



## DENMARK – 2022

### Key findings

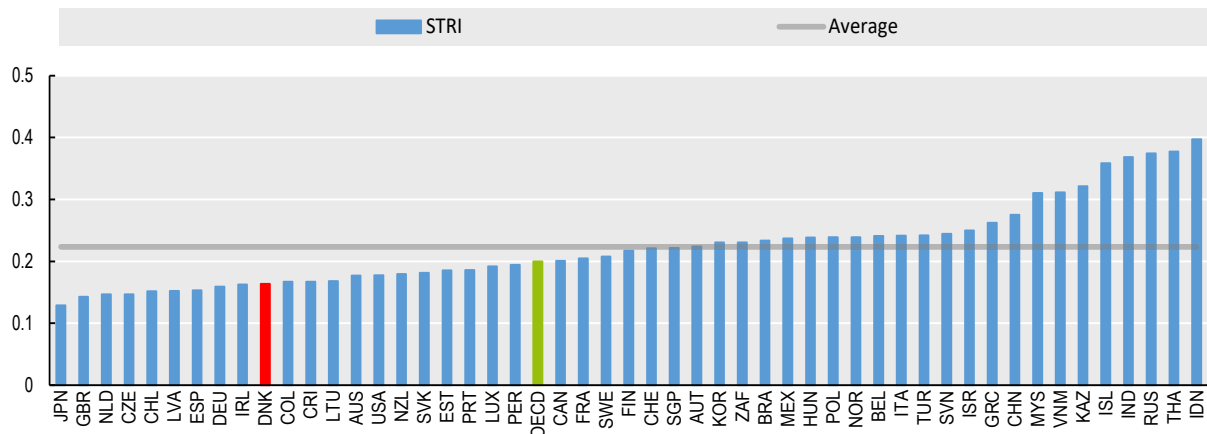
- The 2022 STRI of Denmark is relatively low compared to other countries in the STRI sample, which indicates a relatively open regulatory environment for services trade.
- Telecommunication is the most open sector in Denmark compared to the sample average, while sound recording is the most restricted. In the latter sector, restrictions in other discriminatory measure are significantly more stringent than across regional peers.
- In most services sectors, the regulatory environment has become more restrictive since 2014, although some reforms in 2022 on non-EU/EEA branches in Denmark resulted in a lower STRI index.

### Recommendation

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of Denmark is relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



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 2022. 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.

Source: OECD (2022). 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 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 across the board have increased moderately over the past years (Figure 2). The shifts of 2021-2022 are explained by two policy changes. Firstly, previously, non-EU/EEA companies with certain corporate forms were not permitted to establish branches in Denmark, except if authorised under an international agreement or on the basis of reciprocity. Secondly, new EU-wide measures affecting access to procurement markets contributed to the STRI in 2022.

### Figure 2. Evolution of STRI indices by sector in Denmark

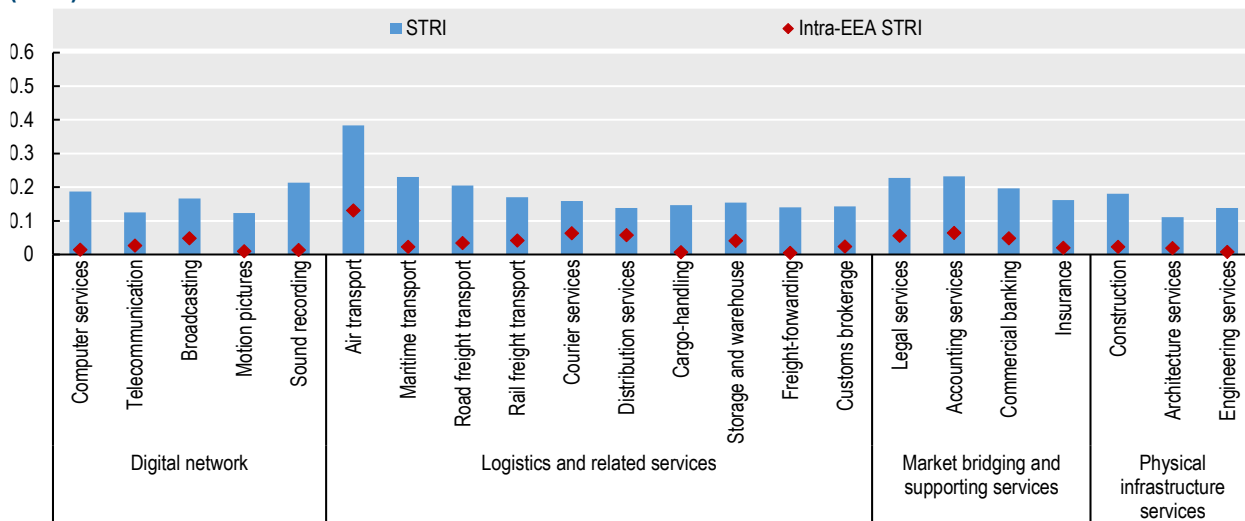
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). 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.

