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Nigeria and Global Competitiveness: Imperative for International Trade a Comparative Approach

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ABSTRACT: *This study is aimed at examining the level of Nigeria's global competitiveness in relation to some selected economies in Africa and to establish the links between international trade and global competitiveness. In conducting the study secondary data were sourced from the Africa Competitiveness report 2015 and the Global Competitiveness report 2014- 2015 as point of reference and in providing the data necessary for the analysis. Descriptive statistics was used in analyzing the data provided by the insight reports while comparison was made with six African oil exporting countries. Findings showed that Nigeria is having a weak performance in almost all the factors considered with a very dismal performance in its institutions, health and primary education and infrastructure to change this position to a positive one, the Nigeria economy should be transformed by diversifying the economy from crude oil dependence to a multi sector driven economy.*
Key Words: *Globalization, International Trade, Global Competitiveness*

I. INTRODUCTION

The process of international trade and globalization is an international economic order agenda that has led to the progressive integration of the world economy through pulling the barrier of trade and greater mobility of factors of production (Obadan, 2010). This global integration has in addition to the technological innovation also provides impetus to the progressive integration of the nations. The elements of globalization include free movement of goods and services, flow of capital, movement of labor and the transfer of technology.

Apart from the economic benefits, globalization also indicates the flow of ideas, norms, information and peoples. Many transition and developing countries through liberalization and increased openness to trade have benefited from the process. However, there is a large heterogeneity in the degree of globalization over time across countries and regions of the World, as well as within countries. This has lead to global competitiveness where countries have to identify its right place in the international division of labor based on its comparative advantages**.** The benefits of international trade also depend on factors such as the size of a country's domestic market, its natural resource endowment, and its location.

The world economy at present is characterized by high levels of competition, dynamism and technological sophistication. It has become imperative and challenging for nations to strive and improve their performance and for those countries whose economies have been lagging to design and implement strategies that can help improve their performance levels. The topic of global competitiveness is therefore germane in the sustainability of and development of individual economies for greater comparative advantage.

The Nigeria's economy is situated in the midst of a challenging global economic landscape and intense competition, highlighting the strengths and weaknesses of the nation's economy in a regional and global context will therefore serve as a veritable tool in guiding the policymakers, business leaders, and other stakeholders in the formulation of competitiveness-enhancing policies. Given the background perspective of globalization and international trade as well as global competitiveness in the Nigeria's economy, one pertinent question that need to be raised is that; How has the economy of Nigeria fared in international trade (market) despite the opportunities available in globalization? Therefore, this pose as a major problem in which the Nigeria economy needs to addressed in order to compete effectively and efficiently globally. The major objective of this study is to evaluate the performance of the Nigeria economy in the face of globalization, her benefits from integration with the global world in order to ascertain the level of convergence.

1.1 Conceptualization of basic terms

Conceptualization as a term involves the definition of globalization, competitiveness, international trade as well as global competitiveness. All of these key terms have been defined in the course of the paper.

1.1.1 Globalization

Globalization refers the growing interdependence of countries resulting from the increasing integration of trade, finance, people and ideas in one global market place (Hansenne, 1999). Globalization generally refers to a process of broadening and deepening of inter-relationships in international trade, foreign investment and portfolio flows. The outcome is the creation of a global market place for goods and services that is largely indifferent to national boarders and governmental influence (Prokopenko, 2000).

Igudia (2004) view globalization as the link to the openness of the world economy where nations integrate with one another to the extent that they have free trade, movement of capital and financial activities. Economic constitutes the hallmark of globalization, which involves integration of domestic economics with the rest of the world and increase in interdependence of the countries via trade, financial flows, free factor movements and exchange of technology. However, there are several element of globalization but the basic elements include; free movement of goods and services, flow of capital, movement of labour and transfer of technology (Awuah & Amal, 2011).

1.1.2 Globalization is not a new phenomenon

It has its roots during the period of industrial revolution in 1789. Industrialization is normally portrayed as an example of European and British exceptionalism. Rourke and Williamson (2000); Rourke (2001); Okpeh (2006); and Kanter (2005) identifies the period of globalization (1870-2000) into four distinct phases: the first wave of globalization 1870-1913, the deglobalization period of 1913-1950, the golden age of 1950-1973 and the second wave of globalization of 1973 onward. Globalization as opined by Uwatt (2004) is an evolution which is systematically restructuring interactive phases among nations by breaking down barriers in the areas of culture, commerce, communication and several other fields of endeavour. This is evident from its push of free-market economics, liberal democracy, good governance, gender equality and environmental sustainability among the people of the member status.

