



# Investing in Denmark:

Unlocking Opportunities in Northern Europe's Dynamic Economy



## INTRODUCTION

Denmark, located in Northern Europe, is a prosperous and innovative nation known for its high standard of living, sustainable practices, and robust economy. Strategically positioned between mainland Europe and the Nordic countries, Denmark offers a wealth of opportunities for global investors. With a highly educated workforce, advanced infrastructure, and a pro-business environment, Denmark stands out as an attractive destination for investment. This comprehensive report explores the benefits and opportunities of investing in Denmark, highlighting key statistics, relevant agencies, incentives for investors, and sectors poised for growth.

## STATISTICS

- » **Gross Domestic Product (GDP):** Approximately \$395 billion USD (2021).
- » **GDP Growth Rate:** Estimated growth of 3.8% in 2021.
- » **Population:** Over 5.8 million people.
- » **Official Language:** Danish, with English widely spoken in business settings.
- » **Currency:** Danish Krone (DKK).
- » **Foreign Direct Investment (FDI):** Total FDI stock was approximately \$120 billion USD in recent years.
- » **Ease of Doing Business Ranking:** 4th out of 190 countries (World Bank Doing Business Report 2020).
- » **World Competitiveness Ranking:** 3rd in the 2021 IMD World Competitiveness Ranking.
- » **Innovation Index:** Ranked 9th in the Global Innovation Index 2021.
- » **Literacy Rate:** 99%, reflecting a strong emphasis on education.
- » **Unemployment Rate:** Approximately 4.8% in 2021.
- » **Renewable Energy Use:** Over 50% of electricity consumption from wind energy.
- » **Corporate Tax Rate:** 22%, competitive within the EU.

## BACKGROUND

Denmark is a constitutional monarchy with a rich history dating back over a thousand years. Known for its strong democratic traditions, social welfare system, and commitment to equality, Denmark consistently ranks among the world's happiest and most prosperous nations. The Danish economy is characterized by a mix of free-market capitalism and a comprehensive welfare state, often referred to as the "Nordic model."

As a member of the European Union (EU) since 1973, Denmark plays a significant role in European affairs while maintaining its own currency, the Danish Krone (DKK). The country's strategic location, connecting mainland Europe with the Nordic region, positions it as a key gateway for trade and investment.

The Danish government prioritizes innovation, sustainability, and international cooperation. Denmark is a global leader in renewable energy, particularly wind power, and has ambitious goals for reducing carbon emissions. The country's highly educated workforce, advanced infrastructure, and supportive business environment foster a thriving ecosystem for businesses and investors alike.

## BENEFITS OF INVESTING IN DENMARK

### Strategic Geographic Location

- » **Gateway to Europe and the Nordics:**
- » Situated at the crossroads between Western Europe and the Nordic countries.

- » Provides easy access to the European Single Market of over 450 million consumers.
- » **Excellent Connectivity:**
- » World-class infrastructure, including modern ports, airports, and road networks.
- » Copenhagen Airport is a major international hub with connections worldwide.

### Stable and Prosperous Economy

- » **Economic Stability:**
- » Strong and resilient economy with low public debt and stable growth.
- » Prudent fiscal policies and sound macroeconomic management.
- » **High Standard of Living:**
- » One of the world's highest levels of GDP per capita.
- » Consistently ranks high in global happiness and quality of life indices.

### Highly Skilled and Educated Workforce

- » **Education Excellence:**
- » Free education system with a strong emphasis on innovation and critical thinking.
- » High level of English proficiency among the workforce.
- » **Productivity and Innovation:**
- » Workforce known for efficiency, creativity, and collaborative culture.
- » **Multilingual Talent:**
- » Many professionals fluent in multiple languages, facilitating international business.

### Pro-Business Environment

- » **Competitive Tax System:**
- » Corporate tax rate at 22%, competitive in the EU.
- » Various tax incentives for research and development activities.
- » **Ease of Doing Business:**
- » Ranked 4th globally, reflecting transparent regulations and efficient administrative procedures.
- » **Strong Legal Framework:**
- » Protection of property rights and enforcement of contracts.
- » Intellectual property laws aligned with international standards.