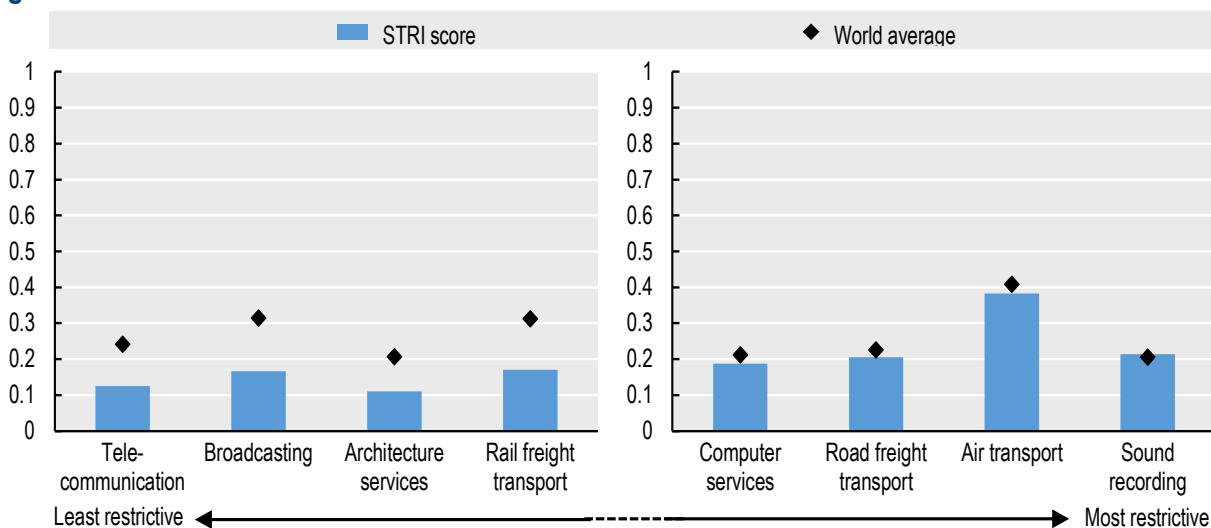
**Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)**



Note: The traditional STRI indicates the level of restrictiveness on a Most-Favoured Nation 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 (2022). STRI database.

Telecommunications, broadcasting, architecture services and rail freight transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, road freight transport, air transport and sound recording are the sectors with the highest score relative to the average STRI across all countries.

