2016

MALAYSIA IN THE IMD WORLD COMPETITIVENESS YEARBOOK

MPC

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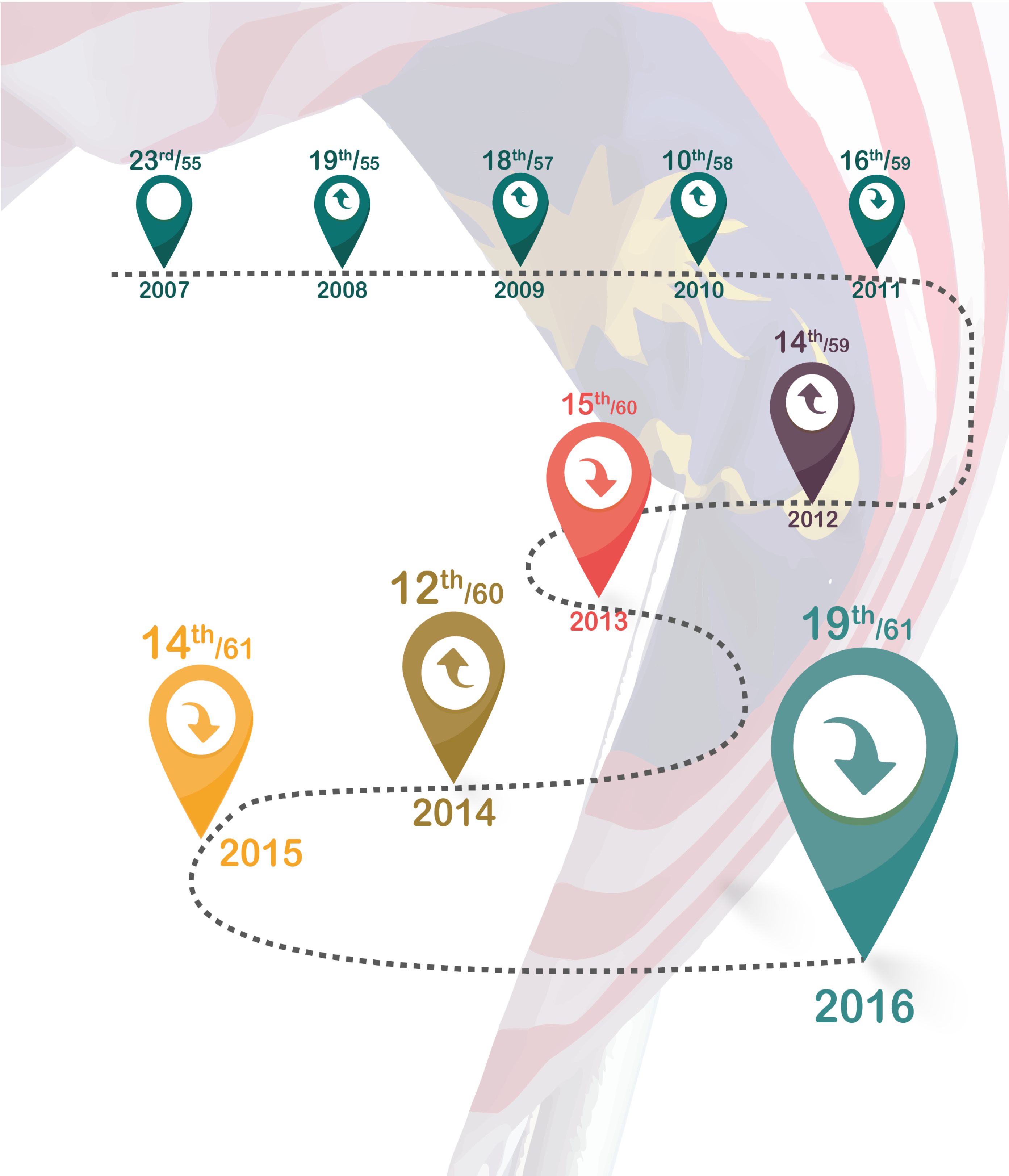
WORLD COMPETITIVENESS YEARBOOK 2016:

HIGHLIGHTS OF MALAYSIA'S PERFORMANCE

1. Malaysia's performance in the World Competitiveness Yearbook (WCY) 2016 released by the Institute for Management Development (IMD), Lausanne, Switzerland declined to 19th position compared to 14th out of 61 economies last year. Despite the decline, Malaysia remains in the top 20 most competitive economies. Overall, aside from China Hong Kong and Singapore, Asia's competitiveness has declined markedly since the publication of last year's ranking. "This general decline has been caused by the fall in commodity prices, a strong dollar and the deterioration of balance sheet in both the private and public sectors," said Professor Arturo, Director of the IMD World Competitiveness Center.
2. China Hong Kong occupied the top position followed by Switzerland, USA, Singapore, Sweden, Denmark, Ireland, Netherlands, Norway and Canada that makes up the ten most competitive nations. Professor Arturo Bris said a consistent commitment to a favourable business environment was central to China Hong Kong's rise and that Switzerland's small size and its emphasis on a commitment to quality have allowed it to react quickly to keep its economy on top. Focus on business-friendly regulation, physical and intangible infrastructure and inclusive institution are the common pattern among all of the countries in the top 20.
3. Malaysia, at 19th position, was overtaken by Ireland (2016: 7th, 2015: 16th), Netherlands (2016: 8th, 2015: 15th), New Zealand (2016: 16th, 2015: 17th), Australia (2016: 17th, 2015: 18th), and United Kingdom (2016: 18th, 2015: 19th).
4. The WCY 2016 ranks nations based on its competitiveness index through:
    - 4 input factors;
    - 20 sub-factors (5 sub-factors in each input factor);
    - 342 criteria (Ranked Criteria: 255 = 137 hard data + 118 survey data; 87 background information); and
    - 61 countries/economies
5. The WCY 2016 also presents competitiveness ranking in four categories:
    - global (overall);
    - by size (Populations exceeding 20 million; and populations less than 20 million);
    - by wealth (GDP per capita greater than US$20,000 and GDP per capita less than US$20,000); and
    - by regions (Europe-Middle-East-Africa, Asia-Pacific, and The Americas).

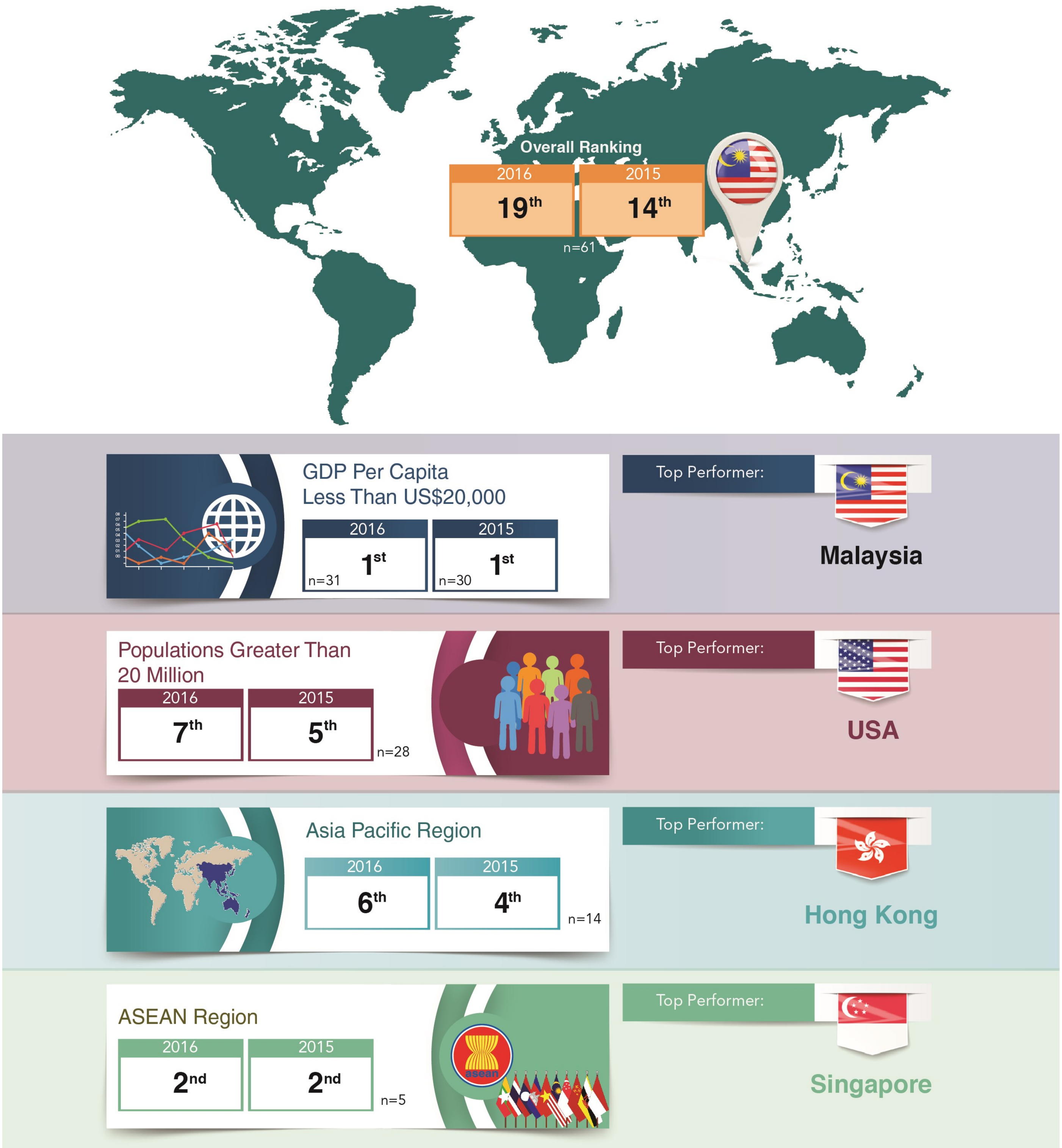
6. Since 2008, Malaysia has been consistently in the Top 20 position and recorded its best performance in 2010 as shown in Figure 1.

