



**ASSESSING COUNTRIES PERFORMANCE
UNDER THE INSTITUTE FOR
MANAGEMENT DEVELOPMENT WORLD
COMPETITIVENESS YEARBOOK**

JUNE 2023

1.0. Introduction

1.1. The Institute for Management Development (IMD) published its 2023 World Competitiveness Yearbook (WCY) on 20 June 2023. The IMD Competitiveness Yearbook assesses and ranks 64 economies around the world based on their ability to create and maintain a competitive business environment. The rankings are based on more than 336 indicators, of which, 164 are 'hard' quantitative data, while 92 are based on 'soft' data; and qualitative data from a survey of business executives coordinated by the IMD's Partner Institutes in various countries. The indicators are categorised into four pillars, namely:

- Economic Performance;
- Government Efficiency;
- Business Efficiency; and
- Infrastructure.



1.2. The highest possible score is 100 points, which measures the frontier of economic competitiveness.

1.3. Although Zimbabwe is not ranked under the IMD WCY and is in the process of engaging the IMD to become its local Partner Institute for coordinating the business executive survey, the competitiveness indicators provide useful insights for Zimbabwe.

2.0. Rationale for Zimbabwe Ranking Under IMD

2.1. The following are some of the reasons that is prompting the Commission to consider being ranked under the IMD's WCY:

- WCY will add to the competitiveness indicators basket and makes it possible to compare the country's competitiveness performance with the Global Competitiveness Index (GCI);
- The WCY is published in May every year, giving stakeholders, particularly policy makers, enough time to consider the findings and recommendations for the Mid Term Fiscal Policy Review and National Budget formulation;
- The WCY is more comprehensive compared to GCI, since the former is based on 336 indicators compared to 235 under the GCI;
- The WCY is more objective since it is based on hard statistical data from national and international sources such as IMF, World Bank, United Nations, WTO, UNESCO and our Partner Institutes worldwide. Hard data constitutes about 70% in WCY, with the Business Executive Survey representing about 30% of the overall weight in the final rankings, respectively, which is diametrically opposed to the GCI, which puts more emphasis on survey data (70%);



- The overall and factor rankings are shown for the past 5 years in order to see how the competitiveness of an economy evolves over time. Whenever there is a major change

in methodology, all results are recalculated for the past 5 years in order to ensure a high degree of compatibility with past results;

- IMD produces Competitiveness Country Profiles, which provides in-depth analysis for each of the nations covered by the WCY over a five-year time horizon. Each profile includes, competitiveness trends showing the evolution of overall performance in the main ranking and compared to peers; competitiveness challenges facing the economy in the assessment year; a Competitiveness Landscape showing competitive strengths and weaknesses, based on sub-factor analysis; the evolution of an economy's performance based on the biggest improvements and declines in criteria values compared to the previous year; key attractiveness indicators showing a selection of the features that make the economy attractive - The evolution in each of the factors over 5 years, and latest sub factor rankings compared to the previous year - Competitive balance sheets showing the economy;
- The IMD also produces other ancillary reports that include the World Digital Competitiveness Ranking and the World Talent Ranking (WTR). The World Digital Competitiveness Ranking measures the capacity and readiness of the economies to adopt and explore digital technologies as a key driver for economic transformation in business, government and wider society. The WTR evaluates the capacity of an economy to develop the skills and competences of its domestic talent and, at the same time, to appeal to the international talent pool so it satisfies the local market's employment demand and enhances its overall competitiveness.

3.0. Top Performers under IMD

3.1. This year’s report ranks Denmark, Ireland, Switzerland, Singapore and Netherlands, as the top five (5) most competitive countries in the world. The top-ranking economies, and the change in their ranking since 2022, are summarised in Table 1.

Table 1: Top 10 and Worst 10 Performers under IMD Competitiveness Yearbook

Top 10 Performers				Worst 10 Performers			
Rank	Country	Score	Change in Rank	Rank	Country	Score	Change in Rank
1	Denmark	100	-	55	Peru	48,1	(-1)
2	Ireland	99,71	(+9)	56	Mexico	47,68	(-1)
3	Switzerland	99,13	(-1)	57	Bulgaria	46,83	(-4)
4	Singapore	97,44	(-1)	58	Colombia	46,26	(-1)
5	Netherlands	95,58	(+1)	59	Botswana	45,36	(-1)
6	Taiwan, China	93,11	(+1)	60	Brazil	42,09	(-1)
7	Hong Kong	92,05	(-2)	61	South Africa	40,19	(-1)
8	Sweden	91,86	(-4)	62	Mongolia	35,56	(-1)
9	USA	91,14	(+1)	63	Argentina	34,03	(-1)
10	UAE	90,52	(+2)	64	Venezuela	26,18	(-1)

Source: IMD Competitiveness Yearbook (2023)

3.2. It is important to note that the top ranked countries performed well under business legislation, productivity & efficiency, technological infrastructure, institutional framework, health & environment, education, public finance and attitudes & values sub-pillars, among others.

