



The Global Competitiveness Report 2019 - 2020

COAD Analysis

Executive Summary

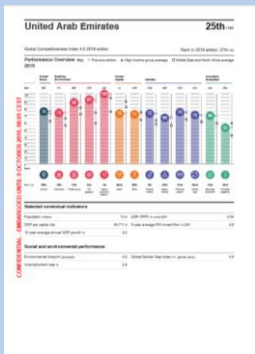
- The Global Competitiveness Report series, provides an annual assessment of the drivers of productivity and long-term economic growth. The assessment is based on the Global Competitiveness Index (GCI), which maps the competitiveness of 141 economies through 103 indicators organized into 12 pillars.
- In the report of 2019-2020 Singapore is the world's most competitive economy, overtaking the United States, which falls to second place.
- The report is a aids national policy-makers by providing a holistic overview. For example, the results of the index show that labour and education policies have not been keeping up with the pace of innovation in most countries.
- **The United Arab Emirates (25th)** lead the regional ranking, followed by Qatar (29th) and Saudi Arabia (36th); Kuwait is the most improved in the region (46th, up eight) while Oman (53th) lose some ground. The region has improved significantly on ICT adoption. Greater investments in human capital, however, are needed to transform the countries in the region into more innovative and creative economies.
- The world's largest economies also have room for improvement when it comes to technology governance. The legal frameworks in other countries are adapting to digital business models, only four G20 economies make it into the top 20. These are; the United States (1st), Germany (9th), Saudi Arabia (11th) and the United Kingdom(15th). China comes 24th in this category.

The United Arab Emirates (UAE) Ranks 25 / 141

United Arab Emirates Ranking



✓ The UAE is 1st in Macroeconomic stability and 6th in ICT adoption



		2019	2018	
	1 Institutions	15	19	Enabling Environment
	2 Infrastructure	12	15	
	3 ICT adoption	2	6	
	4 Macroeconomic stability	1	1	
	5 Health	92	79	Human Capital
	6 Education and skills	39	53	
	7 Product market	4	11	Markets
	8 Labour market	34	42	
	9 Financial system	31	31	
	10 Market size	32	28	
	11 Business dynamism	31	33	Innovation Ecosystem
	12 Innovation capacity	33	35	

UAE: Key Areas of Strength and Improvement (1 / 2)

