



European
Investment Bank

Denmark

Overview

EIB INVESTMENT SURVEY

2023

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Denmark

Overview

EIB Investment Survey Country Overview 2023: Denmark

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

The series of reports provide an overview of data collected for the 27 EU Member States and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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EIBIS 2023 – Denmark overview

KEY RESULTS

Investment dynamics and focus

Firms in Denmark remained quite positive at the time of the interviews (April-July 2023) about their investment intentions for 2023. The investment picture remains positive with nine in ten (90%) having invested in the previous year, in line with the EU average. On balance, in 2023, more firms were expected to raise investment rather than declining it (7% positive net). But investment is expected to soften, as the net balance is below that in the EIBIS 2022 (23%).

Investment needs and priorities

More than eight in ten firms in Denmark (84%) believe they invested about the right amount over the last three years. This is similar to EIBIS 2022 (79%) and the current EU average (82%). Looking forward to the next three years, firms in Denmark intend to give almost equal priority to investment in new products or services (34%), replacement (32%) and capacity expansion (29%). These investment priorities are similar to firms across the EU.

Danish firms remain on balance less optimistic about the investment conditions for the year ahead. The net balance of firms expecting economic climate to improve rather than to deteriorate improved since EIBIS 2022, but remains negative (net balance of -24% versus -56%). Except for during the pandemic (EIBIS 2020), expectations for the availability of external and internal finance are around the lowest yet recorded (-7% and +7% on balance, respectively).

Energy market developments

Energy prices were a concern for 80% of firms in Denmark, but only 19% described it as a major concern, much lower than the EU average (59%). Uncertainty about prices, availability and regulatory frameworks was a concern for 65% of Danish firms, again lower than in the EU overall (89%).

Danish firms are equally as likely as those across the EU (94% versus 95%) to have responded to the energy shock by adopting one or more relevant strategies. The strategies most frequently adopted by Danish firms were to seek energy savings/efficiencies (72%) or to pass increased energy costs on to customers (54%). Just under half of Danish firms (46%) mention the renegotiation of their energy contract as a strategy, lower than the EU average of 67%.

International trade

A large proportion of Danish firms trading internationally faced some type of disruption (87%), below the EU average (96%). Access to commodities or raw materials (46%) and difficulties with logistics and transport (43%) were mentioned as the main obstacles encountered.

Despite these difficulties, fewer than half (46%) changed or are planning to change their sourcing strategy. A minority of Danish firms plan to increase stocks and inventory (13%) and 20% plan to invest in digital inventory and inputs tracking. Over a quarter (27%) of Danish importers said that they already did or have an intention to diversify or increase the countries they import from.

EIBIS 2023 – Denmark overview

Climate change and energy efficiency

Four in ten firms in Denmark (41%) say weather events have impacted their business, much lower than the EU average (64%). However, the share of Danish firms that have taken measures to build resilience against such risks is higher than the share in the EU overall (47% versus 36%). Danish firms were most likely to invest in solutions to avoid or reduce the exposure to physical risks (27%), while 20% are buying insurance to offset climate related losses and 15% have adapted their strategy. These figures are similar to the EU average.

Danish firms are more likely than the EU overall to regard the transition to stricter climate standards and regulations as an opportunity rather than as a risk (40% and 24%, respectively). This is similar to EIBIS 2022, but different to the EU as a whole, where slightly more firms see the transition as a risk than as an opportunity (33% and 29%, respectively). While nearly nine in ten (88%) Danish firms are taking actions to reduce their Greenhouse Gas (GHG) emissions, only a minority (39%) sets and monitors relevant targets. About two-thirds of Danish firms have invested in waste minimization and recycling (66%) and energy efficiency (60%). The figures for various actions are in line with the EU average.

In Denmark, 67% of firms have already invested in tackling the impacts of weather events and the process of reducing carbon emissions, similar to EIBIS 2022 (63%) and above the current EU average (56%).

Innovation activities

In 2022, around half (49%) of Danish firms developed or introduced new products, processes or services as part of their investment activities, more than the EU average of 39%.

Three-quarters of firms in Denmark (75%) have used one or more advanced digital technologies, in line with EIBIS 2022 (80%) and the EU average (70%). In particular, Danish firms are making more use of robotics (74%) and the Internet of Things (53%). They are as likely to use digital platforms than the EU (49% vs 50%).

Investment impediments

Among the long-term impediments to Danish firms' investment, the most frequently mentioned are energy costs (79%), the availability of skilled staff (72%), and uncertainty about the future (71%). These are also the main barriers for firms across the EU. The energy crisis has resulted in a higher share of Danish firms viewing energy costs as a barrier (up from 67% in 2022 to 79%), but fewer see the availability of skilled staff (down from 86% to 72%) and demand for products or services (down from 44% to 28%) as barriers.

Access to finance

The proportion of Danish firms that are finance constrained (3.9%) has fallen in recent years (from 9.1% in EIBIS 2021) to the lowest rate seen in the last seven years. Less than one in ten Danish firms (8%) are dissatisfied with the cost of finance and this is similar with EIBIS 2022 and below the EU average (14%).

Note on how to read the results:

EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to "last financial year" (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

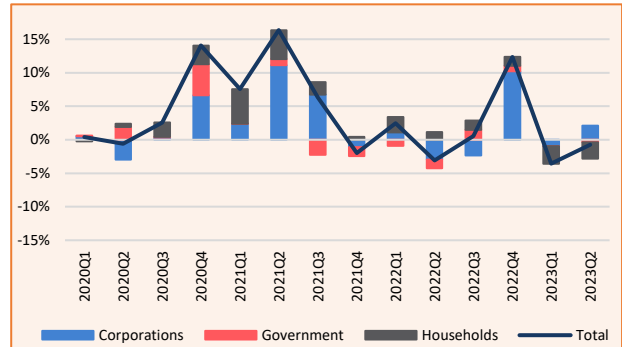
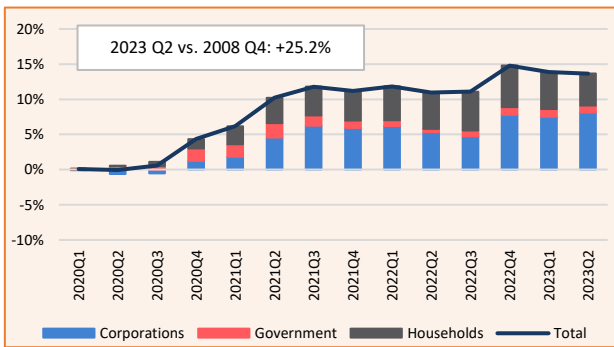
Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- In Denmark, overall investment did not retreat during the COVID-19 crisis. In real terms, it was about 4% above its pre-crisis level at the end of 2020. It continued increasing at a strong pace in most of 2021 and was 12% above pre-crisis in the third quarter of 2021.
- Households and corporates have been the main contributors to overall investment growth during the period from the start of the COVID-19 crisis until the

middle of 2023.

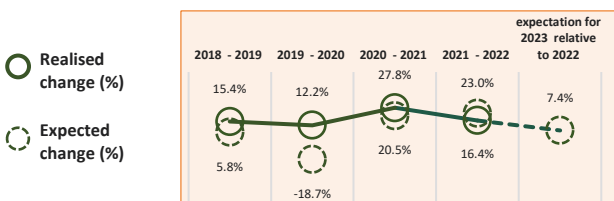
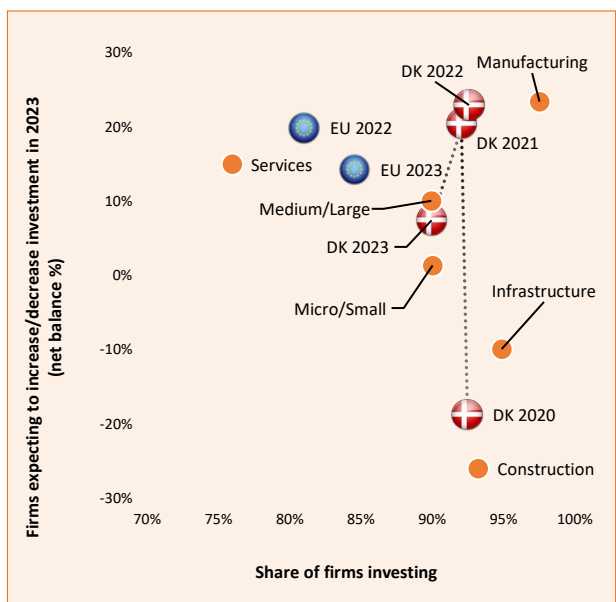
- More recently, aggregate investment remained stable since the end of 2022, about 14% above pre-crisis in the middle of 2023.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Danish firms hold a positive investment outlook for 2023, with a net balance of 7% expecting to increase rather than decrease investment. This is in line with the average across the EU (14%). In terms of outlook, this compares with a net balance of 23% in EIBIS 2022.
- The investment outlook is positive among firms in the manufacturing and services sectors (net balance 23% and 15%, respectively). However, construction and infrastructure firms are more likely to expect to decrease rather than increase their investment (net balance of -26% and -10%, respectively).
- The share of Danish firms having invested in 2022 matches the EU as a whole (90% versus 85%).



'Realised change' is the share of firms that invested more minus those that invested less; 'Expected change' is the share of firms that expect(ed) to invest more minus those that expect(ed) to invest less.

Base for expected and realised change: All firms

Share of firms investing shows the percentage of firms with investment per employee greater than €500.

