

28-1-2017

ECONOMY

City rises three places to sixth in worldwide competitiveness index

Shirley Zhao
shirley.zhao@scmp.com

Hong Kong has risen three places to reach sixth in the latest index measuring global competitiveness.

Three Asian economies are in the top 10 of the annual study, which covered 137 countries and territories. The other two are Singapore, which fell one place to third, and Japan, which is down one place to ninth.

137

The number of countries and territories covered in the global competitiveness study

Taiwan fell from 14th to 15th, while mainland China rose from 28th to 27th.

In 1997, Hong Kong was ranked second on the index, but by 2005 it had dropped to 28th place. It climbed back into the top 10 in 2012.

The index was compiled by the Geneva-based World Economic Forum, a non-profit organisation. Researchers took into account 12 factors in compiling the index.

"Hong Kong has made the largest leap among the top 10 economies this year," a report on the study reads.

"The city is still endowed with the world's best physical

infrastructure, and its healthy level of competition and openness ensure extremely efficient markets, which in turn are supported by strong and stable financial markets."

The city was ranked second for the efficiency of its markets and fifth on the stability of financial markets.

"Hong Kong's labour market is highly flexible and efficient, though it could do better in terms of harnessing talent from its workforce [ranked 17th]," the report said. "Its most significant improvement can be observed across the business sophistication [11th] and innovation [26th] pillars, which is a step in the right direction given that the business community consistently cites their insufficient capacity to innovate as one of the most problematic factors for doing business."

The report said Singapore continued to lead the higher education and training sector as well as in public sector performance. The city state also had "superior" transport infrastructure and an "extremely efficient" labour market, according to the report, although its macroeconomic environment had slightly deteriorated as a result of a persisting deflationary spell.

The mainland progressed in all factors except for macroeconomic environment and infrastructure. The country experienced a worsening government budget deficit and a decline in the quality of port infrastructure and reliability of electricity supply, the report said.

Switzerland tops the table, followed by the United States and Singapore. Yemen ranks lowest.