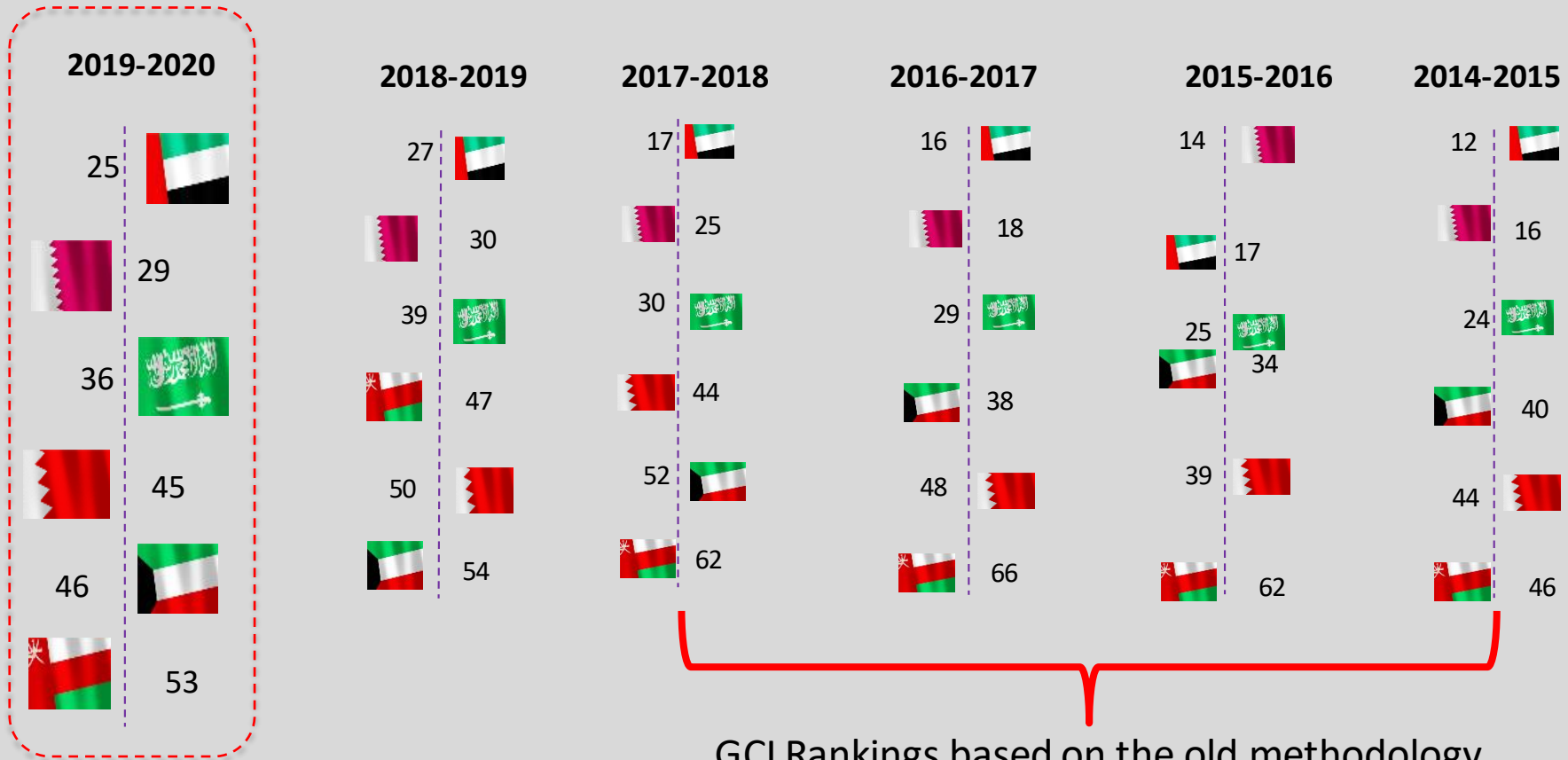
Institutions		Infrastructure		ICT adoption	
Ranking	sub Indicator	Ranking	sub Indicator	Ranking	sub Indicator
4	Efficiency of legal framework in challenging regulations	8	Transport infrastructure	2	Mobile-cellular telephone subscriptions per 100 pop
7	Organized crime	7	Quality of road infrastructure	1	Mobile-broadband subscriptions per 100 pop.
7	Security	7	Efficiency of air transport services	4	Fibre internet subscriptions per 100 pop
9	Homicide rate per	2	Electricity access % of population	5	Internet users % of adult population.
11	Reliability of police services	12	Efficiency of seaport services		
18	Property rights	13	Liner shipping connectivity		
3	Government's responsiveness to change				
79	Environment-related treaties in force				
Macroeconomic stability		Health		Education and Skills	
Ranking	Sub Indicator	Ranking	Sub Indicator	Ranking	Sub Indicator
1	Inflation annual % change	91	Healthy life expectancy years	8	Ease of finding skilled employees
1	Debt dynamics 0-100			8	Critical thinking in teaching
Product market		Labor Market		Financial System	
Ranking	Sub Indicator	Ranking	Sub Indicator	Ranking	Sub Indicator
5	Distortive effect of taxes and subsidies on competition	9	Redundancy costs weeks of salary	4	Venture capital availability
11	Extent of market dominance			9	Financing of SMEs
15	Border clearance efficiency	5	Ease of hiring foreign labour	1	Credit gap %
71	Trade tariffs %	4	Pay and productivity	83	Non-performing loans % of gross total loans

UAE: Key Areas of **Strength** and **Improvement** (2 / 2)

Market size		Business dynamism		Innovation capability	
Ranking	Sub Indicator	Ranking	Sub Indicator	Ranking	Sub Indicator
19	Imports of goods and services % GDP	14	Time to start a business	2	Diversity of workforce
		8	Attitudes towards entrepreneurial risk	9	State of cluster development
		5	Growth of innovative companies	12	Buyer sophistication
		9	Companies embracing disruptive ideas	64	Scientific publications
		96	Insolvency recovery rate		