Figure 1: Malaysia's 10-year Performance



7. Among 31 countries with GDP per capita less than US$20,000, Malaysia remained at 1^{st} position while in the category of populations greater than 20 million, Malaysia is ranked 7^{th} (2015: 5^{th}) among 28 countries. Within the Asia-Pacific region, Malaysia is ranked 6^{th} (2015: 4^{th}) and remained 2^{nd} in the ASEAN region. (Figure 2)

Figure 2: Malaysia's Performance by Peer Group



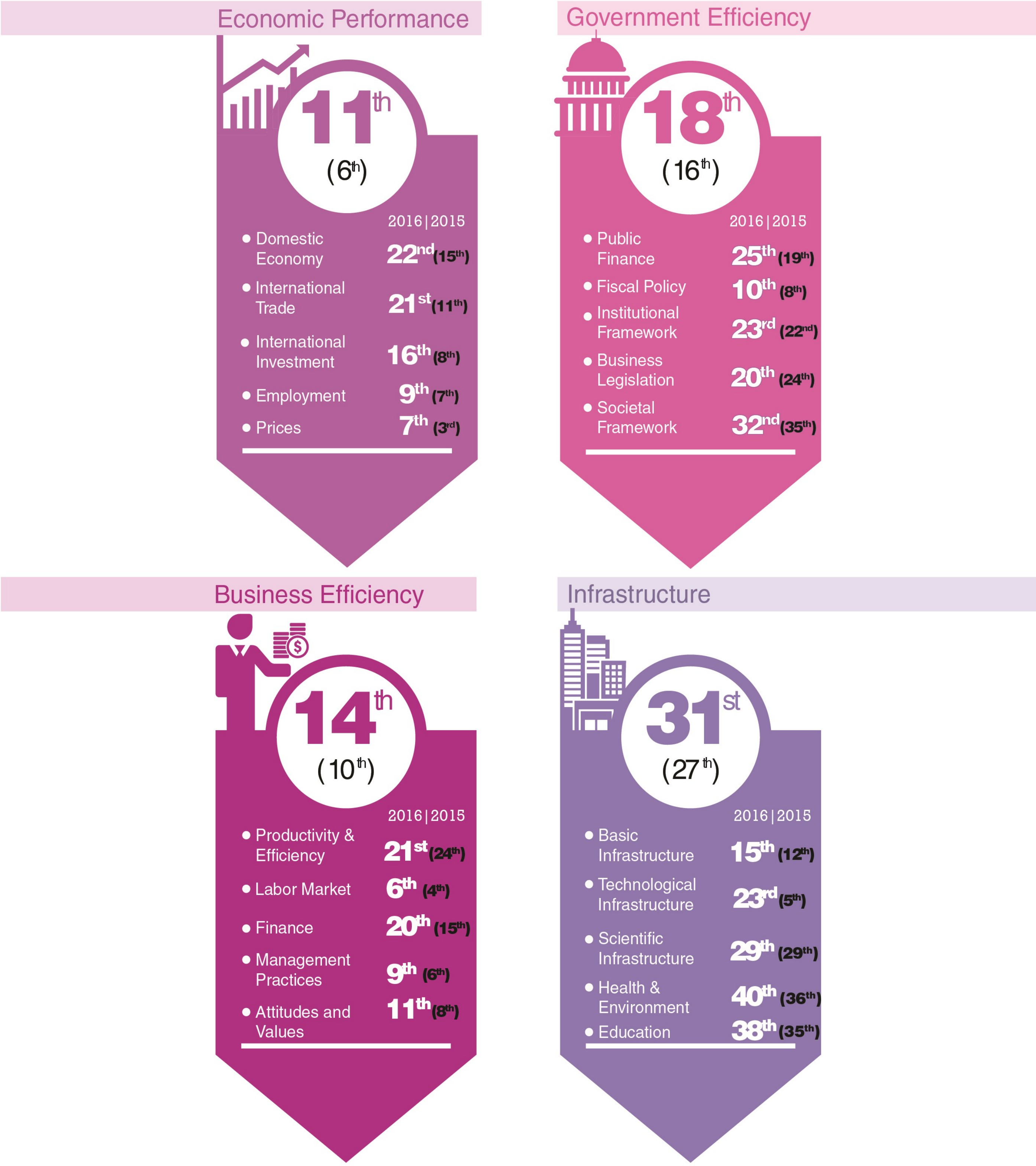
8. **Economic Performance** factor which gives a macroeconomic evaluation of the domestic economy, declined to 11th position from 6th with declines in all its sub-factors namely Domestic Economy, 22nd (2015: 15th), International Trade, 21st (2015: 11th), International Investment, 16th (2015: 8th), Employment, 9th (2015: 7th) and Prices, 7th (2015: 3rd).

9. **Government Efficiency** which measures the conduciveness of government policies declined marginally by two positions to 18th (2015: 16th). Three sub-factors which impacted the performance of this factor are Public Finance to 25th position (2015: 19th), Fiscal Policy to 10th position (2015: 8th) and Institutional Framework to 23rd (2015: 22nd). Nevertheless, 2 other sub-factors showed improvements namely Business Legislation to 20th position (2015: 24th) and Societal Framework to 32nd (2015: 35th).

10. **Business Efficiency** which measures the extent to which the national environment encourages enterprises to perform in an innovative, profitable and responsible manner, declined to 14th position from 10th position previously. This resulted from the declines in Labor Market at 6th (2015: 4th), Finance at 20th (2015: 15th), Management Practices at 9th (2015: 6th), and Attitudes and Values at 11th position (2015: 8th). The only sub-factor that improved its position is the Productivity and Efficiency to 21st position (2015: 24th).

11. **Infrastructure** factor which measures the extent of basic, technological, scientific and human resources meet the need of business declined by 4 rungs to 31st from 27th previously. Four out of five sub-factors recorded declines in ranking which are Basic Infrastructure, 15th (2015: 12th), Technological Infrastructure to 23rd (2015: 5th), Health and Environment to 40th (2015: 36th), and Education at 38th (2015: 35th) while the Scientific Infrastructure maintained at 29th position. In 2016, IMD introduced as well as redefined several indicators used to measure the Infrastructure factor.

Figure 3: Malaysia's Performance by Factors and Sub-factors



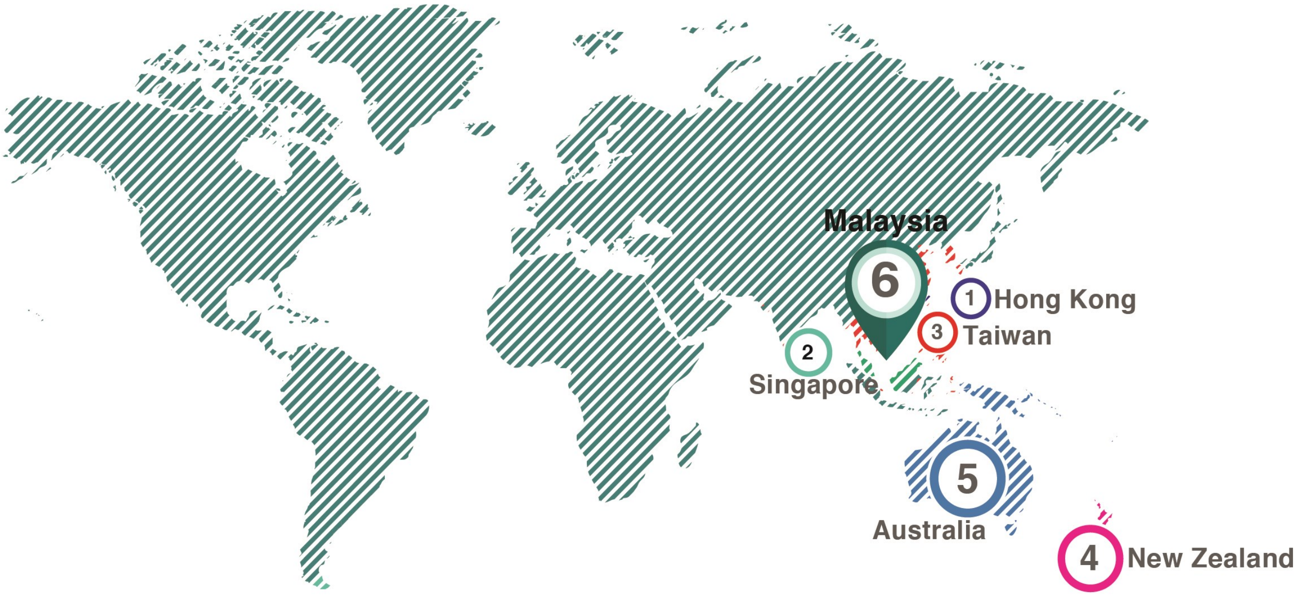
WORLD
Competitiveness Performance

COUNTRIES	2016	
	RANK	VALUE
Hong Kong	1	100.00
Switzerland	2	98.02
USA	3	97.88
Singapore	4	97.65
Sweden	5	92.35
Denmark	6	91.76
Ireland	7	91.54
Netherlands	8	91.32
Norway	9	90.05
Canada	10	90.05
Luxembourg	11	90.02
Germany	12	88.57
Qatar	13	86.72
Taiwan	14	86.37
UAE	15	86.07
New Zealand	16	85.61
Australia	17	84.27
United Kingdom	18	83.34
Malaysia	**19**	**83.05**
Finland	20	82.04
Israel	21	80.83
Belgium	22	80.69
Iceland	23	80.58
Austria	24	80.16
China Mainland	25	79.35
Japan	26	78.72
Czech Republic	27	76.15
Thailand	28	74.68
Korea	29	74.20
Lithuania	30	74.04
Estonia	31	73.55

