

## **India 39th most competitive economy in the world: WEF**

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India has climbed 16 places to the 39th rank on the Global Competitiveness Index prepared by the World Economic Forum as improved business sophistication and goods market efficiency pushed its ranking higher.

For the eighth straight time, the list is topped by Switzerland as the most competitive economy. Singapore and the US are at the second and third positions, respectively. The jump of 16 places for India from last year's 55th place is the highest for any economy this year. India is also the second-most competitive among BRICS nations behind neighboring China, which is ranked at the 28th position.

On the index, India has a score of 4.52 while that of Switzerland is 5.81.

At the fourth spot is Netherlands, followed by Germany (5), Sweden (6) and the UK (7), Japan (8), Hong Kong SAR (9) and Finland (10).

India's "competitiveness has improved across the board, in particular in goods market efficiency, business sophistication, and innovation".

"Thanks to improved monetary and fiscal policies as well as lower oil prices, the Indian economy has stabilized and now boasts of the highest growth among G20 countries," according to WEF's Global Competitiveness Report 2016 17.

While recent reforms efforts have concentrated on improving public institutions, opening the economy to foreign investors and international trade and increasing transparency in the financial system, WEF said, "still, a lot needs to be done".

Further, the report noted that India is "still long way" from having in place all the competitiveness elements to realize its potential as a major global economy.

The labour market is still bound by rigid regulations and centralized wage determination while infrastructure also remains a bottleneck, it added.

The rankings are based on the Global Competitiveness Index (GCI), which is based on country-level data covering 12 categories. These include institutions, infrastructure, macroeconomic environment, health and primary education, financial market development, technological readiness, market size, business sophistication and innovation.

This year, 138 economies have been assessed for their competitiveness while there were 140 economies in the 2015-16 rankings.

Globally, WEF said the degree to which economies are open to international trade in goods and service has been declining for 10 years and this could hurt prosperity in future.

"Declining openness in the global economy is harming competitiveness and making it harder for leaders to drive sustainable, inclusive growth," WEF founder and Executive Chairman Klaus Schwab said. RAM ARD.