

## **STUDY SUMMARY**

**Berlin, September 2<sup>nd</sup>, 2021**  
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# **Digital Riser Report 2021: China and Saudi Arabia top the G20, while Canada, Italy and France are best within the G7**

- **The ranking reveals clear dynamics regarding the two global digital superpowers: while China gained in digital competitiveness, the USA has lost out over the same time period**
- **In Europe, a two-speed transformation continues. While France made significant advances in terms of its digital competitiveness, Germany fell in the same period**
- **Italy was able to improve its position in the Group of Seven from last place in the previous year to second place in 2021**
- **The top Digital Risers have one thing in common: They have followed comprehensive plans with ambitious goals and a focus on entrepreneurship**

**Across the globe, leading industrial countries face new and dynamic competitors. Within the G20, China was able to advance most in its relative digital competitiveness between 2018 and 2020, thus making the country our top “Digital Riser” in this group – followed by Saudi Arabia as the runner-up. Conversely, Germany, Japan and India decreased most within the G20. Canada, Italy and France were the most dynamic Digital Risers within the G7. These are the main results from the Digital Riser Report 2021, devised by the European Center for Digital Competitiveness by ESCP Business School in Berlin.**

**This year sees the second publication of the Digital Riser Report by the European Center for Digital Competitiveness by ESCP Business School. It analyses and ranks the changes that countries around the globe have seen in their digital competitiveness over the last three years. It measures the two core dimensions of digital competitiveness: a country’s ecosystem and its mindset, each based on five items, e.g. “Ease of hiring foreign labour” for the ecosystem dimension and “Attitudes towards entrepreneurial risk” for the mindset dimension. The report is based on data from the Global Competitiveness Report, issued by the World Economic Forum (WEF), as well as supporting data provided by the World Bank and the International Telecommunication Union.**



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BY ESCP BUSINESS SCHOOL

**The Digital Riser Report analyses the progress of 137 countries in relation to the mindset and ecosystem dimensions by looking at absolute, accumulated rank changes between 2018 and 2020. Countries were analysed and compared relative to their peers in terms of regions (e.g. Europe and North America) or group membership (e.g. G20), to ensure the comparability of results relative to a comparative baseline.**

“Despite the wakeup call of the pandemic, our report highlights that digital technologies are still not a priority for many governments”, says Professor Philip Meissner of the European Center for Digital Competitiveness by ESCP Business School. “This is surprising, as the way that governments manage and navigate the digital transition of their economies will determine significantly how competitive and prosperous their countries will be in the decades ahead”. The Digital Riser Report 2021 reveals that leading industrial countries in the G20 have lost out in terms of their digital competitiveness and face new and dynamic competitors.

**Within the G20, China was the top Digital Riser, whilst Germany, Japan and India fell significantly behind**

Within the G20, China was able to advance most in terms of its relative digital competitiveness, thereby making the Middle Kingdom the top “Digital Riser” in this group, followed by Saudi Arabia (+169 ranks) as the runner-up. Conversely, Germany (-176 ranks), Japan (-190 ranks) and India (-396 ranks) decreased most within the G20 between 2018 and 2020. The ranking also reveals clear dynamics regarding the two global digital superpowers, in that it shows that while China gained in digital competitiveness, the USA clearly lost out (-72 ranks) over the same time period (Graph 1). The USA’s demise was mainly driven by the ecosystem dimension of the ranking, most notably “ease of hiring foreign labour,” “time to start a business” and “skillset of graduates.”

**Canada, Italy and France have been the top Digital Risers within the G7 over the last 3 years**

In the G7, Canada (+47 ranks), Italy (+34 ranks) and France (+28 ranks) were the most dynamic Digital Risers (Graph 2). As part of its “Innovation and Skills Plan” lighthouse initiative, Canada’s Strategic Innovation Fund created and maintained more than 70,000 jobs and leveraged a total investment of over \$45 billion. And on top of its successful “La French Tech” lighthouse initiative, France not only announced a stimulus package of €7 billion to promote technology and innovation, but it also supported startups with a €4 billion liquidity support plan.

## **The top Digital Risers followed comprehensive plans with ambitious goals and a focus on entrepreneurship**

“The top Digital Risers in our study share ambitious goals for their transformation efforts as well as a strong focus on entrepreneurship”, says Professor Meissner. For instance, Vietnam was the top digital riser in East Asia and the Pacific in 2021, and its goal is to have the country’s digital economy account for 30 per cent of GDP by 2030.

## **The top Digital Risers reveal a growing divide in the speed of digital transformation, especially in Europe**

In Europe, the two-speed transformation that we witnessed in our previous report continues. While France again made significant advances in terms of its digital competitiveness (+28 ranks), Germany fell quite substantially during the same time period (-176 ranks). “Yet, our results also reveal that change can happen quickly with the right measures”, says Dr. Christian Poensgen of the European Center for Digital Competitiveness by ESCP Business School. By taking bold measures such as its “Repubblica Digitale” lighthouse initiative or the “Italian Startup Act,” Italy, for instance, was able to improve its position in the Group of Seven from last place in the previous year to second place in 2021.

