



Denmark



Business Support on Your Doorstep

Enterprise Europe Network London Country Profile November 2007

Denmark



Country's full name: Kingdom of Denmark (*Kingdom of Denmark*) Capital city: Copenhagen (1,084,885 inhabitants)ⁱ.

Population: 5.468.120 million (484 inhabitants per km²). There are Inuit, Faroese, German, Turkish, Iranian and Somalian minorities.

Official languages: Danish.

Currency: Danish Kroner.

Religion: Evangelical Lutheran 95%, other Christian (including Protestant and Roman Catholic) 3%, Muslim 2%.

Area: 43.094 sq kmⁱⁱ.

Terrain: Low and flat to gently rolling plainsⁱⁱⁱ.

Climate: Windy winters and cool summers, temperate and mild. Regular rainfall all year around, annual average rainfall: 720 mm.^{iv}

Weights and measures: Metric system.

Time zone: GMT + 01:00.

International dialling code: 00 45.

Administrative divisions: Denmark is divided into 5 regions (Regioner) and 98 municipalities (Kommuner). The main task for the regions is to

take care of the national health care system. In addition, the Kingdom of Denmark consists of the Faroe Islands and Greenland. They have autonomous status and are, to a large extent, self-governing. The Faroe Islands and Greenland are represented with two seats in the Danish Parliament^v.

Government: Denmark is a constitutional monarchy. The Parliament (Folketing) consists of 179 members including 2 from Greenland and 2 from the Faroe Islands. General elections normally take place every four years and every member is elected by popular vote on the basis of proportional representation. Due to the electoral system, no party has ever held the absolute majority in Parliament. The Prime Minister (the Liberal Anders Fogh Rasmussen since 2001) is appointed on the basis of the principle of parliamentary majority by the monarch and approved by the Parliament. The government is composed of the Queen (Queen Magrethe II since 1980) and the Ministers. The Queen does not have any political responsibilities, is unaccountable to the Parliament and principally signs legislation which is then passed by the Parliament. Also, in determining the number of seats to be allotted to localities, the number of inhabitants, electors and the population density^{vi} are used. On 14 November 2007, Rasmussen's centre-right Liberal party secured a third term in office, winning 90 of the 179 seats in the Folketing. Coalition support is provided by Naser Khader's New Alliance centrist grouping.

ECONOMIC OVERVIEW

Denmark has a small and open economy which is very dependent on trading with other countries. Denmark has an interest in the free exchange of goods and services between countries. Being a small country, Denmark has joint trade organisations like EU, OECD and WTO to promote their trading^{vii}. In the last two decades the Danish economy has undergone a great expansion, primarily due to private consumption and exports. Foreign trade accounts for 2/3 of the GDP and 2/3 of the total foreign trade is with other EU countries, especially Germany, Sweden and the UK. Denmark also imports many goods, of which consumer goods account for around 30%. Other imported goods are raw materials and semi-manufactured products.

ECONOMIC INDICATORS	
Population (2006)	5.4 million
Unemployment rate (2006)	3.9%
GDP per head (2005)	38,568
GDP real growth rate (2006)	3.2%
Inflation rate (2006)	1.9%
Total exports (billion euro) (2005)	20.21
Total imports (billion euro) (2006)	17.65
Internet usage rate (2006)	79%

Source: Eurostat

INFRASTRUCTURE/ENVIRONMENT

Roads

There are around 71,600 km of roads, including 1,032 km of motorway. The roads are especially concentrated around the largest cities, Copenhagen, Aarhus and Odense. Each municipality is responsible for maintenance of the roads in their municipality^{viii}. However the overall responsibility lies with the Ministry of Transport and Energy. The roads are generally in good condition and the motorway extends almost the whole length of the country.

Railways

The Danish rail network consists of 2,839 km of track. The railways are dominated by one state-owned company (DSB). DSB formerly enjoyed a monopoly on train services, but now foreign private companies are allowed to compete on the Danish market. The most widely used national rail route is between the two largest cities, Aarhus and Copenhagen. In 2002 the first Danish Metro network opened in Copenhagen. It covers a distance of 21 km with 22 stations. The last sector of the Metro to Copenhagen airport finished in 2007, and it only takes 20 minutes to travel from the airport to the city^{ix}.

Shipping

Copenhagen has the largest port in Denmark and is owned by the Danish state. Other ports are Aalborg, Aarhus, Asnaesvaerkets, Elsinore, Ensted, Esbjerg, Fredericia, Frederikshavn, Kalundborg, Odense and Roenne. The worlds largest shipping company (Maersk Ltd) is Danish and they play a major role in the Danish shipping industry.

