



REGERINGEN

Government Strategy for Economic Diplomacy

Access to the world - new paths to growth

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

March 2018



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Strategy for economic diplomacy 2018 - 2020

The strategy for economic diplomacy needs to be seen in the context of the Government's foreign and security policy strategy, the strategy for development policy and humanitarian action as well as the strategy for Denmark's digital growth. At the same time, the strategy for economic diplomacy builds a bridge between the sector-specific export strategies.

The strategic objectives are:

To ensure favourable international framework conditions

How? An ambitious trade policy and an increased Global Public Affairs effort

To contribute to increased exports and market share for the Danish business sector

How? Cooperation with public authorities, sector-specific specialisation and an active multilateral effort

To develop more high-growth enterprises through internationalisation

How? Customised guidance throughout the entire value chain and a digital focus

To attract more investment to Denmark

How? Targeted investment promotion with a focus on knowledge- and tech-intensive enterprises

To strengthen the Danish leadership position in the fields of innovation and the digital transition

How? Increased access to knowledge, innovation and technology.

Internationalisation of business and industry is essential for growth and prosperity in Denmark. Our political, economic and technological environment is changing all the time. This presents us with unpredictability and challenges, especially because Danish companies increasingly produce and trade within global value chains and are therefore dependent on free trade and favourable global framework conditions. Technological developments also place great demands on our ability to adapt quickly. Technology either can overtake us or be transformed into solutions that increase our competitiveness. This requires that we remain in the forefront.

Global developments also present many opportunities, and we must take advantage of them. The UN's 17 Sustainable Development Goals (SDGs or Global Goals) constitute an ambitious policy framework for development and cooperation leading up to 2030. They reflect an increasing global demand for sustainable solutions, a demand which Denmark and Danish companies can deliver. That demand can be transformed into business opportunities.

The Government's economic diplomacy can make a difference for businesses operating in a globalised economy, not least because of the Danish government's global presence, its networks and its partnerships – public as well as private.

We will create access to markets with our active trade-policy efforts to ensure free trade and improvement of the global framework conditions, to the benefit of both Denmark and the rest of the world. We will continue strengthening our political-commercial advisory services, which reduce specific barriers for Danish businesses in the marketplace. We will create market access through strategic partnerships with selected countries and increased cooperation with public authorities, which creates interest for Danish solutions and products. And we will promote sustainable solutions through multilateral cooperation with a focus on Danish business strengths.

We will exploit the potential for growth, not least within the framework of the Global Goals, which constitute important benchmarks. We will promote Danish business strengths globally, leave a clear Danish mark on fulfilling the Global Goals and, at the same time, increase our market share. We will also cultivate the potential for growth in small and medium-sized enterprises (SMEs) through internationalisation, access to foreign capital and by taking advantage of the many opportunities that e-commerce affords.

We will be one step ahead of the future. More Danish companies need to have access to the knowledge, innovation and technological advantages that are the key to success in the new economic reality. We will work actively to attract knowledge- and technologically-intensive investments that contribute to Denmark's competitiveness and provide great value to society. At the same time, we will exploit the opportunities that digitalisation provides for communicating and sharing knowledge among a diverse array of enterprises.

The aim of economic diplomacy is to create value for Denmark and for the Danish business community. All available instruments will be utilised: trade policy, internationalisation- and investment-promotion, foreign and development policies, cooperation with public authorities, public diplomacy and "TechPlomacy" as a new field of foreign policy, with the world's first Tech Ambassador. Finally, efforts will be strengthened through strong public-private partnerships.

Anders Samuelsen

Minister for Foreign Affairs



Ulla Tørnæs

Minister for Development Cooperation





Good international framework conditions through an ambitious trade policy and increased political-commercial advice and guidance

Protectionist tendencies and economic nationalism are on the rise. This makes it more difficult for businesses to engage in trade and invest abroad, and it can ultimately hurt the Danish economy. As a response to these trends, the Government is pursuing an active, liberal and ambitious trade policy and is strengthening the efforts to promote commercial interests. The aim is to achieve more free trade agreements, fewer trade barriers and increased market access to the benefit of the Danish business community.

