

# Abstract

The purpose of the following thesis is to through the academic approach of the hypothetic deductive method answer the posed problem statement:

**Why is Denmark an attractive investment destination for Chinese companies?**

* **How can it possibly be beneficial for a nation like China to cooperate with a nation as vastly different as Denmark is?**
* **What particular resources make Denmark an advantageous investment partner?**

To carry out this process, an extensive and selective search for reliable and up to date empirical data has been carried out. During this process, primary empirical data for specific use in this thesis has even been developed through questionnaires. The selected empirical data has afterwards been used in an analysis based theories that have been through an equally critical selection process.

The first part of the analysis is based on the theory “The Stages of Economic Growth” by Rostow. This analysis, based on this particular theory, is intended to clarify the developmental stages of the two nations in question to thus better understand the incentive for China to cooperate with Denmark. The analysis reveals that China is present on the developmental stage of “The Drive to Maturity” which represents a nation in transition from being a developing country to becoming more developed in terms of both economy, industry, politics, welfare system etc. The analysis reveals Denmark to be present on the developmental stage of “High Mass Consumption” indicating that Denmark is a highly advanced nation that is as good as fully developed in all areas. Having these particular stages revealed, it becomes apparent that Denmark is present on the exact stage that China desires to excel to. Moreover, the analysis reveals that Denmark possesses all the qualities that China needs to develop to be able to excel to the next developmental stage. These qualities are highlighted to be innovation, capabilities within a stabile and extensive welfare system and skills within research development and knowhow. That these qualities, currently lacking in the Chinese society, can in fact motivate Chinese companies to invest in and cooperate with Denmark is supported by two case studies of respectively Beijing Genomics Institute and Huawei that both has branches in Denmark and both can testify that the available expertise within knowledge base and innovation was very important for their decision to invest in particularly Denmark. Thus, the first part of the problem statement is answered.

The second part of the problem statement is accordingly addressed in the second part of the analysis based on the theory “National Competitive Advantage” by Michael Porter. This particular theory is chosen as it is designed to analyze the exact area that the problem statement intends to shed light on that is the resources that makes Denmark an advantageous investment destination for China. In this analysis, it is determined that these resources consist of among others the highly educated workforce of Denmark that is specialized within innovation and research development, the capable home market that is formed by the demanding Danish consumers and thus is highly competitive on the international market and the strong cooperation and knowledge exchange that prevails between the Danish business sector and universities that might just prove to be the key to Denmark’s great success within innovation and knowhow.

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# Introduction

As a Dane studying China and international relations, I have throughout my education chosen to somewhat narrowly focus all my thesis not only on China related issues but also issues geographically limited within the borders of China. However, now is the time to broaden my horizon and look to the north towards my own home country to determine the focus of this my final master thesis. As I treasure and appreciate both my home country Denmark, and China, countless features and issues of both nations comes to mind as relevant thesis topics. However, on this occasion I will like to examine how the two nations, with differences as far reaching as the number of kilometers between them, can come to benefit one another in the growing cooperation and trade that takes place between them.

The countless differences between Denmark and China are incontrovertible, however, the globalized world of today can end up creating cooperation between the most ill-matched couples. Denmark and China have enjoyed good bilateral relations since 1950 where the official diplomatic relations initially were established.[[1]](#footnote-1) The relation between the two nations has henceforth resulted in mutual political support on an international level as well as trade related affairs and cooperation.

In 1975 the first trade agreement between the two nations were signed and since then mutual trade has been moderate but steadily increasing.[[2]](#footnote-2) On account of this trade relation, many official visits have mutually taken place over the years. Numerous ministers and diplomats from both Denmark and China have made the long journey to the companion to pay respect and to further improve the bilateral relation and cooperation. Even the royal family of Denmark has paid several visits to China while the Chinese president, Hu Jintao, paid Denmark an official visit no later than in 2012.[[3]](#footnote-3) This visit in particular, spurred on a wide range of trade agreements merely following the already increasing tendency towards further trade between China and Denmark.[[4]](#footnote-4)

One might wonder why Denmark and China have developed this relation in spite of all their differences and the many kilometers of distance between them. Some kind of common denominator must exist for this relation to be worthwhile the efforts of maintaining a profitable relation between two countries that are not only different on the pragmatic level but also with regards to ideology, political system, human rights etc. Within recent years cooperation and trade between the two countries have increased somewhat rapidly as bilateral trade alone in 2011 was increased with 18, 3% compared to the previous year. Moreover, the Danish export to China has been increased with 50% since 2008 making China Denmark’s biggest export market outside the EU.[[5]](#footnote-5)

In accordance with this tendency, several Chinese companies have in recent years chosen to make extensive investments in Denmark by establishing actual branches of their companies in Denmark. Some of these companies include among others worldwide information communication technology giant Huawei and well-renowned science and technology institute Beijing Genomics Institute.[[6]](#footnote-6) One might wonder why such successful and international companies are interested in setting up branches in particularly Denmark as oppose to other more obvious or advantageous choices of investment destinations in Europe. It can be argued that Denmark is neither the biggest nor the most influential and powerful nation within European borders, so other factors most have attracted the investments from the Chinese investors.

## Problem Statement

My wonderment on this matter is centered around why the trade between Denmark and China has intensified in recent years and what kind of interest a huge rapidly developing nation like China can have in cooperation with a tiny country of completely different economic, political, demographic and geographic composition than China.

**Why is Denmark an attractive investment destination for Chinese companies?**

* **How can it possibly be beneficial for a nation like China to cooperate with a nation as vastly different as Denmark is?**
* **What particular resources make Denmark an advantageous investment partner?**

These questions are intended to shed light on China’s motivation for investing in and cooperating with Denmark and to determine what sort of qualities Denmark possesses that can spark such cooperation.

# Methodology

In this thesis, I will aim to conduct thorough research to find suitable theories and reliable empirical data to carry out an analysis that enables me to answer the problem statement. The method applied in this process will be described in the following.

**Scientific Approach**

The aim of this thesis is to gain an understanding of the relation between Denmark and China and to determine some of the incentives and motives behind this cooperation and the investments that Chinese investors have made in Denmark. This understanding I plan to gain by conducting analysis’s based on two different theories to achieve diverse aspects on Denmark as an investment destination for China. Relevant empirical data from reliable sources, constituting in up to date internet sources as well as accounts from relevant companies, will naturally be applied in the analysis as well. The analysis will seek to either verify or falsify the hypothesis and thereby provide me with a greater understanding of the incentives behind Chinese investor’s choice of Denmark as an investment destination. More specifically, the process the thesis will undergo and the method that will be applied can be termed as the “Hypothetical Deductive Method”.

The procedure of the “Hypothetical Deductive Method” initiates the scientific process with observing the subject of the scientific process. These observations create the basis for a realistic hypothesis and with a background in the observations, the researcher must create a hypothesis that can be either disproved or proved during the experimental process of falsification and verification. In this process, the theory and empirical data will be applied. Proving or disproving a hypothesis is never a clear-cut and definite process as many factors can influence and even disrupt the scientific process. The “Hypothetical Deductive Process” is illustrated in the figure below[[7]](#footnote-7).

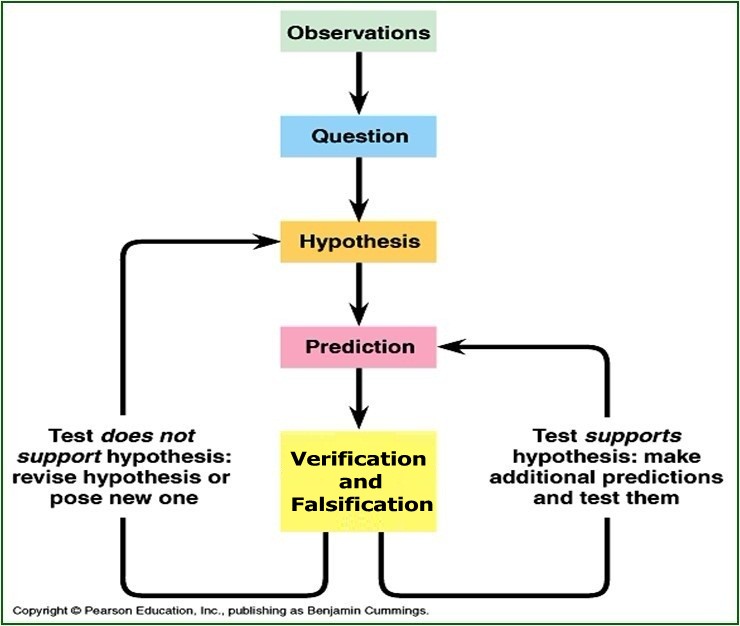


Figure 1The Hypothetical Deductive Method [[8]](#footnote-8)

**Hypothesis**

My pre-understanding before embarking upon the process of this thesis, is that some sort of relation promoting cooperation and trade exists between Denmark and China. Moreover, I perceive that Chinese investors does in fact carry out a noticeable and increasing number of investments in the Danish business sector motivated by specific but yet unidentified factors. Based on my choice of theories my hypothesis does also include the assumptions that China and Denmark both are on identifiable developmental stages and that Denmark does in fact have some sort of competitive advantages. These hypotheses will be subject for further examination in the analysis where they will be tested on the basis of reliable empirical data and relevant theories.

**Theoretical Framework**

As the objective of this thesis is to examine why Denmark constitutes as an attractive investment destination for Chinese investors, I have chosen to apply theories within the field of modernization, economics and national competitiveness.

The first theory, “The Stages of Economic Growth”, created by W. W. Rostow will be applied in the analysis of the modernization stages of respectively Denmark and China. It is highly relevant to clarify these modernization stages as the determination of these stages can help highlight the incentives and motives behind the Chinese investments in the Danish business sector. Furthermore, this analysis will shed light on the many differences between China and Denmark and thus enable me to answer the part of the problem statement that inquires about how it can be beneficial for China to cooperate with a nation as vastly different as Denmark. “The Stages of Economic Growth” is a fairly old theory but I have chosen to apply it anyway as I find it to be perfectly applicable in today’s society. Personally, I do also greatly appreciate the fact that Rostow’s theories reflects his believe that political and societal factors have great influence on the economic changes as this agrees very well with my personal conviction.