Furthermore, globalization is the broadening and depending linkages of national economics into a worldwide market for goods and services, especially capital, it also seek to remove all national barriers to the free movement of international capital and this process is accelerated and facilitated by the transformation in information technology (Ogunrinola & Onanusi, 2008).

However, this study views globalization as the process of intensification of economic, political, social and cultural relation across international boundaries, which is principally aimed at making global being present worldwide at the world stage or global arena, it also deals with the breakdown of trade barriers and increase integration of World Market. In addition, globalization is viewed as a process of broadening and deepening of inter-relationships in international trade, foreign investment and portfolio flows.

1.1.3 Concept of Global Competitiveness

Competitiveness since the dawn of the current trend of globalization in the 1980s has become synonymous with the measure of performance or the potential of an economy. According to World Economic Forum (2015) competitiveness is defined as the set of institutions, policies and factors that determine level of productivity of a country, the level of productivity, in turn sets the level of prosperity that can be reached by an economy. The productivity level also determines the rate of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. Furthermore, a more competitive economy is one that is likely to grow faster over time. The concept of competitiveness thus involves static and dynamic components, although the productivity of a country determines its ability to sustain a high level of income and is also one of the central determinants of its return on investment which is one of the key factors explaining an economy's growth potential.

However, in determining the competitiveness of an economy, the macro economic, political, legal and social as well as micro economic context needs to be considered. In global competitiveness, economic theory suggests that globalization will lead to greater convergence in economic performance including competitiveness performance between open economics (Walaheeduzzaman & Ryans, 1996). The concept of international competitiveness of nations makes sense only within a national economic context.

Porter (1990) observes that global competitiveness is measured by two sets of indicators:
(a) The presence of substantial and sustained exports to a wide array of other nations,
(b) Significant outbound of foreign investment based on skills and assets created in home country.

Global competitiveness is the degree to which a nation can, under free and fair market conditions, produce goods and services that meet the test of international market while simultaneously maintaining or expanding the real incomes of its, citizens (Scott & Lodge, 1985). (Starr and Ulmann, 1988; Tyson, 1988; Krugman, 1994) defined global competitiveness as the ability of a nation to maintain and increase the real income of its citizens, usually reflected in the standard of living of the nation under free and fair market conditions through foreign trade, production and investment. Dunning (1992) defines international competitiveness as the ability to sustain in a global economy, any acceptable growth in the real standard of

living of the population with an acceptable fair distribution, while efficiently providing employment for substantially all who can and wish to work and doing so without reducing the growth potential in the standards of living of future generation.
In the perspective of competitiveness at the global level, a country should have the ability to increase the welfare and real income level by producing goods and services under fair international market conditions (Iyoha, 2007). However, this study views global competitiveness as the ability of a nation to integrate and compete effectively and efficiently with the world global market by inducing a positive economic growth to the country.