Free trade is vital for Denmark and for Danish enterprises. The foundation for Denmark's and the EU's trade policies is the World Trade Organization (WTO). Everyone benefits from global agreements that contain common rules and effective enforcement mechanisms as a safeguard against protectionism. The Government will defend these rules of the road while at the same time working for new liberalisation where possible. As an example this could be trade agreements within a more limited group of WTO members who provide an opportunity for new market access for services or environmental technology.

At the same time, the Government will work determinedly for new bilateral EU free trade agreements. Currently, the EU is negotiating with a wide range of countries in high-growth regions such as Asia and Latin America. In this context, the Government will promote the interests of Danish

enterprises with regard to exports, imports and investment. The focus will be on, among other things, removing custom tariffs, improving the framework conditions for providing services and investment, reducing inappropriate non-tariff barriers and ensuring intellectual property rights.

Free trade agreements must allow for the fact that Danish companies participate in complex cross-border value chains and for the fact that digital business models and the free flow of data are becoming more and more important for the competitiveness of Danish companies. This also applies to an area such as sustainability.

Great Britain is Denmark's fourth largest export market and the country's decision to leave the EU will have a major impact on Danish businesses. The actual consequences will depend on the nature of future trade relations, which will be

The Government will launch the following initiatives:

More trade agreements and fewer barriers

The Government will work to ensure that the EU enters into new ambitious free trade agreements with important trade partners in, among other places, Asia, South and North America as well as Oceania (Australia and New Zealand) so that there will be new market opportunities and fewer trade barriers. Danish business interests will be actively promoted – for instance through an increased focus on services, investment and the free flow of data.

Danish trade interests must be safeguarded against Brexit

The Government is strengthening the trade-policy capacity in the Ministry of Foreign Affairs in order to safeguard specific Danish business interests in close cooperation with the relevant sectoral ministries, especially in those sectors that may be hardest hit by Brexit.

Businesses' awareness of trade agreements that are in place must be strengthened

In the coming years, the EU is expected to complete a number of new ambitious free trade agreements that will benefit Danish businesses. The Ministry of Foreign Affairs, in cooperation with business associations, will increase the efforts to provide information to businesses so that they can take full advantage of the free trade agreements that are in place.

Increasing the priority of political-commercial advice and guidance

Danish businesses experience high value from the political-commercial assistance they receive from the embassies, which contributes to creating

access to decision makers and to improving local business conditions and commercial potential. An increased targeting of the embassies' activities and sector specialisation, with a strengthened focus on supporting the political-commercial interests of Danish businesses needs to take place.

Closer cooperation with the EU regarding promoting Danish interests globally

The EU has a great deal of influence when it comes to foreign trade partners, and it often has a presence in countries where Denmark is not represented. The Ministry of Foreign Affairs will strengthen the efforts to promote Danish interests through the EU and the EU's many delegations so that Danish businesses enjoy the most tangible benefits possible from EU cooperation.

Expanding and modernising Denmark's network of double taxation agreements

The Government will work to conclude more bilateral double taxation agreements, with particular focus on countries where strong Danish business interests exist.

Promote favourable framework conditions for local and international businesses through multilateral efforts

The Government will support economic diplomacy through the Danish multilateral support for trade and development. For example, the annual Danish contribution to the Global Alliance for Trade Facilitation will be applied to working for lower trade costs in the countries in focus, including Nigeria, Kenya and Vietnam.

defined by the outcome of the negotiations for leaving the Union. The Government will strive for close trade relations that ensure a proper balance between rights and obligations. As a part of the negotiations, the Government will make a special effort to safeguard Danish business interests.

Danish embassies also attend to specific Danish business interests on a bilateral basis. Attending to the political-commercial interests of enterprises includes facilitating dialogue with decision-makers and tackling specific trade challenges. The efforts in this area often take place in cooperation with the EU, which has an extremely broad network of diplomatic missions around the world. Similarly, the embassies also seek to improve market access by entering into bilateral double taxation agreements.