3.3. On the contrary, the worst ranked countries performed badly under the above-mentioned competitiveness sub-pillars.

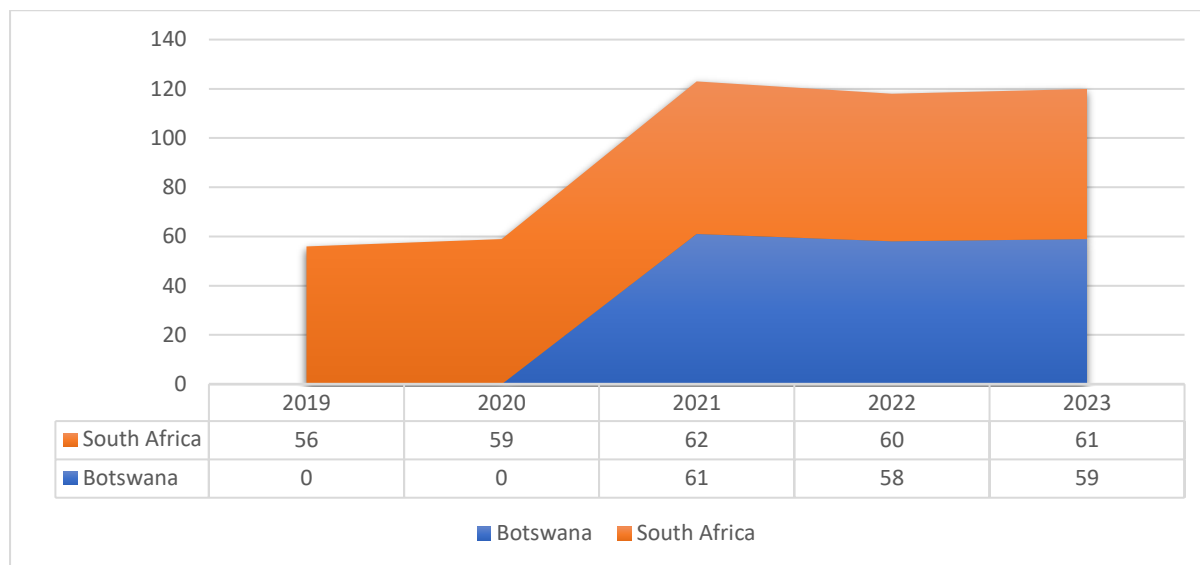
3.4. Zimbabwe can take a cue, and further strengthen the above to improve competitiveness, as these have been shown to be the anchors of national competitiveness. This will put the country on course to meet the set targets of a ranking of 110, 105 and 100, in 2023, 2024 and 2025, respectively, under the Global Competitiveness Index, as espoused in the National Development Strategy 1.

4.0. Performance of Regional Comparator Countries

4.1. The IMD mainly comprises of European and Asian countries, with Africa only having two countries, Botswana and South Africa, ranked under the IMD Competitiveness Yearbook.

4.2. Figure 1 below shows the rankings for Botswana and South Africa under the IMD Competitiveness Yearbook.

Figure 1: Botswana and South Africa Performance Under the IMD Competitiveness Yearbook, 2019 – 2023



Source: NCC Compilation

4.3. There were no rankings for Botswana in 2019 and 2020, as the Botswana National Productivity Centre (BNPC) and the Institute for Management Development (IMD), only entered into partnership in 2021, hence the inclusion in the IMD World Competitiveness Yearbook.

4.4. Botswana and South Africa are amongst 10 worst performers, and competitiveness in the two countries, is being weighed down by weak performance in sub-pillars highlighted in paragraph 2.2.