**Figure 3. Sectoral breakdown - The least and most restricted sectors in Denmark**



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

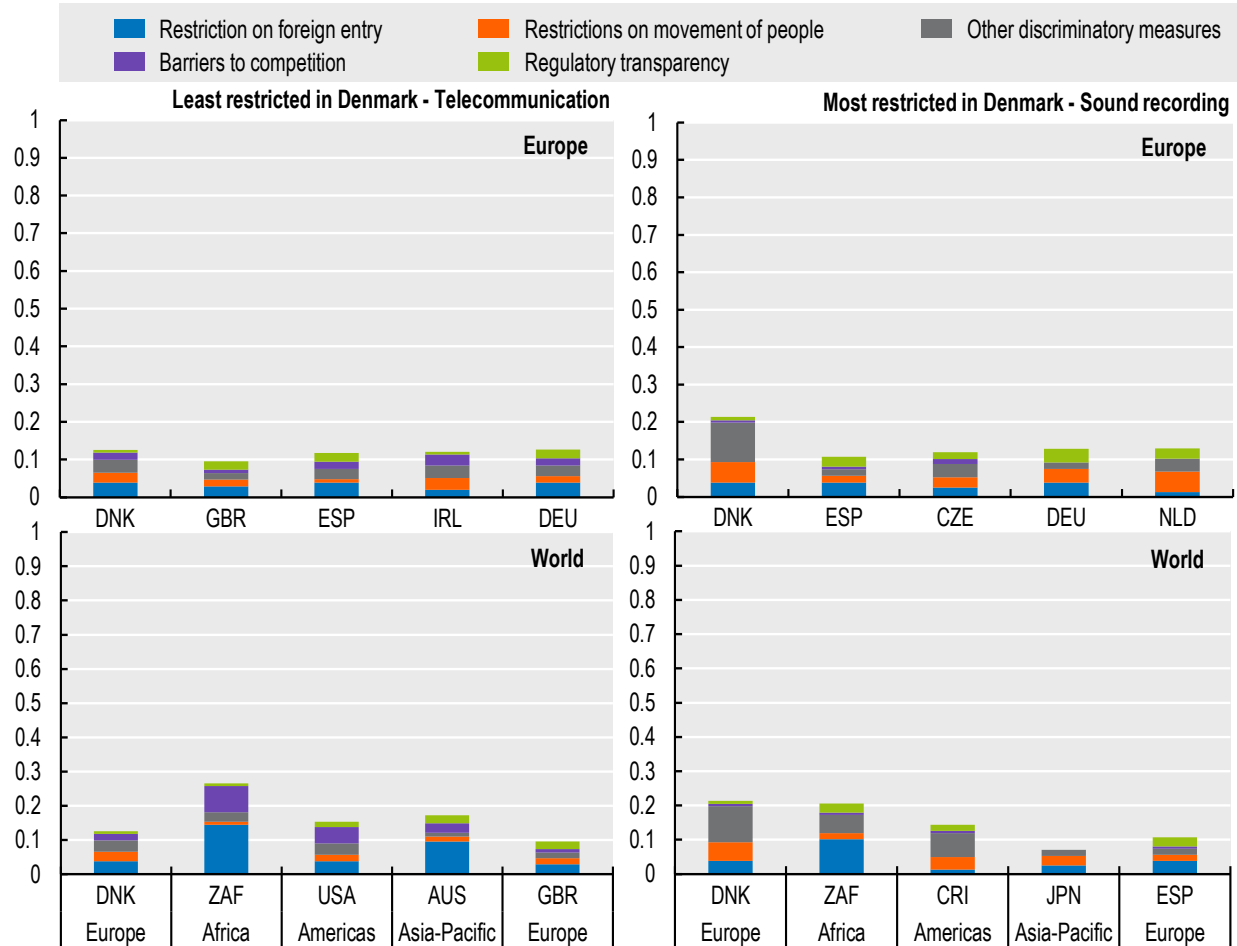
i.e.  $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD (2022). STRI database.

Telecommunications are the least restricted in Denmark compared to the sample average. This is well aligned with other open economies in Europe where low barriers to foreign entry are coupled with

effective competition regulation. On a world level, barriers on competition and restriction on foreign entry have had an impact compared to other countries. Sound recording are the most restricted services sector in Denmark. 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 (2022). 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 only allowed on the basis of an existing international agreement or reciprocity).

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. No relevant measure has been adopted by the European Union at this stage. It applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

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 to 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.

In telecommunications, maximum Union-wide voice termination rates defined by Commission

Delegated Regulation (EU) 2021/654 became applicable on 1 July 2021. These maximum termination rates generally do not apply to calls originating from countries outside of the EU.

From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. In air transport, EU Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations. In December 2021, the Commission adopted an extension to the slot relief rules to cover the 2022 summer scheduling season, running from 28 March 2022 until 29 October 2022. In maritime transport, Regulation 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 their impacts in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)