



DENMARK – 2023

Key findings

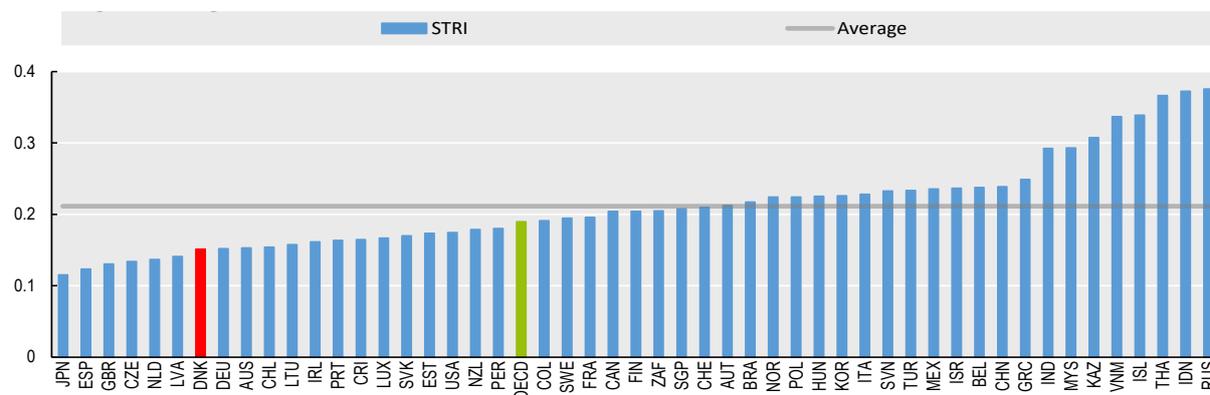
- The 2023 STRI of Denmark is below the OECD average and relatively low compared to all countries in the STRI sample. It remains unchanged compared to 2022.
- Denmark's regulatory environment has become moderately more restrictive over the past years.
- Sound recording is the most restricted, while broadcasting services is the least restricted sector in Denmark compared to the average STRI across all countries.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of Denmark is below the OECD average, and relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



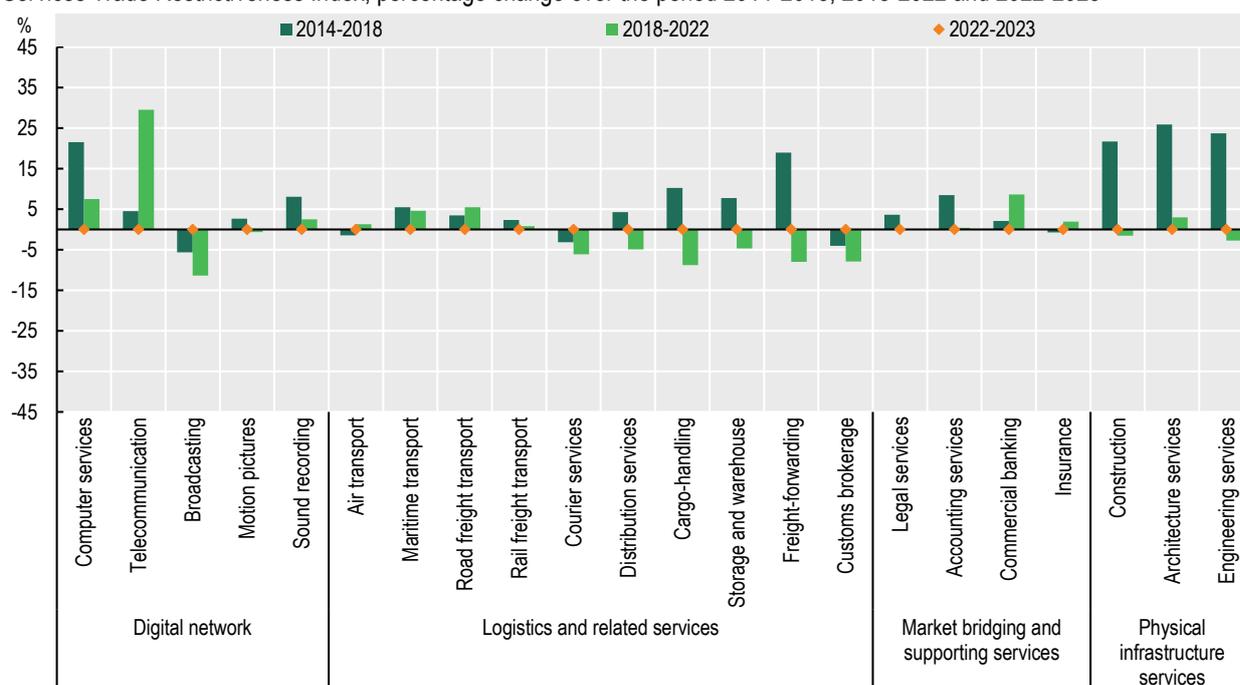
OECD (2023). STRI and TiVA databases.