The second theory, The National Competitive Advantage, developed by Michael Porter will be used in a direct analysis of Denmark’s resources and competitive advantage that will provide and insight in what kind of strengths and resources particularly Denmark has to offer. This analysis will shed light on which particular qualities Denmark possesses that might motivate China to cooperate with and invest in Denmark. I have chosen this particular theory as it is designed to analyze the exact areas that I wish to shed light on through my problem statement. It specifically seeks to determine a nation’s exact competitive advantage and thus functions as the perfect tool to examine what Danish resources can motivate China to invest in Denmark. To my assessment, Michael Porter’s theory touches upon all the most relevant aspects that are determinant for a country’s competitive advantage and therefore agrees with my perception of a valid and relevant theory.

**Empirical Framework**

In the analysis, I will apply empirical data describing both Denmark and China with the aim of being able to determine the modernization stage of both countries. This descriptive empirical data will most likely consist of facts describing standard of living, economic condition, political system, demographical state etc. This sort of factual empirical data will be retrieved from reliable internet sources, journals and statistics. Furthermore, this thesis will be based on primary empirical data created on the basis of accounts from Chinese companies that have made significant investments in Denmark. Accounts from these companies, will naturally only represent a somewhat small percentage of the Chinese companies that have made investments in Denmark and can therefore not provide the full overview of the realistic condition. However, it can provide a realistic insight into the motivation behind the Chinese investor’s investments in Denmark and thereby serve as a valuable analytical tool in the analysis of the Chinese incentives for investing in Denmark and the features of the Danish society that makes the nation an appealing investment destination

# Theory

In the following theory chapter, I will elaborate on the theories that will be applied in thesis. These theories will be put into practice in the analysis chapter where they will function as a tool to test the hypothesis.

## W. W. Rostow – The Stages of Economic Growth

The American economist, W. W. Rostow, has a highly impressing resume as he himself is educated from some of the finest schools in the world as well as he has been teaching at some of the very well renowned universities in America.[[9]](#footnote-9) Moreover, he has been a key member of both the Kennedy - and Johnson administration serving as an influential adviser to both presidents in areas like economics and foreign policy. He is known to have been particularly influential in the period of President Johnson where he advised President Johnson according to his capitalist and highly non-communist thoughts on matters of the Vietnam War.[[10]](#footnote-10) During his time as both a university professor and adviser at the White House, W. W. Rostow has published several books on his thoughts and experiences on economics. One of his most famous theories is “The Stages of Economic growth” that will be described in the following.[[11]](#footnote-11)

According to Rostow, it is possible to break down the process of economic growth in a generalization of five stages, however, he emphasizes that these stages are somewhat arbitrary and limited and states his openness towards other notions of economic growth as well. “The Stages of Economic Growth” are in fact designed to exaggerate the standardization of the modernization sequence as well as the uniqueness of each nation in this growth process.[[12]](#footnote-12) Furthermore, Rostow underlines the view that even though it is a fact that economic change has a political and social impact he believes economic change itself to be a consequence of social, political and economic forces. Hence, the theory of “the Stages of Economic Growth” recognizes the important influence of social and political factors even though it has a main focus on economics. “The Stages of Economic Growth” is divided into the five stages: The Traditional Society, the Preconditions for Take-off, the Take-off, the drive to maturity and the Age of Mass-Consumption that will be elaborated further on in the following.

### The Traditional Society

“The Traditional Society” is to a great extend categorized by Rostow as being in a pre-Newtonian state without the knowledge and recognition of the science and attitude towards the physical world that is promoted by Newton. The lack of recognition of the Newtonian perspective results in a society that is not fully capable within productive manipulation which leaves the society with limited production functions. However, the limited production functions do not necessarily completely exclude the increase of output. Innovation in trade, agriculture and industry can take place and increase of output can happen, nevertheless, “the Traditional Society” will typically have a so-called ceiling that prevents the output to pass a certain point of development. In general, the inaccessibility of modern science and technology hampers the society greatly and leaves it with a big focus on agriculture. The social structure of “the Traditional Society” is often heavily influenced by hierarchy and family clans while the social mobility is somewhat limited.[[13]](#footnote-13)

### The Preconditions for Take-off

The second stage of growth is a stage of transition and describes how the preconditions for the stage “the Take-off” are developed. This transition phase can be a time consuming process as it takes time to transform “the Traditional Society” in the ways required to be able to accelerate to the next stage of Take-off and thereby be able to utilize the modern science. Typically a society will develop “the Preconditions for Take-off” when reaching a state of having the required trading possibilities, social – and political structure and access to natural resources. However, some societies have throughout history experienced to be paced into this stage by external intruders seeking to make a profit.

In the stage of “the Preconditions for Take-off”, the notion that economic growth is not only possible but necessary often times develops throughout the society. Generally, members of the society come to believe that this economic growth is necessary to achieve some great purpose like maintaining the national dignity, improving the general welfare, providing a better life for the children etc.[[14]](#footnote-14) To reach this desired stage bold entrepreneurs come forward in either the private economy or within the government to take some risks in the pursuit of profit and modernization. From here investments will increase while the scope of commerce widens and modern manufacturing enterprises will start to appear. Though, these initiatives will at the stage of “the Preconditions for Take-off” develop in a rather slow pace as the society still will be heavily influenced by the characteristics of “the Traditional Society”. Even though the economy and industry can be subject to a quite extensive development during “the Preconditions for Take-off”, it hampers the general development if the social values and political apparatus of the society maintains on the level of “the Traditional Society” which it often times does at this particular stage.[[15]](#footnote-15)

### Take-off

This particular stage is known as the turning point in the life of modern societies and it is thereby also the most significant stage of growth. At this stage, the various resistances to steady growth, mentioned in “the Preconditions for Take-off”, are overcome and the forces making for economic progress expand and come to dominate the society. What in many cases generates this development, that at this particular stage results in growth being the rule as oppose to the exception, is mainly technology. However, technology is not solely responsible for this development as it could not take place without a strong political power that is ready to regard the modernization of the economy as a top priority.

During the stage of “the Take-off” new industries will expand rapidly and the profit from these industries will often times be reinvested in new plants and industries. This generates a demand for an extensive workforce, other sorts of manufactured goods, various services to support the newly established industries and an expansion of the urban areas. This whole process of expansion in the modern sector naturally creates an increase of income for the majority of the inhabitants in the society which provides them with the opportunity to create savings and even to place their savings as investments at the disposal of entrepreneurs within the development of the modern sector. Because of these investments the new class of entrepreneurs can expand and promote the flow of investments within the private sector.

Along with the general recognition and use of technology and industry comes the commercialization of agriculture where new methods and techniques make revolutionary changes. However, these changes are necessary as the modernization of a society is known to radically increase the need for agricultural products.[[16]](#footnote-16)

### The drive to maturity

The stage of “the drive to maturity” describes how the regularly growing economy seeks to extend the modern technology to cover the whole front of its economic activity. Typically, a fraction of the national income is steadily invested to insure a solid output and the make-up of the economy changes unceasingly along the pace of improvements in technique, acceleration of new industries and the leveling off of the old industries. At this stage, the economy will naturally also find its place in the international economy. Moreover, this developmental stage will entail that goods formerly imported will be produced within the home country and import requirements will change.

The society present at “the drive to maturity” stage will focus on more refined and technologically more complex processes than the societies of “the Take-off” stage. Where the societies of “the Take-off” stage usually has an industry focused mainly on iron, coal and heavy engineering industries the societies at “the drive to maturity” stage focuses on production of for instance machine tools, chemicals and electrical equipment. In general, the societies at “the drive to maturity” level demonstrates the capacity to move beyond the original industries that fuelled “the Take-off” process and utilize their technological and entrepreneurial skills to produce anything that they want to produce. A society does not necessarily need to possess all the raw materials and supply conditions required to produce the desired items as these necessities should be possible to acquire through economic or political intercession.[[17]](#footnote-17)

### The Age of High Mass-Consumption

At this stage, the society has desires that go way beyond covering the basic needs for food, shelter and clothing and a big focus at this stage is therefore on production of not only better food, shelter and clothing but on durable consumption goods and the diffusion of services on a mass basis.

Big proportions of the population is not only situated in urban areas but also employed in offices or in skilled factory jobs as these kinds of jobs to a great extend reflects the structure of the workforce at the stage “the Age of Mass-Consumption”. Societies at this stage will typically choose to allocate their increased resources into welfare and security and in that way benefit the masses. Another typical feature of this stage is that the society will begin to focus their increased resources on their military and foreign policy in the pursuit of external power and influence on the international scene. “The Age of Mass-Consumption” is characterized by the possibility and necessity of providing the inhabitants with a choice in many aspects of life.

## Michael E. Porter – National Competitive Advantage

Michael Porter is a leading authority and university professor at Harvard University. He is the author of 18 books and numerous articles that have helped redefine the perception of national competitiveness and economic development.[[18]](#footnote-18)

As oppose to standard economic theory, Michael Porter does not believe that factors of production such as natural resources, infrastructure, land etc. will determine the flow of trade. Michael Porter argues that any advanced and developed economy creates the most important factors of production that is for instance skilled human resources or a strong scientific base. This perspective he elaborates on in his theory “National Competitive Advantage” that features 4 categories that Michael Porter argues are particularly important for a nation’s competitive advantage. [[19]](#footnote-19)

### Factor Conditions

Factors such as pool of labor and natural resources are simply not determinant factors in a developed economy as such resources can be accessed elsewhere through a global strategy. What really promotes the competitive advantage of a nation is to have skilled human resources. A well-educated work force is not necessarily enough as a work force of general high school and college education does not stand out and promote the competitive advantage significantly. The workforce should be well-educated within a specific field. That way, the special expertise of the nation will stand out and be difficult for other nations to imitate which will truly promote a nation’s competitive advantage.[[20]](#footnote-20)

According to Michael Porter, it is a fact that a nation will succeed when they are particularly good within factor creation. Creating a niche and innovating and upgrading the nations skills within this niche is very important for a nation’s competitive advantage. In fact, Michael Porter argues that it can actually be an advantage if a nation lacks raw materials and labor as it will force the nation to be innovative and develop their own niche and thus promote the competitive advantage.[[21]](#footnote-21)

### Demand Conditions

The “Demand Conditions” of the home market continue to be an important part of a nation’s competitive advantage in spite of the extensive globalization that influences the world of today. The composition and character of the home market remains highly important as these factors influence how the companies of a nation will perceive, interpret and respond to buyer needs. In markets where the home demand of a nation can provide companies with an early insight in buyer needs, the nation will typically gain a competitive advantage. In these cases, the home demand of a specific market will feature particularly demanding buyers that has pressured the companies to develop very sophisticated and innovative products. Thus, the companies will be more than prepared to meet the demands of other markets and they will have a very sophisticated product to offer. For this development to take place, the size of the home demand does not necessarily have to be great as the character of the home demand is more important.[[22]](#footnote-22)

### Related and Supporting Industries

According to Michael Porter, having home based internationally competitive suppliers can be a great advantage for a nation’s competitive advantage. With home based suppliers, a nation’s companies can establish more close working relationships that can provide them with cost-effective input that can help them to innovate and upgrade their products. Moreover, the line of communication can promote the constant flow of information and exchange of ideas improving the product. Obviously, a nation does not need to be competitive in all supplier industries to have a strong competitive advantage. In fact, Michael Porter argues that a nation’s companies can in fact easily maintain a strong competitive advantage while using foreign suppliers. Making use of home based suppliers is merely a factor that can contribute to a strong competitive advantage.[[23]](#footnote-23)

### Firm Strategy, Structure and Rivalry

National **c**onditions and context strongly influence how companies’ are developed, organized and managed. The nature of the domestic rivalry among companies is to a great extend also determined by the national circumstances and context. In particular, the management practices and the organizational modes favored within the nation will influence the domestic rivalry.

