ICELAND

17th  Iceland ranks 17th among the 132 economies featured in the GII 2021.

The Global Innovation Index (GII) ranks world economies according to their innovation capabilities. Consisting of roughly 80 indicators, grouped into innovation inputs and outputs, the GII aims to capture the multi-dimensional facets of innovation.

The following table shows the rankings of Iceland over the past three years, noting that data availability and changes to the GII model framework influence year-on-year comparisons of the GII rankings. The statistical confidence interval for the ranking of Iceland in the GII 2021 is between ranks 16 and 18.

<table>
<thead>
<tr>
<th></th>
<th>GII</th>
<th>Innovation inputs</th>
<th>Innovation outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>17</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>2020</td>
<td>21</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>2019</td>
<td>20</td>
<td>22</td>
<td>18</td>
</tr>
</tbody>
</table>

• Iceland performs better in innovation outputs than innovation inputs in 2021.
• This year Iceland ranks 20th in innovation inputs, higher than both 2020 and 2019.
• As for innovation outputs, Iceland ranks 16th. This position is higher than both 2020 and 2019.

16th  Iceland ranks 16th among the 51 high-income group economies.

9th  Iceland ranks 9th among the 39 economies in Europe.
EXPECTED VS. OBSERVED INNOVATION PERFORMANCE

The bubble chart below shows the relationship between income levels (GDP per capita) and innovation performance (GII score). The trend line gives an indication of the expected innovation performance according to income level. Economies appearing above the trend line are performing better than expected and those below are performing below expectations.

Relative to GDP, Iceland’s performance is above expectations for its level of development.
EFFECTIVELY TRANSLATING INNOVATION INVESTMENTS INTO INNOVATION OUTPUTS

The chart below shows the relationship between innovation inputs and innovation outputs. Economies above the line are effectively translating costly innovation investments into more and higher-quality outputs.

Iceland produces more innovation outputs relative to its level of innovation investments.

Innovation input to output performance
BENCHMARKING AGAINST OTHER HIGH-INCOME GROUP ECONOMIES AND EUROPE

The seven GII pillar scores for Iceland

High-income group economies

Iceland performs above the high-income group average in all GII pillars.

Europe

Iceland performs above the regional average in all GII pillars.
Iceland performs best in Creative outputs and its weakest performance is in Infrastructure, Market sophistication, and Knowledge and technology outputs.

The seven GII pillar ranks for Iceland

Creative outputs - 10
Institutions - 14
Global Innovation Index 2021 - 17
Business sophistication - 18
Human capital and research - 23
Knowledge and technology outputs - 25
Market sophistication - 25
Infrastructure - 25

Note: The highest possible ranking in each pillar is one.
INNOVATION STRENGTHS AND WEAKNESSES

The table below gives an overview of the strengths and weaknesses of Iceland in the GII 2021.

