

## CEDA media release

# Australia's digital competitiveness weakens

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Australia has fallen two places in an international ranking of digital competitiveness, as the agility of businesses remains weak and we fall further behind on our technological framework.

Australia slipped to 16<sup>th</sup> place in the 2023 IMD World Digital Competitiveness Ranking (WDCR) of 64 countries released today.

“Australian businesses and governments must do more to embrace and invest in digital technologies, as we confront flagging productivity and persistent worker shortages across the economy,” CEDA senior economist Melissa Wilson said.

“Australia’s future readiness remains our weakest area, despite the COVID-19 pandemic reminding us that taking advantage of emerging technologies is critical for our nation’s current and future economic development.”

Australia’s worst performance was in cybersecurity, ranked 53<sup>rd</sup> out of 64 nations, after a series of widespread and damaging cyber attacks, including on telecommunications company Optus and health insurer Medibank.

“But our future readiness was also held back by companies’ agility and their ability to respond quickly to opportunities and threats,” Ms Wilson said.

“These results align with recent CEDA research that found Australian businesses must get better at transforming themselves to seize new opportunities, rather than just focussing on business as usual.

“More broadly, the rankings show Australia must invest more in improving management capabilities, employee training, and talent with international experience, to improve digital knowledge across the economy.”

The WDCR shows Australia has several key strengths, including a high number of international students (2<sup>nd</sup>), strong engagement with government online (2<sup>nd</sup>) and ease of starting a business (5<sup>th</sup>).

But our communications technology and internet speed (both 49<sup>th</sup>) remain poor.

The United States topped the rankings this year, followed by the Netherlands in second place, with Singapore rounding out the top three.

IMD said the top performers this year could be considered “digital nations”. They facilitated the full adoption of digital technologies – including AI – by governments, companies and individuals.

Australia should redouble its efforts to become a leading digital nation. This will enable governments and businesses to collaborate better, ensuring we can better capitalise on digital opportunities.

Professor Arturo Bris, director of IMD’s World Competitiveness Center, said AI and national security concerns were at the core of an increasing focus on cybersecurity in the rankings.

The Swiss-based Institute for Management Development’s (IMD’s) WDCR has ranked the digital competitiveness of nations across three main factors – knowledge, technology and future readiness – since 2017.

These factors are broken down into 54 criteria quantified through both hard data and survey responses from executives. CEDA is the yearbook’s Australian partner.

**CEDA Senior Economist Melissa Wilson is available for further comment and interviews.**

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CEDA has more than 530 members including leading Australian businesses, community organisations, government departments and academic institutions. Our membership spans every state and territory.

CEDA was founded in 1960 by leading economist Sir Douglas Copland. His legacy of applying economic analysis to practical problems to aid the development of Australia continues to drive our work today.