

# Denmark - A digitally powered green superstar

Denmark's GDP is forecast to increase by USD 87 billion, or 22.5%, between 2022-2027, according to Statista, owing to its stable, pro-business investment climate and open economy, which is also helping to power its exemplary green transition. "Denmark has one of the healthiest economies of all countries in Europe - a budget surplus, strong competitiveness, high exports, low unemployment," says Denmark's prime minister, Mette Frederiksen, who added that today, "Denmark is truly a green superpower."

But Denmark's ambitious commitment to a green future not only represents its proactive presence in the global community. It also shines a light on the country's capacity for breakneck-speed innovation, as various industry clusters have taken Denmark's traditional strengths to new heights. There are now more than 120 robotics companies in Odense, Denmark's third-largest city, whilst a world-beating 551 green patents were granted to Danish businesses in 2021 - almost double per capita than that of second-place Switzerland - highlighting its highly educated, incredibly flexible workforce.

Denmark leads the world in terms of business productivity, worker motivation,

and talent attraction, according to the IMD Competitiveness Yearbook 2022, with its internationally renowned 'flexicurity' model enabling high employment mobility through a social welfare safety net and an active labour market policy. For businesses, Denmark does not double tax foreign profits from Danish companies, making it the ideal location for regional headquarters and up to 20% cheaper to operate a company than in Sweden, according to the government agency Invest in Denmark. "Denmark is an excellent place to operate a holding company and to invest in. It's probably the easiest place in Europe to hire and fire people, plus foreign investors are exempt from local taxes," says Inter Primo's CEO, Claus Tønnesen.

Meanwhile, the Danish government recently made its temporary tax deduction increase of 130% for R&D spending permanent, as the country continues to leverage its world-class private sector to accelerate commercial research and green investments. Indeed, the Danish government's longstanding relationship with its private sector earned it 1st place worldwide for public-private partnerships in the IMD Competitiveness Yearbook 2022 and

has deeply ingrained industry synergy into its trust-based corporate culture. One such example is the Danish-based Kalundborg Symbiosis, a high-achieving integrated biotech partnership between 14 public and private companies which exploits Denmark's well-connected infrastructure network.

Denmark has been recognised by the United Nations as the world's digital frontrunner, attracting elite software companies and leaders in artificial intelligence, medical technology, ICT, cleantech, fintech, and life sciences through its standout regulatory sandbox and vast talent pool - the Technical University of Denmark recently ranked 3rd amongst the best 'Engineering and Technology' universities, behind the Massachusetts Institute of Technology and Stanford University, according to Invest in Denmark. "We're an extremely digitalised country where people of all ages are looking for related industry opportunities and have adapted to using technology as much as possible in their lives. Denmark is the perfect pilot for new technologies and acts as a launchpad for international investors looking to expand into Europe," says Netcompany's CEO, André Rogaczewski.

# Primo - A driver for sustainable change

In January this year, Fitch Ratings affirmed Denmark at 'AAA,' highlighting its "wealthy and high-value-added economy" and "macroeconomic stability." Last year, Denmark ranked as the world's most digitally competitive economy, first for business agility and fifth for its adaptive attitude on the IMD World Digital Competitiveness Ranking.

Denmark also scored first on the 2022 Environmental Performance Index, and McKinsey has identified the country's innovative plastics industry as uniquely positioned to become a frontrunner in the "new plastics economy," a business opportunity which could save Denmark DKK 1.6B a year by shifting from incineration to using recycled waste materials in plastic production.

One Danish frontrunner in the new plastics economy is Primo, a family-owned plastic extrusion specialist founded in 1959, with subsidiaries in 12 locations spanning eight countries, 1000 employees, serving multiple industries, including the green energy industry, offshore, the medical industry, transportation, construction, power and lighting, and water treatment.

"I've been in the company for over a decade now, and during that time, we've been working on expanding our market profitably and sustainably," says Primo's CEO, Claus



Fleming Grunnet  
Chairman

Tønnesen. The company's primary activities enabled them to enjoy an enviable position during the pandemic with the widespread trend of home improvement and surge in demand within the construction industry.

Moreover, with its customers' support, Primo could increase its prices and to some extent protect its margins without losing sales. Primo closed 2021 with a growth of 30% and was able to carry this momentum into 2022 - when it acquired one of its biggest Danish competitors along with epsotech Denmark's fibre production business.