UAE is leading GCC

GCC Countries



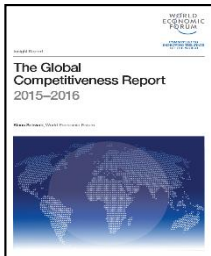
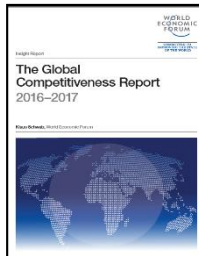
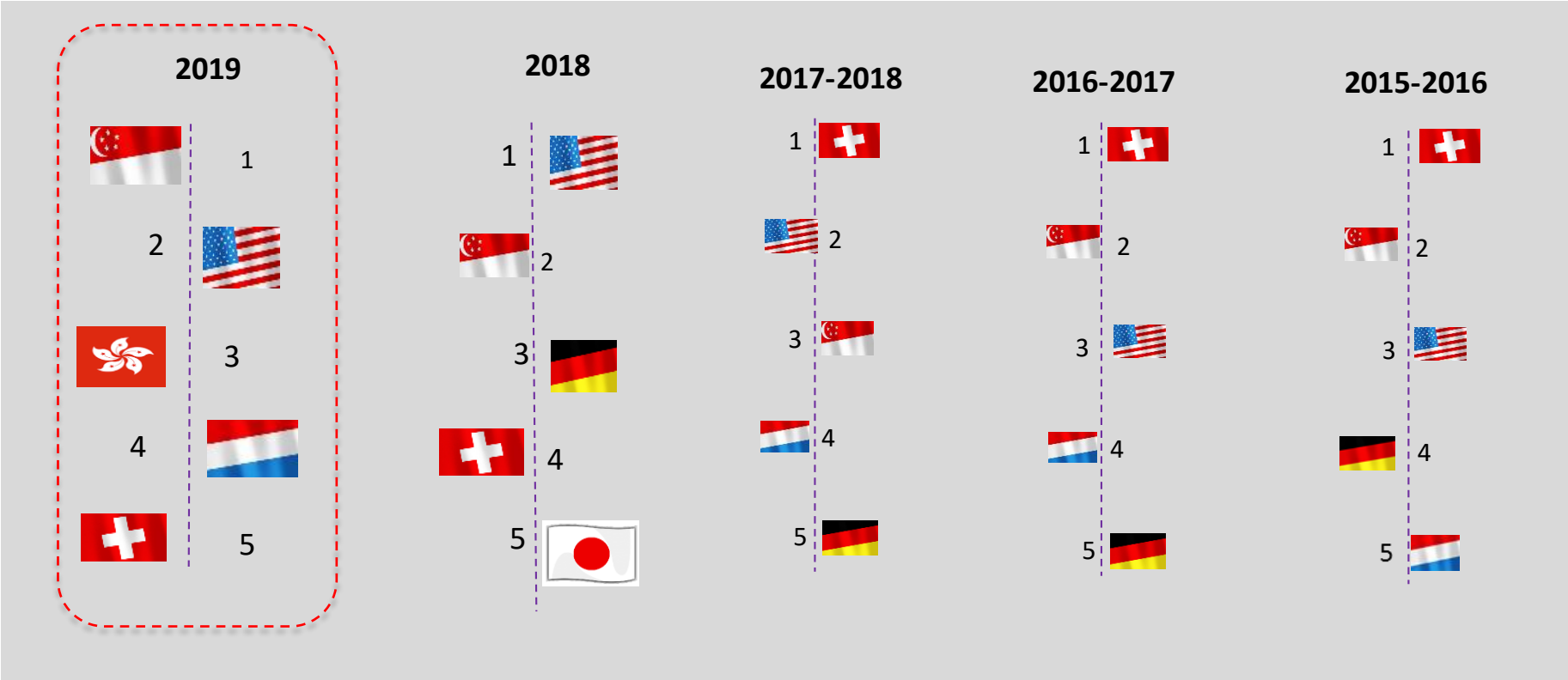
GCI Rankings based on the old methodology

Out of 141 Countries

* In order to provide a point of reference against which to compare the inaugural edition of the Global Competitiveness Index 4.0, the index was computed for 2017. The 'backcast' edition results were produced by using the GCI 4.0 methodology

Singapore became the top-ranked economy among the 141 Countries based on the new index

Top 5 Countries



The Global Competitiveness Index 4.0

GCI 4.0 - Methodology

Why the two indexes are not comparable

1

Reorganization of pillars

- Certain pillars have been repurposed
- Certain pillar components have been moved around

2

Changes within pillars

- Reorganization within pillars
- Change in concept definition
- Change in concept measurement
- Introduction/deletion of concepts/indicators

3

Aggregation and weights

- The overall GCI score is the average of the 12 pillars for all countries. The “stage of development” *weighting scheme is discontinued*

4

Computational innovations

- Distance to frontier
- Imputation of missing data points

Key features of the new index



Assesses the drivers of productivity, the single most important determinant of long-term economic growth and a critical enabler of welfare



Covers 140 economies (99% of global GDP and 94% of world population)



Future-oriented, 4IR-ready – A successful economy in the 4IR needs to be agile, resilient, human-centric and innovative



A policy tool for identifying priority areas and monitoring progress







Solidly anchored in economic theory and empirical literature





Builds on four decades of experience

The 12 pillars of competitiveness





Enabling environment

-  1 Institutions
-  2 Infrastructure
-  3 ICT adoption
-  4 Macroeconomic stability



Human capital

-  5 Health
-  6 Education and skills

Markets

-  7 Product market
-  8 Labor market
-  9 Financial system
-  10 Market size

Innovation ecosystem

-  11 Business dynamism
-  12 Innovation capacity

- Embracing the Fourth Industrial Revolution
- Rethinking innovation
- Integrating the lessons from the global financial crisis and latest empirical evidence
- Leveraging new data sources

The new framework has an significant change to calculating the ranking



Executive Opinion Survey



- Counts **30%** of the result



Data from other sources



- Counts **70%** of the result