OECD Services Trade Restrictiveness Index (STRI): Denmark 2019

Denmark exported services worth USD 70 billion (1.2% of world services exports) and services imports amounted to USD 61 billion (1.2% of world services imports) in 2018. Sea transport is Denmark’s largest services exports and also the largest service imports category. Denmark’s score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 46 countries included in the STRI database for each sector. Denmark has a lower score on the STRI than the average in all sectors.

STRI by sector and policy area (2019)

Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia, South Africa, and Thailand. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2019.

Horizontal policy measures

A relatively favourable overall regulatory framework explains this. Denmark applies labour market tests for workers from countries outside the European Economic Area (EEA) seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Other measures that apply to all sectors are a restriction on the establishment of branches for companies from non-EEA countries unless a mutual agreement is in place. Rights of access to public procurement are limited to regional trade agreement partners and members of the WTO’s Government Procurement Agreement. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g., binding corporate rules or standard data protection clauses) are...
Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a business.

**The sectors with the relatively lowest STRI scores**

Telecommunication, logistics cargo-handling, and rail freight transport services are the three sectors with the lowest score relative to the average STRI across all countries. There are neither foreign equity restrictions nor a government owned supplier in the telecommunications sector, and the sector is regulated according to best practice principles. Logistics cargo handling is not subject to sector-specific trade restricting regulation. The rail freight transport sector is relatively open as well although the transfer or trading of infrastructure capacity is prohibited and certain types of railway agreements are exempt from competition law.

**The sectors with the relatively highest STRI scores**

Sound recording, air transport, and road freight transport are the three sectors with the highest score relative to the average STRI across all countries. In sound recording, non-EEA copyright holders’ rights are subject to reciprocity. Air transport is the only services sector in which Denmark employs foreign equity restrictions. As a result of the common European Union (EU) regulation on air transport services, non-EU nationals cannot own more than 49% in Denmark’s airlines. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector. Road freight transport is subject to EU regulation that requires EEA residence for the manager of a road transport operator and partly exempts road carrier agreements from anti-trust regulation.

**Recent policy changes**

The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018 providing a comprehensive update on the EU data protection regime. As of 2016, revised conditions, including on economic needs, apply for authorisations for the operation of storage facilities for the customs warehousing of goods pursuant to Regulation (EU) No 952/2013.

**Efficient services sectors matter**

Services account for 51% of Denmark’s gross exports, and more than 60% of its value added exports. The services share of inward investment is also high, reflecting a relatively open services trade policy stance. The ICT revolution opens new opportunities for inclusive growth in a services economy like the Danish. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Denmark could benefit from more open markets for services trade.

**More information**

» Access all of the country notes, sector notes and interactive STRI tools on the OECD website at [http://OECD/stri](http://OECD/stri)
» Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](http://OECD/stri)
» Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)