

Denmark

Entrepreneurs find a warm welcome

An Innovation Champion, Denmark has a range of policies that welcome new businesses, but the country lags behind other Champions in its support for emerging technologies.

The Danes spend over three percent of their GDP on research and development, significantly more than most countries. They also put entrepreneurial talent to good use: An annual new business rate of 4.36 per 1,000 people and a startup sector that has produced two unicorns places the country ahead of the pack.

A series of restrictions on ridesharing services, however, puts Denmark at the bottom, with an ‘F’ in Ridesharing. Danish officials approved rules requiring rideshare drivers to outfit their cars with seat occupancy sensors and fare meters. As a result, Uber shut down its operations in Denmark.

Other sharing economy services have fared better under Danish rules. Short-term rentals operate nationwide without burdensome restrictions on hosts. Tax incentives also make the services profitable for rental owners. Thanks to these welcoming policies, Denmark outpaces neighboring states in short-term rentals. In 2016, Danish listings indicated there were about 26,000 rentals, twice the number available in Sweden or Norway.

Sources: [\(The Guardian\)](#) [\(CPH Post\)](#) [\(CPH Post\)](#)

WHAT DID WE DO RIGHT?

Denmark has fast fixed and mobile broadband, with internet speeds that outpace those of most other countries. It also has high levels of personal and political freedom, provides incentives for the short-term rental market.

WHAT CAN WE DO BETTER NEXT YEAR?

Denmark can ease restrictions on ridesharing platforms. The country currently has rules requiring special licenses for rideshare drivers, and capping the number of licenses local regulators can hand out.

Diversity	B+
Freedom	A+
Broadband	A-
Human Capital	B-
Tax Friendliness	B-
R&D Investment	A-
Entrepreneurial Activity	B+
Drones	B
Ridesharing	F
Short-Term Rentals	A
Self-Driving Vehicles	C
Environment	A-



Human Capital

Nearly half of all Danish workers are highly-skilled, a step above many other countries, and 17 percent of degrees go to STEM graduates.



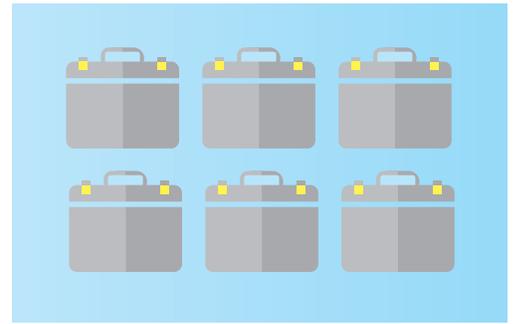
Broadband

The Danish enjoy average monthly internet speeds of more than 18 mbps, a mark well above most other countries.



Drones

In 2016, the Danish government announced a National Drone Strategy to connect researchers with companies using drones. However, other rules prevent recreational drone use in populated areas.



Entrepreneurial Activity

Has an annual new business entry rate of 4.36 per 1,000 people and is home to two unicorns.

COPENHAGEN

Denmark has fielded a crop of successful companies despite its relatively small market, and the startup scene in Copenhagen has flourished thanks to an influx of investment and improved organization.

In 2015, two of the 11 European startups valued at \$1 billion or more hailed from Denmark. One of those, online review site Trustpilot, attracted the attention of Google when the powerhouse sought to partner with European companies to expand its e-commerce footprint.

In recent years, Trustpilot and other large Danish firms garnered much of the funding flowing into the country. But now organizations in Copenhagen are focused on spreading support to newer ventures, as well.

Groups like Copenhagen, For The Win create opportunities for founders, investors and others to connect to the benefit of local companies. In the three years after the organization was founded in 2013, Copenhagen, For The Win raised €200,000 for its members.

Other organizations, such as co-working spaces Rocket Labs and Founders House, have made moves to consolidate Copenhagen's innovative talent in close proximity, and the city is home to the Startup Village — the largest hub for tech entrepreneurs in the Scandinavian region.

Sources: [The Nordic Web](#) [Business Insider](#) [Startup Village](#) [TechCrunch](#) [The Guardian](#)



A wave of investment funds have rushed into Copenhagen, to the benefit of Danish startups in the city. Groups like Copenhagen, For The Win aim to capitalize on the recent influx of funds and connect local companies with investor support.