Government Strategy on Export Promotion and Economic Diplomacy

More trade. New jobs.

May 2014

The Danish Government
Government Strategy on Export Promotion and Economic Diplomacy

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Government strategy on export promotion and economic diplomacy

Denmark’s strong foundation

Denmark is one of the world’s leading export nations. Through the centuries, Danish companies and merchants have skilfully pursued opportunities in foreign markets. For a small country with limited sales potential in its domestic market, international trade opens the doors to an exponentially larger market. International trade thereby constitutes one of the most important keys to higher productivity and greater prosperity for Denmark.

International trade impacts Danish productivity and prosperity through a variety of channels, including: 1) the effects of increased competition, which makes Danish companies more productive, 2) better opportunities for specialisation in areas where Danish companies hold positions of strength, and 3) better access to new knowledge and development.

In 2013, Danish exports of goods and services totalled approximately DKK 1,021 billion, equivalent to roughly 55 percent of Denmark’s GDP. Around one in four jobs in Denmark is directly or indirectly linked to the export sector; in other words, approximately 725,000 Danish jobs depend on the ability of Danish companies to sell products, services, etc. abroad.

New challenges and new opportunities

Denmark’s foreign economic conditions are changing. The shifting epicentre of the global economy towards Asia, in particular, has altered Denmark’s international economic framework. The challenges facing Denmark include the combination of increased competition in knowledge-intensive sectors, relatively higher production costs and relatively more difficult access to the growing and distant sales markets. At the same time, Danish companies increasingly operate within international value chains and a growing share of Denmark’s economic activity takes place internationally.

Danish businesses can benefit from this increased globalisation, which also gives rise to new opportunities for linking development policy objectives, such as poverty reduction and sustainable development, with Danish commercial interests. Better and cheaper communication and transport enable companies to establish closer ties to the new global growth centres. The global product markets have grown more uniform; the same types of goods and services are often in demand across continents, increasing the market for Danish products. Similarly, the growing share of cross-border research and innovation activities gives Danish companies and institutions access to environments in other countries, increasing productivity and spurring the development of new products and processes.

The increasing wealth of emerging economies is also leading to growing middle class populations. Danish companies have a number of strongholds in this particular market segment, opening the door to significant global growth opportunities.

However, it is important to remember that the shift towards distant markets is not an either-or proposition:

Alongside the need for Denmark to take a forward-looking approach to new global economic realities and opportunities, it is equally important to ensure optimum conditions in traditional local markets, such as Germany, Sweden and the UK, as well as volume markets such as the United States and Japan. These markets continue to possess great purchasing power. Meanwhile, Denmark’s small and medium-sized enterprises (SMEs) often depend on the ability to make their first international forays in local markets, and many Danish companies export indirectly to the new growth markets as suppliers to large German export companies.
Government strategy on export promotion and economic diplomacy
Companies engaged in international trade are more productive than comparable companies and they also drive other companies to trade internationally. However, companies may face a number of challenges when entering a new foreign market. The Productivity Commission suggests that, in the interests of Danish society as a whole, public export subsidies should primarily address market failures and spill-overs. Governmental export promotion and internationalisation efforts can make the greatest impact in these areas, as such efforts have a clear focus on added value for Danish companies and the Danish economy as a whole.

Therefore, the Government considers one of its core tasks to be strengthening trade and exports by assisting Danish companies in global markets where the Danish state can deliver added value. This will contribute to creating the best conditions for Danish companies to compete internationally.

Another key objective of the Government is to strengthen economic diplomacy in general. Strengthened economic diplomacy will involve strategic and value-adding initiatives abroad to protect Denmark’s global economic interests, including efforts to impact market conditions for the benefit of Danish interests.

1. Addressing market failures and spill-overs enables exporting companies to create added value for society beyond the value they create for themselves. For example, the effect of a company establishing itself in a given market may facilitate access to that market for other Danish companies (The Productivity Commission (2013): Competition, internationalisation and regulation).
An ambitious new strategy
The Productivity Commission sees potential for bolstering Denmark’s productivity growth through increased international trade. The Commission also points to the lack of a comprehensive overview of the Danish state’s export promotion programmes and their impact. The various isolated efforts may result in an inexpedient use of resources and may make it more difficult for companies to determine which organisations they should contact. To address these issues, the Productivity Commission recommended the introduction of proposals for more efficient organisation and coordination of Danish export promotion efforts.

Building on the recommendations of the Commission, the Government hereby presents this new strategy for export promotion and economic diplomacy. The strategy will strengthen Danish export promotion efforts and the broader strategic economic diplomacy activities by supporting Danish companies in global markets.

The Government’s strategy
The Government’s strategy comprises the following nine overall measures with a total of 40 underlying initiatives.

1. Streamlining and coordination of export promotion programmes and easier navigation for companies
2. Strengthened inter-ministerial efforts for Danish economic interests globally
3. Strengthening Foreign Service contributions to growth and employment
4. Optimisation of Trade Council efforts in cooperation with the Danish business community
5. Global presence, focusing on growth and volume markets
6. Better cohesion between development aid and commercial efforts
7. Facilitating access to financing for companies
8. Boosting SME internationalisation and exports
9. A better framework for effective and business-oriented export promotion campaigns

Exports must be generated first and foremost by the Danish companies. Therefore, this strategy will be implemented in close cooperation with the Danish business community.
Measure 1
Streamlining and coordination of export promotion programmes and easier navigation for companies

Many Danish companies require assistance with making the leap from the local to the global market. It is important that these companies can easily identify the national export promotion programmes and be certain that they have contacted the correct authorities. Companies should be able to expect that they are receiving the service that best suits their needs.

Export promotion activities by the Danish state constitute about 600 full-time equivalents (FTE). Approximately 85 percent of these are based in government institutions and centralised; the Trade Council accounts for the largest share, with approximately 300 FTE. The state export promotion programmes, which supplement the Trade Council’s efforts, are primarily offered by the Regional Business Development Centres; these programmes help SMEs determine their export readiness and identify the relevant export markets that should be explored. Some municipalities have also established offices abroad offering internationalisation services. Together, these activities present a variety of options to companies seeking export promotion support from the public sector.

However, it appears that some overlap has emerged in the public export promotion programmes, adding complexity to the landscape of support options. The state, regional and municipal levels can all contribute unique competencies to providing Danish companies with custom solutions. Although export promotion activities at the municipal and regional levels comprise a relatively small share of Danish export promotion activities, they represent an important gateway for companies, as determining export readiness is often a step in their overall development.

The key is ensuring the coordination of all public-sector activities. A clear division of tasks between the various government bodies is essential. Strengthened coordination will ensure that these government bodies only provide export support in areas where they have the right competencies, thus ensuring companies a cohesive progression from determining their export readiness to meeting potential customers abroad.

