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).

Key Economic Facts
Income Level (by per capita GNI): High Income
Level of Development: Developed
GDP, PPP (current international $): $313.36 billion (2017)
GDP growth (annual %): 2.26% (2017)
GDP per capita, PPP (current international $): $54,356.45 (2017)
Manufacturing, value added (% of GDP): 12.52% (2017)
Inflation, consumer prices (annual %): 1.15% (2017)
Labor force, total: 2,994,421 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate): 4.97% (2018)
Imports of goods and services (current US$): $156.51 billion (2017)
Exports of goods and services (current US$): $179.92 billion (2017)

GDP Composition %

<table>
<thead>
<tr>
<th>Sector</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1</td>
</tr>
<tr>
<td>Services</td>
<td>66</td>
</tr>
<tr>
<td>Industry</td>
<td>20</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13</td>
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</tbody>
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*Risk Assessment (Provided by Coface)*

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is 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 fifth largest shipping operator
- Energy self-sufficiency (oil in the North Sea and Greenland); net energy exporter
- Niche industries (renewable energy/biotechnology)
- Well managed public finances
- Large current account surplus
- Krone pegged to the euro

Weaknesses
- Small open economy sensitive to external demand
- Government instability related to the fragmentation of Parliament
- Very high household debt (272% of disposable income)
- Public sector constitutes a significant part of the country’s employment (30% of employees in August 2018)
- Tensions over housing in some cities

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