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Belgian Trade Minister will open the TIPS with Key Note address

Mr. Pieter De Crem, Secretary of State for Foreign Trade in the Federal Government of Belgium has kindly accepted Chamber's invitation to deliver the Key Note address during the opening of TIPS 2017 which will take place on 5 December. The Minister will speak during the opening of the summit. Minister Mr. Pieter De Crem a Flemish politician and member of Christian Democratic and Flemish (CD&V). He has been a Member of the Belgian Chamber of Representatives since 1995. In the past Mr. De Crem has served as Belgian Minister of Defence and has also served as First Deputy Prime Minister of the Belgian Federal government.

The TIPS, flagship of Chamber's prestigious events, will be held in the Auditorium of **Palace of the Academies**, Brussels.

In his invitation letter to the Minister De Crem, Secretary General of the Chamber had said "the trade relations between Belgium and India is robust and strong with trade volumes touching new horizons. The Indo-Belgian trade and economic relationship represents a successful partnership deeply rooted in interlacing history, shared values, common interests, and strong commercial and political ties. Christened by a host of agreements effected by the two countries including during the visit of Indian Prime Minister Modi to Belgium in March last year, and as State Secretary for Foreign Trade; your successful contribution in strengthening this relationship between the two countries, is very encouraging and praise-worthy. Also, the TIPS 2017 has a special significance as it will take place just within a month of the Royal visit of the King of Belgium to India."

The Summit is dedicated to fostering bilateral trade, investment and economic relations between European Union and India. During the last two decades, both EU and India have undergone dramatic economic, social and political changes. While EU has become an important player in the international stage with its economic might, India with its 1.3 billion citizens has undergone dramatic economic and social reforms and is has achieved unprecedented economic growth. The vast trade and business potential of India transforms it into an attractive and reliable business partner on international affairs. To meet the suffocating international challenge and the EU being a major economic player, EU and India need to develop a much more comprehensive dialogue than it has done so far. A giant emerging Indian market exerts a gravitational pull for economic interests. India's geo-political virtues and strength, its democratic record and values and political stability makes more sense for EU to strengthen its relations with India. Taking into account the current economic and political environment in the context of EU-India relations, and against a global backdrop of dramatic geo-political and economic developments, this year the signature theme of the TIPS 2017 titled as **EU-India – Seeking a Transformative Moment in a New World Order**.

Speakers during the opening of the Summit will share their vision and thoughts on the dynamics of the current state of EU-India relations and the challenges both EU and India face in the emerging economic, social and political developments.

One of the key attractions of the TIPS 2017 will be the launching of the book **“Dynamics of India - EU Relations: Building on Challenges and the Way Forward”** authored by Ambassador Ms. Bhaswati Mukherjee. Ms. Mukherjee has been a seasoned Indian diplomat and has served in Europe in various diplomatic capacities as India’s envoy and has followed the changing dynamics and evolution of EU-India relations over last several years.

The Summit will make comprehensive overview on the strategic fundamentals of India-EU bilateral relationship in content and context and will suggest ways to give it a strategic dimension through a full spectrum of debate and inter-active discussions. In this sense, as business and leadership platform, the TIPS 2017 will bring together business and thought leaders, policy makers, regulators, representatives of the European Commission and trade and business bodies with an eye to create innovative ways to strengthen the existing trade and economic partnership between European Union and India.

India, EU hold 14th summit talks in New Delhi

EU - India Summit: strengthening our strategic partnership and moving forward with our common agenda, says joint statement.

The 14th Summit between the European Union and India was held on 6 October in New Delhi, marking 55 years of diplomatic relations between the world's two largest democracies.

The European Union was represented at the Summit by the President of the European Commission, Jean-Claude Juncker and the President of the European Council, Donald Tusk. India was represented by Prime Minister Narendra Modi. The High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica Mogherini also attended.

India and the European Union also held extensive discussions on bilateral, regional and international issues, including the Rohingya crisis and volatile situation in the Korean peninsula.

