Doing Business in Denmark:

A Country Commercial Guide for U.S. Companies

Chapter 1: Doing Business in Denmark

Market Overview Return to top

- Denmark is a constitutional monarchy which shares a southern border with Germany and is connected by bridge to southern Sweden. With a total area of 43,096 sq. km. (16,640 sq. mi.) it is slightly smaller than Vermont and New Hampshire combined. The total population is 5.56 million people. The country has been a member of the European Union (EU) since 1973.
- Denmark is a rich, modern society with state-of-the-art infrastructure and distribution systems, a highly skilled labor force and a central location that makes it an excellent distribution point for the Scandinavian, Northern European and Baltic markets.
- The economy displays a number of strengths. The flexicurity system helps adjust to shocks while limiting the social cost of unemployment and the risk that it could become entrenched. The social welfare system ensures low poverty and low inequality.
- Denmark's fiscal position is relatively sound. Though it has deteriorated during the current economic crisis, Denmark entered the crisis in a strong position and the budget deficit has remained moderate both compared to Denmark's past experience and to other OECD countries.
- However, competitiveness has deteriorated in the past decade and productivity growth has been weak, eroding potential growth. Moreover, vulnerabilities remain in the financial sector.
- Denmark's standard of living is among the highest in the world with a GDP per capita of USD 59,889 in 2011 (Source: World Bank).
- Denmark is a firm advocate of liberal trade and investment policies and actively encourages foreign investment.
- There are more than 400 American subsidiaries established in Denmark and a strong American Chamber of Commerce with approximately 265 members.
- Political and commercial relations with the United States are excellent. The United States is Denmark's largest trading partner outside the EU, with a 9% share of total Danish trade in goods.
- Denmark's major imports from the United States are: industrial machinery, capital equipment, computers and telecom products, software, aircraft, and scientific instruments. Other important U.S. exports to Denmark are military equipment, chemicals and pharmaceuticals, tobacco, wine, fresh vegetables, nuts, and forest products.
- Imports of goods and services in Denmark, % of GDP (45.1%)
    - Main merchandise imports (% of total):

- Agricultural products (11.2%)
- Machinery and instruments (31.4%)
- Manufactured articles and goods (31.1%)
- Chemicals and related products (11.6%)
- Petroleum and petroleum products (10.6%)

- American-owned firms in Denmark are prominent in information technology (IT) and telecommunications products and services, in biotechnology, and in offshore oil and gas exploration and production.

Market Challenges Return to top

- Even though Danish consumers are seen as early adopters of certain products, primarily hi-tech products, a majority is also relatively conservative. They prefer to buy products that have already proven their technology and value.
- Danish companies believe in long-term relations. Companies that are in the market chiefly to "make a fast buck" may find better opportunities in markets other than Denmark.
- Danish wages are high and personal taxes are among the highest in the world, but corporate taxation is among the lowest in the EU.
- Denmark has decided not to participate in the Euro, but the Danish Krone is pegged to the Euro with a very narrow band (2.25%) of Central Bank intervention rates. However, the government's monetary and exchange rate policies aim at price stability and building international confidence in a strong Danish economy. There is strong international confidence in the Danish economy and the Krone.

Market Opportunities Return to top

- The import climate is open and receptive to U.S. products and investments. There are no significant trade barriers or regulations that U.S. firms need to take into consideration. Danish imports are very diversified and many opportunities are available.
- The most promising sectors for market growth for U.S. non-agricultural companies in the coming year include: IT and telecommunication equipment and services, biotech and pharmaceutical products, tourism services, financial services, renewable energy systems, offshore oil and gas field equipment, consumer goods and advanced medical equipment. The most promising agricultural export prospects are wine, forest products, feed (including pet food), fresh vegetables, and processed foods.
- U.S. companies are expected to maintain and expand their market share in the coming years. In high-technology areas such as information technology and medical equipment, U.S. companies are already market leaders and are expected to increase their lead.
- Denmark is an industrialized "value-added" country, dependent on foreign supplies of most raw materials and semi-manufactured goods. However, it is a net exporter of oil, and has more than one-third of the world's wind technology turbine sales.

- Services are playing an increasingly important role in the economy. Communication and information technologies play a steadily growing role in the Danish/U.S. services trade. Other important service sectors include management consulting and financial services. Tourism is a growing market and more than 250,000 Danes visit the United States each year.

Market Entry Strategy

Return to top

U.S. exporters seeking general export information and assistance or country-specific commercial information should consult their nearest Export Assistance Center or the U.S. Department of Commerce's website www.export.gov. Information about services offered by the U.S. Foreign Commercial Service in Denmark can be found at http://export.gov/denmark/.

Please also see: Chapter 3: Selling U.S. Product and Services

Market Fact Sheet

Return to top

Market Fact Sheet on Denmark

Special Appendix on Greenland

Return to top

Key Figures (2010)

GDP	DKK 11.3 billion
GDP - real growth rate	1.2 %
Labor force	40,559 persons of 15-64 years of age
Industries	Fish processing (mainly prawns and Greenland halibut), handicrafts, hides and skins, small shipyards, mining
Agriculture products	Forage crops, garden and greenhouse vegetables; sheep, reindeer; fish
Exports	DKK 2,144.5 million
Export commodities	Provisions and livestock 89.8%
Export partners	Denmark, Canada, Iceland
Imports	DKK 4,531.8 million
Import commodities	Machinery and transport equipment, manufactured goods, food, petroleum products
Import partners	EU (primarily Denmark and Sweden), Canada and USA
Economic aid	DKK 3,732 million in subsidies from Denmark (2012)

Main source: Greenland in figures

Greenland is the world's largest island, containing an area of 2,166,086 km^2. Of this area, 410,449 km^2, or approximately 19% of the island, is free of ice. The climate in Greenland is primarily artic, meaning that the temperature does not exceed +10ºC even during the warmest months of the year. Greenland has a population of 57,000, with 18,000 living in the capital of Nuuk. Other important cities include Ilulissat, Kangerlussuaq, Sisimiut, and Qaqortoq, all of which are located on the western coast of the island. However, no roads or railways connect towns inside Greenland; therefore, transportation must be accomplished by air or sea. Despite the limitations on ground transportation, the island has a fairly sophisticated sea network, principally managed through concession by the Royal Arctic Line (RAL).

RAL transport and cargo vessels share ports with one of the most modern fishing fleets in the world today. Currently, seafood is the primary export industry in Greenland, comprising over 90% of the exports from the island. However, the mineral and petroleum industries are poised to become the dominant industries in Greenland as prospecting, exploration, and exploitation licenses have increased exponentially over the last decade despite a global economic slowdown.

Political Environment

Greenland has previously been a Danish colony and a constituent of the Danish Realm. Beginning in 1979, the island became the Home Rule of Greenland. This system transferred much of the Denmark's political responsibility to Greenlandic authorities. Among the powers transferred during this time were legislative and executive functions. Furthermore, Greenland assumed responsibility for an increasingly large number of administrative and financial powers during the 1980s and 1990s. During this period, the Home Rule of Greenland was supported by its own taxes and duties in addition to a large block grant from the Danish government.

The island gained further autonomy on June 21, 2009 when the government changed its status from home rule to self-government under the Danish Realm. On this date (Greenland's national day), the Greenlandic government assumed control over a number of key areas, including the authority of the nascent mineral and oil industries, as well as any revenues thereof. However, in addition to still receiving the block grant from the Danish government, Greenland currently relies on Denmark for a variety of sovereign functions including foreign policy, defense, and the justice system.

The current representative government of Greenland is centered on the Landsting, an elected body of thirty-one members for a maximum term of four years. The Landsting embodies the supreme legislature of Greenland. The administrative arm of the national government is comprised of a cabinet of five to eight members elected by the Landsting. At the local level, the country is divided into four municipalities with elected governments discharging local political functions.

The Economy

The economy remains critically dependent on exports of shrimp and fish, income from resource exploration and extraction, and on a substantial subsidy from the Danish Government. The subsidy is budgeted to be about USD 650 million in 2012, approximately 56% of Greenlandic government revenues in 2012 for the year. The public sector, including publicly owned enterprises and the municipalities, plays the dominant role in Greenland's economy.

The Greenlandic economy has benefited from increasing catches and exports of shrimp, Greenland halibut and, more recently, crabs. Due to Greenland's continued dependence on exports of fish - which accounted for 89% of exports in 2010 - the economy remains very sensitive to foreign developments. International consortia are increasingly active in exploring for hydrocarbon resources off Greenland's western coast, and international studies indicate the potential for oil and gas fields in northern and northeastern Greenland.

Within the area of mining, olivine sand continues to be produced and gold production has resumed in south Greenland, while rare-earth and iron ore mineral projects have been proposed or planned elsewhere on the island. Tourism also offers another avenue of economic growth for Greenland, with increasing numbers of cruise lines now operating in Greenland's western and southern waters during the peak summer tourism season.

Forms of Business

There are a variety of business entities that can be established in Greenland to meet the needs of various operations. Among the more important business forms are the public limited company (aktieselskab or A/S); the private limited company (anpartsselskab or ApS); and the branch office (filial).

The Companies Act establishes the applicable regulations for both subsidiary corporations and registered branch offices. Joint ventures are also a possible form of doing business and can be achieved either through partnerships or joint shareholding of a corporation. However, it is important to note that partnerships are not defined by law, and it is therefore necessary to define the relationship in the agreement between the two parties.

Both A/S and ApS entities are limited liability forms of business, with shareholder liability limited only to invested capital. Formation of both types of companies must be accompanied by registration with the Danish Commerce and Companies Agency (DCCA). In addition, all forms of business must register with the Greenland Business Register (GER) and thereafter with the employer registration system if the entity wishes to employ staff. Before registration with the DCCA, any enterprise is not considered an independent entity, exposing the founders to personal liability for company activities. Oftentimes, companies wishing to do business immediately will circumvent the corporate founding process and purchase shares in a "shelf company," a registered company that has not carried out activities in its existence. The purchasing company then amends the articles of the shelf company to conform to the needs of the operation.

The two main differences that arise between A/S and ApS corporate models pertain to the requirements for share capital and founding members. A/S corporations require share capital of at least DKK 500,000 before being registered. This capital must be contributed either in cash or in kind. Asset contributions in kind must undergo a valuation report, typically prepared by a state authorized public accountant. In contrast, an ApS corporation requires only DKK 125,000 paid in a similar fashion. While an ApS does not have the option to hold its own shares, an A/S can hold up to 10% of its shares.

An A/S company requires at least one founder, and of the founders, at least one must be a resident of Greenland. These requirements can be met by a founder being a legal entity of Greenland. Additionally, the Ministry of Economic and Business can grant exceptions for the residency requirement. ApS companies necessitate at least one founding member but these members are not subject to a residency requirement.

Companies with lawfully registered home offices in the EU, the Nordic Countries, the U.S., or Canada have the option to establish a registered branch office in Greenland.

These enterprises are entitled to carry out the business activities within the purview of the home office and must do so over a certain period of time. Conversely to A/S and ApS corporate models, home offices retain unlimited liability for the debts of branch offices as they are not considered to be an independent legal entity. Additionally, registered branch offices require registration with both the DCCA and the GER.

While branch offices are not subject to capital requirements, there are certain resident requirements for office managers. The branch office manager must be a resident of Greenland and any non-Greenland resident that wishes to be appointed manager must apply to the Government of Greenland before appointment.

Taxes
The corporate tax rate is 31.8%, levied against both resident corporations and registered branch offices. This rate also applies to capital gains which are subject to taxation. Companies which hold a license under the Mineral Resources Act are an exception to the corporate tax rate and are charged at a rate of 30%. Taxable income is computed as profit disclosed in the required annual report which has been adjusted to meet the applicable tax laws.

Profit distributions (dividends) for Greenlandic companies are levied at the personal income tax rate of the municipality in which the distributing company is registered. Currently the range of municipal income taxes varies from 37% to 45%. Again, an exception is made for those companies holding an exploitation license under the Mineral Resources Act; these companies are charged 37% on dividends regardless of physical location. Registered branch offices can remit profits to the foreign head office without paying withholding taxes to Greenland. Subject to approval, companies are eligible to deduct dividends paid from taxable income during the year of distribution.

Greenland has no VAT system but does maintain import duties on a variety of products such as motor vehicles, cigarettes, and alcohol. Additionally, products involved in the production of energy are levied with an environmental tax. As previously mentioned, the level of individual income tax varies by municipality; however, there is a nationwide AMA scheme requiring a contribution of 0.9% of payroll for post-education.

Employment
When sending employees to Greenland it is often required that these employees receive work and residence permits. Permission to employ foreign employees is granted by local employment offices. These offices differentiate between unskilled labor and skilled specialists when making their determinations. Generally, only Scandinavian workers are automatically afforded the right to work and reside in Greenland without further permits. Special attention should be paid to situations involving branch office managers and founders of corporations, which are usually required to be citizens of Greenland.

Typically, those individuals who obtain a permanent address or stay in Greenland for a period longer than six months are liable for unlimited taxation on their income. Individuals working in Greenland not meeting these characteristics may still be liable for limited tax liability.

Mining and Petroleum Industries
One of the more substantial changes made in the transition from home rule to self-government was the transfer of mineral and petroleum resource management. Due to

the vital nature of these industries to Greenland's future, it was important for control of these fields to be among the first transferred to the new government in order for the transition to be significant. This reallocation involved handing over the Bureau of Minerals and Petroleum (BMP) to the Government of Greenland.

The BMP is working to improve the framework for mineral and petroleum exploration and exploitation in order to create a successful industry enjoying a healthy working relationship with the people of Greenland. The BMP is responsible for processing all the relevant licenses needed to operate within the mineral and petroleum industries. There is general political consensus that Greenland should move to make these the primary industries of the island in order to promote the economy, create jobs, and wean the Government's from it dependency on Danish grants. This push has been successful as active prospecting, exploration, and exploitation licenses increased in both petroleum and minerals during the first decade of the millennium, in some cases over fivefold.

To handle this uptick in of interest in mineral and petroleum exploitation, the new self-government of Greenland enacted the Mineral Resources Act to control the future of these industries. The Act is meant to create a unified approach to the manner in which the petroleum and mineral industries are managed, touching on topics as diverse as environmental concerns, technical requirements, and economic issues. Under the Act, enterprises that wish to explore and exploit within these industries are required to meet special requirements and criteria. For example, while branch offices are eligible to explore for minerals and petroleum, the shift from exploration to exploitation requires an exploitation license that can only be granted to Greenlandic-registered companies. Additionally, corporations and branches under the Mineral Resources Act are subject to special, sometimes favorable, taxation regimes.

Key Links:
Government of Greenland - http://uk.nanoq.gl/

Greenland Official Tourism site - http://www.greenland.com/en/

Sermersooq Business Council (Nuuk) - http://www.business.gl/en/

Bureau of Minerals and Petroleum - http://www.bmp.gl/

The Employers' Association of Greenland - http://www.ga.gl/tabid/1264/language/da-DK/Default.aspx

Danish Ministry of Foreign Affairs background on Greenland - http://www.netpublikationer.dk/um/10180/html/chapter01.htm

Greenland in figures - http://www.stat.gl/publ/en/GF/2012/content/Greenland%20in%20Figures%202012.pdf

Return to table of contents

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/3167.htm

Return to table of contents

Return to table of contents

Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor

Return to top

Today's modern communications technologies have eliminated numerous barriers, but many Danish companies still prefer to deal with an established local agent or distributor rather than buying directly from abroad. In many cases, this is based on a preference for, or even a requirement to have, a responsible, legal entity in Denmark supplying the product. The Danish agent/distributor community has developed over centuries and is today a select and competitive group of businesses. Many sectors are dominated by a few powerful and quite conservative companies, which have spent decades establishing lasting relationships with their clients. There is now some slow movement toward direct purchasing, especially from European suppliers. This trend is especially evident in the food business, where the larger retail chains maintain in-house import divisions. At the same time, there is an increasing trend for foreign companies to establish branch offices in Denmark. In some cases, the competitive environment may even necessitate such a step. Where a U.S. company does not wish to establish its own sales office in Denmark, it is advisable to seek a local agent or distributor.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:
http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60 day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:
http://www.ombudsman.europa.eu/home/en/default.htm
http://ec.europa.eu/solvit/site/about/index_en.htm

Data Privacy/Protection **Return to top**

Current Situation

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, how they intend to use it, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter.

Transferring Customer Data to Countries outside the EU

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is NOT one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and by publicly stating that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor program do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp
http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%2012%202013_Latest_eg_main_060351.pdf

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on "sub-processing" (outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU). Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country DPA approval of "binding corporate rules" (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Proposed New Regulation

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation was proposed by DG Justice in January 2012 and is now being revised in the European Parliament and EU Council of Ministers. Ireland was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2013. Lithuania will take on the Presidency as of July 2013, and its Ministry of Justice has indicated its intent to prioritize the revision of the proposed legislation. The Commission has pushed for adoption of the proposed regulation in 2014 before the European Parliament's general elections in June of that year.

If the December 2012 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses and on the way they are able to gather and utilize user data. It will also introduce substantial fines for offending companies (up to 2% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and Member State officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation:

- consent and profiling
- definition of personal data
- technical feasibility of the "right to be forgotten" provision
- administrative burden/data controller and processor issues
- fines/remedies
- delegated acts/applicable law/governance and transparency
- certifications and codes of conduct
- extraterritoriality element that would hamper international data transfers
- definition of a child
- data breach notification

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:
European Commission's Justice Directorate-General:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

AmChamEU position paper on the proposed regulation:
http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Establishing an Office Return to top

For more information about establishing an office in Copenhagen or Denmark please contact the Danish Ministry of Foreign Affairs' investment agency, Invest in Denmark www.investindk.com. For investment in the Copenhagen region, please contact Copenhagen Capacity: www.copcap.dk.

Franchising Return to top

Although franchising is not as widespread as in the United States, it is a well-known form of business, and more Danes are becoming interested in investing in franchising businesses. However, the bulk of franchise-operated businesses are still of Danish or Scandinavian origin. American franchising companies also operate in Denmark. The longest established are McDonalds, KFC, and 7-Eleven. Franchising is also common outside the quick-service food trade. Shoe-repair services, convenience stores, car rental, health clubs, and indoor tanning salons are examples. There is no specific franchising legislation in Denmark. Franchising is subject to the legal framework governing all business enterprises. U.S. companies are therefore strongly advised to consult a Danish attorney and the Danish Franchising Association before entering into any form of franchising agreement with a local company or individual. The Danish Franchising Association was established in 1984 and is a member of the International Franchising Association headquartered in the United States (see appendix for address information.)

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: http://www.eff-franchise.com/spip.php?rubrique21.

