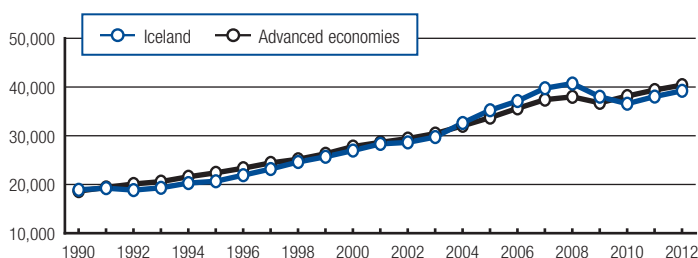


# Iceland

## Key indicators, 2012

Population (millions).....	0.3
GDP (US\$ billions).....	13.7
GDP per capita (US\$).....	41,739
GDP (PPP) as share (%) of world total.....	0.02

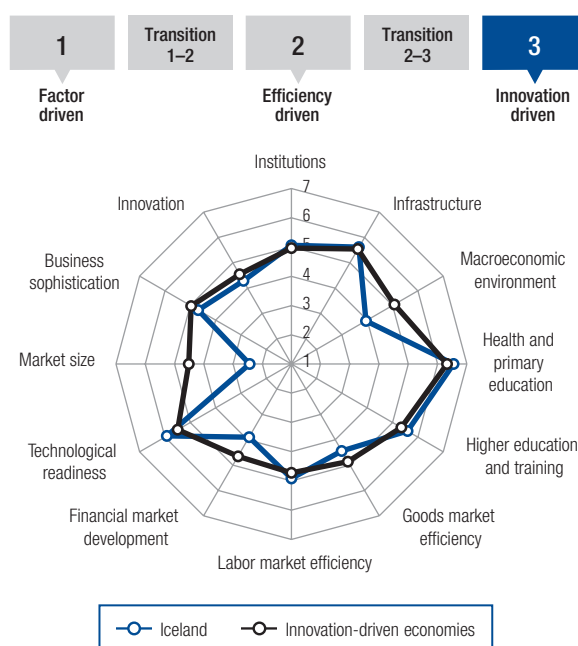
GDP (PPP) per capita (int'l \$), 1990–2012



## Global Competitiveness Index

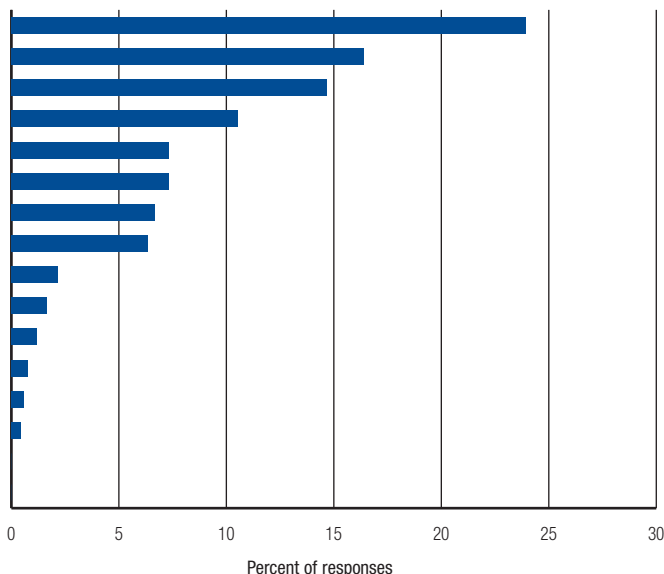
	Rank (out of 148)	Score (1–7)
<b>GCI 2013–2014</b> .....	<b>31</b>	<b>4.7</b>
GCI 2012–2013 (out of 144).....	30	4.7
GCI 2011–2012 (out of 142).....	30	4.7
<b>Basic requirements (20.0%)</b> .....	<b>29</b>	<b>5.3</b>
Institutions.....	22	5.1
Infrastructure.....	17	5.6
Macroeconomic environment.....	118	3.9
Health and primary education.....	9	6.5
<b>Efficiency enhancers (50.0%)</b> .....	<b>35</b>	<b>4.5</b>
Higher education and training.....	12	5.6
Goods market efficiency.....	46	4.4
Labor market efficiency.....	17	4.9
Financial market development.....	80	3.9
Technological readiness.....	10	5.9
Market size.....	130	2.4
<b>Innovation and sophistication factors (30.0%)</b> .....	<b>28</b>	<b>4.5</b>
Business sophistication.....	29	4.7
Innovation.....	27	4.3

