy. While most discussion of competitiveness remains focused on the macroeconomic, political, legal, and social circumstances that underpin a successful economy, progress in these areas is necessary but not sufficient. Reflecting this view, the Business Competitiveness Index (BCI) ranks countries by their microeconomic competitiveness, identifies competitive strengths and weaknesses in terms of countries' business environment conditions and company operations and strategies, and provides an assessment of the sustainability of countries' current levels of prosperity.

This year's BCI rankings, calculated for 121 countries, are shown in Table 5. The first column shows the overall rankings, while the second two columns show the rankings in each of the two subindexes: company operations and strategy and the quality of the national business environment. As in previous years, the authors estimate that the BCI explains more than 80 percent of the variation of GDP per capita across the wide sample of countries covered, a confirmation of the critical importance of microeconomic factors for prosperity.

The United States remains in the leading position in competitiveness, ahead of Germany and Finland. The United States' strength is greatest in the business environment, including domestic rivalry (rank 1 on "intensity of local competition" and "effectiveness of antitrust policy"), financial markets (rank 1 on "venture capital availability," "local equity market access," and "financial market sophistication"), and innovative capacity (rank 1 on "university/industry research collaboration," "company R&D spending," "local availability of specialized research and training services," and "quality of scientific research institutions").

High-income nations improving their rankings the most include Hong Kong (up 7 ranks after a decline last year), registering strong improvements in management education, the efficacy of government boards, and local availability of process machinery; and Norway, (up 5 ranks) benefiting from increasing intensity of local competition, the availability of venture capital, and efficiency of the

Table 5: The Business Competitiveness Index

Country/Economy	BCI ranking	Quality of the national business environment ranking	Company operations and strategy ranking
United States	1	1	1
Germany	2	2	2
Finland	3	3	8
Switzerland	4	4	4
Denmark	5	6	6
Netherlands	6	5	7
Sweden	7	8	3
United Kingdom	8	7	9
Japan	9	9	5
Hong Kong SAR	10	10	12
Singapore	11	11	21
Austria	12	14	10
Iceland	13	12	19
Norway	14	13	20
Canada	15	16	18
France	16	18	11
Belgium	17	17	13
Australia	18	15	23
Israel	19	19	15
Malaysia	20	20	14
Taiwan, China	21	22	16
Ireland	22	23	17
New Zealand	23	21	24
Estonia	24	24	35
Korea, Rep.	25	29	22
Tunisia	26	25	33
India	27	27	25
Portugal	28	26	40
Chile	29	28	29
Spain	30	31	31
United Arab Emirates	31	30	39
Czech Republic	32	32	28
South Africa	33	34	27
Qatar	34	33	44
Indonesia	35	38	26
Slovenia	36	36	34
Thailand	37	37	30
Italy	38	42	32
Hungary	39	35	43
Slovak Republic	40	39	45
Malta	41	40	63
Barbados	42	41	60
Lithuania	43	45	37
Kuwait	44	44	59
Cyprus	45	43	67
Turkey	46	46	41
Latvia	47	48	47
Mauritius	48	49	46
Greece	49	47	53
Costa Rica	50	52	36
Bahrain*	51	50	64
Jordan	52	51	70
Poland	53	53	49
Jamaica	54	55	52
Brazil	55	58	38
Croatia	56	54	56
Mexico	57	56	42
Panama	58	57	58
Colombia	59	59	54
El Salvador	60	60	61
Guatemala	61	66	50
Uruguay	62	61	71
Trinidad and Tobago	63	64	65

Country/Economy	BCI ranking	Quality of the national business environment ranking	Company operations and strategy ranking
China	64	65	69
Sri Lanka	65	68	68
Morocco*	66	62	80
Pakistan	67	67	72
Kenya	68	72	57
Botswana	69	63	86
Kazakhstan	70	70	74
Peru	71	75	51
Philippines	72	76	48
Tanzania	73	71	75
Romania	74	73	73
Namibia	75	69	83
Egypt	76	74	76
Azerbaijan*	77	78	66
Argentina	78	79	62
Russian Federation	79	77	78
Nigeria*	80	84	55
Ukraine	81	80	82
Vietnam	82	83	77
Bulgaria	83	81	95
Dominican Republic	84	86	79
Algeria	85	82	112
Serbia and Montenegro	86	85	110
Macedonia, FYR	87	87	90
Uganda*	88	90	87
Burkina Faso*	89	88	98
Moldova	90	91	91
Mali*	91	89	100
Gambia	92	92	85
Venezuela	93	94	81
Armenia	94	93	101
Benin	95	95	94
Bosnia and Herzegovina	96	96	107
Madagascar	97	99	99
Tajikistan*	98	97	108
Mongolia	99	98	104
Georgia	100	101	97
Mauritania*	101	102	88
Nicaragua	102	100	109
Zimbabwe	103	104	84
Malawi	104	103	93
Ecuador	105	105	89
Honduras	106	106	92
Cambodia	107	107	96
Bangladesh	108	110	105
Suriname	109	108	115
Mozambique	110	111	103
Nepal	111	113	106
Kyrgyz Republic	112	112	114
Cameroon	113	114	102
Guyana	114	115	111
Lesotho	115	116	116
Zambia	116	109	123
Bolivia	117	117	120
Ethiopia	118	118	121
Albania	119	120	113
Paraguay	120	119	118
Chad*	121	121	124

Note: *Survey data for these countries have high within-country variance; until the reliability of survey responses improves with future educational efforts and improved sampling in these countries, their rankings should be interpreted with caution.

(cont'd.)

legal framework. High-income economies falling in the rankings include Cyprus, the Czech Republic, Taiwan, and France. France (down 6 ranks), failed to maintain last year's progress, driven especially by weaker assessments of the ease of access to loans, university/industry research collaboration, and the quality of public schools.

Middle-income nations improving their competitiveness ranking include Guatemala, Indonesia, the Dominican Republic, and Morocco. Indonesia (up 24 ranks), registered a major rebound after the large drop last year following concerns about the effectiveness of the new government. This year's gains were driven by easier access to loans, decreased power of business groups, and more effective anti-trust policy. Middle-income countries falling in competitiveness rank include Argentina, Botswana, the Ukraine, China, Jordan, and Poland. Argentina (down 15 ranks), Botswana (down 13 ranks), and Poland (down 8 ranks) all fell back after gains last year proved unsustainable. Argentina was dragged down by worsening local supplier quality and quantity and increasing centralization of economic policy-making.

Among low-income countries, China (down 9 ranks) continues the downward trend beginning in 2002. This year's decline was driven especially by higher levels of corruption, weaker assessment of buyer sophistication, and concerns about labor relations. Euphoria about China is moderating as the realities of its competitiveness become more apparent. Among other low-income countries, Benin (up 7 ranks), Kenya (up 6 ranks), and Tanzania (up 6 ranks) made the largest improvements. Malawi (down 18 ranks), Zimbabwe (down 15 ranks), Cameroon (down 10 ranks), and Mozambique (down 10 ranks) experienced the largest drops among low-income countries. Zimbabwe's political problems seem increasingly to be feeding through to the microeconomic foundations of its economy.

This year the chapter includes a new analysis of the relationship between the productivity attainable in a country – measured by its BCI score – and the prevailing wage levels. The analysis on a sub sample of 42 countries with comparable data confirms that competitiveness has a major impact on sustainable wage levels. Many western European countries register actual wages above the level justified by their competitiveness, a cause for concern. Five Asian countries and the Baltic Tigers instead report wages below the level indicated by their competitiveness, explaining why these countries are widely seen as attractive locations to do business. The United States and Japan are notable as high-wage economies that still provide good value given their competitiveness.

The chapter also includes a new section ranking countries on their dynamism in upgrading competitiveness. Competitiveness is a dynamic concept where progress depends on continuous improvements in those dimensions of company sophistication and business environment

quality that matter most given a country's current stage of development. Among low-income countries, India, followed by Pakistan, registers the highest rate of dynamism, while Vietnam and Malawi lost ground. Among middle-income countries, Malaysia and Turkey registered the highest rate of dynamism. Among high-income countries, Norway is a surprising leader in dynamism while Italy has lost ground; Finland, and to a smaller degree Sweden, have also moved backwards.

Finally, the chapter provides an analysis of contextual factors. Political stability, location—a prosperous neighborhood and a beneficial geography with access to trade routes—and natural resource wealth help to explain why countries' actual prosperity can deviate from the level predicted by their competitiveness. Overall, high-income countries benefit from a better context than middle- and especially low-income countries.

The *Report* also includes specific profiles for the 125 countries covered, outlining the index rankings for each, as well as their relative competitive advantages and disadvantages. In addition to the country profiles, detailed data tables give an account of country rankings on the variables utilized to compute the indexes, as well as others. Guidelines on how to read the country profiles and data tables are included at the end of the *Report*, along with technical notes on data sources, and the full definition of certain variables.

Selected Issues of Competitiveness

As in previous *Reports*, this year's edition features several outstanding contributions from eminent scholars and experts, dealing with specific competitiveness issues or broader development themes. All are concerned with the conditions for sustained growth and development and represent a very insightful reading for policymakers, business and the general public. Each addresses a different aspect of competitiveness, and provides in-depth analysis of some of the central questions at the heart of the work we do at the World Economic Forum, on such topics as the role of good governance in fostering an attractive investment climate, and the importance for the development process of what professor Huang calls the soft infrastructure of growth. These special studies are highly business relevant, and complement the competitiveness indexes, country profiles and data tables elsewhere in the *Report*.

Global imbalances

Richard Cooper and Ken Rogoff present two contrasting interpretations of the threat global imbalances represent for global prosperity. For Cooper, the US current account deficit is a natural feature of a globalized economy, reflecting matching surpluses in countries with aging, high-saving populations, shrinking labor markets, declining

investment, and low returns. Excess savings in some of these large countries, such as, Germany and Japan, manifest themselves in budget deficits and current account surpluses at home and investment abroad. The United States, the world's center of technological innovation, with extremely well developed financial markets, produces secure, high-yielding financial assets that attract a reasonable share of global world savings and foreign official investment, equivalent to the current account deficit, which can thus be sustained for many years. What is unsustainable is the present growth of the US deficit as a share of GDP. Maintaining a constant share deficit may require some depreciation of the dollar and a reduction in the trade deficit. It will also require greater effort on the part of the United States to reduce fiscal imbalances.

For Rogoff, the US deficit represents government borrowing and no longer supports high real investment. The United States is presently consuming 70 percent of the world's net savings. Historically, current account deficits have tended to collapse at relatively low levels. A housing slump would slow the US economy, while other countries are growing, reducing the US deficit. The overvalued dollar could drop up to 40 percent on a trade-weighted basis, reducing global output and precipitating a financial market crisis, soaring interest rates, with a concomitant severe impact on Europe and Japan. Budget deficits are ballooning, with rising costs for the elderly and for security. High government debt to GDP ratios and rising interest rates could precipitate emerging market debt crises and defaults. Accumulating global imbalances are now a substantial risk to the world economy, which only multilateral policy consultations could reduce. There has to be a massive appreciation in emerging Asia, and an immediate effort to balance the US budget.

The fight against corruption

In her thoughtful paper "Looking Under Every Stone: Transparency International and the Fight Against Corruption," Juanita Olaya provides a compelling account of the history and achievements of Transparency International (TI) in fighting corruption in the world and of the challenges remaining to be addressed.

The author begins by briefly describing the pathology of corruption—the abuse of entrusted power for private gains—highlighting its typologies and degree in both private and public sectors, and in developing and developed countries. Corruption has been estimated by the World Bank to account for as much as 3 percent of global GDP (2004). Olaya describes the negative impact of corruption on many of the factors enabling socio-economic development, significantly slowing the growth of corrupt countries.

In view of these facts, TI was founded in 1993 to deal with systematic change and prevention of corruption at the national and international level. The paper provides a

comprehensive picture of TI's projects and accomplishments up to the present, the most notable of which was its success in inserting the fight against corruption into national and global agendas and raising awareness of the important role to be played in combating corruption by both the private sector and civil society.

Notwithstanding the signal achievements of TI, Ms. Olaya argues that corruption remains endemic, due to its endogeneity and varied typologies, the slow pace of institutional change, and the limited application and enforcement of anti-corruption legislation. Among the challenges in the years to come she cites the need to move from regulation and rule-making to actual implementation, to ensure that appropriate checks are in place in international transactions, and to set up cooperative and information-sharing mechanisms among the many stakeholders in the fight against corruption.

Economic growth, employment, and competitiveness

The paper "Economic Growth, Employment, Competitiveness, and Labor Market Institutions," by Peter Auer and Rizwanul Islam, of the International Labour Organization, illustrates how high employment intensity of growth can help tackle unemployment and contribute to poverty reduction. The authors make a strong case for the vital importance of understanding the link between output and employment growth and its relevance to economic policy-making.

The underlying identity that links these concepts states that, in general, the rate of employment growth is inversely related to labor productivity growth. However, the paper argues that although there may be a trade-off between employment and productivity in the short-run, employment-intensive growth does not necessarily compromise productivity, which is essential for maintaining competitiveness.

Using a large set of cross-country comparable data, the paper finds that over the last decade there has been an increasing global trend toward economic growth without significant employment growth. It also shows that there can be a considerable amount of variation in the degree of employment intensity between various sectors and sub-sectors of an economy. Thus, the overall employment intensity can actually increase if the labor-intensive sectors grow at higher rates.

The paper also argues that labor market flexibility is necessary in order to adapt to changing market circumstances, and supports the employment intensity of growth when it leads to efficient reallocation of labor. But, they argue, too much flexibility might be detrimental to worker security and also productivity. Because employment protection legislation and tenure support investment in training and increases in productivity, they also have positive effects. Taken together, the authors suggest that, rather

than flexibility of the labor market alone, it is preferable to have optimal combinations of labor market flexibility, employment stability, and security, in order to have good labor market performance and a robust growth-employment link.

A competitiveness perspective on China and India

In his insightful contribution “Are China and India Performing Well Relative to their Competitive Potential?” Yasheng Huang compares the development paths of China and India and questions the current perception that China, due to its overwhelming success, should serve as a model for India. He makes the point that by focusing on improving governance and fostering private sector development India created a better base for future growth than the Chinese investment-led approach.

In support of his argument, Huang looks at those factors which cast doubt on the widely held perception of China’s relative success and explains why its performance deteriorated, relative to that of India, in the late 1990s. In the 1990s, India achieved levels of growth similar to those of China despite the latter’s advantages of geographical location, a better educated and healthier population, and a more mobile social system. Moreover, China performs poorly on a number of microeconomic indicators, including those contained in the Business Competitiveness Index published in this *Report*, which show that the health of China’s enterprises has been declining since the late 1990s while India’s business sector has been thriving and achieving significantly higher productivity growth over the same period. China’s progress in reform stalled after government-led investment and spending took the pressure off reform, while India continued to focus on productivity-enhancing measures.

Huang dismantles another argument for China’s relative supremacy, namely the significantly higher FDI inflows into China. Until the mid 1990s, FDI inflows into China mainly came from diaspora Chinese and were not grounded in better growth prospects. Today, India’s Western FDI inflows surpass what China has received at a similar stage by a large margin, and have a greater technological component. He contends that “soft infrastructure” factors which matter for economic growth in the long term—such as the quality of the financial system, good political and corporate governance, and the rule of law—are less developed in China than in India. This is illustrated by the financial sector. While India’s companies face financing constraints similar to those in more advanced emerging markets such as Malaysia or Thailand, Chinese companies operate under severe financing constraints similar to those in such former transition economies as Russia and Romania. Huang believes that hard infrastructure, widely perceived as one of China’s advantages over

India contributed less to Chinese development than it might appear.

Part 1

The Competitiveness Indexes

The Global Competitiveness Index: Identifying the Key Elements of Sustainable Growth

AUGUSTO LOPEZ-CLAROS

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Competitiveness and the global context

A number of processes have contributed to the transformation of the global economy since World War II. The opening of national borders has led to a remarkable expansion of international trade and resulted in important efficiency gains in resource allocation. The collapse of barriers to the flow of goods and services, capital and labor has not always been orderly and has proceeded at different speeds in different parts of the world. But it is now virtually universal in scope. Not only has it emerged as an important driver of global economic growth, but greater openness and stronger links with the world economy have imposed on domestic producers everywhere the valuable discipline of international competition and attracted much needed capital and expertise, thus enhancing the prospects for growth through increased efficiency.

Alongside the quickening pace of global economic integration, there has been a marked acceleration in the pace of technological and scientific progress. Advances in information technology, in particular, have created new opportunities for businesses against the background of an increasingly complex global economy. Reductions in the cost of communication are facilitating the shift of back-room operations to the developing world. The multinational corporation, already operating with a global outlook as regards the location of its markets and the sources of supply, is also operating globally in terms of sources of finance and physical location. With reduced transport costs, location is becoming less important and political and economic stability, a well-trained labor force, and strong institutional underpinnings are emerging as the key drivers of prosperity. These developments are also leading an increasing number of governments around the globe to be more assertive in pursuing competitiveness-enhancing policies.

At the World Economic Forum, we understand national competitiveness as the set of factors, policies and institutions that determine the level of productivity of a country. Raising productivity—meaning making better use of available factors and resources—is the driving force behind the rates of return on investment which, in turn, determine the aggregate growth rates of an economy. Thus, a more competitive economy will be one which will likely grow faster in a medium to long-term perspective.

Our productivity-oriented view of competitiveness also allows us to counter the widespread notion that the aim of competitiveness is improved export performance as measured, for instance, in growing market shares. But while trade no doubt contributes to improving productivity and is thus one of the main drivers of competitiveness, as a mechanism for specialization and gains in efficiency on an international scale, it is, in fact, only a small part of the picture. Indeed, a number of observations can be made when examining the factors that contribute to improve a

country's competitiveness. The first and perhaps most self-evident is that the factors are many and span several different areas. For example, there already exists considerable empirical literature documenting the central importance of macroeconomic stability for economic growth. There are no known cases of countries—at least during the post-war period, when the existence of a system of national accounts and the emergence of national statistics has permitted the development of tracking mechanisms—in which high economic growth on a sustained basis has taken place against the background of runaway inflation or disorderly public finances. In fact, there is overwhelming evidence that in the *absence* of a solid foundation of macroeconomic stability, growth will be anaemic—viz. Argentina—or, at best, volatile—viz. Turkey.

However, there is increasing recognition that a solid foundation of macroeconomic stability *alone* is not sufficient to ensure rapid economic growth. Hernando de Soto made a compelling case for the importance of property rights, insisting that a weak property rights environment discourages investment and creates uncertainties which complicate long-range planning. In developing countries in particular, they hamper the ability of budding entrepreneurs to access the financial system using physical assets as collateral. De Soto (2000) notes that with “houses built on land whose ownership rights are not adequately recorded, unincorporated businesses with undefined liability, industries located where financiers and investors cannot see them...assets cannot readily be turned into capital, cannot be traded outside of narrow local circles where people know and trust each other...and cannot be used as a share against an investment.”¹

Daniel Kaufmann (2005)² and a number of other researchers have shown the central importance of the establishment of an institutional environment characterized by openness and transparency in the management of public resources. Corruption poisons the development process. It leads to resource misallocation as funds are no longer directed toward their most productive ends, but are instead captured for private gain. It undermines the credibility of those who are perceived as being its beneficiaries (e.g., public officials, government ministers, and business leaders) and thus sharply limits their ability to gain public support for economic and other reforms. Work done at the World Bank (Kaufmann, 2003) has shown that the benefits for income per capita associated with improvements in governance are very large—“an estimated 400 percent improvement in per capita income associated with an improvement in governance by one standard deviation.”³

Other elements of the institutional environment are also key. For instance, as with property rights, there is a burgeoning literature and a large body of country-specific experience on the importance of an efficient judicial system. It matters significantly for productivity whether firms

are able to resolve legal disputes through a court system that operates transparently, with reasonable speed, and in which decisions are broadly consistent with the letter of the law, as opposed to a system where legal disputes can last a decade, drain huge financial resources, and deliver outcomes reflecting vested interests. In the latter case firms will face a higher cost structure and lose competitiveness vis-à-vis more fortunate competitors operating in friendlier legal environments. Related to the legal environment is the overall regulatory framework and the burdens it can impose on existing businesses and the discouraging effect it can have on the creation of new ones. The World Bank's *Doing Business* reports have achieved broad international recognition by focusing attention on the regulatory obstacles to new business creation in a large number of countries. Paradoxically, it is in the countries where there is an urgent need to foster private sector development that the obstacles are the most onerous.

Beyond these institutional factors, many others are also known to play a role in enhancing productivity growth. Education and training are emerging as key drivers of competitiveness. As the global economy has become more complex, it has become evident that to compete and maintain a presence in global markets it is essential to boost the human capital endowments of the labor force, whose members must have access to new knowledge, be constantly trained in new processes and in the operation of the latest technologies. As coverage of primary education has expanded rapidly in the developing world, higher education has gained importance. Thus, countries which have invested heavily in creating a well-developed infrastructure for tertiary education have reaped enormous benefits in terms of growth. Education has been a particularly important driver in the development of the capacity for technological innovation, as the experience of Finland, Korea, Taiwan, and Israel clearly shows.⁴

As numerous as these factors may be—see next section for a more detailed description of the Global Competitiveness Index—they will matter differently for different countries, depending on their particular starting conditions or, broadly defined, their institutional endowments, current state of policies, and other factors inherent to their stage of development. Sound public finances may be important everywhere for creating the conditions for productivity growth, but they will be less important in countries with a long history of sound fiscal management. On the other hand a move to better fiscal management in a country known for fiscal indiscipline, such as Argentina, is likely to be beneficial for growth. The notion of the relative importance of these factors being a function of a country's endowments and stage of development is explicitly incorporated in the Global Competitiveness Index.

Finally, the factors themselves will evolve over time, reflecting the rapid pace of change in the global economy. For example, we may look to the growing importance of the latest technologies in enhancing productivity growth through improved processes and management practice, as compared to the early part of the post-war period, when growth in the global economy appears to have been driven mainly by the expansion of resource endowments.

The Global Competitiveness Index

Since 2001, the Forum has been using the Growth Competitiveness Index (Growth CI) developed by Jeffrey Sachs and John McArthur to assess the competitiveness of nations. Although it was cutting edge at the time it was developed, more recent advances in economic research and the rising importance of the international dimension, as well as the increasing diversity of countries covered by the *Report*, call for an adjustment of methodology. The Growth CI, although an elegant attempt to intelligently organize a large number of factors known to affect productivity in a large number of countries, nevertheless, involved some compromises in terms of the choice of such factors. For instance, it did not incorporate any indicators able to capture the efficiency of labor markets, an important shortcoming in the context of discussions about economic reform in Europe, where labor market rigidities are seen as being at the center of the region's lagging growth performance as compared to the United States and Asia. The Lisbon Agenda, intended to turn the EU into the most competitive region in the world by 2010, highlighted the centrality of more efficient labor markets as a precondition for productivity growth.

Surveys of top executives in Africa reveal considerably less concern about macroeconomic stability than they do about the impact of HIV/AIDS and other diseases on the labor forces of these countries. Public health indicators were not present in the Sachs-McArthur framework, suggesting the need to include these increasingly relevant factors of competitiveness, particularly in an African context. The modernization of a country's infrastructure is also seen as an important driver of productivity and growth potential. In India, Latin America, and in many parts of Africa, dilapidated roads and ineffective physical infrastructures are seen as important supply bottlenecks, undermining growth performance. Thus, a more comprehensive measure of national competitiveness should, ideally, include some indicators of the quality of a country's underlying infrastructure.

With the aim of incorporating these and many other factors into a broader measure of competitiveness, Professor Xavier Sala-i-Martin, a leading expert on growth and economic development, has developed a new comprehensive competitiveness model for the World

Economic Forum. This new Global Competitiveness Index (GCI) and a full description of its main methodological underpinnings was first presented in the *Global Competitiveness Report 2004–2005* (Sala-i-Martin and Artadi, 2004). The GCI extends and deepens the concepts and ideas underpinning the earlier Growth Competitiveness Index. In order to build a time series of the results before moving to the new index, a set of scores and rankings was again published in the *Global Competitiveness Report 2005–2006*. With this year's *Report* we complete the move to the Global Competitiveness Index as the main competitiveness indicator to be used by the Forum. For the sake of historical continuity we will continue to present the rankings associated with the Growth CI in an appendix to this *Report*.

As noted above, the GCI, albeit simple in structure, provides a holistic overview of factors that are critical to driving productivity and competitiveness, and groups them into nine pillars:

Institutions
Infrastructure
Macroeconomy
Health and primary education
Higher education and training
Market efficiency
Technological readiness
Business sophistication
Innovation

The selection of these pillars as well as the factors that enter each of them is based on the latest theoretical and empirical research. It is important to note that none of these factors alone can ensure competitiveness. The value of increased spending in education will be undermined if rigidities in the labor market and other institutional weaknesses make it difficult for new graduates to gain access to suitable employment opportunities. Attempts to improve the macroeconomic environment—e.g., bringing public finances under control—are more likely to be successful and receive public support in countries where there is reasonable transparency in the management of public resources, as opposed to widespread corruption and abuse. Innovation or the adoption of new technologies or upgrading management practices will most likely not receive broad-based support in the business community, if protection of the domestic market ensures that the returns to seeking rents are higher than those for new investments. Therefore, the most competitive economies in the world will typically be those where concerted efforts have been made to frame policies in a comprehensive way, that is, those which recognize the importance of a broad array of factors, their interconnection, and the need to address the underlying weaknesses they reveal in a proactive way.

In the paragraphs that follow we review briefly the importance of each of the above nine pillars.

By **institutions** we mean the system of rules that shapes incentives and defines the way economic agents interact in an economy. The institutional framework has a strong bearing on competitiveness and growth. It plays a central role in the ways societies distribute the benefits and bear the costs of development strategies and policies, and it has a bearing on investment decisions and on the organization of production. However, institutions are more resistant to change in the short term, as institutional reforms often touch on deeply entrenched human behavior. It is of fundamental importance whether governments are accountable to their respective populations. Investors care enormously whether judges and courts are reasonably independent, or whether they are subject to undue influence. Do businesses have to pay bribes to settle their tax obligations or clear goods through customs? Do they have to hire private security details because police services are ineffective and unreliable? Do governments show favoritism in their decisions, or are they fairly even-handed in their relations with the business community, playing more the role of impartial formulators of transparent rules? Are public resources being allocated to public health and education, or spent on wasteful and unproductive projects or schemes?

The concept of competitiveness developed by the Forum explicitly incorporates notions of public sector accountability, efficiency, transparency and, more generally, the various ways in which the government interacts with economic agents in the domestic economy, particularly the business sector. The justifications for doing so are varied, sometimes reflecting reasonably well-established findings in empirical research,⁵ sometimes building upon concepts developed in some of the international economic development organizations, whose insights into the importance of these factors often reflect years of valuable on-the-ground experience and observation.

As William Easterly (2005) points out, there are strong indications that differences in institutions explain much of the growth differential between countries, and therefore have an influence upon countries' growth performance well beyond simply getting inflation right or addressing other macroeconomic weaknesses.⁶ More specifically, to assess the effectiveness of public institutions, the GCI uses five criteria:

- respect for property rights
- ethics of government behavior and the prevalence of corruption

- independence of the judiciary and the extent to which the government gives the private sector freedom to operate or engages in interventionist discretionary practices (concepts captured under the heading "undue influence")
- government inefficiency reflected in the waste of public resources and a heavy regulatory burden
- the ability to provide an environment for economic activity characterized by adequate levels of public safety.

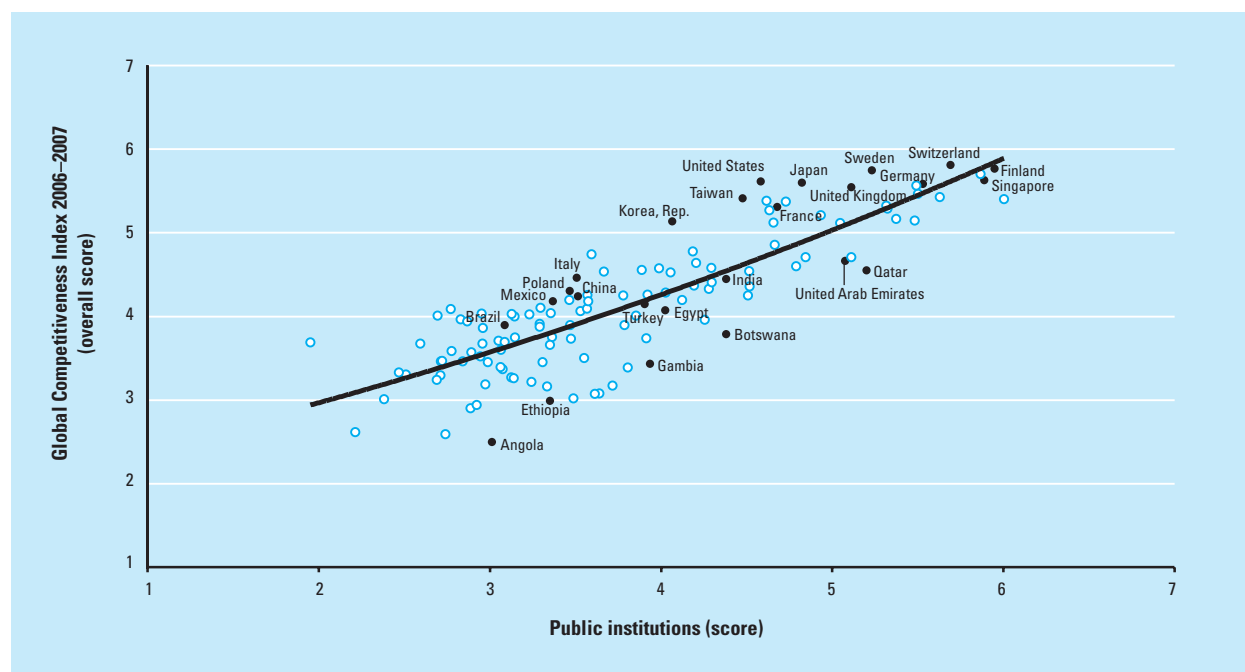
For an interesting and persuasive perspective on the close relationship between competitiveness rankings and the quality of public institutions, see Figure 1.

In addition to public institutions, the index also assesses the quality of private institutions. The large corporate scandals which occurred over the past few years in the United States and other countries have highlighted the relevance of accounting and reporting standards for preventing fraud and mismanagement, and for maintaining investor and consumer confidence. It is of central importance, especially for countries that are most affected by corruption, to enforce those standards strictly, as domestic and international investors are more likely to become engaged if they are confident that they will be able to retrieve their investment and profits earned.

There is a significant body of empirical research—see, for example, Aschauer (1989) and Borensztein et al. (1998)—which has shown that physical **infrastructure** fosters productivity growth and also investment.⁷ Good infrastructure is essential for reducing transport time and communication, and for the efficient distribution of energy supply. A number of empirical studies have found that the different development paths followed by Asia and Africa over the past several decades—with average real per capita growth during the period 1960–2000 in sub-Saharan Africa several times lower than in either East or South Asia—can be partly traced to the dissimilar infrastructure endowments of the two regions and the different priorities which investment in the sector has received in both regions. Weak infrastructure was also perceived as being an important impediment to private sector development in much of Latin America.

Recognizing the key role infrastructure plays in development, the World Bank and many regional development banks have made this a focus of their financial assistance, as resource constraints have often prevented low-income countries from allocating adequate funding to infrastructure development within their respective public investment programs. Increasingly, many countries are bypassing the constraints on publicly available funding by exploring private or joint public-private provision of infrastructure facilities. The GCI focuses on three vital

Figure 1: The Global Competitiveness Index and public institutions



components: energy, transport and telecommunications services, the availability of which will reduce operational costs to business and increase overall efficiency and productivity. It captures these concepts by using data from the Executive Opinion Survey addressing the quality of infrastructure.

The **macroeconomy** pillar groups together a number of distinct variables. As the adverse effects of financial instability—asset price volatility, the creation of a business environment in which it is difficult to plan and invest—have come to be recognized, the notion that macroeconomic stability is an important precondition for sustained growth has been broadly accepted by the policymaking community in country after country. Its theoretical and empirical underpinnings have also been firmly established.⁸ The fact that, with rare exceptions, inflation rates (and, therefore, interest rates) everywhere have been on a sharp, downward trend over the past decade is an excellent indicator of the extent to which central banks have succeeded in persuading governments of the benefits of price stability and, increasingly, central bank independence. Governments have been less successful in reining in public sector deficits and, hence, capping levels of public indebtedness in relation to GDP. But even in this area, progress has been made in switching to non-inflationary forms of finance, in lengthening debt maturities, reducing exchange rate risk by developing domestic currency debt

markets, a process helped by the new emphasis on price stability.

With the possible exception of the Asian financial crisis in 1997–98, virtually all other subsequent emerging market crises have had a fiscal origin, including those in Russia, Brazil, Turkey, and Argentina, to name only a few. Furthermore, lack of adequate fiscal adjustment has also been at the center of policy debates in some of the larger OECD economies, including France, Germany, Japan, Italy, and the United States. In a few countries, notably, the Nordics, Chile, and several countries in Asia, there is also a tendency to begin to frame fiscal policies in a medium-term framework and, as needed, accumulating surpluses now to meet future claims on the budget associated, for instance, with aging populations. Indeed, many countries have adopted fiscal rules which directly constrain the ability of government to link the stance of fiscal policy to political cycles. Beyond fiscal indicators, the macroeconomy pillar also includes a measure of the trade-weighted real effective exchange rate, an important indicator of possible currency overvaluation. The importance of macroeconomic stability notwithstanding, Figure 2 shows the relationship between the overall GCI score and the macroeconomy pillar. The fact that two countries can have broadly similar macro indicators but rather different competitiveness ranks highlights the importance of other factors in explaining the evolution of productivity.

Figure 2: The Global Competitiveness Index and the macroeconomy



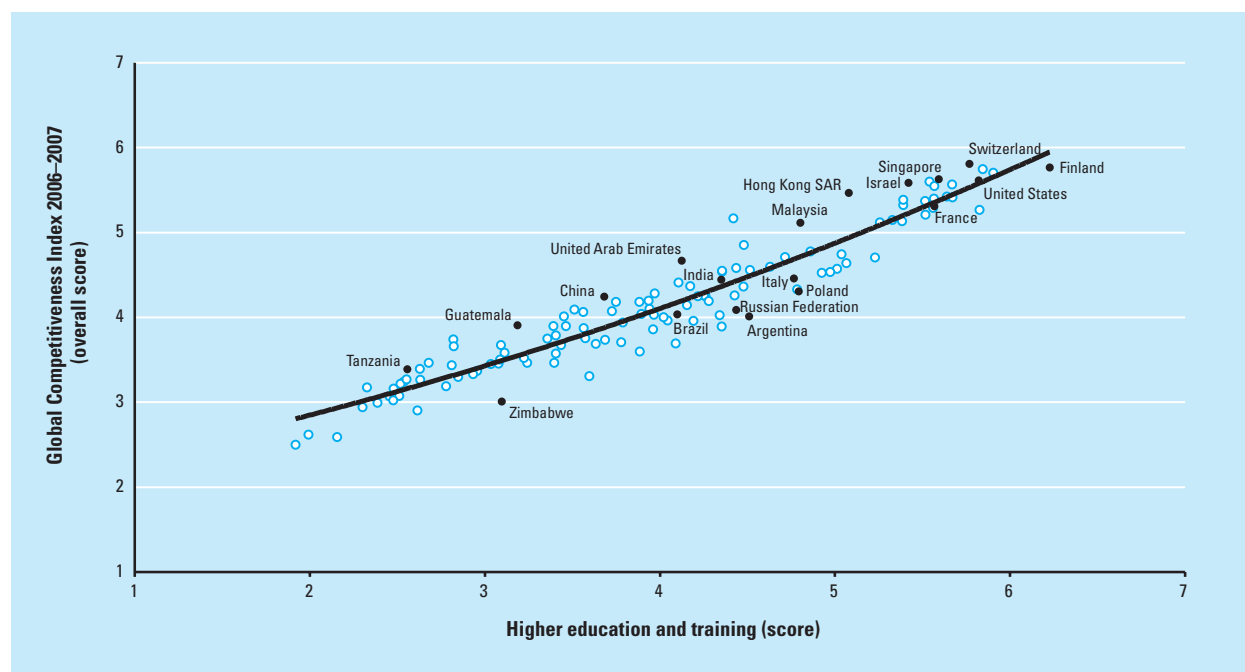
The fourth pillar of the GCI encompasses **health and primary education**, which is of key relevance for competitiveness, especially in developing countries. Clearly, an unhealthy workforce hampers competitiveness and imposes heavy costs on all parts of society. In some African countries, children born in 2003 cannot expect to reach the age of 40 unless health services improve and the spread of infectious diseases such as HIV/AIDS is brought under control. Low life expectancy not only shortens active professional life, but imposes a burden on businesses, which bear the brunt of high rates of absenteeism and the loss of their investment in the costs of training. The provision of health services is thus critical for clear economic, as well as moral, considerations. The report of the WHO Commission for Macroeconomics and Health, for example, estimates that returns to investment in health are of the order of 500 percent (WHO, 2001).

Education is also critical for development and commendable progress has been made in the past 50 years. By 1990 about half of the world's countries had primary enrollment rates of 100 percent as opposed to only 28 percent in 1960. Yet much remains to be done, as illiteracy is still a fact of life in many developing nations. For example, according to UNESCO, almost 40 percent of India's population still cannot read or write. Lack of such basic skills severely limits the possibilities of citizens to participate in the development process, in the activities of civil

society, and professional life. It reduces their employability and, even when they are employed, limits the wages they can obtain, and leads to increased poverty. From a business perspective, without access to workers with a basic education, companies are limited to resource- or basic labor-intensive industries, and constrained in their ability to grow and to move up the value chain.

However, enrollment rates in themselves do not tell the whole story, as they disguise important differences in the quality of education. As Easterly (2002) explains, an artificial focus on administrative targets, such as enrollment rates, has often obscured the importance of the quality of learning, and the role of incentives and motivation of teachers, students and parents. Along these lines, **higher education and training**, the fifth pillar, takes into account the quality of the educational system. This is crucial for economies wanting to move up the value chain beyond simple production processes and products.⁹ In particular, today's globalizing economy requires countries to nurture pools of well educated workers, who are able to adapt rapidly to their changing environment. To capture this concept, this pillar measures secondary and tertiary enrollment rates as well as the quality of education as assessed by the business community. In particular, we take into account the quality of science, math education, and management schools, as well as the availability of specialized training for the workforce. The importance of vocational and

Figure 3: The Global Competitiveness Index and higher education and training



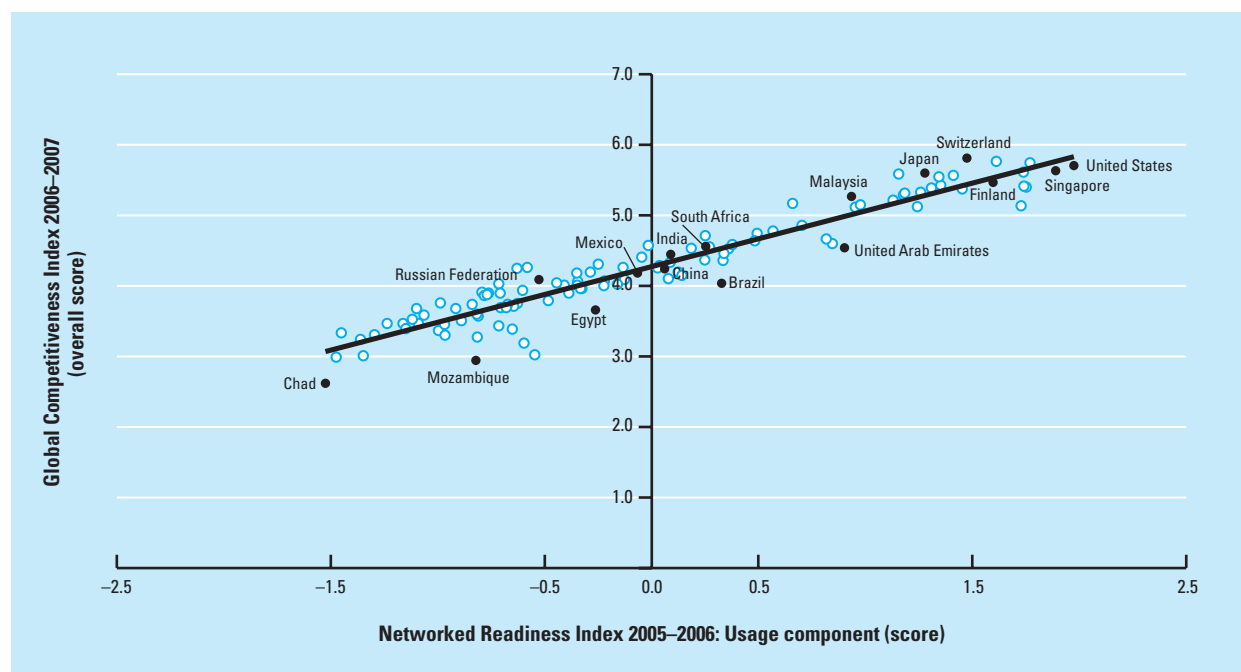
continuous on-the-job training, neglected in many economies, cannot be overstated, as it increases the efficiency and productivity of each worker.¹⁰ Figure 3 shows the relationship between the GCI and the higher education and training pillar.

Market efficiency, the sixth pillar, is critical for ensuring that goods, labor, and financial (the three sub-pillars) are allocated in the most productive manner in an economy. There is a vast literature showing the adverse effects of market distortions on the efficient functioning of the economy and the welfare of consumers. In the case of goods markets, the main vehicle for achieving market efficiency is maintaining a healthy level of competition for products and services, while keeping economic distortions to a minimum. We take into account three main components in measuring goods market efficiency. First, we evaluate the openness of markets. By limiting entry and exit barriers, such as state monopolies or state licences, competition forces unproductive firms out of the market, thereby increasing the economy's overall productivity. Second, we assess the level of distortive government intervention in the market, as regulatory instruments should be designed to keep such side-effects to a minimum. Third, we measure the size of the market available to actors in the economy, since the larger the market, the more intense the competition.¹¹ Here we take into account that even for small economies, openness to foreign trade and proactive

integration into the global economy can achieve similar beneficial effects. For example, a desire to reap the benefits of increased market size was one of the main drivers for the establishment of the Single Market in Europe.

In the case of labor markets, efficiency and flexibility are critical for ensuring that workers are allocated to their best use in the economy. This is measured by factors such as cooperation in employer-employee relations, and the flexibility employers have in hiring and firing and in determining the wages of their workers. Also important is the extent to which pay is related to worker productivity, and whether there is equal treatment of women and men in the business environment.

Finally, efficient financial markets ensure that available capital is invested in the most efficient and productive way, providing firms with access to the capital they need to grow their business activity.¹² Here we measure the extent to which sophisticated financial markets make capital available for business investment from such sources as credit from a sound banking sector, well functioning equity markets, or venture capital. We also include an indicator to capture the soundness of the banking sector, given the links between effective financial intermediation and employment and growth. Many of the financial crises of the past decade in some of the largest emerging markets have often involved weaknesses in the financial sector, including deficiencies in the regulatory regime, a limited

Figure 4: The Global Competitiveness Index vs. Networked Readiness Index Usage component

supervisory capacity on the part of the central bank, and delays in the modernization of the legal framework for bankruptcy procedures and creditor rights. A sound financial sector is increasingly perceived as a key ingredient of the institutional infrastructure underlying a growing economy.

The seventh pillar, **technological readiness**, measures the agility with which an economy adopts existing technologies to enhance the productivity of its industries. This is a critical because technological differences have been shown to explain much of the variation in productivity between countries. In fact, the relative importance of technology adoption for national competitiveness has been increasing in recent years, as progress in the dissemination of knowledge and the increasing use of information and communications technologies (ICT) have become increasingly widespread. For example, the strong productivity growth recorded in the United States over the past decade has been linked to the high adoption of information technologies, with productivity increases registered particularly in sectors using ICT extensively, such as retail and wholesale.¹³ In this respect, Figure 4, showing the high correlation between competitiveness rankings and a measure of new technology usage in a large number of countries is quite revealing, underscoring the central importance of ICT for productivity.

In order to assess the technological readiness of countries, we measure the availability of ICTs and other technologies in the economy, as well as the aggressiveness of firms in adopting these new technologies. We also note that technology-intensive FDI not only provides strong productivity gains and improvements in business processes, but also has a number of important spillover effects, including improvements in management practice and positive effects on human capital when new technologies provide the incentive for employees to acquire new skills.¹⁴ At the same time, other companies become increasingly aware of the advantages of upgrading technology, with positive repercussions for the productivity of the sector as a whole.

The technological readiness pillar thus complements the innovation pillar, described below, as it aims to gauge the existing technological infrastructure and the ability of a country to absorb technology from home or abroad, while the innovation pillar assesses the economy's ability to produce brand new technologies.

Most of the aspects of competitiveness discussed so far pertain to the environment in which businesses operate. But company performance and productivity also depend greatly on the ability of business leaders to manage their companies efficiently. To capture this key aspect of competitiveness, the eighth pillar assesses the level of **business sophistication** of an economy's enterprises. This

is particularly important for productivity at the top end of the global value chain, and is measured by the quantity and quality of local suppliers, well-developed production processes, and the extent to which companies in a country are turning out the most sophisticated products. A recent study conducted at the London School of Economics has shown that differences in the quality of management among firms explain variations in their productivity.¹⁵

Although the scope for public policy to actively improve business sophistication is somewhat limited, experience has shown that fostering geographic concentration of firms as well as suppliers and service providers active in the same sector (clustering) can significantly improve company performance. Geographical proximity favours horizontal and vertical cooperation between firms, which in turn improves corporate productivity. Productivity gains stem from better access to specialized suppliers of inputs and machines, the availability of appropriately skilled employees, and the development of specialized knowledge.

The ninth pillar, **innovation**, is particularly important for countries that have reached the high-tech frontier, as it is the only self-sustaining driver of growth.¹⁶ While less advanced countries can still improve their productivity by adopting existing technologies or making incremental improvements in other areas, for countries that have reached the innovation stage of development, this is no longer sufficient to increase productivity. Firms in these countries must design and develop cutting-edge products and processes to maintain a competitive advantage. This requires an environment that is conducive to innovative activity, supported by both the public and the private sectors. In particular, this means sufficient business investment in research and development, high-quality scientific research institutions, collaboration in research between universities and industry, and protection of intellectual property.

Given the importance of innovation for long-term growth, innovation policy is currently very much at the center of economic policy in many countries. Overall, there is consensus that simply promoting and supporting large, isolated R&D projects has not proven to be a successful strategy. Instead, cumulative small improvements, along with informal innovation, can have similar growth effects to large R&D projects.¹⁷ These small innovative increments also tend to bring about additional spillover effects, such as complementary innovations, the development of specific skills, and additional investment. Thus, rather than focusing on national champions, innovation policies should aim to foster an environment which promotes entrepreneurship and innovation across the economic spectrum.

Stages of Economic Development

Our sample covers 125 economies at different stages of economic development, with GDP per capita in the wealthiest country surpassing that of the poorest country by a factor of 117, based on purchasing power parity. Clearly, policy priorities must evolve as countries advance on the development path, since what it takes to achieve productivity improvements in a less advanced economy—such as improving health, fighting illiteracy and corruption, or constructing basic infrastructure facilities, such as roads and ports—will no longer be sufficient to increase productivity in a more sophisticated economic framework, where productivity gains from these policies have often already been exploited.

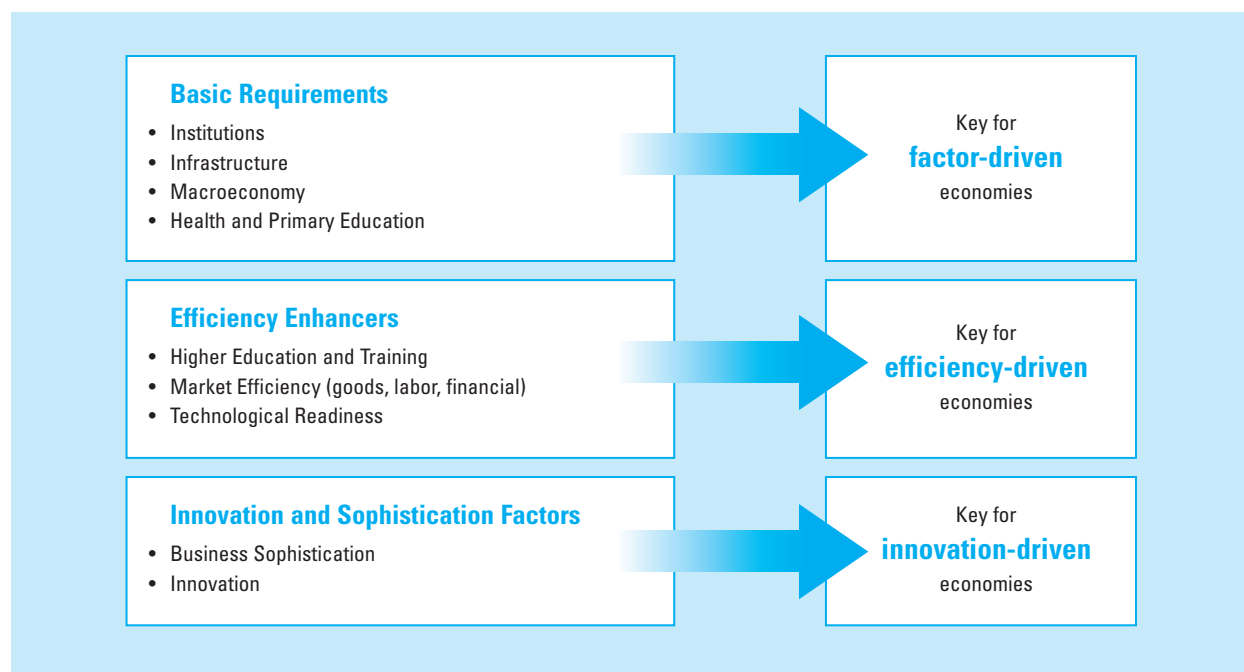
To take this process into account, we have introduced the concept of stages of development into the calculation of the Index. Specifically, we separate countries into three stages, based on the idea that as countries move along the development path, wages tend to increase, and that in order to sustain this higher income, labor productivity must improve. We integrate this concept into the index by attributing higher relative weights to those pillars that are relatively more relevant for a country given its particular stage of development.

In the *factor-driven* stage countries compete based on their factor endowments, primarily unskilled labor and natural resources. Companies compete on the basis of prices and sell basic products or commodities, with their low productivity reflected in low wages. To maintain competitiveness at this stage of development, competitiveness hinges mainly on a stable macroeconomic framework (pillar 1), well-functioning public and private institutions (pillar 2), appropriate infrastructure (pillar 3), and a healthy, literate workforce (pillar 4).

As wages rise with advancing development, countries move into the *efficiency-driven* stage of development, when they must begin to develop more efficient production processes and increase product quality. At this point, competitiveness becomes increasingly driven by higher education and training (pillar 5), efficient markets (pillar 6), and the ability to harness the benefits of existing technologies (pillar 7).

Finally, as countries move into the *innovation-driven* stage, they are only able to sustain higher wages and the associated standard of living if their businesses are able to compete with new and unique products. At this stage, companies must compete through innovation (pillar 9), producing new and different goods using the most sophisticated production processes (pillar 8).

Thus, although all nine pillars matter to a certain extent for all countries, the importance of each one depends on a country's particular stage of development. To take this into account, the pillars are organized into three subindexes, each critical to a particular stage of

Figure 5. Composition of the three subindexes

development. The basic requirements subindex groups those pillars most critical for countries in the factor-driven stage. The efficiency enhancers subindex includes those pillars critical for countries in the efficiency-driven stage. And the innovation and sophistication factors subindex includes all pillars critical to countries in the innovation-driven stage. The three subindexes are shown in Figure 5.

We implement the concept of developmental stages by weighting each of the subindexes differently, depending on the stage of a given country, placing more weight on those pillars that are most important at a given stage of a country's development. The specific weights we attribute to each sub-index in every stage of development are shown in Table 1.

For the calculation of the index, the countries are allocated to stages of development using GDP per capita at market exchange rates. This widely available measure is used as a proxy for wages, as internationally comparable data for the latter is not available for all countries covered. The thresholds for classifying countries into stages are shown in Table 2.

As the table shows, countries falling in between the three stages are considered to be "in transition." For these countries, the weights change smoothly as a country develops, reflecting the smooth transition from one stage of development to another. By introducing this type of transition between stages into the model—that is, by

Table 1. Weighting of subindexes at each stage of development

Weights	Basic requirements	Efficiency enhancers	Innovation and sophistication factors
Factor-driven stage	50%	40%	10%
Efficiency-driven stage	40%	50%	10%
Innovation-driven stage	30%	40%	30%

Table 2. Income thresholds for establishing stages of development

Stage of Development	GDP per capita (in US\$)
Stage 1: Factor-driven	< 2,000
Transition from stage 1 to stage 2	2,000–3,000
Stage 2: efficiency driven stage	3,000–9,000
Transition from stage 2 to stage 3	9,000–17,000
Stage 3: innovation-driven stage	> 17,000

placing increasingly more weight on those areas that are becoming more important for the country's competitiveness as the country develops—the index can gradually "penalize" those countries that are not preparing for the next stage. The classification of countries into stages of development is shown in Table 3. Appendix A describes the exact composition of the GCI, and Appendix B provides further technical details on its construction.

Table 3. List of countries/economies in each stage of development

Stage 1	Transition from 1 to 2	Stage 2	Transition from 2 to 3	Stage 3
GDP p.c. < US\$2,000	GDP p.c. US\$2,000–US\$3,000	GDP p.c. US\$3,000–US\$9,000	GDP p.c. US\$9,000–US\$17,000	GDP p.c. > US\$17,000
Angola	Albania	Algeria	Bahrain	Australia
Armenia	Bosnia and Herzegovina	Argentina	Barbados	Austria
Azerbaijan	Colombia	Botswana	Czech Republic	Belgium
Bangladesh	Ecuador	Brazil	Estonia	Canada
Benin	El Salvador	Bulgaria	Hungary	Cyprus
Bolivia	Jordan	Chile	Korea	Denmark
Burkina Faso	Macedonia, FYR	Costa Rica	Malta	Finland
Burundi	Namibia	Croatia	Taiwan, China	France
Cambodia	Peru	Dominican Republic	Trinidad and Tobago	Germany
Cameroon	Suriname	Jamaica		Greece
Chad	Thailand	Kazakhstan		Hong Kong SAR
China	Tunisia	Latvia		Iceland
Egypt		Lithuania		Ireland
Ethiopia		Malaysia		Israel
Gambia, The		Mauritius		Italy
Georgia		Mexico		Japan
Guatemala		Panama		Kuwait
Guyana		Poland		Luxembourg
Honduras		Romania		Netherlands
India		Russian Federation		New Zealand
Indonesia		Serbia and Montenegro		Norway
Kenya		Slovak Republic		Portugal
Kyrgyz Republic		South Africa		Qatar
Lesotho		Turkey		Singapore
Madagascar		Uruguay		Slovenia
Malawi		Venezuela		Spain
Mali				Sweden
Mauritania				Switzerland
Moldova				United Arab Emirates
Mongolia				United Kingdom
Morocco				United States
Mozambique				
Nepal				
Nicaragua				
Nigeria				
Pakistan				
Paraguay				
Philippines				
Sri Lanka				
Tajikistan				
Tanzania				
Timor-Leste				
Uganda				
Ukraine				
Vietnam				
Zambia				
Zimbabwe				

Global Competitiveness Index rankings 2006–2007

Table 4: Global Competitiveness Index rankings and 2005–2006 comparisons

Country/Economy	GCI 2006–07 rank	GCI 2006–07 score	GCI 2005–06 rank
Switzerland	1	5.81	4
Finland	2	5.76	2
Sweden	3	5.74	7
Denmark	4	5.70	3
Singapore	5	5.63	5
United States	6	5.61	1
Japan	7	5.60	10
Germany	8	5.58	6
Netherlands	9	5.56	11
United Kingdom	10	5.54	9
Hong Kong SAR	11	5.46	14
Norway	12	5.42	17
Taiwan, China	13	5.41	8
Iceland	14	5.40	16
Israel	15	5.38	23
Canada	16	5.37	13
Austria	17	5.32	15
France	18	5.31	12
Australia	19	5.29	18
Belgium	20	5.27	20
Ireland	21	5.21	21
Luxembourg	22	5.16	24
New Zealand	23	5.15	22
Korea, Rep.	24	5.13	19
Estonia	25	5.12	26
Malaysia	26	5.11	25
Chile	27	4.85	27
Spain	28	4.77	28
Czech Republic	29	4.74	29
Tunisia	30	4.71	37
Barbados	31	4.70	—
United Arab Emirates	32	4.66	32
Slovenia	33	4.64	30
Portugal	34	4.60	31
Thailand	35	4.58	33
Latvia	36	4.57	39
Slovak Republic	37	4.55	36
Qatar	38	4.55	46
Malta	39	4.54	44
Lithuania	40	4.53	34
Hungary	41	4.52	35
Italy	42	4.46	38
India	43	4.44	45
Kuwait	44	4.41	49
South Africa	45	4.36	40
Cyprus	46	4.36	41
Greece	47	4.33	47
Poland	48	4.30	43
Bahrain	49	4.28	50
Indonesia	50	4.26	69
Croatia	51	4.26	64
Jordan	52	4.25	42
Costa Rica	53	4.25	56
China	54	4.24	48
Mauritius	55	4.20	55
Kazakhstan	56	4.19	51
Panama	57	4.18	65
Mexico	58	4.18	59
Turkey	59	4.14	71
Jamaica	60	4.10	63
El Salvador	61	4.09	60
Russian Federation	62	4.08	53
Egypt	63	4.07	52
Azerbaijan	64	4.06	62
Colombia	65	4.04	58
Brazil	66	4.03	57

(cont'd.)

Table 4: Global Competitiveness Index rankings and 2005–2006 comparisons (cont'd.)

Country/Economy	GCI 2006–07 rank	GCI 2006–07 score	GCI 2005–06 rank
Trinidad and Tobago	67	4.03	66
Romania	68	4.02	67
Argentina	69	4.01	54
Morocco	70	4.01	76
Philippines	71	4.00	73
Bulgaria	72	3.96	61
Uruguay	73	3.96	70
Peru	74	3.94	77
Guatemala	75	3.91	95
Algeria	76	3.90	82
Vietnam	77	3.89	74
Ukraine	78	3.89	68
Sri Lanka	79	3.87	80
Macedonia, FYR	80	3.86	75
Botswana	81	3.79	72
Armenia	82	3.75	81
Dominican Republic	83	3.75	91
Namibia	84	3.74	79
Georgia	85	3.73	86
Moldova	86	3.71	89
Serbia and Montenegro	87	3.69	85
Venezuela	88	3.69	84
Bosnia and Herzegovina	89	3.67	88
Ecuador	90	3.67	87
Pakistan	91	3.66	94
Mongolia	92	3.60	90
Honduras	93	3.58	97
Kenya	94	3.57	93
Nicaragua	95	3.52	96
Tajikistan	96	3.50	92
Bolivia	97	3.46	101
Albania	98	3.46	100
Bangladesh	99	3.46	98
Suriname	100	3.45	—
Nigeria	101	3.45	83
Gambia	102	3.43	109
Cambodia	103	3.39	111
Tanzania	104	3.39	105
Benin	105	3.37	106
Paraguay	106	3.33	102
Kyrgyz Republic	107	3.31	104
Cameroon	108	3.30	—
Madagascar	109	3.27	107
Nepal	110	3.26	—
Guyana	111	3.24	108
Lesotho	112	3.22	—
Uganda	113	3.19	103
Mauritania	114	3.17	—
Zambia	115	3.16	—
Burkina Faso	116	3.07	—
Malawi	117	3.07	114
Mali	118	3.02	115
Zimbabwe	119	3.01	110
Ethiopia	120	2.99	116
Mozambique	121	2.94	112
Timor-Leste	122	2.90	113
Chad	123	2.61	117
Burundi	124	2.59	—
Angola	125	2.50	—

Table 5: The Global Competitiveness Index 2006–2007

Country/Economy	OVERALL INDEX		SUBINDEXES					
	Rank	Score	Basic requirements		Efficiency enhancers		Innovation factors	
			Rank	Score	Rank	Score	Rank	Score
Switzerland	1	5.81	5	6.02	5	5.59	2	5.89
Finland	2	5.76	3	6.10	4	5.60	6	5.65
Sweden	3	5.74	7	5.95	2	5.65	5	5.66
Denmark	4	5.70	1	6.15	6	5.59	7	5.40
Singapore	5	5.63	2	6.13	3	5.63	15	5.11
United States	6	5.61	27	5.41	1	5.66	4	5.75
Japan	7	5.60	19	5.53	16	5.33	1	6.02
Germany	8	5.58	9	5.75	17	5.22	3	5.89
Netherlands	9	5.56	8	5.94	9	5.45	11	5.35
United Kingdom	10	5.54	14	5.67	7	5.59	10	5.36
Hong Kong SAR	11	5.46	4	6.04	11	5.40	18	4.97
Norway	12	5.42	6	5.96	13	5.38	21	4.95
Taiwan, China	13	5.41	21	5.50	14	5.36	9	5.38
Iceland	14	5.40	12	5.70	8	5.47	17	5.00
Israel	15	5.38	29	5.34	12	5.40	8	5.40
Canada	16	5.37	13	5.68	15	5.35	16	5.08
Austria	17	5.32	18	5.58	20	5.16	12	5.28
France	18	5.31	15	5.66	22	5.07	13	5.28
Australia	19	5.29	11	5.72	10	5.43	24	4.66
Belgium	20	5.27	17	5.59	23	5.07	14	5.21
Ireland	21	5.21	23	5.46	18	5.21	19	4.96
Luxembourg	22	5.16	10	5.73	24	5.00	23	4.81
New Zealand	23	5.15	16	5.65	21	5.15	25	4.65
Korea, Rep.	24	5.13	22	5.47	25	5.00	20	4.96
Estonia	25	5.12	30	5.31	19	5.18	32	4.24
Malaysia	26	5.11	24	5.44	26	4.89	22	4.91
Chile	27	4.85	28	5.35	31	4.58	33	4.22
Spain	28	4.77	25	5.42	28	4.62	30	4.34
Czech Republic	29	4.74	42	4.89	27	4.73	27	4.47
Tunisia	30	4.71	31	5.27	42	4.31	28	4.42
Barbados	31	4.70	32	5.24	29	4.60	54	3.78
United Arab Emirates	32	4.66	26	5.41	35	4.55	40	4.08
Slovenia	33	4.64	36	5.17	30	4.58	34	4.18
Portugal	34	4.60	34	5.22	37	4.47	37	4.14
Thailand	35	4.58	38	4.98	43	4.29	36	4.15
Latvia	36	4.57	41	4.90	36	4.48	58	3.74
Slovak Republic	37	4.55	47	4.70	34	4.56	43	3.96
Qatar	38	4.55	20	5.51	39	4.41	55	3.78
Malta	39	4.54	39	4.98	33	4.57	53	3.79
Lithuania	40	4.53	45	4.80	38	4.44	44	3.96
Hungary	41	4.52	52	4.64	32	4.57	39	4.08
Italy	42	4.46	48	4.70	40	4.41	31	4.29
India	43	4.44	60	4.51	41	4.32	26	4.60
Kuwait	44	4.41	33	5.24	45	4.20	46	3.85
South Africa	45	4.36	58	4.58	46	4.19	29	4.35
Cyprus	46	4.36	37	5.03	44	4.27	49	3.81
Greece	47	4.33	40	4.96	47	4.18	45	3.89
Poland	48	4.30	57	4.59	48	4.17	51	3.80
Bahrain	49	4.28	35	5.18	49	4.15	77	3.47
Indonesia	50	4.26	68	4.41	50	4.12	41	4.07
Croatia	51	4.26	55	4.60	52	4.07	50	3.81
Jordan	52	4.25	50	4.66	58	3.92	61	3.65
Costa Rica	53	4.25	64	4.48	51	4.08	35	4.16
China	54	4.24	44	4.80	71	3.66	57	3.75
Mauritius	55	4.20	49	4.70	61	3.86	47	3.84
Kazakhstan	56	4.19	51	4.64	56	3.97	74	3.51
Panama	57	4.18	46	4.72	62	3.86	62	3.64
Mexico	58	4.18	53	4.61	59	3.91	52	3.80
Turkey	59	4.14	72	4.34	54	4.02	42	3.96
Jamaica	60	4.10	79	4.24	53	4.06	56	3.77
El Salvador	61	4.09	54	4.60	68	3.70	75	3.51
Russian Federation	62	4.08	66	4.43	60	3.91	71	3.55
Egypt	63	4.07	59	4.52	74	3.61	65	3.63
Azerbaijan	64	4.06	56	4.59	78	3.52	70	3.59
Colombia	65	4.04	73	4.34	65	3.82	48	3.82
Brazil	66	4.03	87	4.14	57	3.94	38	4.09
Trinidad and Tobago	67	4.03	63	4.49	64	3.82	63	3.63
Romania	68	4.02	83	4.19	55	3.99	73	3.52
Argentina	69	4.01	67	4.42	66	3.79	79	3.44
Morocco	70	4.01	65	4.44	75	3.58	72	3.54

(cont'd.)

Table 5: The Global Competitiveness Index 2006–2007 (cont'd.)

Country/Economy	OVERALL INDEX		SUBINDEXES					
	Rank	Score	Basic requirements		Efficiency enhancers		Innovation factors	
			Rank	Score	Rank	Score	Rank	Score
Philippines	71	4.00	84	4.19	63	3.85	66	3.63
Bulgaria	72	3.96	62	4.50	70	3.67	85	3.26
Uruguay	73	3.96	61	4.51	73	3.63	80	3.41
Peru	74	3.94	76	4.28	67	3.70	68	3.61
Guatemala	75	3.91	75	4.32	82	3.46	64	3.63
Algeria	76	3.90	43	4.88	92	3.24	90	3.22
Vietnam	77	3.89	71	4.37	83	3.45	81	3.32
Ukraine	78	3.89	86	4.15	69	3.68	78	3.47
Sri Lanka	79	3.87	80	4.22	79	3.51	67	3.61
Macedonia, FYR	80	3.86	70	4.37	80	3.47	87	3.24
Botswana	81	3.79	77	4.27	77	3.52	95	3.15
Armenia	82	3.75	81	4.21	88	3.33	93	3.17
Dominican Republic	83	3.75	89	4.09	76	3.58	91	3.22
Namibia	84	3.74	69	4.40	90	3.28	86	3.25
Georgia	85	3.73	82	4.20	87	3.36	113	2.86
Moldova	86	3.71	88	4.09	85	3.38	98	3.09
Serbia and Montenegro	87	3.69	99	3.87	72	3.63	83	3.27
Venezuela	88	3.69	85	4.19	84	3.40	96	3.14
Bosnia and Herzegovina	89	3.67	78	4.24	93	3.22	99	3.08
Ecuador	90	3.67	74	4.34	96	3.13	97	3.14
Pakistan	91	3.66	93	3.96	91	3.27	60	3.66
Mongolia	92	3.60	97	3.91	86	3.37	110	2.92
Honduras	93	3.58	90	4.07	100	3.10	100	3.07
Kenya	94	3.57	107	3.62	81	3.47	59	3.73
Nicaragua	95	3.52	95	3.93	95	3.15	107	2.94
Tajikistan	96	3.50	94	3.94	103	3.07	103	3.02
Bolivia	97	3.46	98	3.89	97	3.13	119	2.64
Albania	98	3.46	92	3.98	99	3.12	121	2.57
Bangladesh	99	3.46	96	3.92	108	3.01	104	3.01
Suriname	100	3.45	91	4.06	107	3.01	114	2.86
Nigeria	101	3.45	112	3.53	89	3.31	69	3.60
Gambia	102	3.43	101	3.82	101	3.09	112	2.89
Cambodia	103	3.39	100	3.83	110	2.94	102	3.05
Tanzania	104	3.39	111	3.54	94	3.16	76	3.49
Benin	105	3.37	104	3.68	105	3.02	88	3.23
Paraguay	106	3.33	102	3.81	115	2.89	117	2.68
Kyrgyz Republic	107	3.31	109	3.56	102	3.08	108	2.93
Cameroon	108	3.30	105	3.66	113	2.90	101	3.05
Madagascar	109	3.27	110	3.56	112	2.92	89	3.23
Nepal	110	3.26	106	3.65	117	2.87	111	2.90
Guyana	111	3.24	108	3.58	114	2.89	106	2.95
Lesotho	112	3.22	103	3.68	119	2.80	120	2.59
Uganda	113	3.19	118	3.22	98	3.12	82	3.30
Mauritania	114	3.17	114	3.40	111	2.94	105	2.98
Zambia	115	3.16	113	3.43	106	3.01	124	2.43
Burkina Faso	116	3.07	121	3.13	109	2.95	84	3.27
Malawi	117	3.07	117	3.26	116	2.87	109	2.93
Mali	118	3.02	120	3.14	118	2.83	94	3.17
Zimbabwe	119	3.01	122	2.96	104	3.02	92	3.18
Ethiopia	120	2.99	115	3.29	120	2.68	116	2.72
Mozambique	121	2.94	119	3.21	121	2.62	115	2.86
Timor-Leste	122	2.90	116	3.27	122	2.57	125	2.36
Chad	123	2.61	123	2.84	125	2.35	122	2.53
Burundi	124	2.59	124	2.68	124	2.46	118	2.66
Angola	125	2.50	125	2.48	123	2.51	123	2.52

Table 6: Global Competitiveness Index: Basic requirements

Country/Economy	Basic requirements		1. Institutions		2. Infrastructure		3. Macroeconomy		4. Health and primary education	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	92	3.98	108	3.09	121	1.92	83	4.21	34	6.68
Algeria	43	4.88	58	3.87	78	2.91	1	6.19	45	6.56
Angola	125	2.48	111	3.02	113	2.07	123	2.40	125	2.45
Argentina	67	4.42	112	2.98	72	3.26	51	4.64	23	6.78
Armenia	81	4.21	84	3.44	92	2.66	71	4.33	62	6.40
Australia	11	5.72	11	5.51	18	5.42	23	5.15	21	6.79
Austria	18	5.58	13	5.45	17	5.43	36	4.91	49	6.52
Azerbaijan	56	4.59	72	3.63	56	3.67	17	5.30	96	5.76
Bahrain	35	5.18	45	4.21	40	4.26	11	5.55	30	6.72
Bangladesh	96	3.92	121	2.88	117	2.03	47	4.72	90	6.04
Barbados	32	5.24	23	4.94	28	4.85	61	4.45	28	6.74
Belgium	17	5.59	26	4.85	11	5.85	44	4.76	15	6.89
Benin	104	3.68	90	3.32	114	2.06	92	4.03	101	5.29
Bolivia	98	3.89	118	2.90	107	2.22	77	4.25	81	6.20
Bosnia and Herzegovina	78	4.24	106	3.10	96	2.50	45	4.75	38	6.63
Botswana	77	4.27	37	4.46	66	3.37	39	4.85	112	4.42
Brazil	87	4.14	91	3.29	71	3.29	114	3.42	47	6.54
Bulgaria	62	4.50	109	3.07	65	3.41	35	4.92	39	6.61
Burkina Faso	121	3.13	62	3.78	110	2.14	116	3.37	124	3.24
Burundi	124	2.68	113	2.97	123	1.71	122	2.51	120	3.50
Cambodia	100	3.83	95	3.26	97	2.48	101	3.87	98	5.71
Cameroon	105	3.66	117	2.91	120	1.93	40	4.83	104	4.96
Canada	13	5.68	21	5.01	13	5.81	32	4.96	2	6.95
Chad	123	2.84	124	2.44	125	1.43	107	3.76	119	3.74
Chile	28	5.35	25	4.88	35	4.41	7	5.70	57	6.43
China	44	4.80	80	3.51	60	3.54	6	5.72	55	6.44
Colombia	73	4.34	68	3.70	75	3.15	65	4.43	88	6.07
Costa Rica	64	4.48	55	3.97	73	3.22	81	4.23	52	6.49
Croatia	55	4.60	66	3.72	51	3.98	73	4.30	67	6.38
Cyprus	37	5.03	35	4.52	34	4.47	72	4.33	22	6.79
Czech Republic	42	4.89	60	3.84	33	4.50	42	4.81	58	6.42
Denmark	1	6.15	2	5.98	5	6.24	14	5.44	4	6.94
Dominican Republic	89	4.09	93	3.26	80	2.86	85	4.20	89	6.04
Ecuador	74	4.34	116	2.92	94	2.65	21	5.18	41	6.59
Egypt	59	4.52	48	4.12	55	3.72	108	3.75	50	6.51
El Salvador	54	4.60	61	3.80	54	3.75	64	4.44	60	6.41
Estonia	30	5.31	30	4.70	30	4.66	16	5.31	43	6.58
Ethiopia	115	3.29	83	3.45	102	2.34	95	3.98	121	3.39
Finland	3	6.10	1	6.05	10	5.91	12	5.50	7	6.93
France	15	5.66	24	4.91	4	6.25	56	4.55	12	6.92
Gambia	101	3.82	54	4.02	95	2.62	105	3.77	107	4.85
Georgia	82	4.20	78	3.51	79	2.87	93	4.02	61	6.40
Germany	9	5.75	7	5.69	1	6.51	63	4.44	71	6.37
Greece	40	4.96	41	4.36	29	4.71	102	3.86	11	6.92
Guatemala	75	4.32	81	3.49	74	3.20	79	4.24	73	6.34
Guyana	108	3.58	115	2.93	104	2.27	121	2.81	75	6.31
Honduras	90	4.07	110	3.03	81	2.86	87	4.18	80	6.22
Hong Kong SAR	4	6.04	10	5.54	3	6.29	9	5.65	35	6.67
Hungary	52	4.64	46	4.18	48	4.05	98	3.94	66	6.39
Iceland	12	5.70	3	5.98	20	5.39	58	4.51	3	6.95
India	60	4.51	34	4.55	62	3.50	88	4.12	93	5.90
Indonesia	68	4.41	52	4.04	89	2.72	57	4.52	72	6.35
Ireland	23	5.46	17	5.15	31	4.61	20	5.27	24	6.78
Israel	29	5.34	29	4.77	24	5.06	50	4.65	17	6.86
Italy	48	4.70	71	3.66	50	4.00	84	4.21	8	6.93
Jamaica	79	4.24	76	3.58	53	3.75	118	3.21	65	6.39
Japan	19	5.53	22	4.97	7	6.11	91	4.05	1	6.98
Jordan	50	4.66	33	4.55	52	3.85	103	3.84	63	6.40
Kazakhstan	51	4.64	75	3.59	68	3.33	10	5.57	86	6.08
Kenya	107	3.62	98	3.22	86	2.75	99	3.91	110	4.59
Korea, Rep.	22	5.47	47	4.18	21	5.38	13	5.48	18	6.85
Kuwait	33	5.24	38	4.39	45	4.12	2	6.13	76	6.30
Kyrgyz Republic	109	3.56	123	2.66	103	2.30	117	3.27	91	6.02
Latvia	41	4.90	50	4.07	39	4.33	34	4.93	79	6.27
Lesotho	103	3.68	86	3.40	119	1.99	52	4.64	109	4.69
Lithuania	45	4.80	59	3.86	44	4.14	41	4.82	70	6.37
Luxembourg	10	5.73	14	5.45	15	5.63	19	5.28	46	6.56
Macedonia, FYR	70	4.37	103	3.15	82	2.83	30	5.03	54	6.47
Madagascar	110	3.56	92	3.28	116	2.03	115	3.39	100	5.53
Malawi	117	3.26	63	3.78	115	2.06	124	2.31	106	4.89

(cont'd.)

Table 6: Global Competitiveness Index: Basic requirements (cont'd.)

Country/Economy	Basic requirements		1. Institutions		2. Infrastructure		3. Macroeconomy		4. Health and primary education	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Malaysia	24	5.44	18	5.12	23	5.09	31	4.97	42	6.58
Mali	120	3.14	70	3.66	112	2.09	113	3.48	122	3.34
Malta	39	4.98	31	4.59	37	4.37	76	4.26	32	6.69
Mauritania	114	3.40	64	3.77	111	2.09	120	2.82	105	4.91
Mauritius	49	4.70	44	4.26	42	4.17	104	3.79	44	6.58
Mexico	53	4.61	69	3.68	64	3.41	54	4.63	31	6.71
Moldova	88	4.09	101	3.18	85	2.77	67	4.41	92	6.01
Mongolia	97	3.91	105	3.13	106	2.24	60	4.46	95	5.82
Morocco	65	4.44	57	3.87	59	3.57	78	4.24	87	6.07
Mozambique	119	3.21	107	3.09	99	2.41	112	3.50	117	3.85
Namibia	69	4.40	49	4.07	43	4.15	43	4.79	111	4.58
Nepal	106	3.65	99	3.20	122	1.83	59	4.47	102	5.09
Netherlands	8	5.94	9	5.60	8	6.09	22	5.16	13	6.90
New Zealand	16	5.65	8	5.65	27	4.88	25	5.12	6	6.93
Nicaragua	95	3.93	102	3.15	101	2.34	89	4.07	83	6.16
Nigeria	112	3.53	94	3.26	105	2.26	55	4.62	116	3.98
Norway	6	5.96	6	5.71	19	5.41	5	5.80	10	6.93
Pakistan	93	3.96	79	3.51	67	3.36	86	4.19	108	4.79
Panama	46	4.72	65	3.77	46	4.10	75	4.27	27	6.76
Paraguay	102	3.81	122	2.66	109	2.15	90	4.07	68	6.38
Peru	76	4.28	96	3.25	91	2.69	49	4.66	48	6.53
Philippines	84	4.19	88	3.38	88	2.73	62	4.45	82	6.20
Poland	57	4.59	73	3.62	57	3.64	70	4.34	26	6.76
Portugal	34	5.22	28	4.83	26	4.93	80	4.23	16	6.88
Qatar	20	5.51	16	5.16	41	4.22	3	6.03	37	6.64
Romania	83	4.19	87	3.40	77	3.05	97	3.94	69	6.38
Russian Federation	66	4.43	114	2.97	61	3.52	33	4.95	77	6.29
Serbia and Montenegro	99	3.87	97	3.24	90	2.72	106	3.76	97	5.74
Singapore	2	6.13	4	5.90	6	6.16	8	5.67	20	6.81
Slovak Republic	47	4.70	53	4.03	47	4.08	68	4.37	74	6.31
Slovenia	36	5.17	43	4.27	32	4.51	29	5.08	19	6.83
South Africa	58	4.58	36	4.49	49	4.04	46	4.74	103	5.07
Spain	25	5.42	39	4.37	22	5.22	24	5.13	5	6.94
Sri Lanka	80	4.22	82	3.48	76	3.07	110	3.66	36	6.66
Suriname	91	4.06	89	3.37	100	2.36	94	4.01	51	6.50
Sweden	7	5.95	12	5.51	9	5.97	15	5.40	9	6.93
Switzerland	5	6.02	5	5.73	2	6.34	18	5.28	29	6.72
Taiwan, China	21	5.50	32	4.56	16	5.58	27	5.10	25	6.77
Tajikistan	94	3.94	77	3.53	108	2.20	96	3.94	85	6.09
Tanzania	111	3.54	56	3.88	93	2.65	100	3.88	118	3.76
Thailand	38	4.98	40	4.37	38	4.36	28	5.10	84	6.09
Timor-Leste	116	3.27	119	2.90	124	1.66	82	4.22	114	4.31
Trinidad and Tobago	63	4.49	85	3.41	70	3.29	38	4.88	64	6.39
Tunisia	31	5.27	19	5.09	36	4.39	37	4.91	33	6.69
Turkey	72	4.34	51	4.05	63	3.46	111	3.58	78	6.28
Uganda	118	3.22	100	3.18	118	1.99	66	4.42	123	3.29
Ukraine	86	4.15	104	3.14	69	3.30	74	4.27	94	5.88
United Arab Emirates	26	5.41	20	5.05	25	4.99	4	5.92	99	5.67
United Kingdom	14	5.67	15	5.38	14	5.74	48	4.67	14	6.89
United States	27	5.41	27	4.84	12	5.82	69	4.37	40	6.60
Uruguay	61	4.51	42	4.29	58	3.59	109	3.73	59	6.41
Venezuela	85	4.19	125	2.38	84	2.78	26	5.11	53	6.48
Vietnam	71	4.37	74	3.62	83	2.79	53	4.63	56	6.43
Zambia	113	3.43	67	3.72	87	2.75	119	3.07	115	4.17
Zimbabwe	122	2.96	120	2.88	98	2.44	125	2.20	113	4.32

Table 7: Global Competitiveness Index: Efficiency enhancers

Country/Economy	Efficiency enhancers		5. Higher education and training		6. Market efficiency		7. Technological readiness	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	99	3.12	92	3.24	109	3.55	104	2.56
Algeria	92	3.24	84	3.46	96	3.67	100	2.58
Angola	123	2.51	125	1.92	120	3.35	120	2.26
Argentina	66	3.79	39	4.51	94	3.68	70	3.19
Armenia	88	3.33	80	3.58	104	3.60	86	2.81
Australia	10	5.43	14	5.56	11	5.23	7	5.50
Austria	20	5.16	19	5.39	26	4.94	21	5.15
Azerbaijan	78	3.52	82	3.56	81	3.96	76	3.03
Bahrain	49	4.15	64	3.97	39	4.47	41	4.01
Bangladesh	108	3.01	108	2.68	83	3.93	114	2.41
Barbados	29	4.60	24	5.23	49	4.33	34	4.23
Belgium	23	5.07	4	5.83	32	4.69	27	4.68
Benin	105	3.02	101	2.96	95	3.67	112	2.42
Bolivia	97	3.13	89	3.40	111	3.53	111	2.46
Bosnia and Herzegovina	93	3.22	86	3.44	93	3.69	108	2.52
Botswana	77	3.52	87	3.41	59	4.20	80	2.95
Brazil	57	3.94	60	4.10	58	4.21	57	3.50
Bulgaria	70	3.67	62	4.05	90	3.75	68	3.21
Burkina Faso	109	2.95	116	2.51	87	3.78	103	2.56
Burundi	124	2.46	123	2.16	123	3.28	125	1.96
Cambodia	110	2.94	110	2.63	99	3.63	105	2.56
Cameroon	113	2.90	103	2.85	115	3.45	113	2.41
Canada	15	5.35	17	5.51	7	5.26	17	5.28
Chad	125	2.35	124	1.99	124	3.07	124	1.99
Chile	31	4.58	40	4.48	24	5.04	35	4.22
China	71	3.66	77	3.68	56	4.22	75	3.07
Colombia	65	3.82	69	3.89	51	4.32	65	3.24
Costa Rica	51	4.08	52	4.26	52	4.25	44	3.74
Croatia	52	4.07	44	4.43	68	4.11	47	3.68
Cyprus	44	4.27	41	4.48	55	4.22	38	4.10
Czech Republic	27	4.73	27	5.04	41	4.43	26	4.74
Denmark	6	5.59	2	5.91	6	5.40	10	5.46
Dominican Republic	76	3.58	91	3.36	82	3.95	58	3.42
Ecuador	96	3.13	97	3.09	112	3.51	88	2.79
Egypt	74	3.61	75	3.73	65	4.14	79	2.97
El Salvador	68	3.70	83	3.51	50	4.32	64	3.27
Estonia	19	5.18	23	5.26	25	4.98	16	5.29
Ethiopia	120	2.68	120	2.39	118	3.40	121	2.26
Finland	4	5.60	1	6.23	17	5.13	12	5.44
France	22	5.07	12	5.57	28	4.83	25	4.81
Gambia	101	3.09	106	2.81	89	3.77	92	2.69
Georgia	87	3.36	76	3.69	86	3.86	106	2.54
Germany	17	5.22	18	5.42	20	5.09	20	5.16
Greece	47	4.18	34	4.78	62	4.17	50	3.58
Guatemala	82	3.46	94	3.19	77	4.03	71	3.17
Guyana	114	2.89	114	2.54	106	3.56	101	2.57
Honduras	100	3.10	95	3.11	107	3.56	95	2.63
Hong Kong SAR	11	5.40	25	5.08	1	5.69	13	5.44
Hungary	32	4.57	30	4.93	37	4.61	36	4.18
Iceland	8	5.47	13	5.57	8	5.25	4	5.60
India	41	4.32	49	4.35	21	5.07	55	3.52
Indonesia	50	4.12	53	4.25	27	4.93	72	3.17
Ireland	18	5.21	16	5.52	13	5.22	24	4.89
Israel	12	5.40	20	5.39	14	5.17	3	5.65
Italy	40	4.41	35	4.77	78	4.02	32	4.43
Jamaica	53	4.06	67	3.94	61	4.19	40	4.04
Japan	16	5.33	15	5.54	10	5.23	19	5.21
Jordan	58	3.92	54	4.22	53	4.25	62	3.30
Kazakhstan	56	3.97	51	4.28	44	4.39	66	3.23
Kenya	81	3.47	88	3.41	72	4.10	81	2.91
Korea, Rep.	25	5.00	21	5.38	43	4.39	18	5.22
Kuwait	45	4.20	59	4.11	29	4.80	46	3.70
Kyrgyz Republic	102	3.08	79	3.60	114	3.48	122	2.16
Latvia	36	4.48	28	5.01	40	4.44	43	3.98
Lesotho	119	2.80	115	2.52	119	3.40	110	2.48
Lithuania	38	4.44	29	4.97	45	4.35	42	3.99
Luxembourg	24	5.00	45	4.42	18	5.11	9	5.47
Macedonia, FYR	80	3.47	66	3.96	91	3.74	91	2.71

(cont'd.)

Table 7: Global Competitiveness Index: Efficiency enhancers (cont'd.)

Country/Economy	Efficiency enhancers		5. Higher education and training		6. Market efficiency		7. Technological readiness	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Madagascar	112	2.92	113	2.55	103	3.62	99	2.58
Malawi	116	2.87	119	2.46	88	3.77	118	2.37
Malaysia	26	4.89	32	4.80	9	5.24	28	4.64
Mali	118	2.83	118	2.48	102	3.62	117	2.38
Malta	33	4.57	47	4.36	46	4.35	22	5.00
Mauritania	111	2.94	121	2.33	101	3.62	84	2.86
Mauritius	61	3.86	68	3.94	67	4.11	54	3.55
Mexico	59	3.91	71	3.88	48	4.35	56	3.51
Moldova	85	3.38	73	3.78	92	3.73	96	2.62
Mongolia	86	3.37	70	3.89	100	3.62	97	2.60
Morocco	75	3.58	85	3.45	74	4.08	67	3.22
Mozambique	121	2.62	122	2.30	122	3.29	119	2.27
Namibia	90	3.28	105	2.82	79	4.00	78	3.00
Nepal	117	2.87	109	2.63	105	3.58	116	2.39
Netherlands	9	5.45	8	5.67	12	5.23	11	5.45
New Zealand	21	5.15	22	5.33	15	5.17	23	4.94
Nicaragua	95	3.15	93	3.23	98	3.65	98	2.59
Nigeria	89	3.31	100	3.04	70	4.10	87	2.79
Norway	13	5.38	9	5.64	16	5.16	15	5.32
Pakistan	91	3.27	104	2.82	54	4.23	89	2.77
Panama	62	3.86	74	3.75	42	4.41	59	3.41
Paraguay	115	2.89	102	2.93	121	3.33	115	2.40
Peru	67	3.70	72	3.79	66	4.12	69	3.21
Philippines	63	3.85	63	4.02	57	4.21	61	3.32
Poland	48	4.17	33	4.79	64	4.16	51	3.56
Portugal	37	4.47	37	4.63	38	4.61	37	4.18
Qatar	39	4.41	46	4.36	30	4.77	39	4.10
Romania	55	3.99	50	4.34	76	4.03	49	3.59
Russian Federation	60	3.91	43	4.44	60	4.20	74	3.10
Serbia and Montenegro	72	3.63	61	4.09	97	3.66	73	3.16
Singapore	3	5.63	10	5.59	4	5.62	2	5.69
Slovak Republic	34	4.56	38	4.52	34	4.66	30	4.50
Slovenia	30	4.58	26	5.07	63	4.17	29	4.51
South Africa	46	4.19	56	4.17	33	4.67	45	3.72
Spain	28	4.62	31	4.86	36	4.63	33	4.38
Sri Lanka	79	3.51	81	3.56	71	4.10	83	2.87
Suriname	107	3.01	99	3.08	117	3.41	107	2.53
Sweden	2	5.65	3	5.85	19	5.11	1	6.01
Switzerland	5	5.59	6	5.77	5	5.44	5	5.57
Taiwan, China	14	5.36	7	5.67	22	5.07	14	5.32
Tajikistan	103	3.07	98	3.09	108	3.56	102	2.57
Tanzania	94	3.16	112	2.56	75	4.07	82	2.87
Thailand	43	4.29	42	4.44	31	4.76	48	3.67
Timor-Leste	122	2.57	111	2.62	125	2.95	123	2.15
Trinidad and Tobago	64	3.82	65	3.97	69	4.11	60	3.40
Tunisia	42	4.31	36	4.72	35	4.65	53	3.56
Turkey	54	4.02	57	4.15	47	4.35	52	3.56
Uganda	98	3.12	107	2.78	84	3.90	94	2.67
Ukraine	69	3.68	48	4.35	80	3.96	90	2.71
United Arab Emirates	35	4.55	58	4.13	23	5.05	31	4.47
United Kingdom	7	5.59	11	5.57	3	5.63	6	5.56
United States	1	5.66	5	5.82	2	5.67	8	5.49
Uruguay	73	3.63	55	4.19	116	3.42	63	3.27
Venezuela	84	3.40	78	3.63	110	3.53	77	3.02
Vietnam	83	3.45	90	3.39	73	4.10	85	2.85
Zambia	106	3.01	117	2.48	85	3.87	93	2.67
Zimbabwe	104	3.02	96	3.10	113	3.48	109	2.48

Table 8: Global Competitiveness Index: Innovation factors

Country/Economy	Innovation factors		8. Business sophistication		9. Innovation	
	Rank	Score	Rank	Score	Rank	Score
Albania	121	2.57	115	3.10	125	2.04
Algeria	90	3.22	103	3.36	76	3.09
Angola	123	2.52	123	2.74	121	2.30
Argentina	79	3.44	75	3.85	83	3.03
Armenia	93	3.17	104	3.34	84	3.00
Australia	24	4.66	28	4.98	24	4.35
Austria	12	5.28	4	5.91	17	4.65
Azerbaijan	70	3.59	70	3.92	63	3.26
Bahrain	77	3.47	55	4.24	101	2.71
Bangladesh	104	3.01	96	3.42	109	2.59
Barbados	54	3.78	58	4.21	49	3.36
Belgium	14	5.21	12	5.73	16	4.68
Benin	88	3.23	85	3.58	90	2.87
Bolivia	119	2.64	119	2.97	120	2.31
Bosnia and Herzegovina	99	3.08	92	3.47	104	2.68
Botswana	95	3.15	95	3.43	91	2.87
Brazil	38	4.09	38	4.61	38	3.56
Bulgaria	85	3.26	84	3.59	87	2.93
Burkina Faso	84	3.27	98	3.40	69	3.14
Burundi	118	2.66	117	3.01	119	2.32
Cambodia	102	3.05	100	3.37	98	2.72
Cameroon	101	3.05	101	3.37	97	2.73
Canada	16	5.08	18	5.33	13	4.82
Chad	122	2.53	121	2.81	122	2.26
Chile	33	4.22	30	4.88	39	3.56
China	57	3.75	65	4.05	46	3.44
Colombia	48	3.82	48	4.34	57	3.30
Costa Rica	35	4.16	34	4.66	36	3.65
Croatia	50	3.81	61	4.17	45	3.45
Cyprus	49	3.81	50	4.32	55	3.30
Czech Republic	27	4.47	29	4.96	28	3.98
Denmark	7	5.40	9	5.76	10	5.04
Dominican Republic	91	3.22	79	3.72	99	2.72
Ecuador	97	3.14	82	3.63	105	2.65
Egypt	65	3.63	57	4.22	82	3.04
El Salvador	75	3.51	62	4.13	89	2.89
Estonia	32	4.24	35	4.65	30	3.83
Ethiopia	116	2.72	120	2.94	114	2.50
Finland	6	5.65	11	5.74	4	5.56
France	13	5.28	10	5.76	14	4.80
Gambia	112	2.89	106	3.30	115	2.48
Georgia	113	2.86	116	3.02	102	2.71
Germany	3	5.89	1	6.26	5	5.51
Greece	45	3.89	46	4.35	47	3.43
Guatemala	64	3.63	60	4.19	78	3.07
Guyana	106	2.95	97	3.42	116	2.48
Honduras	100	3.07	87	3.53	107	2.61
Hong Kong SAR	18	4.97	13	5.48	22	4.46
Hungary	39	4.08	49	4.34	31	3.82
Iceland	17	5.00	14	5.45	19	4.55
India	26	4.60	25	5.06	26	4.14
Indonesia	41	4.07	42	4.53	37	3.60
Ireland	19	4.96	16	5.39	20	4.54
Israel	8	5.40	17	5.38	7	5.42
Italy	31	4.29	24	5.08	43	3.50
Jamaica	56	3.77	56	4.22	54	3.32
Japan	1	6.02	2	6.14	1	5.90
Jordan	61	3.65	67	4.04	64	3.25
Kazakhstan	74	3.51	72	3.90	70	3.13
Kenya	59	3.73	68	4.04	48	3.42
Korea, Rep.	20	4.96	22	5.20	15	4.71
Kuwait	46	3.85	33	4.66	81	3.04
Kyrgyz Republic	108	2.93	105	3.31	111	2.55
Latvia	58	3.74	54	4.28	66	3.19
Lesotho	120	2.59	122	2.80	117	2.37
Lithuania	44	3.96	41	4.56	50	3.35
Luxembourg	23	4.81	21	5.27	23	4.36
Macedonia, FYR	87	3.24	88	3.50	86	2.98

(cont'd.)

Table 8: Global Competitiveness Index: Innovation factors (cont'd.)

Country/Economy	Innovation factors		8. Business sophistication		9. Innovation	
	Rank	Score	Rank	Score	Rank	Score
Madagascar	89	3.23	99	3.39	77	3.07
Malawi	109	2.93	113	3.16	103	2.70
Malaysia	22	4.91	20	5.29	21	4.53
Mali	94	3.17	107	3.29	80	3.04
Malta	53	3.79	51	4.32	62	3.26
Mauritania	105	2.98	102	3.36	108	2.60
Mauritius	47	3.84	44	4.44	65	3.23
Mexico	52	3.80	52	4.30	58	3.29
Moldova	98	3.09	93	3.46	100	2.72
Mongolia	110	2.92	118	2.98	94	2.86
Morocco	72	3.54	78	3.82	61	3.26
Mozambique	115	2.86	114	3.13	110	2.58
Namibia	86	3.25	83	3.60	88	2.91
Nepal	111	2.90	108	3.26	112	2.54
Netherlands	11	5.35	7	5.80	11	4.90
New Zealand	25	4.65	26	5.06	25	4.23
Nicaragua	107	2.94	109	3.23	106	2.64
Nigeria	69	3.60	74	3.87	52	3.33
Norway	21	4.95	19	5.30	18	4.59
Pakistan	60	3.66	66	4.05	60	3.27
Panama	62	3.64	53	4.29	85	2.99
Paraguay	117	2.68	112	3.16	123	2.20
Peru	68	3.61	47	4.35	92	2.86
Philippines	66	3.63	59	4.20	79	3.05
Poland	51	3.80	63	4.13	44	3.47
Portugal	37	4.14	43	4.47	32	3.81
Qatar	55	3.78	69	4.04	41	3.51
Romania	73	3.52	73	3.89	68	3.14
Russian Federation	71	3.55	77	3.83	59	3.28
Serbia and Montenegro	83	3.27	94	3.44	71	3.11
Singapore	15	5.11	23	5.17	9	5.04
Slovak Republic	43	3.96	45	4.41	42	3.51
Slovenia	34	4.18	36	4.64	34	3.71
South Africa	29	4.35	32	4.79	29	3.92
Spain	30	4.34	27	5.00	35	3.68
Sri Lanka	67	3.61	71	3.90	53	3.32
Suriname	114	2.86	111	3.18	113	2.54
Sweden	5	5.66	5	5.87	6	5.44
Switzerland	2	5.89	3	6.06	3	5.72
Taiwan, China	9	5.38	15	5.45	8	5.31
Tajikistan	103	3.02	110	3.19	95	2.85
Tanzania	76	3.49	81	3.68	56	3.30
Thailand	36	4.15	40	4.57	33	3.74
Timor-Leste	125	2.36	124	2.58	124	2.14
Trinidad and Tobago	63	3.63	64	4.10	67	3.17
Tunisia	28	4.42	31	4.80	27	4.05
Turkey	42	3.96	39	4.58	51	3.35
Uganda	82	3.30	90	3.49	72	3.11
Ukraine	78	3.47	76	3.84	73	3.11
United Arab Emirates	40	4.08	37	4.63	40	3.52
United Kingdom	10	5.36	6	5.82	12	4.89
United States	4	5.75	8	5.78	2	5.72
Uruguay	80	3.41	80	3.71	74	3.10
Venezuela	96	3.14	91	3.48	96	2.80
Vietnam	81	3.32	86	3.55	75	3.10
Zambia	124	2.43	125	2.51	118	2.35
Zimbabwe	92	3.18	89	3.50	93	2.86

EUROPE AND NORTH AMERICA

The rankings from this year's GCI are shown in Tables 4 through 8. **Switzerland** takes the leading position as the world's most competitive economy in 2006–2007, overtaking Finland and Sweden and replacing the United States, which dropped to sixth position.

Switzerland's top ranking reflects a combination of a world class capacity for innovation and the presence of a highly sophisticated business culture. The country has a well-developed infrastructure for scientific research, with close collaboration between the leading research centers and industry. Companies spend generously on research and development. Intellectual property protection is strong and

this has helped spur high levels of technological innovation, as measured by per capita patents registration, for which the country is ranked 6th in the world. Business activity in the country benefits from a well-developed institutional framework, characterized by respect for the rule of law, an efficiently working judicial system and high levels of transparency and accountability within public institutions. Flexible labor markets and excellent infrastructure facilities are two healthy features of the business environment. Steady efforts to improve macroeconomic fundamentals over the past few years, in particular reducing the budget deficit and stabilizing public debt levels are paying off and have boosted the ranking on the macroeconomics pillar from 30 to 18. For Switzerland to retain

Box 1: France: What will it take to be top 10?

The nine pillars of the Global Competitiveness Index (GCI) provide a useful framework to examine the strengths and weaknesses of France's competitiveness landscape. The issue of "top 10 status" in the World Economic Forum's competitiveness rankings is a frequent subtext to the dialogue which the Forum has with policymakers and business leaders. Creating a friendly business environment for private sector activity, relatively free of distortions, with a predictable and transparent regulatory framework and efficient public institutions has rapidly become a "global game." As the costs of communication and transport continue to come down everywhere, creating powerful incentives for corporations to increasingly think of the global economy as a single organic entity, there has emerged a heightened awareness in government and business about the central importance of the "investment climate"—the collection of factors, policies and institutions that will determine the future evolution of income per capita.

Without doubt, France has a number of features which contribute to the creation of an excellent business climate. The country has a superb physical infrastructure, both as regards transport, energy, and communications. Like many high-income countries France has excellent health and primary education indicators, including low infant mortality, high life expectancy, and very good levels of public health. The country has an extremely sophisticated business culture, with very high ranks (mostly top 10) for those factors which capture the quality of business networks and supporting industries and the sophistication of firms' operations and strategy, such as production processes, marketing, international distribution, and product design. Not surprisingly, there are a large number of French companies which have an imposing presence in the global economy.

France also excels in the area of technological innovation, with very good scores in such areas as company spending in research and development, government procurement of advanced technology products, availability of scientists and engineers, and, more generally, a well-developed capacity among French companies to not just obtain technologies by reliance on licensing or imi-

tation but also, in a significant way, by conducting formal research and pioneering their own new products and processes.

Against the above list of very important attributes one must, inevitably, focus on those few areas where France's rankings must improve to push the country to the "top 10" tier, above its current 18th ranking. We focus our attention on four areas: macroeconomic management, public institutions, market efficiency, and higher education.

- *Macroeconomic management:* France's ranking in the macroeconomy pillar of the GCI has improved, from 61 in 2005 to 56 in 2006, reflecting a narrowing of the fiscal deficit, a somewhat lower level of inflation and a relative improvement in the way our index captures the evolution of the trade-weighted real exchange rate. While the *direction* of change is to be welcomed, the fact remains that the *levels* of some of these indicators are not good enough. This is particularly the case as regards the public finances. A public sector deficit of 2.9 percent of GDP in 2005 still leaves France with a rank of 80 among 125 countries. A public debt to GDP ratio of 67.3 percent implies a ranking of 79 overall. The fact is that more and more governments all over the world appear to have been converted to the virtues of fiscal discipline. The Nordic countries are running budget surpluses already for several years running, fully recognizing future claims on the budget associated with population aging and their governments' firm commitment not to fundamentally alter key features of the social contract. The benefits of cautious fiscal management have already been well entrenched in much of Asia. The French government, of course, is moving in the right direction and further fiscal consolidation is expected in 2006, but the GCI is a ranking of *relative* international performance and progress with respect to a country's past does not *necessarily* mean an improvement in relative positions if other countries are also making improvements, often faster.

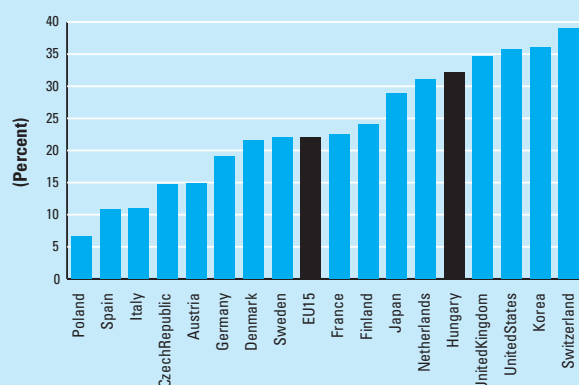
Box 1: France: What will it take to be top 10? (cont'd.)

- Public institutions:** The institutions pillar of the GCI captures a number of difficult-to-quantify factors. The public institutions component, in particular, brings in concepts such as the property rights environment, the operations of the judicial system, perceptions about the efficiency of government spending, the burden of government regulation and the business costs of crime, among others. France's performance in 2006 is broadly stable, a marginal shift in ranks from 24 in 2005 to 25 in 2006, with an unchanged score. There are three areas worth noting which are preventing a higher score in this pillar. First, perceptions in the business community about the wastefulness of government spending are not good (40). EU members in general do not do very well in this indicator, perhaps reflecting the generally dim view taken by the business community of such programs as the Common Agricultural Policy, with all of its associated distortions. France's ranking in this area (88) may also reflect the leading role the government has taken within Europe in protecting agricultural subsidies. Second, it is the perception of the business community that further progress could be made in lightening the regulatory burden: bureaucracy and red tape indicators in France are mediocre and are, without doubt, dragging down France's overall competitiveness ranking. Third, the ethics and corruption subindex in this pillar is not bad (a rank of 27), but it is not at the level of top performers such as Finland, Denmark, and the like. These results are corroborated by the work of other organizations. For instance, Transparency International's Corruptions Perceptions Index ranks France 18 among 145 countries, just behind Germany and the United States, but well behind the Nordics, who have traditionally been at the top.
 - Market efficiency:** France has quite efficient goods markets, reflecting good levels of domestic competition, fairly open markets, a good legal framework—this particular subcomponent of the market efficiency pillar of the GCI shows a rank of 11 worldwide, excellent by international standards. Financial markets are also extremely well developed both as regards the soundness of banks, the level of sophistication of financial institutions and instruments, and so on. Paris is not London as a financial center (the United Kingdom has the best indicators in this area, worldwide), but we would certainly not regard this as an area of weakness. The problem area here concerns various indicators of labor market efficiency and flexibility, where the rankings are very low indeed. Three observations are warranted. First, it is the case that despite some progress made in the past year, unemployment in France during the past decade has remained high in relation to the EU average, leading to proposals by experts to reform employment protection legislation to boost job creation. An important step in this direction was taken in August of 2005, with the introduction of a new employment contract (*le contrat nouvelles embauches*—CNE for short). This is a special contract with a two-year trial period, with termination not subject to the usual administrative procedures applied to open-ended contracts, severance pay based on duration and applying to enterprises with less than 20 employees. The CNE was broadly supported by all the key stakeholders, including parliament and the trade unions, and was initially quite successful in unleashing the creation of hundreds of thousands of jobs and leading to a reduction in the rate of unemployment. Second, the riots which shook France late last year had nothing to do, per se, with the CNE but subsequent demonstrations in the spring of this year were linked to government proposals to introduce—perhaps prematurely—a new employment contract for first-time job seekers of less than 27 years of age and applying to enterprises of any size. France's low ranking in the labor market flexibility and efficiency indicator (99) may indeed reflect an element of disappointment in the business community about the handling of this new initiative. Third, the government remains strongly committed to moving in the direction of addressing remaining weaknesses in the labor market and should be given credit for the efforts made thus far.
 - Higher education:** As in other countries, there is increasing concern in France about the need to upgrade higher education. As argued elsewhere in this chapter, higher education and training—and the various factors captured in the 5th pillar of the GCI—are becoming increasingly important as key drivers of productivity and, hence, competitiveness. Again, as in other countries there are issues of quantity and quality. On quantity: tertiary enrollment rates in France are low by international standards. The latest data available suggest a rate of 56 percent, placing France in 29th place among the 125 countries covered, well behind top performers like Finland, Korea, Sweden, and the United States, where rates range from 90 percent down to 82 percent, although these numbers may also partly reflect differences in the provision of adult education. This raises questions about the adequacy of funding for higher education. According to the World Bank's *World Development Indicators* (2005a), public expenditure per student in percent of GDP per capita for tertiary education in France is 29.3, compared with 37.5 in Finland, 41.2 in Germany, 47.4 in Sweden, and 74.2 in Denmark, although the private sector's financing of parts of the tertiary educational establishment may make up some of this discrepancy. On quality: related to the issue of funding is the question of the overall quality of French universities when compared with their top peers in, say, the United States and the implications this may have in the future for the further development of the country's innovative capacity. There are also issues concerning equitable access to the highest levels of the French educational establishment, for minorities, for the young from regions other than Paris, and so on. These issues will have to be addressed to enhance the returns to investment in higher education in France.
- To summarize: there is no reason why France could not reach “top 10” status within a relatively short time frame. The country's strengths are impressive and are the result of decades of sustained development; they are likely to remain permanent features of the competitiveness landscape. The weaknesses alluded to above are amenable to policy reforms and can, in principle, be quickly addressed, through a combination of broad-based consultation and the political will to act.

Box 2: Hungary: Moving toward an innovation-driven economy

Over the past decade and a half, thanks to early reform efforts, geographic proximity to the large European market, and a well educated workforce (particularly in engineering, science and IT), Hungary has attracted large amounts of foreign direct investment (FDI) and become one of the prime destinations for outsourcing in Europe. FDI attracted the latest technology and helped to develop technology-intensive sectors, which quickly became the main pillar of the Hungarian economy. Today, around 32 percent of Hungary's exports consist of high technology products. This represents a far higher average than the EU15, including some of its more advanced economies, such as Finland or Germany, and, as seen in Figure 1, is well above the shares of some other new EU members such as Poland or the Czech Republic.

Figure 1: Export shares of high-technology industries in selected countries.



Source: OECD.

Building on the sound technological base achieved through imported innovations, Hungary will need to focus on promoting domestic business innovation if it is to remain competitive in an enlarging European Union. Since the onset of the transition process, wage levels in Hungary have been catching up quickly with EU15 countries, moving from efficiency-driven (stage 2) to innovation-driven (stage 3). According to the OECD, hourly earnings increased by 66 percent in Hungary between 2000 and 2005, compared to an increase of only 14.7 percent in the EU15. With Bulgaria and Romania (and soon possibly Croatia, and at some point Turkey) entering the EU, more low-wage locations will be available. As a result, FDI in the highly volatile, labor-intensive industries such as textiles and leather, and the more skill-intensive service industries, such as software development, is likely to move out of countries such as Hungary. Although promotion of R&D and innovation have been on the agenda of policymakers for some time, a number of corollary issues will have to be addressed.

First of all, boosting innovation requires a healthy business environment. Businesses are more likely to invest long-term in

product and process development when the economy is doing well, when there is a growing demand for new products, and when the operational environment is predictable. While Hungary has fairly efficient labor, financial and goods markets,¹ given its level of development, efforts will have to be maintained to improve the efficiency and transparency of institutions, in which the country ranks 46. The most urgent priority, however, lies in realigning macroeconomic policy and in reducing one of the highest fiscal deficits in the EU, namely 7.6 percent of GDP in 2005. These weaknesses are clearly reflected in the low rank the country achieved in the macroeconomy pillar, where it ranks 98 out of 125 countries.

The widening of the fiscal deficit stems from increased social spending before the parliamentary elections of April 2006. As in many other eastern European countries, fiscal indiscipline in Hungary is strongly correlated to the political cycle, a recurring pattern in the Hungarian political and economic landscape.

Although the loosening of fiscal policy probably contributed to the re-election of Prime Minister Ferenc Gyurcsany, it also heightened the presence of significant vulnerabilities. The fiscal deficit has currently reached a level, where, without credible attempts to reverse the deterioration in the public sector accounts, an irregular correction through market forces is probable. The weakening of the *forint* in May 2006 and the downgrading of Hungarian bond ratings earlier this year could be an early sign of this phenomenon. Given that many Hungarian households and corporations have foreign currency liabilities, an abrupt correction of the exchange rate could lead to increased instability in the financial sector. These risks were anticipated by the financial markets which pressured the government to announce fiscal consolidation in May 2006, on the order of 1 percent of GDP, by increasing taxes and reducing spending. It remains to be seen how successful the reduction in spending and the badly-needed restructuring of public services, such as education, healthcare, and government administration will be, as these tasks are both challenging and politically sensitive. Employment in these public service areas must be reduced substantially in order to increase efficiency. In addition, the health care system will need a major overhaul if it is to face additional pressures from an aging population and accommodate new, costly treatments which are likely to be in demand as a result of rising wealth.

Aside from jeopardizing the economic stability of the country, the existence of the large fiscal deficit is likely to delay the adoption of the euro, initially scheduled for 2010. Entering the euro zone would give the country's producers the advantage of reduced currency risk, increased predictability and lower transaction costs in their dealings with the huge EU market. This could considerably boost the productivity of enterprises and the competitiveness of the small and fast-growing Hungarian economy, where the export share of GDP moved from 40 to 68 percent between 1995 and 2005.

Given a favorable business environment, targeted measures aimed at boosting innovation will support the transition to an innovation-driven economy. First of all, domestic innovation will have to be brought to the levels found in industrial economies. A look at the expenditure levels for research and development shows that

Box 2: Hungary: Moving toward an innovation-driven economy? (cont'd.)

Hungarian expenditure on R&D is fairly low by international standards, confirming that the country benefits mainly from imported innovation, reaching only about 0.9 percent of GDP, as compared with the EU15 average of 1.9 percent (in 2004). Moreover, although spending on research and development has increased from 0.7 percent of GDP in 1999 to the current level, most of this increase was accounted for by the government, which is less likely to result in commercially viable innovations. This is confirmed by the results of the Executive Opinion Survey: respondents assess that company spending on R&D is one of the comparative disadvantages, giving the country a low rank of 59.

Over the past few years, in an effort to boost innovation, the government offered a number of financial incentives—i.e., tax relief, grants, and an innovation levy on business. In a recent assessment of Hungary's R&D policy, the OECD pointed to the need for monitoring and evaluating the impact and efficiency of these measures, since conclusions based on economic research have led to skepticism about the impact of some methods as tax breaks (OECD, 2005a). This is particularly important in view of the precarious fiscal situation in the country.

Alongside these measures, the government has also increased funding for public research institutions. In order to use

the funds more efficiently, these institutions will have to develop a more commercial orientation. Although internationally recognized, Hungarian research lacks linkages to industry and therefore contributes little to developing commercially viable innovation. Although some measures to increase the business exposure of researchers have been introduced—such as easing of regulations on university spin-offs and the secondment of researchers to the private sector— incentives for researchers to engage with the private sector are still not strong and budget allocation in state research institutions is not linked to performance. Strengthening consultation between business and public educational institutions about the content of courses would also constitute a step toward increasing the business orientation of research and education.

Note

1 Hungary achieves a rank of 37 in the market efficiency pillar, slightly above its overall rank of 41 in the GCI. It ranks 36th in labor market efficiency, 39th in financial markets, and 37th in goods markets; the particular strengths in this pillar result from healthy levels of competition in goods markets and a high degree of market openness.

its top ranking, it will have to address a number of remaining weaknesses, some of which stand at odds with developments elsewhere in the industrial world. Competition in goods markets is limited by various forms of government intervention; there is resource misallocation through agricultural support,¹⁸ and, at a time when the EU and much of the rest of the world is quickly moving to remove barriers to international trade, Swiss borders remain zealously guarded.

The Scandinavian countries remain among the top performers with **Finland**, **Sweden**, and **Denmark** occupying 2nd to 4th places. They share with Switzerland a broadly similar institutional and structural profile. The Nordic countries have better ranks on the macroeconomy pillar of the GCI, since they are all running budget surpluses and have lower levels of public indebtedness than Switzerland and, indeed, much of the rest of Europe. Finland and Denmark have the best institutions in the world (ranked 1 and 2, respectively) and place in the top ten ranks in health and primary education, compared to Switzerland's rank of 29. These three countries also occupy the top three positions in the higher education and training pillar, where Finland's rank of 1 is remarkable for its durability over time. They lag behind Switzerland in the areas of labor market flexibility and, slightly, in indicators of business sophistication. The Nordic countries show

that transparent institutions and excellent macroeconomic management, coupled with world class educational attainment and a focus on technology and innovation are a successful strategy for maintaining competitiveness in small, highly developed economies.

A comprehensive overview of competitiveness developments in the **United States** is presented in Box 4. Our results match the widely held perception that its competitive position may indeed be weakening. The United States remains a world leader in a number of key categories assessed by the GCI, such as market efficiency, innovation, higher education and training, and business sophistication. However, growing imbalances have dented a number of macroeconomic indicators, and the levels of efficiency and transparency underpinning its public institutions do not match those of the more developed industrial countries.

Overall, the picture in the remaining **European Union** countries remains relatively stable with only a few countries registering significant moves in the rankings. **Germany** and the **United Kingdom** continue to hold privileged positions, ranked 8th and 10th, respectively. There are interesting contrasts in the performance of both economies when looked at through the perspective of the GCI pillars. Both countries have excellent institutional underpinnings, and in some areas (the property rights environment and quality of the judicial system), Germany

Box 3: Is Turkey competitive enough for Europe?

Turkey has come a long way from the instability and structural weaknesses which undermined its economy in the 1990s, bringing the country to a serious crisis in 2001, when GDP contracted by almost 8 percent. Indeed, the tough IMF-backed reforms adopted in the aftermath of the collapse, combining tight fiscal and monetary policies with a broad range of reforms aimed at addressing other deep-seated distortions, seem to have set Turkey on a healthier development path, with GDP growth rates in the 2002–2005 period averaging 7 percent, and inflation rates falling dramatically to single-digit figures. Moreover, the decision by the government to accelerate the onset of accession negotiations with the EU prompted a wave of substantial political and economic reforms to meet key elements of the Copenhagen criteria. This includes the abolition of the death penalty, adoption of a new penal code in May 2005, reduction of the army's role in politics, as well as other measures aimed at better protecting human rights, and establishing a foundation of macroeconomic stability, and implementing regulatory reform essential for successful integration with the rest of Europe.

However, there is no doubt that a number of shortcomings remain to be addressed, both in the economic and political sphere, given the size and composition of Turkey's population—71 million, projected to increase to 80–85 million by 2020, the overwhelming majority Muslim. This, coupled with the country's stage of development—much lower levels of per capita income than in the rest of Europe¹—the central importance of agriculture in the economy, and a range of other problems (e.g., freedom of the press) sometimes give rise to questions about Turkey's capacity to assume the responsibilities of full EU membership. Thus, it is easy to understand why EU accession negotiations could indeed last well over a decade.

An analysis of the Global Competitiveness Index (GCI) results and its various components sheds light on the actual readiness of the country to join the EU. Table 1 shows the ranks and scores for Turkey, other candidate countries (Bulgaria, Romania, and Croatia), and the average of the countries most recently acceded.

The GCI ranking for Turkey at 59, up 12 positions from last year, confirms the pace of the progress made, at the same time clearly highlighting the following areas of concern:

- *Macroeconomic environment:* Last among the countries shown in Table 1, Turkey ranks a dismal 111th in the macroeconomy pillar, reflecting the continued vulnerability of its economy to external shocks. Despite bold reforms undertaken in recent years and a sharp improvement in the management of the public finances in the aftermath of the 2001 crisis, gross public debt levels (72.8 percent of GDP) and the budget deficit (5.9 percent of GDP) are still very high by international standards, severely constraining the ability of the authorities to respond to pressing needs, beyond servicing of the public debt. Indeed, Turkey ranks 86th and 115th, respectively, in these two indicators in 2005. The current account deficit has mushroomed to near 7 percent of GDP, reflecting high oil prices and the strength of the lira. This gap, financed partially by short capital inflows, leaves Turkey prey to the whims of foreign investors, as the recent May 2006 episode of emerging market turmoil eloquently demonstrated. Indeed, the country was hit hard by the investor selling frenzy of 11 May 2006, which targeted emerging market shares. With structural vulnerabilities, high levels of public debt and a burgeoning current account deficit, Turkey is at a disadvantage with respect to other emerging markets which have gone through similar crises of their own in

Table 1: GCI performance of Turkey, recent EU entrants,* and candidate countries

Country/Economy	Global CI		Institutions		Infrastructure		Macroeconomy		Health/ primary education		Higher education/ training		Market efficiency		Technological readiness		Business sophistication		Innovation	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Estonia	25	5.12	30	4.7	30	4.66	16	5.31	43	6.58	23	5.26	25	4.98	16	5.29	35	4.65	30	3.83
Czech Rep.	29	4.74	60	3.8	33	4.50	42	4.81	58	6.42	27	5.04	41	4.43	26	4.74	29	4.96	28	3.98
Slovenia	33	4.64	43	4.3	32	4.51	29	5.08	19	6.83	26	5.07	63	4.17	29	4.51	36	4.64	34	3.71
<i>Average (new entrants)</i>	<i>4.59</i>		<i>4.17</i>		<i>4.28</i>		<i>4.62</i>		<i>6.54</i>		<i>4.84</i>		<i>4.44</i>		<i>4.38</i>		<i>4.46</i>		<i>3.54</i>	
Latvia	36	4.57	50	4.1	39	4.33	34	4.93	79	6.27	28	5.01	40	4.44	43	3.98	54	4.28	66	3.19
Slovak Rep.	37	4.55	53	4	47	4.08	68	4.37	74	6.31	38	4.52	34	4.66	30	4.50	45	4.41	42	3.51
Lithuania	39	4.54	59	3.9	44	4.14	41	4.82	70	6.37	29	4.97	45	4.35	42	3.99	41	4.56	50	3.35
Malta	39	4.54	31	4.6	37	4.37	76	4.26	32	6.69	47	4.36	46	4.35	22	5.00	51	4.32	62	3.26
Hungary	41	4.52	46	4.2	48	4.05	98	3.94	66	6.39	30	4.93	37	4.61	35	4.17	49	4.34	31	3.82
Cyprus	46	4.36	35	4.5	34	4.47	72	4.33	22	6.79	41	4.48	55	4.22	38	4.10	50	4.32	55	3.30
Poland	48	4.30	73	3.6	57	3.64	70	4.34	26	6.76	33	4.79	64	4.16	51	3.56	63	4.13	44	3.47
Croatia	51	4.26	66	3.7	51	3.98	73	4.30	67	6.38	44	4.43	68	4.11	47	3.68	61	4.17	45	3.45
Turkey	59	4.14	51	4.05	63	3.46	111	3.58	78	6.28	57	4.15	47	4.35	52	3.56	39	4.58	51	3.35
Romania	68	4.02	87	3.4	77	3.05	97	3.94	69	6.38	50	4.34	76	4.03	49	3.59	73	3.89	68	3.14
Bulgaria	72	3.95	109	3.1	65	3.41	35	4.92	39	6.61	62	4.05	90	3.75	68	3.21	84	3.59	87	2.93

* Countries that joined the EU in May 2004.

Box 3: Is Turkey competitive enough for Europe? (cont'd.)

recent years—e.g., Russia, Brazil, Argentina, Korea, Thailand, all of them in a much stronger position now.

- **Education:** The disappointing ranks registered for health and primary education (78) and, to a lesser extent, for higher education and training (57) confirm the urgent need to improve the Turkish educational system, which is thought to be “overcrowded, under-funded and uninspiring.”² Despite the Kemalist focus on universal education and the fact that most children do receive at least a primary education—the primary enrolment rate is close to 90 percent—the quality of that education is often inadequate, due to a shortage of teachers and very modest facilities. Moreover, children spend on average only 4.5 years at school as compared to 13 in Germany, and only 27 percent of Turkish children complete secondary education, as compared with 65 percent in the EU. Despite the fact that Turkey shows one of the highest education spending/GDP ratios of the OECD (7 percent), the bulk of these funds come from private sources to compensate for the shortcomings of the public school system. Considering the central role of education in providing Turkey with the qualified human resources needed to upgrade its economy and raise national prosperity, the government should develop a consistent strategy to train more teachers, ensure that girls (especially in rural areas) have equal access, and invest more efficiently in primary and secondary education. This is clearly a priority area for entry into the EU.

On the positive side:

- **Business sophistication:** Turkey achieved a high rank of 39 in the business sophistication pillar of the GCI, particularly for the quality and quantity of networks and supporting industries (33), well above the EU average, and above all except Estonia, the Czech Republic, and Slovenia in Table 1. This strongly suggests that while Turkey does have a large agricultural sector with rather low productivity, both in relation to the agricultural sectors of other recent EU entrants and in relation to other sectors in the Turkish economy, it does have sophisticated industrial and service sectors which are already operating at high levels of efficiency, adopting advanced technologies, efficient production processes, and exploiting economies of scale with respect to their competitors elsewhere in Europe, particularly the new members in central and Eastern Europe.³
- **Innovation and market efficiency:** Turkey is outperforming not only the other candidate countries, but also a few of the EU10 countries in these indicators. In particular, in market efficiency Turkey, at 47, scores only marginally lower than the EU10 average (4.44), but ranks higher than Malta, Cyprus, Slovenia, and Poland. In this respect, Turkey is probably favored by its large internal markets (19), but also shows the benefits of the recent microeconomic reforms, aimed at reducing red tape and bureaucracy, and promoting competition.

The snapshot emerging from the GCI leads to the following conclusions: with its rank of 59 and a score of 4.14, Turkey, quite predictably, finds itself toward the bottom of the ranking shown in Table 1, performing better than Romania and Bulgaria, but still at some distance from Estonia (5.12), the top performer within the group, and from the EU10 average (4.59).

The picture becomes more mixed, however, once Turkey's performance is disaggregated at the pillar level. Although Turkey has certainly not dealt fully with all of the key determinants of competitiveness at its level of development—such as macroeconomic stability or education and health—nonetheless, it has made good progress in factors which tend to become more important at more advanced development stages, such as business sophistication and innovation. In this sense, given its stage of development, Turkey's future competitiveness will hinge crucially on the establishment of efficient production practices and improvements in the operations of its labor and financial markets, as well as on the achievement of improved indicators among the basic requirements factors captured by the GCI, which gives both a combined weight of 90 percent.

The above analysis indicates the country's readiness to evolve to a more advanced stage of development. But it also underscores the simultaneous importance for the Turkish authorities to intensify current efforts aimed at reducing macroeconomic vulnerabilities, improve access to better education for all citizens, foster the development of more transparent and efficient institutions, better functioning markets, and achieve European and world-class standards of human and minority rights protection and freedom of expression.

Notes

- 1 About half the average for the 10 new members that joined in 2004 and about one-fifth of the average for the EU25.
- 2 *The Financial Times* (2006).
- 3 For an interesting discussion on sectoral and cross country productivity comparisons see Dervis et al., 2004.

Box 4: The United States: An erosion of its competitive potential?

The United States has fallen to sixth place in the Global Competitiveness Index (GCI), down from first place last year, behind Switzerland, Finland, and Sweden and just ahead of Japan. The efficiency of the country's markets, the sophistication of its business community, the impressive capacity for technological innovation which exists within a first rate constellation of universities and research centers, make the United States a highly competitive economy. However, a number of weaknesses, particularly related to macroeconomic imbalances and the institutional environment, are beginning to erode the country's overall competitive potential.

The United States has highly efficient markets, ensuring an optimal allocation of the economy's resources. Its goods markets in particular, characterized by low levels of distortion in an environment of open competition across virtually all markets, are assessed as the most efficient in the world, ensuring a large selection of quality goods at low prices, supplied in a timely manner. It also has highly sophisticated financial markets, enabling businesses to gain access to capital at competitive prices from a variety of sources—bank loans, equity markets, venture capital, and a broad range of other instruments. Labor markets have also been cited as a model of flexibility and efficiency, with high rates of job creation and low rates of unemployment, against a background of wage flexibility and considerable ease for hiring and firing at the firm level. Our research also shows that US labor markets are characterized by a comparatively low level of nepotism, and a strong relationship between worker productivity and associated wage levels. Even when compared with many similarly developed economies, the United States has not only been able to attract many of the best and the brightest workers, but it is able to retain them, giving it a top score on a measure of the "brain drain." US universities, without peer in the world, have traditionally attracted some of the best talent from the rest of the world, considerably boosting the country's capacity for scientific innovation.

The strength of the country's markets is matched by its capacity for innovation. The United States has top notch scientific institutions and companies that spend heavily on R&D. Businesses and universities collaborate heavily in that research, spawning centers of innovation, such as Silicon Valley, which are being emulated around the world, from Bangalore to the Hsinchu Science Park. It is therefore not surprising that the United States ranks first worldwide in patents registration. This culture of innovation is buttressed by a number of other critical factors, such as strong intellectual property protection, very high attainment rates of tertiary education, and excellent on-the job training which fosters the ability of workers and businesses to adapt rapidly to a changing environment. Further, the overall high levels of sophistication of the business community (ranked 8th) ensure that much of this innovation is translated into productive business activity. However, given that all of this activity requires a critical mass of highly qualified workers, there is a danger that the restrictive visa requirements implemented post 9/11 present a non-negligible risk to the economy's ability to maintain a growing talent pool. If the United States does, indeed, begin to face important talent shortages in the

future, we would expect this to have negative repercussions on the economy's competitiveness.

While strengths in the technological and market efficiency areas explain the country's overall high rank, the US economy suffers from striking weaknesses in other areas. To begin, the quality of the country's public institutions falls short of the levels of transparency and efficiency seen in other OECD members. There is a fairly broad range of concerns among business leaders pointing to inefficiencies in the use of public resources (ranked 27th); insufficient even-handedness on the part of government officials in their dealings with private sector interests (rank 39th, well below top performers New Zealand, Denmark, and Finland); inadequate levels of trust on the part of the business community in the financial integrity of public officials (ranked 24th), low when compared with the likes of the Nordic countries, but also others such as Singapore, Switzerland, and Australia. It is clear that incidents such as the federal government's inadequate response to and handling of the after-effects of Hurricane Katrina, may have dented public confidence in government.

Another, even more striking, weakness can be found in the area of health and primary education, where the United States ranks a low 40th overall in the index, below most countries at similar per capita income levels. This is particularly noteworthy since the GCI pillar which assesses this particular set of factors has a large number of hard data indicators. In particular, the United States suffers from weak health indicators compared with other wealthy nations, such as a lower life expectancy. It has higher infant mortality rates than countries such as Japan and Finland and even Slovenia, the Czech Republic, and Korea. A high prevalence rate for HIV/AIDS—placing the United States 79th in the world—is deemed costly to business, despite the fact that at almost 15 percent of GDP, the United States spends more on health care than any other nation in the world, including France and Germany (10 and 11 percent of GDP, respectively), and where coverage, unlike that in the United States, is universal. These indicators suggest that Americans receive worse health care than do the citizens of many countries that spend less, eroding the country's overall competitiveness. Implementation of the long-discussed health care reforms in the country should therefore be seen as a priority for improving the country's competitiveness in the future.

By far the greatest weakness in the United States, however, concerns the macroeconomic environment, as captured in the macroeconomy pillar of the GCI, where it ranks a very low 69th out of 125 countries assessed. This poor showing is in line with continuing international concern over the macroeconomic imbalances in the country, particularly public finances. According to the latest estimates published by the International Monetary Fund (2006), the fiscal deficit in 2006 is projected to exceed 4 percent of GDP, the sixth year in a row that the federal budget will have shown a deficit. The IMF also projects deficits through 2011. In the meantime, gross public debt levels have also risen sharply, from 57 percent of GDP in 2000 to a projected 64 percent of GDP in 2006 and are expected to continue to rise in coming years. This rising stock of public debt is a worrisome trend, as it has taken place in recent

Box 4: The United States: An erosion of its competitive potential? (cont'd.)

years against a background of a sustained increase in interest rates which the monetary authorities have put in place in order to deal with emerging price pressures from strong domestic demand and the international oil market. With potentially open-ended expenditure commitments linked to defense and homeland security, ongoing plans to further lower taxes, as well as other longer-term potential claims on the budget—e.g., the effects of global warming on weather patterns and associated consequences—the

prospects for sustained fiscal adjustment do not seem bright. With a low savings rate, a record high current account deficit—well in excess of US\$800 billion in 2006, equivalent to some 6.5 percent of GDP, an all time record—and a worsening of the US net debtor position, there is significant risk to both the country's overall competitiveness and, given the relative size of the United States, the future of the global economy.

is second to none, ranked first in both indicators. The macroeconomic environment indicators are poor for both, though they are worse for Germany—largely explained by large public sector deficits and high levels of public indebtedness, the latter being higher in Germany than in the United Kingdom—and a strengthening of the currency in both countries in 2005. Germany's infrastructure is better—again, second to none in the world, but the United Kingdom does better than Germany in the higher education and training pillar reflecting good quality of education indicators. The United Kingdom excels in market efficiency indicators, with the most efficient financial markets in the world. The flexible UK labor market, and its low levels of unemployment stand in sharp contrast to Germany, whose business community is saddled with sclerotic labor regulations. But Germany does somewhat better than the United Kingdom in innovation indicators and the sophistication of its business community has no peer in the world. **France's** performance is reviewed in detail in Box 1 in this chapter.

Italy's competitive position has continued the downward trend observed over the past few years, and the country dropped four places in this year's Report (see box "Is Italy's Ranking Too Low?" in last year's *Global Competitiveness Report 2005–2006*). The list of problems is long and there is little evidence that they are being addressed. To begin with, the underlying macroeconomic environment is poor. Italy has been running budget deficits without interruption for the past 20 years. The fiscal situation has deteriorated significantly since 2000 and, at least according to the IMF's World Economic Outlook (2006), there appear to be no prospects for fiscal consolidation through the end of this decade. Italy's public debt is well over 100 percent of GDP, among the highest in the world. The poor state of Italy's public finances may itself reflect more deep-seated institutional problems, which are reflected in low rankings for such variables as the efficiency of government spending, the burden of government regulation, and, more generally, the quality of public sector

institutions. The market efficiency pillar does not deliver very good results either, with particular weaknesses in the areas of labor market flexibility and financial market sophistication and openness. Italy earned much better scores in innovation and business sophistication, and this explains why, the above weaknesses notwithstanding, its current rank falls between that of **Hungary** (41) and **India** (43) and is not actually lower. Hungary's performance is analyzed in detail in Box 2.

As in previous years, **Poland** remains the worst performer among the EU economies, with a rank of 48, right behind **Greece** (47) and well behind **Estonia** (25), the **Czech Republic** (29) and **Slovenia** (33), Central and Eastern Europe's top performers. Particular weaknesses in Poland stem from the highly protected and rigid labor markets, particularly harmful in a country where unemployment is close to 18 percent. As in many transition economies, businesses have to deal with uncertainties stemming from weak institutions, corruption and crime, favoritism, an easily influenced judiciary, and a weak property rights climate. Deeper reforms will be necessary if Poland is to increase productivity and stay competitive in the face of rising labor costs. However, instead of focusing on competitiveness-enhancing reforms, the government has more recently reverted to ill-conceived interventions which are undermining the business environment and creating a climate of macroeconomic vulnerability. Plans to create a government-controlled Financial Supervisory Commission and aimed at curtailing the independence of the Central Bank are a notorious recent example.

Russia has fallen from its 53rd rank in 2005 to 62nd in 2006. The private sector in Russia has serious misgivings about the independence of the judiciary, and about the administration of justice. Legal redress in Russia is not expeditious, transparent, or inexpensive, as it is in the world's most competitive economies. A ranking of only 110 among 125 countries in 2006 suggests that it is time consuming, unpredictable, and a burden on the cost structure of enterprises. Partly because of this, the environment

for the protection of property rights is extremely poor and worsening. Russia's ranking in this indicator during the last two years has suffered a precipitous decline, from 88 in 2004 to 114 in 2006, among the worst in the world.

A number of countries have pinned their hopes on strengthening reform efforts toward EU accession. While **Bulgaria**, scheduled to join in early 2007, has fallen from a rank 61 to 72, **Romania**, expected to join at the same time, remained more or less stable, at 68, losing only one place. The reform agenda in both countries is ambitious, and the institutional weaknesses which characterize both countries raise questions about their ability to adapt smoothly to the more competitive environment of the EU and, hence, about their overall readiness to take on the responsibilities of EU membership. **Turkey's** performance is analyzed in more detail in Box 3. The country has moved up an impressive 12 places, to 59 this year. The prospect of joining the EU, which became concrete since accession negotiations opened in October 2005, has certainly boosted the confidence of the business community, even if, as noted in the box, the country faces some important challenges in the period ahead. **Croatia**, the second candidate country in the negotiation process, has equally benefited from the "EU bonus" and moved up 13 places to 51.

ASIA

Asia is home to some of the most, as well as some of the least competitive economies in our rankings. **Singapore** leads the pack, ranked 5th overall, followed by **Japan** in 7th place, **Hong Kong** in 11th and **Taiwan** in 13th place overall. These economies all have high-quality infrastructure, flexible and efficient markets and healthy, well-educated workforces. They are also operating on the outer boundaries of the technology frontier, both at the firm and consumer level.

In **Japan**, economic recovery has begun with deflation on the wane, yet a number of challenges, mainly in management of the public finances and market efficiency remain, as outlined in Box 5. Nevertheless, private sector commitment to R&D, sophisticated production processes and a highly educated labor force contribute to deliver one of the most innovative economies in the world.

Another strong performer this year is **Malaysia**, ranked 26th overall, just behind the **Republic of Korea** which was ranked 24th. Malaysia exhibits one of the most efficient economies in the region; flexible labor markets, relatively undistorted goods markets, and public institutions which in many areas (e.g., rule of law, the legal system) are already operating at the level of the top performing EU members which joined in 2004. A well-developed infrastructure and relatively sound regulatory environment,

Box 5: Will Japan rebound?

Japan is recovering from a 15-year recession. In 2004–2005 the country registered one of the highest GDP growth rates in the industrial world, averaging 2.5 percent for the two-year period. Since 1990, the end of the recession has been announced several times, so one might wonder if the current recovery, which begun in 2003, represents a short cyclical upturn or reflects the sustainable impact of a decade of reform.

The recession, which started in the early 1990s with burst stock and real estate market bubbles, exposed deep structural problems in the Japanese economy, accumulated during the 1980s boom years, when economic success loosened discipline and distorted incentive systems: banks loaned without proper risk assessments, government delayed deregulation, interest groups resisted change, and the media remained largely captive to the political and corporate establishment. The real estate collapse left the country's banks with large non-performing loans, contributed to a sharp drop in equity prices, constrained bank credit, weakened consumer and business confidence, and caused domestic demand to contract to historic lows, a development exacerbated by external shocks.

In the meantime, the slow, steady advance of reform began to bear fruit. The business sector, once burdened with excess labor and debt, restructured and trimmed costs, resulting in increased profitability for all firms. Painful lay offs and more flexible employment options (part time or fixed term contracts), represented major changes in this country of "lifetime employment." The corporate sector was now able to redistribute some of its earning to employees and shareholders, spurring domestic demand. Banks reduced the value of non-performing loans to less than half—from over 40 trillion yen at the 2001 peak (representing over 8 percent of GDP) to less than 20 trillion yen in 2004. Progress notwithstanding, challenges remain.

In the short to medium term, the challenge will be to consolidate and maintain budgetary stability. At almost 6 percent of GDP in 2005, Japan has one of the highest budget deficits in the world (ranking 114th out of 125 countries in the *Global Competitiveness Report*), and a disappointing 88th position on the macroeconomy pillar in the Global Competitiveness Index (GCI). Lack of fiscal discipline led the major rating agencies to downgrade Japan's sovereign credit rating in 2002. The recent economic recovery has had a positive effect on the budget and improved the overall fiscal outlook, and the government is now committed to reducing the budget deficit by half a percentage point per year to zero by the next decade. Despite these developments, the IMF's latest *World Economic Outlook* envisages gross public debt levels of about 175 percent of GDP through the end of this decade.

Thus, budgetary expenditures will have to be carefully reviewed as there is much scope for increasing the efficiency of public sector spending. Early in the recession, the economy was kept afloat through massive public-works programs—principally infrastructure and support for inefficient companies—in a misguided effort to maintain jobs. It is not surprising,

Box 5: Will Japan rebound? *(cont'd.)*

therefore, that the efficiency of government spending is reportedly low, as confirmed by the Executive Opinion Survey (Survey), where the country is ranked 74th in this particular indicator. Fiscal consolidation will require further streamlining expenditures and increasing consumption taxes—Japan has one of the lowest rates among industrial countries. Further reform of health and social security systems are also necessary, as even the recently increased contributions are not likely to meet the demand for pensions. First steps toward consolidation have already been taken, with privatization of the postal service. The latest plan calls for more ambitious consolidation, which may be necessary to avoid an increase of the debt burden and associated risks. Interest rates are likely to rise in response to mounting inflationary pressures both global and in Japan itself, where the Central Bank recently ended the era of zero interest rates. This will have some implications for the burden of public debt.

The aging and shrinking of Japan's population will affect its productivity and growth potential more seriously than other factors in the past. By 2024, the median age is expected to be at 50, seven years older than today and 13 years older than the US level. Aging may further erode the currently weak fiscal position, diminish labor productivity—already lower than in other industrial countries— weaken internal demand, and reduce national savings, thereby limiting the availability of domestic capital. Labor productivity is already about 30 percent lower in Japan than in the United States and an aging workforce will likely reduce it further, although the overall effect is estimated to be fairly small, on the order of 2.5 percent (Oliveira Martins et al., 2005).

To avoid a situation where the lack of qualified employees threatens competitiveness, more women could be brought into active employment by providing incentives, such as improved child care, currently in short supply. OECD data show that women make up only 40 percent of paid labor and earn only 46.1 percent of male income, pointing to severe obstacles for women in accessing better paid, high-skill jobs. Results from the Survey suggest that there is also scope for improvement by making labor markets and hiring/firing practices more flexible (rank 70). Another way to increase labor productivity sustainably is through enhancing workforce education. While Japan is one of the best performers in on-the-job training (rank 2), poor quality management education appears to be a disadvantage in the country's overall competitiveness picture (rank 59).

The root cause of the 1990s recession was overregulation and poor discipline in goods, labor and financial markets. In the 1980s, a dual structure had evolved, in which a handful of well-known, export-oriented companies reached world-class efficiency levels, while the bulk of local companies lagged behind, protected from new entrants and international competition. Despite progress in regulatory reform, a wide array of tax policies, subsidies, and regulations protecting inefficient companies—particularly in network industries such as energy and telecommunications, and in retail and agriculture—remain in place.

There is considerable scope for strengthening competition in goods and services markets, making them more efficient and open.

The economy is still geared toward protecting existing domestic companies, instead of promoting new entrants and imports. According to the World Bank, it takes 31 days to start a business in Japan, whereas entrepreneurs in OECD countries require on average only 19.5 days. At the same time, domestic enterprises are sheltered from foreign competition mainly because of the import-discouraging regulatory environment. This is partly reflected in the Survey question pertaining to the existence of non-tariff trade barriers, where Japan comes in at rank 53, with low import penetration (12.9 percent of GDP, rank 123).

Without question, Japan has enormous potential. Over the past 50 years, its technological supremacy and innovation capacity have made it a world leader in innovation and research. It has the third highest R&D intensity among the industrialized economies, after Finland and Sweden, with expenditures reaching 3.2 percent of GDP, mainly undertaken by the business sector. Japan is the best performer in the entire sample in the innovation pillar. Interestingly, the world class position of Japanese R&D is so strong, that it was hardly affected during the 15- year recession. Today, the Survey data confirm that company spending on R&D is among the highest in the world (rank 2), research institutions are world class (rank 5), scientists and engineers are widely available (rank 2), and the capacity for innovation is one of the best globally (rank 2). Given this excellent environment, it is hardly surprising that Japan is one of the world leaders in patents registration, second only to the United States. The strong preference for innovative goods in the large domestic market certainly contributes to this performance.

Continued banking reform, dismantling of regulatory barriers, further progress in fiscal consolidation, and surging consumer and business confidence will be conducive for further strengthening innovative capacity, and will allow Japan to maintain its technological supremacy in the medium term, thereby supporting growth and well-being for its population.

coupled with sophisticated production methods and fairly extensive adoption of new technologies should contribute to higher levels of growth and continued rapid development. **Korea's** performance is slightly more uneven than that of Malaysia. Korea has already reached world class levels in certain areas, such as macroeconomic management, school enrollment rates at all levels, penetration rates for new technologies, and levels of scientific innovation, as captured by data on patent registration. However, Korea continues to be held back by a number of weaknesses in the area of institutions, both public and private. As for levels of transparency and openness, the impartiality of public sector officials in their dealings with the business community and levels of corruption, Korea has not yet reached the standards of Finland, Sweden, Denmark, or Chile. **Taiwan** continues to operate at a high level of efficiency but it has dropped below last year's "top-ten" status. It is an innovation powerhouse, with levels of patents registration per capita exceeded only by the United States and Japan (see the case study on the development of the ICT sector in Taiwan in the 2006 *Global Information Technology Report*). It continues to excel in terms of indicators of higher education and training (ranked 7th overall), but, like Korea, its overall rank is weighed down by weaknesses in the institutional infrastructure, as captured by the GCI's first pillar.

India ranked 43rd overall and, as the leading country in the GCI's first stage of development, scores remarkably high in capacity for innovation and sophistication of firm operations. This is especially true of the quality of scientific research and the number of scientists and engineers, which are increasingly supplying highly skilled professionals to the private sector. Indian enterprises tend to utilize sophisticated production processes and use numerous high-quality local suppliers, thus lowering input costs. Firm use of technology and rates of technology transfer are high, although penetration rates of the latest technologies are still quite low by international standards, reflecting India's still low levels of per capita income and high incidence of poverty. As income continues to rise and the fees associated with use of these products continue to fall, usage rates will rise, bringing about improvements in productivity. However, despite those impressive results on technological readiness, insufficient health services and education and a poorly developed infrastructure is limiting a more equitable distribution of the benefits of India's high growth rates. Additionally, successive Indian governments have proven to be remarkably ineffective in reducing the public sector deficit, one of the highest in the world.

China's ranking has fallen from 48 to 54. Its performance is highly uneven and this raises a number of concerns. Consistent with the cautious macroeconomic management of its authorities and extremely high GDP growth rates, the macroeconomy pillar of the GCI shows a very

high rank, 6th overall in the world. This reflects China's low inflation, one of the highest savings rates in the world, and manageable levels of public debt. Perhaps more than any other country in the world, China's large and rapidly growing market has attracted large volumes of FDI in recent years (US\$54 billion in 2004¹⁹) as transnational corporations have invested heavily in order to benefit from the country's emerging middle class and its higher purchasing power. However, as the country is not addressing its many structural problems and institutional shortcomings quickly enough, their long-term effects may be partly disguised by the booming economy. The banking sector is largely state-controlled and the capacity to price risk is limited. Levels of financial intermediation are low and the state has had to intervene from time to time to mitigate the adverse effects of a large nonperforming loan portfolio. Like India, China has low penetration rates for the latest technologies (mobile telephones, internet, personal computers) and because these are expanding more quickly in other countries, China's ranks in these indicators are actually falling behind. Secondary and tertiary school enrollment rates are better than they are in India, but still low by international standards. A number of indicators which capture the sophistication of the business community (e.g., complexity of production processes, extent of marketing) also show lower ranks in 2006 than last year. By far the most worrisome development is a marked drop in the quality of the institutional environment, as shown by the sharp drop in ranks from 60 to 80 in 2006 in the institutions pillar of the GCI, with poor results across all 15 indicators, and involving both public and private institutions. There are concerns about the strength of auditing and accounting standards, protection of minority shareholders' interests, the burden of government regulation, the climate for the protection of property rights, as well as the independence of the judiciary from undue influence. These will have to be addressed in order to strengthen the ability of the Chinese economy to respond to external shocks and to ensure country-wide gains in efficiency sufficient to narrow growing income disparities.

At rank 56, **Kazakhstan** leads the central Asian economies by a wide margin and with an excellent macroeconomic performance, thanks to increasing oil and gas revenues. Tajikistan and the Kyrgyz Republic come in at 96th and 107th respectively. The region as a whole lacks the strong institutions and basic infrastructure that could serve as a foundation to launch a process of convergence in competitiveness levels with the transition economies of Central and Eastern Europe.

LATIN AMERICA AND THE CARIBBEAN

Once again, at 27th and unchanged with respect to 2005, **Chile** has the highest ranking overall in Latin America and the Caribbean. Chile's competitiveness position reflects not only solid institutions—already operating at levels of transparency and openness above the average for the EU—but also the presence of efficient markets, relatively free of distortions. The state has played a supportive role in the creation of a credible, stable regulatory regime.

Extremely competent macroeconomic management has been a critical element in creating the conditions for rapid growth and sustained efforts to reduce poverty. In particular, continuing reductions in public debt levels, supported by a fiscal policy that targets an overall budget surplus for the central government have also played a central role in buttressing the credibility of government policy. The resources generated by Chile's virtuous fiscal policy have gone to finance investment in infrastructure and, increasingly, education and public health. Given Chile's strong competitive position, the authorities will have to focus attention on upgrading the capacity of the labor force with a view to rapidly narrowing the skills gap with respect to Finland, Ireland and New Zealand, the relevant comparator group for Chile.

Brazil's ranking, 66th overall, down from 57th last year reflects a particularly poor position in the macroeconomy pillar of the GCI (114th, as compared to 91st in 2005), resulting from a large budget deficit, at least in relation to that of other countries, if not in relation to Brazil's historical performance, which has not been good. High levels of government debt and a wide interest rate spread indicate the heavy intermediation costs in the Brazilian banking sector, which negatively affect private sector investment and contribute to lower economic growth. For a more detailed analysis of Brazil's competitiveness performance see Box 7 in this chapter. **Mexico's** ranking has remained broadly stable, moving up one place to 58. The country shows a somewhat uneven performance over the various pillars of the GCI, with relatively good scores on health and primary education, goods market efficiency, and selected components of technological readiness, e.g., FDI and technology transfer, no doubt reflecting the close links of the Mexican market to the United States in the context of NAFTA. However, this is offset by the same institutional weaknesses as are prevalent in the rest of Latin America. **Argentina** is featured in Box 6.

A lack of sound and credible institutions remains a significant stumbling block in many Latin American countries. **Bolivia** (97), **Ecuador** (90), **Guyana** (111), **Honduras** (93), **Nicaragua** (95), **Paraguay** (106), and **Venezuela** (88) achieve low rankings overall and, in particular, are among the worst performers in the GCR sample for the presence of the basic elements of good governance, including rea-

sonably transparent and open institutions. These countries all suffer from poorly defined property rights, undue influence in decision making, inefficient government operations, as well as unstable business environments. Perceived favoritism in government decision-making, an insufficiently independent judiciary, and security costs associated to high levels of crime and corruption make it difficult for the business community to compete effectively, either within the region or in the world.

A new entry into the *Global Competitiveness Report* this year is **Barbados**, the second-highest ranking economy in the region, with an overall rank of 31. While high levels of public debt and a low savings rate result in low scores in the macroeconomy pillar, the country benefits from high-quality institutions and well-developed infrastructure, which provide a good platform for businesses to develop. **Suriname** is another new addition this year and comes in at a rank of 100 overall. The economy is characterized by rigid labor markets and distorted goods markets. Underdeveloped financial markets reduce access to investment funds and onerous taxation discourages private investment. As part of the ambitious reform agenda in the period ahead, the authorities will have to address serious structural deficiencies.

As in previous years, **Venezuela's** overall performance continues to deteriorate, despite the marked improvement in the macroeconomic ranking (from 45th place last year to 26th this year), due mainly to a government budget surplus, a phenomenon seen in all oil-exporting countries. The single most important obstacle to development, however, appears to be the quality of Venezuelan institutions, especially in combating corruption, undue influence in decision-making, and reducing government intervention. Indeed, Venezuela is the worst performing country in the entire sample when it comes to institutions. While the government has increased spending on health and education since coming to power in 1999, programs of land and plant expropriation as well as other instances of severe interference with the functioning of the market economy have also had a serious impact on domestic businesses and scared off foreign investment. The government policy of expropriation of idle or under-used factories has targeted 700 privately owned plants and FDI has plunged from US\$7.8 billion in 2002 to just US\$1.5 billion in 2004.²⁰ For all the talk about the social dimension of the government's "benign" revolution, school enrollment rates are either mediocre or poor, with Venezuela ranking 85, just behind Vietnam, Suriname and China, at the secondary school level. Venezuela's infant mortality rate of 16 per 1000 live births is on a par with Albania, and actually higher than that of Russia or the Ukraine, two countries still recovering from decades of public health neglect. Not surprisingly, Venezuela's ranking in the Human Development Index in 2003 (the latest) was 75, nearly 30

Box 6: Argentina's unfulfilled potential

During the period 1960–2000 Argentina's average annual real per capita GDP growth was 1 percent, lower than that of all country groupings other than sub-Saharan Africa. Indeed, it was lower than the average for the developing countries (2 percent) and the average for *all* countries (2.4 percent). The logic of compound interest means that, whereas Argentina increased its real per capita income by some 48 percent over this 40-year period, a growth rate closer to 3 percent (not particularly high for some of the better managed economies) would have boosted income per capita by over 200 percent, a huge difference in the evolution of a key indicator of human welfare.

A key characteristic of Argentina's growth performance during this period has been its high volatility, with sharp oscillations over the entire period, in a clear pattern of boom and bust. This applies to the most recent period as well, where a cumulative contraction in real GDP in excess of 18 percent during the period 1999–2002, reflects the lead up to the 2001 financial crisis and its after effects. The country experienced a sharp recovery thereafter, with an average growth of about 8.5 percent during the period 2003–2006.

Clearly the key question facing the authorities is: what are the policy and institutional requirements for sustained growth over the longer term? Argentina is a country with vast potential, richly endowed with physical and human resources.¹ Its poor growth performance reflects a combination of macroeconomic mismanagement and delays in the establishment of the "soft" infrastructures of successful development: better public institutions, good governance, greater efficiency in the operation of goods, labor, and financial markets, and politicians closely identified with the public good. An analysis of the results for this year's Global Competitiveness Index (GCI) suggests several key priorities for reform:

- Argentina's poor growth performance is a reflection of its sorry record of *fiscal management*, the primary cause of the 2001 collapse of the exchange rate regime, the banking system, and the ensuing political crisis. Argentina needs to consolidate the recent improvement in its fiscal accounts by moving to a system where safeguards are introduced which effectively isolate the budget from the venality of politicians, and from the diverse demands placed upon it by economic agents. Improved fiscal management will help reduce the servicing burden of the public debt, will lead to a lower interest-rate structure, and improved credit ratings. A lower debt burden will, in turn, allow spending to rise in other areas, including education, infrastructure and public health, and will boost the country's dismal competitiveness rankings.

Argentina should quickly move to a fiscal regime that targets the government's structural balance. That is, government expenditure should be limited to the level of structural (i.e., cyclically adjusted) revenue. In practice, this means that pro-cyclical policies will be avoided. Indeed, there should be a target for the government balance of a surplus of at least 1–1.5 percent of GDP on average.² This approach to fiscal policy will

have a number of distinct advantages: it will depoliticize the budget process from election cycle spending or other politically motivated discretionary spending, an important achievement in Argentina, given its historical antecedents. It will establish a smoother profile for government expenditure, which, in turn, will allow the government to implement a predictable public investment program. By institutionalizing fiscal discipline, an environment will be created in which, in the absence of an exchange rate target, monetary policy will be able to play an effective countercyclical role. This regime would need to be supported by institutional reforms to improve intergovernmental fiscal relations, thus better aligning the inefficient incentives which have characterized the relations between the federal government and the provinces, a root cause of Argentina's inability to rein in public spending. In the absence of such reforms, the risk is high that the current boom will, as in the past, be followed by another bust.

- The worst-ranking among the 9 pillars of the GCI, by a significant margin, is the quality of Argentina's *public institutions*, 118th in the world among 125 countries. All of the indicators used in this pillar come from the Forum's Executive Opinion Survey and represent the considered views of the country's business community. They register serious concerns about the property rights environment, the independence of the judiciary, wastefulness in the use of public resources, the lack of even-handedness in the government's relations with the private sector, and see public officials as not being sufficiently impartial in their dealings. There is a perceived prevalence of corrupt practices as well, involving diversion of public funds to private ends—Argentina has a rank of 97 in the last edition of Transparency International's Corruption Perceptions Index (CPI), among the worst in Latin America. The Forum's own corruption index puts Argentina in 70th place among 125 countries, broadly consistent with the CPI, which has much broader coverage.

Improved governance in Argentina will involve several mutually reinforcing elements: government willingness to open the accounts and activities of public institutions to public scrutiny, and to institute reliable systems of auditing and financial management will clearly be key. A number of studies have shown that transparency is particularly important in the case of the tax system, where the ability of governments to collect revenues sustainably will depend as much on the public's perception of the fairness of the tax system as on the use made of those public funds, and will counteract the deep cynicism of taxpayers, investors, and other economic agents. An additional concern in Argentina has to do with lack of adequate access to a free press, giving it a ranking of 105 among 125 countries in the Forum's freedom of the press indicator. Sen (1999) notes that societies operate better under some presumption of trust, and that openness, access to information, and the freedom for society's members to deal with one another under "guarantees

Box 6: Argentina's unfulfilled potential (cont'd.)

of disclosure and honesty" are essential for combating corruption and other misuses of political power.

- A third set of factors which help explain Argentina's low competitiveness rankings have to do with *inefficiencies in the operations of various markets*. Along with the rest of Latin America (with the possible exception of Chile), Argentina suffers from a long tradition of mindless bureaucracy and red tape which, among other things, discourages the creation of new businesses and the development of an entrepreneurial class. Argentina's labor markets are insufficiently flexible, with heavy constraints on businesses to adjust payrolls to demand conditions. The government has increasingly intervened in the economy, leaning on businesses to impose some price controls. Ironically, these appear to have been largely ineffective, as Argentina continues to suffer from high inflation—a low rank of 102 in 2005. Although the authorities seem satisfied that progress has been made in bringing inflation down from its hyperinflationary past, inflation has dropped virtually everywhere in the world, and, as in years past, Argentina remains in the same undistinguished company of Pakistan, Nicaragua, and Venezuela. The government's interventions have at times been truly incomprehensible, as when it decided recently to introduce a system of dual pricing for gasoline, depending on the provenance of the owner of the vehicle, a decision involving elements of blatant discrimination and dubious legality.

The Forum's contracts and law index gives a rank of 118 to Argentina this year. This index captures a number of rule-of-law variables and aspects of the legal and regulatory environment. A telling example of weakness in this area is the government's failure to renegotiate a large number of public service concession contracts, suspended by an Emergency Law passed by congress in early 2002, in the aftermath of Argentina's debt default. More than four years after suspension of these contracts, the government is no closer to establishing a clear framework for public contracts affecting gas, electricity, telecommunications, and water services. A draft law proposed by the government is seen as deeply flawed, since it fails to establish a transparent and predictable framework for tariff adjustments, gives excessive scope for government-imposed tariff reductions, denies suppliers the right to seek international arbitration, and prevents disconnection of service to non-paying users. Not surprisingly, these delays have led to the departure of some foreign investors, and utility companies have begun litigation in international arbitration tribunals. Predictably, they are leading to energy shortages and other infrastructure bottlenecks, have resulted in government subsidy of consumer gas prices, and are raising fundamental questions about Argentina's investment climate.

To escape the decades-long cycle of boom and bust, Argentina will have to institutionalize its fiscal policy, aim for a structural surplus of at least 1 percent of GDP, and imbed this in a new law. This would be a sound way to build on the progress made in recent

years in changing the pattern of fiscal indiscipline. But it will not be enough. The authorities will also have to improve the business climate, anchoring it in a framework of predictability, transparency, free of heavy handed, often ill-conceived, government intervention. There is no intrinsic reason why Argentina can not continue to grow at 6–8 percent per year for the foreseeable future, provided efforts are made to establish a sound policy framework.

Notes

- 1 All three Latin American recipients of the Nobel Prize in science have been Argentine nationals (one in chemistry and two in medicine).
- 2 The authorities' current claim to be running budget surpluses does not take arrears and interest capitalization on non-performing debt into account; when these are considered, the government registered a deficit of 2.9 percent of GDP in 2005.
- 3 Of the 125 countries ranked in the GCI, 98 had an inflation rate in 2005 of less than 9 percent; Argentina was not among them.

Box 7: Laying the foundations for a new “Brazilian miracle”

With a population of 181 million and a GDP of close to US\$800 billion in 2005, Brazil is the largest economy in Latin America and an increasingly important global player. Abundant natural resources coupled with a diversified industrial base provide the country with a competitive edge in agriculture and livestock and a rich potential for further export diversification, less dependent on primary goods and more on higher value-added lines of production. Due to its large domestic market and diversified industrial structure, Brazil has been quite successful in attracting large inflows of FDI.

Brazil has vast unfulfilled potential. In decades past it has seen relatively short periods of exceptionally good economic performance with high growth rates and stable inflation, against a background of rapid industrial diversification. But these periods have been followed by episodes of slow growth, characterized by macroeconomic instability and a worsening of income distribution.¹ Indeed, the debt crisis in the early 1980s marked an inflexion point in Brazil's economic development, precipitating a “lost decade,” in which aggregate expenditures were squeezed to provide the necessary resources to service the debt. However, the virtual stagnation of income per capita growth² may have prompted a rethinking of the prevailing development paradigm. The 1990s witnessed increasing recognition on the part of successive governments of the importance of macro stability and the need to create an institutional environment broadly supportive of private sector development. Nevertheless, progress in establishing a solid foundation of macro stability has been slower than expected, reflecting the difficulties of quick fiscal adjustment in a country suffering from wide income disparities and unmet social needs.

Brazil's unfulfilled potential is made evident by a broad range of indicators used in the World Economic Forum's GCI, which shed light on the country's relatively poor ranking: 66th out of 125 economies covered, a drop of 9 positions with respect to 2005. Following is a brief review of those key factors which are pulling down Brazil's ranking. This will, in turn, suggest the areas for priority attention in policy formulation and reform.

- By a significant margin, Brazil has the lowest ranking—114—in the macroeconomy pillar of the GCI. Without doubt, the country's *fiscal performance* in recent years has improved, reflecting the strong commitment of the present government to sounder public finances. However, Brazil suffers from high levels of public indebtedness—gross public debt is close to 72 percent of GDP, very high by international standards. While the public sector deficit in 2005 (3.3 percent of GDP) was much lower than in years past—it was more than twice this level in 2003—and the country has been running primary surpluses to improve its debt dynamics, these are improvements over Brazil's own mediocre past and not in comparison to fiscal performance in other countries, many of which have also boosted the quality of budgetary management, in some cases dramatically. Furthermore, as noted by Singh et al. (2005), in Brazil a full 80 percent of public sector spending suffers from some sort of rigidity, whether in the form of earmarking of revenue to particular expenditure categories, constitutional or legal mandates

that establish floors on certain types of spending, the automatic linking of social and pension benefits to the minimum wage, mandatory transfers to regional governments and other forms of no doubt well-meaning interventions which, over time, have sharply limited the ability of the government to restructure spending in a way that could allow for greater prioritization of productivity-enhancing expenditure categories, such as education, training, and infrastructure improvement.

Furthermore, distortions in the financial system continue to drive a large wedge between borrowing and deposit rates, hampering a quicker expansion of investment and limiting bank intermediation in delivering resources to small and medium-sized enterprises. The benchmark SELIC³ rate is currently above 15 percent, extremely high by international standards, at a time when inflation rates all over the world have been dropping continuously.

- The next worst ranking (104) is in the institutions pillar, particularly its *public institutions* component, highlighting a number of serious weaknesses which are clearly compromising Brazil's growth performance. Like much of the rest of Latin America, the Brazilian business community operates against the backdrop of an entrenched culture of bureaucracy and red tape. According to the World Bank's *Doing Business Report*, it takes 152 days and 17 procedures to start a new business in Brazil, 19 procedures and 460 days to get a license, 546 days and 15.5 percent of the outstanding debt to enforce a contract. Government spending is perceived as being wasteful (a rank of 119), reflecting the rigidities noted above which dissipate the potential value of well-targeted spending programs. The business community has little confidence in the financial probity of public officials, who, therefore, may not have sufficient credibility vis-à-vis civil society and the corporate sector. The poor rank of 92 is clear evidence that the court system is not perceived as operating within a framework of broad independence, free of undue influence—a feature which substantially adds to business costs in the form of delays in the administration of justice and/or the need to pay bribes to resolve legal disputes. An inefficient and burdensome tax system with high corporate tax rates, coupled with high payroll taxes, including social contributions and restrictive labor regulations have, among other things, contributed to shift a large part of the workforce toward the informal sector.

According to the World Bank, Brazil's informal economy is huge, close to 40 percent of national income in 2003. This data is corroborated by the Forum's Executive Opinion Survey (Survey) which gives Brazil a rank of 91 out of 125 countries for the prevalence of its informal sector, far below that of Chile, Japan, and the US, the best performers for this indicator, but also well below India and China.⁴ The oversized informal sector is thought to account for close to half of all barriers to labor productivity growth in the country (Elstrodt et al., 2006). It also cuts across all economic sectors, encompassing companies which operate partially or totally outside the law, gaining a

Box 7: Laying the foundations for a new “Brazilian miracle” (cont’d.)

comparative advantage vis-à-vis regular companies, either by evading taxes and social contributions, ignoring safety and product-quality regulation, or disregarding intellectual property rights. The existence of this burgeoning⁵ parallel economy represents a drag on the country’s development prospects not only because it subtracts market shares and profits from law-abiding firms, thereby undermining their ability to invest in R&D, innovation and training, but also because it depresses the economy’s overall productivity levels.

- Beyond these microeconomic deficiencies, Brazil’s *education indicators* show evidence of structural problems. Primary and secondary education is characterized by low standards, high dropout rates, and a regional bias against the northeast. At the same time, access to the network of public universities tends to benefit those with higher incomes, since the poor have difficulty meeting admission requirements. Inadequate education and training not only reinforce the income distribution patterns in the country, but prevent workers from finding more qualified posts in the formal sector, relegating them to low paying, low-skill jobs. Brazil’s tertiary enrollment rate is low by international standards, placing the country 75th among 125 countries, a troubling indicator, given the increasing complexity of the global economy and the high returns to investment in higher education. This is yet another area where the constraints on government expenditures have sharply limited its ability to invest more in competitiveness-enhancing areas such as a world class educational system.

The above notwithstanding, the past decade has seen efforts by the government to address the above-mentioned impediments to growth. Pension reform for public sector workers was approved in December 2003, and this should help put the fiscal accounts on a more sustainable path. On the enforcement side, a new superviso-

ry board was established in July 2005 to cut tax evasion and combat fraud. On the education front, former president Cardoso’s focus on primary education led to a sharp increase in primary school enrollment rates and a decrease in illiteracy and dropout rates. President Lula da Silva’s administration has tried to build on these efforts, with primary education occupying a central position in the design of the poverty-relief programs—notably the *Bolsa Escola*.

Provided the weaknesses identified above are addressed, there is no reason why Brazil could not move to a higher growth platform where all Brazilians could reap the fruits of increased prosperity.

Notes

- 1 UNDP, 2003; Brazil, with a Gini coefficient of 0.61 has one of the most inequitable income distributions in the world, with the wealthiest 10 percent of the population accounting for 48 percent of the national wealth and the poorest 20 percent for only 2.5 percent; income distribution is also skewed along regional lines, with 60 percent of the poor concentrated in the northeastern states.
- 2 In the early 1980s Brazil had a PPP-adjusted GDP per capita well above that of Korea; by the mid-1990s Korea, with its limited natural resources, had a GDP per capita more than twice that of Brazil.
- 3 SELIC stands for Special System for Settlement and Custody, the central depository of securities issued by the National Treasury and the Central Bank of Brazil.
- 4 The Survey question is: “How much business activity in your country would you estimate to be unofficial or unregistered (1 = more than 50 percent of economic activity is unrecorded; 7 = none, all business is registered); Chile, Japan, and the United States have the top scores: 5.3, 5.2, and 4.9 respectively; Brazil has a score of 2.9, below India (3.8) and China (3.7).
- 5 Indeed, according to J. Capp et al. (2005), in the 1992–2002 period the informal sector has remained unchanged at 55 percent of total employment and has absorbed 87 percent of new jobs created.

places below its 44th rank in 1990, and 14 places lower than the 61st rank at the outset of the Chavez administration.

MIDDLE EAST AND NORTH AFRICA

The competitiveness landscape in the Middle East and North African region has generally seen an improvement since last year’s *Report*. Among the larger economies, **Algeria** and **Morocco** moved up six places each, to ranks 76 and 70, respectively, while **Tunisia**, the most competitive economy of the region, reached rank 30, up seven places from last year, closely followed by the **United Arab Emirates** at rank 32. The smaller Gulf States also did well: **Kuwait** moved up five places to rank 44, **Qatar** leaped

eight places to rank 38, and **Bahrain** achieved rank 49. **Israel** also saw a notable improvement, advancing eight places to rank 15 (a detailed assessment of Israel’s competitive performance is covered in Box 8). Only **Egypt** (rank 63) and **Jordan** (rank 52) lost significant ground, dropping eleven and ten ranks respectively.

The move to a more comprehensive Index this year has caused some adjustments in country rankings. The new Index considers a number of important factors which were not accounted for previously and provides a more balanced picture of the issues that have an impact on competitiveness. For example, some of these newly assessed aspects include infrastructure, higher education and training, business sophistication, technological readiness, and innovation, as well as efficiency of financial markets.

Box 8: Unleashing Israel's competitive advantage

This year, Israel ranks 15th worldwide in the Global Competitiveness Index (GCI), up from 23 last year, making it one of the world's most competitive economies. Its most significant achievements were concentrated in the areas of technological readiness (up 20 places to rank 3), macroeconomic management (up 17 places to rank 50), market efficiency (up seven places to rank 14), and various areas of infrastructure.

Spurred by the global upswing and a concurrent increase in world trade,¹ a recovery of the high-tech sector and an improved internal security situation,² the Israeli economy has been improving since 2003, witnessed by an impressive GDP growth rate of 5.2 percent in 2005 (4.3 percent in 2004) and forecasts of growth for 2006 of more than 5 percent, made before the August 2006 hostilities broke out.

The global economic recovery resulted in a sharp upturn in demand for high-tech production, which constitutes some 70 percent of Israel's industrial exports, the highest percentage in the world. In 2005, high-tech exports rose by nearly 10 percent, to US\$18.8 billion. The country also benefited from the rise of the high-tech sectors in India and China and their emergence as increasingly important customers of Israeli products.³

In addition to these external global factors, the competitiveness improvements are the culmination of very significant capital market reforms, coupled with fiscal discipline, which have introduced a greater degree of competition and are now clearly bearing fruit. The 2003 New Economics Agenda, pushed through with public consensus during the recession, was based on three main tenets, a reduction in government expenditure, greater fiscal discipline and tax cuts, all of which have done much to create the conditions for higher productivity and growth.

The country's general government expenditure-to-GDP ratio which has been traditionally high 47.3 percent in 2005, compared to the OECD average of 41.8 percent, due to huge defence spending and substantial interest payments on the debt stock was significantly lower in early 2006 than its customary seasonal path. The fiscal consolidation effort aims to bring this ratio down to 34.4 percent of GDP by 2010, increasing the budget by less than the GDP growth rate, namely 1.0 percent in 2006 and 1.7 percent in 2007.

The budget deficit still remains on the high side compared to other western countries, reflected in a rank of 71. But there were signs of improvement, as shown in its jump upwards by 22 ranks over last year, as fiscal consolidation trimmed the deficit/GDP ratio from an average of 4.4 percent during 2001–2004 to around 3 percent in 2005. The current budget is projected to maintain it at this level in the years ahead. The reduction in the budget deficit, brought on by rapid economic growth and financed in part using privatization revenues, has also made it possible to reduce the high debt/GDP ratio, which declined by 3.8 percent to 96.9 percent of GDP in 2005, compared to an OECD country average of 81.2 percent (in 2005).

The reforms have also helped to improve market efficiency. For example, although still high, the extent and effect of taxation ranked 58, an improvement of 17 ranks, following a comprehensive tax reform package approved by the Knesset in July 2005, to be

implemented from 2005 to 2010. This included bringing down the marginal labor tax rate to 44 percent by 2010, a reduction in VAT by one percentage point to 15.5 percent and a gradual decrease in the corporate tax from 31 to 25 percent. Compared to other OECD countries, the maximum tax rates in Israel are no longer high. Moreover, Israel has no estate or inheritance taxes.

The area that saw the most impressive developments was the financial market, highly developed by regional and international standards, as reflected by the country's 13th place under this category, a jump in eight places vis-à-vis last year. This appears to be due, first and foremost, to the recent capital markets reform, led by the Bachar Commission, which tackled the two major problems: the high degree of market concentration resulting from two institutions that accounted for about 70 percent of the asset management industry, and an existing conflict of interest arising from concentrated ownership of funds by banks and their role in the provision of financial retail advice. This was done by separating asset management activities from commercial banking, introducing a substantial degree of competition and professionalism and laying the groundwork for a revolution in the sophistication and independence of asset management.

This has built on a previous round of important reforms that phased out the high-yield guaranteed-rate government bonds held by pension funds mostly public pension funds held by Histadrut, the main labor union in the country and equalized the tax treatment of capital gains between Israeli and foreign securities. Israel ranks 2nd place globally in its excellent access to venture capital, which is channelled to early-stage companies, especially ICT and biotechnology start-ups. The Israeli government continues to play an active role in the development of this market by financing joint public-private venture capital funds to leverage private capital from foreign investors.

Israel ranked 23rd for overall infrastructure quality, up seven places since last year and 31st for railroad infrastructure development, reflecting a jump of ten places. These improvements reflect ongoing reforms concentrated in rail, roads, ports, and electricity supply infrastructure, and have introduced elements of competition. Foremost among the large infrastructure allocations is a multi-year budget of NIS20 billion to Israel Railways, a public corporation since 2004–05. The government also plans to introduce mass transit systems in metropolitan centers, an additional light rail system in Jerusalem, and has allocated approximately NIS 3.3 billion averaging almost 1 percent of GDP for the period 1997–2005 toward road infrastructure development, mainly through build, operate, transfer (BOT) schemes.

Government companies have been established to improve port infrastructure management, maintenance, and development. In 2005, an agreement was reached with unions to begin the privatization process aimed at introducing more competition into the port container market, with the goal of significantly reducing ship waiting times. The Electricity Sector Law, amended in 2003, is focused on reforming the electricity industry by unbundling production activities of the state-owned Israel Electric Corporation, with the aim of lowering prices and improving service.⁴

Box 8: Unleashing Israel's competitive advantage (cont'd.)

Israel's large-scale fiscal consolidation, will enable future cuts in the tax burden and public debt, thereby freeing up capital market resources for the business sector, lowering the economy's long-term interest rate, and stimulating growth and investment. As long as the macroeconomic targets are met, the combination of consolidation and ambitious capital markets reform is expected to fully unleash the country's competitive potential.

The economic impact of the recent hostilities has been limited. The effects of these events on real activity, on the exchange rate, inflation, and on financial markets has been small and has demonstrated Israel's continued economic resilience in the face of ongoing instability in the region. Over the longer term, much will be gained from securing lasting security arrangements with its neighbors, to remove uncertainties about the political environment and

allow a redirection of resources toward productivity-enhancing areas, such as education and infrastructure. Without doubt, the entire region would greatly benefit from the associated "peace dividend."

Notes

- 1 IMF (2006), p. 205; in volume terms, annual growth in world trade has increased from 3.4 percent in 2002 to 7.3 percent in 2005, and is forecast to reach 8 percent in 2006.
- 2 Bank of Israel (2005).
- 3 *BusinessWeek* online, 30 December 2005.
- 4 Government of Israel, Ministry of Finance (2006).

Box 9: South Africa: Challenges on the road to prosperity

Strong global growth and high commodity prices, combined with buoyant consumer demand have enabled South Africa to grow at a robust rate exceeding 4 percent since 2004, set to continue this year. Despite significant achievements since the ending of apartheid in 1994, South Africa is in many ways still struggling with its legacy, including gross inequalities, high unemployment, major skill shortages, and a striking dichotomy between first and third world characteristics.

Entrenched inequalities act as a deterrent to growth, development, employment creation and poverty eradication, as reflected in the results of this year's Global Competitiveness Index, in which South Africa has dropped five places to rank 45. It also lost 12 places (falling to rank 58) in the basic requirements subindex, highlighting the fundamentals for achieving sustained growth in factor-driven economies: strong institutions, adequate infrastructure, a supportive macroeconomic environment, and good basic health and education.

Relative to its overall rank, the country does particularly well in a number of areas typically reserved for rich, innovation-driven economies: it ranks 29th in the innovation subindex. Its economic sophistication is also reflected in high ranks for property rights (22), private institutions (23), goods (20) and financial market efficiency (27), business sophistication (32), and innovation (29).

On the other hand, South Africa's per capita income of US\$12,160 (PPP for 2005) stands in stark contrast to its low—and since 1995 declining—human development ranking, as measured by the UNDP's Human Development Index. It ranks only 103rd in the world for basic health and education, extremely low for a country at this level of development. With a Gini coefficient of 57.8, South Africa has one of the highest levels of income inequality in the world. The gulf between the poorest and richest quintiles of

the population is huge, with the former commanding less than 4 percent of national income, and the latter over 62 percent.¹ Moreover, glaring inequalities are seen not only in income levels, but also pertain to access to or ownership of productive assets such as land, basic infrastructure, capital, and information, as well as to education and advanced skills.

While economic growth is essential, it is not a guarantee of employment creation, and South Africa's unemployment situation is grave. The most recent data (March 2004) show an unemployment rate of 27.8 percent—a steep increase since the 20 percent in 1994²—with 4.6 million unemployed and a labor force participation rate of only 54.5 percent. The unemployment rate among black Africans was the highest of any of the country's population groups (29 percent for males and 38 percent for females), while the rate for whites was approximately 5 percent. Employment in the formal sector (excluding agriculture) accounted for around 73 percent of total employment.³ However, data across population groups show that only 65 percent of employed black Africans were in the formal sector, 24 percent in the informal sector, and 11 percent in domestic service, as compared to whites who are predominantly employed in the formal sector.

The government has made considerable progress in redressing these remnants of apartheid, most recently by introducing the Broad-Based Black Economic Empowerment Act 2003 (BEE), a legislative framework aimed at increasing the effective participation of black people in the economy, as managers, owners of enterprises and productive assets, and developing human resources and skills. To date, the implementation of the Act takes place through voluntary charters such as for the Maritime Transport & Service Industry, the Forwarding & Clearing Industry, the Mining Industry, the Tourism Industry, the Petroleum and Liquid Fuels Industry, the

Box 9: South Africa: Challenges on the road to prosperity (cont'd.)

ICT and the Financial Sector. These are either sectors that continuously engage in government contracts or those that are central to future growth. Enterprise-level targets and timetables are monitored by an independent body and the “scores” made public. Target quotas aim to have 40 percent blacks on boards of directors, 5 percent of payrolls reserved for skills development, and 40 percent black people employed at certain occupational levels. Beyond peer and public pressure to meet these targets, their achievement is tied to economic incentives, e.g., government preference to enterprises that satisfy the scorecard criteria when granting licences, concessions, or when engaging in any economic activity.

However necessary the BEE strategy may be, it entails significant restrictions on labor market flexibility. It will surprise no one that South Africa ranks 123rd in labor market flexibility, encompassing hiring and firing practices, flexibility of wage determination, and union/employer relations. Indeed, the BEE process has been criticized by enterprises which find it heavy-handed, and not likely to produce the much needed relevant skills. It is seen by some as simply chasing quotas without making a real impact on the transfer of wealth to ordinary people.

Flexibility of wage determination in South Africa is also constrained by the short supply of skilled labor. This year's ranking for higher education and training shows a drop to rank 56 from 47 last year. Engineering and construction enterprises feel particularly constrained by the lack of skilled human capital. Only 11.6 percent of the labor force aged 25–29 has a tertiary education⁴ and there is a large pool of unskilled labor. Therefore, the implementation of education and training programmes which deliver the skills necessary for a modern economy are a key ingredient to boost economic performance.

Infrastructure represents another major challenge. South Africa experienced a huge drop in ranking for this pillar, from last year's 35 to 49th place. To correct this situation, the South African government launched the Accelerated and Shared Growth Initiative of South Africa (ASGISA), with the ambitious aim of maintaining GDP growth at 4.5 percent until 2009, and raising it to 6 percent in the new decade, supported by substantial infrastructural investment. The government's Medium Term Budget Policy Statement 2005 outlines public and parastatal investment spending in the region of some US\$53 billion for the three fiscal years 2006 through 2008. The Gautrain Rapid Rail Link, targeted for completion between Johannesburg and Pretoria by 2010, at a cost of some US\$2.9 billion, is part of the planned infrastructure investment. Maintenance, upgrading and expansion of existing infrastructure will also play a role in propelling growth and boosting real fixed capital stock. Other ongoing structural reforms include the introduction of a second fixed-line telephone operator, to increase competition and reduce communications costs. Policy efforts must now concentrate on deregulating the power-generating sector and upgrading distribution networks, water-supply infrastructure, and railway lines.

The macroeconomic picture is generally bright, as reflected by a respectable rank of 46. However, a strong currency, combined

with low interest rates and an increasingly empowered black middle class fuelled a consumer spending boom which has resulted in a sizeable increase in the current account deficit, amounting to 6.4 percent of GDP in the first quarter of 2006, the highest ratio registered since 1982. Currently, this is easily financed by capital inflows, but there is a risk that this trend could reverse. A first reassessment of risks and returns in emerging markets by international investors already took place in May 2006. The nominal effective *rand* rate weakened accordingly by just under 10 percent over a period of three weeks. There continues to be a downside risk that inflows could dry up, resulting in further depreciation, the derailing of the consumer spending boom, and a rise in interest rates. Such a move could have important socio-economic ramifications, in part because it would hit the newly empowered black middle-class, and also because many BEE schemes, which are financed through debt-creation, could suffer should interest rates rise significantly.

Finally, the lack of security, or the perception thereof, is still a serious impediment to doing business in South Africa. This is reflected in a rank of 94, down from 90 last year, as the business costs of crime and violence and the unreliability of police services are all deemed damaging to business. The lack of security may also exacerbate the brain drain from South Africa, which in turn tightens the market for skilled labor, another priority area for the government to tackle.

The past decade has seen a major upheaval in the economic, political and social landscape of South Africa. Through prudent policies and sound economic management, the government has made impressive steps to manage the transition. However, much remains to be done before the country can fulfill its huge potential. In particular, boosting basic and advanced education and training, doing more to counter the spread of HIV/AIDS, and implementing measures to increase labor market flexibility and improve security should remain high on the policy agenda as a means of tackling the unemployment problem, increasing the supply of skilled labor, and creating a more business-friendly environment, all of which should ultimately help to reduce inequality and poverty.

Notes

- 1 UNDP, 2005.
- 2 Statistics South Africa, 2004; Statistics South Africa, 2005; ILO, 2005.
- 3 The informal sector accounted for 18.1 percent of total employment, while 8.5 percent represented domestic workers.
- 4 ILO, 2005

The results show that many countries in the region have deficiencies in these newly included areas.

Government budgets in resource-rich nations in the region, particularly in the Gulf countries, have benefited significantly from higher oil revenues and from their prudent management. The world's top four performers on the macroeconomic pillar all come from this region: Algeria (1st), Kuwait (2nd), Qatar (3rd) and United Arab Emirates (4th). It is noteworthy that many of these countries, despite abundant public finances, have seen major improvements only in the area of health and primary education, but not in higher education and training or in infrastructure, all crucial components of a diversified economy in which prudent public investment could contribute to enhancing competitiveness. Thus, the availability of public funds appears—at least for now—not to have translated into improvements in human capital, which would play an important role in helping these economies which are highly dependent on oil and vulnerable to external shocks to diversify their economic base.

Among the Maghreb countries, **Algeria** made impressive strides, moving up from a rank of 82 to 76, due to significant improvements in the institutions pillar, in health and basic education and in innovation. A strong macroeconomic pillar characterized by increasing revenues from oil and gas sales appears to have boosted its performance relative to the government balance and government debt, while its inflation environment also saw a significant favorable development. These improvements were counterbalanced by low scores in the market efficiency pillar (rank 96)—important for the efficiency-driven stage of development—as well as for technological readiness (rank 100) and business sophistication (rank 103), showing that the country still has a long way to go before it reaches the innovation-driven stage of development. Furthermore, its low rank of 115 for business costs of terrorism suggests that security is still a major problem affecting the business environment and imposing heavy costs which are not conducive to sustained economic growth.

Morocco edged up to rank 70, up six places. The country has made important strides in improving the state of its public institutions, especially security, and of its infrastructure, basic health, and education. The results also show that Morocco has made progress in improving technological readiness, with big gains in firm-level technology absorption, and technology transfer through FDI. The country has seen an increase in internet users and improved innovation—in particular through stronger university/industry research collaboration—better protection of intellectual property rights, and has benefited from a greater availability of scientists and engineers. Nevertheless, the country's population is still poor and deprived of basic benefits of development, especially in the areas of health

and both basic and advanced education, where outcomes are still suboptimal.

Egypt, ranks 63rd this year, dropping 9 places. It suffered an extremely sharp drop of 58 places to rank 108 in the macroeconomy pillar, as it struggled with worsening government finances and a large debt ratio. It also fell back in the higher education and training and innovation pillars to 75th and 82nd rank, respectively.

SUB-SAHARAN AFRICA

Although sub-Saharan Africa has experienced high growth over the past few years, the results of the Global Competitiveness Index suggest that this trend may not be sustainable. In terms of competitiveness, the region lags far behind the rest of the world. Nineteen of the 24 countries from sub-Saharan Africa included in this year's sample rank among the 25 weakest performers occupying ranks of 100 or lower. The seven newcomers to the GCR from the region (**Angola, Burkina Faso, Burundi, Cameroon, Lesotho, Mauritania, and Zambia**) are no exception. All of them rank below 100 and suffer from a weak performance in most of the nine pillars. Only a few countries are taking advantage of the global boom in commodity prices to build a basis for long-term growth.

Over the last 50 years, the growth of Africa's exports did not manage to keep up with the surge in global trade flows, suggesting that the continent has not benefited much from globalization. In this respect, the collapse of the Doha Round of trade negotiations, which could have opened up new market opportunities for Africa, mainly in agricultural and labor-intensive products, is all the more disappointing. However, should Doha be revived, in order to fully benefit from improved market access, the supply capacity of African countries must also be strengthened and this should go hand-in-hand with a greater emphasis on the basic requirements for the factor-driven stage of development, namely better macroeconomic management, infrastructure, education, and institutions. Indeed, as shown by the results of the GCI, the big economies in the region are receiving high scores in the innovation and business sophistication pillars relative to their overall ranking, while neglecting more basic requirements that would help them migrate into a higher stage of development and achieve more sustainable growth.

South Africa remains the top performer of the region (45th overall). Despite significant achievements since the ending of apartheid, the country is in many ways still struggling with its legacy, including gross inequalities, high unemployment, major skill shortages, and a striking dichotomy between first and third world characteristics. The competitive situation in the country is analyzed in greater depth in Box 9.

Nigeria shows a very different picture. Weak and deteriorating institutions—including a serious security problem—lower ranks in infrastructure and basic health and education, and a very significant change for the worse in macroeconomic management, all of which have depressed the country's rank to 101, from 83 last year. Despite its huge revenues from record-high oil prices, the large majority of the population remains very poor and without access to basic health care and education.

Tanzania and **Uganda**, two of the region's larger economies, have not managed to significantly improve their competitiveness and are ranked 104th and 113th, respectively. Even relative to these low overall rankings, they do even more poorly on health and primary education (118th and 123rd, respectively) and on higher education and training (112th and 107th, respectively). Although they do better on some of the innovation factors, their failure to make a significant improvement in the basic requirements subindex are likely to continue to dent their growth prospects.

Botswana has been relatively successful, ranking 81st, the third best performance in sub-Saharan Africa after South Africa and Mauritius (55th). The government succeeded in using its wealth from key natural resources and diamonds to boost the country's growth rate. Key to Botswana's success were its reliable and legitimate institutions, ranking a high 18th worldwide for wastefulness of government spending, and 26th for public trust of politicians. Botswana is known to be one of the countries with the lowest levels of corruption and graft in Africa. The transparency and accountability of public institutions have contributed to a stable macroeconomic environment, efficient bureaucracy, and market-friendly regulation.

Conclusions

This chapter has presented a comprehensive overview of the results of the World Economic Forum's new Global Competitiveness Index, officially being launched this year as the primary instrument for assessing national competitiveness. This Index represents a major step forward in the evolution of the Forum's work in the area of competitiveness, building on the work done by others in the past including, most recently, by Jeffrey Sachs and John McArthur, in the context of the Growth Competitiveness Index. Reflecting changes in the global economic environment and in the relative importance of those factors affecting productivity, the Global Competitiveness Index puts forward an elegant formulation of the key drivers of competitiveness. It formally incorporates the concept of stages of development, attaching different weights to different factors, depending on the role they play in each country, given its institutional and structural characteristics, and as reflected in the levels of per capita income.

The aim of our research is twofold: first, we wish to provide individual countries with a useful tool that identifies in a transparent and sensible way those priority areas where efforts would be best focused to remove barriers to competitiveness. Government and business leaders are generally aware that the reform agenda includes a broad array of issues. Even the most advanced economies, already operating at high levels of efficiency and having achieved a high standard of living, suffer from structural rigidities and institutional weaknesses that are often a drag on growth. The Global Competitiveness Index aims to give a sense of the priorities for reform, whether these be labor market reforms in continental Europe, fiscal consolidation in much of Latin America, or better governance in Africa and the Middle East. Beyond this explicit identification of strengths and weaknesses and the guidance this offers for policy formulation and reform, the Index also provides a useful overview of each country's individual performance with respect to that of its peers. The intent is to highlight best practices as a way of encouraging a more proactive approach to reforms, to suggest that an improved policy framework makes an enormous difference for creating the appropriate conditions for high quality growth. Second, given that many of the necessary reforms will require joint efforts by both policymakers and the business community, we aim to provide a concrete platform for dialogue among economic actors regarding the best ways forward. A dialogue involving government, business, and civil society that is illumined by the insights conferred by a broad array of relevant and timely indicators can often serve as a catalyst for the kind of reforms that will contribute to raising productivity levels in economies around the world, helping to boost living standards and the quality of life for many of the world's citizens.

Notes

- 1 De Soto (2000), Chapter 3.
- 2 Kaufmann (2005), pp.81–98.
- 3 Kaufmann (2003), p. 146.
- 4 On the role of education in the emergence of Israel as an ICT power see Lopez-Claros and Mia (2006), pp. 89–106.
- 5 See, for example Acemoglu et al. (2004).
- 6 See Easterly (2005), pp. 187–196.
- 7 For an overview, see Calderón and Servén (2004).
- 8 See, for instance, Fischer (1993); recent research (Acemoglu et al. (2003)) shows that economic policies are, at least partially, an outcome of the prevailing institutional framework.
- 9 See Lucas (1988) and Kremer (1993).
- 10 Research by Dearden et al. (2005) found that UK companies that increased their training activities by 1 percentage point gained on average 0.6 percent in industrial productivity.
- 11 See for example, Alesina et al. (2004) for an overview of the literature on the relationship between country size and economic growth.

- 12 For an overview of the theoretical and empirical research on the relationship between finance and growth, see Levine (2004).
- 13 See for example Van Reenen and Sadun (2006).
- 14 See Machin and Van Reenen (1998).
- 15 See Bloom and Van Reenen (2006).
- 16 See for example Krugman (1979), Romer (1987 and 1990), and Grossman and Helpman (1991).
- 17 See Trajtenberg (2005).
- 18 For all the talk about support to agriculture in the United States and the EU and the distortions these create for global trade and international prices, Switzerland is actually a worse offender.
- 19 World Bank, *World Development Indicators* (2005a).
- 20 Ibid.

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Appendix A: Composition of the Global Competitiveness Index

This appendix provides details on how the Global Competitiveness Index is constructed. All of the Survey and hard data variables used in this index can be found in the data tables section of this *Report* with more detailed descriptions.

1st Pillar: Institutions

A. Public institutions

1. Property rights
 - 1.01 Property rights
2. Ethics and corruption
 - 1.02 Diversion of public funds
 - 1.03 Public trust of politicians
3. Undue influence
 - 1.04 Judicial independence
 - 1.05 Favoritism in decisions of government officials
4. Government inefficiency (red tape, bureaucracy and waste)
 - 1.06 Wastefulness of government spending
 - 1.07 Burden of government regulation
5. Security
 - 1.08 Business costs of terrorism
 - 1.09 Reliability of police services
 - 1.10 Business costs of crime and violence
 - 1.11 Organized crime

B. Private institutions

1. Corporate ethics
 - 1.12 Ethical behavior of firms
2. Accountability
 - 1.13 Efficacy of corporate boards
 - 1.14 Protection of minority shareholders' interests
 - 1.15 Strength of auditing and accounting standards

2nd Pillar: Infrastructure

- 2.01 Overall infrastructure quality
- 2.02 Railroad infrastructure development
- 2.03 Quality of port infrastructure
- 2.04 Quality of air transport infrastructure
- 2.05 Quality of electricity supply
- 2.06 Telephone lines (hard data)

3rd Pillar: Macroeconomy

- 3.01 Government surplus/deficit (hard data)
- 3.02 National savings rate (hard data)
- 3.03 Inflation (hard data)
- 3.04 Interest rate spread (hard data)
- 3.05 Government debt (hard data)
- 3.06 Real effective exchange rate (hard data)

4th Pillar: Health and primary education

A. Health

- 4.01 Medium-term business impact of malaria
- 4.02 Medium-term business impact of tuberculosis
- 4.03 Medium-term business impact of HIV/AIDS
- 4.04 Infant mortality (hard data)
- 4.05 Life expectancy (hard data)
- 4.06 Tuberculosis prevalence (hard data)
- 4.07 Malaria prevalence (hard data)
- 4.08 HIV prevalence (hard data)

B. Primary education

- 4.09 Primary enrolment (hard data)

5th Pillar: Higher education and training

A. Quantity of education

- 5.01 Secondary enrolment ratio (hard data)
- 5.02 Tertiary enrolment ratio (hard data)

B. Quality of education

- 5.03 Quality of the educational system
- 5.04 Quality of math and science education
- 5.05 Quality of management schools

C. On-the-job training

- 5.06 Local availability of specialized research and training services
- 5.07 Extent of staff training

6th Pillar: Market efficiency

A. Good markets: Distortions, competition, and size

1. Distortions

- 6.01 Agricultural policy costs
- 6.02 Efficiency of legal framework
- 6.03 Extent and effect of taxation
- 6.04 Number of procedures required to start a business (hard data)
- 6.05 Time required to start a business (hard data)

2. Competition

- 6.06 Intensity of local competition
- 6.07 Effectiveness of antitrust policy
- 6.08 Imports (hard data)
- 6.09 Prevalence of trade barriers
- 6.10 Foreign ownership restrictions

3. Size

- 0.00 GDP – exports + imports (hard data)
- 6.11 Exports (hard data)

Appendix A: Composition of the Global Competitiveness Index (cont'd.)

B. Labor markets: Flexibility and efficiency

1. Flexibility

- 6.12 Hiring and firing practices
- 6.13 Flexibility of wage determination
- 6.14 Cooperation in labor-employer relations

2. Efficiency

- 6.15 Reliance on professional management
- 6.16 Pay and productivity
- 6.17 Brain drain
- 6.18 Private sector employment of women

C. Financial markets: Sophistication and openness

- 6.19 Financial market sophistication
- 6.20 Ease of access to loans
- 6.21 Venture capital availability
- 6.22 Soundness of banks
- 6.23 Local equity market access

7th Pillar: Technological readiness

- 7.01 Technological readiness
- 7.02 Firm-level technology absorption
- 7.03 Laws relating to ICT
- 7.04 FDI and technology transfer
- 7.05 Cellular telephones (hard data)
- 7.06 Internet users (hard data)
- 7.07 Personal computers (hard data)

8th Pillar: Business sophistication

A. Networks and supporting industries

- 8.01 Local supplier quantity
- 8.02 Local supplier quality

B. Sophistication of firms' operations and strategy

- 8.03 Production process sophistication
- 8.04 Extent of marketing
- 8.05 Control of international distribution
- 8.06 Willingness to delegate authority
- 8.07 Nature of competitive advantage
- 8.08 Value-chain presence

9th Pillar: Innovation

- 9.01 Quality of scientific research institutions
- 9.02 Company spending on research and development
- 9.03 University/industry research collaboration
- 9.04 Government procurement of advanced technology products
- 9.05 Availability of scientists and engineers
- 9.06 Utility patents (hard data)
- 9.07 Intellectual property protection
- 9.08 Capacity for innovation

Appendix B: Technical notes on the construction of the Global Competitiveness Index

Combining hard data and Survey data

The responses to the Executive Opinion Survey referred to as “Survey data,” with responses ranging from 1 to 7. The hard data were collected from various sources, described in the Technical Notes and Sources at the end of the *Report*. All of the data used in the calculation of the Competitiveness Index can be found in the Data Tables section of the *Report*. The standard formula for converting each hard data variable to the 1-to-7 scale is:

$$6 \times \frac{(\text{country value} - \text{sample minimum})}{(\text{sample maximum} - \text{sample minimum})} + 1$$

The sample minimum and sample maximum are the lowest and highest values of the overall sample, respectively. For some variables, a higher value indicates a worse outcome. For example, high levels of budget deficits are bad. In this case, we “reverse” the series, by subtracting the newly created variable from 8. In some instances, adjustments were made to account for extreme outliers in the data.

How we treat inflation

Since no consensus yet exists in the literature on the specific threshold at which lower levels of inflation become detrimental, and in order to capture the idea that both high inflation and deflation are detrimental to the economy, inflation enters the model in a U-shaped manner as follows: for values of inflation between 0.5 and 2.9 percent, a country receives the highest possible score of 7. Beyond this range, both inflation and deflation receive negative scores. Scores become more negative as they move away from these values, in a linear fashion.

How we measure the impact of disease

Within the 4th pillar of the Global Competitiveness Index, the impact of a disease on competitiveness depends not only on its incidence, but on how costly this incidence is for business. Therefore, in order to estimate the economic impact of disease, we combine hard data on incidence (on malaria, tuberculosis, and HIV) with Survey questions on the cost of these diseases to business.

To combine these data we first take the ratio of each country’s disease prevalence, relative to the highest prevalence in the world. We then multiply the inverse of this ratio (to take into account that low values are “good”) with the Survey average. This product is then normalized to a 1-to-7 scale. Note that countries with a zero preva-

lence rate will always obtain a 7 in the ranking, regardless of what the Survey data says.

How we measure domestic and foreign competition

Within the goods market efficiency subindex of the 6th pillar of the Global Competitiveness Index, the component called *competition* is weighted in a particular fashion: the Survey data provide an indication of the extent to which competition is distorted in both the domestic and the foreign market. However, the relative importance of these distortions depends on the relative size of domestic versus foreign competition. In order to capture this interaction, we create two new variables that indicate this relative importance. Domestic competition is the sum of consumption (C), investment (I), government spending (G), and exports (X), while foreign competition is equal to imports (M). Thus, we assign a weight of $(C + I + G + X)/(C + I + G + X + M)$ to those Survey questions related to local competition, and $M/(C + I + G + X + M)$ to those related to foreign competition.

How we measure market size

Within the goods market efficiency subindex of the 6th pillar of the Global Competitiveness Index, the component called *size* measures the size of the market, to which local firms have access. This has two components: the size of the local market and the foreign market (exports). The local market should be the sum of consumption (C), investment (I), and government spending (G). Although we lack data on these three macro components, we do have data on exports (X), imports (M) and GDP. By definition, $GDP = C + I + G + (X - M)$. Therefore, we compute the local market as $GDP + M - X$.

The Microeconomic Foundations of Prosperity: Findings from the Business Competitiveness Index¹

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Introduction

Competitiveness is a central preoccupation of both advanced and developing countries in an increasingly open and integrated world economy. Despite its acknowledged importance, the concept of competitiveness is still misunderstood, and measuring competitiveness remains difficult. In this chapter, we define competitiveness concretely, outline a conceptual framework for understanding the causes of competitiveness, and compare the competitiveness across a large sample of countries.

The Business Competitiveness Index (BCI), based on this conceptual framework, is calculated for 121 countries, up 8 from last year. Our aim is to rank country competitiveness, identify the competitive strengths and weaknesses of each country's economy, highlight trends in the global economy, and deepen the understanding of imperatives of successful economic development.

While most discussion of competitiveness remains focused on the macroeconomic, political, legal, and social circumstances that underpin a successful economy, progress in these areas is necessary but not sufficient. A sound and stable context improves the opportunity to create wealth, but does not create wealth. Wealth is actually created by the productivity with which a nation can utilize its human, capital, and natural resources to produce goods and services. Productivity depends on the *microeconomic* capability of the economy, rooted in the sophistication of companies (both local and subsidiaries of multinationals) and the quality of the national business environment. Unless microeconomic capabilities improve, sustainable improvements in prosperity will not occur.

The Business Competitiveness Index (BCI) explores the underpinnings of a nation's prosperity, measured here by its level of GDP per capita adjusted for purchasing power. The focus is on sustainable prosperity and on identifying the specific areas that must be addressed if GDP per capita is to attain higher levels in the future.

The conceptual framework for the BCI follows that of previous *Reports*. The statistical approach has been improved to increase the stability and robustness of the estimation given year-to-year changes in the sample of countries and the types of companies, an important priority since the global survey is conducted by many volunteer partner organizations. We report adjusted rankings for past years using the new methodology.

The analysis here is pragmatic, making use of the best available data and econometric methods even though both are far from perfect. We also confront the challenge of establishing the direction of causality of findings given limited time-series data. There may be a natural tendency for some microeconomic conditions to improve as GDP per capita increases. Yet the large observed microeconomic differences across countries, even countries at similar

income levels, reveal that microeconomic improvement is far from automatic.

Despite the statistical challenges, our findings for 2006 are remarkably robust and stable compared with those of earlier *Reports*. The Business Competitiveness Index accounts for more than 80 percent of the variation across countries in the level GDP per capita,² which is remarkably high given the presence of so many unstable low-income countries in the rankings and the inherent imperfections in national income data.

Once again, our findings reveal the crucial importance of microeconomic competitiveness for sustainable economic prosperity. By accessing global capital markets, countries can engineer spurts of growth through macroeconomic stabilization and financial reforms that bring in floods of capital while creating the illusion of progress. Without microeconomic improvement, however, growth will be snuffed out as exports and jobs fail to materialize, wages stagnate, and the return on capital investments proves disappointing. This disappointment, and the austerity that results from such cycles, remains at the heart of the backlash against globalization.

Competitiveness and its causes

Competitiveness, then, is the fundamental underpinning of prosperity. While macroeconomic shifts, political developments, resource price swings, and spurts of trade and foreign investment can move GDP per capita for periods of time, the only reliable basis of true prosperity is the productive potential of a nation's economy. The central focus of public policy must be on competitiveness, despite the constant desire for headlines and quick fixes.

What is competitiveness?

Competitiveness remains a concept that is not well understood, despite the widespread acceptance of its importance. The most intuitive definition of *competitiveness* is a country's share of world markets for its products. This makes competitiveness a zero-sum game, because one country's gain comes at the expense of others. This view of competitiveness is used to justify intervention to skew market outcomes in a nation's favor (so-called strategic industrial policy), including subsidies, artificial restraints on local wages, and intervention to devalue the nation's currency. In fact, it is still often said that lower wages or devaluation "make a nation more competitive."

This view of competitiveness is deeply flawed. The need for low wages reveals a lack of competitiveness, and depresses prosperity for citizens. Subsidies drain national income and bias choices away from the most productive use of the nation's resources. The need for devaluation results in a collective national pay cut by discounting the products and services sold in world markets while raising

the cost of the goods and services purchased abroad. Exports based on low wages or a cheap currency, then, do not support an attractive standard of living.

Prosperity is determined by the *productivity* of an economy, which is measured by the value of goods and services produced per unit of a nation's human, capital, and natural resources. Productivity depends both on the value of a nation's products and services, measured by the prices they can command in open markets, and the efficiency with which they can be produced.

True competitiveness, then, is measured by productivity. Productivity supports high wages, a strong currency, and attractive returns to capital—and with them a high standard of living. Productivity is the goal, not exports *per se*. Also, productivity is the goal, not whether firms operating in the country are domestic or foreign owned. Finally, purely local industries also matter for competitiveness because their productivity not only sets their wages but has a major influence on the cost of living and the cost of doing business in the country. The productivity of the entire economy then, not just the traded sector, matters for the standard of living.

The world economy is not a zero-sum game. Many nations can improve their prosperity if they can improve productivity. The central challenge in economic development, then, is how to create the conditions for rapid and sustained productivity growth.

Productivity improves when a country can mobilize all its available human resources. Countries with inefficient labor markets might report high productivity for their active labor force, but many potential employees are not participating in generating value in the economy.

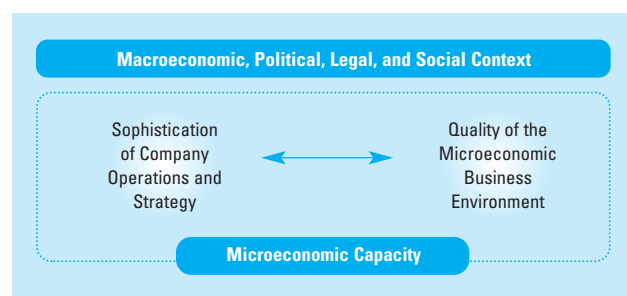
Microeconomic foundations of productivity

Wealth is actually created in an economy at the microeconomic level—in the ability of firms to create valuable goods and services using efficient methods. Only firms can create wealth, not government or other societal institutions.

The microeconomic foundations of productivity rest on two interrelated areas: (1) the sophistication and capabilities with which domestic companies or foreign subsidiaries compete, and (2) the quality of the microeconomic business environment in which they operate (Figure 1).

The productivity of a country is ultimately set by the productivity of its companies. An economy cannot be competitive unless companies operating there are competitive, whether they are domestic firms or subsidiaries of foreign companies. But the productivity of companies is inextricably intertwined with the quality of the national business environment. More productive company strategies and operating practices require more highly skilled people, better information, more efficient government processes, improved infrastructure, better suppliers, more advanced

Figure 1: Determinants of competitiveness



research institutions, and more intense competitive pressure, among other things.

The competitiveness of companies and the competitiveness of locations are different but related concepts. Locations compete based on their productivity as location for business. Companies also compete based on productivity, but can choose among locations. The competitiveness of a company, then, depends on both its internal capabilities and the results of its locational choices.³

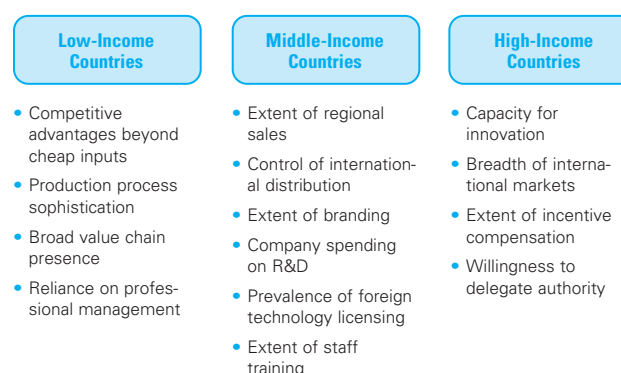
Companies in a nation must upgrade their modes of competing and capabilities if successful economic development is to occur. Broadly, companies must shift from competing on inputs and inherited endowments (comparative advantages) to *create* competitive advantages arising from efficient and distinctive products and processes. These and other transitions in corporate strategies and operating practices required for successful economic development are shown in Figure 2.

What have been strengths in competing at earlier stages of development can become weaknesses at more advanced levels of development, because the level of productivity must be higher. Extensive technology licensing works for lower- and middle-income countries, for example, but must give way to indigenous technology development. Necessary changes are often resisted by the corporate sector because past approaches were profitable and because old habits are deeply ingrained.

Moving to more sophisticated ways of competing depends on parallel changes in the microeconomic business environment. The business environment can be understood in terms of four interrelated areas: the quality of factor (input) conditions, the context for firm strategy and rivalry, the quality of local demand conditions, and the presence of the related and supporting industries. Because of their graphical representation (see Figure 3), the four areas have collectively become referred to as the *diamond*.

As the diamond framework reveals, *almost everything matters* for competitiveness. The schools matter, the roads

Figure 2: Company sophistication and economic development

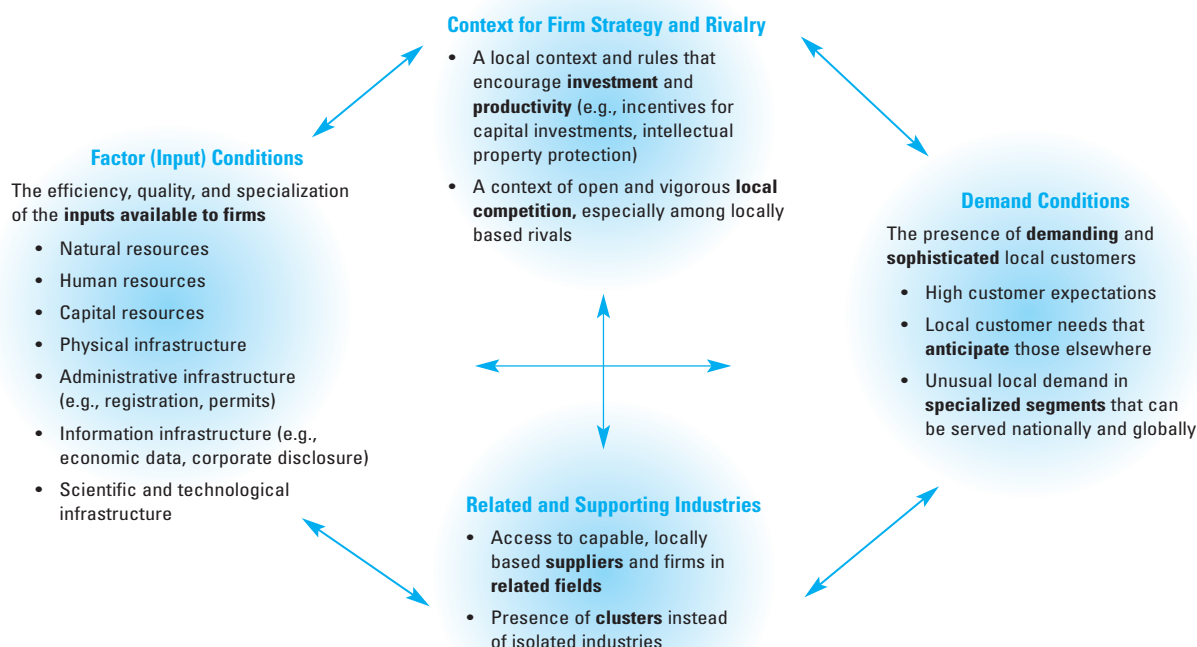


matter, the financial markets matter, customer sophistication matters, among many other aspects of a nation's circumstances, many of which are deeply rooted in a nation's institutions, people, and culture. This makes improving competitiveness a special challenge, because no single policy or grand step can create competitiveness. Competitiveness requires many improvements in individual areas that inevitably take time to accomplish. Many parts of government have a role in competitiveness, as do universities, schools, and other societal institutions. Improving competitiveness is a marathon, not a sprint. How to sustain momentum in improving competitiveness over time is among the greatest challenges facing any country.

Multiple geographic levels affect competitiveness: national, state, and local.⁴ There are striking differences in economic performance *within* countries, not just across countries. Each state and region needs an economic strategy, and this decentralization is one of the most important new directions in competitiveness thinking and practice. Also, national productivity can be enhanced, or eroded, by the circumstances of neighboring countries—we term this the *neighborhood*. Economic cooperation and coordination among neighbors is an important tool for expanding trade and investment, as well as improving the business environment.

Clusters and economic development

Clusters are geographic agglomerations of companies, suppliers, service providers, and associated institutions in a particular field, linked by externalities and complementarities of various types. Clusters, such as consumer electronics in Japan or high-performance cars in Germany, are often concentrated in a particular region within a larger nation, and sometimes in a single town. Clusters are a natural manifestation of the role of specialized knowledge, skills, infrastructure, and supporting industries in enhancing productivity.

Figure 3: The microeconomic business environment

Clustering affects competitiveness in three broad ways: first, the presence of a cluster increases the current productivity of constituent firms or industries. Within a cluster, firms have better access to specialized suppliers, employees, information, and training than isolated firms who have to source from distant locations. Second, the presence of a cluster improves the environment for innovation and hence productivity growth. Opportunities for innovation are often perceived more easily within a cluster, and clusters include the assets, skills, and capital to commercialize innovations. Third, clusters stimulate and enable new business formation that supports innovation and expands the cluster. Barriers to entry are lower if there are experienced workers and access to all the needed inputs and specialized services locally available.

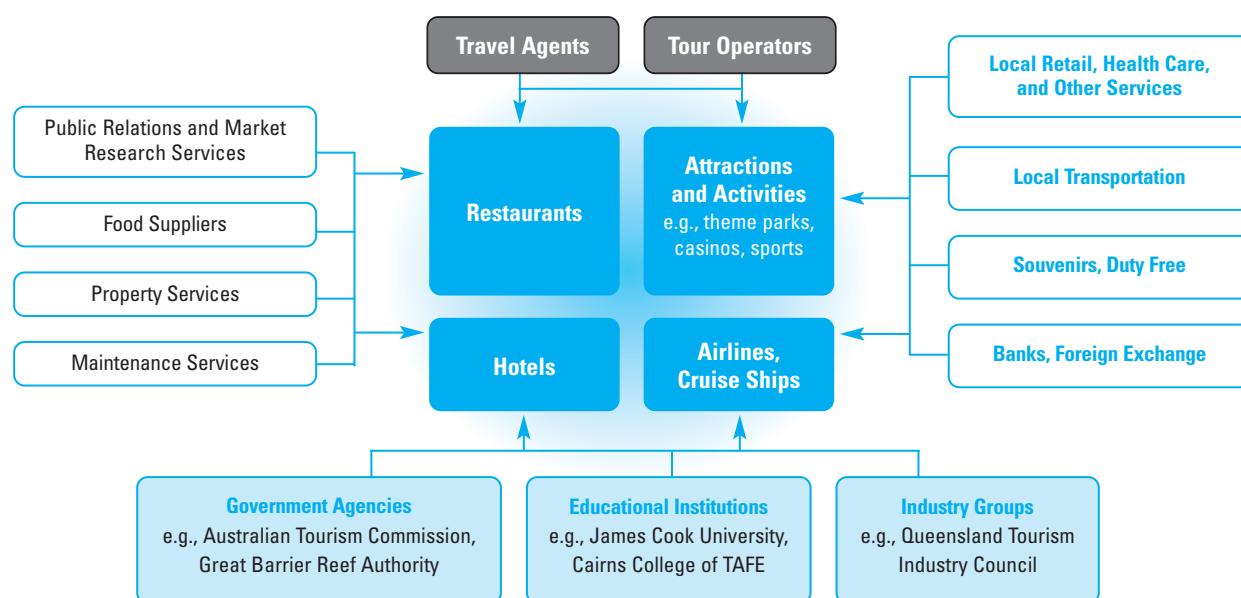
The productivity benefits of clusters apply to virtually all parts of an economy, not only to knowledge intensive industries such as life sciences or information technology as is sometimes assumed. A good example is tourism: In the Cairns tourism cluster of Northwestern Australia, natural attractions such as proximity to the Great Barrier Reef and a tropical rainforest are advantages, but productivity (and the amount tourists spend per day) is much higher if there are also high quality hotels, restaurants, tour guides, and the many other supporting activities important to offering an excellent overall experience for the tourist (Figure 4).⁵

National economies tend to specialize in a subset of clusters, in which they can develop a favorable business environment. These normally account for a disproportionate share of a nation's traded output. This specialization of economies is even more evident in subnational regions.⁶

The nature and depth of clusters varies with the state of development of the economy. In developing countries, clusters normally lack many supporting industries and institutions. Firms compete based on cheap labor or local natural resources, and depend heavily on imported components, machinery, and technology. Specialized local infrastructure and institutions such as educational programs and industry associations are absent or inefficient. Firms perform relatively less advanced activities in the cluster.

In more advanced economies, clusters form and deepen to include suppliers of specialized inputs, components, machinery, and services; specialized infrastructure emerges from public and private investment; and institutions providing specialized training, education, information, research, and technical support arise.

In a given field, it is rare that there is only a single cluster location in the world economy, but instead there is an array of clusters in different locations with different levels of sophistication, specialization, and depth. In a given field, only a small number of clusters tend to be true innovation centers, such as Silicon Valley and Japan in

Figure 4: The Cairns (Australia) Tourism Cluster

Source: Research by HBS Student Team, 2003.

semiconductors. These innovation centers sometimes specialize in particular market segments—the Silicon Valley cluster, for example, is unusually strong in microprocessors. Other cluster locations in the field may play the role of manufacturing centers, while still others can be regional assembly and service centers. As competition has globalized, the number of truly competitive clusters has fallen because legacy clusters protected by trade barriers have lost position. However, the international division of labor has increased. Individual cluster locations seem to be becoming more specialized in particular segments, or in particular parts of the value chain.

Firms based in the most advanced clusters often seed or enhance clusters in other locations as they disperse some activities to reduce risk, access cheaper inputs, or better serve particular regional markets. Intel, for example, has moved some assembly and testing, as well as some wafer fabrication, to a number of non-US locations. Several of these have become regional electronics clusters in their own right. The same development can be seen in a number of other fields, for example, the offshoring of business services (e.g., IT services to Bangalore) and manufacturing activities (e.g., auto assembly to Thailand) to locations with lower labor costs. Instead of spreading these activities across geography, multinationals have found it advantageous to co-locate in newly emerging clusters.

A striking example is textile production in Timisoara, Romania, with many subsidiaries owned by Italian firms.⁷

These examples suggest that while globalization leads to a readjustment of the global geographic distribution of clusters, clusters remain central features of the economic landscape in every economy. In fact, there is growing evidence that clusters are becoming more important as regions increasingly specialize due to pressure from more intense locational competition. Specialization occurs both by clusters and in segments.

The challenge for economic development is for countries to move from isolated firms depending on low-skilled labor and generic, inherited inputs, to positions in an array of clusters. For an economy to advance, the sophistication of clusters must grow to support more advanced activities (clusters and parts of clusters) in the nation.

Stages of competitive development

Successful economic development is a process of successive upgrading, in which a nation's business environment evolves to support and encourage increasingly sophisticated and productive ways of competing by firms (and multinational corporation subsidiaries) located there. Nations at different levels of development face distinctly different competitiveness challenges.

Figure 5: Stages of competitive development

Source: Porter (1990)

As nations develop, their competitive advantages and modes of competing move through several stages (Figure 5).⁸ In the *factor-driven* stage, basic factor conditions such as low-cost labor and unprocessed natural resources are the dominant basis of competitive advantage, and exports. Firms produce commodities or relatively simple products designed in other, more-advanced countries. Technology is assimilated through imports, supply agreements, foreign direct investment, and imitation. In this stage, companies compete on price and lack direct access to consumers. They have limited roles in the value chain, focusing on assembly, labor-intensive manufacturing, and resource extraction. A factor-driven economy is highly sensitive to world economic cycles, commodity prices, and exchange rate fluctuations.

In the *investment-driven* stage, efficiency in producing more advanced but undifferentiated products and services becomes the dominant source of competitive advantage. Heavy investment in efficient infrastructure, business-friendly government administration, strong investment incentives, improving skills, and better access to investment capital allow major improvements in productivity. The products and services produced become more sophisticated, but technology and designs still largely come from abroad. Technology is accessed through licensing, joint ventures, foreign direct investment, and imitation. However, nations at this stage not only assimilate or copy foreign technology but also begin to develop the capacity to improve technology. Companies extend capabilities more widely in the value chain, and tend to serve a mix of OEM customers and end users. An investment-driven economy is concentrated on manufacturing and outsourced service exports. It remains susceptible to financial crises and external, sector-specific demand shocks, but competitiveness is more stable than in countries depending on commodity cycles and factor prices.

In the *innovation-driven* stage, the ability to produce innovative products and services at the global technology frontier using the most advanced methods becomes the dominant source of competitive advantage. The national business environment is characterized by strengths in all parts of the diamond, including advanced demand and

deep supporting industries. Competitiveness does not occur across the board, but is rooted in an array of clusters where knowledge, supporting industries, and specialized inputs are present. Institutions and incentives that enable innovation are well developed. Companies compete with unique strategies that are often global in scope. An innovation-driven economy is characterized by distinctive producers and a high share of services in the economy, and is quite resilient to external shocks.

The sequential process of building interdependent microeconomic capabilities, improving incentives, evolving company strategies, and increasing rivalry creates important pitfalls in economic policy. The influence of one part of the business environment depends on the state of others. Lack of improvement in any important area can lead to a plateau in productivity growth and stalled development. Worse yet, key weaknesses in the diamond can undermine the entire economic reform process. For example, when well-trained college graduates cannot find appropriate jobs because companies are still competing based on cheap labor, a backlash against business is created.

This analysis also begins to reveal why countries find the transition to a new stage of development so difficult. Such inflection points require wholesale transformation of many interdependent aspects of competition.

The process of economic development

Government plays an inevitable role in competition because it affects many aspects of the business environment. The sophistication of home demand, for example, is influenced by regulatory standards, consumer protection laws, government purchasing practices, and openness to imports. Many government departments and agencies impinge on competitiveness, as do government entities at the provincial, state, and city levels. The question is not whether government has a role, but what that role should be and how to coordinate policies across parts of government. Many countries have sought to limit the inappropriate roles of government while ignoring its positive roles. Government has an irreplaceable role in setting the right rules and incentives, and making the public investments needed for a productive economy.

While government is important to competitiveness, however, government alone is less and less able to build a competitive economy as the sophistication and specialization of competition rises. Many other national and local actors outside of government have a role in competitiveness and economic development. The influence of universities and schools is growing as knowledge, skills, and technology become more and more essential to competition. Universities must not only improve their educational and research capabilities, but become better connected to the private sector.

The private sector itself is a crucial actor in improving competitiveness and in setting economic policy, not just a passive bystander.⁹ The private sector not only depends on the business environment, but needs to play a role in shaping it. Firms, through steps such as sponsoring educational programs, recruiting units of foreign suppliers, or defining product standards, not only benefit themselves but also improve the overall environment for competing. Engaging the private sector in economic development is also important to provide the *continuity* necessary to sustain progress through changes of government, and to counteract the relatively short attention spans of political leaders.

Finally, a whole class of other organizations, which we term *Institutions for Collaboration* (IFCs), play an important role in competitiveness though they have been largely ignored in economic development thinking.¹⁰ These organizations—trade associations, entrepreneur networks, standard-setting agencies, quality centers, technology networks, and many others—are neither government agencies nor educational institutions, nor are they private firms. They are common, and especially prevalent in the most-advanced economies. However, they also have crucial roles in developing countries where they often compensate for weaknesses in government. IFCs play an essential role in connecting the parts of the diamond and fostering efficient collective activities in both advanced and developing countries.¹¹ For example, collective industry bodies, such as trade associations and chambers of commerce, have essential roles to play in improving infrastructure, organizing training, quality certification, and opening export markets that are often overlooked.

The relationship between context and competitiveness

Microeconomic capability is the ultimate source of sustained prosperity, but contextual factors also matter. We can use our framework to understand the roles and significance of a series of policies that have traditionally dominated debate on economic development, notably those relating to macroeconomic and political stability. We can also explore the role of endowments such as natural resources and a favorable geographic location in competitiveness. Each of these areas can benefit competitiveness, but cannot itself create competitiveness.

Macroeconomic policy is a prime example. Well-accepted policies to foster high rates of capital investment, for example, will not translate into rising productivity unless the actual investments take place in appropriate markets and activities, the company has the adequate skills and supporting industries to make the investments efficient, and corporate governance and strong competitive pressures provide the needed market discipline. Privatization will not boost prosperity unless privatized companies develop capabilities to operate efficiently and are pressured by local competition. Similarly, sound monetary and fiscal policies

and the removal of distortions in exchange rates and other prices will eliminate impediments to productivity, but the microeconomic foundations must be present if productivity is actually to increase.

The effects of trade agreements and other market opening measures, a major focus in today's international economic policymaking, also depend on microeconomic policies. Market opening is good, but its prosperity benefits assume microeconomic progress. If the local business environment fails to become more efficient, and if local companies do not improve their productivity and sophistication, market opening will boost imports but the growth of exports and the attraction of foreign investment will be painfully slow. Trade liberalization is most beneficial if it is used as a tool to aggressively upgrade the competitiveness of local companies and domestic business environments. The failure to make progress on the current round of WTO negotiations and the prospect of a US administration without fast-track trade promotion authority threatens to leave the world economy without this tool.

Political stability is crucial to a company's decisions, especially investments with a longer-term perspective. It is obvious that political unrest make efficient business activity, long-term investment, and competitiveness upgrading all but impossible. Without stability, only short-term investments to exploit known resources will be made. Predictability of laws and regulations, confidence in judicial recourse, and clarity of private property rights are deterrents to investment if the political system is suspect.

Endowments also play an important role in competitiveness, but the relationship depends on underlying competitiveness. While there are some direct benefits to prosperity of exporting resources, there is substantial evidence that "inherited" prosperity can come at a considerable price to competitiveness: resource-rich countries often become pre-occupied with wealth distribution, and resource wealth deters productivity improvements. In addition, resource-rich countries face well-known economic challenges from "Dutch disease" and macroeconomic volatility, driven by real exchange rate appreciation and the sudden movements of global commodity prices. Many natural resource-rich countries are attempting to overcome this curse by launching economic diversification and competitiveness programs, though experience suggests that this goal is very challenging.

Another endowment, geographic location, can make it harder or easier to develop competitiveness. Direct access to waterways and international trade routes enable easier integration into international markets and supply chains. IT and logistical improvements, however, may be mitigating such benefits. More enduring may be the benefits of proximity to prosperous neighbors that facilitate market expansion and make attracting resources and capabilities easier. In both cases, however, microeconomic

competitiveness is fundamental to taking advantage of the opportunities offered by location.

The need for a national economic strategy

Globalization has increased the importance of local conditions in the competitiveness of companies and countries, rather than diminishing them as is sometimes perceived. Globalization requires every country to compete based on its productivity as a business platform for a widening array of activities.

Globalization, then, is driving rapid improvement in many aspects of the business environment. The result is that more and more countries meet the basic conditions of a viable business location. Many countries are aggressively pursuing best practices in terms of the regulatory environment, infrastructure, university assets, and other diamond conditions.

For companies, these developments have transformed locational decisions from largely operational issues to matters of strategic importance. Locational choices need to be aligned with the company's overall strategic positioning. With many sources of differentiation increasingly hard to sustain, depth of positions in competitive cluster locations become some of the most sustainable advantages.

For countries, globalization has elevated the need for a true national economic strategy. Every country must pursue best practices in terms of policy and infrastructure across all aspects of the business environment. But the real question is, how will the country be distinctive? What is the country's economic role in its region or neighborhood? In which clusters can the country build an advantage? What aspects of the business environment become crucial to excel in versus other locations?

Countries need to offer a unique mix of strengths in terms of business environment conditions and cluster positions in order to attract investment, not just the absence of weaknesses. A nation's individual strengths need to add up to a unique value proposition to businesses—the role that the country can play in the global economy.

The countries most successful at economic development—Finland, Singapore, Estonia, and recently states in India—offer a unique value proposition in some set of fields, and are clearly identified as a business platform. Developing and implementing this strategic framework is the ultimate competitiveness challenge, and one that few nations have confronted.

Measuring competitiveness

Indicators of competitiveness

Measuring competitiveness is challenging because of the sheer number and variety of influences on national productivity, as we have highlighted. The Business

Competitiveness Index (BCI) aims to confront this complexity through the use of a combination of survey and hard data. The core of the 2006 BCI is based on a rich set of measures drawn from the survey of over 11,000 senior business leaders in 124 countries, shown in Table 1.¹² Ten new countries were added in 2006 (Angola, Barbados, Burkina Faso, Burundi, Egypt, Lesotho, Mauritania, Nepal, Suriname, and Zambia—Angola and Zambia were re-introduced after dropping out last year). To these data we added a number of hard data variables from various sources. Angola, Burundi, and Timor-Leste could not be included in the model because not all of the hard data were available for them, resulting in rankings for 121 countries.

The dependent variable used in developing the BCI model is the level of GDP per capita, adjusted for purchasing power parity (PPP). GDP per capita is the broadest measure of national productivity and is strongly linked over time to a nation's standard of living. It is the best single, summary measure of competitiveness available across all countries.¹³ GDP per employee or GDP per hour worked are useful indicators of productivity in specific activities, but they fail to capture the ability of an economy to mobilize its overall potential. Many European countries have reached high levels of productivity per employee and hour worked while failing to provide opportunities for a high number of citizens in unemployment, sick leave, or early retirement. Consequently, their national prosperity lags behind that of peer countries. GDP per capita will reflect a country's structural fundamentals over the medium and long term. However, it can also be influenced by a wide array of short-term and idiosyncratic factors such as natural disasters, macroeconomic shocks, and price movements in particular export industries. The proportion of the variation in GDP per capita across all countries that can be explained by microeconomic fundamentals is as interesting a finding in its own right.

As we have noted, a wide variety of company and business environment conditions affect competitiveness. We tested many potential indicators from the survey and other data sources in terms of their statistical relationship to GDP per capita. Indicators are included in the model only if the indicator has a statistically significant relationship with GDP per capita using the base sample of pooled 2001–2005 data from 74 countries.¹⁴

We also examine the level of correlation among individual indicators. Some indicators are eliminated from the model without a significant effect on its explanatory power because of their high correlation with other indicators. However, all statistically significant indicators were included in the assessments of strengths and weaknesses of each economy's economy and are important guides to policy reform.

This year, we modified the methodology to take advantage of the pooled data set now available across a stable sample of countries, indicators, and years. For the estimation of the core model and for the analysis of cross-country phenomena such as stages of economic development, we utilize a panel of 74 countries covering the years 2001 to 2005.¹⁵ This approach provides us with more stable estimates of coefficients. For the calculation of the 2006 BCI rankings and other current year analysis, we utilize 2006 data in the fixed model structure.

Finally, for some analyses we divided countries into three groups based on income. There is no accepted division among low-, middle-, and high-income countries, and efforts to define income cutoffs statistically face data limitations. Instead, we proceed pragmatically, dividing countries using income cutoffs that yield logical divisions of countries in terms of aspirations and competitive position, and that ensure that there are enough countries in each group to allow meaningful statistical tests. We also attempt to preserve income-group stability from year to year. For this year's paper we use cutoffs of \$4,000 in 2005 GDP per capita (PPP) for low- to middle-income, and of \$17,000 in 2005 GDP per capita (PPP) for middle- to high-income, the same cutoffs as in recent years. In 2006, there are 32 low-income countries (up four: Burkina Faso, Lesotho, Mauritania, and Nepal); 53 middle-income countries (up one: Suriname); and 36 high-income countries (up one: Barbados). As will be reported, these groups exhibited quite different patterns of influence among variables, as would be expected.

The 2006 Executive Opinion Survey

The use of survey data in economic analysis is increasingly widespread despite skepticism among some researchers. The survey data not only offer many unique measures, but capture the informed judgments of the actual participants in the economies of the countries examined. The survey responses are important in their own right, because they reflect the attitudes of the decision makers that ultimately determine economic activity.¹⁶

As with the 2005 survey data, we examined the consistency of the data to ensure that the sample used for statistical estimation is as valid as possible and to identify particular countries whose rankings may be less reliable. For each survey question we compared the standard deviation of answers within a country with the standard deviation of answers across all countries. In those countries with high within-country variance of responses on many survey questions, it becomes problematic to interpret the country averages independently of the possible reasons for the variances.¹⁷

For the 121 countries, there is an average of 90 respondents per country, similar to last year. The degree of within-country consensus is striking. For all measures,

the proportion of variation due to country differences is statistically significant. As expected, the within-country consensus is higher for cross-cutting business environment indicators, such as overall infrastructure quality, and lower for measures where there would be variation within the country across companies and clusters, such as state of cluster development. The country averages, then, capture meaningful differences across countries in competitive circumstances while limiting idiosyncratic biases that would result if there were only a handful of responses per country.

All 74 countries in the pooled 2001–2005 data set passed the consistency test. Of the 121 total countries with survey and hard data for 2006, 110 passed our data consistency test. Eleven countries register high within-country variation on 20 or more questions; we note these countries with an asterisk in the ranking tables. The most problematic country is Nigeria, which shows high within-country variation for 31 out of 53 survey indicators included in the BCI. While we provide rankings for all 121 countries in the BCI, the rankings of the 11 countries with high variation should be interpreted with caution. We also encountered high internal variation in some of the US data, and for purposes of computing the BCI, we utilized only the portion of the responses that was comparable to the sampling approach in previous years for consistency, and we will seek to improve sampling for next year's *Report*.

The survey responses and the hard data available are normalized to avoid biased weights in the overall estimation. To do so, all average responses are transformed to fit a uniform distribution with zero mean and a standard deviation of one.

This year, we introduced controls for variations in the types of survey respondents for coming years. For each country, we fixed the relative weights of eight groups of respondents (defined by company size and domestic versus foreign ownership) in the overall sample.¹⁸ Foreign-owned companies tend to have a better sense of a location's business environment relative to other locations, and smaller companies tend to be more critical of business environment conditions overall (perhaps because of more limited internal resources). The relative weights per group are given by the average size each of these groups has had in the country's pooled responses across all years in which the country has been included in the GCR; we will keep on using these weights in future years. Avoiding year-to-year shifts in the sample composition on these two dimensions eliminates artificial noise in the data. The relative weights are set by the average size of the respondent group in the country's pooled responses across all the years in which the country has been included in the GCR. We have tested for the impact of this approach on past rankings; the changes tend to be generally small (see Appendix B).

Table 1: The Business Competitiveness Index (BCI) ranking

Country/economy	BCI ranking						Company operations and strategy ranking						Quality of the national business environment ranking						2005 GDP per capita (PPP-adjusted)
	2006	2005	2004	2003	2002	2001	2006	2005	2004	2003	2002	2001	2006	2005	2004	2003	2002	2001	
United States*	1	1	1	2	1	2	1	1	2	2	1	2	1	1	2	1	1	1	41,399
Germany*	2	2	3	5	4	5	2	3	3	6	5	5	2	2	1	3	2	4	30,579
Finland*	3	3	2	1	2	1	3	2	1	1	2	1	8	8	6	2	4	3	31,208
Switzerland*	4	8	9	8	7	4	4	8	9	8	6	3	4	6	8	8	9	5	32,571
Denmark*	5	4	4	4	6	8	6	4	4	3	4	8	6	5	10	7	8	10	34,737
Netherlands*	6	7	8	9	8	3	5	7	7	10	8	4	7	9	5	9	7	2	30,862
Sweden*	7	11	5	3	5	6	8	13	6	4	7	6	3	7	4	4	5	7	29,898
United Kingdom*	8	5	6	7	3	9	7	6	5	9	3	10	9	4	7	6	3	8	30,470
Japan*	9	9	7	13	11	16	9	9	8	19	16	17	5	3	3	5	6	9	30,615
Hong Kong SAR*	10	17	11	16	21	18	10	15	11	14	21	18	12	20	12	23	25	19	33,411
Singapore*	11	6	12	6	10	10	11	5	12	5	10	9	21	14	14	11	13	12	28,100
Austria*	12	12	16	19	14	12	14	11	17	18	13	12	10	11	15	16	15	13	33,615
Iceland*	13	16	20	14	16	15	12	17	20	12	15	15	19	15	18	18	17	15	35,586
Norway*	14	19	17	21	20	17	13	18	16	21	19	16	20	21	23	21	22	24	42,364
Canada*	15	14	15	12	12	11	16	14	15	11	11	11	18	17	16	14	18	14	34,273
France*	16	10	14	11	17	7	18	12	14	13	20	7	11	10	9	10	10	6	29,316
Belgium*	17	18	18	15	13	13	17	20	19	17	12	13	13	13	13	12	11	11	31,244
Australia*	18	13	10	10	9	14	15	10	10	7	9	14	23	23	17	13	14	17	30,897
Israel*	19	22	22	18	18	20	19	22	22	16	18	20	15	19	22	19	20	21	23,416
Malaysia*	20	23	23	24	25	37	20	23	24	24	25	35	14	25	27	26	26	34	11,201
Taiwan, China*	21	15	13	20	15	21	22	16	13	20	14	21	16	12	11	15	12	20	27,572
Ireland*	22	21	21	22	23	22	23	21	21	22	23	22	17	16	21	17	16	18	34,275
New Zealand*	23	20	19	17	19	19	21	19	18	15	17	19	24	22	20	22	24	22	24,769
Estonia*	24	27	24	27	27	26	24	25	25	25	26	26	35	32	30	35	33	32	16,414
Korea, Rep.*	25	24	26	23	22	27	29	24	27	23	22	27	22	18	19	20	19	27	20,590
Tunisia	26	36	36	31	34		25	35	33	31	33		33	45	47	39	39	—	8,255
India*	27	31	31	37	37	38	27	32	31	38	36	36	25	28	29	37	38	41	3,344
Portugal*	28	28	30	34	36	30	26	27	28	32	34	28	40	41	43	50	52	39	19,335
Chile*	29	29	29	30	29	29	28	29	30	28	28	30	29	31	36	33	36	29	11,937
Spain*	30	25	27	25	24	23	31	26	26	26	24	23	31	24	25	24	23	23	26,320
United Arab Emirates	31	32	25	—	—	—	30	30	23	—	—	—	39	35	33	—	—	—	27,957
Czech Republic*	32	26	33	35	32	31	32	28	35	36	30	29	28	27	32	34	34	44	18,375
South Africa*	33	30	28	28	30	28	34	31	29	29	31	31	27	26	24	28	30	25	12,160
Qatar	34	41	—	—	—	—	33	39	—	—	—	—	44	69	—	—	—	—	31,397
Indonesia*	35	59	53	50	66	57	38	58	55	52	67	58	26	52	37	45	59	47	4,458
Slovenia*	36	33	32	32	28	32	36	33	34	33	29	33	34	29	28	29	27	30	21,911
Thailand*	37	35	35	33	33	39	37	36	36	34	35	38	30	33	34	31	32	37	8,319
Italy*	38	37	42	26	26	24	42	38	44	27	27	24	32	30	31	25	21	16	28,760
Hungary*	39	38	40	39	31	25	35	37	38	37	32	25	43	43	52	48	29	31	17,405
Slovak Republic*	40	43	43	43	40	36	39	43	43	43	39	34	45	54	42	46	45	56	16,041
Malta	41	46	46	41	—	—	40	44	45	40	—	—	63	59	64	47	—	—	19,739
Barbados	42	—	—	—	—	—	41	—	—	—	—	—	60	—	—	—	—	—	17,610
Lithuania*	43	39	37	38	38	47	45	41	37	39	38	46	37	42	38	42	40	53	14,158
Kuwait	44	40	—	—	—	—	44	40	—	—	—	—	59	65	—	—	—	—	16,301
Cyprus	45	34	41	—	—	—	43	34	40	—	—	—	67	47	63	—	—	—	21,232
Turkey*	46	49	55	52	51	48	46	49	57	56	51	48	41	38	48	44	51	49	7,950
Latvia*	47	48	50	29	44	41	48	48	49	30	42	41	47	50	51	27	47	43	12,622
Mauritius*	48	50	51	45	49	46	49	50	51	46	50	47	46	44	45	36	46	50	12,966
Greece*	49	45	38	42	42	42	47	47	39	41	41	42	53	46	41	41	43	48	22,392
Costa Rica*	50	52	47	47	41	45	52	55	50	47	47	45	36	36	35	32	31	36	10,434
Bahrain	51	47	34	—	—	—	50	45	32	—	—	—	64	64	49	—	—	—	19,799
Jordan*	52	42	44	36	48	40	51	42	42	35	46	40	70	56	58	56	58	55	4,825
Poland*	53	44	63	44	43	33	53	46	64	44	43	32	49	40	53	40	44	33	12,994
Jamaica*	54	53	56	54	58	43	55	52	56	54	54	44	52	49	56	57	67	35	4,293
Brazil*	55	51	39	40	35	34	58	53	41	42	37	37	38	34	26	30	28	28	8,584
Croatia	56	65	70	60	55	—	54	64	70	62	56	—	56	74	72	67	53	—	12,158
Mexico*	57	58	52	48	59	51	56	57	53	48	60	51	42	55	44	38	48	45	10,186
Panama*	58	56	60	67	54	50	57	61	59	66	53	50	58	37	61	63	55	40	7,283
Colombia*	59	60	62	58	56	59	59	59	63	58	58	59	54	48	55	52	50	54	7,565
El Salvador*	60	57	64	65	62	61	60	56	62	65	62	62	61	63	66	62	62	66	4,511
Guatemala*	61	102	85	85	72	68	66	103	87	86	73	68	50	88	80	71	72	70	4,155
Uruguay*	62	63	69	66	57	44	61	60	68	61	55	43	71	77	81	78	60	52	10,028
Trinidad and Tobago*	63	62	59	51	46	35	64	63	61	51	48	39	65	61	54	54	42	26	14,258
China*	64	54	48	46	39	49	65	54	48	45	40	49	69	53	39	43	37	46	7,204

(cont'd.)

Table 1: The Business Competitiveness Index (BCI) ranking (cont'd.)

Country/economy	BCI ranking						Company operations and strategy ranking						Quality of the national business environment ranking						2005 GDP per capita (PPP-adjusted)
	2006	2005	2004	2003	2002	2001	2006	2005	2004	2003	2002	2001	2006	2005	2004	2003	2002	2001	
Sri Lanka*	65	69	65	59	47	54	68	68	66	59	44	55	68	72	70	51	54	58	4,384
<i>Morocco</i>	66	76	45	49	45	—	62	75	47	49	45	—	80	82	46	49	41	—	4,503
Pakistan	67	67	77	75	20	—	67	66	80	74	19	—	72	66	59	81	22	68	2,628
Kenya	68	73	67	69	—	—	72	74	69	73	—	—	57	62	60	60	—	—	1,445
Botswana	69	55	57	55	53	—	63	51	52	50	52	—	86	76	75	69	61	—	11,410
Kazakhstan	70	64	—	—	—	—	70	62	—	—	—	—	74	73	—	—	—	—	8,318
Peru*	71	79	80	78	68	62	75	80	78	78	68	63	51	70	79	82	63	65	5,983
Philippines*	72	66	71	72	64	53	76	72	74	75	66	53	48	39	50	53	49	42	4,923
Tanzania	73	78	74	62	—	—	71	77	71	63	—	—	75	98	78	65	—	—	723
Romania*	74	71	61	70	67	55	73	71	60	69	64	54	73	68	67	76	70	63	8,785
Namibia	75	80	49	53	50	—	69	79	46	53	49	—	83	81	65	64	57	—	7,101
Egypt	76	—	54	57	—	—	74	—	54	57	—	—	76	58	40	58	74	38	4,317
<i>Azerbaijan</i>	77	72	—	—	—	—	78	73	—	—	—	—	66	67	—	—	—	—	4,601
Argentina*	78	61	72	68	65	52	79	65	73	72	65	52	62	51	62	61	56	51	14,109
Russian Federation*	79	70	58	61	60	58	77	67	58	60	59	57	78	78	69	70	64	62	11,041
<i>Nigeria*</i>	80	75	73	80	70	66	84	76	76	83	70	66	55	60	57	73	68	59	1,188
Ukraine*	81	68	66	73	69	56	80	69	67	71	69	56	82	71	71	77	66	60	7,156
Vietnam*	82	77	78	56	61	64	83	78	77	55	61	64	77	79	82	59	65	64	3,025
Bulgaria*	83	74	68	71	63	63	81	70	65	68	63	60	95	84	86	83	71	72	9,223
Dominican Republic*	84	98	79	64	52	60	86	101	79	67	57	61	79	87	73	55	35	61	7,203
Algeria	85	89	84	86	—	—	82	85	82	81	—	—	112	111	94	96	—	—	7,189
Serbia and Montenegro	86	86	83	81	—	—	85	83	83	80	—	—	110	107	87	89	—	—	5,348
Macedonia, FYR	87	83	87	82	—	—	87	84	86	82	—	—	90	93	88	80	—	—	7,645
<i>Uganda</i>	88	84	75	79	—	—	90	86	72	79	—	—	87	92	84	85	—	—	1,617
<i>Burkina Faso</i>	89	—	—	—	—	—	88	—	—	—	—	—	98	—	—	—	—	—	1,284
Moldova	90	88	—	—	—	—	91	89	—	—	—	—	91	89	—	—	—	—	2,374
<i>Mali</i>	91	85	89	89	—	—	89	82	85	87	—	—	100	109	95	101	—	—	1,154
Gambia	92	93	76	74	—	—	92	91	75	70	—	—	85	99	76	84	—	—	2,002
Venezuela*	93	91	86	83	73	65	94	92	88	84	72	65	81	85	83	74	73	67	6,186
Armenia	94	87	—	—	—	—	93	88	—	—	—	—	101	86	—	—	—	—	4,270
Benin	95	99	—	—	—	—	95	99	—	—	—	—	94	104	—	—	—	—	1,176
Bosnia and Herzegovina	96	101	91	—	—	—	96	100	90	—	—	—	107	103	97	—	—	—	6,035
Madagascar	97	96	88	87	—	—	99	95	89	88	—	—	99	105	89	91	—	—	905
<i>Tajikistan</i>	98	100	—	—	—	—	97	98	—	—	—	—	108	108	—	—	—	—	1,388
Mongolia	99	94	—	—	—	—	98	93	—	—	—	—	104	95	—	—	—	—	2,175
Georgia	100	90	90	—	—	—	101	90	91	—	—	—	97	91	90	—	—	—	3,616
<i>Mauritania</i>	101	—	—	—	—	—	102	—	—	—	—	—	88	—	—	—	—	—	2,402
Nicaragua*	102	103	97	92	76	70	100	102	95	92	77	70	109	110	101	94	76	75	3,636
Zimbabwe*	103	81	82	84	71	67	104	81	84	85	71	67	84	75	74	72	69	57	2,607
Malawi	104	82	81	76	—	—	103	87	81	76	—	—	93	80	85	75	—	596	—
Ecuador*	105	106	92	88	77	71	105	105	93	89	78	71	89	96	92	88	74	71	4,316
Honduras*	106	104	98	91	79	74	106	104	99	94	79	74	92	100	93	90	78	74	3,009
Cambodia	107	107	—	—	—	—	107	106	—	—	—	—	96	101	—	—	—	—	2,399
Bangladesh*	108	97	99	90	74	72	110	97	98	90	74	73	105	97	99	95	75	73	2,011
Suriname	109	—	—	—	—	—	108	—	—	—	—	—	115	—	—	—	—	—	5,683
Mozambique	110	95	93	95	—	—	111	96	96	95	—	—	103	94	91	92	—	—	1,389
Nepal	111	—	—	—	—	—	113	—	—	—	—	—	106	—	—	—	—	—	1,675
Kyrgyz Republic	112	105	—	—	—	—	112	107	—	—	—	—	114	90	—	—	—	—	2,088
Cameroon	113	92	—	—	—	—	114	94	—	—	—	—	102	83	—	—	—	—	2,421
Guyana	114	108	—	—	—	—	115	109	—	—	—	—	111	106	—	—	—	—	4,612
Lesotho	115	—	—	—	—	—	116	—	—	—	—	—	116	—	—	—	—	—	2,113
Zambia	116	—	—	77	—	—	109	—	—	77	—	—	123	—	—	79	—	—	931
Bolivia*	117	110	96	94	78	73	117	110	97	93	76	72	120	115	98	98	79	76	2,817
Ethiopia	118	109	95	93	—	—	118	108	94	91	—	—	121	114	100	97	—	—	823
Albania	119	111	—	—	—	—	120	111	—	—	—	—	113	102	—	—	—	—	4,764
Paraguay*	120	112	94	96	75	69	119	112	92	96	75	69	118	112	96	93	77	69	4,555
<i>Chad</i>	121	113	100	97	—	—	121	113	100	97	—	—	124	116	103	100	—	—	1,519

*country is part of the pooled data set

Note: Countries in italics do not pass the data consistency test in 2006.

Other data sources

Recently the development of empirical data sets of indicators relevant to competitiveness has increased markedly. The World Bank has created data sets on governance¹⁹ and business regulations,²⁰ and has conducted extensive investment climate surveys of enterprises in 76 countries.²¹ A number of organizations publish annual rankings of “economic freedom” across a wide range of countries,²² based partly on their own assessment and as well as on data collected from other sources, including the GCR. Finally, the UN,²³ selected national agencies, and global industry associations provide statistical data series on education, physical infrastructure, and other input conditions.

Unfortunately, many of these data series suffer from limited country coverage relative to our sample, as well as time lags and limited time series. The correlation between our survey indicators and the corresponding World Bank governance data²⁴ is regularly above 80 percent, even though the survey questions address related but usually different attributes. We use survey data rather than these World Bank data since the World Bank data are available only bi-annually.

The World Bank “Doing Business” data base covers such aspects of the business environment as administrative procedures in starting a business, the availability of effective credit registries to enable business loans, and the effectiveness of bankruptcy procedures. Correlations with our survey data tend to be relatively low—not surprising given the different attributes measured (for example, access to loans in the GCR survey versus cost of creating collateral in the World Bank data). Doing Business data will be interesting to include in future models, but the data are so far available only since 2004 or 2005 while our pooled regression model covers six years, from 2002 until the present. These data are not included this year.

The Heritage Foundation²⁵ produces an annual ranking of countries on their concept of economic freedom, generated from an assessment of 10 dimensions.²⁶ We test those indicators that relate to aspects of the business environment. The indicators on property rights, the extent of informal market activity, and the openness to trade are significantly correlated to GDP per capita, and add unique information beyond our survey questions. The other available indicators fail at least one of these tests.

Finally, quantitative measures from other sources are utilized for measuring patenting rates, Internet penetration, and cellular phone penetration. For these variables, data for the entire set of countries in our sample are available with a time lag of one or two years.

The influence of competitiveness indicators on prosperity

Bilateral regressions between GDP per capita and each of the 60 indicators included in the pooled data set, including year-fixed-effects, are shown in Table 2.

Company indicators

“Production process sophistication” stands out as the single most salient company indicator: more than 80 percent of the variation in GDP is statistically explained by the variation in this measure. Another important indicator is “nature of competitive advantage,” explaining close to 70 percent of variation in prosperity. “Prevalence of foreign technology licensing” ranks lowest, because its influence is important in developing economies but recedes in advanced economies.

Business environment indicators

Measures of regulatory stringency and of communication technology infrastructure are most strongly correlated with GDP per capita. Causality might run both ways for these indicators: Regulatory stringency, for example, provides an environment in which companies are pressured to upgrade, but the desire of citizens for such regulations may be greater in more prosperous economies. The other indicators with the highest bilateral correlation with prosperity include measures on the gray economy, property rights, quality of electricity supply, and quality of public schools.

Differences with stage of development

As has been discussed, the appropriate company operating practices and the influence of particular elements of the business environment should differ for countries at different levels of development. Table 3 examines the impact of the competitiveness indicators in the three country groups based on per capita GDP. The influence of individual indicators differs within the groups as expected. Some indicators are not yet important for low-income countries, but are crucial in advanced economies. Others seem to act via a threshold that a country must reach, but no longer drive income beyond this threshold.

For low-income countries at the factor-driven stage, the ability to move beyond competing solely on cheap labor/natural resources is the essential challenge, as reflected in the regressions. Company attributes such as production process sophistication, broad presence in the value chain, and the extent of incentive compensation (an indicator of the professionalism of management) have the strongest relationship to GDP per capita. With huge challenges in their surrounding business environment, most other dimensions of company operations have no significant relationship to GDP per capita.

In low-income countries, priorities for improving the business environment revealed in the regressions include addressing weaknesses in the quality of infrastructure (including electricity, communications, and transportation networks) and removing trade barriers. More complex dimensions of the business environment, such as regulatory standards, are not yet priorities at this stage of development.

Table 2: Bivariate regression results for all countries/economies, dependent variable: 2001–2005 GDP per capita (PPP adjusted). Balanced country/economy-level panel data.

Indicator	Coef.	Std. Err.	t	P > |t|	Beta	Adj. R ²
COMPANY SOPHISTICATION						
Production process sophistication	8498.814	214.8265	39.56	0	0.913017	81.1%
Extent of staff training	8952.963	310.3079	28.85	0	0.831755	69.4%
Nature of competitive advantage	7243.375	253.7532	28.54	0	0.828128	69.0%
Willingness to delegate authority	9025.243	320.6612	28.15	0	0.826984	68.4%
Capacity for innovation	8058.886	286.1922	28.16	0	0.826317	68.4%
Extent of marketing	9408.057	353.7759	26.59	0	0.813475	65.9%
Degree of customer orientation	11353.83	438.4401	25.90	0	0.805480	64.7%
Breadth of international markets	6915.573	283.1739	24.42	0	0.787597	61.9%
Value chain presence	6818.305	281.1232	24.25	0	0.784307	61.6%
Company spending on R&D	8536.65	354.5065	24.08	0	0.784061	61.3%
Control of international distribution	11336.87	502.9721	22.54	0	0.766197	58.1%
Extent of incentive compensation	9842.777	458.1447	21.48	0	0.748169	55.7%
Reliance on professional management	8151.196	383.7689	21.24	0	0.741644	55.1%
Extent of regional sales	7425.986	396.8422	18.71	0	0.698688	48.8%
Prevalence of foreign technology licensing	7349.318	661.7913	11.11	0	0.506348	25.0%
BUSINESS ENVIRONMENT QUALITY						
Presence of demanding regulatory standards	8698.723	240.3403	36.19	0	0.882491	78.2%
Internet users per 10,000 inhabitants	5.003677	0.140962	35.50	0	0.905686	77.5%
Intellectual property protection	7283.731	212.3781	34.30	0	0.870347	76.3%
Stringency of environmental regulations	7349.526	218.1326	33.69	0	0.867474	75.6%
Informal markets	7500.71	231.9279	32.34	0	0.857970	74.1%
Local supplier quality	10244.83	323.5668	31.66	0	0.856177	73.2%
Cellular telephones per 100 inhabitants	293.9768	9.331904	31.50	0	0.889905	73.0%
Property rights	7832.178	258.2065	30.33	0	0.848601	71.5%
Quality of electricity supply	6501.768	221.1412	29.40	0	0.835491	70.2%
Quality of public schools	6125.144	214.9233	28.50	0	0.827898	68.9%
Business costs of corruption	8052.467	284.0578	28.35	0	0.854384	68.7%
Buyer sophistication	8465.372	299.3032	28.28	0	0.831417	68.6%
Overall infrastructure quality	6210.052	220.0045	28.23	0	0.824854	68.5%
Local availability of spec research & training services	9582.359	359.9492	26.62	0	0.813610	65.9%
Effectiveness of antitrust policy	8179.695	313.0622	26.13	0	0.807001	65.1%
Venture capital availability	8756.096	341.3151	25.65	0	0.800748	64.2%
University/industry R&D collaboration	8633.064	348.6927	24.76	0	0.798042	62.6%
Efficiency of legal framework	6412.372	262.6739	24.41	0	0.792665	61.9%
Laws relating to ICT	8507.05	354.6348	23.99	0	0.782301	61.1%
Reliability of police services	6485.935	272.7359	23.78	0	0.777221	60.7%
Quality of scientific research institutions	8479.852	361.3644	23.47	0	0.781595	60.0%
Financial market sophistication	7022.111	302.9171	23.18	0	0.774034	59.4%
Ease of access to loans	8650.538	377.0028	22.95	0	0.771242	58.9%
Judicial independence	5611.904	246.2401	22.79	0	0.766882	58.6%
Port infrastructure quality	6044.135	270.7355	22.32	0	0.757637	57.6%
Favoritism in decisions of government officials	7921.597	370.0165	21.41	0	0.744260	55.5%
Decentralization of corporate activity	7725.354	365.2269	21.15	0	0.742976	54.9%
Prevalence of trade barriers	9926.315	477.5233	20.79	0	0.826694	54.1%
Quality of management schools	8436.771	405.8496	20.79	0	0.735076	54.1%
Local supplier quantity	11157.4	547.8667	20.37	0	0.735904	53.1%
Air transport infrastructure quality	6914.529	354.0782	19.53	0	0.713429	50.9%
US utility patents granted per million population	113.6576	6.220938	18.27	0	0.688903	47.6%
Railroad infrastructure development	4388.792	243.2601	18.04	0	0.684511	47.0%
Telephone/fax infrastructure quality	5827.415	344.5848	16.91	0	0.662621	43.8%
Efficacy of corporate boards	9824.271	585.2087	16.79	0	0.70906	43.4%
Intensity of local competition	10508.95	644.7964	16.30	0	0.654892	41.9%
Availability of scientists and engineers	7704.022	502.6558	15.33	0	0.628345	39.0%
Government procurement advanced technology products	9502.064	631.1755	15.05	0	0.623103	38.1%
Quality of math and science education	5944.308	400.9902	14.82	0	0.619365	37.4%
Local availability of process machinery	6236.019	437.1009	14.27	0	0.597178	35.6%
Trade	5941.308	443.0891	13.41	0	0.573184	32.8%
Cooperation in labor-employer relations	7760.897	594.5055	13.05	0	0.563374	31.6%
Centralization of economic policymaking	6177.982	480.5261	12.86	0	0.557064	30.9%
Local equity market access	5156.969	402.5323	12.81	0	0.558758	30.8%

Table 3: Bivariate regression results for country/economy groups, dependent variable: 2001–2005 GDP per capita (PPP adjusted). Balanced country/economy-level panel data.

COMPANY SOPHISTICATION	LOW		MIDDLE		HIGH	
	Coeff	Rank	Coeff	Rank	Coeff	Rank
Production process sophistication	0.411	2	0.613	1	0.561	4
Extent of staff training	Insignificant		0.397	3	0.577	2
Nature of competitive advantage	−0.248	7	Insignificant		0.419	8
Willingness to delegate authority	Insignificant		0.393	5	0.594	1
Capacity for innovation	0.256	6	0.277	11	0.365	12
Extent of marketing	0.285	5	0.394	4	0.534	5
Degree of customer orientation	Insignificant		0.220	12	0.567	3
Breadth of international markets	0.299	4	0.323	9	0.351	13
Value chain presence	0.309	3	0.216	13	0.241	14
Company spending on R&D	Insignificant		0.360	7	0.387	11
Control of international distribution	Insignificant		Insignificant		0.439	7
Extent of incentive compensation	0.435	1	0.349	8	0.405	10
Reliance on professional management	Insignificant		0.483	2	0.483	6
Extent of regional sales	Insignificant		0.365	6	0.409	9
Prevalence of foreign technology licensing	Insignificant		0.278	10	−0.152	15
BUSINESS ENVIRONMENT QUALITY	Coeff	Rank	Coeff	Rank	Coeff	Rank
Cellular telephones per 100 inhabitants	Insignificant		0.575	4	0.569	3
Internet users per 10,000 inhabitants	0.624	1	0.721	2	0.520	8
Quality of public schools	Insignificant		0.314	32	0.521	7
Presence of demanding regulatory standards	Insignificant		0.518	5	0.487	11
Stringency of environmental regulations	0.268	12	0.478	9	0.629	1
Prevalence of trade barriers	0.289	10	0.477	10	0.545	4
Quality of scientific research institutions	0.554	2	0.798	1	−0.247	42
Efficacy of corporate boards	Insignificant		0.470	11	0.523	6
Property rights	0.423	3	0.443	15	0.580	2
Local supplier quality	Insignificant		0.591	3	0.372	26
Informal markets	Insignificant		0.468	12	0.418	20
Business costs of corruption	0.289	9	0.407	19	0.528	5
Local availability of spec research & training services	Insignificant		0.353	27	0.442	16
US utility patents granted per million population	Insignificant		0.457	13	0.456	12
Quality of electricity supply	Insignificant		0.263	34	0.362	27
Venture capital availability	0.339	5	0.437	16	0.407	22
Port infrastructure quality	Insignificant		0.342	28	0.400	24
Quality of math and science education	Insignificant		0.379	21	0.513	9
Buyer sophistication	Insignificant		0.329	29	0.424	18
Ease of access to loans	Insignificant		Insignificant		0.493	10
Efficiency of legal framework	Insignificant		0.484	7	0.402	23
Railroad infrastructure development	0.374	4	0.255	36	0.444	15
Judicial independence	0.263	13	0.390	20	0.356	30
Quality of management schools	Insignificant		0.364	23	0.409	21
Availability of scientists and engineers	0.229	14	0.419	17	0.302	36
Local supplier quantity	Insignificant		0.223	38	0.321	35
Overall infrastructure quality	Insignificant		0.245	37	0.452	14
University/industry R&D collaboration	0.320	6	0.485	6	−0.388	43
Laws relating to ICT	0.312	8	0.360	24	0.452	13
Trade	Insignificant		0.354	26	0.428	17
Centralization of economic policymaking	Insignificant		0.088	40	0.355	31
Intellectual property protection	0.318	7	0.453	14	0.322	34
Government procurement advanced technology products	0.229	15	0.375	22	0.197	40
Effectiveness of antitrust policy	Insignificant		Insignificant		0.330	33
Intensity of local competition	Insignificant		0.482	8	0.423	19
Financial market sophistication	Insignificant		0.255	35	0.262	38
Decentralization of corporate activity	Insignificant		0.358	25	0.283	37
Favoritism in decisions of government officials	Insignificant		0.279	33	0.168	41
Local equity market access	Insignificant		0.410	18	Insignificant	
Air transport infrastructure quality	0.275	11	Insignificant		0.337	32
Local availability of process machinery	Insignificant		0.326	30	0.211	39
Reliability of police services	Insignificant		Insignificant		0.383	25
Cooperation in labor-employer relations	Insignificant		0.323	31	0.357	29
Telephone/fax infrastructure quality	Insignificant		0.200	39	0.358	28

For middle-income countries at the investment-driven stage, the bivariate regressions reveal that the productive use of an increasing stock of economic assets is the key priority. In the area of company operations, continuing to improve production process sophistication and increasing the professionalism of management are the most important corporate factors that distinguish more successful from less successful middle-income economies. The data suggest that improving the quality of marketing, investing in staff training, and broadening the export base are also important corporate priorities in middle-income countries.

In terms of the business environment, the data reveal that middle-income countries need to improve public schools and upgrade regulatory standards while continuing to boost the quality of telecommunication infrastructure and the usage of Internet. Some other new challenges emerge: upgrading the quality of research institutions and improving the efficacy of corporate boards become important differentiators of success among middle-income countries.

To succeed as a high-income economy, the hurdle is to move to the innovation-driven stage. Our regressions suggest that achieving high levels of innovation is not only a matter of company spending on R&D but is also tightly connected to the ability of companies to create attractive new products and services based on an advanced understanding of consumer needs, using flexible work organizations and the delegation of authority. Control of distribution channels is essential, especially connected to foreign markets.

High-income countries have strengths in many aspects of the business environment, but some aspects of the business environment distinguish the most successful high-income countries. In particular, the extent of intellectual property protection and the presence of demanding regulatory standards are notable. More basic conditions, such as the efficiency of the legal framework, also continue to be important.

Calculating the Business Competitiveness Index

To derive the Business Competitiveness Index (BCI), we proceed using a two-stage approach. First, we use balanced country-level panel data to estimate the coefficients of the model. Second, we apply these coefficients to the 2006 data for each country to obtain the BCI score.

For the first-stage estimation, we use the pooled data set to conduct two principal factor analyses, one covering the set of indicators of “sophistication of company operations and strategy” and the other for the indicators covering the “quality of the national business environment.” This procedure generates factor loadings for each indicator that are used to calculate a company sophistication subindex and a national business environment subindex

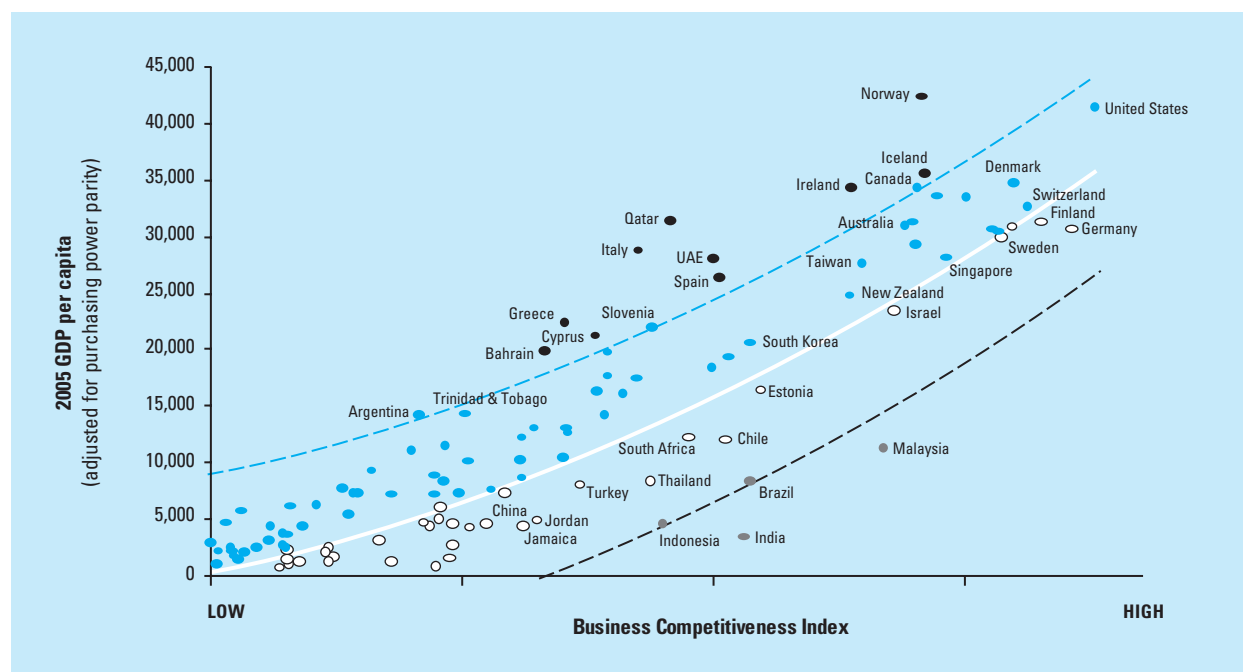
value for each country and year (Appendix A reports factor loadings and uniqueness levels for all indicators). We then determine the weights of these two subindexes in the overall BCI from the coefficients of the regression of GDP per capita (PPP adjusted) on the subindex values across all available years.²⁷ Note that we regress year $N + 1$ GDP per capita on year N to capture the expected casual relationship between the two.

This procedure results in a weight of .834 for the national business environment subindex and .166 for the company operations and strategy subindex. This suggests that business environment factors as a group are a greater discriminator of differences in competitiveness across all countries than are corporate factors. This is perhaps not surprising given that companies often operate across multiple locations and that there are other mechanisms for the spread of company best practices. Business environment conditions are more caught up in local politics. The correlation between the business environment subindex and the company sophistication subindex is positive, signifying that improvements in the two broad dimensions of competitiveness move together. When we include an interaction term in the regression of GDP per capita to measure how the effect of improvements in one subindex depend on the strength of the country in the other subindex, it proves to be positive and significant.²⁸ This means that the benefits of a better business environment for prosperity are increasing with the sophistication of local company operations and strategy, and vice versa. Countries that improve both the business environment and company sophistication in *tandem* reap disproportionate benefits, while countries where there is an imbalance bear disproportionate costs.

For the second-stage estimation, we use the normalized 2006 data on all indicators for the 121 countries in this year's sample and then apply the factor loadings and subindex weights from the panel regression to calculate the overall 2006 BCI score for each country.