In its efforts to promote Danish business interests, the Government will continue the close dialogue with the Danish business community, trade unions and civil society organisations.

The single market

The EU's single market is absolutely vital for employment and value creation in Denmark. In 2014, 578,000 Danish jobs were linked to the export of goods and services to the single market, and the single market is by far the largest receiver of goods and services from Denmark. In 2015, 62 per cent of exported goods went to the single market, while the percentage for services was 53 per cent. If shipping is subtracted, then the export of services is even more concentrated. 74 per cent of the total export of services excluding shipping went to the single market. Ensuring good framework conditions for the business sector within the single market takes place as a part of the regular work involving promoting core Danish interests in the EU and is not included in the current strategy.

The value of free trade agreements

90 per cent of global growth in the future is expected to take place outside of Europe. New free trade agreements with countries outside of the EU are therefore essential for growth opportunities and job creation for Danish businesses.



The EU's new free trade agreement with Canada entered into force in September 2017. The Ministry of Foreign Affairs estimates that with the agreement, Danish business exports may increase by over DKK 2 billion.



In 2011, the EU's free trade agreement with South Korea entered into force. The Ministry of Foreign Affairs estimates that Danish exports to the Asian growth economy have grown by 50% because of the agreement.



A future free trade agreement with Japan is expected to potentially increase Danish exports by up to 70 per cent.



Increased exports and market share through cooperation with public authorities and sector-specific specialisation

Exports have been responsible for half of the growth in the Danish economy over the last ten years. However, increased global competition emphasises the importance of proactively positioning Danish business strengths. The Government will therefore prioritise creating access for Danish businesses in high-growth and high-volume markets.

The ambitious focus on global development and sustainable growth in the Global Goals represents a window within which to position sustainable Danish solutions, which are one of Denmark's business strengths. We can leave a significant Danish mark on fulfilling the Global Goals and at the same time increase Danish market share globally. The Government will contribute to ensuring that this potential is transformed into specific business opportunities.

Denmark figures in a number of strategic partnerships with, among others, China, Japan, South Korea and Indonesia, which embrace a range of mutually supportive instruments and thus help to promote Danish political and commercial interests. In addition, the Ministry of Foreign Affairs' global network of diplomatic missions, their official status and years of cooperation with organisations and decision makers throughout the world provide unique opportunities for promoting Danish strongholds globally.

At the same time, Denmark is also involved in strong multilateral partnerships that constitute an advantageous platform for promoting sustainable solutions. This is especially the case with regard to the UN, the

development banks and the new P4G - Partnering for Green Growth, and the Global Goals 2030. The Government will work to develop international and domestic partnerships, including within the private sector, where the value for Denmark is greatest. The efforts will also include a focus on financing solutions that can promote sustainable investment and open doors for Danish businesses.

The Ministry of Foreign Affairs' sector-specific advice and guidance

Businesses experience a great deal of value from the Ministry of Foreign Affairs' sector-specialised and customised advice. The sector-specialised focus in the advisory services reflects Danish strongholds. The focus is on core sectors: the environment and water, energy, health, food and agriculture, design and tech. A new priority is developing sector-specialised expertise within the fields of digitalisation and urban solutions.

The sector-specialised advisers cooperate regionally and globally in order to ensure a level of knowledge sharing that benefits businesses.

The Government will launch the following initiatives:

Danish companies will contribute to fulfilling the Global Goals

Danish companies are well prepared to deliver sustainable solutions and contribute to achieving the Global Goals. As a part of development cooperation and the economic diplomacy efforts, Denmark will work actively for the alignment and adjustment of national policies and framework conditions for sustainable solutions that can contribute to development and at the same time create new commercial opportunities for the Danish business sector. The advice and guidance provided to businesses and the opportunities involved in implementing the Global Goals will also be prioritised.