The establishment of a unified export promotion structure in 2000 consolidated the state export promotion activities within the Trade Council, which operates under the auspices of the Ministry of Foreign Affairs, giving the Trade Council the advantage of a broad global presence. Thus, it is deemed most expedient to assign the Trade Council responsibility for state-financed export promotion activities in foreign markets. The state-financed advisory services revolving more around in-depth market knowledge than general business advice should be provided through the Trade Council or, where appropriate, in coordination with a specialised government body with competence in the given area. Thus, it is not deemed expedient for municipalities and regions to build competencies within their own systems for conducting activities in foreign markets.
Further, uniform conditions must apply to how companies use state-funded export promotion activities abroad, regardless of the state authority responsible for the activities.

The range of public export promotion services must be driven by a focus on added value for Danish companies and the Danish economy as a whole. Thus, government export promotion efforts must focus on services for which there are no well-functioning alternatives in the private sector; the focus must be on generating internationalisation and export growth that would not have occurred otherwise.

The emergence of a number of private-sector entities in the field of export promotion, including industry associations and trade organisations (whose export promotion activities represent nearly 200 FTE), provides new options for export-seeking companies. It is essential that the public-sector export promotion programmes focus on creating added value in relation to these private-sector programmes and on securing effective partnerships in Denmark and abroad.
The Government’s plan of action

To ensure streamlining and coordination of export promotion programmes and easier navigation for companies, the Government will launch the following initiatives:

**Eksportguiden.dk – an integrated portal to government export promotion programmes (1.1)**
A website will be established to give companies relevant information – depending on their position in the export value chain – on all state-funded programmes to promote exports and internationalisation. This comprehensive overview of government export promotion programmes will enable companies to secure the services that match their export needs. The website will be launched in early 2015.

**Strengthened coordination between government export promotion entities in Denmark (1.2)**
The Ministry of Foreign Affairs of Denmark will address the need for strengthened cooperation with the Danish regions and municipalities on internationalisation; this includes building on the existing strong cooperation with the five Regional Business Development Centres and sector clusters. An initiative to establish a structured inter-regional cooperation on internationalisation will ensure cohesive and sound advice for companies. As part of these efforts, the Trade Council will team up with the Regional Business Development Centres to offer an internationalisation programme featuring a coordinated process for SMEs, from local growth activities to the global export markets.

**Partnerships and collaboration with export promotion entities in the private sector (1.3)**
The Ministry of Foreign Affairs will strengthen cooperation with trade organisations and other private-sector entities in Denmark to avoid overlaps and to ensure that companies experience a smooth and logical progression between the various advising bodies. In the foreign markets, the Trade Council will strive to ensure the maximum effect of the Government’s global infrastructure by systematically exploring partnerships with relevant local entities, including legal and financing partners with expertise in areas that are typically important for Danish business activities in the given market.

**Better and more consistent impact assessment to ensure ongoing optimisation (1.4)**
To secure documentation of the effects and ongoing improvement of the Danish public-sector export promotion efforts, the Government, in dialogue with Local Government Denmark and Danish Regions, will establish relevant reporting and data collection requirements to ensure a continuous focus on measuring the overall impact of public-sector export promotion activities. Based on experience from current and past impact assessments of the Trade Council, the Regional Business Development Centres and the regionally funded export promotion activities, a measurement method for assessing all export promotion activities will be established. The measurement system will ensure that impact can be compared across different programmes and organisations and will be register-based without burdening companies.

**Establishment of a new advisory Foreign Economic Forum (1.5)**
The Government will establish a new Foreign Economic Forum to give advice on how Denmark can best tackle challenges in the global economy and take advantage of opportunities in international markets. This includes advising on initiatives relating to exports, investments and economic diplomacy, as well as the broader cooperation between government authorities to support Danish business interests internationally. The forum will be established in 2014 and comprise 25-30 representatives of companies, organisations, academia and ministries.
Measure 2
Strengthened inter-ministerial efforts for Danish economic interests globally

Companies can expect that all Government organisations will work diligently to cultivate relations abroad that can be actively drawn upon to open doors for Danish interests. Additionally, dialogue with public authorities in other countries will build trust and access with a view to positively influencing international framework conditions. A more integrated and coordinated Danish effort must take advantage of the interest abroad in Danish products, regulatory models and framework conditions.

From day one, the Government has prioritised the promotion of Danish commercial interests abroad. This priority has taken shape in numerous forms, including a new offensive trade policy strategy in 2013, with comprehensive efforts in areas of Danish strength, e.g. climate, energy, environment, research, food, health, welfare and tourism; the Government has also established new Danish innovation centres in selected growth markets. Meanwhile, public-private marketing consortia have contributed to the strong positioning of Danish competencies in relation to foreign stakeholders. All of these initiatives aim to make long-term contributions to Danish growth and employment through increased internationalisation of Danish businesses. Other Government initiatives in this regard include targeted efforts in relation to ten selected growth economies and three volume markets, as well as the Government’s growth plans in selected sectors where Danish business and industry holds established positions of strength.

The Government is now seeking to bolster its efforts with greater long-term focus on Danish commercial interests in selected markets. Such efforts will contribute to securing more long-term results relating to the internationalisation of Danish businesses. These efforts are in direct response to the fact that Denmark is lagging behind when it comes to trade with developing countries, e.g. in Africa – despite the leading competencies of Danish companies in a range of high-demand sectors in these countries. These competencies must be brought into play in connection with the promotion of economic development and responsible, sustainable investments in developing countries. Trust, access and influence will be cultivated through targeted sector collaborations with high-priority countries. Danish development aid will be increasingly used to strategically engage competitive Danish companies in creating growth and jobs – both in poor countries and in Denmark.

The Government will continue to conduct strong international efforts that are coordinated across the central administration. Going forward, Danish embassies, authorities and businesses constitute a strong and unified team in pursuit of global opportunities.
The Government will also continue to pursue an active trade policy and influence international market conditions for the benefit of exporting companies and the Danish economy. An open, fair and regulated free trade system is beneficial for Denmark’s export-oriented economy and for developing countries, thereby advancing Denmark’s development policy objectives. Denmark has a three-pronged approach in this respect: the multilateral track in the WTO; the bilateral track through the EU, where major trade agreements can provide significant advantages for Danish business and industry; and the company track, with a continuous push for better market access and for eliminating specific barriers in export markets. In line with its action plan for responsible growth, the Government’s trade policy emphasises respect for human and labour rights, environmental protection and anti-corruption, with CSR advisory services as an integral element of Danish export efforts, particularly in relevant growth markets.
The Government’s plan of action
To strengthen inter-ministerial efforts for Danish economic interests globally, the Government will launch the following initiatives:

**Growth counsellors in targeted markets (2.1)**
The Government will establish 15-20 “growth counsellor positions” in markets that particularly warrant strong Danish growth cooperation, including targeted and economically oriented cooperation with authorities. The majority of these positions will be established in developing countries, with a focus on growth economies, where the main objective is to promote sustainable and responsible economic growth. The growth counsellors will contribute to fundamental analyses for Danish companies in the market, while focusing, linking and driving the overall Danish efforts in close cooperation with Danish ministries and business community. The implementation of bilateral cooperation agreements will be a key aspect of this work. At the Danish representations, the growth counsellors will work closely with the political, development cooperation and trade departments.