Furthermore, a nation tends to develop a competitive environment within industries that are admired or that the nation in particular depends on. Competition and domestic rivalry within such areas will have the effect that each company within the industry will have to fight for their position in the market by constantly innovating and improving their products which consequently will promote the national competitive advantage greatly. Geographic concentration will have the effect that the domestic rivalry will be magnified even further. The more localized the rivalry is the more intense it will inevitably be. Intense domestic rivalry will typically also be what pressures companies to enter the global markets. Having experience from a competitive domestic market will prepare a company to enter new foreign markets.[[24]](#footnote-24)

Though, Michael Porter claims that the strategy, structure and rivalry of national companies are important factors for a nation’s competitive advantage he states that no managerial system is universally applicable. The goals that a nation’s companies will achieve to reach will also vary from nation to nation and will typically reflect the characteristics of a nation’s capital market.[[25]](#footnote-25)

The individual characteristics of the nation’s available workforce is also to a great extend determinant for the competitive advantage of a nation. The individual motivation to work and to improve and develop skills is crucial as well as simple talent and ability also are scarce resources. A nation’s success and competitive advantage largely depends on the type of education that the talented workforce of the nation has chosen as well as their choice of work and essentially their commitment and effort. The nation significantly impacts the values of both companies and individuals and largely influences the perception of prestige that will be attached to certain industries. These are all factors that are highly important for the competitive advantage of the nation, however, basically they are more or less directly influenced and shaped by the nation itself. Thus, the nation essentially guides the flow of capital and human resources.[[26]](#footnote-26)

# Empirical Data

In the following chapter, the empirical data will be presented. This empirical data will further on in the thesis be subject to analysis based on two different theories. The particular sources of empirical data that will be presented have been chosen based on my assessment of them being reliable and trustworthy. The first part of the empirical data chapter will provide an overview of the Danish and Chinese society.

## Denmark –An overview

Denmark is by many known as the rich and happy little country in the north. A reputation that is easily fulfilled as Denmark in 2009 was evaluated to be the happiest country in the world. It was at the time suggested that this position was closely related to the high level of per capita GDP that is prevailing in Denmark. [[27]](#footnote-27) That Denmark is a small country in the north is also indisputable as Denmark is situated just north of Germany right next to the other Scandinavian countries Sweden and Norway with an acreage of only 43,094 [sq km](http://www.nationsencyclopedia.com/knowledge/Square_kilometre.html).[[28]](#footnote-28) Denmark has the small population to match the small acreage of land as the population only comprise a number of 5,6 million inhabitants.[[29]](#footnote-29)

### Political Situation

Denmark does to this day still function as a monarchy. A constitutional monarchy, though, hence the role of the queen is in fact purely symbolic and with no true political power.[[30]](#footnote-30) The true power and rule of Denmark rests on a very old democracy. The democracy of Denmark defines the whole political system of the nation and can be termed as a multi-party structural democracy. Practically, this means that several parties are represented in parliament to correspond to the influence of as many Danes as possible. This can create somewhat chaotic parliament sessions, nevertheless, it provides many Danes with the opportunity to be heard and to influence the decisions of the Danish state as all members of parliament as well as the prime minister are elected by the Danish citizens. Danish elections naturally also proceed completely democratically according to the way of the direct secret ballot.[[31]](#footnote-31) The standard of the Danish democracy has often time been recognized as one of the highest in the world. In 2012, Denmark was for instance evaluated to be the second most democratic country in the world right after the Scandinavian neighboring country Sweden.[[32]](#footnote-32)

### Welfare System

Another characteristic of Denmark is the welfare system that dominates throughout the nation. Not only does the Danish welfare system cover all Danish citizens with full medical treatment it also provides the elderly with a source of income in the case that they do not have any fortune or assets to fall back on. In a similar manner, people that are out of work are covered by government support if they are not able to provide for themselves and their family. Another feature of the Danish welfare system is the government sponsored education of all. All citizens are equally entitled to an education through primary school, high school and college with the result that 80% of all Danes hold an education of at least upper secondary level.[[33]](#footnote-33) These benefits are all accessible to the Danish citizens due to the funding of the extensive Danish tax system.[[34]](#footnote-34)

### Education System

The Danish education system, that to a large degree is accountable for the educational level of the Danish people, has a great focus on high level science, research, technology and innovation. These are all areas that a prioritized highly within the Danish educational system and thus many Danish students and graduates acquire extensive knowledge within these areas.[[35]](#footnote-35) More explicitly, the current and future focus in Denmark will be determined by relevant global challenges. The Danish Ministry of Science, Innovation and Research aims to identify these global challenges and focus Danish scientific and academic efforts on solving these challenges and thus maintain the development and growth of the Danish market.[[36]](#footnote-36) Presently, these global challenges are evaluated to be climate and environment issues, natural resources, and health and welfare. Therefore, these areas are currently where Danish research and investment resources are largely channeled. In fact, Denmark is one of the nations in Europe that invests most money in research and innovation.[[37]](#footnote-37)

Another key feature of the Danish educational system is the great level of cooperation between the Danish universities and industries. Several Danish universities have been accredited for their extensive cooperation with private companies in an international survey of university-industry cooperation. [[38]](#footnote-38) Typically, the cooperation between the universities and private companies will evolve around research and various publications. The Danish universities are in general very eager to cooperate with private companies to share their knowledge and thus promote the innovation of the Danish companies. In return, private companies are also very interested in cooperating with the Danish universities as they can supply the industry with knowledge and research that they cannot access anywhere else.[[39]](#footnote-39)

### Economic Circumstances

It is, as mentioned earlier, a fact that Denmark is a wealthy country. In 2011 Denmark was for instance estimated to be the 21. wealthiest country in the world according to GDP per capita ratings.[[40]](#footnote-40) However, even though there is no question that Denmark is an affluent society it could seem that Denmark along with numerous other Western countries is caught up in the notorious financial crisis that has raged in the world throughout recent years. As visualized in the graph on the following page, it could seem that this crisis has in fact influenced the Danish economy as it is obvious that the growth in Denmark suffered a downturn around 2008. According to statistics, the Danish economy is at this point able to generate growth, however, the growth is very slow and in dire need of picking up the pace. The general growth rate for the last two decades of the Danish economy is not impressing as the growth rate is more or less stabile around the level of 1-2% growth. [[41]](#footnote-41)

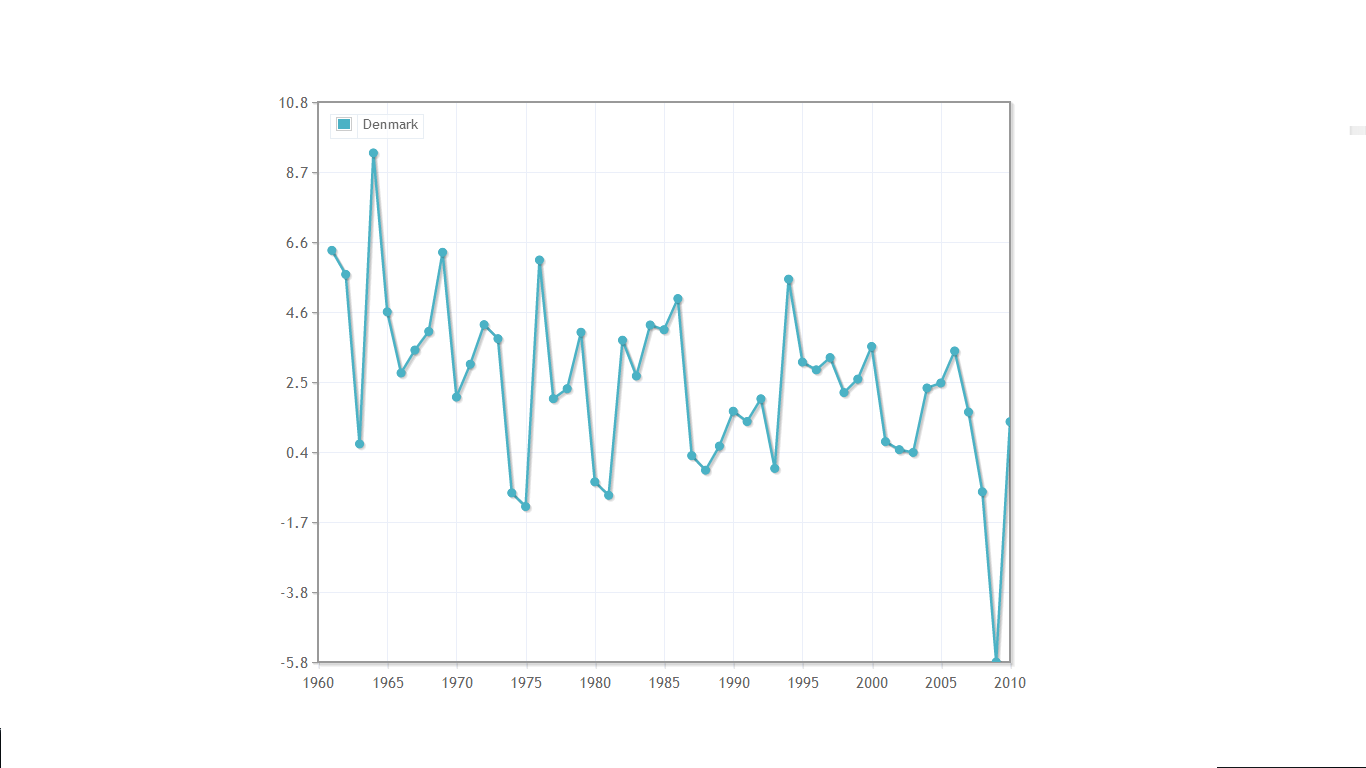


Table 1. Annual percentage growth rate of GDP at market prices based on constant local currency in Denmark[[42]](#footnote-42)

