



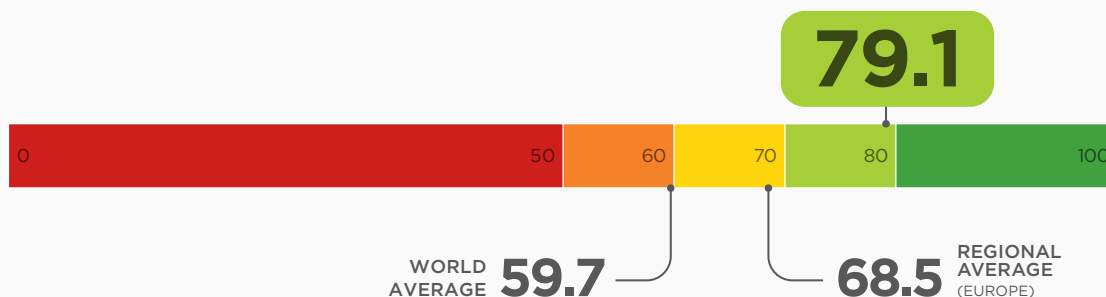
WORLD RANK: <b>7</b>	REGIONAL RANK: <b>4</b>
ECONOMIC FREEDOM STATUS: <b>MOSTLY FREE</b>	

# DENMARK

Denmark's economic freedom score is 79.1, making its economy the 7th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.3 points from last year, and Denmark is ranked 4th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world and regional averages. Denmark's economy is considered "mostly free" according to the 2025 *Index*.

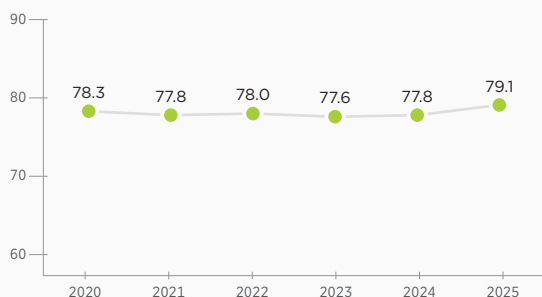
The independent and corruption-free legal system provides strong protection of property rights. Despite a competitive corporate tax rate, the overall tax burden remains heavy. Government spending accounts for about 50 percent of GDP, but the level of public debt is relatively low. With its economy open to global trade and investment, Denmark benefits from high degrees of business freedom. The overall regulatory environment, one of the world's most transparent and efficient, encourages entrepreneurial activity. Flexible and modern employment regulations sustain the labor market.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +11.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
5.9 million

