Rebuilding Europe's Competitiveness

Findings from The Global Competitiveness Report

Rome, October 30, 2012

The World Economic Forum has developed and produced global, regional and topical competitiveness reports for over 30 years

Diverging patterns of prosperity
The global context

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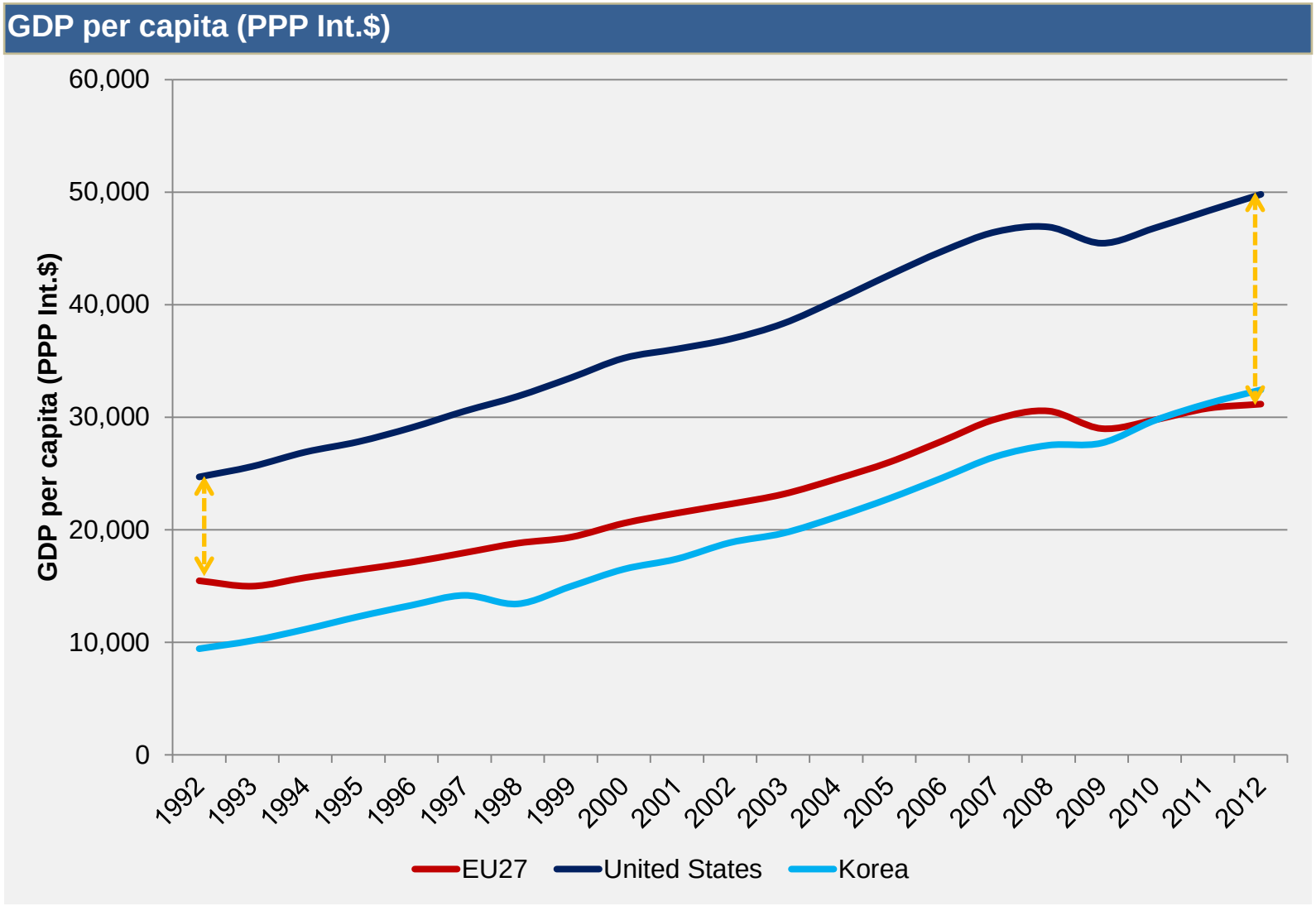

