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Danish exports need to broaden their outlook

The Danish newspaper Børsen recently published an op-ed piece by Asia House Chairman of the Board, Ove Ullerup. Following is a translation from the original Danish. [Read the article in Danish on Børsen's website.](#)

Op-ed by Ove Ullerup, Chairman of Asia House, Børsen, 11 May 2023

Many Danish companies are weakly positioned in the export market. Long-term efforts are needed, and export subsidies need to be adjusted.

A TV-series called "The Moguls" that recently aired on DR (the Danish Broadcasting service), told the story of how Danish business giants of the past used to bring Danish companies out into the world. It was through a mixture of foresight, courage, and cooperation that business leaders such as H.N. Andersen (the East Asiatic Company), the big bankers and other business leaders broke new ground. Are we still following in the footsteps of H. N. Andersen? Is Denmark strong and broadly based in the export market? Unfortunately, no. Yes, the big companies are, but the SMEs are falling through the cracks.

Two months ago, the Danish Crown Prince and Princess visited India, accompanied by two ministers and 36 Danish companies. A great and important step for the benefit of Denmark and the business community. But for such initiatives to create lasting results and have a broader impact on the business community, there must be systematic and long-term follow-up. This is where things

often go wrong - especially when it comes to SMEs, which make up 97 per cent of all Danish businesses.

According to the Danish Business Promotion Agency, only nine per cent of SMEs export. Exports that are often sporadic and random. Danish exports are primarily characterised by large companies. The reasons are well known and described in their strategy document as "lack of experience, resources and competence, including knowledge of financing. As a result, many refrain from international ventures and focus on the domestic market because it is simpler and less risky".

At a standstill

Our presence in the most economically important continent in the world, Asia, illustrates the problem. For the past ten years, Danish exports to Asia (with the exception of China) have been virtually stagnant, and overall, we export more to 15 million Swedes and Norwegians than to the 4.5 billion Asians. Despite the booming development in Asia.

The consequence is the loss of massive export opportunities, insight into global value chains and international innovation. This is a sad state of affairs when we have the solutions that the world demands in areas such as green transition. The stagnation and lack of results are not due to a lack of funds for Danish export promotion; the range of public and private support programmes is broad. Nevertheless, we are still not succeeding in taking SMEs out into the world.

Our experience at Asia House is that this is partly due to a lack of interaction and partnership between the relevant players, where the focus is on satisfying their own members/customers at the expense of cross-sectoral collaboration with other companies and interest organisations. To make matters worse, many support programmes are project-oriented, short-term and unconnected to other support opportunities. Introducing SMEs to a market such as Asia requires a hands-on process to ensure that new contacts take root.

Where the various support programmes work together without gaps in the process and with the stamina to keep going, even if it takes time to succeed. The Danish commercial gene combined with a head-to-head battle is not enough.

Four efforts

Creating a critical mass of export companies in a small country is a big challenge. For that reason alone, we are uninteresting in parts of the world. Our experience shows that Nordic co-operation can change this: suddenly we represent the 12th largest economy in the world. Unfortunately, however, a large part of the Danish subsidy programmes are closed to joint Nordic initiatives.

This is short-sighted, provincial and needs to change. As one of the most important players, the Danish Business Promotion Agency is working on a new strategy for business promotion to ensure effective internationalisation of Danish companies. So are other financial institutions and foundations.

If we in Denmark are serious about getting SMEs and startups to go abroad, we need:

- a real partnership across the Danish support programmes
- long-term support programmes where exports take root
- a systematic strategy for the individual export areas
- increased support for Nordic business cooperation in the export market.

The government's "Action Plan for Economic Diplomacy 2022-2023" expressed a fine goal for internationalisation: "All this is best achieved hand in hand with the many Danish private and public actors who work on the international agenda and who together pave the way for Danish companies' international engagement."

Exports make up almost 60 per cent of our GDP and account for around one in four jobs in Denmark. It's not a zero-sum game - there's plenty of opportunity to conquer the world. Now it's just a matter of turning that goal into action. As H. N. Andersen put it: "The earth is no bigger than can be encompassed by thought."

COMING EVENTS

Report Release and Networking Event at Asia House: The Innovation Ecosystem of Sri Lanka



On Tuesday, 30 May, Asia House is launching its report “A guide to the Innovation Ecosystem of Sri Lanka” with a networking event.

As a key trading hub in the Indian Ocean, the island of Sri Lanka has one of the region's most innovative and disruptive IT and Business Process Management sectors. The report release will be followed by a B2B matchmaking session with a delegation of Sri Lankan IT businesses who are visiting Copenhagen for the occasion. A selection of important stakeholders in the IT sector in Denmark will also be present to provide insights into the Danish IT market.

