

# Rebuilding Europe's Competitiveness

Findings from The Global Competitiveness Report  
Bilbao, 7 February 2014

Beñat Bilbao-Osorio  
Bilbao, 7 de Febrero 2014

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



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Insight Report

# The Global Competitiveness Report 2012-2013

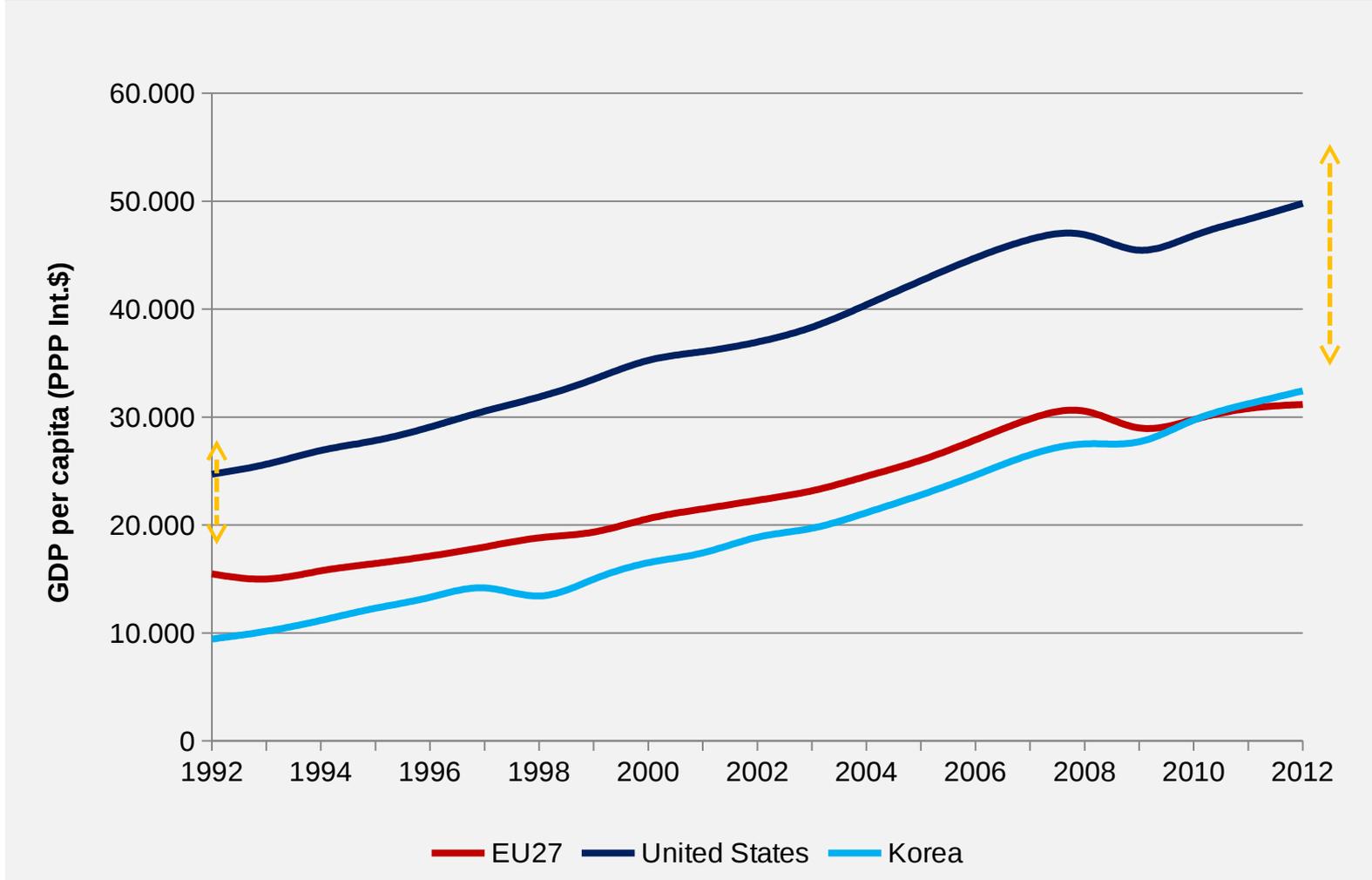
Klaus Schwab, World Economic Forum



