STATE OF THE NORDIC REGION
2018
State of the Nordic Region 2018 gives you a unique look behind the scenes of the world’s most integrated region, comprised of Denmark, Finland, Iceland, Norway and Sweden, along with Greenland, the Faroe Islands and Åland.

The report presents a series of facts and figures showing the current state of play within core socio-economic sectors, including demography, economy, the labour force and education.
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Demography
Main trends

The current demographic situation in the Nordic Region is characterised by four main trends:

- The Nordic population is growing, driven to a large extent by immigration
- Increasingly concentrated in urban settlements
- The average age of the population is also increasing
- Growing share of people have a foreign background.

All of these trends are expected to continue in the years to come.

<table>
<thead>
<tr>
<th>Total population size</th>
<th>Population change, 2007-2017 (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Nordic Region</td>
<td>26,931,018</td>
</tr>
<tr>
<td>Denmark</td>
<td>5,447,084</td>
</tr>
<tr>
<td>Finland</td>
<td>5,250,032</td>
</tr>
<tr>
<td>Sweden</td>
<td>9,113,257</td>
</tr>
<tr>
<td>Iceland</td>
<td>307,672</td>
</tr>
<tr>
<td>Norway</td>
<td>4,681,134</td>
</tr>
<tr>
<td>Faroe Islands</td>
<td>48,268</td>
</tr>
<tr>
<td>Greenland</td>
<td>56,648</td>
</tr>
<tr>
<td>Åland</td>
<td>26,923</td>
</tr>
</tbody>
</table>

Table 2.1 Population change, 2007-2017.
* Natural increase and net migration values do not add up to the total population change (in %) shown here. This is due to a correction term that Statistics Greenland uses in updating its statistics (not included in the table).
Demography
Population forecast

By 2030, the Nordic Region is expected to have almost 30 million inhabitants, an increase of more than 10% from the current 27 million.

In Sweden, almost 80% of the population increase is expected to occur in the densely populated urban areas in the southern half of the country.

In the other Nordic countries, population growth remains more decentralised and in many cases medium-sized towns may grow faster than capital areas.
Over the past ten years, the population of the Nordic Region has grown quicker but also aged faster as a whole than in many other European regions.

Nordic municipalities and regions experience very different, often contrasting, demographic trends, presenting specific opportunities and challenges to each:
- Population growth is largely concentrated in the urban areas
- Many remote and sparsely populated areas face population decline and high rates of population ageing.

By 2030, large parts of northern and eastern Finland are expected to have 50% of people over 15 are aged 65 or more.
Roughly 26% of all Nordic municipalities increased their population between 2011 and 2016 only due to international migration.

As of 2017, one in eight Nordic residents were identified as having been born abroad, either in another Nordic country or outside the Nordic Region.
Sweden boasts the highest employment rate in the EU while Iceland has the highest rate in Europe. High employment rates for women in particular stand out as a basic feature of Nordic labour markets.
Labour Force
Unemployment

Unemployment nevertheless remains low while in certain sectors it is difficult for employers to find people with the right competences.

Unemployment rates, especially for younger people, are highest in old industrial towns and some sparsely populated areas. In general, jobs tend to move from rural to urban areas and many municipalities are not as resilient to change as the general Nordic trend would indicate.

The foreign-born population has higher unemployment rates in 2016 than the native-born population in all Nordic countries, especially those born outside the EU.
Economy
Economic development

The Nordic countries are generally performing well above the EU average when it comes to economic development. From a macro-regional perspective, the Nordics constitute a very coherent region. Nevertheless, large and economically significant variations remain, at both the regional and national levels.

Norway has seen a decline in its economic performance in recent years, whereas Iceland has enjoyed significant growth. In terms of GDP per capita, Iceland, Sweden and Denmark are rapidly catching up with Norway. Though, on disposable household income, Norway is still well ahead.
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The Nordic Region remains an attractive destination for foreign investment, accounting for 7% of Europe’s total Foreign Direct Investment (FDI) inflows, in a Region having 4% of the European population.

Sweden makes up almost half of this total and has by far the highest level of investment activity in the Nordic countries.
Nordregio’s Regional Potential Index is constructed around a series of key socio-economic indicators with relevance in an analysis of regional development.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Indicators</th>
<th>Points allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic potential</td>
<td>Population density</td>
<td>7.5–75</td>
</tr>
<tr>
<td></td>
<td>Net migration rate</td>
<td>7.5–75</td>
</tr>
<tr>
<td></td>
<td>Demographic dependency rate</td>
<td>7.5–75</td>
</tr>
<tr>
<td></td>
<td>Female ratio</td>
<td>7.5–75</td>
</tr>
<tr>
<td>Labour market potential</td>
<td>Employment rate</td>
<td>10–100</td>
</tr>
<tr>
<td></td>
<td>Share of the age group 25–64 with high education degree</td>
<td>10–100</td>
</tr>
<tr>
<td></td>
<td>Youth unemployment rate</td>
<td>10–100</td>
</tr>
<tr>
<td>Economic potential</td>
<td>GRP/capita</td>
<td>20–200</td>
</tr>
<tr>
<td></td>
<td>Total R&amp;D investments</td>
<td>10–100</td>
</tr>
</tbody>
</table>
The results of the Regional Potential Index 2018 show that urban regions continue to occupy the top ranks.

Regions that have improved in rank are primarily located in Iceland, Sweden and the Faroe Islands.

Regions with a lower rank are to be found mainly in Norway and Finland.

Rather stable ranks for Danish regions.
Thank you for your attention!


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