

## Lisbon Review 2006 Highlights

- **Denmark is the most competitive economy** as measured by the Lisbon criteria, followed by Finland and Sweden. All three of these countries score high across the board, particularly in such areas as innovation and R&D, social inclusion and measures of sustainable development.
- **The United Kingdom is the best performer in financial services**, which one would expect, given London's position as a major international financial hub. However, its overall ranking is brought down by weaknesses in the areas of social inclusion and sustainable development.
- **Ireland**, ranked just outside the top 10 at 11th, **has one of the three best enterprise environments in Europe** due to the ease of starting a business in the country, good access to capital (through channels such as banks and venture capital) and relatively low levels of administrative red tape.
- **Several May 2004 accession countries have improved their comparative performance since 2004**, putting them ahead of many longer-standing EU members, including Estonia, Slovenia and Hungary (ranked 12th, 16th and 17th, respectively). This implies that a number of these recent members are already closer to meeting the Lisbon goals than many of the original EU15 members.
- **Among the 2004 entrants, Estonia is the strongest performer, ranked 12th, just outside of the top 10.** Estonia's information society is assessed as among the top five in Europe, with a government that is among the world's best in terms of providing online government services, and a high Internet penetration rate. Estonia's enterprise environment ranks sixth overall, as it is a comparatively easy place to start a business, with a low regulatory burden.
- **Greece and Italy perform comparatively poorly** across all eight dimensions, and now find themselves near the very bottom of the rankings, and below all of the recent accession countries except Poland. In Greece, the main areas of concern are the information society, liberalization and sustainable development. In Italy, most problematic are liberalization, financial services, the enterprise environment and social inclusion.
- **The US scores better than the EU** on average as measured by the Lisbon criteria. The US does not score as well as the six top-ranked EU countries (the three Nordic countries, the Netherlands, Germany and the United Kingdom), but has a higher score than all other EU members, both overall and across almost all dimensions. In the area of innovation, widely recognized as critical for economic growth and competitiveness for countries at advanced stages of development, the US has higher scores than all countries, including the Nordic countries.
- **Among candidate countries, Croatia and Turkey, two countries with no foreseen entry date, do better in many of the different dimensions, and in the overall ranking, than Bulgaria and Romania**, two countries which will join the EU in January 2007. What is perhaps even more remarkable is that both Croatia and Turkey score higher overall than Poland, a present EU member.
- The assessment indicates that **EU attention should be focused on three areas** in order to get closer to the Lisbon goal of becoming "the most competitive and dynamic knowledge-based economy in the world": **improving the environment for innovation and R&D, developing a stronger information society and creating an enterprise environment that is more conducive for private sector economic activity.**