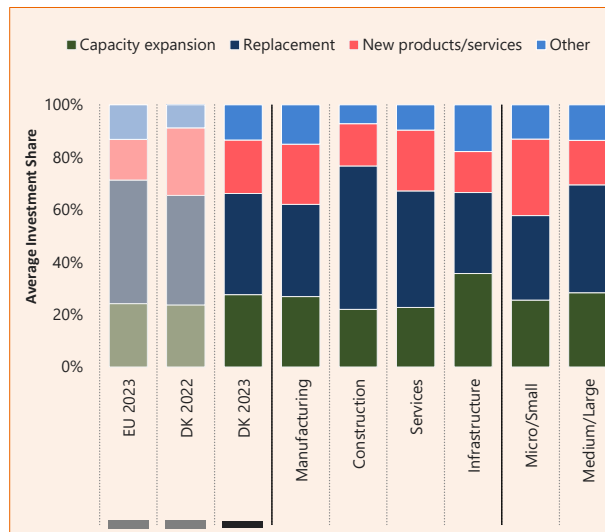
Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

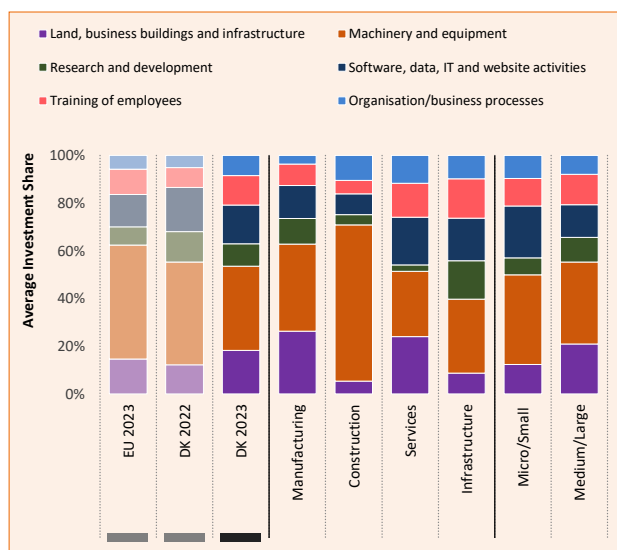
- On average, firms in Denmark spent 39% of their investment on replacement in 2022, similar to EIBIS 2022 (42%) but below the current EU average (47%).
- Investment in capacity expansion accounted for just over a quarter of total investment in Denmark (28%). This is in line with EIBIS 2022 (24%) and the current EU average (24%).
- Investment in new products and services accounted for 20% of the total expenditure, again consistent with EIBIS 2022 (26%) and the current EU average (16%). This is higher among micro or small firms than among medium or large firms (29% versus 17%).
- Figures are broadly consistent across different sectors. Construction firms had the highest share of investment in replacement (55%).



Q. What proportion of total investment in the last financial year was for (a) developing or introducing new products, processes, services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



- Investment in intangible assets (R&D, software, training and business processes) by firms in Denmark accounted for 46%, in line EIBIS 2022 (45%) and the current EU average of 38%.
- Investment in intangible assets ranged from 60% among infrastructure firms to 29% among construction firms.
- Figures were consistent across firms of different sizes.

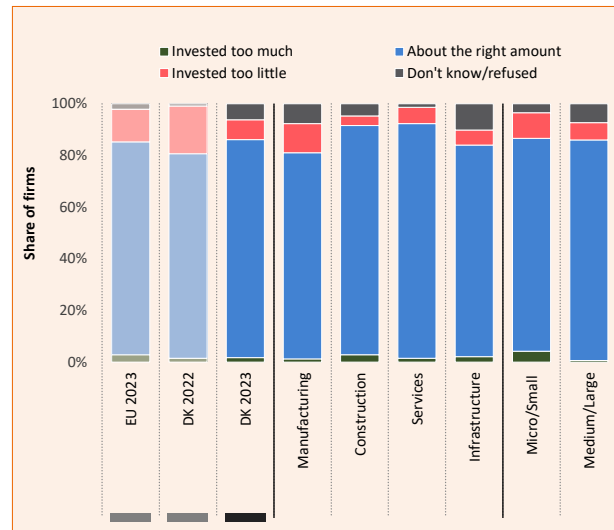
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

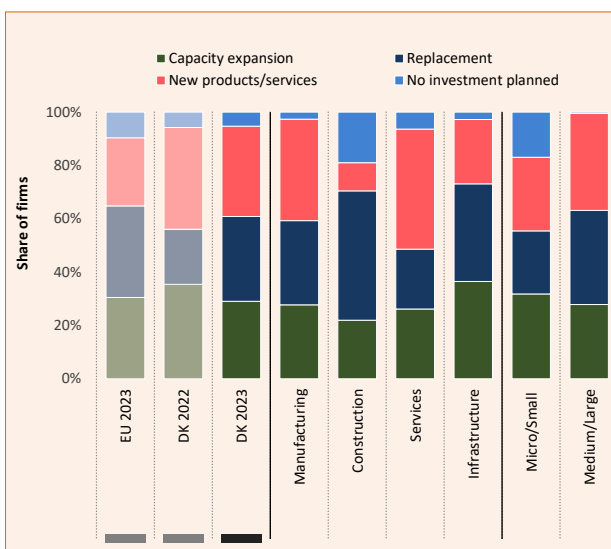
- Firms do not perceive major gaps in terms of investment. More than eight in ten Danish firms (84%) believe that their investment activities over the last three years are at about the right amount. This share is similar to EIBIS 2022 (79%) and the current EU average (82%).
- Less than one in ten firms in Denmark believe they invested too little (8%), lower than in EIBIS 2022 (18%) and similar to the EU average of 13%. Only 2% report too much investment, in line with EIBIS 2022 (2%) and the EU average (3%).
- Perceptions are broadly consistent by sector and firm size.



Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES



- As in EIBIS 2022, investment in new products or services is the most commonly cited priority for the next three years (34%). This is slightly ahead of those prioritizing replacement (32%) and capacity expansion (29%).
- The share of firms with no investment planned represents 5% of firms, similar to EIBIS 2022 (6%).
- The investment priorities of firms in Denmark are very similar to those across the EU.
- Investment in new products or services ranges from 45% among services firms to 11% among construction firms. Micro or small firms are more likely than medium or large firms to have no investment planned (17% versus 1%).

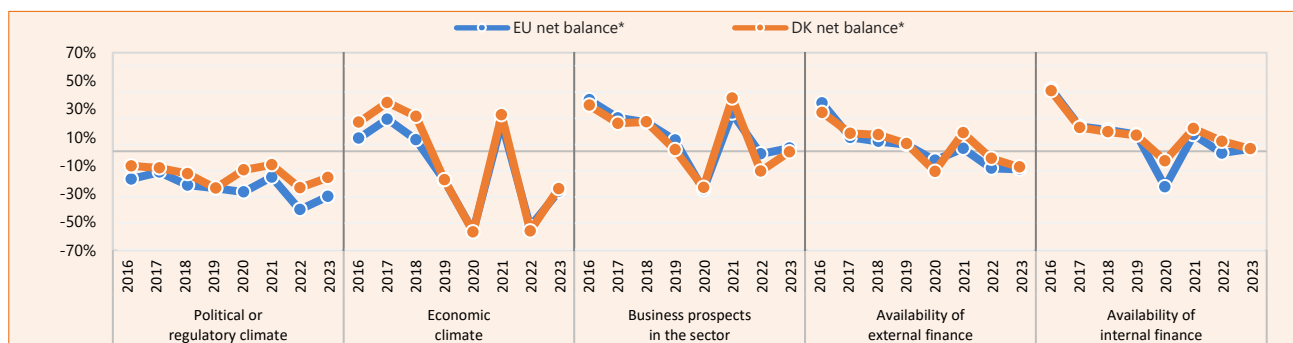
Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

Base: All firms (excluding don't know/refused responses)

Investment needs and priorities

SHORT-TERM DRIVERS AND CONSTRAINTS

- Firms in Denmark and in the overall EU remain, on balance, pessimistic about the investment conditions for the next year.
- In Denmark, expectations are, on balance, the same as last year, and although the figure for the economic climate has improved, it is still negative (rising from -56% to -24%, on balance). Perceptions of the political/regulatory climate have remained negative (-15% versus -23% in EIBIS 2022).
- Apart from during the pandemic (EIBIS 2020), expectations for the availability of external and internal finance are the lowest recorded since the survey started in 2016 (-7% and +7%, respectively).
- On balance, firms in Denmark are now positive towards business prospects in their sector (+4% versus -10% in EIBIS 2022).
- These trends are very consistent with the EU average.

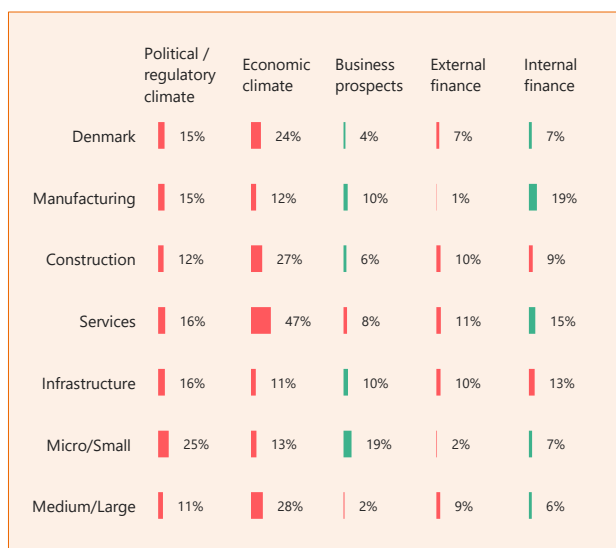


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration.