# Diverging patterns of prosperity

## The global context

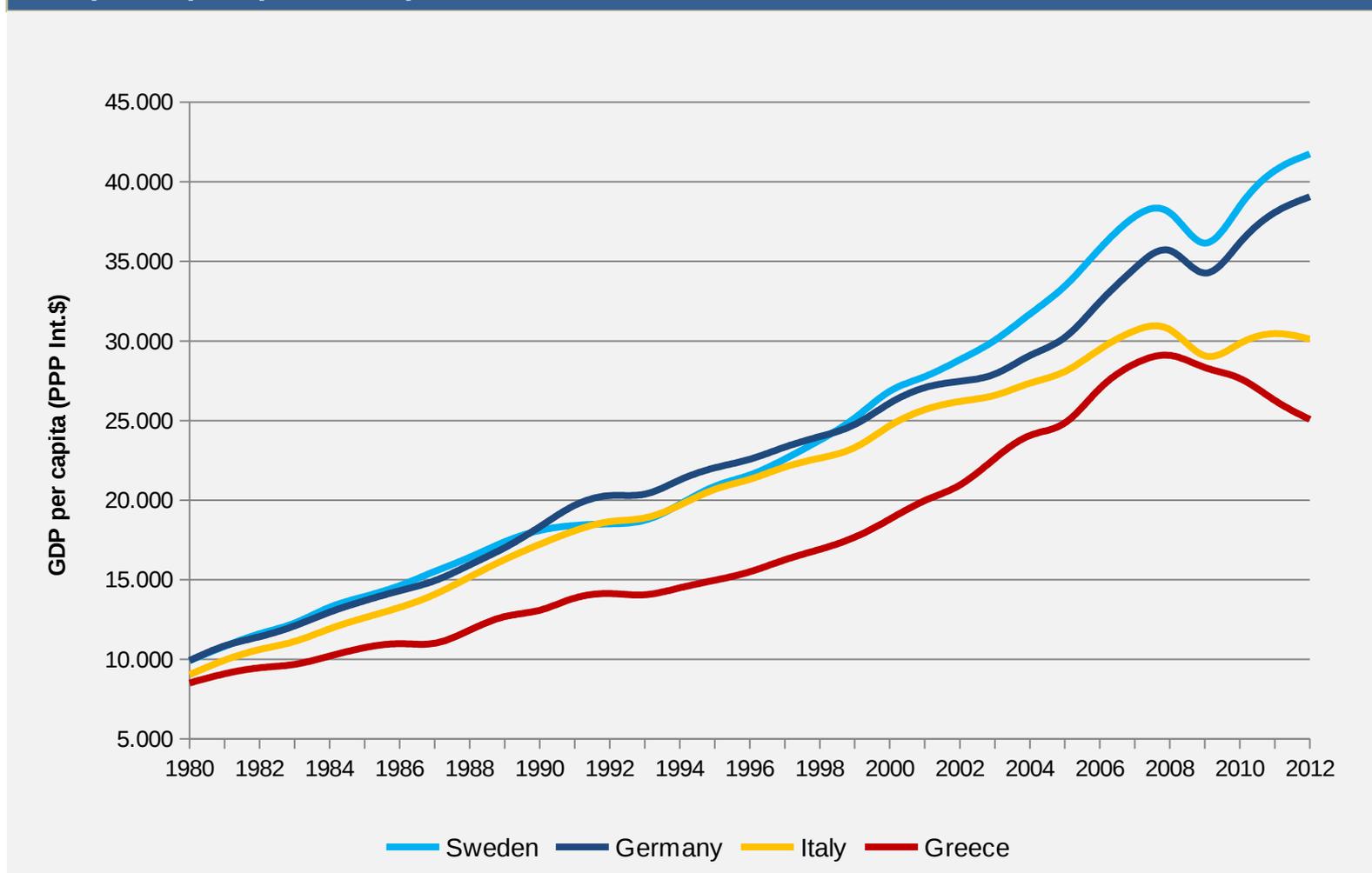
### GDP per capita (PPP Int.\$)



# Diverging patterns of prosperity

## The European context

### GDP per capita (PPP Int.\$)



### How we define competitiveness:

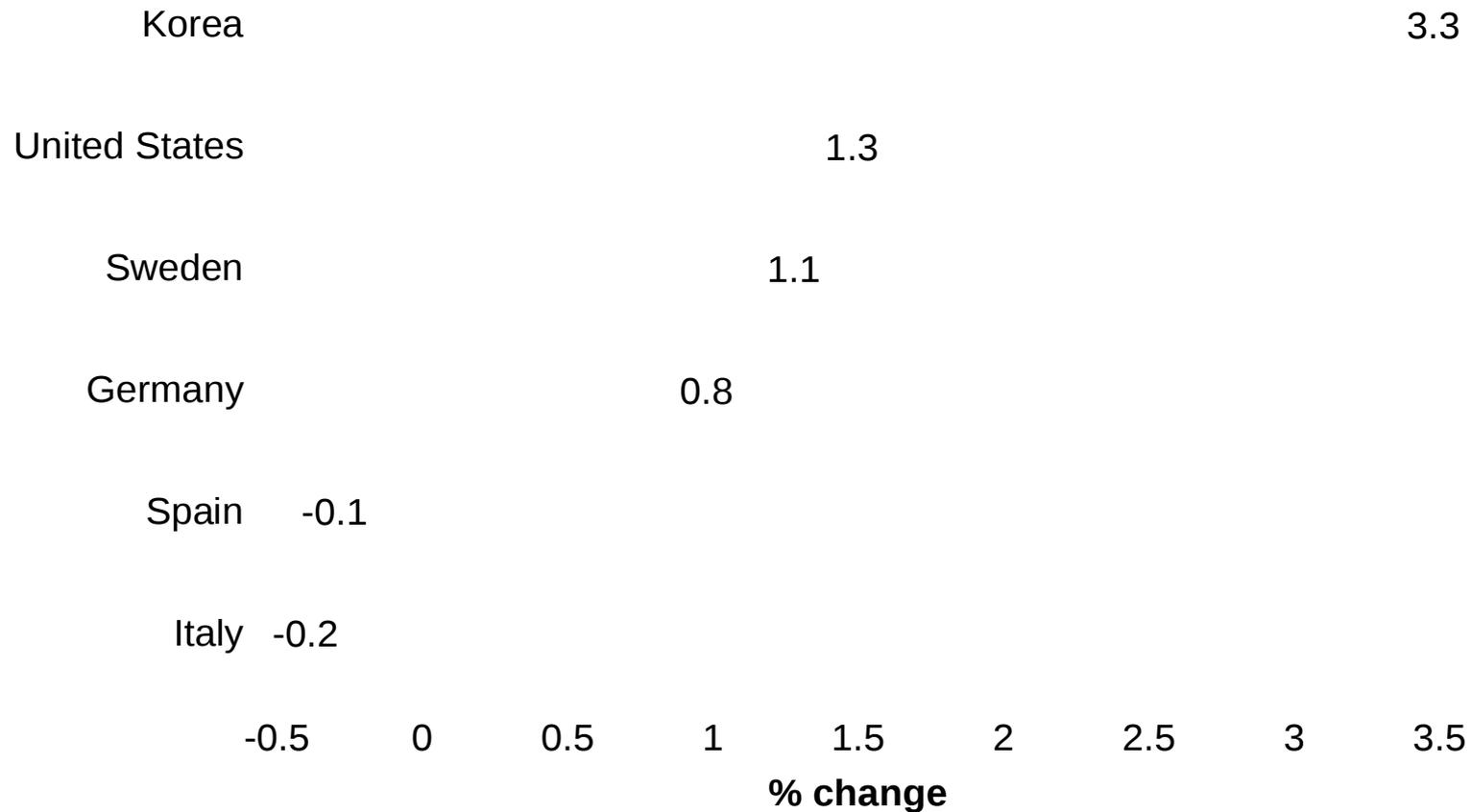
“The set of institutions, policies, and factors that determine the level of productivity of a country”