**Strengths and weaknesses for Iceland**

<table>
<thead>
<tr>
<th>Code</th>
<th>Indicator name</th>
<th>Rank</th>
<th>Code</th>
<th>Indicator name</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1</td>
<td>Expenditure on education, % GDP</td>
<td>4</td>
<td>2.2.2</td>
<td>Graduates in science and engineering, %</td>
<td>82</td>
</tr>
<tr>
<td>3.1.1</td>
<td>ICT access</td>
<td>4</td>
<td>2.3.4</td>
<td>QS university ranking, top 3</td>
<td>74</td>
</tr>
<tr>
<td>3.1.2</td>
<td>ICT use</td>
<td>4</td>
<td>3.3.1</td>
<td>GDP/unit of energy use</td>
<td>123</td>
</tr>
<tr>
<td>3.2.1</td>
<td>Electricity output, GWh/mn pop.</td>
<td>1</td>
<td>4.1.1</td>
<td>Ease of getting credit</td>
<td>88</td>
</tr>
<tr>
<td>5.2.3</td>
<td>GERD financed by abroad, % GDP</td>
<td>1</td>
<td>4.3</td>
<td>Trade, diversification, and market scale</td>
<td>96</td>
</tr>
<tr>
<td>6.1.4</td>
<td>Scientific and technical articles/bn PPP$GDP</td>
<td>1</td>
<td>4.3.2</td>
<td>Domestic industry diversification</td>
<td>88</td>
</tr>
<tr>
<td>7.2.2</td>
<td>National feature films/mn pop. 15–69</td>
<td>1</td>
<td>4.3.3</td>
<td>Domestic market scale, bn PPP$</td>
<td>129</td>
</tr>
<tr>
<td>7.3</td>
<td>Online creativity</td>
<td>1</td>
<td>5.3.2</td>
<td>High-tech imports, % total trade</td>
<td>101</td>
</tr>
<tr>
<td>7.3.1</td>
<td>Generic top-level domains (TLDs)/th pop.15–69</td>
<td>1</td>
<td>5.3.4</td>
<td>FDI net inflows, % GDP</td>
<td>131</td>
</tr>
<tr>
<td>7.3.2</td>
<td>Country-code TLDs/th pop. 15–69</td>
<td>5</td>
<td>6.2.5</td>
<td>High-tech manufacturing, %</td>
<td>75</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Wikipedia edits/mn pop. 15–69</td>
<td>5</td>
<td>7.2.5</td>
<td>Creative goods exports, % total trade</td>
<td>105</td>
</tr>
</tbody>
</table>
## The Global Innovation Index 2021

### Iceland

<table>
<thead>
<tr>
<th>Output rank</th>
<th>Input rank</th>
<th>Income</th>
<th>Region</th>
<th>Population (mn)</th>
<th>GDP, PPP$ (bn)</th>
<th>GDP per capita, PPP$</th>
<th>GII 2021 rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>20</td>
<td>High</td>
<td>EUR</td>
<td>0.3</td>
<td>19.8</td>
<td>54,482</td>
<td>17</td>
</tr>
</tbody>
</table>

### Institutions

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>86.8</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

#### 1.1 Political environment
- 86.0 | 13 |
- 89.3 | 6  |
- 84.4 | 15 |

#### 1.2 Regulatory environment
- 88.2 | 15 |
- 79.4 | 19 |
- 93.3 | 11 |
- 13.0 | 40 |

#### 1.3 Business environment
- 86.3 | 15 |
- 90.6 | 54 |
- 82.0 | 11 |

### Human capital and research

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.7</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

#### 2.1 Education
- 72.2 | 7   |
- 86.2 | 4   |
- 80.3 | 8   |
- 94.2 | 12  |

#### 2.2 Tertiary education
- 75.4 | 28  |
- 13.1 | 58  |
- 27.3 | 12  |
- 0.0  | 74  |

### Infrastructure

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>54.5</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

#### 3.1 Information and communication technologies (ICTs)
- 84.7 | 23  |
- 98.2 | 4   |
- 79.4 | 4   |
- 77.4 | 51  |

### Market sophistication

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>56.8</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.1 Credit
- 46.0 | 46  |
- 55.0 | 38  |
- 96.6 | 23  |
- 64.2 | 14  |

#### 4.2 Investment
- 64.8 | 12  |
- 72.0 | 27  |
- 0.2  | 6   |

### Business sophistication

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.4</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.1 Knowledge workers
- 58.9 | 19  |
- 50.4 | 8   |
- n/a  | n/a |
- 1.6  | 13  |
- 3.8  | 45  |
- 25.9 | 11  |
- 58.5 | 8   |
- 58.8 | 26  |
- 50.3 | 45  |
- 0.7  | 1   |
- 0.2  | 17  |
- 2.3  | 16  |
- 33.9 | 46  |
- 1.1  | 34  |
- 5.8  | 101 |
- 3.1  | 8   |
- n/a  | n/a |
- 42.7 | 31  |

#### 6.1 Knowledge creation
- 50.9 | 13  |
- 4.6  | 19  |
- 2.6  | 15  |
- n/a  | n/a |
- 65.0 | 1  |
- 19.8 | 42  |
- 28.4 | 69  |
- 2.4  | 10  |
- 0.3  | 48  |
- 3.4  | 69  |
- 15.0 | 75  |
- 31.8 | 30  |
- 2.4  | 10  |
- n/a  | n/a |
- 2.9  | 49  |
- 3.6  | 24  |

