



# Denmark

Overview

## EIB INVESTMENT SURVEY

# 2021



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# Denmark

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## **EIB Investment Survey Country Overview: 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 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and 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 firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom 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, the United Kingdom 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](mailto: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](http://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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### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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# EIBIS 2021 – Denmark

## KEY RESULTS

### Investment Dynamics and Focus

EIBIS 2021 shows that, while investment levels did not shift too much in 2020, Danish firms have become more optimistic for 2021, with more firms expecting to increase rather than decrease investment. This represents a substantial positive shift from EIBIS 2020.

On average, Danish firms spent more than a third (36%) of their investment on replacing buildings and equipment in 2020. The largest share of investment in Denmark went into machinery and equipment (40%).

### Impact of COVID-19

Around two-fifths (38%) of Danish firms suffered a decline in sales due to COVID-19 compared to the beginning of 2020 in comparison to 49% EU wide. Also the impact on investment plans was lower for Danish firms than for the EU overall, with only 11% of firms reporting that they invested less than planned, compared to 26% in the EU.

When asked about the short-term actions due to COVID-19, digitalisation stood out with two in five firms (42%) reporting having taken action(s) or having invested to become more digital.

### Investment Needs and Priorities

COVID-19 will undeniably have a long-term impact on needs and priorities. Digitalisation stands out, with around a half (51%) of Danish firms expecting COVID-19 to lead to an increased use of digital technologies, in line with EIBIS 2020 (50%) and the EU average (55%).

The share of firms operating at or above full capacity has remained stable in Denmark (60% versus 66% EIBIS 2020), well above the EU average (49%). In spite of the difficult circumstances, the majority of Danish firms report that they have invested about the right amount over the last 3 years (77%).

### Innovation Activities

Innovation activity remained stable: around half of all Danish firms (49%) report having developed or introduced new products, processes or services as part of their investment activities in 2020. This is similar to what firms reported in EIBIS 2020 (49%), and higher than the EU average (36%).

### Drivers and Constraints

Firms in Denmark remain, on balance, pessimistic about the political and regulatory climate, but are nevertheless more optimistic than firms in the EU overall. Expectations on the economic climate, business prospects and availability of external and internal finance have turned positive again, with the majority of firms sharing an optimistic outlook on the short-term future.

Among the long-term barriers to investment, Danish firms most frequently cite availability of skilled staff (75%) and uncertainty about the future (51%). The share of firms citing availability of skilled staff and availability of adequate transport infrastructure as a barrier to investment has increased since EIBIS 2020 (75% in EIBIS 2021 versus 61% in EIBIS 2020; 32% in EIBIS 2021 versus 21% in EIBIS 2020).

### Investment Finance

There are indications that access to finance conditions may be worsening: 9% of all firms in Denmark can be considered as external finance constrained, which is slightly above the share reported in EIBIS 2020 (6%) and the EU average of 5%.

Firms that used external finance are generally satisfied with it. Among different factors, firms are most dissatisfied with the cost of external finance received (13%), which is more than double the EU-wide share (5%).

One in ten (9%) firms in Denmark increased their debt as a result of COVID-19, well below the EU average (16%). 41% of firms received some financial support in light of the COVID-19 pandemic, the most prevalent type of support being subsidies free from any future repayment obligation (28%).

### Climate Change and Energy Efficiency

When asked about climate change, 58% of Danish firms report making investments to tackle the impacts of weather events and to deal with the reduction in carbon emissions, and 58% have plans to invest in the next three years – an increase compared to EIBIS 2020.

Danish firms are starting to internalize the risks associated with the transition to net zero. Around half (53%) of Danish firms report that climate change brings some physical risk to their business. Overall, slightly more firms see the transition to stricter climate standards and regulations as an opportunity rather than a risk for their business over the next five years (46% and 22% respectively).

Two in five (42%) firms invested in measures to improve energy efficiency in 2020, with on average 9% of firms total investment being spent on energy efficiency measures.

### Firm management, gender balance and employment

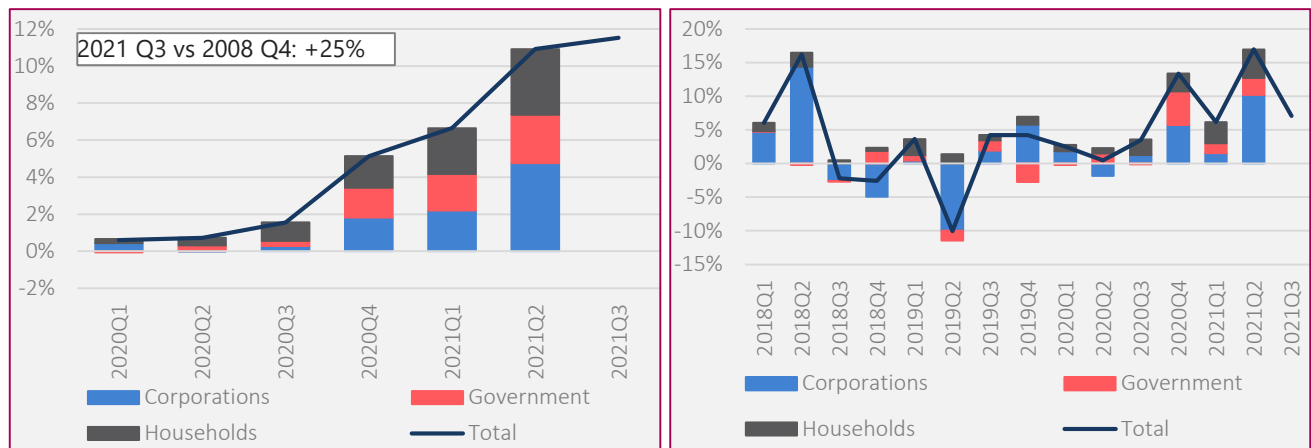
In 2020, firms in Denmark were more likely than the EU average firm to use strategic monitoring systems (71% versus 55%) and to set and monitor internal targets on carbon emissions and energy consumption (53% versus 46%). Employment in Denmark has bucked the trend of the EU as a whole, increasing by 2% in 2020 compared to the stable employment observed EU-wide.

# Investment Dynamics and Focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

Despite the COVID-19 crisis hitting the economy, investment in Denmark did not fall below the pre-crisis levels, with investment levels increasing steadily compared to the last quarter of 2019. All sectors contributed to this raise.

The increase in household spending was to a large extent related to house prices and involuntarily high levels of savings. Government investment increased since the beginning of the pandemic, and also corporate investments have come through the COVID-19 crisis unscathed.



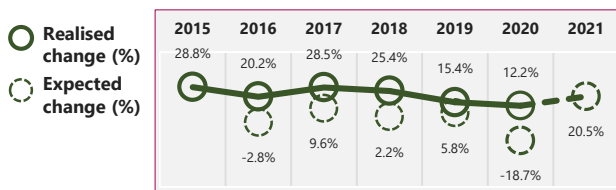
The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat  
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

Danish firms have become more optimistic again for 2021, with expectations rebounding from the negative outlook recorded in EIBIS 2020.

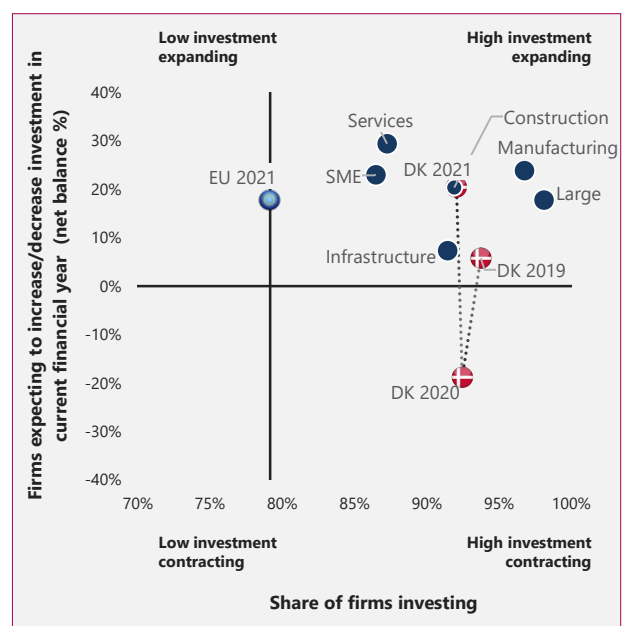
Investment levels never suffered too much over the crisis period, and Danish firms consistently invested more than the EU overall.