*The level of productivity, in turn, sets the level of **prosperity** that can be earned by an economy.*

# Competitiveness gaps

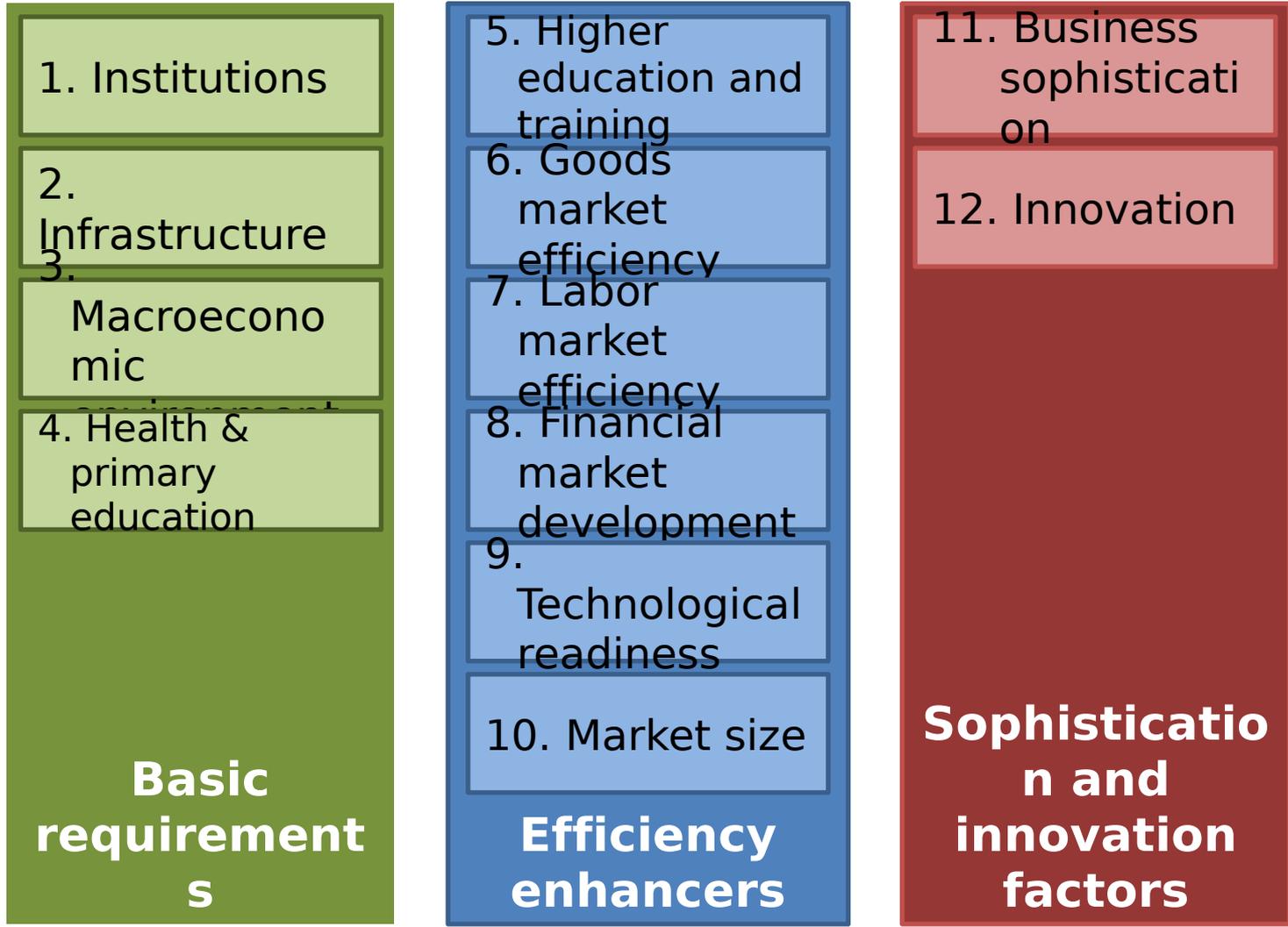
## Productivity

### Total Factor Productivity growth, 1995-2010 average, %



# The Global Competitiveness Index

## 12 dimensions of competitiveness



# The Global Competitiveness Index

# Global Competitiveness Report: The Data

- 113 indicators in the Global Competitiveness Index
- Over 20,000 data points collected each year.
- 2 types of data:

