Estonia

Key indicators, 2013

Population (millions) .......................................... 1.3
GDP (US$ billions) ............................................... 24.5
GDP per capita (US$) ........................................... 19,032
GDP (PPP) as share (%) of world total ................. 0.03

Global Competitiveness Index

GCI 2014–2015 ...................................................... 29 ..... 4.7
GCI 2013–2014 (out of 148) ..................................... 32 ......4.7
GCI 2012–2013 (out of 144) ..................................... 34 ......4.6
GCI 2011–2012 (out of 142) ..................................... 33 ......4.6

Basic requirements (20.0%) .......................................21 ......5.5
Institutions ......................................................... 26......5.0
Infrastructure ....................................................... 38......4.8
Macroeconomic environment ............................... 20......6.0
Health and primary education .............................. 26......6.3

Efficiency enhancers (50.0%) .....................................27 ......4.7
Higher education and training ................................. 20......5.5
Goods market efficiency ................................. 26......4.9
Labor market efficiency .................................. 11......5.0
Financial market development ........................... 29......4.7
Technological readiness .................................. 29......5.3
Market size ....................................................... 100......3.1

Innovation and sophistication factors (30.0%) ..........34 ......4.1
Business sophistication ........................................ 48......4.3
Innovation ......................................................... 30 ......4.0

The most problematic factors for doing business

Inadequately educated workforce ..............................24.8
Tax rates ..............................................................14.0
Inefficient government bureaucracy ....................... 9.8
Insufficient capacity to innovate .............................. 9.4
Poor work ethic in national labor force .................. 8.2
Access to financing ......................................................8.0
Inadequate supply of infrastructure ......................... 7.1
Restrictive labor regulations .................................. 6.6
Inflation .............................................................. 4.9
Corruption ..............................................................2.0
Tax regulations .........................................................1.8
Poor public health ...................................................1.7
Policy instability .....................................................1.2
Crime and theft .......................................................0.4
Government instability/coups ................................ 0.1
Foreign currency regulations ................................ 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.
## The Global Competitiveness Index in detail

### 1st pillar: Institutions
- **Property rights**
- **Intellectual property protection**
- **Diversion of public funds**
- **Public trust in politicians**
- **Irregular payments and bribes**
- **Judicial independence**
- ** Favoritism in decisions of government officials**
- **Wastefulness of government spending**
- **Burden of government regulation**
- **Efficiency of legal framework in settling disputes**
- **Efficiency of legal framework in challenging rulings**
- **Transparency of government policymaking**
- **Business costs of terrorism**
- **Business costs of crime and violence**
- **Organized crime**
- **Reliability of police services**
- **Ethical behavior of firms**
- **Strength of auditing and reporting standards**
- **Efficacy of corporate boards**
- **Protection of minority shareholders’ interests**
- **Strength of investor protection, 0-10 (best)**

### 2nd pillar: Infrastructure
- **Quality of overall infrastructure**
- **Quality of roads**
- **Quality of railroad infrastructure**
- **Quality of port infrastructure**
- **Quality of air transport infrastructure**
- **Availabilty of air service km/week, millions**
- **Quality of electricity supply**
- **Mobile telephone subscriptions/100 pop.**
- **Fixed telephone lines/100 pop.**

### 3rd pillar: Macroeconomic environment
- **Government budget balance, % GDP**
- **Gross national savings, % GDP**
- **Inflation, annual % change**
- **General government debt, % GDP**
- **Country credit rating, 0-100 (best)**

### 4th pillar: Health and primary education
- **Malaria cases/100,000 pop.**
- **Business impact of malaria**
- **Tuberculosis cases/100,000 pop.**
- **HIV prevalence, % adult pop.**
- **Business impact of tuberculosis**
- **Infant mortality, deaths/1,000 live births**
- **Life expectancy, years**
- **Quality of primary education**
- **Primary education enrollment, net %**

### 5th pillar: Higher education and training
- **Secondary education enrollment, gross %**
- **Tertiary education enrollment, gross %**
- **Quality of the education system**
- **Quality of math and science education**
- **Quality of management schools**
- **Internet access in schools**
- **Availability of research and training services**
- **Extent of staff training**

### 6th pillar: Goods market efficiency
- **Intensity of local competition**
- **Extent of market dominance**
- **Effectiveness of anti-monopoly policy**
- **Effect of taxation on incentives to invest**
- **Total tax rate, % profits**

### 8th pillar: Financial market development
- **Quality of financial services**
- **Financing through local equity market**
- **Ease of access to loans**
- **Financing through local debt market**
- **Availability of financial services**
- **Affordability of financial services**
- **Venture capital availability**
- **Soundness of banks**
- **Regulation of securities exchanges**
- **Legal rights index, 0-10 (best)**

### 9th pillar: Technological readiness
- **Availability of latest technologies**
- **Firm-level technology absorption**
- **FDI and technology transfer**
- **Individuals using Internet, %**
- **Fixed broadband Internet subscriptions/100 pop.**
- **Internet bandwidth, kbs per user**
- **Mobile broadband subscriptions/100 pop.**

### 10th pillar: Market size
- **Domestic market size index, 1-7 (best)**
- **Foreign market size index, 1-7 (best)**
- **GDP (PPP$ billions)**
- **Exports as a percentage of GDP**

### 11th pillar: Business sophistication
- **Local supplier quality**
- **Local supplier quality**
- **State of cluster development**
- **Nature of competitive advantage**
- **Value chain breadth**
- **Control of international distribution**
- **Production process sophistication**
- **Extent of marketing**
- **Willingness to delegate authority**

### 12th pillar: Innovation
- **Capacity for innovation**
- **Quality of scientific research institutions**
- **Company spending on R&D**
- **University-industry collaboration in R&D**
- **Gov't procurement of advanced tech products**
- **Availability of scientists and engineers**
- **PCT patents, applications/million pop.**

**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 101.