



Sweden  
Sverige

# BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN DENMARK 2023

A REPORT FROM TEAM SWEDEN IN DENMARK

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# FOREWORD

The relationship between Sweden and Denmark reflects a resilient partnership rooted in historical ties, regional cooperation and economic alignment. The relationship is not only influenced by geographical proximity but also by the alignment of economic models, commitment to sustainability, and innovation-driven economies. Swedish companies view expanding to Denmark as a natural step in their international expansion, driven not only by Denmark's geographical proximity to Sweden but also by shared values.

This report, based on the results of the 2023 Business Climate Survey for Swedish companies in Denmark, provides insights into the current state of the business climate and the views by Swedish companies' future prospects on the market.

Swedish companies' financial performance and outlook reveal a positive trend, with the majority of respondents reporting profitable operations and expressing optimism about future turnover. The nuances between different company sizes, industries, and maturities paint a vivid picture of the diverse landscape in which Swedish businesses operate within Denmark.

This survey marks the first Business Climate study conducted among Swedish companies in Denmark. Its primary objective is to enhance our comprehension of the Swedish business experience in Denmark, delving into both the opportunities and challenges presented by the Danish market. The report sheds light on the central factors driving the success of Swedish companies in Denmark, along with their strategic responses to the current business environment. Furthermore, it aims to be a valuable reference in bilateral trade discussions between Sweden and Denmark.

The respondents show the diversity of industries where Swedish companies have established a significant presence in Denmark. From business services and transportation to manufacturing, technology, and retail, the spectrum is vast, reflecting the full range of Swedish industry.

The report concludes with a deep dive into the perceptions of the business climate in Denmark, exploring factors such as economy, service provision, and digitalisation. The findings reveal a generally positive sentiment among Swedish companies, with some nuanced differences based on industry, company maturity, and entry timelines.

We want to express our appreciation to the companies and partners that have actively contributed to the creation of this report. We hope for further collaboration to propel the ongoing trade and business development between Sweden and Denmark.



**Charlotte Wrangberg**  
Ambassador



**Klas Arvidsson**  
Acting Office Manager



**Hanna Leffer**  
Trade Commissioner

# EXECUTIVE SUMMARY

**+1800** Swedish-owned companies/entities active in Denmark

## Current business climate

**50%**

of Swedish companies view the current business climate in Denmark as “good” or “very good”, only 8% consider it to be “poor”

## Industry turnover

**62%**

of Swedish companies expect their industry turnover to increase in the next 12 months

## Future investments

**44%**

of Swedish companies plan to increase their investments in the next 12 months

## Local valued success factors

1. Brand awareness
2. Sales competence
3. Staff development

## Brand Sweden

**62%**

of Swedish companies in Denmark consider Brand Sweden beneficial for business

## Local conditions with highest satisfaction

1. Personal safety
2. Customs
3. Suppliers, Distributors

## Local conditions with least satisfaction

1. Corporate taxation
2. Specialist & key personnel
3. Financial Systems

# ABOUT THE SURVEY

## The survey findings are optimistic, derived from responses provided by 50 Swedish companies

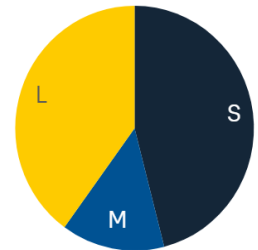
The Swedish embassy and Business Sweden conducted a survey to understand the market conditions and economic prospects of Swedish companies active in Denmark, comparing responses across different survey iterations. The report offers insights into Denmark's broader business climate, highlighting successes and challenges from the past year.

This year, the survey reached over 250 company representatives, while an estimated over 1,800 Swedish companies operate in Denmark. Responses were gathered between September and October 2023, with the survey successfully completed by 50 respondents.

Among the 50 survey participants, 40 per cent represented large entities, 14 per cent from medium-sized organizations, and 46 per cent were small businesses. In terms of industry distribution, the findings show that 33 per cent of respondents operate in the industrial sector, 44 per cent in professional services, and 23 per cent in the consumer space. The distribution of respondents, with 48 per cent identifying as mature, 38 per cent as experienced, and 16 per cent as newcomers, suggests a diverse range of Swedish businesses engaging in operations and growth within the Danish market. This points towards a sustained and broad interest from Swedish companies in establishing a foothold or expanding their activities in Denmark.

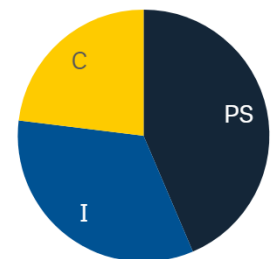
Please be aware that the statistics presented in this year's report exclusively capture the experiences of our respondents within the Danish market. Furthermore, the response period coincides with the ongoing conflict between Russia and Ukraine, a substantial geopolitical event with potential repercussions for the global business climate. The responses were collected before the outbreak of the current Israeli-Palestinian conflict and the shooting of two Swedes in Brussels, emphasizing the need to consider recent developments when interpreting the survey responses.

### SIZE OF COMPANIES



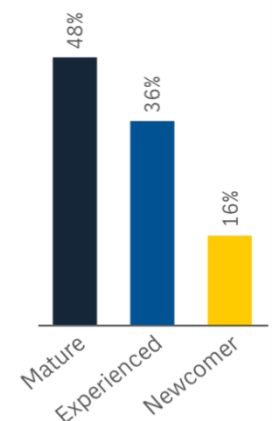
NOTE: Small 46%. Medium 14%. Large 40%. Global employees. Large >1000. Medium 250-1000. Small 0-249

### MAIN INDUSTRY



NOTE: Industrial 33%. Professional services 44%. Consumer 23%

### AGE OF COMPANIES



NOTE: Establishment in Denmark. Mature (-2001). Experienced (2002-2016). Newcomer (2017-)

# ECONOMIC OUTLOOK

## Denmark successfully navigates growth and challenges in a changing global economy

The Danish economy, lately known for robust growth, faced challenges during the COVID-19 pandemic and post-conflict shocks with Russia and Ukraine. Despite these challenges, Denmark has demonstrated resilience by maintaining growth, fuelled by factors like robust net exports, resilient investments, and positive stock building. However, Novo Nordisk significantly contributes to Denmark's economy, and excluding their contribution would negatively impact the overall growth and GDP compared to the current state.