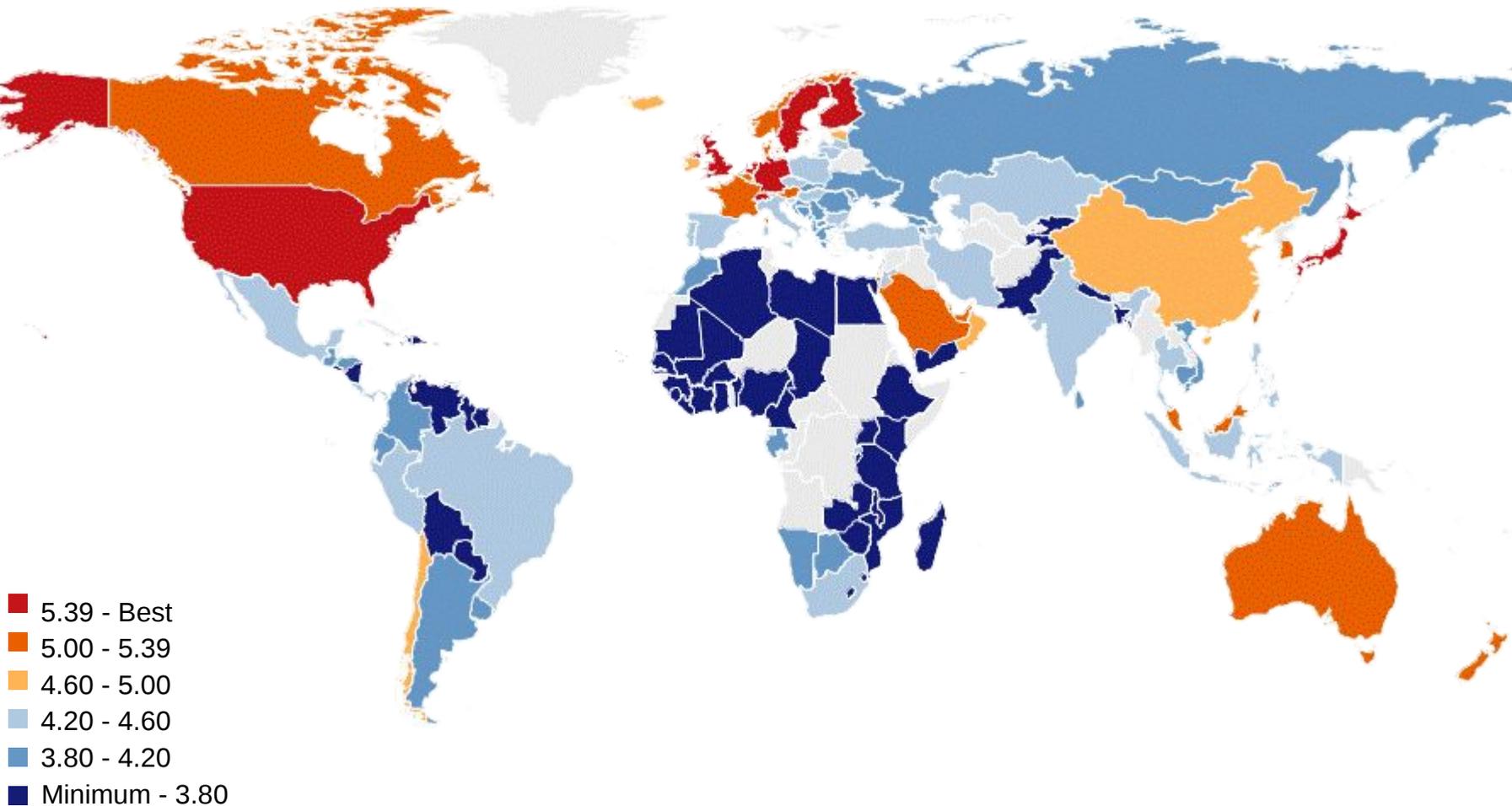
Quantitative data: various sources, including



Qualitative data, including from the World Economic Forum's Executive Opinion Survey which surveys 15,000 respondents every year

# The Competitiveness Divide

## Global perspective



# The Global Competitiveness Index

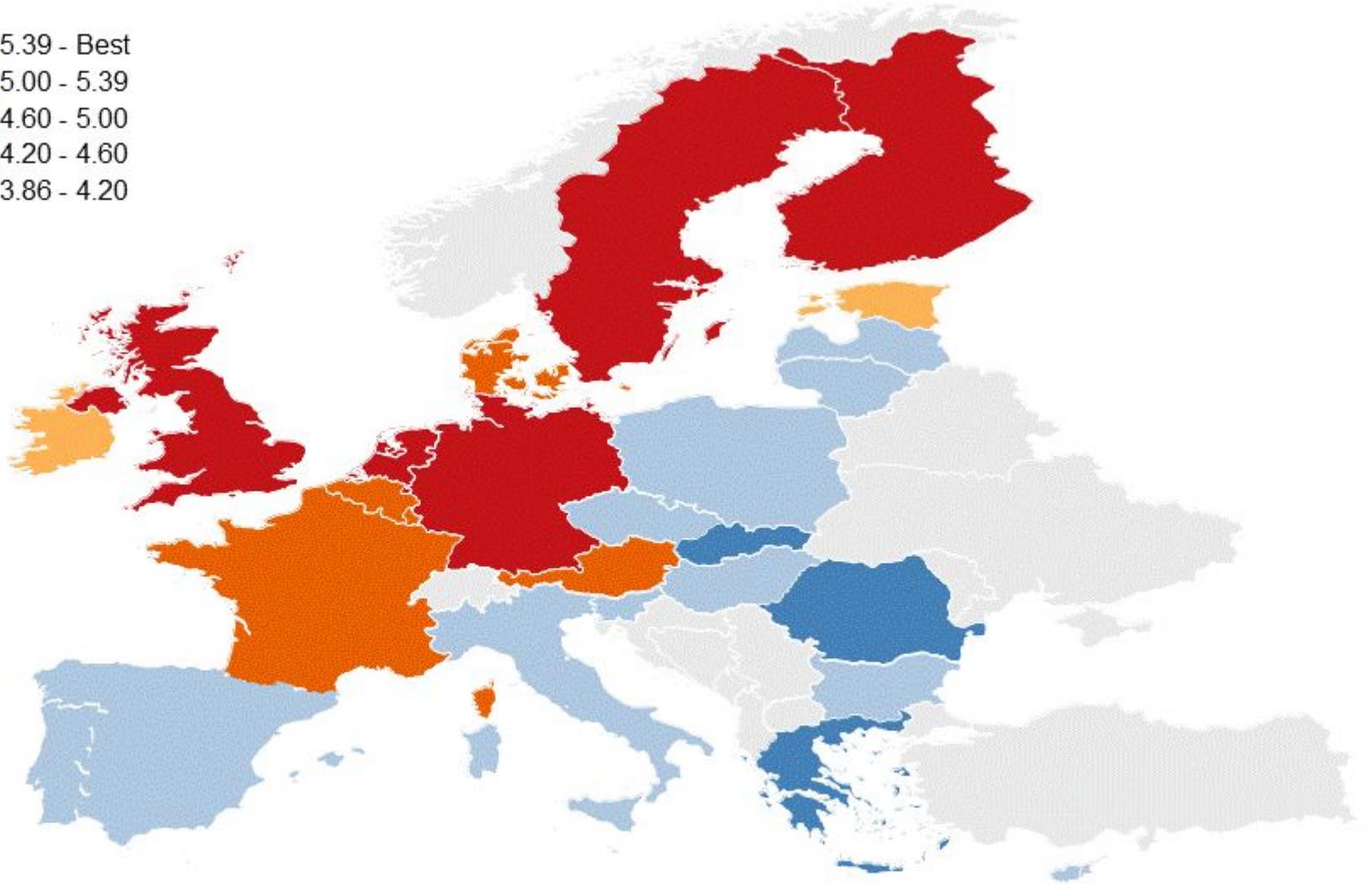
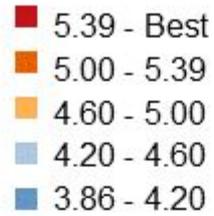
## European Union members ranking

