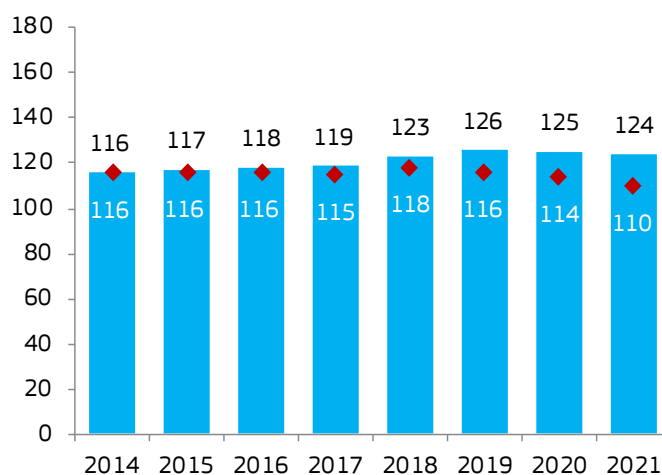




Iceland is a Strong Innovator.

Over time, performance relative to the EU has decreased.



■ Relative to EU in base year ◆ Relative to EU in same year

Structural differences with the EU are shown in the table below including, compared to the EIS 2020, new information on different types of (innovating) enterprises (Innovation profiles) and environmental indicators.

	IS	EU
Performance and structure of the economy		
GDP per capita (PPS)	40,100	30,800
Average annual GDP growth (%)	-3.8	-2.5
Employment share Manufacturing (NACE C) (%)	7.7	16.5
of which High and Medium high-tech (%)	31.0	37.9
Employment share Services (NACE G-N) (%)	38.5	41.2
of which Knowledge-intensive services (%)	38.7	35.1
Turnover share SMEs (%)	n/a	36.5
Turnover share large enterprises (%)	n/a	45.7
Foreign-controlled enterprises – share of value added (%)	n/a	11.8
Business and entrepreneurship		
Enterprise births (10+ employees) (%)	1.0	1.0
Total Entrepreneurial Activity (TEA) (%)	n/a	6.7
FDI net inflows (% GDP)	-19.9	2.0
Top R&D spending enterprises per 10 million population	9.3	16.2
Buyer sophistication (1 to 7 best)	4.1	3.7
Innovation profiles		
In-house product innovators with market novelties	n/a	10.7
In-house product innovators without market novelties	n/a	12.3
In-house business process innovators	n/a	11.0
Innovators that do not develop innovations themselves	n/a	11.6
Innovation active non-innovators	n/a	3.3
Non-innovators with potential to innovate	n/a	19.9
Non-innovators without disposition to innovate	n/a	31.3
Governance and policy framework		
Ease of starting a business (0 to 100 best)	79.0	76.5
Basic school entrepreneurial education and training	n/a	2.0
Govt. procurement of advanced tech. products	3.6	3.5
Rule of law (-2.5 to 2.5 best)	1.7	1.1
Climate change indicators		
Circular material use rate	n/a	11.7
Greenhouse gas emissions intensity of energy consumption	47.3	86.6
Demography		
Population size	0.4	446.7
Average annual population growth (%)	2.2	0.1
Population density	3.5	108.8

Iceland's strengths are in *Linkages*, *Attractive research systems* and *Finance and support*. The top-3 indicators include International scientific co-publications, Public-private co-publications, and Lifelong learning.

In the most recent years innovation performance is declining, which is mostly due to reduced performance for Doctorate graduates, Business R&D expenditures, Product and Business process innovators, Job-to-job mobility of HRST, Design applications, and Employment in knowledge-intensive activities.

Iceland is showing a above average performance on Greenhouse gas emissions.

Iceland	Relative to EU 2021 in 2021	Relative to EU 2014 in 2014	Relative to EU 2021 in 2021
SUMMARY INNOVATION INDEX	109.9	115.8	123.7
Human resources	132.6	139.1	140.5
Doctorate graduates	48.1	54.0	42.6
Population with tertiary education	157.7	140.5	203.3
Lifelong learning	215.2	282.2	236.7
Attractive research systems	157.6	166.5	177.4
International scientific co-publications	211.4	277.2	277.2
Most cited publications	101.6	107.6	99.8
Foreign doctorate students	179.4	148.9	213.0
Digitalisation	148.6	173.1	205.5
Broadband penetration	114.2	114.0	173.2
People with above basic overall digital skills	200.0	244.4	244.4
Finance and support	156.7	113.4	186.7
R&D expenditures in the public sector	150.9	101.8	145.6
Venture capital expenditures	N/A	N/A	N/A
Government support for business R&D	158.2	93.0	183.0
Firm investments	61.3	69.8	74.0
R&D expenditure in the business sector	77.3	70.9	85.8
Non-R&D Innovation expenditures	67.9	77.2	77.2
Innovation expenditures per employee	47.7	62.9	62.9
Use of information technologies	147.8	122.2	170.7
Enterprises providing ICT training	186.7	133.3	186.7
Employed ICT specialists	114.3	109.5	152.4
Innovators	101.7	159.0	139.1
Product innovators (SMEs)	95.4	184.3	134.6
Business process innovators (SMEs)	107.6	136.6	143.1
Linkages	197.3	251.6	266.0
Innovative SMEs collaborating with others	191.5	256.1	280.7
Public-private co-publications	293.5	329.1	329.1
Job-to-job mobility of HRST	144.6	189.7	207.7
Intellectual assets	64.2	82.1	55.6
PCT patent applications	110.7	81.2	96.1
Trademark applications	68.9	135.8	72.3
Design applications	5.1	30.0	3.5
Employment impacts	127.8	150.3	130.1
Employment in knowledge-intensive activities	119.5	157.3	130.7
Employment in innovative enterprises	134.4	145.3	129.8
Sales impacts	34.0	40.3	34.7
Medium and high tech goods exports	0.0	0.0	0.0
Knowledge-intensive services exports	68.4	89.0	72.5
Sales of innovative products	40.6	35.3	35.3
Environmental sustainability	68.2	58.3	71.0
Resource productivity	74.1	108.0	109.7
Air emissions by fine particulate matter	59.8	55.5	63.6
Environment-related technologies	76.7	32.4	57.6

The colours show normalised performance in 2021 relative to that of the EU in 2021: dark green: above 125%; light green: between 100% and 125%; yellow: between 70% and 100%; orange: below 70%. Normalised performance uses the data after a possible imputation of missing data and transformation of the data.