

# World Competitiveness Index, 2022

June 18, 2022

**In news**—Institute for Management Development (IMD) has recently released the World Competitiveness Index, 2022.

## About the Index-

- IMD business school in Switzerland and Singapore released the 2022 World Competitiveness Ranking.
- Its think-tank, IMD World Competitiveness Center, ranks 63 economies and assesses the extent to which a country promotes the prosperity of its people by measuring economic well-being via hard data and survey responses from executives.
- IMD provide governments and the business and academic communities with the following publications and services:
  - World Competitiveness Rankings (Competitiveness, Digital Competitiveness and Talent).
  - Workshops/Mega Dives on competitiveness.
  - Special country/regional competitiveness reports.
  - World Competitiveness Online database.
  - Smart City Index (by the Smart City Observatory).
- **The index has found that inflationary pressures are affecting the competitiveness** of national economies along with COVID, and the invasion of Ukraine by Russia.
- **The three most important trends found to be impacting businesses in 2022 are-**
  - **Inflationary pressures (50 percent).**
  - **Geopolitical conflicts (49 percent).**
  - supply chain bottlenecks (48 percent) with COVID being the fourth (43 percent).
- **Other global challenges affecting the competitiveness of**

## **countries include-**

- Variants of COVID-19 concerning the number of infected people around the world.
- Differing national policies to address COVID (the 'zero-tolerance COVID' policy versus the 'moving on from COVID' policy).
- The invasion of Ukraine by Russia.
- **Denmark has moved to the top of the 63-nation list from the third position in 2021**, while Switzerland slipped from the top ranking to the second position and Singapore regained the third spot from fifth.
- **Others in the top 10 include** Sweden at the fourth position, followed by Hong Kong SAR (5th), the Netherlands (6th), Taiwan (7th), Finland (8th), Norway (9th), and the USA (10th).
- Meanwhile, **the top-performing Asian economies are** Singapore (3rd), Hong Kong (5th), Taiwan (7th), China (17th), and Australia (19th).
- Meanwhile, China slipped one spot this year, reversing its strong upward trend of recent years, signaling a poor economic recovery exacerbated by its zero-COVID strategy.

WHO STANDS WHERE		
2022	Country	2021
1	Denmark	3
2	Switzerland	1
3	Singapore	5
4	Sweden	2
5	Hong Kong	7
6	Netherlands	4
7	Taiwan, China	8
8	Finland	11
9	Norway	6
10	US	10
37	India	43

Source: IMD's World Competitiveness Index

## **India's rank-**

- **India has witnessed the sharpest rise among the Asian economies, with a six-position jump from 43rd to 37th** rank on the index, largely due to gains in economic performance (from 37th to 28th).
- The domestic economy has experienced a stratospheric rise from 30th to 9th position in a year.
- The labor market, a key sub-factor in the business efficiency parameter, moved up from 15th to 6th, while management practices and business attitudes and values also made major leaps.
- India appears to have restored the trust of the business community.
- Its re-regulation of several sectors, including drones, space, and geo-spatial mapping, also likely played a role in the country's stellar performance in the 2022.
- **India is also a driving force in the global movement to fight climate change and Modi's pledge of net-zero by 2070 at the COP26 summit in November 2021,** sits in harmony with its strength in environment-related technologies in the ranking.
- **The challenges that India has to face include** managing trade disruptions and energy security, maintaining high GDP growth post the pandemic, skill development, and employment generation, asset monetization, and resource mobilization for infrastructure development.
- **The top five attractive factors of India's economy for business are** – a skilled workforce, cost competitiveness, dynamism of the economy, high educational level, and open and positive attitudes.