Figure 6 plots BCI scores against 2005 GDP per capita (PPP adjusted). The regression line is shown in the figure, together with bands above and below the regression line that delineate the 95 percent confidence forecast region. Ten countries are above the upper bound of the confidence interval and four countries are below its lower bound. *Differences in BCI account for a remarkable 80 percent of the variation in GDP per capita across a widely disparate group of countries.*

In the regression we allow for a non-linear relationship between the BCI and GDP per capita. The best fit proves to be the quadratic form, indicating a greater impact on GDP per capita of improvements in BCI for higher-income than for lower-income countries. This finding has a number of possible interpretations: First, lower-income countries may reap fewer productivity benefits from a given amount of microeconomic

Figure 6: The relationship between business competitiveness and GDP per capita

improvements due to weaknesses in macroeconomic, political, legal, and social conditions. Second, we would expect improvements in microeconomic conditions to have positive spill-overs, that is, an improvement in one part of the business environment has more impact if other parts of the business environment are stronger. This interpretation is consistent with the positive interaction between company sophistication and the business environment previously reported.

The overall BCI rankings for 2006 are shown in Table 1, along with rankings for previous years. Also included are the separate subindex rankings. Note that the number of countries is changing, so that changes in rank over time are a combination of a country's changing position and of changes in the sample of countries.

Because of the improved methodology used in this year's rankings, we recalculate rankings for previous years to allow direct comparisons across years. In Appendix B, we compare the recalculated rankings with the previously published rankings for previous years. In general, the differences with the rankings reported in previous *Global Competitiveness Reports* are modest though rankings become more stable due to controls for sample fluctuations.

Commentary on country rankings

The United States remains in the leading position in competitiveness, ahead of Germany and Finland. The

United States' strength is greatest in the business environment, including domestic rivalry (rank 1 on "intensity of local competition" and "effectiveness of antitrust policy"), financial markets (rank 1 on "venture capital availability," "local equity market access," and "financial market sophistication"), and innovative capacity (rank 1 on "university/industry research collaboration," "company R&D spending," "local availability of specialized research & training services," and "quality of scientific research institutions").

Germany draws strength in export orientation (rank 1 on "extent of regional sales" and "breadth of international markets"), unique company competitive positions (rank 1 on "nature of competitive advantage," "capacity for innovation," "production process sophistication," and "local supplier quality"), and quality of the regulatory and legal framework (rank 1 on "IP protection," "presence of demanding regulatory standards," "judicial independence," and "stringency of environmental regulations").

High-income nations improving their rankings the most include Hong Kong (up 7 ranks after a decline last year; all rank changes referring to a constant sample of countries), registering strong improvements in management education, the efficacy of government boards, and local availability of process machinery. Qatar (up 7 ranks), which benefited from higher ratings on management education and access to loans; Norway (up 5 ranks) based

especially on increasing intensity of local competition, availability of venture capital, and efficiency of the legal framework; and Malta (up 5 ranks) based especially on improvements in labor-management relations and overall infrastructure quality.

Advanced economies falling in the rankings include Cyprus, the Czech Republic, Taiwan, and France. Cyprus (down 10 ranks) lost all its gains from last year, likely due to the uncertainty surrounding the status of the divided island. The drop was especially severe in access to local suppliers and favoritism of government officials. The Czech Republic (down 6 ranks) also fell back almost to its 2004 level. It dropped especially due to concerns over judicial independence and infrastructure quality. Taiwan, China (down 6 ranks) fell due to concerns about favoritism of government officials, inadequate laws relating to ICT, and buyer sophistication, among others. France (down 6 ranks), failed to maintain last year's progress, driven especially by weaker assessments of the ease of access to loans, university/industry research collaboration, and the quality of public schools.

Middle-income nations improving their competitiveness ranking include Guatemala, Indonesia, the Dominican Republic, and Morocco. Guatemala, one of the poorest middle-income countries, jumped up especially due to higher intensity of local competition and lower corruption. It will remain to be seen whether such a dramatic improvement was driven by short-term optimism or proves sustainable. Indonesia (up 24 ranks), registered a major rebound after the large drop last year following concerns about the effectiveness of the new government. This year's gains were driven by easier access to loans, less power of business groups, and more effective antitrust policy. The Dominican Republic (up 16 ranks) continues its volatile pattern with improvements led by lower corruption, the effectiveness of antitrust policy and of the overall legal framework. Morocco (up 11 ranks) also regained some of decline of last year, based on improvements in university/industry collaboration, the availability of scientists and engineers, and better cooperation between labor and management.

Middle-income countries falling in competitiveness rank include Argentina, Botswana, the Ukraine, China, Jordan, and Poland. Argentina (down 15 ranks), Botswana (down 13 ranks), and Poland (down 8 ranks) all fell back after gains last year proved unsustainable, most likely because company executives reevaluated their initially optimistic view of country improvements. Argentina was dragged down by worsening local supplier quality and quantities and increasing centralization of economic policymaking. Botswana's fall was driven especially by concerns about air transportation infrastructure, the quality of IP protection, and the growth of the informal economy. Poland suffered from less intense local competition,

declining availability of scientists and engineers, and weaker equity market access. Ukraine (down 11 ranks) reached its worst level since entering the GCR, driven by increasing concerns about the efficacy of corporate boards, less control of international distribution channels, and eroding air transportation infrastructure. Jordan (down 9 ranks) suffered from a weaker assessment of math and science education quality, lower quality of IT regulation, and increasing favoritism in decisions of government officials.

China (down 9 ranks) continues its downward trend that started in 2002. This year's decline was driven especially by higher levels of corruption, weaker assessment of buyer sophistication, and concerns about labor relations. China also suffers from weak property rights, poor board governance, low quality of management education, and poor access to loans. Overall, it is clear that euphoria about China is moderating as the realities of its competitiveness become more apparent.

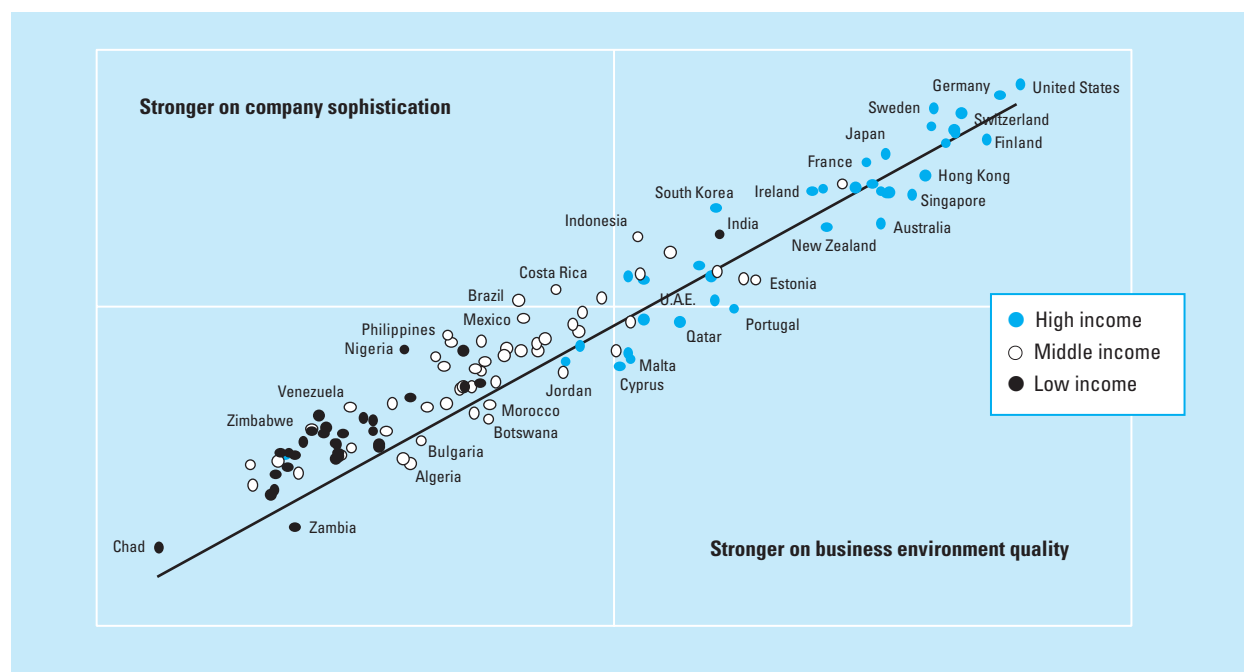
Among low-income countries, Benin (up 7 ranks), Kenya (up 6 ranks), and Tanzania (up 6 ranks) made the largest improvements, followed by Tajikistan (up 5 ranks) and Nicaragua (up 5 ranks).

Benin benefited especially from higher marks for judicial independence and higher efficiency of the judicial system, Kenya from more reliable police services and better air transportation, and Tanzania from better availability of local process machinery and more decentralized economic policy making. Tajikistan register improvements in police service reliability and lower corruption and Nicaragua in the intensity of local competition and buyer sophistication.

Malawi (down 18 ranks), Zimbabwe (down 15 ranks), Cameroon (down 10 ranks), and Mozambique (down 10 ranks) experienced the largest drops among low-income countries. Malawi suffered from weaker local competition and lower quality of local suppliers. Zimbabwe's political problems increasingly seem to be feeding through to the microeconomic foundations of its economy; this year's drop was especially based on deteriorating infrastructure and weaker local competition. Cameroon ranked lower on, for example, availability of scientists and engineers and port infrastructure, and Mozambique on police reliability and local availability of process machinery.

Company competitiveness versus the quality of the business environment

To gain deeper insight into the competitive position of countries, normalized subindexes of company sophistication and the quality of the microeconomic business environment are plotted against each other in Figure 7. Countries near the 45-degree line enjoy the positive interaction of the two aspects of competitiveness, as noted previously. Countries lying above the line are countries where companies' sophistication is more advanced than

Figure 7: Company sophistication and business environment quality

the state of their business environment. Those below the line are countries whose business environment is more advanced than their companies.

Wage value versus competitiveness

Competitiveness depends not on costs, but productivity. Low wages can be a sign of low competitiveness, not a competitive advantage. High wages, if they are justified by high productivity, can be an excellent value.

This year, we initiate a new analysis of the relationship between the productivity attainable in a country—measured by its BCI score—and the prevailing wage levels. Internationally comparable wage data covering the traded economy are not available for a large sample of countries. The most complete data are for hourly manufacturing wages for the 2001 to 2004 period from the US Bureau of Labor Statistics (BLS) covering 29 countries and from Eurostat (the statistical office of the European Union) covering 25 countries. We create a combined data set of 42 countries, using the average of the wages in the two data sets for countries included in both.³⁰

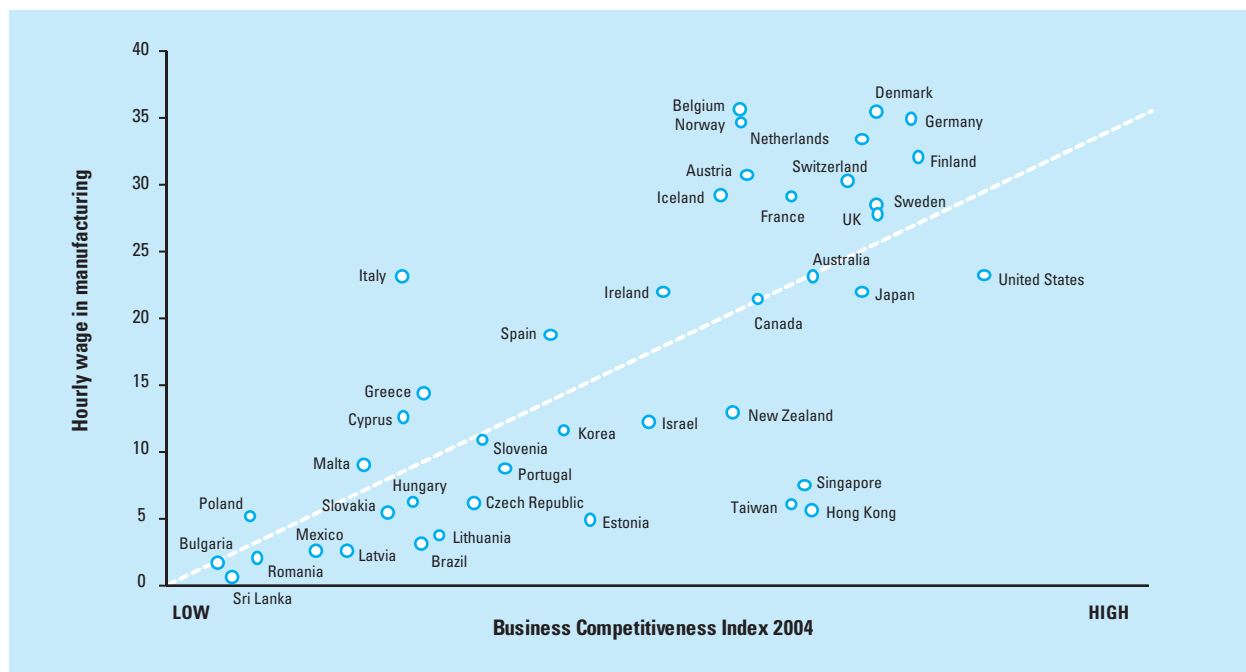
Figure 8 regresses wage levels on BCI values across the pooled data set; BCI is significant and explains more than 69 percent in the variation of wages across countries.³¹ This confirms that competitiveness has a major impact on sustainable wage levels.

We use the coefficients from the wage regressions to derive an expected wage level for each country and year, given the country's BCI value in each year. Figure 9 compares the actual wage and the expected wage level for each country in 2004. Note that the relatively modest absolute gap can, for countries with low wage levels, translate into a high relative gap. For Latvia, for example, the current wage is less than a quarter of the level justified by the country's competitiveness, a gap of more than 300 percent.

The western European countries, with the exception of Portugal, all register actual wages above the level justified by their competitiveness, a cause for concern. Belgium and Italy report the highest absolute gap in terms of wages above their BCI-indicated potential, Greece records a particularly high gap when measured relative to actual wages. The Netherlands, Finland, France, Spain, and Poland have only recently seen wages overshoot competitiveness. In 2001 actual manufacturing wages for these countries were below the level predicted by their competitiveness.

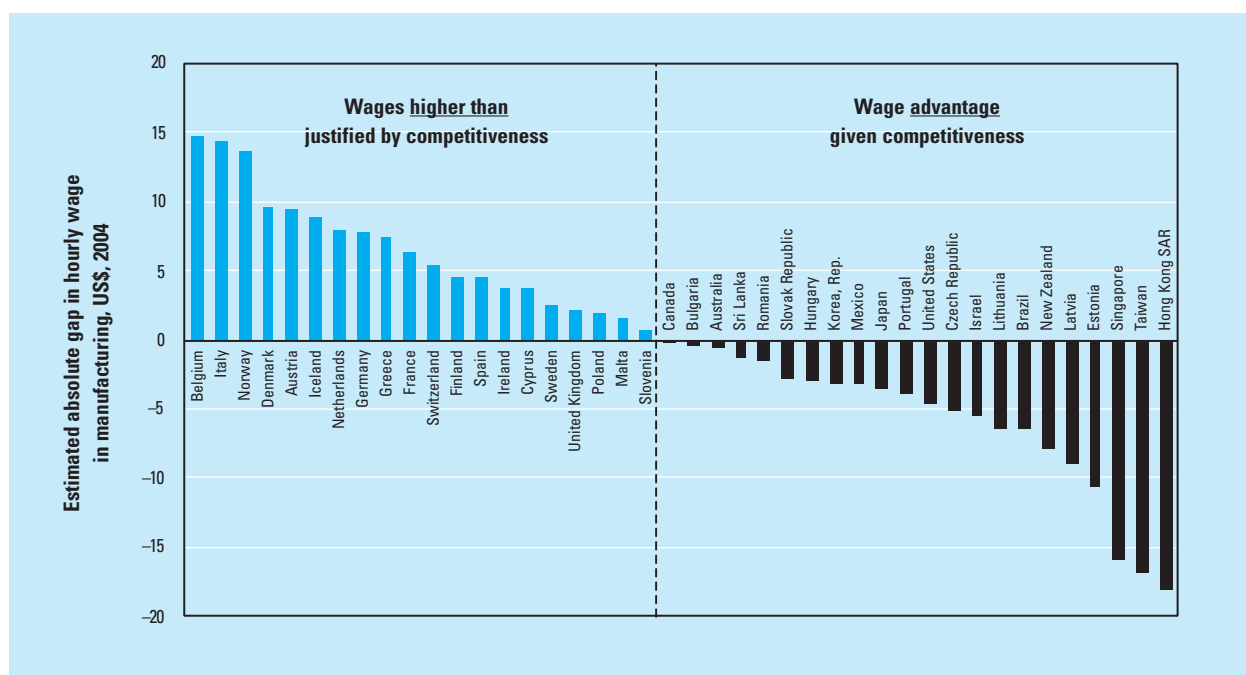
Five Asian countries and the Baltic Tigers lead the list of countries with wages below the level indicated by their competitiveness. These data help explain why these countries are widely seen as attractive locations to do business. In some of these countries, their wage value might be transitory because of wage pressure, a natural adjustment

Figure 8: BCI and wage levels across countries/economies



Source: *Global Competitiveness Report 2004–2005*, Eurostat, and Bureau of Labor Statistics

Figure 9: Wages versus competitiveness, 2004



Source: Business Competitiveness Index, 2004

of labor markets to the imbalance between wages and productivity.

The United States and Japan are also notable. These two high-wage economies have wages that are a good value relative to their competitiveness. Based on value, the United States and Japan rank significantly higher than many high- and low-wage countries. Mexico, Japan, in addition to Korea and Portugal, have only recently seen their competitiveness improve enough to make their actual wages a good value. In 2001 each of these countries had wages higher than justified by competitiveness.

Country dynamism

Competitiveness is a dynamic concept. Countries can increase their prosperity levels if they can improve their business environment and company sophistication faster than other nations. This year, we also introduce a measure of country dynamisms for their performance in terms of upgrading business competitiveness over time.

We calculate dynamism for 77 countries where sufficient time-series data are available. For middle- and high-income countries, we utilize 2001 as the starting year in calculating changes. For low-income countries, we utilize 2002 as the starting year to allow a sufficient panel of countries.

The dynamism score is calculated as follow: First, we calculate separate factor analyses by income group to identify the 10 indicators of business environment quality and 5 indicators of company sophistication that have the greatest impact on the level of GDP per capita. Separate factor analyses are necessary because the most significant indicators for improving competitiveness will vary by income group. For each country we calculate the change of standardized average responses for these 15 indicators over the time period for its income group. Next, we multiply the responses by their weight in the BCI model, and calculate the sum for business environment and company sophistication. Then, we weight the subindexes with the coefficients used in the BCI value (business environment: .834, company sophistication: .166) to produce the dynamism score.

Figure 10 plots each country's dynamism score (2001/02 to 2006) versus its 2006 BCI value. The data reveal that there is no systematic relationship between current business competitiveness and dynamism. Every country has the opportunity to improve its competitiveness if it can address the most important issues for competitiveness given its stage of economic development. Table 4 lists countries in order of BCI per income group, indicating countries with high rates of improvement with plus signs and countries with a low or negative rate of improvement with a minus sign.

Among the low-income countries, India followed by Pakistan registers the highest rate of dynamism. India's

rapid improvement is visible both in the business environment and company sophistication. Pakistan's improvements so far are concentrated in business environment upgrading, perhaps a reflection of the country's ambitious national competitiveness program. Vietnam and Malawi ranked lowest on dynamism in this group of countries.

Among middle-income countries, Malaysia and Turkey registered the highest rate of dynamism, followed by El Salvador. Both countries registered accelerating improvement over time. Argentina, too, registers stronger dynamism than the average of all countries, indicating that the country has started to address some of the microeconomic weaknesses that contributed to the crisis in 2001. China has moved backwards since 2001. Deterioration is registered in both business environment quality and company sophistication. Survey respondents are voicing growing concerns about China's competitiveness after the initial exuberance about opportunities to exploit low wages.

Among high-income countries, Norway is a surprising leader in dynamism after years of complacency, probably reflecting the attempts of the previous government to open up the economy. Norway's improvements have been more pronounced in business environment quality but the country still faces the need for more improvements to justify its high wages. Italy has made the lowest progress of high-income countries. Finland and to a smaller degree Sweden have also moved backwards, a trend that could over time undermine their position at the top of the competitiveness ranking.

Country prosperity relative to competitiveness

We can gain further insight into economic development by comparing each country's current level of per capita income to its underlying competitiveness as measured by BCI. Countries whose level of actual GDP per capita is above the expected level are termed "overperformers"; countries below the expected level are termed "underperformers." In Figure 6, overperformers are countries in blue above the solid regression line, underperformers are countries in grey below the line.

Overperformance can be a danger sign, because it indicates that the level of prosperity enjoyed in a country is not sustainable given its microeconomic fundamentals. For example, current prosperity can be based on speculative inflows of foreign capital, foreign aid, or depleting natural resources.

Underperformance can be a positive sign indicating potential for rapid improvements in prosperity. However, underperformance can also be a sign of sustained structural challenges a country faces in realizing its potential prosperity, such as political instability or isolated location.

Figure 11 shows that there is a wide variation in terms of the absolute size of the gap across countries and

Figure 10: BCI level versus dynamism

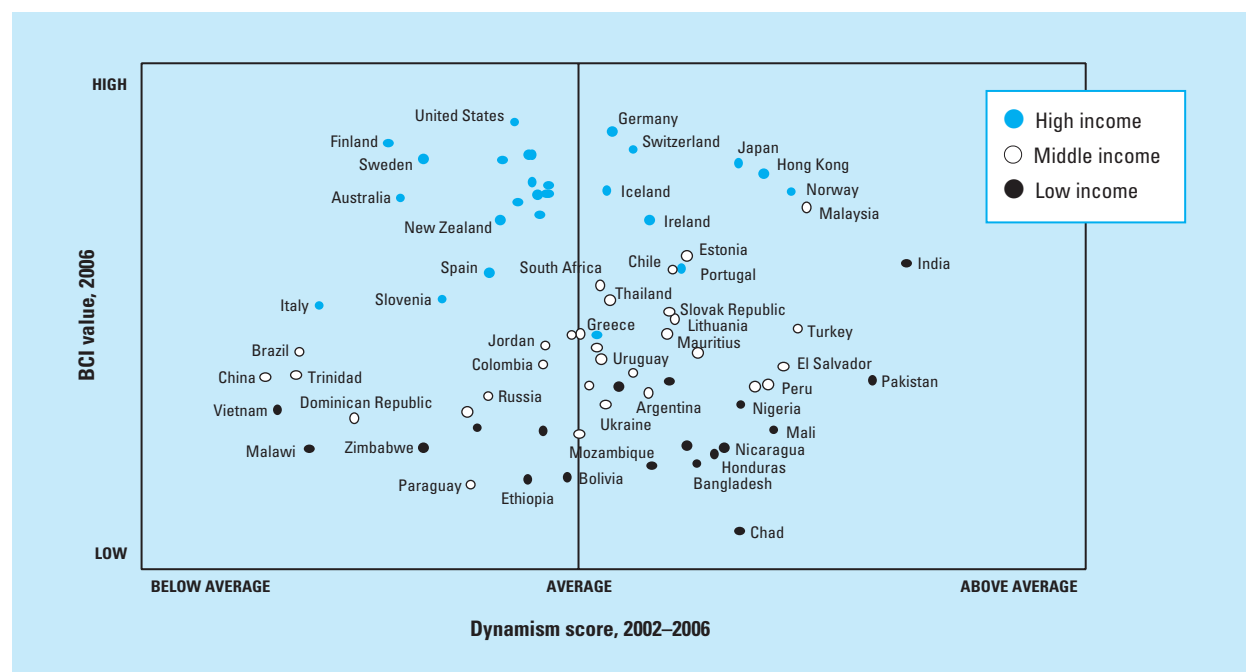


Table 4: Assessment of BCI dynamism

HIGH-INCOME COUNTRIES/ECONOMIES		
Country/Economy	BCI Rank	Dynamism
United States	1	
Germany	2	
Finland	3	--
Switzerland	4	
Denmark	5	
Netherlands	6	
Sweden	7	
United Kingdom	8	
Japan	9	++
Hong Kong SAR	10	++
Singapore	11	
Austria	12	
Iceland	13	
Norway	14	+++
Canada	15	
France	16	
Belgium	17	
Australia	18	--
Israel	19	
Taiwan, China	21	
Ireland	22	
New Zealand	23	
Portugal	28	
Spain	30	
Slovenia	36	-
Italy	38	---
Greece	49	

MIDDLE-INCOME COUNTRIES/ECONOMIES		
Country/Economy	BCI Rank	Dynamism
Malaysia	20	+++
Estonia	24	
Chile	29	
South Africa	33	
Thailand	37	
Slovak Republic	40	
Lithuania	43	
Turkey	46	+++
Latvia	47	
Mauritius	48	
Costa Rica	50	
Jordan	52	
Poland	53	
Brazil	55	--
Mexico	57	+
Panama	58	
Colombia	59	
El Salvador	60	+++
Uruguay	62	
Trinidad and Tobago	63	-
China	64	--
Peru	71	++
Philippines	72	
Romania	74	++
Argentina	78	
Russian Federation	79	
Ukraine	81	
Bulgaria	83	
Dominican Republic	84	
Venezuela	93	
Paraguay	120	

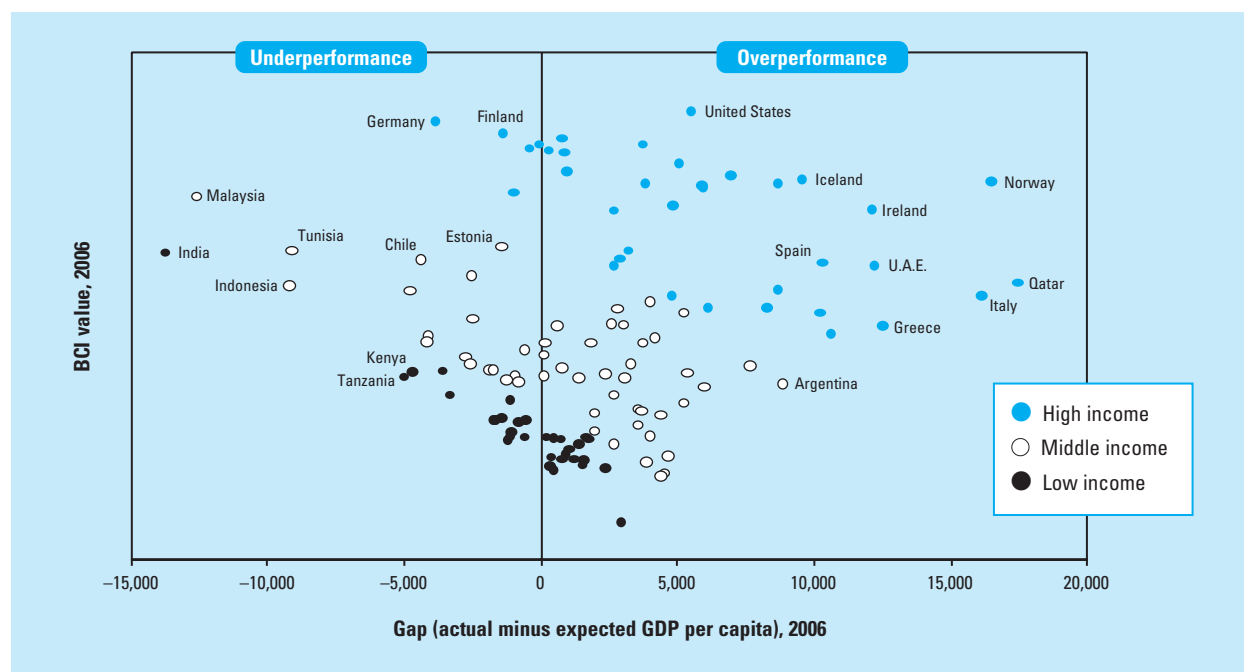
LOW-INCOME COUNTRIES/ECONOMIES		
Country/Economy	BCI Rank	Dynamism
India	27	+++
Pakistan	67	++
Kenya	68	
Tanzania	73	
Nigeria	80	
Vietnam	82	--
Uganda	88	
Mali	91	+
Gambia	92	
Madagascar	97	
Nicaragua	102	
Zimbabwe	103	-
Malawi	104	--
Honduras	106	
Bangladesh	108	
Mozambique	110	
Bolivia	117	
Ethiopia	118	
Chad	121	

Total change in dynamism score:

0.4	+++
0.35	++
0.3	+
0	-
-0.1	--
-0.2	---

Note: Countries in italics do not pass the data consistency test in 2006.

Figure 11: Actual GDP versus gap



income groups, even though the average gap seems to be increasing from low- to middle- to high-income countries.

We conclude the chapter by analyzing a number of contextual factors that can explain the gap between prosperity and microeconomic competitiveness: political stability, the extent of natural resource-exports, location in terms of logistical efficiency, and neighboring countries. For political stability, we use World Bank governance data on voice and accountability, and government effectiveness. For natural resources, we use the value of unprocessed natural resource exports per capita from our own data base on international cluster competitiveness.³² For location, we use the share of population living close to the ocean or large rivers with ocean access. For the characteristics of the region, we use the GDP per capita level of neighbors.

We utilize the panel data on 69 countries to test for the relationship between each context indicator and the prosperity gap over the time period. Across the entire panel, all four aspects of context are significant in explaining the gap (see Appendix C). Interestingly, several macroeconomic policy variables, including levels of taxation and inflation rates, are not significant.

We calculate a joint regression of BCI (and BCI squared to take account of the quadratic relationship between BCI and GDP per capita) and the four context variables on GDP per capita, controlling for year fixed effects. The regression explains close to 90 percent of the

variation in GDP per capita across countries, up from 80 percent using BCI alone.

Table 5 ranks countries by BCI and then indicates the absolute strength of impact each of the four context dimensions have on countries' GDP per capita.

Overall, high-income countries benefit from a better context than middle- and particularly low-income countries. High-income countries especially benefit from political stability and proximity to other high-income countries. Denmark, the Netherlands, and New Zealand combine these advantages with sizeable natural resource exports in agriculture. Middle-income countries such as Costa Rica and Chile benefit from political stability, however, illustrating the power of good governance to enhance prosperity growth. Costa Rica can also draw on its advantageous logistical position relative to other Central American countries. Israel benefits from the access to logistical routes that its location at the Mediterranean provides but suffers from its position in a neighborhood of poor countries. The Central and Eastern Europe countries that have entered the European Union have benefited twice: they have improved their economic interaction with high-income neighbors and have profited from greater political stability due to the EU accession process.

Table 5: Impact of four context dimensions on GDP per capita

Country/Economy	BCI rank	Country/economy context: Effect of . . .			
		Political stability	Logistical location	Neighboring countries	Natural resources
United States	1	++			
Germany	2	++	+	++	
Finland	3	+++		+	
Switzerland	4	++		+	
Denmark	5	+++	++	++	++
Netherlands	6	++	++	+	++
Sweden	7	+++		++	
United Kingdom	8	++	++	++	
Japan	9		++		--
Hong Kong SAR	10		++		
Singapore	11		++		
Austria	12	++		+	
Iceland	13	++	++	+++	
Norway	14	+++		+	+++
Canada	15	++		+++	++
France	16	++		++	
Belgium	17	++	++	+++	+
Australia	18	++			++
Israel	19		++	-	
Malaysia	20		+		
Taiwan, China	21	++		+	
Ireland	22	++	+	++	
New Zealand	23	++	++	+	+
Estonia	24	+			
Korea, Rep.	25		++	+	--
Tunisia	26	-			
India	27			-	--
Portugal	28	++	+	+	
Chile	29	+			
Spain	30	+			
United Arab Emirates	31	-			+++
Czech Republic	32	+		+	
South Africa	33			-	
Qatar	34		NA		+++
Indonesia	35		++		
Slovenia	36	+	++	+	
Thailand	37			-	
Italy	38	+		+	
Hungary	39	+	+		
Slovak Republic	40	+			
Malta	41	++	NA	+	--
Barbados	42	+	++	NA	
Lithuania	43				
Kuwait	44		++		+++
Cyprus	45	+	NA		
Turkey	46				-
Latvia	47				
Mauritius	48		++	NA	--
Greece	49		++		
Costa Rica	50	+	++		
Bahrain	51		++	+	+++
Jordan	52		-		-
Poland	53	+			
Jamaica	54		++	--	NA
Brazil	55				
Croatia	56		++		
Mexico	57				
Panama	58		++		
Colombia	59				
El Salvador	60		++	-	--
Guatemala	61				-
Uruguay	62				

Country/Economy	BCI rank	Country/economy context: Effect of . . .			
		Political stability	Logistical location	Neighboring countries	Natural resources
Trinidad and Tobago	63		++		+
China	64	---			--
Sri Lanka	65		++	-	--
<i>Morocco</i>	66				-
Pakistan	67	--	--		---
Kenya	68		--	--	--
Botswana	69		---		NA
Kazakhstan	70	--	---		
Peru	71				
Philippines	72		++		--
Tanzania	73		-	--	--
Romania	74	NA	NA		NA
Namibia	75		--		NA
Egypt	76	-	++		--
<i>Azerbaijan</i>	77		---		
Argentina	78				
Russian Federation	79		--		
<i>Nigeria</i>	80			--	
Ukraine	81				
Vietnam	82	---	+	-	NA
Bulgaria	83				
Dominican Republic	84		++	+	NA
Algeria	85			-	
Serbia and Montenegro	86	NA	NA		NA
Macedonia, FYR	87		--		
<i>Uganda</i>	88		NA	--	---
<i>Burkina Faso</i>	89		NA	--	--
Moldova	90		++		-
<i>Mali</i>	91		NA	--	NA
Gambia	92		++	--	NA
Venezuela	93				
Armenia	94		---		--
Benin	95		NA	--	NA
Bosnia and Herzegovina	96				
Madagascar	97				--
<i>Tajikistan</i>	98	-	---	-	NA
Mongolia	99		---		
Georgia	100				--
<i>Mauritania</i>	101	-	NA	-	NA
Nicaragua	102				-
Zimbabwe	103	---	---		
Malawi	104		---	---	--
Ecuador	105				
Honduras	106			-	NA
Cambodia	107			-	---
Bangladesh	108		++	-	---
Suriname	109		NA		NA
Mozambique	110			-	NA
Nepal	111		NA	-	NA
Kyrgyz Republic	112	-	---	-	--
Cameroon	113	-	NA	-	
Guyana	114		NA		
Lesotho	115		NA		NA
Zambia	116		NA	--	-
Bolivia	117		---		
Ethiopia	118	-	---	--	NA
Albania	119				--
Paraguay	120				
<i>Chad</i>	121	-	NA	-	NA
Angola		-	NA	--	NA
<i>Burundi</i>		-	NA	---	---

Note: Countries in italics do not pass the data consistency test in 2006.

(cont'd.)

Conclusions

National prosperity is ultimately determined by competitiveness, which is manifested by the productivity with which a nation utilizes its human, capital, and natural resources. Competitiveness is rooted in a nation's microeconomic fundamentals, contained in the sophistication of company operations and the quality of the microeconomic business environment.

Stable institutions, sound macroeconomic policies, market opening, and privatization have long been considered the cornerstones for economic development. The results of this and previous years suggest that they are necessary but not sufficient. More than 80 percent of the variation of GDP per capita across countries is accounted for by microeconomic factors. Context, such as political stability, natural resource, physical location, and neighborhood, can also play a role and help explain why a country's prosperity can deviate, sometimes for long time periods, from the level supported by its microeconomic fundamentals. However, the impact of context is far less significant than underlying competitiveness.

Without progress in improving microeconomic capability, GDP growth induced by sound macro policies, market opening, and privatization will be unsustainable or will fail to translate into improvements in GDP per capita. Conversely, appropriate micro reforms, which boost productivity and productivity growth, can greatly ease the challenge of meeting government's fiscal obligations and reducing macroeconomic distortions. Micro reforms can also reduce the political pressure on governments trying to defend macroeconomic stabilization and market opening against vested interests. Citizens who see monopolies losing their grip, businesses reforming themselves, and improving opportunities for employment and entrepreneurship are much less likely to be seduced by the false promises of redistribution and government intervention.

National strategies to enhance competitiveness need to be based on a clear understanding of the underpinnings of competitiveness. The Business Competitiveness Index sheds light on the situation facing each country, and its strengths and weaknesses.

The dynamism score provides an indication of the rate of progress countries are making toward improving competitiveness given their current stage of development. Finally, we measure the influence of a series of contextual factors that can help or hinder each country's ability to make and take advantage of competitiveness improvements.

Competitiveness is a marathon, not a sprint. Our ultimate aim in this chapter is to inform and motivate the economic changes that can make any country prosperous, no matter what its starting position.

Notes

- I would like to thank Rich Bryden for his major role in the analyses reported here. Lyn Pohl provided able supervision of the final production of the chapter.
- The proportion has grown modestly over the last several years as the model has been improved.
- Economists point out another difference: companies go out of business when they fail to compete successfully; locations don't. Locations react instead by adjusting to a lower level of prosperity. While relevant in some contexts, this difference between companies and locations is less crucial here, where the level of prosperity a location can sustain is at the core of the analysis.
- See the *Clusters of Innovation* report (Porter, Council on Competitiveness, and Monitor Group, 2001); further reports on five US regions are available at www.compete.org.
- See the report by Harvard students Jean Hayden, Chai McConnell, Peter Tynan, and Alexandra West.
- See Porter (2003) and the Institute for Strategy and Competitiveness' Cluster Mapping Project data on US regions available at <http://data.isc.hbs.edu/isc/index.jsp>. See also Ketels and Sölvell (2006) for data on regions in the 10 new EU member countries.
- See reports by student teams at Harvard in 2003.
- The stages were first introduced in Porter (1990).
- See as an example for a private sector-led initiative the "Wirtschaftsinitiative für Mitteldeutschland" in Eastern Germany (Fear and Ketels, 2006).
- The notion of Institutions for Collaboration has been developed further in joint work with Willis Emmons, Georgetown University (Porter and Emmons, 2003).
- For a survey of cluster initiatives, a specific type of IFC with the explicit purpose to mobilize and upgrade a cluster, see Sölvell, Lindqvist, and Ketels (2003).
- One surveyed economy, Luxembourg, was not included in the calculations because, given its small size, functional concentration on a few sectors, and almost complete integration into the neighboring economies, it is better understood as a regional economy.
- In the case of Ireland, we used GNP instead of GDP because of the size of dividend outflows to foreign investors. Ireland's GDP is about 20 percent higher than its GNP.
- Table 1 indicates the countries included in the pooled analysis with an asterisk.
- This data set includes 30 high-income, 36 middle-income, and 8 low-income countries.
- Compared with previous years, we reduced the number of survey questions slightly from 54 to 53 by dropping one question. The reduction has little effect on the overall rankings.
- These reasons could include larger actual heterogeneity within the country as well as greater uncertainty by respondents about appropriate international benchmarks.
- For each country, we define the following eight cells by ownership (foreign if foreign-ownership share is above 15 percent) and employment:

cell 1: foreign & size < 500	cell 5: domestic & size < 500
cell 2: foreign & size 500–5k	cell 6: domestic & size 500–5k
cell 3: foreign & size 5k–100k	cell 7: domestic & size 5k–100k
cell 4: foreign & size > 100k	cell 8: domestic & size > 100k

For any given country, we then look at the distribution of the 2002–2006 respondents across the eighth cells. For each country and year, we compute the average response in each cell, and each average is weighted by the proportion of total 2002–2006 companies in that cell. The weights are normalized to add up to 1.
- See Kaufmann et al. (2005) and the data set available at the website <http://www.worldbank.org/wbi/governance/index.html>.

- 20 See World Bank (2006) and the website <http://rru.worldbank.org/doing-business/>.
- 21 A listing of the country-specific results from the World Bank's Investment Climate Assessments is available at <http://rru.worldbank.org/EnterpriseSurveys/ICAs.aspx>.
- 22 For more background see Heritage Foundation (2006), Index of Economic Freedom at <http://www.heritage.org/research/features/index/>; Cato Institute (2006), Economic Freedom of the World at <http://www.cato.org/pubs/efw/index.html>; the Fraser Institute (2005), and Economic Freedom of the World: 2005 Annual Report at <http://www.freetheworld.com/release.html>.

- 23 Access to UN statistics is available through <http://unstats.un.org/unsd/default.htm>; see also <http://hdr.undp.org/statistics/data/?CFID=10032851&CFTO-KEN=87929815>.
- 24 See D. Kaufmann et al. (2005); World Bank Discussion Paper, Draft, May 9, 2005; and the website <http://www.worldbank.org/wbi/governance/pubs/govmatters4.html>.
- 25 We prefer the Heritage Foundation ranking to the other available rankings of economic freedom because of its coverage and the additional data it introduces.
- 26 See Chapter 5 of the 2006 Index of Economic Freedom Report for a discussion of the methodology.

27 Regression Statistics

Adj. R^2 0.805
Observations 370

	Coefficients	Standard Error	t Stat	P-value
befa	8082.872	961.37	8.410	0.000
cosfa	1614.067	960.97	1.680	0.094
Intercept	13269.270	553.96	23.950	0.000

Note: The regression includes year dummies for 2002-to-2005.

28 Regression Statistics

Adj. R^2 0.824
Observations 370

	Coefficients	Standard Error	t Stat	P-value
befa	8859.377	921.738	9.61	0.000
cosfa	662.188	925.468	0.72	0.475
befa*cosfa	1535.328	242.7112	6.33	0.000
Intercept	11801.830	575.241	20.52	0.000

Note: The regression includes year dummies for 2002-to-2005.

- 29 The forecast region has wider bands than a 95 percent mean confidence region. The mean confidence region provides a confidence interval for a given level of competitiveness over repeated observations. The forecast region method, in contrast, reflects a higher degree of inherent uncertainty in predicting a single observation. As a result, interpretation of the proximity of data points to the regression line should be undertaken with appropriate caveats. Note that the forecast region widens slightly as it moves away from the "center" of the graph. The center is the point located at the intersection of the mean GDP per capita level and mean factor score.
- 30 We use the simple average of the two sources if a country is covered by both the BLS and Eurostat. While there are differences in absolute values due to the respective wage definitions and industry coverage, the results also hold for separate analyses of the two individual data sets.

31 Regression Statistics

Adj. R^2 0.605
Observations 144

	Coefficients	Standard Error	t Stat	P-value
bci	10.148	0.706	14.38	0.000
Intercept	3.912	1.218	3.21	0.000

Note: The regression includes year dummies for 2002-to-2004

- 32 The data base can be accessed at <http://data.isc.hbs.edu/iccp/index.jsp>.

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Appendix A: Factor loadings and uniqueness levels for all indicators

COMPANY SOPHISTICATION	Factor	Uniqueness	Score coefficient
Extent of staff training	0.9659	0.0671	0.0812
Production process sophistication	0.9521	0.0935	0.0800
Breadth of international markets	0.9350	0.1259	0.0786
Company spending on R&D	0.9338	0.1280	0.0785
Willingness to delegate authority	0.9273	0.1401	0.0780
Extent of marketing	0.9212	0.1514	0.0774
Capacity for innovation	0.9204	0.1528	0.0774
Degree of customer orientation	0.9126	0.1671	0.0767
Nature of competitive advantage	0.8944	0.2000	0.0752
Value chain presence	0.8860	0.2150	0.0745
Control of international distribution	0.8787	0.2279	0.0739
Reliance on professional management	0.8738	0.2365	0.0735
Extent of incentive compensation	0.8448	0.2863	0.0710
Extent of regional sales	0.7857	0.3826	0.0661
Prevalence of foreign technology licensing	0.6862	0.5291	0.0577
BUSINESS ENVIRONMENT QUALITY	Factor	Uniqueness	Score coefficient
Presence of demanding regulatory standards	0.9629	0.0728	0.0316
Intellectual property protection	0.9571	0.0839	0.0314
Local supplier quality	0.9459	0.1053	0.0311
Stringency of environmental regulations	0.9320	0.1314	0.0306
Buyer sophistication	0.9280	0.1388	0.0305
Effectiveness of antitrust policy	0.9244	0.1454	0.0304
Overall infrastructure quality	0.9192	0.1551	0.0302
Efficiency of legal framework	0.9122	0.1679	0.0300
Laws relating to ICT	0.9085	0.1746	0.0298
Local availability of spec research & training services	0.9060	0.1791	0.0298
University/industry R&D collaboration	0.9042	0.1825	0.0297
Quality of scientific research institutions	0.9023	0.1859	0.0296
Venture capital availability	0.8901	0.2078	0.0292
Judicial independence	0.8869	0.2135	0.0291
Favoritism in decisions of government officials	0.8817	0.2226	0.0290
Business costs of corruption	0.8800	0.2255	0.0289
Financial market sophistication	0.8759	0.2328	0.0288
Decentralization of corporate activity	0.8725	0.2388	0.0287
Quality of electricity supply	0.8637	0.2540	0.0284
Informal markets	0.8635	0.2545	0.0284
Reliability of police services	0.8608	0.2591	0.0283
Quality of public schools	0.8574	0.2649	0.0282
Property rights	0.8521	0.2739	0.0280
Air transport infrastructure quality	0.8503	0.2770	0.0279
Port infrastructure quality	0.8497	0.2780	0.0279
Local supplier quantity	0.8476	0.2816	0.0278
Ease of access to loans	0.8400	0.2943	0.0276
Internet users per 10,000 inhabitants	0.8343	0.3039	0.0274
Quality of management schools	0.8266	0.3168	0.0271
Intensity of local competition	0.8219	0.3245	0.0270
Government procurement advanced technology products	0.8019	0.3569	0.0263
Railroad infrastructure development	0.7835	0.3862	0.0257
Telephone/fax infrastructure quality	0.7630	0.4178	0.0251
Cellular telephones per 100 inhabitants	0.7432	0.4476	0.0244
Efficacy of corporate boards	0.7389	0.4540	0.0243
Availability of scientists and engineers	0.7214	0.4796	0.0237
Local equity market access	0.7149	0.4889	0.0235
Quality of math and science education	0.7056	0.5021	0.0232
US utility patents granted per million population	0.6873	0.5276	0.0226
Local availability of process machinery	0.6836	0.5327	0.0225
Prevalence of trade barriers	0.6482	0.5798	0.0213
Cooperation in labor-employer relations	0.6382	0.5928	0.0210
Centralization of economic policymaking	0.6103	0.6276	0.0200
Trade	0.5425	0.7057	0.0178

Appendix B: Changes in BCI rankings using 2006 methodology

Country/Economy	BCI rank: 2006 methodology						BCI rank: Previously published				
	2006	2005	2004	2003	2002	2001	2005	2004	2003	2002	2001
United States	1	1	1	2	1	2	1	1	2	1	2
Germany	2	2	3	5	4	5	3	3	5	4	4
Finland	3	3	2	1	2	1	2	2	1	2	1
Switzerland	4	8	9	8	7	4	7	5	7	5	5
Denmark	5	4	4	4	6	8	4	7	4	8	8
Netherlands	6	7	8	9	8	3	9	9	9	7	3
Sweden	7	11	5	3	5	6	12	4	3	6	6
United Kingdom	8	5	6	7	3	9	6	6	6	3	7
Japan	9	9	7	13	11	16	8	8	13	11	10
Hong Kong SAR	10	17	11	16	21	18	20	11	19	19	18
Singapore	11	6	12	6	10	10	5	10	8	9	9
Austria	12	12	16	19	14	12	10	16	17	12	11
Iceland	13	16	20	14	16	15	17	19	14	17	16
Norway	14	19	17	21	20	17	21	20	22	21	19
Canada	15	14	15	12	12	11	13	15	12	10	12
France	16	10	14	11	17	7	11	12	10	15	13
Belgium	17	18	18	15	13	13	16	14	15	13	15
Australia	18	13	10	10	9	14	15	13	11	14	14
Israel	19	22	22	18	18	20	22	21	20	18	17
Malaysia	20	23	23	24	25	37	23	23	26	26	37
Taiwan, China	21	15	13	20	15	21	14	17	16	16	21
Ireland	22	21	21	22	23	22	19	22	21	20	22
New Zealand	23	20	19	17	19	19	18	18	18	22	20
Estonia	24	27	24	27	27	26	26	27	28	30	28
Korea, Rep.	25	24	26	23	22	27	24	24	23	23	26
Tunisia	26	36	36	31	34		35	32	33	32	—
India	27	31	31	37	37	38	31	30	37	37	36
Portugal	28	28	30	34	36	30	30	33	36	36	33
Chile	29	29	29	30	29	29	29	29	32	31	29
Spain	30	25	27	25	24	23	25	26	25	25	24
United Arab Emirates	31	32	25	—	—	—	33	28	—	—	—
Czech Republic	32	26	33	35	32	31	27	35	35	34	34
South Africa	33	30	28	28	30	28	28	25	27	29	25
Qatar	34	41	—	—	—	—	44	—	—	—	—
Indonesia	35	59	53	50	66	57	59	44	60	64	55
Slovenia	36	33	32	32	28	32	32	31	30	27	32
Thailand	37	35	35	33	33	39	37	37	31	35	38
Italy	38	37	42	26	26	24	38	34	24	24	23
Hungary	39	38	40	39	31	25	34	42	38	28	27
Slovak Republic	40	43	43	43	40	36	39	39	43	42	40
Malta	41	46	46	41	—	—	46	50	42	—	—
Lithuania	42	39	37	38	38	47	41	36	40	40	50
Kuwait	43	40	—	—	—	—	47	—	—	—	—
Cyprus	44	34	41	—	—	—	36	45	—	—	—
Turkey	45	49	55	52	51	48	51	52	52	54	35
Latvia	46	48	50	29	44	41	48	49	29	45	41
Mauritius	47	50	51	45	49	46	52	53	44	49	51
Greece	48	45	38	42	42	42	40	41	39	43	46
Costa Rica	49	52	47	47	41	45	50	48	45	39	48
Bahrain	50	47	34	—	—	—	54	40	—	—	—
Jordan	51	42	44	36	48	40	43	43	41	53	47
Poland	52	44	63	44	43	33	42	57	47	46	42
Jamaica	53	53	56	54	58	43	53	54	56	59	39
Brazil	54	51	39	40	35	34	49	38	34	33	30
Croatia	55	65	70	60	55	—	63	72	62	52	—
Mexico	56	58	52	48	59	51	60	55	48	55	52
Panama	57	56	60	67	54	50	61	60	59	50	49
Colombia	58	60	62	58	56	59	56	58	51	56	57
El Salvador	59	57	64	65	62	61	58	65	64	63	64
Guatemala	60	102	85	85	72	68	103	86	86	73	69
Uruguay	61	63	69	66	57	44	70	77	71	62	45
Trinidad and Tobago	62	62	59	51	46	35	65	59	53	44	31
China	63	54	48	46	39	49	57	47	46	38	43

(cont'd.)

Appendix B: Changes in BCI rankings using 2006 methodology (cont'd.)

Country/Economy	BCI rank: 2006 methodology						BCI rank: Previously published				
	2006	2005	2004	2003	2002	2001	2005	2004	2003	2002	2001
Sri Lanka	64	69	65	59	47	54	72	68	57	47	58
Morocco	65	76	45	49	45	—	79	46	49	48	—
Pakistan	66	67	77	75	20	—	66	73	75	21	—
Kenya	67	73	67	69	—	—	68	63	67	53	47
Botswana	68	55	57	55	53	—	55	62	54	57	0
Kazakhstan	69	64	—	—	—	—	62	43	41	53	47
Peru	70	79	80	78	68	62	81	76	81	66	63
Philippines	71	66	71	72	64	53	69	70	65	61	53
Tanzania	72	78	74	62	—	—	82	90	68	—	—
Romania	73	71	61	70	67	55	67	56	76	67	61
Namibia	74	80	49	53	50	—	73	51	55	51	—
Egypt	75	—	54	57	—	—	71	66	58	—	—
Azerbaijan	76	72	—	—	—	—	77	—	—	—	—
Argentina	77	61	72	68	65	52	64	74	69	65	54
Russian Federation	78	70	58	61	60	58	74	61	66	58	56
Nigeria	79	75	73	80	70	66	76	81	80	71	66
Ukraine	80	68	66	73	69	56	75	69	73	69	59
Vietnam	81	77	78	56	61	64	80	79	50	60	62
Bulgaria	82	74	68	71	63	63	78	75	77	68	68
Dominican Republic	83	98	79	64	52	60	101	80	61	41	60
Algeria	84	89	84	86	—	—	95	89	88	—	—
Serbia and Montenegro	85	86	83	81	—	—	86	85	79	—	—
Macedonia, FYR	86	83	87	82	—	—	83	83	82	—	—
Uganda	87	84	75	79	—	—	85	—	—	—	—
Burkina Faso	88	—	—	—	—	—	—	—	—	—	—
Moldova	89	88	—	—	—	—	93	—	—	—	—
Mali	90	85	89	89	—	—	87	—	—	—	—
Gambia	91	93	76	74	—	—	90	67	70	—	—
Venezuela	92	91	86	83	73	65	92	88	85	72	67
Armenia	93	87	—	—	—	—	88	—	—	—	—
Benin	94	99	—	—	—	—	99	—	—	—	—
Bosnia and Herzegovina	95	101	91	—	—	—	94	93	—	—	—
Madagascar	96	96	88	87	—	—	97	87	90	—	—
Tajikistan	97	100	—	—	—	—	102	—	—	—	—
Mongolia	98	94	—	—	—	—	104	—	—	—	—
Georgia	99	90	90	—	—	—	96	92	—	—	—
Nicaragua	100	103	97	92	76	70	106	100	94	75	71
Zimbabwe	101	81	82	84	71	67	84	82	78	70	65
Malawi	102	82	81	76	—	—	91	84	72	—	—
Ecuador	103	106	92	88	77	71	107	94	89	77	72
Honduras	104	104	98	91	79	74	105	97	95	78	74
Cambodia	105	107	—	—	—	—	109	—	—	—	—
Bangladesh	106	97	99	90	74	72	100	95	91	74	73
Mozambique	107	95	93	95	—	—	98	96	93	—	—
Kyrgyz Republic	108	105	—	—	—	—	108	—	—	—	—
Cameroon	109	92	—	—	—	—	89	—	—	—	—
Guyana	110	108	—	—	—	—	110	—	—	—	—
Bolivia	111	110	96	94	78	73	113	101	98	79	75
Ethiopia	112	109	95	93	—	—	111	99	96	—	—
Albania	113	111	—	—	—	—	112	—	—	—	—
Paraguay	114	112	94	96	75	69	114	98	97	76	70
Chad	115	113	100	97	—	—	116	—	—	—	—

Appendix C: Impact of competitiveness and context on GDP per capita: Results for panel data regression (69 countries)

Regression Statistics				
Adj. R^2	0.891			
Observations	338			

	Coefficients	Standard Error	t Stat	P-value
BCI	6677.189	815.376	8.190	0.000
BCI Squared	1377.731	432.170	3.190	0.002
Natural Resources	1.614	0.170	9.500	0.000
Political Stability	2036.001	785.062	2.590	0.012
Logistical Location	16.461	16.747	0.980	0.329
Sophistication of Neighbors in 2000	0.166	0.082	2.030	0.046
Intercept	6931.430	1,538.262	4.510	0.000

Note: Standard errors are robust and clustered by country. The regression includes year dummies for 2002-to-2005.

Part 2

Selected Issues of Competitiveness

The US Current Account Deficit and its Global Ramifications

The World Economic Forum's Chief Economist

AUGUSTO LOPEZ-CLAROS talks with

RICHARD COOPER and **KENNETH ROGOFF**,

both Harvard University

ALC: One of the reasons I want to discuss this issue with both of you is because—as you have seen in the program in Davos this year—there is keen interest in global imbalances. Larry Summers highlighted these as one of the most important threats to global prosperity. Richard, you made the point in Paris last July that a large US current account deficit could continue for quite a while, as long as the US economy is continuing to offer attractive financial assets.

Cooper: The startlingly large US current account deficit is not only sustainable but a natural feature of today's highly globalized economy. This does not mean that there are no problems with the current state of affairs. Rather, events need to be interpreted in light of the evolution of the US and world economies in recent years, putting the global imbalances in a different perspective.

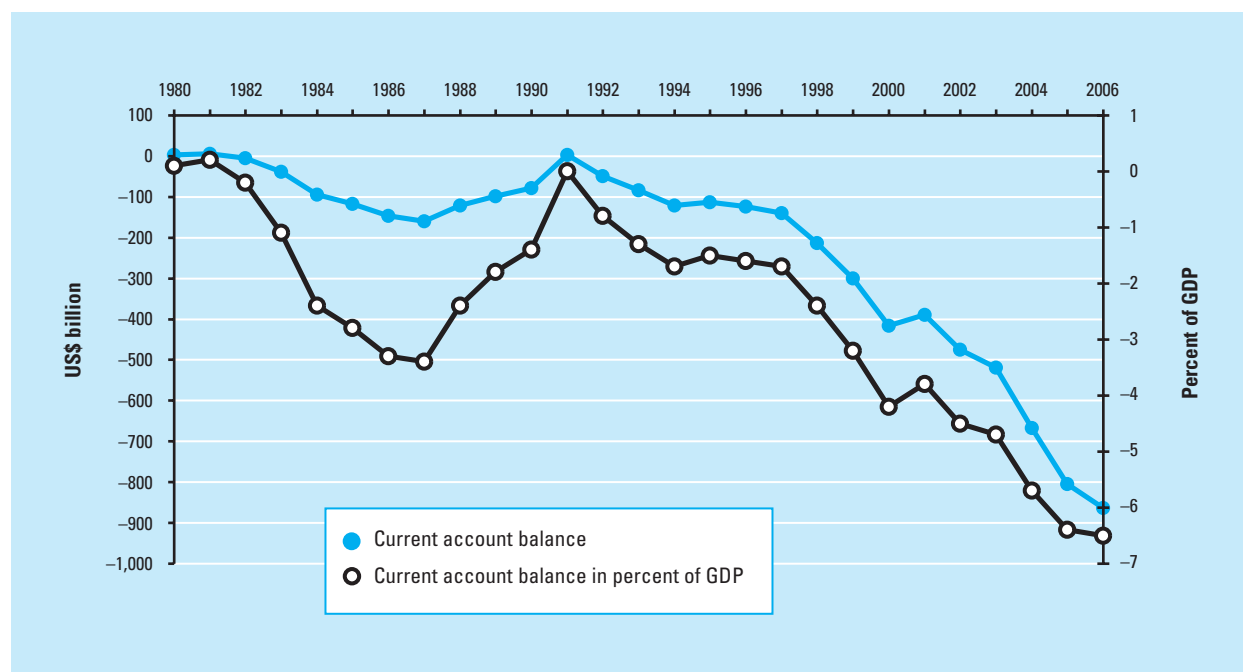
The US current account deficit reached an extraordinary US\$660 billion in 2004, up from US\$520 billion in 2003 and US\$475 billion in 2002. This is not only very large because the United States is a large economy but, at 6.4 percent of GDP in 2005, it is even large relative to the size of the economy, so it has become a dominant feature of the world economy that naturally, and understandably, attracts attention. But just because something is new and big and unprecedented does not mean it is unsustainable. Many contend that it must come down, and that if it is not brought down carefully and deliberately, it will precipitate a financial collapse of the dollar and probably a world recession. Most analysts focus on the linkages of the deficit to the US economy, and on the need to raise national savings, or alternatively (but not equivalently) on the need for a substantial depreciation of the dollar against other leading currencies.

ALC: Is low private savings in the United States the real culprit and, more generally, what can be done about this? Is there a role for fiscal policy?

Rogoff: Gross investment—including investment in housing, which accounted for about one-third of the total, and modest investment by governments—accounted for nearly 20 percent of GDP, significantly up from the recession lows of 2001–2002 but low by international standards.

Private saving in the United States of 15 percent in 2004 includes not just the often-cited household saving, below 2 percent of personal income, but also corporate saving. However, this measurement of saving takes the national accounts as they come. In an information-, knowledge-based economy, one needs to take a broader view of saving.

In the United States, expenditures for consumer durables, education, and R&D taken together have amounted to about 19 percent of GDP in recent years.

Figure 1: The United States: Current account balance (US\$ billion and percent of GDP)

Source: International Monetary Fund, 2006.

When added to the 15 percent from the national accounts, Americans save a third of GDP, properly measured. Furthermore, Americans in general have confidence in their future. In particular, they are confident, thanks to continuing technological change, that their grandchildren will be materially much better off than they are, just as they are materially much better off than their grandparents were. It is not surprising, then, that diverse government measures to increase private savings over the years have shown meager success: Americans are aware that they save quite enough. Moreover, a given amount of saving has resulted in greater real investment in recent years as the price of capital goods has fallen. From an individual's point of view, although not from a social perspective, increases in the relative prices of houses represent effective saving, particularly with a capital market that permits mobilization of home values in retirement. Finally, the market sensibly values the intangible assets of firms more

highly than the tangible assets. The growth dynamic in a knowledge-based economy comes from teams of people creating new goods and services, not from the accumulation of physical capital. Of course, the corrections to saving suggested above apply to all countries, not just to the United States, but their contribution to total savings is higher in the United States than in most other countries.

If private saving cannot be increased, what about public saving? The United States ran substantial budget surpluses in the late 1990s. At the federal level, these became deficits with the recession of 2001–02, the stock market collapse, and the tax reductions of 2001 and 2003. State and local governments normally run surpluses. The federal deficit came to 4.1 percent of GDP during 2005. It is projected to decline slowly in the coming years, provided government expenditure is not allowed to expand unduly and the temporary tax cuts of 2001 and 2003 are not made permanent. So there is at least a prospect for some decline in public dissaving, and this could be accelerated through deliberate fiscal action.

“The growth dynamic in a knowledge-based economy comes from teams of people creating new goods and services, not from the accumulation of physical capital.”

Rogoff: A restoration of normal interest rate levels will help, of course, by encouraging savings and, more directly, by capping house price increases that have fuelled a mortgage refinancing and borrowing cycle. It would also help if the government were to reduce its own deficit. Ultimately, the United States should save more, but how

are we going to deal with the short-term adjustment problems? More flexibility would help, but I doubt that we are going to see more flexibility in the very near future.

ALC: What are some of the factors which have turned the “global imbalances” issue into a world problem, with international ramifications?

Cooper: Simple arithmetic tells us that the US deficit must have exactly matching surpluses in the rest of the world. It will not be possible to reduce the US deficit without other countries reducing their surpluses, or increasing their deficits, through some combination of increased investment and/or a reduction in savings. Rich countries with the largest surpluses are Japan, Germany, Switzerland, Netherlands, Sweden, and Singapore, and now Russia, China, and the members of the Organization of Petroleum-Exporting Countries (OPEC), thanks to high oil prices during 2004 and thereafter. The surpluses of Japan and Germany alone equaled nearly half the US deficit and even exceeded half, if those of Switzerland and the Netherlands, two economies closely linked to Germany, are included.

What explains these large surpluses and how will this affect investment? The answer I give—by no means the whole story, but one that probably hasn’t received the attention it deserves— is rapidly aging, high-saving populations, as people live longer and birth rates have collapsed. This applies especially to Korea, Japan, Italy and Germany. The result is that new entry into the labor force is declining from year to year. This group aged 18 to 26 is also the most educated and most mobile part of the labor force, both geographically and occupationally. This trend already hit Japan some years ago, is now visible in Germany, and, believe it or not, in China. So those countries will lose flexibility in the labor force, and, sooner or later, suffer a diminishing investment demand over time as the need for capital to equip the labor force drops. Low birth rates and low new-household formation will also lead to lower demand for housing, which, as many people are unaware, is a very important component of investment. It makes up about one quarter of investment in most economies, and as much as a third in the United States because of its exceptional mobility. Meanwhile, rates of return on industrial investment are low and, of course, sensitive to what is happening in the export and import competing sectors. To sum up, this means a declining demand for housing, a declining demand for new equipment, and a loss of flexibility in the cutting edge of the labor force. I think this is the underlying reason for the very low returns to capital and a sharp decline in investment that we have been

seeing over the last decade or more in these countries. And this will do little to boost investment in these surplus countries. No doubt, in the long term, savings will fall as aging trends continue in Germany and Japan. But today they remain remarkably high, given their demographic structures. And, finally, aggressive public spending also seems more or less precluded, given the large budget deficits in both Germany and Japan. In other words, there are serious obstacles to significant adjustment in current account imbalances in both Europe and Japan, at least in the short to medium run.

German and Japanese saving is sensitive to perceived economic performance, which in turn is sensitive to export performance. This is important when it comes to correcting the US current account deficit. If the dollar declines significantly, as many analysts suggest it must—leading to significant declines in the export competitiveness of key surplus countries—then we are likely to see an increase, not a reduction, in the propensity to save in those countries, as well as a decline in investment. Whether an increase in the propensity to save gets translated into actual additional savings depends, of course, on what happens to output and income. The conditions just described are those under which a recession in economic activity could occur. An increase in the propensity to save with no obvious vehicle for that savings leads to a fall in output and income. US exports to those countries may fall instead of rising.

I do not see interest rates being an effective adjuster here. With a large appreciation of the currencies of these countries with balance of payments surpluses, the adjuster is more likely to be economic activity. It will decline, except insofar as the authorities become so concerned that they pursue an aggressive stimulative policy.

Excess saving in these big rich countries manifests itself in budget deficits and current account surpluses. Europe and Japan both already have large budget deficits. Further reductions in the long-term interest rate are not likely to produce enough domestic investment to substitute for those two channels, particularly in the face of a decline in competitiveness brought about through large appreciations of their currencies. It is entirely unclear how currency appreciations will produce the large changes in saving and investment required to eliminate, or even greatly reduce, the current account surpluses of rich Asia and Europe. They may even produce the opposite effect.

ALC: To what extent is part of the problem the lack of a sufficiently attractive outlet for excess savings elsewhere in the world, i.e. outside the United States? And is it unreasonable to assume that some savings would, in any event, find their way to the U.S., the global center of technological innovation?

Cooper: Well, that's part two of my argument. It seems to me that whether you are sitting in Sydney, Singapore, Tokyo, Zurich, or Buenos Aires—anywhere really—and looking for places to put your savings, the US economy certainly looks very attractive. As a result, much of the excess saving in the rest of the world comes to the United States. It exceeds investment abroad by Americans and accounts for the large current account deficit of the United States. Why does this saving come to the United States rather than going to emerging markets, where returns should be expected to be higher? Emerging markets also have excess saving, and are not only volatile but may be insecure from political or legal action. The United States, in contrast, has investment opportunities that produce higher yields than Japan and Europe, and are both less volatile and more secure than investments in many emerging markets. Moreover, the US economy is large, accounting for a quarter to a third of the world economy. It has especially well-developed financial markets, accounting for half of the world's marketable securities. So, it is not surprising that funds from all around the world are invested in the United States.

"Whether you are sitting in Sydney, Singapore, Tokyo, Zurich, or Buenos Aires and looking for places to put your savings, the US economy certainly looks very attractive."

Gross world savings outside the United States runs around US\$8 trillion, rising from year to year. In a world with increasingly globalized financial markets, it would not be surprising for savers desire to place 10 or even 15 percent of their savings into the United States, given the characteristics noted above. Yet 10 percent of this saving would amount to US\$800 billion, exceeding the US current account deficit in 2004. Indeed, in that year, an estimated US\$1.1 trillion of foreign private capital came into the United States. Of course, Americans also invest abroad, and any inflows must cover those outflows as well. Still, these numbers suggest that a large US current account deficit could continue for a long time, so long as the American economy is producing attractive financial assets.

"A large US current account deficit could continue for a long time, so long as the American economy is producing attractive financial assets."

Rogoff: There are other explanations besides Professor Cooper's, although I think that this is probably the best. But there is a really important additional point: US investors hold a much riskier portfolio abroad, with much higher ratio equity, high-yield debt and junk bonds, than partners of the United States which have 60 percent in low-interest yield assets. Professor Cooper's very valid point is that the United States is an exciting opportunity, despite the fact that emerging markets offer clearly better returns than the US stock market over the long run—though of course not by as much as they outperformed in 2005. Indeed, it is more accurate to describe the United States as the world's venture capitalist than as the world's premier investment location. If we look at some numbers, one could argue that maybe because of the US role as a venture capitalist it can expect an average profit of perhaps 150 or 200 billion a year. However, that doesn't explain US\$700 billion dollar trade deficits. The US can run a 2 percent of GDP trade deficit without having to worry, but that doesn't really get us to a 7 percent of GDP trade deficit. I guess Professor Cooper comes to this conclusion by saying that there is a stock adjustment as world portfolios go up. But I think that it is very hard quantitatively to get to this number simply out of portfolio rebalancing.

ALC: So, the US current account deficit will continue to be financed by capital inflows?

Cooper: Only in the accounting sense. When one talks about the need to finance the US deficit, that language seems to me to get the fundamental framework wrong. The motivating force is a desire to invest in the US economy and the dollar. That keeps the dollar strong and that, of course, produces an import surplus in the US. So the dynamic, I think, is from savings to capital movements to the exchange rate and growth to the current account, rather than the other way around.

ALC: Now, what about the role of official capital flows into the US? So much has been said about all those billions of U.S. Treasury Bills piling up in the vaults of emerging market central banks.

Cooper: When private foreign investment slackens, as it did after 2001, foreign official investment often takes up the slack. There has been a huge build-up of foreign exchange reserves in 2003–05, especially in East Asia but also in India and Russia. Budget deficits have reached practical limits in Japan and, at least in principle, are constrained in Germany, France, and Italy. China has been overheating and requires some fiscal tightening, despite large infrastructure needs. That would tend to increase China's already high saving rate, not reduce it.

Japanese savers have (a) a high savings rate, (b) they're extraordinarily conservative and (c) many Japanese household savings go to the low-yield, postal savings system. And where do all the savings in Japan's postal institutions go? They are placed in what the Japanese call the "second budget," essentially government securities. Japan has been running a big deficit and is basically channeling these savings to buoy up Japan's large construction industry—what the critics call "building bridges from nowhere to nowhere." The social return to these "investments" is negligible, so in a social sense the Japanese savers are being cheated, as their savings are being misused. By investing overseas, the Bank of Japan—as agent for the Ministry of Finance—is running the exchange rate risk that risk-averse Japanese households are not willing to run, but which the country needs to run to ensure a higher real rate of return for an aging population. My main complaint about Japan is that its reserves are now so large that it should already have done what Norway, Kuwait, and Singapore did years ago, that is, to divide their reserves into a liquid component for monetary management and an investment account where they could invest abroad in less liquid but higher yield securities. Japan's overseas investments could produce a real return to the Japanese in the future, which increased Japanese budget deficits will not.

Now Germany is a somewhat different case: private Germans are investing a lot in Central Europe and in Spain. Spain has a construction boom going on. In spite of Spanish demographics, North Europeans are financing Spanish construction for purposes of retirement or second homes. We don't complain about the large German surplus, and, I dare say, the public debate would be different if Japanese households were also investing abroad on the same scale as their surplus.

That brings me to China, whose surplus is smaller than the other two. The Chinese are very high savers and from a household point of view, they have a very limited menu from which to choose: basically bank accounts and the incipient government bond market. Residents cannot

legally invest abroad without specific authorization. Again, official investment abroad by the People's Bank of China—some US\$200 billion last year and US\$200 billion the year before—occurs when private investment cannot take place. But latent demand by the Chinese private sector for overseas investment is undoubtedly high.

These are consequences of financial globalization. Capital inflows into the US economy are said to be "financing" the US current account deficit. That is true only in an accounting sense. The motivation for private flows—more controversially for official flows—is investment in the United States. Americans have accommodated this excess saving abroad by importing much more than they export, that is, by "living beyond their means." Although, as those societies increasingly age, the savings of Japan and Europe will eventually fall, but the current configuration could last for many years.

"If the United States wants to reduce these claims, increase national saving, and encourage greater private investment, it needs to take serious steps to reduce the federal budget deficit."

These flows are mutually beneficial, as long as the United States generates productive assets for sale to foreigners, and in financial forms that yield less than the underlying investment yields. The problem at present is that the United States is producing high-quality US Treasury securities in abundance. These are attractive to foreign institutions, but they do not support an increase in the productive assets of the United States. Thus, they represent a claim on the future income of Americans. If the United States wants to reduce these claims, increase national saving, and encourage greater private investment, it needs to take serious steps to reduce the federal budget deficit. And these steps must be more serious than simply proposing cuts in expenditure programs with strong congressional and public support.

Rogoff: The situation described by Professor Cooper raises two serious problems. One is that the US deficit still supports high real investment. It doesn't. To some extent, it also mirrors open-ended government borrowing. Investment in the real economy leads to growth, helping to repay higher debt. Government deficits just lead to higher taxes and lower growth. (Unless, perhaps, the funds are used to invest in high social return public infrastructure projects, unfortunately not the case for the United States today.) Usually, when a big current account deficit

“Usually, when a big current account deficit reflects a big government deficit and low private savings, it is the beginning of the end.”

reflects a big government deficit and low private savings, it is the beginning of the end.

The second problem is the notion that foreigners will continue to be satisfied with the miserable returns they have been getting on dollar investments. For complex reasons, foreigners have consistently earned stunningly low, often negative, returns in America. But this cannot continue. If foreigners don't start earning normal returns, they will retrench. And if returns do rise, US net debt—currently around 25 percent of national income, a record—will start rising even faster.

ALC: So, Richard, will foreigners eventually end up owning all the assets in the United States?

Cooper: The current account deficit represents net foreign purchases of assets in the United States. If the current account deficit continues at US\$600 billion, the ratio of net foreign claims to US GDP—a ratio many economists look at in assessing sustainability—will rise for some years to come, but it reaches a peak of 50 percent (up from 22 percent in 2003). Foreigners will then own more of the US capital stock. But the United States has several layers of financial assets above and beyond the capital stock, i.e., the financial assets that foreigners typically buy, which by now constitute more than three times the capital stock and are still growing. So foreigners would own under 10 percent of US financial assets. The yield on these net claims represent claims on US output, thus reducing the income of Americans relative to what it would be if Americans owned all the assets, but almost certainly leaving American incomes higher than they would have been had the rest of the world made fewer investments in the US economy. Foreign earnings on their US investments will grow over time, so the trade balance must improve in order to maintain a constant current account deficit.

However, the deficit cannot continue to grow indefinitely as a share of GDP. Careful analysts correctly point to the unsustainability of the trajectory of the deficit that they have observed in the recent past and that they project into the future. While the deficit can continue to rise as a percentage of GDP for a while, sooner or later that rise must come to a halt. That valid proposition is an altogether different claim from one that the deficit, even a large deficit, is unsustainable.

A constant share deficit may require some depreciation of the dollar. Foreign earnings on their growing US claims will also grow, and the trade deficit may have to decline to accommodate this. The depreciation of the dollar, in turn, will slow the growth of net foreign claims on the United States, not only by reducing the trade deficit, but also from the fact that most US claims on foreigners are denominated in foreign currency, whereas most foreign claims on the United States are denominated in US dollars. For this reason and others, the change in the net international investment position of the United States is typically much less than the current account deficit.

“A large current account deficit for the United States is likely to continue for some years, a natural consequence of excess saving in the rest of the world, an attractive menu of financial assets from which to choose in the United States, and increased globalization of financial markets.”

In summary, a large current account deficit for the United States is likely to continue for some years, a natural consequence of excess saving in the rest of the world, an attractive menu of financial assets from which to choose in the United States, and increasing globalization of financial markets. The United States has a revealed comparative advantage in producing highly attractive financial claims, to the mutual benefit of foreigners and American alike, as long as Americans invest the proceeds productively. This is not to argue that there will be no financial crisis focused on sharp depreciation of the dollar, as some analysts fear, but such a crisis is far from inevitable and indeed will not arise from a large deficit per se. In particular, it would be a mistake to try to eliminate the current account deficit in the near future or even to try to reduce it to US\$200 to US\$300 billion, as some analysts have proposed.

ALC: Given increased globalization and the impact this is having on the integration of financial markets, the concept of the “current account” may have become fuzzier. Ten years ago, Spanish policymakers worried a great deal about the current account deficit; today, with the country firmly anchored within the EU, it no longer appears on policymakers’ radar. Could this signal a broader trend?

Cooper: I think the answer to that is no, but that's because I think it has always been fuzzy! I have been in this

business now for nearly half a century and the U.S. has allegedly had a balance of payments “problem” every year since 1958, with no exceptions. Now, during much of the early part of that period, the U.S. ran a current account surplus. We didn’t pay much attention to current account surpluses in those days. It is only in the last two decades that we’ve shifted our attention to the current account deficit, now that we’re in that position. So, in the American academic community—and in part of the official and the US financial journalist community—there is a heavy bias in favor of a US balance of payments problem. I have no doubt that if the U.S. were to move into a balance of payment and current account surplus—which I do not expect any time soon—they would find some other formulation to complain about.

ALC: Actually, my question was meant in the sense that if General Motors opens up a plant in Brazil, at one level this reflects a sign of U.S. strength. But, at the same time, it also contributes to a widening of the current account deficit, since the output of these factories is eventually imported back into the U.S. More importantly, there is the bigger issue of the increasing difficulty in distinguishing between current account and capital account transactions.

Cooper: Yes, but let’s not forget that this accumulates over time. The earnings of General Motors on that Brazilian plant also count as a credit in the current account. So you have the debit from the import of the automobiles and the credit from the net earnings. There is another peculiar feature of the US situation, namely, that the US earns much more on its foreign investments than it pays on its foreign liabilities. And that has to do mainly with the nature of the liabilities, which are mostly fixed interest. It’s noteworthy that many of the private claims on the U.S. are also fixed interest claims for their own reasons: foreign insurance companies and foreign savings behavior, and so forth. Europeans are historically a bit more conservative in their savings behavior, whereas a higher fraction of the American investment overseas—and indeed of US household saving—is equity, and the Americans are taking the risk. So, once again, the United States is earning the rewards for risk-taking. Speaking in terms of general averages, while the U.S. has, in the accounting sense, much bigger liabilities to the rest of the world than it has claims on the rest of the world, the earnings are roughly equal.

ALC: Now to you, Ken. Most forecasts of the US current account deficit suggest that this is actually going to rise steadily over the next several years, in the absence of some kind of discontinuity. On the other hand, Richard Cooper argues persuasively that the US current account deficit may be large but not necessarily unsustainable. What is your view?

Rogoff: Admittedly, we don’t completely understand why it is that current accounts tend to collapse at relatively low levels. Yet historically, for a couple of hundred years, this is what we have observed. What we see in the case of the U.S. is a current account deficit outside of historical norms, certainly for a large country. I think the single fact that seizes my attention the most about the US current account deficit is the percent of net global savings that it represents. The US deficit absorbs much of the world’s net savings through the current account surpluses of Japan, Germany, and China, and all the surplus countries in the world, which are actually led by the oil countries now. One can rationalize this particular equilibrium, but it certainly strayed rather far relative to any norm.

Now, this doesn’t mean that the United States can’t repay its debt, or that there is an urgent fiscal crisis coming on. But, on the other hand, I think that to presume that this is a normal pattern that can continue for a long time is only a possibility. I don’t think it’s something that policymakers should be blasé about by saying “oh well, it’s because we’re in this new era of globalization.” I think there is a greater likelihood that there will be a reversion back to the norm.

It’s hard to imagine there won’t be a housing slump in the United States. If we see a stalling of the housing market, there is little doubt that the US economy will slow down markedly in the second half of the year. At the same time, the countries in the rest of the world are on a very different cycle. Japan is growing sharply, with enormous potential to grow much faster. Germany is having a surprisingly good year and Latin America seems to be having a good year too.

That alone is going to bring down the deficit by 2 percent, and this will have quite a dramatic effect on the dollar. Not that I expect the present US current account deficit of 6–6.25 percent of GDP to suddenly go to zero overnight, much less to reverse itself by 180°, as happened in Thailand during the Asian crisis. Thailand went from minus 7 percent current account to plus 5 percent current account overnight, and that’s not going to happen in the U.S.

But if the current account deficit were to be suddenly cut in half—and I’ve just laid out a scenario which would take us one-third of the way there—that will give rise to a 15–20 percent drop in the trade-weighted dollar. I emphasize the *trade-weighted* dollar because people look at the nominal US\$/EUR exchange rate and think that the

dollar is going up. However, the dollar is not really going up on a trade-weighted basis. The current account is about the trade-weighted basis, while bilateral nominal rates are secondary.

On the other hand, it is also certainly possible, theoretically, that the United States current account deficit will continue to grow, because, as fast as it's growing, the U.S. is not growing faster than other parts of the rest of the world. Right now it is only absorbing 70 percent of the global savings, and there really are limits to this process. What happens when it climbs to 90 or 95 percent? In some ways, it can't continue to go up unless others refuse to save.

The quantitative paper I wrote about 5 years ago was considered radical and crazy at the time, when the US current account deficit was only 4.5 percent of GDP. We said in our paper that this was a medium term problem taking three to five years to readjust. But five years have passed, and it has already gone from 4.5 to 6.5 percent. I mean there are enough red lights blinking!

ALC: How can the world prepare for the necessary adjustments?

Rogoff: In the United States, financial deepening has allowed money to suddenly shift from one part of the economy to another, although often to the dismay of managers, who are seeing their companies being taken over. But the system works because labor markets are reasonably flexible. Without the ability to displace workers, industry consolidation will be difficult, and the benefits of financial integration fewer.

As the global economy becomes more flexible, the adjustment process becomes less burdensome. But how flexible is the global economy? Europe certainly isn't. Japan isn't. Latin America isn't. Moreover, it is quite wrong to think that just because capital markets are deep, commodity markets can seamlessly adjust to a giant shift in global demand toward the United States and away from the rest of the world—which is exactly what a closing-up of the US current account deficit would imply. Hence, I believe that it is very likely that when the US current account reverses, there will be a sharp drop in the dollar and an adverse effect on global output.

"I believe that it is very likely that when the US current account reverses, there will be a sharp drop in the dollar and an adverse effect on global output."

I am convinced that one wrong lesson some have taken from the Asian crisis is that somehow countries should deal with volatile financial markets by putting in more capital controls or trade restrictions. Such restrictions will make the adjustment process to current account reversals more traumatic, not less. Indeed, if you try to bottle-up the adjustment process with capital controls and trade restrictions, you are simply buying time to stave off a bigger crisis later on. Ultimately, countries need more flexibility, and to the extent policy can do something about it, that is where the focus should be.

ALC: What are the concrete implications for the dollar?

Rogoff: The dollar is clearly overvalued, on the basis of purchasing power parity against the Asian currencies, though not against Europe. Still, because a rebalancing of the US current account deficit is likely to affect the entire world, we could see a euro at US\$1.50 with no problem, if the US current account closed up even by a few percentage points. That outcome would not be catastrophic, but it would certainly be awfully painful in Europe. Of course, it would be less painful if the Asian central banks permitted their currencies to appreciate, but it is not obvious how that is going to play out. Indeed, that is the big question in the global monetary order.

"If we look ahead all the way to 2040, the odds that the dollar will still reign supreme are only 50:50."

The risk of a US current account collapse should be problem number one on the international financial agenda of the US administration. Sadly, it is more convenient to hide behind one of the proliferating versions of the revisionist theory that there simply is no problem. Yet the US position is simply unsustainable. When the US current account deficit eventually crashes and burns, the world will not stand by and let East Asia's currencies plummet in value along with the dollar. Both theory and experience tell us that the position of global reserve currency can be a fragile one. If we look ahead all the way to 2040, the odds that the dollar will still reign supreme are only 50:50.

But suppose the US current account suddenly reverts from its current deficit to a balance—let's say, due to a precipitous collapse in US housing prices that leads to a sharp rise in the private savings rate. Then the dollar

would fall by more than 40 percent in the short term, with the long-run depreciation more of the order of 12 to 14 percent.

A dramatic fall in the dollar could precipitate an international financial market crisis. We have very little idea of how—or whether—financial institutions have hedged against this kind of risk, if they have at all. Then people will say: why didn't the IMF see this coming? Or, it could lead to a sharp spike in global interest rates; Asian central banks have been serving as the world's lender of first resort. Finally, one has to worry about how well the inflexible economies of Europe and Japan would handle a sudden drop in the dollar. Very poorly, I would venture.

The main costs would fall outside the United States, because the US economy is so flexible it could absorb even a major shock—such as the collapse of some major financial institutions as a result, for example, of soaring interest rates—much better than Europe or Japan. The impact on economies in these other big economic areas would be deeply problematic.

ALC: As former Chief Economist of the International Monetary Fund, how do you see the role of the international financial institutions?

Rogoff: I have long believed that in an ideal world both the IMF and World Bank funds would all come in the form of outright grants not loans. The Bank is a development agency. Its financial architecture is built on the assumption that developing countries develop quickly and that emerging markets emerge quickly: thus, the idea is to make loans, which will presumably earn high real returns, enabling the borrower to easily pay the money back. But the reality is very different, and the world community is constantly having to come up with accounting gymnastics—e.g., aid funds to repay Bank loans to keep going. One consequence is that the World Bank has great difficulty imposing any meaningful conditionality on its aid—despite its rhetoric. And this hinders the Bank's effectiveness. The issues for the International Monetary Fund are different as its goal is to maintain global financial stability. I believe that the Fund's ability to act as a lender of last resort helps in some cases, but in many others it exacerbates the build-up of loans in the first place. On net, it would be preferable for it mainly to help transmit information and advice, and to serve as a secretariat for global financial leaders.

ALC: What about the problem of budget deficits? Is there a tension between fiscal and monetary policy? I increasingly find myself among those who think that we do not give enough importance to sound fiscal management.

Rogoff: Over the next couple of decades, budget deficits in many countries are likely to balloon under the pressure of rising expenditures for the elderly—and then there are the direct and indirect costs of dealing with terrorism. The United States is facing open-ended security costs, and Europe may some day be facing the same scenario. Extreme stresses in budgets are always going to be a problem for monetary policy. At the same time, I worry that anti-terrorism measures may slow the pace of globalization, forcing us to sacrifice some of the productivity gains that have made disinflation so much easier over the past 15 years.

People grossly underestimate the threat to price stability posed by the steady deterioration in budget positions that is forecast across the OECD over the next 30 years, due mainly to the aging of populations. When an immovable anti-inflation monetary authority meets an irresistible spendthrift fiscal authority, what will happen? To prepare for this day, it is terribly important to continue to strengthen monetary independence over the coming decades.

Many emerging markets have experienced sharp increases in debt-to-GDP ratios in recent years, especially the ratio of government debt to GDP. Unfortunately, as global interest rates rise, it will put tremendous pressure on some emerging markets, and we will almost certainly see another rash of emerging-market debt crises within the next two to three years. Floating rates will help some countries weather the storm, as will loans from the International Monetary Fund. But some countries may be backed into a corner and forced to restructure as Argentina is now doing.

“Unfortunately, as global interest rates rise , , , we will most certainly see another rash of emerging market debt crises within the next two to three years.”

The risk is particularly great for debt-intolerant countries that have serially defaulted on their external debt, such as Venezuela, Brazil, and Argentina, not to mention repeatedly turning to high inflation to renege on domestic debt. Countries that are debt intolerant have to maintain much lower debt-to-GDP (or debt-to-exports) ratios than

countries that have pristine records, such as Korea or Malaysia. We find that to graduate from debt intolerance—as Chile, Portugal, and Greece have done—a country must maintain an extremely low debt-to-GDP ratio for a very long time. There does not seem to be any other way to do it. Latin countries, especially, have had a long history of seeking solutions to their recurring debt problems in financial engineering. I believe the main path to salvation lies in sustained fiscal rectitude—though I am certainly not advising countries that they should always pay all their debts and under no circumstances restructure. On the contrary, I believe that at least a couple of large emerging-market countries may have to restructure their debts when the next wave of crises hit, and the official community should not stand in the way. However, once the debts are written down, it is important that countries do not turn around and borrow to the hilt again, as happened widely after the restructurings of the late 1980s and early 1990s.

Financial crises will always be with us. The flaw is not in the markets—and certainly not just with the lenders—but rather mainly with policy makers who consistently underestimate the risks of over-borrowing. The big losses in welfare fall on the poorest citizens of the (over-) borrowing countries. Unfortunately, many middle-income countries are doing it again now. As the IMF recently demonstrated, the average developing country already has more debt than it can service.

ALC: Can past experience tell us anything about the present situation?

Rogoff: When one looks closely at the US twin deficits (current account and fiscal) in the context of open-ended security costs, geopolitical tensions, rising old age pensions, higher energy costs and extraordinarily stimulative macroeconomic policies, we see stronger parallels to the early 1970s than to the late 1980s. The years following Richard Nixon's 1972 re-election were not pretty for the dollar or for the world economy. If current accounts are forced toward balance in the context of a difficult global economy, the effects could include financial crises, higher interest rates and a big drop in global output.

During the 1980s, after US president Ronald Reagan's aggressive tax cuts, America was also running large simultaneous current account and budget deficits, although the current account deficit was then much smaller as a share of national income than it is today. To be sure, when the correction hit, the dollar crashed by 40 percent on a trade-weighted basis. Some claim the fallout wasn't so bad, except, perhaps, for the fact that it set off events that led to Japan's decade-long recession. Because of the fall in the dollar, America's net indebtedness to the rest

of the world has been more stable than one would expect, given its heavy borrowing trajectory.

A bit of perspective on the numbers helps illustrate the gravity of the situation. Let's compare the US\$670 billion current account deficit that the United States ran up in 2004 with a few benchmarks. Gross direct foreign investment flows to all developing countries in 2004, including popular destinations like China and India, were

"When the United States wades into the global capital market, it pretty well empties all the water out of the pool."

US\$166 billion in 2004 and roughly similar in 2005. Incredibly, if one adds up the surpluses of all the countries running current account surpluses—that is, generating savings that can be used by the rest of the world—America is eating up well over 70 percent of the total. When the United States wades into the global capital market, it pretty well empties all the water out of the pool.

ALC: What recommendations do you have for today's policymakers?

Rogoff: Global imbalances have been accumulating for some time and are now a substantial risk to the world economy, especially if they unwind in an otherwise adverse scenario. While there are limits to what policymakers can do to anticipate the correction, they are not necessarily helpless. Far better to try to move the global economy toward balance in a stable period than to wait for the current account imbalances to implode against a backdrop of 1970s-style problems. The global current account imbalances, and their potential consequences for exchange rates, offer the quintessential case for multilateral policy consultations. If we don't see any coordinated response on this one, it won't bode well for global financial governance over the next decade.

Over the longer term, I think some adjustment has to take place. There has to be a massive appreciation in emerging Asia. People talk about numbers like 30 percent or even more, in order for the current account to go to zero. But, of course, if we are looking over 30 or 40 years, I would see the real yuan exchange rate appreciate by a couple of hundred percent against the dollar. That process has to take place at some point, but it's not going to happen all at once.

ALC: Would you make the point you just made about the yuan also about the ruble and the rupee?

Rogoff: Absolutely. The same would be true of India's currency. Russia doesn't have the broad diversified growth that India and China have, so I am less sure about where that country is going. We are basically looking at an economy that is overly dependent on high oil prices. Another factor, which I think will lead to rebalancing current accounts is that whenever we have an oil shock, the oil exporting countries always save a big share of it initially. Everyone's praising the oil exporting countries for saving so much this time, but it is too soon to say if they are

"But, of course, if we are looking over 30 or 40 years, I would see the real yuan exchange rate appreciate by a couple of hundred percent against the dollar."

behaving much differently from last time. We will know better in a few years. A country like Saudi Arabia, has a lot of oil money, but its per capita income still qualifies it as a developing country. Saudi leaders face enormous social pressures, including huge unemployment among its large and growing youth population. They cannot afford to just sit back and put the money in US Treasury bills.

But in the end, it will fall on the US to do some of the adjusting. The United States is booming. The country is in an expansion phase. If you are not running a balanced budget when the economy is booming, when are you going to? And when we look forward to social security for an aging population, as we are now, it's most unwise to be running a deficit. If I were President Bush I would go to people and say look I know I said that there wouldn't be any tax hikes but please understand that the economy is doing better than I dreamed. And in light of that we have to reassess and perhaps try to balance the budget now and not in 5 or 6 years. I certainly think that would play a role in rebalancing the current account, though maybe it wouldn't be as dramatic as people say. A carbon tax would also not be a bad place to start.

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Looking Under Every Stone: Transparency International and the Fight Against Corruption

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A 2004 World Bank study estimated that US\$1 trillion is spent annually on bribes in developing and developed countries, not including embezzlement or other costs incurred. This is roughly 3 percent of the gross domestic global product.² The figure would be even higher if we took into account resources wasted and opportunities lost as a result of distorted decision-making.

Corruption is a problem involving perpetrators and victims in both the developed and the developing world. During the past decades, however, recognition of the problem has increased as have the efforts to combat it. Transparency International (TI), the leading international NGO in the fight against corruption, was founded in 1993, at a moment where there was still little awareness of the extent of and damage caused by corruption across the globe. The role of TI in generating awareness and developing ways to address the problem has been crucial in winning over the many people, institutions and organizations now committed to this struggle. After briefly describing the pathology of corruption, we will outline in this paper the efforts and achievements of TI in curbing it. We will conclude by outlining the current challenges that TI and other relevant actors face.

Why is corruption a problem?

Not every result that falls short of fair involves corruption. TI defines corruption as the abuse of entrusted power for private gain. Its many different manifestations range from “grand corruption” involving high-level government officials, large corporations, large sums and large projects, to “petty corruption,” through which small instances of extortion pose a sizeable obstruction in the daily lives of ordinary citizens and businesses, particularly in low-income countries. Corruption exists in both the private and public sector, depending on the nature of the transaction and the type of power and trust abused.

Over the past several decades, scholars and practitioners have contributed substantially to our understanding of the phenomenon of corruption and its dynamics. Their work has enabled us to develop a view of corruption not just as a one-sided problem bedeviling developing countries, where corrupt officials request bribes or kickbacks in return for some benefit (*the demand side*). They have expanded our concept to include those willing to pay a bribe, ignore a conflict of interest, safeguard the proceeds of corruption (*the supply side*) as well as those unwilling or unable to report what they see, or unwilling to enforce the law when faced with evidence of corruption (*bystanders*), who are equally complicit and who perpetuate the problem.

Research and analysis have also revealed that there is much corruption in developed countries, despite their

generally more robust institutions and more sophisticated law enforcement practices.

Despite common patterns and typologies, countries show differing degrees of corruption and its manifestations. In some, unsystematic cases of grand corruption appear to be characteristic, while in others, more pervasive corruption, both grand and petty, coexists with a more or less functioning system of rule of law. Still others show more systemic corruption, to the degree that the normal functioning of institutions becomes problematic. Finally, we see extreme cases of endemic corruption, in which wholly corrupt networks actually rule. This wide variety of typologies calls for approaches that recognize that there is no one-size-fits-all solution and demands optimal combinations of prevention and control.

Acknowledgement of the scope of the damage wrought by corruption has also increased. It affects governance, undermines business opportunities, weakens the competitiveness of a country, perpetuates poverty, and has a negative impact on development. In short, it affects overall well-being. Moreover, the relation of these problems to one another is often confusing, blurring both cause and cost.

The disruptive effects of corruption on development³ can be summarized as follows:

- Corruption encourages poor choices on the part of government, which, instead of allocating public resources to critical productivity-enhancing projects, such as infrastructure, health, and education, directs them into oversized, overpriced, and unnecessary projects;
- Reduces the impact of development aid by diverting essential funds away from their targets, or by distorting the assessment of needs, thus creating targeting errors;
- Discourages investment: investors, both domestic and foreign, are disinclined to invest in high-risk environments;
- Encourages rent-seeking and resource waste;
- Reduces social mobility and sustains corrupt elites by enabling illicit income for the corrupt; this is particularly sensitive in situations where funds are “pumped in”—i.e. where unearned rents from natural resource wealth and “strategic rents,” such as development aid, fuel an economy of corruption rather than supporting development needs;
- Affects the composition of government expenditure by distorting priorities and directing funds away from the public good and toward limited private interests;

- Feeds distrust of the government, institutions, business, and exacerbates tensions among different social groupings in society and ethnic minorities;
- Perpetuates poverty by diverting public funds earmarked for the improvement of basic living conditions.

Ultimately, because economic growth and socio-economic development are rooted in different factors, one cannot conclude that corrupt countries grow more slowly. One could, however, examine opportunity costs and project what a given economy would look like in the absence of corruption. The World Bank Institute estimates that bribes alone may constitute as much as 3 percent of global GDP, or around USD\$1 trillion per year.⁴ In contrast, the cost of an effective global campaign against HIV/AIDS—both against the epidemic and to reverse its advance—in low- and middle-income countries is estimated at approximately US\$8 billion annually.⁵

Corruption breeds in the dark, where there is a lack of transparency, and in settings where there is no accountability, where no one is “watching.” This is relevant at all levels, global, national and local, and underscores the critical importance of working collaboratively with all actors involved.

A brief history of Transparency International

Founded in 1993, Transparency International is an international non-governmental organization based in Berlin, Germany, with National Chapters (accredited or in formation) in close to 100 countries worldwide. TI’s mission is to work to create change toward a world free of corruption, and has its roots in the concern felt by people throughout the developed and the developing world about the crosscutting impact of corruption and a shared sense of responsibility for doing something about it. A driving factor in the establishment of TI was the near-universal recognition of the need to raise awareness about the unspoken plague of corruption and to counter the fatalistic view that there was little that could be done about it, that societies were somehow doomed to live with it.

TI’s founding members decided that the organization would *not* focus on pursuing individual cases of corruption, but rather on systemic change and prevention at the national and international level. This would allow it to address key issues, without duplicating the work of existing institutions, such as police, prosecutors, courts, and, of course, the media.

TI’s approach was innovative in focusing on practical, rather than moral principles. It brought together different actors and demonstrated opportunities for different behavior, rather than simply labelling it “wrong,” without offering blueprints for change. And this approach—once foreign to

anti-corruption work, which relied more on dividing the “bad” from the “good guys” and applying control measures as its only option—has proven that prevention can work. Thus, TI’s methodology rests on three main elements: *collaboration*, *prevention*, and *civil society participation*.

Collaboration in TI’s work means the recognition that all stakeholders, namely government, business, the media, and civil society have a stake in and a responsibility for the problem and the solution. In practice, *collaboration* also means that TI is a critical partner, working with governments and the private sector, while addressing difficult questions to them. Being apolitical and independent is critical to TI’s work at both the global and national level, and requires us to work with governments across the political spectrum, and address issues in ways that privilege the use of transparency over a particular ideology or political stance. It also requires us to engage in work with both public and private organizations. This has sometimes sparked criticism from those who believe that working closely with those exposed to or even engaged in corruption excludes working against corrupt behavior. TI rejects this view, although it acknowledges that the task is far from easy and presents constant risks and challenges.

TI’s focus on *prevention* reflects the view that enforcement—which, by definition, comes after the fact—is simply too late. The damage caused by corruption cannot be easily undone, given that the victims and the cost, while very real, are often diffuse. In some cases, as with misguided decision-making in large infrastructure projects, the window for redress may be decades away. When one adds the slanted cost-benefit ratio of investigation and prosecution versus targeted advocacy, it is clear why TI’s decision to focus on prevention was made.

Civil society participation is pivotal. If control were the only option, the responsibility would lie solely with government. But thinking has evolved. Civil society can play an important role by building partnerships across sectors, voicing problems and solutions which may be difficult for others to express, in bringing mutually distrustful parties to the table, and in demanding accountability from governments. The involvement of civil society actors brings to the fore what is lost in corruption, namely consideration of the public interest.

TI also quickly realized that there was no one-size-fits-all approach to this global issue. Awareness that the dynamics of corruption and the priorities of anti-corruption activists vary from country to country gave rise to the decision to shift to a structure based on national chapters. Shortly after its founding, TI had chapters in a handful of countries, including Bangladesh, Ecuador, Germany, Great Britain, Kenya, and the United States. After only over ten years, there are nearly 100 national chapters in as many countries, enabling the broad success and effectiveness of the organization’s work.

Soon after its establishment, TI swiftly began to introduce tools to help raise awareness of corruption and its cost. The *Corruption Perceptions Index* (CPI), which measures perceptions of public sector corruption, was launched in 1995. This effort was followed by the introduction of a website and a quarterly newsletter which went far to unify the fledgling movement. In October 1996, Transparency International published the first version of its *Source Book*, (now translated into over 20 languages) arguing for the “National Integrity System” model, a holistic approach to transparency and accountability, based on the notion of a range of accountability “pillars”: *democratic institutions*, *independent judiciary*, *media*, and *civil society*. The expression has since passed into common usage in development circles, and the need for a holistic approach to fighting corruption has similarly forged a widespread consensus. In October 1999, TI published the first *Bribe Payers Index* (BPI), a tool for looking at the supply side of corruption, ranking leading exporting countries according to their propensity to bribe, and ranking sectors according to the given risk of corruption. The *Global Corruption Report* was first published in October 2001. This bound volume continues to bring together news and analysis on corruption and the fight against it. It is now on its fifth edition and focuses each year on a theme of special relevance. The *Global Corruption Report* 2007 will focus on corruption in the judiciary.

The above activities were accompanied by an unprecedented, parallel effort to establish international standards and advocate for significant improvements in legislation, policy, and behavior. Among some of the leaps forward were the Inter-American (OAS) Convention Against Corruption (1996), the OECD Convention on Combating Bribery of Foreign Public officials in International Business Transactions (1999), and the subscription by the members of the OECD Export Credit Group of an Action Statement (2000) to take appropriate measures and action (among others) to deter bribery in officially supported export credit. More recently, we have seen the signature by the African Union of the Convention on Preventing and Combating Corruption (2003), and the adoption by the UN General Assembly of the UN Convention Against Corruption (2003).

To the above may be added the development of voluntary instruments such as the inclusion of the fight against corruption as the tenth principle of the UN Global Compact (2004).

TI has also worked to develop tools to prevent corruption. One of these is the Integrity Pact, a legally binding no-bribes agreement for government procurement, aimed at creating a level playing field for bidders and public contracting agencies through the introduction of mechanisms (independent monitoring, sanctions and enforceable commitments) which ensure them that illicit

benefits will not be requested nor offered. The Integrity Pact was first tested in Ecuador in 1994 in a refinery rehabilitation project. Further applications soon followed in Pakistan and Colombia. There are now over 300 applications of the tool across the globe, with specific adaptations for each country and different economic sectors. The Integrity Pacts have also proven successful in creating savings, building trust in the contracting process, and by facilitating the implementation of independent monitoring schemes that guarantee the enforcement of contractual agreements.

In 2001, the first *Corruption Fighter's Tool Kit* was published, a compilation of a number of practical civil society anti-corruption experiences. In 2002, TI launched the Business Principles for Combating Bribery (BPCB), an initiative facilitated by TI and Social Accountability International, aimed at providing companies with practical and comprehensive anti-bribery standards for use as a ready-made tool or as a benchmark for existing practices. The BPCB is now being used by numerous companies across the world, and has served as a working base for the development of initiatives, such as the "Partnering Against Corruption Initiative," (PACI) a joint undertaking of TI in conjunction with the World Economic Forum.⁶

After more than 10 years of experience in the field, TI's work has become more sophisticated and multifaceted, but remains focussed on specific priority areas. These can currently be best described as falling into four categories, including a range of instruments for measuring and analyzing corruption, for advocacy, and for facilitating change. There have been ten subsequent iterations of the above-mentioned *Corruption Perceptions Index*, and three of the BPI. These are supplemented by the recently launched *Global Corruption Barometer* (GCB), a survey, published in collaboration with Gallup International, assessing general public attitudes toward and experience of corruption in dozens of countries around the world. The *National Integrity System (NIS) Studies* now performed in more than 55 countries provide insight into the efforts and challenges of both corruption and anti-corruption efforts in those countries. They are structured around the holistic NIS model, which recognizes the interaction of the different dimensions of public, private, and civil society institutions in their national contexts. They also provide insight into the gap between the formal legal and institutional framework and actual practice within a country. To this may be added the large and diverse body of work carried out by our national chapters around the world and the numerous current initiatives led by our partners, to which TI has contributed.

TI's achievements

In evaluating results so far, in light of our initial goals, it is fair to say that TI's achievements have been substantial. These are summarized here:

Breaking taboos

TI has made a significant contribution to inserting the fight against corruption into both global and national agendas. TI's "tools" have helped to quantify the issue and set lightning rods which have helped to get discussion of the problem and possible solutions on the table.

However controversial—or perhaps precisely because of the controversy—the CPI has helped many organizations and governments define their concerns. Development banks and donor agencies have been able to mainstream the problem of corruption in their own agendas.

By attempting to measure the "immeasurable," TI has also helped to facilitate a sizeable body of scholarly research in the field of corruption studies. TI's own surveys and indices are continually undergoing refinement, and have offered a broad, holistic view of the problem, seen from many different angles. While the CPI focuses more on the demand side, the BPI supplements it by offering the supply-side perspective. Both, in turn, are complemented by the GCB, which provides a wide snapshot of citizen opinion. This effort has not been without its difficulties and challenges. These tools, conceived for measurement and advocacy purposes, have often been misused or criticized for their failure to diagnose, although they were not created for this purpose.

More importantly, TI has not only contributed to breaking the taboo on talking about and explaining corruption but has also helped to debunk the myth that preventing corruption is impossible. Through the work of TI's many national chapters and their partners we now see a growing body of evidence of improvements in areas such as public contracting, access to information, monitoring service delivery, monitoring elections and implementation of political party financing laws, assisting local governments or working together with companies to create concrete strategies within and across sectors.

Changing the landscape

The old argument that corruption is a problem "in those corrupt countries" or "those corrupt governments" is heard less frequently now, and there is greater awareness that both the problem and its solution are a shared responsibility for all. This realization has allowed the private sector and civil society to be proactive and has supported the role of a free and independent media.

There are now more organizations and people using a wider array of approaches to curb corruption. Some are offering constructive criticism of TI's work, something the

organization welcomes, as the fight against corruption must be as multi-faceted as the problem it addresses.

There is no simple solution for corruption. However, by raising awareness of transparency as *the* critical component of any anti-corruption approach, TI has made available manageable solutions. As a guiding principle, transparency makes it more difficult for offenders to hide and allows victims and potential victims to see corruption for what it is. Transparency, defined as available and understandable information about relevant decisions and actions, discourages offenders and encourages accountability.

Furthermore, TI's contributions and the joint efforts of so many of its collaborators have also changed the landscape of international transactions and the international consensus against corruption. The UN Convention Against Corruption would certainly have been unthinkable a few decades ago, when bribes for foreign officials were considered tax deductible, when cases like Enron or the Oil for Food scandal would not have been exposed, and when private sector corruption could not even be mentioned. There is always cynicism about the actual value of international conventions beyond political messaging, but the very fact of their existence helps to make things more difficult for those still willing to use corruption as a means to achieve their own private ends at the expense of the public interest.

These have all been steps forward. But corruption is still far from being eradicated and more work needs to be done.

Stones still unturned: Corruption is still an issue

While no one today questions that corruption has negative consequences, it is nonetheless endemic. According to the GCB (2005), citizens in 48 countries out of 69, when asked to indicate the degree of change of perceived corruption over the past three years in their countries, replied that corruption has increased.⁷

So it is understandable that people ask why corruption is so difficult to eradicate. At the global level, the simple and obvious answer is that efforts to date are excellent steps in the right direction, but still not enough. Political will to fight corruption needs not only to be verbalized, but must be tested and sustained. Clearly, those benefiting from corruption are still able to get away with it.

The deeper complexity of the problem can be explained by:

- “endogeneity”: corruption breeds corruption, making it persistent;
- the different types of corruption, in each particular national setting;
- the slowness of institutional change and the limited application and enforcement of laws (international and national) aimed at eradicating corruption.

Ultimately what we are aiming at is changes in actual behavior, and sustainable changes in practice. While we can justly take pride in having raised sufficient international awareness to create the commitment to fight corruption, we must avoid becoming cynical when business goes on as usual. Sustained awareness is necessary to drive action, but attention must now be focused even more directly on actual changes in behavior, and less on changes in institutions.

Seen in this light, the first era of anti-corruption work during the 1990s did raise awareness of the problem and mobilized substantial action to combat it. But it also helped raise the bar by putting in place international standards, such as those mentioned earlier. These standards—similar to the Extractive Industries Transparency Initiative (EITI) which focuses on oil revenue transparency—inevitably draw even greater attention to actual practice. It is easier to create standards than to live up to them, and while the effort to create them was badly needed, work now must focus on the even more demanding task of monitoring practice. In this context, enforcement becomes critical.

The enforcement of existing laws and the implementation of international conventions is, in fact, the greatest current challenge. For example, TI's efforts in monitoring the OECD Anti-bribery Convention for 2006 reveal⁸ that there is as yet little or no enforcement in almost two-thirds of the 30 countries covered.⁹ Furthermore, some of the countries that have brought cases still have significant deficiencies in their enforcement systems.

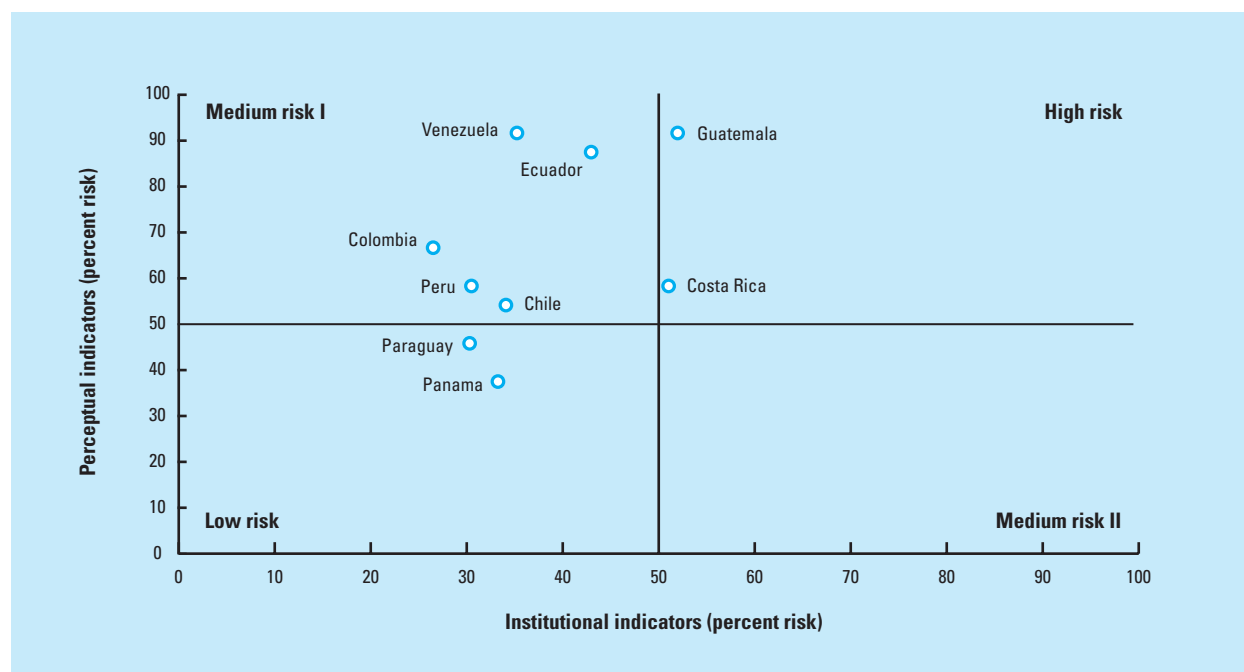
Here is a brief summary of positive and negative results revealed by TI's monitoring efforts:

On the positive side

- France now has eight prosecutions, as compared to only three in 2005, including several against major multinational companies.
- Enforcement in the United States has increased to 50 prosecutions in 2006, as compared to 35 prosecutions in 2005.
- There are significant enforcement proceedings in Belgium, Bulgaria, Denmark, Germany, Hungary, Korea, Norway, Spain, Sweden and Switzerland.

On the negative side

- There is little or no enforcement in five countries that play a major role in international trade: none in Japan, the Netherlands and the UK, only one in Italy and one (of minor importance) in Canada.

Figure 1: How high is the risk? Combining institutions and perceptions of practices in Public Contracting Systems

Sources: TI 2005 and 2006b.

- There are nine countries with smaller shares of international trade which have no prosecutions: Argentina, Australia, Austria, Czech Republic, Estonia, Greece, Ireland, New Zealand, Slovakia, and Turkey.
- There are significant deficiencies in the enforcement systems of two-thirds of the countries covered.¹⁰
- There is a lack of adequate access to information about foreign bribery prosecutions in over one-third of the countries.

Another TI study analyzed corruption risk in public contracting systems in ten countries in Latin America and identified the gap between the existing laws and institutions and actual practices.¹¹ The study confirmed that, *de jure*, laws and institutions are functioning moderately well, but that their *de facto* application and practice are problematic. It also showed that while corruption risks associated with laws and institutions were on average 35 percent¹² when compared with an ideal standard, corruption risks associated with actual practice appear on average to be as high as 62 percent when compared to an ideal standard.

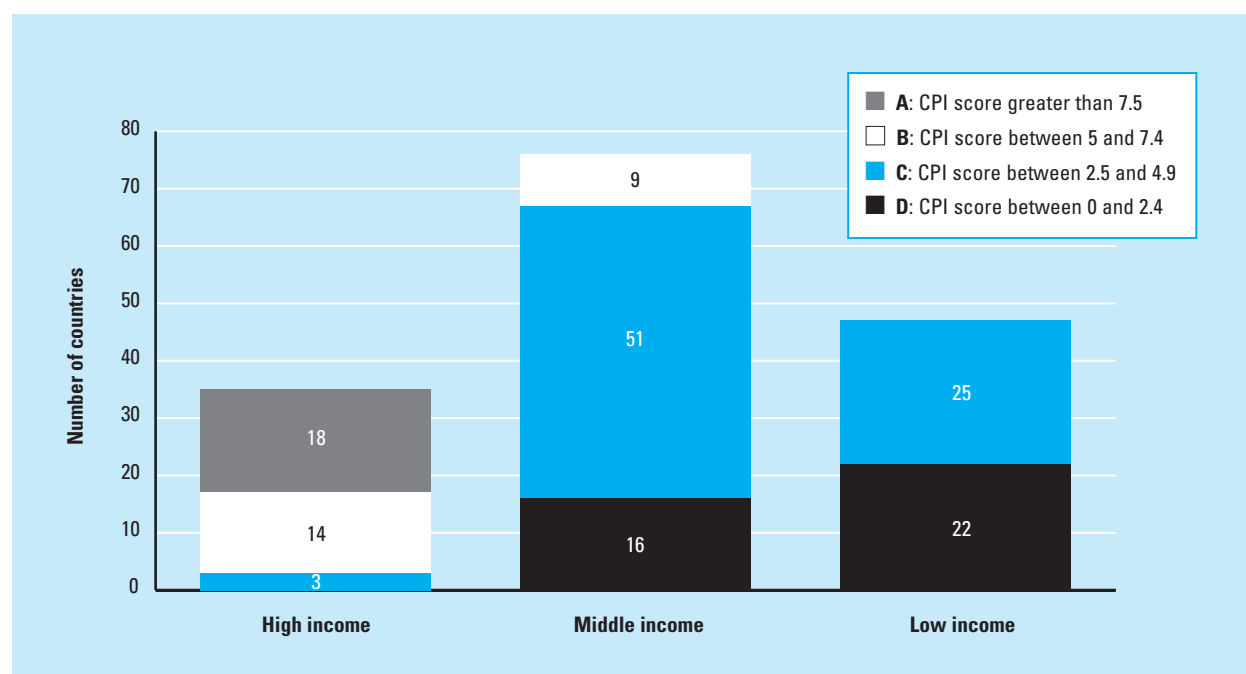
As shown in Figure 1, a situation of medium to high risk in many of the countries results from a higher degree of risk associated with practices—the way the existing law is applied or *if* it is applied—as evaluated by experts. This

confirms that laws and institutions are necessary, but not enough.

There has been considerable effort devoted, with more or less clarity, to government reform, how to go about it and how difficult it can be. This has been paired with an effort to monitor improvement. There is however comparatively less effort being invested in addressing corruption within the private sector, monitoring practices, and impact. And there is still resistance within some economic sectors to confront corruption, with some justifying the lack of action with the old argument dismissing the actual impact of corruption on business sustainability.

Without doubt, corruption is a severe obstacle for development, and development provides the optimal setting for reduced corruption. However, both hard research and intuition challenge the view that development simply “solves” the corruption problem.¹³ The fact that corruption exists as well in developed countries and occurs in the interaction between business and government supports this view.

Nor does high income necessarily equate with a lack of corruption. Figure 2 captures corruption perceptions based on the CPI, grouped in four categories: A including the highest scores (above 7.5), D including the lowest scores (below 2.5), and two middle categories B (upper middle) and C (lower middle). The figure shows the common feature of countries with differing income levels, viz.

Figure 2: Countries by income level and CPI scores by group

Sources: TI, *Corruption Perception Index*, 2005; World Bank, 2006.

they all experience middle levels of perceived corruption. Concretely, the group of high-income countries includes not only high scoring countries, but also those with low and middle range scores. Furthermore, there is a varied composition among middle-income countries. While low-income countries do experience higher levels of *perceived* corruption, not all low-income countries are lost to rampant corruption, according to the perceptions of corruption captured in our CPI.¹⁴

This is one of the reasons why TI has been concerned to measure the “supply side” of corruption, and produced the first Bribe Payers Index in 1998. The BPI examines the propensity of firms from industrialized countries to bribe abroad and the sectors more exposed to risk. As shown in Table 1, the second iteration of this index, produced in 2002, indicated the sectors to be most exposed to corruption.

A third and enhanced iteration of the BPI is currently in preparation, to be released in October 2006. Thanks to a partnership agreement with the World Economic Forum, this forthcoming issue will be produced using data collected for TI within the 2006 Executive Opinion Survey.

Greater availability of resources and opportunity reduces incentives for corruption. Empowered middle classes are, in turn, more likely to hold governments accountable. And if development is accompanied by

Table 1: Bribe Payers Index 2002: Business sectors perceived to be most contaminated by bribery

Question: How likely is it that senior public officials in your country would demand or accept bribes, e.g. for public tenders, regulations, licensing in the following business sectors?

Sector	Score ¹
Public works/construction	1.3
Arms and defense	1.9
Oil and gas	2.7
Real estate/property	3.5
Telecoms	3.7
Power generation/transmission	3.7
Mining	4.0
Transportation/storage	4.3
Pharmaceuticals/medical care	4.3
Heavy manufacturing	4.5
Banking and finance	4.7
Civilian aerospace	4.9
Forestry	5.1
IT	5.1
Fisheries	5.9
Light manufacturing	5.9
Agriculture	5.9

¹ The scores represent the mean for all the responses from 0 to 10, where 0 represents very high perceived levels of corruption, and 10 represents zero perceived corruption; precise comparisons between the 1999 and 2002 figures are not possible as the categories have been modified significantly.

Source: TI, *Bribe Payers Index*, 2002.

stronger social capital development, it is also likely that societies would feel less inclined to tolerate corruption that affects the public trust. This does not mean that developed countries are out of the woods, nor that countries displaying good performance in corruption perceptions and incidence are also without risk. In fact, special attention should be paid to those developed countries, which, while showing lower corruption perception scores in our indexes, are home to companies that are still willing to bribe abroad. This is not recorded as “national” corruption in our CPI, and may not be perceived by country nationals as corruption. But the practice is nevertheless a part of the corruption phenomenon. Ultimately, corruption is a clear and present danger for all countries. Waiting, therefore, is not a good strategy, and inaction entails severe risks.

Sustaining change

Fighting corruption is highly dependent on political will. However, political will is volatile and vulnerable to pressure. Therefore, the fight against corruption requires a sustained effort on the part of both developing and developed countries and goes beyond getting the institutions right. It must be translated into action, into observable behavior. In our experience, sustaining change requires not only courage, but a high degree of transparency, dynamics of mutual accountability and shared responsibility, and a combination of prevention and sanctions. Shared accountability is increasingly crucial in a world where development aid often surpasses the level of foreign investment flow. Dynamics in which governments are accountable to donors but not to their citizenry erode institutional development. The need for an independent and free press must also be underscored as crucial for sustaining change.

Dealing with different types of corruption

Grand and petty corruption have different dynamics and different underlying causes. There seem also to be differing “degrees” of corruption, ranging from the occasional incidence, to systemic, and finally endemic, the level at which deeply embedded networks make it almost impossible for any well-intentioned leader to accomplish change. Hiding behind similar options, changing manifestations and tactics, they all represent the same “abuse of entrusted power for private gain.” Tackling them requires an all-encompassing, diversified approach that is far from the quick one-time “tech fix” which some might imagine possible. And confronting corruption requires a concerted, sustained effort that is not naïve, and does not limit itself to offering boxes to tick off to please watchdogs and the donor community. Much remains to be done at the sector level, both to understand particular corruption typologies and

dynamics, and also to identify priorities for sequencing required change.

Local governments represent both opportunities and challenges. Our experience in working with local governments reveals that this level of anti-corruption work can be very effective, usually because accountability is more easily achieved with officials who are within reach, or because sometimes the hotbed in which corruption grows has more to do with local problems of efficiency and management. However, these issues require continual attention. We still do not fully understand how curbing corruption locally can permeate the national level and vice versa, or how grand and petty corruption interact at this juncture.

The greater the confidentiality in the area of national security, the greater the risk of corruption. If the practice of confidentiality becomes extreme, beyond the bounds of what is actually necessary, it creates opaque areas which are hard to penetrate. There are ways to achieve accountability and transparency without hampering national security, and the experience gained by our national chapters in introducing transparency tools in such vulnerable areas as defense procurement provide ample evidence of what is possible.

Conclusion: Challenges ahead

In facing corruption head on, no stone must be left unturned. Anti-corruption work has gone from strength to strength over the past 15 years, and, perversely, the refinement and entrenchment of corruption may be partial proof of our effectiveness. The challenges have therefore also evolved, some of which include:

- *Moving from standards to practice.* Effort should focus less on making laws and institutions and more on making them work, at least in those settings where institutional reform has already been tried and tested. Anti-corruption efforts should focus on monitoring practices and action and on raising concerns and taking action when they do not measure up to expected standards. This is true not only for international anti-corruption conventions like the UNCAC, AUC, the OAS and the OECD, but also for governments, companies and others who have made significant pledges to eradicate corruption.
- *Mutual accountability.* International transactions of all kinds, whether commercial, related to development aid, or the work of development banks and IFIs, must integrate even more transparency criteria and practices, ensuring that proper checks are in place to enable monitoring, accountability, and follow up by interested parties. Governments should not be more

accountable to aid agencies than they are to citizens and taxpayers. And NGOs must be accountable to all.

- *Dealing with Complexity and assessing impact.*

Complexity is characteristic of all different dimensions of this work: anti-corruption efforts, aid agency policy-making, standard setting and legislation, to mention only a few. While multiplicity and diversity is not inherently problematic, coordination is vital, if only to assess joint impact. The efforts of donors to harmonize principle and practice should contribute significantly to reducing complexity. Law enforcement institutions and countries must increase the exchange of information and facilitate cross-border prosecution.

More than anything, the fight against corruption demands sustained effort and a diversity of approaches in order to have an irreversible impact. The conditions to enable change are there.

Notes

- 1 The author acknowledges the help of many individuals in the Transparency International Secretariat in the preparation of this paper, in particular Cobus de Swardt, Catherine Woollard, Victoria Jennett, and Aled Williams.
- 2 Kaufmann and Kraay, 2002; the study calculated this figure using 2001–02 economic data on the basis of an estimated world economy of just over US\$30 trillion; the World GDP (current value) for 2004 is US\$32.9 trillion; see World Bank, 2006.
- 3 For a more extensive review of the subject, see Ackerman (1999), Bardhan (1998), Kaufmann (2004), Lambsdorff (2005), or Mauro (2002).
- 4 Kaufmann, 2004.
- 5 UNAIDS, 2001.
- 6 On world anti-corruption day on 9 December 2005, PACI, the International Chamber of Commerce, Transparency International, and the UN Global Compact 10th Principle agreed to coordinate their efforts to support the fight by business against corruption and bribery; PACI helps to consolidate private sector efforts to fight bribery and corruption and shape the evolving regulatory framework.
- 7 TI, 2005; a survey of close to 55,000 people in 69 countries, to assess their views on corruption.
- 8 TI, 2006a.
- 9 This refers to two or more prosecutions in a country with more than 2 percent of world exports and one or more prosecutions in a country with a smaller share of exports.
- 10 This refers to countries where there is an unsatisfactory rating on four or more out of eight indicators.
- 11 This study was performed using a tool developed by TI and its TILAC network (TI in Latin America and the Caribbean); further details about the study, the tools used, and the complete regional report are available at: http://www.transparency.org/global_priorities/public_contracting/projects_public_contracting/pcms and at: http://www.transparency.org/regional_pages/americas/contrataciones_publicas/diagnostico_y_medicion
- 12 100 percent indicates high risk and 0 percent indicates no risk; the risk is measured by comparing the current situation with an ideal standard of transparency.
- 13 See for example, Kaufmann and Kraay, 2002.

14 For further detail on these linkages, see Lambsdorff, 2005.

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Economic Growth, Employment, Competitiveness, and Labor Market Institutions

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Introduction

A sound link between economic growth and employment growth is fundamental for tackling unemployment and contributing to poverty reduction. However there is strong concern that we are currently experiencing not only a long term trend toward lower growth—at least in some important areas of the globe—but also an increasing trend toward economic growth without significant employment growth.

This paper examines the relationship between output and employment growth in order to understand the factors that influence this link. We show that while a tradeoff between employment and productivity exists—at least in the short term—employment-intensive growth does not necessarily compromise productivity, so essential for maintaining competitiveness.

It is often pointed out that, in addition to economic and technical factors, labor market institutions may play an important role in shaping the employment outcome of economic growth (Khan, 2001; Kapsos, 2005). In exploring the role of labor market institutions, particular attention is given to the relationship between flexibility, competitiveness, employment, and job quality. We advocate an approach to labor market reform which is based on both flexibility and security.

The link between economic growth and employment

A basic measure of the employment intensity of growth can be provided by the *employment-elasticity of growth*, which compares the percentage change in employment divided with that of GDP. This relies on the assumption that the quantity of employment depends on the amount of output produced. The higher the elasticity, the more employment is created by a given growth rate in GDP.

There is a fundamental relationship between employment elasticity and labor productivity: for a given small amount of output growth, any increase in the rate of employment must be matched by a decrease in labor productivity growth, implying that the elasticity of employment with respect to GDP is equal to 1 minus the elasticity of labor productivity with respect to GDP (Islam, 2004; Kapsos, 2005).

Therefore, an employment elasticity of greater than 1 implies a negative productivity growth combined with positive employment growth. In order to allow for improvements in labor productivity, employment growth must be lower than output growth, which in turn implies that the employment elasticity has to be less than 1.² Economies with positive GDP growth and positive employment elasticities less than 1 correspond to positive employment and productivity growth and higher elasticities within this range correspond to more employment-intensive growth. This case typically represents the ideal,

because job growth occurs concurrently with gains in productivity.

As long as employment elasticity is not *too low* in a country with surplus labor, and does not decline further from a *low* figure, a country could have employment-intensive growth even with less than 1 and declining employment elasticity. The characteristics of a country experiencing employment-intensive growth simultaneously with improvements in labor productivity would include a high growth of output in modern sectors (e.g., manufacturing, construction, modern services, etc.), reasonably high *initial levels* of employment elasticity (e.g., 0.6–0.7 in manufacturing, 0.8 in construction, and so on), and a gradual decline in employment elasticity, as surplus labor is employed in higher productivity economic activities and is eventually exhausted.

An increase in the employment elasticity of a sector (e.g., manufacturing) does not necessarily imply the adoption of more labor-intensive *technology*—often considered to be synonymous with “backward” or inefficient technology, and hence, undesirable—for all sub-sectors. For example, the manufacturing sector consists of a number of different sub-sectors which require different combinations of capital and labor. The employment elasticity for the sector as a whole is the weighted average of the elasticity of its components; if the more labor-intensive components have greater weight, the overall elasticity would also be correspondingly higher than in a situation where more capital-intensive components dominate the manufacturing sector, and thus have a higher weight. So, if a country’s policy environment is such that its labor intensive industries have a greater incentive to grow at a faster rate, it is quite possible for such industries to assume a greater weight in the overall manufacturing sector; hence, the overall employment elasticity for the manufacturing sector as a whole may rise, without requiring any individual sub-sector to adopt more labor-intensive technology than it is employing at present. All that would be needed to achieve such a result would be to ensure that the policy environment is conducive to (or at least does not discriminate against) the growth of the relatively more labor-intensive sub-sectors.

Although interest in the employment intensity of economic growth (and hence in employment elasticity) is relatively recent, a nascent literature on the subject appears to be emerging.³ Estimates are now available at the global, regional, and country level, and in some cases for broad sectors as well, such as agriculture, industry, and services. It should be mentioned at the outset that estimates of employment elasticity in developing countries are beset with problems associated with the availability and quality of the data on employment itself. And due to these data limitations, econometric estimates—potentially superior to arc estimates, based on point-to-point data, due to the

fact that they are more stable—are also rather limited.⁴

When considering global employment trends, it is important to keep in mind that any preference for employment-intensive growth over productivity-intensive growth or vice versa is largely a value judgment, and in order to realize economic development objectives, both should be pursued jointly (OECD, 2006).⁵

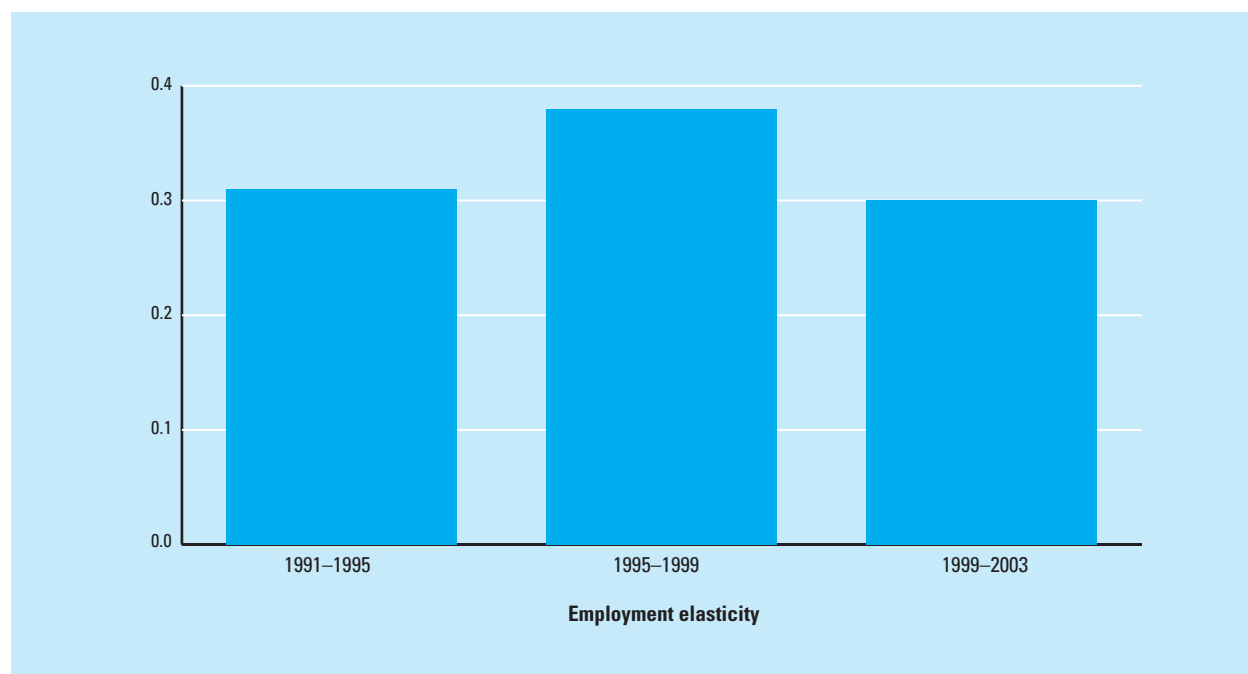
Overview of trends on employment-intensity of growth

Although the world economy once again achieved impressive economic growth after the recession of 2001,⁶ employment growth has lagged far behind. While global GDP grew at an annual rate of 5.1 percent and 4.3 percent respectively in 2004 and 2005, employment grew only at a rate of 1.7 percent in 2004 and 1.5 percent in 2005, while the unemployment rate remained unchanged at 6.3 percent.

Based on the available studies that use the econometric method and cover the period 1991 to 2003, it would seem justifiable to conclude, first, that, globally, there appears to have been a decline in the overall employment-intensity of growth during 1999–2003, as compared to 1995–99 (decline from 0.38 to 0.30). This coincides with the period of strongest global economic growth (see Figure 1), and contrasts with the increase in the employment-intensive growth achieved by the global economy during the 1990s (from 0.34 during 1991–95 to 0.38 during 1995–99). Over the whole period, this implies that two-thirds of economic growth can be attributed to productivity gains, while one-third is explained by employment growth.

Second, during most of the 1980s and into the late 1990s, gross arc employment intensity of economic growth was higher in North America as compared to the EU15 countries. However, since the recession at the end of the 1990s, employment growth in the United States has fared less well, and even became negative. Over the period 1993 to 2003, the United States experienced an employment elasticity of 0.44, while that of Europe amounted to 0.48. Since 2004, both economic and employment growth in the United States have again surpassed European rates; however the employment intensity of growth remains at 0.38, because of rapid productivity increases in the United States, below the European rate of 0.51.

In the case of developing countries, it is more appropriate to look at those segments of the economy where employment is a better reflection of the demand for labor, for example, in the manufacturing sector. In Asia (see Figure 2), one of the most dynamic growth regions of the world, most countries experienced a decline in employment elasticities over the three decades under study, although a large pool of surplus labor continued to exist. Only the declines witnessed in Korea, Malaysia, and

Figure 1: Global employment elasticity with respect to output 1991–2003

Source: Kapsos, 2005.

Thailand can be said to reflect a tightening of the labor market. In China, employment elasticity in manufacturing declined sharply in the 1990s compared to the 1980s. India exhibits conspicuously low and declining employment elasticity in manufacturing, although the country still has surplus labor to be shifted to more productive sectors.⁷ Combined with high GDP growth rates, this implies that the region experienced robust productivity growth.

In Central and Eastern European countries, employment elasticities rose in absolute value during the early years of transition, and generally fell after 1995; the estimates for more recent periods are in the range of -0.2 and -0.5 for the 2000–2001 period (Kertesi and Köllö, 2003).

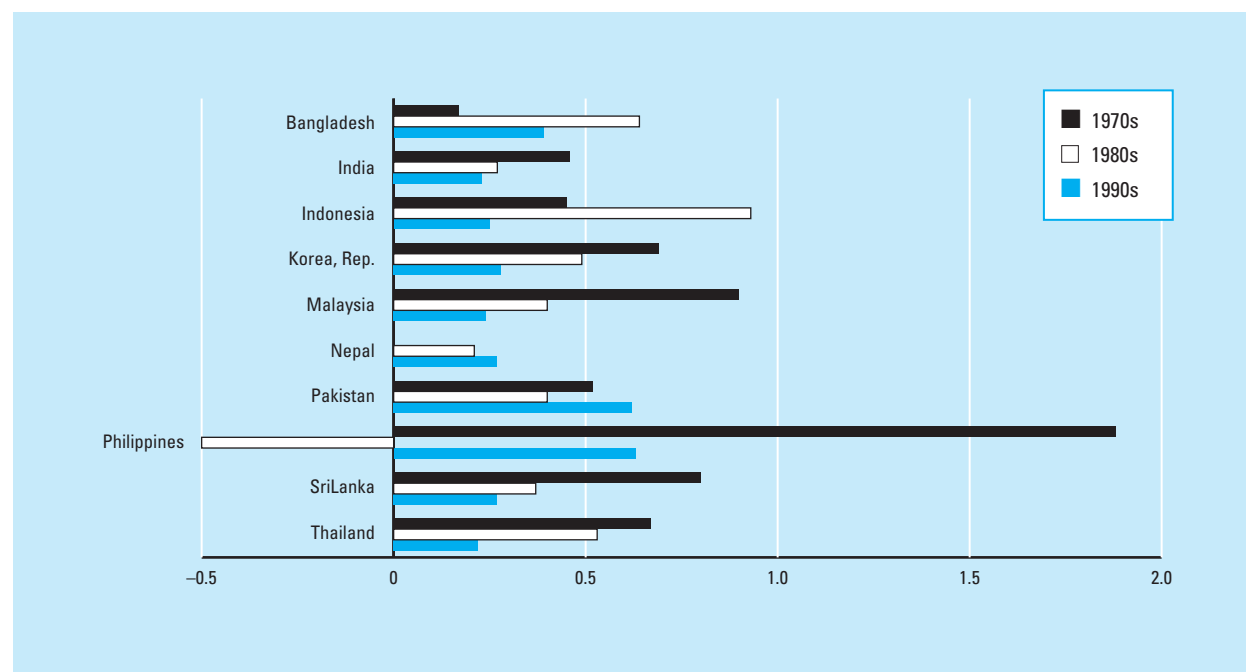
In Latin America (Figure 3), both Brazil and Mexico witnessed declines in employment elasticity in manufacturing during the 1990s, as compared to the 1980s. Thus, although they achieved a restoration of economic growth in the 1990s, the degree of employment intensity declined. Argentina, however, was able to reverse its low employment intensity and achieve a moderately employment-friendly growth during the 1990s, at least until the economic crisis of 2001. Since that crisis, growth and employment have picked up again and estimated gross employment elasticities are above 1, suggesting large catch-up effects.

From the point of view of policies in developing countries, it is important to note the variation in employment elasticity found within the manufacturing sector. A number of recent studies provide empirical evidence on this. In India, for example, there are a number of industries in the “organized sector” (e.g., food processing, sugar, cotton spinning, cotton textile, clothing, wood products, furniture, footwear, leather, rubber and plastic products, metal products, electric appliances, jewellery, industrial machinery, etc., to name only a few); these industries show employment elasticity exceeding 0.6 (Mitra and Bhanumurthy, 2006). Also in Indonesia (Figure 4), a number of industries (e.g., clothing, beverages, footwear, leather products, furniture, paper products, chemicals, rubber and plastic products, cement, basic metals, etc.) showed employment elasticity exceeding 0.6 in the period up to 1996, although in some of them, employment elasticity declined during 1997–2003 (Islam and Chowdhury, 2006).⁸

Explanatory factors of employment intensity

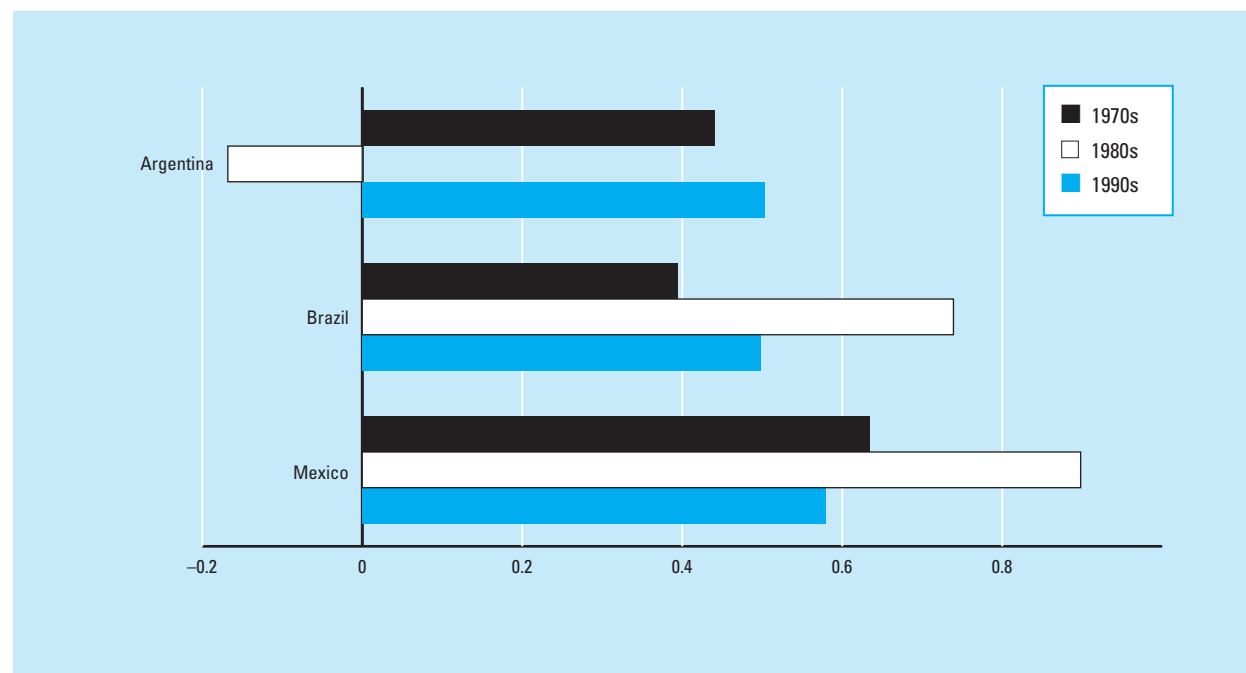
In order to understand the factors that influence the employment intensity of growth, one can decompose employment growth into a pure *output effect* representing the amount of employment needed to produce a given output—assuming no change in other factors (technology, the composition of output, etc.)—and an *elasticity effect* representing the effect of any change in the employment

Figure 2: Employment elasticity in manufacturing in selected Asian countries

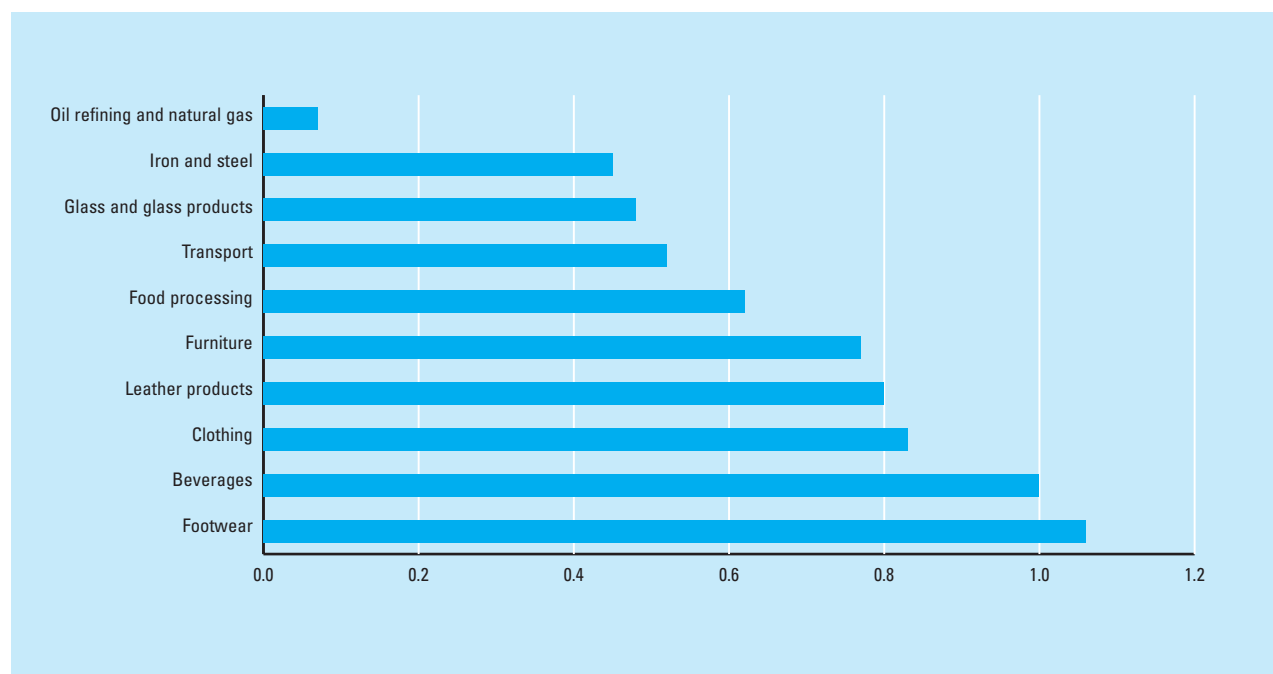


Source: Khan, 2001.

Figure 3: Employment elasticity in manufacturing in selected countries of Latin America



Source: Khan, 2001.

Figure 4: Sectoral variation in employment elasticity in Indonesia's manufacturing sector, 1975–1996

Source: Islam and Chowdhury, 2006.

elasticity of output growth. For the purposes of employment policy, the latter effect is of particular relevance. As mentioned previously, employment elasticity can change as a result of either a change in the composition of a sector or a change in the technology employed in a particular activity. The elasticity effect, thus, can be seen as the sum of the sectoral composition effect and the technology effect.⁹

Each of these effects can be influenced by different sets of factors. For example, the sectoral composition of output in a particular country can be influenced by the comparative advantage of a country vis-à-vis its resource endowment, the overall policy environment, relative factor prices, characteristics of labor market institutions, and the like. The technology effect, on the other hand, may be influenced by the availability of alternative choices, relative factor prices, competitive pressures, and a host of other factors.¹⁰

From the available literature on factors that influence the employment-intensity of economic growth,¹¹ a study on Indonesia (Islam and Chowdhury, 2006) shows the impact of the composition of trade on the employment intensity of growth. In that country, the share of “high technology” sectors in total exports increased during 1993–2002, while the share of “low technology” sectors declined over the same period. Moreover, some of the more labor-intensive sectors, e.g., garments, furniture and

rubber products, showed negative employment elasticity during the period 2000–2003, implying that, even within industries, changes are taking place which are affecting their employment generating capacity, either in technology used or rationalization of workforce through other means. Thus, a combination of sectoral composition effect and technology effect appears to be taking place. In Malaysia, on the other hand, the adoption of more capital-intensive technology is found to be the most important factor in explaining the decline in observed employment elasticity during the 1990s. And that, in turn, must have been due to the change in the relative prices of the important factors (i.e., capital and labor) as the labor market tightened gradually (Nair et al., 2006). In India, the type and level of technology adopted does not seem to have changed in a significant way, as a good number of industries which are by their nature more labor-intensive are seen to have been characterized by an increase in employment elasticity during the 1990s compared to the 1980s (Mitra and Bhanumurthy, 2006).

Economic reforms and trade liberalization can also have an important effect on the degree of employment intensity in an economy. A good example is provided by China, which has been undertaking economic reforms for over two decades now. Reform of state-owned enterprises is relatively more recent, and has created conditions for such enterprises that imply that they are no longer able to

continue with the army of surplus labor which characterized the earlier system. As they started shedding their excess labor, without necessarily having to curtail output, the net result has been a sharp decline in the elasticity of employment with respect to output.¹²

Institutional factors influencing the growth-employment link

Among the labor market institutions that are said to have an impact on employment/unemployment, those which figure most prominently are employment protection legislation and social security, e.g., unemployment protection systems.¹³

Discussion abound regarding the negative impact of the “generosity” of the unemployment protection system. In particular, high wage replacement rates combined with long-duration benefits could act as a disincentive to work and thus influence growth/employment elasticity. However this proposition holds true only if unemployment is caused by the supply side. In the case of prolonged demand-deficient unemployment, rational agents would always exhaust available benefits. In that scenario, then, it is not the duration of benefits that explains long-duration unemployment, but rather the duration of benefits which is being adapted to a longer-lasting job crisis.¹⁴ And, as the OECD (2006) notes, while generous unemployment benefits might have negative effects on the aggregate employment rate, they have no effect whatever when coupled with active labor market policies. However, since there is almost no empirical work on the effects of the unemployment system on growth elasticity, we have focused predominantly on the assumed effects of employment protection legislation on this link.

In practice, many developed, and some developing, countries have embarked on reforms to employment protection, but—in the OECD area at least—most of them have to be considered marginal, in the sense that they affect outsiders on temporary contracts and not insiders on regular contracts, and often were aimed at restricting rather than loosening such regulations (Boeri, 2005). As can be seen in the recent events surrounding the French First hire contract (CPE),¹⁵ or the conflicts which accompany attempts to reform employment security legislation in such diverse countries as Germany, India, or Mexico, policy reforms touching workers’ security are extremely sensitive.

The common argument for reform of employment protection legislation is that if it is too onerous, it acts as a barrier to rapid labor market adjustment aimed at increasing competition, and such adjustments are increasingly required in the face of globalization and technical progress.

While employment protection legislation has positive effects for insiders holding jobs, it can contribute to exacerbating labor market problems for outsiders. This was shown in the seminal paper by Lindbeck and Snowers (1988) for the developed world and also appears to hold in the case of developing countries as shown by Osmani (2006). The insider/outsider model implies that restrictions on firing impede hiring, as the costs associated with future separations can be high. Thus, employment protection legislation could contribute to inefficient labor markets, leading to less-than-optimal employment and unemployment levels, lower growth, and negative effects on the employment-intensity of growth. Social protection is often criticized, as it could lead to additional labor market inefficiencies, for example when the duration and generosity of benefits act as a disincentive to take up work or as a wage floor that prevents market clearing. Taken together, therefore, these two effects could have a negative impact on the growth-employment link: slow adjustment, inefficient reallocation to new jobs, low assumption of new jobs, and the emergence and maintenance of outsider unemployment.

However, empirical research does not lend unequivocal support to this hypothesis. There continues to be considerable debate around the effect of institutions on the labor market. For example, Heckman and Pagés (2000) conclude, for Latin America, that job security policies have a substantial negative impact on the level and the distribution of employment. In the same vein the IMF (2003) has found that Europe would have higher GDP growth and higher employment or reduced unemployment if it adopted the low regulatory level of the United States labor market. Other contributors to the debate, for example Nickell et al. (2005) or Layard et al. (1991), estimate that there would be some impact, but are more careful with their policy conclusions.¹⁶ The OECD (1999 and 2004) sees a minimal or even neutral impact on employment and unemployment levels of such a policy, but suggests that the structure of unemployment would be affected. Others, for example, Baker et al. (2005) show the limits of studies, such as that of the IMF, and conclude that the impact of institutions on unemployment remain highly uncertain. This view is reflected in the work of Abraham and Houseman (1994), Blank and Freeman (1994), Freeman (2000) and Schettkat (2003). For these authors, labor market regulations have no adverse effects on employment and might even contribute to labor market efficiency. There is also some evidence for Latin America, which shows that reforms toward flexibility in the 1990s have not improved employment growth (Marshall, 2004).

There are also studies that look more directly at the impact of labor market institutions on employment/unemployment elasticities using Okun’s coefficients.¹⁷ Once again, they yield diverse and contradictory results.

For a selection of OECD countries, Döpke (2001) finds a significant, negative relationship between real labor costs and the employment elasticity, suggesting that more labor market flexibility can lead to employment-intensive growth. He concludes that “a more flexible labor market tends to lower the growth rate needed to promote employment” (p.38). However, when using panel data for the same countries, the effects of country dummies for flexibility disappear, suggesting the need for a cautious interpretation of the results.

In his cross-country regressions, Kapsos (2005) correlates the World Bank’s employment rigidity index with employment elasticities for 160 countries and finds that labor market regulations¹⁸ are not statistically significant in explaining differences in elasticities. This is interesting, because it goes against the widely-held notion that employment protection legislation reduces the demand for labor.

A look at variables of labor market flexibility and employment figures for the European Union suggest that countries with flexible labor markets experience good labor market performance with high employment-to-population rates, low unemployment rates and low youth- and long-term unemployment rates, a high share of decent jobs and a high degree of perceived labor market security.

The table shows, in a snapshot, the position of three groups of countries, ranked by a flexibility/stability indicator (tenure and tenure distribution). It suggests that the more flexible countries have better labor market performance than those which have stricter regulations. However, the more flexible countries also spend more on labor market policies, have a much higher share of part-time employment, but a markedly lower share of temporary jobs. The countries in group C also have better growth-employment elasticities. The combined gross arc elasticity for the years 1993–2003 is 0.46 for 1 percentage point of growth, whereas it is only 0.25 in the countries of group A.

Table 2 lends further support to the results given in Table 1: European countries with flexible labor markets perform better than their peers but are also more competitive. The latest measures of competitiveness, such as the one used by the World Economic Forum’s new Global Competitiveness Index, attach a key role to labor market flexibility, but also to cooperative relations between workers’ and employers’ organisations and to the level of collective bargaining. Good performers have cooperative labor relations and all groups have a fair degree of bargaining centralisation. This might confirm earlier studies on the mitigating effects of cooperation/coordination on expected negative effects from stringent regulation (Scarpetta 2003).

On the other hand, arguments put forward by opponents of reform to employment protection (as lately seen in France) also have merit. First, these institutions were created to protect workers from the volatility of business

Table 1: Labor market flexibility and employment performance EU 14, 2003

	Group A Greece, Luxembourg, Italy, Belgium, Portugal, Sweden	Group B France, Germany, Finland, Spain	Group C Denmark, the Netherlands, Ireland, United Kingdom
Average Tenure ²	11.9	10.3	9
Ratio –1 year ³ /10 years of tenure ²	1:4.2	1:2.2	1:1.6
Value for Employment Protection Strictness, regular jobs	2.6 ¹	2.5	1.8
Employment rates for 15–64 years	63.1	64.2	71.7
Employment rates for 15–24 years	32.5	35.5	58.4
Employment rates for 55–64 years	41.4	42.3	52.6
Employment rates for women aged 15–64	53.8	56.8	64.5
Share of temporary jobs	11.8	18	8.8
Share of part-time jobs	12	12.9	22.9
Total unemployment rate	6.8	9.8	4.6
Youth unemployment rate	17.6	18.8	8.9
Long-term unemployment rate	3	3.6	1.2
Expenditure on labor market policies per 1% point of unemployment ³	0.17 ⁴	0.3	0.6

Note: Countries are clustered according to a flexibility index consisting of the first three indicators in the present table.

1 Excluding Austria and Luxembourg due to missing data.

2 Data for 2002

3 Data for 2002/2003, except for labor market policies spending in Ireland: data from 2000).

4 Excluding Luxembourg due to missing data

Sources: EU Commission: Employment in Europe 2005; tenure data provided by Eurostat; authors’ calculations; and OECD, *Employment Outlook 2004*

Table 2: Competitiveness and labor market indicators in European country clusters

	Group A Greece, Luxembourg, Italy, Belgium, Portugal, Sweden	Group B France, Germany, Finland, Spain	Group C Denmark, the Netherlands, Ireland, United Kingdom
Indicator			
Global competitiveness	4.86	5.37	5.46
Hiring and firing	2.75	2.80	4.0
Wage setting	3.6	3.7	3.6
Employer/union relations	4.6	4.6	5.5

Notes:

Global Competitiveness Index: scores from 5.85 (best) to 2.50 (worst), 117 countries

Hiring and firing index: 1 = most regulated; 7 = set by employer

Wage setting index: 1 = centralized; 7 = company determined

Employer/union relations: 1 = confrontational; 7 = cooperative

Values are for 2005

Source: World Economic Forum, 2005.

cycles. They stabilize workers' life course and also have a macroeconomic function,¹⁹ ignored in the assessment of most researchers. Moreover, many arguments are put forward in the microeconomic literature in favor of employment protection legislation and its result, employment tenure. For example, those advocating investment in firm-specific human capital (Becker, 1964 and followers) or those dealing with life-cycle productivity/wage relationships (Lazear, 1979) value the contribution of tenure, as it leads to more investment in training, and thus enhances productivity and wages.

In the debate on labor market flexibility, one usually forgotten aspect is the benefit of tenure for workers and for productivity. Tenure is a product of labor market behavior of firms and workers and of regulation. For example, the flexible countries cited above, have lower tenure than the more rigid ones, but still have substantial tenure for a large portion of workers (e.g., an approximately eight-year average tenure in Denmark, with an EU15 average of 10.7 years in 2005, but a 6.6 year mean in the United States).

It has also been demonstrated in many microeconomic studies that there is indeed a productivity benefit of tenure (Osterman, 2003). Human capital investments need to be recouped through tenure of trained workers.²⁰ In well-performing firms we observe internal adaptability and flexibility, while the employment relationship continues. To put it more bluntly, firms (and workers) need basic stability in order to perform. It is around this stable core that internal and external flexibilities are built. Thus, for many developing countries, building stability into the employment relationship (requiring basic stability of markets and firms, i.e., sound property rights for protecting investments, and overall political stability) seems to be even more important than ensuring flexibility. Building the institutions for better governance, such as reliable contractual relationships with transparent and clear rules for hiring and firing and a social protection system providing at least basic insurance for those who are laid-off will lead to better labor market functioning than introducing legislative deregulation which will not change *de facto* behavior.

Finally, the OECD (2006) argues that heavy spending on active labor market policies should be a corollary of generous unemployment benefits, as it constitutes a "work test," avoiding the disincentive effect usually associated with generous benefits. Also Agell (1999) acknowledges that labor market institutions usually associated with rigidity in reality act as insurance against the increased labor market risks in globalized labor markets. Overall, the above discussion suggests that, if it has any impact at all, employment protection legislation may have a greater influence on the structure of employment/unemployment (protecting insiders), as was argued by the OECD (1999

and 2004) than on aggregate levels. In a way, then, it does what it should do, namely protect the insiders, possibly making access to jobs more difficult for outsiders, but with weak evidence that the scrapping of protection will result in net gains in employment and unemployment. A possible improvement of the labor market performance of outsiders might coincide with a worsening for insiders, and this could have an overall negative impact at least in developed countries, where insiders still form the majority of workers.

On the other hand, some institutional reforms might still be important for improving labor market functioning and the growth-employment nexus, but such reforms must take into account that labor is not a commodity, that work, and income derived from work, is of prime importance for a majority of people and their families, and that it is a cornerstone of the social fabric. Particularly in low-trust environments, with adversarial industrial relations, reforms that may eventually increase labor market functioning but which imply some changes in vested interests, require a careful and balanced approach, based on dialogue, in order to succeed (Algan and Cahuc, 2006).

Flexibility and security: An alternative model

While the results in Table 1 look like a confirmation of the view that rigid labor market regulation leads to inferior labor market performance, the story is more complicated. For example, there are countries which have good labor market performance with stricter regulation (Sweden and Luxembourg), while only some of the flexible countries can deliver on job quality and perceived employment security by workers. The policy choice—if there is such a choice—seems, then, to be between a model that offers workers high job security, job quality, and cooperative employment relations (despite a flexible labor market) and the alternative that values the market more than institutions leading to sub-optimal outcomes for social indicators, such as perceived employment security, job quality, income dispersion, and poverty rates. However, the real problem cases seem to lie between these two extremes: countries with unsatisfactory performance in *both* labor markets and economic performance.

We therefore advocate a model based on flexibility, which, due to built-in unemployment benefits and active labor market policies, does not come at the expense of security for workers. It has been called, variously, "flexi-curity" (Wilthagen, 1998; Madsen, 2003), "protected mobility" (Auer, 2005), "balancing flexibility and security" (Cazes and Nesporova, 2003), or "transitional labor markets" (Gazier, 2003; Schmid, 2002).²¹

The flexi-curity approach advocates some rearrangement between employment protection legislation and social protection (unemployment benefits and active labor

market policies) which allows for labor market adjustment to a more volatile and uncertain economy, but without jeopardizing workers' security. But can flexi-curity arrangements, implying in some cases a shift from restrictive employment protection at the company level to more social protection at the societal level²² result in "optimal" institutional settings, in which necessary workforce adjustments can be made, while workers remain protected, but are more rapidly (re)integrated into the labor market?²³

The great diversity of institutional arrangements around the world might make a straightforward answer difficult and suggests that there may not be a one-size-fits-all flexi-curity model. As Rodrik (1999) observes, "an approach that presumes the superiority of a particular model of a capitalist economy is quite restrictive in terms of the range of institutional variation that market economies can (and do) admit." Freeman also discusses the varieties of institutional features and settings in his paper, entitled "War of the Models: Which Labor Market Institutions for the 21st Century?" (1998) and rather than seeing one model as a winner, he predicts a blending of institutional elements from a variety of models, to result in a sort of new country-specific institutional species which will evolve once we have the techniques permitting a finer analysis. Blanchard (2005) also hints at this variety when he notes "what may be optimal for Sweden may not be optimal for Chile" (Blanchard, 2005 p. 367).

However, while this may be true, it is clear that certain basic elements should apply, namely:

- the existence of employment protection legislation and collective bargaining arrangements for employment security;
- social protection, especially those work related items like unemployment benefits and active labor market policies;
- a bipartite and tripartite social dialogue bringing together industry and the government (as a provider of social security).

Finally the sequencing of reforms is important. It might be advisable in some countries to first introduce the security elements, before adjustment flexibility can be realized.

The significance and relevance of such arrangements for poor, developing countries with large agricultural sectors and a high degree of informality must be more carefully assessed. While there is always some rationale for protecting flexible workers, the necessary ingredients of the flexi-curity triangle (some employment protection, substantial social protection, and forthright social dialogue) are often absent in these countries. Employment protection might *de jure* be substantial but *de facto* it is applied only partially, and, in any case, to a minority of workers

only. Some social protection is provided through severance pay in the formal sectors, through informal networks or the family in the informal sector; but the social partners are weak and/or have no tradition of consensual bargaining. Supply pressures on the labor market are such that labor market entry remains by far the most important policy goal. For the vast informal economy, the labor markets are quite flexible, and there is very little security in terms of either the stability of jobs or other aspects of quality. So, the issue for that segment is how to improve security rather than making the labor market more flexible. Equally, in many developing countries, while the often tiny formal sectors are well protected, the huge informal sectors are not. Reforms, at least in the short and medium term, entail direct negative effects for insiders. But nothing guarantees that the scrapping of regulation in the formal sector will lead to improvements in the informal sector.

Conclusions

Evidence presented in this paper seems to point over the last decade or so to a tendency toward the decline in the employment intensity of economic growth in both developed and developing countries. There is a degree of variation in the magnitude and timing of such changes, with the European Union one of the regions where we have seen an increase in elasticity. While a tradeoff between employment and productivity exists—at least in the short term—it has been argued in the present paper and elsewhere (Islam, 2004) that employment-intensive growth does not necessarily have to compromise productivity, which is essential for maintaining competitiveness. Empirical evidence presented in the paper shows that there can be a considerable amount of variation in the degree of employment intensity between various sectors and sub-sectors of an economy. Thus, the overall employment intensity of an economy depends on the relative weight of the various sectors and can actually increase if the labor-intensive sectors and sub-sectors grow at higher rates. For that to happen, there is no need to target particular sectors for special support. What is, however, necessary is to regularly monitor the growth pattern of an economy and the policy environment faced by its various components, so that any bias against the employment-intensive sectors can be removed. In order to do that effectively, it is necessary to increase our understanding of the factors which influence the growth of various sectors and the sectoral composition of growth in a particular country, as well as the choice of technology for specific sectors. Corrective measures on policy must be based on such understanding.²⁴

The paper also argues that while the aggregate effects of strict employment protection on the growth-employment link are subject to controversy, there seem to

be differentiated effects on insiders and outsiders. Labor market flexibility is necessary to adapt to changing market circumstances, and supports the employment intensity of growth when it leads to efficient reallocation of labor. But too much of it might be detrimental to worker security and also productivity. Because it supports investment in training and increases in productivity, there are also positive effects of employment protection legislation and tenure, unless it has the effect of reducing adjustment possibilities of firms. Taken together, these two arguments suggest that, rather than flexibility of the labor market alone, it is preferable to have optimal combinations of labor market flexibility, employment stability, and security, in order to have good labor market performance, decent work, and a robust growth-employment link.

Notes

- 1 The authors wish to thank Sandrine Cazes for comments on earlier versions of this paper. The paper reflects the views of the authors, and not necessarily those of the ILO.
- 2 See Islam (2004) for a discussion on what could be an optimal level of employment elasticity for developing countries with surplus labor.
- 3 Kapsos (2005) provides a brief overview of some of the studies that are available; Khan (2001), Islam (2006), and Osmani (2006) provide estimates for selected developing countries.
- 4 Notable exceptions are Kapsos (2005), Khan (2001), some country studies in Islam (2006), and Osmani (2006); in addition some ongoing studies sponsored jointly by the ILO and UNDP in Asia are also adopting the econometric method.
- 5 Average rates for 2004–2005 were: economic growth of 3.85 percent in the United States and 1.75 percent in the EU15 and employment growth of 1.45 percent in the United States but only 0.9 percent in the EU15 (OECD, 2006); enlargement had a dampening effect on aggregate employment elasticities in the EU, because of high growth rates in some of the new member countries that were typically not followed by high employment growth rates.
- 6 There is, of course, a good deal of regional variation in the growth rates; among developed countries, the US economy has been growing at higher rates than those of Western Europe; variation can be found in the growth rates of developing countries as well.
- 7 Using a slightly different specification (i.e., including wages as one of the independent variables in the regression equation), Mitra and Bhanumurthy (2006) in a recent study give higher estimates of employment elasticity in manufacturing; but that study also found the elasticity declining during the 1990s compared to the 1980s.
- 8 More such examples can be found in the country studies contained in Islam (2006).
- 9 See Osmani (2006) for a methodology for decomposing these two effects.
- 10 A more detailed analysis of factors influencing the employment-intensity of growth can be found in a forthcoming paper (by the present author Islam) on that topic.
- 11 The literature in this field is nascent; Kapsos (2005) provides a brief overview of some of the studies that are available.
- 12 However, as Khan (2001) has pointed out, it is quite possible that the actual labor input, measured in terms of labor time use, may not have declined to the extent indicated by the reduced number of workers employed; thus the observed decline in employment elasticity may in fact overestimate the true fall in employment-intensity growth; once all excess labor has been shed, the decline in observed employment intensity should also end.
- 13 But other institutions have an impact as well, such as those affecting wage formation—unions and collective bargaining, non wage labor costs, minimum wages—or those regulating working hours.
- 14 An illustration of this is the US practice of extending unemployment benefit duration in a prolonged recession.
- 15 “Contrat première embauche,” a new form of employment contract put forward in spring 2006 by Prime Minister Dominique de Villepin of France, which applies to young people in their first job and allows employers to dismiss these employees without cause within the first two years of the contract.
- 16 They conclude that “on balance, employment protection laws are probably bad for employment....but there are equity arguments in their favor, and the evidence on adverse employment effects is not strong enough to warrant a total abandonment of the practice (Layard et al., 1991 p. 108); the 2005 study “explains” 55 percent of the changes in unemployment by labor market institutions and attributes 39 percent of the effect found to the benefits system, but only 16 percent to employment protection legislation (Nickell et al., 2005).
- 17 Okun originally established the relationship between changes in actual and “natural” unemployment and the growth gap—potential versus observed; for example, for the United States, each percentage point change in unemployment would lead to a 2.5 percentage point rise or decline in the gap (Okun, 1962).
- 18 That study uses the World Bank’s employment rigidity index (which includes rigidity of hours, difficulty of hiring and firing, and firing costs) as the independent variable to represent labor market rigidity.
- 19 In comparison with other stimulus measures, such as income tax cuts, Orszag (2001) calculates that the United States unemployment insurance system is at least eight times as effective as the tax system as a whole in offsetting the impact of a recession.
- 20 See Kramarz and Roux (1999), the analysis and studies cited in Auer et al., (2005), and the seminal book on human capital by Becker (1964).
- 21 The European Union is presently working on a substantial policy paper on the issue, but the term is now being discussed in diverse parts of the world, including India (Shyam Sundar, 2005), China, and Latin America.
- 22 Optimization implies in some cases also a tightening, or at least better enforcement, of employment protection at the company level and the building of a better and more generous social protection system with good coverage.
- 23 This in turn would lead to higher growth-employment elasticities.
- 24 One way of doing this could be to adopt the so-called binding constraint approach propagated by Hausmann et al. (2005), and identify for each country the one or two most important constraints facing the country’s employment-intensive sectors, and work on measures to remove those binding constraints.

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Are China and India Performing Well Relative to their Competitive Potential?

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“Should China be learning from India?” Three years ago, it would have been unthinkable to ask this question, let alone answer in the affirmative.¹ But now the evidence is loud and clear that there is an emerging Indian “miracle.” In my own view, the recent performance of the Indian economy offers valuable lessons to other developing countries about development and political governance. For years, economists and the Western business community urged India to learn lessons from China. The time may have come for China and other countries to take a serious look at India and try to understand what is behind the India “miracle.”

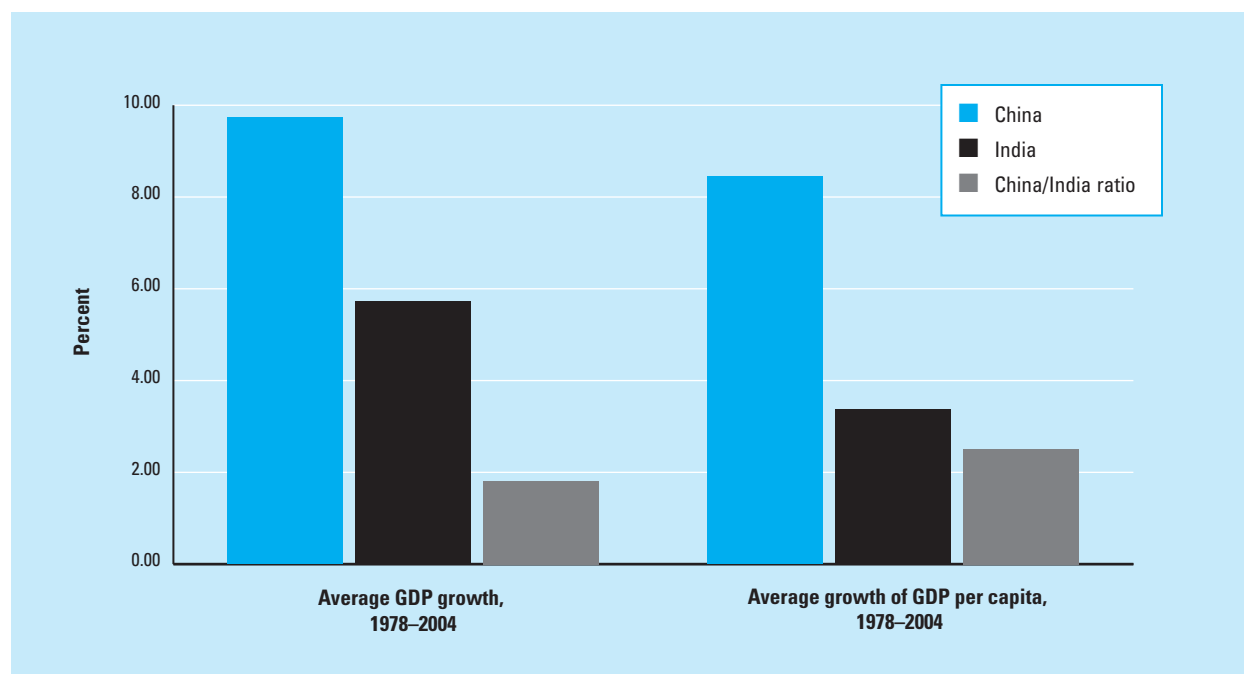
Is there an Indian miracle?

India skeptics may deny that there is a miracle in the first place. It is true that India’s growth has accelerated in recent years, but it still pales in comparison with that of China. According to the World Bank’s *World Development Indicators*, between 1978 and 2004, annual GDP growth averaged around 9.7 percent a year in China, but only 5.4 percent in India. On that basis, many analysts would conclude that China has substantially outperformed India in the past two decades.

A closer look at the data shows, first, that the growth gap between China and India is rapidly shrinking. On average, between 1978 and 1997, China grew nearly twice as fast as India, but between 1998 and 2004 China was growing about 50 percent faster. Second, while Chinese GDP growth during much of the 1980s and 1990s was about twice as fast as Indian GDP growth, Chinese *GDP per capita growth* was almost three times as fast. During 1991–1997, GDP per capita grew on average by 10.3 percent a year in China but only by 3.5 percent a year in India. Indeed, it is this difference, more than the differential GDP growth rates, which explains a sharp visual difference between China and India (Figure 1). Moreover, when one visits the two countries, China *feels* far richer than India.

But isn’t this evidence that India has done more poorly? The key here is to understand why there is such a big discrepancy between the aggregate GDP performance and performance of GDP per capita. The answer: population control in China and its absence in India. Both countries have a huge pool of surplus labor and thus the immediate effect of reducing fertility is to raise per capita income. Before China implemented its one-child population control policy in 1979, there was little difference between the two countries in fertility rates. Since 1980, India’s fertility rate has been twice that of the Chinese.

No matter what views one holds about population control as a moral or political issue, it is important to understand the economic implications of this difference between China and India. Much of the Chinese economic achievement in the past two decades is real, and impressive,

Figure 1: Growth of GDP and GDP per capita, China and India (1978–2004)

Source: World Bank, 2005b.

but at least one aspect of its “success” in raising the per capita income at a speed much faster than its aggregate GDP growth has less to do with its economic management than with its ability to enforce a draconian population control policy. Before one advocates the Chinese growth model, we must be absolutely clear about the political foundation of that model.

That said, it is still the case that China has had better GDP growth performance than India. But it is misleading to compare the two countries in this highly mechanical fashion. A better way to compare China and India is to ask the question: are they performing well relative to their potential? Here the evidence is much more mixed and raises the question of whether China has actually outperformed India.

India suffers from certain natural disadvantages. Let's start with geography. Much of India is in the tropical region and much of China is in a temperate zone.² We now know that geography matters tremendously for economic growth. Because of the higher prevalence of infectious diseases and the presence of volatile weather conditions, it is much more difficult to achieve economic success in a tropical region than in a temperate one. Thus, China starts out with a major advantage, simply because of its geographic location. Indeed, since the Second World War, the most impressive economic growth has occurred in the northeastern corner of Asia: Korea, Japan, Taiwan,

and Hong Kong. For a multitude of reasons—geography being one of them—that region of the world seems to have been poised for economic takeoff. Indeed, the more relevant question for China is not why it has grown so fast in the last 20 years but why, unlike its East Asian neighbors, it has remained so poor.

China enjoys many other advantages. It began in the late 1970s with a healthier and a far better educated population. As early as the mid-1960s, the average life expectancy of the Chinese was about ten years longer than that of Indians. China had far better enrollment rates for basic education than India. China also has far more capital to work with. Its savings rate is about twice that of India, and it has attracted ten times more FDI than India. It also has a government that can be single-minded about economic objectives and a social structure that is far more conducive to economic mobility than the deeply complex Indian society.

One implication of this analysis is that China's growth, while impressive in many dimensions, can be fairly well predicted by its endowment factors. India's growth—now inching toward 8 percent—cannot be perfectly predicted by its endowment factors. It is in this sense that India's growth is more impressive than China's because the country has been able to achieve this acceleration under less propitious conditions than those in China. It is making do with less, and it is in this regard

that India's success has more to offer other developing countries with similarly poor endowments.

The final important detail in our analysis has to do with the difference in the flow and stock measures. GDP is an output measure, but the aim of economic growth is not only to increase output but also to create wealth—a stock measure. Chinese firms are getting lower—and potentially negative—returns on their investments, which suggests that value is not being created. There is now evidence that the Chinese economy is less impressive in wealth creation as compared to the Indian economy. The World Bank's report entitled "Where is the wealth of nations?" (2005a) provides measurements of the wealth of nations (based on 2000 data). China's per capita income is about twice that of India, but by wealth measures, China is only 37.6 percent wealthier than India. China looks especially poor in the area of intangible capital—a function of education, rule of law, and other characteristics of an economic system. China has an intangible capital of US\$4,208 per capita as compared with India's US\$3,738. Despite an income advantage of about 2 to 1 in its favor, China is only about 13 percent richer than India as measured by intangible capital.

Macro and micro contrasts

There is a substantial difference between the macro- and microeconomic measures of these two countries. Indeed, China's GDP growth has been faster, as has been widely acknowledged, but its firms have not done so well recently. The index of the Shanghai Stock Exchange has declined by 50 percent since 2001 while India's stock markets have soared. Based on Standard & Poor's Compustat data for 346 top-listed companies in both countries, *BusinessWeek*³ calculated that the average Indian firm posted a 16.7 percent return on capital in 2004, as compared with 12.8 percent in China. These numbers may overstate Chinese performance. Many of the performance indicators do not take into account the fact that the cost of capital is heavily subsidized for China's state-owned enterprises. *BusinessWeek* (2005) quotes Chen Xiaoyue, president of the Beijing National Accounting Institute, as saying that two-thirds of 1,300 listed Chinese firms have failed to earn back their true capital cost. This implies that return on Chinese capital might have been negative if it had been realistically priced.

There are other indicators. According to the World Economic Forum's *Global Competitiveness Report 2005–2006* (GCR), China has a rank of 49 on the "Growth Competitiveness Index" and India a rank of 50. Beyond the table on overall rankings of country competitiveness, the report contains a wealth of valuable information and insights. In particular, a measure designed to capture the microeconomic foundation of economic growth, the

Business Competitiveness Index (BCI), adds significantly to the China-India comparison debate.

China dominates India on the macroeconomic side. In the 2005–06 GCR, China was ranked 33 on the macroeconomic environment index, compared with India's rank of 50. Looking at microeconomic indicators, however, a far more complicated picture emerges. In 2005, India ranked 31st in the BCI, far ahead of China's rank of 57. On other components of microeconomic competitiveness—company operations and strategy, and the quality of the national business environment—India (30th and 31st) similarly outstripped China (53rd and 58th).

Yet perhaps the most stunning revelation is not the static but the dynamic difference between these two countries. Since 1998, China's standing has declined, whereas India's has improved substantially. In 1998, China was ahead of India in microeconomic rankings, but now lags behind. This is so despite a sharp increase in FDI, a growth rate of nearly 10 percent a year, and China's accession to the WTO in 2000.

This growing gap between macroeconomic and microeconomic performances has several serious implications. One is that it easily debunks the notion—widely popular in China—that India is ahead of China in some areas because India has a longer history of capitalism. This view completely ignores the fact that for 30 years—until reforms in the early 1990s—India had a highly organized central planning system modeled after the former Soviet Union. The fact is that China was significantly ahead of India in economic liberalization in the 1980s and for the first half of the 1990s. The reason why India is ahead of China today along these microeconomic dimensions is because China failed to reform in the second half of the 1990s. China relied on a huge government investment program, deficit spending, on increases in government officials' salaries, and now on the forcible expropriation of land from farmers to grow its economy. Many of these measures create no long-lasting economic values because they merely substitute for far more efficient private-sector spending and investment with far less efficient government spending and investment. But because the state can invest and spend vast sums of capital within a short time span—in contrast to private-sector spending which may stretch over many years—these government policies make for impressive short-term GDP numbers, which then take pressure off reform. The result is that reforms have stalled in China since the late 1990s, while in India they have continually moved forward, however gingerly, and however noisily some Indians have protested against them.

Also to be factored into the mix is the critical issue of resource efficiency in both countries. As Michael Porter of Harvard Business School, author of the microeconomic competitiveness study, pointed out: "Wealth is actually created in the microeconomic foundations of the economy."

There is solid evidence that while the Indian economy has not reached the scale of China's, it is operating at a higher level of efficiency. Better corporate earnings and higher value-added by Indian firms—all operating under conditions of increasing competition—are only some indicators of the efficiency advantage of Indian firms.

Another very worrisome development in China is that since the late 1990s productivity growth has also virtually come to a halt. Much of the annual 9 percent GDP growth since the late 1990s has been driven by massive capital investments, not by productivity improvement. I have done an exhaustive survey of academic articles on total factor productivity (TFP) in China. The authors may have derived different levels of TFP growth for the reform era because of the differences in the assumptions and methodologies in their studies, but they converge on one important finding: since the late 1990s the rate of TFP growth in the Chinese economy appears to have stalled or slowed down considerably as compared with fairly robust growth in the 1980s and early 1990s. This is an ominous sign. In a well-known article in 1994, Paul Krugman predicted the Asian financial crisis on the basis of research by Professor Alwyn Young and showed that much of East Asian growth was not driven by TFP growth but by massive capital investment. Today's China bears some striking similarities to East Asia in the early 1990s in terms of its heavy reliance on capital investment as a driver of growth. But there are two significant differences: one is that China is a far poorer country than Korea, Malaysia and Thailand in the mid-1990s; the other is that China's financial system is probably significantly weaker than the financial system in the East Asian countries of the mid-1990s.

Soft vs. hard infrastructure in economic growth

For years Western economists and business analysts have criticized India on two counts, namely that:

- a) the country does not seem to embrace FDI to the extent that China does, and
- b) India does not have China's level of infrastructure.

Both these criticisms are unfair.

The main difference between FDI in China and India has to do with the supply, not demand, dynamics of FDI. India does not get much FDI mainly because of a difference on the supply side: India's diaspora, while highly skilled, does not control much capital. Thus, to the extent that any FDI has come into the country, it has had to come from Western multinational corporations (MNCs). By their very nature, Western MNCs are typically more cautious and only begin to invest when market conditions are more mature. Until the mid-1990s, very little Western FDI went to China, and the first generation of foreign

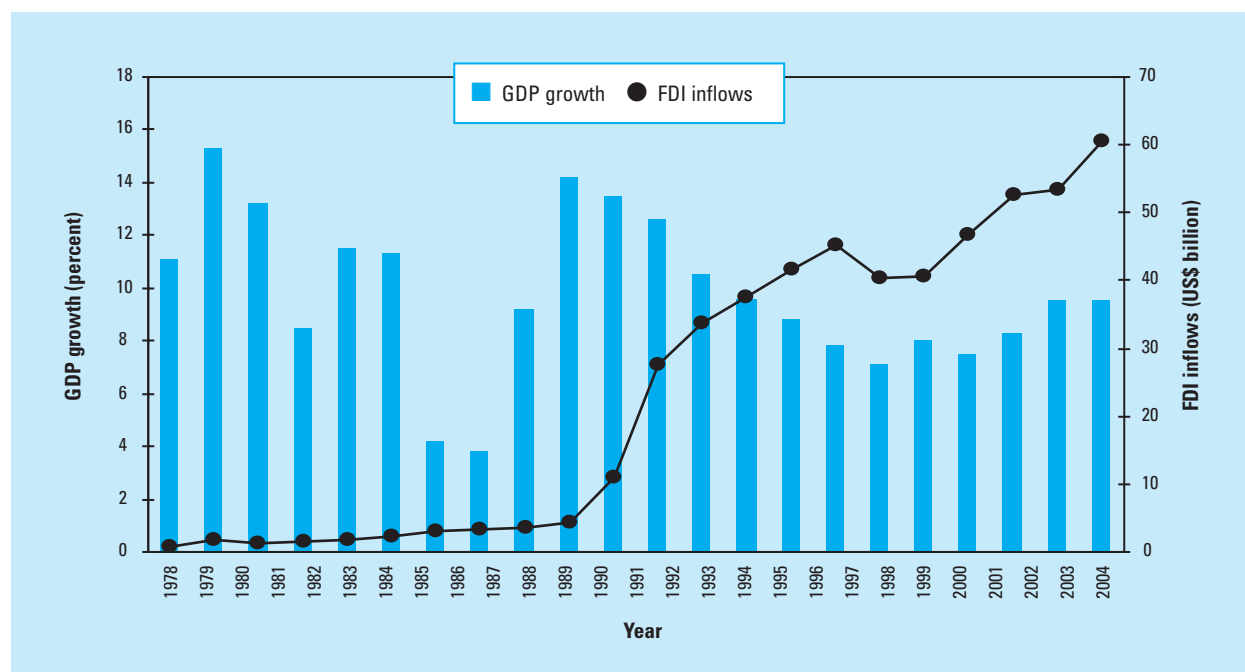
investors consisted entirely of expatriate Chinese. Today, the level of Western FDI in India surpasses by a huge margin what China has received. India may not get much FDI in total quantity as compared with China today, but the FDI it does get far surpasses the technology that has reached China.

As shown in Figure 2, FDI in China follows GDP growth rather than preceding it. From this point of view, it is also unfair to criticize India's lackluster performance in FDI. A fairer criticism would be that India's growth has been slow and this has dampened the growth of FDI. Now, however, India is clearly on the upswing, and it is only a matter of time before the flow of FDI into India increases.

As regards hard infrastructure, many Western analysts assume that China has always enjoyed a substantial advantage over India. In fact, the opposite is true, as, for much of the 1980s, India had a longer system of railways and paved roads than China. China started out with an infrastructure disadvantage in the 1980s and yet China's GDP performance in the 1980s was unquestionably superior to that of India in the 1980s. The reason why China's growth surged in the 1980s was not because of superior infrastructure, but because the country embarked upon bold economic reforms—mainly in the rural areas—which privatized land rights, provided financing to small-scale rural businesses, and massively reduced restrictions in the labor market. Western analysts often invoke China's ability to lift more than 200 million people above poverty as a vindication of China's strategy to embrace FDI, foreign trade, and build infrastructure. But the fact is that the bulk of poverty reduction occurred in the first five years of the 1980s when China was receiving almost no FDI, and when China had inferior infrastructure as compared with India.

It was not subsidizing FDI or taxing rural residents heavily in order to finance the building of roads and airports which created the true China miracle in the 1980s. Rather, it was economic liberalism. In the long run, it is the quality of what I call soft infrastructure—an efficient financial system, good political and corporate governance, and the rule of law—which matter more for economic growth. While China started out ahead of India in economic liberalization in the 1980s, today China is many years behind.

The state of the financial sector of the two countries illustrates this sharp contrast between the soft infrastructure of China and India. India began to embrace financial reform in the wake of the rupee crisis in 1991. Gradually, the government reduced the state controls of the major banks and opened up the financial sector to foreign competition. Today, the best-performing banks in India are those that were the direct result of these early financial reforms. In contrast, while China's general economic

Figure 2: FDI inflows are the result of GDP growth in China, 1978–2004

Source: PRC, 2005.

reforms started 13 years earlier than those in India, its financial reforms are more than 13 years behind.

China is obliged to open up its financial sector to foreign competition by the end of 2006 under the terms of WTO accession. While it is now beginning to allow some foreign entry, the government has deliberately restricted the entry of domestic private players. This restriction is extremely unproductive. The goal of financial reform is to increase competition. Restricting domestic private entry does not promote competition.

There is solid empirical evidence that domestic private firms in China are operating under serious financial constraints. Based on the data from the World Business Environment Survey (WBES) in Huang (2006), I have shown that domestic private firms in China have a similar level of financing constraints to those of Russia, Romania, and Belarus. Indian firms also face financing constraints but the level of constraint is substantially lower than in China. The credit constraints in India are similar in kind to those prevailing in other developing capitalist economies, such as Malaysia and Thailand, whereas the massive banking system in China still bears some broad similarities with other transitional, socialist economies.⁴

Conclusion

The rise of India is good news for the Indians, but it is also the best thing that could have happened to China. It

provides an alternative model of economic development that puts more emphasis on private sector development and on the building of soft infrastructure. India will emerge as a formidable and attractive destination for FDI, and it will prove that the best way to attract it is not to subsidize, but to focus on those factors that will create good fundamentals for MNCs to invest. In order to bring this about, it is just as important to create a nurturing but competitive business environment for domestic private firms as for foreign ones. In due time, the success of India will show the rest of the world that efficiency, not large-scale investment, is the best path to sustained economic growth and that responsible and good political and corporate governance is the instrument to promote that efficiency. By taking a lesson or two from the rise of India, China will, hopefully, be shaken out of its complacency.

Notes

1 I first began to analyze the rising competitiveness of India early in 2001; see Huang (2001) and Huang and Khanna (2003); it was India's pharmaceutical industry which first inspired me to take the country more seriously.

4 For more details on geography and economic growth, see Sachs (2001).

3 *BusinessWeek*, 2005.

4 For more details, see Huang (2006).

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Part 3

Country/Economy Profiles and Data Presentation

The Executive Opinion Survey: Gauging the Business Climate

THIERRY GEIGER and EMMA LOADES

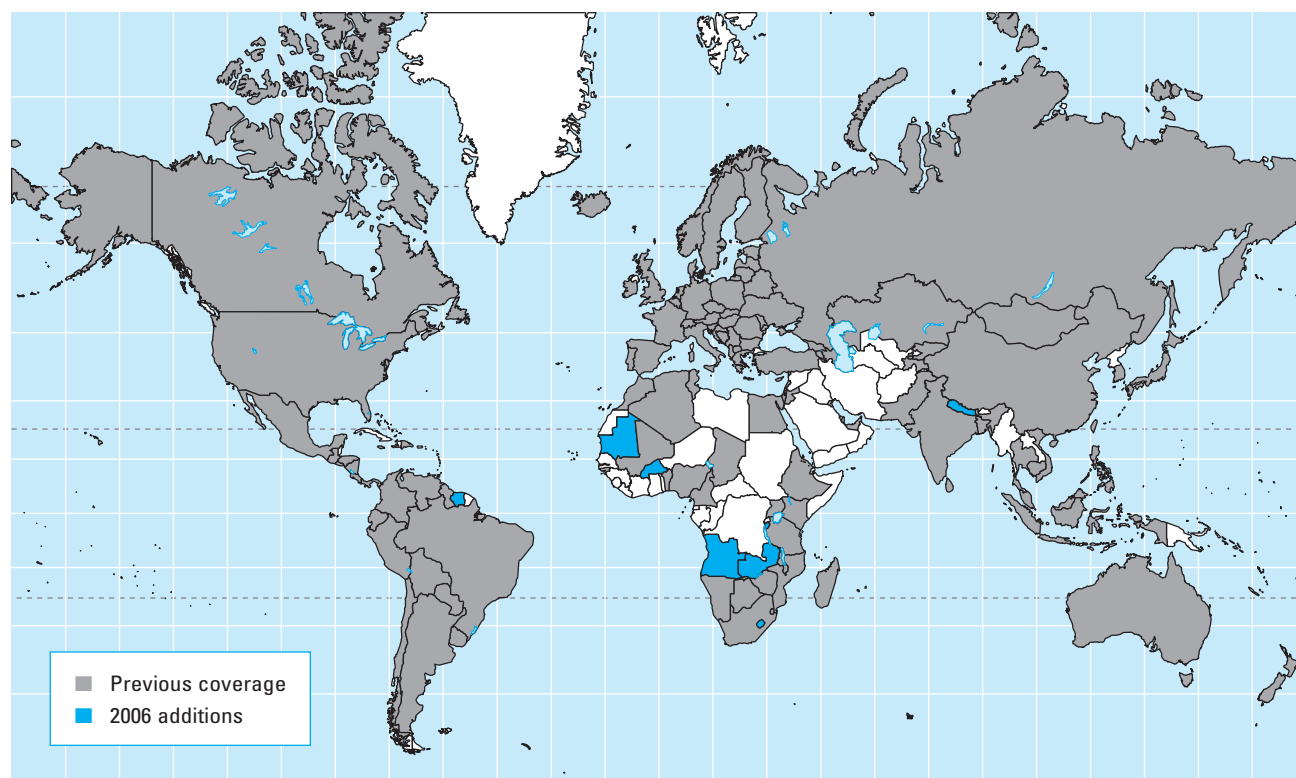
at the World Economic Forum

When it comes to measuring “competitiveness,” the statistics available from official public sources alone do not present a true picture of a country’s business operating environment. It is the addition of survey data which helps to provide a much more accurate measurement of an economy’s competitiveness climate. The World Economic Forum’s annual Executive Opinion Survey (Survey) serves as a gauge of the current condition of a given country’s business climate and the data generated from the Survey is the core qualitative ingredient of the *Global Competitiveness Report*, now recognized as one of the most authoritative and comprehensive assessments of global competitiveness in the world.

The new Global Competitiveness Index (GCI) is composed of nine pillars¹ representing measurements of different aspects of an economy’s competitiveness, all of which tap into data generated by the Survey. For example, pillar 1 is a measurement of the quality of the public and private institutions in a particular country. Since this type of qualitative data is not likely to be available from official or other sources, the Survey compensates by capturing the perceptions of business executives who have not only broad familiarity with the current conditions in their country, but also knowledge and experience of the global environment. Thus, the working conditions they face serve as a benchmark against the best standards in the world. It is this qualitative data identifying and highlighting the strengths and weaknesses of a business operating environment that situates the World Economic Forum at the forefront of research on competitiveness and provides a reliable tool, not only to government policymakers, but also to businesses making important investment decisions.

Geographic expansion

The Forum’s competitiveness research began back in 1979 as a study covering just 16 European countries. Since then, coverage has expanded to a record number of 125 economies. In the past three years, the Forum has focused on extending its coverage of developing countries. This year sees newcomers such as Barbados, Burkina Faso, Burundi, Lesotho, Mauritania, Nepal, and Suriname, as well as the return of Angola and Zambia. Coverage this year represents 98.1 percent of the world’s Gross Domestic Product (see Figure 1 for details). Further expansion of country coverage in the future may be constrained by the absence of an adequate infrastructure to support the Survey process in smaller economies, but also because some of the hard data sources which are used to calculate the Global Competitiveness Index rankings are themselves limited in the data they make available for all countries worldwide.² The focus in the future is likely to be on improving the *quality* of existing coverage, as opposed to significantly extending coverage.

Figure 1: Country/economy coverage of the Executive Opinion Survey

Survey Structure and Methodology

The Survey covers a range of topics and is divided into 12 sections:

- I. About your company
- II. Overall perceptions on your economy
- III. Technology
- IV. Government and the public sector
- V. Public institutions
- VI. Infrastructure
- VII. Human resources and health
- VIII. Finance and openness
- IX. Domestic competition
- X. Company operations and strategy
- XI. Environmental and social responsibility
- XII. General questions

Each question in each section follows the same structure, asking participants to evaluate, on scale of 1 to 7, the current condition of their particular operating environment. At one end of the scale, 1 represents the worst possible operating condition or situation, and at the other end of the scale 7 represents the best.

To ensure that the Survey is conducted thoroughly and consistently across all 125 countries, the Forum has established collaborative partnerships with a network of

Box 1: Example of a typical Survey question

Is there sufficient competition among Internet Service Providers in your country to ensure high quality, infrequent interruptions, and low prices?

No < 1 2 3 4 5 6 7 > Yes, equal to the best in the world

Circling 1.....means you agree completely with the answer on the left-hand side

Circling 2.....means you largely agree with the left-hand side

Circling 3.....means you somewhat agree with the left-hand side

Circling 4.....means your opinion is indifferent between the two answers

Circling 5.....means you somewhat agree with the right-hand side

Circling 6.....means you largely agree with the right-hand side

Circling 7.....means you agree completely with the answer on the right-hand side

over 130 institutes around the world, located in each country featured in the *Report*. Typically, these are economics departments of national universities, independent research institutes or business organizations.³ It is with the continued support and dedication of this network of Partner Institutes that the Forum is able to capture a representative sample of Survey responses from each economy. The process is then monitored and managed by the

Forum on a daily basis from January to June each year, starting with the establishment or renewal of partnerships with suitable institutions, and the distribution and coordination of the questionnaire itself. Given the scope of the Survey's coverage, the questionnaire must also be accurately translated into more than 20 different languages. To ensure that it is conducted uniformly across the globe, a detailed set of guidelines has been developed by the Forum laying out the method to be applied wherever it is conducted.⁴

The 125 economies featured in this study range from those that are developing, to those in transition, and those that are fully industrialized. For this reason, the environment in which the Survey is carried out varies significantly. This means that the method of conducting it must be adapted slightly to suit the different operating environments encountered. For example, the infrastructure for conducting such an extensive survey may be better suited to face-to-face interviews with business executives, as opposed to using a mailing or telephone interview method, or even offering the online version as an alternative. What is consistent across all economies is that every effort is made to ensure that the sample of respondents is as representative as possible of the national business sector, both in terms of the share of production by industry and size of company, and the range of different company types (domestic, foreign or partly state-owned). Table 1 provides a detailed breakdown of the sample by industry sector, in addition to the response rate per country, Table 2 provides a detailed breakdown of each sample by company size and type.

Sample sizes vary according to the size of the economy. The Forum continues to make efforts to increase the sample size of the Survey, particularly in the larger economies. This year, a total of 11,232 responses were used in the final Index calculations. The raw data is subjected to a rigorous quality control process.

The online version of the Survey was used more extensively this year, and some countries (Belgium and Finland) opted to use only this method, and a significant number of Latin American countries, including Brazil and Venezuela, appear to be gradually moving to the online response mechanism. It is envisaged that the Survey process could become largely electronic at some point in the future. Next year, the Forum aims to further improve and facilitate the Survey process, to include the possibility of a new, user-friendly, interactive e-format, to encourage greater participation. Although the percentage of online responses is increasing (1,498 responses out of the total 11,232 this year, or around 13 percent), the majority of participants still favor the paper option.

The Forum's member and partner companies are also invited to take part in the Survey. In principle, these represent the leading 1,000 enterprises in the world, and play a

critical role in shaping the future of their respective industries and regions.

Who uses the Executive Opinion Survey?

Many different organizations, government bodies, and companies draw upon the Survey as an integral component of their own research. Some of our principal partners include the World Bank in its work on governance and corruption, Transparency International for research on bribery and corruption, the US Agency for International Development (USAID) as a key aid in promoting long-term and equitable economic growth in countries worldwide, and monitoring their progress, UNAIDS and Harvard University in their annual global review of business perceptions and the response to the HIV/AIDS epidemic, produced in collaboration with the Forum's Global Health Initiative. Reference is also made to the Survey data by many other international and multilateral organizations, government research departments, and academic institutions.

The World Economic Forum has also applied the Survey data to a series of specific country and regional studies, including the *Latin America Competitiveness Review 2006* and the *Arab World Competitiveness Report 2005*, and to special topic reports, such as the annual *Global Information Technology Report* and the more recent *Gender Gap Study*. The Forum is also developing a series of industry-specific studies, designed to serve its community of member and partner companies in 2007.

Results of the Executive Opinion Survey

While the results of the Survey constitute the principal source of data for the computation of various indexes, the results for specific questions already provide valuable insights.⁵ The Data tables presented in section 3.3 of this Report present the resulting scores of each Survey question for each economy, along with the standard deviations. The latter measure gives an indication of the degree of agreement among respondents within one particular country: the smaller the standard deviation, the broader the consensus. Figure 2 presents the responses to question 2.01 concerning the overall quality of infrastructure, with the best-performing country, Switzerland, appearing at the top of the list. The thick bars represent the scores (the means) and the thin lines represent the standard deviations. Each line is centered on the mean and its length is equal to two standard deviations. The reader may be interested to note that while standard deviations are relatively small for economies with high scores, they tend to be higher as we move to economies at the bottom of the list.

It is often argued that a survey may exhibit a "perception bias," i.e., a systematic positive or negative bias found

Table 1: Distribution of respondents by industry

Country/Economy	Sample size (# of respondents)	Oil and gas (%)	Basic materials (%)	Industrials (%)	Consumer goods (%)	Health care (%)	Consumer services (%)	Utilities (%)	Financials (%)	Technology (%)	Telecommunications (%)	Not classifiable	No response
Albania	80	4	1	19	20	1	15	0	13	3	6	11	8
Algeria	70	7	7	27	10	3	9	6	0	0	4	19	9
Angola	35	3	0	29	6	3	3	0	6	0	0	29	23
Argentina	68	15	6	7	24	1	6	4	9	0	9	15	4
Armenia	79	0	4	15	19	6	15	3	5	6	1	10	15
Australia	88	2	9	27	13	2	2	7	20	5	2	9	1
Austria	109	1	4	34	20	1	9	3	9	4	0	6	9
Azerbaijan	81	2	2	12	5	6	19	2	12	9	4	23	2
Bahrain	40	3	3	18	8	3	5	0	28	0	3	8	25
Bangladesh	105	1	0	14	27	7	4	1	13	10	1	14	9
Barbados	57	4	0	11	25	0	16	4	7	0	2	18	16
Belgium	74	0	4	23	4	7	4	1	11	20	3	20	3
Benin	147	4	3	24	21	9	7	2	1	0	3	19	5
Bolivia	90	1	3	17	20	3	7	3	10	3	3	24	4
Bosnia and Herzegovina	73	5	7	36	7	0	5	8	18	0	1	10	3
Botswana	69	0	1	17	7	3	19	0	13	4	3	29	3
Brazil	194	3	8	21	16	3	8	4	4	9	2	21	2
Bulgaria	95	0	2	22	24	1	33	2	2	0	3	9	1
Burkina Faso	49	6	10	20	14	0	10	0	8	0	2	24	4
Burundi	83	5	1	16	11	19	8	0	13	6	4	12	5
Cambodia	95	4	1	33	6	0	24	0	15	0	1	13	3
Cameroon	87	3	8	23	17	3	9	2	7	0	1	22	3
Canada	95	1	4	19	5	11	6	5	13	8	1	25	1
Chad	98	2	0	11	15	10	10	7	9	6	1	18	9
Chile	149	3	7	23	15	2	3	6	13	1	3	19	3
China	344	1	7	19	14	2	10	4	6	10	5	18	4
Colombia	69	10	7	13	26	10	1	1	6	3	4	14	3
Costa Rica	67	0	1	13	19	0	12	0	18	3	3	22	7
Croatia	90	2	3	21	16	1	16	3	6	3	1	28	0
Cyprus	83	1	0	16	28	2	27	0	14	5	0	7	0
Czech Republic	88	1	1	14	18	3	5	1	13	2	3	36	2
Denmark	69	0	3	17	10	7	9	1	13	7	1	26	4
Dominican Republic	71	3	3	11	18	6	13	1	13	1	7	20	4
Ecuador	88	1	2	10	28	8	9	0	11	1	3	20	5
Egypt	98	0	6	21	18	4	15	5	0	2	0	22	5
El Salvador	52	0	0	13	19	0	4	2	29	4	2	21	6
Estonia	107	0	1	12	17	3	23	3	7	8	2	23	0
Ethiopia	85	0	1	16	21	1	5	2	6	1	0	29	16
Finland	51	0	10	51	8	4	6	2	0	12	4	4	0
France	136	2	1	13	24	6	7	3	13	11	8	10	2
Gambia	72	4	7	15	22	1	13	0	8	7	4	10	8
Georgia	72	7	0	14	22	1	15	1	18	1	3	15	1
Germany	51	2	8	10	16	4	2	6	18	8	2	20	6
Greece	78	3	3	27	17	4	12	1	17	1	4	9	4
Guatemala	70	0	4	14	16	3	9	1	9	6	7	23	9
Guyana	93	4	4	8	27	6	5	1	8	3	2	15	16
Honduras	82	1	2	13	28	5	9	1	12	1	4	21	2
Hong Kong SAR	71	3	0	8	21	3	4	4	20	3	0	18	15
Hungary	71	1	3	35	25	0	6	6	6	1	8	6	3
Iceland	30	0	0	13	20	7	10	7	23	7	0	10	3
India	68	0	6	18	24	6	3	1	13	9	6	12	3
Indonesia	123	2	10	14	45	1	11	4	5	1	2	5	1
Ireland	35	0	0	14	20	11	11	3	17	17	0	6	0
Israel	48	0	6	38	25	6	2	2	4	8	2	0	6
Italy	84	1	2	25	11	4	4	7	17	11	7	7	5
Jamaica	94	1	0	5	21	4	17	1	17	6	3	21	2
Japan	52	6	2	10	17	2	12	0	25	10	6	10	2
Jordan	87	0	0	10	11	5	11	0	15	7	2	25	13
Kazakhstan	191	2	2	34	10	2	26	4	4	1	2	12	3
Kenya	130	0	3	8	22	4	12	2	11	2	4	26	7
Korea, Rep.	97	1	8	13	15	6	8	0	4	4	5	26	8
Kuwait	107	9	3	13	7	4	11	1	18	2	4	18	11
Kyrgyz Republic	95	0	1	25	16	0	7	3	3	1	3	39	1
Latvia	148	3	1	16	16	1	9	3	11	7	5	23	4

(cont'd.)

Table 1: Distribution of respondents by industry (cont'd.)

Country/Economy	Sample size (# of respondents)	Oil and gas (%)	Basic materials (%)	Industrials (%)	Consumer goods (%)	Health care (%)	Consumer services (%)	Utilities (%)	Financials (%)	Technology (%)	Telecommunications (%)	Not classifiable	No response
Lesotho	79	1	1	14	23	4	8	3	8	8	5	15	11
Lithuania	162	2	1	33	12	3	9	8	4	2	2	23	1
Luxembourg	59	0	7	31	17	0	2	3	12	7	2	19	2
Macedonia, FYR	87	7	3	24	8	0	15	2	7	1	3	28	1
Madagascar	113	4	3	12	16	1	14	3	3	3	2	33	8
Malawi	38	0	0	11	32	0	5	0	29	0	0	21	3
Malaysia	73	3	1	12	22	4	8	0	14	4	7	21	4
Mali	46	0	11	20	22	0	0	9	4	0	2	20	13
Malta	64	0	0	16	16	3	11	0	19	8	3	13	13
Mauritania	64	3	0	17	27	2	6	0	6	3	0	19	17
Mauritius	27	4	0	7	22	4	11	0	22	0	11	7	11
Mexico	82	0	1	21	38	9	5	0	5	9	4	6	4
Moldova	100	2	17	14	17	2	12	15	7	3	3	6	2
Mongolia	100	3	5	13	25	2	15	4	5	2	6	19	1
Morocco	96	1	2	26	10	2	9	8	7	5	5	22	1
Mozambique	62	3	5	21	18	2	5	5	3	2	2	24	11
Namibia	62	0	6	23	19	2	13	5	13	2	3	13	2
Nepal	73	3	3	11	29	10	7	1	12	1	1	21	1
Netherlands	93	2	4	13	8	4	9	2	18	11	1	27	1
New Zealand	46	4	11	9	26	0	9	7	7	0	0	26	2
Nicaragua	71	1	3	14	21	6	20	0	7	4	1	14	8
Nigeria	223	10	6	16	14	5	8	1	15	3	3	13	7
Norway	67	15	1	27	10	7	9	1	3	4	1	13	6
Pakistan	87	1	0	15	20	2	5	16	10	5	2	13	11
Panama	83	2	0	11	7	5	11	5	18	4	2	33	2
Paraguay	89	1	3	17	19	7	13	0	8	4	3	18	6
Peru	66	2	2	20	24	6	3	9	9	2	0	21	3
Philippines	53	4	0	8	9	0	8	2	26	4	6	23	11
Poland	90	4	2	11	7	2	10	0	4	4	3	18	33
Portugal	36	6	0	39	8	0	6	8	14	0	3	11	6
Qatar	65	5	2	18	12	2	12	3	12	5	2	20	8
Romania	102	2	3	21	11	2	11	2	3	5	2	34	5
Russian Federation	553	2	2	33	14	2	14	2	7	3	3	16	5
Serbia and Montenegro	89	1	0	22	18	1	15	0	16	1	24	2	0
Singapore	81	6	21	12	12	16	1	0	1	12	1	11	5
Slovak Republic	63	3	6	25	11	2	11	2	19	2	2	14	3
Slovenia	88	2	0	44	8	0	6	3	3	8	2	18	5
South Africa	79	6	3	20	13	1	3	3	28	9	0	13	3
Spain	79	0	1	13	6	3	13	6	16	14	5	18	5
Sri Lanka	79	1	14	15	22	5	14	4	13	6	4	1	1
Suriname	75	4	3	19	29	3	8	1	4	4	3	20	3
Sweden	52	4	2	29	12	2	10	2	21	8	4	8	0
Switzerland	74	0	4	16	14	8	3	3	26	5	0	15	7
Taiwan, China	65	3	12	28	11	2	2	0	12	17	0	5	9
Tajikistan	80	1	3	33	5	5	21	0	3	3	5	20	3
Tanzania	99	0	1	8	9	0	12	2	11	0	0	53	4
Thailand	46	4	9	9	13	7	2	13	17	0	11	13	2
Timor-Leste	34	3	3	15	18	0	18	0	9	6	3	15	12
Trinidad and Tobago	83	10	0	13	17	1	8	1	16	2	0	24	7
Tunisia	48	2	2	19	31	0	2	2	6	21	2	0	13
Turkey	102	3	3	25	22	4	8	2	13	1	1	16	4
Uganda	89	0	0	13	18	6	15	1	12	10	6	10	9
Ukraine	159	1	1	26	14	3	35	1	6	1	1	7	4
United Arab Emirates	85	8	0	20	5	6	5	4	25	8	0	16	4
United Kingdom	72	4	3	3	4	3	8	4	22	1	3	42	3
United States	235	0	5	0	30	0	0	0	40	21	0	0	4
Uruguay	72	0	3	24	18	0	4	0	13	3	3	22	11
Venezuela	66	11	5	15	15	5	3	0	17	9	6	14	2
Vietnam	137	0	3	23	17	3	3	1	6	4	1	26	14
Zambia	97	5	5	14	29	3	2	4	8	3	0	23	3
Zimbabwe	36	0	14	22	25	3	17	0	11	0	3	6	0
GRAND TOTAL	11,232												

Notes: Classification based on Dow Jones and FTSE International; totals do not necessarily add up to 100 due to rounding; "no response" refers to the share of respondents who did not answer this particular question in the Survey.

Table 2: Distribution of respondents by firm size (number of employees) and type

Country/Economy	Sample size (# of respondents)	Distribution (%) of respondents by firm size (# of employees)						Distribution (%) of respondents by type of ownership				
		<101 (%)	101–500 (%)	501–5,000 (%)	5,001–20,000 (%)	>20,000 (%)	No response (%)	Private >50% ¹	Public >50% ²	Foreign >50% ³	Mixed Ownership	No response
Albania	80	68	20	9	1	1	1	59	4	33	0	5
Algeria	70	47	20	29	3	0	1	37	46	6	0	11
Angola	35	57	17	20	0	0	6	63	11	14	3	9
Argentina	68	29	34	28	6	1	1	29	0	63	6	1
Armenia	79	58	29	11	1	0	0	58	4	27	0	11
Australia	88	16	16	52	10	3	2	43	14	36	3	3
Austria	109	4	51	39	5	1	0	59	6	32	1	3
Azerbaijan	81	78	6	10	0	0	6	77	4	7	1	11
Bahrain	40	28	53	18	3	0	0	50	13	23	5	10
Bangladesh	105	24	30	37	5	2	3	78	0	13	0	9
Barbados	57	42	30	18	0	0	11	58	9	18	2	14
Belgium	74	50	16	22	3	8	1	66	3	22	5	4
Benin	147	84	12	1	0	0	3	63	4	12	0	21
Bolivia	90	66	20	10	0	0	4	76	1	17	1	6
Bosnia and Herzegovina	73	34	37	26	0	3	0	59	21	19	0	1
Botswana	69	71	22	6	0	0	1	55	3	30	1	10
Brazil	194	34	20	34	8	4	1	72	2	16	5	5
Bulgaria	95	73	18	6	0	0	3	76	5	8	0	11
Burkina Faso	49	61	31	8	0	0	0	45	10	27	2	16
Burundi	83	84	13	0	0	0	2	75	2	5	0	18
Cambodia	95	40	27	31	1	1	0	52	1	43	0	4
Cameroon	87	47	38	8	0	0	7	53	8	25	2	11
Canada	95	38	28	28	2	3	0	71	16	8	4	1
Chad	98	89	7	0	0	0	4	54	1	14	2	29
Chile	149	23	24	44	8	1	1	66	5	27	1	2
China	344	32	33	24	5	6	0	55	30	12	1	3
Colombia	69	26	35	35	3	0	1	48	3	45	1	3
Costa Rica	67	39	37	22	0	1	0	75	6	16	0	3
Croatia	90	44	39	12	4	0	0	57	18	21	0	4
Cyprus	83	53	33	13	0	0	1	90	2	2	0	5
Czech Republic	88	38	28	25	6	3	0	53	6	36	0	5
Denmark	69	36	28	30	4	1	0	67	3	20	10	0
Dominican Republic	71	42	27	24	3	0	4	70	1	18	1	8
Ecuador	88	31	45	22	2	0	0	78	3	14	0	5
Egypt	98	31	48	20	1	0	0	78	6	10	1	5
El Salvador	52	35	33	31	0	0	2	71	6	17	0	6
Estonia	107	71	21	6	0	1	1	62	7	25	3	3
Ethiopia	85	55	20	21	2	0	1	60	25	7	0	8
Finland	51	6	55	33	2	4	0	51	2	33	14	0
France	136	22	25	28	11	14	0	50	7	34	1	9
Gambia	72	82	11	3	0	0	4	63	1	24	0	13
Georgia	72	67	19	13	0	0	1	57	0	26	1	15
Germany	51	6	8	29	22	35	0	47	14	16	6	18
Greece	78	15	37	36	9	0	3	60	4	23	6	6
Guatemala	70	43	29	24	1	3	0	73	6	16	0	6
Guyana	93	66	19	6	1	2	5	66	5	14	0	15
Honduras	82	56	23	17	1	0	2	79	0	16	0	5
Hong Kong SAR	71	31	20	27	10	6	7	69	0	15	3	13
Hungary	71	24	35	32	7	0	1	32	8	56	0	3
Iceland	30	47	37	17	0	0	0	80	13	0	3	3
India	68	12	19	41	15	12	1	44	1	26	16	12
Indonesia	123	67	15	10	2	0	7	84	4	7	1	5
Ireland	35	40	37	20	3	0	0	71	6	20	0	3
Israel	48	17	60	19	4	0	0	67	0	19	8	6
Italy	84	35	24	20	7	14	0	56	5	24	6	10
Jamaica	94	62	18	19	0	0	1	73	1	19	1	5
Japan	52	10	8	29	17	35	2	69	4	12	8	8
Jordan	87	52	32	14	1	0	1	80	7	5	2	6
Kazakhstan	191	61	24	15	0	0	1	86	6	4	1	2
Kenya	130	56	21	15	3	1	4	72	8	12	1	8
Korea, Rep.	97	43	29	24	2	2	0	76	1	6	3	13
Kuwait	107	36	30	23	7	0	4	82	10	1	1	6
Kyrgyz Republic	95	48	34	13	0	0	5	73	12	6	0	9
Latvia	148	67	15	13	3	0	2	66	12	18	1	4
Lesotho	79	67	22	6	1	0	4	51	8	30	3	9
Lithuania	162	25	52	19	1	0	4	60	23	15	0	2
Luxembourg	59	51	25	20	2	0	2	63	2	29	3	3
Macedonia, FYR	87	66	24	9	0	0	1	75	14	10	1	0

Table 2: Distribution of respondents by firm size (number of employees) and type (cont'd.)

Country/Economy	Sample size (# of respondents)	Distribution (%) of respondents by firm size (# of employees)						Distribution (%) of respondents by type of ownership				
		<101 (%)	101–500 (%)	501–5,000 (%)	5,001–20,000 (%)	>20,000 (%)	No response (%)	Private >50% ¹	Public >50% ²	Foreign >50% ³	Mixed Ownership	No response
Madagascar	113	80	12	4	0	0	4	64	5	12	2	17
Malawi	38	50	32	11	5	0	3	50	8	37	0	5
Malaysia	73	32	25	36	4	3	1	56	11	19	3	11
Mali	46	54	26	15	0	0	4	48	22	13	0	17
Malta	64	59	25	16	0	0	0	69	5	23	3	0
Mauritania	64	86	8	2	0	0	5	72	3	2	0	23
Mauritius	27	11	37	52	0	0	0	70	0	7	4	19
Mexico	82	16	23	27	23	9	2	45	0	43	0	12
Moldova	100	43	29	24	2	0	2	58	14	24	1	3
Mongolia	100	54	28	17	1	0	0	80	6	11	0	3
Morocco	96	74	19	5	0	1	1	84	1	7	0	7
Mozambique	62	58	27	11	0	0	3	45	6	34	0	15
Namibia	62	55	32	11	0	0	2	68	10	16	3	3
Nepal	73	62	33	5	0	0	0	84	3	4	1	8
Netherlands	93	24	23	29	15	9	1	49	12	27	10	2
New Zealand	46	15	33	48	4	0	0	46	13	33	2	7
Nicaragua	71	55	34	10	0	0	1	73	6	13	0	8
Nigeria	223	59	13	16	3	1	7	71	3	8	0	17
Norway	67	25	48	16	9	1	0	22	6	64	4	3
Pakistan	87	52	11	24	2	2	8	57	1	9	0	32
Panama	83	47	25	19	6	0	2	72	5	13	2	7
Paraguay	89	56	33	10	0	0	1	83	1	9	1	6
Peru	66	18	42	36	3	0	0	67	2	27	0	5
Philippines	53	21	28	32	13	2	4	57	4	32	2	6
Poland	90	18	14	17	2	1	48	24	1	31	0	43
Portugal	36	14	22	44	14	0	6	50	19	19	8	3
Qatar	65	42	28	26	2	2	2	86	5	2	3	5
Romania	102	64	17	14	0	0	6	78	4	14	0	4
Russian Federation	553	27	38	26	3	2	3	75	10	5	1	9
Serbia and Montenegro	89	48	28	22	1	0	0	67	20	10	1	1
Singapore	81	31	42	25	1	0	1	6	1	86	2	4
Slovak Republic	63	17	30	43	10	0	0	51	6	38	0	5
Slovenia	88	42	31	25	0	0	2	52	9	33	0	6
South Africa	79	15	14	39	9	22	1	53	6	28	8	5
Spain	79	18	25	33	10	11	3	66	3	23	6	3
Sri Lanka	79	27	48	15	9	1	0	75	5	11	1	8
Suriname	75	67	25	8	0	0	0	76	11	8	3	3
Sweden	52	19	13	19	31	17	0	67	6	19	4	4
Switzerland	74	19	32	27	11	9	1	69	4	15	1	11
Taiwan, China	65	6	22	63	6	2	2	72	6	15	3	3
Tajikistan	80	84	9	4	0	0	4	89	1	1	0	9
Tanzania	99	62	13	15	1	0	9	71	4	20	0	5
Thailand	46	4	15	48	24	9	0	46	33	11	9	2
Timor-Leste	34	88	3	3	0	3	3	29	3	44	3	21
Trinidad and Tobago	83	49	27	14	5	2	2	64	13	7	6	10
Tunisia	48	73	19	8	0	0	0	83	0	6	0	10
Turkey	102	14	33	39	10	4	0	56	8	23	3	11
Uganda	89	61	30	6	1	0	2	78	4	16	0	2
Ukraine	159	72	18	6	1	3	1	82	7	3	3	5
United Arab Emirates	85	21	32	35	7	2	2	53	34	8	5	0
United Kingdom	72	33	15	15	25	11	0	60	7	17	11	6
United States	235	9	21	28	14	25	4	74	2	9	12	3
Uruguay	72	56	26	10	1	0	7	69	3	22	1	4
Venezuela	66	50	21	20	8	2	0	62	0	33	5	0
Vietnam	137	38	28	22	5	0	7	48	19	26	2	4
Zambia	97	46	29	15	1	0	8	49	7	37	1	5
Zimbabwe	36	8	25	61	6	0	0	69	8	14	3	6
GRAND TOTAL	11,232	43	26	21	4	3	3	65	8	18	2	7

Notes:

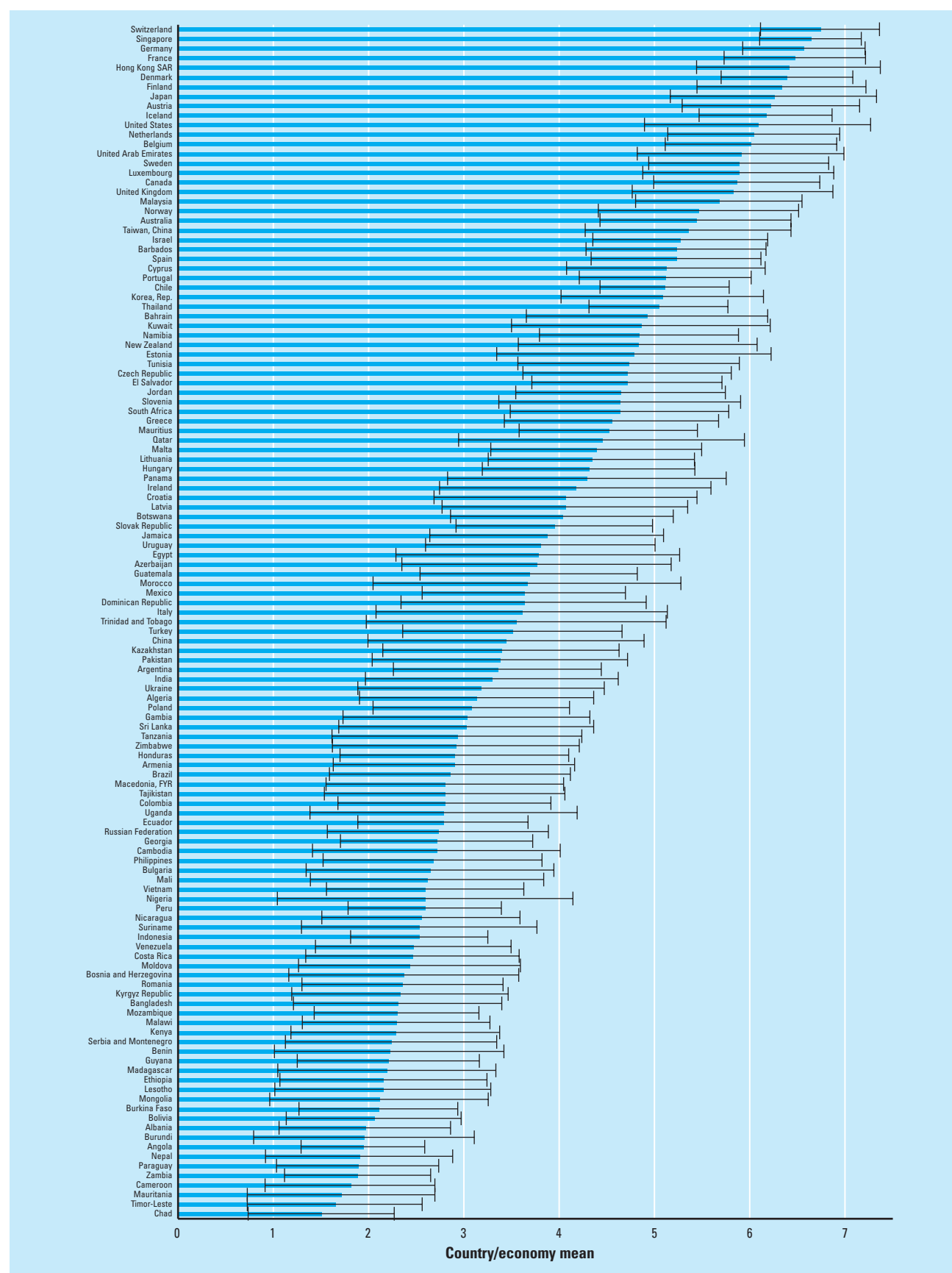
1 More than 50 percent of a company owned by the domestic private sector;

2 More than 50 percent of a company owned by the state;

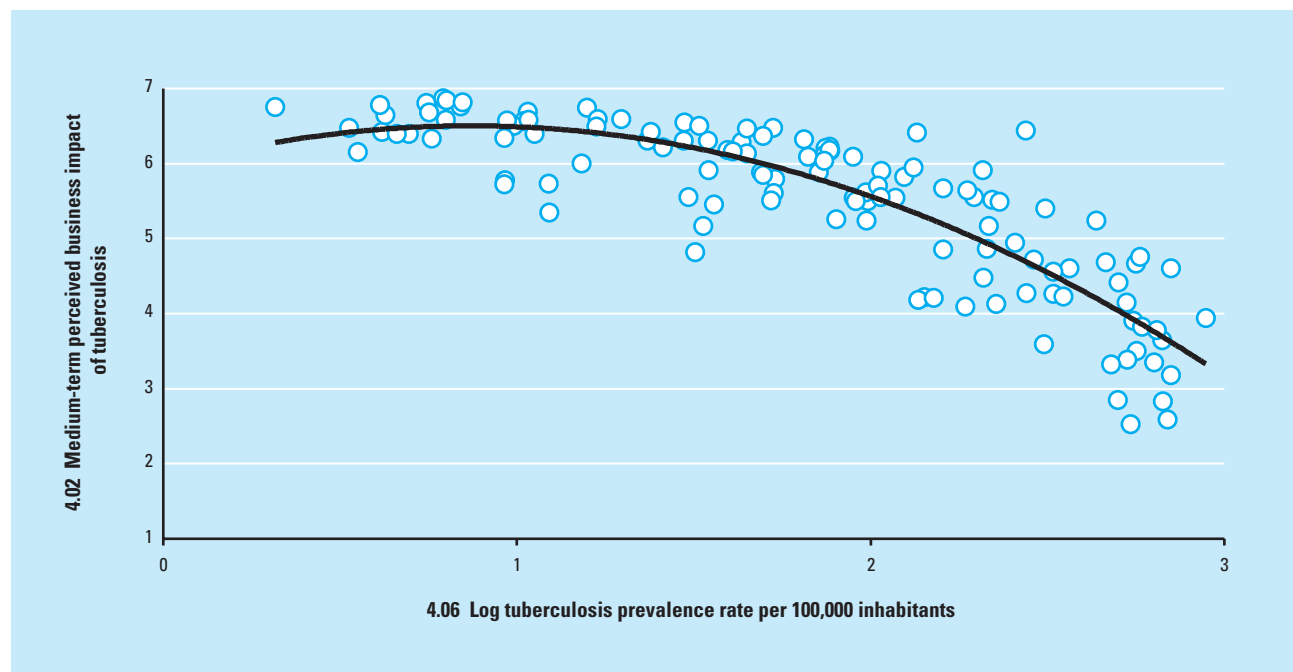
3 More than 50 percent of a company owned by foreign groups;

"No response" refers to the share of respondents who did not answer this particular question in the Survey; totals do not necessarily add up to 100 due to rounding.

Figure 2: Country/economy means and standard deviations for a typical Executive Opinion Survey question:
The general infrastructure in your country is (1 = underdeveloped, 7 = as extensive and efficient as the world's best)



Note: Thick bars indicate scores; thin lines indicate standard deviations.

Figure 3: Tuberculosis prevalence rate vs. perceived business impact of tuberculosis

among all respondents in a given economy. For example, some may believe that people in a certain country are generally more positive about their own economic environment than people in another country. If this were the case, such a bias may be expected to skew all of the Survey results in favor of the economy with the more positive overall outlook.

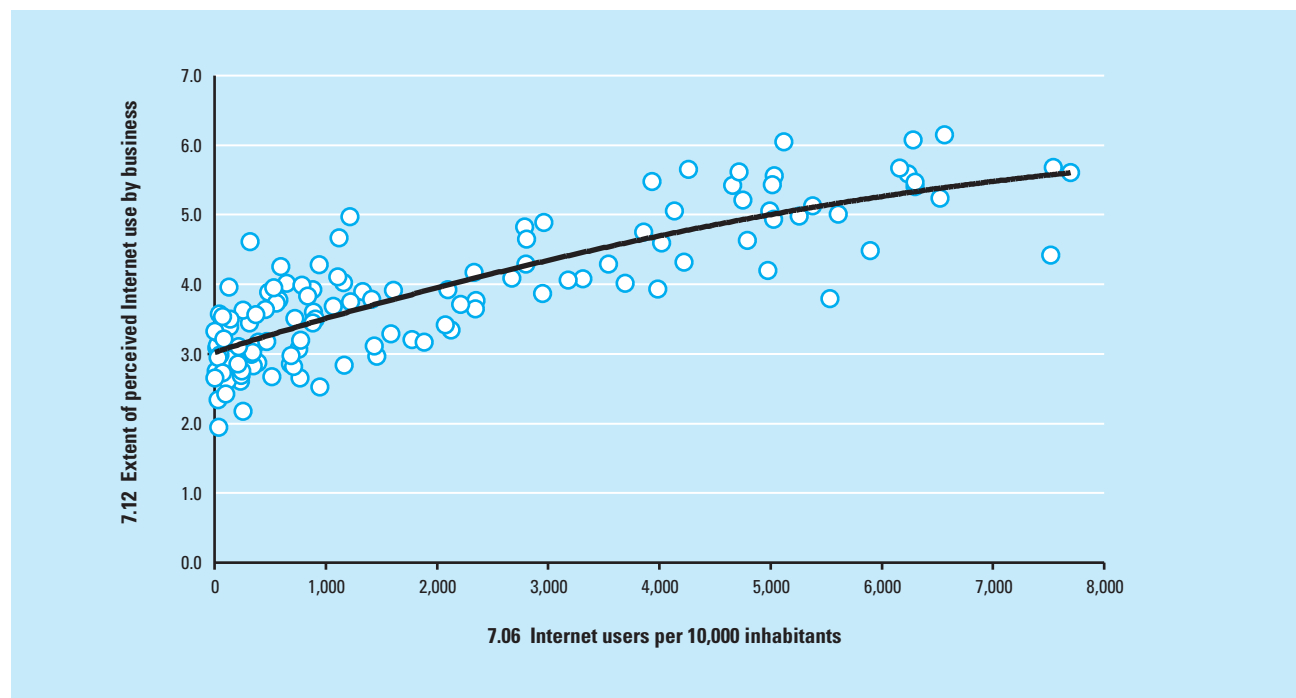
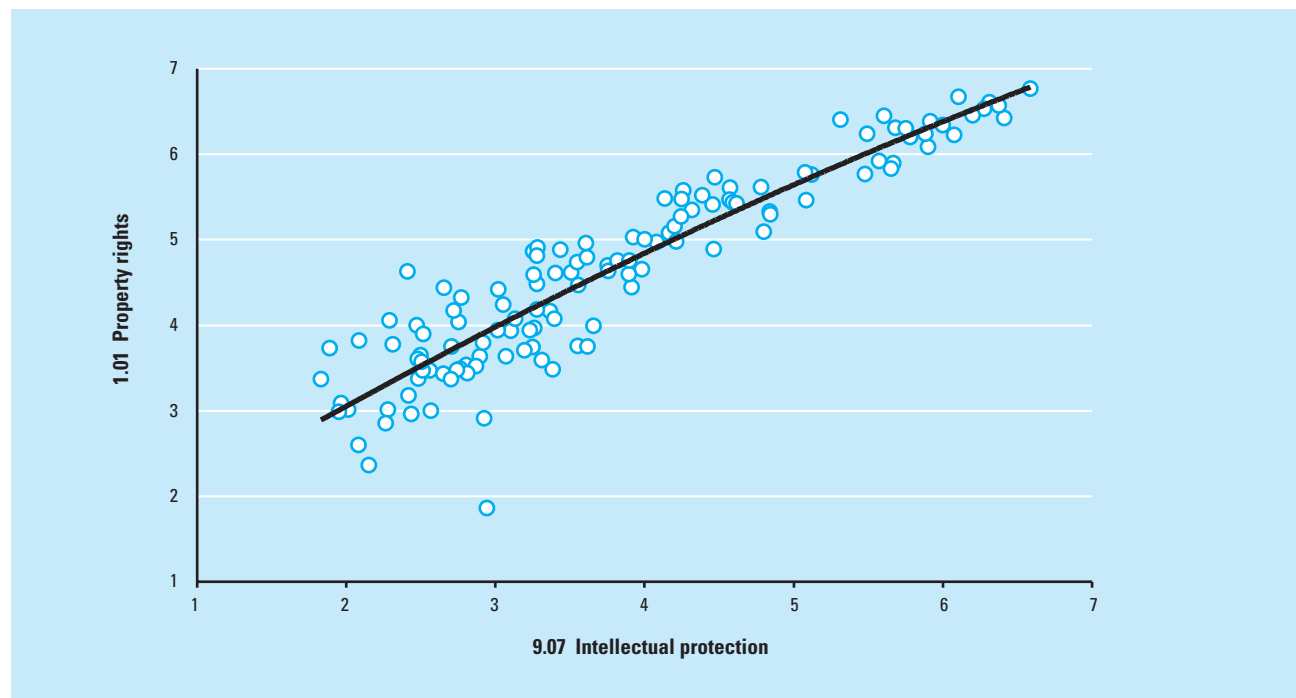
We have taken a number of measures to reduce such bias. First, when dealing with competitiveness, it is not so much the absolute performance of an economy that matters, but rather its performance relative to its peers. For this reason, we ensure that each Survey question is phrased in a way that invites the respondent to compare the situation in his or her own economy against the best-performing economies in the world. In addition, the Forum and its Partner Institutes carefully select companies whose size and scope of activities guarantee that their executives benefit from international exposure and are therefore well positioned to compare the situation in their economy with the one prevailing in others. Finally, as noted earlier, we carefully identify and exclude outlying responses, such as questionnaires that are blatantly over-optimistic or pessimistic, or incomplete.

There are a number of different ways to test for the presence of perception bias. One approach is to compare the Survey data to hard data on similar topics. While comparable hard data does not exist for most of the Survey

questions, it is possible to do this in such areas as health, education, and technology. For instance, Question 4.02 from the Survey asks about the impact of tuberculosis (TB) on business. It is reasonable to expect that the magnitude of the impact, as perceived by respondents, will correlate with the actual prevalence of tuberculosis. Figure 3 plots, for each economy, the pair of data points formed by the score on the EOS question (vertical axis) and the prevalence rate of TB (horizontal axis). As anticipated, those economies with high TB prevalence rates generally reflect lower grades on the Survey question (correlation of -0.84).

In Figure 4, a similar exercise is carried out concerning the pervasive use of the internet. The indicator “Log Internet users per 10,000 inhabitants” (horizontal axis) is plotted against the scores on Survey question 7.12 on the extent of Internet use by businesses (vertical axis). Here too, the correlation is high (0.83).

Another way to test for the validity of the Survey results is to look at the relationship between two questions covering the same topic. For instance, where corruption is acute, one expects scores on corruption-related questions to be highly correlated with each other. For example, Figure 5 plots the relationship between two questions (1.01 and 9.07) dealing with intellectual property. The correlation between the results to each question is high, with a correlation of 0.93 .

Figure 4: Internet users versus perceived Internet use by business**Figure 5: Intellectual property protection versus property rights**

Conclusion

The Executive Opinion Survey is an important instrument to capture the views of the business community in a large number of countries concerning the many factors which play an important role in shaping the business environment and for which there exists no quantitative indicators. Country coverage of the Global Competitiveness Report has increased substantially in recent years, requiring the deployment of significant resources on the part of the World Economic Forum. Efforts will continue to be made to ensure a high quality survey, particularly in the smaller countries, where the Partner Institutes often face logistical challenges and resource constraints. The World Economic Forum has an active program of technical support to these organizations, to facilitate the annual implementation of the Survey and to share information about best practice.

Notes

- 1 Please refer to Chapter 1.1 for details.
- 2 Please refer to the "Technical Notes and Sources" at the end of the *Report* for a list of hard data sources.
- 3 Please refer to the list of Partner Institutes at the beginning of this publication.
- 4 Please refer to chapter 4.1 in *The Global Competitiveness Report 2005–2006* for details of methodology and construction of samples.
- 5 Throughout this *Report*, the terms "scores" or "results" generally refer to the mean responses, that is, the average across all individual responses from that particular country, computed as follows:

$$\text{score}_{ij} = \frac{\sum_{j=1}^N g_{n,j}}{N}$$

with N the total number of respondents, $g_{n,j}$ the grade assigned by respondent n to question j and, thus, score_{ij} the score achieved by country i on question j .

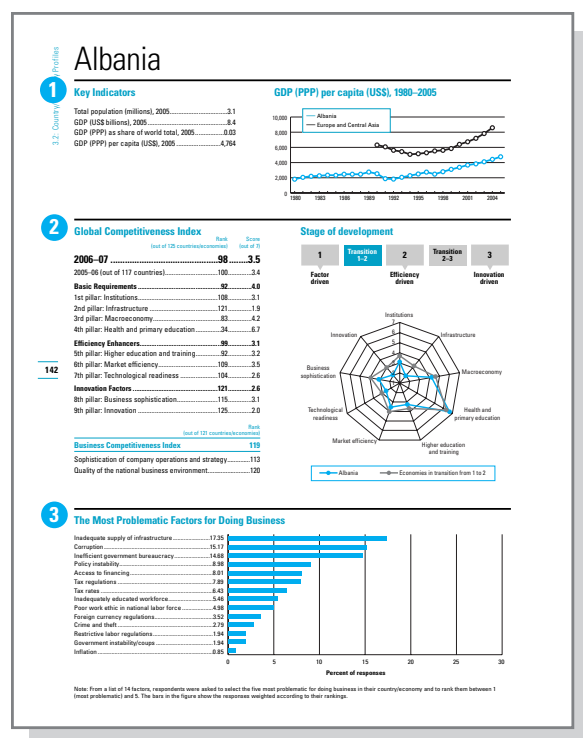
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3.2

Country/Economy Profiles

How Country/Economy Profiles Work



The Country/Economy Profiles section presents a two-page profile with selected data for each individual economy included in the *Global Competitiveness Report 2006–2007*.

Left-hand page

1 Key indicators

The first section presents the following indicators:

- Population in millions of inhabitants: sources are UNFPA's *State of World Population 2005*, United Nations Department of Economic and Social Affairs' *Population Division Database* (June 2006), and national sources.
- GDP in billions of US dollars: source is IMF's *World Economic Outlook Database* (April 2006).
- GDP valued at purchasing power parity as a share of total world GDP: source is IMF's *World Economic Outlook Database* (April 2006), available at www.imf.org/weo.
- GDP per capita in US dollars adjusted for purchasing power parity: source is IMF's *World Economic Outlook Database* (April 2006).

- The chart in the upper right-hand side displays the evolution of GDP per capita adjusted for purchasing power parity, from 1980 to 2005 (or the period for which data are available) for the economy under review. Source is the April 2006 update of the IMF's *World Economic Outlook Database*. The second line on the chart represents the aggregate performance of the group of economies to which the economy belongs. We use the World Bank's by-region classification of economies, which divides the world into six regions ("East Asia and the Pacific," "Europe and Central Asia," "Latin America and the Caribbean," "Middle East and North Africa," "South Asia," and "Sub-Saharan Africa"), and two income groups ("High-income OECD" and "Other high income"). More information on this classification can be found at www.worldbank.org. Note that, in some instances, a different comparator than the economy's corresponding group is used. Aggregate GDP data (only available through 2004) are from the World Bank's *World Development Indicators 2006*.

2 Competitiveness rankings and comparative chart

This section gives an overview of each economy's performance in the Global Competitiveness Index (GCI) 2006–2007. It shows the rankings and the scores overall on the three subindexes, as well as on the nine pillars of the Index. For comparison, last year's GCI overall rank and score are also shown.

On the section's right-hand side, the stage of development is indicated and a chart compares the economy's score for each of the nine pillars to the average score across all economies in the same stage of development as the economy under review. The center of the chart corresponds to the lowest possible score (1), while the outmost line of the chart corresponds to the highest possible score (7). For more information on the GCI and the concept of stages of development, please refer to Chapter 1.1 of this *Report*.

Also displayed in this section are the ranks of each economy on the Business Competitiveness Index (BCI), as well as on each of its two components: "Sophistication of company operations and strategy" and "Quality of the national business environment." For a detailed presentation of the BCI, see Chapter 1.2 of this *Report*.

(continued on next page)

3 Chart of most problematic factors for doing business

This chart summarizes those factors seen by business executives as the most problematic for doing business in their economy. The information is drawn from a question from the Executive Opinion Survey (the Survey) 2006.

Respondents were presented with 14 different factors and were asked to rank from 1 (most problematic) to 5 those they considered the most problematic for doing business in their economy. The results were then tabulated and weighted according to the ranking assigned by the respondents. For more information on the Survey, refer to Chapter 3.1 of this *Report*.

Right-hand page

4 Competitiveness Balance Sheet

The right-hand page of each profile forms a competitiveness balance sheet, providing detailed information on the relative strengths (competitive advantages) of the economy on the left-hand side, and the relative weaknesses (competitive disadvantages) of the economy on the right-hand side. To compile this balance sheet, all the variables that comprise the Global Competitiveness Index (GCI) are taken into consideration. To initially identify variables as advantages or disadvantages, the following rules are applied:

- For the top 10 economies ranked in the overall GCI, individual variables ranked between 1 and 10 are considered as advantages. Any variables ranked below 10 are considered as disadvantages.
- For those economies ranked from 11 to 50 in the overall GCI, variables ranked higher than the economy's own rank are considered as advantages. Any variables ranked equal to or lower than the economy's overall rank are considered as disadvantages.
- For those economies ranked lower than 50 in the overall GCI, any individual variables ranked higher than 51 are considered as advantages. Any variables ranked lower than 50 are considered as disadvantages.

After this initial classification, those advantages and disadvantages that are considered most relevant to the economy and its current stage of development are selected. Thus, not all variables included in the GCI are shown on this page. The result is that a pillar can be "empty," in which case the pillar does not appear in the balance sheet.

4 National competitiveness balance sheet			Albania		
NOTABLE COMPETITIVE ADVANTAGES			NOTABLE COMPETITIVE DISADVANTAGES		
	Rank/125			Rank/125	
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.03 Inflation (third data)	33		1.01 Property rights	116	
			1.05 Favoritism in decisions of government officials	111	
6th pillar: Health and primary education			1.04 Judicial independence	107	
6.09 Primary enrollment (third data)	30		1.02 Diversion of public funds	103	
			1.03 Public trust of politicians	102	
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.12 Hiring and firing practices	18		2.05 Quality of electricity supply	122	
6.13 Flexibility of wage determination	34		2.01 Overall infrastructure quality	116	
6.14 Cooperation in labor-employer relations	39		2.02 Railroad infrastructure development	116	
6.16 Pay and productivity	43		2.03 Quality of port infrastructure	106	
			3rd pillar: Macroeconomy		
			3.06 Real effective exchange rate (third data)	106	
			3.01 Government subsidization (third data)	95	
			3.05 Government debt (third data)	66	
			5th pillar: Higher education and training		
			5.06 Local availability of research and training services	119	
			5.05 Quality of management schools	112	
			5.07 Extent of staff training	112	
			5.02 Salary emersion (third data)	85	
			6th pillar: Market efficiency		
			6.23 Local equity market access	125	
			6.06 Intensity of local competition	118	
			6.10 Foreign ownership restrictions	113	
			6.17 Bribe drain	112	
			6.07 Effectiveness of antitrust policy	111	
			6.02 Efficiency of legal framework	109	
			6.09 Prevalence of trade barriers	109	
			6.01 Agricultural policy costs	107	
			7th pillar: Technological readiness		
			7.02 Firm-level technology absorption	108	
			7.07 Personal computers (third data)	102	
			7.01 Technological readiness	98	
			7.04 FDI and technology transfer	96	
			8th pillar: Business sophistication		
			8.07 Nature of competitive advantage	122	
			8.08 Value chain presence	121	
			8.01 Local supplier quantity	110	
			8.03 Production process sophistication	93	
			9th pillar: Innovation		
			9.04 Government procurement of technology products	125	
			9.08 Capacity for innovation	122	
			9.02 Company spending on research and development	121	
			9.07 Intellectual property protection	121	
			9.05 Availability of scientists and engineers	111	

For further details and sources, please refer to the section "How Country/Economy Profiles Work" at the beginning of this chapter.