Base: All firms

SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)



Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

- Across all sectors and size of businesses, firms in Denmark remain consistently more negative than positive about the political and regulatory climate, the economic climate and the availability of external finance.
- Services firms are particularly pessimistic about the economic climate (-47% in net balance terms) and are more negative than positive about business prospects (-8%). This is in contrast to other sectors, where by a small margin there is a balance of positive views about business prospects.
- With regards to internal finance, firms are, on balance, more positive than negative in the manufacturing and services sectors (+19% and +15%, respectively) but more pessimistic than optimistic in the infrastructure and construction sectors (-13% and -9% on balance, respectively).
- Micro or small firms are more positive than medium or large firms in relation to business prospects (+19% versus -2% on balance).

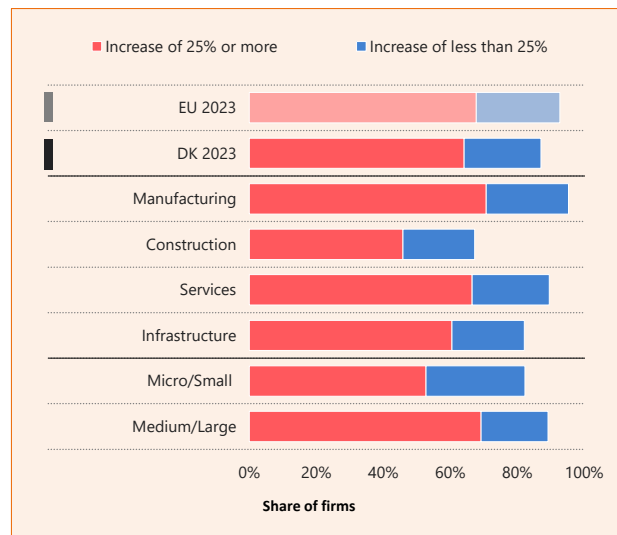
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

Energy market developments

INCREASED SPENDING ON ENERGY

- Firms in Denmark are slightly less likely than those across the EU to have faced increases in their energy spending (87% versus 93%).
- Looking across the sectors, the construction sector had the lowest share of firms impacted by the increase in energy costs (67%). In other sectors this ranged between 82% and 95%.
- With the exception of the construction sector (46%), the majority of firms in other sectors have faced an increase of 25% or more.
- More than two-thirds of medium or large firms (69%) reported an increase of 25% or more in energy spending, higher than the proportion among micro or small firms (53%).



Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

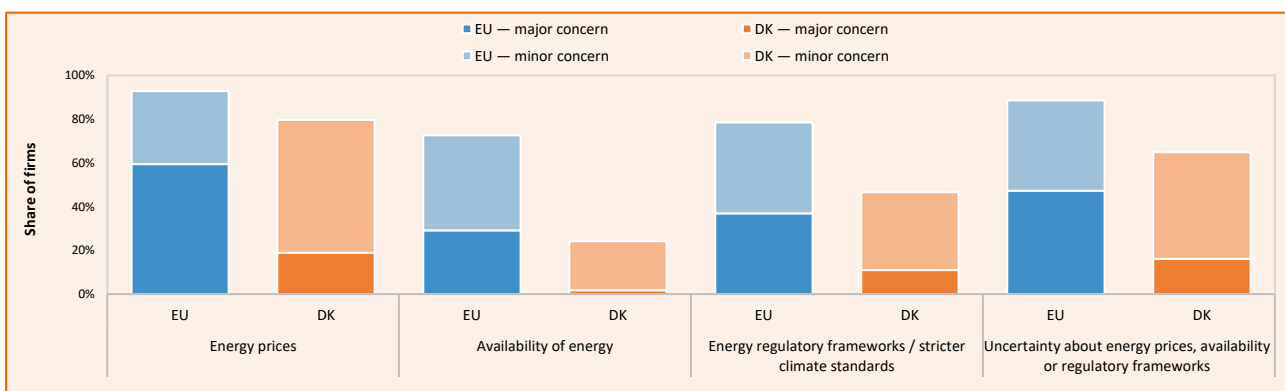
Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

Base: All firms (excluding don't know/refused responses)

IMPACT OF ENERGY SHOCK

- While the majority (80%) of Danish firms are concerned about energy prices, it is a major concern for only 19% of firms. This is much lower than the share of firms in the EU as a whole (59%).
- The majority of firms in Denmark are concerned over uncertainty about prices, availability and regulatory frameworks (65%), while 47% are concerned about

energy regulatory frameworks or stricter climate standards and 24% about availability of energy. These figures are all far lower than the EU average (89%, 79% and 73%, respectively). Similarly, while a small minority of Danish firms see these issues as a major concern, the proportions are much higher in the EU overall.



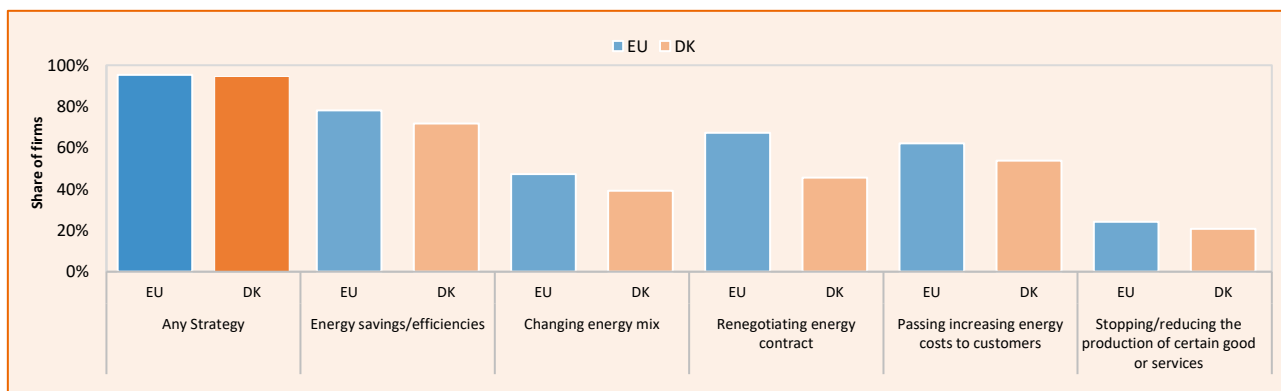
Q. Thinking about the energy shock, to what extent is your company concerned about ...?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

Energy market developments

STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- Danish firms are equally as likely as those across the EU (94% versus 95%) to have responded to the energy shock by adopting at least one of the strategies proposed.
- In Denmark, the most frequently adopted strategies or priorities were to seek energy savings/efficiencies (72%) and to pass increased energy costs on to customers (54%).
- On most of these strategies, the figures for Danish firms are broadly in line with the EU average. However, Danish firms are less likely to have renegotiated their energy contract (46% versus 67% in the EU overall).

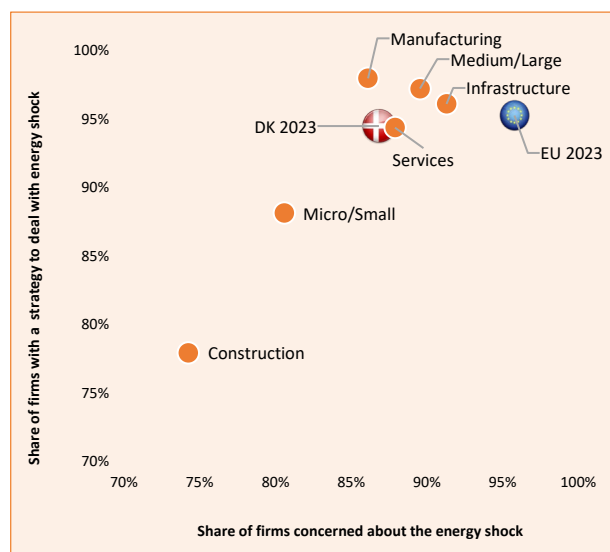


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

Base: All firms (excluding don't know/refused responses)

IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- Although nearly nine out of ten firms in Denmark were concerned about the energy shock, this was lower than in the EU as a whole (87% versus 96%). A similar proportion to the EU average adopted strategies to help deal with recent developments in the energy market (94% versus 95%).
- In Denmark, levels of concern ranged from 91% in the infrastructure sector to 74% among construction firms. The share that adopted strategies to help deal with recent developments in the energy market ranged from 98% among manufacturing firms to 78% among construction firms.
- Medium or large firms were more likely to have adopted strategies in response to the energy shock, compared with micro or small firms (97% versus 87%).



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

Q. Thinking about the energy shock, to what extent is your company concerned about ...

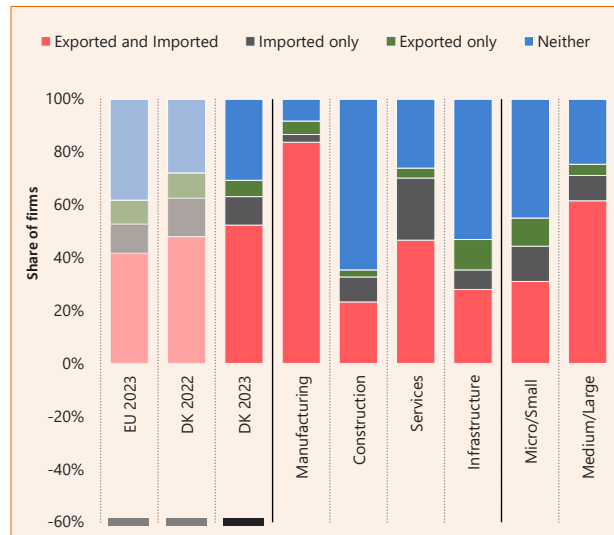
Base: All firms for 'share of firms concerned about the energy shock'

Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Overall, 69% of Danish firms report to be engaged in international trade. This figure is similar to EIBIS 2022 (72%) and the current EU average (62%). However, the share of Danish firms that are both exporters and importers of goods and/or services is higher than the EU average (52% versus 42%).
- While the majority of manufacturers (92%) and service sector firms (74%) in Denmark are trading internationally, this accounts for less than half of construction or infrastructure firms (35% and 47%, respectively). More than eight in ten manufacturers (84%) are both exporters and importers of goods and/or services.
- Medium or large firms are more likely than micro or small firms to be engaged in international trade (75% versus 55%).