Prime Minister Narendra Modi met top leaders from the European Union to discuss measures to strengthen India’s ties with the EU in key areas of trade and security in New Delhi. India and the EU have adopted a declaration to counter terrorism at the 14th India-EU summit. The Prime Minister met European Council President Donald Franciszek Tusk and European Commission President Jean-Claude Juncker but no major headway was given on the free trade pact which has been delayed for a long time.

India and the EU also held extensive discussions on bilateral, regional and international issues, including the Rohingya crisis and volatile situation in the Korean peninsula. Prime Minister Modi told reporters that the two sides have agreed to work in close cooperation against terrorism. “We have agreed to strengthen our security cooperation and work together against terrorism. We will not only further strengthen our bilateral cooperation on this issue, but will also increase our cooperation and coordination in multilateral fora,” PTI quoted the Prime Minister as saying.

After the summit, India and the EU also inked three pacts which included one on an international solar alliance.”We have adopted a joint declaration on counter-terrorism in which we agreed to counter

violent extremism and radicalisation, particularly online, and to deal effectively with the threat by foreign terrorist fighters, terrorist financing and arms supply,” PTI quoted European Council President Donald Franciszek Tusk as saying.

Taking note of the fact that the EU is the largest investor in India and also its largest trading partner, European Commission President Jean-Claude Juncker stated that the equation between Indian and the European Union will remain unchanged even as Britain has decided to exit the 28-nation bloc.”It is the time for a Free Trade Agreement between India and the European Union. Once the conditions are right, and only when the conditions are right we resume (talks). Today’s summit is an important step in the right direction,” Juncker said.

Juncker also informed reporters that the chief negotiators from the two sides will sit together in the coming days to chart the way forward and that they should step up work to ensure the free flow of data. He also stressed on high standards of data protection since Indian IT companies offer their services to companies from the EU.

Asserting that the protection of data was a precondition for exchanging personal data freely and fully, Juncker said that Indian companies were specialised in offering back office services and IT services to IT firms in EU.

He asserted that data protection was a precondition for exchanging personal data freely and fully. Indian companies are specialised in offering back office services and IT services to IT companies in EU. ” Many of these services and jobs that go with them depend on exchange of data. If India’s standards of data protection are converging with those of the European Union, the European Union will be in a position to recognise the adequacy of India’s goods” PTI quoted the European Commission President as saying.

The EU is India’s largest regional trading partner with bilateral trade in goods at USD 88 billion in 2016. It also remains the largest destination for Indian exports and a key source of investment and technologies.

Ministry of External Affairs spokesperson said that India received around USD 83 billion of foreign direct investment from Europe during 2000-17, which constitutes approximately 24 per cent of total FDI inflows into the country during the period.

The two sides have been strategic partners since 2004 and held the 13th India-EU summit in Brussels last year during Prime Minister Modi’s visit to Europe. However, the summit meeting had also failed at making any headway on the resumption of long-stalled negotiations for a free trade agreement.

India and the 28-nation bloc have also decided to boost cooperation on maritime security in the Indian Ocean and beyond which, according to Tusk, will lead to enhanced military cooperation between them. He also welcomed the resumption of tactical exercise in the Gulf of Aden between EU’s Naval Force Atlanta and the Indian Navy.

The European Union and India have issued a Joint Summit Statement. Joint statements on combatting terrorism; on clean energy and climate change; and on smart and sustainable urbanisation were also adopted. Leaders also took stock of the implementation of the comprehensive EU-India Agenda for Action 2020, endorsed at last year’s Summit.

"We are the world's two largest democracies. We are two of the world's biggest economies. We share the same values and the belief that freedom, equality, tolerance and the rule of law. Working together with a like-minded partner like India simply makes sense. It is natural", said the President of the European Commission, Jean-Claude Juncker. "We agreed that we should take our trading relationship to the next level. It is high time for a Free Trade Agreement between India and the EU. Once the circumstances are right – and only once the circumstances are right – we will resume. Today's Summit is an important step in the right direction and after hearing Prime Minister Modi I am confident we can move forward. Our chief negotiators will next sit down in November to chart a way forward."