Direct Marketing

Return to top

Danes are conservative consumers and, because of the small size of the country, accustomed to easy and fast access to retail outlets. Door-to-door sales are generally considered an intrusion on privacy and are, with few exceptions, prohibited by law. Other forms of direct marketing are more prevalent. Telephone marketing is permitted, but its success rate with the conservative Danish consumer has been disappointing. The direct marketing method which has most piqued consumer curiosity is a combination of mail-order catalogs and TV-Shopping sales. Internet direct marketing and sales exist and are expected to increase during the next few years. Direct marketing, including Internet sales, still accounts for a very small percentage of total retail sales.

There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are the most stringent for marketing and sales to private consumers. Companies need to focus in particular on the accuracy of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions stemming from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance from consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Before a contract is concluded, direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially ensures the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive." The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts, regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the information available via the hyper-links, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance: http://export.gov/europeanunion/.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage:
http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:
http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services
Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT

Direct Marketing over the Internet
The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link:
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing Return to top

Licensing and joint venture arrangements are common in Denmark. Danish firms are fully familiar with both licensing foreign products for manufacture and sale in Denmark and licensing their own products for sale abroad. There is no requirement to register licensing agreements with Danish authorities, and there are no Danish government restrictions on remittance of royalties or fees. Joint ventures may be established as corporations, general partnerships, or in any other legal format. Danish law does not discriminate against joint ventures with foreign participation. The central Government of Denmark, through the Ministry of Trade and Industry, actively encourages foreign companies to manufacture high-technology products in Denmark. In addition, several Danish local government authorities and non-profit organizations have established offices and programs to attract foreign investment and joint ventures.

Selling to the Government

Return to top

Government procurement practices in Denmark are transparent. Denmark is a signatory to the WTO Government Procurement Code and also adheres to EU procurement regulations. For more information:

Key link:
http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp

U.S. firms are eligible to bid on an equal basis with Danish and other bidders for contracts valued over approximately USD 200,000. Announcements of public tenders are published in the "Supplement to the Official Journal of the European Communities." The text of the invitation to bid is in English, but the tender documents are normally in Danish. For major projects, documents may be available both in Danish and English. Bid notifications are available on the following website:
http://ted.europa.eu/TED/main/HomePage.do

The EU public procurement market

The EU public procurement market, including EU institutions and member states, totals approximately EUR 1.6 billion. This market is regulated by three Directives:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;

- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers the following sectors: water, energy, transport and postal services; and

- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

Remedy directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the EU member states.

The U.S. and the EU are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or to be entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement.

Key Link:
http://export.gov/europeanunion/grantstendersandfinancing/eu-fundedprogramsgrants/index.asp

Distribution and Sales Channels Return to top

Methods of distribution in Denmark vary with the type of product. Capital goods, commodities and industrial raw materials are most often handled by non-stocking sales agents. Specialized and high-technology products are frequently sold through fully-owned subsidiaries of which there are about 350. These represent a substantial portion of U.S. corporate sales of products and services in Denmark. Consumer goods are usually sold through importing agents and distributors, but are increasingly being imported directly by major retail and department stores. The non-food retail trade is increasingly being dominated by chain stores.

The Danish food retail sector is dominated by two large retail chains (COOP and Dansk Supermarked) which account for over 50% of the total food retail market. These have substantial in-house wholesale and import divisions. There are about 30 significant independent food product importers in Denmark.

Selling Factors/Techniques Return to top

The factors that determine where importers place their orders are almost entirely commercial, although cultural and historical or social ties with a long-standing trade partner may play a role. General competitive factors such as price, quality, promptness of delivery, and availability of service determine the success of a supplier in Denmark. Patience and commitment count. Danes do not change suppliers easily, and many commercial relationships have been maintained over decades. Export companies seeking only a fast return have a reduced of success in Denmark.

Most New-to-Market companies launching a product in Denmark should expect fierce competition from domestic, third country, and often U.S. companies already well-established in other Danish markets. In many cases, local distributors or agents will either decline taking on the representation of a new product line, or alternatively, request a substantial financial contribution towards market entry costs. Consequently, the best, or sometimes even the only way for a New-to-Market company to enter the Danish market can be through establishing its own sales office.

Electronic Commerce

Return to top

Denmark ranks among the leading countries in the world in terms of digital development, and almost all Danes have access to computers and internet at home and use a computer or mobile device every day.

According to a recent report from Danish Statistics, three out of four internet users shop online. This accounts for 75% of the Danish population between the ages of 16 to 89. The popularity of e-commerce is steadily increasing overall, but consumers in the age group between 35 and 44 years old are currently the most active online shoppers.

The most common products/services that consumers bought online in 2011 were cultural experiences and vacations. Two out of three of the online consumers bought tickets for the theater, concerts or cinema, hotel accommodations, clothes, sports equipment and travel tickets. On the other hand, few people buy medicine or groceries online, even though the trend for online purchase of groceries is growing rapidly with the introduction of new and flexible delivery solutions. In general, female online shoppers buy more clothes, books, cultural experiences, food and groceries, whereas male online shoppers tend to buy computer hardware, games and electronics. Only four percent of citizens in the EU gamble online, but that number is significantly higher in Denmark, where 18% of the population gambles online.

According to the data from Eurostat, Norway has the highest share of consumers that shop online (71%), followed by Denmark (65%), the Netherlands, Great Britain and Sweden. Denmark has experienced high growth rates in electronic commerce over the last few of years, and the same trend is seen throughout Europe. 81% of Danish online consumers bought products from Danish online shops in 2010, 42% bought products from other European countries, and 19% of the consumers bought products from online stores outside the EU.

The Danish government is seeking to implement online services that are simpler and more effective and is seeking to discontinue paper applications submitted by regular mail. Citizens of Denmark will each have a digital mailbox and will receive communication from the government through this. By the end of 2013, it will be mandatory for businesses to access government services online, including payment transactions with the government. Public schools, hospitals, nursing homes, etc. will be given subsidies to procure electronic applications that increase transparency and efficiency. Also by the end of 2013, patient data will be shared amongst doctors and hospitals and there will be increased focus on home treatment of patients with chronic diseases. The initiatives are intended to ensure that digitization efforts in the public sector will be coordinated and prioritized through wider and binding cross-governmental collaboration at all levels.

The EU Electronic Commerce Directive

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a report on implementation of the action plan in 2013.

Key Link:
http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

Trade Promotion and Advertising

Return to top

Introducing a new product or company into the Danish market is often a costly affair. U.S. and foreign parent companies are expected by their Danish agents to cover, in full or in part, advertising and promotion expenses. Several large American and international advertising agencies maintain offices in Denmark. Companies in Denmark spend about USD1.5 billion annually on advertising. Television is the largest medium. The code of conduct for advertising in Denmark is, in some areas, more conservative and consumer protection-oriented than that of the United States. In other areas it is more liberal. For example, nudity per se is not considered obscene, and it is seen in some Danish advertising. On the other hand, TV commercials for tobacco and medicine are not allowed. Commercials appealing directly to children are subject to legislative restrictions. The rules and regulations for advertising and marketing are determined in the "Markedsforingsloven" (the Marketing Practices Act). In July 2000, Denmark introduced 'opt-in' requirements for unsolicited commercial electronic mailings. The Consumer Ombudsman oversees compliance with the Marketing Practices Act. He may take action on his own initiative or based on complaints by third parties. However, he will not be consulted for prior approval or rulings on planned campaigns. Examples of typical cases for Consumer Ombudsman action are those involving misleading statements and unfounded claims of a product's qualities.

The Danish market is the only one in Europe in which public channels, operated by the two public broadcasters, DR and TV2, still attract more than half of average daily audiences.

Generally, the types of advertising media that exist in the United States also exist in Denmark. Television commercials, however, are more restricted. Under Danish rules, they cannot interrupt a program and may be shown only in assigned blocks between programs. Only one of the two national stations, TV2, carries commercials. The other, Danmarks Radio, is a public service station and does not carry commercials although it does allow certain restricted types of program sponsorship. Several televisions stations, notably Kanal 5 and TV3, are broadcast via satellite from the United Kingdom, and are not subject to Danish advertising law.

The TV2 channel continues to dominate the market (27.3% of daily audiences in 2011), followed by DR1 (18.8%). . The two main public channels therefore account for 46.1% of average daily audiences in 2011 (61.9% in 2006). Despite the creation of various special-interest channels, the entire public sector saw its total audience drop from 72.4% in 2006 to 62.8% in 2011. The most popular private channel is TV3 (Swedish MTG group), with a daily market share of 4.5%. The other main private channels are TV3+ (MTG group, 3.6% daily audience share) and Kanal 5 (Pro-SiebenSat.1 Media AG), whose daily audience share grew from 2.9% in 2009 to 3.3% in 2011.

The most significant stages in the privatization of TV2 since 2003 are as follows. In May 2004, the European Commission concluded that TV2 had received illegal public funding and demanded that it pay EUR 84.4 million restitution to the Danish authorities. The Commission's decision was appealed by the Court of First Instance of the European Communities in its judgment of 22 October 2008. In August 2008, the Commission approved emergency aid to be provided by the Ministry of Culture. Finally, in January 2009 the government published a plan aimed at partially transforming TV2 into a pay-TV channel from 2012. On 20 April 2011, the European Commission published a press release on two decisions relating to aid granted to TV2. Despite the decision of 2004 declaring the funding mechanism illegal, the Commission concluded that the state aid provided as compensation for a public service obligation was necessary and proportionate. The second decision approved aid for the restructuring of TV2, the aim of which is to consolidate the broadcaster's long-term viability. In 2012, TV2 implemented a new business model that is enabled it to collect subscription payments for its main public service channel. As TV2 should become viable without continued state support, the Commission concluded that the restructuring plan was in compliance with the rescue and restructuring guidelines. In May 2012, Viasat appealed the decision regarding the restructuring aid.

The two most important terrestrial multiplexes are controlled by Digi-TV (a company jointly owned by DR and TV2). They transmit, free of charge, eight national public channels and around 180 local community and/or non-commercial channels, some of which were launched in January 2012. The other three multiplexes are operated by Boxer TV (subsidiary of the Swedish Boxer group) and form the DTT pay-TV platform that complements the free service. An initial package of 10 channels was launched in February 2009, before the other channels were added in November 2009, when the analogue signals were switched off. In total, Boxer provided 38 pay-TV channels in 2012. In January 2011, TV2 became a paid service. On 2 April 2012, Boxer announced the launch of a TV2 HD service.

The multi-channel pay-TV market is still dominated by cable operators, of which there are still a large number in Denmark, although You-See A/S (TDC group) virtually controls the market with 1.34 million subscribers in December 2011. After YouSee are Stofa (Sweden's TeliaSonera group), which has about 400 000 subscribers, and Canal Digital (Norway's Telenor group), which has 56 000 subscribers. Canal Digital also distributes a satellite package, which competes with Viasat (the MTG group). The two packages are in direct competition in Denmark as they are in the three other Nordic markets. In December 2011, Canal Digital had 547,000 subscribers, down from 657,000 in March 2010. Finally, IPTV appears to be a rapidly growing market in Denmark. Following a concentration process, four IPTV transmission companies shared the market in 2012.

Key links and more details: http://mavise.obs.coe.int/country?id=10

General EU Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this inconsistency in the Internal Market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit on junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below, though this Directive will be incorporated into the Consumer Rights Directive mentioned above by June 2014.)

The EU adopted Directive 2005/29/EC concerning fair business practices is a further attempt to tighten consumer protection rules. These rules prohibit several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and being subject to an effective system of control and quality assurance. The debate on the framework is currently blocked in the member states and therefore current varying systems at national levels are in force.

Key Link:
http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive

90/496/EC and its amended version Directive 1169/2011 on information to consumers mentioned below.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, but a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states "high sugar content." A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Key Link:
http://ec.europa.eu/nuhclaims/

Food Information to Consumers
In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Key link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF

Food Supplements
Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link:
http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco
The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in

many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. The EU proposed a revision to the Tobacco Products Directive in 2012 with proposals to include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging along with health warnings, tracking systems.

Key link: http://ec.europa.eu/health/tobacco/products/revision/

Pricing Return to top

Exporters usually quote c.i.f. Copenhagen prices to Danish importers. The c.i.f. price includes all U.S. domestic freight costs, ocean/air freight and insurance but not Danish import duty or VAT. The rate of import duty typically ranges from 5 to 14% on industrial products. Additionally, the importer must pay a 25% Value Added Tax (VAT) calculated on the sum of the landed (c.i.f.) cost plus the duty. VAT is levied on a non-discriminatory basis to all products and most services sold in Denmark, whether imported or produced locally. There are also heavy surcharges/taxes on a number of "luxury" consumer items, such as cigarettes and tobacco, alcoholic beverages, energy, including oil and gasoline, and automobiles. Despite a 180% levy on the purchase price of an automobile, there are more than two million passenger cars on the Danish roads (roughly one for each household).

The appropriate price for a product in the Danish market is often best determined through market research. In Denmark, a number of private companies perform market research. The U.S. Foreign Commercial Service Copenhagen can supply contact information on these companies.

Sales Service/Customer Support Return to top

This requirement varies with the type of product. In general, Danish importers demand, and receive from European competitors, a high degree of sales and after-sales service and customer support. The extent of the service and support requirement is directly proportional to the technical complexity of the product. Sound commercial judgment dictates after-sales service at least equal to that supplied by European competitors. An immediate response to customers' questions and requests is essential, as is the use of modern communication methods. This means e-mail or online messages for routine communications and a readiness to employ overnight courier service when necessary.

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Liability

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in its product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:
http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation of the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

As of June 2014, Directive 1999/44/EC will be incorporated into the new Consumer Rights Directive previously mentioned.

Key link: http://ec.europa.eu/consumers/rights/gen_rights_en.htm

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property Return to top

In general, Denmark offers adequate protection for intellectual property rights. According to the Danish Copyright Act, anyone who produces a literary or artistic work has copyright on that work. The copyright holder has the sole right to control the work by producing copies of it and making it available to the public. Copyright on a work, e.g. music, literature, film, photos, etc. lasts for 70 years after the copyright holder's death.

Other groups of people with rights also enjoy protection under the Danish Copyright Act: Performing artists, record and film producers, radio and TV broadcasters, photographers, and catalogues and databases. For related rights, copyright lasts for 50 years after it is set, e.g. the recording or broadcast is made. For catalogues and databases, however, the protection only lasts until 15 years have passed from the end of the year in which the work was first made available to the public.

The copyright originates when the work is created and the legal protection comes into force without any formal requirements having to be met. There is therefore no public register in which copyright is registered.

Key link and more information: http://europa.eu/youreurope/business/competing-through-innovation/protecting-intellectual-property/denmark/index_en.htm

See section VI for a list of the international conventions and treaties concerning intellectual property to which Denmark adheres.

General EU:

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. Your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally, cannot enforce rights for private individuals in EU. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Monitor your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at **www.StopFakes.gov**.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the U.S., contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: **http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html**

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov** This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence Return to top

Product safety testing and certification are mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting. The U.S. Foreign Commercial Service in Copenhagen (CS Copenhagen) can assist your company in finding the right local partners for your due diligence tasks. Please contact the office directly for more information. http://export.gov/denmark/

Local Professional Services Return to top

CS Copenhagen can assist your company in finding the right partners. Please visit U.S. Commercial Service Denmark's website: http://export.gov/denmark/

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at: http://export.gov/europeanunion/businessserviceproviders/index.asp.

Web Resources Return to top

Organizations
Invest in Denmark - www.investindk.com
Copenhagen Capacity – www.copcap.dk
Confederation of Danish Industry - www.di.dk
Danish Chamber of Commerce – www.danskerhverv.dk

Local trade fair authorities:
Bella Center Copenhagen – www.bellacenter.dk
Herning Trade Fair Center – www.mch.dk

Local newspapers:
Berlingske Tidende – www.b.dk
Jyllandsposten - www.jp.dk
Politiken - www.politiken.dk
Borsen (The principal Danish financial paper) - www.borsen.dk

ErhvervsBladet – www.business.dk

Magazines
Computerworld - www.computerworld.dk
Ingenioren - www.ing.dk

National Radio/TV channels:
Denmark's Radio DR - www.dr.dk
TV2 - www.tv2.dk

EU related sites:
Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:
http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

Directive on Late Payment:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

European Ombudsman:
http://www.ombudsman.europa.eu/home/en/default.htm

EU's General Data Protection Directive (95/46/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF

Safe Harbor:
http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage :
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:
http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF

E-commerce Directive (2000/31/EC):
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:
http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:
http://ec.europa.eu/consumers/rights /

Information to Patients - Major developments:
http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF

Regulation on Food Information to Consumers:
Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_12-27-2012.pdf

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA
http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco
http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:
http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety
http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:
http://ec.europa.eu/consumers/rights/gen_rights_en.htm

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML

Industrial Property
http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark
http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)
http://www.european-patent-office.org/

Office for Harmonization in the Internal Market (OHIM)
http:/oami.europa.eu/

World Intellectual Property Organization (WIPO) Madrid
http://www.wipo.int/madrid/en

U.S. websites:

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:
http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurements ectors/index.asp

Local Professional Services:
http://export.gov/europeanunion/businessserviceproviders/index.asp

Return to table of contents

Return to table of contents

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

1. Renewable Energy Products

Overview

Return to top

Denmark has a long tradition of using renewable energy and has sought to increase its energy self-sufficiency since the energy crisis in 1973. The first steps towards this were investments in energy savings and the conversion of Danish power plants from oil to coal. Later focus was on the development of oil and natural gas resources in the North Sea. The first subsidies for the construction and operation of wind turbines and biomass plants were introduced in 1981, and a string of energy agreements followed in the following decades, all with the purpose of increasing energy self-sufficiency by means of increasing production of renewable energy. Finally, in 1998, Denmark reached its goal and became a net exporter of energy.

Denmark has the lowest energy intensity ratio in the EU. Gross energy consumption has only increased 6% from 1990 to 2012 (0.3% per year), although GDP grew by almost 50%. This led to a drop in primary energy intensity of 18.3%, or 1.4% per year. Over the same period, CO_2 intensity decreased by 28%, due mostly to switching from coal to natural gas, increased use of renewable energy, and district heating.

Energy savings are being pursued for environmental as well as commercial purposes, as they contribute to growth and business development while increasing security of supply. The Danish government has put forward an ambitious plan that 100% of Denmark's electricity and heat will come from renewable energy by 2035 and that, by 2050, the entire energy supply -- electricity, heat, industry and transportation -- will come from renewable energy sources.

Best Prospects/Services

Return to top

Concerns over global warming and energy security have placed renewable energy and CO_2 emissions reduction high on the Danish political agenda. Denmark maintains that energy technologies should be chosen through a combination of market mechanisms and political regulation. The government wishes to secure a future energy supply that is safe and reliable, environmentally friendly, and supports growth and competitiveness.

