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U.S. tops survey of most competitive world economies

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GENEVA (AP) - The United States has regained its status as the world's most competitive economy thanks to strong innovation and excellent universities, according to a survey released Wednesday by the World Economic Forum.

The U.S. rebounded from sixth place last year to knock Switzerland from the top spot in the "global competitiveness index." The Swiss were second this year, followed by Denmark, Sweden, Germany and Finland.

The study by the Geneva-based World Economic Forum said the United States was boosted by its close cooperation between universities and business on research and development, its high intellectual property protection, and its efficient use of employees and investment.

But increasing public indebtedness in the United States threatens to hamper the country's growth, the study said.

"This danger has most recently been demonstrated by the fallout and contagion caused by the country's subprime mortgage crisis and the ensuing global credit crunch," said Xavier Sala-i-Martin, a professor of economics at Columbia University and one of the authors of the survey.

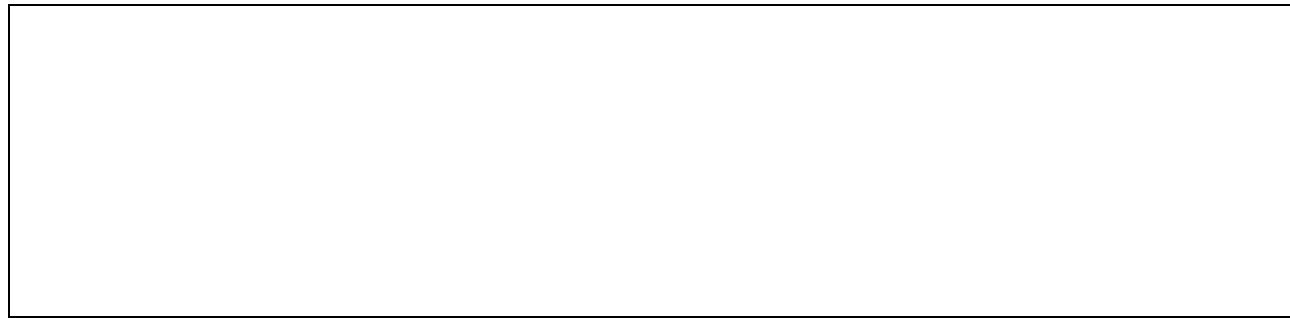
Sala-i-Martin said the weaknesses "present a risk to the country's overall competitiveness potential

and to the global economy as a whole."

The aim of the survey is to examine the factors that can affect a country's business environment and development. Included are judicial independence, government favoritism and corruption.

More than 11,000 business leaders in 131 countries took part in the survey, which ranked Singapore seventh, followed by Japan. The Netherlands came in 10th.

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