New door-openers for the Danish business sector in high-income countries

The Government will place new growth advisers with sector-specific expertise in the Danish diplomatic missions in selected high-income countries where it is estimated that a potential exists to increase market access within Danish strengths including fields as energy, the environment, health and urban solutions. Cooperation with public authorities within growth economies is also expected to be gradually strengthened in the coming years.

Targeted focus on high-value projects of strategic interest

Danish companies often miss out on large projects of high value and with long term perspectives. Now, the Government is targeting its economic diplomacy efforts towards a range of high-value projects that have been identified in cooperation with the business sector, where a long-term, targeted effort is required to position Danish competences.

The projects selected are to result in larger export orders or the establishment of knowledge- or technology-intensive foreign investment in Denmark.

Increased coordination of the Government's travel activity

The Government's ministers will strengthen their efforts to support Denmark's foreign policy and commercial interests through coordinated travel activities based on demand from the business community.

Promote Danish strongholds through multilateral partnerships and cooperation

Danish strongholds must also be promoted in multilateral cooperation, including within the UN and the development banks, for example via targeted secondments and by making key Danish competences visible within such fields as water and energy. There will similarly be a strong commitment to developing policies within areas prioritised by Denmark. Danish strongholds will also be made visible through P4G by hosting international meetings in Denmark and by supporting the formation of new partnerships with the participation of governments, enterprises and organisations.

Increase opportunities for financing for Danish investments in high-growth and high-volume markets

Starting in 2018, the Global Goals Fund, which is a partnership between the Danish state, the Investment Fund for Developing Countries (IFU), and institutional investors in Denmark, is expected to be able to secure commercial, sustainable and responsible investments of at least DKK 30 billion. In addition, the collaboration between Denmark's

Export Credit Agency (EKF), the export promotion system, and Danish businesses will also be strengthened with regard to expanding the 'Shoppinglines' concept in selected high-growth markets. In this context, major foreign buyers will be offered lines of credit when they buy Danish technology, which can finance purchases from Danish exporters.

Increased inclusion of business interests in prioritising the internationalisation efforts

In following up on the export strategies in the energy field and in the fields of the environment and food, as well as in the upcoming export strategy for health and life sciences, forums for sector-specific dialogue are being established where the relevant public stakeholders will meet with representatives from the business community. The aim is to ensure the implementation of the strategies based on the needs of the business community.

The Government works actively with cooperation with public authorities within key Danish sectors in a range of high-growth and high-volume markets. The cooperation brings the expertise of relevant ministries into play and contributes to creating favourable framework conditions for transferring knowledge to benefit growth and development in partner countries. At the same time, they pave the way for Danish solutions and competences. Based on good experience with cooperation with public authorities, the Government will gradually expand the initiative, including in a number of high-income countries.

The Government's ministers actively exercise economic diplomacy in connection with international visits. In close dialogue with the business community, the Government will strengthen the focus on supporting Danish foreign policy and commercial interests in connection with the Government's trips abroad and when receiving ministers from other countries in Denmark. This will include an effort with regard to prioritised high-value commercial projects where support from the Danish government can make a difference for the companies involved. Cooperation with the Danish business community to promote Danish strengths is key. It is realised, for example, in the cooperation regarding marketing consortiums and in the successful business promotion delegations organised in cooperation with business associations.

Case: South Africa - the environment and water management

Widespread drought conditions and the ineffective management of water resources pose serious challenges for South Africa, challenges which potentially threaten its economic growth and sustainable development.

The cooperation with public authorities in South Africa within the areas of environmental and water management has contributed to placing focus on sustainable solutions. At the same time, an awareness of Danish water-management solutions has been created, which may contribute to ensuring a more effective management of water resources. Danish businesses have been given a platform for participating in the national strategic and planning processes in South Africa, which affects the market development.

"Cooperation with public authorities within the area of water management in South Africa has given us a better understanding of the needs in the South African water sector: It is crucial for ensuring that our solutions create value for our South African customers." Country Manager, Kamstrup Africa, Petrus Van Heerden.



