

Preface

KLAUS SCHWAB

Executive Chairman, World Economic Forum

The Global Competitiveness Report 2012–2013 is being released amid a long period of economic uncertainty. The tentative recovery that seemed to be gaining ground during 2010 and the first half of 2011 has given way to renewed concerns. The global economy faces a number of significant and interrelated challenges that could hamper a genuine upturn after an economic crisis half a decade long in much of the world, especially in the most advanced economies. The persisting financial difficulties in the periphery of the euro zone have led to a long-lasting and unresolved sovereign debt crisis that has now reached the boiling point. The possibility of Greece and perhaps other countries leaving the euro is now a distinct prospect, with potentially devastating consequences for the region and beyond. This development is coupled with the risk of a weak recovery in several other advanced economies outside of Europe—notably in the United States, where political gridlock on fiscal tightening could dampen the growth outlook. Furthermore, given the expected slowdown in economic growth in China, India, and other emerging markets, reinforced by a potential decline in global trade and volatile capital flows, it is not clear which regions can drive growth and employment creation in the short to medium term.

Policymakers are struggling to find ways to cooperate and manage the current economic challenges while preparing their economies to perform well in an increasingly difficult and unpredictable global landscape. Amid the short-term crisis management, it remains critical for countries to establish the fundamentals that underpin economic growth and development for the longer term. The World Economic Forum has, for more than three decades, played a facilitating role in this process by providing detailed assessments of the productive potential of nations worldwide. The *Report* contributes to an understanding of the key factors that determine economic growth, helps to explain why some countries are more successful than others in raising income levels and opportunities for their respective populations, and offers policymakers and business leaders an important tool in the formulation of improved economic policies and institutional reforms.

The complexity of today's global economic environment has made it more important than ever

to recognize and encourage the qualitative as well as the quantitative aspects of growth, integrating such concepts as social and environmental sustainability to provide a fuller picture of what is needed and what works. In this context, the Forum's Global Benchmarking Network has continued to push forward with its research on how sustainability relates to competitiveness and economic performance. To this end, Chapter 1.2 of this *Report* presents our evolving analysis of how country competitiveness can be assessed once issues of social and environmental sustainability are taken into account. This represents an important area for the World Economic Forum's research going forward.

This year's *Report* features a record number of 144 economies, and thus continues to be the most comprehensive assessment of its kind. It contains a detailed profile for each of the economies included in the study as well as an extensive section of data tables with global rankings covering over 100 indicators. This *Report* remains the flagship publication within the Forum's Global Benchmarking Network, which produces a number of research studies that mirror the increased integration and complexity of the world economy.

The Global Competitiveness Report 2012–2013 could not have been put together without the thought leadership of Professor Xavier Sala-i-Martin at Columbia University, who has provided ongoing intellectual support for our competitiveness research. Further, this *Report* would have not been possible without the commitment and enthusiasm of our network of over 150 Partner Institutes worldwide. The Partner Institutes are instrumental in carrying out the Executive Opinion Survey that provides the foundation data of this *Report* as well as imparting the results of the *Report* at the national level. We would also like to convey our sincere gratitude to all the business executives around the world who took the time to participate in our Executive Opinion Survey.

We are also grateful to the members of our Advisory Board on Competitiveness and Sustainability, who have provided their valuable time and knowledge to help us develop the framework on sustainability and competitiveness presented in this *Report*: James Cameron, Chairman, Climate Change Capital; Dan Esty, Commissioner, Connecticut Department of Energy and Environmental Protection; Edwin J. Feulner Jr, President,

The Heritage Foundation; Clément Gignac, Minister of Natural Resources and Wildlife of Quebec; Jeni Klugman, Director for Gender, The World Bank; Marc A. Levy, Deputy Director, CIESIN, Columbia University; John McArthur, Senior Fellow, United Nations Foundation; Kevin X. Murphy, President and Chief Executive Officer, J.E. Austin Associates Inc.; Mari Elka Pangestu, Minister of Tourism and Creative Economy of Indonesia; Mark Spelman, Global Head of Strategy, Accenture; and Simon Zadek, Senior Visiting Fellow, Global Green Growth Institute.

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