Civil aviation

Denmark has two international airports; Copenhagen and Billund^x. Copenhagen airport is the busiest in Scandinavia and there are direct flight connections to 132 destinations worldwide. The airport covers an area of 11.8 square kilometres and there are around 21 million passengers every year^{xi}.

Energy

There are around 6000 electricity production plants in Denmark, and 15.1% of the energy production comes from renewable energy sources. Denmark has a well-developed energy sector which is based on various energy sources. The country's oil production in the North Sea enables large exports of oil and natural gas. The Danish market for electric and natural gas is completely liberalised and the Danish CO2 emission has dropped 12% since 1990. This reduction in CO2 emission is a part of the EU strategy to reduce the amount of CO2 in Europe^{xii}.

Telecommunications

Denmark had in 2005 3.098 million telephone lines and 5.569 million mobile phone subscribers. Denmark has highly developed, technologically advanced and completely automated domestic and international telephone and telegraph facilities^{xiii}.

Environment

Denmark has increased its focus on the environment in the last two decades, with very high environment taxes compared to many other EU countries. Denmark rewards companies that have an eco-friendly policy, and the less CO2 your company releases, the less you have to pay in tax. This is a great incentive for companies to chose an eco-friendly alternative in their production^{xiv}. Copenhagen does, however, suffer from air pollution due to increased industrial activity. The Government is considering the introduction of a congestion charge in the city, and they are making the road system around the city bigger. The United Nations Climate Change Convention will be held in Copenhagen in

2009. This summit will focus on a global agreement on CO2 reductions after 2012, when the Kyoto-protocol is due to expire.

MAJOR SECTORS OF THE ECONOMY

Being a small country, Denmark has a long trading tradition. Services are a very important sector in the Danish economy. The private sector employs around 1.1 million people, which correspond to 38% of the entire workforce. The major sectors of the Danish economy are construction, civil engineering, agriculture and tourism.

Construction and civil engineering

The Danish construction sector has developed considerably in the last couple of years. The turnover of the construction sector was in 2005 approximately 175.5 billion kroner, which was a new record. In addition, the sector has created 6500 new workplaces^{xv}. The construction sector has been modernised, which means that the engineers are using modern IT equipment and using more environmentally-friendly materials. The sector is dominated by many small local companies and a few large international companies. The largest construction companies are NCC and Skanska.

Agriculture

The Danish agricultural sector makes a huge contribution to the country's economy. In 2005 the sector generated an income of 65 billion kroner and employed approximately 180,000 people^{xvi}. Denmark exports agricultural products to more than 150 countries which amount to 20% of total Danish exports. The biggest export markets are Germany, United Kingdom, Japan and Sweden^{xvii}. The agricultural sector has experienced dynamic recent development, driven notably by modern agricultural factories which have increased efficiency of production and competitiveness^{xviii}. The agricultural sector also one of the most research-based sectors. In 2005 Denmark spent 1.6 billion kroner in agricultural research^{xix}.

Tourism

The tourist sector has, in recent years, become very important for the national economy. Annual turnover in the tourist sector is 66 billion kroner and the sector employs more than 100,000 people^{xx}. Many German tourists come to visit Denmark during the summer, staying typically in East and West Jutland close to the sea. Because of the growing tourist sector, many Danish universities have created new courses focusing on culture, innovation and tourism.

Health sector

The health care provision is mainly a public task and all residents are covered by the Public Healthcare Reimbursement Scheme. About 85% of healthcare costs are financed through taxes. In Denmark priority has been given to free access to health services for everyone, regardless of their economic situation. The total public and private health care expenditure corresponds to about 6% of the GNP^{xxi}. During the last 5 years, there has been an increase in patients using private hospitals and private health insurance. In 2003 there were about 88,000 people employed in the health sector^{xxii}.

BANKING AND FINANCE

Banking

The banking sector is an important economic sector in Denmark. The sector has a total of 55.000 employees, which is equivalent to 2% of the overall Danish workforce. The banks represent the largest segment in the financial sector, with a share of 36%^{xxiii}. The banking sector has developed rapidly since the 1990s. Internet banking is well developed and almost every bank has integrated online services for their customers.

The Danish banking sector is dominated by a few large and many small banks with Danske Bank as the largest. The most important banks are Danske Bank, Jyske Bank, Nordea, Sydbank, Fionia Bank, Alm. Brand Bank, Spar Nord, Nykredit and Handelsbanken.