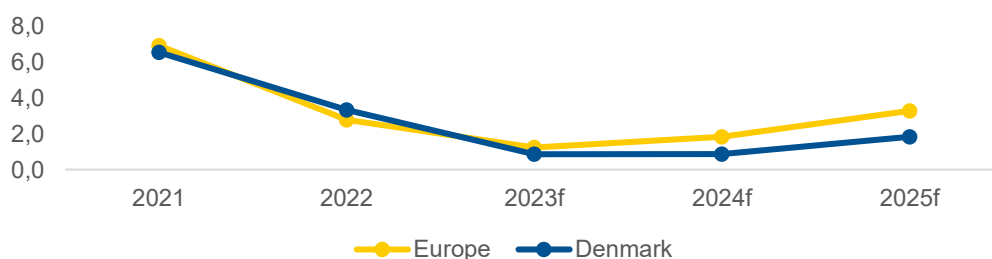
Peaking inflation has been observed in Denmark and the rest of Europe, driven by soaring energy, food, and commodity prices, adding complexity to the economic landscape. Sector-specific trends differ, with the construction industry facing a decline, while the pharmaceutical sector might remain relatively unaffected. Inflationary pressures have additionally affected households' purchasing power, leading to stagnant or declining real private consumption.

Denmark's economic performance is significantly influenced by major corporations like Novo Nordisk and Mærsk, highly influencing the country's GDP. The nation's high and rising productivity, attributed to a favourable business environment, R&D investment, and sectoral shifts, surpasses the EU average. While maintaining a healthy innovation environment, challenges arise, such as decreasing business R&D intensity, particularly in smaller companies, posing scaling challenges.

Overall, Denmark's economic landscape reflects resilience, balancing sustained growth with challenges such as inflationary pressures and global economic uncertainties. The primary concern in Denmark is related to the effects of inflation and the tightening of monetary policy. Ongoing geopolitical events, such as the Russia-Ukraine conflict and recent incidents like the Israeli-Palestinian conflict, contribute to considerable uncertainty in the global economy. Quran burnings and persistently high inflation, notably in Sweden, further influence the economic climate.

Despite the mentioned uncertainties, the majority of Swedish companies have maintained profitability and are operating with an optimistic outlook for the years to come. Additionally, most firms express their intent to increase investment in Denmark, underscoring their commitment to conducting business in the country.

### PROJECTED GDP GROWTH IN EUROPE AND DENMARK



NOTE: Constant prices.

SOURCE: Oxford Economics 2023-11-13

## The majority of Swedish businesses where profitable in 2022

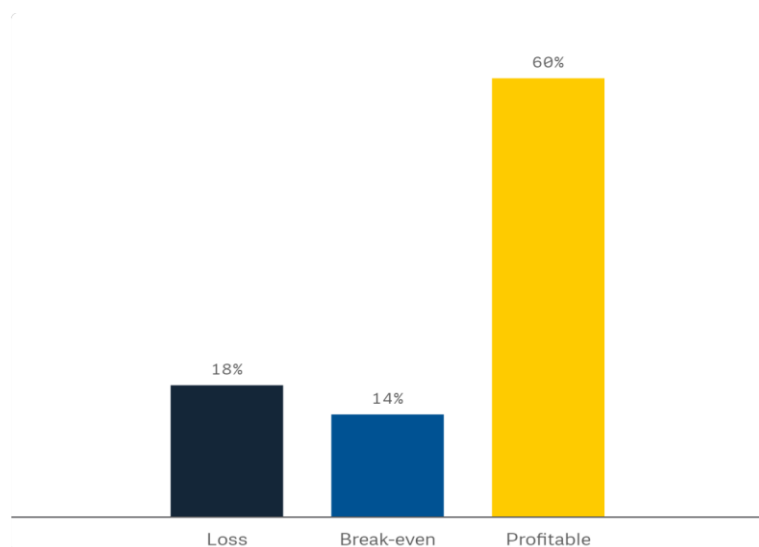
Based on the findings from the Business Climate Survey, the financial status of the overwhelming majority of the companies appears to be steady or profitable. In the comparison of various industrial sectors, Industrials emerged as the most optimistic, with 77 per cent indicating a profitable performance for 2022, followed by professional services at 59 per cent and consumer goods at 33 per cent. Professional services exhibited the highest loss rate among sectors, with 29 per cent, while consumer goods and industrials reported lower loss rates at 22 per cent and eight per cent, respectively. The high loss rate in professional services could be a result of challenges related to market competition, changing client demands, or external factors influencing project-based revenue.

Among mature companies, 95 per cent reported a profitable year, while for experienced companies, the figure was 44 per cent, and newcomers reported 0 per cent. The fact that newcomers reported no profitability in contrast to the high profitability reported by mature companies indicates that newer businesses face more challenges in establishing themselves and achieving immediate financial success.

Analysing company size, 71 per cent of medium-sized companies reported profitability, outpacing large companies at 65 per cent and small companies at 52 per cent. However, medium-sized companies also reported the highest loss rate at 29 per cent, compared to 25 per cent for large companies and nine per cent for small companies. Medium-sized companies reporting both high profitability and loss rates indicates a dynamic sector where companies experience both successes and challenges. The sector may be characterised by a mix of established and emerging players, leading to varied financial outcomes.

Regarding the perception of the Danish currency rate that has been outperforming the Swedish krona in the past year, Swedish companies expressed predominantly positive or neutral sentiments. A notable 31 per cent of respondents held a positive outlook, 49 per cent maintained a neutral stance, while 20 per cent perceived a negative impact on their business in Denmark. This suggests a generally balanced sentiment among Swedish businesses, indicating resilience in the face of currency fluctuations and potential challenges.

### HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN DENMARK IN 2022?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## Swedish businesses operating in Denmark have a positive outlook on their future revenue

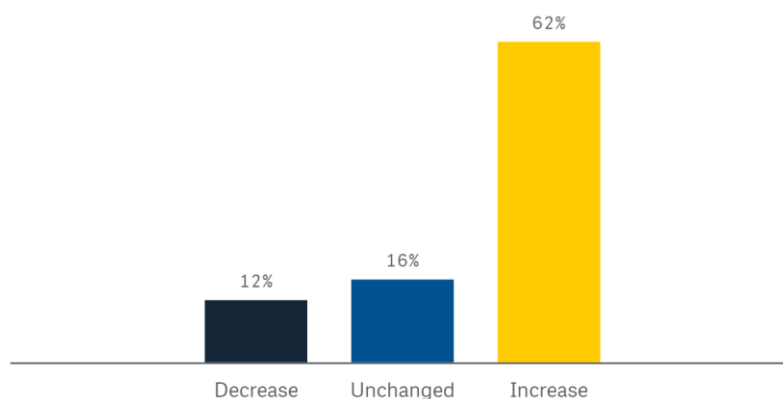
In the survey, 62 per cent of respondents forecasted increased turnover, while 12 per cent anticipated a slight decrease over the next 12 months. Across different sizes of Swedish companies in Denmark, there is a generally positive outlook, with small companies exhibiting the highest optimism at 65 per cent, followed by large (60 per cent) and medium-sized (57 per cent) companies.

Large companies express the highest concern about decreased turnover at 15 per cent, while newcomers are the most optimistic at 86 per cent, indicating a dynamic business environment, showcasing the agility and optimism of newer companies toward growth. Among mature companies, 24 per cent expect a decrease in turnover, indicating caution or concern, while the absence of such expectations among newcomers and experienced companies suggests a more optimistic or risk-tolerant outlook.