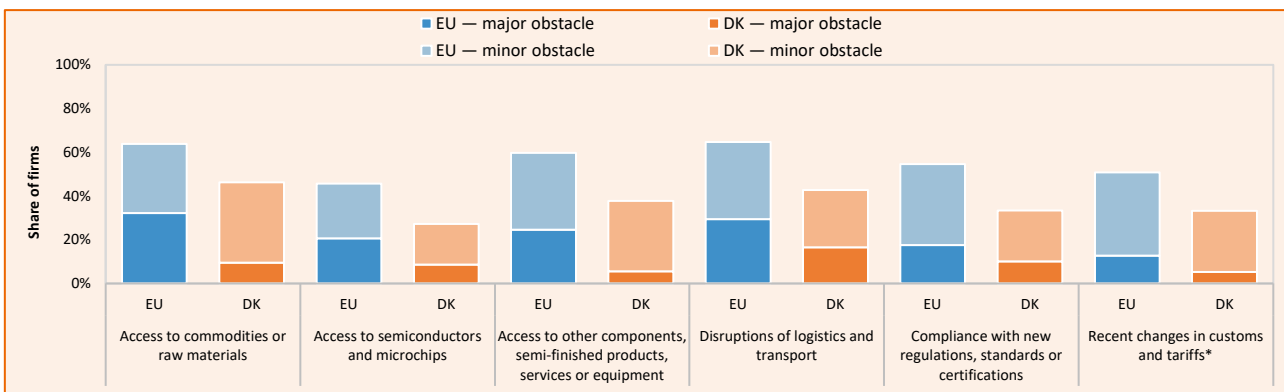


Q. In 2022, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Firms in Denmark are most likely to consider access to commodities or raw materials and disruption to logistics and transport as obstacles to international trade (46% and 43% respectively see these as major or minor obstacles).
- Danish firms are less likely than those in the EU overall to see each of the issues as an obstacle to international trade.
- This is particularly the case when looking at those seeing the issues as major obstacles. For example, while 9% of Danish firms describe access to commodities or raw materials as a major obstacle, this is much higher (32%) among firms in the EU as a whole.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

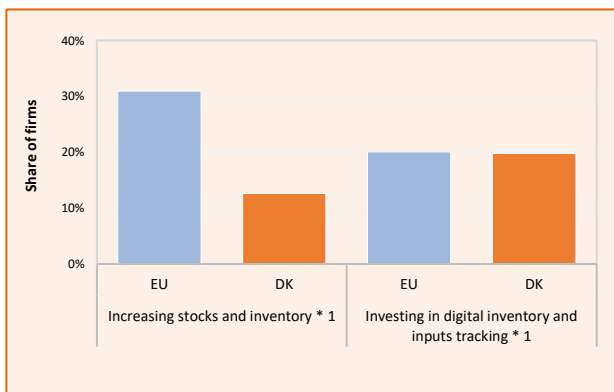
Base: All firms (excluding don't know/refused/not applicable responses)

*Base: All importers and exporters (excluding don't know/refused/not applicable responses)

International trade

SOURCING STRATEGY

- Asked about potential changes to their sourcing strategy, firms in Denmark seem less likely than those across the EU to be increasing stocks and inventory or have plans to do so (13% versus 31%). Danish firms are just as likely as EU firms to invest or plan to invest in digital inventory and inputs tracking (both 20%).

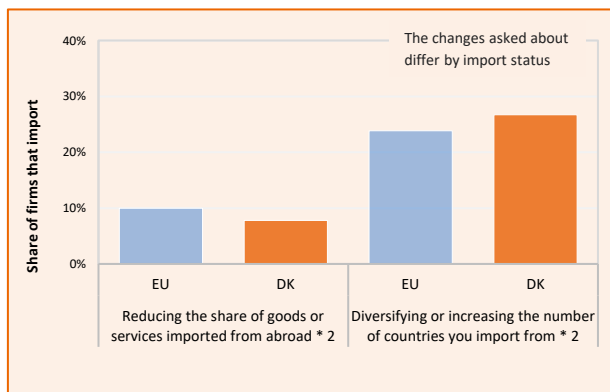


* 1 = Asked to all, 2 = Asked to all importers

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

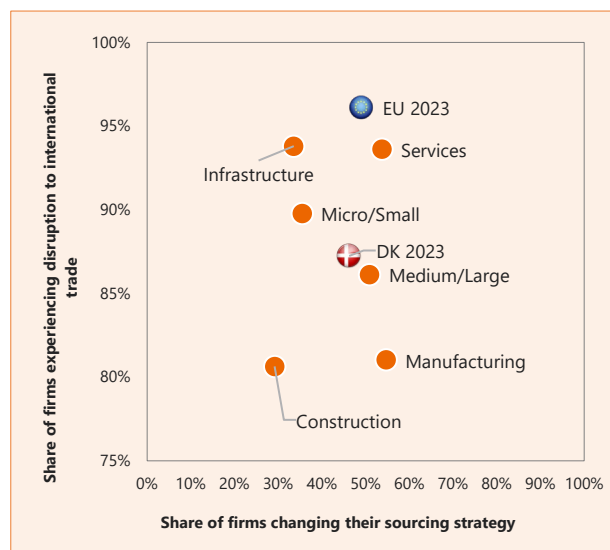
Base: All firms (excluding don't know/refused responses)
Base: All firms that import (excluding don't know/refused responses)

- Danish importers are just as likely as those across the EU to have diversified or increased the number of countries they import from or have plans to do so (27% versus 24%) and to have reduced or plan to reduce the share of goods or services imported from abroad (8% versus 10%).



DISRUPTIONS AND SOURCING STRATEGY

- Almost nine in ten firms in Denmark faced at least one of the disruptions to international trade asked about (87%), although this was lower than the EU average (96%). Fewer than half of Danish firms (46%) have changed their sourcing strategy or are planning to change it, in line with the EU average (49%).
- The share of Danish firms that have changed or have plans to change their sourcing strategy ranges from 55% among manufacturing firms to 29% among construction firms.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

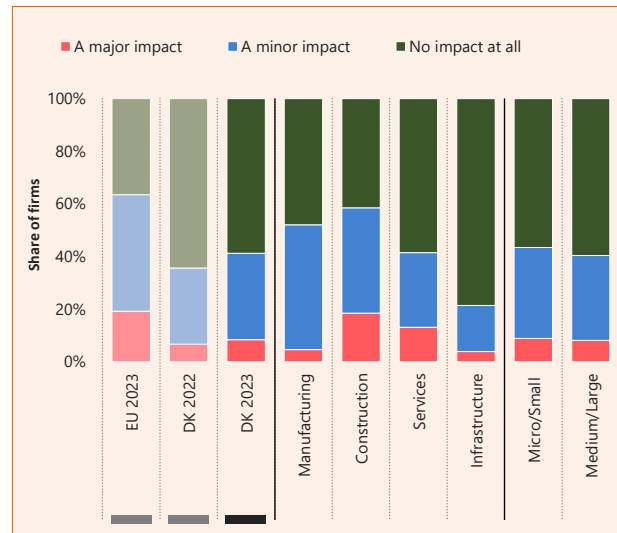
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

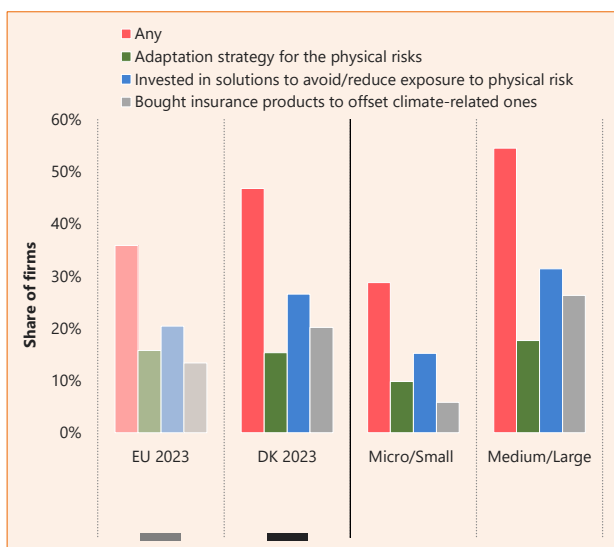
- Danish firms are less likely than those in the EU as a whole to report weather events as having an impact on their business (41% versus 64%). The figure for Denmark is similar to EIBIS 2022 (36%).
- The share of Danish firms that report weather events as having impacted their business ranges from 59% in the construction sector to 21% in the infrastructure sector.
- Similar proportions of micro or small firms (43%) and medium or large firms (40%) report weather events as having impacted their business.



Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

BUILDING RESILIENCE TO PHYSICAL RISK



- Almost half (47%) of Danish firms have developed or invested in measures to build resilience to the physical risks to their company caused by climate change. This is higher than the EU average (36%).
- Danish firms are most likely to have invested in solutions to avoid or reduce the exposure to physical risks (27%), while 20% have bought insurance products to offset climate-related losses and 15% have adapted their strategy. These figures are similar to the EU average.
- Medium or large firms were more likely than micro and small firms to have taken at least one of the actions mentioned to build resilience to physical risks (55% versus 29%).