A relatively favourable overall regulatory framework in Denmark explains the low STRI index. However, Denmark applies labour market tests for workers from countries outside the European Economic Area (EEA) seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, or independent services suppliers. Rights of access to public procurement are limited to regional trade agreement partners and members of the WTO's Government Procurement Agreement. The standards for cross-border transfer of personal data are set at the European Union (EU) level. Transfers to non-EEA economies can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) are in place. Finally, a minimum amount of capital must be deposited in a bank or with a notary to register a business.

Denmark's STRIs have increased moderately over the past years in most sectors. In 2023, however, the indices in all sectors remained unchanged compared to 2022 (Figure 2).

Figure 2. Evolution of STRI indices by sector in Denmark

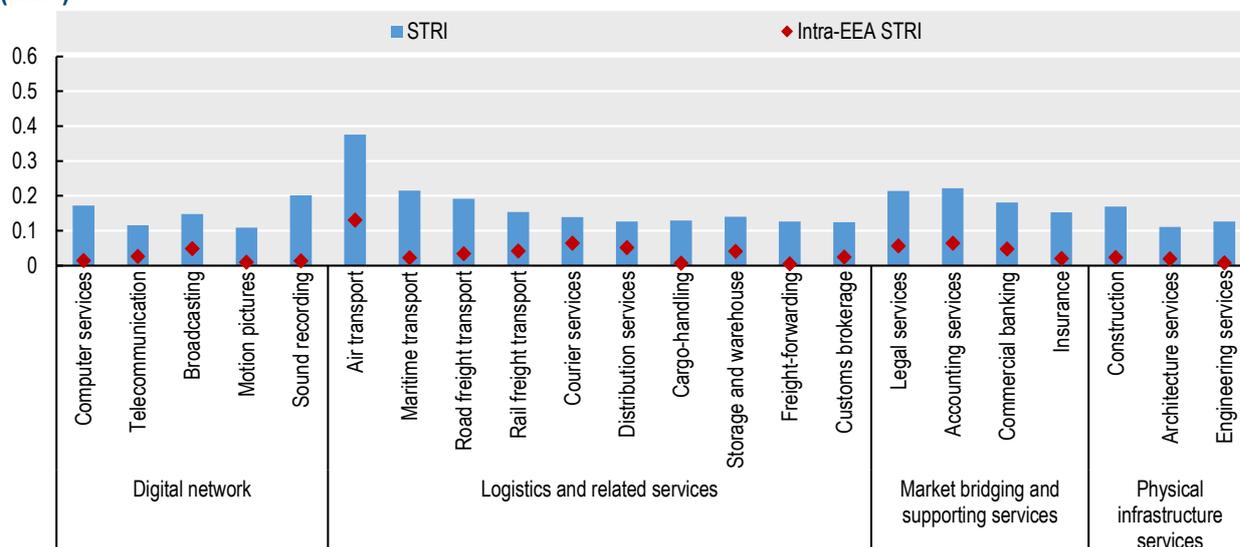
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Denmark maintains an open market for services suppliers from other EU Member States.