**Funding for strategic sector cooperation (2.2)**
Based on experiences from the growth market efforts and development cooperation, funding will be apportioned for strategic sector cooperation projects in key markets. The funds will mainly target developing countries, with a focus on growth markets, but will also be available to support efforts in more traditional markets. The funds will be used for short-term, targeted efforts and longer-term sector cooperation projects, as identified by the embassies relative to demand in the country, Danish ministries and Danish business and industry. In the poorer countries, cooperation with authorities can help to advance the Government’s development policy objectives of poverty reduction and promoting growth, thereby contributing to sustainable development – and benefiting Danish trade with these countries in the long term.

**Better opportunities for market development and export of public sector-related services (2.3)**
The Government will actively take advantage of the opportunities for public and private cooperation for market development and the export of welfare-related and other public sector-related services. The Government will take steps to ensure that private entities gain access to the knowledge and expertise embedded in the public sector, facilitating public-private partnerships for the development of new products and services that the private sector can export abroad. The key export sectors in these efforts are: environmental, educational, health and welfare solutions. The Government will promptly address any barriers arising in connection with these efforts.

**The offensive trade policy must support Danish export companies (2.4)**
The Government will work to secure strong results for the benefit of Danish companies in the European Union bilateral free trade negotiations with the United States and Japan. Within the WTO framework, the Government will push to build on the progress made at the latest WTO Ministerial Conference in December 2013 and for the completion of a plurilateral agreement for trade in green goods and services. The Government will also identify the countries without established EU agreements with which Danish business and industry desires bilateral investment protection agreements. The Government will maintain a strong focus on breaking down specific trade barriers that export companies encounter abroad, not least in the growth markets.
Better utilisation of opportunities provided by the EU cooperation (2.5)
Denmark must take full advantage of its EU membership to create the best conditions for increased growth and employment in Denmark. The EU cooperation is of key importance to the framework conditions for Danish companies—in both Denmark and export markets. The Government will work to ensure that the EU focuses its efforts on initiatives and measures that directly create growth and employment in the EU, and to ensure that EU legislation is designed such that the pursuit of political objectives includes the greatest possible consideration of companies’ competitiveness.

Ensuring close practical cooperation—new export coordination group (2.6)
To ensure the best possible day-to-day cooperation in the Government’s support for the internationalisation of Danish business and industry, an overarching coordination group for exports and economic diplomacy will be established, with the participation of relevant ministries and authorities. This group, which will replace related forums for information exchange, including the growth market, business promotion coordination groups and the Go Global cooperation², will enable more targeted use of governmental visits and strategic bilateral agreements; meanwhile, better cooperation and follow-up throughout the Government and in conjunction with Danish companies will contribute to ensuring the full commercial benefits of these efforts.

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² The Go Global cooperation: The Trade Council, Danida, Denmark’s Export Credit Agency (EKF) and the Investment Fund for Developing Countries (IFU).
Measure 3

Strengthening Foreign Service contributions to growth and employment

Economic and commercial tasks are a key priority for the Danish Foreign Service. The aim is to establish closer ties between all areas of the Foreign Service and Danish business and industry, thereby enabling stronger support for Denmark’s overall growth-oriented activities. More strategic and value adding initiatives are required abroad to support the internationalisation of Danish companies and to ensure political and commercial influence for shaping market conditions favourable to Danish interests.

Economic diplomacy is a cross-organisational activity involving the entire Foreign Service, other ministries and authorities, and private stakeholders. It combines tools for pursuing foreign policy and economic objectives, thereby contributing to Danish growth and employment.

The Ministry of Foreign Affairs of Denmark will give greater priority to economic diplomacy. All instruments must be incorporated into the work of supporting Denmark’s economic and commercial interests internationally, and “the economic reflex” must be strengthened in all areas of the Foreign Service’s political work. This applies to: cooperation with companies and other partners; the marketing of Denmark and Danish positions of strength; the planning of development aid; consular work; the handling of political and economic issues on the European and international agenda; and the overall efforts to position Denmark optimally for securing a share of global economic growth.

This will make a visible impact on the Ministry’s commercial instruments, the Ministry’s international work with economic and commercial conditions, and in the Government’s joint, cross-organisational efforts in the foreign economic sphere, where stronger cooperation with authorities – in close partnership with Danish business interests – will reap greater benefits for the Danish economy and Danish companies.

These initiatives take place at a time of shifting global growth, as Danish companies’ activities turn towards new and distant growth economies. In this context, the division between public-sector decision-making and the private sector market economy is less clear. Meanwhile, in recent years many countries have increased their foreign services efforts to help their national businesses in global markets, intensifying the competition Denmark faces.

The Ministry of Foreign Affairs of Denmark’s organisational structure provides an excellent basis for bolstering the strategic and value adding initiatives abroad. At the same time, increased economic integration internationally is also increasing the economic, political and cultural ties between countries. As a result, stronger cooperation in one area can improve the possibilities of establishing cooperation in other areas, which also presents opportunities for influencing the host country’s policymaking in areas of importance to Denmark. Another key reality in many sectors is that the international business conditions for Danish companies are shaped by large global companies without any national affiliations. As part of the heightened priority of economic diplomacy
efforts, the Ministry of Foreign Affairs of Denmark will aim to ensure better interaction with these global companies to represent and pursue Danish interests.

For example, in 2011 the Danish Embassy in Beijing established a department for economy, growth and sector policies that primarily operates in the intersection between commercial priorities and contact with public authorities. This has resulted in a stronger sector policy focus in the Embassy’s work, including economic opportunities for Denmark in future sectors such as tourism and market regulation, as well as in relation to China’s rapidly growing provinces, with the systematic and close involvement of Danish authorities and the Danish business community.

