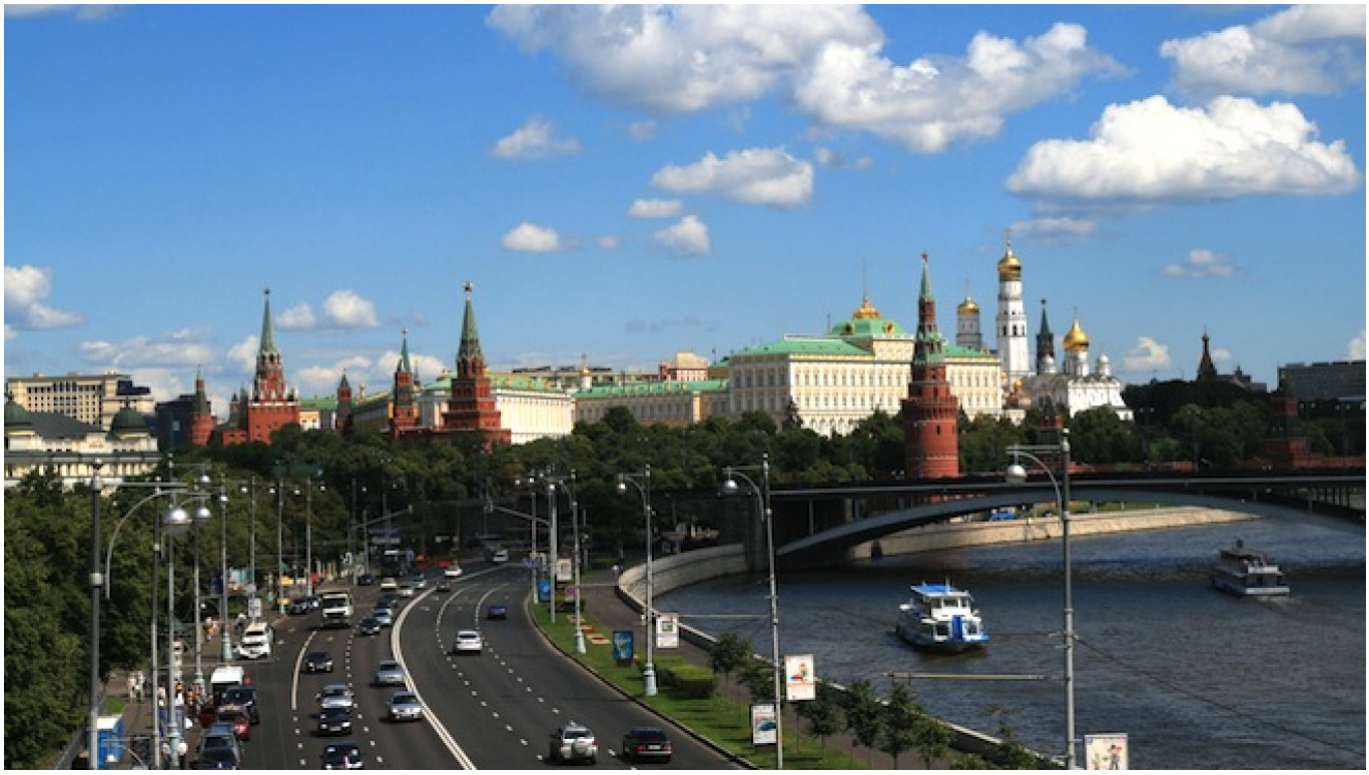
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30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Goes Up 11 Places in Global Competitiveness Rating

By The Moscow Times

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World Economic Forum ranked Russia 39th in terms of infrastructure development and 31st for its macroeconomic environment.

Russia moved up 11 positions to 53rd out of 144 countries in the World Economic Forum's global competitiveness rating for 2014-2015 published Wednesday, putting it between the Philippines and Bulgaria.

World Economic Forum, the same group that stages the annual business conference in the Swiss resort of Davos, said Russia's overall rating was helped partly by improvements made in information and communications technology, and business sophistication.

The organization ranked Russia 39th in terms of infrastructure development and 31st for its macroeconomic environment.

At the same time, "Russian economy continues to face many deeply rooted challenges that

will have to be addressed for the country to strengthen its competitiveness," the authors of the report said.

Russia's financial market was ranked only 110th and its institutional framework — which remains the country's Achilles heel — was 97th, the report said.

The report said Russia needs to eradicate corruption and favoritism, and achieve judicial independence, for which it was ranked 109th.

These challenges prevent Russia from exploiting its competitive strengths, which include a well-educated population, the relatively high level of IT usage in the country, and a high potential for innovation, the report said.

The authors of the report foresee that Russia's standoff with the West over the crisis in Ukraine and mutual sanctions will likely have a negative impact on the country's competitiveness in the future.

"These implications could be especially serious given the reliance of the education and innovation sectors on public funding, which will become more scarce than it has been in previous years and for accessing technology developed abroad," the authors said.

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