SMEs report a lower share of firms investing than large firms and firms in services have more positive investment expectations than firms in other sectors.



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

Base: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

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

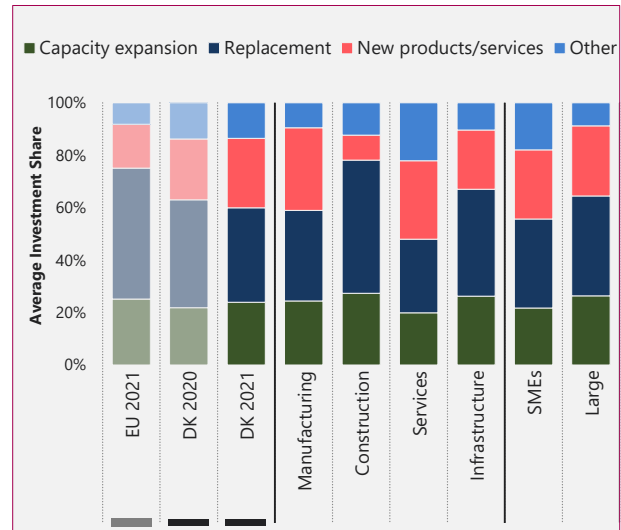
# Investment Dynamics and Focus

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

The largest share of investments by Danish firms is capacity replacement. On average, firms in Denmark spent more than a third (36%) of their investments on replacing capacity (i.e. buildings and equipment) in 2020. The share is slightly lower than the amount reported in EIBIS 2020 and considerably below the EU average (50%).

Conversely, Danish firms slightly increased the share of investments in developing new products and services (27%) from what reported in EIBIS 2020 (23%). This share is 10 percentage points higher than the EU average (17%).

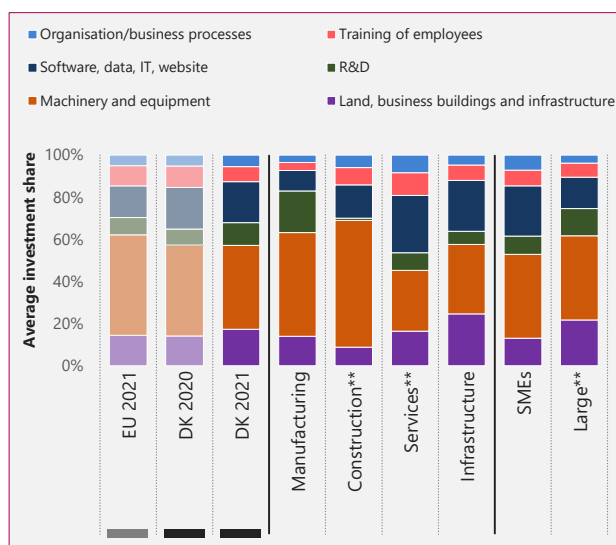
Construction firms invested more in capacity replacement (51%) than firms in infrastructure (41%), manufacturing (35%) or services (28%).



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

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

## INVESTMENT AREAS



40% of all investments in Denmark in 2020 were in machinery and equipment, followed by software, data, IT and website activities (19%), land, business buildings and infrastructure (17%) and research and development (11%). The pattern is broadly in line with what was reported in EIBIS 2020 and similar to the EU average.

Investment areas differ across sectors. Manufacturing firms invested for example more in R&D than firms in other sectors, while firms in infrastructure invested more in software, data and IT.

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?

\*\*Caution small base size

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

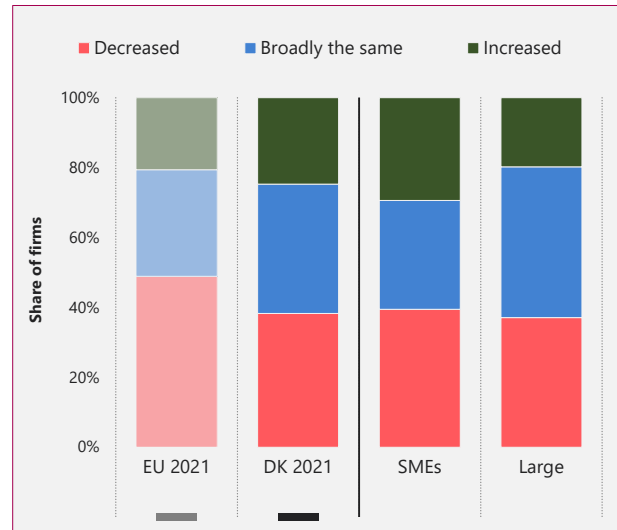
# Impact of COVID-19

## IMPACT OF COVID-19 ON SALES

Overall, firms in Denmark report a better sales response to the COVID-19 pandemic than their EU peers.

Only 38% of Danish firms report a decline in sales due to the COVID-19 pandemic as opposed to 49% across the EU. In addition, a quarter of firms have experienced an increase in sales since the beginning of 2020, compared to 21% firms in the EU overall.

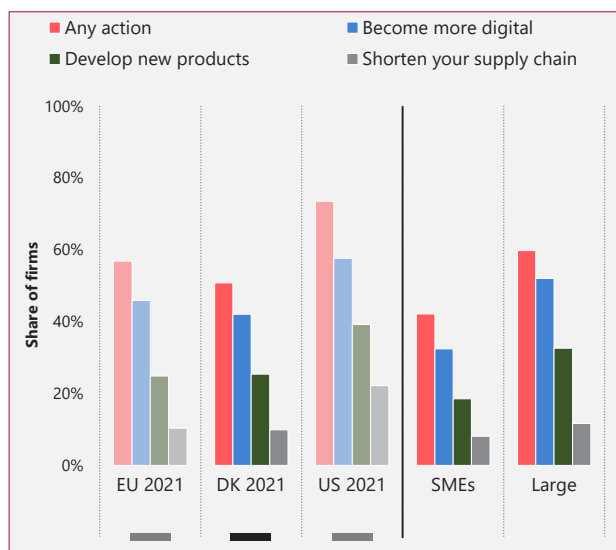
A similar share of SMEs and large firms report a decline in sales 39% and 37%, respectively, while SMEs benefitted more from higher sales than large firms.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

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

## SHORT-TERM ACTIONS AS A RESULT OF COVID-19



More than half of Danish firms report having taken short-term actions or having made investments as a response to the COVID-19 pandemic (51%), just below the EU average of 57%.

The most cited area of action or investment is to become more digital, as reported by 42% of Danish firms, in line with the EU average of 46%. A quarter have taken action to develop new products, services or processes and 10% have made investment to shorten their supply chain, again in line with EU averages.

Looking at firm size, large firms are more likely to have taken short-term actions or made investments than SMEs in each category.

