COUNTRY PROFILE

NEW ZEALAND
WORLD COMPETITIVENESS RANKING 2019

All data are available from the World Competitiveness Online.

Visit our eShop
NEW ZEALAND

OVERALL PERFORMANCE (63 countries)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>17</td>
<td>16</td>
<td>16</td>
<td>23</td>
<td>21</td>
</tr>
</tbody>
</table>

BASIC FACTS

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Wellington</td>
<td></td>
</tr>
<tr>
<td>Land area (square km '000)</td>
<td>268</td>
<td>16</td>
</tr>
<tr>
<td>Exchange Rate (per $)</td>
<td>1.445</td>
<td>15</td>
</tr>
<tr>
<td>Population - market size (millions)</td>
<td>4.93</td>
<td>52</td>
</tr>
<tr>
<td>Gross Domestic Product (GDP) (US$ billions)</td>
<td>203.1</td>
<td>46</td>
</tr>
<tr>
<td>GDP (PPP) per capita (US$)</td>
<td>40,135</td>
<td>26</td>
</tr>
<tr>
<td>Real GDP growth (%)</td>
<td>3.0</td>
<td>28</td>
</tr>
<tr>
<td>Consumer price inflation (%)</td>
<td>1.65</td>
<td>21</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>4.30</td>
<td>23</td>
</tr>
<tr>
<td>Labor force (millions)</td>
<td>2.75</td>
<td>50</td>
</tr>
<tr>
<td>Current account balance (% of GDP)</td>
<td>-4.00</td>
<td>58</td>
</tr>
<tr>
<td>Direct investment stocks inward ($bn)</td>
<td>76.4</td>
<td>49</td>
</tr>
<tr>
<td>Direct investment flows inward (% of GDP)</td>
<td>0.73</td>
<td>50</td>
</tr>
</tbody>
</table>

CHALLENGES IN 2019

- Addressing the skill shortage, particularly in the construction sector.
- Shifting capital away from housing to more productive investments.
- Thinking more boldly in addressing the infrastructure shortfall.
- Moving faster and more courageously to address growing social inequalities.
- Addressing climate change in the context of over-reliance on dairy.

Provided by:
Kerridge & Partners, Auckland

COMPETITIVENESS LANDSCAPE

PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
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<th>2017</th>
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<th>2019</th>
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<tbody>
<tr>
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<td>5</td>
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<td>4</td>
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</tbody>
</table>

POPULATIONS < 20 MILLION (34 countries)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Improvement</th>
<th>WCY 2018</th>
<th>WCY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.08 Exchange rate stability</td>
<td>0.091</td>
<td>0.025</td>
</tr>
<tr>
<td>2.1.11 Pension funding</td>
<td>4.02</td>
<td>5.41</td>
</tr>
<tr>
<td>3.1.07 Workforce productivity</td>
<td>4.62</td>
<td>5.78</td>
</tr>
<tr>
<td>4.2.12 Public-private partnerships</td>
<td>4.87</td>
<td>6.00</td>
</tr>
<tr>
<td>3.4.07 Use of big data and analytics</td>
<td>4.48</td>
<td>5.49</td>
</tr>
<tr>
<td>4.2.18 Cyber security</td>
<td>5.21</td>
<td>6.26</td>
</tr>
<tr>
<td>3.4.09 Entrepreneurship</td>
<td>5.15</td>
<td>6.18</td>
</tr>
<tr>
<td>1.1.15 Real GDP growth per capita</td>
<td>1.02</td>
<td>1.22</td>
</tr>
<tr>
<td>4.5.19 Language skills</td>
<td>5.44</td>
<td>6.51</td>
</tr>
<tr>
<td>4.1.05 Management of cities</td>
<td>5.66</td>
<td>6.73</td>
</tr>
<tr>
<td>1.1.19 Resilience of the economy</td>
<td>5.38</td>
<td>6.40</td>
</tr>
<tr>
<td>4.3.22 Knowledge transfer</td>
<td>5.15</td>
<td>6.09</td>
</tr>
<tr>
<td>3.1.10 Use of digital tools and technologies</td>
<td>5.47</td>
<td>6.42</td>
</tr>
<tr>
<td>3.1.08 Large corporations</td>
<td>5.17</td>
<td>5.93</td>
</tr>
<tr>
<td>4.2.10 Digital/Technological skills</td>
<td>6.05</td>
<td>6.88</td>
</tr>
</tbody>
</table>