Denmark has excellent wind resources, thanks to its flat terrain and proximity to the sea. Climate and hydrology allow high yields of biomass from agriculture, although land itself is a scarce resource due to the country’s small size and relatively high population density. The long Danish coastline could allow wave energy to become important in the future. Photovoltaics and solar heating could also contribute in the longer term, though their cost effectiveness is not as attractive as in sunnier countries to the south.

Denmark’s power system is presently characterized by combined heat and power (CHP) plants delivering heat to district heating systems, and a high proportion of wind power. The CHP plants are a combination of a few large plants fueled mainly by coal and natural gas, and a large number of distributed CHP plants using natural gas, biomass and municipal waste. Fuel for road transport is dominated by gasoline and diesel.

In early 2012 the Danish government presented its Energy Strategy 2050 which outlines how Denmark should become independent of coal, oil and gas by 2050 and significantly reduce emissions of greenhouse gases. The strategy, which still requires parliamentary approval, includes a strong expansion of renewable energy from wind, biomass and biogas; if adopted, it will lift the share of renewables to one third of the total energy consumption over the next ten years. The long term vision is a total phase out of fossil fuels in Denmark.

According to Risø-DTU, the National Laboratory for Sustainable Energy, the most important measures for achieving these results are:

Energy savings: Yearly energy consumption reductions on the order of 1–3%.

More efficient conventional vehicles and plug-in hybrid vehicles: Curbing growth in the road vehicle energy consumption is crucial to achieving CO_2 emission reduction targets, as the transport sector at present is nearly 100% reliant on fossil fuels. Using renewably-generated electricity as the fuel for plug-in hybrid electric vehicles also helps to better integrate renewable energy into the grid. Plug-in hybrid vehicles will also help electric companies handle the variability and limited predictability of wind power in a cost-effective way.

Wind power: Denmark already has significant experience with wind power, as well as good wind resources, so increasing the share of wind power is an obvious move. Most future expansion is likely to be offshore. The power transmission grid must be reinforced to meet the needs of future offshore wind power plants. Planning permission for new overhead lines is hard to obtain, due to opposition from local communities. Underground and undersea cabling are alternatives.

Biomass: Used to heat buildings, to supply process heat for industry, and in CHP plants. Denmark already has a large body of knowledge about the use of straw and wood pellets for CHP, making this technology attractive. The development of second-generation biofuel technologies could make biofuels a sensible choice for transport in the future.

Flexibility: Handling large amounts of wind power, which fluctuates by nature, requires flexibility in both power consumption and other generating technologies. There are many ways to do this, including heat pumps, flexible pricing mechanisms and appliances, and the use of electricity for transport.

Infrastructure planning: Decisions such as where to build new transmission lines, where to upgrade existing lines, whether to use overhead or underground cables, and where to locate new wind farms can also help to support greater use of intermittent power sources such as wind.

Energy markets: Important in optimizing the use of fuels and infrastructure, and to drive new investment to internalize costs connected with energy conversion and use that are currently treated as externalities. To take advantage of potential demand flexibility, future markets will need to be able to distribute price signals to end-users.

Best prospects for U.S. companies

Denmark is very advanced when it comes to utilizing energy saving products, but companies and private consumers are always on the lookout for new innovative products that can help cut costs and reduce emissions.

Resources

Return to top

Energy Europe Tradeshow: http://energyeurope.dk/

Energy Policy in Denmark: http://www.ens.dk/en/info/publications/energy-policy-denmark

Danish Energy Facts: http://www.ens.dk/en/en/info/facts-figures/key-figures

Risø-DTU National Laboratory for Sustainable Energy - http://www.risoe.dk/

Danish Wind Industry Association - http://www.windpower.org/en/

Offshore - http://www.offshoreenergy.dk/

Danish Energy Authority - http://www.ens.dk/sw11492.asp

More information, please contact Bjarke Frederiksen, Head of Commercial Section

2. Computer Software and Information Technologies

Overview

Return to top

Denmark is a highly computerized society with a large and steady demand for state-of-the-art software and IT products. Throughout the last couple of years, Denmark has been continuously ranked number top-ten in the World Economic Forum's "Networked Readiness" Index.

The Danish ICT sector is a USD 35 billion industry with a dominating focus on software development and services and little in-country manufacturing. U.S. hardware and software products are generally perceived as first-rate.

New-To-Market companies will face serious competition from local, international and often also long-established U.S. companies. In a market dominated by a few very large importers and distributors, such companies should be prepared to establish a wholly owned subsidiary or sales office in-country (or within the Nordic region).

Best Prospects

Return to top

Looking at IT spending by sectors reveals that the public sector is the largest consumer of IT services and accounts for 25-30% of total spending. The financial sector accounts for 15%, manufacturing 15%, retail & wholesale 10%, and other sectors the remaining 30-35%.

According to industry analysts, mobility is the main focal point, while other top priorities of decision makers when investing in IT are currently: security, business IT-alignment, unified communication, IT architecture, business intelligence, and outsourcing. Although Green IT is still an interesting and growing market, a proven money-saving aspect of such an investment is instrumental.

Opportunities

Return to top

Industry experts foresee considerable IT investments in the coming years within the financial sector after a period of spending cutbacks. There is an ongoing trend in the public sector to coordinate government IT usage and create a national IT infrastructure, which among other things will raise internal IT efficiency as well as meet a growing demand for e-government and electronic services to businesses and the public. Particularly the healthcare sector is set off to digitalize hospitals. Ongoing building of 16 new hospitals by 2020, estimate that health IT (EMRs and telemedicine solutions) will make up almost 3 billion USD out of a 7 billion USD total budget.

Another growing area is the consolidation and outsourcing of datacenters. The increasing demand for greening requires efficient datacenter suppliers with knowhow and economies of scale. Total outsourced solutions are especially in demand within the public and private sector in Denmark. The small and medium-sized business segment is considered particularly lucrative as the 'lean' aspect of green IT is highly applicable in terms of consolidation, standardization and improving overall energy efficiency of the IT infrastructure and datacenter operations. Some firms within the Danish green IT sector, such as CSC, already employ a holistic view in their approach to green IT operations with knowledge of datacenter operations combined with, for example, the reuse of excess heating.

In part caused by the economic slowdown, outsourcing will continue to grow as a cost-saving instrument. Outsourcing has played a large role in recent cost-cutting efforts by the government and large enterprises, and is now becoming more common among small and medium-sized companies. A number of international outsourcing companies have successfully established themselves in Denmark recently.

Resources **Return to top**

Danish Business Authority (responsible for IT and telecom infrastructure) - http://www.dba.erhvervsstyrelsen.dk/telecom-and-spectrum

Danish Agency for Digitalization - http://www.digst.dk/Servicemenu/English

The Danish IT Industry Association (industry association) - www.itb.dk

For further information, please contact Sabina Kroigaard, Commercial Specialist

3. Drugs and Pharmaceuticals

Overview [Return to top]

The Danish-Swedish life science cluster '[Medicon Valley]' is home to more than 60% of Scandinavia's pharmaceutical industry. The region hosts fourteen leading universities, six university hospitals, seven science parks, 400 PhD's and 5,500 researchers with graduate degrees, as well as 5,000 dedicated research and development employees. Denmark has strong expertise in the areas of diabetes, cancer, cardiovascular diseases, central nervous system diseases, inflammatory diseases and allergy. According to statistics from the Danish Medicines Agency, drugs for the treatment of central nervous system diseases are the top selling drugs sold in Denmark. Other treatment areas are ranked as follows: immune system, heart and blood circulation, infection, digestion and metabolism, respiration, blood and blood forming organs, urology, muscles, joints and bones, hormones, sense organs and dermatology.

Pharmaceutical products are the single biggest export commodity in Denmark. Within the last decade, the export of Danish pharmaceutical products has more than tripled. In 2011, Denmark exported nearly USD 10 billion in pharmaceutical products, these exports constituted approximately 90% of Danish pharmaceutical production. Exports go mostly to Europe (57.4%) and North and South America (27%). In 2011, Denmark had a trade surplus in pharmaceuticals of USD 6.4 billion; the trade surplus to the U.S. was approximately USD 1.9 billion.

In 2012, Danes spent an estimated USD 3.50 billion on pharmaceutical products – approximately USD 625 per capita. The use of pharmaceutical products in Denmark is one of the lowest among OECD countries.

With a life expectancy of 78.94 years, Denmark ranks amongst the lowest in Europe. The most common causes of death are cancer (28%) and heart disease (20.2%). Other common causes of death include lung diseases (9.6%), brain diseases (8.8%), mental illnesses (4.6%), central nervous system diseases (2.5%) and diabetes (2.4%). Danish obesity rates are amongst the lowest in the world (10%), but Danes have a high level of alcohol consumption (ranked eighth in Europe) and smoke more than most of their European neighbors (ranked fifth).

Denmark is home to major pharmaceutical companies such as Novo Nordisk, Nycomed, Orifarm, Lundbeck and Ferring Pharmaceuticals. These companies hold very strong positions in the market. There is a significant American presence and Biogen Idec, for example, has chosen to locate research and production facilities in Denmark.

Best Prospects [Return to top]

Whether interested in establishing research facilities, supplying life science products, engaging in strategic alliances/joint ventures or looking for investment opportunities overseas, U.S. companies can find lucrative opportunities in Denmark.

There are good prospects for conducting clinical trials in Denmark. The many well-established Contract Research Organizations with expertise in setting up and conducting trials at all stages (from pre-clinical through phase III), the ample hospital capacity and well-registered patient population ensure an excellent climate for companies wishing to engage in clinical trials.

Opportunities [Return to top]

Marketing of pharmaceutical products is mainly done through targeting doctors and opinion leaders, but also through advertisements in industry magazines such as "Ugeskrift for Læger," "Månedsskrift for Praktisk Lægegerning," and "Dagens Medicin."

An overview of all companies operating in the life sciences space can be found here.

Local trade shows:

Biotech Forum – http://www.biotechforum.org

Lægedage – http://www.laegedage.dk

Resources [Return to top]

Ministry of Health – www.sum.dk

The National Board of Health – www.sst.dk

The Danish Medicines Agency – www.dkma.dk

National Institute of Public Health – www.niph.dk

The National Serum Institute – www.ssi.dk

The Danish Pharmaceutical Industry Association (www.lifdk.dk)

Medicon Valley Alliance – www.mva.org

For further information, please contact Sabina Kroigaard, Commercial Specialist

4. Medical Technology and Dental Equipment

The Danish medical technology market has grown rapidly over recent years and continues to grow (4-6% per year). The market for medical technology is currently estimated to USD 1.6 billion (2012), equal to 4.6% of total health expenditure and 0.5% of total GDP.

Overview Return to top

The government is the largest purchaser of health care equipment in Denmark, account for 85% of total health care. Five regional authorities maintain operation of the state-run medical facilities and hospitals. 98 municipalities / local authorities are in charge of preventive care and rehabilitation and responsible for nursing homes and the home care segment. Municipalities are authorized to make their own purchases, but there is also a national collaboration on procurement by the Ministry of Finance and the National Association of Local Authorities called SKI (in English: National Procurement Ltd. Denmark). General practitioners run as independent businesses but are reimbursed by the government. Dentists are only partly reimbursed and Danes pay for dental service out of own pocket. Danish dentists buy their inventory at the annual SCANDEFA trade show or through 3-5 main wholesalers. They also travel to GNYDM and ADA in the U.S. and elsewhere. Other purchasers of medical technology are private hospitals and individuals.

Denmark has the highest per capita production of medical technology in the world. Annually, Danish medical technology companies develop, manufacture and market products worth more than USD 9 billion (of which more than 95% is exported). Hearing devices account for almost 30%. Still, American medical technology has a fair market share and more than 100 local distributors are dedicated to representing foreign products in the Danish or entire Nordic market. They typically attend Medica.

Best Prospects Return to top

Preventive care and health promotion have been given an increasingly high priority in Denmark, and increases in public expenditure on medical technology are evident. While innovative technologies remain in great demand, cost efficiency is also of high priority, and any technology that allows for treatment and monitoring outside of the hospitals will be well received. Denmark ranks high in technological readiness, which should encourage U.S. companies to pursue the market.

Opportunities Return to top

Currently, the greatest opportunities lie within the new hospital building. Denmark will build 16 new hospitals, including 8 super hospitals by 2020 with a budget of 7 billion USD, where investments in the best medical technology can be expected.

A potential opportunity during the restructuring is that government policy supports the patient's right to obtain treatment within a three-month timeframe (by offering patients the right to choose a hospital for treatment or to receive private treatment should the waiting list be too long). This “relaxation” of patient treatment may boost private healthcare practices and give rise to this sales channel.

Local industry trade shows:

Lægedage – www.laegedage.dk

SCANDEFA – www.scandefa.dk

Resources **Return to top**

Ministry of Health – www.sum.dk

The National Board of Health – www.sst.dk

The Danish Medicines Agency – www.dkma.dk + www.medicaldevices.dk

National Institute of Public Health – www.niph.dk

The National Serum Institute – http://www.ssi.dk/sw379.asp

Danish Regions – www.regioner.dk

The National Association of Local Authorities – www.kl.dk

SKI (National Procurement Ltd. Denmark) – www.ski.dk

Medicoindustrien (industry association) – www.medicoindustrien.dk

The National Board of Social Services (incl. rehab) – www.socialstyrelsen.dk

The Danish Rehabilitation Group (industry association) – www.rehabgroup.dk

For further information, please contact Sabina Kroigaard, Commercial Specialist

5. Franchising

Overview

Return to top

Franchising as a business model is common in Denmark, albeit not to the same degree as in the United States. At least 200 companies are currently operating franchises and the vast majority of these concepts are homegrown. The most well-known and widespread franchises of American origin operating in Denmark are the likes of McDonald's, Burger King, Domino's Pizza, Hertz, Avis, and 7-Eleven. A more recent entry from the United States is Build-A-Bear. The most successful U.S. franchises in Denmark are typically in the fields of car rental, quick-service restaurants or management services. But in general, franchising can be found in a large range of Danish industries, e.g. retail, transportation, personal services, property services, hotels, and restaurants.

The recent economic downturn has hit franchising on a number of levels. Consumer spending has decreased and consequently affected especially the franchises operating within the retail sector, just as the slowdown of the housing market has led to the closing of a large number of real estate franchise units. In terms of master franchising, the difficulties for potential master franchisees to secure financing proves a challenge to selling master licenses in Denmark.

Best Prospects

Return to top

Denmark presents good opportunities in the areas of already proven franchise success, such as quick-service restaurants. This market is especially open to concepts that cater to a healthy lifestyle. As most new franchises are home grown, any new player (that is not already well-known to the Danes) must be able to prove its unique features to be seriously considered by potential master franchisees. Since Denmark is a rather small market for many franchise concepts to operate, willingness to offer regional licenses, e.g. to two or more Nordic countries, is a common way to attract serious investors. No-frills concepts that require little in the way of start-up costs and which can be driven by a one-person operation, have also proven very successful with Danish entrepreneurs.

Opportunities

Overall, the economic climate in Denmark is open to franchise opportunities, as most areas of business are transparent and well-regulated. Denmark is a small country, however, with a population of 5.5 million people. Companies may find that launching large-scale franchise operations is not feasible given the small scope of the market.

Resources and Key Contacts

Return to top

Danish Franchise Association – www.dk-franchise.dk

PS 4 FranchisePartner – www.ps4.dk

Franchise-Consult – www.franchise-consult.dk

For more information, please contact Aleksander Moos, Commercial Specialist

6. Oil and Gas Field Machinery (OGM)

Overview Return to top

Denmark has been net energy self-sufficient since 1998 and is the only EU member state that is a net exporter of energy. This position will come under pressure in the mid-term as oil production is declining. The Danish Energy Authority's (DEA) most recent forecast shows that Denmark can maintain its self-sufficiency in both oil and natural gas for another ten years or so, based on known reserves. However, on the basis of experience, the DEA expects that the use of innovative recovery technology and more discoveries resulting from exploration can uphold Denmark's self-sufficiency in oil and natural gas for an additional ten years.

Oil production has been steady over the past few years, producing more than 215,000 barrels of oil per day. The production is expected to decline during the next three to five years. In total, oil production accounts for roughly DKK 40 billion (USD 7.3 billion) per year and gas production for about DKK 10 billion (USD 2 billion) per year. The production value has been rising steadily because higher oil prices and dollar exchange rates more than offset the decline in production.

Danish oil and gas production is declining as production from most fields has peaked, and special efforts are required to prevent a major drop in production. The energy consumption associated with oil and gas production has remained fairly constant in recent years, accounting for about 4% of Denmark's total gross energy consumption, although production has declined steadily since 2004. Denmark has a manifest interest in the oil companies recovering as much of the oil- and gas-in-place from the North Sea as possible. This is an important source of financing for the Danish welfare state, but production requires increasingly high energy-intensive recovery methods.

Based on a development plan submitted by Hess Denmark, increased production is expected from the South Arne Field, and DONG Energy E&P expects to bring the Hejre Field on stream in 2014. In the longer term, DONG Energy E&P's Svane discovery holds interesting potential, as gas deposits in Svane may prove even larger than those in the Tyra Field, which is projected to produce a total of more than 100 billion m^3 during its lifetime, corresponding to 25-30 years of natural gas consumption in Denmark.

The production of oil and natural gas from the North Sea is key for Danish society and it secures substantial income for the state. The production of oil and gas also positively impacts the Danish balance of payments.

Best Prospects Return to top

After almost 50 years of exploration in the Danish sector of the North Sea, new discoveries are still being made. Two exploration wells were drilled in 2010 and both resulted in new oil discoveries – Solsort and Sara. To date, Danish oil and gas production has been carried out exclusively from offshore installations in the North Sea. Production is currently derived from 19 fields, of which 15 are operated by Mærsk Olie og Gas A/S, three by DONG E&P A/S and one by Hess Denmark ApS. Production takes place from 283 active production wells, of which 198 are oil wells and 85 gas wells. In addition, 108 active water-injection wells and 5 gas-injection wells contributed to production.

In 2011, the number of new exploration wells was the highest for ten years. According to the oil companies' budgets, more than DKK 1 billion will be invested in on- and offshore oil and gas exploration in the Danish sector in the coming years.

Opportunities

Onshore, there are plans for the drilling of two wells. It is five years since the last onshore well for oil and gas was drilled in Denmark. In the North Sea, the drilling of four to six wells is anticipated. Some of the planned wells will test new exploration models.

Oil and gas production activities in the North Sea result in CO_2 emissions corresponding to 3.5-4% of Denmark's total emissions. Over the past decade, CO_2 emissions have increased from about 60,000 tons per million ton oil equivalents to about 70,000 tons. A broad parliamentary majority wishes to identify the possibilities for improving energy efficiency in production.

The majority of Danish fields have been in production for many years, and in such mature fields improving recovery becomes increasingly energy-intensive. Water and gas injection is required to maintain pressure, and together with the oil an increasing amount of water is produced that must be treated before being discharged into the sea or reinjected. Therefore, it is necessary to investigate how the energy efficiency of production can be improved.