Going forward, the Danish embassies will intensify the economically oriented cooperation with public authorities. The representations will increasingly identify demand for Danish solutions, e.g. in connection with the launch of major building projects. This requires close cooperation with the foreign public authorities, while cooperation with the Danish business community in foreign markets must be strengthened to ensure the greatest possible influence. The Ministry of Foreign Affairs of Denmark’s focus on economic diplomacy will also be supported by the development of the commercial and economic competencies of the staff.
The Government’s plan of action

To strengthen Foreign Service contributions to growth and employment, the Government will launch the following initiatives:

**Comprehensive action plan for economic diplomacy (3.1)**

In 2014, the Ministry of Foreign Affairs of Denmark will develop a detailed action plan for the Ministry’s increased focus on economic diplomacy, which will be presented to the new Foreign Economic Forum. The action plan will focus on strategic initiatives abroad aiming to 1) optimise existing and create future market opportunities, 2) ensure Danish influence and access, politically and commercially, and 3) attract knowledge and investments to Denmark. There will also be a focus on measures to promote economic and commercial competencies throughout the Foreign Service, including recruitment of business competencies to the Ministry Diplomatic Corps, recruitment in the business community for relevant positions, and stationing of staff in Danish and international companies. Work on the action plan, which supplements the initiatives in this strategy, will be conducted in close dialogue with Danish business and industry, relevant organisations and other ministries.

**Growth Councils at the Danish embassies (3.2)**

The Ministry of Foreign Affairs of Denmark will establish “Growth Councils” for a number of embassies in countries with significant potential for Danish companies. For example, these advisory forums may include 3-4 local representatives from the Danish business community and 2-3 representatives from Danish ministries/authorities that see a special export, investment and economic potential in the applicable country. The Growth Councils will support the embassies’ efforts with feedback on focus areas, commercial advice and targeted collaborations with public authorities, with a focus on cultivating future sectors with the potential for future Danish exports. The councils will be implemented as pilot projects at 3-5 representations, e.g. the representations in Brazil, France, South Africa, the United States and Vietnam, after which the initiative – depending on experiences in the pilot projects – could be deployed to 10-20 representations.

**New programme for commercial projects with significant potential (3.3)**

A two-year pilot programme will be established for “high-value projects” in order to identify and promote Danish solutions in large international projects. This will help Danish companies secure orders for major projects in sectors where Danish companies possess special experience and expertise. In connection with projects in developing countries, the focus will be on contributing to the economic development of these countries with sustainability and responsibility as key elements of the projects. The initiatives will be anchored at the embassies, with support from the Ministry of Foreign Affairs of Denmark and in close cooperation with Danish companies and ministries/authorities in the applicable sectors. The programme will focus on the building and energy sectors.

**Public diplomacy, press and visa administration for the benefit of Danish business and industry (3.4)**

In continued close cooperation, the Ministry of Foreign Affairs of Denmark, the Danish representations and the public-private marking consortia will conduct public diplomacy work in the foreign markets. These efforts will support Danish business activities and raise awareness of Danish business strengths through ongoing reputation management and consistent and focused communication. Efforts in relation to the international press will focus on profiling Denmark and Danish business strengths to the international public. The internationalisation of Danish business and industry will also be enhanced through visa policies, including continued intensive marketing of the Red Carpet programme for “fast track business visas to Denmark”, special visa programmes for foreign travel agencies, and further streamlining of visa application processing, including decentralisation of the authority to reject visa applications at the Danish representations.
Measure 4
Optimisation of Trade Council efforts in cooperation with the Danish business community

Companies, trade organisations and other partners must perceive the Trade Council as a professional and customer-oriented organisation that generates tangible results for Danish business and industry in global markets. The focus in coming years will be on ensuring optimum utilisation of Trade Council competencies dedicated to generating export growth. Key aspects of this focus include a stronger utilisation of the Trade Council’s comparative strengths in political-commercial advice and guidance, greater focus on long-term advisory collaborations, ensuring consistent high quality guidance, and targeted efforts in relation to CSR.

The Trade Council has undergone a process of professionalisation and the Danish organisation of national export promotion activities can serve as an inspirational model for other countries. More than 6,000 Danish companies each year benefit from international commercial advisory services from the Trade Council. The prevailing difficult economic conditions and heightened competition make it vital to continue the process of optimising Trade Council initiatives and organisation, thereby ensuring that these advisory services deliver maximum value and impact to companies. The Trade Council’s close collaboration with the Danish business community must remain strong. This collaboration takes many forms, including the Foreign Economic Forum, the Liaison Committee with the main trade organisations, the key account cooperation and continued focus on maintaining and developing strong commercial competencies among Trade Council staff.

A significant aspect of the professionalisation of the Trade Council has been the introduction of payment for specific tasks, which has qualified the demand for Trade Council services while enhancing focus within the organisation on the quality of these services. The Trade Council has a self-financing ratio of approximately 25 percent at present. However, there is a need to ensure uniform administration of the payment system throughout the organisation and Foreign Service, and a need to prevent inexpedient trends towards short-term activities and uncoordinated marketing. In 2013, the Trade Council implemented new tools throughout the organisation to ensure effective coordination of all enquiries to companies about market opportunities.

The primary objective of the Trade Council is to generate internationalisation and increased exports for the benefit of Danish companies and the Danish economy as a whole. Thus, it is essential to bolster the strategic aim of the Trade Council with targets that ensure a stronger focus on comparative added value and export impact.

The potential of the Trade Council’s close cooperation with the rest of the Foreign Service must be realised to a higher degree in the field of political-commercial advisory services (Global Public Affairs – GPA) – a field in which the Trade Council possesses unique competence deriving from its connection to the Danish state. GPA involves attending to Danish business interests in relation to: public authorities and political processes, political and private sector decision makers, risks, CSR
and trade policy challenges in foreign markets. GPA services are seen as holding the greatest revenue potential for the Trade Council; companies also view these services as providing the most added value.

Against this background, there is a need for a greatly intensified focus on GPA services, especially in light of the growing demand from Danish companies in global growth markets.

A new “net impact measurement” for the period 2001-2011 shows that Trade Council services provided to small companies made the greatest export impact relative to comparable companies, with continuous added growth of 4-8 percentage points in sales, value added and employment.

Given these findings, the Trade Council will focus on strengthening its GPA activities and long-term advisory collaborations, which make a particularly large impact for smaller companies.

The Trade Council will also take new measures to ensure effective coordination throughout the organisation of all enquiries to companies regarding market opportunities and to deliver more uniform service to companies.

To support this further, indicative prices will be defined for a range of standardised services. The Trade Council’s regional cooperation structure will also be strengthened in order to support coordinated marketing, better utilisation of sector knowledge and uniform high quality in Trade Council services. This will include a focusing of the Trade Council’s regional structure to support the aim of uniform customer service across comparable markets, which will contribute to ensuring constructive collaboration between the representations.

