



PRESS RELEASE

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New business network to help Danish companies navigate Southeast Asian markets

Southeast Asia is all about growth. The region has a large population and an innovative business community in constant search for new partners – opportunities that Danish companies should act on.

A new network of Danish businesspeople with experience from Asia has been established to ensure that more Danish companies can expand to Southeast Asia and reap benefits there. This will be accomplished in part with a series of strategic business promotions in the region.

“Internationalization is a path to increased competitiveness. The companies that truly take advantage of global opportunities and learn from experiences outside of Denmark are stronger when it comes to entering new markets. In that sense, Southeast Asia is clearly an interesting area. Firstly, as an attractive export market at a time when Danish exports are hard hit, and secondly, as a source of new knowledge and technology that the Danish business community can benefit from by increasing its presence in the region,” says Thomas Hofman-Bang, CEO of the Danish Industry Foundation.

Employment in the Danish export sector is estimated to have decreased by 80,000 people during the crisis, and in seasonally adjusted figures, Danish exports of goods and services have decreased by a total of 8.1 per cent from 2019 to 2020, which corresponds to a loss of DKK 110 billion. Inherently, many of the countries that were severely affected by the crisis are also the countries that Danish companies commonly export to.

Southeast Asia stands out

In contrast to these dismal statistics, Southeast Asia stands strong. The region of the Association of Southeast Asian Nations, ASEAN, is one of the world's fastest growing markets with over 650 million inhabitants, and it is expected - despite the corona crisis - that the area's total GDP growth will reach 6 percent in 2021. Undoubtedly, there are enormous opportunities for Danish companies with the courage to take on the Southeast Asian market.

Untapped potential

Nonetheless, from a Danish perspective, ASEAN is one of the least explored markets. But that needs to change now. Through a newly established network, knowledge about the region is gathered and made available to the entire Danish business community. And with the network's experience in mind, the connection between Denmark and Southeast Asia will be strengthened so that it will be easier for Danish companies - including small and medium-sized ones - to gain access to the growth markets in Southeast Asia and create new exports.

The project is created by Asia House, the Danish Export Association, Andersen Consult, and the Danish Industry Foundation. Together with the Danish chambers of commerce, companies, representations



and businesspeople, the project will carry out a number of export promotion activities, build bridges and strengthen Danish insight and presence in the Southeast Asian region.

"I see huge untapped potential for export in Southeast Asia. It is one of the regions in the world where the expectations for growth in the coming years are greatest," says Ulrik Dahl, CEO of the Danish Export Association, referring to the fact that Asia is an important - but still relatively untapped - market for Denmark. *"Through a strong Danish-Asian SME network, we can help Danish export companies claim a piece of the pie and unleash their great potential."* Over the past 10 years, Danish merchandise exports to Asia have doubled, but still only account for less than 10 percent of total Danish merchandise exports. Likewise, the five largest Southeast Asian markets - Thailand, Vietnam, Malaysia, the Philippines and Indonesia – have also doubled in Danish exports, but still account for only 1.2 percent of total merchandise exports.

New insights and approaches to create new opportunities

Over the next two years, with the support of the Danish Industry Foundation, the new network project will concentrate on network building, knowledge sharing and concrete business promotions to Southeast Asia with 50 companies that are set to explore the possibilities in Indonesia, Thailand, Vietnam, the Philippines and Malaysia.

Knowledge gained from the project is expected to result in an improvement in the conditions and quality of the business-oriented offers and opportunities that exist for Danish companies when they choose to work with Southeast Asia.

Although the ASEAN region is becoming increasingly integrated and cross-sectoral cooperation is constantly evolving, Danish companies should be aware of the countries' differences, local preferences, and cultural contrasts.

There is no one-size-fits-all strategy. Therefore, the project will ensure that the companies participating in the planned market visits are prepared for each country's unique challenges and opportunities. Because even though digitalisation has eased the internationalization process, there is still an actual need for market visits to the countries in which one wishes to gain a foothold.

"I consider inspiration trips to Southeast Asia's most forward-thinking markets a key contribution to building bridges between Asia and Denmark. Asia is often perceived as a place with many common features, but the reality is that the region consists of a great number of unique countries and cultures. Therefore, business networks between Danes living in Asia, and us Danes in Denmark, are absolutely crucial for gaining insight and success in the corresponding market. Mobilising experienced Danes living in the region strengthens the project and the associated market visits. Together with the other partners in the project, I look forward to offering the Danish business community a new approach that ensures a stronger foundation for lasting business in Asia," says Lars Siggaard Andersen, CEO of Andersen Consult.

A joint effort

Establishing a solid foundation for the Danish business community in new markets in Asia requires a united effort in which both private and public sectors in Denmark and in the region are involved and



activated. The project will therefore collaborate with the Danish chambers of commerce and will include knowledge and experience from Danish representations in the region. In this way, companies can benefit not only from new network connections and support from project partners, but also from unique insights and services available through the various Danish organisations in the region.

“There is no doubt that a joint Danish effort will create the most value for Danish companies. Both in the short and long term. The project is therefore a good opportunity to bring together the various actors who already support the Danish business community with exports and internationalization. In 2018, the EAC Foundation took the initiative to bring together the Danish chambers of commerce in Asia for the first joint meeting. The vision of the project is thus not only to create a bridge for new companies, but also to establish stronger links between Danish stakeholders and organizations in the region. Overall, it will create a solid stepping stone for even greater Danish successes in Asia,” says Susanne Hækkerup, Executive Director of Asia House.

The concrete establishment of the Danish-Asian SME Network will be initiated with immediate effect. Everyone with an interest in the area is welcome to contact the project manager at Asia House, Mikkel Beyer Mogensen.