




DOING BUSINESS IN DENMARK

Country Overview

With a GDP of USD 295 billion (December 2016), Denmark, the second largest country in the Nordic region, has a population of 5.6 million and a GDP per capita of USD 52,000, enjoying a high standard of living. According to OECD figures, the country is considered as having the highest income equality in EU. Ranked among the top 10 countries in the world in terms of purchasing power, the country has achieved remarkable economic success featuring a strong high tech agricultural sector, advanced pharmaceutical, maritime shipping and renewable energy. Denmark is an open, small, export-led economy, depending on the imports of raw materials for its manufacturing sector.

Strategically located, Denmark has access to a market of 25 million people in the Scandinavian region.



	 Denmark
Capital	Copenhagen (1.24 million population)
Constitution/ Flag Day	5 June 1849
Government	Constitutional Monarchy
Planning regime	Very Strict (national framework)
Unemployment (2015)	4.2%
Inflation rate (Aug 2016)	0.2%
Private Consumption Growth 2015	2.9%
Retail sales growth (Jul 2016)	-2.0%

Source: Oxford Economics, 2015/6, Trading Economics 2016

Danish Retail Market Environment

The Danish retail segment is highly dependent on consumers' purchasing power and consumer confidence level. Even though being one of the most mature retail markets in Europe, Denmark has the lowest provision of shopping Centre space of the entire Nordic region due to a strong tradition of high street retailing and strict planning rule on out-of-town space. Denmark main regional cities, namely Aalborg, Aarhus and Odense, are important retail centres helping in expanding the retail sector. Being dominated by few retail groups and the largest in the Nordic region, the market is dominated by two main players, both having a significant market share of nearly 70%, Coop and Dansk.

Danish Retailers	Market Share
Coop	36.6%
Dansk Supermarket	31.5%
Dagrofa	22.9%
Rema 1000	4.3%
Aldi	3.3%



Denmark Textile Industry

Denmark has a very strong textile and fashion industry, employing around 16,000 people and representing strong Danish brands, namely Bestseller, owner of **Vero Moda**, **Selected** and **Jack & Jones** to IC company owner of **By Malene Birger**, **Peak Performance** and **Saint Tropez**. The Danish fashion industry generated around 4.26 billion pounds in 2015 primarily through exports (*Source: Dansk Fashion and Textile*).

However, Danes are very much concerned about social responsibility and environmental impact with regards to how the apparels are produced, be it in terms of sourcing of raw materials and labour conditions. The Danish clothing industry excels at retailing and creating mid-priced clothing. High spending Danish consumers look for foreign brands in terms of luxury goods and high fashion for both adults and children. Additionally, the market for organic clothing is growing quickly and has high demand for women's, men's and children's fashion. Danes are known for being quite fashionable and purchase new clothes frequently. Danish consumers are less likely to purchase clothing from catalogues or online as they prefer to see and try the clothing first.

However, the Danish textile and fashion industry work closely with foreign suppliers. 99% of the country's production is outsourced and its main suppliers are from China, Bangladesh, Turkey, India, Vietnam, and Portugal.

Freight costs

	No of Days	Transiting port	Delivery Port	Ocean freight
20 ft Dry Container FCL	44 transit days	Tanjung Pelepas	Aarhus, Denmark	Rs. 49,180
40 ft Dry Container FCL	44 transit days	Tanjung Pelepas	Aarhus, Denmark	Rs. 100,182
LCL	45 transit days	Singapore	Aarhus, Denmark	USD 55/ per m ²

Note: these are indicative cost, excluding other charges and may vary depending on the freight forwarding agent.



Ports of Denmark

Denmark has more than 130 commercial ports of various sizes and areas of expertise from large scale shipping terminals engaged in international trade to small municipal ports serving the local industries. The Danish seaports are essential gates to international transport to and from Denmark and around two-thirds of all Danish exports pass through the seaports. The largest commercial ports in Denmark – in terms of freight turnover – are the ports of **Fredericia** (12,950 tonnes in 2010) and **Aarhus** (9,390 tonnes in 2010) both situated on the peninsula of Jutland. Danish ports are central to the national transport of passengers and handle more than 44 million passengers a year.

Ports and terminals:

Major seaport(s): Baltic Sea - Aarhus, Copenhagen, Fredericia, Kalundborg; North Sea – Esbjerg.

Tips for dealing with Danish businessmen

- Danish people pay a lot of attention to Corporate Social Responsibility. Before doing business with a second party, Danish business people ensure that all requirements and production processes are according to safety norms and standards. They are among the first to use eco labels on their products, and they remain among the pioneers within ecology, Fair Trade and Cradle to Cradle solutions.
- Punctuality is extremely important for business meetings as it reflects on effectiveness and productivity.
- Be well prepared as Danish people are meticulous and like to ask questions.
- Danes are straight forward people who like to give their views directly.
- It is important to have the right marketing materials and a proper website for your products as to project a good image.