List of Countries/Economies

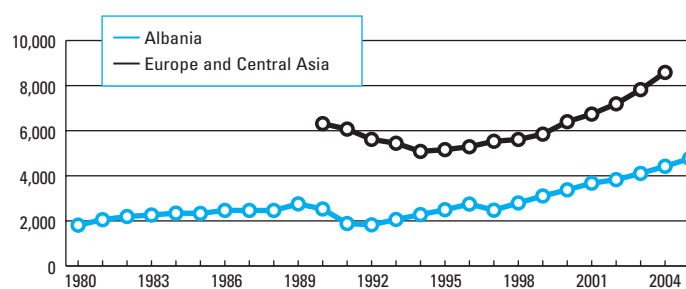
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Albania

Key Indicators

Total population (millions), 2005.....	3.1
GDP (US\$ billions), 2005.....	8.4
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	4,764

GDP (PPP) per capita (US\$), 1980–2005

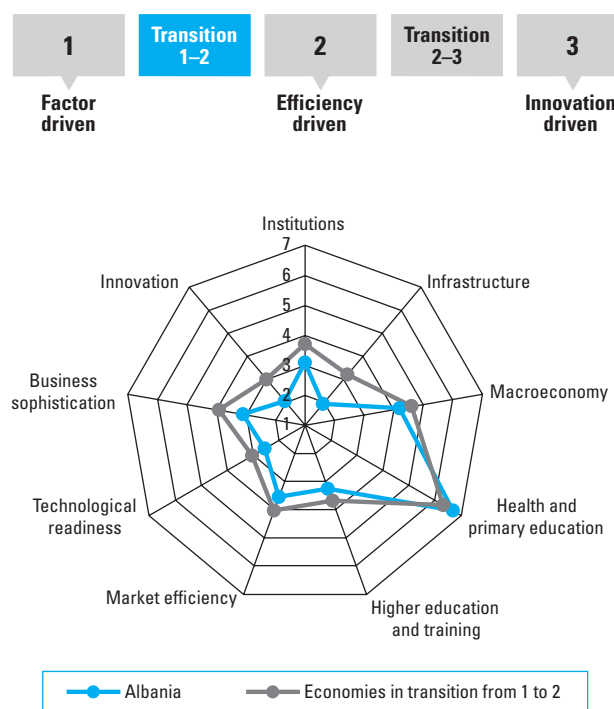


Global Competitiveness Index

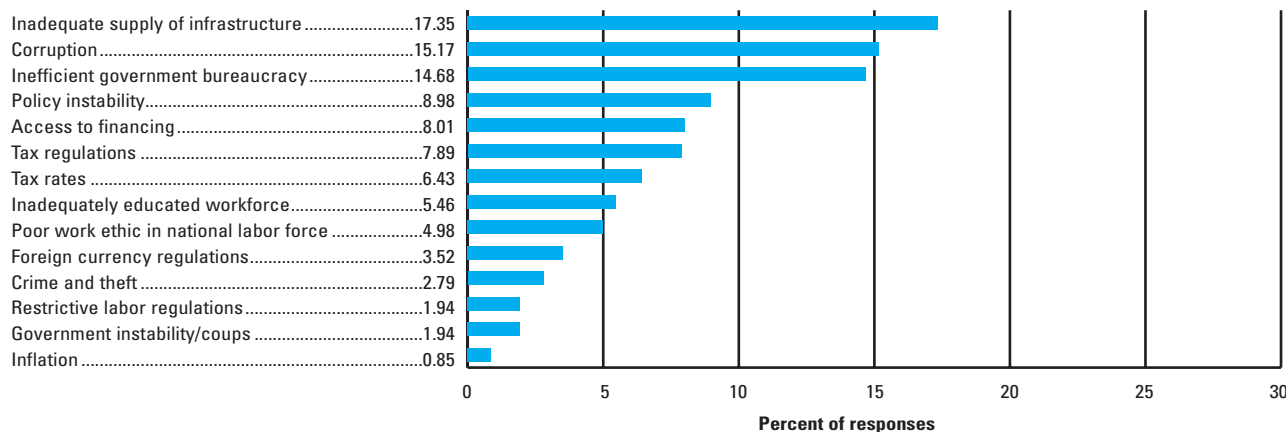
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	98	3.5
2005–06 (out of 117 countries).....	100.....	3.4
Basic Requirements	92	4.0
1st pillar: Institutions.....	108.....	3.1
2nd pillar: Infrastructure.....	121.....	1.9
3rd pillar: Macroeconomy.....	83.....	4.2
4th pillar: Health and primary education.....	34.....	6.7
Efficiency Enhancers	99	3.1
5th pillar: Higher education and training.....	92.....	3.2
6th pillar: Market efficiency.....	109.....	3.5
7th pillar: Technological readiness.....	104.....	2.6
Innovation Factors	121	2.6
8th pillar: Business sophistication.....	115.....	3.1
9th pillar: Innovation.....	125.....	2.0

	Rank (out of 121 countries/economies)
Business Competitiveness Index	119
Sophistication of company operations and strategy.....	113
Quality of the national business environment.....	120

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

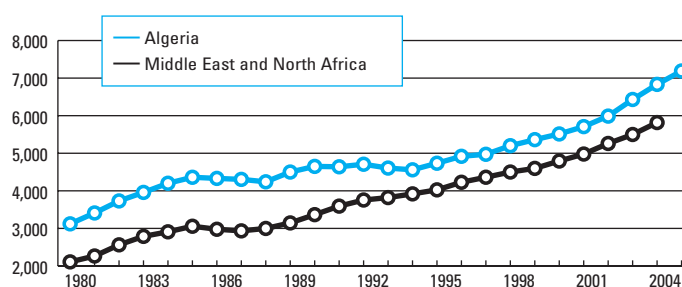
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.03	Inflation (hard data).....	33	1.01	Property rights.....	116
4th pillar: Health and primary education			1.05	Favoritism in decisions of government officials.....	111
4.09	Primary enrollment (hard data).....	30	1.04	Judicial independence.....	107
6th pillar: Market efficiency			1.02	Diversion of public funds	103
6.12	Hiring and firing practices	18	1.03	Public trust of politicians	102
6.13	Flexibility of wage determination	34	2nd pillar: Infrastructure		
6.14	Cooperation in labor-employer relations.....	39	2.05	Quality of electricity supply	122
6.16	Pay and productivity	43	2.01	Overall infrastructure quality	116
			2.02	Railroad infrastructure development	116
			2.03	Quality of port infrastructure	106
			3rd pillar: Macroeconomy		
			3.06	Real effective exchange rate (hard data)	106
			3.01	Government surplus/deficit (hard data).....	95
			3.05	Government debt (hard data)	66
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	118
			5.05	Quality of management schools	112
			5.07	Extent of staff training	112
			5.02	tertiary enrollment (hard data)	85
			6th pillar: Market efficiency		
			6.23	Local equity market access.....	125
			6.06	Intensity of local competition	118
			6.10	Foreign ownership restrictions.....	113
			6.17	Brain drain	112
			6.07	Effectiveness of antitrust policy.....	111
			6.02	Efficiency of legal framework	109
			6.09	Prevalence of trade barriers	109
			6.01	Agricultural policy costs	107
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	108
			7.07	Personal computers (hard data)	102
			7.01	Technological readiness	98
			7.04	FDI and technology transfer.....	96
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	122
			8.08	Value chain presence	121
			8.01	Local supplier quantity	110
			8.03	Production process sophistication	93
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	125
			9.08	Capacity for innovation.....	125
			9.02	Company spending on research and development	122
			9.07	Intellectual property protection	121
			9.05	Availability of scientists and engineers	111

Algeria

Key Indicators

Total population (millions), 2005.....	32.9
GDP (US\$ billions), 2005.....	102.0
GDP (PPP) as share of world total, 2005.....	0.39
GDP (PPP) per capita (US\$), 2005.....	7,189

GDP (PPP) per capita (US\$), 1980–2005

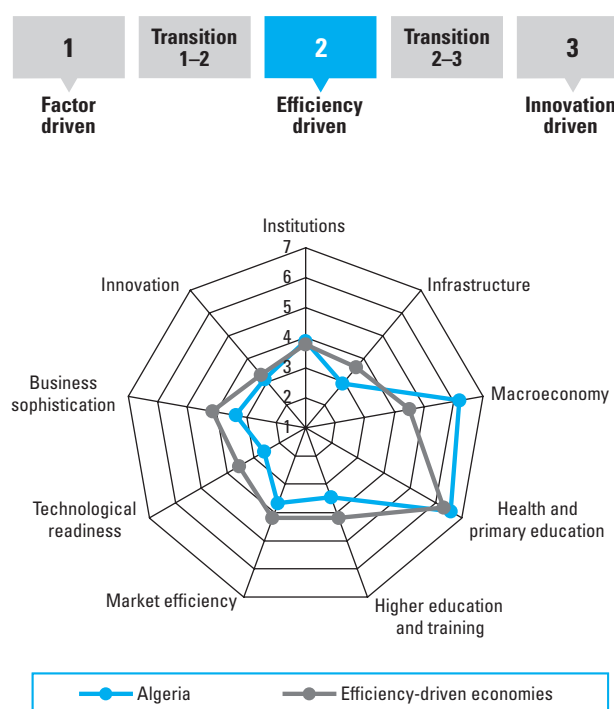


Global Competitiveness Index

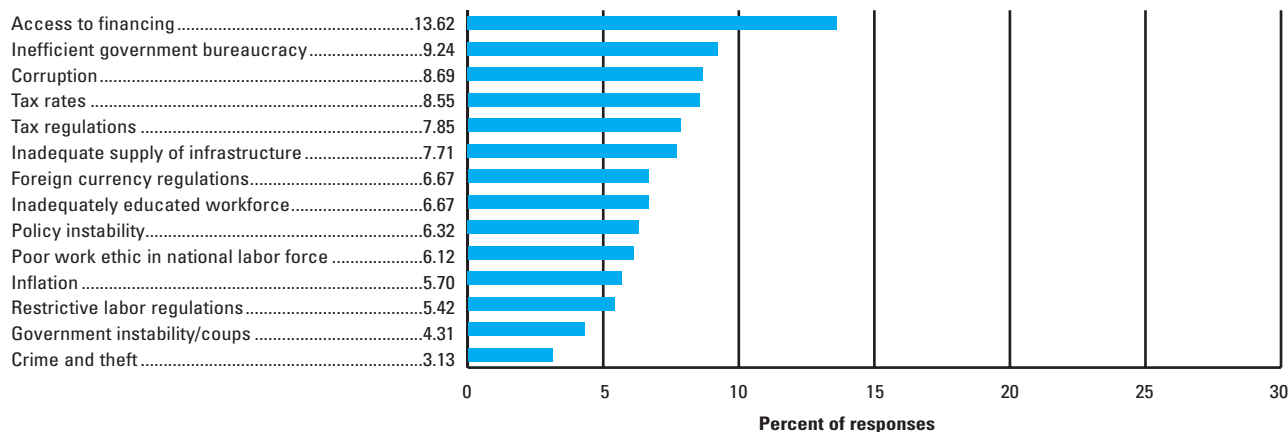
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	76	3.9
2005–06 (out of 117 countries).....	82.....	3.8
Basic Requirements	43	4.9
1st pillar: Institutions.....	58.....	3.9
2nd pillar: Infrastructure.....	78.....	2.9
3rd pillar: Macroeconomy.....	1.....	6.2
4th pillar: Health and primary education.....	45.....	6.6
Efficiency Enhancers	92	3.2
5th pillar: Higher education and training.....	84.....	3.5
6th pillar: Market efficiency.....	96.....	3.7
7th pillar: Technological readiness.....	100.....	2.6
Innovation Factors	90	3.2
8th pillar: Business sophistication.....	103.....	3.4
9th pillar: Innovation.....	76.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	85
Sophistication of company operations and strategy.....	112
Quality of the national business environment.....	82

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

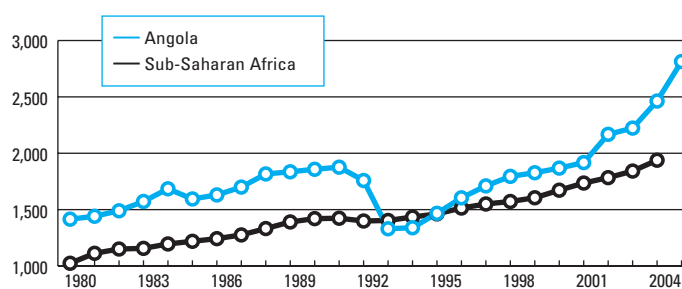
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.05	Favoritism in decisions of government officials.....	24	1.08	Business costs of terrorism	115
1.09	Reliability of police services	33	1.15	Strength of auditing and accounting standards	101
1.06	Wastefulness of government spending	35	1.10	Business costs of crime and violence	80
1.14	Protection of minority shareholders' interests.....	37	1.02	Diversion of public funds	77
1.03	Public trust of politicians	46			
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.02	National savings rate (hard data)	3	2.04	Quality of air transport infrastructure.....	91
3.01	Government surplus/deficit (hard data).....	5	2.06	Telephone lines (hard data)	88
3.06	Real effective exchange rate (hard data)	12	2.01	Overall infrastructure quality	71
3.05	Government debt (hard data)	26			
4th pillar: Health and primary education			4th pillar: Health and primary education		
4.09	Primary enrollment (hard data)	35	4.04	Infant mortality (hard data)	87
6th pillar: Market efficiency			5th pillar: Higher education and training		
6.01	Agricultural policy costs	15	5.06	Local availability of research and training services	100
6.05	Time required to start a business (hard data).....	30	5.07	Extent of staff training	98
6.03	Extent and effect of taxation.....	32	5.03	Quality of the educational system	92
9th pillar: Innovation			5.02	Tertiary enrollment (hard data)	75
9.05	Availability of scientists and engineers	21	5.01	Secondary enrollment (hard data)	73
9.04	Government procurement of technology products.....	35			
			6th pillar: Market efficiency		
			6.19	Financial market sophistication	123
			6.22	Soundness of banks.....	121
			6.21	Venture capital availability	114
			6.20	Ease of access to loans	111
			6.23	Local equity market access.....	111
			6.04	Number of procedures to start business (hard data)	102
			6.17	Brain drain	102
			6.13	Flexibility of wage determination	101
			6.06	Intensity of local competition.....	96
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	110
			7.07	Personal computers (hard data)	105
			7.01	Technological readiness	103
			7.05	Cellular telephones (hard data).....	88
			8th pillar: Business sophistication		
			8.04	Extent of marketing.....	116
			8.08	Value chain presence	115
			8.06	Willingness to delegate authority.....	113
			8.05	Control of international distribution.....	99
			8.02	Local supplier quality	97
			8.07	Nature of competitive advantage.....	97
			8.01	Local supplier quantity	92
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	120
			9.03	University/industry research collaboration	102
			9.02	Company spending on research and development	91
			9.07	Intellectual property protection	72

Angola

Key Indicators

Total population (millions), 2005.....	15.9
GDP (US\$ billions), 2005.....	28.9
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	2,813

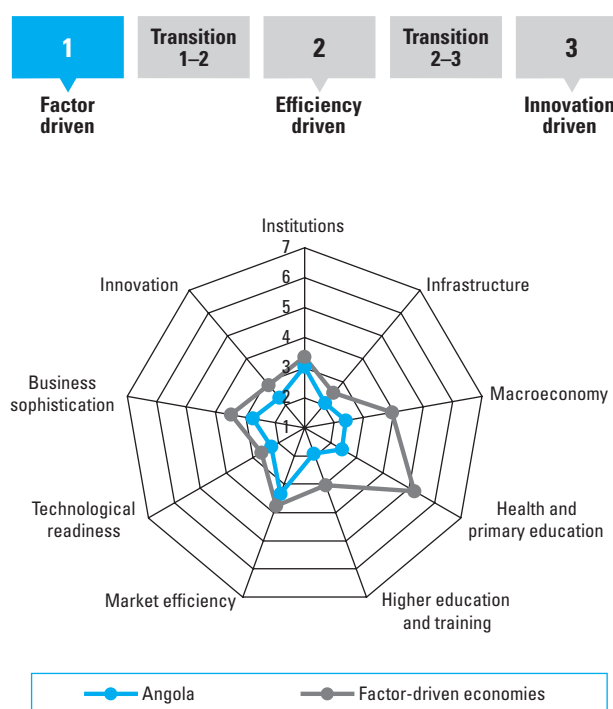
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006-07	125	2.5
2005-06 (out of 117 countries).....	n/a.....	n/a
Basic Requirements	125	2.5
1st pillar: Institutions.....	111.....	3.0
2nd pillar: Infrastructure.....	113.....	2.1
3rd pillar: Macroeconomy.....	123.....	2.4
4th pillar: Health and primary education.....	125.....	2.4
Efficiency Enhancers	123	2.5
5th pillar: Higher education and training.....	125.....	1.9
6th pillar: Market efficiency.....	120.....	3.4
7th pillar: Technological readiness.....	120.....	2.3
Innovation Factors	123	2.5
8th pillar: Business sophistication.....	123.....	2.7
9th pillar: Innovation.....	121.....	2.3

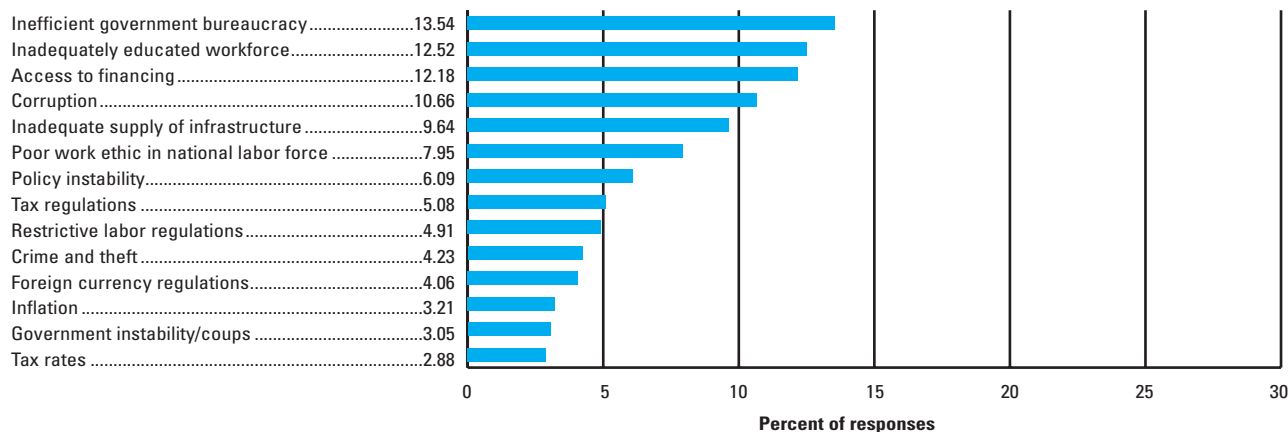
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	n/a
Sophistication of company operations and strategy.....	n/a
Quality of the national business environment.....	n/a

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

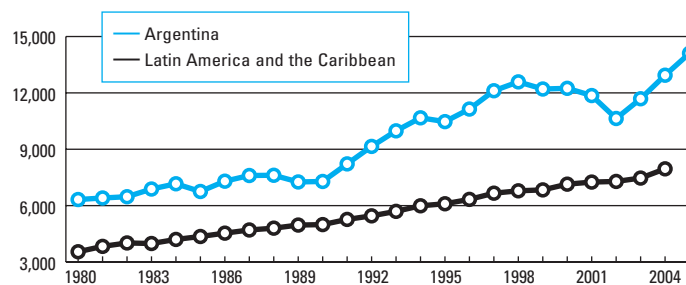
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	18	1.15	Strength of auditing and accounting standards	119
3rd pillar: Macroeconomy			1.10	Business costs of crime and violence	116
3.01	Government surplus/deficit (hard data).....	13	1.07	Burden of government compliance.....	114
6th pillar: Market efficiency			1.01	Property rights.....	108
6.03	Extent and effect of taxation.....	35	1.06	Wastefulness of government spending	102
6.09	Prevalence of trade barriers	37	1.05	Favoritism in decisions of government officials.....	101
6.13	Flexibility of wage determination	39	2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	118
			2.06	Telephone lines (hard data)	113
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data).....	124
			3.06	Real effective exchange rate (hard data)	122
			3.04	Interest rate spread (hard data).....	119
			3.05	Government debt (hard data)	111
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	125
			4.05	Life expectancy at birth (hard data).....	122
			4.09	Primary enrollment (hard data).....	120
			4.07	Malaria prevalence (hard data)	114
			4.08	HIV prevalence (hard data)	108
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	122
			5.02	Tertiary enrollment (hard data)	117
			6th pillar: Market efficiency		
			6.06	Intensity of local competition	124
			6.23	Local equity market access.....	123
			6.10	Foreign ownership restrictions.....	119
			6.19	Financial market sophistication	118
			6.05	Time required to start a business (hard data).....	112
			6.02	Efficiency of legal framework	104
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	122
			7.01	Technological readiness	119
			7.07	Personal computers (hard data)	119
			8th pillar: Business sophistication		
			8.08	Value chain presence	122
			8.05	Control of international distribution.....	119
			8.03	Production process sophistication	109
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	124
			9.08	Capacity for innovation.....	122
			9.01	Quality of scientific research institutions	119
			9.04	Government procurement of technology products.....	114
			9.02	Company spending on research and development	110

Argentina

Key Indicators

Total population (millions), 2005.....	38.7
GDP (US\$ billions), 2005.....	181.7
GDP (PPP) as share of world total, 2005.....	0.87
GDP (PPP) per capita (US\$), 2005.....	14,109

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

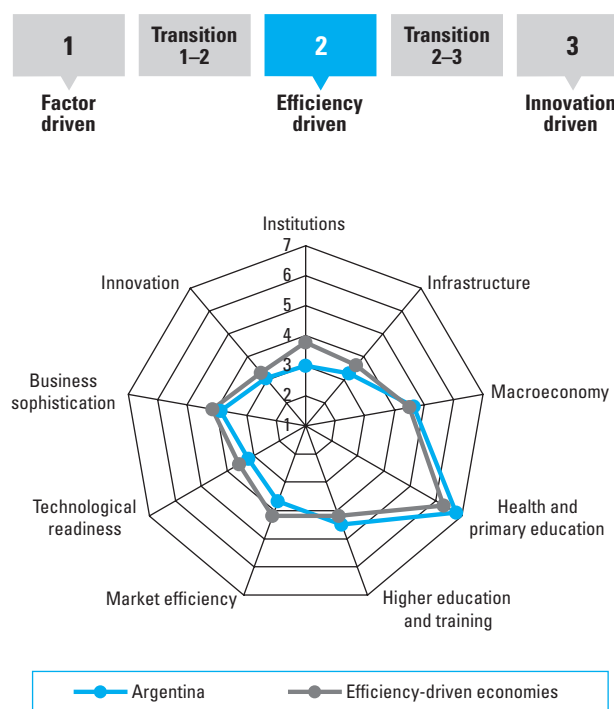
2006–07	69	4.0
2005–06 (out of 117 countries).....	54.....	4.1
Basic Requirements	67	4.4
1st pillar: Institutions.....	112.....	3.0
2nd pillar: Infrastructure	72.....	3.3
3rd pillar: Macroeconomy.....	51.....	4.6
4th pillar: Health and primary education.....	23.....	6.8
Efficiency Enhancers	66	3.8
5th pillar: Higher education and training.....	39.....	4.5
6th pillar: Market efficiency.....	94.....	3.7
7th pillar: Technological readiness	70.....	3.2
Innovation Factors	79	3.4
8th pillar: Business sophistication.....	75.....	3.9
9th pillar: Innovation	83.....	3.0

Rank (out of 121 countries/economies)

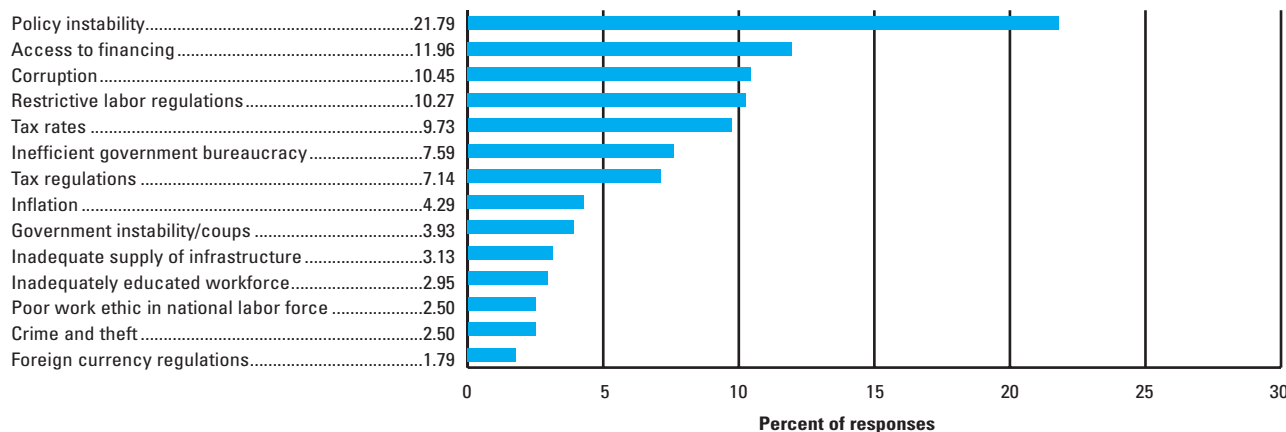
Business Competitiveness Index

Sophistication of company operations and strategy.....	62
Quality of the national business environment.....	79

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

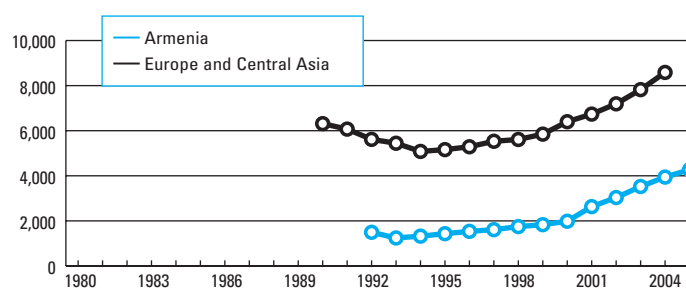
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	2	1.01	Property rights	121
3.04	Interest rate spread (hard data)	12	1.03	Public trust of politicians	115
3.02	National savings rate (hard data)	42	1.04	Judicial independence	115
4th pillar: Health and primary education			1.05	Favoritism in decisions of government officials	115
4.09	Primary enrollment (hard data)	14	1.02	Diversion of public funds	110
4.05	Life expectancy at birth (hard data)	39	1.09	Reliability of police services	109
5th pillar: Higher education and training			1.06	Wastefulness of government spending	106
5.02	Tertiary enrollment (hard data)	21	1.10	Business costs of crime and violence	106
5.01	Secondary enrollment (hard data)	25	1.07	Burden of government compliance	104
5.05	Quality of management schools	29	2nd pillar: Infrastructure		
5.06	Local availability of research and training services	43	2.01	Overall infrastructure quality	68
6th pillar: Market efficiency			3rd pillar: Macroeconomy		
6.15	Reliance on professional management	37	3.03	Inflation (hard data)	102
6.05	Time required to start a business (hard data)	44	3.05	Government debt (hard data)	93
8th pillar: Business sophistication			3.01	Government surplus/deficit (hard data)	77
8.04	Extent of marketing	36	5th pillar: Higher education and training		
9th pillar: Innovation			5.03	Quality of the educational system	99
9.06	Utility patents (hard data)	46	5.04	Quality of math and science education	88
			6th pillar: Market efficiency		
			6.22	Soundness of banks	124
			6.09	Prevalence of trade barriers	121
			6.03	Extent and effect of taxation	119
			6.12	Hiring and firing practices	119
			6.14	Cooperation in labor-employer relations	119
			6.02	Efficiency of legal framework	110
			6.13	Flexibility of wage determination	110
			6.04	Number of procedures to start business (hard data)	107
			6.16	Pay and productivity	104
			6.20	Ease of access to loans	104
			6.06	Intensity of local competition	101
			6.23	Local equity market access	81
			6.01	Agricultural policy costs	72
			6.17	Brain drain	67
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	98
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	120
			8.08	Value chain presence	106
			8.05	Control of international distribution	93
			9th pillar: Innovation		
			9.07	Intellectual property protection	87

Armenia

Key Indicators

Total population (millions), 2005.....	3.0
GDP (US\$ billions), 2005.....	3.8
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	4,270

GDP (PPP) per capita (US\$), 1980–2005

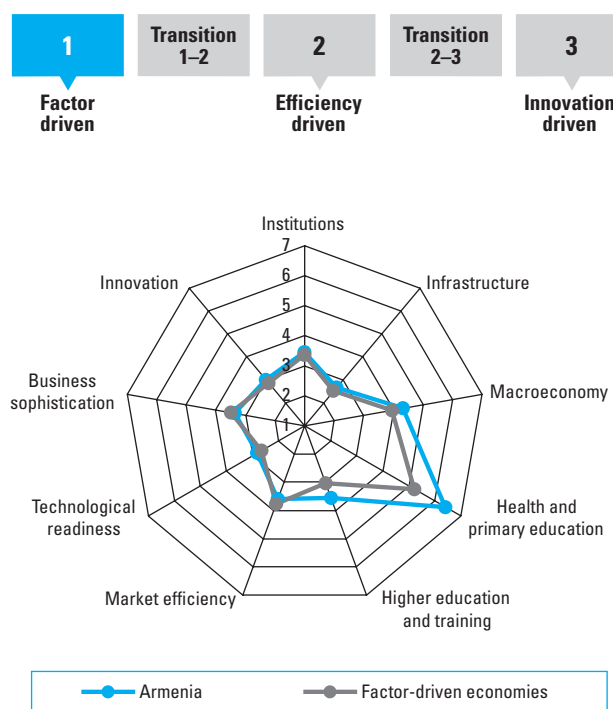


Global Competitiveness Index

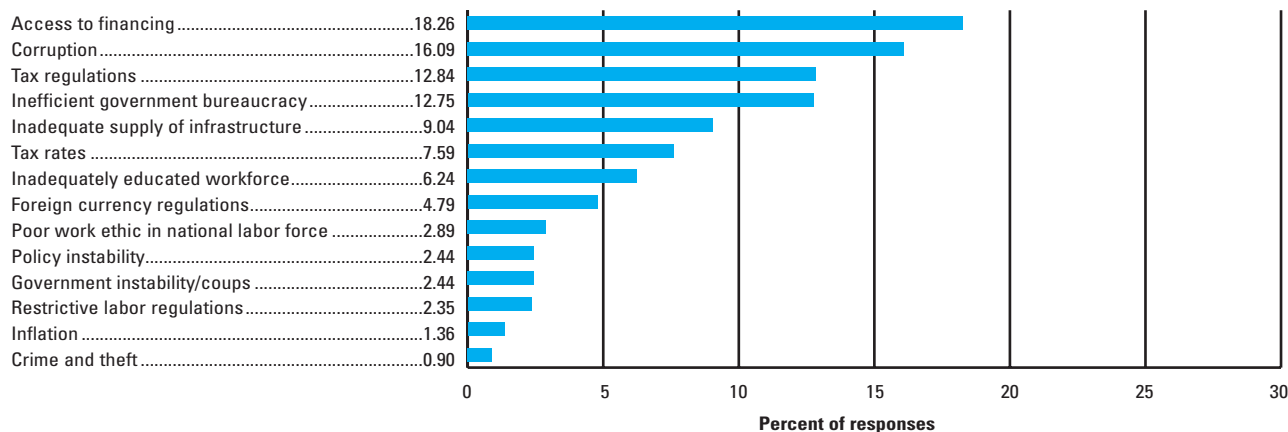
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	82	3.8
2005–06 (out of 117 countries).....	81.....	3.8
Basic Requirements	81	4.2
1st pillar: Institutions.....	84.....	3.4
2nd pillar: Infrastructure.....	92.....	2.7
3rd pillar: Macroeconomy.....	71.....	4.3
4th pillar: Health and primary education.....	62.....	6.4
Efficiency Enhancers	88	3.3
5th pillar: Higher education and training.....	80.....	3.6
6th pillar: Market efficiency.....	104.....	3.6
7th pillar: Technological readiness.....	86.....	2.8
Innovation Factors	93	3.2
8th pillar: Business sophistication.....	104.....	3.3
9th pillar: Innovation.....	84.....	3.0

	Rank (out of 121 countries/economies)
Business Competitiveness Index	94
Sophistication of company operations and strategy.....	101
Quality of the national business environment.....	93

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

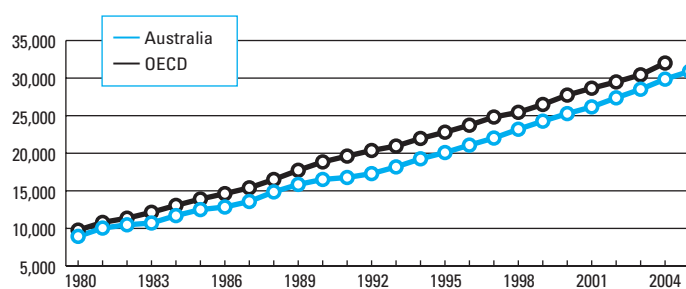
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.10	Business costs of crime and violence	37	1.04	Judicial independence	111
1.11	Organized crime	48	1.05	Favoritism in decisions of government officials	102
3rd pillar: Macroeconomy			1.12	Ethical behavior of firms	99
3.05	Government debt (hard data)	30	1.03	Public trust of politicians	97
5th pillar: Higher education and training			1.02	Diversion of public funds	91
5.01	Secondary enrollment (hard data)	48	1.15	Strength of auditing and accounting standards	90
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.16	Pay and productivity	33	2.01	Overall infrastructure quality	78
6.05	Time required to start a business (hard data)	35	3rd pillar: Macroeconomy		
6.13	Flexibility of wage determination	37	3.04	Interest rate spread (hard data)	105
6.14	Cooperation in labor-employer relations	48	3.01	Government surplus/deficit (hard data)	73
7th pillar: Technological readiness			5th pillar: Higher education and training		
7.02	Firm-level technology absorption	44	5.06	Local availability of research and training services	104
			5.07	Extent of staff training	104
			5.03	Quality of the educational system	88
			5.02	Tertiary enrollment (hard data)	68
			6th pillar: Market efficiency		
			6.20	Ease of access to loans	114
			6.07	Effectiveness of antitrust policy	113
			6.23	Local equity market access	110
			6.06	Intensity of local competition	108
			6.02	Efficiency of legal framework	101
			6.21	Venture capital availability	99
			6.19	Financial market sophistication	98
			6.17	Brain drain	89
			6.22	Soundness of banks	89
			6.10	Foreign ownership restrictions	75
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data)	105
			7.06	Internet users (hard data)	89
			7.01	Technological readiness	87
			7.03	Laws relating to ICT	86
			7.04	FDI and technology transfer	72
			8th pillar: Business sophistication		
			8.02	Local supplier quality	110
			8.01	Local supplier quantity	102
			8.03	Production process sophistication	81
			9th pillar: Innovation		
			9.02	Company spending on research and development	100
			9.07	Intellectual property protection	93
			9.04	Government procurement of technology products	80

Australia

Key Indicators

Total population (millions), 2005.....	20.2
GDP (US\$ billions), 2005.....	708.0
GDP (PPP) as share of world total, 2005.....	1.03
GDP (PPP) per capita (US\$), 2005.....	30,897

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

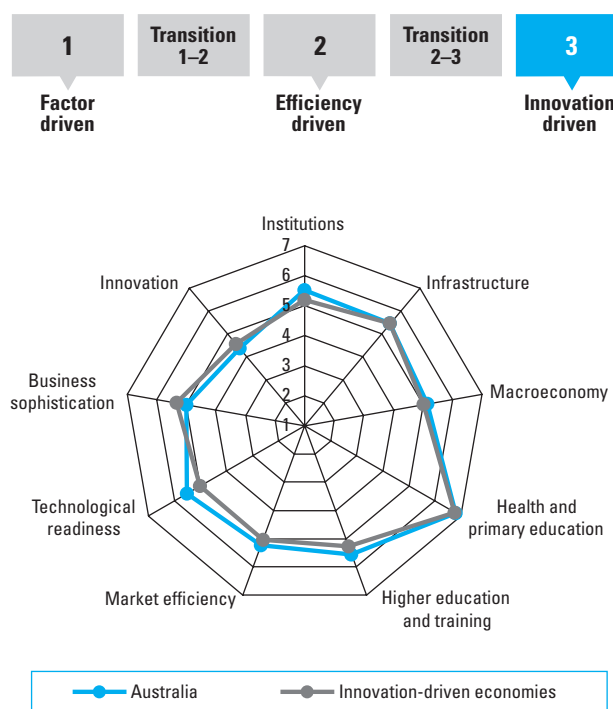
Rank (out of 125 countries/economies) Score (out of 7)

2006-07	19	5.3
2005-06 (out of 117 countries)	18	5.3
Basic Requirements	11	5.7
1st pillar: Institutions.....	11	5.5
2nd pillar: Infrastructure	18	5.4
3rd pillar: Macroeconomy.....	23	5.1
4th pillar: Health and primary education.....	21	6.8
Efficiency Enhancers	10	5.4
5th pillar: Higher education and training.....	14	5.6
6th pillar: Market efficiency.....	11	5.2
7th pillar: Technological readiness	7	5.5
Innovation Factors	24	4.7
8th pillar: Business sophistication.....	28	5.0
9th pillar: Innovation	24	4.3

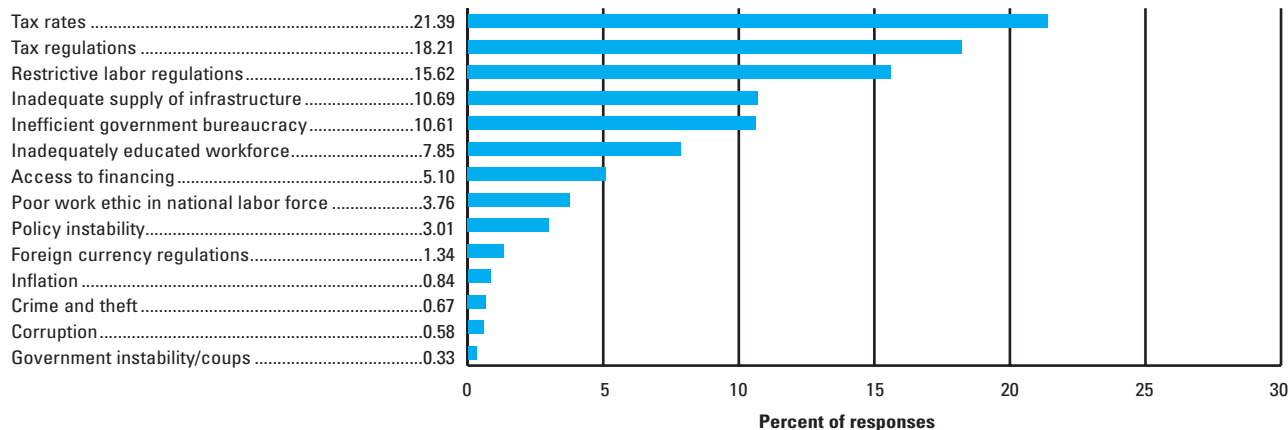
Rank (out of 121 countries/economies)

Business Competitiveness Index	18
Sophistication of company operations and strategy.....	23
Quality of the national business environment.....	15

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

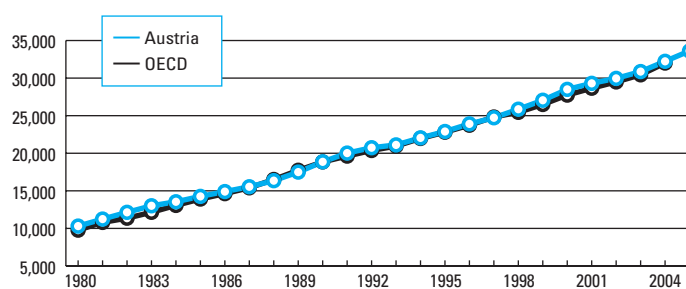
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.13 Efficacy of corporate boards	3	1.08 Business costs of terrorism	78
1.04 Judicial independence	6	1.07 Burden of government compliance	54
1.14 Protection of minority shareholders' interests	8	1.11 Organized crime	23
1.15 Strength of auditing and accounting standards	8		
1.12 Ethical behavior of firms	9	2nd pillar: Infrastructure	
1.01 Property rights	10	2.03 Quality of port infrastructure	28
1.02 Diversion of public funds	11	2.02 Railroad infrastructure development	22
1.06 Wastefulness of government spending	11		
1.09 Reliability of police services	12	3rd pillar: Macroeconomy	
2nd pillar: Infrastructure		3.06 Real effective exchange rate (hard data)	108
2.06 Telephone lines (hard data)	10	3.04 Interest rate spread (hard data)	58
2.04 Quality of air transport infrastructure	15		
3rd pillar: Macroeconomy		5th pillar: Higher education and training	
3.05 Government debt (hard data)	8	5.04 Quality of math and science education	29
		5.07 Extent of staff training	20
5th pillar: Higher education and training		6th pillar: Market efficiency	
5.02 Tertiary enrollment (hard data)	12	6.13 Flexibility of wage determination	95
5.03 Quality of the educational system	12	6.03 Extent and effect of taxation	80
5.06 Local availability of research and training services	16	6.12 Hiring and firing practices	71
5.05 Quality of management schools	17	6.14 Cooperation in labor-employer relations	50
6th pillar: Market efficiency		6.17 Brain drain	32
6.04 Number of procedures to start business (hard data)	1	6.16 Pay and productivity	30
6.05 Time required to start a business (hard data)	1	6.10 Foreign ownership restrictions	22
6.07 Effectiveness of antitrust policy	5		
6.22 Soundness of banks	8	7th pillar: Technological readiness	
6.23 Local equity market access	8	7.05 Cellular telephones (hard data)	29
6.15 Reliance on professional management	10	7.04 FDI and technology transfer	22
6.19 Financial market sophistication	10		
6.02 Efficiency of legal framework	11	8th pillar: Business sophistication	
6.06 Intensity of local competition	12	8.08 Value chain presence	99
6.21 Venture capital availability	15	8.07 Nature of competitive advantage	40
6.09 Prevalence of trade barriers	17	8.05 Control of international distribution	36
7th pillar: Technological readiness		8.01 Local supplier quantity	31
7.06 Internet users (hard data)	5	8.03 Production process sophistication	21
7.07 Personal computers (hard data)	6		
7.03 Laws relating to ICT	15	9th pillar: Innovation	
8th pillar: Business sophistication		9.05 Availability of scientists and engineers	35
8.04 Extent of marketing	10	9.08 Capacity for innovation	35
8.06 Willingness to delegate authority	14	9.04 Government procurement of technology products	30
9th pillar: Innovation		9.02 Company spending on research and development	28
9.07 Intellectual property protection	10	9.03 University/industry research collaboration	25
9.01 Quality of scientific research institutions	16	9.06 Utility patents (hard data)	21

Austria

Key Indicators

Total population (millions), 2005.....	8.2
GDP (US\$ billions), 2005.....	307.0
GDP (PPP) as share of world total, 2005.....	0.45
GDP (PPP) per capita (US\$), 2005.....	33,615

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

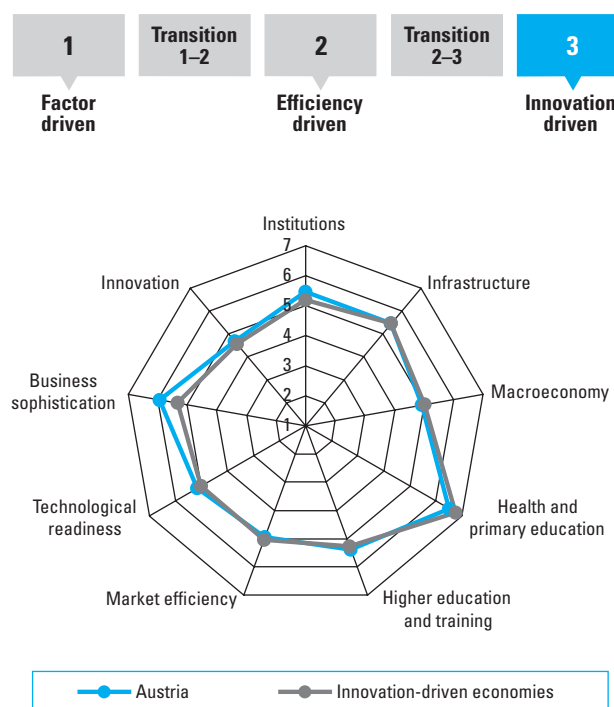
2006-07	17	5.3
2005-06 (out of 117 countries)	15	5.3
Basic Requirements	18	5.6
1st pillar: Institutions.....	13	5.5
2nd pillar: Infrastructure	17	5.4
3rd pillar: Macroeconomy.....	36	4.9
4th pillar: Health and primary education.....	49	6.5
Efficiency Enhancers	20	5.2
5th pillar: Higher education and training.....	19	5.4
6th pillar: Market efficiency.....	26	4.9
7th pillar: Technological readiness	21	5.2
Innovation Factors	12	5.3
8th pillar: Business sophistication.....	4	5.9
9th pillar: Innovation	17	4.7

Rank (out of 121 countries/economies)

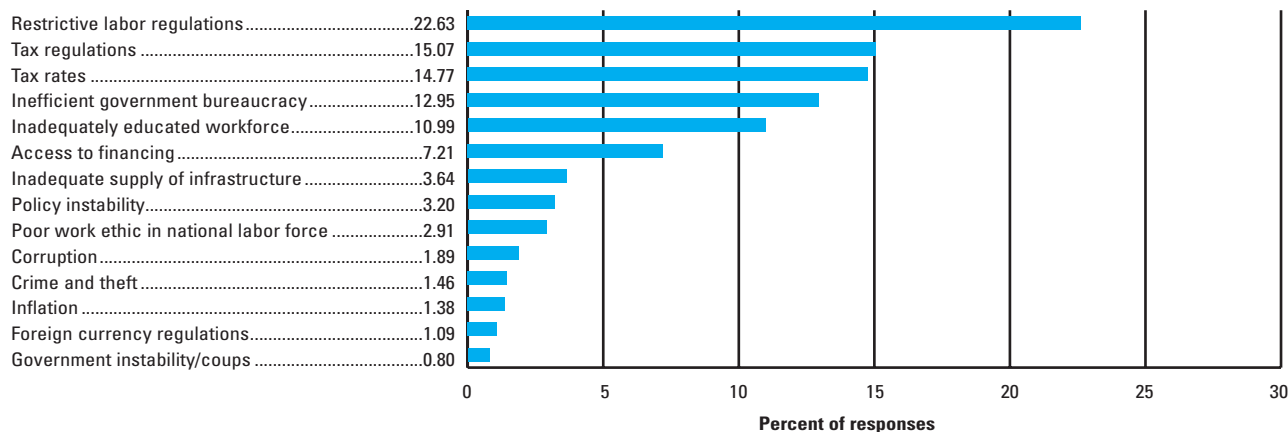
Business Competitiveness Index

Sophistication of company operations and strategy.....	10
Quality of the national business environment.....	14

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

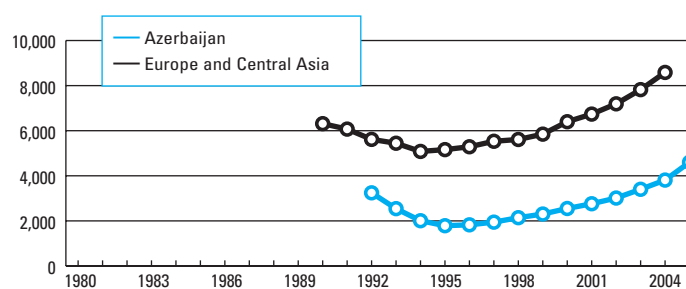
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.10 Business costs of crime and violence	6	1.07 Burden of government compliance.....	28
1.11 Organized crime	6	1.06 Wastefulness of government spending	22
1.01 Property rights.....	7	1.05 Favoritism in decisions of government officials.....	20
1.09 Reliability of police services	8		
1.14 Protection of minority shareholders' interests.....	10	2nd pillar: Infrastructure	
1.02 Diversion of public funds	12	2.04 Quality of air transport infrastructure.....	27
1.13 Efficacy of corporate boards	12	2.06 Telephone lines (hard data)	23
1.04 Judicial independence.....	15		
1.12 Ethical behavior of firms	15	3rd pillar: Macroeconomy	
1.15 Strength of auditing and accounting standards	16	3.05 Government debt (hard data)	74
		3.06 Real effective exchange rate (hard data)	72
2nd pillar: Infrastructure		3.01 Government surplus/deficit (hard data).....	63
2.01 Overall infrastructure quality	9		
2.02 Railroad infrastructure development.....	16	5th pillar: Higher education and training	
		5.02 Tertiary enrollment (hard data)	32
3rd pillar: Macroeconomy		5.05 Quality of management schools	31
3.04 Interest rate spread (hard data).....	4	5.04 Quality of math and science education.....	27
5th pillar: Higher education and training		6th pillar: Market efficiency	
5.07 Extent of staff training	5	6.13 Flexibility of wage determination	125
5.03 Quality of the educational system	13	6.12 Hiring and firing practices	84
5.06 Local availability of research and training services	14	6.16 Pay and productivity.....	67
		6.04 Number of procedures to start business (hard data)	44
6th pillar: Market efficiency		6.05 Time required to start a business (hard data).....	39
6.14 Cooperation in labor-employer relations.....	7	6.03 Extent and effect of taxation.....	34
6.02 Efficiency of legal framework	9	6.20 Ease of access to loans	33
6.09 Prevalence of trade barriers	10	6.01 Agricultural policy costs	27
6.07 Effectiveness of antitrust policy.....	12	6.21 Venture capital availability	25
6.23 Local equity market access.....	14	6.19 Financial market sophistication	23
6.22 Soundness of banks.....	15	6.17 Brain drain	19
7th pillar: Technological readiness		7th pillar: Technological readiness	
7.03 Laws relating to ICT	7	7.04 FDI and technology transfer.....	87
7.05 Cellular telephones (hard data).....	14	7.01 Technological readiness	25
7.07 Personal computers (hard data)	14	7.06 Internet users (hard data).....	23
8th pillar: Business sophistication		9th pillar: Innovation	
8.01 Local supplier quantity	4	9.05 Availability of scientists and engineers	29
8.02 Local supplier quality.....	4	9.01 Quality of scientific research institutions	23
8.08 Value chain presence	4	9.04 Government procurement of technology products.....	22
8.07 Nature of competitive advantage.....	7	9.03 University/industry research collaboration	20
8.03 Production process sophistication	8	9.02 Company spending on research and development	18
8.06 Willingness to delegate authority.....	11		
9th pillar: Innovation			
9.08 Capacity for innovation.....	10		
9.06 Utility patents (hard data)	16		

Azerbaijan

Key Indicators

Total population (millions), 2005.....	8.4
GDP (US\$ billions), 2005.....	12.6
GDP (PPP) as share of world total, 2005.....	0.06
GDP (PPP) per capita (US\$), 2005.....	4,601

GDP (PPP) per capita (US\$), 1980–2005

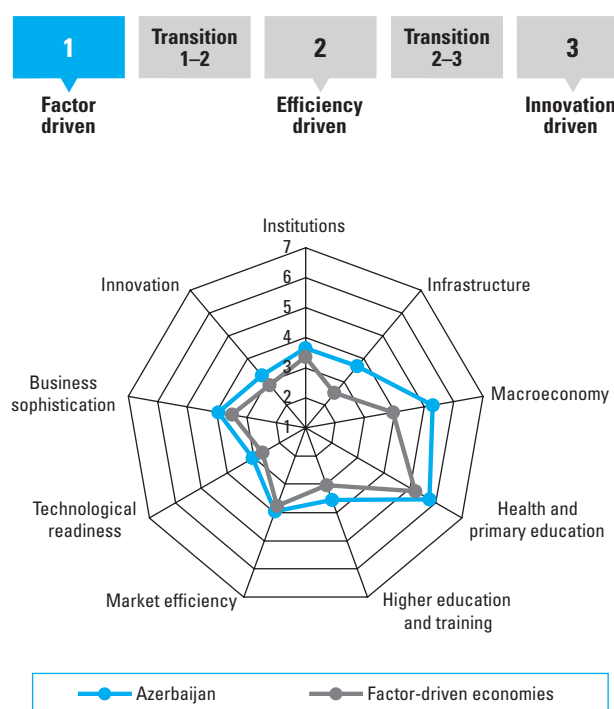


Global Competitiveness Index

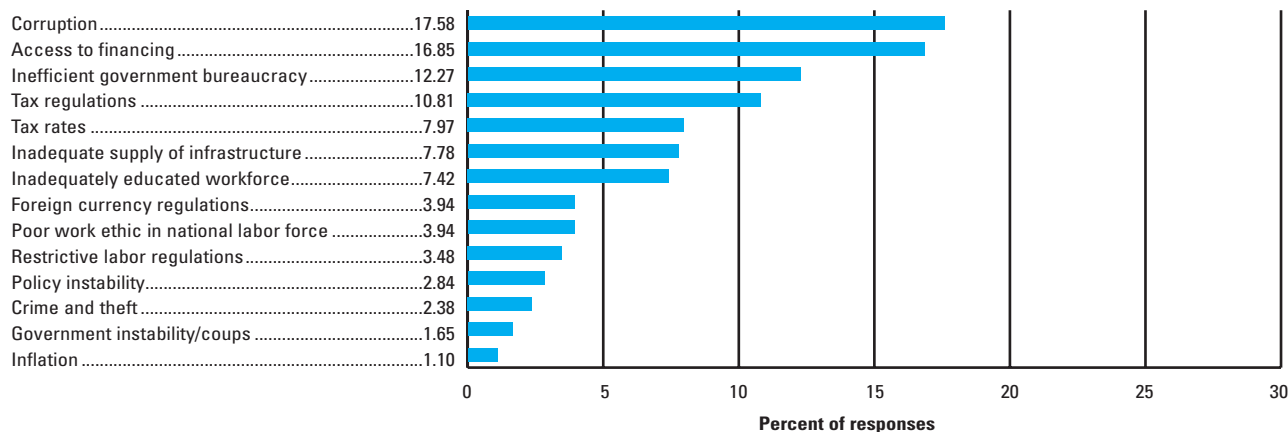
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	64	4.1
2005–06 (out of 117 countries).....	62.....	4.0
Basic Requirements	56	4.6
1st pillar: Institutions.....	72.....	3.6
2nd pillar: Infrastructure.....	56.....	3.7
3rd pillar: Macroeconomy.....	17.....	5.3
4th pillar: Health and primary education.....	96.....	5.8
Efficiency Enhancers	78	3.5
5th pillar: Higher education and training.....	82.....	3.6
6th pillar: Market efficiency.....	81.....	4.0
7th pillar: Technological readiness.....	76.....	3.0
Innovation Factors	70	3.6
8th pillar: Business sophistication.....	70.....	3.9
9th pillar: Innovation.....	63.....	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	77
Sophistication of company operations and strategy.....	66
Quality of the national business environment.....	78

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

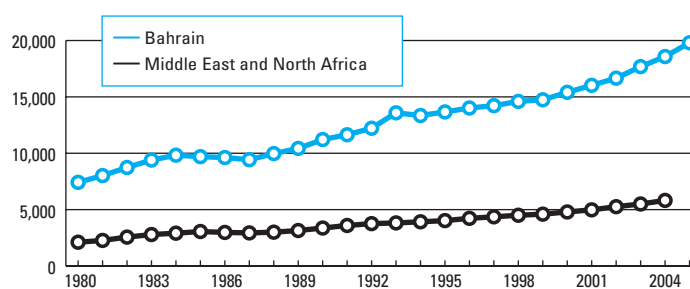
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.10	Business costs of crime and violence	26	1.01	Property rights.....	98
1.07	Burden of government compliance.....	36	1.04	Judicial independence.....	95
2nd pillar: Infrastructure			1.15	Strength of auditing and accounting standards	93
2.02	Railroad infrastructure development.....	34	1.05	Favoritism in decisions of government officials.....	73
2.04	Quality of air transport infrastructure.....	43	1.02	Diversion of public funds	72
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.05	Government debt (hard data)	12	2.05	Quality of electricity supply.....	80
3.02	National savings rate (hard data)	14	3rd pillar: Macroeconomy		
3.01	Government surplus/deficit (hard data).....	17	3.03	Inflation (hard data).....	104
3.06	Real effective exchange rate (hard data)	17	3.04	Interest rate spread (hard data).....	88
6th pillar: Market efficiency			4th pillar: Health and primary education		
6.12	Hiring and firing practices	5	4.04	Infant mortality (hard data)	102
6.16	Pay and productivity	38	4.09	Primary enrollment (hard data)	97
6.13	Flexibility of wage determination	40	4.05	Life expectancy at birth (hard data).....	89
6.03	Extent and effect of taxation.....	41	5th pillar: Higher education and training		
8th pillar: Business sophistication			5.07	Extent of staff training	94
8.05	Control of international distribution.....	45	5.02	Tertiary enrollment (hard data)	88
9th pillar: Innovation			5.03	Quality of the educational system	86
9.04	Government procurement of technology products.....	41	5.04	Quality of math and science education.....	69
9.08	Capacity for innovation.....	41	5.06	Local availability of research and training services	68
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	111
			6.05	Time required to start a business (hard data).....	110
			6.06	Intensity of local competition	106
			6.04	Number of procedures to start business (hard data)	102
			6.22	Soundness of banks.....	98
			6.23	Local equity market access.....	97
			6.02	Efficiency of legal framework	90
			6.17	Brain drain	85
			6.20	Ease of access to loans	79
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	92
			7.06	Internet users (hard data)	86
			7.05	Cellular telephones (hard data).....	85
			7.01	Technological readiness	73
			7.04	FDI and technology transfer.....	71
			7.02	Firm-level technology absorption	62
			8th pillar: Business sophistication		
			8.08	Value chain presence	78
			8.02	Local supplier quality.....	77
			8.07	Nature of competitive advantage.....	72
			9th pillar: Innovation		
			9.07	Intellectual property protection	89

Bahrain

Key Indicators

Total population (millions), 2005.....	0.7
GDP (US\$ billions), 2005.....	12.9
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	19,799

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

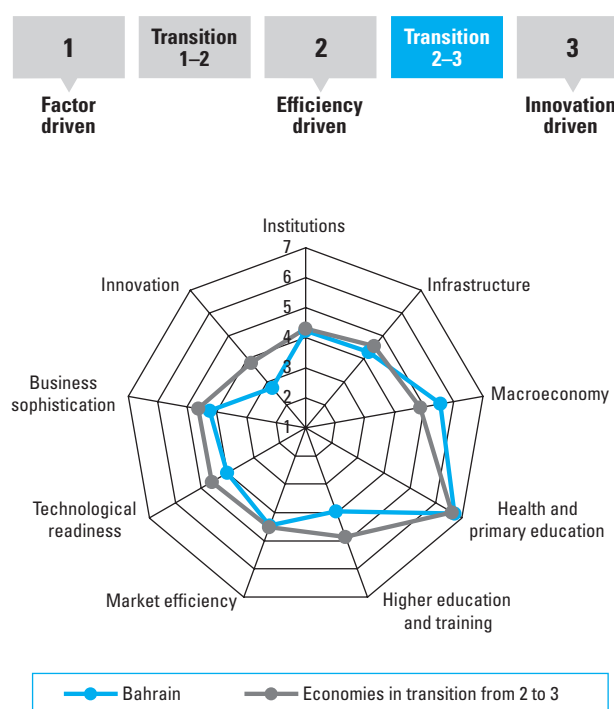
2006–07	49	4.3
2005–06 (out of 117 countries).....	50.....	4.2
Basic Requirements	35	5.2
1st pillar: Institutions.....	45.....	4.2
2nd pillar: Infrastructure	40.....	4.3
3rd pillar: Macroeconomy.....	11.....	5.5
4th pillar: Health and primary education.....	30.....	6.7
Efficiency Enhancers	49	4.1
5th pillar: Higher education and training.....	64.....	4.0
6th pillar: Market efficiency.....	39.....	4.5
7th pillar: Technological readiness	41.....	4.0
Innovation Factors	77	3.5
8th pillar: Business sophistication.....	55.....	4.2
9th pillar: Innovation	101.....	2.7

Rank (out of 121 countries/economies)

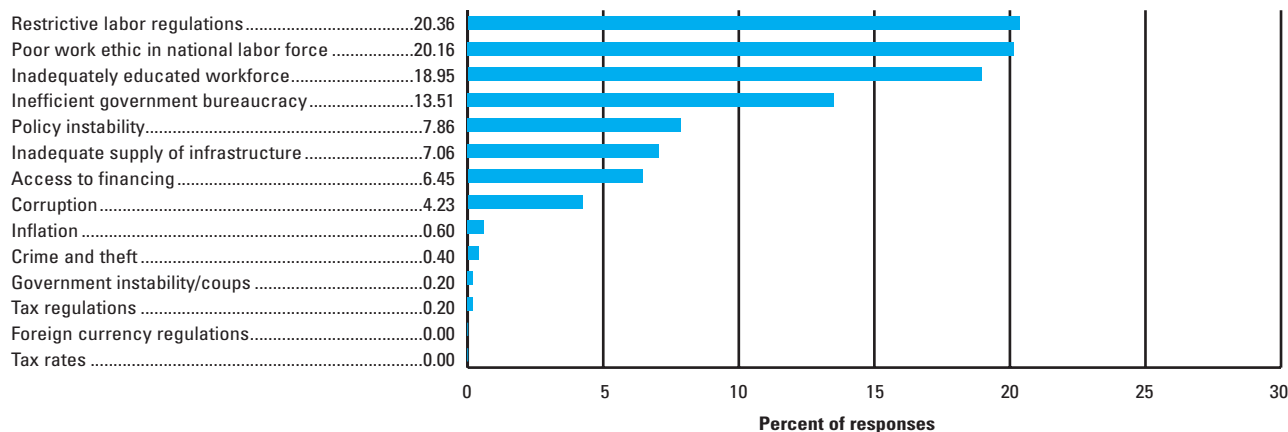
Business Competitiveness Index

Sophistication of company operations and strategy.....	64
Quality of the national business environment.....	50

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

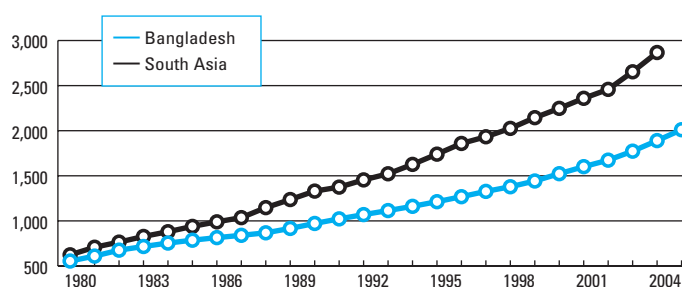
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.15	Strength of auditing and accounting standards	28	1.08	Business costs of terrorism	99
1.06	Wastefulness of government spending	30	1.04	Judicial independence	74
1.07	Burden of government compliance	32	1.13	Efficacy of corporate boards	73
1.14	Protection of minority shareholders' interests	39	1.05	Favoritism in decisions of government officials	54
1.12	Ethical behavior of firms	41	1.09	Reliability of police services	54
1.02	Diversion of public funds	44			
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.03	Quality of port infrastructure	26	2.02	Railroad infrastructure development	92
2.01	Overall infrastructure quality	31			
2.05	Quality of electricity supply	41	3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	77
3rd pillar: Macroeconomy					
3.01	Government surplus/deficit (hard data)	8	5th pillar: Higher education and training		
3.06	Real effective exchange rate (hard data)	22	5.06	Local availability of research and training services	96
3.02	National savings rate (hard data)	24	5.04	Quality of math and science education	86
			5.03	Quality of the educational system	79
4th pillar: Health and primary education			5.05	Quality of management schools	77
4.09	Primary enrollment (hard data)	33	5.07	Extent of staff training	59
			5.02	Tertiary enrollment (hard data)	56
5th pillar: Higher education and training					
5.01	Secondary enrollment (hard data)	26	6th pillar: Market efficiency		
			6.12	Hiring and firing practices	105
6th pillar: Market efficiency			6.14	Cooperation in labor-employer relations	86
6.03	Extent and effect of taxation	1	6.16	Pay and productivity	73
6.09	Prevalence of trade barriers	15	6.02	Efficiency of legal framework	71
6.01	Agricultural policy costs	20	6.07	Effectiveness of antitrust policy	69
6.17	Brain drain	23	6.10	Foreign ownership restrictions	68
6.23	Local equity market access	25	6.21	Venture capital availability	56
6.22	Soundness of banks	28	6.06	Intensity of local competition	54
6.13	Flexibility of wage determination	29			
6.19	Financial market sophistication	30	7th pillar: Technological readiness		
			7.04	FDI and technology transfer	68
7th pillar: Technological readiness			7.02	Firm-level technology absorption	52
7.05	Cellular telephones (hard data)	20	7.03	Laws relating to ICT	51
7.01	Technological readiness	39			
7.06	Internet users (hard data)	47	8th pillar: Business sophistication		
			8.08	Value chain presence	75
8th pillar: Business sophistication			8.07	Nature of competitive advantage	69
8.01	Local supplier quantity	39	8.04	Extent of marketing	65
			8.02	Local supplier quality	57
9th pillar: Innovation					
9.07	Intellectual property protection	46	9th pillar: Innovation		
			9.03	University/industry research collaboration	121
			9.08	Capacity for innovation	119
			9.01	Quality of scientific research institutions	117
			9.02	Company spending on research and development	116
			9.05	Availability of scientists and engineers	96
			9.04	Government procurement of technology products	59

Bangladesh

Key Indicators

Total population (millions), 2005.....	141.8
GDP (US\$ billions), 2005.....	61.2
GDP (PPP) as share of world total, 2005.....	0.50
GDP (PPP) per capita (US\$), 2005.....	2,011

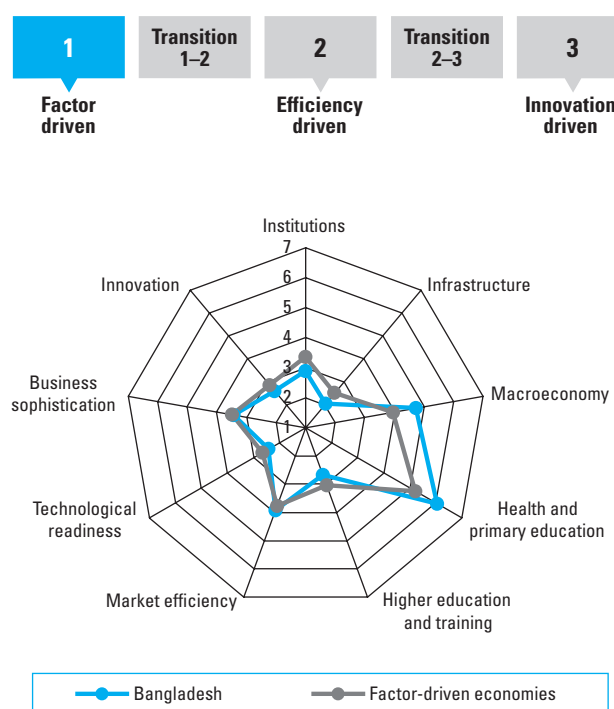
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	99	3.5
2005–06 (out of 117 countries).....	98.....	3.5
Basic Requirements	96	3.9
1st pillar: Institutions.....	121.....	2.9
2nd pillar: Infrastructure.....	117.....	2.0
3rd pillar: Macroeconomy.....	47.....	4.7
4th pillar: Health and primary education.....	90.....	6.0
Efficiency Enhancers	108	3.0
5th pillar: Higher education and training.....	108.....	2.7
6th pillar: Market efficiency.....	83.....	3.9
7th pillar: Technological readiness.....	114.....	2.4
Innovation Factors	104	3.0
8th pillar: Business sophistication.....	96.....	3.4
9th pillar: Innovation.....	109.....	2.6

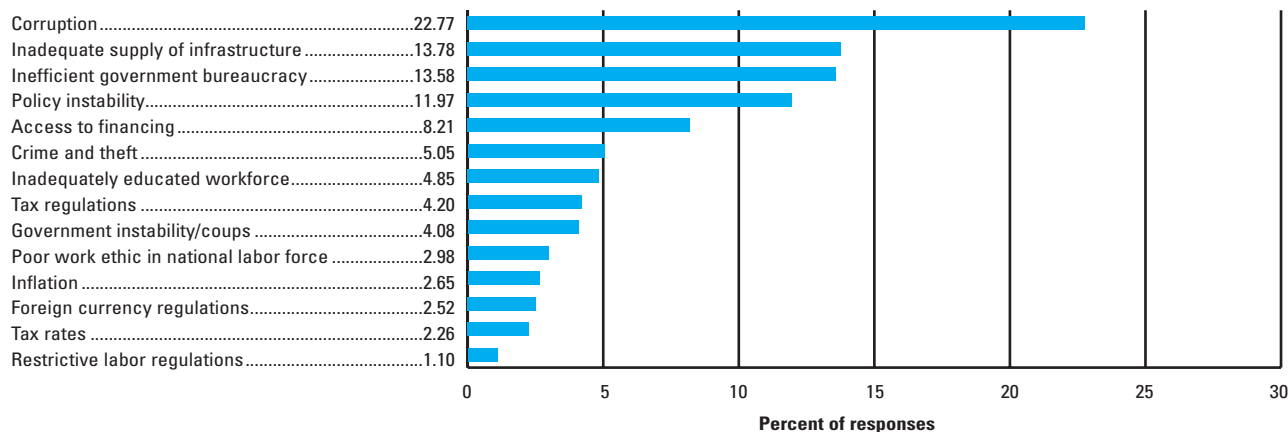
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	108
Sophistication of company operations and strategy.....	105
Quality of the national business environment.....	110

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

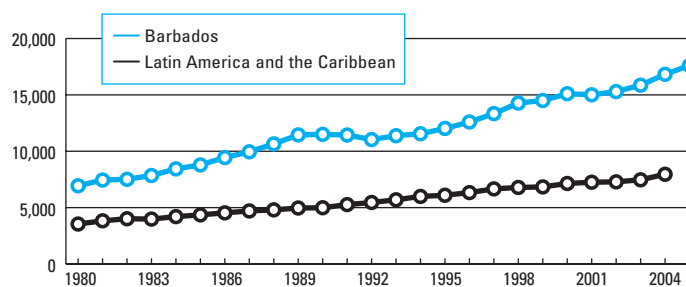
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	14	1.03	Public trust of politicians	123
3.05	Government debt (hard data)	16	1.12	Ethical behavior of firms	122
3.02	National savings rate (hard data)	33	1.05	Favoritism in decisions of government officials	119
6th pillar: Market efficiency			1.09	Reliability of police services	119
6.12	Hiring and firing practices	25	1.08	Business costs of terrorism	114
6.04	Number of procedures to start business (hard data)	31	1.02	Diversion of public funds	113
6.01	Agricultural policy costs	40	1.11	Organized crime	109
6.10	Foreign ownership restrictions	42	1.13	Efficacy of corporate boards	107
6.13	Flexibility of wage determination	43	1.07	Burden of government compliance	106
6.03	Extent and effect of taxation	48	1.15	Strength of auditing and accounting standards	104
6.23	Local equity market access	50	1.04	Judicial independence	102
			1.06	Wastefulness of government spending	99
			2nd pillar: Infrastructure		
			2.05	Quality of electricity supply	121
			2.04	Quality of air transport infrastructure	120
			2.06	Telephone lines (hard data)	115
			2.01	Overall infrastructure quality	103
			3rd pillar: Macroeconomy		
			3.01	Government surplus/deficit (hard data)	85
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	105
			4.07	Malaria prevalence (hard data)	82
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	120
			5.07	Extent of staff training	116
			5.02	Tertiary enrollment (hard data)	100
			6th pillar: Market efficiency		
			6.07	Effectiveness of antitrust policy	117
			6.21	Venture capital availability	112
			6.22	Soundness of banks	105
			6.02	Efficiency of legal framework	102
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	122
			7.05	Cellular telephones (hard data)	119
			7.01	Technological readiness	105
			7.07	Personal computers (hard data)	101
			7.02	Firm-level technology absorption	91
			7.04	FDI and technology transfer	90
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	121
			8.03	Production process sophistication	118
			9th pillar: Innovation		
			9.07	Intellectual property protection	119
			9.08	Capacity for innovation	118
			9.02	Company spending on research and development	113
			9.03	University/industry research collaboration	113
			9.04	Government procurement of technology products	105

Barbados

Key Indicators

Total population (millions), 2005.....	0.3
GDP (US\$ billions), 2005.....	3.2
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	17,610

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–07314.7

2005–06 (out of 117 countries).....n/a.....n/a

Basic Requirements32.....5.2

1st pillar: Institutions.....23.....4.9

2nd pillar: Infrastructure28.....4.8

3rd pillar: Macroeconomy.....61.....4.5

4th pillar: Health and primary education.....28.....6.7

Efficiency Enhancers.....29.....4.6

5th pillar: Higher education and training.....24.....5.2

6th pillar: Market efficiency.....49.....4.3

7th pillar: Technological readiness34.....4.2

Innovation Factors54.....3.8

8th pillar: Business sophistication.....58.....4.2

9th pillar: Innovation49.....3.4

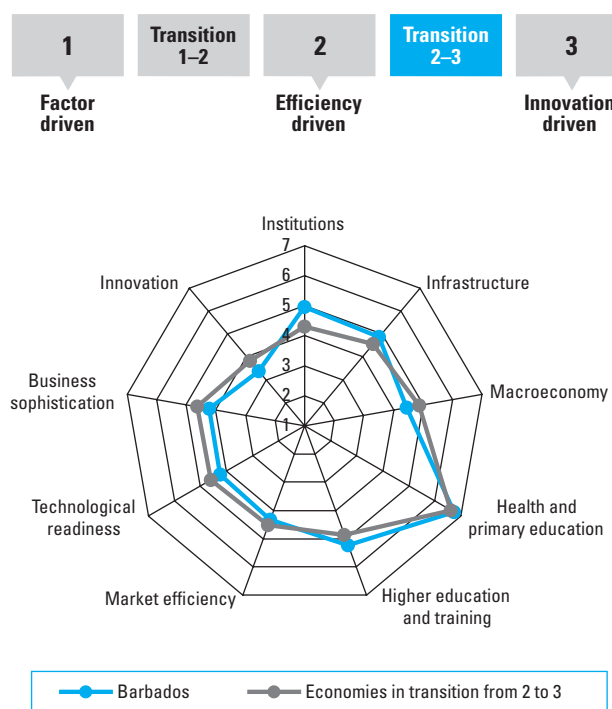
Rank (out of 121 countries/economies)

Business Competitiveness Index42

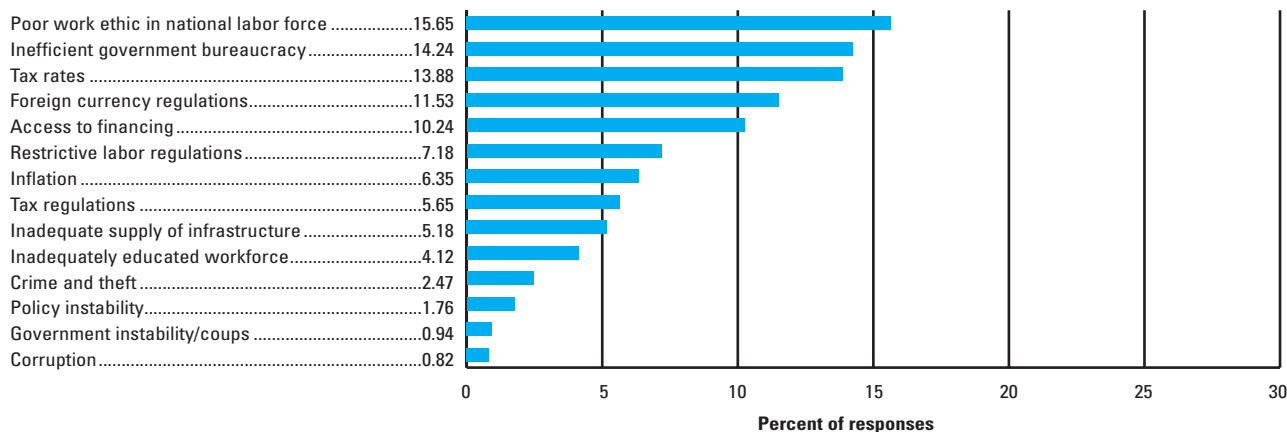
Sophistication of company operations and strategy.....60

Quality of the national business environment.....41

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

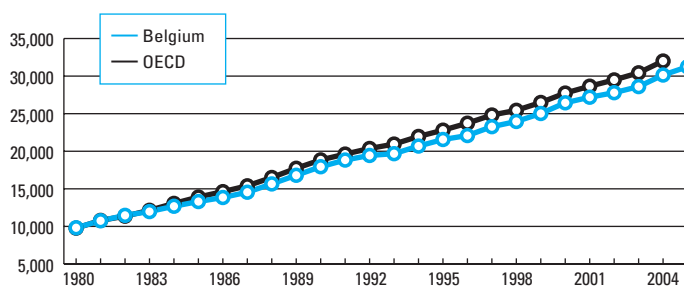
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence	16	1.13	Efficacy of corporate boards	46
1.03	Public trust of politicians	18	1.05	Favoritism in decisions of government officials.....	32
1.02	Diversion of public funds	19			
1.06	Wastefulness of government spending.....	19	3rd pillar: Macroeconomy		
1.11	Organized crime	20	3.02	National savings rate (hard data)	117
1.12	Ethical behavior of firms	23	3.05	Government debt (hard data)	81
1.15	Strength of auditing and accounting standards	26			
1.09	Reliability of police services	28	4th pillar: Health and primary education		
			4.08	HIV prevalence (hard data)	97
2nd pillar: Infrastructure					
2.04	Quality of air transport infrastructure	12	5th pillar: Higher education and training		
2.06	Telephone lines (hard data)	18	5.06	Local availability of research and training services	77
2.03	Quality of port infrastructure	22	5.07	Extent of staff training	49
2.05	Quality of electricity supply	22			
2.01	Overall infrastructure quality	24	6th pillar: Market efficiency		
			6.06	Intensity of local competition	82
4th pillar: Health and primary education			6.09	Prevalence of trade barriers	77
4.06	Tuberculosis prevalence (hard data)	26	6.13	Flexibility of wage determination	76
4.09	Primary enrollment (hard data).....	29	6.19	Financial market sophistication	63
			6.12	Hiring and firing practices	60
5th pillar: Higher education and training			6.21	Venture capital availability	52
5.01	Secondary enrollment (hard data)	10	6.20	Ease of access to loans	50
5.03	Quality of the educational system	16	6.23	Local equity market access.....	47
5.04	Quality of math and science education.....	19	6.14	Cooperation in labor-employer relations.....	44
			6.03	Extent and effect of taxation.....	43
6th pillar: Market efficiency			6.10	Foreign ownership restrictions.....	34
6.02	Efficiency of legal framework	20			
6.01	Agricultural policy costs	22	7th pillar: Technological readiness		
6.22	Soundness of banks.....	22	7.04	FDI and technology transfer.....	76
			7.02	Firm-level technology absorption	58
7th pillar: Technological readiness			7.03	Laws relating to ICT	50
7.06	Internet users (hard data)	13	7.07	Personal computers (hard data)	48
			7.01	Technological readiness	34
8th pillar: Business sophistication			8th pillar: Business sophistication		
8.07	Nature of competitive advantage	22	8.03	Production process sophistication	66
			8.04	Extent of marketing.....	58
			8.05	Control of international distribution.....	58
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	86
			9.03	University/industry research collaboration	74
			9.05	Availability of scientists and engineers	59
			9.02	Company spending on research and development	58
			9.01	Quality of scientific research institutions	50
			9.04	Government procurement of technology products.....	43
			9.07	Intellectual property protection	36

Belgium

Key Indicators

Total population (millions), 2005.....	10.4
GDP (US\$ billions), 2005.....	372.1
GDP (PPP) as share of world total, 2005.....	0.53
GDP (PPP) per capita (US\$), 2005.....	31,244

GDP (PPP) per capita (US\$), 1980–2005

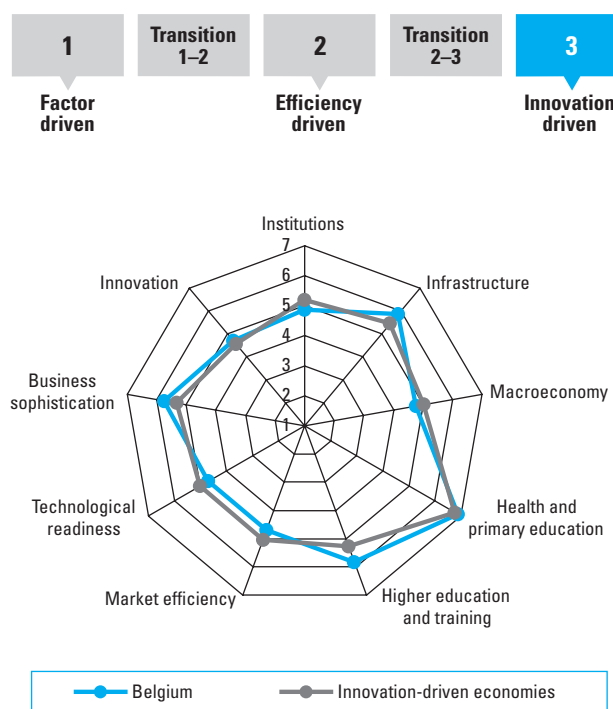


Global Competitiveness Index

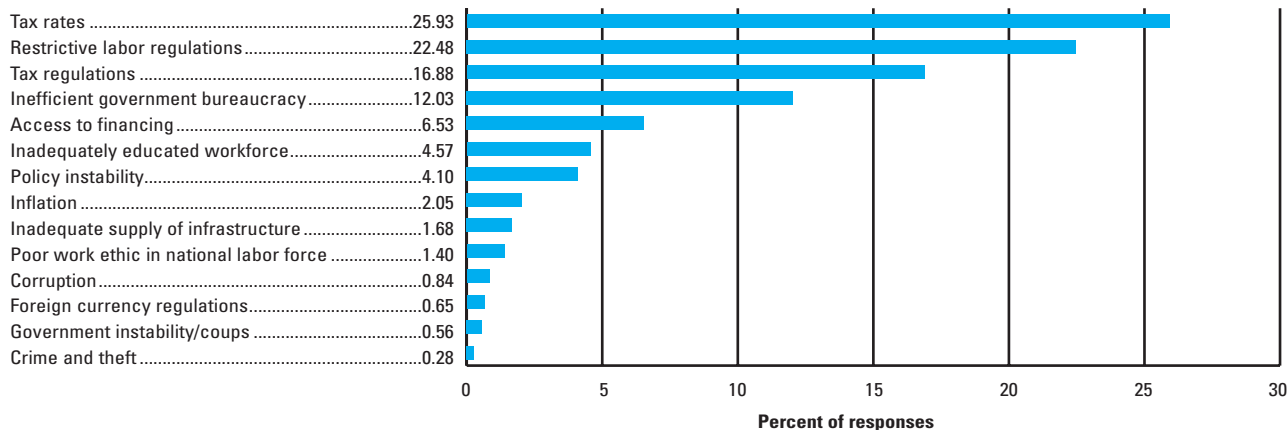
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	20	5.3
2005–06 (out of 117 countries).....	20	5.2
Basic Requirements	17	5.6
1st pillar: Institutions.....	26	4.9
2nd pillar: Infrastructure.....	11	5.9
3rd pillar: Macroeconomy.....	44	4.8
4th pillar: Health and primary education.....	15	6.9
Efficiency Enhancers	23	5.1
5th pillar: Higher education and training.....	4	5.8
6th pillar: Market efficiency.....	32	4.7
7th pillar: Technological readiness.....	27	4.7
Innovation Factors	14	5.2
8th pillar: Business sophistication.....	12	5.7
9th pillar: Innovation.....	16	4.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	17
Sophistication of company operations and strategy.....	13
Quality of the national business environment.....	17

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

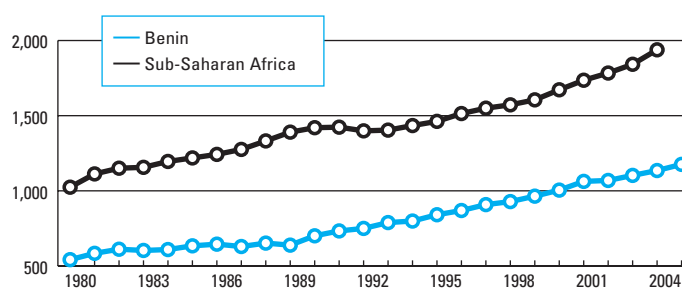
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	15	1.08	Business costs of terrorism	85
2nd pillar: Infrastructure			1.07	Burden of government compliance.....	76
2.03	Quality of port infrastructure	5	1.06	Wastefulness of government spending	39
2.02	Railroad infrastructure development.....	7	1.10	Business costs of crime and violence	38
2.05	Quality of electricity supply.....	12	1.04	Judicial independence.....	32
2.01	Overall infrastructure quality	13	1.09	Reliability of police services	32
2.04	Quality of air transport infrastructure.....	18	1.03	Public trust of politicians	28
5th pillar: Higher education and training			1.05	Favoritism in decisions of government officials.....	27
5.04	Quality of math and science education.....	3	1.11	Organized crime	25
5.05	Quality of management schools	7	2nd pillar: Infrastructure		
5.03	Quality of the educational system	8	2.06	Telephone lines (hard data)	25
5.06	Local availability of research and training services	9	3rd pillar: Macroeconomy		
5.07	Extent of staff training	13	3.05	Government debt (hard data)	96
5.02	Tertiary enrollment (hard data)	17	3.06	Real effective exchange rate (hard data)	80
6th pillar: Market efficiency			3.04	Interest rate spread (hard data).....	57
6.04	Number of procedures to start business (hard data)	7	3.01	Government surplus/deficit (hard data).....	43
6.06	Intensity of local competition.....	8	6th pillar: Market efficiency		
6.22	Soundness of banks.....	10	6.03	Extent and effect of taxation.....	124
6.10	Foreign ownership restrictions.....	13	6.12	Hiring and firing practices	118
6.07	Effectiveness of antitrust policy.....	17	6.13	Flexibility of wage determination	116
8th pillar: Business sophistication			6.14	Cooperation in labor-employer relations.....	112
8.02	Local supplier quality.....	5	6.16	Pay and productivity.....	89
8.07	Nature of competitive advantage.....	6	6.01	Agricultural policy costs	69
8.03	Production process sophistication	7	6.05	Time required to start a business (hard data).....	50
8.01	Local supplier quantity	8	6.23	Local equity market access.....	44
8.08	Value chain presence	11	6.02	Efficiency of legal framework	35
8.04	Extent of marketing.....	14	6.09	Prevalence of trade barriers	27
9th pillar: Innovation			6.20	Ease of access to loans	26
9.01	Quality of scientific research institutions.....	9	6.21	Venture capital availability	26
9.03	University/industry research collaboration	11	6.17	Brain drain	23
9.05	Availability of scientists and engineers	13	7th pillar: Technological readiness		
9.08	Capacity for innovation.....	14	7.04	FDI and technology transfer.....	53
9.02	Company spending on research and development	17	7.02	Firm-level technology absorption	35
9.06	Utility patents (hard data)	18	7.03	Laws relating to ICT	30
			7.06	Internet users (hard data)	29
			7.07	Personal computers (hard data)	26
			8th pillar: Business sophistication		
			8.05	Control of international distribution.....	30
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	75

Benin

Key Indicators

Total population (millions), 2005.....	8.4
GDP (US\$ billions), 2005.....	4.4
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	1,176

GDP (PPP) per capita (US\$), 1980–2005

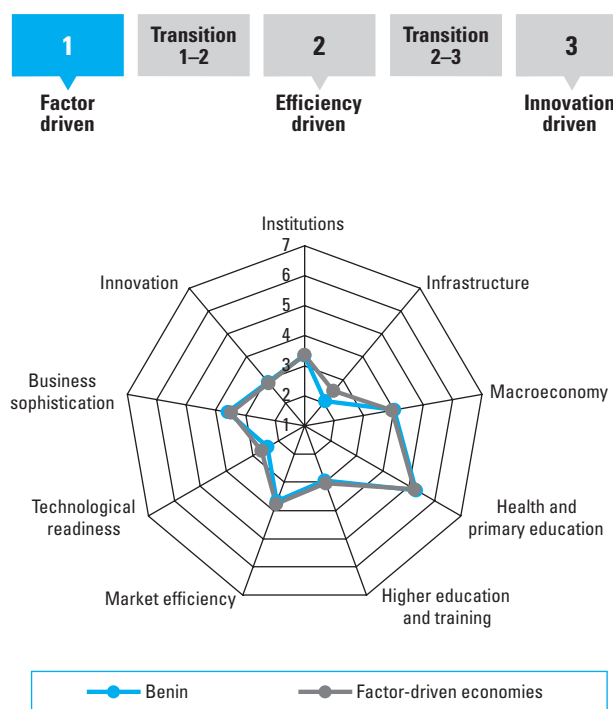


Global Competitiveness Index

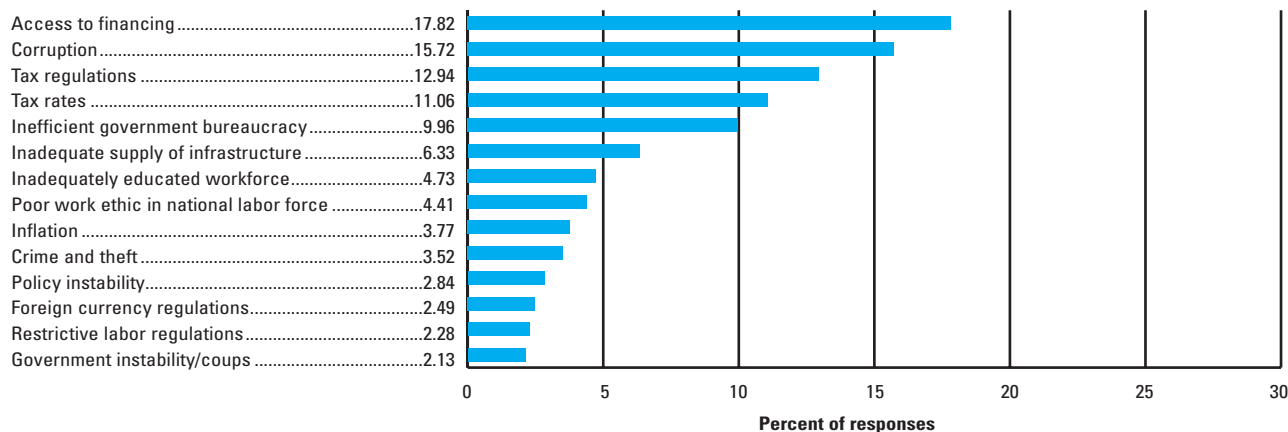
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	105	3.4
2005–06 (out of 117 countries).....	106.....	3.3
Basic Requirements	104	3.7
1st pillar: Institutions.....	90.....	3.3
2nd pillar: Infrastructure.....	114.....	2.1
3rd pillar: Macroeconomy.....	92.....	4.0
4th pillar: Health and primary education.....	101.....	5.3
Efficiency Enhancers	105	3.0
5th pillar: Higher education and training.....	101.....	3.0
6th pillar: Market efficiency.....	95.....	3.7
7th pillar: Technological readiness.....	112.....	2.4
Innovation Factors	88	3.2
8th pillar: Business sophistication.....	85.....	3.6
9th pillar: Innovation.....	90.....	2.9

	Rank (out of 121 countries/economies)
Business Competitiveness Index	95
Sophistication of company operations and strategy.....	94
Quality of the national business environment.....	95

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

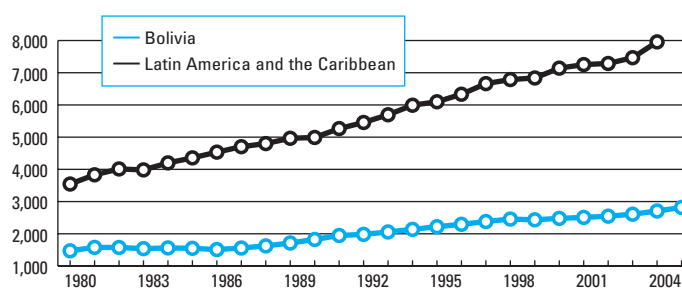
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.05	Government debt (hard data)	31	1.02	Diversion of public funds	119
6th pillar: Market efficiency			1.07	Burden of government compliance	107
6.04	Number of procedures to start business (hard data)	31	1.15	Strength of auditing and accounting standards	106
6.12	Hiring and firing practices	39	1.01	Property rights	97
6.05	Time required to start a business (hard data)	44	1.03	Public trust of politicians	96
6.22	Soundness of banks	47	2nd pillar: Infrastructure		
9th pillar: Innovation			2.04	Quality of air transport infrastructure	116
9.04	Government procurement of technology products	42	2.02	Railroad infrastructure development	112
			2.01	Overall infrastructure quality	108
			2.06	Telephone lines (hard data)	107
			2.05	Quality of electricity supply	105
			3rd pillar: Macroeconomy		
			3.02	National savings rate (hard data)	103
			3.06	Real effective exchange rate (hard data)	103
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	117
			4.04	Infant mortality (hard data)	113
			4.05	Life expectancy at birth (hard data)	107
			4.08	HIV prevalence (hard data)	103
			4.09	Primary enrollment (hard data)	100
			5th pillar: Higher education and training		
			5.07	Extent of staff training	109
			5.06	Local availability of research and training services	98
			6th pillar: Market efficiency		
			6.03	Extent and effect of taxation	120
			6.20	Ease of access to loans	120
			6.21	Venture capital availability	108
			6.19	Financial market sophistication	102
			6.06	Intensity of local competition	100
			6.23	Local equity market access	98
			6.01	Agricultural policy costs	89
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	116
			7.07	Personal computers (hard data)	114
			7.01	Technological readiness	110
			7.05	Cellular telephones (hard data)	106
			7.06	Internet users (hard data)	106
			7.02	Firm-level technology absorption	86
			8th pillar: Business sophistication		
			8.03	Production process sophistication	97
			9th pillar: Innovation		
			9.02	Company spending on research and development	112
			9.01	Quality of scientific research institutions	110

Bolivia

Key Indicators

Total population (millions), 2005.....	9.2
GDP (US\$ billions), 2005.....	9.7
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	2,817

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

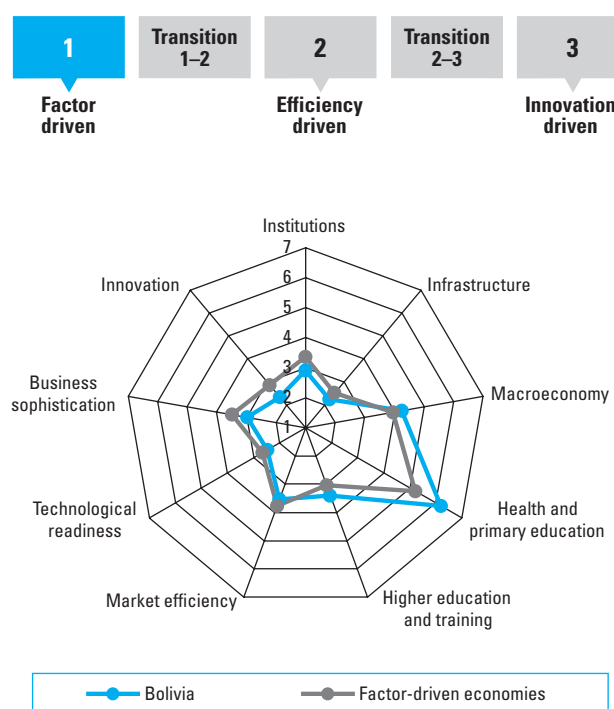
2006–07	97	3.5
2005–06 (out of 117 countries).....	101.....	3.4
Basic Requirements	98	3.9
1st pillar: Institutions.....	118.....	2.9
2nd pillar: Infrastructure.....	107.....	2.2
3rd pillar: Macroeconomy.....	77.....	4.2
4th pillar: Health and primary education.....	81.....	6.2
Efficiency Enhancers	97	3.1
5th pillar: Higher education and training.....	89.....	3.4
6th pillar: Market efficiency.....	111.....	3.5
7th pillar: Technological readiness.....	111.....	2.5
Innovation Factors	119	2.6
8th pillar: Business sophistication.....	119.....	3.0
9th pillar: Innovation.....	120.....	2.3

Rank (out of 121 countries/economies)

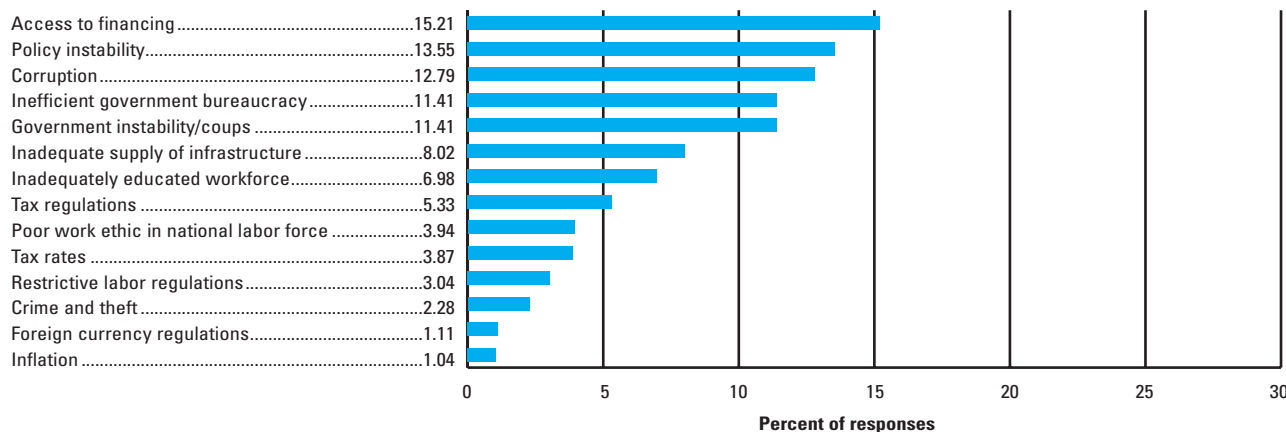
Business Competitiveness Index

Sophistication of company operations and strategy.....	120
Quality of the national business environment.....	117

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

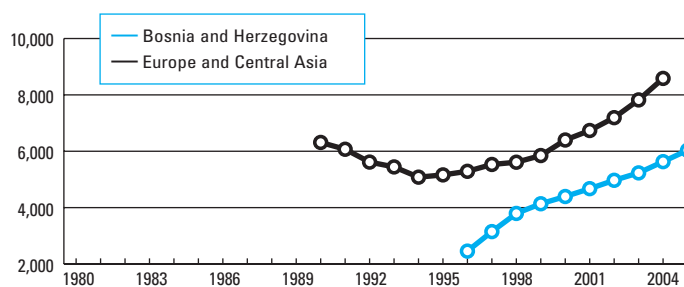
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	11	1.03	Public trust of politicians	122
4th pillar: Health and primary education			1.09	Reliability of police services	121
4.09	Primary enrollment (hard data)	43	1.05	Favoritism in decisions of government officials	117
5th pillar: Higher education and training			1.01	Property rights	115
5.02	Tertiary enrollment (hard data)	40	1.15	Strength of auditing and accounting standards	114
6th pillar: Market efficiency			1.12	Ethical behavior of firms	113
6.12	Hiring and firing practices	43	1.02	Diversion of public funds	104
6.13	Flexibility of wage determination	44	1.06	Wastefulness of government spending	103
6.01	Agricultural policy costs	48	1.04	Judicial independence	101
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	115
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	103
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	98
			4.07	Malaria prevalence (hard data)	93
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	122
			5.04	Quality of math and science education	121
			5.07	Extent of staff training	117
			5.05	Quality of management schools	114
			5.06	Local availability of research and training services	102
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	119
			6.02	Efficiency of legal framework	116
			6.20	Ease of access to loans	115
			6.10	Foreign ownership restrictions	110
			6.22	Soundness of banks	108
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	124
			7.01	Technological readiness	97
			7.04	FDI and technology transfer	91
			8th pillar: Business sophistication		
			8.03	Production process sophistication	117
			8.05	Control of international distribution	115
			8.07	Nature of competitive advantage	115
			8.08	Value chain presence	109
			9th pillar: Innovation		
			9.04	Government procurement of technology products	122
			9.07	Intellectual property protection	122
			9.01	Quality of scientific research institutions	118
			9.02	Company spending on research and development	115
			9.05	Availability of scientists and engineers	113
			9.03	University/industry research collaboration	110
			9.08	Capacity for innovation	104

Bosnia and Herzegovina

Key Indicators

Total population (millions), 2005.....	3.9
GDP (US\$ billions), 2005.....	9.4
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	6,035

GDP (PPP) per capita (US\$), 1980–2005

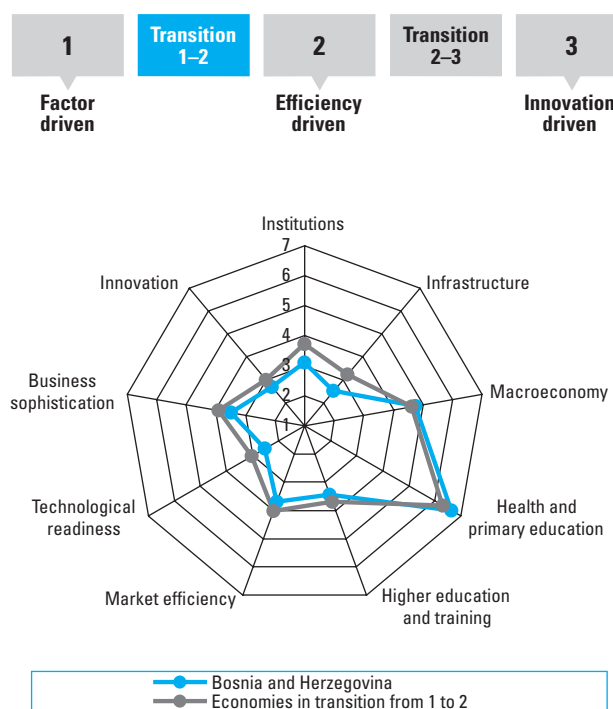


Global Competitiveness Index

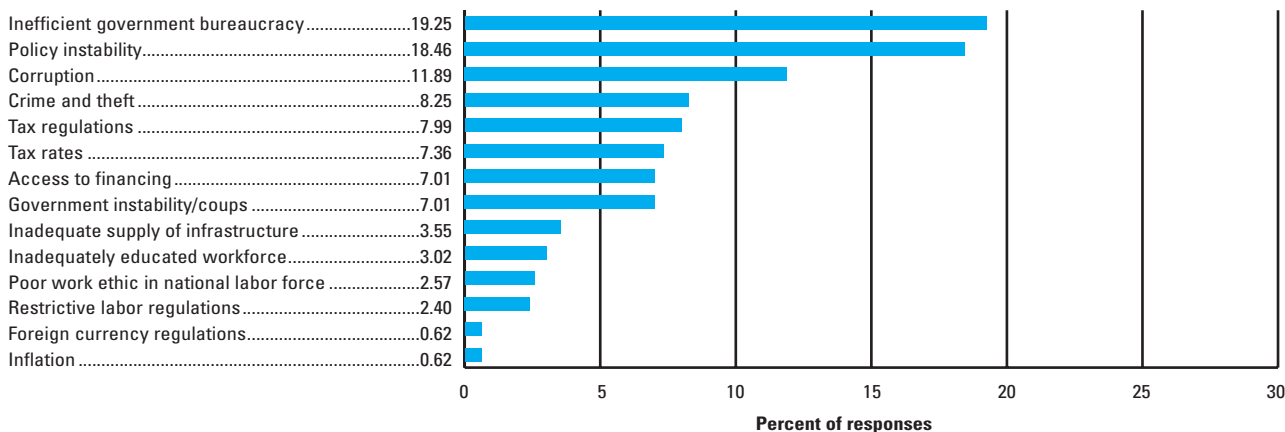
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	89	3.7
2005–06 (out of 117 countries).....	88.....	3.6
Basic Requirements	78	4.2
1st pillar: Institutions.....	106.....	3.1
2nd pillar: Infrastructure.....	96.....	2.5
3rd pillar: Macroeconomy.....	45.....	4.7
4th pillar: Health and primary education.....	38.....	6.6
Efficiency Enhancers	93	3.2
5th pillar: Higher education and training.....	86.....	3.4
6th pillar: Market efficiency.....	93.....	3.7
7th pillar: Technological readiness.....	108.....	2.5
Innovation Factors	99	3.1
8th pillar: Business sophistication.....	92.....	3.5
9th pillar: Innovation.....	104.....	2.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	96
Sophistication of company operations and strategy.....	107
Quality of the national business environment.....	96

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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Bosnia and Herzegovina

National competitiveness balance sheet

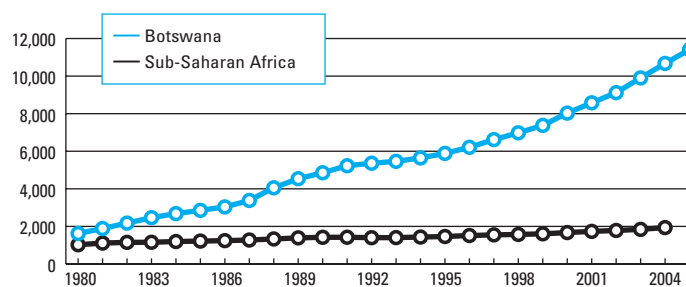
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.05	Government debt (hard data)	27	1.01	Property rights	120
3.01	Government surplus/deficit (hard data)	39	1.07	Burden of government compliance	118
3.03	Inflation (hard data)	42	1.09	Reliability of police services	118
3.06	Real effective exchange rate (hard data)	50	1.06	Wastefulness of government spending	115
4th pillar: Health and primary education			1.13	Efficacy of corporate boards	112
4.05	Life expectancy at birth (hard data)	49	1.14	Protection of minority shareholders' interests	112
5th pillar: Higher education and training			1.12	Ethical behavior of firms	109
5.04	Quality of math and science education	45	1.03	Public trust of politicians	103
6th pillar: Market efficiency			1.11	Organized crime	100
6.13	Flexibility of wage determination	27	1.04	Judicial independence	84
			2nd pillar: Infrastructure		
			2.04	Quality of air transport infrastructure	117
			2.01	Overall infrastructure quality	100
			3rd pillar: Macroeconomy		
			3.02	National savings rate (hard data)	123
			5th pillar: Higher education and training		
			5.07	Extent of staff training	95
			5.06	Local availability of research and training services	71
			5.02	Tertiary enrollment (hard data)	66
			6th pillar: Market efficiency		
			6.03	Extent and effect of taxation	115
			6.17	Brain drain	111
			6.01	Agricultural policy costs	106
			6.14	Cooperation in labor-employer relations	104
			6.10	Foreign ownership restrictions	98
			6.02	Efficiency of legal framework	95
			6.06	Intensity of local competition	95
			6.05	Time required to start a business (hard data)	89
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	122
			7.02	Firm-level technology absorption	115
			7.01	Technological readiness	114
			7.03	Laws relating to ICT	113
			8th pillar: Business sophistication		
			8.03	Production process sophistication	101
			8.08	Value chain presence	90
			9th pillar: Innovation		
			9.04	Government procurement of technology products	111
			9.07	Intellectual property protection	111
			9.01	Quality of scientific research institutions	106
			9.08	Capacity for innovation	95
			9.02	Company spending on research and development	86

Botswana

Key Indicators

Total population (millions), 2005.....	1.8
GDP (US\$ billions), 2005.....	9.2
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	11,410

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

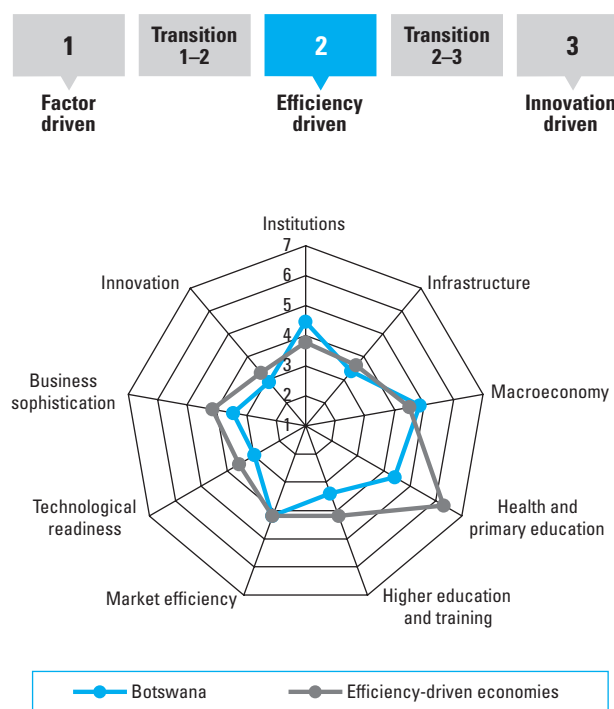
2006–7	81	3.8
2005–6 (out of 117 countries).....	72.....	3.9
Basic Requirements	77	4.3
1st pillar: Institutions.....	37.....	4.5
2nd pillar: Infrastructure	66.....	3.4
3rd pillar: Macroeconomy.....	39.....	4.9
4th pillar: Health and primary education.....	112.....	4.4
Efficiency Enhancers	77	3.5
5th pillar: Higher education and training.....	87.....	3.4
6th pillar: Market efficiency.....	59.....	4.2
7th pillar: Technological readiness	80.....	3.0
Innovation Factors	95	3.2
8th pillar: Business sophistication.....	95.....	3.4
9th pillar: Innovation	91.....	2.9

Rank (out of 121 countries/economies)

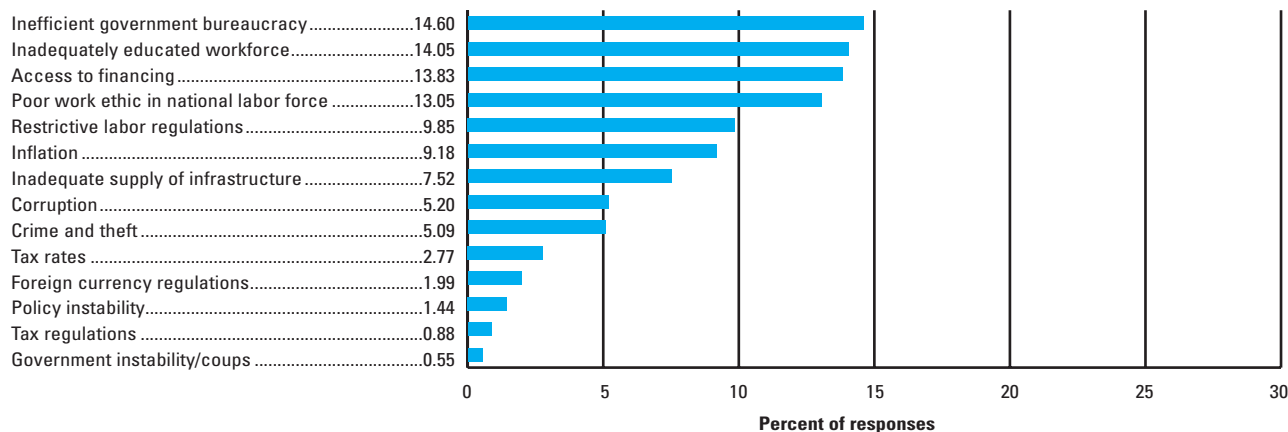
Business Competitiveness Index

Sophistication of company operations and strategy.....	86
Quality of the national business environment.....	63

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

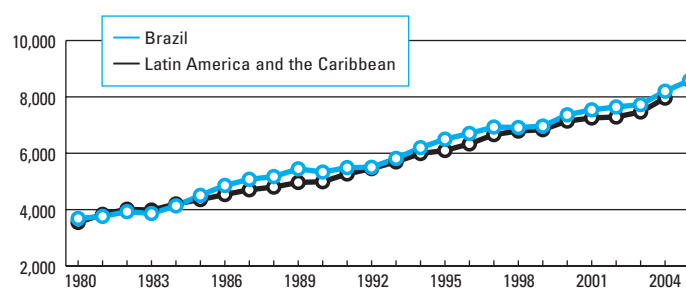
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			2nd pillar: Infrastructure		
1.06	Wastefulness of government spending	18	2.04	Quality of air transport infrastructure	87
1.04	Judicial independence	25	2.03	Quality of port infrastructure	86
1.03	Public trust of politicians	26	2.06	Telephone lines (hard data)	86
1.05	Favoritism in decisions of government officials	36	3rd pillar: Macroeconomy		
1.02	Diversion of public funds	38	3.03	Inflation (hard data)	96
1.12	Ethical behavior of firms	40	4th pillar: Health and primary education		
1.15	Strength of auditing and accounting standards	44	4.08	HIV prevalence (hard data)	125
1.11	Organized crime	47	4.05	Life expectancy at birth (hard data)	122
1.07	Burden of government compliance	48	4.03	Medium-term business impact of HIV/AIDS	119
1.14	Protection of minority shareholders' interests	49	4.06	Tuberculosis prevalence (hard data)	113
2nd pillar: Infrastructure			4.07	Malaria prevalence (hard data)	104
2.02	Railroad infrastructure development	48	4.04	Infant mortality (hard data)	102
3rd pillar: Macroeconomy			4.09	Primary enrollment (hard data)	101
3.02	National savings rate (hard data)	8	4.01	Medium-term business impact of malaria	97
3.01	Government surplus/deficit (hard data)	40	5th pillar: Higher education and training		
6th pillar: Market efficiency			5.02	Tertiary enrollment (hard data)	101
6.03	Extent and effect of taxation	16	5.06	Local availability of research and training services	101
6.02	Efficiency of legal framework	31	5.01	Secondary enrollment (hard data)	79
6.22	Soundness of banks	40	6th pillar: Market efficiency		
6.14	Cooperation in labor-employer relations	41	6.05	Time required to start a business (hard data)	109
6.09	Prevalence of trade barriers	42	6.16	Pay and productivity	90
6.15	Reliance on professional management	42	6.12	Hiring and firing practices	87
6.21	Venture capital availability	45	7th pillar: Technological readiness		
6.01	Agricultural policy costs	46	7.02	Firm-level technology absorption	92
8th pillar: Business sophistication			7.06	Internet users (hard data)	92
8.07	Nature of competitive advantage	50	7.03	Laos relating to ICT	85
			7.04	FDI and technology transfer	84
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	114
			8.08	Value chain presence	107
			8.05	Control of international distribution	103
			8.02	Local supplier quality	92
			8.03	Production process sophistication	85
			9th pillar: Innovation		
			9.08	Capacity for innovation	112
			9.05	Availability of scientists and engineers	108
			9.07	Intellectual property protection	76

Brazil

Key Indicators

Total population (millions), 2005.....	186.4
GDP (US\$ billions), 2005.....	792.7
GDP (PPP) as share of world total, 2005.....	2.58
GDP (PPP) per capita (US\$), 2005.....	8,584

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

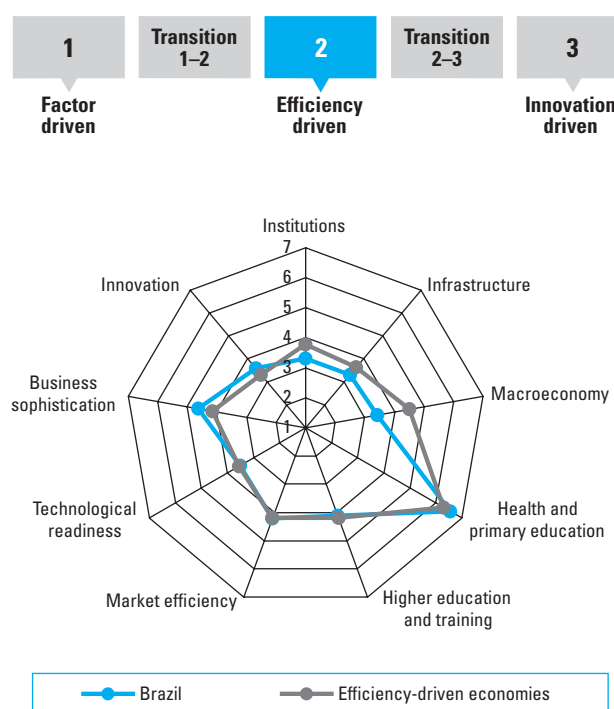
2006–07	66	4.0
2005–06 (out of 117 countries).....	57.....	4.1
Basic Requirements	87	4.1
1st pillar: Institutions.....	91.....	3.3
2nd pillar: Infrastructure	71.....	3.3
3rd pillar: Macroeconomy.....	114.....	3.4
4th pillar: Health and primary education.....	47.....	6.5
Efficiency Enhancers	57	3.9
5th pillar: Higher education and training.....	60.....	4.1
6th pillar: Market efficiency.....	58.....	4.2
7th pillar: Technological readiness	57.....	3.5
Innovation Factors	38	4.1
8th pillar: Business sophistication.....	38.....	4.6
9th pillar: Innovation	38.....	3.6

Rank (out of 121 countries/economies)

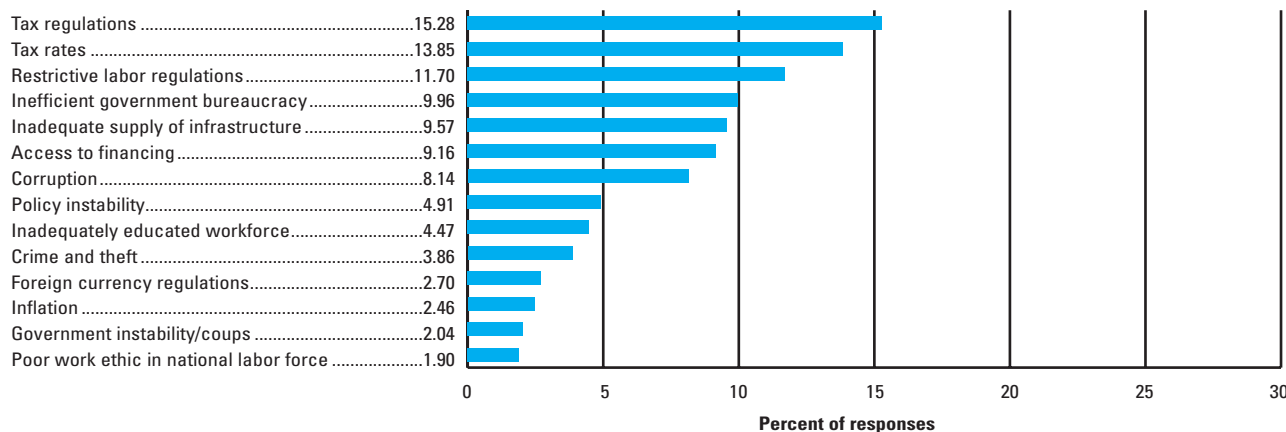
Business Competitiveness Index	55
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Sophistication of company operations and strategy.....	38
Quality of the national business environment.....	58

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

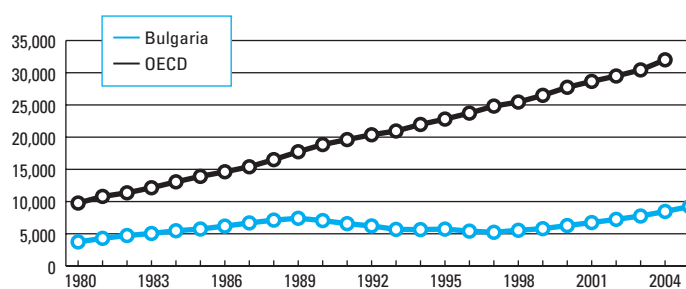
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	3	1.07	Burden of government compliance.....	124
4th pillar: Health and primary education			1.02	Diversion of public funds	121
4.09	Primary enrollment (hard data)	36	1.03	Public trust of politicians	119
4.02	Medium-term business impact of tuberculosis	40	1.06	Wastefulness of government spending	119
5th pillar: Higher education and training			1.10	Business costs of crime and violence	112
5.01	Secondary enrollment (hard data)	19	1.11	Organized crime	110
5.06	Local availability of research and training services	32	1.09	Reliability of police services	108
5.07	Extent of staff training	38	1.04	Judicial independence	92
6th pillar: Market efficiency			1.05	Favoritism in decisions of government officials.....	87
6.19	Financial market sophistication	28	1.01	Property rights.....	62
6.22	Soundness of banks.....	34	2nd pillar: Infrastructure		
6.15	Reliance on professional management.....	38	2.03	Quality of port infrastructure	88
6.01	Agricultural policy costs	39	2.01	Overall infrastructure quality	79
6.17	Brain drain	39	3rd pillar: Macroeconomy		
6.06	Intensity of local competition.....	40	3.04	Interest rate spread (hard data).....	118
6.07	Effectiveness of antitrust policy.....	46	3.01	Government surplus/deficit (hard data).....	86
6.23	Local equity market access.....	46	3.05	Government debt (hard data)	83
7th pillar: Technological readiness			4th pillar: Health and primary education		
7.04	FDI and technology transfer.....	38	4.07	Malaria prevalence (hard data)	98
7.02	Firm-level technology absorption	47	4.04	Infant mortality (hard data)	85
7.03	Laws relating to ICT	48	4.08	HIV prevalence (hard data)	83
8th pillar: Business sophistication			5th pillar: Higher education and training		
8.01	Local supplier quantity	32	5.03	Quality of the educational system	114
8.03	Production process sophistication	32	5.04	Quality of math and science education.....	98
8.04	Extent of marketing.....	32	5.02	Tertiary enrollment (hard data)	75
8.02	Local supplier quality	37	6th pillar: Market efficiency		
8.05	Control of international distribution.....	39	6.03	Extent and effect of taxation.....	125
9th pillar: Innovation			6.05	Time required to start a business (hard data).....	114
9.08	Capacity for innovation.....	29	6.04	Number of procedures to start business (hard data)	112
9.02	Company spending on research and development	30	6.12	Hiring and firing practices	112
9.01	Quality of scientific research institutions	36	6.13	Flexibility of wage determination	106
9.03	University/industry research collaboration	42	6.21	Venture capital availability	97
			6.14	Cooperation in labor-employer relations.....	93
			6.02	Efficiency of legal framework	89
			6.10	Foreign ownership restrictions.....	89
			6.09	Prevalence of trade barriers	84
			6.16	Pay and productivity	79
			6.20	Ease of access to loans	76
			7th pillar: Technological readiness		
			7.01	Technological readiness	58
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	86
			9th pillar: Innovation		
			9.07	Intellectual property protection	63
			9.05	Availability of scientists and engineers	61

Bulgaria

Key Indicators

Total population (millions), 2005.....	7.7
GDP (US\$ billions), 2005.....	26.7
GDP (PPP) as share of world total, 2005.....	0.12
GDP (PPP) per capita (US\$), 2005.....	9,223

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

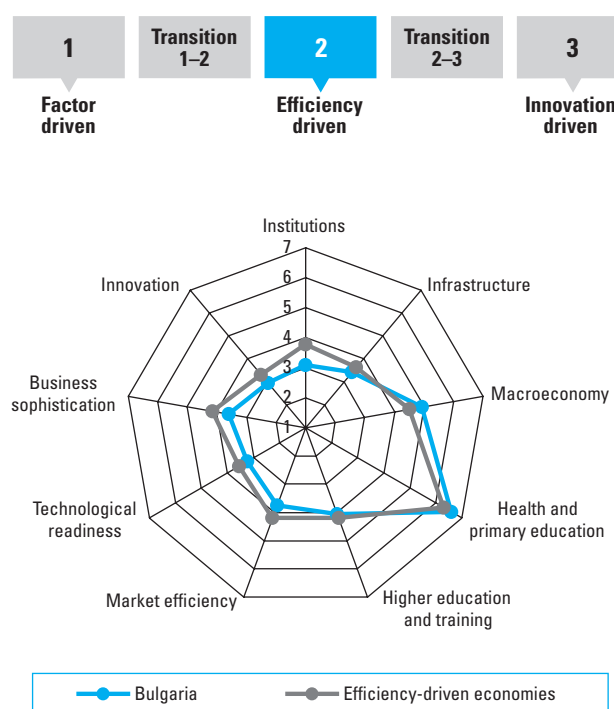
2006–07	72	4.0
2005–06 (out of 117 countries).....	61.....	4.0
Basic Requirements	62	4.5
1st pillar: Institutions.....	109.....	3.1
2nd pillar: Infrastructure	65.....	3.4
3rd pillar: Macroeconomy.....	35.....	4.9
4th pillar: Health and primary education.....	39.....	6.6
Efficiency Enhancers	70	3.7
5th pillar: Higher education and training.....	62.....	4.0
6th pillar: Market efficiency.....	90.....	3.8
7th pillar: Technological readiness	68.....	3.2
Innovation Factors	85	3.3
8th pillar: Business sophistication.....	84.....	3.6
9th pillar: Innovation	87.....	2.9

Rank (out of 121 countries/economies)

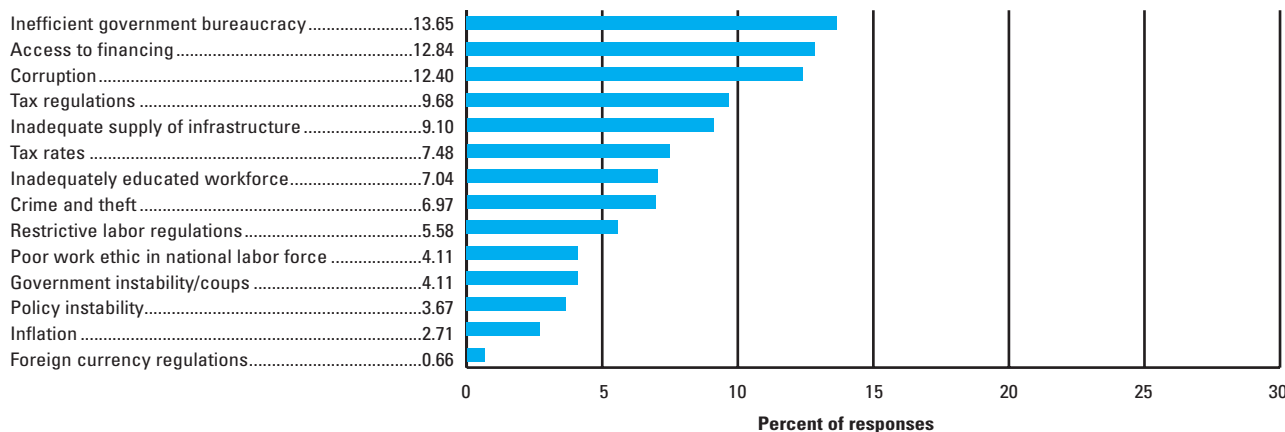
Business Competitiveness Index

Sophistication of company operations and strategy.....	95
Quality of the national business environment.....	81

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

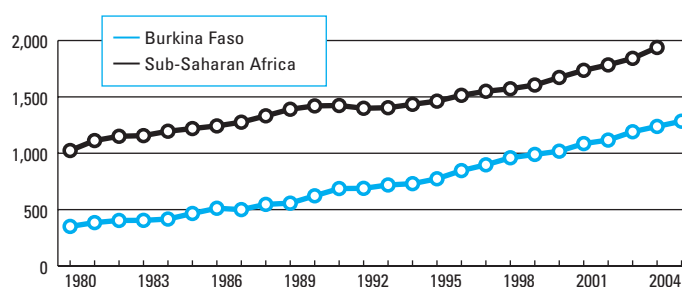
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.06	Telephone lines (hard data)	35	1.11	Organized crime	118
2.02	Railroad infrastructure development	45	1.09	Reliability of police services	117
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials	112
3.01	Government surplus/deficit (hard data)	20	1.02	Diversion of public funds	108
3.05	Government debt (hard data)	29	1.03	Public trust of politicians	105
4th pillar: Health and primary education			1.06	Wastefulness of government spending	101
4.06	Tuberculosis prevalence (hard data)	44	1.04	Judicial independence	100
4.09	Primary enrollment (hard data)	45	1.10	Business costs of crime and violence	97
5th pillar: Higher education and training			1.07	Burden of government compliance	92
5.01	Secondary enrollment (hard data)	18	1.01	Property rights	91
5.02	Tertiary enrollment (hard data)	40	2nd pillar: Infrastructure		
6th pillar: Market efficiency			2.01	Overall infrastructure quality	89
6.13	Flexibility of wage determination	38	3rd pillar: Macroeconomy		
6.05	Time required to start a business (hard data)	44	3.06	Real effective exchange rate (hard data)	110
7th pillar: Technological readiness			5th pillar: Higher education and training		
7.03	Laws relating to ICT	36	5.07	Extent of staff training	114
7.05	Cellular telephones (hard data)	45	5.03	Quality of the educational system	83
9th pillar: Innovation			6th pillar: Market efficiency		
9.05	Availability of scientists and engineers	49	6.01	Agricultural policy costs	123
			6.17	Brain drain	121
			6.02	Efficiency of legal framework	113
			6.19	Financial market sophistication	107
			6.23	Local equity market access	106
			6.14	Cooperation in labor-employer relations	105
			6.10	Foreign ownership restrictions	101
			6.06	Intensity of local competition	99
			6.03	Extent and effect of taxation	98
			6.09	Prevalence of trade barriers	89
			6.22	Soundness of banks	81
			6.12	Hiring and firing practices	76
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	116
			7.01	Technological readiness	90
			7.04	FDI and technology transfer	89
			8th pillar: Business sophistication		
			8.03	Production process sophistication	116
			8.07	Nature of competitive advantage	108
			9th pillar: Innovation		
			9.07	Intellectual property protection	98
			9.02	Company spending on research and development	97
			9.08	Capacity for innovation	79

Burkina Faso

Key Indicators

Total population (millions), 2005.....	13.2
GDP (US\$ billions), 2005.....	5.7
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	1,284

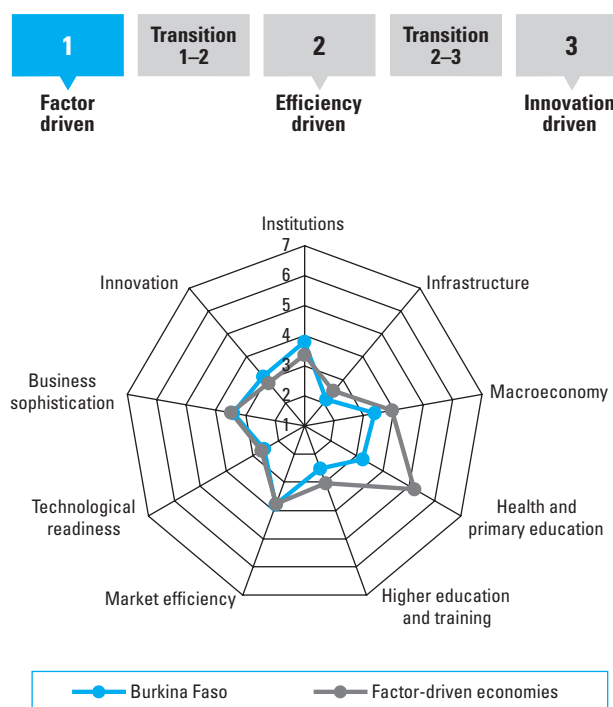
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	116	3.1
2005–06 (out of 117 countries).....	n/a.....	n/a
Basic Requirements	121	3.1
1st pillar: Institutions.....	62.....	3.8
2nd pillar: Infrastructure.....	110.....	2.1
3rd pillar: Macroeconomy.....	116.....	3.4
4th pillar: Health and primary education.....	124.....	3.2
Efficiency Enhancers	109	3.0
5th pillar: Higher education and training.....	116.....	2.5
6th pillar: Market efficiency.....	87.....	3.8
7th pillar: Technological readiness.....	103.....	2.6
Innovation Factors	84	3.3
8th pillar: Business sophistication.....	98.....	3.4
9th pillar: Innovation.....	69.....	3.1

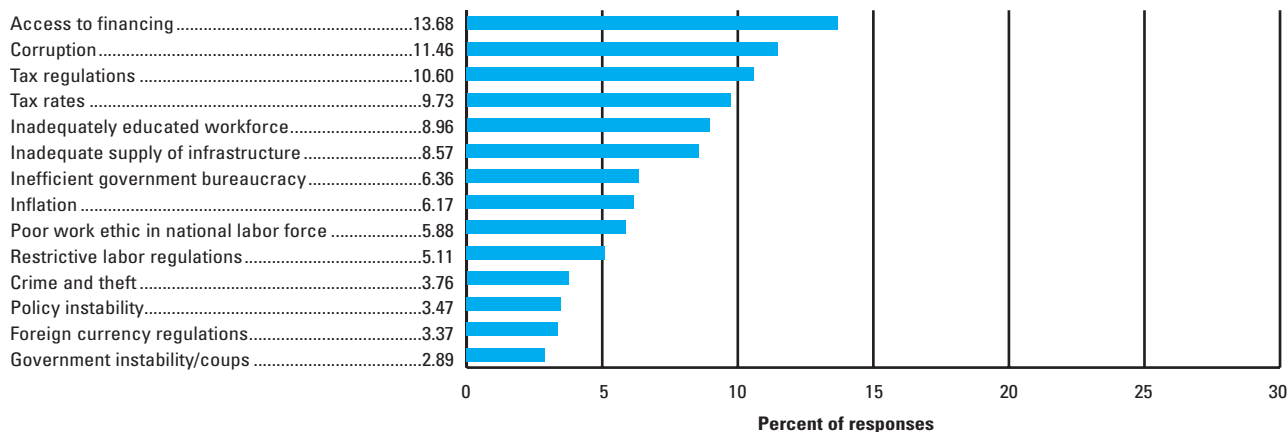
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	89
Sophistication of company operations and strategy.....	98
Quality of the national business environment.....	88

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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NOTABLE COMPETITIVE ADVANTAGES		Rank/125
1st pillar: Institutions		
1.07	Burden of government compliance.....	26
1.14	Protection of minority shareholders' interests.....	29
1.06	Wastefulness of government spending.....	47
1.05	Favoritism in decisions of government officials.....	49
<hr/>		
6th pillar: Market efficiency		
6.09	Prevalence of trade barriers.....	30
6.22	Soundness of banks.....	35
6.10	Foreign ownership restrictions.....	45
<hr/>		
7th pillar: Technological readiness		
7.04	FDI and technology transfer.....	49
<hr/>		
9th pillar: Innovation		
9.04	Government procurement of technology products.....	38
9.07	Intellectual property protection	50

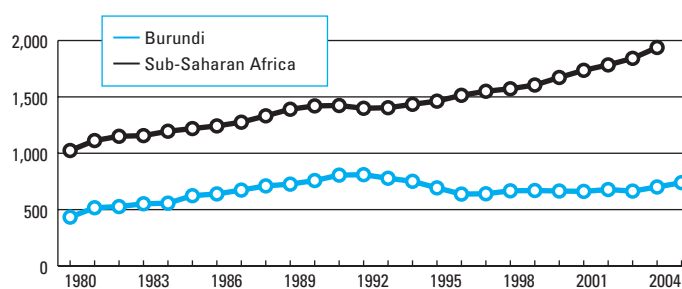
179

Burundi

Key Indicators

Total population (millions), 2005.....	7.5
GDP (US\$ billions), 2005.....	0.8
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	739

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

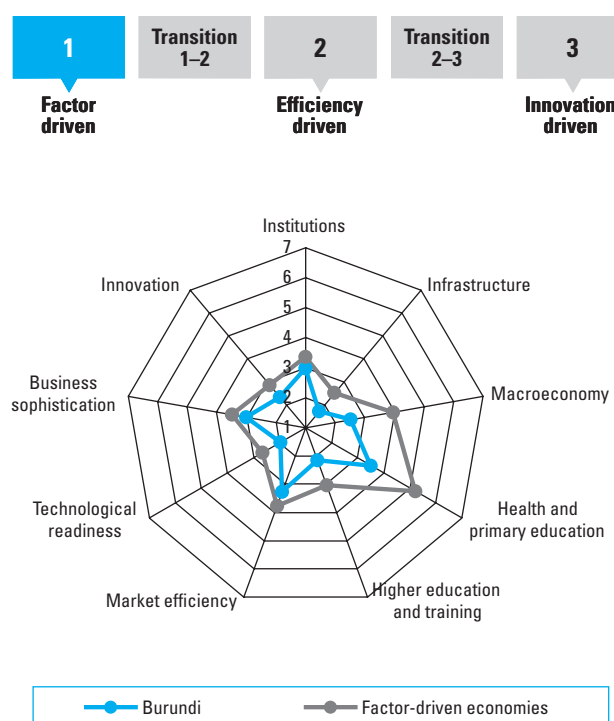
2006–07	124	2.6
2005–06 (out of 117 countries)	n/a.....	n/a
Basic Requirements	124	2.7
1st pillar: Institutions.....	113.....	3.0
2nd pillar: Infrastructure	123.....	1.7
3rd pillar: Macroeconomy.....	122.....	2.5
4th pillar: Health and primary education.....	120.....	3.5
Efficiency Enhancers	124	2.5
5th pillar: Higher education and training.....	123.....	2.2
6th pillar: Market efficiency.....	123.....	3.3
7th pillar: Technological readiness	125.....	2.0
Innovation Factors	118	2.7
8th pillar: Business sophistication.....	117.....	3.0
9th pillar: Innovation	119.....	2.3

Rank (out of 121 countries/economies)

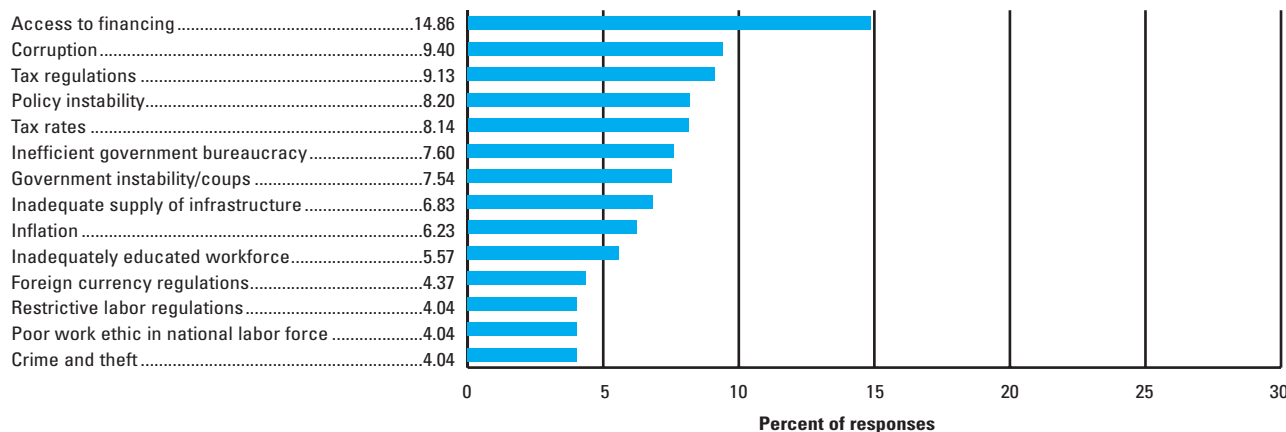
Business Competitiveness Index	n/a
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Sophistication of company operations and strategy.....	n/a
Quality of the national business environment.....	n/a

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

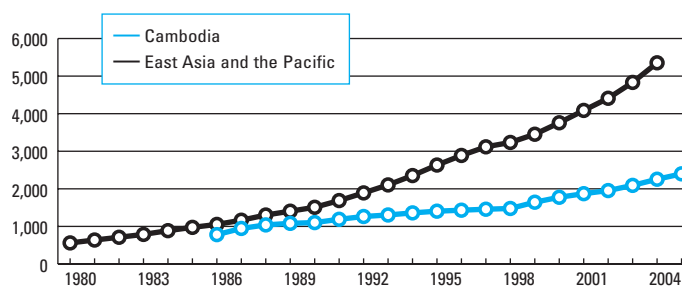
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	6	1.15	Strength of auditing and accounting standards	121
6th pillar: Market efficiency			1.04	Judicial independence	120
6.13	Flexibility of wage determination	21	1.01	Property rights	119
6.12	Hiring and firing practices	34	1.02	Diversion of public funds	114
			1.08	Business costs of terrorism	112
			2nd pillar: Infrastructure		
			2.05	Quality of electricity supply	120
			2.06	Telephone lines (hard data)	120
			2.02	Railroad infrastructure development	118
			2.01	Overall infrastructure quality	117
			3rd pillar: Macroeconomy		
			3.01	Government surplus/deficit (hard data)	120
			3.02	National savings rate (hard data)	118
			3.03	Inflation (hard data)	116
			3.05	Government debt (hard data)	110
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	123
			4.04	Infant mortality (hard data)	122
			4.05	Life expectancy at birth (hard data)	118
			4.06	Tuberculosis prevalence (hard data)	114
			4.08	HIV prevalence (hard data)	114
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	123
			5.07	Extent of staff training	123
			5.02	Tertiary enrollment (hard data)	114
			6th pillar: Market efficiency		
			6.20	Ease of access to loans	122
			6.21	Venture capital availability	122
			6.23	Local equity market access	121
			6.06	Intensity of local competition	119
			6.10	Foreign ownership restrictions	107
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	125
			7.01	Technological readiness	124
			7.03	Laws relating to ICT	123
			7.05	Cellular telephones (hard data)	122
			7.06	Internet users (hard data)	120
			7.02	Firm-level technology absorption	107
			8th pillar: Business sophistication		
			8.04	Extent of marketing	123
			8.03	Production process sophistication	122
			8.05	Control of international distribution	118
			9th pillar: Innovation		
			9.07	Intellectual property protection	123
			9.08	Capacity for innovation	123
			9.02	Company spending on research and development	117
			9.04	Government procurement of technology products	117

Cambodia

Key Indicators

Total population (millions), 2005.....	14.1
GDP (US\$ billions), 2005.....	5.4
GDP (PPP) as share of world total, 2005.....	0.06
GDP (PPP) per capita (US\$), 2005.....	2,399

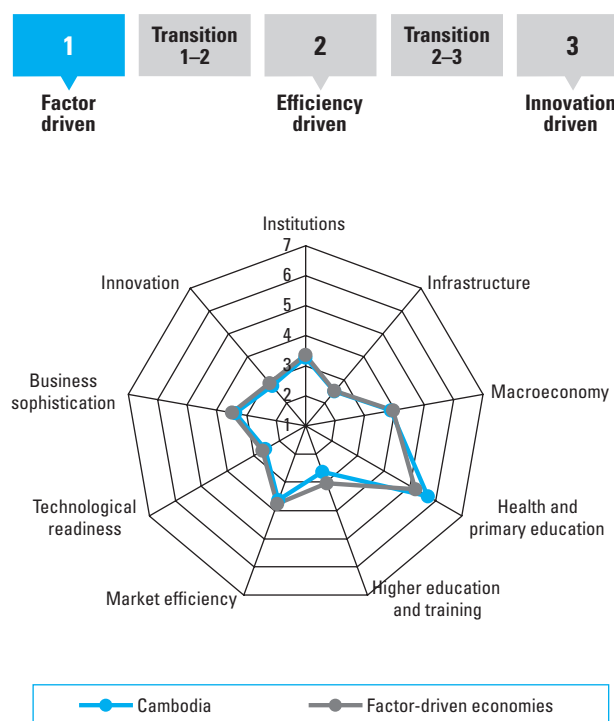
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	103	3.4
2005–06 (out of 117 countries).....	111.....	3.2
Basic Requirements	100	3.8
1st pillar: Institutions.....	95.....	3.3
2nd pillar: Infrastructure.....	97.....	2.5
3rd pillar: Macroeconomy.....	101.....	3.9
4th pillar: Health and primary education.....	98.....	5.7
Efficiency Enhancers	110	2.9
5th pillar: Higher education and training.....	110.....	2.6
6th pillar: Market efficiency.....	99.....	3.6
7th pillar: Technological readiness.....	105.....	2.6
Innovation Factors	102	3.0
8th pillar: Business sophistication.....	100.....	3.4
9th pillar: Innovation.....	98.....	2.7

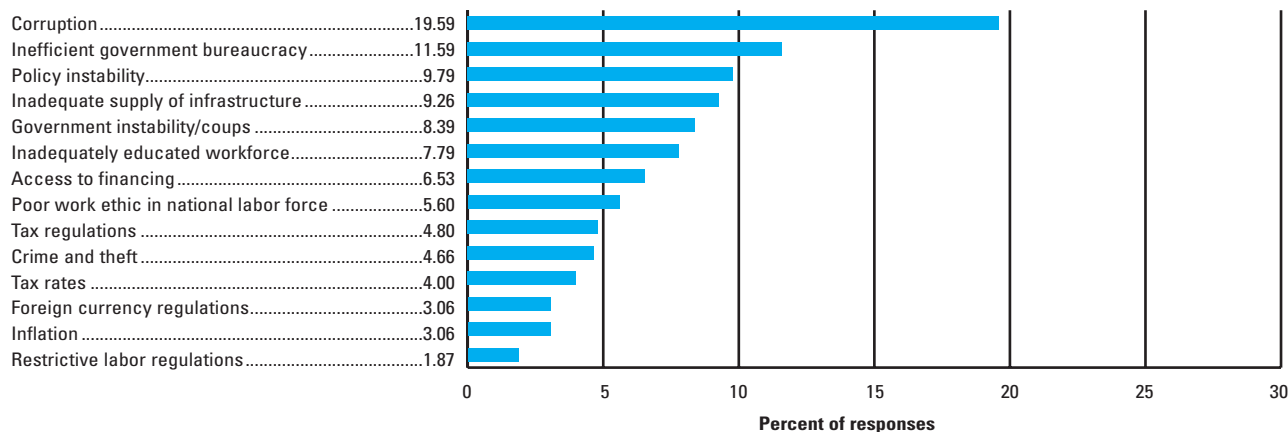
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	107
Sophistication of company operations and strategy.....	96
Quality of the national business environment.....	107

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

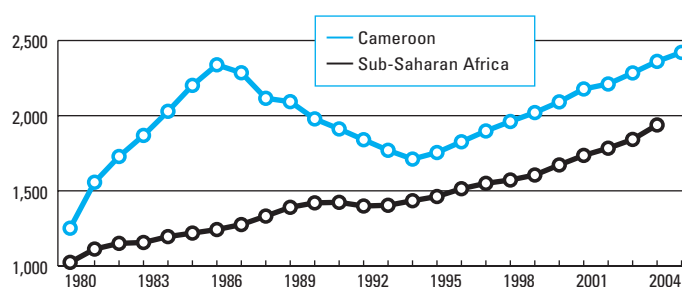
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	20	1.15	Strength of auditing and accounting standards	123
3.05	Government debt (hard data)	40	1.04	Judicial independence	109
4th pillar: Health and primary education			1.11	Organized crime	103
4.09	Primary enrollment (hard data)	24	1.09	Reliability of police services	101
6th pillar: Market efficiency			1.05	Favoritism in decisions of government officials	98
6.01	Agricultural policy costs	23	1.01	Property rights	96
6.03	Extent and effect of taxation	28	1.06	Wastefulness of government spending	80
6.16	Pay and productivity	34	2nd pillar: Infrastructure		
6.17	Brain drain	38	2.06	Telephone lines (hard data)	123
9th pillar: Innovation			2.05	Quality of electricity supply	110
9.04	Government procurement of technology products	29	2.01	Overall infrastructure quality	87
9.02	Company spending on research and development	47	3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	113
			3.01	Government surplus/deficit (hard data)	83
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	124
			4.04	Infant mortality (hard data)	115
			4.08	HIV prevalence (hard data)	106
			4.05	Life expectancy at birth (hard data)	105
			4.07	Malaria prevalence (hard data)	102
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	106
			5.06	Local availability of research and training services	95
			6th pillar: Market efficiency		
			6.23	Local equity market access	124
			6.22	Soundness of banks	115
			6.20	Ease of access to loans	113
			6.09	Prevalence of trade barriers	108
			6.05	Time required to start a business (hard data)	103
			6.02	Efficiency of legal framework	94
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	121
			7.07	Personal computers (hard data)	117
			7.03	Laos relating to ICT	112
			7.05	Cellular telephones (hard data)	104
			7.01	Technological readiness	89
			7.02	Firm-level technology absorption	79
			8th pillar: Business sophistication		
			8.03	Production process sophistication	103
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	123
			9.08	Capacity for innovation	117
			9.07	Intellectual property protection	107

Cameroon

Key Indicators

Total population (millions), 2005.....	16.3
GDP (US\$ billions), 2005.....	17.0
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	2,421

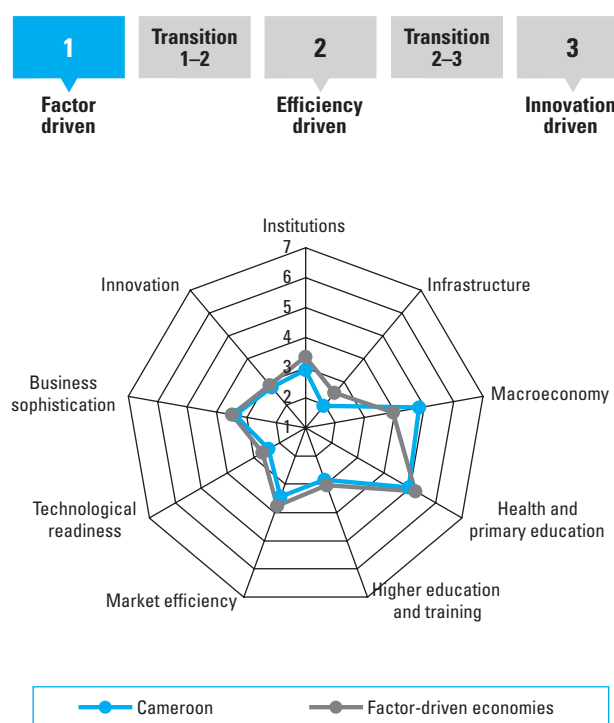
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	108	3.3
2005–06 (out of 117 countries).....	99.....	3.4
Basic Requirements	105	3.7
1st pillar: Institutions.....	117.....	2.9
2nd pillar: Infrastructure.....	120.....	1.9
3rd pillar: Macroeconomy.....	40.....	4.8
4th pillar: Health and primary education.....	104.....	5.0
Efficiency Enhancers	113	2.9
5th pillar: Higher education and training.....	103.....	2.8
6th pillar: Market efficiency.....	115.....	3.4
7th pillar: Technological readiness.....	113.....	2.4
Innovation Factors	101	3.1
8th pillar: Business sophistication.....	101.....	3.4
9th pillar: Innovation.....	97.....	2.7

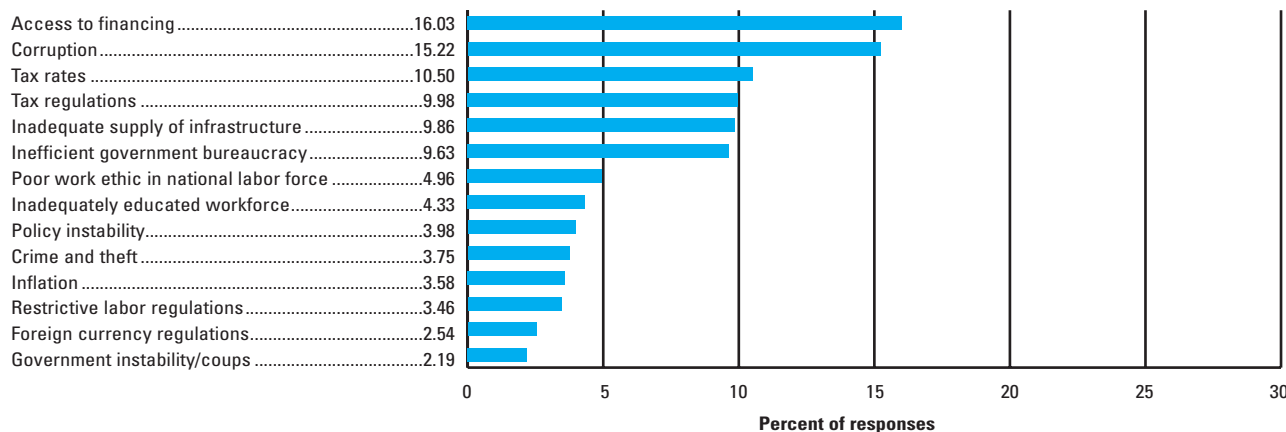
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	113
Sophistication of company operations and strategy.....	102
Quality of the national business environment.....	114

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

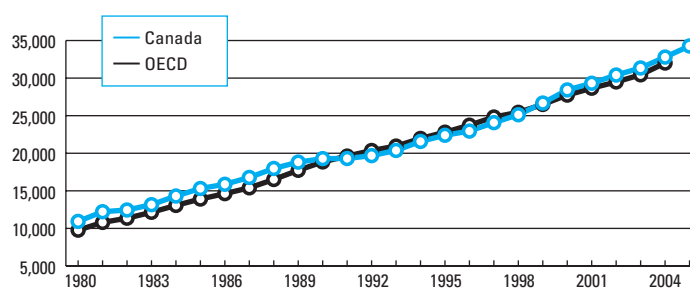
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.01	Government surplus/deficit (hard data).....	14	1.02	Diversion of public funds	123
6th pillar: Market efficiency			1.13	Efficacy of corporate boards	122
6.12	Hiring and firing practices	37	1.07	Burden of government compliance.....	121
6.01	Agricultural policy costs	50	1.15	Strength of auditing and accounting standards	120
			1.03	Public trust of politicians	117
			1.06	Wastefulness of government spending	114
			1.04	Judicial independence.....	112
			1.01	Property rights.....	105
			1.05	Favoritism in decisions of government officials.....	104
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	122
			2.06	Telephone lines (hard data)	117
			2.05	Quality of electricity supply.....	108
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data).....	106
			4th pillar: Health and primary education		
			4.08	HIV prevalence (hard data)	116
			4.04	Infant mortality (hard data)	111
			4.05	Life expectancy at birth (hard data).....	109
			4.07	Malaria prevalence (hard data)	107
			4.06	Tuberculosis prevalence (hard data)	93
			5th pillar: Higher education and training		
			5.07	Extent of staff training	113
			5.02	Tertiary enrollment (hard data)	104
			5.06	Local availability of research and training services	97
			6th pillar: Market efficiency		
			6.20	Ease of access to loans	124
			6.21	Venture capital availability	118
			6.03	Extent and effect of taxation.....	114
			6.23	Local equity market access.....	112
			6.02	Efficiency of legal framework	105
			7th pillar: Technological readiness		
			7.01	Technological readiness	109
			7.06	Internet users (hard data)	109
			7.03	Laws relating to ICT	107
			7.04	FDI and technology transfer.....	103
			7.02	Firm-level technology absorption	96
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	112
			8.03	Production process sophistication	96
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	113
			9.02	Company spending on research and development	105

Canada

Key Indicators

Total population (millions), 2005.....	32.3
GDP (US\$ billions), 2005.....	1,130.2
GDP (PPP) as share of world total, 2005.....	1.81
GDP (PPP) per capita (US\$), 2005.....	34,273

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

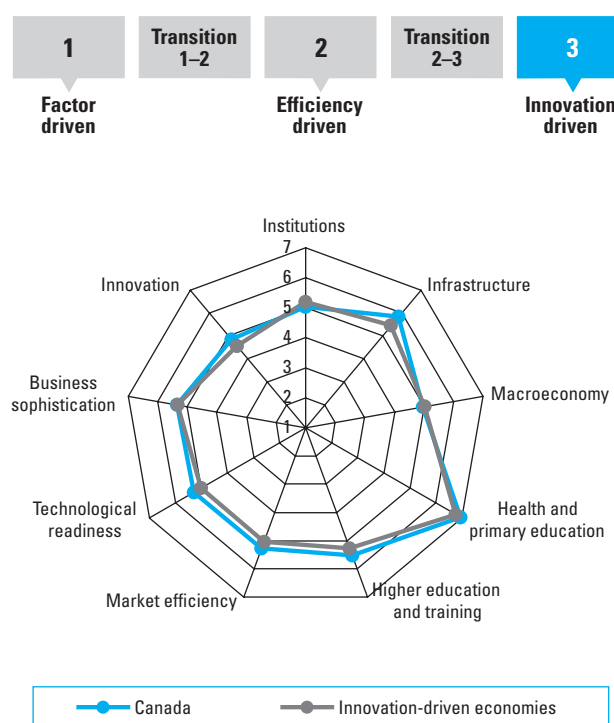
2006–07	16	5.4
2005–06 (out of 117 countries).....	13.....	5.4
Basic Requirements	13	5.7
1st pillar: Institutions.....	21.....	5.0
2nd pillar: Infrastructure	13.....	5.8
3rd pillar: Macroeconomy.....	32.....	5.0
4th pillar: Health and primary education.....	2.....	6.9
Efficiency Enhancers	15	5.4
5th pillar: Higher education and training.....	17.....	5.5
6th pillar: Market efficiency.....	7.....	5.3
7th pillar: Technological readiness	17.....	5.3
Innovation Factors	16	5.1
8th pillar: Business sophistication.....	18.....	5.3
9th pillar: Innovation	13.....	4.8

Rank (out of 121 countries/economies)

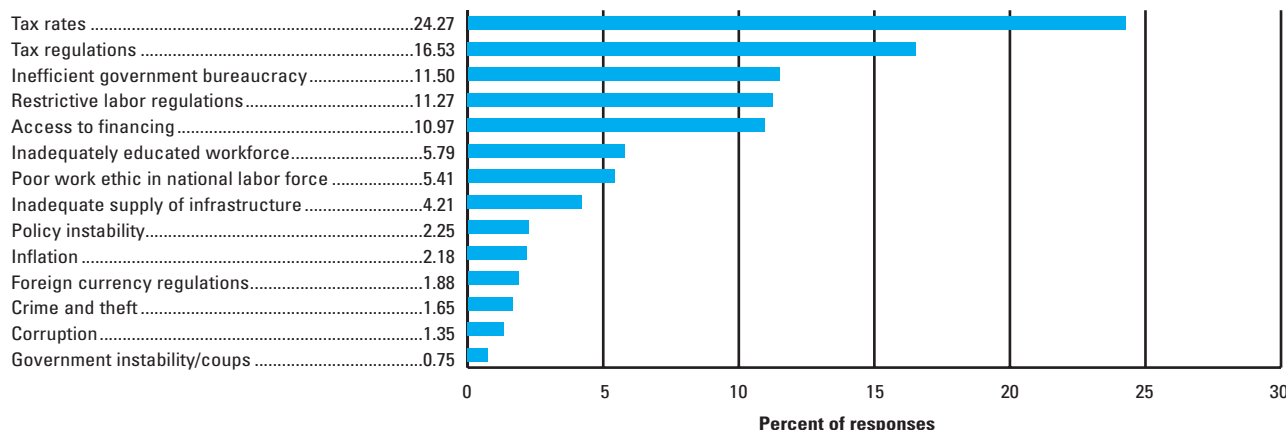
Business Competitiveness Index

Sophistication of company operations and strategy.....	18
Quality of the national business environment.....	16

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

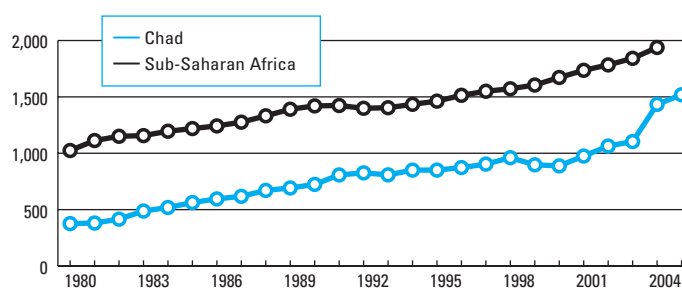
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	11	1.08	Business costs of terrorism	74
1.09	Reliability of police services	14	1.07	Burden of government compliance.....	38
1.12	Ethical behavior of firms	14	1.11	Organized crime	36
1.13	Efficacy of corporate boards	14	1.06	Wastefulness of government spending	34
1.15	Strength of auditing and accounting standards	15	1.02	Diversion of public funds	33
2nd pillar: Infrastructure			1.05	Favoritism in decisions of government officials.....	31
2.06	Telephone lines (hard data)	7	1.03	Public trust of politicians	29
2.02	Railroad infrastructure development	14	1.10	Business costs of crime and violence	29
5th pillar: Higher education and training			3rd pillar: Macroeconomy		
5.05	Quality of management schools	4	3.06	Real effective exchange rate (hard data)	107
5.06	Local availability of research and training services	13	3.05	Government debt (hard data)	89
5.03	Quality of the educational system	14	3.04	Interest rate spread (hard data).....	32
6th pillar: Market efficiency			6th pillar: Market efficiency		
6.04	Number of procedures to start business (hard data)	1	6.03	Extent and effect of taxation.....	66
6.05	Time required to start a business (hard data).....	2	6.13	Flexibility of wage determination	50
6.22	Soundness of banks.....	5	6.12	Hiring and firing practices	44
6.19	Financial market sophistication	9	6.14	Cooperation in labor-employer relations.....	42
6.06	Intensity of local competition	10	6.09	Prevalence of trade barriers	39
6.15	Reliance on professional management.....	13	6.20	Ease of access to loans	36
7th pillar: Technological readiness			6.01	Agricultural policy costs	32
7.07	Personal computers (hard data)	5	6.23	Local equity market access.....	32
7.06	Internet users (hard data)	9	6.10	Foreign ownership restrictions.....	28
7.01	Technological readiness	12	6.16	Pay and productivity	23
8th pillar: Business sophistication			7th pillar: Technological readiness		
8.04	Extent of marketing.....	8	7.05	Cellular telephones (hard data).....	55
8.01	Local supplier quantity	10	7.04	FDI and technology transfer.....	30
8.02	Local supplier quality	13	8th pillar: Business sophistication		
8.06	Willingness to delegate authority.....	13	8.08	Value chain presence	46
9th pillar: Innovation			8.07	Nature of competitive advantage.....	32
9.05	Availability of scientists and engineers	9	9th pillar: Innovation		
9.06	Utility patents (hard data)	10	9.04	Government procurement of technology products.....	36
9.01	Quality of scientific research institutions	11	9.02	Company spending on research and development	22
9.03	University/industry research collaboration	14			

Chad

Key Indicators

Total population (millions), 2005.....	9.7
GDP (US\$ billions), 2005.....	5.4
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	1,519

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

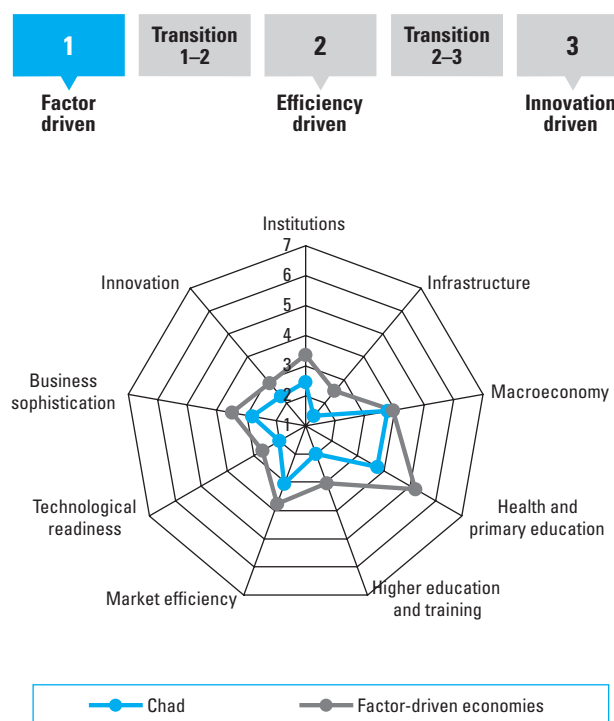
2006–07	123	2.6
2005–06 (out of 117 countries).....	117.....	2.7
Basic Requirements	123	2.8
1st pillar: Institutions.....	124.....	2.4
2nd pillar: Infrastructure	125.....	1.4
3rd pillar: Macroeconomy.....	107.....	3.8
4th pillar: Health and primary education.....	119.....	3.7
Efficiency Enhancers	125	2.3
5th pillar: Higher education and training.....	124.....	2.0
6th pillar: Market efficiency.....	124.....	3.1
7th pillar: Technological readiness	124.....	2.0
Innovation Factors	122	2.5
8th pillar: Business sophistication.....	121.....	2.8
9th pillar: Innovation	122.....	2.3

Rank (out of 121 countries/economies)

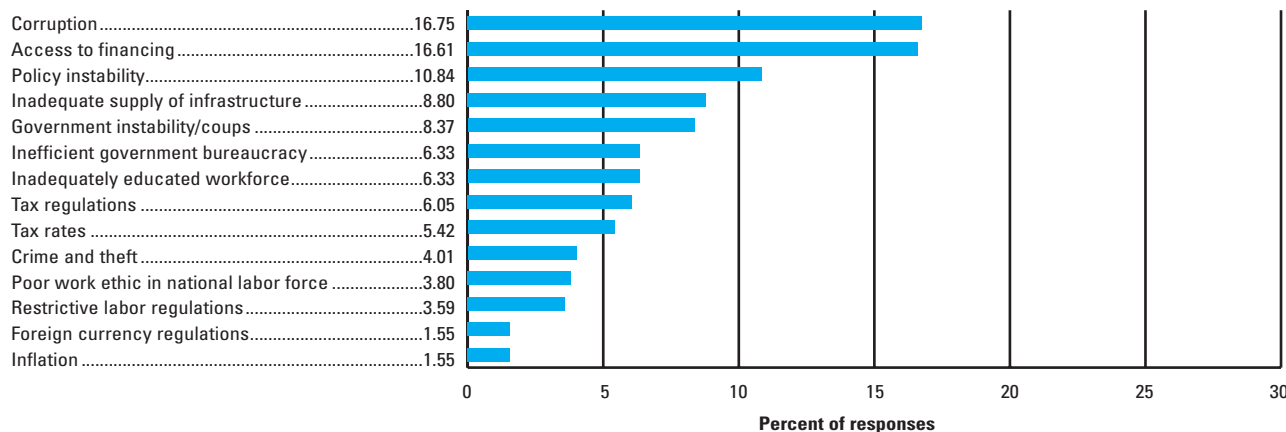
Business Competitiveness Index

Sophistication of company operations and strategy.....	124
Quality of the national business environment.....	121

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

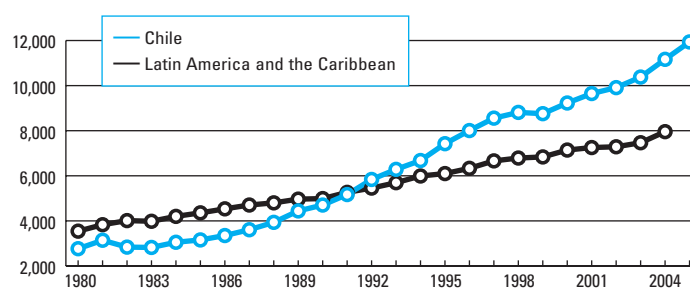
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
6th pillar: Market efficiency			1st pillar: Institutions		
6.13	Flexibility of wage determination	35	1.02	Diversion of public funds	124
			1.06	Wastefulness of government spending	124
			1.11	Organized crime	124
			1.15	Strength of auditing and accounting standards	124
			1.01	Property rights	123
			1.04	Judicial independence	121
			1.09	Reliability of police services	120
			1.12	Ethical behavior of firms	120
			1.05	Favoritism in decisions of government officials	118
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	125
			2.04	Quality of air transport infrastructure	125
			2.05	Quality of electricity supply	125
			2.06	Telephone lines (hard data)	125
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	106
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	123
			4.06	Tuberculosis prevalence (hard data)	115
			4.09	Primary enrollment (hard data)	114
			4.08	HIV prevalence (hard data)	112
			4.07	Malaria prevalence (hard data)	110
			5th pillar: Higher education and training		
			5.07	Extent of staff training	124
			5.04	Quality of math and science education	122
			5.03	Quality of the educational system	121
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	123
			6.02	Efficiency of legal framework	122
			6.06	Intensity of local competition	122
			6.22	Soundness of banks	118
			6.23	Local equity market access	118
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	124
			7.01	Technological readiness	123
			7.05	Cellular telephones (hard data)	123
			7.07	Personal computers (hard data)	120
			7.02	Firm-level technology absorption	119
			7.06	Internet users (hard data)	118
			8th pillar: Business sophistication		
			8.03	Production process sophistication	124
			9th pillar: Innovation		
			9.03	University/industry research collaboration	123
			9.02	Company spending on research and development	119

Chile

Key Indicators

Total population (millions), 2005.....	16.3
GDP (US\$ billions), 2005.....	114.0
GDP (PPP) as share of world total, 2005.....	0.32
GDP (PPP) per capita (US\$), 2005.....	11,937

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

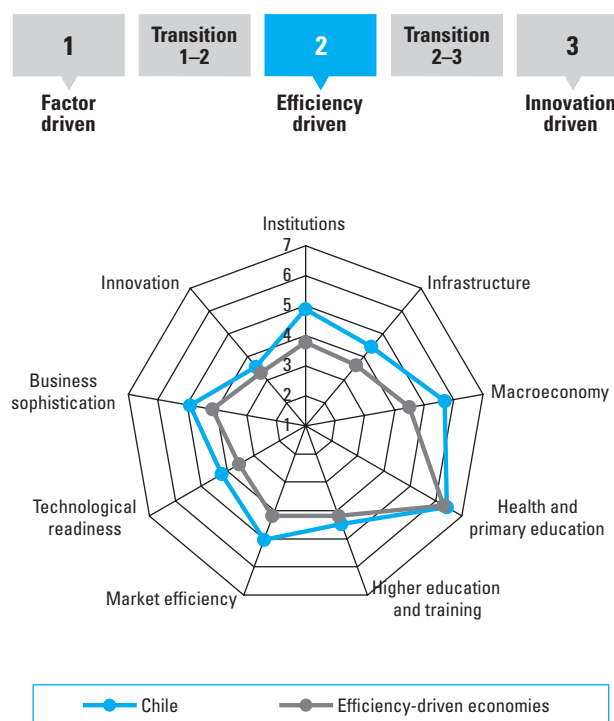
2006–07	27	4.9
2005–06 (out of 117 countries).....	27.....	4.8
Basic Requirements	28	5.4
1st pillar: Institutions.....	25.....	4.9
2nd pillar: Infrastructure.....	35.....	4.4
3rd pillar: Macroeconomy.....	7.....	5.7
4th pillar: Health and primary education.....	57.....	6.4
Efficiency Enhancers	31	4.6
5th pillar: Higher education and training.....	40.....	4.5
6th pillar: Market efficiency.....	24.....	5.0
7th pillar: Technological readiness.....	35.....	4.2
Innovation Factors	33	4.2
8th pillar: Business sophistication.....	30.....	4.9
9th pillar: Innovation.....	39.....	3.6

Rank (out of 121 countries/economies)

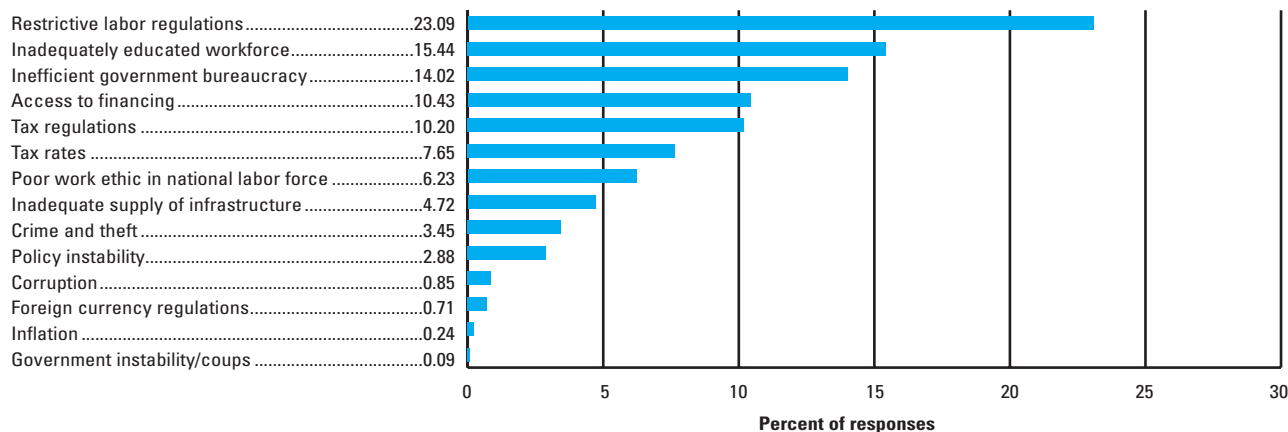
Business Competitiveness Index

Sophistication of company operations and strategy.....	29
Quality of the national business environment.....	28

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

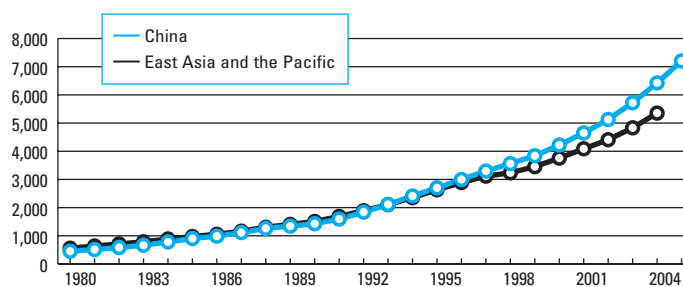
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.12 Ethical behavior of firms	18	1.04 Judicial independence	56
1.13 Efficacy of corporate boards	18	1.10 Business costs of crime and violence	55
1.06 Wastefulness of government spending	20	1.09 Reliability of police services	31
1.03 Public trust of politicians	21		
1.07 Burden of government compliance	21	2nd pillar: Infrastructure	
1.05 Favoritism in decisions of government officials	23	2.06 Telephone lines (hard data)	58
1.02 Diversion of public funds	25		
1.14 Protection of minority shareholders' interests	25	3rd pillar: Macroeconomy	
3rd pillar: Macroeconomy		3.06 Real effective exchange rate (hard data)	51
3.05 Government debt (hard data)	4	3.02 National savings rate (hard data)	41
3.01 Government surplus/deficit (hard data)	12		
3.04 Interest rate spread (hard data)	16	5th pillar: Higher education and training	
5th pillar: Higher education and training		5.04 Quality of math and science education	100
5.05 Quality of management schools	18	5.03 Quality of the educational system	76
		5.02 Tertiary enrollment (hard data)	38
6th pillar: Market efficiency		5.07 Extent of staff training	34
6.13 Flexibility of wage determination	6	5.06 Local availability of research and training services	31
6.10 Foreign ownership restrictions	8		
6.17 Brain drain	10	6th pillar: Market efficiency	
6.01 Agricultural policy costs	11	6.12 Hiring and firing practices	62
6.06 Intensity of local competition	11	6.04 Number of procedures to start business (hard data)	44
6.09 Prevalence of trade barriers	12	6.05 Time required to start a business (hard data)	38
6.16 Pay and productivity	16	6.02 Efficiency of legal framework	37
6.22 Soundness of banks	18	6.21 Venture capital availability	32
6.07 Effectiveness of antitrust policy	22	6.14 Cooperation in labor-employer relations	31
6.19 Financial market sophistication	24	6.20 Ease of access to loans	31
6.15 Reliance on professional management	25	6.23 Local equity market access	31
7th pillar: Technological readiness			
7.03 Laws relating to ICT	24	7th pillar: Technological readiness	
7.04 FDI and technology transfer	24	7.05 Cellular telephones (hard data)	44
7.01 Technological readiness	26	7.07 Personal computers (hard data)	44
		7.06 Internet users (hard data)	41
8th pillar: Business sophistication		7.02 Firm-level technology absorption	33
8.02 Local supplier quality	23		
8.04 Extent of marketing	24	8th pillar: Business sophistication	
8.01 Local supplier quantity	25	8.08 Value chain presence	58
8.03 Production process sophistication	26	8.07 Nature of competitive advantage	51
		9th pillar: Innovation	
		9.04 Government procurement of technology products	54
		9.08 Capacity for innovation	50
		9.01 Quality of scientific research institutions	48
		9.02 Company spending on research and development	48
		9.07 Intellectual property protection	45
		9.05 Availability of scientists and engineers	33

China

Key Indicators

Total population (millions), 2005.....	1,315.8
GDP (US\$ billions), 2005.....	2,224.8
GDP (PPP) as share of world total, 2005.....	15.41
GDP (PPP) per capita (US\$), 2005.....	7,204

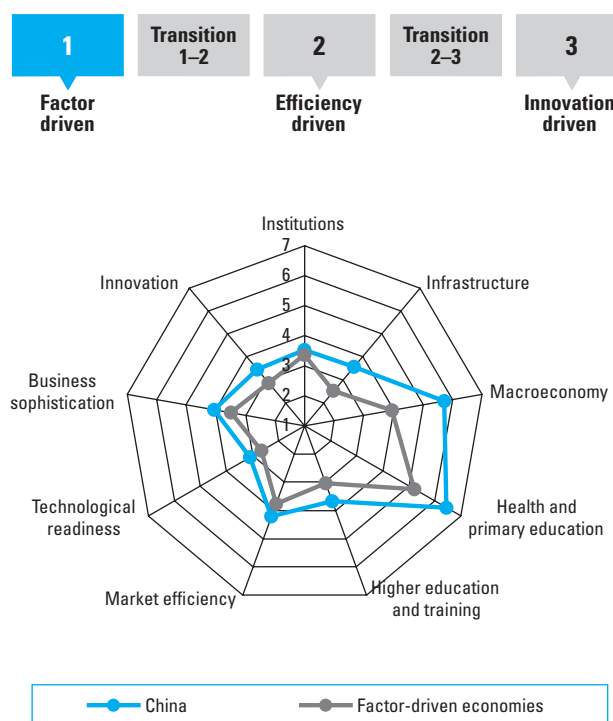
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	54	4.2
2005–06 (out of 117 countries).....	48.....	4.3
Basic Requirements	44	4.8
1st pillar: Institutions.....	80.....	3.5
2nd pillar: Infrastructure.....	60.....	3.5
3rd pillar: Macroeconomy.....	6.....	5.7
4th pillar: Health and primary education.....	55.....	6.4
Efficiency Enhancers	71	3.7
5th pillar: Higher education and training.....	77.....	3.7
6th pillar: Market efficiency.....	56.....	4.2
7th pillar: Technological readiness.....	75.....	3.1
Innovation Factors	57	3.7
8th pillar: Business sophistication.....	65.....	4.1
9th pillar: Innovation.....	46.....	3.4

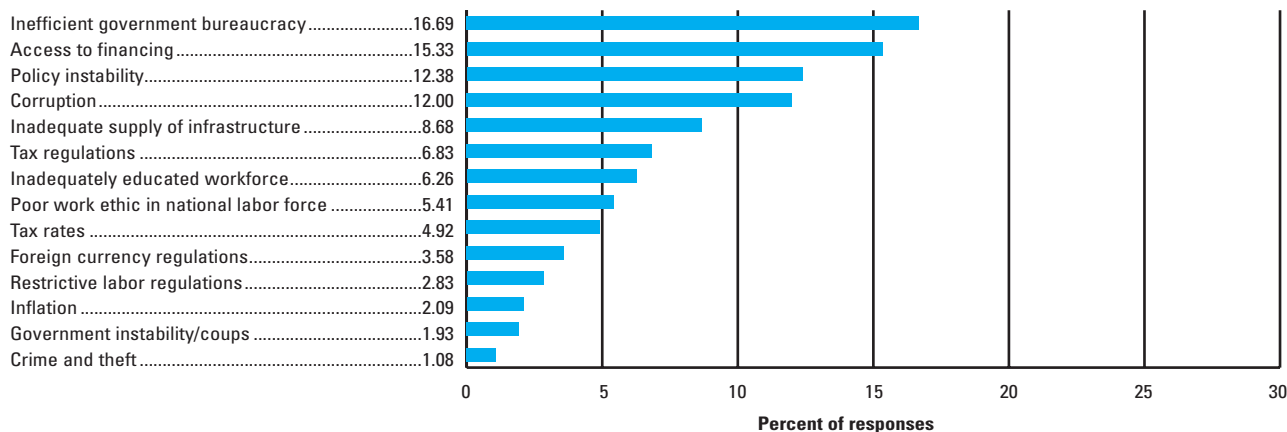
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	64
Sophistication of company operations and strategy.....	69
Quality of the national business environment.....	65

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

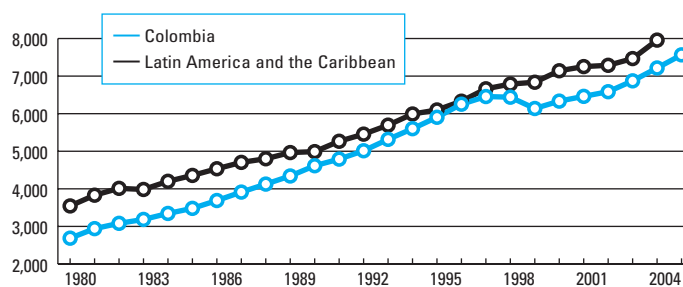
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	35	1.13	Efficacy of corporate boards	119
2nd pillar: Infrastructure			1.14	Protection of minority shareholders' interests.....	113
2.02	Railroad infrastructure development	33	1.15	Strength of auditing and accounting standards	108
3rd pillar: Macroeconomy			1.08	Business costs of terrorism	104
3.02	National savings rate (hard data)	4	1.12	Ethical behavior of firms	104
3.05	Government debt (hard data)	21	1.11	Organized crime	92
3.04	Interest rate spread (hard data).....	25	1.01	Property rights.....	82
3.06	Real effective exchange rate (hard data)	29	1.04	Judicial independence	78
4th pillar: Health and primary education			1.02	Diversion of public funds	71
4.09	Primary enrollment (hard data)	48	1.05	Favoritism in decisions of government officials.....	60
5th pillar: Higher education and training			2nd pillar: Infrastructure		
5.06	Local availability of research and training services	46	2.05	Quality of electricity supply	79
6th pillar: Market efficiency			2.01	Overall infrastructure quality	65
6.01	Agricultural policy costs	8	4th pillar: Health and primary education		
6.16	Pay and productivity.....	27	4.06	Tuberculosis prevalence (hard data)	92
6.06	Intensity of local competition.....	34	4.07	Malaria prevalence (hard data)	70
6.17	Brain drain	43	5th pillar: Higher education and training		
6.03	Extent and effect of taxation.....	46	5.02	Tertiary enrollment (hard data)	77
7th pillar: Technological readiness			5.07	Extent of staff training	76
7.02	Firm-level technology absorption	41	6th pillar: Market efficiency		
8th pillar: Business sophistication			6.22	Soundness of banks.....	123
8.01	Local supplier quantity	38	6.14	Cooperation in labor-employer relations.....	99
9th pillar: Innovation			6.20	Ease of access to loans	99
9.04	Government procurement of technology products.....	21	6.04	Number of procedures to start business (hard data)	94
9.03	University/industry research collaboration	27	6.21	Venture capital availability	91
9.02	Company spending on research and development	39	6.10	Foreign ownership restrictions.....	87
9.08	Capacity for innovation.....	43	6.09	Prevalence of trade barriers	83
			6.05	Time required to start a business (hard data).....	81
			6.23	Local equity market access.....	77
			6.02	Efficiency of legal framework	76
			6.07	Effectiveness of antitrust policy.....	74
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	104
			7.07	Personal computers (hard data)	80
			7.06	Internet users (hard data)	76
			7.01	Technological readiness	69
			8th pillar: Business sophistication		
			8.03	Production process sophistication	89
			8.07	Nature of competitive advantage.....	74
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	86
			9.01	Quality of scientific research institutions	63

Colombia

Key Indicators

Total population (millions), 2005.....	45.6
GDP (US\$ billions), 2005.....	122.3
GDP (PPP) as share of world total, 2005.....	0.55
GDP (PPP) per capita (US\$), 2005.....	7,565

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

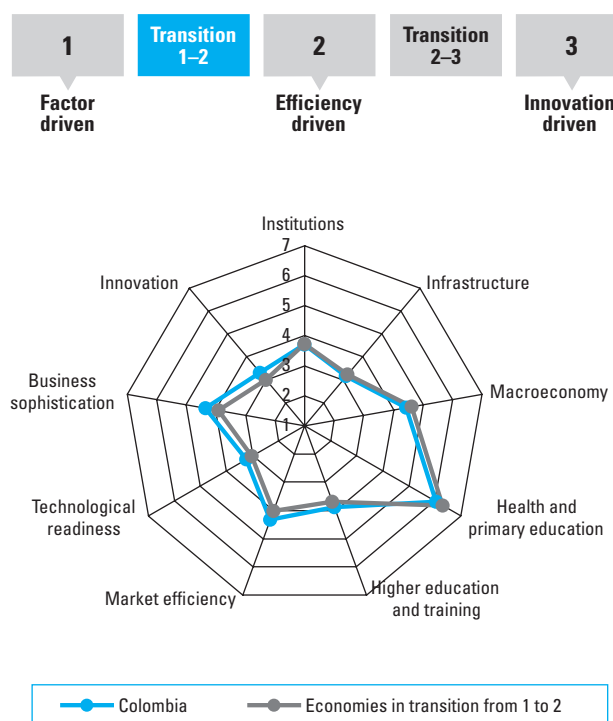
2006–07	65	4.0
2005–06 (out of 117 countries).....	58.....	4.1
Basic Requirements	73	4.3
1st pillar: Institutions.....	68.....	3.7
2nd pillar: Infrastructure	75.....	3.2
3rd pillar: Macroeconomy.....	65.....	4.4
4th pillar: Health and primary education.....	88.....	6.1
Efficiency Enhancers	65	3.8
5th pillar: Higher education and training.....	69.....	3.9
6th pillar: Market efficiency.....	51.....	4.3
7th pillar: Technological readiness	65.....	3.2
Innovation Factors	48	3.8
8th pillar: Business sophistication.....	48.....	4.3
9th pillar: Innovation	57.....	3.3

Rank (out of 121 countries/economies)

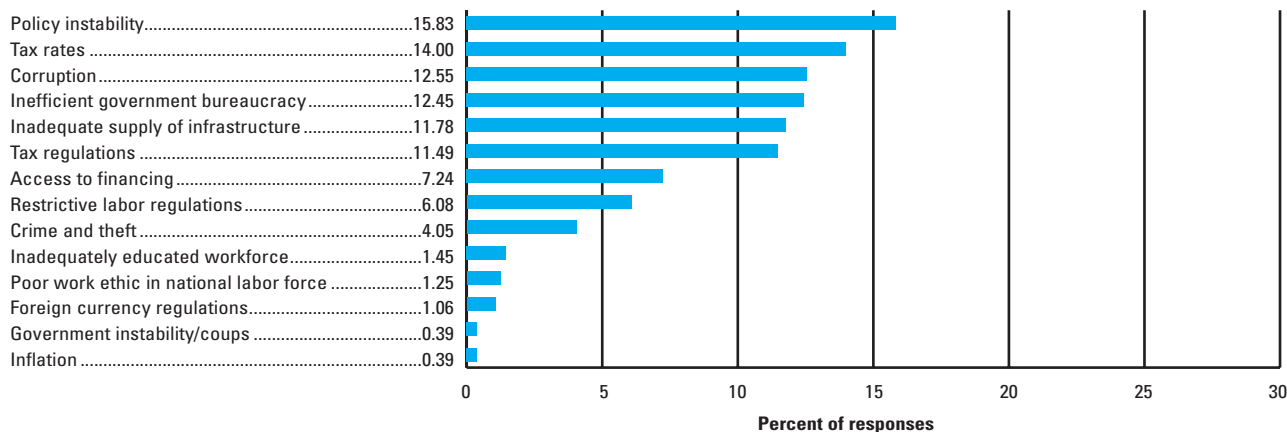
Business Competitiveness Index

Sophistication of company operations and strategy.....	54
Quality of the national business environment.....	59

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

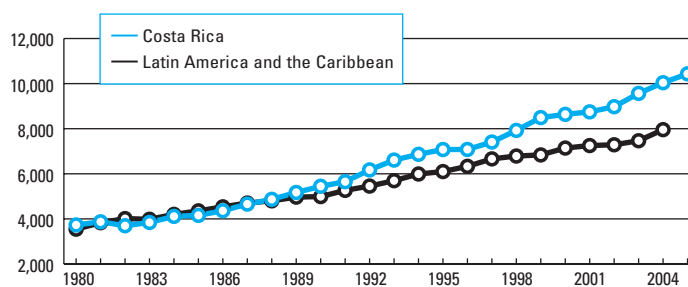
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.12	Ethical behavior of firms	32	1.08	Business costs of terrorism	123
1.13	Efficacy of corporate boards	42	1.11	Organized crime	111
1.06	Wastefulness of government spending	48	1.10	Business costs of crime and violence	101
4th pillar: Health and primary education			1.02	Diversion of public funds	97
4.05	Life expectancy at birth (hard data)	49	1.07	Burden of government compliance	97
5th pillar: Higher education and training			1.03	Public trust of politicians	84
5.05	Quality of management schools	38	1.05	Favoritism in decisions of government officials	70
6th pillar: Market efficiency			1.04	Judicial independence	66
6.14	Cooperation in labor-employer relations	34	2nd pillar: Infrastructure		
6.15	Reliance on professional management	40	2.02	Railroad infrastructure development	108
6.19	Financial market sophistication	49	2.01	Overall infrastructure quality	82
7th pillar: Technological readiness			2.03	Quality of port infrastructure	82
7.04	FDI and technology transfer	37	3rd pillar: Macroeconomy		
7.03	Laws relating to ICT	46	3.04	Interest rate spread (hard data)	79
8th pillar: Business sophistication			3.01	Government surplus/deficit (hard data)	61
8.01	Local supplier quantity	42	4th pillar: Health and primary education		
8.04	Extent of marketing	46	4.07	Malaria prevalence (hard data)	99
8.02	Local supplier quality	47	4.09	Primary enrollment (hard data)	98
8.08	Value chain presence	50	4.08	HIV prevalence (hard data)	83
9th pillar: Innovation			5th pillar: Higher education and training		
9.03	University/industry research collaboration	45	5.04	Quality of math and science education	77
			5.06	Local availability of research and training services	70
			5.07	Extent of staff training	67
			5.02	Tertiary enrollment (hard data)	66
			6th pillar: Market efficiency		
			6.03	Extent and effect of taxation	110
			6.09	Prevalence of trade barriers	95
			6.04	Number of procedures to start business (hard data)	85
			6.05	Time required to start a business (hard data)	73
			6.21	Venture capital availability	73
			6.13	Flexibility of wage determination	70
			6.10	Foreign ownership restrictions	67
			6.22	Soundness of banks	63
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	84
			7.05	Cellular telephones (hard data)	78
			7.06	Internet users (hard data)	68
			7.07	Personal computers (hard data)	68
			7.01	Technological readiness	64
			8th pillar: Business sophistication		
			8.03	Production process sophistication	69
			9th pillar: Innovation		
			9.02	Company spending on research and development	69
			9.04	Government procurement of technology products	60

Costa Rica

Key Indicators

Total population (millions), 2005.....	4.3
GDP (US\$ billions), 2005.....	19.8
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	10,434

GDP (PPP) per capita (US\$), 1980–2005

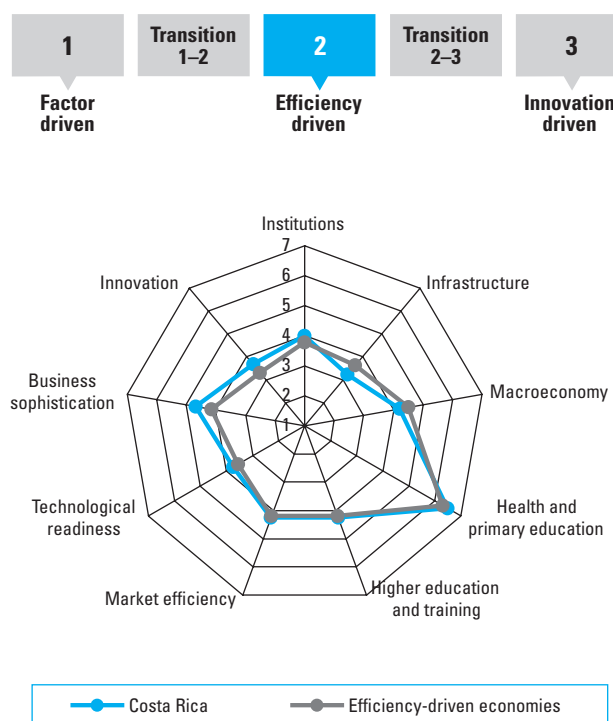


Global Competitiveness Index

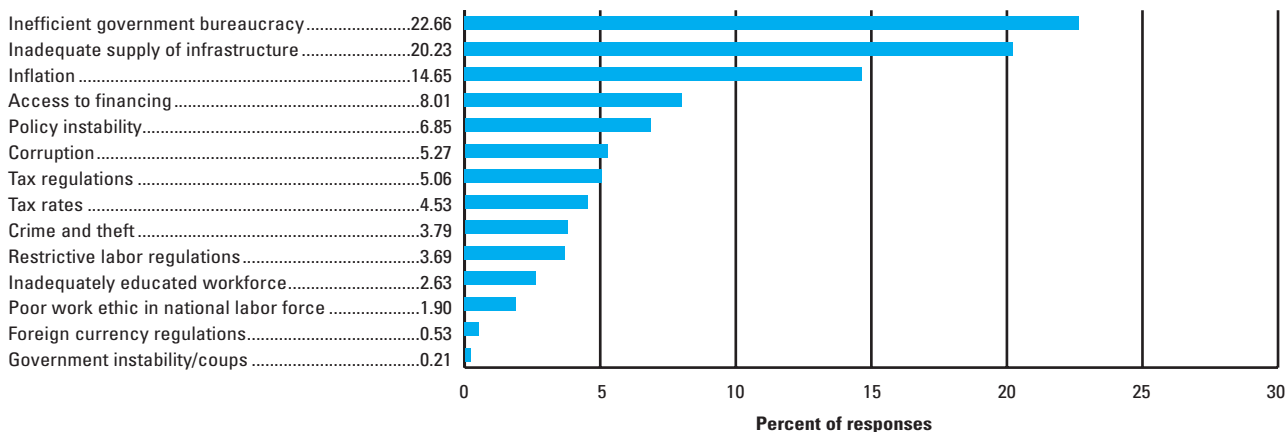
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	53	4.2
2005–06 (out of 117 countries).....	56.....	4.1
Basic Requirements	64	4.5
1st pillar: Institutions.....	55.....	4.0
2nd pillar: Infrastructure.....	73.....	3.2
3rd pillar: Macroeconomy.....	81.....	4.2
4th pillar: Health and primary education.....	52.....	6.5
Efficiency Enhancers	51	4.1
5th pillar: Higher education and training.....	52.....	4.3
6th pillar: Market efficiency.....	52.....	4.3
7th pillar: Technological readiness.....	44.....	3.7
Innovation Factors	35	4.2
8th pillar: Business sophistication.....	34.....	4.7
9th pillar: Innovation.....	36.....	3.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	50
Sophistication of company operations and strategy.....	36
Quality of the national business environment.....	52

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

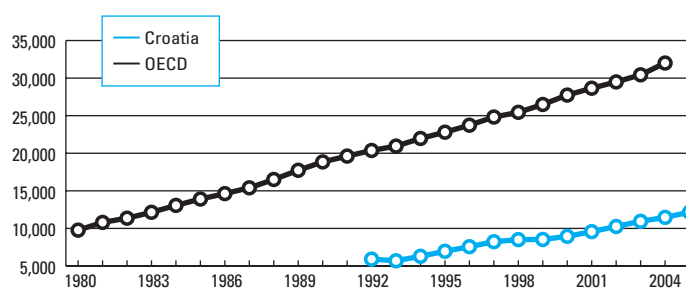
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence.....	33	1.07	Burden of government compliance.....	99
2nd pillar: Infrastructure			1.10	Business costs of crime and violence	93
2.06	Telephone lines (hard data)	40	1.06	Wastefulness of government spending	82
3rd pillar: Macroeconomy			1.03	Public trust of politicians	78
3.01	Government surplus/deficit (hard data).....	16	1.09	Reliability of police services	65
3.06	Real effective exchange rate (hard data)	33	1.01	Property rights.....	59
4th pillar: Health and primary education			1.02	Diversion of public funds	58
4.06	Tuberculosis prevalence (hard data)	28	2nd pillar: Infrastructure		
4.05	Life expectancy at birth (hard data).....	29	2.03	Quality of port infrastructure	102
5th pillar: Higher education and training			2.01	Overall infrastructure quality	98
5.05	Quality of management schools	27	2.04	Quality of air transport infrastructure	68
5.07	Extent of staff training	31	3rd pillar: Macroeconomy		
5.03	Quality of the educational system	40	3.03	Inflation (hard data).....	116
5.06	Local availability of research and training services	40	3.04	Interest rate spread (hard data).....	112
6th pillar: Market efficiency			3.02	National savings rate (hard data)	75
6.14	Cooperation in labor-employer relations.....	13	3.05	Government debt (hard data)	65
6.01	Agricultural policy costs	26	4th pillar: Health and primary education		
6.10	Foreign ownership restrictions.....	27	4.07	Malaria prevalence (hard data)	80
6.17	Brain drain	29	4.08	HIV prevalence (hard data)	79
6.02	Efficiency of legal framework	32	4.09	Primary enrollment (hard data)	72
6.12	Hiring and firing practices	42	4.01	Medium-term business impact of malaria	69
6.22	Soundness of banks.....	42	5th pillar: Higher education and training		
6.03	Extent and effect of taxation.....	47	5.01	Secondary enrollment (hard data)	81
6.06	Intensity of local competition	48	5.02	Tertiary enrollment (hard data)	71
7th pillar: Technological readiness			5.04	Quality of math and science education.....	67
7.04	FDI and technology transfer.....	9	6th pillar: Market efficiency		
7.07	Personal computers (hard data)	33	6.05	Time required to start a business (hard data).....	101
7.06	Internet users (hard data)	43	6.09	Prevalence of trade barriers	100
8th pillar: Business sophistication			6.13	Flexibility of wage determination	100
8.07	Nature of competitive advantage.....	28	6.23	Local equity market access.....	94
8.08	Value chain presence	31	6.21	Venture capital availability	80
8.02	Local supplier quality	36	6.20	Ease of access to loans	74
8.03	Production process sophistication	38	6.04	Number of procedures to start business (hard data)	70
8.01	Local supplier quantity	41	6.07	Effectiveness of antitrust policy.....	63
9th pillar: Innovation			6.19	Financial market sophistication	55
9.02	Company spending on research and development	33	7th pillar: Technological readiness		
9.08	Capacity for innovation.....	33	7.05	Cellular telephones (hard data).....	79
9.05	Availability of scientists and engineers	37	8th pillar: Business sophistication		
9.01	Quality of scientific research institutions	38	8.05	Control of international distribution.....	68
9.03	University/industry research collaboration	39			
9.06	Utility patents (hard data)	43			
9.07	Intellectual property protection	48			

Croatia

Key Indicators

Total population (millions), 2005.....	4.6
GDP (US\$ billions), 2005.....	37.6
GDP (PPP) as share of world total, 2005.....	0.09
GDP (PPP) per capita (US\$), 2005.....	12,158

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

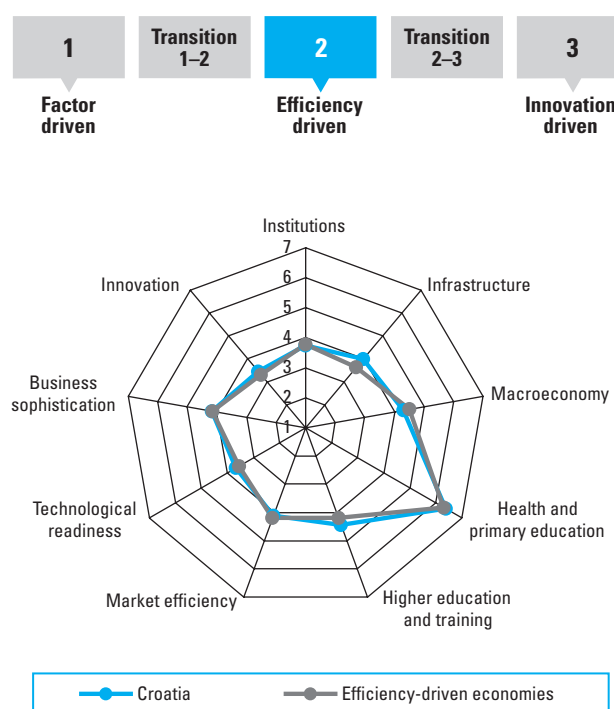
2006–07	51	4.3
2005–06 (out of 117 countries).....	64.....	4.0
Basic Requirements	55	4.6
1st pillar: Institutions.....	66.....	3.7
2nd pillar: Infrastructure	51.....	4.0
3rd pillar: Macroeconomy.....	73.....	4.3
4th pillar: Health and primary education.....	67.....	6.4
Efficiency Enhancers	52	4.1
5th pillar: Higher education and training.....	44.....	4.4
6th pillar: Market efficiency.....	68.....	4.1
7th pillar: Technological readiness	47.....	3.7
Innovation Factors	50	3.8
8th pillar: Business sophistication.....	61.....	4.2
9th pillar: Innovation	45.....	3.4

Rank (out of 121 countries/economies)

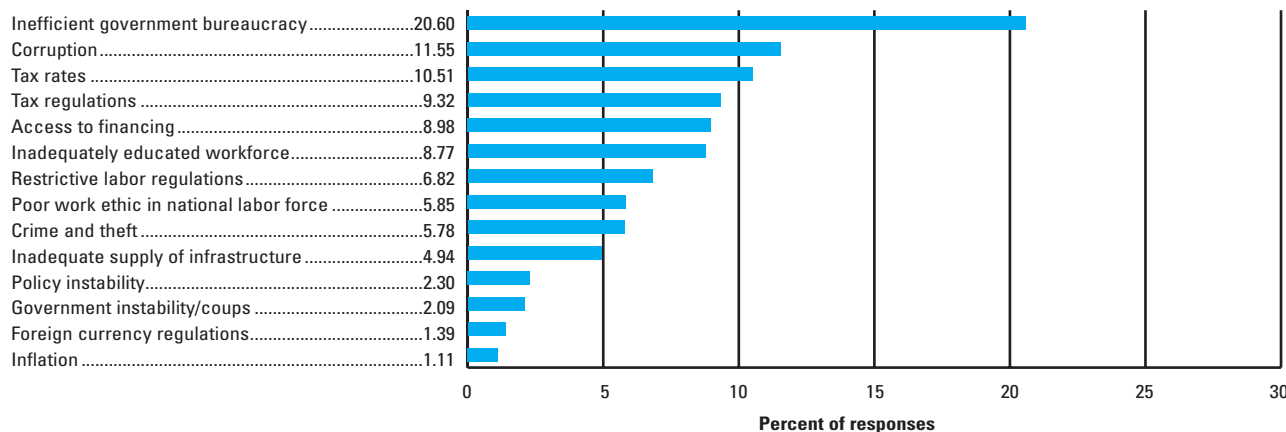
Business Competitiveness Index	56
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Sophistication of company operations and strategy.....	56
Quality of the national business environment.....	54

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

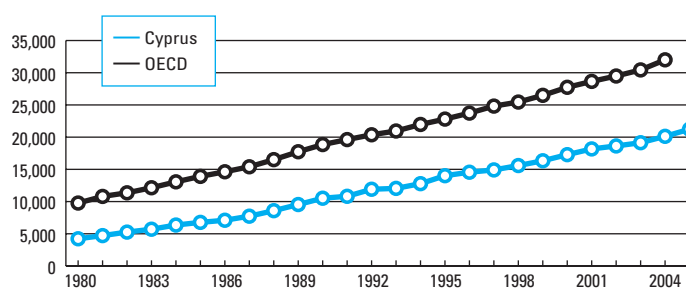
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.06	Telephone lines (hard data)	30	1.14	Protection of minority shareholders' interests	94
3rd pillar: Macroeconomy			1.11	Organized crime	84
3.02	National savings rate (hard data)	21	1.04	Judicial independence	82
3.05	Government debt (hard data)	48	1.01	Property rights	81
4th pillar: Health and primary education			1.09	Reliability of police services	77
4.03	Medium-term business impact of HIV/AIDS	30	1.07	Burden of government compliance	69
4.02	Medium-term business impact of tuberculosis	35	1.06	Wastefulness of government spending	66
4.05	Life expectancy at birth (hard data)	39	1.03	Public trust of politicians	54
4.01	Medium-term business impact of malaria	42	2nd pillar: Infrastructure		
5th pillar: Higher education and training			2.03	Quality of port infrastructure	72
5.04	Quality of math and science education	31	2.04	Quality of air transport infrastructure	70
5.06	Local availability of research and training services	34	3rd pillar: Macroeconomy		
5.02	Tertiary enrollment (hard data)	46	3.01	Government surplus/deficit (hard data)	103
7th pillar: Technological readiness			3.04	Interest rate spread (hard data)	90
7.07	Personal computers (hard data)	37	3.06	Real effective exchange rate (hard data)	84
7.06	Internet users (hard data)	38	4th pillar: Health and primary education		
7.03	Laws relating to ICT	41	4.09	Primary enrollment (hard data)	84
7.05	Cellular telephones (hard data)	42	6th pillar: Market efficiency		
8th pillar: Business sophistication			6.01	Agricultural policy costs	110
8.05	Control of international distribution	38	6.14	Cooperation in labor-employer relations	95
8.07	Nature of competitive advantage	39	6.03	Extent and effect of taxation	85
9th pillar: Innovation			6.04	Number of procedures to start business (hard data)	85
9.06	Utility patents (hard data)	32	6.05	Time required to start a business (hard data)	85
9.03	University/industry research collaboration	35	6.02	Efficiency of legal framework	75
9.05	Availability of scientists and engineers	38	6.10	Foreign ownership restrictions	74
9.01	Quality of scientific research institutions	46	6.19	Financial market sophistication	71
			6.22	Soundness of banks	70
			6.23	Local equity market access	70
			6.21	Venture capital availability	66
			6.07	Effectiveness of antitrust policy	65
			6.13	Flexibility of wage determination	63
			6.17	Brain drain	61
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	106
			7.02	Firm-level technology absorption	80
			7.01	Technological readiness	78
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	66
			8.03	Production process sophistication	61
			8.08	Value chain presence	59
			9th pillar: Innovation		
			9.08	Capacity for innovation	53

Cyprus

Key Indicators

Total population (millions), 2005.....	0.8
GDP (US\$ billions), 2005.....	16.7
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	21,232

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

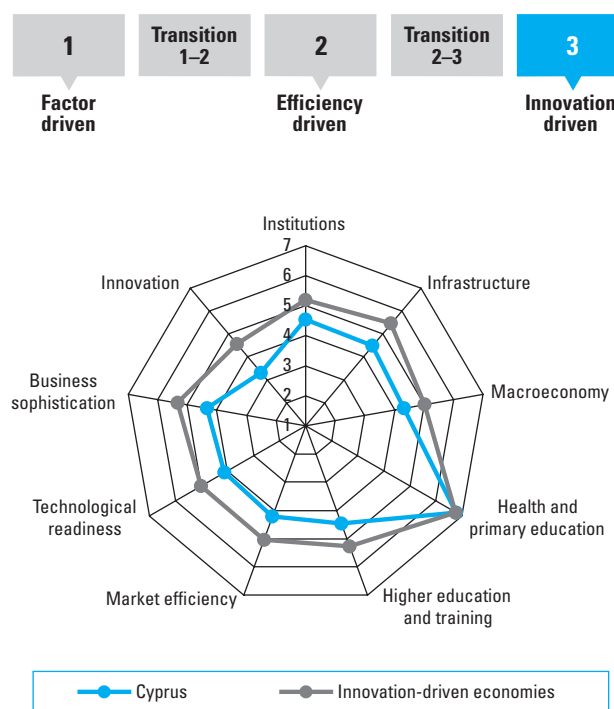
2006–07	46	4.4
2005–06 (out of 117 countries).....	41.....	4.4
Basic Requirements	37	5.0
1st pillar: Institutions.....	35.....	4.5
2nd pillar: Infrastructure	34.....	4.5
3rd pillar: Macroeconomy.....	72.....	4.3
4th pillar: Health and primary education.....	22.....	6.8
Efficiency Enhancers	44	4.3
5th pillar: Higher education and training.....	41.....	4.5
6th pillar: Market efficiency.....	55.....	4.2
7th pillar: Technological readiness	38.....	4.1
Innovation Factors	49	3.8
8th pillar: Business sophistication.....	50.....	4.3
9th pillar: Innovation	55.....	3.3

Rank (out of 121 countries/economies)

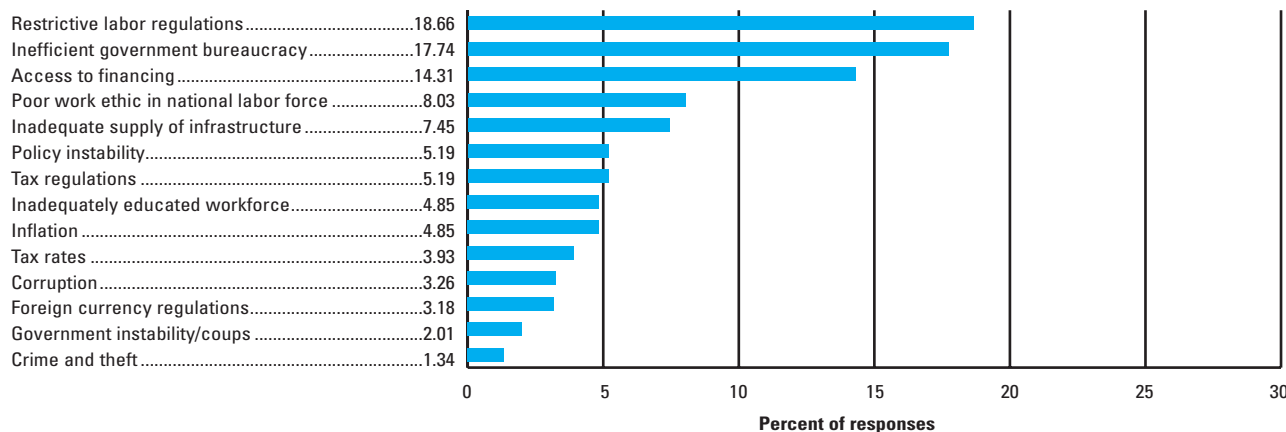
Business Competitiveness Index

Sophistication of company operations and strategy.....	67
Quality of the national business environment.....	43

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

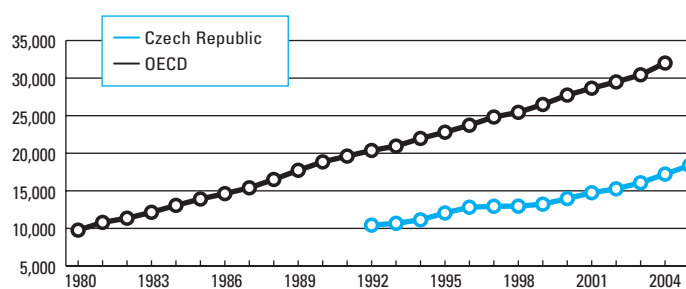
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.10	Business costs of crime and violence	25	1.13	Efficacy of corporate boards	111
1.01	Property rights.....	29	1.08	Business costs of terrorism	69
1.06	Wastefulness of government spending	29	1.05	Favoritism in decisions of government officials.....	62
1.07	Burden of government compliance.....	29	2nd pillar: Infrastructure		
1.02	Diversion of public funds	30	2.02	Railroad infrastructure development	125
1.04	Judicial independence.....	30	2.04	Quality of air transport infrastructure.....	52
1.15	Strength of auditing and accounting standards	32	3rd pillar: Macroeconomy		
1.03	Public trust of politicians	34	3.05	Government debt (hard data)	104
1.09	Reliability of police services	37	3.06	Real effective exchange rate (hard data)	92
2nd pillar: Infrastructure			3.01	Government surplus/deficit (hard data).....	75
2.06	Telephone lines (hard data)	16	5th pillar: Higher education and training		
2.01	Overall infrastructure quality	26	5.07	Extent of staff training	70
2.05	Quality of electricity supply.....	27	5.06	Local availability of research and training services	65
2.03	Quality of port infrastructure.....	32	5.02	Tertiary enrollment (hard data)	53
3rd pillar: Macroeconomy			5.05	Quality of management schools	49
3.04	Interest rate spread (hard data).....	31	6th pillar: Market efficiency		
5th pillar: Higher education and training			6.15	Reliance on professional management.....	114
5.03	Quality of the educational system	26	6.13	Flexibility of wage determination	108
5.04	Quality of math and science education.....	30	6.12	Hiring and firing practices	95
6th pillar: Market efficiency			6.10	Foreign ownership restrictions.....	80
6.03	Extent and effect of taxation.....	19	6.16	Pay and productivity	80
6.20	Ease of access to loans	25	6.23	Local equity market access.....	78
6.02	Efficiency of legal framework	28	6.01	Agricultural policy costs	66
6.07	Effectiveness of antitrust policy.....	29	6.22	Soundness of banks.....	50
6.09	Prevalence of trade barriers	29	6.21	Venture capital availability	49
6.06	Intensity of local competition.....	32	6.17	Brain drain	46
6.14	Cooperation in labor-employer relations.....	36	7th pillar: Technological readiness		
6.19	Financial market sophistication	44	7.04	FDI and technology transfer.....	93
7th pillar: Technological readiness			7.02	Firm-level technology absorption	69
7.07	Personal computers (hard data)	29	7.03	Laws relating to ICT	61
7.05	Cellular telephones (hard data).....	32	8th pillar: Business sophistication		
7.06	Internet users (hard data)	33	8.01	Local supplier quantity	75
8th pillar: Business sophistication			8.03	Production process sophistication	52
8.07	Nature of competitive advantage.....	30	8.02	Local supplier quality	49
8.05	Control of international distribution.....	34	9th pillar: Innovation		
8.08	Value chain presence	43	9.04	Government procurement of technology products.....	88
9th pillar: Innovation			9.08	Capacity for innovation.....	81
9.05	Availability of scientists and engineers	34	9.01	Quality of scientific research institutions	78
9.07	Intellectual property protection	37	9.02	Company spending on research and development	78
			9.03	University/industry research collaboration	73

Czech Republic

Key Indicators

Total population (millions), 2005.....	10.2
GDP (US\$ billions), 2005.....	123.6
GDP (PPP) as share of world total, 2005.....	0.31
GDP (PPP) per capita (US\$), 2005.....	18,375

GDP (PPP) per capita (US\$), 1980–2005

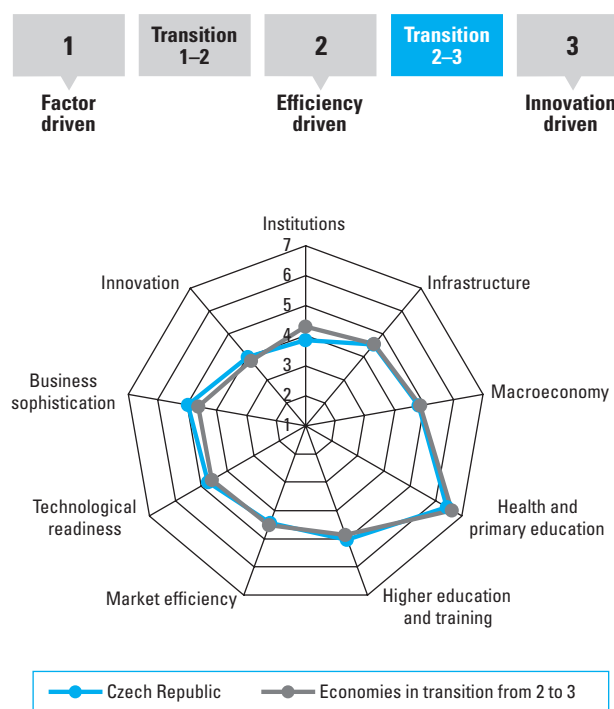


Global Competitiveness Index

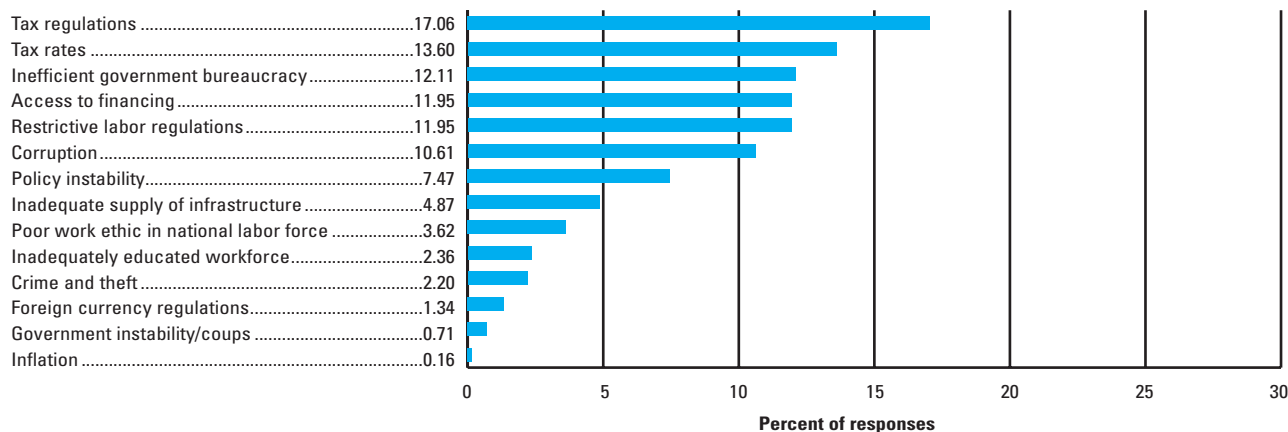
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	29	4.7
2005–06 (out of 117 countries).....	29	4.8
Basic Requirements	42	4.9
1st pillar: Institutions.....	60	3.8
2nd pillar: Infrastructure.....	33	4.5
3rd pillar: Macroeconomy.....	42	4.8
4th pillar: Health and primary education.....	58	6.4
Efficiency Enhancers	27	4.7
5th pillar: Higher education and training.....	27	5.0
6th pillar: Market efficiency.....	41	4.4
7th pillar: Technological readiness.....	26	4.7
Innovation Factors	27	4.5
8th pillar: Business sophistication.....	29	5.0
9th pillar: Innovation.....	28	4.0

	Rank (out of 121 countries/economies)
Business Competitiveness Index	32
Sophistication of company operations and strategy.....	28
Quality of the national business environment.....	32

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

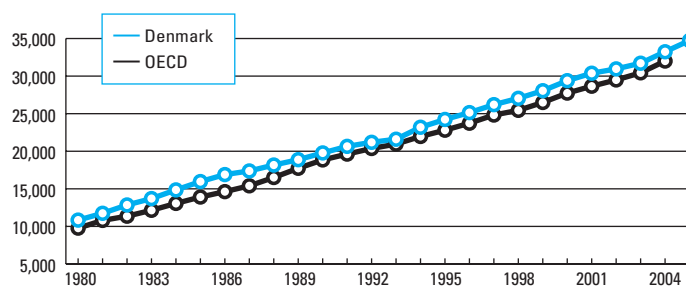
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	28	1.07	Burden of government compliance.....	112
2nd pillar: Infrastructure			1.06	Wastefulness of government spending	96
2.05	Quality of electricity supply	23	1.03	Public trust of politicians	88
2.02	Railroad infrastructure development	27	1.09	Reliability of police services	73
3rd pillar: Macroeconomy			1.14	Protection of minority shareholders' interests.....	71
3.03	Inflation (hard data)	16	1.02	Diversion of public funds	69
3.05	Government debt (hard data)	22	1.01	Property rights.....	64
5th pillar: Higher education and training			1.05	Favoritism in decisions of government officials.....	59
5.04	Quality of math and science education.....	8	1.04	Judicial independence.....	57
5.06	Local availability of research and training services	20	1.15	Strength of auditing and accounting standards	51
6th pillar: Market efficiency			1.10	Business costs of crime and violence	49
6.10	Foreign ownership restrictions.....	6	1.12	Ethical behavior of firms	48
6.16	Pay and productivity.....	18	2nd pillar: Infrastructure		
6.06	Intensity of local competition.....	23	2.04	Quality of air transport infrastructure	45
6.09	Prevalence of trade barriers	23	3rd pillar: Macroeconomy		
7th pillar: Technological readiness			3.06	Real effective exchange rate (hard data)	112
7.05	Cellular telephones (hard data).....	5	3.01	Government surplus/deficit (hard data).....	74
7.04	FDI and technology transfer.....	10	5th pillar: Higher education and training		
7.06	Internet users (hard data)	20	5.02	Tertiary enrollment (hard data)	38
7.02	Firm-level technology absorption	26	6th pillar: Market efficiency		
8th pillar: Business sophistication			6.12	Hiring and firing practices	103
8.01	Local supplier quantity	18	6.03	Extent and effect of taxation.....	89
8.02	Local supplier quality.....	22	6.02	Efficiency of legal framework	73
8.03	Production process sophistication	23	6.05	Time required to start a business (hard data).....	68
8.08	Value chain presence	27	6.23	Local equity market access.....	68
9th pillar: Innovation			6.20	Ease of access to loans	65
9.05	Availability of scientists and engineers	7	6.21	Venture capital availability	60
9.03	University/industry research collaboration	26	6.22	Soundness of banks.....	58
9.08	Capacity for innovation.....	27	6.04	Number of procedures to start business (hard data)	56
			6.14	Cooperation in labor-employer relations.....	54
			6.19	Financial market sophistication	51
			6.17	Brain drain	44
			6.13	Flexibility of wage determination	33
			7th pillar: Technological readiness		
			7.03	Laws relating to ICT	44
			7.01	Technological readiness	33
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	53
			9.07	Intellectual property protection	52
			9.01	Quality of scientific research institutions	29

Denmark

Key Indicators

Total population (millions), 2005.....	5.4
GDP (US\$ billions), 2005.....	259.7
GDP (PPP) as share of world total, 2005.....	0.31
GDP (PPP) per capita (US\$), 2005.....	34,737

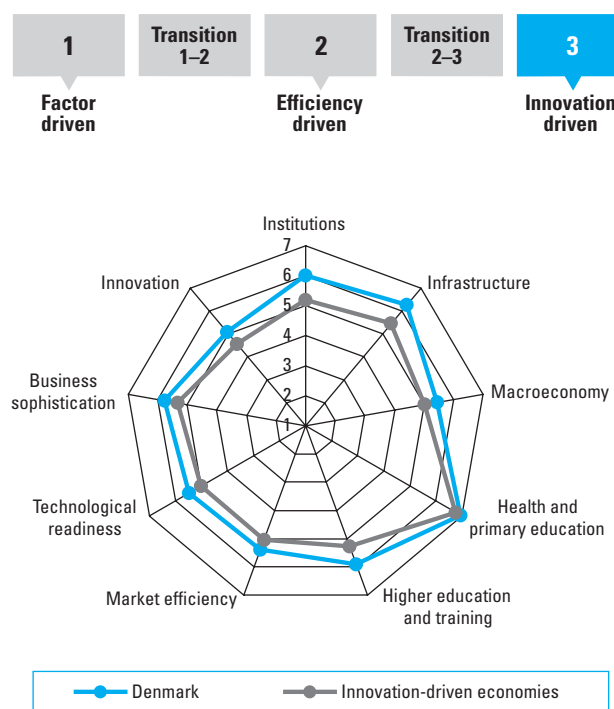
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	4	5.7
2005–06 (out of 117 countries).....	3.....	5.7
Basic Requirements	1	6.2
1st pillar: Institutions.....	2.....	6.0
2nd pillar: Infrastructure.....	5.....	6.2
3rd pillar: Macroeconomy.....	14.....	5.4
4th pillar: Health and primary education.....	4.....	6.9
Efficiency Enhancers	6	5.6
5th pillar: Higher education and training.....	2.....	5.9
6th pillar: Market efficiency.....	6.....	5.4
7th pillar: Technological readiness.....	10.....	5.5
Innovation Factors	7	5.4
8th pillar: Business sophistication.....	9.....	5.8
9th pillar: Innovation.....	10.....	5.0

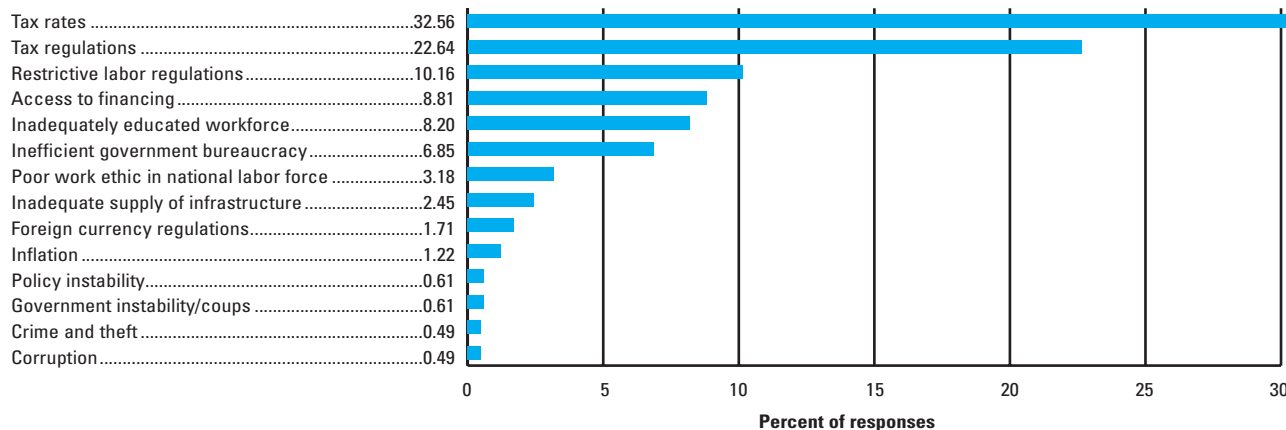
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	5
Sophistication of company operations and strategy.....	6
Quality of the national business environment.....	6

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

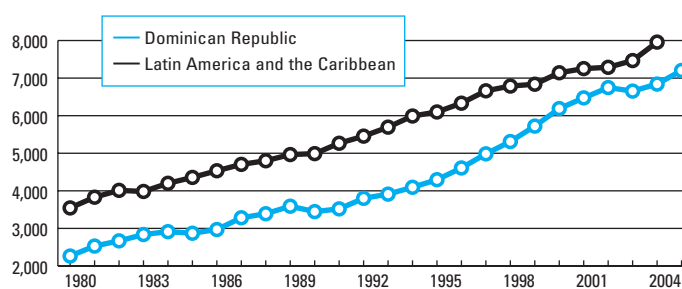
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.02	Diversion of public funds .....1	1.08	Business costs of terrorism .....75
1.03	Public trust of politicians .....2	1.07	Burden of government compliance.....22
1.05	Favoritism in decisions of government officials.....2		
1.12	Ethical behavior of firms .....2	3rd pillar: Macroeconomy	
1.14	Protection of minority shareholders' interests.....2	3.06	Real effective exchange rate (hard data) .....75
1.01	Property rights.....3	3.05	Government debt (hard data) .....47
1.09	Reliability of police services .....3	3.04	Interest rate spread (hard data).....23
1.11	Organized crime .....3		
1.10	Business costs of crime and violence .....5	5th pillar: Higher education and training	
1.04	Judicial independence.....7	5.04	Quality of math and science education.....20
1.06	Wastefulness of government spending .....7		
2nd pillar: Infrastructure		6th pillar: Market efficiency	
2.01	Overall infrastructure quality .....6	6.03	Extent and effect of taxation.....117
2.03	Quality of port infrastructure .....6	6.13	Flexibility of wage determination .....85
2.06	Telephone lines (hard data) .....6	6.01	Agricultural policy costs .....44
2.02	Railroad infrastructure development.....8	6.23	Local equity market access.....29
2.04	Quality of air transport infrastructure.....9	6.06	Intensity of local competition .....21
		6.17	Brain drain .....21
5th pillar: Higher education and training		6.09	Prevalence of trade barriers .....19
5.07	Extent of staff training .....2	6.19	Financial market sophistication .....17
5.03	Quality of the educational system .....5		
5.02	Tertiary enrollment (hard data) .....8	7th pillar: Technological readiness	
		7.04	FDI and technology transfer.....65
6th pillar: Market efficiency			
6.02	Efficiency of legal framework .....1	8th pillar: Business sophistication	
6.14	Cooperation in labor-employer relations.....1	8.01	Local supplier quantity .....20
6.20	Ease of access to loans .....1		
6.05	Time required to start a business (hard data).....3	9th pillar: Innovation	
6.22	Soundness of banks.....3	9.03	University/industry research collaboration .....15
6.04	Number of procedures to start business (hard data) .....4	9.04	Government procurement of technology products.....15
6.07	Effectiveness of antitrust policy.....7		
6.12	Hiring and firing practices .....8		
6.21	Venture capital availability .....10		
7th pillar: Technological readiness			
7.03	Laws relating to ICT .....6		
7.07	Personal computers (hard data) .....8		
7.01	Technological readiness .....10		
8th pillar: Business sophistication			
8.06	Willingness to delegate authority.....2		
8.03	Production process sophistication .....6		
8.08	Value chain presence .....6		
9th pillar: Innovation			
9.07	Intellectual property protection .....4		
9.08	Capacity for innovation.....6		
9.02	Company spending on research and development .....8		

Dominican Republic

Key Indicators

Total population (millions), 2005.....	8.9
GDP (US\$ billions), 2005.....	29.2
GDP (PPP) as share of world total, 2005.....	0.11
GDP (PPP) per capita (US\$), 2005.....	7,203

GDP (PPP) per capita (US\$), 1980–2005

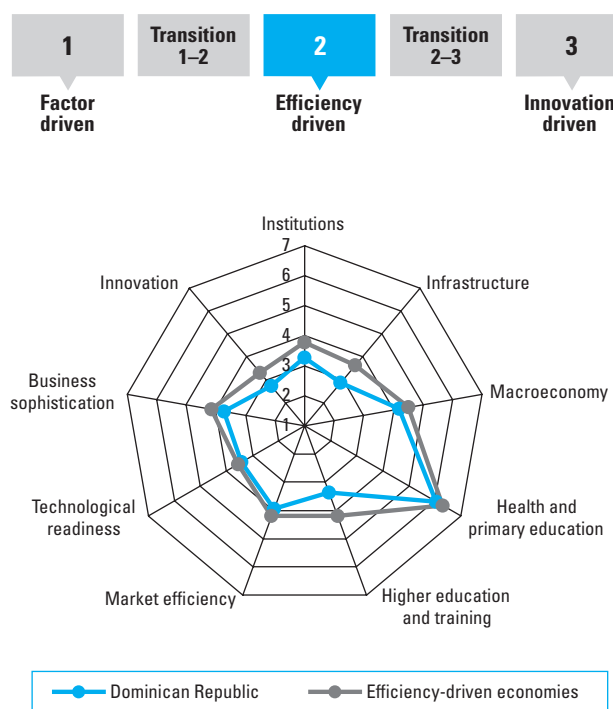


Global Competitiveness Index

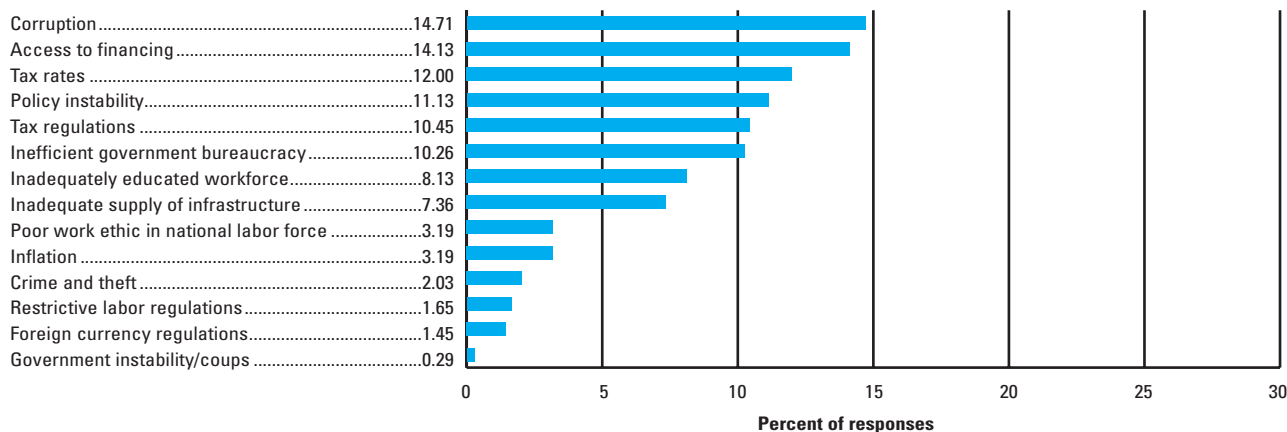
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	83	3.7
2005–06 (out of 117 countries).....	91.....	3.6
Basic Requirements	89	4.1
1st pillar: Institutions.....	93.....	3.3
2nd pillar: Infrastructure.....	80.....	2.9
3rd pillar: Macroeconomy.....	85.....	4.2
4th pillar: Health and primary education.....	89.....	6.0
Efficiency Enhancers	76	3.6
5th pillar: Higher education and training.....	91.....	3.4
6th pillar: Market efficiency.....	82.....	3.9
7th pillar: Technological readiness.....	58.....	3.4
Innovation Factors	91	3.2
8th pillar: Business sophistication.....	79.....	3.7
9th pillar: Innovation.....	99.....	2.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	84
Sophistication of company operations and strategy.....	79
Quality of the national business environment.....	86

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Dominican Republic

National competitiveness balance sheet

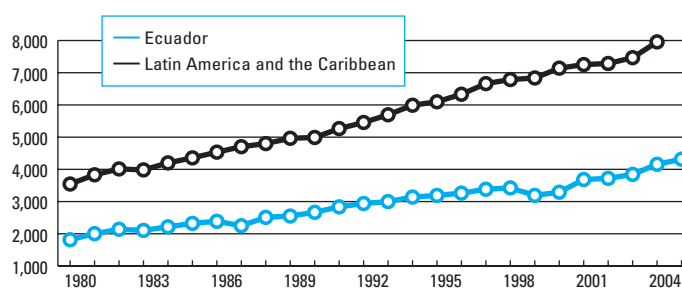
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	48	1.05	Favoritism in decisions of government officials.....	123
2nd pillar: Infrastructure			1.06	Wastefulness of government spending.....	117
2.04	Quality of air transport infrastructure.....	34	1.03	Public trust of politicians.....	114
3rd pillar: Macroeconomy			1.02	Diversion of public funds.....	107
3.01	Government surplus/deficit (hard data).....	49	1.09	Reliability of police services.....	104
6th pillar: Market efficiency			1.10	Business costs of crime and violence.....	99
6.14	Cooperation in labor-employer relations.....	9	1.11	Organized crime.....	79
6.12	Hiring and firing practices.....	10	1.01	Property rights.....	75
6.10	Foreign ownership restrictions.....	29	2nd pillar: Infrastructure		
6.16	Pay and productivity.....	40	2.05	Quality of electricity supply.....	124
6.13	Flexibility of wage determination.....	44	2.01	Overall infrastructure quality.....	61
6.17	Brain drain.....	50	3rd pillar: Macroeconomy		
7th pillar: Technological readiness			3.06	Real effective exchange rate (hard data).....	101
7.04	FDI and technology transfer.....	21	3.04	Interest rate spread (hard data).....	95
7.01	Technological readiness.....	35	4th pillar: Health and primary education		
8th pillar: Business sophistication			4.08	HIV prevalence (hard data).....	99
8.04	Extent of marketing.....	49	4.09	Primary enrollment (hard data).....	93
			4.05	Life expectancy at birth (hard data).....	83
			5th pillar: Higher education and training		
			5.03	Quality of the educational system.....	117
			5.07	Extent of staff training.....	90
			5.06	Local availability of research and training services.....	89
			5.01	Secondary enrollment (hard data).....	87
			6th pillar: Market efficiency		
			6.23	Local equity market access.....	114
			6.09	Prevalence of trade barriers.....	110
			6.22	Soundness of banks.....	109
			6.05	Time required to start a business (hard data).....	99
			6.21	Venture capital availability.....	96
			6.03	Extent and effect of taxation.....	92
			6.06	Intensity of local competition.....	88
			6.20	Ease of access to loans.....	84
			6.19	Financial market sophistication.....	77
			8th pillar: Business sophistication		
			8.05	Control of international distribution.....	108
			8.01	Local supplier quantity.....	93
			8.07	Nature of competitive advantage.....	92
			8.03	Production process sophistication.....	77
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions.....	115
			9.05	Availability of scientists and engineers.....	105
			9.02	Company spending on research and development.....	104

Ecuador

Key Indicators

Total population (millions), 2005.....	13.2
GDP (US\$ billions), 2005.....	33.1
GDP (PPP) as share of world total, 2005.....	0.09
GDP (PPP) per capita (US\$), 2005.....	4,316

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

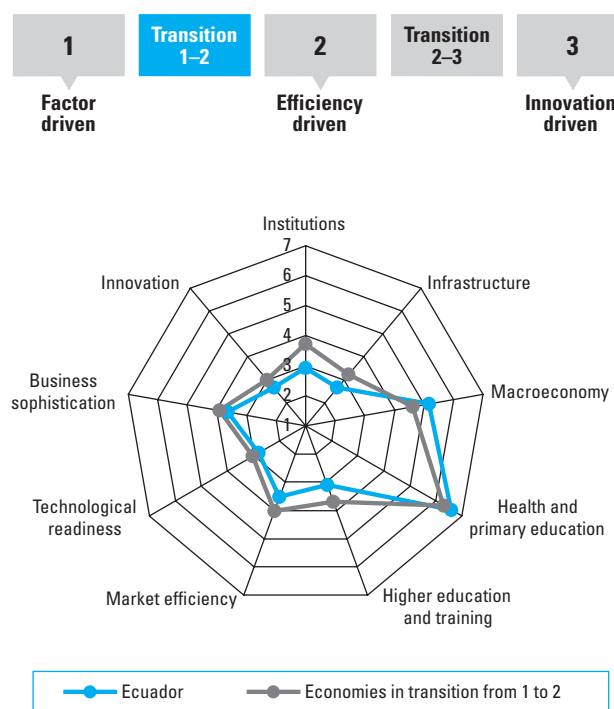
2006–07	90	3.7
2005–06 (out of 117 countries).....	87.....	3.6
Basic Requirements	74	4.3
1st pillar: Institutions.....	116.....	2.9
2nd pillar: Infrastructure	94.....	2.7
3rd pillar: Macroeconomy.....	21.....	5.2
4th pillar: Health and primary education.....	41.....	6.6
Efficiency Enhancers	96	3.1
5th pillar: Higher education and training.....	97.....	3.1
6th pillar: Market efficiency.....	112.....	3.5
7th pillar: Technological readiness	88.....	2.8
Innovation Factors	97	3.1
8th pillar: Business sophistication.....	82.....	3.6
9th pillar: Innovation	105.....	2.6

Rank (out of 121 countries/economies)

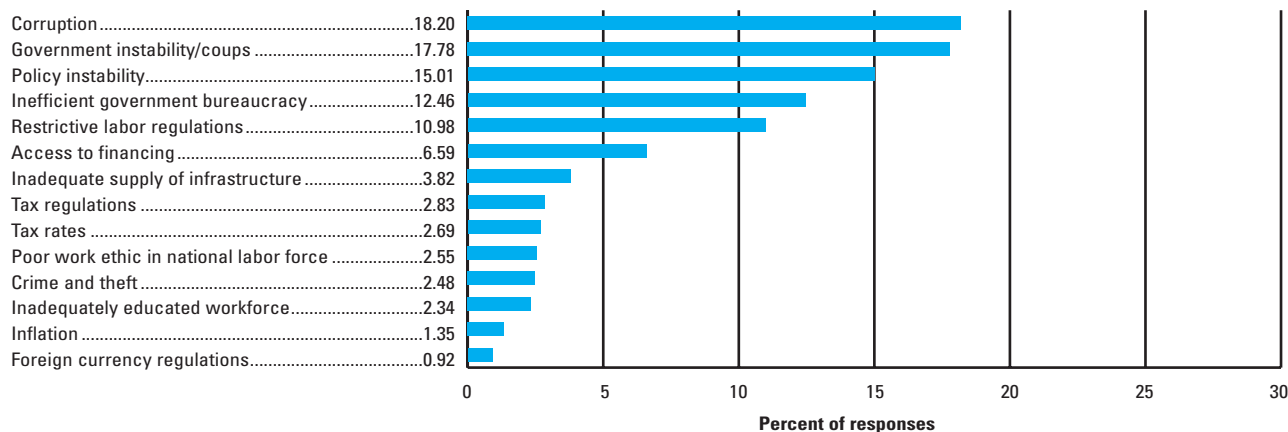
Business Competitiveness Index

Sophistication of company operations and strategy.....	89
Quality of the national business environment.....	105

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

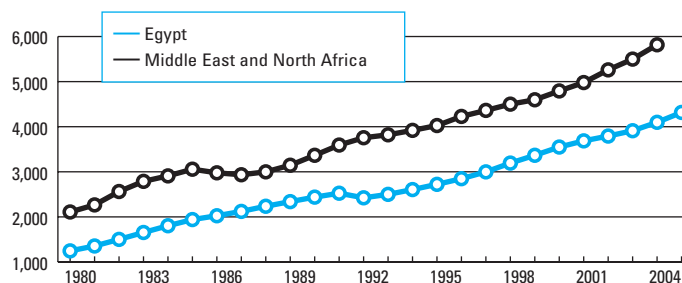
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.02	National savings rate (hard data)	27	1.05	Favoritism in decisions of government officials	122
3.01	Government surplus/deficit (hard data)	32	1.06	Wastefulness of government spending	122
3.05	Government debt (hard data)	39	1.03	Public trust of politicians	121
4th pillar: Health and primary education			1.02	Diversion of public funds	117
4.09	Primary enrollment (hard data)	23	1.04	Judicial independence	116
			1.09	Reliability of police services	111
			1.10	Business costs of crime and violence	111
			1.01	Property rights	110
			1.07	Burden of government compliance	105
			1.11	Organized crime	99
			2nd pillar: Infrastructure		
			2.02	Railroad infrastructure development	121
			2.05	Quality of electricity supply	99
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	96
			4.06	Tuberculosis prevalence (hard data)	87
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	119
			5.04	Quality of math and science education	109
			5.07	Extent of staff training	105
			5.02	Tertiary enrollment (hard data)	82
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	120
			6.07	Effectiveness of antitrust policy	119
			6.09	Prevalence of trade barriers	118
			6.21	Venture capital availability	115
			6.10	Foreign ownership restrictions	112
			6.12	Hiring and firing practices	106
			6.22	Soundness of banks	104
			6.04	Number of procedures to start business (hard data)	102
			6.13	Flexibility of wage determination	98
			6.14	Cooperation in labor-employer relations	97
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	100
			7.04	FDI and technology transfer	98
			8th pillar: Business sophistication		
			8.03	Production process sophistication	90
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions	111
			9.04	Government procurement of technology products	110
			9.05	Availability of scientists and engineers	107
			9.07	Intellectual property protection	101
			9.02	Company spending on research and development	94

Egypt

Key Indicators

Total population (millions), 2005.....	74.0
GDP (US\$ billions), 2005.....	93.0
GDP (PPP) as share of world total, 2005.....	0.50
GDP (PPP) per capita (US\$), 2005.....	4,317

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

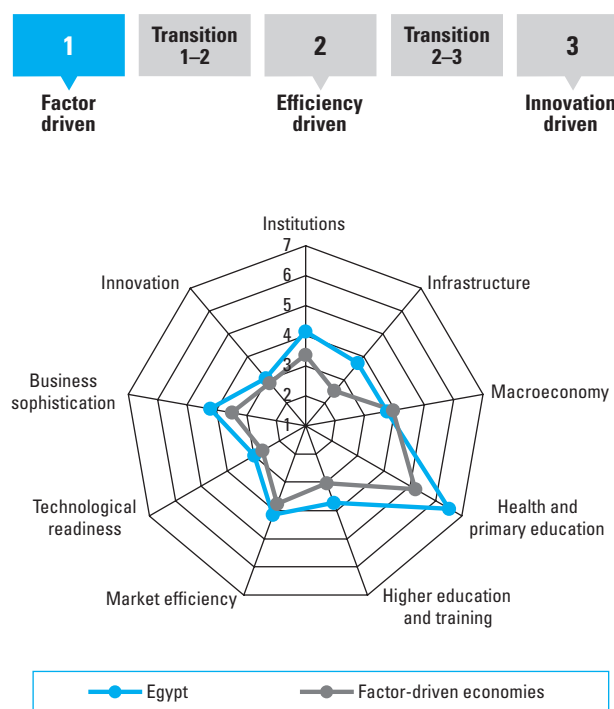
2006–07	63	4.1
2005–06 (out of 117 countries).....	52.....	4.1
Basic Requirements	59	4.5
1st pillar: Institutions.....	48.....	4.1
2nd pillar: Infrastructure	55.....	3.7
3rd pillar: Macroeconomy.....	108.....	3.7
4th pillar: Health and primary education.....	50.....	6.5
Efficiency Enhancers	74	3.6
5th pillar: Higher education and training.....	75.....	3.7
6th pillar: Market efficiency.....	65.....	4.1
7th pillar: Technological readiness	79.....	3.0
Innovation Factors	65	3.6
8th pillar: Business sophistication.....	57.....	4.2
9th pillar: Innovation	82.....	3.0

Rank (out of 121 countries/economies)

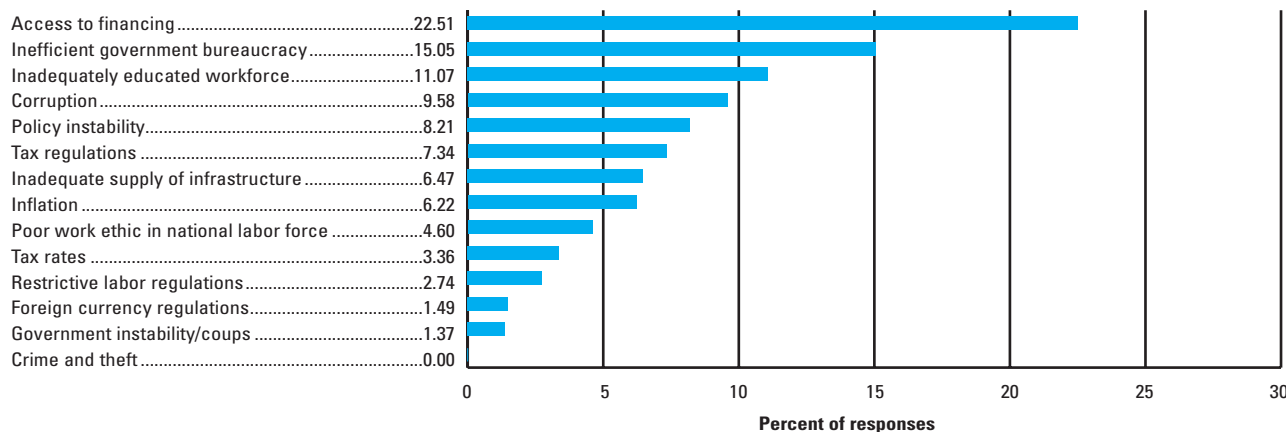
Business Competitiveness Index

Sophistication of company operations and strategy.....	76
Quality of the national business environment.....	74

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

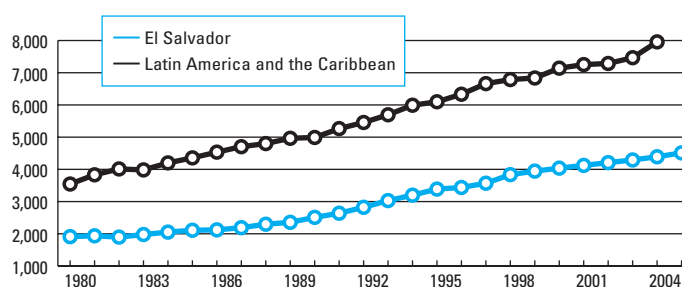
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.11	Organized crime	27	1.08	Business costs of terrorism	102
1.04	Judicial independence	39	1.07	Burden of government compliance	73
1.02	Diversion of public funds	41	1.06	Wastefulness of government spending	63
1.09	Reliability of police services	45			
1.05	Favoritism in decisions of government officials	47	2nd pillar: Infrastructure		
1.10	Business costs of crime and violence	48	2.06	Telephone lines (hard data)	69
1.12	Ethical behavior of firms	49			
2nd pillar: Infrastructure			3rd pillar: Macroeconomy		
2.02	Railroad infrastructure development	47	3.01	Government surplus/deficit (hard data)	124
			3.03	Inflation (hard data)	109
3rd pillar: Macroeconomy			3.05	Government debt (hard data)	101
3.06	Real effective exchange rate (hard data)	4			
4th pillar: Health and primary education			4th pillar: Health and primary education		
4.09	Primary enrollment (hard data)	41	4.05	Life expectancy at birth (hard data)	79
			4.04	Infant mortality (hard data)	75
6th pillar: Market efficiency			5th pillar: Higher education and training		
6.13	Flexibility of wage determination	7	5.03	Quality of the educational system	104
6.16	Pay and productivity	31	5.04	Quality of math and science education	93
6.03	Extent and effect of taxation	36	5.07	Extent of staff training	83
			5.06	Local availability of research and training services	79
7th pillar: Technological readiness			5.02	Tertiary enrollment (hard data)	57
7.04	FDI and technology transfer	50			
8th pillar: Business sophistication			6th pillar: Market efficiency		
8.05	Control of international distribution	28	6.17	Brain drain	110
8.01	Local supplier quantity	35	6.09	Prevalence of trade barriers	105
8.08	Value chain presence	44	6.12	Hiring and firing practices	98
			6.22	Soundness of banks	94
9th pillar: Innovation			6.01	Agricultural policy costs	90
9.05	Availability of scientists and engineers	40	6.21	Venture capital availability	87
			6.10	Foreign ownership restrictions	85
			6.20	Ease of access to loans	81
			6.14	Cooperation in labor-employer relations	75
			6.06	Intensity of local competition	68
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data)	96
			7.07	Personal computers (hard data)	85
			7.06	Internet users (hard data)	83
			7.03	Laws relating to ICT	80
			7.01	Technological readiness	66
			8th pillar: Business sophistication		
			8.04	Extent of marketing	89
			8.03	Production process sophistication	73
			8.07	Nature of competitive advantage	62
			9th pillar: Innovation		
			9.02	Company spending on research and development	98
			9.08	Capacity for innovation	84
			9.04	Government procurement of technology products	83

El Salvador

Key Indicators

Total population (millions), 2005.....	6.9
GDP (US\$ billions), 2005.....	16.9
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	4,511

GDP (PPP) per capita (US\$), 1980–2005

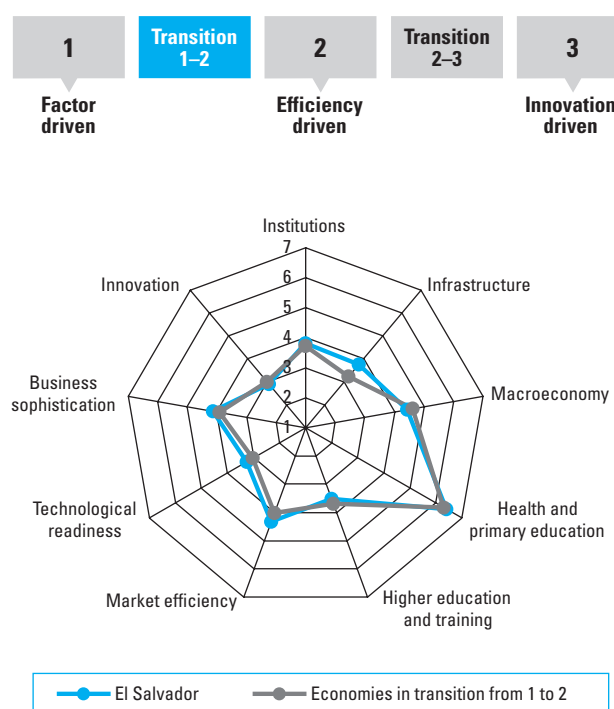


Global Competitiveness Index

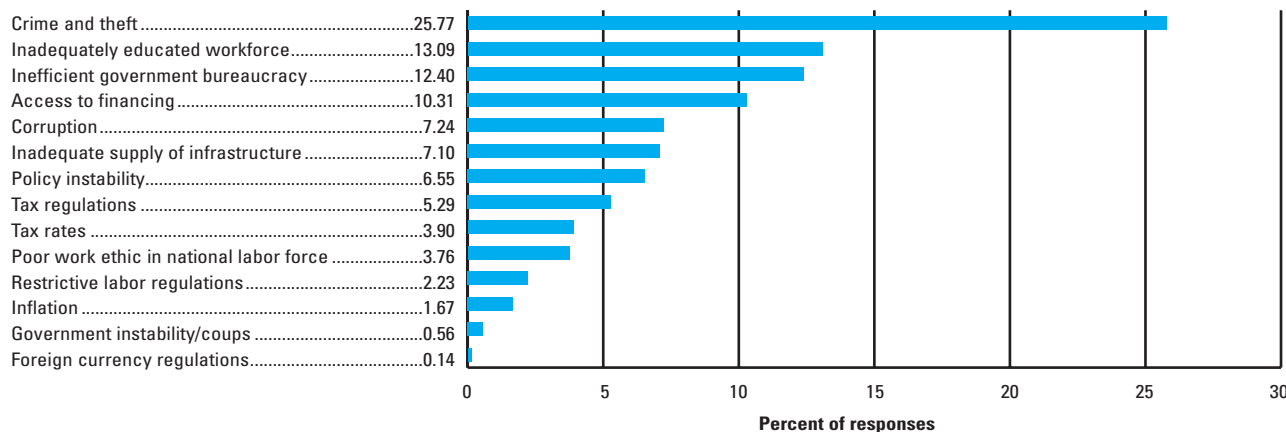
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	61	4.1
2005–06 (out of 117 countries).....	60	4.0
Basic Requirements	54	4.6
1st pillar: Institutions.....	61	3.8
2nd pillar: Infrastructure.....	54	3.7
3rd pillar: Macroeconomy.....	64	4.4
4th pillar: Health and primary education.....	60	6.4
Efficiency Enhancers	68	3.7
5th pillar: Higher education and training.....	83	3.5
6th pillar: Market efficiency.....	50	4.3
7th pillar: Technological readiness.....	64	3.3
Innovation Factors	75	3.5
8th pillar: Business sophistication.....	62	4.1
9th pillar: Innovation.....	89	2.9

	Rank (out of 121 countries/economies)
Business Competitiveness Index	60
Sophistication of company operations and strategy.....	61
Quality of the national business environment.....	60

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

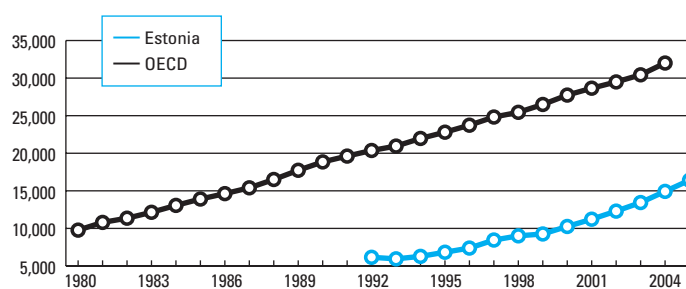
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.06	Wastefulness of government spending	23	1.10	Business costs of crime and violence	123
1.05	Favoritism in decisions of government officials.....	30	1.11	Organized crime	123
1.12	Ethical behavior of firms	37	1.08	Business costs of terrorism	110
1.02	Diversion of public funds	42	1.04	Judicial independence.....	91
1.07	Burden of government compliance.....	42	1.14	Protection of minority shareholders' interests.....	89
2nd pillar: Infrastructure			1.09	Reliability of police services	80
2.04	Quality of air transport infrastructure	25	1.01	Property rights.....	67
2.01	Overall infrastructure quality	38	2nd pillar: Infrastructure		
3rd pillar: Macroeconomy			2.06	Telephone lines (hard data)	71
3.04	Interest rate spread (hard data).....	28	3rd pillar: Macroeconomy		
6th pillar: Market efficiency			3.02	National savings rate (hard data)	110
6.14	Cooperation in labor-employer relations.....	19	3.01	Government surplus/deficit (hard data).....	81
6.13	Flexibility of wage determination	20	4th pillar: Health and primary education		
6.12	Hiring and firing practices	21	4.08	HIV prevalence (hard data)	83
6.16	Pay and productivity	24	4.04	Infant mortality (hard data)	73
6.03	Extent and effect of taxation.....	26	4.07	Malaria prevalence (hard data)	65
6.19	Financial market sophistication	35	4.09	Primary enrollment (hard data)	62
6.01	Agricultural policy costs	37	4.06	Tuberculosis prevalence (hard data)	61
6.22	Soundness of banks.....	38	5th pillar: Higher education and training		
6.06	Intensity of local competition	39	5.02	Tertiary enrollment (hard data)	77
7th pillar: Technological readiness			5.06	Local availability of research and training services	74
7.01	Technological readiness	42	5.07	Extent of staff training	63
8th pillar: Business sophistication			6th pillar: Market efficiency		
8.07	Nature of competitive advantage.....	36	6.02	Efficiency of legal framework	92
			6.23	Local equity market access.....	90
			6.21	Venture capital availability	86
			6.04	Number of procedures to start business (hard data)	85
			6.05	Time required to start a business (hard data).....	68
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	76
			7.05	Cellular telephones (hard data).....	73
			7.04	FDI and technology transfer.....	69
			7.06	Internet users (hard data)	69
			7.02	Firm-level technology absorption	60
			8th pillar: Business sophistication		
			8.03	Production process sophistication	56
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions	114
			9.05	Availability of scientists and engineers	101
			9.02	Company spending on research and development	87
			9.04	Government procurement of technology products.....	70
			9.08	Capacity for innovation.....	67

Estonia

Key Indicators

Total population (millions), 2005.....	1.3
GDP (US\$ billions), 2005.....	13.1
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	16,414

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

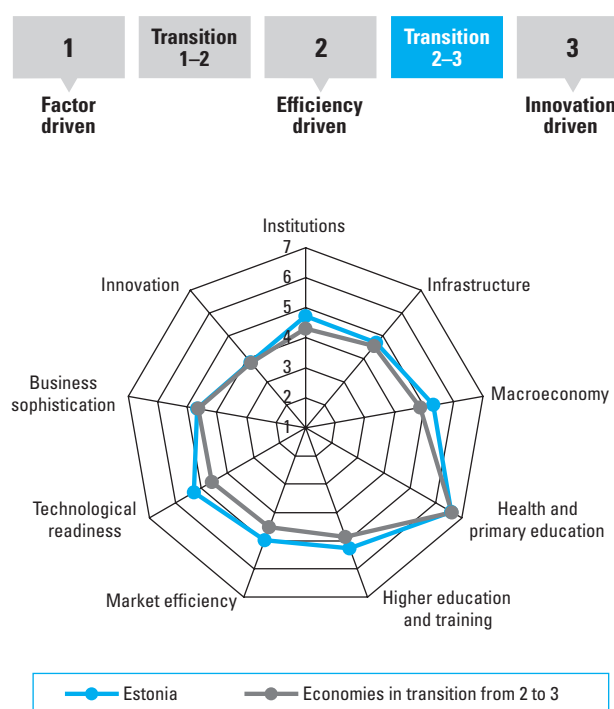
2006–07	25	5.1
2005–06 (out of 117 countries).....	26.....	5.0
Basic Requirements	30	5.3
1st pillar: Institutions.....	30.....	4.7
2nd pillar: Infrastructure	30.....	4.7
3rd pillar: Macroeconomy.....	16.....	5.3
4th pillar: Health and primary education.....	43.....	6.6
Efficiency Enhancers	19	5.2
5th pillar: Higher education and training.....	23.....	5.3
6th pillar: Market efficiency.....	25.....	5.0
7th pillar: Technological readiness	16.....	5.3
Innovation Factors	32	4.2
8th pillar: Business sophistication.....	35.....	4.7
9th pillar: Innovation	30.....	3.8

Rank (out of 121 countries/economies)

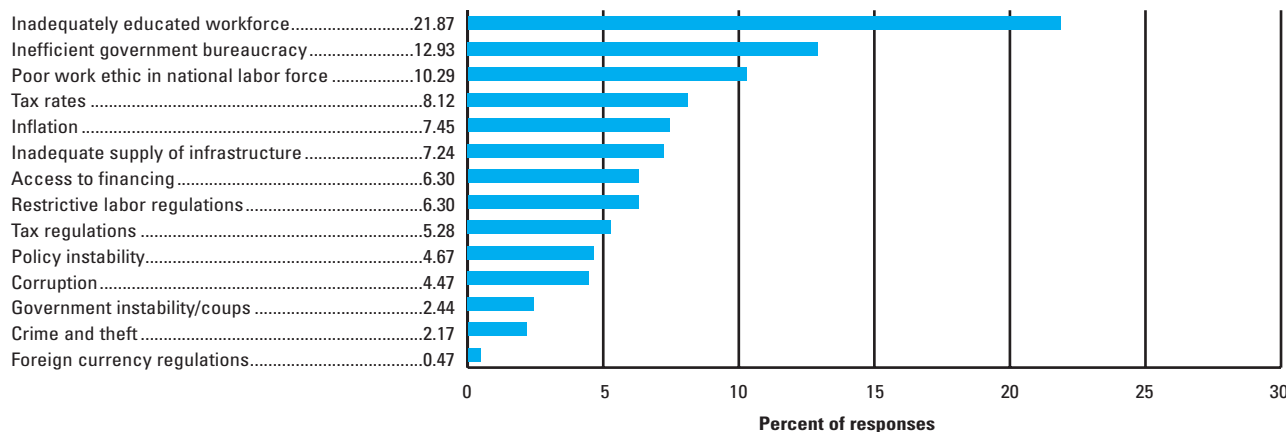
Business Competitiveness Index

Sophistication of company operations and strategy.....	35
Quality of the national business environment.....	24

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

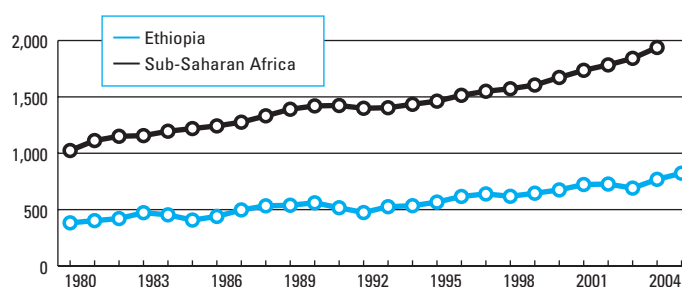
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	9	1.12	Ethical behavior of firms	44
3rd pillar: Macroeconomy			1.14	Protection of minority shareholders' interests.....	41
3.05	Government debt (hard data)	3	1.09	Reliability of police services	38
3.04	Interest rate spread (hard data).....	17	1.02	Diversion of public funds	37
3.01	Government surplus/deficit (hard data).....	24	1.03	Public trust of politicians	35
5th pillar: Higher education and training			1.05	Favoritism in decisions of government officials.....	34
5.02	Tertiary enrollment (hard data)	16	1.06	Wastefulness of government spending	32
5.04	Quality of math and science education.....	18	1.15	Strength of auditing and accounting standards	30
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.13	Flexibility of wage determination	2	2.04	Quality of air transport infrastructure	44
6.16	Pay and productivity	7	2.02	Railroad infrastructure development	36
6.01	Agricultural policy costs	13	2.01	Overall infrastructure quality	35
6.03	Extent and effect of taxation.....	13	3rd pillar: Macroeconomy		
6.04	Number of procedures to start business (hard data)	17	3.06	Real effective exchange rate (hard data)	99
6.23	Local equity market access.....	23	3.02	National savings rate (hard data)	62
6.02	Efficiency of legal framework	24	4th pillar: Health and primary education		
6.14	Cooperation in labor-employer relations.....	24	4.08	HIV prevalence (hard data)	91
7th pillar: Technological readiness			4.06	Tuberculosis prevalence (hard data)	50
7.03	Laws relating to ICT	1	6th pillar: Market efficiency		
7.04	FDI and technology transfer.....	8	6.05	Time required to start a business (hard data).....	54
7.05	Cellular telephones (hard data).....	15	6.12	Hiring and firing practices	48
7.06	Internet users (hard data)	16	6.17	Brain drain	37
7.02	Firm-level technology absorption	19	6.06	Intensity of local competition	31
7.07	Personal computers (hard data)	23	6.07	Effectiveness of antitrust policy.....	31
7.01	Technological readiness	24	6.22	Soundness of banks.....	30
			6.19	Financial market sophistication	29
			6.21	Venture capital availability	29
			6.20	Ease of access to loans	28
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	61
			8.05	Control of international distribution.....	56
			8.03	Production process sophistication	36
			8.08	Value chain presence	36
			8.04	Extent of marketing.....	35
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	50
			9.08	Capacity for innovation.....	39
			9.04	Government procurement of technology products.....	33
			9.02	Company spending on research and development	32
			9.07	Intellectual property protection	32
			9.01	Quality of scientific research institutions.....	28

Ethiopia

Key Indicators

Total population (millions), 2005.....	77.4
GDP (US\$ billions), 2005.....	11.2
GDP (PPP) as share of world total, 2005.....	0.10
GDP (PPP) per capita (US\$), 2005.....	823

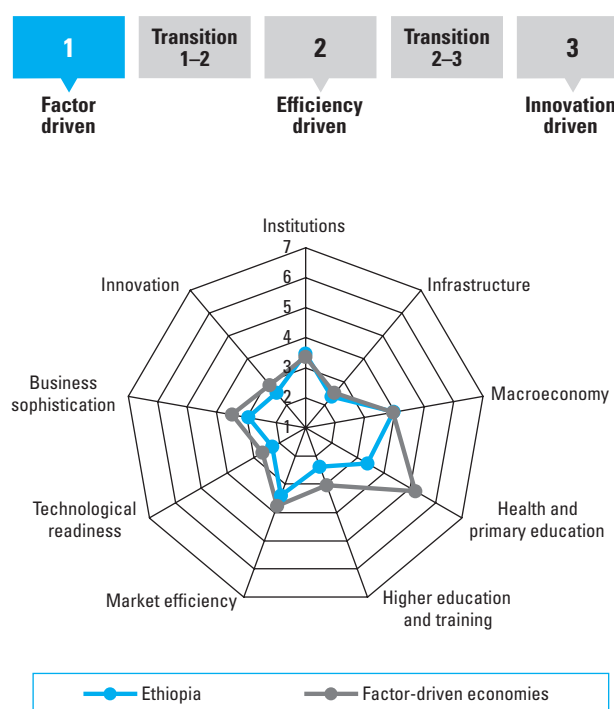
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	120	3.0
2005–06 (out of 117 countries).....	116.....	2.9
Basic Requirements	115	3.3
1st pillar: Institutions.....	83.....	3.5
2nd pillar: Infrastructure.....	102.....	2.3
3rd pillar: Macroeconomy.....	95.....	4.0
4th pillar: Health and primary education.....	121.....	3.4
Efficiency Enhancers	120	2.7
5th pillar: Higher education and training.....	120.....	2.4
6th pillar: Market efficiency.....	118.....	3.4
7th pillar: Technological readiness.....	121.....	2.3
Innovation Factors	116	2.7
8th pillar: Business sophistication.....	120.....	2.9
9th pillar: Innovation.....	114.....	2.5

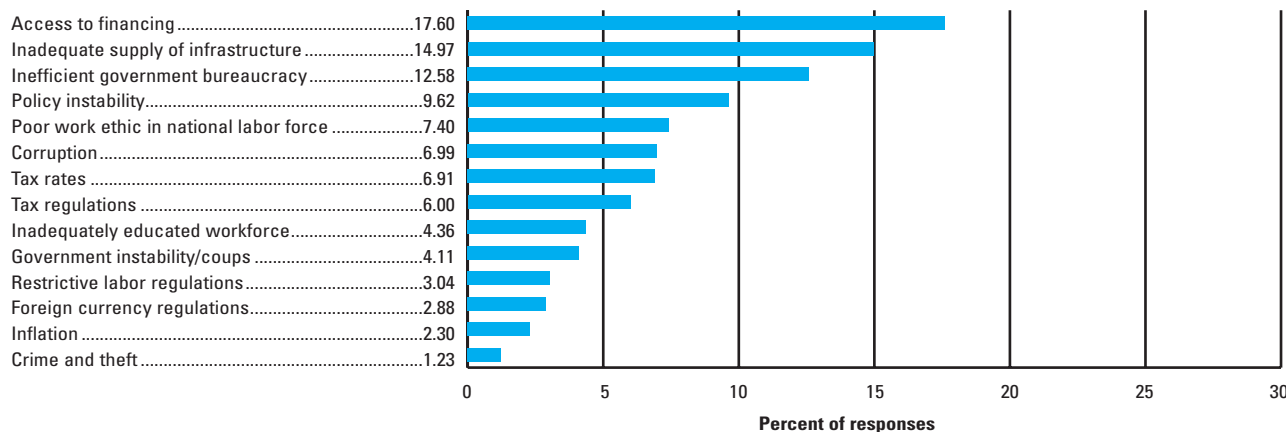
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	118
Sophistication of company operations and strategy.....	121
Quality of the national business environment.....	118

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

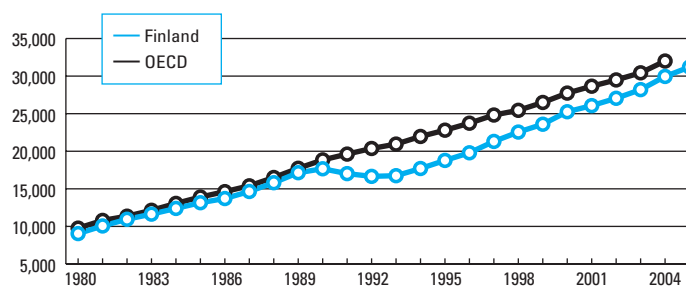
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.04	Interest rate spread (hard data).....	30	1.04	Judicial independence.....	114
3.06	Real effective exchange rate (hard data)	48	1.01	Property rights.....	99
6th pillar: Market efficiency			1.05	Favoritism in decisions of government officials.....	67
6.04	Number of procedures to start business (hard data)	25	2nd pillar: Infrastructure		
6.05	Time required to start a business (hard data).....	44	2.06	Telephone lines (hard data)	114
			2.01	Overall infrastructure quality	111
			2.02	Railroad infrastructure development.....	111
			3rd pillar: Macroeconomy		
			3.01	Government surplus/deficit (hard data).....	106
			3.05	Government debt (hard data)	94
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	121
			4.09	Primary enrollment (hard data)	118
			4.06	Tuberculosis prevalence (hard data)	111
			4.08	HIV prevalence (hard data)	111
			4.07	Malaria prevalence (hard data)	103
			5th pillar: Higher education and training		
			5.07	Extent of staff training	120
			5.02	Tertiary enrollment (hard data)	114
			6th pillar: Market efficiency		
			6.21	Venture capital availability	121
			6.20	Ease of access to loans	118
			6.10	Foreign ownership restrictions.....	115
			6.23	Local equity market access.....	115
			6.06	Intensity of local competition.....	111
			6.01	Agricultural policy costs	108
			6.22	Soundness of banks.....	102
			6.09	Prevalence of trade barriers	71
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data).....	125
			7.06	Internet users (hard data)	123
			7.01	Technological readiness	121
			7.02	Firm-level technology absorption	121
			7.07	Personal computers (hard data)	116
			7.04	FDI and technology transfer.....	59
			8th pillar: Business sophistication		
			8.03	Production process sophistication	123
			8.07	Nature of competitive advantage.....	117
			8.08	Value chain presence	113
			9th pillar: Innovation		
			9.02	Company spending on research and development	118
			9.08	Capacity for innovation.....	116
			9.04	Government procurement of technology products.....	109

Finland

Key Indicators

Total population (millions), 2005.....	5.2
GDP (US\$ billions), 2005.....	193.5
GDP (PPP) as share of world total, 2005.....	0.27
GDP (PPP) per capita (US\$), 2005.....	31,208

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–072.....5.8

2005–06 (out of 117 countries).....2.....5.7

Basic Requirements3.....6.1

1st pillar: Institutions.....1.....6.1

2nd pillar: Infrastructure10.....5.9

3rd pillar: Macroeconomy.....12.....5.5

4th pillar: Health and primary education.....7.....6.9

Efficiency Enhancers.....4.....5.6

5th pillar: Higher education and training.....1.....6.2

6th pillar: Market efficiency.....17.....5.1

7th pillar: Technological readiness12.....5.4

Innovation Factors6.....5.6

8th pillar: Business sophistication.....11.....5.7

9th pillar: Innovation4.....5.6

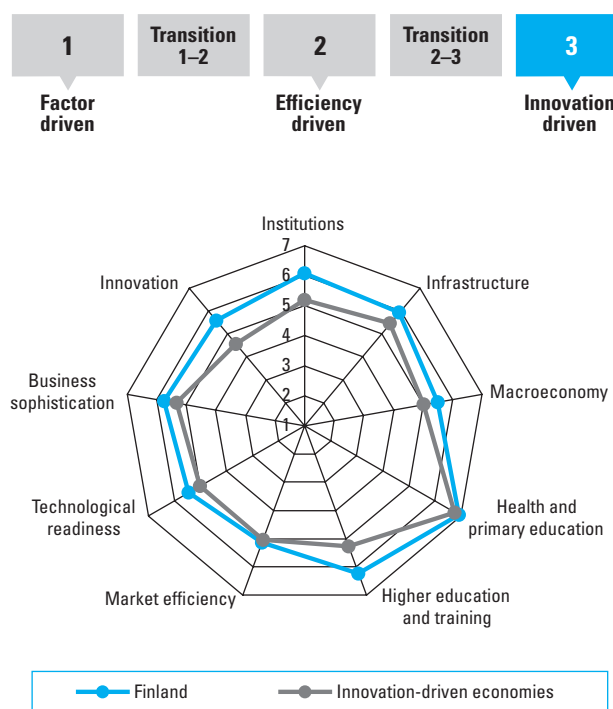
Rank (out of 121 countries/economies)

Business Competitiveness Index3

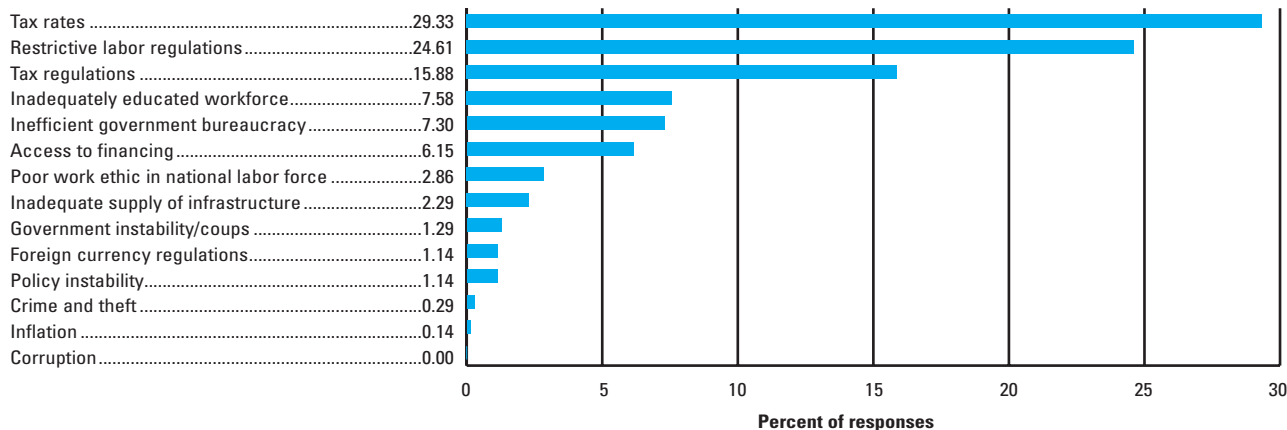
Sophistication of company operations and strategy.....8

Quality of the national business environment.....3

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

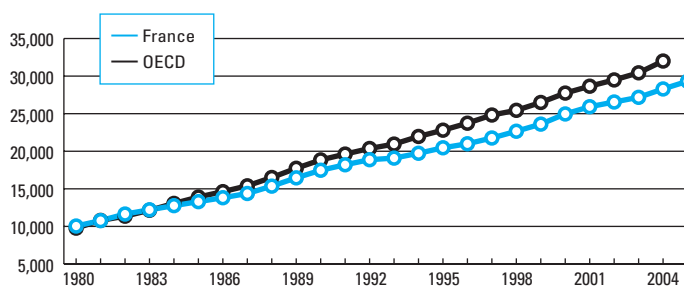
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			2nd pillar: Infrastructure		
1.12	Ethical behavior of firms	1	2.06	Telephone lines (hard data)	26
1.10	Business costs of crime and violence	2	3rd pillar: Macroeconomy		
1.02	Diversion of public funds	3	3.06	Real effective exchange rate (hard data)	61
1.05	Favoritism in decisions of government officials.....	3	3.02	National savings rate (hard data)	38
1.07	Burden of government compliance.....	3	3.04	Interest rate spread (hard data).....	34
1.03	Public trust of politicians	4	3.05	Government debt (hard data)	34
1.13	Efficacy of corporate boards	4	6th pillar: Market efficiency		
1.15	Strength of auditing and accounting standards	5	6.13	Flexibility of wage determination	123
1.01	Property rights.....	8	6.03	Extent and effect of taxation.....	100
1.04	Judicial independence.....	10	6.12	Hiring and firing practices	92
1.06	Wastefulness of government spending	10	6.01	Agricultural policy costs	62
2nd pillar: Infrastructure			6.16	Pay and productivity	60
2.01	Overall infrastructure quality	7	6.14	Cooperation in labor-employer relations.....	46
2.03	Quality of port infrastructure.....	7	6.23	Local equity market access.....	24
5th pillar: Higher education and training			7th pillar: Technological readiness		
5.02	Tertiary enrollment (hard data)	1	7.04	FDI and technology transfer.....	92
5.03	Quality of the educational system	1	7.07	Personal computers (hard data)	22
5.04	Quality of math and science education.....	2	8th pillar: Business sophistication		
6th pillar: Market efficiency			8.01	Local supplier quantity	19
6.07	Effectiveness of antitrust policy.....	1			
6.09	Prevalence of trade barriers	2			
6.04	Number of procedures to start business (hard data)	4			
6.21	Venture capital availability	4			
6.15	Reliance on professional management.....	5			
6.02	Efficiency of legal framework	8			
6.20	Ease of access to loans	8			
7th pillar: Technological readiness					
7.01	Technological readiness	1			
7.06	Internet users (hard data)	7			
7.02	Firm-level technology absorption	8			
7.03	Laws relating to ICT	10			
8th pillar: Business sophistication					
8.03	Production process sophistication	4			
8.06	Willingness to delegate authority.....	4			
8.07	Nature of competitive advantage.....	5			
9th pillar: Innovation					
9.07	Intellectual property protection	2			
9.03	University/industry research collaboration	3			
9.05	Availability of scientists and engineers	3			
9.06	Utility patents (hard data)	4			
9.08	Capacity for innovation.....	4			
9.02	Company spending on research and development	6			
9.01	Quality of scientific research institutions.....	7			

France

Key Indicators

Total population (millions), 2005.....	60.5
GDP (US\$ billions), 2005.....	2,105.9
GDP (PPP) as share of world total, 2005.....	3.00
GDP (PPP) per capita (US\$), 2005.....	29,316

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

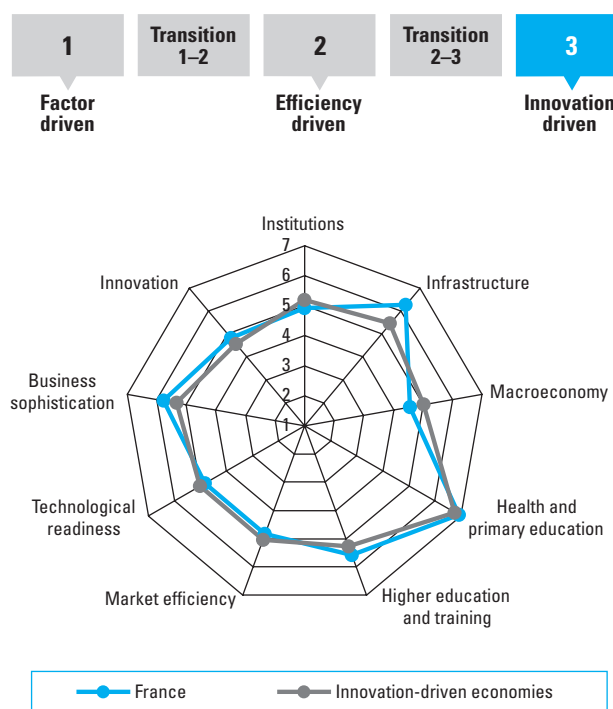
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	18	5.3
2005–06 (out of 117 countries).....	12	5.4
Basic Requirements	15	5.7
1st pillar: Institutions.....	24	4.9
2nd pillar: Infrastructure	4	6.2
3rd pillar: Macroeconomy.....	56	4.6
4th pillar: Health and primary education.....	12	6.9
Efficiency Enhancers	22	5.1
5th pillar: Higher education and training.....	12	5.6
6th pillar: Market efficiency.....	28	4.8
7th pillar: Technological readiness	25	4.8
Innovation Factors	13	5.3
8th pillar: Business sophistication.....	10	5.8
9th pillar: Innovation	14	4.8

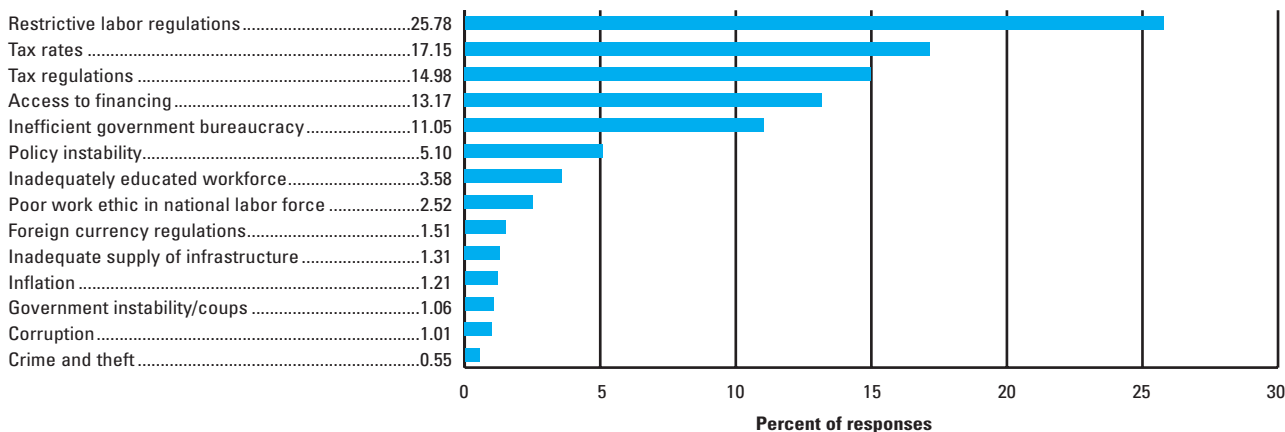
Rank (out of 121 countries/economies)

Business Competitiveness Index	16
Sophistication of company operations and strategy.....	11
Quality of the national business environment.....	18

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

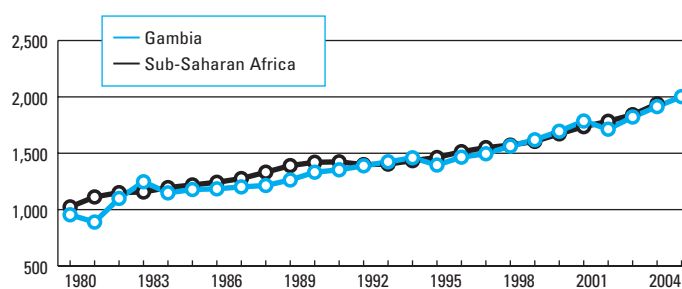
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.15	Strength of auditing and accounting standards	6	1.07	Burden of government compliance.....	91
2nd pillar: Infrastructure			1.08	Business costs of terrorism	68
2.02	Railroad infrastructure development	3	1.10	Business costs of crime and violence	45
2.01	Overall infrastructure quality	4	1.06	Wastefulness of government spending	40
2.04	Quality of air transport infrastructure	5	1.04	Judicial independence	35
2.05	Quality of electricity supply	5	1.03	Public trust of politicians	30
2.03	Quality of port infrastructure	10	1.14	Protection of minority shareholders' interests.....	27
2.06	Telephone lines (hard data)	13	3rd pillar: Macroeconomy		
5th pillar: Higher education and training			3.01	Government surplus/deficit (hard data).....	80
5.05	Quality of management schools	1	3.05	Government debt (hard data)	79
5.04	Quality of math and science education.....	5	3.06	Real effective exchange rate (hard data)	73
5.01	Secondary enrollment (hard data)	9	3.02	National savings rate (hard data)	71
5.06	Local availability of research and training services	12	3.04	Interest rate spread (hard data).....	44
6th pillar: Market efficiency			4th pillar: Health and primary education		
6.05	Time required to start a business (hard data).....	7	4.08	HIV prevalence (hard data)	70
6.07	Effectiveness of antitrust policy	8	5th pillar: Higher education and training		
6.06	Intensity of local competition	14	5.02	Tertiary enrollment (hard data)	29
6.19	Financial market sophistication	14	6th pillar: Market efficiency		
6.22	Soundness of banks.....	16	6.14	Cooperation in labor-employer relations.....	125
7th pillar: Technological readiness			6.12	Hiring and firing practices	123
7.03	Laws relating to ICT	13	6.01	Agricultural policy costs	88
8th pillar: Business sophistication			6.03	Extent and effect of taxation.....	87
8.05	Control of international distribution.....	2	6.13	Flexibility of wage determination	80
8.01	Local supplier quantity	3	6.10	Foreign ownership restrictions.....	56
8.04	Extent of marketing.....	6	6.16	Pay and productivity.....	53
8.08	Value chain presence	8	6.20	Ease of access to loans	43
8.03	Production process sophistication	9	6.17	Brain drain	36
8.07	Nature of competitive advantage.....	9	6.21	Venture capital availability	28
8.02	Local supplier quality	12	6.02	Efficiency of legal framework	27
9th pillar: Innovation			6.04	Number of procedures to start business (hard data)	25
9.05	Availability of scientists and engineers	5	7th pillar: Technological readiness		
9.08	Capacity for innovation.....	7	7.04	FDI and technology transfer.....	83
9.04	Government procurement of technology products.....	9	7.02	Firm-level technology absorption	37
9.07	Intellectual property protection	11	9th pillar: Innovation		
9.02	Company spending on research and development	14	9.03	University/industry research collaboration	29

Gambia

Key Indicators

Total population (millions), 2005.....	1.5
GDP (US\$ billions), 2005.....	0.5
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	2,002

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

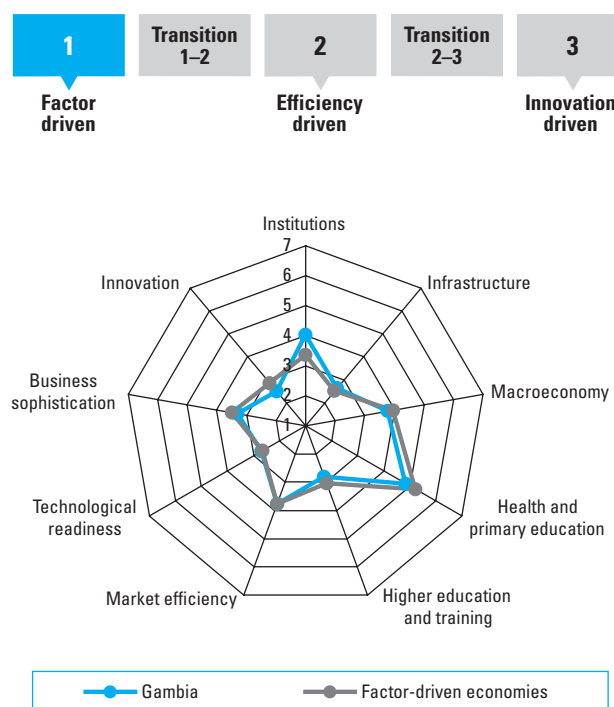
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	102	3.4
2005–06 (out of 117 countries).....	109.....	3.3
Basic Requirements	101	3.8
1st pillar: Institutions.....	54.....	4.0
2nd pillar: Infrastructure	95.....	2.6
3rd pillar: Macroeconomy.....	105.....	3.8
4th pillar: Health and primary education.....	107.....	4.8
Efficiency Enhancers	101	3.1
5th pillar: Higher education and training.....	106.....	2.8
6th pillar: Market efficiency.....	89.....	3.8
7th pillar: Technological readiness	92.....	2.7
Innovation Factors	112	2.9
8th pillar: Business sophistication.....	106.....	3.3
9th pillar: Innovation	115.....	2.5