Rank	Economy	Score
3	Finland	5.54
4	Germany	5.51
6	Sweden	5.48
8	Netherlands	5.42
10	United Kingdom	5.37
15	Denmark	5.18
16	Austria	5.15
17	Belgium	5.13
22	Luxembourg	5.09
23	France	5.05
28	Ireland	4.92
32	Estonia	4.65
35	Spain	4.57
41	Malta	4.50

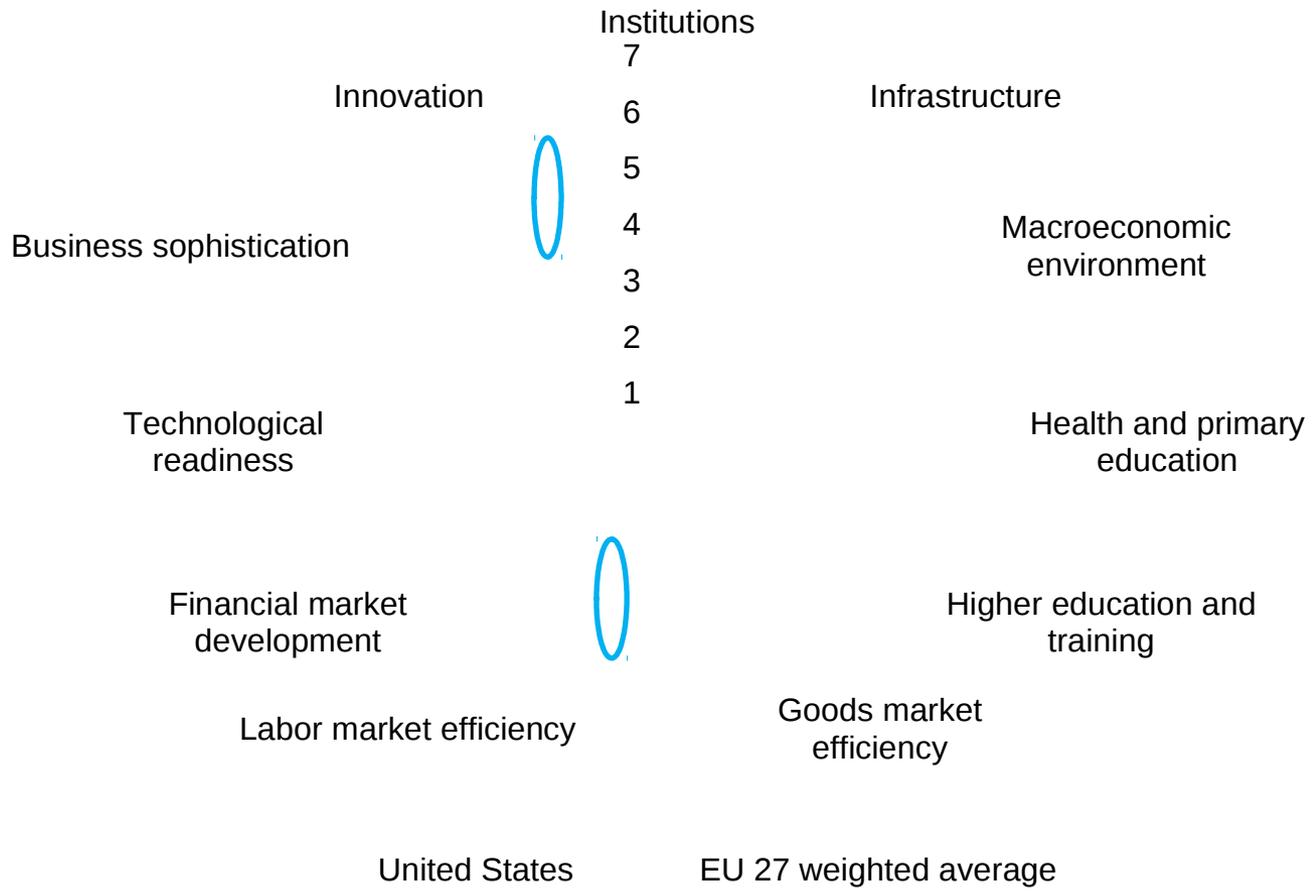
Rank	Economy	Score
42	Poland	4.46
46	Czech Republic	4.43
48	Lithuania	4.41
49	Italy	4.41
51	Portugal	4.40
52	Latvia	4.40
57	Bulgaria	4.31
58	Cyprus	4.30
62	Slovenia	4.25
63	Hungary	4.25
75	Croatia	4.13
76	Romania	4.13
91	Greece	3.93