The Danish Energy Authority's (DEA) approval of new development plans is conditional upon the operators' choosing the Best Available Techniques (BAT), when this is financially reasonable. This means that in each individual case the operators must investigate the potential for using more energy-efficient alternatives.

Resources Return to top

The Danish Energy Authority - www.ens.dk

Danish North Sea Partner - http://www.nordsoeen.dk/

Natural Gas in Denmark - http://www.gasteknik.dk/pdf/ngas_uk.pdf

Gas in Denmark - http://energinet.dk/EN/GAS/Sider/Gas-i-Danmark.aspx

Offshore - http://www.offshoreenergy.dk/

More information, please contact Bjarke Frederiksen, Head of Commercial Section

7. Travel and Tourism Services (TRA)

Overview
Return to top

The United States is the favorite long-haul destination for Danish travelers and an increasing number of Danes travel to the U.S. every year. They stay longer (17.5 nights) and spend more per trip (over USD 100 per day) than the average international visitor and make up a highly attractive segment for American suppliers. A visionary and powerful Discover America Committee has been formed in Denmark clearing the way for better access to the Danish market place, just as a closer Discover America Nordic co-operation ensures the opportunity for Nordic-wide marketing activities and business ventures. Some 275,000 Danish visitors traveled to the United States in 2012. Nordic visitors (DK, SE; NO, FI, ICE) surpassed 1.1 million, corresponding to a total spending of more than USD 2 billion (excluding transportation and lodging).

Market Demand
Return to top

Despite being a mature market, the Nordic countries continue to show impressive growth rates and, with 5-6 weeks of annual paid vacation, demand continues to be high. The region is the fourth largest European market for inbound travel to the U.S. overall. Compared to other markets, the region has the second highest per capita travel rate to the United States at 4.09% out of a population of 25 million.

Best Prospects
Return to top

California, Florida and NYC, also called the "Big 3" -- are still the most popular destinations when Danes visit the U.S. Over a period of years, the U.S. has grown to become the most popular overseas destination for Danish tourists. Many travelers are now returning visitors and whereas first and second time visitors tend to choose one of the "Big 3" destinations, return visitors are becoming increasingly adventurous and willing to explore new regions. Fly/drive packages are increasingly popular and California's Highway 1 is the top route for many "road trippers." Danes are becoming more and more eager to go in-country and explore the "real America."

Fly/Drive packages combining airfare, hotel and car rental are among the most popular travel bookings through Danish tour operators. Road trips have become a very popular way for Danish travelers to experience the diversity of the United States. Consequently, operators are now offering more individualized packages such as Harley Davidson packages and motor home vacations.

Shopping still tops the list of leisure activities when Danish travelers visit the United States and short city-breaks have grown ever more popular due to the fairly inexpensive airfare and favorable DKK/USD exchange rate. The most popular shopping destinations for Danish travelers are New York City, San Francisco, Washington D.C., Boston, Seattle, Chicago, Miami, and Los Angeles.

U.S. Commercial Service Copenhagen can assist American suppliers or marketing entities with guidance to ensure a successful market entry into Denmark and the Nordic Region.

Opportunities

Return to top

Upcoming trade and consumer events in Denmark in 2013/2014

Luxury travel fair	Copenhagen	Oct 2013	Consumer
PATA Long Haul	Billund/CPH	Nov 2013	Trade/Media
Ferie og Fritid	Copenhagen	Jan 2014	Consumer
Ferie For Alle	Herning	Feb 2014	Consumer

Resources and contacts

Return to top

The Danish chapter of Discover America was re-launched in 2011 with significant innovations. A new board of executives is pursuing new goals and initiatives to promote tourism to the U.S., in line with the long-term aims of the 30 members of Discover America. Discover America Denmark has established a professional secretariat with a managing director to ensure high quality member service and to expand the activities of the organization.

The new board consists of key executives from the airline; airports; tour operators; travel agents; corporate; and meetings, incentives, conferencing, and exhibitions (MICE) industries.

Discover America Denmark: www.discoveramerica.dk

More information, please contact Bjarke Frederiksen, Head of Commercial Section

8. Green Building Products

Overview

Return to top

There are approximately 2.7 million homes in Denmark, with an average of 560 square feet per person. In addition, there are almost 64,000 public buildings and 150,000 commercial buildings. Operation of buildings accounts for between 30 and 40% of total energy consumption in Denmark. The Danish government recognizes energy efficiency in buildings as one of the most cost-effective ways to combat climate change. At the same time, there is considerable focus on indoor climate and health conditions. Those, together with an overall goal of becoming independent of fossil fuels, are the main drivers behind quality building in Denmark.

Green building has many different components and involves several different industries. In Denmark, green building is considered to embrace all activities and routines that take place around a household, from sustainable architecture and building materials to ventilation, water supply and heat production, to renewable energy supply and energy efficiency, as well as sewerage system and waste management -- not just the building process. Ultimately it also extends to energy efficient lighting and major appliances.

Danish households consume on average 34 gallons of water per day per person. In order to preserve the valuable ground water, as well as to increase energy efficiency, green building initiatives encourage water efficient toilets, taps and showers, water free urinals and recycling of rainwater for things like car washing and garden watering. It has recently become allowed to recycle rainwater (but only from roof gutters) inside the house for toilet flushing and laundry.

Approximately 61% of Danish households are supplied with water-based district heating. Oil-fired burners are now present in only 15% of Danish homes. The oil-fired burners must be inspected annually, and public authorities offer free consultation as to how they are best replaced. Natural gas which was introduced in the 1980s is seen in 15% of Danish homes today. Denmark is self sufficient and gets natural gas from the North Sea and it is considered the cleanest of fossil fuels. With the current consumption level, the supply will last at least 20 years into the future.

Consumption of wood pellets is modest, but becoming increasingly popular as it is recognized as a CO_2 neutral alternative to fossil fuels. Denmark's annual consumption is currently a little more than 1 million tons, mainly consumed by private homes but also commonly seen in thermal power stations. Installation of electrical heating in new buildings and buildings that have access to a central water based heating system is prohibited.

Most renewable energy sources for electricity in buildings come from solar and biomass. Although Denmark is a world renowned net wind-energy producer, the general attitude regarding wind turbines remains: "not in my backyard."

On an annual basis, Danes produce 13 million tons of waste, which is equivalent to approximately 28 pounds per person per day. Waste from households makes up one fourth of total waste. 66% of the waste is recycled. Some households sort organic waste and make compost, but it is not required by law. Waste disposals in sinks are not common in Denmark, mainly because the sewerage system is not built to handle it. Few municipalities allow the use of disposals.

Best Prospects Return to top

The most important competitive parameter in the Danish market for building materials is quality, and foreign suppliers must meet very high standards. A U.S. manufacturer can differentiate itself by offering price competitive products and efficient logistics and service.

New and innovative solutions to green building will have good potential. Local competition, particularly in building materials such as insulation and windows, is quite strong. High quality and documented efficiency are important parameters. U.S. companies may find good prospects in green building consultancy (ESCOs) and new products and methods. Intelligent housing and office buildings with the use of sensors to control heat production etc. are interesting prospects. The U.S. may also be ahead of Denmark with regard to heat pumps.

Opportunities

As the Danish government is trying to stimulate the economy through massive investments in fixed assets, there will be a possibility for American firms to supply materials and equipment. Denmark has ambitious goals for green building. All new buildings are required to increase energy efficiency by 25%. At the moment there is a voluntary goal of 75% energy savings in buildings by 2020. Denmark will revise the EU quotas for CO_2 emissions in 2013. Denmark has invested substantial resources in promoting energy efficiency in buildings.

Local events and conferences:

Solar Days: www.solardays.dk

TUN Byg: www.tunbyg.dk

Bolig for Alle: www.bdfa.dk

Resources Return to top

The National Agency for Enterprise and Construction – http://www.ebst.dk

The Danish Building Research Institute – http://www.sbi.dk

The Danish Construction Association – http://www.danskbyggeri.dk

The Building material industry, Confederation of Danish Industries – http://www.bi.di.dk

More information, please contact Sabina Kroigaard, Commercial Specialist.

9. General Consumer Goods (GCG)

Overview

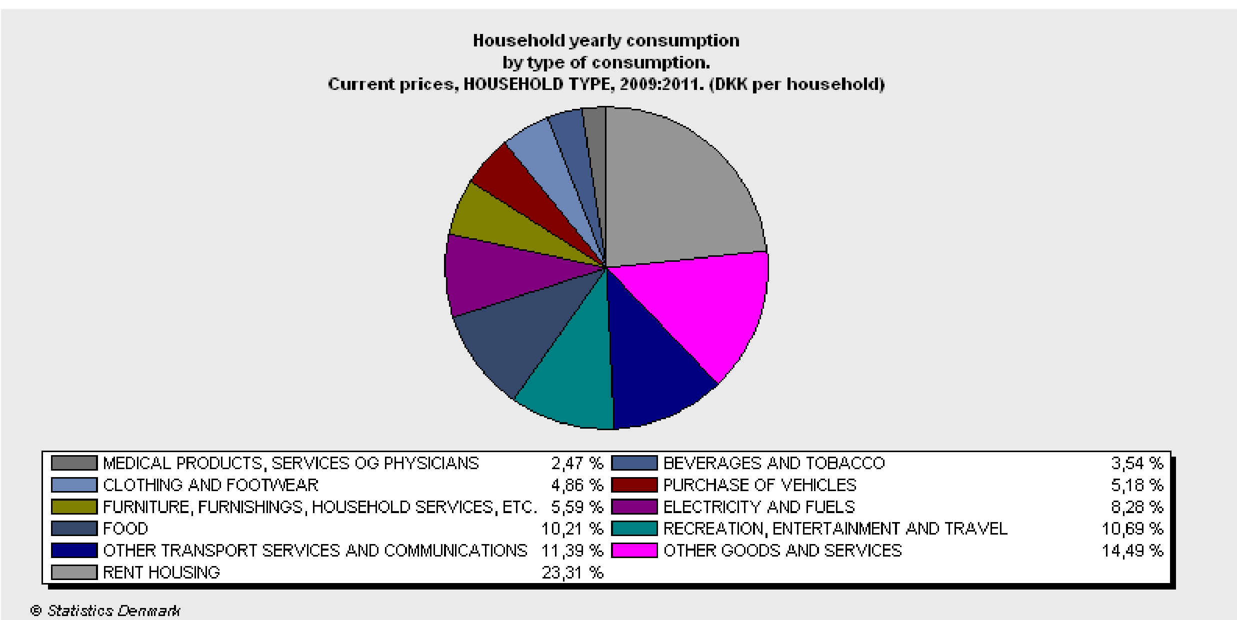
Return to top

On average, Danish households have approximately USD 65,000 in disposable income a year, 80 percent of which is consumption; whereas, the remainder is put towards savings, gifts, charity etc. Although steadily increasing in some areas, retail consumption has not yet reached the 2007 level and experts believe this stagnation will continue over the next year or two.

Household yearly consumption by price unit, group of households, type of consumption and time in USD

	2007:2009	2008:2010	2009:2011	(+/-)
Current prices				
HOUSEHOLD TYPE				
FOOD	5.741	5.452	5.572	121
BEVERAGES AND TOBACCO	1.904	1.976	1.931	-45
CLOTHING AND FOOTWEAR	2.982	2.631	2.652	21
RENT HOUSING	11.709	12.272	12.719	448
ELECTRICITY AND FUELS	3.838	3.639	4.521	882
FURNITURE, FURNISHINGS, HOUSEHOLD SERVICES, ETC.	3.178	2.854	3.048	193
MEDICAL PRODUCTS, SERVICES OG PHYSICIANS	1.468	1.354	1.346	-9
PURCHASE OF VEHICLES	3.086	2.098	2.824	726
OTHER TRANSPORT SERVICES AND COMMUNICATIONS	6.469	5.887	6.214	327
RECREATION, ENTERTAINMENT AND TRAVEL	6.547	5.866	5.835	-31
OTHER GOODS AND SERVICES	8.093	7.664	7.908	243

Source: Statistics Denmark



Consumer confidence indicators show that Danes still believe their personal financial situation has deteriorated and that unemployment rates will continue to increase over the next year. As a result, consumers are setting aside an increased share of their income in savings and have become extremely price sensitive. Discount retail chains have seen an increase in market shares and have a very strong hold on the market.

Best prospects
The retail market in Denmark is generally mature in most sectors including home goods and housewares, cosmetics, apparel and fast moving consumer goods.

The downward-spiraling financial situation the retail market has faced over the recent years has paved the way for new products entering the market as a number of small to medium-sized retailers have been forced to downscale/close.

Denmark is also considered a good test market for American exporters wishing to do business in Northern Europe due to the country's small size as well as its relative lack of entry barriers. That being said, two factors are now more than ever important for new products entering the market: price and uniqueness.

Cosmetics: Several segments of the cosmetics and toiletries industry present substantial opportunities for U.S. company market entry: natural/organic skincare products, mineral make-up, men's grooming, multifunctional cosmetics and nail care products.

Housewares: Although Danish housewares trends remain highly focused on minimalistic designs, brightly colored patterns and daring styles/shapes are becoming increasingly popular. This is not only the case for home textiles but also tabletop, small appliances and kitchenware. Green or 'eco-friendly' products are also increasingly popular.

Apparel: The Danish apparel industry excels at retailing and creating mid-priced clothing. High-spending Danish consumers look to foreign brands for luxury goods and high fashion for both adults and children. Additionally, there are particularly good prospects for U.S. 'street', 'skater' and 'surfer' brands. The market for organic clothing is growing quickly and has high demand in women's, men's, and children's fashion. While there are many Danish designers who create viable innovative and unique clothes for children and adults, there remains a strong market for American imports.

FMCG: Although most well-known American FMCGs (Fast Moving Consumer Goods) have made their way into the Danish marketplace, the general positive perception of American products, mainly due to product placement in films and word-of-mouth, provides many opportunities in this sector.

Opportunities Return to top

Denmark's general import climate is open and receptive to U.S. products and investments. There are no significant trade barriers. The domestic market is small, but the country can serve as a base for business operations in the Nordic and Baltic markets.

The existence of any remaining trade barriers could possibly be diminished or removed entirely by the proposed Transatlantic Trade and Investment Partnership (TTIP). TTIP, as anticipated, would be a high-standard trade and investment agreement between the United States and the E.U. The proposed agreement is intended to promote economic growth in the two markets by increasing investment, eliminating "behind the border" non-tariff barriers, reducing the costs of regulation differences, and promoting the global competitiveness of small- to medium-sized businesses. Currently, the agreement is still in stages of negotiation.

Local industry trade shows:
Formland Spring & Autumn – www.formland.dk

CP Home - www.cphome.dk

Copenhagen International Fashion Fair (CIFF) - www.ciff.dk

CPH Vision - www.cphvision.dk

Gallery Int. Fashion Fair CPH - www.gallery.dk

Resources **Return to top**

Federation of Danish Textile & Clothing - www.textile.dk

Danish Textile Association (Dansk Textil Union) - www.dtu.com

Danish Shoe Vendor Association - www.skohandlerforening.dk

Pej Gruppen – www.pejgruppen.dk

DesignBase Industry Magazine - www.designbase.dk

FremForsk - www.fremforsk.dk

Isenkramnet - www.isenkramnet.dk

Association of Danish Cosmetics, Toiletries, Soap & Detergent Industries (SPT) - www.spt.dk

Fagbladet Kosmetik (industry magazine) – www.fagbladetkosmetik.dk

Danish Hairdresser and Cosmetics Union (Dansk Frisør og Kosmetiker Forbund) - www.dfkf.dk

The Danish Environmental Protection Agency (Miljøstyrelsen) - www.mst.dk

The Danish Duty and Taxation Office - www.skat.dk

Danish Statistics – www.dst.dk

More information, please contact Maria Norsk, Commercial Assistant.

Agricultural Sectors Return to top

Denmark is the only country in the Nordic-Baltic region with a net export of agricultural products, producing three times the amount of food it needs for itself. However, there are areas where demand exceeds the supply.

Best Prospects for Agricultural Products

1. Organic Products

Although most organic products produced and sold in Denmark are dairy products and vegetables, the demand for all kinds of organic products is increasing rapidly. These products include beverages (including tea, coffee, wine, and beer), meat, condiments (including honey and jam), fruit & vegetables, juices, baby food, raisins, rice, nuts, and all prepared foods. Imports from the U.S. amount to only USD 1.6 million while imports from South America are at USD 9.3 million.

2. Non-conifer Wood, Sawn

Most of Denmark's wood trade is with neighboring countries such as Norway, Sweden and Germany. For soft wood logs and lumber, the U.S. market position is especially strong and could be expanded, as could hardwood for furniture and floor manufacturing.

3. Wines

The U.S. market share has increased considerably for wine in comparison to a decade ago. U.S. wine is now well-recognized, and even though the market faced a slight decline since the financial crisis it is expected to increase during the next couple of years. Smaller importers are constantly looking for suppliers of small quantities and larger importers are constantly looking for exporters who can supply amounts of about 250,000 liters/year. Currently, many "up-market" smaller producers are selling their wines in Denmark along with the larger producers; each has found a market here.

4. Fruit and vegetables

Danish fruit and vegetable suppliers are not able to cover the growing demand in Denmark and the market is constantly looking for new suppliers. In 2012, the U.S. exported over USD 13 million of fruits (including frozen juices) to Denmark.

5. Beer

Specialty stores and specialty sections in supermarkets are growing, especially for craft beer from small, independent and traditional beer producers.

6. Cod

With steadily and quickly decreasing catch quotas for cod for Denmark and the rest of the EU, demand for imports into Denmark for cod and other ground fish for export to all EU unsaturated markets is dramatically increasing.

Return to table of contents

Chapter 5: Trade Regulations and Standards

Import Tariffs Return to top

Denmark has historically maintained a no-barrier policy and is often in the lead in the international fight against non-tariff barriers. Denmark is a member of the European Union, and has the best record of all EU countries regarding implementation of Single Market directives. Denmark applies no unilateral trade barriers against the United States. The EU's common external duty tariffs apply to all products entering from non-EU countries, including the United States. Duties typically vary from 5.0% to 14% on industrial goods. Once goods have cleared customs in one EU country, they may circulate freely within the Union. A Value-Added-Tax (VAT) of 25% is applied on a non-discriminatory basis to all goods (and almost all services) sold in Denmark, whether imported or locally-produced.