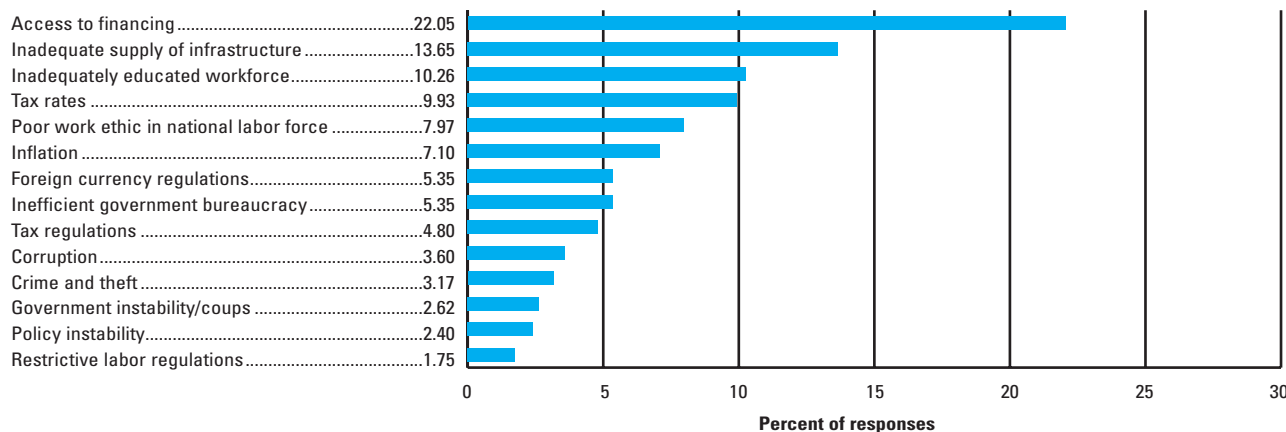
Rank (out of 121 countries/economies)

Business Competitiveness Index	92
Sophistication of company operations and strategy.....	85
Quality of the national business environment.....	92

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

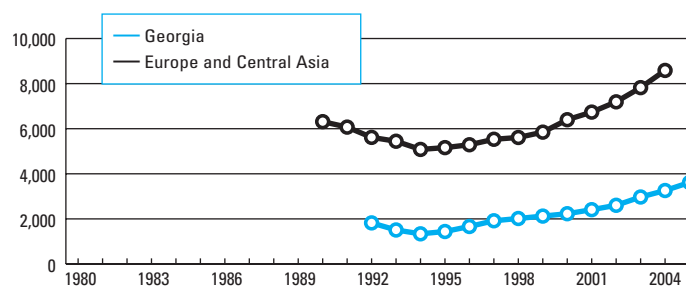
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	17	1.01	Property rights	79
1.07	Burden of government compliance	19	1.09	Reliability of police services	71
1.11	Organized crime	32	1.04	Judicial independence	61
1.03	Public trust of politicians	39	2nd pillar: Infrastructure		
1.05	Favoritism in decisions of government officials	40	2.05	Quality of electricity supply	111
1.06	Wastefulness of government spending	43	2.06	Telephone lines (hard data)	102
3rd pillar: Macroeconomy			2.01	Overall infrastructure quality	73
3.06	Real effective exchange rate (hard data)	3	3rd pillar: Macroeconomy		
3.04	Interest rate spread (hard data)	19	3.01	Government surplus/deficit (hard data)	118
6th pillar: Market efficiency			3.02	National savings rate (hard data)	111
6.12	Hiring and firing practices	29	3.05	Government debt (hard data)	107
6.01	Agricultural policy costs	30	4th pillar: Health and primary education		
6.10	Foreign ownership restrictions	30	4.07	Malaria prevalence (hard data)	118
6.14	Cooperation in labor-employer relations	32	4.04	Infant mortality (hard data)	112
6.03	Extent and effect of taxation	44	4.09	Primary enrollment (hard data)	106
6.09	Prevalence of trade barriers	47	4.05	Life expectancy at birth (hard data)	103
			4.06	Tuberculosis prevalence (hard data)	102
			4.03	Medium-term business impact of HIV/AIDS	96
			4.08	HIV prevalence (hard data)	94
			5th pillar: Higher education and training		
			5.01	Secondary enrollment (hard data)	101
			6th pillar: Market efficiency		
			6.19	Financial market sophistication	109
			6.16	Pay and productivity	106
			6.23	Local equity market access	105
			6.07	Effectiveness of antitrust policy	99
			6.17	Brain drain	97
			6.06	Intensity of local competition	89
			6.02	Efficiency of legal framework	69
			6.20	Ease of access to loans	68
			7th pillar: Technological readiness		
			7.03	Laws relating to ICT	100
			7.07	Personal computers (hard data)	94
			7.04	FDI and technology transfer	70
			8th pillar: Business sophistication		
			8.03	Production process sophistication	115
			8.07	Nature of competitive advantage	91
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	121
			9.07	Intellectual property protection	95

Georgia

Key Indicators

Total population (millions), 2005.....	4.5
GDP (US\$ billions), 2005.....	6.4
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	3,616

GDP (PPP) per capita (US\$), 1980–2005

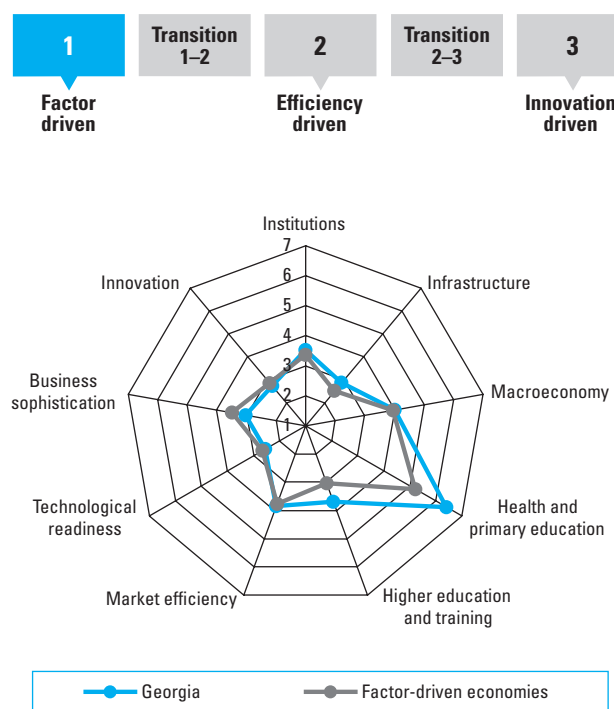


Global Competitiveness Index

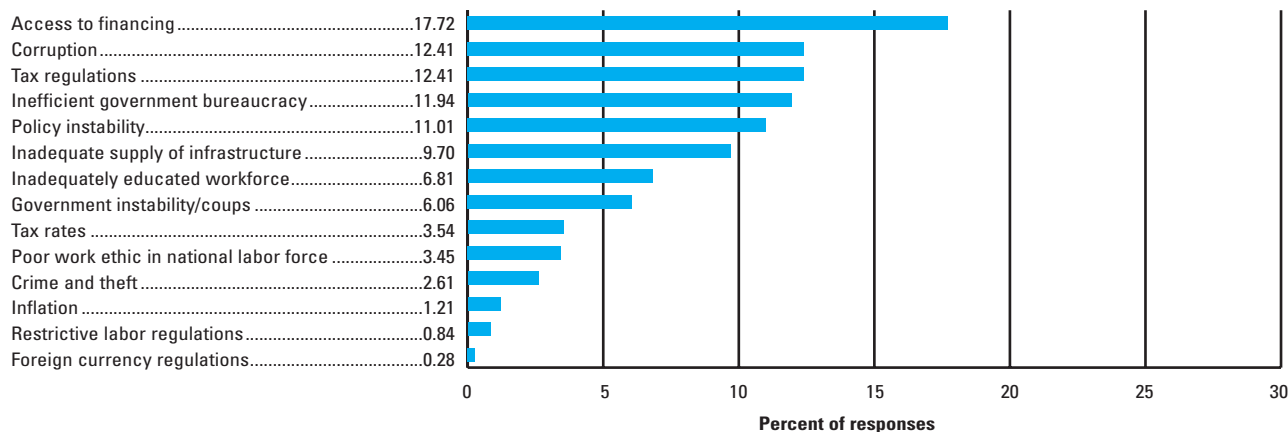
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	85	3.7
2005–06 (out of 117 countries).....	86.....	3.6
Basic Requirements	82	4.2
1st pillar: Institutions.....	78.....	3.5
2nd pillar: Infrastructure.....	79.....	2.9
3rd pillar: Macroeconomy.....	93.....	4.0
4th pillar: Health and primary education.....	61.....	6.4
Efficiency Enhancers	87	3.4
5th pillar: Higher education and training.....	76.....	3.7
6th pillar: Market efficiency.....	86.....	3.9
7th pillar: Technological readiness.....	106.....	2.5
Innovation Factors	113	2.9
8th pillar: Business sophistication.....	116.....	3.0
9th pillar: Innovation.....	102.....	2.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	100
Sophistication of company operations and strategy.....	97
Quality of the national business environment.....	101

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

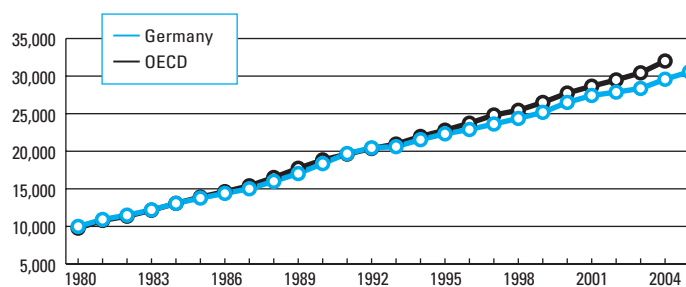
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	18	1.04	Judicial independence.....	117
1.08	Business costs of terrorism.....	45	1.14	Protection of minority shareholders' interests.....	116
1.06	Wastefulness of government spending.....	50	1.12	Ethical behavior of firms.....	105
			1.01	Property rights.....	102
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials.....	88
3.05	Government debt (hard data).....	44	1.11	Organized crime.....	51
4th pillar: Health and primary education			2nd pillar: Infrastructure		
4.08	HIV prevalence (hard data).....	26	2.05	Quality of electricity supply.....	104
4.01	Medium-term business impact of malaria.....	36	2.01	Overall infrastructure quality.....	86
4.03	Medium-term business impact of HIV/AIDS.....	40	2.06	Telephone lines (hard data).....	70
4.05	Life expectancy at birth (hard data).....	45	3rd pillar: Macroeconomy		
5th pillar: Higher education and training			3.04	Interest rate spread (hard data).....	111
5.02	Tertiary enrollment (hard data).....	40	3.03	Inflation (hard data).....	95
6th pillar: Market efficiency			3.02	National savings rate (hard data).....	91
6.13	Flexibility of wage determination.....	13	3.01	Government surplus/deficit (hard data).....	59
6.12	Hiring and firing practices.....	16	4th pillar: Health and primary education		
6.05	Time required to start a business (hard data).....	26	4.06	Tuberculosis prevalence (hard data).....	67
6.04	Number of procedures to start business (hard data).....	31	4.09	Primary enrollment (hard data).....	59
6.14	Cooperation in labor-employer relations.....	45	4.02	Medium-term business impact of tuberculosis.....	51
6.16	Pay and productivity.....	45	5th pillar: Higher education and training		
			5.06	Local availability of research and training services.....	107
			5.03	Quality of the educational system.....	94
			5.01	Secondary enrollment (hard data).....	70
			5.04	Quality of math and science education.....	63
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework.....	119
			6.23	Local equity market access.....	109
			6.01	Agricultural policy costs.....	105
			6.06	Intensity of local competition.....	102
			6.17	Brain drain.....	96
			6.10	Foreign ownership restrictions.....	94
			6.20	Ease of access to loans.....	92
			6.22	Soundness of banks.....	92
			6.07	Effectiveness of antitrust policy.....	78
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption.....	104
			7.06	Internet users (hard data).....	93
			7.05	Cellular telephones (hard data).....	86
			7.07	Personal computers (hard data).....	81
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	89
			8.03	Production process sophistication.....	75
			9th pillar: Innovation		
			9.07	Intellectual property protection.....	92

Germany

Key Indicators

Total population (millions), 2005.....	82.7
GDP (US\$ billions), 2005.....	2,797.3
GDP (PPP) as share of world total, 2005.....	4.13
GDP (PPP) per capita (US\$), 2005.....	30,579

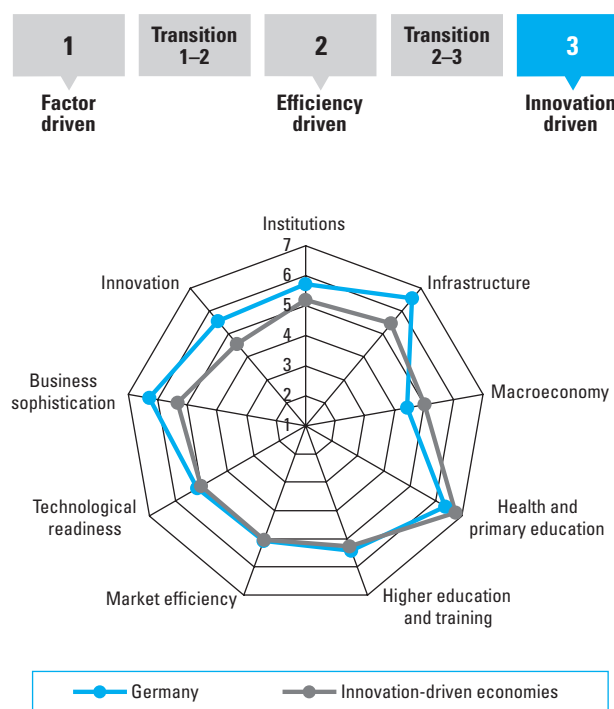
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	8	5.6
2005–06 (out of 117 countries).....	6.....	5.6
Basic Requirements	9	5.8
1st pillar: Institutions.....	7.....	5.7
2nd pillar: Infrastructure.....	1.....	6.5
3rd pillar: Macroeconomy.....	63.....	4.4
4th pillar: Health and primary education.....	71.....	6.4
Efficiency Enhancers	17	5.2
5th pillar: Higher education and training.....	18.....	5.4
6th pillar: Market efficiency.....	20.....	5.1
7th pillar: Technological readiness.....	20.....	5.2
Innovation Factors	3	5.9
8th pillar: Business sophistication.....	1.....	6.3
9th pillar: Innovation.....	5.....	5.5

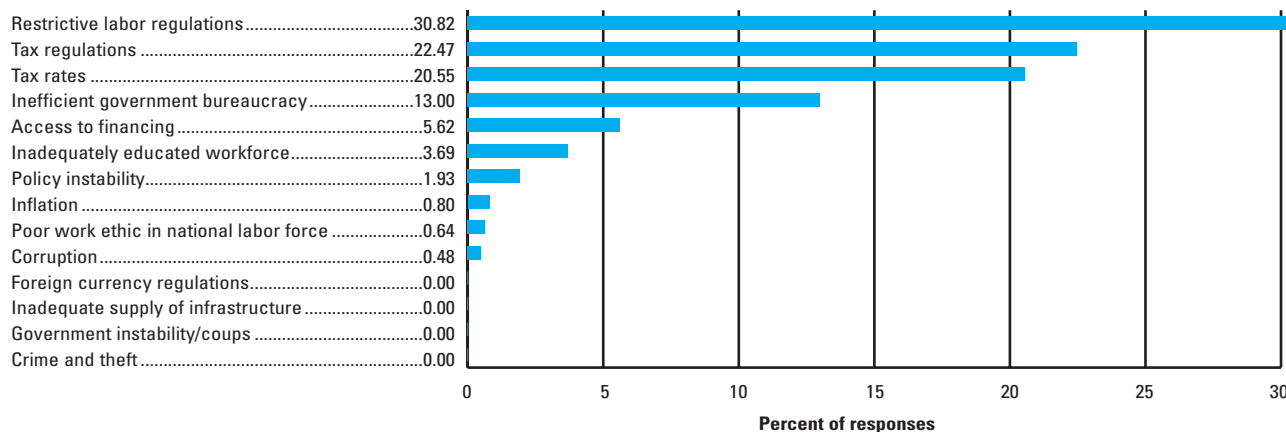
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	2
Sophistication of company operations and strategy.....	2
Quality of the national business environment.....	2

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

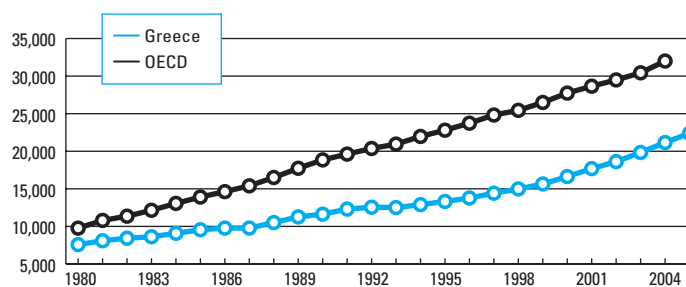
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.01	Property rights.....	1	1.07	Burden of government compliance.....	57
1.04	Judicial independence.....	1	1.08	Business costs of terrorism.....	30
1.09	Reliability of police services.....	2	1.06	Wastefulness of government spending.....	25
1.10	Business costs of crime and violence.....	3			
1.14	Protection of minority shareholders' interests.....	3	3rd pillar: Macroeconomy		
1.15	Strength of auditing and accounting standards.....	3	3.01	Government surplus/deficit (hard data).....	88
1.12	Ethical behavior of firms.....	5	3.05	Government debt (hard data).....	80
1.05	Favoritism in decisions of government officials.....	6	3.04	Interest rate spread (hard data).....	75
1.13	Efficacy of corporate boards.....	6	3.06	Real effective exchange rate (hard data).....	65
1.02	Diversion of public funds.....	10	3.02	National savings rate (hard data).....	54
2nd pillar: Infrastructure					
2.04	Quality of air transport infrastructure.....	2	5th pillar: Higher education and training		
2.01	Overall infrastructure quality.....	3	5.04	Quality of math and science education.....	34
2.02	Railroad infrastructure development.....	4	5.03	Quality of the educational system.....	33
			5.02	Tertiary enrollment (hard data).....	32
5th pillar: Higher education and training					
5.06	Local availability of research and training services.....	1	6th pillar: Market efficiency		
5.07	Extent of staff training.....	7	6.13	Flexibility of wage determination.....	122
			6.12	Hiring and firing practices.....	120
6th pillar: Market efficiency			6.01	Agricultural policy costs.....	101
6.06	Intensity of local competition.....	1	6.03	Extent and effect of taxation.....	75
6.02	Efficiency of legal framework.....	2	6.16	Pay and productivity.....	47
6.07	Effectiveness of antitrust policy.....	2	6.04	Number of procedures to start business (hard data).....	44
6.15	Reliance on professional management.....	6	6.05	Time required to start a business (hard data).....	30
6.10	Foreign ownership restrictions.....	7	6.14	Cooperation in labor-employer relations.....	29
6.23	Local equity market access.....	9	6.17	Brain drain.....	27
			6.20	Ease of access to loans.....	24
7th pillar: Technological readiness			6.21	Venture capital availability.....	16
7.03	Laws relating to ICT.....	3			
7.01	Technological readiness.....	6	7th pillar: Technological readiness		
7.02	Firm-level technology absorption.....	10	7.04	FDI and technology transfer.....	81
8th pillar: Business sophistication					
8.02	Local supplier quality.....	1			
8.03	Production process sophistication.....	1			
8.07	Nature of competitive advantage.....	1			
8.08	Value chain presence.....	1			
8.01	Local supplier quantity.....	2			
8.04	Extent of marketing.....	3			
9th pillar: Innovation					
9.07	Intellectual property protection.....	1			
9.08	Capacity for innovation.....	1			
9.02	Company spending on research and development.....	4			
9.03	University/industry research collaboration.....	5			
9.01	Quality of scientific research institutions.....	6			
9.04	Government procurement of technology products.....	8			
9.06	Utility patents (hard data).....	8			

Greece

Key Indicators

Total population (millions), 2005.....	11.1
GDP (US\$ billions), 2005.....	222.9
GDP (PPP) as share of world total, 2005.....	0.41
GDP (PPP) per capita (US\$), 2005.....	22,392

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–0747.....4.3

2005–06 (out of 117 countries).....47.....4.3

Basic Requirements40.....5.0

1st pillar: Institutions.....41.....4.4

2nd pillar: Infrastructure29.....4.7

3rd pillar: Macroeconomy.....102.....3.9

4th pillar: Health and primary education.....11.....6.9

Efficiency Enhancers.....47.....4.2

5th pillar: Higher education and training.....34.....4.8

6th pillar: Market efficiency.....62.....4.2

7th pillar: Technological readiness50.....3.6

Innovation Factors45.....3.9

8th pillar: Business sophistication.....46.....4.4

9th pillar: Innovation47.....3.4

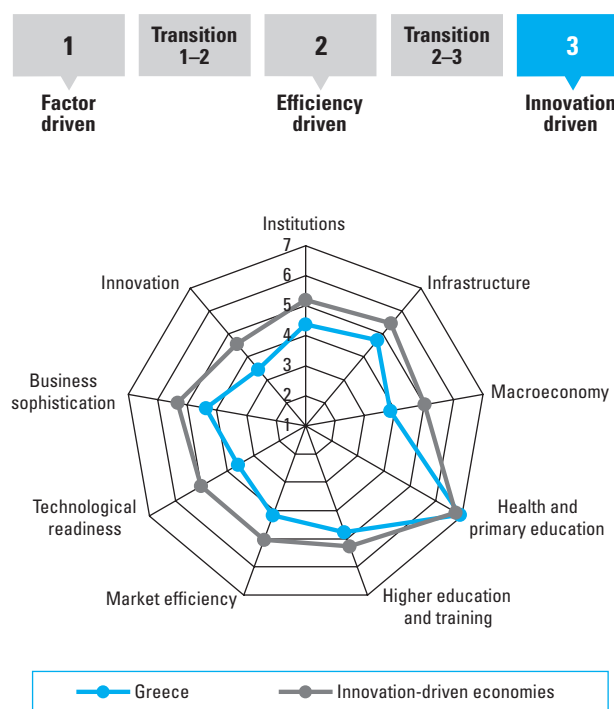
Rank (out of 121 countries/economies)

Business Competitiveness Index49

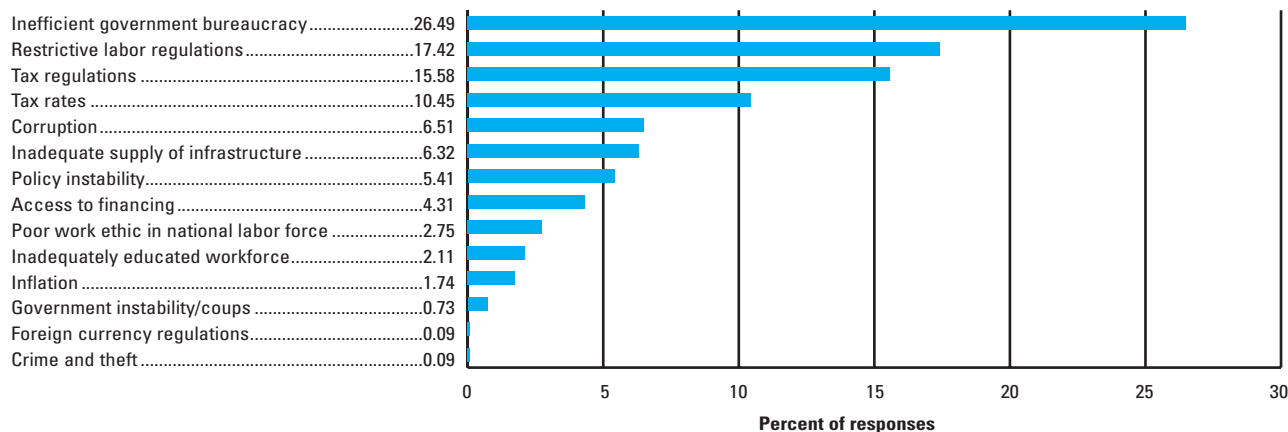
Sophistication of company operations and strategy.....53

Quality of the national business environment.....47

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

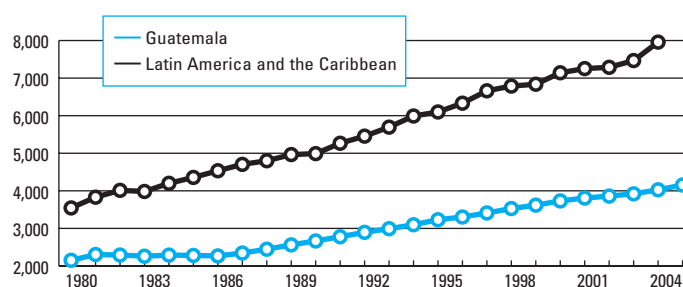
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.11	Organized crime	15	1.07	Burden of government compliance.....	89
1.10	Business costs of crime and violence	16	1.13	Efficacy of corporate boards	75
1.08	Business costs of terrorism	24	1.06	Wastefulness of government spending	62
1.14	Protection of minority shareholders' interests.....	24	1.05	Favoritism in decisions of government officials.....	57
1.09	Reliability of police services	34	1.12	Ethical behavior of firms	54
1.01	Property rights.....	37	1.15	Strength of auditing and accounting standards	48
1.02	Diversion of public funds	40	2nd pillar: Infrastructure		
1.03	Public trust of politicians	40	2.05	Quality of electricity supply	51
2nd pillar: Infrastructure			3rd pillar: Macroeconomy		
2.06	Telephone lines (hard data)	11	3.01	Government surplus/deficit (hard data).....	105
2.04	Quality of air transport infrastructure	36	3.05	Government debt (hard data)	102
2.03	Quality of port infrastructure	41	3.06	Real effective exchange rate (hard data)	89
2.01	Overall infrastructure quality	42	3.02	National savings rate (hard data)	85
5th pillar: Higher education and training			5th pillar: Higher education and training		
5.02	Tertiary enrollment (hard data)	6	5.05	Quality of management schools	68
6th pillar: Market efficiency			5.03	Quality of the educational system	60
6.09	Prevalence of trade barriers	28	5.06	Local availability of research and training services	59
6.07	Effectiveness of antitrust policy	37	6th pillar: Market efficiency		
6.19	Financial market sophistication	37	6.13	Flexibility of wage determination	120
6.22	Soundness of banks.....	41	6.12	Hiring and firing practices	109
6.23	Local equity market access.....	41	6.04	Number of procedures to start business (hard data)	107
6.02	Efficiency of legal framework	43	6.14	Cooperation in labor-employer relations.....	100
7th pillar: Technological readiness			6.16	Pay and productivity	99
7.05	Cellular telephones (hard data).....	26	6.01	Agricultural policy costs	79
8th pillar: Business sophistication			6.15	Reliance on professional management.....	77
8.04	Extent of marketing.....	37	6.03	Extent and effect of taxation.....	76
8.03	Production process sophistication	41	6.05	Time required to start a business (hard data).....	63
8.02	Local supplier quality	44	6.10	Foreign ownership restrictions.....	61
8.07	Nature of competitive advantage.....	45	6.21	Venture capital availability	57
9th pillar: Innovation			7th pillar: Technological readiness		
9.05	Availability of scientists and engineers	17	7.04	FDI and technology transfer.....	97
9.07	Intellectual property protection	38	7.02	Firm-level technology absorption	83
			7.01	Technological readiness	68
			7.07	Personal computers (hard data)	57
			7.06	Internet users (hard data)	51
			8th pillar: Business sophistication		
			8.06	Willingness to delegate authority.....	73
			8.01	Local supplier quantity	57
			8.05	Control of international distribution.....	57
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	74
			9.04	Government procurement of technology products.....	73
			9.02	Company spending on research and development	71
			9.01	Quality of scientific research institutions	64

Guatemala

Key Indicators

Total population (millions), 2005.....	12.6
GDP (US\$ billions), 2005.....	27.4
GDP (PPP) as share of world total, 2005.....	0.09
GDP (PPP) per capita (US\$), 2005.....	4,155

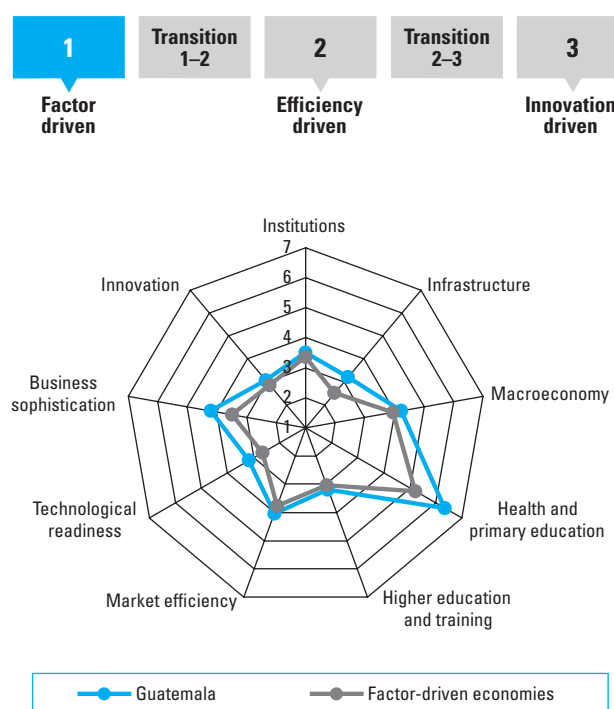
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	75	3.9
2005–06 (out of 117 countries).....	95.....	3.5
Basic Requirements	75	4.3
1st pillar: Institutions.....	81.....	3.5
2nd pillar: Infrastructure.....	74.....	3.2
3rd pillar: Macroeconomy.....	79.....	4.2
4th pillar: Health and primary education.....	73.....	6.3
Efficiency Enhancers	82	3.5
5th pillar: Higher education and training.....	94.....	3.2
6th pillar: Market efficiency.....	77.....	4.0
7th pillar: Technological readiness.....	71.....	3.2
Innovation Factors	64	3.6
8th pillar: Business sophistication.....	60.....	4.2
9th pillar: Innovation.....	78.....	3.1

Stage of development

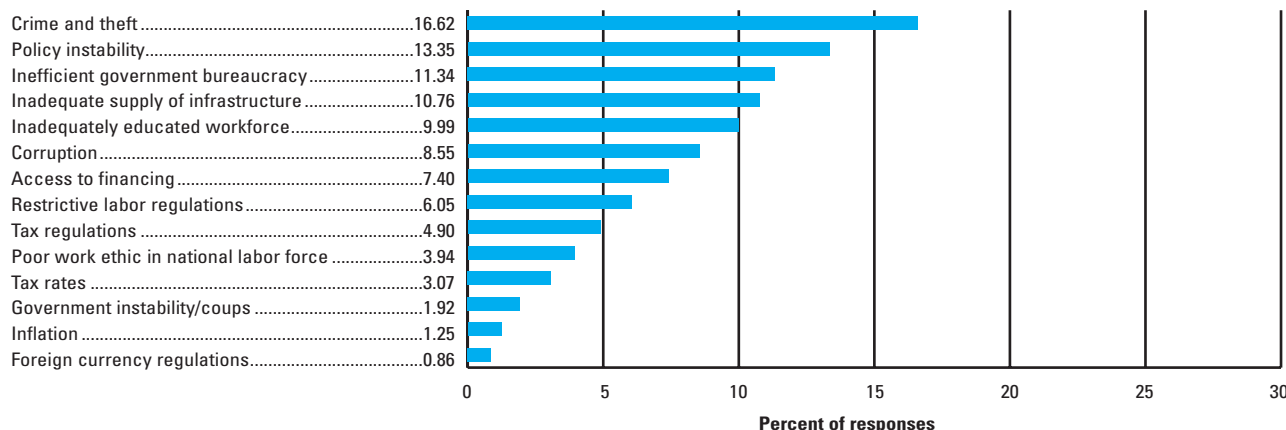


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Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	61
Sophistication of company operations and strategy.....	50
Quality of the national business environment.....	66

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

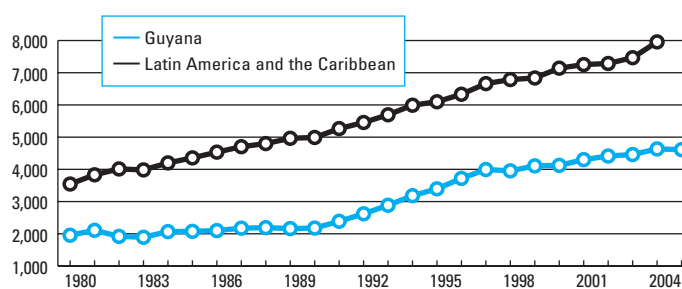
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions					
1.07	Burden of government compliance.....	39	1.10	Business costs of crime and violence	122
1.05	Favoritism in decisions of government officials.....	43	1.11	Organized crime	120
3rd pillar: Macroeconomy					
3.05	Government debt (hard data)	14	1.09	Reliability of police services	115
6th pillar: Market efficiency					
6.01	Agricultural policy costs	21	1.15	Strength of auditing and accounting standards	103
6.12	Hiring and firing practices	28	1.14	Protection of minority shareholders' interests.....	101
6.17	Brain drain	35	1.08	Business costs of terrorism	86
6.03	Extent and effect of taxation.....	37	1.02	Diversion of public funds	81
7th pillar: Technological readiness					
7.04	FDI and technology transfer.....	27	1.03	Public trust of politicians	80
7.01	Technological readiness	46	1.04	Judicial independence.....	79
2nd pillar: Infrastructure					

Guyana

Key Indicators

Total population (millions), 2005.....	0.8
GDP (US\$ billions), 2005.....	0.8
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	4,612

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

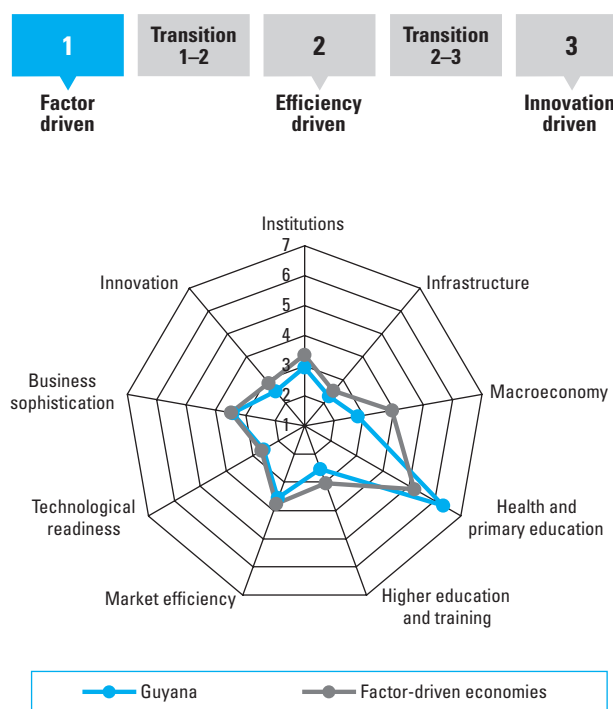
2006–07	111	3.2
2005–06 (out of 117 countries).....	108.....	3.3
Basic Requirements	108	3.6
1st pillar: Institutions.....	115.....	2.9
2nd pillar: Infrastructure	104.....	2.3
3rd pillar: Macroeconomy.....	121.....	2.8
4th pillar: Health and primary education.....	75.....	6.3
Efficiency Enhancers	114	2.9
5th pillar: Higher education and training.....	114.....	2.5
6th pillar: Market efficiency.....	106.....	3.6
7th pillar: Technological readiness	101.....	2.6
Innovation Factors	106	2.9
8th pillar: Business sophistication.....	97.....	3.4
9th pillar: Innovation	116.....	2.5

Rank (out of 121 countries/economies)

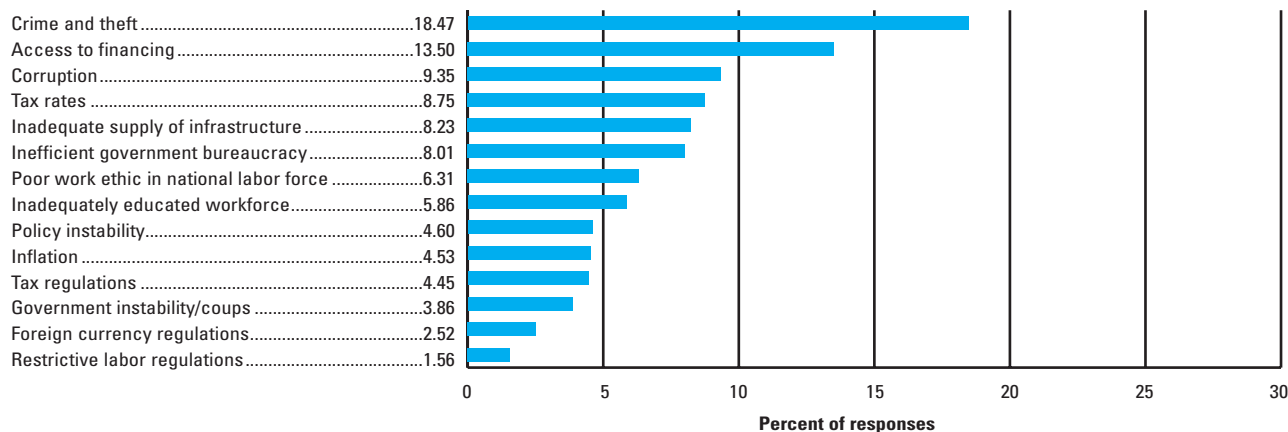
Business Competitiveness Index 114

Sophistication of company operations and strategy.....	111
Quality of the national business environment.....	115

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

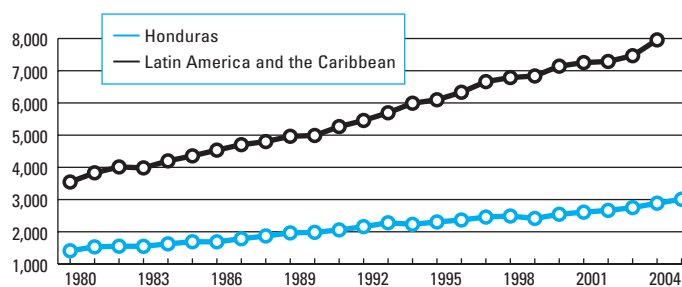
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	39	1.09	Reliability of police services	125
4th pillar: Health and primary education			1.10	Business costs of crime and violence	125
4.09	Primary enrollment (hard data)	19	1.11	Organized crime	122
6th pillar: Market efficiency			1.08	Business costs of terrorism	117
6.12	Hiring and firing practices	24	1.01	Property rights	112
6.04	Number of procedures to start business (hard data)	31	1.12	Ethical behavior of firms	112
6.22	Soundness of banks	48	1.05	Favoritism in decisions of government officials	109
7th pillar: Technological readiness			1.07	Burden of government compliance	102
7.06	Internet users (hard data)	50	1.02	Diversion of public funds	101
			1.15	Strength of auditing and accounting standards	97
			1.04	Judicial independence	93
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	109
			2.05	Quality of electricity supply	109
			2.06	Telephone lines (hard data)	72
			3rd pillar: Macroeconomy		
			3.01	Government surplus/deficit (hard data)	125
			3.02	National savings rate (hard data)	119
			3.05	Government debt (hard data)	109
			3.04	Interest rate spread (hard data)	104
			3.03	Inflation (hard data)	86
			4th pillar: Health and primary education		
			4.03	Medium-term business impact of HIV/AIDS	117
			4.07	Malaria prevalence (hard data)	109
			4.08	HIV prevalence (hard data)	105
			4.05	Life expectancy at birth (hard data)	93
			4.04	Infant mortality (hard data)	92
			4.06	Tuberculosis prevalence (hard data)	85
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	113
			5.03	Quality of the educational system	77
			6th pillar: Market efficiency		
			6.17	Brain drain	125
			6.19	Financial market sophistication	120
			6.02	Efficiency of legal framework	118
			6.16	Pay and productivity	117
			6.03	Extent and effect of taxation	108
			6.14	Cooperation in labor-employer relations	108
			6.20	Ease of access to loans	107
			6.06	Intensity of local competition	105
			6.07	Effectiveness of antitrust policy	101
			7th pillar: Technological readiness		
			7.01	Technological readiness	115
			7.07	Personal computers (hard data)	83

Honduras

Key Indicators

Total population (millions), 2005.....	7.2
GDP (US\$ billions), 2005.....	8.3
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	3,009

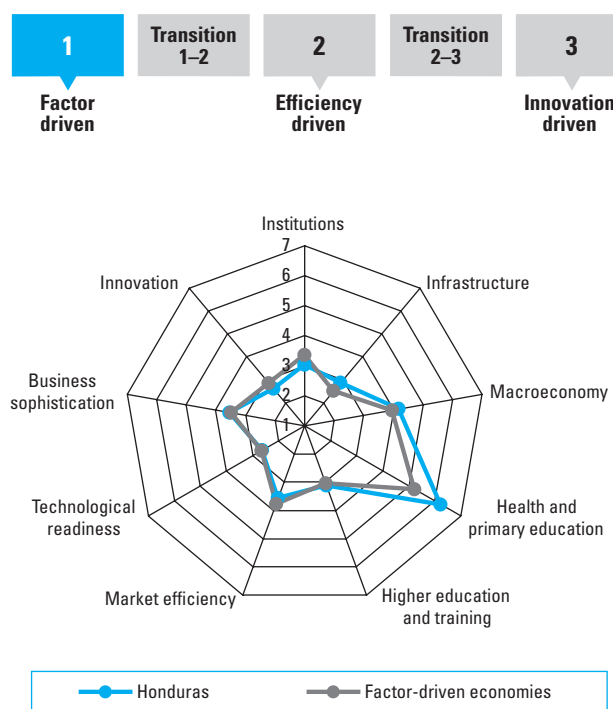
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

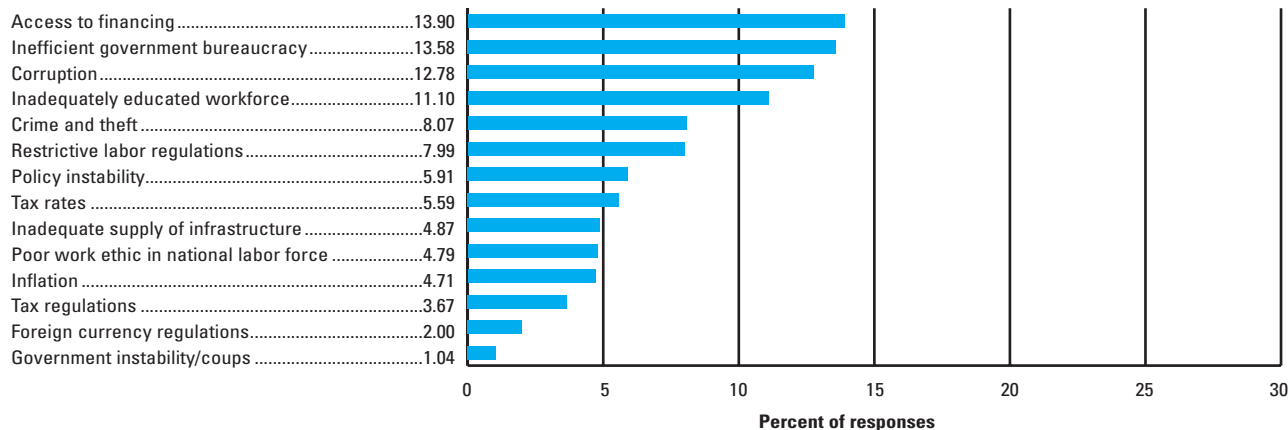
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	93	3.6
2005–06 (out of 117 countries).....	97.....	3.5
Basic Requirements	90	4.1
1st pillar: Institutions.....	110.....	3.0
2nd pillar: Infrastructure.....	81.....	2.9
3rd pillar: Macroeconomy.....	87.....	4.2
4th pillar: Health and primary education.....	80.....	6.2
Efficiency Enhancers	100	3.1
5th pillar: Higher education and training.....	95.....	3.1
6th pillar: Market efficiency.....	107.....	3.6
7th pillar: Technological readiness.....	95.....	2.6
Innovation Factors	100	3.1
8th pillar: Business sophistication.....	87.....	3.5
9th pillar: Innovation.....	107.....	2.6

Stage of development



	Rank (out of 121 countries/economies)
Business Competitiveness Index	106
Sophistication of company operations and strategy.....	92
Quality of the national business environment.....	106

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

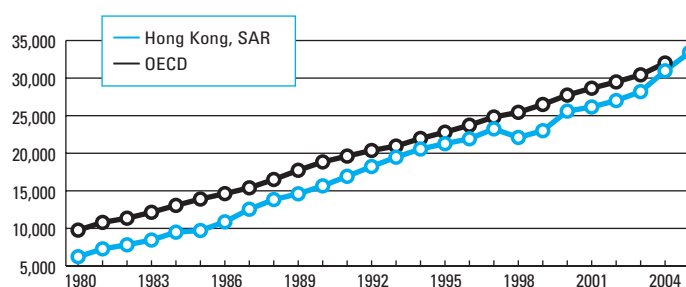
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.03	Quality of port infrastructure	45	1.05	Favoritism in decisions of government officials.....	121
3rd pillar: Macroeconomy			1.10	Business costs of crime and violence	120
3.02	National savings rate (hard data)	35	1.11	Organized crime	115
			1.15	Strength of auditing and accounting standards	107
			1.04	Judicial independence	105
			1.14	Protection of minority shareholders' interests.....	105
			1.01	Property rights.....	104
			1.09	Reliability of police services	103
			1.06	Wastefulness of government spending	100
			1.02	Diversion of public funds	98
			1.03	Public trust of politicians	93
			1.08	Business costs of terrorism	92
			1.12	Ethical behavior of firms	87
			2nd pillar: Infrastructure		
			2.02	Railroad infrastructure development	122
			2.06	Telephone lines (hard data)	92
			2.05	Quality of electricity supply	91
			2.01	Overall infrastructure quality	77
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data).....	97
			3.04	Interest rate spread (hard data).....	83
			3.01	Government surplus/deficit (hard data).....	82
			3.06	Real effective exchange rate (hard data)	71
			3.05	Government debt (hard data)	60
			4th pillar: Health and primary education		
			4.08	HIV prevalence (hard data)	102
			4.07	Malaria prevalence (hard data)	91
			4.04	Infant mortality (hard data)	83
			4.09	Primary enrollment (hard data)	73
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	118
			6th pillar: Market efficiency		
			6.23	Local equity market access.....	120
			6.09	Prevalence of trade barriers	107
			6.07	Effectiveness of antitrust policy.....	105
			6.02	Efficiency of legal framework	100
			6.20	Ease of access to loans	100
			6.13	Flexibility of wage determination	82
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	101
			7.07	Personal computers (hard data)	95
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	110
			9th pillar: Innovation		
			9.02	Company spending on research and development	114

Hong Kong SAR

Key Indicators

Total population (millions), 2005.....	7.0
GDP (US\$ billions), 2005.....	177.7
GDP (PPP) as share of world total, 2005.....	0.38
GDP (PPP) per capita (US\$), 2005.....	33,411

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

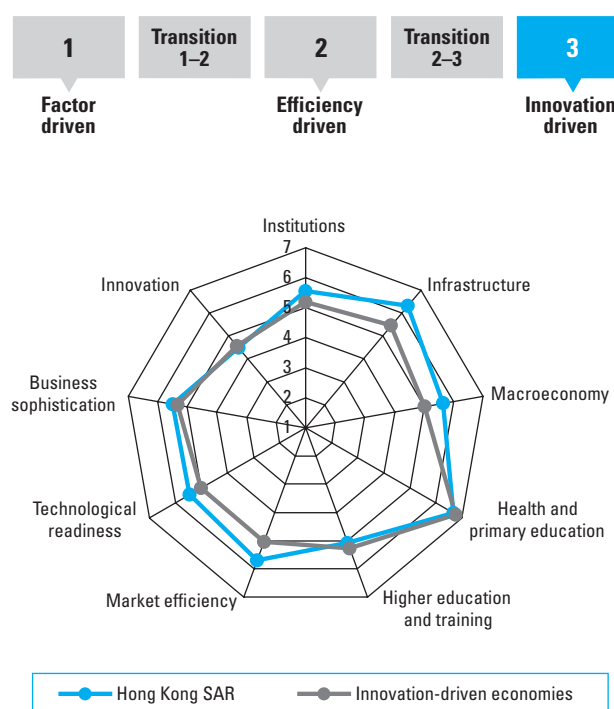
2006–07	11	5.5
2005–06 (out of 117 countries).....	14.....	5.4
Basic Requirements	4	6.0
1st pillar: Institutions.....	10.....	5.5
2nd pillar: Infrastructure	3.....	6.3
3rd pillar: Macroeconomy.....	9.....	5.7
4th pillar: Health and primary education.....	35.....	6.7
Efficiency Enhancers	11	5.4
5th pillar: Higher education and training.....	25.....	5.1
6th pillar: Market efficiency.....	1.....	5.7
7th pillar: Technological readiness	13.....	5.4
Innovation Factors	18	5.0
8th pillar: Business sophistication.....	13.....	5.5
9th pillar: Innovation	22.....	4.5

Rank (out of 121 countries/economies)

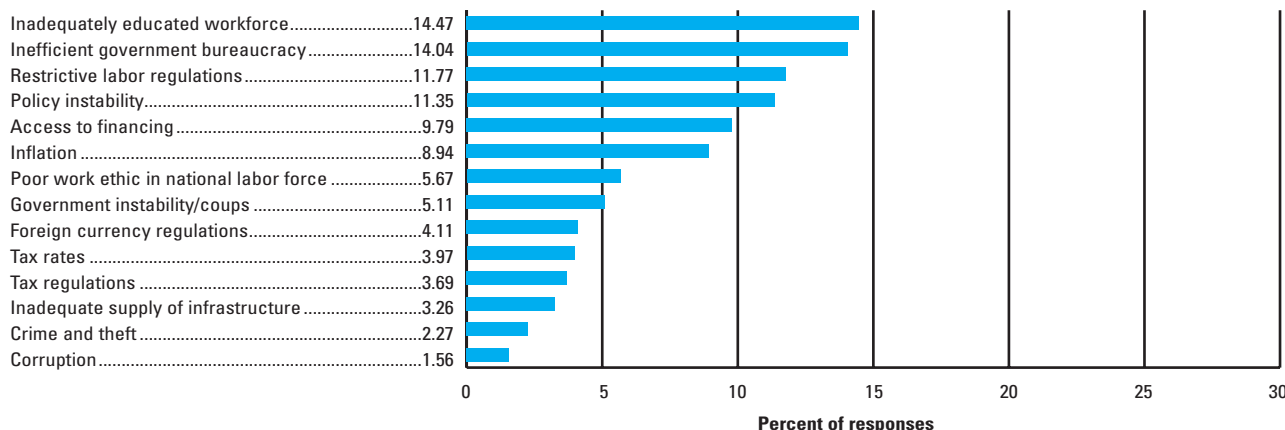
Business Competitiveness Index

Sophistication of company operations and strategy.....	12
Quality of the national business environment.....	10

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

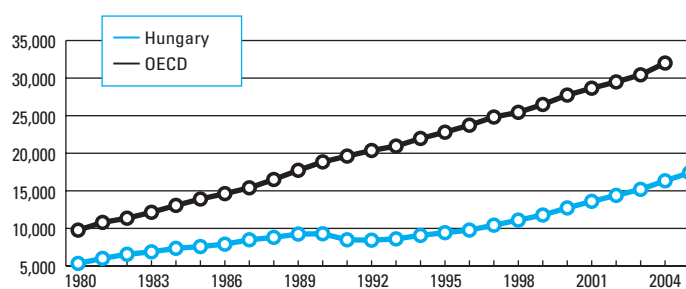
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	4	1.08	Business costs of terrorism	25
1.10	Business costs of crime and violence	8	1.13	Efficacy of corporate boards	25
1.09	Reliability of police services	9	1.11	Organized crime	22
2nd pillar: Infrastructure			1.14	Protection of minority shareholders' interests.....	20
2.03	Quality of port infrastructure.....	3	1.02	Diversion of public funds	17
2.04	Quality of air transport infrastructure.....	3	1.12	Ethical behavior of firms	17
2.01	Overall infrastructure quality	5	1.05	Favoritism in decisions of government officials.....	16
2.02	Railroad infrastructure development	5	1.04	Judicial independence	13
2.05	Quality of electricity supply	8	3rd pillar: Macroeconomy		
3rd pillar: Macroeconomy			3.04	Interest rate spread (hard data).....	73
3.05	Government debt (hard data)	2	3.02	National savings rate (hard data)	19
3.06	Real effective exchange rate (hard data)	8	4th pillar: Health and primary education		
5th pillar: Higher education and training			4.02	Medium-term business impact of tuberculosis	45
5.04	Quality of math and science education.....	6	5th pillar: Higher education and training		
5.03	Quality of the educational system	7	5.01	Secondary enrollment (hard data)	64
6th pillar: Market efficiency			5.02	Tertiary enrollment (hard data)	60
6.13	Flexibility of wage determination	1	5.07	Extent of staff training	21
6.16	Pay and productivity	1	5.06	Local availability of research and training services	18
6.03	Extent and effect of taxation.....	2	6th pillar: Market efficiency		
6.23	Local equity market access.....	3	6.07	Effectiveness of antitrust policy.....	36
6.09	Prevalence of trade barriers	4	6.15	Reliance on professional management.....	31
6.10	Foreign ownership restrictions.....	4	7th pillar: Technological readiness		
6.19	Financial market sophistication	4	7.04	FDI and technology transfer.....	31
6.14	Cooperation in labor-employer relations.....	5	7.01	Technological readiness	22
6.06	Intensity of local competition.....	6	7.03	Laws relating to ICT	19
6.01	Agricultural policy costs	9	7.02	Firm-level technology absorption	18
6.21	Venture capital availability	9	8th pillar: Business sophistication		
6.04	Number of procedures to start business (hard data)	10	8.03	Production process sophistication	30
6.05	Time required to start a business (hard data).....	10	8.05	Control of international distribution.....	20
7th pillar: Technological readiness			8.06	Willingness to delegate authority.....	20
7.05	Cellular telephones (hard data).....	2	8.07	Nature of competitive advantage.....	19
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	27
			9.01	Quality of scientific research institutions.....	24
			9.02	Company spending on research and development	23
			9.06	Utility patents (hard data)	22
			9.08	Capacity for innovation.....	22
			9.07	Intellectual property protection	20

Hungary

Key Indicators

Total population (millions), 2005.....	10.1
GDP (US\$ billions), 2005.....	109.5
GDP (PPP) as share of world total, 2005.....	0.28
GDP (PPP) per capita (US\$), 2005.....	17,405

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

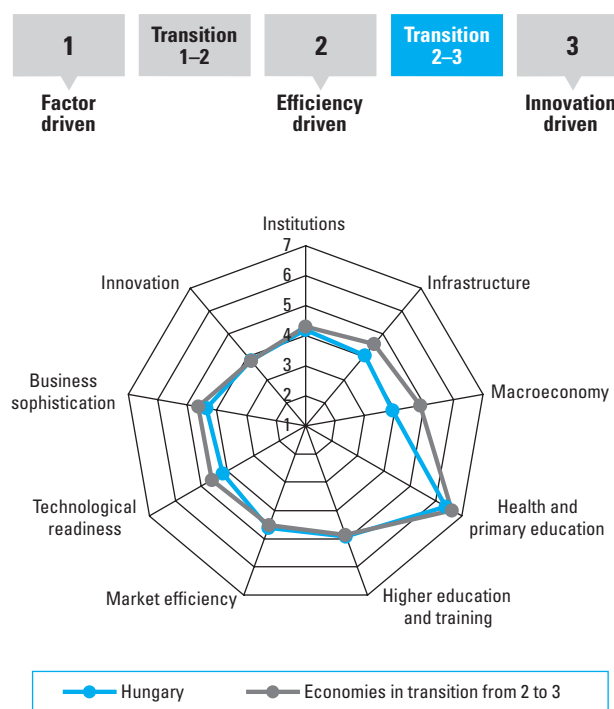
2006–07	41	4.5
2005–06 (out of 117 countries).....	35.....	4.5
Basic Requirements	52	4.6
1st pillar: Institutions.....	46.....	4.2
2nd pillar: Infrastructure	48.....	4.1
3rd pillar: Macroeconomy.....	98.....	3.9
4th pillar: Health and primary education.....	66.....	6.4
Efficiency Enhancers	32	4.6
5th pillar: Higher education and training.....	30.....	4.9
6th pillar: Market efficiency.....	37.....	4.6
7th pillar: Technological readiness	36.....	4.2
Innovation Factors	39	4.1
8th pillar: Business sophistication.....	49.....	4.3
9th pillar: Innovation	31.....	3.8

Rank (out of 121 countries/economies)

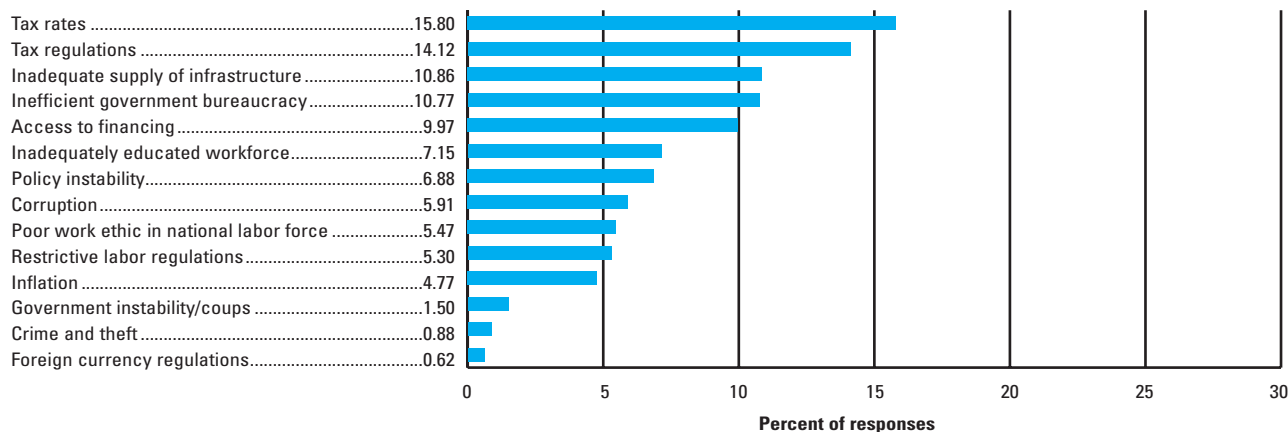
Business Competitiveness Index

Sophistication of company operations and strategy.....	43
Quality of the national business environment.....	35

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

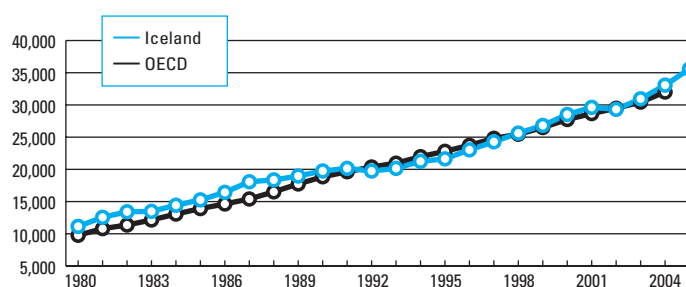
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.01	Property rights.....	32	1.06	Wastefulness of government spending	87
1.10	Business costs of crime and violence	34	1.05	Favoritism in decisions of government officials.....	82
1.14	Protection of minority shareholders' interests.....	38	1.07	Burden of government compliance.....	78
2nd pillar: Infrastructure			1.12	Ethical behavior of firms	65
2.06	Telephone lines (hard data)	34	1.03	Public trust of politicians	60
3rd pillar: Macroeconomy			1.11	Organized crime	49
3.04	Interest rate spread (hard data).....	26	1.04	Judicial independence.....	48
4th pillar: Health and primary education			1.02	Diversion of public funds	43
4.02	Medium-term business impact of tuberculosis	38	1.15	Strength of auditing and accounting standards	42
5th pillar: Higher education and training			2nd pillar: Infrastructure		
5.04	Quality of math and science education.....	13	2.01	Overall infrastructure quality	47
5.02	Tertiary enrollment (hard data)	23	2.02	Railroad infrastructure development	42
5.05	Quality of management schools	33	3rd pillar: Macroeconomy		
5.06	Local availability of research and training services	36	3.01	Government surplus/deficit (hard data)	123
6th pillar: Market efficiency			3.06	Real effective exchange rate (hard data)	115
6.04	Number of procedures to start business (hard data)	17	3.02	National savings rate (hard data)	88
6.10	Foreign ownership restrictions.....	18	3.05	Government debt (hard data)	71
6.09	Prevalence of trade barriers	20	3.03	Inflation (hard data).....	54
6.14	Cooperation in labor-employer relations.....	25	6th pillar: Market efficiency		
6.06	Intensity of local competition	30	6.01	Agricultural policy costs	98
6.16	Pay and productivity	32	6.03	Extent and effect of taxation.....	79
6.07	Effectiveness of antitrust policy.....	33	6.12	Hiring and firing practices	69
6.17	Brain drain	33	6.05	Time required to start a business (hard data).....	63
6.21	Venture capital availability	33	6.22	Soundness of banks.....	59
6.19	Financial market sophistication	34	6.23	Local equity market access.....	56
7th pillar: Technological readiness			6.13	Flexibility of wage determination	48
7.04	FDI and technology transfer.....	16	6.02	Efficiency of legal framework	44
7.05	Cellular telephones (hard data).....	24	7th pillar: Technological readiness		
7.02	Firm-level technology absorption	28	7.01	Technological readiness	48
8th pillar: Business sophistication			7.07	Personal computers (hard data)	43
8.08	Value chain presence	26	8th pillar: Business sophistication		
8.03	Production process sophistication	39	8.05	Control of international distribution.....	92
9th pillar: Innovation			8.04	Extent of marketing.....	62
9.01	Quality of scientific research institutions	26	8.07	Nature of competitive advantage.....	44
9.03	University/industry research collaboration	30	9th pillar: Innovation		
9.05	Availability of scientists and engineers	30	9.02	Company spending on research and development	59
9.08	Capacity for innovation.....	32	9.04	Government procurement of technology products.....	55
9.07	Intellectual property protection	33			

Iceland

Key Indicators

Total population (millions), 2005.....	0.3
GDP (US\$ billions), 2005.....	15.8
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	35,586

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–0714.....5.4

2005–06 (out of 117 countries).....16.....5.3

Basic Requirements12.....5.7

1st pillar: Institutions.....3.....6.0

2nd pillar: Infrastructure20.....5.4

3rd pillar: Macroeconomy.....58.....4.5

4th pillar: Health and primary education.....3.....6.9

Efficiency Enhancers.....8.....5.5

5th pillar: Higher education and training.....13.....5.6

6th pillar: Market efficiency.....8.....5.3

7th pillar: Technological readiness4.....5.6

Innovation Factors17.....5.0

8th pillar: Business sophistication.....14.....5.4

9th pillar: Innovation19.....4.5

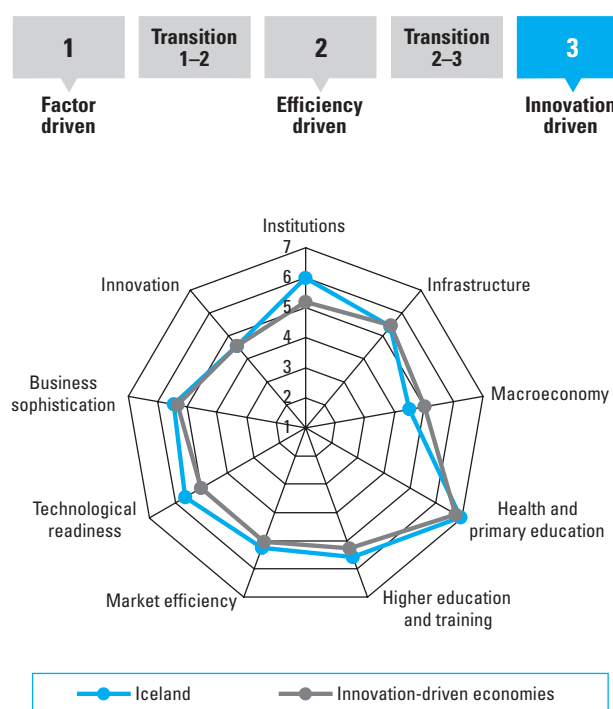
Rank (out of 121 countries/economies)

Business Competitiveness Index13

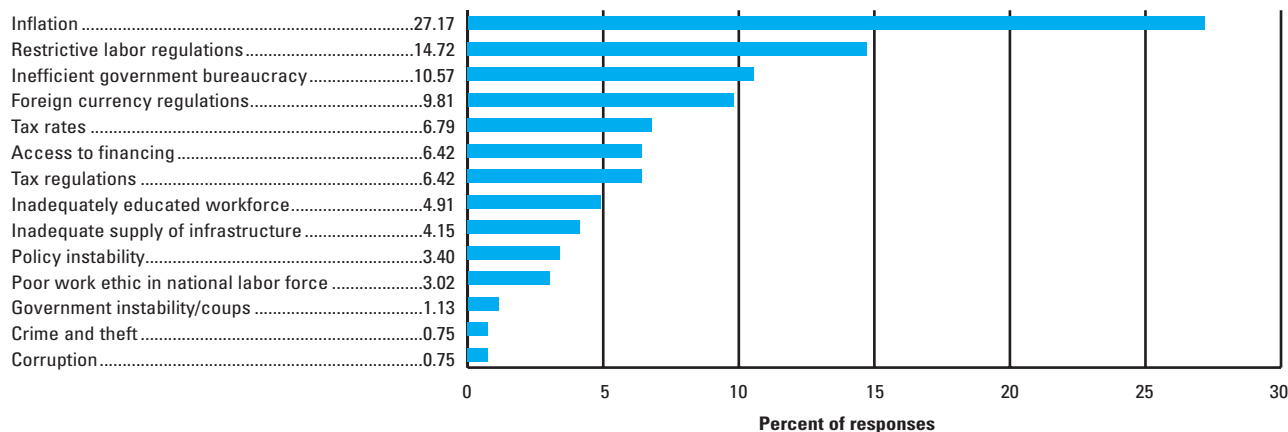
Sophistication of company operations and strategy.....19

Quality of the national business environment.....12

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

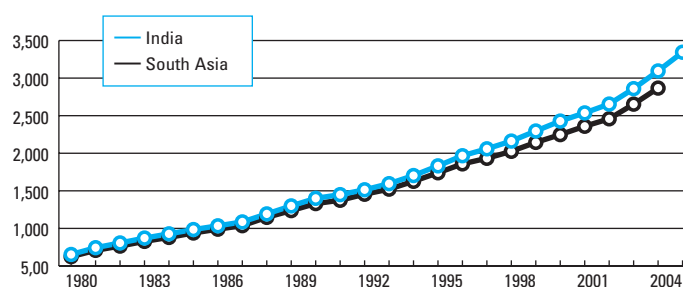
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	1	1.14	Protection of minority shareholders' interests.....	23
1.10	Business costs of crime and violence	1	3rd pillar: Macroeconomy		
1.01	Property rights.....	2	3.06	Real effective exchange rate (hard data)	113
1.02	Diversion of public funds	2	3.02	National savings rate (hard data)	106
1.06	Wastefulness of government spending	2	3.04	Interest rate spread (hard data).....	93
1.03	Public trust of politicians	3	3.05	Government debt (hard data)	28
1.13	Efficacy of corporate boards	5	5th pillar: Higher education and training		
1.09	Reliability of police services	6	5.04	Quality of math and science education.....	33
1.05	Favoritism in decisions of government officials.....	11	5.06	Local availability of research and training services	19
1.12	Ethical behavior of firms	11	6th pillar: Market efficiency		
1.04	Judicial independence	12	6.01	Agricultural policy costs	118
2nd pillar: Infrastructure			6.10	Foreign ownership restrictions.....	106
2.05	Quality of electricity supply	1	6.13	Flexibility of wage determination	74
2.01	Overall infrastructure quality	10	6.09	Prevalence of trade barriers	57
5th pillar: Higher education and training			6.22	Soundness of banks.....	29
5.03	Quality of the educational system	3	6.06	Intensity of local competition.....	24
5.07	Extent of staff training	11	6.15	Reliance on professional management.....	18
6th pillar: Market efficiency			6.19	Financial market sophistication	16
6.20	Ease of access to loans	2	7th pillar: Technological readiness		
6.02	Efficiency of legal framework	3	7.04	FDI and technology transfer.....	105
6.05	Time required to start a business (hard data).....	3	7.03	Laws relating to ICT	17
6.14	Cooperation in labor-employer relations.....	4	8th pillar: Business sophistication		
6.03	Extent and effect of taxation.....	6	8.08	Value chain presence	30
6.12	Hiring and firing practices	6	8.01	Local supplier quantity	22
6.16	Pay and productivity	8	8.02	Local supplier quality	19
6.17	Brain drain	9	8.07	Nature of competitive advantage.....	17
6.04	Number of procedures to start business (hard data)	10	9th pillar: Innovation		
6.21	Venture capital availability	12	9.04	Government procurement of technology products.....	47
7th pillar: Technological readiness			9.01	Quality of scientific research institutions.....	30
7.02	Firm-level technology absorption	1	9.08	Capacity for innovation	25
7.06	Internet users (hard data)	1	9.02	Company spending on research and development	21
7.01	Technological readiness	5	9.03	University/industry research collaboration	21
7.05	Cellular telephones (hard data).....	12	8th pillar: Business sophistication		
8th pillar: Business sophistication			8.05	Control of international distribution.....	4
8.05	Control of international distribution.....	4	8.06	Willingness to delegate authority.....	7
8.06	Willingness to delegate authority.....	7	9th pillar: Innovation		
9th pillar: Innovation			9.07	Intellectual property protection	7
9.07	Intellectual property protection	7	9.06	Utility patents (hard data)	13
9.06	Utility patents (hard data)	13			

India

Key Indicators

Total population (millions), 2005.....	1,103.4
GDP (US\$ billions), 2005.....	775.4
GDP (PPP) as share of world total, 2005.....	5.95
GDP (PPP) per capita (US\$), 2005.....	3,344

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

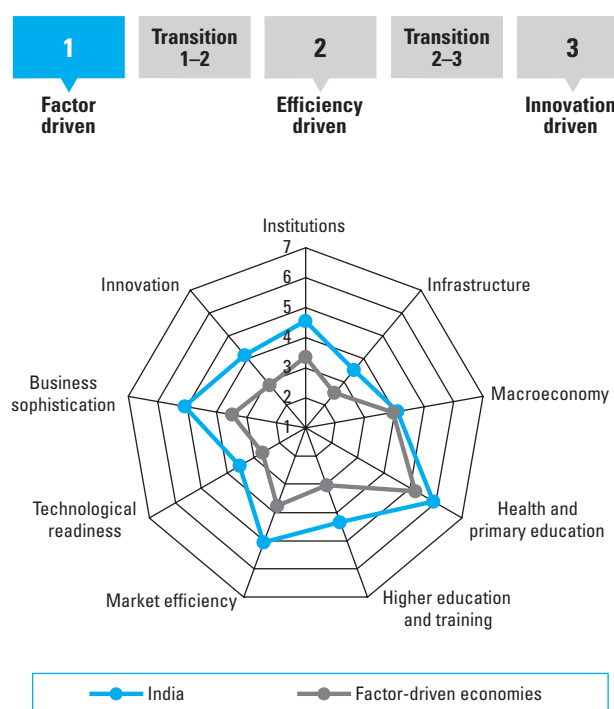
2006–07	43	4.4
2005–06 (out of 117 countries).....	45.....	4.3
Basic Requirements	60	4.5
1st pillar: Institutions.....	34.....	4.5
2nd pillar: Infrastructure	62.....	3.5
3rd pillar: Macroeconomy.....	88.....	4.1
4th pillar: Health and primary education.....	93.....	5.9
Efficiency Enhancers	41	4.3
5th pillar: Higher education and training.....	49.....	4.4
6th pillar: Market efficiency.....	21.....	5.1
7th pillar: Technological readiness	55.....	3.5
Innovation Factors	26	4.6
8th pillar: Business sophistication.....	25.....	5.1
9th pillar: Innovation	26.....	4.1

Rank (out of 121 countries/economies)

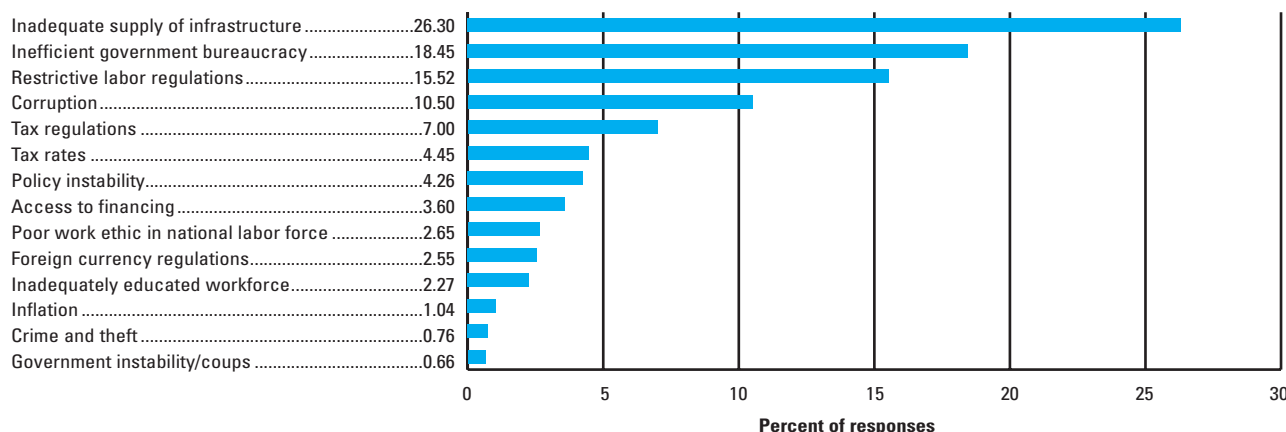
Business Competitiveness Index

Sophistication of company operations and strategy.....	25
Quality of the national business environment.....	27

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

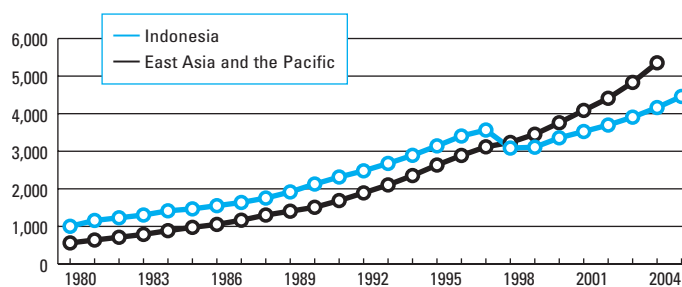
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	13	1.08	Business costs of terrorism	84
1.04	Judicial independence	14	1.07	Burden of government compliance.....	67
1.15	Strength of auditing and accounting standards	21	1.03	Public trust of politicians	59
1.10	Business costs of crime and violence	24	1.02	Diversion of public funds	52
1.01	Property rights.....	25	1.09	Reliability of police services	48
1.13	Efficacy of corporate boards	27	1.12	Ethical behavior of firms	45
2nd pillar: Infrastructure			1.11	Organized crime	44
2.02	Railroad infrastructure development	21	2nd pillar: Infrastructure		
3rd pillar: Macroeconomy			2.06	Telephone lines (hard data)	98
3.02	National savings rate (hard data)	20	2.05	Quality of electricity supply	97
5th pillar: Higher education and training			2.01	Overall infrastructure quality	69
5.05	Quality of management schools	3	3rd pillar: Macroeconomy		
5.04	Quality of math and science education.....	7	3.01	Government surplus/deficit (hard data).....	122
5.06	Local availability of research and training services	28	3.05	Government debt (hard data)	88
5.07	Extent of staff training	28	3.06	Real effective exchange rate (hard data)	78
6th pillar: Market efficiency			3.04	Interest rate spread (hard data).....	51
6.23	Local equity market access.....	1	4th pillar: Health and primary education		
6.06	Intensity of local competition.....	4	4.06	Tuberculosis prevalence (hard data)	100
6.21	Venture capital availability	20	4.04	Infant mortality (hard data)	99
6.03	Extent and effect of taxation.....	21	4.05	Life expectancy at birth (hard data).....	97
6.20	Ease of access to loans	21	4.03	Medium-term business impact of HIV/AIDS.....	95
6.02	Efficiency of legal framework	23	4.07	Malaria prevalence (hard data)	94
6.15	Reliance on professional management.....	24	4.09	Primary enrollment (hard data)	76
6.07	Effectiveness of antitrust policy.....	27	5th pillar: Higher education and training		
6.19	Financial market sophistication	32	5.02	Tertiary enrollment (hard data)	92
7th pillar: Technological readiness			6th pillar: Market efficiency		
7.02	Firm-level technology absorption	13	6.12	Hiring and firing practices	101
7.01	Technological readiness	23	6.05	Time required to start a business (hard data).....	97
7.04	FDI and technology transfer.....	25	6.04	Number of procedures to start business (hard data)	70
7.03	Laws relating to ICT	31	6.01	Agricultural policy costs	56
8th pillar: Business sophistication			6.13	Flexibility of wage determination	51
8.01	Local supplier quantity	9	6.14	Cooperation in labor-employer relations.....	49
8.08	Value chain presence	22	6.17	Brain drain	47
8.05	Control of international distribution.....	25	7th pillar: Technological readiness		
8.02	Local supplier quality.....	28	7.05	Cellular telephones (hard data).....	108
8.04	Extent of marketing.....	29	7.07	Personal computers (hard data)	100
8.03	Production process sophistication	33	7.06	Internet users (hard data)	95
9th pillar: Innovation			8th pillar: Business sophistication		
9.05	Availability of scientists and engineers	4	8.07	Nature of competitive advantage.....	46
9.01	Quality of scientific research institutions.....	14	9th pillar: Innovation		
9.02	Company spending on research and development	25	9.06	Utility patents (hard data)	54
9.08	Capacity for innovation.....	28			

Indonesia

Key Indicators

Total population (millions), 2005.....	222.8
GDP (US\$ billions), 2005.....	276.0
GDP (PPP) as share of world total, 2005.....	1.60
GDP (PPP) per capita (US\$), 2005.....	4,458

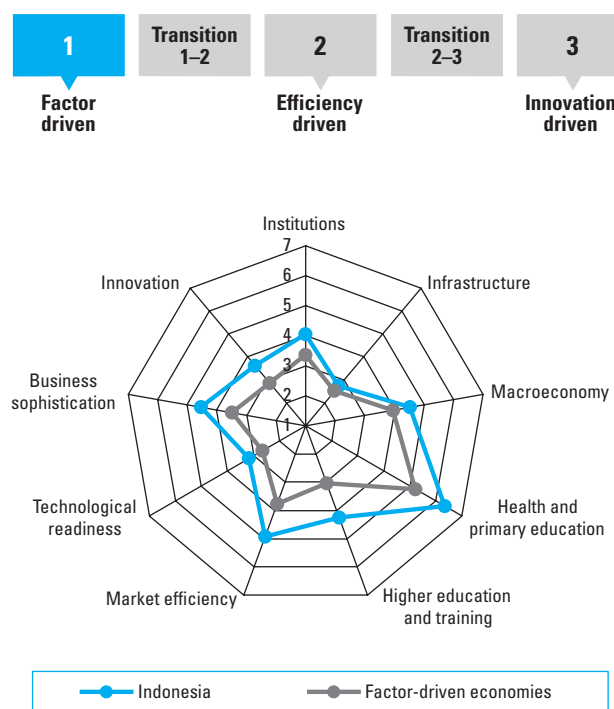
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	50	4.3
2005–06 (out of 117 countries).....	69	4.0
Basic Requirements	68	4.4
1st pillar: Institutions.....	52	4.0
2nd pillar: Infrastructure.....	89	2.7
3rd pillar: Macroeconomy.....	57	4.5
4th pillar: Health and primary education.....	72	6.4
Efficiency Enhancers	50	4.1
5th pillar: Higher education and training.....	53	4.3
6th pillar: Market efficiency.....	27	4.9
7th pillar: Technological readiness.....	72	3.2
Innovation Factors	41	4.1
8th pillar: Business sophistication.....	42	4.5
9th pillar: Innovation.....	37	3.6

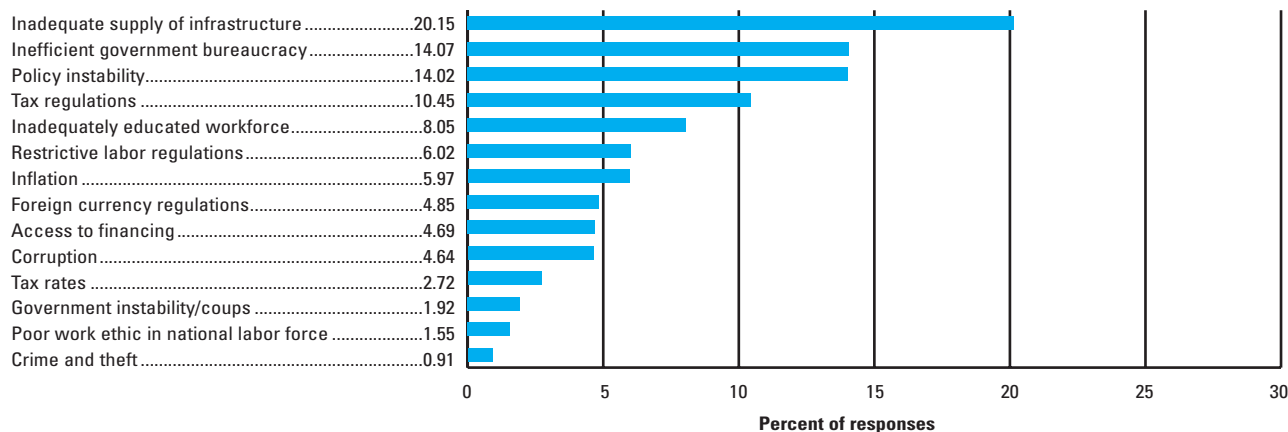
Stage of development



Business Competitiveness Index

Sophistication of company operations and strategy.....	26
Quality of the national business environment.....	38

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

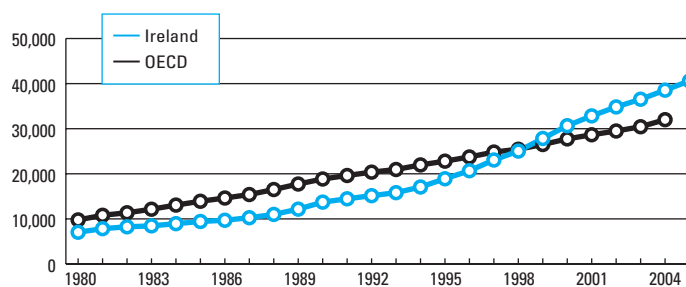
245

Ireland

Key Indicators

Total population (millions), 2005.....	4.1
GDP (US\$ billions), 2005.....	199.7
GDP (PPP) as share of world total, 2005.....	0.28
GDP (PPP) per capita (US\$), 2005.....	40,610

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

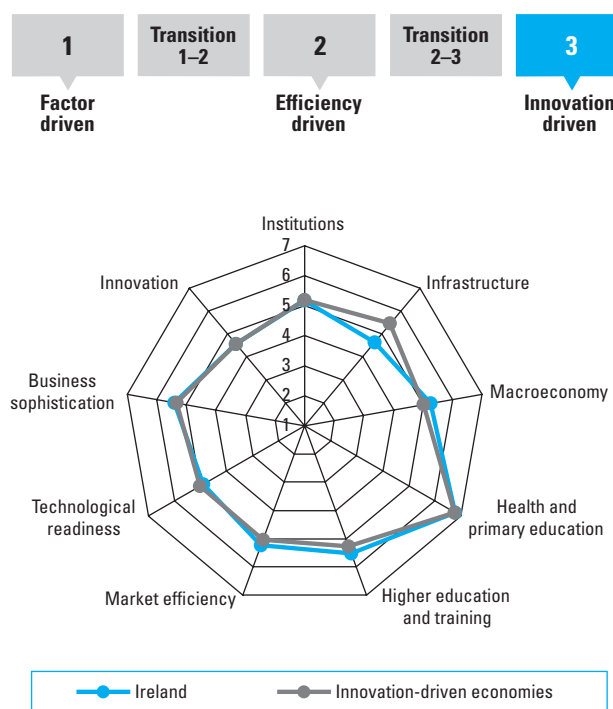
2006–07	21	5.2
2005–06 (out of 117 countries).....	21.....	5.2
Basic Requirements	23	5.5
1st pillar: Institutions.....	17.....	5.2
2nd pillar: Infrastructure	31.....	4.6
3rd pillar: Macroeconomy.....	20.....	5.3
4th pillar: Health and primary education.....	24.....	6.8
Efficiency Enhancers	18	5.2
5th pillar: Higher education and training.....	16.....	5.5
6th pillar: Market efficiency.....	13.....	5.2
7th pillar: Technological readiness	24.....	4.9
Innovation Factors	19	5.0
8th pillar: Business sophistication.....	16.....	5.4
9th pillar: Innovation	20.....	4.5

Rank (out of 121 countries/economies)

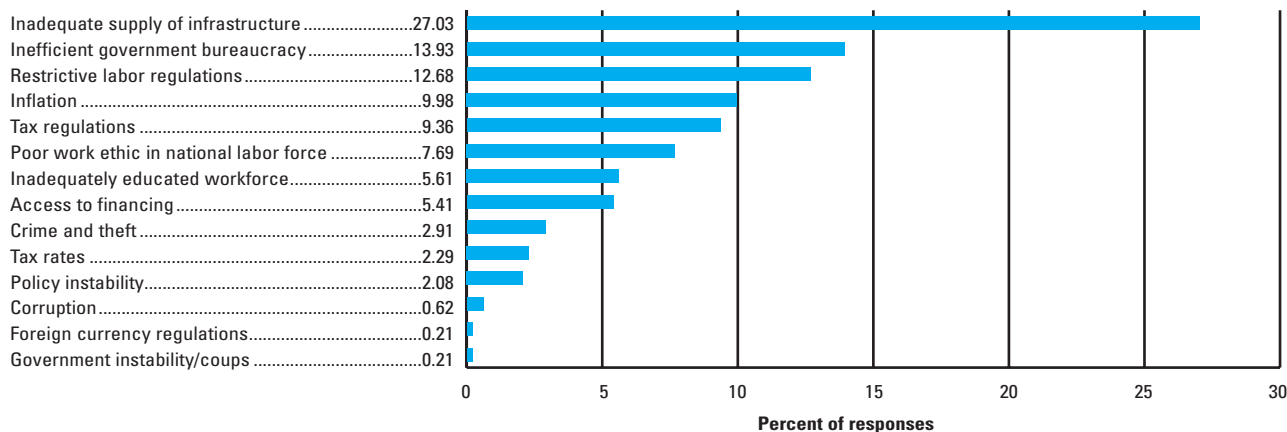
Business Competitiveness Index

Sophistication of company operations and strategy.....	17
Quality of the national business environment.....	23

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

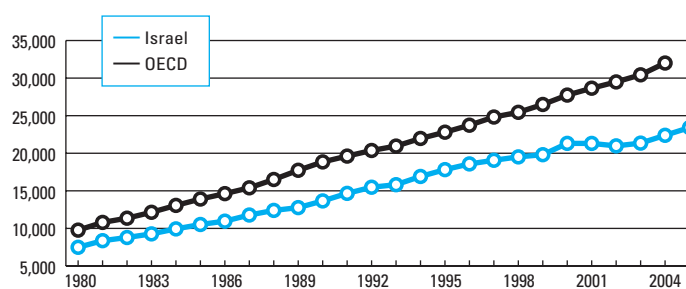
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	7	1.06	Wastefulness of government spending	55
1.01	Property rights.....	9	1.08	Business costs of terrorism	49
1.04	Judicial independence.....	11	1.03	Public trust of politicians	44
1.13	Efficacy of corporate boards	11	1.10	Business costs of crime and violence	41
1.15	Strength of auditing and accounting standards	11	1.11	Organized crime	33
1.02	Diversion of public funds	15	1.09	Reliability of police services	29
1.12	Ethical behavior of firms	16	1.05	Favoritism in decisions of government officials.....	28
1.07	Burden of government compliance.....	17			
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.04	Interest rate spread (hard data).....	14	2.01	Overall infrastructure quality	49
5th pillar: Higher education and training			2.03	Quality of port infrastructure	48
5.03	Quality of the educational system	6	2.05	Quality of electricity supply	25
5.05	Quality of management schools	15			
5.07	Extent of staff training	15	3rd pillar: Macroeconomy		
5.04	Quality of math and science education.....	16	3.06	Real effective exchange rate (hard data)	100
6th pillar: Market efficiency			3.02	National savings rate (hard data)	32
6.10	Foreign ownership restrictions.....	1	4th pillar: Health and primary education		
6.22	Soundness of banks.....	4	4.03	Medium-term business impact of HIV/AIDS.....	32
6.09	Prevalence of trade barriers	6	5th pillar: Higher education and training		
6.17	Brain drain	6	5.06	Local availability of research and training services	23
6.04	Number of procedures to start business (hard data)	7	6th pillar: Market efficiency		
6.19	Financial market sophistication	7	6.13	Flexibility of wage determination	113
6.21	Venture capital availability	7	6.12	Hiring and firing practices	90
6.15	Reliance on professional management.....	8	6.16	Pay and productivity	49
6.03	Extent and effect of taxation.....	10	6.23	Local equity market access.....	38
6.20	Ease of access to loans	10	6.05	Time required to start a business (hard data).....	30
6.01	Agricultural policy costs	14	7th pillar: Technological readiness		
6.14	Cooperation in labor-employer relations.....	14	7.01	Technological readiness	37
6.07	Effectiveness of antitrust policy.....	19	7.06	Internet users (hard data)	37
7th pillar: Technological readiness			7.03	Laws relating to ICT	27
7.04	FDI and technology transfer.....	2	8th pillar: Business sophistication		
7.05	Cellular telephones (hard data).....	18	8.05	Control of international distribution.....	50
7.07	Personal computers (hard data)	18	8.01	Local supplier quantity	26
8th pillar: Business sophistication			9th pillar: Innovation		
8.07	Nature of competitive advantage.....	15	9.04	Government procurement of technology products.....	27
8.02	Local supplier quality.....	16			
8.06	Willingness to delegate authority.....	16			
8.08	Value chain presence	18			
8.03	Production process sophistication	19			
9th pillar: Innovation					
9.01	Quality of scientific research institutions.....	15			
9.02	Company spending on research and development	15			
9.03	University/industry research collaboration	19			
9.05	Availability of scientists and engineers	19			

Israel

Key Indicators

Total population (millions), 2005.....	6.7
GDP (US\$ billions), 2005.....	123.5
GDP (PPP) as share of world total, 2005.....	0.26
GDP (PPP) per capita (US\$), 2005.....	23,416

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

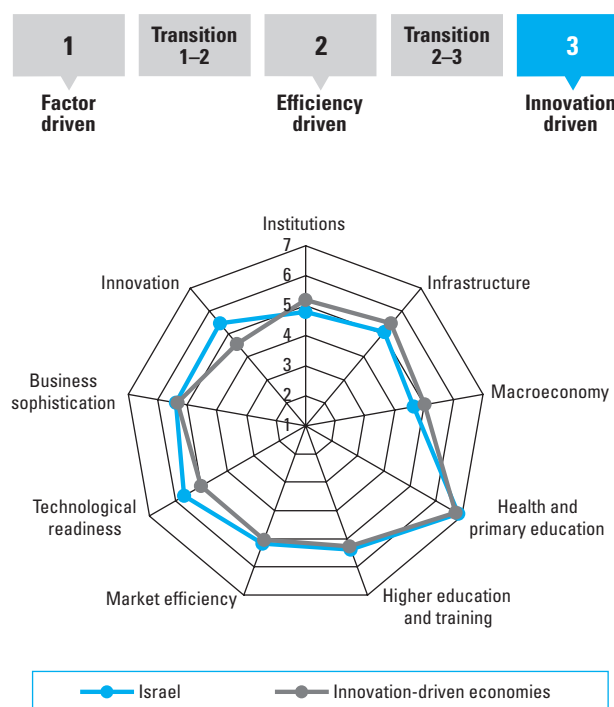
2006–07	15	5.4
2005–06 (out of 117 countries).....	23.....	5.2
Basic Requirements	29	5.3
1st pillar: Institutions.....	29.....	4.8
2nd pillar: Infrastructure	24.....	5.1
3rd pillar: Macroeconomy.....	50.....	4.7
4th pillar: Health and primary education.....	17.....	6.9
Efficiency Enhancers	12	5.4
5th pillar: Higher education and training.....	20.....	5.4
6th pillar: Market efficiency.....	14.....	5.2
7th pillar: Technological readiness	3.....	5.6
Innovation Factors	8	5.4
8th pillar: Business sophistication.....	17.....	5.4
9th pillar: Innovation	7.....	5.4

Rank (out of 121 countries/economies)

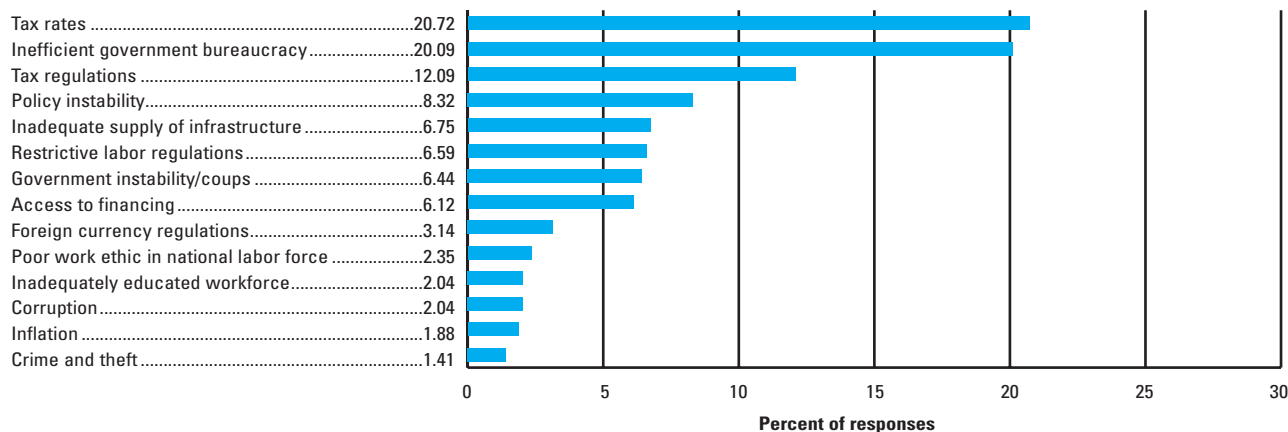
Business Competitiveness Index

Sophistication of company operations and strategy.....	15
Quality of the national business environment.....	19

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

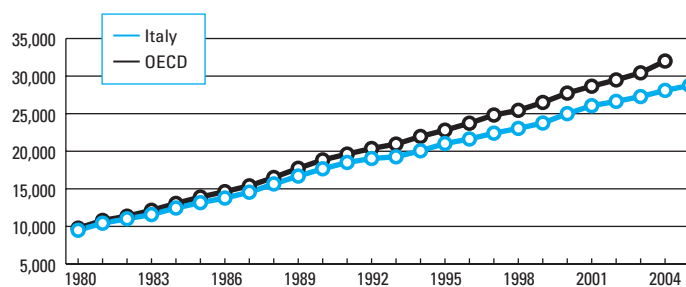
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence	3	1.08	Business costs of terrorism	121
<hr/>			1.09	Reliability of police services	42
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials.....	38
3.06	Real effective exchange rate (hard data)	10	1.11	Organized crime	38
<hr/>			1.10	Business costs of crime and violence	36
5th pillar: Higher education and training			1.03	Public trust of politicians	33
5.06	Local availability of research and training services	10	1.02	Diversion of public funds	32
5.05	Quality of management schools	14	1.14	Protection of minority shareholders' interests.....	30
<hr/>			1.13	Efficacy of corporate boards	29
6th pillar: Market efficiency			1.06	Wastefulness of government spending	28
6.21	Venture capital availability	2	1.12	Ethical behavior of firms	26
6.04	Number of procedures to start business (hard data)	10	1.07	Burden of government compliance.....	23
<hr/>			<hr/>		
7th pillar: Technological readiness			2nd pillar: Infrastructure		
7.01	Technological readiness	4	2.01	Overall infrastructure quality	23
7.02	Firm-level technology absorption	4	<hr/>		
7.07	Personal computers (hard data)	4	3rd pillar: Macroeconomy		
7.05	Cellular telephones (hard data).....	6	3.05	Government debt (hard data)	99
<hr/>			3.01	Government surplus/deficit (hard data).....	71
8th pillar: Business sophistication			3.04	Interest rate spread (hard data).....	27
8.05	Control of international distribution.....	12	<hr/>		
8.07	Nature of competitive advantage.....	12	5th pillar: Higher education and training		
<hr/>			5.07	Extent of staff training	23
9th pillar: Innovation			<hr/>		
9.05	Availability of scientists and engineers	1	6th pillar: Market efficiency		
9.01	Quality of scientific research institutions	4	6.13	Flexibility of wage determination	65
9.06	Utility patents (hard data)	5	6.03	Extent and effect of taxation.....	58
9.03	University/industry research collaboration	6	6.05	Time required to start a business (hard data).....	50
9.02	Company spending on research and development	7	6.12	Hiring and firing practices	35
9.08	Capacity for innovation.....	8	6.14	Cooperation in labor-employer relations.....	33
9.04	Government procurement of technology products.....	11	6.22	Soundness of banks.....	26
<hr/>			<hr/>		
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	25
			<hr/>		
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	34

Italy

Key Indicators

Total population (millions), 2005.....	58.1
GDP (US\$ billions), 2005.....	1,766.2
GDP (PPP) as share of world total, 2005.....	2.73
GDP (PPP) per capita (US\$), 2005.....	28,760

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

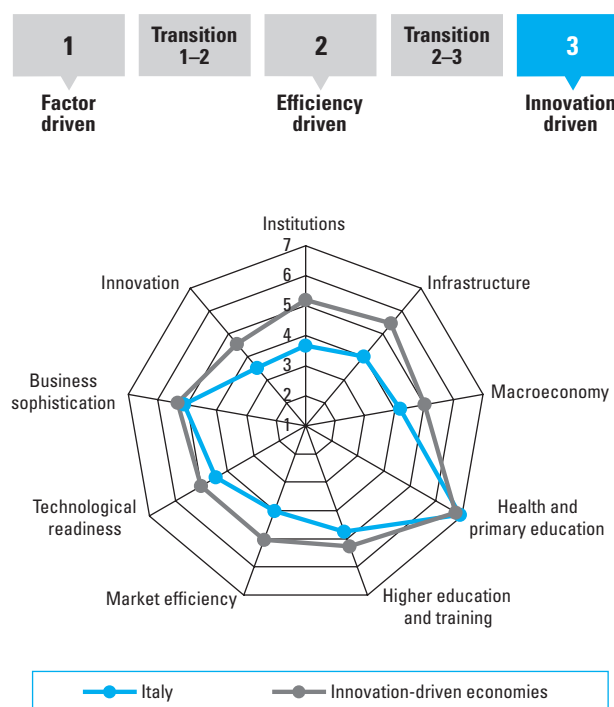
2006–07	42	4.5
2005–06 (out of 117 countries).....	38.....	4.5
Basic Requirements	48	4.7
1st pillar: Institutions.....	71.....	3.7
2nd pillar: Infrastructure	50.....	4.0
3rd pillar: Macroeconomy.....	84.....	4.2
4th pillar: Health and primary education.....	8.....	6.9
Efficiency Enhancers	40	4.4
5th pillar: Higher education and training.....	35.....	4.8
6th pillar: Market efficiency.....	78.....	4.0
7th pillar: Technological readiness	32.....	4.4
Innovation Factors	31	4.3
8th pillar: Business sophistication.....	24.....	5.1
9th pillar: Innovation	43.....	3.5

Rank (out of 121 countries/economies)

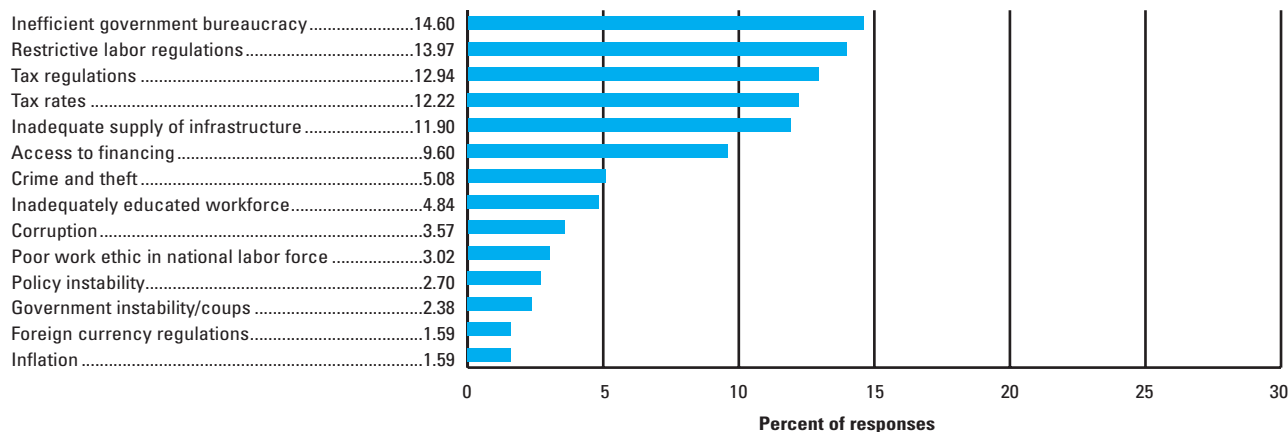
Business Competitiveness Index

Sophistication of company operations and strategy.....	32
Quality of the national business environment.....	42

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

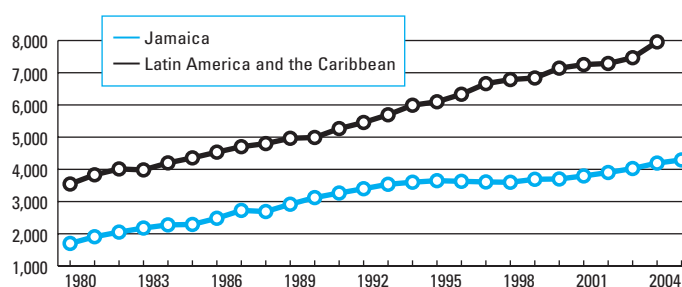
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.06	Telephone lines (hard data)	27	1.07	Burden of government compliance	122
3rd pillar: Macroeconomy			1.11	Organized crime	117
3.04	Interest rate spread (hard data)	33	1.05	Favoritism in decisions of government officials	95
5th pillar: Higher education and training			1.06	Wastefulness of government spending	95
5.02	Tertiary enrollment (hard data)	17	1.03	Public trust of politicians	86
5.06	Local availability of research and training services	27	1.14	Protection of minority shareholders' interests	83
6th pillar: Market efficiency			1.08	Business costs of terrorism	81
6.05	Time required to start a business (hard data)	15	1.12	Ethical behavior of firms	73
6.09	Prevalence of trade barriers	33	1.15	Strength of auditing and accounting standards	70
7th pillar: Technological readiness			1.13	Efficacy of corporate boards	69
7.05	Cellular telephones (hard data)	4	1.04	Judicial independence	68
7.06	Internet users (hard data)	21	1.02	Diversion of public funds	62
7.07	Personal computers (hard data)	28	3rd pillar: Macroeconomy		
7.03	Laws relating to ICT	38	3.01	Government surplus/deficit (hard data)	100
8th pillar: Business sophistication			3.05	Government debt (hard data)	100
8.08	Value chain presence	13	3.06	Real effective exchange rate (hard data)	81
8.07	Nature of competitive advantage	16	5th pillar: Higher education and training		
8.05	Control of international distribution	22	5.03	Quality of the educational system	72
8.01	Local supplier quantity	23	6th pillar: Market efficiency		
8.03	Production process sophistication	27	6.03	Extent and effect of taxation	121
8.02	Local supplier quality	30	6.13	Flexibility of wage determination	117
9th pillar: Innovation			6.14	Cooperation in labor-employer relations	116
9.08	Capacity for innovation	20	6.12	Hiring and firing practices	115
9.06	Utility patents (hard data)	25	6.10	Foreign ownership restrictions	103
			6.16	Pay and productivity	103
			6.15	Reliance on professional management	101
			6.01	Agricultural policy costs	86
			6.02	Efficiency of legal framework	85
			6.21	Venture capital availability	78
			6.06	Intensity of local competition	74
			6.20	Ease of access to loans	70
			6.22	Soundness of banks	65
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	100
			7.02	Firm-level technology absorption	94
			8th pillar: Business sophistication		
			8.06	Willingness to delegate authority	70
			9th pillar: Innovation		
			9.04	Government procurement of technology products	94
			9.01	Quality of scientific research institutions	88
			9.02	Company spending on research and development	75

Jamaica

Key Indicators

Total population (millions), 2005.....	2.7
GDP (US\$ billions), 2005.....	9.7
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	4,293

GDP (PPP) per capita (US\$), 1980–2005

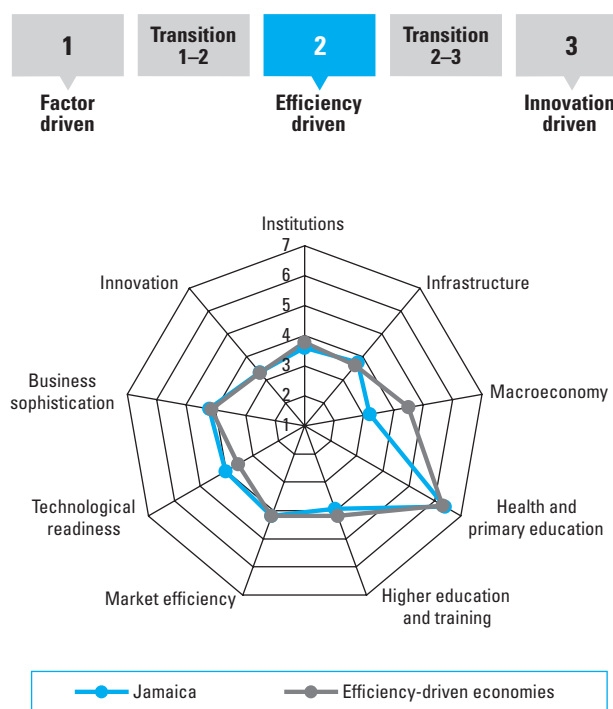


Global Competitiveness Index

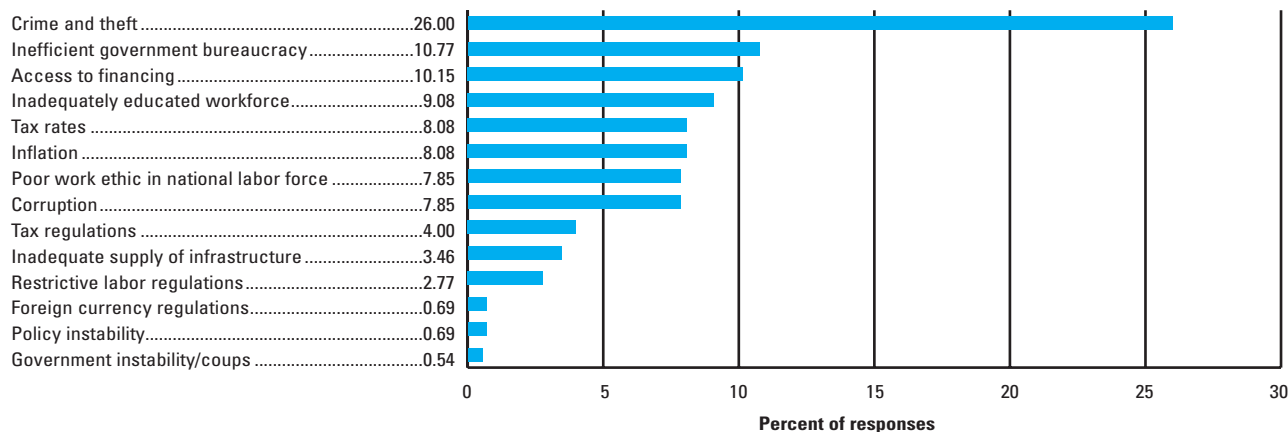
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	60	4.1
2005–06 (out of 117 countries).....	63	4.0
Basic Requirements	79	4.2
1st pillar: Institutions.....	76	3.6
2nd pillar: Infrastructure.....	53	3.8
3rd pillar: Macroeconomy.....	118	3.2
4th pillar: Health and primary education.....	65	6.4
Efficiency Enhancers	53	4.1
5th pillar: Higher education and training.....	67	3.9
6th pillar: Market efficiency.....	61	4.2
7th pillar: Technological readiness.....	40	4.0
Innovation Factors	56	3.8
8th pillar: Business sophistication.....	56	4.2
9th pillar: Innovation.....	54	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	54
Sophistication of company operations and strategy.....	52
Quality of the national business environment.....	55

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

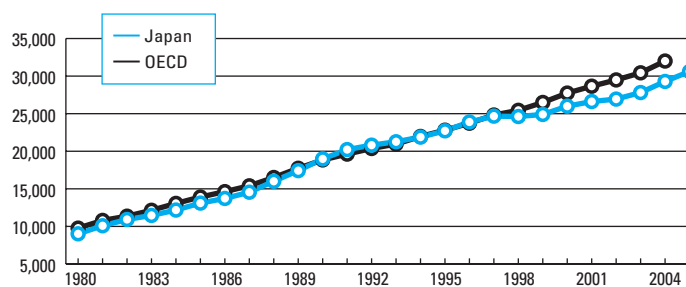
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.15	Strength of auditing and accounting standards .....34	1.11	Organized crime .....125
1.04	Judicial independence .....47	1.10	Business costs of crime and violence .....121
1.01	Property rights .....48	1.09	Reliability of police services .....114
1.13	Efficacy of corporate boards .....48	1.05	Favoritism in decisions of government officials .....99
2nd pillar: Infrastructure		1.06	Wastefulness of government spending .....98
2.03	Quality of port infrastructure .....24	1.02	Diversion of public funds .....96
2.04	Quality of air transport infrastructure .....33	1.07	Burden of government compliance .....86
6th pillar: Market efficiency		1.03	Public trust of politicians .....74
6.05	Time required to start a business (hard data) .....8	1.14	Protection of minority shareholders' interests .....74
6.04	Number of procedures to start business (hard data) .....17	1.08	Business costs of terrorism .....73
6.10	Foreign ownership restrictions .....21	2nd pillar: Infrastructure	
6.23	Local equity market access .....36	2.02	Railroad infrastructure development .....110
6.19	Financial market sophistication .....39	2.06	Telephone lines (hard data) .....68
6.06	Intensity of local competition .....44	3rd pillar: Macroeconomy	
6.07	Effectiveness of antitrust policy .....50	3.03	Inflation (hard data) .....120
7th pillar: Technological readiness		3.05	Government debt (hard data) .....106
7.05	Cellular telephones (hard data) .....30	3.01	Government surplus/deficit (hard data) .....97
7.06	Internet users (hard data) .....30	3.04	Interest rate spread (hard data) .....91
7.01	Technological readiness .....40	4th pillar: Health and primary education	
7.04	FDI and technology transfer .....45	4.03	Medium-term business impact of HIV/AIDS .....106
7.02	Firm-level technology absorption .....46	4.08	HIV prevalence (hard data) .....94
8th pillar: Business sophistication		4.09	Primary enrollment (hard data) .....71
8.07	Nature of competitive advantage .....25	5th pillar: Higher education and training	
8.04	Extent of marketing .....38	5.04	Quality of math and science education .....87
9th pillar: Innovation		5.02	Tertiary enrollment (hard data) .....77
9.01	Quality of scientific research institutions .....39	5.03	Quality of the educational system .....68
9.02	Company spending on research and development .....40	6th pillar: Market efficiency	
9.03	University/industry research collaboration .....47	6.20	Ease of access to loans .....106
		6.17	Brain drain .....94
		6.03	Extent and effect of taxation .....91
		6.14	Cooperation in labor-employer relations .....91
		6.21	Venture capital availability .....89
		6.16	Pay and productivity .....82
		6.22	Soundness of banks .....54
		7th pillar: Technological readiness	
		7.03	Laws relating to ICT .....68
		7.07	Personal computers (hard data) .....64
		8th pillar: Business sophistication	
		8.01	Local supplier quantity .....69
		8.08	Value chain presence .....66
		8.03	Production process sophistication .....64
		9th pillar: Innovation	
		9.05	Availability of scientists and engineers .....88
		9.08	Capacity for innovation .....69
		9.07	Intellectual property protection .....59

Japan

Key Indicators

Total population (millions), 2005.....	128.1
GDP (US\$ billions), 2005.....	4,571.3
GDP (PPP) as share of world total, 2005.....	6.40
GDP (PPP) per capita (US\$), 2005.....	30,615

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

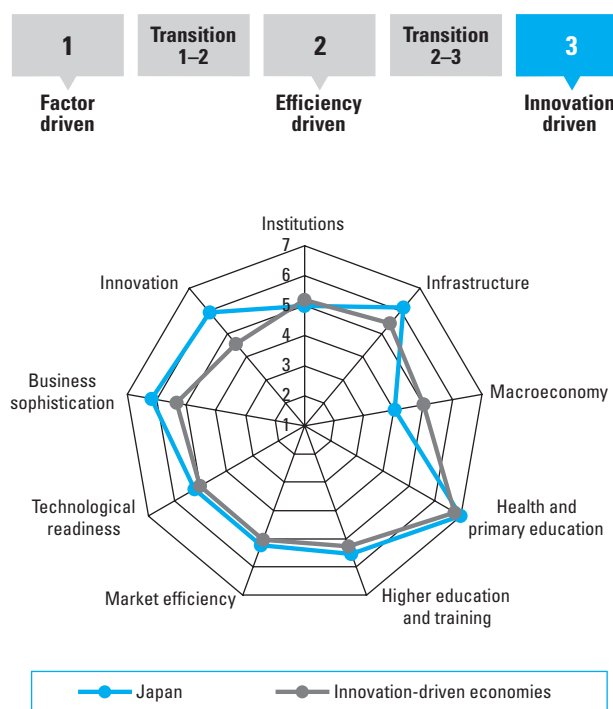
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	7	5.6
2005–06 (out of 117 countries).....	10.....	5.5
Basic Requirements	19	5.5
1st pillar: Institutions.....	22.....	5.0
2nd pillar: Infrastructure	7.....	6.1
3rd pillar: Macroeconomy.....	91.....	4.1
4th pillar: Health and primary education.....	1.....	7.0
Efficiency Enhancers	16	5.3
5th pillar: Higher education and training.....	15.....	5.5
6th pillar: Market efficiency.....	10.....	5.2
7th pillar: Technological readiness	19.....	5.2
Innovation Factors	1	6.0
8th pillar: Business sophistication.....	2.....	6.1
9th pillar: Innovation	1.....	5.9

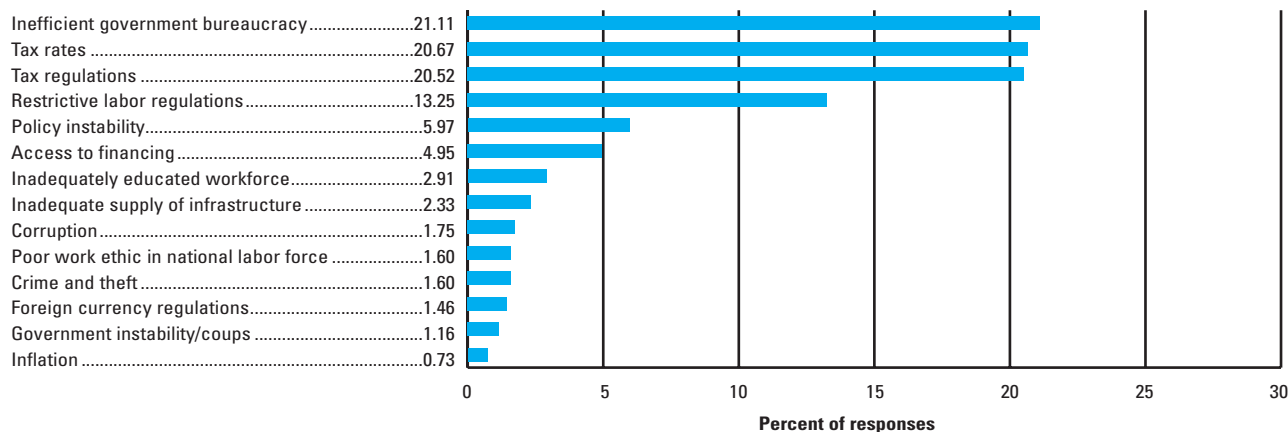
Rank (out of 121 countries/economies)

Business Competitiveness Index	9
Sophistication of company operations and strategy.....	5
Quality of the national business environment.....	9

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

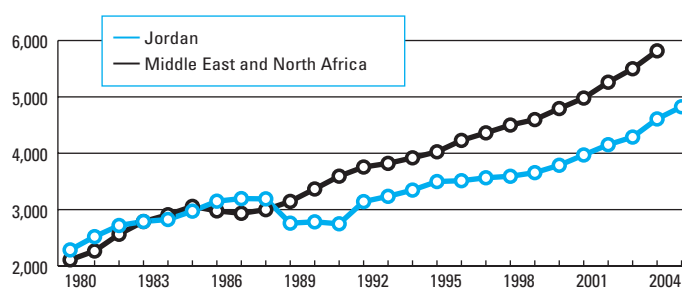
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.02	Railroad infrastructure development	2	1.08	Business costs of terrorism	97
2.01	Overall infrastructure quality	8	1.06	Wastefulness of government spending	74
3rd pillar: Macroeconomy			1.11	Organized crime	43
3.04	Interest rate spread (hard data)	2	1.14	Protection of minority shareholders' interests	31
5th pillar: Higher education and training			1.15	Strength of auditing and accounting standards	31
5.06	Local availability of research and training services	1	1.13	Efficacy of corporate boards	30
5.07	Extent of staff training	3	1.02	Diversion of public funds	26
6th pillar: Market efficiency			1.03	Public trust of politicians	25
6.06	Intensity of local competition	3	1.07	Burden of government compliance	25
6.17	Brain drain	3	1.04	Judicial independence	22
6.23	Local equity market access	4	3rd pillar: Macroeconomy		
6.14	Cooperation in labor-employer relations	6	3.01	Government surplus/deficit (hard data)	114
6.07	Effectiveness of antitrust policy	10	3.05	Government debt (hard data)	108
6.13	Flexibility of wage determination	10	5th pillar: Higher education and training		
7th pillar: Technological readiness			5.05	Quality of management schools	59
7.01	Technological readiness	2	6th pillar: Market efficiency		
7.02	Firm-level technology absorption	2	6.01	Agricultural policy costs	115
8th pillar: Business sophistication			6.10	Foreign ownership restrictions	77
8.01	Local supplier quantity	1	6.22	Soundness of banks	76
8.05	Control of international distribution	1	6.04	Number of procedures to start business (hard data)	70
8.02	Local supplier quality	2	6.12	Hiring and firing practices	70
8.03	Production process sophistication	2	6.09	Prevalence of trade barriers	53
8.07	Nature of competitive advantage	3	6.03	Extent and effect of taxation	49
8.08	Value chain presence	3	6.05	Time required to start a business (hard data)	42
8.04	Extent of marketing	7	6.20	Ease of access to loans	38
9th pillar: Innovation			6.21	Venture capital availability	23
9.02	Company spending on research and development	2	7th pillar: Technological readiness		
9.05	Availability of scientists and engineers	2	7.04	FDI and technology transfer	76
9.06	Utility patents (hard data)	2	7.05	Cellular telephones (hard data)	39
9.08	Capacity for innovation	2	7.03	Laws relating to ICT	25
9.01	Quality of scientific research institutions	5			
9.04	Government procurement of technology products	5			
9.03	University/industry research collaboration	9			

Jordan

Key Indicators

Total population (millions), 2005.....	5.7
GDP (US\$ billions), 2005.....	12.9
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	4,825

GDP (PPP) per capita (US\$), 1980–2005

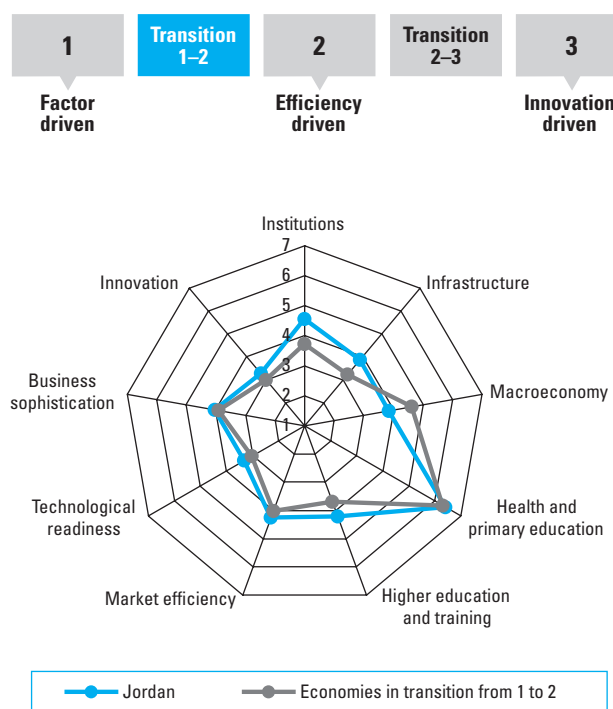


Global Competitiveness Index

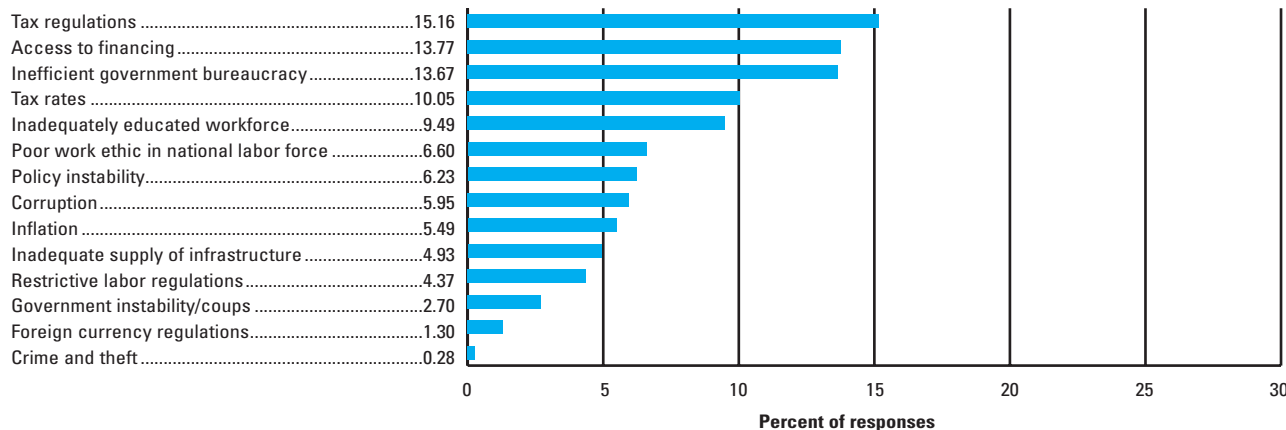
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	52	4.2
2005–06 (out of 117 countries).....	42	4.4
Basic Requirements	50	4.7
1st pillar: Institutions.....	33	4.5
2nd pillar: Infrastructure.....	52	3.9
3rd pillar: Macroeconomy.....	103	3.8
4th pillar: Health and primary education.....	63	6.4
Efficiency Enhancers	58	3.9
5th pillar: Higher education and training.....	54	4.2
6th pillar: Market efficiency.....	53	4.2
7th pillar: Technological readiness.....	62	3.3
Innovation Factors	61	3.6
8th pillar: Business sophistication.....	67	4.0
9th pillar: Innovation.....	64	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	52
Sophistication of company operations and strategy.....	70
Quality of the national business environment.....	51

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

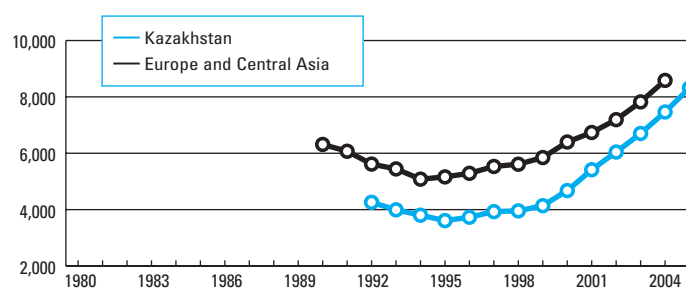
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.11 Organized crime	5	1.08 Business costs of terrorism	96
1.09 Reliability of police services	10		
1.10 Business costs of crime and violence	10	2nd pillar: Infrastructure	
1.07 Burden of government compliance	24	2.06 Telephone lines (hard data)	79
1.02 Diversion of public funds	31	2.02 Railroad infrastructure development	75
1.03 Public trust of politicians	31		
1.06 Wastefulness of government spending	36	3rd pillar: Macroeconomy	
1.04 Judicial independence	38	3.02 National savings rate (hard data)	121
1.12 Ethical behavior of firms	43	3.01 Government surplus/deficit (hard data)	109
1.14 Protection of minority shareholders' interests	43	3.05 Government debt (hard data)	90
2nd pillar: Infrastructure			
2.05 Quality of electricity supply	34	4th pillar: Health and primary education	
2.01 Overall infrastructure quality	39	4.04 Infant mortality (hard data)	69
2.04 Quality of air transport infrastructure	48	4.09 Primary enrollment (hard data)	69
5th pillar: Higher education and training			
5.03 Quality of the educational system	44	5th pillar: Higher education and training	
5.02 Tertiary enrollment (hard data)	46	5.06 Local availability of research and training services	62
		5.07 Extent of staff training	60
6th pillar: Market efficiency		5.01 Secondary enrollment (hard data)	59
6.10 Foreign ownership restrictions	20	5.04 Quality of math and science education	56
6.13 Flexibility of wage determination	25		
6.23 Local equity market access	35	6th pillar: Market efficiency	
6.02 Efficiency of legal framework	36	6.12 Hiring and firing practices	91
6.07 Effectiveness of antitrust policy	40	6.17 Brain drain	88
6.06 Intensity of local competition	41	6.04 Number of procedures to start business (hard data)	70
6.09 Prevalence of trade barriers	46	6.21 Venture capital availability	70
		6.22 Soundness of banks	64
7th pillar: Technological readiness		6.16 Pay and productivity	63
7.01 Technological readiness	44	6.19 Financial market sophistication	62
		6.20 Ease of access to loans	61
8th pillar: Business sophistication		6.05 Time required to start a business (hard data)	60
8.05 Control of international distribution	43	6.01 Agricultural policy costs	59
9th pillar: Innovation			
9.05 Availability of scientists and engineers	26	7th pillar: Technological readiness	
9.07 Intellectual property protection	42	7.05 Cellular telephones (hard data)	72
		7.07 Personal computers (hard data)	70
		7.03 Laws relating to ICT	64
		7.06 Internet users (hard data)	64
		7.04 FDI and technology transfer	63
		8th pillar: Business sophistication	
		8.07 Nature of competitive advantage	70
		8.02 Local supplier quality	68
		8.03 Production process sophistication	65
		8.01 Local supplier quantity	58
		9th pillar: Innovation	
		9.03 University/industry research collaboration	84
		9.08 Capacity for innovation	75
		9.01 Quality of scientific research institutions	74

Kazakhstan

Key Indicators

Total population (millions), 2005.....	14.8
GDP (US\$ billions), 2005.....	56.1
GDP (PPP) as share of world total, 2005.....	0.21
GDP (PPP) per capita (US\$), 2005.....	8,318

GDP (PPP) per capita (US\$), 1980–2005

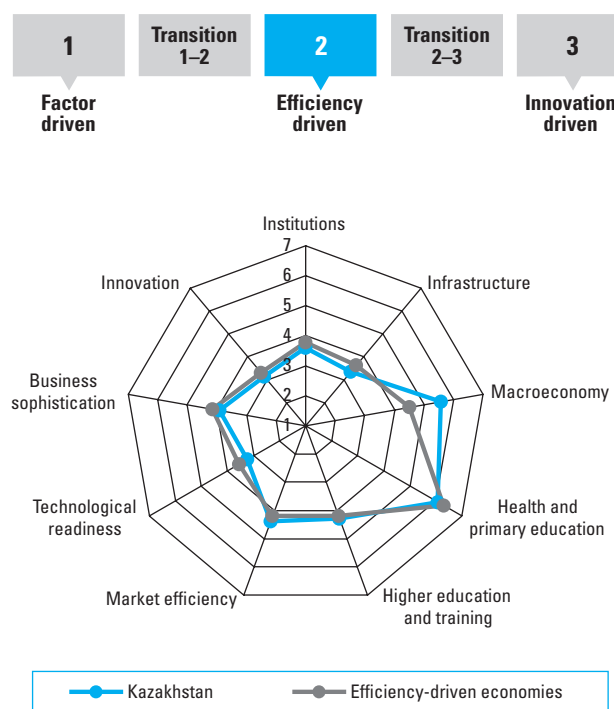


Global Competitiveness Index

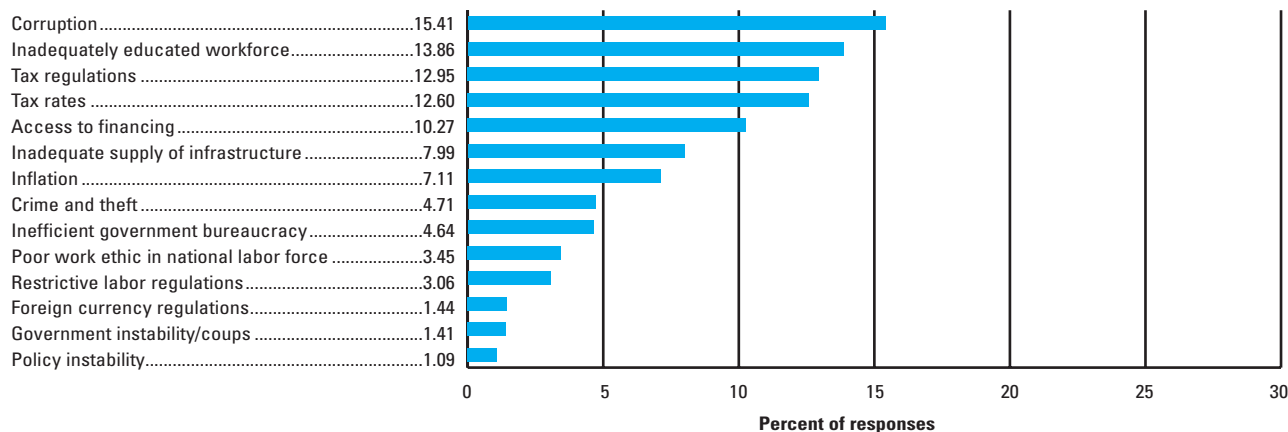
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	56	4.2
2005–06 (out of 117 countries).....	51.....	4.2
Basic Requirements	51	4.6
1st pillar: Institutions.....	75.....	3.6
2nd pillar: Infrastructure.....	68.....	3.3
3rd pillar: Macroeconomy.....	10.....	5.6
4th pillar: Health and primary education.....	86.....	6.1
Efficiency Enhancers	56	4.0
5th pillar: Higher education and training.....	51.....	4.3
6th pillar: Market efficiency.....	44.....	4.4
7th pillar: Technological readiness.....	66.....	3.2
Innovation Factors	74	3.5
8th pillar: Business sophistication.....	72.....	3.9
9th pillar: Innovation.....	70.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	70
Sophistication of company operations and strategy.....	74
Quality of the national business environment.....	70

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

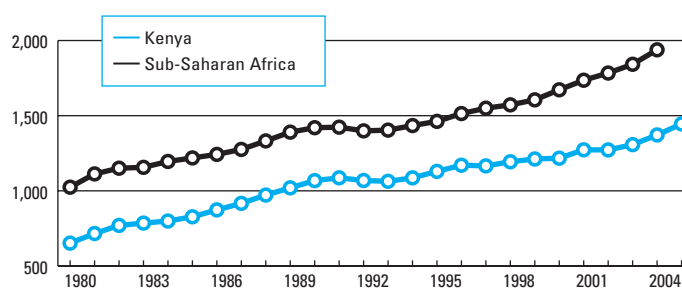
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.06	Wastefulness of government spending	49	1.04	Judicial independence	96
2nd pillar: Infrastructure			1.12	Ethical behavior of firms	91
2.02	Railroad infrastructure development	46	1.08	Business costs of terrorism	89
3rd pillar: Macroeconomy			1.01	Property rights	85
3.05	Government debt (hard data)	6	1.15	Strength of auditing and accounting standards	78
3.01	Government surplus/deficit (hard data)	9	1.11	Organized crime	76
3.04	Interest rate spread (hard data)	22	1.09	Reliability of police services	75
3.02	National savings rate (hard data)	23	1.03	Public trust of politicians	69
5th pillar: Higher education and training			2nd pillar: Infrastructure		
5.01	Secondary enrollment (hard data)	30	2.01	Overall infrastructure quality	66
5.02	Tertiary enrollment (hard data)	34	2.06	Telephone lines (hard data)	66
6th pillar: Market efficiency			3rd pillar: Macroeconomy		
6.12	Hiring and firing practices	7	3.03	Inflation (hard data)	89
6.16	Pay and productivity	10	4th pillar: Health and primary education		
6.13	Flexibility of wage determination	12	4.04	Infant mortality (hard data)	100
6.04	Number of procedures to start business (hard data)	25	4.05	Life expectancy at birth (hard data)	100
6.05	Time required to start a business (hard data)	30	4.02	Medium-term business impact of tuberculosis	91
6.14	Cooperation in labor-employer relations	38	6th pillar: Market efficiency		
6.21	Venture capital availability	39	6.09	Prevalence of trade barriers	103
8th pillar: Business sophistication			6.10	Foreign ownership restrictions	88
8.03	Production process sophistication	46	6.23	Local equity market access	82
			6.22	Soundness of banks	79
			6.03	Extent and effect of taxation	77
			6.02	Efficiency of legal framework	70
			6.06	Intensity of local competition	70
			6.07	Effectiveness of antitrust policy	70
			6.17	Brain drain	69
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	98
			7.05	Cellular telephones (hard data)	83
			7.01	Technological readiness	80
			7.04	FDI and technology transfer	80
			7.02	Firm-level technology absorption	65
			8th pillar: Business sophistication		
			8.08	Value chain presence	103
			8.07	Nature of competitive advantage	99
			8.04	Extent of marketing	79
			8.02	Local supplier quality	70
			8.01	Local supplier quantity	67
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	100
			9.07	Intellectual property protection	81

Kenya

Key Indicators

Total population (millions), 2005.....	34.3
GDP (US\$ billions), 2005.....	19.2
GDP (PPP) as share of world total, 2005.....	0.08
GDP (PPP) per capita (US\$), 2005.....	1,445

GDP (PPP) per capita (US\$), 1980–2005

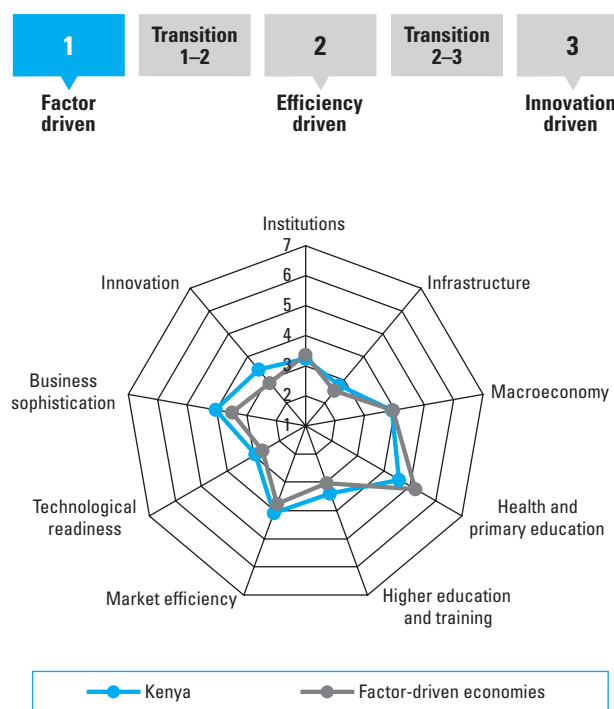


Global Competitiveness Index

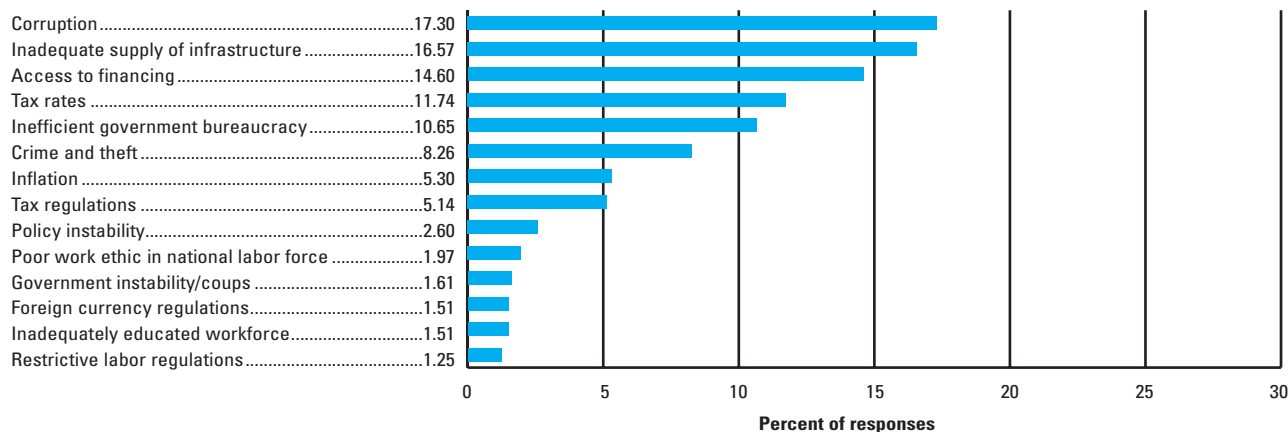
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	94	3.6
2005–06 (out of 117 countries).....	93.....	3.5
Basic Requirements	107	3.6
1st pillar: Institutions.....	98.....	3.2
2nd pillar: Infrastructure.....	86.....	2.8
3rd pillar: Macroeconomy.....	99.....	3.9
4th pillar: Health and primary education.....	110.....	4.6
Efficiency Enhancers	81	3.5
5th pillar: Higher education and training.....	88.....	3.4
6th pillar: Market efficiency.....	72.....	4.1
7th pillar: Technological readiness.....	81.....	2.9
Innovation Factors	59	3.7
8th pillar: Business sophistication.....	68.....	4.0
9th pillar: Innovation.....	48.....	3.4

	Rank (out of 121 countries/economies)
Business Competitiveness Index	68
Sophistication of company operations and strategy.....	57
Quality of the national business environment.....	72

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

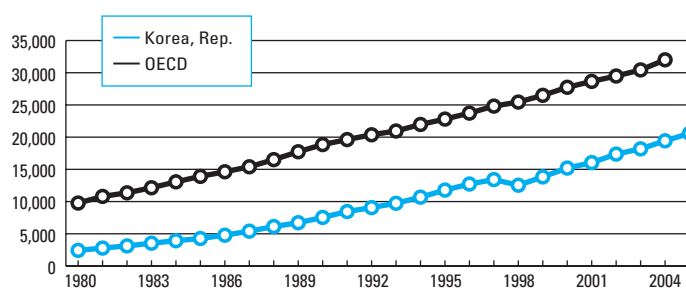
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.13	Efficacy of corporate boards	40	1.08	Business costs of terrorism	118
2nd pillar: Infrastructure			1.02	Diversion of public funds	116
2.04	Quality of air transport infrastructure	50	1.10	Business costs of crime and violence	115
5th pillar: Higher education and training			1.06	Wastefulness of government spending	113
5.03	Quality of the educational system	37	1.11	Organized crime	108
5.06	Local availability of research and training services	49	1.05	Favoritism in decisions of government officials	100
6th pillar: Market efficiency			1.03	Public trust of politicians	99
6.12	Hiring and firing practices	30	1.09	Reliability of police services	91
6.23	Local equity market access	43	1.04	Judicial independence	86
6.06	Intensity of local competition	47	1.01	Property rights	83
7th pillar: Technological readiness			2nd pillar: Infrastructure		
7.04	FDI and technology transfer	29	2.06	Telephone lines (hard data)	108
8th pillar: Business sophistication			2.01	Overall infrastructure quality	106
8.01	Local supplier quantity	46	3rd pillar: Macroeconomy		
9th pillar: Innovation			3.02	National savings rate (hard data)	112
9.01	Quality of scientific research institutions	31	3.03	Inflation (hard data)	106
9.02	Company spending on research and development	34	3.06	Real effective exchange rate (hard data)	105
9.04	Government procurement of technology products	45	3.04	Interest rate spread (hard data)	82
			3.01	Government surplus/deficit (hard data)	64
			3.05	Government debt (hard data)	52
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	125
			4.08	HIV prevalence (hard data)	115
			4.05	Life expectancy at birth (hard data)	108
			4.04	Infant mortality (hard data)	105
			4.09	Primary enrollment (hard data)	105
			4.07	Malaria prevalence (hard data)	101
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	113
			6.17	Brain drain	113
			6.03	Extent and effect of taxation	107
			6.04	Number of procedures to start business (hard data)	94
			6.02	Efficiency of legal framework	93
			6.05	Time required to start a business (hard data)	89
			6.01	Agricultural policy costs	75
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data)	100
			7.07	Personal computers (hard data)	97
			7.06	Internet users (hard data)	88
			7.01	Technological readiness	82
			8th pillar: Business sophistication		
			8.03	Production process sophistication	108

Korea, Rep.

Key Indicators

Total population (millions), 2005.....	47.8
GDP (US\$ billions), 2005.....	793.1
GDP (PPP) as share of world total, 2005.....	1.63
GDP (PPP) per capita (US\$), 2005.....	20,590

GDP (PPP) per capita (US\$), 1980–2005

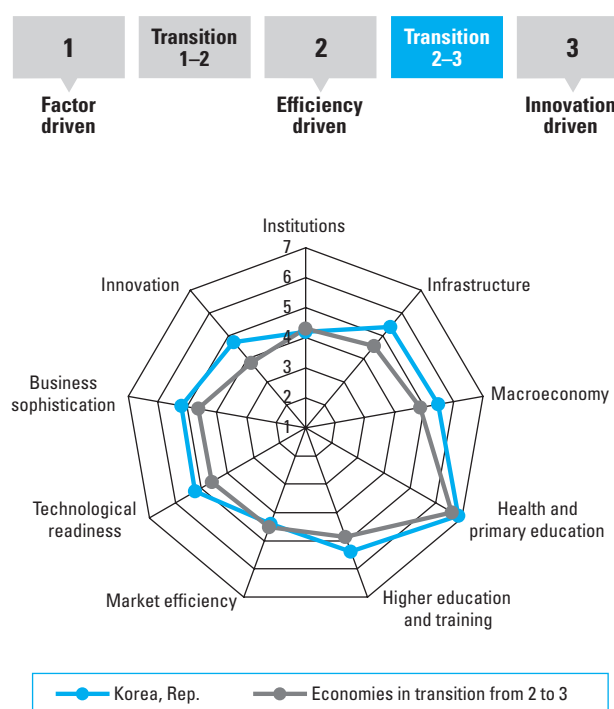


Global Competitiveness Index

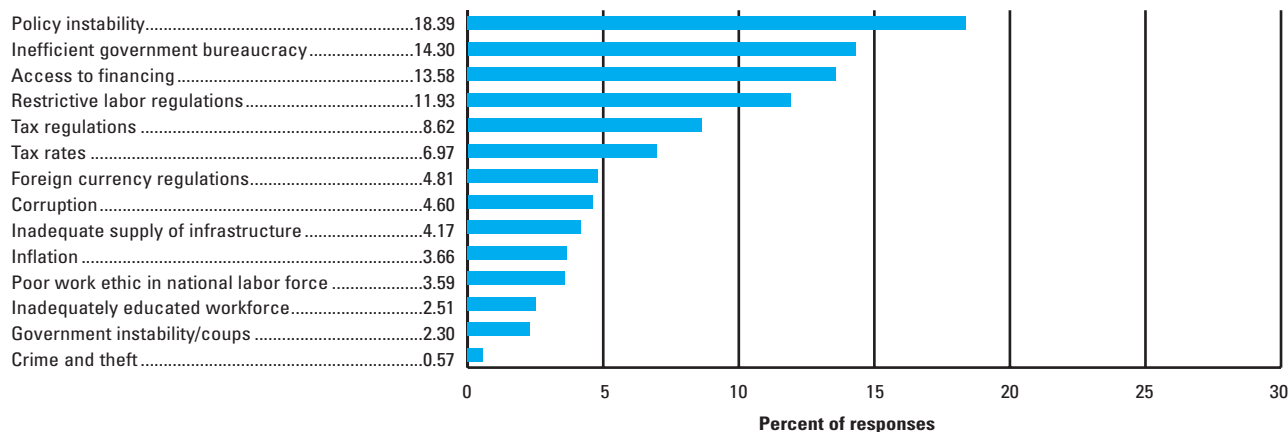
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	24	5.1
2005–06 (out of 117 countries).....	19.....	5.3
Basic Requirements	22	5.5
1st pillar: Institutions.....	47.....	4.2
2nd pillar: Infrastructure.....	21.....	5.4
3rd pillar: Macroeconomy.....	13.....	5.5
4th pillar: Health and primary education.....	18.....	6.9
Efficiency Enhancers	25	5.0
5th pillar: Higher education and training.....	21.....	5.4
6th pillar: Market efficiency.....	43.....	4.4
7th pillar: Technological readiness.....	18.....	5.2
Innovation Factors	20	5.0
8th pillar: Business sophistication.....	22.....	5.2
9th pillar: Innovation.....	15.....	4.7

	Rank (out of 121 countries/economies)
Business Competitiveness Index	25
Sophistication of company operations and strategy.....	22
Quality of the national business environment.....	29

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

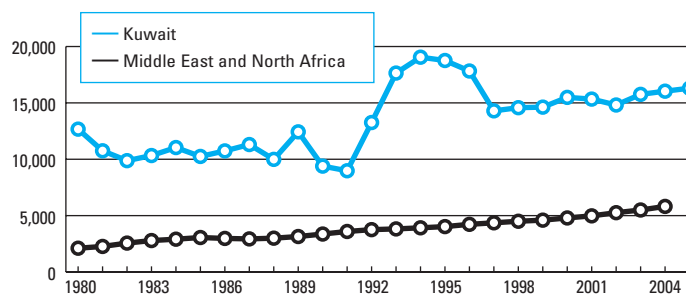
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.02	Railroad infrastructure development	13	1.13	Efficacy of corporate boards	86
3rd pillar: Macroeconomy			1.14	Protection of minority shareholders' interests	76
3.04	Interest rate spread (hard data)	6	1.06	Wastefulness of government spending	73
3.02	National savings rate (hard data)	16	1.03	Public trust of politicians	67
3.01	Government surplus/deficit (hard data)	22	1.08	Business costs of terrorism	63
4th pillar: Health and primary education			1.15	Strength of auditing and accounting standards	57
4.09	Primary enrollment (hard data)	4	1.11	Organized crime	54
5th pillar: Higher education and training			1.02	Diversion of public funds	51
5.02	Tertiary enrollment (hard data)	2	1.04	Judicial independence	51
5.07	Extent of staff training	18	1.07	Burden of government compliance	50
5.04	Quality of math and science education	23	1.05	Favoritism in decisions of government officials	46
6th pillar: Market efficiency			1.10	Business costs of crime and violence	46
6.16	Pay and productivity	21	1.01	Property rights	34
7th pillar: Technological readiness			3rd pillar: Macroeconomy		
7.06	Internet users (hard data)	4	3.06	Real effective exchange rate (hard data)	111
7.02	Firm-level technology absorption	11	4th pillar: Health and primary education		
7.03	Laws relating to ICT	11	4.06	Tuberculosis prevalence (hard data)	77
7.07	Personal computers (hard data)	15	5th pillar: Higher education and training		
7.01	Technological readiness	21	5.05	Quality of management schools	53
8th pillar: Business sophistication			5.03	Quality of the educational system	38
8.05	Control of international distribution	19	6th pillar: Market efficiency		
8.07	Nature of competitive advantage	20	6.14	Cooperation in labor-employer relations	114
8.08	Value chain presence	20	6.10	Foreign ownership restrictions	95
8.03	Production process sophistication	22	6.20	Ease of access to loans	89
9th pillar: Innovation			6.04	Number of procedures to start business (hard data)	85
9.02	Company spending on research and development	9	6.22	Soundness of banks	82
9.06	Utility patents (hard data)	9	6.01	Agricultural policy costs	78
9.08	Capacity for innovation	13	6.03	Extent and effect of taxation	72
9.04	Government procurement of technology products	14	6.21	Venture capital availability	69
9.03	University/industry research collaboration	16	6.12	Hiring and firing practices	66
9.01	Quality of scientific research institutions	22	6.23	Local equity market access	61
			6.15	Reliance on professional management	59
			6.09	Prevalence of trade barriers	56
			6.02	Efficiency of legal framework	47
			6.17	Brain drain	45
			6.19	Financial market sophistication	42
			6.06	Intensity of local competition	36
			6.07	Effectiveness of antitrust policy	35
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	95
			9th pillar: Innovation		
			9.07	Intellectual property protection	31

Kuwait

Key Indicators

Total population (millions), 2005.....	2.7
GDP (US\$ billions), 2005.....	74.6
GDP (PPP) as share of world total, 2005.....	0.08
GDP (PPP) per capita (US\$), 2005.....	16,301

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–0744.....4.4

2005–06 (out of 117 countries).....49.....4.2

Basic Requirements33.....5.2

1st pillar: Institutions.....38.....4.4

2nd pillar: Infrastructure45.....4.1

3rd pillar: Macroeconomy.....2.....6.1

4th pillar: Health and primary education.....76.....6.3

Efficiency Enhancers.....45.....4.2

5th pillar: Higher education and training.....59.....4.1

6th pillar: Market efficiency.....29.....4.8

7th pillar: Technological readiness46.....3.7

Innovation Factors46.....3.9

8th pillar: Business sophistication.....33.....4.7

9th pillar: Innovation81.....3.0

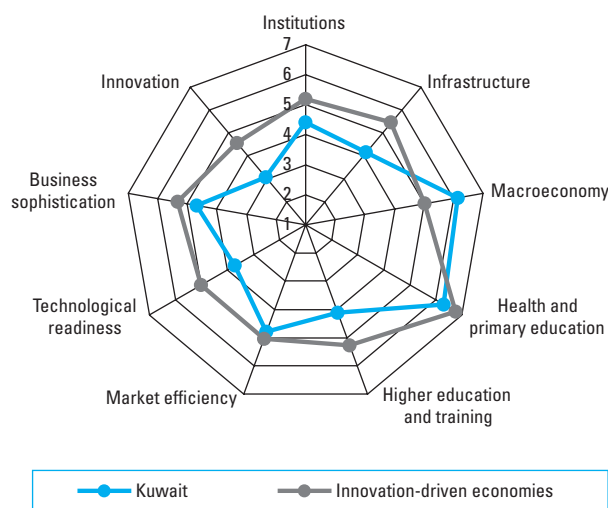
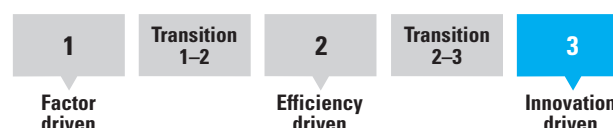
Rank (out of 121 countries/economies)

Business Competitiveness Index44

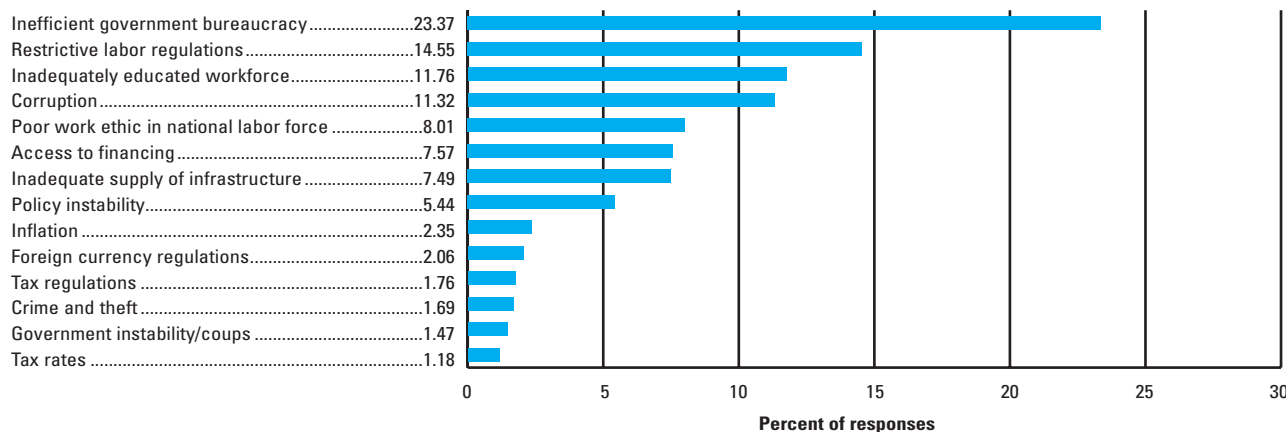
Sophistication of company operations and strategy.....59

Quality of the national business environment.....44

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

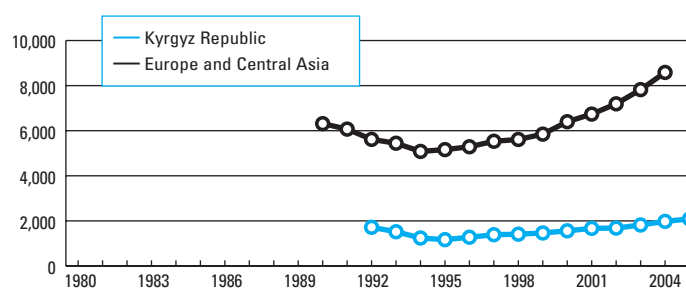
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.11	Organized crime	12	1.13	Efficacy of corporate boards	93
1.10	Business costs of crime and violence	20	1.05	Favoritism in decisions of government officials.....	75
1.09	Reliability of police services	26	1.07	Burden of government compliance.....	72
1.02	Diversion of public funds	27	1.08	Business costs of terrorism	71
1.04	Judicial independence.....	31	1.14	Protection of minority shareholders' interests.....	65
1.15	Strength of auditing and accounting standards	35	1.01	Property rights.....	54
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.05	Quality of electricity supply	19	2.06	Telephone lines (hard data)	61
2.01	Overall infrastructure quality	32	4th pillar: Health and primary education		
3rd pillar: Macroeconomy			4.09	Primary enrollment (hard data)	94
3.01	Government surplus/deficit (hard data).....	1	5th pillar: Higher education and training		
3.02	National savings rate (hard data)	1	5.02	Tertiary enrollment (hard data)	73
3.05	Government debt (hard data)	10	5.03	Quality of the educational system	62
3.04	Interest rate spread (hard data).....	39	5.04	Quality of math and science education.....	61
6th pillar: Market efficiency			5.06	Local availability of research and training services	53
6.03	Extent and effect of taxation.....	4	5.07	Extent of staff training	46
6.17	Brain drain	8	6th pillar: Market efficiency		
6.13	Flexibility of wage determination	9	6.10	Foreign ownership restrictions.....	125
6.20	Ease of access to loans	15	6.15	Reliance on professional management.....	102
6.23	Local equity market access.....	18	6.04	Number of procedures to start business (hard data)	94
6.09	Prevalence of trade barriers	24	6.06	Intensity of local competition	63
6.14	Cooperation in labor-employer relations.....	26	6.07	Effectiveness of antitrust policy.....	61
6.21	Venture capital availability	27	6.05	Time required to start a business (hard data).....	54
6.02	Efficiency of legal framework	29	6.16	Pay and productivity	48
6.22	Soundness of banks.....	32	7th pillar: Technological readiness		
7th pillar: Technological readiness			7.04	FDI and technology transfer.....	119
7.05	Cellular telephones (hard data).....	33	7.03	Laws relating to ICT	90
7.02	Firm-level technology absorption	39	8th pillar: Business sophistication		
7.07	Personal computers (hard data)	39	8.08	Value chain presence	65
8th pillar: Business sophistication			8.06	Willingness to delegate authority.....	62
8.01	Local supplier quantity	15	9th pillar: Innovation		
8.05	Control of international distribution.....	17	9.08	Capacity for innovation.....	110
			9.04	Government procurement of technology products.....	100
			9.03	University/industry research collaboration	85
			9.02	Company spending on research and development	81
			9.05	Availability of scientists and engineers	63
			9.07	Intellectual property protection	58
			9.01	Quality of scientific research institutions	57

Kyrgyz Republic

Key Indicators

Total population (millions), 2005.....	5.3
GDP (US\$ billions), 2005.....	2.4
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	2,088

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

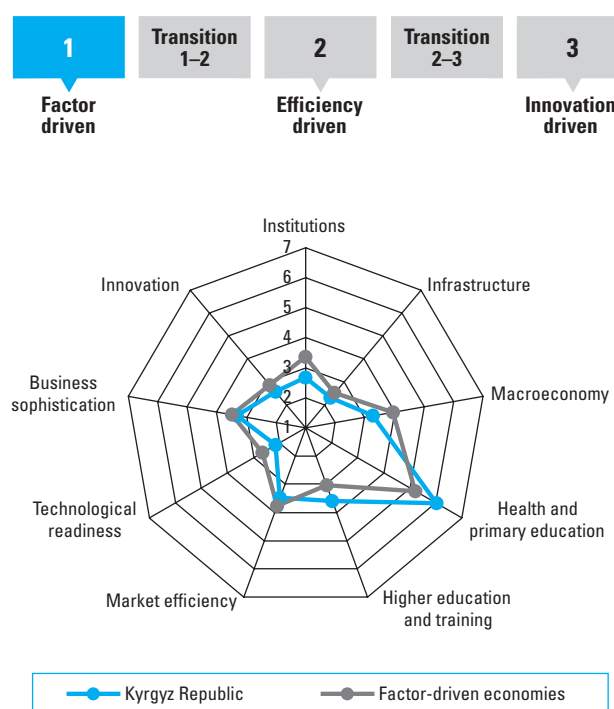
2006–07	107	3.3
2005–06 (out of 117 countries).....	104.....	3.4
Basic Requirements	109	3.6
1st pillar: Institutions.....	123.....	2.7
2nd pillar: Infrastructure	103.....	2.3
3rd pillar: Macroeconomy.....	117.....	3.3
4th pillar: Health and primary education.....	91.....	6.0
Efficiency Enhancers	102	3.1
5th pillar: Higher education and training.....	79.....	3.6
6th pillar: Market efficiency.....	114.....	3.5
7th pillar: Technological readiness	122.....	2.2
Innovation Factors	108	2.9
8th pillar: Business sophistication.....	105.....	3.3
9th pillar: Innovation	111.....	2.6

Rank (out of 121 countries/economies)

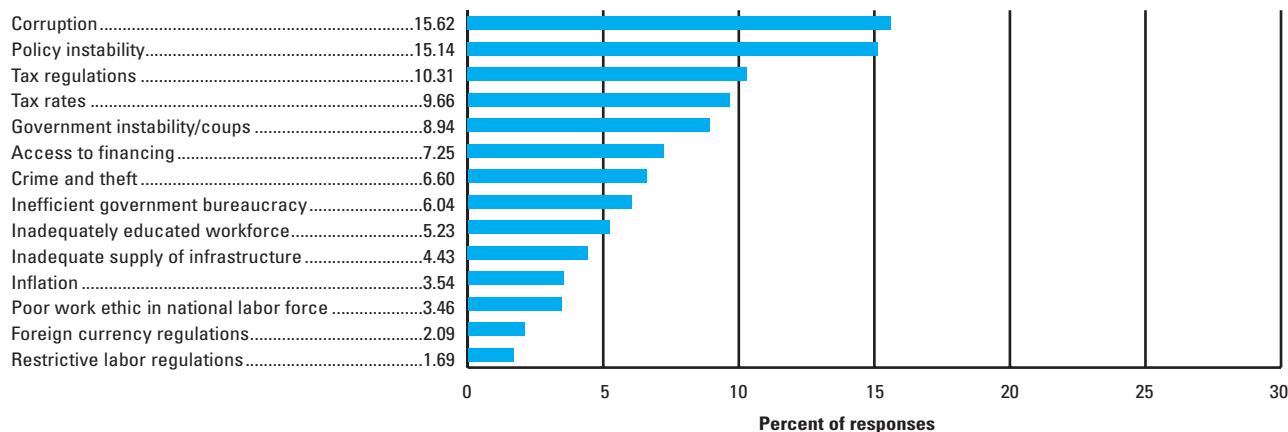
Business Competitiveness Index

Sophistication of company operations and strategy.....	114
Quality of the national business environment.....	112

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

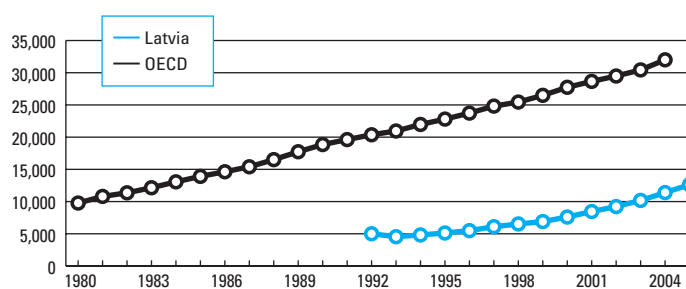
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	25	1.09	Reliability of police services	122
5th pillar: Higher education and training			1.01	Property rights.....	118
5.02	Tertiary enrollment (hard data)	44	1.04	Judicial independence.....	118
6th pillar: Market efficiency			1.06	Wastefulness of government spending	118
6.12	Hiring and firing practices	9	1.03	Public trust of politicians	112
6.05	Time required to start a business (hard data).....	26	1.11	Organized crime	112
6.04	Number of procedures to start business (hard data)	31	1.10	Business costs of crime and violence	103
6.13	Flexibility of wage determination	41	2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	102
			2.06	Telephone lines (hard data)	85
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data).....	115
			3.01	Government surplus/deficit (hard data).....	99
			3.02	National savings rate (hard data)	98
			3.05	Government debt (hard data)	95
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	97
			4.05	Life expectancy at birth (hard data).....	93
			4.09	Primary enrollment (hard data)	74
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	103
			6th pillar: Market efficiency		
			6.22	Soundness of banks.....	122
			6.02	Efficiency of legal framework	117
			6.09	Prevalence of trade barriers	117
			6.17	Brain drain	116
			6.20	Ease of access to loans	116
			6.19	Financial market sophistication	115
			6.10	Foreign ownership restrictions.....	111
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	120
			7.04	FDI and technology transfer.....	117
			7.05	Cellular telephones (hard data).....	107
			7.07	Personal computers (hard data)	93
			7.06	Internet users (hard data)	85
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	121
			9.02	Company spending on research and development	111

Latvia

Key Indicators

Total population (millions), 2005.....	2.3
GDP (US\$ billions), 2005.....	16.6
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	12,622

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

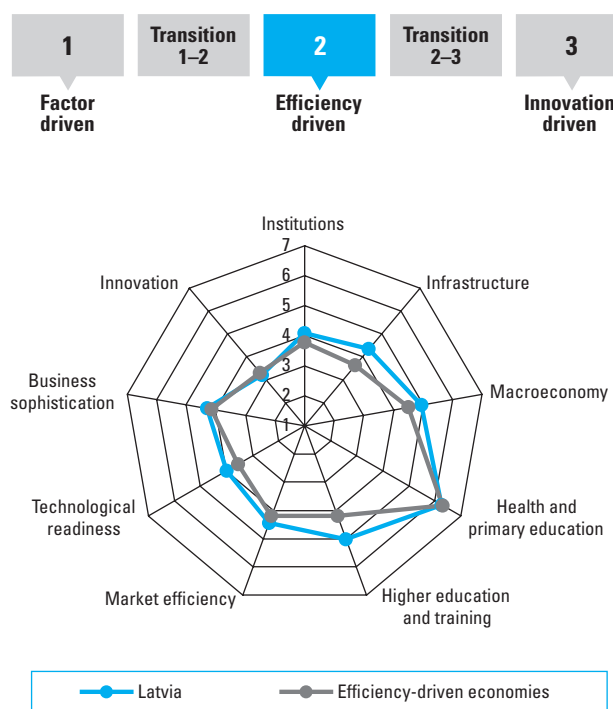
2006–07	36	4.6
2005–06 (out of 117 countries).....	39.....	4.5
Basic Requirements	41	4.9
1st pillar: Institutions.....	50.....	4.1
2nd pillar: Infrastructure	39.....	4.3
3rd pillar: Macroeconomy.....	34.....	4.9
4th pillar: Health and primary education.....	79.....	6.3
Efficiency Enhancers	36	4.5
5th pillar: Higher education and training.....	28.....	5.0
6th pillar: Market efficiency.....	40.....	4.4
7th pillar: Technological readiness	43.....	4.0
Innovation Factors	58	3.7
8th pillar: Business sophistication.....	54.....	4.3
9th pillar: Innovation	66.....	3.2

Rank (out of 121 countries/economies)

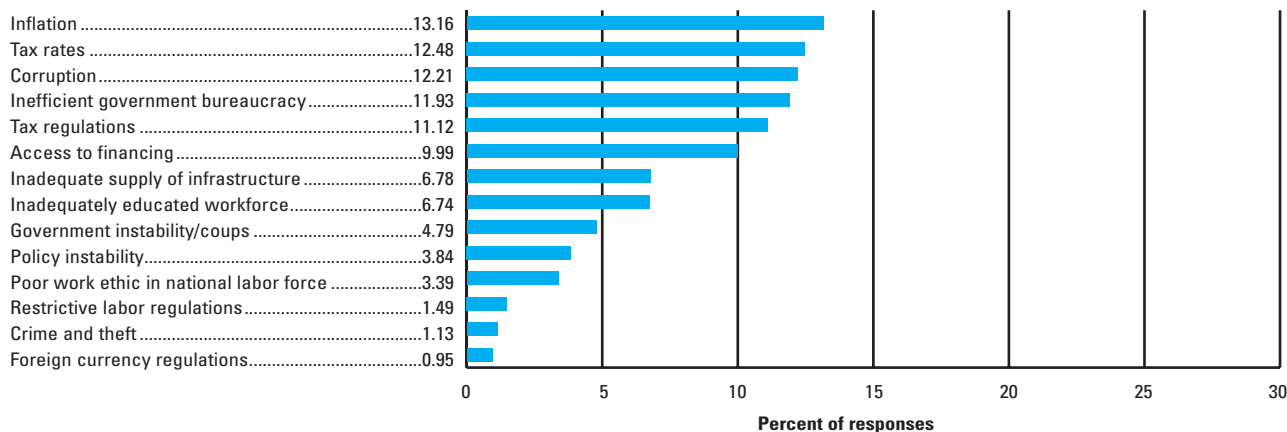
Business Competitiveness Index

Sophistication of company operations and strategy.....	47
Quality of the national business environment.....	48

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

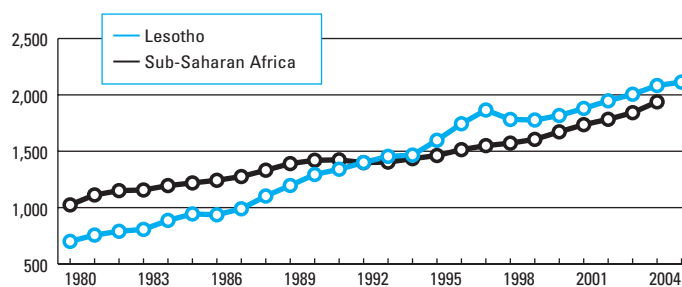
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.06	Wastefulness of government spending.....	33	1.14	Protection of minority shareholders' interests.....	81
<hr/>			1.03	Public trust of politicians.....	72
2nd pillar: Infrastructure			1.12	Ethical behavior of firms.....	68
2.02	Railroad infrastructure development.....	29	1.05	Favoritism in decisions of government officials.....	63
<hr/>			1.04	Judicial independence.....	59
3rd pillar: Macroeconomy			1.09	Reliability of police services.....	55
3.05	Government debt (hard data).....	9	1.15	Strength of auditing and accounting standards.....	53
3.04	Interest rate spread (hard data).....	24	1.01	Property rights.....	51
<hr/>			1.11	Organized crime.....	41
5th pillar: Higher education and training			<hr/>		
5.02	Tertiary enrollment (hard data).....	8	2nd pillar: Infrastructure		
5.03	Quality of the educational system.....	35	2.05	Quality of electricity supply.....	55
5.04	Quality of math and science education.....	35	2.01	Overall infrastructure quality.....	51
<hr/>			<hr/>		
6th pillar: Market efficiency			3rd pillar: Macroeconomy		
6.04	Number of procedures to start business (hard data).....	10	3.02	National savings rate (hard data).....	67
6.13	Flexibility of wage determination.....	14	3.01	Government surplus/deficit (hard data).....	52
6.16	Pay and productivity.....	17	3.06	Real effective exchange rate (hard data).....	52
6.05	Time required to start a business (hard data).....	20	<hr/>		
<hr/>			4th pillar: Health and primary education		
7th pillar: Technological readiness			4.09	Primary enrollment (hard data).....	87
7.07	Personal computers (hard data).....	32	4.08	HIV prevalence (hard data).....	79
7.06	Internet users (hard data).....	34	4.05	Life expectancy at birth (hard data).....	66
<hr/>			4.06	Tuberculosis prevalence (hard data).....	59
			4.02	Medium-term business impact of tuberculosis.....	58
			4.04	Infant mortality (hard data).....	41
			<hr/>		
			6th pillar: Market efficiency		
			6.23	Local equity market access.....	71
			6.01	Agricultural policy costs.....	67
			6.17	Brain drain.....	63
			6.02	Efficiency of legal framework.....	61
			6.19	Financial market sophistication.....	61
			6.06	Intensity of local competition.....	55
			6.07	Effectiveness of antitrust policy.....	55
			6.22	Soundness of banks.....	52
			<hr/>		
			7th pillar: Technological readiness		
			7.01	Technological readiness.....	59
			7.02	Firm-level technology absorption.....	51
			7.04	FDI and technology transfer.....	51
			<hr/>		
			8th pillar: Business sophistication		
			8.01	Local supplier quantity.....	74
			<hr/>		
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers.....	97
			9.04	Government procurement of technology products.....	95
			9.07	Intellectual property protection.....	64
			9.01	Quality of scientific research institutions.....	61

Lesotho

Key Indicators

Total population (millions), 2005.....	1.8
GDP (US\$ billions), 2005.....	1.3
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	2,113

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

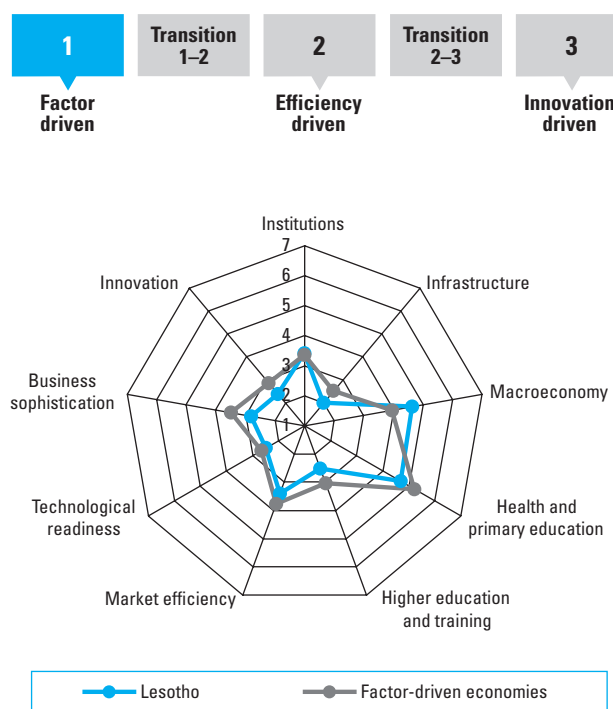
2006–07	112	3.2
2005–06 (out of 117 countries)	n/a.....	n/a
Basic Requirements	103	3.7
1st pillar: Institutions.....	86.....	3.4
2nd pillar: Infrastructure	119.....	2.0
3rd pillar: Macroeconomy.....	52.....	4.6
4th pillar: Health and primary education.....	109.....	4.7
Efficiency Enhancers	119	2.8
5th pillar: Higher education and training.....	115.....	2.5
6th pillar: Market efficiency.....	119.....	3.4
7th pillar: Technological readiness	110.....	2.5
Innovation Factors	120	2.6
8th pillar: Business sophistication.....	122.....	2.8
9th pillar: Innovation	117.....	2.4

Rank (out of 121 countries/economies)

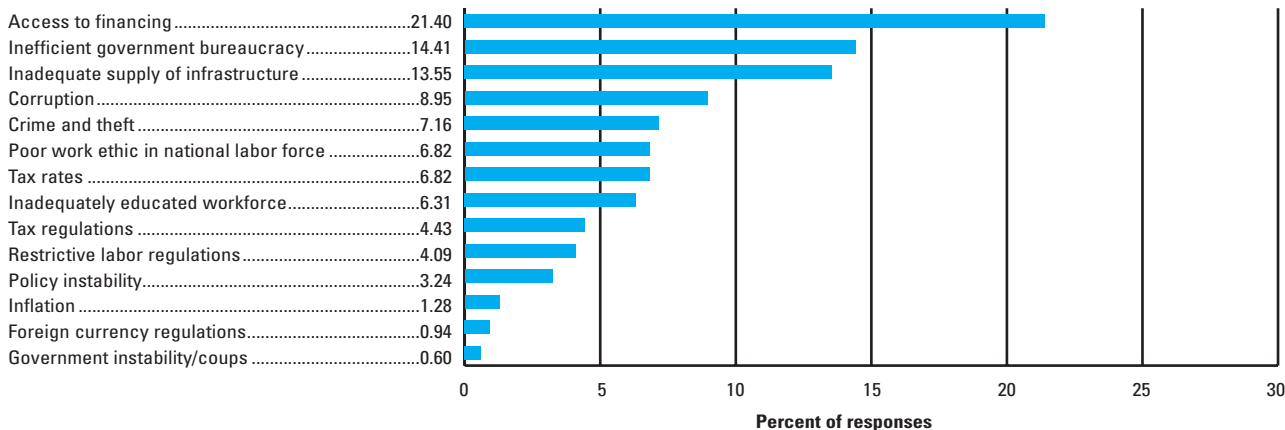
Business Competitiveness Index

Sophistication of company operations and strategy.....	116
Quality of the national business environment.....	116

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

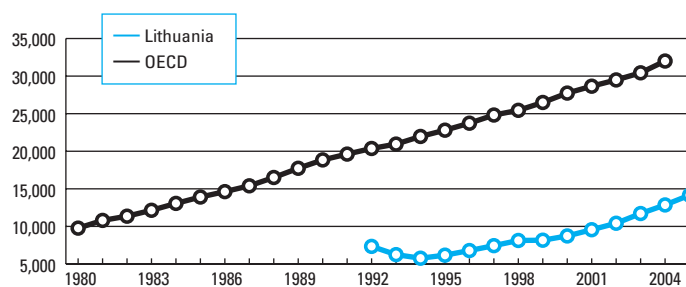
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.01	Government surplus/deficit (hard data).....	21	1.01	Property rights.....	111
6th pillar: Market efficiency			1.07	Burden of government compliance.....	103
6.04	Number of procedures to start business (hard data)	44	1.10	Business costs of crime and violence	102
			1.12	Ethical behavior of firms	97
			1.09	Reliability of police services.....	95
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	112
			2.06	Telephone lines (hard data)	104
			2.05	Quality of electricity supply.....	95
			3rd pillar: Macroeconomy		
			3.06	Real effective exchange rate (hard data)	119
			4th pillar: Health and primary education		
			4.08	HIV prevalence (hard data)	124
			4.05	Life expectancy at birth (hard data).....	120
			4.06	Tuberculosis prevalence (hard data)	112
			4.04	Infant mortality (hard data)	95
			4.09	Primary enrollment (hard data)	95
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	117
			5.02	Tertiary enrollment (hard data)	106
			6th pillar: Market efficiency		
			6.17	Brain drain	124
			6.16	Pay and productivity	116
			6.21	Venture capital availability	116
			6.23	Local equity market access.....	116
			6.13	Flexibility of wage determination	111
			6.01	Agricultural policy costs	109
			6.05	Time required to start a business (hard data).....	104
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	114
			7.03	Laws relating to ICT	108
			7.06	Internet users (hard data).....	100
			7.05	Cellular telephones (hard data).....	99
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	124
			8.05	Control of international distribution.....	123
			8.02	Local supplier quality.....	121
			8.03	Production process sophistication	119
			8.04	Extent of marketing.....	118
			8.07	Nature of competitive advantage.....	103
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	115
			9.07	Intellectual property protection	108

Lithuania

Key Indicators

Total population (millions), 2005.....	3.4
GDP (US\$ billions), 2005.....	25.7
GDP (PPP) as share of world total, 2005.....	0.08
GDP (PPP) per capita (US\$), 2005.....	14,158

GDP (PPP) per capita (US\$), 1980–2005

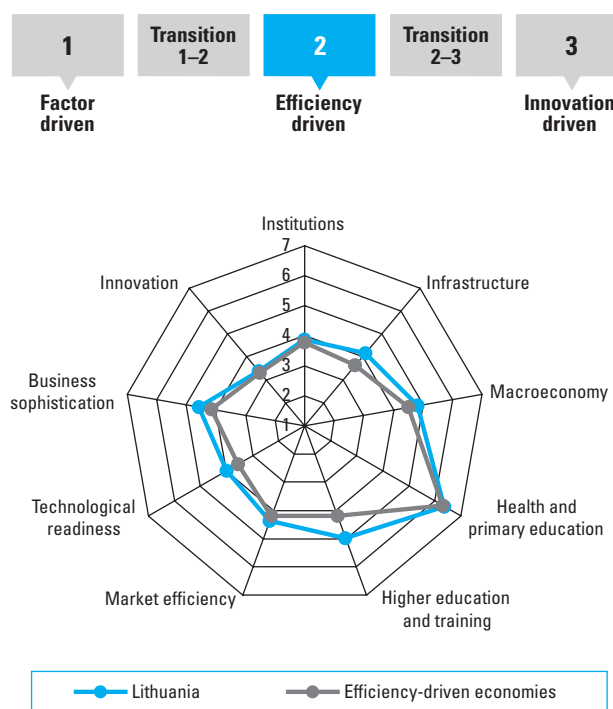


Global Competitiveness Index

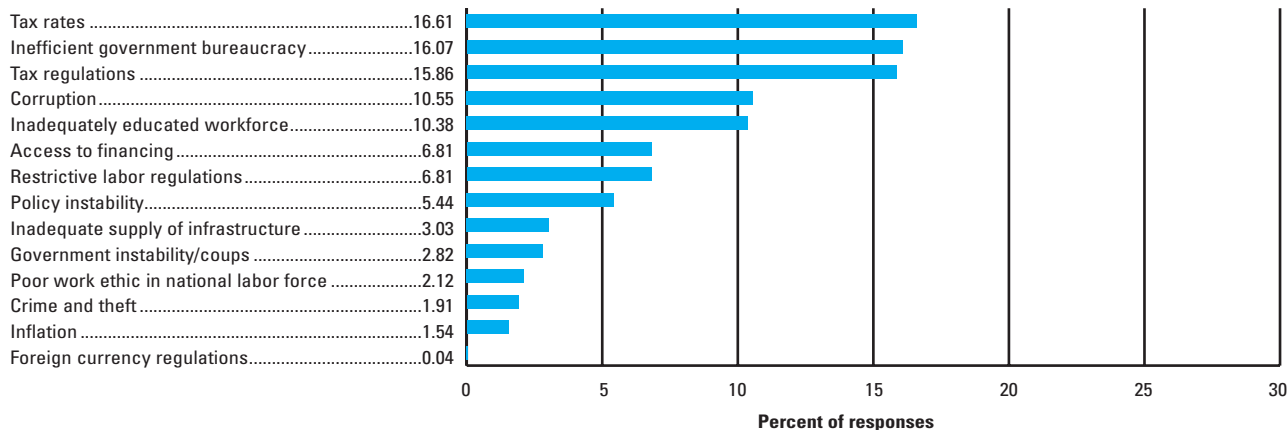
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	40	4.5
2005–06 (out of 117 countries).....	34.....	4.5
Basic Requirements	45	4.8
1st pillar: Institutions.....	59.....	3.9
2nd pillar: Infrastructure.....	44.....	4.1
3rd pillar: Macroeconomy.....	41.....	4.8
4th pillar: Health and primary education.....	70.....	6.4
Efficiency Enhancers	38	4.4
5th pillar: Higher education and training.....	29.....	5.0
6th pillar: Market efficiency.....	45.....	4.4
7th pillar: Technological readiness.....	42.....	4.0
Innovation Factors	44	4.0
8th pillar: Business sophistication.....	41.....	4.6
9th pillar: Innovation.....	50.....	3.4

	Rank (out of 121 countries/economies)
Business Competitiveness Index	43
Sophistication of company operations and strategy.....	37
Quality of the national business environment.....	45

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

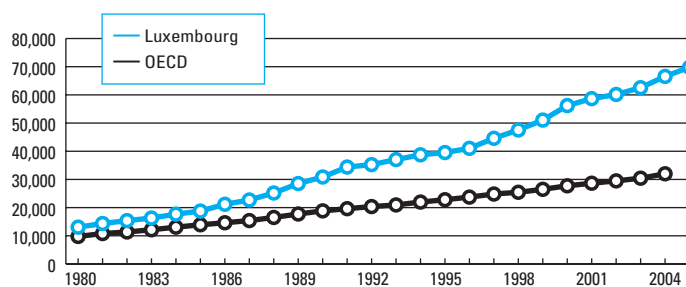
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.02	Railroad infrastructure development	28	1.05	Favoritism in decisions of government officials	96
3rd pillar: Macroeconomy			1.14	Protection of minority shareholders' interests	90
3.05	Government debt (hard data)	19	1.03	Public trust of politicians	82
3.04	Interest rate spread (hard data)	29	1.04	Judicial independence	76
5th pillar: Higher education and training			1.09	Reliability of police services	76
5.02	Tertiary enrollment (hard data)	11	1.06	Wastefulness of government spending	75
5.04	Quality of math and science education	26	1.02	Diversion of public funds	64
5.01	Secondary enrollment (hard data)	28	1.07	Burden of government compliance	59
6th pillar: Market efficiency			1.10	Business costs of crime and violence	59
6.13	Flexibility of wage determination	15	1.11	Organized crime	58
6.16	Pay and productivity	15	1.01	Property rights	49
6.04	Number of procedures to start business (hard data)	31	2nd pillar: Infrastructure		
6.05	Time required to start a business (hard data)	37	2.04	Quality of air transport infrastructure	62
6.06	Intensity of local competition	37	2.06	Telephone lines (hard data)	54
7th pillar: Technological readiness			3rd pillar: Macroeconomy		
7.05	Cellular telephones (hard data)	11	3.06	Real effective exchange rate (hard data)	97
7.06	Internet users (hard data)	39	3.02	National savings rate (hard data)	87
8th pillar: Business sophistication			3.01	Government surplus/deficit (hard data)	69
8.08	Value chain presence	25	4th pillar: Health and primary education		
8.05	Control of international distribution	31	4.09	Primary enrollment (hard data)	79
8.07	Nature of competitive advantage	33	4.06	Tuberculosis prevalence (hard data)	58
8.03	Production process sophistication	35	4.05	Life expectancy at birth (hard data)	53
			6th pillar: Market efficiency		
			6.12	Hiring and firing practices	97
			6.01	Agricultural policy costs	84
			6.10	Foreign ownership restrictions	79
			6.17	Brain drain	71
			6.02	Efficiency of legal framework	67
			6.14	Cooperation in labor-employer relations	64
			6.03	Extent and effect of taxation	62
			6.23	Local equity market access	62
			6.19	Financial market sophistication	58
			6.22	Soundness of banks	56
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	94
			7.01	Technological readiness	70
			8th pillar: Business sophistication		
			8.04	Extent of marketing	57
			9th pillar: Innovation		
			9.04	Government procurement of technology products	71
			9.07	Intellectual property protection	70
			9.03	University/industry research collaboration	55

Luxembourg

Key Indicators

Total population (millions), 2005.....	0.5
GDP (US\$ billions), 2005.....	34.2
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	69,800

GDP (PPP) per capita (US\$), 1980–2005

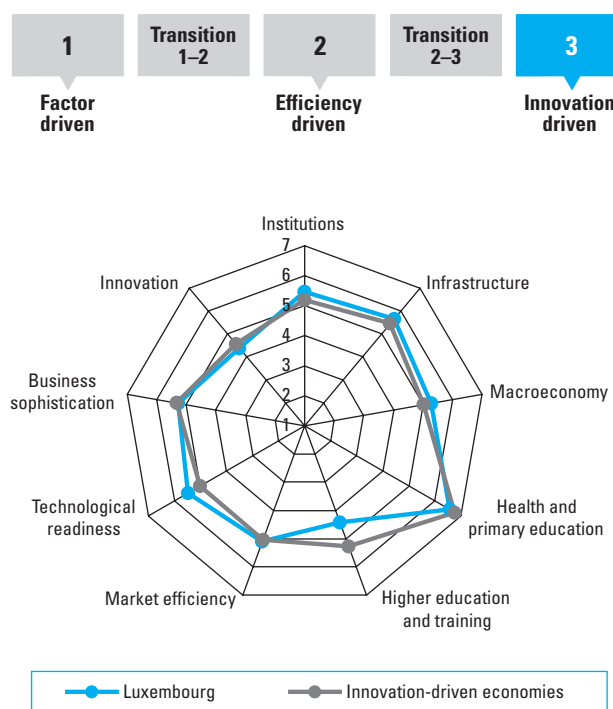


Global Competitiveness Index

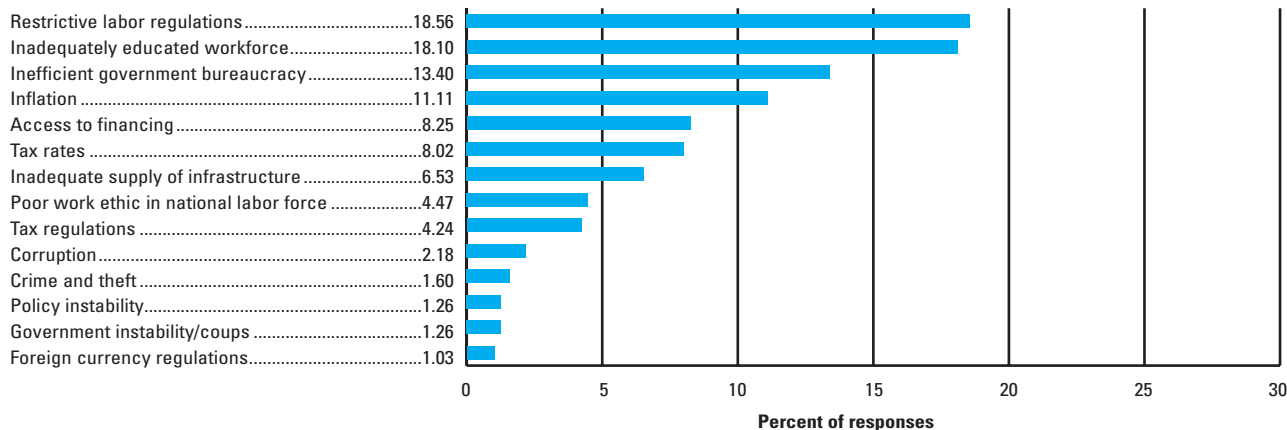
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	22	5.2
2005–06 (out of 117 countries).....	24.....	5.0
Basic Requirements	10	5.7
1st pillar: Institutions.....	14.....	5.5
2nd pillar: Infrastructure.....	15.....	5.6
3rd pillar: Macroeconomy.....	19.....	5.3
4th pillar: Health and primary education.....	46.....	6.6
Efficiency Enhancers	24	5.0
5th pillar: Higher education and training.....	45.....	4.4
6th pillar: Market efficiency.....	18.....	5.1
7th pillar: Technological readiness.....	9.....	5.5
Innovation Factors	23	4.8
8th pillar: Business sophistication.....	21.....	5.3
9th pillar: Innovation.....	23.....	4.4

	Rank (out of 121 countries/economies)
Business Competitiveness Index	n/a
Sophistication of company operations and strategy.....	n/a
Quality of the national business environment.....	n/a

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

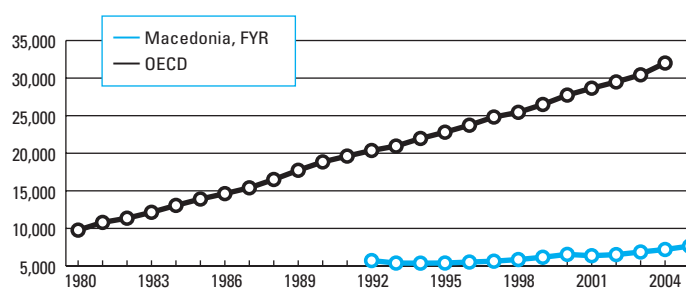
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.03	Public trust of politicians	6	1.14	Protection of minority shareholders' interests	40
1.01	Property rights	12	1.04	Judicial independence	23
1.05	Favoritism in decisions of government officials	13	2nd pillar: Infrastructure		
1.12	Ethical behavior of firms	13	2.03	Quality of port infrastructure	40
1.02	Diversion of public funds	14	2.04	Quality of air transport infrastructure	38
1.07	Burden of government compliance	14	2.05	Quality of electricity supply	26
1.06	Wastefulness of government spending	15	3rd pillar: Macroeconomy		
1.09	Reliability of police services	15	3.06	Real effective exchange rate (hard data)	76
1.15	Strength of auditing and accounting standards	17	3.01	Government surplus/deficit (hard data)	67
2nd pillar: Infrastructure			3.03	Inflation (hard data)	33
2.06	Telephone lines (hard data)	1	3.02	National savings rate (hard data)	25
2.01	Overall infrastructure quality	16	4th pillar: Health and primary education		
3rd pillar: Macroeconomy			4.09	Primary enrollment (hard data)	70
3.04	Interest rate spread (hard data)	5	4.08	HIV prevalence (hard data)	49
3.05	Government debt (hard data)	5	4.03	Medium-term business impact of HIV/AIDS	26
5th pillar: Higher education and training			5th pillar: Higher education and training		
5.07	Extent of staff training	14	5.02	Tertiary enrollment (hard data)	90
6th pillar: Market efficiency			5.05	Quality of management schools	79
6.19	Financial market sophistication	3	5.06	Local availability of research and training services	51
6.22	Soundness of banks	6	5.01	Secondary enrollment (hard data)	40
6.09	Prevalence of trade barriers	7	5.03	Quality of the educational system	36
6.21	Venture capital availability	8	5.04	Quality of math and science education	32
6.03	Extent and effect of taxation	9	6th pillar: Market efficiency		
6.01	Agricultural policy costs	10	6.13	Flexibility of wage determination	79
6.10	Foreign ownership restrictions	10	6.12	Hiring and firing practices	72
6.07	Effectiveness of antitrust policy	13	6.06	Intensity of local competition	62
6.20	Ease of access to loans	13	6.23	Local equity market access	51
6.02	Efficiency of legal framework	16	6.16	Pay and productivity	39
6.14	Cooperation in labor-employer relations	16	6.17	Brain drain	28
7th pillar: Technological readiness			7th pillar: Technological readiness		
7.05	Cellular telephones (hard data)	1	7.01	Technological readiness	41
7.07	Personal computers (hard data)	10	7.02	Firm-level technology absorption	34
7.06	Internet users (hard data)	11	8th pillar: Business sophistication		
8th pillar: Business sophistication			8.01	Local supplier quantity	52
8.03	Production process sophistication	11	8.02	Local supplier quality	27
8.07	Nature of competitive advantage	13	9th pillar: Innovation		
8.08	Value chain presence	14	9.05	Availability of scientists and engineers	76
8.06	Willingness to delegate authority	18	9.01	Quality of scientific research institutions	56
9th pillar: Innovation			9.03	University/industry research collaboration	43
9.04	Government procurement of technology products	7			
9.06	Utility patents (hard data)	11			
9.07	Intellectual property protection	15			
9.08	Capacity for innovation	16			

Macedonia, FYR

Key Indicators

Total population (millions), 2005.....	2.0
GDP (US\$ billions), 2005.....	5.0
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	7,645

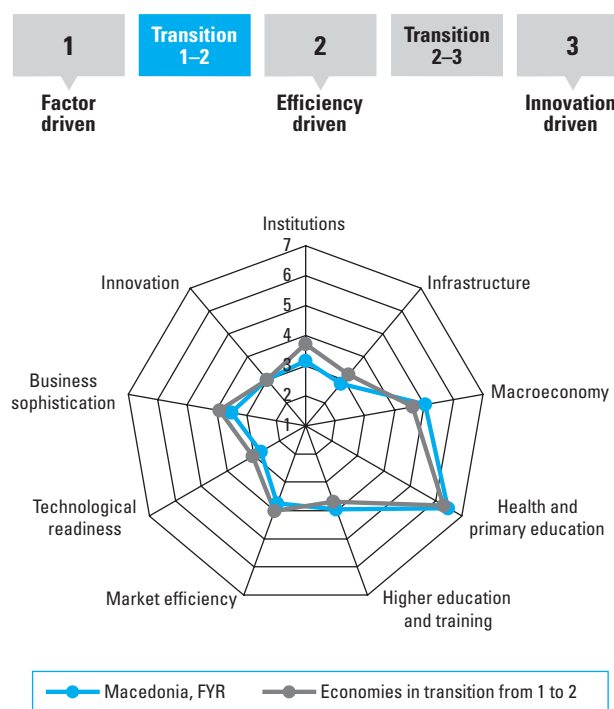
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	80	3.9
2005–06 (out of 117 countries).....	75.....	3.8
Basic Requirements	70	4.4
1st pillar: Institutions.....	103.....	3.1
2nd pillar: Infrastructure.....	82.....	2.8
3rd pillar: Macroeconomy.....	30.....	5.0
4th pillar: Health and primary education.....	54.....	6.5
Efficiency Enhancers	80	3.5
5th pillar: Higher education and training.....	66.....	4.0
6th pillar: Market efficiency.....	91.....	3.7
7th pillar: Technological readiness.....	91.....	2.7
Innovation Factors	87	3.2
8th pillar: Business sophistication.....	88.....	3.5
9th pillar: Innovation.....	86.....	3.0

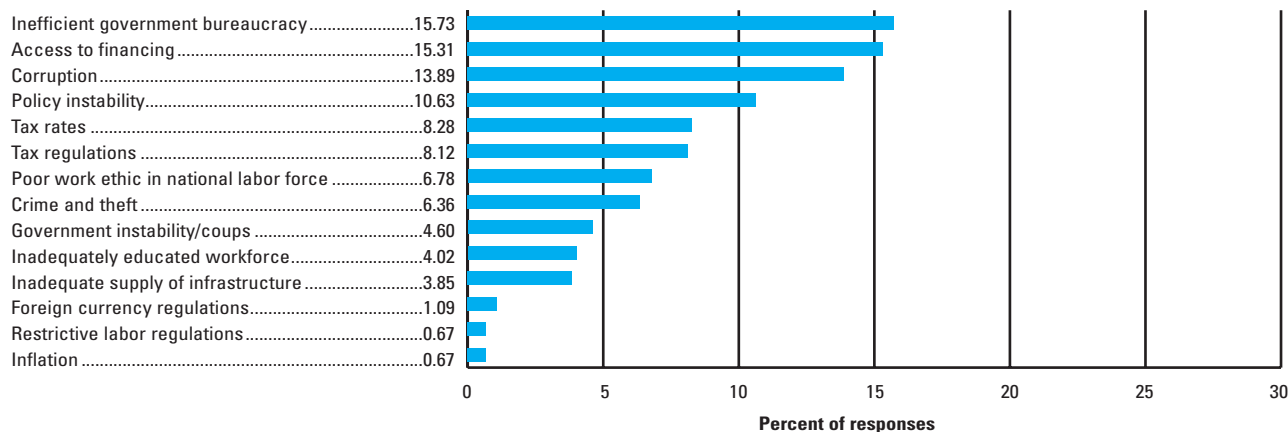
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	87
Sophistication of company operations and strategy.....	90
Quality of the national business environment.....	87

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

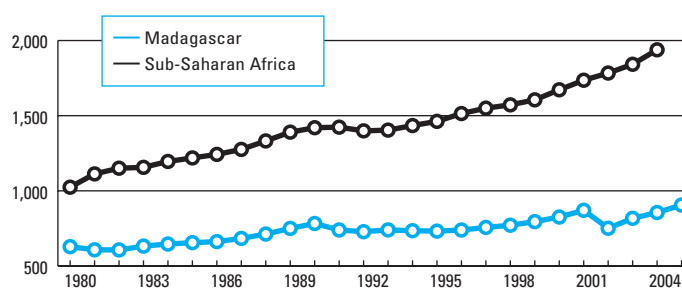
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.01	Government surplus/deficit (hard data).....	36	1.11	Organized crime	119
3.05	Government debt (hard data)	36	1.13	Efficacy of corporate boards	117
5th pillar: Higher education and training			1.04	Judicial independence.....	108
5.04	Quality of math and science education.....	40	1.01	Property rights.....	107
5.03	Quality of the educational system	43	1.08	Business costs of terrorism	105
6th pillar: Market efficiency			1.03	Public trust of politicians	100
6.13	Flexibility of wage determination	32	1.12	Ethical behavior of firms	100
6.21	Venture capital availability	44	1.10	Business costs of crime and violence	95
			1.06	Wastefulness of government spending	94
			1.14	Protection of minority shareholders' interests.....	93
			1.02	Diversion of public funds	84
			1.05	Favoritism in decisions of government officials.....	83
			2nd pillar: Infrastructure		
			2.04	Quality of air transport infrastructure	109
			2.01	Overall infrastructure quality	80
			6th pillar: Market efficiency		
			6.14	Cooperation in labor-employer relations.....	117
			6.22	Soundness of banks.....	110
			6.17	Brain drain	109
			6.10	Foreign ownership restrictions.....	108
			6.02	Efficiency of legal framework	96
			6.04	Number of procedures to start business (hard data)	94
			6.06	Intensity of local competition.....	90
			6.20	Ease of access to loans	90
			6.03	Extent and effect of taxation.....	88
			6.19	Financial market sophistication	87
			6.05	Time required to start a business (hard data).....	81
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	120
			7.02	Firm-level technology absorption	117
			7.01	Technological readiness	99
			7.03	Laws relating to ICT	95
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	106
			8.01	Local supplier quantity	94
			8.03	Production process sophistication	92
			8.05	Control of international distribution.....	90
			8.08	Value chain presence	88
			9th pillar: Innovation		
			9.07	Intellectual property protection	105

Madagascar

Key Indicators

Total population (millions), 2005.....	18.6
GDP (US\$ billions), 2005.....	4.7
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	905

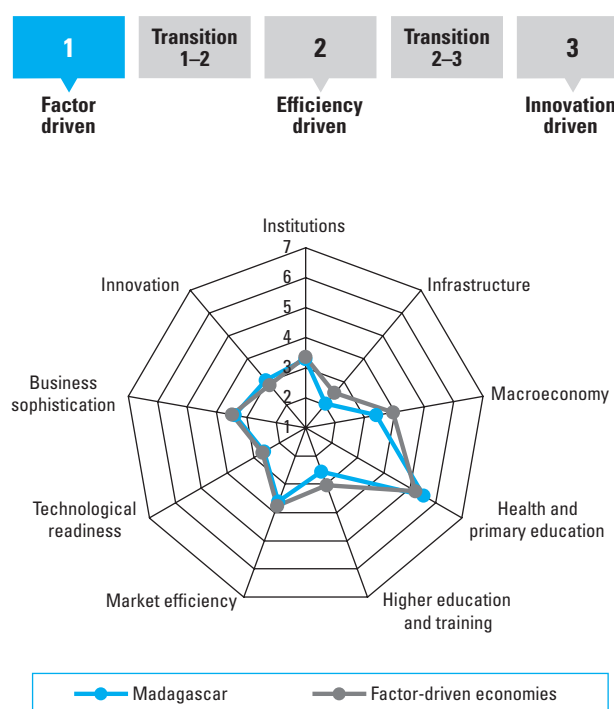
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	109	3.3
2005–06 (out of 117 countries).....	107.....	3.3
Basic Requirements	110	3.6
1st pillar: Institutions.....	92.....	3.3
2nd pillar: Infrastructure.....	116.....	2.0
3rd pillar: Macroeconomy.....	115.....	3.4
4th pillar: Health and primary education.....	100.....	5.5
Efficiency Enhancers	112	2.9
5th pillar: Higher education and training.....	113.....	2.6
6th pillar: Market efficiency.....	103.....	3.6
7th pillar: Technological readiness.....	99.....	2.6
Innovation Factors	89	3.2
8th pillar: Business sophistication.....	99.....	3.4
9th pillar: Innovation.....	77.....	3.1

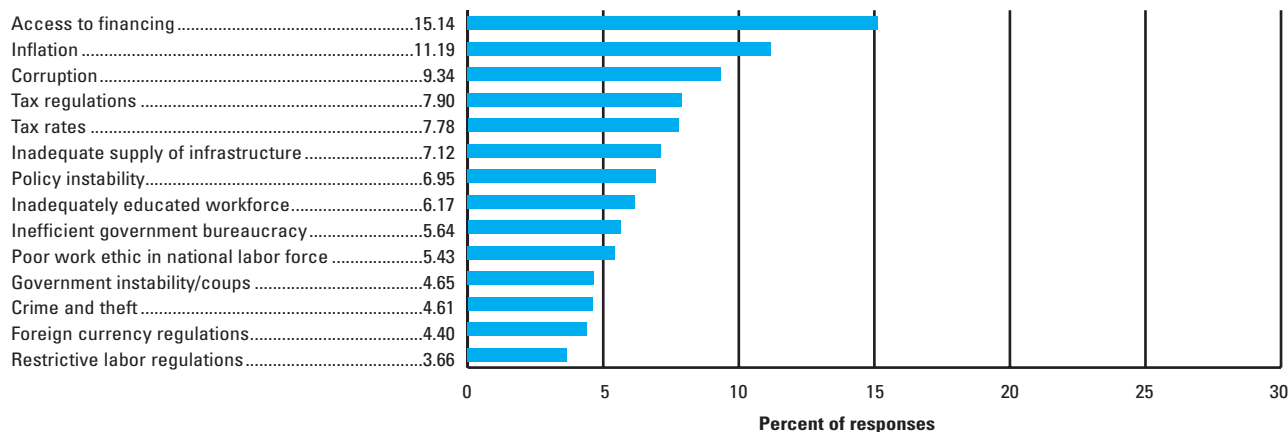
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	97
Sophistication of company operations and strategy.....	99
Quality of the national business environment.....	99

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

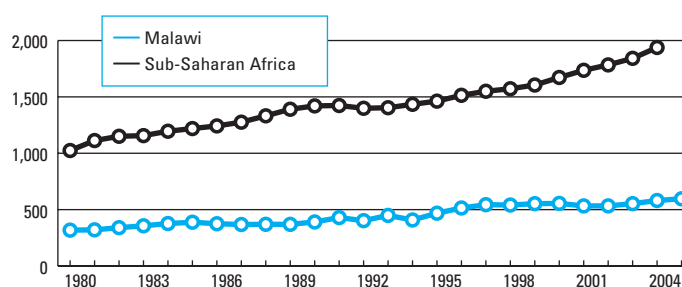
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	15	1.15	Strength of auditing and accounting standards	113
6th pillar: Market efficiency			1.10	Business costs of crime and violence	108
6.12	Hiring and firing practices	46	1.11	Organized crime	107
			1.01	Property rights	100
			1.02	Diversion of public funds	99
			1.14	Protection of minority shareholders' interests	96
			1.07	Burden of government compliance	93
			1.04	Judicial independence	87
			1.09	Reliability of police services	83
			2nd pillar: Infrastructure		
			2.06	Telephone lines (hard data)	120
			2.05	Quality of electricity supply	116
			2.01	Overall infrastructure quality	110
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	123
			3.02	National savings rate (hard data)	115
			3.01	Government surplus/deficit (hard data)	111
			3.05	Government debt (hard data)	57
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	116
			4.01	Medium-term business impact of malaria	111
			4.04	Infant mortality (hard data)	104
			4.05	Life expectancy at birth (hard data)	103
			4.06	Tuberculosis prevalence (hard data)	103
			4.08	HIV prevalence (hard data)	99
			4.09	Primary enrollment (hard data)	83
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	106
			5.07	Extent of staff training	101
			5.03	Quality of the educational system	90
			6th pillar: Market efficiency		
			6.06	Intensity of local competition	112
			6.20	Ease of access to loans	105
			6.19	Financial market sophistication	104
			6.14	Cooperation in labor-employer relations	94
			6.16	Pay and productivity	86
			6.02	Efficiency of legal framework	83
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	113
			7.01	Technological readiness	91
			8th pillar: Business sophistication		
			8.03	Production process sophistication	112
			8.05	Control of international distribution	111
			9th pillar: Innovation		
			9.08	Capacity for innovation	78

Malawi

Key Indicators

Total population (millions), 2005.....	12.9
GDP (US\$ billions), 2005.....	2.1
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	596

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

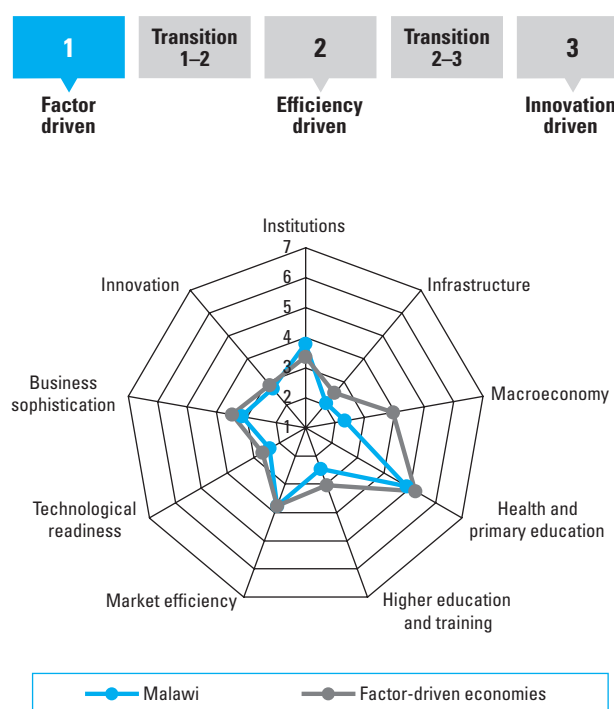
2006–07	117	3.1
2005–06 (out of 117 countries).....	114.....	3.1
Basic Requirements	117	3.3
1st pillar: Institutions.....	63.....	3.8
2nd pillar: Infrastructure	115.....	2.1
3rd pillar: Macroeconomy.....	124.....	2.3
4th pillar: Health and primary education.....	106.....	4.9
Efficiency Enhancers	116	2.9
5th pillar: Higher education and training.....	119.....	2.5
6th pillar: Market efficiency.....	88.....	3.8
7th pillar: Technological readiness	118.....	2.4
Innovation Factors	109	2.9
8th pillar: Business sophistication.....	113.....	3.2
9th pillar: Innovation	103.....	2.7

Rank (out of 121 countries/economies)

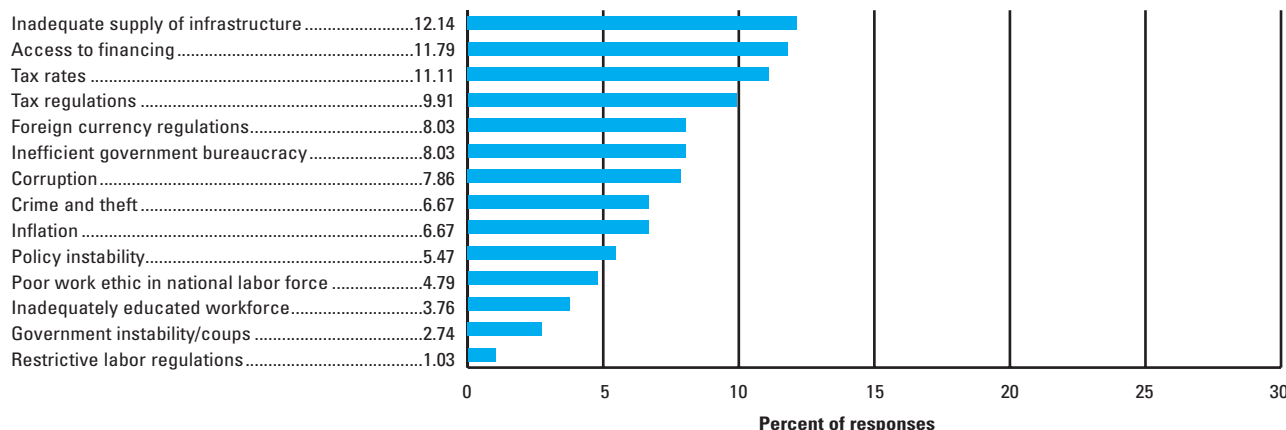
Business Competitiveness Index

Sophistication of company operations and strategy.....	93
Quality of the national business environment.....	103

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

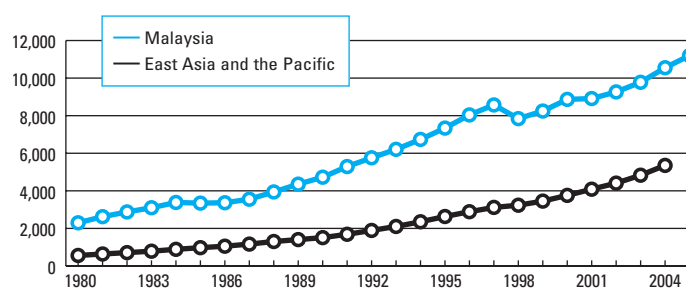
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	34	1.10	Business costs of crime and violence	87
1.04	Judicial independence.....	43	1.03	Public trust of politicians	81
			1.09	Reliability of police services	81
3rd pillar: Macroeconomy			1.02	Diversion of public funds	80
3.06	Real effective exchange rate (hard data)	5	1.01	Property rights.....	74
			1.05	Favoritism in decisions of government officials.....	69
4th pillar: Health and primary education			1.06	Wastefulness of government spending	69
4.09	Primary enrollment (hard data)	42	2nd pillar: Infrastructure		
			2.06	Telephone lines (hard data)	111
6th pillar: Market efficiency			2.01	Overall infrastructure quality	105
6.15	Reliance on professional management.....	47	3rd pillar: Macroeconomy		
6.01	Agricultural policy costs	48	3.02	National savings rate (hard data)	120
			3.04	Interest rate spread (hard data).....	116
			3.03	Inflation (hard data).....	112
			3.05	Government debt (hard data)	112
			3.01	Government surplus/deficit (hard data).....	110
			4th pillar: Health and primary education		
			4.02	Medium-term business impact of tuberculosis	122
			4.07	Malaria prevalence (hard data)	121
			4.04	Infant mortality (hard data)	120
			4.05	Life expectancy at birth (hard data).....	120
			4.08	HIV prevalence (hard data)	119
			4.06	Tuberculosis prevalence (hard data)	108
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	123
			5.03	Quality of the educational system	97
			5.07	Extent of staff training	86
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	96
			6.17	Brain drain	95
			6.03	Extent and effect of taxation.....	86
			6.20	Ease of access to loans	75
			6.10	Foreign ownership restrictions.....	59
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	121
			7.02	Firm-level technology absorption	109
			7.01	Technological readiness	107
			7.04	FDI and technology transfer.....	62
			8th pillar: Business sophistication		
			8.03	Production process sophistication	121
			8.08	Value chain presence	105
			8.07	Nature of competitive advantage.....	80
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	106
			9.04	Government procurement of technology products.....	89
			9.02	Company spending on research and development	85

Malaysia

Key Indicators

Total population (millions), 2005.....	25.3
GDP (US\$ billions), 2005.....	130.8
GDP (PPP) as share of world total, 2005.....	0.48
GDP (PPP) per capita (US\$), 2005.....	11,201

GDP (PPP) per capita (US\$), 1980–2005

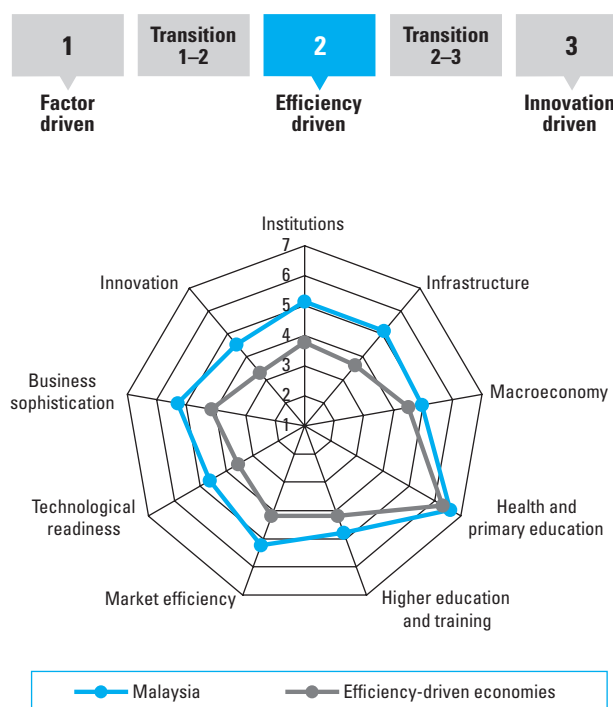


Global Competitiveness Index

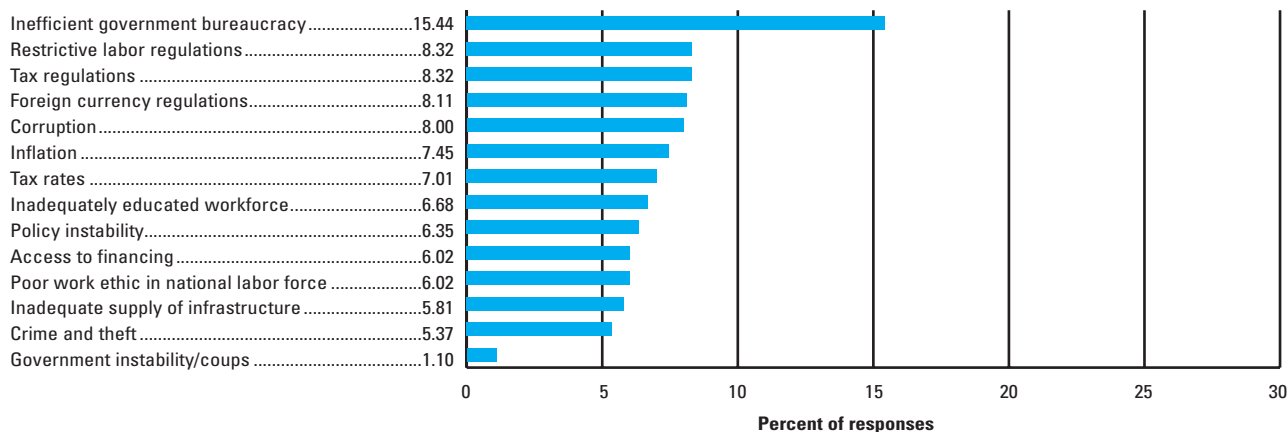
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	26	5.1
2005–06 (out of 117 countries).....	25.....	5.0
Basic Requirements	24	5.4
1st pillar: Institutions.....	18.....	5.1
2nd pillar: Infrastructure.....	23.....	5.1
3rd pillar: Macroeconomy.....	31.....	5.0
4th pillar: Health and primary education.....	42.....	6.6
Efficiency Enhancers	26	4.9
5th pillar: Higher education and training.....	32.....	4.8
6th pillar: Market efficiency.....	9.....	5.2
7th pillar: Technological readiness.....	28.....	4.6
Innovation Factors	22	4.9
8th pillar: Business sophistication.....	20.....	5.3
9th pillar: Innovation.....	21.....	4.5

	Rank (out of 121 countries/economies)
Business Competitiveness Index	20
Sophistication of company operations and strategy.....	14
Quality of the national business environment.....	20

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

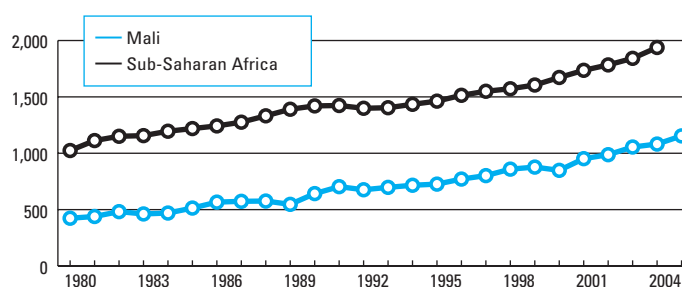
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	7	1.08	Business costs of terrorism	65
1.06	Wastefulness of government spending.....	9	1.11	Organized crime	34
1.03	Public trust of politicians	17	1.10	Business costs of crime and violence	32
1.05	Favoritism in decisions of government officials.....	18	1.02	Diversion of public funds	29
1.14	Protection of minority shareholders' interests.....	18			
1.09	Reliability of police services	19			
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.01	Overall infrastructure quality	19	2.05	Quality of electricity supply.....	33
3rd pillar: Macroeconomy			3rd pillar: Macroeconomy		
3.02	National savings rate (hard data)	10	3.01	Government surplus/deficit (hard data).....	91
3.04	Interest rate spread (hard data).....	20	3.05	Government debt (hard data)	49
5th pillar: Higher education and training			4th pillar: Health and primary education		
5.04	Quality of math and science education.....	12	4.06	Tuberculosis prevalence (hard data)	78
5.07	Extent of staff training	17	4.07	Malaria prevalence (hard data)	77
5.05	Quality of management schools	22	4.08	HIV prevalence (hard data)	70
5.06	Local availability of research and training services	22	4.02	Medium-term business impact of tuberculosis	54
			4.05	Life expectancy at birth (hard data).....	53
			4.04	Infant mortality (hard data)	43
6th pillar: Market efficiency			5th pillar: Higher education and training		
6.01	Agricultural policy costs	3	5.01	Secondary enrollment (hard data)	78
6.16	Pay and productivity	5	5.02	Tertiary enrollment (hard data)	61
6.14	Cooperation in labor-employer relations.....	8			
6.03	Extent and effect of taxation.....	12	6th pillar: Market efficiency		
6.06	Intensity of local competition	16	6.12	Hiring and firing practices	59
6.02	Efficiency of legal framework	18	6.10	Foreign ownership restrictions.....	49
6.21	Venture capital availability	19	6.09	Prevalence of trade barriers	45
6.15	Reliance on professional management.....	20	6.04	Number of procedures to start business (hard data)	44
6.20	Ease of access to loans	23	6.22	Soundness of banks.....	43
			6.05	Time required to start a business (hard data).....	40
			6.19	Financial market sophistication	31
			6.07	Effectiveness of antitrust policy.....	28
			6.23	Local equity market access.....	27
7th pillar: Technological readiness			7th pillar: Technological readiness		
7.04	FDI and technology transfer.....	4	7.05	Cellular telephones (hard data).....	48
7.03	Laws relating to ICT	12	7.07	Personal computers (hard data)	35
7.02	Firm-level technology absorption	15	7.06	Internet users (hard data)	32
7.01	Technological readiness	18			
8th pillar: Business sophistication			9th pillar: Innovation		
8.01	Local supplier quantity	14	9.06	Utility patents (hard data)	31
8.05	Control of international distribution.....	16			
8.06	Willingness to delegate authority.....	17			
8.08	Value chain presence	23			
9th pillar: Innovation					
9.04	Government procurement of technology products.....	2			
9.02	Company spending on research and development	10			
9.03	University/industry research collaboration	12			
9.01	Quality of scientific research institutions.....	17			

Mali

Key Indicators

Total population (millions), 2005.....	13.5
GDP (US\$ billions), 2005.....	5.3
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	1,154

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

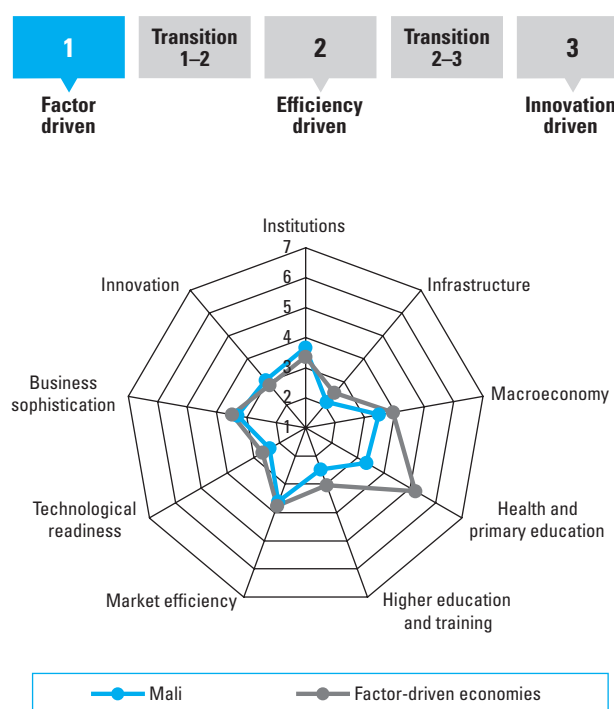
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	118	3.0
2005–06 (out of 117 countries).....	115.....	2.9
Basic Requirements	120	3.1
1st pillar: Institutions.....	70.....	3.7
2nd pillar: Infrastructure.....	112.....	2.1
3rd pillar: Macroeconomy.....	113.....	3.5
4th pillar: Health and primary education.....	122.....	3.3
Efficiency Enhancers	118	2.8
5th pillar: Higher education and training.....	118.....	2.5
6th pillar: Market efficiency.....	102.....	3.6
7th pillar: Technological readiness.....	117.....	2.4
Innovation Factors	94	3.2
8th pillar: Business sophistication.....	107.....	3.3
9th pillar: Innovation.....	80.....	3.0

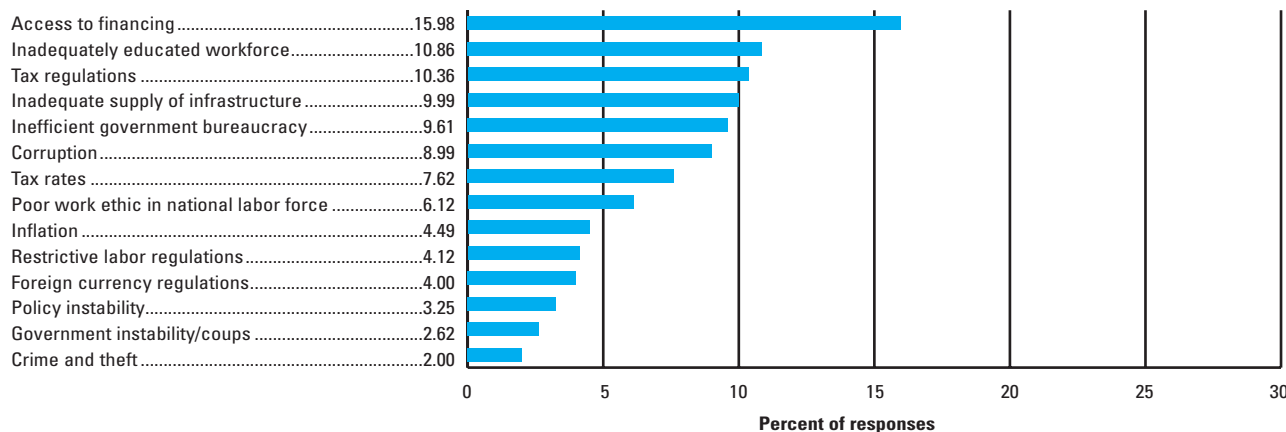
Rank (out of 121 countries/economies)

Business Competitiveness Index	91
Sophistication of company operations and strategy.....	100
Quality of the national business environment.....	89

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

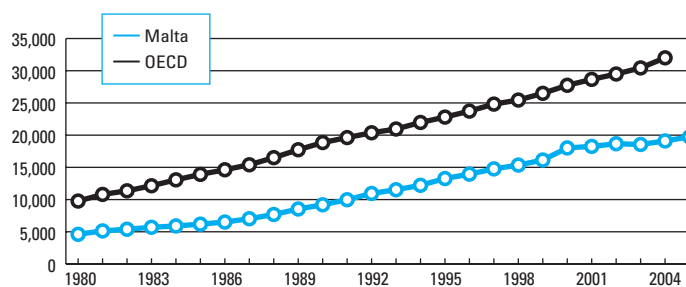
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	47	1.02	Diversion of public funds	100
1.08	Business costs of terrorism	48	1.15	Strength of auditing and accounting standards	94
			1.10	Business costs of crime and violence	79
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.12	Hiring and firing practices	40	2.06	Telephone lines (hard data)	112
6.01	Agricultural policy costs	41	2.01	Overall infrastructure quality	90
6.14	Cooperation in labor-employer relations.....	43			
9th pillar: Innovation			3rd pillar: Macroeconomy		
9.04	Government procurement of technology products.....	28	3.01	Government surplus/deficit (hard data)	102
			3.02	National savings rate (hard data)	96
			3.03	Inflation (hard data).....	69
			3.06	Real effective exchange rate (hard data)	68
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	124
			4.09	Primary enrollment (hard data)	117
			4.06	Tuberculosis prevalence (hard data)	116
			4.05	Life expectancy at birth (hard data).....	115
			4.07	Malaria prevalence (hard data)	112
			4.08	HIV prevalence (hard data)	103
			5th pillar: Higher education and training		
			5.07	Extent of staff training	118
			5.02	Tertiary enrollment (hard data)	114
			5.03	Quality of the educational system	109
			5.06	Local availability of research and training services	93
			6th pillar: Market efficiency		
			6.16	Pay and productivity	115
			6.20	Ease of access to loans	108
			6.23	Local equity market access.....	107
			6.21	Venture capital availability	98
			6.13	Flexibility of wage determination	91
			6.22	Soundness of banks.....	85
			6.03	Extent and effect of taxation.....	84
			6.17	Brain drain	81
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	115
			7.01	Technological readiness	102
			8th pillar: Business sophistication		
			8.08	Value chain presence	119
			8.03	Production process sophistication	113
			8.07	Nature of competitive advantage.....	111
			8.04	Extent of marketing.....	110
			9th pillar: Innovation		
			9.02	Company spending on research and development	90
			9.08	Capacity for innovation.....	64

Malta

Key Indicators

Total population (millions), 2005.....	0.4
GDP (US\$ billions), 2005.....	5.4
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	19,739

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

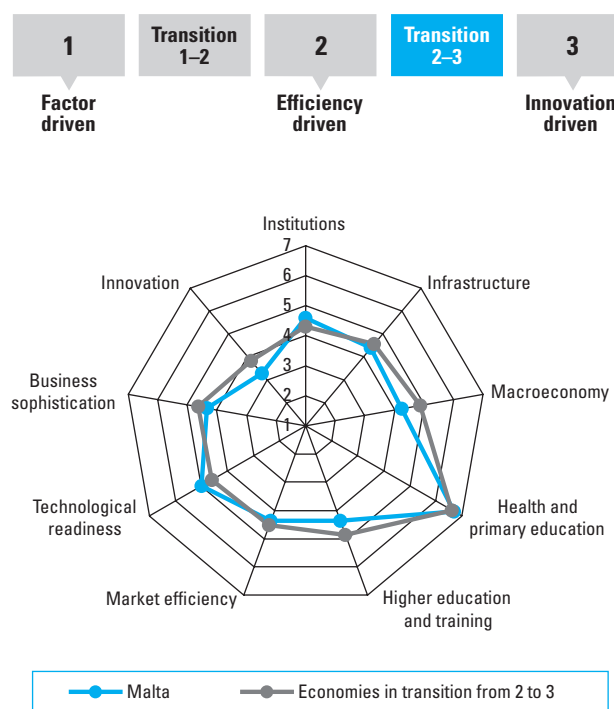
2006–07	39	4.5
2005–06 (out of 117 countries).....	44.....	4.3
Basic Requirements	39	5.0
1st pillar: Institutions.....	31.....	4.6
2nd pillar: Infrastructure	37.....	4.4
3rd pillar: Macroeconomy.....	76.....	4.3
4th pillar: Health and primary education.....	32.....	6.7
Efficiency Enhancers	33	4.6
5th pillar: Higher education and training.....	47.....	4.4
6th pillar: Market efficiency.....	46.....	4.4
7th pillar: Technological readiness	22.....	5.0
Innovation Factors	53	3.8
8th pillar: Business sophistication.....	51.....	4.3
9th pillar: Innovation	62.....	3.3

Rank (out of 121 countries/economies)

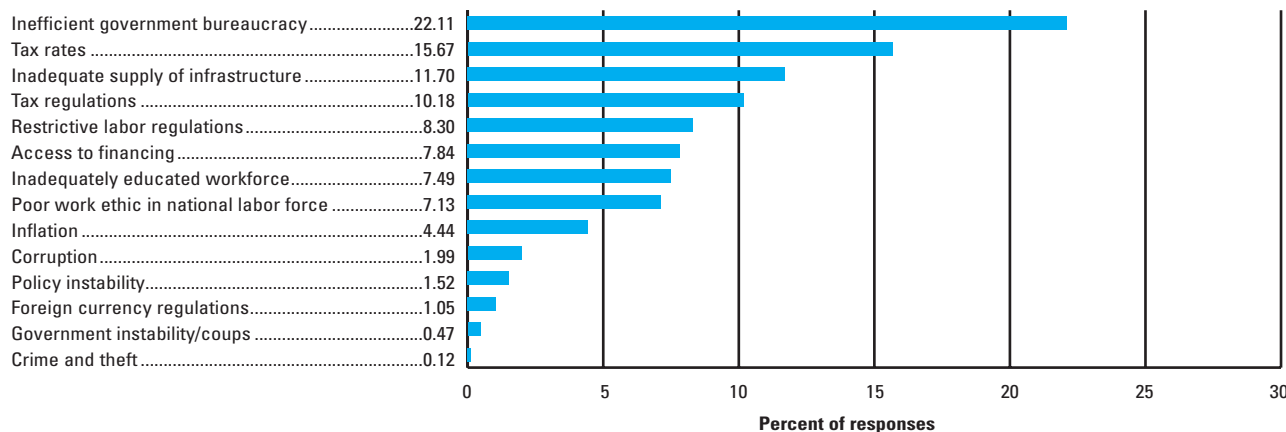
Business Competitiveness Index

Sophistication of company operations and strategy.....	63
Quality of the national business environment.....	40

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

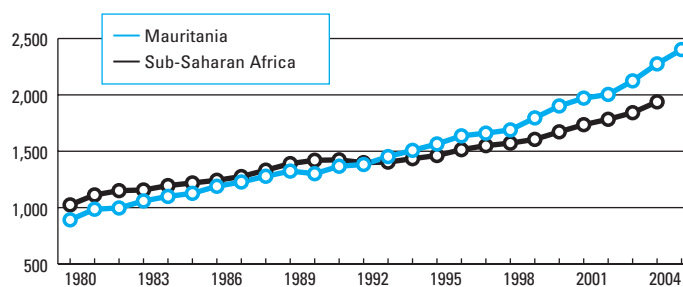
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.11	Organized crime	11	1.07	Burden of government compliance.....	81
1.10	Business costs of crime and violence	14	1.05	Favoritism in decisions of government officials.....	61
1.03	Public trust of politicians	22	1.13	Efficacy of corporate boards	47
1.02	Diversion of public funds	24	1.12	Ethical behavior of firms	46
1.15	Strength of auditing and accounting standards	25	1.06	Wastefulness of government spending	45
1.04	Judicial independence.....	26	2nd pillar: Infrastructure		
1.09	Reliability of police services	30	2.01	Overall infrastructure quality	45
1.14	Protection of minority shareholders' interests.....	33	3rd pillar: Macroeconomy		
2nd pillar: Infrastructure			3.01	Government surplus/deficit (hard data).....	96
2.06	Telephone lines (hard data)	17	3.06	Real effective exchange rate (hard data)	93
2.03	Quality of port infrastructure.....	35	3.05	Government debt (hard data)	87
3rd pillar: Macroeconomy			4th pillar: Health and primary education		
3.04	Interest rate spread (hard data).....	18	4.09	Primary enrollment (hard data)	52
4th pillar: Health and primary education			5th pillar: Higher education and training		
4.07	Malaria prevalence (hard data)	1	5.06	Local availability of research and training services	88
5th pillar: Higher education and training			5.02	Tertiary enrollment (hard data)	68
5.01	Secondary enrollment (hard data)	14	5.04	Quality of math and science education.....	44
5.03	Quality of the educational system	28	5.05	Quality of management schools	44
6th pillar: Market efficiency			5.07	Extent of staff training	44
6.09	Prevalence of trade barriers	16	6th pillar: Market efficiency		
6.22	Soundness of banks.....	24	6.12	Hiring and firing practices	88
6.06	Intensity of local competition.....	29	6.15	Reliance on professional management.....	86
6.20	Ease of access to loans	30	6.16	Pay and productivity	81
6.10	Foreign ownership restrictions.....	35	6.14	Cooperation in labor-employer relations.....	67
6.01	Agricultural policy costs	36	6.03	Extent and effect of taxation.....	60
7th pillar: Technological readiness			6.13	Flexibility of wage determination	59
7.06	Internet users (hard data)	3	6.17	Brain drain	48
7.04	FDI and technology transfer.....	18	6.19	Financial market sophistication	48
7.03	Laws relating to ICT	23	6.21	Venture capital availability	48
7.07	Personal computers (hard data)	27	7th pillar: Technological readiness		
7.01	Technological readiness	29	7.02	Firm-level technology absorption	40
7.05	Cellular telephones (hard data).....	35	8th pillar: Business sophistication		
8th pillar: Business sophistication			8.04	Extent of marketing.....	66
8.07	Nature of competitive advantage.....	31	8.03	Production process sophistication	55
8.08	Value chain presence	33	8.05	Control of international distribution.....	53
9th pillar: Innovation			9th pillar: Innovation		
			9.01	Quality of scientific research institutions.....	89
			9.03	University/industry research collaboration	76
			9.08	Capacity for innovation.....	65
			9.02	Company spending on research and development	64
			9.04	Government procurement of technology products.....	61
			9.05	Availability of scientists and engineers	57
			9.07	Intellectual property protection	43

Mauritania

Key Indicators

Total population (millions), 2005.....	3.1
GDP (US\$ billions), 2005.....	1.9
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	2,402

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–07114.....3.2

2005–06 (out of 117 countries).....n/a.....n/a

Basic Requirements114.....3.4

1st pillar: Institutions.....64.....3.8

2nd pillar: Infrastructure111.....2.1

3rd pillar: Macroeconomy.....120.....2.8

4th pillar: Health and primary education.....105.....4.9

Efficiency Enhancers.....111.....2.9

5th pillar: Higher education and training.....121.....2.3

6th pillar: Market efficiency.....101.....3.6

7th pillar: Technological readiness84.....2.9

Innovation Factors105.....3.0

8th pillar: Business sophistication.....102.....3.4

9th pillar: Innovation108.....2.6

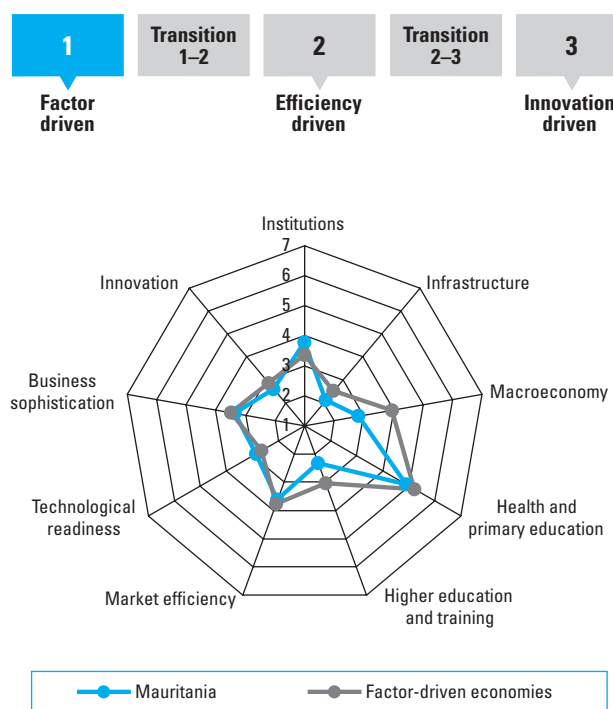
Rank (out of 121 countries/economies)

Business Competitiveness Index101

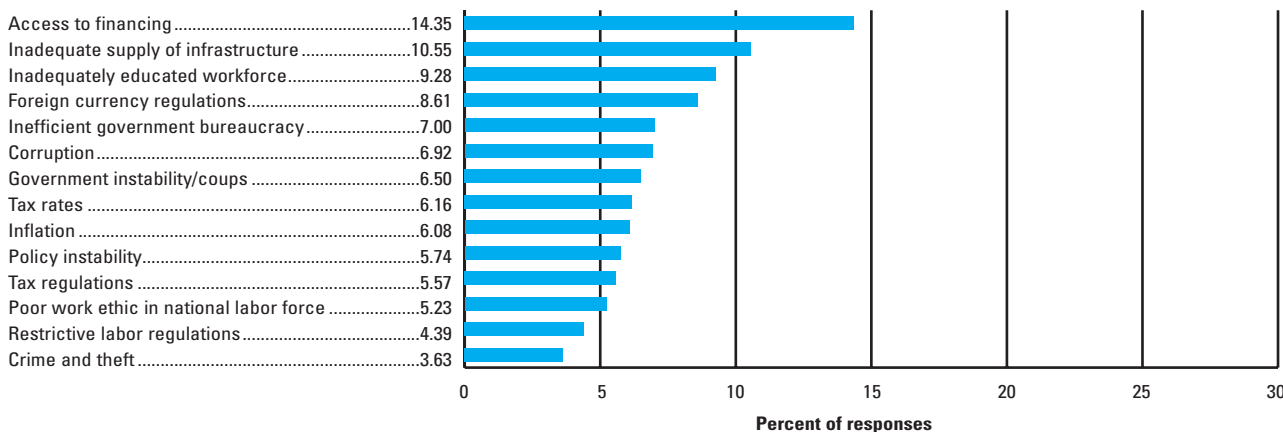
Sophistication of company operations and strategy.....88

Quality of the national business environment.....102

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

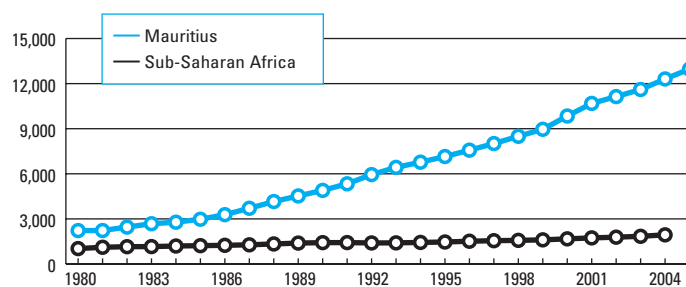
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	6	1.15	Strength of auditing and accounting standards	117
1.05	Favoritism in decisions of government officials.....	35	1.06	Wastefulness of government spending	105
1.08	Business costs of terrorism	37	1.01	Property rights.....	93
			1.02	Diversion of public funds	82
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.06	Real effective exchange rate (hard data)	43	2.01	Overall infrastructure quality	123
6th pillar: Market efficiency			2.06	Telephone lines (hard data)	106
6.12	Hiring and firing practices	3	2.05	Quality of electricity supply	103
6.14	Cooperation in labor-employer relations.....	11	3rd pillar: Macroeconomy		
6.03	Extent and effect of taxation.....	13	3.01	Government surplus/deficit (hard data).....	119
7th pillar: Technological readiness			3.02	National savings rate (hard data)	116
7.04	FDI and technology transfer.....	6	3.03	Inflation (hard data).....	111
7.02	Firm-level technology absorption	16	3.05	Government debt (hard data)	103
8th pillar: Business sophistication			4th pillar: Health and primary education		
8.07	Nature of competitive advantage.....	48	4.07	Malaria prevalence (hard data)	111
9th pillar: Innovation			4.06	Tuberculosis prevalence (hard data)	109
9.04	Government procurement of technology products.....	19	4.09	Primary enrollment (hard data)	108
			4.04	Infant mortality (hard data)	105
			4.05	Life expectancy at birth (hard data).....	102
			4.08	HIV prevalence (hard data)	79
			5th pillar: Higher education and training		
			5.06	Local availability of research and training services	121
			5.03	Quality of the educational system	110
			5.02	Tertiary enrollment (hard data)	106
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	125
			6.06	Intensity of local competition	120
			6.23	Local equity market access.....	117
			6.01	Agricultural policy costs	116
			6.21	Venture capital availability	113
			6.20	Ease of access to loans	112
			6.22	Soundness of banks.....	101
			6.13	Flexibility of wage determination	96
			7th pillar: Technological readiness		
			7.01	Technological readiness	118
			7.03	Laws relating to ICT	115
			7.06	Internet users (hard data)	115
			7.07	Personal computers (hard data)	96
			8th pillar: Business sophistication		
			8.08	Value chain presence	86
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions	125
			9.02	Company spending on research and development	125
			9.08	Capacity for innovation.....	77

Mauritius

Key Indicators

Total population (millions), 2005.....	1.2
GDP (US\$ billions), 2005.....	6.2
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	12,966

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

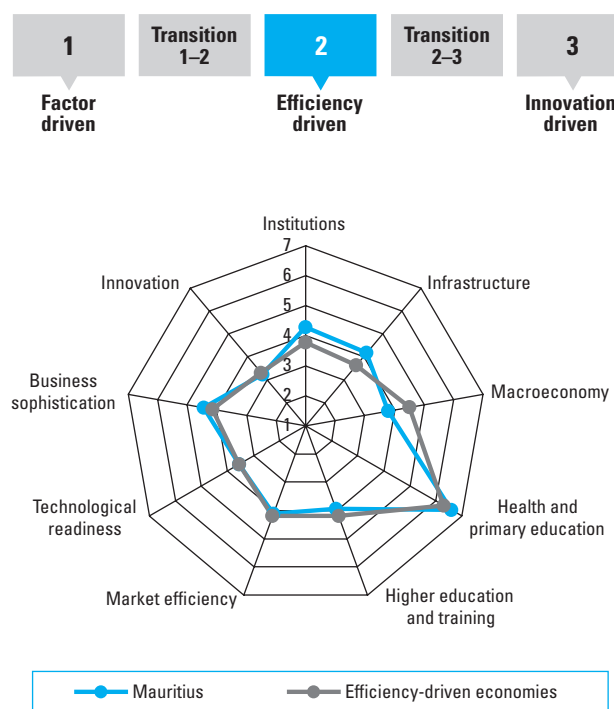
2006–07	55	4.2
2005–06 (out of 117 countries).....	55.....	4.1
Basic Requirements	49	4.7
1st pillar: Institutions.....	44.....	4.3
2nd pillar: Infrastructure	42.....	4.2
3rd pillar: Macroeconomy.....	104.....	3.8
4th pillar: Health and primary education.....	44.....	6.6
Efficiency Enhancers	61	3.9
5th pillar: Higher education and training.....	68.....	3.9
6th pillar: Market efficiency.....	67.....	4.1
7th pillar: Technological readiness	54.....	3.5
Innovation Factors	47	3.8
8th pillar: Business sophistication.....	44.....	4.4
9th pillar: Innovation	65.....	3.2

Rank (out of 121 countries/economies)

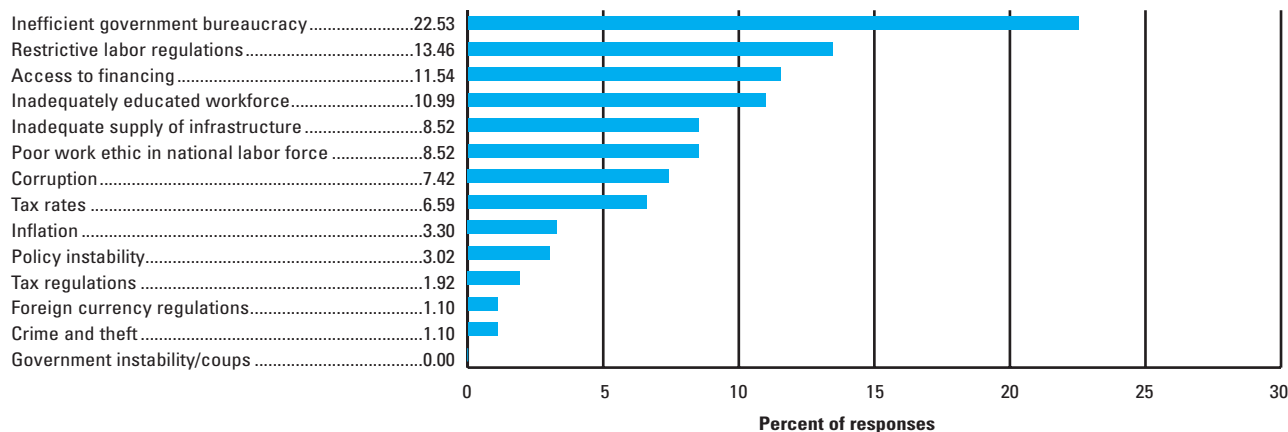
Business Competitiveness Index

Sophistication of company operations and strategy.....	46
Quality of the national business environment.....	49

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

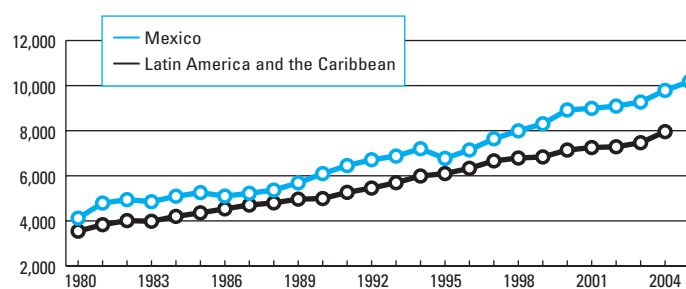
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	14	1.07	Burden of government compliance.....	115
1.01	Property rights.....	28	1.03	Public trust of politicians	58
1.11	Organized crime	28	1.05	Favoritism in decisions of government officials.....	58
1.15	Strength of auditing and accounting standards	33	1.09	Reliability of police services	56
1.13	Efficacy of corporate boards	36	1.12	Ethical behavior of firms	55
1.04	Judicial independence.....	42	2nd pillar: Infrastructure		
1.02	Diversion of public funds	44	2.02	Railroad infrastructure development.....	88
2nd pillar: Infrastructure			3rd pillar: Macroeconomy		
2.05	Quality of electricity supply	36	3.04	Interest rate spread (hard data).....	110
2.01	Overall infrastructure quality	43	3.01	Government surplus/deficit (hard data).....	107
3rd pillar: Macroeconomy			3.03	Inflation (hard data).....	74
3.06	Real effective exchange rate (hard data)	24	3.05	Government debt (hard data)	70
4th pillar: Health and primary education			4th pillar: Health and primary education		
4.09	Primary enrollment (hard data)	46	4.01	Medium-term business impact of malaria	61
5th pillar: Higher education and training			4.03	Medium-term business impact of HIV/AIDS.....	57
5.07	Extent of staff training	33	5th pillar: Higher education and training		
6th pillar: Market efficiency			5.06	Local availability of research and training services	85
6.03	Extent and effect of taxation.....	17	5.02	Tertiary enrollment (hard data)	83
6.04	Number of procedures to start business (hard data)	17	5.03	Quality of the educational system	65
6.02	Efficiency of legal framework	33	6th pillar: Market efficiency		
6.01	Agricultural policy costs	35	6.13	Flexibility of wage determination	119
6.20	Ease of access to loans	35	6.12	Hiring and firing practices	116
6.23	Local equity market access.....	36	6.16	Pay and productivity	113
6.22	Soundness of banks.....	38	6.06	Intensity of local competition	84
6.19	Financial market sophistication	43	6.07	Effectiveness of antitrust policy.....	80
6.21	Venture capital availability	46	6.05	Time required to start a business (hard data).....	78
6.09	Prevalence of trade barriers	49	6.10	Foreign ownership restrictions.....	78
7th pillar: Technological readiness			6.17	Brain drain	70
7.03	Laws relating to ICT	35	6.14	Cooperation in labor-employer relations.....	62
7.07	Personal computers (hard data)	41	7th pillar: Technological readiness		
8th pillar: Business sophistication			7.02	Firm-level technology absorption	73
8.08	Value chain presence	28	7.04	FDI and technology transfer.....	73
8.05	Control of international distribution.....	40	7.01	Technological readiness	54
8.02	Local supplier quality.....	46	8th pillar: Business sophistication		
8.01	Local supplier quantity	48	8.07	Nature of competitive advantage.....	75
9th pillar: Innovation			9th pillar: Innovation		
9.04	Government procurement of technology products.....	39	9.05	Availability of scientists and engineers	86
9.07	Intellectual property protection	39	9.02	Company spending on research and development	73
			9.08	Capacity for innovation.....	73
			9.01	Quality of scientific research institutions	71

Mexico

Key Indicators

Total population (millions), 2005.....	107.0
GDP (US\$ billions), 2005.....	768.4
GDP (PPP) as share of world total, 2005.....	1.76
GDP (PPP) per capita (US\$), 2005.....	10,186

GDP (PPP) per capita (US\$), 1980–2005

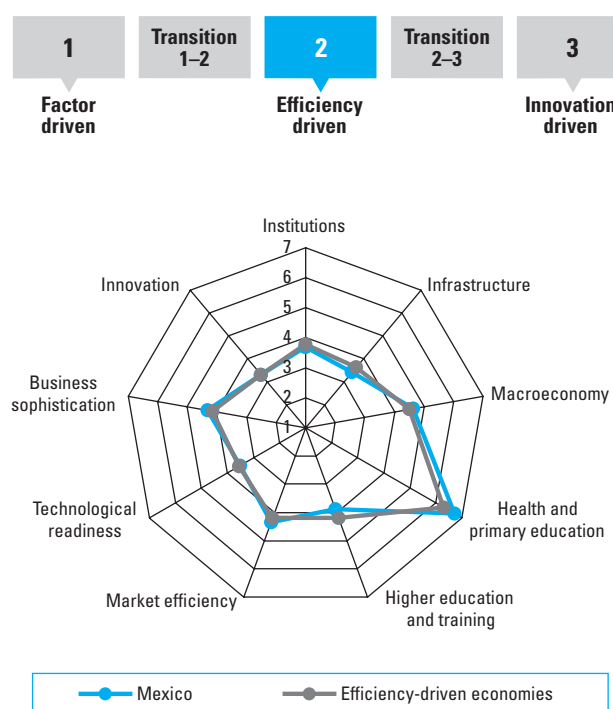


Global Competitiveness Index

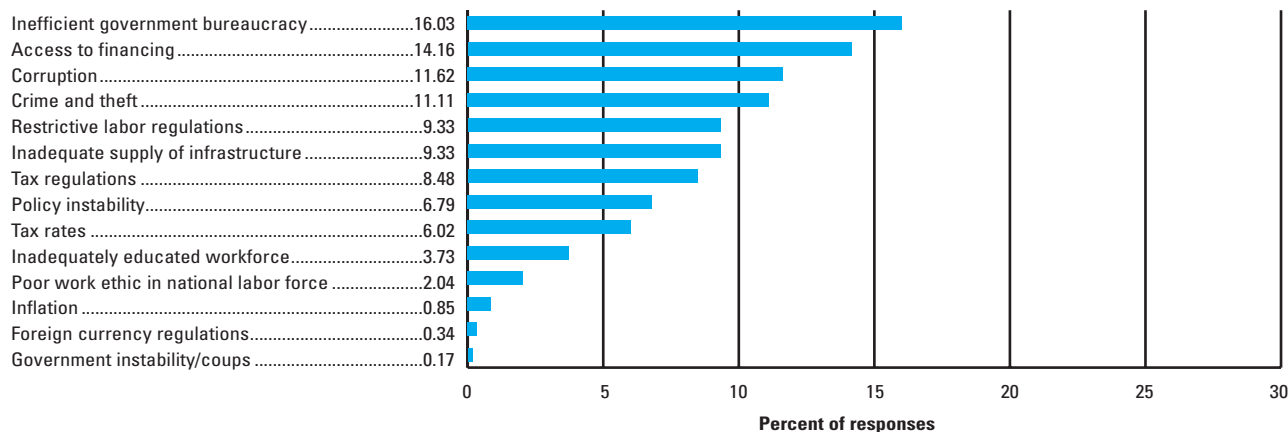
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	58	4.2
2005–06 (out of 117 countries).....	59.....	4.1
Basic Requirements	53	4.6
1st pillar: Institutions.....	69.....	3.7
2nd pillar: Infrastructure.....	64.....	3.4
3rd pillar: Macroeconomy.....	54.....	4.6
4th pillar: Health and primary education.....	31.....	6.7
Efficiency Enhancers	59	3.9
5th pillar: Higher education and training.....	71.....	3.9
6th pillar: Market efficiency.....	48.....	4.3
7th pillar: Technological readiness.....	56.....	3.5
Innovation Factors	52	3.8
8th pillar: Business sophistication.....	52.....	4.3
9th pillar: Innovation.....	58.....	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	57
Sophistication of company operations and strategy.....	42
Quality of the national business environment.....	56

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

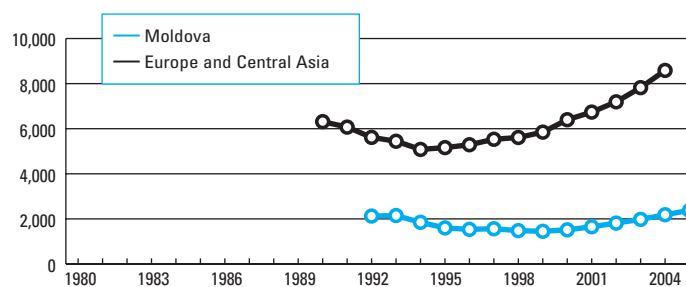
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.06	Wastefulness of government spending	46	1.10	Business costs of crime and violence	117
3rd pillar: Macroeconomy			1.11	Organized crime	114
3.05	Government debt (hard data)	45	1.09	Reliability of police services	105
4th pillar: Health and primary education			1.07	Burden of government compliance	94
4.09	Primary enrollment (hard data)	21	1.03	Public trust of politicians	85
4.02	Medium-term business impact of tuberculosis	39	1.05	Favoritism in decisions of government officials	85
4.05	Life expectancy at birth (hard data)	45	1.02	Diversion of public funds	79
5th pillar: Higher education and training			1.04	Judicial independence	67
5.05	Quality of management schools	43	1.01	Property rights	60
5.06	Local availability of research and training services	47	2nd pillar: Infrastructure		
5.07	Extent of staff training	47	2.05	Quality of electricity supply	73
6th pillar: Market efficiency			2.06	Telephone lines (hard data)	64
6.14	Cooperation in labor-employer relations	27	2.01	Overall infrastructure quality	60
6.10	Foreign ownership restrictions	31	3rd pillar: Macroeconomy		
6.19	Financial market sophistication	38	3.04	Interest rate spread (hard data)	71
6.04	Number of procedures to start business (hard data)	44	3.01	Government surplus/deficit (hard data)	62
7th pillar: Technological readiness			4th pillar: Health and primary education		
7.04	FDI and technology transfer	20	4.04	Infant mortality (hard data)	69
7.03	Laws relating to ICT	42	4.08	HIV prevalence (hard data)	63
8th pillar: Business sophistication			5th pillar: Higher education and training		
8.08	Value chain presence	38	5.04	Quality of math and science education	101
8.04	Extent of marketing	40	5.03	Quality of the educational system	82
8.06	Willingness to delegate authority	45	5.01	Secondary enrollment (hard data)	74
8.03	Production process sophistication	49	5.02	Tertiary enrollment (hard data)	72
9th pillar: Innovation			6th pillar: Market efficiency		
9.03	University/industry research collaboration	40	6.01	Agricultural policy costs	102
			6.05	Time required to start a business (hard data)	93
			6.02	Efficiency of legal framework	79
			6.20	Ease of access to loans	77
			6.03	Extent and effect of taxation	74
			6.23	Local equity market access	66
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	75
			7.05	Cellular telephones (hard data)	61
			7.06	Internet users (hard data)	57
			7.07	Personal computers (hard data)	55
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	67
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	85
			9.04	Government procurement of technology products	77
			9.02	Company spending on research and development	60

Moldova

Key Indicators

Total population (millions), 2005.....	4.2
GDP (US\$ billions), 2005.....	3.0
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	2,374

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

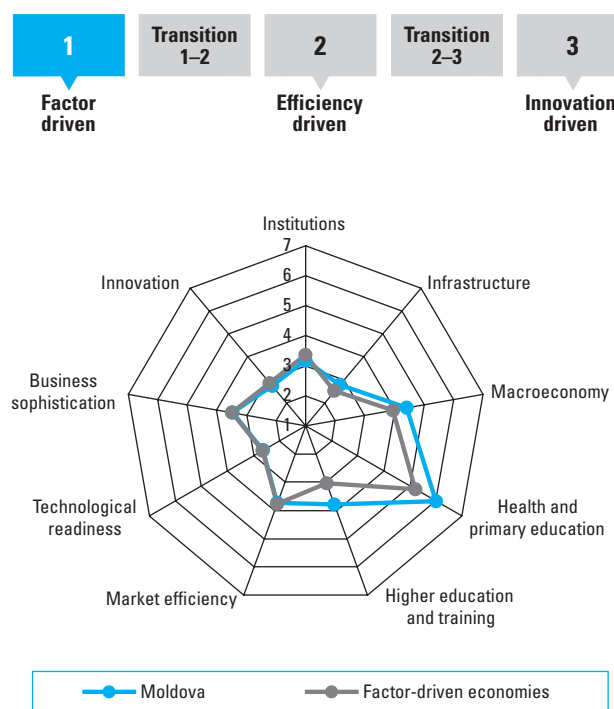
2006–07	86	3.7
2005–06 (out of 117 countries).....	89.....	3.6
Basic Requirements	88	4.1
1st pillar: Institutions.....	101.....	3.2
2nd pillar: Infrastructure	85.....	2.8
3rd pillar: Macroeconomy.....	67.....	4.4
4th pillar: Health and primary education.....	92.....	6.0
Efficiency Enhancers	85	3.4
5th pillar: Higher education and training.....	73.....	3.8
6th pillar: Market efficiency.....	92.....	3.7
7th pillar: Technological readiness	96.....	2.6
Innovation Factors	98	3.1
8th pillar: Business sophistication.....	93.....	3.5
9th pillar: Innovation	100.....	2.7

Rank (out of 121 countries/economies)

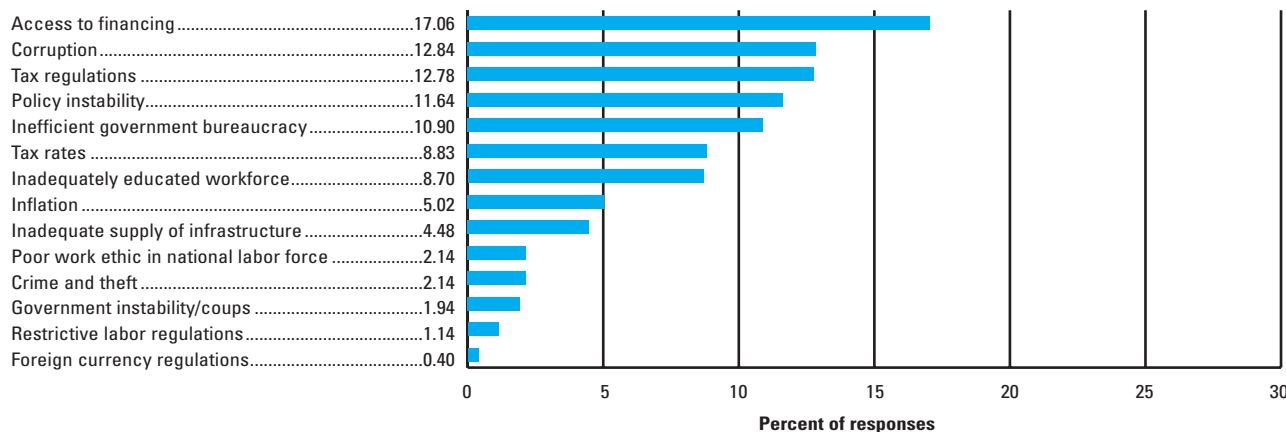
Business Competitiveness Index

Sophistication of company operations and strategy.....	91
Quality of the national business environment.....	91

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

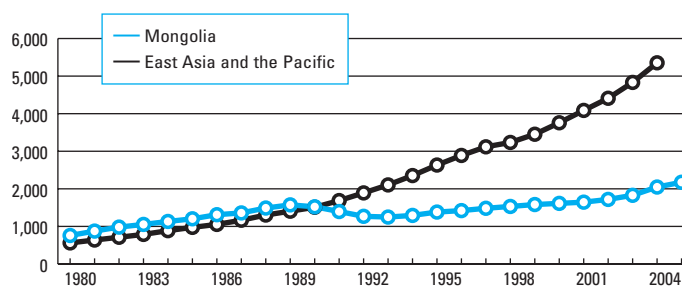
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.13	Efficacy of corporate boards	43	1.14	Protection of minority shareholders' interests	124
3rd pillar: Macroeconomy			1.04	Judicial independence	113
3.01	Government surplus/deficit (hard data)	29	1.12	Ethical behavior of firms	110
3.05	Government debt (hard data)	38	1.01	Property rights	103
6th pillar: Market efficiency			1.07	Burden of government compliance	100
6.16	Pay and productivity	20	1.09	Reliability of police services	99
6.12	Hiring and firing practices	36	1.15	Strength of auditing and accounting standards	98
6.05	Time required to start a business (hard data)	40	1.06	Wastefulness of government spending	93
6.14	Cooperation in labor-employer relations	47	1.03	Public trust of politicians	92
6.13	Flexibility of wage determination	49	1.05	Favoritism in decisions of government officials	92
			2nd pillar: Infrastructure		
			2.03	Quality of port infrastructure	119
			2.01	Overall infrastructure quality	99
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	110
			3.02	National savings rate (hard data)	105
			3.06	Real effective exchange rate (hard data)	90
			4th pillar: Health and primary education		
			4.09	Primary enrollment (hard data)	91
			4.06	Tuberculosis prevalence (hard data)	90
			5th pillar: Higher education and training		
			5.07	Extent of staff training	102
			5.06	Local availability of research and training services	94
			5.02	Tertiary enrollment (hard data)	52
			6th pillar: Market efficiency		
			6.01	Agricultural policy costs	122
			6.17	Brain drain	119
			6.10	Foreign ownership restrictions	118
			6.02	Efficiency of legal framework	111
			6.07	Effectiveness of antitrust policy	108
			6.03	Extent and effect of taxation	106
			6.23	Local equity market access	104
			6.21	Venture capital availability	95
			6.20	Ease of access to loans	93
			7th pillar: Technological readiness		
			7.01	Technological readiness	117
			7.04	FDI and technology transfer	107
			7.07	Personal computers (hard data)	88
			7.05	Cellular telephones (hard data)	82
			8th pillar: Business sophistication		
			8.04	Extent of marketing	109
			8.05	Control of international distribution	106
			9th pillar: Innovation		
			9.04	Government procurement of technology products	115
			9.02	Company spending on research and development	108
			9.08	Capacity for innovation	60

Mongolia

Key Indicators

Total population (millions), 2005.....	2.6
GDP (US\$ billions), 2005.....	1.9
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	2,175