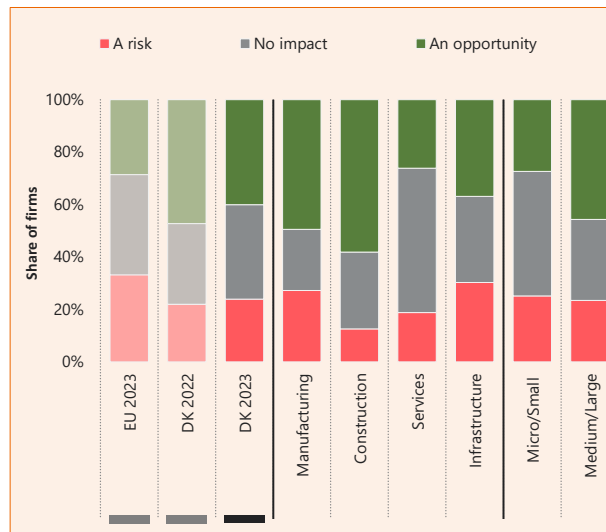
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- The share of Danish firms seeing the transition to stricter climate standards and regulations as an opportunity is higher than the proportion regarding it as a risk (40% and 24%, respectively). This is similar to EIBIS 2022, but is different to the EU as a whole, where slightly more firms see the transition as a risk than as an opportunity (33% and 29%, respectively).
- The proportion of firms that regards the transition to a net zero emission economy over the next five years as an opportunity ranges from 58% among construction firms to 26% in the services sector.
- Medium or large firms are more likely than micro or small firms to think the transition represents an opportunity (46% versus 27%).

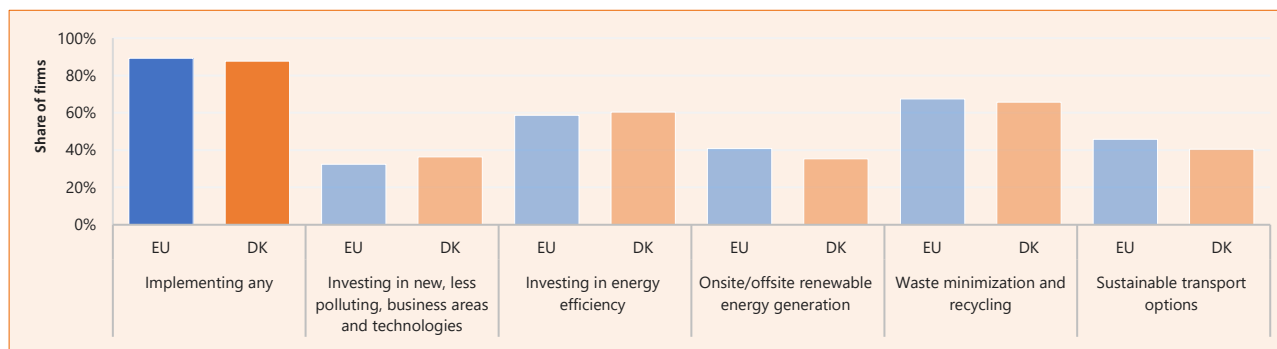


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Matching the EU average (89%), nearly nine in ten Danish firms (88%) are taking actions in order to reduce Greenhouse Gas (GHG) emissions.
- The main actions taken by Danish firms are waste minimization and recycling (66%) and investments in energy efficiency (60%).
- The figures for specific actions are in line with the EU average.



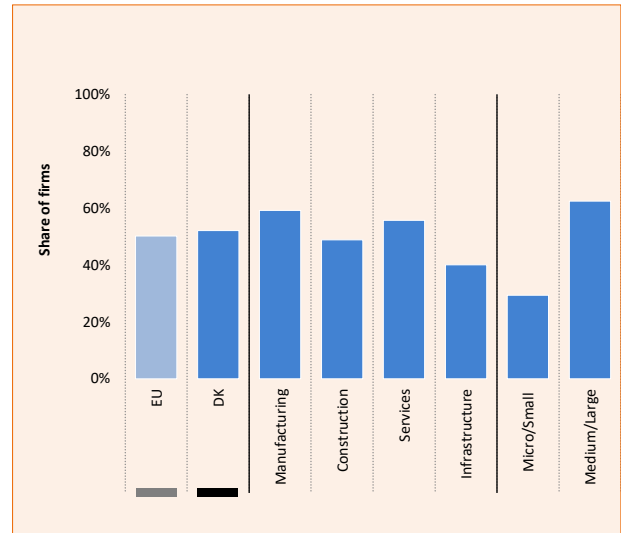
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

ENERGY AUDIT

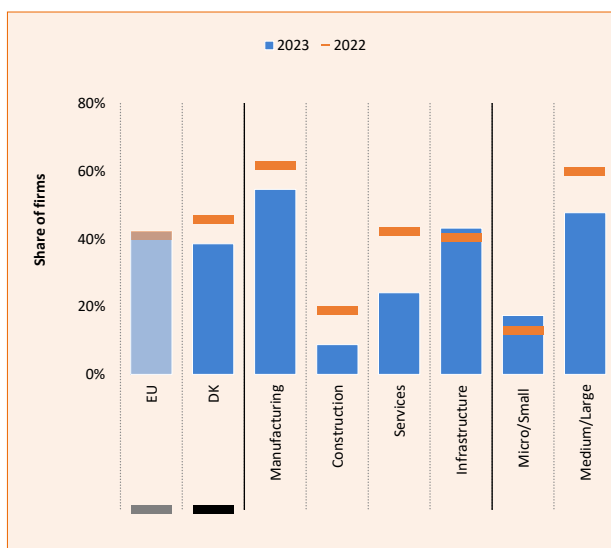
- Just over half (52%) of Danish firms have had an energy audit in the past three years. That is an assessment of the energy needs and efficiency of their company’s building or buildings. This is similar to the EU as a whole (50%).
- Medium or large firms are around twice as likely as micro or small firms to have had an energy audit in the past three years (63% versus 29%).
- The share of Danish firms that have had an energy audit is broadly consistent across different sectors.



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company’s building or buildings)?

Base: All firms (excluding don’t know/refused responses)

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- Around four in ten firms in Denmark (39%) report that they set and monitor targets for their own GHG emissions. This is in line with EIBIS 2022 (46%) and also the current EU average (42%).
- The share of firms that set and monitor these targets ranges from 55% among manufacturing firms to 9% among construction firms.
- Medium or large firms are over twice as likely as micro or small firms to say they set and monitor targets for their own GHG emissions (48% versus 17%).

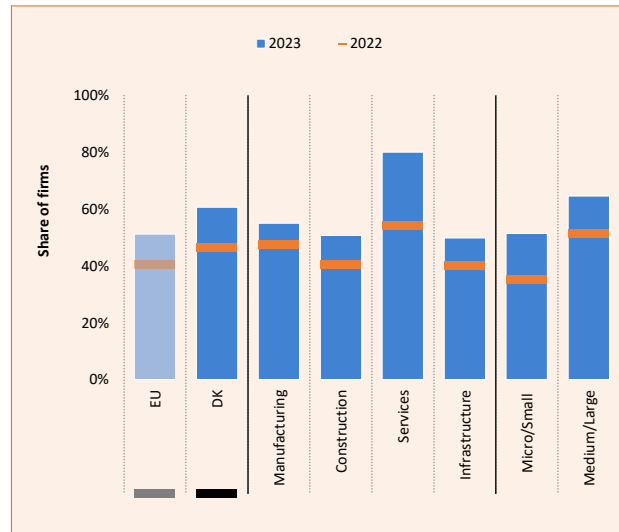
Q. Does your company... sets and monitors targets for its own greenhouse gas (GHG) emissions?

Base: All firms (excluding don’t know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Around six in ten (61%) Danish firms invested in measures to improve energy efficiency in 2022, compared with 51% in the EU overall. The figure in Denmark is higher than in EIBIS 2022 (47%).
- Eight in ten services firms (80%) invested in measures to improve energy efficiency in 2022, while this applies to around half of firms in other sectors.
- Around two-thirds of medium or large firms (65%) and half of micro or small firms (51%) have invested in energy efficiency.

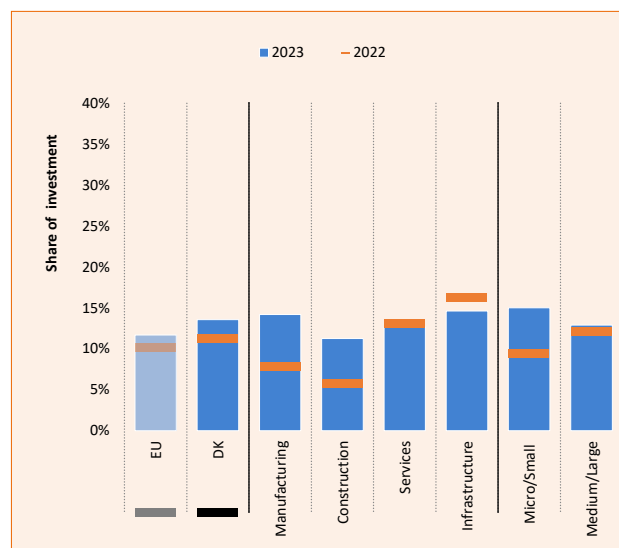


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- An average of 14% of the investment made by firms in Denmark was directed towards measures to improve the organisation's energy efficiency. This is similar to the proportion in EIBIS 2022 (11%) and is in line with the current EU average (12%).
- The share of investment on energy efficiency is consistent by sector and firm size.