Danmarks Nationalbank: (the National Bank of Denmark), Havnegade 5, 1093 Copenhagen K, Denmark, Tel 0045 33636363, Fax 0045 33637103^{xxiv}

The National Bank of Denmark is a member of the European System of Central Banks (ECSB) even though Denmark has not implemented the Euro. It is therefore involved in the definition and

implementation of the euro zone's monetary policy. It issues notes and coins and works to maintain an efficient and high quality financial system.

Website: www.nationalbanken.dk

Copenhagen Stock Exchange, Nikolaj Plads 6, 1067 Kobenhavn K, Denmark

Tel. 0045 33933366. Tel.fax. 0045 33128613 Email: investor@cse.dk

The Copenhagen Stock Exchange is a part of the Nordic Exchange OMX. OMX Exchanges owns and runs the stock exchanges in Copenhagen, Stockholm, Helsingfors, Tallin, Riga and Vilnius. In 2005 the Copenhagen Stock Exchange became a part of OMX.

Website: www.omxgroup.com

Finanstilsynet^{xxv} (The Danish Financial Supervisory Authority). Gl. Kongevej 74 A, 1850 Frederiksberg C, Denmark

Tel: 0045 33558282, Fax: 0045 33558200. Email: finanstilsynet@ftnet.dk

The Danish Financial Supervisory Authority (FSA) is a body that covers three areas: regulation, supervision and information on financial institutions and securities markets in Denmark. Its mission is to create future orientated conditions for growth for citizens and companies. The FSA is an Agency under the Ministry of Economics and Business affairs.

Website: www.ftnet.dk

Insurance

The insurance sector is an important sector in the Danish economy. The sector employs 48,000 people and consists of 322 major companies of which 85 are life insurance companies and 190 small mutual companies. The leading insurance groups in Denmark are Alm. Brand Insurance, Topdenmark, TrygVesta, ALKA and Codan.

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview

Denmark is very dependent on international trade. Denmark currently exports 93 billion kroner of goods and the main export partners are Germany (17.4%), Sweden (14.2%), UK (8.9%), US (6.2%), Norway (5.4%), Netherlands (5.1%), France (4.9%)^{xxvi}. The UK is Denmark's third largest supplier, exporting around £3.6 billion worth of goods and services and Denmark is the UK's 18th most important export market.^{xxvii} The country has strong competitive advantages such as an excellent transport and technology infrastructure and a productive workforce. It has one of the world's top three most flexible labour markets, which makes it relatively easy for companies to hire and fire employees. English is widely spoken in the whole country and German is the second foreign language.

Production of pork

Denmark is the world's biggest exporter of pork with an annual export of about 25 billion kroner (about 3.3 billion euro) to more than 130 countries. 60% of exports goes to EU countries. The pork production has about 13,000 different manufacturers and service providers who process the pork and send it to the abattoir. The biggest abattoir firm is Danish Crown. In recent years, Denmark has had to face renewed competition from USA, Canada and Brazil in the pork production sector^{xxviii}.

Windmill production

Denmark is the world's leading manufacture of windmills, producing around 50% of global production of windmills measured in kilowatts. The leading windmill producer is Vestas, and capability to set up and maintain windmills is high. The Danish windmill sector has benefited from the growing demand for "green energy" on the world market. In this way, the costs for setting up windmills has reduced dramatically in recent years. This enables the windmill sector to compete with conventional energy sources^{xxix}. Denmark generates 13% of its electricity from wind. The biggest competitors in the windmill sector are Germany, USA and Japan.

ICT

The ICT sector affects almost every part of the Danish society. The Ministry of Science, Technology and Innovation focus on implementing ICT into the Danish society. They focus on three main areas: the digital citizen, the digital business and the digital public sector^{xxx}. A digital public sector is especially important because the Danish public sector in general is very large and many people are involved in it. 82% of Danish businesses have broadband connections, and more and more

companies receive and deliver their orders via the Internet^{xxx}. There is a great cooperation between the universities and the private sector in developing new and more user-friendly technology. Novis science park in northern Zealand is a good example of this. Some of the most important ICT companies in Denmark are Dynamicweb Software, TDC and IT Practice.

Logistics and services

Denmark has, like most western European countries, good logistical facilities. Many companies have a European Distribution Centre (EDCs) which are used especially for the Scandinavian market. With a distribution centre in Denmark, 100 million consumers are within easy reach of next day delivery^{xxxii}. Due to its favourable location, it is easy to access the Central European and Scandinavian market by rail, air, sea or road. On a national scale Denmark is found among the top 10 in the 2005 IMD rankings in the "Quality of Air Transportation" category, in the top 5 in the "Distribution Infrastructure" category and in the top 3 of the "Water Transportation" and "Efficiency of Customs Authorities" category. Companies with distribution centres in Denmark include Federal Express, DHL, TNT and Toyota^{xxxiii}.