Partners for prosperity

Trade and investment represent important aspects of the EU-India strategic partnership. The EU is India's largest trading partner, whilst India is the EU's 9th largest partner. Trade in bilateral goods and services in 2016 amounted to over €100 billion. At the Summit, leaders expressed their shared commitment to strengthening the economic partnership between the EU and India and to achieving the full potential of this aspect of our relationship. There are efforts on both sides to re-engage actively towards a timely relaunch of the negotiations for a comprehensive and mutually-beneficial Free Trade Agreement. The leaders also reaffirmed the centrality of the World Trade Organisation (WTO) and the importance of enhancing free, fair and open trade for achieving sustainable growth and development. Both sides reiterated their commitment to work together with all Members of the WTO to make the 11th Ministerial Conference a success with concrete results.

Summit leaders welcomed the recent launch of the Investment Facilitation Mechanism for EU investments in India, which will facilitate and encourage EU investments by providing concrete on-the-spot support to EU companies intending to invest there, in particular by providing procedural guidance.

Partners in responsible development

Leaders adopted a Joint Statement on Clean Energy and Climate Change, demonstrating their shared responsibility and determination to take the lead in global efforts to mitigate and adapt to the effects of climate change. Both sides confirmed their commitments under the Paris Agreement and agreed to step up cooperation in the implementation of climate action commitments, green cooling, solar pumping, energy storage, electric mobility and renewables, in order to enhance implementation of the Agreement.

Cities across the European Union and India are engines of growth and innovation, but they are also home to many pressing economic, social and environmental challenges. The Joint Declaration on a Partnership for Smart and Sustainable Urbanisation adopted at the Summit sets out the priorities and objectives for enhanced cooperation between both sides in urban development over the years ahead. The Partnership will create new opportunities for cooperation between our respective local and regional authorities. It will build on the experience of the Urban Agenda for the EU and India's flagship Smart Cities Mission programme.

The Vice-President of the European Investment Bank (EIB), Andrew McDowell, confirmed the EIB's largest ever loan for investment in India. The €500 million new support for sustainable transport in India will be used to finance the construction of a new line and 96 new trains on the Bangalore Metro.

Leaders committed to moving towards a more circular economic model that reduces primary resource consumption. The new G20 Resource Efficiency Dialogue will be used as a platform for close cooperation on the efficient and sustainable use of natural resources, developing strategies for this crucial economic transition and jointly promoting resource efficiency at a global level. Leaders also agreed to further intensify cooperation on addressing environmental challenges, in particular under the India-EU Water Partnership. The India EU Water Forum taking place on 11 October 2017 will set concrete steps for this engagement.

It was agreed at the Summit to give a fresh impetus to cooperation in research and innovation by launching a major flagship initiative of €30 million in water research. Both sides also agreed to scale up their cooperation in research and innovation by extending the EU-India co-funding mechanism to all areas of Indian interest across Horizon 2020 such as health, climate change, and energy, the latter in the framework of Mission Innovation. An Implementing Arrangement between the Commission and the Indian Science and Engineering Research Board (SERB) was signed with the aim of facilitating the collaboration of talented Indian researchers with European Research Council teams in Europe. Both sides confirmed the importance of concluding the Euratom-India Agreement on research and development cooperation in the peaceful uses of nuclear energy and agreed to work towards its rapid conclusion.

Leaders also welcomed the imminent operationalisation of the EU-India Horizontal Agreement on certain aspects of air services. The implementation of this agreement will restore legal certainty to our aviation relations with India, by bringing the bilateral air services agreements between India and EU Member States into conformity with EU law. As a result, India is now recognising the principle of EU designation of airlines which will allow EU carriers to fly to India from any Member State with which India has a bilateral agreement.