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

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



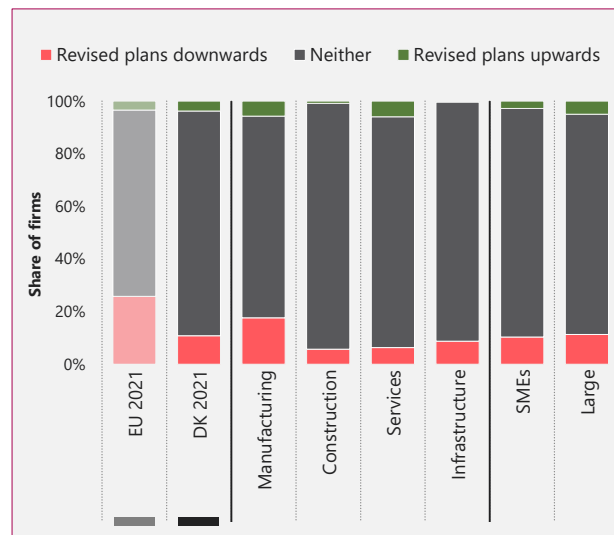
# Impact of COVID-19

## IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected 15% of Danish firms' investment strategies for 2021. Overall, fewer Danish firms report a downward revision of their investment plans compared to the EU average (11% versus 26%, respectively).

Downward and upward revision of investment plans vary across industries. Firms in manufacturing are most likely to report revising their investment plans downwards (18%).

Firms in manufacturing and services also report a higher likelihood of revising their investment plans upwards.

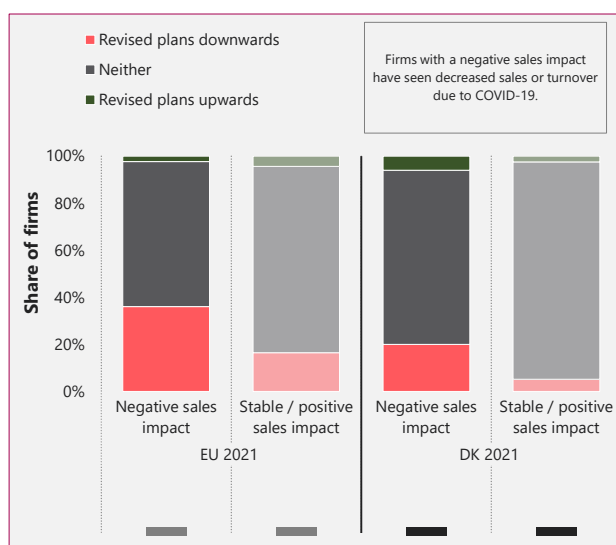


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

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

## DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



The response to COVID-19 was heterogeneous across Danish firms.

Firms who experienced a negative impact on sales due to COVID-19 were more likely to report a downward revision of their investment plans than those who have experienced a stable or positive impact (20% versus 5% respectively).

The share of firms who have experienced a negative sales impact and have revised their investment plans downwards is lower than the EU average (20% versus 36% EU average).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

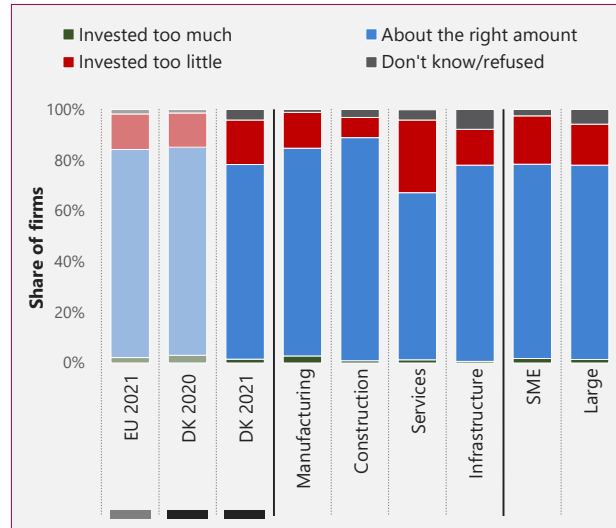
Base: All firms (excluding don't know/refused responses)

# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

In spite of the difficult circumstances, the majority of Danish firms report that they have invested about the right amount over the last 3 years (77%). This is slightly less than what was reported in EIBIS 2020 (82%), and also below the EU average (82%).

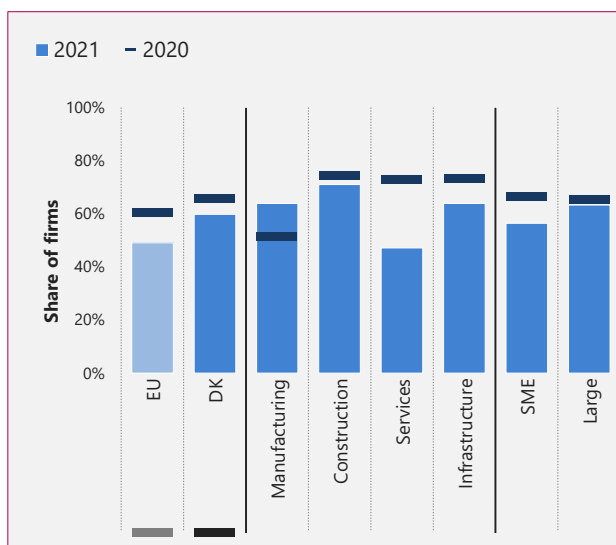
The largest variation across sectors is observed between services and constructions firms. The services sector has the largest share of firms reporting too little investment (29%), as opposed to 8% in construction.



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

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

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



The share of Danish firms reporting operating -at or above full capacity in 2020 amounts to 60%. This is in line with what was reported in EIBIS 2020 (66%) and higher than the EU average (49%).

In comparison to all other sectors and size classes of firms, the services sector has the lowest share of firms operating at or above full capacity in 2020 and this has declined since the previous year. Firms in the construction sector were the most likely to be operating at or above full capacity (71%).

The share of SMEs reporting operations at full capacity declined in 2020 compared with 2019, but not for large firms.

Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

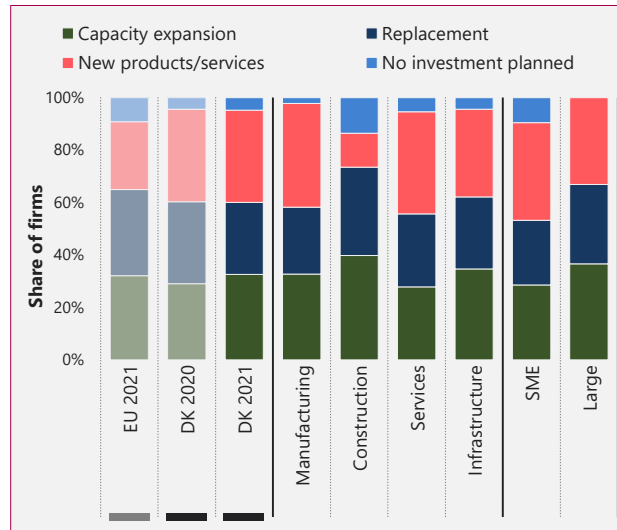
# Investment Needs and Priorities

## FUTURE INVESTMENT PRIORITIES (% of firms)

Similarly to what was reported in EIBIS 2020, investment in new products and services is still the most commonly cited priority for the next three years (35%). This is followed by capacity expansion (33%) and replacement (27%). These figures are broadly in line with the EU average.

Investment priorities differed across sectors, with manufacturing, services and infrastructure roughly following the same pattern. In contrast, construction firms are the least likely to prioritise new products and services (13%) and have the largest share of firms with no investment planned for the next three years (14%).

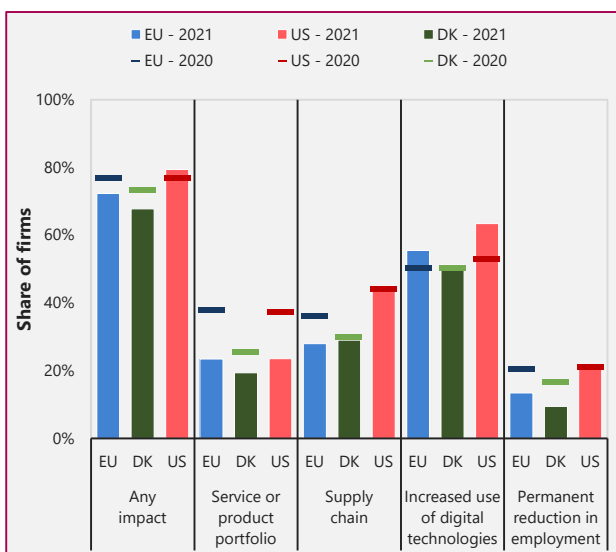
Around 10% of SMEs have no future investment planned, whilst all large firms have future investment priorities.