In the professional services sector, 82 per cent expect increased turnover, reflecting confidence in the demand for services, potentially influenced by the strong Danish currency. Consumer-oriented companies (67 per cent) and the industrial sector (46 per cent) also express positive outlooks. Inflation can impact the cost of production for industrial companies, particularly if they rely on raw materials, energy, or other inputs whose prices are sensitive to inflationary pressures.

Among the companies in the professional services sector, 0 per cent expect a decrease in turnover, reflecting a high level of confidence and stability in this segment. In contrast, 22 per cent of consumer companies anticipates a decrease in turnover. This could suggest challenges in passing on increased costs to consumers, potentially due to competitive pressures or consumers becoming more price sensitive. The industrial sector shows a moderate level of concern, with 15 per cent of companies expecting a decrease in turnover. While not as pronounced as the consumer sector, it suggests a cautious outlook within the industrial landscape.

### COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN DENMARK REGARDING TURNOVER?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure. SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.



## Respondent companies demonstrate stability and optimism regarding future investment plans

A significant portion (44 per cent) of respondents plans to increase investments in Denmark in the next 12 months, while 40 per cent aim to maintain their current investment levels, reflecting the Danish market's attractiveness for Swedish companies.

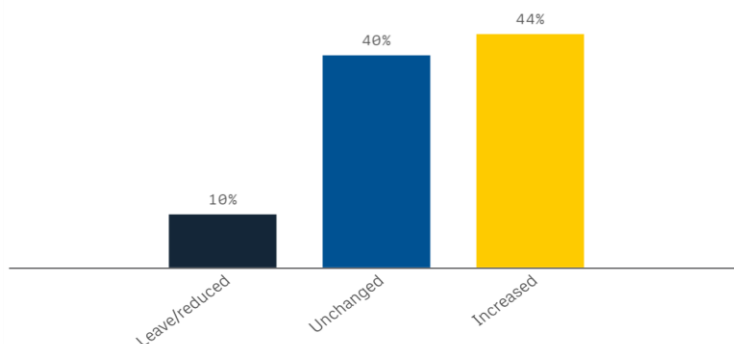
Mature companies demonstrate the highest ambition, with 48 per cent planning increased investments, while medium-sized companies exhibit the lowest at 38 per cent. Both newcomers and mature companies share similar considerations of leaving or reducing investments at 14 per cent, whereas experienced companies show a lower percentage at six per cent. This lower percentage for experienced companies contemplating reduced investments suggests a stable and secure market position, likely supported by established strategies contributing to their confidence in maintaining or gradually expanding their existing investments.

Only 30 per cent of large companies reported increased investments in Denmark, suggesting a lower ambition than medium-sized (57 per cent) and small companies (53 per cent). This implies larger corporations are more cautious or less optimistic about expanding operations in Denmark, potentially due to their existing significant presence.

Large companies lead in considering a reduction in investment or leaving the country at 15 per cent, compared to nine per cent for small companies and 0 per cent for medium-sized ones. Additionally, 45 per cent of large companies anticipate maintaining unchanged investment plans, potentially signalling challenges or uncertainties in the Danish business environment affecting larger corporations.

Professional services have the highest percentage (47 per cent) of companies maintaining unchanged investment plans, followed by the consumer sector at 44 per cent and the industrial sector at 23 per cent. Despite this, all sectors express optimism for future investment plans, with the industrial sector at 46 per cent, consumer sector at 44 per cent, and professional services at 41 per cent. The consumer industry emerges as the most optimistic about increasing investments, potentially driven by a growing consumer market, changing preferences, or increased demand for consumer goods and services.

### WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN DENMARK, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

# THE MARKET

## Denmark is a thriving market for many Swedish companies

Denmark offers a thriving business environment with several unique advantages for Swedish companies seeking expansion. The geographical proximity, especially from the Øresund region and South Sweden, serves as a strategic asset, fostering smooth trade between the two nations. Similar national and European legislation creates a familiar business structure, minimising barriers and simplifying market entry. Evaluating the Danish market and initiating sales require relatively few resources, making it an attractive prospect for Swedish businesses.

In Sweden, Danish companies make up 10 per cent of all foreign companies, employing around 60,000 individuals, equivalent to 8.5 per cent of the total workforce in foreign-owned enterprises. Meanwhile, Finnish companies employ approximately 67,000 people in Sweden, comprising 9.5 per cent of the total foreign company workforce in the country.

Denmark's energy sector is undergoing a significant transformation marked by the extensive integration of renewable energy resources in both the fuel (gas) and electricity mix. Simultaneously, the country's infrastructure sector experiences robust growth, primarily driven by large-scale transport projects, with the rail sub-sector positioned as a key catalyst for construction growth throughout the current decade.

Furthermore, Danish consumers stand out as some of the most enthusiastic supporters of organic products globally. Additionally, Denmark holds a prominent position as a hub for Life Sciences, Healthcare (LSHC), with substantial commitment from the government. Presently, the focus lies on governmental investments and reforms in personalised healthcare and digitisation efforts, shaping the landscape of healthcare and technology in the country.

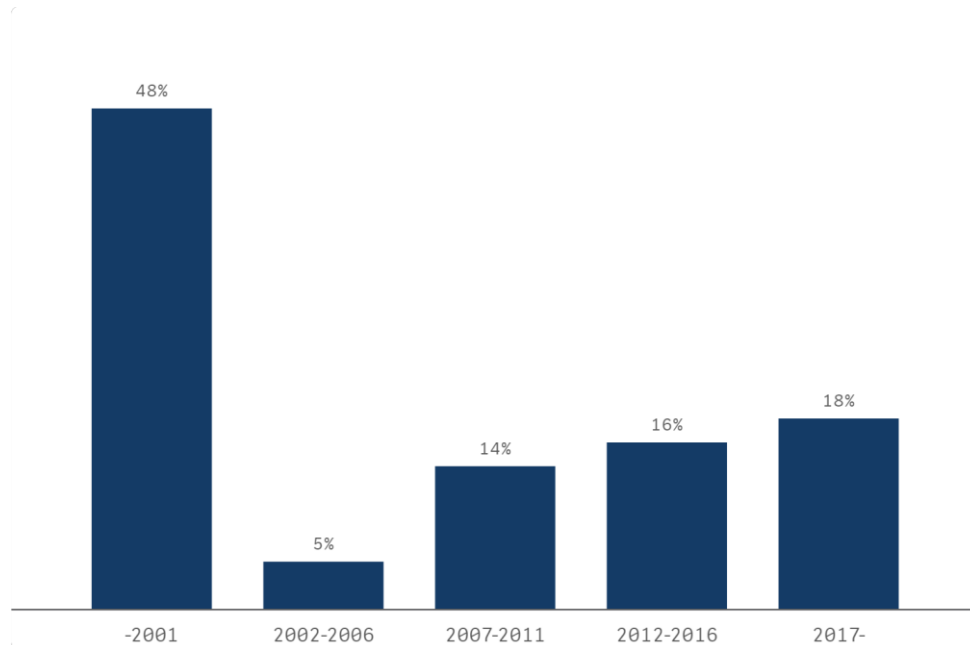
Denmark's robust economic landscape, characterised by its wealth and high value-added economy, is complemented by governance indicators surpassing the median of its rating peers. The country boasts a credible economic policy framework, sound public finances, and impressive external metrics that underscore a track record of both macroeconomic and financial stability. Despite potential macro-financial stability risks arising from high interest rates due to elevated household indebtedness, Denmark effectively mitigates these concerns through a remarkably strong aggregate household balance sheet (net financial wealth of 244 per cent of GDP in 2023), coupled with high domestic savings and robust capital buffers within Danish financial institutions.

