

CEDA media release

Australia's competitiveness jumps to highest level in 13 years

Embargoed until 8am, Tuesday 18 June 2024

Stronger business and government investment, population growth and budget positions have seen Australia record its best international competitiveness ranking since 2011.

The nation rose from 19th to 13th in the *IMD World Competitiveness Yearbook 2024*, a global ranking of the competitiveness of 67 nations released today.

"While inflation and the cost of living are hurting households and businesses alike, this result shows Australia's economy has been comparatively resilient despite global and domestic pressures," CEDA Senior Economist Melissa Wilson said.

Australia's overall economic performance rose from 10th to 7th.

"Strong international trade, high commodity prices and a comparatively healthy local economy have helped drive this welcome rebound in Australia's competitiveness," Ms Wilson said.

"But the challenges we face have remained stubbornly fixed for many years now, with little sign of improvement.

"We must do more to diversify our economy and revive our weak productivity."

Australia's worst result remains its poor levels of entrepreneurship, ranked just 61st of 67 nations, while the cost of office rents is a rising challenge (60th).

"CEDA has long been calling for broad-based tax reform, and this report makes the need even more clear, given our consistently high levels of company and personal income taxes (ranked 57th and 55th respectively)," Ms Wilson said.

"All parts of the tax system must be on the table – particularly the balance between taxing incomes and capital – if we want to be able fund critical services into the future while boosting investment and workforce participation."

"Along with poor perceptions of the efficiency of our large corporations (52nd) and another fall in workforce productivity in this survey (48th), this report also highlights the important role that Australian businesses have to play in driving national competitiveness and productivity.

“The lack of productivity growth remains a challenge if we want to maintain our living standards into the future. Both business and government need to do more to address this.

“We also ranked relatively low (37th) on the use of digital tools and technologies. We must do more to adapt to the growth of AI to ensure we are not left behind.”

While our quality-of-life measures remain strong, there has been a worrying dip in key indicators such as life expectancy and universal health coverage (down from 3rd to 8th and 9th respectively).

“Our improved competitiveness in this year’s ranking is pleasing, but we must do more to address the longer-term challenges facing the nation, which are well-known and long-standing,” Ms Wilson said.

Overall, Singapore reclaimed the top ranking in 2024, followed by Switzerland, with Denmark rounding out the top-three.

The rankings are part of the Swiss-based Institute for Management Development’s (IMD’s) *World Competitiveness Yearbook 2024*, which has ranked the prosperity and competitiveness of countries since 1989.

IMD said the major competitiveness challenges for the world’s economies in 2024 and beyond were “transitioning to a low-carbon and circular economy, being mindful of emerging markets’ increasing integration into the world economy and keeping up with digital transformation”.

The yearbook’s rankings are based on four main factors: economic performance, government efficiency, business efficiency and infrastructure.

Two-thirds of the criteria are based on statistical indicators, and one-third on a survey of more than 6600 international executives. CEDA is the yearbook’s Australian partner.

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

For more information, please contact:

Justine Parker, Media Manager and Content Specialist

Mobile: 0436 379 688 | Email: justine.parker@ceda.com.au

CEDA – the Committee for Economic Development of Australia – is an independent, membership-based think tank.

CEDA’s purpose is to achieve sustainable long-term prosperity for all Australians. Through independent research and frank debate, we influence policy and collaborate to disrupt for good.

CEDA has more than 500 members from a broad cross-section of industry, government, community and academia. Our members span 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 Australia’s development continues to drive our work today.