



Denmark

Best Country for Business



We Offer Countless Opportunities

The World Bank's Doing Business Report 2016 ranks the business climate of Denmark as the best in Europe¹ because doing business in Denmark has proven to be fast, efficient and profitable. The country also offers highly skilled employees, a famously flexible labour market and a stable business environment.

An easy and low-risk choice

According to the World Bank, Denmark is one of the easiest places in the world to do business¹. A company can be established online within a few hours – and some of the world's most flexible hiring and firing rules allow for a reduction in the costs related to scaling business operations up or down². So, by choosing Denmark, companies are able to minimise both long-term and short-term risks.

Quality and transparency

A study by leadership advisory firm Heidrick & Struggles rated Denmark first in the world in terms of the quality of its labour force³. The Danish public sector is respected for its service-minded and positive approach to doing business. Corruption and bribery in the public sector are virtually unknown, which has continually secured Denmark a top ranking on the International Transparency Index⁴.

Financially and politically stable

Due to its generally stable political and legal system, combined with its strong public finances, Denmark is among the nations best prepared to handle international economic crises. In fact, Denmark remains one of the most stable economies in the EU, as proven by its "AAA" ratings from the global credit-analysis agencies Moody's and Standard & Poor's⁵.

But there is much more to Denmark than just transparency and stability...



"We think Denmark is a good country for our operations. People are highly qualified, and Danish employment rules make it easy to hire when business is good and make adjustments when it's not – people are used to it. The flexible labour market makes Denmark a very attractive country to operate in. But the main reason for our presence here is the talent pool that we see in Denmark."⁶

- Lars Renström, president and CEO of Alfa Laval

1. Doing Business 2017, World Bank: p. 7
2. The World Economic Forum, Global Competitiveness Index 2016-2017
3. Heidrick & Struggles, Global Talent Index 2011; "Quality of labour" category: <http://www.globaltalentindex.com/Resources/gti-map.aspx#>
4. http://www.transparency.org/news/feature/corruption_perceptions_index_2016
5. <http://www.tradingeconomics.com/denmark/rating>
6. Lars Renström, president and CEO of Alfa Laval, in "Ingeniøren"; 29 November 2010. Unofficial translation.

Flexible and Competent Workforce



Flexible labour market

Studies have repeatedly shown that Denmark has some of the most flexible hiring and firing regulations in Europe. These regulations, combined with the government-sponsored social safety-net, constitute the core of Danish 'flexicurity'. In practice, companies have the right to dismiss an employee without incurring indemnification or other costs; the period of notice is typically three months and, if requested by the employer, the employee must continue to work during this time. Between 70% and 80% of Danish employees are enrolled in an unemployment-insurance scheme.

Innovative, highly competent and motivated workforce

The Danish workforce is among the most motivated in the world, with the second highest employee motivation according to the IMD⁷. Danish employees distinguish themselves by being highly educated, efficient and responsible. Thus, 'self-managing teams' are very common within Danish business and industry: a typical team does all its own planning to achieve targets, with minimal intervention from management. Danish employees are also known for being healthily self-critical, with a willingness to learn and a commitment to making improvements - in both production and performance. Denmark also has a strong tradition of collaboration between universities and private-sector companies, which co-operate on research that often culminates in innovative, prize-winning products.



7. IMD World Competitiveness Yearbook 2016

Core Industry Competences in Denmark

Innovation in the life sciences

Thanks to a rich network of universities, hospitals and companies working together in the fields of medical technology, biotechnology and pharmaceuticals, the Danish life-sciences industry is - on an international level - a leading example of how to successfully turn academic knowledge into commercial business results. In actual numbers for example, Denmark is home to the largest commercial drug development pipeline in Europe - measured by drug per inhabitant⁸, which provides access to innovative R&D skills.

Go green in Denmark

With 1,100 Danish cleantech companies, 60,000 employees and an export value of EUR 12 billion, Denmark is indisputably one of the world's cleantech centres. By 2020, Denmark aims for its final energy consumption to be comprised of 35% renewable energy and 50% of electricity consumption to be supplied by wind energy, which means that this segment holds significant business potential.

A hub for tech

Denmark is a frontrunner in the development of new tech solutions and thus a prime location for international companies that want to expand their business in this area. Denmark has been praised as one of the best test markets in the world, thanks to its unparalleled IT infrastructure, some of the world's highest penetration rates for mobiles, broadband and PCs, and progressive consumers who are quick to adopt new technologies.