### Business Sector

What keeps the wheels turning in Denmark is naturally the business sector of the nation. Here the service sector is dominating followed by the industrial sector and the highly technological Danish agriculture sector.[[43]](#footnote-43) In general, the expertise of most Danish companies evolves around design, sophisticated technology and services within welfare, healthcare and administration and can thus be categorized as a mainly knowledge based business sector. This creates somewhat few jobs in manufacturing and more desk jobs within administration, sales and the like.[[44]](#footnote-44) A special quality of the Danish industry is the versatility of the industry as many small and medium sized companies produce a wide range of different products for instance within the areas of agro-industry, chemicals, food processing and engineering. The complexity and versatility of the industry has proved to be an advantage as it to some extent has sheltered Denmark from the fluctuation of the world market.[[45]](#footnote-45)

The Danish Business is guarded by the Danish Competition and Consumer Authority that aims to ensure fair competition and equal conditions for small as well as big, and new as well as experienced companies to provide consumers with competitive prices and a wide range of suppliers to choose between.[[46]](#footnote-46) However, the level of competition among Danish businesses is not as high as desired which has a negative influence on the prices on Danish goods. This is considered to be a problem in Denmark and therefore the Danish Competition and Business Authority is taking measures to intensify the Danish Competition.[[47]](#footnote-47) The poor level of Danish competition is among others suspected to be caused by the fact that Denmark holds an extensive public sector.[[48]](#footnote-48)

Within the Danish business sector, a strong point is the high level of innovation that is present. This is another area where Denmark excels with good ratings on a worldwide perspective as Denmark in 2010 was estimated to be the most innovative country in the world in a survey by the Legatum Institute.[[49]](#footnote-49) Denmark is awarded this title based on the assessment that the conditions for developing a business in Denmark are very favorable as well as entrepreneurship in general blossoms.[[50]](#footnote-50)

The Danish Business sector obviously relies heavily on the Danish workforce that is rumored to be highly motivated. Moreover, the Danish workforce is described to be very committed to acquiring new skills and improving their performance with a healthy level of self-criticism. Flexibility and independence are other traits that characterize the Danish workforce and work in the advantage of the Danish Business sector.[[51]](#footnote-51)

### The Danish Consumption Market

The businesses in Denmark are developed serving the Danish consumer and thus reflects the demands of the Danish consumption market. The consumption market in Denmark is known to be highly advanced, demanding and organized. This to such a degree that Denmark is considered to be the European country where the consumers exert most influence and power.[[52]](#footnote-52) This influence and power is partly achieved because of the extensive organization of the consumers in Denmark. Danish consumers have formed the oldest consumer group in Europe established in 1947 as a response to rationing causing a shortage of various items such as children’s shoes. Since then, the Danish Consumer Council has developed into an umbrella organization with nothing less than 27 branches with special areas of expertise and thus functions as an all-encompassing guardian of Danish consumer rights.[[53]](#footnote-53) The Danish Consumer Council describes their current vision as follows:

“*The Danish Consumer Council promotes sustainable and socially responsible consumption and efficient markets. We defend consumer rights and make consumers a power in the market. We are known to be a powerful organization which, with a growing number of individual members and member organizations, is capable of achieving concrete gains for all consumers. The Danish Consumer Council is a professional NGO with an analytic and fact-based approach. [[54]](#footnote-54)*

*The Danish Consumer Council works for all consumers, regardless of their resources, place of residence or political persuasion. We work to improve conditions for consumers through debate, awareness-raising and assistance to all those interested in the relationship between consumption and society.*

*The Danish Consumer Council takes concerted action and, as far as possible, involves our member organizations and individual members.”[[55]](#footnote-55)*

Quotation from the official website of the Danish Consumer Council.

In this manner, The Danish Consumer Council empowers the Danish consumers and provides them with a voice to be heard in the case of complaints. It is in the nature of Danes to have a strong sense of justice and therefore they find it completely natural to complain if they find that they have been misled or cheated by a company. This view tend to force Danish companies to maintain a very high standard of quality in their products and services as they will simply not be able to stay in business on the Danish market if they do not. As the Danish Consumer Council covers as good as all ranges of products and services available in Denmark, this high standard of quality is generally expected within most areas of the Danish consumption market. However, the Danish Consumer Council do report that the majority of the complaints they receive are within the area of technology and electronics

The advantageous circumstances in Denmark leave the nation with plenty of surplus and resources to be engaged in international matters and lead an extensive foreign policy. Denmark is known to value its sovereignty highly, however, the nation is a member of several big international organizations like for instance the EU and NATO which severely impacts the national politics and sovereignty. Nevertheless, these memberships do also provide Denmark with wide-ranging international influence on decisive matters. In general, Denmark is known to be on good terms with most countries in the world even though the so-called “active foreign policy” carried out by Denmark sometimes creates situations where some toes are stepped on. This “active foreign policy” also involves the military apparatus of the nation that frequently is involved in peacekeeping missions, wars, defense of human rights etc.[[56]](#footnote-56)

## China – An Overview

China has throughout recent decades cemented their position as a power that cannot be overlooked. Led by the Communist party, China has performed a development and growth that has surpassed everything the world has ever borne witness to. This ongoing development has influenced all areas of the Chinese society and continues to do so.[[57]](#footnote-57)

### Political Situation

China today functions as a republic with a president and a one party system to govern the nation. The power to rule has since 1949 been assigned to the Communist party that has organized the governance of the country in various formal and informal bodies on various levels within the government. For some of these bodies the members are elected based on votes from the Chinese citizens while other elections are carried out only within the party. For some of the bodies, the members are simply just appointed by higher bodies within the party.[[58]](#footnote-58) In this way, the citizens exert some influence on the members of the governing party, however, much power and control are still left within the party.[[59]](#footnote-59)

### Welfare System

In China, the social welfare system has in the past relied on the family and the community. However, a development within this area has been instigated due to the great demand for a welfare system to provide for especially the increasing number of elders in need of assistance. The diminishing size of the Chinese families created among others by the one child policy leaves many families without the capacity to provide for the elders of the family. Moreover, the number of elders without children, spouses or other sorts of immediate family to take care of them is increasing and these people are also in dire need of state funded assistance.[[60]](#footnote-60) Therefore, it has within the last decade been the ambition of the Chinese government to remedy this and establish a Chinese welfare system to meet the demands of the citizens. In addition to elder care more areas such as poverty and health care service are in need of advancement.[[61]](#footnote-61) The Chinese government has established numerous organizations and branches all over the country that are to take care of the elderly, handicapped and orphans to meet the demand of the Chinese population. However, more efforts and great development within the emerging welfare sector is urgently required.[[62]](#footnote-62)

### Economic Circumstances

With regards to economics it should be possible for the Chinese state to find the money to make the necessary improvements of the welfare system. In ratings of the richest countries in the world it is evident that China is evaluated to be 93. richest country in the world in 2011 based on GDP per Capita. However, the calculations based on GDP alone in 2012 shows that China is estimated to be the 2. richest country in the world. From this, it is obvious that China possesses great assets and fortune, however, it could seem that this wealth is not very well distributed among the Chinese citizens.[[63]](#footnote-63) A fortune of this size has naturally been accumulated by a certain level of growth. In the case of China, the growth rate has been stabile around a level of 10% growth for the last two decades as visualized in the graph on the following page.[[64]](#footnote-64) Even though the rate has been very impressive for years, there has in recent years been a decrease in the growth as the growth has been evaluated to be just around 7,5% in 2013 indicating that the growth is slowing down and settling on a lower and more stabile level.[[65]](#footnote-65)

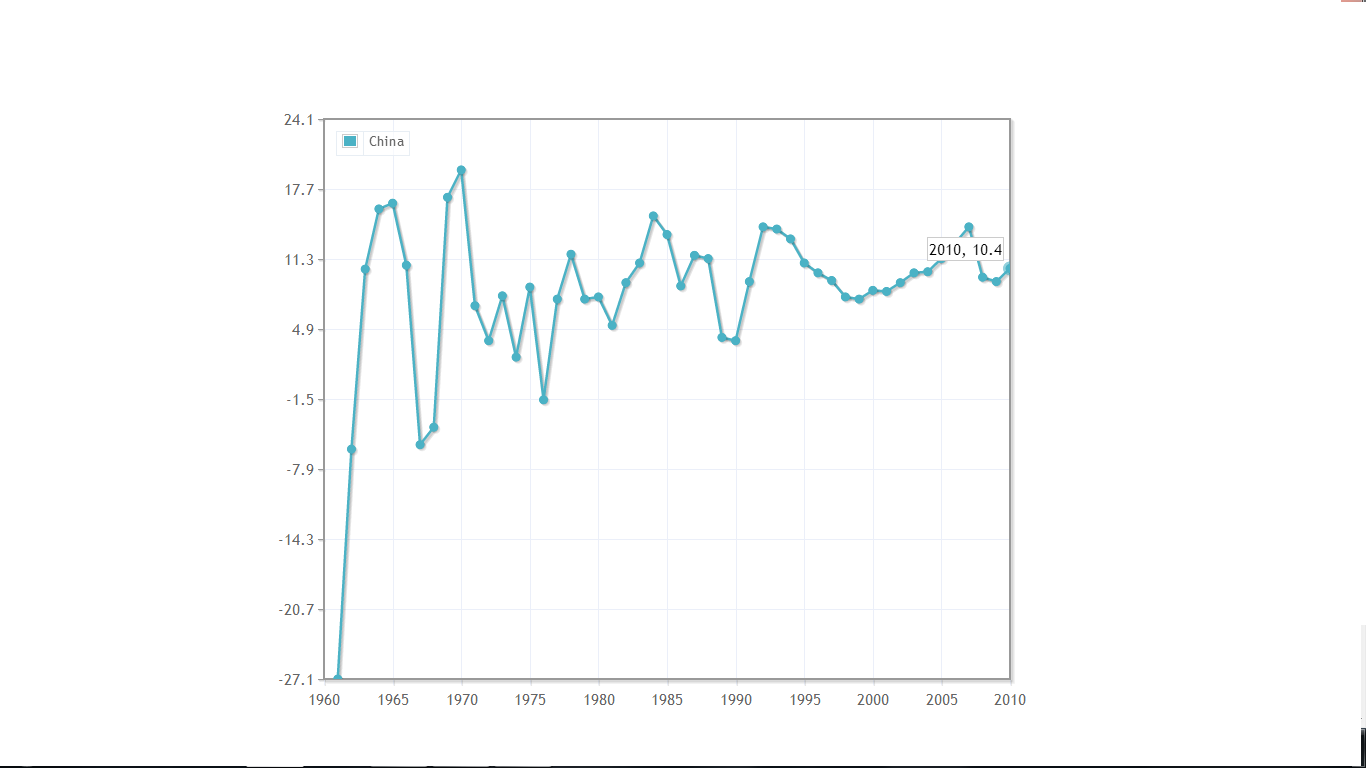


Table 2. Annual percentage growth rate of GDP at market prices based on constant local currency in China[[66]](#footnote-66)