The Trade Council activities in the field of CSR include a cooperation with the Danish Commerce and Companies Agency since 2012, involving CSR workshops and CSR assessments for Danish companies and their local business partners in 18 countries, primarily in the Asian growth markets. And for the past four years, IFU has conducted CSR seminars in six regions in Asia and Africa. ILO will continue to play a special role in the CSR field; for example, Denmark supports ILO efforts for a responsible business environment in Myanmar.
The Government’s plan of action

To ensure continued optimisation of Trade Council activities, the Government will launch the following initiatives:

**Emphasis on political-commercial advisory services (4.1)**
The Trade Council will significantly intensify its focus on performing political-commercial services (Global Public Affairs – GPA) as an integral element of the prioritisation of economic diplomacy throughout the Ministry of Foreign Affairs of Denmark and the Government. The shift towards more GPA services will be supported by more strategic target management in the Trade Council, as described below.

**More strategic management with a focus on comparative added value and impact (4.2)**
The Trade Council will support the shift towards export impact through an adjustment of its strategic target management, beginning in 2015. In addition to the earnings target, additional targets will be set for 1) GPA services, as the Trade Council will aim to increase the share of GPA services from approximately 19 percent of commercial activities in 2013 to 30 percent in 2017 and 40 percent in 2020; and 2) long-term advisory services, as the Trade Council will aim to increase the share of long-term advisory services exceeding 35 hours from approximately 33 percent of all tasks (exceeding 3 hours) in 2013 to 37 percent in 2017 and 40 percent in 2020. Impact measurement tools will also be developed to better identify differences relating to markets and specific services; these tools will be supplemented with increased use of measurements of “contract value” for companies in the applicable markets and more qualitative impact analyses.

**Ensuring uniform high quality in paid services (4.3)**
The Trade Council will ensure better preliminary identification of companies’ needs through a new customer dialogue process. Indicative prices will also be defined for a range of standardised services. In addition, the pricing of a range of the more complex Trade Council services will be monitored to contribute to professionalising and streamlining price quoting processes throughout the organisation. Structured monitoring of the pricing of comparable services on a regional level will ensure that the payment system is administered uniformly throughout the organisation and Foreign Service. Thus, no changes will be made in the range of free Trade Council public services.

**Strengthened regional cooperation in relation to quality, marketing and sector knowledge (4.4)**
The Trade Council’s current regional partnerships will be streamlined into approximately 20 uniform market partnerships. Each of these market partnerships will be based on common earnings targets and headed by a stationed trade staffer to ensure more coordinated customer contact and uniform high quality in the services. A new regional marketing function will also be established, tentatively in approximately six to eight larger regions, with the aim of spreading awareness and knowledge in the Danish business community regarding market opportunities in the applicable region. In response to growing demand among companies for specialised sector-specific advisory services, a pilot project involving new regional advisory teams will be conducted within priority sectors (environment and water, health and welfare, climate and energy, creative industries and design, and sustainable food).

**Intensified CSR support for Danish companies in growth markets (4.5)**
In 2014, the Trade Council’s CSR advisory services will be expanded with establishment of “CSR clubs” in a range of markets with a pronounced need for broad and in-depth advisory services. In connection with the CSR Awards 2014, the Trade Council, Danida and IFU will present a CSR award to a company that has made an extraordinary effort to promote CSR abroad with the use of Danish technology or knowledge.
Measure 5
Global presence, focusing on growth and volume markets

The Foreign Service’s global presence must provide the best possible support for Denmark’s international economic activities and opportunities and companies must have a clearer understanding of the commercial services they can expect from Danish representations around the world. This requires a strong prioritisation of a commercial presence based on market potentials and delivering added value, as well as a differentiation of the various forms of Trade Council presence.

As of 1 January 2014, Denmark had 111 representations abroad, the majority of which are embassies, general consulates, trade councils and innovation centres, in addition to approximately 450 honorary councils and six regional IFU offices. As a fully integral part of the Danish Foreign Service, the Trade Council has operations at 64 representations in 50 countries. The Trade Council’s global organisation comprises 258 commercial advisors – 57 stationed staff and 201 locally employed staff – located at embassy trade departments, the trade councils and the innovation centres. At embassies without Trade Council staff, the ambassador performs commercial tasks, including political-commercial advisory services with contact to public- and private-sector decision makers (GPA).

In connection with the economic and political shift away from Europe towards new growth centres and the emphasis on economic diplomacy, the Government initiated a reform of the Danish representation structure in 2014. In connection with this process, the Ministry of Foreign Affairs of Denmark consulted with an external reflection group comprising representatives from the Danish business and academic communities.

The reform reflects the need for the Ministry of Foreign Affairs of Denmark to be increasingly oriented towards Danish commercial interests, in light of the export sector’s contribution to the Danish economy. Given that many Danish companies are turning towards distant and more challenging markets, the Government has decided to prioritise a strengthened presence in these markets. This should also be seen in connection with strengthened economic diplomacy as a response to the decision-making structures in a number of growth countries, which pose particular challenges in facilitating cooperation with local authorities and supporting the market ventures of private stakeholders.

The Government has also prioritised continued strong export promotion activities in traditional local markets, as a physical presence in these markets is also vital to achieving results and promoting Danish economic interests. Furthermore, the reform aims to ensure that development cooperation can make a stronger contribution towards opening the doors to opportunities for Danish exports and investments.
Going forward, the Trade Council will work more systematically with analyses of market and sector data relating to Danish positions of strength. These enhanced forecasts of Danish potentials in export markets, in combination with close dialogue with the Danish business community, will form the basis for a dynamic allocation of trade promotion staff among Foreign Service representations.

Beginning in 2015, the Government will operate with a division of representations into different types of presence, providing greater clarity about the range of services Danish companies can expect from a given representation. It is important for the Trade Council to strike the right balance between a broad presence, which can present challenges in relation to specialisation and quality assurance due to limited staffing at the representations, and the continued need to shift resources to new and distant markets.
The Government’s plan of action

The Government will launch the following initiatives to better prioritise the global presence, with a focus on growth and volume markets:

**Increased growth-orientation in Denmark’s embassy network (5.1)**
In 2014, the Government is opening embassies in Nigeria, Columbia and the Philippines – the three countries previously without Danish representation with the highest anticipated market growth from now until 2020. An embassy will also be opened in Myanmar and a trade council will be opened in Lagos, Nigeria. A number of existing representations will also be strengthened, with a focus on Danish economic and commercial opportunities in China, southern Africa with a focus on Angola, Peru, Turkey and Erbil, a pocket of growth in Iraq. The new representation structure includes the allocation of more than DKK 25 million annually to activities in new growth markets and provides stronger Danish access to markets with a total population of approximately 300 million people.

**Prioritisation of the most important growth markets and key volume markets (5.2)**
The Government will continue the high prioritisation of Denmark’s economic engagement with ten growth countries, which from now until 2017 are expected to account for 60 percent of global growth and are considered to represent a good correlation between demand and Danish strengths. As part of these efforts, the Trade Council will aim to strengthen its presence in these ten high-priority growth markets, as well as other challenging and distant markets, with 15-20 trade promotion staffers during the period 2014-2017. Added emphasis will also be placed on export and growth initiatives in key volume markets, with specific action plans for efforts in relation to Germany, the United States and Japan.

