

Manufacturing industries

1 The significance of manufacturing industries for Danish economy

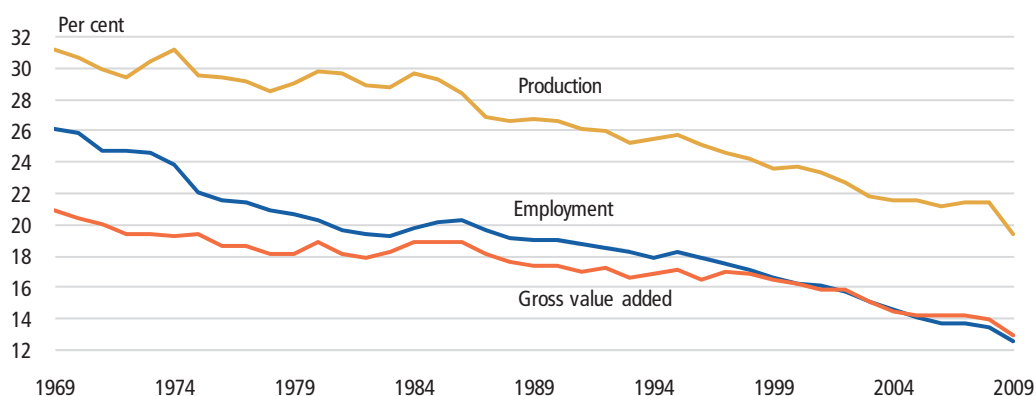
Manufacturing industries' share of the economy has been declining

The significance of manufacturing industries for the Danish economy can be described by means of central statistics from the national accounts. Manufacturing industries have a declining importance for the Danish economy, regardless of whether it is measured by share of total employment, production or value added.

A share of 13 per cent of employment and value added

Manufacturing industries' share of total employment has declined markedly from 26 per cent in 1969 to 13 per cent in 2009. The manufacturing industries' share of gross value added has also decreased from 21 per cent to 13 per cent. Finally, the share of production has fallen from 31 per cent in 1969 to 19 per cent in 2009.

Figure 1 Manufacturing shares in per cent of total activity



Note: Mining and quarrying are not included.

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2 Manufacturing industries trends

Production in the manufacturing industries

Production in the manufacturing industries can be illustrated by means of an index of production calculated at constant prices. The business cycles of the period 2000-2009 are reflected in the index of production.

2000-2004

Manufacturing production increased in 2000 due to positive international economic trends. The decline in the world economy from 2001 affected Danish manufacturing production, which experienced a very modest increase in 2002 and 2003. The tendency continued throughout 2004 – affected by the weakened US dollar.

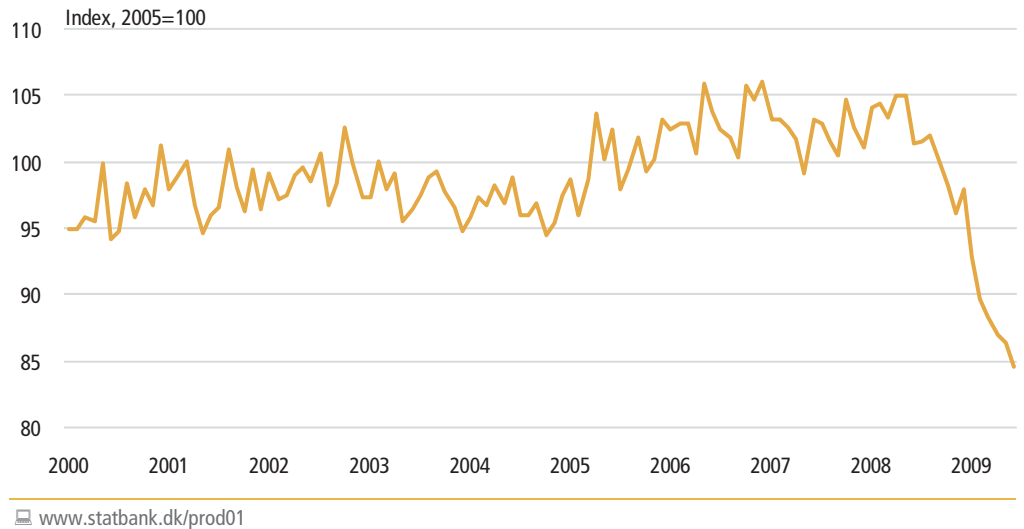
2005-2007

From 2005, the Danish manufacturing industry again experienced increasing production. This period of growth lasted until the middle of 2008 when a sharp decline set in.