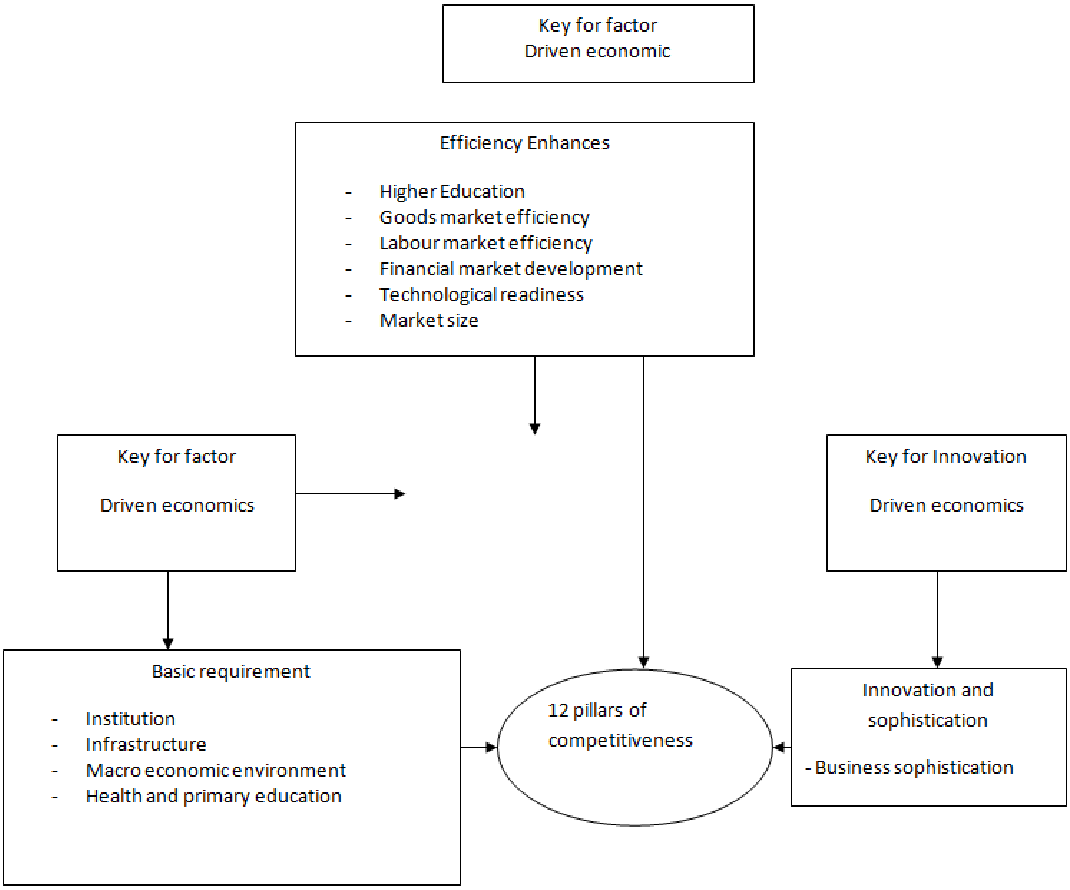
1.2 Measures of Global competitiveness

There are different theoretical approaches to the measurement of competitiveness, three well known indices such as global competitiveness report prepared by world economic forum (WEF), the world competitiveness year book prepared by institute for management development (IMD) and business competitiveness – ease of doing business report prepared by international finance corporation (IFC) (World Bank, 2014).

WEF's annually published global competitiveness report carries out respective competitions of the competitiveness index by different indicators. Global competitiveness report focuses on economic welfare and increasing standards of living while making computation and rankings of the countries. Hence indicators used in the year book are strongly regarded as the factors which are crucial for achieving high growth level. There are 12 pillars as the sources of national competitiveness according to the WEF's global competitiveness report (WEF, GCR, 2015).

These 12 pillars are: Institutions, infrastructure, macroeconomic environment, Health and primary education, Higher education and training, Goods market efficiency, labour market efficiency, financial market development, Technological readiness, market size, business sophistication, innovation. These 12 pillars are further grouped into 3 categories according to the stages of development.

Figure 1: Stage of 12 pillar of competitiveness



Source: (WEF'S Global Competitiveness, 2015).

Furthermore, this study views global competitiveness as the ability of a country to create, produce, distribute and/or service products in international trade while earning rising returns on its resources.

1.3 Conceptualization of international trade

International trade is usually referred to the exchange of goods and services across international borders or territories (Krugman & Obstfield, 1988). According to Leamer and Sveiskas (1987) views international trade as the exchange of capital goods and services across international borders or territories, which could involve the activities of the government and individual and in most countries, such trade represents a significant share of gross domestic product (GDP).

International trade gives countries and consumers the opportunity to be exposed to new markets and product (Dunning, 1993). International trade is also viewed as the exchange of goes or services along international borders. This type of trade allows for a greater competition and more competitive pricing in the market. The competition results in more affordable products for the consumer. The exchange of goods also affects the economy of the world as dictated by supply and demand, making goods and services obtainable which many not otherwise be available to consume globally (Rujan & Pargaru, 2004). However, this study views international trade as those trading activities of different countries of the world across their national boarder.