GDP (PPP) per capita (US\$), 1980–2005

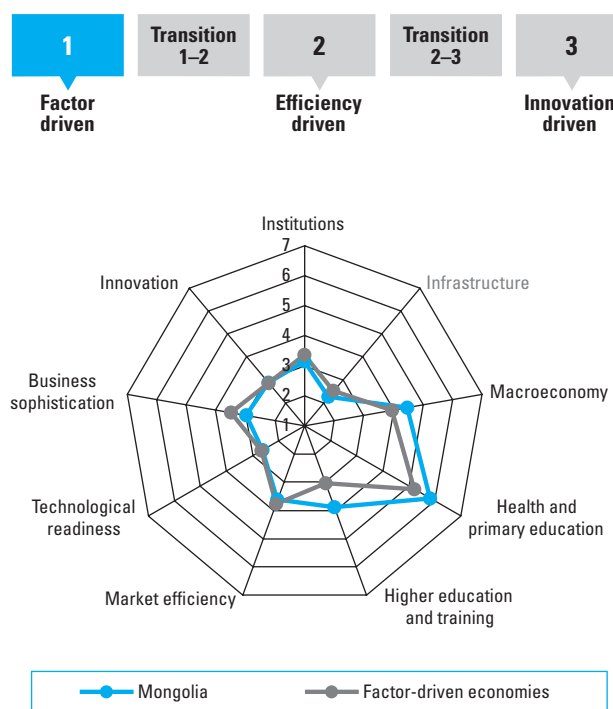


Global Competitiveness Index

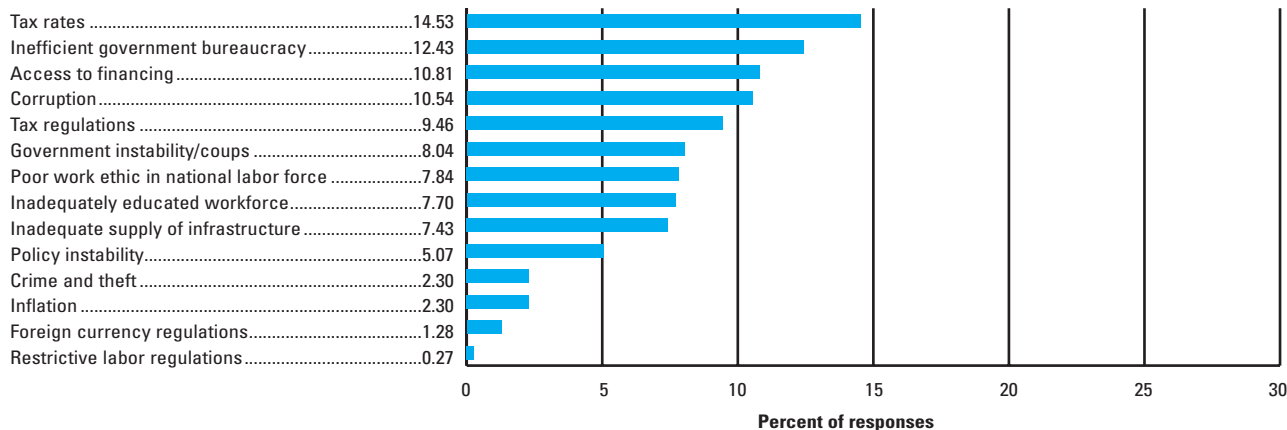
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	92	3.6
2005–06 (out of 117 countries).....	90.....	3.6
Basic Requirements	97	3.9
1st pillar: Institutions.....	105.....	3.1
2nd pillar: Infrastructure.....	106.....	2.2
3rd pillar: Macroeconomy.....	60.....	4.5
4th pillar: Health and primary education.....	95.....	5.8
Efficiency Enhancers	86	3.4
5th pillar: Higher education and training.....	70.....	3.9
6th pillar: Market efficiency.....	100.....	3.6
7th pillar: Technological readiness.....	97.....	2.6
Innovation Factors	110	2.9
8th pillar: Business sophistication.....	118.....	3.0
9th pillar: Innovation.....	94.....	2.9

	Rank (out of 121 countries/economies)
Business Competitiveness Index	99
Sophistication of company operations and strategy.....	104
Quality of the national business environment.....	98

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

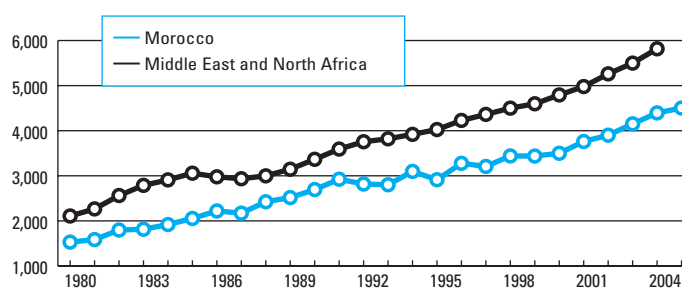
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	31	1.06	Wastefulness of government spending	116
3rd pillar: Macroeconomy			1.12	Ethical behavior of firms	115
3.02	National savings rate (hard data)	6	1.03	Public trust of politicians	113
3.01	Government surplus/deficit (hard data)	38	1.13	Efficacy of corporate boards	110
5th pillar: Higher education and training			1.09	Reliability of police services	107
5.02	Tertiary enrollment (hard data)	46	1.05	Favoritism in decisions of government officials	106
6th pillar: Market efficiency			1.02	Diversion of public funds	105
6.12	Hiring and firing practices	12	1.15	Strength of auditing and accounting standards	102
6.13	Flexibility of wage determination	17	1.04	Judicial independence	98
6.05	Time required to start a business (hard data)	24	2nd pillar: Infrastructure		
6.04	Number of procedures to start business (hard data)	31	2.01	Overall infrastructure quality	113
			2.06	Telephone lines (hard data)	91
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	113
			3.04	Interest rate spread (hard data)	97
			3.05	Government debt (hard data)	92
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	89
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	96
			6th pillar: Market efficiency		
			6.20	Ease of access to loans	123
			6.09	Prevalence of trade barriers	120
			6.21	Venture capital availability	119
			6.03	Extent and effect of taxation	116
			6.02	Efficiency of legal framework	115
			6.22	Soundness of banks	114
			6.07	Effectiveness of antitrust policy	112
			6.23	Local equity market access	100
			6.19	Financial market sophistication	95
			6.06	Intensity of local competition	87
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	111
			7.02	Firm-level technology absorption	110
			7.03	Laws relating to ICT	101
			7.01	Technological readiness	100
			7.05	Cellular telephones (hard data)	87
			8th pillar: Business sophistication		
			8.08	Value chain presence	124
			9th pillar: Innovation		
			9.04	Government procurement of technology products	113

Morocco

Key Indicators

Total population (millions), 2005.....	31.5
GDP (US\$ billions), 2005.....	52.0
GDP (PPP) as share of world total, 2005.....	0.22
GDP (PPP) per capita (US\$), 2005.....	4,503

GDP (PPP) per capita (US\$), 1980–2005

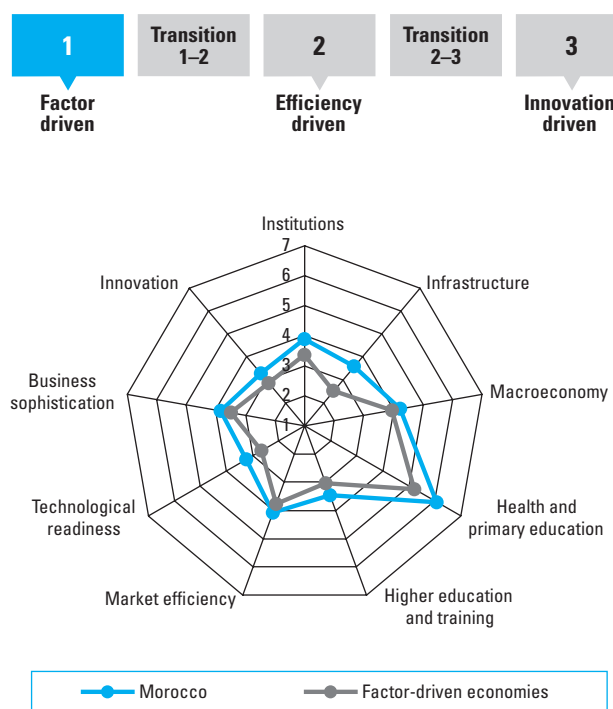


Global Competitiveness Index

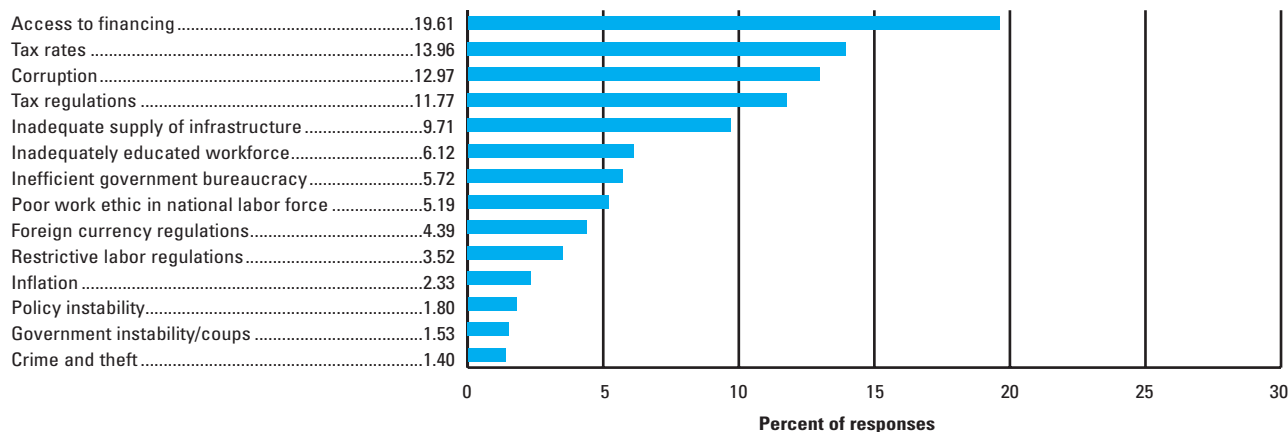
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	70	4.0
2005–06 (out of 117 countries).....	76.....	3.8
Basic Requirements	65	4.4
1st pillar: Institutions.....	57.....	3.9
2nd pillar: Infrastructure.....	59.....	3.6
3rd pillar: Macroeconomy.....	78.....	4.2
4th pillar: Health and primary education.....	87.....	6.1
Efficiency Enhancers	75	3.6
5th pillar: Higher education and training.....	85.....	3.5
6th pillar: Market efficiency.....	74.....	4.1
7th pillar: Technological readiness.....	67.....	3.2
Innovation Factors	72	3.5
8th pillar: Business sophistication.....	78.....	3.8
9th pillar: Innovation.....	61.....	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	66
Sophistication of company operations and strategy.....	80
Quality of the national business environment.....	62

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

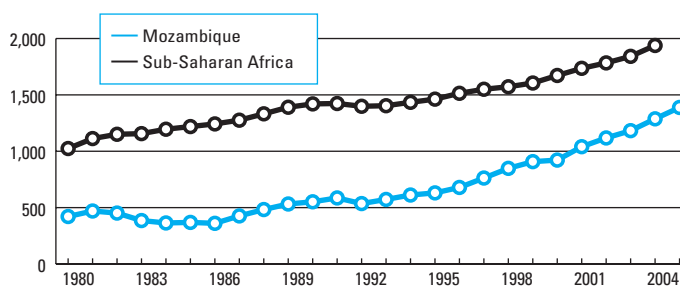
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.09	Reliability of police services	35	1.12	Ethical behavior of firms	93
1.10	Business costs of crime and violence	44	1.08	Business costs of terrorism	88
1.11	Organized crime	46	1.15	Strength of auditing and accounting standards	87
1.07	Burden of government compliance.....	47	1.04	Judicial independence.....	75
2nd pillar: Infrastructure			1.02	Diversion of public funds	74
2.02	Railroad infrastructure development	50	1.06	Wastefulness of government spending	51
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.02	National savings rate (hard data)	28	2.06	Telephone lines (hard data)	96
3.06	Real effective exchange rate (hard data)	42	3rd pillar: Macroeconomy		
4th pillar: Health and primary education			3.01	Government surplus/deficit (hard data).....	113
4.08	HIV prevalence (hard data)	26	3.04	Interest rate spread (hard data).....	84
5th pillar: Higher education and training			3.05	Government debt (hard data)	82
5.05	Quality of management schools	26	4th pillar: Health and primary education		
5.04	Quality of math and science education.....	49	4.09	Primary enrollment (hard data)	92
6th pillar: Market efficiency			4.04	Infant mortality (hard data)	88
6.04	Number of procedures to start business (hard data)	10	5th pillar: Higher education and training		
6.05	Time required to start a business (hard data).....	10	5.02	Tertiary enrollment (hard data)	92
6.13	Flexibility of wage determination	44	5.03	Quality of the educational system	91
6.10	Foreign ownership restrictions.....	47	5.07	Extent of staff training	85
6.12	Hiring and firing practices	49	6th pillar: Market efficiency		
7th pillar: Technological readiness			6.01	Agricultural policy costs	96
7.02	Firm-level technology absorption	42	6.21	Venture capital availability	92
7.04	FDI and technology transfer.....	43	6.09	Prevalence of trade barriers	91
9th pillar: Innovation			6.20	Ease of access to loans	86
9.05	Availability of scientists and engineers	20	6.19	Financial market sophistication	82
			6.14	Cooperation in labor-employer relations.....	81
			6.17	Brain drain	78
			6.23	Local equity market access.....	75
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	90
			7.03	Laws relating to ICT	74
			7.01	Technological readiness	71
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	82
			8.03	Production process sophistication	79
			8.02	Local supplier quality	78
			8.05	Control of international distribution.....	74
			8.08	Value chain presence	70
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	93
			9.02	Company spending on research and development	75

Mozambique

Key Indicators

Total population (millions), 2005.....	19.8
GDP (US\$ billions), 2005.....	6.7
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	1,389

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

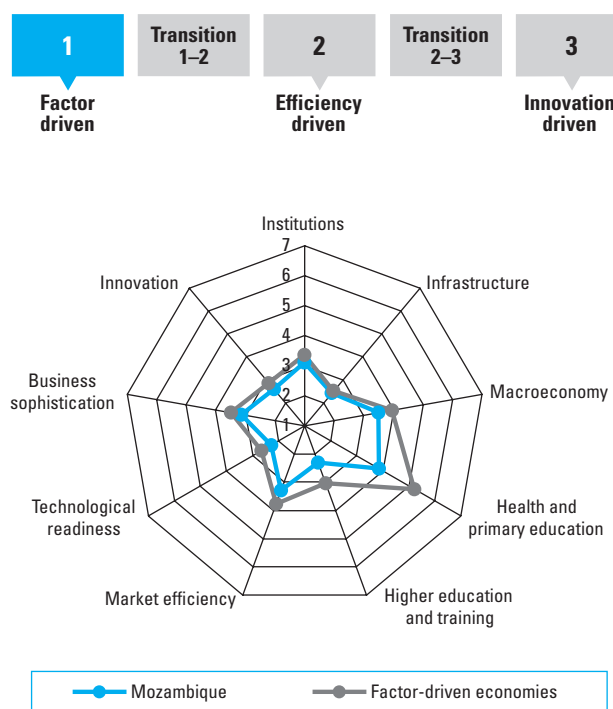
2006–07	121	2.9
2005–06 (out of 117 countries).....	112.....	3.2
Basic Requirements	119	3.2
1st pillar: Institutions.....	107.....	3.1
2nd pillar: Infrastructure	99.....	2.4
3rd pillar: Macroeconomy.....	112.....	3.5
4th pillar: Health and primary education.....	117.....	3.8
Efficiency Enhancers	121	2.6
5th pillar: Higher education and training.....	122.....	2.3
6th pillar: Market efficiency.....	122.....	3.3
7th pillar: Technological readiness	119.....	2.3
Innovation Factors	115	2.9
8th pillar: Business sophistication.....	114.....	3.1
9th pillar: Innovation	110.....	2.6

Rank (out of 121 countries/economies)

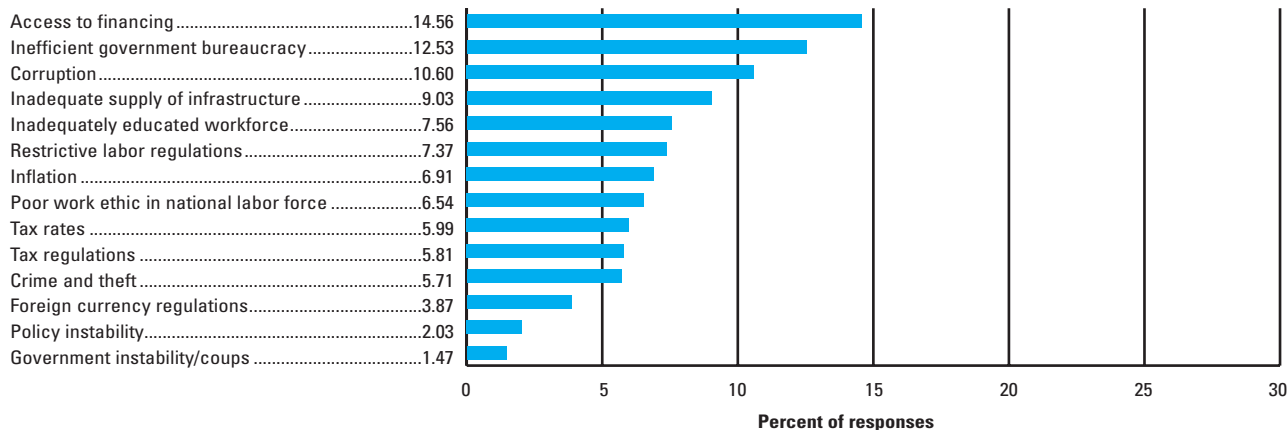
Business Competitiveness Index

Sophistication of company operations and strategy.....	103
Quality of the national business environment.....	111

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

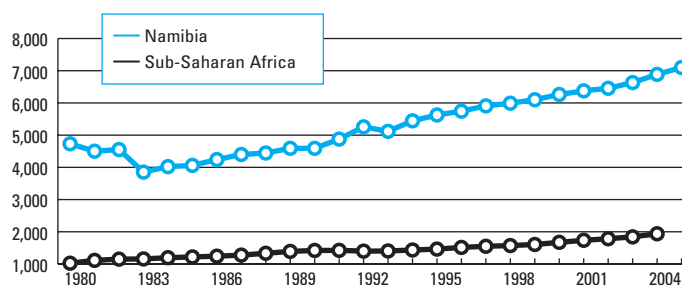
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	27	1.07	Burden of government compliance	117
			1.12	Ethical behavior of firms	116
			1.03	Public trust of politicians	111
			1.09	Reliability of police services	110
			1.10	Business costs of crime and violence	110
			1.02	Diversion of public funds	106
			1.04	Judicial independence	103
			1.05	Favoritism in decisions of government officials	91
			1.06	Wastefulness of government spending	89
			2nd pillar: Infrastructure		
			2.06	Telephone lines (hard data)	119
			2.01	Overall infrastructure quality	104
			2.05	Quality of electricity supply	92
			3rd pillar: Macroeconomy		
			3.02	National savings rate (hard data)	114
			3.01	Government surplus/deficit (hard data)	112
			3.04	Interest rate spread (hard data)	100
			3.03	Inflation (hard data)	88
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	122
			4.05	Life expectancy at birth (hard data)	118
			4.06	Tuberculosis prevalence (hard data)	118
			4.08	HIV prevalence (hard data)	118
			4.04	Infant mortality (hard data)	117
			4.09	Primary enrollment (hard data)	110
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	117
			5.03	Quality of the educational system	113
			6th pillar: Market efficiency		
			6.05	Time required to start a business (hard data)	115
			6.22	Soundness of banks	111
			6.06	Intensity of local competition	109
			6.12	Hiring and firing practices	108
			6.02	Efficiency of legal framework	107
			6.09	Prevalence of trade barriers	101
			6.01	Agricultural policy costs	100
			6.03	Extent and effect of taxation	96
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	118
			7.01	Technological readiness	113
			7.07	Personal computers (hard data)	108
			8th pillar: Business sophistication		
			8.02	Local supplier quality	113
			8.07	Nature of competitive advantage	105
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	118
			9.02	Company spending on research and development	106

Namibia

Key Indicators

Total population (millions), 2005.....	2.0
GDP (US\$ billions), 2005.....	6.1
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	7,101

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

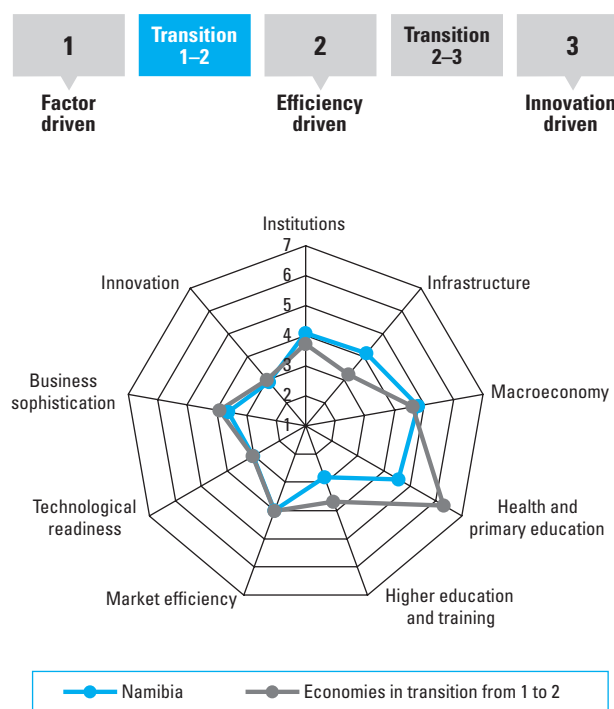
2006–07	84	3.7
2005–06 (out of 117 countries).....	79.....	3.8
Basic Requirements	69	4.4
1st pillar: Institutions.....	49.....	4.1
2nd pillar: Infrastructure	43.....	4.1
3rd pillar: Macroeconomy.....	43.....	4.8
4th pillar: Health and primary education.....	111.....	4.6
Efficiency Enhancers	90	3.3
5th pillar: Higher education and training.....	105.....	2.8
6th pillar: Market efficiency.....	79.....	4.0
7th pillar: Technological readiness	78.....	3.0
Innovation Factors	86	3.3
8th pillar: Business sophistication.....	83.....	3.6
9th pillar: Innovation	88.....	2.9

Rank (out of 121 countries/economies)

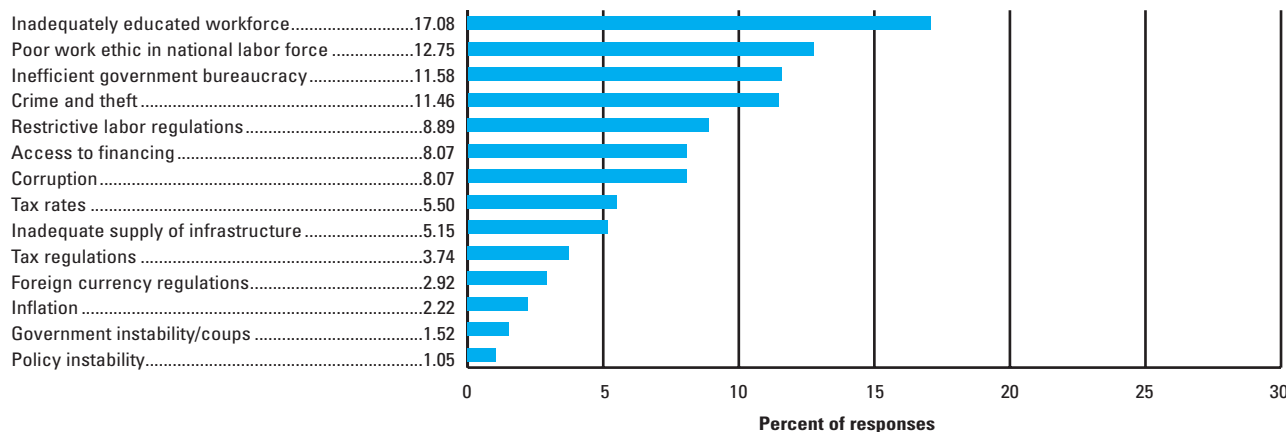
Business Competitiveness Index

Sophistication of company operations and strategy.....	83
Quality of the national business environment.....	69

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

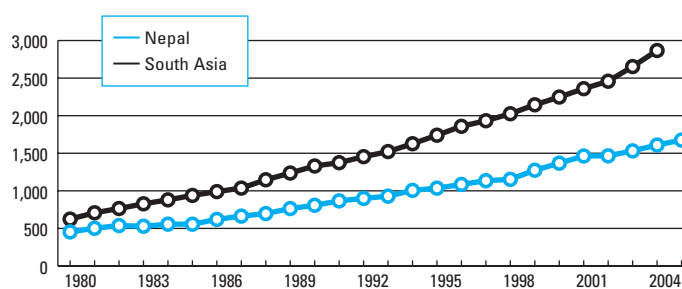
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence.....	28	1.09	Reliability of police services	98
1.01	Property rights.....	31	1.07	Burden of government compliance.....	85
1.15	Strength of auditing and accounting standards	38	1.10	Business costs of crime and violence	84
1.03	Public trust of politicians	49	1.06	Wastefulness of government spending	78
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.01	Overall infrastructure quality	33	2.06	Telephone lines (hard data)	90
3rd pillar: Macroeconomy			3rd pillar: Macroeconomy		
3.02	National savings rate (hard data)	18	3.06	Real effective exchange rate (hard data)	102
3.05	Government debt (hard data)	33	3.01	Government surplus/deficit (hard data).....	93
6th pillar: Market efficiency			4th pillar: Health and primary education		
6.02	Efficiency of legal framework	38	4.08	HIV prevalence (hard data)	121
6.03	Extent and effect of taxation.....	42	4.07	Malaria prevalence (hard data)	120
6.20	Ease of access to loans	44	4.06	Tuberculosis prevalence (hard data)	117
6.22	Soundness of banks.....	44	4.03	Medium-term business impact of HIV/AIDS.....	116
7th pillar: Technological readiness			4.02	Medium-term business impact of tuberculosis	113
7.04	FDI and technology transfer.....	48	4.05	Life expectancy at birth (hard data).....	105
8th pillar: Business sophistication			4.01	Medium-term business impact of malaria	104
8.07	Nature of competitive advantage.....	49	4.09	Primary enrollment (hard data).....	104
9th pillar: Innovation			4.04	Infant mortality (hard data)	91
9.07	Intellectual property protection	40	5th pillar: Higher education and training		
			5.06	Local availability of research and training services	119
			5.03	Quality of the educational system	108
			5.01	Secondary enrollment (hard data)	95
			6th pillar: Market efficiency		
			6.05	Time required to start a business (hard data).....	106
			6.14	Cooperation in labor-employer relations.....	102
			6.01	Agricultural policy costs	95
			6.16	Pay and productivity	95
			6.12	Hiring and firing practices	94
			6.23	Local equity market access.....	88
			6.13	Flexibility of wage determination	86
			6.09	Prevalence of trade barriers	74
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data).....	90
			7.02	Firm-level technology absorption	89
			8th pillar: Business sophistication		
			8.08	Value chain presence	110
			8.01	Local supplier quantity	107
			8.03	Production process sophistication	99
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	119
			9.01	Quality of scientific research institutions	103

Nepal

Key Indicators

Total population (millions), 2005.....	27.1
GDP (US\$ billions), 2005.....	7.5
GDP (PPP) as share of world total, 2005.....	0.06
GDP (PPP) per capita (US\$), 2005.....	1,675

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–7110.....3.3

2005–6 (out of 117 countries).....n/a.....n/a

Basic Requirements106.....3.6

1st pillar: Institutions.....99.....3.2

2nd pillar: Infrastructure122.....1.8

3rd pillar: Macroeconomy.....59.....4.5

4th pillar: Health and primary education.....102.....5.1

Efficiency Enhancers.....117.....2.9

5th pillar: Higher education and training.....109.....2.6

6th pillar: Market efficiency.....105.....3.6

7th pillar: Technological readiness116.....2.4

Innovation Factors111.....2.9

8th pillar: Business sophistication.....108.....3.3

9th pillar: Innovation112.....2.5

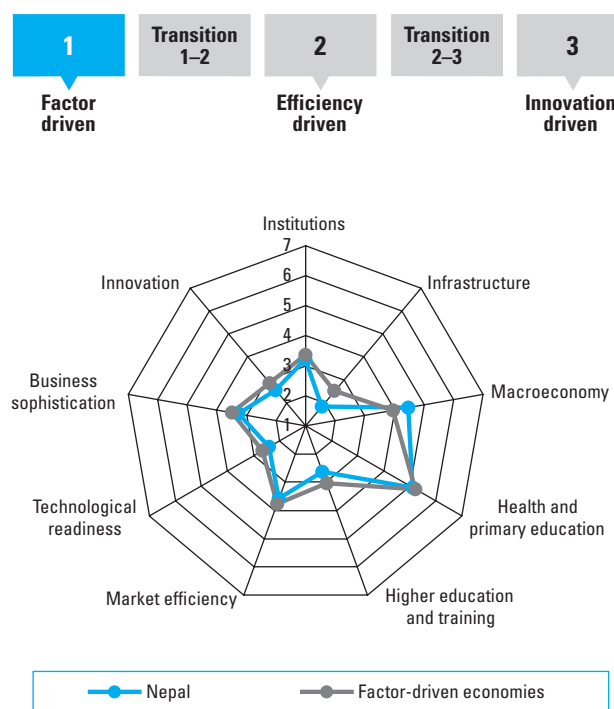
Rank (out of 121 countries/economies)

Business Competitiveness Index111

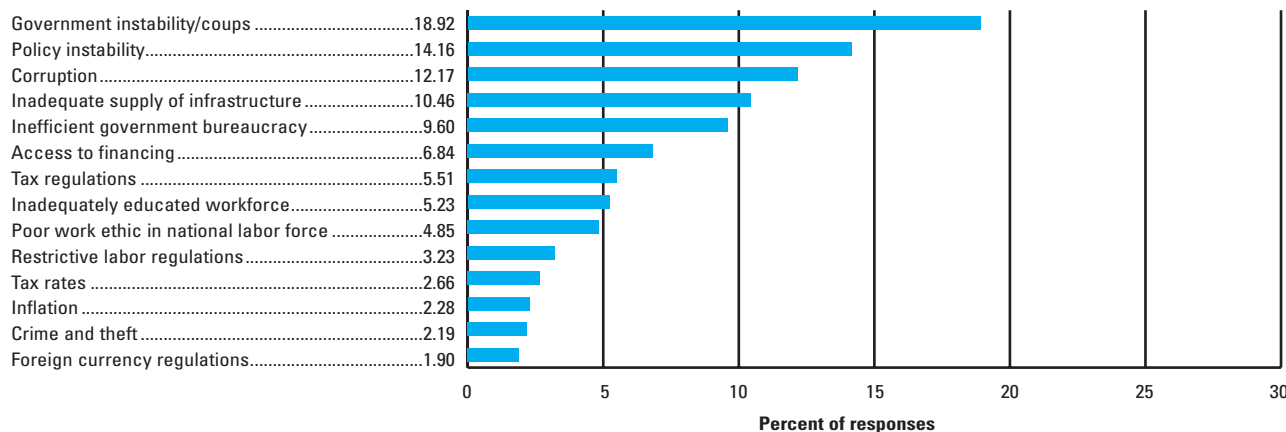
Sophistication of company operations and strategy.....106

Quality of the national business environment.....113

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

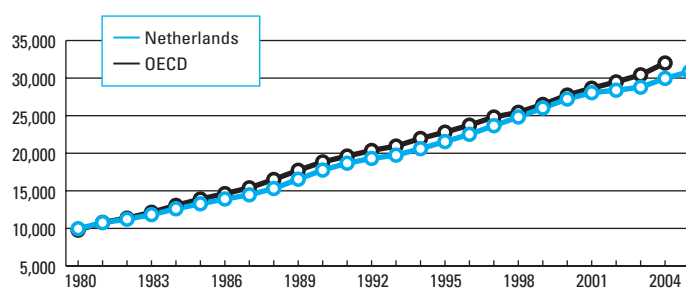
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.02	National savings rate (hard data)	29	1.08	Business costs of terrorism	125
6th pillar: Market efficiency			1.12	Ethical behavior of firms	118
6.04	Number of procedures to start business (hard data)	25	1.03	Public trust of politicians	110
6.05	Time required to start a business (hard data)	26	1.09	Reliability of police services	102
6.03	Extent and effect of taxation	45	1.11	Organized crime	95
			1.02	Diversion of public funds	89
			1.10	Business costs of crime and violence	89
			1.05	Favoritism in decisions of government officials	84
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	119
			2.05	Quality of electricity supply	114
			2.06	Telephone lines (hard data)	105
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	99
			4th pillar: Health and primary education		
			4.09	Primary enrollment (hard data)	111
			4.05	Life expectancy at birth (hard data)	100
			4.04	Infant mortality (hard data)	98
			4.06	Tuberculosis prevalence (hard data)	95
			4.07	Malaria prevalence (hard data)	81
			4.08	HIV prevalence (hard data)	75
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	101
			5.03	Quality of the educational system	101
			6th pillar: Market efficiency		
			6.10	Foreign ownership restrictions	123
			6.17	Brain drain	115
			6.21	Venture capital availability	110
			6.09	Prevalence of trade barriers	97
			6.12	Hiring and firing practices	96
			6.22	Soundness of banks	93
			6.02	Efficiency of legal framework	87
			6.06	Intensity of local competition	85
			7th pillar: Technological readiness		
			7.01	Technological readiness	108
			7.02	Firm-level technology absorption	102
			8th pillar: Business sophistication		
			8.03	Production process sophistication	110
			8.01	Local supplier quantity	108
			8.07	Nature of competitive advantage	98
			9th pillar: Innovation		
			9.04	Government procurement of technology products	120
			9.07	Intellectual property protection	115
			9.08	Capacity for innovation	114
			9.05	Availability of scientists and engineers	95

Netherlands

Key Indicators

Total population (millions), 2005.....	16.3
GDP (US\$ billions), 2005.....	625.3
GDP (PPP) as share of world total, 2005.....	0.82
GDP (PPP) per capita (US\$), 2005	30,862

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

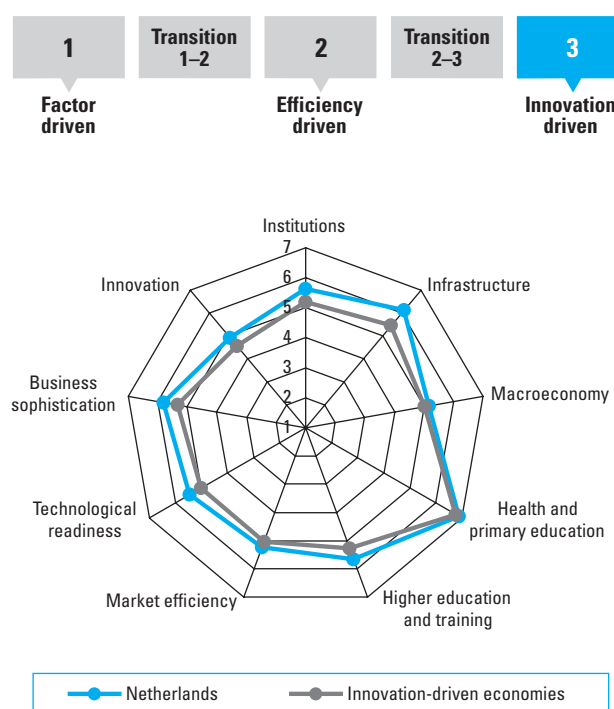
2006–07	9	5.6
2005–06 (out of 117 countries).....	11.....	5.4
Basic Requirements	8	5.9
1st pillar: Institutions.....	9.....	5.6
2nd pillar: Infrastructure	8.....	6.1
3rd pillar: Macroeconomy.....	22.....	5.2
4th pillar: Health and primary education.....	13.....	6.9
Efficiency Enhancers	9	5.4
5th pillar: Higher education and training.....	8.....	5.7
6th pillar: Market efficiency.....	12.....	5.2
7th pillar: Technological readiness	11.....	5.5
Innovation Factors	11	5.3
8th pillar: Business sophistication.....	7.....	5.8
9th pillar: Innovation	11.....	4.9

Rank (out of 121 countries/economies)

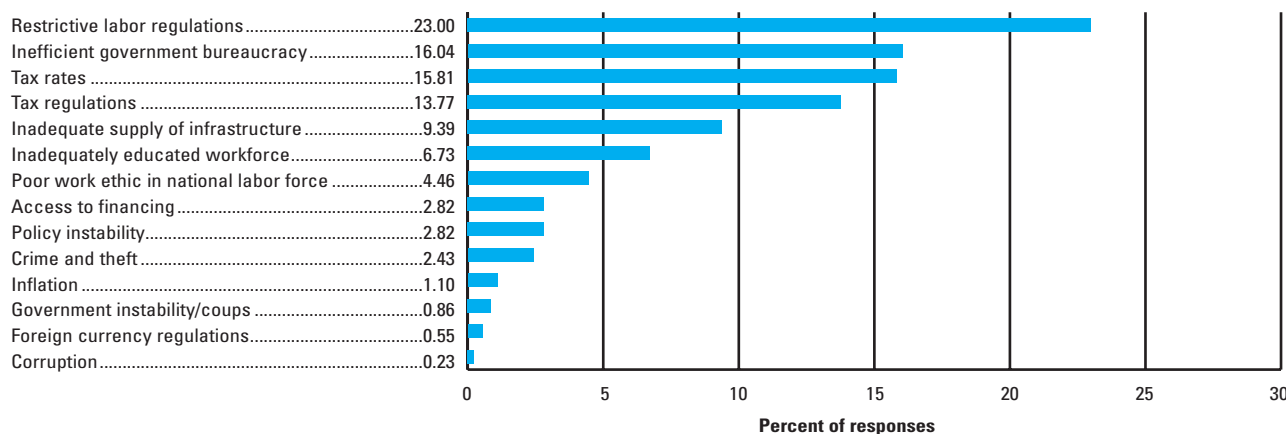
Business Competitiveness Index

Sophistication of company operations and strategy.....	7
Quality of the national business environment.....	5

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

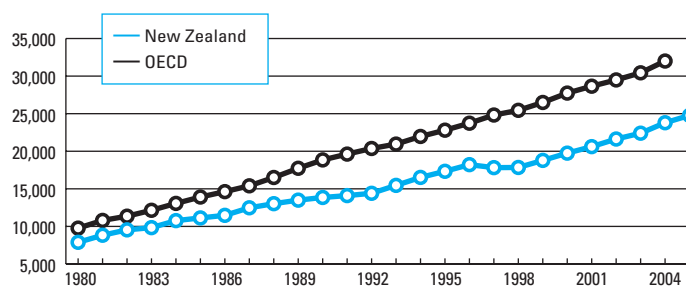
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence	2	1.08	Business costs of terrorism	83
1.05	Favoritism in decisions of government officials	4	1.07	Burden of government compliance	46
1.01	Property rights	5	1.10	Business costs of crime and violence	35
1.06	Wastefulness of government spending	6	1.11	Organized crime	35
1.02	Diversion of public funds	9	3rd pillar: Macroeconomy		
1.13	Efficacy of corporate boards	9	3.06	Real effective exchange rate (hard data)	87
1.03	Public trust of politicians	10	3.05	Government debt (hard data)	62
2nd pillar: Infrastructure			3.01	Government surplus/deficit (hard data)	47
2.03	Quality of port infrastructure	2	6th pillar: Market efficiency		
2.04	Quality of air transport infrastructure	4	6.13	Flexibility of wage determination	114
2.02	Railroad infrastructure development	6	6.12	Hiring and firing practices	107
3rd pillar: Macroeconomy			6.16	Pay and productivity	84
3.04	Interest rate spread (hard data)	1	6.03	Extent and effect of taxation	39
5th pillar: Higher education and training			6.09	Prevalence of trade barriers	32
5.07	Extent of staff training	6	6.01	Agricultural policy costs	28
5.06	Local availability of research and training services	7	6.04	Number of procedures to start business (hard data)	25
6th pillar: Market efficiency			7th pillar: Technological readiness		
6.07	Effectiveness of antitrust policy	3	7.04	FDI and technology transfer	61
6.21	Venture capital availability	3	7.02	Firm-level technology absorption	27
6.02	Efficiency of legal framework	4	9th pillar: Innovation		
6.19	Financial market sophistication	6	9.05	Availability of scientists and engineers	31
6.15	Reliance on professional management	7			
6.20	Ease of access to loans	7			
6.06	Intensity of local competition	9			
6.22	Soundness of banks	9			
6.05	Time required to start a business (hard data)	10			
6.14	Cooperation in labor-employer relations	10			
7th pillar: Technological readiness					
7.07	Personal computers (hard data)	7			
7.03	Laws relating to ICT	9			
7.06	Internet users (hard data)	10			
8th pillar: Business sophistication					
8.06	Willingness to delegate authority	3			
8.04	Extent of marketing	5			
8.05	Control of international distribution	5			
8.02	Local supplier quality	8			
8.08	Value chain presence	9			
8.03	Production process sophistication	10			
9th pillar: Innovation					
9.07	Intellectual property protection	5			

New Zealand

Key Indicators

Total population (millions), 2005.....	4.0
GDP (US\$ billions), 2005.....	108.5
GDP (PPP) as share of world total, 2005.....	0.17
GDP (PPP) per capita (US\$), 2005.....	24,769

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

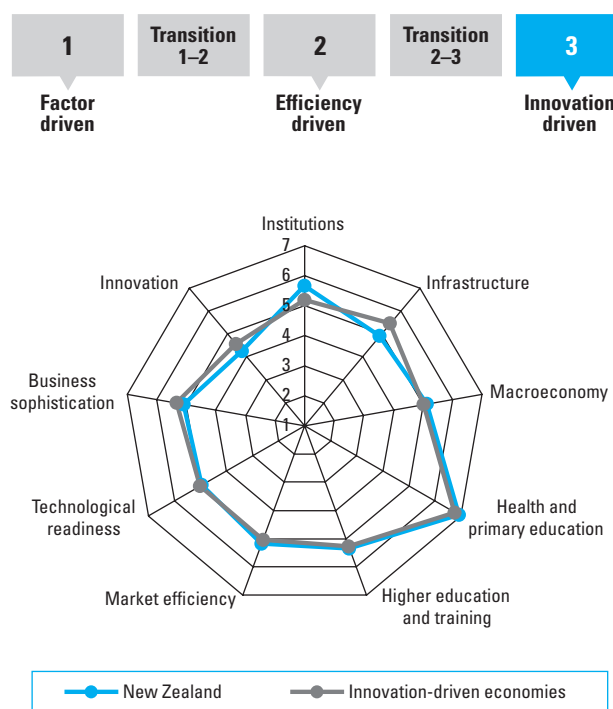
2006–07	23	5.1
2005–06 (out of 117 countries).....	22	5.2
Basic Requirements	16	5.6
1st pillar: Institutions.....	8	5.7
2nd pillar: Infrastructure	27	4.9
3rd pillar: Macroeconomy.....	25	5.1
4th pillar: Health and primary education.....	6	6.9
Efficiency Enhancers	21	5.1
5th pillar: Higher education and training.....	22	5.3
6th pillar: Market efficiency.....	15	5.2
7th pillar: Technological readiness	23	4.9
Innovation Factors	25	4.6
8th pillar: Business sophistication.....	26	5.1
9th pillar: Innovation	25	4.2

Rank (out of 121 countries/economies)

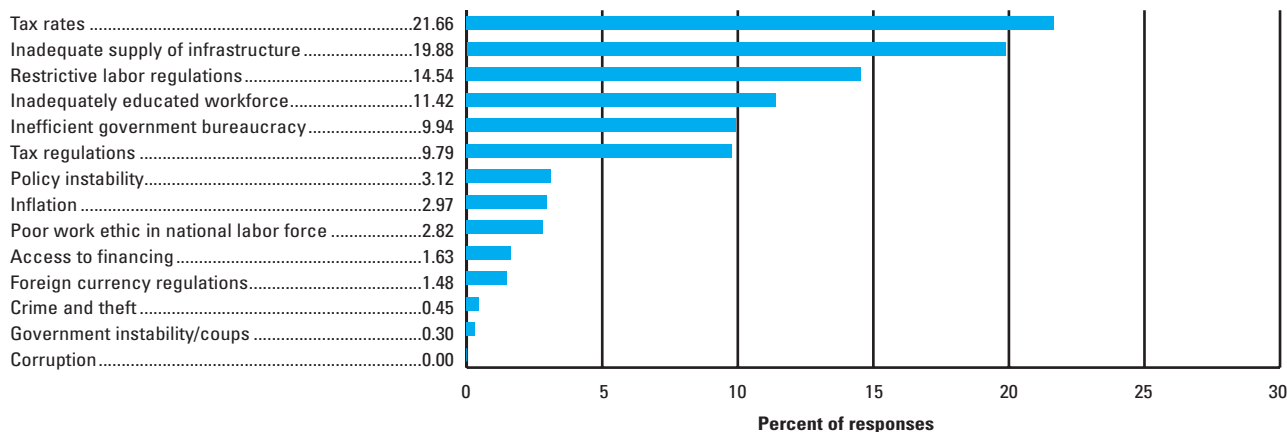
Business Competitiveness Index

Sophistication of company operations and strategy.....	24
Quality of the national business environment.....	21

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

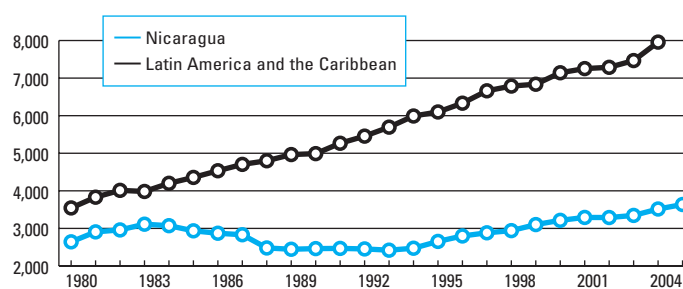
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.05	Favoritism in decisions of government officials.....	1	1.06	Wastefulness of government spending.....	37
1.12	Ethical behavior of firms	3	1.07	Burden of government compliance.....	31
1.02	Diversion of public funds	4	2nd pillar: Infrastructure		
1.04	Judicial independence.....	4	2.05	Quality of electricity supply.....	48
1.14	Protection of minority shareholders' interests.....	5	2.02	Railroad infrastructure development.....	37
1.03	Public trust of politicians	8	2.01	Overall infrastructure quality	34
1.15	Strength of auditing and accounting standards	10	3rd pillar: Macroeconomy		
1.11	Organized crime	13	3.06	Real effective exchange rate (hard data)	114
1.01	Property rights.....	17	3.04	Interest rate spread (hard data).....	53
1.10	Business costs of crime and violence	17	5th pillar: Higher education and training		
2nd pillar: Infrastructure			5.04	Quality of math and science education.....	25
2.03	Quality of port infrastructure	18	5.05	Quality of management schools	25
3rd pillar: Macroeconomy			6th pillar: Market efficiency		
3.01	Government surplus/deficit (hard data).....	15	6.12	Hiring and firing practices	79
3.05	Government debt (hard data)	20	6.03	Extent and effect of taxation.....	61
5th pillar: Higher education and training			6.17	Brain drain	60
5.02	Tertiary enrollment (hard data)	17	6.14	Cooperation in labor-employer relations.....	40
6th pillar: Market efficiency			6.13	Flexibility of wage determination	36
6.01	Agricultural policy costs	1	6.19	Financial market sophistication	26
6.04	Number of procedures to start business (hard data)	1	7th pillar: Technological readiness		
6.09	Prevalence of trade barriers	1	7.04	FDI and technology transfer.....	42
6.15	Reliance on professional management.....	2	7.05	Cellular telephones (hard data).....	34
6.23	Local equity market access.....	5	7.02	Firm-level technology absorption	32
6.07	Effectiveness of antitrust policy.....	6	7.01	Technological readiness	31
6.02	Efficiency of legal framework	13	8th pillar: Business sophistication		
6.05	Time required to start a business (hard data).....	14	8.08	Value chain presence	40
6.10	Foreign ownership restrictions.....	14	8.07	Nature of competitive advantage.....	34
6.21	Venture capital availability	14	8.01	Local supplier quantity	33
6.06	Intensity of local competition.....	16	8.03	Production process sophistication	31
6.20	Ease of access to loans	20	9th pillar: Innovation		
7th pillar: Technological readiness			9.04	Government procurement of technology products.....	47
7.06	Internet users (hard data).....	15	9.05	Availability of scientists and engineers	43
7.03	Laws relating to ICT	18	9.02	Company spending on research and development	35
7.07	Personal computers (hard data)	19	9.08	Capacity for innovation.....	26
8th pillar: Business sophistication					
8.04	Extent of marketing.....	17			
9th pillar: Innovation					
9.07	Intellectual property protection	13			
9.01	Quality of scientific research institutions.....	19			

Nicaragua

Key Indicators

Total population (millions), 2005.....	5.5
GDP (US\$ billions), 2005.....	5.0
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	3,636

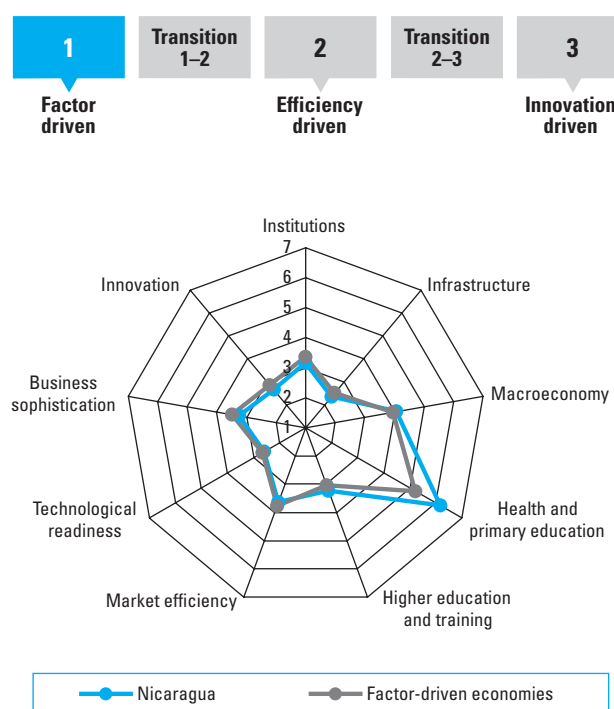
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

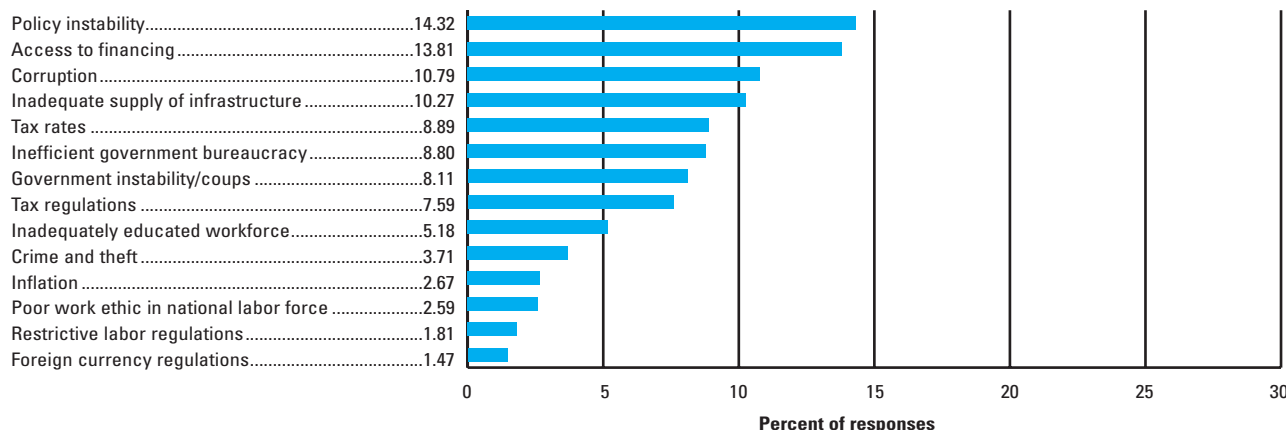
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	95	3.5
2005–06 (out of 117 countries).....	96.....	3.5
Basic Requirements	95	3.9
1st pillar: Institutions.....	102.....	3.2
2nd pillar: Infrastructure.....	101.....	2.3
3rd pillar: Macroeconomy.....	89.....	4.1
4th pillar: Health and primary education.....	83.....	6.2
Efficiency Enhancers	95	3.2
5th pillar: Higher education and training.....	93.....	3.2
6th pillar: Market efficiency.....	98.....	3.6
7th pillar: Technological readiness.....	98.....	2.6
Innovation Factors	107	2.9
8th pillar: Business sophistication.....	109.....	3.2
9th pillar: Innovation.....	106.....	2.6

Stage of development



	Rank (out of 121 countries/economies)
Business Competitiveness Index	102
Sophistication of company operations and strategy.....	109
Quality of the national business environment.....	100

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

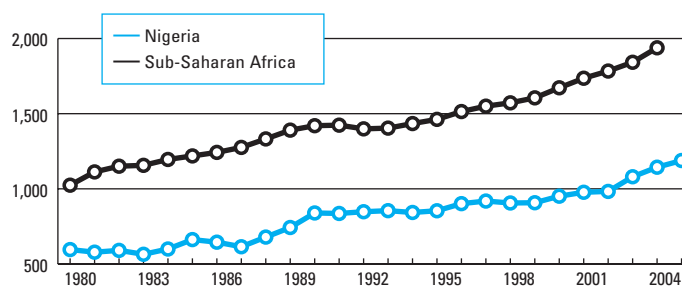
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	28	1.04	Judicial independence	124
3.01	Government surplus/deficit (hard data)	48	1.03	Public trust of politicians	118
6th pillar: Market efficiency			1.06	Wastefulness of government spending	111
6.04	Number of procedures to start business (hard data)	31	1.01	Property rights	109
6.12	Hiring and firing practices	38	1.05	Favoritism in decisions of government officials	94
6.13	Flexibility of wage determination	42	1.02	Diversion of public funds	90
			2nd pillar: Infrastructure		
			2.05	Quality of electricity supply	102
			2.06	Telephone lines (hard data)	99
			2.01	Overall infrastructure quality	94
			3rd pillar: Macroeconomy		
			3.02	National savings rate (hard data)	104
			3.03	Inflation (hard data)	102
			3.05	Government debt (hard data)	91
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	90
			4.02	Medium-term business impact of tuberculosis	84
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	103
			5.02	Tertiary enrollment (hard data)	81
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	123
			6.09	Prevalence of trade barriers	122
			6.03	Extent and effect of taxation	111
			6.20	Ease of access to loans	109
			6.21	Venture capital availability	107
			6.22	Soundness of banks	107
			6.23	Local equity market access	101
			6.06	Intensity of local competition	98
			6.10	Foreign ownership restrictions	83
			6.01	Agricultural policy costs	80
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	101
			7.07	Personal computers (hard data)	84
			7.03	Laws relating to ICT	83
			8th pillar: Business sophistication		
			8.02	Local supplier quality	101
			8.07	Nature of competitive advantage	100
			9th pillar: Innovation		
			9.02	Company spending on research and development	107
			9.05	Availability of scientists and engineers	104
			9.04	Government procurement of technology products	102
			9.08	Capacity for innovation	94
			9.07	Intellectual property protection	91

Nigeria

Key Indicators

Total population (millions), 2005.....	131.5
GDP (US\$ billions), 2005.....	99.1
GDP (PPP) as share of world total, 2005.....	0.28
GDP (PPP) per capita (US\$), 2005.....	1,188

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

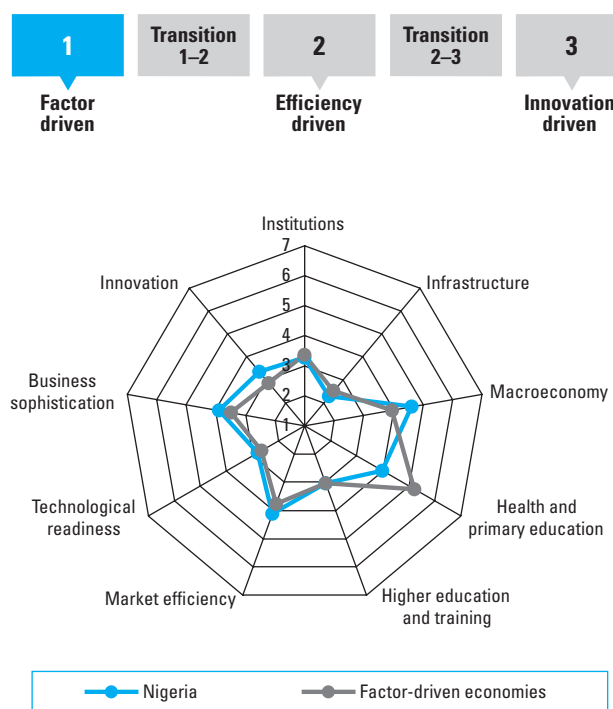
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	101	3.4
2005–06 (out of 117 countries).....	83.....	3.7
Basic Requirements	112	3.5
1st pillar: Institutions.....	94.....	3.3
2nd pillar: Infrastructure	105.....	2.3
3rd pillar: Macroeconomy.....	55.....	4.6
4th pillar: Health and primary education.....	116.....	4.0
Efficiency Enhancers	89	3.3
5th pillar: Higher education and training.....	100.....	3.0
6th pillar: Market efficiency.....	70.....	4.1
7th pillar: Technological readiness	87.....	2.8
Innovation Factors	69	3.6
8th pillar: Business sophistication.....	74.....	3.9
9th pillar: Innovation	52.....	3.3

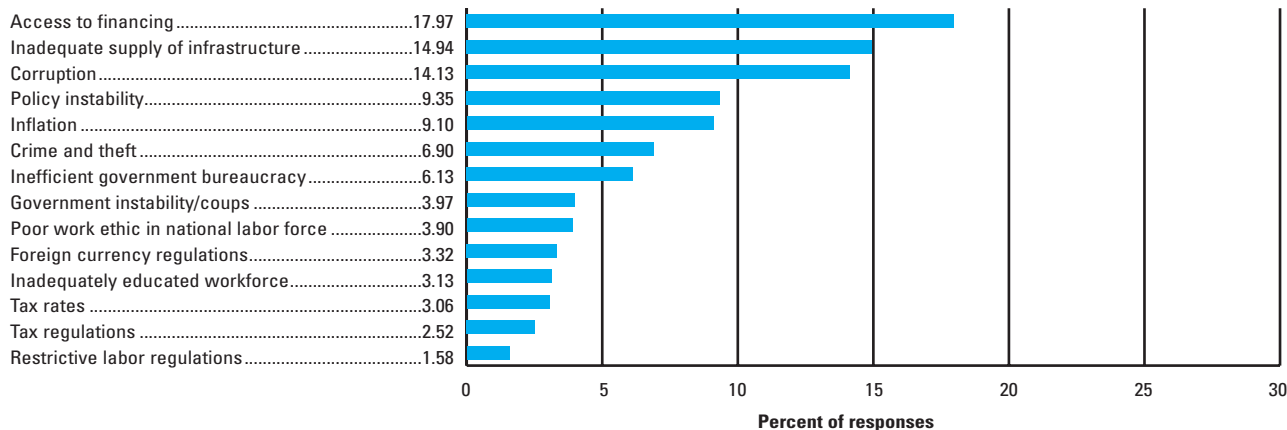
Rank (out of 121 countries/economies)

Business Competitiveness Index	80
Sophistication of company operations and strategy.....	55
Quality of the national business environment.....	84

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

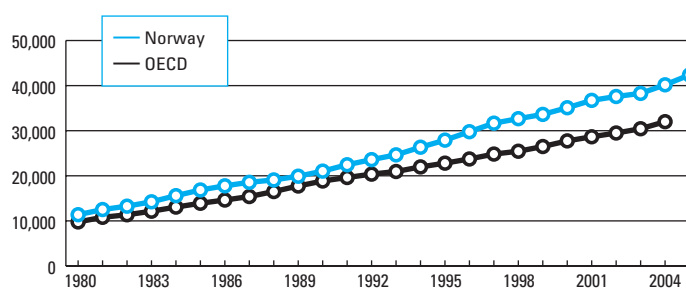
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.13	Efficacy of corporate boards	41	1.08	Business costs of terrorism	116
1.07	Burden of government compliance.....	44	1.09	Reliability of police services	116
3rd pillar: Macroeconomy			1.11	Organized crime	116
3.01	Government surplus/deficit (hard data).....	6	1.02	Diversion of public funds	115
3.02	National savings rate (hard data)	13	1.10	Business costs of crime and violence	107
6th pillar: Market efficiency			1.05	Favoritism in decisions of government officials.....	97
6.12	Hiring and firing practices	19	1.01	Property rights.....	88
6.03	Extent and effect of taxation.....	23	1.06	Wastefulness of government spending	86
6.01	Agricultural policy costs	42	1.12	Ethical behavior of firms	86
6.04	Number of procedures to start business (hard data)	44	1.04	Judicial independence.....	83
7th pillar: Technological readiness			1.03	Public trust of politicians	76
7.04	FDI and technology transfer.....	44	2nd pillar: Infrastructure		
8th pillar: Business sophistication			2.05	Quality of electricity supply	119
8.05	Control of international distribution.....	37	2.06	Telephone lines (hard data)	110
9th pillar: Innovation			2.01	Overall infrastructure quality	92
9.04	Government procurement of technology products.....	20	3rd pillar: Macroeconomy		
9.02	Company spending on research and development	38	3.03	Inflation (hard data).....	121
9.01	Quality of scientific research institutions	45	3.04	Interest rate spread (hard data).....	78
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	118
			4.05	Life expectancy at birth (hard data).....	115
			4.08	HIV prevalence (hard data)	113
			4.09	Primary enrollment (hard data)	113
			4.06	Tuberculosis prevalence (hard data)	110
			4.07	Malaria prevalence (hard data)	106
			5th pillar: Higher education and training		
			5.04	Quality of math and science education.....	102
			5.02	Tertiary enrollment (hard data)	94
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	106
			6.06	Intensity of local competition	104
			6.17	Brain drain	101
			6.20	Ease of access to loans	95
			6.22	Soundness of banks.....	91
			6.02	Efficiency of legal framework	82
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	107
			7.01	Technological readiness	86
			8th pillar: Business sophistication		
			8.03	Production process sophistication	94
			8.02	Local supplier quality	93
			9th pillar: Innovation		
			9.07	Intellectual property protection	88
			9.05	Availability of scientists and engineers	83

Norway

Key Indicators

Total population (millions), 2005.....	4.6
GDP (US\$ billions), 2005.....	296.0
GDP (PPP) as share of world total, 2005.....	0.32
GDP (PPP) per capita (US\$), 2005.....	42,364

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

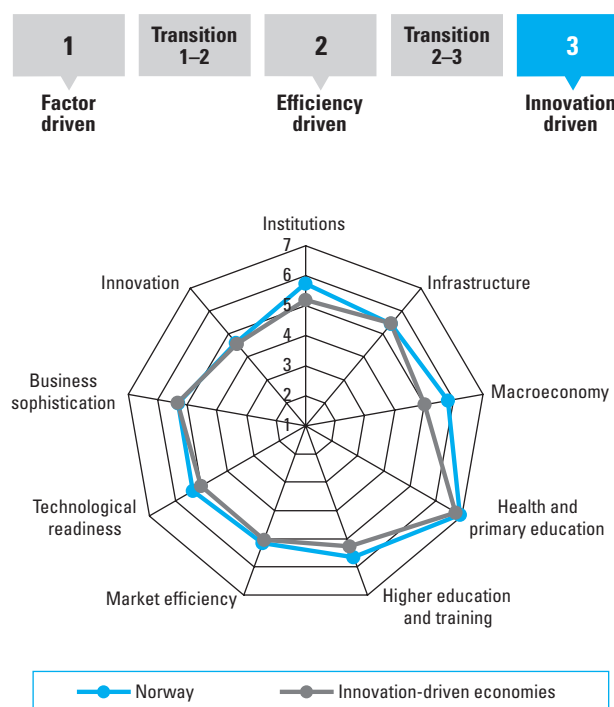
2006–07	12	5.4
2005–06 (out of 117 countries).....	17.....	5.3
Basic Requirements	6	6.0
1st pillar: Institutions.....	6.....	5.7
2nd pillar: Infrastructure	19.....	5.4
3rd pillar: Macroeconomy.....	5.....	5.8
4th pillar: Health and primary education.....	10.....	6.9
Efficiency Enhancers	13	5.4
5th pillar: Higher education and training.....	9.....	5.6
6th pillar: Market efficiency.....	16.....	5.2
7th pillar: Technological readiness	15.....	5.3
Innovation Factors	21	4.9
8th pillar: Business sophistication.....	19.....	5.3
9th pillar: Innovation	18.....	4.6

Rank (out of 121 countries/economies)

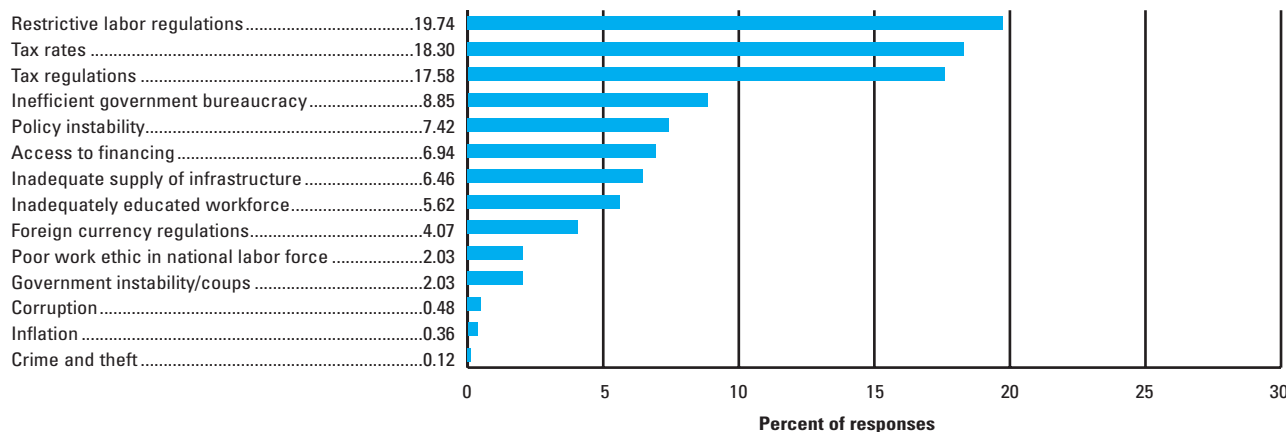
Business Competitiveness Index

Sophistication of company operations and strategy.....	20
Quality of the national business environment.....	13

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

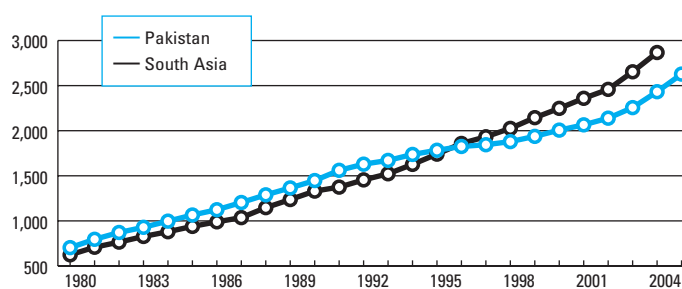
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.02	Diversion of public funds	5	1.08	Business costs of terrorism	46
1.04	Judicial independence	5	1.07	Burden of government compliance.....	20
1.03	Public trust of politicians	7			
1.05	Favoritism in decisions of government officials.....	7			
1.09	Reliability of police services	7			
1.11	Organized crime	8	2.02	Railroad infrastructure development.....	24
1.12	Ethical behavior of firms	8	2.01	Overall infrastructure quality	20
1.10	Business costs of crime and violence	9			
3rd pillar: Macroeconomy			3rd pillar: Macroeconomy		
3.01	Government surplus/deficit (hard data).....	4	3.06	Real effective exchange rate (hard data)	82
3.02	National savings rate (hard data)	9	3.05	Government debt (hard data)	51
3.04	Interest rate spread (hard data).....	9			
5th pillar: Higher education and training			5th pillar: Higher education and training		
5.02	Tertiary enrollment (hard data)	5	5.04	Quality of math and science education.....	54
5.07	Extent of staff training	10	5.05	Quality of management schools	23
6th pillar: Market efficiency			6th pillar: Market efficiency		
6.15	Reliance on professional management.....	4	6.01	Agricultural policy costs	119
6.17	Brain drain	4	6.12	Hiring and firing practices	113
6.02	Efficiency of legal framework	5	6.13	Flexibility of wage determination	109
6.20	Ease of access to loans	5	6.09	Prevalence of trade barriers	94
6.21	Venture capital availability	6	6.16	Pay and productivity	56
6.23	Local equity market access.....	6	6.03	Extent and effect of taxation.....	52
6.04	Number of procedures to start business (hard data)	7	6.10	Foreign ownership restrictions.....	32
6.07	Effectiveness of antitrust policy.....	8	6.19	Financial market sophistication	20
7th pillar: Technological readiness			7th pillar: Technological readiness		
7.03	Laws relating to ICT	4	7.04	FDI and technology transfer.....	67
7.05	Cellular telephones (hard data).....	7	7.06	Internet users (hard data)	31
7.01	Technological readiness	9			
8th pillar: Business sophistication			8th pillar: Business sophistication		
8.06	Willingness to delegate authority.....	6	8.08	Value chain presence	45
			8.01	Local supplier quantity	27
			8.04	Extent of marketing.....	25
			8.05	Control of international distribution.....	23
			8.07	Nature of competitive advantage.....	21
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	34
			9.05	Availability of scientists and engineers	25

Pakistan

Key Indicators

Total population (millions), 2005.....	157.9
GDP (US\$ billions), 2005.....	118.5
GDP (PPP) as share of world total, 2005.....	0.66
GDP (PPP) per capita (US\$), 2005.....	2,628

GDP (PPP) per capita (US\$), 1980–2005

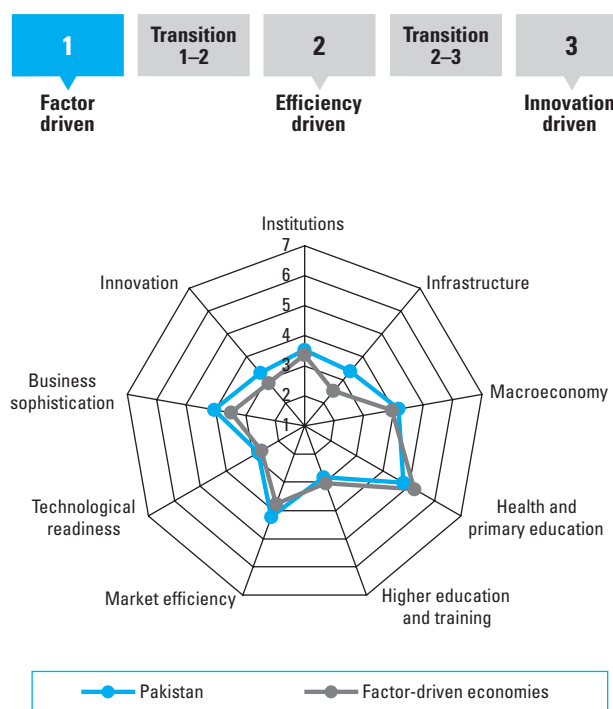


Global Competitiveness Index

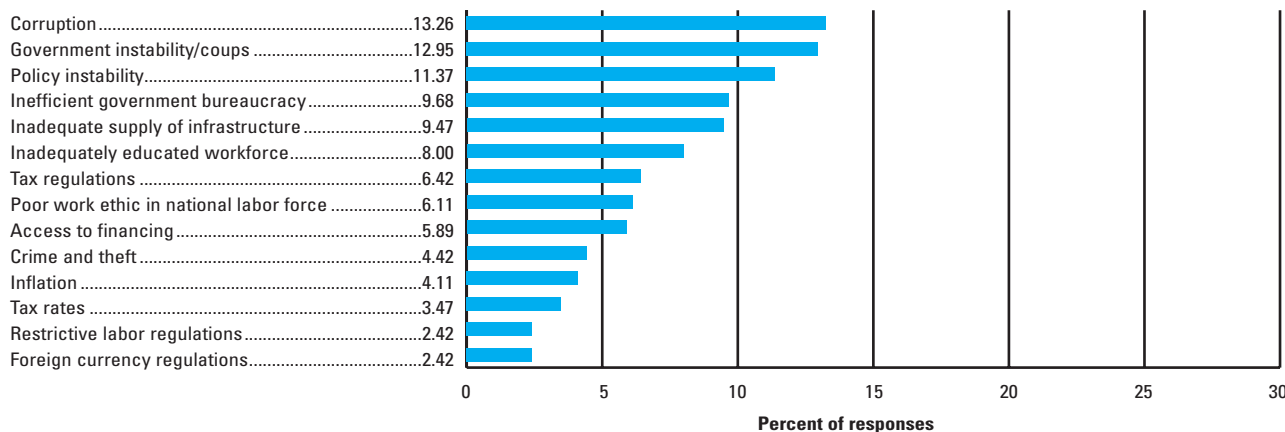
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	91	3.7
2005–06 (out of 117 countries).....	94	3.5
Basic Requirements	93	4.0
1st pillar: Institutions.....	79	3.5
2nd pillar: Infrastructure.....	67	3.4
3rd pillar: Macroeconomy.....	86	4.2
4th pillar: Health and primary education.....	108	4.8
Efficiency Enhancers	91	3.3
5th pillar: Higher education and training.....	104	2.8
6th pillar: Market efficiency.....	54	4.2
7th pillar: Technological readiness.....	89	2.8
Innovation Factors	60	3.7
8th pillar: Business sophistication.....	66	4.0
9th pillar: Innovation.....	60	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	67
Sophistication of company operations and strategy.....	72
Quality of the national business environment.....	67

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

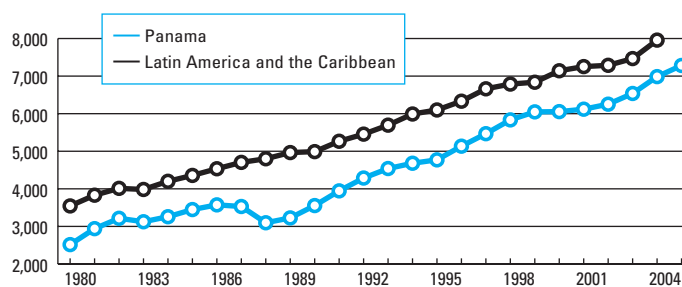
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.02	Railroad infrastructure development	39	1.13	Efficacy of corporate boards	123
3rd pillar: Macroeconomy			1.08	Business costs of terrorism	122
3.04	Interest rate spread (hard data)	37	1.01	Property rights	95
3.06	Real effective exchange rate (hard data)	45	1.09	Reliability of police services	85
6th pillar: Market efficiency			1.12	Ethical behavior of firms	82
6.12	Hiring and firing practices	26	1.04	Judicial independence	80
6.05	Time required to start a business (hard data)	30	1.10	Business costs of crime and violence	76
6.03	Extent and effect of taxation	33	2nd pillar: Infrastructure		
6.20	Ease of access to loans	42	2.06	Telephone lines (hard data)	101
8th pillar: Business sophistication			2.05	Quality of electricity supply	87
8.08	Value chain presence	47	3rd pillar: Macroeconomy		
9th pillar: Innovation			3.03	Inflation (hard data)	99
9.08	Capacity for innovation	38	3.02	National savings rate (hard data)	92
9.04	Government procurement of technology products	47	3.01	Government surplus/deficit (hard data)	89
			4th pillar: Health and primary education		
			4.09	Primary enrollment (hard data)	112
			4.04	Infant mortality (hard data)	109
			4.06	Tuberculosis prevalence (hard data)	101
			4.07	Malaria prevalence (hard data)	87
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	106
			5.07	Extent of staff training	91
			5.04	Quality of math and science education	85
			5.06	Local availability of research and training services	83
			5.03	Quality of the educational system	74
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	91
			6.22	Soundness of banks	84
			6.14	Cooperation in labor-employer relations	77
			6.06	Intensity of local competition	73
			6.17	Brain drain	73
			6.10	Foreign ownership restrictions	72
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data)	115
			7.07	Personal computers (hard data)	113
			7.06	Internet users (hard data)	107
			7.01	Technological readiness	77
			7.04	FDI and technology transfer	75
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	78
			9.06	Utility patents (hard data)	78

Panama

Key Indicators

Total population (millions), 2005.....	3.2
GDP (US\$ billions), 2005.....	15.2
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	7,283

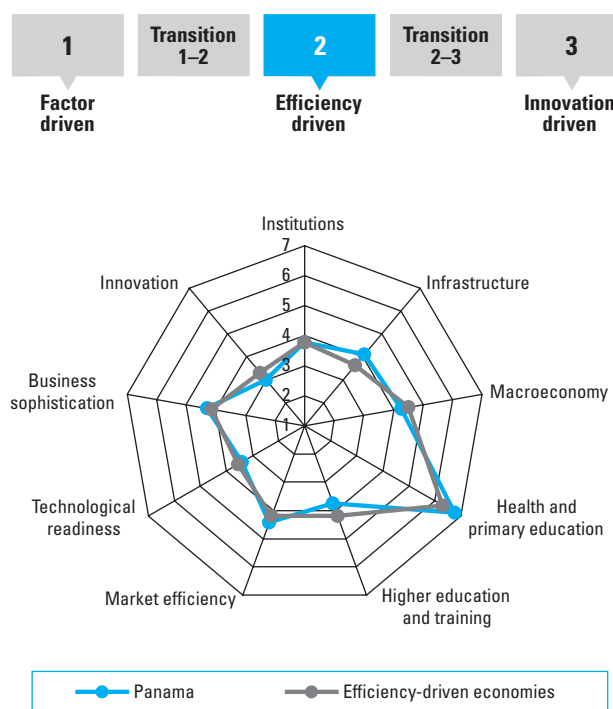
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	57	4.2
2005–06 (out of 117 countries).....	65	4.0
Basic Requirements	46	4.7
1st pillar: Institutions.....	65	3.8
2nd pillar: Infrastructure.....	46	4.1
3rd pillar: Macroeconomy.....	75	4.3
4th pillar: Health and primary education.....	27	6.8
Efficiency Enhancers	62	3.9
5th pillar: Higher education and training.....	74	3.7
6th pillar: Market efficiency.....	42	4.4
7th pillar: Technological readiness.....	59	3.4
Innovation Factors	62	3.6
8th pillar: Business sophistication.....	53	4.3
9th pillar: Innovation.....	85	3.0

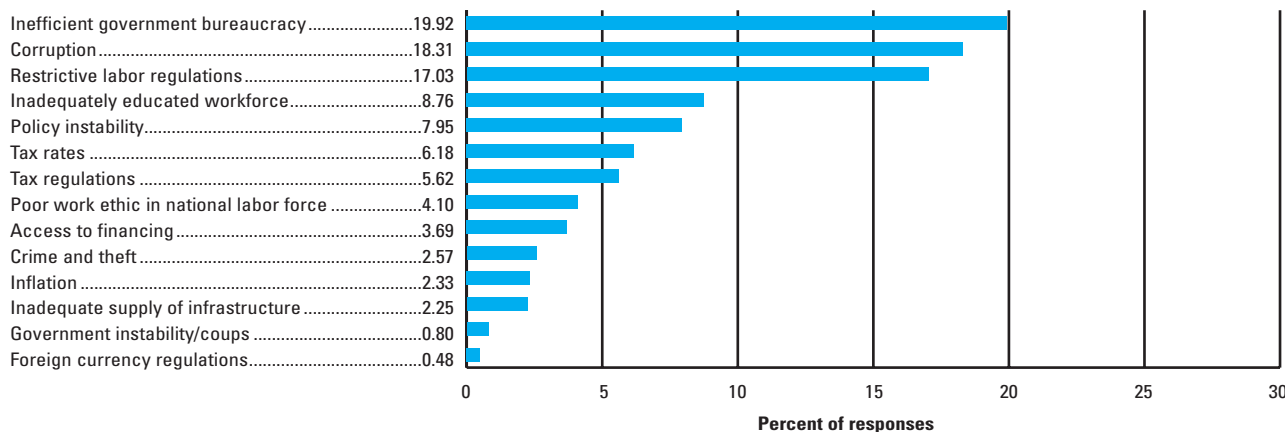
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	58
Sophistication of company operations and strategy.....	58
Quality of the national business environment.....	57

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

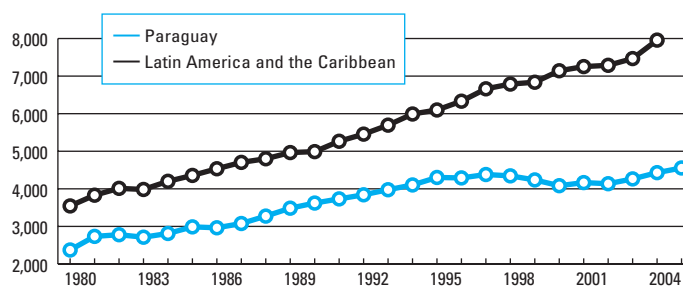
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.01	Property rights.....	44	1.04	Judicial independence.....	106
1.09	Reliability of police services.....	44	1.03	Public trust of politicians.....	90
1.15	Strength of auditing and accounting standards.....	45	1.06	Wastefulness of government spending.....	90
2nd pillar: Infrastructure			1.07	Burden of government compliance.....	75
2.03	Quality of port infrastructure.....	14	1.10	Business costs of crime and violence.....	68
2.04	Quality of air transport infrastructure.....	42	1.05	Favoritism in decisions of government officials.....	66
2.01	Overall infrastructure quality.....	48	1.12	Ethical behavior of firms.....	63
3rd pillar: Macroeconomy			2nd pillar: Infrastructure		
3.06	Real effective exchange rate (hard data).....	31	2.02	Railroad infrastructure development.....	62
3.03	Inflation (hard data).....	44	3rd pillar: Macroeconomy		
4th pillar: Health and primary education			3.02	National savings rate (hard data).....	94
4.09	Primary enrollment (hard data).....	20	3.01	Government surplus/deficit (hard data).....	92
4.05	Life expectancy at birth (hard data).....	36	3.05	Government debt (hard data).....	78
5th pillar: Higher education and training			3.04	Interest rate spread (hard data).....	65
5.02	Tertiary enrollment (hard data).....	37	4th pillar: Health and primary education		
6th pillar: Market efficiency			4.08	HIV prevalence (hard data).....	89
6.17	Brain drain.....	20	4.03	Medium-term business impact of HIV/AIDS.....	75
6.05	Time required to start a business (hard data).....	23	4.04	Infant mortality (hard data).....	66
6.22	Soundness of banks.....	23	5th pillar: Higher education and training		
6.04	Number of procedures to start business (hard data).....	25	5.03	Quality of the educational system.....	105
6.19	Financial market sophistication.....	27	5.04	Quality of math and science education.....	105
6.20	Ease of access to loans.....	27	6th pillar: Market efficiency		
6.21	Venture capital availability.....	35	6.12	Hiring and firing practices.....	100
6.10	Foreign ownership restrictions.....	37	6.02	Efficiency of legal framework.....	98
7th pillar: Technological readiness			6.01	Agricultural policy costs.....	93
7.01	Technological readiness.....	28	6.03	Extent and effect of taxation.....	93
7.04	FDI and technology transfer.....	47	6.16	Pay and productivity.....	88
7.02	Firm-level technology absorption.....	50	6.09	Prevalence of trade barriers.....	85
8th pillar: Business sophistication			6.13	Flexibility of wage determination.....	77
8.04	Extent of marketing.....	34	6.14	Cooperation in labor-employer relations.....	74
8.07	Nature of competitive advantage.....	35	6.06	Intensity of local competition.....	61
8.05	Control of international distribution.....	41	7th pillar: Technological readiness		
9th pillar: Innovation			7.07	Personal computers (hard data).....	79
9.07	Intellectual property protection.....	49	7.05	Cellular telephones (hard data).....	74
			7.06	Internet users (hard data).....	66
			8th pillar: Business sophistication		
			8.08	Value chain presence.....	63
			8.03	Production process sophistication.....	62
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers.....	102
			9.08	Capacity for innovation.....	92
			9.04	Government procurement of technology products.....	91
			9.06	Utility patents (hard data).....	79
			9.02	Company spending on research and development.....	74

Paraguay

Key Indicators

Total population (millions), 2005.....	6.2
GDP (US\$ billions), 2005.....	7.2
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	4,555

GDP (PPP) per capita (US\$), 1980–2005

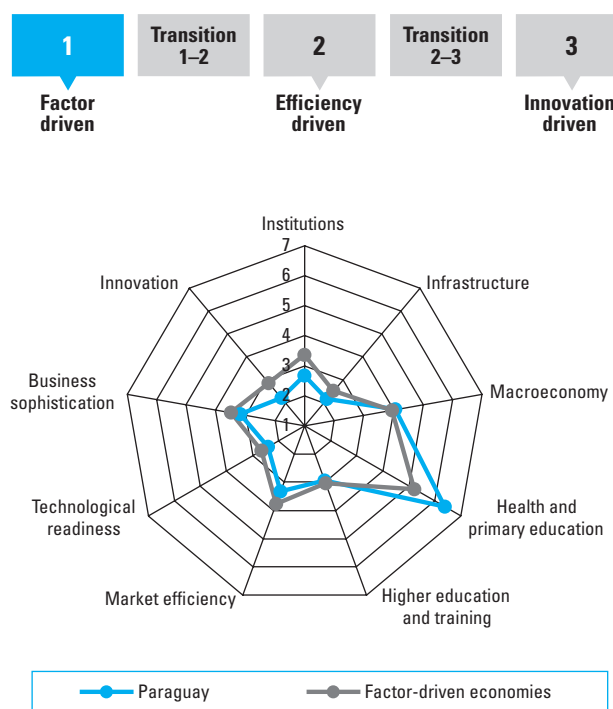


Global Competitiveness Index

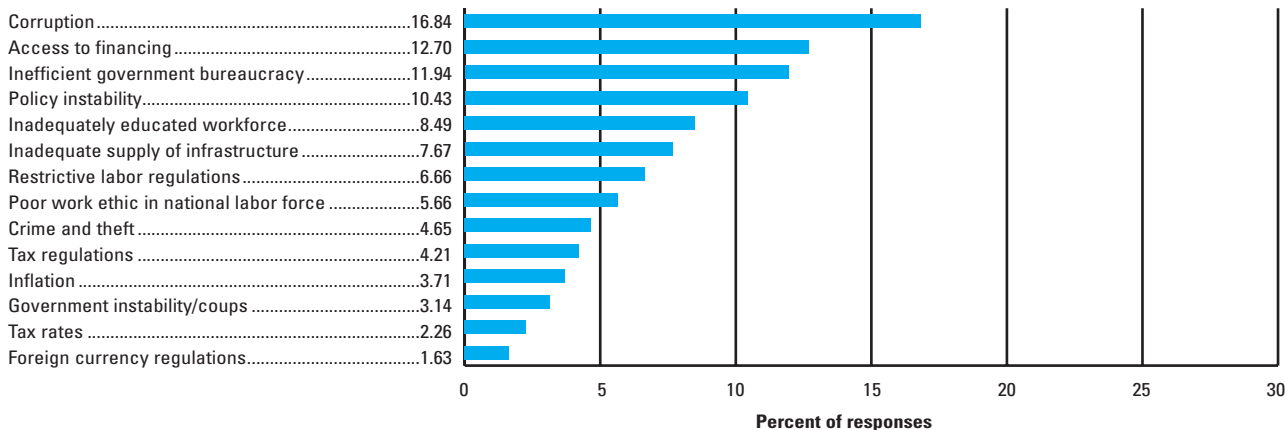
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	106	3.3
2005–06 (out of 117 countries).....	102.....	3.4
Basic Requirements	102	3.8
1st pillar: Institutions.....	122.....	2.7
2nd pillar: Infrastructure.....	109.....	2.1
3rd pillar: Macroeconomy.....	90.....	4.1
4th pillar: Health and primary education.....	68.....	6.4
Efficiency Enhancers	115	2.9
5th pillar: Higher education and training.....	102.....	2.9
6th pillar: Market efficiency.....	121.....	3.3
7th pillar: Technological readiness.....	115.....	2.4
Innovation Factors	117	2.7
8th pillar: Business sophistication.....	112.....	3.2
9th pillar: Innovation.....	123.....	2.2

	Rank (out of 121 countries/economies)
Business Competitiveness Index	120
Sophistication of company operations and strategy.....	118
Quality of the national business environment.....	119

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

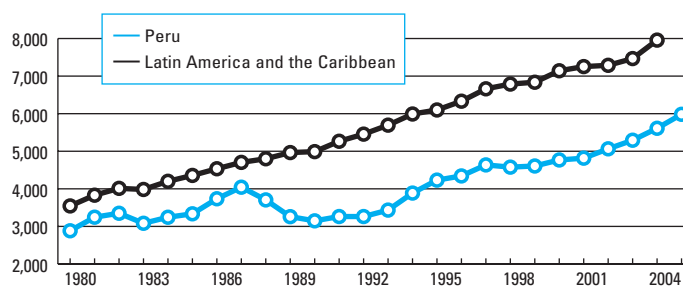
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	9	1.03	Public trust of politicians	125
3.01	Government surplus/deficit (hard data)	27	1.05	Favoritism in decisions of government officials	124
3.02	National savings rate (hard data)	47	1.04	Judicial independence	123
6th pillar: Market efficiency			1.06	Wastefulness of government spending	123
6.03	Extent and effect of taxation	29	1.12	Ethical behavior of firms	121
			1.13	Efficacy of corporate boards	121
			1.02	Diversion of public funds	118
			1.01	Property rights	117
			1.09	Reliability of police services	112
			1.10	Business costs of crime and violence	109
			2nd pillar: Infrastructure		
			2.02	Railroad infrastructure development	124
			2.01	Overall infrastructure quality	120
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	117
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	125
			5.07	Extent of staff training	115
			5.06	Local availability of research and training services	108
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	124
			6.15	Reliance on professional management	124
			6.07	Effectiveness of antitrust policy	120
			6.21	Venture capital availability	120
			6.10	Foreign ownership restrictions	116
			6.22	Soundness of banks	113
			6.04	Number of procedures to start business (hard data)	112
			6.06	Intensity of local competition	107
			6.12	Hiring and firing practices	103
			6.14	Cooperation in labor-employer relations	103
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	123
			7.03	Laws relating to ICT	117
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	124
			8.05	Control of international distribution	120
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions	124
			9.05	Availability of scientists and engineers	122
			9.04	Government procurement of technology products	119
			9.07	Intellectual property protection	116
			9.08	Capacity for innovation	103

Peru

Key Indicators

Total population (millions), 2005.....	28.0
GDP (US\$ billions), 2005.....	78.6
GDP (PPP) as share of world total, 2005.....	0.27
GDP (PPP) per capita (US\$), 2005.....	5,983

GDP (PPP) per capita (US\$), 1980–2005

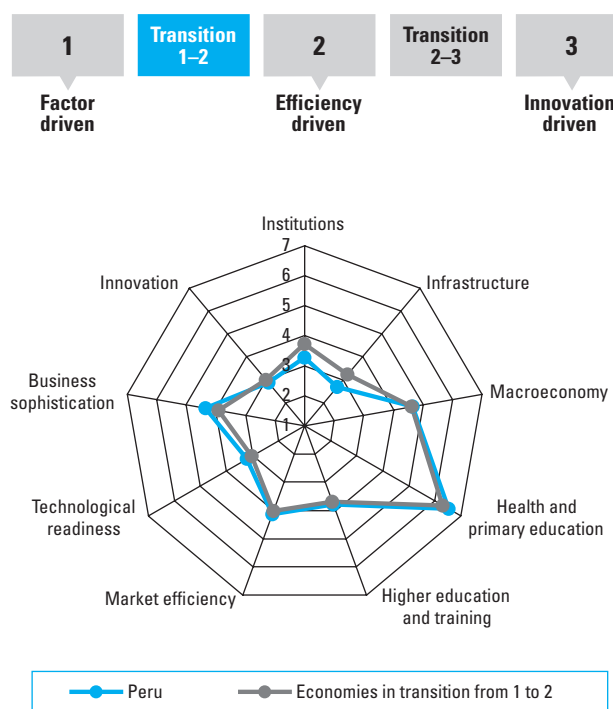


Global Competitiveness Index

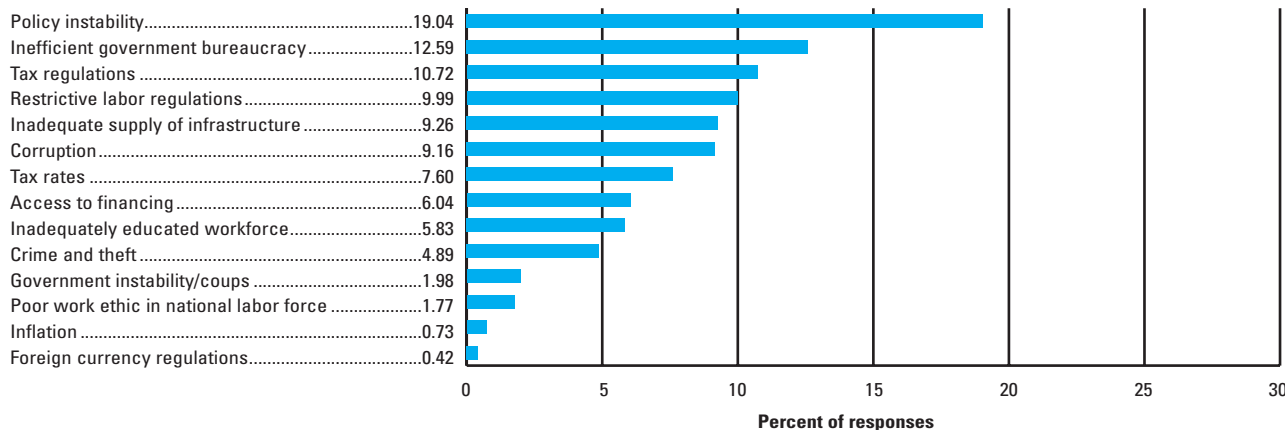
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	74	3.9
2005–06 (out of 117 countries).....	77.....	3.8
Basic Requirements	76	4.3
1st pillar: Institutions.....	96.....	3.3
2nd pillar: Infrastructure.....	91.....	2.7
3rd pillar: Macroeconomy.....	49.....	4.7
4th pillar: Health and primary education.....	48.....	6.5
Efficiency Enhancers	67	3.7
5th pillar: Higher education and training.....	72.....	3.8
6th pillar: Market efficiency.....	66.....	4.1
7th pillar: Technological readiness.....	69.....	3.2
Innovation Factors	68	3.6
8th pillar: Business sophistication.....	47.....	4.3
9th pillar: Innovation.....	92.....	2.9

	Rank (out of 121 countries/economies)
Business Competitiveness Index	71
Sophistication of company operations and strategy.....	51
Quality of the national business environment.....	75

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

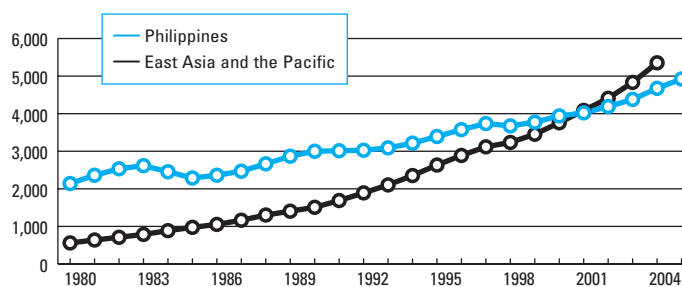
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.05	Government debt (hard data)	37	1.04	Judicial independence	119
4th pillar: Health and primary education			1.03	Public trust of politicians	116
4.09	Primary enrollment (hard data)	32	1.10	Business costs of crime and violence	114
5th pillar: Higher education and training			1.07	Burden of government compliance	111
5.01	Secondary enrollment (hard data)	47	1.01	Property rights	106
6th pillar: Market efficiency			1.11	Organized crime	106
6.13	Flexibility of wage determination	31	1.09	Reliability of police services	96
6.10	Foreign ownership restrictions	44	1.02	Diversion of public funds	77
7th pillar: Technological readiness			1.06	Wastefulness of government spending	77
7.04	FDI and technology transfer	41	2nd pillar: Infrastructure		
8th pillar: Business sophistication			2.01	Overall infrastructure quality	93
8.01	Local supplier quantity	40	2.06	Telephone lines (hard data)	87
8.02	Local supplier quality	43	2.02	Railroad infrastructure development	85
8.05	Control of international distribution	49	3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data)	101
			3.02	National savings rate (hard data)	84
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	100
			4.06	Tuberculosis prevalence (hard data)	91
			4.02	Medium-term business impact of tuberculosis	87
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	124
			5.04	Quality of math and science education	124
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	112
			6.05	Time required to start a business (hard data)	108
			6.17	Brain drain	99
			6.12	Hiring and firing practices	93
			6.14	Cooperation in labor-employer relations	90
			6.03	Extent and effect of taxation	82
			6.09	Prevalence of trade barriers	80
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data)	89
			7.02	Firm-level technology absorption	76
			8th pillar: Business sophistication		
			8.03	Production process sophistication	60
			9th pillar: Innovation		
			9.01	Quality of scientific research institutions	108
			9.07	Intellectual property protection	96
			9.05	Availability of scientists and engineers	73

Philippines

Key Indicators

Total population (millions), 2005.....	83.1
GDP (US\$ billions), 2005.....	97.7
GDP (PPP) as share of world total, 2005.....	0.68
GDP (PPP) per capita (US\$), 2005.....	4,923

GDP (PPP) per capita (US\$), 1980–2005

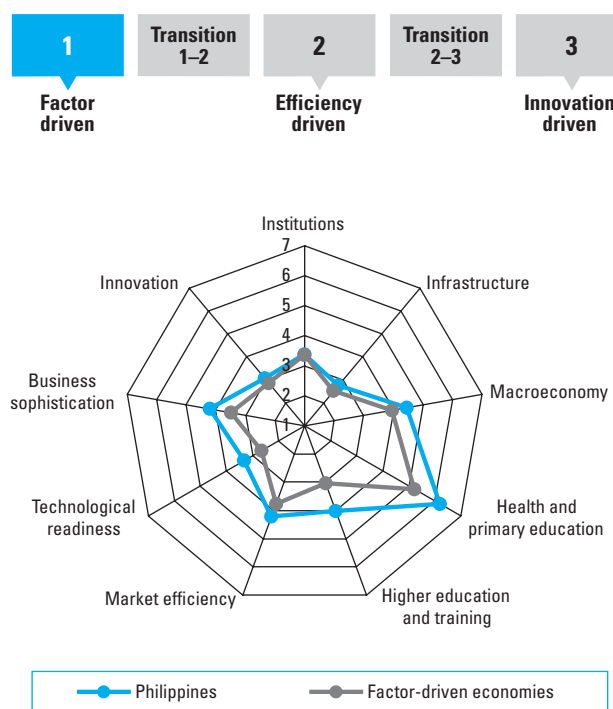


Global Competitiveness Index

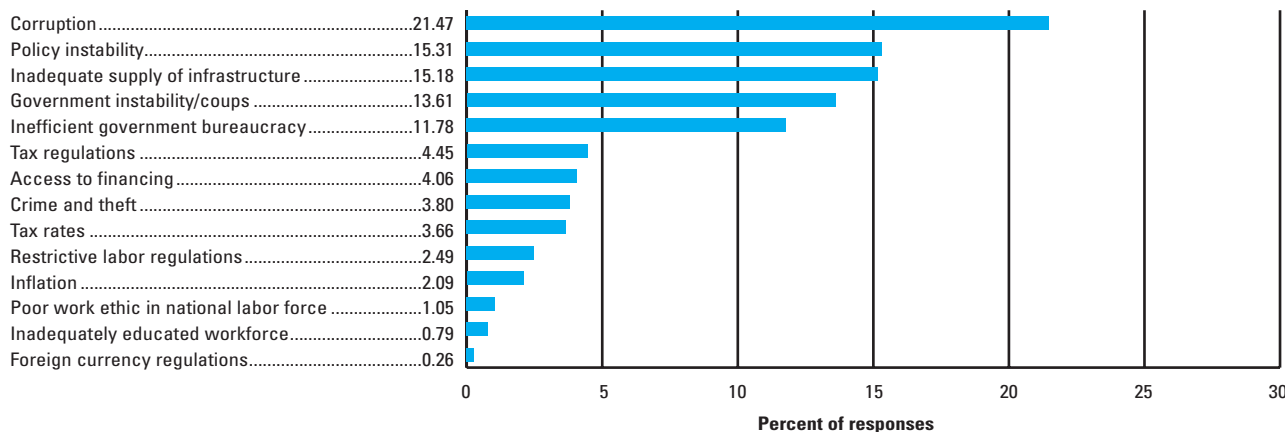
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	71	4.0
2005–06 (out of 117 countries).....	73.....	3.9
Basic Requirements	84	4.2
1st pillar: Institutions.....	88.....	3.4
2nd pillar: Infrastructure.....	88.....	2.7
3rd pillar: Macroeconomy.....	62.....	4.4
4th pillar: Health and primary education.....	82.....	6.2
Efficiency Enhancers	63	3.9
5th pillar: Higher education and training.....	63.....	4.0
6th pillar: Market efficiency.....	57.....	4.2
7th pillar: Technological readiness.....	61.....	3.3
Innovation Factors	66	3.6
8th pillar: Business sophistication.....	59.....	4.2
9th pillar: Innovation.....	79.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	72
Sophistication of company operations and strategy.....	48
Quality of the national business environment.....	76

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

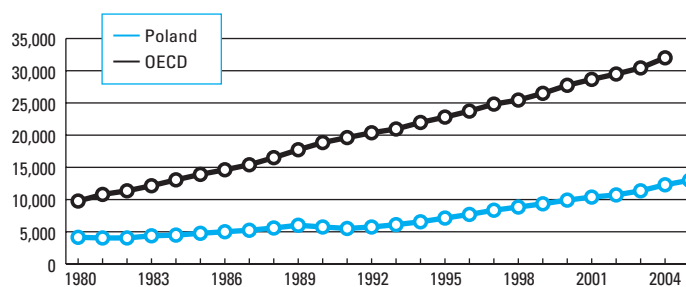
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	23	1.08	Business costs of terrorism	119
3.04	Interest rate spread (hard data)	49	1.02	Diversion of public funds	111
4th pillar: Health and primary education			1.06	Wastefulness of government spending	109
4.08	HIV prevalence (hard data)	1	1.07	Burden of government compliance	108
5th pillar: Higher education and training			1.03	Public trust of politicians	106
5.07	Extent of staff training	35	1.12	Ethical behavior of firms	106
5.05	Quality of management schools	46	1.05	Favoritism in decisions of government officials	93
6th pillar: Market efficiency			1.11	Organized crime	86
6.03	Extent and effect of taxation	40	1.09	Reliability of police services	84
6.23	Local equity market access	40	1.04	Judicial independence	77
6.15	Reliance on professional management	41	2nd pillar: Infrastructure		
6.01	Agricultural policy costs	47	2.06	Telephone lines (hard data)	97
6.06	Intensity of local competition	49	2.01	Overall infrastructure quality	88
7th pillar: Technological readiness			3rd pillar: Macroeconomy		
7.02	Firm-level technology absorption	48	3.05	Government debt (hard data)	77
8th pillar: Business sophistication			3.01	Government surplus/deficit (hard data)	65
8.08	Value chain presence	42	4th pillar: Health and primary education		
8.04	Extent of marketing	44	4.06	Tuberculosis prevalence (hard data)	106
8.01	Local supplier quantity	49	4.01	Medium-term business impact of malaria	87
			4.04	Infant mortality (hard data)	75
			5th pillar: Higher education and training		
			5.04	Quality of math and science education	108
			5.06	Local availability of research and training services	75
			6th pillar: Market efficiency		
			6.17	Brain drain	118
			6.13	Flexibility of wage determination	105
			6.10	Foreign ownership restrictions	90
			6.02	Efficiency of legal framework	86
			6.12	Hiring and firing practices	82
			6.05	Time required to start a business (hard data)	81
			6.22	Soundness of banks	80
			6.21	Venture capital availability	79
			6.14	Cooperation in labor-employer relations	78
			6.20	Ease of access to loans	78
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	84
			7.07	Personal computers (hard data)	77
			7.01	Technological readiness	63
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	102
			9th pillar: Innovation		
			9.04	Government procurement of technology products	90
			9.05	Availability of scientists and engineers	84
			9.01	Quality of scientific research institutions	79
			9.08	Capacity for innovation	63

Poland

Key Indicators

Total population (millions), 2005.....	38.5
GDP (US\$ billions), 2005.....	300.5
GDP (PPP) as share of world total, 2005.....	0.81
GDP (PPP) per capita (US\$), 2005.....	12,994

GDP (PPP) per capita (US\$), 1980–2005

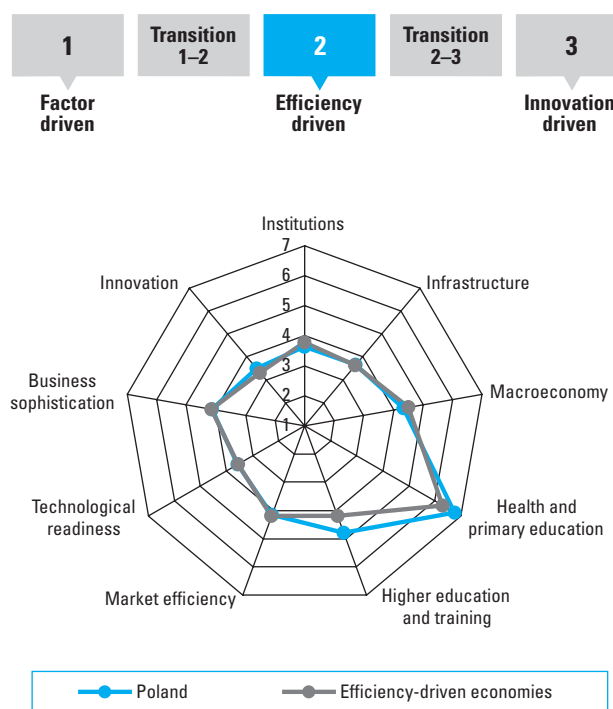


Global Competitiveness Index

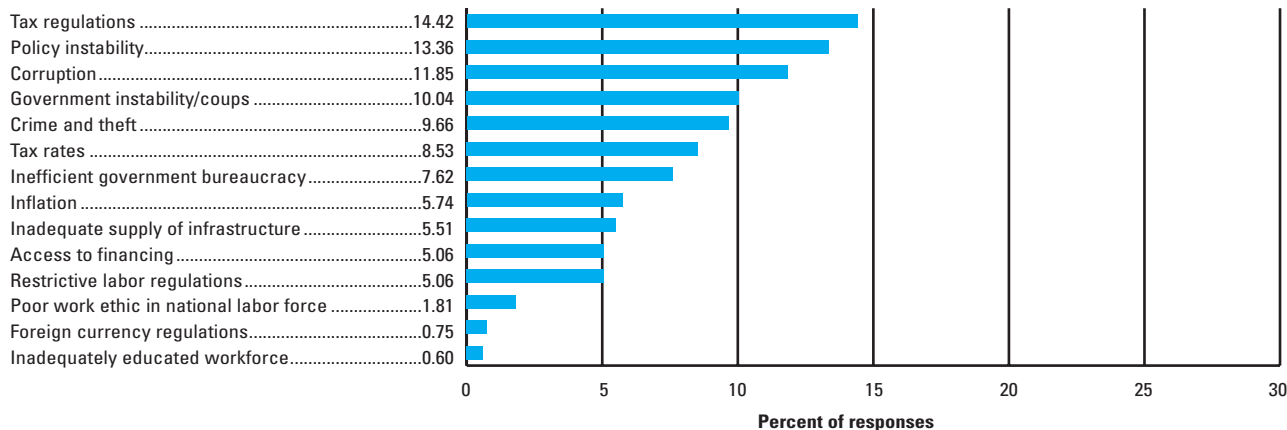
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	48	4.3
2005–06 (out of 117 countries).....	43.....	4.4
Basic Requirements	57	4.6
1st pillar: Institutions.....	73.....	3.6
2nd pillar: Infrastructure.....	57.....	3.6
3rd pillar: Macroeconomy.....	70.....	4.3
4th pillar: Health and primary education.....	26.....	6.8
Efficiency Enhancers	48	4.2
5th pillar: Higher education and training.....	33.....	4.8
6th pillar: Market efficiency.....	64.....	4.2
7th pillar: Technological readiness.....	51.....	3.6
Innovation Factors	51	3.8
8th pillar: Business sophistication.....	63.....	4.1
9th pillar: Innovation.....	44.....	3.5

	Rank (out of 121 countries/economies)
Business Competitiveness Index	53
Sophistication of company operations and strategy.....	49
Quality of the national business environment.....	53

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

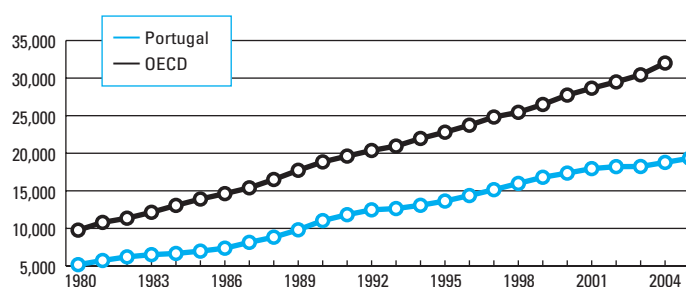
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.05	Favoritism in decisions of government officials.....	42	1.13	Efficacy of corporate boards	105
2nd pillar: Infrastructure			1.11	Organized crime	102
2.02	Railroad infrastructure development	38	1.08	Business costs of terrorism	93
2.06	Telephone lines (hard data)	39	1.01	Property rights.....	92
3rd pillar: Macroeconomy			1.06	Wastefulness of government spending	84
3.04	Interest rate spread (hard data).....	40	1.15	Strength of auditing and accounting standards	80
5th pillar: Higher education and training			1.14	Protection of minority shareholders' interests.....	79
5.02	Tertiary enrollment (hard data)	21	1.04	Judicial independence	70
5.01	Secondary enrollment (hard data)	34	1.09	Reliability of police services	69
5.03	Quality of the educational system	34	2nd pillar: Infrastructure		
5.06	Local availability of research and training services	39	2.01	Overall infrastructure quality	72
6th pillar: Market efficiency			3rd pillar: Macroeconomy		
6.21	Venture capital availability	36	3.01	Government surplus/deficit (hard data).....	108
6.05	Time required to start a business (hard data).....	42	3.06	Real effective exchange rate (hard data)	98
7th pillar: Technological readiness			3.02	National savings rate (hard data)	77
7.07	Personal computers (hard data)	36	4th pillar: Health and primary education		
7.06	Internet users (hard data)	45	4.02	Medium-term business impact of tuberculosis	92
7.05	Cellular telephones (hard data).....	46	4.03	Medium-term business impact of HIV/AIDS.....	84
8th pillar: Business sophistication			6th pillar: Market efficiency		
8.07	Nature of competitive advantage.....	38	6.22	Soundness of banks.....	106
8.08	Value chain presence	39	6.10	Foreign ownership restrictions.....	99
9th pillar: Innovation			6.06	Intensity of local competition	97
9.08	Capacity for innovation.....	30	6.13	Flexibility of wage determination	90
9.02	Company spending on research and development	31	6.14	Cooperation in labor-employer relations.....	88
9.03	University/industry research collaboration	38	6.09	Prevalence of trade barriers	79
			6.01	Agricultural policy costs	74
			6.23	Local equity market access.....	74
			6.15	Reliance on professional management.....	71
			6.02	Efficiency of legal framework	65
			6.03	Extent and effect of taxation.....	64
			6.12	Hiring and firing practices	64
			6.17	Brain drain	62
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	88
			7.02	Firm-level technology absorption	82
			7.01	Technological readiness	76
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	81
			8.05	Control of international distribution.....	75
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	76
			9.05	Availability of scientists and engineers	75

Portugal

Key Indicators

Total population (millions), 2005.....	10.5
GDP (US\$ billions), 2005.....	183.4
GDP (PPP) as share of world total, 2005.....	0.33
GDP (PPP) per capita (US\$), 2005.....	19,335

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

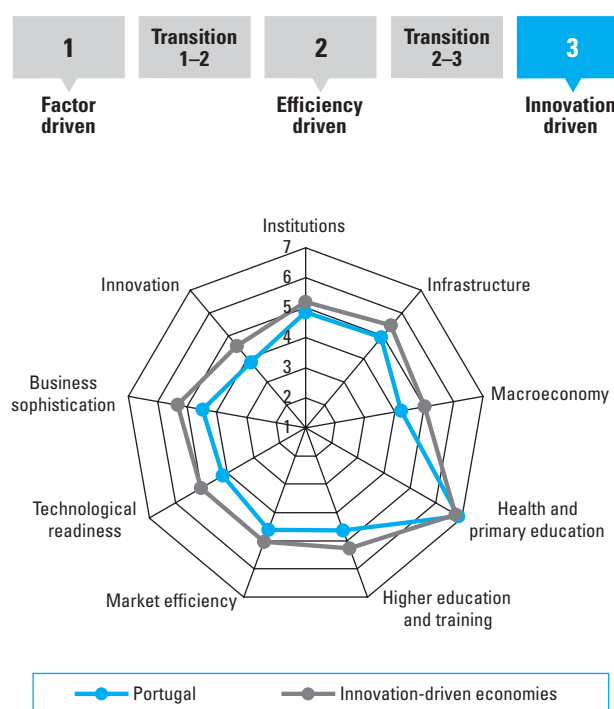
2006–07	34	4.6
2005–06 (out of 117 countries).....	31	4.6
Basic Requirements	34	5.2
1st pillar: Institutions.....	28	4.8
2nd pillar: Infrastructure	26	4.9
3rd pillar: Macroeconomy.....	80	4.2
4th pillar: Health and primary education.....	16	6.9
Efficiency Enhancers	37	4.5
5th pillar: Higher education and training.....	37	4.6
6th pillar: Market efficiency.....	38	4.6
7th pillar: Technological readiness	37	4.2
Innovation Factors	37	4.1
8th pillar: Business sophistication.....	43	4.5
9th pillar: Innovation	32	3.8

Rank (out of 121 countries/economies)

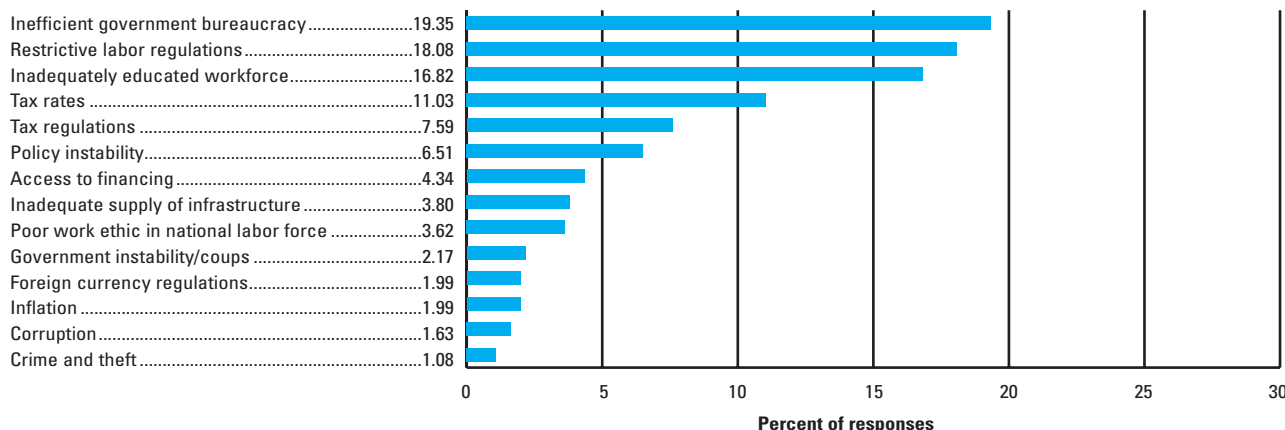
Business Competitiveness Index

Sophistication of company operations and strategy.....	40
Quality of the national business environment.....	26

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

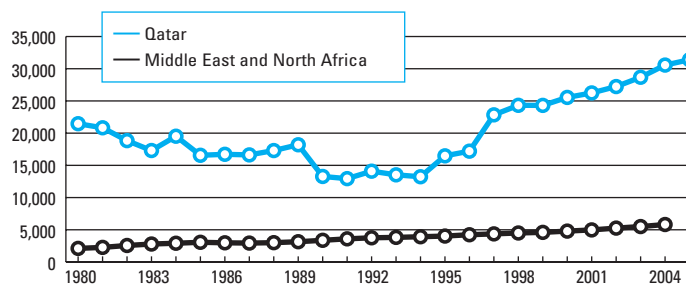
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	9	1.13	Efficacy of corporate boards	51
1.11	Organized crime	10	1.07	Burden of government compliance.....	45
1.10	Business costs of crime and violence	15	1.06	Wastefulness of government spending	44
1.04	Judicial independence.....	19	3rd pillar: Macroeconomy		
1.05	Favoritism in decisions of government officials.....	19	3.01	Government surplus/deficit (hard data).....	116
1.02	Diversion of public funds	20	3.06	Real effective exchange rate (hard data)	86
1.09	Reliability of police services	25	3.05	Government debt (hard data)	75
1.03	Public trust of politicians	27	5th pillar: Higher education and training		
1.12	Ethical behavior of firms	30	5.04	Quality of math and science education.....	83
2nd pillar: Infrastructure			5.03	Quality of the educational system	58
2.04	Quality of air transport infrastructure.....	24	5.07	Extent of staff training	55
2.02	Railroad infrastructure development.....	26	6th pillar: Market efficiency		
2.01	Overall infrastructure quality	27	6.12	Hiring and firing practices	111
3rd pillar: Macroeconomy			6.13	Flexibility of wage determination	104
3.04	Interest rate spread (hard data).....	7	6.01	Agricultural policy costs	91
5th pillar: Higher education and training			6.05	Time required to start a business (hard data).....	89
5.02	Tertiary enrollment (hard data)	27	6.04	Number of procedures to start business (hard data)	70
5.05	Quality of management schools	32	6.16	Pay and productivity	68
6th pillar: Market efficiency			6.14	Cooperation in labor-employer relations.....	67
6.09	Prevalence of trade barriers	11	6.03	Extent and effect of taxation.....	56
6.20	Ease of access to loans	19	6.10	Foreign ownership restrictions.....	46
6.07	Effectiveness of antitrust policy.....	25	6.15	Reliance on professional management.....	46
6.19	Financial market sophistication	25	6.02	Efficiency of legal framework	45
6.23	Local equity market access.....	26	6.06	Intensity of local competition.....	45
6.22	Soundness of banks.....	31	6.17	Brain drain	40
7th pillar: Technological readiness			7th pillar: Technological readiness		
7.05	Cellular telephones (hard data).....	13	7.02	Firm-level technology absorption	63
7.03	Laws relating to ICT	31	7.01	Technological readiness	52
9th pillar: Innovation			7.07	Personal computers (hard data)	45
9.07	Intellectual property protection	24	8th pillar: Business sophistication		
9.04	Government procurement of technology products.....	26	8.07	Nature of competitive advantage.....	53
			8.06	Willingness to delegate authority.....	51
			8.05	Control of international distribution.....	48
			8.01	Local supplier quantity	47
			8.03	Production process sophistication	47
			8.04	Extent of marketing.....	43
			8.02	Local supplier quality	41
			9th pillar: Innovation		
			9.02	Company spending on research and development	53
			9.08	Capacity for innovation.....	40

Qatar

Key Indicators

Total population (millions), 2005.....	0.8
GDP (US\$ billions), 2005.....	37.9
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	31,397

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

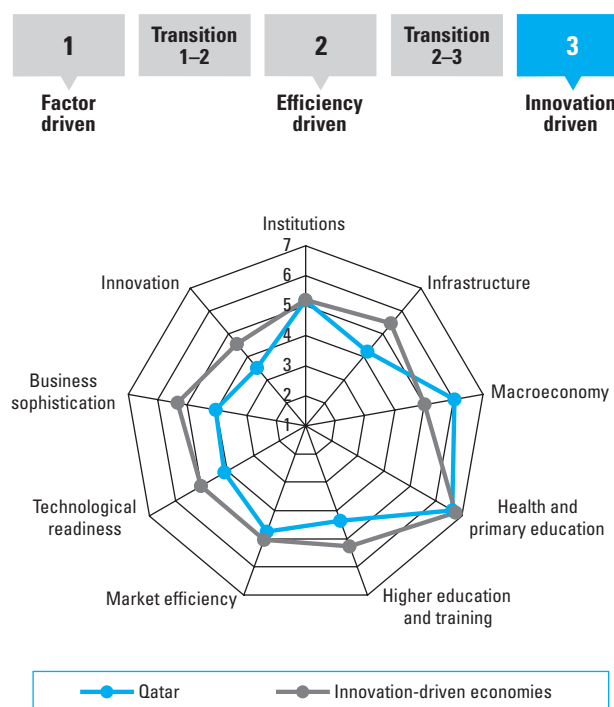
2006–07	38	4.5
2005–06 (out of 117 countries).....	46.....	4.3
Basic Requirements	20	5.5
1st pillar: Institutions.....	16.....	5.2
2nd pillar: Infrastructure	41.....	4.2
3rd pillar: Macroeconomy.....	3.....	6.0
4th pillar: Health and primary education.....	37.....	6.6
Efficiency Enhancers	39	4.4
5th pillar: Higher education and training.....	46.....	4.4
6th pillar: Market efficiency.....	30.....	4.8
7th pillar: Technological readiness	39.....	4.1
Innovation Factors	55	3.8
8th pillar: Business sophistication.....	69.....	4.0
9th pillar: Innovation	41.....	3.5

Rank (out of 121 countries/economies)

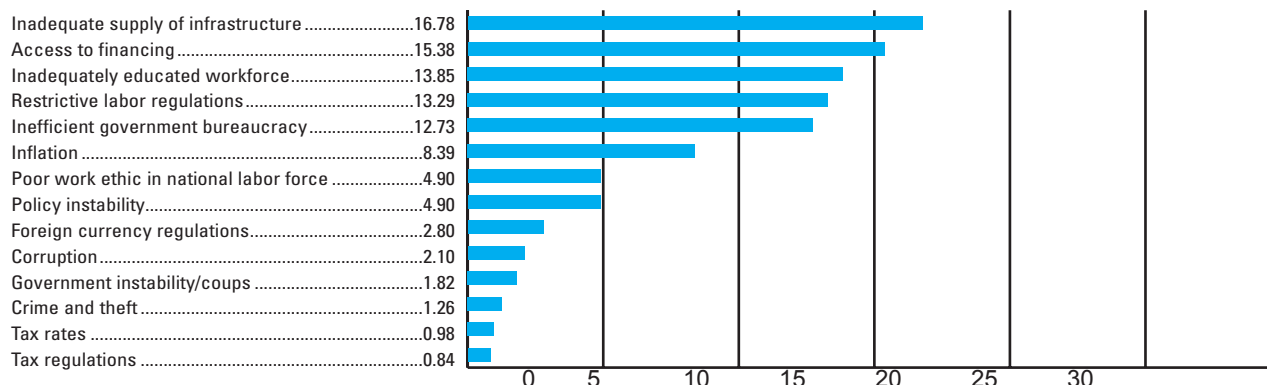
Business Competitiveness Index

Sophistication of company operations and strategy.....	44
Quality of the national business environment.....	33

Stage of development



The Most Problematic Factors for Doing Business



Percent of responses

Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

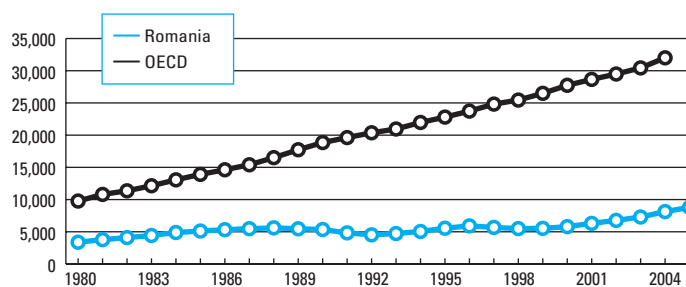
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.06	Wastefulness of government spending .....4	1.08	Business costs of terrorism .....46
1.03	Public trust of politicians .....11		
1.05	Favoritism in decisions of government officials.....12		
1.10	Business costs of crime and violence .....13	2nd pillar: Infrastructure	
1.07	Burden of government compliance.....16	2.02	Railroad infrastructure development .....60
1.11	Organized crime .....17	2.01	Overall infrastructure quality .....44
1.02	Diversion of public funds .....18	2.05	Quality of electricity supply .....43
1.04	Judicial independence .....20		
1.09	Reliability of police services .....21	3rd pillar: Macroeconomy	
1.14	Protection of minority shareholders' interests.....26	3.06	Real effective exchange rate (hard data) .....70
1.12	Ethical behavior of firms .....31		
1.13	Efficacy of corporate boards .....31		
2nd pillar: Infrastructure		5th pillar: Higher education and training	
2.04	Quality of air transport infrastructure .....35	5.02	Tertiary enrollment (hard data) .....77
		5.06	Local availability of research and training services .....57
		5.07	Extent of staff training .....57
3rd pillar: Macroeconomy			
3.02	National savings rate (hard data) .....2	6th pillar: Market efficiency	
3.01	Government surplus/deficit (hard data).....3	6.10	Foreign ownership restrictions.....91
3.05	Government debt (hard data) .....23	6.06	Intensity of local competition .....67
		6.14	Cooperation in labor-employer relations.....53
5th pillar: Higher education and training		6.07	Effectiveness of antitrust policy.....48
5.03	Quality of the educational system .....20	6.19	Financial market sophistication .....47
		6.22	Soundness of banks.....46
		6.23	Local equity market access.....45
6th pillar: Market efficiency			
6.17	Brain drain .....2	7th pillar: Technological readiness	
6.03	Extent and effect of taxation.....5	7.06	Internet users (hard data) .....46
6.13	Flexibility of wage determination .....8	7.02	Firm-level technology absorption .....43
6.09	Prevalence of trade barriers .....9	7.05	Cellular telephones (hard data).....41
6.20	Ease of access to loans .....12		
6.02	Efficiency of legal framework .....26	8th pillar: Business sophistication	
6.12	Hiring and firing practices .....31	8.01	Local supplier quantity .....88
6.01	Agricultural policy costs .....37	8.02	Local supplier quality.....80
		8.04	Extent of marketing.....76
7th pillar: Technological readiness		8.08	Value chain presence .....61
7.04	FDI and technology transfer.....11	8.05	Control of international distribution.....52
7.01	Technological readiness .....27		
		9th pillar: Innovation	
8th pillar: Business sophistication		9.05	Availability of scientists and engineers .....80
8.03	Production process sophistication .....25	9.06	Utility patents (hard data) .....79
8.07	Nature of competitive advantage.....37	9.08	Capacity for innovation.....61
		9.03	University/industry research collaboration .....60
9th pillar: Innovation		9.01	Quality of scientific research institutions .....49
9.04	Government procurement of technology products.....24	9.02	Company spending on research and development .....42
9.07	Intellectual property protection .....27		

Romania

Key Indicators

Total population (millions), 2005.....	21.7
GDP (US\$ billions), 2005.....	98.6
GDP (PPP) as share of world total, 2005.....	0.31
GDP (PPP) per capita (US\$), 2005.....	8,785

GDP (PPP) per capita (US\$), 1980–2005

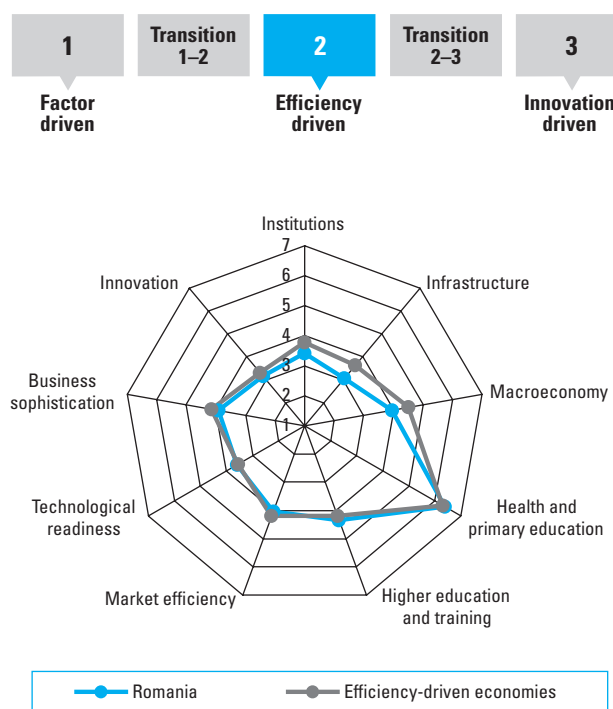


Global Competitiveness Index

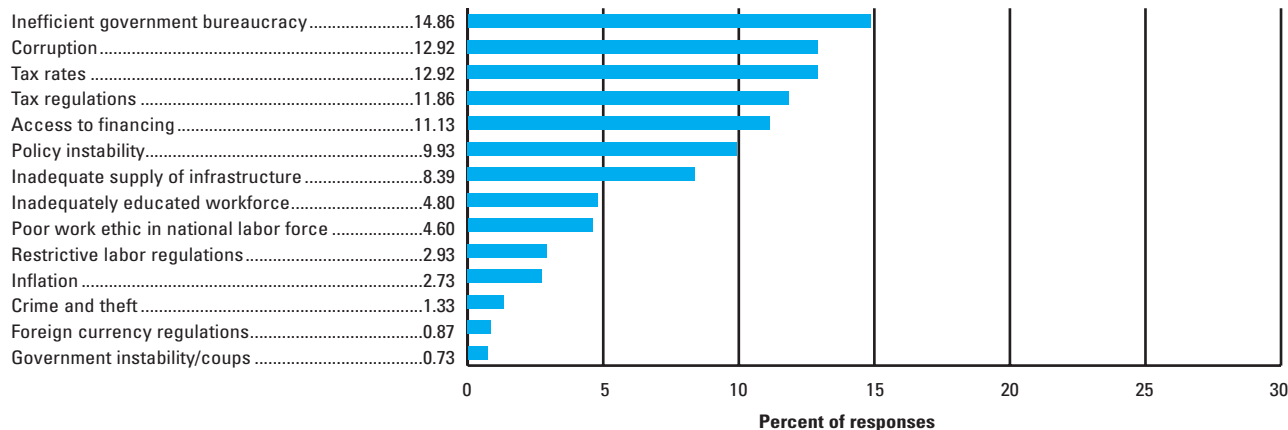
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	68	4.0
2005–06 (out of 117 countries).....	67.....	4.0
Basic Requirements	83	4.2
1st pillar: Institutions.....	87.....	3.4
2nd pillar: Infrastructure.....	77.....	3.1
3rd pillar: Macroeconomy.....	97.....	3.9
4th pillar: Health and primary education.....	69.....	6.4
Efficiency Enhancers	55	4.0
5th pillar: Higher education and training.....	50.....	4.3
6th pillar: Market efficiency.....	76.....	4.0
7th pillar: Technological readiness.....	49.....	3.6
Innovation Factors	73	3.5
8th pillar: Business sophistication.....	73.....	3.9
9th pillar: Innovation.....	68.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	74
Sophistication of company operations and strategy.....	73
Quality of the national business environment.....	73

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

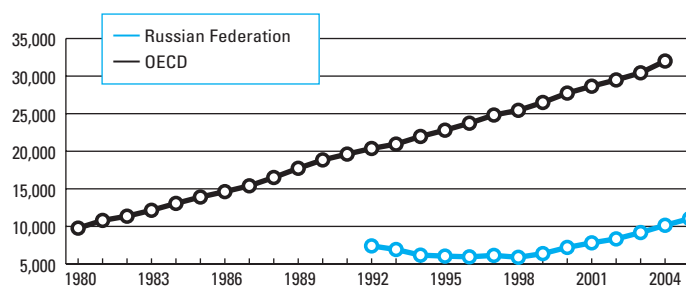
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.05	Government debt (hard data)	15	1.05	Favoritism in decisions of government officials.....	110
5th pillar: Higher education and training			1.03	Public trust of politicians	108
5.04	Quality of math and science education.....	11	1.06	Wastefulness of government spending	107
5.02	Tertiary enrollment (hard data)	44	1.14	Protection of minority shareholders' interests.....	97
5.06	Local availability of research and training services	44	1.12	Ethical behavior of firms	96
6th pillar: Market efficiency			1.04	Judicial independence.....	89
6.04	Number of procedures to start business (hard data)	10	1.02	Diversion of public funds	82
6.05	Time required to start a business (hard data).....	10	1.09	Reliability of police services	79
6.13	Flexibility of wage determination	26	1.01	Property rights.....	76
7th pillar: Technological readiness			1.10	Business costs of crime and violence	72
7.04	FDI and technology transfer.....	13	2nd pillar: Infrastructure		
9th pillar: Innovation			2.01	Overall infrastructure quality	101
9.05	Availability of scientists and engineers	41	2.05	Quality of electricity supply	81
			3rd pillar: Macroeconomy		
			3.06	Real effective exchange rate (hard data)	118
			3.04	Interest rate spread (hard data).....	108
			3.03	Inflation (hard data).....	98
			3.02	National savings rate (hard data)	97
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	86
			5th pillar: Higher education and training		
			5.07	Extent of staff training	81
			6th pillar: Market efficiency		
			6.14	Cooperation in labor-employer relations.....	120
			6.17	Brain drain	114
			6.03	Extent and effect of taxation.....	109
			6.01	Agricultural policy costs	103
			6.02	Efficiency of legal framework	88
			6.12	Hiring and firing practices	86
			6.19	Financial market sophistication	85
			6.10	Foreign ownership restrictions.....	81
			6.23	Local equity market access.....	79
			6.22	Soundness of banks.....	78
			6.09	Prevalence of trade barriers	69
			7th pillar: Technological readiness		
			7.01	Technological readiness	74
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	109
			8.08	Value chain presence	73
			8.02	Local supplier quality.....	69
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	85
			9.07	Intellectual property protection	80
			9.02	Company spending on research and development	70

Russian Federation

Key Indicators

Total population (millions), 2005.....	143.2
GDP (US\$ billions), 2005.....	766.2
GDP (PPP) as share of world total, 2005.....	2.58
GDP (PPP) per capita (US\$), 2005.....	11,041

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

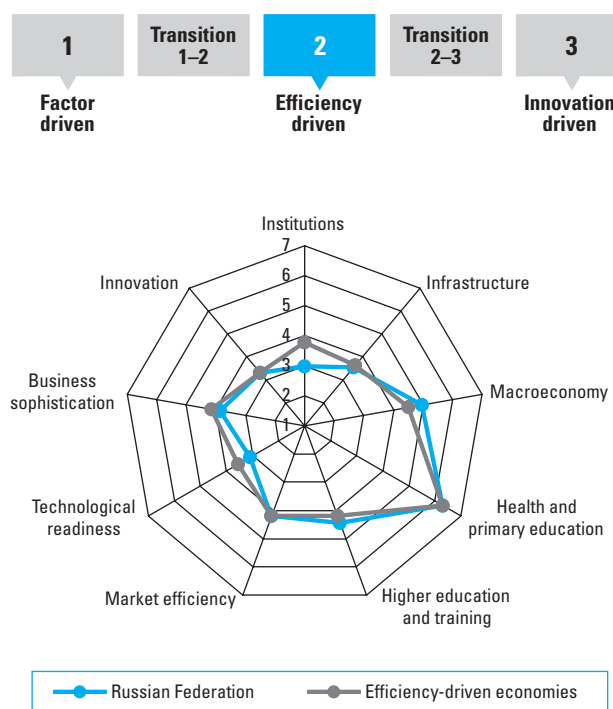
2006–07	62	4.1
2005–06 (out of 117 countries).....	53.....	4.1
Basic Requirements	66	4.4
1st pillar: Institutions.....	114.....	3.0
2nd pillar: Infrastructure	61.....	3.5
3rd pillar: Macroeconomy.....	33.....	5.0
4th pillar: Health and primary education.....	77.....	6.3
Efficiency Enhancers	60	3.9
5th pillar: Higher education and training.....	43.....	4.4
6th pillar: Market efficiency.....	60.....	4.2
7th pillar: Technological readiness	74.....	3.1
Innovation Factors	71	3.6
8th pillar: Business sophistication.....	77.....	3.8
9th pillar: Innovation	59.....	3.3

Rank (out of 121 countries/economies)

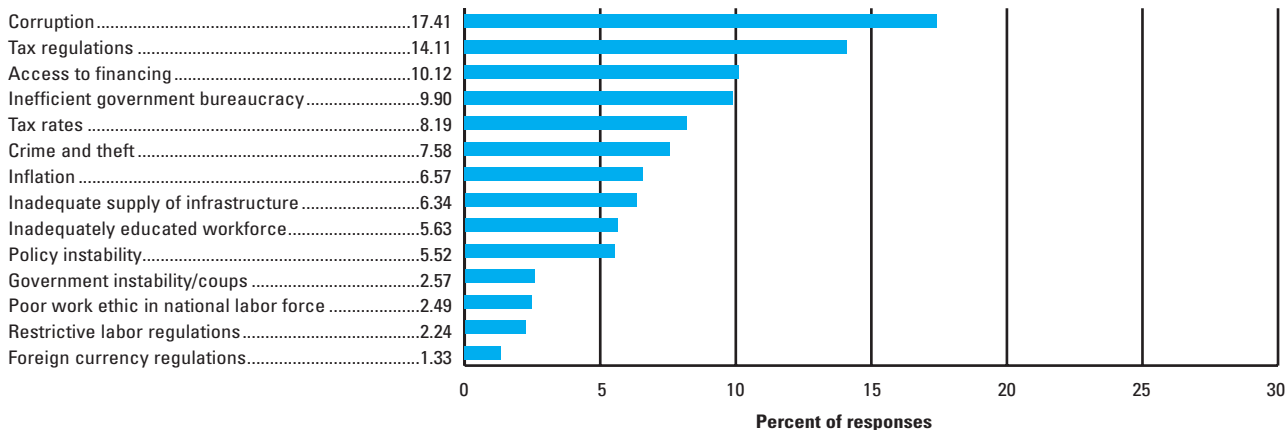
Business Competitiveness Index

Sophistication of company operations and strategy.....	78
Quality of the national business environment.....	77

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

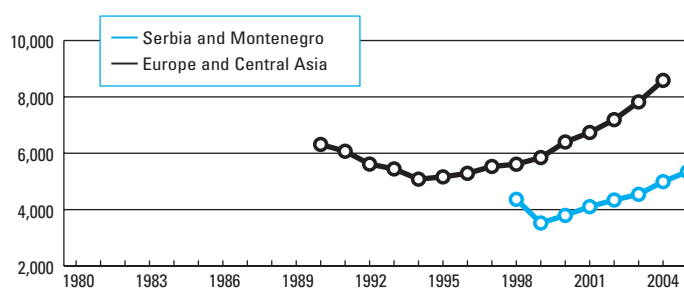
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.13	Efficacy of corporate boards	37	1.14	Protection of minority shareholders' interests.....	120
2nd pillar: Infrastructure			1.12	Ethical behavior of firms	117
2.02	Railroad infrastructure development	30	1.07	Burden of government compliance.....	116
2.06	Telephone lines (hard data)	44	1.01	Property rights.....	114
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials.....	114
3.01	Government surplus/deficit (hard data).....	7	1.04	Judicial independence.....	110
3.05	Government debt (hard data)	11	1.03	Public trust of politicians	107
3.02	National savings rate (hard data)	17	1.09	Reliability of police services	106
5th pillar: Higher education and training			1.08	Business costs of terrorism	103
5.02	Tertiary enrollment (hard data)	13	1.06	Wastefulness of government spending	97
5.04	Quality of math and science education.....	43	1.11	Organized crime	91
5.01	Secondary enrollment (hard data)	44	1.02	Diversion of public funds	88
6th pillar: Market efficiency			1.15	Strength of auditing and accounting standards	88
6.12	Hiring and firing practices	17	1.10	Business costs of crime and violence	82
6.13	Flexibility of wage determination	23	2nd pillar: Infrastructure		
6.04	Number of procedures to start business (hard data)	31	2.01	Overall infrastructure quality	85
7th pillar: Technological readiness			2.05	Quality of electricity supply	82
7.07	Personal computers (hard data)	47	3rd pillar: Macroeconomy		
8th pillar: Business sophistication			3.06	Real effective exchange rate (hard data)	116
8.01	Local supplier quantity	50	3.03	Inflation (hard data).....	114
9th pillar: Innovation			3.04	Interest rate spread (hard data).....	74
9.01	Quality of scientific research institutions.....	32	4th pillar: Health and primary education		
9.06	Utility patents (hard data)	38	4.05	Life expectancy at birth (hard data).....	89
9.02	Company spending on research and development	44	5th pillar: Higher education and training		
9.05	Availability of scientists and engineers	46	5.07	Extent of staff training	99
9.08	Capacity for innovation	49	5.05	Quality of management schools	84
			6th pillar: Market efficiency		
			6.10	Foreign ownership restrictions.....	124
			6.22	Soundness of banks.....	116
			6.01	Agricultural policy costs	114
			6.02	Efficiency of legal framework	106
			6.07	Effectiveness of antitrust policy.....	100
			6.09	Prevalence of trade barriers	99
			6.03	Extent and effect of taxation.....	94
			6.20	Ease of access to loans	88
			6.19	Financial market sophistication	84
			6.14	Cooperation in labor-employer relations.....	73
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	115
			7.03	Laws relating to ICT	87
			7.01	Technological readiness	85
			8th pillar: Business sophistication		
			8.08	Value chain presence	112
			8.07	Nature of competitive advantage.....	107
			8.03	Production process sophistication	70
			9th pillar: Innovation		
			9.07	Intellectual property protection	112

Serbia and Montenegro

Key Indicators

Total population (millions), 2005.....	10.5
GDP (US\$ billions), 2005.....	26.2
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	5,348

GDP (PPP) per capita (US\$), 1980–2005

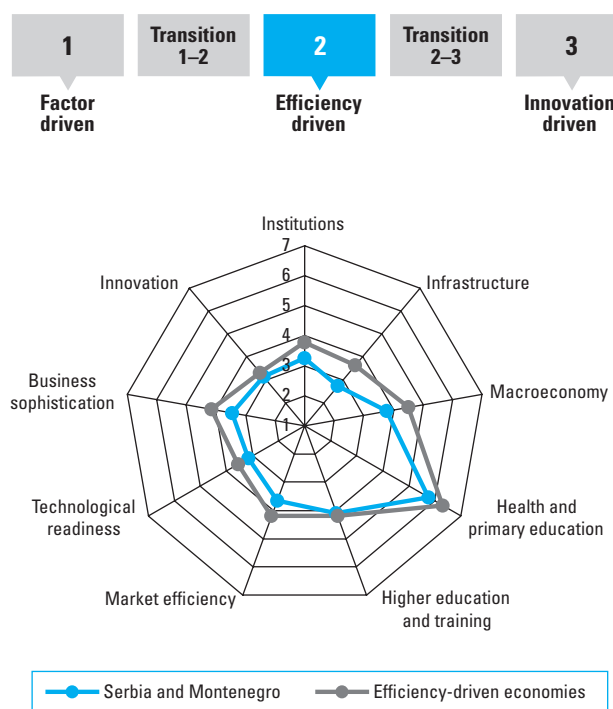


Global Competitiveness Index

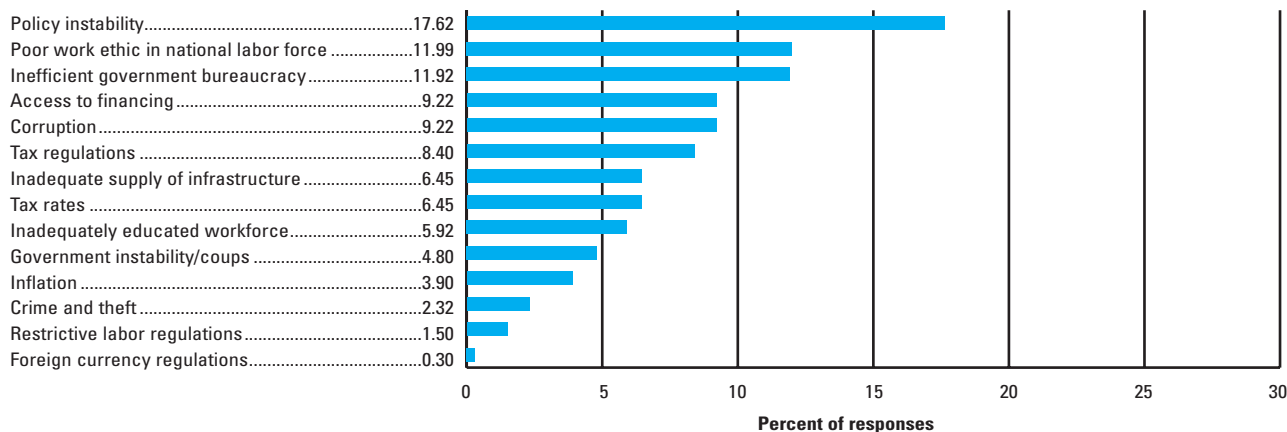
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	87	3.7
2005–06 (out of 117 countries).....	85.....	3.7
Basic Requirements	99	3.9
1st pillar: Institutions.....	97.....	3.2
2nd pillar: Infrastructure.....	90.....	2.7
3rd pillar: Macroeconomy.....	106.....	3.8
4th pillar: Health and primary education.....	97.....	5.7
Efficiency Enhancers	72	3.6
5th pillar: Higher education and training.....	61.....	4.1
6th pillar: Market efficiency.....	97.....	3.7
7th pillar: Technological readiness.....	73.....	3.2
Innovation Factors	83	3.3
8th pillar: Business sophistication.....	94.....	3.4
9th pillar: Innovation.....	71.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	86
Sophistication of company operations and strategy.....	110
Quality of the national business environment.....	85

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Serbia and Montenegro

National competitiveness balance sheet

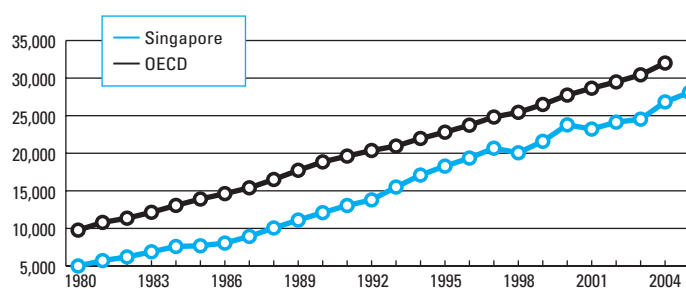
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.06	Telephone lines (hard data)	38	1.07	Burden of government compliance.....	123
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials.....	107
3.01	Government surplus/deficit (hard data).....	31	1.04	Judicial independence.....	104
5th pillar: Higher education and training			1.03	Public trust of politicians	94
5.04	Quality of math and science education.....	24	1.02	Diversion of public funds	92
5.03	Quality of the educational system	46	1.01	Property rights.....	89
6th pillar: Market efficiency			1.06	Wastefulness of government spending	81
6.05	Time required to start a business (hard data).....	19	1.11	Organized crime	80
7th pillar: Technological readiness			1.09	Reliability of police services	78
7.04	FDI and technology transfer.....	7	2nd pillar: Infrastructure		
7.05	Cellular telephones (hard data).....	47	2.01	Overall infrastructure quality	107
9th pillar: Innovation			2.05	Quality of electricity supply	85
9.05	Availability of scientists and engineers	39	3rd pillar: Macroeconomy		
9.01	Quality of scientific research institutions	43	3.02	National savings rate (hard data)	122
			3.03	Inflation (hard data).....	119
			3.04	Interest rate spread (hard data).....	93
			4th pillar: Health and primary education		
			4.09	Primary enrollment (hard data)	107
			5th pillar: Higher education and training		
			5.07	Extent of staff training	122
			6th pillar: Market efficiency		
			6.14	Cooperation in labor-employer relations.....	123
			6.17	Brain drain	120
			6.19	Financial market sophistication	110
			6.10	Foreign ownership restrictions.....	109
			6.02	Efficiency of legal framework	103
			6.03	Extent and effect of taxation.....	99
			6.22	Soundness of banks.....	96
			6.06	Intensity of local competition	94
			6.21	Venture capital availability	84
			6.01	Agricultural policy costs	81
			6.09	Prevalence of trade barriers	72
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	106
			7.07	Personal computers (hard data)	82
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	119
			8.05	Control of international distribution.....	110
			8.03	Production process sophistication	102
			9th pillar: Innovation		
			9.07	Intellectual property protection	114
			9.08	Capacity for innovation.....	107
			9.06	Utility patents (hard data)	79
			9.02	Company spending on research and development	77

Singapore

Key Indicators

Total population (millions), 2005.....	4.3
GDP (US\$ billions), 2005.....	117.9
GDP (PPP) as share of world total, 2005.....	0.20
GDP (PPP) per capita (US\$), 2005.....	28,100

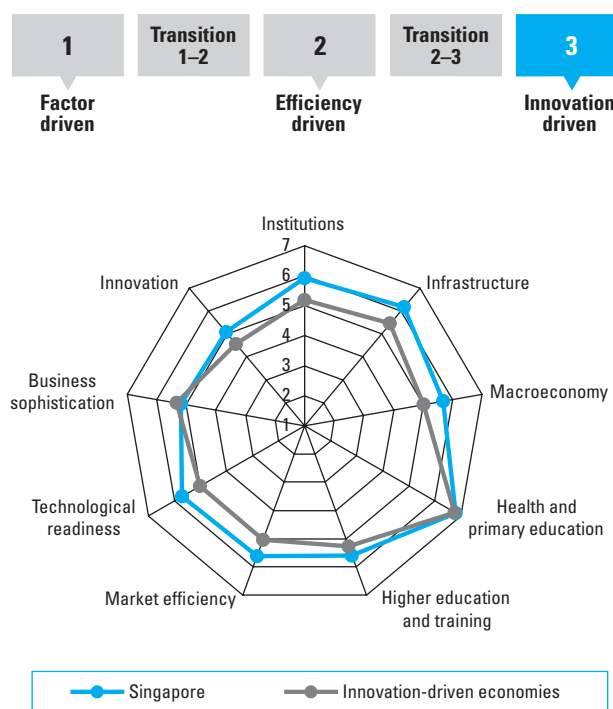
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	5	5.6
2005–06 (out of 117 countries).....	5	5.7
Basic Requirements	2	6.1
1st pillar: Institutions.....	4	5.9
2nd pillar: Infrastructure.....	6	6.2
3rd pillar: Macroeconomy.....	8	5.7
4th pillar: Health and primary education.....	20	6.8
Efficiency Enhancers	3	5.6
5th pillar: Higher education and training.....	10	5.6
6th pillar: Market efficiency.....	4	5.6
7th pillar: Technological readiness.....	2	5.7
Innovation Factors	15	5.1
8th pillar: Business sophistication.....	23	5.2
9th pillar: Innovation.....	9	5.0

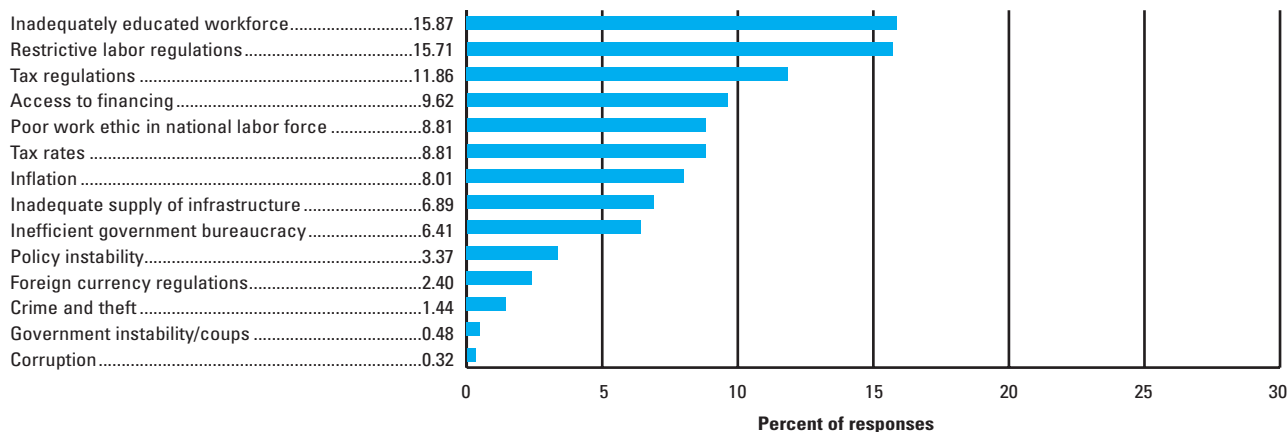
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	11
Sophistication of company operations and strategy.....	21
Quality of the national business environment.....	11

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

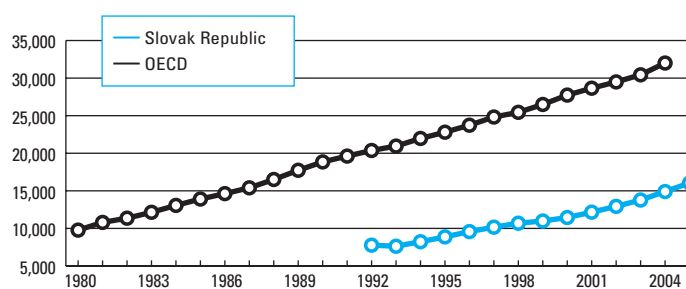
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.03 Public trust of politicians	1	1.08 Business costs of terrorism	77
1.06 Wastefulness of government spending	1	1.04 Judicial independence	29
1.07 Burden of government compliance	2	1.14 Protection of minority shareholders' interests	22
1.09 Reliability of police services	3		
1.10 Business costs of crime and violence	4	2nd pillar: Infrastructure	
1.11 Organized crime	4	2.06 Telephone lines (hard data)	29
1.05 Favoritism in decisions of government officials	5		
1.02 Diversion of public funds	6	3rd pillar: Macroeconomy	
1.12 Ethical behavior of firms	6	3.05 Government debt (hard data)	97
		3.04 Interest rate spread (hard data)	54
		3.06 Real effective exchange rate (hard data)	26
2nd pillar: Infrastructure			
2.03 Quality of port infrastructure	1	5th pillar: Higher education and training	
2.04 Quality of air transport infrastructure	1	5.02 Tertiary enrollment (hard data)	35
2.01 Overall infrastructure quality	2		
		6th pillar: Market efficiency	
3rd pillar: Macroeconomy		6.07 Effectiveness of antitrust policy	32
3.02 National savings rate (hard data)	5	6.06 Intensity of local competition	26
3.01 Government surplus/deficit (hard data)	10	6.22 Soundness of banks	21
5th pillar: Higher education and training		8th pillar: Business sophistication	
5.04 Quality of math and science education	1	8.05 Control of international distribution	47
5.03 Quality of the educational system	2	8.01 Local supplier quantity	43
5.05 Quality of management schools	8	8.02 Local supplier quality	25
		8.04 Extent of marketing	22
6th pillar: Market efficiency			
6.12 Hiring and firing practices	2	9th pillar: Innovation	
6.14 Cooperation in labor-employer relations	2	9.08 Capacity for innovation	24
6.09 Prevalence of trade barriers	3		
6.10 Foreign ownership restrictions	3		
6.01 Agricultural policy costs	6		
6.05 Time required to start a business (hard data)	6		
6.16 Pay and productivity	6		
6.03 Extent and effect of taxation	7		
7th pillar: Technological readiness			
7.04 FDI and technology transfer	1		
7.03 Laws relating to ICT	2		
7.02 Firm-level technology absorption	7		
7.07 Personal computers (hard data)	9		
9th pillar: Innovation			
9.04 Government procurement of technology products	1		
9.03 University/industry research collaboration	8		
9.07 Intellectual property protection	9		
9.01 Quality of scientific research institutions	10		

Slovak Republic

Key Indicators

Total population (millions), 2005.....	5.4
GDP (US\$ billions), 2005.....	46.8
GDP (PPP) as share of world total, 2005.....	0.14
GDP (PPP) per capita (US\$), 2005.....	16,041

GDP (PPP) per capita (US\$), 1980–2005

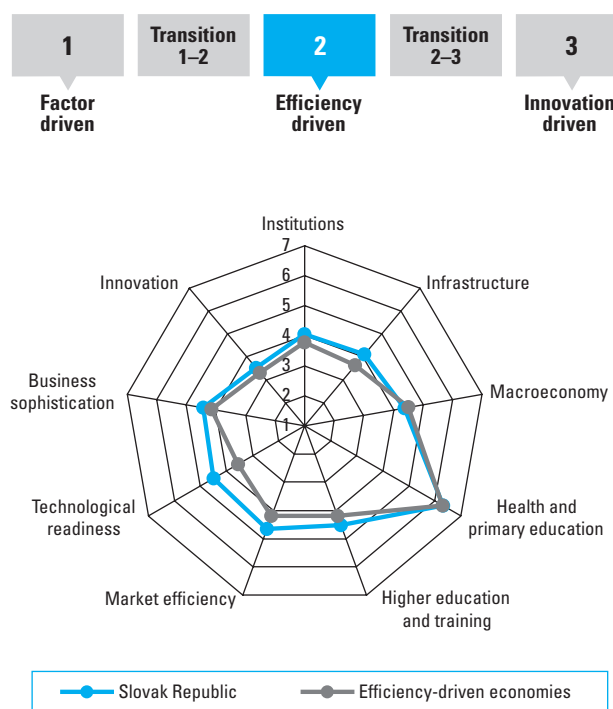


Global Competitiveness Index

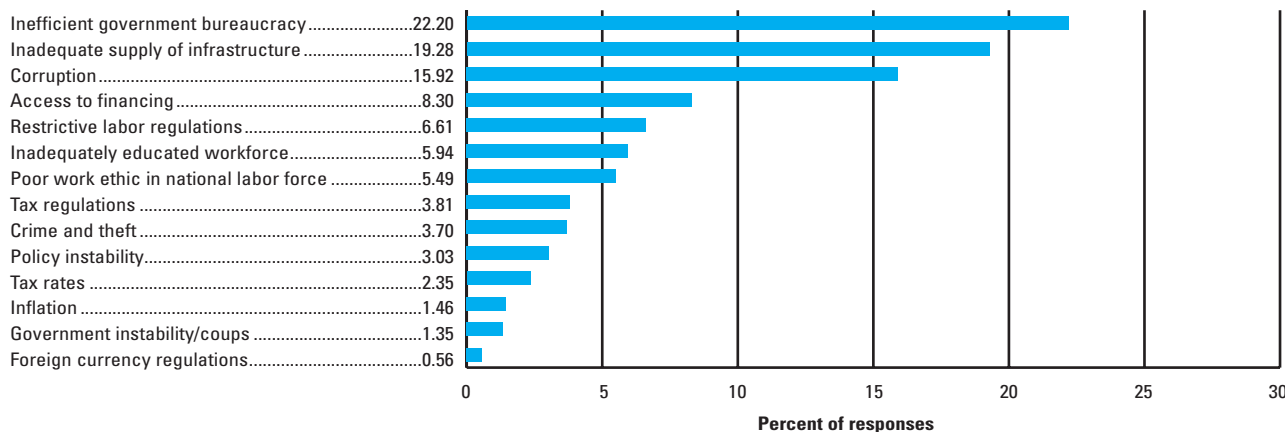
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	37	4.6
2005–06 (out of 117 countries).....	36.....	4.5
Basic Requirements	47	4.7
1st pillar: Institutions.....	53.....	4.0
2nd pillar: Infrastructure.....	47.....	4.1
3rd pillar: Macroeconomy.....	68.....	4.4
4th pillar: Health and primary education.....	74.....	6.3
Efficiency Enhancers	34	4.6
5th pillar: Higher education and training.....	38.....	4.5
6th pillar: Market efficiency.....	34.....	4.7
7th pillar: Technological readiness.....	30.....	4.5
Innovation Factors	43	4.0
8th pillar: Business sophistication.....	45.....	4.4
9th pillar: Innovation.....	42.....	3.5

	Rank (out of 121 countries/economies)
Business Competitiveness Index	40
Sophistication of company operations and strategy.....	45
Quality of the national business environment.....	39

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

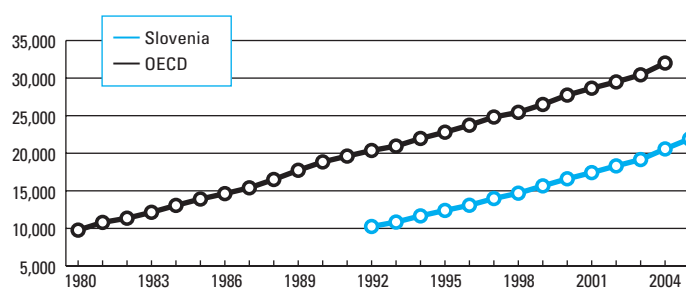
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	7	1.14	Protection of minority shareholders' interests	80
1.10	Business costs of crime and violence	23	1.03	Public trust of politicians	79
1.13	Efficacy of corporate boards	26	1.06	Wastefulness of government spending	71
2nd pillar: Infrastructure			1.04	Judicial independence	69
2.05	Quality of electricity supply	21	1.11	Organized crime	68
2.02	Railroad infrastructure development	23	1.12	Ethical behavior of firms	60
5th pillar: Higher education and training			1.07	Burden of government compliance	53
5.04	Quality of math and science education	21	1.15	Strength of auditing and accounting standards	52
6th pillar: Market efficiency			1.02	Diversion of public funds	49
6.10	Foreign ownership restrictions	2	1.09	Reliability of police services	49
6.03	Extent and effect of taxation	8	1.01	Property rights	45
6.09	Prevalence of trade barriers	8	2nd pillar: Infrastructure		
6.16	Pay and productivity	13	2.01	Overall infrastructure quality	53
6.12	Hiring and firing practices	15	3rd pillar: Macroeconomy		
6.13	Flexibility of wage determination	16	3.06	Real effective exchange rate (hard data)	121
6.14	Cooperation in labor-employer relations	22	3.01	Government surplus/deficit (hard data)	94
6.20	Ease of access to loans	29	3.02	National savings rate (hard data)	46
6.22	Soundness of banks	33	3.05	Government debt (hard data)	46
6.05	Time required to start a business (hard data)	35	4th pillar: Health and primary education		
7th pillar: Technological readiness			4.09	Primary enrollment (hard data)	88
7.04	FDI and technology transfer	5	5th pillar: Higher education and training		
7.06	Internet users (hard data)	27	5.02	Tertiary enrollment (hard data)	53
7.07	Personal computers (hard data)	30	5.06	Local availability of research and training services	45
7.02	Firm-level technology absorption	31	6th pillar: Market efficiency		
7.05	Cellular telephones (hard data)	31	6.23	Local equity market access	102
8th pillar: Business sophistication			6.02	Efficiency of legal framework	66
8.08	Value chain presence	35	6.17	Brain drain	64
9th pillar: Innovation			6.19	Financial market sophistication	54
9.05	Availability of scientists and engineers	23	6.06	Intensity of local competition	53
9.03	University/industry research collaboration	31	6.01	Agricultural policy costs	51
			6.21	Venture capital availability	40
			7th pillar: Technological readiness		
			7.01	Technological readiness	51
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage	90
			8.05	Control of international distribution	85
			8.03	Production process sophistication	54
			9th pillar: Innovation		
			9.04	Government procurement of technology products	86
			9.06	Utility patents (hard data)	79
			9.01	Quality of scientific research institutions	72
			9.08	Capacity for innovation	48
			9.02	Company spending on research and development	45

Slovenia

Key Indicators

Total population (millions), 2005.....	2.0
GDP (US\$ billions), 2005.....	34.0
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	21,911

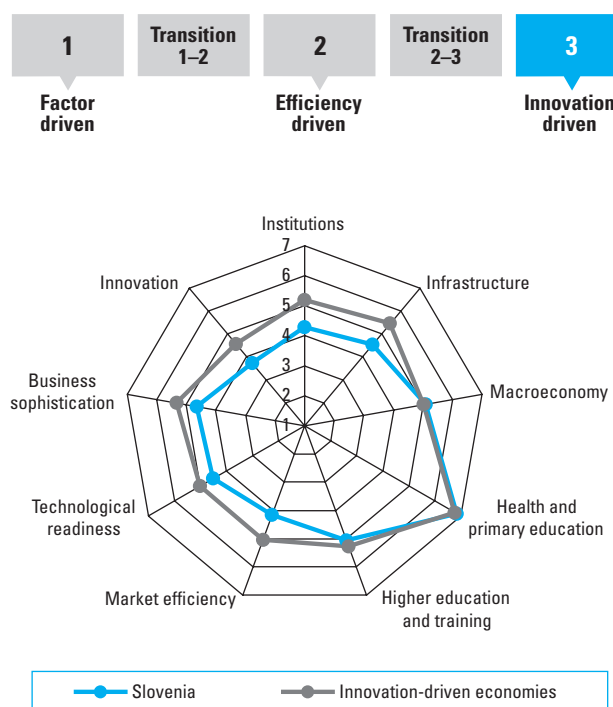
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	33	4.6
2005–06 (out of 117 countries).....	30	4.6
Basic Requirements	36	5.2
1st pillar: Institutions.....	43	4.3
2nd pillar: Infrastructure.....	32	4.5
3rd pillar: Macroeconomy.....	29	5.1
4th pillar: Health and primary education.....	19	6.8
Efficiency Enhancers	30	4.6
5th pillar: Higher education and training.....	26	5.1
6th pillar: Market efficiency.....	63	4.2
7th pillar: Technological readiness.....	29	4.5
Innovation Factors	34	4.2
8th pillar: Business sophistication.....	36	4.6
9th pillar: Innovation.....	34	3.7

Stage of development

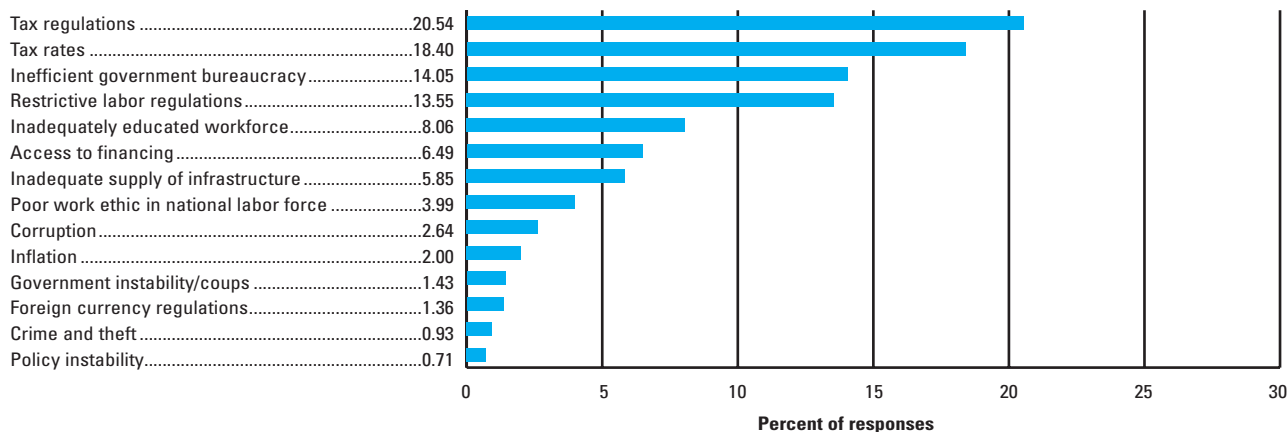


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Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	36
Sophistication of company operations and strategy.....	34
Quality of the national business environment.....	36

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

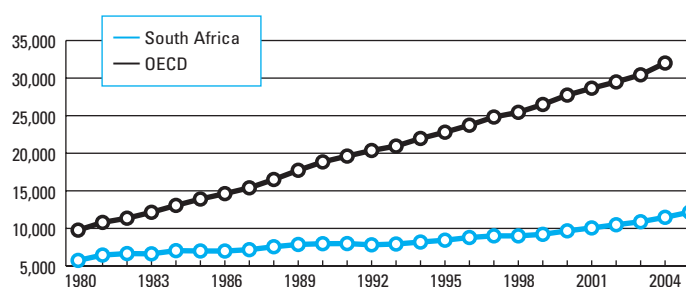
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	22	1.14	Protection of minority shareholders' interests	108
1.10	Business costs of crime and violence	27	1.07	Burden of government compliance	71
2nd pillar: Infrastructure			1.15	Strength of auditing and accounting standards	59
2.05	Quality of electricity supply	31	1.06	Wastefulness of government spending	56
2.06	Telephone lines (hard data)	32	1.13	Efficacy of corporate boards	52
3rd pillar: Macroeconomy			1.09	Reliability of police services	51
3.05	Government debt (hard data)	24	1.01	Property rights	50
5th pillar: Higher education and training			1.11	Organized crime	45
5.02	Tertiary enrollment (hard data)	8	1.04	Judicial independence	44
5.07	Extent of staff training	32	1.05	Favoritism in decisions of government officials	44
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.09	Prevalence of trade barriers	21	2.02	Railroad infrastructure development	41
7th pillar: Technological readiness			3rd pillar: Macroeconomy		
7.05	Cellular telephones (hard data)	9	3.06	Real effective exchange rate (hard data)	67
7.06	Internet users (hard data)	22	3.01	Government surplus/deficit (hard data)	56
7.07	Personal computers (hard data)	25	3.04	Interest rate spread (hard data)	48
7.03	Laws relating to ICT	29	5th pillar: Higher education and training		
8th pillar: Business sophistication			5.03	Quality of the educational system	52
8.08	Value chain presence	21	6th pillar: Market efficiency		
8.07	Nature of competitive advantage	29	6.12	Hiring and firing practices	110
9th pillar: Innovation			6.10	Foreign ownership restrictions	105
9.08	Capacity for innovation	18	6.13	Flexibility of wage determination	103
9.02	Company spending on research and development	27	6.03	Extent and effect of taxation	102
			6.05	Time required to start a business (hard data)	94
			6.01	Agricultural policy costs	92
			6.14	Cooperation in labor-employer relations	87
			6.23	Local equity market access	73
			6.22	Soundness of banks	68
			6.15	Reliance on professional management	60
			6.19	Financial market sophistication	52
			6.21	Venture capital availability	51
			6.02	Efficiency of legal framework	46
			6.06	Intensity of local competition	46
			6.07	Effectiveness of antitrust policy	43
			6.17	Brain drain	41
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	108
			7.02	Firm-level technology absorption	66
			7.01	Technological readiness	45
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	60
			8.04	Extent of marketing	47
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	94
			9.04	Government procurement of technology products	81
			9.01	Quality of scientific research institutions	41

South Africa

Key Indicators

Total population (millions), 2005.....	47.4
GDP (US\$ billions), 2005.....	239.1
GDP (PPP) as share of world total, 2005.....	0.93
GDP (PPP) per capita (US\$), 2005.....	12,160

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

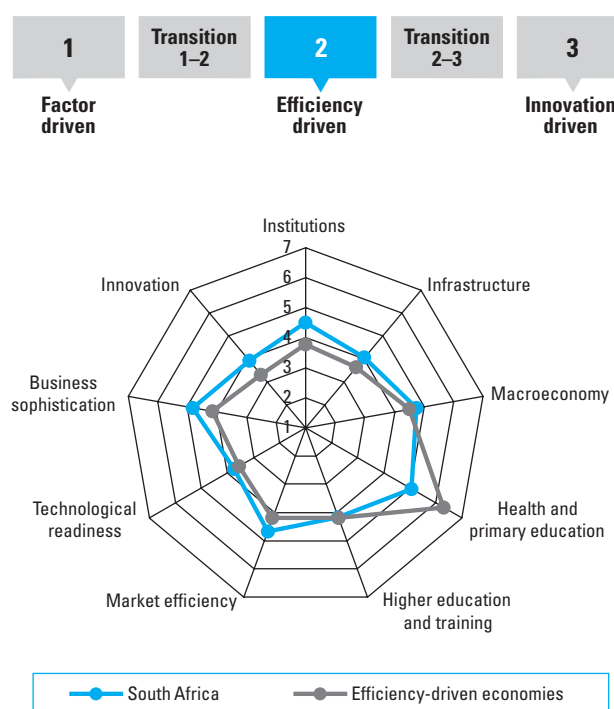
2006–07	45	4.4
2005–06 (out of 117 countries).....	40.....	4.4
Basic Requirements	58	4.6
1st pillar: Institutions.....	36.....	4.5
2nd pillar: Infrastructure	49.....	4.0
3rd pillar: Macroeconomy.....	46.....	4.7
4th pillar: Health and primary education.....	103.....	5.1
Efficiency Enhancers	46	4.2
5th pillar: Higher education and training.....	56.....	4.2
6th pillar: Market efficiency.....	33.....	4.7
7th pillar: Technological readiness	45.....	3.7
Innovation Factors	29	4.4
8th pillar: Business sophistication.....	32.....	4.8
9th pillar: Innovation	29.....	3.9

Rank (out of 121 countries/economies)

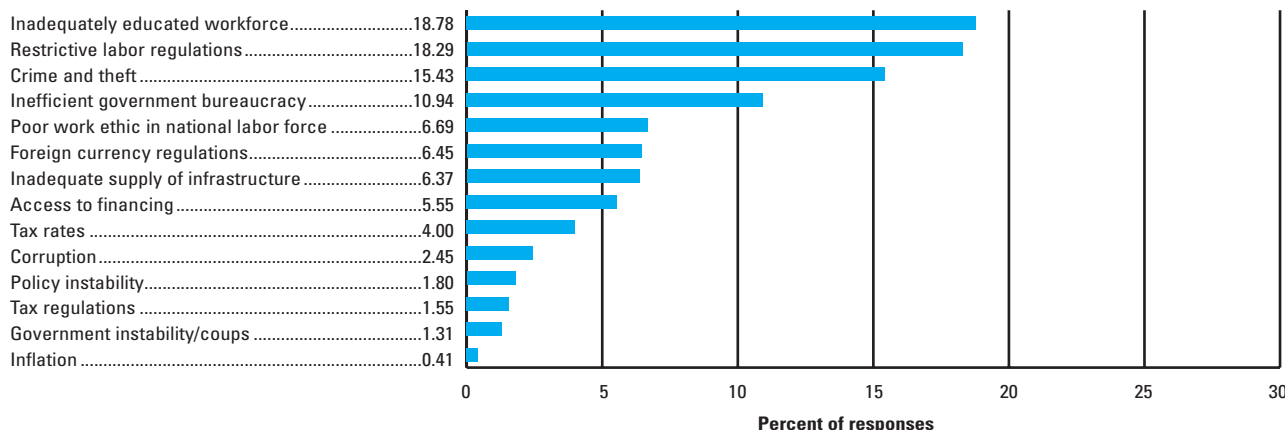
Business Competitiveness Index

Sophistication of company operations and strategy.....	27
Quality of the national business environment.....	34

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

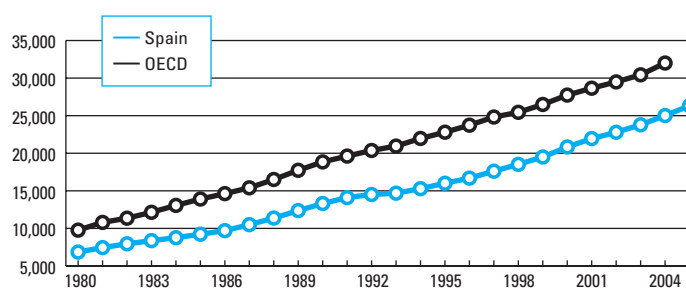
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.15	Strength of auditing and accounting standards .....7	1.10	Business costs of crime and violence .....113
1.13	Efficacy of corporate boards .....8	1.11	Organized crime .....94
1.14	Protection of minority shareholders' interests .....17	1.09	Reliability of police services .....89
1.04	Judicial independence .....21	1.07	Burden of government compliance .....63
1.06	Wastefulness of government spending .....21	1.05	Favoritism in decisions of government officials .....53
1.01	Property rights .....22	1.02	Diversion of public funds .....47
1.12	Ethical behavior of firms .....29		
2nd pillar: Infrastructure		2nd pillar: Infrastructure	
2.04	Quality of air transport infrastructure .....22	2.06	Telephone lines (hard data) .....82
		2.05	Quality of electricity supply .....72
3rd pillar: Macroeconomy		3rd pillar: Macroeconomy	
3.05	Government debt (hard data) .....32	3.02	National savings rate (hard data) .....101
		3.06	Real effective exchange rate (hard data) .....96
5th pillar: Higher education and training		4th pillar: Health and primary education	
5.05	Quality of management schools .....19	4.03	Medium-term business impact of HIV/AIDS .....121
5.07	Extent of staff training .....26	4.02	Medium-term business impact of tuberculosis .....115
5.06	Local availability of research and training services .....30	4.05	Life expectancy at birth (hard data) .....112
		4.01	Medium-term business impact of malaria .....102
		4.04	Infant mortality (hard data) .....93
		4.09	Primary enrollment (hard data) .....77
6th pillar: Market efficiency		5th pillar: Higher education and training	
6.23	Local equity market access .....10	5.04	Quality of math and science education .....117
6.15	Reliance on professional management .....14	5.03	Quality of the educational system .....98
6.02	Efficiency of legal framework .....15	5.02	Tertiary enrollment (hard data) .....88
6.01	Agricultural policy costs .....19	5.01	Secondary enrollment (hard data) .....50
6.19	Financial market sophistication .....19		
6.22	Soundness of banks .....19	6th pillar: Market efficiency	
6.07	Effectiveness of antitrust policy .....20	6.12	Hiring and firing practices .....121
6.03	Extent and effect of taxation .....27	6.13	Flexibility of wage determination .....115
6.09	Prevalence of trade barriers .....37	6.14	Cooperation in labor-employer relations .....111
6.06	Intensity of local competition .....38	6.16	Pay and productivity .....94
6.21	Venture capital availability .....38	6.05	Time required to start a business (hard data) .....63
		6.17	Brain drain .....59
7th pillar: Technological readiness		7th pillar: Technological readiness	
7.03	Laws relating to ICT .....28	7.06	Internet users (hard data) .....72
7.02	Firm-level technology absorption .....30	7.07	Personal computers (hard data) .....59
		7.05	Cellular telephones (hard data) .....57
8th pillar: Business sophistication		8th pillar: Business sophistication	
8.04	Extent of marketing .....18	8.08	Value chain presence .....79
8.01	Local supplier quantity .....21	8.07	Nature of competitive advantage .....71
8.02	Local supplier quality .....29		
8.05	Control of international distribution .....33	9th pillar: Innovation	
9th pillar: Innovation		9.05	Availability of scientists and engineers .....92
9.03	University/industry research collaboration .....22		
9.02	Company spending on research and development .....24		
9.01	Quality of scientific research institutions .....25		
9.07	Intellectual property protection .....25		
9.04	Government procurement of technology products .....32		
9.06	Utility patents (hard data) .....35		

Spain

Key Indicators

Total population (millions), 2005.....	43.1
GDP (US\$ billions), 2005.....	1,126.6
GDP (PPP) as share of world total, 2005.....	1.78
GDP (PPP) per capita (US\$), 2005.....	26,320

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

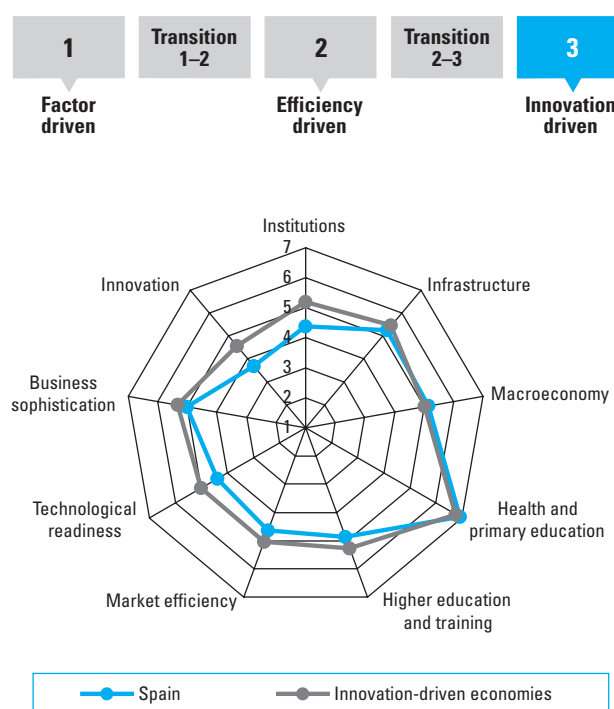
2006–07	28	4.8
2005–06 (out of 117 countries).....	28.....	4.8
Basic Requirements	25	5.4
1st pillar: Institutions.....	39.....	4.4
2nd pillar: Infrastructure	22.....	5.2
3rd pillar: Macroeconomy.....	24.....	5.1
4th pillar: Health and primary education.....	5.....	6.9
Efficiency Enhancers	28	4.6
5th pillar: Higher education and training.....	31.....	4.9
6th pillar: Market efficiency.....	36.....	4.6
7th pillar: Technological readiness	33.....	4.4
Innovation Factors	30	4.3
8th pillar: Business sophistication.....	27.....	5.0
9th pillar: Innovation	35.....	3.7

Rank (out of 121 countries/economies)

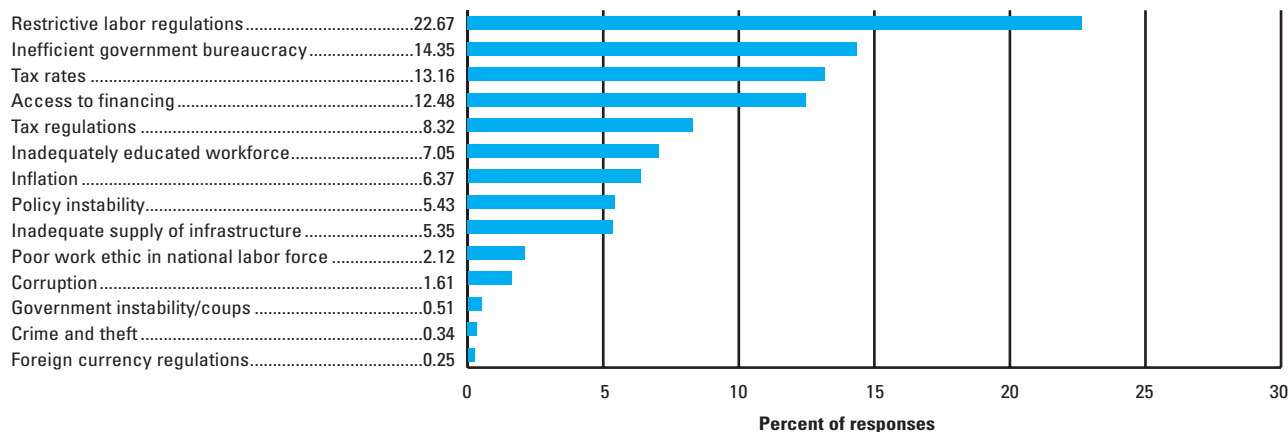
Business Competitiveness Index

Sophistication of company operations and strategy.....	31
Quality of the national business environment.....	31

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

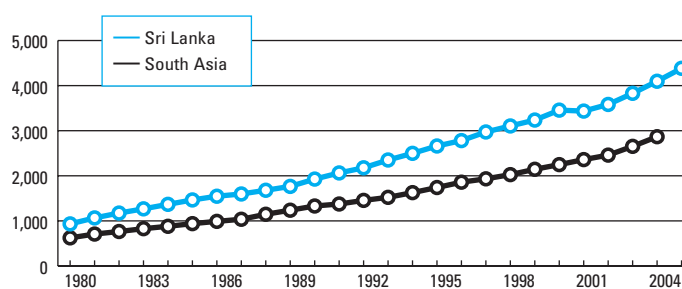
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.09	Reliability of police services	22	1.08	Business costs of terrorism	98
1.01	Property rights.....	26	1.05	Favoritism in decisions of government officials.....	77
1.12	Ethical behavior of firms	27	1.07	Burden of government compliance.....	68
2nd pillar: Infrastructure			1.04	Judicial independence.....	64
2.02	Railroad infrastructure development	18	1.11	Organized crime	57
2.03	Quality of port infrastructure	23	1.14	Protection of minority shareholders' interests.....	56
2.04	Quality of air transport infrastructure.....	23	1.10	Business costs of crime and violence	52
2.01	Overall infrastructure quality	25	1.15	Strength of auditing and accounting standards	43
3rd pillar: Macroeconomy			1.13	Efficacy of corporate boards	38
3.04	Interest rate spread (hard data).....	7	1.02	Diversion of public funds	36
5th pillar: Higher education and training			3rd pillar: Macroeconomy		
5.01	Secondary enrollment (hard data)	3	3.06	Real effective exchange rate (hard data)	95
5.05	Quality of management schools	11	3.05	Government debt (hard data)	41
5.02	Tertiary enrollment (hard data)	14	5th pillar: Higher education and training		
6th pillar: Market efficiency			5.04	Quality of math and science education.....	82
6.22	Soundness of banks.....	11	5.03	Quality of the educational system	67
6.19	Financial market sophistication	22	5.07	Extent of staff training	41
7th pillar: Technological readiness			6th pillar: Market efficiency		
7.05	Cellular telephones (hard data).....	22	6.12	Hiring and firing practices	114
8th pillar: Business sophistication			6.13	Flexibility of wage determination	87
8.01	Local supplier quantity	17	6.01	Agricultural policy costs	85
8.04	Extent of marketing.....	23	6.05	Time required to start a business (hard data).....	80
8.08	Value chain presence	24	6.16	Pay and productivity.....	72
8.07	Nature of competitive advantage.....	27	6.14	Cooperation in labor-employer relations.....	70
			6.03	Extent and effect of taxation.....	65
			6.23	Local equity market access.....	53
			6.02	Efficiency of legal framework	48
			6.07	Effectiveness of antitrust policy.....	38
			7th pillar: Technological readiness		
			7.02	Firm-level technology absorption	56
			7.04	FDI and technology transfer.....	39
			8th pillar: Business sophistication		
			8.05	Control of international distribution.....	42
			9th pillar: Innovation		
			9.04	Government procurement of technology products.....	52
			9.01	Quality of scientific research institutions	47
			9.02	Company spending on research and development	46
			9.03	University/industry research collaboration	44
			9.05	Availability of scientists and engineers	42

Sri Lanka

Key Indicators

Total population (millions), 2005.....	20.7
GDP (US\$ billions), 2005.....	23.5
GDP (PPP) as share of world total, 2005.....	0.14
GDP (PPP) per capita (US\$), 2005.....	4,384

GDP (PPP) per capita (US\$), 1980–2005

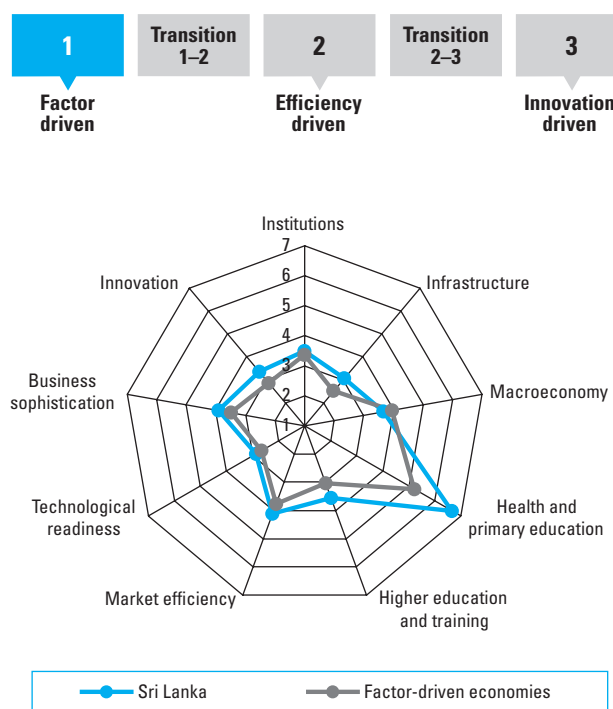


Global Competitiveness Index

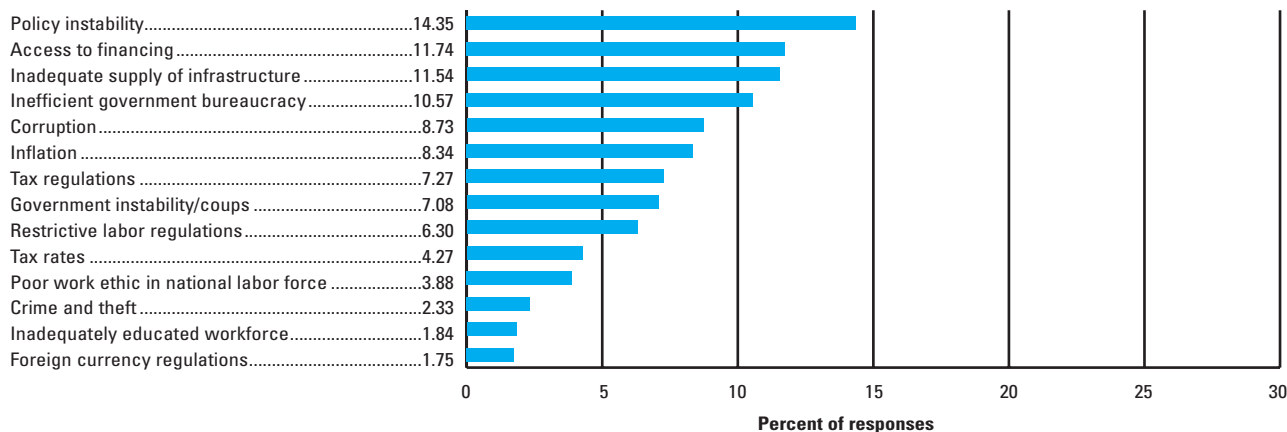
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	79	3.9
2005–06 (out of 117 countries).....	80.....	3.8
Basic Requirements	80	4.2
1st pillar: Institutions.....	82.....	3.5
2nd pillar: Infrastructure.....	76.....	3.1
3rd pillar: Macroeconomy.....	110.....	3.7
4th pillar: Health and primary education.....	36.....	6.7
Efficiency Enhancers	79	3.5
5th pillar: Higher education and training.....	81.....	3.6
6th pillar: Market efficiency.....	71.....	4.1
7th pillar: Technological readiness.....	83.....	2.9
Innovation Factors	67	3.6
8th pillar: Business sophistication.....	71.....	3.9
9th pillar: Innovation.....	53.....	3.3

	Rank (out of 121 countries/economies)
Business Competitiveness Index	65
Sophistication of company operations and strategy.....	68
Quality of the national business environment.....	68

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

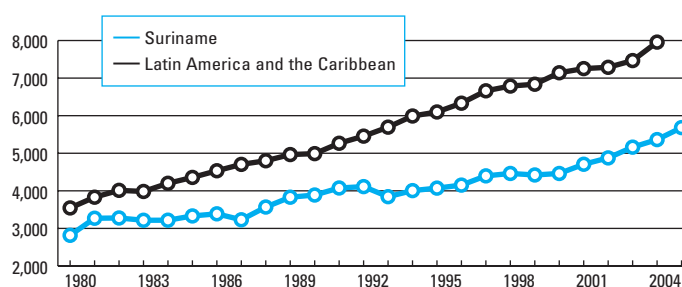
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.02	National savings rate (hard data)	43	1.08	Business costs of terrorism	124
4th pillar: Health and primary education			1.12	Ethical behavior of firms	95
4.09	Primary enrollment (hard data)	31	1.09	Reliability of police services	94
6th pillar: Market efficiency			1.05	Favoritism in decisions of government officials	90
6.23	Local equity market access	30	1.11	Organized crime	90
6.04	Number of procedures to start business (hard data)	31	1.03	Public trust of politicians	87
7th pillar: Technological readiness			1.07	Burden of government compliance	87
7.04	FDI and technology transfer	35	1.06	Wastefulness of government spending	85
9th pillar: Innovation			1.02	Diversion of public funds	76
9.01	Quality of scientific research institutions	42	1.10	Business costs of crime and violence	74
9.08	Capacity for innovation	46	1.04	Judicial independence	72
			2nd pillar: Infrastructure		
			2.06	Telephone lines (hard data)	93
			2.05	Quality of electricity supply	83
			2.01	Overall infrastructure quality	74
			3rd pillar: Macroeconomy		
			3.01	Government surplus/deficit (hard data)	121
			3.03	Inflation (hard data)	108
			3.05	Government debt (hard data)	98
			4th pillar: Health and primary education		
			4.01	Medium-term business impact of malaria	83
			4.03	Medium-term business impact of HIV/AIDS	72
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	106
			5.07	Extent of staff training	75
			5.03	Quality of the educational system	70
			6th pillar: Market efficiency		
			6.14	Cooperation in labor-employer relations	113
			6.12	Hiring and firing practices	99
			6.17	Brain drain	92
			6.01	Agricultural policy costs	87
			6.05	Time required to start a business (hard data)	86
			6.13	Flexibility of wage determination	84
			6.09	Prevalence of trade barriers	75
			6.03	Extent and effect of taxation	73
			6.06	Intensity of local competition	69
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	104
			7.07	Personal computers (hard data)	87
			7.01	Technological readiness	79

Suriname

Key Indicators

Total population (millions), 2005.....	0.4
GDP (US\$ billions), 2005.....	1.3
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	5,683

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–07100.....3.5

2005–06 (out of 117 countries).....n/a.....n/a

Basic Requirements91.....4.1

1st pillar: Institutions.....89.....3.4

2nd pillar: Infrastructure100.....2.4

3rd pillar: Macroeconomy.....94.....4.0

4th pillar: Health and primary education.....51.....6.5

Efficiency Enhancers.....107.....3.0

5th pillar: Higher education and training.....99.....3.1

6th pillar: Market efficiency.....117.....3.4

7th pillar: Technological readiness107.....2.5

Innovation Factors114.....2.9

8th pillar: Business sophistication.....111.....3.2

9th pillar: Innovation113.....2.5

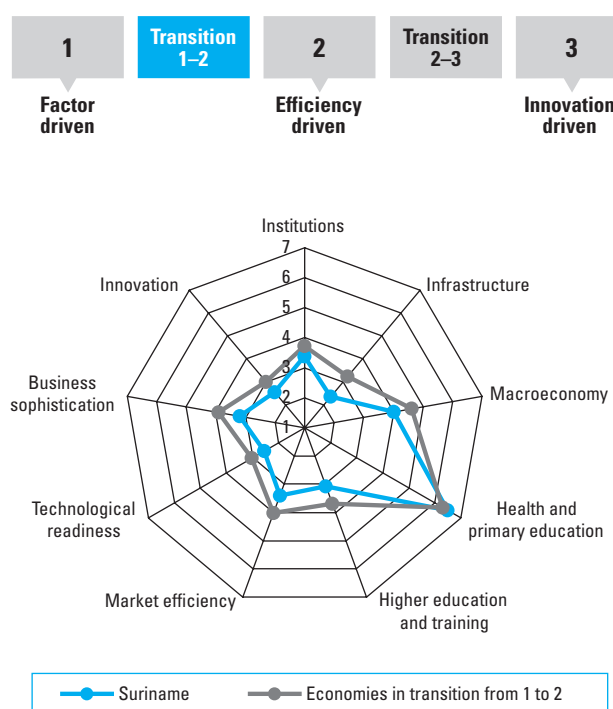
Rank (out of 121 countries/economies)

Business Competitiveness Index109

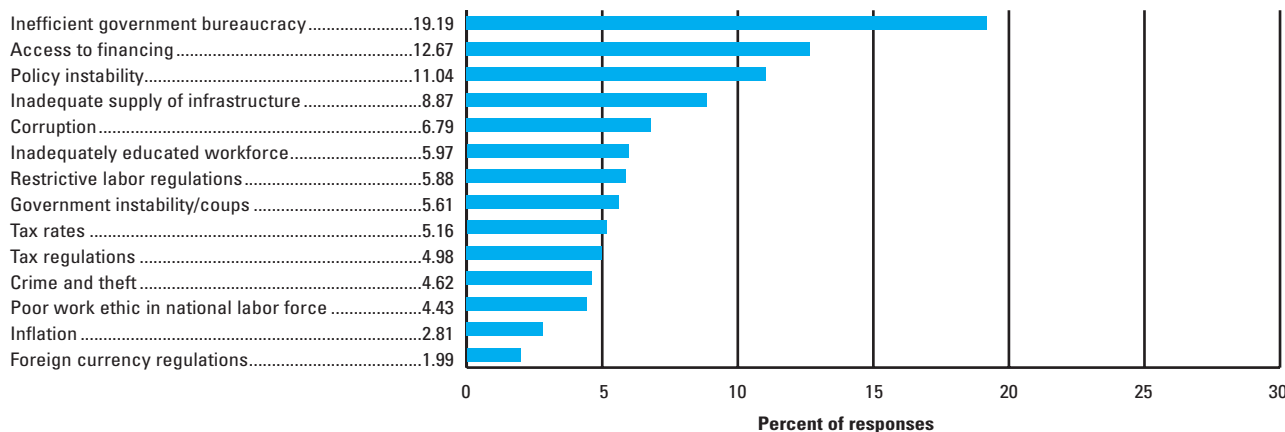
Sophistication of company operations and strategy.....115

Quality of the national business environment.....108

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

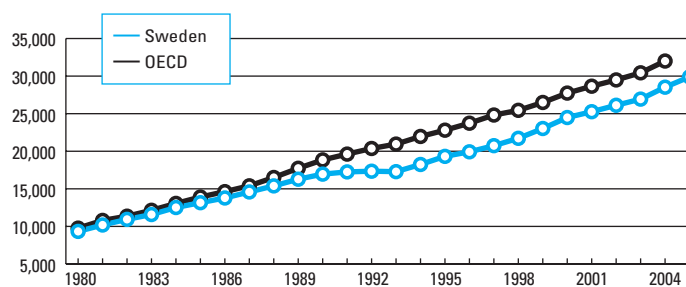
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.04	Judicial independence	41	1.06	Wastefulness of government spending	110
			1.05	Favoritism in decisions of government officials	108
3rd pillar: Macroeconomy			1.12	Ethical behavior of firms	108
3.05	Government debt (hard data)	42	1.03	Public trust of politicians	104
			1.07	Burden of government compliance	96
4th pillar: Health and primary education			1.01	Property rights	94
4.09	Primary enrollment (hard data)	28	1.10	Business costs of crime and violence	94
			2nd pillar: Infrastructure		
6th pillar: Market efficiency			2.05	Quality of electricity supply	106
6.13	Flexibility of wage determination	47	2.01	Overall infrastructure quality	95
6.09	Prevalence of trade barriers	48	3rd pillar: Macroeconomy		
6.02	Efficiency of legal framework	49	3.03	Inflation (hard data)	105
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	105
			4.08	HIV prevalence (hard data)	99
			4.05	Life expectancy at birth (hard data)	83
			4.04	Infant mortality (hard data)	81
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	116
			5.06	Local availability of research and training services	115
			5.07	Extent of staff training	110
			6th pillar: Market efficiency		
			6.12	Hiring and firing practices	122
			6.01	Agricultural policy costs	121
			6.20	Ease of access to loans	121
			6.03	Extent and effect of taxation	113
			6.14	Cooperation in labor-employer relations	107
			6.10	Foreign ownership restrictions	97
			6.23	Local equity market access	86
			6.17	Brain drain	79
			7th pillar: Technological readiness		
			7.03	Laws relating to ICT	125
			7.01	Technological readiness	112
			7.02	Firm-level technology absorption	112
			7.04	FDI and technology transfer	99
			8th pillar: Business sophistication		
			8.08	Value chain presence	118
			8.02	Local supplier quality	109
			8.03	Production process sophistication	100
			9th pillar: Innovation		
			9.07	Intellectual property protection	124
			9.05	Availability of scientists and engineers	106

Sweden

Key Indicators

Total population (millions), 2005.....	9.0
GDP (US\$ billions), 2005.....	358.8
GDP (PPP) as share of world total, 2005.....	0.44
GDP (PPP) per capita (US\$), 2005.....	29,898

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

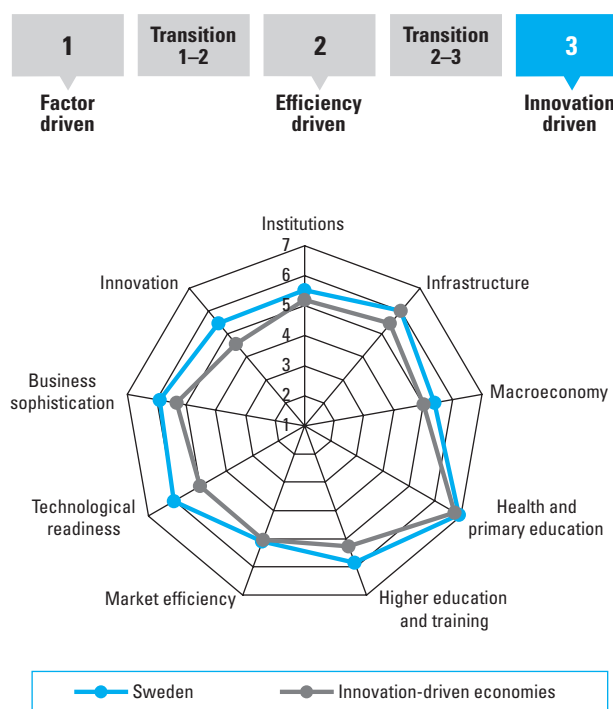
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	3	5.7
2005–06 (out of 117 countries).....	7.....	5.5
Basic Requirements	7	6.0
1st pillar: Institutions.....	12.....	5.5
2nd pillar: Infrastructure	9.....	6.0
3rd pillar: Macroeconomy.....	15.....	5.4
4th pillar: Health and primary education.....	9.....	6.9
Efficiency Enhancers	2	5.7
5th pillar: Higher education and training.....	3.....	5.8
6th pillar: Market efficiency.....	19.....	5.1
7th pillar: Technological readiness	1.....	6.0
Innovation Factors	5	5.7
8th pillar: Business sophistication.....	5.....	5.9
9th pillar: Innovation	6.....	5.4

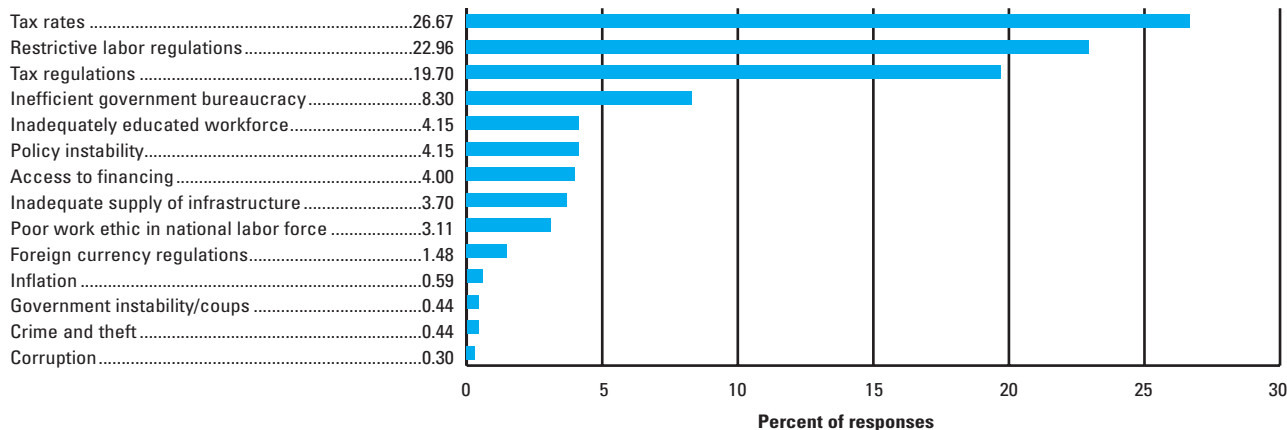
Rank (out of 121 countries/economies)

Business Competitiveness Index	7
Sophistication of company operations and strategy.....	3
Quality of the national business environment.....	8

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

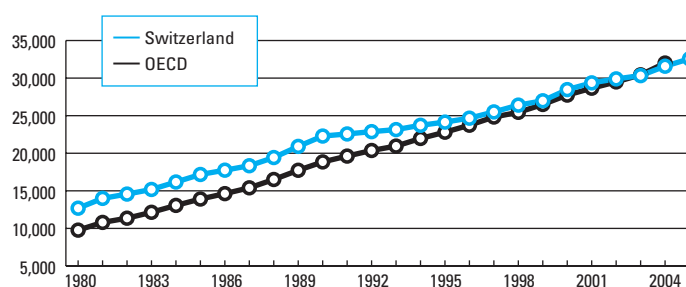
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.14	Protection of minority shareholders' interests.....	1	1.07	Burden of government compliance.....	43
1.13	Efficacy of corporate boards	2	1.06	Wastefulness of government spending	38
1.15	Strength of auditing and accounting standards	2	1.09	Reliability of police services	27
1.12	Ethical behavior of firms	4	1.08	Business costs of terrorism	26
1.02	Diversion of public funds	8			
1.05	Favoritism in decisions of government officials.....	8			
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.06	Telephone lines (hard data)	2	2.04	Quality of air transport infrastructure.....	21
5th pillar: Higher education and training			3rd pillar: Macroeconomy		
5.02	Tertiary enrollment (hard data)	3	3.05	Government debt (hard data)	58
5.07	Extent of staff training	3	3.06	Real effective exchange rate (hard data)	47
5.06	Local availability of research and training services	8			
6th pillar: Market efficiency			4th pillar: Health and primary education		
6.15	Reliance on professional management.....	1	4.01	Medium-term business impact of malaria	19
6.23	Local equity market access.....	2			
6.04	Number of procedures to start business (hard data)	4	5th pillar: Higher education and training		
6.20	Ease of access to loans	4	5.04	Quality of math and science education.....	37
6.09	Prevalence of trade barriers	5	5.03	Quality of the educational system	24
6.02	Efficiency of legal framework	6	5.05	Quality of management schools	21
6.06	Intensity of local competition	7	6th pillar: Market efficiency		
6.22	Soundness of banks.....	7	6.12	Hiring and firing practices	124
6.19	Financial market sophistication	8	6.03	Extent and effect of taxation.....	118
6.10	Foreign ownership restrictions.....	9	6.13	Flexibility of wage determination	118
7th pillar: Technological readiness			6.01	Agricultural policy costs	34
7.06	Internet users (hard data)	2	6.17	Brain drain	26
7.01	Technological readiness	3	6.05	Time required to start a business (hard data).....	20
7.02	Firm-level technology absorption	3	6.14	Cooperation in labor-employer relations.....	20
7.05	Cellular telephones (hard data).....	3	7th pillar: Technological readiness		
7.07	Personal computers (hard data)	3	7.04	FDI and technology transfer.....	54
8th pillar: Business sophistication					
8.06	Willingness to delegate authority.....	1			
8.03	Production process sophistication	5			
8.02	Local supplier quality	6			
8.08	Value chain presence	7			
8.07	Nature of competitive advantage.....	8			
8.04	Extent of marketing.....	9			
9th pillar: Innovation					
9.03	University/industry research collaboration	2			
9.08	Capacity for innovation	3			
9.02	Company spending on research and development	5			
9.06	Utility patents (hard data)	7			
9.01	Quality of scientific research institutions	8			
9.05	Availability of scientists and engineers	8			
9.07	Intellectual property protection	8			

Switzerland

Key Indicators

Total population (millions), 2005.....	7.3
GDP (US\$ billions), 2005.....	367.5
GDP (PPP) as share of world total, 2005.....	0.39
GDP (PPP) per capita (US\$), 2005.....	32,571

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

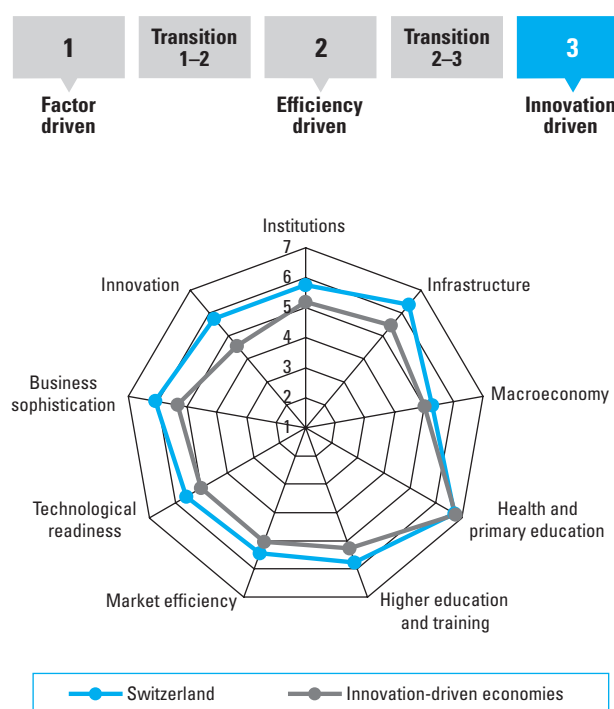
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	1	5.8
2005–06 (out of 117 countries).....	4.....	5.7
Basic Requirements	5	6.0
1st pillar: Institutions.....	5.....	5.7
2nd pillar: Infrastructure	2.....	6.3
3rd pillar: Macroeconomy.....	18.....	5.3
4th pillar: Health and primary education.....	29.....	6.7
Efficiency Enhancers	5	5.6
5th pillar: Higher education and training.....	6.....	5.8
6th pillar: Market efficiency.....	5.....	5.4
7th pillar: Technological readiness	5.....	5.6
Innovation Factors	2	5.9
8th pillar: Business sophistication.....	3.....	6.1
9th pillar: Innovation	3.....	5.7

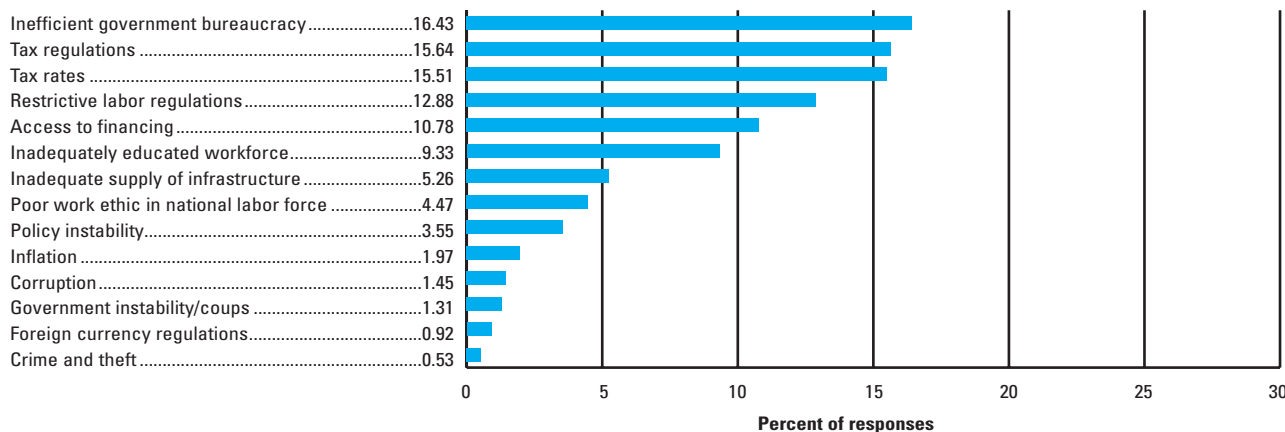
Rank (out of 121 countries/economies)

Business Competitiveness Index	4
Sophistication of company operations and strategy.....	4
Quality of the national business environment.....	4

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

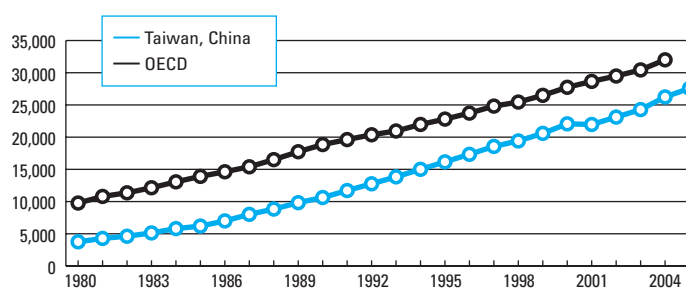
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.03 Public trust of politicians	5	1.08 Business costs of terrorism	40
1.09 Reliability of police services	5	1.14 Protection of minority shareholders' interests	28
1.02 Diversion of public funds	7	1.13 Efficacy of corporate boards	20
1.10 Business costs of crime and violence	7		
1.04 Judicial independence	9	3rd pillar: Macroeconomy	
1.05 Favoritism in decisions of government officials	9	3.05 Government debt (hard data)	61
1.15 Strength of auditing and accounting standards	9	3.06 Real effective exchange rate (hard data)	57
		3.01 Government surplus/deficit (hard data)	54
2nd pillar: Infrastructure			
2.01 Overall infrastructure quality	1	5th pillar: Higher education and training	
2.02 Railroad infrastructure development	1	5.02 Tertiary enrollment (hard data)	35
2.06 Telephone lines (hard data)	3		
2.05 Quality of electricity supply	6	6th pillar: Market efficiency	
		6.01 Agricultural policy costs	111
5th pillar: Higher education and training		6.09 Prevalence of trade barriers	86
5.07 Extent of staff training	1	6.06 Intensity of local competition	35
5.05 Quality of management schools	2	6.05 Time required to start a business (hard data)	24
5.03 Quality of the educational system	4	6.10 Foreign ownership restrictions	23
5.04 Quality of math and science education	4	6.13 Flexibility of wage determination	22
5.06 Local availability of research and training services	4	6.20 Ease of access to loans	22
		6.07 Effectiveness of antitrust policy	21
6th pillar: Market efficiency		6.21 Venture capital availability	21
6.19 Financial market sophistication	2		
6.22 Soundness of banks	2	7th pillar: Technological readiness	
6.14 Cooperation in labor-employer relations	3	7.04 FDI and technology transfer	55
6.16 Pay and productivity	3	7.06 Internet users (hard data)	24
6.12 Hiring and firing practices	4		
6.02 Efficiency of legal framework	7		
7th pillar: Technological readiness			
7.07 Personal computers (hard data)	1		
7.02 Firm-level technology absorption	6		
7.01 Technological readiness	8		
7.03 Laws relating to ICT	8		
8th pillar: Business sophistication			
8.07 Nature of competitive advantage	2		
8.08 Value chain presence	2		
8.02 Local supplier quality	3		
8.03 Production process sophistication	3		
8.05 Control of international distribution	3		
8.04 Extent of marketing	4		
8.01 Local supplier quantity	5		
8.06 Willingness to delegate authority	5		
9th pillar: Innovation			
9.01 Quality of scientific research institutions	1		
9.02 Company spending on research and development	1		
9.03 University/industry research collaboration	1		
9.07 Intellectual property protection	3		
9.08 Capacity for innovation	5		
9.04 Government procurement of technology products	6		
9.05 Availability of scientists and engineers	6		
9.06 Utility patents (hard data)	6		

Taiwan, China

Key Indicators

Total population (millions), 2005.....	22.6
GDP (US\$ billions), 2005.....	346.1
GDP (PPP) as share of world total, 2005.....	1.03
GDP (PPP) per capita (US\$), 2005.....	27,572

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–0713.....5.4

2005–06 (out of 117 countries).....n/a.....n/a

Basic Requirements21.....5.5

1st pillar: Institutions.....32.....4.6

2nd pillar: Infrastructure16.....5.6

3rd pillar: Macroeconomy.....27.....5.1

4th pillar: Health and primary education.....25.....6.8

Efficiency Enhancers.....14.....5.4

5th pillar: Higher education and training.....7.....5.7

6th pillar: Market efficiency.....22.....5.1

7th pillar: Technological readiness14.....5.3

Innovation Factors9.....5.4

8th pillar: Business sophistication.....15.....5.4

9th pillar: Innovation8.....5.3

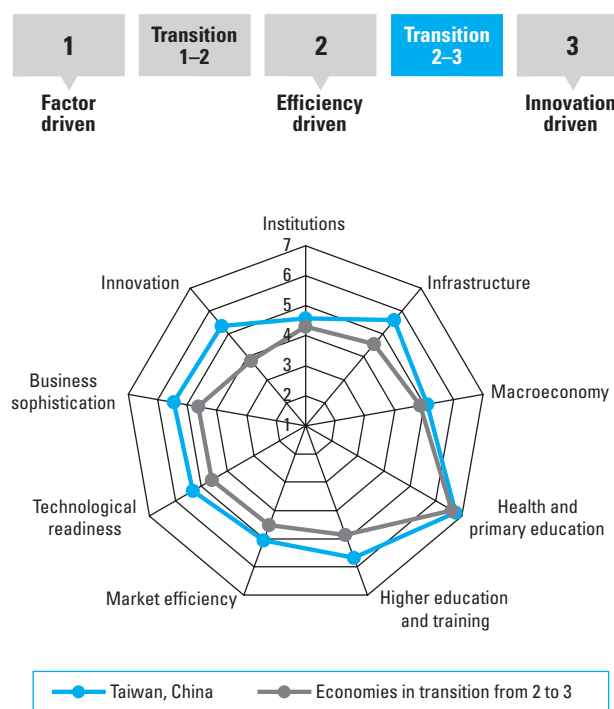
Rank (out of 121 countries/economies)

Business Competitiveness Index21

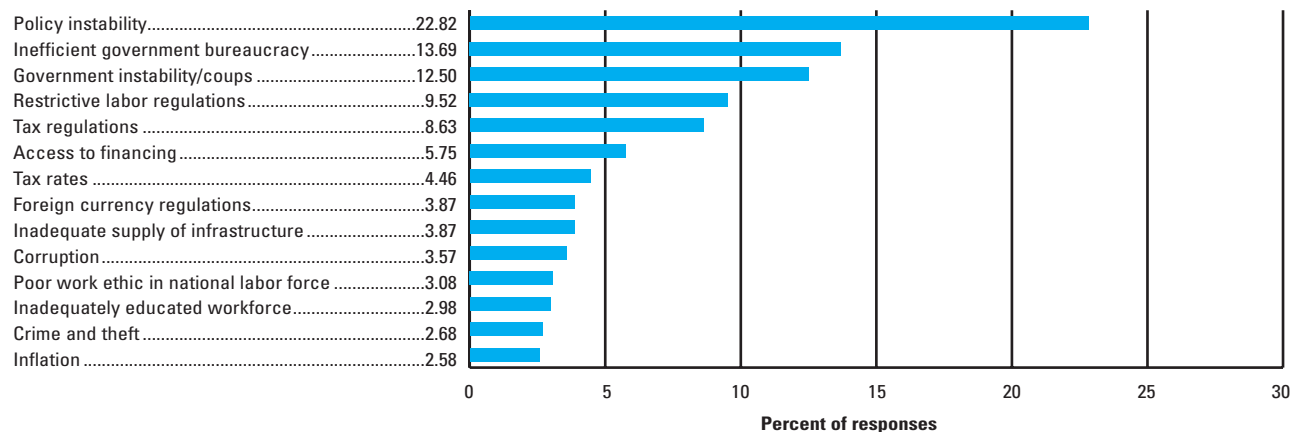
Sophistication of company operations and strategy.....16

Quality of the national business environment.....22

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

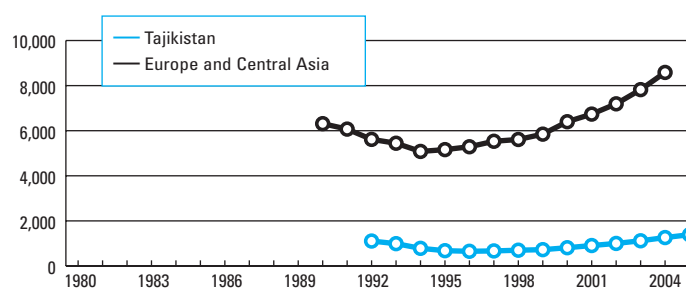
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	12	1.14	Protection of minority shareholders' interests.....	55
2nd pillar: Infrastructure			1.04	Judicial independence.....	53
2.06	Telephone lines (hard data).....	9	1.08	Business costs of terrorism.....	52
2.02	Railroad infrastructure development.....	12	1.11	Organized crime.....	50
3rd pillar: Macroeconomy			1.15	Strength of auditing and accounting standards.....	40
3.04	Interest rate spread (hard data).....	10	1.01	Property rights.....	39
5th pillar: Higher education and training			1.02	Diversion of public funds.....	39
5.02	Tertiary enrollment (hard data).....	7	1.09	Reliability of police services.....	36
5.03	Quality of the educational system.....	9	1.12	Ethical behavior of firms.....	35
5.04	Quality of math and science education.....	10	1.13	Efficacy of corporate boards.....	33
6th pillar: Market efficiency			1.03	Public trust of politicians.....	32
6.16	Pay and productivity.....	2	1.10	Business costs of crime and violence.....	30
6.23	Local equity market access.....	7	1.05	Favoritism in decisions of government officials.....	25
6.13	Flexibility of wage determination.....	11	1.06	Wastefulness of government spending.....	24
7th pillar: Technological readiness			3rd pillar: Macroeconomy		
7.02	Firm-level technology absorption.....	5	3.01	Government surplus/deficit (hard data).....	72
7.05	Cellular telephones (hard data).....	10	3.05	Government debt (hard data).....	35
9th pillar: Innovation			3.06	Real effective exchange rate (hard data).....	32
9.04	Government procurement of technology products.....	3	4th pillar: Health and primary education		
9.06	Utility patents (hard data).....	3	4.06	Tuberculosis prevalence (hard data).....	60
9.03	University/industry research collaboration.....	7	5th pillar: Higher education and training		
9.02	Company spending on research and development.....	12	5.05	Quality of management schools.....	24
			6th pillar: Market efficiency		
			6.22	Soundness of banks.....	100
			6.05	Time required to start a business (hard data).....	81
			6.02	Efficiency of legal framework.....	41
			6.10	Foreign ownership restrictions.....	36
			6.19	Financial market sophistication.....	33
			6.20	Ease of access to loans.....	32
			6.09	Prevalence of trade barriers.....	31
			6.15	Reliance on professional management.....	29
			6.12	Hiring and firing practices.....	27
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	28
			7.03	Laws relating to ICT.....	26
			8th pillar: Business sophistication		
			8.04	Extent of marketing.....	28
			9th pillar: Innovation		
			9.07	Intellectual property protection.....	26

Tajikistan

Key Indicators

Total population (millions), 2005.....	6.5
GDP (US\$ billions), 2005.....	2.3
GDP (PPP) as share of world total, 2005.....	0.01
GDP (PPP) per capita (US\$), 2005.....	1,388

GDP (PPP) per capita (US\$), 1980–2005

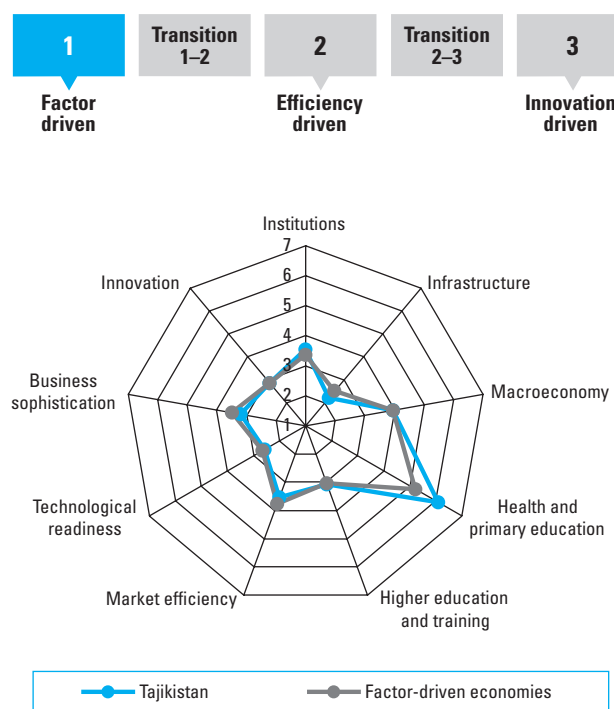


Global Competitiveness Index

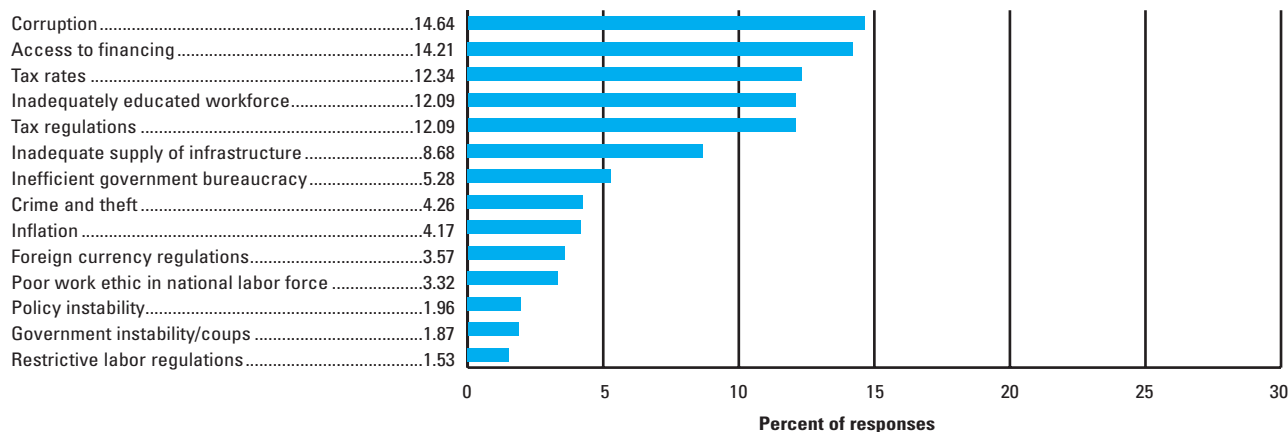
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	96	3.5
2005–06 (out of 117 countries).....	92.....	3.5
Basic Requirements	94	3.9
1st pillar: Institutions.....	77.....	3.5
2nd pillar: Infrastructure.....	108.....	2.2
3rd pillar: Macroeconomy.....	96.....	3.9
4th pillar: Health and primary education.....	85.....	6.1
Efficiency Enhancers	103	3.1
5th pillar: Higher education and training.....	98.....	3.1
6th pillar: Market efficiency.....	108.....	3.6
7th pillar: Technological readiness.....	102.....	2.6
Innovation Factors	103	3.0
8th pillar: Business sophistication.....	110.....	3.2
9th pillar: Innovation.....	95.....	2.8

	Rank (out of 121 countries/economies)
Business Competitiveness Index	98
Sophistication of company operations and strategy.....	108
Quality of the national business environment.....	97

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

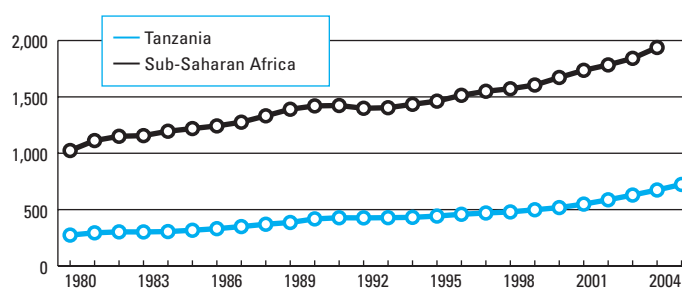
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.03	Public trust of politicians	41	1.08	Business costs of terrorism	107
3rd pillar: Macroeconomy			1.07	Burden of government compliance.....	87
3.06	Real effective exchange rate (hard data)	13	1.04	Judicial independence.....	81
4th pillar: Health and primary education			1.10	Business costs of crime and violence	73
4.09	Primary enrollment (hard data)	34	1.05	Favoritism in decisions of government officials.....	68
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.12	Hiring and firing practices	22	2.05	Quality of electricity supply	118
			2.06	Telephone lines (hard data)	100
			2.01	Overall infrastructure quality	80
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data).....	109
			3.03	Inflation (hard data).....	86
			3.01	Government surplus/deficit (hard data).....	78
			3.05	Government debt (hard data)	53
			4th pillar: Health and primary education		
			4.04	Infant mortality (hard data)	114
			4.06	Tuberculosis prevalence (hard data)	97
			4.05	Life expectancy at birth (hard data).....	93
			4.07	Malaria prevalence (hard data)	88
			5th pillar: Higher education and training		
			5.07	Extent of staff training	111
			5.03	Quality of the educational system	107
			5.02	Tertiary enrollment (hard data)	85
			6th pillar: Market efficiency		
			6.22	Soundness of banks.....	125
			6.15	Reliance on professional management.....	123
			6.06	Intensity of local competition.....	117
			6.10	Foreign ownership restrictions.....	117
			6.09	Prevalence of trade barriers	116
			6.17	Brain drain	104
			6.23	Local equity market access.....	103
			6.01	Agricultural policy costs	97
			6.14	Cooperation in labor-employer relations.....	83
			6.20	Ease of access to loans	82
			6.03	Extent and effect of taxation.....	78
			7th pillar: Technological readiness		
			7.06	Internet users (hard data)	124
			7.04	FDI and technology transfer.....	118
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	114
			8.01	Local supplier quantity	112
			8.02	Local supplier quality	112
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	112
			9.08	Capacity for innovation.....	101
			9.02	Company spending on research and development	84
			9.07	Intellectual property protection	83

Tanzania

Key Indicators

Total population (millions), 2005.....	38.3
GDP (US\$ billions), 2005.....	12.2
GDP (PPP) as share of world total, 2005.....	0.04
GDP (PPP) per capita (US\$), 2005.....	723

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

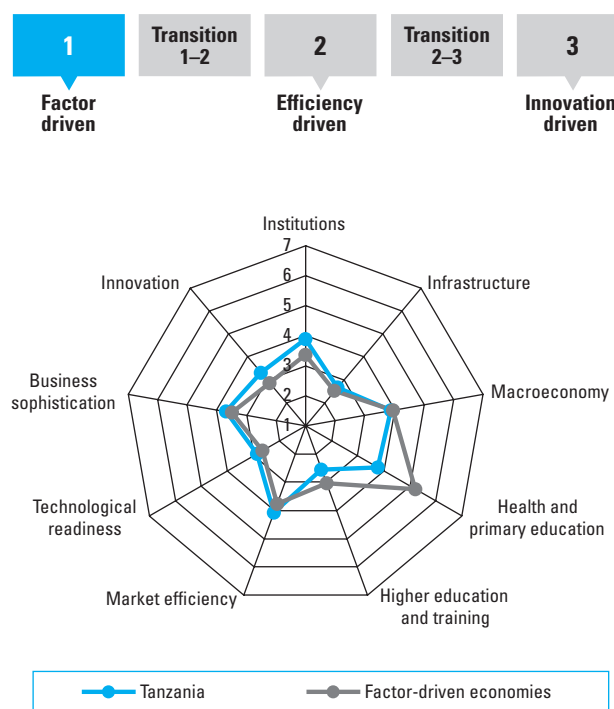
2006–07	104	3.4
2005–06 (out of 117 countries).....	105.....	3.3
Basic Requirements	111	3.5
1st pillar: Institutions.....	56.....	3.9
2nd pillar: Infrastructure	93.....	2.7
3rd pillar: Macroeconomy.....	100.....	3.9
4th pillar: Health and primary education.....	118.....	3.8
Efficiency Enhancers	94	3.2
5th pillar: Higher education and training.....	112.....	2.6
6th pillar: Market efficiency.....	75.....	4.1
7th pillar: Technological readiness	82.....	2.9
Innovation Factors	76	3.5
8th pillar: Business sophistication.....	81.....	3.7
9th pillar: Innovation	56.....	3.3

Rank (out of 121 countries/economies)

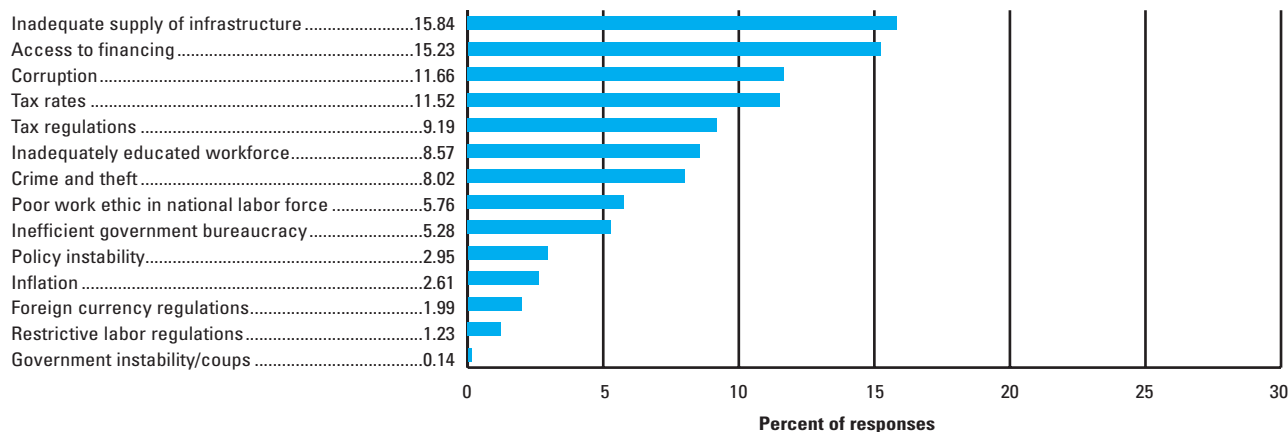
Business Competitiveness Index

Sophistication of company operations and strategy.....	75
Quality of the national business environment.....	71

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

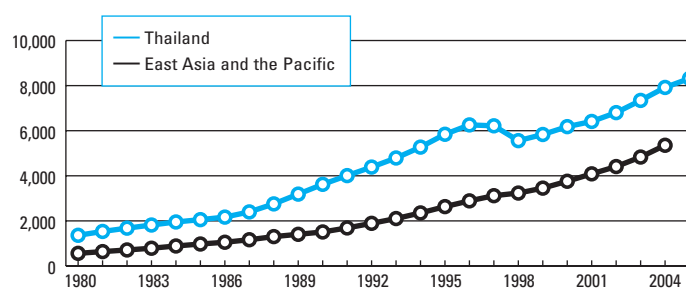
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.06	Wastefulness of government spending.....	26	1.10	Business costs of crime and violence	86
1.05	Favoritism in decisions of government officials.....	29	1.12	Ethical behavior of firms	85
1.07	Burden of government compliance.....	30	1.01	Property rights.....	84
1.03	Public trust of politicians	37	1.09	Reliability of police services	82
6th pillar: Market efficiency			1.15	Strength of auditing and accounting standards	76
6.01	Agricultural policy costs	12	1.02	Diversion of public funds	70
6.10	Foreign ownership restrictions.....	40	1.11	Organized crime	62
7th pillar: Technological readiness			2nd pillar: Infrastructure		
7.04	FDI and technology transfer.....	17	2.06	Telephone lines (hard data)	118
9th pillar: Innovation			2.05	Quality of electricity supply.....	115
9.04	Government procurement of technology products.....	37	2.01	Overall infrastructure quality	75
9.01	Quality of scientific research institutions	40	3rd pillar: Macroeconomy		
9.02	Company spending on research and development	41	3.04	Interest rate spread (hard data).....	96
9.03	University/industry research collaboration	41	3.01	Government surplus/deficit (hard data)	87
			3.02	National savings rate (hard data)	86
			4th pillar: Health and primary education		
			4.08	HIV prevalence (hard data)	117
			4.09	Primary enrollment (hard data)	116
			4.05	Life expectancy at birth (hard data).....	112
			4.07	Malaria prevalence (hard data)	108
			4.06	Tuberculosis prevalence (hard data)	107
			4.04	Infant mortality (hard data)	105
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	117
			5.04	Quality of math and science education.....	103
			5.07	Extent of staff training	87
			6th pillar: Market efficiency		
			6.04	Number of procedures to start business (hard data)	94
			6.09	Prevalence of trade barriers	93
			6.17	Brain drain	86
			6.20	Ease of access to loans	85
			6.06	Intensity of local competition.....	83
			7th pillar: Technological readiness		
			7.05	Cellular telephones (hard data).....	110
			7.06	Internet users (hard data).....	110
			7.07	Personal computers (hard data)	106
			7.02	Firm-level technology absorption	70
			8th pillar: Business sophistication		
			8.03	Production process sophistication	95
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	99
			9.07	Intellectual property protection	78
			9.05	Availability of scientists and engineers	69

Thailand

Key Indicators

Total population (millions), 2005.....	64.2
GDP (US\$ billions), 2005.....	168.8
GDP (PPP) as share of world total, 2005.....	0.89
GDP (PPP) per capita (US\$), 2005.....	8,319

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

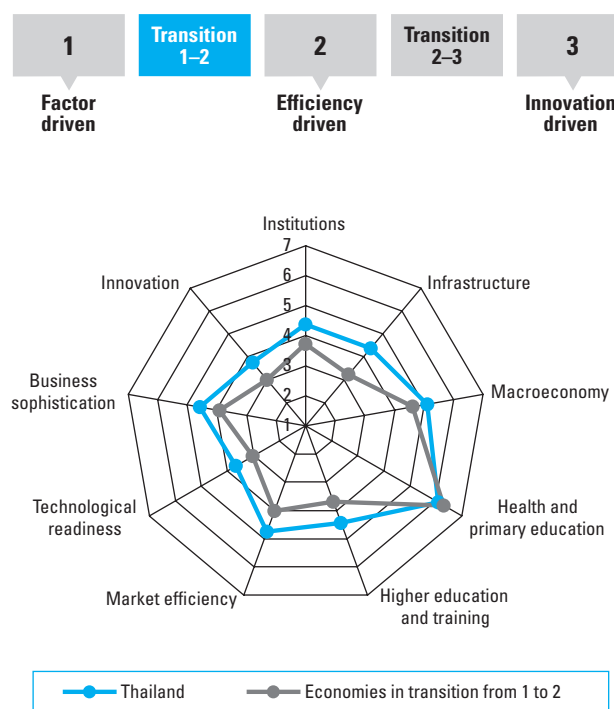
2006–07	35	4.6
2005–06 (out of 117 countries).....	33.....	4.6
Basic Requirements	38	5.0
1st pillar: Institutions.....	40.....	4.4
2nd pillar: Infrastructure	38.....	4.4
3rd pillar: Macroeconomy.....	28.....	5.1
4th pillar: Health and primary education.....	84.....	6.1
Efficiency Enhancers	43	4.3
5th pillar: Higher education and training.....	42.....	4.4
6th pillar: Market efficiency.....	31.....	4.8
7th pillar: Technological readiness	48.....	3.7
Innovation Factors	36	4.2
8th pillar: Business sophistication.....	40.....	4.6
9th pillar: Innovation	33.....	3.7

Rank (out of 121 countries/economies)

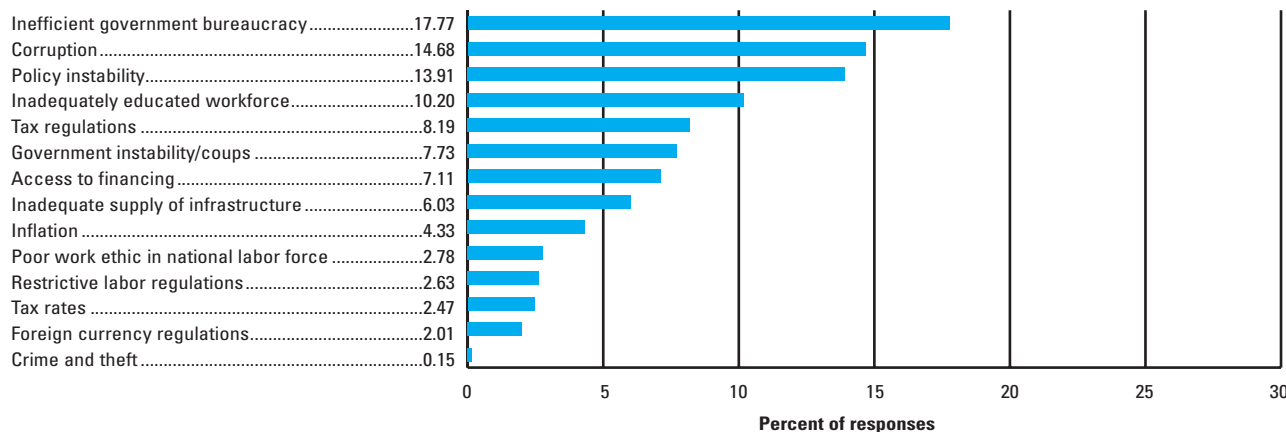
Business Competitiveness Index

Sophistication of company operations and strategy.....	30
Quality of the national business environment.....	37

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	15	1.08	Business costs of terrorism	80
1.06	Wastefulness of government spending	16	1.11	Organized crime	65
2nd pillar: Infrastructure			1.12	Ethical behavior of firms	57
2.01	Overall infrastructure quality	30	1.15	Strength of auditing and accounting standards	56
2.04	Quality of air transport infrastructure	31	1.02	Diversion of public funds	54
3rd pillar: Macroeconomy			1.03	Public trust of politicians	48
3.02	National savings rate (hard data)	22	2nd pillar: Infrastructure		
5th pillar: Higher education and training			2.06	Telephone lines (hard data)	80
5.07	Extent of staff training	30	3rd pillar: Macroeconomy		
6th pillar: Market efficiency			3.05	Government debt (hard data)	54
6.14	Cooperation in labor-employer relations.....	15	4th pillar: Health and primary education		
6.01	Agricultural policy costs	17	4.08	HIV prevalence (hard data)	97
6.17	Brain drain	18	4.09	Primary enrollment (hard data)	90
6.03	Extent and effect of taxation.....	22	4.06	Tuberculosis prevalence (hard data)	88
6.16	Pay and productivity	28	4.07	Malaria prevalence (hard data)	86
6.04	Number of procedures to start business (hard data)	31	4.03	Medium-term business impact of HIV/AIDS.....	77
6.23	Local equity market access.....	32	4.04	Infant mortality (hard data)	63
7th pillar: Technological readiness			5th pillar: Higher education and training		
7.02	Firm-level technology absorption	29	5.01	Secondary enrollment (hard data)	77
8th pillar: Business sophistication			5.06	Local availability of research and training services	66
8.06	Willingness to delegate authority.....	27	6th pillar: Market efficiency		
9th pillar: Innovation			6.10	Foreign ownership restrictions.....	104
9.03	University/industry research collaboration	24	6.09	Prevalence of trade barriers	90
9.04	Government procurement of technology products.....	25	6.13	Flexibility of wage determination	89
			6.22	Soundness of banks.....	75
			6.12	Hiring and firing practices	65
			6.05	Time required to start a business (hard data).....	48
			6.07	Effectiveness of antitrust policy	47
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	65
			7.06	Internet users (hard data)	62
			7.05	Cellular telephones (hard data).....	56
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	64
			8.03	Production process sophistication	50
			9th pillar: Innovation		
			9.08	Capacity for innovation.....	51

Timor-Leste

Key Indicators

Total population (millions), 2005.....	1.0
GDP (US\$ billions), 2005.....	0.4
GDP (PPP) as share of world total, 2005.....	n/a
GDP (PPP) per capita (US\$), 2005.....	n/a

GDP (PPP) per capita (US\$), 1980–2005

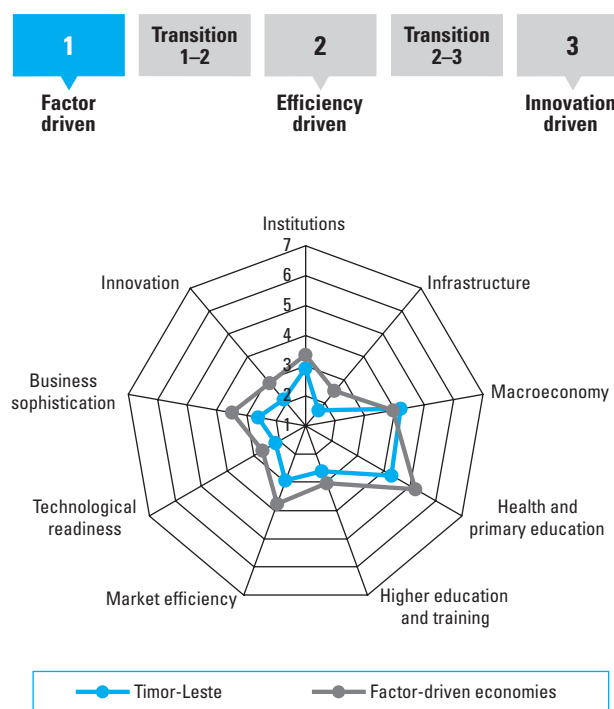
No data is available for Timor-Leste

Global Competitiveness Index

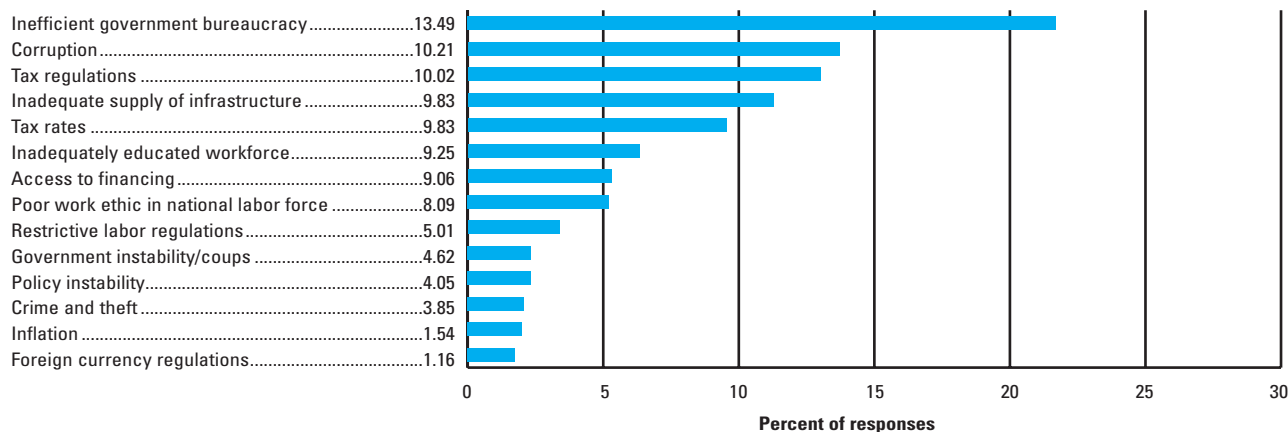
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	122	2.9
2005–06 (out of 117 countries).....	117	3.1
Basic Requirements	116	3.3
1st pillar: Institutions.....	119	2.9
2nd pillar: Infrastructure	124	1.7
3rd pillar: Macroeconomy.....	82	4.2
4th pillar: Health and primary education.....	114	4.3
Efficiency Enhancers	122	2.6
5th pillar: Higher education and training.....	111	2.6
6th pillar: Market efficiency.....	125	2.9
7th pillar: Technological readiness	123	2.1
Innovation Factors	125	2.4
8th pillar: Business sophistication.....	124	2.6
9th pillar: Innovation	124	2.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	n/a
Sophistication of company operations and strategy.....	n/a
Quality of the national business environment.....	n/a

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

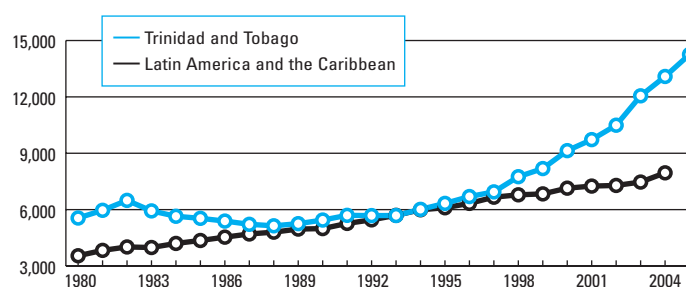
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.05	Government debt (hard data)	1	1.12	Ethical behavior of firms	124
8th pillar: Business sophistication			1.01	Property rights.....	122
8.07	Nature of competitive advantage.....	42	1.07	Burden of government compliance.....	113
			1.10	Business costs of crime and violence	105
			1.02	Diversion of public funds	102
			1.04	Judicial independence.....	88
			1.09	Reliability of police services	86
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	124
			2.05	Quality of electricity supply.....	117
			3rd pillar: Macroeconomy		
			3.02	National savings rate (hard data)	125
			3.01	Government surplus/deficit (hard data).....	104
			4th pillar: Health and primary education		
			4.01	Medium-term business impact of malaria	125
			4.06	Tuberculosis prevalence (hard data)	122
			4.04	Infant mortality (hard data)	101
			4.05	Life expectancy at birth (hard data).....	93
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	123
			5.07	Extent of staff training	103
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	124
			6.14	Cooperation in labor-employer relations.....	124
			6.10	Foreign ownership restrictions.....	122
			6.15	Reliance on professional management.....	121
			6.01	Agricultural policy costs	120
			6.22	Soundness of banks.....	120
			6.06	Intensity of local competition.....	115
			6.03	Extent and effect of taxation.....	105
			6.05	Time required to start a business (hard data).....	104
			6.02	Efficiency of legal framework	97
			6.12	Hiring and firing practices	85
			7th pillar: Technological readiness		
			7.01	Technological readiness	125
			7.02	Firm-level technology absorption	125
			7.06	Internet users (hard data).....	125
			7.04	FDI and technology transfer.....	109
			8th pillar: Business sophistication		
			8.01	Local supplier quantity	125
			8.02	Local supplier quality.....	125
			8.05	Control of international distribution.....	121
			8.03	Production process sophistication	111
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	125
			9.01	Quality of scientific research institutions	122

Trinidad and Tobago

Key Indicators

Total population (millions), 2005.....	1.3
GDP (US\$ billions), 2005.....	15.9
GDP (PPP) as share of world total, 2005.....	0.03
GDP (PPP) per capita (US\$), 2005.....	14,258

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

2006–0767.....4.0

2005–06 (out of 117 countries).....66.....4.0

Basic Requirements63.....4.5

1st pillar: Institutions.....85.....3.4

2nd pillar: Infrastructure70.....3.3

3rd pillar: Macroeconomy.....38.....4.9

4th pillar: Health and primary education.....64.....6.4

Efficiency Enhancers.....64.....3.8

5th pillar: Higher education and training.....65.....4.0

6th pillar: Market efficiency.....69.....4.1

7th pillar: Technological readiness60.....3.4

Innovation Factors63.....3.6

8th pillar: Business sophistication.....64.....4.1

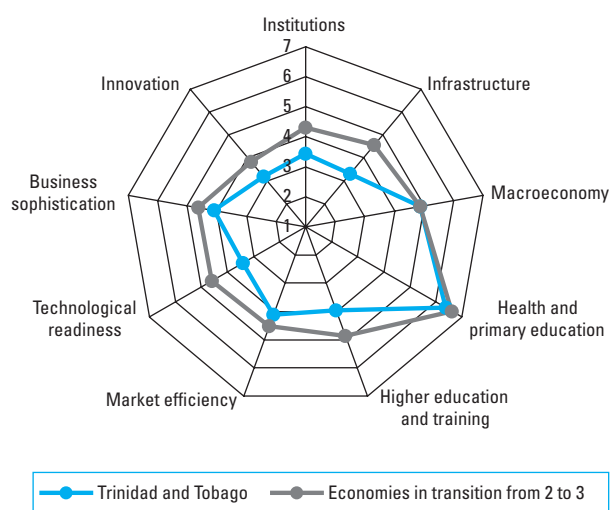
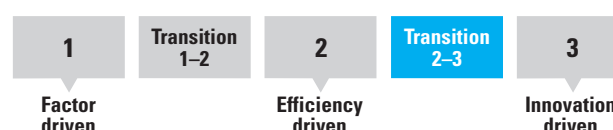
9th pillar: Innovation67.....3.2

Business Competitiveness Ran63

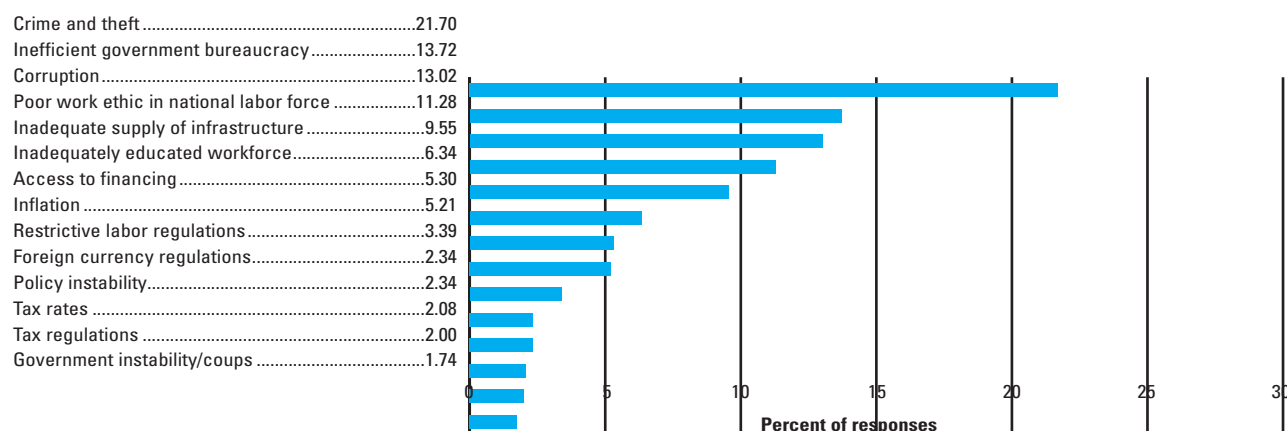
Sophistication of company operations and strategy.....65

Quality of the national business environment.....64

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Trinidad and Tobago

National competitiveness balance sheet

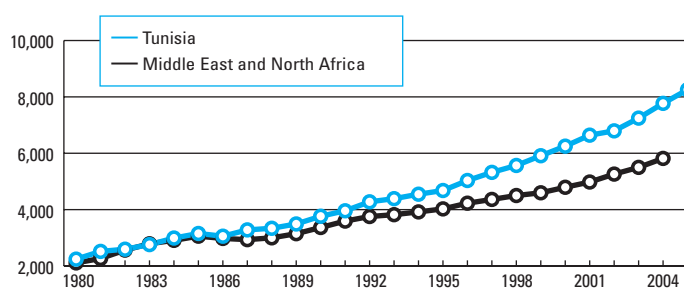
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.15	Strength of auditing and accounting standards	46	1.09	Reliability of police services	123
1.04	Judicial independence	49	1.10	Business costs of crime and violence	118
3rd pillar: Macroeconomy			1.11	Organized crime	113
3.05	Government debt (hard data)	18	1.02	Diversion of public funds	109
3.01	Government surplus/deficit (hard data)	28	1.08	Business costs of terrorism	108
5th pillar: Higher education and training			1.05	Favoritism in decisions of government officials	105
5.05	Quality of management schools	41	1.06	Wastefulness of government spending	104
5.03	Quality of the educational system	48	1.03	Public trust of politicians	101
6th pillar: Market efficiency			1.12	Ethical behavior of firms	83
6.03	Extent and effect of taxation	24	1.01	Property rights	65
6.22	Soundness of banks	25	1.07	Burden of government compliance	65
6.10	Foreign ownership restrictions	38	1.14	Protection of minority shareholders' interests	64
6.21	Venture capital availability	41	2nd pillar: Infrastructure		
6.12	Hiring and firing practices	47	2.02	Railroad infrastructure development	119
6.23	Local equity market access	49	2.03	Quality of port infrastructure	79
7th pillar: Technological readiness			2.05	Quality of electricity supply	63
7.04	FDI and technology transfer	14	3rd pillar: Macroeconomy		
7.05	Cellular telephones (hard data)	50	3.06	Real effective exchange rate (hard data)	88
8th pillar: Business sophistication			3.04	Interest rate spread (hard data)	76
8.03	Production process sophistication	45	4th pillar: Health and primary education		
9th pillar: Innovation			4.08	HIV prevalence (hard data)	107
9.04	Government procurement of technology products	50	4.07	Malaria prevalence (hard data)	64
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	90
			5.06	Local availability of research and training services	72
			6th pillar: Market efficiency		
			6.14	Cooperation in labor-employer relations	118
			6.01	Agricultural policy costs	104
			6.07	Effectiveness of antitrust policy	93
			6.13	Flexibility of wage determination	88
			6.17	Brain drain	83
			6.06	Intensity of local competition	72
			6.20	Ease of access to loans	64
			6.09	Prevalence of trade barriers	62
			7th pillar: Technological readiness		
			7.03	Laws relating to ICT	98
			7.01	Technological readiness	62
			8th pillar: Business sophistication		
			8.08	Value chain presence	84
			8.07	Nature of competitive advantage	78
			9th pillar: Innovation		
			9.08	Capacity for innovation	105
			9.07	Intellectual property protection	75
			9.01	Quality of scientific research institutions	66
			9.02	Company spending on research and development	65

Tunisia

Key Indicators

Total population (millions), 2005.....	10.1
GDP (US\$ billions), 2005.....	30.2
GDP (PPP) as share of world total, 2005.....	0.14
GDP (PPP) per capita (US\$), 2005.....	8,255

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

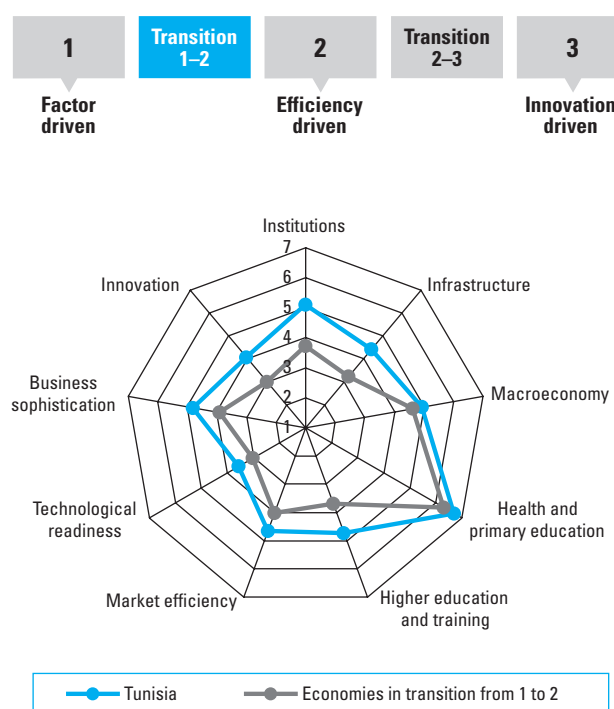
2006–07	30	4.7
2005–06 (out of 117 countries).....	37	4.5
Basic Requirements	31	5.3
1st pillar: Institutions.....	19	5.1
2nd pillar: Infrastructure	36	4.4
3rd pillar: Macroeconomy.....	37	4.9
4th pillar: Health and primary education.....	33	6.7
Efficiency Enhancers	42	4.3
5th pillar: Higher education and training.....	36	4.7
6th pillar: Market efficiency.....	35	4.7
7th pillar: Technological readiness	53	3.6
Innovation Factors	28	4.4
8th pillar: Business sophistication.....	31	4.8
9th pillar: Innovation	27	4.0

Rank (out of 121 countries/economies)

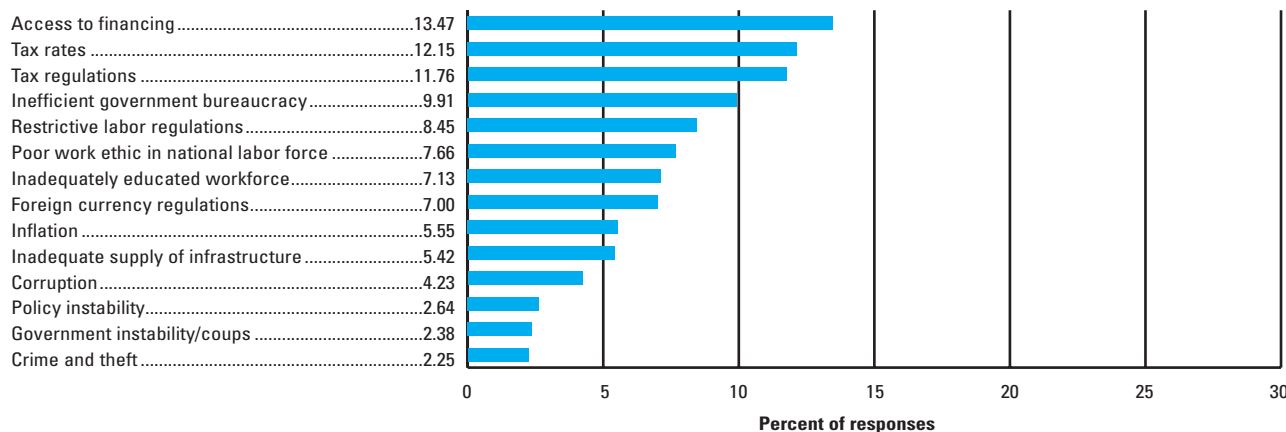
Business Competitiveness Index	26
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Sophistication of company operations and strategy.....	33
Quality of the national business environment.....	25

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

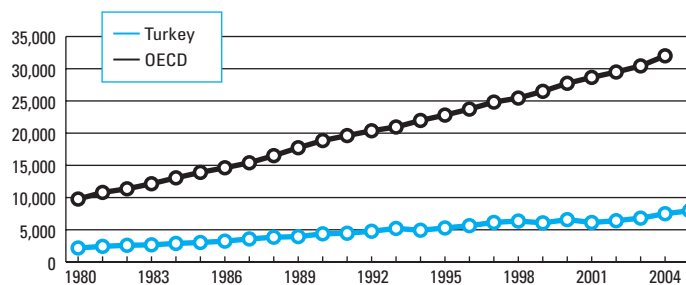
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.06	Wastefulness of government spending .....3	1.13	Efficacy of corporate boards .....57
1.05	Favoritism in decisions of government officials.....10	1.15	Strength of auditing and accounting standards .....49
1.07	Burden of government compliance.....11	1.11	Organized crime .....39
1.03	Public trust of politicians .....13	1.04	Judicial independence.....34
1.14	Protection of minority shareholders' interests.....19		
1.02	Diversion of public funds .....23	2nd pillar: Infrastructure	
1.09	Reliability of police services .....24	2.06	Telephone lines (hard data) .....77
1.12	Ethical behavior of firms .....28	2.04	Quality of air transport infrastructure .....49
		2.05	Quality of electricity supply .....38
		2.01	Overall infrastructure quality .....36
2nd pillar: Infrastructure			
2.02	Railroad infrastructure development.....25	3rd pillar: Macroeconomy	
		3.01	Government surplus/deficit (hard data).....76
3rd pillar: Macroeconomy		3.05	Government debt (hard data) .....68
3.06	Real effective exchange rate (hard data) .....18	3.02	National savings rate (hard data) .....48
3.04	Interest rate spread (hard data).....21		
		4th pillar: Health and primary education	
4th pillar: Health and primary education		4.04	Infant mortality (hard data) .....67
4.09	Primary enrollment (hard data) .....26	4.05	Life expectancy at birth (hard data).....53
5th pillar: Higher education and training		5th pillar: Higher education and training	
5.03	Quality of the educational system .....11	5.01	Secondary enrollment (hard data) .....72
		5.02	Tertiary enrollment (hard data) .....61
6th pillar: Market efficiency			
6.01	Agricultural policy costs .....5	6th pillar: Market efficiency	
6.05	Time required to start a business (hard data).....17	6.13	Flexibility of wage determination .....93
6.03	Extent and effect of taxation.....18	6.23	Local equity market access.....69
6.07	Effectiveness of antitrust policy.....26	6.22	Soundness of banks.....66
6.14	Cooperation in labor-employer relations.....28	6.19	Financial market sophistication .....59
6.16	Pay and productivity.....29	6.15	Reliance on professional management.....56
		6.10	Foreign ownership restrictions.....51
8th pillar: Business sophistication		6.04	Number of procedures to start business (hard data) .....44
8.05	Control of international distribution.....26	6.06	Intensity of local competition .....43
8.07	Nature of competitive advantage.....26	6.09	Prevalence of trade barriers .....43
8.08	Value chain presence .....29	6.17	Brain drain .....42
		6.20	Ease of access to loans .....37
9th pillar: Innovation			
9.04	Government procurement of technology products.....4	7th pillar: Technological readiness	
		7.07	Personal computers (hard data) .....73
		7.06	Internet users (hard data) .....71
		7.05	Cellular telephones (hard data).....63
		7.03	Laws relating to ICT .....49
		7.02	Firm-level technology absorption .....36
		8th pillar: Business sophistication	
		8.04	Extent of marketing.....55
		8.03	Production process sophistication .....37
		9th pillar: Innovation	
		9.06	Utility patents (hard data) .....69
		9.02	Company spending on research and development .....36

Turkey

Key Indicators

Total population (millions), 2005.....	73.2
GDP (US\$ billions), 2005.....	362.5
GDP (PPP) as share of world total, 2005.....	0.93
GDP (PPP) per capita (US\$), 2005.....	7,950