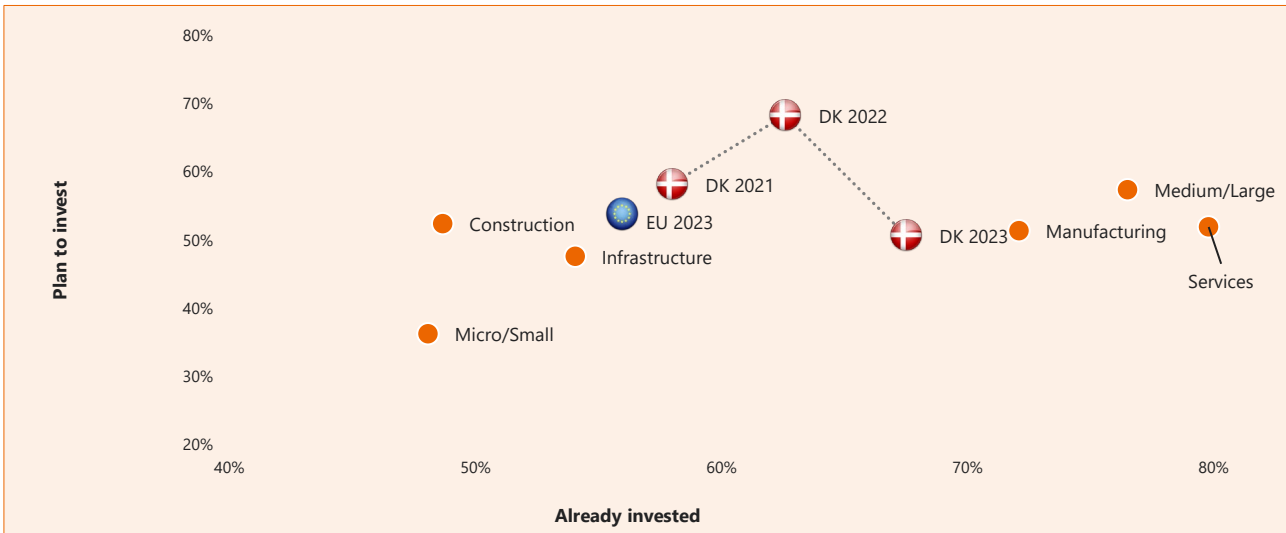


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

EIBIS 2021:

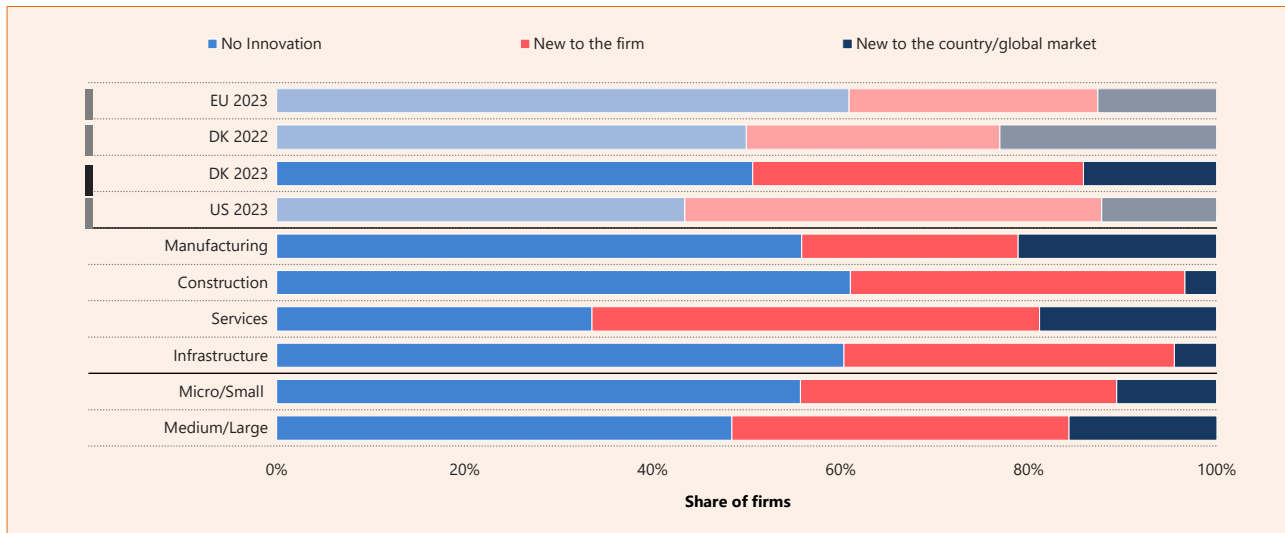
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

- In Denmark, 67% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is similar to EIBIS 2022 (63%) and is above the current EU average (56%).
- Around half (51%) of Danish firms have plans to invest in these areas in the next three years. This is lower than EIBIS 2022 (68%) and in line with the current EU average (54%).
- Medium or large firms are more likely than micro or small firms to have already invested (76% versus 48%) and to have plans to invest (57% versus 36%).
- The proportion of firms that have already invested ranges from 80% in the services sector to 49% in the construction sector. The share of firms that plan to invest is consistent across sectors.

Innovation activities

INNOVATION ACTIVITY



Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

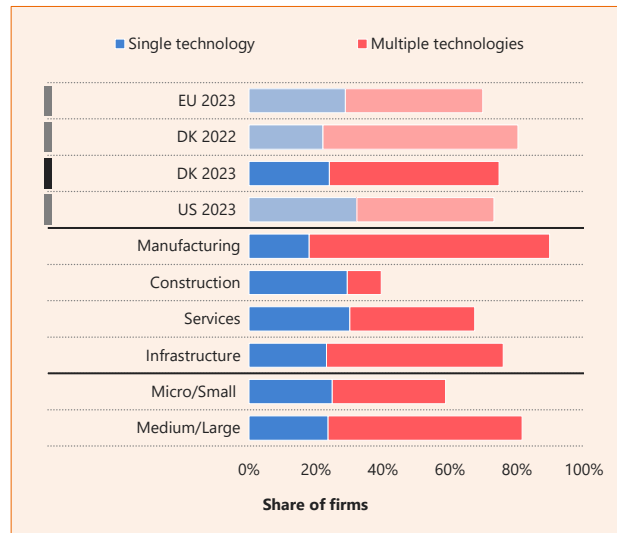
Base: All firms (excluding don't know/refused responses)

- About half (49%) of Danish firms developed or introduced new products, processes or services as part of their investment activities in 2022, in line with EIBIS 2022 (50%). This compares with the EU average of 39%.
- Over one in ten firms in Denmark (14%) report the development / introduction of products, processes or services new to either the country or global market. This is in line with the proportion seen in EIBIS 2022 (23%) and matches the current EU average (13%).
- The share of firms investing in innovation ranges from 66% in the services sector to 39% in the construction sector.
- A similar share of micro or small firms (44%) and medium or large firms (52%) invested in innovation in 2022.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 75% of firms in Denmark used at least one advanced digital technology, in line with EIBIS 2022 (80%) and the current EU average (70%).
- The share of firms that have adopted at least one advanced digital technology ranges from 90% among manufacturing firms to 39% among construction firms.
- Medium or large firms are more likely than micro or small firms to have adopted such technologies (82% versus 59%) and are more inclined to use multiple digital applications (58% versus 34%).
- The digital technologies that Danish firms are most likely to be using are robotics (74%), the Internet of Things (53%) and digital platforms (49%). In comparison to firms across the EU, they are more likely to use robotics (74% versus 54%) and the Internet of Things (53% versus 41%) but are less likely to use drones (4% versus 24%).



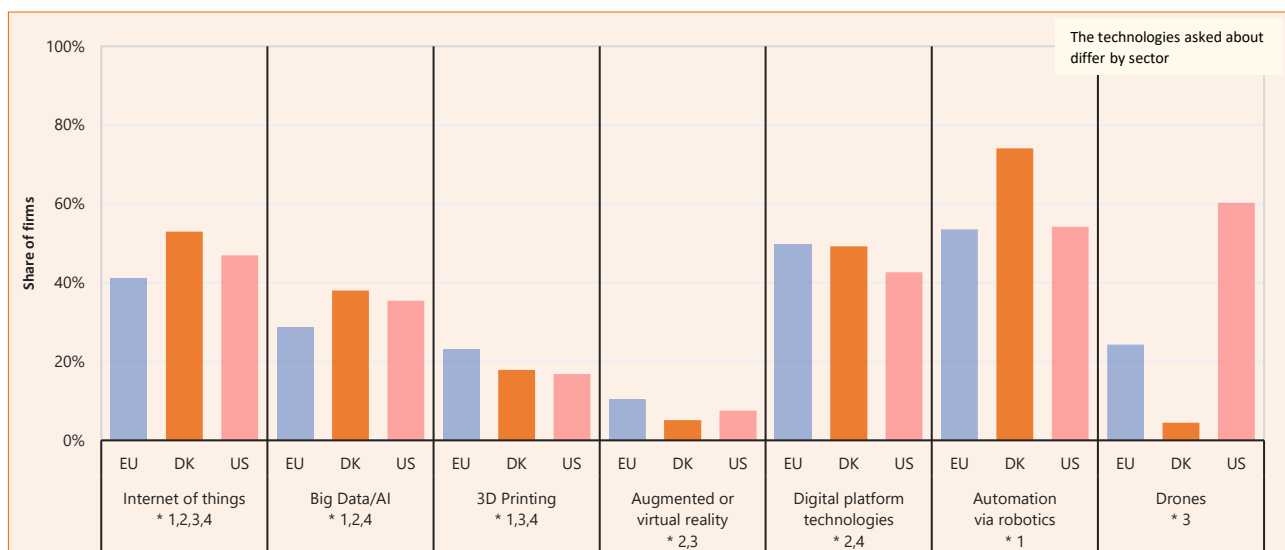
Reported shares combine "used" the technology "in parts of business" and "entire business organised around it."