### Business Sector

The impressing economic growth rate of China is obviously created by the business sector. In spite of the fact that China by many is known as “the factory of the world”, the service sector of China is surprisingly big. Nonetheless, the industrial sector is still the biggest and most dominant sector followed by the service sector and lastly the agriculture sector. The industrial sector of China is highly versatile as it encompasses both mining and the processing of metals and coal as well as it encompasses the production of electronics, petroleum, chemicals, transportation equipment, footwear etc. Thus, the manufacturing industry is still the backbone of the economy of China. It is estimated that the technical knowhow of China at this stage is lagging behind that of developed countries. Hence, the technical standard of the products produced in China does not fully live up to the international standard.[[67]](#footnote-67)

### Education System

In line with the lag of technical knowhow, China is by some evaluated to not be very capable within innovation. It is suggested that this lag of skill within innovation can be caused by the education system of China that teaches the Chinese to focus narrowly on rote learning and fierce competition with the fellow students which kills the passion and creativity of the students.[[68]](#footnote-68) Moreover, the Chinese business sector is too dominated by engineers as oppose to artists and designers which leaves the Chinese business sector with a great capability to copy products already in existence but little ability to create new ideas and designs. Another factor that influences the Chinese innovation is the fact that innovators in China are discouraged and even crushed by giant companies that copy their ideas and present them as their own without leaving the true innovator with a chance to get credit for the product.[[69]](#footnote-69) The occurrence of this phenomenon is only possible because the Chinese society severely lacks regulations within the area of intellectual property rights, however, changes and improvements within this area seems to be on the way.[[70]](#footnote-70)

The massive growth and development that China has been subject to throughout the recent decades was instigated by the so-called “Opening Up Reform” that was enacted to open China to the world and thus open the Chinese market for overseas business. Ever since, not only the Chinese market but also Chinese politics have been increasingly involved in international affairs. China has become part of many of the key international organizations and enjoys great cooperation with many countries around the world. They today lead an active foreign policy where they take part in international security issues and cunningly play a more and more significant role on the international scene that can benefit the position of China.[[71]](#footnote-71)

# Analysis

In this chapter, the hypothesis will be either verified or falsified as they will be tested in the process of analysis where both theory and empirical data are applied.

## The Stages of Economic Growth – Denmark and China

In the following, an attempt to determine the stage of economic growth in respectively Denmark and China will be made based on the theory “The Stages of Economic Growth” by Rostow.

### Denmark

The fact that Denmark is a superfluous society qualifies the nation for the category of “The Age of High Mass Consumption” in Rostow’s “Stages of Economic Growth”. Denmark is a land of plenty with an immensely happy population that does not have a care in the world. This statement might be taking it too far but for sure the Danish population is guaranteed a very secure lifestyle where their basic needs in life are covered. Both in the case of unemployment and old age they are secured a source of income and thus a highly human standard of living. Illness and decease is not as such a big concern in the life of the Danes either as they are all equally covered by the public health care system that provides them with medical assistance in all kinds of illness (see empiricial data page 19).

In line with this, no Danes have to lie awake at night worrying about how to fund the college education of all of their children as this is another part of the Danes’ life that is taken care of by the state. In other words, the Danes are provided for to such an extent that going to bed at night hungry is more of a choice than a necessity (see empirical data page 19). According to Rostow, this lifestyle is certainly a trait of “The Age of High Mass Consumption” where the society is described as being so superfluous that its desires goes beyond covering the basic needs of food, shelter and clothing (see theory page 14). This must be said to be the perfect description of explicitly Denmark where everyone automatically has these basic needs covered from their infancy and thus have other aims and aspects to focus on in their life.

The redundancy of the Danish society is also underlined by the status as one of the richest countries in the world with one of the most extensive welfare systems in existence (see empiricial data page 19). This development of a highly extensive welfare system is according to Rostow another characteristic of the countries at “the High Mass Consumption” stage of economic growth as countries at this growth stage typically will start to allocate their redundant resources into a welfare or security system and thus benefit the masses (see theory page 14). This occurrence is exactly what has taken place in Denmark and Denmark must therefore be said to be a perfect match for the growth stage of “The Age of High Mass Consumption” with regards to this particular aspect.

The fact that Danes are accustomed to focus on other aspects in life than solely food, shelter, clothes and these kinds of necessities is obviously reflected in the business sector of the nation. The Danish business sector is thus mainly dominated by a large service sector and a smaller industry sector and agriculture sector reflecting a minimum focus on production of the basic necessities in life and the production apparatus in general (see empiricial data page 22). The expertise of the Danish business sector thus mainly centers around design, sophisticated technology and services within administration, healthcare and welfare. Consequently, the Danish business sector can be termed as mainly knowledge based. This type of business sector is another trait that by Rostow is evaluated to represent a country in the economic growth stage of “The Age of High Mass Consumption”. He argues that countries at this growth stage typically will focus their business sector on the development of durable consumer goods and the diffusion of services which definitely also is the case in Denmark (see empirical data page 14).

The knowledge based business sector and the many positions within service related occupations leaves Denmark with relatively few jobs within manufacturing and a big percentage of so-called desk jobs (see empiricial data page 22). In Rostow’s theory of economic growth this too is interpreted as a clear sign of being at “The Age of High Mass Consumption” stage of growth as he claims that big proportions of the population are employed in offices or skilled factory jobs reflecting the structure of the workforce (see theory page 14) .

According to Rostow, another characteristic of the societies on the level of “The Age of High Mass Consumption” is that the society will begin to focus their energy and increased resources on leading an active foreign policy and making use of their military apparatus (see theory page 14). In the case of Denmark, this description is spot on as Denmark is known to lead an unusually active foreign policy that involves the nation in affairs around the globe. In line with this, the Danish military is also actively involved in several wars and peacekeeping missions around the world in spite of the fact that Denmark as a small country only has somewhat limited military capacity to offer. Denmark’s great involvement in international matters provides the small country with an impressing international influence but naturally also calls for quite a contribution of resources. Fortunately these redundant resources are present in Denmark and it is of high priority to the nation to utilize these on international matters (see empirical data page 24).

A reoccurring trait of the Danish society is the luxury and freedom of having choices in life. Due to the status as one of the most democratic countries in the world, the influence and opinion of the public is a top priority and thus the majority of the Danish public will always have the final say in paramount decisions that are to be made (see empirical data page 18). Moreover, the existence of the Danish welfare system grants the Danish citizens with great leeway and possibilities in life as they are free to do whatever they want without risking to end up in a situation where they have no income and no available medical treatment. The great room for choices and possibilities have even granted the Danes the opportunity to focus their businesses on high scale technology, cutting edge design, services etc. with the result that the majority of Danes are secured safe desk jobs where they do not have to toil all day long at work (see empirical data page 22). In this redundant society, it has also been a choice as oppose to a necessity to be engaged in wars and peacekeeping missions around the world as well as it is a choice supported by the Danish public to be heavily involved in various foreign policy issues. The life of a Dane is definitely full of choices and possibilities and this is another point where the case of Denmark definitely agrees with Rostow’s definition of the growth stage “The Age of High Mass Consumption”. He describes the societies at this stage as being characterized by the possibility and necessity of providing the inhabitants with a choice in many aspects of life (see theory page 14).

### China

Determining the economic growth stage of China is a particularly interesting task due to the fact that so many changes have happened within the Chinese society in the recent decades. For a number of years China amazed the world with sky-rocketing growth rates, however, for the last two decades the growth rates have been more or less stable. This accomplishment is, though, not less impressing as the stabile growth rate is (see empirical data page 27). The case of a society that has been through a period of booming development and growth to then settle on a regularly growing rate of growth could indicate that the Chinese society is currently on the stage of “the drive to maturity”. According to Rostow, “the drive to maturity” is the growth stage where the economy of the society is settling at a regularly growing rate. Additionally, “the drive to maturity” is the stage of growth that a society will reach after the growth stage of “Take-off” which China undisputedly has been at (see theory page 13).

The typical industries of a society at the “Take-off” stage are still present and active in the current Chinese society as industries focusing on mining and the processing of metals, coal, etc. is still quite valuable in China (see theory page 13). However, the society has taken on more advanced industries as well and excels in producing chemicals, transportation equipment, electronics, petroleum, footwear etc. The latter features of the Chinese industry display a tendency towards a more modernized and advanced production apparatus (see empirical data page 28). This sort of production requires more technical skill and capability and can thus be considered a development within the Chinese industry. This notion is verified by Rostow who evaluates the production of items like machine tools, chemicals and electronic equipment to be a characteristic of the developmental stage of “the drive to maturity” (see theory page 13). He argues that the societies at this growth stage will focus more on refined and technologically complex processes that demonstrate their capability to advance beyond the original industries that fuelled the “Take-off” process (see theory page 13). This description does in fact agree very well with the current status of China where the original industries still prevail and plays a significant role in the industry of the society while new industries of a more advanced category is developing rapidly throughout the nation. It is, however, claimed that the technologically level of China’s modernized industry leaves room for improvement as the quality of the products from this industry is said to be lower than that of products from the modernized industries of developed countries (see empirical data page 28). Therefore, it must be the aspiration of China to improve and develop even further within their modernized industry.