2008-2009

During the last half of 2008, production fell rapidly, reflecting the economic crisis which has affected Denmark as well as the rest of the world. The decline has continued throughout 2009 and has been historically steep.

Figure 2 Production in the manufacturing industries, seasonally adjusted values



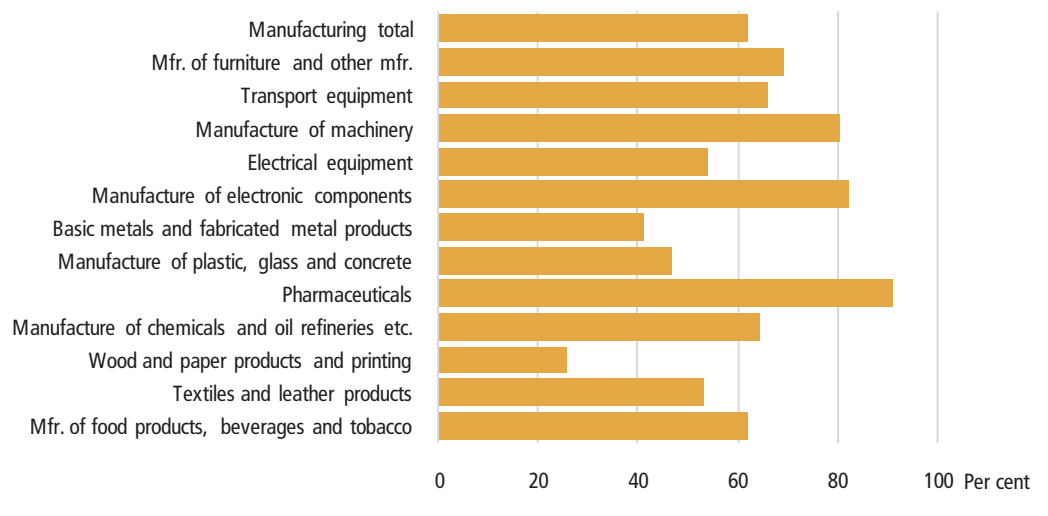
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Exports of the manufacturing industries

Export shares of the manufacturing industries

Export markets are of great importance to the Danish manufacturing industries. In 2009, total export turnover accounted for 62 per cent of total turnover of the manufacturing industries.

Figure 3 Export shares of the manufacturing industries by groups of industries. 2009



There are wide differences among the groups of industries in the export shares of the manufacturing industries. The industries *wood and paper products and printing* and *basic metals and fabricated metal products* have the lowest export shares with, respectively, 26 and 41 per cent in 2009. With 91 per cent, *pharmaceuticals* accounts for the highest export share. This is followed by *manufacturing of electronic components* and *manufacturing of machinery* with 82 and 80 per cent, respectively.

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Manufacturing industries' total turnover by main sectors

