

Nation's competitiveness improves

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MALAYSIA has improved its competitiveness ranking to 23rd position out of 61 economies, according to the World Competitiveness Yearbook 2006, beating developed countries like Germany and France.

This is five positions up from the 28th ranking in 2005, the National Productivity Corp (NPC) said in a statement yesterday.

The yearbook is released by the International Institute for Management Development (IMD) based in Lausanne, Switzerland. NPC is a partner institute to IMD.

Malaysia's competitiveness has also improved in the categories of wealth, population and region.

For countries with a population of more than 20 million, Malaysia ranked eighth among 30 economies.

In the gross domestic product (GDP) per capita less than US\$10,000 (RM35,800) category, Malaysia was third among 25 economies; in the Asia-Pacific re-

gion, Malaysia occupied the eighth spot among 15 economies.

NPC said Malaysia recorded improvements in government and business efficiency, securing the 20th position for each.

The improvement in government efficiency ranking was attributed mainly to the continuous efforts to improve the administrative machinery and delivery system, including reducing red tape, having simpler systems and procedures, and the use of Key Performance Indicators.

Business legislation improved in terms of Customs authorities, public-sector contracts, international transactions and subsidies.

NPC said the improvement in business efficiency went hand in hand with productivity growth in three main sectors — agriculture, manufacturing and services.

Labour cost in the manufacturing sector remained competitive as seen by the yearly decline of Unit Labour Costs, putting Malaysia in

the top spot among 61 economies.

Malaysia ranked eleventh in economic performance, and managed to maintain its third position for exports of goods.

It ranked fourth for current account balance, trade to gross domestic product ratio and unemployment rate.

In terms of tourism receipts, Malaysia rose to the fifth position.

Improvements in infrastructure ranking were attributed to investment in telecommunications, communications technology, wider use of computers, development and application of technology, and competitive mobile telephone and Internet costs.

"Malaysia is very much in the running for the place of choice for outsourcing services, a clear indicator of its capability to meet the need for excellent infrastructure and required skills to develop its knowledge-based economy," NPC said.