Table 1: The Global Competitiveness Index framework

Basic requirements Sub index	Efficiency enhancers Sub index	Innovation and sophistication factors Sub index
Pillar 1.Institutions	Pillar 5. Higher education and training	Pillar 11. Business sophistication
Pillar 2. Infrastructure	Pillar 6. Goods market efficiency	Pillar 12. Innovation
Pillar 3. Macroeconomic environment	Pillar 7. Labor market efficiency	
Pillar 4. Health and primary education	Pillar 8. Financial market development	
	Pillar 9. Technological readiness	
	Pillar 10. Market size	
Key for **factor-driven** economies	Key for **efficiency-driven** economies	Key for **innovation-driven** economies

Source: World Economic Forum 2014

The global competitiveness index (GCI) reveals that the first stage in table1 is classified as factor-driven economies as countries in that category compete based on their factor endowments and natural resources. Maintaining competitiveness at this stage of development hinges primarily on well-functioning public and private institutions (pillar 1), a well-developed infrastructure (pillar 2), a stable macroeconomic environment (pillar 3), and a healthy workforce that has received at least a basic education (pillar 4). As a country becomes more competitive, productivity will increase and wages will rise with advancing development. Countries will then move into the second stage of development which is efficiency-driven stage , this is a stage when the economies at this level must begin to develop more efficient production processes and increase product quality because wages have risen and they cannot increase prices. At this point, competitiveness is increasingly driven by higher education and training (pillar 5), efficient goods markets (pillar 6), well-functioning labor markets (pillar 7), developed financial markets (pillar 8), the ability to harness the benefits of existing technologies (pillar 9), and a large domestic or foreign market (pillar 10). Finally, as countries move into third stage the innovation-driven stage, wages will have raised by so much that the economies are able to sustain those higher wages and the associated standard of living. At this stage, companies in these economies must compete by producing new and different goods using the most sophisticated production processes (pillar 11) and by innovating new ones (pillar 12).

1.4 Stages of development

Two criteria are used to allocate countries into stages of development (WEF, 2015). The first is the level of GDP per capita at market exchange rates. This measure is used as a proxy for wages because internationally comparable data on wages are not available for all countries covered. A second criterion is used to adjust for countries that, based on income, would have moved beyond stage 1, but where prosperity is based on the extraction of resources. This is measured by the share of exports of mineral goods in total exports (goods and services), and assumes that countries with more than 70 percent of their exports made up of mineral products (measured using a five-year average) are to a large extent factor driven(WEF,2015). However, for some resource-based economies that have reached very high levels of income, the capacity to increase the productivity of any other sector beyond mineral production will be based on the country's capacity to boost innovation, because adopting technology from abroad is not sufficient to increase productivity enough to sustain their high wage levels. At the same time, these countries can afford to invest in innovation, given their high income. Consequently, countries that are resource driven and significantly wealthier than economies at the technological frontier are classified in the innovation-driven stage. Any countries falling between two of the three stages are considered to be "in transition." For these countries, the weights change smoothly as a country develops, reflecting the smooth transition from one stage of development to another.

According to the global competitiveness index classification, Nigeria is categorized as a factor driven economy among other one hundred and thirty six economies (GEF, 2015).This study therefore is focused on the first stage of development in which Nigeria belongs and believed that to have competitiveness advantage countries need to excel at the stage in which it operates.

II. RESEARCH METHODOLOGY

In conducting the study secondary data were sourced from the Africa Competitiveness report 2015 and the Global Competitiveness report 2014- 2015 as point of reference and in providing the data necessary for the analysis. The research design adopted for the study was Descriptive research, and descriptive statistics was used in analyzing the data provided by the insight reports while comparison was made with six African oil exporting countries. The population of the study constitutes some few African oil producing countries which could be used as a basis for comparison amongst these countries based on the global competitiveness index report. The Global Competitiveness Index being adopted by the two reports were used as the yardstick of measurement by which such economies were ranked. Since its first publication in 2005, the Index has become widely recognized as one of the key assessments of global competitiveness as defined by the World Economic Forum.

III. DATA PRESENTATION AND ANALYSIS

The study presents the Nigeria's standing as per the Global competitiveness report of 2014-2015, to get a clearer view of the country's global competitiveness, the study equally compares the performance of some selected economies in Africa, countries whose economies largely depends on oil and gas and are either in the factor driven stage of development or hitherto factor driven (Gabon, Cameroon, Libya, Angola, Algeria, Chad). Such comparison was made to determine whether or not the Nigerian economic strength has competitiveness advantage over other economies that are into oil and gas exporting.

Table 2: Nigeria's Profile

Population (millions)	169.3
GDP (US$ billions)	286.5
GDP per capita (US$)	1,692
(PPP) as share (%) of world total	0.55

Source: World Economic Forum 2014

Table 2 reveals the population of Nigeria. With the population of 169.3 million Nigeria is regarded as the Africa's largest economy (WEF, 2015). It has a Gross Domestic Product per capita of 1,692 (US$) and purchasing power parity of 0.55 as share percentage of world total.