When developing and improving the modernized industry, the Chinese nation will need to make use of their entrepreneurial and innovative skills. The theory of “The Stages of Economic Growth” by Rostow states that a society at the growth stage “the drive to maturity” typically will possess a fair level of entrepreneurship that enables them to develop their industry and in the end produce whatever they want (see theory page 13). Obviously, China must possess some level of entrepreneurship to have achieved the massive development that has changed the entire society. However, it is a fact that entrepreneurship and innovation is not exactly a strong point of the Chinese society. From an early age on Chinese students are taught to focus on rote learning and intense competition with their fellow students (see empirical data page 28). This disciplinarian way of studying does not exactly promote creativity and thus innovation and entrepreneurship can be difficult to develop. The current Chinese society is known to eagerly promote the education of engineers and tend to overlook the importance of designers and artists that can promote the general creativity of the society (see empirical data page 28). As a result, the Chinese are highly capable within copying products that are already invented and designed, however, developing and creating new ideas and products tend to be somewhat troublesome. Obviously, this is an area one could imagine that the Chinese are enthusiastic about improving so that their development and growth can excel further.

According to Rostow, a society at the level of “the drive to maturity” will be somewhat capable within economic and political intersession on an international level. In the case of China, this has become increasingly relevant throughout the last decade. Since the implementation of the great opening up reform that initiated the massive growth in China, the nation has become more and more open to the rest of the world. This openness towards the rest of the world has today reached an impressing level where China excels as a highly important player on the international scene. China is today engaged in several great peacekeeping missions around the world as well as they are members of some of the most important and influential international organizations. This involvement has provided China with quite an extensive network and many good connections around the world (see empirical data page 29).

In Rostow’s description of “the drive to maturity”, he does not touch upon the topic of welfare systems. The existence of welfare systems he evaluates to be a trait of higher developed societies on the stage of “High Mass Consumption” (see theory page 14). In the case of China, welfare systems are becoming increasingly relevant as it is the aspiration of the society to develop this sector of the society progressively. The Chinese society faces a dire need for a welfare system to provide for the elder, disabled and orphans and tries to accommodate this need. However, at this particular stage the “welfare system” of China will barely qualify for the term in Western standards anyway. The Chinese “welfare system” features sporadic government branches and organizations that attempt to meet the great demand for welfare services, however, they are so far not at all equipped to meet the demand of all citizens in need of assistance (see empirical data page 26). Nevertheless, the establishment of some “welfare institutions” and the aspiration of great development within this area shows tendency towards a development on the stage of “High Mass Consumption”.

### Further Development of “The Stages of Economic Growth”

From the analysis based on “the Stages of Economic Growth” by Rostow, it is obvious that Denmark is on the stage of “High Mass Consumption” while China is on the stage of “the drive to maturity”. This essentially means that Denmark is on a superior growth stage than China and thus is present on the growth stage that China naturally will excel to at some point.

Rostow’s theory, “the Stages of Economic Growth”, simply seeks to determine the particular economic growth stage of a nation. However, personally, I am of the opinion that it can be justified to ascribe the analysis based on his theory even more significance. “The Stages of Economic Growth” obviously describes the economic growth stage of nations, however, it also describes a pattern of development that all nations typically will go through. In such a pattern, I believe that it is reasonable to undertake that it will be the continuous aspiration of any society to develop further and excel to the next stage of economic growth. Such an aspiration might even function as a motivating factor for nations to cooperate with and invest in nations on a superior growth stage so as to learn from their experiences and imitate their success. This aspiration might, in the case of China-Denmark relations, function as a motivation for China to cooperate with a nation like Denmark that possesses many of the resources and qualities that China is in need of to develop further. The analysis of “the Stages of Economic Growth” sheds light on many particular areas where China could benefit from Denmark’s experiences and skills.

With regards to the business sector, Denmark certainly lives up to the typical standards of a “High Mass Consumption” society. With a dominant service sector and an industrial sector that largely produces sophisticated technology and design items, there is no question that Denmark is well established on the stage of “High Mass Consumption”. For China, this distribution of the business sector resources is fairly desirable. China is already on the path to advancement in the business sector as they have industry focused on producing chemicals, electronic equipment etc. while still maintaining the industries focusing on iron, coal etc. that initially fuelled their booming development. This indicates that their rightful place is still at “the drive to maturity” stage, though, they have taken initiatives that indicates tendencies towards the next stage of development where Denmark is already present with a very extensive service sector.

The Danish level of innovation and entrepreneurship does also match the stage of “High Mass Consumption” very well. The Chinese society on the other hand lacks behind in this particular area and does not even fully live up to the level of entrepreneurship that would be typical to expect from a society present on “the drive to maturity” stage. Within this particular area Denmark excels with a reputation as one of the most innovative countries in the world that is highly capable within creativity, design and entrepreneurship. Denmark is productive within many areas of industry and it thus has a very versatile production capacity and expertise within invention. These resources that are available in Denmark, is exactly what China is in need of to excel further and reach the next natural stage of development. If these resources were available to China, the nation would be able to both invent, design and produce their own products as oppose to mainly copying already existing products or producing products according to orders from developed countries. Furthermore, a higher level of innovation and entrepreneurship could promote the general creativity and encourage the development of more companies with various areas of expertise.

Concerning the level of welfare, China, at the stage of “the drive to maturity”, has taken certain initiatives to improve their effort within this field. Denmark has a welfare system that accurately matches what could be expected of a society at the stage of “High Mass Consumption”. The Danish welfare system is extremely elaborate and all-encompassing to a degree that is more or less unrealistic for China to achieve within the near future. However, China could learn much from Denmark within this particular field as they do aspire to make great improvements within their welfare sector. The fact that China, at this stage, already has initiated the development of a welfare system bears witness to the fact that the Chinese society within this particular field has started their further development to the next developmental stage “High Mass Consumption”. Since Denmark is already on this particular developmental stage and additionally is an expert on elaborate and efficient welfare systems, China can likely benefit greatly from Denmark’s experiences and resources within this field.

The above mentioned areas of focus represents the specific areas that the analysis accentuate as areas where China can learn and benefit from cooperation with a further developed country like Denmark.

My conviction, that the analysis of “the Economic Stages of Growth” can in fact be ascribed greater significance than merely an analysis determining the stages of economic growth, is also based on certain observations of Chinese companies investing in Denmark to utilize exactly the skills and experiences that Denmark possesses as a higher developed nation. These observations are valid in the cases of both Beijing Genomics Institute and Huawei that are both Chinese companies that have established branches in Denmark to utilize special skills of the nation. This statement will be further elaborated and demonstrated by the following two case studies.

### Case Study –Beiing Genomics Institute’s Choice of Denmark as an Investment Destination

Beijing Genomics Institute[[72]](#footnote-72) was founded in 1999 in Beijing with the ambition of developing a company that through dedicated research and strong scientific partnerships could support the development of science and technology within the field of genomics.[[73]](#footnote-73)

BGI has developed fast and has already excelled worldwide within the field of genomics. In spite of the fact that the company is relatively new, BGI has already been involved in several big worldwide genomics projects such as The International Human Genome Project, The International Human HapMap Project, Sino-British Chicken Genome Project, International Combat against SARS, The Decoding of the Genome of the Deadly German E. Coli, etc.[[74]](#footnote-74)

In the process of the rapid and extensive development of the company, BGI has expanded extensively outside the Chinese borders. This development was initiated by the establishment of a branch of the company in Hong Kong in 2009. The establishment of BGI Hong Kong was mainly motivated by the well-developed science infrastructure and the extensive support from the government of Hong Kong.[[75]](#footnote-75) Following, BGI expanded extensively in 2010 where they established branches in both the US, Japan and Denmark, Europe. The branch in the US was located in Cambridge conveniently close to The Broad Institute of Harvard University, the Massachusetts Institute of Science and other ideal partners for scientific cooperation. Moreover, the establishment of a branch in the US has been motivated by the fact that the US is considered to be one of the world’s great science nations.[[76]](#footnote-76)

Correspondingly, the establishment of a BGI branch in Japan can be justified by the nation’s status as one of the world’s great science nations. This status means that Japan can supply efficient and high quality scientific services as well as numerous attractive opportunities for academic collaboration and idea exchange.[[77]](#footnote-77)

Obviously, the BGI Expansion would not be complete if they did not establish a branch in Europe as well. However, it can be argued that Denmark is not exactly the obvious choice of destination for such an expansion. BGI does state that their particular motivation for choosing Denmark over other European destinations that were relevant for these investments was partially personal.

As the founders of BGI has studied for several years at Danish universities their personal relations, network and knowledge of Denmark had an influence on the choice of Denmark as an investment destination for the European BGI branch. During their years as students in Denmark, both founders felt both supported and inspired by the Danish academic and business community and therefore felt that Denmark would be the opportune destination for investments within the European borders.[[78]](#footnote-78)

In spite of valuable personal relations in Denmark, BGI does state that other motivations have been equally influential. Another motivating factor for choosing Denmark was the stimulating innovative environment that prevails in Denmark. BGI argues that their ambitions go beyond simply being another bio-production pipeline as they aspire to become an incubator for unlimited opportunities. This, they felt that the innovative environment in Denmark could help facilitate.[[79]](#footnote-79) Furthermore, BGI felt that Danish initiatives like COBIS, Copenhagen Bio Science Park, created an attractive environment for a foreign company to be settled in. BGI states that they were very conscious about the adaption that was required to establish a company in the Western world as oppose to in China. Therefore, they appreciated the opportunity to start their European branch in COBIS where they could get advice and counseling on how to adapt to the local market as well as an opportunity to make use of knowledge transfer between universities and the industry. The available coaching and support from COBIS have in the case of BGI been very important for the establishment of their branch in Denmark.[[80]](#footnote-80)

Another motivating factor for choosing Denmark as an investment destination has been the extensive government support that the Danish government has offered BGI. BGI states that they found it appealing that the Danish government carried out many initiatives in support of bio-science and related industries. Moreover, they knew that several successful bio centers/parks were already established in the area. To BGI it was important to know that the government of their investment destination would be appreciative and supportive of their investments and this they felt that the Danish government lived up to.[[81]](#footnote-81)

All in all, factors such as personal relations, strong knowledge base, stimulating innovative environment and government support has in the case of BGI been the Danish forces that made them choose Denmark over other potential European investment destinations.[[82]](#footnote-82) BGI states that other European investment destinations that were considered potential candidates for the European branch of BGI were for instance Germany and England. Obviously, both of these nations are vastly bigger than Denmark both in terms of factual size, economy, resources, political influence etc., however, Denmark has, due to factors such as knowledge base and innovation, managed to outmaneuver bigger and more dominant players in the battle for foreign investment.

In the analysis of “The Stages of Economic Growth”, innovation and the status as a strongly knowledge based nation is some of the factors that truly differentiate Denmark and China and cement Denmark’s position as a nation present on the stage “The Age of High Mass Consumption”. The case study of BGI’s Investments in Denmark clearly confirms that motivating factors for investing in and cooperating with Denmark were among others the high level of innovation and the strong knowledge base of the nation. This confirmation could be interpreted as supporting the notion that “The Stages of Economic Growth” does in fact show a pattern of development that can indicate societies aspiration and ambition to advance to the next stage of economic growth potentially learning from nations on superior growth stages in the process. Based on the statements of BGI this procedure has certainly taken place in their specific case.

