

COUNTRY
PROFILE

ICELAND



WORLD COMPETITIVENESS RANKING **2022**

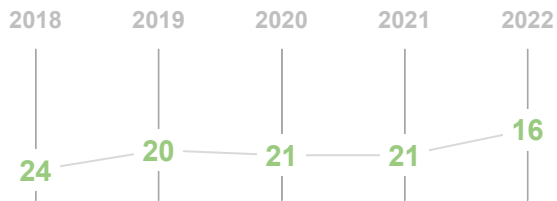
All data are available from the
World Competitiveness Online.

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Iceland

Competitiveness Trends - Overall

OVERALL PERFORMANCE (63 countries)



CHALLENGES IN 2022

- Rising inflation and worsening inflation expectations.
- Global commodity shortages due to supply-chain disruptions.
- Increased labour shortages.
- Increased wage pressure in the forthcoming collective pay agreements.
- Getting tourism back on its feet.

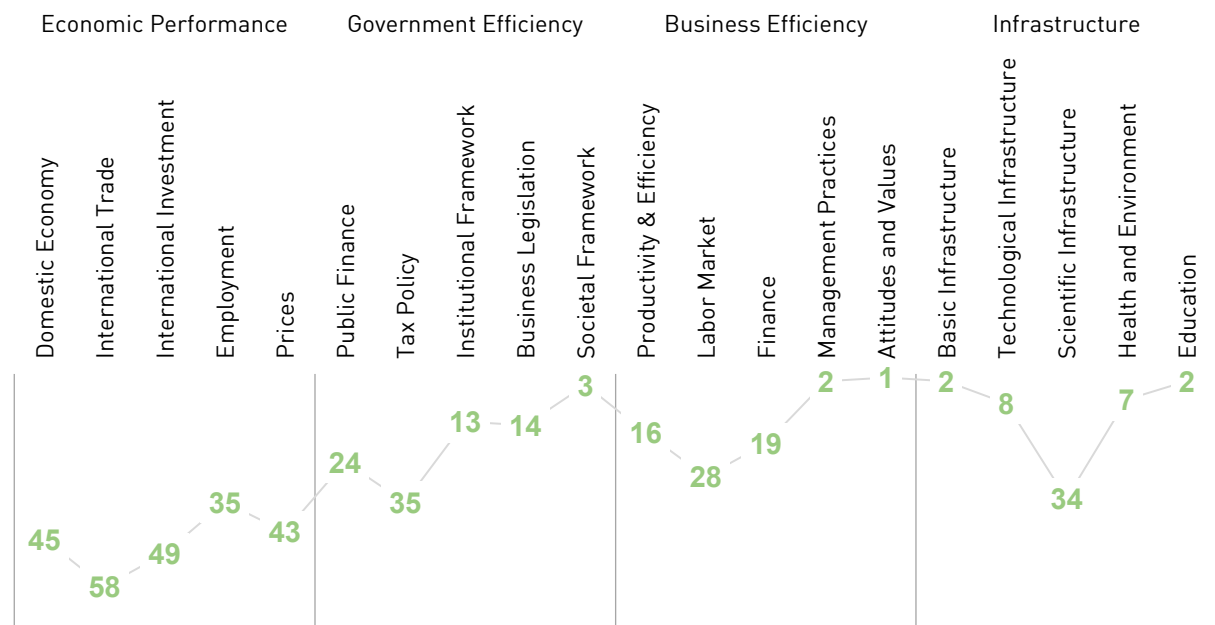
BASIC FACTS

Rank

Indicator	Value	Year	Rank
Capital	Reykjavik		
Land area (square km '000)	103	2021	
Exchange Rate (per \$)	126.989	2021	
Population - market size (millions)	0.37	2021	63
Gross Domestic Product (GDP) (US\$ billions)	25.5	2021	61
GDP (PPP) per capita (US\$)	59,793	2021	13
Real GDP growth (%)	4.3	2021	42
Consumer price inflation (%)	4.45	2021	46
Unemployment rate (%)	6.20	2021	34
Labor force (millions)	0.21	2021	63
Current account balance (% of GDP)	-2.79	2021	52
Direct investment stocks inward (\$bn)	7.5	2020	62
Direct investment flows inward (% of GDP)	-4.75	2020	61