Source: IMF, World Economic Outlook 2012

Diverging patterns of prosperity
The European context

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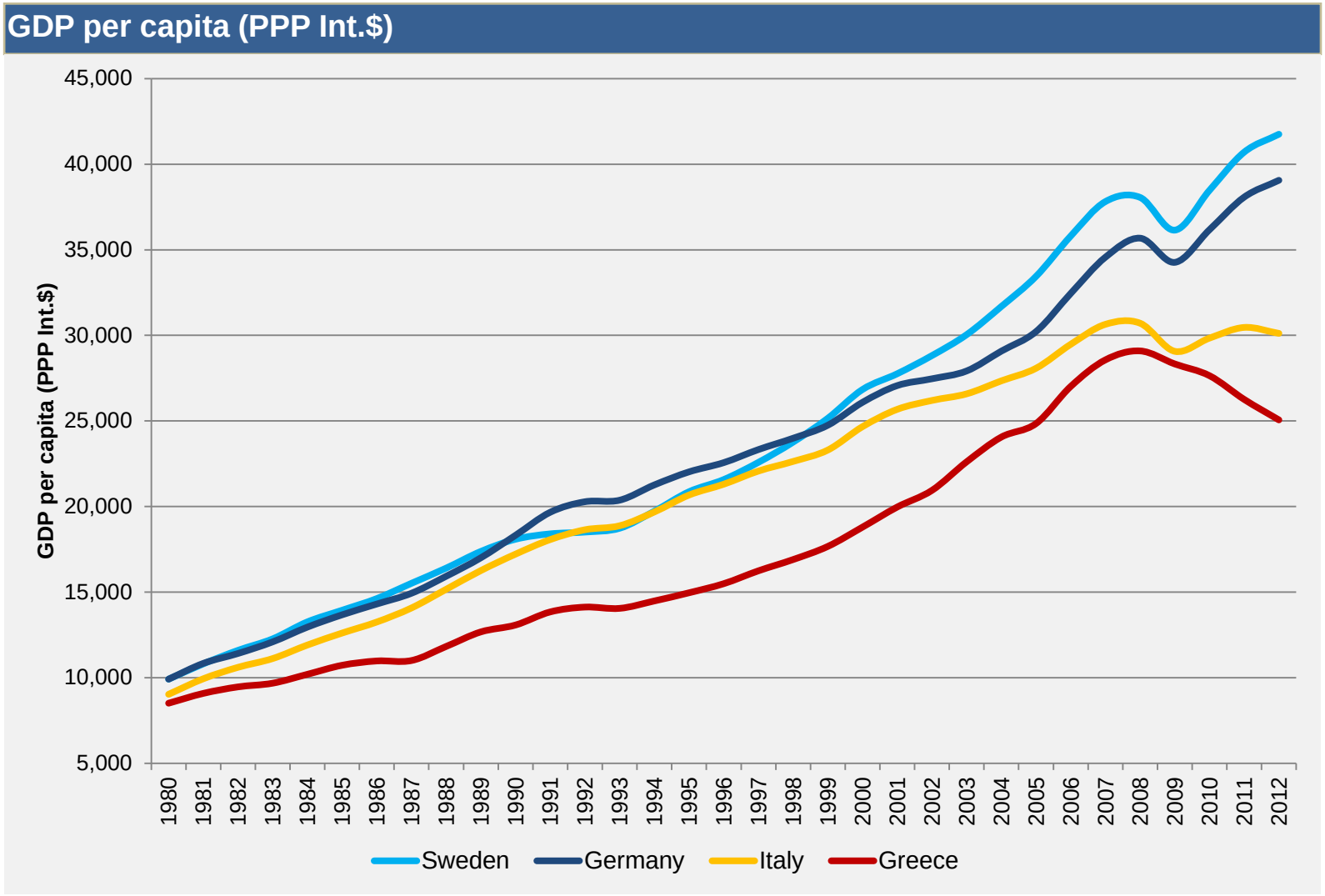
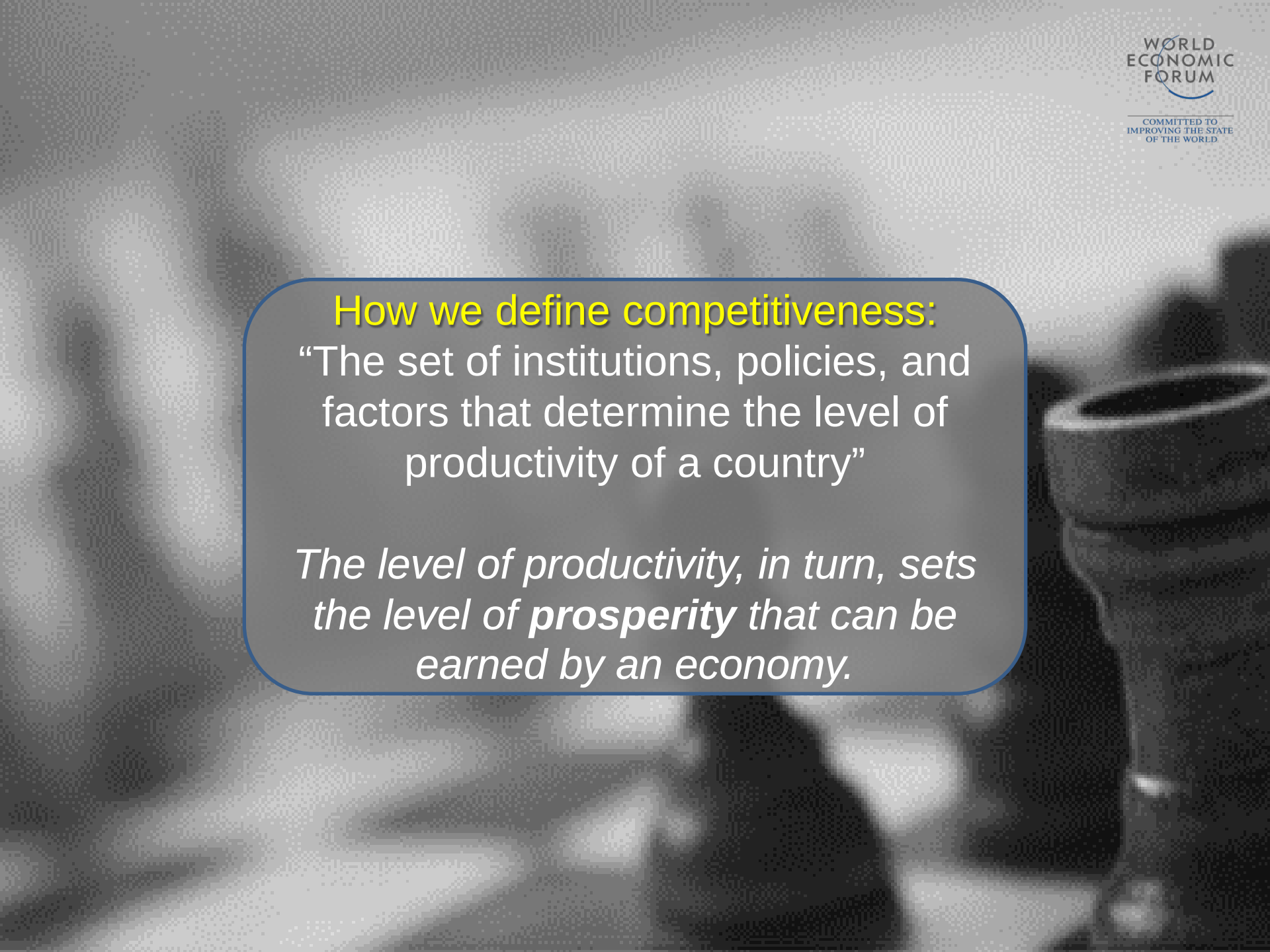