### DECLINES

<table>
<thead>
<tr>
<th>Decline</th>
<th>WCY 2018</th>
<th>WCY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.02 Government budget surplus/deficit (%)</td>
<td>1.63</td>
<td>0.35</td>
</tr>
<tr>
<td>1.2.02 Current account balance</td>
<td>-2.73</td>
<td>-4.00</td>
</tr>
<tr>
<td>1.1.18 Gross fixed capital formation - real growth</td>
<td>5.72</td>
<td>3.47</td>
</tr>
<tr>
<td>4.3.18 Number of patents in force</td>
<td>328.4</td>
<td>218.6</td>
</tr>
<tr>
<td>2.3.07 Foreign currency reserves per capita</td>
<td>4,357</td>
<td>3,582</td>
</tr>
<tr>
<td>4.2.16 High-tech exports (%)</td>
<td>10.19</td>
<td>8.58</td>
</tr>
<tr>
<td>4.1.07 Population - growth</td>
<td>2.00</td>
<td>1.75</td>
</tr>
<tr>
<td>2.3.13 Bribery and corruption</td>
<td>8.64</td>
<td>7.60</td>
</tr>
<tr>
<td>2.4.07 Government subsidies</td>
<td>0.30</td>
<td>0.33</td>
</tr>
<tr>
<td>2.1.04 Total general government debt (%)</td>
<td>26.43</td>
<td>29.39</td>
</tr>
<tr>
<td>2.2.07 Effective personal income tax rate</td>
<td>20.63</td>
<td>22.76</td>
</tr>
<tr>
<td>2.5.04 Risk of political instability</td>
<td>8.60</td>
<td>7.76</td>
</tr>
<tr>
<td>2.5.02 Homicide</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>3.4.04 Credibility of managers</td>
<td>6.67</td>
<td>6.04</td>
</tr>
<tr>
<td>2.4.02 Protectionism</td>
<td>7.95</td>
<td>7.30</td>
</tr>
</tbody>
</table>

### 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.
WORLD COMPETITIVENESS DIGITAL RANKING 2019

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NEW ZEALAND

OVERALL PERFORMANCE (63 countries)

OVERALL & FACTORS - 5 years

<table>
<thead>
<tr>
<th>Overall</th>
<th>Factors</th>
<th>Sub-Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Knowledge</td>
<td>Talent</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td>Regulatory framework</td>
</tr>
<tr>
<td></td>
<td>Future readiness</td>
<td>Adaptive attitudes</td>
</tr>
</tbody>
</table>

OVERALL & FACTORS - 5 years

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<th>Overall Factors Sub-Factors</th>
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COMPETITIVENESS & DIGITAL RANKINGS

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<td>2</td>
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<tr>
<td>9</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>11</td>
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</table>
FACTORS BREAKDOWN - STRENGTHS AND WEAKNESSES

NEW ZEALAND

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>9</td>
<td>9</td>
<td>14</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Training &amp; education</td>
<td>30</td>
<td>32</td>
<td>36</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>Scientific concentration</td>
<td>18</td>
<td>17</td>
<td>20</td>
<td>15</td>
<td>26</td>
</tr>
</tbody>
</table>

Talent | Rank |
-------|------|
Educational assessment PISA - Math | 20 |
International experience | 24 |
Foreign highly-skilled personnel | 15 |
Management of cities | 33 |
Digital/Technological skills | 35 |
Net flow of international students | 2 |

Training & education | Rank |
---------------------|------|
Employee training | 36 |
Total public expenditure on education | 16 |
Higher education achievement | 28 |
Pupil-teacher ratio (tertiary education) | 38 |
Graduates in Sciences | 40 |
Women with degrees | 26 |

Scientific concentration | Rank |
--------------------------|------|
Total expenditure on R&D (%) | 29 |
Total R&D personnel per capita | 22 |
Female researchers | - |
R&D productivity by publication | 43 |
Scientific and technical employment | 1 |
High-tech patent grants | 48 |
Robots in Education and R&D | 46 |