Table 3: Global Competitiveness Index

	Ranking	Score
GCI 2014–2015	127	3.4
GCI 2013–2014 (out of 148)	120	3.6
GCI 2012–2013 (out of 144)	115	3.7
GCI 2011–2012 (out of 142)	127	3.4

Source: World Economic Forum 2014

The global competitiveness index in table 3 reveals the competitiveness standing of Nigeria in three consecutive years. It shows how inconsistently the country's economy fluctuates in the face of competitiveness. The best performance was in 2012 – 2013 when the country was ranked 115 out of 144 economies with a score of 3.7. At present, the country is ranked 127 with an average score of 3.4 which is considered below average of 7.

Nigeria being one of Africa's most populated country, is encountering sustainability challenges especially in the social domain. Access to basic services remains very low for millions of Nigerians: only 28 percent of the population has access to basic hygiene, and less than 65 percent enjoys improved water. Similarly, safety nets and healthcare services are available only to a minority of people. These issues, typical of a developing economy, may jeopardize the future competitiveness of the country as they limit the country's human capital. On the environmental side, Nigeria's low stage of development results in a low level of carbon intensity, and the country is currently not putting excessive stress on its water resources. However, water treatment is virtually nonexistent and could be a source of concern for future water availability that could have significant social consequences, as over 35 percent of the population uses un-improved water. Environmental regulations are also limited and not appropriately enforced, which could result in further environmental damages affecting the population. Other areas of Competitiveness are hereby listed as per World Economic Forum 2014-2015 report. The rankings and scores are made on the basis of the 12 pillars of competitiveness and the rankings were made to determine the competitiveness of the economy on each pillar on the index.

Table 4: Competitiveness Ranking

	Ranking	Scores
Basic requirements (60.0%)	140	3.2
Institutions	129	3.0
Infrastructure	134	2.1
Macroeconomic environment	76	4.6
Health and primary education	143	3.0
Efficiency enhancers (35.0%)	82	3.9
Higher education and training	124	2.9
Goods market efficiency	87	4.2
Labor market efficiency	40	4.5
Financial market development	67	4.1
Technological readiness	104	3.0
Market size	33	4.7

Source: World Economic Forum 2014

Table 4 shows the competitiveness ranking of the country based on the GCI index indicating the level of Nigeria's competiveness. Institutions are weak (129th), a very weak infrastructure, with insufficiently protected property rights, high corruption, and undue influence (see Appendix A). In addition, the security situation remains dire (139th). Nigeria must continue to upgrade its infrastructure (134th) as well as improve its health and primary education (143rd). Furthermore, the country is not harnessing the latest technologies for productivity enhancements, as demonstrated by its low rates of ICT penetration. On the upside, Nigeria benefits from its relatively large market size (33rd), which bears the potential for significant economies of scale; a relatively efficient labor market (40th) driven by its flexibility (20th); and a solid financial market (67th) following its gradual recovery from the 2009 crisis (GEF, 2015).

Table 5: The table presents some of the problem factors for doing business

	Ranking
Inadequate supply of infrastructure	26.1
Corruption	19.6
Access to financing	17.7
Policy instability	7.5
Inefficient government bureaucracy	7.4
Inadequately educated workforce	6.0
Poor work ethic in national labor force	3.1
Crime and theft	2.6
Tax regulations	2.2
Tax rates	2.1
Inflation	1.8
Foreign currency regulations	1.3
Insufficient capacity to innovate	1.2
Government instability/coups	0.6
Restrictive labor regulations	0.4
Poor public health	0.3

Source: World Economic Forum 2014

The factors considered problematic in the economy are indentified in table 5 with inadequate supply of infrastructure facilities and corruption haven the highest threat (26.1) and (19.1) respectively while access to finance thrilling with 17.7. The poor availability and affordability of finance in general and the difficulties in obtaining loans in particular (137th) remain an important bottleneck to economic growth (GEF 2015).

