



Press Release

On the Swiss Results

World Competitiveness Yearbook 2014

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Switzerland An “island” of competitiveness, but for how long?

Switzerland repeats its 2013 performance, maintaining 2nd place in the 2014 overall competitiveness ranking. The index, published by the IMD World Competitiveness Center, covers 60 countries. Switzerland stands between the USA (1st) and Singapore (3rd). Compared to a recovering Euro-Zone, Switzerland reinforces its image of a competitive and resilient nation. Nevertheless, there are some concerns in terms of its labor market and the country’s general attractiveness.

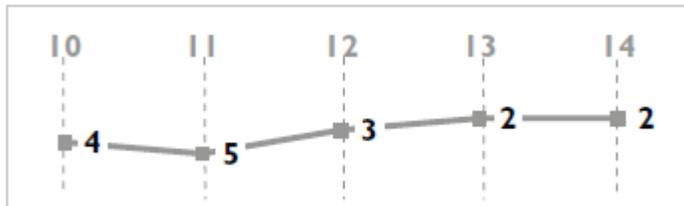
Heterogeneity among continents

The overall ranking is based on data up to the end of 2013 and the opinions of leading global executives collected during the first quarter of 2014. The USA retains first place as a result of its dynamic and vigorous employment and private consumption. Singapore (3rd) and Hong Kong (4th), both characterized by a strong export sector and a favorable business environment, stay near the top of the ranking. In Europe and Asia we observe a diversity of profiles. While some countries (Denmark, Spain, Japan, and Malaysia) rise in the competitiveness ranking, others fall (Italy, Greece, China, and South Korea). Germany rises three places to 6th. As the main trade partner of Switzerland, Germany’s performance can have a positive impact on future commercial relations.

Competitive advantages and challenges

Switzerland’s strengths remain unchanged from the perspective of Swiss business leaders: in the quality of life and the resilience of the economy criteria it ranks 1st; in social cohesion, 2nd; in diversification, 5th; in well-managed public finances, 5th; in the adaptability of enterprises to market changes, 1st; and in the value system supporting competitiveness, 1st. The evolution of the country’s competitiveness (2010-2014) shows a high degree of stability in the overall ranking. Switzerland also maintains its image of a competitive and innovative country offering an environment that stimulates businesses (6th). Contrary to these positive patterns, the strength of the Swiss Franc continues to hinder the competitiveness of enterprises (50th). Moreover, the country faces a decline in attractiveness due to a drop in foreign investment flows and a trend towards the unpredictability of its laws.

Switzerland’s 5-year evolution in the overall ranking (2010-2014)



Uncertainties of the labor market

With Switzerland awaiting the consequences of the February vote (initiative to limit immigration), leading Swiss executives remain optimistic about the labor market. They believe that workers’ motivation is very high (1st), and that their international experience is significant (1st). Furthermore, executives believe the country’s labor regulations facilitate business activities (1st). In addition, the success of the Swiss dual educational system in meeting the needs of enterprises is often recognized. Executives indicate that the apprenticeship scheme is well implemented (1st) and that employee training is a high priority for companies (1st).

However, there are some concerns about future relations with the EU. In the long term, will Switzerland be able to sustain the congruence of its educational system and competitiveness? Will Swiss labor regulations prevent companies from employing highly-skilled migrants (the country fell from 5th to 16th in this criterion in 2014) and retaining talent?

The country has strong assets that enable it to maintain its economic competitive advantages over its trade partners. Nevertheless, Switzerland will remain an island of competitiveness only if it is able to manage effectively its political influence when facing larger economies.

| IMD WORLD COMPETITIVENESS YEARBOOK 2014 - OVERALL RANKING | | | | | | | |
|---|------|------|--------|-----------------|------|------|--------|
| Country | Rank | | | Country | Rank | | |
| | 2014 | 2013 | Change | | 2014 | 2013 | Change |
| USA | 1 | 1 | — | Chile | 31 | 30 | → |
| Switzerland | 2 | 2 | — | Kazakhstan | 32 | 34 | → |
| Singapore | 3 | 5 | → | Czech Republic | 33 | 35 | → |
| Hong Kong | 4 | 3 | → | Lithuania | 34 | 31 | → |
| Sweden | 5 | 4 | → | Latvia | 35 | 41 | → |
| Germany | 6 | 9 | → | Poland | 36 | 33 | → |
| Canada | 7 | 7 | — | Indonesia | 37 | 39 | → |
| UAE | 8 | 8 | — | Russia | 38 | 42 | → |
| Denmark | 9 | 12 | → | Spain | 39 | 45 | → |
| Norway | 10 | 6 | → | Turkey | 40 | 37 | → |
| Luxembourg | 11 | 13 | → | Mexico | 41 | 32 | → |
| Malaysia | 12 | 15 | → | Philippines | 42 | 38 | → |
| Taiwan | 13 | 11 | → | Portugal | 43 | 46 | → |
| Netherlands | 14 | 14 | — | India | 44 | 40 | → |
| Ireland | 15 | 17 | → | Slovak Republic | 45 | 47 | → |
| United Kingdom | 16 | 18 | → | Italy | 46 | 44 | → |
| Australia | 17 | 16 | → | Romania | 47 | 55 | → |
| Finland | 18 | 20 | → | Hungary | 48 | 50 | → |
| Qatar | 19 | 10 | → | Ukraine | 49 | 49 | — |
| New Zealand | 20 | 25 | → | Peru | 50 | 43 | → |
| Japan | 21 | 24 | → | Colombia | 51 | 48 | → |
| Austria | 22 | 23 | → | South Africa | 52 | 53 | → |
| China Mainland | 23 | 21 | → | Jordan | 53 | 56 | → |
| Israel | 24 | 19 | → | Brazil | 54 | 51 | → |
| Iceland | 25 | 29 | → | Slovenia | 55 | 52 | → |
| Korea | 26 | 22 | → | Bulgaria | 56 | 57 | → |
| France | 27 | 28 | → | Greece | 57 | 54 | → |
| Belgium | 28 | 26 | → | Argentina | 58 | 59 | → |
| Thailand | 29 | 27 | → | Croatia | 59 | 58 | → |
| Estonia | 30 | 36 | → | Venezuela | 60 | 60 | — |

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The **IMD World Competitiveness Center (IMD WCC)** has published the « IMD World Competitiveness Yearbook » since 1989. The 2014 report assesses the competitiveness of 60 countries based on 338 criteria. Two-thirds of these are derived from statistical indicators (competitiveness as it is « measured ») and one-third from the perceptions of opinion leaders (competitiveness as it is « perceived »). The IMD WCC also offers access to a unique interactive database that allows downloading of criteria time-series over 20 years.
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