Source: IMF, World Economic Outlook 2012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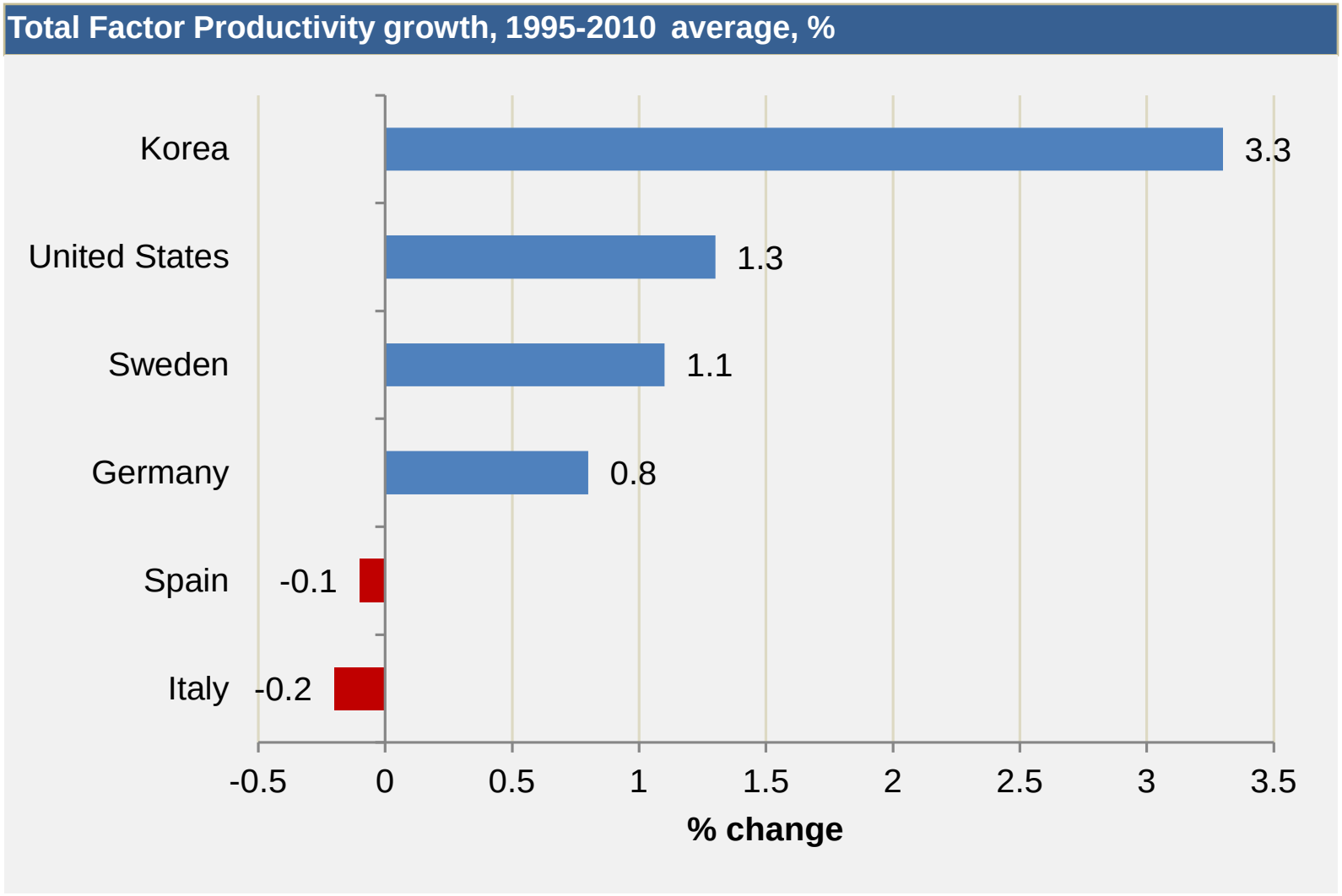
How we define competitiveness:
“The set of institutions, policies, and factors that determine the level of productivity of a country”
*The level of productivity, in turn, sets the level of **prosperity** that can be earned by an economy.*

Competitiveness gaps
Productivity



Source: OECD

The Global Competitiveness Index

12 dimensions of competitiveness

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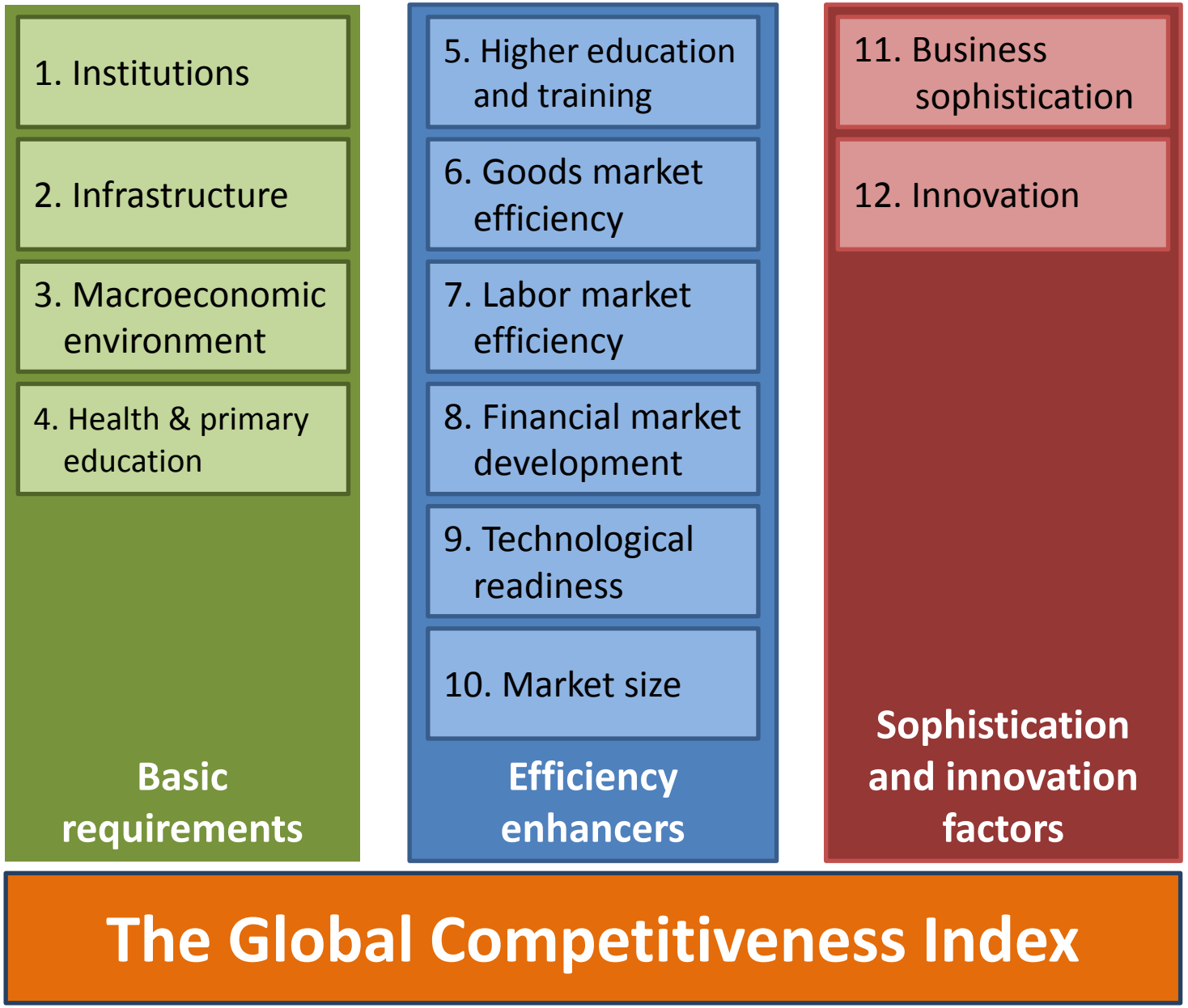

