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World Competitiveness Ranking 2025 – WCR

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SUBJECTS COVERED

ECONOMY

CURATED & WRITTEN BY

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ISSUING BODY	FREQUENCY	INDIA'S RANK	TOP PERFORMER
International Institute for Management Development (IMD)	Annual	41 / 69 -2	Switzerland

KEY FINDINGS

- India ranked 41st out of 69 economies, down from 39th in 2024
- Switzerland topped with 100 points, followed by Singapore (99.44) and Hong Kong (99.22)
- India ranked 27th in Economic Performance, down from 20th
- India ranked 45th in Government Efficiency and 25th in Business Efficiency
- Three new economies added in 2025: Kenya, Namibia, and Oman
- Government efficiency identified as key to fighting social divides

ABOUT THE INDEX

The **World Competitiveness Ranking (WCR)** is published annually by the **International Institute for Management Development (IMD)**, a business school headquartered in Lausanne, Switzerland. Published since 1989 as part of the **World Competitiveness Yearbook (WCY)**, it is one of the oldest and most comprehensive assessments of how economies manage their resources and competencies to increase prosperity.

Methodology

The WCR evaluates **69 economies** (expanded from 66 in 2024, adding Kenya, Namibia, and Oman) based on **four competitiveness pillars**:

PILLAR	SUB-FACTORS	WEIGHT
Economic Performance	Domestic economy, international trade, international investment, employment, prices	25%
Government Efficiency	Public finance, tax policy, institutional framework, business legislation, societal framework	25%
Business Efficiency	Productivity, labour market, finance, management practices, attitudes & values	25%
Infrastructure	Basic infrastructure, technological infrastructure, scientific infrastructure, health & environment, education	25%

The ranking uses a combination of **hard data** (2/3 of the total) from international organisations and **survey data** (1/3) from over 6,000 business executives worldwide.

INDIA'S PERFORMANCE

India ranks **41st out of 69 economies**, dropping 2 positions from 39th in 2024.

Pillar-wise Performance

PILLAR	INDIA'S RANK (2025)	CHANGE FROM 2024
Economic Performance	27th	Down from 20th
Government Efficiency	45th	Unchanged
Business Efficiency	25th	Unchanged
Infrastructure	~53rd	Slight decline

Key Strengths

- **Business Efficiency** (25th) — India scores well on management practices, entrepreneurship culture, and attitudes towards globalisation
- **Domestic economy** — Large market size and GDP growth rate advantage
- **Labour market dynamism** — Young workforce and competitive labour costs

Key Weaknesses

- **Infrastructure** (~53rd) — Deficits in basic infrastructure, health, and education
- **Government Efficiency** (45th) — Bureaucratic complexity, regulatory burden
- **Tax policy and public finance** — Challenges in fiscal management

Historical Trend

YEAR	RANK	ECONOMIES
2019	43	63
2020	43	63
2021	43	64
2022	37	63
2023	40	64
2024	39	66
2025	41	69

Regional / BRICS Comparison

COUNTRY	WCR RANK (2025)	CHANGE
China	~17	Stable
India	41	Down 2
South Africa	~57	Stable
Brazil	~60	Slight decline
Russia	Not ranked	Excluded since 2022

KEY HIGHLIGHTS OF LATEST EDITION

- **Switzerland** retained the top position with 100 points — the maximum score
- **Singapore** (2nd, 99.44 points) and **Hong Kong** (3rd, 99.22 points) complete the podium
- The 2025 edition added **three new economies**: Kenya, Namibia, and Oman
- The report's special theme is that **government efficiency is the key differentiator** for fighting social divides and sustaining economic growth
- Small, open economies with strong institutions consistently outperform larger economies
- The report notes that **digital transformation** and **green transition** are now essential competitiveness factors, not optional advantages
- India's decline in Economic Performance (from 20th to 27th) reflects slowing export growth and investment inflow concerns

UPSC RELEVANCE

India's rank (41st), IMD HQ (Lausanne, Switzerland), four pillars of competitiveness, top performers, total economies assessed (69) **Mains GS-3:** India's economic competitiveness – infrastructure deficit, ease of doing business reforms, Make in India, digital infrastructure (UPI, Aadhaar), manufacturing sector challenges, FDI policy **Interview:** “India ranks 25th in business efficiency but only 45th in government efficiency – how can governance reforms bridge this gap?”

RELATED TERMS

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