A global leader in the maritime industry

Thanks to its long-standing maritime traditions, Denmark has developed a broad range of advanced seafaring technologies. Along with favourable framework conditions, this makes Denmark a good base for international shipping companies. Denmark also has a robust offshore-energy industry.

Quality label "Made in Denmark"

Around the world, food products and technology 'Made in Denmark' are synonymous with high quality, safety and excellent hygiene. Danish food manufacturing businesses operate some of the world's most advanced processing plants and the research and innovation capabilities are internationally renowned. Actually, according to surveys, Denmark has the most innovative food sector in the EU.

Innovate through design

In Denmark, you find all the relevant design and innovation skills to enhance your innovation abilities and give your products a competitive edge. Companies in Denmark are characterized by a flat hierarchical structure and a team-oriented approach. This breeds ideas and innovative solutions, integrating user-centered design and innovation processes.



The major advantages of having Microsoft's largest development centre in Europe located in Denmark are that we have access to a broad range of highly competent Danish and foreign staff and that we are able to build upon the Danish traditions we have for design and management.

- Charlotte Mark, CEO, Microsoft Development Center

8. Ernst and Young, Beyond Borders, 2014

9. Source: M. van Galen et al.: Innovation in the food industry - an international benchmark study (2013) and A. Renwick et al.: Innovation in the Irish Agrifood Sector (2014)

Other Interesting Facts about Denmark

- 62% of adult Danes complete a higher-education programme; 78% complete an upper-secondary education; and 96% complete a secondary education¹⁰
- With 86% of Danes speaking English, Denmark ranks third in the world with regard to proficiency in English as a foreign language¹¹.
- The percentage of women with a professional career is among the highest in Europe and is only 3-4% lower than for the male population in Denmark.¹²
- Denmark is ranked among the top three countries in the EU for gender equality¹³
- Denmark is the second most peaceful country in the entire world¹⁴

Flexicurity is cost-efficient

The Danish flexicurity provides new investors with significantly fewer irreversible costs and much more on-going flexibility to plan and adjust their production – especially compared with neighbouring countries like Germany and Sweden. A significant benefit is also that, other than a negligible annual expenditure of approx. EUR 1,350 per employee, employers in Denmark are not required to make a social-security contribution, whereas employers in most other countries such as Germany and Sweden must pay in excess of 30% of an employee's salary towards social security.

No double taxation

The Danish corporate tax has just been reduced to 22%. Denmark also has a unique tax rule by which Danish companies are generally not taxed on income from

foreign branches, which prevents double taxation. In most other countries, relief from such double taxation may result in adverse tax consequences, cost and administration. This makes Denmark the perfect platform for a Nordic or European headquarters.

Finally, Denmark offers some of the world's lowest rates for data and telecommunication services as well as competitive salary levels, especially for managers/scientists.

22% total tax rate

2nd lowest effective tax rate in Western Europe.

Zero redundancy costs

The only country in Northern Europe with no redundancy costs.

10. http://hfc.dk/media/252204/the_danish_education_system_pdfa.pdf

11. http://ec.europa.eu/public_opinion/archives/ebs/ebs_386_en.pdf and <http://www.ef-danmark.dk/epi/>

12. <http://www.dst.dk/da/Statistik/emner/ligestilling>

13. <http://eige.europa.eu/gender-statistics/gender-equality-index>

14. <http://www.visionofhumanity.org/#page/indexes/global-peace-index/2015/DNK/OVER>

Denmark is Your Perfect Hub

Your regional headquarters

An increasing number of companies are saving costs by covering the Nordic, Baltic or European region from Denmark. 3,400 international companies, including Shell, Biogen Idec, Intel, Microsoft, Apple, Siemens Windpower and IBM have all placed their research and development, regional headquarters, shared services centres or distribution activities in Denmark.

A perfect hub for Northern Europe

Operating from Denmark gives you easy access to the entire EU market place and brings you within next day delivery reach of 100 million of the wealthiest consumers in the world. Denmark has a dense and highly developed transportation infrastructure.

Copenhagen Airport has repeatedly been judged the most efficient airport in Europe. Denmark has three other international airports, Aarhus, Aalborg, and Billund, all located on the Jutland peninsula. The Øresund bridge between the Copenhagen area and South-east Sweden makes a fast link to the Nordic countries. Expectedly by 2026, a tunnel will be built between Denmark and Germany – offering even better connections for business.

