

## EXECUTIVE SUMMARY

### GEOGRAPHY

Map	<a href="http://www.krak.dk/kort/">http://www.krak.dk/kort/</a>
Climate	Denmark is placed in the temperate climate zone and has cool summers with an average temperature of around 17°C and winters that are not particularly cold, with average temperatures of around 1°C.
Time Zone	GMT + 1

### POPULATION/PEOPLE

Number	5.8 million
Language	Danish
Customs	General Western European traditional traditions
Dress	Same as above
Religion	Christian, protestant for the majorities
Sport & Recreation	Mostly all kinds of sports are possible except for winter sports as skiing etc.
Eating Out	All international kitchens are available incl. 25 top restaurants with Michelin Stars.
- Tipping	Tips are included in listed prices, but a little extra is often expected with very good service.

### ECONOMIC OVERVIEW

Currency	DKK
CPI (EU 28 = 100)	137
Ease of Doing Business - Ranking	= 4

The Danish tax and VAT-systems are quite complex. It is often recommendable with professional assistance regarding establishing and daily operation of businesses.

Limited companies (ApS) need a capital of at least DKK 40.000 (Entrepreneurial limited company DKK 1 can no longer be registered).

#### Big Mac Index (January 2021)

Country	Big Mac Price		Actual Exchange Rate 1 USD =	Over (+) / Under (-)	Implied exchange rate
	In Local Currency	In US dollars			
DK	30.00	4.90	6.10	-13.4	5.28

### INVESTING

#### Exchange Control

Transfers from or to foreign countries of amounts above EUR 10,000, shall be registered with the Taxation Authorities.

## **EMPLOYMENT**

The unemployment rate has increased since 2019/20 due to the COVID-19 pandemic from approx. 3.7% in February 2020 to 4.5% including workers in activation programs. The total number of unemployed workers is around 128,000 (November 2020).

## **BUSINESS STRUCTURES**

### **Employment/business structure**

The Danish business structure is characterised by many small and medium-sized workplaces. Contrary to the general assumption, the percentage of small workplaces in Denmark is nonetheless no greater than in Europe generally.

The average Danish workplace has ten employees, with a total of approx. 305,000 workplaces.

This structure has both advantages and disadvantages. The relatively large number of medium-sized companies gives Danish trade and industry great flexibility and the ability to adapt quickly to changed market conditions. On the other hand, the relatively few large companies result in lower average productivity, as the value increment per employee in large companies is typically greater than in small companies.

### **Labour market**

The Danish labour market is one of the most flexible in Europe, allowing companies to adjust the number of employees according to market demands. Industrial relations are highly organised and major disputes and strikes in the labour market are very rare.

Denmark has a highly skilled and well-educated workforce that contributes substantially to the strong productivity of Danish trade and industry.

A large, well organised postgraduate education system ensures that skills and productivity are continuously improved. Total labour costs - wages and non-wages - are among the highest in Europe, but this is partly compensated by very high efficiency.

## **TAXATION**

There are very high personal taxes up to approx. 57% on personal income (for yearly income exceeding EUR 79,500). For foreign high educated specialists, among others with high income there is a possibility of reduced taxes (expatriates). In the tax rate is included a lot of welfare contributions which are paid otherwise in other countries. Company tax is 22%.

There is continuing focus on reducing the possibilities for international corporations to take unintended advantage from the Danish International taxation systems (transfer pricing).

VAT is calculated with a rate of 25%.

## **OTHER**

Denmark has a labour/socialist government. The government has ruled since spring/summer 2019. A new election must be held no later than 4 years after the last election.