

COPENHAGEN CAPACITY

Copenhagen: A breeding ground for smart transportation systems

A market poised for growth

Copenhagen aims to become the world's first carbon-neutral city by 2025, and Denmark is determined to become independent of foreign fossil fuels by 2050.

Economic pressures drive demand for intelligent and cost-efficient transport solutions from private and public fleet owners, operators of passenger and freight transportation services and traffic management.

For these reasons, the development, testing and application of smart transportation systems and solutions attract political attention as well as funds in the Copenhagen region.

Danish smart transportation strongholds

The smart transportation systems industry constitutes a position of strength in the Copenhagen region. Research, know-how and consulting, intelligent transportation systems (ITS) and information & communication technology (ICT) stand out as significant strengths. Computer technology for transport optimisation such as fleet management and route planning are other strong suits in the region along with planning and design, traffic modelling, and algorithms. And Denmark is a pioneering country in alternative fuels and alternative-fuel vehicles.

The smart transportation systems industry

Copenhagen hosts a multitude of innovative companies engaged in the development of smart transportation systems. Common to all of them is their focus on intelligent technologies and sustainability, and their capacity for growth. Optimism prevails in the industry, and companies possess the organisational capacity to expand.

The industry was recently analysed by Copenhagen Capacity. The survey included 174 companies employing 2,700 people in the region. Their annual turnover is estimated at EUR 2.5 billion.

The survey is available at Copenhagen Capacity's website in the section Business Opportunities.

Smart transportation strongholds:

- > **Intelligent Transport Systems (ITS)**
Systems and technological equipment which helps to ease the traffic and make transport of people and goods more efficient, cleaner and safer. ITS are systems that intelligently controls the road, to make transportation more efficient.
- Vejdirektoratet 2012, 7
- > **Alternative fuels**
Includes electric vehicles, hydrogen and biofuels, and is to be seen as a sustainable alternative to fossil fuels in combustion engines.
- > **City logistics and mobility management**
Refers to the transportation of goods in city areas.

“ Denmark, Europe's best country for doing business

- The World Bank, Doing Business 2014

The place to be for R&D

Companies in the smart transportation systems industry are forward-looking and fully aware that a broad range of competencies and new patterns of cooperation are needed to solve the complex problems of urban growth.

In the Copenhagen region, fruitful collaborations among technical universities and engineers, designers, developers and consultants have nurtured highly competent and specialised test and development environments. This is where the challenges of urban growth are transformed into innovative and sustainable smart transportation solutions – while new constellations of cross-sectoral cooperation work to promote and market these solutions.

