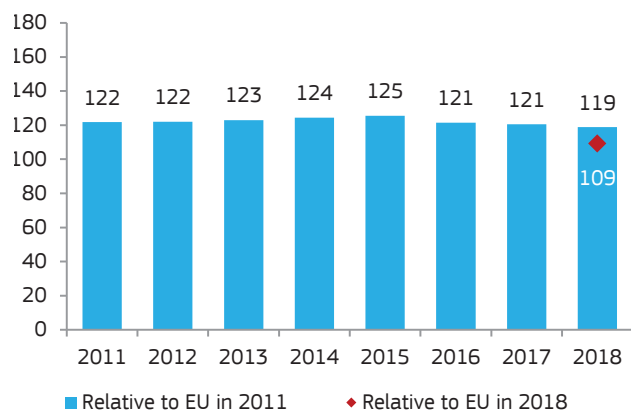




**Iceland** is a **Strong Innovator**. Over time, performance has declined relative to that of the EU in 2011.



*Innovation-friendly environment, Linkages and Attractive research systems* are the strongest innovation dimensions. Iceland scores particularly well on Public-private co-publications, International scientific co-publications, and Lifelong learning. *Sales impacts and Intellectual assets* are the weakest innovation dimensions. Iceland's lowest indicator scores are on Medium and high-tech product exports, Sales of new-to-market and new-to-firm product innovations, and Design applications.

**Structural differences** with the EU are shown in the table below. For several indicators data are not available. GDP per capita, average annual GDP growth and top R&D spending enterprises per 10 million population are well above the EU average. The employment shares in manufacturing and in high and medium high-tech manufacturing, and FDI net inflows are well below the EU average.

Iceland	Relative to EU 2018 in		Performance relative to EU 2011 in	
	2018	2011	2018	2011
<b>SUMMARY INNOVATION INDEX</b>	<b>109.3</b>	<b>121.8</b>	<b>118.9</b>	
<b>Human resources</b>	<b>126.5</b>	<b>141.0</b>	<b>154.7</b>	
New doctorate graduates	37.1	46.2	53.8	
Population with tertiary education	146.9	126.9	175.4	
Lifelong learning	229.6	253.1	234.4	
<b>Attractive research systems</b>	<b>155.0</b>	<b>146.9</b>	<b>174.5</b>	
International scientific co-publications	265.1	353.0	385.6	
Most cited publications	81.0	90.6	88.7	
Foreign doctorate students	176.6	97.8	168.8	
<b>Innovation-friendly environment §</b>	<b>182.3</b>	<b>288.1</b>	<b>288.1</b>	
Broadband penetration	N/A	N/A	N/A	
Opportunity-driven entrepreneurship	187.0	242.2	242.2	
<b>Finance and support §</b>	<b>104.8</b>	<b>116.6</b>	<b>114.6</b>	
R&D expenditure in the public sector	114.1	107.5	105.6	
Venture capital expenditures	N/A	N/A	N/A	
<b>Firm investments §</b>	<b>100.6</b>	<b>119.0</b>	<b>119.9</b>	
R&D expenditure in the business sector	99.3	79.4	113.7	
Non-R&D innovation expenditures	N/A	N/A	N/A	
Enterprises providing ICT training	105.3	166.7	133.3	
<b>Innovators §</b>	<b>127.8</b>	<b>145.7</b>	<b>116.1</b>	
SMEs product/process innovations	138.2	169.6	134.1	
SMEs marketing/organizational innovations	113.7	120.4	97.0	
SMEs innovating in-house	N/A	N/A	N/A	
<b>Linkages</b>	<b>166.0</b>	<b>172.0</b>	<b>172.4</b>	
Innovative SMEs collaborating with others	203.5	163.1	217.3	
Public-private co-publications	290.6	369.7	340.9	
Private co-funding of public R&D exp.	69.8	93.5	67.0	
<b>Intellectual assets</b>	<b>61.8</b>	<b>68.3</b>	<b>60.1</b>	
PCT patent applications	66.9	90.5	60.8	
Trademark applications	86.2	93.0	96.1	
Design applications	32.5	25.1	29.9	
<b>Employment impacts §</b>	<b>140.0</b>	<b>133.3</b>	<b>146.2</b>	
Employment in knowledge-intensive activities	160.0	159.0	174.4	
Employment fast-growing enterprises	N/A	N/A	N/A	
<b>Sales impacts</b>	<b>31.6</b>	<b>55.2</b>	<b>32.5</b>	
Medium and high-tech product exports	0.0	0.0	0.0	
Knowledge-intensive services exports	67.1	84.9	69.3	
Sales of new-to-market/firm innovations	29.8	86.4	28.9	

The colours show normalised performance in 2018 relative to that of the EU in 2018: dark green: above 120%; light green: between 90% and 120%; yellow: between 50% and 90%; orange: below 50%. Normalised performance uses the data after a possible imputation of missing data and transformation of the data

§ Due to missing data, the relative dimension score does not necessarily reflect that of the indicators.

	IS	EU
<b>Performance and structure of the economy</b>		
GDP per capita (PPS)	38,000	29,500
Average annual GDP growth (%)	4.6	2.2
Employment share manufacturing (NACE C) (%)	10.0	15.5
of which High and medium high-tech (%)	15.3	37.5
Employment share services (NACE G-N) (%)	44.6	41.8
of which Knowledge-intensive services (%)	39.8	35.0
Turnover share SMEs (%)	n/a	37.9
Turnover share large enterprises (%)	n/a	44.4
Foreign-controlled enterprises – share of value added (%)	n/a	12.6
<b>Business and entrepreneurship</b>		
Enterprise births (10+ employees) (%)	1.5	1.5
Total Entrepreneurial Activity (TEA) (%)	n/a	6.7
FDI net inflows (% GDP)	0.8	4.3
Top R&D spending enterprises per 10 million population	30.0	19.6
Buyer sophistication (1 to 7 best)	4.1	3.7
<b>Governance and policy framework</b>		
Ease of starting a business (0 to 100 best)	79.3	76.8
Basic-school entrepren. education and training (1 to 5 best)	n/a	1.9
Govt. procurement of advanced tech products (1 to 7 best)	3.6	3.5
Rule of law (-2.5 to 2.5 best)	1.6	1.2
<b>Demography</b>		
Population size (millions)	0.3	511.3
Average annual population growth (%)	2.4	0.2
Population density (inhabitants/km <sup>2</sup> )	3.3	117.5