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

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

## COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities, as reported by 68% of Danish firms. This is in line with EIBIS 2020 (73%) and the EU overall (72%).

More than a half (51%) of Danish firms expect COVID-19 to lead to an increased use of digital technologies, again in line with EIBIS 2020 (50%) and the EU average (55%).

Positively, fewer firms now expect COVID-19 to cause a permanent reduction in employment compared to what was reported in EIBIS 2020 (9% versus 17% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Base: All firms

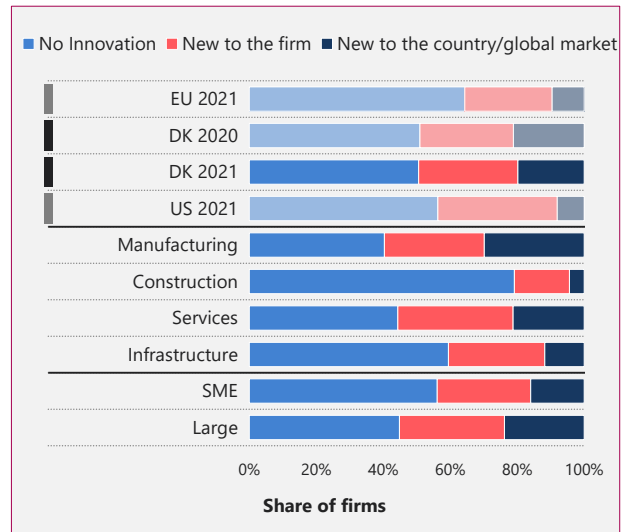
# Innovation Activities

## INNOVATION ACTIVITY

Overall, around half of all firms (49%) have developed or introduced new products, processes or services as part of their investment activities in 2020; this is similar to what has been reported for 2019 in EIBIS 2020 (49%), but overall much higher than the EU average (36%).

Manufacturing firms are the most likely to have innovated (60%), while only a fifth (21%) of construction firms invested in developing or introducing new products, processes or services.

Less than half of SMEs (44%) invested in developing innovative products, processes or services, compared to more than half (55%) of large firms.

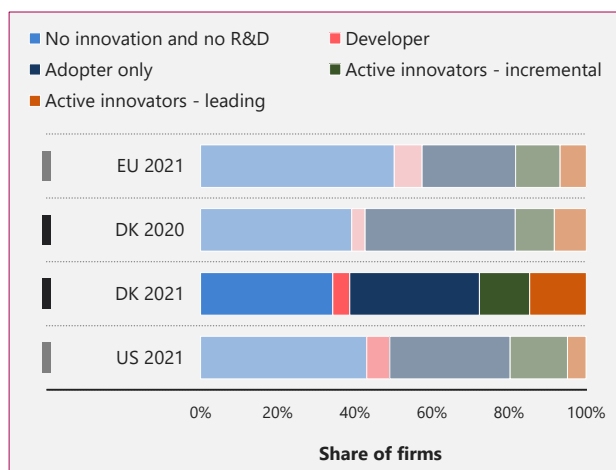


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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

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

## INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

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

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

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

When firms' innovation and research and development behaviour is profiled more widely, 28% of firms in Denmark can be classified as 'active innovators' in EIBIS 2021.

This breakdown is broadly in line with the EU average of 25% (comprised of 18% of firms as 'active innovators' plus 7% of firms as 'developers').

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world.

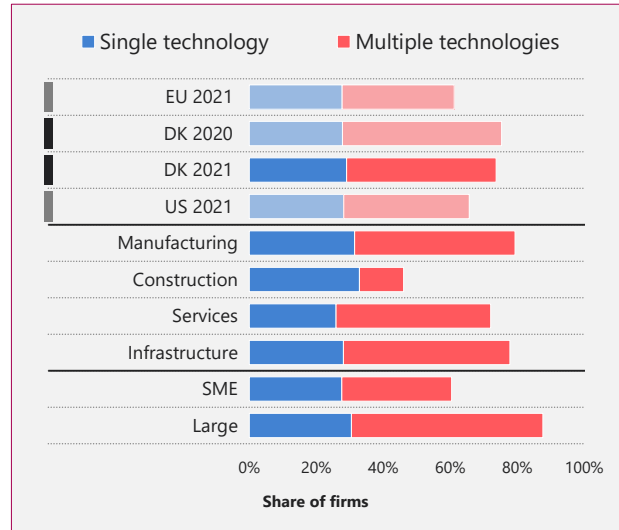
# Innovation Activities

## IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

Almost three quarters (74%) of Danish firms have implemented at least one out of the four advanced digital technologies they were asked about. Digital adoption in Denmark thus remains much higher than the EU average (61%).

Firms in the construction sector are the least likely to have introduced at least one advanced digital technology into their firm (46%), whilst large firms are more likely than SMEs to have implemented multiple digital technologies (57% versus 33%).

Danish manufacturing firms report a relatively high uptake of robotic technologies (63%), platforms and big data (38%) compared to EU firms.

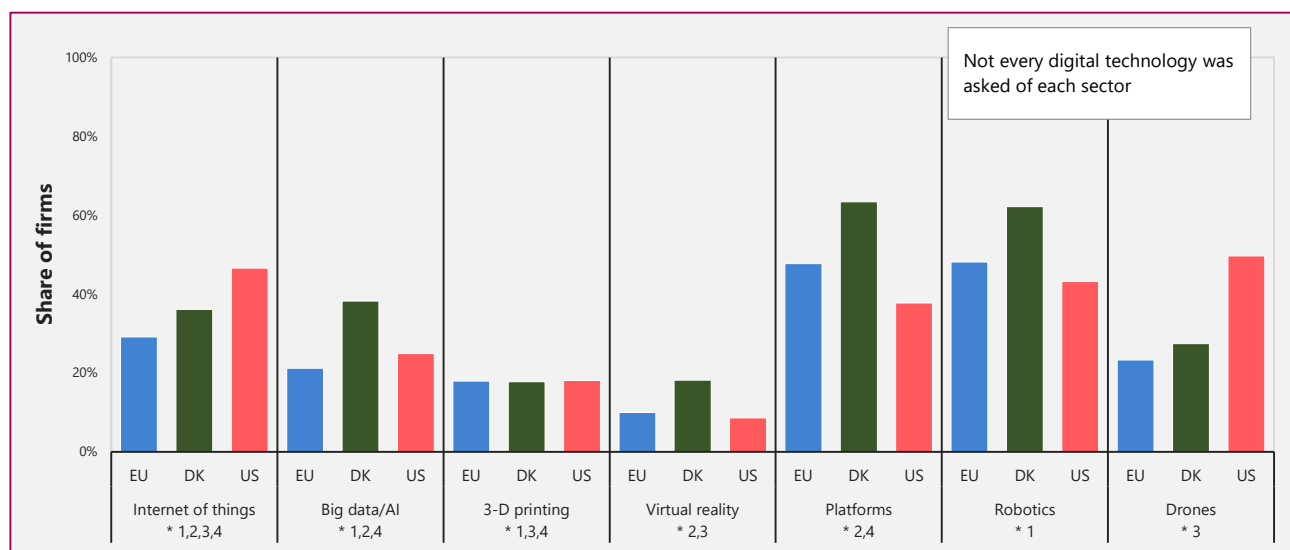


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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

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

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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