**Continued dynamic and data-driven prioritisation of a global presence (5.3)**
In the coming years, the Ministry of Foreign Affairs of Denmark will continue the dynamic shift in the presence of trade councils towards new and economically interesting markets, with ongoing consideration of additional forms of flexible presence. The Trade Council will also strengthen the decision-making platform for the allocation of trade promotion staff through a more systematic use of market- and sector-specific export potential analyses.

**Differentiation of the Trade Council’s presence (5.4)**
Beginning 1 January 2015, the Trade Council will operate with three types of presence: 1) Full service – representations that can deliver the full range of commercial advisory services to companies and with specialisation in a number of sectors; 2) Basic service – representations that primarily deliver selected solutions and typically with a lower degree of sector specialisation; and 3) Ad hoc service – representations without dedicated trade promotion staff, which can primarily perform political-commercial tasks on an ad hoc basis and often in cooperation with the Ministry of Foreign Affairs of Denmark in Copenhagen or via the appropriate regional cooperation.

**Strengthened global presence and innovation efforts (5.5)**
With the 2013 establishment of three new Danish innovation centres in São Paolo, Seoul and New Delhi, combined with the existing centres in Munich, Shanghai and Silicon Valley, the Ministry of Higher Education and Science and the Ministry of Foreign Affairs of Denmark have bolstered Denmark’s access to, and cooperation with, leading innovation and research environments in central knowledge and growth centres, as well as strengthening the integration of export and innovation promotion activities. In 2014-2015, the Ministry of Higher Education and Science and the Ministry of Foreign Affairs of Denmark will also strengthen innovation efforts with a satellite presence at the embassy in Tokyo, Japan.

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3. Brazil, Russia, India, China, South Korea, South Africa, Vietnam, Turkey, Mexico and Indonesia.
Measure 6
Better cohesion between development aid and commercial efforts

Drawing on their commercial positions of strength, Danish companies can make significant contributions to solving key challenges faced by developing countries, boosting sustainable growth and job creation in these developing countries and in Denmark. The Government will focus on strengthening the cooperation between Danish companies and developing countries with growing economies by actively seeking to secure opportunities for Danish business and industry in these countries.

Trade, investment, technology transfer and private sector development are increasingly in demand by developing countries seeking to be integral part of global trade. The significant growth in a number of developing countries, including in Asia and Africa, creates commercial opportunities in new markets that have not traditionally been in the sights of most Danish companies and where other EU countries have been comparatively faster at exploiting export and investment potential. Technologically, Denmark is at the forefront of a number of sectors of great relevance to developing countries, including energy efficiency, the pharmaceutical industry and the water sector.

Thus, considerable and mutual benefits are to be had by increasing the engagement of Danish businesses in developing countries whose demands match Danish products by helping Danish companies overcome barriers they may find too daunting to tackle alone. This is reflected in the fact that Danish companies are increasingly seeking advisory services relating to the new market opportunities.

With decades of experience from development cooperation activities, the Ministry of Foreign Affairs of Denmark and IFU possess knowledge about countries, political insight, sector-specific knowledge and networks that can be transformed into business opportunities and added value for Danish companies, while also supporting positive growth in developing countries. The ambitions of a stronger connection between development aid and commercial efforts require a merging of these activities wherever possible, including: the ability to take advantage of political relations to promote Danish values and know-how to decision makers; bilateral and regional development aid, including sector collaborations and efforts to improve framework conditions – an important part of the Danish cooperation in these countries; and, lastly, commercial advisory services for Danish companies.

The dual demand from developing countries and Danish business and industry enables a combination of development policy objectives, including poverty reduction through green growth and integration in world trade, with the aims of increasing exports and internationalisation of Danish companies. In recent years, Denmark has intensified its focus on contributing to green growth and employment through aid programmes and Danida’s Business Instruments.
In some developing countries, the primary objective remains poverty reduction. In other developing countries with high growth rates, but where Denmark has not yet taken advantage of the strong relations stemming from decades of development aid, there will be an intensified focus on both development and trade.

The initiatives presented in the following section are supplements to other new initiatives in this strategy with a stronger cohesion between development and commercial activities, including new growth counsellors and a joint programme for export promotion campaigns. The implementation of these initiatives will depend on: the needs and demand in a given country, the Danish sector-specific initiatives and aid instruments, and companies’ competencies and demands.

The Government’s plan of action

The Government will launch the following initiatives to strengthen the cohesion between development aid and commercial efforts:

A single gateway to advisory services regarding new markets (6.1)
Danish embassies in priority countries for development cooperation will be strengthened as one-stop-shops for business advisory services, thereby bringing Danish companies into play, either in purely commercial ventures with Trade Council services, via Danida’s Business Instruments and other relevant programmes, or in synergies between existing instruments.

Help with taking the first steps into new markets (6.2)
Both the circle of countries and funding will be expanded for the project development facility “Danida Business Explorer”, which supports companies’ preliminary exploration of business opportunities to meet the development needs of developing countries. Previously the facility was limited to Denmark’s priority countries, but will now be expanded to countries within Danida’s income limit (USD 3,268) and where there is a Danish representation. As a result, this will enable market analysis activities in Nigeria and the Philippines.

Establishment of an Agricultural Investment Fund (6.3)
An agricultural investment fund will be established to contribute to profitable and sustainable projects in agriculture and food processing in developing countries, while also creating good investment and contracting opportunities for the Danish resource base in agriculture and food-related industries and services. It is expected that IFU will administrate the fund, due to its experience from the Investment Fund for Central and Eastern Europe and because IFU is expected to be capable of creating added value by mobilising private capital for the fund.

Danish companies involved in the improvement of infrastructure in developing countries (6.4)
Danida Business Finance (DBF) contributes to risk sharing and financing solutions and brings Danish companies into play in the delivery of sustainable infrastructure solutions. The circle of countries in DBF will be expanded to match those which are in IFU and have a Danish representation. Increased flexibility in the use of the instrument will be secured through the division into two avenues, DBF Classic and DBF Fast Track, where the latter involves a collaboration with EKF to provide better conditions for Danish companies wishing to bid on public-sector building contracts in developing countries that are subject to requirements on sustainable lending. Danida Business Finance will also be able to support the development of high-value projects in developing countries (see initiative 3.3).
Measure 7
Facilitating access to financing for companies

Access to financing constitutes a major challenge for Danish companies seeking to export to or invest in other countries, while such access is a key competitive parameter for Danish companies. The Government intends to give Danish companies increased access to – and advisory services regarding – both public and private financing opportunities.

