



NOTAT

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Danish Government's response to the Commission's 'Start-up Initiative'

The Danish Government welcomes the start-up initiative launched by the European Commission. There should be a strong focus on improving the conditions for starting a company in order to increase the number of scale-ups (high growth companies) which also should be the primary aim for the Commission's start-up initiative.

Scale-ups vs. start-ups

Scale-ups are an important lever for growth creation in the European economy – hence specific attention should be paid to scale-ups. Evidence suggests that an increase in the numbers of start-ups will not necessarily automatically result in an increase in the numbers of scale-ups. Policies on start-up companies and scale-up companies are thus de-linked, and specific attention should be paid to framework conditions promoting start-ups that turn into scale-ups.

Single Market and Digital Single Market

The Danish Government fully supports the Commission's Single Market Strategy and look forward to seeing the initiatives being launched – including the actions in the realm of intellectual property rights.

A well-functioning Single Market is crucial for the well-being of ecosystems and scale-up companies and should continually be developed with a reinforced focus on consistent enforcement and implementation of common rules. Poor or divergent enforcement and implementation hampers cross-border trade and creates an uneven playing field for businesses.

The Digital Single Market should likewise be simple, transparent, and have a stable regulatory environment that stimulates digital entrepreneurship and spurs digitalisation. The market should be characterised by openness towards innovation and new business models, by stronger competition, low barriers, and a favourable environment for new entrants. A market-based approach where businesses do not face unjustified burdens and can operate freely across borders is equally essential. We emphasise the importance of taking an evidence-based approach, where new legisla-

tion is based on the Better Regulation principles - especially conducting sound and thorough impact assessments to ensure a balanced and proportional level of regulation. We encourage the Commission to move ambitiously forward in its efforts to remove regulatory and non-regulatory barriers in the Digital Single Market.

Access to finance

Access to finance remains a challenge for many start-ups and particularly scale-ups. We support the Capital Markets Union and the renewed focus in Horizon2020 and COSME on facilitating access to venture capital and business angel financing.

It is important that the efforts to supply the member states with financial solutions are continued. The European Institutions should seek to simplify their products as much as possible and continuously work to secure that the products complement each other. Furthermore, both the national context the national promotional banks and the private financial intermediaries operate in should be taken into account when products are modified or new products introduced.

Boosting entrepreneurial culture is important – but in the hands of private actors

Following the rapid development within tech and many new successful companies “disrupting” the old industrial world, entrepreneurs attract a lot of attention, with most countries having events promoting the start-up culture.

Therefore, the public sector should be cautious not to inflate or overstimulate the ongoing trend. Stimulation of the entrepreneurial culture must be grounded on national analysis of the state of health of the overall local ecosystems and the needs will probably differ across member states. Therefore, the Danish Government does not see a need for schemes to promote entrepreneurial culture on a European level.