Table 6: Oil and Gas Producing Countries In Africa

Countries	Population	GDP per capita	GCI Rank	Score	Previous rank	Previous score
Algeria	37.9	5,438	79	4.1	100	3.8
Angola	20.8	5,846	140	3.0	142	3.1
Cameroon	22.0	1,271	116	3.7	115	3.7
Chad	11.0	1,218	143	2.8	148	2,9
Gabon	1.6	12,302	106	3.7	112	3.7
Nigeria	169.3	1,692	127	3.4	120	3.6
Libya	6.1	11,046	126	3.5	108	3.7

Source: World Economic Forum 2014

Table 6 reveals the performance of Oil and Gas producing economies in Africa and shows how such economies are rated in the global competitiveness index. Algeria's economy moved up to 79th position this year. This rise is driven mainly by a sounder macroeconomic environment (third pillar), which remains the country's most important competitiveness strength (11th).

Angola is the continent's second biggest oil exporter ranks 140th overall. As with its oil-exporting peers, its strengths are in its macroeconomic environment and market size, but much remains to be done across the board to build up the country's competitiveness. Angola's infrastructure is one of the least developed globally (139th), and its population would be well served by improvements in its education and health systems (136th).

Cameroon ranks 116th overall was previously 115 in 2013. The country's strength is in the area of innovation (71th), labour market efficiency (81th), macroeconomic environment (90th) and market size (91th). Cameroon's infrastructure is considered to be its major weakness (126th).

Chad- ranks 143 overall is one of the least economies competitively has more of weaknesses than strength. The country is rated poorly in all the pillars. However as common with oil producing economies, macroeconomic environment (73th) appears to be a better performance.

Gabon with a population of about 1.6 million the country ranks 106 a shift from 2013 ranking of 112 has a strong macroeconomic environment (18th) labour market efficiency (69th) and relatively institutions (79th). Its weakness is in Business sophistication, infrastructure and market size.

Libya is a North African country with the population of 6.1 million ranks 126th overall it has dropped from its previous ranking 108th in 2014. As with oil producing economies macroeconomic environment continued to provide strength (41th). Market size (85th) and Health and primary education (119) are equally considered to provide relative strength to the economy. Financial market development and innovation both at 144th in ranking are therefore the weaknesses of the economy.

Assessing the competitive positions of economies

In assessing the performance of the Nigerian economy based on the four pillars the following results were obtained.

Table 7 First Pillar: Institutions

	Economies	Ranks	Score	Stage of Deveopment	Basic Requirement
1	Algeria	101	3.4	Transition	(59.0%) 65 4.6
2	Angola	143	2.6	Transition	(59.3%) 137 3.2
3	Cameroon	91	3.5	Factor-driven	(60.0%) 116 3.8
4	Chad	140	2.7	Factor driven	(60.0%) 143 2.9
5	Gabon	79	3.7	Transition	(51.5%) 95 4.2
6	Nigeria	129	3.0	Factor –driven	(60.0%) 140 3.2
7	Libya	142	2.6	Transition	(58.5%) 111 3.9

Source: World Economic Forum 2014

The table 7 shows that the best economy in the provision of institutional facilities is Gabon that is ranks 79th in the global competitiveness index, Cameroon, Algeria and then Nigeria. The least economy in this pillar is Libya. Nigeria's ranking is 129th with the average score of 3.0 which is below bench mark average.

Table 8 Second Pillar: Infrastructure

	Economies	Ranks	Score
1	Algeria	106	3.1
2	Angola	139	2.0
3	Cameroon	126	2.5
4	Chad	144	1.7
5	Gabon	114	2.9
6	Nigeria	134	2.1
7	Libya	113	2.9

Source: World Economic Forum 2014

Table 8 reveals that the best competitive economy in this pillar is Algeria ranking 106th overall global competitiveness index, Libya is second, Gabon third, Cameroon fourth and Nigeria is fifth on the table. Nigeria is showing a very weak performance in this area with a dismal 2.1 average score. It therefore shows how weak infrastructural facilities are in the country.

Table 9 Third Pillar: Macroeconomic Environment

	Economies	Ranks	Score
1	Algeria	11	6.4
2	Angola	71	4.7
3	Cameroon	90	4.4
4	Chad	73	4.7
5	Gabon	18	6.0
6	Nigeria	76	4.6
7	Libya	41	5.4

Source: World Economic Forum 2014

The macroeconomic environment which appears to be the strength of all the economies under review shows that the best competitive economy is Algeria (11^{th}), Gabon is second, Libya is third, Angola fourth, Chad fifth and Nigeria is in the sixth position. Despite its performance in this area (76^{th}) with an average score of 4.6 the country is still trilling behind.