COUNTRIES	2016	
	RANK	VALUE
France	32	73.46
Poland	33	71.30
Spain	34	69.35
Italy	35	68.71
Chile	36	67.44
Latvia	37	66.55
Turkey	38	66.55
Portugal	39	66.41
Slovak Republic	40	65.89
India	41	65.83
Philippines	42	65.54
Slovenia	43	64.87
Russia	44	63.94
Mexico	45	63.24
Hungary	46	62.65
Kazakhstan	47	62.64
Indonesia	48	62.38
Romania	49	62.27
Bulgaria	50	61.74
Colombia	51	58.29
South Africa	52	57.80
Jordan	53	56.88
Peru	54	56.20
Argentina	55	53.75
Greece	56	52.13
Brazil	57	51.68
Croatia	58	51.59
Ukraine	59	46.51
Mongolia	60	45.79
Venezuela	61	32.60

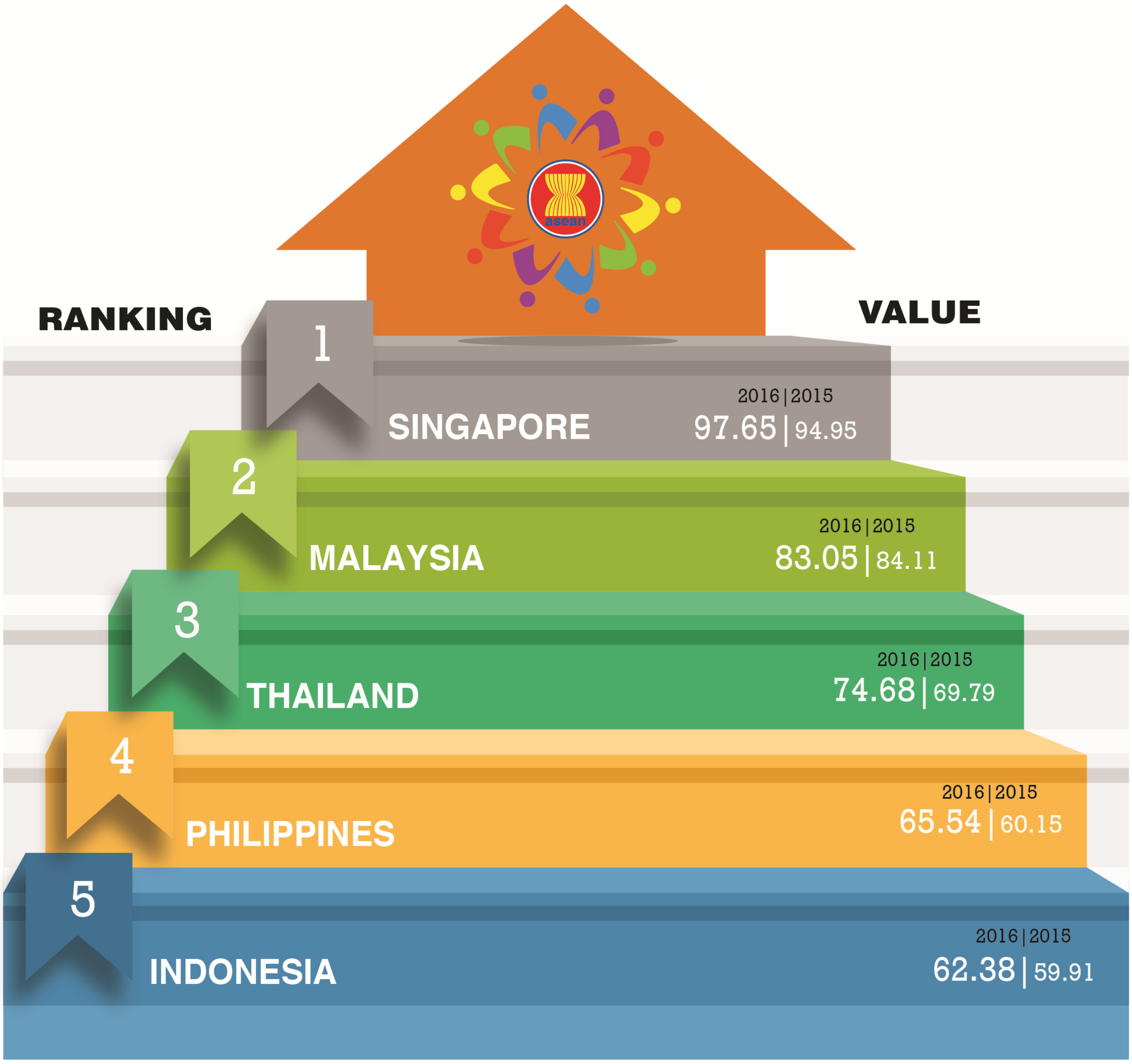
Competitiveness Performance Among

ASIA PACIFIC COUNTRIES



	Rank 2016	Rank 2015	Value 2016	Value 2015
Hong Kong	1st	1st	100	96.04
Singapore	2nd	2nd	97.65	94.95
Taiwan	3rd	3rd	86.37	85.41
New Zealand	4th	5th	85.61	81.81
Australia	5th	6th	84.27	80.45
Malaysia	6th	4th	83.05	84.11
China Mainland	7th	7th	79.35	76.99
Japan	8th	9th	78.72	72.83
Thailand	9th	10th	74.68	69.79
Korea	10th	8th	74.20	73.92
India	11th	13th	65.83	59.49
Philippines	12th	11th	65.54	60.15
Indonesia	13th	12th	62.38	59.91
Mongolia	14th	14th	45.79	47.13

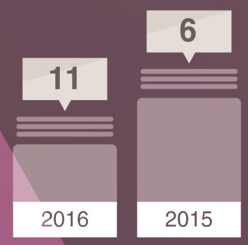
Competitiveness Performance Among
ASEAN COUNTRIES



IMD uses 70% quantitative data for the measures of a country's competitiveness. ASEAN countries that do not meet this condition are not listed in the WCY 2016.

Macro-economic evaluation of the domestic economy

ECONOMIC PERFORMANCE



The Economic Performance factor declined 5 places to 11th in 2016 (2015: 6th). Declines in the five sub-factors of Domestic Economy, 22nd (2015: 15th), International Trade, 21st (2015: 11th) and International Investment, 16th (2015: 8th) contributed to the overall decline of the Economic Performance factor. The other two sub-factors namely Employment, 9th (2015: 7th) and Prices, 7th (2015: 3rd) sustained top ten positions despite recording declines.

RANKING BY SUB-FACTORS

ECONOMIC PERFORMANCE

MALAYSIA

	Domestic Economy	International Trade	International Investment	Employment	Prices
2016	22	21	16	9	7
2015	15	11	8	7	3

TOP PERFORMER

RANK	Domestic Economy	International Trade	International Investment	Employment	Prices
1	USA	Singapore	USA	Qatar	South Africa
2	China	Hong Kong	Hong Kong	China	Estonia
3	Ireland	Luxembourg	Ireland	Thailand	Canada

ASEAN

RANK	Domestic Economy	International Trade	International Investment	Employment	Prices
1	**Singapore (13)**	**Singapore (1)**	**Singapore (5)**	**Thailand (3)**	**Malaysia (7)**
2	**Malaysia (22)**	Thailand (6)	**Malaysia (16)**	Singapore (4)	Indonesia (31)
3	Indonesia (26)	**Malaysia (21)**	Thailand (28)	**Malaysia (9)**	Thailand (45)
4	Philippines (31)	Philippines (42)	Philippines (47)	Philippines (19)	Philippines (47)
5	Thailand (37)	Indonesia (49)	Indonesia (48)	Indonesia (29)	Singapore (52)

ECONOMIC PERFORMANCE

Malaysia faces significant challenges

1

In terms of Domestic Economy performance, Malaysia recorded a GDP growth of 5% in 2015, and ranked 5th in the WCY 2016. This growth was contributed mainly by continuous expansion in the services, manufacturing and construction sectors while private consumption and government consumption expenditure has offset the sluggish performance in external demand. Overall, the Malaysian economy is expected to grow between 4.0% to 4.5% in 2016.

2

The strengthening of US Dollar has affected Malaysia's Ringgit performance and therefore impacted the Terms of Trade Index (Unit value of exports over unit value of imports) to 31st position from 16th in 2015, with a value of 99.70 from 105.00 in 2015. Nevertheless, Malaysia's total trade had exceeded RM1 trillion for the past 9 years, growing by 1.2% to reach RM1.466 trillion in 2015, compared to RM1.448 trillion in the previous year.

3

In WCY 2016, the decline in the International Investment factor was influenced by investment outflows and investment inflows as well as portfolio investment liabilities. Currently, Malaysia's net international investment position dropped at the end of the first quarter of 2016 with a lower net assets position of RM10.9 billion from RM110.3 billion at the end of last year. Malaysian-owned assets abroad decreased by RM111.0 billion to stand at RM1,555.6 billion, while foreign-owned assets in Malaysia decreased by a smaller amount of RM11.6 billion to record RM1,544.7 billion.

ECONOMIC PERFORMANCE

Malaysia faces significant challenges

4

Due to the current economic situation as a result of lower energy and commodity prices, the 2016 budget was recently recalibrated to cushion the impact of rising prices and increase in the cost of living. This positive move is to ensure that the economy remained on a strong growth trajectory and to protect and safeguard the welfare and wellbeing of the people. The slowdown in the economy was not confined to Malaysia only but also economies such as the United States, Brazil, and China which are expected to grow at a slower pace.