# The Competitiveness Divide

## European perspective

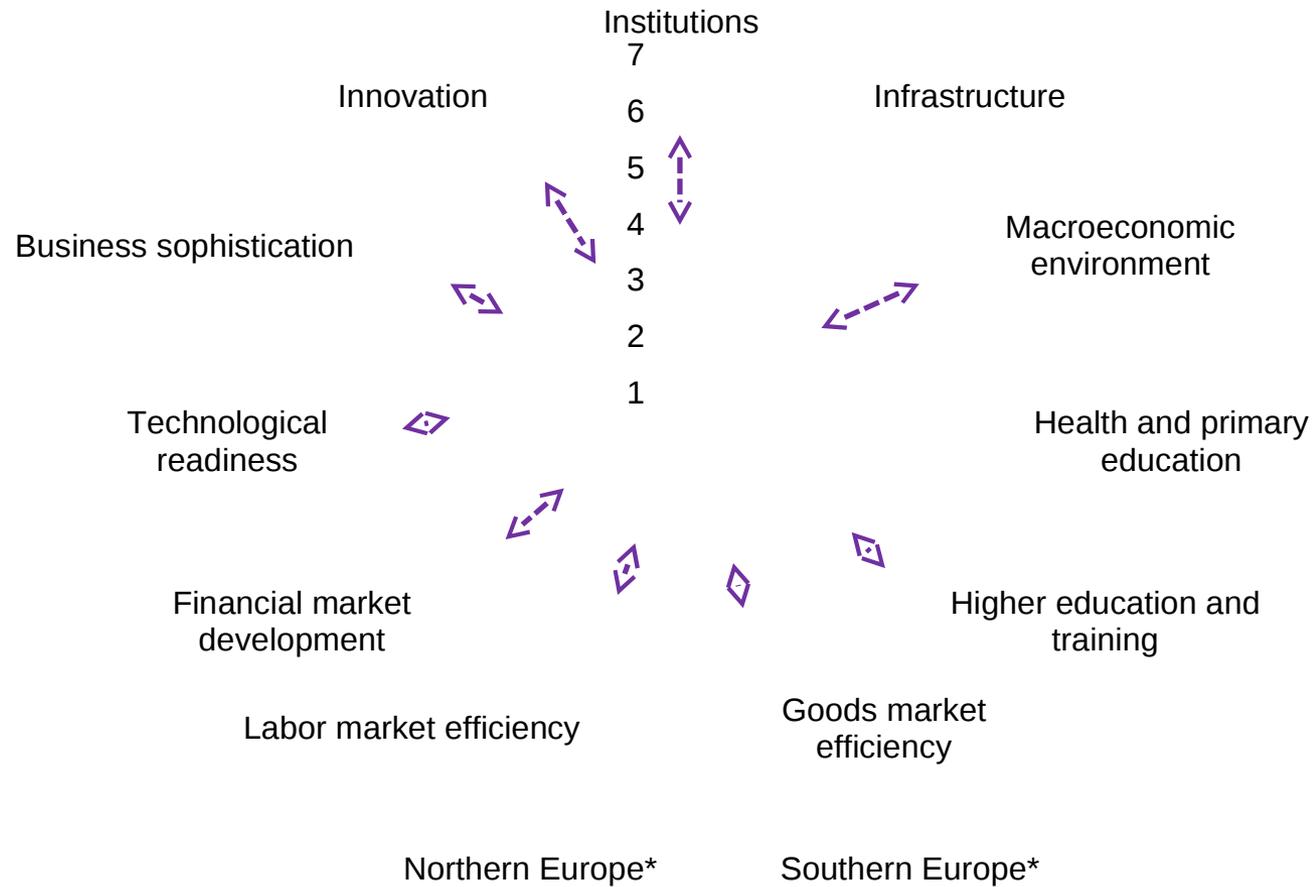


The Global Competitiveness Index, pillar scores (1-7 scale)