### Innovation and Technological Leadership

- » **Research and Development:**
- » High investment in R&D, around 3% of GDP.
- » Strong collaboration between universities, research institutions, and industry.
- » **Innovation Ecosystem:**
- » Copenhagen ranks among top cities for start-ups and tech innovation.
- » **Green Technology Leadership:**
- » Global leader in renewable energy technologies and sustainable solutions.

### Advanced Infrastructure

- » **Digital Infrastructure:**
- » One of the world's most advanced digital economies.
- » High-speed internet access widely available.
- » **Transportation Networks:**
- » Efficient public transport systems.
- » Ongoing investments in infrastructure, including the Fehmarn Belt Fixed Link to Germany.

### Quality of Life

- » **Work-Life Balance:**
- » Emphasis on balance enhances employee satisfaction and productivity.

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- » **Social Stability:**
- » Low crime rate and strong social cohesion.
- » **Environmental Sustainability:**
- » Commitment to green policies and sustainable development.

### Government Support and Incentives

- » **Investment Incentives:**
- » Programs supporting innovation, green technology, and regional development.
- » **Business Support Services:**
- » Assistance for foreign investors through government agencies.

## RELEVANT AGENCIES

### Invest in Denmark

- » **Role:** Official investment promotion agency under the Ministry of Foreign Affairs.
- » **Services:**
- » Provides tailor-made solutions for foreign companies considering Denmark.
- » Offers information on investment opportunities, industry sectors, and business environment.
- » Assists with establishment procedures and facilitates connections with partners.
- » **Website:** [www.investindk.com](http://www.investindk.com)
- » **Contact:**
- » **Email:** [investindk@um.dk](mailto:investindk@um.dk)
- » **Phone:** +45 33 92 11 16

### Danish Business Authority

- » **Role:** Implements business regulation and promotes growth conditions.
- » **Services:**
- » Provides information on business regulations and compliance.
- » Supports innovation and digitalization initiatives.
- » **Website:** [www.businessindenmark.dk](http://www.businessindenmark.dk)
- » **Contact:**
- » **Email:** [dba@erst.dk](mailto:dba@erst.dk)
- » **Phone:** +45 35 29 10 00

### Ministry of Foreign Affairs

- » **Role:** Oversees foreign policy, trade, and investment.
- » **Services:**
- » Facilitates international business relations.
- » Provides support to companies operating abroad.
- » **Website:** [www.um.dk](http://www.um.dk)
- » **Contact:**
- » **Email:** [um@um.dk](mailto:um@um.dk)
- » **Phone:** +45 33 92 00 00

### Danish Chamber of Commerce (Dansk Erhverv)

- » **Role:** Represents the interests of Danish businesses.
- » **Services:**
- » Offers networking opportunities and market insights.
- » Advocates for business-friendly policies.
- » **Website:** [www.danskerhverv.dk](http://www.danskerhverv.dk)
- » **Contact:**
- » **Email:** [info@danskerhverv.dk](mailto:info@danskerhverv.dk)
- » **Phone:** +45 33 74 60 00

### Innovation Centre Denmark

- » **Role:** Promotes international innovation and collaboration.
- » **Services:**
- » Connects Danish businesses and research institutions with global partners.
- » Supports technology transfer and R&D projects.
- » **Website:** [www.icdk.um.dk](http://www.icdk.um.dk)
- » **Contact:**
- » **Email:** [icdk@um.dk](mailto:icdk@um.dk)
- » **Phone:** +45 33 92 00 00

## INCENTIVES FOR INVESTORS

### Tax Incentives

- » **R&D Tax Credit:**
- » Up to 22% tax credit on qualifying R&D expenditures.
- » **Depreciation Allowances:**
- » Accelerated depreciation for investments in machinery, equipment, and buildings used for manufacturing.
- » **Patent Box Regime:**
- » Reduced taxation on income derived from patents and certain intellectual property rights.

### Financial Support Programs

- » **Innovation Fund Denmark:**
- » Provides grants and funding for research, technology development, and innovation projects.
- » **Green Investment Fund:**
- » Financing for projects promoting energy efficiency and renewable energy.
- » **Export Credit Facility:**
- » Export Credit Agency (EKF) offers financing and guarantees for companies expanding abroad.