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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<tbody>
<tr>
<td>Regulatory framework</td>
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<td>11</td>
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<td>Capital</td>
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<td>4</td>
<td>4</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Technological framework</td>
<td>23</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Regulatory framework | Rank |
---------------------|------|
Starting a business | 1 |
Enforcing contracts | 20 |
Immigration laws | 22 |
Development and application of technology | 14 |
Scientific research legislation | 21 |
Intellectual property rights | 20 |

Capital | Rank |
--------|------|
IT & media stock market capitalization | 24 |
Funding for technological development | 34 |
Banking and financial services | 12 |
Country credit rating | 14 |
Venture capital | 35 |
Investment in Telecommunications | 12 |

Technological framework | Rank |
------------------------|------|
Communications technology | 27 |
Mobile Broadband subscribers | 31 |
Wireless broadband | 21 |
Internet users | 23 |
Internet bandwidth speed | 20 |
High-tech exports (%) | 42 |

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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</thead>
<tbody>
<tr>
<td>Adaptive attitudes</td>
<td>22</td>
<td>24</td>
<td>20</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Business agility</td>
<td>16</td>
<td>14</td>
<td>26</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>IT integration</td>
<td>8</td>
<td>6</td>
<td>17</td>
<td>17</td>
<td>10</td>
</tr>
</tbody>
</table>

Adaptive attitudes | Rank |
-------------------|------|
E-Participation | 5 |
Internet retailing | 18 |
Tablet possession | 19 |
Smartphone possession | 17 |
Attitudes toward globalization | 21 |

Business agility | Rank |
-----------------|------|
Opportunities and threats | 26 |
World robots distribution | 42 |
Agility of companies | 29 |
Use of big data and analytics | 21 |
Knowledge transfer | 23 |

IT integration | Rank |
---------------|------|
E-Government | 8 |
Public-private partnerships | 32 |
Cyber security | 25 |
Software piracy | 2 |
WORLD TALENT RANKING 2018

All data are available from the World Competitiveness Online.

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OVERALL PERFORMANCE (63 countries)

Investment & Development
- Total public expenditure on education: 5.4% (19)
- Government expenditure on education per student: 21.7% (28)
- Pupil-teacher ratio (primary education): 16.45 (36)
  - Pupil-teacher ratio (secondary education): 14.42 (46)
- Apprenticeships: 4.44 (Survey [0.10], 39)
- Employee training: 5.33 (Survey [0.10], 44)
- Female labor force: 47.34% (14)
- Health infrastructure: 5.88 (Survey [0.10], 35)

Appeal
- Cost-of-living index: 78.00 (index, 40)
- Attracting and retaining talents: 7.26 (Survey [0.10], 19)
- Worker motivation: 6.60 (Survey [0.10], 19)
- Brain drain: 5.01 (Survey [0.10], 32)
- Quality of life: 8.70 (Survey [0.10], 15)
- Foreign highly-skilled personnel: 6.99 (Survey [0.10], 13)
- Remuneration in services professions: 44,174 US$ (12)
- Remuneration of management: 170,780 US$ (30)
- Effective personal income tax rate: 20.63% (39)
- Personal security and private property rights: 8.55 (Survey [0.10], 13)

Readiness
- Labor force growth: 3.71% (3)
- Skilled labor: 4.41 (Survey [0.10], 50)
- Finance skills: 6.28 (Survey [0.10], 32)
- International experience: 5.26 (Survey [0.10], 35)
- Competent senior managers: 5.58 (Survey [0.10], 34)
- Educational system: 7.01 (Survey [0.10], 14)
- Science in schools: 5.55 (Survey [0.10], 34)
- University education: 6.72 (Survey [0.10], 23)
- Management education: 6.12 (Survey [0.10], 30)
- Language skills: 5.44 (Survey [0.10], 40)
- Student mobility inbound: 11.57 (number, 2)
- Educational assessment - PISA: 504 (Average, 16)
IMD is ranked 1st in open programs worldwide - 8 years in a row.
Financial Times 2012 - 2019

Developing leaders
Transforming organizations
Impacting your future

FURTHER INFORMATION
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