BUSINESS CULTURE

Business hours

Offices are usually open 9.00 - 17.00, Monday to Friday, with a 30 - 45 minute break for lunch. Commercial banks open at 09.30 - 16.00 on Monday, Tuesday, Wednesday and Friday. On Thursday they close at 18.00. Shops tend to be open 10.00 - 17.30 Monday to Friday and close between 16.00 and 17.00 on Saturdays. Supermarket and larger warehouses are often open from 9.00 - 20.00. Usually the shops close at 13.00 on Saturdays and closed on Sunday but on the first Saturday in every month the shops are open until 16.00. In the larger cities, it is more and more common for shops in the city to be open from 12.00 - 17.00 on Sundays^{xxxiv}.

National holidays^{xxxv}

(Dates given are for 2008)

- New Year's Day (1 January)
- Maundy Thursday (5 April)
- Good Friday (6 April)
- Easter Monday (9 April)
- General Prayer Day (4 May)
- Ascension Day (17 May)
- Whit Sunday (27 May)
- Pentecost Monday (28 May)
- Christmas Day (25 December)
- Boxing Day (26 December)

Dress code

The dress code in the financial sector is similar to many other European countries. Men should wear suits, shirts and ties. Simple but elegant suits or dresses are the standard attire for women. However, depending on the situation, business attire can also be quite informal^{xxxvi}.

Business etiquette

The Danes shake hands when meeting and usually exchange business cards. They shake hands with everyone upon arriving and leaving, and maintain eye contact while being introduced. They are in general quite straightforward in their business relations, and will not spend a long time socialising before business discussions. Danes prefer to get down to business quickly and the communication is direct but polite^{xxxvii}.

SETTING UP A BUSINESS IN DENMARK

No prior government authorisation is required, and there are no restrictions on the transfer of capital into or out of the country. The number of new entrepreneurs in Denmark are relatively constant, and there are around 15000 new entrepreneurs every year^{xxxviii}. The most common company structures are a public company or a private company. The formalities to be completed depend on the chosen legal status. According to a recent EU evaluation, Denmark was deemed the country where it is easiest to start a company. On average, it takes one week to get your own company registered free of charge.

Additional information on investing in and setting up in Denmark can be found at:
Ministry of Economic and Business Affairs in Denmark: www.oem.dk

FURTHER SOURCES OF INFORMATION/ USEFUL ADDRESSES

Enterprise Europe Network London at London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP

T: +44 (0)20 74891992. F: +44 (0)20 72031812 E: europe@londonchamber.co.uk

The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses.

W: www.een-london.co.uk

London Chamber of Commerce and Industry

33 Queen Street, London EC4R 1AP

Tel: 020 7248 4444. Fax: 020 7489 0391. Email: lc@londonchamber.co.uk

London Chamber of Commerce's World Trade Team, Information Centre and Enterprise Europe Network can provide information or advice on many topics relating to international trade and overseas markets, including Denmark. London Chamber of Commerce is a membership organisation but non-members can utilise certain services on a charged basis.

Website: www.londonchamber.co.uk

British Chamber of Commerce in Denmark

Larsbjornstrade 3, 1454 Kobenhavn K, Denmark: Tel 0045 7020 8410, Fax: 0045 33324370, Email: ps@bccd.dk

The website of the British Chamber of Commerce in Denmark contains a lot of useful information for UK companies trading with Denmark.

Website: www.bccd.dk

UK Trade and Investment

Kingsgate House, 66-74 Victoria Street, London SW1 6SW

Tel: 020 7215 8000. Fax: 020 7215 2482. Email: neil.brigden@fco.gov.uk

UK Trade and Investment is a British government body responsible for helping UK companies secure overseas sales and investments. Their website has pages for each country of the world, including Denmark, which provides useful information and contact details.

Website: www.uktradeinvest.gov.uk

British Embassy

Kastelvej 38 – 40, 2100 Copenhagen, Denmark

Tel: 0045 35445200, Fax: 0045 35445293, Email: enquiry.copenhagen@fco.gov.uk

Website: www.britishembassy.gov.uk

Royal Danish Embassy in the UK, 55 Sloane Street, London SW1X 9SR

Tel: 020 7333 0200, Fax: 020 7333 0270

Website: www.amplondon.um.dk

Ministry of Foreign Affairs of Denmark, Investment in Denmark Section

Asiatisk Plads

DK-1447 Copenhagen. T: +45 33 92 11 16, F: +45 33 92 07 17, E: info@investindk.com

Assists businesses in attracting investment to Denmark and provides useful advice, information and publications on all aspects of starting up and doing business in the country.

