

# The essential factors behind digital competitiveness

Analyzing the main factors and trends behind either an improvement or a decline in the IMD World Digital Competitiveness Ranking on a year-to-year basis, helps explain how some countries managed to propel themselves to the top echelons of digital transformation and why others need to improve before they can really shine.

The rankings are the product of a mixture of hard data and survey responses. The hard data reflects 2020's performance whilst the survey was carried out from February to May 2021. The ranking does not specifically measure issues related to the pandemic. Nevertheless, technology, has been one of the most important tools for addressing the twin challenges of the health crisis and economic turbulence.

## Knowledge

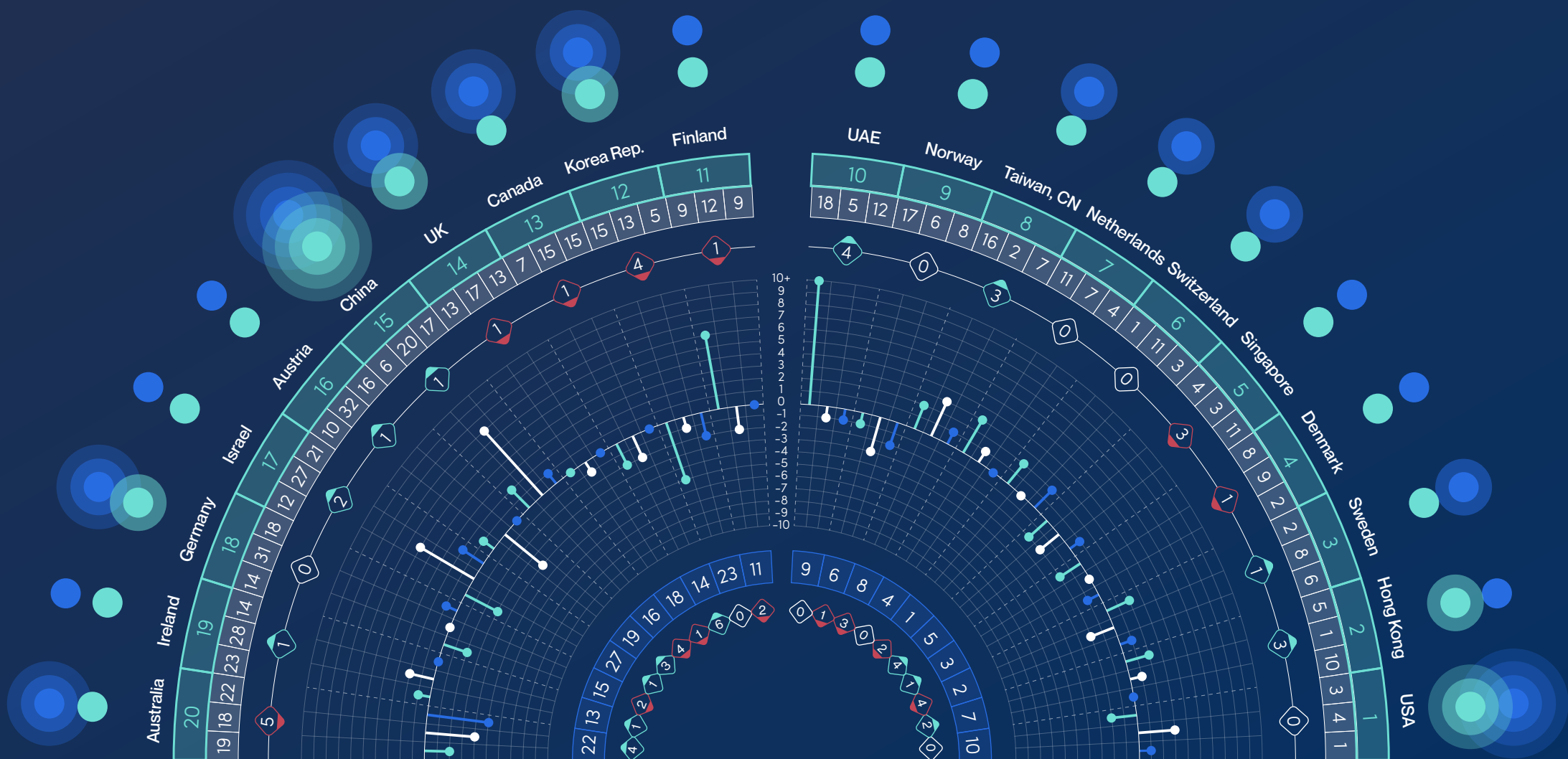
The know-how necessary to discover, understand and build new technology. Sub-factors include talent, training and education, and scientific concentration.

## Technology

The overall context that enables the development of digital technologies. Sub-factors include regulatory framework, capital, and technology framework.

## Future Readiness

The level of country preparedness to exploit digital transformation. Sub-factors include adaptive attitudes, business agility, and IT integration.



## China

The second largest economy in the world keeps climbing the rankings ladder, leaping from 30<sup>th</sup> to 15<sup>th</sup> place in the span of four years. The country is highly productive in the field of scientific research. It has improved in technology, leading the way in many sectors such as artificial intelligence applications.

## Switzerland & Nordic Countries

Thanks to investment in education and research, Switzerland was able to rise to the top in the education ranks, a testament to the quality of its human capital. Knowledge is a major reason why Sweden and Denmark are at the top, despite ranking outside the top 20 in GDP. The thinly populated Scandinavian countries benefit from their talent and boast a strong performance in training and education.

## Singapore

Despite a persistently strong performance in future readiness, Singapore is the only East Asian country to lose some ground in comparison to 2020, mainly due to drops in technology and knowledge. Though it still scores high in the talent sub-factor, the city-state suffered a sharp decline in training and education.

## USA

The USA remains at the top, thanks to a strong performance in future readiness and knowledge. The world's largest economy by nominal GDP excels in scientific infrastructure and in both the adaptive attitudes and business agility sub-factors.

## Understanding the Data Visualization

Ranking	Performance	Population Size (Millions)	GDP (Millions)
Digital Competitiveness Ranking 2021	Improved compared to last year	Higher than 500	Higher than 10k
Digital Competitiveness Ranking 2021 Factors	Stable compared to last year	Higher than 300	Higher than 1k
IMD World Competitiveness Ranking 2021	Declined compared to last year	Higher than 50	Higher than 500
Knowledge - Ranking change 2020-2021	Performance is displayed right below the respective ranking.		
Technology - Ranking change 2020-2021			
Future Readiness - Ranking change 2020-2021			