Leaders also expressed their shared commitment to strengthen cooperation on migration and refugees, including under the United Nations process towards adopting Global Compacts for Safe, Orderly and Regular Migration and on Refugees. Both sides agreed to further enhance joint efforts towards the implementation of the EU-India Common Agenda on Migration and Mobility (CAMM).

Partners for global peace and security

As staunch supporters of multilateralism and the rules-based global order, the European Union and India share a common vision of key global and regional challenges. At the Summit, leaders addressed a number of pressing situations in the EU's and India's immediate neighbourhoods, as well as further afield. This included prospects for peace in Afghanistan, the situations in the Korean Peninsula, Myanmar, and eastern Ukraine, as well as Iran, Syria and the Middle East Peace Process. Leaders also discussed the potential for increased cooperation between the EU and India in the Indian Ocean and Africa.

Leaders adopted a Joint Statement on combatting terrorism, marking another step up in the common fight against terrorism. Considerable progress has been made in recent months, including through the regular counter-terrorism dialogue, and the joint statement aims to enhance cooperation in the prevention and countering of terrorism, violent extremism and radicalisation, the disruption of the recruitment of Foreign Terrorist Fighters, sources of terrorist financing, and the supply of arms to terrorists.

On 4 October, the Italian Flagship and Headquarters of the EU's Naval Force Operation Atalanta, ITS Fasan, conducted joint manoeuvres with the Indian Navy vessel INS Trishul off the coast of Somalia, which represents the first ever joint EU-India naval exercise. At the Summit, leaders agreed to continue such exercises and to expand cooperation in the area of maritime security.

Ahead of the 5th Global Conference on Cyberspace, which will be held in New Delhi on 23-24 November 2017, leaders expressed their intention to deepen cooperation in the area of cybersecurity, while staying committed to an open, free, secure, stable, peaceful and accessible cyberspace, enabling economic growth and innovation.

It is learnt that the 14th EU-India Summit has had positive impact on the stalled free trade negotiations. It is reported that negotiators from both side will meet on November 13-14 in New Delhi to look into the issues that has had negative impact on the negotiations. It appears that both sides are keen to touch upon all issues with open mind that has the potential to derail the negotiations and find a way – even a transitional - to conclude the negotiations. Both sides are keen to “defreeze” the negotiations and let us be hopeful.

World Bank chief hails PM Modi's reforms; says GDP blip is transient

Amidst widespread criticism within the country from the opposition parties and from even within his own party BJP for the country's falling economic growth rate, Prime Minister Narendra Modi has found support from none other than World bank president Jim Yong Kim.

The World Bank chief instead hailed PM Modi's economic reforms, calling them 'significant' and lauded the introduction of the goods and services tax, although he lamented the inordinate delay in implementing the new indirect tax regime.

Kim went on to highlight the importance of the reforms in the long run. "The reform process has been significant. We think that certainly in the medium and long term, the growth will reflect the seriousness of Prime Minister Modi's government in making those reforms," he said.

"The reform process has been significant," Kim told reporters at the beginning of the annual meeting of the International Monetary Fund (IMF) and the World Bank in Washington.

"We think that certainly in the medium and long term, the growth will reflect the seriousness of Prime Minister Modi's government in making those reforms," added Kim.

Kim acknowledged the government's work while responding to a question from the Hindu Business line's Surabhi on the recent economic slowdown in India.

The questioner had sought Kim's reaffirmation of his optimism about the Indian economy at a time when GDP growth had fallen to levels around 5.7 per cent, private investments have fallen and the World Bank itself reduced India's growth forecast for 2017 and '18.

"I think that the point that I was making is that our team feels that the slowdown has been the result of waiting for the passage of the goods and services tax. But the goods and services tax, we have to understand, is something that India has been talking for a long time, well before Prime Minister Modi took power. The goods and services tax is going to stop things like trucks being stalled for such a long time in transporting things through India because at every border they have to stop and go through a

complicated tax payment process. The goods and services tax will be very good for Indian growth, but for now, the sense is that companies are waiting until that passes before really making investments and taking action. So, our sense is that this is temporary.