M1 Vestmager ¼ min
M2 Øresund 24 min

M2 Venise ¼ min
M1 Venise 3 min

More high-growth companies (scale-ups) through internationalisation and advisory support in all parts of the value chain

Companies that grow are an important source of growth and job creation, and there is clear potential for further strengthening this growth layer of the Danish business community. At the same time, only approx. 10 per cent of Danish companies are responsible for 90 per cent of Danish exports. This makes us vulnerable. The Government will actively support more companies in their efforts to grow through internationalisation.

Danish companies are becoming increasingly integrated in international value chains, and it is therefore gradually becoming irrelevant to distinguish between export and import. The ability of companies to profit from and position themselves in international value chains is crucial for ensuring their competitiveness. Through the Danish diplomatic missions, Danish companies will have access to advice and assistance throughout the value chain – both export and intelligent import promotion.

Half of the growth in Danish exports in recent years has been generated by small and medium-sized enterprises. The Government will contribute to ensuring that more high-growth companies achieve their global development potential through internationalisation. This entails a stronger focus on qualifying the export potential of companies in order to ensure they obtain the proper assistance. Specialised advisory support tailored to the respective company's needs will be offered.

The increasing digitisation of both production and sales is a competitive parameter requiring new partnerships and competencies. At a global level, online sales are increasing at an annual growth rate of approx. 20 per cent, particularly in the global e-marketplaces such as Amazon and Alibaba. Danish goods and services account for a very small proportion of the e-commerce market. The Government will contribute to achieving the growth potential that exists in increased e-commerce.

Many companies need assistance to internationalise, but sometimes they find that the supply of knowledge is overwhelming. More companies, particularly small and medium-sized enterprises, need to have easier access to relevant knowledge. The Government will increase knowledge-sharing and reach out on digital platforms to facilitate the entry of companies into international markets. Knowledge about internationalisation, analytical insight into market conditions, free trade agreements and specific opportunities will increasingly be offered and made easily accessible.

The Government will launch the following initiatives:

Strengthened focus on internationalisation of small and medium-sized enterprises with growth potential.

24 per cent of participants in the public sector's business promotion system are made up of small but experienced companies that have not previously displayed growth potential. In close collaboration with business promotion stakeholders, the qualification of young, small and medium-sized enterprises will be strengthened. The aim is to increase the success rate of the subsequent internationalisation processes that should focus on the demand and needs of companies.

A new elite programme for 'born globals'.

New high-growth companies, based particularly on digital business models, most often have their focus on a global market from the outset. Limited resources in the companies often result in an ad hoc approach to internationalisation. A more professional strategic approach would benefit the companies. In close collaboration with partners, the MFA will run a new elite programme for selected high-growth enterprises, with focus on delivering a long-term and dedicated strategic effort to help them succeed on the primary markets.

More Danish products in international e-commerce marketplaces.

Only a limited share of Danish small and medium-sized enterprises have e-commerce sales outside Denmark. The Government will contribute to increasing the revenue generated by companies, partly through establishing an e-commerce centre, and to strengthening the sales of products and solutions of Danish companies in selected e-marketplaces. The Government will locate

e-commerce staff in a small number of markets in order to raise greater awareness of Danish products on leading international e-marketplaces through strategic partnerships.

Easy access to knowledge about internationalisation on digital platforms.

The Government will increase the accessibility of relevant knowledge on internationalisation, analytical insight in global economic and political conditions, knowledge on the opportunities in relation to specific free trade agreements as well as commercial opportunities within Danish business strengths, including energy, environment, health, food and the maritime industry. User-friendly digital platforms will be developed to provide easy access to relevant knowledge. Similarly, online campaigns will be used to provide Danish companies with easy access to information about specific market opportunities.

In implementing the initiative, the Government will incorporate potential recommendations on digitisation from the Simplification Committee for the Promotion of Trade and Industry in Denmark and ensure cohesion with other digital platforms in the business promotion system.