As a consequence of Denmark's membership in the EU, certain agricultural products imported from non-EU countries are governed by the Common Agricultural Policy (CAP). Duties on these items -- which include cereal grains, rice, milk and milk products, beef and veal, olive oil and sugar -- are supplemented with a system of variable levies or other charges. The purpose of these is to equalize prices of imported commodities with those produced within the EU.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.
The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Trade Barriers Return to top

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:
http://www.ustr.gov/sites/default/files/2013%20NTE%20European%20Union%20Final.pdf

Information on agricultural trade barriers can be found at the following website: http://www.fas.usda.gov/posthome/useu/

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at http://www.trade.gov/tcc or the U.S. Mission to the European Union at http://export.gov/europeanunion/

Import Requirements and Documentation

Return to top

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law. For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides or conduct a search on the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU Member States. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension.

The Modernized Customs Code (MCC) of the European Union is expected to be fully in place by June 2013. Some facets of the MCC have already been implemented including EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC replaces existing Regulation 2913/92 and simplifies various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm

New U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please see http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase will take place in 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):
http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at:
http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/eu_faq.ctt/eu_faq.pdf

Batteries
EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. For more information, see our market research report:
http://www.buyusainfo.net/docs/x_4062262.pdf

REACH
REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals," is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2013**: http://echa.europa.eu/web/guest/reach-2013. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered

through their importer or EU-based 'Only Representative of non-EU manufacturer.' A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: http://export.gov/europeanunion/reachclp/index.asp

Material Safety Data Sheets (MSDS) must be updated to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the Authorization List. Substances on the Candidate List are subject to communication requirements. Companies seeking to export products containing substances on the Authorization List will require an authorization. The Candidate List can be found at: http://echa.europa.eu/web/guest/candidate-list-table. The Authorization List is available at http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list

WEEE Directive
EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register the products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012. The revised WEEE Directive expands the scope of products covered to include all electrical and electronic equipment. The expanded scope will apply from August 14, 2018. U.S. exporters seeking more information on the WEEE Directive should visit: http://export.gov/europeanunion/weeerohs/index.asp

RoHS
The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the WEEE Directive should visit: http://export.gov/europeanunion/weeerohs/index.asp

Cosmetics Regulation
On November 30, 2009, the EU adopted a new regulation on cosmetic products which will apply from July 11, 2013. The new law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other

EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing

For more general information, see: http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: http://www.fas.usda.gov/posthome/Useu/certificates-overview.html

Sanitary Certificates (Fisheries)
In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1012/2012. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

Return to top

Denmark's export controls comply with EU regulations covering four regimes: Nuclear Suppliers Group; Wassenaar (general products), Missile Technology Control Regime and the Australia Group (chemicals). In 2001, Denmark implemented a new export control system for dual-use products modeled on the U.K. export control compliance code.

Key link and more information: http://www.dba.erhvervsstyrelsen.dk/export-controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: http://www.bis.doc.gov/licensing/exportingbasics.htm

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at: http://www.bis.doc.gov/enforcement/redflags.htm

Also, BIS has "Know Your Customer" guidance at: http://www.bis.doc.gov/Enforcement/knowcust.htm

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: https://www.bis.doc.gov/forms/eeleadsntips.html

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: http://export.gov/ecr/index.asp

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/seminarsandtraining/index.htm

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: http://www.bis.doc.gov/

Temporary Entry Return to top

Most foreign businesses needing to export temporarily into Denmark choose to do so by using an ATA Carnet. The United States Council for International Business (USCIB) is the National Guaranteeing Association for ATA and TECRO/AIT Carnets in the U.S. In Denmark the National Guaranteeing Association is the Danish Chamber of Commerce, Borsen, DK 1217 Copenhagen K, Denmark. Tel: +45 33-950500 or +45 33-950536 Fax: +45 33-325216. www.commerce.gov

Labeling and Marking Requirements Return to top

The marking and labeling requirements for products sold in Denmark are numerous and vary from product to product. The requirements may stem from either Danish or EU laws and regulations. For the exporter to comply, the assistance of the Danish importer is essential. As a general rule, consumer products must be labeled in Danish or in a language that differs from Danish only slightly in spelling. As a practical matter, this means Norwegian and in some instances, Swedish. Certain products must be marked clearly with the country of origin. In some cases, the importer may do the marking following arrival of the goods in Denmark. Weights and measures must be stated in the metric system. Labels and marking must accurately describe the contents of packages. The responsibility for compliance with Denmark's marking and labeling regulations falls on the importer. Exporters, however, should carefully follow importers' instructions. Failure to do so can cause customs delays and extra expenses which may harm future business.

A substantial number of products must now be CE-marked prior to sale in Denmark and the rest of the EU. The CE mark (an acronym for the French "Conformité Européenne") certifies that a product has met EU health, safety, and environmental requirements, which ensure consumer and workplace safety. All manufacturers in the EU and abroad must meet CE mark requirements where applicable in order to market their products in Europe. For a list of countries that require the CE mark, see the ITA's (U.S. International Trade Administration). Once a manufacturer has earned a CE mark for its product, it may affix the CE mark to its product, and then the product may be marketed throughout the EU without having to undergo further modifications in each member state.

Unfortunately, there is no comprehensive list of the products that require a CE mark. Therefore, it is the manufacturer's responsibility to determine if a product requires a CE mark. The "New Approach Directives" are documents that contain the legislation issued by the European Commission on the requirements that need to be met and procedures that must be followed in order for a particular product to be CE mark certified and to be sold in the EU.

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:
http://buyusainfo.net/docs/x_366090.pdf

Links related to CE-labeling in Denmark:
www.danak.org
- DANAK is the national accreditation body in Denmark in accordance with a contract with the National Agency for Enterprise and Housing under the Ministry of Economics and Business to undertake accreditation of Danish companies. http://www.europa.eu - European group for notified bodies.

http://www.ds.dk/en/
- Danish Standards is Denmark's national standardization body and one of the leading certification enterprises in Denmark.

Labeling of Food Products:
Most foods are covered by the general regulation on labeling of foods, but certain foods are covered by specific regulations as well, e.g. fish products, chocolate, fruit juice, marmalade products and food supplements.

Labeling of food additives (as such or in foods) is covered by a specific regulation on food additives.

All foods sold in Denmark must be marked with a batch-identifying code (a lot-number or a date of production). This is true for "bulk packed" products as well as pre-packed products – and is the only requirement for "bulk packed" products. All other information may be handed over to the importer in document form.

Normally, all pre-packed foods intended for the final consumer or catering establishments must be labeled according to the general rules prior to retail sale or catering service:

Name and address
Product designation
Net weight
Durability

The labeling language must be Danish. Certain words from other languages, which are very similar to Danish in spelling, may be used. In practice though, most of the labeling will have to be in Danish.

Products may not be sold with a standard U.S. label only. Stick-on labels can be used in addition to a U.S. label, or to cover certain text on the original label, which is not in conformity with Danish labeling requirements (e.g., nutritional information which does not appear in Danish).

Food additives must be declared in the ingredients, listed by functional class, followed by specific name or E-number, as defined in the food additives regulation and positive additive list. Flavors must be declared merely as “aroma,” and it is possible to state “natural, nature identical or artificial” in accordance with the definitions in the flavor regulation.

Nutrients may be added after permission is granted from the authorities. The allowed usage is very limited. Added nutrients may not be claimed on the label, but may only be declared in the ingredients list and in nutritional information.

Further details are described in the report: Food and Agricultural Import Regulations and Standards (FAIRS). The report, which is updated yearly, is available on the internet: http://www.fas.usda.gov/. The report includes sections on food laws, labeling requirements, food additive regulations, pesticide and other contaminants, copyright and trademark laws and import procedures.

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at: http://www.buyusainfo.net/docs/x_4171929.pdf.

Prohibited and Restricted Imports

Return to top

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Please also see Import Requirements

Customs Regulations and Contact Information

Return to top

Customs procedures, including the classification and valuation of imported goods entering Denmark, are governed by EU rules. For information on import duties and tariffs, U.S. exporters may contact the Danish Customs Office listed below:

Central Customs and Tax Administration
Customs Center Copenhagen
Snorresgade 15
DK-2300 Copenhagen S
http://www.skat.dk/SKAT.aspx?oId=44252
Tel: +45 32-887300
Fax: +45 32-951874

Homepage of Customs and Taxation Union Directorate (TAXUD) Website
Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Major Regulatory Efforts of the EC Customs and Taxation Union Directorate:

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety;

- The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;

- The Modernized Community Customs Code which provides for the completion of the computerization of customs.

Key Link:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Homepage of Customs and Taxation Union Directorate (TAXUD) Website
Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

The EU imports in excess of 2 trillion euro worth of goods. It is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and

- import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

Standards

Return to top

- Overview
- Standards Organizations
- Conformity Assessment
- Product Certification
- Accreditation
- Publication of Technical Regulations
- Labeling and Marking

Overview

Return to top

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards
The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: http://www.fas.usda.gov/posthome/useu/about.html

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:
http://www.fas.usda.gov/posthome/useu/about.html

Standards Organizations Return to top

The Danish Standards Association is a private, non-profit organization, which has been approved as a technological service institute (GTS institute). The mission of the Danish Standards Association is to provide services pertaining to standardization, certification and the communication of knowledge. The Danish Standards Association is Denmark's national standardization body and one of the leading certification enterprises in Denmark.

In addition, the Danish Standards Association has been designated as the National Enquiry Point for the World Trade Organization. The WTO Enquiry Point is the official information center for international standards, certification schemes and regulations in Denmark.

The Danish Standards Association can answer questions regarding:

-- European, international and national standards certification services
-- Notifications
-- EU directives
-- Harmonized standards
-- CE marking

European Union
EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (http://www.cenelec.eu/)

2. ETSI, European Telecommunications Standards Institute (http://www.etsi.org/)

3. CEN, European Committee for Standardization, handling all other standards (http://www.cen.eu/cen/pages/default.aspx)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards - can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is broad - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: http://www.cen.eu/cenorm/products/cwa/index.asp

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

Conformity Assessment [Return to top]

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: http://ec.europa.eu/enterprise/newapproach/nando/

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

Product Certification [Return to top]

To sell products in the EU market of 27 member states – soon 28 - as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

Return to top

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (http://www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

Publication of Technical Regulations

Return to top

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (http://eur-lex.europa.eu/JOIndex.do?ihmlang=en). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your

access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Labeling and Marking

Return to top

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 30 different product groups, and approximately 1300 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the member state in which the product is sold. The application fee will be somewhere between €300 and €1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15% of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at €500 and maximum €25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

Key Links:
Eco-label Home Page

Trade Agreements

Return to top

Denmark is a full member of the EU and the W.T.O.
For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp.

Web Resources

Return to top

The Danish Standards Association (Dansk Standard)
Kollegievej 6
DK-2920 Charlottenlund
Tlf: +45 39 96 61 01
Fax: +45 39 96 61 02
www.ds.dk

EU websites:
Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: http://echa.europa.eu

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Electronic Customs Initiative: Decision N° 70/2008/EC
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk
http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main

Cenelec, European Committee for Electrotechnical Standardization:
http://www.cenelec.eu/

ETSI, European Telecommunications Standards Institute:
http://www.etsi.org/

CEN, European Committee for Standardization, handling all other standards:
http://www.cen.eu/cen/Pages/default.aspx

Standardisation – Mandates:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation :
http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector:
http://www.cen.eu/cenorm/sectors/index.asp

CEN - Standard Search:
http://esearch.cen.eu/esearch/

Nando (New Approach Notified and Designated Organizations) Information System:
http://ec.europa.eu/enterprise/newapproach/nando/

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main

European Co-operation for Accreditation:
http://www.european-accreditation.org/home

Eur-Lex – Access to European Union Law:
http://eur-lex.europa.eu/en/index.htm

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
http://www.nist.gov/notifyus/

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
http://ec.europa.eu/environment/ecolabel/

U.S. websites:
National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1

Agricultural Trade Barriers:
http://www.fas.usda.gov/posthome/Useu/

Trade Compliance Center:
http://tcc.export.gov/

U.S. Mission to the European Union:
http://useu.usmission.gov/

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
http://export.gov/europeanunion/reachclp/index.asp

WEEE and RoHS in the EU:
http://export.gov/europeanunion/weeerohs/index.asp

Overview of EU Certificates:
www.fas.usda.gov/gainfiles/200605/146187632.doc

Center for Food Safety and Applied Nutrition:
http://www.fda.gov/Food/default.htm

EU Marking, Labeling and Packaging – An Overview
http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:
http://tcc.export.gov/Trade_Agreements/index.asp

Return to table of contents

Chapter 6: Investment Climate

Introduction

Denmark is characterized by political, economic and regulatory stability. It is a member of the European Union (EU), and Danish legislation and regulations conform to EU standards on almost all issues. Denmark conducts a fixed exchange rate policy with the Danish Krone linked closely to the Euro. Denmark is a social welfare state with a thoroughly modern market economy reliant on free trade in both goods and services. It is a net exporter of food and energy, but depends on raw material imports for its manufacturing sector. Within the EU, Denmark is among the strongest supporters of liberal trade policy.

Denmark is still suffering from the after-effects of the 2008 financial crisis from over-investment in commercial and private real estate and agriculture, and from personal over-leveraging by Danish consumers. GDP contracted by 5.7% in 2009, and expanded by 1.6% in 2010 and 1.1% in 2011. Danish GDP has contracted in four of the last eight quarters (up to Q3 2012) and has yet to return to pre-crisis levels. GDP is estimated to contract by -0.4% in 2012 and return to growth with 1.2% in 2013 and 1.6% in 2014, according to the government's December 2012 estimates. Unemployment is forecast to increase slightly in the first half of 2013 from its current level of 6.4% and to improve somewhat in the second half. The underlying macroeconomic conditions are relatively sound, and the investment climate is favorable. Denmark is situated strategically, linking continental Europe with the Nordic and Baltic countries. The transport and communications infrastructures are efficient. Denmark is among the world's leaders in industries such as information technology, life sciences, clean energy technologies, and shipping. Exchange rate conversions throughout this document are based on the 2012 average exchange Danish Kroner (DKK) 5.797= 1 USD.

Openness To, and Restrictions Upon, Foreign Investment

Return to top

Denmark is a small country with an open economy. Denmark is highly dependent on foreign trade, with exports being the largest component of GDP, and international cooperation. Danish trade and investment policies are liberal and encourage foreign investment.

In general, investment policies are forward-looking and aimed at fostering and developing businesses, especially in high-growth sectors. A 2012 business environment survey from the Economist Intelligence Unit (EIU) for the period 2012–2016 ranked Denmark eighth globally and third regionally as the most attractive nation for foreign investment. The EIU characterizes Denmark's business environment as among the most attractive in the world, reflecting a sound macroeconomic framework, excellent infrastructure and a highly flexible labor market. Main concerns relate to the ability to deal with a shrinking labor supply and the prospects for macroeconomic instability, stemming from possible contagion from the Eurozone's sovereign debt crisis. Several factors are included in the survey, and Denmark scores top marks in various categories such as the political and institutional environment, macroeconomic stability, policy towards private enterprise, foreign investment policy, financing and infrastructure. The EIU Global Dynamism Index 2012 (GDI) ranks the Nordics as the most dynamic region in the world. As of October 2012, the EIU rates Denmark as an A country on its Country Risk Service with a stable outlook, with sovereign risk at AA and political risk at AAA. Denmark ranked twelfth on the Global Competitiveness Report 2012-2013 from the World Economic Forum, fifth on the World Bank's Doing Business 2012 ranking, and third on the EIU Democracy Index 2011.

According to the Danish central bank, the total stock of foreign direct investment into Denmark in 2011 was DKK 767.6 billion (current prices, exclusive of pass-through investments; equivalent to approximately USD132 billion), corresponding to 43% of GDP. U.S. investments of DKK 56.5 billion (USD 9.7 billion) in Denmark accounted for 7.4% of total FDI stock in 2011. The United States is the fourth largest foreign investor in Denmark, surpassed by Sweden (DKK 185.2 billion) Luxembourg (DKK 85 billion) and the Netherlands (DKK 81.7 billion).

The government agency "Invest in Denmark" is part of the Danish Trade Council and is situated within the Ministry of Foreign Affairs. The agency provides detailed information to potential investors. The website for the agency is www.investindk.com. The Greenland Government's trade promotion agency, Greenland Expo, also has information for potential investors in Greenland. The website for the agency is www.greenlandexpo.com. "Invest in the Faroes" is the unit in the Faroese government concerned with promoting Faroese trade; the website is www.invest.fo/

The Danish central and regional governments encourage foreign investment on a national-treatment basis. There is no mandatory screening of foreign investment. From 2010 onwards there has been an increased focus on the tax compliance of multinationals as part of the national political debate. The government allocated funds in the 2012 national budget for intensified supervision and enforcement of taxation for multinationals, to ensure their compliance with the Danish tax regime. In December

2012 corporate tax records of all companies operating in Denmark were made public. The records will be updated annually.

According to the Danish Competition Act, the Competition Authorities require notification of mergers and takeovers if the combined turnover of the participating companies exceeds DKK 50 million (approx. USD 8.6 million). However, notification is not required if one of the participating companies has turnover of less than DKK 10 million (approx. USD 1.8 million). If the combined turnover of the merging companies exceed DKK 900 million (approx. USD 155 million) and at least two of the merging companies each have turnover exceeding DKK 100 million (approx. USD 17.3 million) or if one of the merging companies has domestic annual turnover exceeding DKK 3.8 billion (approx. USD 655 million) and at least one of the merging companies has global annual turnover exceeding DKK 3.8 billion (approx USD 655 million), the merger or takeover is subject to approval by the Competition Authorities. The EU Commission's approval must also be obtained for large scale mergers.

There are certain restrictions on the acquisition of real estate in Denmark by foreigners. EU citizens and companies from EU member states can purchase any type of real estate except vacation properties without prior authorization from the authorities. Companies and individuals from non-EU countries that have been present/resident in Denmark for at least five years in total and are currently resident in Denmark can also purchase real estate except vacation properties without prior authorization. Non-EU companies or individuals that do not meet these requirements can only purchase real estate with the permission of the Danish Ministry of Justice. Permission is freely given to people with a Danish residency permit, except with regard to purchases of vacation properties. Purchases of designated vacation properties are restricted to citizens of Denmark. See section regarding limits on foreign ownership and control in certain sectors for further information.

Ranking in Indices:

Measure	**Year**	**Index/Ranking**
TI Corruption Index	2012	Score 90 - Rank 1st, up from 2nd in 2011
Heritage Economic Freedom	2012	Score 76.2 - Rank 11th (8th in 2011)
World Bank Doing Business	Doing Business 2013	Rank 5th – unchanged
IMD - The World Competitiveness Scoreboard	2012	Rank 13th (12th in 2011)
World Economic Forum - Global Competitiveness Report	2012 - 2013	Rank 12th (8th in 2011 – 2012)
EIU Democracy Index	2011	Rank 3rd
Goldman Sachs – Mapping the Wealth of Nations	2012	Rank 1st
MCC Gov't Effectiveness	N/A	N/A

MCC Rule of Law	N/A	N/A
MCC Control of Corruption	N/A	N/A
MCC Fiscal Policy	N/A	N/A
MCC Trade Policy	N/A	N/A
MCC Regulatory Quality	N/A	N/A
MCC Business Start Up	N/A	N/A
MCC Land Rights Access	N/A	N/A
MCC Natural Resource Mgmt	N/A	N/A

Denmark is a major international development assistance donor, contributing DKK 15.73 billion (USD 2.7 billion) or 0.85 of GDI to development assistance in 2011. The Millennium Challenge Corporation (MCC) and the Ministry of Foreign Affairs signed a Memorandum of Understanding in 2008 to increase cooperation.

