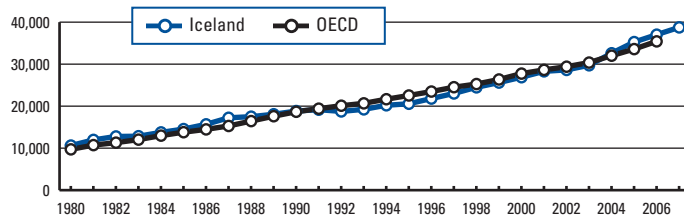


# Iceland

## Key indicators

Total population (millions), 2007 .....	0.3
GDP (US\$ billions), 2007 .....	20.0
GDP per capita (US\$), 2007 .....	63,830.1
GDP (PPP) as share (%) of world total, 2007 .....	0.02

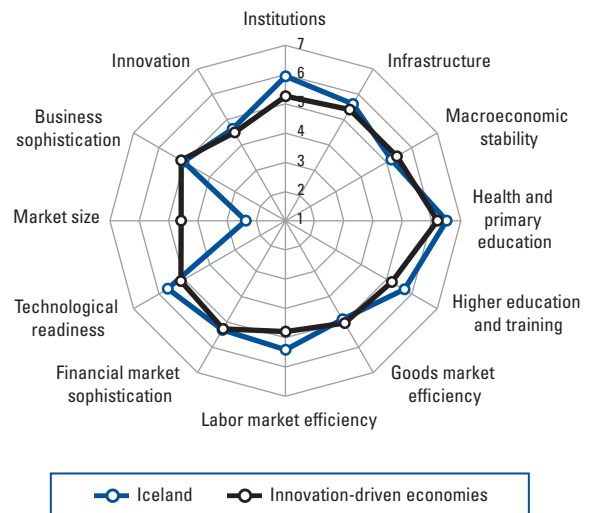
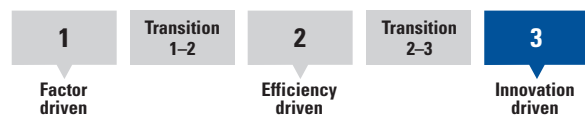
GDP (PPP US\$) per capita, 1980–2007



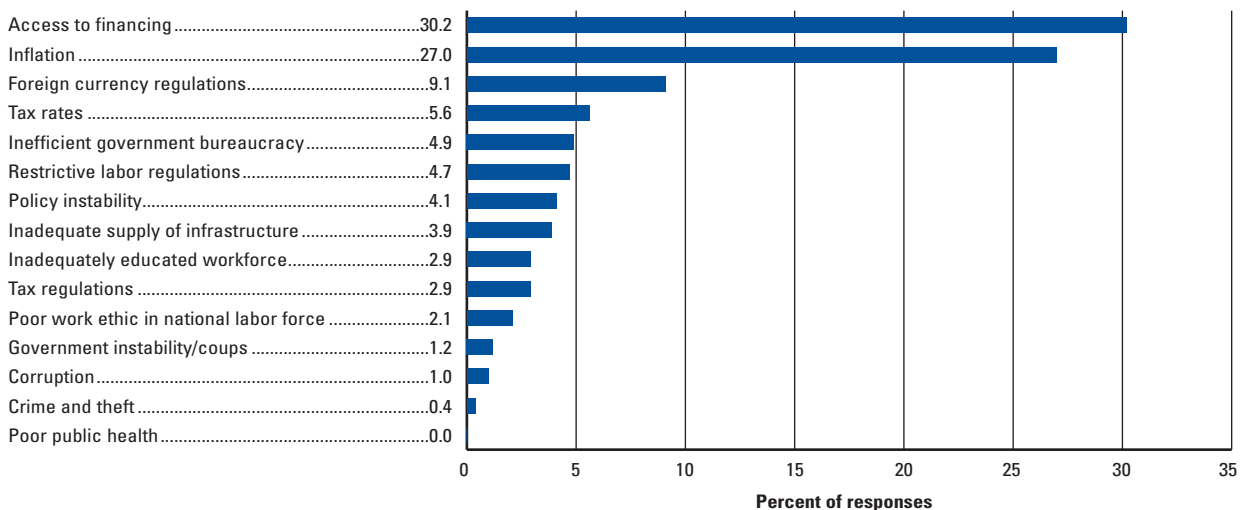
## Global Competitiveness Index

	Rank (out of 134)	Score (1–7)
<b>GCI 2008–2009</b> .....	<b>20</b>	<b>5.0</b>
GCI 2007–2008 (out of 131) .....	23	5.0
GCI 2006–2007 (out of 122) .....	20	5.1
<b>Basic requirements</b> .....	<b>11</b>	<b>5.8</b>
1st pillar: Institutions .....	6	5.9
2nd pillar: Infrastructure .....	17	5.6
3rd pillar: Macroeconomic stability .....	56	5.2
4th pillar: Health and primary education .....	2	6.5
<b>Efficiency enhancers</b> .....	<b>22</b>	<b>4.9</b>
5th pillar: Higher education and training .....	4	5.7
6th pillar: Goods market efficiency .....	27	4.9
7th pillar: Labor market efficiency .....	6	5.4
8th pillar: Financial market sophistication .....	20	5.3
9th pillar: Technological readiness .....	6	5.7
10th pillar: Market size .....	118	2.4
<b>Innovation and sophistication factors</b> .....	<b>19</b>	<b>4.8</b>
11th pillar: Business sophistication .....	20	5.0
12th pillar: Innovation .....	18	4.6

### Stage of development



## The most problematic factors for doing business



Note: From a list of 15 factors, 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