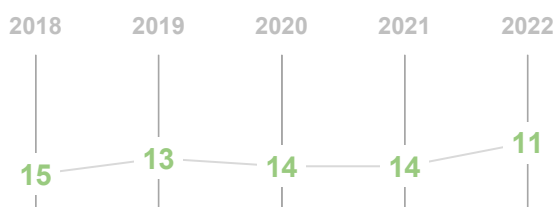
PROVIDED BY: Icelandic Chamber of Commerce, Reykjavik

COMPETITIVENESS LANDSCAPE

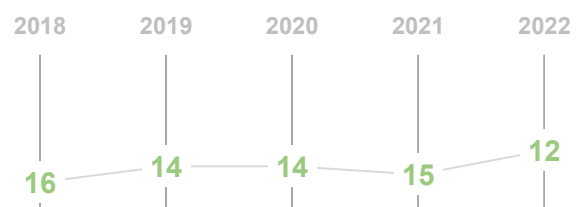


PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (40 countries)



POPULATIONS < 20 MILLION (36 countries)



Iceland

Competitiveness Evolution & Attractiveness Indicators

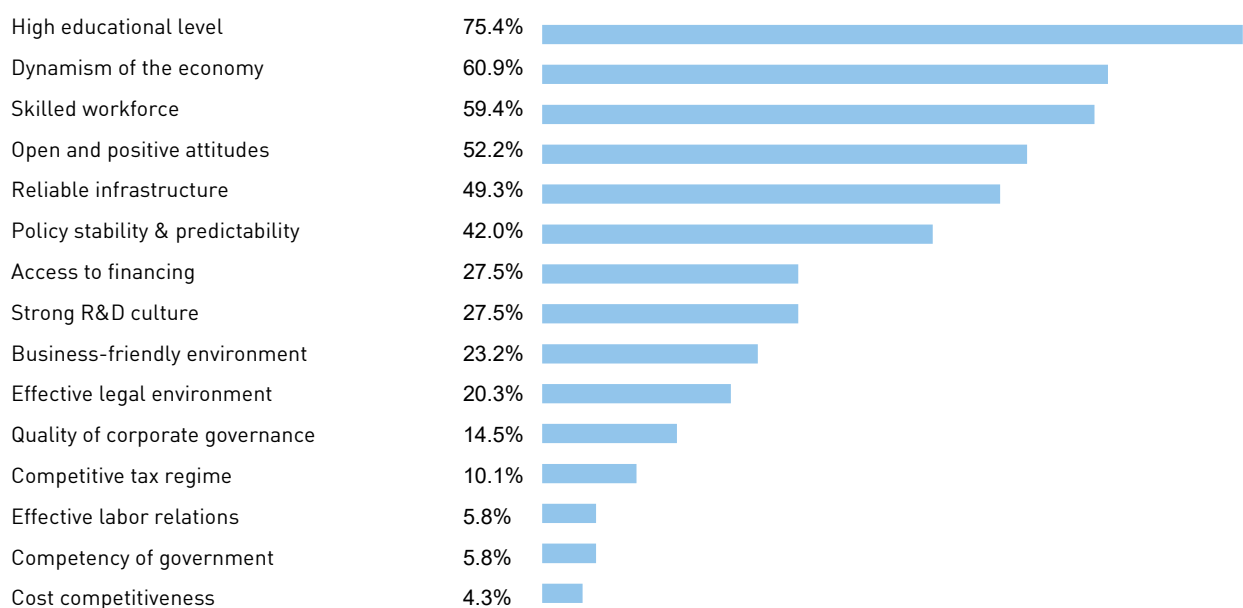
COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY 2021	WCY 2022	DECLINES	WCY 2021	WCY 2022
1.1.18 Gross fixed capital formation - real growth	3.05	13.62	1.2.02 Current account balance	1.05	-2.79
1.1.14 Real GDP growth	-6.7	4.3	1.4.08 Long-term unemployment	0.67	1.39
1.1.15 Real GDP growth per capita	-8.49	3.03	1.2.25 Tourism receipts	10.78	2.95
3.3.10 Stock market capitalization (%)	39.85	78.97	2.5.02 Homicide	0.89	1.47
2.3.08 Exchange rate stability	0.230	0.068	1.5.01 Consumer price inflation	2.85	4.45
1.2.12 Exports of commercial services (\$bn)	2.77	3.67	4.1.20 Electricity costs for industrial clients	0.021	0.033
4.3.19 Medium- and high-tech value added	11.31	14.92	4.1.07 Population - growth	2.00	1.28
2.4.07 Government subsidies	2.07	1.41	3.2.14 Labor force - long-term growth	-3.29	-4.27
1.2.08 Exports of goods (\$bn)	4.59	5.96	1.4.10 Youth exclusion	4.7	6.0
2.4.05 Capital markets	6.39	8.03	4.2.15 High-tech exports (%)	38.08	27.96
3.3.17 Venture capital	5.02	6.18	2.1.02 Government budget surplus/deficit (%)	-7.31	-8.92
2.4.09 State ownership of enterprises	4.73	5.80	1.5.06 Gasoline prices	1.61	1.93
2.4.16 Labor regulations	6.09	7.30	2.5.13 Unemployment rate - gender ratio	0.96	1.14
3.3.08 Stock markets	5.63	6.74	4.5.07 Higher education achievement	47.1	38.3
2.1.08 Tax evasion	5.97	7.13	4.5.17 University education index	46.08	38.04

KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



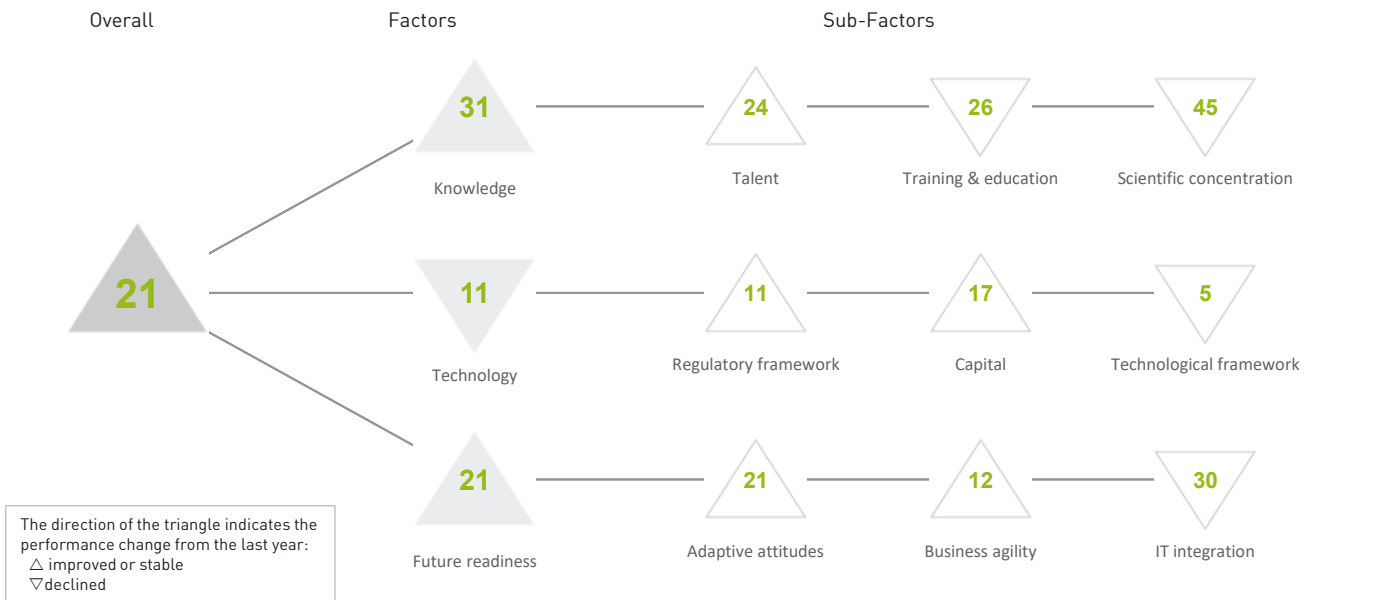
WORLD COMPETITIVENESS DIGITAL RANKING **2022**