Case: Strategic Business Alliances

Strategic Business Alliances is a programme run by the Ministry of Foreign Affairs that aims to forge alliances of small, medium and large-sized enterprises, in which more experienced exporters bring less experienced exporters on board. Alliances enable companies to use their complementary products and services to make joint bids for major international projects, with total solutions being the key word. In the USA, for example, an alliance has been created within the water sector that today bids for water projects across the whole of the USA. To date, this alliance has won orders worth tens of millions of dollars. In Taiwan, a Danish alliance within the pig farming business is ready to establish a 'proof of concept' pig farm project containing a farm design, farm equipment and an adjacent biogas facility.

Case: Bangladesh – the triple bottom line

Bangladesh is the world's second largest clothes manufacturer after China. Many Danish companies in the textile industry produce their Danish-developed design in countries such as Bangladesh. Certification and branding are crucial for the sector, which is why there is a strong focus on working conditions and sustainable production in the textile processing industry. The MFA assists Danish enterprises with the qualification of local manufacturers, and also assists with ensuring a more energy and water-saving production system through the use of Danish solutions.



Targeted attraction of investments with focus on knowledge- and technology-intensive investments

Foreign companies make a major contribution to the Danish economy. It is therefore important that we work proactively to attract more foreign investments to Denmark. Measured in terms of the number of foreign direct investments, Denmark ranks lower than countries with which we normally compare ourselves. However, if we measure the value of the jobs that are created, Denmark ranks number two in the world. Consequently, there is substantial potential to be realized in working to attract more foreign investments to Denmark – as well as more knowledge- and technology-intensive investments, which generate the greatest societal value for Denmark.

The Government wishes Denmark to be an attractive country in which to invest. Competition to attract investments is tough. There is therefore a need for a sustained focus on creating a competitive environment and favourable sector-specific framework conditions.

To capture the interest of foreign companies and investors, it is necessary to create awareness and advice about investment opportunities, competencies and framework conditions in Denmark. Invest in Denmark, which is an integrated part of the MFA, is responsible for leading the national investment promotion efforts. These efforts are delivered in close collaboration between central government, regions and municipalities. The combination of local in-depth knowledge on business conditions and Invest in Denmark's global expertise and network have helped to ensure an increase in the number of successful

investment projects. Employees specialised within core sectors - cleantech, tech/ICT, life sciences, the maritime industry, design and food - are working to position Denmark as an attractive investment destination in markets with huge potential in Europe, North America and Asia.

In step with technological developments and the diffusion of new business models, new Danish business strengths arise offering the opportunity to attract new investments to Denmark. This applies within, for example, artificial intelligence, blockchain as well as robot and drone technology, in which the interplay between public framework conditions and the private sector plays a major role.

Denmark has subsequently succeeded in attracting a number of knowledge- and technology-intensive companies, which contributes to

The Government will launch the following initiatives:

Enhance focus on attracting particularly knowledge- and technology-intensive investments to Denmark

Knowledge- and technology-intensive investments have greater positive knock-on effects on the Danish economy and competitiveness. These are projects that contribute to further developing the Danish clusters and business strengths.

Denmark as a hub for data centres and downstream industry in Northern Europe

The Government will continue the targeted efforts to turn Denmark into a hub for data centres and downstream industry in Northern Europe. Denmark is on its way to achieving the critical mass of mega data centres required. During the next phase, there will be greater focus on attracting the small and medium-sized data centres and on developing the downstream industry in Denmark to a level whereby it achieves export potential and can deliver technologies to the many data centres that will sprout up across the world in the coming years.

Stronger focus on attracting investments within digital growth areas

The Government aims to maintain and enhance Denmark's position as a frontrunner and ensure a strong and dynamic ecosystem around the new digital growth areas, as stated in the Government's strategy for Denmark's Digital Growth, and particularly the public-private partnership, Digital Hub Denmark. In this regard, the Government will strengthen its focus on attracting foreign investment and companies – and thereby also talents and know-how – which can contribute to strengthening the growth environment in Denmark within areas such as big data, internet-of-things and artificial intelligence.