About the market

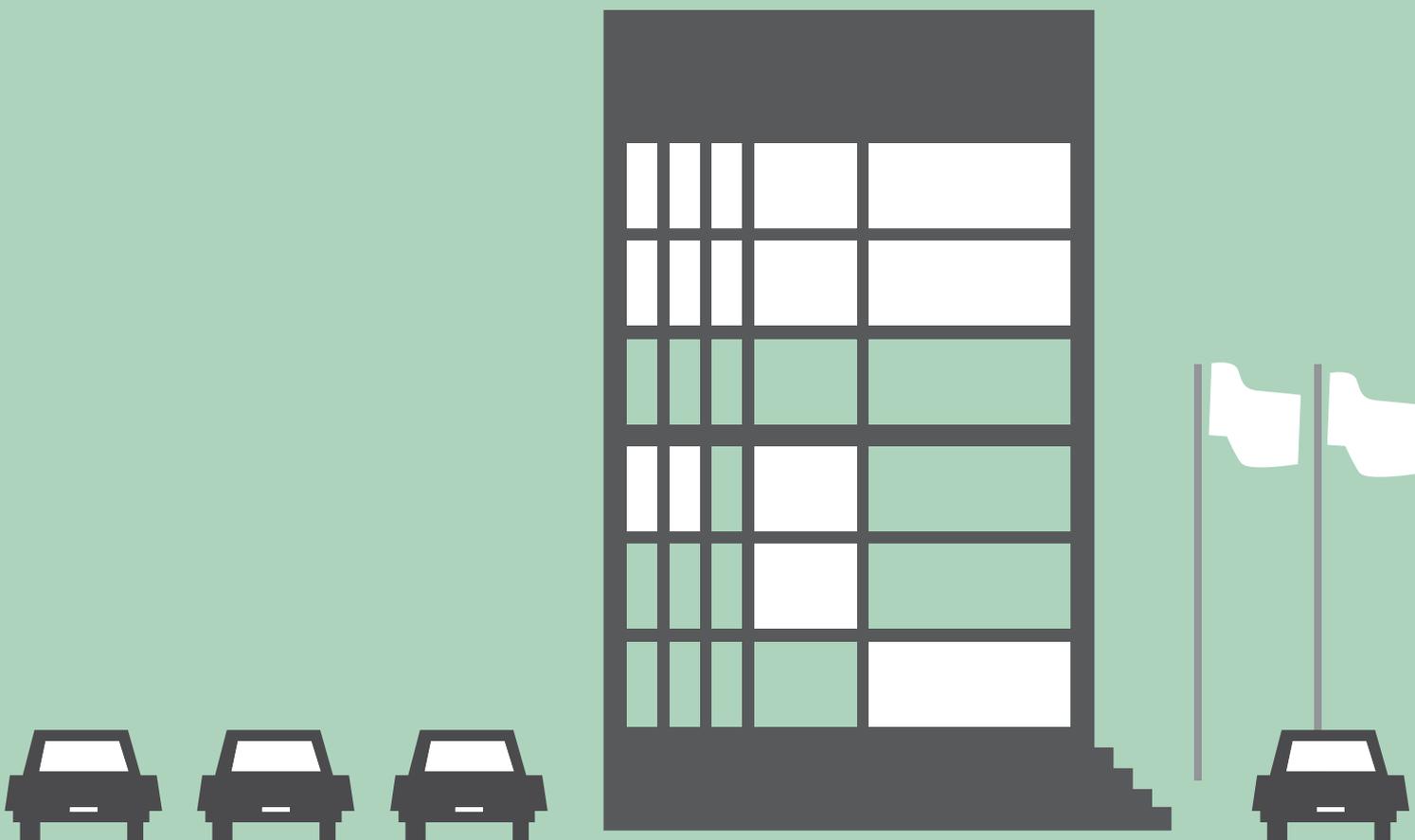
- **174 companies operate in the smart transportation systems industry** in Copenhagen. 71% of them expect to launch new products, solutions or services in the next couple of years
- **The estimated annual turnover of companies in the industry amounts to EUR 11.8 billion** (2011), of which an estimated 21% derives directly from smart transportation systems
- **The industry is internationally oriented.** 63% of the companies operate in Sweden, Germany and Norway, 50% include the rest of Europe in their market, and 20% operate globally in overseas markets such as the USA and Canada

Conducive working environments

86% of Danes speak English, and 58% speak German. Highly qualified employees are readily available to match the needs of companies pursuing excellence in the smart transportation systems industry. Flat organisational hierarchies and informal working environments stimulate creativity, reflexion, commitment and initiative among employees at all levels.

Copenhagen's total investment in intelligent traffic management is expected to be about EUR 4 million for the period 2013-2015.