Table 10 Fourth Pillar: Health and Primary Education

	Economies	Ranks	Score
1	Algeria	81	5.6
2	Angola	136	3.5
3	Cameroon	112	4.7
4	Chad	144	2.7
5	Gabon	130	4.0
6	Nigeria	143	3.0
7	Libya	119	4.6

Source: World Economic Forum 2014

The fourth pillar table 10 reveals that Algeria ranks ($81^{st)}$ is considered the best of all the countries under review in term of health and primary education competitiveness advantage, Cameroon, Libya, Gabon, Angola, with Nigeria thrilling behind. The country is ranked 143th in the GCI rating and is considered to be the worst performance of the economy.

IV. SUMMARY, CONCLUSION AND RECOMMENDATIONS

Identifying the strengths and weaknesses of the nation's economy in a regional and global context will avail policymakers, business leaders, and other stakeholders the opportunity to formulate specific strategies and policies that will be tailored towards improving competitiveness -enhancing position of the country. The study therefore recommends the following

There is the need for the structural transformation of the economy this entails the reallocation of economic activity away from the least productive sectors of the economy to more productive ones. Nigeria appears to have been emphasizing technological and industrial breakthroughs by engagement in gigantic official and formal sector funding at the expense of the agriculture/rural sector which is the foundation of the nation's economy. The rural agricultural sector in Nigeria has been plundered by low prices, high input costs, poor credit and transportation services, as well as poor distribution networks that effectively prevent freedom of entry into the market. There is the need to put an end to the exploitation of peasant farmers, reduce income inequality and alleviate poverty in rural areas. Trade theories canvass that resources should be shifted to production with comparative advantage.

The diversification of the economy from crude oil dependence to multi sector driven economy should be one area of concern to government. A logical pursuit will no doubt give the needed attention to agriculture/rural sector. As such, if Nigeria would give agriculture priority attention, her GDP will grow faster and poverty level would fall. It is in the agricultural sector that the battle for long-term economic development will be won or lost. The main burden of development and employment creation will have to be borne by the part of the economy in which agriculture is the predominant activity.

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Appendix A

INDICATOR	VALUE	RANK/144
1st pillar: Institutions		
1.01 Property rights	3.4	116
1.02 Intellectual property protection	2.7	126
1.03 Diversion of public funds	1.8	142
1.04 Public trust in politicians	1.8	134
1.05 Irregular payments and bribes	2.5	135
1.06 Judicial independence	3.1	102
1.07 Favoritism in decisions of government officials	2.3	126
1.08 Wastefulness of government spending	2.2	134
1.09 Burden of government regulation	3.1	99
1.10 Efficiency of legal framework in settling disputes	3.3	98
1.11 Efficiency of legal framework in challenging regs.	2.9	105
1.12 Transparency of government policymaking	3.2	126
1.13 Business costs of terrorism	2.8	137
1.14 Business costs of crime and violence	2.9	130
1.15 Organized crime	3.7	124
1.16 Reliability of police services	2.6	136
1.17 Ethical behavior of firms	3.3	132
1.18 Strength of auditing and reporting standards	4.3	88
1.19 Efficacy of corporate boards	4.4	80
1.20 Protection of minority shareholders' interests	3.8	90
1.21 Strength of investor protection, 0–10 (best)*	5.7	57

2nd pillar: Infrastructure
2.01 Quality of overall infrastructure 2.7 133
2.02 Quality of roads 2.7 125
2.03 Quality of railroad infrastructure 1.5 100
2.04 Quality of port infrastructure 3.2 110
2.05 Quality of air transport infrastructure................................. 3.2 121
2.06 Available airline seat km/week, millions* 302.6 52
2.07 Quality of electricity supply 1.6 141
2.08 Mobile telephone subscriptions/100 pop.* 73.3 116
2.09 Fixed telephone lines/100 pop.* 0.2 142

3rd pillar: Macroeconomic environment
3.01 Government budget balance, % GDP* ....–4.9 106
3.02 Gross national savings, % GDP* 29.3 26
3.03 Inflation, annual % change* 8.5 127
3.04 General government debt, % GDP* 19.4 18
3.05 Country credit rating, 0–100 (best)* 39.7 80