The Competitiveness Divide

Global perspective

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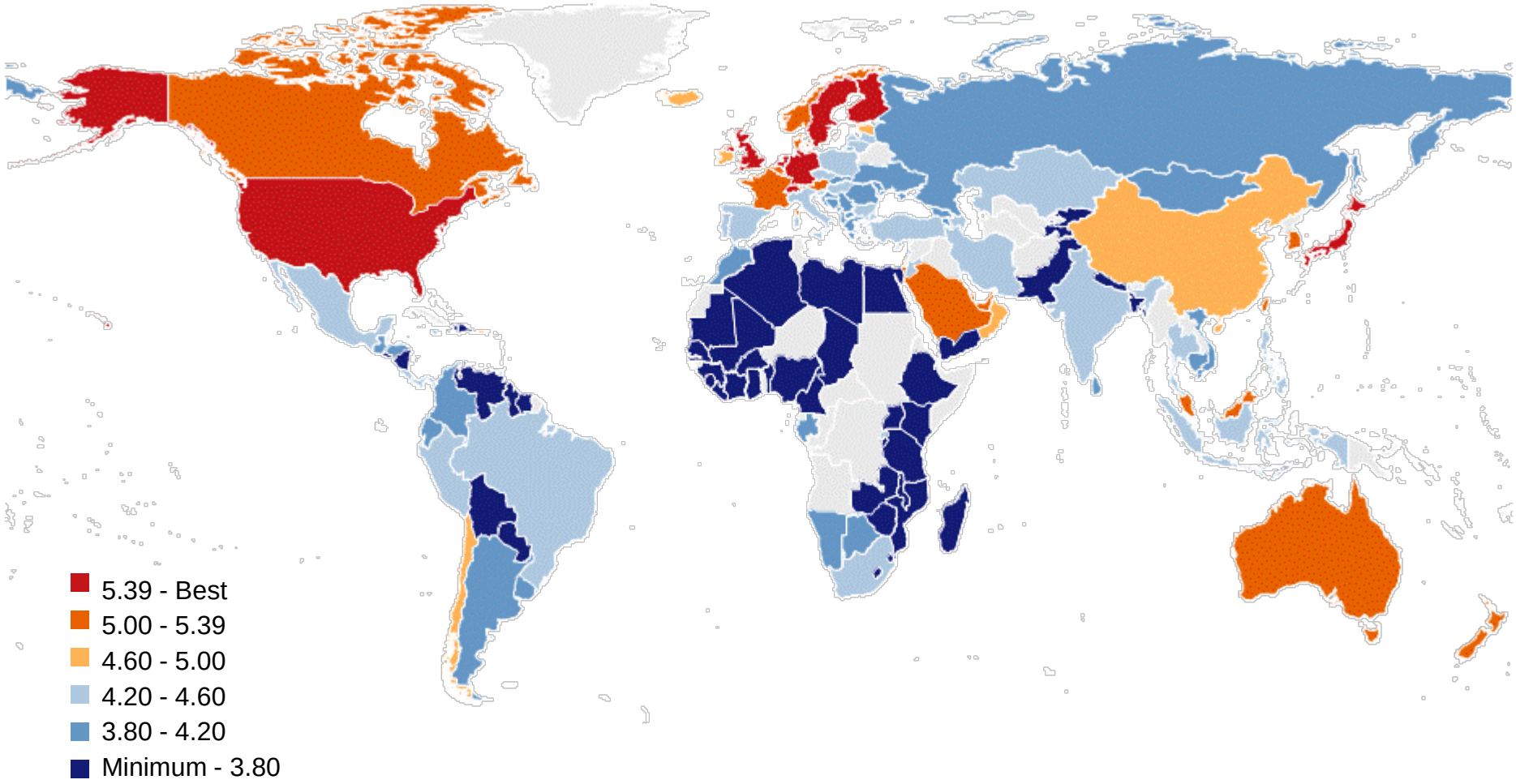

The Global Competitiveness Index

European Union members ranking

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Rank	Economy	Score
3	Finland	5.5
4	Sweden	5.5
5	Netherlands	5.5
6	Germany	5.5
8	United Kingdom	5.4
12	Denmark	5.3
16	Austria	5.2
17	Belgium	5.2
21	France	5.1
22	Luxembourg	5.1
27	Ireland	4.9
34	Estonia	4.6
36	Spain	4.6
39	Czech Republic	4.5

Rank	Economy	Score
41	Poland	4.5
42	Italy	4.5
45	Lithuania	4.4
47	Malta	4.4
49	Portugal	4.4
55	Latvia	4.3
56	Slovenia	4.3
58	Cyprus	4.3
60	Hungary	4.3
62	Bulgaria	4.3
71	Slovak Republic	4.1
78	Romania	4.1
96	Greece	3.9