- kk.dk/climate



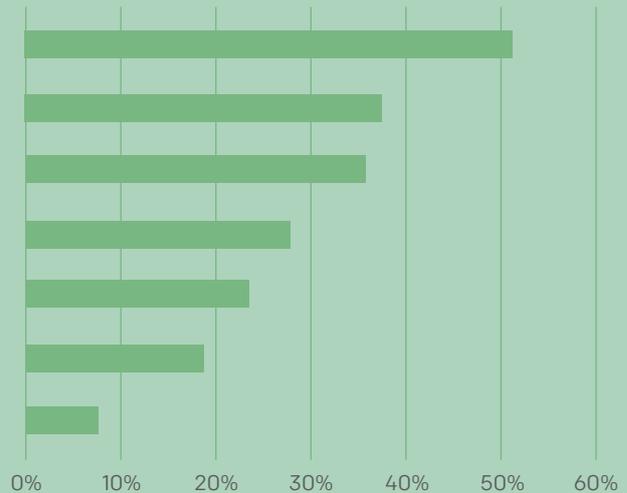
The leading electric vehicle region in Europe

In the streets of Copenhagen, electric cars are not a rare sight. It is a political ambition for Copenhagen to become the leading electric vehicle region in Europe. To encourage the pursuit of this goal, the official regional electric vehicle secretariat, Copenhagen Electric, provides information, demonstrations and assistance to partnerships and projects testing electric vehicles.

Companies listed by products and services

- Intelligent transportation systems
- Physical planning and consulting
- Vehicles and parts
- Alternative fuels and supply networks
- Public transport, passenger transport, taxi service, carpooling, leasing etc.
- Freight, transportation, logistics, storage
- Other

Source: Copenhagen Capacity, survey 2013



Public demand and funding

The public sector is the prime driver of demand for smart transportation solutions in Denmark. Increasing awareness of the need for smart transportation solutions to reduce congestion and emissions and allow for sustainable growth in cities paves the way for qualified public demand and tenders.

Government funding is available to support the development of new smart transportation technologies in all phases until they are ready for market.

Public-private innovation projects (OPI) provide excellent opportunities for national as well as international companies to pursue development and growth.

Smooth interaction with public authorities

The Danish public sector is renowned for its low level of bureaucracy and red tape and commitment to limiting administrative burdens. As a result, international companies locating in the Copenhagen region can concentrate on their business instead of tedious regulations and administrative burdens.



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Most business friendly climate in Europe

The easiest place to do business

Denmark is the least corrupt country in the world and the easiest place in Europe to do business, according to the World Bank. Establishing an office can be done in 48 hours, and it is easy to arrange credit lines, pay taxes, protect investors, trade across borders and resolve insolvency problems.

Flexible labour law – easy to scale headcounts

In terms of hiring and firing, Denmark has the most flexible legislation in Europe, and Copenhagen is approximately 15-20% cheaper than Stockholm when comparing salaries, social security costs and office rent.

Unique Danish tax rule

Companies with their Nordic headquarters in Copenhagen benefit from a unique tax rule that allows them to avoid double taxation of income from foreign branches of their Danish company. Denmark is the only Nordic country to offer this unique tax rule.

Strategic location

Copenhagen is a natural catalyst for international companies looking to pursue growth strategies within smart transportation systems. Facilitated by an excellent infrastructure, companies operating in Copenhagen have easy access to:

- The Scandinavian market with an affluent population of 25 million consumers.
- The continental European market of 100 million consumers.

Copenhagen Capacity at your service

Copenhagen Capacity offers free business consulting services to foreign-owned companies looking to expand their business development activities in Copenhagen and beyond.

While maintaining full confidentiality and without charge we can assist you with services such as:

- Business information, industry reports and benchmark analyses.
- Access to an extensive network of consultants, authorities and businesses.
- Unbiased and unique cost calculation and location tools.
- Knowledge sharing and practical assistance during the entire investment process.

Our services are also available to foreign-owned companies already located in Copenhagen.

For more information, please contact:



Djouhara Oualli Westberg

Business Development
Manager Cleantech
Email: djo@copcap.com
Direct: 0045 33 34 38 76
Mobile: 0045 40 22 14 36

Learn more

The official Copenhagen Capacity website www.copcap.com presents the strengths and potential of the Copenhagen region, as well as the business opportunities available to international companies, investors and talents.