

**If other countries walk, we have to run, says Najib
Malaysian Insider
September 13, 2012
By Lee Wei Lian**

PUTRAJAYA, Sept 13 — Malaysia's recent drop in global competitiveness rankings means that the country must improve at a faster rate than other countries said Datuk Seri Najib Razak today.

This comes after Malaysia dropped four places from 21 to 25 in the World Economic Forum's ranking of most competitive countries.

The prime minister said at a briefing on the economic transformation programme that it showed Malaysia needed to work harder to improve its position relative to other countries.

"If other countries improve, we must work harder," he exhorted. "If they walk, we must run, if they run, we have to accelerate."

Najib said that Malaysia could not be content or complacent.

"If we stay at the same place, in reality, we are moving backwards," he said.

Najib said that the World Economic Forum's annual rankings should be used as a source of inspiration and political will to make Malaysia a more advanced country.

Switzerland was ranked the world's most competitive country for this year, followed by Singapore, Finland, Sweden and the Netherlands, Germany, US, UK, Hong Kong and Japan

Some economists said Malaysia's drop in rankings is a reality check for the nation and showed that other countries are moving at a faster rate.

Malaysia was ranked 21st in 2008, 24th in 2009, 26th in 2010 and 21st in 2011.

The WEF said that following improvements in last year's report, Malaysia maintains its score but drops four places as other economies have moved ahead.

Malaysia was overtaken by UAE, which jumped three spots to 24, New Zealand which rose from 25 to 23, Luxembourg which rose from 23 to 22, and Korea which leapt from 24 to 19.

Malaysia experienced a fall in ranking in 77 indicators compared to a rise in its ranking in only 48 indicators while rankings in the remaining 23 indicators remaining unchanged.

Among these were: "Business Costs of crime and violence" indicator under the Reducing Crime NKRA which fell 63 to 69, "Macroeconomic environment" which fell 35 to 26, "Government's Budget Balance position" under the Public Finance Reform Strategic Reform Initiative (SRI) which fell 96 to 110 and "Intensity of Local Competition" and the "Extent of Market Dominance" - both under the Competition, Standards and Liberalization SRI, which fell 26 to 36 and 14 to 19 respectively.

WEF identified inefficient government bureaucracy, corruption, an inadequately educated workforce, poor work ethics in the labour force and restrictive labour regulations as the top five problems faced when doing business in Malaysia,

It said that the country's most notable advantages are found in its efficient and competitive market for goods and services (ranked 11th) and its remarkably supportive financial sector (6th), as well as its business-friendly institutional framework.

Switzerland, which retains its top place again this year, was praised for its strong performance across the board.

WEF noted that the country's strengths were related to innovation and labour market efficiency, where it tops the GCI rankings, as well as the sophistication of its business sector.

It added that Switzerland's scientific research institutions are among the world's best, and the strong collaboration between its academic and business sectors, combined with high company spending on R&D, ensures that much of this research is translated into marketable products and processes reinforced by strong intellectual property protection.

Singapore, which rose from 7th in 2008 to 2nd this year, was also praised for its outstanding performance across the entire index and both its public and private institutions were rated as the best in the world for the fifth year in a row.

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