

INTERNATIONAL TOP TALENT

A key ingredient in a leading Science & Engineering region



Talent is a key ingredient in a Science & Engineering region

ATV vision:

Denmark should become a world leading Science & Engineering region
– for the benefit of future generations

Key S&E-numbers: (ATV 2028, 2019)

2,320 S&E companies
300,000 people (fte) working there
45-50% of Danish exports
17% of GDB contribution
Taxes from employees at S&E companies
correspond to 98% hospital expenses

Lack of talent:

Engineer the Future predicts lack of
10.000 STEM-professionals by 2025

(ETF 2018)

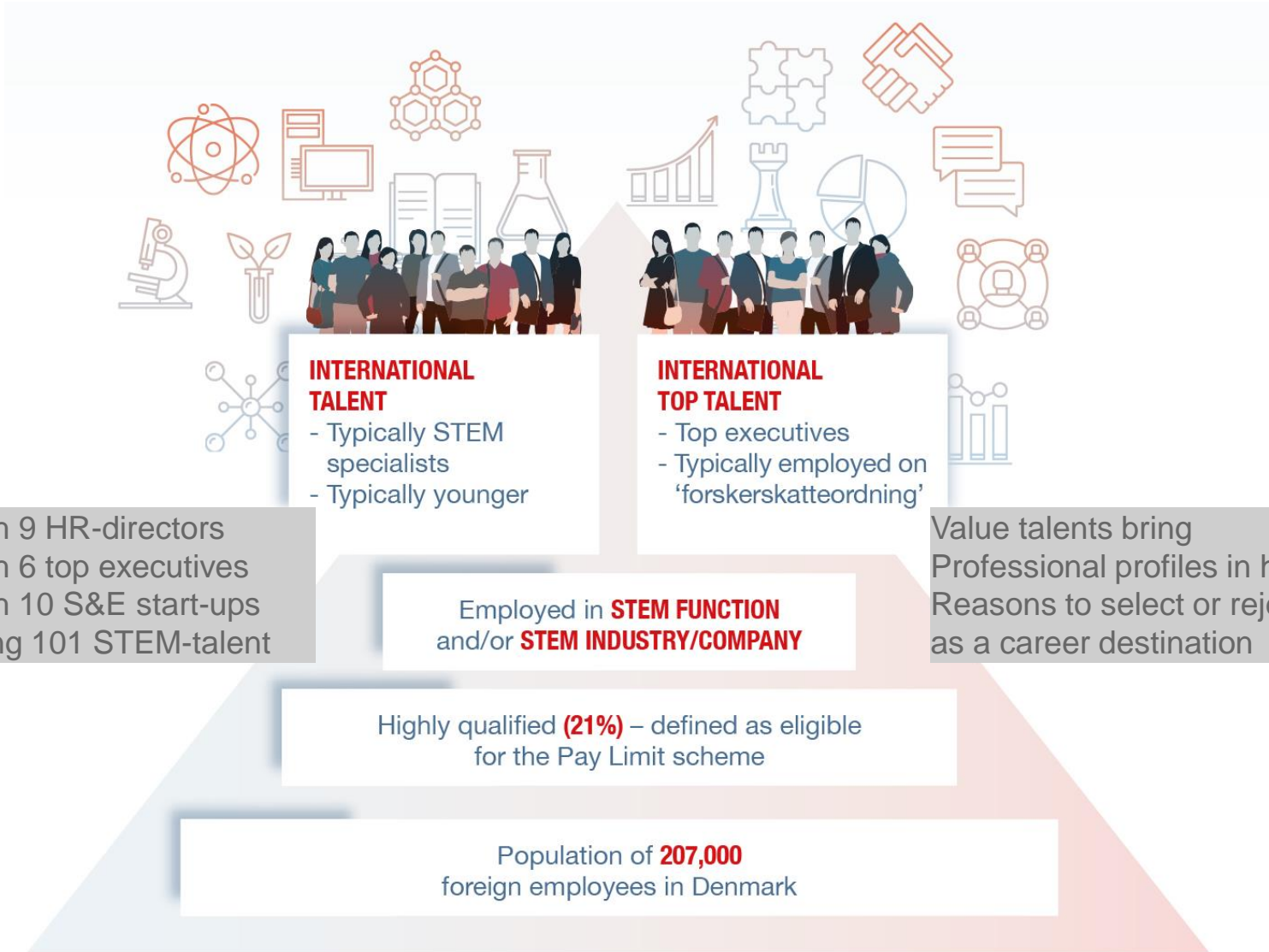
An AI Nation predicts lack of between
**20,000 - 80,000 with deep analytical skills
by 2030** (Innovation Fund Denmark, McKinsey, 2019)