[Registration for the event](#) and participation in the B2B matchmaking is free and includes a networking lunch.

The event is organized in collaboration with the Sri Lanka Export Development Board and the Embassy of Sri Lanka in Stockholm. We look forward to seeing you there.

Talk at Asia House on ASEAN and EU cooperation

On Thursday, 1 June, 15:00-17:00, Asia House welcomes Dr Yeo Lay Hwee, Vice-Chair of ASEANCham-EU for a talk on cooperation between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN).



In her talk entitled, "Agency and Autonomy: How EU and ASEAN can rebuild multilateralism and an open, rules-based order", Dr Yeo will provide an overview of the state of play of EU-ASEAN relations, explore the issues over ASEAN centrality and the EU's strategic autonomy and the challenges and opportunities that the two regional blocs face in an increasingly fragmented and contested world.

In 1977, the EU and ASEAN established a dialogue partnership which has seen trials and tribulations, as the two regional blocs are constituted differently and do not always share the same world view. However, as the world entered a period of great uncertainty caused by the rivalry between the US and China, pushback against globalisation and technological disruptions, the strategic imperatives for the EU and ASEAN to engage more intensely and comprehensively to navigate these challenges became compelling. In Dec 2020, EU and ASEAN elevated their ties to a strategic partnership. How can both regional blocs translate this strategic partnership to one that can truly add value to their agency – shoring up ASEAN centrality in the Indo-Pacific and building up the EU's strategic autonomy? The existing fault lines in the world exacerbated by the Covid-19 pandemic and the war in Ukraine and the downward spiral in US-China relations should add urgency to the question of how the EU and ASEAN should operationalise its strategic partnership to rebuild multilateralism and an open, inclusive rules-based order that has been beneficial to the development of EU and ASEAN.

Dr Yeo Lay Hwee is Vice-Chair of

She is also Senior Associate at the Centre for Liberal Arts and Social Sciences (Nanyang Technological University), Adjunct Faculty at the Singapore Management University and Adjunct Teaching Fellow at the National University of Singapore. Dr Yeo has extensive policy expertise on EU-ASEAN/Asia-Europe relations that led her to support the setting up of ASEANCham-EU in 2022 to promote stronger economic ties between ASEAN and the EU.

Her interest on regional integration and the inter-regional ties between the EU and ASEAN began in 1995 when she served in the Secretariat supporting the work of the EU-ASEAN Eminent Persons group. As Director of the European Union Centre in Singapore, she continues her focus in finding ways to strengthen the partnership between EU and ASEAN.

Dr Yeo Lay Hwee also sits on several academic Advisory Boards including Centre for European Studies at the Australian National University, Leiden Asia Centre in Leiden University; Asian Vision Institute in Cambodia. She participates actively in policy dialogue, workshops and various academic research networks, and contributes articles and opinion pieces to both academic publications and online policy platforms. Her most recent book which she co-edited with Professor Tommy Koh is entitled, "ASEAN-EU Partnership: the Untold Story".

The talk starts at 15:00 followed by drinks and networking until 17:00. All are welcome.

[PLEASE CLICK HERE TO REGISTER BY 29 MAY.](#)

ASEANCham-EU, Senior Research Fellow at the Singapore Institute of International Affairs and Adjunct Senior Fellow at the S Rajaratnam School of International Studies.

PAST EVENTS

Annual Spring Ambassadors' Luncheon



On 12 May, Asia House hosted the annual Spring Ambassadors' Luncheon, which assembled Asia House Partners and ambassadors or representatives from the embassies of Australia, Bangladesh, China, India, Indonesia, Japan, Nepal, the Philippines, Thailand and Vietnam.

Special thanks go to the speaker of the day, Lars Gert Lose, Associate Partner and Head of Global Public Affairs at [Copenhagen Infrastructure Partners](#), who provided valuable insights on the perspectives for global green energy transition, with a focus on Asia and CIP's role in accelerating clean energy worldwide.

Lars Gert Lose commented, "It was great to be back in the diplomatic community, meet former colleagues and talk about the huge potential for renewable energy

infrastructure in Asia and the pivotal role that the continent will play in the global green transition. We in Copenhagen Infrastructure Partners look forward to continuing doing our part in facilitating this development in the Asian markets."

The yearly event at Asia House facilitates productive discussions, fosters connections and helps strengthen international ties.

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Indiakaj 16 • DK-2100 Copenhagen Ø • +45 35 26 56 11 • ah@asia-house.dk



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Our mailing address is:
ah@asia-house.dk