5

Adjusted consumer price inflation (absolute values) rose from 0% to 1.1% which led to a decline in the ranking to 37th position from 3rd the previous year. This affected the overall ranking of the indicator on Prices to 7th position from 3rd in 2015. Overall, Malaysia's inflation rate for 2015 was at 2.1% but increased to 2.6% in March 2016.

TOP 10 INDICATORS

Indicator	2016	2015
Unempolyment Rate (% of labor force)	4	4
Real GDP growth (% change, based on national currency in constant prices)	5	6
Long-Term Unemployment (% of labor force)	5	5
Gasoline Prices (premium unleaded gasoline (95 Ron) US$ per litre)	5	5
Relocation threats of R&D Facilities is not a threat to the future of your economy	6	2
Real GDP Growth Per Capita (% change, based on national currency in constant prices)	8	6
Diversification of the economy (industries, export markets, etc:) is extensive *	9	4
Relocation threats of services is not a threat to the future of your economy *	9	2
Export of Goods (% of GDP)	10	10
Tourism Receipts % (international tourism receipts as a percentage of GDP)	10	8

AREAS FOR IMPROVEMENT

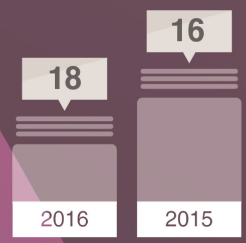
Indicator	2016	2015
Current Account Balance (% of GDP)	25	15
Export of Goods - Growth (% change based on US$ values)	37	21
Terms of Trade Index (Unit value of exports over unit value of imports)	31	16
Exchange rates support the competitiveness of enterprises *	39	17
Portfolio Investment Liabilities (US$ bilions)	47	24
Employment - Growth (Estimates: % change)	25	11
Adjusted consumer price inflation (absolute values) Inflation rate minus discount rate	37	3
Exports of Commercial Services - Growth (% change based on US$ values)	50	55

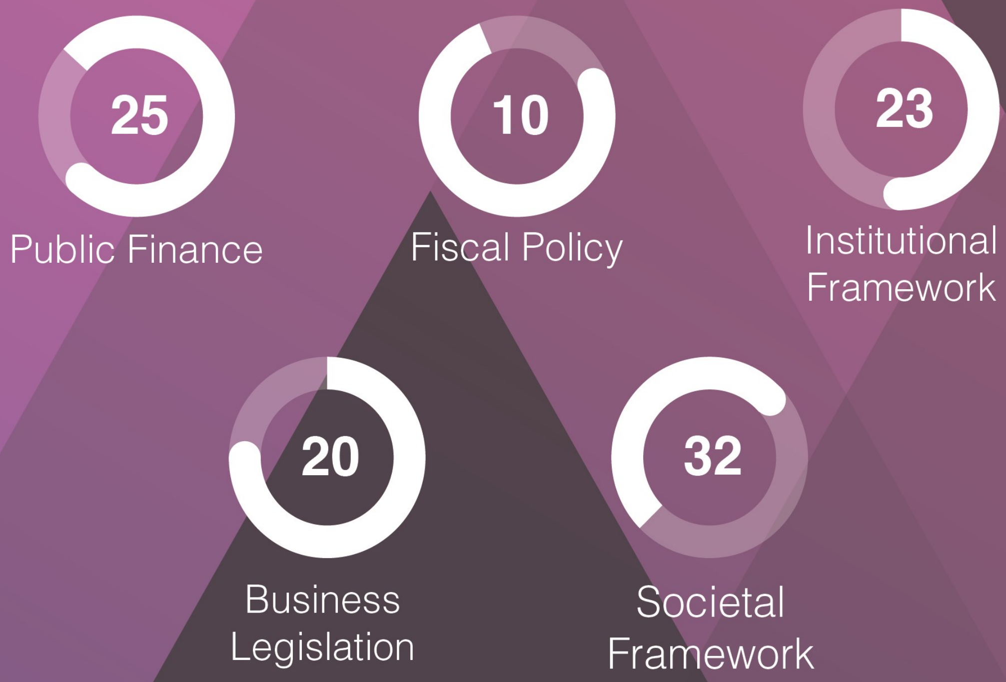
* Soft data (survey)

- NOTES -

Extent to which government policies are conducive to competitiveness

GOVERNMENT EFFICIENCY





The Government Efficiency factor declined by two positions to 18th in 2016 (2015: 16th), while rankings of Business Legislation and Societal Framework sub-factors continued to improve. The efforts undertaken by the Government to provide a conducive business environment as practiced by top performing countries have resulted in improvements in the sub-factors of Business Legislation, 20th (2015: 24th) and Societal Framework, 32nd (2015: 35th).

RANKING BY SUB-FACTORS
GOVERNMENT EFFICIENCY

MALAYSIA

	Public Finance	Fiscal Policy	Institutional Framework	Business Legislation	Societal Framework
2016	25	10	23	20	32
2015	19	8	22	24	35

TOP PERFORMER

RANK	Public Finance	Fiscal Policy	Institutional Framework	Business Legislation	Societal Framework
1	Hong Kong	Qatar	Switzerland	Hong Kong	Norway
2	Qatar	Hong Kong	Singapore	New Zealand	Sweden
3	Norway	UAE	Denmark	Singapore	Denmark

ASEAN

RANK	Public Finance	Fiscal Policy	Institutional Framework	Business Legislation	Societal Framework
1	Singapore (4)	Thailand (5)	Singapore (2)	Singapore (3)	Singapore (19)
2	Thailand (10)	Indonesia (6)	**Malaysia (23)**	**Malaysia (20)**	**Malaysia (32)**
3	**Malaysia (25)**	Singapore (8)	Thailand (33)	Thailand (44)	Philippines (43)
4	Indonesia (32)	**Malaysia (10)**	Indonesia (40)	Philippines (57)	Thailand (44)
5	Philippines (34)	Philippines (15)	Philippines (41)	Indonesia (58)	Indonesia (51)

GOVERNMENT EFFICIENCY

Comitted to enhancing government efficiency

1

In the Public Finance sub-factor, Malaysia's Total General Government Debt (% change based on national currency in constant prices), declined by 12 places to 43rd from 31st in 2015. At 5.76%, the debt is still manageable as measures are in place to control spending with 2020 being set as the year where the country may start seeing its credit improving. General Government Expenditure (% of GDP) improved by 3 places to 13th, reducing to 22.3% from 24.2% in 2015.

2

In terms of Fiscal Policy, Malaysia ranked 10th from 8th in 2015 sustaining its top 10 position. Despite challenging external and domestic uncertainties, fiscal policy initiatives in 2016 will continue to focus on fiscal consolidation. The 2016 Budget was recalibrated in January 2016 to incorporate the expected decline in global oil prices that would have an implication on the Government's revenue. Measures to broaden revenue sources were also introduced to further enhance revenue collection to reduce the Government's fiscal deficit.

3

Government efficiency also includes the element of safety so as to create safer living environments. Strategies have been developed to enhance crime prevention, elevate perception of feeling safe and promoting crime awareness. All these initiatives are expected to reduce the crime index by 5% annually and improve Malaysia's ranking on Personal security and private property rights are adequately protected.

GOVERNMENT EFFICIENCY

Comitted to enhancing government efficiency

4

Business Legislation is important to ensure that businesses, customers and suppliers, are legally protected by effective legislation. The Strategic Reform Initiative (SRI) on Competition, Standards and Liberalisation (CSL) seeks to develop an efficient and competitive business environment. SRI's efforts are centred on implementing competition legislation, enhancing the adoption and usage of standards and best practices. The Government continuously strives to maintain and enhance efficiency and competitiveness of businesses through public-private sector consultations in reviewing existing regulations. Good Regulatory Practice (GRP) is one of the proven tools to ensure that all regulations are effective in addressing public policy objectives in a transparent manner. The rule-making process will be improved to ensure that regulations are not cumbersome, discourage competition and innovation, or alienate stakeholders.

5

An important criteria for Societal Framework is to ensure an equitable society where all Malaysians will benefit from economic growth, a supportive environment for the elderly and ageing society, justice, gender equality and empowering women. In the WCY 2016, ranking for Women on Boards improved to 13.8% and attained 22^{nd} position from 28^{th} in 2015.

TOP 10 INDICATORS

Indicator	2016	2015
Consumption tax rate	6	4
Ease of Doing Business is supported by regulations *	6	4
Start-up procedures	6	4
Pension funding is adequately addressed for the future *	7	6
Adaptability of Government Policy to changes in the economy is high *	7	4
Labor regulations do not hinder business activities *	9	6
Ageing of society is not a burden for economic development *	9	6
Collected Total Tax Revenues (% of GDP)	9	12
Central Bank Policy has a positive impact on the economic	10	12
Legal and Regulatory Framework encourages the competitiveness of enterprises *	10	4
Start-up days	10	17

AREAS FOR IMPROVEMENT

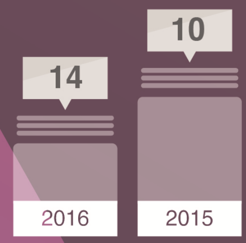
Indicator	2016	2015
Total General Government Debt - Real Growth (% change, based on national currency in constant prices)	43	31
Bureaucracy does not hinder business activity *	18	7
The risk of political instability is very low *	41	30
Interest Payment (% of current revenue)	50	47
Females in Parliament (% of total seats in parliament	52	51

* Soft data (survey)

- NOTES -

Extent to which national environment encourages enterprises to perform in an innovative, profitable and responsible manner

BUSINESS EFFICIENCY



Malaysia's Business Efficiency factor is ranked at 14th position in 2016 (2015: 10th). Two sub-factors remained in the top ten positions, namely Labour Market, 6th (2015: 4th) and Management Practices, 9th (2015: 6th), while Productivity and Efficiency improved by 3 places to 21st (2015: 24th). Finance, and Attitudes and Values both declined by 5 and 3 places at 20th and 11th position respectively.