The Competitiveness Divide

European perspective

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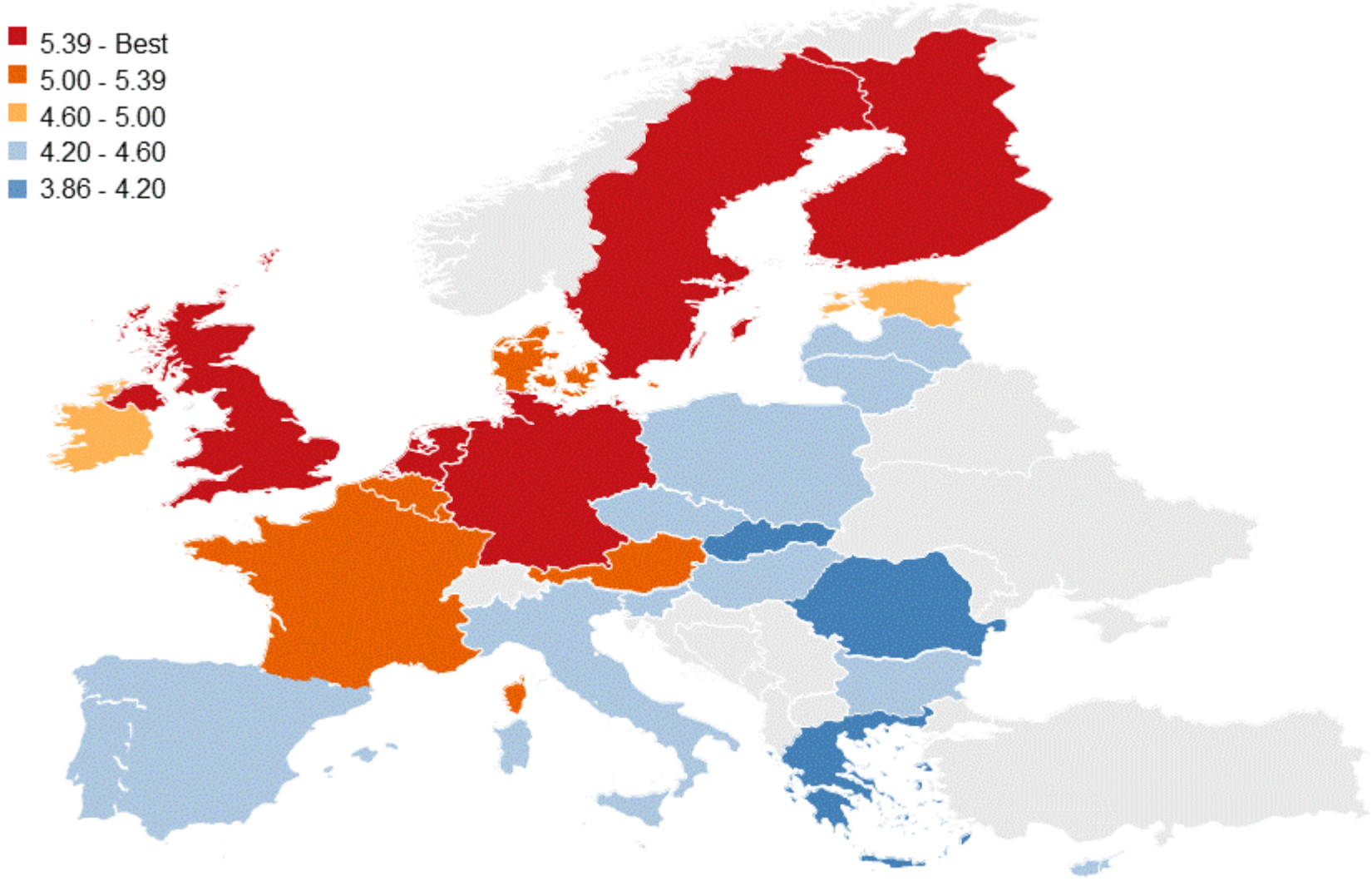

The Global Competitiveness Index
United States and European Union

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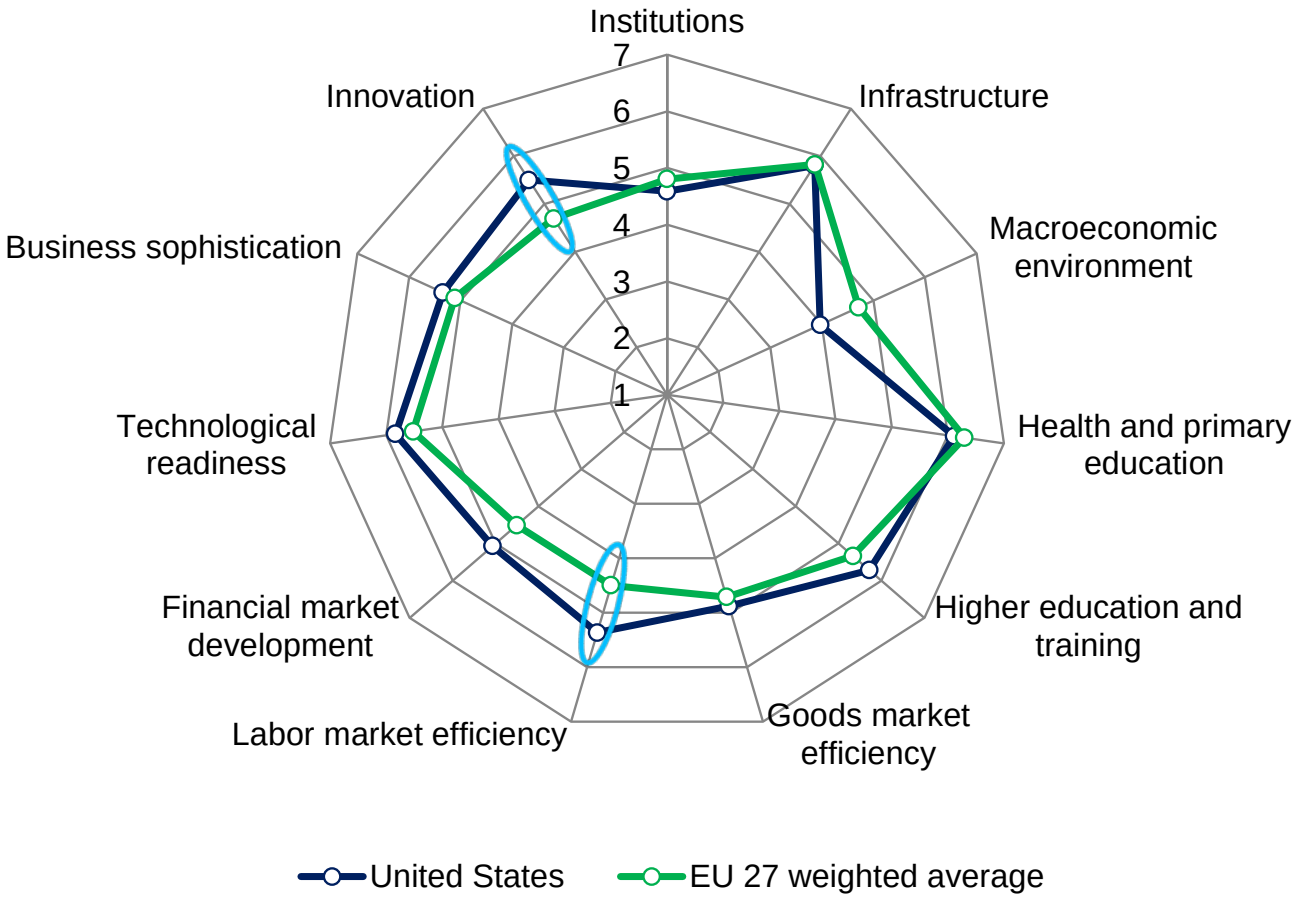
The Global Competitiveness Index, pillar scores (1-7 scale)