” The ability to attract top talent
from abroad is crucial if we want to
turn Denmark into an outstanding
Science and Engineering region.

Conclusion from ATV report: Danmark som Science og Engineering
Region 2018.



Focus on top talent and STEM specialists



Interview with 9 HR-directors
Interview with 6 top executives
Interview with 10 S&E start-ups
Survey among 101 STEM-talent

Value talents bring
Professional profiles in high demand
Reasons to select or reject Denmark as a career destination

A diverse pool of talent

STEM

<36

ICT, LS

Specialist positions

No children

More committed to staying in DK

58% "global exposure"

TOP (forskerskat) (22%)

(36-) 46-55 of age

LS& technology

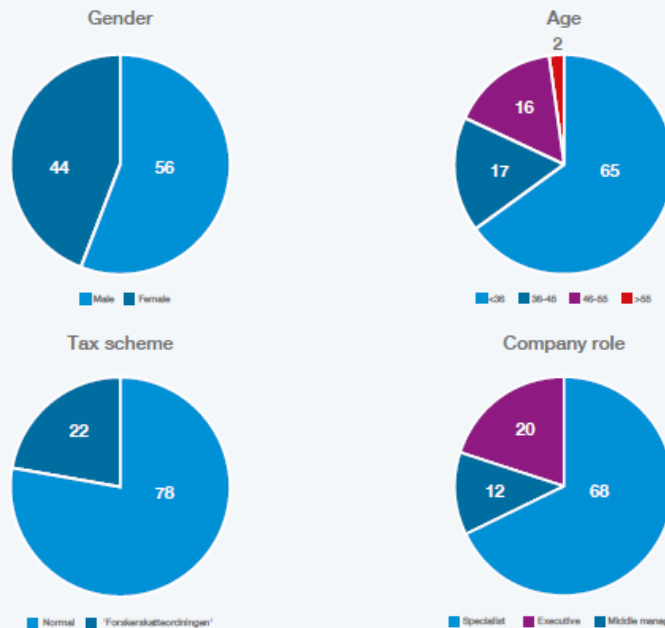
Executives

Children

On loan only

90% "global exposure"

Survey respondent characteristics (percent)



Source: ATV survey

Forskerskatteordningen:

Reduced tax rate of 32,8%

Researchers, key employees (781,200 DKK per year)