## Denmark and Sweden's long-standing relationship is valuable for many Swedish companies

The survey reveals a varied timeline for the entry of Swedish companies into the Danish market. A substantial 48 per cent of the surveyed companies established themselves before 2001, indicating a longstanding and robust historical relationship. This underscores the adaptability of Swedish companies in navigating the Danish business environment and their commitment to investing in the market. The historical presence of nearly half the surveyed companies signifies a deep-rooted and enduring connection between the two nations.

With only five per cent entering between 2002-2006, subsequent years exhibit a trend of more evenly distributed establishment, indicating sustained interest and adaptability of Swedish businesses to Denmark's evolving economic landscape. This increase suggests changing economic conditions, emerging opportunities, or strategic considerations attracting Swedish companies to the Danish market in recent years.

### IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN DENMARK?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

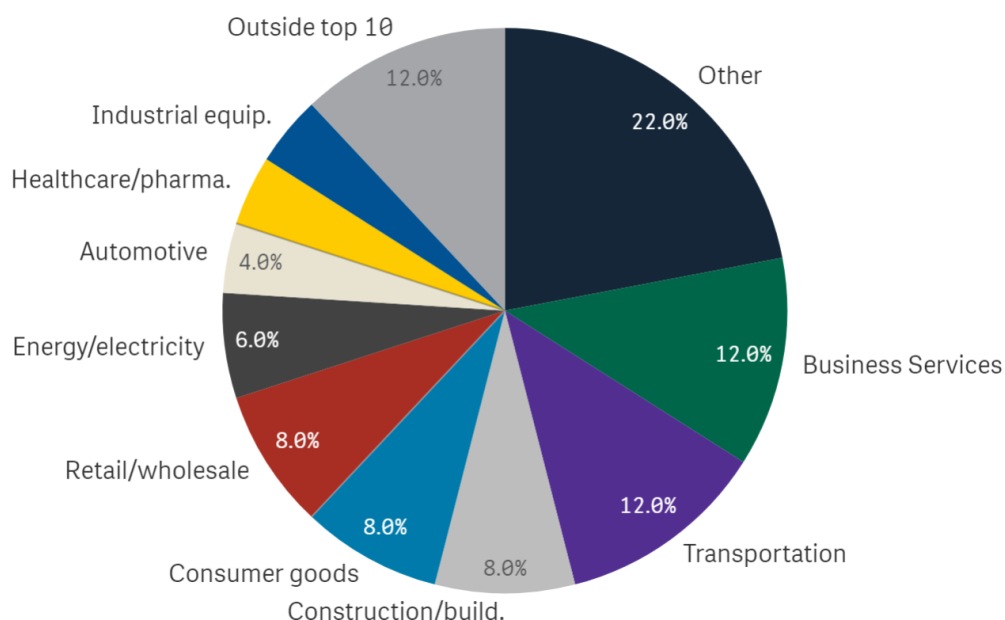
## Swedish companies have established a significant presence across a diverse range of industries in Denmark

The results from the survey show a strong presence of Swedish companies in Denmark, particularly in business services and transportation. Business services, particularly consultancy services, are in high demand, driven by the steady growth in the export of Danish products and services worldwide. The increasing need for consultancy and solutions to manage practical aspects of goods and service exports has fuelled the demand for such services in recent years.

Denmark exhibits strength in the transportation sector, marked by investments in shipping, the expansion of railways and roads, and a notable presence of Swedish companies in this field. This aligns with the overarching trend of diverse Swedish companies actively participating in various sectors across the Danish market.

While Sweden excels in industry, technology, retail and life sciences, Denmark shines in shipping/transportation, life sciences, and energy. The Danish healthcare sector is undergoing a comprehensive transformation, offering opportunities for companies providing services and products to the healthcare system. Danish initiatives, including a proactive digitalisation strategy and substantial investments in healthcare, infrastructure, energy, and construction sectors, create significant potential for Swedish companies to engage in the Danish market. The ongoing developments underscore a fertile ground for further collaboration and business opportunities between the two countries. The businesses operating in Denmark today reflects the overall market, with a distribution among different industries.

### WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN DENMARK?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

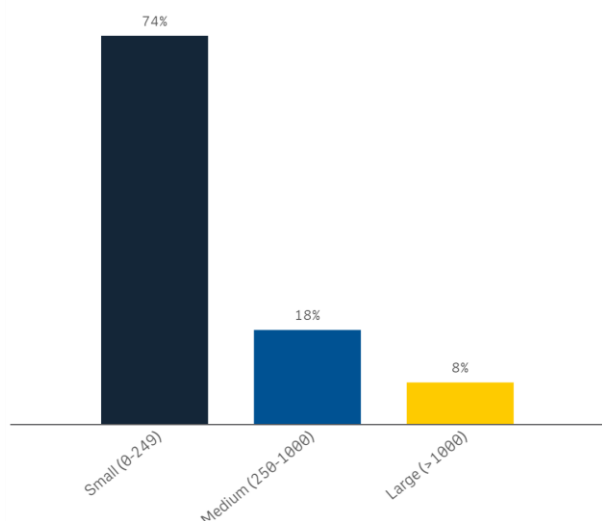
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## A strong representation of Swedish companies as SMEs in Denmark

The survey reveals that the majority of Swedish companies operating in Denmark are locally considered SMEs on the Danish market, accounting for 74 per cent of the surveyed firms. This significant presence of smaller enterprises are likely caused by factors such as geographical proximity, collaborative opportunities, and easy access to the Danish customer base. The Øresund region, linking southern Sweden to Denmark, emerges as a crucial facilitator for expansion, with companies strategically aiming to tap into the Danish market for potential economic gains. The combination of flexible regulations and proximity to Denmark enables Swedish companies to conduct main operations in Sweden, potentially resulting in a limited need to hire a significant number of local employees in Denmark.

While SMEs dominate the survey it's important to note the presence of locally large companies, constituting of eight per cent of the surveyed firms. The survey does not capture the complete market landscape, underscoring the existence of numerous large Swedish companies in Denmark. Noteworthy sectors where Swedish companies have established a significant presence in Denmark includes finance, manufacturing, technology, and retail.

### SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN DENMARK IN 2023



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## Swedish firms perceive the business climate as overall good in Denmark

In 2023, Swedish respondents perceived the Danish business climate positively with 50 per cent of companies perceiving the current business climate as 'good' or 'very good' whereas only eight per cent deemed the business climate as 'poor'. Worth to notice is that 15 per cent of the large companies believe that the business climate is poor or very poor, the reason for this might be differences in competitive landscapes. Professional services firms may operate in markets with less intense competition, allowing for more positive sentiments. Consumer and industrial sectors, which are often more competitive, may experience a wider range of perspectives depending on individual market positions.

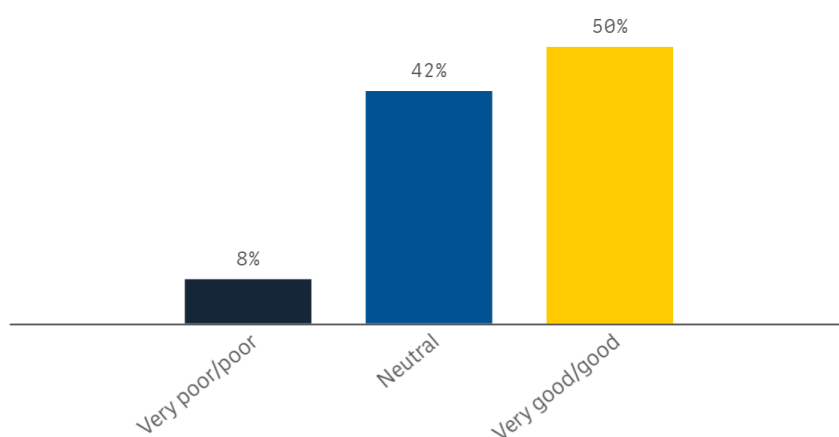
When segmenting the results by business, companies within professional services are most positive about the business climate, with 71 per cent perceiving it as good or very good. Among the companies within the consumer sector and industrial operations, 56 per cent and 54 per cent were neutral in the question. Companies in consumer and industrial operations may be more exposed to supply chain disruptions, global economic conditions, or trade uncertainties. This could contribute to a more cautious or neutral outlook compared to professional services firms.

Among the mature firms, no respondent thought that the business climate in Denmark is poor or very poor. For newcomers on the other hand, only 29 per cent of these firms believe that the business climate is very good or good. It may be that mature firms, having been established in the market for a longer period, have developed a deep understanding of the local business environment. Their positive outlook could stem from years of experience and successful adaptation to the Danish market conditions. Mature firms likely have well-established networks, both within the business community and with local stakeholders. These networks may contribute to a more positive perception as they provide a foundation for collaboration, support, and navigating challenges.

Newcomers might face initial barriers such as understanding local regulations, building relationships, and adapting to cultural nuances. These challenges could contribute to a less optimistic view of the business climate compared to mature firms that have already overcome these obstacles. Their perception may be influenced by uncertainties, perceived risks, and challenges associated with entering a new market.

Some respondents had faced some issues with the overall business climate, saying that compared with the rest of the Nordic market, Denmark exhibits a considerably more hierarchical and closed business structure, making it challenging to engage with customers openly. Respondents express difficulty in establishing a dialogue and note that margin requirements, terms, and collaboration contributions are notably higher in Denmark.

## HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN DENMARK?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

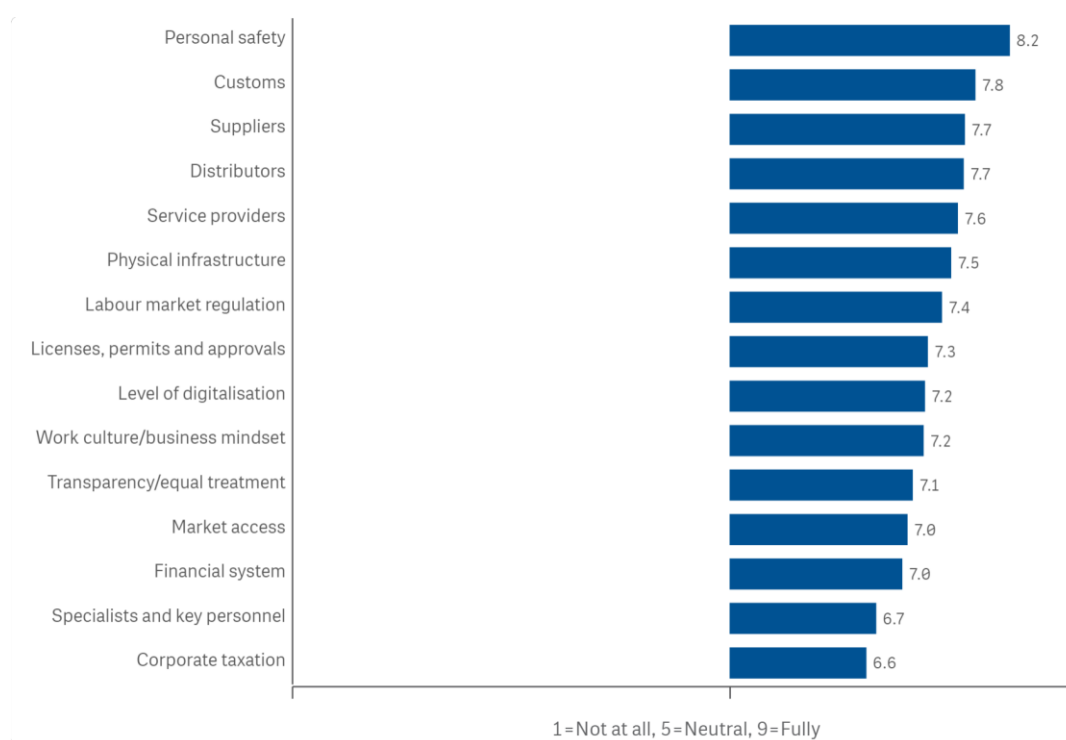
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## Swedish businesses express a notably positive view regarding personal safety and the strength of service provision in Denmark

Swedish companies provided positive feedback on various factors in the Danish market, indicating overall satisfaction, no aspect receiving a negative response. The highest-rated aspects were personal safety and customs, along with access to suppliers, distributors, and service providers. However, challenges were identified in corporate taxation, market access, and access to specialists and key personnel. Despite the business-friendly policies in Denmark, a respondent highlighted that the limited availability of skilled professionals in specialised areas contributes to increased overall business costs.

Denmark ranks as the most digital business environment globally, closely followed by the US and Sweden, according to the World Digital Competitiveness Ranking 2022 by the International Institute for Management Development. Surprisingly, when Swedish companies in Denmark rated the level of digitalisation in Denmark, it scored only 7.2, contrasting with its top global ranking.

### HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN DENMARK?



NOTE: The number of respondents for this question was 50.  
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

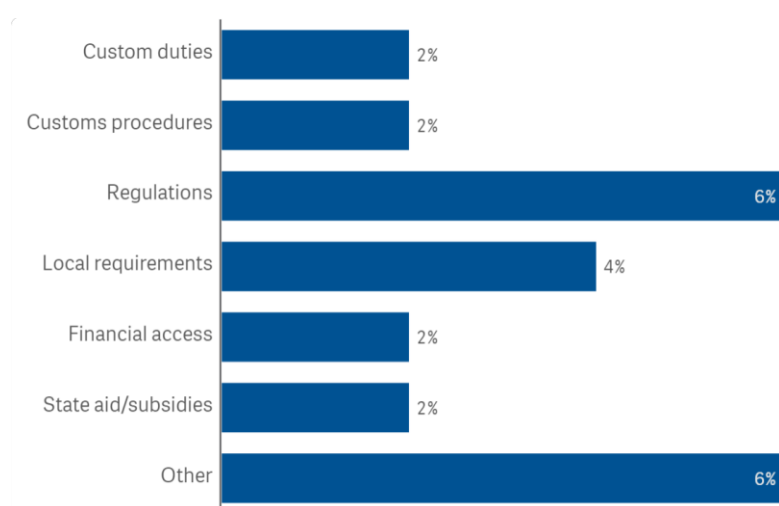
## Trade barriers in Denmark are minimal, with the primary focus being on regulatory challenges

The trade barriers for Swedish companies in Denmark seems to be limited, with only two per cent facing barriers within custom duties, customs procedures, financial access and state aid or subsidies. However, a noteworthy six per cent of respondents highlighted that they have encountered within related to regulations. This also seem to be more applicable to medium-sized companies, since 14 per cent of all medium-sized companies has witnessed these kinds of barriers.

Apart from regulatory challenges, four per cent of surveyed Swedish companies cited trade barriers due to local requirements in Denmark. Varied local regulations within a country may subject businesses to specific demands from municipalities or regions, impacting day-to-day operations with considerations such as zoning, environmental standards, or jurisdiction-specific criteria. Notably, 15 per cent of industrial sector companies faced these hurdles, driven by the complex nature of their operations involving raw materials, manufacturing processes, and specific technologies, which are more susceptible to local requirements in safety standards, environmental concerns, and zoning regulations.

In some industries, respondents have witnessed that there is often one major player dominating the market, creating significant entry barriers for new businesses. The dominance of key players is seen as making market entry both difficult and expensive. Another respondent emphasises the closed nature of business relationships in Denmark, highlighting the importance of personal connections and networks in navigating the business landscape. This was witnessed by more respondents as well. Challenges related to transfer pricing documentation regulations in Denmark are also highlighted among the respondents, noting that these regulations are perceived to be “more stringent than in other OECD markets”. Businesses are required to proactively submit extensive documentation to Danish authorities within a specific timeframe.

### HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN DENMARK WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 50.  
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

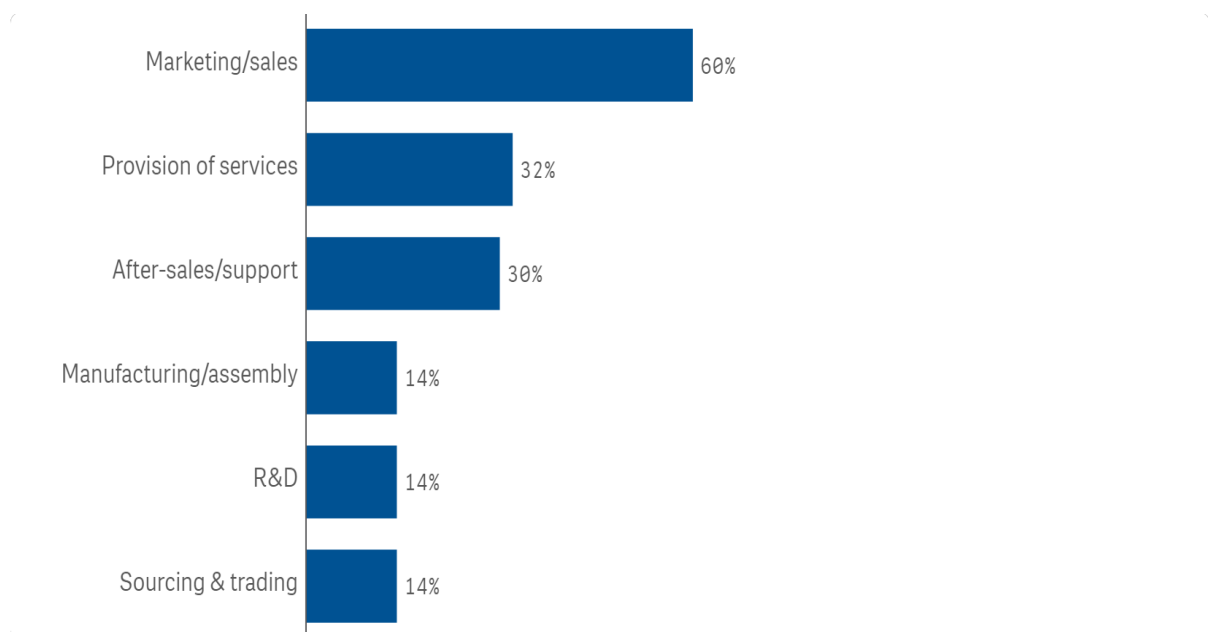


# HOW SWEDISH COMPANIES SUCCEED IN DENMARK

## Sales and marketing are the main areas of operations for respondent companies

A majority of the respondents (60 per cent) focus on marketing and sales, followed by 32 per cent on provision of services, and 30 per cent on after-sales and support. Only 14 per cent prioritise manufacturing/assembly, R&D, and sourcing/trading. This suggests that Swedish companies in Denmark prioritise consumer-centric operations over establishing research and development centres and manufacturing plants. Given their Swedish origins, this aligns with the expectation that R&D and manufacturing are likely centralised in Sweden. The survey results illustrate a dynamic and strategically oriented presence of Swedish companies in Denmark, underscoring the multifaceted nature of their operations and a comprehensive approach to establishing and maintaining a robust foothold in the Danish business landscape.

### OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

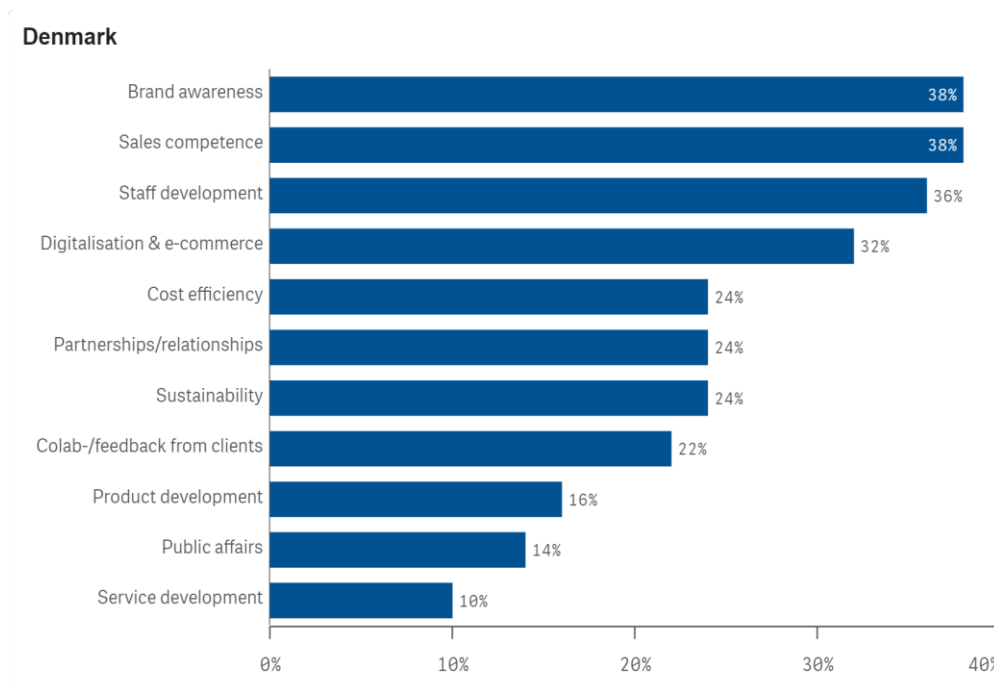
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## Brand awareness and sales competence are deemed most important when maintaining competitiveness in the Danish market

The respondents were asked to identify the key areas crucial for maintaining competitiveness in Denmark. According to the survey, 38 per cent of Swedish companies consider brand awareness as a pivotal factor in sustaining competitiveness in the Danish market. An equal percentage, 38 per cent, places high importance on sales competence, underlining the significance of effective sales strategies in navigating the competitive landscape. Additionally, 36 per cent prioritise staff development, recognising the role of a skilled workforce. Only 10 per cent prioritise service development, suggesting other factors take precedence. Public affairs and product development receive lower emphasis, with 14 per cent and 16 per cent, respectively.

Prioritising brand awareness and sales competence reflects companies' awareness of the competitive dynamics in the Danish market. This implies that Danish consumers highly value brands, suggesting that showcasing the Swedish brand could be a competitive advantage. The emphasis on staff development underscores the acknowledgment of the importance of a skilled and trained workforce, potentially influenced by cultural factors and language barriers in the Danish business environment.

### TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN DENMARK?



NOTE: The number of respondents for this question was 50.  
 SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023

## The Swedish brand is viewed as a strategic advantage for businesses operating in Denmark

The success of Swedish brands in the Danish market has been recognised. Swedish companies have established themselves as leaders in various industries, gaining recognition for their quality products, innovative designs, and strong brand values. The survey reveals that 62 per cent of respondents believe the "Swedish Brand" contributes significantly to their success in Denmark, while 36 per cent see little to no impact.

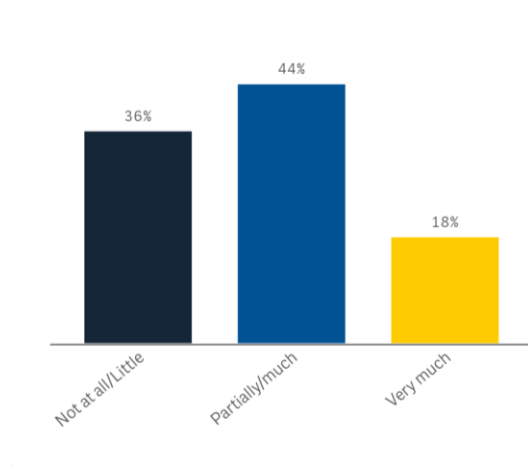
Globally, 81 per cent of Swedish companies abroad view "Brand Sweden" as a strengthening factor, varying by country. It is most valuable for India, Brazil, and South Korea while Canada, the US and Hong Kong do not see it as important. Despite both Sweden and Denmark ranking closely in global measures of innovation, sustainability, and digitalisation, the survey contradicts assumptions, highlighting the continued significance of the "Swedish Brand" for companies in the Danish market.

The success of Swedish brands in Denmark can be attributed to several factors such as a reputation for high-quality products and a business approach emphasising sustainability and innovation, aligning with Danish consumer values. Sector-wise analysis indicates that 70 per cent of industrial companies find the "Swedish Brand" contributory, while 44 per cent of consumer sector companies see little impact. This divergence suggests that the influence of the "Swedish brand" may be more pronounced or valued in certain industries, potentially influenced by factors such as market expectations or consumer preferences.

None of the "newcomers" (recently established companies) indicated that the "Swedish brand" contributes "very much" to their business in Denmark. This might suggest that established companies, with a longer presence and possibly a stronger brand reputation, perceive a more significant impact from the "Swedish brand" compared to newer entrants. It could be that for newcomers, building a local reputation and establishing themselves in the Danish market takes precedence over leveraging the broader "Swedish brand."

Overall, the success of Swedish brands in the Danish is a testament to their commitment to excellence, innovation, and understanding of consumer demands. Swedish businesses operating in Denmark have demonstrated that a combination of quality products, strong brand values, and effective marketing can lead to significant success in a competitive market.

### TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE "SWEDISH BRAND" CONTRIBUTES TO YOUR BUSINESS IN DENMARK?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

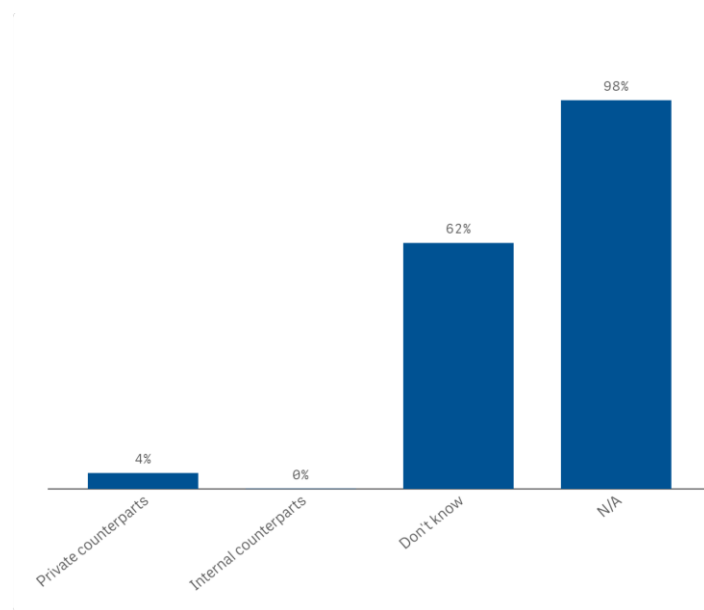
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

# ACTING SUSTAINABLY

## 98% of Swedish firms have not been exposed to corruption in Denmark

Nearly all respondents regardless of company size, industry, and length of time in Denmark reported that they were not exposed to corruption such as attempted bribery or fraud.