"Prime Minister Modi took a very different approach to our Doing Business report. His approach was: we are going to move up quickly and we're going to do the things that we need to do to reform the business environment. And the actions that he's taken are really quite substantial. So, we'll wait to see what happens on the Doing Business report this year, but we've been very encouraged with the reforms that he has already taken. Now he's know that there are more to do. I won't be specific about them because they have prioritised them for the government, but the reform process has been significant and we think that certainly in the medium and long term, the growth will reflect the seriousness of Prime Minister Modi's government in making those reforms" Kim said.

While the Reserve Bank of India (RBI) has predicted 7.7 per cent growth in the coming quarters, both the World Bank and the IMF have downgraded India's growth projections.

On Wednesday, the World Bank stated that India's GDP may slow down from 8.6 per cent in 2015 to 7 per cent in 2017 because of disruptions by demonetisation and the GST, the IMF has forecast India's growth projection to be 6.7 per cent in 2017.

India likely to be 3rd largest economy by 2028: HSBC report

India needs to broaden its specialisation beyond just IT in business and cricket in sports if it wants to run harder and fly higher the report mentioned.

India is likely to overtake Japan and Germany to become the third largest economy in the next 10 years but needs to be consistent in reforms and focus more on the social sector, British brokerage HSBC has said.

Social capital is "insufficient" in the country and spending on aspects like health and education "is not just desirable for its (India's) own sake, but is also central to economic growth and political stability", it said.

India also needs a lot of focus on ease of doing business and related aspects like contract enforcements.

"In over the next ten years, India will likely surpass Germany and Japan to become the world's third largest economy in nominal USD and the transition will happen even more quickly on a PPP (purchasing power parity) basis," its economists said in a note.

Demographics and macro stability were pointed out as key strengths for the country by the brokerage.

Its estimates show India will be a USD 7 trillion economy in 2028, as compared to less than USD 6 trillion and USD 5 trillion for Germany and Japan, respectively.

Presently, India's GDP is around USD 2.3 trillion (fiscal 2016-17). It stands at the fifth spot in global rankings.

The brokerage said the growth rate, which will be lower in FY18 as compared to the year-ago's 7.1 per cent due to the introduction of Goods and Services Tax (GST), will recover from next year in a sustainable fashion.

It also made a case against "stray reforms", terming them as "harmful".

"There are limits to one-off reforms. India needs to create an ecosystem of continuous change," it said.

Citing the case of GST, it said the informal enterprises that create a bulk of jobs in the country may respond to higher taxation by shutting shop or laying off workmen.

With concerns being raised about jobless growth, it said the e-commerce sector will create 12 million jobs over the next decade, which is half of the 24 million shortfall.

Another avenue of job creation can be the social sector, where a lot of work needs to be done on health and education fronts, it said.

India will continue to be a services oriented economy but needs to pay extra attention on manufacturing and farm sectors as well, it said, adding that it would be desirable to maintain the contribution of manufacturing, agriculture and services at the current levels.

The Indian story will be different from the export- oriented one of China's, it said, pointing out that domestic consumption with over 550 million consumers will be the standout factor.

Apart from services, other hallmarks of the India story over the next decade will be higher investment and capital goods flows as its focus on manufacturing increases, Indian consumers forcing foreign brands to turn 'glocal' and a two- way human capital footprint that will see many skilled people travelling overseas, it said.

"It (India) needs to broaden its specialisation (beyond just IT in business and cricket in sports) if it wants to run harder and fly higher," it said.

BRICS to enhance trade and investment cooperation

The five countries that form the BRICS grouping – Brazil, Russia, India, China and South Africa – have agreed to improve and broaden trade and investment cooperation mechanism and scope, with a view to enhancing economic complementarity and diversification in BRICS countries.

