

## 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](http://denmark.dk)

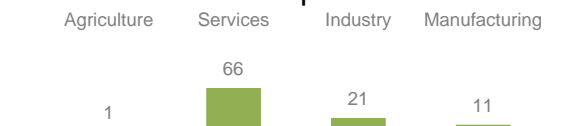
Commerce Ministry: [eng.em.dk](http://eng.em.dk)

Investment Promotion [investindk.com](http://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>