### Stage of development



## The most problematic factors for doing business

Foreign currency regulations.....	23.9
Inflation.....	16.4
Access to financing.....	14.7
Tax rates.....	10.5
Government instability/coups.....	7.3
Inefficient government bureaucracy.....	7.3
Tax regulations.....	6.7
Policy instability.....	6.4
Insufficient capacity to innovate.....	2.2
Inadequately educated workforce.....	1.6
Inadequate supply of infrastructure.....	1.2
Poor work ethic in national labor force.....	0.7
Restrictive labor regulations.....	0.6
Corruption.....	0.4
Crime and theft.....	0.0
Poor public health.....	0.0



**Note:** From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

## Iceland

## The Global Competitiveness Index in detail

INDICATOR	VALUE	RANK/148	INDICATOR	VALUE	RANK/148		
<b>1st pillar: Institutions</b>			<b>6th pillar: Goods market efficiency (cont'd)</b>				
1.01	Property rights	5.2	32	6.06	No. procedures to start a business*	5	30
1.02	Intellectual property protection	4.8	29	6.07	No. days to start a business*	5	10
1.03	Diversion of public funds	5.1	22	6.08	Agricultural policy costs	3.2	128
1.04	Public trust in politicians	3.3	48	6.09	Prevalence of trade barriers	4.0	102
1.05	Irregular payments and bribes	6.3	7	6.10	Trade tariffs, % duty*	3.2	43
1.06	Judicial independence	5.6	19	6.11	Prevalence of foreign ownership	3.1	141
1.07	Favoritism in decisions of government officials	3.6	40	6.12	Business impact of rules on FDI	2.7	144
1.08	Wastefulness of government spending	3.8	34	6.13	Burden of customs procedures	5.3	15
1.09	Burden of government regulation	3.9	30	6.14	Imports as a percentage of GDP*	55.2	53
1.10	Efficiency of legal framework in settling disputes	4.7	27	6.15	Degree of customer orientation	5.4	17
1.11	Efficiency of legal framework in challenging regs.	4.5	21	6.16	Buyer sophistication	3.8	42
1.12	Transparency of government policymaking	4.9	26	<b>7th pillar: Labor market efficiency</b>			
1.13	Business costs of terrorism	6.6	5	7.01	Cooperation in labor-employer relations	5.5	12
1.14	Business costs of crime and violence	6.1	9	7.02	Flexibility of wage determination	4.1	128
1.15	Organized crime	6.4	10	7.03	Hiring and firing practices	5.3	5
1.16	Reliability of police services	6.1	9	7.04	Redundancy costs, weeks of salary*	10.1	40
1.17	Ethical behavior of firms	5.5	18	7.05	Effect of taxation on incentives to work	3.0	117
1.18	Strength of auditing and reporting standards	4.8	59	7.06	Pay and productivity	4.1	59
1.19	Efficacy of corporate boards	5.0	29	7.07	Reliance on professional management	5.3	24
1.20	Protection of minority shareholders' interests	4.3	59	7.08	Country capacity to retain talent	4.4	24
1.21	Strength of investor protection, 0–10 (best)*	6.0	41	7.09	Country capacity to attract talent	3.4	73
<b>2nd pillar: Infrastructure</b>			7.10	Women in labor force, ratio to men*	0.94	13	
2.01	Quality of overall infrastructure	6.3	7	<b>8th pillar: Financial market development</b>			
2.02	Quality of roads	5.0	36	8.01	Availability of financial services	4.0	97
2.03	Quality of railroad infrastructure	N/Appl.	n/a	8.02	Affordability of financial services	3.7	102
2.04	Quality of port infrastructure	6.0	8	8.03	Financing through local equity market	3.4	70
2.05	Quality of air transport infrastructure	6.0	13	8.04	Ease of access to loans	2.8	73