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

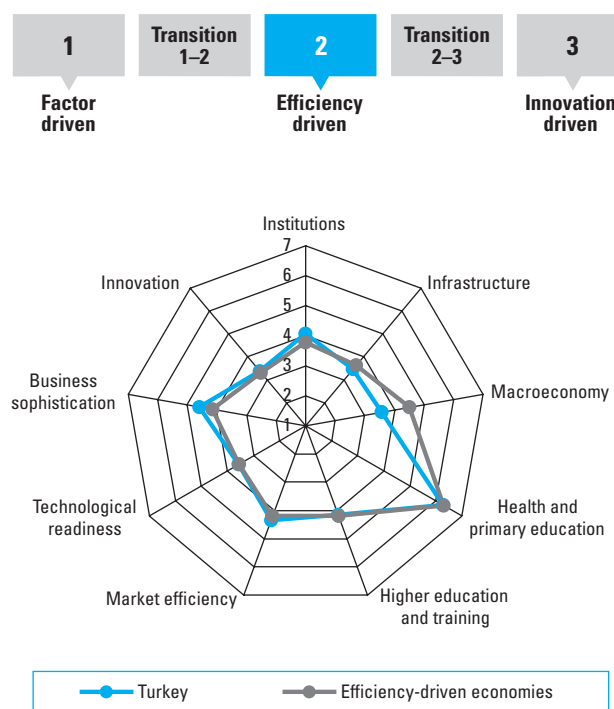
2006–07	59	4.1
2005–06 (out of 117 countries).....	71.....	3.9
Basic Requirements	72	4.3
1st pillar: Institutions.....	51.....	4.1
2nd pillar: Infrastructure.....	63.....	3.5
3rd pillar: Macroeconomy.....	111.....	3.6
4th pillar: Health and primary education.....	78.....	6.3
Efficiency Enhancers	54	4.0
5th pillar: Higher education and training.....	57.....	4.2
6th pillar: Market efficiency.....	47.....	4.4
7th pillar: Technological readiness.....	52.....	3.6
Innovation Factors	42	4.0
8th pillar: Business sophistication.....	39.....	4.6
9th pillar: Innovation.....	51.....	3.3

Rank (out of 121 countries/economies)

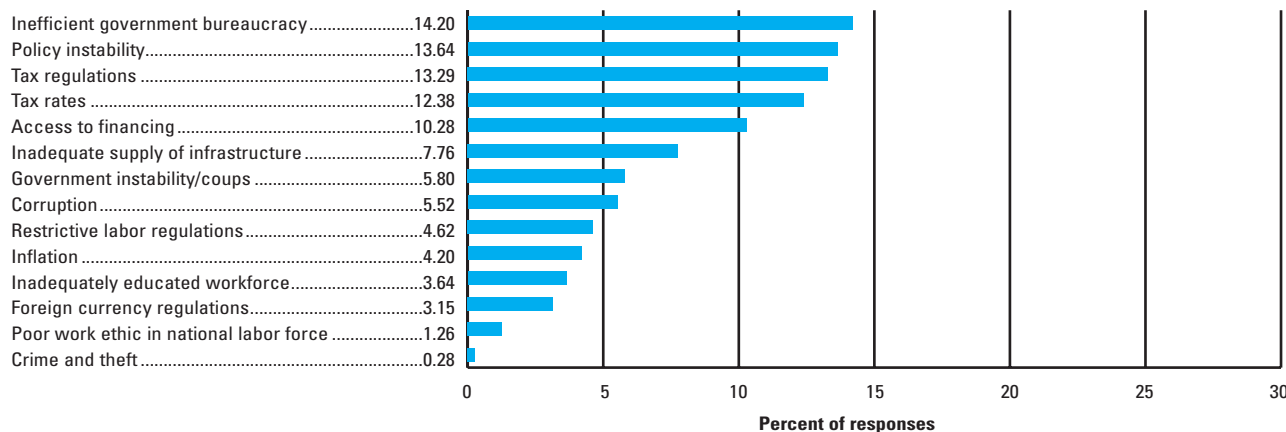
Business Competitiveness Index

Sophistication of company operations and strategy.....	41
Quality of the national business environment.....	46

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

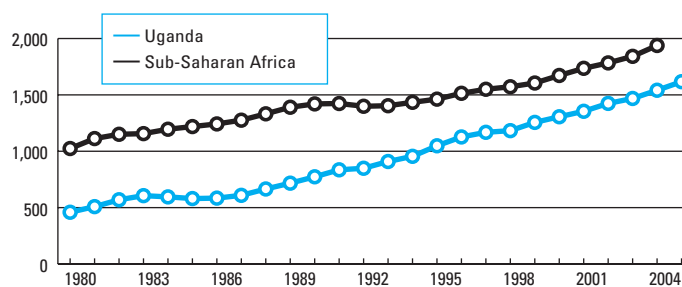
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.09	Reliability of police services	47	1.08	Business costs of terrorism	90
1.12	Ethical behavior of firms	47	1.11	Organized crime	70
1.02	Diversion of public funds	48	1.07	Burden of government compliance.....	64
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.06	Telephone lines (hard data)	47	2.03	Quality of port infrastructure.....	76
			2.05	Quality of electricity supply	71
			2.01	Overall infrastructure quality	64
4th pillar: Health and primary education			3rd pillar: Macroeconomy		
4.02	Medium-term business impact of tuberculosis	24	3.06	Real effective exchange rate (hard data)	117
4.01	Medium-term business impact of malaria	28	3.01	Government surplus/deficit (hard data).....	115
5th pillar: Higher education and training			3.03	Inflation (hard data).....	94
5.07	Extent of staff training	39	3.05	Government debt (hard data)	86
5.06	Local availability of research and training services	41	3.02	National savings rate (hard data)	74
6th pillar: Market efficiency			4th pillar: Health and primary education		
6.05	Time required to start a business (hard data).....	8	4.09	Primary enrollment (hard data).....	80
6.06	Intensity of local competition.....	27	4.04	Infant mortality (hard data)	79
6.04	Number of procedures to start business (hard data)	31	4.07	Malaria prevalence (hard data)	76
6.07	Effectiveness of antitrust policy.....	34	4.05	Life expectancy at birth (hard data).....	66
6.23	Local equity market access.....	34	5th pillar: Higher education and training		
6.19	Financial market sophistication	36	5.01	Secondary enrollment (hard data)	75
7th pillar: Technological readiness			5.03	Quality of the educational system	73
7.02	Firm-level technology absorption	25	5.02	Tertiary enrollment (hard data)	61
8th pillar: Business sophistication			6th pillar: Market efficiency		
8.01	Local supplier quantity	29	6.01	Agricultural policy costs	112
8.05	Control of international distribution.....	29	6.22	Soundness of banks.....	99
8.08	Value chain presence	37	6.12	Hiring and firing practices	89
8.02	Local supplier quality	39	6.14	Cooperation in labor-employer relations.....	84
8.03	Production process sophistication	43	6.03	Extent and effect of taxation.....	83
9th pillar: Innovation			6.10	Foreign ownership restrictions.....	82
9.05	Availability of scientists and engineers	44	6.13	Flexibility of wage determination	81
9.08	Capacity for innovation.....	47	6.21	Venture capital availability	77
			6.20	Ease of access to loans	73
			6.15	Reliance on professional management.....	63
			6.17	Brain drain	58
			6.02	Efficiency of legal framework	56
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	72
			7.04	FDI and technology transfer.....	60
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	73
			9th pillar: Innovation		
			9.07	Intellectual property protection	71
			9.06	Utility patents (hard data)	70

Uganda

Key Indicators

Total population (millions), 2005.....	28.8
GDP (US\$ billions), 2005.....	8.7
GDP (PPP) as share of world total, 2005.....	0.07
GDP (PPP) per capita (US\$), 2005.....	1,617

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

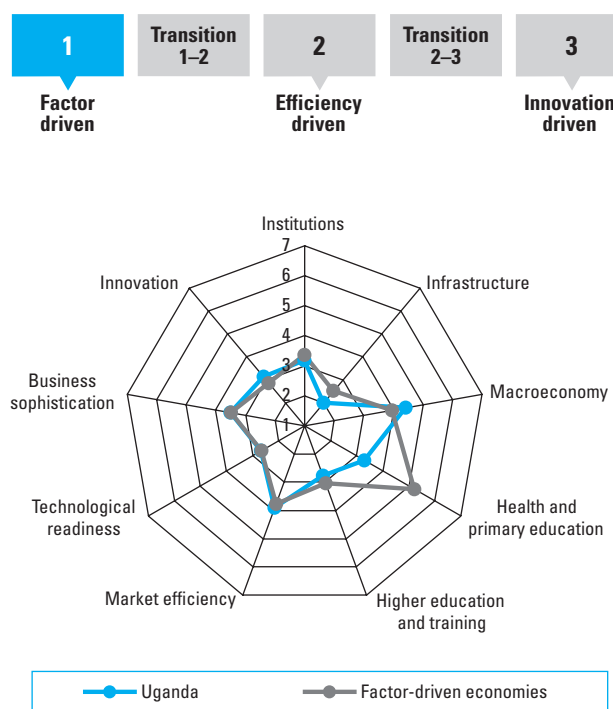
2006–07	113	3.2
2005–06 (out of 117 countries).....	103.....	3.4
Basic Requirements	118	3.2
1st pillar: Institutions.....	100.....	3.2
2nd pillar: Infrastructure.....	118.....	2.0
3rd pillar: Macroeconomy.....	66.....	4.4
4th pillar: Health and primary education.....	123.....	3.3
Efficiency Enhancers	98	3.1
5th pillar: Higher education and training.....	107.....	2.8
6th pillar: Market efficiency.....	84.....	3.9
7th pillar: Technological readiness.....	94.....	2.7
Innovation Factors	82	3.3
8th pillar: Business sophistication.....	90.....	3.5
9th pillar: Innovation.....	72.....	3.1

Rank (out of 121 countries/economies)

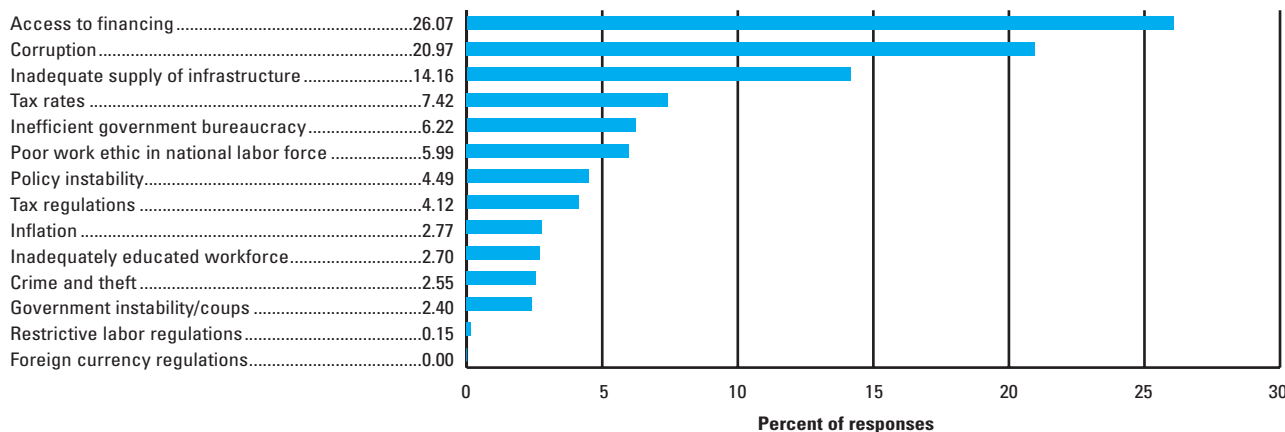
Business Competitiveness Index

Sophistication of company operations and strategy.....	87
Quality of the national business environment.....	90

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

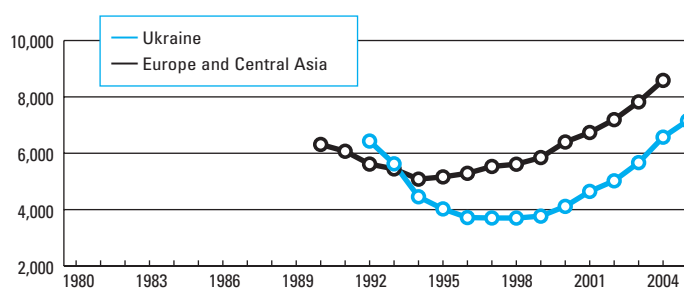
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.07	Burden of government compliance.....	40	1.02	Diversion of public funds	122
3rd pillar: Macroeconomy			1.05	Favoritism in decisions of government officials.....	120
3.06	Real effective exchange rate (hard data)	19	1.08	Business costs of terrorism	120
6th pillar: Market efficiency			1.06	Wastefulness of government spending	112
6.13	Flexibility of wage determination	3	1.01	Property rights.....	101
6.12	Hiring and firing practices	14	1.12	Ethical behavior of firms	101
6.10	Foreign ownership restrictions.....	17	1.03	Public trust of politicians	89
6.01	Agricultural policy costs	45	1.11	Organized crime	88
7th pillar: Technological readiness			1.09	Reliability of police services	87
7.04	FDI and technology transfer.....	19	1.10	Business costs of crime and violence	85
9th pillar: Innovation			2nd pillar: Infrastructure		
9.04	Government procurement of technology products.....	46	2.05	Quality of electricity supply	123
			2.06	Telephone lines (hard data)	122
			2.03	Quality of port infrastructure	110
			2.02	Railroad infrastructure development	102
			2.04	Quality of air transport infrastructure	96
			2.01	Overall infrastructure quality	83
			3rd pillar: Macroeconomy		
			3.04	Interest rate spread (hard data).....	99
			3.03	Inflation (hard data).....	92
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	124
			4.06	Tuberculosis prevalence (hard data)	119
			4.05	Life expectancy at birth (hard data).....	111
			4.04	Infant mortality (hard data)	110
			4.08	HIV prevalence (hard data)	109
			5th pillar: Higher education and training		
			5.01	Secondary enrollment (hard data)	117
			5.02	Tertiary enrollment (hard data)	106
			6th pillar: Market efficiency		
			6.09	Prevalence of trade barriers	115
			6.04	Number of procedures to start business (hard data)	112
			6.03	Extent and effect of taxation.....	104
			6.22	Soundness of banks.....	97
			6.17	Brain drain	91
			6.07	Effectiveness of antitrust policy.....	86
			6.14	Cooperation in labor-employer relations.....	85
			6.23	Local equity market access.....	85
			6.20	Ease of access to loans	83
			6.02	Efficiency of legal framework	72
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	112
			7.02	Firm-level technology absorption	93
			8th pillar: Business sophistication		
			8.03	Production process sophistication	114
			9th pillar: Innovation		
			9.07	Intellectual property protection	106

Ukraine

Key Indicators

Total population (millions), 2005.....	46.5
GDP (US\$ billions), 2005.....	81.7
GDP (PPP) as share of world total, 2005.....	0.55
GDP (PPP) per capita (US\$), 2005.....	7,156

GDP (PPP) per capita (US\$), 1980–2005

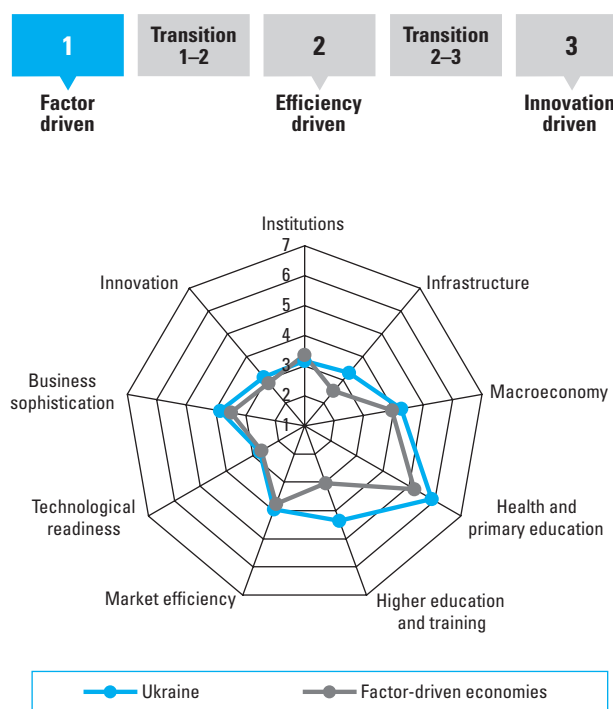


Global Competitiveness Index

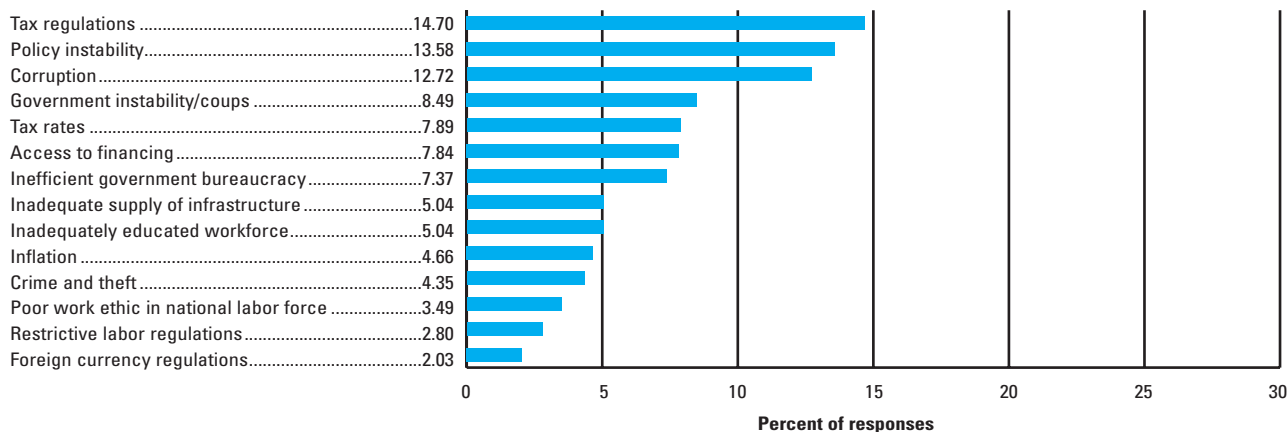
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	78	3.9
2005–06 (out of 117 countries).....	68.....	4.0
Basic Requirements	86	4.2
1st pillar: Institutions.....	104.....	3.1
2nd pillar: Infrastructure.....	69.....	3.3
3rd pillar: Macroeconomy.....	74.....	4.3
4th pillar: Health and primary education.....	94.....	5.9
Efficiency Enhancers	69	3.7
5th pillar: Higher education and training.....	48.....	4.4
6th pillar: Market efficiency.....	80.....	4.0
7th pillar: Technological readiness.....	90.....	2.7
Innovation Factors	78	3.5
8th pillar: Business sophistication.....	76.....	3.8
9th pillar: Innovation.....	73.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	81
Sophistication of company operations and strategy.....	82
Quality of the national business environment.....	80

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

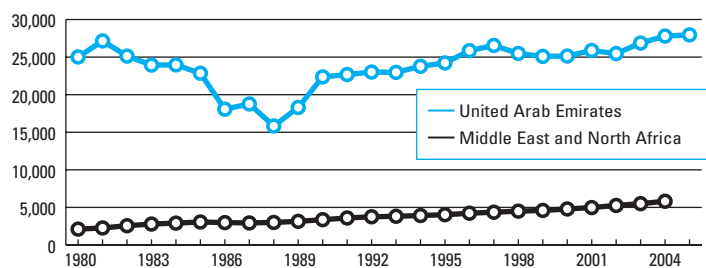
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.02	Railroad infrastructure development.....	32	1.12	Ethical behavior of firms	119
2.06	Telephone lines (hard data)	49	1.14	Protection of minority shareholders' interests.....	118
3rd pillar: Macroeconomy			1.01	Property rights.....	113
3.05	Government debt (hard data)	17	1.15	Strength of auditing and accounting standards	111
3.06	Real effective exchange rate (hard data)	44	1.06	Wastefulness of government spending	108
3.02	National savings rate (hard data)	45	1.04	Judicial independence.....	99
5th pillar: Higher education and training			1.07	Burden of government compliance.....	98
5.02	Tertiary enrollment (hard data)	14	1.03	Public trust of politicians	91
5.01	Secondary enrollment (hard data)	45	1.09	Reliability of police services	88
5.03	Quality of the educational system	47	1.11	Organized crime	85
5.04	Quality of math and science education.....	50	1.05	Favoritism in decisions of government officials.....	80
6th pillar: Market efficiency			2nd pillar: Infrastructure		
6.12	Hiring and firing practices	20	2.05	Quality of electricity supply	86
9th pillar: Innovation			2.01	Overall infrastructure quality	70
9.08	Capacity for innovation.....	45	3rd pillar: Macroeconomy		
			3.03	Inflation (hard data).....	115
			3.04	Interest rate spread (hard data).....	80
			3.01	Government surplus/deficit (hard data).....	70
			4th pillar: Health and primary education		
			4.09	Primary enrollment (hard data)	102
			4.08	HIV prevalence (hard data)	96
			4.06	Tuberculosis prevalence (hard data)	82
			5th pillar: Higher education and training		
			5.07	Extent of staff training	100
			6th pillar: Market efficiency		
			6.10	Foreign ownership restrictions.....	120
			6.01	Agricultural policy costs	117
			6.22	Soundness of banks.....	117
			6.04	Number of procedures to start business (hard data)	107
			6.09	Prevalence of trade barriers	104
			6.03	Extent and effect of taxation.....	101
			6.02	Efficiency of legal framework	99
			6.23	Local equity market access.....	93
			6.07	Effectiveness of antitrust policy.....	87
			6.17	Brain drain	87
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer.....	112
			7.02	Firm-level technology absorption	95
			7.03	Laws relating to ICT	92
			7.07	Personal computers (hard data)	86
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	76
			9th pillar: Innovation		
			9.07	Intellectual property protection	99
			9.02	Company spending on research and development	82

United Arab Emirates

Key Indicators

Total population (millions), 2005.....	4.5
GDP (US\$ billions), 2005.....	133.8
GDP (PPP) as share of world total, 2005.....	0.21
GDP (PPP) per capita (US\$), 2005.....	27,957

GDP (PPP) per capita (US\$), 1980–2005

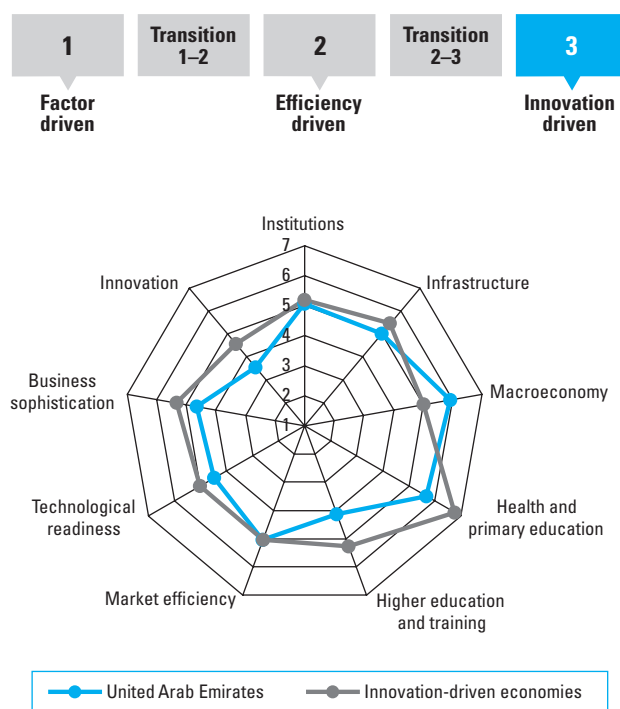


Global Competitiveness Index

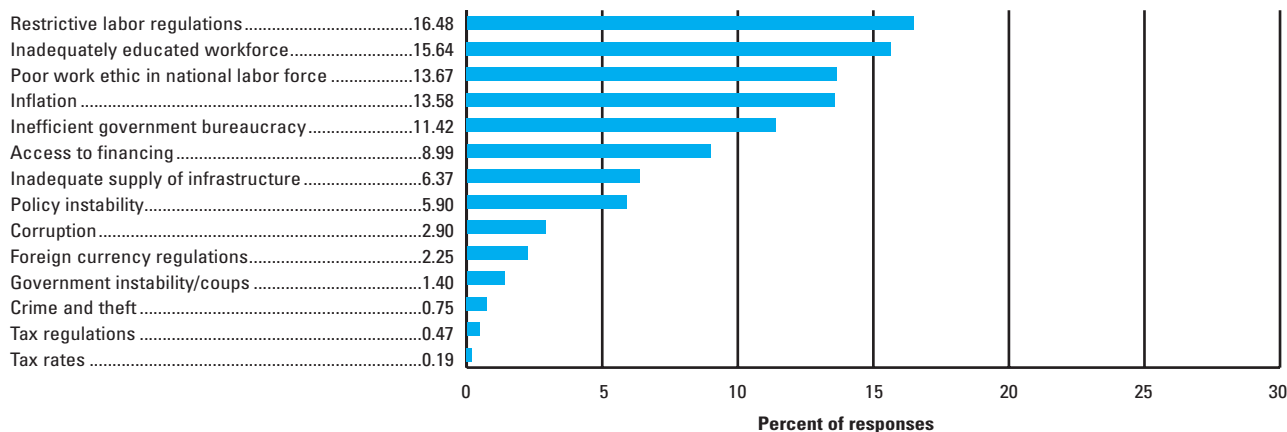
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	32	4.7
2005–06 (out of 117 countries).....	32.....	4.6
Basic Requirements	26	5.4
1st pillar: Institutions.....	20.....	5.0
2nd pillar: Infrastructure.....	25.....	5.0
3rd pillar: Macroeconomy.....	4.....	5.9
4th pillar: Health and primary education.....	99.....	5.7
Efficiency Enhancers	35	4.5
5th pillar: Higher education and training.....	58.....	4.1
6th pillar: Market efficiency.....	23.....	5.0
7th pillar: Technological readiness.....	31.....	4.5
Innovation Factors	40	4.1
8th pillar: Business sophistication.....	37.....	4.6
9th pillar: Innovation.....	40.....	3.5

	Rank (out of 121 countries/economies)
Business Competitiveness Index	31
Sophistication of company operations and strategy.....	39
Quality of the national business environment.....	30

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

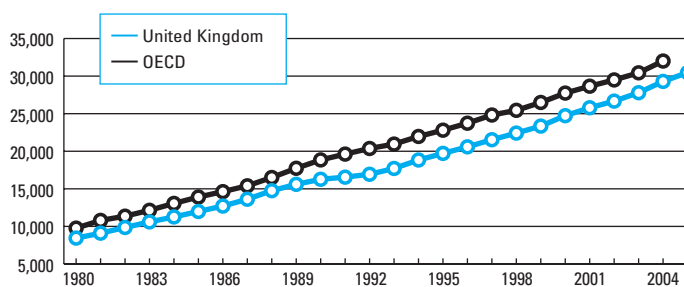
NOTABLE COMPETITIVE ADVANTAGES		Rank/125
1st pillar: Institutions		
1.13	Efficacy of corporate boards	60
1.14	Protection of minority shareholders' interests	53
1.01	Property rights.....	42
1.08	Business costs of terrorism	42
1.04	Judicial independence.....	40
1.15	Strength of auditing and accounting standards	36
2nd pillar: Infrastructure		
2.02	Railroad infrastructure development	73
2.06	Telephone lines (hard data)	45
3rd pillar: Macroeconomy		
3.04	Interest rate spread (hard data).....	41
3.06	Real effective exchange rate (hard data)	38
4th pillar: Health and primary education		
4.09	Primary enrollment (hard data)	109
5th pillar: Higher education and training		
5.01	Secondary enrollment (hard data)	88
5.02	Tertiary enrollment (hard data)	73
5.05	Quality of management schools	52
5.07	Extent of staff training	37
6th pillar: Market efficiency		
6.10	Foreign ownership restrictions.....	93
6.05	Time required to start a business (hard data).....	89
6.04	Number of procedures to start business (hard data)	85
6.15	Reliance on professional management.....	55
6.07	Effectiveness of antitrust policy.....	49
6.19	Financial market sophistication	45
6.22	Soundness of banks.....	36
6.02	Efficiency of legal framework	34
7th pillar: Technological readiness		
7.07	Personal computers (hard data)	49
7.03	Laws relating to ICT	34
8th pillar: Business sophistication		
8.01	Local supplier quantity	44
8.06	Willingness to delegate authority.....	43
8.07	Nature of competitive advantage.....	41
8.02	Local supplier quality.....	35
9th pillar: Innovation		
9.05	Availability of scientists and engineers	80
9.08	Capacity for innovation.....	72
9.01	Quality of scientific research institutions.....	60
9.02	Company spending on research and development	42

United Kingdom

Key Indicators

Total population (millions), 2005.....	59.7
GDP (US\$ billions), 2005.....	2,201.5
GDP (PPP) as share of world total, 2005.....	3.00
GDP (PPP) per capita (US\$), 2005.....	30,470

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

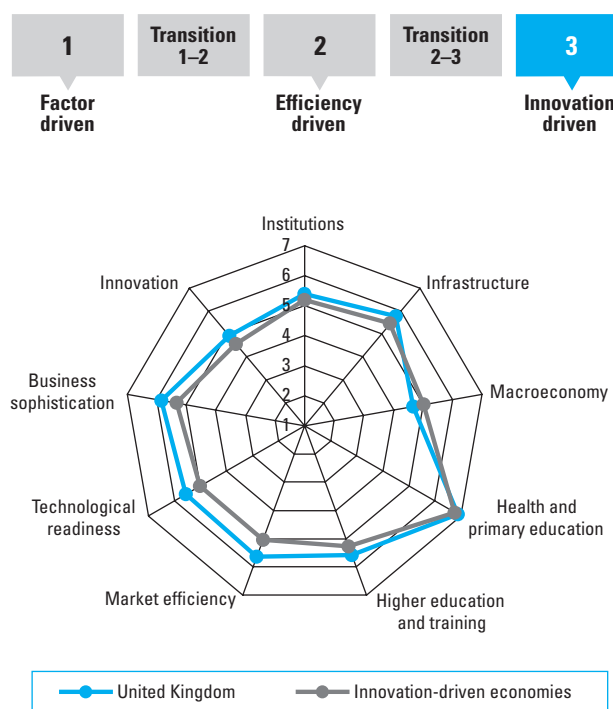
2006–07	10	5.5
2005–06 (out of 117 countries).....	9.....	5.5
Basic Requirements	14	5.7
1st pillar: Institutions.....	15.....	5.4
2nd pillar: Infrastructure	14.....	5.7
3rd pillar: Macroeconomy.....	48.....	4.7
4th pillar: Health and primary education.....	14.....	6.9
Efficiency Enhancers	7	5.6
5th pillar: Higher education and training.....	11.....	5.6
6th pillar: Market efficiency.....	3.....	5.6
7th pillar: Technological readiness	6.....	5.6
Innovation Factors	10	5.4
8th pillar: Business sophistication.....	6.....	5.8
9th pillar: Innovation	12.....	4.9

Rank (out of 121 countries/economies)

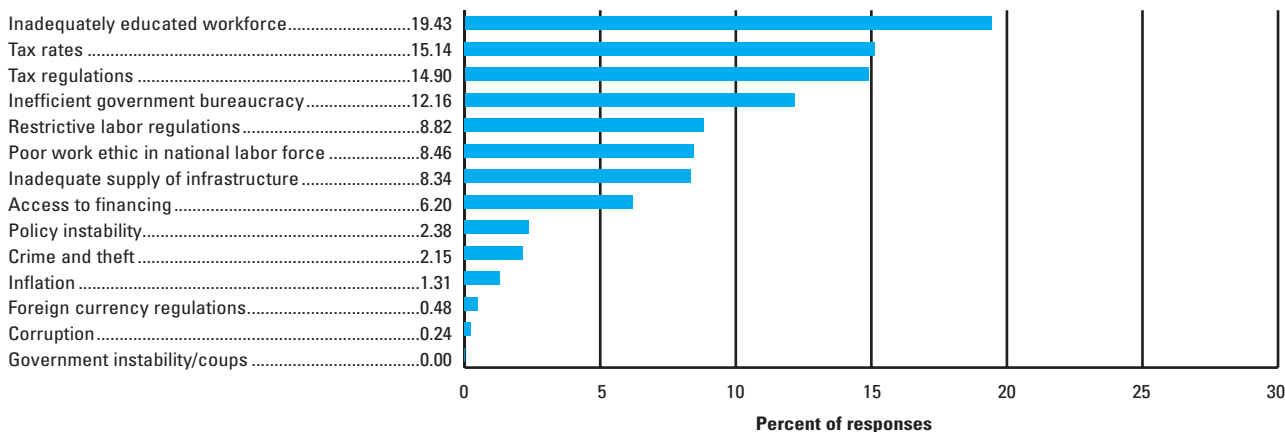
Business Competitiveness Index

Sophistication of company operations and strategy.....	9
Quality of the national business environment.....	7

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

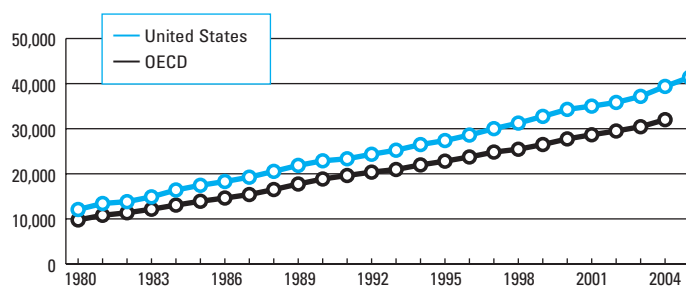
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.13	Efficacy of corporate boards	1	1.08	Business costs of terrorism	113
1.15	Strength of auditing and accounting standards	1	1.07	Burden of government compliance.....	41
1.14	Protection of minority shareholders' interests.....	4	1.10	Business costs of crime and violence	31
1.01	Property rights.....	6	1.03	Public trust of politicians	20
1.12	Ethical behavior of firms	7	1.06	Wastefulness of government spending	17
1.04	Judicial independence.....	8			
2nd pillar: Infrastructure			2nd pillar: Infrastructure		
2.04	Quality of air transport infrastructure	6	2.02	Railroad infrastructure development	20
2.05	Quality of electricity supply	9	2.03	Quality of port infrastructure	19
			2.01	Overall infrastructure quality	18
3rd pillar: Macroeconomy			3rd pillar: Macroeconomy		
3.04	Interest rate spread (hard data).....	3	3.01	Government surplus/deficit (hard data).....	90
			3.06	Real effective exchange rate (hard data)	74
			3.05	Government debt (hard data)	43
5th pillar: Higher education and training			5th pillar: Higher education and training		
5.06	Local availability of research and training services	3	5.04	Quality of math and science education.....	36
5.05	Quality of management schools	5	5.03	Quality of the educational system	29
			5.02	Tertiary enrollment (hard data)	23
			5.07	Extent of staff training	16
6th pillar: Market efficiency			6th pillar: Market efficiency		
6.19	Financial market sophistication	1	6.01	Agricultural policy costs	43
6.22	Soundness of banks.....	1	6.12	Hiring and firing practices	32
6.06	Intensity of local competition.....	2	6.09	Prevalence of trade barriers	26
6.15	Reliance on professional management.....	3	6.03	Extent and effect of taxation.....	25
6.20	Ease of access to loans	3	6.05	Time required to start a business (hard data).....	22
6.07	Effectiveness of antitrust policy.....	4			
6.10	Foreign ownership restrictions.....	5	7th pillar: Technological readiness		
6.21	Venture capital availability	5	7.02	Firm-level technology absorption	23
6.02	Efficiency of legal framework	10			
7th pillar: Technological readiness			9th pillar: Innovation		
7.03	Laws relating to ICT	5	9.04	Government procurement of technology products.....	31
7.05	Cellular telephones (hard data).....	8	9.05	Availability of scientists and engineers	22
7.06	Internet users (hard data)	8			
8th pillar: Business sophistication					
8.04	Extent of marketing.....	1			
8.08	Value chain presence	5			
8.01	Local supplier quantity	7			
8.02	Local supplier quality.....	7			
8.07	Nature of competitive advantage.....	10			
9th pillar: Innovation					
9.01	Quality of scientific research institutions	3			
9.07	Intellectual property protection	6			
9.03	University/industry research collaboration	10			

United States

Key Indicators

Total population (millions), 2005.....	298.2
GDP (US\$ billions), 2005.....	12,485.7
GDP (PPP) as share of world total, 2005.....	20.10
GDP (PPP) per capita (US\$), 2005.....	41,399

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

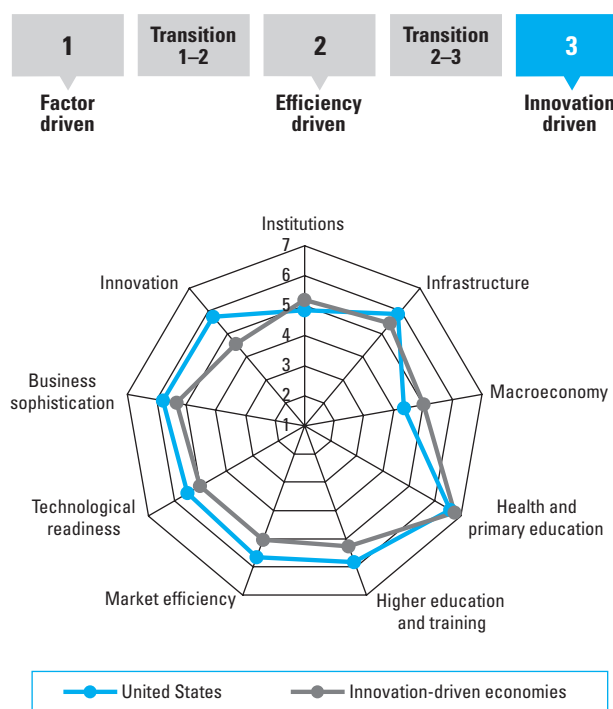
Rank (out of 125 countries/economies) Score (out of 7)

2006–07	6	5.6
2005–06 (out of 117 countries).....	1.....	5.8
Basic Requirements	27	5.4
1st pillar: Institutions.....	27.....	4.8
2nd pillar: Infrastructure	12.....	5.8
3rd pillar: Macroeconomy.....	69.....	4.4
4th pillar: Health and primary education.....	40.....	6.6
Efficiency Enhancers	1	5.7
5th pillar: Higher education and training.....	5.....	5.8
6th pillar: Market efficiency.....	2.....	5.7
7th pillar: Technological readiness	8.....	5.5
Innovation Factors	4	5.7
8th pillar: Business sophistication.....	8.....	5.8
9th pillar: Innovation	2.....	5.7

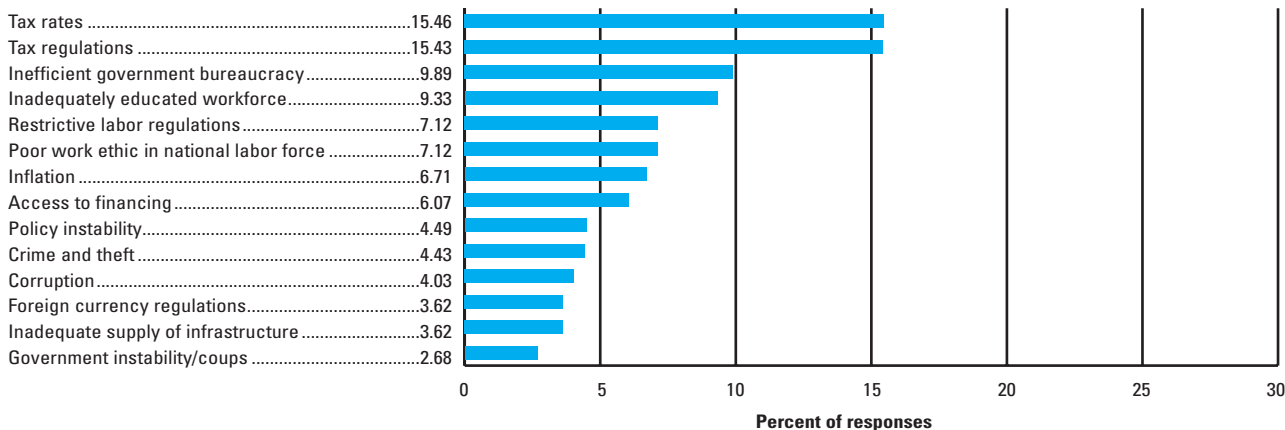
Rank (out of 121 countries/economies)

Business Competitiveness Index	1
Sophistication of company operations and strategy.....	1
Quality of the national business environment.....	1

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

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National competitiveness balance sheet

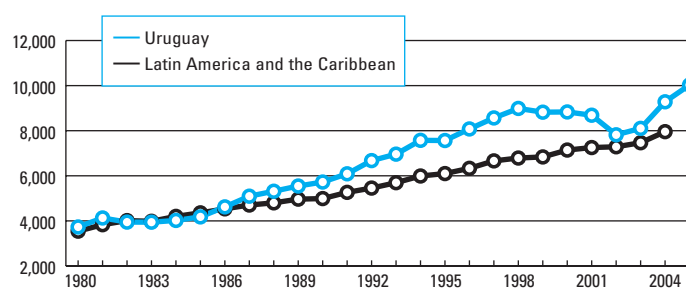
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
2nd pillar: Infrastructure			1st pillar: Institutions		
2.06	Telephone lines (hard data)	8	1.08	Business costs of terrorism	111
5th pillar: Higher education and training			1.11	Organized crime	55
5.02	Tertiary enrollment (hard data)	4	1.10	Business costs of crime and violence	42
5.06	Local availability of research and training services	5	1.05	Favoritism in decisions of government officials	39
5.05	Quality of management schools	6	1.04	Judicial independence	36
5.07	Extent of staff training	9	1.02	Diversion of public funds	28
6th pillar: Market efficiency			1.06	Wastefulness of government spending	27
6.17	Brain drain	1	1.07	Burden of government compliance	27
6.21	Venture capital availability	1	1.03	Public trust of politicians	24
6.05	Time required to start a business (hard data)	3	1.15	Strength of auditing and accounting standards	22
6.06	Intensity of local competition	5	1.12	Ethical behavior of firms	21
6.19	Financial market sophistication	5	2nd pillar: Infrastructure		
6.16	Pay and productivity	9	2.05	Quality of electricity supply	20
6.04	Number of procedures to start business (hard data)	10	3rd pillar: Macroeconomy		
7th pillar: Technological readiness			3.01	Government surplus/deficit (hard data)	101
7.07	Personal computers (hard data)	2	3.05	Government debt (hard data)	73
7.06	Internet users (hard data)	6	3.06	Real effective exchange rate (hard data)	35
7.01	Technological readiness	7	5th pillar: Higher education and training		
7.02	Firm-level technology absorption	9	5.04	Quality of math and science education	42
8th pillar: Business sophistication			6th pillar: Market efficiency		
8.04	Extent of marketing	2	6.10	Foreign ownership restrictions	43
8.01	Local supplier quantity	6	6.09	Prevalence of trade barriers	36
8.05	Control of international distribution	6	6.14	Cooperation in labor-employer relations	34
8.06	Willingness to delegate authority	8	6.03	Extent and effect of taxation	31
8.02	Local supplier quality	10	6.13	Flexibility of wage determination	30
9th pillar: Innovation			6.22	Soundness of banks	27
9.06	Utility patents (hard data)	1	6.02	Efficiency of legal framework	25
9.01	Quality of scientific research institutions	2	6.01	Agricultural policy costs	24
9.02	Company spending on research and development	3	7th pillar: Technological readiness		
9.03	University/industry research collaboration	4	7.05	Cellular telephones (hard data)	43
9.08	Capacity for innovation	9	7.03	Laws relating to ICT	20
9.04	Government procurement of technology products	10			

Uruguay

Key Indicators

Total population (millions), 2005.....	3.5
GDP (US\$ billions), 2005.....	15.9
GDP (PPP) as share of world total, 2005.....	0.06
GDP (PPP) per capita (US\$), 2005.....	10,028

GDP (PPP) per capita (US\$), 1980–2005

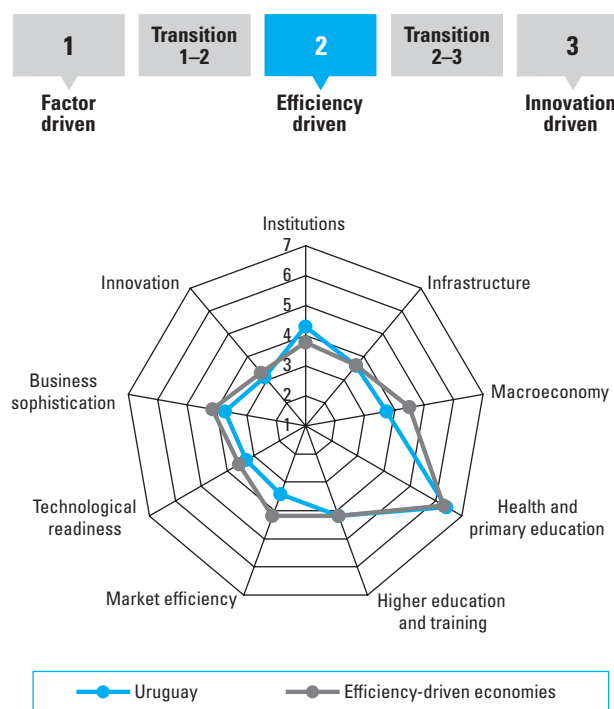


Global Competitiveness Index

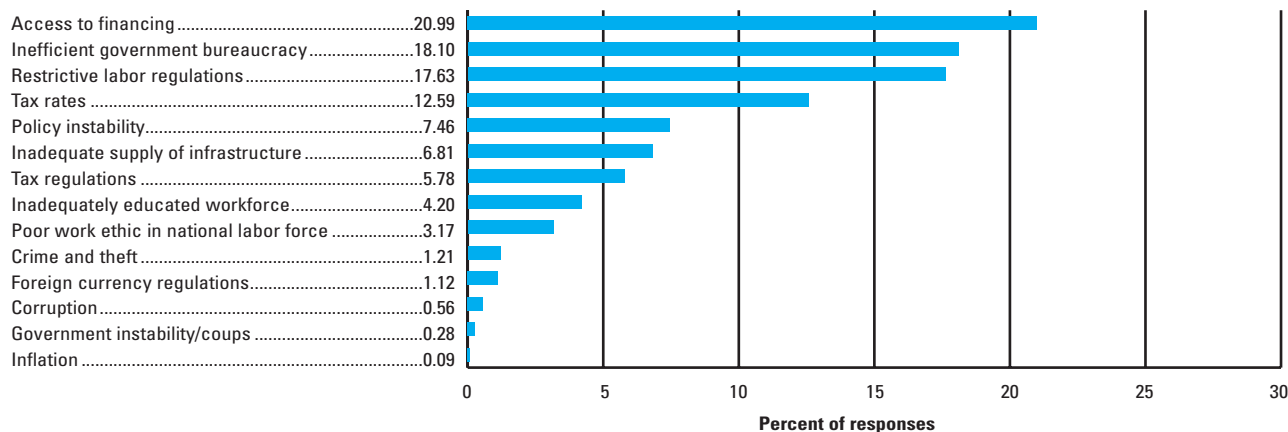
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	73	4.0
2005–06 (out of 117 countries).....	70.....	4.0
Basic Requirements	61	4.5
1st pillar: Institutions.....	42.....	4.3
2nd pillar: Infrastructure.....	58.....	3.6
3rd pillar: Macroeconomy.....	109.....	3.7
4th pillar: Health and primary education.....	59.....	6.4
Efficiency Enhancers	73	3.6
5th pillar: Higher education and training.....	55.....	4.2
6th pillar: Market efficiency.....	116.....	3.4
7th pillar: Technological readiness.....	63.....	3.3
Innovation Factors	80	3.4
8th pillar: Business sophistication.....	80.....	3.7
9th pillar: Innovation.....	74.....	3.1

	Rank (out of 121 countries/economies)
Business Competitiveness Index	62
Sophistication of company operations and strategy.....	71
Quality of the national business environment.....	61

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

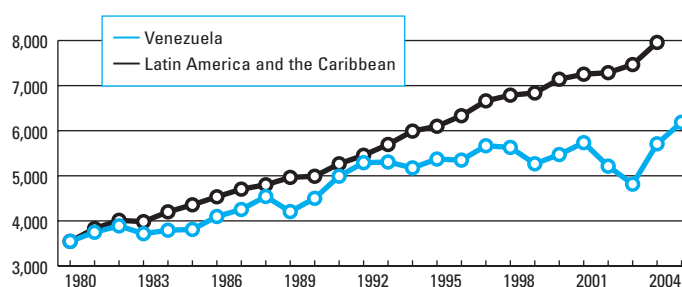
NOTABLE COMPETITIVE ADVANTAGES	Rank/125	NOTABLE COMPETITIVE DISADVANTAGES	Rank/125
1st pillar: Institutions		1st pillar: Institutions	
1.05 Favoritism in decisions of government officials.....	22	1.15 Strength of auditing and accounting standards	85
1.03 Public trust of politicians	23	1.10 Business costs of crime and violence	83
1.02 Diversion of public funds	34	1.06 Wastefulness of government spending	76
1.12 Ethical behavior of firms	34		
1.04 Judicial independence	37		
2nd pillar: Infrastructure		2nd pillar: Infrastructure	
2.06 Telephone lines (hard data)	41	2.01 Overall infrastructure quality	55
2.05 Quality of electricity supply	42		
2.03 Quality of port infrastructure	46		
3rd pillar: Macroeconomy		3rd pillar: Macroeconomy	
3.06 Real effective exchange rate (hard data)	16	3.05 Government debt (hard data)	105
		3.02 National savings rate (hard data)	102
		3.04 Interest rate spread (hard data)	98
		3.01 Government surplus/deficit (hard data)	79
4th pillar: Health and primary education		5th pillar: Higher education and training	
4.05 Life expectancy at birth (hard data)	39	5.07 Extent of staff training	80
		5.03 Quality of the educational system	75
5th pillar: Higher education and training		6th pillar: Market efficiency	
5.01 Secondary enrollment (hard data)	13	6.14 Cooperation in labor-employer relations	122
		6.13 Flexibility of wage determination	121
6th pillar: Market efficiency		6.23 Local equity market access	113
6.01 Agricultural policy costs	25	6.16 Pay and productivity	112
6.02 Efficiency of legal framework	42	6.22 Soundness of banks	112
		6.21 Venture capital availability	103
7th pillar: Technological readiness		6.12 Hiring and firing practices	102
7.07 Personal computers (hard data)	46	6.20 Ease of access to loans	97
7.06 Internet users (hard data)	48	6.03 Extent and effect of taxation	95
		6.07 Effectiveness of antitrust policy	92
9th pillar: Innovation		6.06 Intensity of local competition	91
9.06 Utility patents (hard data)	48	6.17 Brain drain	74
		6.04 Number of procedures to start business (hard data)	70
		6.09 Prevalence of trade barriers	60
		7th pillar: Technological readiness	
		7.02 Firm-level technology absorption	97
		7.04 FDI and technology transfer	57
		8th pillar: Business sophistication	
		8.02 Local supplier quality	83
		9th pillar: Innovation	
		9.04 Government procurement of technology products	99
		9.02 Company spending on research and development	92

Venezuela

Key Indicators

Total population (millions), 2005.....	26.7
GDP (US\$ billions), 2005.....	132.8
GDP (PPP) as share of world total, 2005.....	0.27
GDP (PPP) per capita (US\$), 2005.....	6,186

GDP (PPP) per capita (US\$), 1980–2005

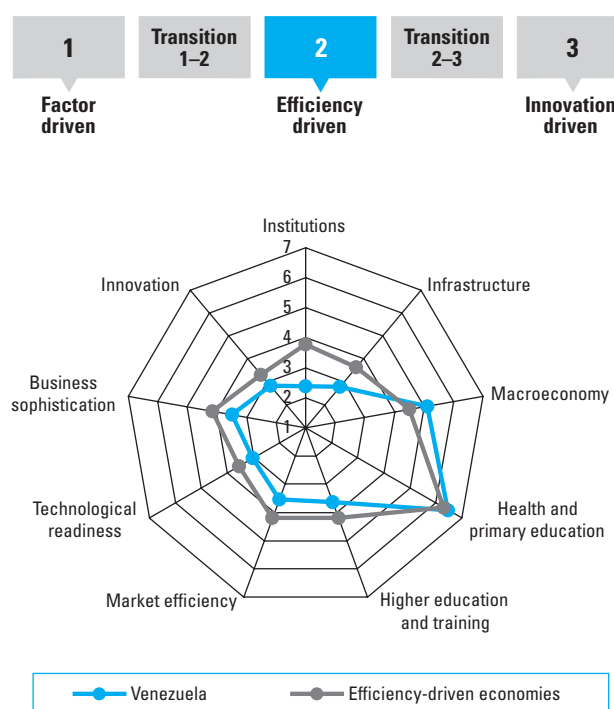


Global Competitiveness Index

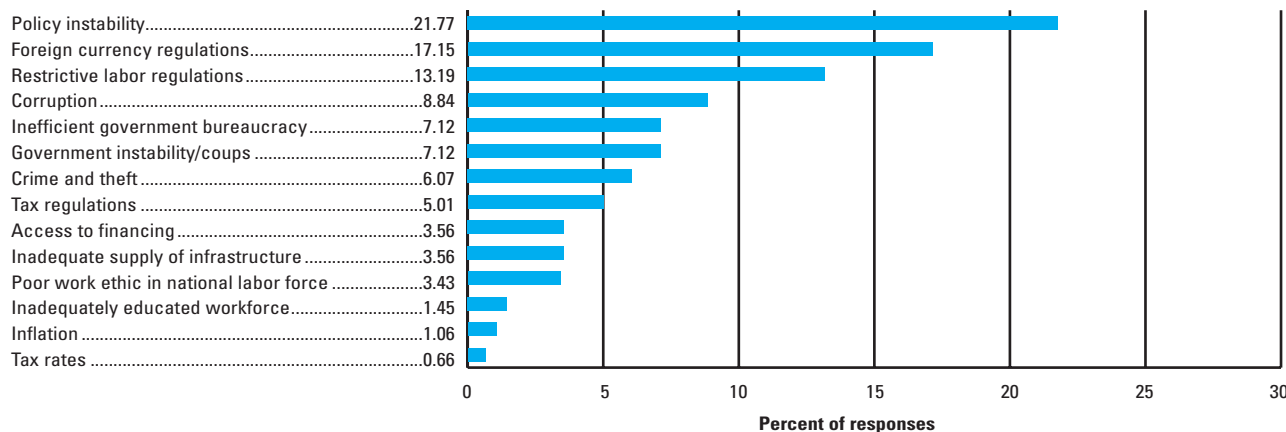
	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	88	3.7
2005–06 (out of 117 countries).....	84.....	3.7
Basic Requirements	85	4.2
1st pillar: Institutions.....	125.....	2.4
2nd pillar: Infrastructure.....	84.....	2.8
3rd pillar: Macroeconomy.....	26.....	5.1
4th pillar: Health and primary education.....	53.....	6.5
Efficiency Enhancers	84	3.4
5th pillar: Higher education and training.....	78.....	3.6
6th pillar: Market efficiency.....	110.....	3.5
7th pillar: Technological readiness.....	77.....	3.0
Innovation Factors	96	3.1
8th pillar: Business sophistication.....	91.....	3.5
9th pillar: Innovation.....	96.....	2.8

	Rank (out of 121 countries/economies)
Business Competitiveness Index	93
Sophistication of company operations and strategy.....	81
Quality of the national business environment.....	94

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

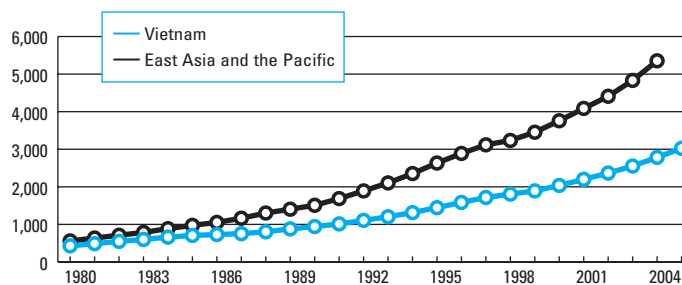
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
3rd pillar: Macroeconomy			1st pillar: Institutions		
3.06	Real effective exchange rate (hard data)	7	1.02	Diversion of public funds	125
3.01	Government surplus/deficit (hard data)	11	1.04	Judicial independence	125
3.02	National savings rate (hard data)	11	1.05	Favoritism in decisions of government officials	125
4th pillar: Health and primary education			1.06	Wastefulness of government spending	125
4.05	Life expectancy at birth (hard data)	39	1.07	Burden of government compliance	125
			1.01	Property rights	124
			1.09	Reliability of police services	124
			1.10	Business costs of crime and violence	124
			1.11	Organized crime	121
			1.03	Public trust of politicians	120
			1.12	Ethical behavior of firms	114
			1.08	Business costs of terrorism	94
			1.14	Protection of minority shareholders' interests	92
			2nd pillar: Infrastructure		
			2.01	Overall infrastructure quality	97
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	118
			4th pillar: Health and primary education		
			4.07	Malaria prevalence (hard data)	95
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	112
			5.04	Quality of math and science education	97
			5.06	Local availability of research and training services	92
			5.07	Extent of staff training	82
			6th pillar: Market efficiency		
			6.02	Efficiency of legal framework	125
			6.12	Hiring and firing practices	125
			6.14	Cooperation in labor-employer relations	121
			6.01	Agricultural policy costs	113
			6.13	Flexibility of wage determination	112
			6.05	Time required to start a business (hard data)	111
			6.17	Brain drain	106
			6.10	Foreign ownership restrictions	102
			6.09	Prevalence of trade barriers	98
			6.23	Local equity market access	92
			6.22	Soundness of banks	90
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	102
			8th pillar: Business sophistication		
			8.08	Value chain presence	123
			8.07	Nature of competitive advantage	118
			8.05	Control of international distribution	105
			8.06	Willingness to delegate authority	87
			9th pillar: Innovation		
			9.07	Intellectual property protection	118
			9.08	Capacity for innovation	109
			9.01	Quality of scientific research institutions	105

Vietnam

Key Indicators

Total population (millions), 2005.....	84.2
GDP (US\$ billions), 2005.....	50.9
GDP (PPP) as share of world total, 2005.....	0.41
GDP (PPP) per capita (US\$), 2005.....	3,025

GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

Rank (out of 125 countries/economies) Score (out of 7)

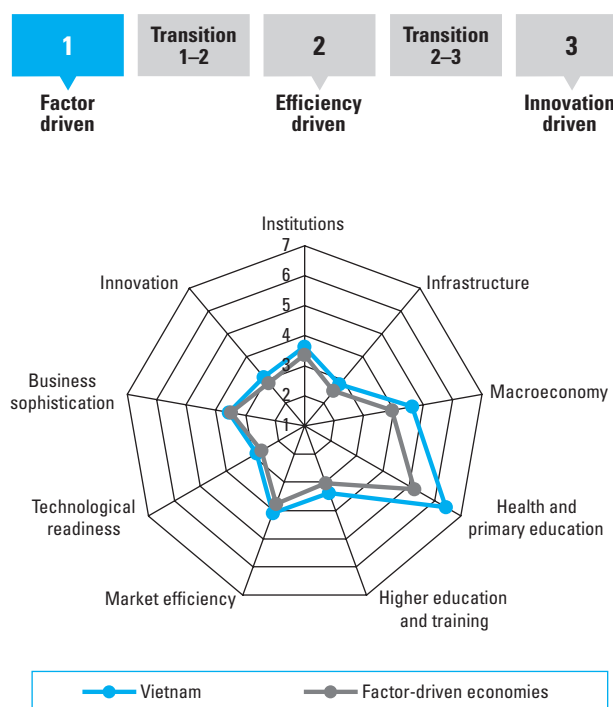
2006–07	77	3.9
2005–06 (out of 117 countries).....	74.....	3.9
Basic Requirements	71	4.4
1st pillar: Institutions.....	74.....	3.6
2nd pillar: Infrastructure	83.....	2.8
3rd pillar: Macroeconomy.....	53.....	4.6
4th pillar: Health and primary education.....	56.....	6.4
Efficiency Enhancers	83	3.4
5th pillar: Higher education and training.....	90.....	3.4
6th pillar: Market efficiency.....	73.....	4.1
7th pillar: Technological readiness	85.....	2.8
Innovation Factors	81	3.3
8th pillar: Business sophistication.....	86.....	3.5
9th pillar: Innovation	75.....	3.1

Rank (out of 121 countries/economies)

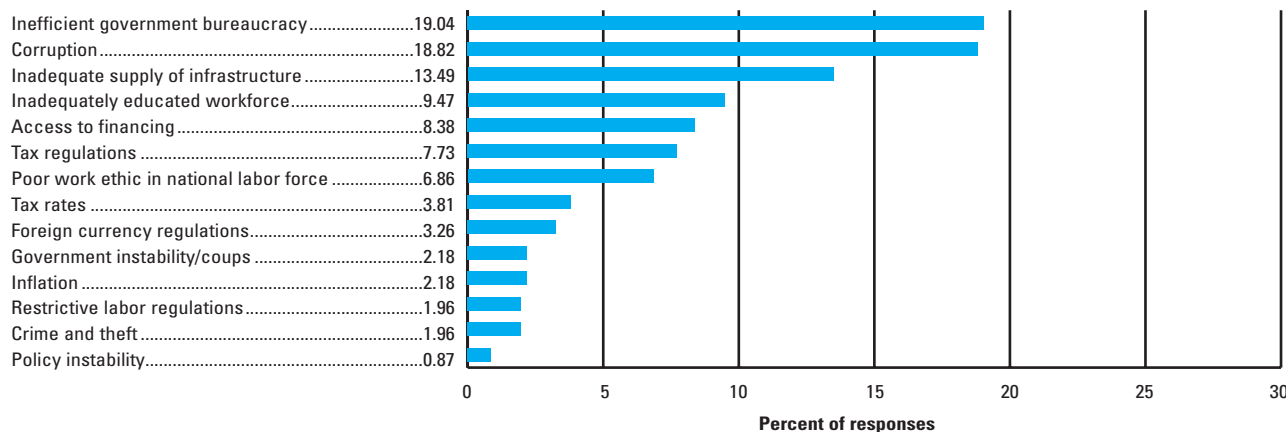
Business Competitiveness Index

Sophistication of company operations and strategy.....	77
Quality of the national business environment.....	83

Stage of development



The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

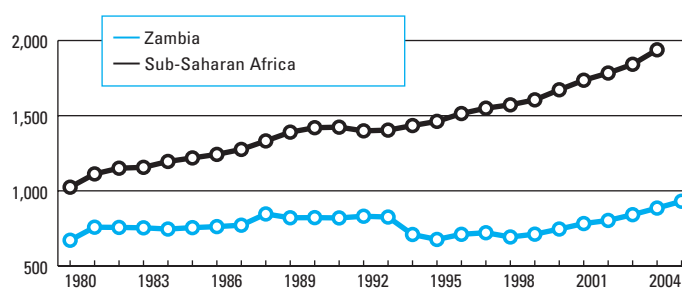
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.09	Reliability of police services	46	1.07	Burden of government compliance.....	110
3rd pillar: Macroeconomy			1.02	Diversion of public funds	94
3.02	National savings rate (hard data)	15	1.06	Wastefulness of government spending	91
3.04	Interest rate spread (hard data).....	35	1.15	Strength of auditing and accounting standards	85
3.06	Real effective exchange rate (hard data)	36	1.11	Organized crime	83
6th pillar: Market efficiency			1.12	Ethical behavior of firms	81
6.01	Agricultural policy costs	33	1.05	Favoritism in decisions of government officials.....	79
6.12	Hiring and firing practices	45	1.04	Judicial independence	73
7th pillar: Technological readiness			1.01	Property rights.....	69
7.02	Firm-level technology absorption	37	1.03	Public trust of politicians	61
7.04	FDI and technology transfer.....	46	1.08	Business costs of terrorism	61
9th pillar: Innovation			2nd pillar: Infrastructure		
9.08	Capacity for innovation.....	36	2.01	Overall infrastructure quality	91
9.04	Government procurement of technology products.....	44	2.05	Quality of electricity supply	88
			2.06	Telephone lines (hard data)	74
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data).....	92
			3.01	Government surplus/deficit (hard data).....	84
			3.05	Government debt (hard data)	64
			4th pillar: Health and primary education		
			4.06	Tuberculosis prevalence (hard data)	94
			4.07	Malaria prevalence (hard data)	83
			4.08	HIV prevalence (hard data)	70
			4.04	Infant mortality (hard data)	60
			5th pillar: Higher education and training		
			5.03	Quality of the educational system	100
			5.02	Tertiary enrollment (hard data)	94
			5.04	Quality of math and science education.....	65
			6th pillar: Market efficiency		
			6.10	Foreign ownership restrictions.....	121
			6.09	Prevalence of trade barriers	112
			6.22	Soundness of banks.....	103
			6.13	Flexibility of wage determination	83
			6.06	Intensity of local competition	76
			6.14	Cooperation in labor-employer relations.....	76
			6.04	Number of procedures to start business (hard data)	70
			6.17	Brain drain	57
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	99
			8th pillar: Business sophistication		
			8.07	Nature of competitive advantage.....	116
			8.02	Local supplier quality	91
			8.03	Production process sophistication	91
			8.01	Local supplier quantity	83
			9th pillar: Innovation		
			9.07	Intellectual property protection	100
			9.06	Utility patents (hard data)	77

Zambia

Key Indicators

Total population (millions), 2005.....	11.7
GDP (US\$ billions), 2005.....	7.1
GDP (PPP) as share of world total, 2005.....	0.02
GDP (PPP) per capita (US\$), 2005.....	931

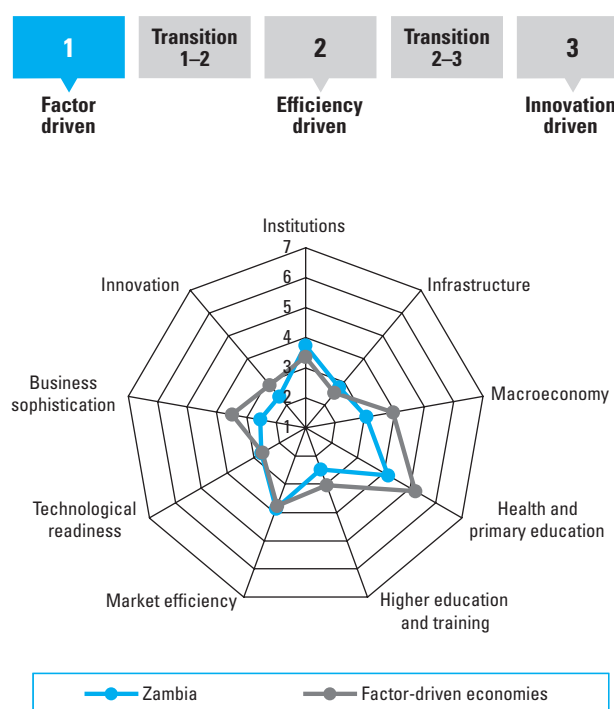
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	115	3.2
2005–06 (out of 117 countries).....	n/a.....	n/a
Basic Requirements	113	3.4
1st pillar: Institutions.....	67.....	3.7
2nd pillar: Infrastructure.....	87.....	2.7
3rd pillar: Macroeconomy.....	119.....	3.1
4th pillar: Health and primary education.....	115.....	4.2
Efficiency Enhancers	106	3.0
5th pillar: Higher education and training.....	117.....	2.5
6th pillar: Market efficiency.....	85.....	3.9
7th pillar: Technological readiness.....	93.....	2.7
Innovation Factors	124	2.4
8th pillar: Business sophistication.....	125.....	2.5
9th pillar: Innovation.....	118.....	2.3

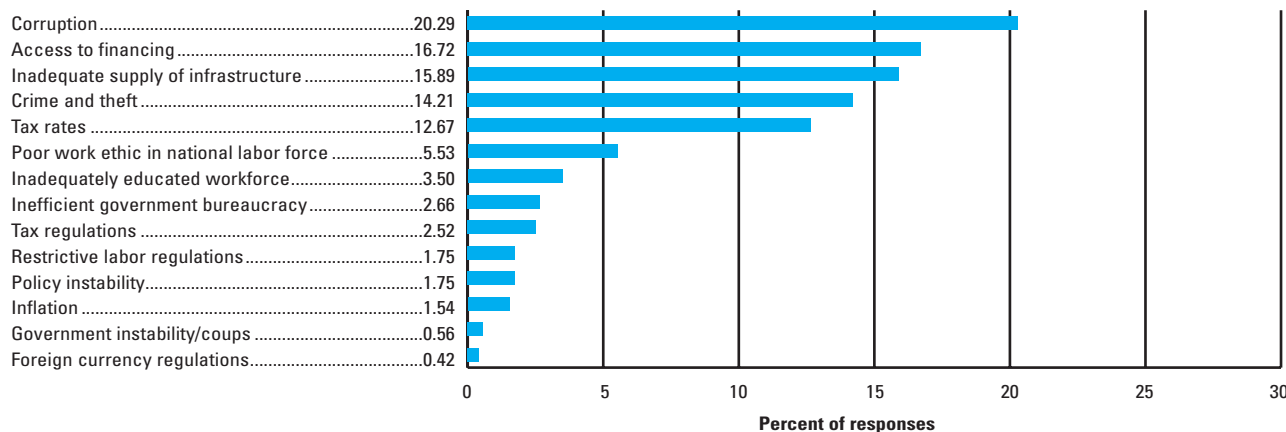
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	116
Sophistication of company operations and strategy.....	123
Quality of the national business environment.....	109

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

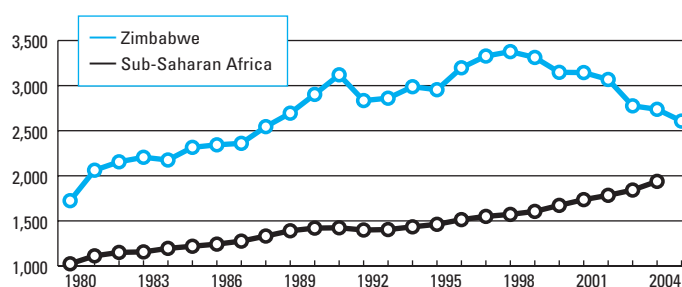
NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	8	1.06	Wastefulness of government spending	121
1.07	Burden of government compliance	10	1.02	Diversion of public funds	120
1.13	Efficacy of corporate boards	10	1.05	Favoritism in decisions of government officials	113
1.14	Protection of minority shareholders' interests	21	1.03	Public trust of politicians	109
1.15	Strength of auditing and accounting standards	27	1.10	Business costs of crime and violence	104
1.11	Organized crime	31	1.04	Judicial independence	97
2nd pillar: Infrastructure			1.09	Reliability of police services	67
2.05	Quality of electricity supply	40	1.01	Property rights	61
3rd pillar: Macroeconomy			1.12	Ethical behavior of firms	59
3.05	Government debt (hard data)	13	2nd pillar: Infrastructure		
6th pillar: Market efficiency			2.01	Overall infrastructure quality	121
6.12	Hiring and firing practices	1	2.06	Telephone lines (hard data)	109
6.01	Agricultural policy costs	2	2.02	Railroad infrastructure development	93
6.13	Flexibility of wage determination	4	3rd pillar: Macroeconomy		
6.10	Foreign ownership restrictions	16	3.03	Inflation (hard data)	122
6.04	Number of procedures to start business (hard data)	17	3.06	Real effective exchange rate (hard data)	120
6.14	Cooperation in labor-employer relations	21	3.04	Interest rate spread (hard data)	114
6.15	Reliance on professional management	32	3.02	National savings rate (hard data)	108
6.23	Local equity market access	42	3.01	Government surplus/deficit (hard data)	68
7th pillar: Technological readiness			4th pillar: Health and primary education		
7.04	FDI and technology transfer	12	4.06	Tuberculosis prevalence (hard data)	123
7.02	Firm-level technology absorption	49	4.05	Life expectancy at birth (hard data)	122
			4.08	HIV prevalence (hard data)	120
			4.04	Infant mortality (hard data)	119
			4.07	Malaria prevalence (hard data)	119
			4.09	Primary enrollment (hard data)	105
			5th pillar: Higher education and training		
			5.07	Extent of staff training	125
			6th pillar: Market efficiency		
			6.06	Intensity of local competition	125
			6.03	Extent and effect of taxation	122
			6.17	Brain drain	122
			6.09	Prevalence of trade barriers	87
			6.02	Efficiency of legal framework	55
			6.05	Time required to start a business (hard data)	54
			7th pillar: Technological readiness		
			7.07	Personal computers (hard data)	103
			8th pillar: Business sophistication		
			8.03	Production process sophistication	125
			8.01	Local supplier quantity	123
			8.02	Local supplier quality	119
			9th pillar: Innovation		
			9.02	Company spending on research and development	124
			9.04	Government procurement of technology products	123
			9.07	Intellectual property protection	113

Zimbabwe

Key Indicators

Total population (millions), 2005.....	13.0
GDP (US\$ billions), 2005.....	4.5
GDP (PPP) as share of world total, 2005.....	0.05
GDP (PPP) per capita (US\$), 2005.....	2,607

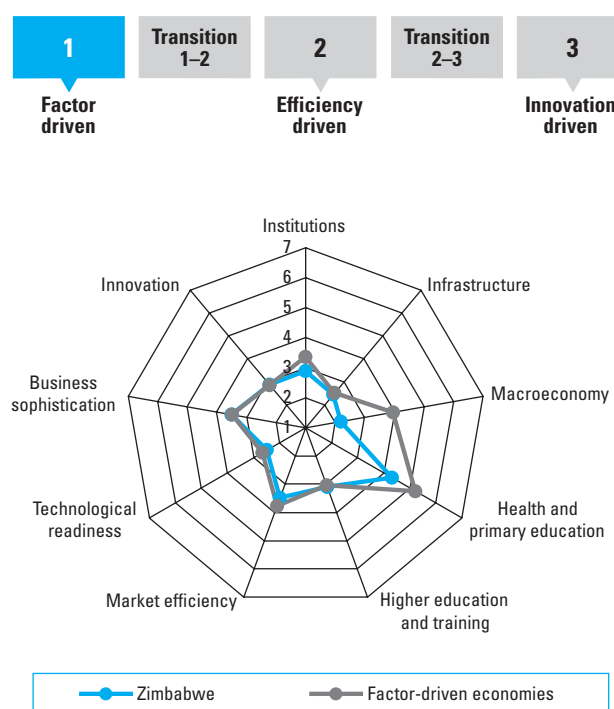
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	119	3.0
2005–06 (out of 117 countries).....	110.....	3.2
Basic Requirements	122	3.0
1st pillar: Institutions.....	120.....	2.9
2nd pillar: Infrastructure.....	98.....	2.4
3rd pillar: Macroeconomy.....	125.....	2.2
4th pillar: Health and primary education.....	113.....	4.3
Efficiency Enhancers	104	3.0
5th pillar: Higher education and training.....	96.....	3.1
6th pillar: Market efficiency.....	113.....	3.5
7th pillar: Technological readiness.....	109.....	2.5
Innovation Factors	92	3.2
8th pillar: Business sophistication.....	89.....	3.5
9th pillar: Innovation.....	93.....	2.9

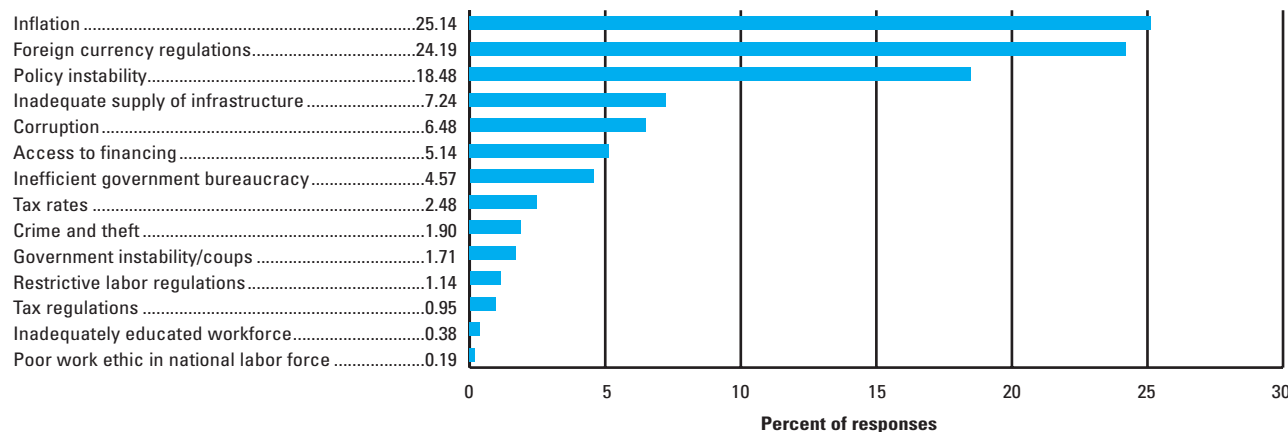
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	103
Sophistication of company operations and strategy.....	84
Quality of the national business environment.....	104

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

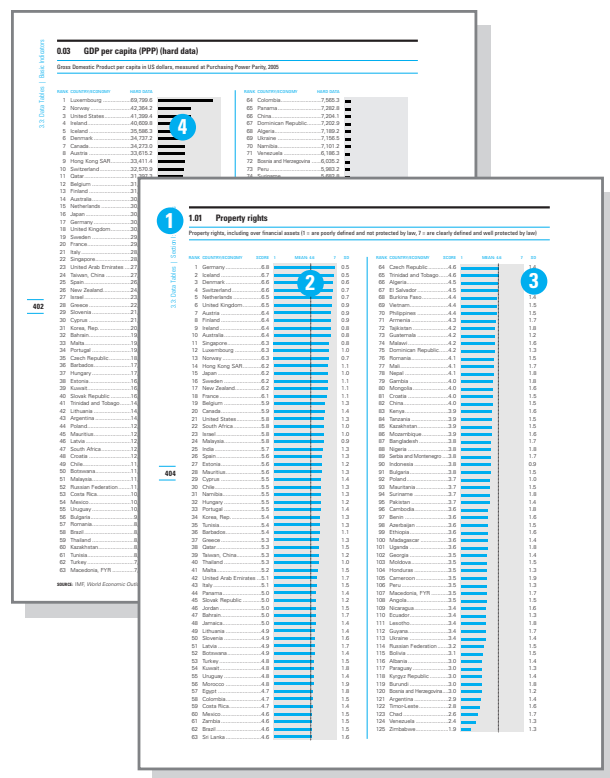
National competitiveness balance sheet

NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions			1st pillar: Institutions		
1.08	Business costs of terrorism	5	1.01	Property rights	125
1.13	Efficacy of corporate boards	35	1.03	Public trust of politicians	124
1.15	Strength of auditing and accounting standards	39	1.04	Judicial independence	122
<hr/>			1.06	Wastefulness of government spending	120
3rd pillar: Macroeconomy			1.07	Burden of government compliance	118
3.06	Real effective exchange rate (hard data)	1	1.05	Favoritism in decisions of government officials	116
<hr/>			1.09	Reliability of police services	113
6th pillar: Market efficiency			1.02	Diversion of public funds	112
6.15	Reliance on professional management	28	1.10	Business costs of crime and violence	92
6.23	Local equity market access	28	<hr/>		
			2nd pillar: Infrastructure		
			2.05	Quality of electricity supply	113
			2.06	Telephone lines (hard data)	103
			2.01	Overall infrastructure quality	76
			<hr/>		
			3rd pillar: Macroeconomy		
			3.03	Inflation (hard data)	125
			3.02	National savings rate (hard data)	124
			3.04	Interest rate spread (hard data)	120
			3.01	Government surplus/deficit (hard data)	117
			<hr/>		
			4th pillar: Health and primary education		
			4.05	Life expectancy at birth (hard data)	125
			4.08	HIV prevalence (hard data)	123
			4.06	Tuberculosis prevalence (hard data)	121
			4.07	Malaria prevalence (hard data)	113
			4.04	Infant mortality (hard data)	105
			4.09	Primary enrollment (hard data)	99
			<hr/>		
			5th pillar: Higher education and training		
			5.02	Tertiary enrollment (hard data)	105
			<hr/>		
			6th pillar: Market efficiency		
			6.01	Agricultural policy costs	125
			6.06	Intensity of local competition	123
			6.17	Brain drain	123
			6.02	Efficiency of legal framework	121
			6.22	Soundness of banks	119
			6.10	Foreign ownership restrictions	114
			6.05	Time required to start a business (hard data)	107
			6.03	Extent and effect of taxation	103
			6.09	Prevalence of trade barriers	102
			<hr/>		
			7th pillar: Technological readiness		
			7.04	FDI and technology transfer	120
			7.02	Firm-level technology absorption	105
			7.06	Internet users (hard data)	78
			<hr/>		
			8th pillar: Business sophistication		
			8.03	Production process sophistication	120
			8.05	Control of international distribution	98
			<hr/>		
			9th pillar: Innovation		
			9.05	Availability of scientists and engineers	89
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3.3

Data Tables

How Data Tables Work



The following pages provide detailed data for all 125 economies included in the *Global Competitiveness Report 2006–2007*. The data are organized into eleven sections. Sections I through IX correspond to the pillars of the Global Competitiveness Index. These are complemented by basic indicators and environmental data:

Basic Indicators

- I. Institutions
- II. Infrastructure
- III. Macroeconomy
- IV. Health and primary education
- V. Higher education and training
- VI. Market efficiency
- VII. Technological readiness
- VIII. Business sophistication
- IX. Innovation
- X. Environment

Two types of variables are presented in these tables:

- Survey data: average responses in each economy to questions included in the World Economic Forum's Executive Opinion Survey, conducted in the early months of 2006
- Hard data: indicators obtained from a variety of sources

1 Survey data

Data yielded from the Executive Opinion Survey are presented with blue-colored bar graphs. For each Survey variable, the original question is included in the description at the top of the page. As outlined in Chapter 3.1 of this *Report*, in most cases questions asked for responses on a scale of 1 to 7, where an answer of 1 corresponds to the lowest possible score and an answer of 7 corresponds to the highest possible score. We report the average score for each economy, that is, the arithmetic mean of responses from each economy. Variable 6.20, for example, asks about ease of access to loans in the respondent economy. The score for the Russian Federation is 2.73, a relatively low score that indicates difficulty in obtaining loans.

2 A dotted line on the graph indicates the mean score across the sample of 125 economies. We report responses rounded to a single decimal point, but use the exact figures to determine rankings and for graphs. In the case of the variable 1.01 on property rights, Chile's average score was 5.4791667 and Namibia's average score was 5.4754108. These economies are therefore ranked 30th and 31st respectively, although they are both listed with the same rounded score of 5.5.

3 Just to the right of each economy's mean score we have also included the standard deviation of the responses. This gives an indication of how closely or widely the individual responses are spread around the mean economy score. In other words, this provides information on the extent of agreement or disagreement on the question within the given economy. In the case of variable 1.01, we see, for example, that the standard deviation of the sample of responses from Germany is 0.5, a measure of the dispersion of responses around the mean.

4 Hard data

Data originating not from the Executive Opinion Survey but from other publicly available sources are presented in black-shaded bar graphs and are followed on each page with a brief reference to the source from which they were obtained. More detailed citation information can be found in the Technical Notes and Sources section at the end of the *Report*. True ties are indicated by shared rankings where relevant. For example, with the case of variable 4.04, Iceland and Singapore have the same rate of infant mortality and, therefore, share the rank of first place. Many of these variables, although presented as hard data, still depend to a great extent on surveying techniques. Indeed, even GDP statistics rely heavily on surveying methodologies.

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1.11 Organized crime.....	414	4.06 Tuberculosis prevalence (hard data).....	459
1.12 Ethical behavior of firms.....	415	4.07 Malaria prevalence (hard data).....	460
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Basic Indicators

0.01 Total GDP (hard data)

Gross Domestic Product in billions of US dollars, 2005

RANK COUNTRY/ECONOMY HARD DATA

1	United States	12,485.7	
2	Japan	4,571.3	
3	Germany	2,797.3	
4	China	2,224.8	
5	United Kingdom	2,201.5	
6	France	2,105.9	
7	Italy	1,766.2	
8	Canada	1,130.2	
9	Spain	1,126.6	
10	Korea, Rep.	793.1	
11	Brazil	792.7	
12	India	775.4	
13	Mexico	768.4	
14	Russian Federation	766.2	
15	Australia	708.0	
16	Netherlands	625.3	
17	Belgium	372.1	
18	Switzerland	367.5	
19	Turkey	362.5	
20	Sweden	358.8	
21	Taiwan, China	346.1	
22	Austria	307.0	
23	Poland	300.5	
24	Norway	296.0	
25	Indonesia	276.0	
26	Denmark	259.7	
27	South Africa	239.1	
28	Greece	222.9	
29	Ireland	199.7	
30	Finland	193.5	
31	Portugal	183.4	
32	Argentina	181.7	
33	Hong Kong SAR	177.7	
34	Thailand	168.8	
35	United Arab Emirates	133.8	
36	Venezuela	132.8	
37	Malaysia	130.8	
38	Czech Republic	123.6	
39	Israel	123.5	
40	Colombia	122.3	
41	Pakistan	118.5	
42	Singapore	117.9	
43	Chile	114.0	
44	Hungary	109.5	
45	New Zealand	108.5	
46	Algeria	102.0	
47	Nigeria	99.1	
48	Romania	98.6	
49	Philippines	97.7	
50	Egypt	93.0	
51	Ukraine	81.7	
52	Peru	78.6	
53	Kuwait	74.6	
54	Bangladesh	61.2	
55	Kazakhstan	56.1	
56	Morocco	52.0	
57	Vietnam	50.9	
58	Slovak Republic	46.8	
59	Qatar	37.9	
60	Croatia	37.6	
61	Luxembourg	34.2	
62	Slovenia	34.0	
63	Ecuador	33.1	

RANK COUNTRY/ECONOMY HARD DATA

64	Tunisia	30.2	
65	Dominican Republic	29.2	
66	Angola	28.9	
67	Guatemala	27.4	
68	Bulgaria	26.7	
69	Serbia and Montenegro	26.2	
70	Lithuania	25.7	
71	Sri Lanka	23.5	
72	Costa Rica	19.8	
73	Kenya	19.2	
74	Cameroon	17.0	
75	El Salvador	16.9	
76	Cyprus	16.7	
77	Latvia	16.6	
78	Uruguay	15.9	
79	Trinidad and Tobago	15.9	
80	Iceland	15.8	
81	Panama	15.2	
82	Estonia	13.1	
83	Bahrain	12.9	
84	Jordan	12.9	
85	Azerbaijan	12.6	
86	Tanzania	12.2	
87	Ethiopia	11.2	
88	Jamaica	9.7	
89	Bolivia	9.7	
90	Bosnia and Herzegovina	9.4	
91	Botswana	9.2	
92	Uganda	8.7	
93	Albania	8.4	
94	Honduras	8.3	
95	Nepal	7.5	
96	Paraguay	7.2	
97	Zambia	7.1	
98	Mozambique	6.7	
99	Georgia	6.4	
100	Mauritius	6.2	
101	Namibia	6.1	
102	Burkina Faso	5.7	
103	Chad	5.4	
104	Malta	5.4	
105	Cambodia	5.4	
106	Mali	5.3	
107	Macedonia, FYR	5.0	
108	Nicaragua	5.0	
109	Madagascar	4.7	
110	Zimbabwe	4.5	
111	Benin	4.4	
112	Armenia	3.8	
113	Barbados	3.2	
114	Moldova	3.0	
115	Kyrgyz Republic	2.4	
116	Tajikistan	2.3	
117	Malawi	2.1	
118	Mauritania	1.9	
119	Mongolia	1.9	
120	Suriname	1.3	
121	Lesotho	1.3	
122	Burundi	0.8	
123	Guyana	0.8	
124	Gambia	0.5	
125	Timor-Leste	0.4	

0.02 Total population (hard data)

Population in millions, 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	China	1,315.8	63	Tunisia	10.1
2	India	1,103.4	65	Chad	9.7
3	United States	298.2	66	Bolivia	9.2
4	Indonesia	222.8	67	Sweden	9.0
5	Brazil	186.4	68	Dominican Republic	8.9
6	Pakistan	157.9	69	Azerbaijan	8.4
7	Russian Federation	143.2	69	Benin	8.4
8	Bangladesh	141.8	71	Austria	8.2
9	Nigeria	131.5	72	Bulgaria	7.7
10	Japan	128.1	73	Burundi	7.5
11	Mexico	107.0	74	Switzerland	7.3
12	Vietnam	84.2	75	Honduras	7.2
13	Philippines	83.1	76	Hong Kong SAR	7.0
14	Germany	82.7	77	El Salvador	6.9
15	Ethiopia	77.4	78	Israel	6.7
16	Egypt	74.0	79	Tajikistan	6.5
17	Turkey	73.2	80	Paraguay	6.2
18	Thailand	64.2	81	Jordan	5.7
19	France	60.5	82	Nicaragua	5.5
20	United Kingdom	59.7	83	Denmark	5.4
21	Italy	58.1	83	Slovak Republic	5.4
22	Korea, Rep.	47.8	85	Kyrgyz Republic	5.3
23	South Africa	47.4	86	Finland	5.2
24	Ukraine	46.5	87	Croatia	4.6
25	Colombia	45.6	87	Norway	4.6
26	Spain	43.1	89	Georgia	4.5
27	Argentina	38.7	89	United Arab Emirates	4.5
28	Poland	38.5	91	Costa Rica	4.3
29	Tanzania	38.3	91	Singapore	4.3
30	Kenya	34.3	93	Moldova	4.2
31	Algeria	32.9	94	Ireland	4.1
32	Canada	32.3	95	New Zealand	4.0
33	Morocco	31.5	96	Bosnia and Herzegovina	3.9
34	Uganda	28.8	97	Uruguay	3.5
35	Peru	28.0	98	Lithuania	3.4
36	Nepal	27.1	99	Panama	3.2
37	Venezuela	26.7	100	Albania	3.1
38	Malaysia	25.3	100	Mauritania	3.1
39	Taiwan, China	22.6	102	Armenia	3.0
40	Romania	21.7	103	Jamaica	2.7
41	Sri Lanka	20.7	103	Kuwait	2.7
42	Australia	20.2	105	Mongolia	2.6
43	Mozambique	19.8	106	Latvia	2.3
44	Madagascar	18.6	107	Macedonia, FYR	2.0
45	Cameroon	16.3	107	Namibia	2.0
45	Chile	16.3	107	Slovenia	2.0
45	Netherlands	16.3	110	Botswana	1.8
48	Angola	15.9	110	Lesotho	1.8
49	Kazakhstan	14.8	112	Gambia	1.5
50	Cambodia	14.1	113	Estonia	1.3
51	Mali	13.5	113	Trinidad and Tobago	1.3
52	Burkina Faso	13.2	115	Mauritius	1.2
52	Ecuador	13.2	116	Timor-Leste	1.0
54	Zimbabwe	13.0	117	Qatar	0.8
55	Malawi	12.9	118	Cyprus	0.8
56	Guatemala	12.6	119	Guyana	0.8
57	Zambia	11.7	120	Bahrain	0.7
58	Greece	11.1	121	Luxembourg	0.5
59	Portugal	10.5	122	Suriname	0.4
59	Serbia and Montenegro	10.5	123	Malta	0.4
61	Belgium	10.4	124	Iceland	0.3
62	Czech Republic	10.2	125	Barbados	0.3
63	Hungary	10.1			

SOURCES: UNFPA, *State of World Population 2006*; UN Department of Economic and Social Affairs, *Population Division Database* (June 2006); national sources

0.03 GDP per capita (PPP) (hard data)

Gross Domestic Product per capita in US dollars, measured at Purchasing Power Parity, 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Luxembourg	69,799.6	64	Colombia	7,565.3
2	Norway	42,364.2	65	Panama	7,282.8
3	United States	41,399.4	66	China	7,204.1
4	Ireland	40,609.8	67	Dominican Republic	7,202.9
5	Iceland	35,586.3	68	Algeria	7,189.2
6	Denmark	34,737.2	69	Ukraine	7,156.5
7	Canada	34,273.0	70	Namibia	7,101.2
8	Austria	33,615.2	71	Venezuela	6,186.3
9	Hong Kong SAR	33,411.4	72	Bosnia and Herzegovina	6,035.2
10	Switzerland	32,570.9	73	Peru	5,983.2
11	Qatar	31,397.3	74	Suriname	5,682.8
12	Belgium	31,243.9	75	Serbia and Montenegro	5,347.8
13	Finland	31,207.7	76	Philippines	4,922.8
14	Australia	30,897.2	77	Jordan	4,825.0
15	Netherlands	30,861.5	78	Albania	4,763.7
16	Japan	30,615.2	79	Guyana	4,611.9
17	Germany	30,579.4	80	Azerbaijan	4,600.5
18	United Kingdom	30,469.8	81	Paraguay	4,555.1
19	Sweden	29,898.1	82	El Salvador	4,511.5
20	France	29,316.4	83	Morocco	4,503.2
21	Italy	28,760.3	84	Indonesia	4,458.5
22	Singapore	28,100.4	85	Sri Lanka	4,383.6
23	United Arab Emirates	27,957.1	86	Egypt	4,316.6
24	Taiwan, China	27,572.2	87	Ecuador	4,316.2
25	Spain	26,320.2	88	Jamaica	4,292.6
26	New Zealand	24,769.4	89	Armenia	4,269.6
27	Israel	23,415.9	90	Guatemala	4,154.8
28	Greece	22,391.6	91	Nicaragua	3,636.0
29	Slovenia	21,910.7	92	Georgia	3,615.7
30	Cyprus	21,232.2	93	India	3,344.2
31	Korea, Rep.	20,590.5	94	Vietnam	3,024.8
32	Bahrain	19,799.5	95	Honduras	3,009.2
33	Malta	19,739.1	96	Bolivia	2,816.7
34	Portugal	19,334.6	97	Angola	2,813.5
35	Czech Republic	18,375.2	98	Pakistan	2,627.6
36	Barbados	17,610.2	99	Zimbabwe	2,606.7
37	Hungary	17,404.7	100	Cameroon	2,421.1
38	Estonia	16,414.0	101	Mauritania	2,402.1
39	Kuwait	16,301.1	102	Cambodia	2,399.2
40	Slovak Republic	16,040.7	103	Moldova	2,374.1
41	Trinidad and Tobago	14,257.5	104	Mongolia	2,175.3
42	Lithuania	14,158.4	105	Lesotho	2,113.4
43	Argentina	14,108.5	106	Kyrgyz Republic	2,087.7
44	Poland	12,994.2	107	Bangladesh	2,011.0
45	Mauritius	12,966.4	108	Gambia	2,002.3
46	Latvia	12,621.6	109	Nepal	1,675.2
47	South Africa	12,159.7	110	Uganda	1,617.1
48	Croatia	12,157.7	111	Chad	1,518.8
49	Chile	11,936.8	112	Kenya	1,445.2
50	Botswana	11,409.7	113	Mozambique	1,388.5
51	Malaysia	11,201.1	114	Tajikistan	1,387.7
52	Russian Federation	11,041.1	115	Burkina Faso	1,284.2
53	Costa Rica	10,434.4	116	Nigeria	1,188.4
54	Mexico	10,185.7	117	Benin	1,176.0
55	Uruguay	10,028.2	118	Mali	1,154.0
56	Bulgaria	9,223.3	119	Zambia	930.8
57	Romania	8,785.0	120	Madagascar	905.5
58	Brazil	8,584.4	121	Ethiopia	823.0
59	Thailand	8,318.6	122	Burundi	739.3
60	Kazakhstan	8,318.3	123	Tanzania	723.3
61	Tunisia	8,254.8	124	Malawi	596.1
62	Turkey	7,949.9	n/a	Timor-Leste	n/a
63	Macedonia, FYR	7,644.7			

Section I

Institutions

1.01 Property rights

Property rights, including over financial assets (1 = are poorly defined and not protected by law, 7 = are clearly defined and well protected by law)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD
1	Germany	6.8				0.5	64	Czech Republic	4.6				1.4
2	Iceland	6.7				0.5	65	Trinidad and Tobago	4.6				1.6
3	Denmark	6.6				0.6	66	Algeria	4.5				2.0
4	Switzerland	6.6				0.7	67	El Salvador	4.5				1.7
5	Netherlands	6.5				0.7	68	Burkina Faso	4.4				1.4
6	United Kingdom	6.5				0.9	69	Vietnam	4.4				1.5
7	Austria	6.4				0.9	70	Philippines	4.4				1.5
8	Finland	6.4				0.9	71	Armenia	4.3				1.7
9	Ireland	6.4				0.8	72	Tajikistan	4.2				1.8
10	Australia	6.4				0.8	73	Guatemala	4.2				1.2
11	Singapore	6.3				0.8	74	Malawi	4.2				1.6
12	Luxembourg	6.3				1.0	75	Dominican Republic	4.2				1.3
13	Norway	6.3				0.7	76	Romania	4.1				1.5
14	Hong Kong SAR	6.2				1.1	77	Mali	4.1				1.7
15	Japan	6.2				1.0	78	Nepal	4.1				1.8
16	Sweden	6.2				1.1	79	Gambia	4.0				1.8
17	New Zealand	6.2				1.1	80	Mongolia	4.0				1.6
18	France	6.1				1.1	81	Croatia	4.0				1.5
19	Belgium	5.9				1.3	82	China	4.0				1.5
20	Canada	5.9				1.4	83	Kenya	3.9				1.6
21	United States	5.8				1.3	84	Tanzania	3.9				1.5
22	South Africa	5.8				1.0	85	Kazakhstan	3.9				1.5
23	Israel	5.8				1.0	86	Mozambique	3.9				1.6
24	Malaysia	5.8				0.9	87	Bangladesh	3.8				1.7
25	India	5.7				1.3	88	Nigeria	3.8				1.8
26	Spain	5.6				1.3	89	Serbia and Montenegro	3.8				1.7
27	Estonia	5.6				1.2	90	Indonesia	3.8				0.9
28	Mauritius	5.6				1.3	91	Bulgaria	3.8				1.5
29	Cyprus	5.5				1.4	92	Poland	3.7				1.0
30	Chile	5.5				1.3	93	Mauritania	3.7				1.5
31	Namibia	5.5				1.3	94	Suriname	3.7				1.8
32	Hungary	5.5				1.2	95	Pakistan	3.7				1.4
33	Portugal	5.5				1.4	96	Cambodia	3.6				1.8
34	Korea, Rep.	5.4				1.3	97	Benin	3.6				1.6
35	Tunisia	5.4				1.3	98	Azerbaijan	3.6				1.5
36	Barbados	5.4				1.1	99	Ethiopia	3.6				1.6
37	Greece	5.3				1.3	100	Madagascar	3.6				1.4
38	Qatar	5.3				1.5	101	Uganda	3.6				1.8
39	Taiwan, China	5.3				1.2	102	Georgia	3.5				1.4
40	Thailand	5.3				1.0	103	Moldova	3.5				1.5
41	Malta	5.2				1.5	104	Honduras	3.5				1.3
42	United Arab Emirates	5.1				1.7	105	Cameroon	3.5				1.9
43	Italy	5.1				1.5	106	Peru	3.5				1.3
44	Panama	5.0				1.4	107	Macedonia, FYR	3.5				1.7
45	Slovak Republic	5.0				1.2	108	Angola	3.5				1.5
46	Jordan	5.0				1.5	109	Nicaragua	3.4				1.6
47	Bahrain	5.0				1.7	110	Ecuador	3.4				1.3
48	Jamaica	5.0				1.4	111	Lesotho	3.4				1.8
49	Lithuania	4.9				1.4	112	Guyana	3.4				1.7
50	Slovenia	4.9				1.6	113	Ukraine	3.4				1.4
51	Latvia	4.9				1.7	114	Russian Federation	3.2				1.5
52	Botswana	4.9				1.4	115	Bolivia	3.1				1.5
53	Turkey	4.8				1.5	116	Albania	3.0				1.4
54	Kuwait	4.8				1.8	117	Paraguay	3.0				1.3
55	Uruguay	4.8				1.4	118	Kyrgyz Republic	3.0				1.4
56	Morocco	4.8				1.9	119	Burundi	3.0				1.8
57	Egypt	4.7				1.8	120	Bosnia and Herzegovina	3.0				1.2
58	Colombia	4.7				1.5	121	Argentina	2.9				1.4
59	Costa Rica	4.7				1.4	122	Timor-Leste	2.8				1.6
60	Mexico	4.6				1.5	123	Chad	2.6				1.7
61	Zambia	4.6				1.5	124	Venezuela	2.4				1.3
62	Brazil	4.6				1.5	125	Zimbabwe	1.9				1.3
63	Sri Lanka	4.6				1.6							

1.02 Diversion of public funds

In your country, diversion of public funds to companies, individuals, or groups due to corruption (1 = is common, 7 = never occurs)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Denmark	6.7				0.4	64	Lithuania	3.5				1.5
2	Iceland	6.6				0.6	65	Suriname	3.5				1.5
3	Finland	6.5				0.7	66	Ethiopia	3.5				1.6
4	New Zealand	6.5				0.8	67	Pakistan	3.5				1.3
5	Norway	6.3				0.6	68	Moldova	3.5				1.4
6	Singapore	6.3				0.7	69	Czech Republic	3.3				1.5
7	Switzerland	6.3				0.8	70	Tanzania	3.3				1.4
8	Sweden	6.3				1.0	71	China	3.3				1.4
9	Netherlands	6.1				0.7	72	Azerbaijan	3.3				1.6
10	Germany	6.1				0.7	73	Namibia	3.3				1.5
11	Australia	6.1				0.7	74	Morocco	3.3				1.7
12	Austria	6.0				1.0	75	Indonesia	3.2				0.8
12	United Kingdom	6.0				1.0	76	Sri Lanka	3.2				1.6
14	Luxembourg	5.9				1.2	77	Algeria	3.2				1.7
15	Ireland	5.8				1.2	77	Peru	3.2				1.3
16	United Arab Emirates	5.7				1.4	79	Mexico	3.2				1.4
17	Hong Kong SAR	5.6				1.4	80	Malawi	3.2				1.4
18	Qatar	5.6				1.8	81	Guatemala	3.2				1.3
19	Barbados	5.5				1.3	82	Mauritania	3.2				1.6
20	Portugal	5.3				1.1	82	Romania	3.2				1.4
21	France	5.3				1.4	84	Macedonia, FYR	3.1				1.3
22	Belgium	5.2				1.3	85	Lesotho	3.1				1.4
23	Tunisia	5.2				1.3	86	Burkina Faso	3.1				1.5
24	Malta	5.1				1.3	87	Cambodia	3.1				1.5
25	Chile	5.1				1.3	88	Russian Federation	3.0				1.5
26	Japan	5.0				1.5	89	Nepal	3.0				1.5
27	Kuwait	5.0				1.5	90	Nicaragua	2.9				1.5
28	United States	5.0				1.5	91	Armenia	2.9				1.7
29	Malaysia	5.0				1.3	92	Serbia and Montenegro	2.9				1.6
30	Cyprus	5.0				1.3	93	Kyrgyz Republic	2.9				1.6
31	Jordan	4.9				1.7	94	Angola	2.8				1.2
32	Israel	4.9				1.3	94	Vietnam	2.8				1.3
33	Canada	4.9				1.4	96	Jamaica	2.8				1.2
34	Uruguay	4.8				1.3	97	Colombia	2.8				1.2
35	Slovenia	4.8				1.4	98	Honduras	2.8				1.3
36	Spain	4.7				1.3	99	Madagascar	2.8				1.2
37	Estonia	4.7				1.6	100	Mali	2.8				1.7
38	Botswana	4.7				1.4	101	Guyana	2.7				1.6
39	Taiwan, China	4.5				1.3	102	Timor-Leste	2.7				1.8
40	Greece	4.4				1.5	103	Albania	2.7				1.3
41	Egypt	4.3				1.7	104	Bolivia	2.6				1.4
42	El Salvador	4.3				1.3	105	Mongolia	2.6				1.5
43	Hungary	4.2				1.4	106	Mozambique	2.6				1.4
44	Bahrain	4.0				1.8	107	Dominican Republic	2.6				1.3
44	Mauritius	4.0				1.5	108	Bulgaria	2.6				1.3
46	Latvia	4.0				1.6	109	Trinidad and Tobago	2.5				1.5
47	South Africa	3.9				1.4	110	Argentina	2.5				1.2
48	Turkey	3.9				1.5	111	Philippines	2.4				1.3
49	Slovak Republic	3.9				1.3	112	Zimbabwe	2.4				1.3
50	Croatia	3.9				1.2	113	Bangladesh	2.4				1.3
51	Korea, Rep.	3.9				1.4	114	Burundi	2.4				1.4
52	India	3.9				1.6	115	Nigeria	2.3				1.4
53	Kazakhstan	3.9				1.4	116	Kenya	2.3				1.3
54	Thailand	3.8				1.4	117	Ecuador	2.2				1.2
55	Gambia	3.7				1.6	118	Paraguay	2.2				1.2
56	Poland	3.7				0.9	119	Benin	2.1				1.1
57	Tajikistan	3.7				1.9	120	Zambia	2.1				0.9
58	Costa Rica	3.6				1.3	121	Brazil	2.1				1.3
59	Georgia	3.6				1.6	122	Uganda	2.0				1.1
60	Panama	3.6				1.7	123	Cameroon	1.7				1.0
61	Bosnia and Herzegovina	3.6				1.3	124	Chad	1.6				1.1
62	Italy	3.5				1.3	125	Venezuela	1.5				0.7
63	Ukraine	3.5				1.5							

1.03 Public trust of politicians

Public trust in the financial honesty of politicians is (1 = very low, 7 = very high)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.7	7	SD
1	Singapore.....	6.3				0.8	64	Indonesia	2.3				0.8
2	Denmark	6.0				1.1	65	Burkina Faso	2.3				1.3
3	Iceland	6.0				0.8	66	Georgia	2.3				1.1
4	Finland	5.6				1.4	67	Korea, Rep.	2.3				1.1
5	Switzerland	5.4				1.3	68	Angola.....	2.3				1.2
6	Luxembourg	5.3				1.2	69	Kazakhstan.....	2.3				1.4
7	Norway	5.3				1.2	70	Mali.....	2.3				1.5
8	New Zealand.....	5.2				1.5	71	Ethiopia.....	2.2				1.5
9	United Arab Emirates	5.2				1.6	72	Latvia	2.2				1.2
10	Netherlands	5.2				1.3	73	Timor-Leste.....	2.2				1.2
11	Qatar	5.0				1.3	74	Jamaica.....	2.2				1.1
12	Hong Kong SAR.....	5.0				1.4	75	Madagascar	2.2				1.2
13	Tunisia	4.6				1.4	76	Nigeria	2.2				1.5
14	Australia	4.6				1.2	77	Lesotho.....	2.2				1.1
15	Sweden	4.5				1.4	78	Costa Rica.....	2.1				1.2
16	Germany	4.4				1.5	79	Slovak Republic	2.1				1.0
17	Malaysia.....	4.3				1.4	80	Guatemala	2.0				1.1
18	Barbados.....	4.2				1.3	81	Malawi	2.0				1.3
19	Austria	4.1				1.4	82	Guyana.....	2.0				1.4
20	United Kingdom.....	3.8				1.7	82	Lithuania	2.0				1.1
21	Chile.....	3.8				1.3	84	Colombia.....	2.0				1.1
22	Malta.....	3.5				1.3	85	Mexico.....	2.0				1.0
23	Uruguay	3.5				1.3	86	Italy	2.0				1.1
24	United States.....	3.5				1.6	87	Sri Lanka	1.9				1.4
25	Japan	3.5				1.5	88	Czech Republic.....	1.9				1.0
26	Botswana.....	3.5				1.5	89	Uganda	1.9				1.1
27	Portugal	3.3				1.0	90	Panama	1.9				1.2
28	Belgium	3.3				1.3	91	Ukraine	1.9				1.5
29	Canada.....	3.2				1.5	92	Moldova.....	1.9				1.0
30	France	3.2				1.4	93	Honduras	1.8				1.0
31	Jordan.....	3.2				1.4	94	Serbia and Montenegro	1.8				1.1
32	Taiwan, China.....	3.2				1.3	95	Burundi	1.8				1.0
33	Israel	3.1				1.4	96	Benin	1.8				1.2
34	Cyprus	3.1				1.3	97	Armenia	1.8				1.0
35	Estonia.....	3.1				1.3	98	Chad	1.8				1.1
36	Spain	3.1				1.3	99	Kenya.....	1.8				1.1
37	Tanzania	3.0				1.4	100	Macedonia, FYR	1.7				1.0
38	Slovenia	3.0				1.4	101	Trinidad and Tobago	1.7				1.0
39	Gambia	3.0				1.5	102	Albania	1.7				1.0
40	Greece	3.0				1.4	103	Bosnia and Herzegovina.....	1.7				0.9
41	Tajikistan	3.0				1.8	104	Suriname	1.7				0.9
42	South Africa.....	3.0				1.3	105	Bulgaria.....	1.7				1.0
43	Kuwait.....	2.9				1.6	106	Philippines	1.7				1.0
44	Ireland.....	2.9				1.4	107	Russian Federation.....	1.7				1.0
45	China.....	2.8				1.5	108	Romania.....	1.6				1.0
46	Algeria.....	2.8				1.3	109	Zambia	1.6				1.0
47	Bahrain.....	2.7				1.4	110	Nepal	1.6				0.8
48	Thailand	2.7				1.2	111	Mozambique.....	1.6				0.8
49	Namibia.....	2.7				1.2	112	Kyrgyz Republic	1.6				1.1
50	Egypt	2.7				1.6	113	Mongolia.....	1.6				1.1
51	Turkey	2.7				1.3	114	Dominican Republic.....	1.6				0.8
52	Morocco	2.7				1.4	115	Argentina	1.5				0.7
53	El Salvador	2.6				1.3	116	Peru	1.4				0.7
54	Croatia	2.6				1.4	117	Cameroon	1.4				0.8
55	Pakistan	2.6				1.4	118	Nicaragua.....	1.4				0.8
56	Poland.....	2.5				1.3	119	Brazil	1.4				0.8
57	Mauritania.....	2.5				1.6	120	Venezuela	1.4				0.9
58	Mauritius.....	2.4				1.2	121	Ecuador.....	1.3				0.6
59	India	2.4				1.1	122	Bolivia.....	1.3				0.6
60	Hungary	2.4				1.2	123	Bangladesh	1.3				0.6
61	Vietnam.....	2.4				1.4	124	Zimbabwe.....	1.3				0.5
62	Azerbaijan	2.4				1.4	125	Paraguay	1.3				0.5
63	Cambodia.....	2.3				1.4							

1.04 Judicial independence

Is the judiciary in your country independent from political influences of members of government, citizens, or firms? (1 = no—heavily influenced, 7 = yes—entirely independent)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Germany	6.5				0.9	64	Spain	3.7				1.8
2	Netherlands	6.4				0.9	65	Mali	3.7				2.0
3	Israel	6.3				0.8	66	Colombia	3.7				1.7
4	New Zealand	6.3				1.1	67	Mexico	3.6				1.6
5	Norway	6.3				1.0	68	Italy	3.6				1.7
6	Australia	6.3				1.0	69	Slovak Republic	3.6				1.6
7	Denmark	6.3				1.4	70	Poland	3.5				1.1
8	United Kingdom	6.2				1.1	71	Dominican Republic	3.5				1.5
9	Switzerland	6.2				1.2	72	Sri Lanka	3.5				1.6
10	Finland	6.2				1.3	73	Vietnam	3.5				1.8
11	Ireland	6.1				1.3	74	Bahrain	3.4				2.0
12	Iceland	6.0				1.4	75	Morocco	3.4				1.9
13	Hong Kong SAR	5.9				1.5	76	Lithuania	3.4				1.5
14	India	5.9				1.3	77	Philippines	3.4				1.5
15	Austria	5.9				1.4	78	China	3.4				1.8
16	Barbados	5.9				1.2	79	Guatemala	3.3				1.6
17	Sweden	5.9				1.6	80	Pakistan	3.3				1.5
18	Canada	5.7				1.6	81	Tajikistan	3.2				1.8
19	Portugal	5.7				1.2	82	Croatia	3.2				1.6
20	Qatar	5.6				1.4	83	Nigeria	3.2				1.9
21	South Africa	5.6				1.3	84	Bosnia and Herzegovina	3.1				1.4
22	Japan	5.6				1.5	85	Burkina Faso	3.0				1.6
23	Luxembourg	5.5				1.5	86	Kenya	3.0				1.7
24	Malaysia	5.3				1.2	87	Madagascar	3.0				1.7
25	Botswana	5.3				1.4	88	Timor-Leste	2.9				1.7
26	Malta	5.3				1.8	89	Romania	2.9				1.6
27	Estonia	5.3				1.6	90	Angola	2.8				1.4
28	Namibia	5.2				1.5	91	El Salvador	2.8				1.6
29	Singapore	5.2				1.6	92	Brazil	2.8				1.5
30	Cyprus	5.2				1.7	93	Guyana	2.8				1.7
31	Kuwait	5.2				1.8	94	Indonesia	2.8				0.8
32	Belgium	5.2				1.6	95	Azerbaijan	2.8				1.6
33	Costa Rica	5.1				1.6	96	Kazakhstan	2.7				1.6
34	Tunisia	5.1				1.4	97	Zambia	2.7				1.4
35	France	5.1				1.6	98	Mongolia	2.6				1.5
36	United States	5.0				1.6	99	Ukraine	2.5				1.7
37	Uruguay	4.9				1.6	100	Bulgaria	2.5				1.3
38	Jordan	4.9				1.7	101	Bolivia	2.5				1.4
39	Egypt	4.8				1.9	102	Bangladesh	2.5				1.4
40	United Arab Emirates	4.8				1.7	103	Mozambique	2.5				1.2
41	Suriname	4.7				1.7	104	Serbia and Montenegro	2.5				1.5
42	Mauritius	4.7				1.6	105	Honduras	2.5				1.3
43	Malawi	4.5				1.6	106	Panama	2.4				1.6
44	Slovenia	4.5				1.6	107	Albania	2.4				1.3
45	Thailand	4.4				1.7	108	Macedonia, FYR	2.4				1.3
46	Greece	4.4				1.6	109	Cambodia	2.3				1.5
47	Jamaica	4.2				1.8	110	Russian Federation	2.3				1.4
48	Hungary	4.2				1.8	111	Armenia	2.3				1.4
49	Trinidad and Tobago	4.2				1.8	112	Cameroon	2.2				1.4
50	Turkey	4.2				1.6	113	Moldova	2.2				1.2
51	Korea, Rep.	4.1				1.6	114	Ethiopia	2.2				1.5
52	Nepal	4.1				1.7	115	Argentina	2.2				1.3
53	Taiwan, China	4.0				1.5	116	Ecuador	2.2				1.3
54	Lesotho	4.0				1.8	117	Georgia	2.1				1.2
55	Tanzania	3.9				1.7	118	Kyrgyz Republic	2.0				1.3
56	Chile	3.9				1.6	119	Peru	2.0				1.2
57	Czech Republic	3.8				1.5	120	Burundi	1.8				1.1
58	Mauritania	3.8				1.7	121	Chad	1.8				1.1
59	Latvia	3.8				1.7	122	Zimbabwe	1.7				0.9
60	Uganda	3.8				1.8	123	Paraguay	1.6				1.3
61	Gambia	3.8				1.8	124	Nicaragua	1.5				1.1
62	Benin	3.8				1.9	125	Venezuela	1.2				0.7
63	Algeria	3.7				1.7							

1.05 Favoritism in decisions of government officials

When deciding upon policies and contracts, government officials (1 = usually favor well-connected firms and individuals, 7 = are neutral)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.2	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.2	7	SD
1	New Zealand.....	5.6				1.1	64	Namibia.....	3.0				1.5
2	Denmark.....	5.5				1.3	64	Peru.....	3.0				1.2
3	Finland.....	5.5				1.3	66	Panama.....	3.0				1.3
4	Netherlands.....	5.2				1.3	67	Ethiopia.....	3.0				1.7
5	Singapore.....	5.1				1.4	68	Tajikistan.....	2.9				1.5
6	Germany.....	5.1				1.4	69	Malawi.....	2.9				1.3
7	Norway.....	5.0				1.1	70	Colombia.....	2.9				1.4
8	Sweden.....	4.8				1.3	71	Mali.....	2.9				1.8
9	Switzerland.....	4.8				1.5	72	Burundi.....	2.9				1.6
10	Tunisia.....	4.7				1.2	73	Azerbaijan.....	2.9				1.5
11	Iceland.....	4.7				1.4	74	Lesotho.....	2.9				1.6
12	Qatar.....	4.5				1.8	75	Kuwait.....	2.8				1.5
13	Luxembourg.....	4.5				1.5	76	Slovak Republic.....	2.8				1.1
14	United Kingdom.....	4.4				1.7	77	Spain.....	2.8				1.4
15	Australia.....	4.4				1.4	78	Madagascar.....	2.8				1.5
16	Hong Kong SAR.....	4.4				1.7	79	Vietnam.....	2.8				1.4
17	Japan.....	4.3				1.6	80	Ukraine.....	2.8				1.6
18	Malaysia.....	4.1				1.7	81	Timor-Leste.....	2.8				1.8
19	Portugal.....	4.1				1.2	82	Hungary.....	2.7				1.3
20	Austria.....	4.1				1.4	83	Macedonia, FYR.....	2.7				1.4
21	France.....	4.1				1.5	84	Nepal.....	2.7				1.4
22	Uruguay.....	4.0				1.4	85	Mexico.....	2.7				1.1
23	Chile.....	4.0				1.5	86	Benin.....	2.7				1.6
24	Algeria.....	3.9				1.9	87	Brazil.....	2.7				1.4
25	Taiwan, China.....	3.9				1.3	88	Georgia.....	2.7				1.3
26	United Arab Emirates.....	3.9				1.7	89	Bosnia and Herzegovina.....	2.7				1.3
27	Belgium.....	3.8				1.4	90	Sri Lanka.....	2.7				1.5
28	Ireland.....	3.8				1.8	91	Mozambique.....	2.7				1.4
29	Tanzania.....	3.8				1.7	92	Moldova.....	2.6				1.5
30	El Salvador.....	3.8				1.6	93	Philippines.....	2.6				1.4
31	Canada.....	3.8				1.5	94	Nicaragua.....	2.6				1.4
32	Barbados.....	3.7				1.5	95	Italy.....	2.6				1.4
33	Indonesia.....	3.7				0.7	96	Lithuania.....	2.6				1.1
34	Estonia.....	3.6				1.5	97	Nigeria.....	2.5				1.6
35	Mauritania.....	3.6				2.1	98	Cambodia.....	2.5				1.4
36	Botswana.....	3.6				1.7	99	Jamaica.....	2.5				1.2
37	India.....	3.6				1.3	100	Kenya.....	2.5				1.6
38	Israel.....	3.5				1.1	101	Angola.....	2.4				1.3
39	United States.....	3.5				1.5	102	Armenia.....	2.4				1.5
40	Gambia.....	3.4				1.6	103	Kyrgyz Republic.....	2.4				1.7
41	Thailand.....	3.4				1.3	104	Cameroon.....	2.4				1.5
42	Poland.....	3.4				1.1	105	Trinidad and Tobago.....	2.4				1.6
43	Guatemala.....	3.3				1.4	106	Mongolia.....	2.3				1.6
44	Slovenia.....	3.3				1.3	107	Serbia and Montenegro.....	2.3				1.3
45	Jordan.....	3.3				1.7	108	Suriname.....	2.3				1.2
46	Korea, Rep.....	3.3				1.2	109	Guyana.....	2.3				1.3
47	Egypt.....	3.2				1.5	110	Romania.....	2.2				1.3
48	Costa Rica.....	3.2				1.3	111	Albania.....	2.2				1.4
49	Burkina Faso.....	3.2				1.6	112	Bulgaria.....	2.2				1.2
50	Turkey.....	3.2				1.3	113	Zambia.....	2.2				1.1
51	Morocco.....	3.2				1.6	114	Russian Federation.....	2.2				1.3
52	Pakistan.....	3.1				1.2	115	Argentina.....	2.2				1.0
53	South Africa.....	3.1				1.4	116	Zimbabwe.....	2.2				1.1
54	Bahrain.....	3.1				1.5	117	Bolivia.....	2.1				1.0
55	Croatia.....	3.1				1.5	118	Chad.....	2.1				1.4
56	Kazakhstan.....	3.1				1.5	119	Bangladesh.....	2.0				1.2
57	Greece.....	3.1				1.3	120	Uganda.....	2.0				1.2
58	Mauritius.....	3.0				1.1	121	Honduras.....	2.0				1.0
59	Czech Republic.....	3.0				1.3	122	Ecuador.....	2.0				0.9
60	China.....	3.0				1.6	123	Dominican Republic.....	1.9				0.9
61	Malta.....	3.0				1.3	124	Paraguay.....	1.9				1.0
62	Cyprus.....	3.0				1.6	125	Venezuela.....	1.7				1.1
63	Latvia.....	3.0				1.3							

1.06 Wastefulness of government spending

The composition of public spending in your country (1 = is wasteful, 7 = provides necessary goods and services not provided by the market)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.3	7	SD
1	Singapore.....	5.9				0.7	64	Madagascar	3.2				1.4
2	Iceland	5.4				1.0	65	Azerbaijan	3.2				1.5
3	Tunisia	5.3				1.0	66	Croatia	3.1				1.2
4	Qatar	5.2				1.4	67	Ethiopia	3.1				1.4
5	Indonesia	5.0				1.5	68	Nepal	3.1				1.4
6	Netherlands	5.0				1.1	69	Malawi	3.1				1.4
7	Denmark	4.9				1.4	70	Armenia	3.1				1.3
8	United Arab Emirates	4.9				1.3	71	Slovak Republic	3.0				1.2
9	Malaysia	4.8				1.2	72	Lesotho	3.0				1.5
10	Finland	4.8				1.2	73	Korea, Rep.	3.0				1.3
11	Australia	4.8				1.2	74	Japan	3.0				1.5
12	Norway	4.7				1.1	75	Lithuania	3.0				1.3
13	Hong Kong SAR	4.7				1.2	76	Uruguay	3.0				1.2
14	Switzerland	4.7				1.3	77	Peru	2.9				1.2
15	Luxembourg	4.5				1.4	78	Namibia	2.9				1.3
16	Thailand	4.4				1.2	79	Guyana	2.9				1.5
17	United Kingdom	4.3				1.5	80	Cambodia	2.9				1.4
18	Botswana	4.3				1.5	81	Serbia and Montenegro	2.9				1.5
19	Barbados	4.3				1.3	82	Costa Rica	2.8				1.2
20	Chile	4.3				1.3	83	Burundi	2.8				1.5
21	South Africa	4.2				1.3	84	Poland	2.8				1.2
22	Austria	4.1				1.2	85	Sri Lanka	2.8				1.6
23	El Salvador	4.1				1.2	86	Nigeria	2.8				1.5
24	Taiwan, China	4.1				1.2	87	Hungary	2.7				1.1
25	Germany	4.1				1.2	88	Albania	2.7				1.1
26	Tanzania	4.1				1.7	89	Mozambique	2.7				1.4
27	United States	3.9				1.5	90	Panama	2.7				1.2
28	Israel	3.8				1.1	91	Vietnam	2.7				1.4
29	Cyprus	3.8				1.2	92	Benin	2.6				1.5
30	Bahrain	3.7				1.4	93	Moldova	2.6				1.2
31	Spain	3.7				1.3	94	Macedonia, FYR	2.6				1.4
32	Estonia	3.7				1.4	95	Italy	2.6				1.2
33	Latvia	3.7				1.4	96	Czech Republic	2.6				1.2
34	Canada	3.7				1.4	97	Russian Federation	2.6				1.3
35	Algeria	3.7				1.8	98	Jamaica	2.6				1.3
36	Jordan	3.7				1.3	99	Bangladesh	2.6				1.2
37	New Zealand	3.7				1.5	100	Honduras	2.5				1.4
38	Sweden	3.6				1.5	101	Bulgaria	2.5				1.2
39	Belgium	3.6				1.3	102	Angola	2.5				1.2
40	France	3.6				1.6	103	Bolivia	2.5				1.2
41	India	3.6				1.2	104	Trinidad and Tobago	2.5				1.5
42	Pakistan	3.5				1.5	105	Mauritania	2.5				1.5
43	Gambia	3.5				1.4	106	Argentina	2.5				1.1
44	Portugal	3.5				1.3	107	Romania	2.5				1.3
45	Malta	3.5				1.2	108	Ukraine	2.4				1.3
46	Mexico	3.4				1.2	109	Philippines	2.4				1.2
47	Burkina Faso	3.4				1.6	110	Suriname	2.4				1.2
48	Colombia	3.4				1.2	111	Nicaragua	2.4				1.2
49	Kazakhstan	3.4				1.4	112	Uganda	2.4				1.3
50	Georgia	3.4				1.3	113	Kenya	2.4				1.4
51	Morocco	3.4				1.5	114	Cameroon	2.3				1.5
52	Mauritius	3.4				1.3	115	Bosnia and Herzegovina	2.3				1.2
53	China	3.3				1.6	116	Mongolia	2.3				1.3
54	Kuwait	3.3				1.5	117	Dominican Republic	2.2				1.1
55	Ireland	3.3				1.7	118	Kyrgyz Republic	1.9				1.3
56	Slovenia	3.3				1.3	119	Brazil	1.9				1.1
57	Timor-Leste	3.3				1.6	120	Zimbabwe	1.9				1.0
58	Turkey	3.3				1.3	121	Zambia	1.9				1.1
59	Guatemala	3.2				1.3	122	Ecuador	1.8				0.8
60	Mali	3.2				1.5	123	Paraguay	1.7				0.9
61	Tajikistan	3.2				1.6	124	Chad	1.6				0.9
62	Greece	3.2				1.4	125	Venezuela	1.6				1.2
63	Egypt	3.2				1.6							

1.07 Burden of government regulation

Complying with administrative requirements (permits, regulations, reporting) issued by the government in your country is (1 = burdensome, 7 = not burdensome)

RANK	COUNTRY/ECONOMY	1	SCORE	1	MEAN: 3.1	7	SD	RANK	COUNTRY/ECONOMY	1	SCORE	1	MEAN: 3.1	7	SD
1	Iceland		5.3				1.2	64	Turkey		3.0				1.1
2	Singapore.....		5.1				1.3	65	Trinidad and Tobago.....		3.0				1.6
3	Finland		4.9				1.3	66	Nicaragua.....		2.9				1.5
4	Hong Kong SAR.....		4.8				1.6	67	India		2.9				1.4
5	Indonesia		4.8				1.4	68	Spain		2.9				1.3
6	Mauritania		4.6				2.2	69	Croatia		2.9				1.5
7	Malaysia.....		4.6				1.4	70	Macedonia, FYR		2.9				1.6
8	United Arab Emirates		4.3				1.6	71	Slovenia		2.9				1.3
9	Estonia.....		4.2				1.4	72	Kuwait.....		2.9				1.6
10	Zambia		4.2				1.6	73	Egypt		2.9				1.6
11	Tunisia.....		4.2				1.4	74	Nepal		2.8				1.5
12	Taiwan, China.....		4.1				1.2	75	Panama.....		2.8				1.4
13	Switzerland.....		4.1				1.5	76	Belgium		2.8				1.3
14	Luxembourg		4.0				1.5	77	Armenia		2.8				1.6
15	Thailand		3.9				1.3	78	Hungary		2.8				1.3
16	Qatar.....		3.9				1.4	79	Cambodia.....		2.8				1.4
17	Ireland.....		3.9				1.4	80	Honduras		2.8				1.3
18	Georgia		3.8				1.5	81	Malta.....		2.8				1.2
19	Gambia		3.8				1.6	82	Paraguay		2.8				1.6
20	Norway		3.8				1.4	83	Mongolia.....		2.8				1.6
21	Chile.....		3.8				1.4	84	Kenya		2.7				1.6
22	Denmark		3.7				1.5	85	Namibia.....		2.7				1.4
23	Israel		3.6				1.3	86	Jamaica.....		2.7				1.4
24	Jordan		3.6				1.4	87	Sri Lanka		2.7				1.5
25	Japan		3.6				1.3	87	Tajikistan		2.7				1.8
26	Burkina Faso.....		3.6				1.7	89	Greece		2.7				1.3
27	United States.....		3.6				1.5	90	Burundi		2.7				1.6
28	Austria		3.6				1.3	91	France.....		2.6				1.4
29	Cyprus		3.5				1.3	92	Bulgaria.....		2.6				1.2
30	Tanzania		3.5				1.5	93	Madagascar		2.6				1.4
31	New Zealand.....		3.5				1.4	94	Mexico		2.6				1.2
32	Bahrain.....		3.4				1.7	95	Albania		2.6				1.5
33	Barbados.....		3.4				1.2	96	Suriname		2.6				1.4
34	Malawi		3.4				1.2	97	Colombia.....		2.6				1.3
35	China.....		3.4				1.4	98	Ukraine		2.5				1.4
36	Azerbaijan		3.4				1.6	99	Costa Rica.....		2.5				1.2
37	Latvia		3.3				1.5	100	Moldova		2.5				1.1
38	Canada.....		3.3				1.4	101	Bolivia		2.5				1.2
39	Guatemala		3.3				1.3	102	Guyana.....		2.5				1.4
40	Uganda		3.3				1.5	103	Lesotho.....		2.5				1.4
41	United Kingdom.....		3.3				1.4	104	Argentina		2.5				1.2
42	El Salvador		3.3				1.3	105	Ecuador.....		2.4				1.3
43	Sweden		3.2				1.6	106	Bangladesh		2.4				1.3
44	Nigeria		3.2				1.7	107	Benin		2.4				1.4
45	Portugal		3.2				1.3	108	Philippines		2.4				1.2
46	Netherlands		3.2				1.4	109	Chad		2.4				1.8
47	Morocco		3.1				1.6	110	Vietnam.....		2.4				1.2
48	Botswana.....		3.1				1.7	111	Peru		2.3				1.2
48	Dominican Republic.....		3.1				1.3	112	Czech Republic.....		2.3				1.1
50	Korea, Rep.....		3.1				1.3	113	Timor-Leste.....		2.3				1.3
51	Uruguay		3.1				1.3	114	Angola.....		2.3				1.1
52	Romania.....		3.1				1.4	115	Mauritius.....		2.3				1.0
53	Slovak Republic		3.1				1.1	116	Russian Federation.....		2.2				1.3
54	Australia		3.1				1.3	117	Mozambique		2.2				1.2
55	Pakistan		3.1				1.2	118	Bosnia and Herzegovina.....		2.2				1.2
56	Poland		3.1				1.0	118	Zimbabwe		2.2				1.2
57	Germany		3.1				1.4	120	Kyrgyz Republic		2.1				1.2
58	Kazakhstan.....		3.0				1.4	121	Cameroon		2.0				1.4
59	Lithuania		3.0				1.3	122	Italy		2.0				0.9
60	Ethiopia.....		3.0				1.5	123	Serbia and Montenegro		2.0				1.3
60	Mali		3.0				1.6	124	Brazil		1.9				1.1
62	Algeria.....		3.0				1.5	125	Venezuela		1.8				1.0
63	South Africa.....		3.0				1.3								

1.08 Business costs of terrorism

The threat of terrorism in your country (1 = imposes significant costs on business, 7 = does not impose significant costs on business)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD
1	Finland	6.3				1.3	64	Paraguay	5.1				1.9
2	Uruguay	6.2				1.5	65	Malaysia	5.1				1.8
3	Brazil	6.2				1.5	66	Panama	5.1				1.9
4	Hungary	6.2				1.4	67	Madagascar	5.1				2.0
5	Zimbabwe	6.1				1.4	68	France	5.1				1.5
6	Bosnia and Herzegovina	6.1				1.5	69	Barbados	5.1				1.8
7	Slovak Republic	6.1				1.5	69	Cyprus	5.1				2.1
8	Zambia	6.1				1.4	71	Kuwait	5.1				1.7
9	Portugal	6.0				1.5	72	Nicaragua	5.1				1.9
10	Austria	6.0				1.4	73	Jamaica	5.0				1.8
10	Dominican Republic	6.0				1.2	74	Canada	5.0				1.5
12	Argentina	5.9				1.7	75	Denmark	5.0				1.6
13	Costa Rica	5.9				1.4	76	Azerbaijan	5.0				2.2
14	Mauritius	5.9				1.3	77	Singapore	5.0				1.5
15	Tunisia	5.9				1.4	78	Australia	5.0				1.5
16	New Zealand	5.8				1.5	79	Moldova	4.9				1.9
17	Gambia	5.8				1.5	80	Thailand	4.9				1.7
18	Angola	5.8				1.7	81	Italy	4.9				1.7
19	Luxembourg	5.8				1.6	82	Suriname	4.9				1.9
20	Chile	5.8				1.7	83	Netherlands	4.8				1.5
21	Indonesia	5.8				1.3	84	India	4.8				1.6
22	Botswana	5.7				1.8	85	Belgium	4.8				1.8
22	Slovenia	5.7				1.9	86	Guatemala	4.8				1.8
24	Greece	5.7				1.5	87	Cambodia	4.7				1.8
25	Hong Kong SAR	5.7				1.8	88	Morocco	4.7				1.8
26	Sweden	5.7				2.0	89	Kazakhstan	4.6				1.9
27	Croatia	5.7				1.9	90	Turkey	4.6				1.7
28	Czech Republic	5.6				1.5	91	Albania	4.5				2.2
29	Cameroon	5.6				1.9	92	Honduras	4.5				2.1
30	Germany	5.6				1.2	93	Poland	4.5				1.4
31	Mongolia	5.6				2.0	94	Venezuela	4.5				2.0
32	Malta	5.6				1.7	95	Bulgaria	4.5				2.0
33	Estonia	5.6				1.9	96	Jordan	4.4				1.8
34	Lithuania	5.6				1.8	97	Japan	4.4				1.7
35	Iceland	5.6				2.3	98	Spain	4.4				1.9
36	Benin	5.5				1.8	99	Bahrain	4.3				1.9
37	Mauritania	5.4				2.1	100	Chad	4.3				2.2
38	Namibia	5.4				1.8	101	Peru	4.3				1.8
39	Armenia	5.4				1.9	102	Egypt	4.3				2.2
40	Switzerland	5.4				1.6	103	Russian Federation	4.3				1.9
41	Serbia and Montenegro	5.4				1.8	104	China	4.2				1.7
42	United Arab Emirates	5.4				1.6	105	Macedonia, FYR	4.2				2.0
43	South Africa	5.4				1.6	106	Kyrgyz Republic	4.2				2.0
43	Ukraine	5.4				1.8	107	Tajikistan	4.2				2.2
45	Georgia	5.3				1.7	108	Trinidad and Tobago	4.1				1.9
46	Norway	5.3				1.8	109	Timor-Leste	4.0				2.2
46	Qatar	5.3				1.5	110	El Salvador	3.8				1.6
48	Mali	5.3				2.0	111	United States	3.8				1.7
49	Ireland	5.3				2.0	112	Burundi	3.8				2.4
50	Latvia	5.3				2.0	113	United Kingdom	3.8				1.7
51	Mexico	5.3				1.7	114	Bangladesh	3.8				1.9
52	Taiwan, China	5.3				2.1	115	Algeria	3.7				2.2
53	Tanzania	5.3				1.7	116	Nigeria	3.7				2.0
54	Mozambique	5.2				1.7	117	Guyana	3.6				1.9
55	Burkina Faso	5.2				1.8	118	Kenya	3.6				2.0
56	Malawi	5.2				2.1	119	Philippines	3.5				1.6
57	Ethiopia	5.2				1.7	120	Uganda	3.4				2.1
58	Ecuador	5.2				1.7	121	Israel	3.2				1.4
59	Lesotho	5.2				1.9	122	Pakistan	3.1				1.4
60	Romania	5.2				2.0	123	Colombia	3.0				1.5
61	Vietnam	5.2				2.0	124	Sri Lanka	2.6				1.7
62	Bolivia	5.2				1.9	125	Nepal	1.7				1.0
63	Korea, Rep.	5.2				1.6							

1.09 Reliability of police services

Police services (1 = cannot be relied upon to protect businesses from criminals, 7 = can be relied upon to protect businesses from criminals)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD
1	Finland	6.6				0.7	64	China.....	4.0				1.5
2	Germany	6.5				0.6	65	Costa Rica.....	4.0				1.5
3	Denmark	6.5				1.0	66	Burkina Faso.....	4.0				1.7
3	Singapore.....	6.5				0.6	67	Zambia	4.0				1.7
5	Switzerland.....	6.4				0.9	68	Albania	3.9				1.6
6	Iceland	6.3				1.2	69	Poland	3.9				1.0
7	Norway	6.2				0.9	70	Uruguay	3.9				1.5
8	Austria	6.2				0.9	71	Gambia	3.8				1.8
9	Hong Kong SAR.....	6.2				1.1	72	Macedonia, FYR	3.8				1.7
10	Jordan	6.0				1.2	73	Czech Republic.....	3.8				1.4
11	United Arab Emirates ..	5.9				1.3	74	Armenia	3.8				1.9
12	Australia	5.8				1.0	75	Kazakhstan.....	3.7				1.7
13	Netherlands	5.8				1.2	76	Lithuania	3.7				1.5
14	Canada	5.8				1.3	77	Croatia	3.7				1.5
15	Luxembourg	5.7				1.2	78	Serbia and Montenegro ..	3.7				1.7
16	United States.....	5.7				1.4	79	Romania	3.7				1.8
17	Japan	5.7				1.2	80	El Salvador	3.6				1.3
18	France	5.6				1.4	81	Malawi	3.6				1.6
19	Malaysia.....	5.5				1.1	82	Tanzania	3.5				1.9
19	United Kingdom.....	5.5				1.5	83	Madagascar	3.5				1.5
21	Qatar	5.5				1.6	84	Philippines	3.5				1.4
22	Spain	5.5				1.4	85	Pakistan	3.5				1.6
23	New Zealand.....	5.5				1.4	86	Timor-Leste.....	3.4				1.7
24	Tunisia	5.5				1.3	87	Uganda	3.4				1.9
25	Portugal	5.5				1.0	88	Ukraine	3.4				1.6
26	Kuwait.....	5.4				1.4	89	South Africa	3.3				1.5
27	Sweden	5.4				1.5	90	Benin	3.3				1.8
28	Barbados.....	5.3				1.1	91	Kenya	3.3				1.8
29	Ireland.....	5.3				1.4	92	Angola.....	3.3				1.5
30	Malta.....	5.3				1.3	93	Cameroon	3.3				1.8
31	Chile.....	5.2				1.4	94	Sri Lanka	3.3				1.6
32	Belgium	5.2				1.4	95	Lesotho.....	3.2				1.6
33	Algeria.....	5.1				1.5	96	Peru	3.2				1.4
34	Greece	5.0				1.3	97	Burundi	3.2				1.8
35	Morocco	5.0				1.7	98	Namibia.....	3.2				1.7
36	Taiwan, China.....	5.0				1.4	99	Moldova	3.2				1.6
37	Cyprus	4.9				1.4	100	Indonesia	3.1				0.8
38	Estonia.....	4.9				1.5	101	Cambodia.....	3.1				1.6
39	Korea, Rep.	4.9				1.4	102	Nepal	3.1				1.7
40	Italy	4.9				1.5	103	Honduras	3.1				1.5
41	Thailand	4.8				1.3	104	Dominican Republic.....	3.1				1.3
42	Israel	4.6				1.5	105	Mexico.....	3.0				1.4
43	Hungary	4.6				1.6	106	Russian Federation	3.0				1.6
44	Panama	4.6				1.5	107	Mongolia.....	2.9				1.6
45	Egypt	4.5				1.8	108	Brazil	2.9				1.5
46	Vietnam.....	4.5				1.5	109	Argentina	2.9				1.2
47	Turkey	4.5				1.4	110	Mozambique.....	2.8				1.5
48	India	4.5				1.5	111	Ecuador.....	2.8				1.5
49	Slovak Republic	4.5				1.3	112	Paraguay	2.8				1.5
50	Azerbaijan	4.4				1.9	113	Zimbabwe.....	2.8				1.5
51	Slovenia	4.4				1.7	114	Jamaica.....	2.8				1.3
52	Georgia	4.4				1.5	115	Guatemala	2.8				1.3
53	Colombia.....	4.4				1.4	116	Nigeria	2.7				1.7
54	Bahrain.....	4.4				2.0	117	Bulgaria	2.7				1.4
55	Latvia	4.3				1.5	118	Bosnia and Herzegovina...	2.7				1.7
56	Mauritius.....	4.3				1.3	119	Bangladesh	2.4				1.3
57	Mali	4.3				1.9	120	Chad	2.3				1.5
58	Nicaragua.....	4.3				1.8	121	Bolivia	2.3				1.1
59	Tajikistan	4.2				2.2	122	Kyrgyz Republic	2.3				1.4
60	Ethiopia.....	4.2				1.6	123	Trinidad and Tobago.....	2.2				1.5
61	Mauritania	4.2				1.7	124	Venezuela	2.1				1.2
62	Botswana.....	4.1				1.6	125	Guyana.....	1.9				1.0
63	Suriname	4.1				1.7							

1.10 Business costs of crime and violence

The incidence of common crime and violence (e.g., street muggings, firms being looted) (1 = imposes significant costs on businesses, 7 = does not impose significant costs on businesses)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD
1	Iceland	6.8				0.4	64	Philippines	4.2				1.6
2	Finland	6.7				0.7	65	Burkina Faso	4.2				1.5
3	Germany	6.6				0.7	66	Botswana	4.1				1.7
4	Singapore	6.6				0.7	67	Kazakhstan	4.1				1.7
5	Denmark	6.5				0.8	68	Panama	4.1				1.8
6	Austria	6.4				0.9	69	Ukraine	4.0				1.7
7	Switzerland	6.4				1.0	70	China	4.0				1.7
8	Hong Kong SAR	6.4				1.0	71	Moldova	3.9				1.8
9	Norway	6.4				0.8	72	Romania	3.9				1.7
10	Jordan	6.2				0.8	73	Tajikistan	3.9				2.0
11	United Arab Emirates	6.2				1.5	74	Sri Lanka	3.9				1.7
12	Japan	6.1				1.2	75	Mongolia	3.8				1.8
13	Qatar	6.0				1.4	76	Pakistan	3.8				1.4
14	Malta	6.0				1.0	77	Albania	3.8				2.0
15	Portugal	6.0				1.0	78	Nicaragua	3.8				1.7
16	Greece	5.9				1.0	79	Mali	3.8				2.2
17	New Zealand	5.8				1.4	80	Algeria	3.8				2.0
18	Sweden	5.8				1.1	81	Bosnia and Herzegovina	3.7				1.9
19	Australia	5.7				1.3	82	Russian Federation	3.7				1.7
20	Kuwait	5.6				1.6	83	Uruguay	3.6				1.5
21	Tunisia	5.6				1.4	84	Namibia	3.6				1.8
22	Luxembourg	5.6				1.5	85	Uganda	3.6				1.9
23	Slovak Republic	5.6				1.2	86	Tanzania	3.5				2.0
24	India	5.6				1.5	87	Malawi	3.5				1.7
25	Cyprus	5.5				1.5	88	Benin	3.4				1.8
26	Azerbaijan	5.5				1.6	89	Nepal	3.4				1.7
27	Slovenia	5.5				1.4	90	Burundi	3.4				1.8
28	Indonesia	5.4				1.1	91	Cambodia	3.3				1.6
29	Canada	5.4				1.6	92	Zimbabwe	3.3				1.7
30	Taiwan, China	5.4				1.4	93	Costa Rica	3.2				1.5
31	United Kingdom	5.3				1.4	94	Suriname	3.2				1.8
32	Malaysia	5.3				1.6	95	Macedonia, FYR	3.2				1.6
33	Estonia	5.3				1.6	96	Bolivia	3.2				1.6
34	Hungary	5.2				1.4	97	Bulgaria	3.2				1.7
35	Netherlands	5.2				1.4	98	Bangladesh	3.1				1.5
36	Israel	5.2				1.5	99	Dominican Republic	3.1				1.5
37	Armenia	5.2				1.7	100	Cameroon	3.1				1.7
38	Belgium	5.1				1.5	101	Colombia	3.0				1.3
39	Latvia	5.1				1.5	102	Lesotho	3.0				1.6
40	Thailand	5.0				1.4	103	Kyrgyz Republic	3.0				1.5
41	Ireland	5.0				1.5	104	Zambia	3.0				1.4
42	United States	5.0				1.6	105	Timor-Leste	2.9				1.7
43	Barbados	5.0				1.5	106	Argentina	2.9				1.2
44	Morocco	5.0				1.8	107	Nigeria	2.9				1.8
45	France	5.0				1.6	108	Madagascar	2.8				1.3
46	Korea, Rep.	4.9				1.5	109	Paraguay	2.8				1.5
47	Bahrain	4.9				1.7	110	Mozambique	2.7				1.4
48	Egypt	4.8				1.8	111	Ecuador	2.7				1.3
49	Czech Republic	4.8				1.6	112	Brazil	2.7				1.6
50	Gambia	4.8				1.7	113	South Africa	2.6				1.5
51	Turkey	4.7				1.6	114	Peru	2.6				1.3
52	Mauritius	4.7				1.5	115	Kenya	2.5				1.5
52	Spain	4.7				1.7	116	Angola	2.4				1.1
54	Georgia	4.6				1.4	117	Mexico	2.4				1.2
55	Chile	4.6				1.7	118	Trinidad and Tobago	2.3				1.7
56	Vietnam	4.6				1.7	119	Chad	2.3				1.6
57	Serbia and Montenegro	4.6				2.0	120	Honduras	2.1				1.2
58	Mauritania	4.5				1.6	121	Jamaica	2.1				1.2
59	Lithuania	4.5				1.6	122	Guatemala	2.0				1.0
60	Italy	4.4				1.8	123	El Salvador	1.9				0.9
61	Ethiopia	4.4				1.9	124	Venezuela	1.8				1.1
62	Poland	4.3				1.1	125	Guyana	1.7				0.9
63	Croatia	4.3				1.7							

1.11 Organized crime

Organized crime (mafia-oriented racketeering, extortion) in your country (1 = imposes significant costs on businesses, 7 = does not impose significant costs on businesses)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD
1	Iceland	6.8				0.5	64	Suriname	4.8				1.8
2	Finland	6.7				0.7	65	Thailand	4.8				1.6
3	Denmark	6.7				0.7	66	Zimbabwe	4.7				1.7
4	Singapore	6.6				0.8	67	Algeria	4.7				1.8
5	Jordan	6.5				0.9	68	Slovak Republic	4.7				1.5
6	Austria	6.5				0.8	69	Romania	4.6				1.7
7	Germany	6.5				0.7	70	Turkey	4.6				1.5
8	Norway	6.5				0.7	71	Nicaragua	4.6				1.8
9	Switzerland	6.4				1.1	72	Lesotho	4.5				1.8
10	Portugal	6.4				1.1	73	Angola	4.5				1.8
11	Malta	6.3				1.0	74	Namibia	4.5				1.8
12	Kuwait	6.3				1.1	75	Mali	4.4				2.0
13	New Zealand	6.2				1.3	76	Burkina Faso	4.4				1.6
14	Chile	6.2				1.0	76	Kazakhstan	4.4				1.8
15	Greece	6.2				0.8	78	Bolivia	4.4				1.7
16	United Arab Emirates	6.2				1.3	79	Dominican Republic	4.3				1.8
17	Qatar	6.2				1.3	80	Serbia and Montenegro	4.3				2.0
18	Bahrain	6.1				1.4	81	Tajikistan	4.3				2.0
19	Sweden	6.1				0.9	82	Moldova	4.3				1.8
20	Barbados	6.1				1.1	83	Vietnam	4.3				1.9
21	Luxembourg	6.1				1.1	84	Croatia	4.2				1.6
22	Hong Kong SAR	6.0				1.1	85	Ukraine	4.2				1.7
23	Australia	5.9				1.1	86	Philippines	4.1				1.5
24	France	5.9				1.3	87	Cameroon	4.1				2.0
25	Belgium	5.8				1.3	88	Uganda	4.1				2.0
26	Estonia	5.8				1.3	89	Argentina	4.0				1.5
27	Egypt	5.8				1.7	90	Sri Lanka	3.9				1.7
28	Mauritius	5.7				1.3	91	Russian Federation	3.8				1.7
29	United Kingdom	5.7				1.5	92	China	3.8				1.7
30	Uruguay	5.7				1.5	93	Pakistan	3.8				1.4
31	Zambia	5.7				1.5	94	South Africa	3.8				1.7
32	Gambia	5.7				1.6	95	Nepal	3.8				1.9
33	Ireland	5.7				1.4	96	Paraguay	3.8				1.7
34	Malaysia	5.6				1.2	97	Albania	3.8				1.8
35	Netherlands	5.6				1.2	98	Benin	3.8				1.8
36	Canada	5.6				1.5	99	Ecuador	3.8				1.8
37	Cyprus	5.6				1.5	100	Bosnia and Herzegovina	3.8				1.7
38	Israel	5.6				1.2	100	Burundi	3.8				1.8
39	Tunisia	5.5				1.6	102	Poland	3.7				1.2
40	Indonesia	5.5				1.1	103	Cambodia	3.7				1.7
41	Latvia	5.5				1.4	104	Timor-Leste	3.7				2.2
42	Azerbaijan	5.4				1.7	105	Mozambique	3.6				1.6
43	Japan	5.4				1.5	106	Peru	3.6				1.6
44	India	5.4				1.4	107	Madagascar	3.6				1.8
45	Slovenia	5.3				1.6	108	Kenya	3.5				1.9
46	Morocco	5.3				1.7	109	Bangladesh	3.3				1.6
47	Botswana	5.2				1.6	110	Brazil	3.3				1.7
48	Armenia	5.2				1.8	111	Colombia	3.2				1.7
49	Hungary	5.2				1.5	112	Kyrgyz Republic	3.1				1.7
50	Taiwan, China	5.1				1.5	113	Trinidad and Tobago	3.1				2.0
51	Georgia	5.1				1.4	114	Mexico	3.1				1.6
52	Czech Republic	5.1				1.4	115	Honduras	3.0				1.5
53	Malawi	5.1				1.7	116	Nigeria	3.0				1.7
54	Korea, Rep.	5.0				1.7	117	Italy	3.0				1.6
55	United States	5.0				1.5	118	Bulgaria	2.9				1.5
56	Ethiopia	5.0				1.9	119	Macedonia, FYR	2.9				1.6
57	Spain	5.0				1.6	120	Guatemala	2.8				1.4
58	Lithuania	4.9				1.4	121	Venezuela	2.8				1.6
59	Mongolia	4.9				1.7	122	Guyana	2.8				1.7
60	Mauritania	4.9				1.6	123	El Salvador	2.6				1.4
61	Costa Rica	4.8				1.5	124	Chad	2.6				1.9
62	Tanzania	4.8				1.9	125	Jamaica	2.2				1.2
63	Panama	4.8				1.8							

1.12 Ethical behavior of firms

The corporate ethics (ethical behavior in interactions with public officials, politicians, and other enterprises) of firms in your country are (1 = among the world's worst, 7 = among the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD
1	Finland	6.7				0.6	64	Azerbaijan	4.1				1.6
2	Denmark	6.6				0.6	65	Hungary	4.1				1.0
3	New Zealand.....	6.4				0.8	66	Poland	4.1				0.9
4	Sweden	6.4				0.9	67	Algeria	4.1				1.3
5	Germany	6.3				0.7	68	Latvia	4.0				1.2
6	Singapore.....	6.2				0.8	69	Croatia	4.0				1.1
7	United Kingdom.....	6.2				0.9	70	Mauritania.....	4.0				1.5
8	Norway	6.1				0.8	71	Malawi	4.0				1.3
9	Australia	6.1				1.0	72	Brazil	4.0				1.3
10	Switzerland	6.1				1.0	73	Italy	3.9				1.4
11	Iceland	6.0				0.7	74	Serbia and Montenegro.....	3.9				1.4
12	Netherlands	6.0				0.7	75	Nicaragua.....	3.9				1.1
13	Luxembourg	6.0				0.8	76	Benin	3.9				1.2
14	Canada	5.9				1.0	77	Ecuador.....	3.9				1.3
15	Austria	5.9				1.0	78	Cambodia.....	3.9				1.4
16	Ireland	5.7				1.0	79	Zimbabwe.....	3.9				1.1
17	Hong Kong SAR.....	5.7				1.3	80	Bulgaria	3.9				1.2
18	Chile.....	5.6				0.8	81	Vietnam.....	3.9				1.0
19	Japan	5.6				1.1	82	Pakistan	3.8				1.2
20	France	5.6				1.1	83	Trinidad and Tobago.....	3.8				1.4
21	United States.....	5.5				1.3	84	Madagascar	3.8				1.1
22	Belgium	5.4				1.1	85	Tanzania	3.8				1.3
23	Barbados.....	5.3				1.2	86	Nigeria	3.8				1.6
24	Malaysia.....	5.1				1.0	87	Honduras	3.8				1.4
25	United Arab Emirates ..	5.1				1.3	88	Kenya.....	3.8				1.2
26	Israel	5.1				1.1	89	Burkina Faso.....	3.8				1.1
27	Spain	5.0				1.2	90	Dominican Republic.....	3.8				1.2
28	Tunisia	5.0				1.0	91	Kazakhstan.....	3.8				1.1
29	South Africa	4.9				1.2	92	Burundi	3.7				1.3
30	Portugal	4.9				1.0	93	Morocco	3.7				1.4
31	Qatar	4.8				1.3	94	Albania	3.7				1.4
32	Colombia.....	4.8				1.2	95	Sri Lanka	3.7				1.0
33	Kuwait.....	4.8				1.1	96	Romania.....	3.7				1.2
34	Uruguay	4.7				1.1	97	Lesotho.....	3.7				1.3
35	Taiwan, China.....	4.7				0.9	98	Indonesia	3.6				0.7
36	Slovenia	4.6				1.2	99	Armenia	3.5				1.3
37	El Salvador	4.6				1.1	100	Macedonia, FYR	3.5				1.1
38	Korea, Rep.	4.6				1.1	101	Uganda	3.5				1.4
39	Costa Rica.....	4.6				1.0	102	Argentina	3.5				1.1
40	Botswana.....	4.6				1.0	103	Cameroon	3.5				1.3
41	Bahrain.....	4.6				1.2	104	China.....	3.5				1.3
42	Mexico.....	4.6				1.3	105	Georgia	3.5				1.3
43	Jordan	4.5				1.2	106	Philippines	3.5				1.2
44	Estonia	4.5				1.2	107	Ethiopia	3.4				1.3
45	India	4.5				1.1	108	Suriname	3.4				1.1
46	Malta.....	4.5				1.1	109	Bosnia and Herzegovina.....	3.4				1.0
47	Turkey	4.4				1.2	110	Moldova	3.4				1.3
48	Czech Republic.....	4.4				1.4	111	Tajikistan	3.4				1.5
49	Egypt	4.4				1.2	112	Guyana.....	3.3				1.1
50	Cyprus	4.4				1.2	113	Bolivia	3.3				1.3
51	Lithuania	4.3				1.0	114	Venezuela	3.3				1.4
52	Namibia.....	4.3				1.2	115	Mongolia.....	3.2				1.1
53	Guatemala	4.3				1.0	116	Mozambique.....	3.2				1.1
54	Greece	4.3				1.1	117	Russian Federation.....	3.2				1.2
55	Mauritius.....	4.3				0.9	118	Nepal	3.1				1.1
56	Peru	4.3				1.1	119	Ukraine	3.1				1.3
57	Thailand	4.2				1.0	120	Chad	3.1				1.6
58	Mali.....	4.2				1.2	121	Paraguay	3.0				1.3
59	Zambia	4.2				1.0	122	Bangladesh	2.9				1.3
60	Slovak Republic	4.2				1.0	123	Kyrgyz Republic	2.9				1.6
61	Gambia	4.2				1.1	124	Timor-Leste.....	2.8				1.4
62	Jamaica.....	4.1				1.2	125	Angola.....	2.7				1.0
63	Panama.....	4.1				1.0							

1.13 Efficacy of corporate boards

Corporate governance by investors and boards of directors in your country is characterized by (1 = management has little accountability, 7 = investors and boards exert strong supervision of management decisions)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD
1	United Kingdom	6.0				1.0	64	Suriname	4.5				1.2
2	Sweden	6.0				0.9	65	Brazil	4.5				1.3
3	Australia	5.8				0.8	66	Philippines	4.5				1.4
4	Finland	5.8				0.9	67	Croatia	4.5				1.3
5	Iceland	5.7				0.9	68	Ethiopia	4.5				1.6
6	Germany	5.7				0.9	69	Italy	4.4				1.2
7	Denmark	5.7				0.9	70	Botswana	4.4				1.3
8	South Africa	5.7				0.7	71	Jordan	4.4				1.4
9	Netherlands	5.7				0.9	72	Albania	4.4				1.7
10	Zambia	5.6				1.0	73	Bahrain	4.4				1.4
11	Ireland	5.6				1.0	74	Guatemala	4.4				1.1
12	Austria	5.6				1.0	75	Greece	4.4				1.4
13	Norway	5.5				0.7	76	Benin	4.4				1.5
14	Canada	5.5				0.9	77	Burkina Faso	4.3				1.6
15	United States	5.5				1.3	78	Namibia	4.3				1.5
16	Singapore	5.4				1.0	79	Egypt	4.3				1.7
17	New Zealand	5.4				1.1	80	Gambia	4.3				1.6
18	Chile	5.4				0.8	81	Cambodia	4.3				1.6
19	Malaysia	5.4				1.0	82	Sri Lanka	4.3				1.4
20	Switzerland	5.4				1.2	83	Turkey	4.3				1.2
21	France	5.3				1.1	84	Tanzania	4.3				1.6
22	Luxembourg	5.3				1.2	85	Vietnam	4.2				1.4
23	Belgium	5.3				1.0	86	Korea, Rep.	4.2				1.2
24	Indonesia	5.3				0.8	87	Mozambique	4.2				1.4
25	Hong Kong SAR	5.3				1.4	88	Honduras	4.2				1.4
26	Slovak Republic	5.2				1.0	89	Lesotho	4.2				1.4
27	India	5.1				1.1	90	Azerbaijan	4.2				1.5
28	Estonia	5.1				1.0	91	Mauritania	4.2				1.6
29	Israel	5.1				0.9	92	Georgia	4.2				1.3
30	Japan	5.1				1.1	93	Kuwait	4.1				1.6
31	Qatar	5.1				1.4	94	Guyana	4.1				1.6
32	Czech Republic	5.0				1.1	95	Uruguay	4.1				1.2
33	Taiwan, China	5.0				1.0	96	Venezuela	4.1				1.4
34	Thailand	5.0				1.0	97	Ecuador	4.1				1.3
35	Zimbabwe	4.9				1.1	98	Armenia	4.1				1.6
36	Mauritius	4.9				0.9	99	Ukraine	4.1				1.3
37	Russian Federation	4.9				1.5	100	Nicaragua	4.1				1.4
38	Spain	4.9				1.2	101	Morocco	4.0				1.7
39	Latvia	4.8				1.3	102	Serbia and Montenegro	4.0				1.6
40	Kenya	4.8				1.4	103	Mali	4.0				1.7
41	Nigeria	4.8				1.6	104	Bulgaria	4.0				1.4
42	Colombia	4.8				1.2	105	Poland	3.9				0.9
43	Moldova	4.8				1.5	106	Algeria	3.9				1.6
44	Hungary	4.8				1.1	107	Bangladesh	3.9				1.6
45	Costa Rica	4.8				1.0	108	Madagascar	3.9				1.3
46	Barbados	4.8				1.1	109	Timor-Leste	3.9				1.6
47	Malta	4.7				1.3	110	Mongolia	3.9				1.6
48	Jamaica	4.7				1.2	111	Cyprus	3.9				1.2
49	Lithuania	4.7				1.0	112	Bosnia and Herzegovina	3.9				1.3
50	Mexico	4.7				1.2	113	Burundi	3.8				1.8
51	Portugal	4.7				1.0	114	Bolivia	3.8				1.4
52	Slovenia	4.6				1.2	115	Nepal	3.8				1.6
53	Trinidad and Tobago	4.6				1.5	116	Tajikistan	3.8				1.7
54	Kazakhstan	4.6				1.3	117	Macedonia, FYR	3.8				1.4
55	Peru	4.6				1.0	118	Dominican Republic	3.7				1.3
56	Uganda	4.6				1.7	119	China	3.7				1.5
57	Tunisia	4.6				1.6	120	Kyrgyz Republic	3.7				1.5
58	Argentina	4.6				1.0	121	Paraguay	3.7				1.3
59	El Salvador	4.5				1.1	122	Cameroon	3.6				1.6
60	United Arab Emirates	4.5				1.4	123	Pakistan	3.5				1.3
61	Romania	4.5				1.4	124	Angola	3.2				1.3
62	Malawi	4.5				1.3	125	Chad	2.9				1.7
63	Panama	4.5				1.3							

1.14 Protection of minority shareholders' interests

Interests of minority shareholders in your country are (1 = not protected by law and seldom recognized by majority shareholders, 7 = protected by law and actively enforced)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD
1	Sweden	6.4				1.0	64	Trinidad and Tobago	4.4				1.6
2	Denmark	6.2				1.0	65	Kuwait	4.4				1.8
3	Germany	6.1				0.9	66	Kenya	4.3				1.6
4	United Kingdom	6.1				1.3	67	Mauritania	4.2				1.4
5	New Zealand	6.0				1.0	68	Sri Lanka	4.2				1.8
6	Finland	6.0				1.0	69	Costa Rica	4.2				1.6
7	Ireland	5.9				0.9	70	Peru	4.1				1.5
8	Australia	5.9				1.1	71	Czech Republic	4.1				1.6
9	Indonesia	5.8				1.0	71	Lesotho	4.1				1.6
10	Austria	5.8				1.2	73	Nigeria	4.1				1.6
11	Canada	5.7				0.9	74	Jamaica	4.1				1.5
12	Norway	5.7				1.2	75	Uruguay	4.1				1.5
13	India	5.6				1.1	76	Korea, Rep.	4.1				1.4
14	Netherlands	5.6				1.2	77	Ethiopia	4.1				1.8
15	Belgium	5.6				1.1	78	Panama	4.1				1.5
16	United States	5.6				1.3	79	Poland	4.0				1.0
17	South Africa	5.6				1.0	80	Slovak Republic	4.0				1.5
18	Malaysia	5.5				1.2	81	Bangladesh	4.0				1.7
19	Tunisia	5.5				1.5	81	Latvia	4.0				1.6
20	Hong Kong SAR	5.5				1.6	83	Italy	4.0				1.6
21	Zambia	5.5				1.1	84	Uganda	3.9				1.7
22	Singapore	5.4				1.1	85	Cambodia	3.9				1.5
23	Iceland	5.3				1.4	86	Mozambique	3.9				1.8
24	Greece	5.2				1.2	87	Guyana	3.9				1.5
25	Chile	5.2				1.3	88	Chad	3.9				1.8
26	Qatar	5.2				1.4	89	El Salvador	3.9				1.5
27	France	5.2				1.4	90	Lithuania	3.8				1.5
28	Switzerland	5.2				1.5	91	Cameroon	3.8				1.7
29	Burkina Faso	5.1				1.5	92	Venezuela	3.8				1.5
30	Israel	5.1				1.2	93	Macedonia, FYR	3.7				1.8
31	Barbados	5.0				1.3	94	Croatia	3.7				1.6
31	Japan	5.0				1.3	95	Burundi	3.7				1.9
33	Malta	5.0				1.4	96	Madagascar	3.7				1.4
34	Portugal	5.0				1.2	97	Romania	3.7				1.6
35	Thailand	5.0				1.3	98	Tajikistan	3.7				1.8
36	Mauritius	4.9				1.2	99	Kazakhstan	3.6				1.3
37	Algeria	4.9				1.7	100	Argentina	3.6				1.2
38	Hungary	4.9				1.5	101	Guatemala	3.6				1.3
39	Bahrain	4.8				1.8	102	Ecuador	3.6				1.6
40	Luxembourg	4.8				1.6	103	Bolivia	3.5				1.6
41	Estonia	4.8				1.5	104	Angola	3.5				1.8
42	Gambia	4.8				1.6	105	Honduras	3.5				1.7
43	Jordan	4.8				1.6	106	Paraguay	3.5				1.6
44	Brazil	4.7				1.5	107	Albania	3.5				1.6
45	Cyprus	4.7				1.5	108	Slovenia	3.4				1.7
46	Namibia	4.7				1.4	109	Armenia	3.4				1.7
47	Mali	4.7				1.7	110	Nepal	3.4				1.6
48	Tanzania	4.7				1.6	111	Dominican Republic	3.3				1.5
49	Botswana	4.7				1.2	112	Bosnia and Herzegovina	3.3				1.8
50	Philippines	4.6				1.3	113	China	3.3				1.5
51	Benin	4.6				1.5	114	Nicaragua	3.2				1.3
52	Colombia	4.6				1.5	115	Azerbaijan	3.1				1.4
53	United Arab Emirates	4.6				1.7	116	Georgia	3.1				1.6
54	Mexico	4.6				1.4	117	Suriname	3.0				1.5
55	Taiwan, China	4.5				1.3	118	Ukraine	3.0				1.3
56	Spain	4.5				1.4	119	Timor-Leste	3.0				1.6
57	Pakistan	4.5				1.4	120	Russian Federation	2.9				1.5
58	Turkey	4.5				1.6	121	Kyrgyz Republic	2.9				1.5
59	Vietnam	4.5				1.4	122	Bulgaria	2.8				1.3
60	Egypt	4.4				1.8	123	Mongolia	2.8				1.6
61	Malawi	4.4				1.5	124	Moldova	2.6				1.5
62	Zimbabwe	4.4				1.4	125	Serbia and Montenegro	2.6				1.5
63	Morocco	4.4				1.9							

1.15 Strength of auditing and accounting standards

Financial auditing and reporting standards regarding company financial performance in your country are (1 = extremely weak, 7 = extremely strong — the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	United Kingdom.....	6.5				0.7	64	Sri Lanka.....	4.7				1.4
2	Sweden.....	6.4				0.6	65	Kenya.....	4.7				1.3
3	Germany.....	6.4				0.7	66	El Salvador.....	4.7				1.0
4	Denmark.....	6.3				0.6	67	Colombia.....	4.6				1.1
5	Finland.....	6.3				0.8	68	Pakistan.....	4.6				1.2
6	France.....	6.3				0.8	69	Costa Rica.....	4.6				1.3
7	South Africa.....	6.3				0.8	70	Italy.....	4.5				1.4
8	Australia.....	6.3				0.7	71	Egypt.....	4.5				1.6
9	Switzerland.....	6.2				0.8	72	Burkina Faso.....	4.4				1.2
10	New Zealand.....	6.2				0.7	73	Indonesia.....	4.4				0.8
11	Ireland.....	6.2				0.9	74	Bulgaria.....	4.3				1.2
12	Netherlands.....	6.2				0.8	75	Argentina.....	4.3				1.5
13	Iceland.....	6.2				0.7	76	Tanzania.....	4.3				1.5
14	Hong Kong SAR.....	6.2				1.1	77	Venezuela.....	4.2				1.4
15	Canada.....	6.1				0.9	78	Kazakhstan.....	4.2				1.1
16	Austria.....	6.1				0.8	79	Romania.....	4.2				1.0
17	Luxembourg.....	6.1				0.9	80	Poland.....	4.2				1.1
18	Norway.....	6.0				0.6	81	Georgia.....	4.2				1.4
19	Israel.....	6.0				0.7	82	Macedonia, FYR.....	4.2				1.2
20	Singapore.....	6.0				0.6	83	Gambia.....	4.1				1.5
21	India.....	6.0				0.9	84	Nigeria.....	4.1				1.6
22	United States.....	5.9				1.1	85	Uruguay.....	4.0				1.5
23	Belgium.....	5.9				0.9	85	Vietnam.....	4.0				1.5
24	Malaysia.....	5.7				0.9	87	Morocco.....	4.0				1.5
25	Malta.....	5.7				1.0	88	Russian Federation.....	4.0				1.3
26	Barbados.....	5.6				1.0	89	Lesotho.....	4.0				1.5
27	Zambia.....	5.6				1.0	90	Armenia.....	3.9				1.4
28	Bahrain.....	5.6				0.8	91	Bosnia and Herzegovina.....	3.9				1.3
29	Chile.....	5.5				0.8	92	Albania.....	3.9				1.5
30	Estonia.....	5.5				0.9	93	Azerbaijan.....	3.9				1.4
31	Japan.....	5.5				1.0	94	Mali.....	3.9				1.6
32	Cyprus.....	5.4				1.0	95	Nepal.....	3.9				1.3
33	Mauritius.....	5.4				0.9	96	Ecuador.....	3.9				1.2
34	Jamaica.....	5.4				1.1	97	Guyana.....	3.8				1.4
35	Kuwait.....	5.4				1.2	98	Moldova.....	3.8				1.5
36	United Arab Emirates.....	5.3				1.2	99	Mozambique.....	3.8				1.3
37	Portugal.....	5.3				0.9	100	Serbia and Montenegro.....	3.7				1.4
38	Namibia.....	5.3				1.3	101	Algeria.....	3.7				1.5
39	Zimbabwe.....	5.3				1.3	102	Mongolia.....	3.7				1.5
40	Qatar.....	5.3				1.3	103	Guatemala.....	3.7				1.3
40	Taiwan, China.....	5.3				0.9	104	Bangladesh.....	3.7				1.5
42	Hungary.....	5.3				1.1	105	Ethiopia.....	3.7				1.6
43	Spain.....	5.2				1.1	106	Benin.....	3.6				1.4
44	Botswana.....	5.2				1.1	107	Honduras.....	3.6				1.3
45	Panama.....	5.2				1.1	108	China.....	3.6				1.4
46	Trinidad and Tobago.....	5.2				1.3	109	Nicaragua.....	3.6				1.2
47	Jordan.....	5.1				1.1	110	Uganda.....	3.6				1.5
48	Greece.....	5.1				1.2	111	Ukraine.....	3.5				1.2
49	Tunisia.....	5.1				0.9	112	Suriname.....	3.5				1.4
50	Lithuania.....	5.0				1.1	113	Madagascar.....	3.5				1.3
51	Czech Republic.....	5.0				1.0	114	Bolivia.....	3.4				1.2
52	Slovak Republic.....	5.0				1.1	115	Tajikistan.....	3.3				1.5
53	Latvia.....	5.0				1.2	116	Kyrgyz Republic.....	3.3				1.2
54	Philippines.....	4.9				1.1	117	Mauritania.....	3.3				1.5
55	Peru.....	4.9				1.1	118	Dominican Republic.....	3.3				1.2
56	Thailand.....	4.9				0.9	119	Angola.....	3.3				1.3
57	Korea, Rep.....	4.9				1.2	120	Cameroon.....	3.3				1.5
58	Croatia.....	4.9				1.2	121	Burundi.....	3.2				1.6
59	Slovenia.....	4.9				1.2	122	Paraguay.....	3.1				1.3
60	Turkey.....	4.8				1.1	123	Cambodia.....	3.0				1.4
61	Brazil.....	4.8				1.4	124	Chad.....	2.7				1.4
62	Malawi.....	4.8				1.4	125	Timor-Leste.....	2.3				1.1
63	Mexico.....	4.7				1.1							

1.16 Effectiveness of law-making bodies

How effective is your national parliament/congress as a law-making and oversight institution? (1 = very ineffective, 7 = very effective — the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	Singapore.....	5.9				0.9	64	Nigeria	3.3				1.7
2	United Kingdom.....	5.5				1.3	65	Egypt	3.3				1.7
3	Denmark	5.4				1.0	66	Gambia	3.3				1.6
4	Australia	5.4				1.0	67	Czech Republic.....	3.3				1.2
5	Finland	5.2				1.2	67	Korea, Rep.	3.3				1.4
6	Iceland	5.2				0.9	69	Albania	3.2				1.3
7	Malaysia	5.1				1.1	70	Lithuania	3.2				1.3
8	Norway	5.0				1.1	71	Algeria	3.2				1.5
9	Luxembourg	5.0				1.2	72	Lesotho.....	3.2				1.4
10	New Zealand.....	5.0				1.4	73	Moldova	3.2				1.3
11	Switzerland	4.9				1.2	74	Azerbaijan	3.1				1.5
12	Germany	4.9				1.3	75	Kyrgyz Republic	3.1				1.3
13	Netherlands	4.8				1.2	76	Colombia.....	3.0				1.1
14	Canada	4.8				1.3	77	Sri Lanka	3.0				1.4
15	Barbados.....	4.7				1.2	78	Macedonia, FYR	3.0				1.4
16	Tanzania	4.6				1.5	79	Madagascar	3.0				1.3
17	South Africa	4.6				1.2	80	Honduras	3.0				1.3
18	Tunisia	4.6				1.5	81	Indonesia	2.9				0.7
19	Sweden	4.5				1.3	82	Italy	2.9				1.4
20	India	4.5				1.3	83	Malawi	2.9				1.4
21	United States.....	4.5				1.6	84	Trinidad and Tobago	2.9				1.5
22	Ireland.....	4.5				1.3	85	Georgia	2.9				1.4
23	Japan	4.4				1.2	85	Uruguay	2.9				1.1
24	Mauritius.....	4.3				1.3	87	Russian Federation.....	2.9				1.3
25	Austria	4.3				1.3	88	Armenia	2.8				1.2
26	Estonia.....	4.2				1.3	89	Kenya.....	2.8				1.4
27	Malta.....	4.2				1.1	90	Angola.....	2.8				1.3
28	United Arab Emirates	4.2				1.7	91	Mozambique.....	2.8				1.3
29	France	4.2				1.4	92	Bahrain.....	2.8				1.2
30	Israel	4.2				1.3	93	Guyana.....	2.7				1.5
31	Botswana.....	4.2				1.5	94	Burundi	2.7				1.3
32	Qatar	4.1				1.4	95	Poland.....	2.6				1.1
33	Spain	4.0				1.4	96	Ukraine	2.6				1.4
34	Mali	4.0				1.5	97	Bangladesh	2.6				1.4
35	Hong Kong SAR.....	4.0				1.5	98	Mongolia.....	2.5				1.3
36	Portugal	4.0				1.2	98	Timor-Leste.....	2.5				1.3
37	Kuwait.....	4.0				1.7	100	Nepal	2.5				1.4
38	Cyprus	3.9				1.3	101	Bulgaria.....	2.5				1.1
39	Turkey	3.9				1.3	102	Romania.....	2.5				1.4
40	Thailand	3.9				1.2	103	Philippines	2.4				1.4
41	Greece	3.9				1.4	104	Mexico	2.4				1.1
42	Chile.....	3.9				1.3	105	Ethiopia.....	2.4				1.5
43	China.....	3.8				1.6	106	Bosnia and Herzegovina.....	2.4				1.2
44	Tajikistan	3.8				1.6	107	Panama	2.4				1.2
45	Kazakhstan.....	3.7				1.4	108	El Salvador	2.4				1.0
46	Burkina Faso	3.7				1.4	109	Dominican Republic.....	2.2				1.1
47	Jamaica	3.7				1.3	110	Mauritania	2.2				1.6
48	Belgium	3.7				1.3	111	Costa Rica.....	2.2				1.5
49	Benin	3.6				1.6	112	Brazil	2.2				1.2
50	Taiwan, China.....	3.6				1.3	113	Zimbabwe.....	2.1				1.5
51	Slovenia	3.6				1.3	114	Cameroon	2.1				1.2
52	Namibia.....	3.6				1.4	115	Guatemala	2.1				1.1
53	Slovak Republic	3.5				1.3	116	Zambia	2.1				1.3
54	Latvia	3.5				1.3	117	Suriname	2.1				1.1
55	Jordan.....	3.5				1.4	118	Bolivia	2.0				0.9
56	Vietnam.....	3.5				1.5	119	Argentina	1.9				0.9
57	Hungary	3.5				1.4	120	Chad	1.9				1.2
58	Croatia	3.4				1.5	121	Paraguay	1.8				1.0
59	Cambodia.....	3.4				1.7	122	Peru	1.8				0.8
60	Pakistan	3.4				1.4	123	Nicaragua.....	1.7				0.9
61	Uganda	3.3				1.4	124	Venezuela	1.7				1.3
62	Serbia and Montenegro.....	3.3				1.5	125	Ecuador.....	1.5				0.8
63	Morocco	3.3				1.5							

1.17 Quality of information regarding changes in policies and regulation

Are firms in your country usually informed clearly by the government on changes in policies and regulations affecting your industry? (1 = never informed, 7 = always informed)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD
1	Denmark	6.1				0.9	64	Malawi	4.0				2.1
2	Singapore	6.1				0.8	65	Cameroon	4.0				2.0
3	Finland	6.0				1.1	66	Czech Republic	4.0				1.6
4	New Zealand	5.9				1.0	67	Latvia	4.0				1.6
5	Iceland	5.8				1.1	68	Cambodia	4.0				1.9
6	Netherlands	5.7				1.1	69	Trinidad and Tobago	4.0				1.8
7	Switzerland	5.7				1.2	70	Uruguay	3.9				1.4
8	Japan	5.5				1.6	71	Hungary	3.9				1.2
9	Germany	5.5				1.4	72	Spain	3.9				1.6
9	Sweden	5.5				1.4	73	Peru	3.9				1.6
11	Australia	5.5				1.2	74	Benin	3.9				1.9
12	Norway	5.4				1.4	75	Lithuania	3.8				1.6
13	Hong Kong SAR	5.4				1.4	76	Philippines	3.8				1.4
14	Tunisia	5.4				1.2	77	Sri Lanka	3.7				1.8
15	United Kingdom	5.3				1.4	78	Kazakhstan	3.7				1.7
16	Malaysia	5.3				1.3	79	Korea, Rep.	3.7				1.3
17	Luxembourg	5.2				1.6	80	Croatia	3.7				1.6
18	Israel	5.2				1.3	81	Guatemala	3.7				1.5
19	United Arab Emirates ..	5.1				1.5	82	Costa Rica	3.6				1.4
20	Zambia	5.1				1.5	83	Macedonia, FYR	3.6				1.9
21	Austria	5.1				1.3	84	Tajikistan	3.6				1.8
22	Ireland	5.1				1.5	85	Burundi	3.6				2.1
23	Barbados	5.1				1.3	86	Georgia	3.6				1.5
24	Chile	5.0				1.4	87	Vietnam	3.6				1.5
25	India	4.9				1.5	88	Armenia	3.6				1.8
26	Tanzania	4.9				1.6	89	Lesotho	3.5				1.8
27	South Africa	4.9				1.4	90	Pakistan	3.5				1.4
28	Qatar	4.9				1.4	91	Guyana	3.5				1.6
29	Mauritius	4.9				1.5	92	Madagascar	3.5				1.5
30	Estonia	4.8				1.5	93	Dominican Republic	3.5				1.4
31	Portugal	4.8				1.5	94	Kenya	3.5				1.8
32	France	4.8				1.6	95	China	3.5				1.4
33	Taiwan, China	4.8				1.3	96	Ethiopia	3.5				1.8
34	Canada	4.8				1.5	97	Poland	3.4				1.2
35	United States	4.8				1.4	98	Azerbaijan	3.4				1.7
36	Thailand	4.7				1.3	99	Moldova	3.4				1.8
37	Burkina Faso	4.7				1.8	100	Brazil	3.4				1.5
38	Slovak Republic	4.6				1.2	101	Bangladesh	3.4				1.8
39	Mauritania	4.5				1.9	102	Egypt	3.4				2.1
40	Botswana	4.5				1.7	103	Nicaragua	3.3				1.9
41	Malta	4.5				1.3	104	Honduras	3.2				1.6
42	Bahrain	4.4				1.9	105	Angola	3.2				1.6
43	Cyprus	4.4				1.6	106	Zimbabwe	3.1				1.6
44	Mali	4.4				1.8	107	Italy	3.1				1.4
45	Colombia	4.4				1.7	108	Bosnia and Herzegovina ..	3.1				1.6
46	Gambia	4.4				1.8	109	Nepal	3.1				1.8
47	Nigeria	4.4				1.9	110	Ukraine	3.1				1.6
48	El Salvador	4.4				1.5	111	Bulgaria	3.0				1.5
49	Kuwait	4.4				1.9	112	Chad	2.9				2.0
50	Morocco	4.3				1.8	113	Suriname	2.9				1.5
51	Jamaica	4.3				1.4	114	Russian Federation	2.9				1.6
52	Jordan	4.3				1.7	115	Argentina	2.9				1.5
53	Algeria	4.2				2.0	116	Bolivia	2.8				1.3
54	Turkey	4.2				1.6	117	Timor-Leste	2.8				1.6
55	Uganda	4.2				1.9	118	Albania	2.8				1.5
56	Belgium	4.2				1.4	119	Paraguay	2.8				1.3
57	Panama	4.1				1.5	120	Kyrgyz Republic	2.7				1.4
58	Mexico	4.1				1.5	121	Romania	2.7				1.6
59	Slovenia	4.1				1.5	122	Venezuela	2.7				1.4
60	Mozambique	4.1				1.8	123	Mongolia	2.7				1.4
61	Serbia and Montenegro ..	4.1				1.9	124	Ecuador	2.6				1.3
62	Greece	4.0				1.6	125	Indonesia	2.5				1.0
63	Namibia	4.0				1.7							

1.18 Pervasiveness of illegal donations to political parties

How common are illegal donations to political parties in your country? (1 = very common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD
1	Singapore.....	6.7				0.6	64	Israel	4.2				1.6
2	Iceland	6.7				0.5	65	Hungary	4.2				1.7
3	Netherlands	6.5				0.6	66	Gambia	4.2				1.7
4	United Arab Emirates	6.4				1.3	67	Pakistan	4.1				1.7
5	New Zealand.....	6.4				0.9	68	Turkey	4.1				1.7
6	Norway	6.4				0.8	69	Angola.....	4.1				2.1
7	Hong Kong SAR.....	6.4				0.9	70	Kazakhstan.....	4.0				1.7
8	Sweden	6.4				1.1	71	Panama.....	4.0				1.8
9	Luxembourg	6.4				1.0	72	Benin	4.0				1.8
10	Denmark	6.3				0.7	73	Mozambique.....	4.0				1.6
11	Finland	6.3				1.2	74	Cambodia.....	4.0				2.0
12	Switzerland.....	6.2				1.2	75	Romania.....	3.9				2.2
13	Algeria.....	6.2				1.4	76	Estonia.....	3.9				1.7
14	Bahrain.....	6.1				1.4	77	Madagascar	3.9				1.9
15	Qatar	6.1				1.5	78	Croatia	3.9				1.8
16	Australia.....	6.0				1.1	79	Cameroon	3.8				2.1
17	Jordan	5.9				1.5	80	Armenia	3.8				1.9
18	Tunisia.....	5.8				1.4	81	Guatemala	3.8				1.8
19	Vietnam.....	5.7				1.5	82	Czech Republic.....	3.7				1.8
20	Germany	5.7				0.9	83	Jamaica.....	3.7				2.0
21	Austria	5.6				1.5	84	Latvia	3.7				1.9
22	United Kingdom.....	5.6				1.5	85	Moldova.....	3.7				2.0
23	France	5.6				1.5	86	Poland	3.7				1.1
24	Slovenia	5.6				1.5	87	Costa Rica.....	3.6				1.8
25	Barbados.....	5.5				1.5	88	Colombia.....	3.6				1.7
26	Mauritania.....	5.5				2.1	89	Timor-Leste.....	3.6				2.3
27	Belgium	5.4				1.5	90	Serbia and Montenegro.....	3.6				1.9
28	Chile.....	5.3				1.5	91	Suriname	3.5				2.0
29	Malaysia.....	5.2				1.7	92	Bolivia	3.5				2.2
30	Botswana.....	5.1				1.8	93	Honduras	3.5				2.2
31	Uruguay	5.0				1.8	94	Italy	3.5				1.7
32	Kuwait.....	5.0				2.1	95	Kenya.....	3.5				2.0
33	South Africa.....	4.9				1.6	96	Bulgaria.....	3.4				1.9
34	Portugal	4.8				1.6	97	Slovak Republic	3.4				1.4
35	Malta.....	4.8				1.8	98	Nicaragua.....	3.4				1.8
36	Canada.....	4.8				1.8	99	Georgia	3.4				1.6
37	Namibia.....	4.8				1.8	100	Philippines	3.4				1.8
38	Korea, Rep.	4.8				1.9	101	Ecuador.....	3.4				2.1
39	Morocco	4.7				1.8	102	Guyana.....	3.4				1.9
40	Tanzania	4.7				1.5	103	Mauritius.....	3.3				1.9
41	Mali	4.7				2.1	104	Albania	3.3				1.8
42	Japan	4.7				1.5	105	Zimbabwe.....	3.3				1.7
43	United States.....	4.7				1.8	106	Azerbaijan	3.3				1.7
44	Chad	4.6				2.2	107	India	3.3				1.8
45	China.....	4.6				1.9	108	Dominican Republic.....	3.3				2.0
46	Mongolia.....	4.6				2.1	109	Kyrgyz Republic	3.2				1.5
47	Tajikistan.....	4.6				1.9	109	Macedonia, FYR	3.2				1.9
48	El Salvador.....	4.6				2.1	111	Trinidad and Tobago.....	3.2				1.9
49	Egypt	4.5				1.8	112	Nigeria	3.2				2.0
50	Lesotho.....	4.5				1.9	113	Uganda	3.2				1.8
51	Ethiopia.....	4.5				1.9	114	Lithuania	3.1				1.5
52	Greece	4.4				1.7	115	Russian Federation.....	3.1				1.7
53	Burundi	4.4				2.1	116	Argentina	3.1				1.7
54	Taiwan, China.....	4.4				1.4	117	Venezuela	3.0				2.2
55	Spain	4.4				1.8	118	Indonesia	3.0				0.8
56	Thailand	4.4				1.6	119	Paraguay	2.9				2.1
57	Cyprus	4.4				1.7	120	Ukraine	2.9				1.7
58	Malawi	4.4				2.0	121	Sri Lanka	2.8				1.8
59	Bosnia and Herzegovina.....	4.3				1.9	122	Nepal	2.7				1.9
60	Mexico.....	4.3				1.9	123	Zambia	2.7				1.3
61	Burkina Faso.....	4.3				2.1	124	Brazil	2.3				1.8
62	Ireland.....	4.3				1.8	125	Bangladesh.....	2.2				1.4
63	Peru	4.2				1.8							

1.19 Impact of legal contributions to political parties on public policy

To what extent do legal contributions to political parties have a direct influence on specific public policy outcomes? (1 = very close link, 7 = little influence on policy)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD
1	Singapore.....	6.2				1.2	64	Hungary	3.9				1.7
2	Netherlands	6.2				0.9	65	Mongolia	3.9				2.0
3	Switzerland	5.9				1.3	66	Kazakhstan	3.9				1.4
4	Denmark	5.9				1.4	67	Poland	3.9				1.1
5	New Zealand.....	5.8				1.2	68	Spain	3.9				1.6
6	United Arab Emirates	5.7				1.8	69	Mozambique	3.9				1.7
7	Finland	5.7				1.5	70	Estonia	3.9				1.4
8	Iceland	5.7				1.1	71	Mexico	3.8				1.4
9	Austria	5.6				1.5	72	Pakistan	3.8				1.3
10	Sweden	5.6				1.6	73	Mali	3.8				2.0
11	Luxembourg	5.6				1.4	74	Suriname	3.8				1.9
12	Qatar	5.6				1.7	75	Croatia	3.7				1.5
13	Germany	5.5				1.4	76	El Salvador	3.7				1.7
14	Tunisia	5.5				1.5	77	Cameroon	3.7				1.9
15	Hong Kong SAR.....	5.5				1.5	78	Azerbaijan	3.7				1.7
16	Norway	5.4				1.4	79	Kyrgyz Republic	3.7				1.7
17	Chile	5.3				1.4	80	Mauritius.....	3.7				1.5
18	Algeria	5.2				1.6	81	Costa Rica.....	3.7				1.6
19	Bahrain.....	5.1				1.7	82	Peru	3.6				1.6
20	South Africa	5.0				1.4	83	Bolivia	3.6				1.8
21	Jordan.....	5.0				1.8	84	Armenia	3.6				1.6
22	Barbados.....	4.9				1.4	85	Timor-Leste.....	3.6				1.9
23	Belgium	4.8				1.6	86	Angola.....	3.6				1.7
24	Slovenia	4.8				1.5	87	Kenya	3.6				1.8
25	Portugal	4.7				1.3	88	Thailand	3.6				1.6
26	France	4.7				1.7	89	Uganda	3.6				1.9
27	Malaysia	4.7				1.5	90	Italy	3.6				1.5
28	Burundi	4.7				1.9	91	Guyana.....	3.5				1.6
29	Kuwait.....	4.7				2.0	92	Bangladesh	3.5				1.8
30	Botswana.....	4.7				1.7	93	Ukraine	3.5				1.6
31	Mauritania	4.6				2.0	94	Moldova	3.5				1.8
32	Lesotho.....	4.6				1.7	95	Panama.....	3.5				1.4
33	Australia	4.6				1.5	96	Latvia	3.5				1.5
34	Tanzania	4.6				1.5	97	Sri Lanka	3.5				1.7
35	Chad	4.5				1.8	98	Albania	3.5				1.6
36	India	4.5				1.6	99	Cambodia.....	3.5				1.8
37	Gambia	4.5				1.8	99	Macedonia, FYR	3.5				1.8
38	United Kingdom.....	4.4				1.9	101	Georgia	3.5				1.6
39	Uruguay	4.4				1.6	102	United States.....	3.4				1.6
40	Taiwan, China.....	4.4				1.3	103	Guatemala	3.4				1.3
41	Vietnam.....	4.4				1.4	104	Nepal	3.4				1.6
42	Japan	4.3				1.3	105	Russian Federation	3.4				1.7
43	Morocco	4.3				1.6	106	Bosnia and Herzegovina.....	3.4				1.4
44	China.....	4.3				1.7	107	Czech Republic.....	3.3				1.3
45	Zimbabwe	4.2				1.8	108	Dominican Republic.....	3.3				1.7
46	Greece	4.2				1.6	109	Paraguay	3.3				1.9
47	Canada	4.2				1.7	110	Slovak Republic	3.3				1.2
48	Egypt	4.1				1.9	111	Brazil	3.3				1.9
49	Malta.....	4.1				1.6	112	Lithuania	3.3				1.3
50	Turkey	4.1				1.6	113	Nicaragua.....	3.2				1.5
51	Nigeria	4.1				2.0	114	Venezuela	3.2				1.8
52	Korea, Rep.	4.1				1.5	115	Colombia.....	3.2				1.4
53	Ethiopia.....	4.1				2.0	116	Philippines	3.1				1.5
54	Burkina Faso	4.1				1.7	117	Argentina	3.1				1.4
55	Ireland.....	4.1				1.7	118	Romania.....	3.1				1.6
56	Tajikistan	4.1				1.9	119	Trinidad and Tobago	3.0				1.6
57	Israel	4.0				1.5	120	Serbia and Montenegro.....	3.0				1.7
58	Jamaica.....	4.0				1.6	121	Honduras	2.9				1.5
59	Namibia.....	4.0				1.4	122	Ecuador.....	2.9				1.4
60	Benin	4.0				1.4	123	Indonesia	2.9				1.1
60	Malawi	4.0				1.5	124	Bulgaria	2.7				1.6
62	Madagascar	4.0				1.7	125	Zambia	2.6				1.2
63	Cyprus	4.0				1.5							

1.20 Centralization of economic policymaking

Economic policymaking in your country is (1 = centralized — national government controls almost all important decisions, 7 = decentralized — states and cities have important decision rights affecting economic development)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.0	7	SD
1	Switzerland	6.0				1.0	64	Hungary	2.9				1.4
2	Belgium	5.3				1.4	65	Guatemala	2.9				1.3
3	Germany	5.3				1.4	66	Pakistan	2.9				1.4
4	Indonesia	5.3				0.9	67	Japan	2.8				1.2
5	Spain	5.2				1.4	68	Morocco	2.8				1.8
6	Iceland	4.9				1.3	69	Portugal	2.8				1.1
7	Austria	4.8				1.5	70	Brazil	2.8				1.6
8	Estonia	4.7				1.6	71	Mali	2.8				1.9
9	Canada	4.6				1.5	72	Honduras	2.8				1.4
10	United States	4.5				1.7	73	South Africa	2.7				1.4
11	India	4.4				1.7	74	Mauritania	2.7				1.7
12	Finland	4.3				1.6	75	Cyprus	2.7				1.4
13	Slovak Republic	4.3				1.4	76	Thailand	2.7				1.3
14	Bosnia and Herzegovina	4.2				1.8	77	Sri Lanka	2.7				1.5
15	Czech Republic	4.1				1.3	77	Tajikistan	2.7				1.7
16	United Arab Emirates	4.0				2.1	79	Qatar	2.7				1.8
17	Australia	4.0				1.6	80	Malta	2.6				1.4
18	Hong Kong SAR	3.9				2.2	81	Mozambique	2.6				1.5
19	Denmark	3.8				1.5	82	Bolivia	2.6				1.4
20	Korea, Rep.	3.8				1.5	83	Namibia	2.6				1.3
21	Norway	3.7				1.5	84	Greece	2.5				1.2
22	Netherlands	3.7				1.5	84	Luxembourg	2.5				1.7
23	Latvia	3.7				1.6	86	Moldova	2.5				1.4
24	Poland	3.6				1.1	87	Jordan	2.5				1.4
25	China	3.6				1.6	88	Turkey	2.5				1.3
26	Israel	3.6				1.4	89	Ecuador	2.5				1.3
27	Malaysia	3.6				1.8	90	Philippines	2.5				1.3
28	Italy	3.6				1.4	91	Costa Rica	2.4				1.3
29	Cambodia	3.6				1.8	92	Armenia	2.4				1.5
30	El Salvador	3.5				1.7	93	Malawi	2.4				1.5
31	Mexico	3.5				1.5	94	Panama	2.3				1.4
32	France	3.5				1.7	95	Kenya	2.3				1.4
33	Tanzania	3.5				1.9	96	Botswana	2.2				1.3
34	Ukraine	3.4				1.5	97	Lesotho	2.2				1.5
35	Slovenia	3.4				1.7	98	Algeria	2.2				1.6
36	Lithuania	3.4				1.4	99	Angola	2.2				1.4
37	Taiwan, China	3.3				1.8	100	Uruguay	2.2				1.4
38	Uganda	3.3				2.0	101	Bahrain	2.2				1.6
39	Benin	3.3				1.8	102	Egypt	2.2				1.5
40	Ethiopia	3.3				1.9	103	Georgia	2.1				1.2
41	Colombia	3.2				1.4	104	Suriname	2.1				1.2
42	Nicaragua	3.2				1.6	105	Ireland	2.1				1.2
43	Burkina Faso	3.2				1.9	106	Nepal	2.1				1.4
44	Russian Federation	3.2				1.6	107	Barbados	2.1				1.4
45	Mongolia	3.2				1.6	108	Kuwait	2.0				1.5
46	Vietnam	3.2				1.4	109	Gambia	2.0				1.4
47	Kazakhstan	3.1				1.5	110	Chad	2.0				1.6
48	Chile	3.1				1.8	111	Dominican Republic	2.0				1.1
49	Nigeria	3.1				1.9	112	Jamaica	2.0				1.2
50	Serbia and Montenegro	3.1				1.7	113	Burundi	2.0				1.3
51	Romania	3.1				1.5	114	Mauritius	2.0				1.3
52	United Kingdom	3.1				1.6	115	Timor-Leste	1.9				1.2
53	Albania	3.0				1.6	116	Singapore	1.9				1.4
54	Azerbaijan	3.0				1.6	117	Guyana	1.8				1.3
55	Bulgaria	3.0				1.4	118	Trinidad and Tobago	1.8				1.3
56	Madagascar	3.0				1.7	119	Argentina	1.8				1.1
57	Sweden	3.0				1.5	120	Paraguay	1.8				1.0
58	New Zealand	3.0				1.6	121	Cameroon	1.7				1.1
59	Croatia	3.0				1.5	122	Bangladesh	1.6				1.0
60	Tunisia	3.0				1.4	123	Zimbabwe	1.6				1.2
61	Kyrgyz Republic	2.9				1.6	124	Zambia	1.4				0.9
62	Peru	2.9				1.4	125	Venezuela	1.2				0.4
63	Macedonia, FYR	2.9				1.6							

1.21 Freedom of the press

In your country, can the media publish/broadcast stories of their choosing without fear of censorship or retaliation? (1 = no, 7 = yes — whatever they want)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD
1	Germany	6.8				0.4	64	Romania	5.1				1.6
2	Denmark	6.8				0.5	65	Korea, Rep.	5.0				1.5
3	Netherlands	6.8				0.6	66	Mali	5.0				2.0
4	Norway	6.7				0.7	67	Slovenia	4.9				1.8
5	Sweden	6.7				0.8	68	Serbia and Montenegro	4.9				2.1
6	Switzerland	6.6				0.8	69	Bangladesh	4.8				1.7
7	Finland	6.6				0.8	70	Mauritania	4.8				2.3
8	Austria	6.6				0.8	71	Ukraine	4.7				1.8
9	Portugal	6.5				0.7	72	Philippines	4.7				1.8
10	Canada	6.4				1.1	73	Botswana	4.7				1.7
11	Estonia	6.4				1.1	74	Bosnia and Herzegovina	4.7				1.9
12	India	6.4				0.8	75	Malawi	4.7				1.7
13	New Zealand	6.4				1.3	76	Macedonia, FYR	4.6				1.9
14	Belgium	6.4				1.1	77	Tanzania	4.6				1.9
15	United Kingdom	6.3				1.3	78	Georgia	4.6				1.7
16	Peru	6.3				0.9	79	Poland	4.5				1.2
17	France	6.3				1.1	80	Lesotho	4.5				1.9
18	Nicaragua	6.2				1.1	81	Cameroon	4.5				1.9
19	Australia	6.2				1.1	82	Azerbaijan	4.4				2.0
20	Iceland	6.1				1.4	83	Bulgaria	4.4				1.9
21	Israel	6.1				1.2	84	Pakistan	4.3				1.7
22	Greece	6.1				1.2	85	Sri Lanka	4.3				1.8
23	Slovak Republic	6.0				1.2	86	Thailand	4.2				1.7
24	South Africa	6.0				1.1	87	Mongolia	4.2				2.1
25	Costa Rica	6.0				1.2	87	Mozambique	4.2				1.8
26	United States	6.0				1.3	89	Algeria	4.2				1.8
27	Japan	5.9				1.3	90	Qatar	4.2				1.9
28	Hong Kong SAR	5.9				1.6	91	Kyrgyz Republic	4.1				1.8
29	Czech Republic	5.9				1.3	92	Nigeria	4.1				2.1
30	Spain	5.8				1.4	93	Kuwait	4.1				2.1
31	Chile	5.8				1.1	94	Madagascar	4.1				1.9
32	Lithuania	5.8				1.3	95	Russian Federation	4.0				1.9
33	Luxembourg	5.8				1.6	96	Guyana	3.9				2.0
34	Guatemala	5.8				1.5	97	Nepal	3.9				2.0
35	Brazil	5.8				1.5	98	Moldova	3.9				2.0
36	Ireland	5.7				1.7	99	Egypt	3.9				2.0
37	Uruguay	5.6				1.5	100	Burundi	3.9				2.1
38	Mexico	5.6				1.4	101	Burkina Faso	3.8				2.1
39	El Salvador	5.6				1.6	102	United Arab Emirates	3.8				1.8
40	Hungary	5.6				1.5	103	Tunisia	3.7				1.4
41	Colombia	5.5				1.4	104	Uganda	3.7				2.0
42	Paraguay	5.5				1.6	105	Argentina	3.7				2.1
43	Latvia	5.5				1.6	106	Armenia	3.7				2.0
44	Italy	5.4				1.6	107	Kazakhstan	3.6				2.0
45	Indonesia	5.4				0.8	108	Angola	3.6				1.9
46	Cyprus	5.4				1.5	109	Bahrain	3.6				2.0
47	Honduras	5.4				1.7	110	Vietnam	3.5				1.8
48	Dominican Republic	5.4				1.5	111	Morocco	3.5				1.9
49	Bolivia	5.3				1.7	112	Malaysia	3.5				1.7
50	Barbados	5.3				1.4	113	Cambodia	3.4				1.8
51	Suriname	5.3				1.6	114	Timor-Leste	3.3				1.8
52	Taiwan, China	5.3				1.4	115	Kenya	3.2				1.9
53	Malta	5.3				1.6	116	Jordan	3.2				1.7
54	Ecuador	5.3				1.6	117	Singapore	3.0				1.6
55	Mauritius	5.2				1.6	118	Tajikistan	2.8				2.0
56	Panama	5.2				1.7	119	China	2.8				1.8
57	Benin	5.2				2.0	120	Gambia	2.7				1.6
58	Albania	5.2				1.6	121	Zambia	2.5				1.6
59	Jamaica	5.1				1.9	122	Chad	2.5				2.1
60	Trinidad and Tobago	5.1				1.9	123	Venezuela	2.3				1.5
61	Namibia	5.1				1.7	124	Ethiopia	2.1				1.6
62	Turkey	5.1				1.6	125	Zimbabwe	1.6				1.1
63	Croatia	5.1				1.8							

1.22 Irregular payments in exports and imports

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with import and export permits (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD
1	Iceland	6.8				0.4	64	Mauritius	4.6				1.8
2	New Zealand	6.8				0.4	65	Serbia and Montenegro	4.6				2.1
3	Singapore	6.7				0.5	66	Dominican Republic	4.5				1.9
4	Denmark	6.7				0.7	67	Turkey	4.5				1.9
5	Finland	6.6				0.6	68	Panama	4.5				1.8
6	Sweden	6.6				0.9	69	China	4.4				1.9
7	Norway	6.6				0.6	70	Jamaica	4.4				1.8
8	Japan	6.5				1.0	71	Ukraine	4.4				1.9
9	Luxembourg	6.5				0.9	72	Malawi	4.4				2.1
10	Chile	6.5				0.9	73	Burundi	4.4				2.0
11	United Kingdom	6.4				1.0	74	Russian Federation	4.4				2.1
12	Netherlands	6.4				0.7	75	Honduras	4.4				2.0
13	Switzerland	6.4				0.9	76	Kazakhstan	4.4				1.9
14	Germany	6.4				0.9	77	Bolivia	4.3				2.0
15	Australia	6.4				0.9	78	Croatia	4.3				1.7
16	Austria	6.4				0.9	79	Paraguay	4.3				2.2
17	Ireland	6.3				0.9	80	Morocco	4.3				1.8
18	Hong Kong SAR	6.2				1.1	81	Mali	4.3				2.0
19	Canada	6.2				1.0	82	Poland	4.3				1.3
20	Israel	6.2				1.1	83	Armenia	4.2				2.2
21	Slovenia	6.1				1.2	84	Thailand	4.2				1.7
22	Taiwan, China	6.1				1.4	85	Albania	4.2				1.9
23	France	6.1				1.2	86	Burkina Faso	4.2				2.0
24	Portugal	6.1				1.4	87	Mauritania	4.2				1.6
25	Spain	6.0				1.1	88	Mozambique	4.2				1.9
26	Belgium	5.9				1.2	89	Romania	4.1				2.1
27	United Arab Emirates	5.9				1.5	90	Bosnia and Herzegovina	4.1				1.9
28	Qatar	5.8				1.5	91	Macedonia, FYR	4.1				2.0
29	Jordan	5.8				1.4	92	Pakistan	4.1				1.7
30	Bahrain	5.8				1.8	93	Namibia	4.0				1.6
31	Hungary	5.7				1.4	94	Lesotho	4.0				1.9
32	Bulgaria	5.7				1.5	95	Ecuador	3.9				2.0
33	Italy	5.7				1.6	96	Georgia	3.9				2.0
34	El Salvador	5.7				1.5	97	Madagascar	3.9				1.5
35	Malta	5.7				1.4	98	Angola	3.9				1.8
36	Estonia	5.6				1.7	99	Suriname	3.8				1.9
37	Peru	5.6				1.7	100	Argentina	3.8				1.9
37	Slovak Republic	5.6				1.4	101	Gambia	3.8				1.7
39	South Africa	5.5				1.3	102	Uganda	3.8				2.0
40	Uruguay	5.5				1.7	103	Trinidad and Tobago	3.8				2.0
41	Kuwait	5.5				1.8	104	Kenya	3.7				1.8
42	United States	5.4				1.7	105	Timor-Leste	3.7				1.8
43	Cyprus	5.4				1.5	106	Nepal	3.6				2.0
44	Tunisia	5.3				1.6	107	Mongolia	3.6				2.0
45	Lithuania	5.3				1.7	108	Philippines	3.6				2.0
46	Korea, Rep.	5.3				1.5	109	Tanzania	3.6				1.5
47	Malaysia	5.3				1.6	110	Guyana	3.6				2.0
48	Mexico	5.3				1.7	111	Benin	3.5				1.8
49	Guatemala	5.3				1.6	112	Zimbabwe	3.5				1.7
50	Costa Rica	5.2				1.7	113	Sri Lanka	3.5				1.8
51	Czech Republic	5.2				1.6	114	Venezuela	3.5				2.1
52	Moldova	5.2				1.9	115	Cameroon	3.4				2.0
53	Greece	5.2				1.7	116	Nigeria	3.4				2.0
54	Brazil	5.2				1.8	117	Azerbaijan	3.3				2.0
55	Colombia	5.1				1.9	118	Tajikistan	3.3				2.0
56	Latvia	5.1				1.8	119	Kyrgyz Republic	3.3				2.1
57	Barbados	5.1				1.5	120	Vietnam	3.0				1.5
58	Nicaragua	4.9				2.0	121	Chad	3.0				2.0
59	Botswana	4.9				1.5	122	Indonesia	2.7				0.8
60	Egypt	4.8				1.9	123	Cambodia	2.5				1.6
61	Algeria	4.8				2.0	124	Bangladesh	2.3				1.6
62	India	4.7				1.9	125	Zambia	2.3				2.0
63	Ethiopia	4.7				1.8							

1.23 Irregular payments in public utilities

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with connection to public utilities (e.g., telephone or electricity) (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.1	7	SD
1	Iceland	6.9				0.3	64	Croatia	5.1				1.6
2	Singapore.....	6.9				0.4	65	Bosnia and Herzegovina.....	5.1				1.9
3	New Zealand.....	6.8				0.4	66	India	5.0				1.7
4	Denmark	6.8				0.4	67	Dominican Republic.....	5.0				1.9
5	Finland	6.8				0.5	68	Mexico.....	5.0				1.8
6	Austria	6.8				0.6	69	Bolivia	4.9				2.0
7	Norway	6.7				0.5	70	Macedonia, FYR	4.9				2.2
8	Japan	6.7				0.7	71	Jamaica.....	4.9				1.8
9	Germany	6.7				0.5	72	Venezuela	4.8				1.9
10	Sweden	6.7				0.9	73	Georgia	4.8				1.7
11	United Kingdom.....	6.6				1.1	74	Mongolia.....	4.8				1.8
12	Hong Kong SAR.....	6.6				1.0	75	Azerbaijan	4.8				2.0
13	Switzerland.....	6.6				0.9	76	Russian Federation.....	4.8				2.0
14	Netherlands	6.6				0.8	77	Namibia.....	4.7				1.7
15	Chile.....	6.5				1.0	78	China.....	4.7				1.9
16	Australia	6.5				0.8	79	Egypt	4.7				2.0
17	Canada	6.4				1.2	80	Philippines	4.7				1.9
18	Spain	6.4				1.0	81	Ethiopia.....	4.6				1.9
19	Portugal	6.4				1.0	82	Ukraine	4.6				2.0
20	Luxembourg	6.4				1.6	83	Sri Lanka	4.6				1.9
21	Estonia.....	6.4				1.1	84	Serbia and Montenegro.....	4.6				2.1
22	Israel	6.3				1.0	85	Romania.....	4.6				2.2
23	Ireland	6.3				1.1	86	Mozambique.....	4.6				1.9
24	Slovenia	6.3				1.2	87	Kazakhstan.....	4.6				1.9
25	France	6.3				1.6	88	Tanzania	4.5				1.8
26	Belgium	6.3				1.0	89	Poland	4.5				1.4
27	Slovak Republic	6.1				1.3	90	Algeria	4.5				2.2
28	United Arab Emirates	6.1				1.5	91	Albania	4.4				2.1
29	Taiwan, China.....	6.1				1.5	92	Lesotho.....	4.4				1.9
30	Italy	6.1				1.5	93	Nicaragua.....	4.3				2.1
31	Barbados.....	6.1				1.1	94	Nepal	4.3				1.8
32	El Salvador	6.0				1.6	95	Ecuador.....	4.3				1.8
33	Hungary	6.0				1.3	96	Trinidad and Tobago.....	4.3				1.9
34	Uruguay	6.0				1.5	97	Morocco	4.2				2.4
35	Moldova.....	5.9				1.6	98	Vietnam.....	4.1				1.6
36	Lithuania	5.9				1.6	99	Burkina Faso.....	4.1				2.2
37	Peru	5.9				1.6	100	Angola.....	4.1				1.9
38	Qatar	5.9				1.5	101	Kenya.....	4.0				1.9
39	Malta.....	5.8				1.2	102	Pakistan	4.0				1.4
40	Czech Republic.....	5.8				1.6	103	Paraguay	3.9				2.1
41	Bahrain.....	5.8				1.7	104	Suriname	3.9				1.9
42	Bulgaria.....	5.7				1.7	105	Honduras	3.8				1.9
43	South Africa.....	5.7				1.3	106	Cambodia.....	3.8				1.9
44	Malaysia.....	5.7				1.3	107	Malawi	3.8				2.0
45	Cyprus	5.7				1.4	108	Uganda	3.7				2.0
46	United States.....	5.7				1.7	109	Gambia	3.7				1.8
47	Greece	5.6				1.6	110	Guyana.....	3.7				1.9
48	Botswana.....	5.6				1.4	111	Tajikistan	3.7				2.0
49	Panama.....	5.6				1.7	112	Timor-Leste.....	3.7				2.0
50	Turkey	5.5				1.5	113	Kyrgyz Republic	3.7				1.8
51	Latvia	5.5				1.8	114	Madagascar	3.6				1.4
52	Jordan	5.5				1.7	115	Zimbabwe.....	3.6				1.9
53	Argentina	5.5				1.6	116	Chad	3.5				2.1
54	Tunisia.....	5.5				2.1	117	Cameroon	3.4				2.1
55	Mauritius.....	5.4				1.6	118	Mali.....	3.4				2.0
56	Brazil	5.4				1.8	119	Nigeria	3.3				2.0
57	Guatemala	5.3				1.7	120	Burundi	3.2				2.1
58	Colombia.....	5.3				1.8	121	Zambia	3.1				1.6
59	Korea, Rep.	5.3				1.6	122	Indonesia	3.0				1.3
60	Kuwait.....	5.3				1.9	123	Benin	2.9				1.6
61	Thailand	5.2				1.6	124	Mauritania	2.3				1.7
62	Costa Rica.....	5.1				1.8	125	Bangladesh	1.9				1.0
63	Armenia	5.1				1.9							

1.24 Irregular payments in tax collection

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with annual tax payments (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD
1	New Zealand.....	6.9		0.3			64	Jamaica.....	4.9		1.7		
2	Singapore.....	6.9		0.3			65	Guatemala.....	4.9		1.7		
3	Iceland.....	6.9		0.3			66	Tunisia.....	4.9		1.8		
4	Denmark.....	6.9		0.4			67	Egypt.....	4.8		2.0		
5	Finland.....	6.7		0.6			68	Ecuador.....	4.8		1.8		
6	Sweden.....	6.7		0.9			69	Thailand.....	4.7		1.6		
7	Norway.....	6.7		0.5			70	Poland.....	4.7		1.2		
8	Japan.....	6.7		0.9			71	Malawi.....	4.6		2.0		
9	United Kingdom.....	6.7		0.9			71	Zimbabwe.....	4.6		1.7		
10	Germany.....	6.6		0.6			73	Venezuela.....	4.6		1.9		
11	Australia.....	6.6		0.7			74	Argentina.....	4.5		1.7		
12	Austria.....	6.6		0.7			75	Namibia.....	4.5		1.6		
13	Netherlands.....	6.5		0.8			76	Bolivia.....	4.5		2.0		
14	Ireland.....	6.5		0.9			77	China.....	4.5		1.9		
15	Hong Kong SAR.....	6.5		1.1			78	Kazakhstan.....	4.5		1.9		
16	Spain.....	6.4		0.9			79	Timor-Leste.....	4.4		2.0		
17	Switzerland.....	6.4		1.0			80	Lesotho.....	4.4		1.9		
18	Canada.....	6.4		1.2			81	Georgia.....	4.3		1.9		
19	Bahrain.....	6.4		1.5			82	Ukraine.....	4.3		2.0		
20	Slovenia.....	6.3		1.1			83	Macedonia, FYR.....	4.3		2.2		
21	Luxembourg.....	6.3		1.5			84	Burkina Faso.....	4.3		1.9		
21	United Arab Emirates.....	6.3		1.2			85	Bosnia and Herzegovina.....	4.3		2.0		
23	Chile.....	6.3		1.1			86	Azerbaijan.....	4.3		2.0		
24	Kuwait.....	6.2		1.4			87	Morocco.....	4.2		2.0		
25	Qatar.....	6.2		1.4			88	Ethiopia.....	4.2		1.8		
26	France.....	6.2		1.5			89	Nicaragua.....	4.2		2.1		
27	South Africa.....	6.1		1.0			90	Angola.....	4.2		1.8		
28	Portugal.....	6.1		1.0			91	Paraguay.....	4.2		2.0		
29	Belgium.....	6.1		1.1			92	Albania.....	4.1		2.2		
30	Israel.....	6.1		1.3			93	Trinidad and Tobago.....	4.1		1.9		
31	Estonia.....	6.1		1.2			94	Armenia.....	4.1		2.1		
32	Taiwan, China.....	6.0		1.5			95	Honduras.....	4.1		2.0		
33	Hungary.....	6.0		1.2			96	Mozambique.....	4.1		1.9		
34	Bulgaria.....	6.0		1.5			97	Mongolia.....	4.1		2.0		
35	Slovak Republic.....	6.0		1.3			98	Dominican Republic.....	4.1		1.9		
36	Malaysia.....	5.9		1.2			99	Algeria.....	4.0		2.1		
37	Barbados.....	5.8		1.2			100	Kenya.....	4.0		2.0		
38	Lithuania.....	5.8		1.4			101	Greece.....	4.0		1.9		
39	Botswana.....	5.8		1.2			102	Suriname.....	3.9		1.9		
40	Czech Republic.....	5.8		1.5			103	Sri Lanka.....	3.8		1.8		
41	Mauritius.....	5.7		1.6			104	Pakistan.....	3.7		1.5		
42	El Salvador.....	5.7		1.5			105	Guyana.....	3.6		1.9		
43	Italy.....	5.7		1.6			106	Gambia.....	3.6		1.9		
44	Peru.....	5.7		1.7			107	Philippines.....	3.6		1.9		
45	United States.....	5.6		1.7			108	Mali.....	3.5		1.8		
46	Malta.....	5.6		1.4			109	Burundi.....	3.5		2.0		
47	Uruguay.....	5.5		1.7			110	Cameroon.....	3.5		2.0		
48	Cyprus.....	5.5		1.4			111	Tanzania.....	3.5		1.5		
49	Moldova.....	5.5		1.9			112	Chad.....	3.5		2.2		
50	Turkey.....	5.5		1.7			113	Uganda.....	3.4		2.0		
51	Costa Rica.....	5.4		1.7			114	Benin.....	3.4		1.6		
52	Latvia.....	5.3		1.9			115	Mauritania.....	3.4		1.5		
53	Mexico.....	5.3		1.7			116	Tajikistan.....	3.3		1.9		
54	India.....	5.2		1.8			117	Indonesia.....	3.3		1.1		
55	Colombia.....	5.2		2.0			118	Madagascar.....	3.3		1.4		
56	Romania.....	5.1		1.8			119	Nepal.....	3.3		1.7		
57	Panama.....	5.1		1.7			120	Vietnam.....	3.1		1.7		
58	Croatia.....	5.0		1.7			121	Nigeria.....	3.0		1.7		
59	Korea, Rep.....	5.0		1.5			122	Kyrgyz Republic.....	2.8		1.8		
60	Brazil.....	5.0		2.0			123	Cambodia.....	2.7		1.6		
61	Jordan.....	5.0		1.9			124	Zambia.....	2.1		1.9		
62	Serbia and Montenegro.....	4.9		2.1			125	Bangladesh.....	2.0		1.2		
63	Russian Federation.....	4.9		1.9									

1.25 Irregular payments in public contracts

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with awarding of public contracts (investment projects) (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD
1	Iceland	6.7				0.5	64	Turkey	4.0				1.9
2	New Zealand	6.6				0.7	65	Jamaica	4.0				2.0
3	Denmark	6.6				0.6	66	Guatemala	4.0				1.8
4	Singapore	6.6				0.7	67	Russian Federation	4.0				2.2
5	Finland	6.4				0.8	68	Slovak Republic	4.0				1.5
6	Sweden	6.4				1.1	69	Namibia	4.0				1.8
7	Norway	6.3				0.7	70	Nicaragua	3.9				2.0
8	Switzerland	6.1				1.0	71	Thailand	3.9				1.7
9	United Kingdom	6.1				1.2	72	Mauritius	3.9				1.6
10	Australia	6.1				1.1	73	Armenia	3.9				2.2
11	Germany	6.0				0.9	74	China	3.8				2.0
12	Luxembourg	6.0				1.4	75	Timor-Leste	3.8				2.0
13	Hong Kong SAR	6.0				1.4	76	Georgia	3.8				1.6
14	Netherlands	5.9				1.2	77	Algeria	3.8				2.2
15	Japan	5.7				1.5	78	Czech Republic	3.8				1.8
16	Austria	5.7				1.2	79	Malawi	3.8				1.9
17	Israel	5.6				1.3	80	Ethiopia	3.7				1.8
18	Canada	5.5				1.3	81	Albania	3.7				2.3
19	France	5.5				1.5	82	Gambia	3.6				1.7
20	Ireland	5.5				1.5	83	Honduras	3.6				1.9
21	Slovenia	5.5				1.6	84	Morocco	3.6				1.9
22	Portugal	5.5				1.4	85	Azerbaijan	3.5				2.0
23	United Arab Emirates	5.5				1.8	86	Burkina Faso	3.5				2.0
24	Chile	5.5				1.4	86	Tajikistan	3.5				1.9
25	Taiwan, China	5.4				1.5	88	Bosnia and Herzegovina	3.5				2.0
26	Belgium	5.4				1.4	89	Lesotho	3.5				1.9
27	Qatar	5.1				1.9	90	Mozambique	3.5				1.8
28	Bulgaria	5.1				2.0	91	Dominican Republic	3.5				2.1
29	United States	5.0				1.7	92	Suriname	3.4				1.9
30	Spain	5.0				1.6	93	Angola	3.4				1.8
30	Uruguay	5.0				1.5	94	Mongolia	3.3				2.1
32	Barbados	5.0				1.5	95	Ecuador	3.3				2.0
33	Italy	4.9				1.9	96	Bolivia	3.3				1.9
34	Bahrain	4.9				1.8	97	Tanzania	3.3				1.5
35	El Salvador	4.8				1.8	98	Pakistan	3.3				1.2
36	South Africa	4.8				1.8	99	Paraguay	3.3				1.9
37	Malaysia	4.8				1.6	100	Madagascar	3.2				1.4
38	Moldova	4.8				2.3	101	Macedonia, FYR	3.2				2.0
39	Estonia	4.8				1.7	102	Romania	3.2				2.1
40	Peru	4.7				1.9	103	Cameroon	3.2				1.9
41	Costa Rica	4.7				1.8	104	Argentina	3.1				1.9
42	Malta	4.7				1.8	105	Trinidad and Tobago	3.1				1.8
43	Cyprus	4.7				1.7	106	Vietnam	3.1				1.8
44	Egypt	4.7				2.0	107	Kyrgyz Republic	3.1				2.0
45	Jordan	4.6				1.9	108	Sri Lanka	3.1				1.9
46	Korea, Rep.	4.6				1.7	109	Zimbabwe	3.1				1.5
47	Lithuania	4.5				2.1	110	Kenya	3.1				2.0
48	Tunisia	4.4				1.7	111	Guyana	3.0				1.9
49	Ukraine	4.4				1.9	112	Philippines	3.0				1.8
50	Kuwait	4.4				2.0	113	Venezuela	3.0				2.0
51	India	4.3				2.0	114	Chad	2.9				2.0
52	Brazil	4.3				2.2	115	Burundi	2.9				1.8
53	Mexico	4.3				1.8	116	Nepal	2.8				1.6
54	Botswana	4.2				1.8	117	Nigeria	2.8				1.7
55	Hungary	4.2				1.7	118	Mauritania	2.8				1.8
56	Latvia	4.2				2.0	119	Mali	2.8				1.7
57	Colombia	4.2				2.1	120	Benin	2.8				1.4
58	Kazakhstan	4.2				1.9	121	Uganda	2.7				1.9
59	Croatia	4.1				1.7	122	Cambodia	2.7				1.5
60	Serbia and Montenegro	4.1				2.2	123	Zambia	2.7				1.2
61	Poland	4.1				1.3	124	Indonesia	2.5				1.0
62	Greece	4.1				1.8	125	Bangladesh	2.0				1.2
63	Panama	4.1				1.8							

1.26 Irregular payments in judicial decisions

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with getting favorable judicial decisions (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Iceland	6.9				0.3	64	Algeria	4.3				1.9
2	New Zealand	6.9				0.3	65	Lesotho	4.3				1.7
3	Finland	6.8				0.5	66	Poland	4.3				1.1
4	Singapore	6.8				0.5	67	El Salvador	4.3				1.8
5	Denmark	6.8				0.6	68	Serbia and Montenegro	4.3				2.1
6	Germany	6.8				0.4	69	Sri Lanka	4.3				1.7
7	Sweden	6.7				0.9	70	Mexico	4.2				1.7
8	United Kingdom	6.7				0.6	71	Slovak Republic	4.2				1.6
9	Norway	6.7				0.6	72	Croatia	4.2				1.6
10	Netherlands	6.7				0.7	73	Gambia	4.2				1.7
11	Austria	6.6				0.7	74	Guatemala	4.2				1.5
12	Australia	6.6				0.8	75	Ukraine	4.1				2.0
13	Japan	6.6				0.9	76	Angola	4.1				1.7
14	Switzerland	6.6				0.9	77	China	4.1				1.9
15	Israel	6.5				1.0	78	Russian Federation	4.1				2.0
16	Luxembourg	6.4				1.2	79	Burkina Faso	4.1				1.8
17	Hong Kong SAR	6.4				1.3	80	Kazakhstan	4.1				2.0
18	Ireland	6.4				1.1	81	Dominican Republic	4.0				1.8
19	Portugal	6.3				1.0	82	Bosnia and Herzegovina	4.0				1.8
20	Canada	6.3				1.2	83	Panama	4.0				1.9
21	France	6.2				1.4	84	Romania	3.9				2.0
22	Barbados	6.1				1.1	85	Nigeria	3.9				1.9
23	Belgium	6.1				1.2	86	Zimbabwe	3.9				1.8
24	Costa Rica	6.0				1.2	87	Uganda	3.8				1.8
25	Slovenia	5.9				1.4	88	Albania	3.8				2.2
26	Spain	5.9				1.2	89	Morocco	3.8				1.9
27	South Africa	5.9				1.3	90	Mozambique	3.8				1.6
28	Uruguay	5.8				1.4	91	Guyana	3.7				1.9
29	Italy	5.7				1.5	92	Timor-Leste	3.7				1.8
30	United Arab Emirates	5.7				1.6	93	Honduras	3.7				1.9
31	Qatar	5.7				1.5	94	Pakistan	3.6				1.4
32	Malaysia	5.7				1.3	95	Ethiopia	3.6				1.7
33	Mauritius	5.7				1.3	96	Nepal	3.6				1.6
34	Cyprus	5.7				1.5	97	Vietnam	3.6				1.8
35	Chile	5.7				1.4	98	Argentina	3.6				1.8
36	Taiwan, China	5.6				1.4	99	Macedonia, FYR	3.5				2.0
37	Botswana	5.6				1.3	100	Georgia	3.5				1.6
38	Malta	5.5				1.5	101	Kenya	3.5				1.9
39	Jordan	5.5				1.6	102	Armenia	3.5				1.9
40	Kuwait	5.5				1.6	103	Tanzania	3.5				1.4
41	United States	5.5				1.7	104	Benin	3.4				1.4
42	India	5.5				1.5	105	Tajikistan	3.4				1.9
43	Estonia	5.5				1.7	106	Peru	3.3				2.1
44	Hungary	5.4				1.7	107	Bangladesh	3.3				1.4
45	Suriname	5.3				1.4	108	Mongolia	3.3				2.0
46	Egypt	5.3				1.8	109	Philippines	3.3				1.7
47	Jamaica	5.2				1.5	110	Azerbaijan	3.2				2.0
48	Bulgaria	5.2				1.9	111	Mauritania	3.2				1.6
49	Bahrain	5.1				1.9	112	Zambia	3.2				1.4
50	Tunisia	5.1				1.7	113	Madagascar	3.2				1.4
51	Namibia	5.1				1.5	114	Ecuador	3.2				1.9
52	Czech Republic	5.0				1.6	115	Chad	3.1				2.0
53	Greece	4.9				1.5	116	Cameroon	3.1				1.9
54	Turkey	4.8				1.7	117	Bolivia	3.1				1.9
55	Thailand	4.8				1.6	118	Venezuela	3.1				2.1
56	Colombia	4.7				1.9	119	Mali	3.0				1.6
57	Lithuania	4.7				1.9	120	Burundi	3.0				1.7
58	Malawi	4.7				1.8	121	Indonesia	2.9				0.9
59	Brazil	4.6				2.0	122	Paraguay	2.9				1.9
60	Korea, Rep.	4.6				1.8	123	Kyrgyz Republic	2.8				1.8
61	Latvia	4.6				1.9	124	Nicaragua	2.8				2.0
62	Moldova	4.5				2.2	125	Cambodia	2.5				1.5
63	Trinidad and Tobago	4.4				1.9							

1.27 Bribes for influencing laws, policies, regulations, or decrees

In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with influencing of laws, policies, regulations, or decrees to favor selected business interests (1 = common, 7 = never occur)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Iceland	6.7				0.6	64	Mozambique	4.3				1.7
2	Singapore	6.7				0.6	65	Mauritius	4.3				1.7
3	New Zealand	6.5				0.9	66	Morocco	4.3				1.9
4	Finland	6.5				0.8	67	Mexico	4.2				1.6
5	Denmark	6.4				1.0	68	Ukraine	4.2				1.8
6	Norway	6.4				0.8	69	Tanzania	4.2				1.6
7	Sweden	6.3				1.2	70	Thailand	4.2				1.5
8	Germany	6.2				0.9	71	El Salvador	4.2				2.0
9	Austria	6.1				0.9	72	Poland	4.1				1.2
10	Netherlands	6.1				1.0	73	Brazil	4.1				2.0
11	Australia	6.1				0.9	74	Czech Republic	4.0				1.7
12	Switzerland	6.0				1.2	75	Russian Federation	4.0				2.0
13	Hong Kong SAR	6.0				1.4	76	Guatemala	4.0				1.8
14	Japan	6.0				1.3	77	Serbia and Montenegro	4.0				2.2
15	United Kingdom	6.0				1.2	78	Burkina Faso	3.9				1.7
16	Luxembourg	6.0				1.4	79	Slovak Republic	3.9				1.5
17	Chile	5.8				1.3	80	Angola	3.9				1.5
18	Portugal	5.6				1.3	81	Croatia	3.9				1.6
19	Israel	5.6				1.3	82	Armenia	3.9				2.0
20	France	5.6				1.5	83	Mali	3.9				1.9
21	Slovenia	5.5				1.5	84	Peru	3.9				1.9
22	United Arab Emirates	5.5				1.7	85	Bosnia and Herzegovina	3.8				1.8
23	Tunisia	5.4				1.4	86	Benin	3.8				1.5
24	Barbados	5.4				1.4	87	Timor-Leste	3.8				1.7
25	Belgium	5.4				1.6	88	Ethiopia	3.8				1.8
26	Qatar	5.4				1.6	89	Sri Lanka	3.8				1.7
27	Canada	5.4				1.6	90	Tajikistan	3.8				1.8
28	Taiwan, China	5.4				1.5	91	Cameroon	3.8				2.0
29	Ireland	5.3				1.7	92	Zimbabwe	3.7				1.7
30	Malaysia	5.2				1.5	93	Trinidad and Tobago	3.7				1.9
31	Bahrain	5.2				1.7	94	Mongolia	3.7				1.9
32	Uruguay	5.1				1.6	95	Romania	3.7				1.9
33	South Africa	5.1				1.6	96	Vietnam	3.7				1.5
34	Bulgaria	5.1				1.9	97	Kenya	3.7				1.8
35	Spain	5.1				1.7	98	Mauritania	3.6				1.8
36	Malta	5.1				1.7	99	Uganda	3.6				1.9
37	Jordan	5.0				1.8	100	Azerbaijan	3.6				1.7
38	India	5.0				1.6	101	Georgia	3.6				1.6
39	Algeria	5.0				1.8	102	Guyana	3.6				1.9
40	Estonia	4.8				1.7	103	Panama	3.6				2.0
41	Kuwait	4.8				1.9	104	Albania	3.6				1.8
42	United States	4.8				1.7	105	Pakistan	3.6				1.4
43	Botswana	4.8				1.6	106	Madagascar	3.5				1.4
44	Egypt	4.8				1.9	107	Nepal	3.5				1.6
45	Cyprus	4.8				1.6	108	Nigeria	3.5				1.8
46	Hungary	4.8				1.6	109	Macedonia, FYR	3.5				1.9
47	Italy	4.7				2.0	110	Burundi	3.4				1.8
48	Greece	4.7				1.5	111	Argentina	3.4				1.7
49	Korea, Rep.	4.6				1.7	112	Dominican Republic	3.3				2.2
50	Lesotho	4.6				1.7	113	Chad	3.3				2.1
51	Namibia	4.6				1.6	114	Cambodia	3.2				1.5
52	Jamaica	4.5				1.6	115	Nicaragua	3.1				2.4
53	Gambia	4.5				1.6	116	Philippines	3.1				1.6
54	Moldova	4.5				2.2	117	Kyrgyz Republic	3.1				1.7
55	Lithuania	4.5				1.9	118	Venezuela	3.1				1.9
56	Costa Rica	4.4				2.0	119	Zambia	3.0				1.2
57	Colombia	4.4				1.9	120	Paraguay	2.9				1.7
58	Latvia	4.4				1.9	121	Ecuador	2.9				1.7
59	Turkey	4.4				1.7	122	Indonesia	2.9				0.9
60	Malawi	4.4				1.6	123	Bangladesh	2.9				1.4
61	China	4.3				1.9	124	Bolivia	2.9				2.1
62	Kazakhstan	4.3				1.7	125	Honduras	2.8				1.9
63	Suriname	4.3				1.7							

1.28 Business costs of corruption

Do other firms' illegal payments to influence government policies, laws, or regulations impose costs or otherwise negatively affect your firm? (1 = yes, they have a significant negative impact, 7 = no, they have no impact)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Iceland	6.9				0.4	64	Peru	4.3				1.8
2	New Zealand.....	6.8				0.4	65	Mongolia.....	4.3				2.0
3	Finland	6.8				0.5	66	Colombia.....	4.2				1.9
4	Austria	6.7				0.7	67	Trinidad and Tobago	4.2				2.0
5	Denmark	6.6				0.8	68	Mauritius.....	4.2				1.9
6	Norway	6.6				0.8	69	Lesotho.....	4.1				1.8
7	Singapore.....	6.6				0.9	70	Korea, Rep.....	4.1				1.6
8	Germany	6.6				0.8	71	Dominican Republic.....	4.1				1.7
9	Sweden	6.5				0.9	72	Panama.....	4.1				1.9
10	Switzerland.....	6.5				1.0	73	Tanzania	4.1				1.7
11	United Kingdom.....	6.5				1.0	74	Suriname	4.1				2.0
12	Australia	6.3				1.0	75	Namibia.....	4.1				1.8
13	Netherlands	6.3				0.9	76	Malawi	4.0				1.6
14	Luxembourg	6.3				1.1	77	Pakistan	4.0				1.5
15	Hong Kong SAR.....	6.2				1.2	78	Zimbabwe.....	4.0				1.4
16	Israel	6.2				0.9	79	Argentina	3.9				1.8
17	Canada	6.1				1.3	80	Ethiopia.....	3.9				1.7
18	France	6.1				1.3	81	Philippines	3.9				1.7
19	Portugal	5.9				1.2	82	Angola.....	3.9				1.9
20	Ireland.....	5.9				1.7	83	Guyana.....	3.9				2.0
21	Chile.....	5.8				1.4	84	Nicaragua.....	3.9				1.8
22	Japan	5.8				1.6	85	Honduras	3.8				1.9
23	Barbados.....	5.8				1.4	86	Azerbaijan	3.8				1.7
24	Slovenia	5.8				1.4	87	China.....	3.8				1.8
25	Belgium	5.7				1.5	88	Bolivia	3.8				1.9
26	United Arab Emirates	5.7				1.5	89	Algeria.....	3.7				2.0
27	Estonia.....	5.7				1.5	90	Bosnia and Herzegovina.....	3.7				1.9
28	Spain.....	5.6				1.8	91	Brazil	3.7				1.9
29	Uruguay	5.5				1.6	92	Bulgaria.....	3.6				1.8
30	Indonesia	5.3				1.2	93	Morocco	3.6				1.6
31	Qatar	5.3				1.7	93	Timor-Leste.....	3.6				1.7
32	United States.....	5.3				1.6	95	Sri Lanka	3.6				1.8
33	South Africa.....	5.2				1.6	96	Tajikistan	3.6				1.7
34	Malaysia.....	5.2				1.5	97	Kazakhstan.....	3.6				1.6
35	Cyprus	5.2				1.4	98	Vietnam.....	3.6				1.5
36	Malta.....	5.2				1.6	99	Mozambique.....	3.6				1.6
37	Costa Rica.....	5.1				1.7	100	Ecuador.....	3.6				1.8
38	Taiwan, China.....	5.1				1.4	101	Georgia	3.5				1.7
39	Tunisia.....	5.1				1.8	102	Nepal	3.5				1.6
40	Jordan.....	5.1				1.7	103	Macedonia, FYR	3.5				1.9
41	Latvia	5.1				1.8	104	Venezuela	3.5				2.0
42	India	5.1				1.8	105	Romania.....	3.4				1.9
43	Czech Republic.....	5.1				1.7	106	Kenya.....	3.4				1.7
44	Slovak Republic	5.1				1.6	107	Ukraine	3.3				1.5
45	Bahrain.....	4.9				1.8	108	Moldova.....	3.3				1.8
46	Thailand	4.9				1.5	109	Paraguay.....	3.2				1.9
47	Italy.....	4.8				1.7	110	Nigeria.....	3.2				1.7
48	Greece	4.7				1.8	111	Russian Federation.....	3.1				1.6
49	Botswana.....	4.7				1.9	112	Uganda	3.1				1.7
50	Jamaica.....	4.6				1.7	113	Burkina Faso	3.1				1.8
51	Kuwait.....	4.6				1.9	114	Albania	3.1				1.8
52	Lithuania	4.6				1.7	115	Cambodia.....	3.0				1.4
53	Croatia	4.6				1.7	116	Mali.....	3.0				1.8
54	El Salvador.....	4.5				1.9	117	Benin	2.9				1.6
55	Gambia	4.5				1.7	118	Madagascar	2.9				1.5
56	Poland.....	4.5				1.2	119	Burundi	2.8				1.8
57	Mexico.....	4.5				2.0	120	Bangladesh.....	2.8				1.5
58	Hungary	4.4				1.9	121	Cameroon.....	2.7				1.6
59	Egypt	4.4				2.0	122	Kyrgyz Republic	2.7				1.6
60	Serbia and Montenegro.....	4.4				2.0	123	Zambia	2.5				1.1
61	Guatemala	4.4				1.8	124	Chad	2.5				1.6
62	Turkey	4.3				2.1	125	Mauritania.....	2.5				1.8
63	Armenia	4.3				2.0							

1.29 Impact of nepotism

How much influence do you think individuals or firms with close personal ties to political leaders had on recently enacted laws and regulations that have had a substantial impact on your business? (1 = enormous influence, 7 = no influence)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD
1	Finland	6.4				0.8	64	Spain	4.2				2.0
2	Iceland	6.1				1.2	65	Armenia	4.2				2.0
3	Singapore	5.9				1.4	66	Czech Republic	4.2				1.6
4	New Zealand	5.9				1.4	67	Colombia	4.2				1.9
5	Austria	5.9				1.2	68	Namibia	4.2				1.7
6	Norway	5.9				1.2	69	Malawi	4.1				1.8
7	Germany	5.8				1.2	70	China	4.1				1.5
8	Switzerland	5.8				1.4	71	Burkina Faso	4.1				1.6
9	Japan	5.8				1.4	72	Suriname	4.0				1.8
10	Denmark	5.7				1.2	73	Azerbaijan	4.0				1.9
11	Sweden	5.7				1.4	74	Ethiopia	4.0				1.9
12	Netherlands	5.6				1.2	75	Guyana	4.0				1.8
13	Hong Kong SAR	5.6				1.5	76	Mexico	4.0				1.8
14	Israel	5.5				1.2	77	Peru	4.0				1.8
15	Barbados	5.5				1.4	78	Mongolia	4.0				2.0
16	Tunisia	5.5				1.5	79	Morocco	4.0				1.6
17	United Kingdom	5.4				1.5	80	Russian Federation	3.9				1.8
18	Australia	5.3				1.5	81	El Salvador	3.9				1.9
19	Portugal	5.3				1.3	82	Panama	3.9				1.7
20	Indonesia	5.2				1.3	83	Serbia and Montenegro	3.9				1.8
21	Malaysia	5.2				1.5	84	Mozambique	3.8				1.7
22	Chile	5.2				1.4	85	Italy	3.8				1.9
23	Luxembourg	5.2				1.5	86	Tajikistan	3.8				1.9
24	France	5.2				1.8	87	Brazil	3.7				1.8
25	United Arab Emirates	5.1				1.7	88	Trinidad and Tobago	3.7				1.9
26	Ireland	5.0				1.9	89	Moldova	3.7				1.9
27	India	5.0				1.6	90	Dominican Republic	3.7				1.8
28	Canada	5.0				1.8	90	Vietnam	3.7				1.5
29	Slovak Republic	4.9				1.6	92	Albania	3.7				2.0
30	Malta	4.9				1.7	93	Mali	3.7				1.2
31	Taiwan, China	4.9				1.3	94	Ukraine	3.7				1.7
32	Qatar	4.9				1.6	95	Pakistan	3.7				1.5
33	Belgium	4.9				1.5	96	Philippines	3.6				1.5
34	Algeria	4.9				1.8	97	Nigeria	3.6				1.9
35	Estonia	4.8				1.7	98	Georgia	3.6				1.7
36	Latvia	4.8				1.9	99	Bosnia and Herzegovina	3.6				1.9
37	Mauritius	4.8				1.8	100	Argentina	3.6				1.7
38	Turkey	4.8				1.7	101	Benin	3.5				1.4
39	Slovenia	4.7				1.6	102	Macedonia, FYR	3.5				1.8
40	Greece	4.7				1.7	103	Kenya	3.5				1.7
41	Cyprus	4.7				1.5	104	Mauritania	3.5				1.9
42	Egypt	4.7				1.9	105	Cameroon	3.5				1.6
43	Bahrain	4.7				1.9	106	Honduras	3.5				1.9
44	Uruguay	4.7				1.8	107	Ecuador	3.4				1.7
45	Costa Rica	4.6				1.8	108	Romania	3.4				1.9
46	Gambia	4.5				1.8	109	Nepal	3.4				1.6
47	Tanzania	4.5				1.4	110	Kyrgyz Republic	3.4				1.7
48	South Africa	4.5				1.7	111	Zimbabwe	3.4				1.3
49	Botswana	4.5				1.7	112	Burundi	3.4				1.7
50	Jamaica	4.5				1.6	113	Bolivia	3.4				1.8
51	Thailand	4.5				1.6	114	Angola	3.3				1.9
52	Lithuania	4.5				1.7	114	Nicaragua	3.3				1.5
53	Kazakhstan	4.4				1.6	116	Bangladesh	3.3				1.6
54	Poland	4.4				1.2	116	Uganda	3.3				1.6
55	Lesotho	4.4				1.8	118	Paraguay	3.2				1.9
56	Guatemala	4.4				1.6	119	Madagascar	3.1				1.5
57	Sri Lanka	4.4				1.8	120	Chad	3.1				1.7
58	Kuwait	4.3				1.8	121	Bulgaria	3.1				1.6
59	Korea, Rep.	4.3				1.6	122	Cambodia	3.0				1.6
60	Jordan	4.3				1.8	123	Venezuela	3.0				1.8
61	Hungary	4.3				1.8	124	Timor-Leste	2.9				1.7
62	Croatia	4.3				1.7	125	Zambia	2.7				1.2
63	United States	4.2				1.8							

Section II

Infrastructure

2.01 Overall infrastructure quality

General infrastructure in your country is (1 = underdeveloped, 7 = as extensive and efficient as the world's best)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Switzerland	6.7				0.6	64	Turkey	3.5				1.1
2	Singapore	6.6				0.5	65	China	3.4				1.4
3	Germany	6.6				0.6	66	Kazakhstan	3.4				1.2
4	France	6.5				0.7	67	Pakistan	3.4				1.3
5	Hong Kong SAR	6.4				1.0	68	Argentina	3.4				1.1
6	Denmark	6.4				0.7	69	India	3.3				1.3
7	Finland	6.3				0.9	70	Ukraine	3.2				1.3
8	Japan	6.3				1.1	71	Algeria	3.1				1.2
9	Austria	6.2				0.9	72	Poland	3.1				1.0
10	Iceland	6.2				0.7	73	Gambia	3.0				1.3
11	United States	6.1				1.2	74	Sri Lanka	3.0				1.3
12	Netherlands	6.0				0.9	75	Tanzania	2.9				1.3
13	Belgium	6.0				0.9	76	Zimbabwe	2.9				1.3
14	United Arab Emirates	5.9				1.1	77	Honduras	2.9				1.2
15	Sweden	5.9				0.9	78	Armenia	2.9				1.3
16	Luxembourg	5.9				1.0	79	Brazil	2.9				1.3
17	Canada	5.9				0.9	80	Macedonia, FYR	2.8				1.3
18	United Kingdom	5.8				1.1	80	Tajikistan	2.8				1.2
19	Malaysia	5.7				0.9	82	Colombia	2.8				1.1
20	Norway	5.5				1.0	83	Uganda	2.8				1.4
21	Australia	5.4				1.0	84	Ecuador	2.8				0.9
22	Taiwan, China	5.4				1.1	85	Russian Federation	2.7				1.2
23	Israel	5.3				0.9	86	Georgia	2.7				1.0
24	Barbados	5.2				0.9	87	Cambodia	2.7				1.3
25	Spain	5.2				0.9	88	Philippines	2.7				1.1
26	Cyprus	5.1				1.0	89	Bulgaria	2.6				1.3
27	Portugal	5.1				0.9	90	Mali	2.6				1.2
28	Chile	5.1				0.7	91	Vietnam	2.6				1.0
29	Korea, Rep.	5.1				1.1	92	Nigeria	2.6				1.6
30	Thailand	5.0				0.7	93	Peru	2.6				0.8
31	Bahrain	4.9				1.3	94	Nicaragua	2.5				1.0
32	Kuwait	4.9				1.4	95	Suriname	2.5				1.2
33	Namibia	4.8				1.0	96	Indonesia	2.5				0.7
34	New Zealand	4.8				1.3	97	Venezuela	2.5				1.0
35	Estonia	4.8				1.4	98	Costa Rica	2.5				1.1
36	Tunisia	4.7				1.2	99	Moldova	2.4				1.2
37	Czech Republic	4.7				1.1	100	Bosnia and Herzegovina	2.4				1.2
38	El Salvador	4.7				1.0	101	Romania	2.4				1.1
39	Jordan	4.6				1.1	102	Kyrgyz Republic	2.3				1.1
40	Slovenia	4.6				1.3	103	Bangladesh	2.3				1.1
41	South Africa	4.6				1.1	104	Mozambique	2.3				0.9
42	Greece	4.6				1.1	105	Malawi	2.3				1.0
43	Mauritius	4.5				0.9	106	Kenya	2.3				1.1
44	Qatar	4.4				1.5	107	Serbia and Montenegro	2.2				1.1
45	Malta	4.4				1.1	108	Benin	2.2				1.2
46	Lithuania	4.3				1.1	109	Guyana	2.2				1.0
47	Hungary	4.3				1.1	110	Madagascar	2.2				1.1
48	Panama	4.3				1.5	111	Ethiopia	2.2				1.1
49	Ireland	4.2				1.4	112	Lesotho	2.2				1.1
50	Croatia	4.1				1.4	113	Mongolia	2.1				1.1
51	Latvia	4.1				1.3	114	Burkina Faso	2.1				0.8
52	Botswana	4.0				1.2	115	Bolivia	2.1				0.9
53	Slovak Republic	4.0				1.0	116	Albania	2.0				0.9
54	Jamaica	3.9				1.2	117	Burundi	2.0				1.2
55	Uruguay	3.8				1.2	118	Angola	1.9				0.6
56	Egypt	3.8				1.5	119	Nepal	1.9				1.0
57	Azerbaijan	3.8				1.4	120	Paraguay	1.9				0.9
58	Guatemala	3.7				1.1	121	Zambia	1.9				0.8
59	Morocco	3.7				1.6	122	Cameroon	1.8				0.9
60	Mexico	3.6				1.1	123	Mauritania	1.7				1.0
61	Dominican Republic	3.6				1.3	124	Timor-Leste	1.6				0.9
62	Italy	3.6				1.5	125	Chad	1.5				0.8
63	Trinidad and Tobago	3.5				1.6							

2.02 Railroad infrastructure development

Railroads in your country are (1 = underdeveloped, 7 = as extensive and efficient as the world's best)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.9	7	SD
1	Switzerland	6.8				0.7	64	Indonesia	2.4				0.7
2	Japan	6.6				0.9	65	Mexico	2.4				1.1
3	France	6.5				0.8	66	Argentina	2.3				1.2
4	Germany	6.4				0.7	67	Turkey	2.3				1.1
5	Hong Kong SAR	6.3				1.1	68	Bangladesh	2.3				1.0
6	Netherlands	5.9				1.0	69	Macedonia, FYR	2.2				1.0
7	Belgium	5.7				1.2	70	Vietnam	2.2				1.1
8	Denmark	5.7				1.0	71	Malta	2.2				1.5
9	Singapore	5.7				1.3	72	Algeria	2.0				0.9
10	Finland	5.6				1.0	73	United Arab Emirates	2.0				1.8
11	Sweden	5.5				0.9	74	Kyrgyz Republic	2.0				1.1
12	Taiwan, China	5.4				0.9	75	Jordan	2.0				1.2
13	Korea, Rep.	5.2				1.0	76	Armenia	2.0				1.1
14	Canada	5.2				1.3	77	Burkina Faso	2.0				1.3
15	United States	5.1				1.5	78	Kenya	1.9				1.2
16	Austria	5.0				1.3	79	Kuwait	1.9				1.5
17	Malaysia	5.0				1.3	80	Mauritania	1.8				1.2
18	Spain	5.0				1.0	81	Brazil	1.8				1.1
19	Luxembourg	4.9				1.7	82	Nigeria	1.8				1.2
20	United Kingdom	4.8				1.3	83	Malawi	1.8				0.9
21	India	4.7				1.3	84	Mozambique	1.8				0.9
22	Australia	4.6				1.2	85	Peru	1.7				0.7
23	Slovak Republic	4.5				1.1	86	Philippines	1.7				1.1
24	Norway	4.4				1.2	87	Cameroon	1.7				0.8
25	Tunisia	4.4				1.3	88	Mauritius	1.6				1.2
26	Portugal	4.2				1.1	89	Mali	1.6				1.0
27	Czech Republic	4.1				1.4	90	Bosnia and Herzegovina	1.6				0.7
28	Lithuania	4.0				1.3	91	Serbia and Montenegro	1.6				0.8
29	Latvia	4.0				1.5	92	Bahrain	1.6				1.2
30	Russian Federation	3.9				1.6	93	Zambia	1.6				0.7
31	Israel	3.8				1.3	94	Bolivia	1.6				0.8
32	Ukraine	3.8				1.4	95	Uruguay	1.6				0.6
33	China	3.8				1.4	96	Barbados	1.5				1.2
34	Azerbaijan	3.8				1.4	97	Cambodia	1.5				0.8
35	Namibia	3.7				1.5	98	Angola	1.5				0.7
36	Estonia	3.7				1.4	98	Iceland	1.5				1.2
37	New Zealand	3.7				1.4	100	Suriname	1.5				1.3
38	Poland	3.7				1.1	101	Timor-Leste	1.5				1.0
39	Pakistan	3.6				1.2	102	Uganda	1.5				0.7
40	Thailand	3.6				1.1	103	Madagascar	1.5				0.8
41	Slovenia	3.6				1.4	104	Lesotho	1.4				1.0
42	Hungary	3.6				1.1	105	Guyana	1.4				1.0
43	South Africa	3.5				1.3	106	Costa Rica	1.4				0.9
44	Greece	3.4				1.2	107	Chad	1.4				1.0
45	Bulgaria	3.3				1.5	108	Colombia	1.4				0.6
46	Kazakhstan	3.3				1.4	109	Venezuela	1.4				0.8
47	Egypt	3.3				1.6	110	Jamaica	1.3				0.9
48	Botswana	3.3				1.2	111	Ethiopia	1.3				0.6
49	Italy	3.2				1.6	112	Benin	1.3				0.7
50	Morocco	3.1				1.6	113	Guatemala	1.3				0.6
51	Croatia	3.0				1.3	114	Gambia	1.3				1.2
52	Georgia	3.0				1.2	115	El Salvador	1.3				0.8
53	Ireland	2.9				1.3	116	Albania	1.2				0.6
54	Romania	2.9				1.4	117	Dominican Republic	1.2				0.8
55	Tajikistan	2.8				1.6	118	Burundi	1.2				0.8
56	Tanzania	2.8				1.5	119	Trinidad and Tobago	1.2				0.7
57	Zimbabwe	2.7				1.3	120	Nepal	1.2				0.6
58	Chile	2.7				1.3	121	Ecuador	1.1				0.5
59	Moldova	2.6				1.2	122	Honduras	1.1				0.4
60	Qatar	2.6				2.2	123	Nicaragua	1.1				0.6
61	Sri Lanka	2.5				1.5	124	Paraguay	1.0				0.3
62	Panama	2.5				1.5	125	Cyprus	1.0				n/a
63	Mongolia	2.5				1.2							

2.03 Quality of port infrastructure

Port facilities and inland waterways in your country are (1 = underdeveloped, 7 = as developed as the world's best)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Singapore.....	6.9				0.4	64	Mexico.....	3.4				1.2
2	Netherlands.....	6.7				0.6	65	Russian Federation.....	3.4				1.4
3	Hong Kong SAR.....	6.6				0.8	66	Ukraine.....	3.4				1.3
4	Germany.....	6.6				0.6	67	Czech Republic.....	3.4				1.2
5	Belgium.....	6.4				0.9	68	Tanzania.....	3.4				1.6
6	Denmark.....	6.3				0.8	69	Cambodia.....	3.3				1.4
7	Finland.....	6.2				0.7	70	Georgia.....	3.3				1.3
8	Japan.....	6.0				0.8	71	Bulgaria.....	3.3				1.5
9	United Arab Emirates.....	6.0				1.3	72	Croatia.....	3.3				1.3
10	France.....	6.0				1.2	73	Slovak Republic.....	3.3				1.3
11	Iceland.....	5.8				1.0	74	Kenya.....	3.2				1.4
12	Sweden.....	5.8				0.9	75	Romania.....	3.1				1.3
13	Malaysia.....	5.8				0.9	76	Turkey.....	3.1				1.3
14	Panama.....	5.7				1.4	77	Italy.....	3.1				1.6
15	United States.....	5.7				1.3	78	Algeria.....	3.1				1.3
16	Canada.....	5.6				1.0	79	Trinidad and Tobago.....	3.1				1.6
17	Norway.....	5.6				0.9	80	Hungary.....	3.0				1.2
18	New Zealand.....	5.5				1.2	81	Zimbabwe.....	3.0				1.5
19	United Kingdom.....	5.4				1.1	82	Colombia.....	2.9				1.3
20	Taiwan, China.....	5.4				1.0	83	Nigeria.....	2.8				1.5
21	Switzerland.....	5.4				1.4	84	Ecuador.....	2.8				1.0
22	Barbados.....	5.4				1.1	85	Venezuela.....	2.7				1.2
23	Spain.....	5.3				1.0	86	Botswana.....	2.7				1.4
24	Jamaica.....	5.3				1.3	87	Philippines.....	2.7				1.3
25	Estonia.....	5.3				1.1	88	Brazil.....	2.7				1.4
26	Bahrain.....	5.3				1.1	89	Vietnam.....	2.7				1.0
27	Korea, Rep.....	5.2				1.0	90	Kazakhstan.....	2.6				1.2
28	Australia.....	5.1				1.1	91	Mozambique.....	2.6				1.2
29	Namibia.....	5.0				1.1	92	Guyana.....	2.5				1.3
30	Israel.....	4.9				1.4	93	Suriname.....	2.5				1.0
31	Chile.....	4.9				1.1	94	Paraguay.....	2.5				1.3
32	Cyprus.....	4.8				1.3	95	Benin.....	2.5				1.2
32	Mauritius.....	4.8				0.9	96	Angola.....	2.5				1.1
34	Tunisia.....	4.8				1.1	97	Indonesia.....	2.4				0.8
35	Malta.....	4.7				1.2	98	Bangladesh.....	2.4				1.2
36	Portugal.....	4.7				1.2	99	Mauritania.....	2.4				1.4
37	Thailand.....	4.7				1.1	100	Nicaragua.....	2.3				1.3
38	Austria.....	4.6				1.3	101	Madagascar.....	2.3				1.1
39	Latvia.....	4.6				1.5	102	Costa Rica.....	2.3				1.0
40	Luxembourg.....	4.6				1.3	103	Cameroon.....	2.2				1.1
41	Greece.....	4.6				1.2	104	Serbia and Montenegro.....	2.2				1.1
42	Qatar.....	4.5				1.5	105	Peru.....	2.2				0.9
43	South Africa.....	4.4				1.2	106	Albania.....	2.0				1.1
44	Slovenia.....	4.4				1.6	107	Burundi.....	1.9				1.3
45	Honduras.....	4.3				1.6	108	Timor-Leste.....	1.9				1.0
46	Uruguay.....	4.3				1.4	109	Lesotho.....	1.9				1.5
47	Kuwait.....	4.2				1.5	110	Uganda.....	1.9				1.0
48	Ireland.....	4.2				1.4	111	Zambia.....	1.9				0.9
49	Jordan.....	4.0				1.3	112	Burkina Faso.....	1.8				1.5
50	Lithuania.....	4.0				1.3	113	Macedonia, FYR.....	1.8				1.2
51	Gambia.....	3.9				1.6	114	Malawi.....	1.7				0.9
52	Pakistan.....	3.8				1.3	115	Mongolia.....	1.6				0.9
53	Morocco.....	3.8				1.6	116	Tajikistan.....	1.6				0.9
54	Dominican Republic.....	3.7				1.5	117	Bosnia and Herzegovina.....	1.5				0.9
55	China.....	3.7				1.3	118	Kyrgyz Republic.....	1.5				1.0
56	Sri Lanka.....	3.7				1.7	119	Moldova.....	1.5				1.1
57	El Salvador.....	3.6				1.6	120	Chad.....	1.4				1.0
58	Azerbaijan.....	3.6				1.5	121	Ethiopia.....	1.4				0.8
59	Guatemala.....	3.5				1.4	122	Mali.....	1.4				0.7
60	Poland.....	3.5				1.2	123	Nepal.....	1.3				0.8
61	Egypt.....	3.5				1.6	124	Bolivia.....	1.3				0.7
61	India.....	3.5				1.4	125	Armenia.....	1.1				0.5
63	Argentina.....	3.4				1.3							

2.04 Quality of air transport infrastructure

Passenger air transport in your country is (1 = infrequent, limited, and inefficient, 7 = as frequent, extensive, and efficient as the world's best)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Singapore.....	6.9				0.3	64	Ethiopia.....	4.5				1.6
2	Germany.....	6.7				0.5	65	Morocco.....	4.5				1.6
3	Hong Kong SAR.....	6.7				0.9	66	Guatemala.....	4.4				1.3
4	Netherlands.....	6.6				0.7	67	Italy.....	4.4				1.5
5	France.....	6.5				0.7	68	Costa Rica.....	4.3				1.2
6	United Kingdom.....	6.5				0.7	69	Russian Federation.....	4.3				1.5
7	United Arab Emirates.....	6.5				0.9	70	Croatia.....	4.2				1.4
8	Japan.....	6.4				0.7	71	Ecuador.....	4.2				1.0
9	Denmark.....	6.3				0.8	72	Kazakhstan.....	4.1				1.6
10	Finland.....	6.3				0.9	73	Indonesia.....	4.1				0.8
11	United States.....	6.2				1.1	74	Moldova.....	4.1				1.4
12	Barbados.....	6.0				0.7	75	Sri Lanka.....	4.1				1.6
13	Iceland.....	6.0				0.8	76	Philippines.....	4.0				1.4
14	Switzerland.....	6.0				1.0	77	Honduras.....	4.0				1.4
15	Australia.....	6.0				0.8	78	Gambia.....	3.9				1.5
16	Malaysia.....	6.0				0.8	79	Venezuela.....	3.9				1.2
17	Canada.....	6.0				1.1	80	Cambodia.....	3.9				1.4
18	Belgium.....	6.0				1.1	81	Nicaragua.....	3.8				1.4
19	Norway.....	5.9				0.9	82	Vietnam.....	3.8				1.3
20	Taiwan, China.....	5.8				0.9	83	Slovak Republic.....	3.8				1.3
21	Sweden.....	5.8				0.9	84	Argentina.....	3.8				1.2
22	South Africa.....	5.8				0.9	85	Armenia.....	3.8				1.4
23	Spain.....	5.7				0.9	86	Poland.....	3.8				1.0
24	Portugal.....	5.7				1.1	87	Botswana.....	3.8				1.4
25	El Salvador.....	5.7				0.9	88	Tanzania.....	3.7				1.4
26	Israel.....	5.7				1.4	89	China.....	3.7				1.4
27	Austria.....	5.7				1.2	90	Romania.....	3.6				1.4
28	New Zealand.....	5.7				1.0	91	Algeria.....	3.5				1.3
29	Chile.....	5.6				0.9	92	Bulgaria.....	3.5				1.4
30	Ireland.....	5.6				1.1	93	Mozambique.....	3.5				1.1
31	Thailand.....	5.5				1.0	94	Nigeria.....	3.5				1.9
32	Korea, Rep.....	5.5				0.9	95	Georgia.....	3.4				1.3
33	Jamaica.....	5.5				1.2	96	Uganda.....	3.3				1.6
34	Dominican Republic.....	5.5				1.0	97	Peru.....	3.3				1.2
35	Qatar.....	5.4				1.4	98	Nepal.....	3.3				1.4
36	Greece.....	5.4				1.0	99	Angola.....	3.3				1.4
37	Bahrain.....	5.4				1.3	100	Madagascar.....	3.2				1.4
38	Luxembourg.....	5.3				1.1	101	Uruguay.....	3.2				1.4
38	Mauritius.....	5.3				0.8	102	Serbia and Montenegro.....	3.2				1.4
40	Malta.....	5.3				0.9	103	Albania.....	3.1				1.4
41	Latvia.....	5.2				1.3	104	Kyrgyz Republic.....	3.1				1.6
42	Panama.....	5.2				1.4	105	Guyana.....	3.0				1.3
43	Azerbaijan.....	5.1				1.4	106	Ukraine.....	3.0				1.4
44	Estonia.....	5.1				1.2	107	Paraguay.....	3.0				1.3
45	Czech Republic.....	5.1				1.2	108	Bolivia.....	2.9				1.2
46	India.....	5.1				1.1	109	Macedonia, FYR.....	2.9				1.2
47	Kuwait.....	5.0				1.4	110	Tajikistan.....	2.9				1.8
48	Jordan.....	5.0				1.3	111	Burkina Faso.....	2.9				1.5
49	Tunisia.....	5.0				1.0	112	Mongolia.....	2.8				1.3
50	Kenya.....	5.0				1.4	113	Malawi.....	2.8				1.2
51	Namibia.....	4.9				1.2	114	Mali.....	2.7				1.4
52	Cyprus.....	4.9				1.4	115	Zimbabwe.....	2.6				1.3
53	Colombia.....	4.9				1.1	116	Benin.....	2.6				1.4
54	Turkey.....	4.7				1.3	117	Bosnia and Herzegovina.....	2.5				1.4
55	Mexico.....	4.7				1.2	118	Mauritania.....	2.5				1.5
56	Egypt.....	4.7				1.5	119	Suriname.....	2.5				1.2
57	Brazil.....	4.6				1.3	120	Bangladesh.....	2.5				1.4
58	Zambia.....	4.6				1.7	121	Burundi.....	2.4				1.4
59	Pakistan.....	4.6				1.2	122	Cameroon.....	2.2				1.3
60	Slovenia.....	4.6				1.2	123	Lesotho.....	2.2				1.4
61	Trinidad and Tobago.....	4.6				1.3	124	Timor-Leste.....	2.1				1.2
62	Lithuania.....	4.5				1.2	125	Chad.....	2.1				1.2
63	Hungary.....	4.5				1.4							

2.05 Quality of electricity supply

The quality of electricity supply in your country (lack of interruptions and lack of voltage fluctuations) is (1 = worse than in most other countries, 7 = meets the highest standards in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Iceland	6.9				0.3	64	Jamaica.....	4.4				1.1
2	Denmark	6.9				0.3	65	Poland.....	4.4				1.3
3	Japan	6.9				0.7	66	Kazakhstan.....	4.3				1.3
4	Germany	6.9				0.3	67	Macedonia, FYR	4.3				1.6
5	France	6.8				0.4	68	Venezuela	4.2				1.3
6	Switzerland.....	6.8				0.5	69	Algeria.....	4.2				1.6
7	Netherlands.....	6.7				0.5	70	Bosnia and Herzegovina.....	4.1				1.7
8	Hong Kong SAR.....	6.7				0.8	71	Turkey	4.1				1.3
9	United Kingdom.....	6.7				0.7	72	South Africa	4.1				1.3
10	Finland	6.6				0.7	73	Mexico.....	4.1				1.5
11	Singapore.....	6.6				0.6	74	Armenia	4.1				1.6
12	Belgium	6.6				0.7	75	Bulgaria.....	4.0				1.6
13	United Arab Emirates	6.6				0.6	76	Philippines	4.0				1.3
14	Austria	6.6				1.0	77	Argentina	4.0				1.2
15	Norway	6.6				0.6	78	Bolivia	3.9				1.5
16	Sweden	6.5				0.9	79	China.....	3.9				1.4
17	Israel	6.4				0.7	80	Azerbaijan	3.9				1.5
18	Canada.....	6.4				0.7	81	Romania.....	3.8				1.4
19	Kuwait.....	6.3				0.9	82	Russian Federation	3.8				1.7
20	United States.....	6.3				1.1	83	Sri Lanka	3.7				1.5
21	Slovak Republic	6.2				0.9	84	Ethiopia.....	3.6				1.4
22	Barbados.....	6.1				0.7	85	Serbia and Montenegro.....	3.6				1.7
23	Czech Republic.....	6.1				0.8	86	Ukraine	3.6				1.6
24	Korea, Rep.....	6.1				1.0	87	Pakistan	3.5				1.4
25	Ireland.....	6.1				0.9	88	Vietnam.....	3.5				1.6
26	Luxembourg	6.1				1.2	89	Moldova.....	3.5				1.4
27	Cyprus.....	6.1				0.9	90	Indonesia	3.5				0.6
28	Australia.....	6.0				0.8	91	Honduras	3.4				1.5
29	Spain.....	6.0				1.0	92	Mozambique.....	3.4				1.2
30	Taiwan, China.....	5.9				0.7	93	Kyrgyz Republic	3.4				1.8
31	Slovenia	5.9				1.2	94	Mali.....	3.3				1.8
32	Portugal	5.8				1.0	95	Lesotho.....	3.2				1.5
33	Malaysia.....	5.8				1.0	96	Paraguay.....	3.1				1.5
34	Jordan.....	5.6				1.0	97	India.....	3.1				1.4
35	Chile.....	5.6				1.0	98	Kenya.....	3.1				1.2
36	Mauritius.....	5.6				0.8	99	Ecuador.....	3.1				1.4
37	Estonia.....	5.6				1.1	100	Burkina Faso	3.1				1.5
38	Tunisia.....	5.5				1.1	101	Mongolia.....	3.0				1.5
39	Thailand	5.5				0.9	102	Nicaragua.....	3.0				1.3
40	Zambia.....	5.5				1.7	103	Mauritania.....	3.0				1.5
41	Bahrain.....	5.4				1.2	104	Georgia	2.8				1.1
42	Uruguay	5.4				1.2	105	Benin	2.8				1.5
43	Qatar.....	5.4				1.7	106	Suriname	2.7				1.0
44	Costa Rica.....	5.4				1.2	107	Malawi	2.7				1.3
45	Italy	5.3				1.5	108	Cameroon.....	2.7				1.3
46	Hungary	5.3				1.3	109	Guyana.....	2.5				1.2
47	Lithuania.....	5.2				1.2	110	Cambodia.....	2.4				1.3
48	New Zealand.....	5.2				1.7	111	Gambia	2.4				1.3
49	El Salvador.....	5.1				0.9	112	Angola.....	2.2				1.1
50	Croatia	5.1				1.4	113	Zimbabwe.....	2.2				1.0
51	Greece	5.1				1.4	114	Nepal	2.2				1.3
52	Morocco	5.0				1.5	115	Tanzania.....	2.1				1.1
53	Egypt	5.0				1.3	116	Madagascar	2.0				1.0
54	Namibia.....	5.0				1.0	117	Timor-Leste.....	1.9				1.1
55	Latvia	5.0				1.6	118	Tajikistan	1.8				1.0
56	Brazil	5.0				1.4	119	Nigeria	1.8				1.1
57	Panama.....	5.0				1.2	120	Burundi	1.8				0.9
58	Botswana.....	4.9				1.3	121	Bangladesh.....	1.6				0.9
59	Malta.....	4.8				1.1	122	Albania	1.5				0.9
60	Peru	4.8				1.2	123	Uganda	1.5				0.8
61	Colombia.....	4.7				1.2	124	Dominican Republic.....	1.4				1.0
62	Guatemala	4.6				1.3	125	Chad	1.2				0.6
63	Trinidad and Tobago.....	4.5				1.4							