# The Global Competitiveness Index Northern and Southern Europe

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



\*Northern Europe: Finland, Germany, Netherlands, Sweden

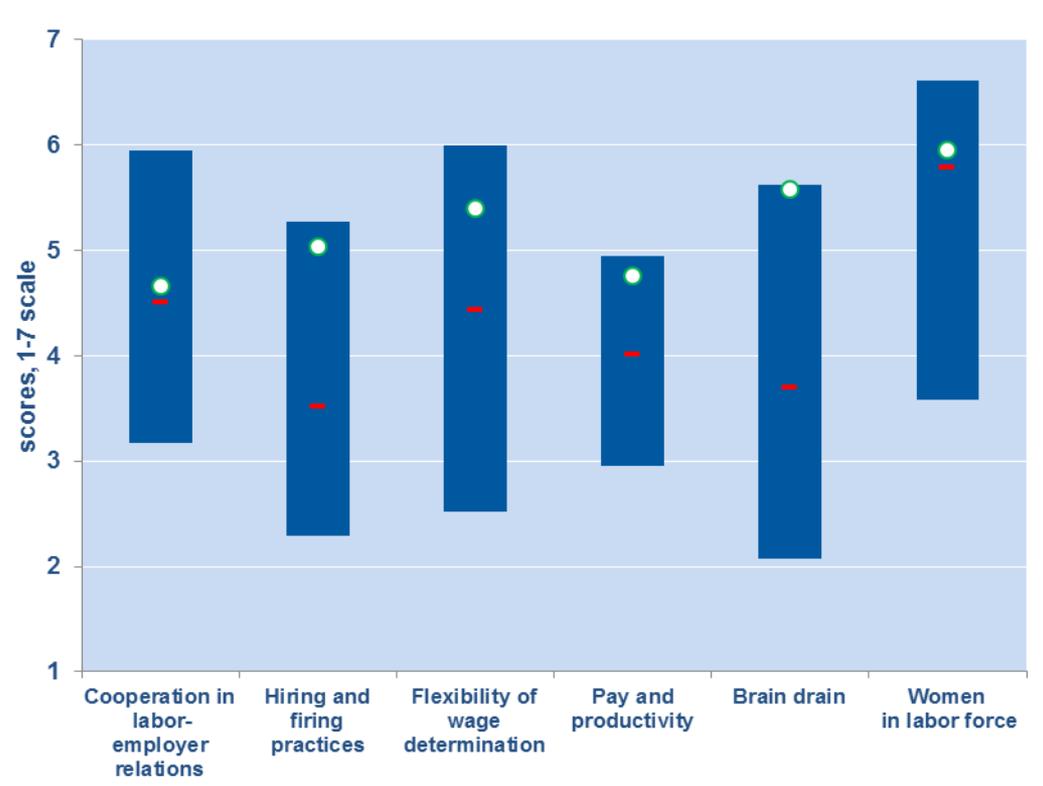
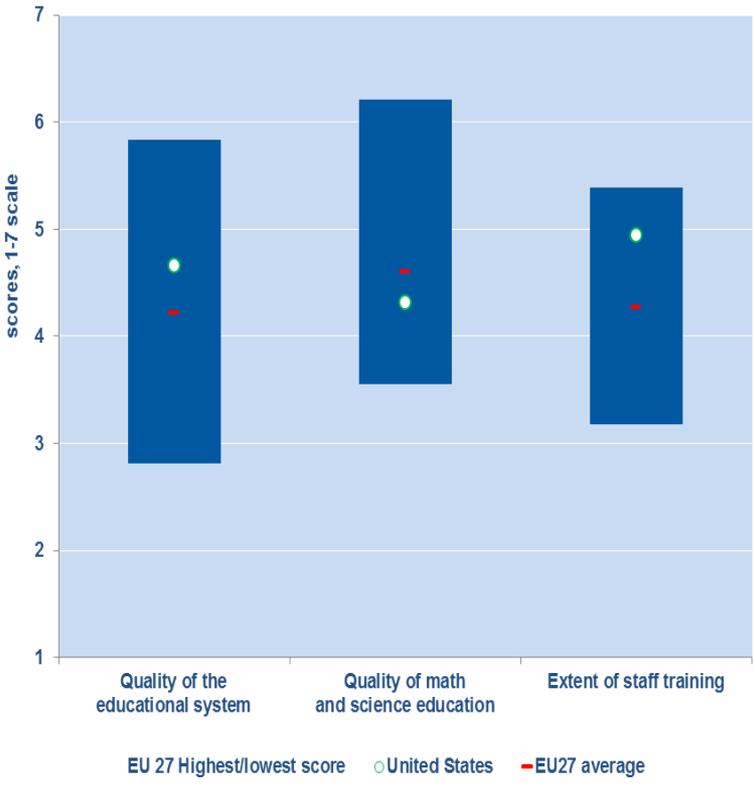
Southern Europe: Italy, Greece, Portugal, Spain

