

Insight Report

The Global Competitiveness Report 2019

Klaus Schwab, World Economic Forum



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The analysis presented in the *Global Competitiveness Report 2019* (herein: "Report") is based on a methodology integrating the latest statistics from international organizations and a survey of executives. The methodology, developed in collaboration with leading experts and practitioners through a three-year consultative process, is designed to support countries to identify relevant policies and practices. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of the World Economic Forum.

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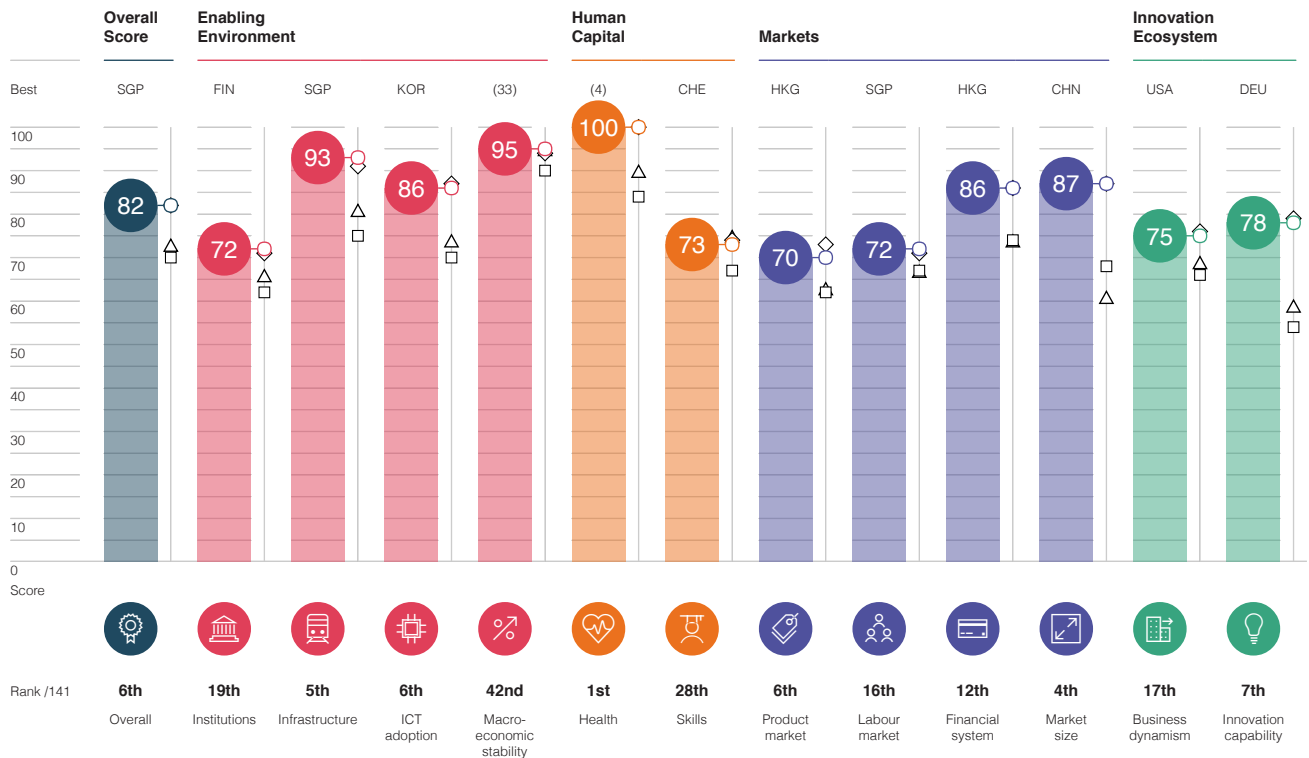
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Global Competitiveness Index 4.0 2019 edition

Rank in 2018 edition: 5th/140

Performance Overview 2019 Key ◇ Previous edition △ High-income group average □ East Asia and Pacific average



Selected contextual indicators



Population millions	126.5	GDP (PPP) % world GDP	4.14
GDP per capita US\$	39,305.8	5-year average FDI inward flow % GDP	0.2
10-year average annual GDP growth %	1.2		


Social and environmental performance

Environmental footprint gha/capita	5.2	Global Gender Gap Index 0-1 (gender parity)	0.7
Renewable energy consumption share %	6.3	Income Gini 0 (perfect equality) -100 (perfect inequality)	32.1
Unemployment rate %	2.4		