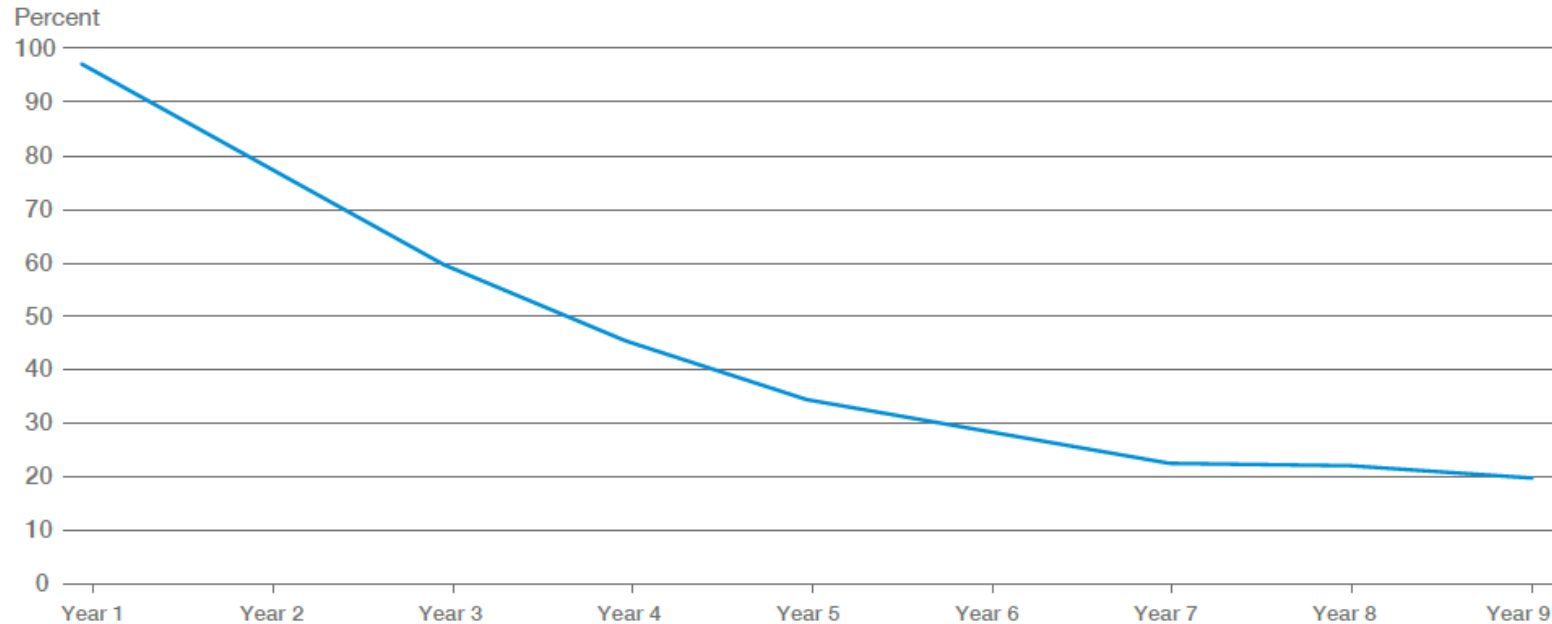
No taxable income in DK last 10 years

2018: 5->7 years

In 2017: a total of 6,899 persons on Forskerskatteordningen, across 1,045 companies and institutions
60 % key employees, 40% researchers

International talents on loan only

Share of highly qualified foreign employees who immigrated in 2008 and still have income in Denmark 1 to 9 years after immigration



Note: Highly qualified foreign labor is defined according to the pay limit on the Pay Limit scheme.

Source: Own calculations based on data from the City of Copenhagen (2019).

Survey

The most frequent answer among the survey respondents – except for persons on ‘forskerskatteordningen’ – was that they expect to stay in Denmark for as long as they can. The second most popular response was expecting to stay in Denmark for a few more years. Five respondents said that they wanted to leave as soon as possible.

International talent comes from all around the world

MOST PEOPLE ON 'FORSKERSKATTEORDNINGEN'

Rank	Country	Number
1	United Kingdom	942
2	Germany	716
3	Sweden	654
4	United States	436
5	Italy	348
6	France	311
7	Denmark	374
8	Netherlands	265
9	India	279
10	Spain	246
11	China	222

Note: Numbers are for 2017.
Source: The Danish Ministry of Taxation (2019)