The decision is in line with the cooperative frameworks, roadmaps and outlines for trade and investment facilitation and connectivity and enhanced policy sharing, information exchange, capacity building, through enhanced joint efforts on trade and investment facilitation, trade in services, e-commerce, IPR (in synergy with the cooperation activities among BRICS IP authorities), economic and technical cooperation, SMEs and women economic empowerment set at the 7th BRICS trade ministers meeting.

Towards this, it is proposed to set up a BRICS E-Port Network that will operate on a voluntary basis and the establishment of the BRICS E-commerce Working Group.

China will host an International Import Expo in 2018 and participating business communities in the BRICS countries.

Besides the countries proposed to enhance financial cooperation to better serve the real economy and meet the development needs of BRICS countries.

Towards this, the BRICS finance ministers and central bank governors have formalised a framework on cooperation on public private partnerships (PPP), including through PPP experience exchange and application of the BRICS Good Practices on PPP frameworks.

The countries also proposed better financial market integration among BRICS through promoting the network of financial institutions and the coverage of financial services within BRICS countries, subject to each country's existing regulatory framework and WTO obligations to serve the demand arising from rapid growth of trade and investment among the countries.

Towards this, the countries propose to promote the development of BRICS Local Currency Bond Markets and jointly establish a BRICS Local Currency Bond Fund, as a means of contribution to the capital sustainability of financing in BRICS countries, boosting the development of BRICS domestic and regional bond markets, including by increasing foreign private sector participation, and enhancing financial resilience of BRICS countries.

BRICS countries have committed to further strengthen cooperation among themselves by energising practical cooperation to boost development of BRICS countries and, inter alia, promote exchanges of good practices and experiences on development, and facilitate market inter-linkages as well as infrastructure and financial integration to achieve interconnected development.

The countries also said they would strive towards broad partnerships with emerging market developing countries (EMDCs), and in this context, pursue equal-footed and flexible practices and initiatives for dialogue and cooperation with non-BRICS countries, including through BRICS Plus cooperation.

"We will enhance communication and coordination in improving global economic governance to foster a more just and equitable international economic order. We will work towards enhancement of the voice and representation of BRICS countries and EMDCs in global economic governance and promote an open, inclusive and balanced economic globalisation, thus contributing towards development of EMDCs and providing strong impetus to redressing North-South development imbalances and promoting global growth.

"We will emphasise fairness and justice to safeguard international and regional peace and stability. We will stand firm in upholding a fair and equitable international order based on the central role of the United Nations, the purposes and principles enshrined in the Charter of the United Nations and respect for international law, promoting democracy and the rule of law in

international relations, and making joint efforts to address common traditional and non-traditional security challenges, so as to build a brighter shared future for the global community," the declaration states.

The declaration noted that against the backdrop of more solid global economic growth, enhanced resilience and emerging new drivers, BRICS countries continue to play an important role as engines of global growth.

While the uncertainties and downside risks to global growth persist, the BRICS countries called for greater vigilance in guarding against inward-looking policies and tendencies that are weighing on global growth prospects and market confidence.

The strategy for BRICS economic partnership and initiatives related to its priority areas such as trade and investment, manufacturing and minerals processing, infrastructure connectivity, financial integration, science, technology and innovation, and information and communication technology (ICT) cooperation, among others, remains the foundation for practical cooperation, it said.

"We commit to use all policy tools - fiscal, monetary and structural - and adopt innovation-driven development strategies to enhance resilience and potentials of our economies, so as to contribute to strong, sustainable, balanced and inclusive global growth," it said.

Automation to eat away one third of low skill jobs by 2022

Almost one-third of 'low-skilled' jobs, about 7 lakh, will be lost on account of automation in Indian IT by 2022 says US-based research firm HfS Research.

However, the report also predicts the number of 'medium-skilled' and 'high-skilled' jobs to go up by 1 lakh and 1.9 lakh, respectively. Worldwide, HfS Research said that by 2022, the IT industry would see a net decrease of 7.5% in headcount with countries like the US, UK and India taking a hit.