Conversion and Transfer Policies

Denmark has not introduced the Euro currency. Although it previously met the EU's economic criteria for membership, the government's labor market reform has pushed the annual budget deficit past the EU's allowed threshold of 3% of GDP in 2012; it is projected to return below that level in 2013. The Danish reservation concerning Euro participation can only be abolished by referendum, and Danish voters twice (in 1992 and 2000) turned down the introduction of the Euro via national referendum. The government has stated it will not hold another referendum on the Euro before the next national election (slated for 2015). Regular polling on this issue shows an increasing majority of public opinion in favor of keeping the Krone – 69.8% against joining the Euro versus 28% in favor, according to a December 2012 Danske Bank poll.

Denmark conducts a fixed exchange rate policy with the Danish Krone linked closely to the Euro within the framework of ERM II. The Danish Krone (DKK; plural: Kroner) has a fluctuation band of +/- 2.25% of the central rate of DKK 746.038 per 100 Euro.

There are no restrictions on converting or transferring funds associated with an investment into or out of Denmark. Policies in place are intended to facilitate the free flow of capital and to support the flow of resources in the product and services markets.

Foreign investors can obtain credit in the local market at normal market terms, and a wide range of credit instruments is available.

Expropriation and Compensation

By law, private property can only be expropriated for public purposes, in a non-discriminatory manner, with reasonable compensation, and in accordance with established principles of international law. There have been no recent expropriations of significance in Denmark and there is no reason to expect significant expropriations in the near future.

Dispute Settlement

There have been no major disputes over investment in Denmark in recent years. The judicial system is extremely well-regarded and considered fair. The legal system is independent of the legislative branch of the government and is based on a centuries-old legal tradition. It includes written and consistently applied commercial and bankruptcy laws, and secured interests in property are recognized and enforced. The World Economic Forum's 2012-2013 Global Competitiveness Report, which ranks Denmark as the world's twelfth most competitive economy and eighth among the EU27, characterizes it as having among the best-functioning and most transparent institutions in the world. In addition, Denmark ranks high among the evaluated countries on indices related to ethical behavior of firms (ranked 4), irregular payments and bribes (ranked 4), judicial independence (ranked 13), intellectual property protection (ranked 21), and efficiency of legal framework in settling disputes (ranked 13).

Monetary judgments under the bankruptcy law are made in freely convertible Danish Kroner. The bankruptcy law addresses creditors' claims against a bankruptcy in the following order: (1) costs and debt accrued during the treatment of the bankruptcy; (2) costs, including the court tax, relating to attempts to find a solution other than bankruptcy; (3) wage claims and holiday pay; (4) excise taxes owed to the government; and (5) all other claims.

Denmark is a member of the International Center for the Settlement of Investment Disputes (ICSID) and is a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Subsequent Danish legislation makes international arbitration of investment disputes binding in Denmark. In addition, Denmark is a party to the 1961 European Convention on International Commercial Arbitration and to the 1962 agreement relating to the application of this Convention.

Performance Requirements and Incentives

Denmark adheres to the WTO Agreement on Trade-related Investment Measures (TRIMs). Performance requirements are applied only in connection with investment in hydrocarbon exploration, where concession terms normally require a fixed work program, including seismic surveys, and in some cases exploratory drilling, consistent with applicable EU directives. Performance requirements are mostly designed to protect the environment, mainly through encouraging reduced use of energy and water. Several environmental and energy requirements are systematically imposed on households as well as businesses in Denmark, both foreign and domestic. For instance, Denmark was the first of the EU countries, in January 1993, to introduce a carbon dioxide (CO_2) tax on business and industry. However, there are certain reimbursement schemes and subsidy measures to reduce the costs for businesses, thereby safeguarding Danish competitiveness.

Performance incentives are available to both foreign and domestic investors. For instance, foreign and domestic investors in designated regional development areas may take advantage of certain grants and access to preferential financing. Investments in Greenland may be eligible for incentives as well.

Denmark does not offer favored treatment to foreign investors. Foreign subsidiaries located in Denmark can participate in government-financed or subsidized research programs on a national-treatment basis.

Right to Private Ownership and Establishment
A foreign or domestic private entity may freely establish, own, and dispose of a business enterprise in Denmark. The capital requirement for establishing a corporation (A/S) is DKK 500,000 (approx. USD 86,250) and for establishing a private limited liability company (ApS) DKK 80,000 (approx. USD 13,800). No requirements apply as to the residency of directors and managers of A/S or ApS.

Since October 2004, a private entity may found a European public limited company (SE company). The legal framework of the SE company is to a large degree subject to national company law, but it is possible to change the nationality of the company without liquidation and re-founding. An SE company must be registered at the Danish Business Authority if the official address of the company is in Denmark. The minimum capital requirement is 120,000 Euros (approx. USD 156,000).

Like most other countries, Denmark imposes restrictions on establishing companies providing professional services (e.g., legal, accounting, auditing, and medical services). Danish professional certification and/or local Danish experience is required to practice in Denmark. In some instances, Denmark may accept an equivalent professional certification from other EU or Nordic countries on a reciprocal basis.

Establishment of new, large department stores outside city centers is on a non-discriminatory economic needs-test basis and must be approved by the local authorities. The maximum size of a store may not exceed 3,500 square meters without explicit permission.

Ownership restrictions are applied in the following sectors:

- Hydrocarbon exploration: Requires 20% Danish government participation, but on a "non-carried interest" basis.

- Defense materials: The law governing foreign ownership of defense companies (L538 of May 26, 2010) stipulates that the Minister of Justice has to approve foreign ownership of more than 40% of the equity or more than 20% of the voting rights, or if foreign interests gain a controlling interest in a defense company doing business in Denmark. The approval will be granted unless there are foreign policy considerations or security issues weighing against approval.

- Aircraft: Unless a waiver is granted, non-EU physical and legal persons may not directly own or exercise control over aircraft registered in Denmark.

- Ships registered in the Danish International Ships Register (DIS) must, as a general rule, be Danish-owned. Ships owned by Danish citizens, Danish partnerships or Danish limited liability companies are eligible for registration. Ships owned by EU or European Economic Area (EEA) entities with a genuine link to Denmark are eligible for registration. Also, foreign companies with a major Danish influence can register a ship in the DIS.

Protection of Property Rights

Property rights in Denmark are well protected by law and in practice. Intellectual property protections in Denmark are particularly well-regarded. Denmark adheres to key international conventions and treaties concerning protection of property rights. Denmark has ratified the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). The WIPO (World Intellectual Property Organization) internet treaties, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), have been signed, ratified, and are in force.

Real estate is for the most part financed through the well-established Danish mortgage bond credit system, the security of which compares to that of government bonds. To comply with the covered bond definition in the EU Capital Requirements Directive (CRD), the Danish mortgage banking regulation was amended effective July 1, 2007. The new Basel III framework for capital requirements (particularly CRD IV) may present a challenge to the Danish mortgage bond credit system, though final regulation is not in place yet.

With the amended Danish mortgage banking regulation, commercial banks now have the same opportunities as mortgage banks and ship-financing institutions to issue covered bonds. Only issuers that have been granted a license from the Danish Financial Supervisory Authority (FSA) are able to issue Danish covered bonds.

Secured interests in property are recognized and enforced in Denmark. All mortgage credits in real estate are recorded in local public registers of mortgages. Except for interests in cars and commercial ships, which are also publicly recorded, other property interests are generally unrecorded. The local public registers are a reliable system of recording security interests.

Transparency of the Regulatory System

Danish laws and policies granting national treatment to foreign investments are designed to support the Danish goal of increasing FDI in Denmark. Denmark applies high standards with regard to health, environment, safety, and labor laws. These policies are universally applied and are not used to impede foreign investment. Danish corporate law is generally in conformity with current EU legislation. The legal, regulatory and accounting systems are relatively transparent and in accordance with international standards. Bureaucratic procedures are streamlined and transparent, and proposed laws and regulations are published in draft form for public comment.

In June 2007, the Danish Parliament enacted a major bill on Controlled Foreign Company (CFC) taxation and private equity funds. The bill reduced the corporate tax rate from 28% to 25%. The bill also limited tax speculation for private equity funds. Additionally, the bill capped deductibility of net financing costs and changed taxation of dividend and liquidation distributions. Furthermore, the bill included amendments to the taxation of CFCs indirectly forced upon the Danish government by a European Court of Justice (ECJ) ruling in the British "Cadbury-Schweppes" case, when the ECJ allowed multinationals to take advantage of low tax regimes abroad, as long as the subsidiary is not "wholly artificial." The Danish rules now include specific criteria for when CFC taxation will be triggered, such as the relative size of financial assets and CFC income.

As of December 19, 2012 the Ministry of Taxation made all companies' corporate tax records public and will update and publicize them annually. The publication is intended to increase transparency and public scrutiny of corporate tax payments. Greenland and the Faroe Islands retain autonomy with regard to tax policy.

Efficient Capital Markets and Portfolio Investment

Denmark has fully liberalized foreign exchange flows, including those for direct and portfolio investment purposes. Credit is allocated on market terms and is freely available. The Danish banking system is under the regulatory oversight of the Financial Supervisory Authority. Like banks in many other countries, Danish banks experienced significant turbulence in 2008 - 2009. In October 2008, the Danish Parliament passed legislation that calls for all private banks and the Danish government to finance jointly a "safety net" program that provides unlimited guarantees for bank deposits and certain classes of bank creditors through September 2010. Both Danish and foreign deposits were covered by the legislation. A total of 133 banks joined this so-called "Bank Package." In spite of this legislation, some local businesses reportedly complain of tight lending practices and difficulty in obtaining bank financing. When the "Bank Package" expired in September 2010, the Government had a profit from the agreement. In January 2009 a second initiative was passed, "Bank Package 2," which provided government lending to financial institutions in need of capital to uphold their solvency requirements. Only Danish banks were eligible for inclusion in the second initiative. A total of 43 applicants received DKK 46 billion (approximately USD 7.9 billion) through this initiative. A government-run Financial Stability Company was initiated to take over failed banks. By the end of 2010, ten banks had been taken over or divided and sold by the Financial Stability Company. A third package was enacted in July 2010 without a set expiration date, which ensures the orderly management of failed banks through the Financial Stability Company in the period after September 30, 2010 when Bank Package I expired. The package guarantees all deposits up to DKK 750,000 (approx. USD 130,000).

The third Bank Package received much national and international criticism for making Denmark one of the EU's toughest jurisdictions in terms of dealing with banks in distress. The package includes provisions stipulating that senior debt holders will shoulder losses in the event of a bank failure. The failure of Amagerbanken, the tenth largest Danish bank, in February 2011 resulted in some ripple effects for smaller Danish banks, which experienced difficulty in accessing international credit markets, and intensified scrutiny of the financial sector by the rating agencies. A fourth Bank Package was passed in August 2011 which will identify systemically important financial institutions (which had yet to happen by the beginning of 2013), ensure the liquidity of banks which assume control of a troubled bank, support banks acquiring troubled banks by allowing them to write off obligations of the troubled bank to the government, and change the funding mechanism for the sector-funded guarantee fund to a premium-based, pay-as-you-go system. According to the Danish Government, Bank Package 4 provides mechanisms for a sector solution to troubled banks without senior debt holder losses, but does not supersede Bank Package 3. Senior debt holder losses are still a possibility in the event of a bank failure. A fifth bank package was passed in March 2012, the "development" package, designed to strengthen growth and export financing and to ease the access to credit of particularly SMEs and the agricultural sector by enabling banks to free up capital to provide new lending. The Danish system of troubled financial institution resolution mechanisms is expected to be revised when the EU Commission presents rules in connection with the EU Banking Union and the single supervisory mechanism

(SSM). The national payment system, Nets, is jointly owned by Danish banks. The assets of the three largest Danish banks -- Danske Bank, Nordea Bank Danmark, and Jyske Bank -- constitute approximately 75% of the total assets in the Danish banking sector.

The major Danish banks are rated by international agencies, and their creditworthiness is high by international standards. Following the failures of two Danish banks in 2011 that were resolved through the above mentioned Bank Package 3 resolution mechanism, the larger banks and mortgage issuers were downgraded by the international rating agencies, though their ratings remain at a relatively high level. The major Danish banks all passed European and national stress tests with a considerable margin.

Differentiated voting rights - A and B stocks - are used to some extent and several Danish companies are controlled by foundations, which can restrict potential hostile takeovers including foreign takeovers.

The Danish stock market functions efficiently. In 2005, the Copenhagen Stock Exchange became part of the integrated Nordic and Baltic market place, OMX Exchanges, headquartered in Stockholm. Besides Stockholm and Copenhagen, OMX also includes the stock exchanges in Helsinki, Tallinn, Riga and Vilnius. In order to increase the access to capital for primarily small companies, the OMX in December 2005 opened a Nordic alternative marketplace -- "First North" –- in Denmark. In February 2008 the exchanges were acquired by the Nasdaq OMX Group.

Competition from State-Owned Enterprises (SOEs)

SOEs hold dominant positions in rail, energy utility and broadcast media in Denmark. Large scale public procurement must go through public tender in accordance with EU legislation. Competition from SOEs is not considered a barrier to foreign investment in Denmark. The World Economic Forum's 2011-2012 Global Competitiveness Report ranks Denmark as thirteenth when it comes to lack of favoritism in government officials' decisions and finds that Denmark has among the best functioning and most transparent institutions in the world.

Corporate Social Responsibility (CSR)

A survey from 2000 found the Danish population to be the most willing among the European countries to pay more for products and services which are socially or environmentally responsible. Surveys from the international business school IMD in Switzerland rank Denmark at the top when it comes to corporations' social, environmental, and ethical conduct. A recent survey by the London Business School and Harvard Business School concludes that management is considered the most trustworthy in Denmark, Finland and Singapore. All major companies in Denmark have a CSR strategy. The Danish Business Authority publishes action plans to advance CSR in Denmark and recommends following the principles of the UN Global Compact, UN PRI and OECD guidelines for multinational enterprises. The most recent plan is from 2012 and covers the 2012 – 2015 period, focusing on business-driven CSR and contains 42 initiatives.

Political Violence

Denmark is a politically stable country. Incidents involving politically-motivated damage to projects or installations are very rare in Denmark.

Corruption

According to the 2012 Corruption Perceptions Index by Transparency International, Denmark is the least corrupt country in the world along with Finland and New Zealand. Transparency International has local representation in Denmark.

Corruption is covered under the Danish Penal Code, and the Ministry of Justice is responsible for combating corruption. Penalties for violations range from fines to imprisonment of up to four years for a private individual's involvement and up to six years for a public employee's involvement. Since 1998, Danish businesses cannot claim a tax deduction for the cost of bribes paid to officials abroad. Denmark is a signatory of the OECD Convention on Combating Bribery and the UN Anticorruption Convention.

Bilateral Investment Agreements

Denmark has concluded investment protection agreements with the following 45 countries and Hong Kong: Algeria, Albania, Argentina, Belarus, Bolivia, Bulgaria, Czech Republic, Chile, China, Croatia, Egypt, Ethiopia, Estonia, Ghana, Hungary, India, Indonesia, Kuwait, Latvia, Lithuania, Malaysia, Mexico, Mongolia, Mozambique, Nicaragua, North Korea, Pakistan, Peru, the Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Korea, Sri Lanka, South Africa, Tanzania, Tunisia, Turkey, Uganda, Ukraine, Venezuela, Vietnam, and Zimbabwe. Further, Denmark has signed investment protection agreements with Bangladesh, Bosnia Herzegovina, Brazil, Cuba, Laos, Montenegro, Morocco and Serbia, but these agreements await ratification. There has been no change to the status of the investment protection agreements since the enactment of the European Union’s Lisbon Treaty.

The U.S.-Danish Bilateral Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was concluded in 1999 and came into force on March 31, 2000. In May 2006, a protocol was signed to amend the existing tax treaty between Denmark and the United States. The most important aspect of the protocol relates to the elimination of withholding tax on cross-border dividend payments. On November 19, 2012, the governments of the United States of America and Kingdom of Denmark signed an Intergovernmental Agreement (IGA) to implement the Foreign Account Tax Compliance Act (FATCA).

OPIC and Other Investment Insurance Programs

OPIC programs are not applicable to U.S. investments in Denmark, but may be used by at least 95%-U.S.-owned subsidiaries in Denmark to support their investments in qualifying countries.

Denmark is a member of the Multilateral Investment Guarantee Agency (MIGA).

Labor

The Danish labor force is generally stable, well-educated and efficient. Language skills are good, and English is considered a natural second language among a very high proportion of Danes. Furthermore, the Danish labor market is flexible. Danish rules on the hiring and firing of employees are not burdensome, which enables employers to adjust the workforce quickly to changing market conditions. The World Economic Forum Global Competitiveness Report 2012 – 2013 finds that Denmark continues to distinguish itself as having one of the most efficient labor markets in the world (ranked eighth), with more flexibility in setting wages, firing, and therefore hiring workers than in the other Nordic states and in most European countries more generally. The report ranks Denmark first with respect to redundancy costs and third with respect to cooperation in labor-employer relations.

The Danish labor force amounted to approximately 2.63 million persons in Q3 2012. Denmark's OECD-harmonized unemployment rate was 7.7% in October 2012, which was relatively low compared to the EU (10.7%) and OECD (8.0%) averages. Based on October 2012 figures, unemployment was projected to be about 7.8% by the end of 2012, which is still relatively low compared to EU and OECD averages. Unemployment is expected to increase slightly in the first half of 2013 and then subside to the 2012 level.

The public sector in Denmark is large and accounts for approximately 28% of the employment at full-time equivalence. The labor force participation rate for women is among the highest in the world. In 2011, 71.5% of working-age women participated in the labor force and the employment rate was 69.5%. The male labor force participation rate and employment rate were 75.7% and 72.8% respectively.

The Danish labor force is highly organized, with approximately 75% belonging to a union. Labor disputes and strikes occur only sporadically. As a general rule, labor/management relations are excellent, based on dialogue and consensus rather than confrontation. Working conditions are laid down in a rather complex system of legislation and organizational agreements. Most aspects of wage and working conditions are determined through collective bargaining rather than legislation.

The contractual workweek for most wage earners is 37 1/2 hours. By law, employees are entitled to five weeks of paid annual leave. However, the majority of the labor force has the right to six weeks of paid annual leave through labor market agreements.