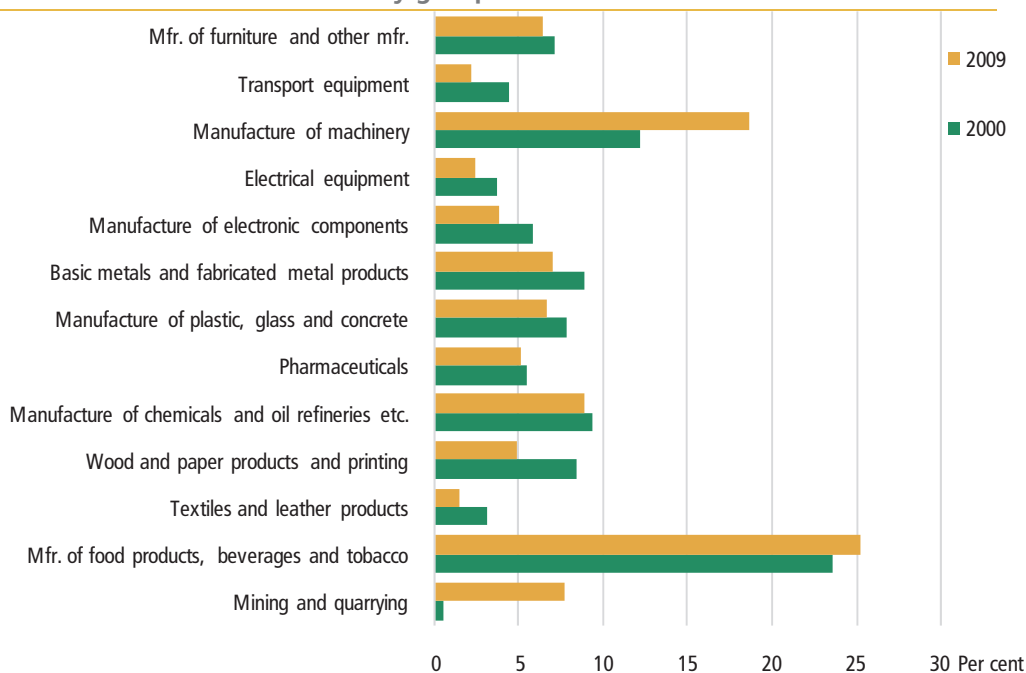
Manufacturing industries' sector profile in 2009

Since 2000, manufacturing industries' total turnover (at current prices) for enterprises with 10 employees or more have increased from DKK 476 billion to DKK 608 billion in 2009. *Manufacturing of food, beverages and tobacco* accounted for 25 per cent of the total turnover and had the largest turnover of all the industries. This was followed by *manufacturing of machinery* with 19 per cent and *manufacture of chemicals and oil refineries etc.* with 9 per cent. *Mining and quarrying* accounted for 8 per cent of manufacturing industries' total turnover.

Growth in manufacturing of machinery

Compared to 2000, *manufacturing of food, beverages and tobacco* is unchanged the dominant industry within Danish manufacturing. Two industries have, however, seen marked increases in their relative significance. These are *manufacturing of machinery*, especially production of windmills contribute to the growth of this industry group, and *mining and quarrying*. Industries that have less significance compared to 2000 are, among others, *transport equipment* and *textiles and leather products*.

Figure 4 Manufacturers' total turnover by groups of industries



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Concentration ratio of enterprises and commodity groups

Concentration of industrial enterprises

The three largest enterprises in the manufacturing industries account for 9.8 per cent of total turnover of the manufacturing industries, while the 10 largest enterprises account for 24.9 cent. The concentration ratio, i.e. the share of total turnover accounted for by a limited number of enterprises, differs widely among the groups of industries. Turnover is concentrated in a few large enterprises in particular within *pharmaceuticals* (the three largest enterprises accounted for 85.3 per cent of total turnover in 2009). *Manufacture of tobacco products, extraction of oil and gas, manufacture of leather and footwear and manufacture of dairy products* are other industries with high concentration ratios. Industries with low concentration ratios include *manufacture of other machinery* and *manufacture of fabricated metal products* where the 10 largest enterprises accounted for, respectively, 19.8 per cent and 21.9 per cent of total turnover in 2009.

Production in the manufacturing industries by commodity

The production of industrial products can be divided into about 100 main commodity groups, where the 10 commodity groups accounting for the highest output in Denmark in 2009 appear from figure 5. *Mineral fuel, etc.* accounted for almost 14 per cent of industrial turnover, while *boilers, machinery and mechanical apparatus* constituted more than 10 per cent.

