

Introduction

Denmark is a Scandinavian country in Northern Europe bordering the Baltic and the North Sea. The country consists of a large peninsula and many islands referred to as the Danish Archipelago. Neighboring countries include Germany, Norway, and Sweden. Denmark has a strategic location controlling the Danish Straits that link the Baltic and North Seas. The government system is a constitutional monarchy; the chief of state is the queen, and the head of government is the prime minister. Denmark boasts a modern market economy in which the prices of goods and services are determined in a free price system. Denmark is a member of the European Union (EU).



Location: Northern Europe

Capital City: Copenhagen (+1 GMT)

Chief of State: King Frederik

Head of Govt.: Prime Minister Mette Frederiksen

Currency: Danish Krone (DKK)

Major Languages: <p>Danish, Faroese, Greenlandic (an Inuit dialect), German (small minority); note - English is the predominant second language</p>

Primary Religions: <p>Evangelical Lutheran (official) 74.7%, Muslim 5.5%, other/none/unspecified (denominations of less than 1% each in descending order of size include Roman Catholic, Jehovah's Witnesses, Serbian Orthodox Christian, Jewish, Baptist, Buddhist, Church of Jesus Christ, Pentecostal, and nondenominational Christian) 19.8% (2019 est.)</p>

Calling Code: 45

Voltage: 230

Key Websites

Main Government Page: denmark.dk

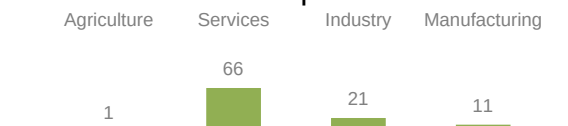
Commerce Ministry: eng.em.dk

Investment Promotion investindk.com
Agency:

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$436.86 billion (2022)
GDP growth (annual %):	3.82% (2022)
GDP per capita, PPP (current international \$):	\$74,005.48 (2022)
Manufacturing, value added (% of GDP):	10.94% (2022)
Current account balance (BoP, current US\$):	\$51.46 billion (2022)
Inflation, consumer prices (annual %):	7.70% (2022)
Labor force, total:	3,132,170 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.17% (2022)
Imports of goods and services (current US\$):	\$232.05 billion (2022)
Exports of goods and services (current US\$):	\$274.07 billion (2022)

GDP Composition %



*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

Index	Rank
Corruption Perceptions Index	1 / 178
EY Globalization Index	8 / 60
Global Competitiveness Index	8 / 141
Global Enabling Trade Index	12 / 136
Global Services Location Index	60 / 60
Index of Economic Freedom	9 / 176
International Logistics Performance Index (LPI)	8 / 160
Inward FDI Potential Index	22 / 139
KOF Index of Globalization	6 / 185
Networked Readiness Index (NRI)	11 / 139

Risk Assessment (Provided by Coface)

Country rating: A1 - The political and economic situation is very good. A quality business environment has a positive influence on corporate payment behavior. Corporate default probability is very low on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- World's second-largest shipping operator (2022)
- Almost energy self-sufficient (oil and gas in the North Sea and Greenland as well as numerous wind-energy parks)
- Niche industries with cyclically non-sensitive export goods (pharmaceuticals, wind turbines, food products)
- Well-managed public finances and large current account surplus
- Danish Krone (DKK) pegged to the euro

Weaknesses

- Small open economy sensitive to external demand, especially from Germany and Sweden
- Very high household debt (165% of gross disposable income in Q2 2023)
- Public sector constitutes a significant part of the country's employment (30% of employees in first nine months of 2022)
- High private non-financial corporate debt (123% of GDP in Q3 2023)

U.S. Embassy

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<https://dk.usembassy.gov>