

Malaysia moves up in global economy rating
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Malaysia has advanced two spots to 18th place out of 140 economies, consolidating its position among the world's top 20 most competitive economies, its highest ranking since 2005.

The Global Competitiveness Report 2015-2016, unveiled by the World Economic Forum (WEF) today, ranked Malaysia in 18th spot with a score of 5.23 from the 20th place out of 144 countries last year.

Malaysia also remains the highest ranked among developing Asian countries.

International Trade and Industry Minister Mustapa Mohamed said the improvement in the ranking was a welcome news in the context of the challenging global environment.

"This ranking is also an endorsement of the progress we have made in enhancing efficiency and competitiveness through the Government Transformation Programme and the Economic Transformation Programme," Mustapa (photo) said in a statement.

He said backed by sound fundamentals, Malaysia was well on track to continue its progress towards high-income developed status in the next five years as the country closed the gap with gross national income per capita of US\$10,660 (RM47,522 at current rate) last year.

According to the report, Malaysia is the most competitive economy among 20 economies in the transition stage from an efficient-driven to innovation-driven economy.

With an enhanced competitive performance, Malaysia continues to be ahead of economies such as Belgium, Luxembourg, Australia, France, Austria, Ireland, Saudi Arabia, and South Korea.

Switzerland ranked first for the seventh consecutive year in the Global Competitiveness Index (GCI) 2015-2016, followed by Singapore, the US, Germany, the Netherlands, Japan, Hong Kong, Finland, Sweden, the UK, Norway and Denmark.

The WEF further asserted that gains in Malaysia's macroeconomic stability (ranked 35th, up nine notches) were mainly the result of a reduced budget deficit of 3.7 percent of gross domestic product, the lowest in six years.

Improvements in most of the 12 pillars

Mustapa said the report indicated that Malaysia's competitiveness were based on goods market efficiency and financial market development pillars, in which Malaysia was ranked in the top 10 at sixth and ninth positions, respectively.

"Malaysia improves in most of the 12 pillars, with gains in macroeconomic stability, higher education and training (36th, up 10 places) and, most notably, technology readiness (47th, up 13 places)," he added.

Among contributing factors to the significant improvements, with more than 10 places, are mobile broadband subscriptions (ranked 48th, up 45 places), net primary education enrollment (41st, up 19 places) and government budget balance (85th, up 17 places).

Amid the positive assessment, the GCI also points to specific areas for improvement, including low participation rate of women in the workforce.

Mustapa said renewed efforts would be undertaken to boost productivity in a focused and targeted manner with clear outcomes at the national, industry and enterprise level during the 11th Malaysia Plan.

He said this was in line with the WEF's emphasis on higher productivity to address sluggish growth.

Mustapa said Malaysia's strong foundation of public-private partnership would help ensure the nation maintained its growth momentum to become one of the top investment and trade destinations in Asia.

"The private sector will continuously step up efforts to invest in technology, pursue productivity, and nurture innovation and talent," he added.

- Bernama