Along with expanding its offshore energy

supply business - as the world's leading supplier of subsea cables - to a larger facility in Germany, Primo recently announced a new technology and innovation centre aimed at developing sustainable materials and products to enable the green transition of its customers. "I expect to see a change in our product mix to reflect our focus on environment, sustainability and energy savings - that is our future," says Tønnesen. Primo is also a key supplier of plastic profiles and seals for wind turbines.

Primo's success can be attributed to its custom product solutions designed in collaboration with its predominately international customer base. The company serves over 40 industries across 32 countries, including major multinational companies like IKEA and Lego. As a testament to its "highly technical and commercial approach," Primo Denmark received the "Supplier of the Year in Innovation Award" from the Danish manufacturing company VELUX.

Primo is the ideal Danish ambassador. "Denmark is an open country with a transparent business environment based on a high degree of trust. Our laws and regulations are functioning well, and it's one of the most flexible workforces in Europe" says Primo's chairman, Fleming Grunnet.



# The Scandinavian Way

By André Rogaczewski, CEO Netcompany

You sense it everywhere in Europe at the moment, it is a sense of urgency; something is very different. Our democracies are under severe stress and are being challenged like never in the past 50 years. War on the European continent, the highest inflation in fifty years, a global energy crisis, a possible emerging trade war with China, disturbances in the global supply chains and future climate challenges are very concrete dangers to the fundamental underpinnings of our European welfare societies.

On top of this we are faced with structural challenges. Our populations are getting older and the demographic base for tax collection and funding for our common government services will not be sufficient to provide the service levels that our populations expect. There is no clearer evidence of this than the increasingly creaking Health systems which are under enormous pressure throughout Europe.

This all means that Europe needs to re-invent itself. This is not the time for continuing to run our societies as we have done for the past few decades.

Being one of Europe's smallest countries we are not accustomed to having the world's eyes upon us, but in recent years the success of the digital way in Scandinavia is serving as a great source of inspiration and hope for many European countries.

By digitising our societies in a democratic and human-centric manner we have found a formula to deliver more value to our citizens for less money. At the same time, we have built more trust and collaboration into the all-important government/citizen contract. Scandinavian countries are consistently at the very top of all digitisation rankings by leading authorities, and Scandinavian countries have an excellent track record when it comes to transforming tax payers' money into transparent, tangible, and very visible services that citizens are highly satisfied with.

It is important to note that it has not always been like this. As someone who has built one of the largest IT companies in Scandinavia, I have seen what works and we are now pushing the very same thinking and execution into the rest of Europe.

The successful Scandinavian way of establishing world-class digital government solutions over the last



André Rogaczewski  
CEO

decade has been anchored on three major principles: Courage, Pragmatism & re-use, and Independence.

By courage I mean the ambition and determination to reform and replace existing services and processes with new innovative digital ones in a very short time frame. This requires the very top management in government and private enterprises to personally own and drive the digitisation agenda. Setting concrete goals that will benefit their citizens and businesses.

By pragmatism and re-use, I mean that governments and non-competing enterprises need to borrow from each other with pride! In Netcompany, we have painstakingly systemised all the technical components into common IP-free platforms based on the many hundreds of successful Scandinavian digitisation initiatives that we have undertaken. By facilitating cross-

industry collaboration, we introduce our customers to these components and together we form an effective collaboration between governments and enterprises where we can launch new digital applications and services faster and more reliably together. A "not invented here" approach is fine, as long as it works and delivers the intended outcomes.

With independence we address a huge problem that all governments or enterprises have discovered to their cost when it comes to implementing large digital programmes over the last few decades. Very often you end up being highly vendor- or technology-dependent; some may say "locked in". Software licenses and consultant expenses form a high operational expenditure (OPEX). The reality is that you end up spending the majority of your budget to keep the lights on, leaving less for strategic investments. In Netcompany we firmly believe in IP-free and mature platforms that we swap freely between governments and enterprises. Whilst these platforms will enable customers to succeed, the intellectual property belongs to the client; they own it.

This tried and trusted Scandinavian way of digitisation is now sweeping across the European continent, and I truly believe that this is the only way to define a winning formula for responsible digitisation. This contrasts with the more protectionist approaches of the US tech giants or the Chinese state-driven model which carries a strong "big brother is watching you" parallel.

The Scandinavian way delivers excellent public services that are good value for public money and establish a flexible technology foundation that is scalable and adaptable to diverse future needs.

