

## InvestChile Executive Summary

**Report Title: IMD World Digital Competitiveness (WDC) Ranking 2021**

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### What is it?

The IMD World Digital Competitiveness Ranking measures the capacity of different economies to adopt digital technologies to transform themselves. The ranking is based on three factors: Knowledge, Technology, and Future Readiness. The calculation is based on 52 criteria (32 points of hard data and 20 survey replies). This year, 64 countries were included in the report.

### Chile's Ranking

Chile has been the leader in Latin America since 2016, reaching 39th worldwide in 2021. However, the country places third in the Americas overall, since the United States and Canada are also included. During the last six years, Chile's position for each factor is as follows:

Factor	2016	2017	2018	2019	2020	2021
Global Ranking	37	40	37	42	41	39
Knowledge	51	52	47	50	49	49
Technology	34	34	35	41	40	35
Future Readiness	32	33	31	37	39	36

According to the 2021 report, Brazil follows Chile in Latin America, in 51st place, followed by Mexico (56th) and Peru (57th). In every criterion, Chile ranks first.

The analysis indicates that Chile obtained its position due to its performance in the Technology factor, receiving positive evaluations in the Regulatory Framework and Capital sub-factors. Among these, Immigration Laws (5th place) and Investment in Telecommunications (16th place) stand out. These areas were also considered some of the country's strong points in 2019. The Technological Framework sub-factor has also made notable advances over the years; Chile has moved up 10 places in this ranking, from 46th in 2017 to 36th in 2021. In this sub-factor, the best evaluations were given for Broadband Speed and Number of Internet Users. Nevertheless, during the years in which Chile has led the ranking, the best evaluated factor has been Future Readiness. What stands out the most in

this factor is the Adaptive Attitudes sub-factor, specifically the areas of Mobile Devices/Smartphones (9th place) and Attitude towards Globalization (16th place).

In the Knowledge factor, the Talent sub-factor stands out, specifically in the area of Highly-Skilled Foreign Professionals (7th place).

### **What does the IMD ranking measure?**

To succeed in such a rapidly-changing global landscape, a country and its people must be able to embrace and explore new digital technologies that transform government practices, business models, and society in general. This is what the IMD World Digital Competitiveness Ranking measures. In other words, it quantifies the capacity of 64 different economies to use digital technologies to transform themselves. This is evaluated using three factors: Knowledge, Technology, and Future Readiness.

The Knowledge factor refers to the intangible infrastructure that underlies the process of digital transformation through the discovery, understanding and learning of new technologies. This data is collected by measuring the quality of the human capital available in the country, the level of investment in education and research, as well as the results of these investments.

The Technology factor evaluates the general context through which the development of digital technologies is possible. This includes criteria that track the extent to which regulation facilitates innovation in the private sector, the availability of capital for investment, and the quality of existing technology infrastructure.

Finally, the Future Readiness factor examines the degree to which governments, businesses, and society in general are adopting technology.

### **IMD ranking and COVID-19**

This ranking does not specifically measure issues related to the pandemic. However, technology, as argued in the report, has been one of the most important tools for facing the crisis.

For example, countries with better access to advanced computer equipment (broadband or tablets) and services (electronic administration) show a greater use of information technologies (online retail sale). These are all indicators that help measure a country's transition to the new landscape that was implemented to adapt to the pandemic.

The ranking notes that the rapid expansion of digital technology use has also raised the need to carefully investigate how individuals interact with technology. The use of COVID-19 tracking apps was met with some skepticism from citizens around the world. Questions about the ownership of private versus public data, as well as the transparency of both data and its use, are issues that must be closely followed in the digital ecosystem.