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Base: All firms (excluding don't know/refused responses)

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

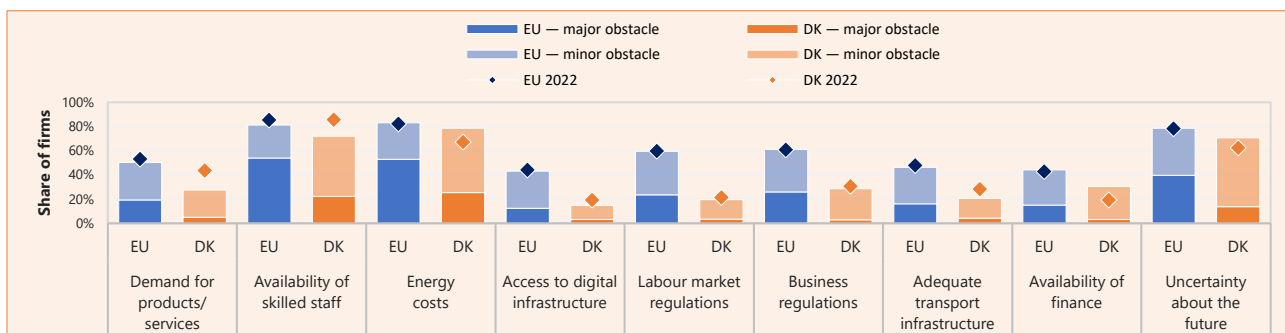
Base: All firms (excluding don't know/refused responses);
Sample size DK: Manufacturing (130); Construction (105); Services (147); Infrastructure (91).

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT

- As in EIBIS 2022, the most frequently mentioned long-term barriers to investment in Denmark are energy costs (79%), the availability of skilled staff (72%) and uncertainty for the future (71%).
- Danish firms are less likely than those in the EU overall to see several items as barrier to investment. This applies in particular to labour market regulations (20% versus 60%).
- Compared with EIBIS 2022, firms in Denmark are more

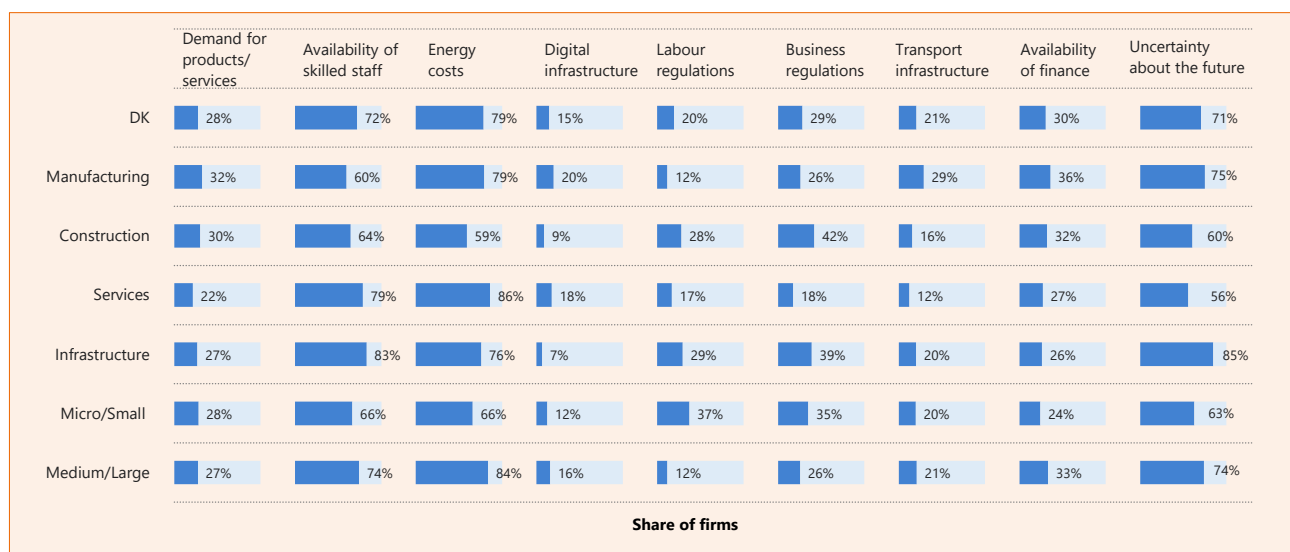
likely to see energy costs as a barrier to investment (up from 67% to 79%) but are less likely to regard the availability of skilled staff (down from 86% to 72%) and demand for products or services (down from 44% to 28%) as barriers.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

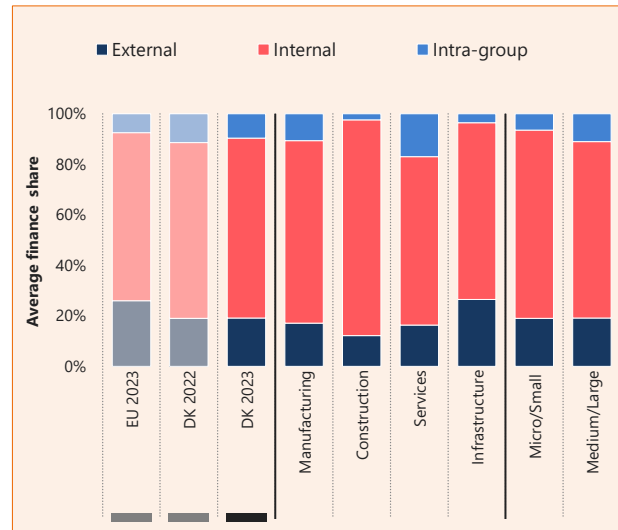
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

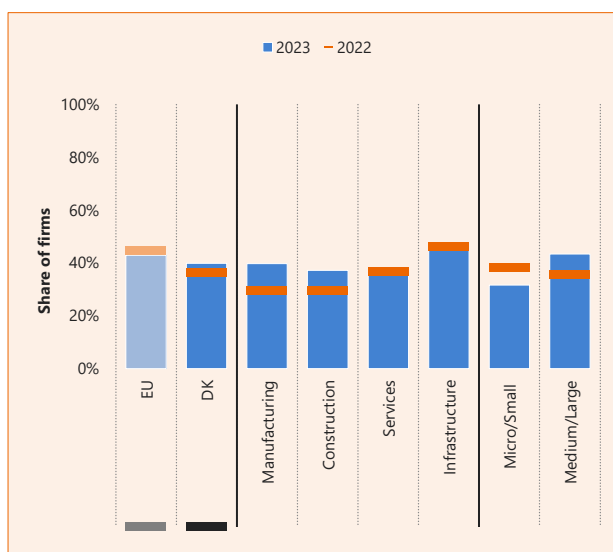
- Internal sources accounted for the largest share of investment finance for firms in Denmark (71%), followed by external finance (19%). The remainder (10%) came from intra-group financing. All proportions are similar to EIBIS 2022 and the EU average.
- The share of investment finance from external sources ranged from 27% among infrastructure firms to 12% among construction firms. The range for intra-group funding was between 17% for services firms and 2% for construction firms.
- Findings are similar across firms of different size.



Q. What proportion of your investment was financed by each of the following?

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

USE OF EXTERNAL FINANCE



- Four in ten firms in Denmark (40%) who invested in the last financial year, financed at least some of this investment through external sources. This is in line with EIBIS 2022 (36%) and the EU average (43%).
- The proportion of firms that used external finance is consistent across sectors, ranging from 36% for services firms to 45% for infrastructure firms.
- More than four in ten medium or large firms (43%) obtained investment finance from external sources, as did 32% of micro or small firms.

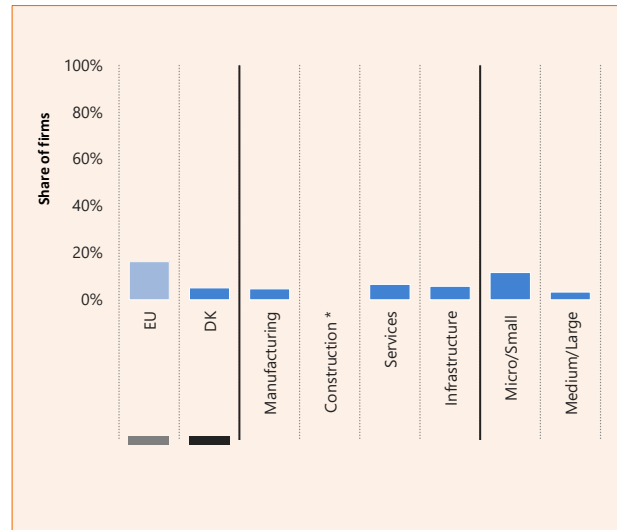
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FIRMS WITH FINANCE FROM GRANTS

- Just 5% of firms using external finance in Denmark received grants, compared with 16% in the EU overall.
- No more than 6% of firms in any sector received grants in Denmark.
- More than one in ten micro or small firms received grants (12%), as did 3% of medium or large firms.