A special focus on health and life sciences

It is estimated that there is an untapped potential for attracting investments within the life sciences sector. This applies, for example, to the clinical trials field, which represents a clear business strength and where many successes have already been reaped.



generating substantial societal value in Denmark, with the individual investments having a knock-on effect. The Government wishes to build on this success, as, for example, reflected in the Government's strategy for Denmark's Digital Growth. With knowledge- and technology-intensive investments, it is most often the access to

specialised competencies, knowledge environments and business partners – rather than the general cost level – that is crucial. This is a development that also opens an opportunity for attracting highly automated industrial production. It is therefore a type of investment project that Denmark is well-positioned to attract.

The value of the data centres

Apple and Facebook are investing in building three huge green-energy data centres in Denmark. The data centres themselves will create numerous jobs as well as indirect and induced jobs with subcontractors during the years in which the buildings are being constructed. Whilst Danish companies today have limited experience or may lack specific competencies related to the building and operating of data centres, the critical mass of investments creates an opportunity for developing

competencies over time and establishing a new Danish business strength. The large data centres have directly led a number of foreign companies to invest in Denmark, bringing with them data centre-related competencies and experience.

The large data centres attract other companies to locate small data centres in geographical proximity. These smaller centres – known as colocation, cloud and edge data centres – are an important part of the essential digital infrastructure,

which can underpin Denmark's growth strategy.

Moreover, Apple and Facebook plan to invest in new sustainable energy projects to a level matching the energy consumption of their data centres. Apple also supports a large-scale research project in biogas at Aarhus University, and Facebook reached an agreement with the local district heating company for their data centre to supply heating to around 6900 households on the island of Funen.



Danish frontrunner position within innovation and digital transition through increased access to knowledge, innovation and technology

Technological breakthroughs and rapid development, as visualised in Industry 4.0, are in the process of fundamentally changing companies' working processes and competitive environment. Innovation is an essential precondition for growth, development and employment. The Government will bolster Denmark's ability to be at the forefront of new trends, business models and technologies that can strengthen Danish competitiveness.

It is key for the competitiveness of Danish companies that they are at the forefront of the latest technological developments, which is also highlighted in the Government's strategy for Denmark's Digital Growth. The Danish business community should have easy access to networks, partners and knowledge of new technologies and business models as well as their implementation.

Currently, Denmark has seven innovation centres in leading global knowledge environments: Silicon Valley, Shanghai, Munich, São Paulo, New Delhi, Seoul and Tel Aviv. The innovation centres are tasked with helping Danish enterprises and research institutions to gain access to foreign knowledge, networks, technology and capital. The focus areas of the centres are cleantech/greentech, tech/ICT, fintech, life sciences and food.

The Government will use the present innovation centres' expertise to strengthen the advisory

support provided to Danish companies in additional key markets, particularly in relation to the importance of digitisation for their business models and products. Through greater cohesion with national innovation efforts, the Government will also contribute to identifying and qualifying scalable start-ups and high-growth companies for further international development.

Access to capital, including risk capital, is an important competitive parameter and a precondition for enabling growth enterprises to scale and realise their international potential. The Government wishes to strengthen efforts to attract foreign risk capital for innovative Danish growth companies by introducing them to potential foreign investors.

With the establishment of the world's first Tech Ambassador and the launch of TechPlomacy as a new strategic foreign policy priority, the

The Government will launch the following initiatives:

Facilitate greater access to knowledge about new technologies and business models.

Denmark's international network in global research and innovation environments will be strengthened with tech-advisers in the USA and Asia, who as part of the TechPlomacy Unit will step up efforts to, among other things, harvest knowledge about new technologies and business models. The efforts will contribute to creating a versatile Denmark and to strengthening Denmark as a digital hub, so that the digital frontrunner status can be maintained and Denmark can draw commercial and societal value from the rapid technological developments.