Denmark has well-functioning unemployment insurance and sick-pay schemes that are not financed by employers. Maternity leave in Denmark is 52 weeks to be divided between the parents as they see fit, though 18 weeks are earmarked for the mother and 2 weeks for the father. Employers are obliged to pay salary for at least 14 weeks, while the government supports the remainder of the leave.

Danish wages are high by international standards and have contributed to the use of capital-intensive technologies. The average wage level is seen as detrimental to Danish competitiveness. However, employer contributions to social security (including health care) are very low. As a result, total employee costs for employers are lower in Denmark than in many other industrialized countries. Real wages have been declining since 2010 due to the economic crisis and restraint shown by the unions on wage increase demands.

In general, work permits are not difficult to obtain for foreign managerial staff. However, permits for non-managerial workers from countries outside the EU (citizens of EU countries do not require work permits) and the Nordic countries are granted only if substantial professional or labor-related conditions warrant it.

Special rules, detailed in the so-called Positive List Scheme, apply to certain professional fields experiencing a shortage of qualified manpower. The list is updated twice annually. Foreigners who have been hired in the designated fields will be immediately eligible for residence and work permits. In 2012, professions covered by the Positive List Scheme include engineers, scientists, doctors, nurses, IT specialists, marine biologists, lawyers, accountants and a wide range of other Master's or Bachelor's degree positions. The Pay Limit Scheme extends to positions with an annual pay of no less than DKK 375,000 (approximately USD 64,700) annually, regardless of the field or specific nature of the job. Persons who have been offered a highly paid job have particularly easy access to the Danish labor market through the Pay Limit Scheme.

Denmark also introduced a Green Card scheme to issue three-year residence permits to foreign nationals, allowing them to seek employment in Denmark. The residence permit can be extended for one year without special authorization, followed by a four-year extension if authorized. Permits are issued based on an individual evaluation using a point system. However, a residence permit issued under the Green Card scheme is **not** a work permit. If offered a job, the applicant must apply for a work permit. A work permit is only granted for research and specialist positions, as well as positions covered by the above-mentioned Positive List scheme.

Generally, personal income tax rates in Denmark are among the highest in the world. However, foreign key employees and researchers may choose to be subject to a favorable 26% gross tax rate in the first five years of working in Denmark. Some conditions must be fulfilled in order for key employees to be eligible for the 26% tax scheme: for example, in 2012 wages had to total at least DKK 69,300 (approx. USD 12,000) per month before the deduction of labor market contributions and after Danish labor market supplementary pension contributions. There are also limits based on an individual's previous work history in Danish labor market. Compared with the general Danish progressive income tax system, this is an attractive incentive. Further information can be obtained from the Danish embassies or from the Danish Immigration Service (**www.nyidanmark.dk**).

Denmark adheres to the ILO conventions protecting worker rights.

Foreign Trade Zones/Free Ports

The only free port in Denmark is the Copenhagen Free Port operated by the Port of Copenhagen. The Port of Copenhagen and the Port of Malmo (Sweden) merged their commercial operations in 2001, including the free port activities, in a joint company named CMP. CMP is one of the largest port and terminal operators in the Nordic Region and one of the largest Northern European cruise-ship ports; it occupies a key position in the Baltic Sea Region for the distribution of cars and transit of oil. The facilities in the free port are mostly used for tax-free warehousing of goods imported, for exports, and for in-transit trade. Tax and duties are not payable until cargo leaves the Free Port. Also, the processing of cargo and the preparation and finishing of imported automobiles for sale can freely be set up in the Free Port. Manufacturing operations can be established with the permission of the customs authorities, which is granted if special reasons exist for having the facility in the Free Port area. The Copenhagen Free Port welcomes foreign companies establishing warehouse and storage facilities.

Other Areas of the Kingdom of Denmark

Greenland

Greenland's Self-Rule status within the Kingdom outlines that the Greenlandic government can decide to acquire a number of new responsibilities including the administration of justice, business and labor, aviation, immigration and border control, as well as financial regulation and supervision. It has already acquired control over taxation, fisheries, internal labor negotiations, natural resources, and oversight of offshore labor, environment, and safety regulations. Denmark continues to exercise control of Greenland's foreign affairs, security, and defense in consultation with Greenland's Self-Rule Government. Denmark also retains authority for border control issues, including immigration to Greenland. Greenland is not a part of the EU or Schengen Area; special rules apply for foreigners coming from a Schengen country.

Greenland's wealth in natural resources offers opportunities in the mining, minerals, and hydrocarbon sectors, among others. Greenland exported USD 381 million in 2010, close to 90% of which was fish products, with the remainder being metals and machinery. Exports went primarily to Denmark (65%), followed by Japan (12%), and China (6%). Imports came from Denmark (58%), Sweden (19%), and the UK (10%), among others. Foreign Direct Investment into Greenland from Denmark totaled 1.2 billion kroner (USD 207 million) in 2011. (More comprehensive statistics are not available) Due its vast size, Greenland's physical and telecommunications infrastructure is less interconnected and developed than in other parts of the Kingdom of Denmark. The labor force comprises about 40,000 people. The Greenland Government's trade promotion agency, Greenland Expo, also has information for potential investors in Greenland. The website for the agency is www.nanoq.gl

U.S. officials has made several visits to Greenland to strengthen ties and develop opportunities for U.S. investment. Greenland has been an active participant in the Embassy's Green Partnerships for Growth Initiative, which creates networks among U.S. and Danish businesses, uncovers opportunities for information sharing, and develops partnerships in technology and business solutions that promote renewable energy and energy efficiency technologies.

Greenland passed legislation in December 2012 which provides for companies to use foreign labor during the construction phase of development when project costs exceed five billion Danish kroner (USD 870 million) and workforce requirements exceed the local labor supply. Known as the Large Scale Act, it is intended for potential mining or infrastructure projects in Greenland. It lays out the framework for politically-negotiated Impact Benefit Agreements (IBA) for the Government of Greenland and the company to agree on the exact conditions of employment for foreign labor. The Act allows workers from outside Greenland to operate under a foreign collective bargaining agreement, but these agreements cannot violate Greenland's laws or Denmark's international obligations. The scale of Greenlandic labor utilized will be negotiated for each project and will vary depending on local capacity and the negotiated agreement for each project.

Before this law can be implemented, action by the Danish Parliament is required regarding immigration to Greenland; requirements for the use of foreign labor under the Large Scale Act differ from the Danish Aliens Act.

Faroe Islands
The Faroe Islands retain control over most internal affairs including the conservation and management of living marine resources within the 200 nautical mile fisheries zone, natural resources, financial regulation and supervision, and transport. Denmark continues to exercise control of foreign affairs, security, and defense in consultation with the Faroese Government.

A majority of the Faroese population is bilingual or multilingual, with Danish and English being widely spoken. The labor force comprises about 27,000 people. In many areas, the Faroese labor market model resembles that of the other Nordic countries with high standards of living, well-established welfare schemes and independent labor unions. The islands boast a well-developed physical and telecommunications infrastructure and have well-established political, legal, and social structures. The Faroe Islands opened its own exchange in 2000 for securities; active trading of shares followed in 2005. The exchange is a collaboration with the VMF Icelandic exchange on the Nasdaq OMX Nordic Exchange Iceland.

The Islands exported DKK 5.4 billion (USD 932 million) worth of goods in 2011, close to 90% of which were fish products, with the remainder being vessels and aircraft. In recent years, the construction, transportation, banking, and other financial services sectors have grown, and offshore oil & gas exploration is developing. The majority of exports went to the UK (13.5%), followed by Nigeria (9.6%), the U.S. (9.2%), Germany (8.4%), Russia (7.7%) and Denmark (7.4%). More than 85% of imports came from Europe, and 1% originated in the U.S. Imports consist of items for household consumption (24%) e.g. food, tobacco and beverages (10%); also fuels (21%); input to industry (18%) and vessels and aircraft (14%).

Foreign Direct Investment into the Faroe Islands totaled 1.6 billion kroner (USD 276 million) in 2010, about half of which was from Denmark. The Faroese Government has indicated interest in further attracting foreign investment. The U.S. Ambassador has traveled several times to the Faroe Islands to further develop opportunities for U.S. trade. The Ministry of Trade has been eager to engage U.S. business interests both for trade and investment. The Faroe Islands has been an active participant in the Embassy's Green Partnerships for Growth Initiative, which creates networks among U.S. and Danish businesses, uncovers opportunities for information sharing, and develops partnerships in technology and business solutions that promote renewable energy and energy efficiency technologies. "Invest in the Faroes" is the unit in the Faroese government concerned with promoting Faroese trade and the website is www.invest.fo/.

Foreign Direct Investment and Foreign Portfolio Investment Statistics
The total stock of FDI inbound to Denmark in 2011 corresponded to 43% of GDP (current prices, exclusive of pass-through investments). Danish outbound direct investment corresponded to 67% of GDP in 2011. The largest foreign investor in Denmark in 2011 is Sweden, followed by Luxembourg, the Netherlands, the U.S, United Kingdom, and Norway. U.S. investment accounted for 7.4% of the total 2011 FDI stock in Denmark, up from 7.1% in 2010.

Major U.S. direct investment in Denmark is in telecommunications, information technology, biotechnology, oil exploration, financial services and facility services. During recent years, several U.S.-based private equity funds have invested in Danish firms such as ISS, the Legoland Parks, and TDC. Over 400 U.S. companies have subsidiaries in Denmark, of which several are regional headquarters.

The main destinations for Danish FDI are Sweden (19.8%), the United States (10.5%), United Kingdom (9.1%), Germany (8.9%) and Norway (5.5%). EU countries held 58.3% of the stock in 2011.

The following are tables for foreign direct investment at current prices. Pass-through investments are not included since they have no or very little real-economic significance for the pass-through country. The source of data is the Danish Central Bank, www.nationalbanken.dk, based on average exchange rates of DKK 5.355 = 1 USD in 2009, DKK 5.626 = 1 USD in 2010, DKK 5.362 = 1 USD in 2011 and DKK 5.797 = 1 USD in 2012.

Foreign Direct Investment in Denmark

Table 1. Danish FDI Inbound, STOCK			
	2009	**2010**	**2011**
Total DKK, billions	711.1	724.1	767.7
Total USD, billions	132.7	128.7	143.1
% of GDP	42%	41%	43%
% of Total, Origin:	2009	2010	2011
USA	7%	7%	7%
EU	76%	75%	71%
-Sweden	26%	28%	24%
-Luxembourg	9%	9%	11%
-Netherlands	13%	12%	11%
-United Kingdom	9%	8%	7%
-Germany	7%	8%	7%
Norway	6%	7%	7%
% of Total, Sector:	2009	2010	2011
(Sector of the Danish enterprise)			
Agriculture, Fisheries, Raw Materials	3%	3%	3%
Manufacturing	17%	21%	21%
Energy and Water Supply, and Construction	2%	2%	2%
Trade & Transport, etc.	19%	16%	16%
Information & Communication	6%	9%	9%

Financial Intermediation	40%	38%	39%
Business Service, Insurance	8%	7%	6%
Real Estate Commercial and Non-Commercial	4%	3%	3%
Table 2. Danish FDI Outbound, STOCK			
	2009	**2010**	**2011**
Total DKK, billions	973.7	1098.6	1197.7
Total USD, billions	179.7	195.3	223.4
% of GDP	58%	62%	66.9%
% of Total, Destination:	2009	2010	2011
USA	10%	11%	10%
EU	59%	57%	58%
-Sweden	21%	21%	20%
-France	4%	4%	4%
-Netherlands	4%	4%	5%
-United Kingdom	6%	8%	9%
-Germany	8%	8%	9%
Norway	7%	6%	5%
% of Total, Sector:	2009	2010	2011
(Sector of the Danish enterprise)			
Agriculture, Fisheries, Raw Materials	6%	6%	6%
Manufacturing	30%	33%	31%
Energy and Water Supply, and Construction	4%	4%	4%
Trade & Transport, etc.	17%	17%	17%
Information & Communication	3%	2%	2%
Financial Intermediation	26%	27%	28%
Business Service, Insurance	10%	8%	8%
Real Estate Commercial and Non-Commercial	3%	2%	2%

Major FDI in Denmark by U.S. companies:

Microsoft	IT
IBM	IT
HP/Compaq	IT
Intel	IT
Computer Sciences Corp., USA	IT

ADC Telecommunications Inc.	IT
Motorola	Telecom
Texaco	Energy
Amerada Hess	Hydrocarbon exploration
Ashland	Road Construction
Masco	Furniture and Sanitary Fittings
York Holding Corp.	Refrigerating Equipment
Tenneco Inc.	Automotive
3M	Tapes, Health Care and Pharmaceuticals
Pfizer	Pharmaceuticals
Merck, Sharp & Dohme	Pharmaceuticals
Eli Lilly	Pharmaceuticals
Sauer Inc.	Fluid Power
CP Kelco	Hydrocolloids
Doane Pet Care Co.	Pet Food
GE Capital	Financial Services
Biogen IDEC	Biotechnology

Among the largest U.S. corporate takeovers in Denmark are:

- DuPont's acquisition of the Danish enzyme and ingredient producer Danisco in May 2011. DuPont's final bid for DKK 700 per share (approximately DKK 37.9 billion (USD 6.5 billion) total) gave DuPont complete control of the company.

- Microsoft's acquisition of the Danish software company Navision in 2002 (USD 1.2 billion) and IBM's acquisition of Maersk Data in 2004 (estimated USD 400 million).

- Ameritech purchase of 34% of the Danish telecommunication provider incumbent Tele Danmark in 1997 for DKK 21 billion (USD 3.2 billion, 1997 exchange rate). Ameritech was later acquired by SBC Communications that gained an additional 8% of Tele Danmark stock and sold off its position in 2004 for DKK 14 billion (USD 2.3 billion, 2004 exchange rate).

- In May 2007, the Greenland Home Rule Government and Alcoa signed a memorandum of understanding to study the feasibility of the construction of an aluminum smelter and associated hydropower generation and transmission facilities in Greenland. It is estimated that upon completion, the Alcoa investment would be worth approximately USD 2.5 billion, the largest ever greenfield U.S. direct investment in the Kingdom of Denmark. U.S. companies ExxonMobil and Chevron own approximately 48% of a partnership that, in October 2007, was awarded licenses for the exploration and exploitation of hydrocarbons off the western coast of Greenland. In 2010, Greenland announced the award of exploration licenses for seven blocks in Baffin Bay off Greenland's west coast. ConocoPhillips was among the seven awardees. The list of companies with licenses for oil/gas exploration in Greenland also includes: Exxon, Chevron, Husky and EnCana among others.

Other FDIs in Denmark mostly come from Denmark's neighboring countries or other nearby countries, including Sweden, Iceland, Norway, Finland, Germany, and the United Kingdom. Most of those nations' major companies, and numerous smaller ones, have a presence in Denmark, either as regional headquarters, sales/marketing offices, or in production. Some foreign companies with large investments in Denmark are Statoil (Norway); L.M. Ericsson (Sweden); Nordea (Sweden); Vattenfall (Sweden), APV (United Kingdom); Bayer (Germany), and Q8 Oil (Kuwait).

Several Danish companies have a presence in the U.S., both to get closer to the market and to gain access to American Recovery and Reinvestment Act (ARRA) funds, some of which have been allotted to, among others, Vestas Wind Systems and Novozymes.

Web Resources

Return to top

Danish Statistics – www.dst.dk

Return to table of contents

Return to table of contents

Chapter 7: Trade and Project Financing

How Do I Get Paid (Methods of Payment)

Return to top

U.S. exports to Denmark are usually financed by the importer or the importer's bank. Eximbank financing is available but rarely, if ever, used. The most common method of payment for an importer in the early phases of a business relationship is by Irrevocable Letter of Credit opened through a commercial bank. This is a recognized procedure, well-known and acceptable to Danish banks and importers. When a business relationship has reached a stage of mutual trust, payment credits are often extended by the exporter for periods varying from 30-90 days. In some cases, payment by credit card may prove to be the simplest and most effective means of payment. There are no local credit facilities available specifically to finance imports from the United States or from any other country.

How Does the Banking System Operate

Return to top

The vast majority of small-to-medium-sized Danish firms are financed by commercial bank lines of credit. The credit line is typically extended on a continuous, revolving basis and is not subject to an annual settlement. Such credit lines are usually established to finance day-to-day operations, including inventory financing. Larger corporations may obtain capital through stock offerings on the Copenhagen Stock Exchange. Some larger Danish companies may also make use of U.S. stock exchanges. Institutional investors, such as pension funds, also play a major role in financing Danish companies, and such investments are usually carried out following individual negotiations. Financing is often a problem for small-to medium-sized companies with high growth or growth potential. Frequently, such companies choose to or are forced to solve their financing problems by selling out to foreign, including U.S., corporations. During the last decade, the concept of venture capital has also caught on in Denmark and that can now be described as an established method of financing. However, venture capital funding applies primarily to IT and biotechnology companies.

Foreign-Exchange Controls

Return to top

There are no foreign exchange controls in Denmark.

U.S. Banks and Local Correspondent Banks [Return to top]

All major Danish banks have correspondent bank relationships in the United States. Most of them have such relationships with more than one American bank.

Project Financing [Return to top]

The Danish Government arranges its own financing for infrastructure projects. Private projects are financed through a well-established local capital market. Multilateral institutions which make project finance available include the European Investment Bank and the Nordic Investment Bank.

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The EU provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds program are distributed through the member states' national and regional authorities, and are only available for projects in the 27 (soon to be 28) EU member states. All grants for projects in non-EU countries are managed through the Directorate-General EuropeAid in conjunction with various European Commission departments, such as DG Regional Development.

EU Structural Funds

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. From 2007 – 2013, the EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs. In addition to funding economic development projects proposed by member states or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm

For projects financed through the Structural Funds, member state officials and regional authorities are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to meet with DG Regional Development officials and local officials in Member States to discuss local needs.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation and EU Treaty rules. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is highly advisable to team up with a local partner to gain credibility and demonstrate references. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:
http://export.gov/europeanunion/marketresearch/index.asp

The Cohesion Fund
The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.
Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States
Another set of sector-specific grants offers assistance to EU member states in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on:
http://ec.europa.eu/grants/index_en.htm

External Assistance Grants
"Development and Cooperation – EuropeAid" is a new Directorate–General (DG) responsible for designing EU development policies and delivering aid through programs and projects across the world. It incorporates the former Development and EuropeAid DGs. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary country and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:
http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is €11.4 billion.

Key Link: http://ec.europa.eu/enlargement/index_en.htm

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

http://ec.europa.eu/world/enp/index_en.htm

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2012, the EIB lent EUR 52 billion for projects. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: http://www.eib.org/projects/pipeline/index.htm

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

Web Resources Return to top

EU websites:

The EU regional policies, the EU Structural and Cohesion Funds: http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tender repository: http://ted.europa.eu/TED/main/HomePage.do

The European Investment Bank: http://www.eib.org

EIB-financed projects: http://www.eib.org/projects/index.htm?lang=-en.