Japan

6th/141

Index Component	Value	Score *	Rank/141	Best Performer
 1st pillar: Institutions 0–100	-	71.7 ↑	19	Finland
Security 0–100	-	92.3 ↑	10	Finland
1.01 Organized crime 1–7 (best)	5.9	82.1 ↑	13	Finland
1.02 Homicide rate per 100,000 pop.	0.2	100.0 =	1	Multiple (14)
1.03 Terrorism incidence 0 (very high) -100 (no incidence)	99.6	99.6 =	83	Multiple (25)
1.04 Reliability of police services 1–7 (best)	6.2	87.2 ↑	9	Finland
Social capital 0–100	-	46.9 ↓	98	New Zealand
1.05 Social capital 0–100 (best)	46.9	46.9 ↓	90	New Zealand
Checks and balances 0–100	-	68.7 ↑	21	Finland
1.06 Budget transparency 0–100 (best)	60	60.0	27	Multiple (2)
1.07 Judicial independence 1–7 (best)	6.2	86.5 ↑	5	Finland
1.08 Efficiency of legal framework in challenging regulations 1–7 (best)	4.5	57.6 ↓	19	Finland
1.09 Freedom of the press 0–100 (worst)	29.4	70.6 ↓	55	Norway
Public-sector performance 0–100	-	72.5 ↑	13	Singapore
1.10 Burden of government regulation 1–7 (best)	4.0	50.1 ↓	31	Singapore
1.11 Efficiency of legal framework in settling disputes 1–7 (best)	5.1	69.0 ↓	16	Singapore
1.12 E-Participation 0–1 (best)	0.98	98.3 =	5	Multiple (3)
Transparency 0–100	-	73.0 =	18	Denmark
1.13 Incidence of corruption 0–100 (best)	73.0	73.0 =	18	Denmark
Property rights 0–100	-	84.2 ↑	7	Finland
1.14 Property rights 1–7 (best)	6.2	86.9 ↑	5	Finland
1.15 Intellectual property protection 1–7 (best)	6.0	83.0 ↑	8	Finland
1.16 Quality of land administration 0–30 (best)	24.8	82.7 ↑	22	Multiple (5)
Corporate governance 0–100	-	66.7 ↑	41	New Zealand
1.17 Strength of auditing and accounting standards 1–7 (best)	5.8	80.2 ↓	16	Finland
1.18 Conflict of interest regulation 0–10 (best)	7.0	70.0 =	27	Kenya
1.19 Shareholder governance 0–10 (best)	5.0	50.0 ↑	89	Kazakhstan
Future orientation of government 0–100	-	69.2	17	Luxembourg
1.20 Government ensuring policy stability 1–7 (best)	5.2	69.6	21	Switzerland
1.21 Government's responsiveness to change 1–7 (best)	4.3	54.9	34	Singapore
1.22 Legal framework's adaptability to digital business models 1–7 (best)	4.2	54.0	34	United States
1.23 Government long-term vision 1–7 (best)	4.6	60.8	28	Singapore
1.24 Energy efficiency regulation 0–100 (best)	68.5	68.5	31	Italy
1.25 Renewable energy regulation 0–100 (best)	77.4	77.4	19	Germany
1.26 Environment-related treaties in force count (out of 29)	26	89.7	17	Multiple (6)
 2nd pillar: Infrastructure 0–100	-	93.2 ↑	5	Singapore
Transport infrastructure 0–100	-	87.8 ↑	4	Singapore
2.01 Road connectivity 0–100 (best)	77.8	77.8 ↑	60	Multiple (3)
2.02 Quality of road infrastructure 1–7 (best)	6.1	84.8 ↑	5	Singapore
2.03 Railroad density km/1,000 km ²	46.6	100.0 ↑	20	Multiple (24)
2.04 Efficiency of train services 1–7 (best)	6.8	96.0 ↑	1	Japan
2.05 Airport connectivity score	1,610,558.4	100.0 =	3	Multiple (8)
2.06 Efficiency of air transport services 1–7 (best)	6.2	86.7 ↑	5	Singapore
2.07 Liner shipping connectivity 0–100 (best)	76.8	76.8 ↑	15	Multiple (5)
2.08 Efficiency of seaport services 1–7 (best)	5.8	80.1 ↑	5	Singapore
Utility infrastructure 0–100	-	98.6 ↑	11	Iceland
2.09 Electricity access % of population	100.0	100.0 =	2	Multiple (67)
2.10 Electricity supply quality % of output	4.3	99.7 ↓	14	Multiple (10)
2.11 Exposure to unsafe drinking water % of population	1.9	100.0 ↑	27	Multiple (28)
2.12 Reliability of water supply 1–7 (best)	6.7	94.6 ↑	12	Iceland

