

FACTSHEET

The Global Competitiveness Index (GCI) 4.0

Created by:	World Economic Forum	Publication Frequency:	Annual
Meaning:	Tool that analyzes the microeconomic and macroeconomic environment of national competitiveness.	Last year reported:	2018

Objective:	Capture the complexity of national competitiveness, which can only be improved by focusing efforts on areas that impact the long-term productivity of a country, being a key driver for economic growth.
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Data collected:	Number of economies under study (2018):	140
	Sources of two types: (1) statistics data from internationally recognized organizations like at (UNESCO, International Monetary Fund (IMF), World Bank (WB), International Communications Union, WHO (World Health Organization) among other; (2) World Economic Forum's Annual Executive Opinion Survey (Survey) for more qualitative concepts or for data that are not statistically available for all countries.	
<p>The GCI 4.0 has re-considered what determines productivity and its measurement: Of the 98 indicators, 34 have been retained from the previous methodology while the other 64 indicators are new. For each indicator, using a scale from 0 to 100, it indicates how close an economy is to the ideal state or "frontier" of competitiveness.</p> <p>GCI 4.0 reflects the extent and complexity of the drivers of productivity and the competitiveness ecosystem.</p> <p>This year new metrics added, such as workforce diversity, press freedom and how hierarchical the biggest companies are in a particular economy. It is important to note that the methodology change prevents 2018 results from being compared with previous editions of the ICG published.</p>		
 <p>The diagram illustrates the 12 pillars of the GCI 4.0 2018, organized into four meta-concepts:</p> <ul style="list-style-type: none"> Enabling Environment: Pillar 1 (Institutions), Pillar 2 (Infrastructure), Pillar 3 (ICT adoption), Pillar 4 (Macroeconomic stability). Markets: Pillar 7 (Product market), Pillar 8 (Labour market), Pillar 9 (Financial system), Pillar 10 (Market size). Human Capital: Pillar 5 (Health), Pillar 6 (Skills). Innovation Ecosystem: Pillar 11 (Business dynamism), Pillar 12 (Innovation capability). 		

Methodology	The development of the GCI 4.0 has been guided by the emergence of new fundamental changes in the functioning of economies with the advent of the Fourth Industrial Revolution (4IR). It is also informative to look at the 12 pillars through the four meta-concepts: resilience, agility, innovative ecosystems and a human-centric approach. Looking at the GCI from this perspective enables interpreting the pillars as 4IR-readiness measures.	
	<p>Of the 98 indicators composing the GCI 4.0 methodology, 44 are sourced from the Forum's Executive Opinion Survey and 54 are based on statistics provided by reliable external sources suppliers. Opinion survey weighs 30% and statistical data 70%.</p> <p>As well as redefining concepts and measures, the GCI 4.0 review updated the computation methodology, including how indicators are aggregated, scores are normalized and missing data is treated.</p> <p>The new indicator draws on the debt dynamic literature and assesses a country's debt change based on four elements:</p> <ul style="list-style-type: none"> • Debt-to-GDP levels • Country credit ratings • Projected change in debt • A country's development status 	

Indicators measure:	Pillars: 1 (Institutions), 2 (Infrastructure), 3 (ICT adoption), 4 (Macroeconomic stability), 5 (Health), 6 (Skills), 7 (Product market), 8 (Labour market), 9 (Financial system), 10 (Market size), 11 (Business Dynamism), 12 (Innovation capability).
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