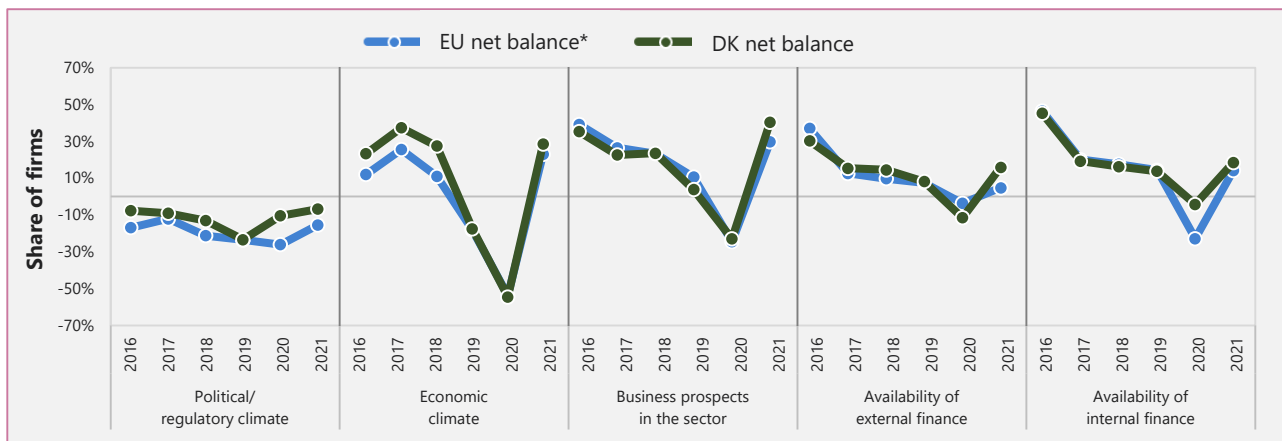
Base: All firms (excluding don't know/refused responses);  
Sample size DK: Manufacturing (145); Construction (103); Services (114); Infrastructure (116)

# Drivers And Constraints

## SHORT-TERM FIRM OUTLOOK

Firms in Denmark remain pessimistic about the political and regulatory climate, although less than the EU average. Fewer Danish firms think that the political and regulatory climate will deteriorate over the next twelve months, while firms'

expectations on the economic climate, the availability of external and internal finance and business prospects in the sector have considerably improved in 2021 compared to 2020, bouncing back to a positive net balance.

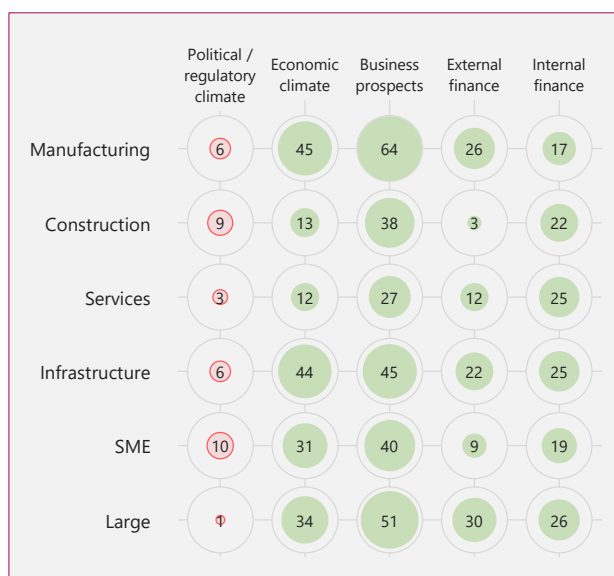


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

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

Base: All firms

Danish firms are consistently more negative than positive about the political/regulatory climate, across all size classes and sectors.

SMEs are more pessimistic about the political and regulatory climate than large firms. This is an overall trend, with large firms having a tendency to be more optimistic on balance than SMEs.

Looking at the sectorial heterogeneity, construction firms are the least positive about the availability of external finance, while firms in the services sector are the least optimistic about the overall economic climate (12%). Firms in the manufacturing sector are more optimistic about their sector's business prospects than firms in other industries.

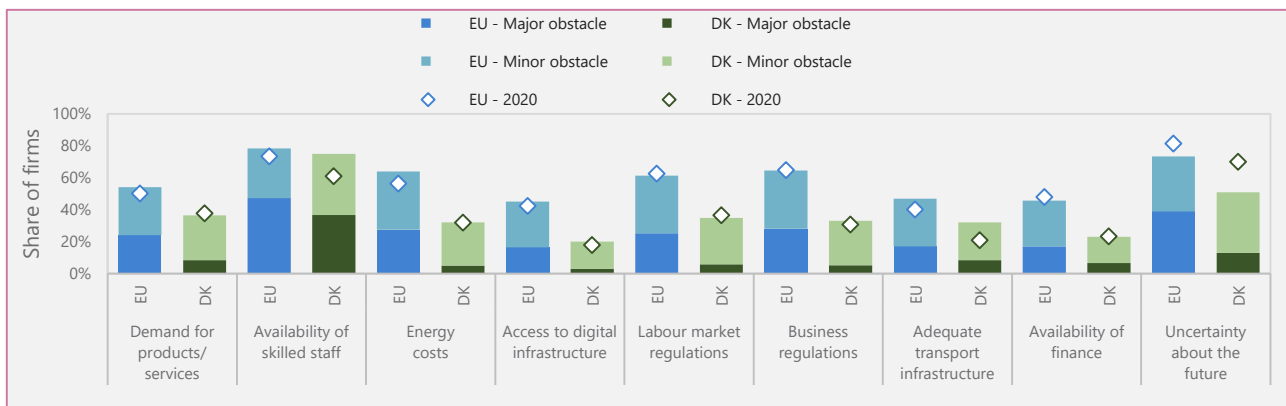
# Drivers And Constraints

## LONG-TERM BARRIERS TO INVESTMENT

Danish firms are less likely to report long-term barriers to investment than European firms.

Among the investment barriers included in the survey, Danish firms cite availability of skilled staff (75%) and uncertainty about the future (51%) as their main obstacles to investment.

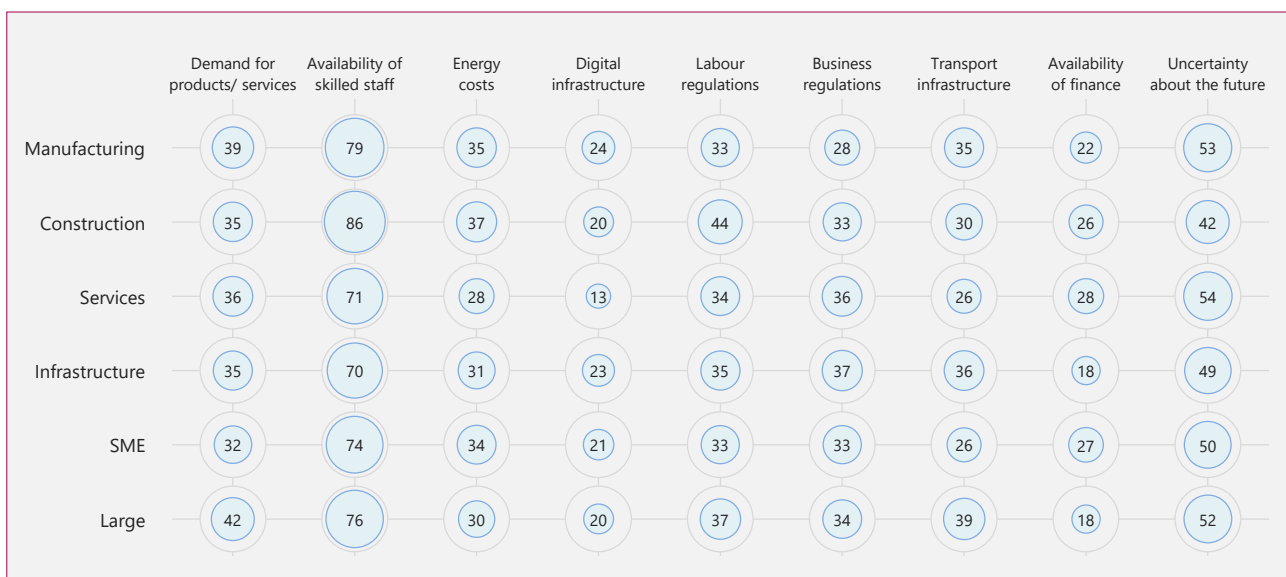
However, while the share of firms citing skilled staff availability as a barrier to investment has increased from EIBIS 2020 (75% vs 61%), the share of firms citing uncertainty about the future as a long-term barrier to investment has considerably decreased (51% vs 70% in EIBIS 2020).



