

Global Competitiveness Index (GCI)

July 7, 2020

Why is it in the next?

- Global Competitiveness Index (GCI) compiled by the World Economic Forum(WEF) has been released.

About the index

- The Global Competitiveness Index is released by the World Economic Forum(WEF). It was launched in 1979.It ranks the competitiveness landscape of 141 economies through 103 indicators organised into 12 pillars.
- These 12 pillars are (1) Institutions (2) Infrastructure (3) ICT adoption (4) Macroeconomic stability (5) Health (6) Skills (7) Product market (8) Labour market (9) Financial system (10) Market size (11) Business dynamism and (12) Innovation capability.

Highlights of the report:

- Singapore has replaced the US as the world's most competitive country. The US was positioned at 2nd place and was followed by Hong Kong at third place and Netherlands and Switzerland at 4th and 5th places respectively.
- China was ranked at 28th position and was the highest ranked among BRICS nations.Vietnam showed higher improvements in the region and was ranked at 67.
- The report has also said that Asia Pacific was the most competitive region globally.It was followed by Europe and North America.

India's ranking:

- India has moved down 10 places to rank 68th in 2019 from

58th in 2018 on the global competitiveness index.

- The index has flagged limited ICT (information, communications and technology) adoption, poor health conditions and low healthy life expectancy as the reasons.
- India is also among the worst-performing BRICS nations along with Brazil which is ranked even lower than India at 71st this year.
- In the overall ranking, India is followed by some of its neighbours including Sri Lanka at 84th place, Bangladesh at 105th, Nepal at 108th and Pakistan at 110th place.
- Other key findings of the report on India
- India was ranked high at 15th place in terms of corporate governance, while it is ranked second globally for shareholder governance.
- In terms of the market size, India is ranked third and has the same rank for renewable energy regulation.
- Besides, India has also punched above its development status when it comes to innovation which is well ahead of most emerging economies and on par with several advanced economies.
- According to the report, India also needs to work on its skill base, market efficiency, trade openness and worker protection rights.
- The ratio of female workers to male workers in India was 0.26. It was ranked at 128th place and was very low as compared to certain other developing countries.