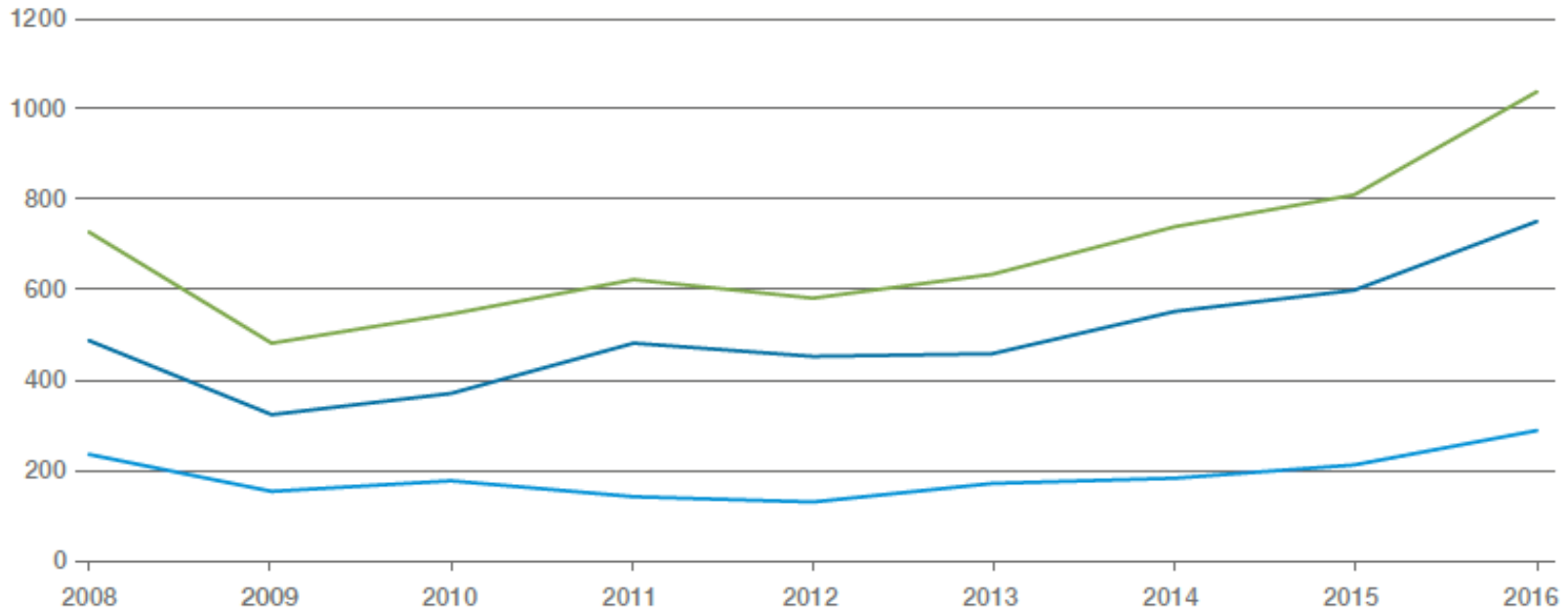
Geographical origin

International talent represents many different countries in Europe, the Americas, Asia Pacific, and the Middle East. Most represented nationalities in the talent pool from our survey of 101 respondents are the US, the UK, Ireland, and Germany.

Copenhagen functions as an epicenter

Influx of highly qualified foreign labor

Number of workers



Note: Highly qualified foreign labor is defined according to the pay limit on the Pay Limit scheme. Income is measured the year after immigration.

Source: The City of Copenhagen (2019).