Q. Thinking about your investment activities in Denmark, 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 who said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



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

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

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

# Investment Finance

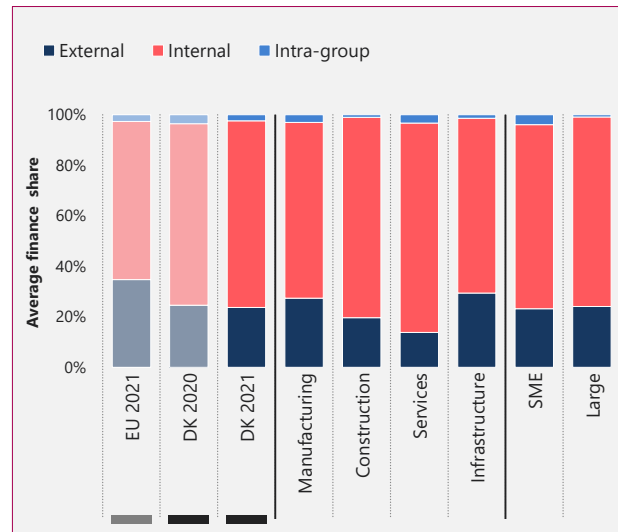
## SOURCE OF INVESTMENT FINANCE

The overall pattern of sources of investment finance used in EIBIS 2021 has not substantially changed from the results in EIBIS 2020, although shares differ from the EU average.

Similarly to what reported in EIBIS 2020, Danish firms funded three quarters of their investments in 2020 via internal financing (74%) and only one quarter through external financing.

When looking at sectorial differences, the firms in infrastructure and manufacturing sectors relied the most on external finance, (29% and 27% respectively), while construction and services firms relied more on internal finance.

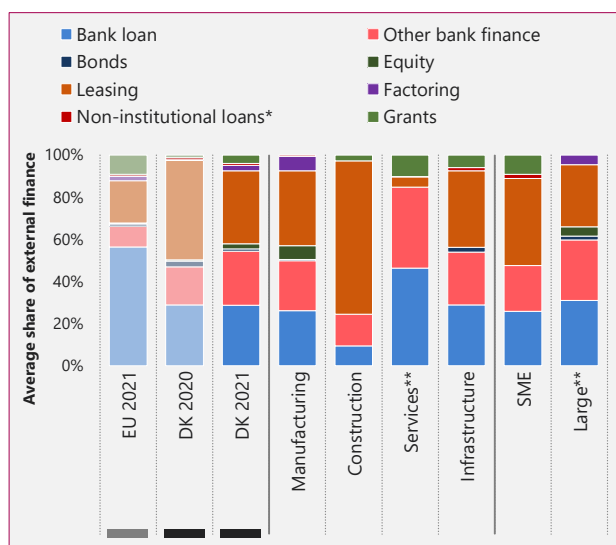
SMEs and Large firms do not show significant differences in terms of financing sources.



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

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

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



In Denmark, in 2020, bank loans represented less than one third (29%) of the total share of external finance used, well below the EU average (56%). Instead, leasing remained the largest share of external finance used in Denmark in 2020 (35%), although it decreased from 2019 (47% in EIBIS 2020).

Different industries show heterogeneity in financing sources. While leasing accounted for the largest share of external finance in construction (73%), it accounted for more than one third for manufacturing and infrastructure.

SMEs relied more on leasing as a source of external finance than large firms, which were mainly funded by other bank financing sources.

Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

\*\* Caution low base sizes

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



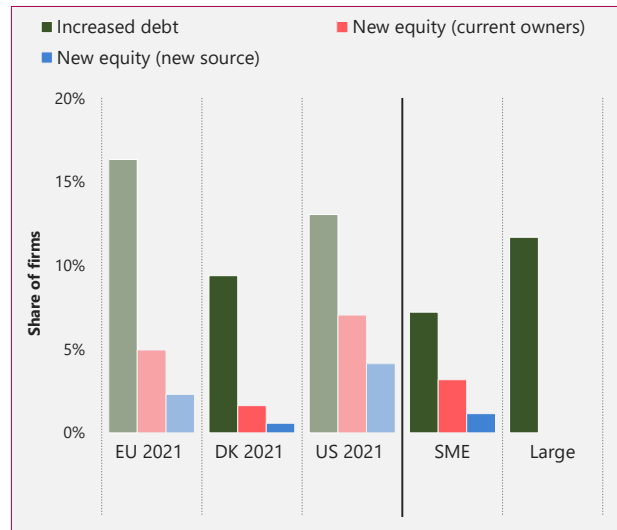
# Investment Finance

## ACTIONS TAKEN AS A RESULT OF COVID-19

Fewer Danish firms have increased their debt as a result of the COVID-19 pandemic compared to their EU peers (16%).

As a result of the COVID-19 crisis, 9% of Danish firms have increased their debt, 2% have received new equity from their current owners, while only 1% have raised new equity from a new source.

Moreover, SMEs have raised less debt (7%) but more equity than Large firms.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

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

## SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



While more than half of EU firms report that they have received financial support in response to COVID-19 (56%), only 41% of Danish firms report having received it.

The uptake of new subsidies or guaranteed credit was minimal in Denmark (3%) and lower than the EU average of 17%. Around one-in-ten (12%) obtained a payment deferral, which is in line with the EU average.

Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

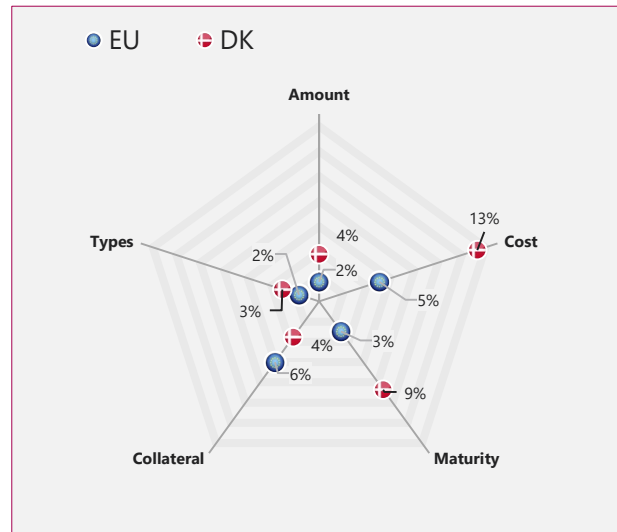
Base: All firms (excluding don't know/refused responses)

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that report having used external funding sources in 2020 are generally satisfied with the finance received, with the exception of two aspects. In Denmark, 13% of firms are dissatisfied with the cost of external finance, more than double the EU average (5%). A similar result stands out for firms' dissatisfaction with maturity (9% compared to an EU average of 3%).