Index Component	Value	Score *	Rank/141	Best Performer
 3rd pillar: ICT adoption 0–100	-	86.2 ↓	6	Korea, Rep.
3.01 Mobile-cellular telephone subscriptions per 100 pop.	139.2	100.0 =	24	Multiple (63)
3.02 Mobile-broadband subscriptions per 100 pop.	188.9	N/Apl.	2	United Arab Emirates
3.03 Fixed-broadband Internet subscriptions per 100 pop.	32.2	64.3 ↑	23	Switzerland
3.04 Fibre internet subscriptions per 100 pop.	23.8	N/Apl.	7	Korea, Rep.
3.05 Internet users % of adult population	84.6	84.6 ↓	29	Qatar
 4th pillar: Macroeconomic stability 0–100	-	94.9 ↑	42	Multiple (33)
4.01 Inflation %	0.7	100.0 ↑	1	Multiple (88)
4.02 Debt dynamics 0–100 (best)	89.8	89.8 ↑	42	Multiple (34)
 5th pillar: Health 0–100	-	100.0 =	1	Multiple (4)
5.01 Healthy life expectancy years	73.1	100.0 =	2	Multiple (4)
 6th pillar: Skills 0–100	-	73.3 ↓	28	Switzerland
Current workforce 0–100	-	73.5 ↓	19	Switzerland
6.01 Mean years of schooling years	12.8	85.3 =	14	Germany
Skills of current workforce 0–100	-	61.7 ↓	29	Switzerland
6.02 Extent of staff training 1–7 (best)	5.3	71.0 ↑	9	Switzerland
6.03 Quality of vocational training 1–7 (best)	4.9	65.3 ↓	18	Switzerland
6.04 Skillset of graduates 1–7 (best)	4.5	58.3 ↓	42	Switzerland
6.05 Digital skills among active population 1–7 (best)	4.4	57.2 ↓	58	Finland
6.06 Ease of finding skilled employees 1–7 (best)	4.4	56.7 ↓	54	United States
Future workforce 0–100	-	73.0 ↓	58	Denmark
6.07 School life expectancy years	15.2	84.6 ↓	49	Multiple (11)
Skills of future workforce 0–100	-	61.5 ↓	58	Denmark
6.08 Critical thinking in teaching 1–7 (best)	3.3	37.6 ↓	87	Finland
6.09 Pupil-to-teacher ratio in primary education ratio	15.9	85.3 ↑	52	Multiple (5)
 7th pillar: Product market 0–100	-	70.4 ↓	6	Hong Kong SAR
Domestic competition 0–100	-	72.0 ↓	5	Hong Kong SAR
7.01 Distortive effect of taxes and subsidies on competition 1–7 (best)	4.7	62.4 ↓	17	Singapore
7.02 Extent of market dominance 1–7 (best)	5.6	76.2 ↓	2	Switzerland
7.03 Competition in services 1–7 (best)	5.6	77.3 ↓	7	Hong Kong SAR
Trade openness 0–100	-	68.8 ↓	9	Singapore
7.04 Prevalence of non-tariff barriers 1–7 (best)	4.8	62.6 ↓	38	Singapore
7.05 Trade tariffs %	2.16	85.6 ↓	39	Hong Kong SAR
7.06 Complexity of tariffs 1–7 (best)	4.1	52.0 ↓	107	Hong Kong SAR
7.07 Border clearance efficiency 1–5 (best)	4.0	74.8 =	3	Germany
 8th pillar: Labour market 0–100	-	71.5 ↑	16	Singapore
Flexibility 0–100	-	69.9 ↑	11	Singapore
8.01 Redundancy costs weeks of salary	4.3	99.4 ↓	9	Multiple (8)
8.02 Hiring and firing practices 1–7 (best)	3.5	41.7 ↓	104	Hong Kong SAR
8.03 Cooperation in labour-employer relations 1–7 (best)	5.8	79.9 ↑	5	Singapore
8.04 Flexibility of wage determination 1–7 (best)	5.8	79.2 ↑	11	Estonia
8.05 Active labour market policies 1–7 (best)	4.7	62.0 ↑	24	Switzerland
8.06 Workers' rights 0–100 (best)	90.0	90.0 ↑	14	Multiple (2)
8.07 Ease of hiring foreign labour 1–7 (best)	4.0	50.1 ↓	82	Albania
8.08 Internal labour mobility 1–7 (best)	4.4	57.2 ↑	75	United States
Meritocracy and incentivization 0–100	-	73.1 ↑	21	Denmark
8.09 Reliance on professional management 1–7 (best)	5.7	78.1 ↑	12	Finland
8.10 Pay and productivity 1–7 (best)	4.5	58.9 ↑	35	Hong Kong SAR
8.11 Ratio of wage and salaried female workers to male workers %	0.76	70.3 ↑	62	Multiple (4)
8.12 Labour tax rate %	18.6	85.3 ↓	80	Multiple (24)