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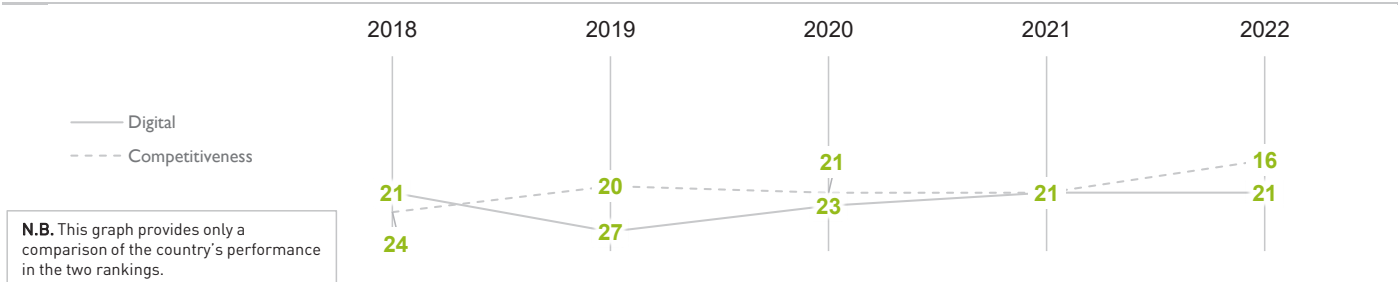
OVERALL PERFORMANCE (63 countries)



OVERALL & FACTORS - 5 years

	2018	2019	2020	2021	2022
OVERALL	21	27	23	21	21
Knowledge	28	29	27	33	31
Technology	18	20	21	10	11
Future readiness	19	26	22	25	21

COMPETITIVENESS & DIGITAL RANKINGS



PEER GROUPS RANKINGS

EUROPE - MIDDLE EAST - AFRICA (40 countries)



POPULATIONS < 20 MILLION (36 countries)



ICELAND

▶ Overall Top Strengths

▷ Overall Top Weaknesses

KNOWLEDGE

Sub-Factors	2018	2019	2020	2021	2022
Talent	37	34	33	35	24
Training & education	18	18	15	22	26
Scientific concentration	35	39	46	39	45

Talent	Rank	Training & education	Rank	Scientific concentration	Rank
Educational assessment PISA - Math	25	Employee training	35	Total expenditure on R&D (%)	13
International experience	35	▶ Total public expenditure on education	04	Total R&D personnel per capita	06
Foreign highly-skilled personnel	34	Higher education achievement	41	Female researchers	13
Management of cities	22	Pupil-teacher ratio (tertiary education)	36	▷ R&D productivity by publication	61
▶ Digital/Technological skills	01	Graduates in Sciences	46	Scientific and technical employment	25
▷ Net flow of international students	56	Women with degrees	21	High-tech patent grants	49
				▷ Robots in Education and R&D	53

TECHNOLOGY

Sub-Factors	2018	2019	2020	2021	2022
Regulatory framework	18	15	15	14	11
Capital	40	39	35	26	17
Technological framework	12	15	16	03	05

Regulatory framework	Rank	Capital	Rank	Technological framework	Rank
Starting a business	32	IT & media stock market capitalization	-	Communications technology	06
Enforcing contracts	25	Funding for technological development	12	Mobile Broadband subscribers	30
Immigration laws	06	Banking and financial services	12	Wireless broadband	09
Development & application of tech.	07	Country credit rating	32	▶ Internet users	03
Scientific research legislation	16	Venture capital	19	Internet bandwidth speed	05
Intellectual property rights	09	Investment in Telecommunications	28	High-tech exports (%)	10

FUTURE READINESS

Sub-Factors	2018	2019	2020	2021	2022
Adaptive attitudes	18	28	25	31	21
Business agility	11	24	19	16	12
IT integration	28	28	27	27	30

Adaptive attitudes	Rank	Business agility	Rank	IT integration	Rank
E-Participation	40	▶ Opportunities and threats	03	E-Government	12
Internet retailing	23	▷ World robots distribution	54	Public-private partnerships	32
Tablet possession	-	▶ Agility of companies	02	Cyber security	17
Smartphone possession	-	Use of big data and analytics	17	Software piracy	34
Attitudes toward globalization	04	Knowledge transfer	18	▷ Government cyber security capacity	52
		Entrepreneurial fear of failure	-	Privacy protection by law content	32