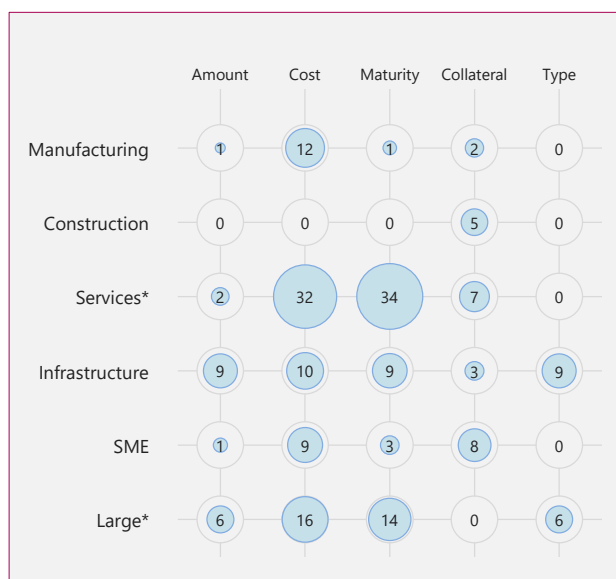
Danish firms report a slightly lower dissatisfaction with the collateral needed for external finance (4%) than the EU average (6%), while they show a broadly similar level of satisfaction with the type of finance.



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

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

## DISSATISFACTION BY SECTOR AND SIZE (%)



As mentioned above, overall dissatisfaction levels are low: the highest levels of dissatisfaction are mentioned by firms in the service sector and related to the cost (32%) and maturity (34%) of finance.

The construction industry reports lower levels of dissatisfaction compared to other sectors, with 5% of firms reporting dissatisfaction only for the amount of collateral needed to access finance.

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

\*Caution small base size

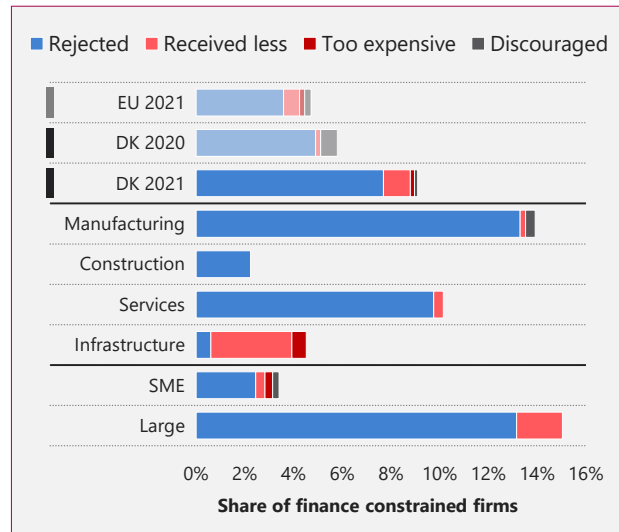
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

Around 9% of all firms in Denmark can be considered as external finance-constrained. This is slightly above what was reported in EIBIS 2020 (6%) and slightly above the EU average of 5%.

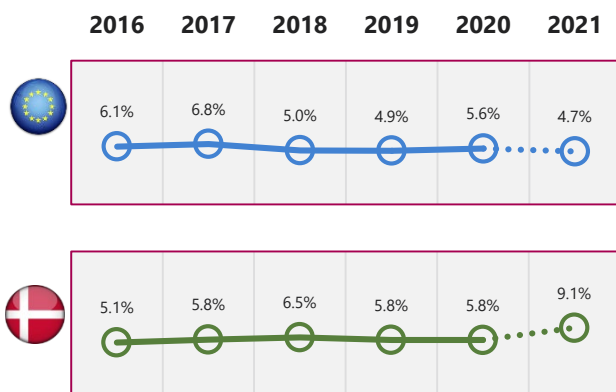
Manufacturing and services firms report higher financial constraints, mainly due to the rejection of finance. Moreover, 15% of large firms are financially constrained compared to just 3% of SMEs.



*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 who 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 share of finance-constrained Danish firms remained stable through all the EIBIS waves until EIBIS 2020, similarly to the share of finance-constrained EU firms.

However, more firms in Denmark report financial constraints (9.1%) in 2021 than any of the previous five years, unlike what is observed in the EU overall, where the share of finance constrained firms remained relatively stable in 2021.

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

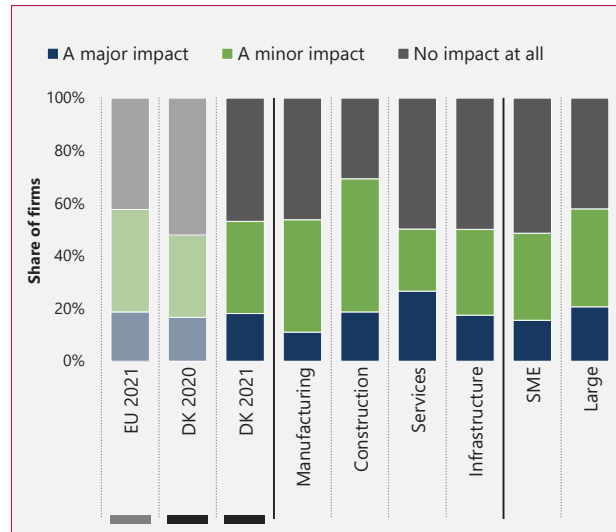
# Climate Change and Energy Efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

Around a half (53%) of Danish firms report that climate change has an impact on their business. This is in line with what was reported in EIBIS 2020 (48%) and with the EU average (58%).

Construction firms are the most likely to report that climate change is having an impact on their business (69%), while the services sector has the largest share of firms reporting it is having a major impact (27%).

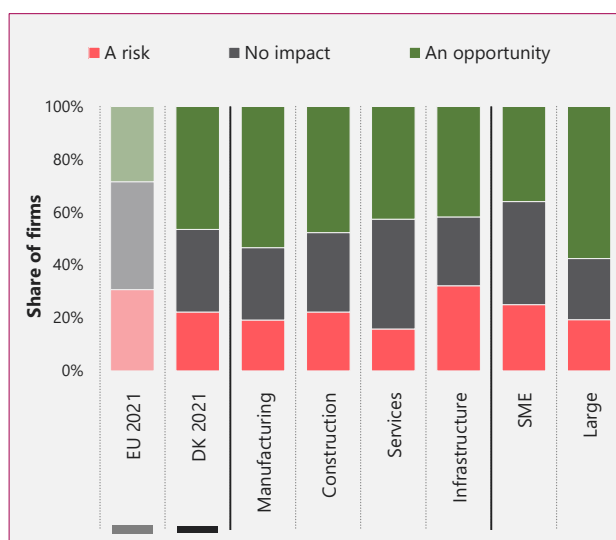
SMEs are slightly less likely (49%) to report that climate change has an impact on their activities than large firms (58%).



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

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

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



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)

Danish firms are starting to internalise the impact of the net transition to zero. Almost half of Danish firms (46%) see the transition to stricter climate standards and regulations as an opportunity, more than twice the share of Danish firms seeing the transition as a risk (22%). Danish firms (46%) are much more positive about the transition to stricter climate standards and regulations than EU firms (28%).

This is mainly driven by firms in manufacturing and by large firms. Firms in manufacturing (53%) are most likely to report transition to climate change standards and regulations as an opportunity, as opposed to 32% of infrastructure firms reporting it as a risk.

Moreover, large firms are more likely to see the transition to stricter climate regulations as an opportunity than SMEs.

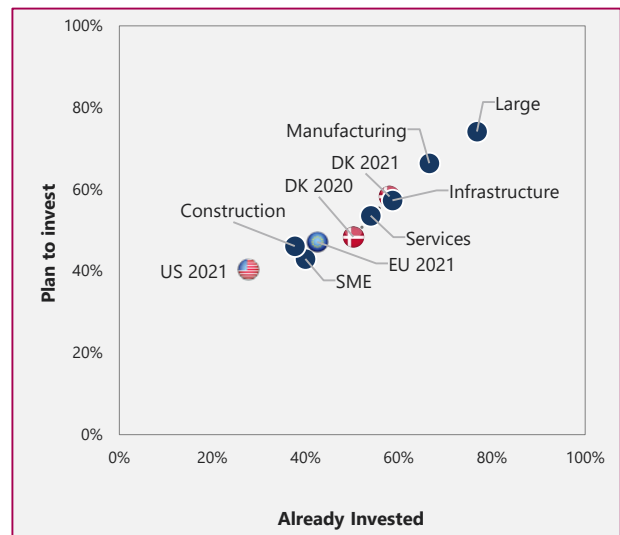
# Climate Change and Energy Efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

A larger share of Danish firms have invested to tackle climate change impacts compared to the EU overall (58% versus 43%). On average, 58% of Danish firms have plans to invest in the next three years.