INDICATOR	RANK/134	INDICATOR	RANK/134
<b>1st pillar: Institutions</b>		<b>6th pillar: Goods market efficiency</b>	
1.01 Property rights .....	10	6.01 Intensity of local competition .....	57
1.02 Intellectual property protection .....	8	6.02 Extent of market dominance .....	78
1.03 Diversion of public funds .....	7	6.03 Effectiveness of anti-monopoly policy .....	17
1.04 Public trust of politicians .....	7	6.04 Extent and effect of taxation .....	11
1.05 Judicial independence .....	14	6.05 Total tax rate* .....	14
1.06 Favoritism in decisions of government officials .....	9	6.06 No. of procedures required to start a business* .....	9
1.07 Wastefulness of government spending .....	9	6.07 Time required to start a business* .....	4
1.08 Burden of government regulation .....	3	6.08 Agricultural policy costs .....	128
1.09 Efficiency of legal framework .....	13	6.09 Prevalence of trade barriers .....	81
1.10 Transparency of government policymaking .....	6	6.10 Trade-weighted tariff rate* .....	59
1.11 Business costs of terrorism .....	2	6.11 Prevalence of foreign ownership .....	103
1.12 Business costs of crime and violence .....	2	6.12 Business impact of rules on FDI .....	95
1.13 Organized crime .....	3	6.13 Burden of customs procedures .....	10
1.14 Reliability of police services .....	5	6.14 Degree of customer orientation .....	16
1.15 Ethical behavior of firms .....	6	6.15 Buyer sophistication .....	24
1.16 Strength of auditing and reporting standards .....	18	<b>7th pillar: Labor market efficiency</b>	
1.17 Efficacy of corporate boards .....	23	7.01 Cooperation in labor-employer relations .....	11
1.18 Protection of minority shareholders' interests .....	24	7.02 Flexibility of wage determination .....	97
<b>2nd pillar: Infrastructure</b>		7.03 Non-wage labor costs* .....	43
2.01 Quality of overall infrastructure .....	13	7.04 Rigidity of employment* .....	45
2.02 Quality of roads .....	42	7.05 Hiring and firing practices .....	8
2.03 Quality of railroad infrastructure .....	n/a	7.06 Firing costs* .....	19
2.04 Quality of port infrastructure .....	9	7.07 Pay and productivity .....	29
2.05 Quality of air transport infrastructure .....	11	7.08 Reliance on professional management .....	15
2.06 Available seat kilometers* .....	80	7.09 Brain drain .....	8
2.07 Quality of electricity supply .....	5	7.10 Female participation in labor force* .....	16
2.08 Telephone lines* .....	5	<b>8th pillar: Financial market sophistication</b>	
<b>3rd pillar: Macroeconomic stability</b>		8.01 Financial market sophistication .....	28
3.01 Government surplus/deficit* .....	17	8.02 Financing through local equity market .....	42
3.02 National savings rate* .....	120	8.03 Ease of access to loans .....	18
3.03 Inflation* .....	66	8.04 Venture capital availability .....	21
3.04 Interest rate spread* .....	102	8.05 Restriction on capital flows .....	2
3.05 Government debt* .....	39	8.06 Strength of investor protection* .....	50
<b>4th pillar: Health and primary education</b>		8.07 Soundness of banks .....	36
4.01 Business impact of malaria .....	3	8.08 Regulation of securities exchanges .....	19
4.02 Malaria incidence* .....	1	8.09 Legal rights index* .....	16
4.03 Business impact of tuberculosis .....	2	<b>9th pillar: Technological readiness</b>	
4.04 Tuberculosis incidence* .....	1	9.01 Availability of latest technologies .....	1
4.05 Business impact of HIV/AIDS .....	2	9.02 Firm-level technology absorption .....	1
4.06 HIV prevalence* .....	50	9.03 Laws relating to ICT .....	11
4.07 Infant mortality* .....	2	9.04 FDI and technology transfer .....	93
4.08 Life expectancy* .....	5	9.05 Mobile telephone subscribers* .....	16
4.09 Quality of primary education .....	9	9.06 Internet users* .....	11
4.10 Primary enrollment* .....	25	9.07 Personal computers* .....	19
4.11 Education expenditure* .....	5	9.08 Broadband Internet subscribers* .....	3
<b>5th pillar: Higher education and training</b>		<b>10th pillar: Market size</b>	
5.01 Secondary enrollment* .....	11	10.01 Domestic market size* .....	118
5.02 Tertiary enrollment* .....	13	10.02 Foreign market size* .....	113
5.03 Quality of the educational system .....	5	<b>11th pillar: Business sophistication</b>	
5.04 Quality of math and science education .....	26	11.01 Local supplier quantity .....	48
5.05 Quality of management schools .....	13	11.02 Local supplier quality .....	19
5.06 Internet access in schools .....	3	11.03 State of cluster development .....	44
5.07 Local availability of research and training services .....	17	11.04 Nature of competitive advantage .....	19
5.08 Extent of staff training .....	9	11.05 Value chain breadth .....	27
		11.06 Control of international distribution .....	5
		11.07 Production process sophistication .....	16
		11.08 Extent of marketing .....	23
		11.09 Willingness to delegate authority .....	8
		<b>12th pillar: Innovation</b>	
		12.01 Capacity for innovation .....	17
		12.02 Quality of scientific research institutions .....	23
		12.03 Company spending on R&D .....	17
		12.04 University-industry research collaboration .....	15
		12.05 Gov't procurement of advanced tech products .....	13
		12.06 Availability of scientists and engineers .....	15
		12.07 Utility patents* .....	16

\* Hard data

Note: For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" at the beginning of this chapter.