Internationally oriented companies often operate with an integrated financing, investment and export strategy for access to new markets and the orchestration of more efficient global production. In developing markets, IFU has carried out investments with more than 500 Danish companies in 85 developing countries, the vast majority of which have increased the revenue and earnings of the participating Danish companies. In view of the high demand for IFU’s investment solutions and strong Danish demand for solutions in Latin America, IFU will establish an office in the region and, in collaboration with the Ministry of Foreign Affairs of Denmark, launch additional new initiatives, including the establishment of a new Agriculture Investment Fund (initiative 6.3) and a new investment facility in relation to Ukraine.

The Government is aware that securing financing for export projects with longer time horizons may remain a challenge, even in spite of the support of a guarantee from Denmark’s Export Credit Agency (EKF). This can pose challenges to Danish exporters and their suppliers, with consequences such as Danish companies losing out on orders to foreign competitors that can offer a better comprehensive financing solution to their customers.

It can be difficult for Danish exporters and their customers to establish a full overview of the available financing opportunities in Denmark and internationally. Therefore, in 2013 EKF and the Trade Council established a joint advisory service comprising a team in Copenhagen and seven selected growth markets to assist Danish companies with advice on export financing. The financing advisors help Danish companies and their foreign customers identify relevant financing solutions in the areas of export credit, credit insurance, assistance, multilateral sources and investment guarantees. This applies to both private and state financing solutions.

For some companies, especially SMEs, there will be advantages to selling a minority stake to secure market access through their new investors. On the other hand, many foreign manufacturers/companies in countries such as China and the United States can see a potential for advanced Danish solutions in their markets. These companies are often well capitalised and have targets for strategic acquisitions of companies with niche products that can supplement their existing product range.

However, Danish companies are not always able to identify such investors. The Ministry of Foreign Affairs of Denmark’s global representation structure provides good opportunities for facilitating these partnerships. Danish companies seeking an injection of foreign capital are thus brought into play as potential partners and investment targets for foreign investors. This can facilitate many Danish companies’ access to foreign capital, thereby improving their growth and export potential.
The Government’s plan of action

To facilitate Danish companies’ access to export financing, the Government will launch the following initiatives:

**Export loan programme (7.1)**
The Government will extend the Export Loan Programme (ELO) an additional 5 years to 2020, giving Danish exporters an opportunity to offer a competitive and comprehensive financing solution for their customers. At the same time, the Export Loan Programme will become an integral part of EKF’s core activities and borrowers will have expanded options for paying off loans ahead of schedule. This ensures greater flexibility in the solutions Danish exporters can offer their customers.

**Strengthened IFU presence in Latin America (7.2)**
Danish companies have a growing focus on Latin America as a target for direct investment and establishment of operations. To meet this interest, in August 2014 IFU will open a new regional office in Bogota, Columbia, which is planned to be located together with the new Danish embassy.

**Establishment of a new investment facility for Ukraine (7.3)**
In cooperation with IFU, an investment facility will be established in Ukraine to contribute to promoting growth, employment, and the involvement of SMEs in Ukraine. The facility’s investments will support the investment and export interests of Danish companies.

**Financing advisor in the United States (7.4)**
Based on the positive experiences with the Trade Council’s and EKF’s joint financing advisory services programme, the programme will be expanded in 2014 from seven to eight markets with the appointment of a financing advisor in the United States (New York).

**Growth capital for SME exports (7.5)**
In 2014, the Trade Council will launch a pilot project for shared ownership as an export strategy for SMEs. The Trade Council will assist Danish SMEs with sales of minority stakes to strategic foreign investors. This not only secures risk capital for Danish SMEs to expand to the given market, but also provides market knowledge, access to existing distribution channels, etc. If the pilot project proves successful, similar projects could be developed, e.g. for small, technology-driven companies, with the Danish innovation centres as the focal point – a project that would be particularly relevant for the centres in Silicon Valley and Shanghai.
Measure 8
Boosting SME internationalisation and exports

Small and medium-sized enterprises (SMEs) represent more than 95 percent of all Danish companies. SMEs account for a limited share of Danish exports and the prospects for SME export growth in the coming years are lower than for larger companies. However, the Trade Council has a special duty to contribute to the realisation of the export potential of SMEs. Thus, it is a priority for the Government to help more SMEs get started with exporting and to help boost SME exports.

Public-sector export promotion must help Danish companies overcome market barriers in foreign markets. Small companies can face special challenges, as they do not possess the necessary resources to overcome even minor trade barriers. Therefore, the Trade Council has a special duty to promote the internationalisation of Danish SMEs, innovative growth companies and entrepreneurs with initiatives including partial subsidy programmes with co-payment by the companies.

A “net impact measurement” for the period 2001-2011 shows that Trade Council advisory services for SMEs have made a positive impact of 4-8 percentage points compared with corresponding SMEs that did not receive Trade Council services. Measurements also show that long-term advisory collaborations provide greater impact for small companies compared to short-term collaborations. For example, the long-term Vitus programme for SMEs generated more than DKK 225 million in export orders and 180 export jobs according to the 90 companies that have completed the programme since 2011, with a total of DKK 30 million in support.

For many SMEs, it would be relevant to export to the local markets. Local markets are also a relatively simple place to build relevant international experience. When working with more difficult markets, the Trade Council’s task is to ensure that effective screening is a part of the advisory services for small companies.

Therefore, in dialogue with the Regional Business Development Centres, the Trade Council will bolster the preliminary advisory processes and ensure coordination and cooperation to secure maximum utilisation of the knowledge and competence possessed by the Regional Business Development Centres, including that relating to the local business community. The Trade Council will implement heightened efforts to reach the SMEs that are not yet aware of these opportunities, including information activities with the Regional Business Development Centres and the local Business Councils. The Trade Council’s domestically stationed staff at the Regional Business Development Centres will be key entities in this regard. Better advisory services and screening will result in greater value creation for companies that choose to embark on export activities. The local advisory programmes operated from the Regional Business Development Centres provide a natural gateway to export promotion programmes for a wide range of SMEs. A point of emphasis will be the potential for achieving greater value through long-term advisory collaborations with SMEs that have not previously exported.
The Trade Council is also seen as capable of making a positive impact for Denmark’s medium-sized companies, which only utilise its services to a limited extent at present. The Trade Council will intensify its focus on this group of companies to support their leap to becoming entities in the export markets. For both groups of companies, the Danish innovation centres abroad will also be able to assist with the identification of new applications for technologies and products, thereby finding new markets without major costs.

