

Malaysia among top 10 in Asia

KUALA LUMPUR: Malaysia is the second most competitive country in Asean after Singapore, and remains highly competitive among Asian nations this year. It is ranked the sixth most competitive after Singapore. Japan, Hong Kong, Taiwan and South Korea in the region.

Asia's two emerging economic giants — China and India—are lower down the ladder. China falls from 48th to 54th position, while India ranks 43rd.

While Malaysia's overall competitiveness ranking has dropped one rung to 26th — it was 25th last year—among 125 countries worldwide. In terms of "market efficiency" it is ranked ninth, with Hong Kong taking the pole position followed by the United States and the United Kingdom in second and third positions respectively.

Switzerland is the World's most competitive nation, with Finland in second place, Sweden third, Denmark fourth followed by Singapore in fifth position. The US is the sixth most competitive and shows the most pronounced drop, from first to sixth place.

The Geneva-based World Economic Forum, which develops the Index, says: "Malaysia exhibits one of the most efficient economies, in the region, with flexible labour markets, relatively undistorted goods markets and public institutions that in many areas (example rule of law, the legal system) are already operating at the level of the top performing European Union members that joined in 2004".

"There is no question that the country has come a long way and has excellent prospects," said Augusto Lopez-Carlos, Chief Economist and Head of the World Economic Forum's Global Competitiveness Network.

But there are concerns too.

According to him, Malaysia's overall competitiveness score would be improved "if the government was more successful in reducing the public sector deficit. Improving the health of the workforce and access to education would also do much to enhance the country's competitiveness".

GLOBAL COMPETITIVENESS INDEX				
Country / Economy 2005 - 2006	GCI 2006 Rank	GCI 2006 Score	GCI 2005 Rank	Changes
Switzerland	1	5.81	4	3 ▲
Finland	2	5.76	2	0 ▬
Sweden	3	5.74	7	4 ▲
Denmark	4	5.70	3	1 ▼
Singapore	5	5.63	5	0 ▬
United States	6	5.61	1	5 ▼
Japan	7	5.60	10	3 ▲
Germany	8	5.58	6	2 ▼
Netherlands	9	5.56	11	2 ▲
United Kingdom	10	5.54	9	1 ▼
Korea, Rep.	24	5.13	19	5 ▼
MALAYSIA	26	5.11	25	-1 ▼
Chile	27	4.85	27	0 ▬
Spain	28	4.77	28	0 ▬
Czech Rep.	29	4.74	29	0 ▬
Portugal	34	4.80	31	3 ▼
Thailand	35	4.58	33	2 ▼
Italy	42	4.46	38	4 ▼
India	43	4.44	45	2 ▲
Brazil	66	4.03	57	9 ▼
Cambodia	103	3.39	111	8 ▲
Chad	123	2.61	117	6 ▲
Angola	125	2.50	N/A	N/A N/A

The rankings are drawn from a combination of publicly available data and the results of the Executive Opinion Survey.

- This year, over 11,000 business leaders were polled in a record 125 economies.

Among the "potable competitive advantages" listed for Malaysia are Foreign Direct Investment and technology transfer, government procurement of technology products, overall infrastructure quality, technological readiness and laws relating to ICT

The "notable competitive disadvantage" and the "most problematic factors for doing business" in Malaysia include inefficient government bureaucracy, corruption, crime and theft, restrictive labour requirements and inadequately educated workforce.

On the Business Competitiveness Index (BCI), Malaysia was ranked 20th and fourth in Asia after Japan, Hong Kong and Singapore. In this category, the US was in the pole position with Germany in second and Finland in third.