Source: World Economic Forum

The Global Competitiveness Index
Northern and Southern Europe

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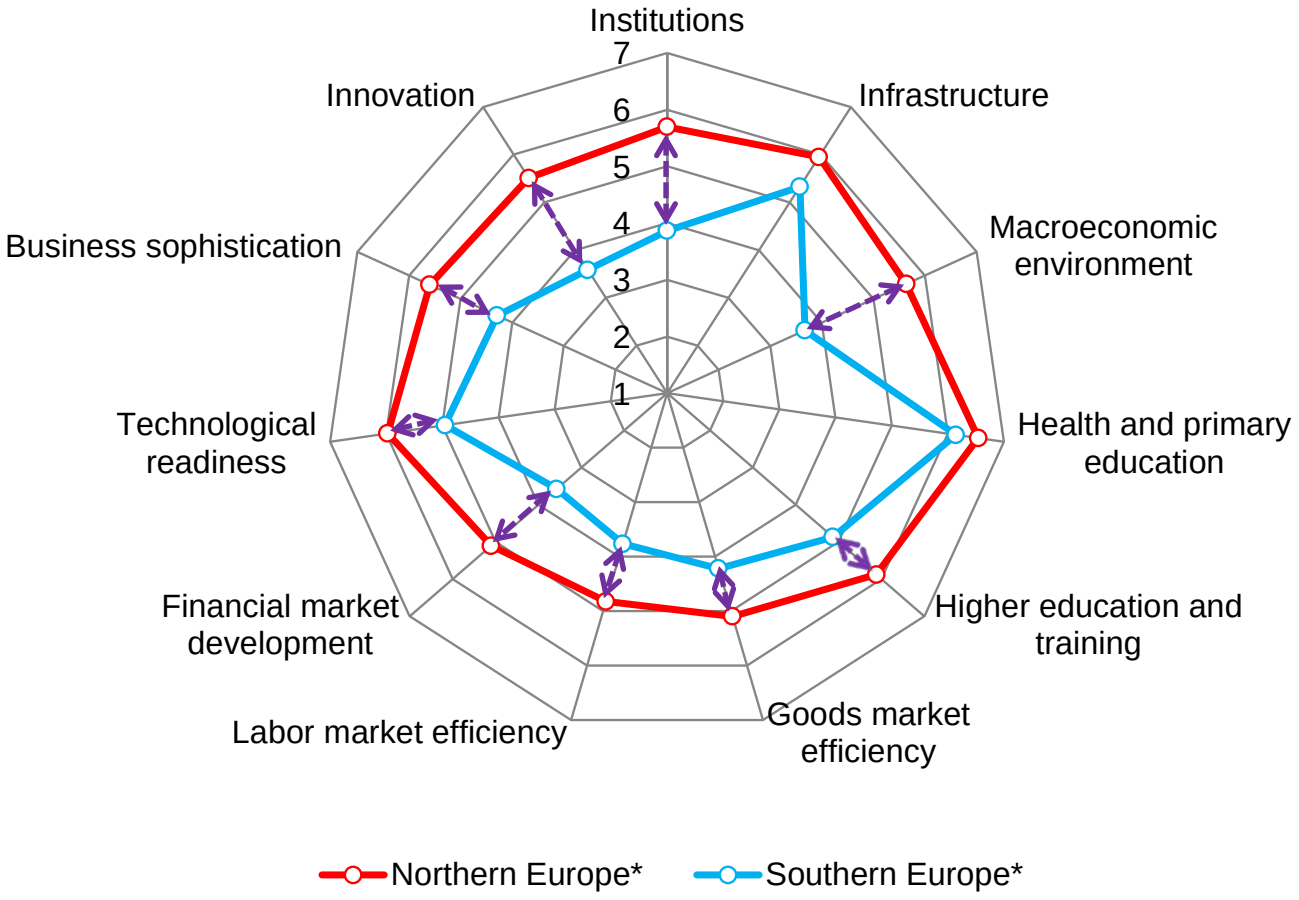
The Global Competitiveness Index, pillar scores (1-7 scale)



*Northern Europe: Finland, Germany, Netherlands, Sweden
Southern Europe: Italy, Greece, Portugal, Spain
Source: World Economic Forum

Deep dive into key competitiveness pillars
Labor market efficiency & skills and education