Figure 5 The 10 commodity groups accounting for the highest output as a percentage of total turnover of the manufacturing industries. 2009

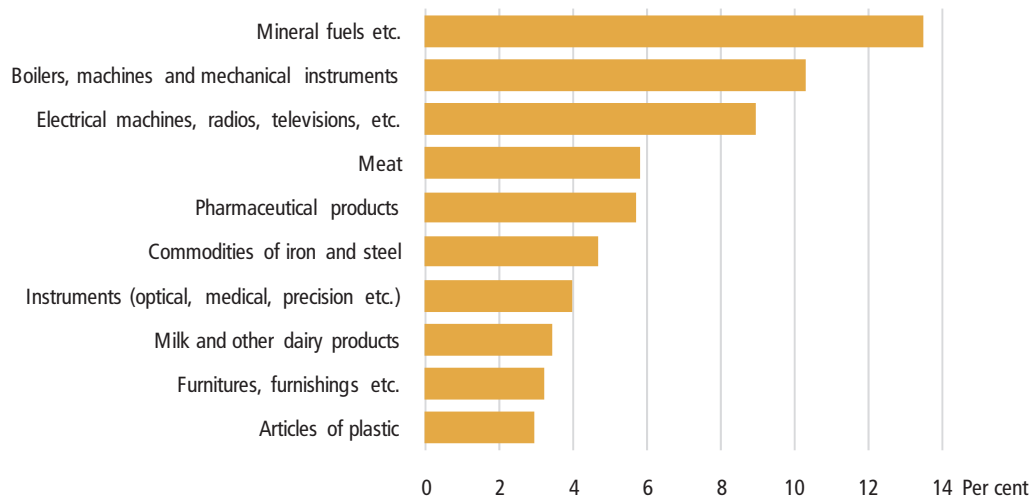


Table 270

10,000 different groups of commodities

The manufacturing of industrial products can be divided into more detailed commodity groups, of which there are a total of about 10,000. An overview of the 25 most commonly manufactured detailed commodity groups in Danish manufacturing industry is given in the tables section. Petroleum oil, windmills and medicines have prominent positions, but also natural gas, gas oils and structures of iron and steel feature near the top of the list.

Table 268 Manufacturers' total turnover. 2009

Group of industry	Total turnover	Percentage of total turnover	
		The three largest groups	The ten largest groups
	DKK mio.	per cent	
Mining and quarrying and manufacturing	607 911	9.8	24.9
Mining and quarrying	46 345	82.8	93.8
Extraction of oil and gas	41 937	91.5	100.0
Extraction of gravel and stone	2 124	44.9	82.2
Mining support service activities	2 284	78.2	100.0
Manufacturing	561 566	9.9	24.3
Mfr. of food products, beverages and tobacco	153 569	34.1	89.0
Production of meat and meat products	38 061	65.1	86.2
Processing and preserving of fish	13 090	35.8	60.1
Manufacture of dairy products	25 490	90.1	96.5
Manufacture of grain mill and bakery products	9 092	38.8	77.2
Other manufacture of food products	51 070	34.0	54.9
Manufacture of beverages	12 707	75.2	98.2
Manufacture of tobacco products	4 058	91.1	100.0
Textiles and leather products	8 502	23.4	40.8
Manufacture of textiles	5 287	33.4	52.5
Manufacture of wearing apparel	2 687	33.3	62.7
Manufacture of leather and footwear	527	90.8	100.0
Wood and paper products and printing	29 706	10.6	29.0
Manufacture of wood and wood products	11 249	26.8	52.3
Manufacture of paper and paper products	8 382	32.4	69.0
Printing etc.	10 075	17.7	37.0
Manufacture of chemicals and oil refineries etc.	54 137	53.8	77.4
Pharmaceuticals	30 587	85.3	97.7
Mfr. of plastic, glass and concrete	40 096	22.3	35.4
Manufacture of rubber and plastic products	23 969	35.8	50.8
Manufacture of glass and ceramic products	2 749	41.0	74.4
Manufacture of concrete and bricks	13 378	23.1	46.8
Basic metals and fabricated metal products	42 679	8.6	22.1
Manufacture of basic metals	6 395	42.2	78.1
Manufacture of fabricated metal products	36 284	10.1	21.9
Manufacture of electronic components	22 873	23.9	51.1
Mfr. of computers and communication equipment etc.	7 918	44.3	64.2
Manufacture of other electronic products	14 955	36.9	63.1
Electrical equipment	14 613	28.3	49.8
Manufacture of electric motors, etc.	6 797	51.2	71.7
Manufacture of wires and cables	3 681	61.1	89.6
Manufacture of household appliances, lamps, etc.	4 135	29.1	59.4
Manufacture of machinery	113 298	31.7	57.2
Manufacture of engines, windmills and pumps	78 114	46.0	83.0
Manufacture of other machinery	35 184	10.6	19.8
Transport equipment	13 057	40.1	60.6
Manufacture of motor vehicles and related parts	6 803	30.2	57.4
Manufacture of ships and other transport equipment	6 255	74.6	89.1
Manufacture of furniture and other mfr.	38 449	34.2	50.0
Manufacture of furniture	14 781	30.7	47.5
Manufacture of medical instruments, etc.	5 924	61.9	81.3
Manufacture of toys and other manufacturing	11 466	85.1	92.2
Repair and installation of machinery and equipment	6 279	23.6	47.5