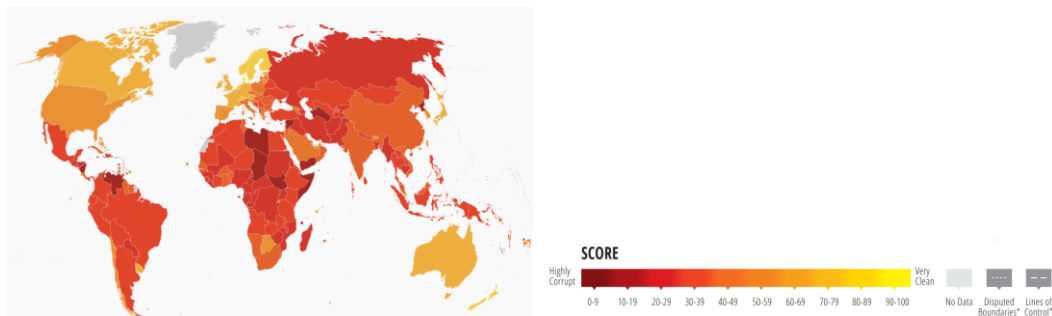
**HAS YOUR COMPANY IN DENMARK BEEN EXPOSED TO CORRUPTIONSUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?**



NOTE: The number of respondents for this question was 50.  
SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

This aligns with Denmark's top ranking in the 2022 Corruption Perception Index (CPI), where it secured the 1st position out of 180 countries. In contrast, Sweden holds the fifth place, following Finland, New Zealand, and Norway. Published annually by Transparency International since 1995, the CPI assesses countries globally based on their perceived levels of public sector corruption.

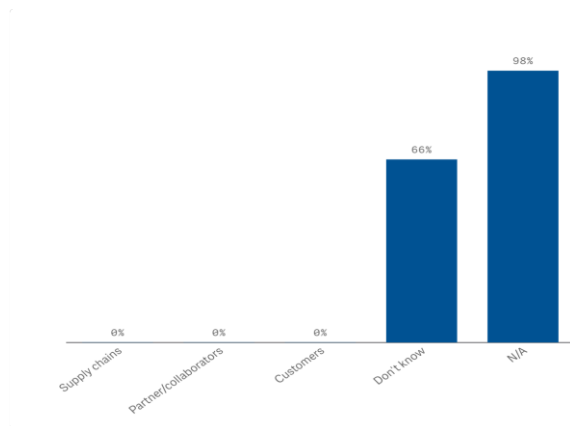
### CORRUPTION PERCEPTION INDEX 2022



SOURCE: Transparency International.

None of the Swedish companies has encountered human rights violation in Denmark, a consistent finding across sectors, firm sizes, and duration of operation. However, some respondents expressed uncertainty about whether they had encountered any human rights or labour rights abuses. This underscores the importance of increasing awareness among individuals regarding the criteria for identifying and confidently reporting such violations.

### HAS YOUR COMPANY IN DENMARK ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023.

## Swedish businesses express scepticism about Danish attitudes toward environmental considerations when faced with high costs

Of all respondents, 77 per cent, reported that their customers take environmental considerations into account when making purchasing decisions. However, 20 per cent feel that environmental considerations have little or no impact. Given the tumultuous economic climate of recent years it is encouraging to see results still indicates that customers are aware in their purchasing behaviour.

Differences in perspectives on environmental aspects emerge based on company size. Notably, 90 per cent of large companies highlight the significant influence of environmental factors on customers' purchasing decisions in Denmark. In contrast, 32 per cent of small companies indicate minimal or no impact, possibly due to resource constraints. This variance underscores the influence of company size on prioritising and implementing environmentally friendly practices, reflecting a global trend towards sustainability. Larger companies, equipped with more resources, may feel greater consumer pressure and believe their customers are more environmentally aware.

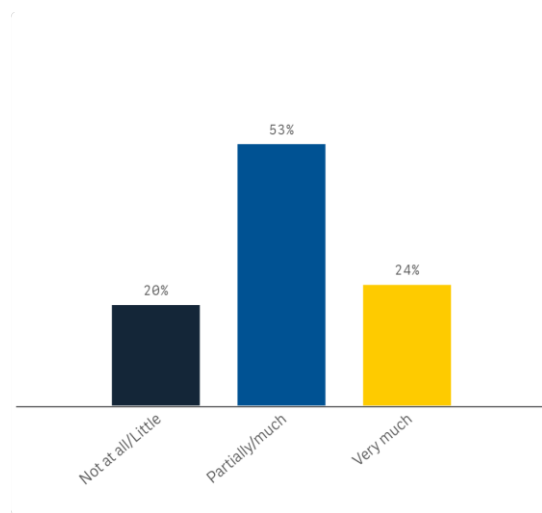
Analysing responses by company maturity reveals differences between newcomers and mature companies. Among newcomers, 43 per cent see limited importance of environmental aspects in customers' purchasing decisions, with none emphasising a significant impact. In contrast, only 10 per cent of mature companies perceive limited importance in environmental factors for purchasing decisions.

Some respondents are sceptical, suggesting that Danes prioritise the environment only when it doesn't incur extra costs, indicating a potential conflict between environmental considerations and financial implications. Another respondent highlights the contradiction in public tenders, where customers demand high sustainability levels but often prioritise the lowest price without sufficient quality evaluation. The respondent suggests the need for more quality incentives in tender processes to encourage investment in new technologies. This is similar to another respondent who

emphasises the challenges of maintaining competitiveness in an international industry while complying with regional or EU-specific regulations. They propose the adoption of a global minimum standard to mitigate risks and create a level playing field. There is a consensus among respondents that while sustainability is an important topic in customer discussions, there is a lack of infrastructure, regulations, and directives to support substantial growth in sustainability. Initiatives exist, but their magnitude is deemed insufficient, and some risk is shifted to customers.

The comments reflect a nuanced landscape where environmental considerations are weighed against financial factors, and there are challenges in aligning sustainability goals with procurement practices. The need for a global standard, improved infrastructure, and a shift toward recognising and rewarding sustainability in business practices emerges as key themes. As discussions around sustainability continue, respondents anticipate a gradual impact on procurement decisions in the future.

### **IN YOUR VIEW, TO WHAT EXTENT DO CUSTOMERS IN YOUR INDUSTRY IN DENMARK CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?**



NOTE: The number of respondents for this question was 50. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Denmark 2023





Embassy of Sweden  
Copenhagen