**There are two major differences between the World Economic Forum’s Global Competitiveness Report and the Digital Riser Report. First, whereas the Global Competitiveness Report analyses countries’ overall competitiveness, the Digital Riser Report analyses their digital competitiveness only – as indicated by their digital ecosystem and mindset. Second, whereas the Global Competitiveness Report analyses changes over a one-year timeframe, the Digital Riser Report showcases how countries have fared over the last three years.**

**Apart from the ranking itself, the Digital Riser Report also analyses the policies followed by the top Digital Riser countries. It reveals that all Digital Risers have certain things in common that other governments can learn from when they design their own country’s digital strategy. The study was conducted by Professor Dr. Philip Meissner, Dr. Christian Poensgen and Professor Dr. Klaus Schweinsberg from the European Center for Digital Competitiveness by ESCP Business School.**

The summary of the Digital Riser Report, as well as detailed profiles for each of the top Digital Risers, is available here: [www.digital-competitiveness.eu/digitalriser](http://www.digital-competitiveness.eu/digitalriser)

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## **About the European Center for Digital Competitiveness by ESCP Business School**

The European Center for Digital Competitiveness was founded at ESCP Business School in Berlin with the goal of bringing digital competitiveness to the political and public debate, where it currently only plays a minor role. Given the digital revolution that our economy and society currently face, digital competitiveness must take center stage in debates to secure our prosperity for the future. Similarly, in this increasingly dynamic environment, we want to support the initiative to position Europe as a global leader for the responsible application of technology for the benefit of society.

## **About ESCP Business School**

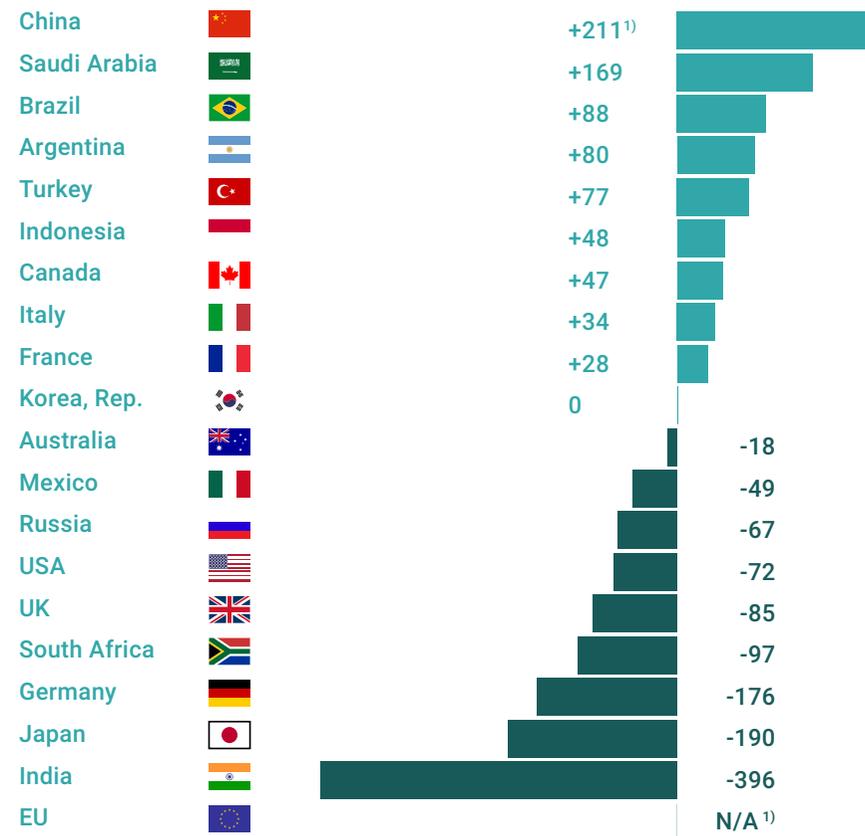
ESCP Business School was founded in 1819. The School has chosen to teach responsible leadership, open to the world and based on European multiculturalism. Six campuses in Berlin, London, Madrid, Paris, Turin and Warsaw are the stepping stones that allow students to experience this European approach to management.

Several generations of entrepreneurs and managers were thus trained in the firm belief that the business world may feed society in a positive way.

This conviction and ESCP's values - excellence, singularity, creativity and plurality - daily guide our mission and build its pedagogical vision.

Every year, ESCP welcomes 7100 students and 5000 managers from 120 different nationalities. Its strength lies in its many business training programmes, both general and specialised (Bachelor, Master, MBA, Executive MBA, PhD and Executive Education), all of which include a multi-campus experience.

**Graph I: Digital Riser Ranking: Group of Twenty (G20)**



<sup>1)</sup> Due to missing data for China on the qualitative indicators used in the study changes in these dimensions represent changes between 2020 and 2017. However given the magnitude of changes observed in China these differences in time do not alter the rankings.

<sup>2)</sup> The EU is not included since it is a collection of countries.

**Graph 2: Digital Riser Ranking: Group of Seven (G7)**