4th pillar: Health and primary education
4.01 Malaria cases/100,000 pop.* 28,430.3 73
4.02 Business impact of malaria 3.6 62
4.03 Tuberculosis cases/100,000 pop.* 108.0 95
4.04 Business impact of tuberculosis 5.0 92
4.05 HIV prevalence, % adult pop.* 3.1 128
4.06 Business impact of HIV/AIDS 4.5 108
4.07 Infant mortality, deaths/1,000 live births* 77.8 140
4.08 Life expectancy, years* 52.1 136
4.09 Quality of primary education 2.6 124
4.10 Primary education enrollment, net %* 63.9 138

5th pillar: Higher education and training
5.01 Secondary education enrollment, gross %* 43.8 127
5.02 Tertiary education enrollment, gross %*................ 10.4 112
5.03 Quality of the education system 2.9 122
5.04 Quality of math and science education 2.6 132
5.05 Quality of management schools 3.8 101
5.06 Internet access in schools 3.4 111
5.07 Availability of research and training services 3.7 95
5.08 Extent of staff training 4.3 48

6th pillar: Goods market efficiency
6.01 Intensity of local competition 5.3 50
6.02 Extent of market dominance 3.8 63
6.03 Effectiveness of anti-monopoly policy 3.6 110
6.04 Effect of taxation on incentives to invest 4.0 40
6.05 Total tax rate, % profits* 33.8 53
6.06 No. procedures to start a business* 8 93
6.07 No. days to start a business* 28.0 109
6.08 Agricultural policy costs.. 4.2 30
6.09 Prevalence of trade barriers 4.6 42
6.10 Trade tariffs, % duty* 11.4 119
6.11 Prevalence of foreign ownership 4.9 49
6.12 Business impact of rules on FDI 4.7 45
6.13 Burden of customs procedures 3.0 132
6.14 Imports as a percentage of GDP* 27.0 125
6.15 Degree of customer orientation 3.9 113
6.16 Buyer sophistication 3.3 88

7th pillar: Labor market efficiency

7.01 Cooperation in labor-employer relations 4.4 61
7.02 Flexibility of wage determination 5.5 35
7.03 Hiring and firing practices 5.2 7
7.04 Redundancy costs, weeks of salary* 16.2 79
7.05 Effect of taxation on incentives to work 4.3 21
7.06 Pay and productivity 4.2 51
7.07 Reliance on professional management 4.5 52
7.08 Country capacity to retain talent 3.1 92
7.09 Country capacity to attract talent 3.8 47
7.10 Women in labor force, ratio to men* 0.76 85

8th pillar: Financial market development
8.01 Availability of financial services 4.1 87
8.02 Affordability of financial services 3.5 122
8.03 Financing through local equity market 3.8 46
8.04 Ease of access to loans 1.6 137
8.05 Venture capital availability 1.9 131
8.06 Soundness of banks 4.8 78
8.07 Regulation of securities exchanges 4.2 65
8.08 Legal rights index, 0–10 (best)* 9 11

9th pillar: Technological readiness
9.01 Availability of latest technologies 4.4 94
9.02 Firm-level technology absorption 4.3 91
9.03 FDI and technology transfer 4.5 77
9.04 Individuals using Internet, %* 38.0 87
9.05 Fixed broadband Internet subscriptions/100 pop.* ...0.0 140
9.06 Int'l Internet bandwidth, kb/s per user* 0.8 141
9.07 Mobile broadband subscriptions/100 pop.*.......... 10.1 96

10th pillar: Market size
10.01 Domestic market size index, 1–7 (best)* 4.5 31
10.02 Foreign market size index, 1–7 (best)* 5.3 37
10.03 GDP (PPP$ billions)* 479.3 30
10.04 Exports as a percentage of GDP* 35.6 77

11th pillar: Business sophistication
11.01 Local supplier quantity 4.8 46
11.02 Local supplier quality 3.9 99
11.03 State of cluster development 3.8 72
11.04 Nature of competitive advantage 2.8 117
11.05 Value chain breadth 3.6 92
11.06 Control of international distribution 3.8 98
11.07 Production process sophistication 3.3 106
11.08 Extent of marketing 4.1 77
11.09 Willingness to delegate authority 3.6 90

12th pillar: Innovation
12.01 Capacity for innovation 3.7 73
12.02 Quality of scientific research institutions 2.8 120
12.03 Company spending on R&D 2.8 106
12.04 University-industry collaboration in R&D 2.8 123
12.05 Gov't procurement of advanced tech products 3.0 109
12.06 Availability of scientists and engineers 3.8 89
12.07 PCT patents, applications/million pop.* 0.0 117