2.06 Telephone lines (hard data)

Main telephone lines per 100 inhabitants, 2004

RANK	COUNTRY/ECONOMY	HARD DATA		RANK	COUNTRY/ECONOMY	HARD DATA	
1	Luxembourg	79.8		64	Mexico	17.2	
2	Sweden	71.5		65	Colombia	17.1	
3	Switzerland	71.0		66	Kazakhstan	16.2	
4	Germany	66.2		67	Armenia	15.3	
5	Iceland	65.0		68	Jamaica	14.6	
6	Denmark	64.5		69	Egypt	13.5	
7	Canada	64.3		70	Georgia	13.5	
8	United States	60.6		71	El Salvador	13.4	
9	Taiwan, China	59.6		72	Guyana	13.4	
10	Australia	58.6		73	Venezuela	12.8	
11	Greece	57.8		74	Azerbaijan	12.3	
12	United Kingdom	56.4		74	Vietnam	12.3	
13	France	56.0		76	Ecuador	12.2	
14	Korea, Rep.	55.3		77	Tunisia	12.1	
15	Hong Kong SAR	54.4		78	Panama	11.9	
16	Cyprus	51.8		79	Jordan	11.0	
17	Malta	51.6		80	Thailand	11.0	
18	Barbados	50.1		81	Dominican Republic	10.7	
19	Ireland	49.8		82	South Africa	10.4	
20	Netherlands	48.4		83	Guatemala	8.9	
21	Norway	47.2		84	Albania	8.3	
22	Japan	46.6		85	Kyrgyz Republic	8.2	
23	Austria	46.2		86	Botswana	8.0	
24	New Zealand	46.1		87	Peru	7.4	
25	Belgium	46.0		88	Algeria	7.1	
26	Finland	45.4		89	Bolivia	7.0	
27	Italy	44.8		90	Namibia	6.4	
28	Israel	43.7		91	Mongolia	5.6	
29	Singapore	43.2		92	Honduras	5.6	
30	Croatia	42.7		93	Sri Lanka	5.1	
31	Spain	41.5		94	Paraguay	4.7	
32	Slovenia	40.7		95	Indonesia	4.5	
33	Portugal	40.3		96	Morocco	4.4	
34	Hungary	35.4		97	Philippines	4.2	
35	Bulgaria	35.1		98	India	4.1	
36	Estonia	34.0		99	Nicaragua	3.8	
37	Czech Republic	33.6		100	Tajikistan	3.8	
38	Serbia and Montenegro	32.9		101	Pakistan	3.0	
39	Poland	31.9		102	Gambia	2.9	
40	Costa Rica	31.6		103	Zimbabwe	2.7	
41	Uruguay	30.9		104	Lesotho	2.1	
42	Mauritius	28.7		105	Nepal	1.7	
43	Latvia	28.5		106	Mauritania	1.3	
44	Russian Federation	27.5		107	Benin	1.0	
45	United Arab Emirates	27.3		108	Kenya	0.9	
46	Bahrain	26.7		109	Zambia	0.8	
47	Turkey	26.5		110	Nigeria	0.8	
48	Qatar	25.7		111	Malawi	0.8	
49	Ukraine	25.2		112	Mali	0.7	
50	Macedonia, FYR	25.2		113	Angola	0.7	
51	Trinidad and Tobago	24.6		114	Ethiopia	0.6	
52	Bosnia and Herzegovina	24.0		115	Bangladesh	0.6	
52	China	24.0		115	Burkina Faso	0.6	
54	Lithuania	23.8		117	Cameroon	0.6	
55	Brazil	23.5		118	Tanzania	0.4	
56	Slovak Republic	23.2		119	Mozambique	0.4	
57	Argentina	22.8		120	Burundi	0.3	
58	Chile	21.5		120	Madagascar	0.3	
59	Moldova	20.3		122	Uganda	0.3	
59	Romania	20.3		123	Cambodia	0.3	
61	Kuwait	19.5		124	Timor-Leste	0.2	
62	Suriname	18.6		125	Chad	0.2	
63	Malaysia	17.4					

2.07 Quality of roads

Roads in your country are (1 = underdeveloped, 7 = as extensive and efficient as the world's best)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Singapore.....	6.7				0.5	64	Egypt	3.3				1.5
2	France.....	6.6				0.6	65	Argentina	3.3				1.1
3	Switzerland.....	6.6				0.6	66	India	3.2				1.3
4	Germany.....	6.5				0.6	67	Poland.....	3.2				1.3
5	Denmark.....	6.4				0.7	68	Armenia.....	3.2				1.4
6	Hong Kong SAR.....	6.3				1.0	69	Macedonia, FYR.....	3.2				1.3
7	United States.....	6.1				1.2	70	Zimbabwe.....	3.1				1.4
8	Japan.....	6.1				1.1	71	Trinidad and Tobago.....	3.1				1.5
9	Austria.....	6.0				1.0	72	Bangladesh.....	3.1				1.3
10	Belgium.....	6.0				1.1	73	Tanzania.....	3.1				1.5
11	Netherlands.....	5.9				1.1	74	Honduras.....	3.0				1.2
12	United Arab Emirates.....	5.9				1.1	75	Gambia.....	3.0				1.4
13	Taiwan, China.....	5.9				0.9	76	Malta.....	3.0				1.1
14	United Kingdom.....	5.8				1.0	77	Cambodia.....	2.9				1.3
15	Malaysia.....	5.7				1.1	78	Guyana.....	2.8				1.2
16	Canada.....	5.7				1.0	79	Algeria.....	2.8				1.4
17	Luxembourg.....	5.7				1.4	80	Georgia.....	2.8				1.2
18	Sweden.....	5.5				1.1	81	Sri Lanka.....	2.7				1.4
19	Finland.....	5.5				1.0	82	Ecuador.....	2.7				1.0
20	Portugal.....	5.4				0.9	83	Peru.....	2.6				1.0
21	Spain.....	5.4				0.8	84	Malawi.....	2.6				1.1
22	Cyprus.....	5.3				1.1	85	Uganda.....	2.6				1.3
23	Chile.....	5.3				0.8	86	Philippines.....	2.6				1.2
24	Australia.....	5.2				1.2	87	Colombia.....	2.6				1.1
25	Korea, Rep.....	5.2				1.1	88	Suriname.....	2.6				1.1
26	Israel.....	5.1				1.1	89	Mali.....	2.5				1.1
27	Kuwait.....	5.0				1.5	90	Benin.....	2.5				1.3
28	Thailand.....	5.0				0.8	91	Vietnam.....	2.5				1.0
29	Bahrain.....	5.0				1.5	92	Nicaragua.....	2.4				1.0
29	Iceland.....	5.0				1.0	93	Venezuela.....	2.4				0.9
31	El Salvador.....	4.9				0.8	94	Nigeria.....	2.4				1.3
32	Lithuania.....	4.9				1.2	95	Madagascar.....	2.4				1.1
33	Jordan.....	4.9				1.1	96	Brazil.....	2.4				1.2
34	South Africa.....	4.8				1.2	97	Bulgaria.....	2.3				1.2
35	Namibia.....	4.8				1.3	98	Kazakhstan.....	2.3				1.2
36	Tunisia.....	4.8				1.0	99	Ethiopia.....	2.3				1.1
37	Croatia.....	4.7				1.3	100	Nepal.....	2.2				1.0
38	Norway.....	4.5				1.2	101	Kenya.....	2.2				1.0
39	Barbados.....	4.5				1.4	102	Lesotho.....	2.2				1.2
40	Slovenia.....	4.4				1.3	103	Russian Federation.....	2.2				1.2
41	New Zealand.....	4.4				1.4	104	Ukraine.....	2.2				1.3
42	Greece.....	4.3				1.2	105	Burkina Faso.....	2.2				1.1
43	Mauritius.....	4.2				1.3	106	Burundi.....	2.2				1.2
44	Italy.....	4.2				1.7	107	Zambia.....	2.1				0.8
45	China.....	4.0				1.5	108	Costa Rica.....	2.1				1.1
46	Uruguay.....	4.0				1.3	109	Tajikistan.....	2.1				1.3
47	Panama.....	4.0				1.3	110	Indonesia.....	2.1				1.0
48	Qatar.....	3.9				1.7	111	Romania.....	2.1				1.0
49	Mexico.....	3.8				1.1	112	Bolivia.....	2.0				0.8
50	Czech Republic.....	3.8				1.3	113	Serbia and Montenegro.....	2.0				1.0
51	Dominican Republic.....	3.7				1.4	114	Albania.....	1.9				0.8
52	Jamaica.....	3.7				1.3	115	Kyrgyz Republic.....	1.9				1.0
53	Turkey.....	3.7				1.3	116	Paraguay.....	1.9				1.0
54	Ireland.....	3.7				1.5	117	Mozambique.....	1.8				0.8
55	Botswana.....	3.7				1.4	118	Mongolia.....	1.8				1.0
56	Estonia.....	3.7				1.5	119	Mauritania.....	1.8				1.0
57	Guatemala.....	3.7				1.1	120	Bosnia and Herzegovina.....	1.8				0.9
57	Slovak Republic.....	3.7				1.2	121	Cameroon.....	1.8				0.9
59	Hungary.....	3.6				1.3	122	Angola.....	1.7				0.9
60	Morocco.....	3.5				1.7	123	Timor-Leste.....	1.6				0.9
61	Pakistan.....	3.5				1.3	124	Moldova.....	1.6				0.9
62	Latvia.....	3.4				1.4	125	Chad.....	1.4				0.6
63	Azerbaijan.....	3.3				1.5							

2.08 Quality of telephone/fax infrastructure

New telephone lines for your business are (1 = scarce and difficult to obtain, 7 = widely available and highly reliable)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.4	7	SD
1	Iceland	6.9				0.3	64	Jamaica.....	5.5				1.3
2	Japan	6.9				0.3	65	Italy	5.5				1.4
3	Germany	6.9				0.3	66	Vietnam.....	5.5				1.2
4	Switzerland	6.9				0.3	67	Sri Lanka	5.5				1.3
5	Singapore.....	6.9				0.4	68	Qatar	5.5				1.6
6	France	6.8				0.4	69	Macedonia, FYR	5.4				1.6
7	Hong Kong SAR.....	6.8				0.6	70	Philippines	5.4				1.3
8	Denmark	6.8				0.4	71	China.....	5.3				1.3
9	Finland	6.8				0.6	72	Bosnia and Herzegovina.....	5.3				1.2
10	Israel	6.8				0.4	73	Venezuela	5.2				1.3
11	Sweden	6.8				0.5	74	Uganda	5.2				1.7
12	Austria	6.8				0.5	75	Namibia.....	5.2				1.4
13	Netherlands	6.7				0.5	76	Tanzania	5.2				1.6
14	Norway	6.7				0.5	77	South Africa	5.1				1.3
15	United Kingdom.....	6.7				0.8	78	Georgia	5.1				1.2
16	Canada	6.7				0.6	79	Zambia	5.1				1.4
17	Belgium	6.6				0.8	80	Bulgaria.....	5.1				1.4
18	United Arab Emirates	6.6				0.7	81	Bolivia	5.1				1.4
19	Jordan	6.6				0.7	82	Algeria.....	5.0				1.6
20	Chile.....	6.6				0.6	83	Moldova	5.0				1.3
21	Slovak Republic	6.5				0.6	84	Mozambique.....	5.0				1.4
22	Korea, Rep.	6.5				0.9	85	Kazakhstan.....	4.9				1.4
23	El Salvador	6.4				0.8	86	Indonesia	4.9				1.0
24	Cyprus	6.4				0.8	87	Mali	4.9				1.9
25	Luxembourg	6.4				0.7	88	Romania.....	4.9				1.2
26	Uruguay	6.4				0.9	89	Pakistan	4.9				1.4
27	Estonia	6.4				0.8	90	Russian Federation.....	4.8				1.5
28	Czech Republic.....	6.4				0.7	91	Tajikistan	4.8				1.9
29	United States.....	6.3				1.2	92	Gambia	4.8				1.7
30	India	6.3				0.7	93	Nigeria	4.7				1.8
31	Hungary	6.3				1.0	94	Botswana.....	4.5				1.4
32	Tunisia	6.3				0.8	95	Burkina Faso.....	4.5				1.6
33	Taiwan, China.....	6.3				0.8	96	Poland	4.5				1.4
34	Dominican Republic.....	6.3				1.2	97	Serbia and Montenegro.....	4.4				1.7
35	Bahrain.....	6.2				1.0	98	Ukraine	4.3				1.7
36	Guatemala	6.2				1.1	99	Trinidad and Tobago.....	4.3				1.5
37	Australia	6.2				0.8	100	Mongolia.....	4.3				1.7
38	Portugal	6.2				1.2	101	Kyrgyz Republic	4.2				1.6
39	New Zealand.....	6.2				1.2	102	Cambodia.....	4.2				1.6
40	Malta.....	6.1				0.8	103	Nepal	4.2				1.5
41	Peru	6.1				0.7	104	Costa Rica.....	4.2				1.7
42	Slovenia	6.1				1.0	105	Nicaragua.....	4.1				1.6
43	Egypt	6.1				1.1	106	Ecuador.....	4.1				1.6
44	Morocco	6.0				1.3	107	Burundi	4.0				2.1
45	Kuwait.....	6.0				1.1	108	Ethiopia.....	4.0				1.6
46	Colombia.....	6.0				0.8	109	Armenia	3.9				1.8
47	Malaysia	6.0				0.9	110	Madagascar	3.9				1.7
48	Croatia	6.0				1.1	111	Paraguay	3.9				1.7
49	Brazil	6.0				1.0	112	Honduras	3.8				1.9
50	Mauritius.....	6.0				1.1	113	Kenya.....	3.6				1.7
51	Mexico.....	5.9				1.1	114	Cameroon	3.6				1.7
52	Lithuania	5.9				1.0	115	Angola.....	3.6				1.4
53	Greece	5.9				1.0	116	Lesotho.....	3.6				1.8
54	Spain	5.9				1.1	117	Albania	3.4				1.8
55	Panama.....	5.9				1.0	118	Malawi	3.3				1.7
56	Thailand	5.9				0.9	119	Chad	3.3				2.1
57	Latvia	5.8				1.2	120	Guyana.....	3.3				1.6
58	Turkey	5.8				1.1	121	Timor-Leste.....	3.0				1.6
59	Azerbaijan	5.8				1.4	122	Suriname	3.0				1.4
60	Mauritania.....	5.8				1.6	123	Benin	2.9				1.6
61	Barbados.....	5.6				1.1	124	Bangladesh.....	2.6				1.3
62	Ireland.....	5.6				1.5	125	Zimbabwe.....	2.2				1.1
63	Argentina	5.5				1.4							

Section III

Macroeconomy

3.01 Government surplus/deficit (hard data)

Government fiscal surplus/deficit as a percentage of GDP, 2005 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Kuwait	36.8	64	Kenya	-1.8
2	United Arab Emirates	24.9	65	Philippines	-1.9
3	Qatar	19.7	66	Benin	-2.2
4	Norway	15.8	67	Luxembourg	-2.3
5	Algeria	14.2	68	Zambia	-2.3
6	Nigeria	9.9	69	Lithuania	-2.4
7	Russian Federation	7.5	70	Ukraine	-2.4
8	Bahrain	6.2	71	Israel	-2.5
9	Kazakhstan	6.0	72	Taiwan, China	-2.5
10	Singapore	6.0	73	Armenia	-2.6
11	Venezuela	5.4	74	Czech Republic	-2.6
12	Chile	4.9	75	Cyprus	-2.7
13	Angola	4.3	76	Tunisia	-2.8
14	Cameroon	3.5	77	Argentina	-2.9
15	New Zealand	3.1	78	Tajikistan	-2.9
16	Costa Rica	2.7	79	Uruguay	-2.9
17	Azerbaijan	2.7	80	France	-2.9
18	Denmark	2.5	81	El Salvador	-3.0
19	Finland	2.4	82	Honduras	-3.1
20	Bulgaria	2.3	83	Cambodia	-3.1
21	Lesotho	2.0	84	Vietnam	-3.1
22	Korea, Rep.	1.9	85	Bangladesh	-3.2
23	Canada	1.7	86	Brazil	-3.3
24	Estonia	1.7	87	Tanzania	-3.3
25	Iceland	1.5	88	Germany	-3.3
26	Sweden	1.4	89	Pakistan	-3.4
27	Paraguay	1.3	90	United Kingdom	-3.6
28	Trinidad and Tobago	1.2	91	Malaysia	-3.6
29	Moldova	1.2	92	Panama	-3.7
30	Spain	1.1	93	Namibia	-3.8
31	Serbia and Montenegro	0.9	94	Slovak Republic	-3.8
32	Ecuador	0.8	95	Albania	-3.8
33	Australia	0.8	96	Malta	-3.9
34	Indonesia	0.4	97	Jamaica	-3.9
35	Ireland	0.3	98	Burkina Faso	-3.9
36	Macedonia, FYR	0.3	99	Kyrgyz Republic	-4.0
37	Hong Kong SAR	0.3	100	Italy	-4.1
38	Mongolia	0.3	101	United States	-4.1
39	Bosnia and Herzegovina	0.1	102	Mali	-4.1
40	Botswana	0.1	103	Croatia	-4.2
41	Barbados	0.1	104	Timor-Leste ¹	-4.4
42	Thailand	0.1	105	Greece	-4.6
43	Belgium	0.0	106	Ethiopia	-4.9
44	South Africa	-0.2	107	Mauritius	-5.0
45	Uganda	-0.3	108	Poland	-5.1
46	Peru	-0.5	109	Jordan	-5.2
47	Netherlands	-0.6	110	Malawi	-5.3
48	Nicaragua	-0.6	111	Madagascar	-5.4
49	Dominican Republic	-0.7	112	Mozambique	-5.7
50	Romania	-0.8	113	Morocco	-5.7
51	Nepal	-0.9	114	Japan	-5.8
52	Latvia	-1.0	115	Turkey	-5.9
53	Suriname	-1.0	116	Portugal	-6.0
54	Switzerland	-1.1	117	Zimbabwe	-6.1
55	China	-1.3	118	Gambia	-6.1
56	Slovenia	-1.3	119	Mauritania	-6.8
57	Guatemala	-1.4	120	Burundi	-7.0
58	Chad	-1.5	121	Sri Lanka	-7.3
59	Bolivia	-1.5	122	India	-7.5
59	Georgia	-1.5	123	Hungary	-7.6
61	Colombia	-1.5	124	Egypt	-10.5
62	Mexico	-1.6	125	Guyana	-13.4
63	Austria	-1.8			

SOURCES: IMF, *World Economic Outlook Database* (April 2006); Asian Development Bank

¹ 2004

3.02 National savings rate (hard data)

National savings rate as a percentage of GDP, 2005 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Kuwait	59.0	64	Chad	19.9
2	Qatar	58.4	65	Cyprus	19.6
3	Algeria	51.2	66	Egypt	19.5
4	China	47.6	67	Latvia	19.5
5	Singapore	47.1	68	Israel	19.4
6	Mongolia	45.7	69	Italy	19.4
7	United Arab Emirates	44.5	70	Albania	19.3
8	Botswana	40.6	71	France	19.2
9	Norway	37.1	72	Philippines	18.7
10	Malaysia	35.4	73	Cameroon	18.1
11	Venezuela	34.9	74	Turkey	18.0
12	Switzerland	34.6	75	Costa Rica	18.0
13	Nigeria	33.4	76	Bolivia	17.8
14	Azerbaijan	32.6	77	Poland	17.8
15	Vietnam	32.5	78	Colombia	17.5
16	Korea, Rep.	32.3	79	Suriname	17.4
17	Russian Federation	32.1	80	Ethiopia	17.2
18	Namibia	31.3	81	Macedonia, FYR	17.2
19	Hong Kong SAR	31.2	82	Malta	17.1
20	India	29.1	83	Armenia	16.6
21	Croatia	28.8	84	Peru	16.5
22	Thailand	28.6	85	Greece	16.1
23	Kazakhstan	28.1	86	Tanzania	16.1
24	Bahrain	27.9	87	Lithuania	16.0
25	Luxembourg	27.4	88	Hungary	16.0
26	Japan	26.8	89	Bulgaria	15.8
27	Ecuador	26.2	90	New Zealand	15.8
28	Morocco	25.7	91	Georgia	15.8
29	Nepal	25.7	92	Pakistan	15.6
30	Taiwan, China	25.7	93	Guatemala	15.3
31	Netherlands	25.6	94	Panama	14.4
32	Ireland	25.1	95	United Kingdom	14.2
33	Bangladesh	25.0	96	Mali	14.1
34	Czech Republic	24.9	97	Romania	14.0
35	Honduras	24.8	98	Kyrgyz Republic	13.7
36	Slovenia	24.4	99	United States	13.6
37	Belgium	24.2	100	Portugal	13.1
38	Finland	24.0	101	South Africa	13.0
39	Sweden	23.4	102	Uruguay	12.8
40	Canada	23.4	103	Benin	12.8
41	Chile	23.3	104	Nicaragua	12.3
42	Argentina	23.3	105	Moldova	12.1
43	Sri Lanka	23.2	106	Iceland	12.0
44	Denmark	23.1	107	Tajikistan	11.5
45	Ukraine	22.6	108	Zambia	11.4
46	Slovak Republic	22.3	109	Cambodia	11.2
47	Paraguay	22.2	110	El Salvador	11.2
48	Tunisia	22.1	111	Gambia	10.9
49	Spain	22.1	112	Kenya	10.8
50	Austria	21.9	113	Burkina Faso	10.5
51	Brazil	21.8	114	Mozambique	10.4
52	Uganda	21.5	115	Madagascar	10.1
53	Dominican Republic	21.4	116	Mauritania	10.0
54	Germany	21.3	117	Barbados	9.3
55	Jamaica	21.1	118	Burundi	8.6
56	Mexico	21.0	119	Guyana	8.3
57	Trinidad and Tobago	21.0	120	Malawi	6.0
58	Lesotho	20.9	121	Jordan	5.6
59	Angola	20.8	122	Serbia and Montenegro	1.9
60	Mauritius	20.6	123	Bosnia and Herzegovina	-0.3
61	Indonesia	20.5	124	Zimbabwe	-6.7
62	Estonia	20.1	125	Timor-Leste ¹	-32.0
63	Australia	20.1			

SOURCES: IMF, *World Economic Outlook*, April 2006 published version; Economist Intelligence Unit, *CountryData Database* (June 2006); IMF Country Reports

¹ 2003

3.03 Inflation (hard data)

Annual percent change in consumer price index, average for 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Japan	-0.3	63	India	4.2
2	Macedonia, FYR	0.5	65	Gambia	4.3
2	Singapore	0.5	65	Kyrgyz Republic	4.3
4	Armenia	0.6	67	Thailand	4.5
5	Sweden	0.8	68	Tanzania	4.6
6	Timor-Leste	0.9	69	Bulgaria	5.0
6	Finland	0.9	69	Colombia	5.0
8	Morocco	1.0	69	Mali	5.0
9	Hong Kong SAR	1.1	72	Bolivia	5.4
10	Switzerland	1.2	73	Benin	5.5
11	Israel	1.3	74	Mauritius	5.6
12	Netherlands	1.5	75	Cambodia	5.8
13	Algeria	1.6	76	Barbados	5.9
13	Norway	1.6	76	Uruguay	5.9
13	Peru	1.6	78	United Arab Emirates	6.0
16	China	1.8	79	Burkina Faso	6.3
16	Czech Republic	1.8	80	Latvia	6.7
16	Denmark	1.8	81	Ethiopia	6.8
19	France	1.9	81	Paraguay	6.8
19	Germany	1.9	83	Brazil	6.9
21	Cameroon	2.0	83	Trinidad and Tobago	6.9
21	Tunisia	2.0	85	Bangladesh	7.0
23	Austria	2.1	86	Guyana	7.1
23	Poland	2.1	86	Tajikistan	7.1
23	Portugal	2.1	88	Mozambique	7.2
23	United Kingdom	2.1	89	Kazakhstan	7.6
27	Canada	2.2	89	Philippines	7.6
27	Ireland	2.2	91	Chad	7.9
29	Italy	2.3	92	Uganda	8.0
29	Taiwan, China	2.3	92	Vietnam	8.0
31	Ecuador	2.4	94	Turkey	8.2
31	Namibia	2.4	95	Georgia	8.3
33	Albania	2.5	96	Botswana	8.6
33	Belgium	2.5	97	Honduras	8.8
33	Luxembourg	2.5	98	Romania	9.0
33	Slovenia	2.5	99	Guatemala	9.1
37	Bahrain	2.6	99	Nepal	9.1
37	Cyprus	2.6	99	Pakistan	9.1
37	Lithuania	2.6	102	Argentina	9.6
40	Australia	2.7	102	Nicaragua	9.6
40	Korea, Rep.	2.7	104	Azerbaijan	9.7
42	Bosnia and Herzegovina	2.8	105	Suriname	9.9
42	Slovak Republic	2.8	106	Kenya	10.3
44	Panama	2.9	107	Indonesia	10.5
45	Malaysia	3.0	108	Sri Lanka	10.6
45	New Zealand	3.0	109	Egypt	11.4
45	Qatar	3.0	110	Moldova	11.9
48	Chile	3.1	111	Mauritania	12.1
48	Malta	3.1	112	Malawi	12.3
50	Croatia	3.3	113	Mongolia	12.5
51	South Africa	3.4	114	Russian Federation	12.6
51	Spain	3.4	115	Ukraine	13.5
51	United States	3.4	116	Burundi	13.6
54	Greece	3.5	116	Costa Rica	13.6
54	Hungary	3.5	118	Venezuela	15.9
54	Jordan	3.5	119	Serbia and Montenegro	16.3
57	Lesotho	3.7	120	Jamaica	16.5
58	Kuwait	3.9	121	Nigeria	17.9
59	El Salvador	4.0	122	Zambia	18.3
59	Iceland	4.0	123	Madagascar	18.4
59	Mexico	4.0	124	Angola	23.0
62	Estonia	4.1	125	Zimbabwe	237.8
63	Dominican Republic	4.2			

SOURCE: IMF, World Economic Outlook Database (April 2006)

3.04 Interest rate spread (hard data)

Average interest rate spread, 2005 or most recent year available (difference between typical lending and deposit rates)

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Netherlands.....	0.4	64	Egypt.....	5.9
2	Japan.....	1.4	65	Panama.....	6.0
3	United Kingdom.....	1.4	66	Indonesia.....	6.0
4	Austria.....	1.5	67	Barbados.....	6.0
5	Luxembourg.....	1.7	68	Moldova.....	6.0
6	Korea, Rep.	1.9	69	Bosnia and Herzegovina.....	6.0
7	Portugal.....	2.1	70	Algeria.....	6.3
7	Spain.....	2.1	71	Mexico.....	6.4
9	Norway.....	2.2	72	Botswana.....	6.5
10	Taiwan, China.....	2.3	73	Hong Kong SAR.....	6.5
11	Switzerland.....	2.4	74	Russian Federation.....	6.7
12	Argentina.....	2.4	75	Germany.....	6.8
13	Sweden.....	2.5	76	Trinidad and Tobago.....	6.9
14	Ireland.....	2.6	77	Bahrain.....	7.1
15	United States.....	2.7	78	Nigeria.....	7.4
16	Chile.....	2.7	79	Colombia.....	7.5
17	Estonia.....	2.8	80	Ukraine.....	7.6
18	Malta.....	2.8	81	Lesotho.....	7.8
19	Gambia.....	2.8	82	Kenya.....	7.8
20	Malaysia.....	3.0	83	Honduras.....	7.9
21	Tunisia.....	3.0	84	Morocco.....	8.0
22	Kazakhstan.....	3.1	85	Albania.....	8.0
23	Denmark.....	3.2	86	Nicaragua.....	8.1
24	Latvia.....	3.3	87	Madagascar.....	8.3
25	China.....	3.3	88	Azerbaijan.....	8.5
26	Hungary.....	3.4	89	Guatemala.....	8.7
27	Israel.....	3.4	90	Croatia.....	9.5
28	El Salvador.....	3.4	91	Jamaica.....	9.9
29	Lithuania.....	3.5	92	Suriname.....	10.1
30	Ethiopia.....	3.5	93	Iceland.....	10.1
31	Cyprus.....	3.6	93	Serbia and Montenegro.....	10.1
32	Canada.....	3.6	95	Dominican Republic.....	10.3
33	Italy.....	3.7	96	Tanzania.....	10.4
34	Finland.....	3.8	97	Mongolia.....	10.6
35	Vietnam.....	3.9	98	Uruguay.....	10.8
36	Thailand.....	3.9	99	Uganda.....	11.0
37	Pakistan.....	4.0	100	Mozambique.....	11.1
37	Qatar.....	4.0	101	Peru.....	11.5
39	Kuwait.....	4.0	102	Burkina Faso ¹	11.6
40	Poland.....	4.0	103	Bolivia.....	11.7
41	United Arab Emirates.....	4.1	104	Guyana.....	11.9
42	Slovak Republic.....	4.2	105	Armenia.....	12.2
43	Namibia.....	4.4	106	Cameroon.....	12.8
44	France.....	4.5	106	Chad.....	12.8
45	Greece.....	4.5	108	Romania.....	13.2
46	South Africa.....	4.6	109	Tajikistan.....	13.5
47	Czech Republic.....	4.6	110	Mauritius.....	13.8
48	Slovenia.....	4.6	111	Georgia.....	14.1
49	Philippines.....	4.6	112	Costa Rica.....	14.5
50	Jordan.....	4.7	113	Cambodia.....	15.4
51	India.....	4.8	114	Zambia.....	17.0
52	Bulgaria.....	4.8	115	Kyrgyz Republic.....	20.8
53	New Zealand.....	4.9	116	Malawi.....	22.2
54	Singapore.....	4.9	117	Paraguay.....	28.2
55	Sri Lanka.....	4.9	118	Brazil.....	37.8
56	Venezuela.....	5.2	119	Angola.....	55.0
57	Belgium.....	5.2	120	Zimbabwe.....	144.6
58	Australia.....	5.4	n/a	Benin.....	n/a
59	Macedonia, FYR.....	5.6	n/a	Burundi.....	n/a
60	Turkey.....	5.6	n/a	Timor-Leste.....	n/a
61	Nepal.....	5.8	n/a	Mali.....	n/a
62	Ecuador.....	5.8	n/a	Mauritania.....	n/a
63	Bangladesh.....	5.9			

SOURCES: IMF, International Financial Statistics; Economist Intelligence Unit; national sources
¹ 2004

3.05 Government debt (hard data)

Gross public sector debt as a percentage of GDP, 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Timor-Leste	0.0	64	Vietnam	54.3
2	Hong Kong SAR	1.9	65	Costa Rica	56.6
3	Estonia	4.6	66	Albania	56.7
4	Chile	5.7	67	Uganda	56.8
5	Luxembourg	6.7	68	Tunisia	56.9
6	Kazakhstan	7.1	69	Pakistan	57.7
7	United Arab Emirates	8.4	70	Mauritius	58.6
8	Australia	10.7	71	Hungary	59.9
9	Latvia	11.7	72	Lesotho	62.8
10	Kuwait	13.0	73	United States	62.9
11	Russian Federation	14.2	74	Austria	63.3
12	Azerbaijan	15.3	75	Portugal	63.9
13	Zambia	16.5	76	Nepal	66.7
14	Guatemala	17.8	77	Philippines	66.9
15	Romania	18.9	78	Panama	66.9
16	Bangladesh	19.6	79	France	67.3
17	Ukraine	21.3	80	Germany	67.5
18	Trinidad and Tobago	21.4	81	Barbados	69.5
19	Lithuania	21.5	82	Morocco	70.0
20	New Zealand	22.2	83	Brazil	71.4
21	China	22.3	84	Mozambique	71.5
22	Czech Republic	23.4	85	Bolivia	72.1
23	Qatar	24.5	86	Turkey	72.8
24	Slovenia	27.2	87	Malta	74.7
25	Ireland	28.2	88	India	83.8
26	Algeria	28.5	89	Canada	85.0
27	Bosnia and Herzegovina	28.7	90	Jordan	86.2
28	Iceland	30.7	91	Nicaragua	86.3
29	Bulgaria	31.9	92	Mongolia	88.0
30	Armenia	32.9	93	Argentina	88.3
31	Benin	34.1	94	Ethiopia	88.7
32	South Africa	34.6	95	Kyrgyz Republic	89.8
33	Namibia	35.0	96	Belgium	94.0
34	Finland	35.1	97	Singapore	99.6
35	Taiwan, China	38.6	98	Sri Lanka	100.7
36	Macedonia, FYR	39.0	99	Israel	102.0
37	Peru	39.1	100	Italy	106.3
38	Moldova	39.6	101	Egypt	108.2
39	Ecuador	40.2	102	Greece	108.6
40	Cambodia	41.4	103	Mauritania	109.3
41	Spain	43.1	104	Cyprus	110.5
42	Suriname	43.2	105	Uruguay	116.5
43	United Kingdom	43.3	106	Jamaica	120.4
44	Georgia	43.3	107	Gambia	168.5
45	Mexico	43.8	108	Japan	175.5
46	Slovak Republic	43.9	109	Guyana	193.5
47	Denmark	44.1	110	Burundi	199.3
48	Croatia	44.2	111	Angola	484.3
49	Malaysia	45.4	112	Malawi	600.1
50	El Salvador	46.2	n/a	Bahrain	n/a
51	Norway	46.4	n/a	Botswana	n/a
52	Kenya	46.9	n/a	Burkina Faso	n/a
53	Tajikistan	47.1	n/a	Cameroon	n/a
54	Thailand	47.4	n/a	Chad	n/a
55	Colombia	47.4	n/a	Dominican Republic	n/a
56	Indonesia	47.7	n/a	Korea, Rep.	n/a
57	Madagascar	48.7	n/a	Mali	n/a
58	Sweden	49.8	n/a	Nigeria	n/a
59	Poland	50.0	n/a	Paraguay	n/a
60	Honduras	51.5	n/a	Tanzania	n/a
61	Switzerland	52.0	n/a	Venezuela	n/a
62	Netherlands	52.0	n/a	Zimbabwe	n/a
63	Serbia and Montenegro	53.1			

3.06 Real effective exchange rate (hard data)

Real effective exchange rate 2005 relative to the 1997–2004 average

RANK COUNTRY/ECONOMY HARD DATA

1	Zimbabwe	.....-54.9	
2	Argentina	.....-41.3	
3	Gambia	.....-37.2	
4	Egypt	.....-29.0	
5	Malawi	.....-24.0	
6	Burundi	.....-23.9	
7	Venezuela	.....-18.9	
8	Hong Kong SAR	.....-18.4	
9	Paraguay	.....-18.0	
10	Israel	.....-16.8	
11	Bolivia	.....-16.6	
12	Algeria	.....-16.5	
13	Tajikistan	.....-15.8	
14	Bangladesh	.....-14.9	
15	Madagascar	.....-14.8	
16	Uruguay	.....-14.4	
17	Azerbaijan	.....-13.9	
18	Tunisia	.....-12.4	
19	Uganda	.....-12.3	
20	Cambodia	.....-12.1	
21	Japan	.....-10.0	
22	Bahrain	.....-9.8	
23	Philippines	.....-9.7	
24	Mauritius	.....-8.8	
25	Kyrgyz Republic	.....-8.5	
26	Singapore	.....-8.4	
27	Mozambique	.....-8.2	
28	Nicaragua	.....-7.9	
29	China	.....-7.5	
30	Malaysia	.....-7.4	
31	Panama	.....-7.0	
32	Taiwan, China	.....-6.9	
33	Costa Rica	.....-6.9	
34	Barbados	.....-6.2	
35	United States	.....-6.1	
36	Vietnam	.....-6.0	
37	Jordan	.....-5.8	
38	United Arab Emirates	.....-5.6	
39	Guyana	.....-5.2	
40	Kuwait	.....-4.9	
41	Peru	.....-4.7	
42	Morocco	.....-4.7	
43	Mauritania	.....-4.6	
44	Ukraine	.....-4.1	
45	Pakistan	.....-4.1	
46	Thailand	.....-3.9	
47	Sweden	.....-3.6	
48	Ethiopia	.....-3.5	
49	Kazakhstan	.....-3.3	
50	Bosnia and Herzegovina	.....-3.2	
51	Chile	.....-3.0	
52	Latvia	.....-2.4	
53	Jamaica	.....-2.0	
54	El Salvador	.....-1.3	
55	Nigeria	.....-1.2	
56	Macedonia, FYR	.....-1.1	
57	Switzerland	.....0.0	
58	Mexico	.....0.1	
59	Brazil	.....0.2	
60	Sri Lanka	.....0.4	
61	Finland	.....0.6	
62	Serbia and Montenegro	.....0.7	
63	Nepal	.....1.0	

RANK COUNTRY/ECONOMY HARD DATA

64	Mongolia	.....1.3	
65	Germany	.....1.3	
66	Colombia	.....1.9	
67	Slovenia	.....2.1	
68	Mali	.....2.1	
69	Cameroon	.....2.1	
70	Qatar	.....2.1	
71	Honduras	.....2.4	
72	Austria	.....2.5	
73	France	.....2.9	
74	United Kingdom	.....3.8	
75	Denmark	.....4.0	
76	Luxembourg	.....4.0	
77	Botswana	.....4.4	
78	India	.....4.5	
79	Armenia	.....4.7	
80	Belgium	.....4.7	
81	Italy	.....4.9	
82	Norway	.....5.2	
83	Indonesia	.....5.3	
84	Croatia	.....5.5	
85	Ecuador	.....5.6	
86	Portugal	.....6.0	
87	Netherlands	.....6.2	
88	Trinidad and Tobago	.....6.3	
89	Greece	.....6.3	
90	Moldova	.....6.6	
91	Burkina Faso	.....7.0	
92	Cyprus	.....7.6	
93	Malta	.....8.0	
94	Chad	.....8.3	
95	Spain	.....8.3	
96	South Africa	.....8.6	
97	Lithuania	.....8.9	
98	Poland	.....9.3	
99	Estonia	.....10.1	
100	Ireland	.....12.0	
101	Dominican Republic	.....12.3	
102	Namibia	.....12.4	
103	Benin	.....12.5	
104	Guatemala	.....12.8	
105	Kenya	.....13.7	
106	Albania	.....15.0	
107	Canada	.....16.8	
108	Australia	.....17.1	
109	Suriname	.....17.3	
110	Bulgaria	.....17.3	
111	Korea, Rep.	.....17.4	
112	Czech Republic	.....17.6	
113	Iceland	.....19.4	
114	New Zealand	.....20.3	
115	Hungary	.....21.7	
116	Russian Federation	.....21.8	
117	Turkey	.....22.1	
118	Romania	.....23.4	
119	Lesotho	.....23.6	
120	Zambia	.....29.2	
121	Slovak Republic	.....31.8	
122	Angola	.....44.4	
n/a	Timor-Leste	.....n/a	
n/a	Georgia	.....n/a	
n/a	Tanzania	.....n/a	

3.07 Recession expectations

Your country's economy (1 = will likely be in a recession in the next 12 months, 7 = will have strong growth in the next 12 months)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	India	6.5				0.9	64	Armenia	4.5				1.3
2	Qatar	6.4				1.0	65	Thailand	4.5				1.2
3	Ireland	6.1				1.0	66	Romania	4.5				1.5
4	Mauritania	6.0				1.4	67	Panama	4.4				1.5
5	South Africa	6.0				0.9	68	Burkina Faso	4.4				1.3
5	United Arab Emirates	6.0				1.1	69	Russian Federation	4.4				1.4
7	Angola	5.8				1.4	70	Kenya	4.4				1.5
8	Estonia	5.6				1.4	71	Malawi	4.4				1.5
9	Trinidad and Tobago	5.6				1.4	72	Mali	4.4				1.3
10	Slovak Republic	5.5				1.0	73	Egypt	4.3				1.4
11	Vietnam	5.5				1.3	74	Gambia	4.3				1.5
12	Singapore	5.4				0.8	75	Cyprus	4.3				1.2
13	Norway	5.4				1.1	76	Morocco	4.3				1.4
14	Hong Kong SAR	5.4				1.1	77	Costa Rica	4.3				1.0
15	Denmark	5.4				1.0	78	Slovenia	4.3				1.0
16	Kazakhstan	5.3				1.2	79	Georgia	4.3				1.3
17	Tanzania	5.3				1.2	80	Mexico	4.2				0.9
18	Sweden	5.3				1.2	81	Malta	4.2				1.1
19	Algeria	5.3				1.5	82	Belgium	4.2				1.1
20	Canada	5.2				1.1	83	Burundi	4.2				1.5
21	Zambia	5.2				1.0	84	Luxembourg	4.2				1.1
22	Iceland	5.2				1.4	85	Mozambique	4.1				1.4
23	Malaysia	5.2				1.0	86	Bangladesh	4.1				1.3
24	Kuwait	5.2				1.3	87	Sri Lanka	4.1				1.5
25	Bahrain	5.2				1.0	88	Korea, Rep.	4.1				1.1
26	Japan	5.2				0.9	89	Mongolia	4.1				1.2
27	Latvia	5.2				1.2	90	Hungary	4.1				1.3
28	Israel	5.1				0.9	91	Lesotho	4.1				1.3
29	Argentina	5.1				1.3	92	Serbia and Montenegro	4.0				1.6
30	Australia	5.1				1.0	93	Honduras	4.0				1.2
31	Indonesia	5.1				1.0	94	Croatia	4.0				1.5
32	Azerbaijan	5.1				1.5	95	Nicaragua	4.0				1.3
33	China	5.1				1.2	96	Taiwan, China	4.0				1.2
34	Switzerland	5.0				0.6	97	Uganda	4.0				1.6
35	Chile	5.0				0.9	98	France	4.0				1.1
36	Finland	5.0				0.7	99	Jamaica	3.9				1.1
37	Venezuela	5.0				1.5	100	Albania	3.9				1.3
38	Netherlands	5.0				0.8	101	Suriname	3.9				1.5
39	Barbados	5.0				1.2	102	Moldova	3.9				1.4
40	Czech Republic	4.9				0.9	103	Poland	3.8				1.3
41	Guatemala	4.9				1.0	104	Spain	3.8				1.3
42	Colombia	4.8				1.0	105	Bolivia	3.8				1.1
43	Lithuania	4.8				1.1	106	Botswana	3.7				1.4
44	Philippines	4.8				0.9	107	Mauritius	3.7				1.1
45	Cambodia	4.8				1.1	108	Madagascar	3.7				1.2
45	Tajikistan	4.8				1.6	109	Portugal	3.7				1.2
47	Peru	4.8				1.2	110	Bulgaria	3.6				1.7
48	Greece	4.7				1.1	111	Ukraine	3.6				1.5
49	Jordan	4.7				1.2	112	Cameroon	3.5				1.5
50	United States	4.7				1.3	113	Italy	3.5				1.3
51	Uruguay	4.7				1.0	113	Timor-Leste	3.5				1.4
52	Namibia	4.7				1.0	115	Paraguay	3.3				1.2
53	Tunisia	4.7				1.2	116	Ethiopia	3.3				1.6
54	Austria	4.7				0.7	117	Bosnia and Herzegovina	3.2				1.4
55	El Salvador	4.6				1.0	118	Ecuador	3.2				1.1
56	Dominican Republic	4.6				1.2	119	Macedonia, FYR	3.2				1.6
57	United Kingdom	4.6				1.0	120	New Zealand	3.1				0.9
58	Brazil	4.6				1.0	121	Chad	3.1				1.7
59	Germany	4.6				0.9	122	Guyana	2.8				1.4
60	Nigeria	4.6				1.6	123	Kyrgyz Republic	2.6				1.5
61	Turkey	4.5				1.3	124	Nepal	2.4				1.5
62	Benin	4.5				1.3	125	Zimbabwe	1.1				0.3
62	Pakistan	4.5				1.5							

3.08 Country credit rating (hard data)

Institutional Investor Country Credit Rating, March 2006

RANK	COUNTRY/ECONOMY	HARD DATA		RANK	COUNTRY/ECONOMY	HARD DATA	
1	Switzerland	95.5		64	Peru	50.5	
2	Norway	94.6		65	Algeria	50.2	
3	Finland	94.2		66	Colombia	49.8	
4	United Kingdom	94.1		67	Egypt	49.5	
5	Denmark	94.0		68	El Salvador	48.9	
6	Luxembourg	93.7		69	Turkey	48.4	
7	Sweden	93.6		70	Jordan	46.9	
8	Netherlands	93.5		70	Namibia	46.9	
8	United States	93.5		72	Ukraine	46.5	
10	Canada	93.2		73	Philippines	45.6	
11	France	93.1		74	Venezuela	43.9	
12	Austria	92.9		75	Vietnam	43.4	
13	Germany	92.8		76	Uruguay	42.5	
14	Ireland	91.5		77	Guatemala	42.4	
15	Belgium	90.5		78	Indonesia	41.8	
16	Spain	89.4		79	Azerbaijan	40.1	
17	Singapore	88.9		80	Macedonia, FYR	37.2	
18	Australia	85.9		81	Jamaica	36.2	
19	Japan	85.3		82	Serbia and Montenegro	35.5	
20	Italy	84.6		83	Mongolia	35.2	
21	New Zealand	84.1		84	Sri Lanka	35.0	
22	Iceland	83.5		85	Pakistan	34.7	
23	Portugal	83.2		86	Argentina	34.6	
24	Taiwan, China	79.1		87	Dominican Republic	34.5	
25	Hong Kong SAR	78.7		88	Paraguay	32.1	
26	Greece	77.3		89	Ecuador	31.7	
26	Slovenia	77.3		90	Bolivia	31.4	
28	Korea, Rep.	76.7		90	Lesotho	31.4	
29	Malta	74.7		92	Honduras	31.1	
30	Chile	73.6		93	Armenia	30.7	
31	Kuwait	72.6		94	Bosnia and Herzegovina	29.8	
32	Czech Republic	72.5		95	Nigeria	29.5	
33	United Arab Emirates	71.8		96	Bangladesh	28.5	
34	Qatar	71.6		97	Guyana	28.1	
35	Cyprus	70.5		98	Mozambique	27.1	
36	China	69.8		99	Kenya	27.0	
37	Malaysia	69.7		100	Albania	26.7	
38	Slovak Republic	69.6		101	Georgia	26.1	
39	Estonia	69.0		102	Uganda	25.5	
40	Poland	68.2		103	Tanzania	25.3	
41	Israel	66.5		104	Benin	24.7	
42	Lithuania	66.2		105	Mali	24.2	
43	Mexico	65.7		106	Nicaragua	24.1	
44	Latvia	65.4		107	Nepal	23.8	
45	Hungary	65.3		108	Kyrgyz Republic	23.2	
46	Bahrain	64.3		109	Burkina Faso	22.9	
46	Thailand	64.3		110	Cameroon	22.6	
48	Botswana	63.9		111	Cambodia	21.4	
49	Barbados	63.8		112	Timor-Leste	21.3	
50	South Africa	63.3		113	Gambia	21.2	
50	Trinidad and Tobago	63.3		114	Moldova	20.9	
52	Russian Federation	62.1		115	Tajikistan	20.8	
53	Tunisia	58.6		116	Madagascar	19.9	
54	Croatia	58.1		117	Ethiopia	19.2	
55	India	57.1		118	Mauritania	19.0	
56	Bulgaria	57.0		118	Zambia	19.0	
57	Kazakhstan	56.3		120	Angola	18.7	
58	Mauritius	56.1		121	Malawi	18.5	
59	Romania	52.8		122	Chad	17.7	
60	Panama	52.2		123	Burundi	12.7	
61	Brazil	52.1		124	Zimbabwe	10.2	
62	Morocco	51.8		n/a	Suriname	n/a	
63	Costa Rica	51.2					

Section IV

Health and Primary Education

4.01 Medium-term business impact of malaria

How serious do you consider the future impact of malaria on your company in the next 5 years? (1 = extremely serious, 7 = not a problem)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.7	7	SD
1	Iceland	6.9				0.3	64	Morocco	6.0				1.7
2	Germany	6.9				0.5	65	Singapore.....	6.0				1.2
3	Norway	6.9				0.5	66	Moldova.....	6.0				1.5
4	Israel	6.9				0.4	67	Azerbaijan	5.9				1.6
5	Austria	6.8				0.8	68	Korea, Rep.	5.9				1.4
6	Hungary	6.8				0.7	69	Costa Rica.....	5.9				1.6
7	Bahrain.....	6.8				0.5	70	Vietnam.....	5.9				1.6
7	Switzerland.....	6.8				0.7	71	Panama.....	5.9				1.3
9	New Zealand.....	6.8				0.6	72	Jamaica.....	5.8				1.4
10	Estonia.....	6.8				0.7	73	Paraguay.....	5.8				1.5
11	Denmark	6.8				0.7	74	Guatemala	5.8				1.3
12	Italy	6.7				0.8	75	Bulgaria.....	5.8				1.7
13	Slovenia	6.7				0.9	76	Peru	5.8				1.5
14	Chile.....	6.7				0.8	77	Armenia	5.8				1.8
15	Czech Republic.....	6.7				0.6	78	Kazakhstan.....	5.7				1.6
16	Slovak Republic	6.7				0.8	79	Nepal	5.7				1.5
17	Greece	6.7				0.9	80	Albania	5.7				1.8
18	Luxembourg	6.7				1.1	81	Dominican Republic.....	5.7				1.7
19	Sweden	6.7				0.7	82	Kyrgyz Republic	5.6				1.7
20	Uruguay	6.7				1.1	83	Sri Lanka	5.6				1.6
21	Finland	6.7				0.8	84	India	5.5				1.5
22	Cyprus	6.7				0.7	85	Venezuela	5.5				1.8
23	Portugal	6.7				1.1	86	China.....	5.5				1.6
24	Belgium	6.7				0.9	87	Philippines	5.5				1.5
25	United Kingdom.....	6.7				0.8	88	Macedonia, FYR	5.5				2.0
26	Ireland	6.7				0.9	89	Ecuador.....	5.5				1.8
27	France	6.7				0.9	90	Bolivia	5.5				1.7
28	Turkey	6.6				0.8	91	Trinidad and Tobago.....	5.5				1.7
29	Latvia	6.6				1.0	92	Bangladesh	5.4				1.7
30	Netherlands	6.6				0.8	93	Honduras	5.4				1.7
31	Spain	6.6				0.9	94	Ukraine	5.4				2.0
32	Jordan	6.6				0.8	95	Suriname	5.1				1.7
33	Canada.....	6.6				0.9	96	Mongolia.....	5.1				2.1
34	Kuwait.....	6.6				1.1	97	Botswana.....	5.0				1.6
35	Tunisia.....	6.6				0.6	98	Poland.....	4.9				1.8
36	Georgia	6.6				0.8	99	Nicaragua.....	4.9				1.7
37	Lithuania	6.5				1.1	100	Cambodia.....	4.9				1.6
38	Indonesia	6.5				1.0	101	Pakistan	4.9				1.6
39	Bosnia and Herzegovina.....	6.5				1.1	102	South Africa	4.6				1.8
40	Argentina	6.5				1.2	103	Tajikistan	4.5				2.2
41	United Arab Emirates	6.4				1.0	104	Namibia.....	4.2				1.7
42	Croatia	6.4				1.3	105	Burkina Faso.....	4.2				1.9
43	Lesotho.....	6.4				1.1	106	Cameroon	4.2				1.9
44	Malta.....	6.4				1.2	107	Mauritania	4.1				1.6
45	Japan	6.4				1.1	108	Guyana.....	4.0				1.9
46	Mexico.....	6.4				1.1	109	Benin	4.0				1.9
47	Taiwan, China.....	6.4				1.3	110	Zimbabwe.....	4.0				1.9
48	Russian Federation.....	6.3				1.3	111	Madagascar	3.9				1.7
49	Serbia and Montenegro.....	6.3				1.6	112	Kenya.....	3.9				2.0
50	Romania.....	6.3				1.2	113	Nigeria	3.7				2.0
51	Australia	6.3				1.2	114	Gambia	3.6				1.8
52	Colombia.....	6.2				1.2	115	Burundi	3.5				1.9
53	Brazil	6.2				1.2	115	Ethiopia.....	3.5				2.2
54	Qatar	6.2				1.2	117	Zambia	3.3				1.8
55	El Salvador.....	6.2				1.1	118	Mali.....	3.3				1.7
56	Thailand	6.2				1.1	119	Uganda	3.2				1.8
57	Egypt	6.2				1.6	120	Tanzania	3.2				1.6
58	Hong Kong SAR.....	6.2				1.4	121	Chad	3.1				1.9
59	Malaysia.....	6.2				1.0	122	Angola.....	3.0				1.5
60	Barbados.....	6.2				1.1	123	Mozambique.....	2.9				1.7
61	Mauritius.....	6.1				1.2	124	Malawi.....	2.8				1.8
62	United States.....	6.1				1.4	125	Timor-Leste.....	2.1				1.3
63	Algeria.....	6.1				1.8							

4.02 Medium-term business impact of tuberculosis

How serious do you consider the future impact of tuberculosis on your company in the next 5 years? (1 = extremely serious, 7 = not a problem)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.5	7	SD
1	Denmark	6.9				0.4	64	Barbados	5.7				1.3
2	Germany	6.8				0.4	65	Jamaica	5.7				1.4
3	Israel	6.8				0.4	66	Morocco	5.7				1.9
4	Italy	6.8				0.7	67	Russian Federation	5.7				1.6
5	Norway	6.8				0.7	68	Romania	5.6				1.6
6	Finland	6.8				0.7	69	Honduras	5.6				1.6
7	Iceland	6.8				0.7	70	Bosnia and Herzegovina	5.6				1.7
8	Chile	6.7				0.8	71	Albania	5.6				1.8
9	Austria	6.7				1.0	72	Paraguay	5.5				1.7
10	Switzerland	6.7				0.7	73	Ecuador	5.5				1.7
11	Cyprus	6.6				0.8	74	Azerbaijan	5.5				1.9
12	Spain	6.6				0.9	75	Dominican Republic	5.5				1.7
13	Greece	6.6				1.0	76	China	5.5				1.6
14	New Zealand	6.6				0.7	77	Venezuela	5.5				1.8
15	Netherlands	6.6				0.8	78	Sri Lanka	5.5				1.5
16	Luxembourg	6.6				1.2	79	Armenia	5.5				1.8
17	Belgium	6.6				0.8	80	Vietnam	5.5				1.8
18	Kuwait	6.5				1.2	81	Bulgaria	5.4				1.7
19	Uruguay	6.5				1.2	82	India	5.4				1.6
20	France	6.5				1.1	83	Trinidad and Tobago	5.3				1.8
21	Slovenia	6.5				1.0	84	Nicaragua	5.3				1.6
22	Sweden	6.5				0.8	85	Bangladesh	5.2				1.6
23	Argentina	6.5				1.2	86	Suriname	5.2				1.7
24	Turkey	6.5				0.9	87	Macedonia, FYR	5.2				2.0
25	Indonesia	6.4				1.1	87	Peru	5.2				1.6
26	Canada	6.4				1.1	89	Nepal	4.9				1.6
27	Tunisia	6.4				0.8	90	Moldova	4.9				2.0
28	Mauritius	6.4				1.0	91	Kazakhstan	4.9				1.9
29	Czech Republic	6.4				0.8	92	Poland	4.8				1.5
30	Malta	6.4				1.1	93	Mali	4.8				2.2
31	Jordan	6.4				1.0	94	Bolivia	4.7				1.9
32	Bahrain	6.4				1.1	95	Philippines	4.7				1.8
33	United Kingdom	6.3				1.1	96	Burundi	4.7				1.9
34	Australia	6.3				1.1	97	Burkina Faso	4.6				2.0
35	Croatia	6.3				1.4	98	Cambodia	4.6				1.7
36	Portugal	6.3				1.3	99	Pakistan	4.6				1.7
37	Slovak Republic	6.3				1.2	100	Mongolia	4.5				1.9
38	Hungary	6.3				1.2	101	Mauritania	4.4				1.6
39	Mexico	6.3				1.1	102	Tajikistan	4.3				2.4
40	Brazil	6.2				1.3	103	Gambia	4.3				1.8
41	United Arab Emirates	6.2				1.2	104	Madagascar	4.2				1.8
42	Colombia	6.2				1.3	105	Benin	4.2				2.0
43	Qatar	6.2				1.1	106	Ukraine	4.2				1.9
44	Japan	6.2				1.3	107	Kyrgyz Republic	4.2				2.0
45	Hong Kong SAR	6.2				1.3	108	Nigeria	4.1				1.9
46	Singapore	6.2				1.2	109	Cameroon	4.1				1.8
47	United States	6.1				1.3	110	Guyana	4.1				1.8
48	Panama	6.1				1.1	111	Kenya	3.9				2.0
49	El Salvador	6.1				1.1	112	Botswana	3.9				1.8
50	Lithuania	6.1				1.2	113	Namibia	3.8				1.7
51	Georgia	6.1				1.4	114	Uganda	3.8				1.8
52	Taiwan, China	6.0				1.3	115	South Africa	3.6				1.8
53	Costa Rica	6.0				1.6	116	Angola	3.6				1.7
54	Malaysia	5.9				1.2	117	Chad	3.5				1.9
55	Thailand	5.9				1.4	118	Ethiopia	3.4				2.0
56	Egypt	5.9				1.8	119	Mozambique	3.3				1.6
57	Guatemala	5.9				1.3	120	Tanzania	3.3				1.5
58	Latvia	5.9				1.4	121	Zambia	3.2				1.8
59	Estonia	5.9				1.5	122	Malawi	2.8				1.6
60	Serbia and Montenegro	5.8				1.8	123	Zimbabwe	2.8				1.7
61	Korea, Rep.	5.8				1.4	124	Timor-Leste	2.6				1.8
62	Algeria	5.8				1.8	125	Lesotho	2.5				1.6
63	Ireland	5.8				1.6							

4.03 Medium-term business impact of HIV/AIDS

How serious do you consider the future impact of HIV/AIDS on your company in the next 5 years? (1 = extremely serious, 7 = not a problem)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD
1	Norway	6.6				0.7	64	Peru	5.1				1.7
2	Finland	6.6				0.8	65	Costa Rica	5.1				1.6
3	Austria	6.5				0.9	66	Bulgaria	5.1				1.8
4	Iceland	6.5				0.8	67	Kazakhstan	5.1				1.9
5	Israel	6.5				0.7	68	Korea, Rep.	5.1				1.6
6	Denmark	6.4				1.0	69	Moldova	5.1				2.0
7	Sweden	6.4				0.8	70	Albania	5.1				1.9
8	Germany	6.4				1.0	71	United States	5.1				1.7
9	Turkey	6.3				1.1	72	Sri Lanka	5.0				1.8
10	Indonesia	6.3				1.5	73	Guatemala	4.9				1.8
11	Lithuania	6.3				1.1	74	Philippines	4.8				1.6
12	Tunisia	6.3				0.9	75	Panama	4.8				1.5
13	Greece	6.3				1.1	76	Ecuador	4.8				1.7
14	Hungary	6.2				1.2	77	Thailand	4.7				1.6
15	Slovak Republic	6.2				1.2	78	Bangladesh	4.7				2.0
16	Netherlands	6.1				1.1	79	Morocco	4.6				2.2
17	Italy	6.1				1.2	80	Macedonia, FYR	4.6				2.2
18	Belgium	6.1				1.0	81	Kyrgyz Republic	4.6				2.1
19	Kuwait	6.1				1.5	82	El Salvador	4.6				1.9
20	Cyprus	6.1				1.1	83	Ukraine	4.6				2.0
21	Slovenia	6.1				1.3	84	Poland	4.6				1.4
22	Jordan	6.1				1.2	85	Paraguay	4.5				1.8
23	Switzerland	6.0				1.3	86	Bolivia	4.5				1.7
24	Qatar	6.0				1.2	87	Venezuela	4.5				1.7
25	New Zealand	5.9				1.3	88	Nicaragua	4.5				1.6
26	Luxembourg	5.9				1.6	89	Pakistan	4.4				1.7
27	Bahrain	5.9				1.3	90	Honduras	4.2				2.0
28	Hong Kong SAR	5.9				1.4	91	Dominican Republic	4.2				2.0
29	Portugal	5.9				1.5	92	Tajikistan	4.2				2.4
30	Croatia	5.9				1.6	93	Mongolia	4.1				2.2
31	Spain	5.9				1.4	94	Nepal	4.0				1.9
32	Ireland	5.8				1.2	95	India	4.0				1.9
33	United Kingdom	5.8				1.3	96	Gambia	3.9				1.8
34	Canada	5.7				1.6	97	Suriname	3.7				1.6
35	Australia	5.7				1.4	98	Madagascar	3.7				1.7
36	Singapore	5.7				1.2	99	Cambodia	3.7				1.9
37	Malta	5.7				1.4	100	Benin	3.5				1.9
38	Latvia	5.7				1.4	101	Cameroon	3.5				1.8
39	Japan	5.7				1.5	102	Angola	3.4				1.8
40	Georgia	5.6				1.7	103	Mauritania	3.4				2.1
41	Czech Republic	5.6				1.3	104	Burkina Faso	3.3				1.7
42	Chile	5.6				1.3	105	Mali	3.3				2.0
43	Taiwan, China	5.6				1.5	106	Jamaica	3.3				1.8
44	United Arab Emirates	5.6				1.6	107	Barbados	3.2				1.5
45	Bosnia and Herzegovina	5.6				1.7	108	Burundi	3.1				1.9
46	France	5.6				1.6	109	Nigeria	3.1				2.0
47	Russian Federation	5.6				1.7	110	Zambia	2.9				1.8
48	Brazil	5.6				1.5	111	Kenya	2.9				1.8
49	Romania	5.6				1.7	112	Timor-Leste	2.9				1.9
50	Argentina	5.6				1.5	113	Trinidad and Tobago	2.7				1.7
51	Egypt	5.6				2.0	114	Uganda	2.6				1.5
52	Azerbaijan	5.6				1.8	115	Ethiopia	2.5				1.7
53	Serbia and Montenegro	5.5				2.0	116	Namibia	2.4				1.1
54	Uruguay	5.4				1.7	117	Guyana	2.4				1.6
55	Armenia	5.4				1.9	118	Zimbabwe	2.3				1.6
56	Algeria	5.3				2.1	119	Botswana	2.3				1.5
57	Mauritius	5.3				1.6	120	Malawi	2.3				1.6
58	Mexico	5.3				1.4	121	South Africa	2.2				1.4
59	Vietnam	5.2				1.8	122	Chad	2.2				1.6
60	Malaysia	5.2				1.6	123	Mozambique	2.1				1.4
61	Estonia	5.2				1.9	124	Tanzania	2.1				1.3
62	Colombia	5.2				1.6	125	Lesotho	1.8				1.6
63	China	5.2				1.8							

4.04 Infant mortality (hard data)

Infant (children aged 0–12 months) mortality per 1,000 live births, 2004

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Iceland.....	2.0	63	Thailand	18.0
1	Singapore.....	2.0	63	Trinidad and Tobago	18.0
3	Finland.....	3.0	66	Panama	19.0
3	Japan.....	3.0	67	Paraguay	21.0
3	Norway.....	3.0	67	Tunisia	21.0
3	Sweden.....	3.0	69	Ecuador.....	23.0
7	Belgium.....	4.0	69	Jordan	23.0
7	Cyprus.....	4.0	69	Mexico	23.0
7	Czech Republic	4.0	69	Moldova	23.0
7	Denmark	4.0	73	El Salvador	24.0
7	France	4.0	73	Peru.....	24.0
7	Germany	4.0	75	China.....	26.0
7	Greece	4.0	75	Egypt.....	26.0
7	Hong Kong SAR	4.0	75	Philippines.....	26.0
7	Italy	4.0	78	Dominican Republic	27.0
7	Netherlands.....	4.0	79	Turkey.....	28.0
7	Portugal.....	4.0	80	Armenia.....	29.0
7	Slovenia.....	4.0	81	Indonesia.....	30.0
7	Spain	4.0	81	Suriname	30.0
7	Switzerland	4.0	83	Honduras.....	31.0
21	Australia	5.0	83	Nicaragua	31.0
21	Austria.....	5.0	85	Brazil	32.0
21	Canada	5.0	86	Guatemala.....	33.0
21	Ireland	5.0	87	Algeria	35.0
21	Israel	5.0	88	Morocco.....	38.0
21	Korea, Rep.	5.0	89	Georgia.....	41.0
21	Luxembourg.....	5.0	89	Mongolia	41.0
21	Malta	5.0	91	Namibia	42.0
21	New Zealand.....	5.0	92	Guyana	47.0
21	United Kingdom	5.0	93	Bolivia.....	54.0
31	Taiwan, China.....	5.3	93	South Africa	54.0
32	Croatia	6.0	95	Lesotho.....	55.0
32	Estonia	6.0	96	Bangladesh	56.0
32	United States	6.0	97	Kyrgyz Republic.....	58.0
35	Hungary.....	7.0	98	Nepal.....	59.0
35	Poland	7.0	99	India	62.0
35	Slovak Republic.....	7.0	100	Kazakhstan	63.0
35	United Arab Emirates.....	7.0	101	Timor-Leste	64.0
39	Chile	8.0	102	Azerbaijan.....	75.0
39	Lithuania.....	8.0	102	Botswana.....	75.0
41	Bahrain	9.0	104	Madagascar.....	76.0
41	Latvia.....	9.0	105	Kenya	78.0
43	Barbados	10.0	105	Mauritania	78.0
43	Kuwait.....	10.0	105	Tanzania.....	78.0
43	Malaysia	10.0	105	Zimbabwe	78.0
43	Qatar	10.0	109	Pakistan.....	80.0
47	Costa Rica	11.0	110	Uganda.....	81.0
48	Bulgaria	12.0	111	Cameroon	87.0
48	Mauritius	12.0	112	Gambia.....	89.0
48	Sri Lanka	12.0	113	Benin	90.0
48	Uruguay.....	12.0	114	Tajikistan.....	91.0
52	Bosnia and Herzegovina.....	13.0	115	Burkina Faso	97.0
52	Macedonia, FYR.....	13.0	115	Cambodia	97.0
52	Russian Federation	13.0	117	Mozambique	102.0
52	Serbia and Montenegro	13.0	118	Nigeria	103.0
56	Ukraine.....	14.0	119	Zambia	104.0
57	Albania	16.0	120	Malawi	109.0
57	Argentina.....	16.0	121	Ethiopia	110.0
57	Venezuela.....	16.0	122	Burundi.....	114.0
60	Jamaica	17.0	123	Chad.....	117.0
60	Romania.....	17.0	124	Mali	121.0
60	Vietnam.....	17.0	125	Angola	154.0
63	Colombia	18.0			

4.05 Life expectancy (hard data)

Life expectancy at birth (years), 2004

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Hong Kong SAR	82.0	53	Romania	72.0
1	Japan	82.0	53	Tunisia	72.0
3	Australia	81.0	66	Algeria	71.0
3	Iceland	81.0	66	El Salvador	71.0
3	Italy	81.0	66	Jordan	71.0
3	Sweden	81.0	66	Latvia	71.0
3	Switzerland	81.0	66	Morocco	71.0
8	Canada	80.0	66	Peru	71.0
8	France	80.0	66	Sri Lanka	71.0
8	Israel	80.0	66	Turkey	71.0
8	New Zealand	80.0	66	Vietnam	71.0
8	Norway	80.0	75	Brazil	70.0
8	Singapore	80.0	75	Thailand	70.0
8	Spain	80.0	75	Trinidad and Tobago	70.0
15	Austria	79.0	78	Nicaragua	69.0
15	Cyprus	79.0	79	Armenia	68.0
15	Finland	79.0	79	Egypt	68.0
15	Germany	79.0	79	Guatemala	68.0
15	Greece	79.0	79	Philippines	68.0
15	Luxembourg	79.0	83	Dominican Republic	67.0
15	Malta	79.0	83	Honduras	67.0
15	Netherlands	79.0	83	Indonesia	67.0
15	United Kingdom	79.0	83	Moldova	67.0
24	Belgium	78.0	83	Suriname	67.0
24	Denmark	78.0	83	Ukraine	67.0
24	Ireland	78.0	89	Azerbaijan	65.0
24	Portugal	78.0	89	Bolivia	65.0
24	United States	78.0	89	Mongolia	65.0
29	Chile	77.0	89	Russian Federation	65.0
29	Costa Rica	77.0	93	Timor-Leste	63.0
29	Korea, Rep.	77.0	93	Guyana	63.0
29	Kuwait	77.0	93	Kyrgyz Republic	63.0
29	Slovenia	77.0	93	Tajikistan	63.0
29	United Arab Emirates	77.0	97	Bangladesh	62.0
35	Taiwan, China	76.4	97	India	62.0
36	Czech Republic	76.0	97	Pakistan	62.0
36	Panama	76.0	100	Kazakhstan	61.0
36	Qatar	76.0	100	Nepal	61.0
39	Argentina	75.0	102	Mauritania	58.0
39	Barbados	75.0	103	Gambia	57.0
39	Croatia	75.0	103	Madagascar	57.0
39	Poland	75.0	105	Cambodia	54.0
39	Uruguay	75.0	105	Namibia	54.0
39	Venezuela	75.0	107	Benin	53.0
45	Bahrain	74.0	108	Kenya	51.0
45	Georgia	74.0	109	Cameroon	50.0
45	Mexico	74.0	109	Ethiopia	50.0
45	Slovak Republic	74.0	111	Uganda	49.0
49	Bosnia and Herzegovina	73.0	112	Burkina Faso	48.0
49	Colombia	73.0	112	South Africa	48.0
49	Hungary	73.0	112	Tanzania	48.0
49	Serbia and Montenegro	73.0	115	Chad	46.0
53	Albania	72.0	115	Mali	46.0
53	Bulgaria	72.0	115	Nigeria	46.0
53	China	72.0	118	Burundi	45.0
53	Ecuador	72.0	118	Mozambique	45.0
53	Estonia	72.0	120	Lesotho	41.0
53	Jamaica	72.0	120	Malawi	41.0
53	Lithuania	72.0	122	Angola	40.0
53	Macedonia, FYR	72.0	122	Botswana	40.0
53	Malaysia	72.0	122	Zambia	40.0
53	Mauritius	72.0	125	Zimbabwe	36.0
53	Paraguay	72.0			

4.06 Tuberculosis prevalence (hard data)

Tuberculosis prevalence per 100,000 inhabitants, 2004

RANK COUNTRY/ECONOMY HARD DATA

1	Iceland.....	2.1
2	Sweden.....	3.4
3	United States.....	3.6
4	Norway.....	4.1
5	Canada.....	4.2
6	Cyprus.....	4.3
7	Malta.....	4.6
8	Jordan.....	5.0
9	Italy.....	5.6
10	Switzerland.....	5.7
11	Australia.....	5.8
12	Denmark.....	6.2
13	Netherlands.....	6.3
14	Germany.....	6.3
15	Finland.....	7.0
16	Israel.....	7.0
17	Jamaica.....	9.2
18	United Kingdom.....	9.2
19	Ireland.....	9.3
20	Luxembourg.....	9.4
21	France.....	9.8
22	Belgium.....	10.5
23	Austria.....	10.8
24	New Zealand.....	10.8
25	Czech Republic.....	11.2
26	Barbados.....	12.3
27	Trinidad and Tobago.....	12.4
28	Costa Rica.....	15.3
29	Chile.....	15.8
30	Slovenia.....	16.8
31	Greece.....	17.0
32	Spain.....	19.8
33	Slovak Republic.....	23.4
34	Tunisia.....	24.0
35	United Arab Emirates.....	25.9
36	Hungary.....	29.7
37	Kuwait.....	29.8
38	Albania.....	30.7
39	Poland.....	31.9
40	Uruguay.....	32.8
41	Macedonia, FYR.....	33.6
42	Portugal.....	34.8
43	Egypt.....	34.9
44	Bulgaria.....	36.1
45	Japan.....	39.4
46	Singapore.....	40.8
47	Mexico.....	43.2
48	Panama.....	44.7
49	Turkey.....	44.8
50	Estonia.....	49.2
51	Bahrain.....	49.8
52	Serbia and Montenegro.....	49.8
53	Venezuela.....	52.3
54	Argentina.....	53.0
55	Bosnia and Herzegovina.....	53.4
56	Algeria.....	53.9
57	Croatia.....	65.0
58	Lithuania.....	66.5
59	Latvia.....	71.5
60	Taiwan, China.....	74.1
61	El Salvador.....	74.5
62	Colombia.....	74.7
63	Qatar.....	76.6

RANK COUNTRY/ECONOMY HARD DATA

64	Brazil.....	76.7
65	Hong Kong SAR.....	77.0
66	Nicaragua.....	80.2
67	Georgia.....	89.3
68	Azerbaijan.....	89.6
69	Sri Lanka.....	90.9
70	Honduras.....	97.0
71	Suriname.....	97.7
72	Armenia.....	98.2
73	Morocco.....	105.2
74	Paraguay.....	106.8
75	Guatemala.....	107.3
76	Dominican Republic.....	117.6
77	Korea, Rep.....	124.6
78	Malaysia.....	132.7
79	Mauritius.....	135.4
80	Kyrgyz Republic.....	136.6
81	Benin.....	142.3
82	Ukraine.....	150.8
83	Kazakhstan.....	160.3
84	Russian Federation.....	160.3
85	Guyana.....	185.4
86	Romania.....	187.9
87	Ecuador.....	196.3
88	Thailand.....	207.7
89	Mongolia.....	208.9
90	Moldova.....	213.9
91	Peru.....	216.0
92	China.....	221.1
93	Cameroon.....	227.4
94	Vietnam.....	231.8
95	Nepal.....	256.7
96	Indonesia.....	275.2
97	Tajikistan.....	276.8
98	Bolivia.....	289.8
99	Angola.....	309.9
100	India.....	312.2
101	Pakistan.....	328.7
102	Gambia.....	328.7
103	Madagascar.....	351.2
104	Burkina Faso.....	365.1
105	Bangladesh.....	435.4
106	Philippines.....	463.3
107	Tanzania.....	478.6
108	Malawi.....	500.9
109	Mauritania.....	502.4
110	Nigeria.....	531.3
111	Ethiopia.....	533.2
112	Lesotho.....	544.0
113	Botswana.....	552.8
114	Burundi.....	563.7
115	Chad.....	565.7
116	Mali.....	577.9
117	Namibia.....	585.7
118	Mozambique.....	635.1
119	Uganda.....	646.4
120	South Africa.....	669.9
121	Zimbabwe.....	672.6
122	Timor-Leste.....	692.1
123	Zambia.....	707.3
124	Cambodia.....	708.7
125	Kenya.....	888.4

4.07 Malaria prevalence (hard data)

Malaria prevalence per 100,000 inhabitants, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Albania	0.0	64	Trinidad and Tobago	1.2
1	Australia	0.0	65	El Salvador	1.3
1	Austria	0.0	66	Uruguay	1.6
1	Bahrain	0.0	67	Mauritius	1.8
1	Barbados	0.0	68	Kyrgyz Republic	1.9
1	Belgium	0.0	69	Korea, Rep.	2.3
1	Bosnia and Herzegovina	0.0	70	China	3.1
1	Bulgaria	0.0	71	Mexico	3.2
1	Canada	0.0	72	Jamaica	5.2
1	Croatia	0.0	73	Azerbaijan	5.7
1	Cyprus	0.0	74	Georgia	6.2
1	Czech Republic	0.0	75	Paraguay	11.6
1	Denmark	0.0	76	Turkey	12.9
1	Egypt	0.0	77	Malaysia	22.4
1	Estonia	0.0	78	Dominican Republic	26.5
1	Finland	0.0	79	South Africa	29.9
1	France	0.0	80	Costa Rica	30.0
1	Germany	0.0	81	Nepal	37.3
1	Greece	0.0	82	Bangladesh	38.8
1	Hong Kong SAR	0.0	83	Vietnam	46.0
1	Hungary	0.0	84	Philippines	54.6
1	Iceland	0.0	85	Sri Lanka	55.0
1	Ireland	0.0	86	Thailand	59.5
1	Israel	0.0	87	Pakistan	81.5
1	Italy	0.0	88	Tajikistan	87.5
1	Japan	0.0	89	Indonesia	98.9
1	Jordan	0.0	90	Nicaragua	122.5
1	Kuwait	0.0	91	Honduras	146.7
1	Latvia	0.0	92	Panama	159.2
1	Lesotho	0.0	93	Bolivia	165.7
1	Lithuania	0.0	94	India	167.2
1	Luxembourg	0.0	95	Venezuela	178.1
1	Macedonia, FYR	0.0	96	Ecuador	224.2
1	Malta	0.0	97	Guatemala	253.1
1	Mongolia	0.0	98	Brazil	254.2
1	Netherlands	0.0	99	Colombia	260.3
1	New Zealand	0.0	100	Peru	292.2
1	Norway	0.0	101	Kenya	389.3
1	Poland	0.0	102	Cambodia	505.4
1	Portugal	0.0	103	Ethiopia	799.5
1	Qatar	0.0	104	Botswana	1,245.4
1	Romania	0.0	105	Suriname	1,906.6
1	Russian Federation	0.0	106	Nigeria	2,103.6
1	Serbia and Montenegro	0.0	107	Cameroon	2,900.0
1	Singapore	0.0	108	Tanzania	3,000.0
1	Slovak Republic	0.0	109	Guyana	3,773.3
1	Slovenia	0.0	110	Chad	4,767.9
1	Spain	0.0	111	Mauritania	5,979.4
1	Sweden	0.0	112	Mali	6,226.4
1	Switzerland	0.0	113	Zimbabwe	9,562.4
1	Tunisia	0.0	114	Angola	10,139.1
1	Ukraine	0.0	115	Burkina Faso	11,894.5
1	United Arab Emirates	0.0	116	Madagascar	12,151.7
1	United Kingdom	0.0	117	Benin	12,172.5
1	United States	0.0	118	Gambia	17,340.0
56	Chile	0.0	119	Zambia	18,964.0
57	Taiwan, China	0.1	120	Namibia	22,204.1
58	Kazakhstan	0.1	121	Malawi	24,180.7
59	Moldova	0.1	122	Mozambique	26,919.9
60	Morocco	0.2	123	Burundi	26,993.9
61	Argentina	0.3	124	Uganda	47,842.7
62	Armenia	0.9	n/a	Timor-Leste	n/a
63	Algeria	1.0			

SOURCES: World Health Organization and UNICEF, *World Malaria Report 2005*; World Health Organization Regional Offices; UNFPA, *State of World Population 2005*; World Bank, *World Development Indicators 2006*; UNDP, *Human Development Report 2006*; national sources

4.08 HIV prevalence (hard data)

HIV prevalence as a percentage of adults aged 15–49 years, 2003 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Azerbaijan	<0.1	63	Bangladesh	0.3
1	Bosnia and Herzegovina	<0.1	63	Canada	0.3
1	Bulgaria	<0.1	63	Chile	0.3
1	Croatia	<0.1	63	Ecuador	0.3
1	Cyprus	<0.1	63	Mexico	0.3
1	Egypt	<0.1	63	Uruguay	0.3
1	Hong Kong SAR	<0.1	70	France	0.4
1	Japan	<0.1	70	Malaysia	0.4
1	Jordan	<0.1	70	Portugal	0.4
1	Korea, Rep.	<0.1	70	Switzerland	0.4
1	Kuwait	<0.1	70	Vietnam	0.4
1	Macedonia, FYR	<0.1	75	Italy	0.5
1	Mauritius	<0.1	75	Nepal	0.5
1	Mongolia	<0.1	75	Paraguay	0.5
1	Philippines	<0.1	75	Peru	0.5
1	Qatar	<0.1	79	Costa Rica	0.6
1	Romania	<0.1	79	Latvia	0.6
1	Slovak Republic	<0.1	79	Mauritania	0.6
1	Slovenia	<0.1	79	United States	0.6
1	Sri Lanka	<0.1	83	Argentina	0.7
1	Taiwan, China	<0.1	83	Brazil	0.7
1	Tajikistan	<0.1	83	Colombia	0.7
1	Timor-Leste	<0.1	83	El Salvador	0.7
1	Tunisia	<0.1	83	Spain	0.7
1	Turkey	<0.1	83	Venezuela	0.7
26	Albania	0.1	89	India	0.9
26	Algeria	0.1	89	Panama	0.9
26	Armenia	0.1	91	Estonia	1.1
26	Australia	0.1	91	Guatemala	1.1
26	Bolivia	0.1	91	Russian Federation	1.1
26	China	0.1	94	Gambia	1.2
26	Czech Republic	0.1	94	Jamaica	1.2
26	Finland	0.1	96	Ukraine	1.4
26	Georgia	0.1	97	Barbados	1.5
26	Germany	0.1	97	Thailand	1.5
26	Hungary	0.1	99	Dominican Republic	1.7
26	Indonesia	0.1	99	Madagascar	1.7
26	Ireland	0.1	99	Suriname	1.7
26	Israel	0.1	102	Honduras	1.8
26	Kyrgyz Republic	0.1	103	Benin	1.9
26	Lithuania	0.1	103	Mali	1.9
26	Morocco	0.1	105	Guyana	2.5
26	New Zealand	0.1	106	Cambodia	2.6
26	Norway	0.1	107	Trinidad and Tobago	3.2
26	Pakistan	0.1	108	Angola	3.9
26	Poland	0.1	109	Uganda	4.1
26	Sweden	0.1	110	Burkina Faso	4.2
48	United Arab Emirates	0.2	111	Ethiopia	4.4
49	Bahrain	0.2	112	Chad	4.8
49	Belgium	0.2	113	Nigeria	5.4
49	Denmark	0.2	114	Burundi	6.0
49	Greece	0.2	115	Kenya	6.7
49	Iceland	0.2	116	Cameroon	6.9
49	Kazakhstan	0.2	117	Tanzania	8.8
49	Luxembourg	0.2	118	Mozambique	12.2
49	Malta	0.2	119	Malawi	14.2
49	Moldova	0.2	120	Zambia	16.5
49	Netherlands	0.2	121	Namibia	21.3
49	Nicaragua	0.2	122	South Africa	21.5
49	Serbia and Montenegro	0.2	123	Zimbabwe	24.6
49	Singapore	0.2	124	Lesotho	28.9
49	United Kingdom	0.2	125	Botswana	37.3
63	Austria	0.3			

4.09 Primary enrollment (hard data)

Net primary education enrollment rate, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Japan.....	99.9	64	Venezuela.....	92.1
2	Denmark	99.9	65	Macedonia, FYR.....	92.0
3	Canada	99.6	66	Romania	91.9
4	Korea, Rep.	99.6	67	Paraguay	91.5
5	Spain	99.4	68	Russian Federation	91.5
6	Greece	99.4	69	Jordan	91.1
7	Finland.....	99.3	70	Luxembourg.....	90.9
8	New Zealand.....	99.3	71	Jamaica	90.6
9	Iceland.....	99.0	72	Costa Rica.....	90.6
10	France	98.9	73	Honduras.....	90.6
11	Norway.....	98.9	74	Kyrgyz Republic.....	90.1
12	Portugal.....	98.9	75	Austria.....	89.9
13	Italy	98.8	76	India	89.7
14	Argentina.....	98.8	77	South Africa	89.5
15	Belgium.....	98.8	77	Uruguay.....	89.5
16	Netherlands.....	98.7	79	Lithuania.....	89.4
17	United Kingdom	98.7	80	Turkey.....	89.3
18	Sweden.....	98.6	81	Hungary.....	89.1
19	Guyana	98.4	82	Chile	88.8
20	Panama	98.3	83	Madagascar.....	88.8
21	Mexico	97.8	84	Croatia	88.5
22	Slovenia.....	97.8	84	Czech Republic	88.5
23	Ecuador.....	97.7	86	Nicaragua	88.0
24	Cambodia	97.6	87	Latvia.....	87.6
24	Israel	97.6	88	Slovak Republic.....	87.0
26	Tunisia	97.6	89	Thailand.....	86.3
27	Poland	97.3	90	Germany	86.3
28	Suriname.....	97.3	91	Moldova	86.2
29	Barbados	97.2	92	Morocco.....	86.1
30	Albania	97.2	93	Dominican Republic	86.0
31	Sri Lanka	97.2	94	Kuwait	86.0
32	Peru.....	97.1	95	Lesotho.....	85.9
33	Bahrain	96.8	96	Mongolia	84.2
34	Tajikistan.....	96.7	97	Azerbaijan.....	83.8
35	Algeria	96.7	98	Colombia	83.2
36	Brazil	96.5	99	Zimbabwe	82.7
37	Ireland	96.4	100	Benin.....	82.6
37	Singapore.....	96.4	101	Botswana.....	82.1
39	Cyprus	96.1	102	Ukraine.....	82.1
40	Australia	95.8	103	Zambia	79.8
41	Egypt.....	95.4	104	Namibia	78.2
42	Malawi	95.3	105	Kenya	76.4
43	Bolivia.....	95.2	106	Gambia.....	75.2
44	Malaysia	95.2	107	Serbia and Montenegro	74.9
45	Bulgaria	95.2	108	Mauritania	74.3
46	Mauritius	95.1	109	United Arab Emirates.....	71.2
47	Qatar	94.8	110	Mozambique	71.0
48	China	94.6	111	Nepal.....	70.5
49	Indonesia.....	94.3	112	Pakistan.....	66.2
50	Estonia	94.1	113	Nigeria.....	60.1
51	Vietnam.....	94.0	114	Chad.....	58.3
52	Malta	94.0	115	Burundi.....	57.0
53	Philippines.....	94.0	116	Tanzania.....	54.4
54	Switzerland	93.9	117	Mali	46.5
55	Bangladesh	93.8	118	Ethiopia	46.4
56	Armenia.....	93.7	119	Burkina Faso	40.5
57	Guatemala.....	93.0	120	Angola	29.9
58	Hong Kong SAR	93.0	n/a	Bosnia and Herzegovina....	n/a
59	Georgia.....	92.8	n/a	Cameroon.....	n/a
60	Kazakhstan	92.6	n/a	Timor-Leste	n/a
61	United States	92.4	n/a	Taiwan, China	n/a
62	El Salvador	92.3	n/a	Uganda	n/a
63	Trinidad and Tobago	92.2			

SOURCES: UNESCO Institute for Statistics (June 2006); United Nations Statistics Division

Section V

Higher Education and Training

5.01 Secondary enrollment (hard data)

Gross secondary enrollment rate, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Australia	148.6	64	Hong Kong SAR	84.9
2	Denmark	124.2	65	Macedonia, FYR	84.1
3	Spain	119.1	66	Trinidad and Tobago	83.8
4	Netherlands	118.8	67	Azerbaijan	83.1
5	Norway	115.6	68	Moldova	82.8
6	Iceland	114.6	69	Sri Lanka	82.5
7	New Zealand	114.4	70	Georgia	82.3
8	Ireland	111.6	71	Tajikistan	81.8
9	France	110.6	72	Tunisia	81.3
10	Barbados	110.1	73	Algeria	80.7
11	Finland	109.4	74	Mexico	79.7
12	Belgium	108.9	75	Turkey	79.2
13	Uruguay	108.0	76	Albania	78.0
14	Malta	105.3	77	Thailand	77.3
15	Canada	105.0	78	Malaysia	76.0
16	United Kingdom	104.5	79	Botswana	75.1
17	Sweden	102.6	80	Colombia	74.5
18	Bulgaria	102.1	81	Costa Rica	73.5
19	Brazil	102.0	82	Vietnam	73.5
20	Japan	101.6	83	Suriname	73.0
21	Austria	100.9	84	China	72.5
22	Germany	100.0	85	Venezuela	72.0
23	Slovenia	99.8	86	Panama	70.2
24	Italy	99.1	87	Dominican Republic	68.4
25	Argentina	99.0	88	United Arab Emirates	66.4
26	Bahrain	98.8	89	Honduras	65.5
27	Taiwan, China	98.2	90	Indonesia	64.1
28	Lithuania	98.1	91	Nicaragua	63.7
29	Estonia	98.1	92	Paraguay	63.0
30	Kazakhstan	98.1	93	Ecuador	61.1
31	Singapore	98.0	94	El Salvador	60.4
32	Cyprus	97.7	95	Namibia	58.0
33	Qatar	96.8	96	India	53.5
34	Poland	96.7	97	Bangladesh	51.0
35	Portugal	96.7	98	Guatemala	48.6
36	Latvia	96.6	99	Kenya	48.0
37	Hungary	96.5	100	Morocco	47.6
38	Greece	96.3	101	Gambia	46.9
39	Czech Republic	95.7	102	Bosnia and Herzegovina	45.0
40	Luxembourg	94.9	103	Timor-Leste	44.0
41	United States	94.8	104	Cameroon	43.8
42	Slovak Republic	94.2	105	Nepal	43.0
43	Switzerland	93.4	106	Lesotho	36.4
44	Russian Federation	92.9	107	Zimbabwe	36.0
45	Ukraine	92.9	108	Nigeria	34.6
46	Israel	92.7	109	Cambodia	29.4
47	Peru	91.6	110	Malawi	28.9
48	Armenia	91.4	111	Ethiopia	27.8
49	Korea, Rep.	90.9	112	Pakistan	27.2
50	South Africa	90.0	113	Benin	25.9
51	Kuwait	89.9	114	Zambia	25.8
52	Mongolia	89.5	115	Mali	22.3
53	Chile	89.1	116	Mauritania	20.2
54	Bolivia	88.5	117	Uganda	18.6
55	Serbia and Montenegro	88.5	118	Chad	15.1
56	Jamaica	88.1	119	Burundi	12.1
57	Croatia	88.0	120	Burkina Faso	12.1
58	Kyrgyz Republic	88.0	121	Mozambique	10.8
59	Jordan	87.4	122	Tanzania	7.5
60	Egypt	87.1	n/a	Angola	n/a
61	Philippines	85.9	n/a	Guyana	n/a
62	Mauritius	85.4	n/a	Madagascar	n/a
63	Romania	85.1			

5.02 Tertiary enrollment (hard data)

Gross tertiary enrollment rate, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA		RANK	COUNTRY/ECONOMY	HARD DATA	
1	Finland.....	90.0	<div></div>	61	Turkey.....	29.0	<div></div>
2	Korea, Rep.	89.0	<div></div>	65	Macedonia, FYR.....	28.0	<div></div>
3	Sweden.....	84.0	<div></div>	66	Bosnia and Herzegovina	27.0	<div></div>
4	United States	82.0	<div></div>	66	Colombia	27.0	<div></div>
5	Norway.....	80.0	<div></div>	68	Armenia.....	26.0	<div></div>
6	Greece	79.0	<div></div>	68	Malta	26.0	<div></div>
7	Taiwan, China.....	78.6	<div></div>	68	Paraguay	26.0	<div></div>
8	Denmark	74.0	<div></div>	71	Costa Rica	25.0	<div></div>
8	Latvia.....	74.0	<div></div>	72	Mexico	23.0	<div></div>
8	Slovenia.....	74.0	<div></div>	73	Kuwait.....	22.0	<div></div>
11	Lithuania.....	73.0	<div></div>	73	United Arab Emirates.....	22.0	<div></div>
12	Australia	72.0	<div></div>	75	Algeria	20.0	<div></div>
13	Russian Federation	68.0	<div></div>	75	Brazil	20.0	<div></div>
14	Spain	66.0	<div></div>	77	China	19.0	<div></div>
14	Ukraine.....	66.0	<div></div>	77	El Salvador	19.0	<div></div>
16	Estonia	65.0	<div></div>	77	Jamaica	19.0	<div></div>
17	Belgium.....	63.0	<div></div>	77	Qatar	19.0	<div></div>
17	Italy	63.0	<div></div>	81	Nicaragua	18.0	<div></div>
17	New Zealand.....	63.0	<div></div>	82	Ecuador.....	17.9	<div></div>
20	Iceland.....	62.0	<div></div>	83	Indonesia.....	17.0	<div></div>
21	Argentina.....	61.0	<div></div>	83	Mauritius	17.0	<div></div>
21	Poland	61.0	<div></div>	85	Albania	16.0	<div></div>
23	Hungary.....	60.0	<div></div>	85	Honduras.....	16.0	<div></div>
23	United Kingdom	60.0	<div></div>	85	Tajikistan.....	16.0	<div></div>
25	Ireland	59.0	<div></div>	88	Azerbaijan.....	15.0	<div></div>
25	Netherlands.....	59.0	<div></div>	88	South Africa	15.0	<div></div>
27	Canada	57.0	<div></div>	90	Luxembourg.....	12.0	<div></div>
27	Portugal.....	57.0	<div></div>	90	Trinidad and Tobago	12.0	<div></div>
29	France	56.0	<div></div>	92	India	11.0	<div></div>
29	Israel	56.0	<div></div>	92	Morocco.....	11.0	<div></div>
31	Japan.....	54.0	<div></div>	94	Guatemala.....	10.0	<div></div>
32	Austria.....	50.0	<div></div>	94	Nigeria.....	10.0	<div></div>
32	Germany	50.0	<div></div>	94	Vietnam.....	10.0	<div></div>
34	Kazakhstan	48.0	<div></div>	94	Timor-Leste	10.0	<div></div>
35	Singapore.....	47.0	<div></div>	98	Suriname.....	9.8	<div></div>
35	Switzerland	47.0	<div></div>	99	Guyana	9.0	<div></div>
37	Panama	46.0	<div></div>	100	Bangladesh	7.0	<div></div>
38	Chile	43.0	<div></div>	101	Botswana.....	6.0	<div></div>
38	Czech Republic	43.0	<div></div>	101	Namibia	6.0	<div></div>
40	Bolivia.....	41.0	<div></div>	101	Nepal.....	6.0	<div></div>
40	Bulgaria	41.0	<div></div>	104	Cameroon	5.0	<div></div>
40	Georgia.....	41.0	<div></div>	105	Zimbabwe	4.0	<div></div>
40	Thailand.....	41.0	<div></div>	106	Cambodia	3.0	<div></div>
44	Kyrgyz Republic.....	40.0	<div></div>	106	Kenya	3.0	<div></div>
44	Romania	40.0	<div></div>	106	Lesotho.....	3.0	<div></div>
46	Croatia.....	39.0	<div></div>	106	Madagascar.....	3.0	<div></div>
46	Jordan	39.0	<div></div>	106	Mauritania	3.0	<div></div>
46	Mongolia	39.0	<div></div>	106	Pakistan.....	3.0	<div></div>
46	Venezuela.....	39.0	<div></div>	106	Sri Lanka	3.0	<div></div>
50	Uruguay.....	38.0	<div></div>	106	Uganda	3.0	<div></div>
50	Barbados	38.0	<div></div>	114	Burundi.....	2.0	<div></div>
52	Moldova	37.0	<div></div>	114	Ethiopia	2.0	<div></div>
53	Cyprus.....	36.0	<div></div>	114	Mali	2.0	<div></div>
53	Serbia and Montenegro.....	36.0	<div></div>	117	Angola	1.0	<div></div>
53	Slovak Republic.....	36.0	<div></div>	117	Burkina Faso	1.0	<div></div>
56	Bahrain	34.0	<div></div>	117	Gambia.....	1.0	<div></div>
57	Dominican Republic	33.0	<div></div>	117	Mozambique	1.0	<div></div>
57	Egypt.....	33.0	<div></div>	117	Tanzania.....	1.0	<div></div>
57	Peru.....	33.0	<div></div>	117	Chad	1.0	<div></div>
60	Hong Kong SAR.....	32.0	<div></div>	123	Malawi	0.0	<div></div>
61	Malaysia.....	29.0	<div></div>	n/a	Benin	n/a	<div></div>
61	Philippines.....	29.0	<div></div>	n/a	Zambia.....	n/a	<div></div>
61	Tunisia	29.0	<div></div>				

5.03 Quality of the educational system

The educational system in your country (1 = does not meet the needs of a competitive economy, 7 = meets the needs of a competitive economy)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Finland	6.0				1.0	64	Uganda	3.4				1.9
2	Singapore.....	6.0				0.8	65	Mauritius.....	3.4				1.4
3	Iceland	5.9				0.9	66	El Salvador	3.4				1.3
4	Switzerland	5.8				1.0	67	Spain	3.4				1.5
5	Denmark	5.6				1.0	68	Jamaica.....	3.4				1.6
6	Ireland	5.5				1.0	69	Moldova.....	3.4				1.7
7	Hong Kong SAR.....	5.4				1.2	70	Sri Lanka	3.3				1.8
8	Belgium	5.4				1.1	71	Nigeria	3.3				1.7
9	Taiwan, China.....	5.4				1.0	72	Italy	3.3				1.5
10	Malaysia.....	5.2				1.3	73	Turkey	3.2				1.5
11	Tunisia.....	5.1				1.1	74	Pakistan	3.2				1.5
12	Australia	5.1				1.1	75	Uruguay	3.2				1.4
13	Austria	5.1				1.2	76	Chile.....	3.2				1.4
14	Canada.....	5.0				1.4	77	Guyana.....	3.2				1.6
15	United States.....	5.0				1.4	78	Kyrgyz Republic	3.2				1.7
16	Barbados.....	5.0				1.3	79	Bahrain.....	3.2				1.7
17	Norway	5.0				1.2	80	Albania	3.1				1.5
18	Netherlands	4.9				1.3	81	Cambodia.....	3.1				1.5
19	Japan	4.9				1.3	82	Mexico.....	3.1				1.4
20	Qatar	4.9				1.4	83	Bulgaria.....	3.1				1.5
21	New Zealand.....	4.8				1.4	84	Tanzania	3.1				1.4
22	Israel	4.8				1.5	85	Lesotho.....	3.1				1.7
23	Indonesia	4.7				0.9	86	Azerbaijan	3.1				1.6
24	Sweden	4.7				1.5	87	China.....	3.0				1.5
25	India	4.7				1.5	88	Armenia	3.0				1.6
26	Cyprus	4.7				1.4	88	Cameroon	3.0				1.7
27	France	4.6				1.6	90	Madagascar	3.0				1.4
28	Malta.....	4.6				1.2	91	Morocco	2.9				1.5
29	United Kingdom.....	4.5				1.5	92	Algeria.....	2.9				1.4
30	Czech Republic	4.5				1.5	93	Benin	2.9				1.6
31	Estonia.....	4.4				1.4	94	Georgia	2.9				1.3
32	United Arab Emirates	4.4				1.5	95	Ethiopia.....	2.9				1.4
33	Germany	4.4				1.4	96	Mongolia.....	2.9				1.5
34	Poland	4.4				1.1	97	Malawi	2.9				1.8
35	Latvia	4.4				1.6	98	South Africa.....	2.8				1.0
36	Luxembourg	4.3				1.6	99	Argentina	2.8				1.4
37	Kenya.....	4.2				1.6	100	Vietnam.....	2.7				1.4
38	Korea, Rep.....	4.1				1.4	101	Nepal	2.7				1.4
39	Zimbabwe.....	4.1				1.7	102	Bangladesh	2.7				1.3
40	Costa Rica.....	4.1				1.4	103	Nicaragua.....	2.7				1.4
41	Thailand	4.1				1.4	104	Egypt	2.7				1.5
42	Hungary	4.0				1.5	105	Burundi	2.7				1.7
43	Macedonia, FYR	4.0				1.8	105	Panama.....	2.7				1.3
44	Jordan	4.0				1.6	107	Tajikistan	2.7				1.5
45	Lithuania	3.9				1.4	108	Namibia.....	2.6				1.3
46	Serbia and Montenegro.....	3.9				2.0	109	Mali.....	2.6				1.5
47	Ukraine	3.9				1.6	110	Mauritania.....	2.6				1.2
48	Trinidad and Tobago.....	3.9				1.8	111	Guatemala	2.6				1.2
49	Slovak Republic	3.9				1.5	112	Venezuela	2.6				1.3
50	Kazakhstan.....	3.8				1.5	113	Mozambique	2.6				1.2
51	Romania.....	3.8				1.7	114	Brazil	2.5				1.4
52	Slovenia	3.8				1.6	115	Burkina Faso.....	2.5				1.4
53	Croatia	3.8				1.5	116	Suriname	2.5				1.2
54	Russian Federation.....	3.7				1.6	117	Dominican Republic.....	2.3				1.1
55	Gambia	3.7				1.4	118	Honduras	2.3				1.2
56	Colombia.....	3.7				1.5	119	Ecuador.....	2.3				1.1
57	Botswana.....	3.7				1.7	120	Angola.....	2.2				1.0
58	Portugal	3.7				1.2	121	Chad	2.1				1.4
59	Zambia	3.6				1.9	122	Bolivia.....	2.1				1.0
60	Greece	3.6				1.6	123	Timor-Leste.....	2.1				1.3
61	Philippines	3.6				1.6	124	Peru	2.0				0.8
62	Kuwait.....	3.5				1.5	125	Paraguay	1.9				1.0
63	Bosnia and Herzegovina.....	3.5				1.7							

5.04 Quality of math and science education

Math and science education in your country's schools (1 = lag far behind most other countries, 7 = are among the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Singapore.....	6.3				0.8	64	Sri Lanka.....	4.0				1.5
2	Finland.....	6.1				0.8	65	Vietnam.....	4.0				1.6
3	Belgium.....	6.1				1.1	66	Kazakhstan.....	4.0				1.3
4	Switzerland.....	5.8				0.9	67	Costa Rica.....	3.9				1.2
5	France.....	5.8				1.1	68	Albania.....	3.9				1.4
6	Hong Kong SAR.....	5.7				1.0	69	Azerbaijan.....	3.9				1.6
7	India.....	5.7				1.1	70	Zimbabwe.....	3.9				1.6
8	Czech Republic.....	5.7				1.0	71	Armenia.....	3.8				1.6
9	Tunisia.....	5.6				1.0	72	Botswana.....	3.7				1.5
10	Taiwan, China.....	5.6				1.0	73	Algeria.....	3.7				1.4
11	Romania.....	5.5				1.2	74	Burundi.....	3.7				1.8
12	Malaysia.....	5.5				1.1	75	Suriname.....	3.7				1.2
13	Hungary.....	5.5				1.0	76	Burkina Faso.....	3.7				1.3
14	Japan.....	5.4				1.3	77	Colombia.....	3.6				1.3
15	Netherlands.....	5.4				1.1	78	Uruguay.....	3.6				1.4
16	Ireland.....	5.3				1.2	79	Madagascar.....	3.6				1.6
17	Israel.....	5.3				1.1	80	Cameroon.....	3.6				1.4
18	Estonia.....	5.3				1.2	81	Kenya.....	3.5				1.5
19	Barbados.....	5.3				1.0	82	Spain.....	3.5				1.5
20	Denmark.....	5.2				1.2	83	Portugal.....	3.5				1.3
21	Slovak Republic.....	5.2				1.1	84	Kyrgyz Republic.....	3.5				1.5
22	Canada.....	5.1				1.2	85	Pakistan.....	3.4				1.3
23	Korea, Rep.....	5.1				1.2	86	Bahrain.....	3.4				1.6
24	Serbia and Montenegro.....	5.1				1.6	87	Jamaica.....	3.4				1.5
25	New Zealand.....	5.1				1.2	88	Argentina.....	3.3				1.3
26	Lithuania.....	5.0				1.1	89	Guyana.....	3.3				1.5
27	Austria.....	5.0				1.2	90	Nepal.....	3.3				1.5
28	Indonesia.....	5.0				0.7	91	El Salvador.....	3.2				1.1
29	Australia.....	4.9				1.1	92	Zambia.....	3.2				1.2
30	Cyprus.....	4.9				1.1	93	Egypt.....	3.2				1.5
31	Croatia.....	4.9				1.3	94	Mauritania.....	3.1				1.8
32	Luxembourg.....	4.8				1.1	95	Uganda.....	3.0				1.5
33	Iceland.....	4.8				0.9	96	Mozambique.....	3.0				1.4
34	Germany.....	4.8				1.0	97	Venezuela.....	3.0				1.3
35	Latvia.....	4.7				1.5	98	Brazil.....	2.9				1.5
36	United Kingdom.....	4.7				1.3	99	Mali.....	2.9				1.4
37	Sweden.....	4.7				1.3	100	Chile.....	2.9				1.3
38	Qatar.....	4.7				1.2	101	Mexico.....	2.9				1.2
39	Slovenia.....	4.6				1.2	102	Nigeria.....	2.9				1.5
40	Macedonia, FYR.....	4.6				1.4	103	Tanzania.....	2.9				1.2
41	United Arab Emirates.....	4.5				1.4	104	Gambia.....	2.9				1.4
42	United States.....	4.5				1.4	105	Panama.....	2.8				1.5
43	Russian Federation.....	4.5				1.6	106	Nicaragua.....	2.8				1.3
44	Malta.....	4.5				1.1	107	Ethiopia.....	2.8				1.3
45	Bosnia and Herzegovina.....	4.5				1.6	108	Philippines.....	2.8				1.3
46	Greece.....	4.5				1.3	109	Ecuador.....	2.8				1.2
47	Thailand.....	4.5				1.1	110	Guatemala.....	2.8				1.0
48	Trinidad and Tobago.....	4.5				1.6	111	Bangladesh.....	2.7				1.5
49	Morocco.....	4.4				1.5	112	Lesotho.....	2.7				1.6
50	Ukraine.....	4.4				1.3	113	Cambodia.....	2.7				1.3
51	Bulgaria.....	4.4				1.6	114	Tajikistan.....	2.6				1.4
52	Italy.....	4.4				1.4	115	Namibia.....	2.5				1.3
53	Poland.....	4.4				1.1	116	Honduras.....	2.5				1.3
54	Norway.....	4.4				1.2	117	South Africa.....	2.4				1.0
55	Benin.....	4.3				1.5	118	Dominican Republic.....	2.4				1.2
56	Jordan.....	4.3				1.5	119	Angola.....	2.4				1.0
57	Turkey.....	4.3				1.3	120	Malawi.....	2.4				1.4
58	Moldova.....	4.3				1.5	121	Bolivia.....	2.4				1.1
59	Mauritius.....	4.2				1.1	122	Chad.....	2.4				1.4
60	Mongolia.....	4.1				1.4	123	Paraguay.....	2.2				1.0
61	Kuwait.....	4.1				1.7	124	Peru.....	2.1				1.1
62	China.....	4.1				1.5	125	Timor-Leste.....	1.9				1.0
63	Georgia.....	4.1				1.4							

5.05 Quality of management schools

Management or business schools in your country are (1 = limited or of poor quality, 7 = among the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD
1	France	6.2				0.8	64	Brazil	4.1				1.4
2	Switzerland	6.0				1.0	65	Nicaragua	4.0				1.4
3	India	6.0				0.9	66	Sri Lanka	4.0				1.5
4	Canada	5.9				1.1	67	Serbia and Montenegro	3.9				1.6
5	United Kingdom	5.9				1.0	68	Greece	3.9				1.5
6	United States	5.8				1.3	69	Mauritius	3.9				1.3
7	Belgium	5.8				1.0	70	Romania	3.9				1.6
8	Singapore	5.7				0.8	71	Pakistan	3.9				1.4
9	Finland	5.7				1.0	72	Kenya	3.9				1.4
10	Denmark	5.7				0.8	73	Madagascar	3.9				1.3
11	Spain	5.6				1.2	74	Burkina Faso	3.8				1.3
12	Netherlands	5.6				0.9	75	Zimbabwe	3.8				1.4
13	Hong Kong SAR	5.6				1.1	76	Jordan	3.7				1.5
14	Israel	5.6				1.1	77	Bahrain	3.7				1.7
15	Ireland	5.5				1.0	78	Dominican Republic	3.7				1.2
16	Iceland	5.5				0.9	79	Luxembourg	3.7				1.5
17	Australia	5.4				1.0	80	Bosnia and Herzegovina	3.6				1.5
18	Chile	5.4				0.9	81	Ecuador	3.6				1.2
19	South Africa	5.4				1.0	82	Bulgaria	3.6				1.3
20	Tunisia	5.3				1.1	83	Panama	3.6				1.3
21	Sweden	5.3				0.9	84	Russian Federation	3.6				1.3
22	Malaysia	5.3				1.3	85	Macedonia, FYR	3.6				1.4
23	Norway	5.3				0.9	86	Kazakhstan	3.6				1.2
24	Taiwan, China	5.2				0.8	87	Mali	3.6				1.5
25	New Zealand	5.1				1.1	88	Egypt	3.5				1.4
26	Morocco	5.1				1.2	89	Ukraine	3.5				1.0
27	Costa Rica	5.1				1.0	90	Algeria	3.5				1.3
28	Germany	5.0				1.2	91	Cameroon	3.4				1.4
29	Argentina	5.0				1.2	92	China	3.4				1.3
30	Estonia	4.9				1.0	93	Botswana	3.4				1.3
31	Austria	4.9				1.3	94	Nigeria	3.4				1.6
32	Portugal	4.9				0.9	95	Suriname	3.4				1.2
33	Hungary	4.9				1.0	96	Tanzania	3.3				1.5
34	Indonesia	4.9				0.7	97	Honduras	3.3				1.2
35	Thailand	4.8				1.1	98	Bangladesh	3.3				1.4
36	Czech Republic	4.8				1.1	99	Uganda	3.3				1.6
37	Barbados	4.8				1.1	100	Gambia	3.3				1.3
38	Colombia	4.7				1.1	101	Guyana	3.3				1.3
39	Latvia	4.7				1.3	102	Moldova	3.2				1.3
40	Qatar	4.6				1.3	103	Zambia	3.2				1.2
41	Trinidad and Tobago	4.6				1.5	104	Nepal	3.2				1.3
42	Slovenia	4.5				1.2	105	Cambodia	3.2				1.3
43	Mexico	4.5				1.2	106	Azerbaijan	3.1				1.4
44	Malta	4.5				1.2	107	Georgia	3.1				1.2
45	Peru	4.5				1.1	108	Paraguay	3.1				1.1
46	Philippines	4.5				1.4	109	Armenia	3.1				1.3
47	Italy	4.5				1.5	110	Ethiopia	3.0				1.4
48	Jamaica	4.4				1.2	111	Kyrgyz Republic	3.0				1.2
49	Cyprus	4.4				1.1	112	Albania	3.0				1.3
50	Lithuania	4.4				1.1	113	Vietnam	3.0				1.3
51	Uruguay	4.4				1.1	114	Bolivia	3.0				1.2
52	United Arab Emirates	4.4				1.5	115	Mongolia	3.0				1.3
53	Korea, Rep.	4.3				1.1	116	Burundi	2.8				1.4
54	Croatia	4.3				1.5	117	Mozambique	2.8				1.1
55	Poland	4.3				1.0	118	Namibia	2.7				1.2
56	Guatemala	4.3				1.2	119	Malawi	2.7				1.5
57	El Salvador	4.3				1.2	120	Lesotho	2.5				1.3
58	Slovak Republic	4.2				1.1	121	Tajikistan	2.5				1.2
59	Japan	4.2				1.3	122	Chad	2.4				1.4
60	Kuwait	4.2				1.4	123	Mauritania	2.4				1.4
61	Turkey	4.2				1.3	124	Angola	2.1				0.9
62	Venezuela	4.2				1.2	125	Timor-Leste	1.9				1.1
63	Benin	4.1				1.4							

5.06 Local availability of specialized research and training services

In your country, specialized research and training services are (1 = not available, 7 = available from world-class local institutions)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Germany	6.1				0.8	64	Uruguay	3.8				1.3
1	Japan	6.1				0.8	65	Cyprus	3.8				1.5
3	United Kingdom	6.0				1.1	66	Thailand	3.8				1.2
4	Switzerland	6.0				0.9	67	Kazakhstan	3.7				1.2
5	United States	6.0				1.1	68	Azerbaijan	3.7				1.7
6	Finland	5.9				0.7	69	Russian Federation	3.7				1.4
7	Netherlands	5.8				0.8	70	Colombia	3.7				1.3
8	Sweden	5.8				0.7	71	Bosnia and Herzegovina	3.6				1.4
9	Belgium	5.8				1.0	72	Trinidad and Tobago	3.6				1.5
10	Israel	5.6				1.1	73	Panama	3.6				1.4
11	Denmark	5.6				0.9	74	El Salvador	3.5				1.4
12	France	5.6				1.1	75	Philippines	3.5				1.4
13	Canada	5.6				1.0	76	Vietnam	3.5				1.5
14	Austria	5.3				1.0	77	Barbados	3.5				1.5
15	Norway	5.2				0.9	78	Mongolia	3.5				1.5
16	Australia	5.2				1.2	79	Egypt	3.5				1.5
17	Singapore	5.1				1.1	80	Bulgaria	3.5				1.5
18	Hong Kong SAR	5.1				1.2	81	Nicaragua	3.4				1.4
19	Iceland	5.1				1.2	82	Sri Lanka	3.4				1.5
20	Czech Republic	5.0				1.1	83	Pakistan	3.4				1.5
21	Taiwan, China	5.0				1.1	84	Honduras	3.4				1.5
22	Malaysia	4.9				1.3	85	Mauritius	3.4				1.4
23	Ireland	4.9				0.9	86	Ukraine	3.4				1.1
24	Indonesia	4.8				0.8	87	Macedonia, FYR	3.3				1.3
25	New Zealand	4.8				1.1	88	Malta	3.3				1.5
26	Estonia	4.8				1.2	89	Dominican Republic	3.3				1.6
27	Italy	4.8				1.6	90	Ecuador	3.3				1.4
28	India	4.7				1.4	91	Burkina Faso	3.3				1.6
29	Korea, Rep.	4.7				1.1	92	Venezuela	3.3				1.4
30	South Africa	4.7				1.1	93	Mali	3.2				1.9
31	Chile	4.6				1.2	94	Moldova	3.2				1.3
32	Brazil	4.6				1.4	95	Cambodia	3.1				1.4
33	Tunisia	4.6				1.4	96	Bahrain	3.1				1.7
34	Croatia	4.5				1.3	97	Cameroon	3.1				1.5
35	Spain	4.4				1.2	98	Benin	3.1				1.6
36	Hungary	4.4				1.2	99	Madagascar	3.1				1.4
37	Slovenia	4.4				1.2	100	Algeria	3.0				1.4
38	Portugal	4.4				1.2	101	Botswana	3.0				1.4
39	Poland	4.4				0.9	102	Bolivia	2.9				1.4
40	Costa Rica	4.3				1.4	103	Kyrgyz Republic	2.9				1.4
41	Turkey	4.3				1.1	104	Armenia	2.9				1.3
42	United Arab Emirates	4.3				1.6	105	Malawi	2.9				1.6
43	Argentina	4.3				1.5	106	Tajikistan	2.9				1.4
44	Romania	4.3				1.3	107	Georgia	2.8				1.3
45	Slovak Republic	4.2				1.2	108	Paraguay	2.8				1.4
46	China	4.2				1.3	108	Zimbabwe	2.8				1.4
47	Mexico	4.2				1.4	110	Ethiopia	2.6				1.4
48	Lithuania	4.2				1.1	111	Mozambique	2.6				1.3
49	Kenya	4.2				1.5	112	Gambia	2.6				1.2
50	Latvia	4.1				1.3	113	Guyana	2.5				1.3
51	Luxembourg	4.1				1.5	114	Nepal	2.5				1.1
52	Serbia and Montenegro	4.0				1.5	115	Suriname	2.5				1.3
53	Kuwait	4.0				1.5	116	Chad	2.5				1.7
54	Tanzania	4.0				1.7	117	Lesotho	2.5				1.5
55	Guatemala	3.9				1.3	118	Albania	2.5				1.3
56	Jamaica	3.9				1.5	119	Namibia	2.4				1.1
57	Qatar	3.9				1.9	120	Bangladesh	2.4				1.4
58	Morocco	3.9				1.7	121	Mauritania	2.2				1.8
59	Greece	3.9				1.3	122	Angola	2.2				1.3
60	Nigeria	3.9				1.8	123	Burundi	2.2				1.4
61	Uganda	3.9				1.6	124	Zambia	2.2				1.2
62	Jordan	3.9				1.5	125	Timor-Leste	2.1				1.0
63	Peru	3.9				1.5							

5.07 Extent of staff training

The general approach of companies in your country to human resources is (1 = to invest little in training and employee development, 7 = to invest heavily to attract, train, and retain employees)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Switzerland	6.1				0.8	64	Namibia	3.6				1.3
2	Denmark	5.9				0.9	65	Nigeria	3.5				1.7
3	Japan	5.9				0.9	66	Peru	3.5				1.3
3	Sweden	5.9				0.8	67	Colombia	3.5				1.2
5	Austria	5.8				0.9	68	Botswana	3.5				1.4
6	Netherlands	5.7				0.8	69	Macedonia, FYR	3.5				1.5
7	Germany	5.7				1.0	70	Cyprus	3.4				1.1
8	Finland	5.6				0.9	71	Vietnam	3.4				1.4
9	United States	5.6				1.2	72	Argentina	3.4				1.1
10	Norway	5.5				0.9	73	Guatemala	3.4				1.2
11	Iceland	5.4				1.0	74	Uganda	3.4				1.7
12	Singapore	5.4				1.0	75	Sri Lanka	3.4				1.3
13	Belgium	5.4				1.1	76	China	3.4				1.3
14	Luxembourg	5.4				1.1	77	Mauritania	3.3				1.8
15	Ireland	5.4				1.0	78	Mozambique	3.3				1.4
16	United Kingdom	5.3				1.2	79	Kazakhstan	3.3				1.4
17	Malaysia	5.3				1.1	80	Uruguay	3.3				1.1
18	Korea, Rep.	5.2				1.0	81	Romania	3.3				1.2
19	Taiwan, China	5.2				1.0	82	Venezuela	3.3				1.1
20	Australia	5.1				1.0	83	Egypt	3.3				1.7
21	Hong Kong SAR	5.1				1.1	84	Mongolia	3.2				1.6
22	France	5.1				1.2	85	Morocco	3.2				1.5
23	Israel	5.1				1.0	86	Malawi	3.2				1.4
24	Canada	5.0				1.2	87	Tanzania	3.1				1.3
25	New Zealand	5.0				0.8	88	Gambia	3.1				1.3
26	South Africa	4.9				1.1	89	Cambodia	3.1				1.5
27	Estonia	4.8				1.1	90	Dominican Republic	3.1				1.3
28	India	4.8				1.3	91	Pakistan	3.1				1.5
29	Czech Republic	4.7				1.1	92	Lesotho	3.1				1.4
30	Thailand	4.6				1.1	93	Honduras	3.1				1.4
31	Costa Rica	4.5				1.2	94	Azerbaijan	3.0				1.3
32	Slovenia	4.4				1.2	95	Bosnia and Herzegovina	3.0				1.5
33	Mauritius	4.4				1.0	96	Georgia	3.0				1.2
34	Chile	4.4				1.1	97	Guyana	3.0				1.3
35	Philippines	4.3				1.2	98	Algeria	3.0				1.4
36	Tunisia	4.3				1.5	99	Russian Federation	2.9				1.3
37	United Arab Emirates	4.3				1.6	100	Ukraine	2.9				1.2
38	Brazil	4.2				1.3	101	Madagascar	2.9				1.3
39	Turkey	4.2				1.1	102	Moldova	2.9				1.3
40	Indonesia	4.2				0.9	103	Timor-Leste	2.9				1.3
41	Spain	4.0				1.2	104	Armenia	2.8				1.3
42	Latvia	4.0				1.4	105	Ecuador	2.8				1.1
43	Lithuania	4.0				1.4	106	Nicaragua	2.7				1.2
44	Malta	4.0				1.2	107	Burkina Faso	2.7				1.5
45	Slovak Republic	4.0				1.2	108	Angola	2.7				1.2
46	Kuwait	3.9				1.6	109	Benin	2.7				1.5
47	Mexico	3.9				1.3	110	Suriname	2.7				1.2
48	Poland	3.8				0.9	111	Tajikistan	2.7				1.4
49	Barbados	3.8				1.3	112	Albania	2.7				1.3
50	Zimbabwe	3.8				1.2	113	Cameroon	2.7				1.4
51	Trinidad and Tobago	3.8				1.4	114	Bulgaria	2.6				1.2
52	Greece	3.8				1.2	115	Paraguay	2.6				1.1
53	Hungary	3.8				1.3	116	Bangladesh	2.6				1.1
54	Jamaica	3.8				1.2	117	Bolivia	2.5				1.0
55	Portugal	3.8				0.9	118	Mali	2.5				1.3
56	Kenya	3.7				1.5	119	Nepal	2.4				1.0
57	Qatar	3.7				1.7	120	Ethiopia	2.4				1.0
58	Panama	3.7				1.3	121	Kyrgyz Republic	2.4				1.3
59	Bahrain	3.7				1.8	122	Serbia and Montenegro	2.3				1.1
60	Jordan	3.6				1.5	123	Burundi	2.2				1.3
61	Croatia	3.6				1.3	124	Chad	1.8				1.2
62	Italy	3.6				1.3	125	Zambia	1.7				1.1
63	El Salvador	3.6				1.2							

5.08 Quality of public schools

The public (free) schools in your country are (1 = of poor quality, 7 = equal to the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.6	7	SD
1	Finland	6.5				0.8	64	Burkina Faso	3.2				1.3
2	Singapore	6.0				0.8	65	Benin	3.2				1.4
3	Switzerland	6.0				1.0	66	Colombia	3.2				1.2
4	Belgium	5.9				1.3	67	Morocco	3.1				1.7
5	Ireland	5.8				1.1	68	Bahrain	3.1				1.5
6	Iceland	5.7				0.9	69	Algeria	3.1				1.4
7	Netherlands	5.6				1.1	70	Guyana	3.1				1.4
8	Barbados	5.5				1.1	71	Suriname	3.1				1.3
9	Canada	5.5				1.2	72	Albania	3.1				1.3
10	Denmark	5.5				1.2	73	Vietnam	3.0				1.3
11	Czech Republic	5.4				1.2	74	Georgia	3.0				1.3
12	Austria	5.3				1.1	75	Moldova	3.0				1.4
13	Taiwan, China	5.3				1.0	76	Gambia	3.0				1.3
14	Tunisia	5.3				1.2	76	Turkey	3.0				1.3
15	France	5.3				1.2	78	El Salvador	3.0				1.1
16	New Zealand	5.3				1.2	79	Pakistan	2.9				1.6
17	Malaysia	5.2				1.1	80	Kyrgyz Republic	2.9				1.7
18	Hong Kong SAR	5.2				1.2	81	Jamaica	2.9				1.5
19	Norway	5.2				1.0	82	Kenya	2.9				1.5
20	Japan	5.2				1.4	83	Armenia	2.8				1.6
21	Estonia	5.1				1.2	84	Cameroon	2.8				1.3
22	Australia	5.1				1.2	85	Mongolia	2.8				1.4
23	Sweden	5.0				1.3	86	Argentina	2.8				1.4
24	Israel	5.0				1.3	87	Zimbabwe	2.7				1.5
25	Germany	4.9				1.2	88	South Africa	2.6				1.1
26	Hungary	4.9				1.2	89	Lesotho	2.6				1.3
27	Luxembourg	4.8				1.2	90	Burundi	2.6				1.6
28	Slovak Republic	4.7				1.0	91	Mexico	2.6				1.1
29	United Kingdom	4.7				1.4	92	Philippines	2.6				1.2
30	Latvia	4.7				1.5	93	Azerbaijan	2.6				1.4
31	United States	4.7				1.4	94	Zambia	2.6				1.2
32	Croatia	4.6				1.4	95	Panama	2.6				1.2
33	Slovenia	4.5				1.5	96	Cambodia	2.6				1.4
34	Cyprus	4.5				1.2	96	Tanzania	2.6				1.2
35	Malta	4.5				1.3	98	Namibia	2.5				1.3
36	Romania	4.4				1.5	99	Uganda	2.5				1.7
37	Serbia and Montenegro	4.4				1.9	100	Madagascar	2.4				1.1
38	Poland	4.4				1.1	101	India	2.4				1.2
39	Qatar	4.4				1.5	102	Ethiopia	2.4				1.3
40	Lithuania	4.3				1.3	103	Chile	2.4				1.1
41	Portugal	4.3				1.3	104	Mozambique	2.3				1.2
42	Italy	4.2				1.6	105	Mauritania	2.3				1.5
43	Korea, Rep.	4.2				1.2	106	Mali	2.3				1.2
44	Macedonia, FYR	4.1				1.8	107	Honduras	2.2				1.1
45	Mauritius	4.0				1.3	108	Nicaragua	2.2				1.0
46	Indonesia	4.0				1.1	109	Tajikistan	2.2				1.4
47	United Arab Emirates	3.9				1.6	110	Nigeria	2.2				1.4
48	Ukraine	3.9				1.5	111	Guatemala	2.2				1.0
49	Botswana	3.8				1.3	112	Bangladesh	2.1				1.2
50	Costa Rica	3.7				1.3	113	Brazil	2.1				1.2
51	Russian Federation	3.7				1.6	114	Egypt	2.1				1.2
52	Bulgaria	3.7				1.5	115	Chad	2.0				1.3
53	Greece	3.7				1.2	116	Bolivia	2.0				1.0
54	China	3.7				1.5	117	Venezuela	2.0				1.2
55	Trinidad and Tobago	3.6				1.6	118	Angola	2.0				0.8
56	Kuwait	3.6				1.6	119	Ecuador	1.9				1.1
57	Sri Lanka	3.5				1.6	120	Paraguay	1.9				1.0
58	Thailand	3.5				1.4	121	Timor-Leste	1.9				1.2
59	Bosnia and Herzegovina	3.4				1.5	122	Malawi	1.8				1.2
60	Spain	3.4				1.5	123	Nepal	1.8				1.3
61	Uruguay	3.4				1.4	124	Dominican Republic	1.8				0.9
62	Kazakhstan	3.3				1.4	125	Peru	1.5				0.7
63	Jordan	3.3				1.5							

Section VI

Market Efficiency

6.01 Agricultural policy costs

Agricultural policy in your country (1 = is excessively burdensome for the economy, 7 = balances the interests of taxpayers, consumers, and producers)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	New Zealand.....	5.5				1.4	64	Colombia.....	3.6				1.2
2	Zambia.....	5.3				1.6	65	Nepal.....	3.6				1.4
3	Malaysia.....	5.3				1.0	66	Cyprus.....	3.6				1.2
4	Indonesia.....	5.0				1.1	67	Latvia.....	3.6				1.3
5	Tunisia.....	4.7				1.3	68	Kazakhstan.....	3.6				1.2
6	Singapore.....	4.7				1.2	69	Belgium.....	3.6				1.3
7	United Arab Emirates.....	4.7				1.4	70	Dominican Republic.....	3.6				1.2
8	China.....	4.7				1.4	71	Paraguay.....	3.5				1.4
9	Hong Kong SAR.....	4.6				1.1	72	Argentina.....	3.5				1.7
10	Luxembourg.....	4.6				1.3	73	Burundi.....	3.5				1.6
11	Chile.....	4.6				1.2	74	Poland.....	3.5				1.0
12	Tanzania.....	4.6				1.5	75	Kenya.....	3.5				1.6
13	Estonia.....	4.5				1.3	76	Macedonia, FYR.....	3.5				1.6
14	Ireland.....	4.5				1.5	77	Honduras.....	3.5				1.4
15	Algeria.....	4.4				1.5	78	Korea, Rep.....	3.5				1.0
16	Australia.....	4.4				1.2	79	Greece.....	3.4				1.4
17	Thailand.....	4.4				1.0	80	Nicaragua.....	3.4				1.1
18	Israel.....	4.4				1.1	81	Serbia and Montenegro.....	3.4				1.7
19	South Africa.....	4.3				1.0	82	Ecuador.....	3.4				1.2
20	Bahrain.....	4.3				1.6	83	Chad.....	3.4				1.6
21	Guatemala.....	4.2				1.1	84	Lithuania.....	3.4				1.2
22	Barbados.....	4.2				1.0	85	Spain.....	3.4				1.0
23	Cambodia.....	4.2				1.2	86	Italy.....	3.4				1.3
24	United States.....	4.1				1.3	87	Sri Lanka.....	3.4				1.5
25	Uruguay.....	4.1				1.4	88	France.....	3.4				1.4
26	Costa Rica.....	4.1				1.2	89	Benin.....	3.4				1.4
27	Austria.....	4.1				1.2	90	Egypt.....	3.4				1.5
28	Netherlands.....	4.1				1.5	91	Portugal.....	3.4				0.9
29	Taiwan, China.....	4.1				1.3	92	Slovenia.....	3.3				1.2
30	Gambia.....	4.1				1.3	93	Panama.....	3.3				1.3
31	Czech Republic.....	4.0				1.3	94	Mongolia.....	3.3				1.3
32	Canada.....	4.0				1.1	95	Namibia.....	3.3				1.1
33	Vietnam.....	4.0				1.2	96	Morocco.....	3.3				1.7
34	Sweden.....	4.0				1.4	97	Tajikistan.....	3.3				1.6
35	Mauritius.....	4.0				1.2	98	Hungary.....	3.3				1.1
36	Malta.....	4.0				1.0	99	Angola.....	3.3				1.2
37	El Salvador.....	4.0				1.2	100	Mozambique.....	3.3				1.3
37	Qatar.....	4.0				1.4	101	Germany.....	3.3				1.2
39	Brazil.....	4.0				1.5	102	Mexico.....	3.3				1.1
40	Bangladesh.....	4.0				1.4	103	Romania.....	3.2				1.4
41	Mali.....	4.0				1.7	104	Trinidad and Tobago.....	3.1				1.5
42	Nigeria.....	4.0				1.6	105	Georgia.....	3.1				1.3
43	United Kingdom.....	3.9				1.3	106	Bosnia and Herzegovina.....	3.1				1.3
44	Denmark.....	3.9				1.3	107	Albania.....	3.1				1.3
45	Uganda.....	3.8				1.6	108	Ethiopia.....	3.1				1.6
46	Botswana.....	3.8				1.3	109	Lesotho.....	3.1				1.4
47	Philippines.....	3.8				1.4	110	Croatia.....	3.0				1.3
48	Bolivia.....	3.8				1.2	111	Switzerland.....	3.0				1.2
48	Malawi.....	3.8				1.2	112	Turkey.....	2.9				1.0
50	Cameroon.....	3.8				1.3	113	Venezuela.....	2.9				1.3
51	Slovak Republic.....	3.8				1.3	114	Russian Federation.....	2.9				1.4
52	Burkina Faso.....	3.8				1.6	115	Japan.....	2.9				1.4
53	Madagascar.....	3.7				1.5	116	Mauritania.....	2.9				1.8
54	Kuwait.....	3.7				1.4	117	Ukraine.....	2.9				1.3
55	Azerbaijan.....	3.7				1.4	118	Iceland.....	2.9				1.6
56	India.....	3.7				1.4	119	Norway.....	2.9				1.2
57	Pakistan.....	3.7				1.3	120	Timor-Leste.....	2.9				1.5
58	Armenia.....	3.7				1.4	121	Suriname.....	2.8				1.2
59	Jordan.....	3.7				1.1	122	Moldova.....	2.7				1.3
60	Jamaica.....	3.6				1.2	123	Bulgaria.....	2.6				1.2
61	Guyana.....	3.6				1.3	124	Kyrgyz Republic.....	2.5				1.2
62	Finland.....	3.6				1.2	125	Zimbabwe.....	1.9				1.3
63	Peru.....	3.6				1.2							

6.02 Efficiency of legal framework

The legal framework in your country for private businesses to settle disputes and challenge the legality of government actions and/or regulations (1 = is inefficient and subject to manipulation, 7 = is efficient and follows a clear, neutral process)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Denmark	6.6				0.7	64	Sri Lanka	3.6				1.8
2	Germany	6.4				0.7	65	Poland	3.6				1.1
3	Iceland	6.4				0.7	66	Slovak Republic	3.6				1.3
4	Netherlands	6.3				0.8	67	Lithuania	3.6				1.3
5	Norway	6.3				0.7	68	Tajikistan	3.6				1.7
6	Sweden	6.2				1.1	69	Gambia	3.5				1.6
7	Switzerland	6.2				1.2	70	Kazakhstan	3.5				1.5
8	Finland	6.1				1.1	71	Bahrain	3.5				1.8
9	Austria	6.1				1.0	72	Uganda	3.5				1.8
10	United Kingdom	6.0				1.1	73	Czech Republic	3.5				1.3
11	Australia	6.0				1.0	74	Benin	3.4				1.5
12	Hong Kong SAR	6.0				1.3	75	Croatia	3.4				1.5
13	New Zealand	5.9				1.1	76	China	3.4				1.6
14	Singapore	5.8				1.2	77	Indonesia	3.4				1.0
15	South Africa	5.6				1.3	78	Mali	3.3				1.4
16	Luxembourg	5.5				1.4	79	Mexico	3.3				1.5
17	Canada	5.5				1.6	80	Guatemala	3.3				1.3
18	Malaysia	5.4				1.1	81	Dominican Republic	3.3				1.4
19	Japan	5.4				1.4	82	Nigeria	3.2				1.7
20	Barbados	5.3				1.2	83	Madagascar	3.2				1.5
21	Israel	5.3				1.2	84	Burkina Faso	3.2				1.5
22	Ireland	5.3				1.6	85	Italy	3.2				1.4
23	India	5.1				1.3	86	Philippines	3.2				1.5
24	Estonia	5.1				1.5	87	Nepal	3.1				1.4
25	United States	5.1				1.5	88	Romania	3.1				1.4
26	Qatar	5.1				1.2	89	Brazil	3.1				1.6
27	France	5.1				1.5	90	Azerbaijan	3.0				1.5
28	Cyprus	5.1				1.4	91	Pakistan	3.0				1.4
29	Kuwait	5.1				1.7	92	El Salvador	3.0				1.4
30	Tunisia	5.0				1.3	93	Kenya	3.0				1.5
31	Botswana	4.9				1.3	94	Cambodia	3.0				1.4
32	Costa Rica	4.9				1.3	95	Bosnia and Herzegovina	3.0				1.4
33	Mauritius	4.9				1.7	96	Macedonia, FYR	2.9				1.5
34	United Arab Emirates	4.8				1.6	97	Timor-Leste	2.9				1.4
35	Belgium	4.8				1.4	98	Panama	2.9				1.4
36	Jordan	4.8				1.6	99	Ukraine	2.8				1.4
37	Chile	4.6				1.4	100	Honduras	2.8				1.3
38	Namibia	4.6				1.7	101	Armenia	2.8				1.4
39	Malta	4.6				1.5	102	Bangladesh	2.8				1.4
40	Thailand	4.5				1.3	103	Serbia and Montenegro	2.8				1.4
41	Taiwan, China	4.4				1.3	104	Angola	2.8				1.2
42	Uruguay	4.3				1.5	105	Cameroon	2.7				1.5
43	Greece	4.3				1.5	106	Russian Federation	2.7				1.3
44	Hungary	4.2				1.5	107	Mozambique	2.6				1.3
45	Portugal	4.2				1.6	108	Ethiopia	2.6				1.4
46	Slovenia	4.2				1.5	109	Albania	2.6				1.3
47	Korea, Rep.	4.2				1.4	110	Argentina	2.6				1.2
48	Spain	4.2				1.7	111	Moldova	2.6				1.4
49	Suriname	4.1				1.6	112	Peru	2.5				1.3
50	Trinidad and Tobago	4.1				1.8	113	Bulgaria	2.5				1.2
51	Mauritania	4.1				1.6	114	Burundi	2.5				1.4
52	Algeria	4.1				1.7	115	Mongolia	2.5				1.3
53	Egypt	4.1				1.9	116	Bolivia	2.5				1.2
54	Morocco	4.0				1.8	117	Kyrgyz Republic	2.5				1.4
55	Zambia	4.0				1.7	118	Guyana	2.4				1.5
56	Turkey	3.8				1.5	119	Georgia	2.4				1.3
57	Lesotho	3.8				1.7	120	Ecuador	2.3				1.2
58	Jamaica	3.8				1.6	121	Zimbabwe	2.3				1.3
59	Colombia	3.8				1.5	122	Chad	2.2				1.2
60	Vietnam	3.8				1.3	123	Nicaragua	2.1				1.3
61	Latvia	3.7				1.5	124	Paraguay	2.1				1.1
62	Tanzania	3.7				1.6	125	Venezuela	1.6				1.0
63	Malawi	3.6				1.8							

6.03 Extent and effect of taxation

The level of taxes in your country (1 = significantly limits the incentives to work or invest, 7 = has little impact on the incentives to work or invest)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	Bahrain.....	6.1				1.4	64	Poland.....	3.2				1.1
2	Hong Kong SAR.....	6.0				1.0	65	Spain.....	3.2				1.3
3	United Arab Emirates.....	5.9				1.6	66	Canada.....	3.2				1.4
4	Kuwait.....	5.9				1.5	67	Armenia.....	3.2				1.6
5	Qatar.....	5.8				1.6	68	Honduras.....	3.1				1.5
6	Iceland.....	5.7				1.0	69	Madagascar.....	3.1				1.6
7	Singapore.....	5.6				1.0	70	Lesotho.....	3.1				1.5
8	Slovak Republic.....	5.5				1.3	71	Venezuela.....	3.1				1.6
9	Luxembourg.....	5.3				1.2	72	Korea, Rep.....	3.1				1.3
10	Ireland.....	5.2				1.3	73	Sri Lanka.....	3.1				1.6
11	Indonesia.....	5.1				1.4	74	Mexico.....	3.1				1.3
12	Malaysia.....	5.0				1.1	75	Germany.....	3.1				1.2
13	Estonia.....	5.0				1.4	76	Greece.....	3.0				1.1
13	Mauritania.....	5.0				1.7	77	Kazakhstan.....	3.0				1.5
15	Switzerland.....	5.0				1.3	78	Tajikistan.....	3.0				1.7
16	Botswana.....	4.7				1.5	79	Hungary.....	3.0				1.4
17	Mauritius.....	4.7				1.0	80	Australia.....	3.0				1.0
18	Tunisia.....	4.6				1.3	81	Ecuador.....	3.0				1.4
19	Cyprus.....	4.6				1.3	82	Peru.....	2.9				1.2
20	Taiwan, China.....	4.6				1.2	83	Turkey.....	2.9				1.2
21	India.....	4.4				1.3	84	Mali.....	2.9				1.7
22	Thailand.....	4.4				1.2	85	Croatia.....	2.9				1.3
23	Nigeria.....	4.4				1.8	86	Malawi.....	2.9				1.5
24	Trinidad and Tobago.....	4.3				1.6	87	France.....	2.9				1.3
25	United Kingdom.....	4.2				1.2	88	Macedonia, FYR.....	2.8				1.6
26	El Salvador.....	4.2				1.3	89	Czech Republic.....	2.8				1.2
27	South Africa.....	4.2				1.3	90	Albania.....	2.8				1.3
28	Cambodia.....	4.1				1.8	91	Jamaica.....	2.8				1.4
29	Paraguay.....	3.9				1.7	92	Dominican Republic.....	2.8				1.4
30	Chile.....	3.9				1.4	93	Panama.....	2.8				1.3
31	United States.....	3.9				1.4	94	Russian Federation.....	2.7				1.5
32	Algeria.....	3.9				1.8	95	Uruguay.....	2.7				1.3
33	Pakistan.....	3.9				1.4	96	Mozambique.....	2.7				1.5
34	Austria.....	3.8				1.4	97	Burundi.....	2.6				1.7
35	Angola.....	3.8				1.4	98	Bulgaria.....	2.6				1.6
36	Egypt.....	3.8				1.8	99	Serbia and Montenegro.....	2.6				1.5
37	Guatemala.....	3.8				1.4	100	Finland.....	2.5				1.4
38	Latvia.....	3.7				1.5	101	Ukraine.....	2.5				1.5
39	Netherlands.....	3.7				1.3	102	Slovenia.....	2.5				1.4
40	Philippines.....	3.6				1.3	103	Zimbabwe.....	2.5				1.3
41	Azerbaijan.....	3.6				1.7	104	Uganda.....	2.5				1.4
42	Namibia.....	3.6				1.3	105	Timor-Leste.....	2.5				1.4
43	Barbados.....	3.6				1.2	106	Moldova.....	2.5				1.3
44	Gambia.....	3.6				1.6	107	Kenya.....	2.5				1.3
45	Nepal.....	3.6				1.7	108	Guyana.....	2.5				1.4
46	China.....	3.6				1.4	109	Romania.....	2.4				1.2
47	Costa Rica.....	3.6				1.4	110	Colombia.....	2.4				1.1
48	Bangladesh.....	3.6				1.6	111	Nicaragua.....	2.4				1.1
49	Japan.....	3.5				1.1	112	Chad.....	2.4				1.7
50	Jordan.....	3.5				1.6	113	Suriname.....	2.4				1.3
51	Georgia.....	3.5				1.4	114	Cameroon.....	2.3				1.4
52	Norway.....	3.5				1.1	115	Bosnia and Herzegovina.....	2.3				1.3
53	Tanzania.....	3.4				1.4	116	Mongolia.....	2.3				1.5
54	Vietnam.....	3.4				1.4	117	Denmark.....	2.2				1.4
55	Bolivia.....	3.4				1.5	118	Sweden.....	2.2				1.4
56	Portugal.....	3.4				1.2	119	Argentina.....	2.2				1.1
57	Burkina Faso.....	3.4				1.8	120	Benin.....	2.2				1.3
58	Israel.....	3.3				1.3	121	Italy.....	2.2				1.2
59	Ethiopia.....	3.3				1.7	122	Zambia.....	2.1				1.1
60	Malta.....	3.3				1.1	123	Kyrgyz Republic.....	2.1				1.3
61	New Zealand.....	3.2				0.9	124	Belgium.....	2.1				1.2
62	Lithuania.....	3.2				1.3	125	Brazil.....	1.5				0.9
63	Morocco.....	3.2				1.6							

6.04 Number of procedures required to start a business (hard data)

Number of procedures required to start a business, 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Australia	2.0	56	Namibia	10.0
1	Canada	2.0	56	Peru	10.0
1	New Zealand	2.0	56	Poland	10.0
4	Denmark	3.0	56	Serbia and Montenegro	10.0
4	Finland	3.0	56	Spain	10.0
4	Sweden	3.0	56	Zimbabwe	10.0
7	Belgium	4.0	70	Albania	11.0
7	Ireland	4.0	70	Botswana	11.0
7	Norway	4.0	70	Bulgaria	11.0
10	Hong Kong SAR	5.0	70	Burundi	11.0
10	Iceland	5.0	70	Costa Rica	11.0
10	Israel	5.0	70	India	11.0
10	Latvia	5.0	70	Japan	11.0
10	Morocco	5.0	70	Jordan	11.0
10	Romania	5.0	70	Madagascar	11.0
10	United States	5.0	70	Mauritania	11.0
17	Estonia	6.0	70	Pakistan	11.0
17	Hungary	6.0	70	Philippines	11.0
17	Jamaica	6.0	70	Portugal	11.0
17	Mauritius	6.0	70	Uruguay	11.0
17	Singapore	6.0	70	Vietnam	11.0
17	Switzerland	6.0	85	Bosnia and Herzegovina	12.0
17	United Kingdom	6.0	85	Burkina Faso	12.0
17	Zambia	6.0	85	Cameroon	12.0
25	Ethiopia	7.0	85	Colombia	12.0
25	France	7.0	85	Croatia	12.0
25	Kazakhstan	7.0	85	El Salvador	12.0
25	Nepal	7.0	85	Indonesia	12.0
25	Netherlands	7.0	85	Korea, Rep.	12.0
25	Panama	7.0	85	United Arab Emirates	12.0
31	Bangladesh	8.0	94	China	13.0
31	Benin	8.0	94	Honduras	13.0
31	Georgia	8.0	94	Kenya	13.0
31	Guyana	8.0	94	Kuwait	13.0
31	Kyrgyz Republic	8.0	94	Macedonia, FYR	13.0
31	Lithuania	8.0	94	Mali	13.0
31	Mongolia	8.0	94	Tanzania	13.0
31	Nicaragua	8.0	94	Venezuela	13.0
31	Russian Federation	8.0	102	Algeria	14.0
31	Sri Lanka	8.0	102	Angola	14.0
31	Taiwan, China	8.0	102	Azerbaijan	14.0
31	Thailand	8.0	102	Ecuador	14.0
31	Turkey	8.0	102	Mozambique	14.0
44	Austria	9.0	107	Argentina	15.0
44	Chile	9.0	107	Bolivia	15.0
44	Germany	9.0	107	Greece	15.0
44	Italy	9.0	107	Guatemala	15.0
44	Lesotho	9.0	107	Ukraine	15.0
44	Malaysia	9.0	112	Brazil	17.0
44	Mexico	9.0	112	Paraguay	17.0
44	Nigeria	9.0	112	Uganda	17.0
44	Slovak Republic	9.0	115	Chad	19.0
44	Slovenia	9.0	n/a	Bahrain	n/a
44	South Africa	9.0	n/a	Barbados	n/a
44	Tunisia	9.0	n/a	Cyprus	n/a
56	Armenia	10.0	n/a	Gambia	n/a
56	Cambodia	10.0	n/a	Luxembourg	n/a
56	Czech Republic	10.0	n/a	Malta	n/a
56	Dominican Republic	10.0	n/a	Qatar	n/a
56	Timor-Leste	10.0	n/a	Suriname	n/a
56	Egypt	10.0	n/a	Tajikistan	n/a
56	Malawi	10.0	n/a	Trinidad and Tobago	n/a
56	Moldova	10.0			

6.05 Time required to start a business (hard data)

Number of days required to start a business, 2005

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Australia	2.0	63	Hungary.....	38.0
2	Canada	3.0	63	Madagascar.....	38.0
3	Denmark	5.0	63	South Africa	38.0
3	Iceland.....	5.0	67	Guatemala.....	39.0
3	United States	5.0	68	Czech Republic	40.0
6	Singapore.....	6.0	68	El Salvador	40.0
7	France	8.0	70	Albania	41.0
8	Jamaica.....	9.0	71	Mali	42.0
8	Turkey.....	9.0	71	Nicaragua	42.0
10	Hong Kong SAR.....	11.0	73	Burundi.....	43.0
10	Morocco.....	11.0	73	Colombia	43.0
10	Netherlands.....	11.0	73	Nigeria.....	43.0
10	Romania	11.0	76	Burkina Faso	45.0
14	New Zealand.....	12.0	76	Uruguay.....	45.0
15	Italy	13.0	78	Guyana	46.0
15	Norway.....	13.0	78	Mauritius	46.0
17	Finland.....	14.0	80	Spain	47.0
17	Tunisia	14.0	81	China	48.0
19	Serbia and Montenegro	15.0	81	Macedonia, FYR.....	48.0
20	Latvia.....	16.0	81	Philippines	48.0
20	Sweden.....	16.0	81	Taiwan, China.....	48.0
22	United Kingdom	18.0	85	Croatia.....	49.0
23	Panama	19.0	86	Bolivia.....	50.0
24	Mongolia	20.0	86	Sri Lanka	50.0
24	Switzerland	20.0	86	Vietnam.....	50.0
26	Georgia.....	21.0	89	Bosnia and Herzegovina	54.0
26	Kyrgyz Republic.....	21.0	89	Kenya	54.0
26	Nepal.....	21.0	89	Portugal.....	54.0
29	Korea, Rep.	22.0	89	United Arab Emirates.....	54.0
30	Algeria	24.0	93	Mexico	58.0
30	Germany	24.0	94	Slovenia.....	60.0
30	Ireland.....	24.0	95	Honduras.....	62.0
30	Kazakhstan	24.0	96	Ecuador.....	69.0
30	Pakistan.....	24.0	97	India	71.0
35	Armenia.....	25.0	98	Paraguay	74.0
35	Slovak Republic.....	25.0	99	Chad.....	75.0
37	Lithuania.....	26.0	99	Dominican Republic	75.0
38	Chile	27.0	101	Costa Rica	77.0
39	Austria.....	29.0	102	Mauritania	82.0
40	Malaysia.....	30.0	103	Cambodia	86.0
40	Moldova	30.0	104	Timor-Leste	92.0
42	Japan.....	31.0	104	Lesotho.....	92.0
42	Poland	31.0	106	Namibia	95.0
44	Argentina.....	32.0	107	Zimbabwe	96.0
44	Benin.....	32.0	108	Peru.....	102.0
44	Bulgaria	32.0	109	Botswana	108.0
44	Ethiopia	32.0	110	Azerbaijan.....	115.0
48	Russian Federation	33.0	111	Venezuela.....	116.0
48	Thailand.....	33.0	112	Angola	146.0
50	Belgium.....	34.0	113	Indonesia.....	151.0
50	Egypt.....	34.0	114	Brazil	152.0
50	Israel	34.0	115	Mozambique	153.0
50	Ukraine.....	34.0	n/a	Bahrain	n/a
54	Bangladesh	35.0	n/a	Barbados	n/a
54	Estonia	35.0	n/a	Cyprus	n/a
54	Kuwait.....	35.0	n/a	Gambia	n/a
54	Malawi	35.0	n/a	Luxembourg	n/a
54	Tanzania.....	35.0	n/a	Malta	n/a
54	Zambia	35.0	n/a	Qatar	n/a
60	Jordan.....	36.0	n/a	Suriname	n/a
60	Uganda.....	36.0	n/a	Tajikistan.....	n/a
62	Cameroon	37.0	n/a	Trinidad and Tobago	n/a
63	Greece	38.0			

6.06 Intensity of local competition

Competition in the local market is (1 = limited in most industries and price-cutting is rare, 7 = intense in most industries as market leadership changes over time)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.8	7	SD
1	Germany	6.2				0.7	64	Greece	4.7				1.3
2	United Kingdom	6.1				0.9	65	Russian Federation	4.7				1.8
3	Japan	6.0				0.9	66	Bangladesh	4.7				1.5
4	India	6.0				1.0	67	Qatar	4.7				1.5
5	United States	5.9				1.1	68	Egypt	4.7				1.7
6	Hong Kong SAR	5.9				1.0	69	Sri Lanka	4.7				1.6
7	Sweden	5.9				0.8	70	Kazakhstan	4.6				1.6
8	Belgium	5.8				0.9	71	Morocco	4.6				1.6
9	Netherlands	5.8				0.8	72	Trinidad and Tobago	4.6				1.7
10	Canada	5.8				1.1	73	Pakistan	4.6				1.5
11	Chile	5.8				1.1	74	Italy	4.6				1.4
12	Australia	5.7				1.0	75	Botswana	4.5				1.4
13	Finland	5.7				1.0	76	Vietnam	4.5				1.5
14	France	5.7				1.1	77	Ecuador	4.5				1.5
15	Indonesia	5.7				0.7	78	Cambodia	4.5				1.5
16	Malaysia	5.7				1.0	79	Moldova	4.5				1.7
16	New Zealand	5.7				1.1	80	Ukraine	4.5				1.6
18	Austria	5.6				1.2	81	Suriname	4.5				1.6
19	Norway	5.6				1.0	82	Barbados	4.4				1.4
20	Ireland	5.6				1.3	83	Tanzania	4.4				1.6
21	Denmark	5.6				1.2	84	Mauritius	4.4				1.2
22	Taiwan, China	5.6				1.0	85	Nepal	4.4				1.6
23	Czech Republic	5.5				1.1	86	Burkina Faso	4.3				1.6
24	Iceland	5.5				1.1	87	Mongolia	4.3				1.6
25	Israel	5.5				1.0	88	Dominican Republic	4.3				1.4
26	Singapore	5.5				1.1	89	Gambia	4.3				1.6
27	Turkey	5.4				1.0	90	Macedonia, FYR	4.3				1.7
28	United Arab Emirates	5.4				1.3	91	Uruguay	4.3				1.4
29	Malta	5.4				1.3	92	Lesotho	4.3				1.6
30	Hungary	5.4				1.1	93	Bolivia	4.3				1.6
31	Estonia	5.4				1.2	94	Serbia and Montenegro	4.2				1.6
32	Cyprus	5.4				1.2	95	Bosnia and Herzegovina	4.2				1.8
33	Spain	5.3				1.1	96	Algeria	4.2				1.6
34	China	5.3				1.2	97	Poland	4.2				1.2
35	Switzerland	5.3				1.4	98	Nicaragua	4.2				1.5
36	Korea, Rep.	5.3				1.3	99	Bulgaria	4.1				1.7
37	Lithuania	5.2				1.2	100	Benin	4.1				1.4
38	South Africa	5.2				1.1	101	Argentina	4.1				1.3
39	El Salvador	5.2				1.4	102	Georgia	4.1				1.3
40	Brazil	5.2				1.2	103	Cameroon	4.1				1.5
41	Jordan	5.2				1.2	104	Nigeria	4.1				1.8
42	Thailand	5.2				0.9	105	Guyana	4.1				1.7
43	Tunisia	5.2				0.9	106	Azerbaijan	4.0				1.6
44	Jamaica	5.2				1.1	107	Paraguay	4.0				1.5
45	Portugal	5.1				1.1	108	Armenia	4.0				1.7
46	Slovenia	5.1				1.2	109	Mozambique	3.9				1.6
47	Kenya	5.1				1.5	110	Venezuela	3.9				1.5
48	Costa Rica	5.1				1.4	111	Ethiopia	3.9				1.7
49	Philippines	5.0				1.1	112	Madagascar	3.9				1.4
50	Colombia	5.0				1.3	113	Mali	3.8				1.6
51	Uganda	5.0				1.5	114	Malawi	3.8				1.6
52	Croatia	5.0				1.3	115	Timor-Leste	3.7				1.6
53	Slovak Republic	5.0				1.1	116	Honduras	3.6				1.6
54	Bahrain	5.0				1.4	117	Tajikistan	3.6				1.7
55	Latvia	5.0				1.3	118	Albania	3.5				1.6
56	Guatemala	4.9				1.2	119	Burundi	3.5				1.6
57	Mexico	4.9				1.2	120	Mauritania	3.4				1.6
58	Peru	4.9				1.3	121	Kyrgyz Republic	3.4				1.7
59	Romania	4.9				1.4	122	Chad	3.1				1.6
60	Namibia	4.9				1.4	123	Zimbabwe	3.1				1.5
61	Panama	4.9				1.3	124	Angola	2.8				1.2
62	Luxembourg	4.9				1.4	125	Zambia	2.3				1.6
63	Kuwait	4.9				1.5							

6.07 Effectiveness of antitrust policy

Anti-monopoly policy in your country is (1 = lax and not effective at promoting competition, 7 = effective and promotes competition)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Finland	6.2				0.9	64	Venezuela	3.7				1.4
2	Germany	6.1				1.0	65	Croatia	3.7				1.4
3	Netherlands	6.1				0.7	66	Tanzania	3.7				1.4
4	United Kingdom	6.0				1.0	67	Romania	3.6				1.5
5	Australia	6.0				0.8	68	El Salvador	3.6				1.5
6	New Zealand	5.9				0.9	69	Bahrain	3.6				1.7
7	Denmark	5.9				0.9	70	Kazakhstan	3.6				1.4
8	France	5.8				1.0	71	Nigeria	3.6				1.7
8	Norway	5.8				0.8	72	Namibia	3.6				1.4
10	Japan	5.7				0.9	73	Egypt	3.5				1.6
11	Sweden	5.7				1.2	74	China	3.5				1.5
12	Austria	5.7				1.0	75	Zimbabwe	3.5				1.4
13	Luxembourg	5.6				1.0	76	Philippines	3.5				1.5
14	United States	5.6				1.3	77	Benin	3.5				1.7
15	Iceland	5.5				1.0	78	Georgia	3.4				1.5
16	Israel	5.5				0.9	79	Pakistan	3.4				1.6
17	Belgium	5.5				1.1	80	Mauritius	3.4				1.3
18	Canada	5.4				1.3	81	Mali	3.3				1.7
19	Ireland	5.4				1.3	82	Tajikistan	3.3				1.5
20	South Africa	5.4				1.2	83	Argentina	3.3				1.2
21	Switzerland	5.4				1.3	84	Guatemala	3.3				1.4
22	Chile	5.3				1.2	85	Mauritania	3.2				2.0
23	Indonesia	5.2				1.1	86	Uganda	3.2				1.8
24	Taiwan, China	5.2				1.0	87	Ukraine	3.2				1.4
25	Portugal	5.1				1.1	88	Botswana	3.2				1.4
26	Tunisia	5.1				1.0	89	Bulgaria	3.1				1.4
27	India	5.1				1.3	90	Cambodia	3.1				1.6
28	Malaysia	5.0				1.3	91	Dominican Republic	3.1				1.4
29	Cyprus	5.0				1.2	92	Uruguay	3.1				1.2
30	Czech Republic	4.9				1.1	93	Trinidad and Tobago	3.1				1.6
31	Estonia	4.9				1.2	94	Azerbaijan	3.1				1.6
32	Singapore	4.9				1.2	95	Vietnam	3.1				1.5
33	Hungary	4.7				1.5	96	Ethiopia	3.0				1.4
34	Turkey	4.7				1.2	97	Cameroon	3.0				1.4
35	Korea, Rep.	4.6				1.4	98	Mozambique	3.0				1.5
36	Hong Kong SAR	4.6				1.6	99	Gambia	3.0				1.5
37	Greece	4.6				1.2	100	Russian Federation	3.0				1.5
38	Spain	4.5				1.3	101	Guyana	3.0				1.4
39	Slovak Republic	4.5				1.2	102	Malawi	3.0				1.5
40	Jordan	4.3				1.6	103	Nepal	3.0				1.6
41	Barbados	4.3				1.3	104	Madagascar	3.0				1.3
42	Malta	4.3				1.4	105	Honduras	2.9				1.4
43	Slovenia	4.2				1.3	106	Bolivia	2.9				1.4
44	Lithuania	4.2				1.4	107	Nicaragua	2.9				1.4
45	Italy	4.2				1.5	108	Moldova	2.9				1.4
46	Brazil	4.2				1.4	109	Macedonia, FYR	2.8				1.4
47	Thailand	4.2				1.2	110	Zambia	2.8				1.4
48	Qatar	4.1				1.6	111	Albania	2.8				1.4
49	United Arab Emirates	4.1				1.6	112	Mongolia	2.8				1.2
50	Jamaica	4.1				1.5	113	Armenia	2.7				1.4
51	Colombia	4.0				1.3	114	Bosnia and Herzegovina	2.7				1.1
52	Poland	4.0				0.9	115	Timor-Leste	2.7				1.8
53	Kenya	4.0				1.5	116	Serbia and Montenegro	2.7				1.3
54	Morocco	3.9				1.7	117	Bangladesh	2.7				1.3
55	Latvia	3.9				1.4	118	Burundi	2.6				1.6
56	Burkina Faso	3.9				1.5	119	Ecuador	2.6				1.3
57	Mexico	3.9				1.5	120	Paraguay	2.6				1.3
58	Algeria	3.9				1.4	121	Lesotho	2.6				1.4
59	Panama	3.9				1.5	122	Kyrgyz Republic	2.6				1.3
60	Sri Lanka	3.8				1.6	123	Chad	2.5				1.5
61	Kuwait	3.8				1.8	124	Angola	2.3				1.1
62	Peru	3.8				1.3	125	Suriname	2.3				1.2
63	Costa Rica	3.8				1.5							

6.08 Imports (hard data)

Imports of goods and services as a percentage of GDP, 2005 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Singapore	213.1	64	Switzerland	41.3
2	Hong Kong SAR	185.5	65	Sweden	40.9
3	Guyana	155.9	66	Albania	40.9
4	Luxembourg	131.7	67	Kenya	40.6
5	Malaysia	99.7	68	Ethiopia	40.2
6	Moldova	91.3	69	Korea, Rep.	40.0
7	Estonia	90.3	70	Kazakhstan	39.9
8	Mongolia	87.0	71	Poland	37.4
9	United Arab Emirates.....	85.5	72	Portugal.....	37.4
10	Belgium.....	84.9	73	Nigeria.....	36.8
11	Malta	83.4	74	Mali	36.0
12	Suriname.....	83.3	74	Zimbabwe	36.0
13	Slovak Republic.....	83.0	76	Armenia.....	35.3
14	Lesotho	79.3	76	Turkey.....	35.3
15	Bulgaria	77.4	78	Germany	35.2
16	Cambodia	75.6	79	Finland.....	35.2
17	Thailand.....	75.2	80	Morocco.....	34.1
18	Vietnam.....	75.0	81	Canada	33.9
19	Czech Republic	70.7	82	Chile	33.6
20	Jordan	70.2	83	China	33.4
21	Mauritania	70.0	84	Benin.....	33.0
22	Tajikistan.....	69.2	85	Egypt.....	32.6
23	Hungary.....	69.0	86	Tanzania.....	32.5
24	Azerbaijan.....	66.4	87	Nepal.....	31.7
25	Ireland	66.2	88	Guatemala.....	31.7
26	Bahrain	66.0	89	Mexico	31.5
27	Slovenia.....	65.2	90	Spain	30.6
28	Panama	63.4	91	Algeria	30.4
29	Netherlands.....	63.0	92	New Zealand.....	30.3
30	Macedonia, FYR.....	62.8	93	Greece	30.3
31	Mozambique	62.6	94	Kuwait	30.1
32	Jamaica	61.8	95	United Kingdom	30.0
33	Lithuania.....	61.4	96	Indonesia.....	30.0
34	Honduras.....	61.2	97	Zambia	29.6
35	Angola	61.1	98	Uganda.....	29.1
36	Croatia.....	59.3	99	Bolivia.....	28.8
37	Mauritius	59.1	100	South Africa	28.6
38	Taiwan, China.....	58.7	101	Ecuador.....	28.4
39	Latvia.....	58.5	102	Botswana.....	28.0
40	Madagascar.....	56.9	103	Norway.....	27.8
41	Barbados.....	55.0	104	Uruguay.....	27.6
41	Bosnia and Herzegovina ..	55.0	105	Serbia and Montenegro ..	27.4
43	Nicaragua	54.6	106	France	27.4
44	Costa Rica	54.2	107	Qatar	26.7
45	Israel	51.3	108	Italy	26.4
46	Dominican Republic	51.2	109	Burundi.....	25.8
46	Paraguay	51.2	110	Cameroon	25.5
48	Kyrgyz Republic.....	51.0	111	India	24.0
49	Cyprus.....	50.9	112	Burkina Faso	23.5
50	Georgia.....	49.2	113	Bangladesh	22.6
51	Ukraine.....	48.7	114	Colombia.....	22.5
52	Gambia.....	48.6	115	Russian Federation	21.4
53	Tunisia	47.4	116	Venezuela.....	21.3
54	Philippines.....	47.1	117	Australia	21.2
55	Austria.....	47.1	118	Timor-Leste	20.4
56	Romania	47.0	119	Pakistan.....	19.9
57	Trinidad and Tobago	45.4	120	Peru.....	19.3
58	Iceland.....	45.0	121	Argentina.....	19.1
59	Denmark.....	44.4	122	United States	16.2
59	El Salvador	44.4	123	Japan.....	12.9
59	Sri Lanka	44.4	124	Brazil	12.4
62	Namibia	43.5	125	Chad.....	11.5
63	Malawi	42.0			

SOURCES: Economist Intelligence Unit, *CountryData Database* (June 2006); IMF, *International Financial Statistics*; UNDP, *Human Development Report 2006*; World Bank, *World Development Indicators 2006*; Asian Development Bank; national sources

6.09 Prevalence of trade barriers

In your country, tariff and nontariff barriers significantly reduce the ability of imported goods to compete in the domestic market (1 = strongly agree, 7 = strongly disagree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	New Zealand.....	6.4				1.0	64	Bosnia and Herzegovina....	4.4				2.1
2	Finland	6.2				0.9	65	Guatemala	4.3				1.7
3	Singapore.....	6.2				1.1	66	Macedonia, FYR	4.3				1.8
4	Hong Kong SAR.....	6.2				1.4	67	Pakistan	4.3				1.5
5	Sweden	6.0				1.2	68	Madagascar	4.3				1.9
6	Ireland	5.9				1.3	69	Romania	4.3				1.6
7	Luxembourg	5.8				1.6	70	Bangladesh	4.2				1.9
8	Slovak Republic	5.8				1.2	71	Ethiopia	4.2				1.9
9	Qatar	5.7				1.3	72	Serbia and Montenegro	4.2				2.0
10	Austria	5.7				1.2	73	Armenia	4.2				1.8
11	Portugal	5.7				1.5	74	Namibia.....	4.1				1.5
12	Chile.....	5.6				1.9	75	Sri Lanka	4.1				1.6
13	Germany	5.6				1.4	76	Georgia	4.1				1.7
14	United Arab Emirates ..	5.6				1.6	77	Barbados.....	4.1				1.6
15	Bahrain.....	5.6				1.5	78	Cameroon	4.1				2.0
16	Malta.....	5.5				1.3	79	Poland	4.1				1.0
17	Australia	5.5				1.5	80	Peru	4.1				1.7
18	France	5.4				1.6	81	Algeria.....	4.1				2.0
19	Denmark	5.4				1.5	82	Lesotho.....	4.1				1.9
20	Hungary	5.4				1.4	83	China.....	4.1				1.6
21	Slovenia	5.4				1.5	84	Brazil	4.1				1.6
22	Israel	5.4				1.2	85	Panama.....	4.1				1.8
23	Czech Republic	5.4				1.4	86	Switzerland.....	4.0				1.7
24	Kuwait.....	5.4				1.6	87	Zambia	4.0				1.8
25	Estonia.....	5.3				1.6	88	Mali.....	4.0				2.2
26	United Kingdom.....	5.3				1.6	89	Bulgaria.....	4.0				1.7
27	Belgium	5.3				1.3	90	Thailand	4.0				1.3
28	Greece	5.3				1.4	91	Morocco	4.0				1.8
29	Cyprus	5.3				1.4	92	Paraguay	4.0				2.1
30	Burkina Faso	5.2				1.5	93	Tanzania	4.0				1.6
31	Taiwan, China.....	5.2				1.3	94	Norway	3.9				1.7
32	Netherlands	5.2				1.3	95	Colombia.....	3.9				1.6
33	Italy	5.2				1.5	96	Malawi	3.9				1.8
34	India	5.1				1.5	97	Nepal	3.9				1.7
35	Spain	5.0				1.4	98	Venezuela	3.9				1.8
36	United States.....	5.0				1.4	99	Russian Federation	3.9				1.7
37	Angola.....	5.0				1.8	100	Costa Rica.....	3.8				1.7
37	South Africa	5.0				1.5	101	Mozambique.....	3.8				2.0
39	Canada.....	5.0				1.5	102	Zimbabwe.....	3.8				1.7
40	Latvia	4.9				1.5	103	Kazakhstan.....	3.8				1.4
41	Indonesia	4.8				1.4	104	Ukraine	3.7				1.5
42	Botswana.....	4.8				1.5	105	Egypt	3.7				2.1
43	Tunisia	4.8				1.3	106	Nigeria	3.7				1.9
44	Turkey	4.8				1.7	107	Honduras	3.7				1.8
45	Malaysia.....	4.8				1.5	108	Cambodia.....	3.6				1.9
46	Jordan	4.8				1.6	109	Albania	3.6				2.2
47	Gambia	4.8				1.6	110	Dominican Republic.....	3.6				1.8
48	Suriname	4.7				1.8	111	Azerbaijan	3.6				1.7
49	Mauritius.....	4.7				1.5	112	Vietnam.....	3.6				1.6
50	Mexico	4.7				1.8	113	Kenya.....	3.5				1.8
51	Lithuania	4.7				1.3	114	Burundi	3.5				2.0
52	Philippines	4.6				1.4	115	Uganda	3.5				2.0
53	Japan	4.6				1.5	116	Tajikistan	3.4				1.5
54	Croatia	4.6				1.6	117	Kyrgyz Republic	3.4				1.7
55	Guyana.....	4.6				1.9	118	Ecuador.....	3.3				1.5
56	Korea, Rep.	4.6				1.3	119	Bolivia	3.3				1.8
57	Iceland	4.5				1.7	120	Mongolia.....	3.3				1.8
58	Jamaica.....	4.5				1.9	121	Argentina	3.3				1.5
59	El Salvador	4.5				1.8	122	Nicaragua.....	3.2				1.7
60	Uruguay	4.4				1.6	123	Chad	3.2				1.9
61	Moldova.....	4.4				1.9	124	Timor-Leste.....	3.2				1.8
62	Trinidad and Tobago ..	4.4				1.8	125	Mauritania.....	3.0				1.9
63	Benin	4.4				1.8							

6.10 Foreign ownership restrictions

Foreign ownership of companies in your country is (1 = rare, limited to minority stakes, and often prohibited in key sectors , 7 = prevalent and encouraged)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD
1	Ireland.....	6.4				0.9	64	Mozambique.....	5.1				1.1
2	Slovak Republic.....	6.3				0.8	65	Nigeria.....	5.1				1.7
3	Singapore.....	6.3				0.8	66	Mongolia.....	5.1				1.4
4	Hong Kong SAR.....	6.3				1.2	67	Colombia.....	5.1				1.3
5	United Kingdom.....	6.3				0.9	68	Bahrain.....	5.1				1.8
6	Czech Republic.....	6.2				0.8	69	Sri Lanka.....	5.0				1.5
7	Germany.....	6.1				0.7	70	Mali.....	5.0				1.5
8	Chile.....	6.1				0.9	71	Benin.....	5.0				1.4
9	Sweden.....	6.1				0.7	72	Pakistan.....	4.9				1.8
10	Luxembourg.....	6.0				1.0	73	Madagascar.....	4.9				1.5
11	Finland.....	6.0				1.0	74	Croatia.....	4.9				1.2
12	Indonesia.....	6.0				1.0	75	Armenia.....	4.9				1.5
13	Belgium.....	6.0				0.8	76	Cambodia.....	4.9				1.7
14	New Zealand.....	6.0				0.9	77	Japan.....	4.8				1.3
15	Denmark.....	5.9				0.9	78	Mauritius.....	4.8				1.5
16	Zambia.....	5.8				0.7	79	Lithuania.....	4.8				1.1
17	Uganda.....	5.8				1.5	80	Cyprus.....	4.8				1.3
18	Hungary.....	5.8				0.9	81	Romania.....	4.8				1.2
19	Austria.....	5.8				0.9	82	Turkey.....	4.8				1.2
20	Jordan.....	5.8				1.2	83	Nicaragua.....	4.7				1.5
21	Jamaica.....	5.8				1.0	84	Algeria.....	4.7				1.7
22	Australia.....	5.8				1.0	85	Egypt.....	4.7				1.7
23	Switzerland.....	5.7				1.0	86	Honduras.....	4.7				1.6
24	Netherlands.....	5.7				1.1	87	China.....	4.7				1.5
25	Israel.....	5.7				0.9	88	Kazakhstan.....	4.6				1.3
26	Estonia.....	5.7				0.9	89	Brazil.....	4.6				1.3
27	Costa Rica.....	5.7				1.0	90	Philippines.....	4.6				1.6
28	Canada.....	5.7				0.9	91	Qatar.....	4.6				1.6
29	Dominican Republic.....	5.7				1.1	92	Guyana.....	4.6				1.6
30	Gambia.....	5.6				1.4	93	United Arab Emirates.....	4.5				2.0
31	Mexico.....	5.6				1.2	94	Georgia.....	4.5				1.1
32	Norway.....	5.5				0.9	95	Korea, Rep.....	4.5				1.3
33	Spain.....	5.5				0.9	96	Mauritania.....	4.4				1.6
34	Barbados.....	5.5				1.0	97	Suriname.....	4.4				1.2
35	Malta.....	5.5				1.3	98	Bosnia and Herzegovina.....	4.4				1.6
36	Taiwan, China.....	5.4				1.0	99	Poland.....	4.4				1.2
37	Panama.....	5.4				1.4	100	Chad.....	4.4				1.7
38	Trinidad and Tobago.....	5.4				1.3	101	Bulgaria.....	4.3				1.4
39	India.....	5.4				1.4	102	Venezuela.....	4.3				1.3
40	Tanzania.....	5.4				1.1	103	Italy.....	4.3				1.2
41	South Africa.....	5.4				1.3	104	Thailand.....	4.3				1.4
42	Bangladesh.....	5.4				1.5	105	Slovenia.....	4.3				1.3
43	United States.....	5.3				1.2	106	Iceland.....	4.2				1.6
44	Peru.....	5.3				1.1	107	Burundi.....	4.2				2.0
45	Burkina Faso.....	5.3				1.3	108	Macedonia, FYR.....	4.2				1.6
46	Portugal.....	5.3				1.1	109	Serbia and Montenegro.....	4.2				1.5
47	Morocco.....	5.3				1.5	110	Bolivia.....	4.1				1.2
48	Latvia.....	5.3				1.2	111	Kyrgyz Republic.....	4.1				1.5
49	Malaysia.....	5.3				1.2	112	Ecuador.....	4.1				1.2
50	Azerbaijan.....	5.3				1.4	113	Albania.....	4.0				1.6
51	Tunisia.....	5.3				1.5	114	Zimbabwe.....	4.0				1.3
52	El Salvador.....	5.2				1.3	115	Ethiopia.....	3.9				2.0
52	Lesotho.....	5.2				1.6	116	Paraguay.....	3.9				1.5
54	Namibia.....	5.2				1.3	117	Tajikistan.....	3.9				1.7
55	Uruguay.....	5.2				1.2	118	Moldova.....	3.9				1.4
56	France.....	5.2				1.2	119	Angola.....	3.8				1.6
57	Botswana.....	5.2				1.3	120	Ukraine.....	3.7				1.2
58	Cameroon.....	5.2				1.4	121	Vietnam.....	3.7				1.5
59	Malawi.....	5.2				1.4	122	Timor-Leste.....	3.7				1.7
60	Kenya.....	5.2				1.5	123	Nepal.....	3.5				1.7
61	Greece.....	5.1				1.3	124	Russian Federation.....	3.4				1.4
62	Guatemala.....	5.1				1.3	125	Kuwait.....	2.9				1.7
63	Argentina.....	5.1				1.0							

6.11 Exports (hard data)

Exports of goods and services as a percentage of GDP, 2005 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Singapore	243.0	64	Germany	40.2
2	Hong Kong SAR	197.6	65	Gambia	39.4
3	Luxembourg	154.1	66	Azerbaijan	39.2
4	Guyana	134.4	67	Finland	38.7
5	Malaysia	123.2	68	Mozambique	38.1
6	United Arab Emirates	99.0	69	Canada	37.9
7	Bahrain	89.3	70	Russian Federation	37.3
8	Belgium	87.2	71	Poland	37.0
9	Estonia	84.2	72	Zimbabwe	37.0
10	Angola	80.0	73	China	36.8
11	Ireland	79.4	74	Sri Lanka	36.2
12	Slovak Republic	78.7	75	Romania	34.0
13	Malta	76.5	76	Indonesia	33.0
14	Mongolia	75.0	77	Madagascar	32.7
15	Thailand	73.7	78	Bolivia	32.3
16	Czech Republic	72.8	79	Iceland	31.5
17	Netherlands	71.2	80	Kenya	31.1
18	Panama	70.8	81	Egypt	31.0
19	Vietnam	70.3	82	Mexico	29.9
20	Suriname	69.2	83	Uruguay	29.8
21	Qatar	68.4	84	Ecuador	29.1
22	Cambodia	68.2	85	Mauritania	29.0
23	Hungary	67.7	86	Georgia	29.0
24	Kuwait	67.2	87	Portugal	28.6
25	Slovenia	64.8	88	Turkey	28.3
26	Nigeria	64.5	89	New Zealand	28.1
27	Taiwan, China	62.7	90	Mali	28.0
28	Trinidad and Tobago	62.4	91	El Salvador	27.8
29	Bulgaria	60.8	92	South Africa	27.1
30	Chad	58.3	93	Malawi	26.5
31	Mauritius	56.2	93	Morocco	26.5
32	Kazakhstan	55.8	93	Nicaragua	26.5
33	Algeria	54.2	96	Italy	26.3
34	Lithuania	53.7	97	France	26.2
35	Austria	53.3	98	United Kingdom	26.1
36	Moldova	53.1	99	Bosnia and Herzegovina	26.0
37	Jordan	52.4	100	Cameroon	25.4
38	Barbados	52.0	101	Spain	25.4
39	Croatia	51.4	102	Argentina	24.6
40	Ukraine	50.3	103	Peru	24.5
41	Denmark	49.6	104	Zambia	22.9
42	Costa Rica	49.0	105	Greece	22.6
43	Sweden	48.6	106	Tanzania	22.4
44	Dominican Republic	47.9	107	Armenia	21.9
45	Switzerland	47.9	108	Colombia	21.2
46	Cyprus	47.1	108	India	21.2
47	Philippines	46.4	110	Benin	20.9
48	Latvia	46.0	111	Australia	19.0
48	Tajikistan	46.0	112	Albania	18.8
50	Israel	45.9	113	Ethiopia	18.6
51	Namibia	45.6	114	Guatemala	16.9
52	Paraguay	45.5	115	Brazil	16.8
53	Norway	45.2	116	Nepal	16.0
54	Tunisia	44.8	117	Bangladesh	15.4
55	Korea, Rep.	42.5	118	Pakistan	15.3
56	Lesotho	42.4	119	Japan	14.3
57	Kyrgyz Republic	42.1	120	Uganda	14.0
58	Macedonia, FYR	41.9	121	Serbia and Montenegro	13.7
59	Chile	41.8	122	Burkina Faso	10.6
60	Botswana	41.5	123	United States	10.4
61	Venezuela	41.0	124	Burundi	4.4
62	Honduras	41.0	125	Timor-Leste	2.4
63	Jamaica	40.8			

SOURCES: Economist Intelligence Unit, *CountryData Database* (June 2006); IMF Country Reports; UNDP, *Human Development Report 2006*; World Bank, *World Development Indicators 2006*; Asian Development Bank; national sources.

6.12 Hiring and firing practices

The hiring and firing of workers is (1 = impeded by regulations, 7 = flexibly determined by employers)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Zambia	5.9				1.8	64	Poland	3.9				1.2
2	Singapore	5.9				1.0	65	Thailand	3.8				1.8
3	Mauritania	5.7				1.5	66	Korea, Rep.	3.8				1.7
4	Switzerland	5.7				1.2	67	Mexico	3.8				1.8
5	Azerbaijan	5.7				1.4	68	Cambodia	3.8				2.0
6	Iceland	5.6				1.8	69	Hungary	3.8				1.7
7	Kazakhstan	5.6				1.2	70	Japan	3.8				1.8
8	Denmark	5.4				1.7	71	Australia	3.8				1.6
9	Kyrgyz Republic	5.4				1.5	72	Luxembourg	3.8				1.7
10	Dominican Republic	5.3				1.4	73	Bosnia and Herzegovina	3.7				1.7
11	United States	5.2				1.5	74	Ethiopia	3.7				1.7
12	Mongolia	5.2				1.7	75	Malawi	3.7				1.5
13	Hong Kong SAR	5.1				2.0	76	Bulgaria	3.7				1.7
14	Uganda	5.1				1.6	77	Indonesia	3.7				0.9
15	Slovak Republic	5.1				1.4	78	Lesotho	3.7				1.9
16	Georgia	5.1				1.4	79	New Zealand	3.7				1.7
17	Russian Federation	5.1				1.6	80	Angola	3.6				1.3
18	Albania	5.0				1.8	81	Algeria	3.6				1.9
19	Nigeria	5.0				1.8	82	Philippines	3.6				1.8
20	Ukraine	4.8				1.8	83	Chad	3.6				1.9
21	El Salvador	4.8				1.8	84	Austria	3.6				1.6
22	Tajikistan	4.8				2.0	85	Timor-Leste	3.5				1.6
23	United Arab Emirates	4.7				1.8	86	Romania	3.5				1.6
24	Guyana	4.6				1.5	87	Botswana	3.5				1.8
25	Bangladesh	4.6				1.9	88	Malta	3.5				1.5
26	Pakistan	4.6				1.4	89	Turkey	3.4				1.6
27	Taiwan, China	4.6				1.5	90	Ireland	3.4				1.5
28	Guatemala	4.5				1.7	91	Jordan	3.3				1.7
29	Gambia	4.5				1.7	92	Finland	3.3				1.7
30	Kenya	4.5				1.9	93	Peru	3.2				1.5
31	Qatar	4.5				1.8	94	Namibia	3.2				1.6
32	Tunisia	4.5				1.4	95	Cyprus	3.2				1.6
32	United Kingdom	4.5				1.5	96	Nepal	3.1				1.6
34	Burundi	4.5				1.8	97	Lithuania	3.1				1.6
35	Israel	4.4				1.4	98	Egypt	3.1				1.7
36	Moldova	4.4				1.7	99	Sri Lanka	3.0				1.8
37	Cameroon	4.4				1.7	100	Panama	3.0				1.7
38	Nicaragua	4.4				1.8	101	India	3.0				1.7
39	Benin	4.4				1.7	102	Uruguay	3.0				1.5
40	Mali	4.3				1.8	103	Czech Republic	3.0				1.5
41	Kuwait	4.3				2.1	103	Paraguay	3.0				1.8
42	Costa Rica	4.3				1.8	105	Bahrain	2.9				1.7
43	Bolivia	4.3				1.7	106	Ecuador	2.9				1.6
44	Canada	4.3				1.5	107	Netherlands	2.9				1.5
45	Vietnam	4.2				1.7	108	Mozambique	2.8				1.5
46	Madagascar	4.2				1.7	109	Greece	2.8				1.3
47	Trinidad and Tobago	4.2				1.8	110	Slovenia	2.8				1.5
48	Estonia	4.2				1.6	111	Portugal	2.7				1.2
49	Morocco	4.2				1.8	112	Brazil	2.7				1.7
50	China	4.2				1.5	113	Norway	2.7				1.7
51	Jamaica	4.2				1.6	114	Spain	2.7				1.3
52	Latvia	4.2				1.8	115	Italy	2.7				1.5
53	Armenia	4.1				1.8	116	Mauritius	2.6				1.4
54	Croatia	4.1				1.7	116	Zimbabwe	2.6				1.3
55	Honduras	4.1				1.8	118	Belgium	2.6				1.5
56	Tanzania	4.1				1.7	119	Argentina	2.5				1.3
57	Macedonia, FYR	4.0				1.8	120	Germany	2.5				1.4
58	Colombia	4.0				1.6	121	South Africa	2.4				1.1
59	Malaysia	4.0				1.8	122	Suriname	2.4				1.4
60	Barbados	4.0				1.5	123	France	2.4				1.2
61	Serbia and Montenegro	4.0				1.8	124	Sweden	2.2				1.1
62	Chile	4.0				1.7	125	Venezuela	2.0				1.3
63	Burkina Faso	3.9				1.7							

6.13 Flexibility of wage determination

Wages in your country are (1 = set by a centralized bargaining process, 7 = up to each individual company)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD
1	Hong Kong SAR.....	6.3				1.0	64	Malawi	5.2				1.5
2	Estonia	6.3				0.8	65	Israel	5.2				1.0
3	Uganda	6.2				1.3	66	Madagascar	5.1				1.6
4	Zambia	6.2				1.5	67	Mexico	5.1				1.5
5	United Arab Emirates ..	6.1				1.0	68	Guatemala	5.1				1.6
6	Chile	6.1				0.9	69	Benin	5.1				1.8
7	Egypt	6.1				1.1	70	Colombia.....	5.1				1.7
8	Qatar	6.0				1.1	71	Botswana.....	5.0				1.7
9	Kuwait.....	6.0				1.2	72	Tajikistan	5.0				2.0
10	Japan	6.0				1.1	73	Nigeria	5.0				1.9
11	Taiwan, China.....	6.0				1.0	74	Iceland	5.0				1.2
12	Kazakhstan.....	6.0				1.1	75	Pakistan	5.0				1.4
13	Georgia	6.0				1.3	76	Barbados.....	5.0				1.6
14	Latvia	6.0				1.1	77	Panama.....	5.0				1.8
15	Lithuania	6.0				1.0	78	Guyana.....	4.9				1.8
16	Slovak Republic	6.0				1.0	79	Luxembourg	4.9				1.6
17	Mongolia.....	6.0				1.3	80	France	4.8				1.5
18	Singapore.....	5.9				1.1	81	Turkey	4.8				1.5
19	United Kingdom.....	5.9				1.1	82	Honduras	4.8				1.9
20	El Salvador	5.8				1.3	83	Vietnam.....	4.7				1.8
21	Burundi	5.8				1.5	84	Sri Lanka	4.7				1.7
22	Switzerland.....	5.8				1.2	85	Denmark	4.7				1.2
23	Russian Federation	5.8				1.2	86	Namibia.....	4.7				1.6
24	Malaysia.....	5.8				1.1	87	Spain	4.7				1.6
25	Jordan	5.8				1.2	88	Trinidad and Tobago	4.7				1.7
26	Romania.....	5.7				1.3	89	Thailand	4.7				1.5
27	Bosnia and Herzegovina.....	5.7				1.4	90	Poland.....	4.7				1.3
28	Korea, Rep.	5.7				1.1	91	Mali.....	4.7				2.0
29	Bahrain.....	5.7				1.2	92	Burkina Faso	4.6				2.0
30	United States.....	5.7				1.3	93	Tunisia.....	4.6				1.6
31	Peru	5.7				1.1	94	Cameroon	4.6				2.2
32	Macedonia, FYR	5.7				1.3	95	Australia	4.6				1.2
33	Czech Republic.....	5.6				1.3	96	Mauritania	4.5				2.5
34	Albania	5.6				1.5	97	Nepal	4.5				1.8
35	Chad	5.6				1.9	98	Ecuador.....	4.4				1.8
36	New Zealand.....	5.6				1.2	98	Paraguay	4.4				2.0
37	Armenia	5.6				1.4	100	Costa Rica.....	4.4				1.8
38	Bulgaria.....	5.6				1.5	101	Algeria.....	4.4				2.0
39	Angola.....	5.6				1.0	101	Timor-Leste.....	4.4				2.2
40	Azerbaijan	5.6				1.7	103	Slovenia	4.3				1.4
41	Kyrgyz Republic	5.6				1.6	104	Portugal	4.3				1.3
42	Nicaragua.....	5.5				1.2	105	Philippines	4.3				1.7
43	Bangladesh.....	5.5				1.4	106	Brazil	4.2				1.7
44	Bolivia	5.5				1.5	107	Mozambique.....	4.1				1.9
44	Dominican Republic.....	5.5				1.5	108	Cyprus	4.0				1.6
44	Morocco	5.5				1.5	109	Norway	3.8				1.4
47	Suriname	5.5				1.6	110	Argentina	3.8				1.8
48	Hungary	5.5				1.1	111	Lesotho.....	3.6				2.0
49	Moldova.....	5.5				1.7	112	Venezuela	3.6				1.7
50	Canada.....	5.5				1.2	113	Ireland.....	3.5				1.9
51	India	5.5				1.6	114	Netherlands	3.5				1.5
52	China.....	5.5				1.2	115	South Africa	3.3				1.5
53	Tanzania	5.5				1.5	116	Belgium	3.3				1.6
54	Ethiopia.....	5.5				1.3	117	Italy	3.2				1.3
55	Jamaica.....	5.4				1.4	118	Sweden	3.1				1.5
56	Gambia	5.4				1.6	119	Mauritius.....	3.1				1.6
57	Indonesia	5.4				1.1	120	Greece	3.1				1.2
58	Ukraine	5.4				1.5	121	Uruguay	3.1				1.4
59	Malta.....	5.3				1.4	122	Germany	2.9				1.4
60	Cambodia.....	5.3				1.6	123	Finland	2.8				1.4
61	Serbia and Montenegro.....	5.3				1.8	124	Zimbabwe.....	2.7				1.5
62	Kenya.....	5.3				1.8	125	Austria	2.7				1.6
63	Croatia	5.2				1.5							

6.14 Cooperation in labor-employer relations

Labor-employer relations in your country are (1 = generally confrontational, 7 = generally cooperative)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD
1	Denmark	6.3				0.6	64	Lithuania	4.6				1.2
2	Singapore	6.2				0.7	65	Kyrgyz Republic	4.6				1.4
3	Switzerland	6.0				0.9	66	Lesotho	4.6				1.4
4	Iceland	6.0				1.1	67	Malta	4.6				1.4
5	Hong Kong SAR	6.0				1.0	67	Portugal	4.6				1.2
6	Japan	5.9				0.7	69	Malawi	4.6				1.4
7	Austria	5.9				0.9	70	Spain	4.5				1.2
8	Malaysia	5.8				0.9	71	Cameroon	4.5				1.6
9	Dominican Republic	5.8				1.1	72	Bangladesh	4.5				1.5
10	Netherlands	5.7				0.9	73	Russian Federation	4.5				1.4
11	Mauritania	5.7				1.2	74	Panama	4.5				1.6
12	Norway	5.7				1.0	75	Egypt	4.5				1.6
13	Costa Rica	5.6				1.0	76	Vietnam	4.4				1.4
14	Ireland	5.5				1.0	77	Pakistan	4.4				1.3
15	Thailand	5.5				0.7	78	Philippines	4.4				1.3
16	Luxembourg	5.5				1.1	79	Ukraine	4.4				1.4
17	Taiwan, China	5.4				1.1	80	Angola	4.4				1.1
18	United Kingdom	5.4				1.2	81	Morocco	4.4				1.6
19	El Salvador	5.3				1.0	82	Honduras	4.3				1.5
20	Sweden	5.3				1.3	83	Tajikistan	4.3				1.8
21	Zambia	5.2				0.9	84	Turkey	4.3				1.3
22	Slovak Republic	5.2				1.0	85	Uganda	4.3				1.6
23	Indonesia	5.2				1.0	86	Bahrain	4.3				1.8
24	Estonia	5.1				1.0	87	Slovenia	4.3				1.3
25	Hungary	5.1				1.0	88	Poland	4.2				1.0
26	Kuwait	5.1				1.3	89	Bolivia	4.2				1.3
27	Mexico	5.1				1.0	90	Peru	4.2				1.2
28	Tunisia	5.1				1.1	91	Jamaica	4.2				1.4
29	Germany	5.1				1.0	92	Zimbabwe	4.2				1.4
30	United Arab Emirates	5.1				1.3	93	Brazil	4.2				1.3
31	Chile	5.1				1.0	94	Madagascar	4.1				1.3
32	Gambia	5.0				1.3	95	Croatia	4.1				1.4
33	Israel	5.0				0.8	96	Cambodia	4.1				1.5
34	Colombia	5.0				1.1	97	Ecuador	4.1				1.2
34	United States	5.0				1.3	98	Kenya	4.1				1.5
36	Cyprus	5.0				1.0	99	China	4.1				1.3
37	Latvia	5.0				1.3	100	Greece	4.1				1.3
38	Kazakhstan	5.0				1.3	101	Nepal	4.1				1.4
39	Albania	5.0				1.4	102	Namibia	4.1				1.4
40	New Zealand	5.0				1.2	103	Paraguay	4.1				1.5
41	Botswana	4.9				1.3	104	Bosnia and Herzegovina	4.0				1.5
42	Canada	4.9				1.2	105	Bulgaria	3.9				1.5
43	Mali	4.9				1.7	106	Mozambique	3.9				1.4
44	Barbados	4.9				1.3	107	Suriname	3.9				1.4
45	Georgia	4.9				0.9	108	Guyana	3.9				1.4
46	Finland	4.8				1.3	109	Nigeria	3.8				1.7
47	Moldova	4.8				1.4	110	Ethiopia	3.8				1.5
48	Armenia	4.8				1.4	111	South Africa	3.8				1.3
49	India	4.8				1.2	112	Belgium	3.8				1.5
50	Australia	4.8				1.1	113	Sri Lanka	3.8				1.4
51	Guatemala	4.8				1.4	114	Korea, Rep.	3.8				1.4
52	Nicaragua	4.8				1.2	115	Chad	3.8				2.1
53	Qatar	4.7				1.4	116	Italy	3.7				1.4
54	Czech Republic	4.7				1.0	117	Macedonia, FYR	3.7				1.6
55	Jordan	4.7				1.3	118	Trinidad and Tobago	3.7				1.5
56	Burundi	4.7				1.6	119	Argentina	3.6				1.2
57	Azerbaijan	4.7				1.6	120	Romania	3.6				1.4
58	Burkina Faso	4.7				1.5	121	Venezuela	3.5				1.3
59	Benin	4.7				1.6	122	Uruguay	3.5				1.3
60	Tanzania	4.6				1.5	123	Serbia and Montenegro	3.4				1.5
61	Mongolia	4.6				1.5	124	Timor-Leste	3.4				1.5
62	Mauritius	4.6				1.1	125	France	3.3				1.4
63	Algeria	4.6				1.6							

6.15 Reliance on professional management

Senior management positions in your country are (1 = usually held by relatives, 7 = held by professional managers chosen based on superior qualification)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Sweden	6.5				0.6	64	Georgia	4.4				1.3
2	New Zealand.....	6.3				0.7	65	Algeria.....	4.4				1.6
3	United Kingdom.....	6.3				0.8	66	Benin	4.4				1.5
4	Norway	6.2				0.6	67	Venezuela	4.3				1.3
5	Finland	6.2				0.8	68	Peru	4.3				1.1
6	Germany	6.2				0.7	69	Namibia.....	4.3				1.3
7	Netherlands	6.1				0.7	70	Guatemala	4.2				1.3
8	Ireland	6.1				0.8	71	Poland.....	4.2				0.9
9	Denmark	6.1				0.8	72	Croatia	4.2				1.3
10	Australia	6.1				0.8	73	Burkina Faso	4.2				1.7
11	Switzerland.....	6.0				0.9	74	Mauritius.....	4.2				1.2
12	United States.....	5.9				1.2	75	Russian Federation.....	4.2				1.5
13	Canada	5.9				0.9	76	Romania.....	4.2				1.4
14	South Africa	5.8				0.9	77	Greece	4.2				1.5
15	Singapore.....	5.8				1.0	78	Panama.....	4.1				1.5
16	Japan	5.7				1.0	79	China.....	4.1				1.5
17	Austria	5.7				0.9	80	Mozambique.....	4.1				1.4
18	Iceland	5.7				1.1	81	Mali.....	4.1				1.8
19	France	5.6				1.0	82	Uganda	4.0				1.7
20	Malaysia.....	5.6				0.8	83	Mauritania.....	4.0				2.2
21	Israel	5.6				0.7	84	El Salvador	4.0				1.5
22	Luxembourg	5.6				1.1	85	Cameroon	4.0				1.4
23	Belgium	5.5				0.9	86	Malta.....	4.0				1.4
24	India	5.4				1.1	87	Vietnam.....	4.0				1.5
25	Chile.....	5.4				1.1	88	Egypt	3.9				1.6
26	Indonesia	5.4				0.8	89	Moldova	3.9				1.6
27	Estonia	5.4				1.1	90	Guyana.....	3.9				1.5
28	Zimbabwe.....	5.3				1.0	91	Bangladesh	3.8				1.5
29	Taiwan, China.....	5.3				1.2	91	Jordan	3.8				1.4
30	Czech Republic	5.2				1.0	93	Madagascar	3.8				1.5
31	Hong Kong SAR.....	5.2				1.4	94	Kazakhstan.....	3.8				1.4
32	Zambia	5.1				1.3	95	Pakistan	3.8				1.5
33	Spain	5.1				1.2	96	Uruguay	3.7				1.0
34	Slovak Republic	5.1				0.8	97	Albania.....	3.7				1.7
35	Jamaica.....	5.0				1.3	98	Suriname	3.7				1.5
36	Barbados.....	5.0				1.0	99	Cambodia.....	3.7				1.8
37	Argentina	5.0				1.1	100	Ukraine	3.7				1.4
38	Brazil	4.9				1.2	101	Italy	3.7				1.4
39	Thailand	4.9				0.9	102	Kuwait.....	3.7				1.7
40	Colombia.....	4.9				1.2	103	Dominican Republic.....	3.7				1.2
41	Philippines	4.8				1.3	104	Ethiopia.....	3.6				1.6
42	Botswana.....	4.8				1.2	105	Burundi	3.6				1.6
43	Hungary	4.8				1.1	106	Ecuador.....	3.6				1.3
44	Tanzania	4.8				1.6	107	Morocco	3.6				1.6
45	Latvia	4.8				1.4	108	Serbia and Montenegro	3.6				1.7
46	Portugal	4.8				1.0	109	Nepal	3.5				1.4
47	Malawi	4.8				1.3	110	Angola.....	3.5				1.3
48	Costa Rica.....	4.7				1.2	111	Nicaragua.....	3.4				1.5
49	Gambia	4.7				1.5	112	Mongolia.....	3.4				1.4
50	Trinidad and Tobago	4.7				1.4	113	Bosnia and Herzegovina.....	3.4				1.3
51	Lithuania	4.7				1.3	114	Cyprus	3.4				1.6
52	Mexico.....	4.7				1.2	115	Bulgaria.....	3.4				1.4
53	Qatar	4.6				1.6	116	Honduras	3.3				1.6
54	Nigeria	4.6				1.7	117	Bolivia	3.3				1.4
55	United Arab Emirates	4.6				1.6	118	Macedonia, FYR	3.3				1.4
56	Tunisia	4.6				1.6	119	Armenia	3.2				1.6
57	Kenya.....	4.6				1.5	120	Azerbaijan	3.1				1.7
58	Lesotho.....	4.5				1.6	121	Timor-Leste.....	3.1				1.8
59	Korea, Rep.	4.5				1.3	122	Kyrgyz Republic	3.1				1.6
60	Slovenia	4.5				1.2	123	Tajikistan	3.0				1.6
61	Sri Lanka.....	4.5				1.3	124	Paraguay	2.7				1.4
62	Bahrain.....	4.5				1.5	125	Chad	2.2				1.3
63	Turkey	4.4				1.1							

6.16 Pay and productivity

Pay in your country is (1 = not related to worker productivity, 7 = strongly related to worker productivity)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Hong Kong SAR.....	5.9				1.0	64	Colombia.....	4.0				1.6
2	Taiwan, China.....	5.8				0.9	65	Pakistan.....	4.0				1.4
3	Switzerland.....	5.5				1.0	66	Peru.....	4.0				1.3
4	Indonesia.....	5.5				1.1	67	Austria.....	3.9				1.4
5	Malaysia.....	5.5				1.0	68	Portugal.....	3.9				1.2
6	Singapore.....	5.5				1.0	69	Poland.....	3.9				1.2
7	Estonia.....	5.4				1.2	70	Sweden.....	3.9				1.2
8	Iceland.....	5.2				0.9	71	Nicaragua.....	3.9				1.6
9	United States.....	5.2				1.3	72	Spain.....	3.8				1.2
10	Kazakhstan.....	5.1				1.5	73	Bahrain.....	3.8				1.8
11	Japan.....	5.1				1.1	74	Bosnia and Herzegovina.....	3.8				1.6
12	United Kingdom.....	5.0				1.1	75	Guatemala.....	3.8				1.7
13	Slovak Republic.....	5.0				1.2	76	Barbados.....	3.8				1.4
14	Denmark.....	4.9				1.0	77	Honduras.....	3.8				1.6
15	Lithuania.....	4.9				1.3	78	Algeria.....	3.8				1.9
16	Chile.....	4.9				1.2	79	Brazil.....	3.8				1.5
17	Latvia.....	4.9				1.4	80	Cyprus.....	3.7				1.4
18	Czech Republic.....	4.9				0.9	81	Malta.....	3.7				1.3
19	Israel.....	4.7				1.0	82	Jamaica.....	3.7				1.4
20	Moldova.....	4.7				1.6	83	Mauritania.....	3.7				2.2
21	Korea, Rep.....	4.7				1.4	84	Netherlands.....	3.7				1.3
22	Russian Federation.....	4.6				1.5	85	Serbia and Montenegro.....	3.7				1.8
23	Canada.....	4.6				1.2	86	Madagascar.....	3.6				1.6
24	El Salvador.....	4.6				1.6	87	Malawi.....	3.6				1.8
25	Qatar.....	4.6				1.4	88	Panama.....	3.6				1.7
26	New Zealand.....	4.6				1.1	89	Belgium.....	3.6				1.4
27	China.....	4.6				1.4	90	Botswana.....	3.5				1.6
28	Thailand.....	4.6				1.1	91	Tanzania.....	3.5				1.7
29	Tunisia.....	4.6				1.5	92	Bangladesh.....	3.5				1.9
30	Australia.....	4.6				1.2	93	Burkina Faso.....	3.5				1.8
31	Egypt.....	4.6				1.8	94	South Africa.....	3.5				1.3
32	Hungary.....	4.5				1.4	95	Namibia.....	3.4				1.3
33	Armenia.....	4.5				1.6	96	Ecuador.....	3.4				1.5
34	Cambodia.....	4.5				1.7	97	Trinidad and Tobago.....	3.4				1.6
35	United Arab Emirates.....	4.5				1.7	98	Nepal.....	3.3				1.6
36	Romania.....	4.5				1.6	99	Greece.....	3.3				1.3
37	Vietnam.....	4.5				1.6	100	Bolivia.....	3.3				1.5
38	Azerbaijan.....	4.5				1.9	101	Nigeria.....	3.3				1.8
39	Luxembourg.....	4.5				1.5	102	Venezuela.....	3.3				1.6
40	Dominican Republic.....	4.5				1.4	103	Italy.....	3.3				1.3
41	India.....	4.4				1.4	104	Argentina.....	3.2				1.2
42	Slovenia.....	4.4				1.2	105	Kenya.....	3.2				1.7
43	Albania.....	4.4				1.6	106	Gambia.....	3.2				1.5
43	Ukraine.....	4.4				1.7	107	Benin.....	3.2				1.8
45	Georgia.....	4.4				1.4	108	Sri Lanka.....	3.2				1.4
46	Tajikistan.....	4.4				2.0	109	Uganda.....	3.2				1.9
47	Germany.....	4.4				1.1	110	Cameroon.....	3.1				1.7
48	Kuwait.....	4.4				1.7	111	Suriname.....	3.1				1.6
49	Ireland.....	4.3				1.4	112	Uruguay.....	3.1				1.3
50	Kyrgyz Republic.....	4.3				1.8	113	Mauritius.....	3.0				1.3
51	Morocco.....	4.3				1.8	114	Burundi.....	3.0				2.0
52	Bulgaria.....	4.3				1.7	115	Mali.....	3.0				1.5
53	France.....	4.3				1.4	116	Lesotho.....	3.0				1.5
54	Mongolia.....	4.3				1.8	117	Guyana.....	3.0				1.3
55	Croatia.....	4.2				1.4	118	Paraguay.....	3.0				1.5
56	Norway.....	4.2				1.2	119	Ethiopia.....	2.8				1.4
57	Philippines.....	4.2				1.2	120	Angola.....	2.8				1.2
58	Mexico.....	4.2				1.4	121	Mozambique.....	2.8				1.5
59	Turkey.....	4.1				1.4	122	Timor-Leste.....	2.8				1.8
60	Finland.....	4.1				1.4	123	Chad.....	2.7				2.0
61	Costa Rica.....	4.1				1.5	124	Zimbabwe.....	2.7				1.2
62	Macedonia, FYR.....	4.0				1.8	125	Zambia.....	2.1				1.4
63	Jordan.....	4.0				1.5							

6.17 Brain drain

Your country's talented people (1 = normally leave to pursue opportunities in other countries, 7 = almost always remain in the country)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	United States.....	6.1				1.1	64	Slovak Republic	3.2				1.2
2	Qatar	5.7				1.3	65	Italy	3.2				1.3
3	Japan	5.7				1.2	66	Burkina Faso	3.2				1.7
4	Norway	5.6				0.9	67	Argentina	3.1				1.3
5	United Arab Emirates ..	5.5				1.6	68	Honduras	3.1				1.5
6	Ireland	5.5				1.1	69	Kazakhstan.....	3.1				1.5
7	Finland	5.4				0.8	70	Mauritius.....	3.0				1.3
8	Kuwait.....	5.4				1.5	71	Lithuania	2.9				1.2
9	Iceland	5.4				0.9	72	Mozambique.....	2.9				1.6
10	Chile.....	5.3				1.2	73	Pakistan	2.9				1.2
11	Switzerland	5.2				1.1	74	Uruguay	2.8				1.2
12	Netherlands	5.0				1.1	75	Nicaragua.....	2.8				1.3
13	Hong Kong SAR.....	4.9				1.3	76	Madagascar	2.8				1.7
14	United Kingdom.....	4.9				1.3	77	Angola.....	2.8				1.2
15	Singapore.....	4.9				0.8	78	Morocco	2.8				1.6
16	Taiwan, China.....	4.9				1.2	79	Suriname	2.8				1.4
17	Israel	4.9				0.9	80	Timor-Leste.....	2.7				1.5
18	Thailand	4.9				1.2	81	Mali.....	2.7				1.4
19	Austria	4.8				1.2	81	Mongolia.....	2.7				1.6
20	Panama	4.8				1.4	83	Trinidad and Tobago	2.7				1.4
21	Denmark	4.6				1.3	84	Ecuador.....	2.7				1.3
22	Canada	4.6				1.3	85	Azerbaijan	2.7				1.2
23	Bahrain.....	4.6				1.6	86	Tanzania	2.6				1.1
23	Belgium	4.6				1.4	87	Ukraine	2.6				1.5
25	Malaysia.....	4.6				1.6	88	Jordan	2.6				1.5
26	Sweden	4.6				1.3	89	Armenia	2.6				1.3
27	Germany	4.5				1.1	90	Mauritania	2.6				1.7
28	Luxembourg	4.4				1.4	91	Uganda	2.6				1.6
29	Costa Rica.....	4.3				1.5	92	Sri Lanka	2.6				1.4
30	Indonesia	4.3				0.9	93	Benin	2.5				1.3
31	Barbados.....	4.0				1.3	94	Jamaica.....	2.5				1.2
32	Australia	4.0				1.2	95	Malawi	2.5				1.4
33	Hungary	4.0				1.3	96	Georgia	2.5				1.2
34	Spain	4.0				1.5	97	Gambia	2.5				1.4
35	Guatemala	4.0				1.6	98	Paraguay.....	2.4				1.3
36	France	3.9				1.5	99	Peru	2.4				1.1
37	Estonia	3.9				1.3	100	Bangladesh	2.4				1.1
38	Cambodia.....	3.9				1.7	101	Nigeria	2.4				1.5
39	Brazil	3.9				1.6	102	Algeria.....	2.4				1.2
40	Portugal	3.9				1.2	103	Cameroon	2.4				1.4
41	Slovenia	3.9				1.5	104	Tajikistan	2.4				1.3
42	Tunisia.....	3.8				1.3	105	Chad	2.4				1.7
43	China.....	3.8				1.5	106	Bolivia	2.3				1.2
44	Czech Republic.....	3.8				1.3	106	Venezuela	2.3				1.2
45	Korea, Rep.....	3.7				1.4	108	Burundi	2.3				1.5
46	Cyprus	3.7				1.6	109	Macedonia, FYR	2.3				1.3
47	India	3.7				1.2	110	Egypt	2.3				1.3
48	Malta.....	3.6				1.2	111	Bosnia and Herzegovina.....	2.2				1.1
49	Greece	3.6				1.3	112	Albania	2.2				1.2
50	Dominican Republic.....	3.6				1.5	113	Kenya.....	2.2				1.2
51	Botswana.....	3.5				1.5	114	Romania.....	2.2				1.1
52	Russian Federation.....	3.5				1.5	115	Nepal	2.1				1.0
53	El Salvador.....	3.5				1.6	116	Kyrgyz Republic	2.1				1.4
54	Namibia.....	3.5				1.4	117	Ethiopia	2.1				1.2
55	Mexico.....	3.4				1.2	118	Philippines	2.1				1.1
56	Colombia.....	3.3				1.4	119	Moldova	2.1				1.1
57	Vietnam.....	3.3				1.5	120	Serbia and Montenegro.....	2.1				1.2
58	Turkey	3.3				1.2	121	Bulgaria.....	2.0				1.1
59	South Africa.....	3.2				1.1	122	Zambia	1.9				0.8
60	New Zealand.....	3.2				1.0	123	Zimbabwe.....	1.7				0.8
61	Croatia.....	3.2				1.4	124	Lesotho.....	1.6				0.8
62	Poland	3.2				1.0	125	Guyana.....	1.3				0.5
63	Latvia	3.2				1.3							

6.18 Private sector employment of women

In your country, do businesses provide women the same opportunities as men to rise to positions of leadership? (1 = no, women are unable to rise to positions of leadership, 7 = yes, women are often in management positions)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Zambia	6.0				1.3	63	Panama	4.7				1.5
2	Hong Kong SAR	5.9				1.1	65	Costa Rica	4.7				1.4
3	Singapore	5.9				1.1	66	Luxembourg	4.6				1.5
4	Malaysia	5.8				1.0	67	Dominican Republic	4.6				1.5
5	Tunisia	5.8				1.4	68	United Kingdom	4.6				1.4
6	Thailand	5.7				1.1	69	Turkey	4.6				1.3
7	Indonesia	5.6				0.8	70	Ukraine	4.6				1.8
8	Uganda	5.6				1.6	71	Algeria	4.6				1.8
9	Georgia	5.6				1.1	72	Albania	4.6				1.8
10	Philippines	5.5				1.2	73	China	4.6				1.5
11	Gambia	5.5				1.4	74	Cameroon	4.6				1.9
12	Finland	5.5				1.0	75	Suriname	4.5				1.4
13	New Zealand	5.5				1.3	76	Armenia	4.5				1.7
14	Latvia	5.4				1.5	77	Timor-Leste	4.5				1.7
15	Tanzania	5.4				1.3	78	Croatia	4.5				1.5
16	Mali	5.4				1.7	79	Russian Federation	4.5				1.6
17	Lesotho	5.4				1.5	80	Romania	4.5				1.7
18	Nigeria	5.4				1.7	81	Morocco	4.5				2.0
19	Canada	5.3				1.3	82	Malta	4.4				1.3
20	Macedonia, FYR	5.3				1.8	83	Trinidad and Tobago	4.4				1.7
21	Norway	5.2				1.0	84	El Salvador	4.4				1.5
22	Moldova	5.2				1.6	85	Namibia	4.4				1.2
23	Botswana	5.2				1.5	86	Slovenia	4.4				1.3
24	Barbados	5.2				1.3	87	Ethiopia	4.4				1.5
25	Benin	5.2				1.6	88	Switzerland	4.3				1.3
26	Azerbaijan	5.2				1.6	89	Netherlands	4.3				1.2
27	Jamaica	5.2				1.5	90	Portugal	4.3				1.3
28	Mongolia	5.2				1.6	91	Honduras	4.3				1.6
29	United States	5.2				1.3	92	Austria	4.3				1.2
30	Sweden	5.1				1.0	93	Jordan	4.3				1.7
31	Iceland	5.1				1.2	94	Slovak Republic	4.3				1.2
32	Burundi	5.1				1.7	95	Israel	4.3				1.3
33	India	5.1				1.5	96	Japan	4.2				1.3
34	Denmark	5.1				1.3	97	Bahrain	4.2				1.8
35	Estonia	5.1				1.3	98	Nicaragua	4.1				1.5
36	Ireland	5.1				1.7	99	Kyrgyz Republic	4.1				1.7
37	Egypt	5.0				1.9	100	Guatemala	4.1				1.3
38	Qatar	5.0				1.5	101	Germany	4.1				1.3
39	Mozambique	5.0				1.6	102	Hungary	4.1				1.3
40	Mauritania	4.9				1.7	103	Peru	4.1				1.5
41	Chad	4.9				2.0	104	Korea, Rep.	4.1				1.4
42	Zimbabwe	4.9				1.4	105	Angola	4.1				1.5
43	Kenya	4.9				1.7	106	Brazil	4.1				1.3
44	Kazakhstan	4.9				1.5	107	Paraguay	4.0				1.6
45	South Africa	4.9				1.3	108	Belgium	4.0				1.4
45	Sri Lanka	4.9				1.7	108	Greece	4.0				1.5
47	Serbia and Montenegro	4.9				1.6	110	Chile	4.0				1.4
48	Malawi	4.8				1.6	111	Czech Republic	4.0				1.3
49	Australia	4.8				1.4	112	Bangladesh	3.9				1.6
50	Kuwait	4.8				1.6	113	Cyprus	3.9				1.4
51	Guyana	4.8				1.8	114	Ecuador	3.8				1.4
52	Tajikistan	4.8				1.7	115	Uruguay	3.8				1.2
53	Vietnam	4.8				1.4	116	Mauritius	3.7				1.4
54	United Arab Emirates	4.7				1.6	117	Poland	3.7				1.2
55	Cambodia	4.7				1.5	118	Bolivia	3.7				1.5
56	Bulgaria	4.7				1.6	119	Pakistan	3.6				1.5
57	Taiwan, China	4.7				1.5	120	Nepal	3.6				1.5
58	Burkina Faso	4.7				1.7	121	Argentina	3.6				1.3
59	Venezuela	4.7				1.5	122	Mexico	3.6				1.2
60	Madagascar	4.7				1.7	123	France	3.6				1.4
61	Lithuania	4.7				1.5	124	Italy	3.5				1.4
62	Bosnia and Herzegovina	4.7				1.6	125	Spain	3.4				1.3
63	Colombia	4.7				1.6							

6.19 Financial market sophistication

The level of sophistication of financial markets in your country is (1 = lower than international norms, 7 = higher than international norms)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	United Kingdom	6.8				0.5	64	Argentina	4.0				1.3
2	Switzerland	6.6				0.8	65	Kazakhstan	4.0				1.2
3	Luxembourg	6.4				0.6	66	Philippines	3.9				1.3
4	Hong Kong SAR	6.4				1.0	67	Guatemala	3.9				1.4
5	United States	6.3				1.1	68	Kenya	3.8				1.3
6	Netherlands	6.2				0.7	69	Zimbabwe	3.8				1.4
7	Ireland	6.1				1.0	70	Azerbaijan	3.7				1.5
8	Sweden	6.1				0.9	71	Croatia	3.7				1.5
9	Canada	6.1				0.8	72	Sri Lanka	3.6				1.6
10	Australia	6.1				0.7	73	Uruguay	3.6				1.4
11	Germany	6.0				1.0	74	Botswana	3.6				1.2
12	Finland	6.0				0.8	75	Venezuela	3.6				1.4
13	Singapore	6.0				0.8	76	Egypt	3.6				1.5
14	France	5.9				0.8	77	Dominican Republic	3.4				1.5
15	Israel	5.8				0.9	78	Ecuador	3.3				1.2
16	Iceland	5.8				1.0	79	Nigeria	3.2				1.5
17	Denmark	5.8				0.9	80	Nicaragua	3.2				1.3
18	Japan	5.7				0.9	81	Ukraine	3.2				1.2
19	South Africa	5.7				0.9	82	Morocco	3.2				1.4
20	Norway	5.6				0.9	83	Indonesia	3.1				0.7
21	Belgium	5.6				1.1	84	Russian Federation	3.1				1.3
22	Spain	5.5				1.1	85	Romania	3.1				1.1
23	Austria	5.5				1.2	86	Honduras	3.1				1.5
24	Chile	5.4				0.9	87	Macedonia, FYR	3.0				1.1
25	Portugal	5.4				1.0	88	Suriname	2.9				1.3
26	New Zealand	5.4				1.2	89	Tanzania	2.9				1.2
27	Panama	5.3				1.2	90	Georgia	2.9				1.3
28	Brazil	5.3				1.4	90	Vietnam	2.9				1.2
29	Estonia	5.2				1.1	92	Bolivia	2.8				1.3
30	Bahrain	5.2				1.3	93	China	2.8				1.2
31	Malaysia	5.1				1.0	94	Bosnia and Herzegovina	2.8				1.2
32	India	5.1				1.2	95	Mongolia	2.6				1.2
33	Taiwan, China	4.8				1.1	96	Burkina Faso	2.6				1.3
34	Hungary	4.7				1.1	97	Bangladesh	2.6				1.2
35	El Salvador	4.7				1.2	98	Armenia	2.6				1.3
36	Turkey	4.6				1.2	99	Moldova	2.6				1.3
37	Greece	4.6				1.3	100	Mali	2.5				1.4
38	Mexico	4.6				1.1	101	Paraguay	2.5				1.1
39	Jamaica	4.5				1.1	102	Benin	2.5				1.3
40	Kuwait	4.5				1.4	103	Tajikistan	2.5				1.3
41	Thailand	4.4				1.1	104	Madagascar	2.5				1.4
42	Korea, Rep.	4.4				1.3	105	Mauritania	2.5				1.3
43	Mauritius	4.4				1.0	106	Zambia	2.5				1.0
44	Cyprus	4.4				1.3	107	Bulgaria	2.4				1.3
45	United Arab Emirates	4.3				1.5	108	Nepal	2.4				1.3
46	Italy	4.3				1.3	109	Gambia	2.4				1.3
47	Qatar	4.3				1.5	110	Serbia and Montenegro	2.4				1.2
48	Malta	4.3				1.3	111	Uganda	2.4				1.3
49	Colombia	4.3				1.2	112	Malawi	2.4				1.2
50	Peru	4.3				1.3	113	Albania	2.3				1.3
51	Czech Republic	4.2				1.1	114	Mozambique	2.3				0.9
52	Slovenia	4.2				1.2	115	Kyrgyz Republic	2.3				1.2
53	Pakistan	4.2				1.3	116	Burundi	2.2				1.4
54	Slovak Republic	4.2				1.4	117	Cambodia	2.2				1.2
55	Costa Rica	4.2				1.4	118	Angola	2.2				1.1
56	Poland	4.2				0.9	119	Lesotho	2.2				1.2
57	Trinidad and Tobago	4.1				1.4	120	Guyana	2.2				1.1
58	Lithuania	4.1				1.2	121	Timor-Leste	2.2				1.5
59	Tunisia	4.1				1.1	122	Ethiopia	2.1				1.2
60	Namibia	4.1				1.0	123	Algeria	2.0				1.0
61	Latvia	4.0				1.3	124	Cameroon	1.8				0.9
62	Jordan	4.0				1.3	125	Chad	1.7				0.9
63	Barbados	4.0				1.2							

6.20 Ease of access to loans

How easy is it to obtain a bank loan in your country with only a good business plan and no collateral? (1 = impossible, 7 = easy)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	Denmark	5.6				1.1	64	Trinidad and Tobago	3.1				1.7
2	Iceland	5.5				1.2	65	Czech Republic	3.1				1.5
3	United Kingdom	5.5				1.3	66	Colombia	3.1				1.7
4	Sweden	5.4				1.4	67	Guatemala	3.1				1.5
5	Norway	5.4				1.2	68	Gambia	3.0				1.8
6	Indonesia	5.4				1.3	69	Ukraine	3.0				1.7
7	Netherlands	5.3				1.3	70	Italy	3.0				1.6
8	Finland	5.3				1.7	71	Serbia and Montenegro	3.0				1.6
9	United Arab Emirates	5.2				1.5	72	Venezuela	3.0				1.5
10	Ireland	5.2				1.4	73	Turkey	3.0				1.4
11	United States	5.1				1.4	74	Costa Rica	3.0				1.4
12	Qatar	5.1				1.6	75	Malawi	2.9				1.6
13	Luxembourg	5.0				1.6	76	Brazil	2.9				1.7
14	Hong Kong SAR	4.9				1.7	77	Mexico	2.9				1.5
15	Kuwait	4.9				1.7	78	Philippines	2.9				1.3
16	Singapore	4.8				1.4	79	Azerbaijan	2.8				1.6
17	Australia	4.8				1.5	80	Albania	2.8				1.6
18	Israel	4.8				1.6	81	Egypt	2.8				1.8
19	Portugal	4.7				1.3	82	Tajikistan	2.8				1.8
20	New Zealand	4.7				1.6	83	Uganda	2.7				1.9
21	India	4.6				1.4	84	Dominican Republic	2.7				1.4
22	Switzerland	4.6				1.6	85	Tanzania	2.7				1.6
23	Malaysia	4.5				1.7	86	Morocco	2.7				1.9
24	Germany	4.5				1.4	87	Vietnam	2.7				1.6
25	Cyprus	4.5				1.7	88	Russian Federation	2.7				1.6
26	Belgium	4.4				1.5	89	Korea, Rep.	2.7				1.3
27	Panama	4.4				1.7	90	Macedonia, FYR	2.6				1.7
28	Estonia	4.4				1.7	91	Ecuador	2.6				1.6
29	Slovak Republic	4.4				1.7	92	Georgia	2.6				1.4
30	Malta	4.4				1.7	93	Moldova	2.5				1.5
31	Chile	4.3				1.7	94	Lesotho	2.5				1.7
32	Taiwan, China	4.2				1.7	95	Nigeria	2.5				1.6
33	Austria	4.2				1.4	96	Angola	2.5				1.7
34	Slovenia	4.2				1.7	97	Uruguay	2.5				1.3
35	Mauritius	4.2				1.5	98	Paraguay	2.5				1.4
36	Canada	4.1				1.6	99	China	2.5				1.4
37	Tunisia	4.0				1.7	100	Honduras	2.5				1.6
38	Japan	4.0				1.7	101	Burkina Faso	2.4				1.6
39	Spain	3.9				1.8	102	Bangladesh	2.4				1.5
40	South Africa	3.8				1.6	102	Zimbabwe	2.4				1.2
41	Hungary	3.8				1.6	104	Argentina	2.4				1.2
42	Pakistan	3.8				1.7	105	Madagascar	2.4				1.5
43	France	3.8				1.7	106	Jamaica	2.4				1.2
44	Namibia	3.8				1.6	107	Guyana	2.4				1.6
45	Lithuania	3.8				1.7	108	Mali	2.2				1.4
46	Bahrain	3.8				1.9	109	Nicaragua	2.2				1.3
47	Thailand	3.6				1.7	110	Nepal	2.2				1.6
48	Greece	3.6				1.8	111	Algeria	2.2				1.3
49	Latvia	3.6				1.9	112	Mauritania	2.2				1.4
50	Barbados	3.6				1.5	113	Cambodia	2.2				1.5
51	El Salvador	3.6				1.6	114	Armenia	2.1				1.4
52	Croatia	3.6				1.7	115	Bolivia	2.1				1.3
53	Peru	3.6				1.5	116	Kyrgyz Republic	2.1				1.4
54	Sri Lanka	3.5				1.8	117	Chad	1.9				1.3
55	Timor-Leste	3.5				1.6	118	Ethiopia	1.9				1.2
56	Kazakhstan	3.4				1.6	119	Mozambique	1.9				1.3
57	Kenya	3.4				1.8	120	Benin	1.9				1.2
58	Romania	3.4				1.6	121	Suriname	1.8				1.1
59	Botswana	3.4				1.7	122	Burundi	1.8				1.2
60	Poland	3.4				1.2	123	Mongolia	1.8				1.3
61	Jordan	3.3				1.7	124	Cameroon	1.6				1.0
62	Bosnia and Herzegovina	3.2				1.8	125	Zambia	1.5				0.9
63	Bulgaria	3.2				1.7							

6.21 Venture capital availability

Entrepreneurs with innovative but risky projects can generally find venture capital in your country (1 = not true, 7 = true)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	United States.....	5.6				1.3	64	Azerbaijan	3.2				1.4
2	Israel	5.5				1.3	65	Vietnam.....	3.1				1.6
3	Netherlands	5.4				1.2	66	Croatia	3.1				1.6
4	Finland	5.4				1.0	67	Kenya	3.1				1.8
5	United Kingdom.....	5.2				1.4	68	Mexico.....	3.1				1.5
6	Norway	5.2				1.3	69	Korea, Rep.	3.1				1.2
7	Ireland	5.1				1.3	70	Jordan	3.1				1.6
8	Luxembourg	5.1				1.6	71	Timor-Leste.....	3.1				1.8
9	Hong Kong SAR.....	5.0				1.6	72	Romania.....	3.0				1.3
10	Denmark	5.0				1.2	73	Colombia.....	3.0				1.4
11	Sweden	5.0				1.5	74	Nigeria	3.0				1.7
12	Iceland	4.9				1.1	75	Uganda	3.0				1.8
13	Singapore.....	4.9				1.1	76	Guatemala	3.0				1.5
14	New Zealand.....	4.8				1.4	77	Turkey	3.0				1.5
15	Australia	4.8				1.4	78	Italy	3.0				1.5
16	Germany	4.8				1.6	79	Philippines	2.9				1.4
17	United Arab Emirates ..	4.7				1.5	80	Costa Rica.....	2.9				1.5
18	Indonesia	4.7				0.8	81	Peru	2.9				1.4
19	Malaysia.....	4.7				1.5	82	Madagascar	2.9				1.7
20	India	4.6				1.3	83	Cambodia.....	2.8				1.6
21	Switzerland	4.5				1.5	84	Serbia and Montenegro ..	2.8				1.6
22	Canada	4.5				1.6	85	Bosnia and Herzegovina ..	2.8				1.6
23	Japan	4.5				1.4	86	El Salvador	2.8				1.5
24	Taiwan, China.....	4.5				1.4	87	Egypt	2.8				1.7
25	Austria	4.4				1.4	88	Honduras	2.8				1.7
26	Belgium	4.4				1.5	89	Jamaica.....	2.7				1.5
27	Kuwait.....	4.2				1.6	90	Kyrgyz Republic	2.7				1.5
28	France	4.2				1.5	91	China.....	2.7				1.3
29	Estonia.....	4.1				1.5	92	Morocco	2.7				1.7
30	Spain	4.1				1.5	93	Albania	2.7				1.3
31	Tunisia.....	4.1				1.3	94	Zimbabwe	2.6				1.4
32	Chile.....	4.0				1.5	95	Moldova.....	2.6				1.6
33	Hungary	3.8				1.4	96	Dominican Republic.....	2.6				1.4
33	Portugal	3.8				1.2	97	Brazil	2.6				1.4
35	Panama.....	3.8				1.7	98	Mali.....	2.5				1.7
36	Poland	3.8				1.1	99	Armenia	2.5				1.5
37	Qatar	3.8				1.9	99	Georgia	2.5				1.5
38	South Africa	3.8				1.5	101	Chad	2.5				1.9
39	Kazakhstan.....	3.7				1.3	102	Gambia	2.5				1.4
40	Slovak Republic	3.7				1.4	103	Uruguay	2.5				1.4
41	Trinidad and Tobago	3.6				1.8	104	Bolivia	2.4				1.4
42	Thailand	3.6				1.5	105	Venezuela	2.4				1.1
43	Latvia	3.6				1.6	106	Angola.....	2.4				1.7
44	Macedonia, FYR	3.6				1.7	107	Nicaragua.....	2.4				1.4
45	Botswana.....	3.5				1.8	108	Benin	2.4				1.5
46	Lithuania	3.5				1.6	109	Malawi	2.3				1.5
46	Mauritius.....	3.5				1.5	110	Nepal	2.3				1.5
48	Malta.....	3.5				1.6	111	Burkina Faso	2.3				1.5
49	Cyprus	3.5				1.4	112	Bangladesh	2.3				1.5
50	Namibia.....	3.4				1.4	113	Mauritania.....	2.3				1.6
51	Slovenia	3.4				1.5	114	Algeria.....	2.2				1.4
52	Barbados.....	3.4				1.6	115	Ecuador.....	2.2				1.3
53	Sri Lanka	3.4				1.7	116	Lesotho.....	2.2				1.5
54	Bulgaria	3.3				1.6	117	Guyana.....	2.2				1.5
55	Argentina	3.3				1.5	118	Cameroon.....	2.0				1.4
56	Bahrain.....	3.3				1.5	119	Mongolia.....	2.0				1.3
57	Greece	3.2				1.4	120	Paraguay	2.0				1.2
58	Tanzania	3.2				1.6	121	Ethiopia.....	2.0				1.5
59	Ukraine	3.2				1.4	122	Burundi	1.9				1.3
60	Czech Republic.....	3.2				1.4	123	Suriname	1.8				1.2
61	Pakistan	3.2				1.4	124	Mozambique.....	1.7				1.3
61	Tajikistan	3.2				1.7	125	Zambia	1.5				1.0
63	Russian Federation.....	3.2				1.6							

6.22 Soundness of banks

Banks in your country are (1 = insolvent and may require a government bailout, 7 = generally healthy with sound balance sheets)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.5	7	SD
1	United Kingdom	6.9				0.3	64	Jordan	5.5				1.2
2	Switzerland	6.9				0.4	65	Italy	5.5				1.1
3	Denmark	6.8				0.4	66	Tunisia	5.5				1.2
4	Ireland	6.8				0.5	67	Lesotho	5.5				1.4
5	Canada	6.8				0.5	68	Slovenia	5.4				1.2
6	Luxembourg	6.7				0.5	69	Morocco	5.4				1.3
7	Sweden	6.7				0.6	70	Croatia	5.4				1.3
8	Australia	6.7				0.5	71	Guatemala	5.3				1.1
9	Netherlands	6.7				0.5	72	Cameroon	5.3				1.4
10	Belgium	6.6				0.7	73	Kenya	5.3				1.4
11	Spain	6.6				0.6	74	Moldova	5.3				1.1
12	Finland	6.6				0.6	75	Thailand	5.2				1.1
13	Hong Kong SAR	6.6				1.0	76	Japan	5.2				1.1
14	Germany	6.6				0.5	77	Honduras	5.2				1.2
15	Austria	6.6				0.7	78	Romania	5.2				1.0
16	France	6.6				0.6	79	Kazakhstan	5.2				1.1
17	Norway	6.6				0.5	80	Philippines	5.2				1.0
18	Chile	6.5				0.6	81	Bulgaria	5.1				1.2
19	South Africa	6.5				0.6	82	Korea, Rep.	5.1				1.1
20	New Zealand	6.5				0.5	83	Bosnia and Herzegovina	5.1				1.4
21	Singapore	6.5				0.6	84	Pakistan	5.0				1.3
22	Barbados	6.5				0.7	85	Mali	5.0				1.6
23	Panama	6.5				0.7	86	Albania	5.0				1.3
24	Malta	6.4				0.7	87	Angola	4.9				1.4
25	Trinidad and Tobago	6.3				0.9	88	Indonesia	4.9				1.1
26	Israel	6.3				0.6	89	Armenia	4.9				1.3
27	United States	6.3				1.0	90	Venezuela	4.8				1.3
28	Bahrain	6.3				0.9	91	Nigeria	4.8				1.7
29	Iceland	6.3				0.6	92	Georgia	4.8				1.1
30	Estonia	6.3				0.8	93	Nepal	4.8				1.2
31	Portugal	6.3				0.6	94	Egypt	4.8				1.5
32	Kuwait	6.2				1.0	95	Burundi	4.8				1.7
33	Slovak Republic	6.2				0.7	96	Serbia and Montenegro	4.8				1.5
34	Brazil	6.1				1.2	97	Uganda	4.8				1.5
35	Burkina Faso	6.1				1.0	98	Azerbaijan	4.8				1.5
36	United Arab Emirates	6.0				0.9	99	Turkey	4.8				1.3
37	India	6.0				0.8	100	Taiwan, China	4.8				1.3
38	El Salvador	6.0				0.6	101	Mauritania	4.8				1.5
38	Mauritius	6.0				0.6	102	Ethiopia	4.8				1.5
40	Botswana	6.0				1.0	103	Vietnam	4.7				1.2
41	Greece	5.9				0.9	104	Ecuador	4.7				1.3
42	Costa Rica	5.9				0.8	105	Bangladesh	4.7				1.3
43	Malaysia	5.9				0.9	106	Poland	4.7				1.1
44	Namibia	5.9				1.2	107	Nicaragua	4.6				1.4
45	Zambia	5.8				0.8	108	Bolivia	4.6				1.4
46	Qatar	5.8				1.2	109	Dominican Republic	4.6				1.2
47	Benin	5.8				1.2	110	Macedonia, FYR	4.6				1.4
48	Guyana	5.8				0.9	111	Mozambique	4.5				1.3
49	Suriname	5.8				1.2	112	Uruguay	4.5				1.5
50	Cyprus	5.8				0.9	113	Paraguay	4.5				1.5
51	Peru	5.7				0.9	114	Mongolia	4.4				1.5
52	Latvia	5.7				1.1	115	Cambodia	4.4				1.4
53	Tanzania	5.7				1.0	116	Russian Federation	4.4				1.3
54	Jamaica	5.7				1.0	117	Ukraine	4.4				1.2
55	Gambia	5.6				1.2	118	Chad	4.3				1.7
56	Lithuania	5.6				0.9	119	Zimbabwe	4.2				1.1
57	Malawi	5.6				1.1	120	Timor-Leste	4.2				1.4
58	Czech Republic	5.6				1.0	121	Algeria	4.1				1.8
59	Hungary	5.5				1.1	122	Kyrgyz Republic	4.0				1.2
60	Madagascar	5.5				1.3	123	China	3.8				1.4
61	Mexico	5.5				1.0	124	Argentina	3.8				1.2
61	Sri Lanka	5.5				1.1	125	Tajikistan	3.7				1.7
63	Colombia	5.5				1.3							

6.23 Local equity market access

Raising money by issuing shares on the local stock market is (1 = nearly impossible, 7 = quite possible for a good company)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	India	6.5				0.7	64	Peru	5.0				1.5
2	Sweden	6.4				1.2	65	Malawi	4.9				1.9
3	Hong Kong SAR	6.4				1.0	66	Mexico	4.9				1.5
4	Japan	6.4				0.8	67	Tanzania	4.8				1.7
5	New Zealand	6.3				0.7	68	Czech Republic	4.8				1.6
6	Norway	6.3				0.8	69	Tunisia	4.8				1.1
7	Taiwan, China	6.3				0.8	70	Croatia	4.6				1.5
8	Australia	6.2				1.0	71	Latvia	4.6				1.8
9	Germany	6.2				0.9	72	Russian Federation	4.5				1.8
10	South Africa	6.2				1.0	73	Slovenia	4.5				1.4
11	Switzerland	6.2				1.0	74	Poland	4.4				1.3
12	Indonesia	6.2				0.8	75	Morocco	4.3				1.7
13	Iceland	6.2				0.8	76	Macedonia, FYR	4.3				1.7
14	Austria	6.1				1.0	77	China	4.3				1.7
15	Singapore	6.1				0.8	78	Cyprus	4.3				1.7
16	United Kingdom	6.1				1.3	79	Romania	4.2				1.7
17	Israel	6.1				0.7	80	Serbia and Montenegro	4.2				1.6
18	Kuwait	6.1				1.0	81	Argentina	4.2				1.6
19	France	6.0				1.1	82	Kazakhstan	4.2				1.4
20	Netherlands	6.0				1.1	83	Guyana	4.2				2.1
21	United Arab Emirates	6.0				1.2	84	Burkina Faso	4.1				2.1
22	United States	6.0				1.2	85	Uganda	4.1				2.0
23	Estonia	6.0				1.0	86	Suriname	4.1				1.9
24	Finland	6.0				1.0	87	Bosnia and Herzegovina	4.1				1.9
25	Bahrain	5.9				1.3	88	Namibia	4.1				1.5
26	Portugal	5.9				0.9	89	Paraguay	4.0				1.9
27	Malaysia	5.9				1.0	90	El Salvador	4.0				1.8
28	Zimbabwe	5.9				1.2	91	Ecuador	3.9				1.8
29	Denmark	5.8				1.1	92	Venezuela	3.9				1.7
30	Sri Lanka	5.8				1.0	93	Ukraine	3.9				1.4
31	Chile	5.8				1.3	94	Costa Rica	3.8				1.7
32	Canada	5.8				1.3	95	Mozambique	3.8				1.9
33	Thailand	5.8				1.1	96	Bolivia	3.7				1.6
34	Turkey	5.8				1.3	97	Azerbaijan	3.6				1.5
35	Jordan	5.7				1.2	98	Benin	3.6				1.7
36	Jamaica	5.7				1.2	99	Kyrgyz Republic	3.5				1.7
37	Mauritius	5.7				1.1	100	Mongolia	3.5				2.0
38	Ireland	5.7				1.4	101	Nicaragua	3.5				1.6
39	Malta	5.7				1.2	102	Slovak Republic	3.5				1.7
40	Philippines	5.6				1.0	103	Tajikistan	3.5				1.8
41	Greece	5.6				1.3	104	Moldova	3.4				1.9
42	Zambia	5.6				1.2	105	Gambia	3.4				2.0
43	Kenya	5.5				1.5	106	Bulgaria	3.3				1.5
44	Belgium	5.5				1.4	107	Mali	3.2				1.9
45	Qatar	5.4				1.8	108	Guatemala	3.1				1.7
46	Brazil	5.4				1.7	109	Georgia	3.0				1.6
47	Barbados	5.4				1.3	110	Armenia	2.9				1.8
48	Nigeria	5.3				1.7	111	Algeria	2.7				1.9
49	Trinidad and Tobago	5.3				1.5	112	Cameroon	2.7				1.8
50	Bangladesh	5.3				1.6	113	Uruguay	2.7				1.6
51	Luxembourg	5.3				1.8	114	Dominican Republic	2.6				1.6
52	Panama	5.3				1.5	115	Ethiopia	2.6				2.0
53	Spain	5.3				1.4	116	Lesotho	2.5				1.9
54	Egypt	5.2				1.6	117	Mauritania	2.5				1.9
55	Vietnam	5.2				1.7	118	Chad	2.4				1.8
56	Hungary	5.2				1.4	119	Madagascar	2.4				1.6
57	Italy	5.2				1.5	120	Honduras	2.4				1.7
58	Botswana	5.1				1.3	121	Burundi	2.2				1.6
59	Nepal	5.1				1.6	122	Timor-Leste	1.9				1.4
60	Pakistan	5.1				1.3	123	Angola	1.8				1.2
61	Korea, Rep.	5.0				1.5	124	Cambodia	1.7				1.1
62	Lithuania	5.0				1.4	125	Albania	1.4				1.0
63	Colombia	5.0				1.5							

6.24 Extent of bureaucratic red tape

How much time does your firm's senior management spend dealing/negotiating with government officials (as a percentage of work time)?
(1 = 0%, 2 = 1–10%, 3 = 11–20%, 4 = 21–30%, 5 = 31–40%, 6 = 41–60%, 7 = 61–80%, 8 = 81–100%)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.7	8	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.7	8	SD
1	Angola.....	3.9				1.6	64	South Africa.....	2.7				1.5
2	Albania.....	3.7				1.8	65	Hong Kong SAR.....	2.7				1.4
3	Malawi.....	3.7				1.7	66	Nicaragua.....	2.7				1.4
4	Egypt.....	3.7				1.8	67	Guatemala.....	2.7				1.5
5	Lesotho.....	3.6				2.0	68	Burundi.....	2.7				1.5
6	Kuwait.....	3.5				1.8	69	Panama.....	2.7				1.3
7	Mali.....	3.5				1.8	70	Trinidad and Tobago.....	2.7				1.5
8	Pakistan.....	3.5				1.5	71	Malta.....	2.7				1.3
9	China.....	3.4				1.3	72	Lithuania.....	2.7				1.2
10	Thailand.....	3.4				1.8	73	Uruguay.....	2.6				1.4
11	United Arab Emirates.....	3.4				2.0	74	Cyprus.....	2.6				1.2
12	Mozambique.....	3.4				1.5	75	Paraguay.....	2.6				1.4
13	Costa Rica.....	3.3				1.5	76	Serbia and Montenegro.....	2.6				1.3
14	Bangladesh.....	3.3				1.4	77	India.....	2.6				1.1
15	Uganda.....	3.3				1.9	78	Slovak Republic.....	2.5				1.1
16	Mauritania.....	3.3				1.8	79	Guyana.....	2.5				1.1
17	Armenia.....	3.2				1.6	80	Brazil.....	2.5				1.5
17	Bahrain.....	3.2				1.4	81	Macedonia, FYR.....	2.5				1.7
19	Kyrgyz Republic.....	3.2				1.3	82	Australia.....	2.5				1.2
20	El Salvador.....	3.2				1.4	83	Slovenia.....	2.5				0.9
21	Tanzania.....	3.2				1.3	84	Morocco.....	2.5				1.4
22	Tajikistan.....	3.1				1.5	85	Jamaica.....	2.5				1.2
23	Gambia.....	3.1				1.6	86	Czech Republic.....	2.5				1.1
24	Jordan.....	3.1				1.5	87	Zambia.....	2.5				1.1
25	Timor-Leste.....	3.1				1.7	88	Austria.....	2.4				1.1
26	Chad.....	3.1				1.8	89	Suriname.....	2.4				1.2
27	Nigeria.....	3.1				1.8	90	Croatia.....	2.4				1.3
28	Georgia.....	3.1				1.2	91	Germany.....	2.4				1.2
29	Honduras.....	3.1				1.7	92	Colombia.....	2.4				1.4
30	Ecuador.....	3.1				1.7	93	Indonesia.....	2.4				0.9
31	Mongolia.....	3.1				1.7	94	France.....	2.4				1.2
32	Zimbabwe.....	3.1				1.1	95	Azerbaijan.....	2.4				1.1
33	Bulgaria.....	3.1				1.3	96	United Kingdom.....	2.3				1.5
34	Cambodia.....	3.0				1.4	97	United States.....	2.3				1.6
35	Botswana.....	3.0				1.6	98	Switzerland.....	2.3				0.9
36	Barbados.....	3.0				1.7	99	Netherlands.....	2.3				1.4
37	Namibia.....	3.0				1.9	100	Chile.....	2.3				1.1
38	Malaysia.....	3.0				1.5	101	Italy.....	2.3				1.3
39	Moldova.....	3.0				1.2	102	New Zealand.....	2.3				0.9
40	Portugal.....	3.0				1.3	103	Bosnia and Herzegovina.....	2.3				1.1
40	Qatar.....	3.0				1.8	104	Estonia.....	2.3				1.1
42	Russian Federation.....	3.0				1.3	105	Turkey.....	2.3				1.1
43	Ethiopia.....	3.0				1.4	106	Spain.....	2.2				1.3
44	Cameroon.....	3.0				1.5	107	Korea, Rep.....	2.2				1.2
44	Sri Lanka.....	3.0				1.5	108	Canada.....	2.2				1.3
46	Venezuela.....	3.0				1.8	109	Singapore.....	2.2				0.9
47	Algeria.....	3.0				1.9	110	Poland.....	2.2				1.3
48	Mexico.....	2.9				1.4	111	Benin.....	2.2				1.5
49	Ukraine.....	2.9				1.2	112	Taiwan, China.....	2.2				0.8
50	Vietnam.....	2.9				1.1	113	Hungary.....	2.2				0.9
51	Bolivia.....	2.9				1.6	114	Ireland.....	2.1				1.1
52	Burkina Faso.....	2.9				1.5	115	Luxembourg.....	2.1				0.9
53	Philippines.....	2.8				1.2	116	Romania.....	2.0				1.4
54	Madagascar.....	2.8				1.4	117	Argentina.....	2.0				1.4
55	Nepal.....	2.8				1.3	118	Norway.....	2.0				1.1
56	Peru.....	2.8				1.4	119	Japan.....	2.0				1.0
57	Kazakhstan.....	2.8				1.3	120	Israel.....	2.0				0.9
58	Tunisia.....	2.8				1.4	121	Belgium.....	1.8				0.8
59	Kenya.....	2.8				1.5	122	Sweden.....	1.7				0.8
60	Mauritius.....	2.8				1.1	123	Denmark.....	1.6				0.9
61	Dominican Republic.....	2.8				1.4	124	Iceland.....	1.6				0.8
62	Greece.....	2.7				1.1	125	Finland.....	1.2				0.5
63	Latvia.....	2.7				1.5							

6.25 Distortive effect of taxes and subsidies on competition

In your country, government subsidies and tax breaks seriously distort competition by favoring specific companies, activities, regions, or industries
(1 = strongly agree, 7 = strongly disagree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Denmark	5.6				1.3	64	Austria	3.8				1.5
2	Qatar	5.6				1.4	65	Kuwait	3.8				1.8
3	Netherlands	5.4				1.3	66	Albania	3.8				1.9
4	Singapore	5.4				1.4	67	Hungary	3.8				1.6
5	Hong Kong SAR	5.3				1.5	68	Philippines	3.8				1.5
6	Iceland	5.3				1.7	69	Lesotho	3.7				1.7
6	United Arab Emirates	5.3				1.6	70	Mexico	3.7				1.4
8	New Zealand	5.3				1.5	71	Cambodia	3.7				1.7
9	Chile	5.2				1.3	72	Vietnam	3.7				1.5
10	Finland	5.1				1.7	73	China	3.7				1.7
11	Norway	5.0				1.6	74	Nigeria	3.7				1.8
12	Luxembourg	4.9				1.6	75	Czech Republic	3.6				1.7
13	Estonia	4.9				1.6	76	Turkey	3.6				1.4
14	South Africa	4.9				1.6	77	Nepal	3.6				1.7
15	United Kingdom	4.8				1.5	78	Cameroon	3.6				1.8
16	Tunisia	4.8				1.3	79	Pakistan	3.6				1.3
17	Australia	4.8				1.4	80	Spain	3.5				1.5
18	Malaysia	4.7				1.5	81	Kenya	3.5				1.7
19	Germany	4.6				1.5	82	Egypt	3.5				1.8
20	Portugal	4.5				1.4	83	Mauritania	3.5				1.5
21	Sweden	4.5				1.6	84	Trinidad and Tobago	3.5				1.7
22	Barbados	4.5				1.1	85	Ethiopia	3.5				1.9
23	Switzerland	4.5				1.7	86	Azerbaijan	3.5				1.6
24	Japan	4.5				1.4	87	Indonesia	3.5				1.5
25	Malta	4.5				1.5	88	Jamaica	3.4				1.5
26	France	4.4				1.6	89	Armenia	3.4				1.8
27	Botswana	4.4				1.7	90	Lithuania	3.4				1.5
28	Slovak Republic	4.4				1.5	91	Timor-Leste	3.4				1.7
29	Israel	4.4				1.3	92	Bangladesh	3.4				1.6
30	Italy	4.4				1.6	93	Paraguay	3.4				1.8
31	Ireland	4.4				1.8	94	Tajikistan	3.4				1.6
32	Gambia	4.4				2.0	95	Macedonia, FYR	3.4				1.7
33	Bahrain	4.4				1.5	96	Burundi	3.4				1.9
34	Brazil	4.3				1.7	97	Serbia and Montenegro	3.3				1.8
35	El Salvador	4.2				1.5	98	Peru	3.3				1.4
36	Tanzania	4.2				1.5	99	Sri Lanka	3.3				1.5
37	Cyprus	4.2				1.5	100	Bolivia	3.3				1.8
38	Latvia	4.2				1.7	101	Morocco	3.3				1.6
39	Uruguay	4.2				1.6	102	Bosnia and Herzegovina	3.3				1.8
40	Mali	4.1				1.8	103	Panama	3.2				1.6
41	Guatemala	4.1				1.7	104	Poland	3.2				0.9
42	Burkina Faso	4.1				1.7	105	Kazakhstan	3.2				1.6
43	Colombia	4.1				1.6	106	Nicaragua	3.2				1.6
44	United States	4.1				1.5	107	Suriname	3.1				1.5
45	Belgium	4.1				1.5	108	Guyana	3.1				1.8
46	Namibia	4.0				1.6	109	Chad	3.1				2.0
47	Korea, Rep.	4.0				1.4	110	Ukraine	3.0				1.6
47	Thailand	4.0				1.1	111	Argentina	3.0				1.3
49	Croatia	4.0				1.6	112	Ecuador	3.0				1.7
50	Jordan	4.0				1.6	113	Honduras	2.9				1.6
51	Greece	4.0				1.6	114	Moldova	2.9				1.7
52	Mozambique	4.0				1.7	115	Dominican Republic	2.9				1.4
53	Mauritius	4.0				1.3	116	Madagascar	2.9				1.4
54	Algeria	4.0				1.9	117	Romania	2.8				1.5
55	Canada	3.9				1.6	118	Russian Federation	2.8				1.6
56	Malawi	3.9				1.6	119	Bulgaria	2.7				1.4
57	Slovenia	3.9				1.6	120	Mongolia	2.7				1.7
58	India	3.9				1.4	121	Zambia	2.6				1.1
59	Taiwan, China	3.9				1.5	122	Zimbabwe	2.5				1.7
60	Angola	3.9				1.6	123	Kyrgyz Republic	2.5				1.5
61	Georgia	3.9				1.7	124	Uganda	2.4				1.6
62	Benin	3.8				1.7	125	Venezuela	2.2				1.4
62	Costa Rica	3.8				1.7							

6.26 Presence of demanding regulatory standards

Standards on product/service quality, energy, and other regulations (outside environmental regulations) in your country are (1 = lax or nonexistent, 7 = among the world's most stringent)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.2	7	SD
1	Germany	6.6				0.7	64	Trinidad and Tobago	4.0				1.4
2	Sweden	6.3				0.9	65	Sri Lanka	4.0				1.3
2	United Kingdom	6.3				0.8	66	Nigeria	4.0				1.6
4	Japan	6.2				0.8	67	Egypt	3.9				1.5
5	Switzerland	6.2				0.9	68	Romania	3.9				1.2
6	Netherlands	6.1				0.7	69	Namibia	3.9				1.3
7	Finland	6.1				0.8	70	Bahrain	3.8				1.7
8	Austria	6.1				1.0	71	Botswana	3.8				1.2
9	Iceland	6.1				0.7	72	Russian Federation	3.8				1.4
10	Denmark	6.0				0.9	73	Ukraine	3.8				1.2
11	Belgium	6.0				0.8	74	Panama	3.8				1.3
12	France	6.0				0.9	75	China	3.7				1.2
13	Canada	6.0				0.7	76	Guatemala	3.7				1.0
14	Australia	5.9				0.8	77	Algeria	3.7				1.2
15	Norway	5.8				0.9	78	Azerbaijan	3.7				1.3
16	United States	5.8				1.2	79	Moldova	3.6				1.4
17	Luxembourg	5.7				0.9	80	Philippines	3.6				1.2
18	New Zealand	5.7				0.8	81	Morocco	3.6				1.6
19	Singapore	5.7				0.8	82	Bulgaria	3.6				1.4
20	Czech Republic	5.7				0.9	83	Argentina	3.6				1.1
21	Hong Kong SAR	5.6				1.1	84	Macedonia, FYR	3.6				1.3
22	Ireland	5.5				1.0	85	Venezuela	3.6				1.2
23	Slovak Republic	5.5				1.0	86	Tanzania	3.6				1.1
24	Hungary	5.5				1.1	87	Zimbabwe	3.5				1.3
25	Malaysia	5.4				0.9	88	Pakistan	3.5				1.3
26	Israel	5.4				0.8	89	Burkina Faso	3.5				1.3
27	Taiwan, China	5.4				0.8	90	Uganda	3.4				1.6
28	Slovenia	5.2				0.9	91	Honduras	3.4				1.1
29	Korea, Rep.	5.2				1.1	92	Armenia	3.4				1.2
30	Spain	5.2				1.0	93	Tajikistan	3.3				1.4
31	Estonia	5.2				0.9	94	Kyrgyz Republic	3.3				1.3
32	Chile	5.1				0.9	95	Vietnam	3.3				1.1
33	Tunisia	5.0				0.9	96	Serbia and Montenegro	3.2				1.3
34	Portugal	5.0				1.1	97	Benin	3.2				1.3
35	South Africa	5.0				1.0	98	Nicaragua	3.2				1.1
36	United Arab Emirates	5.0				1.1	99	Guyana	3.2				1.2
37	Italy	4.9				1.2	100	Bosnia and Herzegovina	3.2				1.1
38	Thailand	4.8				0.9	101	Bolivia	3.1				1.1
39	Lithuania	4.8				1.1	102	Gambia	3.1				1.3
40	Brazil	4.8				1.1	103	Mali	3.1				1.4
41	India	4.8				1.3	104	Ecuador	3.1				1.1
42	Cyprus	4.7				1.1	105	Malawi	3.1				1.3
43	Latvia	4.7				1.3	106	Bangladesh	3.0				1.2
44	Costa Rica	4.5				1.2	107	Zambia	3.0				1.0
45	Greece	4.5				1.1	108	Cambodia	3.0				1.1
46	Colombia	4.5				1.1	109	Dominican Republic	2.9				1.0
47	Turkey	4.4				1.1	110	Madagascar	2.9				1.2
48	Jamaica	4.4				1.0	111	Georgia	2.9				1.1
49	Peru	4.3				1.2	112	Mongolia	2.9				1.2
50	Qatar	4.3				1.2	113	Nepal	2.9				1.2
51	Kuwait	4.3				1.5	114	Paraguay	2.9				1.1
52	Mauritius	4.3				1.2	115	Ethiopia	2.9				1.2
53	Barbados	4.3				1.1	116	Mozambique	2.8				1.1
54	Mexico	4.2				1.2	117	Mauritania	2.8				1.5
55	El Salvador	4.2				1.1	118	Cameroon	2.7				1.3
56	Indonesia	4.2				0.8	119	Lesotho	2.6				1.2
57	Jordan	4.1				1.3	120	Angola	2.6				1.0
58	Poland	4.1				1.0	121	Albania	2.6				1.0
59	Kazakhstan	4.1				1.1	122	Suriname	2.3				1.1
60	Croatia	4.1				1.2	123	Chad	2.3				1.2
61	Uruguay	4.0				1.2	124	Burundi	2.2				1.2
62	Malta	4.0				1.2	125	Timor-Leste	2.0				0.9
63	Kenya	4.0				1.4							

6.27 Extent of market dominance

Corporate activity in your country is (1 = dominated by a few business groups, 7 = spread among many firms)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Germany	6.2				0.8	64	Burkina Faso	3.6				2.2
2	Japan	6.0				1.1	65	Bosnia and Herzegovina	3.5				1.4
3	Finland	5.9				1.1	66	Mali	3.5				2.0
4	Netherlands	5.9				1.0	67	Guatemala	3.5				1.5
5	United Kingdom	5.9				1.3	68	Morocco	3.5				1.7
6	Denmark	5.8				1.1	69	Sri Lanka	3.5				1.7
7	Switzerland	5.8				1.3	70	Mexico	3.5				1.4
8	United States	5.8				1.4	71	Panama	3.5				1.5
9	Austria	5.7				1.2	72	Bulgaria	3.4				1.7
10	Taiwan, China	5.6				1.2	73	Namibia	3.4				1.5
11	Ireland	5.5				1.2	74	Peru	3.4				1.5
12	Indonesia	5.4				1.1	75	Cameroon	3.4				1.6
13	India	5.3				1.5	76	Barbados	3.4				1.3
14	Belgium	5.3				1.5	77	Bahrain	3.4				1.6
15	France	5.3				1.6	78	Cambodia	3.4				1.5
16	Australia	5.2				1.3	79	Kenya	3.4				1.7
17	Malaysia	5.2				1.2	80	Ukraine	3.3				1.4
18	Luxembourg	5.2				1.5	81	Russian Federation	3.3				1.6
19	Canada	5.1				1.5	82	Azerbaijan	3.3				1.8
20	Singapore	5.1				1.4	83	Trinidad and Tobago	3.3				1.7
21	Hong Kong SAR	5.1				1.6	84	Tanzania	3.3				1.5
22	Tunisia	5.1				1.1	85	Korea, Rep.	3.2				1.3
23	Norway	5.1				1.3	86	Zimbabwe	3.2				1.3
24	New Zealand	5.0				1.3	87	El Salvador	3.2				1.5
25	Sweden	4.9				1.6	88	Colombia	3.2				1.3
26	Turkey	4.6				1.3	89	Gambia	3.2				1.6
27	Slovak Republic	4.6				1.7	90	Macedonia, FYR	3.1				1.4
28	Czech Republic	4.6				1.2	91	Burundi	3.1				2.0
29	Estonia	4.4				1.6	92	Tajikistan	3.1				1.5
30	United Arab Emirates	4.4				1.6	93	Venezuela	3.1				1.3
31	Costa Rica	4.4				1.4	94	Mauritania	3.0				2.1
32	Spain	4.3				1.6	95	Albania	3.0				1.4
33	Israel	4.3				1.5	96	Philippines	3.0				1.4
34	South Africa	4.3				1.5	97	Botswana	3.0				1.4
35	Poland	4.3				1.0	98	Dominican Republic	3.0				1.1
36	Qatar	4.3				1.7	99	Argentina	3.0				1.1
37	Slovenia	4.2				1.5	100	Timor-Leste	2.9				1.6
38	Jordan	4.2				1.6	101	Madagascar	2.9				1.5
39	Cyprus	4.1				1.5	102	Georgia	2.9				1.2
40	Vietnam	4.1				1.5	103	Paraguay	2.9				1.5
41	Thailand	4.1				1.2	104	Mozambique	2.9				1.3
42	Kuwait	4.1				1.7	105	Bolivia	2.9				1.2
43	Greece	4.1				1.5	106	Uganda	2.9				1.7
44	Algeria	4.1				1.6	107	Moldova	2.9				1.4
45	Brazil	4.1				1.4	108	Suriname	2.9				1.4
46	Hungary	4.0				1.6	109	Ethiopia	2.9				1.4
47	Iceland	4.0				1.7	110	Guyana	2.8				1.4
48	Nigeria	4.0				1.9	111	Mauritius	2.8				1.1
49	Portugal	3.9				1.3	112	Ecuador	2.8				1.3
50	Romania	3.9				1.5	113	Bangladesh	2.7				1.4
51	Egypt	3.9				1.7	114	Kyrgyz Republic	2.7				1.2
52	Chile	3.9				1.6	115	Serbia and Montenegro	2.7				1.4
53	Latvia	3.8				1.5	116	Mongolia	2.6				1.4
54	Italy	3.8				1.6	117	Nicaragua	2.6				1.4
55	Jamaica	3.8				1.5	118	Nepal	2.6				1.5
56	China	3.8				1.6	119	Armenia	2.6				1.4
57	Pakistan	3.8				1.4	120	Chad	2.6				1.9
58	Benin	3.7				2.0	121	Lesotho	2.5				1.4
59	Uruguay	3.7				1.4	122	Malawi	2.5				1.4
60	Lithuania	3.6				1.2	123	Honduras	2.4				1.2
61	Croatia	3.6				1.4	124	Angola	2.3				0.9
62	Kazakhstan	3.6				1.5	125	Zambia	2.2				1.2
63	Malta	3.6				1.5							

6.28 Extent of regional sales

Exports from your country to neighboring countries are (1 = limited, 7 = substantial and growing)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD
1	Germany	6.7				0.5	64	Qatar	4.3				1.8
2	Ireland	6.4				0.7	65	Malta	4.3				1.3
3	Canada	6.4				0.7	66	Tanzania	4.2				1.5
4	Austria	6.4				0.8	67	Egypt	4.2				1.6
5	Finland	6.3				0.9	68	Uganda	4.1				1.8
6	Japan	6.3				0.8	69	Honduras	4.1				1.7
7	Sweden	6.3				0.7	70	Croatia	4.1				1.4
8	Switzerland	6.3				0.8	71	Azerbaijan	4.0				1.7
9	Netherlands	6.3				0.8	72	Bahrain	4.0				1.7
10	Denmark	6.1				0.8	73	Ecuador	4.0				1.3
11	Luxembourg	6.1				1.3	74	Morocco	4.0				1.6
12	Belgium	5.9				1.0	75	Kazakhstan	3.9				1.5
13	Singapore	5.9				0.9	76	Pakistan	3.9				1.4
14	Hong Kong SAR	5.9				1.1	77	Guyana	3.9				1.6
15	France	5.9				0.9	78	Venezuela	3.9				1.5
16	United Kingdom	5.8				1.1	79	Jamaica	3.9				1.4
17	South Africa	5.8				1.2	80	Cyprus	3.9				1.4
18	Czech Republic	5.8				1.1	81	Dominican Republic	3.8				1.4
19	New Zealand	5.8				0.9	82	Panama	3.8				1.5
20	Slovak Republic	5.7				1.0	83	Russian Federation	3.8				1.6
21	Malaysia	5.7				0.9	84	Barbados	3.8				1.4
22	Thailand	5.6				0.8	85	Romania	3.7				1.4
23	Mexico	5.6				1.2	86	Gambia	3.7				1.9
24	Korea, Rep.	5.6				1.1	87	Paraguay	3.7				1.6
25	Norway	5.6				1.1	88	Burkina Faso	3.6				1.7
26	United States	5.6				1.4	89	Macedonia, FYR	3.6				1.5
27	Trinidad and Tobago	5.5				1.2	90	Moldova	3.6				1.8
28	Estonia	5.5				1.2	91	Mauritania	3.6				1.8
29	Australia	5.5				0.9	92	Kuwait	3.5				1.6
30	Kenya	5.4				1.5	93	Bulgaria	3.5				1.5
31	Indonesia	5.4				0.7	94	Mongolia	3.5				1.7
32	Greece	5.4				1.0	95	Benin	3.4				1.8
33	Costa Rica	5.4				1.1	96	Madagascar	3.4				1.4
34	Taiwan, China	5.4				1.1	97	Nicaragua	3.4				1.4
35	Slovenia	5.3				1.2	98	Georgia	3.4				1.6
36	Colombia	5.3				1.2	99	Zimbabwe	3.4				1.5
37	Iceland	5.3				1.3	100	Ukraine	3.4				1.4
38	United Arab Emirates	5.3				1.4	101	Nepal	3.4				1.7
39	Chile	5.2				1.2	102	Namibia	3.3				1.5
40	Hungary	5.2				1.0	103	Bolivia	3.2				1.5
41	Turkey	5.2				1.2	104	Malawi	3.2				1.5
42	Brazil	5.1				1.3	105	Ethiopia	3.2				1.7
43	Guatemala	5.1				1.3	106	Botswana	3.2				1.4
44	Lithuania	5.1				1.1	107	Israel	3.1				1.8
45	Jordan	5.1				1.4	108	Mali	3.1				1.6
46	Portugal	5.0				1.1	109	Mozambique	3.1				1.5
47	Argentina	5.0				1.1	110	Serbia and Montenegro	3.1				1.5
48	India	4.8				1.7	111	Bosnia and Herzegovina	3.1				1.6
49	Latvia	4.8				1.5	112	Armenia	3.0				1.6
50	Spain	4.8				1.2	113	Bangladesh	3.0				1.8
51	Vietnam	4.8				1.4	114	Cambodia	3.0				1.8
52	China	4.8				1.4	115	Chad	2.9				2.0
53	El Salvador	4.7				1.1	116	Lesotho	2.8				1.7
54	Italy	4.7				1.1	117	Burundi	2.8				1.7
55	Philippines	4.7				1.1	118	Suriname	2.7				1.4
56	Peru	4.6				1.3	119	Tajikistan	2.6				1.3
57	Sri Lanka	4.6				1.6	120	Albania	2.6				1.6
58	Tunisia	4.6				1.3	121	Algeria	2.4				1.4
59	Nigeria	4.6				1.9	122	Timor-Leste	2.4				1.6
60	Mauritius	4.6				1.1	123	Kyrgyz Republic	2.3				1.4
61	Poland	4.5				1.3	124	Angola	2.2				1.0
62	Cameroon	4.5				1.6	125	Zambia	2.1				1.3
63	Uruguay	4.4				1.3							

6.29 Breadth of international markets

Exporting companies from your country sell (1 = primarily in a small number of foreign markets, 7 = in virtually all international country markets)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Germany	6.8				0.6	64	Pakistan	3.4				1.4
2	Sweden	6.5				0.9	65	Trinidad and Tobago	3.4				1.7
3	Japan	6.4				0.8	66	Russian Federation	3.4				1.5
4	Switzerland	6.4				1.0	67	Sri Lanka	3.4				1.6
5	United Kingdom	6.2				1.1	68	Nigeria	3.3				1.8
6	Hong Kong SAR	6.1				1.1	69	Ukraine	3.3				1.4
7	Netherlands	6.1				1.0	70	El Salvador	3.3				1.4
8	United States	6.1				1.2	71	Jamaica	3.2				1.5
9	Finland	6.0				0.9	72	Cyprus	3.2				1.5
10	Austria	6.0				1.1	73	Kazakhstan	3.2				1.4
11	Denmark	5.9				1.1	74	Morocco	3.2				1.6
12	Singapore	5.8				0.9	75	Panama	3.2				1.4
13	Taiwan, China	5.8				1.0	76	Bangladesh	3.1				1.6
14	Chile	5.6				1.1	77	Bahrain	3.1				1.8
15	Ireland	5.6				1.2	78	Kuwait	3.1				1.6
16	France	5.6				1.4	79	Croatia	3.1				1.2
17	Luxembourg	5.5				1.7	80	Mauritania	3.1				1.7
18	Malaysia	5.4				1.2	81	Colombia	3.0				1.4
19	Turkey	5.4				1.0	82	Cambodia	3.0				1.8
20	Israel	5.3				1.2	83	Tanzania	3.0				1.3
21	Belgium	5.3				1.6	84	Armenia	2.9				1.4
22	Thailand	5.2				1.1	85	Ecuador	2.9				1.2
23	Indonesia	5.2				0.8	86	Bulgaria	2.9				1.2
24	Canada	5.1				1.6	87	Honduras	2.8				1.5
25	Italy	5.0				1.6	88	Cameroon	2.8				1.5
26	Korea, Rep.	5.0				1.4	89	Guyana	2.7				1.3
26	New Zealand	5.0				1.2	90	Zimbabwe	2.7				1.4
28	Australia	5.0				1.1	91	Madagascar	2.7				1.4
29	Czech Republic	5.0				1.5	92	Dominican Republic	2.7				1.2
30	Lithuania	4.9				1.3	92	Venezuela	2.7				1.2
31	South Africa	4.8				1.2	94	Moldova	2.7				1.5
32	Norway	4.8				1.4	95	Gambia	2.6				1.3
33	India	4.7				1.3	96	Namibia	2.6				1.2
34	Slovenia	4.7				1.5	97	Paraguay	2.6				1.2
35	Slovak Republic	4.6				1.3	98	Uganda	2.6				1.4
36	United Arab Emirates	4.5				1.7	99	Mali	2.5				1.7
37	Costa Rica	4.5				1.5	100	Burkina Faso	2.5				1.4
38	Brazil	4.5				1.4	101	Serbia and Montenegro	2.5				1.4
39	Qatar	4.3				1.7	102	Macedonia, FYR	2.5				1.1
40	Spain	4.2				1.2	103	Timor-Leste	2.5				1.3
41	Tunisia	4.1				1.6	104	Georgia	2.5				1.0
42	China	4.1				1.4	105	Barbados	2.5				1.2
43	Poland	4.1				1.0	106	Lesotho	2.5				1.5
44	Hungary	4.1				1.5	107	Ethiopia	2.5				1.2
45	Iceland	3.9				1.5	108	Botswana	2.5				1.2
46	Peru	3.9				1.5	109	Nicaragua	2.5				1.0
47	Estonia	3.9				1.5	110	Algeria	2.4				1.3
48	Mauritius	3.8				1.3	111	Bosnia and Herzegovina	2.4				1.3
49	Vietnam	3.7				1.7	112	Malawi	2.4				1.4
50	Portugal	3.7				1.3	113	Angola	2.4				1.5
51	Guatemala	3.7				1.3	114	Mongolia	2.4				1.3
52	Greece	3.7				1.3	115	Bolivia	2.4				1.0
53	Philippines	3.6				1.4	116	Nepal	2.3				1.2
54	Latvia	3.6				1.4	117	Mozambique	2.3				1.2
55	Azerbaijan	3.6				1.5	118	Benin	2.3				1.4
56	Kenya	3.6				1.6	119	Tajikistan	2.3				1.1
57	Jordan	3.5				1.4	120	Kyrgyz Republic	2.1				1.1
58	Romania	3.5				1.5	121	Albania	2.1				1.4
59	Egypt	3.5				1.6	122	Burundi	1.9				1.3
60	Mexico	3.5				1.5	123	Zambia	1.9				0.9
61	Argentina	3.5				1.2	124	Chad	1.9				1.3
62	Uruguay	3.4				1.3	125	Suriname	1.7				0.9
63	Malta	3.4				1.2							