**GDP (PPP):**  
\$475.9 billion  
2.5% growth in 2023  
3-year average growth rate: 3.8%  
\$80,211 per capita

**UNEMPLOYMENT:**  
5.1%

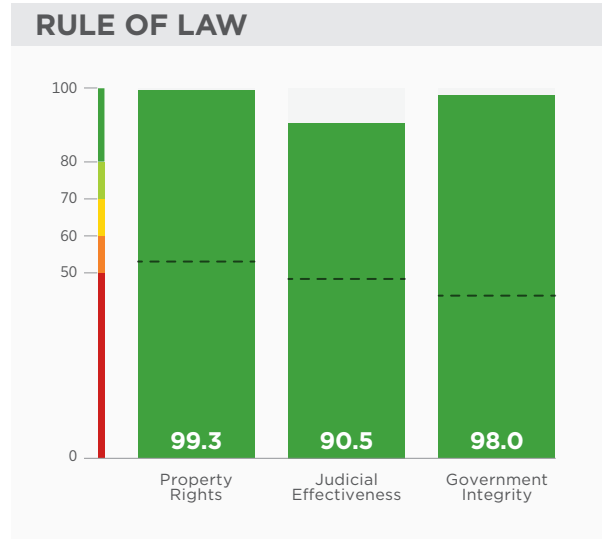
**INFLATION (CPI):**  
3.4%

**FDI INFLOW:**  
\$4.5 billion

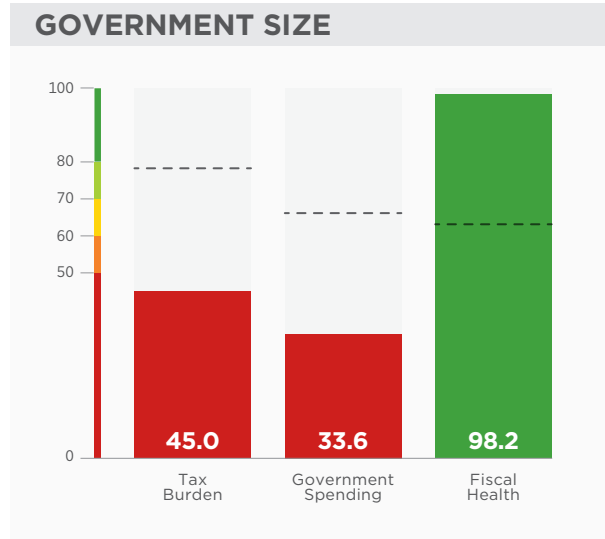
**PUBLIC DEBT:**  
29.7% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

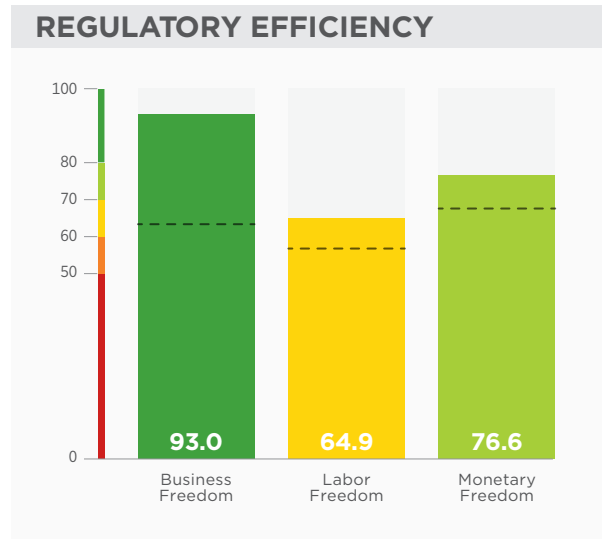
# 12 ECONOMIC FREEDOMS | DENMARK



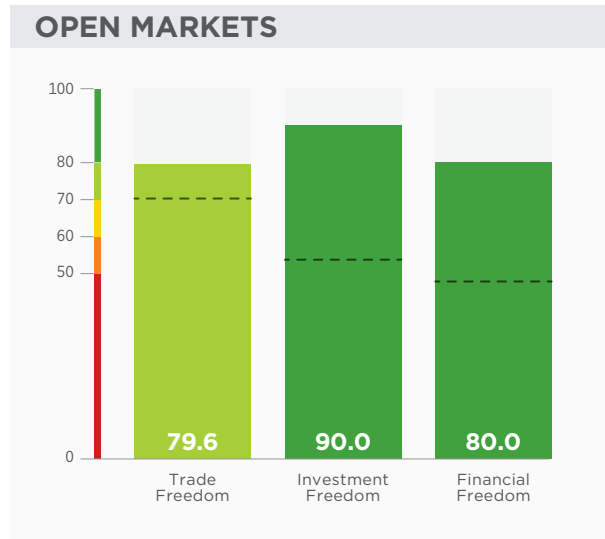
The overall rule of law is very well respected in Denmark. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 56 percent, and the top corporate tax rate is 22 percent. The tax burden equals 43.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 47.1 percent and 3.6 percent of GDP. Public debt amounts to 29.7 percent of GDP.



Denmark's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.7 percent, and more than 600 EU-mandated nontariff measures are in force along with an additional 15 country-specific nontariff barriers. Openness to foreign investment is well institutionalized. The financial system remains generally stable.