Strengthen Danish companies' market access through innovation in selected markets.

The MFA will, partly through the innovation centres' platform and expertise, strengthen the advisory support to Danish companies particularly on further developing digital business models adapted to facilitate their international market expansion in selected key markets and eventually throughout the world. Improved selection and

qualification of the participating companies in connection with national efforts is to enhance the benefit that the companies derive from these efforts.

Access to international risk capital

The access of innovative Danish companies to risk capital is to be strengthened through a partnership between The Trade Council and relevant partners. The efforts are to market Denmark and Danish business strengths to foreign companies as well as help introduce Danish high-growth companies to potential foreign investors.

Promote Danish innovative solutions through a new innovation fund

In 2018, development funds have been set aside for a new innovation fund for developing countries. The fund is expected to be able to support efforts within entrepreneurship, partnerships, mobilisation of funding as well as developing and testing of new innovative concepts, technologies and solutions in Danish development cooperation.

Government emphasises the importance of technological development for Danish society, its citizens and its companies. TechPlomacy opens a foreign policy dialogue on the potentials and risks of new technologies. The Tech Ambassador and the newly established TechPlomacy Unit - represented in Silicon Valley, Copenhagen and Beijing - will work together with, among others, the innovation centres and other diplomatic

missions to also harvest knowledge that can contribute to enabling Denmark maintain its digital frontrunner status. At the same time, the TechPlomacy initiative will contribute to coordinating foreign and domestic policy instruments and synergy between international and national initiatives, partly in the form of close dialogue on the Government's strategy for Denmark's Digital Growth and Digital Hub Denmark.

CASE: SCALEit

Several times a year, the innovation centre in Silicon Valley runs the SCALEit programme, which is an intensive bootcamp lasting five days. At the camp, a group of Danish companies is introduced to the innovation ecosystem in Silicon Valley, receiving pitch training and meeting strategic business partners and potential investors. More than 140 Danish companies have participated in the SCALEit programme since its launch in 2011. An evaluation survey in 2015 showed that 67 per cent of the participating companies decided to adjust their business model or strategy as a result of valuable input obtained during the SCALEit programme. Also in the survey, 44 per cent reported that the programme had introduced them to key partnerships, and 31 per cent reported that they had been introduced to their investors either directly or indirectly through SCALEit.

Rasmus Arendt, partner in the influencer start-up, BrandHeroes: *“It is the best public start-up programme that I have tried. We now look at scalability in a completely new way. In relation to the speed, we need to get back down to the drawing board and work harder. Where I come from, considerable public money is spent on small programmes that do not create true value. It would be better to weed some of them out and invest in programmes like this.”*

From The Export Council to The Trade Council

The MFA's commercial advice and guidance activities have until now been embedded in the “Export Council”. The name, however, no longer reflects the wide range of commercial tasks that we undertake and which involves delivery of advisory services within all parts of companies' value chains and investment promotion.

We have therefore introduced the name “The Trade Council” – abbreviated to “TC” - which more accurately reflects our broad efforts, our global perspective and our palette of advisory services.

Economic diplomacy and the payment system

Economic diplomacy refers to the Government's efforts to strengthen Denmark's economic position in the world. These are wide-ranging efforts that are delivered as a public service benefiting both Denmark and the Danish business sector. It is used, for example, in situations when the Government enters into strategic partnerships with other countries, when diplomats negotiate free trade agreements or when growth counsellors collaborate with local authorities on framework conditions in sectors where Danish companies have business strengths. It is also used, for example, when the MFA provides knowledge and insight about foreign trade, commerce and markets available digitally. These are efforts that will be strengthened by the Government's strategy on economic diplomacy.

When staff at the Danish missions assist Danish enterprises in pursuing specific commercial interests, it falls under the scope of a payment system. This entails that companies pay for the number of hours spent on delivering the service that they have requested. It contributes to qualifying the demand and enhances the prioritisation of public resources.

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