#### 7.1 Intangible assets
- 51.3 | 17  |
- 61.9 | 33  |
- n/a  | n/a |
- 0.8  | 76  |
- 75.5 | 13  |
- 27.6 | 29  |
- 1.1  | 54  |
- 55.3 | 3  |
- 1.3  | 33  |
- 0.1  | 152 |
- 72.5 | 1  |
- 100.0 | 1  |
- 94.5 | 5  |
- 85.5 | 5  |
- 5.0  | 56  |

### Creative outputs

<table>
<thead>
<tr>
<th>Score</th>
<th>Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.7</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

#### 7.1 Cultural and creative services exports, % total trade
- 9.4  | 82  |
- n/a  | n/a |
- n/a  | n/a |
- 1.5  | 82  |
- n/a  | n/a |
- 72.5 | 1   |
- 100.0 | 1  |
- 94.5 | 5  |
- n/a  | n/a |
- 5.0  | 56  |
DATA AVAILABILITY

The following tables list data that are either missing or outdated for Iceland.

### Missing data for Iceland

<table>
<thead>
<tr>
<th>Code</th>
<th>Indicator name</th>
<th>Economy year</th>
<th>Model year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.3</td>
<td>Microfinance gross loans, % GDP</td>
<td>n/a</td>
<td>2018</td>
<td>Microfinance Information Exchange</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Market capitalization, % GDP</td>
<td>n/a</td>
<td>2019</td>
<td>World Federation of Exchanges</td>
</tr>
<tr>
<td>5.1.2</td>
<td>Firms offering formal training, %</td>
<td>n/a</td>
<td>2019</td>
<td>World Bank</td>
</tr>
<tr>
<td>6.1.3</td>
<td>Utility models by origin/bn PPP$ GDP</td>
<td>n/a</td>
<td>2019</td>
<td>World Intellectual Property Organization</td>
</tr>
<tr>
<td>6.3.2</td>
<td>Production and export complexity</td>
<td>n/a</td>
<td>2018</td>
<td>Growth Lab, Harvard University</td>
</tr>
<tr>
<td>7.1.2</td>
<td>Global brand value, top 5,000, % GDP</td>
<td>n/a</td>
<td>2020</td>
<td>Brand Finance</td>
</tr>
<tr>
<td>7.2.3</td>
<td>Entertainment and media market/th pop. 15–69</td>
<td>n/a</td>
<td>2020</td>
<td>PwC</td>
</tr>
</tbody>
</table>

### Outdated data for Iceland

<table>
<thead>
<tr>
<th>Code</th>
<th>Indicator name</th>
<th>Economy year</th>
<th>Model year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.5</td>
<td>Pupil-teacher ratio, secondary</td>
<td>2018</td>
<td>2019</td>
<td>UNESCO Institute for Statistics</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Researchers, FTE/mn pop.</td>
<td>2018</td>
<td>2019</td>
<td>UNESCO Institute for Statistics; Eurostat; OECD - Main Science and Technology Indicators</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Domestic industry diversification</td>
<td>2017</td>
<td>2018</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>5.3.5</td>
<td>Research talent, % in businesses</td>
<td>2018</td>
<td>2019</td>
<td>UNESCO Institute for Statistics; Eurostat; OECD - Main Science and Technology Indicators</td>
</tr>
</tbody>
</table>
The Global Innovation Index (GII) is published by the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations.

Recognizing that innovation is a key driver of economic development, the GII aims to provide an innovation ranking and rich analysis referencing around 130 economies. Over the last decade, the GII has established itself as both a leading reference on innovation and a “tool for action” for economies that incorporate the GII into their innovation agendas.

The Index is a ranking of the innovation capabilities and results of world economies. It measures innovation based on criteria that include institutions, human capital and research, infrastructure, credit, investment, linkages; the creation, absorption and diffusion of knowledge; and creative outputs.

The GII has two sub-indices: the Innovation Input Sub-Index and the Innovation Output Sub-Index, and seven pillars, each consisting of three sub-pillars.