The share of firms who have already invested and plan to invest has increased since EIBIS 2020.

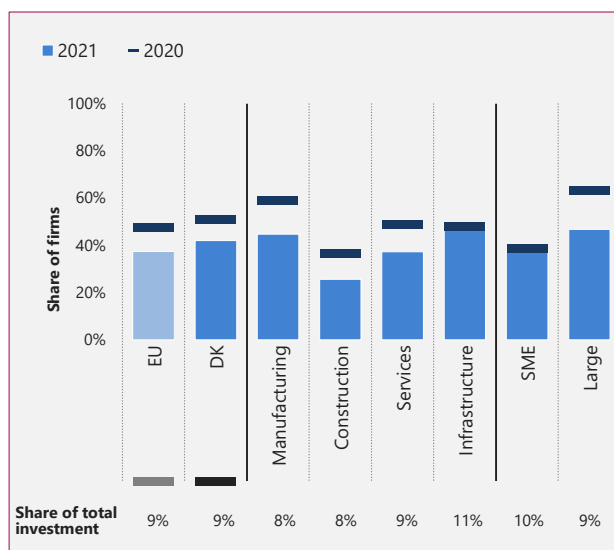
Large firms are not only more likely than SMEs to have already invested in tackling the impact of climate change (77% vs 40%) but they are also more likely to be planning on investing in tackling this issue in the next three years (74% vs 43%).



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)

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



Investment in energy efficiency was fairly widespread among Danish firms in 2020: 42% of Danish firms have invested in measures to improve energy efficiency, a value slightly below what was reported in EIBIS 2020 (51%) and slightly above the EU average (37%).

Construction firms were the least likely to have invested in measures to improve energy efficiency (26% versus other sectors ranging from 37% to 49%).

The share of total investment in improving energy efficiency did not exceed 10% across all sizes of firms and sectors, except for infrastructure where the average investment was 11%.

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 (for share of firms investing)

Base: All firms who have invested in the last financial year (excluding don't know/refused responses) (average share of investment)

# Firm management, climate targets, gender balance and employment

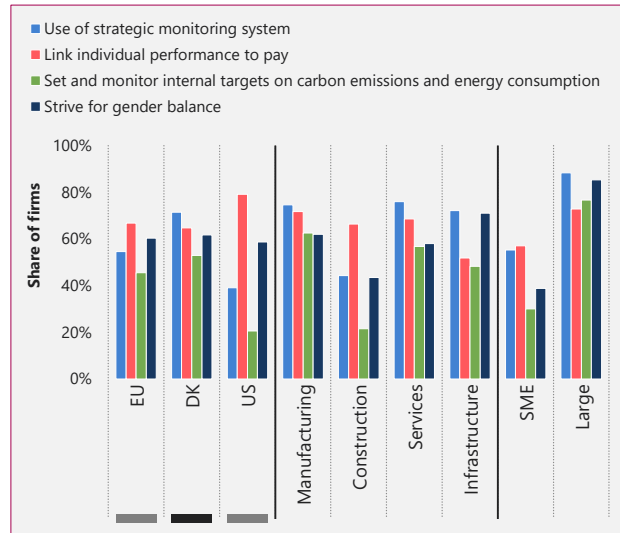
## FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

In 2020, Danish firms were more likely to be using a strategic monitoring system than the average EU firm (71% versus 55%). They were also more likely to set and monitor internal targets on carbon emissions and energy consumption (53% versus 46%).

Danish firms report having linked individual performance to pay (65%) and having strived for gender balance (62%), similarly to their EU peers (67% and 60%, respectively).

Large firms are more likely than SMEs to have implemented any management practice.

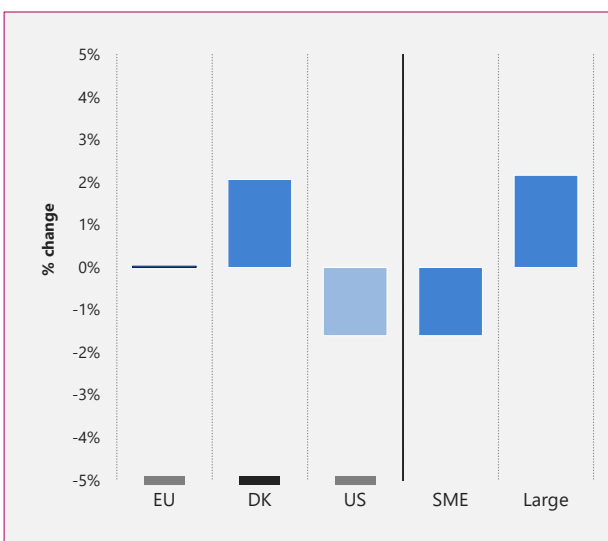
The construction sector is the least likely to have set and monitored internal targets on carbon emissions and energy consumption. Only 22% of Danish construction firms set and monitored carbon emissions and energy consumption.



Q. In 2020, did your company...?

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

## CHANGE IN EMPLOYMENT DURING COVID-19



Employment in Denmark has bucked the trend of the EU as a whole, increasing by 2% in 2020 compared to the stable employment observed EU-wide.

This is mainly driven by large firms reporting a 2% increase in employment against a 2% decrease of SMEs.

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2020, before the COVID-19 pandemic?

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

# EIBIS 2021 – 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	SME	Large	EU vs DK	Constr vs Manuf	SME vs Large
	(11920)	(802)	(480)	(145)	(103)	(114)	(116)	(416)	(64)	(11920 vs 480)	(103 vs 145)	(416 vs 64)
10% or 90%	1.1%	3.5%	3.4%	5.8%	6.5%	6.7%	6.7%	2.5%	6.4%	3.5%	8.7%	6.9%
30% or 70%	1.7%	5.3%	5.2%	8.9%	10.0%	10.2%	10.2%	3.9%	9.8%	5.4%	13.3%	10.5%
50%	1.8%	5.8%	5.6%	9.7%	10.9%	11.2%	11.1%	4.2%	10.7%	5.9%	14.5%	11.4%

## GLOSSARY

<b>Investment</b>	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.
<b>Investment cycle</b>	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.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	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).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.

# EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Denmark (carried out between March and July 2021).

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

Base definition and page reference	EU 2021/2020	US 2021	DK 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	480/480	145	103	114	116	416	64
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	479/479	145	102	114	116	415	64
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	469/461	140	102	112	113	408	61
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	476/NA	145	100	113	116	412	64
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	478/NA	145	103	113	115	414	64
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	478/480	144	102	114	116	414	64
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	474/0	144	99	113	116	410	64
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	472/466	143	102	111	114	408	64
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	463/452	139	99	111	112	401	62
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	354/329	105	78	81	88	309	45
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	480/480	145	103	114	116	416	64
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	479/NA	145	102	114	116	415	64
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	480/NA	145	103	114	116	416	64
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	464/452	138	102	111	111	402	62
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	480/475	145	103	114	116	416	64
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	463/NA	142	98	109	112	401	62
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	476/479	144	103	113	115	413	63
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	469/NA	142	99	112	113	406	62
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	473/459	141	103	114	113	412	61
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	393/396	120	87	87	97	342	51
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	400/400	122	89	88	99	347	53
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	349/349	99	86	75	89	301	48
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	480/480	145	103	114	116	416	64
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	122/128	38	29	18	37	101	21
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	116/127	34	29	15	36	96	18










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# Denmark

Overview

## EIB INVESTMENT SURVEY

# 2022