WORLD TALENT RANKING **2022**

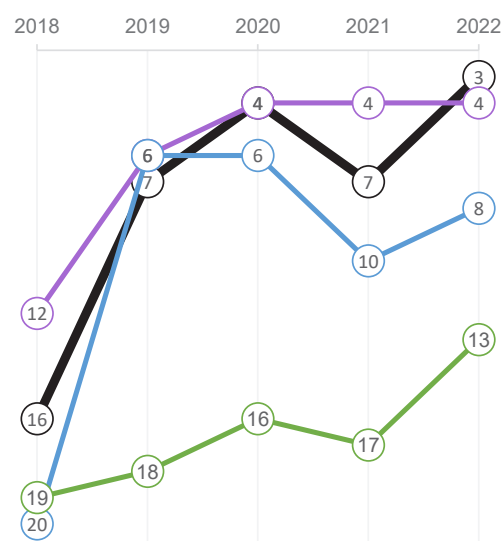
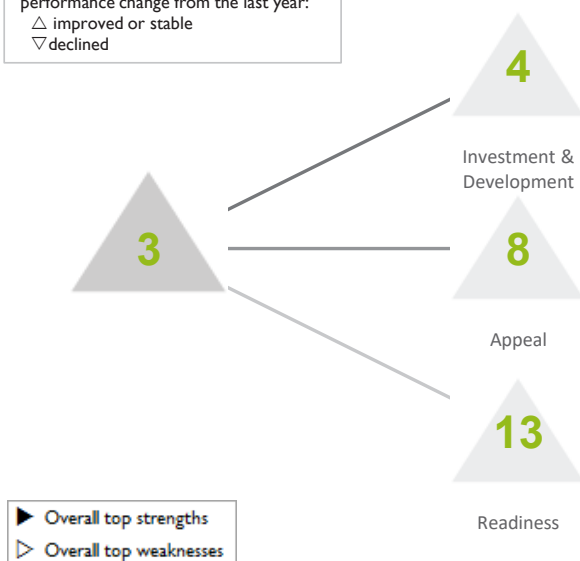
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OVERALL PERFORMANCE (63 countries)

The direction of the triangle indicates the performance change from the last year:
 ▲ improved or stable
 ▼ declined



INVESTMENT & DEVELOPMENT

		Value	2022 Rank
Total public expenditure on education	Percentage of GDP	7.8 %	4
▶ Total public exp. on education per student	Spending per enrolled pupil/student, all levels	16,711 US\$	3
Pupil-teacher ratio (primary education)	Ratio of students to teaching staff	10.46 ratio	8
Pupil-teacher ratio (secondary education)	Ratio of students to teaching staff	9.95 ratio	13
▷ Apprenticeships	are sufficiently implemented	4.81 Survey [0..10]	42
Employee training	is a high priority in companies	6.06 Survey [0..10]	35
Female labor force	Percentage of total labor force	46.11 %	31
Health infrastructure	meets the needs of society	7.19 Survey [0..10]	23

APPEAL

		Value	2022 Rank
Cost-of-living index	Index of a basket of goods & services in the main city, including housing (New York City = 100)	- index	-
Attracting and retaining talents	is a priority in companies	7.91 Survey [0..10]	8
Worker motivation	in companies is high	7.54 Survey [0..10]	6
Brain drain	(well-educated and skilled people) does not hinder competitiveness in your economy	7.26 Survey [0..10]	6
▶ Quality of life	is high	9.71 Survey [0..10]	3
Foreign highly-skilled personnel	are attracted to your country's business environment	5.38 Survey [0..10]	34
▶ Remuneration in services professions	Gross annual income including supplements such as bonuses, US\$	75,088 US\$	2
▷ Remuneration of management	Total base salary plus bonuses and long-term incentives, US\$	87,701 US\$	52
▷ Collected personal income tax	On profits, income and capital gains, as a percentage of GDP	15.34 %	61
Justice	is fairly administered	7.86 Survey [0..10]	11
Exposure to particle pollution	Mean population exposure to PM2.5, Micrograms per cubic metre	6.37 micrograms	5

READINESS

		Value	2022 Rank
Labor force growth	Percentage change	3.07 %	11
▶ Skilled labor	is readily available	6.78 Survey [0..10]	3
▶ Finance skills	are readily available	7.62 Survey [0..10]	3
▷ International experience	of senior managers is generally significant	5.54 Survey [0..10]	35
Competent senior managers	are readily available	6.72 Survey [0..10]	10
Primary and secondary education	meets the needs of a competitive economy	8.32 Survey [0..10]	6
▷ Graduates in Sciences	% of graduates in ICT, Engineering, Math & Natural Sciences	18.17 %	53
University education	meets the needs of a competitive economy	8.49 Survey [0..10]	4
Management education	meets the needs of the business community	7.86 Survey [0..10]	6
Language skills	are meeting the needs of enterprises	8.87 Survey [0..10]	4
Student mobility inbound	Foreign tertiary-level students per 1000 inhabitants	4.49 number	18
Educational assessment - PISA	PISA survey of 15-year olds	481 Average	30

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