

Country risk denmark

Business



Country Risk / Denmark

Risk Assessment in Denmark Risk Assessment in Denmark Denmark, according to the risk assessment conducted in 2014, is analyzed on political, economic and financial risk. Denmark is an affiliate of the European Union and hence enjoys superior political environment. Denmark has enjoyed government stability and excellent fiscal, monetary, and legal systems. As such, the nation has very low political risks as far as business environment is concerned. The financial system risk is rated very low. Experts credit the Danish Financial Supervisory Authority (DFSA) for this success. The body regulates the all financial sector including the insurance and banking industries. As a result, the banking sector has been doing very well since 2009. According to the article, Denmark has a wealthy, globally competitive and well-balanced economy.

Being a constituent of the European Union, Denmark enjoys various economic and political programs that encompass the membership of a powerful economic block. As such, the countries enjoy large economy of scale in exports and also desirable terms of trade in respect to importation. As it has been stated, Denmark and the United Kingdom are exempted from using the Euro Currency. As a result, a recession in the entire European Union may not adversely affect Denmark. Lastly, a review of the immigration laws has made the country reap economic benefits as it has experienced the influx of skills and expertise into the country.

Denmark continues to suffer from historically high unemployment that is rated at 7%. In addition, the country has experienced a prolonged havoc in the housing market. Another weakness that Denmark is facing is the weak

investment and decreased consumer confidence. As a result, the potential economic growth has been hampered.

Strength

Most importantly, Denmark is a member of the EU and hence it accrues benefits of economy of scale in exportation and high bargaining power when importing from non-EU members.

Source

The source, A. M. Best Country Risk Ratings by global EDGE, contains useful information for analyzing the business risk of Denmark. It gives information on various aspects that are used to analyze the strength and weaknesses of the country,

Reference

A. M. Best Country Risk Ratings by global EDGE

<http://www3.ambest.com/ratings/cr/crisk.aspx>