RANKING BY SUB-FACTORS
BUSINESS EFFICIENCY

MALAYSIA

	Productivity & Efficiency	Labor Market	Finance	Management Practices	Attitudes and Values
2016	21	6	20	9	11
2015	24	4	15	6	8

TOP PERFORMER

RANK	Productivity & Efficiency	Labor Market	Finance	Management Practices	Attitudes and Values
1	Ireland	Hong Kong	Hong Kong	Denmark	Hong Kong
2	Luxembourg	China	USA	Hong Kong	Ireland
3	Norway	Netherlands	Switzerland	Switzerland	UAE

ASEAN

RANK	Productivity & Efficiency	Labor Market	Finance	Management Practices	Attitudes and Values
1	**Singapore (10)**	**Philippines (4)**	**Singapore (6)**	**Malaysia (9)**	**Singapore (4)**
2	**Malaysia (21)**	Thailand (5)	**Malaysia (20)**	Singapore (17)	**Malaysia (11)**
3	Philippines (36)	**Malaysia (6)**	Thailand (23)	Philippines (24)	Philippines (12)
4	Thailand (43)	Indonesia (7)	Philippines (35)	Thailand (26)	Thailand (23)
5	Indonesia (50)	Singapore (8)	Indonesia (43)	Indonesia (42)	Indonesia (40)

BUSINESS EFFICIENCY

Productivity crucial for business

1

Among the indicators that affected the overall performance in the Business Efficiency factor are:

- Stock Market Index (% change on index in national currency) (10 places to 50th rank);
- Initial public offerings (Average 2013-2015), US$ millions (15 places to 21st position);
- The Value System in your society supports competitiveness (11 places to 20th rank); and
- M&A Activity (no. of deals per listed company, average 2013-2015) (39th) (redefined indicator).

2

Productivity improvement and efficiency is crucial to enhance business efficiency. Although the indicator is on the up-trend, more efforts are required to ensure that it continuously improves. In the 11MP, a five-year Malaysia Productivity Blueprint is being formulated to place productivity enhancement at the forefront of the national development agenda which will include the setting of productivity targets for their respective industries. At the same time, Productivity Champions will continue to spearhead productivity initiatives at the industry level.

BUSINESS EFFICIENCY

Productivity crucial for business

3

Notwithstanding the decline in the Finance sub-factor, on-going initiatives have been implemented to further strengthen its performance. This includes the financial sector transformation which has resulted in an increasingly diversified, competitive and resilient financial system. As such, it has enabled the sector to withstand destabilising episodes of increased volatility and stress. In addition, the transformation has led to a more established financial market infrastructure particularly the domestic debt securities market as well as robust payment and settlement system. The development of debt securities market has contributed towards financial stability by dispersing risk concentration in the financial system.

4

Management Practices, and Attitudes and Values recorded 9th and 11th position respectively. In pushing the limits of innovation and commercialisation, enterprises need to be more receptive and creative in providing service excellence, beyond meeting customers' requirements. It is important for enterprises to inculcate a service excellence mindset to fulfil customers' needs and measure customers' satisfaction for long term sustainability and productivity growth.

TOP 10 INDICATORS

Indicator	2016	2015
Corporate Boards do supervise the management of companies effectively *	4	2
Entrepreneurship of managers is widespread in business *	5	6
The Need for Economic and Social Reforms is generally well understood *	6	9
Overall Productivity-Real Growth (Estimates:% change of real GDP per person employed)	7	11
Employee Training is a high priority in companies *	7	4
Banking and Financial Services do support business activities efficiently *	7	9
Apprenticeships are sufficiently implemented *	8	6
Stock Market Capitalization (% of GDP)	8	5
Credibility of Managers in society is strong *	8	7
Customer Satisfaction is emphasized in companies *	8	8
Venture Capital is easily available for business *	9	4
Social Responsibility of business leaders is high *	9	3
The Corporate Values take into account the values of employees *	9	8
Remuneration in services professions (Gross annual income including supplements such as bonuses, US$)	10	13
Skilled labor is readily available *	10	11
Finance and Banking Regulation is sufficiently adequate *	10	10
Attitudes toward globalization are generally positive in your society *	10	3

AREAS FOR IMPROVEMENT

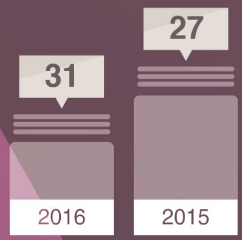
Indicator	2016	2015
Initial public offerings (average 2013-2015), US$ millions	21	6
M&A Activity (no. of deals per listed company, average 2013-2015)	39**	22
The value system in your society supports competitiveness *	20	9
Stock Market Index (% change on index in national currency)	50	40
Part - Time Employment (% of total employment)	51	49
Female Labor Force (% of total labor force)	51	51

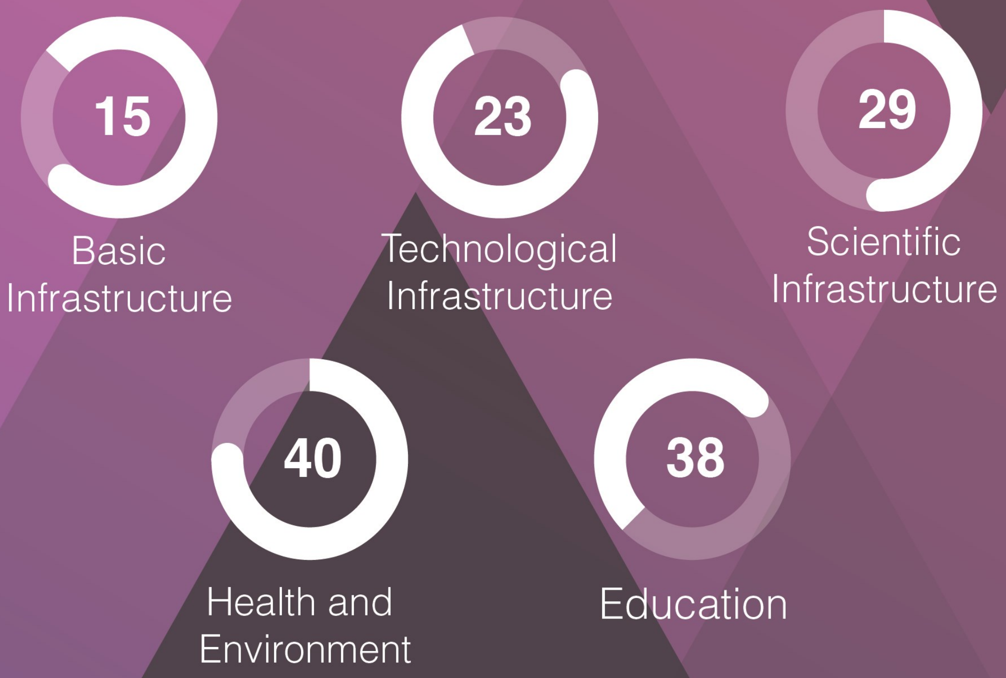
* Soft data (survey)
** Redefined

- NOTES -

Extent to which basic, technological, scientific and human resources meet the needs of business

INFRASTRUCTURE





Malaysia ranked 31st for the Infrastructure factor in 2016 (2015: 27th). All the sub-factors scaled down in their rankings except for Scientific Infrastructure which sustained its 29th rank. Basic Infrastructure ranked 15th (2015: 12th), while Technology Infrastructure attained 23rd position dropping by 18 places. The other two sub-factors namely Health and Environment and Education ranked 40th (2015: 36th) and 38th (2015: 35th) respectively.

RANKING BY SUB-FACTORS

INFRASTRUCTURE

MALAYSIA

	Basic Infrastructure	Technological Infrastructure	Scientific Infrastructure	Health and Environment	Education
2016	15	23	29	40	38
2015	12	5	29	36	35

TOP PERFORMER

RANK	Basic Infrastructure	Technological Infrastructure	Scientific Infrastructure	Health and Environment	Education
1	Iceland	Singapore	USA	Denmark	Belgium
2	Norway	Sweden	Japan	Norway	Finland
3	Netherlands	USA	Israel	Sweden	Denmark

ASEAN

RANK	Basic Infrastructure	Technological Infrastructure	Scientific Infrastructure	Health and Environment	Education
1	**Singapore (9)**	**Singapore (1)**	**Singapore (13)**	**Singapore (25)**	**Singapore (4)**
2	**Malaysia (15)**	**Malaysia (23)**	**Malaysia (29)**	**Malaysia (40)**	**Malaysia (38)**
3	Thailand (35)	Philippines (41)	Thailand (47)	Thailand (52)	Thailand (52)
4	Indonesia (44)	Thailand (42)	Philippines (55)	Philippines (54)	Indonesia (56)
5	Philippines (57)	Indonesia (54)	Indonesia (58)	Indonesia (56)	Philippines (59)

INFRASTRUCTURE

Ensuring better connectivity and mobility

1

This year's analysis also included several indicators that have been redefined as well as the introduction of a new indicator where Malaysia did not perform well . The indicators are:

- Investment in Telecommunications (capital expenditure aggregate annual spending) 54th;
- Mobile Broadband Subscribers (3G&4G market, % of mobile market) 37th;
- Mobile Telephone Costs (monthly blended average revenue per user) 29th;
- Researchers in R&D per capita (full-time work equivalent (FTE) per 1000 people) 38th;
- Internet bandwidth speed (average speed) 49th;
- Energy intensity (Total energy consumed for each 1000 US$ of GDP in MTOE) 51st; and
- Value added of Knowledge and Technology Intensive industries

Perception based data such as pollution problems that affect the company (10 places to 39th rank), environmental laws and compliance that do not hinder the competitiveness of businesses (11 places to 16th rank), and management education meeting the needs of business communities (13 places to 27th rank) are some of the indicators that contributed to the overall decline in the infrastructure factor.