Source: World Economic Forum

# Deep dive into key competitiveness pillars

## Labor market efficiency & skills and education

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

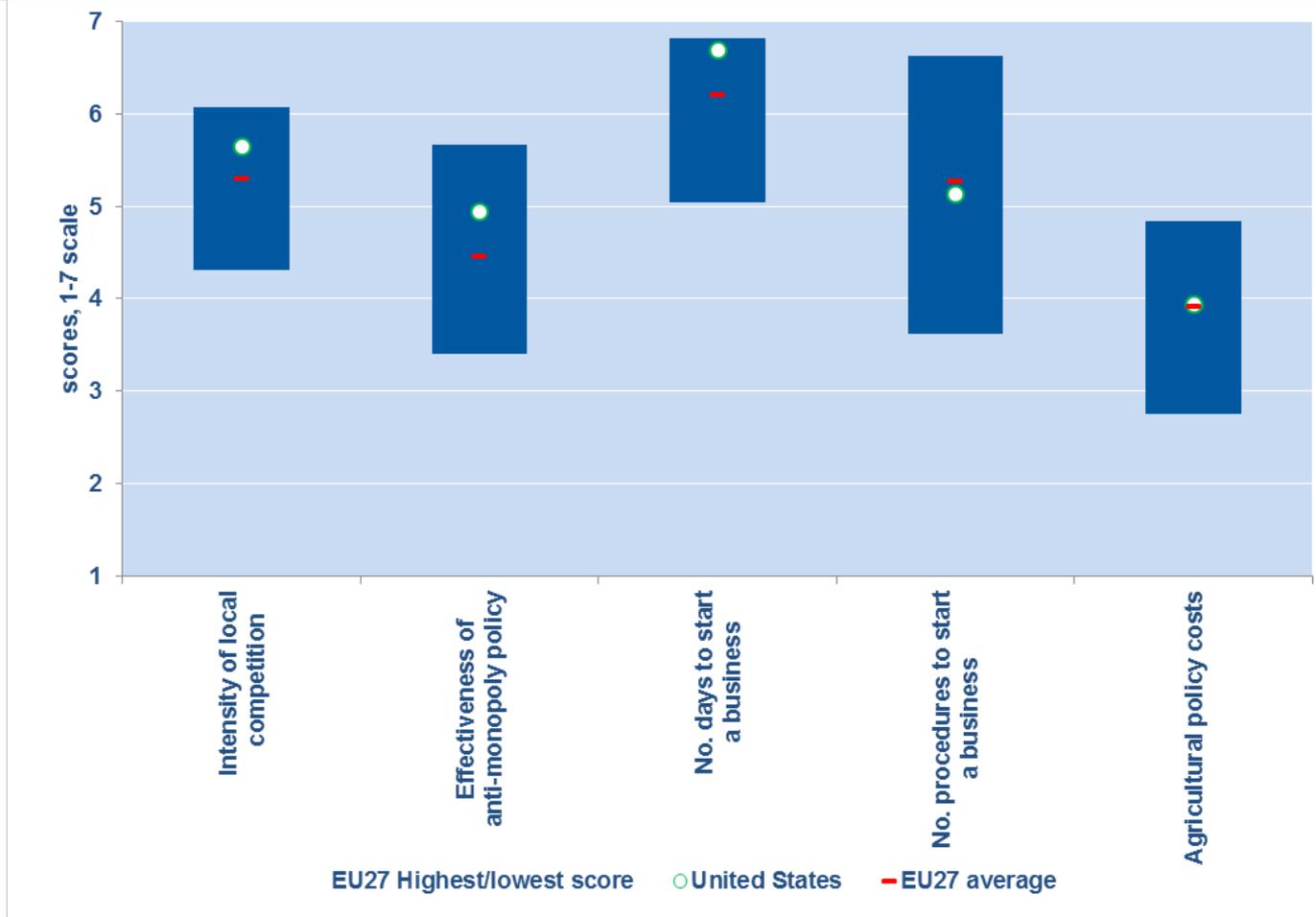


Source: World Economic Forum

# Deep dive into key competitiveness pillars

## Market efficiency

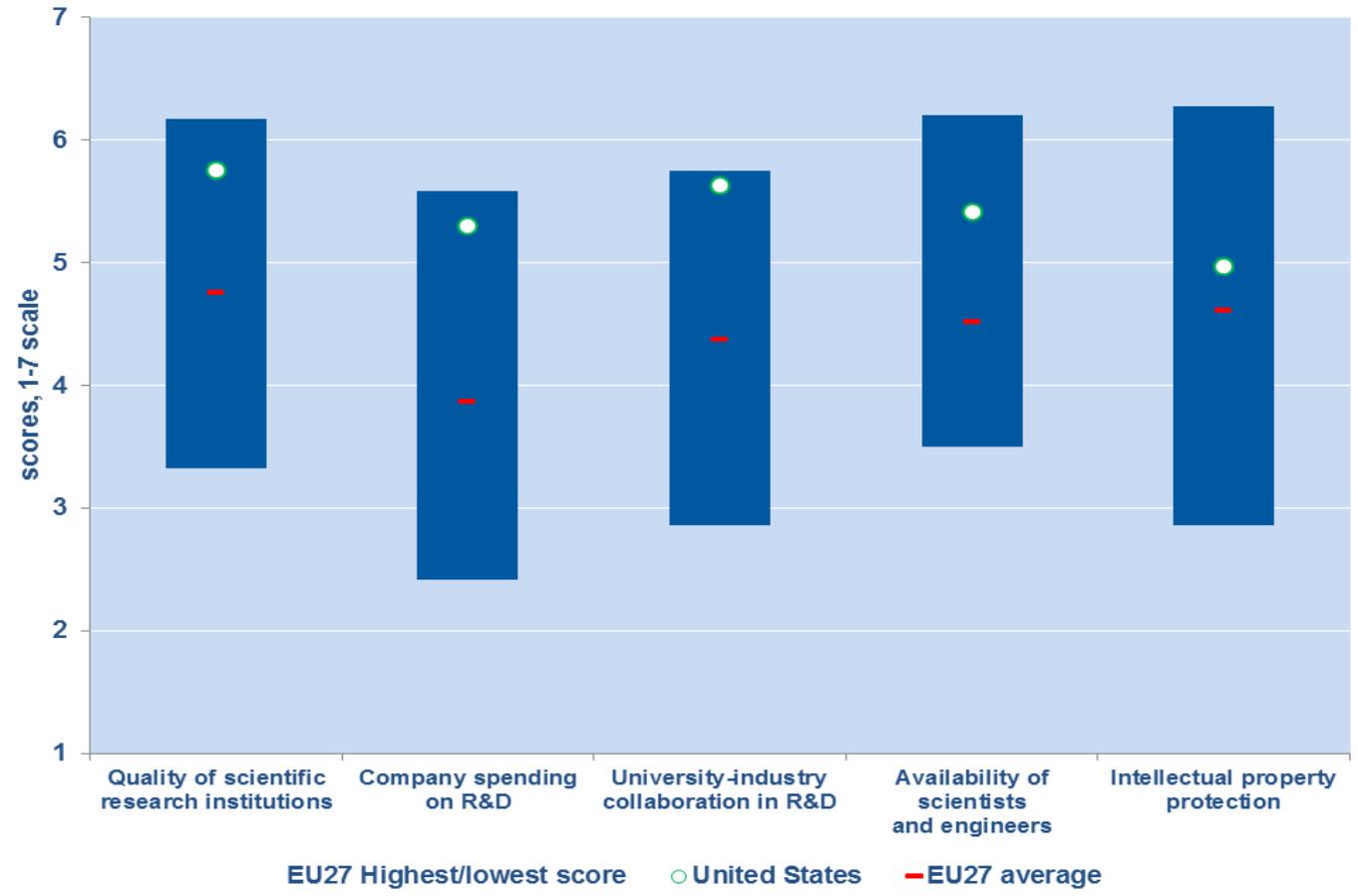
Goods market efficiency pillar; selected indicators



# Deep dive into key competitiveness pillars

## Innovation

Innovation pillar; selected indicators



Source: World Economic Forum

# Concluding remarks

- 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 across European economies persists**.
- 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.

The logo for the World Economic Forum features the words "WORLD", "ECONOMIC", and "FORUM" stacked vertically in a bold, grey, sans-serif font. A blue arc, resembling a stylized globe or a smile, curves around the text from the top left to the bottom right.

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