China (27th) has gained one place as a result of steady, albeit incremental, improvements to its overall competitiveness score. Since last year, China has made progress in all pillars except its macroeconomic environment and infrastructure. A decline in the former is explained by a worsening of the government budget deficit, which has been slightly higher than the expected target for 2016.7 The score for the infrastructure pillar decreases for the second year in a row, the result in part of a decline in the quality of port infrastructure and the reliability of electricity supply as perceived by the business community.

The largest gains are observed in technological readiness, owing to higher ICT penetration and the extent to which foreign direct investments have been bringing new technologies to China. Despite the remarkable progress already made, further improvement on this front would foster the growth of emerging digital industries and create the conditions necessary to kick-start new ones. Other significant advances have been made in the goods market efficiency pillar as a result of a slight reduction in the number of procedures for starting a business compared to last year.

Note: From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.
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Note: Values are on a 1 to 7 scale unless indicated otherwise. Trend lines depict evolution in values since the 2012-2013 edition (or earliest edition available). For detailed definitions, sources, and periods, consult the interactive Economy Profiles and Rankings at http://gcr.weforum.org.