

GLOBAL COMPETITIVENESS REPORT - 2020

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17 February, 2020

Introduction- About the GCR/GCI

- Investors consider a broad range of factors in their decision to invest, including domestic market size, macroeconomic stability and a favorable exchange rate, labor force talent and skills, and physical infrastructure.
- Macroeconomic, political, and regulatory risks—whether actual or perceived—deter investors by raising their risk calculations
- The Global Competitiveness Index (GCI), an initiative of the World Economic Forum which assesses the competitiveness landscape of selected economies across the globe spanning from developed, middle income to developing economies (since 1979).
- The index consists of indicators derived from WEF's Executive Opinion Survey conducted at national level by the Forum's network of Partner Institutes, and published data on various aspects of the economy.
- In total, there are 12 pillars and 98 specific indicators that make up the index.

Introduction- About the GCR/GCI

- The GCR Identifies areas where each participating countries is doing well and where more is needed
- The GCR/EOS is also relevant for policy makers seeking to identify priority areas for reforms

The 12 Pillar in GCI/GCR

Enabling Environment	Markets
Pillar 1 Institutions	Pillar 7 Product market
Pillar 2 Infrastructure	Pillar 8 Labour market
Pillar 3 ICT adoption	Pillar 9 Financial system
Pillar 4 Macroeconomic stability	Pillar 10 Market size
Human Capital	Innovation Ecosystem
Pillar 5 Health	Pillar 11 Business dynamism
Pillar 6 Skills Development	Pillar 12 Innovation capability

What is EOS?

- EOS is a survey conducted by national partners in all countries among selected and representative sample of Business Executives – Private Sector
- Opinion Survey among **AT LEAST** 100 Business Executives (CEOs, Board Members & Senior Managers)
- Standardized Questionnaire is used in all countries
- Most Questions rate indicators between 1 and 7 (**Likert Scale**)
- The Scores are then converted to Percentage
- Sample framework to ensure randomness in the selection of companies to be included in the survey across all countries

What is EOS?

- GCR has been conducted by WEF since 1979
- Kenya joined GCR in 2004 and has participated in this annual ranking all through (2004 – 2019)
- The Institute for Development Studies (IDS) University of Nairobi is the National Partner for Kenya's GCR/GCI
- The 2020 EOS for GCR is about to commence

Participating Institutions

1. IDS - University of Nairobi as National Partner
2. Kenya Investment Authority (KenInvest) has been supporting the process since 2014 – Fact Sheet, Sensitization workshops, Interviews
3. National Productivity and Competitiveness Centre (NPCC) since 2017– Fact Sheet, Sensitization workshops, Interviews.
4. Ministry of East African Community and Regional Development – Advisory & Coordination role

Survey Procedure in EOS

- A sample of **100** CEOs and Senior Managers of selected companies
- Composition of the Economy – Sector contribution to the GDP
 1. Agriculture,
 2. Manufacturing industry,
 3. non-manufacturing industry and
 4. Services
- Business Sizes
 1. Small & Medium ≤ 250 Employees
 2. Large & Very Large ≥ 251 Employees
- Geographical Regional Coverage - Nairobi, Mombasa, Kisumu, Eldoret, Thika & Nakuru.
- Survey methods – **Online (recommended) Quatrics Platform – Separate PPP**
- *face-to-face,, mailed questionnaire & telephone*
- Fieldwork Period: 1 March - 20 April 2020

Kenya Executive Opinion Survey 2020

Sectoral Contribution to GDP and Survey Regional Distribution											
	% GDP	Qns	Size	Interviews to be Conducted							
				Nairobi	Mombasa	Kisumu	Nakuru	Thika	Eldoret	Total	
1 Agriculture, Forestry & Fishing	34	43	Large	6	3	2	4	3	4	22	
			SME	5	3	2	4	3	4	21	
2 (Manufacturing & Non Manufacturing)	17	22	Large	3	2	2	1	2	2	12	
			SME	3	2	1	2	1	1	10	
3 Services (Trade, Transport, ICT, Finance, Insurance, Real Estate, Education, Health, Publishing, Water, Tourism etc)	49	60	Large	12	5	4	3	3	3	30	
			SME	8	6	6	5	2	3	30	
Total	100	125		37	21	17	19	14	17	125	

1. The firms selected represent the main sectors of the economy in proportion to the percentage share of GDP + Regional Coverage
2. Respondents – Managerial positions & above
3. Firms sampled from the approved Framework of about 455 companies
4. Government Ministries, Departments and Agencies are not included
5. Interview Process –Online
6. Repeat Sample – 24% of the 2019 Interviews

GCR 2019

- **2019 GCR** - Kenya is ranked **95 out of 141** economies, a drop from **93** position in 2018.
- In **2017** Kenya was ranked **93rd** (138); **2016** – **98th** (140); and in 2015 **99th** (141).
- In the GCR released in **October 2019**, Kenya is ranked as the Tenth (10th) most competitive economy in Africa (and 95 globally score 54.1%) behind Mauritius (52nd); South Africa (60th); Morocco (75th); Tunisia (87th); Algeria (89th); Botswana (91st); Egypt (93rd) and Namibia (94th).
- Kenya is the most competitive economy in the Eastern African Region (95th); Rwanda (100th); Uganda (115th); Tanzania (116th); Ethiopia (126th) and Burundi (135th).

GCI 2019 Scores for Kenya

Global Competitiveness Index 2019 for Kenya			
	Pillar	% Score	Ranking (141)
1	Macroeconomic Stability	72	100
2	Business Dynamism	64	51
3	Labour Market	59	79
4	Financial Systems	58	78
5	Skills	56	97
6	Health	55	110
7	Institutions	55	68
8	Infrastructure	54	110
9	Product Market	53	88
10	Market Size	53	72
11	ICT Adoption	36	116
12	Innovation Capability	36	78
	Overall	54	95
<i>Source: WEF 2019 GCR Page 318 - 321</i>			

Strategy for Kenya's GCI Ranking in 2020

- Target Ranking Position 85 & Below in 2020
- Putting Kenya in the Global Map
- Bring together implementing institutions & Stakeholders
- Provision of a Fact Sheet to facilitate objective filling on the EOS 2020 Questionnaire
- Approach companies (CEOs) that can be accessed easily
- Awareness creation among the Investors/CEOs
- Sensitization Workshops in all selected study sites

We welcome your comments & suggestions

Thank you