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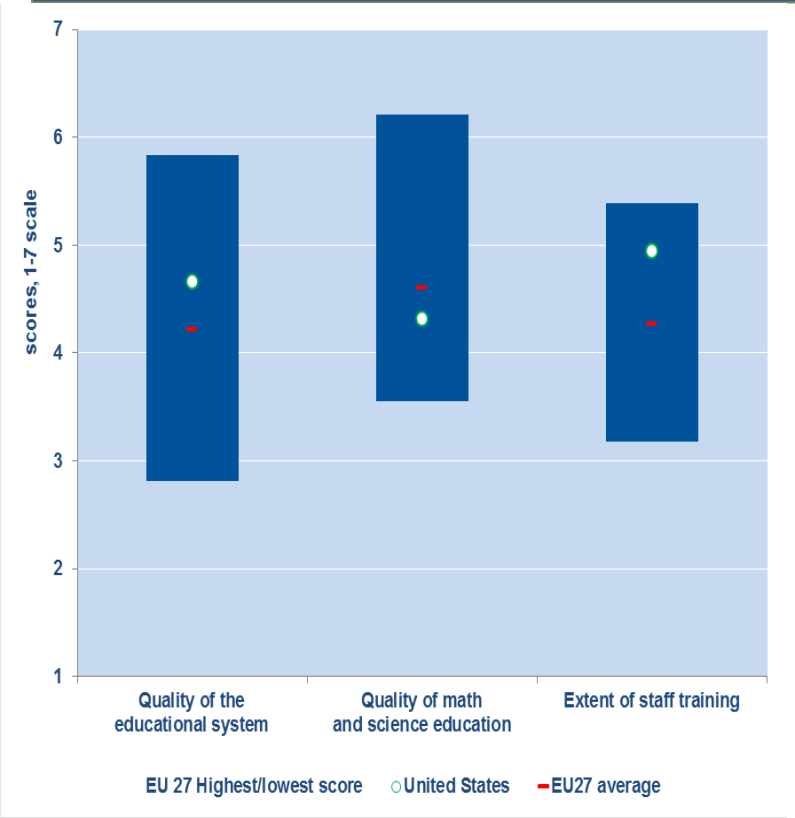
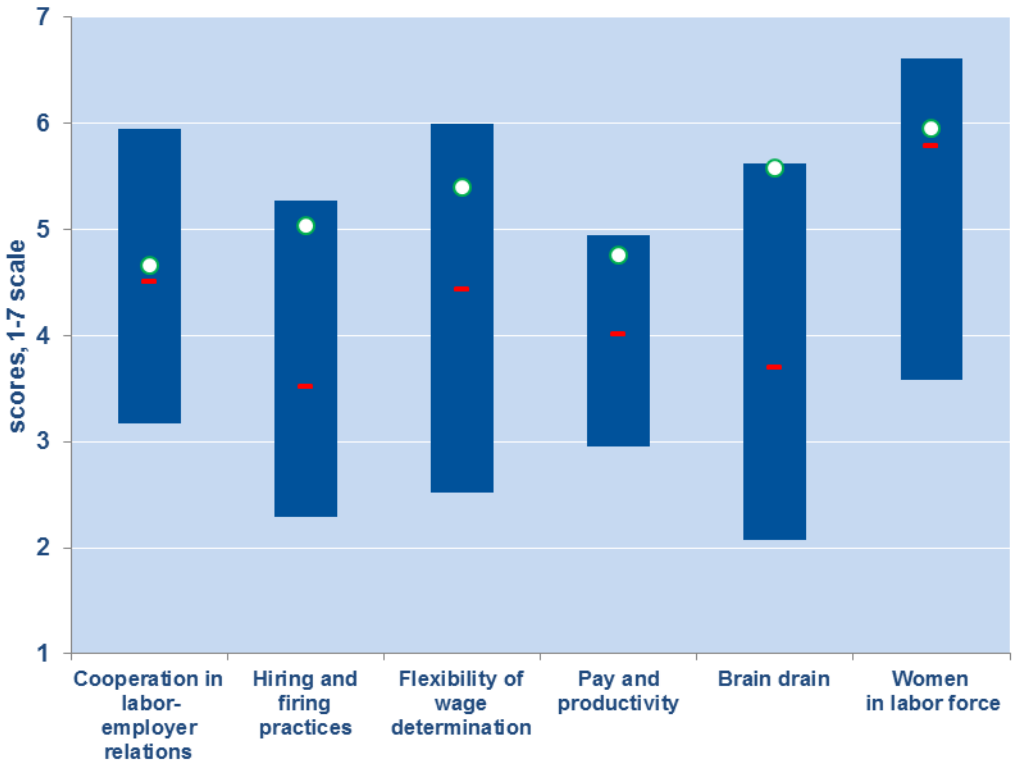
Higher education and training; Labor market efficiency pillars; selected indicators