### Case Study –Huawei’s choice of Denmark as an Investment Destination

Huawei is a leading global information communication technology solutions provider serving more than one third of the world’s population in more than 140 different countries. The company is founded in Shenzhen, China in 1987 and has since expanded first to the rural areas and since the metropolitan areas of China, to then conquer numerous foreign markets.[[83]](#footnote-83)

When expanding to foreign markets, Huawei resourcefully chose to start out with expanding to developing countries. Thus, Huawei in 1999 established branches in Thailand, Singapore, Egypt, Saudi Arabia and South Africa. By 2001 Huawei had achieved to establish branches in more than 40 countries and international sale was becoming an increasingly big percentage of their total sale. After the success in the stated developing countries, Huawei started to expand their business to both Russia and Europe and can today proud themselves of having offices in more than 140 countries all over the world. To stay competitive and maintain technological supremacy Huawei has, furthermore, establish research institutes in more than 20 different countries.[[84]](#footnote-84)

One of the European nations that Huawei has chosen as an investment destination is Denmark. In fact, Huawei has set up no less than three offices and research facilities in Denmark. Huawei states that they found Denmark to have a very good investment environment which was one of the main motivations behind their Danish investments.[[85]](#footnote-85) They elaborate by declaring that the governmental support and the regulations and laws of Denmark were appealing to Huawei as well as the opportunities facilitated in Denmark within transportation and trade. The fact that TDC, one of the world’s top 50 telecommunication operators, is situated in Denmark was also an influential factor when choosing Denmark as the destination for extensive investments as Huawei was interested in establishing cooperation with partners in northern Europe.[[86]](#footnote-86) Officially, Huawei has stated that one of their main motivations for establishing branches in Denmark is the highly skilled and open minded workforce and the high level of innovation that prevails within the Danish industry of information communication technology. The Danish capability within design, user friendly products and the Danish standards of quality have allegedly also been important skills that Huawei found useful for their business and therefore wanted to situate themselves close to.[[87]](#footnote-87) During Huawei’s time in Denmark they have established cooperation with many Danish business partners and technical universities to promote innovation and technological development.[[88]](#footnote-88)

The case study of Huawei’s investments in Denmark demonstrates similar tendencies as the case study of BGI. Like BGI, Huawei states that their investments in Denmark to a great extend have been motivated by factors such as innovation, knowledge base and design capability which are all the exact skills that the analysis of “The Stages of Economic Growth” points out as strengths that Denmark possesses while China lacks them to excel to their next natural stage of growth.

## Denmark’s National Competitive Advantage

As the previous analysis, supported by the two case studies, indicated that there is in fact extensive incentive for China to invest in Denmark, this analysis will seek to shed light on what factors the competitive advantage of Denmark explicitly consists of.

### Factor Conditions

According to Michael Porter, the “Factor Conditions” of a nation are paramount to the Competitive Advantage. He argues that factors such as natural resources and pool of labor are in fact not at all as important as the factor condition of a nation’s educational level and specifically the specialized and highly educated workforce (see theory page 15).

In fact, he suggests that it can be an advantage for a nation to suffer from a shortage of natural resources or pool of labor as such a situation will force a nation to think outside the box and develop new skills that can in fact turn out to be more valuable (see theory page 15) . In today’s globalized society, outsourcing and trade will anyhow be able to make up for a nations shortage of natural resources or pool of labor. Whereas a highly educated workforce that is specialized within a specific niche of work is something that stands out and is difficult for other nations to imitate. Therefore, Michael Porter argues that having a well-educated workforce that has a special field of expertise is determinant for a nation’s competitive advantage (see theory page 15) .

In the case of Denmark, there is no doubt that the nation lives up to the part of Michael Porters theory stating the importance of a highly educated workforce. As the Danish welfare system equally offers all citizens of the nation free education throughout primary school, high school and university, nothing less than 80% of the Danish population holds at least an education of upper secondary level. This obviously leaves Denmark with a generally highly skilled and capable workforce (see empirical data page 19).

In addition to this, the Danish education system has a great focus on research, science, technology and innovation which thus represents the special expertise of the Danish workforce. Graduates from Danish educational institutions are generally extensively trained within these areas and thus possess great knowledge and expertise within research, science, technology and innovation. Additionally, some parts of the Danish workforce are even further specialized within areas particularly relevant currently such as climate and environment, health and welfare and natural resources. These areas are, by the Danish Ministry of Science, Innovation and Research, evaluated to be particularly relevant right now and therefore educational efforts and investments are focused on these areas with the intention of keeping the Danish workforce updated and equipped to meet the current global challenges (see empirical data page 19).

These areas of expertise that characterize Denmark are not explicitly the most unique skills and capabilities that a nation could possess. Many nations around the world have discovered the importance of these particular skills and thus Denmark does not exactly stand out with a specific set of skills that no other nation can imitate and compete with. Based on this observation, it is obvious that Denmark does not exactly benefit from the great advantages that Michael Porter describes as achievable through specialized and unique skills. However, though the Danish “skill set” is not exactly unique in itself, the Danish capability within these skills might in fact prove to constitute a competitive advantage after all. Denmark is internationally recognized for the impressive level of innovation that prevails within the nation as well as Danish research institutions are well-renowned for their result in science and research. The Danish accomplishments within these areas are also stated as motivational factors for investing in Denmark by both Beijing Genomics Institute and Huawei that both praise the high level of innovation and research that to them made Denmark stand out as an ideal investment destination (see analysis page 37-41) . In this way, the specific area of expertise that Denmark can offer might just prove to advance the competitive advantage of Denmark in spite of the fact that the skill set in itself is not as specialized as the actual capability within the set of skills.

### Demand Conditions

The demand conditions of the home market is, according to Michael Porter, highly important to the competitive advantage of a nation as it is the home demand that shapes the products and services developed within a nation. In spite of nowadays all-encompassing globalization, the home market is still the first consumers to ever evaluate the national products and services and thus their feedback and expectations of a product are crucial. The home market is largely responsible for how a company perceives and interprets buyer needs and in some cases the home market can even provide national companies with an early insight in upcoming trends and thus equip the company with a great competitive advantage on the foreign markets (see theory page 15). Michael Porter even claims that a highly demanding home market can push a company to develop very sophisticated and innovative products simply to satisfy and meet the demands of the home market. However, what simply meets the demands on the home market might prove to be considered to be extraordinary on foreign markets and thus create a valuable competitive advantage. Michael Porter importantly states that for a home market to provide national companies with the described competitive advantage, it is in no way necessary to master an explicitly big home market as the size of the home market is more or less irrelevant (see theory page 16).

Michael Porter’s concluding statement on “Demand Conditions” tends to be somewhat important as Denmark never would be able to master a remarkably big home market. However, in spite of size Denmark does in fact prove to have a very powerful and influential home market which we might evaluate to in fact confirm Michael Porters theory (see theory page 16).

What is particularly noteworthy about the Danish home market is that the Danish consumers organize themselves in advanced organizations supporting the official Danish consumer group. In this way, they stand strong together in Europe’s oldest consumption group established as early as in 1947.With nothing less than 27 branches with specific fields of expertise, the Danish Consumer Council is able to act as a guardian of consumer rights in as good as any area (see empirical data page 23). This advanced and powerful organization of consumers forces the Danish companies to live up to certain standards as they will simply be held accountable if they sell a product or deliver a service of poor quality. As a result of this, the tendencies described by Michael Porter becomes a reality as the Danish companies are pushed to meet high standards on the home market and thus becomes more than prepared to meet the standards and expectations of foreign markets (see empirical data page 23).

It is in the nature of Danes to complain if they feel that they have been cheated or mislead by a company which the strong existence of the Danish Consumer Council bears witness to. Obviously, this sort of consumer behavior qualifies the Danish home market for the title of demanding home market (see empirical data page 23). The high expectations of the Danish home market are highly likely to have promoted the development of sophisticated and innovative products and services in the attempt to meet the demand from the Danish consumers. Moreover, the Danish Consumer Council reports that the area in which the Danish people are most critical and file most complains are within technology and electronics (see empirical data page 23). That Danes should have particularly high expectations for technological products agrees very well with the previous findings of this analysis stating that technology is one of the areas in which Danes are extensively knowledgeable and educated (see empirical data page 19). Based on this observation, it is only natural that Danes would have high expectations for technological products and correspondingly that the Danish companies within this field will have no choice but to deliver highly advanced products of outstanding quality.

### Related and Supporting Industries

Michael Porter describes the relating and supporting industries of a nation’s companies to be another factor that can improve the national competitive advantage. He argues that having home based international and competitive suppliers available can promote the close working relation and thus innovate and upgrade the products or services in question. The free flow of information and idea exchange that a close working relation can help facilitate is in general said to promote the overall improvement of the product. However, Michael Porter does state that it is not necessary for a nation to have solely home based international competitive suppliers to obtain a national competitive advantage (see theory page 16).

As Denmark is more of a knowledge based society with a dominant service sector as oppose to a heavy industry, what constitutes “Related and Supporting Industries” are not the classical supplier of spare parts or natural resources (see empirical data page 22). Some of the “suppliers” that tend to be highly important to the service dominated Danish business sector counts among others the Danish universities that fuel the Danish companies with knowledge and research. The Danish business sector enjoys great and extensive cooperation with the Danish universities that are eager to share their knowledge to thus promote the level of innovation in Denmark. In fact, the cooperation between the Danish universities and the business sector is so fruitful and successful that it has been the subject of international recognition in an extensive survey (see empirical data page 23). This successful cooperation might be the key to Denmark’s success within areas such as research, technology and innovation that is widely praised by both Beijing Genomics Institute and Huawei. Danish businesses do certainly enjoy the benefits of innovation, upgrading and improvements as Michael Porter lists as consequences of the close work relation between national companies and suppliers. Thus, some areas of the Danish business sector do enjoy a competitive advantage in the form of good relations with home based international competitive suppliers.