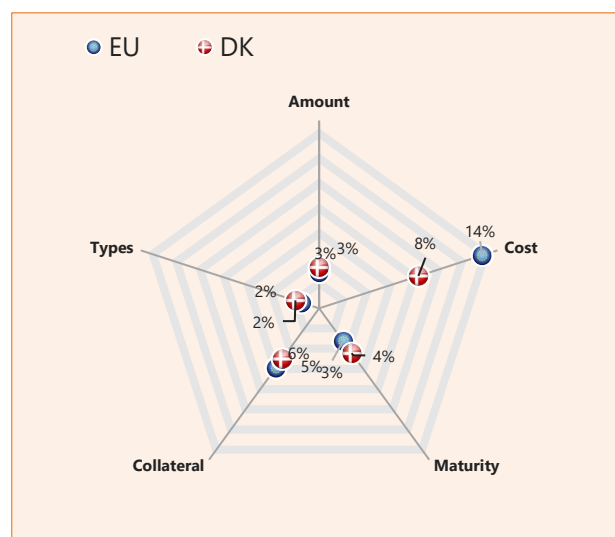


Q. What proportion of your total investment in the last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
* Caution very small base size less than 30

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- No more than 8% of firms in Denmark are dissatisfied with any of the aspects included in the survey. The shares that are dissatisfied with the various aspects in Denmark are similar to the EU average and are in line with EIBIS 2022.
- In Denmark, 8% of firms are dissatisfied with the cost of finance and this has remained stable compared with EIBIS 2022. This is in contrast to the EU as a whole, where there has been an increase in dissatisfaction (from 5% to 14%).



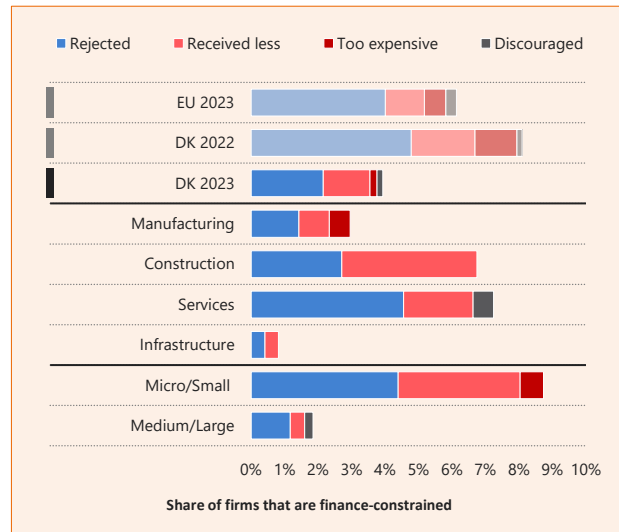
Q. How satisfied or dissatisfied are you with ...?

Base: All firms that used external finance in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FINANCE-CONSTRAINED FIRMS

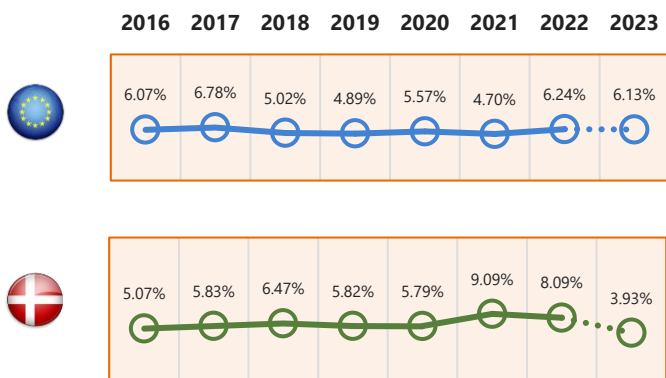
- The share of financially constrained firms in Denmark (3.9%) is broadly in line with the EU average (6.1%).
- The share of finance-constrained firms in Denmark ranges from 7.2% for services firms to 0.8% for infrastructure firms. The proportion of finance-constrained firms is higher among micro or small firms than medium or large firms (8.7% versus 1.9%).
- As in EIBIS 2022, the main constraint reported by firms in Denmark is rejection (2.2%), followed by an insufficient amount of finance received (1.4%).



Finance-constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those that did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME

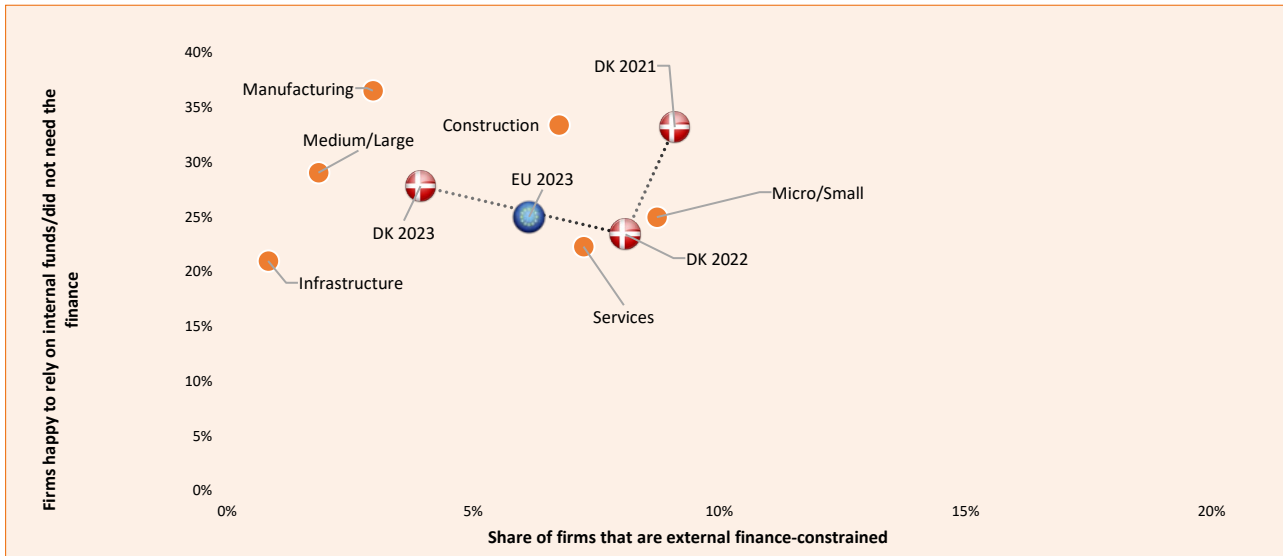


- The proportion of Danish firms that are finance constrained has fallen slightly since EIBIS 2021, from 9.1% to 3.9%, and is now at the lowest level seen in the last seven years.
- Over time, the proportion of finance constrained firms in Denmark has remained broadly in line with the EU average.

Base: All firms (excluding don't know/refused responses)

Access to finance

FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

Base: All firms (excluding don't know / refused)

- While 3.9% of Danish firms can be considered finance constrained in EIBIS 2023, more than a quarter (28%) are happy to rely on internal finance.
- The figures for Denmark on both measures are in line with EIBIS 2022 and the current EU average.
- The proportion of finance-constrained firms is higher among micro or small firms than medium or large firms (8.7% versus 1.9%). The shares that are happy to rely on internal finance are similar (25% and 29%, respectively).
- The share of firms that are happy to rely on internal finance ranges from 37% among manufacturing firms to 21% among infrastructure firms.

EIBIS 2023 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Denmark, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	DK	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large	EU vs DK	Manuf vs Constr	Micro/Small vs Medium/Large
	(12030)	(802)	(480)	(131)	(105)	(149)	(91)	(323)	(157)	(12030 vs 480)	(131 vs 105)	(323 vs 157)
10% or 90%	1.1%	3.9%	5.3%	9.7%	10.7%	9.3%	11.0%	2.9%	7.5%	5.4%	14.4%	8.0%
30% or 70%	1.8%	6.0%	8.1%	14.8%	16.3%	14.2%	16.7%	4.4%	11.4%	8.3%	21.9%	12.2%
50%	1.9%	6.5%	8.8%	16.2%	17.8%	15.5%	18.3%	4.8%	12.5%	9.0%	23.9%	13.3%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.

EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Denmark (carried out between April and July 2023).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2023/2022	US 2023	Denmark 2023/2022	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	480/483	131	105	149	91	323	157
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	456/476	122	100	144	86	313	143
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	384/409	111	78	119	74	250	134
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	377/415	103	80	117	73	258	119
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	479/483	131	105	148	91	322	157
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	467/471	129	103	142	89	312	155
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	447/NA	121	95	139	88	299	148
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	480/NA	131	105	149	91	323	157
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	463/NA	126	97	142	88	309	152
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	463/NA	126	97	142	88	309	152
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	475/483	129	104	148	90	319	156
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	272/NA	102	30	96	41	162	110
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	466/NA	125	101	145	91	313	153
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	227/NA	88	25	86	26	134	93
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	413/NA	123	90	125	71	278	135
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	472/481	127	104	147	90	317	155
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	477/479	129	104	149	91	320	157
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	454/456	127	101	137	86	302	152
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	470/482	130	100	146	90	314	156
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	457/NA	127	101	137	88	304	153
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	472/478	129	103	147	90	316	156
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	408/412	110	82	133	79	271	137
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	454/478	125	100	139	86	307	147
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	445/464	124	92	140	85	300	145
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	480/482	131	105	149	91	323	157
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	477/474	130	105	147	91	320	157
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	480/483	131	105	149	91	323	157
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	480/483	131	105	149	91	323	157
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	420/424	117	86	130	84	277	143
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	420/424	117	86	130	84	277	143
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	139/145	41	22	39	37	76	63
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	142/142	40	24	40	37	79	63
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	437/463	120	89	137	88	293	144
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	437/463	120	89	137	88	293	144
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	437/462	120	89	137	88	293	144



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Denmark

Overview

EIB INVESTMENT SURVEY

2023