2

The government is continuously intensifying efforts to enhance Malaysia's infrastructure. This includes the National Broadband Initiative to increase the broadband penetration to 70.2% of Malaysia's households and to widen the reach of broadband infrastructure to 95% of populated areas.

INFRASTRUCTURE

Ensuring better connectivity and mobility

3

For Scientific Infrastructure, more emphasis will be given to improve access to technology and R&D to reduce the dependence on low skilled workers and boost productivity. In addition, the funding mechanism for R&D and commercialisation (R&D&C) that is mainly supply-driven will be replaced with a mechanism that is demand-driven and private sector-led.

4

In terms of Health and Environment, Malaysia's medical excellence in cardiology, orthopedics, oncology, neurology and dentistry, and superiority in infertility treatment has led to growing demands. In this respect, more medical tourists are expected to seek treatment in the country, especially with the introduction of e-visa by mid-2016.

At the same time, initiatives to pursue green growth for sustainability and resilience such as green procurement practices for green products and services, conservation culture to protect biodiversity and strengthen disaster risk management will be intensified.

5

To enhance the quality of education and graduates, an action plan on Entrepreneurship Higher Education Institutions (Pelan Tindakan Keusahawanan Institusi Pendidikan Tinggi) 2016 – 2020 has been launched. This plan aims to develop an entrepreneurial mindset for graduates.

TOP 10 INDICATORS

Indicator	2016	2015
High - Tech Exports (% of manufactured exports)	3	4
Public-private partnerships Public and Private Sector Ventures are supporting technological development *	5	2
Science Degrees (% of total first university degrees in science and engineering)	5	6
Cyber Security is being adequately addressed by corporations *	10	12

AREAS FOR IMPROVEMENT

Indicator	2016	2015
Pollution Problems do not seriously affect your company *	39	29
Environmental laws and compliance do not hinder the competitiveness of business *	16	5
Management education meets the needs of the business community *	27	14
Energy Intensity (total energy consumed for each 1000 US$ of GDP in MTOE)	51**	52
CO2 Emissions intensity :Carbon Dioxide Emissions Intensity (CO2 industrial emissions in metric tons per one million US$ of GDP)	51	50
Medical Assistance (number of inhabitants per physician and per nurse)	52	51
Total Health Expenditure (% of GDP)	56	57

* Soft data (survey)
** Redefined

KEY CHALLENGES

- Intensify private and public collaboration towards higher productivity, innovation and growth.
- Strengthening the governance and institutional mechanism for implementation of productivity and competitiveness strategies.
- Reducing regulatory barriers towards modernising business regulations.
- Strengthen technological capabilities to enhance value creation.
- Effective utilisation of local skilled workforce to sustain innovation and growth.

Heat Map of Malaysia's Performance in the World Competitiveness Yearbook

Evolution in Malaysia's Rank	OVERALL RANKING	ECONOMIC PERFORMANCE	DOMESTIC ECONOMY	INTERNATIONAL TRADE	INTERNATIONAL INVESTMENT	EMPLOYMENT	PRICES	GOVERNMENT EFFICIENCY	PUBLIC FINANCE	FISCAL POLICY	INSTITUTIONAL FRAMEWORK	BUSINESS LEGISLATION	SOCIETAL FRAMEWORK	BUSINESS EFFICIENCY	PRODUCTIVITY & EFFICIENCY	LABOR MARKET	FINANCE	MANAGEMENT PRACTICES	ATTITUDES AND VALUES	INFRASTRUCTURE	BASIC INFRASTRUCTURE	TECHNOLOGICAL INFRASTRUCTURE	SCIENTIFIC INFRASTRUCTURE	HEALTH AND ENVIRONMENT	EDUCATION
2016 (n=61)	**19**	**11**	22	21	16	9	7	**18**	25	10	23	20	32	**14**	21	6	20	9	11	**31**	15	23	29	40	38
2015 (n=61)	**14**	**6**	15	11	8	7	3	**16**	19	8	22	24	35	**10**	24	4	15	6	8	**27**	12	5	29	36	35
2014 (n=60)	**12**	**9**	19	11	7	12	3	**15**	20	11	13	19	32	**5**	21	3	12	2	4	**25**	13	5	28	36	32
2013 (n=60)	**15**	**7**	18	5	14	11	10	**15**	20	11	15	24	29	**4**	22	6	9	4	4	**25**	12	13	28	42	34
2012 (n=59)	**14**	**10**	29	6	11	25	10	**13**	21	12	13	21	25	**6**	23	6	10	4	5	**26**	8	16	28	36	33

Best **Worst**

Way Forward

A robust economic growth is crucial to ensure Malaysia's aspiration of becoming an advanced and competitive nation is attained. In this context, Malaysia's initiatives continues under the National Transformation Programme such as the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP) which facilitates the ease of doing business, produces high value added goods and services and generates high-skilled and high-quality jobs.

The Government's development strategy under the 11th Malaysia Plan has outlined productivity as a game changer to achieve sustainable and inclusive growth. In this context, the Malaysia Productivity Blueprint which consists of an integrated and holistic productivity approach will boost the competitiveness of industries by offering business opportunities that will contribute towards the prosperity and welfare of the people.

In terms of government delivery system, more inclusive initiatives are needed to simplify regulations, make institutions more supportive of businesses, reduce bureaucracy and improve public service efficiency. Currently, PEMUDAH is the platform to ensure smooth and efficient delivery of public-private sector initiatives. These public-private sector collaborations should be intensified at the state and local government level.

However, the advance of technology has further escalated challenges in public service delivery. To address these challenges, new models of service delivery that are better suited to today's technologies, norms and citizen needs, have to be formulated to lay the foundation for Malaysia's growth beyond 2020.

Additionally, to reflect the true competitiveness position of the country, cooperation and collaboration among data providers of various agencies with international organisations in providing quality data should be enhanced to ensure accuracy. Hence, the commitment and collaboration of all stakeholders are required to execute and monitor effectively all improvement programmes which are crucial for Malaysia to sustain its competitive edge globally.

THE METHODOLOGY OF COMPUTING THE RANKINGS OF WCY 2016

Below are the steps in computing the rankings for World Competitiveness:

- The national environment is divided into four main factors namely, Economic Performance, Government Efficiency, Business Efficiency and Infrastructure. In turn, each of these factors is divided into 5 sub-factors which highlight every facet of the areas analysed. Altogether, the WCY features 20 such sub-factors.
- These 20 sub-factors comprise of **342 criteria (255 ranked criteria and 87 background information)**, although each sub-factor does not necessarily have the same number of criteria (for example, it takes more criteria to assess Education than to evaluate Prices). Each sub-factor, independently of the number of criteria it contains, has the same weight in the overall consolidation of results that is 5% (20x5 =100).
- Criteria can be hard data, which analyse competitiveness as it can be measured (e.g. GDP) or soft data, which analyse competitiveness as it can be perceived (e.g. Availability of competent managers). Hard data criteria represent a weight of 2/3 in the overall ranking whereas the survey data represent a weight of 1/3. In addition, some criteria are for background information only, which means that they are not used in calculating the overall competitiveness ranking (e.g. Population under 15).
- Finally, aggregating the results of the 20 sub-factors makes the total consolidation, which leads to the overall ranking of the WCY.

Learning from others

Market driven economic policy in Hong Kong

Hong Kong has long been well known for its market driven economic policy and has the ability to adapt to changes and thrive on challenges. As such, the market mechanism has served Hong Kong well and has enabled it to respond effectively in a fast-changing age. It is also no stranger to creativity and innovation and is testament to creativity unleashed, imagination made concrete and challenges overcome.

The Government provides business friendly conditions which include the fundamental software of personal liberty, the rule of law, a clean and efficient administration and a level playing field for all businesses, as well as infrastructural hardware such as schools and roads vital to Hong Kong's growth. In addition, the Government has a special responsibility to remove market restrictions and promote fair competition.

Hong Kong has also made considerable strides facilitating the development of financial markets in a fair and efficient manner, and in opening up the information and telecommunications technology (ICT) and broadcasting markets. Hong Kong's financial markets are distinguished by a high degree of liquidity. They operate under effective and transparent regulations that meet international standards. A highly educated workforce that are constant learners and self-directed individuals, and ease of entry for overseas professionals further contribute to the development of financial markets.

Private Sector Led Infrastructure Movements in United States

The U.S. infrastructure is aging and crumbling with worn out roads, run-down transit systems, broken bridges, washed-up water facilities, and electric power systems that can't bear the load, jeopardizing the American economy. If not corrected, these infrastructure problems will lower productivity, raise the cost of business and trade, reduce the efficient production and consumption of goods and services, and lower returns on U.S. economic assets.

At a time of budgetary constraint, securing large public investments in U.S. infrastructure has been challenging. However, despite fiscal pressures, the Council on Competitiveness advocates that these investments are critical to the future of U.S. competitiveness and economic growth. The Council seeks to raise awareness of the infrastructure imperative, and shift the infrastructure finance debate from one of cost to one of investment in the Nation's future. To educate policy makers and the public, and urge action, the Council on Competitiveness led with Steering Committee partners launches the "Infrastructure Week", an effort involving a two-party partnership of more than 30 organizations. Daily events focused on major infrastructure challenges, the consequences of inaction and the importance of interconnected infrastructure to provide a safe, secure, and competitive climate for business operations. Events also explored emerging solutions, innovative approaches, and best practices being developed nationwide to modernize aging infrastructure. With the inaugural Infrastructure Week, the Council and its partners established a new platform for advocacy, drew many organizations into the effort, and catalyzed events across the country.

