WORLD COMPETITIVENESS RANKING 2020

All data are available from the World Competitiveness Online.

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MALAYSIA

OVERALL PERFORMANCE (63 countries)

CHALLENGES IN 2020

- Minimising the impact of Covid-19 to economic, social and environment with sound policies.
- Accelerating workforce up-skilling with application of strong online platform mechanism.
- Strengthening productivity and competitiveness through change of mindset and creativity.
- Strengthening infrastructure development to push for economic recovery.
- Intensifying the adoption of fourth industrial revolution technologies for SMEs as game changer.

Provided by:
Malaysia Productivity Corporation (MPC), Petaling Jaya, Selangor

COMPETITIVENESS LANDSCAPE

PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

POPULATIONS > 20 MILLION (29 countries)
COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

**IMPROVEMENTS**

**2019** | **2020**
--- | ---
1.4.04 Employment - long-term growth | 1.07 | 2.55
4.2.16 High-tech exports (%) | 28.15 | 52.77
3.2.14 Labor force long-term growth | 1.51 | 2.72
1.2.02 Current account balance | 9.46 | 13.64
4.4.23 Environment-related technologies | 0.07 | 0.10
1.5.01 Consumer price inflation | 0.97 | 0.66
2.4.07 Government subsidies | 1.97 | 1.56
4.5.10 Student mobility inbound | 3.15 | 3.79
4.1.20 Electricity costs for industrial clients | 0.090 | 0.077
4.3.18 Number of patents in force | 20.1 | 22.4
1.2.12 Exports of commercial services ($bn) | 36.66 | 40.81
1.5.06 Gasoline prices | 0.55 | 0.49
2.4.15 Start-up procedures | 9.5 | 8.5
2.5.12 Unemployment rate - gender ratio | 1.16 | 1.06
2.2.01 Collected total tax revenues | 13.14 | 12.03

**DECLINES**

**2019** | **2020**
--- | ---
2.3.08 Exchange rate stability | 0.009 | 0.040
1.1.18 Gross fixed capital formation - real growth | 1.45 | -2.14
4.1.07 Population - growth | 1.25 | 0.62
2.5.04 Risk of political instability | 5.63 | 3.81
2.4.14 Start-up days | 13.5 | 17.5
4.4.18 Renewable energies (%) | 4.2 | 3.4
2.4.09 State ownership of enterprises | 6.09 | 5.04
2.4.03 Public sector contracts | 5.67 | 4.74
2.3.12 Bureaucracy | 5.03 | 4.21
4.4.26 Pollution problems | 5.83 | 4.91
2.3.13 Bribery and corruption | 4.46 | 3.78
3.2.18 Skilled labor | 6.88 | 5.99
2.4.18 Immigration laws | 6.19 | 5.40
2.5.05 Social cohesion | 6.10 | 5.34
2.4.08 Subsidies | 5.79 | 5.08

KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.

- Business-friendly environment: 61.0%
- Skilled workforce: 52.9%
- Cost competitiveness: 50.7%
- Reliable infrastructure: 43.4%
- Dynamism of the economy: 39.7%
- Open and positive attitudes: 34.6%
- Policy stability & predictability: 33.1%
- Access to financing: 30.1%
- Quality of corporate governance: 27.9%
- Competency of government: 25.0%
- Effective legal environment: 23.5%
- Effective labor relations: 22.1%
- Strong R&D culture: 14.7%
- High educational level: 14.0%
- Competitive tax regime: 12.5%
WORLD COMPETITIVENESS
DIGITAL RANKING 2019

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OVERALL PERFORMANCE (63 countries)

Overall Factors Sub-Factors

Knowledge 22 Talent 11 Training & education 27

Technology 29 Regulatory framework 14 Capital 20

Future readiness 30 Adaptive attitudes 17 Business agility 33

The direction of the triangle indicates the performance change from the last year: ▲ improved or stable ▼ declined

OVERALL & FACTORS - 5 years

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<td>OVERALL</td>
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<td>27</td>
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<td>Knowledge</td>
<td>25</td>
<td>22</td>
<td>17</td>
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<td>Technology</td>
<td>14</td>
<td>16</td>
<td>18</td>
<td>22</td>
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<tr>
<td>Future readiness</td>
<td>27</td>
<td>28</td>
<td>27</td>
<td>29</td>
<td>28</td>
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</table>

COMPETITIVENESS & DIGITAL RANKINGS

N.B. This graph provides only a comparison of the country’s performance in the two rankings.

PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>7</td>
<td>8</td>
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POPULATIONS > 20 MILLION (29 countries)

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
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<th>2018</th>
<th>2019</th>
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<td>10</td>
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<td>10</td>
<td>11</td>
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Overall top strengths

Overall top weaknesses

KNOWLEDGE

<table>
<thead>
<tr>
<th>Subfactors</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Talent</td>
<td>26</td>
<td>26</td>
<td>27</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Training &amp; education</td>
<td>17</td>
<td>11</td>
<td>3</td>
<td>10</td>
<td>11</td>
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<tr>
<td>Scientific concentration</td>
<td>28</td>
<td>27</td>
<td>26</td>
<td>30</td>
<td>27</td>
</tr>
</tbody>
</table>

Talent  
- Educational assessment PISA - Math 41  
- International experience 12  
- Foreign highly-skilled personnel 16  
- Management of cities 20  
- Digital/Technological skills 21  
- Net flow of international students 23

Training & education  
- Employee training 18  
- Total public expenditure on education 33  
- Higher education achievement 37  
- Pupil-teacher ratio (tertiary education) 29  
- Graduates in Sciences 6  
- Women with degrees 4

Scientific concentration  
- Total expenditure on R&D (%) 24  
- Total R&D personnel per capita 36  
- Female researchers 10  
- R&D productivity by publication 27  
- Scientific and technical employment 41  
- High-tech patent grants 18  
- Robots in Education and R&D 19

TECHNOLOGY

<table>
<thead>
<tr>
<th>Subfactors</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>Regulatory framework</td>
<td>21</td>
<td>21</td>
<td>30</td>
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<td>29</td>
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<tr>
<td>Capital</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>12</td>
<td>14</td>
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<tr>
<td>Technological framework</td>
<td>17</td>
<td>21</td>
<td>19</td>
<td>32</td>
<td>20</td>
</tr>
</tbody>
</table>

Regulatory framework  
- Starting a business 52  
- Enforcing contracts 28  
- Immigration laws 19  
- Development and application of techn 20  
- Scientific research legislation 25  
- Intellectual property rights 28

Capital  
- IT & media stock market capitalization 22  
- Funding for technological development 18  
- Banking and financial services 19  
- Country credit rating 36  
- Venture capital 20  
- Investment in Telecommunications 6

Technological framework  
- Communications technology 38  
- Mobile Broadband subscribers 29  
- Wireless broadband 15  
- Internet users 41  
- Internet bandwidth speed 36  
- High-tech exports (%) 4

FUTURE READINESS

<table>
<thead>
<tr>
<th>Subfactors</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>Adaptive attitudes</td>
<td>27</td>
<td>29</td>
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<td>30</td>
<td>30</td>
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<tr>
<td>Business agility</td>
<td>15</td>
<td>17</td>
<td>12</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>IT integration</td>
<td>29</td>
<td>30</td>
<td>34</td>
<td>35</td>
<td>33</td>
</tr>
</tbody>
</table>

Adaptive attitudes  
- E-Participation 31  
- Internet retailing 48  
- Tablet possession 26  
- Smartphone possession 27  
- Attitudes toward globalization 16

Business agility  
- Opportunities and threats 14  
- World robots distribution 22  
- Agility of companies 19  
- Use of big data and analytics 9  
- Knowledge transfer 20

IT integration  
- E-Government 40  
- Public-private partnerships 9  
- Cyber security 20  
- Software piracy 45
WORLD TALENT RANKING 2019

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OVERALL PERFORMANCE (63 countries)

The direction of the triangle indicates the performance change from the last year: △ improved or stable ▽ declined