U.S. websites:

Market research section on the website of the U.S. Mission to the EU: http://export.gov/mrktresearch/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.ustda.gov/

SBA's Office of International Trade
http://www.sba.gov/about-offices-content/1/2889

U.S. Agency for International Development: http://www.usaid.gov

Return to table of contents

Chapter 8: Business Travel

Business Customs Return to top

Danish businesspeople may appear somewhat formal at first, but are likely to quickly show a more informal side of themselves. The dress code, especially for younger employees, may seem a little too relaxed to an American businessperson. However, Danes are likely to get down to business right away and are generally conservative and efficient in their approach to business meetings. Handshakes (with men and women) are the accepted form of greeting. Danes shake hands for greetings upon arrival and departure from a meeting. Unlike in the United States, men do not stand when a woman enters or leaves a room. Virtually all Danish businesspeople have a good working knowledge of English, and interpreters are rarely required. Business gifts are not a normal custom in Denmark. Business entertaining is usually done at lunch, and rarely at dinner in a restaurant. Even more rarely is a businessperson invited for dinner at the home of a business acquaintance in the early stages of their relationship.

Advance appointments are always required, and punctuality is a must; it is considered rude to be late. Danes work shorter hours than Americans. When they are in the office they are efficient and productive. The standard workweek is 37.5 hours. Mandatory vacation is five weeks plus up to five more days per year, plus local holidays (see below). At least three weeks are taken during summer. School summer vacation is from about June 28 to about August 15, and generally, business is slow in that period as many executives are out of the office. Some companies (and especially manufacturing plants) are completely closed. It is not advisable to schedule business meetings or other business activities in Denmark from late June to early August, from December 20 - January 5, or during the week of Easter. Danes treasure their leisure time, most of which is spent with their families. Businesspersons should not routinely expect to meet with their Danish counterparts after 4:00 p.m. on weekdays. On Fridays, many Danes leave early, generally between 2:00-3:00 p.m. Do not plan meetings for Saturdays, Sundays, or on national holidays (see below). Not all Danes appreciate breakfast meetings, which should be scheduled only with due consideration to the situation.

Travel Advisory Return to top

The national carrier, Scandinavian Airlines System (SAS), provides non-stop service from Copenhagen to New York (Newark), Chicago, Washington D.C. and San Francisco. Delta flies non-stop Newark-Copenhagen. Major U.S. credit cards are accepted in Denmark (in hotels, restaurants and major department stores, but not usually in smaller stores), and all major U.S. car rental companies have offices at airports and major cities. A number of Danish hotels are affiliated with U.S. hotel management companies. Consequently, a U.S. business visitor may plan his entire trip to Denmark through his local travel agent, including overseas and local transportation and lodging. Denmark is known as one of the safest places in the world. It has been spared natural disasters and crime rates are low. Even so, Denmark still has its share of pick-pockets, so common sense and a certain caution are always good traveling companions. Up-to-date travel information on Denmark and all other countries is available on the Department of State's website: http://travel.state.gov. All American visitors to Denmark are encouraged to register with the U.S. Embassy's Consular Section at https://step.state.gov/step/.

If an American visitor plans to stay in Denmark for a period of more than three months, or if s/he has already been resident in Denmark or one of the other Scandinavian countries for the last nine months, s/he must apply for both residence and work permits before arriving in Denmark. This rule applies to all non-EU citizens. In the United States, applications may be submitted to the Royal Danish Embassy in Washington or one of its diplomatic/consular posts located in a few larger U.S. cities.

Business travelers to Denmark seeking appointments with American Embassy Copenhagen officials should contact the Commercial Section in advance. The Commercial Section can be reached on telephone +45 3341 7315, or by email office.copenhagen@trade.gov or www.buyusa.gov/denmark.

Visa Requirements Return to top

American business visitors and tourists do not need visas if staying in Denmark for less than three months.

For Danes traveling to the United States, Denmark is part of the U.S. visa waiver program. U.S. companies that require travel of foreign businesspersons to the United States should be advised that security screening is handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/visa/

Embassy website with visa information: http://denmark.usembassy.gov/

Telecommunications Return to top

Telecommunication services are highly developed. Telephone systems provide first-class digital service, and several cellular system providers offer excellent European and worldwide mobile communications.

In Denmark, telephone numbers consist of eight digits. There are no area or city codes. If you are calling from outside Denmark, the eight digit number must be preceded by the country code 45, often written as +45 followed by the eight digit telephone number.

In Greenland, telephone numbers consist of six digits, preceded by country code 299 if calling from abroad.

The Faroe Islands country code is 298 followed by a five digit telephone number.

Transportation

Return to top

The infrastructure is excellent everywhere, and all major islands and the peninsula of Jutland are inter-connected by a network of tunnels and bridges. The capital of Denmark is Copenhagen (1.3 million inhabitants), which is the center of government and business. It is located on the island of Zealand only a few miles from Southern Sweden. In July 2000, Copenhagen became connected to Sweden by a ten-mile bridge/tunnel fixed link. Denmark's second largest city, Aarhus, is located on the Jutland peninsula, about three hours' drive from Copenhagen. Business visitors can also move easily from one part of the country to another by train or domestic airlines. There are 73,000 km of paved roads in Denmark (including 1,000 km of freeway) and a 3,000 km railway network. There are twelve civilian airports besides Copenhagen International Airport (Kastrup), which is a major international airport and serves as the Scandinavian hub for SAS (Scandinavian Airline System), consolidating travelers to the U.S. from other Scandinavian countries.

Copenhagen Airport handles 60 scheduled airlines and serves more than 62,000 passengers per day; 23.3 million passengers passed through the facility in 2012, making it the busiest airport in the Nordic countries, with a maximum capacity of 83 loadings/hour and with room for 108 airplanes. Unlike other Scandinavian airports, a considerable share of the airport's passengers is international. It is a very modern and pleasant airport.

The city of Copenhagen also has a modern seaport catering to freight vessels as well as cruise liners. Copenhagen has become one of the most popular points of departure for cruise liners in Europe. A new metro underground system was inaugurated in May 2003. The Metro was extended in 2007, connecting Copenhagen Airport with the city center so travelers can reach downtown Copenhagen in only 14 minutes. The fourth phase of the Metro, called Cityringen, is expected to open in 2018. The new line will have 17 stations and will cover major parts of the city center as well as portions of the surrounding boroughs (Østerbro, Nørrebro, and Vesterbro districts and the Municipality of Frederiksberg) currently not covered by S-train or Metro line service. The Port of Copenhagen includes a free port (see above). Other major ports are at Esbjerg, Aalborg, Aarhus, and Fredericia. The port of Esbjerg (southwestern Jutland) is the center for offshore oil and gas activities in Denmark.

Language

Return to top

Virtually all Danes have a good working knowledge of English, and most Danish businesspeople speak English as their second language. Many also speak German and some French or Spanish. Interpreters are rarely required.

Health Return to top

A visitor to Denmark faces no special health risks, as the overall health conditions are excellent. No special inoculations are required. Any needed immunization is available in Copenhagen. Although Danish law is strict about commercial processing, cooking, handling, and serving of foods, consumers are advised to show caution when using eggs and preparing poultry, as salmonella bacteria has been found in these products. All milk and tap water is safe to drink.

Because Denmark is almost entirely surrounded by sea, it has a moderate, maritime climate. The average temperatures range from 32F in February to 62F in July. Temperatures vary slightly from day to night. Average annual rainfall is 24 inches. Days are short in winter, with about 5 hours of daylight in December and January. Daylight in summer lasts 16-18 hours on clear days.

Danish medical care is of high quality and is comparable to the medical care one finds throughout Western Europe. Diagnostic laboratories and specialists in all fields of medicine are available. Hospitals are well-equipped, and maternity hospitals and many clinics are available. Almost all doctors and dentists speak English.

The system for providing care in Denmark is different from that in the United States. Danish citizens and permanent residents of Denmark qualify for free hospitalization and medical treatment under the Danish National Health Service. However, medical treatment and hospital care, covered by the Danish National Health Service, may require referral from a general practitioner, which often creates long waiting periods. To avoid waiting time in these situations, patients may choose to seek medical and hospital care privately as paying patients.

Tourists do not qualify for treatment under the Danish National Health Service, except in cases of emergency. Tourists will not be denied medical care; however, if the medical facility determines that the emergency occurred as a result of a pre-existing condition, the individual must be prepared to pay for all services received. It is important for those traveling to Denmark to keep up-to-date health insurance that covers overseas travel.

Most medicines are available locally. They may, however, not be the same brand names as those used in the United States; prices are generally the same or lower than in the U.S. Tourists should bring a supply of the medicine that they know they will need. In case of emergency, dial 112 for ambulance - fire - police.

Local Time, Business Hours, and Holidays Return to top

Denmark is in the Central European Time Zone. Central European Standard Time (CET) is 1 hour ahead of Greenwich Mean Time (GMT+1). Like in most states in Europe, summer (Daylight-Saving) time is observed in Denmark, where the time shifts forward by 1 hour, i.e. 2 hours ahead of Greenwich Mean Time (GMT+2). After the summer months the time in Denmark shifts back by 1 hour to Central European Time (CET, (GMT+1). The time changes do not necessarily occur on the same days as in the United States.

Normal business hours are from 9.00AM to 4.30PM

Local holidays 2013:

Holidays (in Danish)	2013	2014
New Year's Day (Nytårsdag)	January 1 (Mon)	January 1 (Wed)
Maundy Thursday (Skærtorsdag)	March 28 (Thu)	April 17 (Thu)
Good Friday (Langfredag)	March 29 (Fri)	April 18 (Fri)
Easter Monday (2. Påskedag) Catholic/Protestant	April 1 (Mon)	April 21 (Mon)
Common Prayer Day (Store Bededag)	April 26 (Fri)	May 16 (Fri)
Ascension (Kristi Himmelfartsdag) 40 days after Easter	May 9 (Thu)	May 29 (Thu)
Whit Monday (2. Pinsedag) (7 weeks after Easter Monday)	May 19 (Mon)	June 9 (Mon)
Constitution Day (Grundlovsdag) / not all businesses are closed	June 5 (Wed)	June 5 (Thu)
Christmas Eve (Juleaftensdag) / not all businesses are closed	December 24 (Tue)	December 24 (Wed)
Christmas Day (Juledag / 1. juledag) Catholic/Protestant	December 25 (Wed)	December 25 (Thu)
2nd Christmas Day (2. Juledag; also called Anden Juledag)	December 26 (Thu)	December 26 (Fri)
Banks are closed on New Year's Eve	December 31 (Tue)	December 31 (Wed)

Temporary Entry of Materials and Personal Belongings Return to top

Temporary exemption from duty can be granted, for instance, to the following:
- Goods intended for public displays at exhibitions and fairs
- Commercial samples
- Professional tools and equipment

If the goods are put to unauthorized use or are not exported within the prescribed time they must go through normal customs clearance and become liable for relevant duties and taxes.

Please also see Chapter 5: Trade Regulations and Standards – Temporary entry

Web Resources

Return to top

U.S. Embassy in Denmark: http://denmark.usembassy.gov/
Danish Train Services www.dsb.dk
Copenhagen Airport www.cph.dk
Weather – www.dmi.dk
Danish Ministry of Foreign Affairs – www.um.dk
Denmark's official website – www.denmark.dk
Tourist in Denmark – www.visitdenmark.com
American Chamber of Commerce in Denmark – www.amcham.dk
Police - http://www.politiet.dk/Indholdpaaengelsk/oversigtUK.htm

Return to table of contents

Return to table of contents

Chapter 9: Contacts, Market Research, and Trade Events

Contacts Return to top

Note: The telephone country code for Denmark is 45 (excluding Greenland and Faroes). There are no city codes as such. All phone and fax numbers are 8-digit numbers.

Embassy of the United States of America

Address:
Dag Hammarskjölds Allé 24
DK-2100 Copenhagen
Denmark
Tel.: (+45) 3341 7100
After hours (+45) 3341 7400
Fax: (+45) 3543 0223
http://denmark.usembassy.gov/

U.S. Commercial Service
Tel.: (+45) 3341 7315
Fax: (+45) 3542 0175
e - mail: copenhagen.office.box@trade.gov
http://export.gov/denmark/

U.S. Embassy Trade Personnel:

Mr. Bjarke Castberg Frederiksen, Head of Commercial Section
Ms. Sabina Krøigaard, Commercial Specialist
Mr. Peter Strandby, Commercial Specialist
Ms. Maria Norsk, Commercial Assistant

Mr. Nicholas Kuchova, Regional Senior Commercial Officer (As of June 2013 resident in Stockholm)

Mailing address for mail from the United States of America:

FCS
5280 Copenhagen Pl
Washington, DC 20521-5280

Danish Government Agencies

Ministry of Foreign Affairs

Asiatisk Plads 2
DK-1448 Copenhagen K
Tel: (+45) 33-920000
Fax: (+45) 31-540533
Web: www.um.dk

Ministry of Business and Growth
Slotsholmsgade 12
DK-1216 Copenhagen K
Tel: (+45) 33-923350
Fax: (+45) 33-123778
Web: www.evm.dk

Ministry of Food, Agriculture and Fisheries
Veterinary and Food Directorate
Moerkhoj Bygade 19
DK 2860 Soborg
Tel: (+45) 33-956000
Fax: (+45) 33-956001
Web: www.foedevarestyrelsen.dk

Central Customs and Tax Administration
Customs Center Copenhagen
Snorresgade 15
DK-2300 Copenhagen S
Tel: (+45) 32-887300
Fax: (+45) 32-951874
Web: www.skat.dk

Miljostyrelsen (Danish Environmental Protection Agency)
Strandgade 29
DK-1401 Copenhagen K
Tel: (+45) 32-660100
Fax: (+45) 32-660479
Web: www.mst.dk

Patent- og Varemaerkestyrelsen (The Danish Patent Office)
Helgeshoj Alle 81
DK-2630 Taastrup
Tel: (+45) 43-508000
Fax: (+45) 43-508001
Web: www.dkpto.dk

Sundhedsstyrelsen (National Board of Health)
Amaliegade 13
DK-1256 Copenhagen K
Tel: (+45) 33-961601
Fax: (+45) 33-931636
Web: www.sst.dk

Laegemiddelstyrelsen (The Danish Medicines Agency)

Frederikssundvej 378
DK-2700 Bronshoj
Tel: (+45) 44-88-9111
FAX: (+45) 44-917373
Web: www.laegemiddelstyrelsen.dk; www.dkma.dk

Trade Associations/Chambers of Commerce

The American Chamber of Commerce in Denmark
Christians Brygge 28
DK-1559 Copenhagen V
Tel: (+45) 33-932932
Fax: (+45) 33-130517
Web: www.amcham.dk

The Danish Chamber of Commerce
Borsen
DK-1217 Copenhagen K
Tel: (+45) 33-950500
Fax: (+45) 33-325216
Web: www.hts.dk

Confederation of Danish Industry
H.C. Andersens Boulevard 18
DK-1787 Copenhagen V
Tel: (+45) 33-773377
Fax: (+45) 33-773300
Web: www.di.dk

The Agricultural Council
Axeltorv 3
DK-1609 Copenhagen V
Tel: (+45) 33-145672
Fax: (+45) 33-149574
Web: www.landbrugsraadet.dk

Danish Franchise Association
Lyngbyvej 20
DK-2100 Copenhagen O
Tel: (+45) 39-158282
Fax: (+45) 39-158010
Web: www.dk-franchise.dk

Commercial Banks

Citibank International plc, Denmark Branch
Dagmarhus
H.C. Andersens Boulevard 12
DK-1553 Copenhagen V
Tel: (+45) 33-638383

Fax: (+45) 33-338333
Web: www.citigroup.com

Danske Bank A/S
Holmens Kanal 2-12
DK-1092 Copenhagen K
Tel: (+45) 39-440000
Fax: (+45) 39-185873
Web: www.danskebank.com

Nordea Bank A/S
Torvegade 2
DK-1786 Copenhagen V
Tel: (+45) 33-333333
Fax: (+45) 33-331212
Web: www.nordea.com

Jyske Bank A/S
Vestergade 8-16
DK-8600 Silkeborg
Tel: (+45) 89-222222
Fax: (+45) 89-222496
Web: www.jyskebank.dk

Washington-based U.S. Country Contacts

TPCC Trade Information Center
Washington DC
Tel: 1-800-USA-TRADE

Agricultural Export Services Div.
Foreign Agricultural Service (FAS)
U.S. Department of Agriculture
14th and Independence Ave, SW
Washington DC 20250-1000
Tel: (202) 720-7420
Fax: (202) 690-4374

U.S. Department of Commerce
Denmark Desk
Room H-3043
14th and Constitution Ave., NW
Washington, DC 20230
Tel: (202) 482-4414
Fax: (202) 482-2897

U.S.-based Multipliers Relevant for Denmark

Royal Danish Embassy in Washington
3200 Whitehaven Street, N.W.

Washington, D.C, 20008-3683
Tel.: (202) 234-4300
Fax.: (202) 328-1470
E-mail: wasamb@um.dk
Homepage: www.denmarkemb.org

Royal Danish Consulate General in Los Angeles
10877 Wilshire Blvd., Ste. 1105
Los Angeles, CA 90024
Tel: (310) 443-2090
Fax: (310) 443-2099
E-mail: info@danishconsulate.org
Homepage: www.danishconsulate.org

Royal Danish Consulate General in Chicago/
Trade Commission of Denmark
211 East Ontario, Suite 1800
Chicago, Illinois 60611-3242
Tel: (312) 787-8780
Fax: (312) 787-8744
E-mail: infodk@consulatedk.org
Homepage: www.consulatedk.org

Royal Danish Consulate General New York
825 Third Avenue
New York, NY 10022-7519
Tel: (212) 223-4545
Fax: (212) 754-1904
www.denmark.org

Danish American Chamber of Commerce
825 Third Avenue, 32nd Fl.
New York, NY 10022
Tel: (212) 980-6240
Fax: N/A

Danish Mission to the UN
One Dag Hammerskjold Plaza
885 Second Avenue, 18th Floor
New York, NY 10017
Tel: (212) 308-7009
Fax: (212) 308-3384
Email: denmark@un.int
Homepage: www.un.int/denmark

Danish-American Chamber of Commerce in New York
One Dag Hammerskjold Plaza
885 Second Avenue, 18th Floor
New York, NY 10017
Tel: (212) 980-6240
Email: jh@daccny.com

Web: www.daccny.com

Market Research

Return to top

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

Return to top

Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp

Return to table of contents

Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

http://export.gov/denmark/

Return to table of contents

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: http://www.export.gov

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.