Japan

6th/141

Index Component	Value	Score *	Rank/141	Best Performer
 9th pillar: Financial system 0–100	-	85.9 ↓	12	Hong Kong SAR
Depth 0–100	-	84.1 ↑	6	United States
9.01 Domestic credit to private sector % GDP	164.3	100.0 =	7	Multiple (30)
9.02 Financing of SMEs 1–7 (best)	4.9	64.8 ↑	13	Finland
9.03 Venture capital availability 1–7 (best)	4.3	55.7 ↑	17	United States
9.04 Market capitalization % GDP	113.1	100.0 =	11	Multiple (15)
9.05 Insurance premium volume to GDP	8.4	100.0 =	8	Multiple (17)
Stability 0–100	-	88.2 ↓	70	Finland
9.06 Soundness of banks 1–7 (best)	5.7	78.3 ↓	33	Finland
9.07 Non-performing loans % of gross total loans	1.2	98.6 ↑	15	Multiple (3)
9.08 Credit gap %	10.4	78.0 ↓	138	Multiple (98)
9.09 Banks' regulatory capital ratio % of total risk-weighted assets	16.0	98.1 ↑	90	Multiple (74)
 10th pillar: Market size 0–100	-	86.9 ↑	4	China
10.01 Gross domestic product PPP \$ billions	4,973	N/Apl.	4	China
10.02 Imports of goods and services % GDP	19.0	N/Apl.	133	Hong Kong SAR
 11th pillar: Business dynamism 0–100	-	75.0 ↓	17	United States
Administrative requirements 0–100	-	93.1 ↑	2	United States
11.01 Cost of starting a business % of GNI per capita	7.5	96.3 =	78	Multiple (2)
11.02 Time to start a business days	11.2	89.2 ↑	70	New Zealand
11.03 Insolvency recovery rate cents to the dollar	92.4	99.5 =	1	Japan
11.04 Insolvency regulatory framework 0–16 (best)	14.0	87.5 =	9	Multiple (6)
Entrepreneurial culture 0–100	-	56.9 ↓	35	Israel
11.05 Attitudes towards entrepreneurial risk 1–7 (best)	4.2	52.7 ↓	58	Israel
11.06 Willingness to delegate authority 1–7 (best)	4.9	65.7 ↓	27	Denmark
11.07 Growth of innovative companies 1–7 (best)	4.6	60.6 ↓	30	Israel
11.08 Companies embracing disruptive ideas 1–7 (best)	3.9	48.7 ↑	48	Israel
 12th pillar: Innovation capability 0–100	-	78.3 ↓	7	Germany
Interaction and diversity 0–100	-	58.9 ↓	26	Singapore
12.01 Diversity of workforce 1–7 (best)	4.0	50.7 ↓	106	Singapore
12.02 State of cluster development 1–7 (best)	5.1	67.7 ↓	12	Italy
12.03 International co-inventions per million pop.	5.10	55.5 ↓	25	Multiple (5)
12.04 Multi-stakeholder collaboration 1–7 (best)	4.7	61.6 ↓	25	Israel
Research and development 0–100	-	100.0 =	1	Japan
12.05 Scientific publications score	919.3	100.0 =	6	Multiple (9)
12.06 Patent applications per million pop.	490.35	100.0 =	1	Multiple (8)
12.07 R&D expenditures % GDP	3.1	100.0 =	6	Multiple (7)
12.08 Research institutions prominence 0–100 (best)	0.50	100.0 =	7	Multiple (7)
Commercialization 0–100	-	73.8 ↑	20	Luxembourg
12.09 Buyer sophistication 1–7 (best)	5.0	65.9 ↑	6	Korea, Rep.
12.10 Trademark applications per million pop.	1,959.89	81.6 ↑	40	Multiple (7)

* Scores are on a 0 to 100 scale, where 100 represents the optimal situation or 'frontier'. Arrows indicate the direction of the change in score from the previous edition, if available.

Note: For detailed methodology, definitions, sources, and periods, visit <http://gcr.weforum.org/>