Website: www.investindk.com

Danish Chamber of Commerce

Borsen, 1217 Copenhagen K, Denmark

Tel: 0045 3374 6000, Fax: 0045 3374 6080, Email: info@danskerhverv.dk

The Danish Chamber of Commerce offer a wide range of services which is relevant to a modern company. Among these services it assists companies in finding a potential Danish business partner.

Website: www.danskerhverv.com

Danish government portals

The websites contain much useful information on the national government including many relevant contact details and information about Denmark in general, its history, culture and politics.

Website: www.folketinget.dk , and www.denmark.dk



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www.een-london.co.uk

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- i CIA fact book
 - ii CIA fact book
 - iii CIA fact book
 - iv CIA fact book and www.dmi.dk
 - v www.regioner.dk
 - vi <http://www.folketinget.dk/BAGGRUND/00000048/00232623.htm>
 - vii <http://www.um.dk/publikationer/um/english/factsheetdenmark/economy/html/chapter01.htm>
 - viii <http://www.vejdirektoratet.dk/roaddirectorat.asp?page=dept&objno=1024>
 - ix http://www.visitcopenhagen.dk/turist/om_koebenhavn/historie/stoerre_begivenheder/Oktober_2002
 - x <http://www.skat.dk/display.aspx?old=135738&vid=201541>
 - xi <http://www.cph.dk/CPH/DK/OmCPH/Fakta/>
 - xii <http://www.trm.dk/sw41691.asp>
 - xiii <https://www.cia.gov/library/publications/the-world-factbook/geos/da.html>
 - xiv <http://www.skm.dk/publikationer/udgivelser/skattenidanmarki2006/afsnit10momsloensumsafgiftogmilioeafgifter/#106>
 - xv http://www.venstre.dk/rss2feed.html?tx_ttnews%5Btt_news%5D=516
 - xvi <http://www.dansklandbrug.dk/NR/rdonlyres/F496DDA5-6CC8-423F-ACB3-69B88637C008/0/Dansklandbrugital2006total.pdf>
 - xvii <http://www.dansklandbrug.dk/NR/rdonlyres/F496DDA5-6CC8-423F-ACB3-69B88637C008/0/Dansklandbrugital2006total.pdf>
 - xviii <http://www.dansklandbrug.dk/NR/rdonlyres/F496DDA5-6CC8-423F-ACB3-69B88637C008/0/Dansklandbrugital2006total.pdf>
 - xix <http://www.dansklandbrug.dk/NR/rdonlyres/F496DDA5-6CC8-423F-ACB3-69B88637C008/0/Dansklandbrugital2006total.pdf>
 - xx <http://www.horesta.dk/Emner/OekoStat/TalStatistik/Dansk%20turisme.aspx>
 - xxi http://www.im.dk/publikationer/healthcare_in_dk/healthcare.pdf
 - xxii http://www.im.dk/publikationer/noegletal_paa_sundhed/resultater_paa_sundhedsomr.pdf
 - xxiii <http://www.finansraadet.dk/english/menu/bankingsystem/Financial+sector+trends/>
 - xxiv www.nationalbanken.dk
 - xxv <http://www.ftnet.dk/sw99.asp>
 - xxvi <https://www.cia.gov/library/publications/the-world-factbook/geos/da.html>
 - xxvii <https://www.uktradeinvest.gov.uk/ukti/appmanager/ukti/countries? nfls=false& nfpb=true& pageLabel=CountryType1&navigationPagelD=denmark>
 - xxviii <http://www.workindk.dk/Danskerhvervsliv/0/4/0>
 - xxix <http://www.workindk.dk/Danskerhvervsliv/0/4/0>
 - xxx <http://videnskabsministeriet.dk/site/frontpage/information-and-communication-technology>
 - xxxi <http://videnskabsministeriet.dk/site/forside/it-og-telekommunikation/det-digitale-erhvervsliv>
 - xxxii <http://www.investindk.com/visArtikel.asp?artikelID=8159>
 - xxxiii <http://www.copcap.com/composite-2460.htm>
 - xxxiv <http://www.workimport.dk/ooizzCMS/DA/workindenmark/levevilkaaridanmark/praktiskeforhold>
 - xxxv <http://www.workimport.dk/ooizzCMS/DA/workindenmark/levevilkaaridanmark/praktiskeforhold>
 - xxxvi <http://www.businessdanmark.dk>
 - xxxvii <http://www.kwintessential.co.uk/resources/global-etiquette/denmark-country-profile.html>
 - xxxviii <http://www.oem.dk/sw5567.asp?usepf=true>