6.30 Informal sector

How much business activity in your country would you estimate to be unofficial or unregistered (1 = more than 50% of economic activity is unrecorded, 7 = none, all business is registered)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Singapore.....	5.9				0.9	64	Pakistan	3.4				1.4
2	Switzerland.....	5.7				0.9	65	Colombia.....	3.4				1.3
3	Iceland	5.7				0.7	66	Trinidad and Tobago.....	3.4				1.5
4	Finland	5.7				0.9	67	Croatia	3.4				1.3
5	Luxembourg	5.5				1.1	68	Egypt	3.3				1.6
6	New Zealand.....	5.5				0.9	69	Italy	3.3				1.1
7	Norway	5.4				1.1	70	Gambia	3.3				1.6
8	Hong Kong SAR.....	5.4				1.4	71	Sri Lanka.....	3.3				1.5
9	United Arab Emirates	5.3				1.5	72	Macedonia, FYR	3.3				1.3
10	Australia	5.3				1.0	73	Armenia	3.2				1.5
11	Qatar	5.3				1.4	74	Mauritania	3.2				1.7
12	Chile.....	5.3				0.9	75	Bulgaria.....	3.2				1.4
13	France	5.3				1.1	76	Philippines	3.2				1.4
14	Netherlands	5.3				1.0	77	El Salvador	3.2				1.5
15	Austria	5.2				1.2	78	Georgia	3.2				1.0
16	Japan	5.2				1.5	79	Lesotho.....	3.1				1.5
17	Ireland.....	5.2				1.0	80	Suriname	3.0				1.5
18	Malaysia.....	5.2				1.2	81	Kenya.....	3.0				1.5
19	Israel	5.1				0.9	82	Azerbaijan	3.0				1.7
20	Denmark	5.1				1.3	83	Morocco	3.0				1.5
21	Estonia.....	5.1				1.3	84	Mongolia.....	2.9				1.4
22	Lithuania	5.1				1.2	85	Dominican Republic.....	2.9				1.2
23	Slovenia	5.1				1.1	86	Cambodia.....	2.9				1.5
24	United Kingdom.....	5.0				1.2	87	Ethiopia.....	2.9				1.4
25	Germany	5.0				1.2	88	Bangladesh.....	2.9				1.4
26	Moldova	5.0				1.6	89	Burundi	2.9				1.3
27	Kuwait.....	4.9				1.5	90	Argentina	2.9				0.9
28	United States.....	4.9				1.3	91	Brazil	2.9				1.3
29	Bahrain.....	4.9				1.3	92	Ecuador.....	2.8				1.3
30	Czech Republic.....	4.9				1.2	93	Tanzania	2.8				1.4
31	Canada	4.8				1.3	94	Kazakhstan.....	2.8				1.4
32	Cyprus	4.7				1.4	95	Bosnia and Herzegovina.....	2.8				1.3
33	Portugal	4.7				1.1	96	Turkey	2.8				1.4
34	Slovak Republic	4.7				1.1	97	Ukraine	2.8				1.6
35	Sweden	4.6				1.3	98	Nicaragua.....	2.8				1.4
36	Tunisia	4.6				1.4	99	Nepal	2.7				1.4
37	Taiwan, China.....	4.5				1.3	100	Algeria.....	2.7				1.3
38	Botswana.....	4.5				1.4	101	Nigeria	2.7				1.4
39	Albania	4.4				1.6	102	Malawi	2.7				1.4
40	Spain	4.4				1.2	103	Burkina Faso	2.7				1.4
41	Romania.....	4.3				1.6	104	Mexico	2.6				1.0
42	Thailand	4.3				1.3	105	Cameroon	2.6				1.4
43	Belgium	4.3				1.4	106	Angola.....	2.5				1.1
44	Jordan	4.3				1.6	107	Honduras	2.5				1.3
45	Latvia	4.2				1.4	108	Russian Federation.....	2.5				1.0
46	Mauritius.....	4.2				1.3	109	Uganda	2.5				1.4
47	Barbados.....	4.2				1.3	110	Mozambique.....	2.5				1.3
48	Malta.....	4.2				1.3	111	Jamaica.....	2.4				1.1
49	Poland.....	3.9				0.9	112	Mali	2.4				1.4
50	Vietnam.....	3.8				1.5	113	Guyana.....	2.4				1.4
51	Uruguay	3.8				1.2	114	Indonesia	2.4				1.0
52	India	3.8				1.5	115	Guatemala	2.3				1.0
53	Costa Rica.....	3.8				1.2	116	Peru	2.3				1.3
54	China.....	3.7				1.5	117	Madagascar	2.2				1.1
55	Hungary	3.7				1.3	118	Paraguay	2.1				1.2
56	Greece	3.7				1.3	119	Chad	2.1				1.5
57	Panama.....	3.6				1.3	120	Zimbabwe.....	2.1				1.0
58	Serbia and Montenegro.....	3.5				1.5	121	Venezuela	2.1				1.1
59	Timor-Leste.....	3.5				1.6	122	Benin	2.0				1.3
60	South Africa.....	3.5				1.0	123	Kyrgyz Republic	2.0				1.2
61	Korea, Rep.....	3.5				1.5	124	Bolivia	1.8				1.0
62	Tajikistan	3.5				2.1	125	Zambia	1.6				1.0
63	Namibia.....	3.5				1.5							

6.31 Ease of hiring foreign labor

Labor regulation in your country (1 = prevents your company from employing foreign labor, 7 = does not prevent your company from employing foreign labor)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Kuwait.....	6.3				1.2	64	Guatemala	4.8				1.7
2	Ireland.....	6.0				1.1	65	Pakistan	4.8				1.6
3	Georgia	6.0				1.2	66	Hungary	4.7				1.7
4	Slovak Republic	6.0				1.1	67	Turkey	4.7				1.6
5	Armenia	5.9				1.4	68	New Zealand.....	4.7				1.4
6	Singapore.....	5.9				1.1	69	Tajikistan	4.7				1.9
7	Nicaragua.....	5.8				1.4	70	France	4.7				1.6
8	Albania	5.7				1.8	71	Angola.....	4.7				1.8
9	El Salvador	5.7				1.1	72	Macedonia, FYR	4.7				1.6
10	Dominican Republic.....	5.7				1.5	73	China.....	4.6				1.4
11	Luxembourg	5.7				1.6	74	Brazil	4.6				1.8
12	Zambia	5.6				1.6	75	Taiwan, China.....	4.6				1.6
13	United Kingdom.....	5.6				1.2	76	Japan	4.6				1.6
14	Indonesia	5.6				1.0	77	Estonia.....	4.5				1.6
15	Finland	5.5				1.3	78	Lithuania	4.5				1.6
16	Paraguay	5.5				1.6	79	Madagascar	4.5				1.7
17	Uganda	5.5				1.6	80	Belgium	4.5				1.6
18	Portugal	5.5				1.3	81	Netherlands	4.5				1.5
19	Peru	5.5				1.5	82	Australia	4.4				1.6
20	United Arab Emirates	5.5				1.6	83	Jordan	4.4				1.8
21	Iceland	5.5				1.2	84	Thailand	4.4				1.6
22	Mauritania.....	5.5				2.0	85	Mongolia.....	4.4				1.9
23	Qatar	5.4				1.5	86	Slovenia	4.4				1.6
24	Hong Kong SAR.....	5.4				1.5	87	Sweden	4.4				2.0
25	Chile.....	5.4				1.5	88	Kenya.....	4.4				1.9
26	Switzerland.....	5.4				1.3	89	Croatia	4.4				1.5
27	Egypt	5.4				1.8	90	Kyrgyz Republic	4.4				1.9
28	India	5.4				1.5	91	Bulgaria.....	4.3				1.6
29	Uruguay	5.4				1.7	92	Malta.....	4.3				1.6
30	Czech Republic	5.3				1.5	93	Cyprus	4.3				1.9
31	Guyana.....	5.3				1.5	93	Trinidad and Tobago	4.3				1.7
32	Norway	5.3				1.2	95	Israel	4.3				1.8
33	Jamaica.....	5.3				1.4	96	Romania.....	4.3				1.6
34	Nigeria.....	5.3				1.7	97	Ethiopia.....	4.2				2.0
35	Burkina Faso.....	5.3				1.8	98	Canada.....	4.2				1.7
36	Azerbaijan	5.2				1.7	99	Barbados.....	4.2				1.7
37	Benin	5.2				1.7	100	Venezuela	4.2				1.9
38	Malaysia.....	5.2				1.4	101	Ukraine	4.2				1.9
39	Mali.....	5.2				1.9	102	Sri Lanka	4.2				2.0
40	Argentina	5.1				1.9	103	Poland.....	4.2				1.2
41	Morocco	5.1				1.7	104	Philippines	4.1				1.6
42	Spain	5.1				1.6	105	Ecuador.....	4.1				1.8
43	United States.....	5.1				1.4	106	Bosnia and Herzegovina.....	4.1				1.9
44	Costa Rica.....	5.1				1.5	107	Bahrain.....	4.0				2.1
45	Gambia	5.0				1.6	107	Mauritius.....	4.0				1.9
46	Suriname	5.0				2.0	109	Russian Federation	4.0				1.8
47	Bolivia	5.0				1.7	110	Panama.....	3.9				1.8
48	Serbia and Montenegro	5.0				1.7	111	Kazakhstan.....	3.9				1.7
49	Colombia.....	5.0				1.7	112	Austria	3.9				1.7
50	Latvia	4.9				1.6	113	Chad	3.8				2.0
51	Tanzania	4.9				1.8	114	Lesotho.....	3.8				2.1
52	Denmark	4.9				1.6	115	Bangladesh	3.8				1.8
53	Honduras	4.9				1.8	116	Botswana.....	3.8				1.9
54	Mexico.....	4.9				1.8	117	Algeria.....	3.7				1.9
55	Cameroon	4.9				1.9	118	Korea, Rep.	3.7				1.4
56	Italy	4.8				1.7	119	Malawi	3.7				1.8
57	Greece	4.8				1.6	120	Timor-Leste.....	3.5				2.2
58	Germany	4.8				1.5	121	Mozambique	3.4				1.7
59	Moldova.....	4.8				2.1	122	South Africa.....	3.3				1.5
60	Burundi	4.8				2.0	123	Nepal	3.0				1.7
61	Tunisia.....	4.8				1.8	124	Zimbabwe.....	2.9				1.8
62	Cambodia.....	4.8				1.8	125	Namibia.....	2.6				1.4
63	Vietnam.....	4.8				1.7							

6.32 Recent access to credit

During the past year, obtaining credit for your company has become (1 = more difficult, 7 = easier)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD
1	Ireland.....	5.9				0.9	64	Costa Rica.....	4.6				1.6
2	Slovak Republic.....	5.9				1.1	65	Ecuador.....	4.6				1.7
3	India.....	5.8				1.1	66	France.....	4.6				1.2
4	Estonia.....	5.8				1.1	67	Belgium.....	4.6				1.5
5	Denmark.....	5.8				1.1	68	Luxembourg.....	4.6				1.3
6	Sweden.....	5.8				1.2	69	Switzerland.....	4.6				1.5
7	Turkey.....	5.7				1.4	70	Croatia.....	4.6				1.4
8	Taiwan, China.....	5.7				1.5	71	Germany.....	4.5				1.4
9	Iceland.....	5.7				1.2	72	Vietnam.....	4.5				1.6
10	Indonesia.....	5.7				1.0	73	Moldova.....	4.5				1.9
11	Norway.....	5.6				1.1	74	Serbia and Montenegro.....	4.5				1.6
12	Lithuania.....	5.5				1.3	75	Angola.....	4.5				1.6
13	Kuwait.....	5.5				1.4	76	Tanzania.....	4.5				1.4
14	United Arab Emirates.....	5.5				1.4	77	Pakistan.....	4.5				1.5
15	Colombia.....	5.5				1.4	78	Sri Lanka.....	4.5				1.6
16	Chile.....	5.4				1.3	79	Jamaica.....	4.5				1.5
17	Panama.....	5.3				1.5	80	Philippines.....	4.4				1.3
18	Qatar.....	5.3				1.1	81	Ukraine.....	4.4				1.5
19	Hong Kong SAR.....	5.3				1.3	82	Tunisia.....	4.4				1.4
20	Finland.....	5.3				1.5	83	Bosnia and Herzegovina.....	4.3				1.8
21	Latvia.....	5.2				1.3	84	Bulgaria.....	4.3				1.4
22	United Kingdom.....	5.2				1.4	85	Cambodia.....	4.3				1.5
23	Portugal.....	5.2				1.3	86	Italy.....	4.2				1.5
24	South Africa.....	5.2				1.2	87	Nicaragua.....	4.2				1.7
25	United States.....	5.2				1.4	88	Botswana.....	4.2				1.4
26	Mauritius.....	5.2				0.9	89	Suriname.....	4.2				1.6
27	Peru.....	5.1				1.4	90	Bangladesh.....	4.2				1.7
28	Slovenia.....	5.1				1.2	91	Tajikistan.....	4.2				1.8
29	Barbados.....	5.1				1.1	92	Malawi.....	4.2				1.6
30	Japan.....	5.1				1.1	93	Austria.....	4.1				1.5
31	Malaysia.....	5.1				1.3	94	Korea, Rep.....	4.1				1.5
32	Greece.....	5.1				1.4	95	Morocco.....	4.1				1.9
33	Guatemala.....	5.0				1.5	96	Kenya.....	4.1				1.7
34	Czech Republic.....	5.0				1.3	97	Poland.....	4.1				1.1
35	New Zealand.....	5.0				1.1	98	Burkina Faso.....	4.0				1.7
36	Thailand.....	5.0				1.2	99	Azerbaijan.....	4.0				1.4
37	Australia.....	5.0				1.1	100	Nepal.....	4.0				1.8
38	Romania.....	5.0				1.3	101	Uruguay.....	3.9				1.7
39	Hungary.....	5.0				1.3	102	Macedonia, FYR.....	3.9				1.7
40	Singapore.....	4.9				1.0	103	Paraguay.....	3.8				1.7
41	Israel.....	4.9				1.3	104	Guyana.....	3.8				1.7
42	Georgia.....	4.9				1.4	105	Mozambique.....	3.7				1.7
43	Netherlands.....	4.9				1.2	106	Gambia.....	3.7				1.7
44	Zambia.....	4.9				1.3	107	Uganda.....	3.7				1.8
45	Bahrain.....	4.9				1.4	108	Kyrgyz Republic.....	3.7				1.8
46	Trinidad and Tobago.....	4.9				1.5	109	Dominican Republic.....	3.7				1.5
47	Albania.....	4.8				1.3	110	Lesotho.....	3.7				1.7
48	Russian Federation.....	4.8				1.5	111	Egypt.....	3.6				1.9
49	Cyprus.....	4.8				1.5	112	Algeria.....	3.6				1.7
50	Mongolia.....	4.8				1.6	113	Bolivia.....	3.5				1.6
51	Jordan.....	4.7				1.6	114	Ethiopia.....	3.4				1.8
52	Armenia.....	4.7				1.6	114	Zimbabwe.....	3.4				1.5
53	Canada.....	4.7				1.6	116	China.....	3.4				1.6
54	Honduras.....	4.7				1.6	117	Burundi.....	3.4				2.0
55	Malta.....	4.7				1.3	118	Benin.....	3.3				1.7
56	Spain.....	4.7				1.3	119	Madagascar.....	3.3				1.5
57	Brazil.....	4.7				1.5	120	Cameroon.....	3.2				1.5
58	Kazakhstan.....	4.7				1.3	121	Timor-Leste.....	3.2				1.6
59	Mexico.....	4.7				1.7	122	Nigeria.....	3.1				1.6
60	Namibia.....	4.7				1.5	123	Mali.....	3.0				1.7
61	El Salvador.....	4.6				1.7	124	Chad.....	2.8				1.8
62	Venezuela.....	4.6				1.5	125	Mauritania.....	2.6				1.6
63	Argentina.....	4.6				1.5							

Section VII

Technological Readiness

7.01 Technological readiness

Your country's level of technological readiness (1 = generally lags behind most other countries, 7 = is among the world leaders)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Finland	6.5				0.7	64	Colombia	3.8				1.2
2	Japan	6.5				0.8	65	Namibia	3.7				1.4
3	Sweden	6.4				0.8	66	Egypt	3.7				1.5
4	Israel	6.4				0.8	67	Botswana	3.7				1.4
5	Iceland	6.4				0.8	68	Greece	3.7				1.3
6	Germany	6.2				0.9	69	China	3.6				1.2
7	United States	6.1				1.1	70	Lithuania	3.6				1.1
8	Switzerland	6.1				1.0	71	Morocco	3.6				1.6
9	Norway	6.1				0.8	72	Venezuela	3.6				1.3
10	Denmark	6.1				0.9	73	Azerbaijan	3.6				1.6
11	Singapore	5.9				0.9	74	Romania	3.6				1.3
12	Canada	5.8				1.1	75	Tanzania	3.4				1.4
13	United Kingdom	5.8				1.0	76	Poland	3.4				0.9
14	Netherlands	5.7				0.9	77	Pakistan	3.4				1.2
15	United Arab Emirates	5.6				1.2	78	Croatia	3.3				1.3
16	Taiwan, China	5.5				0.9	79	Sri Lanka	3.3				1.7
17	Australia	5.5				1.1	80	Kazakhstan	3.3				1.3
18	Malaysia	5.5				0.9	81	Ecuador	3.2				1.2
19	France	5.5				1.1	82	Kenya	3.2				1.3
20	Belgium	5.4				1.1	83	Gambia	3.2				1.5
21	Korea, Rep.	5.4				0.9	84	Nicaragua	3.1				1.4
22	Hong Kong SAR	5.3				1.3	85	Russian Federation	3.1				1.5
23	India	5.3				0.9	86	Nigeria	3.0				1.6
24	Estonia	5.2				1.3	87	Armenia	2.9				1.3
25	Austria	5.1				1.1	88	Uganda	2.9				1.6
26	Chile	5.1				1.0	89	Cambodia	2.8				1.4
27	Qatar	4.9				1.3	90	Bulgaria	2.8				1.3
28	Panama	4.9				1.3	91	Madagascar	2.8				1.3
29	Malta	4.8				1.1	92	Honduras	2.8				1.4
30	Tunisia	4.8				1.2	93	Georgia	2.8				1.2
31	New Zealand	4.8				1.2	94	Vietnam	2.8				1.1
32	Spain	4.8				1.3	95	Ukraine	2.7				1.3
33	Czech Republic	4.8				1.0	96	Zimbabwe	2.7				1.1
34	Barbados	4.7				1.2	97	Bolivia	2.7				1.3
35	Dominican Republic	4.7				1.4	98	Albania	2.7				1.3
36	Thailand	4.7				0.9	99	Macedonia, FYR	2.6				1.2
37	Ireland	4.6				1.5	100	Mongolia	2.6				1.3
38	South Africa	4.6				1.1	101	Paraguay	2.5				1.3
39	Bahrain	4.6				1.5	102	Mali	2.5				1.3
40	Jamaica	4.6				1.2	103	Algeria	2.5				1.2
41	Luxembourg	4.4				1.2	104	Burkina Faso	2.5				1.2
42	El Salvador	4.4				1.1	105	Bangladesh	2.5				1.2
43	Kuwait	4.3				1.4	106	Tajikistan	2.4				1.5
44	Jordan	4.3				1.2	107	Malawi	2.4				1.0
45	Slovenia	4.3				1.2	108	Nepal	2.4				1.2
46	Guatemala	4.3				1.2	109	Cameroon	2.3				1.2
47	Cyprus	4.3				1.2	110	Benin	2.3				1.3
48	Hungary	4.3				1.0	111	Lesotho	2.3				1.2
49	Indonesia	4.3				1.1	112	Suriname	2.3				1.1
50	Italy	4.3				1.3	113	Mozambique	2.3				1.2
51	Slovak Republic	4.2				1.2	114	Bosnia and Herzegovina	2.3				1.1
52	Portugal	4.1				1.1	115	Guyana	2.2				1.1
53	Costa Rica	4.1				1.3	116	Zambia	2.2				0.9
54	Mauritius	4.1				1.1	117	Moldova	2.2				1.1
55	Turkey	4.1				1.1	118	Mauritania	2.2				1.4
56	Uruguay	4.1				1.4	119	Angola	2.2				1.1
57	Mexico	4.0				1.1	120	Serbia and Montenegro	2.2				1.1
58	Brazil	4.0				1.4	121	Ethiopia	2.1				1.1
59	Latvia	4.0				1.4	122	Kyrgyz Republic	1.9				1.0
60	Argentina	4.0				1.2	123	Chad	1.6				0.9
61	Peru	3.9				1.2	124	Burundi	1.6				0.9
62	Trinidad and Tobago	3.9				1.5	125	Timor-Leste	1.5				0.8
63	Philippines	3.9				1.5							

7.02 Firm-level technology absorption

Companies in your country are (1 = not able to absorb new technology, 7 = aggressive in absorbing new technology)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Iceland	6.5				0.5	64	Dominican Republic	4.7				1.0
2	Japan	6.3				0.8	65	Kazakhstan	4.7				1.3
3	Sweden	6.1				0.7	66	Slovenia	4.6				1.1
4	Israel	6.1				0.8	67	Madagascar	4.6				1.5
5	Taiwan, China	6.1				0.8	68	Algeria	4.6				1.8
6	Switzerland	6.1				0.8	69	Cyprus	4.6				1.2
7	Singapore	6.0				0.8	70	Tanzania	4.6				1.4
8	Finland	6.0				0.8	71	Burkina Faso	4.6				1.4
9	United States	6.0				1.1	72	Romania	4.6				1.2
10	Germany	5.9				0.8	73	Mauritius	4.5				1.0
11	Korea, Rep.	5.9				1.0	74	Indonesia	4.5				0.9
12	Norway	5.9				0.7	75	Mexico	4.5				1.0
13	India	5.8				1.1	76	Peru	4.4				1.2
14	Denmark	5.8				0.9	77	Venezuela	4.4				1.2
15	Malaysia	5.8				0.7	78	Nigeria	4.4				1.7
16	Mauritania	5.8				1.7	79	Cambodia	4.4				1.5
17	Austria	5.7				0.9	80	Croatia	4.4				1.5
18	Hong Kong SAR	5.7				1.0	81	Russian Federation	4.4				1.5
19	Estonia	5.6				0.9	82	Poland	4.4				1.0
20	Australia	5.6				1.0	83	Greece	4.4				1.2
21	United Arab Emirates	5.6				1.1	84	Colombia	4.4				1.1
22	Canada	5.5				1.0	85	Pakistan	4.4				1.1
23	United Kingdom	5.5				1.0	86	Benin	4.4				1.7
24	Ireland	5.5				1.1	87	Sri Lanka	4.3				1.6
25	Turkey	5.4				1.0	88	Mali	4.3				1.7
26	Czech Republic	5.4				0.9	89	Namibia	4.3				1.3
27	Netherlands	5.4				0.9	90	Gambia	4.3				1.3
28	Hungary	5.3				1.0	91	Bangladesh	4.2				1.5
29	Thailand	5.3				0.8	92	Botswana	4.2				1.3
30	South Africa	5.3				0.9	93	Uganda	4.2				1.7
31	Slovak Republic	5.3				0.8	94	Italy	4.2				1.2
32	New Zealand	5.3				0.9	95	Ukraine	4.2				1.3
33	Chile	5.2				0.9	96	Cameroon	4.2				1.6
34	Luxembourg	5.2				1.0	97	Uruguay	4.1				1.0
35	Belgium	5.2				0.9	98	Argentina	4.1				1.0
36	Tunisia	5.2				1.1	99	Moldova	4.0				1.5
37	France	5.2				0.9	100	Ecuador	4.0				1.0
37	Vietnam	5.2				1.3	101	Honduras	3.9				1.2
39	Kuwait	5.2				1.3	102	Nepal	3.9				1.7
40	Malta	5.1				1.0	103	Tajikistan	3.8				1.8
41	China	5.1				1.3	104	Georgia	3.8				1.3
42	Morocco	5.0				1.5	105	Zimbabwe	3.8				1.3
43	Qatar	5.0				1.4	106	Serbia and Montenegro	3.8				1.4
44	Armenia	4.9				1.5	107	Burundi	3.7				2.0
45	Lithuania	4.9				1.1	108	Albania	3.7				1.4
46	Jamaica	4.9				1.0	109	Malawi	3.7				1.4
47	Brazil	4.9				1.1	110	Mongolia	3.7				1.4
48	Philippines	4.9				1.3	111	Guyana	3.6				1.4
49	Zambia	4.9				1.5	112	Suriname	3.6				1.3
50	Panama	4.9				1.3	113	Nicaragua	3.5				1.3
51	Latvia	4.8				1.2	114	Lesotho	3.5				1.4
52	Bahrain	4.8				1.4	115	Bosnia and Herzegovina	3.5				1.5
53	Kenya	4.8				1.3	116	Bulgaria	3.5				1.3
54	Trinidad and Tobago	4.8				1.3	117	Macedonia, FYR	3.4				1.6
55	Jordan	4.8				1.3	118	Mozambique	3.4				1.3
56	Spain	4.7				1.1	119	Chad	3.4				1.9
57	Costa Rica	4.7				1.2	120	Kyrgyz Republic	3.4				1.5
58	Barbados	4.7				1.1	121	Ethiopia	3.3				1.4
59	Egypt	4.7				1.5	122	Angola	3.3				1.6
60	El Salvador	4.7				1.1	123	Paraguay	3.3				1.2
61	Guatemala	4.7				1.0	124	Bolivia	3.2				1.2
62	Azerbaijan	4.7				1.6	125	Timor-Leste	2.9				1.6
63	Portugal	4.7				0.9							

7.03 Laws relating to ICT

Laws relating to the use of information technology (electronic commerce, digital signatures, consumer protection) are (1 = nonexistent, 7 = well-developed and enforced)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Estonia	5.7				1.1	64	Jordan	3.7				1.4
2	Singapore	5.7				0.8	65	Pakistan	3.6				1.7
3	Germany	5.7				1.1	66	Peru	3.6				1.1
4	Norway	5.6				1.0	67	China	3.5				1.4
5	United Kingdom	5.6				1.2	68	Jamaica	3.5				1.4
6	Denmark	5.6				1.1	69	Nigeria	3.4				1.7
7	Austria	5.5				1.1	70	Serbia and Montenegro	3.4				1.5
8	Switzerland	5.4				1.0	71	Sri Lanka	3.3				1.5
9	Netherlands	5.4				0.9	72	Uruguay	3.3				1.4
10	Finland	5.4				1.0	73	Tanzania	3.3				1.5
11	Korea, Rep.	5.4				1.1	74	Morocco	3.2				1.7
12	Malaysia	5.3				1.0	75	Namibia	3.2				1.4
13	France	5.3				1.1	76	Kenya	3.2				1.6
14	Sweden	5.3				1.0	77	Argentina	3.2				1.3
15	Australia	5.3				1.0	78	Indonesia	3.2				0.9
16	Canada	5.3				1.0	79	Moldova	3.1				1.4
17	Iceland	5.2				0.9	80	Egypt	3.1				1.6
18	New Zealand	5.2				1.3	81	Guatemala	3.1				1.3
19	Hong Kong SAR	5.1				1.2	82	Tajikistan	3.1				1.8
20	United States	5.1				1.3	83	Nicaragua	3.1				1.5
21	Luxembourg	5.1				1.2	84	Venezuela	3.0				1.4
22	Israel	5.0				1.2	85	Botswana	3.0				1.4
23	Malta	5.0				1.0	86	Armenia	3.0				1.5
24	Chile	4.9				1.2	87	Russian Federation	3.0				1.3
25	Japan	4.9				0.9	88	Ecuador	3.0				1.3
26	Taiwan, China	4.8				1.2	89	Honduras	3.0				1.3
27	Ireland	4.8				1.2	90	Kuwait	3.0				1.4
28	South Africa	4.8				1.1	91	Vietnam	3.0				1.5
29	Slovenia	4.7				1.1	92	Ukraine	2.9				1.4
30	Belgium	4.7				1.1	93	Uganda	2.9				1.7
31	India	4.6				1.2	94	Algeria	2.9				1.7
31	Portugal	4.6				0.8	95	Macedonia, FYR	2.9				1.4
33	Spain	4.6				1.2	96	Madagascar	2.8				1.5
34	United Arab Emirates	4.4				1.3	97	Benin	2.8				1.5
35	Mauritius	4.3				1.5	98	Trinidad and Tobago	2.7				1.4
36	Bulgaria	4.3				1.5	99	Zimbabwe	2.7				1.1
37	Thailand	4.3				1.0	100	Gambia	2.7				1.4
38	Italy	4.2				1.4	101	Mongolia	2.6				1.5
39	Qatar	4.2				1.4	102	Burkina Faso	2.6				1.6
40	Hungary	4.2				1.4	103	Zambia	2.5				0.9
41	Croatia	4.2				1.3	104	Malawi	2.5				1.5
42	Mexico	4.2				1.3	105	Mali	2.5				1.6
43	Lithuania	4.1				1.4	106	Nepal	2.5				1.3
44	Czech Republic	4.1				1.2	107	Cameroon	2.5				1.7
45	Slovak Republic	4.1				1.2	108	Lesotho	2.5				1.4
46	Colombia	4.1				1.4	109	Bolivia	2.4				1.2
47	Costa Rica	4.1				1.2	110	Ethiopia	2.4				1.4
48	Brazil	4.1				1.3	111	Bangladesh	2.3				1.3
49	Tunisia	4.0				1.6	112	Cambodia	2.3				1.5
50	Barbados	4.0				1.3	113	Bosnia and Herzegovina	2.3				1.1
51	Bahrain	4.0				1.6	114	Guyana	2.3				1.3
52	Turkey	4.0				1.3	115	Mauritania	2.3				1.7
53	Philippines	3.9				1.4	116	Mozambique	2.3				1.4
54	Greece	3.8				1.4	117	Paraguay	2.2				1.3
55	Panama	3.8				1.3	118	Georgia	2.2				1.0
56	Dominican Republic	3.8				1.5	119	Angola	2.2				1.6
57	Romania	3.8				1.5	120	Timor-Leste	2.2				1.4
58	Azerbaijan	3.8				1.8	121	Albania	2.1				1.2
59	Kazakhstan	3.8				1.4	121	Kyrgyz Republic	2.1				1.2
60	El Salvador	3.7				1.5	123	Burundi	2.0				1.3
61	Cyprus	3.7				1.5	124	Chad	2.0				1.4
62	Poland	3.7				1.0	125	Suriname	1.5				0.8
63	Latvia	3.7				1.5							

7.04 FDI and technology transfer

Foreign direct investment in your country (1 = brings little new technology, 7 = is an important source of new technology)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD
1	Singapore.....	6.4				0.9	64	Nepal	4.9				1.8
2	Ireland.....	6.4				0.9	65	Denmark	4.9				1.3
3	Indonesia	6.1				1.0	66	Honduras	4.9				1.6
4	Malaysia.....	6.0				0.9	67	Norway	4.9				1.1
5	Slovak Republic	6.0				0.8	68	Bahrain.....	4.9				1.9
6	Mauritania.....	5.9				1.6	69	El Salvador	4.9				1.3
7	Serbia and Montenegro	5.9				1.3	70	Gambia	4.9				1.8
8	Estonia.....	5.9				1.0	71	Azerbaijan	4.8				1.5
9	Costa Rica.....	5.9				0.9	72	Armenia	4.8				1.6
10	Czech Republic.....	5.8				1.1	73	Mauritius.....	4.8				1.3
11	Qatar	5.7				1.2	74	Argentina	4.8				1.5
12	Zambia	5.7				1.3	75	Pakistan	4.8				1.4
13	Romania.....	5.7				1.2	76	Barbados.....	4.8				1.1
14	Trinidad and Tobago	5.7				1.2	76	Japan	4.8				1.5
15	United Arab Emirates	5.6				1.0	76	Mozambique.....	4.8				1.7
16	Hungary	5.5				1.3	79	Angola.....	4.7				1.7
17	Tanzania	5.5				1.3	80	Kazakhstan.....	4.7				1.5
18	Malta.....	5.5				1.0	81	Germany	4.7				1.4
19	Uganda	5.5				1.6	82	Georgia	4.7				1.6
20	Mexico.....	5.5				1.2	83	France	4.7				1.3
21	Dominican Republic.....	5.5				1.2	84	Botswana.....	4.7				1.6
22	Australia.....	5.5				1.0	85	Madagascar	4.7				1.7
23	Luxembourg	5.4				1.3	86	Guyana.....	4.6				1.7
24	Chile.....	5.4				1.1	87	Austria	4.6				1.2
25	India	5.4				1.0	88	Poland.....	4.6				1.5
26	Israel	5.4				1.1	89	Bulgaria.....	4.6				1.7
27	Guatemala	5.4				1.1	90	Bangladesh	4.6				1.9
28	Taiwan, China.....	5.4				1.0	91	Bolivia	4.6				1.5
29	Kenya.....	5.4				1.5	92	Finland	4.6				1.2
30	Canada.....	5.4				1.2	93	Cyprus	4.6				1.3
31	Hong Kong SAR.....	5.4				1.4	94	Lithuania	4.6				1.5
32	United Kingdom.....	5.4				1.1	95	Korea, Rep.	4.5				1.4
33	Portugal	5.4				0.9	96	Albania	4.5				1.9
34	Tunisia.....	5.3				1.4	97	Greece	4.5				1.5
35	Sri Lanka.....	5.3				1.7	98	Ecuador.....	4.5				1.5
36	South Africa.....	5.3				1.1	99	Suriname	4.5				1.8
37	Colombia.....	5.3				1.3	100	Italy	4.4				1.5
38	Brazil	5.3				1.3	101	Nicaragua.....	4.4				1.5
39	Spain	5.3				1.0	102	Venezuela	4.4				1.6
40	Thailand	5.3				1.2	103	Cameroon	4.4				1.9
41	Peru	5.2				1.2	104	China.....	4.4				1.5
42	New Zealand.....	5.2				1.2	105	Iceland	4.4				1.4
43	Morocco	5.2				1.5	106	Croatia	4.4				1.7
44	Nigeria	5.2				1.8	107	Moldova	4.3				1.8
45	Jamaica.....	5.2				1.2	108	Slovenia.....	4.3				1.4
46	Vietnam.....	5.2				1.5	109	Timor-Leste.....	4.2				2.0
47	Panama.....	5.2				1.6	110	Algeria	4.2				1.9
48	Namibia.....	5.1				1.4	111	Mongolia.....	4.2				2.0
49	Burkina Faso.....	5.1				1.3	112	Ukraine	4.2				1.6
50	Egypt	5.1				1.7	113	Mali.....	4.1				2.0
51	Latvia	5.1				1.3	114	Lesotho.....	4.1				1.8
52	United States.....	5.1				1.5	115	Russian Federation.....	4.1				1.8
53	Belgium	5.1				1.3	116	Benin	4.1				2.0
54	Sweden	5.1				1.2	117	Kyrgyz Republic	4.0				1.8
55	Switzerland.....	5.1				1.3	118	Tajikistan	4.0				1.8
56	Philippines	5.0				1.7	119	Kuwait.....	3.9				1.5
57	Uruguay	5.0				1.2	120	Macedonia, FYR	3.9				1.9
58	Cambodia.....	5.0				1.6	120	Zimbabwe	3.9				1.9
59	Ethiopia.....	5.0				1.8	122	Bosnia and Herzegovina.....	3.8				1.9
60	Turkey	5.0				1.1	123	Paraguay	3.8				1.7
61	Netherlands	5.0				1.3	124	Chad	3.8				2.2
62	Malawi.....	4.9				1.8	125	Burundi	3.3				2.2
63	Jordan.....	4.9				1.5							

7.05 Cellular telephones (hard data)

Cellular mobile telephone subscribers per 100 inhabitants, 2004

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Luxembourg.....	138.2	64	Argentina.....	35.4
2	Hong Kong SAR.....	118.8	65	Bosnia and Herzegovina.....	34.0
3	Sweden.....	108.5	66	Botswana.....	32.9
4	Italy.....	108.2	67	Venezuela.....	32.2
5	Czech Republic.....	105.6	68	Morocco.....	31.2
6	Israel.....	105.3	69	Paraguay.....	29.4
7	Norway.....	103.6	70	Dominican Republic.....	28.8
8	United Kingdom.....	102.2	71	Ukraine.....	28.5
9	Slovenia.....	100.5	72	Jordan.....	28.4
10	Taiwan, China.....	100.3	73	El Salvador.....	27.7
11	Lithuania.....	99.3	74	Panama.....	27.0
12	Iceland.....	99.0	75	Ecuador.....	26.9
13	Portugal.....	98.4	76	China.....	25.8
14	Austria.....	97.4	77	Guatemala.....	25.0
15	Estonia.....	96.0	78	Colombia.....	23.0
16	Finland.....	95.6	79	Costa Rica.....	21.7
17	Denmark.....	95.5	80	Bolivia.....	20.1
18	Ireland.....	93.5	81	Uruguay.....	18.5
19	Netherlands.....	91.2	82	Moldova.....	18.5
20	Bahrain.....	90.6	83	Kazakhstan.....	17.9
21	Singapore.....	89.5	84	Mauritania.....	17.5
22	Spain.....	89.5	85	Azerbaijan.....	17.4
23	Belgium.....	87.4	86	Georgia.....	16.6
24	Hungary.....	86.4	87	Mongolia.....	16.3
25	Germany.....	86.4	88	Algeria.....	15.1
26	Greece.....	84.8	89	Peru.....	14.8
27	United Arab Emirates.....	84.7	90	Namibia.....	14.2
28	Switzerland.....	84.6	91	Guyana.....	13.6
29	Australia.....	82.8	92	Indonesia.....	13.5
30	Jamaica.....	82.2	93	Nicaragua.....	13.0
31	Slovak Republic.....	79.4	94	Gambia.....	12.0
32	Cyprus.....	79.4	95	Sri Lanka.....	11.4
33	Kuwait.....	78.3	96	Egypt.....	10.9
34	New Zealand.....	77.5	97	Honduras.....	10.1
35	Malta.....	76.5	98	Cameroon.....	9.4
36	Korea, Rep.....	76.1	99	Lesotho.....	8.8
37	Barbados.....	73.9	100	Kenya.....	7.9
38	France.....	73.7	101	Nigeria.....	7.2
39	Japan.....	71.6	102	Angola.....	6.7
40	Latvia.....	67.2	103	Vietnam.....	6.0
41	Qatar.....	65.9	104	Cambodia.....	6.0
42	Croatia.....	63.6	105	Armenia.....	5.4
43	United States.....	62.1	106	Benin.....	5.3
44	Chile.....	62.1	107	Kyrgyz Republic.....	5.2
45	Bulgaria.....	60.9	108	India.....	4.4
46	Poland.....	59.9	109	Uganda.....	4.4
47	Serbia and Montenegro.....	58.0	110	Tanzania.....	4.4
48	Malaysia.....	57.1	111	Zambia.....	4.3
49	Russian Federation.....	51.6	112	Mozambique.....	3.7
50	Trinidad and Tobago.....	49.8	113	Mali.....	3.6
51	Suriname.....	48.5	114	Zimbabwe.....	3.6
52	Turkey.....	48.0	115	Pakistan.....	3.3
53	Macedonia, FYR.....	47.7	116	Burkina Faso.....	3.0
54	Romania.....	47.1	117	Timor-Leste.....	2.8
55	Canada.....	46.7	118	Tajikistan.....	2.1
56	Thailand.....	44.2	119	Bangladesh.....	2.0
57	South Africa.....	43.1	120	Madagascar.....	1.9
58	Mauritius.....	41.4	121	Malawi.....	1.8
59	Philippines.....	39.9	122	Burundi.....	1.4
60	Albania.....	39.5	123	Chad.....	1.4
61	Mexico.....	36.6	124	Nepal.....	0.5
62	Brazil.....	36.3	125	Ethiopia.....	0.3
63	Tunisia.....	35.9			

7.06 Internet users (hard data)

Internet users per 10,000 inhabitants, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Iceland.....	7,700.0	64	Jordan.....	1,068.9
2	Sweden.....	7,546.0	65	Moldova.....	952.4
3	Malta.....	7,525.0	66	Panama.....	945.7
4	Korea, Rep.	6,567.9	67	Dominican Republic.....	910.0
5	Australia.....	6,528.4	68	Colombia.....	893.6
6	United States.....	6,299.9	69	El Salvador.....	888.2
7	Finland.....	6,299.8	70	Venezuela.....	883.5
8	United Kingdom.....	6,287.6	71	Tunisia.....	840.3
9	Canada.....	6,236.4	72	South Africa.....	788.7
10	Netherlands.....	6,162.6	73	Ukraine.....	778.8
11	Luxembourg.....	5,900.0	74	Macedonia, FYR.....	769.6
12	Singapore.....	5,612.5	75	Mongolia.....	760.5
13	Barbados.....	5,535.1	76	China.....	723.1
14	Taiwan, China.....	5,381.4	77	Vietnam.....	711.7
15	New Zealand.....	5,263.0	78	Zimbabwe.....	689.5
16	Estonia.....	5,122.3	79	Suriname.....	683.4
17	Denmark.....	5,036.0	80	Indonesia.....	651.7
18	Hong Kong SAR.....	5,031.6	81	Guatemala.....	597.1
19	Japan.....	5,020.4	82	Bosnia and Herzegovina.....	581.5
20	Czech Republic.....	4,996.6	83	Egypt.....	557.2
21	Italy.....	4,977.6	84	Philippines.....	532.4
22	Slovenia.....	4,795.6	85	Kyrgyz Republic.....	516.4
23	Austria.....	4,752.3	86	Azerbaijan.....	488.6
24	Switzerland.....	4,720.2	87	Ecuador.....	473.4
25	Israel.....	4,663.4	88	Kenya.....	462.7
26	Germany.....	4,266.6	89	Armenia.....	394.6
27	Slovak Republic.....	4,226.8	90	Bolivia.....	390.1
28	France.....	4,136.7	91	Namibia.....	372.9
29	Belgium.....	4,020.7	92	Botswana.....	349.8
30	Jamaica.....	3,987.3	93	Georgia.....	346.1
31	Norway.....	3,936.7	94	Gambia.....	335.2
32	Malaysia.....	3,862.0	95	India.....	323.7
33	Cyprus.....	3,692.7	96	Honduras.....	317.5
34	Latvia.....	3,543.3	97	Algeria.....	261.3
35	Spain.....	3,317.9	98	Kazakhstan.....	259.7
36	United Arab Emirates.....	3,185.0	99	Paraguay.....	249.3
37	Ireland.....	2,963.1	100	Lesotho.....	238.9
38	Croatia.....	2,950.6	101	Albania.....	234.9
39	Lithuania.....	2,809.1	102	Nicaragua.....	219.9
40	Portugal.....	2,802.7	103	Zambia.....	211.5
41	Chile.....	2,790.2	104	Sri Lanka.....	143.9
42	Hungary.....	2,674.1	105	Nigeria.....	139.2
43	Costa Rica.....	2,354.0	106	Benin.....	137.8
44	Kuwait.....	2,350.2	107	Pakistan.....	131.1
45	Poland.....	2,334.6	108	Angola.....	122.2
46	Qatar.....	2,217.7	109	Cameroon.....	102.5
47	Bahrain.....	2,130.2	110	Tanzania.....	88.4
48	Uruguay.....	2,098.1	111	Uganda.....	74.9
49	Romania.....	2,076.3	112	Mozambique.....	72.8
50	Guyana.....	1,890.5	113	Madagascar.....	50.3
51	Greece.....	1,781.0	114	Nepal.....	48.5
52	Argentina.....	1,609.8	115	Mauritania.....	47.0
53	Bulgaria.....	1,590.0	116	Mali.....	45.0
54	Mauritius.....	1,459.9	117	Burkina Faso.....	39.7
55	Serbia and Montenegro.....	1,440.0	118	Chad.....	39.5
56	Turkey.....	1,413.2	119	Malawi.....	37.4
57	Mexico.....	1,337.7	120	Burundi.....	35.4
58	Trinidad and Tobago.....	1,224.2	121	Cambodia.....	28.3
59	Brazil.....	1,217.8	122	Bangladesh.....	21.9
60	Morocco.....	1,170.6	123	Ethiopia.....	15.6
61	Peru.....	1,160.5	124	Tajikistan.....	7.9
62	Thailand.....	1,125.0	125	Timor-Leste.....	5.4
63	Russian Federation.....	1,109.6			

SOURCE: International Telecommunication Union, *World Telecommunications Indicators* 2005; national sources
 1 2005

7.07 Personal computers (hard data)

Personal computers per 100 inhabitants, 2004 or most recent year available

RANK	COUNTRY/ECONOMY	HARD DATA	RANK	COUNTRY/ECONOMY	HARD DATA
1	Switzerland	82.3	64	Jamaica	6.2
2	United States	76.2	65	Thailand	6.0
3	Sweden	76.1	66	Bulgaria	5.9
4	Israel	73.4	67	Paraguay	5.9
5	Canada	69.8	68	Colombia	5.5
6	Australia	68.9	69	Ecuador	5.5
7	Netherlands	68.5	70	Jordan	5.3
8	Denmark	65.5	71	Armenia	5.3
9	Singapore	62.2	72	Turkey	5.1
10	Luxembourg	62.1	73	Tunisia	4.8
11	Hong Kong SAR	60.5	74	Botswana	4.7
12	United Kingdom	60.0	75	Dominican Republic	4.6
13	Norway	57.8	76	El Salvador	4.5
14	Austria	57.6	77	Philippines	4.5
15	Korea, Rep.	54.5	78	Suriname	4.3
16	Japan	54.1	79	Panama	4.1
17	Taiwan, China	52.8	80	China	4.1
18	Ireland	49.7	81	Georgia	3.8
19	New Zealand	49.3	82	Serbia and Montenegro	3.7
20	France	48.7	83	Guyana	3.5
21	Germany	48.5	84	Nicaragua	3.5
22	Finland	48.2	85	Egypt	3.3
23	Estonia	47.4	86	Ukraine	2.8
24	Iceland	47.1	87	Sri Lanka	2.7
25	Slovenia	35.5	88	Moldova	2.6
26	Belgium	34.7	89	Bolivia	2.3
27	Malta	31.5	90	Morocco	2.1
28	Italy	31.3	91	Guatemala	1.8
29	Cyprus	30.9	92	Azerbaijan	1.8
30	Slovak Republic	29.6	93	Kyrgyz Republic	1.7
31	Spain	25.4	94	Gambia	1.6
32	Latvia	21.9	95	Honduras	1.6
33	Costa Rica	21.9	96	Mauritania	1.4
34	Czech Republic	21.6	97	Kenya	1.4
35	Malaysia	19.2	98	Indonesia	1.4
36	Poland	19.1	99	Vietnam	1.3
37	Croatia	19.1	100	India	1.2
38	Qatar	17.9	101	Bangladesh	1.2
39	Kuwait	17.6	102	Albania	1.2
40	Bahrain	16.9	103	Zambia	1.0
41	Mauritius	16.2	104	Cameroon	1.0
42	Lithuania	15.5	105	Algeria	0.9
43	Hungary	14.6	106	Tanzania	0.7
44	Chile	13.9	107	Nigeria	0.7
45	Portugal	13.3	108	Mozambique	0.6
46	Uruguay	13.3	109	Madagascar	0.5
47	Russian Federation	13.2	110	Burundi	0.5
48	Barbados	12.5	111	Nepal	0.5
49	United Arab Emirates	12.0	112	Uganda	0.5
50	Mongolia	11.9	113	Pakistan	0.4
51	Romania	11.3	114	Benin	0.4
52	Bosnia and Herzegovina	11.0	115	Mali	0.4
53	Namibia	10.9	116	Ethiopia	0.3
54	Brazil	10.7	117	Cambodia	0.3
55	Mexico	10.7	118	Burkina Faso	0.2
56	Peru	9.7	119	Angola	0.2
57	Greece	9.0	120	Chad	0.2
58	Zimbabwe	8.4	121	Malawi	0.2
59	South Africa	8.3	n/a	Timor-Leste	n/a
60	Venezuela	8.2	n/a	Kazakhstan	n/a
61	Argentina	8.0	n/a	Lesotho	n/a
62	Trinidad and Tobago	7.9	n/a	Tajikistan	n/a
63	Macedonia, FYR	6.8			

SOURCES: International Telecommunication Union, *World Telecommunications Indicators 2005*; national sources

7.08 Prevalence of foreign technology licensing

In your country, licensing of foreign technology is (1 = uncommon, 7 = a common means of acquiring new technology)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD
1	India	5.8				1.0	64	Zambia	4.5				1.7
2	Singapore	5.8				1.1	65	Namibia	4.5				1.8
3	Netherlands	5.7				1.1	66	Mauritania	4.5				2.6
4	Indonesia	5.7				1.0	67	Romania	4.5				1.4
5	Taiwan, China	5.7				1.1	68	Botswana	4.5				1.5
6	Malaysia	5.6				0.8	69	Slovenia	4.4				1.2
7	South Africa	5.6				0.8	70	Barbados	4.4				1.3
8	Australia	5.6				1.1	70	Zimbabwe	4.4				1.7
9	Canada	5.6				1.1	72	Lithuania	4.4				1.3
10	Japan	5.6				1.2	73	Cyprus	4.3				1.6
11	Spain	5.6				1.2	74	Sri Lanka	4.3				1.8
12	Hong Kong SAR	5.6				1.2	75	Colombia	4.3				1.5
13	Portugal	5.5				1.1	76	Peru	4.3				1.2
14	New Zealand	5.5				1.0	77	Guatemala	4.3				1.5
15	United Arab Emirates	5.5				1.2	78	Morocco	4.3				1.5
16	Switzerland	5.5				1.3	79	Uruguay	4.2				1.4
17	Sweden	5.4				1.2	80	Latvia	4.2				1.5
18	Thailand	5.4				1.0	81	Gambia	4.2				1.8
19	United Kingdom	5.4				1.0	82	Pakistan	4.2				1.6
20	Iceland	5.4				1.5	83	Azerbaijan	4.1				1.6
21	Qatar	5.3				1.4	84	Kazakhstan	4.1				1.5
22	Israel	5.3				1.3	85	Burkina Faso	4.0				1.7
23	United States	5.3				1.4	86	Poland	4.0				1.3
24	Norway	5.3				1.2	87	Albania	4.0				1.6
25	Jordan	5.2				1.4	88	Algeria	3.9				1.9
26	Belgium	5.2				1.3	89	China	3.9				1.5
27	Bahrain	5.2				1.6	90	Bangladesh	3.8				1.7
28	Ireland	5.2				1.1	91	Angola	3.8				1.8
29	Germany	5.2				1.5	92	Tanzania	3.8				1.6
30	Croatia	5.1				1.5	93	Bosnia and Herzegovina	3.8				1.6
31	Denmark	5.1				1.4	94	Macedonia, FYR	3.8				1.8
32	Chile	5.0				1.2	95	Malawi	3.8				1.8
33	Finland	5.0				1.3	96	Serbia and Montenegro	3.8				1.8
34	Tunisia	5.0				1.3	97	Nepal	3.8				1.6
35	Trinidad and Tobago	5.0				1.5	98	Honduras	3.7				1.6
36	Malta	5.0				1.4	99	Mongolia	3.7				1.7
37	Czech Republic	5.0				1.1	100	Bulgaria	3.6				1.4
38	Greece	4.9				1.3	101	Armenia	3.6				1.6
39	Brazil	4.9				1.3	102	Mali	3.6				2.0
40	Kenya	4.9				1.5	103	Ecuador	3.6				1.5
41	Slovak Republic	4.9				1.3	104	Cameroon	3.6				1.8
42	Mexico	4.9				1.3	105	Lesotho	3.5				1.8
43	Estonia	4.9				1.4	106	Russian Federation	3.5				1.5
44	Hungary	4.9				1.4	107	Mozambique	3.5				1.6
45	Egypt	4.9				1.6	108	Georgia	3.5				1.4
46	Turkey	4.8				1.3	109	Tajikistan	3.5				1.9
47	Kuwait	4.8				1.6	110	Madagascar	3.4				1.7
48	Panama	4.8				1.5	111	Cambodia	3.3				1.7
49	Korea, Rep.	4.8				1.4	112	Benin	3.3				1.7
50	Mauritius	4.8				1.6	113	Ethiopia	3.3				1.7
51	Uganda	4.8				1.6	114	Ukraine	3.3				1.4
52	Dominican Republic	4.8				1.3	115	Nicaragua	3.3				1.4
53	Jamaica	4.8				1.5	116	Guyana	3.1				1.8
54	Austria	4.7				1.4	117	Timor-Leste	3.1				1.8
55	Venezuela	4.7				1.4	118	Vietnam	3.0				1.4
56	Philippines	4.7				1.5	119	Moldova	3.0				1.6
57	Luxembourg	4.7				1.4	120	Kyrgyz Republic	2.9				1.4
58	Costa Rica	4.6				1.1	121	Paraguay	2.9				1.5
59	Nigeria	4.6				1.9	122	Suriname	2.8				1.7
60	France	4.6				1.2	123	Burundi	2.7				1.9
61	Argentina	4.6				1.3	124	Bolivia	2.5				1.2
62	El Salvador	4.5				1.4	125	Chad	2.5				1.7
63	Italy	4.5				1.4							

7.09 Government prioritization of ICT

Information and communication technologies (ICT) (computers, Internet, etc.) are an overall priority for the government (1 = strongly disagree, 7 = strongly agree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Singapore.....	6.3				0.8	64	Pakistan	4.6				1.6
2	Malaysia.....	6.1				0.8	65	Nigeria	4.6				1.8
3	Mauritania.....	6.1				1.7	66	Burkina Faso.....	4.6				1.7
4	Taiwan, China.....	6.0				0.7	67	Botswana.....	4.6				1.4
5	Portugal	5.9				0.8	68	Uganda	4.6				1.9
6	Estonia.....	5.9				1.3	69	Nicaragua.....	4.6				1.6
7	United Arab Emirates	5.9				1.2	70	Armenia	4.5				1.7
8	Japan	5.8				0.9	71	Zambia	4.5				1.4
9	Malta.....	5.8				0.9	72	Nepal	4.5				1.6
10	Qatar	5.7				1.2	73	Moldova.....	4.5				1.8
11	Denmark	5.7				1.0	74	Bangladesh.....	4.5				1.7
11	India	5.7				1.1	75	Bosnia and Herzegovina.....	4.5				1.8
13	Tunisia	5.7				1.2	76	Cambodia.....	4.5				1.8
14	Finland	5.6				1.1	77	Russian Federation.....	4.4				1.7
15	Iceland	5.6				1.0	78	Slovak Republic	4.4				1.2
16	United Kingdom.....	5.6				1.2	79	Czech Republic.....	4.4				1.4
17	Mauritius.....	5.5				1.4	79	Turkey	4.4				1.4
18	Korea, Rep.	5.5				1.3	81	Egypt	4.4				1.8
19	Thailand	5.4				1.0	82	Guyana.....	4.4				1.7
20	Hong Kong SAR.....	5.4				1.1	83	Mozambique.....	4.4				1.6
21	Switzerland.....	5.3				1.0	84	Brazil	4.4				1.4
22	Sweden	5.3				1.3	85	Greece	4.4				1.4
23	Norway	5.2				1.1	86	Peru	4.3				1.6
24	United States.....	5.2				1.3	87	Trinidad and Tobago	4.3				1.7
25	Chile.....	5.2				1.1	88	Serbia and Montenegro	4.3				1.7
26	Netherlands	5.2				1.1	89	Kyrgyz Republic	4.3				1.8
27	Jordan	5.2				1.3	90	Latvia	4.3				1.4
28	Dominican Republic.....	5.1				1.4	90	Malawi	4.3				1.6
29	Tanzania	5.1				1.2	92	China.....	4.2				1.5
30	Canada	5.1				1.2	93	Honduras	4.2				1.7
31	Mali	5.1				1.7	94	Costa Rica.....	4.2				1.5
32	Mongolia.....	5.1				1.7	95	Venezuela	4.2				1.7
33	Azerbaijan	5.1				1.8	96	Uruguay	4.2				1.4
34	Algeria.....	5.1				1.8	97	Timor-Leste.....	4.2				2.3
34	El Salvador.....	5.1				1.5	98	Philippines	4.2				1.6
36	Ireland	5.1				1.1	99	Guatemala	4.1				1.5
37	Bahrain.....	5.1				1.6	100	Cyprus	4.1				1.4
38	Luxembourg	5.1				1.2	101	Ethiopia.....	4.1				1.8
39	Kazakhstan.....	5.0				1.5	102	Romania.....	4.1				1.5
40	Austria	5.0				1.2	103	Lesotho.....	4.1				1.6
41	Jamaica.....	5.0				1.2	104	Italy	4.1				1.5
42	Germany	5.0				1.1	105	Bolivia	4.1				1.7
42	Vietnam.....	5.0				1.5	106	Kenya.....	4.1				1.8
44	France	4.9				1.3	107	Bulgaria	4.0				1.8
45	Israel	4.9				1.3	108	Kuwait.....	4.0				1.5
46	Lithuania	4.9				1.5	109	Namibia.....	3.9				1.1
47	South Africa.....	4.9				1.2	110	Ukraine	3.9				1.6
48	Barbados.....	4.9				1.4	111	Albania	3.9				2.0
49	Gambia	4.9				1.5	112	Macedonia, FYR	3.9				1.6
50	Croatia	4.9				1.7	113	Panama.....	3.8				1.4
51	Belgium	4.8				1.3	114	Georgia	3.8				1.3
52	New Zealand.....	4.8				1.3	115	Zimbabwe.....	3.7				1.6
53	Morocco	4.8				1.6	116	Argentina	3.7				1.5
54	Sri Lanka	4.8				1.6	117	Cameroon	3.7				1.8
55	Benin	4.8				1.7	118	Poland.....	3.6				1.1
56	Australia	4.8				1.2	119	Angola.....	3.6				1.7
57	Tajikistan	4.8				2.0	120	Paraguay	3.2				1.8
58	Hungary	4.8				1.3	121	Indonesia	3.0				1.0
59	Mexico.....	4.7				1.3	122	Ecuador.....	3.0				1.4
60	Spain	4.7				1.4	123	Suriname	2.9				1.9
61	Slovenia	4.7				1.5	124	Chad	2.8				2.0
62	Colombia.....	4.7				1.2	125	Burundi	2.8				1.8
63	Madagascar	4.7				1.6							

7.10 Government success in ICT promotion

Government programs promoting the use of ICT are (1 = not very successful, 7 = highly successful)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD
1	Singapore.....	5.9				0.7	64	Cameroon	4.2				1.7
2	Malta.....	5.6				1.0	65	Romania.....	4.1				1.5
3	Malaysia.....	5.6				1.0	66	China.....	4.1				1.3
4	Tunisia.....	5.5				1.0	67	Dominican Republic.....	4.0				1.5
5	Mauritania.....	5.5				1.6	68	Belgium	4.0				1.3
6	Taiwan, China.....	5.5				0.9	69	Mexico.....	4.0				1.2
7	United Arab Emirates	5.5				1.1	70	Philippines	4.0				1.4
8	Estonia.....	5.4				1.1	71	Sri Lanka.....	3.9				1.5
9	Iceland	5.3				1.0	72	Turkey	3.9				1.3
10	Qatar	5.2				1.1	73	Cyprus	3.9				1.2
11	Mali.....	5.1				1.4	74	New Zealand.....	3.9				1.2
12	Japan	5.1				1.3	75	Colombia.....	3.9				1.2
13	Burkina Faso.....	5.1				1.2	76	Kenya.....	3.9				1.5
14	Denmark	5.0				1.2	77	Trinidad and Tobago	3.9				1.4
15	Thailand	5.0				1.0	78	Mozambique.....	3.8				1.4
16	Finland	4.9				1.1	79	Slovak Republic	3.8				1.2
17	India	4.9				1.1	80	Italy	3.7				1.5
18	Sweden	4.8				1.1	81	Ethiopia.....	3.7				1.5
19	Portugal	4.8				0.7	82	Burundi	3.7				2.0
20	Hong Kong SAR.....	4.8				1.3	83	Moldova.....	3.7				1.7
21	France.....	4.8				1.3	84	Costa Rica.....	3.6				1.3
22	Korea, Rep.	4.8				1.2	85	Greece	3.6				1.3
23	Israel	4.7				1.1	86	Nepal	3.6				1.6
24	Austria	4.7				1.2	87	Serbia and Montenegro	3.6				1.3
25	Norway	4.7				1.0	88	Kuwait.....	3.6				1.5
26	Madagascar	4.7				1.4	88	Spain.....	3.6				1.4
27	Gambia	4.7				1.1	90	Czech Republic.....	3.6				1.4
28	Mauritius.....	4.7				1.1	91	Cambodia.....	3.6				1.6
29	United States.....	4.7				1.4	92	Uruguay	3.6				1.2
30	Tanzania	4.7				1.3	93	Angola.....	3.5				1.3
31	Switzerland	4.6				1.1	94	Bosnia and Herzegovina.....	3.5				1.5
32	Jordan.....	4.6				1.5	95	Armenia.....	3.5				1.6
33	Vietnam.....	4.6				1.3	96	Nicaragua.....	3.5				1.4
34	Bahrain.....	4.6				1.4	97	Guyana.....	3.5				1.4
35	Netherlands	4.6				1.2	98	Latvia	3.5				1.3
36	Luxembourg	4.6				1.3	99	Russian Federation	3.5				1.5
37	Algeria.....	4.6				1.6	100	Malawi	3.5				1.3
38	Chile.....	4.5				1.2	101	Guatemala	3.5				1.3
39	Canada.....	4.5				1.0	102	Zimbabwe.....	3.4				1.5
40	Azerbaijan	4.5				1.5	103	Peru	3.3				1.1
41	Uganda	4.5				1.6	104	Bulgaria.....	3.3				1.5
42	Morocco	4.5				1.5	105	Macedonia, FYR	3.3				1.6
43	Ireland	4.4				1.4	106	Georgia	3.3				1.3
44	Barbados.....	4.4				1.2	107	Namibia.....	3.3				1.3
45	Benin	4.4				1.7	108	Lesotho.....	3.3				1.5
46	Australia.....	4.4				1.0	109	Bangladesh	3.2				1.5
47	Germany	4.4				1.1	110	Poland.....	3.2				1.0
47	Pakistan.....	4.4				1.4	111	Argentina	3.2				1.3
49	Nigeria	4.4				1.8	112	Honduras	3.2				1.4
50	Egypt	4.4				1.6	113	Venezuela.....	3.2				1.3
51	Kazakhstan.....	4.3				1.3	114	Panama.....	3.2				1.4
52	Jamaica.....	4.3				1.2	115	Ukraine	3.1				1.2
53	El Salvador	4.3				1.3	116	Bolivia	3.0				1.3
54	Tajikistan.....	4.3				1.7	117	Indonesia	2.9				0.9
55	Slovenia	4.3				1.3	118	Timor-Leste.....	2.8				1.7
56	Hungary	4.2				1.2	119	Zambia	2.8				1.2
57	Lithuania	4.2				1.3	120	Kyrgyz Republic	2.8				1.4
58	United Kingdom.....	4.2				1.6	121	Albania	2.6				1.4
59	Brazil	4.2				1.4	122	Chad	2.6				1.5
60	Mongolia.....	4.2				1.6	123	Ecuador.....	2.5				1.1
61	South Africa.....	4.2				1.0	124	Suriname	2.5				1.3
62	Botswana.....	4.2				1.3	125	Paraguay	2.4				1.3
63	Croatia	4.2				1.3							

7.11 Quality of competition in the ISP sector

Is there sufficient competition among Internet Service Providers in your country to ensure high quality, infrequent interruptions, and low prices?
(1 = no, 7 = yes, equal to the best in the world)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Korea, Rep.	6.4				0.9	64	Bangladesh	3.9				1.6
2	Netherlands	6.3				0.8	65	Honduras	3.9				1.7
3	Israel	6.3				0.9	66	Barbados	3.9				1.8
4	Germany	6.1				1.0	67	Nigeria	3.9				1.8
5	United Kingdom	6.0				1.1	68	Croatia	3.9				1.4
6	Japan	5.9				1.1	69	Mexico	3.9				1.6
7	Iceland	5.9				1.5	70	Tajikistan	3.9				2.3
8	Hong Kong SAR	5.7				1.3	71	China	3.8				1.4
9	Finland	5.7				1.3	72	Uruguay	3.8				1.7
10	Canada	5.6				1.4	73	Hungary	3.8				1.6
11	Austria	5.6				1.2	74	Venezuela	3.7				1.7
12	Sweden	5.6				1.4	75	Gambia	3.7				2.0
13	Estonia	5.5				1.4	76	Russian Federation	3.6				1.9
14	United States	5.5				1.6	77	Moldova	3.6				1.7
15	Norway	5.5				1.2	78	Uganda	3.6				1.9
16	France	5.5				1.4	79	Bolivia	3.6				1.6
17	Chile	5.4				1.2	80	Malawi	3.6				1.7
18	Denmark	5.4				1.3	81	Poland	3.6				1.2
19	India	5.3				1.3	82	Tanzania	3.6				1.5
20	Taiwan, China	5.3				1.2	83	Cambodia	3.5				1.7
21	Jordan	5.3				1.2	84	Ecuador	3.5				1.4
22	Guatemala	5.2				1.3	85	Kazakhstan	3.5				1.8
23	Brazil	5.1				1.5	86	Guyana	3.5				1.8
24	Switzerland	5.1				1.7	87	Romania	3.4				1.6
25	Belgium	5.1				1.7	88	Botswana	3.4				1.5
26	Indonesia	5.1				1.2	89	Mongolia	3.4				1.6
27	Australia	5.1				1.4	90	Kyrgyz Republic	3.3				2.0
28	Thailand	5.1				1.3	91	Serbia and Montenegro	3.3				1.6
29	Singapore	5.0				1.4	92	South Africa	3.3				1.8
30	Malta	5.0				1.4	93	Madagascar	3.3				1.5
31	Philippines	4.9				1.4	94	Mozambique	3.3				1.7
32	Malaysia	4.9				1.5	95	Vietnam	3.2				1.5
33	Lithuania	4.9				1.5	96	Burkina Faso	3.2				1.8
34	Panama	4.8				1.6	97	Cameroon	3.2				1.8
35	Egypt	4.7				1.6	98	Nicaragua	3.2				1.7
36	Pakistan	4.7				1.3	99	Morocco	3.2				1.9
37	El Salvador	4.6				1.4	100	Benin	3.2				1.7
38	Jamaica	4.5				1.5	101	Namibia	3.2				1.8
39	Czech Republic	4.4				1.6	102	Mauritius	3.1				1.5
40	Cyprus	4.4				1.5	103	New Zealand	3.1				1.5
41	Italy	4.4				1.7	104	Zimbabwe	3.1				1.7
42	Slovenia	4.4				1.6	105	Albania	3.0				1.6
43	Portugal	4.4				1.4	106	Bosnia and Herzegovina	3.0				1.6
44	Latvia	4.3				1.5	107	Paraguay	3.0				1.6
45	Georgia	4.3				1.7	108	Armenia	3.0				1.8
46	Argentina	4.3				1.5	109	Algeria	2.9				1.6
47	Dominican Republic	4.3				1.8	110	Ukraine	2.9				1.6
48	Nepal	4.3				1.6	111	Angola	2.7				1.8
49	Luxembourg	4.2				1.5	112	Lesotho	2.7				1.6
50	Kuwait	4.2				1.7	113	Qatar	2.6				1.9
51	Spain	4.2				1.7	114	Macedonia, FYR	2.6				1.7
52	Slovak Republic	4.2				1.5	115	Burundi	2.6				1.5
53	Sri Lanka	4.2				1.6	116	United Arab Emirates	2.5				1.9
54	Turkey	4.2				1.4	117	Bahrain	2.5				1.9
55	Colombia	4.1				1.4	118	Mauritania	2.4				1.6
56	Tunisia	4.1				1.3	119	Trinidad and Tobago	2.4				1.6
57	Bulgaria	4.1				1.9	120	Timor-Leste	2.3				1.9
58	Kenya	4.0				1.6	121	Costa Rica	2.1				1.5
59	Azerbaijan	4.0				1.7	122	Zambia	2.1				1.5
60	Greece	4.0				1.6	123	Chad	2.1				1.4
61	Peru	4.0				1.7	124	Ethiopia	1.7				1.1
62	Ireland	3.9				1.7	125	Suriname	1.7				1.1
63	Mali	3.9				1.6							

7.12 Extent of business Internet use

In your country, companies use the Internet extensively for buying/selling goods and services and for interacting with customers (1 = strongly disagree, 7 = strongly agree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Korea, Rep.	6.1				1.0	64	Trinidad and Tobago	3.7				1.8
2	United Kingdom	6.1				0.9	65	Egypt	3.7				1.6
3	Estonia	6.0				1.0	66	Qatar	3.7				1.6
4	Sweden	5.7				1.4	67	Jordan	3.7				1.7
5	Netherlands	5.7				1.0	68	Kuwait	3.6				1.7
6	Germany	5.6				0.9	69	Kenya	3.6				1.8
7	Switzerland	5.6				1.0	70	Kazakhstan	3.6				1.9
8	Iceland	5.6				1.3	71	Colombia	3.6				1.5
9	Canada	5.6				1.2	72	Mauritania	3.6				2.5
10	Denmark	5.6				1.0	73	Namibia	3.6				1.8
11	Norway	5.5				1.1	74	Uganda	3.5				1.9
12	United States	5.5				1.5	75	China	3.5				1.5
13	Japan	5.4				1.3	76	Dominican Republic	3.5				1.7
14	Israel	5.4				1.4	77	Sri Lanka	3.5				1.6
15	Finland	5.4				1.3	78	Honduras	3.4				1.5
16	Australia	5.2				1.3	79	Venezuela	3.4				1.4
17	Austria	5.2				1.1	80	Romania	3.4				1.5
18	Taiwan, China	5.1				1.2	81	Nigeria	3.4				1.8
19	France	5.1				1.2	82	Bahrain	3.3				1.6
20	Czech Republic	5.0				1.2	83	Tajikistan	3.3				1.8
21	Singapore	5.0				1.1	84	Mali	3.3				1.9
22	New Zealand	5.0				1.4	85	Nepal	3.3				1.6
23	Brazil	5.0				1.3	86	Bulgaria	3.3				1.5
24	Hong Kong SAR	4.9				1.4	87	Tanzania	3.2				1.6
25	Ireland	4.9				1.5	88	Greece	3.2				1.3
26	Chile	4.8				1.2	89	Ukraine	3.2				1.5
27	Malaysia	4.8				1.2	90	Ecuador	3.2				1.2
28	Thailand	4.7				1.4	91	Armenia	3.2				1.6
29	Lithuania	4.6				1.4	92	Guyana	3.2				1.6
30	Slovenia	4.6				1.4	93	Burkina Faso	3.1				1.9
31	India	4.6				1.3	94	Cambodia	3.1				2.0
32	Belgium	4.6				1.2	95	Serbia and Montenegro	3.1				1.9
33	Luxembourg	4.5				1.4	96	Nicaragua	3.1				1.5
34	Malta	4.4				1.3	97	Bangladesh	3.1				1.7
35	Slovak Republic	4.3				1.3	98	Mongolia	3.1				1.6
36	Latvia	4.3				1.6	99	Georgia	3.0				1.7
37	Portugal	4.3				1.1	100	Gambia	3.0				1.7
38	Panama	4.3				1.7	101	Madagascar	3.0				1.6
39	Guatemala	4.2				1.5	102	Zimbabwe	3.0				1.4
40	Italy	4.2				1.5	103	Mauritius	3.0				1.4
41	Poland	4.2				1.1	104	Malawi	2.9				1.5
42	Russian Federation	4.1				1.7	105	Benin	2.9				1.7
43	Hungary	4.1				1.5	106	Bolivia	2.9				1.3
44	Spain	4.1				1.4	107	Zambia	2.9				1.1
45	United Arab Emirates	4.1				1.5	108	Suriname	2.9				1.7
46	Peru	4.0				1.3	109	Morocco	2.8				1.6
47	Cyprus	4.0				1.4	110	Botswana	2.8				1.4
48	Indonesia	4.0				1.1	111	Vietnam	2.8				1.6
49	South Africa	4.0				1.4	112	Ethiopia	2.8				1.7
50	Pakistan	4.0				1.4	113	Paraguay	2.7				1.3
51	Philippines	3.9				1.4	114	Mozambique	2.7				1.5
52	Jamaica	3.9				1.6	115	Lesotho	2.7				1.6
53	El Salvador	3.9				1.3	116	Kyrgyz Republic	2.7				1.5
54	Uruguay	3.9				1.5	117	Macedonia, FYR	2.7				1.5
55	Argentina	3.9				1.6	118	Timor-Leste	2.6				2.1
56	Mexico	3.9				1.4	119	Angola	2.6				1.7
57	Azerbaijan	3.9				1.9	120	Albania	2.6				1.5
58	Croatia	3.9				1.5	121	Moldova	2.5				1.5
59	Tunisia	3.8				1.6	122	Cameroon	2.4				1.6
60	Barbados	3.8				1.6	123	Burundi	2.3				1.3
61	Turkey	3.8				1.4	124	Algeria	2.2				1.5
62	Bosnia and Herzegovina	3.8				1.8	125	Chad	1.9				1.4
63	Costa Rica	3.8				1.5							

7.13 Internet access in schools

Internet access in schools is (1 = very limited, 7 = extensive — most children have frequent access)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Iceland	6.8				0.4	64	Jamaica.....	3.7				1.3
2	Sweden	6.5				0.7	65	Romania.....	3.6				1.6
3	Finland	6.4				0.7	66	Brazil	3.6				1.6
4	Korea, Rep.	6.4				1.0	67	Argentina	3.5				1.4
5	Singapore.....	6.3				0.8	68	Philippines	3.5				1.6
6	Denmark	6.2				0.9	69	Vietnam.....	3.4				1.6
7	Hong Kong SAR.....	6.2				1.0	70	Venezuela	3.4				1.4
8	Netherlands	6.2				0.8	71	Bosnia and Herzegovina.....	3.4				1.6
9	Austria	6.2				0.9	72	Morocco	3.4				1.7
10	Switzerland.....	6.1				0.8	73	Colombia.....	3.3				1.5
11	United Kingdom.....	6.0				0.8	74	Georgia	3.3				1.4
12	Canada	6.0				0.8	75	Indonesia	3.3				0.8
13	Estonia	6.0				1.3	76	Trinidad and Tobago.....	3.2				1.5
14	United States.....	5.9				1.2	77	Namibia.....	3.2				1.5
15	Luxembourg	5.9				1.1	78	South Africa	3.2				1.2
16	Israel	5.8				1.2	79	Serbia and Montenegro.....	3.2				1.4
17	Australia	5.8				0.8	80	Dominican Republic.....	3.1				1.5
18	Japan	5.8				1.0	81	Costa Rica.....	3.1				1.5
19	Slovenia	5.8				1.1	82	Guatemala	3.1				1.1
20	Taiwan, China.....	5.7				1.1	83	Botswana.....	3.1				1.5
21	New Zealand.....	5.7				1.0	84	Macedonia, FYR	3.0				1.7
22	Norway	5.6				1.0	85	Azerbaijan	3.0				1.5
23	Belgium	5.6				1.1	86	Sri Lanka	2.9				1.8
24	France	5.6				1.2	87	Moldova	2.9				1.6
25	United Arab Emirates ..	5.5				1.5	88	Ukraine	2.9				1.6
26	Malta.....	5.5				1.1	89	Tajikistan	2.9				1.8
27	Czech Republic.....	5.3				1.2	90	Mongolia.....	2.8				1.7
28	Germany	5.3				1.2	91	Gambia	2.8				1.7
29	Hungary	5.2				1.3	92	Kyrgyz Republic	2.7				1.7
30	Malaysia	5.2				1.2	93	Nepal	2.7				1.6
31	Lithuania	5.2				1.3	94	Algeria	2.7				1.6
32	Tunisia	5.1				1.2	95	Mali	2.7				1.8
33	Latvia	5.1				1.4	96	Ecuador.....	2.7				1.4
34	Portugal	5.1				1.2	97	Nicaragua	2.6				1.6
35	Ireland	5.0				1.3	98	Nigeria	2.6				1.6
36	Chile.....	4.9				1.3	99	Tanzania	2.5				1.4
37	Kuwait.....	4.9				1.7	100	Cambodia.....	2.5				1.5
38	Slovak Republic	4.7				1.4	101	Honduras	2.5				1.3
39	Qatar	4.6				1.8	102	Armenia	2.4				1.2
40	Jordan	4.6				1.6	103	Zimbabwe.....	2.4				1.3
41	Thailand	4.6				1.1	104	Angola	2.2				1.3
42	Cyprus	4.5				1.4	105	Guyana.....	2.2				1.2
43	Bahrain.....	4.5				1.9	106	Bolivia	2.1				1.1
44	Spain	4.5				1.3	107	Malawi	2.1				1.4
45	Barbados.....	4.5				1.4	108	Mozambique.....	2.0				1.4
46	Croatia	4.4				1.4	109	Madagascar	2.0				1.3
47	Kazakhstan.....	4.3				1.6	110	Ethiopia.....	2.0				1.3
48	Italy	4.1				1.6	111	Suriname	2.0				1.0
49	China.....	4.0				1.7	112	Kenya.....	2.0				1.2
50	Poland	3.9				1.2	113	Bangladesh	2.0				1.1
51	Pakistan	3.9				1.6	114	Uganda	1.9				1.2
52	India	3.8				1.7	115	Benin	1.8				1.3
53	Mexico	3.8				1.5	116	Paraguay	1.8				1.1
54	Russian Federation.....	3.8				1.6	117	Mauritania	1.8				1.4
55	Turkey	3.8				1.4	118	Cameroon	1.7				1.1
56	Greece	3.8				1.5	119	Albania	1.7				0.9
57	Egypt	3.8				1.8	120	Lesotho.....	1.6				1.1
58	Panama.....	3.7				1.5	121	Burkina Faso	1.6				1.0
59	Peru	3.7				1.5	122	Zambia	1.6				0.7
60	Uruguay	3.7				1.5	123	Timor-Leste.....	1.5				0.9
61	Bulgaria.....	3.7				1.4	124	Chad	1.3				0.6
62	Mauritius.....	3.7				1.8	125	Burundi	1.3				0.6
63	El Salvador	3.7				1.4							

7.14 Impact of rules on FDI

In your country, rules governing foreign direct investment are (1 = damaging and discourage foreign direct investment, 7 = beneficial and encourage foreign direct investment)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 5.0	7	SD
1	Singapore.....	6.5				0.7	64	Mali.....	5.1				1.6
2	Ireland.....	6.5				0.9	65	Colombia.....	5.1				1.1
3	Hong Kong SAR.....	6.5				0.8	66	Pakistan.....	5.1				1.5
4	Luxembourg.....	6.3				0.8	67	Turkey.....	5.1				1.1
5	Slovak Republic.....	6.2				0.8	68	Botswana.....	5.1				1.4
6	Zambia.....	6.1				1.1	69	Mauritius.....	5.1				1.0
7	United Kingdom.....	6.0				1.0	70	Guatemala.....	5.1				1.3
8	Indonesia.....	6.0				1.1	71	Mongolia.....	5.0				1.5
9	Estonia.....	6.0				0.9	72	South Africa.....	5.0				1.1
10	Czech Republic.....	5.9				1.0	73	Vietnam.....	5.0				1.6
11	Chile.....	5.9				0.9	74	Mozambique.....	5.0				1.6
12	Malaysia.....	5.9				0.9	75	Latvia.....	4.9				1.2
13	Portugal.....	5.9				0.8	76	Nicaragua.....	4.9				1.3
14	Finland.....	5.9				0.9	77	Uruguay.....	4.9				1.5
15	Sweden.....	5.8				1.0	78	Philippines.....	4.9				1.3
16	Switzerland.....	5.8				1.0	79	Lesotho.....	4.8				1.6
17	Netherlands.....	5.8				1.0	80	Honduras.....	4.8				1.4
18	Denmark.....	5.8				0.8	81	Brazil.....	4.8				1.3
19	Germany.....	5.7				1.0	82	Japan.....	4.7				1.2
20	Belgium.....	5.7				1.1	83	Namibia.....	4.7				1.3
21	Austria.....	5.7				0.9	84	Azerbaijan.....	4.7				1.7
22	Uganda.....	5.7				1.4	85	Kazakhstan.....	4.7				1.2
23	Bangladesh.....	5.7				1.4	86	Malawi.....	4.7				1.4
24	Gambia.....	5.7				1.2	87	Ethiopia.....	4.7				1.6
25	Tunisia.....	5.7				1.1	88	Romania.....	4.7				1.2
26	Jordan.....	5.6				1.1	89	Greece.....	4.6				1.5
27	El Salvador.....	5.6				1.0	90	Kenya.....	4.6				1.5
28	Hungary.....	5.6				1.0	91	Algeria.....	4.6				1.9
29	Dominican Republic.....	5.6				1.1	92	Cameroon.....	4.5				1.5
30	Israel.....	5.6				0.9	93	Korea, Rep.....	4.5				1.1
31	Burkina Faso.....	5.5				1.3	94	Croatia.....	4.5				1.3
32	Bahrain.....	5.5				1.3	95	Burundi.....	4.5				1.8
33	Malta.....	5.5				1.1	96	Egypt.....	4.4				1.8
34	India.....	5.5				1.2	97	Lithuania.....	4.4				1.2
35	Taiwan, China.....	5.5				1.0	98	Guyana.....	4.4				1.5
36	Tanzania.....	5.5				1.2	99	Georgia.....	4.4				1.0
37	United Arab Emirates.....	5.5				1.3	100	Tajikistan.....	4.4				1.6
38	Mexico.....	5.5				1.3	101	Italy.....	4.4				1.0
39	Trinidad and Tobago.....	5.5				1.1	102	Poland.....	4.4				1.0
40	New Zealand.....	5.4				1.0	103	Madagascar.....	4.3				1.5
41	Barbados.....	5.4				1.1	104	Serbia and Montenegro.....	4.3				1.6
42	China.....	5.4				1.2	105	Nepal.....	4.2				1.6
43	Jamaica.....	5.4				1.2	106	Benin.....	4.2				1.6
44	United States.....	5.4				1.2	107	Paraguay.....	4.2				1.6
45	Costa Rica.....	5.4				1.1	108	Moldova.....	4.2				1.5
46	Spain.....	5.4				1.2	109	Slovenia.....	4.1				1.1
46	Sri Lanka.....	5.4				1.4	110	Albania.....	4.0				1.4
48	Peru.....	5.4				1.1	111	Argentina.....	4.0				1.3
49	Norway.....	5.4				1.0	112	Suriname.....	3.9				1.5
50	Canada.....	5.3				1.0	113	Bulgaria.....	3.9				1.5
51	Australia.....	5.3				1.2	114	Bosnia and Herzegovina.....	3.9				1.8
52	Qatar.....	5.3				1.5	115	Macedonia, FYR.....	3.9				1.5
53	Mauritania.....	5.3				1.6	116	Ecuador.....	3.9				1.2
54	Nigeria.....	5.3				1.5	117	Ukraine.....	3.8				1.2
55	France.....	5.2				1.3	118	Kyrgyz Republic.....	3.8				1.4
56	Armenia.....	5.2				1.2	119	Bolivia.....	3.8				1.4
57	Cyprus.....	5.2				1.1	120	Venezuela.....	3.7				1.3
58	Thailand.....	5.2				1.1	121	Russian Federation.....	3.7				1.4
59	Iceland.....	5.2				1.2	122	Timor-Leste.....	3.6				1.9
60	Morocco.....	5.2				1.7	123	Kuwait.....	3.5				1.7
61	Panama.....	5.2				1.3	124	Chad.....	3.3				1.8
62	Cambodia.....	5.2				1.5	125	Zimbabwe.....	2.8				1.5
63	Angola.....	5.1				1.6							

7.15 Internet hosts (hard data)

Internet hosts per 100,000 inhabitants, 2004

RANK	COUNTRY/ECONOMY	HARD DATA		RANK	COUNTRY/ECONOMY	HARD DATA	
1	United States	6,645.2		64	Bosnia and Herzegovina	21.7	
2	Iceland	4,758.6		65	Guatemala	18.8	
3	Netherlands	3,334.4		66	Nicaragua	17.8	
4	Denmark	2,681.9		67	Macedonia, FYR	17.4	
5	Finland	2,215.2		68	Namibia	16.7	
6	Australia	1,978.3		69	Kazakhstan	14.7	
7	Norway	1,918.4		70	Venezuela	14.5	
8	Austria	1,565.8		71	Paraguay	14.0	
9	New Zealand	1,504.9		72	Georgia	12.4	
10	Sweden	1,466.7		73	Botswana	12.2	
11	Taiwan, China	1,389.7		74	Kyrgyz Republic	11.0	
12	Japan	1,286.8		75	Kuwait	10.9	
13	Singapore	1,165.9		76	Bolivia	9.3	
14	Hong Kong SAR	1,132.7		77	Guyana	8.4	
15	Korea, Rep.	1,130.1		78	Philippines	7.9	
16	Luxembourg	1,125.3		79	Barbados	7.8	
17	Canada	1,110.8		80	Zimbabwe	6.8	
18	Switzerland	1,026.7		81	Ecuador	6.7	
19	Israel	789.6		82	El Salvador	6.6	
20	United Kingdom	697.9		83	Honduras	5.7	
21	Portugal	552.3		84	Jamaica	5.4	
22	Estonia	486.3		85	Gambia	5.4	
23	Hungary	479.2		86	Jordan	5.3	
24	Ireland	421.0		87	Indonesia	5.0	
25	France	386.5		88	Armenia	5.0	
26	Czech Republic	376.8		89	Qatar	4.2	
27	Germany	366.2		90	Mozambique	3.8	
28	Uruguay	333.8		91	Kenya	3.1	
29	Italy	282.0		92	Suriname	3.0	
30	Lithuania	274.2		93	Zambia	2.1	
31	Slovenia	269.7		94	Albania	1.7	
32	Latvia	258.7		95	Pakistan	1.6	
33	Greece	250.6		96	Tanzania	1.6	
34	Argentina	242.4		97	Morocco	1.4	
35	Belgium	232.5		98	India	1.3	
36	Slovak Republic	227.3		99	Timor-Leste	1.3	
37	Spain	217.5		100	China	1.3	
38	Brazil	193.0		101	Benin	1.2	
39	Malta	166.7		102	Nepal	1.1	
40	Mexico	145.2		103	Sri Lanka	1.1	
41	Chile	142.3		104	Uganda	1.0	
42	Cyprus	94.5		105	Lesotho	0.8	
43	Trinidad and Tobago	93.4		106	Mongolia	0.6	
44	Bulgaria	84.7		107	Cambodia	0.6	
45	Croatia	78.6		108	Egypt	0.5	
46	South Africa	77.5		109	Madagascar	0.5	
47	Dominican Republic	75.0		110	Azerbaijan	0.4	
48	Poland	70.5		111	Tunisia	0.4	
49	Turkey	65.6		112	Mali	0.3	
50	United Arab Emirates	61.1		113	Burkina Faso	0.3	
51	Russian Federation	59.2		114	Angola	0.3	
52	Thailand	58.1		115	Algeria	0.3	
53	Malaysia	52.8		116	Cameroon	0.3	
54	Colombia	42.5		117	Tajikistan	0.2	
55	Peru	39.7		118	Burundi	0.2	
56	Mauritius	34.4		119	Mauritania	0.1	
57	Serbia and Montenegro	33.8		120	Nigeria	0.1	
58	Moldova	31.2		121	Malawi	0.1	
59	Ukraine	27.0		122	Vietnam	0.0	
60	Costa Rica	26.4		123	Chad	0.0	
61	Bahrain	25.8		124	Ethiopia	0.0	
62	Romania	22.6		125	Bangladesh	0.0	
63	Panama	21.9					

Section VIII

Business Sophistication

8.01 Local supplier quantity

Local suppliers in your country are (1 = largely nonexistent, 7 = numerous and include the most important materials, components, equipment, and services)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.7	7	SD
1	Japan	6.4				0.7	64	Morocco	4.6				1.6
2	Germany	6.4				0.8	65	Trinidad and Tobago	4.6				1.5
3	France	6.0				1.1	66	Croatia	4.6				1.2
4	Austria	6.0				0.8	67	Kazakhstan	4.6				1.8
5	Switzerland	6.0				1.0	68	Romania	4.6				1.3
6	United States	5.9				1.2	69	Jamaica	4.6				1.2
7	United Kingdom	5.9				1.1	70	Ukraine	4.5				1.6
8	Belgium	5.8				1.3	71	Uganda	4.5				1.5
9	India	5.8				1.0	72	Argentina	4.5				1.2
10	Canada	5.8				1.1	73	Sri Lanka	4.5				1.5
11	Sweden	5.7				1.0	74	Latvia	4.5				1.4
12	Netherlands	5.7				1.0	75	Cyprus	4.5				1.4
13	Hong Kong SAR	5.7				1.1	76	Serbia and Montenegro	4.4				1.3
14	Malaysia	5.7				0.7	77	Bulgaria	4.4				1.4
15	Kuwait	5.7				1.2	78	Bangladesh	4.4				1.4
16	Taiwan, China	5.6				0.8	79	Tanzania	4.4				1.7
17	Spain	5.6				1.0	80	Zimbabwe	4.4				1.2
18	Czech Republic	5.5				1.0	81	Poland	4.4				1.2
19	Finland	5.5				1.0	82	El Salvador	4.3				1.3
20	Denmark	5.5				1.1	83	Madagascar	4.3				1.5
21	South Africa	5.5				0.8	83	Vietnam	4.3				1.3
22	Iceland	5.5				1.0	85	Cameroon	4.3				1.5
23	Italy	5.5				1.1	86	Burkina Faso	4.3				1.6
24	Korea, Rep.	5.5				1.2	87	Barbados	4.3				1.2
25	Chile	5.4				1.1	88	Qatar	4.3				1.4
26	Ireland	5.4				1.1	89	Guyana	4.2				1.4
27	Norway	5.4				1.1	90	Ecuador	4.2				1.2
28	Indonesia	5.4				0.8	91	Mali	4.2				1.9
29	Turkey	5.4				1.0	92	Algeria	4.2				1.3
30	Tunisia	5.4				0.8	93	Dominican Republic	4.2				1.4
31	Australia	5.3				1.0	94	Macedonia, FYR	4.1				1.3
32	Brazil	5.3				1.1	95	Uruguay	4.1				1.3
33	New Zealand	5.2				1.1	96	Bosnia and Herzegovina	4.0				1.5
34	Israel	5.2				1.3	97	Moldova	4.0				1.8
35	Egypt	5.1				1.3	98	Benin	4.0				1.7
36	Thailand	5.1				1.0	99	Honduras	4.0				1.3
37	Slovak Republic	5.1				1.1	100	Paraguay	3.9				1.2
38	China	5.0				1.2	101	Burundi	3.9				2.0
39	Bahrain	5.0				1.3	102	Armenia	3.9				1.8
40	Peru	5.0				1.1	103	Gambia	3.9				1.6
41	Costa Rica	5.0				1.2	104	Venezuela	3.8				1.2
42	Colombia	5.0				0.9	105	Malawi	3.8				1.5
43	Singapore	5.0				1.2	106	Kyrgyz Republic	3.8				1.8
44	United Arab Emirates	5.0				1.4	107	Namibia	3.8				1.5
45	Estonia	5.0				1.3	108	Nepal	3.8				1.5
46	Kenya	5.0				1.4	109	Mozambique	3.8				1.5
47	Portugal	4.9				1.0	110	Albania	3.7				1.5
48	Mauritius	4.9				1.2	111	Mauritania	3.7				2.1
49	Philippines	4.9				1.1	112	Tajikistan	3.7				1.9
50	Russian Federation	4.9				1.7	113	Cambodia	3.7				1.4
51	Lithuania	4.8				1.5	114	Botswana	3.7				1.3
52	Luxembourg	4.8				1.5	115	Ethiopia	3.6				1.3
53	Nigeria	4.8				1.7	116	Suriname	3.6				1.5
54	Malta	4.8				1.4	117	Chad	3.6				2.0
55	Guatemala	4.8				1.3	118	Nicaragua	3.6				1.3
56	Hungary	4.7				1.3	119	Bolivia	3.4				1.4
57	Greece	4.7				1.2	120	Mongolia	3.2				1.4
58	Jordan	4.7				1.5	121	Angola	3.1				1.1
59	Panama	4.7				1.3	122	Georgia	3.0				1.6
60	Slovenia	4.7				1.2	123	Zambia	3.0				1.2
61	Pakistan	4.7				1.3	124	Lesotho	2.9				1.4
62	Mexico	4.7				1.3	125	Timor-Leste	2.8				1.5
63	Azerbaijan	4.6				1.4							

8.02 Local supplier quality

The quality of local suppliers in your country is (1 = poor as they are inefficient and have little technological capability, 7 = very good as they are internationally competitive and assist in new product and process development)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD
1	Germany	6.6				0.7	64	Barbados	4.2				1.2
2	Japan	6.4				0.7	65	China	4.2				1.2
3	Switzerland	6.2				0.7	66	Pakistan	4.2				1.3
4	Austria	6.2				0.8	67	Kenya	4.2				1.5
5	Belgium	6.1				0.8	68	Jordan	4.2				1.4
6	Sweden	6.0				1.1	69	Romania	4.1				1.4
7	United Kingdom	6.0				0.9	70	Kazakhstan	4.1				1.5
8	Netherlands	6.0				0.7	71	Russian Federation	4.1				1.4
9	Finland	5.9				0.8	72	Namibia	4.1				1.5
10	United States	5.9				1.2	73	Sri Lanka	4.0				1.5
11	Denmark	5.9				0.9	74	Argentina	4.0				1.1
12	France	5.8				1.0	75	Dominican Republic	3.9				1.2
13	Canada	5.8				0.8	76	Ukraine	3.9				1.3
14	Taiwan, China	5.8				0.9	77	Azerbaijan	3.9				1.4
15	Hong Kong SAR	5.8				1.0	78	Morocco	3.8				1.5
16	Ireland	5.7				0.9	79	Bulgaria	3.8				1.5
17	Norway	5.7				0.7	80	Qatar	3.8				1.3
18	Australia	5.6				0.9	81	Venezuela	3.8				1.2
19	Iceland	5.6				1.1	82	Zimbabwe	3.8				1.2
20	New Zealand	5.6				1.0	83	Uruguay	3.8				1.0
21	Israel	5.6				1.0	84	Bosnia and Herzegovina	3.7				1.3
22	Czech Republic	5.5				0.9	85	Benin	3.7				1.5
23	Chile	5.4				1.0	86	Macedonia, FYR	3.7				1.3
24	Malaysia	5.4				1.0	87	Serbia and Montenegro	3.7				1.2
25	Singapore	5.4				0.9	88	Ecuador	3.7				1.0
26	Korea, Rep.	5.4				1.0	89	Honduras	3.6				1.2
27	Luxembourg	5.4				1.0	90	Tanzania	3.6				1.2
28	India	5.3				1.2	91	Vietnam	3.6				1.3
29	South Africa	5.3				0.9	92	Botswana	3.6				1.3
30	Italy	5.2				1.2	93	Nigeria	3.6				1.7
31	Spain	5.2				1.0	94	Bangladesh	3.5				1.3
32	Estonia	5.1				1.1	95	Burkina Faso	3.5				1.3
33	Tunisia	5.0				0.9	96	Cambodia	3.5				1.4
34	Slovenia	5.0				1.0	97	Algeria	3.5				1.2
35	United Arab Emirates	4.9				1.2	98	Cameroon	3.4				1.4
36	Costa Rica	4.9				1.2	99	Guyana	3.4				1.3
37	Brazil	4.9				1.2	100	Nepal	3.4				1.3
38	Kuwait	4.9				1.4	101	Nicaragua	3.4				1.2
39	Turkey	4.8				1.0	102	Moldova	3.4				1.5
40	Thailand	4.8				0.9	103	Gambia	3.3				1.5
41	Portugal	4.8				1.1	103	Mali	3.3				1.7
42	Slovak Republic	4.8				1.0	105	Paraguay	3.3				1.3
43	Peru	4.7				1.1	106	Kyrgyz Republic	3.3				1.4
44	Greece	4.7				1.1	107	Madagascar	3.3				1.4
45	Latvia	4.7				1.4	108	Mauritania	3.3				1.8
46	Mauritius	4.6				0.9	109	Suriname	3.2				1.1
47	Colombia	4.6				1.0	110	Armenia	3.2				1.4
48	Lithuania	4.6				1.3	111	Uganda	3.2				1.5
49	Cyprus	4.6				1.4	112	Tajikistan	3.2				1.5
50	Indonesia	4.6				0.7	113	Mozambique	3.0				1.2
51	Mexico	4.5				1.2	114	Malawi	2.9				1.2
52	Guatemala	4.5				1.1	115	Bolivia	2.9				1.1
53	Malta	4.5				1.1	116	Burundi	2.9				1.4
54	Panama	4.5				1.3	117	Mongolia	2.9				1.2
55	Trinidad and Tobago	4.4				1.3	118	Georgia	2.9				1.3
56	Egypt	4.4				1.5	119	Zambia	2.8				0.9
57	Bahrain	4.4				1.6	120	Chad	2.8				1.6
58	Hungary	4.4				1.2	121	Lesotho	2.8				1.6
59	Jamaica	4.4				1.1	122	Ethiopia	2.8				1.1
60	Poland	4.4				0.9	123	Albania	2.7				1.1
61	El Salvador	4.3				1.2	124	Angola	2.7				1.2
62	Croatia	4.3				1.2	125	Timor-Leste	2.0				1.2
63	Philippines	4.3				1.0							

8.03 Production process sophistication

Production processes use (1 = labor-intensive methods or previous generations of process technology, 7 = the world's best and most efficient process technology)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Germany	6.4				0.7	64	Jamaica	3.5				1.2
2	Japan	6.4				0.9	65	Jordan	3.5				1.3
3	Switzerland	6.2				0.7	66	Barbados	3.5				1.1
4	Finland	6.1				0.7	67	Argentina	3.5				1.0
5	Sweden	6.0				0.8	68	Ukraine	3.4				1.3
6	Denmark	6.0				0.8	69	Colombia	3.4				1.1
7	Belgium	5.9				0.9	70	Russian Federation	3.3				1.3
8	Austria	5.9				1.0	71	Romania	3.3				1.3
9	France	5.8				0.8	72	Honduras	3.3				1.2
10	Netherlands	5.8				0.9	73	Egypt	3.3				1.4
11	Luxembourg	5.8				0.8	74	Moldova	3.3				1.2
12	Iceland	5.7				1.1	75	Georgia	3.2				1.1
13	United States	5.7				1.2	76	Venezuela	3.2				1.1
14	Singapore	5.6				0.9	77	Dominican Republic	3.2				1.1
15	United Kingdom	5.6				0.8	78	Mongolia	3.2				1.4
16	Norway	5.5				0.7	79	Morocco	3.2				1.5
17	Taiwan, China	5.5				1.0	80	Mauritania	3.1				1.5
18	Israel	5.4				0.8	81	Armenia	3.1				1.3
19	Ireland	5.4				0.9	82	Philippines	3.1				1.1
20	Canada	5.3				1.0	83	Indonesia	3.1				1.2
21	Australia	5.2				1.0	84	Algeria	3.1				1.4
22	Korea, Rep.	5.1				0.9	85	Botswana	3.1				1.2
23	Czech Republic	5.1				0.9	86	Tajikistan	3.1				1.4
24	Malaysia	4.9				1.2	87	Sri Lanka	3.1				1.3
25	Qatar	4.8				1.6	88	Kyrgyz Republic	3.1				1.3
26	Chile	4.8				0.9	89	China	3.0				1.2
27	Italy	4.8				1.3	90	Ecuador	3.0				1.0
28	United Arab Emirates	4.7				1.3	91	Vietnam	3.0				1.3
29	Spain	4.7				0.9	92	Macedonia, FYR	3.0				1.3
30	Hong Kong SAR	4.7				1.5	93	Albania	2.9				1.4
31	New Zealand	4.6				1.1	94	Nigeria	2.9				1.5
32	Brazil	4.5				1.1	95	Tanzania	2.9				1.2
33	India	4.4				1.2	96	Cameroon	2.9				1.4
34	Slovenia	4.4				1.1	97	Benin	2.8				1.4
35	Lithuania	4.4				1.0	98	Mozambique	2.8				1.0
36	Estonia	4.4				1.3	99	Namibia	2.8				1.1
37	Tunisia	4.4				1.0	100	Suriname	2.8				1.1
38	Costa Rica	4.3				1.0	101	Bosnia and Herzegovina	2.7				1.2
39	Hungary	4.3				1.1	102	Serbia and Montenegro	2.7				1.1
40	South Africa	4.1				1.3	103	Cambodia	2.7				1.4
41	Greece	4.1				1.1	104	Burkina Faso	2.7				1.5
42	Latvia	4.1				1.2	105	Guyana	2.7				1.1
43	Turkey	4.1				1.1	106	Nicaragua	2.7				1.2
44	Kuwait	4.1				1.5	107	Paraguay	2.7				1.1
45	Trinidad and Tobago	4.0				1.3	108	Kenya	2.7				1.2
46	Kazakhstan	4.0				1.3	109	Angola	2.6				1.1
47	Portugal	4.0				1.1	110	Nepal	2.6				1.2
48	Bahrain	3.9				1.7	111	Timor-Leste	2.6				0.9
49	Mexico	3.9				1.1	112	Madagascar	2.6				1.2
50	Thailand	3.9				1.2	113	Mali	2.6				1.2
51	Mauritius	3.9				1.2	114	Uganda	2.6				1.4
52	Cyprus	3.9				1.2	115	Gambia	2.5				1.2
53	Azerbaijan	3.9				1.5	116	Bulgaria	2.5				1.2
54	Slovak Republic	3.9				1.1	117	Bolivia	2.4				1.0
55	Malta	3.8				1.0	118	Bangladesh	2.4				1.2
56	El Salvador	3.7				1.1	119	Lesotho	2.4				1.3
57	Uruguay	3.7				0.9	120	Zimbabwe	2.3				0.8
58	Poland	3.6				0.9	121	Malawi	2.2				1.0
59	Pakistan	3.6				1.4	122	Burundi	2.1				1.2
60	Peru	3.6				1.3	123	Ethiopia	2.0				1.0
61	Croatia	3.6				1.2	124	Chad	1.9				1.1
62	Panama	3.6				1.3	125	Zambia	1.5				1.0
63	Guatemala	3.5				1.0							

8.04 Extent of marketing

The extent of marketing in your country is (1 = limited and primitive, 7 = extensive and employs the world's most sophisticated tools and techniques)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.3	7	SD
1	United Kingdom.....	6.6				0.6	64	Kenya.....	4.3				1.3
2	United States.....	6.3				1.1	65	Bahrain.....	4.3				1.3
3	Germany.....	6.3				0.7	66	Malta.....	4.3				1.2
4	Switzerland.....	6.1				0.9	67	Uruguay.....	4.3				1.1
5	Netherlands.....	6.1				0.7	68	Poland.....	4.2				1.0
6	France.....	6.0				0.9	69	Pakistan.....	4.1				1.4
7	Japan.....	6.0				0.8	70	Nigeria.....	4.0				1.7
8	Canada.....	5.9				0.9	71	Sri Lanka.....	4.0				1.4
9	Sweden.....	5.9				0.7	72	Azerbaijan.....	4.0				1.7
10	Australia.....	5.8				0.9	73	Morocco.....	4.0				1.5
11	Hong Kong SAR.....	5.8				1.0	74	Romania.....	3.9				1.3
12	Austria.....	5.8				0.9	75	Ecuador.....	3.9				1.0
13	Denmark.....	5.8				0.9	76	Qatar.....	3.9				1.4
14	Belgium.....	5.7				0.8	77	Honduras.....	3.9				1.2
15	Iceland.....	5.7				1.0	78	Namibia.....	3.8				1.3
16	Finland.....	5.7				0.8	79	Kazakhstan.....	3.8				1.2
17	New Zealand.....	5.7				0.7	80	Zimbabwe.....	3.8				1.2
18	South Africa.....	5.6				1.0	81	Jordan.....	3.8				1.3
19	Luxembourg.....	5.6				1.1	82	China.....	3.7				1.3
20	Ireland.....	5.6				0.9	83	Georgia.....	3.7				1.1
21	Israel.....	5.6				1.1	84	Ukraine.....	3.7				1.4
22	Singapore.....	5.5				0.9	85	Tanzania.....	3.7				1.3
23	Spain.....	5.5				1.1	86	Russian Federation.....	3.6				1.4
24	Chile.....	5.5				0.9	87	Vietnam.....	3.6				1.4
25	Norway.....	5.5				1.0	88	Paraguay.....	3.6				1.1
26	Malaysia.....	5.5				1.0	89	Egypt.....	3.6				1.5
27	Korea, Rep.....	5.4				0.9	90	Botswana.....	3.6				1.2
28	Taiwan, China.....	5.4				0.7	91	Madagascar.....	3.5				1.5
29	India.....	5.4				1.3	92	Benin.....	3.5				1.6
30	Czech Republic.....	5.4				0.9	93	Albania.....	3.5				1.4
31	United Arab Emirates.....	5.3				1.2	94	Cambodia.....	3.4				1.4
32	Brazil.....	5.3				1.2	95	Nicaragua.....	3.4				1.2
33	Indonesia.....	5.2				0.7	96	Bangladesh.....	3.4				1.4
34	Panama.....	5.1				1.1	97	Malawi.....	3.3				1.2
35	Estonia.....	5.0				1.0	98	Macedonia, FYR.....	3.3				1.3
36	Argentina.....	5.0				1.2	99	Uganda.....	3.3				1.4
37	Greece.....	5.0				1.2	100	Bulgaria.....	3.3				1.3
38	Jamaica.....	5.0				1.1	101	Guyana.....	3.3				1.1
38	Thailand.....	5.0				0.8	102	Cameroon.....	3.2				1.5
40	Mexico.....	5.0				1.0	103	Gambia.....	3.2				1.3
41	Costa Rica.....	4.9				0.9	104	Bosnia and Herzegovina.....	3.2				1.2
42	Kuwait.....	4.9				1.4	105	Mozambique.....	3.2				1.3
43	Portugal.....	4.8				1.1	106	Kyrgyz Republic.....	3.2				1.4
44	Philippines.....	4.8				1.2	107	Bolivia.....	3.1				1.2
45	Italy.....	4.8				1.2	108	Mauritania.....	3.1				1.7
46	Colombia.....	4.8				1.1	109	Moldova.....	3.1				1.2
47	Slovenia.....	4.8				1.2	110	Mali.....	3.1				1.5
48	Cyprus.....	4.8				1.2	111	Mongolia.....	3.1				1.2
49	Dominican Republic.....	4.7				1.2	112	Armenia.....	3.1				1.2
50	Mauritius.....	4.7				1.0	113	Nepal.....	3.1				1.3
51	Latvia.....	4.7				1.4	114	Serbia and Montenegro.....	3.1				1.4
52	Slovak Republic.....	4.7				1.2	115	Suriname.....	3.1				1.2
53	Turkey.....	4.7				1.1	116	Algeria.....	3.0				1.4
54	El Salvador.....	4.6				1.1	117	Burkina Faso.....	2.9				1.3
55	Peru.....	4.6				0.9	118	Lesotho.....	2.9				1.2
55	Tunisia.....	4.6				1.2	119	Tajikistan.....	2.8				1.5
57	Lithuania.....	4.6				1.1	120	Angola.....	2.7				1.4
58	Barbados.....	4.6				1.0	121	Ethiopia.....	2.6				1.1
59	Venezuela.....	4.6				1.2	122	Zambia.....	2.2				1.1
60	Trinidad and Tobago.....	4.6				1.3	123	Burundi.....	2.0				1.2
61	Guatemala.....	4.5				1.1	124	Chad.....	2.0				1.3
62	Hungary.....	4.5				1.2	125	Timor-Leste.....	1.9				0.9
63	Croatia.....	4.5				1.4							

8.05 Control of international distribution

International distribution and marketing from your country (1 = takes place through foreign companies, 7 = is owned and controlled by local companies)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Japan	5.5				1.0	64	El Salvador	3.9				1.2
2	France	5.4				1.2	65	Jamaica	3.9				1.4
3	Switzerland	5.4				1.1	66	Romania	3.9				1.5
4	Iceland	5.4				1.1	67	Ethiopia	3.9				1.6
5	Netherlands	5.4				1.0	68	Costa Rica	3.9				1.3
6	United States	5.3				1.3	69	Mexico	3.9				1.3
7	Indonesia	5.3				0.8	70	Tajikistan	3.9				1.7
8	Finland	5.3				0.9	71	Guyana	3.8				1.5
9	Austria	5.3				0.9	72	Bulgaria	3.8				1.2
10	Germany	5.3				1.1	73	Pakistan	3.8				1.4
10	Sweden	5.3				1.1	74	Morocco	3.8				1.7
12	Israel	5.1				1.1	75	Poland	3.8				0.9
13	Denmark	5.1				1.1	76	Gambia	3.8				1.4
14	Taiwan, China	5.1				1.1	77	Sri Lanka	3.8				1.5
15	United Kingdom	5.0				1.2	78	Benin	3.8				1.6
16	Malaysia	5.0				1.1	79	Russian Federation	3.8				1.5
17	Kuwait	4.9				1.5	80	Colombia	3.8				1.2
18	Luxembourg	4.9				1.7	81	Guatemala	3.7				1.4
19	Korea, Rep.	4.8				1.1	82	Burkina Faso	3.7				1.7
20	Hong Kong SAR	4.8				1.6	83	Mali	3.7				1.9
21	Canada	4.8				1.2	84	Kenya	3.7				1.3
22	Italy	4.7				1.2	85	Slovak Republic	3.7				1.1
23	Norway	4.7				1.0	86	Uruguay	3.7				1.2
24	New Zealand	4.6				1.1	87	Bosnia and Herzegovina	3.7				1.6
25	India	4.6				1.3	88	Ecuador	3.7				1.2
26	Tunisia	4.6				1.1	89	Suriname	3.7				1.3
27	Chile	4.5				1.3	90	Macedonia, FYR	3.7				1.2
28	Egypt	4.5				1.6	91	Czech Republic	3.7				1.1
29	Turkey	4.5				1.2	92	Hungary	3.6				1.4
30	Belgium	4.5				1.3	93	Argentina	3.6				1.1
31	Lithuania	4.5				1.2	94	Tanzania	3.6				1.5
32	United Arab Emirates	4.4				1.6	95	Mauritania	3.6				1.9
33	South Africa	4.4				1.2	96	Nepal	3.5				1.7
34	Cyprus	4.4				1.4	97	Nicaragua	3.4				1.3
35	Slovenia	4.4				1.2	98	Zimbabwe	3.4				1.4
36	Australia	4.4				1.0	99	Algeria	3.4				1.6
37	Nigeria	4.4				1.8	100	Bangladesh	3.4				1.6
38	Croatia	4.3				1.2	101	Namibia	3.4				1.5
39	Brazil	4.3				1.4	102	Uganda	3.4				1.6
40	Mauritius	4.3				1.2	103	Botswana	3.4				1.1
41	Panama	4.3				1.1	104	Vietnam	3.3				1.4
42	Spain	4.3				1.1	105	Venezuela	3.3				1.3
43	Jordan	4.3				1.5	106	Moldova	3.3				1.6
44	Bahrain	4.3				1.8	107	Honduras	3.3				1.3
45	Azerbaijan	4.2				1.4	108	Dominican Republic	3.3				1.5
46	Thailand	4.2				1.3	109	Cameroon	3.3				1.7
47	Singapore	4.2				1.2	110	Serbia and Montenegro	3.2				1.4
48	Portugal	4.2				1.2	111	Madagascar	3.2				1.7
49	Peru	4.2				1.2	112	Mongolia	3.2				1.4
50	Ireland	4.2				1.3	113	Malawi	3.2				1.1
51	Kazakhstan	4.1				1.3	114	Mozambique	3.2				1.5
52	Qatar	4.1				1.7	115	Bolivia	3.2				1.3
53	Malta	4.1				1.3	116	Cambodia	3.1				1.7
54	Ukraine	4.0				1.4	117	Armenia	3.1				1.5
55	Albania	4.0				1.5	118	Burundi	3.0				1.9
56	Estonia	4.0				1.4	119	Angola	3.0				1.4
57	Greece	4.0				1.1	120	Paraguay	3.0				1.3
58	Barbados	3.9				1.2	121	Timor-Leste	2.9				1.6
59	Latvia	3.9				1.3	122	Georgia	2.9				1.6
60	Philippines	3.9				1.3	123	Lesotho	2.6				1.5
60	Trinidad and Tobago	3.9				1.6	124	Chad	2.5				1.8
62	Kyrgyz Republic	3.9				1.7	125	Zambia	2.4				1.1
63	China	3.9				1.5							

8.06 Willingness to delegate authority

Willingness to delegate authority to subordinates is (1 = low — top management controls all important decisions, 7 = high — authority is mostly delegated to business unit heads and other lower-level managers)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.7	7	SD
1	Sweden	6.3				0.9	64	Croatia	3.5				1.4
2	Denmark	6.0				0.9	65	Romania	3.5				1.4
3	Netherlands	5.7				1.1	66	Nigeria	3.5				1.9
4	Finland	5.6				1.0	67	Bahrain	3.4				1.8
5	Switzerland	5.6				1.1	68	Uruguay	3.4				1.2
6	Norway	5.6				1.1	69	Sri Lanka	3.4				1.4
7	Iceland	5.6				1.0	70	Italy	3.4				1.2
8	United States	5.5				1.3	71	China	3.4				1.5
9	New Zealand	5.4				0.8	72	Namibia	3.4				1.3
10	Germany	5.3				1.0	73	Greece	3.4				1.4
11	Austria	5.3				1.1	74	Botswana	3.3				1.3
12	United Kingdom	5.3				1.3	75	Kazakhstan	3.3				1.5
13	Canada	5.2				1.0	76	Kenya	3.3				1.6
14	Australia	5.2				1.0	77	Jordan	3.3				1.5
15	Japan	5.2				1.1	78	Honduras	3.2				1.5
16	Ireland	5.2				1.4	79	Trinidad and Tobago	3.2				1.7
17	Malaysia	5.2				1.2	80	Ukraine	3.2				1.4
18	Luxembourg	5.1				1.6	81	Ecuador	3.2				1.3
19	Belgium	5.1				1.1	82	Dominican Republic	3.2				1.4
20	Hong Kong SAR	5.0				1.5	83	Gambia	3.2				1.5
21	Indonesia	5.0				1.0	84	Russian Federation	3.2				1.5
22	Israel	5.0				0.9	85	Uganda	3.1				1.7
23	Taiwan, China	4.8				1.1	86	Azerbaijan	3.1				1.5
24	France	4.6				1.5	87	Venezuela	3.1				1.1
25	Singapore	4.6				1.3	88	Egypt	3.1				1.7
26	South Africa	4.6				1.2	89	Cambodia	3.1				1.5
27	Thailand	4.5				1.1	90	Macedonia, FYR	3.1				1.4
28	Estonia	4.5				1.3	91	Moldova	3.1				1.3
29	Costa Rica	4.4				1.3	92	Mongolia	3.1				1.7
30	India	4.3				1.4	93	Malawi	3.0				1.3
31	Philippines	4.3				1.4	94	Albania	3.0				1.6
32	Tunisia	4.1				1.5	95	Morocco	3.0				1.7
33	Tanzania	4.1				1.9	96	Mauritania	3.0				1.8
34	Chile	4.1				1.3	97	Guyana	2.9				1.5
35	Qatar	4.0				1.9	97	Pakistan	2.9				1.4
35	Slovak Republic	4.0				1.3	99	Suriname	2.9				1.5
37	Lithuania	4.0				1.2	100	Serbia and Montenegro	2.9				1.5
38	Korea, Rep.	4.0				1.4	101	Lesotho	2.9				1.5
39	Brazil	4.0				1.4	102	Benin	2.8				1.8
40	Slovenia	4.0				1.4	103	Bosnia and Herzegovina	2.8				1.2
41	Czech Republic	3.9				1.2	104	Madagascar	2.8				1.3
42	Latvia	3.9				1.5	105	Nicaragua	2.8				1.3
43	United Arab Emirates	3.9				1.7	106	Timor-Leste	2.8				1.1
44	Spain	3.9				1.2	107	Mozambique	2.8				1.3
45	Mexico	3.8				1.4	108	Nepal	2.7				1.4
46	Peru	3.8				1.3	109	Armenia	2.7				1.3
47	Colombia	3.8				1.3	110	Burundi	2.7				1.7
48	Mauritius	3.8				1.2	111	Bolivia	2.7				1.2
49	Poland	3.8				1.0	112	Mali	2.7				1.5
50	Turkey	3.8				1.3	113	Algeria	2.6				1.4
51	Guatemala	3.7				1.3	114	Tajikistan	2.6				1.3
51	Portugal	3.7				1.1	115	Ethiopia	2.6				1.3
53	Hungary	3.7				1.4	116	Bulgaria	2.6				1.2
54	El Salvador	3.7				1.2	117	Georgia	2.6				1.2
55	Argentina	3.6				1.3	118	Bangladesh	2.6				1.3
56	Panama	3.6				1.5	119	Chad	2.5				1.7
57	Malta	3.6				1.3	120	Paraguay	2.5				1.1
58	Barbados	3.6				1.5	121	Burkina Faso	2.5				1.6
59	Jamaica	3.6				1.5	122	Kyrgyz Republic	2.5				1.4
60	Cyprus	3.5				1.4	123	Zambia	2.5				1.0
61	Zimbabwe	3.5				1.3	124	Cameroon	2.4				1.5
62	Kuwait	3.5				1.6	125	Angola	2.3				1.0
63	Vietnam	3.5				1.5							

8.07 Nature of competitive advantage

Competitiveness of your country's companies in international markets is primarily due to (1 = low cost or local natural resources, 7 = unique products and processes)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.6	7	SD
1	Germany	6.4				0.7	64	Thailand	3.4				1.2
2	Switzerland	6.3				0.7	65	Latvia	3.4				1.4
3	Japan	6.1				1.3	66	Nigeria	3.4				1.7
4	Denmark	6.0				1.0	67	Mexico	3.4				1.3
5	Finland	5.9				0.8	68	Tanzania	3.3				1.5
6	Belgium	5.8				1.0	69	Bahrain	3.3				1.7
7	Austria	5.8				0.9	70	Jordan	3.3				1.4
8	Sweden	5.7				1.1	71	South Africa	3.3				1.2
9	France	5.7				0.8	72	Azerbaijan	3.3				1.3
10	United Kingdom	5.7				0.8	73	Turkey	3.2				1.1
11	Netherlands	5.6				1.0	74	China	3.2				1.7
12	Israel	5.5				0.9	75	Mauritius	3.2				1.3
13	Luxembourg	5.5				1.1	76	Ukraine	3.1				1.3
14	United States	5.4				1.3	77	Cambodia	3.1				1.6
15	Ireland	5.4				1.1	78	Trinidad and Tobago	3.1				1.7
16	Italy	5.3				1.3	79	Ecuador	3.1				1.3
17	Iceland	5.2				1.1	80	Malawi	3.1				1.7
18	Singapore	5.2				1.0	81	Suriname	3.1				1.4
19	Hong Kong SAR	5.2				1.6	82	Morocco	3.1				1.6
20	Korea, Rep.	5.1				1.1	83	Bosnia and Herzegovina	3.1				1.4
21	Norway	5.1				1.7	84	Burkina Faso	3.0				1.2
22	Barbados	4.9				1.1	85	Moldova	3.0				1.4
23	Taiwan, China	4.8				1.2	86	Brazil	3.0				1.3
24	Malaysia	4.6				1.3	87	Mongolia	3.0				1.9
25	Jamaica	4.4				1.6	88	Guyana	2.9				1.6
26	Tunisia	4.2				1.3	89	Georgia	2.9				1.2
27	Spain	4.1				1.1	90	Slovak Republic	2.9				1.0
28	Costa Rica	4.1				1.2	91	Gambia	2.9				1.4
29	Slovenia	4.1				1.2	92	Dominican Republic	2.9				1.2
30	Cyprus	4.1				1.3	93	Uruguay	2.9				1.2
31	Malta	4.0				1.2	94	Indonesia	2.8				1.0
32	Canada	4.0				1.6	95	Chad	2.8				1.3
33	Lithuania	4.0				1.3	96	Burundi	2.8				1.3
34	New Zealand	3.9				1.5	97	Algeria	2.8				1.3
35	Panama	3.9				1.4	98	Nepal	2.8				1.3
36	El Salvador	3.9				1.3	99	Kazakhstan	2.8				1.1
37	Qatar	3.8				1.8	100	Nicaragua	2.8				1.5
38	Poland	3.8				1.1	101	Kyrgyz Republic	2.8				1.4
39	Croatia	3.7				1.3	102	Philippines	2.8				1.0
40	Australia	3.7				1.5	103	Lesotho	2.7				1.4
41	United Arab Emirates	3.7				1.6	104	Angola	2.7				1.2
42	Timor-Leste	3.7				1.7	105	Mozambique	2.7				1.3
43	Czech Republic	3.7				1.2	106	Macedonia, FYR	2.7				1.5
44	Hungary	3.6				1.3	107	Russian Federation	2.7				1.3
45	Greece	3.6				1.1	108	Bulgaria	2.7				1.2
46	India	3.6				1.4	109	Romania	2.6				1.2
47	Kuwait	3.6				1.7	110	Honduras	2.6				1.3
48	Mauritania	3.6				1.6	111	Mali	2.6				1.3
49	Namibia	3.5				1.6	112	Cameroon	2.6				1.3
50	Botswana	3.5				1.6	113	Madagascar	2.6				1.3
51	Chile	3.5				1.3	114	Tajikistan	2.6				1.3
52	Guatemala	3.5				1.4	115	Bolivia	2.6				1.2
53	Portugal	3.5				1.1	116	Vietnam	2.6				1.2
54	Pakistan	3.5				1.4	117	Ethiopia	2.5				1.6
55	Colombia	3.5				1.4	118	Venezuela	2.5				1.1
56	Uganda	3.5				1.9	119	Serbia and Montenegro	2.5				1.4
57	Sri Lanka	3.4				1.7	120	Argentina	2.4				1.0
58	Kenya	3.4				1.6	121	Bangladesh	2.3				1.2
59	Armenia	3.4				1.7	122	Albania	2.2				1.6
60	Peru	3.4				1.5	123	Zimbabwe	2.2				1.0
61	Estonia	3.4				1.2	124	Paraguay	2.2				1.1
62	Egypt	3.4				1.6	125	Zambia	2.1				1.3
63	Benin	3.4				1.4							

8.08 Value chain presence

Exporting companies in your country (1 = are primarily involved in resource extraction or production, 7 = not only produce but also perform product design, marketing sales, logistics and after-sales services)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Germany	6.5				0.6	64	Kenya	3.5				1.7
2	Switzerland	6.5				0.7	65	Kuwait	3.4				1.8
3	Japan	6.4				0.9	66	Jamaica	3.4				1.5
4	Austria	6.2				0.7	67	Guatemala	3.4				1.3
5	United Kingdom	6.2				0.9	68	Armenia	3.4				1.5
6	Denmark	6.1				1.0	69	Bulgaria	3.4				1.4
7	Sweden	6.1				1.1	70	Morocco	3.4				1.8
8	France	6.1				0.9	71	Peru	3.4				1.4
9	Netherlands	6.0				0.9	72	Ukraine	3.3				1.3
10	Finland	6.0				0.9	73	Romania	3.3				1.4
11	Belgium	6.0				0.9	74	Honduras	3.2				1.5
12	Hong Kong SAR	6.0				1.2	75	Bahrain	3.2				1.7
13	Italy	5.9				1.0	76	Georgia	3.2				1.4
14	Luxembourg	5.8				1.2	77	Nigeria	3.2				1.8
15	United States	5.7				1.2	78	Azerbaijan	3.1				1.5
16	Singapore	5.7				1.0	79	South Africa	3.1				1.2
17	Israel	5.6				0.9	80	Bangladesh	3.1				1.5
18	Ireland	5.5				1.2	81	Madagascar	3.1				1.6
19	Taiwan, China	5.5				1.0	82	Indonesia	3.1				1.2
20	Korea, Rep.	5.5				0.9	83	Dominican Republic	3.1				1.3
21	Slovenia	5.2				1.2	84	Trinidad and Tobago	3.0				1.8
22	India	5.1				1.2	85	Uruguay	3.0				1.1
23	Malaysia	5.1				1.2	86	Mauritania	3.0				1.9
24	Spain	5.0				1.1	87	Uganda	3.0				1.6
25	Lithuania	4.9				1.0	88	Macedonia, FYR	3.0				1.4
26	Hungary	4.8				1.2	89	Kyrgyz Republic	3.0				1.4
27	Czech Republic	4.8				1.2	90	Bosnia and Herzegovina	3.0				1.5
28	Mauritius	4.7				1.0	91	Lesotho	2.9				1.6
29	Tunisia	4.7				1.0	92	Cameroon	2.9				1.7
30	Iceland	4.6				1.6	93	Nepal	2.9				1.4
31	Costa Rica	4.6				1.3	94	Burundi	2.9				1.6
32	Barbados	4.4				1.1	95	Vietnam	2.9				1.3
33	Malta	4.2				1.4	96	Ecuador	2.8				1.3
34	Portugal	4.2				1.2	97	Tajikistan	2.8				1.4
35	Slovak Republic	4.2				1.2	98	Nicaragua	2.8				1.3
36	Estonia	4.2				1.4	99	Australia	2.8				1.3
37	Turkey	4.1				1.2	100	Chad	2.7				1.7
38	Mexico	4.1				1.2	101	Timor-Leste	2.7				1.3
39	Poland	4.1				1.0	102	Burkina Faso	2.7				1.5
40	New Zealand	4.1				1.5	103	Kazakhstan	2.7				1.3
41	Thailand	4.1				1.2	104	Tanzania	2.6				1.1
42	Philippines	4.0				1.5	105	Malawi	2.6				1.4
43	Cyprus	4.0				1.3	106	Argentina	2.6				1.2
44	Egypt	4.0				1.7	107	Botswana	2.6				1.3
45	Norway	4.0				1.7	108	Mozambique	2.6				1.4
46	Canada	4.0				1.7	109	Bolivia	2.5				1.3
47	Pakistan	4.0				1.3	110	Namibia	2.5				1.3
48	Greece	4.0				1.2	111	Serbia and Montenegro	2.5				1.2
49	Latvia	3.9				1.4	112	Russian Federation	2.5				1.3
50	Colombia	3.9				1.4	113	Ethiopia	2.4				1.3
51	El Salvador	3.8				1.2	114	Guyana	2.4				1.3
52	United Arab Emirates	3.8				1.6	115	Algeria	2.4				1.4
53	Moldova	3.8				1.5	116	Gambia	2.3				1.2
54	Jordan	3.7				1.5	117	Paraguay	2.3				1.2
55	Brazil	3.7				1.4	118	Suriname	2.3				1.2
56	China	3.7				1.5	119	Mali	2.3				1.3
57	Sri Lanka	3.6				1.6	120	Zimbabwe	2.3				1.3
58	Chile	3.6				1.5	121	Albania	2.2				1.3
59	Croatia	3.6				1.5	122	Angola	2.2				1.3
60	Benin	3.6				1.7	123	Venezuela	2.1				1.1
61	Qatar	3.6				1.9	124	Mongolia	2.0				1.1
62	Cambodia	3.6				1.8	125	Zambia	1.8				0.9
63	Panama	3.5				1.4							

8.09 Buyer sophistication

Buyers in your country are (1 = unsophisticated and make choices based on the lowest price, 7 = knowledgeable and demanding and buy based on superior performance attributes)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Japan	6.2				1.0	64	Latvia	3.9				1.6
2	Switzerland	6.1				1.0	65	Namibia	3.9				1.5
3	United Kingdom	6.0				0.9	66	Croatia	3.9				1.6
4	Hong Kong SAR	5.9				1.2	67	Pakistan	3.9				1.5
5	Luxembourg	5.8				1.2	68	Ukraine	3.8				1.7
6	Netherlands	5.8				1.1	69	Romania	3.8				1.7
7	Belgium	5.8				1.1	70	Vietnam	3.8				1.5
8	Ireland	5.7				1.1	71	Jordan	3.8				1.6
9	Finland	5.7				1.0	72	Dominican Republic	3.7				1.4
10	United States	5.7				1.3	73	Peru	3.7				1.5
11	France	5.7				1.2	74	Cambodia	3.7				1.6
12	Indonesia	5.7				1.1	75	Colombia	3.7				1.6
13	Australia	5.7				1.0	76	Guatemala	3.6				1.3
14	Austria	5.7				1.2	77	Botswana	3.6				1.4
15	Germany	5.7				1.3	78	Slovak Republic	3.6				1.5
16	Sweden	5.7				1.3	79	Uruguay	3.6				1.3
17	Denmark	5.7				1.2	80	Venezuela	3.6				1.3
18	Canada	5.6				1.3	81	Tanzania	3.6				1.7
19	Singapore	5.6				1.1	82	Kenya	3.6				1.8
20	Israel	5.5				1.1	83	Nigeria	3.5				1.9
21	Korea, Rep.	5.5				1.2	84	Hungary	3.5				1.4
22	New Zealand	5.5				1.1	85	Bangladesh	3.5				1.5
23	Norway	5.5				1.3	86	Georgia	3.4				1.3
24	Taiwan, China	5.4				0.9	87	Bulgaria	3.2				1.7
25	Malaysia	5.4				1.0	88	Tajikistan	3.2				1.7
26	India	5.4				1.4	89	Mongolia	3.2				1.5
27	Iceland	5.4				1.2	90	Algeria	3.1				1.5
28	Tunisia	5.1				1.1	91	Zimbabwe	3.1				1.1
29	Spain	5.1				1.2	92	Egypt	3.0				1.8
30	Chile	5.1				1.4	93	Armenia	3.0				1.3
31	Slovenia	5.0				1.4	94	Morocco	3.0				1.6
32	United Arab Emirates	4.8				1.5	95	Guyana	3.0				1.6
33	Panama	4.8				1.4	96	Nicaragua	3.0				1.6
34	South Africa	4.7				1.2	97	Uganda	3.0				1.7
35	Italy	4.7				1.4	98	Albania	3.0				1.4
36	Costa Rica	4.6				1.5	99	Macedonia, FYR	2.9				1.5
37	Barbados	4.6				1.2	100	Moldova	2.9				1.4
38	Estonia	4.6				1.3	101	Malawi	2.9				1.5
39	Cyprus	4.6				1.2	102	Bosnia and Herzegovina	2.9				1.5
40	Bahrain	4.6				1.6	103	Ecuador	2.9				1.4
41	Thailand	4.5				1.2	104	Serbia and Montenegro	2.8				1.6
42	Kazakhstan	4.5				1.7	105	Kyrgyz Republic	2.8				1.6
43	Greece	4.4				1.3	106	Gambia	2.8				1.7
44	Kuwait	4.4				1.5	107	Nepal	2.8				1.2
45	Czech Republic	4.4				1.5	108	Honduras	2.7				1.4
46	Philippines	4.4				1.5	109	Lesotho	2.7				1.5
47	Jamaica	4.4				1.5	110	Suriname	2.7				1.3
48	Qatar	4.4				1.5	111	Paraguay	2.6				1.3
49	Mauritius	4.3				1.4	112	Benin	2.6				1.6
50	Trinidad and Tobago	4.3				1.8	113	Mozambique	2.5				1.4
51	Portugal	4.3				1.0	114	Ethiopia	2.5				1.3
52	Malta	4.3				1.5	115	Mali	2.4				1.5
53	Russian Federation	4.3				1.7	116	Angola	2.3				0.9
54	Turkey	4.2				1.4	117	Bolivia	2.3				1.1
55	El Salvador	4.1				1.5	118	Mauritania	2.3				1.5
56	Azerbaijan	4.1				1.7	119	Burkina Faso	2.2				1.2
57	Argentina	4.1				1.4	120	Cameroon	2.2				1.2
58	Brazil	4.1				1.5	121	Madagascar	2.1				1.2
59	Mexico	4.1				1.5	122	Timor-Leste	1.9				1.1
60	Poland	4.0				1.1	123	Zambia	1.9				1.3
61	Sri Lanka	4.0				1.7	124	Burundi	1.8				1.1
62	China	3.9				1.4	125	Chad	1.6				1.1
63	Lithuania	3.9				1.5							

8.10 Local availability of process machinery

How is process equipment and machinery specific to your field obtained in your country? (1 = specialized process equipment and machinery are almost always imported, 7 = specialized process equipment and machinery are almost always locally available from capable suppliers)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 2.9	7	SD
1	Japan	6.2				0.8	64	Croatia	2.7				1.4
2	Germany	6.0				1.2	65	New Zealand.....	2.7				1.3
3	United States.....	5.3				1.3	66	Vietnam.....	2.7				1.5
4	Italy	4.9				1.4	67	Cyprus	2.6				1.7
5	Netherlands	4.8				1.5	68	Luxembourg	2.6				1.4
6	Finland	4.8				1.5	69	Philippines	2.6				1.5
7	Denmark	4.8				1.3	70	Nigeria	2.6				1.7
8	Sweden	4.8				1.3	71	Morocco	2.6				1.4
9	China.....	4.8				1.5	72	Kenya.....	2.6				1.5
10	Indonesia	4.7				1.0	73	Mexico.....	2.6				1.5
11	Switzerland.....	4.6				1.7	74	Sri Lanka	2.5				1.6
12	United Kingdom.....	4.5				1.5	75	Mauritania	2.5				2.1
13	Belgium	4.3				1.7	76	Guatemala	2.5				1.6
14	Canada	4.3				1.6	77	Cambodia.....	2.5				1.7
15	Austria	4.3				1.2	78	Bosnia and Herzegovina.....	2.5				1.4
16	India	4.3				1.6	79	Colombia.....	2.5				1.2
17	Malaysia.....	4.2				1.7	80	Panama.....	2.4				1.5
18	Korea, Rep.	4.2				1.5	81	Madagascar	2.4				1.5
19	Brazil	4.2				1.7	82	Bahrain.....	2.3				1.7
20	France	4.1				1.3	83	Armenia	2.3				1.5
21	Czech Republic.....	4.0				1.6	84	Costa Rica.....	2.3				1.3
22	Poland.....	4.0				1.1	84	Peru	2.3				1.2
23	Taiwan, China.....	4.0				1.6	86	El Salvador	2.3				1.4
24	Hong Kong SAR.....	3.9				1.8	87	Botswana.....	2.2				1.3
25	Tunisia	3.9				1.5	88	Malta.....	2.2				1.5
26	Ukraine	3.9				1.5	89	Mauritius.....	2.2				1.4
27	Russian Federation.....	3.8				1.7	90	Jamaica	2.2				1.4
28	Spain	3.8				1.6	91	Uganda	2.1				1.5
29	Azerbaijan	3.8				1.9	92	Chad	2.1				1.7
30	Norway	3.8				1.4	93	Timor-Leste.....	2.1				1.4
31	Israel	3.7				1.5	94	Uruguay	2.1				1.1
32	Kazakhstan.....	3.6				1.6	95	Algeria.....	2.1				1.2
33	Ireland	3.6				1.7	96	Mongolia.....	2.1				1.4
34	Lithuania	3.5				1.7	97	Namibia.....	2.0				1.2
35	Iceland	3.4				2.0	98	Georgia	2.0				1.2
36	Australia.....	3.3				1.5	99	Trinidad and Tobago.....	2.0				1.3
37	Turkey	3.3				1.3	100	Gambia	1.9				1.2
38	Portugal	3.2				1.5	101	Bolivia	1.9				1.1
39	Hungary	3.2				1.5	102	Benin	1.9				1.3
40	Qatar	3.2				2.0	103	Venezuela	1.9				1.1
41	Singapore.....	3.2				1.5	104	Cameroon	1.9				1.3
42	United Arab Emirates.....	3.1				2.0	105	Ecuador.....	1.9				1.0
43	Slovenia	3.1				1.7	106	Dominican Republic.....	1.9				1.5
44	Kyrgyz Republic	3.1				1.8	107	Mali	1.9				1.7
44	Thailand	3.1				1.4	108	Guyana.....	1.8				1.2
46	Egypt	3.1				1.8	109	Ethiopia.....	1.8				1.2
47	South Africa.....	3.1				1.5	110	Barbados.....	1.8				1.2
48	Tajikistan	3.1				2.0	111	Nicaragua.....	1.8				1.0
49	Estonia.....	3.1				1.5	112	Burkina Faso.....	1.8				1.3
50	Pakistan	3.0				1.4	113	Bangladesh.....	1.8				1.1
51	Romania.....	3.0				1.7	114	Paraguay	1.7				1.1
52	Tanzania	3.0				2.0	115	Albania	1.7				1.1
53	Kuwait.....	3.0				1.9	116	Angola.....	1.7				1.1
54	Moldova.....	3.0				1.8	117	Nepal	1.7				1.1
55	Serbia and Montenegro.....	2.9				1.8	118	Burundi	1.6				1.2
56	Latvia	2.9				1.7	119	Honduras	1.6				0.9
57	Chile.....	2.9				1.6	120	Zimbabwe.....	1.6				1.1
58	Bulgaria.....	2.9				1.6	121	Malawi	1.6				1.0
59	Argentina	2.8				1.3	122	Mozambique.....	1.6				0.9
60	Slovak Republic	2.8				1.1	123	Zambia	1.5				0.8
61	Greece	2.8				1.3	124	Suriname	1.5				0.9
62	Macedonia, FYR	2.8				1.6	125	Lesotho.....	1.5				1.0
63	Jordan	2.8				1.5							

8.11 Degree of customer orientation

Customer orientation: Firms in your country (1 = generally treat their customers badly, 7 = are highly responsive to customers and customer retention)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.6	7	SD
1	Japan	6.2				0.8	64	Slovak Republic	4.5				1.2
2	Austria	6.1				0.9	65	Moldova	4.5				1.4
3	Finland	5.9				0.9	66	Malta	4.4				1.2
4	Hong Kong SAR	5.9				0.9	67	Croatia	4.4				1.3
5	Switzerland	5.9				1.1	68	Hungary	4.4				1.4
6	Korea, Rep.	5.9				0.8	69	Nepal	4.4				1.5
7	Germany	5.9				0.8	70	Uruguay	4.4				1.1
8	Denmark	5.9				0.7	71	Jamaica	4.3				1.1
9	Sweden	5.8				0.7	72	Tajikistan	4.3				1.8
10	Taiwan, China	5.8				0.8	73	Panama	4.3				1.5
11	United States	5.8				1.2	74	Pakistan	4.3				1.3
12	Iceland	5.8				0.8	75	Barbados	4.3				1.1
13	Canada	5.8				0.9	76	Qatar	4.3				1.5
14	Belgium	5.7				0.8	77	Dominican Republic	4.3				1.5
15	New Zealand	5.7				0.8	78	China	4.2				1.4
16	Netherlands	5.7				0.7	79	Ukraine	4.2				1.4
17	United Kingdom	5.6				1.3	80	Romania	4.2				1.5
18	Indonesia	5.6				0.7	81	Bangladesh	4.2				1.5
19	Ireland	5.6				0.8	82	Argentina	4.1				1.3
20	Luxembourg	5.6				1.1	83	Morocco	4.1				1.7
21	Australia	5.5				1.0	84	Georgia	4.1				1.2
22	Norway	5.5				0.8	85	Gambia	4.1				1.6
23	Malaysia	5.5				0.9	86	Kyrgyz Republic	4.1				1.8
24	France	5.5				1.1	86	Poland	4.1				1.1
25	Israel	5.5				0.8	88	Trinidad and Tobago	4.1				1.5
26	Singapore	5.4				0.9	89	Uganda	4.0				1.6
27	Estonia	5.3				0.8	90	Bulgaria	4.0				1.5
28	Thailand	5.3				0.8	91	Armenia	4.0				1.6
29	Slovenia	5.3				1.2	92	Honduras	4.0				1.3
30	Lithuania	5.2				0.9	93	Tanzania	4.0				1.6
31	India	5.1				1.0	94	Vietnam	4.0				1.4
32	Chile	5.0				1.1	95	Benin	4.0				1.7
33	Turkey	5.0				1.0	96	Burkina Faso	4.0				1.6
34	Colombia	5.0				1.1	97	Macedonia, FYR	3.9				1.5
35	Cyprus	5.0				1.2	98	Malawi	3.9				1.3
36	United Arab Emirates	5.0				1.3	99	Albania	3.9				1.4
37	Spain	5.0				1.2	100	Venezuela	3.9				1.5
38	Costa Rica	5.0				1.2	101	Mauritania	3.9				2.1
39	Kuwait	5.0				1.3	102	Bosnia and Herzegovina	3.8				1.4
40	Czech Republic	4.9				1.2	103	Madagascar	3.8				1.5
41	Kazakhstan	4.9				1.2	104	Guyana	3.8				1.4
42	Kenya	4.9				1.3	105	Zimbabwe	3.8				1.4
43	Bahrain	4.8				1.2	106	Lesotho	3.7				1.4
43	Philippines	4.8				1.1	107	Mali	3.7				1.7
45	Mexico	4.8				1.4	108	Botswana	3.7				1.4
46	Latvia	4.8				1.2	109	Paraguay	3.7				1.5
47	Egypt	4.8				1.5	110	Algeria	3.7				1.6
48	Peru	4.8				1.2	111	Mongolia	3.7				1.4
49	South Africa	4.8				1.2	112	Namibia	3.7				1.3
50	Brazil	4.8				1.3	113	Cameroon	3.6				1.5
50	Mauritius	4.8				1.3	113	Ethiopia	3.6				1.5
52	Italy	4.8				1.3	115	Serbia and Montenegro	3.6				1.5
53	Portugal	4.7				1.0	116	Nicaragua	3.5				1.2
54	El Salvador	4.7				1.2	117	Mozambique	3.4				1.3
55	Russian Federation	4.7				1.5	118	Bolivia	3.4				1.3
56	Greece	4.7				1.3	119	Ecuador	3.3				1.1
57	Nigeria	4.7				1.6	120	Suriname	3.3				1.2
58	Azerbaijan	4.7				1.6	121	Timor-Leste	3.2				1.5
59	Tunisia	4.7				1.2	122	Burundi	3.1				1.9
60	Jordan	4.6				1.3	123	Angola	2.8				1.2
61	Guatemala	4.6				1.2	124	Chad	2.6				1.6
62	Sri Lanka	4.6				1.4	125	Zambia	2.1				1.4
63	Cambodia	4.5				1.7							

8.12 Extent of incentive compensation

Cash compensation of management (1 = is based exclusively on salary, 7 = includes bonuses and stock options, representing a significant portion of overall compensation)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.1	7	SD
1	United Kingdom	6.0				0.9	64	Tunisia	4.1				1.7
2	United States	6.0				1.2	65	Colombia	4.1				1.4
3	Germany	5.8				1.0	66	Peru	4.0				1.3
4	Switzerland	5.8				1.0	67	Honduras	4.0				1.6
5	South Africa	5.8				0.9	68	Jamaica	4.0				1.4
6	Sweden	5.7				0.8	69	El Salvador	4.0				1.5
7	Netherlands	5.7				0.9	70	Ecuador	3.9				1.4
8	France	5.6				1.1	71	Sri Lanka	3.9				1.4
9	Canada	5.6				1.1	72	Uruguay	3.9				1.3
10	Australia	5.5				1.0	73	Namibia	3.8				1.4
11	Ireland	5.4				0.9	74	Slovak Republic	3.7				1.4
12	Denmark	5.4				1.1	75	Nigeria	3.7				1.8
13	Hong Kong SAR	5.4				1.2	76	Malta	3.7				1.3
14	Israel	5.3				1.0	77	Bulgaria	3.7				1.8
15	Finland	5.3				1.1	78	Lithuania	3.7				1.3
16	Iceland	5.3				0.8	79	Zambia	3.7				2.1
17	Indonesia	5.3				1.1	80	Kazakhstan	3.7				1.5
18	Malaysia	5.3				1.1	81	Turkey	3.6				1.3
19	Singapore	5.2				1.1	82	Malawi	3.6				1.3
20	Luxembourg	5.2				1.3	83	Cyprus	3.6				1.3
21	New Zealand	5.0				1.0	84	Nicaragua	3.5				1.4
22	Austria	5.0				1.2	85	Moldova	3.5				1.5
23	Spain	5.0				1.2	86	Botswana	3.5				1.4
24	Taiwan, China	5.0				1.2	87	Ukraine	3.5				1.4
25	Chile	4.9				1.1	88	Tanzania	3.5				1.4
26	India	4.9				1.3	89	Gambia	3.4				1.6
27	Korea, Rep.	4.9				1.3	90	Serbia and Montenegro	3.4				1.7
28	Zimbabwe	4.9				1.1	91	Suriname	3.4				1.5
29	Mexico	4.9				1.3	92	Bolivia	3.4				1.5
30	Belgium	4.8				1.3	93	Morocco	3.4				1.7
31	Panama	4.8				1.2	94	Pakistan	3.3				1.2
32	Norway	4.8				1.1	95	Kenya	3.3				1.6
33	Estonia	4.8				1.2	96	Benin	3.3				1.6
34	Argentina	4.8				1.3	97	Macedonia, FYR	3.3				1.6
35	Italy	4.7				1.3	98	Georgia	3.3				1.4
36	Thailand	4.7				1.0	99	Jordan	3.3				1.5
37	Costa Rica	4.6				1.2	100	Mozambique	3.3				1.3
38	Portugal	4.6				1.2	101	Madagascar	3.3				1.5
39	Hungary	4.6				1.3	102	Armenia	3.2				1.4
40	Mauritius	4.6				1.1	103	Egypt	3.2				1.7
41	Japan	4.6				1.4	104	Tajikistan	3.2				1.5
42	Qatar	4.5				1.5	105	Paraguay	3.2				1.5
43	Slovenia	4.5				1.3	106	Cambodia	3.2				1.8
44	Brazil	4.5				1.3	107	Guyana	3.1				1.5
45	Greece	4.5				1.3	108	Mongolia	3.0				1.6
46	Dominican Republic	4.5				1.4	109	Albania	3.0				1.6
47	Czech Republic	4.4				1.3	110	Kyrgyz Republic	3.0				1.5
48	Philippines	4.4				1.5	111	Lesotho	2.9				1.6
49	Azerbaijan	4.4				1.9	112	Uganda	2.9				1.6
50	Kuwait	4.4				1.6	113	Chad	2.9				1.6
51	Croatia	4.4				1.5	114	Mauritania	2.9				1.7
52	Vietnam	4.4				1.4	115	Bosnia and Herzegovina	2.8				1.3
53	Guatemala	4.3				1.3	116	Angola	2.8				1.1
54	United Arab Emirates	4.3				1.6	117	Nepal	2.8				1.3
55	Barbados	4.2				1.4	118	Bangladesh	2.8				1.5
56	Trinidad and Tobago	4.2				1.4	119	Timor-Leste	2.7				1.1
57	Latvia	4.2				1.5	120	Algeria	2.7				1.6
58	Bahrain	4.2				1.8	121	Cameroon	2.7				1.5
59	Romania	4.2				1.6	122	Burundi	2.7				1.5
60	Russian Federation	4.1				1.5	123	Ethiopia	2.7				1.4
61	Venezuela	4.1				1.5	124	Burkina Faso	2.7				1.5
62	China	4.1				1.5	125	Mali	2.6				1.5
63	Poland	4.1				1.0							

Section IX

Innovation

9.01 Quality of scientific research institutions

Scientific research institutions in your country (e.g., university laboratories, government laboratories) are (1 = nonexistent, 7 = the best in their fields internationally)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Switzerland	6.3				0.7	64	Greece	3.7				1.3
2	United States	6.0				1.2	65	Tajikistan	3.7				1.6
3	United Kingdom	6.0				1.0	66	Trinidad and Tobago	3.7				1.3
4	Israel	6.0				0.7	67	Romania	3.7				1.3
5	Japan	5.8				0.7	68	Bulgaria	3.7				1.5
6	Germany	5.8				0.8	69	Ethiopia	3.7				1.2
7	Finland	5.7				0.7	70	Armenia	3.7				1.3
8	Sweden	5.6				0.8	71	Mauritius	3.6				1.3
9	Belgium	5.6				0.8	72	Slovak Republic	3.6				1.0
10	Singapore	5.5				0.8	73	Argentina	3.6				1.3
11	Canada	5.5				0.9	74	Jordan	3.6				1.3
12	Netherlands	5.5				0.9	75	Botswana	3.6				1.4
13	Denmark	5.3				0.8	76	Colombia	3.6				1.2
14	India	5.3				1.0	77	Burkina Faso	3.5				1.3
15	Ireland	5.3				0.9	78	Cyprus	3.5				1.4
16	Australia	5.3				1.2	79	Philippines	3.5				1.5
17	Malaysia	5.2				1.1	80	Uruguay	3.5				1.1
18	Norway	5.1				0.9	81	Malawi	3.5				1.5
19	New Zealand	5.1				1.0	82	Mongolia	3.4				1.2
20	France	5.1				1.1	83	Morocco	3.4				1.5
21	Taiwan, China	5.0				0.9	84	Macedonia, FYR	3.4				1.5
22	Korea, Rep.	5.0				1.1	85	Algeria	3.4				1.3
23	Austria	4.9				1.0	86	Nepal	3.4				1.4
24	Hong Kong SAR	4.8				1.0	87	Mali	3.4				1.5
25	South Africa	4.8				1.1	88	Italy	3.4				1.5
26	Hungary	4.7				1.0	89	Malta	3.3				1.3
27	Indonesia	4.7				0.9	90	Bangladesh	3.3				1.3
28	Estonia	4.7				1.3	91	Panama	3.3				1.2
29	Czech Republic	4.6				1.1	92	Guatemala	3.2				1.3
30	Iceland	4.6				0.9	93	Madagascar	3.2				1.2
31	Kenya	4.5				1.4	94	Georgia	3.2				1.2
32	Russian Federation	4.4				1.6	95	Egypt	3.2				1.5
33	Tunisia	4.4				1.4	96	Mozambique	3.2				1.4
34	Uganda	4.3				1.4	97	Suriname	3.1				1.2
35	Portugal	4.3				0.9	98	Vietnam	3.1				1.0
36	Brazil	4.3				1.2	99	Kyrgyz Republic	3.1				1.4
37	Thailand	4.2				1.0	100	Guyana	3.1				1.2
38	Costa Rica	4.2				1.2	101	Gambia	3.1				1.4
39	Jamaica	4.2				1.0	102	Zambia	3.0				1.0
40	Tanzania	4.2				1.4	103	Namibia	3.0				1.2
41	Slovenia	4.2				1.2	104	Moldova	3.0				1.2
42	Sri Lanka	4.1				1.5	105	Venezuela	3.0				1.1
43	Serbia and Montenegro	4.1				1.3	106	Bosnia and Herzegovina	2.9				1.2
44	Lithuania	4.1				1.1	107	Cambodia	2.9				1.4
45	Nigeria	4.0				1.6	108	Peru	2.9				1.0
46	Croatia	4.0				1.3	109	Cameroon	2.9				1.4
47	Spain	4.0				1.1	110	Benin	2.9				1.3
48	Chile	4.0				1.1	111	Ecuador	2.8				1.1
49	Qatar	4.0				1.2	112	Lesotho	2.8				1.2
50	Barbados	4.0				1.1	113	Nicaragua	2.8				1.0
51	Ukraine	3.9				1.3	114	El Salvador	2.8				1.1
52	Azerbaijan	3.9				1.7	115	Dominican Republic	2.6				1.2
53	Kazakhstan	3.9				1.4	116	Honduras	2.6				1.2
54	Mexico	3.9				1.2	117	Bahrain	2.6				1.2
55	Turkey	3.9				1.1	118	Bolivia	2.5				1.1
56	Luxembourg	3.9				1.3	119	Angola	2.5				1.2
57	Kuwait	3.9				1.3	120	Chad	2.4				1.4
58	Poland	3.8				1.0	121	Burundi	2.4				1.2
59	Zimbabwe	3.8				1.1	122	Timor-Leste	2.3				1.4
60	United Arab Emirates	3.8				1.4	123	Albania	2.2				0.9
61	Latvia	3.8				1.3	124	Paraguay	2.1				0.9
62	Pakistan	3.7				1.5	125	Mauritania	1.7				1.3
63	China	3.7				1.1							

9.02 Company spending on research and development

Companies in your country (1 = do not spend money on research and development, 7 = spend heavily on research and development relative to international peers)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.4	7	SD
1	Switzerland	6.2				0.8	64	Malta	3.2				1.2
2	Japan	6.1				1.0	65	Trinidad and Tobago	3.2				1.2
3	United States	5.8				1.2	66	Guatemala	3.1				1.2
4	Germany	5.7				0.9	67	Peru	3.1				1.2
5	Sweden	5.7				1.0	68	Zimbabwe	3.1				1.2
6	Finland	5.5				0.7	69	Colombia	3.1				1.2
7	Israel	5.3				0.9	70	Romania	3.1				1.2
8	Denmark	5.2				0.8	71	Greece	3.1				1.2
9	Korea, Rep.	5.1				1.1	72	Uganda	3.0				1.6
10	Malaysia	4.9				1.2	73	Mauritius	3.0				1.2
11	Singapore	4.9				1.1	74	Panama	3.0				1.2
12	Taiwan, China	4.8				0.9	75	Italy	3.0				1.2
13	Netherlands	4.8				1.0	75	Morocco	3.0				1.6
14	France	4.7				1.1	77	Serbia and Montenegro	3.0				1.3
15	Ireland	4.7				1.1	78	Cyprus	3.0				1.2
16	United Kingdom	4.7				1.2	79	Vietnam	3.0				1.0
17	Belgium	4.7				1.2	80	Namibia	3.0				1.2
18	Austria	4.6				1.0	81	Kuwait	2.9				1.5
19	Norway	4.6				1.1	82	Ukraine	2.9				1.1
20	Luxembourg	4.5				1.2	83	Argentina	2.9				1.0
21	Iceland	4.5				1.2	84	Tajikistan	2.9				1.5
22	Canada	4.4				1.2	85	Malawi	2.9				1.3
23	Hong Kong SAR	4.4				1.3	86	Bosnia and Herzegovina	2.9				1.2
24	South Africa	4.4				1.0	87	El Salvador	2.9				1.1
25	India	4.2				1.1	88	Botswana	2.8				1.2
26	Indonesia	4.1				1.0	89	Mongolia	2.8				1.2
27	Slovenia	4.1				1.1	90	Mali	2.8				1.6
28	Australia	4.0				1.1	91	Algeria	2.8				1.4
29	Czech Republic	4.0				1.1	92	Uruguay	2.8				0.9
30	Brazil	3.8				1.3	93	Venezuela	2.8				1.1
31	Poland	3.8				1.0	94	Ecuador	2.8				1.1
32	Estonia	3.8				1.3	95	Jordan	2.7				1.2
33	Costa Rica	3.8				1.1	96	Guyana	2.7				1.2
34	Kenya	3.8				1.5	97	Bulgaria	2.7				1.4
35	New Zealand	3.7				1.0	98	Egypt	2.7				1.5
36	Tunisia	3.7				1.6	99	Suriname	2.7				1.1
37	Thailand	3.7				1.1	100	Armenia	2.7				1.1
38	Nigeria	3.6				1.7	101	Macedonia, FYR	2.6				1.1
39	China	3.6				1.2	102	Timor-Leste	2.6				1.5
40	Jamaica	3.5				1.1	103	Nepal	2.6				1.3
41	Tanzania	3.4				1.4	104	Dominican Republic	2.6				1.2
42	Qatar	3.4				1.4	105	Cameroon	2.6				1.2
42	United Arab Emirates	3.4				1.4	106	Mozambique	2.6				1.3
44	Russian Federation	3.4				1.4	107	Nicaragua	2.5				1.1
45	Slovak Republic	3.4				1.1	108	Moldova	2.5				1.2
46	Spain	3.4				1.0	109	Georgia	2.5				1.1
47	Cambodia	3.3				1.6	110	Angola	2.5				1.2
48	Chile	3.3				1.1	111	Kyrgyz Republic	2.5				1.2
49	Lithuania	3.3				1.3	112	Benin	2.5				1.4
50	Latvia	3.3				1.4	113	Bangladesh	2.4				1.3
51	Pakistan	3.3				1.5	114	Honduras	2.4				1.1
52	Croatia	3.3				1.2	115	Bolivia	2.4				0.9
53	Portugal	3.3				0.8	116	Bahrain	2.3				1.2
54	Azerbaijan	3.3				1.4	117	Burundi	2.2				1.2
55	Burkina Faso	3.3				1.7	118	Ethiopia	2.2				1.0
56	Philippines	3.3				1.1	119	Chad	2.2				1.4
57	Kazakhstan	3.3				1.5	120	Gambia	2.2				1.2
58	Barbados	3.3				1.1	121	Lesotho	2.2				1.1
59	Hungary	3.2				1.3	122	Albania	2.1				0.9
60	Mexico	3.2				1.0	123	Paraguay	2.1				0.9
61	Madagascar	3.2				1.5	124	Zambia	1.7				1.1
62	Turkey	3.2				1.1	125	Mauritania	1.7				1.1
63	Sri Lanka	3.2				1.4							

9.03 University/industry research collaboration

In its R&D activity, business collaboration with local universities is (1 = minimal or nonexistent, 7 = intensive and ongoing)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.3	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.3	7	SD
1	Switzerland	5.7				1.0	64	Italy	3.0				1.4
2	Sweden	5.5				0.9	65	Zimbabwe	3.0				1.4
3	Finland	5.5				0.9	66	Morocco	3.0				1.7
4	United States	5.5				1.4	67	Philippines	2.9				1.4
5	Germany	5.3				1.1	68	Mauritius	2.9				1.3
6	Israel	5.2				1.2	69	Ukraine	2.9				1.3
7	Taiwan, China	5.2				1.0	70	Venezuela	2.9				1.2
8	Singapore	5.2				1.0	71	Mongolia	2.9				1.4
9	Japan	5.2				1.1	72	Azerbaijan	2.9				1.6
10	United Kingdom	4.9				1.2	73	Cyprus	2.9				1.3
11	Belgium	4.9				1.1	74	Barbados	2.9				1.2
12	Malaysia	4.9				1.6	75	Burkina Faso	2.9				1.6
13	Netherlands	4.9				1.2	76	Malta	2.9				1.3
14	Canada	4.8				1.3	77	Romania	2.9				1.2
15	Denmark	4.7				1.1	78	Namibia	2.8				1.1
16	Korea, Rep.	4.6				1.3	79	Indonesia	2.8				1.1
17	Hong Kong SAR	4.6				1.1	80	Vietnam	2.8				1.2
18	Norway	4.6				1.3	81	Argentina	2.8				1.3
19	Ireland	4.6				1.2	82	Madagascar	2.8				1.4
20	Austria	4.6				1.4	83	Panama	2.8				1.3
21	Iceland	4.5				1.0	84	Jordan	2.8				1.4
22	South Africa	4.3				1.1	85	Kuwait	2.8				1.4
23	New Zealand	4.2				1.3	86	Tajikistan	2.7				1.4
24	Thailand	4.2				1.3	87	Armenia	2.7				1.4
25	Australia	4.1				1.1	87	Botswana	2.7				1.4
26	Czech Republic	4.0				1.4	89	Cambodia	2.7				1.6
27	China	3.9				1.3	90	Uruguay	2.7				1.1
28	Estonia	3.9				1.4	91	Ecuador	2.6				1.3
29	France	3.8				1.3	92	Honduras	2.6				1.4
30	Hungary	3.8				1.9	93	Bosnia and Herzegovina	2.6				1.4
31	Slovak Republic	3.7				1.3	94	Egypt	2.6				1.5
32	Tunisia	3.7				1.5	95	Mozambique	2.5				1.5
33	Portugal	3.7				1.1	96	Bulgaria	2.5				1.2
34	India	3.6				1.3	96	Malawi	2.5				1.3
35	Croatia	3.6				1.6	98	Peru	2.5				1.1
36	Slovenia	3.6				1.4	99	Nicaragua	2.5				1.2
37	Chile	3.6				1.3	100	Dominican Republic	2.5				1.4
38	Poland	3.6				1.0	101	Moldova	2.5				1.4
39	Costa Rica	3.5				1.4	102	Algeria	2.5				1.2
40	Mexico	3.5				1.3	103	El Salvador	2.5				1.0
41	Tanzania	3.5				1.5	104	Suriname	2.4				1.2
42	Brazil	3.5				1.5	105	Kyrgyz Republic	2.3				1.1
43	Luxembourg	3.5				1.5	106	Angola	2.3				1.1
44	Spain	3.4				1.4	107	Zambia	2.2				1.0
45	Colombia	3.4				1.6	108	Guyana	2.2				1.1
46	Turkey	3.4				1.3	109	Georgia	2.2				0.9
47	Jamaica	3.3				1.3	110	Bolivia	2.2				1.1
48	United Arab Emirates	3.3				1.6	111	Benin	2.2				1.3
49	Nigeria	3.3				1.7	112	Ethiopia	2.2				1.1
50	Kenya	3.3				1.7	113	Bangladesh	2.2				1.2
51	Latvia	3.2				1.4	114	Nepal	2.2				1.1
52	Greece	3.2				1.4	115	Mali	2.2				1.1
53	Sri Lanka	3.2				1.6	116	Burundi	2.1				1.4
54	Russian Federation	3.2				1.5	117	Timor-Leste	2.1				1.5
55	Lithuania	3.2				1.3	118	Cameroon	2.1				1.3
56	Trinidad and Tobago	3.2				1.3	119	Lesotho	2.0				1.3
57	Guatemala	3.1				1.4	120	Paraguay	1.9				1.0
58	Macedonia, FYR	3.1				1.5	121	Bahrain	1.8				1.1
59	Uganda	3.1				1.8	122	Gambia	1.8				0.9
60	Qatar	3.1				1.6	123	Chad	1.7				1.0
61	Pakistan	3.1				1.5	124	Mauritania	1.6				1.3
62	Serbia and Montenegro	3.1				1.4	125	Albania	1.6				0.6
63	Kazakhstan	3.0				1.4							

9.04 Government procurement of advanced technology products

Government purchase decisions for the procurement of advanced technology products are (1 = based solely on price, 7 = based on technical performance and innovativeness)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Singapore.....	5.5				1.1	64	Morocco	3.8				1.6
2	Malaysia.....	5.2				1.2	65	Madagascar	3.8				1.5
3	Taiwan, China.....	5.1				0.9	66	Sri Lanka	3.7				1.4
4	Tunisia.....	5.0				1.0	67	Costa Rica.....	3.7				1.3
5	Japan	5.0				1.0	68	Argentina	3.7				1.1
6	Switzerland.....	4.9				1.0	69	Croatia	3.7				1.6
7	Luxembourg	4.8				1.0	70	El Salvador	3.7				1.4
8	Germany.....	4.8				1.0	71	Lithuania	3.7				1.2
9	France.....	4.8				1.1	72	Venezuela	3.6				1.4
10	United States.....	4.8				1.4	73	Greece	3.6				1.4
11	Israel	4.7				1.2	74	Romania.....	3.6				1.7
12	United Arab Emirates	4.7				1.7	75	Belgium	3.6				1.4
13	Finland	4.7				1.1	76	Poland	3.6				1.0
14	Korea, Rep.....	4.6				1.2	77	Mexico.....	3.6				1.5
15	Denmark	4.5				1.4	78	Gambia	3.6				1.5
16	Netherlands	4.5				1.1	79	Russian Federation	3.6				1.5
17	Hong Kong SAR.....	4.5				1.1	80	Armenia	3.6				1.5
18	Sweden	4.5				1.4	81	Slovenia	3.6				1.4
19	Mauritania	4.5				2.3	82	Namibia.....	3.6				1.3
20	Nigeria	4.5				1.6	83	Egypt	3.5				1.5
21	China.....	4.4				1.3	84	Guatemala	3.5				1.2
22	Austria	4.4				1.1	85	Jordan	3.5				1.5
23	Indonesia	4.4				1.1	86	Slovak Republic	3.5				1.1
24	Qatar	4.4				1.5	87	Tajikistan	3.5				1.6
25	Thailand	4.4				1.1	88	Cyprus	3.5				1.4
26	Portugal	4.4				1.2	89	Malawi	3.5				1.5
27	Ireland.....	4.3				1.1	90	Philippines	3.5				1.4
28	Mali.....	4.2				1.3	91	Panama.....	3.4				1.4
29	Cambodia.....	4.2				1.6	91	Ukraine	3.4				1.4
30	Australia.....	4.2				1.1	93	Dominican Republic.....	3.4				1.3
31	United Kingdom.....	4.2				1.2	94	Italy	3.4				1.3
32	South Africa.....	4.2				1.1	95	Latvia	3.4				1.4
33	Estonia.....	4.2				1.5	96	Macedonia, FYR	3.4				1.6
34	Norway	4.1				1.3	97	Guyana.....	3.3				1.5
35	Algeria.....	4.1				1.7	98	Cameroon	3.3				1.5
36	Canada.....	4.1				1.3	99	Uruguay	3.3				1.2
37	Tanzania	4.1				1.8	100	Kuwait.....	3.2				1.7
38	Burkina Faso.....	4.0				1.6	101	Mozambique.....	3.2				1.4
39	Mauritius.....	4.0				1.5	102	Nicaragua.....	3.2				1.4
40	India	4.0				1.4	103	Honduras	3.2				1.6
41	Azerbaijan	4.0				1.3	104	Bulgaria.....	3.2				1.5
42	Benin	4.0				1.5	105	Bangladesh.....	3.2				1.6
43	Barbados.....	4.0				1.1	106	Peru	3.1				1.2
44	Vietnam.....	4.0				1.3	107	Chad	3.1				1.6
45	Kenya.....	3.9				1.4	108	Georgia	3.1				1.3
46	Uganda	3.9				1.7	109	Ethiopia.....	3.1				1.7
47	Iceland.....	3.9				1.1	110	Ecuador.....	3.0				1.3
47	New Zealand.....	3.9				1.2	111	Bosnia and Herzegovina.....	3.0				1.4
47	Pakistan	3.9				1.3	112	Lesotho.....	3.0				1.6
50	Trinidad and Tobago	3.9				1.4	113	Mongolia.....	2.9				1.6
51	Serbia and Montenegro	3.9				1.6	114	Angola.....	2.9				1.5
52	Spain	3.9				1.3	115	Moldova.....	2.9				1.4
53	Czech Republic.....	3.9				1.2	116	Suriname	2.9				1.2
54	Chile.....	3.9				1.4	117	Burundi	2.9				1.6
55	Hungary	3.9				1.2	118	Zimbabwe.....	2.8				1.4
56	Kazakhstan.....	3.9				1.5	119	Paraguay	2.7				1.4
57	Jamaica.....	3.9				1.3	120	Nepal	2.7				1.5
58	Brazil	3.9				1.4	121	Kyrgyz Republic	2.7				1.4
59	Bahrain.....	3.8				1.4	122	Bolivia	2.6				1.2
60	Colombia.....	3.8				1.4	123	Zambia	2.3				1.4
61	Malta.....	3.8				1.5	124	Timor-Leste.....	2.2				1.2
62	Turkey	3.8				1.3	125	Albania	2.1				1.3
63	Botswana.....	3.8				1.4							

9.05 Availability of scientists and engineers

Scientists and engineers in your country are (1 = nonexistent or rare, 7 = widely available)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.4	7	SD
1	Israel	6.3				0.9	64	Benin	4.4				1.5
2	Japan	6.3				0.7	65	Argentina	4.4				1.3
3	Finland	6.2				0.8	66	Azerbaijan	4.4				1.8
4	India	6.2				0.7	67	Sri Lanka	4.4				1.5
5	France	6.1				1.0	68	Madagascar	4.4				1.4
6	Switzerland	6.0				0.9	69	Tanzania	4.4				1.4
7	Czech Republic	5.9				1.0	70	Ukraine	4.3				1.5
8	Sweden	5.8				0.9	71	Mali	4.3				1.5
9	Canada	5.8				1.0	72	Cameroon	4.3				1.5
10	Tunisia	5.8				1.0	73	Peru	4.3				1.4
11	Germany	5.8				0.9	74	Bangladesh	4.2				1.4
12	Denmark	5.6				1.0	75	Poland	4.2				1.3
13	Belgium	5.6				1.1	76	Luxembourg	4.2				1.4
14	Taiwan, China	5.6				1.0	77	Mauritania	4.2				1.8
15	Singapore	5.6				0.9	78	Pakistan	4.2				1.4
16	Iceland	5.5				0.8	79	Georgia	4.2				1.4
17	Greece	5.5				1.1	80	Qatar	4.1				1.3
18	United States	5.5				1.2	80	United Arab Emirates	4.1				1.5
19	Ireland	5.5				1.0	82	Uganda	4.1				1.6
20	Morocco	5.4				1.1	83	Nigeria	4.1				1.7
21	Algeria	5.4				1.3	84	Philippines	4.1				1.4
22	United Kingdom	5.4				1.2	85	Mexico	4.0				1.3
23	Slovak Republic	5.3				1.2	86	China	4.0				1.3
24	Malaysia	5.3				1.2	86	Mauritius	4.0				1.2
25	Norway	5.3				0.9	88	Jamaica	4.0				1.3
26	Jordan	5.3				1.4	89	Zimbabwe	3.9				1.5
27	Hong Kong SAR	5.3				1.1	90	Guatemala	3.9				1.1
28	Korea, Rep.	5.2				1.0	91	Zambia	3.9				1.7
29	Austria	5.2				1.2	92	South Africa	3.8				1.2
30	Hungary	5.2				1.2	93	Bosnia and Herzegovina	3.8				1.4
31	Netherlands	5.2				1.1	94	Slovenia	3.8				1.4
32	Portugal	5.1				1.0	95	Nepal	3.8				1.4
33	Chile	5.1				1.2	96	Bahrain	3.8				1.6
34	Cyprus	5.0				1.3	97	Latvia	3.8				1.4
35	Australia	5.0				1.1	98	Moldova	3.8				1.4
36	Indonesia	5.0				0.6	99	Burundi	3.8				1.8
37	Costa Rica	5.0				1.1	100	Kazakhstan	3.7				1.4
38	Croatia	4.9				1.3	101	El Salvador	3.7				1.4
39	Serbia and Montenegro	4.9				1.4	102	Panama	3.7				1.3
40	Egypt	4.9				1.5	103	Burkina Faso	3.6				1.5
41	Romania	4.9				1.3	104	Nicaragua	3.6				1.5
42	Spain	4.8				1.3	105	Dominican Republic	3.5				1.4
43	New Zealand	4.8				1.2	106	Suriname	3.5				1.4
44	Turkey	4.8				1.3	107	Ecuador	3.5				1.3
45	Thailand	4.7				1.2	108	Botswana	3.4				1.3
46	Russian Federation	4.7				1.4	109	Kyrgyz Republic	3.4				1.6
47	Italy	4.7				1.3	110	Honduras	3.4				1.3
48	Lithuania	4.7				1.2	111	Albania	3.3				1.4
49	Bulgaria	4.7				1.4	112	Tajikistan	3.3				1.6
50	Estonia	4.7				1.3	113	Bolivia	3.2				1.3
51	Macedonia, FYR	4.7				1.6	114	Chad	3.1				1.7
52	Uruguay	4.7				1.3	115	Guyana	3.1				1.2
53	Mongolia	4.7				1.8	116	Lesotho	3.0				1.5
54	Trinidad and Tobago	4.6				1.3	117	Ethiopia	3.0				1.3
55	Armenia	4.6				1.6	118	Mozambique	3.0				1.3
56	Kenya	4.6				1.4	119	Namibia	3.0				1.2
57	Malta	4.5				1.3	120	Malawi	2.9				1.5
58	Vietnam	4.5				1.4	121	Gambia	2.9				1.3
59	Barbados	4.5				1.3	122	Paraguay	2.9				1.2
60	Colombia	4.5				1.3	123	Cambodia	2.8				1.2
61	Brazil	4.5				1.4	124	Angola	2.4				1.0
62	Venezuela	4.5				1.3	125	Timor-Leste	1.8				0.9
63	Kuwait	4.5				1.4							

9.06 Utility patents (hard data)

Number of utility patents (i.e., patents for invention) granted between January 1 and December 31, 2005, per million population

RANK	COUNTRY/ECONOMY	HARD DATA		RANK	COUNTRY/ECONOMY	HARD DATA	
1	United States	250.3		64	Colombia	0.2	
2	Japan	236.9		65	Ecuador	0.2	
3	Taiwan, China	226.9		66	El Salvador	0.1	
4	Finland	138.5		67	Kazakhstan	0.1	
5	Israel	137.9		68	Peru	0.1	
6	Switzerland	136.3		69	Tunisia	0.1	
7	Sweden	124.8		70	Turkey	0.1	
8	Germany	109.0		71	Egypt	0.1	
9	Korea, Rep.	91.0		72	Guatemala	0.1	
10	Canada	89.6		73	Zimbabwe	0.1	
11	Luxembourg	89.1		74	Sri Lanka	0.0	
12	Singapore	80.5		75	Indonesia	0.0	
13	Iceland	66.7		76	Morocco	0.0	
14	Denmark	66.3		77	Vietnam	0.0	
15	Netherlands	60.9		78	Pakistan	0.0	
16	Austria	56.3		79	Albania	0.0	
17	United Kingdom	52.7		79	Algeria	0.0	
18	Belgium	49.9		79	Angola	0.0	
19	Norway	47.8		79	Azerbaijan	0.0	
20	France	47.4		79	Bahrain	0.0	
21	Australia	45.1		79	Bangladesh	0.0	
22	Hong Kong SAR	40.4		79	Barbados	0.0	
23	Ireland	38.0		79	Benin	0.0	
24	New Zealand	30.5		79	Bolivia	0.0	
25	Italy	22.3		79	Bosnia and Herzegovina	0.0	
26	Cyprus	7.9		79	Botswana	0.0	
27	Spain	6.3		79	Burkina Faso	0.0	
28	Slovenia	6.0		79	Burundi	0.0	
29	Hungary	4.6		79	Cambodia	0.0	
30	Estonia	3.8		79	Cameroon	0.0	
31	Malaysia	3.5		79	Chad	0.0	
32	Croatia	2.6		79	Timor-Leste	0.0	
33	Malta	2.5		79	Ethiopia	0.0	
34	Czech Republic	2.5		79	Gambia	0.0	
35	South Africa	1.8		79	Guyana	0.0	
36	Greece	1.4		79	Honduras	0.0	
37	Kuwait	1.1		79	Jordan	0.0	
38	Russian Federation	1.0		79	Kyrgyz Republic	0.0	
39	Portugal	1.0		79	Lesotho	0.0	
40	Lithuania	0.9		79	Macedonia, FYR	0.0	
41	Latvia	0.9		79	Madagascar	0.0	
42	Mexico	0.7		79	Malawi	0.0	
43	Costa Rica	0.7		79	Mali	0.0	
44	Georgia	0.7		79	Mauritania	0.0	
44	United Arab Emirates	0.7		79	Mauritius	0.0	
46	Argentina	0.6		79	Mongolia	0.0	
47	Poland	0.6		79	Mozambique	0.0	
48	Uruguay	0.6		79	Namibia	0.0	
49	Chile	0.6		79	Nepal	0.0	
50	Brazil	0.4		79	Nicaragua	0.0	
51	Bulgaria	0.4		79	Nigeria	0.0	
52	Ukraine	0.4		79	Panama	0.0	
53	Jamaica	0.4		79	Paraguay	0.0	
54	India	0.3		79	Qatar	0.0	
55	Armenia	0.3		79	Serbia and Montenegro	0.0	
56	Romania	0.3		79	Slovak Republic	0.0	
57	China	0.3		79	Suriname	0.0	
58	Venezuela	0.3		79	Tajikistan	0.0	
59	Kenya	0.3		79	Tanzania	0.0	
60	Thailand	0.2		79	Trinidad and Tobago	0.0	
61	Moldova	0.2		79	Uganda	0.0	
62	Dominican Republic	0.2		79	Zambia	0.0	
63	Philippines	0.2					

9.07 Intellectual property protection

Intellectual property protection in your country (1 = is weak or nonexistent, 7 = is equal to the world's most stringent)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Germany	6.6				0.7	64	Latvia	3.4				1.4
2	Finland	6.4				0.8	65	Sri Lanka	3.4				1.7
3	Switzerland	6.4				0.9	66	Mali	3.4				1.4
4	Denmark	6.3				0.8	67	Cameroon	3.4				1.7
5	Netherlands	6.3				0.9	68	Dominican Republic	3.4				1.3
6	United Kingdom	6.2				0.9	69	Madagascar	3.3				1.5
7	Iceland	6.1				1.0	70	Lithuania	3.3				1.2
8	Sweden	6.1				1.0	71	Turkey	3.3				1.4
9	Singapore	6.0				0.9	72	Algeria	3.3				1.6
10	Australia	5.9				1.0	72	Guatemala	3.3				1.2
11	France	5.9				1.0	74	China	3.3				1.4
12	Japan	5.9				1.1	75	Trinidad and Tobago	3.3				1.6
13	New Zealand	5.8				1.0	76	Botswana	3.3				1.5
14	Norway	5.8				1.0	77	Mauritania	3.3				1.4
15	Luxembourg	5.7				1.1	78	Tanzania	3.2				1.4
16	Canada	5.7				1.0	79	Pakistan	3.2				1.5
17	United States	5.7				1.5	80	Romania	3.1				1.2
18	Austria	5.6				1.1	81	Kazakhstan	3.1				1.4
19	Belgium	5.6				1.3	82	Benin	3.1				1.6
20	Hong Kong SAR	5.5				1.4	83	Tajikistan	3.1				1.6
21	Israel	5.5				1.3	84	Philippines	3.0				1.1
22	Ireland	5.3				1.4	85	Kenya	3.0				1.4
23	Malaysia	5.1				1.2	86	Zimbabwe	2.9				1.5
24	Portugal	5.1				1.2	87	Argentina	2.9				1.2
25	South Africa	5.1				1.3	88	Nigeria	2.9				1.6
26	Taiwan, China	4.8				1.2	89	Azerbaijan	2.9				1.4
27	Qatar	4.8				1.4	90	Moldova	2.9				1.3
28	United Arab Emirates	4.8				1.5	91	Nicaragua	2.8				1.3
29	Spain	4.8				1.4	92	Georgia	2.8				1.3
30	Tunisia	4.6				1.4	93	Armenia	2.8				1.4
31	Korea, Rep.	4.6				1.3	94	Honduras	2.8				1.3
32	Estonia	4.6				1.4	95	Gambia	2.8				1.5
33	Hungary	4.6				1.4	96	Peru	2.7				1.3
34	India	4.5				1.5	97	Malawi	2.7				1.3
35	Slovenia	4.5				1.5	98	Bulgaria	2.7				1.3
36	Barbados	4.5				1.4	99	Ukraine	2.7				1.3
37	Cyprus	4.4				1.6	100	Vietnam	2.7				1.2
38	Greece	4.3				1.4	101	Ecuador	2.7				1.2
39	Mauritius	4.3				1.5	102	Kyrgyz Republic	2.6				1.5
40	Namibia	4.3				1.5	103	Angola	2.6				1.2
41	Thailand	4.2				1.3	104	Mozambique	2.5				1.1
42	Jordan	4.2				1.5	105	Macedonia, FYR	2.5				1.2
43	Malta	4.2				1.5	106	Uganda	2.5				1.4
44	Italy	4.2				1.5	107	Cambodia	2.5				1.4
45	Chile	4.1				1.3	108	Lesotho	2.5				1.3
46	Bahrain	4.1				1.6	109	Ethiopia	2.5				1.1
47	Slovak Republic	4.0				1.4	110	Mongolia	2.5				1.2
48	Costa Rica	4.0				1.2	111	Bosnia and Herzegovina	2.4				1.1
49	Panama	3.9				1.3	112	Russian Federation	2.4				1.2
50	Burkina Faso	3.9				1.6	113	Zambia	2.4				0.9
51	Uruguay	3.9				1.3	114	Serbia and Montenegro	2.3				1.2
52	Czech Republic	3.9				1.3	115	Nepal	2.3				1.3
53	Morocco	3.8				1.7	116	Paraguay	2.3				1.1
54	Mexico	3.8				1.5	117	Timor-Leste	2.3				1.3
55	Colombia	3.8				1.4	118	Venezuela	2.2				1.0
56	Croatia	3.7				1.4	119	Bangladesh	2.1				1.0
57	Poland	3.6				0.9	120	Chad	2.1				1.3
58	Kuwait	3.6				1.7	121	Albania	2.0				1.0
59	Jamaica	3.6				1.4	122	Bolivia	2.0				0.9
60	El Salvador	3.6				1.4	123	Burundi	2.0				1.2
61	Indonesia	3.6				1.0	124	Suriname	1.9				1.0
62	Egypt	3.6				1.7	125	Guyana	1.8				1.1
63	Brazil	3.5				1.5							

9.08 Capacity for innovation

Companies obtain technology (1 = exclusively from licensing or imitating foreign companies, 7 = by conducting formal research and pioneering their own new products and processes)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.5	7	SD
1	Germany	6.1				0.8	64	Mali	3.1				1.4
2	Japan	6.0				0.8	65	Malta	3.1				1.2
3	Sweden	6.0				0.7	66	Macedonia, FYR	3.1				1.4
4	Finland	5.8				0.8	67	El Salvador	3.1				1.1
5	Switzerland	5.8				0.8	68	Uruguay	3.1				1.0
6	Denmark	5.8				1.0	69	Jamaica	3.0				1.4
7	France	5.7				0.8	70	Armenia	3.0				1.4
8	Israel	5.6				0.8	71	Benin	3.0				1.4
9	United States	5.5				1.2	72	United Arab Emirates	3.0				1.5
10	Austria	5.4				0.8	73	Mauritius	3.0				1.2
11	Netherlands	5.4				1.0	74	Greece	3.0				1.0
12	United Kingdom	5.4				1.0	75	Jordan	2.9				1.2
13	Korea, Rep.	5.2				1.0	76	Honduras	2.9				1.4
14	Belgium	5.1				1.0	77	Mauritania	2.9				2.2
15	Norway	5.0				1.1	78	Madagascar	2.9				1.4
16	Luxembourg	4.9				1.4	79	Argentina	2.9				1.0
17	Taiwan, China	4.9				1.2	79	Bulgaria	2.9				1.2
18	Slovenia	4.8				1.1	81	Cyprus	2.9				1.1
19	Canada	4.8				1.1	82	Kyrgyz Republic	2.9				1.5
20	Italy	4.7				1.2	83	Timor-Leste	2.9				1.4
21	Ireland	4.6				1.2	84	Egypt	2.9				1.4
22	Hong Kong SAR	4.6				1.4	85	Romania	2.9				1.3
23	Malaysia	4.6				1.5	86	Barbados	2.9				1.3
24	Singapore	4.6				1.3	87	Uganda	2.8				1.7
25	Iceland	4.5				1.4	88	Burkina Faso	2.8				1.4
26	New Zealand	4.4				1.0	89	Ecuador	2.8				1.0
27	Czech Republic	4.3				1.1	90	Dominican Republic	2.8				1.3
28	India	4.3				1.3	91	Suriname	2.8				1.3
29	Brazil	4.1				1.2	92	Panama	2.8				1.2
30	Poland	4.1				1.0	93	Morocco	2.7				1.4
31	Tunisia	4.1				1.3	94	Nicaragua	2.7				1.2
32	Hungary	4.1				1.1	95	Bosnia and Herzegovina	2.7				1.2
33	Costa Rica	4.0				1.2	96	Georgia	2.7				1.1
34	Spain	3.9				1.0	97	Mongolia	2.7				1.3
35	Australia	3.9				1.1	98	Mozambique	2.6				1.5
36	Vietnam	3.7				1.2	99	Tanzania	2.6				1.0
37	South Africa	3.7				1.2	100	Guyana	2.6				1.4
38	Pakistan	3.7				1.3	101	Tajikistan	2.6				1.4
39	Estonia	3.7				1.3	102	Namibia	2.6				1.1
40	Portugal	3.6				1.2	103	Paraguay	2.6				1.3
41	Azerbaijan	3.6				1.5	104	Bolivia	2.6				1.1
42	Latvia	3.6				1.3	105	Trinidad and Tobago	2.5				1.2
43	China	3.6				1.3	106	Malawi	2.5				1.2
44	Lithuania	3.6				1.0	107	Serbia and Montenegro	2.5				1.2
45	Ukraine	3.6				1.3	108	Gambia	2.5				1.1
46	Sri Lanka	3.6				1.4	109	Venezuela	2.5				0.9
47	Turkey	3.5				1.2	110	Kuwait	2.5				1.5
48	Slovak Republic	3.5				1.0	111	Chad	2.5				1.4
49	Russian Federation	3.4				1.3	112	Botswana	2.5				1.1
50	Chile	3.4				1.1	113	Cameroon	2.4				1.3
51	Thailand	3.4				1.1	114	Nepal	2.4				1.1
52	Kenya	3.3				1.5	115	Lesotho	2.4				1.4
53	Croatia	3.3				1.4	116	Ethiopia	2.4				1.1
54	Guatemala	3.3				1.4	117	Cambodia	2.4				1.4
55	Colombia	3.3				1.2	118	Bangladesh	2.4				1.2
56	Mexico	3.3				1.1	119	Bahrain	2.4				1.2
57	Peru	3.3				1.3	120	Algeria	2.3				1.2
58	Nigeria	3.3				1.7	121	Zimbabwe	2.3				1.1
59	Indonesia	3.2				1.2	122	Angola	2.3				1.2
60	Moldova	3.2				1.4	123	Burundi	2.2				1.4
61	Qatar	3.2				1.7	124	Zambia	2.2				1.1
62	Kazakhstan	3.2				1.3	125	Albania	1.9				1.1
63	Philippines	3.2				1.0							

Section X

Environment

10.01 Stringency of environmental regulations

How stringent is your country's environmental regulation? (1 = lax compared with that of most countries, 7 = among the world's most stringent)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.0	7	SD
1	Germany	6.7				0.6	64	Georgia	3.6				1.7
2	Denmark	6.6				0.7	65	Philippines	3.6				1.4
3	Austria	6.6				0.7	66	Panama	3.6				1.4
4	Sweden	6.5				0.8	67	Burkina Faso	3.6				1.5
5	Switzerland	6.5				0.7	68	Tanzania	3.6				1.4
6	Finland	6.4				0.8	69	Bahrain	3.6				1.9
7	Norway	6.3				0.6	70	Dominican Republic	3.6				1.4
8	Netherlands	6.2				0.9	71	Jamaica	3.5				1.3
9	New Zealand	6.2				0.7	72	Algeria	3.5				1.6
10	Luxembourg	6.2				0.9	73	Venezuela	3.5				1.6
11	Belgium	6.1				1.0	74	Romania	3.5				1.6
12	Japan	6.0				1.0	75	Uganda	3.4				1.8
13	United Kingdom	5.9				1.0	76	Botswana	3.4				1.4
14	France	5.8				1.1	77	Pakistan	3.4				1.4
15	Canada	5.8				1.1	78	Guatemala	3.4				1.4
16	Australia	5.8				0.9	79	Zimbabwe	3.4				1.3
17	Iceland	5.7				1.0	80	Sri Lanka	3.4				1.3
18	Singapore	5.7				1.0	81	Kuwait	3.4				1.6
19	Czech Republic	5.5				1.2	82	Morocco	3.3				1.6
20	Taiwan, China	5.4				1.2	83	Mali	3.3				1.4
21	United States	5.4				1.4	84	Honduras	3.3				1.4
22	Portugal	5.3				0.9	85	Kazakhstan	3.3				1.5
23	Slovenia	5.3				1.0	86	Trinidad and Tobago	3.2				1.7
24	Ireland	5.3				1.2	87	Argentina	3.2				1.5
25	Malaysia	5.3				1.1	88	Malawi	3.2				1.5
26	Tunisia	5.2				1.1	89	Bolivia	3.2				1.5
27	Chile	5.1				1.1	90	Bulgaria	3.1				1.5
28	Brazil	5.1				1.7	91	Moldova	3.1				1.4
29	Hungary	5.1				1.2	92	Egypt	3.1				1.7
30	Slovak Republic	5.1				1.3	93	Ecuador	3.1				1.2
31	Costa Rica	5.0				1.2	94	Nigeria	3.0				1.6
32	Italy	5.0				1.5	95	Armenia	3.0				1.4
33	South Africa	4.8				1.3	96	Cambodia	3.0				1.5
34	Hong Kong SAR	4.8				1.3	97	China	3.0				1.3
35	United Arab Emirates	4.8				1.6	98	Guyana	3.0				1.3
36	Estonia	4.7				1.4	99	Tajikistan	2.9				1.4
37	Lithuania	4.7				1.3	100	Paraguay	2.9				1.7
38	Israel	4.7				1.1	101	Indonesia	2.9				0.7
39	Spain	4.6				1.3	102	Mozambique	2.9				1.3
40	Korea, Rep.	4.6				1.2	103	Russian Federation	2.9				1.5
41	India	4.5				1.5	104	Mauritania	2.9				1.6
42	Qatar	4.4				1.5	105	Bangladesh	2.9				1.5
43	Latvia	4.4				1.4	106	Macedonia, FYR	2.9				1.6
44	Thailand	4.4				1.1	107	Ukraine	2.9				1.5
45	Colombia	4.3				1.4	108	Nepal	2.9				1.3
46	Uruguay	4.2				1.2	108	Vietnam	2.9				1.3
47	Mauritius	4.2				0.9	110	Nicaragua	2.8				1.3
48	Croatia	4.2				1.4	111	Azerbaijan	2.8				1.5
49	Mexico	4.2				1.4	112	Burundi	2.7				1.5
50	Greece	4.1				1.4	113	Cameroon	2.7				1.2
51	Poland	4.1				1.1	114	Kyrgyz Republic	2.7				1.3
52	Namibia	4.0				1.4	115	Serbia and Montenegro	2.6				1.4
53	El Salvador	4.0				1.4	116	Ethiopia	2.6				1.3
54	Malta	4.0				1.2	117	Bosnia and Herzegovina	2.6				1.3
55	Barbados	3.9				1.4	118	Lesotho	2.6				1.3
56	Turkey	3.9				1.3	119	Timor-Leste	2.6				1.2
57	Peru	3.8				1.3	120	Zambia	2.5				1.3
58	Jordan	3.7				1.4	121	Angola	2.4				0.9
59	Cyprus	3.7				1.4	122	Chad	2.4				1.4
60	Madagascar	3.7				1.3	123	Mongolia	2.3				1.3
61	Benin	3.7				1.4	124	Suriname	2.2				1.2
62	Gambia	3.7				1.3	125	Albania	2.2				1.1
63	Kenya	3.7				1.4							

10.02 Clarity and stability of regulations

Environmental regulations in your country are (1 = confusing and enforced erratically, 7 = stable and enforced consistently and fairly)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.8	7	SD
1	Denmark	6.4				0.8	64	Turkey	3.6				1.1
2	Switzerland	6.1				0.8	65	Pakistan	3.5				1.4
3	Germany	6.0				1.0	66	Zimbabwe	3.5				1.3
4	Norway	6.0				0.7	67	Peru	3.5				1.3
5	Finland	6.0				1.2	68	Madagascar	3.4				1.3
6	Sweden	5.9				1.1	69	El Salvador	3.4				1.4
7	Singapore	5.8				0.9	70	Indonesia	3.4				0.9
8	Austria	5.8				0.9	71	Bahrain	3.4				1.9
9	Japan	5.7				1.1	72	Moldova	3.4				1.5
10	Iceland	5.7				0.9	73	Kuwait	3.4				1.5
11	United Kingdom	5.7				1.1	74	Dominican Republic	3.4				1.3
12	Netherlands	5.6				1.1	75	Cambodia	3.3				1.5
13	Luxembourg	5.5				1.1	76	China	3.3				1.3
14	Australia	5.4				1.3	77	Uganda	3.3				1.8
15	New Zealand	5.3				1.3	78	Tajikistan	3.3				1.6
16	France	5.3				1.3	79	Algeria	3.3				1.6
17	Tunisia	5.2				1.2	80	Malawi	3.3				1.6
18	Canada	5.2				1.4	81	Sri Lanka	3.3				1.4
19	United States	5.1				1.4	82	Benin	3.3				1.5
20	Taiwan, China	5.1				1.2	83	Romania	3.3				1.5
21	Belgium	5.0				1.6	84	Nigeria	3.2				1.7
22	Slovenia	5.0				1.0	85	Panama	3.2				1.3
23	Malaysia	4.9				1.3	86	Jamaica	3.2				1.3
24	Ireland	4.9				1.5	87	Trinidad and Tobago	3.2				1.6
25	Hong Kong SAR	4.8				1.4	88	Guatemala	3.1				1.1
26	Qatar	4.6				1.4	89	Mali	3.1				1.5
27	Israel	4.6				1.0	90	Mauritania	3.1				1.8
28	Estonia	4.6				1.3	91	Morocco	3.1				1.5
29	Korea, Rep.	4.6				1.3	92	Mozambique	3.1				1.4
30	United Arab Emirates	4.6				1.7	93	Egypt	3.1				1.6
31	South Africa	4.5				1.4	94	Kyrgyz Republic	3.1				1.4
32	Portugal	4.5				0.9	95	Lesotho	3.1				1.5
33	Slovak Republic	4.5				1.3	96	Macedonia, FYR	3.1				1.5
34	Hungary	4.5				1.2	97	Philippines	3.1				1.2
35	Czech Republic	4.4				1.4	98	Ukraine	3.1				1.4
36	Latvia	4.3				1.4	99	Nepal	3.0				1.5
37	Chile	4.3				1.4	100	Guyana	3.0				1.3
38	Thailand	4.2				1.1	101	Vietnam	3.0				1.2
39	Spain	4.2				1.3	102	Bolivia	3.0				1.2
40	Italy	4.2				1.4	103	Azerbaijan	3.0				1.5
41	Costa Rica	4.2				1.3	104	Venezuela	3.0				1.4
42	Namibia	4.2				1.2	105	Bosnia and Herzegovina	3.0				1.4
43	Tanzania	4.2				1.4	106	Honduras	2.9				1.2
44	Gambia	4.1				1.3	107	Bulgaria	2.9				1.4
45	Lithuania	4.1				1.4	108	Nicaragua	2.9				1.3
46	Uruguay	4.1				1.3	109	Russian Federation	2.9				1.4
47	Mauritius	4.0				1.2	110	Argentina	2.9				1.4
48	Poland	4.0				1.1	111	Ecuador	2.8				1.1
49	India	4.0				1.4	112	Cameroon	2.7				1.3
50	Brazil	3.9				1.6	113	Armenia	2.7				1.4
51	Mexico	3.8				1.4	114	Angola	2.7				1.2
52	Croatia	3.8				1.5	114	Burundi	2.7				1.5
53	Malta	3.8				1.2	116	Bangladesh	2.7				1.3
54	Botswana	3.8				1.3	117	Mongolia	2.7				1.2
55	Greece	3.7				1.4	118	Ethiopia	2.6				1.4
56	Barbados	3.7				1.3	119	Suriname	2.5				1.2
57	Cyprus	3.7				1.3	119	Timor-Leste	2.5				1.1
58	Jordan	3.7				1.5	121	Paraguay	2.4				1.3
59	Colombia	3.7				1.2	122	Serbia and Montenegro	2.4				1.3
60	Kazakhstan	3.7				1.3	123	Zambia	2.2				1.3
61	Burkina Faso	3.6				1.6	124	Albania	2.2				1.1
62	Georgia	3.6				1.6	125	Chad	2.1				1.2
63	Kenya	3.6				1.6							

10.03 Protection of ecosystems by business

In your country, companies that harvest or process natural resources such as food, forest or fishery products (1 = rarely concern themselves with the degradation of ecosystems, 7 = frequently take steps to preserve the ecosystems they depend on)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 3.9	7	SD
1	Finland	6.3				0.7	64	El Salvador	3.6				1.3
2	Iceland	6.3				0.6	65	Nigeria	3.6				1.9
3	Sweden	6.0				1.0	66	Colombia	3.6				1.4
4	Germany	6.0				0.9	67	Kuwait	3.6				1.7
5	Austria	5.9				0.9	68	Turkey	3.6				1.2
6	Switzerland	5.9				1.0	69	Tajikistan	3.5				1.5
7	New Zealand	5.9				1.0	70	Sri Lanka	3.5				1.4
8	Norway	5.9				0.7	71	Argentina	3.5				1.4
9	Luxembourg	5.8				0.9	72	Kenya	3.5				1.8
10	Netherlands	5.8				1.0	73	Jordan	3.5				1.4
11	United Kingdom	5.6				1.3	74	Mexico	3.4				1.4
12	Denmark	5.5				1.1	75	Philippines	3.4				1.3
13	Australia	5.5				1.0	76	Kazakhstan	3.4				1.7
14	Japan	5.4				1.1	77	Benin	3.4				1.6
15	Canada	5.4				1.2	78	Egypt	3.4				1.7
16	Belgium	5.3				1.1	79	Lesotho	3.3				1.5
17	United States	5.2				1.4	80	Tanzania	3.3				1.5
18	France	5.2				1.4	81	Trinidad and Tobago	3.3				1.5
19	Ireland	5.1				1.3	82	Uganda	3.3				1.7
20	Tunisia	5.1				1.6	83	Bahrain	3.3				1.6
21	South Africa	4.9				1.1	84	Venezuela	3.3				1.3
22	Malaysia	4.9				1.4	85	China	3.3				1.5
23	Chile	4.9				1.2	86	Honduras	3.3				1.5
24	Portugal	4.8				1.0	87	Romania	3.3				1.5
25	Czech Republic	4.8				1.3	88	Dominican Republic	3.2				1.3
26	Singapore	4.8				1.4	89	Algeria	3.2				1.5
27	Estonia	4.7				1.3	90	Panama	3.2				1.4
28	Slovak Republic	4.7				1.2	91	Macedonia, FYR	3.2				1.6
29	Slovenia	4.7				1.4	92	Malawi	3.2				1.8
30	Uruguay	4.6				1.4	93	Nepal	3.2				1.5
31	Spain	4.6				1.3	94	Azerbaijan	3.1				1.5
32	Israel	4.6				1.1	95	Pakistan	3.1				1.6
33	Namibia	4.5				1.5	96	Ecuador	3.1				1.3
34	United Arab Emirates	4.5				1.5	97	Morocco	3.0				1.6
35	Costa Rica	4.5				1.4	98	Ukraine	3.0				1.5
36	Mauritius	4.5				1.1	99	Vietnam	3.0				1.3
37	Taiwan, China	4.3				1.3	100	Guyana	3.0				1.6
38	Hungary	4.3				1.3	101	Mozambique	3.0				1.5
39	Hong Kong SAR	4.3				1.5	102	Moldova	3.0				1.3
40	Poland	4.3				1.0	103	Bolivia	3.0				1.5
41	Qatar	4.2				1.6	104	Bosnia and Herzegovina	3.0				1.7
42	Brazil	4.2				1.6	105	Bulgaria	3.0				1.4
43	Zimbabwe	4.2				1.2	106	Cambodia	2.9				1.6
44	Korea, Rep.	4.2				1.2	107	Kyrgyz Republic	2.9				1.5
45	Latvia	4.2				1.5	108	Nicaragua	2.9				1.3
46	Thailand	4.1				1.2	109	Indonesia	2.9				0.9
47	Cyprus	4.1				1.3	110	Cameroon	2.8				1.3
48	Greece	4.1				1.4	111	Serbia and Montenegro	2.8				1.5
49	Italy	4.0				1.4	112	Georgia	2.7				1.2
50	Lithuania	4.0				1.4	113	Russian Federation	2.7				1.5
51	Croatia	3.9				1.4	114	Angola	2.7				1.1
52	Jamaica	3.9				1.5	115	Burundi	2.6				1.7
53	India	3.9				1.4	116	Suriname	2.5				1.4
54	Barbados	3.8				1.3	117	Armenia	2.5				1.5
55	Malta	3.8				1.2	118	Ethiopia	2.5				1.2
56	Botswana	3.8				1.3	119	Bangladesh	2.5				1.2
57	Mali	3.8				1.9	120	Timor-Leste	2.4				1.2
58	Burkina Faso	3.7				1.7	121	Paraguay	2.3				1.2
59	Guatemala	3.7				1.3	122	Chad	2.3				1.6
60	Gambia	3.7				1.6	123	Albania	2.2				1.3
61	Peru	3.7				1.3	124	Mongolia	2.2				1.2
62	Madagascar	3.7				1.6	125	Zambia	1.9				1.3
63	Mauritania	3.7				1.7							

10.04 Impact of lack of clean air or clean water on business operations and decisions

Lack of clean water or clear air significantly impacts your company's operations or decisions on expanding local business activities (1 = strongly agree, 7 = strongly disagree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.9	7	SD
1	Iceland	6.9				0.3	64	Dominican Republic	4.8				1.7
2	Finland	6.7				1.0	65	Zimbabwe	4.8				1.2
3	Sweden	6.7				1.1	66	Ecuador	4.7				1.7
4	Germany	6.6				1.1	67	Costa Rica	4.7				2.0
5	Norway	6.6				1.3	68	Algeria	4.7				1.8
6	Ireland	6.4				1.1	69	Poland	4.7				1.3
7	Canada	6.4				1.0	70	Italy	4.7				1.9
8	New Zealand	6.3				1.0	71	Paraguay	4.6				1.9
9	Denmark	6.3				1.4	72	Suriname	4.6				2.1
10	Mauritius	6.2				1.0	73	Bulgaria	4.6				1.9
11	Switzerland	6.2				1.6	74	Lesotho	4.6				1.9
12	United Kingdom	6.2				1.4	75	Macedonia, FYR	4.6				1.9
13	Australia	6.1				1.4	76	Mexico	4.6				1.8
14	Barbados	6.1				1.1	77	Peru	4.6				1.7
15	Estonia	6.0				1.3	78	Sri Lanka	4.6				1.9
16	Czech Republic	6.0				1.1	79	Brazil	4.5				2.1
17	Zambia	6.0				1.4	80	Burkina Faso	4.5				2.0
18	Belgium	6.0				1.4	81	Pakistan	4.5				1.5
19	Austria	6.0				1.8	82	Colombia	4.5				2.0
20	Netherlands	6.0				1.6	83	Armenia	4.5				1.8
21	United Arab Emirates	6.0				1.5	84	Cameroon	4.5				1.9
22	France	5.9				1.6	85	Bolivia	4.5				1.9
23	Singapore	5.9				1.8	86	El Salvador	4.5				1.6
24	Luxembourg	5.8				1.9	87	Thailand	4.4				1.5
25	Kuwait	5.8				1.6	88	Nicaragua	4.4				1.7
26	Uruguay	5.8				1.6	89	Morocco	4.4				2.0
27	Greece	5.7				1.5	90	Malawi	4.4				1.6
28	Qatar	5.7				1.7	91	Georgia	4.4				1.9
29	Namibia	5.7				1.4	92	Azerbaijan	4.3				1.9
30	United States	5.7				1.6	93	Uganda	4.3				2.1
31	Botswana	5.7				1.2	94	Mozambique	4.3				1.8
32	Jamaica	5.6				1.3	95	Turkey	4.2				1.7
33	Israel	5.6				1.3	96	Moldova	4.2				1.9
34	Argentina	5.6				1.5	97	Angola	4.2				2.0
35	Slovak Republic	5.5				1.5	98	Philippines	4.2				1.7
36	Portugal	5.4				1.8	99	Tanzania	4.2				1.9
37	South Africa	5.4				1.4	100	Burundi	4.2				2.1
38	Malta	5.4				1.6	101	Egypt	4.1				2.1
39	Latvia	5.4				1.9	102	Romania	4.1				1.7
40	Lithuania	5.4				1.6	103	Korea, Rep.	4.1				1.6
41	Slovenia	5.3				1.5	104	Kenya	4.1				2.0
42	Bahrain	5.3				1.6	105	China	4.0				1.6
43	Taiwan, China	5.3				1.5	106	Bangladesh	4.0				1.7
44	Croatia	5.3				1.7	107	Ethiopia	3.9				1.8
45	Bosnia and Herzegovina	5.3				1.8	108	Nigeria	3.9				1.9
46	Spain	5.3				1.7	109	Madagascar	3.9				1.8
47	Trinidad and Tobago	5.3				1.6	110	Benin	3.9				2.1
48	Cyprus	5.2				1.7	111	Mauritania	3.8				2.3
49	Tunisia	5.2				1.7	112	Honduras	3.7				1.7
50	Chile	5.2				1.6	113	Kazakhstan	3.6				1.9
51	Jordan	5.2				1.7	114	Indonesia	3.6				1.1
52	Venezuela	5.2				1.7	115	Tajikistan	3.6				2.1
53	Malaysia	5.1				1.6	116	Mongolia	3.4				1.8
54	Serbia and Montenegro	5.1				2.0	117	Vietnam	3.3				1.7
55	Panama	5.0				1.6	118	Albania	3.3				1.8
56	Mali	4.9				2.0	119	Ukraine	3.3				1.9
57	Hungary	4.8				1.9	120	Nepal	3.2				1.8
58	India	4.8				1.4	121	Cambodia	3.2				1.8
59	Gambia	4.8				1.6	122	Timor-Leste	3.0				1.7
60	Japan	4.8				2.2	123	Russian Federation	2.9				1.9
61	Guatemala	4.8				1.6	124	Chad	2.7				1.9
62	Hong Kong SAR	4.8				1.8	125	Kyrgyz Republic	2.2				1.7
63	Guyana	4.8				1.8							

10.05 Impact of natural disasters on business operations and decisions

The incidence of environmental disasters such as floods, droughts, or severe storms significantly impacts your company's operations or decisions on expanding local business activities. (1 = strongly agree, 7 = strongly disagree)

RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD	RANK	COUNTRY/ECONOMY	SCORE	1	MEAN: 4.5	7	SD
1	Finland	6.6				0.9	64	Botswana.....	4.4				1.7
2	Ireland.....	6.5				0.9	65	Jamaica.....	4.3				1.9
3	Sweden	6.5				1.1	66	El Salvador.....	4.3				1.5
4	Iceland	6.4				1.1	67	Dominican Republic.....	4.3				1.6
5	Norway	6.3				1.2	68	Peru	4.2				1.8
6	Germany	6.2				1.4	69	Poland	4.2				1.5
7	Belgium	6.2				1.1	70	Georgia	4.1				1.9
8	Denmark	6.1				1.4	71	Sri Lanka	4.1				1.9
9	Bahrain.....	6.0				1.3	72	Serbia and Montenegro.....	4.1				2.3
10	Luxembourg	6.0				1.5	73	Korea, Rep.....	4.1				1.4
11	United Arab Emirates ..	5.9				1.4	74	Armenia	4.1				1.9
12	Switzerland.....	5.9				1.4	75	Costa Rica.....	4.0				2.1
13	Netherlands	5.9				1.5	76	Paraguay	4.0				2.0
14	United Kingdom.....	5.9				1.4	77	Japan	4.0				2.0
15	Singapore.....	5.9				1.6	78	Ecuador.....	4.0				1.8
16	Kuwait.....	5.8				1.6	79	Macedonia, FYR	4.0				2.0
17	Austria	5.8				1.5	79	Thailand	4.0				1.6
18	Canada.....	5.8				1.5	81	Cameroon	4.0				2.0
19	Hong Kong SAR.....	5.7				1.5	82	Tajikistan	4.0				2.1
20	Zambia	5.6				1.6	83	Algeria.....	4.0				1.8
21	Israel.....	5.6				1.5	84	Trinidad and Tobago	4.0				1.8
22	Qatar	5.6				1.7	85	Angola.....	4.0				1.6
23	Greece	5.5				1.5	86	Tanzania	4.0				1.6
24	New Zealand.....	5.5				1.7	87	Morocco	4.0				1.9
25	Estonia.....	5.5				1.6	88	Romania.....	4.0				1.7
26	Uruguay	5.5				1.6	89	Philippines	3.9				1.6
27	South Africa.....	5.5				1.4	90	China.....	3.9				1.7
28	France.....	5.4				1.7	91	Zimbabwe.....	3.9				1.5
29	Australia.....	5.3				1.8	92	Ethiopia.....	3.9				1.9
30	Malta.....	5.2				1.7	93	Cambodia.....	3.9				1.9
31	Portugal	5.2				1.7	94	Bosnia and Herzegovina.....	3.9				2.0
32	Jordan	5.2				1.8	95	Lesotho.....	3.8				1.8
33	Lithuania	5.2				1.7	96	Kyrgyz Republic	3.8				2.3
34	Cyprus	5.1				1.6	97	Burkina Faso	3.8				2.2
35	Spain.....	5.1				1.7	98	Guatemala.....	3.8				1.7
36	Panama.....	5.1				1.5	99	Bulgaria.....	3.8				1.9
37	Malaysia.....	5.1				1.5	100	Kazakhstan.....	3.7				2.0
38	United States.....	5.1				1.6	101	Kenya.....	3.7				1.9
39	India	5.0				1.6	102	Benin	3.7				1.8
40	Chile.....	5.0				1.7	103	Malawi	3.6				1.9
41	Latvia	5.0				1.9	104	Bolivia	3.6				1.8
42	Argentina	4.9				1.9	105	Uganda	3.6				2.0
43	Mexico.....	4.9				1.7	106	Indonesia	3.5				1.3
44	Tunisia.....	4.9				1.9	107	Nepal	3.5				1.8
45	Gambia	4.9				1.7	108	Mali.....	3.5				2.0
46	Czech Republic.....	4.8				2.0	109	Pakistan	3.5				1.6
47	Slovenia.....	4.7				1.6	110	Ukraine.....	3.4				1.9
48	Slovak Republic	4.7				1.7	111	Mongolia.....	3.4				2.1
49	Taiwan, China.....	4.7				1.6	112	Moldova.....	3.4				2.0
50	Namibia.....	4.7				1.6	113	Vietnam.....	3.3				1.7
51	Turkey	4.7				1.6	114	Nicaragua.....	3.3				1.6
52	Colombia.....	4.7				1.9	115	Bangladesh	3.3				1.8
53	Croatia	4.7				1.9	116	Honduras	3.2				1.9
54	Mauritius.....	4.7				1.8	117	Mauritania	3.1				1.9
55	Egypt	4.6				2.1	118	Guyana.....	3.1				1.8
56	Hungary	4.6				1.8	119	Albania	3.1				1.9
57	Italy	4.6				1.8	120	Burundi	3.1				2.0
58	Suriname	4.6				2.1	121	Mozambique.....	3.0				1.8
59	Azerbaijan	4.5				1.9	122	Chad	3.0				1.8
60	Venezuela	4.5				1.9	123	Madagascar	3.0				1.8
61	Brazil	4.5				1.9	124	Russian Federation.....	2.8				1.9
62	Barbados.....	4.5				1.7	125	Timor-Leste.....	2.7				1.5
63	Nigeria	4.4				1.9							

The Growth Competitiveness Index 2006–2007

As noted in Chapter 1.1, although in this year's *Report* we complete the move to the Global Competitiveness Index as the main competitiveness indicator to be used by the World Economic Forum, for the sake of historical continuity we also present the rankings associated with the Growth Competitiveness Index (Growth CI). This is the subject of the present appendix.

This appendix first describes the composition of the Growth CI, with regard to the specific data used, as well as the weightings applied to the different variables. This is followed by four tables showing the results from this year: Table A presents the overall rankings of the Growth CI. Tables B, C, and D then show the results for each of the composite indexes (technology, public institutions, and the macroeconomic environment).

Composition of the Growth Competitiveness Index

The Growth Competitiveness Index is composed of three component indexes: the technology index, the public institutions index, and the macroeconomic environment index. These indexes are calculated on the basis of both "hard data" and "Survey data."

The sample of countries/economies is divided into two groups: the core innovators and the non-core innovators. Core innovators are countries/economies with more than 15 US utility patents registered per million population; non-core innovators are all other countries/economies.

For the core innovators, we place extra emphasis on the role of innovation and technology. The weightings for the core innovators are as follows:

$$\begin{aligned} \text{Growth Competitiveness} \\ \text{Index for core innovators} &= 1/2 \text{ technology index} \\ &\quad + 1/4 \text{ public institutions index} \\ &\quad + 1/4 \text{ macroeconomic environment} \\ &\quad \text{index} \end{aligned}$$

For the non-core innovators, we calculate the Growth Competitiveness Index values as a simple average of the three component indexes:

$$\begin{aligned} \text{Growth Competitiveness} \\ \text{Index for non-core} \\ \text{innovators} &= 1/3 \text{ technology index} \\ &\quad + 1/3 \text{ public institutions index} \\ &\quad + 1/3 \text{ macroeconomic environment} \\ &\quad \text{index} \end{aligned}$$

Technology index components

The technology index is calculated for the core and non-core innovators as follows:

$$\begin{aligned} \text{technology index for} \\ \text{core innovators} &= 1/2 \text{ innovation subindex} \\ &\quad + 1/2 \text{ information and communication} \\ &\quad \text{technology subindex} \end{aligned}$$

$$\begin{aligned} \text{technology index for} \\ \text{non-core innovators} &= 1/8 \text{ innovation subindex} \\ &\quad + 3/8 \text{ technology transfer subindex} \\ &\quad + 1/2 \text{ information and communication} \\ &\quad \text{technology subindex} \end{aligned}$$

Innovation subindex

$$\begin{aligned} \text{innovation subindex} &= 1/4 \text{ Survey data} \\ &\quad + 3/4 \text{ hard data} \end{aligned}$$

Innovation Survey questions

- 7.01 Technological readiness
- 7.02 Firm-level technology absorption
- 9.02 Company spending on research and development
- 9.03 University/industry research collaboration

Innovation hard data

- 9.06 Utility patents
- 5.02 Tertiary enrollment

Technology transfer subindex

$$\begin{aligned} \text{technology transfer} \\ \text{subindex} &= \text{unweighted average of two technology} \\ &\quad \text{transfer Survey questions} \end{aligned}$$

- 7.04 FDI and technology transfer
- 7.08 Prevalence of foreign technology licensing

Information and communication technology (ICT) subindex

$$\begin{aligned} \text{information and} \\ \text{communication} \\ \text{technology subindex} &= 1/3 \text{ information and communication} \\ &\quad \text{technology Survey data} \\ &\quad + 2/3 \text{ information and communication} \\ &\quad \text{technology hard data} \end{aligned}$$

Information and communication technology Survey questions

- 7.13 Internet access in schools
- 7.11 Quality of competition in the ISP sector
- 7.09 Government prioritization of ICT
- 7.10 Government success in ICT promotion
- 7.03 Laws relating to ICT

Information and communication technology hard data

- 7.05 Cellular telephones
- 7.06 Internet users
- 7.15 Internet hosts
- 2.06 Telephone lines
- 7.07 Personal computers

Public institutions index components

public institutions index = $\frac{1}{2}$ contracts and law subindex
+ $\frac{1}{2}$ corruption subindex

Contracts and law subindex

- 1.04 Judicial independence
- 1.01 Property rights
- 1.05 Favoritism in decisions of government officials
- 1.11 Organized crime

Corruption subindex

- 1.22 Irregular payments in exports and imports
- 1.23 Irregular payments in public utilities
- 1.24 Irregular payments in tax collection

Macroeconomic environment index components

macroeconomic
environment index = $\frac{1}{2}$ macroeconomic stability subindex
+ $\frac{1}{4}$ country credit rating
+ $\frac{1}{4}$ government waste

Macroeconomic stability subindex

macroeconomic
stability subindex = $\frac{5}{7}$ macroeconomic stability hard data
+ $\frac{2}{7}$ macroeconomic stability Survey
data

Macroeconomic stability Survey questions

- 3.07 Recession expectations
- 6.32 Recent access to credit

Macroeconomic stability hard data

- 3.01 Government surplus/deficit
- 3.02 National savings rate
- 3.03 Inflation
- 3.06 Real effective exchange rate
- 3.04 Interest rate spread
- 3.05 Government debt
- 3.08 Country credit rating

Government waste variable

- 1.06 Wastefulness of government spending

Results of the Growth Competitiveness Index 2006–2007

The tables in this section present the overall rankings of the Growth CI, with comparisons to last year's rankings, as well as the results of each of the three component indexes.

Table A: Growth Competitiveness Index components

Growth Competitiveness Index				Technology index			Public institutions index			Macroeconomic environment index		
Country/Economy	2006 Rank	2006 Score	2005 Rank	Country/Economy	Rank	Score	Country/Economy	Rank	Score	Country/Economy	Rank	Score
Finland	1	5.85	1	United States	1	6.05	Denmark	1	6.53	Singapore	1	5.88
Sweden	2	5.76	3	Taiwan, China	2	5.78	New Zealand	2	6.47	Norway	2	5.79
Denmark	3	5.63	4	Sweden	3	5.73	Iceland	3	6.46	Denmark	3	5.69
United States	4	5.56	2	Finland	4	5.66	Finland	4	6.45	Finland	4	5.64
Iceland	5	5.48	7	Japan	5	5.37	Germany	5	6.39	Qatar	5	5.62
Taiwan, China	6	5.47	5	Korea, Rep.	6	5.18	Norway	6	6.35	Netherlands	6	5.52
Norway	7	5.47	9	Denmark	7	5.16	Singapore	7	6.32	United Arab Emirates	7	5.50
Switzerland	8	5.45	8	Iceland	8	5.10	Netherlands	8	6.23	Switzerland	8	5.50
Netherlands	9	5.38	11	Switzerland	9	5.04	Switzerland	9	6.23	Hong Kong SAR	9	5.42
Singapore	10	5.37	6	Israel	10	4.97	Sweden	10	6.22	Sweden	10	5.35
Japan	11	5.32	12	Netherlands	11	4.88	Austria	11	6.15	Luxembourg	11	5.35
Australia	12	5.29	10	Norway	12	4.86	United Kingdom	12	6.14	Australia	12	5.35
United Kingdom	13	5.13	13	Australia	13	4.84	Australia	13	6.12	Iceland	13	5.27
Germany	14	5.13	15	Estonia	14	4.78	Hong Kong SAR	14	6.03	Ireland	14	5.25
Qatar	15	5.09	19	Canada	15	4.71	Japan	15	6.01	Chile	15	5.22
Canada	16	5.08	14	Singapore	16	4.64	Luxembourg	16	5.99	United Kingdom	16	5.16
Estonia	17	5.08	20	United Kingdom	17	4.61	Ireland	17	5.94	Kuwait	17	5.13
Israel	18	5.06	27	Germany	18	4.58	Canada	18	5.80	Austria	18	5.12
United Arab Emirates	19	5.06	18	Malta	19	4.56	Portugal	19	5.79	Canada	19	5.11
Austria	20	5.05	21	Austria	20	4.46	Israel	20	5.74	Malaysia	20	5.03
Korea, Rep.	21	4.98	17	Portugal	21	4.39	France	21	5.73	Spain	21	5.02
Luxembourg	22	4.98	25	Czech Republic	22	4.36	Qatar	22	5.69	Taiwan, China	22	5.00
Hong Kong SAR	23	4.97	28	Spain	23	4.32	Chile	23	5.66	Germany	23	4.96
Chile	24	4.96	23	Malaysia	24	4.31	Belgium	24	5.63	United States	24	4.95
New Zealand	25	4.94	16	Luxembourg	25	4.29	United Arab Emirates	25	5.54	Estonia	25	4.93
Malaysia	26	4.92	24	Hong Kong SAR	26	4.22	Estonia	26	5.53	Belgium	26	4.90
Portugal	27	4.91	22	New Zealand	27	4.21	Barbados	27	5.46	New Zealand	27	4.87
Spain	28	4.87	29	Slovenia	28	4.19	Malaysia	28	5.42	Bahrain	28	4.84
Ireland	29	4.80	26	Hungary	29	4.17	Slovenia	29	5.38	Tunisia	29	4.84
Slovenia	30	4.77	32	Slovak Republic	30	4.16	Taiwan, China	30	5.33	France	30	4.84
Malta	31	4.76	35	France	31	4.13	Malta	31	5.32	Thailand	31	4.81
France	32	4.71	30	United Arab Emirates	32	4.12	Spain	32	5.29	China	32	4.79
Belgium	33	4.67	31	Belgium	33	4.08	Uruguay	33	5.27	Slovenia	33	4.74
Bahrain	34	4.61	37	Chile	34	4.02	Kuwait	34	5.21	Korea, Rep.	34	4.73
Barbados	35	4.61	n/a	Ireland	35	4.00	Tunisia	35	5.20	South Africa	35	4.73
Kuwait	36	4.60	33	Qatar	36	3.95	United States	36	5.20	Algeria	36	4.72
Tunisia	37	4.56	40	Greece	37	3.92	Bahrain	37	5.19	Latvia	37	4.65
Czech Republic	38	4.55	38	Lithuania	38	3.91	Jordan	38	5.18	Kazakhstan	38	4.62
Slovak Republic	39	4.52	41	Latvia	39	3.89	South Africa	39	5.18	Israel	39	4.58
South Africa	40	4.51	42	Cyprus	40	3.87	Cyprus	40	5.18	Botswana	40	4.58
Cyprus	41	4.50	34	Croatia	41	3.82	Hungary	41	5.16	Barbados	41	4.57
Latvia	42	4.45	44	Barbados	42	3.81	Botswana	42	5.08	Portugal	42	4.55
Hungary	43	4.43	39	Bahrain	43	3.80	India	43	5.07	Japan	43	4.51
Thailand	44	4.39	36	Thailand	44	3.78	Mauritius	44	5.01	Cyprus	44	4.45
Lithuania	45	4.39	43	Italy	45	3.74	Slovak Republic	45	4.95	Indonesia	45	4.45
Greece	46	4.35	46	Jamaica	46	3.73	Czech Republic	46	4.87	Lithuania	46	4.44
India	47	4.33	50	Tunisia	47	3.64	Costa Rica	47	4.86	Slovak Republic	47	4.43
Botswana	48	4.24	48	Costa Rica	48	3.62	Korea, Rep.	48	4.83	Czech Republic	48	4.43
Italy	49	4.23	47	Brazil	49	3.62	Greece	49	4.83	Malta	49	4.41
Jordan	50	4.20	45	South Africa	50	3.62	Latvia	50	4.81	Mexico	50	4.37
Mauritius	51	4.14	52	Romania	51	3.60	Lithuania	51	4.81	India	51	4.32
Mexico	52	4.10	55	Mexico	52	3.59	Egypt	52	4.70	Greece	52	4.31
Costa Rica	53	4.10	64	India	53	3.59	Italy	53	4.69	Trinidad and Tobago	53	4.30
Uruguay	54	4.07	54	Jordan	54	3.56	Turkey	54	4.68	Italy	54	4.27
El Salvador	55	4.03	56	Turkey	55	3.53	El Salvador	55	4.61	Russian Federation	55	4.23
Croatia	56	4.02	62	Mauritius	56	3.53	Thailand	56	4.59	El Salvador	56	4.20
Turkey	57	3.99	66	Poland	57	3.52	Namibia	57	4.49	Colombia	57	4.12
China	58	3.97	49	Trinidad and Tobago	58	3.52	Panama	58	4.43	Azerbaijan	58	4.11
Colombia	59	3.96	57	Indonesia	59	3.48	Colombia	59	4.42	Poland	59	4.08
Kazakhstan	60	3.95	61	Dominican Republic	60	3.47	Peru	60	4.36	Peru	60	4.06
Algeria	61	3.94	78	Serbia and Montenegro	61	3.47	Moldova	61	4.35	Croatia	61	4.03
Panama	62	3.91	73	Argentina	62	3.46	Mexico	62	4.35	Bulgaria	62	4.02
Egypt	63	3.89	53	Kuwait	63	3.45	Bulgaria	63	4.33	Namibia	63	4.01
Bulgaria	64	3.89	58	Uruguay	64	3.45	Algeria	64	4.31	Hungary	64	3.95
Peru	65	3.89	68	Panama	65	3.42	Guatemala	65	4.28	Morocco	65	3.95
Poland	66	3.88	51	Colombia	66	3.33	Brazil	66	4.27	Mauritius	66	3.89
Trinidad and Tobago	67	3.87	60	Egypt	67	3.32	Malawi	67	4.23	Panama	67	3.89
Namibia	68	3.85	63	Philippines	68	3.32	Croatia	68	4.21	Vietnam	68	3.88
Indonesia	69	3.79	74	Bulgaria	69	3.32	Morocco	69	4.20	Jordan	69	3.85

(cont'd.)

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(cont'd.)

Table A: Growth Competitiveness Index components (cont'd.)

Growth Competitiveness Index				Technology index			Public institutions index			Macroeconomic environment index		
Country/Economy	2006 Rank	2006 Score	2005 Rank	Country/Economy	Rank	Score	Country/Economy	Rank	Score	Country/Economy	Rank	Score
Romania	70	3.78	67	El Salvador	70	3.29	Jamaica	70	4.11	Guatemala	70	3.84
Morocco	71	3.77	76	Peru	71	3.25	China	71	4.04	Costa Rica	71	3.83
Guatemala	72	3.77	97	Kazakhstan	72	3.22	Romania	72	4.03	Venezuela	72	3.76
Brazil	73	3.75	65	Russian Federation	73	3.20	Poland	73	4.03	Turkey	73	3.75
Russian Federation	74	3.74	75	Venezuela	74	3.19	Dominican Republic	74	4.01	Philippines	74	3.73
Azerbaijan	75	3.70	69	Guatemala	75	3.19	Armenia	75	4.01	Pakistan	75	3.70
Jamaica	76	3.64	70	Morocco	76	3.17	Kazakhstan	76	4.00	Romania	76	3.70
Philippines	77	3.61	77	Mauritania	77	3.14	Tanzania	77	3.99	Macedonia, FYR	77	3.68
Argentina	78	3.61	72	Kenya	78	3.11	Burkina Faso	78	3.99	Argentina	78	3.65
Dominican Republic	79	3.60	102	Azerbaijan	79	3.09	Ethiopia	79	3.97	Egypt	79	3.65
Serbia and Montenegro	80	3.60	80	Uganda	80	3.07	Gambia	80	3.97	Tanzania	80	3.61
Tanzania	81	3.52	71	Sri Lanka	81	3.07	Lesotho	81	3.96	Ukraine	81	3.60
Armenia	82	3.49	79	Namibia	82	3.07	Serbia and Montenegro	82	3.95	Lesotho	82	3.59
Moldova	83	3.48	82	Nigeria	83	3.07	Azerbaijan	83	3.89	Armenia	83	3.58
Pakistan	84	3.45	83	China	84	3.07	Suriname	84	3.88	Uruguay	84	3.51
Ukraine	85	3.45	84	Botswana	85	3.05	Georgia	85	3.86	Bangladesh	85	3.50
Vietnam	86	3.44	81	Pakistan	86	2.96	Ukraine	86	3.83	Mongolia	86	3.49
Macedonia, FYR	87	3.42	85	Tanzania	87	2.96	Sri Lanka	87	3.82	Nigeria	87	3.49
Georgia	88	3.41	86	Gambia	88	2.92	Trinidad and Tobago	88	3.81	Suriname	88	3.49
Sri Lanka	89	3.40	98	Ukraine	89	2.91	Bosnia and Herzegovina	89	3.81	Ecuador	89	3.48
Mongolia	90	3.39	96	Zambia	90	2.91	Mongolia	90	3.80	Georgia	90	3.47
Gambia	91	3.38	94	Macedonia, FYR	91	2.90	Philippines	91	3.80	Bosnia and Herzegovina	91	3.40
Venezuela	92	3.37	89	Georgia	92	2.90	Bolivia	92	3.79	Honduras	92	3.37
Bosnia and Herzegovina	93	3.37	95	Bosnia and Herzegovina	93	2.89	Russian Federation	93	3.78	Serbia and Montenegro	93	3.37
Lesotho	94	3.34	n/a	Mongolia	94	2.89	Nicaragua	94	3.76	Brazil	94	3.36
Burkina Faso	95	3.32	n/a	Armenia	95	2.88	Mali	95	3.75	Albania	95	3.35
Suriname	96	3.31	n/a	Vietnam	96	2.86	Mozambique	96	3.72	Dominican Republic	96	3.32
Ecuador	97	3.27	103	Burkina Faso	97	2.84	Argentina	97	3.71	Nepal	97	3.31
Uganda	98	3.27	87	Honduras	98	2.83	Nepal	98	3.70	Sri Lanka	98	3.30
Kenya	99	3.27	92	Moldova	99	2.81	Pakistan	99	3.70	Tajikistan	99	3.28
Nepal	100	3.26	n/a	Algeria	100	2.80	Angola	100	3.68	Bolivia	100	3.28
Nigeria	101	3.25	88	Ecuador	101	2.77	Macedonia, FYR	101	3.66	Moldova	101	3.27
Bolivia	102	3.23	101	Nepal	102	2.76	Mauritania	102	3.66	Cambodia	102	3.27
Albania	103	3.22	100	Albania	103	2.76	Vietnam	103	3.58	Cameroon	103	3.25
Honduras	104	3.21	93	Guyana	104	2.74	Ecuador	104	3.57	Timor-Leste	104	3.25
Ethiopia	105	3.20	106	Zimbabwe	105	2.71	Kenya	105	3.56	Uganda	105	3.24
Nicaragua	106	3.18	99	Malawi	106	2.69	Tajikistan	106	3.56	Gambia	106	3.24
Malawi	107	3.17	105	Cambodia	107	2.67	Albania	107	3.56	Benin	107	3.16
Tajikistan	108	3.16	104	Nicaragua	108	2.67	Uganda	108	3.50	Kenya	108	3.14
Mauritania	109	3.15	n/a	Bangladesh	109	2.67	Timor-Leste	109	3.49	Nicaragua	109	3.13
Mali	110	3.15	90	Madagascar	110	2.65	Indonesia	110	3.45	Burkina Faso	110	3.13
Mozambique	111	3.12	91	Mali	111	2.63	Honduras	111	3.42	Jamaica	111	3.09
Cameroon	112	3.02	111	Tajikistan	112	2.63	Madagascar	112	3.41	Ethiopia	112	3.08
Timor-Leste	113	3.02	108	Angola	113	2.62	Benin	113	3.37	Mali	113	3.07
Benin	114	3.01	114	Bolivia	114	2.61	Paraguay	114	3.36	Mozambique	114	3.03
Madagascar	115	2.99	107	Mozambique	115	2.60	Burundi	115	3.28	Paraguay	115	3.03
Cambodia	116	2.99	112	Cameroon	116	2.57	Zimbabwe	116	3.25	Madagascar	116	2.92
Angola	117	2.97	n/a	Suriname	117	2.55	Cameroon	117	3.24	Guyana	117	2.76
Paraguay	118	2.93	113	Ethiopia	118	2.54	Guyana	118	3.22	Zambia	118	2.70
Zambia	119	2.93	n/a	Kyrgyz Republic	119	2.53	Nigeria	119	3.19	Mauritania	119	2.65
Guyana	120	2.91	115	Benin	120	2.50	Zambia	120	3.18	Angola	120	2.62
Bangladesh	121	2.88	110	Lesotho	121	2.47	Venezuela	121	3.15	Malawi	121	2.59
Kyrgyz Republic	122	2.68	116	Paraguay	122	2.41	Cambodia	122	3.03	Kyrgyz Republic	122	2.58
Zimbabwe	123	2.60	109	Timor-Leste	123	2.31	Kyrgyz Republic	123	2.94	Chad	123	2.55
Burundi	124	2.58	n/a	Chad	124	2.05	Chad	124	2.79	Burundi	124	2.43
Chad	125	2.46	117	Burundi	125	2.04	Bangladesh	125	2.48	Zimbabwe	125	1.84

Table B: Technology index components

Country/Economy	Technology index		Innovation subindex		ICT subindex		Tech transfer subindex	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	103	2.76	95	1.78	105	1.90	93	4.22
Algeria	100	2.80	84	2.02	90	2.06	103	4.05
Angola	113	2.62	121	1.41	120	1.68	91	4.29
Argentina	62	3.46	36	3.14	61	2.62	70	4.67
Armenia	95	2.88	76	2.23	92	2.04	94	4.22
Australia	13	4.84	14	4.20	7	5.48	8	5.53
Austria	20	4.46	20	3.81	16	5.11	68	4.68
Azerbaijan	79	3.09	83	2.03	77	2.31	81	4.47
Bahrain	43	3.80	58	2.44	43	3.23	45	5.03
Bangladesh	109	2.67	109	1.63	116	1.75	92	4.23
Barbados	42	3.81	99	1.73	32	3.73	74	4.60
Belgium	33	4.08	17	4.08	27	4.09	38	5.13
Benin	120	2.50	117	1.46	111	1.85	117	3.71
Bolivia	114	2.61	60	2.43	103	1.93	121	3.58
Bosnia and Herzegovina	93	2.89	80	2.13	71	2.39	111	3.83
Botswana	85	3.05	98	1.74	82	2.24	76	4.58
Brazil	49	3.62	71	2.27	51	2.83	39	5.12
Bulgaria	69	3.32	52	2.50	49	2.92	99	4.13
Burkina Faso	97	2.84	110	1.60	112	1.83	75	4.58
Burundi	125	2.04	123	1.40	124	1.50	125	2.97
Cambodia	107	2.67	105	1.65	114	1.80	95	4.18
Cameroon	116	2.57	112	1.57	115	1.76	106	3.99
Canada	15	4.71	12	4.35	17	5.08	10	5.50
Chad	124	2.05	125	1.31	125	1.40	124	3.16
Chile	34	4.02	39	2.91	42	3.38	27	5.25
China	84	3.07	75	2.24	65	2.47	98	4.13
Colombia	66	3.33	68	2.34	66	2.47	61	4.80
Costa Rica	48	3.62	65	2.40	59	2.71	26	5.25
Croatia	41	3.82	45	2.67	39	3.41	64	4.74
Cyprus	40	3.87	46	2.65	31	3.74	83	4.46
Czech Republic	22	4.36	38	2.99	29	3.94	17	5.39
Denmark	7	5.16	9	4.62	3	5.69	46	5.00
Dominican Republic	60	3.47	54	2.48	67	2.46	37	5.15
Ecuador	101	2.77	87	1.98	94	2.03	105	4.02
Egypt	67	3.32	59	2.43	76	2.31	49	4.97
El Salvador	70	3.29	81	2.13	64	2.52	66	4.70
Estonia	14	4.78	25	3.57	22	4.64	19	5.37
Ethiopia	118	2.54	122	1.41	122	1.60	96	4.16
Finland	4	5.66	4	5.85	8	5.47	60	4.81
France	31	4.13	19	3.82	24	4.43	72	4.64
Gambia	88	2.92	115	1.49	91	2.06	78	4.54
Georgia	92	2.90	53	2.49	87	2.10	101	4.10
Germany	18	4.58	11	4.53	21	4.64	50	4.95
Greece	37	3.92	24	3.63	41	3.40	65	4.71
Guatemala	75	3.19	88	1.96	80	2.25	55	4.85
Guyana	104	2.74	107	1.65	85	2.16	108	3.89
Honduras	98	2.83	93	1.88	102	1.94	89	4.32
Hong Kong SAR	26	4.22	33	3.20	11	5.24	11	5.48
Hungary	29	4.17	31	3.34	34	3.59	30	5.20
Iceland	8	5.10	13	4.32	2	5.87	53	4.86
India	53	3.59	77	2.21	69	2.40	5	5.62
Indonesia	59	3.48	79	2.16	93	2.03	2	5.86
Ireland	35	4.00	21	3.81	25	4.19	4	5.78
Israel	10	4.97	7	4.96	18	4.98	16	5.39
Italy	45	3.74	29	3.45	28	4.03	79	4.49
Jamaica	46	3.73	74	2.25	45	3.16	48	4.99
Japan	5	5.37	3	5.86	19	4.89	34	5.16
Jordan	54	3.56	47	2.64	60	2.65	43	5.06
Kazakhstan	72	3.22	42	2.84	68	2.43	84	4.40
Kenya	78	3.11	96	1.77	104	1.92	36	5.16
Korea, Rep.	6	5.18	6	5.19	14	5.17	69	4.67
Kuwait	63	3.45	72	2.26	46	3.04	85	4.39
Kyrgyz Republic	119	2.53	66	2.38	108	1.86	122	3.48
Latvia	39	3.89	26	3.57	40	3.40	71	4.66
Lesotho	121	2.47	119	1.45	119	1.73	113	3.80
Lithuania	38	3.91	27	3.53	37	3.57	80	4.49
Luxembourg	25	4.29	37	3.04	6	5.54	44	5.05
Macedonia, FYR	91	2.90	78	2.19	72	2.38	112	3.83
Madagascar	110	2.65	104	1.66	110	1.85	104	4.04
Malawi	106	2.69	116	1.47	118	1.75	86	4.36

(cont'd.)

Table B: Technology index components (cont'd.)

Country/Economy	Technology index		Innovation subindex		ICT subindex		Tech transfer subindex	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Malaysia	24	4.31	43	2.83	35	3.58	3	5.78
Mali	111	2.63	113	1.54	98	1.98	109	3.86
Malta	19	4.56	62	2.43	23	4.56	24	5.26
Mauritania	77	3.14	114	1.53	95	2.00	29	5.21
Mauritius	56	3.53	82	2.09	48	2.93	59	4.81
Mexico	52	3.59	70	2.28	57	2.72	31	5.20
Moldova	99	2.81	67	2.38	78	2.30	120	3.64
Mongolia	94	2.89	56	2.48	83	2.21	107	3.92
Morocco	76	3.17	89	1.94	79	2.30	63	4.74
Mozambique	115	2.60	118	1.45	117	1.75	100	4.12
Namibia	82	3.07	97	1.76	89	2.08	58	4.83
Nepal	102	2.76	111	1.59	109	1.86	88	4.35
Netherlands	11	4.88	15	4.12	4	5.63	22	5.33
New Zealand	27	4.21	22	3.76	20	4.65	20	5.36
Nicaragua	108	2.67	90	1.93	100	1.97	110	3.85
Nigeria	83	3.07	91	1.90	96	1.99	52	4.90
Norway	12	4.86	10	4.55	12	5.18	41	5.10
Pakistan	86	2.96	100	1.71	86	2.15	82	4.46
Panama	65	3.42	41	2.87	73	2.37	47	5.00
Paraguay	122	2.41	85	2.02	113	1.81	123	3.34
Peru	71	3.25	57	2.45	75	2.31	62	4.76
Philippines	68	3.32	63	2.42	70	2.40	54	4.85
Poland	57	3.52	32	3.23	47	2.99	90	4.31
Portugal	21	4.39	35	3.17	30	3.91	13	5.43
Qatar	36	3.95	73	2.25	44	3.20	9	5.53
Romania	51	3.60	48	2.63	55	2.74	42	5.08
Russian Federation	73	3.20	30	3.34	56	2.72	114	3.80
Serbia and Montenegro	61	3.47	64	2.40	58	2.71	56	4.84
Singapore	16	4.64	16	4.10	13	5.17	1	6.08
Slovak Republic	30	4.16	44	2.69	36	3.58	14	5.42
Slovenia	28	4.19	23	3.69	26	4.19	87	4.35
South Africa	50	3.62	69	2.31	62	2.56	12	5.46
Spain	23	4.32	28	3.48	33	3.71	15	5.41
Sri Lanka	81	3.07	102	1.70	88	2.10	57	4.83
Suriname	117	2.55	103	1.68	101	1.95	119	3.64
Sweden	3	5.73	5	5.57	1	5.89	28	5.23
Switzerland	9	5.04	8	4.78	9	5.29	25	5.26
Taiwan, China	2	5.78	2	6.32	10	5.24	6	5.55
Tajikistan	112	2.63	92	1.89	97	1.98	115	3.74
Tanzania	87	2.96	101	1.71	99	1.98	67	4.69
Thailand	44	3.78	40	2.89	50	2.85	23	5.33
Timor-Leste	123	2.31	124	1.32	123	1.55	118	3.65
Trinidad and Tobago	58	3.52	86	1.99	63	2.54	21	5.33
Tunisia	47	3.64	50	2.57	54	2.76	33	5.18
Turkey	55	3.53	55	2.48	53	2.77	51	4.90
Uganda	80	3.07	106	1.65	107	1.86	35	5.16
Ukraine	89	2.91	34	3.20	81	2.24	116	3.72
United Arab Emirates	32	4.12	61	2.43	38	3.48	7	5.54
United Kingdom	17	4.61	18	4.07	15	5.14	18	5.38
United States	1	6.05	1	6.51	5	5.59	32	5.19
Uruguay	64	3.45	51	2.56	52	2.79	73	4.63
Venezuela	74	3.19	49	2.59	74	2.32	77	4.56
Vietnam	96	2.86	94	1.86	84	2.19	102	4.08
Zambia	90	2.91	120	1.44	121	1.63	40	5.11
Zimbabwe	105	2.71	108	1.64	106	1.88	97	4.16

Table C: Public institutions index components

Country/Economy	Public institutions index		Contracts and law subindex		Corruption subindex	
	Rank	Score	Rank	Score	Rank	Score
Albania	107	3.56	115	2.86	89	4.26
Algeria	64	4.31	53	4.21	83	4.42
Angola	100	3.68	96	3.31	97	4.06
Argentina	97	3.71	118	2.81	70	4.61
Armenia	75	4.01	80	3.54	78	4.48
Australia	13	6.12	11	5.75	13	6.49
Austria	11	6.15	12	5.73	11	6.57
Azerbaijan	83	3.89	70	3.68	95	4.11
Bahrain	37	5.19	48	4.42	29	5.97
Bangladesh	125	2.48	111	2.91	125	2.06
Barbados	27	5.46	21	5.27	42	5.65
Belgium	24	5.63	25	5.18	27	6.08
Benin	113	3.37	87	3.46	119	3.29
Bolivia	92	3.79	110	3.00	71	4.57
Bosnia and Herzegovina	89	3.81	103	3.13	77	4.48
Botswana	42	5.08	38	4.75	49	5.41
Brazil	66	4.27	95	3.35	56	5.19
Bulgaria	63	4.33	116	2.86	34	5.81
Burkina Faso	78	3.99	66	3.77	92	4.21
Burundi	115	3.28	114	2.86	110	3.69
Cambodia	122	3.03	107	3.04	122	3.03
Cameroon	117	3.24	106	3.05	115	3.44
Canada	18	5.80	23	5.25	19	6.34
Chad	124	2.79	124	2.25	117	3.32
Chile	23	5.66	32	4.88	15	6.44
China	71	4.04	81	3.54	73	4.54
Colombia	59	4.42	75	3.62	54	5.22
Costa Rica	47	4.86	46	4.46	51	5.27
Croatia	68	4.21	76	3.62	63	4.80
Cyprus	40	5.18	35	4.83	47	5.52
Czech Republic	46	4.87	57	4.14	44	5.61
Denmark	1	6.53	1	6.27	4	6.79
Dominican Republic	74	4.01	86	3.48	72	4.54
Ecuador	104	3.57	105	2.83	85	4.32
Egypt	52	4.70	117	4.64	64	4.76
El Salvador	55	4.61	40	3.42	35	5.80
Estonia	26	5.53	91	5.07	28	5.99
Ethiopia	79	3.97	28	3.43	74	4.51
Finland	4	6.45	90	6.19	5	6.72
France	21	5.73	3	5.26	22	6.20
Gambia	80	3.97	22	4.23	109	3.71
Georgia	85	3.86	52	3.36	84	4.35
Germany	5	6.39	93	6.20	9	6.58
Greece	49	4.83	2	4.74	62	4.92
Guatemala	65	4.28	39	3.40	59	5.16
Guyana	118	3.22	92	2.80	111	3.65
Honduras	111	3.42	119	2.74	96	4.10
Hong Kong SAR	14	6.03	120	5.62	16	6.43
Hungary	41	5.16	14	4.40	31	5.92
Iceland	3	6.46	49	6.04	1	6.87
India	43	5.07	5	5.14	61	5.01
Indonesia	110	3.45	27	3.92	123	2.98
Ireland	17	5.94	62	5.51	18	6.38
Israel	20	5.74	16	5.29	23	6.18
Italy	53	4.69	20	3.56	33	5.81
Jamaica	70	4.11	79	3.48	66	4.73
Japan	15	6.01	85	5.38	8	6.64
Jordan	38	5.18	19	4.93	48	5.43
Kazakhstan	76	4.00	31	3.53	79	4.47
Kenya	105	3.56	82	3.23	105	3.89
Korea, Rep.	48	4.83	97	4.47	55	5.20
Kuwait	34	5.21	45	4.78	41	5.65
Kyrgyz Republic	123	2.94	36	2.62	121	3.25
Latvia	50	4.81	121	4.28	50	5.34
Lesotho	81	3.96	50	3.69	90	4.24
Lithuania	51	4.81	69	3.94	40	5.67
Luxembourg	16	5.99	61	5.57	17	6.40
Macedonia, FYR	101	3.66	15	2.89	81	4.43
Madagascar	112	3.41	112	3.23	113	3.59
Malawi	67	4.23	98	4.18	87	4.29
Malaysia	28	5.42	55	5.22	43	5.62

(cont'd.)

Table C: Public institutions index components (cont'd.)

Country/Economy	Public institutions index		Contracts and law subindex		Corruption subindex	
	Rank	Score	Rank	Score	Rank	Score
Mali	95	3.75	24	3.76	108	3.73
Malta	31	5.32	67	4.95	38	5.69
Mauritania	102	3.66	30	4.02	118	3.29
Mauritius	44	5.01	59	4.76	52	5.26
Mexico	62	4.35	37	3.52	57	5.18
Moldova	61	4.35	83	3.15	46	5.55
Mongolia	90	3.80	102	3.43	93	4.16
Morocco	69	4.20	89	4.17	91	4.22
Mozambique	96	3.72	56	3.17	88	4.27
Namibia	57	4.49	101	4.55	82	4.42
Nepal	98	3.70	43	3.67	107	3.74
Netherlands	8	6.23	73	5.96	12	6.50
New Zealand	2	6.47	8	6.08	2	6.85
Nicaragua	94	3.76	4	3.02	75	4.49
Nigeria	119	3.19	108	3.13	120	3.26
Norway	6	6.35	104	6.03	7	6.66
Pakistan	99	3.70	6	3.48	102	3.92
Panama	58	4.43	84	3.82	60	5.03
Paraguay	114	3.36	65	2.58	94	4.14
Peru	60	4.36	123	3.01	37	5.71
Philippines	91	3.80	109	3.63	100	3.96
Poland	73	4.03	74	3.58	76	4.48
Portugal	19	5.79	77	5.40	24	6.18
Qatar	22	5.69	18	5.41	30	5.96
Romania	72	4.03	17	3.45	69	4.62
Russian Federation	93	3.78	88	2.88	68	4.69
Serbia and Montenegro	82	3.95	113	3.20	67	4.70
Singapore	7	6.32	100	5.81	3	6.83
Slovak Republic	45	4.95	9	4.01	32	5.89
Slovenia	29	5.38	60	4.51	21	6.26
South Africa	39	5.18	44	4.58	36	5.78
Spain	32	5.29	42	4.27	20	6.30
Sri Lanka	87	3.82	51	3.68	99	3.97
Suriname	84	3.88	71	3.87	104	3.89
Sweden	10	6.22	63	5.76	6	6.68
Switzerland	9	6.23	10	5.99	14	6.46
Taiwan, China	30	5.33	7	4.59	26	6.08
Tajikistan	106	3.56	41	3.67	114	3.45
Tanzania	77	3.99	72	4.13	106	3.86
Thailand	56	4.59	58	4.46	65	4.73
Timor-Leste	109	3.49	47	3.05	101	3.93
Trinidad and Tobago	88	3.81	78	3.57	98	4.05
Tunisia	35	5.20	26	5.18	53	5.22
Turkey	54	4.68	54	4.19	58	5.18
Uganda	108	3.50	94	3.35	112	3.65
Ukraine	86	3.83	99	3.21	80	4.46
United Arab Emirates	25	5.54	29	4.98	25	6.10
United Kingdom	12	6.14	13	5.72	10	6.57
United States	36	5.20	34	4.83	45	5.57
Uruguay	33	5.27	33	4.86	39	5.68
Venezuela	121	3.15	125	2.00	86	4.30
Vietnam	103	3.58	68	3.74	116	3.41
Zambia	120	3.18	64	3.82	124	2.54
Zimbabwe	116	3.25	122	2.60	103	3.90

Table D: Macroeconomic environment index components

Country/Economy	Macroeconomic environment index		Macroeconomic stability index		Country credit rating		Government waste	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	95	3.35	80	4.25	100	2.16	88	2.72
Algeria	36	4.72	5	5.70	65	3.81	35	3.66
Angola	120	2.62	121	3.19	120	1.60	102	2.49
Argentina	78	3.65	48	4.71	86	2.72	106	2.47
Armenia	83	3.58	70	4.41	93	2.44	70	3.05
Australia	12	5.35	18	5.12	18	6.32	11	4.82
Austria	18	5.12	40	4.77	12	6.82	22	4.11
Azerbaijan	58	4.11	21	5.09	79	3.10	65	3.17
Bahrain	28	4.84	14	5.41	46	4.81	30	3.74
Bangladesh	85	3.50	57	4.57	96	2.29	99	2.56
Barbados	41	4.57	54	4.61	49	4.77	19	4.27
Belgium	26	4.90	50	4.67	15	6.65	39	3.63
Benin	107	3.16	101	3.99	104	2.02	92	2.65
Bolivia	100	3.28	96	4.08	90	2.49	103	2.48
Bosnia and Herzegovina	91	3.40	64	4.46	94	2.38	115	2.28
Botswana	40	4.58	53	4.63	48	4.78	18	4.28
Brazil	94	3.36	111	3.77	61	3.95	119	1.94
Bulgaria	62	4.02	51	4.65	56	4.29	101	2.50
Burkina Faso	110	3.13	114	3.60	109	1.89	47	3.41
Burundi	124	2.43	123	2.87	123	1.18	83	2.80
Cambodia	102	3.27	84	4.20	111	1.79	80	2.90
Cameroon	103	3.25	68	4.42	110	1.87	114	2.29
Canada	19	5.11	31	4.97	10	6.84	34	3.66
Chad	123	2.55	116	3.53	122	1.53	124	1.60
Chile	15	5.22	7	5.57	30	5.46	20	4.26
China	32	4.79	16	5.32	36	5.19	53	3.33
Colombia	57	4.12	52	4.64	66	3.79	48	3.41
Costa Rica	71	3.83	76	4.29	63	3.88	82	2.85
Croatia	61	4.03	75	4.30	54	4.37	66	3.13
Cyprus	44	4.45	71	4.39	35	5.24	29	3.78
Czech Republic	48	4.43	34	4.86	32	5.38	96	2.60
Denmark	3	5.69	10	5.49	5	6.89	7	4.90
Dominican Republic	96	3.32	86	4.19	87	2.71	117	2.20
Ecuador	89	3.48	36	4.82	89	2.51	122	1.76
Egypt	79	3.65	109	3.82	67	3.76	63	3.20
El Salvador	56	4.20	60	4.49	68	3.72	23	4.10
Estonia	25	4.93	12	5.43	39	5.14	32	3.71
Ethiopia	112	3.08	110	3.80	117	1.63	67	3.09
Finland	4	5.64	15	5.40	3	6.91	10	4.84
France	30	4.84	63	4.47	11	6.83	40	3.58
Gambia	106	3.24	108	3.84	113	1.77	43	3.52
Georgia	90	3.47	87	4.19	101	2.12	50	3.39
Germany	23	4.96	62	4.48	13	6.81	25	4.06
Greece	52	4.31	90	4.16	26	5.72	62	3.21
Guatemala	70	3.84	66	4.44	77	3.26	59	3.23
Guyana	117	2.76	122	2.94	97	2.26	79	2.90
Honduras	92	3.37	82	4.23	92	2.47	100	2.54
Hong Kong SAR	9	5.42	6	5.58	25	5.82	13	4.70
Hungary	64	3.95	93	4.10	45	4.88	87	2.73
Iceland	13	5.27	39	4.78	22	6.16	2	5.37
India	51	4.32	49	4.71	55	4.30	41	3.55
Indonesia	45	4.45	43	4.77	78	3.22	5	5.04
Ireland	14	5.25	9	5.49	14	6.72	55	3.31
Israel	39	4.58	42	4.77	41	4.96	28	3.82
Italy	54	4.27	92	4.12	20	6.23	95	2.60
Jamaica	111	3.09	117	3.49	81	2.83	98	2.56
Japan	43	4.51	72	4.37	19	6.28	74	3.02
Jordan	69	3.85	95	4.08	70	3.58	36	3.65
Kazakhstan	38	4.62	13	5.43	57	4.24	49	3.40
Kenya	108	3.14	100	4.00	99	2.18	113	2.38
Korea, Rep.	34	4.73	19	5.11	28	5.68	73	3.04
Kuwait	17	5.13	2	5.90	31	5.39	54	3.32
Kyrgyz Republic	122	2.58	120	3.23	108	1.91	118	1.94
Latvia	37	4.65	26	5.01	44	4.88	33	3.68
Lesotho	82	3.59	67	4.42	90	2.49	72	3.04
Lithuania	46	4.44	32	4.91	42	4.94	75	3.00
Luxembourg	11	5.35	25	5.03	6	6.87	15	4.47
Macedonia, FYR	77	3.68	55	4.61	80	2.90	94	2.63
Madagascar	116	2.92	118	3.41	116	1.68	64	3.19
Malawi	121	2.59	124	2.86	121	1.58	69	3.05

(cont'd.)

Table D: Macroeconomic environment index components (cont'd.)

Country/Economy	Macroeconomic environment index		Macroeconomic stability index		Country credit rating		Government waste	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Malaysia	20	5.03	23	5.04	37	5.19	9	4.85
Mali	113	3.07	115	3.53	105	1.98	60	3.22
Malta	49	4.41	74	4.32	29	5.54	45	3.49
Mauritania	119	2.65	119	3.25	118	1.62	105	2.48
Mauritius	66	3.89	102	3.98	58	4.23	52	3.37
Mexico	50	4.37	56	4.58	43	4.90	46	3.42
Moldova	101	3.27	73	4.35	114	1.75	93	2.64
Mongolia	86	3.49	61	4.48	83	2.76	116	2.25
Morocco	65	3.95	81	4.25	62	3.93	51	3.38
Mozambique	114	3.03	113	3.62	98	2.19	89	2.71
Namibia	63	4.01	41	4.77	70	3.58	78	2.92
Nepal	97	3.31	91	4.12	107	1.96	68	3.07
Netherlands	6	5.52	20	5.11	8	6.86	6	5.02
New Zealand	27	4.87	37	4.82	21	6.20	37	3.65
Nicaragua	109	3.13	97	4.08	106	1.98	111	2.39
Nigeria	87	3.49	69	4.42	95	2.36	86	2.77
Norway	2	5.79	4	5.74	2	6.94	12	4.74
Pakistan	75	3.70	78	4.27	85	2.72	42	3.52
Panama	67	3.89	65	4.44	60	3.95	90	2.70
Paraguay	115	3.03	104	3.92	88	2.54	123	1.71
Peru	60	4.06	46	4.74	64	3.83	77	2.92
Philippines	74	3.73	59	4.50	73	3.49	109	2.42
Poland	59	4.08	83	4.23	40	5.08	84	2.79
Portugal	42	4.55	77	4.29	23	6.13	44	3.50
Qatar	5	5.62	1	5.98	34	5.32	4	5.19
Romania	76	3.70	89	4.16	59	4.00	107	2.46
Russian Federation	55	4.23	35	4.86	52	4.65	97	2.57
Serbia and Montenegro	93	3.37	106	3.90	82	2.78	81	2.90
Singapore	1	5.88	8	5.56	17	6.54	1	5.87
Slovak Republic	47	4.43	44	4.76	38	5.18	71	3.05
Slovenia	33	4.74	29	4.98	26	5.72	56	3.30
South Africa	35	4.73	30	4.98	50	4.74	21	4.22
Spain	21	5.02	33	4.89	16	6.57	31	3.72
Sri Lanka	98	3.30	107	3.84	84	2.74	85	2.78
Suriname	88	3.49	98	4.03	n/a	n/a	110	2.41
Sweden	10	5.35	11	5.45	7	6.87	38	3.65
Switzerland	8	5.50	17	5.16	1	7.00	14	4.67
Taiwan, China	22	5.00	24	5.04	24	5.85	24	4.08
Tajikistan	99	3.28	94	4.09	115	1.75	61	3.21
Tanzania	80	3.61	88	4.17	103	2.06	26	4.05
Thailand	31	4.81	27	5.01	46	4.81	16	4.40
Timor-Leste	104	3.25	103	3.97	112	1.78	57	3.27
Trinidad and Tobago	53	4.30	28	4.99	50	4.74	104	2.48
Tunisia	29	4.84	38	4.81	53	4.40	3	5.35
Turkey	73	3.75	99	4.02	69	3.69	58	3.26
Uganda	105	3.24	79	4.26	102	2.08	112	2.38
Ukraine	81	3.60	85	4.20	72	3.55	108	2.44
United Arab Emirates	7	5.50	3	5.89	33	5.33	8	4.89
United Kingdom	16	5.16	47	4.74	4	6.90	17	4.28
United States	24	4.95	58	4.53	8	6.86	27	3.88
Uruguay	84	3.51	105	3.90	76	3.27	76	2.96
Venezuela	72	3.76	22	5.04	74	3.37	125	1.60
Vietnam	68	3.88	45	4.75	75	3.34	91	2.68
Zambia	118	2.70	112	3.63	118	1.62	121	1.90
Zimbabwe	125	1.84	125	2.22	124	1.00	120	1.92

Technical Notes and Sources

The following outlines some notes on the hard data, that is, the indicators listed in the Data Tables that do not come from the Executive Opinion Survey.

The data used in this *Report* represent the best available estimates from various national authorities, international agencies, and private sources at the time the *Report* was prepared (June/July 2006). It is possible that some data will have been revised or updated by national sources after publication. Throughout the statistical tables in this publication, “n/a” denotes that the value is not available, or that available data are unreasonably outdated or do not come from a reliable source.

Basic Indicators

Total GDP, 2005. Gross domestic product (GDP) in current US dollars. Source: International Monetary Fund, *World Economic Outlook Database*, April 2006, available online at <http://www.imf.org/external/pubs/ft/weo/2006/01/data/index.htm>

Total population, 2005. Sources: United Nations Population Fund, *State of World Population 2005*, available online at <http://www.unfpa.org/swp/2005/english/indicators/index.htm>; United Nations Department of Economic and Social Affairs, *Population Division Database*, June 2006; national sources.

GDP per capita (PPP), 2005. GDP per capita, measured at Purchasing Power Parity (PPP). Source: International Monetary Fund, *World Economic Outlook Database*, April 2006

Section II: Infrastructure

2.06 Telephone lines, 2004. Main telephone lines per 100 inhabitants. Sources: International Telecommunication Union, *World Telecommunication Indicators 2005*, some data are available online at <http://www.itu.int/ITU-D/ict/statistics>; national sources.

Section III: Macroeconomy

3.01 Government surplus/deficit, 2005. Sources: International Monetary Fund, *World Economic Outlook Database*, April 2006; Asian Development Bank.

3.02 National savings rate, 2005. Sources: International Monetary Fund, *World Economic Outlook*, April 2006 (Published Version); Economist Intelligence Unit, *CountryData Database*, June 2006; International Monetary Fund Country Reports.

3.03 Inflation, 2005. Source: International Monetary Fund, *World Economic Outlook Database*, April 2006.

3.04 Interest rate spread, 2005. This measures the difference between the typical short-term lending and deposit rates over the 2005 period. Sources: International Monetary Fund, *International Financial Statistics*, available online at <http://ifs.apdi.net/imf/logon.aspx>; Economist Intelligence Unit; national sources.

3.05 Government debt, 2005. Net domestic and external debt contracted by the government. Sources: International Monetary Fund

3.06 Real effective exchange rate, 2005. Real effective exchange rate in 2005 relative to the 1997-2004 average. Source: International Monetary Fund, *INS Database*, June 2006.

3.08 Country credit rating, 2006. Source: Institutional Investor, available online at <http://www.institutionalinvestor.com>. © Institutional Investor, 2006. No further copying or transmission of this material is allowed without the express permission of Institutional Investor.

Section IV: Health and primary education

4.04 Infant mortality, 2004. Infant (population aged 0 to 11 months) mortality per 1,000 live births. Sources: World Health Organization, *World Health Statistics 2006* and *World Health Report 2006 Edition*; United Nations Population Fund, *State of World Population 2005*; national sources.

4.05 Life expectancy, 2004. Life expectancy at birth. Sources: World Health Organization, *World Health Report 2006*; The World Bank, *World Development Indicators 2006*; national sources.

4.06 Tuberculosis prevalence, 2004. Estimated tuberculosis cases per 100,000 inhabitants. Sources: World Health Organization, *World Health Statistics 2006*, *World Health Report 2006 Edition*, and *Global Report 2006*; national sources.

4.07 Malaria prevalence, 2004. Estimated malaria cases per 100,000 inhabitants. Sources: UNICEF and World Health Organization, *World Malaria Report 2005*; World Health Organization Regional Offices; United Nations Population Fund, *State of World Population 2005*; The World Bank, *World Development Indicators 2006*; United Nations Development Programme, *Human Development Report 2006*; national sources.

4.08 HIV prevalence, 2003. HIV prevalence rate for population aged 15 to 49. Sources: World Health Organization, *World Health Statistics 2006* and *World Health Report 2006*; national sources.

4.09 Primary enrollment, 2004. Net primary education enrollment rate. According to the World Bank's *World Development Indicators*, this corresponds to the ratio of children of official school age (as defined by the national education system) who are enrolled in school to the population of the corresponding official school age. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music. Sources: UNESCO Institute for Statistics; United Nations Statistics Division.

Section V: Higher education and training

5.01 Secondary enrollment, 2004. Gross secondary education enrollment rate. According to the World Bank's *World Development Indicators*, this corresponds to the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the secondary education level. Secondary education completes the provision of basic education that began at the primary level, and aims at laying the foundations for lifelong learning and human development, by offering more subject- or skill-oriented instruction using more specialized teachers. Sources: UNESCO Institute for Statistics; The World Bank, *World Development Indicators 2006*; national sources.

- 5.02 Tertiary enrollment, 2004.** Gross tertiary education enrollment rate. According to the World Bank's *World Development Indicator*, this corresponds to the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the tertiary education level. Tertiary education, whether or not leading to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level. Sources: UNESCO Institute for Statistics; The World Bank, *World Development Indicators 2006*; national sources.

Section VI: Market efficiency

- 6.04 Number of procedures required to start a business, 2005.** Source: The World Bank, *Doing Business in 2006: Creating Jobs*.
- 6.05 Time required to start a business, 2005.** Source: The World Bank, *Doing Business in 2006: Creating Jobs*.
- 6.08 Imports, 2005.** Imports of goods and services as a percentage of GDP. Sources: Economist Intelligence Unit, *CountryData Database*, June 2006; International Monetary Fund, *International Financial Statistics*; United Nations Development Programme, *Human Development Report 2006*; The World Bank, *World Development Indicators 2006*; Asian Development Bank; national sources.
- 6.11 Exports, 2005.** Exports of goods and services as a percentage of GDP. Sources: Economist Intelligence Unit, *CountryData Database*, June 2006; International Monetary Fund Country Reports; United Nations Development Programme, *Human Development Report 2006*; The World Bank, *World Development Indicators 2006*; Asian Development Bank; national sources.

Section VII: Technological readiness

- 7.05 Cellular telephones, 2004.** Cellular mobile subscribers per 100 inhabitants. Sources: International Telecommunication Union, *World Telecommunication Indicators 2005*; national sources.
- 7.06 Internet users, 2004.** Internet users per 10,000 inhabitants. Sources: International Telecommunication Union, *World Telecommunications Indicators 2005*; national sources.
- 7.07 Personal computers, 2004.** Personal computers per 100 inhabitants. Sources: International Telecommunication Union, *World Telecommunications Indicators 2005*; national sources.
- 7.15 Internet hosts, 2003.** Internet hosts per 10,000 inhabitants. Sources: International Telecommunication Union, *World Telecommunications Indicators 2005*; national sources.

Section IX: Innovation

- 9.06 Utility patents, 2005.** Utility patents (i.e., patents for invention) are recorded such that the origin of the patent is determined by the first-named inventor at the time of the grant. Patents per million population are calculated by dividing the number of patents granted to a country in 2005 by that country's population in the same year. Source: The United States Patent and Trademark Office, *Patent Counts by Country/State and Year*, March 2006.

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