2.06	Available airline seat km/week, millions*	123.3	76	8.05	Venture capital availability	2.7	68
2.07	Quality of electricity supply	6.7	7	8.06	Soundness of banks	3.9	132
2.08	Mobile telephone subscriptions/100 pop.*	105.4	84	8.07	Regulation of securities exchanges	4.3	60
2.09	Fixed telephone lines/100 pop.*	57.6	6	8.08	Legal rights index, 0–10 (best)*	7	42
<b>3rd pillar: Macroeconomic environment</b>			<b>9th pillar: Technological readiness</b>				
3.01	Government budget balance, % GDP*	-3.0	76	9.01	Availability of latest technologies	6.4	7
3.02	Gross national savings, % GDP*	9.7	128	9.02	Firm-level technology absorption	6.2	2
3.03	Inflation, annual % change*	5.2	94	9.03	FDI and technology transfer	3.8	124
3.04	General government debt, % GDP*	99.1	137	9.04	Individuals using Internet, %*	96.0	1
3.05	Country credit rating, 0–100 (best)*	50.8	66	9.05	Fixed broadband Internet subscriptions/100 pop.*	34.5	7
<b>4th pillar: Health and primary education</b>			9.06	Int'l Internet bandwidth, kb/s per user*	371.2	5	
4.01	Business impact of malaria	N/Appl.	1	9.07	Mobile broadband subscriptions/100 pop.*	71.7	15
4.02	Malaria cases/100,000 pop.*	(NE)	1	<b>10th pillar: Market size</b>			
4.03	Business impact of tuberculosis	6.8	5	10.01	Domestic market size index, 1–7 (best)*	2.1	132
4.04	Tuberculosis cases/100,000 pop.*	4.8	13	10.02	Foreign market size index, 1–7 (best)*	3.5	116
4.05	Business impact of HIV/AIDS	6.5	11	10.03	GDP (PPP\$ billions)*	12.8	129
4.06	HIV prevalence, % adult pop.*	0.30	60	10.04	Exports as a percentage of GDP*	59.0	33
4.07	Infant mortality, deaths/1,000 live births*	1.7	2	<b>11th pillar: Business sophistication</b>			
4.08	Life expectancy, years*	82.4	4	11.01	Local supplier quantity	4.1	116
4.09	Quality of primary education	5.4	15	11.02	Local supplier quality	5.1	29
4.10	Primary education enrollment, net %*	99.0	22	11.03	State of cluster development	4.0	56
<b>5th pillar: Higher education and training</b>			11.04	Nature of competitive advantage	3.9	45	
5.01	Secondary education enrollment, gross %*	108.0	16	11.05	Value chain breadth	4.2	38
5.02	Tertiary education enrollment, gross %*	78.6	12	11.06	Control of international distribution	5.1	7
5.03	Quality of the educational system	5.1	16	11.07	Production process sophistication	5.2	27
5.04	Quality of math and science education	4.9	24	11.08	Extent of marketing	5.1	27
5.05	Quality of management schools	5.2	22	11.09	Willingness to delegate authority	5.1	10
5.06	Internet access in schools	6.6	1	<b>12th pillar: Innovation</b>			
5.07	Availability of research and training services	4.7	37	12.01	Capacity for innovation	4.1	32
5.08	Extent of staff training	4.7	24	12.02	Quality of scientific research institutions	4.9	28
<b>6th pillar: Goods market efficiency</b>			12.03	Company spending on R&D	3.7	35	
6.01	Intensity of local competition	4.8	83	12.04	University-industry collaboration in R&D	4.8	25
6.02	Extent of market dominance	3.5	92	12.05	Gov't procurement of advanced tech products	3.7	53
6.03	Effectiveness of anti-monopoly policy	4.4	48	12.06	Availability of scientists and engineers	4.7	28
6.04	Effect of taxation on incentives to invest	3.0	124	12.07	PCT patents, applications/million pop.*	95.9	17
6.05	Total tax rate, % profits*	33.0	46				

**Notes:** Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*). For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" on page 97.