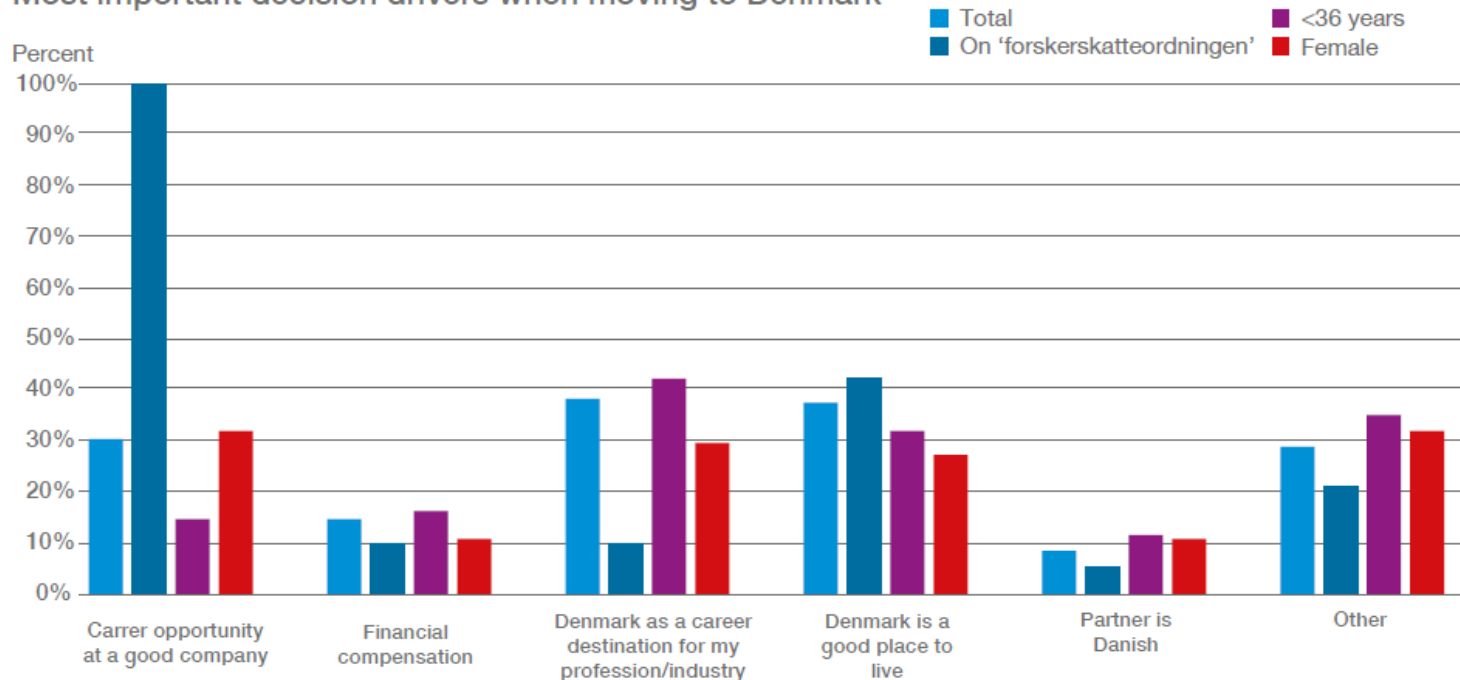
4 *Analyse af udenlandsk arbejdskraft*, The City of Copenhagen (2019).

Job content is decisive factor # 1

” It was the ‘quality of the opportunity’ that was decisive for me. A combination of scope, scale, the possibility to make an impact and my ability to succeed.

International top talent

Most important decision drivers when moving to Denmark



Note: Answers from 101 respondents to the question "What were the most important decision drivers for you when you accepted a job in Denmark?" Respondents were able to give multiple answers.
Source: ATV survey

” There is no way that I would have come to Denmark without ‘forskarskatteordningen’. But it is only about income tax, and it was a big surprise for me to discover that the tax on ‘capital gain’ is significantly higher in Denmark than elsewhere. It was also a problem that the company/advisers did not know the rules well enough. It was quite late in the process that the limitations of the ‘forskarskatteordning’ became clear to me.

International top talent

Only one respondent on ‘forskarskatteordningen’ would have taken their job in Denmark under a normal tax scheme. The salary level for researchers and key employees is estimated to be 30-50% lower than in the US. Top talent’s stays in Denmark are limited to the 7 years of forskarskatteordningen.

The extension of ‘forskarskatteordningen’ from 5 to 7 years creates a calm framework of 5 years before you start thinking about your next step. When it was 5 years, it implicitly meant that the top executives began considering their next steps after 3 years.

Why do top talent reject or select Denmark?

