

## **The European Union failed to meet its goal to become the most competitive region in the world**

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- Nordic countries continue to lead the way on EU competition benchmark, the “Lisbon Goals”
- Several 2004 accession countries are ranked ahead of many longer-standing EU Members
- The report and rankings can be accessed by [clicking here](#)
- The results will be central to discussions at the World Economic Forum on Europe, Brussels, Belgium, on 10-11 May 2010

Brussels, Belgium, 9 May 2010 -

Sweden remains the most competitive economy as measured by the European Union’s (EU) own competition benchmark, the Lisbon criteria, followed by Finland, Denmark and the Netherlands, according to the World Economic Forum’s Lisbon Review 2010 released today ahead of the upcoming World Economic Forum on Europe.

The World Economic Forum’s study is the fifth and final review in a biennial series that assesses the progress made by EU Member countries in the far-reaching goals of the EU’s Lisbon Strategy of economic and structural reforms. In addition to assessing the performance of 27 existing EU Members, it also measures the competitive performance of EU candidates and potential candidate countries.

Click on the picture to watch a four-minute interview with the author of the report, Jennifer Blanke, Senior Economist at the World Economic Forum.

“In 2000, the EU set for itself an ambitious action and development plan with the Lisbon Agenda. As this Review indicates, while some progress has been made, much remains to be achieved in order to fully harness Europe’s economic potential. As Europe and the world emerge from the most significant economic crisis in a half-century, accelerating the reform process articulated through efforts such as the new Europe 2020 Strategy will be critical for ensuring that the region gets back to growth,” said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.

The Nordic countries are the strongest European performers in the area of innovation, attributable to their companies’ aggressiveness in adopting new technologies and their level of spending on R&D, and the high degree of collaboration between universities and the private sector in research. Indeed, in terms of innovation “output”, they register among the highest rates of patenting per capita internationally.

The Nordic countries have also achieved a high level of social inclusion, with low unemployment (especially in Denmark, pioneer of the “flexicurity” system) and strong participation of women in the workforce (especially in Finland and Sweden). These countries also have developed highly-skilled

workforces through top-notch educational systems and strong on-the-job training programmes.

Among the other countries in the top 10, performance is more mixed, with some notable strength in specific areas. For example, the Netherlands is ranked 2nd both for its information society and for the extent of liberalization. Germany and France have particularly strong network industries (ranked 1st and 3rd, respectively).

The assessment of the United Kingdom's financial services has continued to worsen, a trend seen over the past few years, falling from 1st in this dimension in The Lisbon Review 2006 to 11th in 2008, and finally to 14th in the present assessment, no doubt related to weaknesses revealed and exacerbated by the recent financial crisis.

According to the study, several 2004 accession countries are ranked ahead of many longer-standing EU Members, including Estonia, Slovenia and the Czech Republic. This implies that a number of these more recent Members are closer to meeting the Lisbon Goals than many of the longer-standing Members.

Among potential future Members, Croatia and Montenegro outperform the four lowest-ranked EU Members – Poland, Italy, Romania and Bulgaria – and Turkey and Macedonia outperform Bulgaria.

The eight dimensions measured by The Lisbon Review 2010 are:

- 1) Creating an information society for all
- 2) Developing a European area for innovation and R&D
- 3) Liberalization (completing the Single Market; state aid and competition policy)
- 4) Building network industries
- 5) Creating efficient and integrated financial services
- 6) Improving the enterprise environment
- 7) Increasing social inclusion
- 8) Enhancing sustainable development

The assessment is based on publicly available statistics (e.g. Internet penetration rates, unemployment rates) and data from the World Economic Forum's Executive Opinion Survey (EOS), an annual survey of business leaders that is carried out in over 130 countries, providing data for a variety of qualitative issues for which hard data does not exist (e.g. the quality of the educational system, the government's prioritization of information and communications technologies).

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