### Firm Strategy, Structure and Rivalry

In the ”Firm Strategy, Structure and Rivalry” part of Michael Porters theory on National Competitive Advantage, he particularly emphasizes the importance of domestic rivalry among national companies as a factor promoting the national competitive advantage. He describes how the national circumstances and the context heavily influence the level of domestic rivalry and argues that a competitive environment mainly will develop within industries that the nation either admires of relies particularly much on (see theory page 16). Within these industries the national companies are supposedly forced to fight for their position on the market by constantly innovating and improving their products which consequently will provide them with a great competitive advantage. Furthermore, the domestic rivalry will prepare the national company to enter foreign markets and thus further improve the national competitive advantage (see theory page 17).

In the case of Denmark, extensive efforts are made to facilitate a healthy level of competition and rivalry among national companies. However, the efforts to some extend seem to be done in vain as the Danish level of competition and domestic rivalry is disappointingly low. This is, as described by Michael Porter, caused by the national circumstances that leave Denmark with a very extensive public sector that simply does not generate much domestic rivalry. As a consequence, Danish prices are unusually high and the nation is unable to generate a national competitive advantage within this field (see empirical data page 22).

Another point that Michael Porter emphasizes as important within this section is the unique features that characterize the workforce of each nation. In Denmark, the workforce is known to be highly motivated and devoted to improving and developing their skills. Furthermore, they are rumored to be very flexible and talented through their high level of education. These are definitely all traits that can work to the advantage of the nation and help promote the national competitive advantage (see empirical data page 23) .

# Conclusion

The wonderment that initiated this thesis is summarized in the following problem statement:

**Why is Denmark an attractive investment destination for Chinese companies?**

* **How can it possibly be beneficial for a nation like China to cooperate with a nation as vastly different as Denmark is?**
* **What particular resources make Denmark and advantageous investment partner?**

The conclusion, seeking to answer this problem statement, is developed based on the verification process that the hypotheses have undergone throughout the analysis.

The first part of the analysis based on Rostow’s “Stages of Economic Growth” clearly determines that Denmark belongs on the developmental stage of “High Mass Consumption”. The fact that Denmark can be categorized as a superfluous welfare state matches the stage of “High Mass Consumption” perfectly. That the Danish business sector is dominated by a large service sector and that the Danish workforce as a result mainly is employed in offices is also a typical trait of the “High Mass Consumption” stage. Furthermore, Denmark’s status as an internationally influential nation with a very active foreign policy is very commonly seen among nations on the developmental stage of “High Mass Consumption” and thus agrees very well with Rostow’s theory. Last but not least Rostow describes “High Mass Consumption” societies as societies where the inhabitants have lots of choices in their life which is exactly the kind of freedom Danes enjoy through the extensive welfare system that prevails in Denmark.

The first part of the analysis also enables me to determine that China is on the developmental stage that Rostow defines as “The drive to maturity”. Several characteristics of the Chinese nation fairly obviously match the criteria of this developmental stage and facilitate this conclusion. The fact that China at this point is a nation with an economy that is slowing down and settling on a stabile level of growth after decades of intense and rapid growth is exactly what characterizes Rostow’s “The Drive to Maturity”. Correspondingly, the Chinese industry is currently a mix between the heavy industry that fuelled the great development that China has gone through and the more advanced industry producing chemicals, electronics etc. that will lead China’s further development which also agrees perfectly with the characteristics of the developmental stage “The Drive to Maturity”. In accordance with Rostow’s theory, China is also becoming more and more active on the international scene and is gaining influence on international and political matters. The one point of “The Drive to Maturity” that China does not live up to is having a substantial level of innovation. However, China does have a small but developing welfare system which is in fact a trait of the next natural developmental stage “High Mass Consumption” indicating the beginning acceleration to the next step of development.

In the second phase of the analysis, it is suggested that the “Stages of Economic Growth” do not only determine the developmental stages of the countries but that the analysis based on the theory in fact also indicate that a nation instinctively will desire to accelerate to the next natural level of development which might generate a motivation to cooperate with and learn from a nation already present on that stage so as to adapt their skills. From this perspective, the developmental stage of Denmark could function as a motivational factor for China to engage in cooperation and investments in Denmark. This suggested extra dimension of the “Stags of Economic Growth” is supported by the two case studies of respectively Beijing Genomics Institute and Huawei that both constitute examples of successful and international Chinese companies that have chosen to invest in Denmark by establishing branches of their company in Denmark. Both of these companies state that their main motivation for investing in Denmark, as oppose to other obvious and advantageous investment destinations in Europe, was centered around the Danish competences within such areas as innovation and knowledge base which happen to be some of the skills that in particular differentiate China and Denmark’s developmental stages.

After having determined the developmental stages of the two countries in question and having supported the notion that these developmental stages do in fact also indicate a pattern of aspirations and intentions, the second part of the analysis had the purpose to shed light on the particular competitive advantage of Denmark that might function as a motivational factor in China’s ambition to cooperate with Denmark

The analysis based on the “National Competitive Advantage” by Michael Porter verifies that Denmark does in fact have specific resources that combined function as the “National Competitive Advantage”. Regarding the “National Competitive Advantage” that Michael Porter terms as Factor Conditions Denmark does certainly live up to the expectations of having a well-educated workforce, however, the Danish workforce is not as specialized as Michael Porter recommends it to be to achieve monopolization in a special field of work. The unique skills of Denmark lie within innovation and research. These “unique skills” are in fact not that unique and do not exactly make Denmark stand out, however, Denmark have shown remarkable capabilities within these unique skills which might just give Denmark and edge and a competitive advantage after all. The Demand Conditions of the Danish market do also provide Denmark with a competitive advantage. Denmark has an unusually demanding home market that is known to be very organized and influential. This forces Danish companies to maintain high standards in both service and the actual quality of the product which proves to be a competitive advantage on the international market as the high demands of the Danish home market has more than prepared Danish companies for obstacles and difficulties and forced them to deliver goods of very high quality.

The Related and Supporting Industries of Denmark do also supply Denmark with a competitive advantage. In the case of Denmark, valuable supporting industries are not suppliers of spare parts but suppliers of knowhow and research which is what generally fuels the Danish business sector. Therefore, the extensive cooperation between Danish universities and companies is very important as it generates great innovation and research and thus provides Denmark with a great competitive advantage. According to Michael Porter, domestic rivalry is also an important aspect of a nation’s competitive advantage , however, this is not a competitive advantage that Denmark benefits from as there is very sparse domestic rivalry and competition on the Danish market.

Subsequently, it can be concluded that it can in fact be beneficial for China to cooperate with Denmark as there is many particular areas in which Denmark is a step ahead of China. China can therefore benefit from cooperation and investment in Denmark to thus learn from and make use of advanced expertise. The benefit of this cooperation is in fact characterized by the differences between China and Denmark because the areas in which China truly benefits from cooperation with Denmark is exactly the areas that differentiate the two nations and furthermore it is the areas where Denmark is proved to be more advanced than China.

Aside from the fact that Denmark is on a developmental stage that China desires to reach, Denmark does have specific resources that generally promotes the “National Competitive Advantage” of Denmark and thus makes the nation an advantageous investment partner. These resources include among others a highly skilled and well-educated workforce with great capability within research and innovation, a home market with high quality products and services generated by very demanding Danish consumers and a great cooperation knowledge exchange between Danish universities and companies that helps promote the level of innovation and knowhow of the nation. All factors that combined make Denmark quite an attractive investment partner for a nation like China.

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# Appendix

This appendix chapter will feature the questionnaires that respectively Huawei and BGI returned with aswers describing their particular situation.

## Appendix 1 – Huawei Questionnaire

1. What strengths and resources did your company look for in an investment destination when you decided to establish a branch in a European country?

I think which should include at least the following items:

(1) An opened market to all the companies and also the market should have potential opportunity for us in the coming 3-5years?

(2)Investment environment is good: for example the transportation is best and the local Law/ regulation are healthy and maturated.

(3)More experienced Human resource and good/ impartial business environment.

(4)Effective government management.

1. Why have you chosen to establish your company and make investments in particularly Denmark?

(1)Good investment environment in Denmark: Transportation and law and openness

(2)There is huge Potential opportunity in Denmark, and we can find more opportunities which can support us successes in this market.

(3)Good customer and good trade environment, TDC Denmark is one of the TOP50 operators in the world.

(4)We are interested to do business in Denmark and feel comfortable in here.

1. Did you, in the decision process of establishing your company in Denmark, consider other countries?

Yes, we will compare Denmark and other countries in Europe

1. If so, which countries did you consider?

We think the Europe is a good place for investment and development and we consider all the countries which will be our potential opportunity market.

1. What competitive advantage do you evaluate that Denmark has compared to other European countries?

Developed and opened market competition

Open attitude to the external investment

Good location which is center to connect the West Europe and Nordic

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## Appendix 2 –BGI Questionnaire

1. What strengths and resources did your company look for in an investment destination when you decided to establish a branch in a European country?

1) Good personal and governmental connections;

2) Possible financial supports from the government;

3) Environment for innovation.

1. Why have you chosen to establish your company and make investments in particularly Denmark?

There are three reasons for BGI to establish headquarter in Denmark:

The main reason we are in DK is due to the fact that two BGI’s founders are graduated from Danish universities and hence have special feelings for Denmark. Therefore, BGI locates its European headquarter in Denmark as paybacks to supports and inspirations that Denmark has offered to BGI’s founders.

The second reason is the governmental support to bioscience and related industries in Northern Europe, and especially in Denmark. Many successful biocenters/parks have been founded by governmental supports in this region (like COBIS). Supports from Danish government is critical for BGI’s decision-making, because the Danish government gives BGI good impressions that BGI’s investments in Denmark are appreciated and understood by the Danish society.

The last reason is the environmental stimulus to innovation. BGI has ambitious scope rather than simply become a bio-production pipeline. With its own platform and specialized technologies, BGI aims to become an incubator for unlimited opportunities. Evolving to be international, especially in western world, BGI need to acquire knowledge regarding western manners of working and thinking. A place like COBIS provides possibilities for knowledge-transfer between university and industry, and among companies, and provides helps for a foreign company as BGI to adapt the local market. COBIS has a mature system to coach and support biobusiness companies that willing to establish in Denmark.

1. Did you, in the decision process of establishing your company in Denmark, consider other countries?

There are several other options, when BGI plan to locate its headquarter in European region.

1. If so, which countries did you consider?

For example, UK and Germany.

1. What competitive advantage do you evaluate that Denmark has compared to other European countries?

1) Governmental supports to high-tech industries and innovation;

2) Mature system for transfer knowledge from research to product.

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# Tables and Figures

This chapter will display the tables and figures that have been applied in the thesis.

## Tables

* Table 1. Annual percentage growth rate of GDP at market prices based on constant local currency in Denmark

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