ON THE PLUS SIDE

- + Clean environment
- + Stable political environment
- + Safe and secure
- + Highly digitalized
- + Work-life balance
- + Healthcare system
- + 'Forskørskatteordningen'
- + High quality of life
- + Good working culture

ON THE MINUS SIDE

- ÷ Difficult to form friendships
- ÷ Language is excluding – even though everybody speaks English
- ÷ The tax system
- ÷ Spousejobs difficult to find
- ÷ Lack of services and information in English
- ÷ Salaries are not internationally competitive
- ÷ High cost of living
- ÷ Housing: difficult to rent, impossible to own
- ÷ International schools, expensive or waiting list
- ÷ Denmark is 'unknown'



Language is a barrier – social integration is hard

” All Danes speak English very well, but you lose something if you don't understand Danish. It doesn't affect the day to day, but in the social contexts.

International top talent

Social integration is hard. The individual comments in the ATV survey clearly point to social integration as something on talents' minds in their decisions of selecting or rejecting Denmark as a career destination. Several comments emphasize the need for integrating internationals into the community if we want them to stay.



” Realistically it is easier to network and build social activities around other expats. Most Danes have well-established social lives and prefer to speak Danish. But most people I know do not find it easy to speak Danish (even those who have completed language courses). You therefore need to improve and enhance the social infrastructure for internationals.

Survey respondent

Is Denmark an attractive career destination?

EXPAT INSIDER PILLAR RANKINGS, NORDIC COUNTRIES

Country	Overall ranking	Quality of life	Ease of settling in	Working abroad	Personal finance	Cost of living	Family life
Finland	19	8	51	16	42	48	1
Norway	35	20	54	6	55	60	6
Sweden	44	29	57	14	46	50	2
Denmark	48	25	63	21	51	63	10

Expat Insider 2019, InterNations (2019)

GLOBAL TALENT COMPETITIVENESS INDEX PILLAR RANKINGS

GTCI ranking	Country	Enable	Attract	Grow	Retain	Vocational and technical skills	Global knowledge skills
1	Switzerland	2	5	2	1	1	4
2	Singapore	1	1	11	26	7	1
3	United States	4	14	1	13	2	3
4	Norway	7	13	5	2	5	13
5	Denmark	3	17	6	4	10	7
6	Finland	14	15	4	5	4	15
7	Sweden	10	10	7	6	11	10
8	Netherlands	13	16	3	7	6	17
9	United Kingdom	9	9	9	11	27	5
10	Luxembourg	17	2	19	8	26	9

Note: GTCI = Global Talent Competitiveness Index.

Source: *The Global Talent Competitiveness Index 2019*, INSEAD, the Adecco Group, and Tata Communications (2019).

In conclusion

STEM specialists and IT profiles are in very high demand

More and more Danish companies choose top executives from abroad

Talent is global – and on loan only

Career opportunity is the principal decision driver

Denmark offers world-class socioeconomic conditions, but cost of living is high

Too much hassle, systems are not coordinated, difficult to form an overview

Forskerstatteordningen is essential to top talent

Family life must function – international schools, spouse jobs

Danish language and networking culture make integration hard

Copenhagen is the center of attention

The talent pool in Denmark is quite diverse and responds to different incentives

1 Strengthen Copenhagen as a metropolis

Copenhagen plays a special role, vibrant city, well connected airport, international schools

2 Companies need to take more responsibility

Cooperate on talent programs, spouse job offerings, language classes, events... Sell Denmark, not just company

3 Onboarding of should be more coordinated

Easy access to relevant information and help – in English. Both on arrival and before coming

4 Better branding of Denmark

Talent hub that provides the good life, social model, security, nature, health, rich cultural life. Digital forerunner, leader in clean tech, coherent Science & Engineering industry. Use the same narrative. Make use of Danish diaspora

5 Turning Denmark into an attractive career destination should be top of mind with all key actors

All of Denmark benefit from being able to attract and retain international Top talent and STEM talent. Not 'just' a job for a certain region. Not only a matter of labor policy, even more so of business policy.