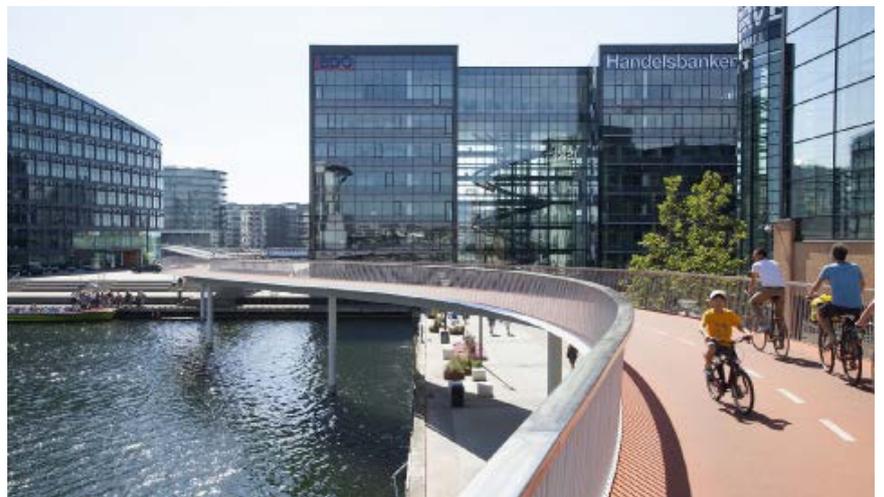
Denmark is one of the world's most liveable countries

High liveability

Danes are known for their informal, easy-going and independent outlook. On international happiness indices, Danes are consistently ranked as some of 'the happiest people in the world'¹⁵ – this is due in part to a well-established welfare system. According to the UNDP's Human Development Index, Denmark is one of most liveable countries in the world.¹⁶

Expats' choice

Within a few weeks of arriving in Denmark, non-EU citizens who fulfil the necessary requirements are issued their residence and work permits; they can then open a Danish bank account and obtain a Danish civil registration code; this gives them access to welfare services, including medical care and education. Foreign employees working in Denmark are also eligible for several attractive tax schemes, with income tax as low as 26% per year.



15. <http://www.oecdbetterlifeindex.org/topics/life-satisfaction/>

16. Denmark ranks no.4; http://hdr.undp.org/sites/default/files/hdr_2015_statistical_annex.pdf

Nordic HQs – a Quick Comparison

	Copenhagen	Stockholm	Oslo
Ease of doing business ¹⁷	3	8	9
Corporate taxes ¹⁸	22%	22%	27%
Social security paid by employer	Fixed amount; approx. EUR 1,350 per employee per year	31.45%	14%
Reduced taxation for expatriates	26% for 5 years	25% deduction in taxable income; i.e., 75% of income is taxed	10% deduction in income; maximum NOK 40,000
Employer must negotiate with unions before firing	No; must only notify with regard to cases of large-scale dismissal	Yes, with regard to cases of termination for reasons related to the employer; the union must be notified at the same time as the employee	Yes, if this is requested according to a collective agreement, or if requested by the employee
Employer must offer re-entry to former employees?	No, the employer is fully free to choose	Yes, if employed for at least 12 months during the past 3 years	Yes, if employed for at least 12 months during the past 2 years
Nordic platform	Danish company not subject to taxation on income from foreign branches; i.e. no double taxation	Swedish company subject to taxation on income from foreign branches. Relief from double taxation may result in adverse tax consequences, cost and administration	Norwegian company subject to taxation on income from foreign branches. Relief from double taxation may result in adverse tax consequences, cost and administration
English proficiency ¹⁹	4	19	19
Prime office rent ²⁰	230	582	453

17. Doing Business 2017, World Bank: p. 7

18. The following tax information was provided by Njord law firm; njordlaw.com and IMD World Competitiveness Yearbook 2017: p. 84

19. IMD World Competitiveness Yearbook 2015: p. 469

20. Total occupancy cost, calculated in EUR/sq.m./year. Source: CB Richard Ellis, Denmark Property Marketview 2016, Sweden Property Market View 2016, Property Market Update 2016

Start with Denmark

Invest in Denmark provides your company with a tailor-made solution for locating your business in Denmark. We measure our success by how well we contribute to yours. So, if you are considering setting up business or expanding your activities in Denmark, make us your first stop.

Our specialized staff across the globe has the corporate background, industry insight and well-connected networks to advise you on every aspect of locating in Denmark. Not only when you set up, but also as your business grows. Our tailor-made solutions include connecting companies with key local contacts, arranging fact-finding tours and providing comprehensive benchmark analyses. We make sense of local legislation and advantages of locating in Denmark - all free of charge and in guaranteed full confidentiality.

We Look Forward to Hearing from You

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