

Malaysia ranks 34th most competitive economy in 2024, down seven places

The Edge Malaysia

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KUALA LUMPUR (June 18): Malaysia has dropped seven places to 34th in the IMD World Competitiveness Ranking 2024, while Singapore remains at the top.

Malaysia has also fallen four places to 10th out of 14 Asia Pacific countries included in the ranking, according to the Switzerland-based business school International Institute for Management Development (IMD).

In the Southeast Asia region, Malaysia is ranked lower than Thailand (25th) and Indonesia (27th) but higher than the Philippines (52nd).

The annual ranking, created in 1989, is traditionally closely watched by governments, academics, economists, investors and corporate executives. In addition to statistical data from 67 economies, the ranking also includes surveys with executives.

The survey was conducted between March and May 2024 among 6,612 C-level and mid-level managers from 67 economies.

At a macro level, Malaysia ranked high in terms of prices (second), basic infrastructure (10th) and tax policy (11th). However, it was less competitive in the areas of education (44th), business legislation (50th), and productivity and efficiency (53rd).

The main challenges for Malaysia would be to increase investment in research and development to boost business resilience, optimise the labour market to

maximise workforce productivity, and update policies and regulations to improve global competitiveness, IMD flagged.

Other challenges include leveraging advanced technologies to accelerate productivity growth, as well as mitigating increasing costs through strategic productivity enhancements.

Emerging markets such as China, India, Brazil, Indonesia, and Türkiye have experienced rapid growth and development in recent decades, and have become essential players in trade, investment, innovation and geopolitics, IMD noted.

Malaysia, Thailand, and Chile are also either stable or improving, it said. Governments and firms around the world must adapt to the “distinct cultural, institutional, and regulatory environments of these markets to succeed within them while also sticking to global quality and sustainability standards”, the report said.

"We believe the most competitive economies of the future will be those able to anticipate and adapt to this changing global context while simultaneously creating value and well-being for their people," said IMD World Competitiveness Center director Arturo Bris.

The world's economies face major competitiveness challenges, including transitioning to a low-carbon and circular economy while being mindful of emerging markets increasing integration into the world economy, and keeping up with digital transformation.

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