Developing a Business friendly environment in Luxembourg

Luxembourg's success can be attributed to government policies aimed at developing a business-friendly environment and diversifying the country's economy, excellent infrastructure, rewarding tax environment and high quality of life. Luxembourg has direct access to major European markets such as Germany, France, Belgium and others in its distribution networks besides having a high level of cross-border trade and employment. Its easy access to key authorities and quick decision-making process through its openness for dialogue, which includes regular meetings between the government, employers' representatives and trade unions easily makes it a politically stable country. This dialogue is essential to avoid social conflicts and to reach consensus on important decisions regarding economic and social affairs.

Luxembourg's people benefit from one of the most attractive social security systems in Europe (social security contributions and coverage) with relatively low rates (both for employees and employers), broad coverage, high benefits and generous packages.

Another advantage that sustains Luxembourg's outstanding labour competitiveness, turns out to be its lower taxation and social charges compared to other European countries. This is an essential feature in attracting European talents. Luxembourg's labour market offers a highly skilled and multilingual workforce and high level of professional qualifications in order to respond to the requirements of multilingual and multicultural investors.

IMD RELEASES ITS 2016 WORLD COMPETITIVENESS RANKING

The USA toppled as world's most competitive economy

Lausanne - **May 30, 2016** - The USA has surrendered its status as the world's most competitive economy after being overtaken by China Hong Kong and Switzerland, according to the IMD World Competitiveness Center.

The sheer power of the economy of the USA is no longer sufficient to keep it at the top of the prestigious World Competitiveness Ranking, which it has led for the past three years.

The IMD World Competitiveness Center, a research group within IMD business school, has published the ranking each year since 1989 and it is widely regarded as the foremost annual assessment of the competitiveness of countries.

The 2016 edition ranks China Hong Kong first, Switzerland second and the USA third, with Singapore, Sweden, Denmark, Ireland, the Netherlands, Norway and Canada completing the top 10.

Professor Arturo Bris, Director of the IMD World Competitiveness Center, said a consistent commitment to a favourable business environment was central to China Hong Kong's rise and that Switzerland's small size and its emphasis on a commitment to quality have allowed it to react quickly to keep its economy on top.

"The USA still boasts the best economic performance in the world, but there are many other factors that we take into account when assessing competitiveness," he said.

"The common pattern among all of the countries in the top 20 is their focus on business-friendly regulation, physical and intangible infrastructure and inclusive institutions."

A leading banking and financial center, China Hong Kong encourages innovation through low and simple taxation and imposes no restrictions on capital flows into or out of the territory.

It also offers a gateway for foreign direct investment in China Mainland, the world's newest economic superpower, and enables businesses there to access global capital markets.

China Hong Kong and Singapore aside, however, the research suggests Asia's competitiveness has declined markedly overall since the publication of last year's ranking.

The study reveals some of the most impressive strides in Europe have been made by countries in the East, chief among them Latvia, the Slovak Republic and Slovenia.

Western European economies have also continued to improve, with researchers highlighting the ongoing post-financial-crisis recovery of the public sector as a key driver.

Meanwhile, 36th placed Chile is the sole Latin American nation outside the bottom 20, while Argentina, in 55th, is the only country in the region to have improved on its 2015 position.

Each ranking is based on analysis of over 340 criteria derived from four principal factors: economic performance, government efficiency, business efficiency and infrastructure.

Responses from an in-depth survey of more than 5,400 business executives, who are asked to assess the situation in their own countries, are also taken into consideration.

Professor Bris said: "One important fact that the ranking makes clear year after year is that current economic growth is by no means a guarantee of future competitiveness.

"Nations as different as China Mainland and Qatar fare very well in terms of economic performance, but they remain weak in other pillars such as government efficiency and infrastructure."

Data gathered since the first ranking was published more than 25 years ago also lend weight to fears that the rich are getting richer and the poor poorer, said Professor Bris.

"Since 1995 the world has become increasingly unequal in terms of income differences among countries, although the rate of increase is now slowing," he said.

"The wealth of the richest countries has grown every year except for the past two, while the poorer countries have seen some improvement in living conditions since the millennium.

"Unfortunately, the problem for many countries is that wealth accumulation by the rich doesn't yield any benefits for the poor in the absence of proper social safety nets.

"Innovation-driven economic growth in poorer countries improves competitiveness, but it also increases inequality. This is obviously an issue that demands long-term attention."

COMPETITIVENESS EVOLUTION & ATTRACTIVENESS INDICATORS

MALAYSIA

COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY 2015	WCY 2016
2.4.08 Government subsidies	3.71	2.45
2.4.15 Start-up days	6	4
1.5.07 Gasoline prices	0.66	0.51
4.3.02 Total expenditure on R&D (%)	1.08	1.26
4.5.03 Public expenditure on education per pupil	19.9	23.2
4.3.07 Total R&D personnel nationwide per capita	2.10	2.45
4.1.25 Electricity costs for industrial clients	0.100	0.086
4.3.16 Patent applications per capita	7.69	8.71
3.1.01 Overall productivity (PPP)	54,150	59,376
4.2.07 Computers per capita	430	470
1.1.21 GDP (PPP) per capita	24,262	26,311
3.1.04 Labor productivity (PPP)	26.43	28.63
2.1.02 Government budget surplus/deficit (%)	-3.50	-3.22
2.4.04 Public sector contracts	5.35	5.77
2.4.03 Protectionism	5.77	6.22

DECLINES	WCY 2015	WCY 2016
1.5.02 Adjusted consumer price inflation	0.0	1.1
2.3.08 Exchange rate stability	0.051	0.141
1.4.07 Long-term unemployment	0.10	0.20
2.2.09 Consumption tax rate	4.00	6.00
1.2.02 Current account balance percentage	4.63	2.94
4.5.09 Student mobility inbound	1.91	1.34
1.1.15 Real GDP growth per capita	4.62	3.60
2.5.04 Risk of political instability	6.37	5.00
4.2.20 ICT service exports	29.1	23.3
4.3.05 Business expenditure on R&D (%)	0.69	0.58
1.1.14 Real GDP growth	6.0	5.0
1.2.26 Exchange rates	5.85	4.97
2.3.13 Bureaucracy	5.11	4.35
1.2.08 Exports of goods ($bn)	234.14	199.87
4.4.24 Pollution problems	6.38	5.60

THE COMPETITIVENESS MARATHON

Malaysia's ranking

Previous Ranking	Index	Rank	Publisher	Top Performer
3/51	Global Services Location Index	3	A.T. Kearney, 55 countries (2016)	India
51/178	Environmental Performance Index	63	YCELP & CIESIN *, 180 countries (2016)	Finland
35/93	The Global Talent Competitiveness Index	30	INSEAD, 109 countries (2016)	Switzerland
31/186	Index of Economic Freedom	29	The Heritage Foundation & The Wall Street Journal, 186 countries (2016)	Hong Kong
50/175	Corruption Perception Index	54	Transparency International, 168 countries (2015)	Denmark
30/148	Global Information Technology Report	32	World Economic Forum (WEF), 143 countries (2015)	Singapore
33/162	Global Peace Index	28	Institute for Economics and Peace, 162 countries (2015)	Iceland
34/140	Travel & Tourism Competitiveness Report	25	World Economic Forum (WEF), 141 countries (2015)	Spain
34/122	Human Capital Report	25	World Economic Forum (WEF), 124 countries (2015)	Finland
14/60	World Competitiveness Yearbook	19	IMD, 61 countries (2016)	Hong Kong

Provided by: MPC

*Center for Environmental Law and Policy (YCELP) and the Center for International Earth Science Information Network (CIESIN)

THE COMPETITIVENESS MARATHON

Malaysia's ranking

Previous Ranking	Index	Rank	Publisher	Top Performer
74/152	Economic Freedom of the World	58	Fraser Institute, 157 countries (2015)	Hong Kong
33/143	Global Innovation Index	32	INSEAD, 141 countries (2015)	Switzerland
20/144	Global Competitiveness Report	18	World Economic Forum (WEF), 140 countries (2015)	Switzerland
18/189	Doing Business	18	World Bank, 189 countries (2015)	Singapore
107/142	Global Gender Gap Report	111	World Economic Forum (WEF), 145 countries (2015)	Iceland
48/162	Global Terrorism Index	49	Institute for Economics and Peace, 162 countries (2015)	Benin & 38 other countries *least impacted by terrorism activities
45/142	The Legatum Prosperity Index	44	Legatum Institute, 142 countries (2015)	Norway
5/60	World Talent Reports	15	IMD, 61 countries (2015)	Switzerland
62/187	Human Development Report	62	UNDP, 188 countries (2015)	Norway
24/132	Global Enabling Trade Report	25	World Economic Forum (WEF), 138 countries (2014)	Singapore

Provided by: MPC

THE WORLD COMPETITIVENESS SCOREBOARD 2016

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
Hong Kong	1	100.00	2	96.04
Switzerland	2	98.02	4	91.92
USA	3	97.88	1	100.00
Singapore	4	97.65	3	94.95
Sweden	5	92.35	9	85.92
Denmark	6	91.76	8	87.08
Ireland	7	91.54	16	82.97
Netherlands	8	91.32	15	83.62
Norway	9	90.05	7	87.92
Canada	10	90.05	5	90.41
Luxembourg	11	90.02	6	89.41
Germany	12	88.57	10	85.64
Qatar	13	86.72	13	84.63
Taiwan	14	86.37	11	85.41
UAE	15	86.07	12	84.75
New Zealand	16	85.61	17	81.81
Australia	17	84.27	18	80.45
United Kingdom	18	83.34	19	79.93
Malaysia	**19**	**83.05**	**14**	**84.11**
Finland	20	82.04	20	78.45
Israel	21	80.83	21	77.45
Belgium	22	80.69	23	75.44
Iceland	23	80.58	24	74.12
Austria	24	80.16	26	72.88
China Mainland	25	79.35	22	76.99
Japan	26	78.72	27	72.83
Czech Republic	27	76.15	29	70.83
Thailand	28	74.68	30	69.79
Korea	29	74.20	25	73.92
Lithuania	30	74.04	28	71.74
Estonia	31	73.55	31	69.21
France	32	73.46	32	69.04