Investment & Development

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>2019 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total public expenditure on education</td>
<td>4.5%</td>
<td>34</td>
</tr>
<tr>
<td>Gov. expenditure on education per student</td>
<td>21.5%</td>
<td>29</td>
</tr>
<tr>
<td>Total public exp. on education per student</td>
<td>1,745 US$</td>
<td>46</td>
</tr>
<tr>
<td>Pupil-teacher ratio (primary education)</td>
<td>11.60 ratio</td>
<td>10</td>
</tr>
<tr>
<td>Pupil-teacher ratio (secondary education)</td>
<td>12.00 ratio</td>
<td>31</td>
</tr>
<tr>
<td>Apprenticeships</td>
<td>5.95 Survey [0..10]</td>
<td>13</td>
</tr>
<tr>
<td>Employee training</td>
<td>6.64 Survey [0..10]</td>
<td>18</td>
</tr>
<tr>
<td>Female labor force</td>
<td>38.94%</td>
<td>52</td>
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<tr>
<td>Health infrastructure</td>
<td>7.42 Survey [0..10]</td>
<td>17</td>
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</table>

Appeal

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>2019 Rank</th>
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<tbody>
<tr>
<td>Cost-of-living index</td>
<td>68.50 index</td>
<td>13</td>
</tr>
<tr>
<td>Attracting and retaining talents</td>
<td>6.61 Survey [0..10]</td>
<td>37</td>
</tr>
<tr>
<td>Worker motivation</td>
<td>6.29 Survey [0..10]</td>
<td>24</td>
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<tr>
<td>Brain drain</td>
<td>5.56 Survey [0..10]</td>
<td>24</td>
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<tr>
<td>Quality of life</td>
<td>6.85 Survey [0..10]</td>
<td>33</td>
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<tr>
<td>Foreign highly-skilled personnel</td>
<td>6.56 Survey [0..10]</td>
<td>16</td>
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<tr>
<td>Remuneration in services professions</td>
<td>13,564 US$</td>
<td>41</td>
</tr>
<tr>
<td>Remuneration of management</td>
<td>119,219 US$</td>
<td>42</td>
</tr>
<tr>
<td>Effective personal income tax rate</td>
<td>10.53%</td>
<td>15</td>
</tr>
<tr>
<td>Justice</td>
<td>6.63 Survey [0..10]</td>
<td>25</td>
</tr>
<tr>
<td>Exposure to particle pollution</td>
<td>15.96 micrograms</td>
<td>29</td>
</tr>
</tbody>
</table>

Readiness

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>2019 Rank</th>
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</thead>
<tbody>
<tr>
<td>Labor force growth</td>
<td>2.00%</td>
<td>11</td>
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<tr>
<td>Skilled labor</td>
<td>6.88 Survey [0..10]</td>
<td>5</td>
</tr>
<tr>
<td>Finance skills</td>
<td>6.86 Survey [0..10]</td>
<td>21</td>
</tr>
<tr>
<td>International experience</td>
<td>6.51 Survey [0..10]</td>
<td>12</td>
</tr>
<tr>
<td>Competent senior managers</td>
<td>6.67 Survey [0..10]</td>
<td>9</td>
</tr>
<tr>
<td>Primary and secondary education</td>
<td>6.61 Survey [0..10]</td>
<td>25</td>
</tr>
<tr>
<td>Graduates in Sciences</td>
<td>32.10%</td>
<td>6</td>
</tr>
<tr>
<td>University education</td>
<td>6.56 Survey [0..10]</td>
<td>29</td>
</tr>
<tr>
<td>Management education</td>
<td>6.61 Survey [0..10]</td>
<td>28</td>
</tr>
<tr>
<td>Language skills</td>
<td>6.93 Survey [0..10]</td>
<td>25</td>
</tr>
<tr>
<td>Student mobility inbound</td>
<td>3.15 number</td>
<td>23</td>
</tr>
<tr>
<td>Educational assessment - PISA</td>
<td>445 Average</td>
<td>41</td>
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</tbody>
</table>
About the Institute for Management Development (IMD)

IMD is an independent academic institution with Swiss roots and global reach, founded almost 75 years ago by business leaders for business leaders. Since its creation, IMD has been a pioneering force in developing leaders who transform organizations and contribute to society.

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