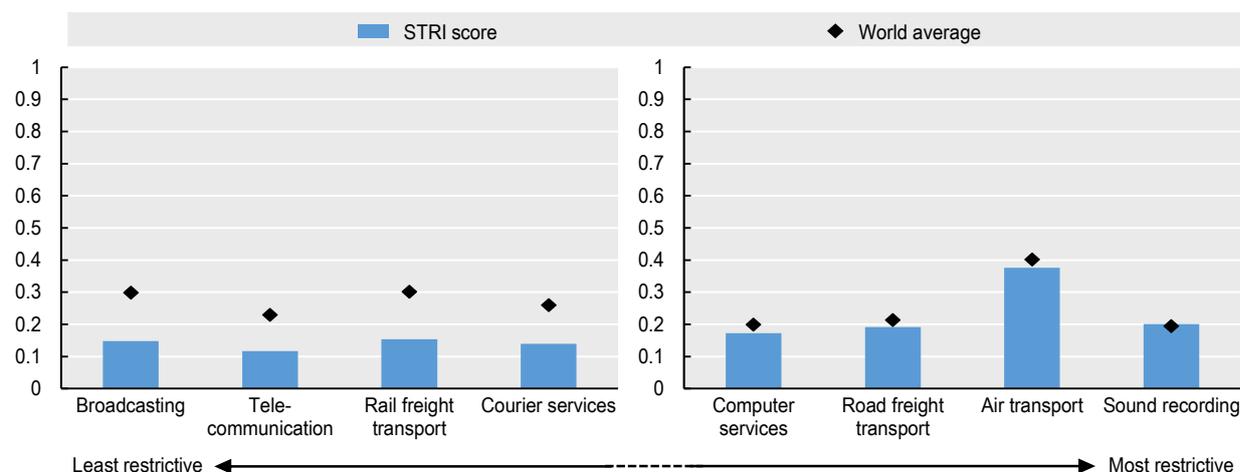
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden). Source: OECD (2023). STRI database.

Figure 3 ranks sectors relative to the respective sector's world average. Denmark's broadcasting, telecommunications, rail freight transport and courier services are the sectors with the relatively lowest scores. Conversely, computer services, road freight transport, air transport and sound recording are the sectors with the relatively highest scores.