The report shows a marginal uptake of IT jobs in Philippines.

The research firm cites the aggressive uptake of RPA (Robotic Process Automation) and AI as the primary reasons for the reduction in headcount. It adds that RPA is merely accelerating the elimination of rote jobs while increasing the need of high-skilled jobs by 57%.

While "companies are taking time to build the impact of RPA into service contracts ... Time is on our side to manage the transition and train staff for the future," the report said. "The next five years we can manage, it's the five after that when the impact on labor becomes much more challenging."

The firm has increased the predicted low-skilled job loss numbers from 6.4 lakh at the end of 2021 in a report published last year to 7 lakhs by 2022 in the latest report. In this scenario, the report predicts that 20% of the total workforce needs to be re-skilled to be employable.

World economies ill-prepared for automation, robotisation: WEF

Economies across the world are "ill-prepared" for the next wave of "automation and robotisation" and remain at risk of further shocks, according to the World Economic Forum's latest global competitiveness report.

The Switzerland-based WEF's 2017 Global Competitiveness Index, published, assesses countries' productivity and prosperity based on various factors, including its institutions, infrastructure, education, innovation and labour market efficiency, among others. It showed a sharp divide between major global economies.

"Ten years on from the global financial crisis, the prospects for a sustained economic recovery remain at risk due to a widespread failure on the part of leaders and policy-makers to put in place reforms necessary to underpin competitiveness and bring about much-needed increases in productivity," WEF stated of its findings.

In 2017, the report found that Switzerland retained the top spot as the most competitive economy, closely followed by the US and Singapore. Also in the top 10 were the Netherlands in fourth place,

followed by Germany, Hong Kong, Sweden, the UK (which had fallen from sixth to eighth place), Japan and Finland.

Major BRICS economies lagged far behind the leaders, with China standing at number 27 in the forum's ninth year of competitiveness rankings, Russia at 38, India at 40, South Africa at 61 and Brazil at 80.

There was also much divergence between the high-ranking northern European economies and southern European ones, including Spain (34), Italy (43) and Greece (87).

With the usual suspects populating the rankings again this year, Margareta Drzeniek-Hanouz, head of economic progress at the WEF, told CNBC that there had not been much effort at structural reforms that would improve competitiveness.

"Global growth has been mainly fuelled by monetary policy and low interest rates over the last few years so we do not see much progress on productivity, so that is reflected in the ranking. We should be seeing more (productivity) in order to keep growth going forward," she said.

The organisation said that its 2017 report highlighted three key areas of concern, including the robustness of the financial system, a lack of flexibility in labour markets and an imbalance between investments in technology and efforts to promote their adoption in the wider economy.

Heralding what the organisation has called the Fourth Industrial Revolution – which is characterised by a range of new technologies that are fusing the physical, digital and biological worlds - WEF urged governments to adopt more flexible labour policies as an era of automation and robotisation approaches.

"Another key finding is that competitiveness is enhanced, not weakened, by combining degrees of flexibility within the labour force with adequate protection of workers' rights. With vast numbers of jobs set to be disrupted as a result of automation and robotisation, creating conditions that can withstand economic shock and support workers through transition periods will be vital," it said.

Commenting on the latest WEF report, Klaus Schwab, the organisation's founder and executive chairman, said that "global competitiveness will be more and more defined by the innovative capacity of a country".

"Talents will become increasingly more important than capital and therefore the world is moving from the age of capitalism into the age of talentism. Countries preparing for the Fourth Industrial Revolution and simultaneously strengthening their political, economic and social systems will be the winners in the competitive race of the future," Schwab said.

WEF's Global Competitive Index Top 10 2017-2018:

1) Switzerland 2) United States 3) Singapore 4) Netherlands 5) Germany 6) Hong Kong 7) Sweden 8) United Kingdom 9) Japan 10) Finland
