



Open meeting on Competition: Competition Assessment

Reykjavik, 19 February 2026
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OECD Competition Assessment Review of Iceland (2020): Methodology and Background

- OECD-led project (2019–2020) requested by the Government of Iceland to identify and remove regulatory barriers to competition in key sectors.
- Focus sectors:
 - **Construction sector** (including regulated professions)
 - **Tourism sector** (including tourism transport, accommodation, protected areas, air transport)
- These sectors represented **17.7% of GDP and 23.5% of employment**, highlighting their systemic importance to productivity, costs, and growth
- Objective: identify regulatory barriers that:
 - ✓ Restrict entry or expansion
 - ✓ Increase costs and administrative burdens
 - ✓ Reduce productivity, innovation, and consumer welfare.



Key Findings and Estimated Economic Benefits

Construction sector

- Restrictive land-use planning and burdensome building permit processes
- Overly prescriptive building design and standards increasing costs
- Excessive licensing and regulation of professions
- Administrative burdens and regulatory fragmentation across authorities.

Tourism sector

- Licensing requirements restricting entry and expansion
- Regulatory barriers in transport, accommodation, and tourism services
- Airport ownership and tariff structures reducing efficiency
- Administrative burdens affecting small businesses and innovation.



Economic and Social Benefits from Reform

Quantified annual benefits:

- Estimated gains of approximately **EUR 200 million per year =>**
- Equivalent to **around 1% of Iceland's GDP annually.**

Wider structural and long-term benefits

Implementation of recommendations expected to deliver:

- ✓ Lower construction costs and housing prices
- ✓ Increased investment and market entry
- ✓ Greater consumer choice and lower prices
- ✓ Improved productivity and innovation
- ✓ Stronger economic growth and recovery potential.

Strategic impact

- ✓ Major structural reform opportunity for Iceland
- ✓ Supports sustainable growth and economic resilience
- ✓ Strengthens competition assessment as a standard tool in policymaking
- ✓ Creates a more efficient, dynamic, and competitive economy.



Thank you
Any Questions?

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Link to Iceland 2020 Review:

https://www.oecd.org/en/publications/oecd-competition-assessment-reviews-iceland_84785d3a-en.html