A stronger link will also be established and maintained between the national and international research and innovation promotion activities. The 22 national innovation networks provide Danish SMEs with a shortcut to international knowledge and innovation cooperation. The innovation networks’ cooperation with leading international clusters and knowledge environments must be strengthened, as this has proven to be an effective model for the involvement of Danish companies in international knowledge collaboration, including in the European Union research and innovation programmes. These efforts must be targeted to Danish growth areas with untapped opportunities for knowledge and development cooperation between groups of Danish and foreign companies and knowledge institutions.
The Government’s plan of action

To ensure that a greater number of SMEs internationalise and increase their exports, the Government will launch the following initiatives:

**SME programmes with a focus on value creation through long-term collaborations (8.1)**
Beginning in 2014, the Trade Council is implementing a new SME policy with a focus on holistic thinking, value creation and flexibility. This will ensure greater value for SMEs through new and revised programmes and through long-term export and innovation advisory collaborations. The aim is to extend the duration of these collaborations by 50 percent on average, with a greater export impact for the participating companies.

**Strengthened preliminary sector advising and export preparation of SMEs (8.2)**
A stronger domestic effort in needs analysis and screening will improve the practical assistance provided in the export markets. Thus, the Trade Council will strengthen the sector advisory services for SMEs and the collaboration with the Regional Business Development Centres. Taking into account the fact that advisory services solutions must address the companies’ individual challenges and needs, the Trade Council will also maintain an ongoing focus on consolidation and streamlining of its services, including internal follow up processes and dialogue with the five Regional Business Development Centres. A new process for customer dialogue implemented in 2013 consolidated the range of services offered; this process will continue in connection with the establishment of eksportguiden.dk (see initiative 1.1).

**Heightened focus on medium-sized companies (8.3)**
The Trade Council will increase its focus on the export promotion needs of medium-sized companies. A key element in this regard will be the pilot programme for high-value projects, which offers special opportunities for this group of companies. The Trade Council will also offer new targeted advisory collaborations for companies with up to 250 employees and DKK 375 million in annual sales, with a special focus on addressing the challenges medium-sized companies face in relation to political-commercial advice and guidance, access to financing, innovation, business development, etc.

**Strengthened international innovation cooperation through innovation networks (8.4)**
The Ministry of Higher Education and Science will support innovation networks and other Danish cluster organisations that can document the establishment of new innovation partnerships between Danish and foreign companies. Funds will be available for conducting new innovation and internationalisation activities for member companies, particularly SMEs. The international efforts of the innovation networks will be carried out in close cooperation with the Danish innovation centres, the Trade Council and Invest in Denmark.
Measure 9
A better framework for effective and business-oriented export promotion campaigns

Collective export promotion campaigns contribute to the internationalisation, competitiveness and export sales of companies. These promotion activities constitute an important tool for Danish companies seeking to enter new markets or to maintain and develop contacts in existing markets. Official export promotion campaigns headed by a member of the royal family or a minister also represent an important platform for broader marketing of Denmark and Danish competencies. A public-private partnership for official export promotion campaigns will contribute to enhancing the impact of these activities.

The Government intends to strengthen and innovate the collective export promotion activities for the benefit of Danish companies. Collective export promotion campaigns contribute to advancing Danish companies’ access to export markets by providing companies with knowledge about market opportunities and business conditions, by establishing contacts with business partners and by taking advantage of the benefits associated with joint participation in a promotional activity, including visibility in the market and the exchange of knowledge, ideas and experiences between companies.

At the same time, developing countries are increasingly seeking trade growth and integration into the global economy. Technologically, Danish companies are at the very forefront of a number of sectors of great interest to developing countries, including the pharmaceutical industry and the water sector. Therefore, it will be mutually beneficial for Denmark to strengthen trade with developing countries through the collective export promotion campaigns and Danida’s other business initiatives. Strengthening the funding for collective export promotion campaigns will contribute to ensuring stronger efforts in relation to growth markets and business partnerships with developing countries.

The programme for collective export promotion campaigns, under the auspices of the Trade Council, offers subsidies of up to 50 percent of the costs of planning and conducting these activities. Subsidies for the participation by companies in collective activities are especially beneficial for SMEs. Therefore, the participation of SMEs will continue to be a prerequisite for granting these subsidies. Around 100 collective export promotion campaigns are conducted each year, with the participation of approximately 1,200 companies, of which nearly 60 percent are SMEs. According to ongoing measurements, an average of 87 percent of the companies are satisfied or very satisfied with their participation in these activities.

As part of the export promotion campaign programme, 6-7 major official Danish activities will be conducted annually in close cooperation with the trade organisations, with a member of the royal family or a minister heading an export promotion campaign. In addition to a specific commercial focus, these official activities also
play an important role in relation to the broader marketing of Denmark. Linking Danish commercial interests with Danish culture and creativity also takes advantage of the current wave of great interest in Danish film, television, literature, design, architecture, music and cuisine.

Danish and/or Nordic “sells” and has a positive marketing spill-over effect for Danish exports in general and Denmark’s ability to attract foreign investment, etc.

Major cultural events will therefore remain an integral part of the platform in collective export promotion campaigns.

It is essential that Danish businesses gain significant returns from these activities. Therefore, the work involved with these activities will be carried out in even closer dialogue with the companies, trade organisations and other partners.

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The Government’s plan of action

To create a better framework for effective export promotion campaigns, the Government will launch the following initiatives:

**Joint export promotion campaign programme (9.1)**

Based on the current programmes, Danida and the Trade Council will establish a joint export promotion campaign programme with the aim of promoting Danish companies’ exports, internationalisation and trade with developing countries and other countries. The programme will comprise two tracks: 1) traditional export promotion campaigns, which includes activities in non-DAC countries and 2) Danida Business Delegations, which will operate in DAC countries with Danish representations and according to development criteria in response to demand in these developing countries. The joint export promotion campaign programme will also include a significant increase in the funding available for collective export promotion campaigns. A joint export promotion campaign programme will contribute to strengthening the coordination between development activities and commercial interests, thus benefiting Danish business and industry while also meeting the wishes of developing countries for increased trade and investment. The programme will support better coordination with, and involvement of, the resource base in the field of development aid, Danish trade organisations and companies in the planning and execution of joint delegations.

**New partnership for official delegations (9.2)**

Through a public-private partnership, a new team will be established in the Ministry of Foreign Affairs of Denmark with the purpose of ensuring efficient and effective official export promotion campaigns on both the strategic and operational levels. The partners will include the Ministry of Foreign Affairs of Denmark and relevant trade organisations with an interest and desire to actively contribute to the unit for official export promotion activities in the form of staff resources or financial contributions. The team will be based in the Trade Council and will be headed by an experienced employee from the Ministry of Foreign Affairs of Denmark. The unit’s primary tasks will be to support embassies and other representations in the preparation and execution of official export promotion campaigns, while collecting knowledge and experience to ensure ongoing improvement of these official activities for the benefit of Danish companies.
Government Strategy on Export Promotion and Economic Diplomacy
More trade. New jobs.

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