



JRC SCIENCE FOR POLICY REPORT

RIO Country Report 2017: Denmark

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Summary

Key findings

Denmark's macro-economic situation is sound with low inflation, low unemployment, stable public finances and a positive balance of payments. After growth rates of 1.6% in 2015, 1.7% in 2016, and an estimated 2.1% in 2017, the European Commission foresees real GDP growth of 2.0% in 2018 easing to 1.9% in 2019.

One of the main challenges is to increase productivity growth, which has been weak for the last decade. Achieving stronger productivity growth would be important for addressing societal challenges such as the increasing costs from an ageing population and preserving the social welfare system at the current level. Moreover, higher productivity growth would alleviate some of the emerging problems with shortages of skilled labour.

Danish R&D intensity is relatively high, about 3% of GDP. Public R&D is projected to remain at around 1% of GDP. Denmark is an innovation leader in the EU, but there is still a potential to increase the innovation performance in particular of SMEs.

Challenges for R&I policy-making in Denmark

Improve the innovativeness of firms and the commercialisation of research. Despite the good performance of the R&I system in terms of research quality and volume and good overall innovation performance, there is still a potential for improving the innovation performance of SMEs. One of the measures to accomplish this is strengthening the interactions between actors in the system.

Increase the quality and availability of human resources. As growth has picked up after the economic and financial crisis, shortages of skilled labour have emerged in several industries as well as outside the larger cities.

Support innovation to boost productivity growth. There is scope for further support to improve innovation management and implementation capabilities in the business sector, in particular amongst SMEs.

Main R&I developments in 2017

A new comprehensive R&I strategy "Denmark – Ready for the Future" ("Danmark - Klar til Fremtiden") was launched in December 2017 (Regeringen, 2017a). It has two main priorities:

- Increase the quality of R&D
- Increase the societal impact of R&D

Smart specialisation

Denmark does not have a single combined strategy for smart specialisation, but rather a collection of strategies, which together form the Danish Smart specialisation strategies. These include the Government's growth plans and the regional growth and development strategies. Smart specialisation priority areas for Denmark are: manufacturing and industry, energy production and distribution, sustainable innovation, health and social work activities, agriculture, forestry and fishing. In the 2014-2020 period, the INNO+ initiative supports smart specialisation investments in: transport, environment and urban development, food production and bio economy, health solutions, innovative production and innovative digital solutions. Danish research and innovation policies are in tune with the smart specialisation approach, but further coordination and alignment of strategies between the national and regional levels is recommended.

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