

U.S. Cedes Top Spot in Global IT Competitiveness

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A low rate of mobile telephone usage, a lack of government leadership in IT and the low quality of math and science education were blamed for the United States slipping to seventh place in the 2006-2007 Global Information Technology Report's Network Readiness Index, released by the World Economic Forum and INSEAD, an international business school, on March 28.

Covering 122 economies worldwide, the report's NRI (Networked Readiness Index) measured the ability of countries to harness and leverage IT opportunities for economic competitiveness and development.

The U.S. slipped six places in the 2006-2007 index. The report blamed a relative deterioration in the political and regulatory environment for this decline.

The report also held a low rate of mobile telephone usage, a lack of government leadership in IT and the low quality of math and science education responsible for the United States' lowered rank.

However, the report argued that the U.S. maintained its primacy in innovation, due to what it considered the world's best tertiary education systems, a high degree of cooperation with the industry and an extremely efficient market environment, including the availability of venture capital and the ease to start a business.

"It's no longer debatable as to whether or not the global economy will become networked - the vast majority of industries are increasingly adopting networked business processes - and the

discussion now focuses not on if but how we get connected to maximize the benefits to business and society," said John Chambers, president and CEO of Cisco.

Trending upward since 2003, the report, found Denmark to have "outstanding levels of networked readiness" due to the country's excellent regulatory environment, clear government leadership and intention to leverage ICT (information and community technology) penetration and usage.

Other Nordic countries making top 10 showings in networked readiness included Sweden, up six places to second in the current index, Finland, up one place to No. 4, Switzerland, up four places to No. 5, Iceland, down four places to eighth, and Norway, up three places to 10th.

"Leveraging ICT is increasingly becoming an essential instrument for countries and national stakeholders to ensure continued prosperity for their people. Nordic countries have shown how an early focus on education, innovation and promotion of ICT penetration and diffusion is a winning strategy for increased networked readiness and competitiveness," said Irene Mia, senior economist of the Global Competitiveness Network at the World Economic Forum and co-editor of the report.

Singapore moved down one place to third in the current index, keeping a dominant position for the fifth successive year.

The report praised the country's excellent regulatory and business environment, the government's early focus on the adoption and diffusion of the latest technologies and its ability to involve the private sector in a common strategy and vision.

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