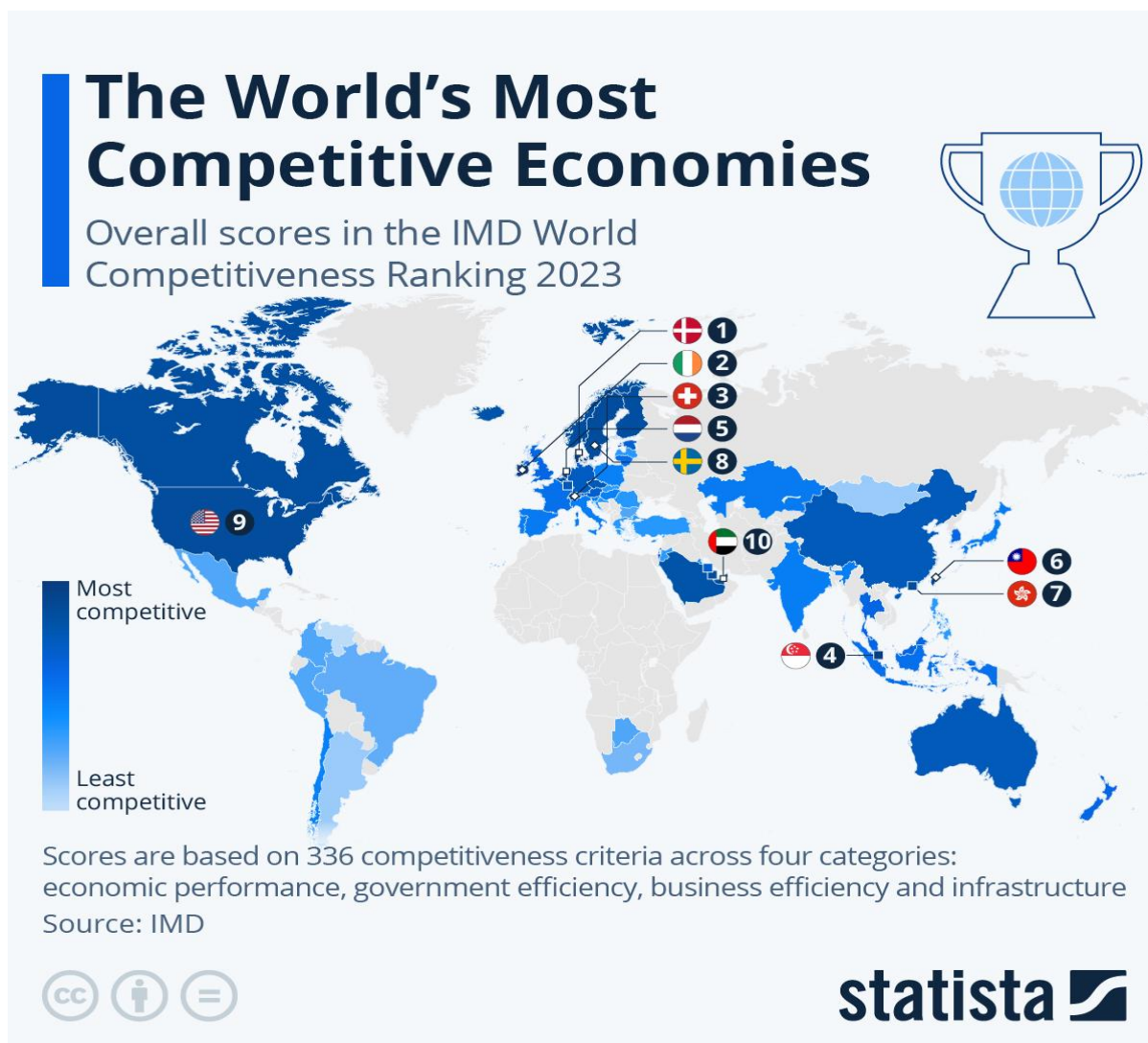
Key Lessons for Zimbabwe from the IMD World Competitiveness Yearbook

4.5. The following are some of the key lessons for Zimbabwe from the 2023 IMD Competitiveness Yearbook:

- To be competitive, especially in today's unpredictable environment, the country requires agility and adaptability;
- Countries doing exceptionally well, such as Ireland, Iceland, United Arab Emirates, Saudi Arabia, Qatar, Singapore and Bahrain, tend to build resilience or can adapt policies that matches the prevailing economic situation in a timely manner;
- Countries that performed well have stable and predictable policy environments;
- Small economies with good institutional framework, including strong education systems performed well;
- Inflation is a major bottleneck to competitiveness, as countries experiencing the highest inflation rates globally, mostly Eastern European economies, were ranked lower;
- Countries such as China, Saudi Arabia, Switzerland, and Taiwan, with stable indigenous energy production, robust supply chains, and favourable trade balances have competitive edge; and
- Economies such as Estonia, Latvia, Lithuania, and Poland, which are heavily reliant on raw material and energy imports experienced a decline in competitiveness.

5.0. Conclusion

- 5.1. As Zimbabwe gears itself to be included under the IMD World Competitiveness Yearbook ranking, it is critical that the country strengthens productivity & efficiency, business regulations, institutional framework and tame inflation, for better ranking.
- 5.2. Of note is that the pillars under the IMD World Competitiveness Yearbook are not mutually exclusive to other competitiveness pillars such as the GCI, hence strengthening them will improve the country's ranking in all competitiveness indicators.





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