Source: World Economic Forum

Deep dive into key competitiveness pillars
Market efficiency

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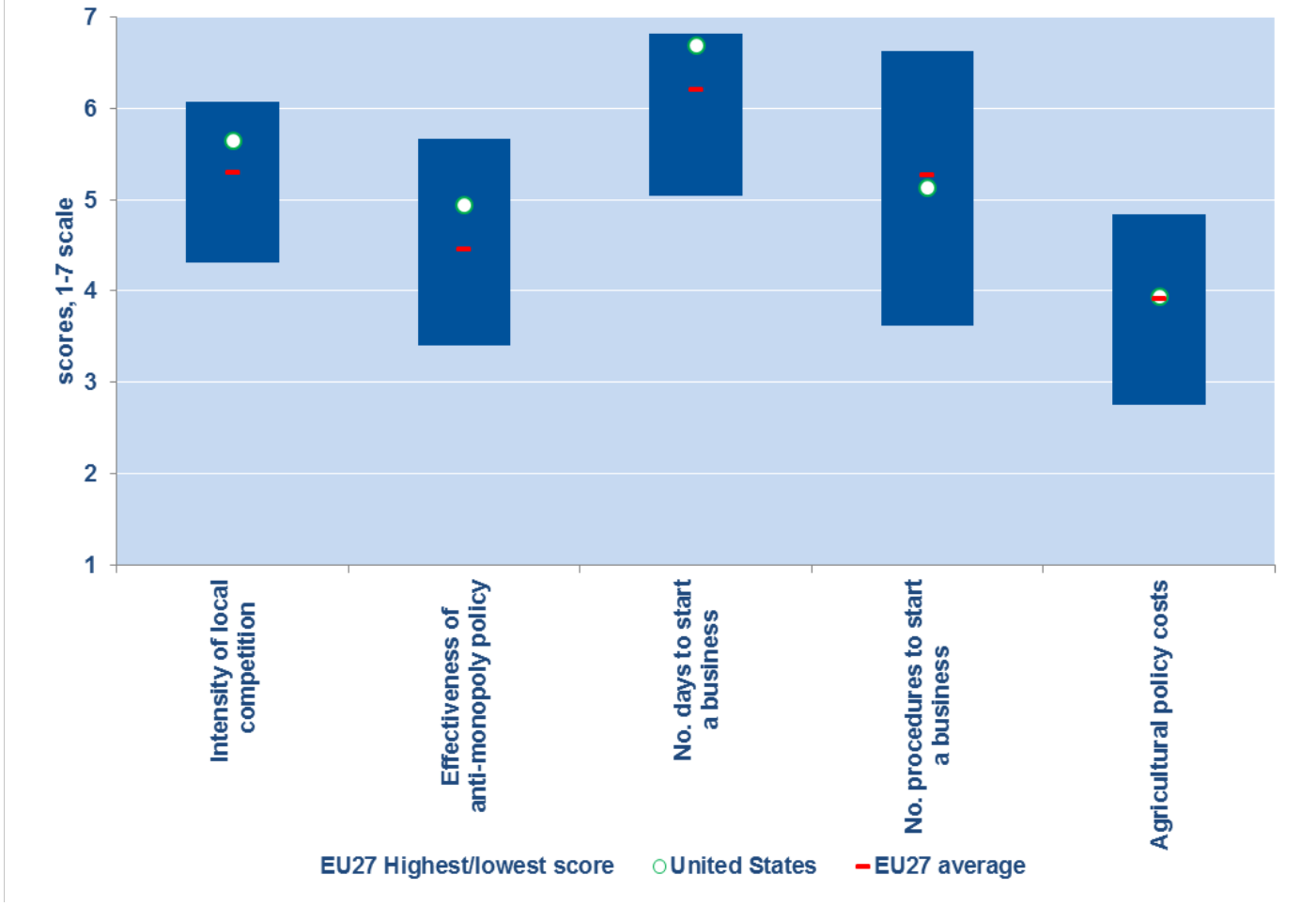
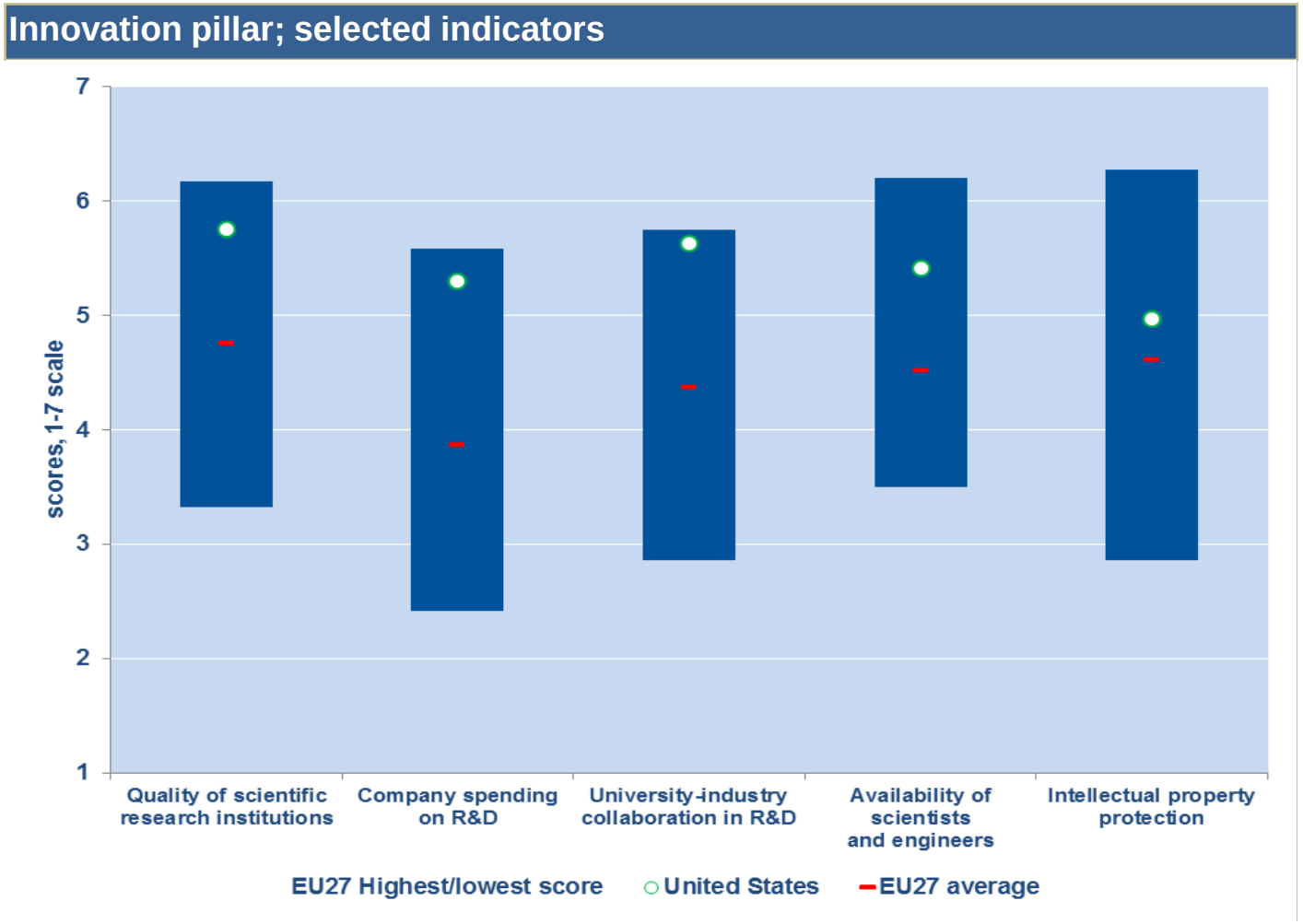
Goods market efficiency pillar; selected indicators



Source: World Economic Forum

Deep dive into key competitiveness pillars
Innovation



Source: World Economic Forum

Concluding remarks

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- At **the core** of the EU's present **economic and financial difficulties** is its **competitiveness gap**. **Europe** as a whole has **lost competitiveness in a global context**, and the **gap is widening among European economies**.

- Without addressing the present weaknesses, Europe will **continue to face difficulties in providing rising living standards and sustainable employment** to its citizens.

- **All countries and regions** should be able to contribute to **raising Europe's competitiveness**; especially those that are particularly lagging behind.

- Better **mobilizing talent**, increasing **market efficiency**, and harnessing Europe's potential for **innovation and entrepreneurship** will be critical in this effort.

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