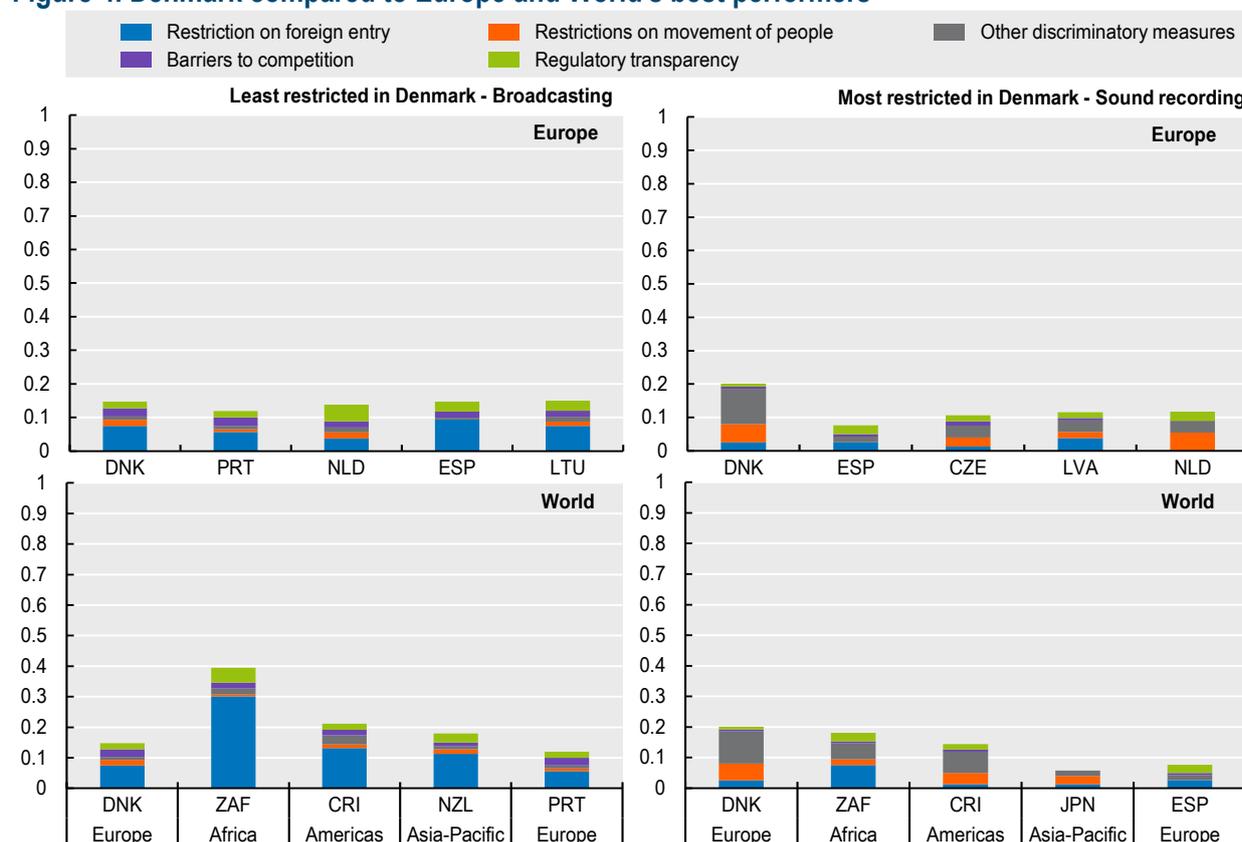
Figure 3. Sectoral breakdown - The least and most restricted sectors in Denmark compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$
Source: OECD (2023). STRI database.

Broadcasting services are the least restricted in Denmark compared to the average STRI across all countries, and indeed one of the most open in Europe. This is well aligned with other open economies in Europe where low barriers to movement of people are coupled with effective competition regulation. On the other hand, sound recording is the most restricted services sector in Denmark compared to the average STRI across all countries. Restrictions on other discriminatory measures are significant compared to best performers which is due mostly to reciprocity requirements applying to non-EEA copyright holders' rights (Figure 4).

Figure 4. Denmark compared to Europe and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

Following an amendment to the Companies Act in July 2022, foreign, non-EU/EEA companies with certain corporate forms are no longer restricted in establishing branches in Denmark. Previously, branches were only allowed based on an existing international agreement or reciprocity.

As of 1 July 2021, Denmark introduced a mandatory investment screening process for non-EU investments with shares of at least 10% in sensitive sectors due to reasons of national security or public order. These include, among others, investments related to certain IT sectors, critical technology, and critical infrastructure. Screening is carried out by the Danish Business Authority. The new law applies to investments made after 1 September 2021.

Several recent changes affecting Denmark were due to changes in EU law. In August 2022, EU Regulation 2022/1031 entered into force aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. At this stage, no implementing act restricting access to the EU procurement market has been adopted by the European Union. The Regulation applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

In air transport, a series of temporary rules allowing airlines to retain historic slots, despite not using their slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 on grounds of reduced air traffic levels due to the COVID-19 pandemic. As of 26 March 2023, such slot relief rules are no longer in force.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 took effect on 1 July 2021. These maximum termination rates do not, however, generally apply to calls originating from countries outside the EU.

From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. In maritime transport, Commission Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the Intra-EEA region: oe.cd/intraeeaSTRI
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.