### Employment Incentives

- » **Tax Scheme for Foreign Researchers and Key Employees:**
- » Favorable tax rate of 27% (plus labor market contributions) for up to 7 years for qualifying individuals.
- » **Training Grants:**
- » Support for employee training and skill development.

### Support for Start-ups and Entrepreneurship

- » **Start-up Denmark Program:**
- » Allows non-EU entrepreneurs to obtain a residence and work permit to establish innovative businesses.
- » **Incubators and Accelerators:**
- » Access to a network of innovation hubs, co-working spaces, and accelerators.
- » Clusters and Innovation Networks
- » **Access to Clusters:**
- » Participation in industry clusters in sectors like life sciences, clean tech, and ICT.
- » **Collaboration Opportunities:**
- » Partnerships with universities, research institutions, and other companies.

### Sustainable Investments

- » **Green Incentives:**
- » Financial support for projects that contribute to Denmark's sustainability goals.
- » **Public-Private Partnerships:**
- » Opportunities to engage in government-led sustainable infrastructure projects.

## OPPORTUNITIES FOR INVESTORS

### Renewable Energy and Clean Technology

- » **Wind Power:**
- » Denmark is a global leader in wind energy, with opportunities in offshore and onshore wind projects.
- » **Green Technologies:**
- » Investment in energy efficiency solutions, smart grids, and sustainable building technologies.
- » **Bioenergy and Hydrogen:**
- » Development of biofuels, biogas, and hydrogen-based energy solutions.

### Life Sciences and Healthcare

- » **Pharmaceuticals and Biotech:**
- » Strong cluster of life science companies, including world leaders like Novo Nordisk.
- » **Medical Technology:**
- » Opportunities in developing medical devices, diagnostics, and health IT solutions.
- » **Research and Innovation:**
- » Collaboration with renowned universities and research institutions.

## Information and Communication Technology (ICT)

- » **Tech Start-ups:**
- » Vibrant start-up scene, particularly in Copenhagen, with support for fintech, AI, and IoT ventures.
- » **Data Centers:**
- » Availability of renewable energy and cool climate attracts data center investments.
- » **Cybersecurity:**
- » Growing demand for security solutions in the digital economy.

## Maritime and Shipping

- » **Logistics and Shipping:**
- » Home to global shipping giant Maersk and a leader in maritime services.
- » **Port Development:**
- » Investment opportunities in port infrastructure and logistics facilities.
- » **Green Shipping:**
- » Initiatives promoting sustainable practices in the maritime industry.

## Food and Agriculture

- » **Agri-Tech:**
- » Innovative solutions in sustainable agriculture, food processing, and biotechnology.
- » **Organic Products:**
- » High demand for organic and sustainably produced food products.
- » **Aquaculture:**
- » Opportunities in sustainable fish farming and seafood production.

## Design and Creative Industries

- » **Architecture and Design:**
- » Renowned for cutting-edge architecture, furniture, and product design.
- » **Fashion and Lifestyle:**
- » Opportunities in developing and marketing Danish brands internationally.
- » **Digital Media:**
- » Growing sectors in gaming, animation, and digital content production.

## Infrastructure and Construction

- » **Sustainable Construction:**
- » Investment in green building materials and technologies.
- » **Major Projects:**
- » Participation in large infrastructure projects like the Fehmarn Belt Fixed Link.
- » Financial Services and FinTech
- » **FinTech Innovation:**
- » Emerging hub for fintech companies offering innovative financial solutions.
- » **Nordic Market Access:**
- » Opportunities to serve the wider Nordic region from Denmark.

## CONCLUSION

Denmark stands out as a dynamic and innovative economy in Northern Europe, offering a wealth of opportunities for international investors. Its strategic location, stable economic environment, highly skilled workforce, and commitment to sustainability create an ideal setting for businesses seeking growth and long-term success.

By investing in Denmark, companies can leverage the country's strengths in renewable energy, life sciences, technology, and more, while benefiting from government support and a pro-business climate. Denmark's dedication to innovation and sustainable development ensures that it remains at the forefront of global progress, making it a compelling destination for forward-thinking investors.

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