THE WORLD COMPETITIVENESS SCOREBOARD 2016 (cont'd)

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
Poland	33	71.30	33	68.76
Spain	34	69.35	37	63.54
Italy	35	68.71	38	60.96
Chile	36	67.44	35	64.81
Latvia	37	66.55	43	59.78
Turkey	38	66.55	40	60.50
Portugal	39	66.41	36	64.18
Slovak Republic	40	65.89	46	57.18
India	41	65.83	44	59.49
Philippines	42	65.54	41	60.15
Slovenia	43	64.87	49	56.76
Russia	44	63.94	45	58.51
Mexico	45	63.24	39	60.93
Hungary	46	62.65	48	57.00
Kazakhstan	47	62.64	34	68.11
Indonesia	48	62.38	42	59.91
Romania	49	62.27	47	57.13
Bulgaria	50	61.74	55	50.32
Colombia	51	58.29	51	53.86
South Africa	52	57.80	53	52.70
Jordan	53	56.88	52	53.60
Peru	54	56.20	54	52.64
Argentina	55	53.75	59	42.74
Greece	56	52.13	50	54.19
Brazil	57	51.68	56	47.39
Croatia	58	51.59	58	44.76
Ukraine	59	46.51	60	41.99
Mongolia	60	45.79	57	47.13
Venezuela	61	32.60	61	34.26

COMPETITIVENESS RANKING BY POPULATIONS GREATER THAN 20 MILLION

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
USA	1	97.88	1	100.00
Canada	2	90.05	2	90.41
Germany	3	88.57	3	85.64
Taiwan	4	86.37	4	85.41
Australia	5	84.27	6	80.45
United Kingdom	6	83.34	7	79.93
Malaysia	**7**	**83.05**	**5**	**84.11**
China Mainland	8	79.35	8	76.99
Japan	9	78.72	10	72.83
Thailand	10	74.68	11	69.79
Korea	11	74.20	9	73.92
France	12	73.46	12	69.04
Poland	13	71.30	13	68.76
Spain	14	69.35	14	63.54
Italy	15	68.71	15	60.96
Turkey	16	66.55	17	60.50
India	17	65.83	20	59.49
Philippines	18	65.54	18	60.15
Russia	19	63.94	21	58.51
Mexico	20	63.24	16	60.93
Indonesia	21	62.38	19	59.91
Colombia	22	58.29	22	53.86
South Africa	23	57.80	23	52.70
Peru	24	56.20	24	52.64
Argentina	25	53.75	26	42.74
Brazil	26	51.68	25	47.39
Ukraine	27	46.51	27	41.99
Venezuela	28	32.60	28	34.26

COMPETITIVENESS RANKING BY GDP PER CAPITA LESS THAN US$ 20,000

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
Malaysia	**1**	**83.05**	**1**	**84.11**
China Mainland	2	79.35	2	76.99
Czech Republic	3	76.15	4	70.83
Thailand	4	74.68	5	69.79
Lithuania	5	74.04	3	71.74
Estonia	6	73.55	6	69.21
Poland	7	71.30	7	68.76
Chile	8	67.44	9	64.81
Latvia	9	66.55	14	59.78
Turkey	10	66.55	11	60.50
Portugal	11	66.41	-	64.18
Slovak Republic	12	65.89	17	57.18
India	13	65.83	15	59.49
Philippines	14	65.54	12	60.15
Russia	15	63.94	16	58.51
Mexico	16	63.24	10	60.93
Hungary	17	62.65	19	57.00
Kazakhstan	18	62.64	8	68.11
Indonesia	19	62.38	13	59.91
Romania	20	62.27	18	57.13
Bulgaria	21	61.74	24	50.32
Colombia	22	58.29	20	53.86
South Africa	23	57.80	22	52.70
Jordan	24	56.88	21	53.60
Peru	25	56.20	23	52.64
Argentina	26	53.75	28	42.74
Greece	27	52.13	-	54.19
Brazil	28	51.68	25	47.39
Croatia	29	51.59	27	44.76
Ukraine	30	46.51	29	41.99
Venezuela	31	45.79	30	34.26

COMPETITIVENESS RANKING BY ASIA PACIFIC REGION

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
Hong Kong	1	100.00	1	96.04
Singapore	2	97.65	2	94.95
Taiwan	3	86.37	3	85.41
New Zealand	4	85.61	5	81.81
Australia	5	84.27	6	80.45
Malaysia	6	83.05	4	84.11
China Mainland	7	79.35	7	76.99
Japan	8	78.72	9	72.83
Thailand	9	74.68	10	69.79
Korea	10	74.20	8	73.92
India	11	65.83	13	59.49
Philippines	12	65.54	11	60.15
Indonesia	13	62.38	12	59.91
Mongolia	14	45.79	57	47.13

COMPETITIVENESS RANKING BY ASEAN REGION

COUNTRIES	2016		2015	
	RANK	VALUE	RANK	VALUE
Singapore	1	97.65	1	94.95
Malaysia	2	83.05	2	84.11
Thailand	3	74.68	3	69.79
Philippines	4	65.54	4	60.15
Indonesia	5	62.38	5	59.91

INTER-AGENCY PLANNING GROUP (IAPG) ON COMPETITIVENESS DATA

The Inter-Agency Planning Group (IAPG) on Competitiveness Data is led by the Malaysia Productivity Corporation to:

i) Coordinate and collaborate efforts in ensuring competitiveness data is current and reflective of the actual situation in Malaysia;

ii) Provide and validate data required by IMD; and

iii) Engage with International Data Providers so as to ensure Malaysia's competitiveness data is well represented.

The IAPG members are representatives from:

- Department of Statistics Malaysia (DOSM)
- Central Bank of Malaysia (BNM)
- Ministry of Finance (MOF)
- Bursa Malaysia
- Ministry of Education (MOE)
- Ministry of Higher Education (MOHE)
- Malaysian Communications and Multimedia Commission (MCMC)
- Inland Revenue Board of Malaysia (IRB)
- Malaysia Science and Technology Information Centre (MASTIC)
- Ministry of Domestic Trade, Co-operative and Consumerism (MDTCC)
- Energy Commission (ST)
- Ministry of Human Resource (MOHR)
- Department of Immigration (DOI)
- Employees Provident Fund (EPF)
- National Water Services Commission (SPAN)
- National Property Information Centre(NAPIC)

MPC wishes to express our gratitude to all Ministries and Agencies for their cooperation in providing data WCY 2016.

Link to World Competitiveness Yearbook 2016:

www.imd.org/wcy2016

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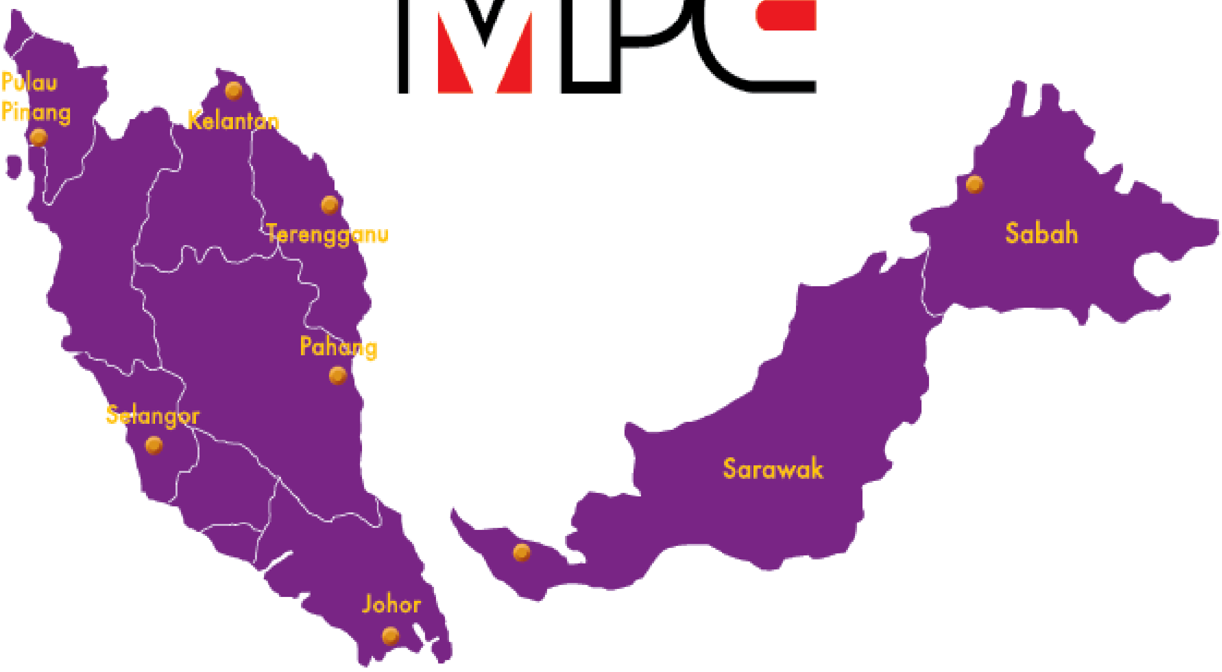

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