



Market profile

Denmark has a mixed economy characterized by a high degree of government intervention and a strong welfare state. As a member of the European Union, it is subject to EU trade regulatory requirements. A strong maritime industry, pharmaceuticals, clean energy technologies and food processing are cornerstones of the Danish economy.

Denmark serves as a natural gateway to Northern Europe and vice versa for the other Nordic countries to enter European markets.

Denmark's combination of a business-friendly environment, innovation culture, high quality of life, stable economy, and commitment to sustainability makes it an attractive destination for companies looking to expand or establish operations. It is an especially popular spot for foreign companies to establish their Nordic headquarters, the Capital Region of Copenhagen offering attractive investment opportunities within Life Sciences and Green Technology. Being a small open economy, Denmark naturally serves as a small-scale testbed for innovations. Several test centers, for example, for innovations within the healthcare industry are operating in Denmark as well.

General competitive factors such as price, quality, promptness of delivery, and availability of service determine the success of a supplier in Denmark. Danish companies value relationships and many rarely swap suppliers so both patience and commitment count. Export companies seeking only a fast return have a reduced chance of success in Denmark. Although Danish consumers are seen as early adopters of certain products, especially technology, most of them are also relatively conservative and prefer to buy products that have already proven their worth.

Economy and business structure

Denmark is often ranked highly in global indices for ease of doing business, thanks to its transparent legal system, efficient bureaucracy, and business-friendly environment. Why? Because Denmark presents a Safe Business Environment, a Professional Talent Pool, World Class Innovation and Technology while also focusing on Reducing Carbon Footprint. All the above ensure a good Quality of Life that further develops Trustworthiness and a Solid Social System.

The mobility of the labor force in Denmark is considerably high, largely thanks to flexible hiring and firing rules. This makes it easy for businesses to scale up or down rather quickly. In general, there are only a few challenges SMEs usually meet when operating in Denmark. Even though English is a natural working

FACTS

- Renewable, Design, FMCG exports
- Capital: Copenhagen
- Official language: Danish
- Area: 42.933 sq km
- Population: 5.9 million

language, understanding the local language as well as the importance of local networks and how they are interconnected can bring extra value to business operations.

Key industries and their trends

Renewable Energy, Offshore Wind, Health, FMCG, UN Procurement HQ, Food & Design.

The green transition: The willingness to speed up the green transition is high among both decision-makers and the business community. However, the implementation of already existing strategies and decisions must be accelerated so that different sectors have time to adapt their operations and dare to invest in new technology.

Strong growth in demand for vegetable and healthy food: In October 2023, the Danish government published a national plan to promote the supply of plant-based foods. This follows the growth in consumption during the last five years of meat- and dairy-free products and plant-based products, offering Finnish companies with expertise in the production of plant-based foods to increase their sales to Denmark.

Large investments in defense during the next decade: In June 2023, the Danish parliament decided to strengthen the national defense by around 21 billion euros (almost 155 billion Danish kroner) over the next ten years. The preliminary procurement plans of the Defense Forces include, for example, air defense systems, F-35 fighters, maritime patrol aircraft and naval reinforcements. The Defense Forces procurement program will start in 2024.

Attached to UN procurement in Copenhagen: Finnish companies should keep in mind that Copenhagen is a gateway, not only to the Danish market, but also to UN procurement. Every year, the UN makes purchases for approx. USD 30-40 billion. About half of all UN purchases are made through UN City in Copenhagen. The procurements concern a wide range of goods and services and cover a wide range of different production sectors. In 2022, Finnish companies received orders from the UN for a modest amount of around USD 12 million dollars, but the potential is much higher. Comparatively, Denmark remained the largest country of UN to UN procurement (procurement with a UN organization as the supplier) in 2022, with a total of USD 189 million.

Important things to consider when doing business in Denmark

Danes generally have positive views of Finland. While Denmark and Finland share some cultural similarities as Nordic countries, there are also notable differences in business culture that Finnish companies should be aware of when entering the Danish market. In general, Danes are easygoing by nature, tough negotiators, and fast decision makers. Danish communication tends to be more direct and informal compared to Finnish communication, which can be more reserved and indirect. In addition, Danish organizations often have flatter hierarchies and more egalitarian leadership styles compared to Finnish companies, which may have more traditional hierarchical structures. Danish managers may adopt a participatory leadership approach, whereas Finnish managers may be more directive. Networking and building relationships are important in both Danish and Finnish business cultures, but Danes tend to engage in more informal networking events and socializing activities, such as after-work drinks or informal gatherings. Lastly, Danish business culture tends to be more relaxed when it comes to punctuality and adherence to schedules, with meetings often starting and ending informally.

Industry info

Clusters in Denmark

[Cluster Excellence Denmark](#)

Cleantech & Energy

[Danish Energy Agency](#)

[Green Power Denmark](#)

[Cleantech cluster Denmark](#)

[Energy Cluster Denmark](#)

Construction

[The Danish Construction Association](#)

[Building Green](#)

Creative

[Nordic fashion association](#)

[Danish fashion institute](#)

[Danish Design Center](#)

[Design Denmark](#)

Health & Welfare

[Danish Life Science Cluster](#)

[Healthcare Denmark](#)

[Copenhagen Healthtech Cluster](#)

[Medicon Valley](#) (Swedish-Danish pharma cluster)

[Careware](#)

Maritime

[Maritime development center](#)

Country & General Business Information

[Denmark.dk](#) – The Official Website of DK

[Visit Denmark](#)

[Invest in Denmark](#)

[Business culture in Denmark](#)

[Danish business authority](#)

[Dansk Industri](#)

[Danish Chamber of Commerce](#)

[Doing Business in Denmark](#)

[Danish Regions](#)

[Copenhagen Capacity](#) – Invest in greater CPH

[Berlingske Business news](#)

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