Table 269 Industrial production index

	2008	2009
	----- 2005 = 100 -----	
Mining and quarrying and manufacturing	101.7	85.4
Mining and quarrying	83.2	74.9
Manufacturing excl. manufacture of ships and other transport equipment	106.7	88.2
Manufacturing	106.3	88.0
Manufacture of food products, beverages and tobacco	99.3	92.4
Production of meat and meat products	93.4	89.3
Processing and preserving of fish	92.2	86.6
Manufacture of dairy products	94.0	87.9
Manufacture of grain mill and bakery products	105.2	98.1
Other manufacture of food products	108.5	99.5
Manufacture of beverages	107.8	96.7
Manufacture of tobacco products	85.2	77.1
Textiles and leather products	80.2	68.2
Wood and paper products and printing	96.5	68.6
Manufacture of chemicals and oil refineries etc.	105.9	93.2
Pharmaceuticals	85.0	84.9
Manufacture of plastic, glass and concrete	106.7	74.6
Manufacture of rubber and plastic products	107.8	74.2
Manufacture of glass and ceramic products	128.8	79.5
Manufacture of concrete and bricks	101.8	74.3
Basic metals and fabricated metal products	113.4	84.3
Manufacture of electronic components	108.3	88.6
Electrical equipment	113.2	76.4
Manufacture of machinery	131.8	106.4
Manufacture of engines, windmills and pumps	149.1	140.1
Manufacture of other machinery	117.6	78.6
Transport equipment	82.2	57.1
Manufacture of motor vehicles and related parts	90.0	51.8
Manufacture of ships and other transport equipment	69.1	65.9
Manufacture of furniture and other manufacturing	109.2	100.2
Electricity, gas, steam and air conditioning supply	91.1	91.3
Mining and quarrying and manufacturing and energy supply	101.0	85.8
Capital goods	122.8	102.2
Capital goods excl. manufacture of ships and other transport equipment	124.2	103.1
Intermediate goods	105.9	81.0
Durable consumer goods	87.4	66.9
Non-durable consumer goods	94.5	86.9
Energy	85.9	78.6

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Table 270 Best selling commodities made in Denmark

	2008	2009
	DKK millions	
Production, total	637 824	503 118
Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates)	47 711	29 789
Generating sets, wind-powered	25 288	24 589
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	9 387	11 529
Natural gas in gaseous state	15 385	11 062
Gas oils of petroleum or bituminous minerals, with a sulphur content of $\leq 0,05\%$ by weight	17 000	10 421
Structures and parts of structures of iron or steel, n.e.s.	10 737	9 945
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	10 604	8 893
Preparations of a kind used in animal feeding (excl. dog or cat food), n.e.s.	11 207	8 733
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	6 631	5 954
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	6 313	5 925
Articles of non-textile glass fibres, n.e.s.	6 494	5 194
Enzymes and prepared enzymes, n.e.s.	5 112	5 058
Food preparations containing milkfat, glucose or starch, n.e.s.	3 944	4 962
Articles of iron or steel, n.e.s.	6 392	4 293
Motor spirit, with a lead content $\leq 0,013$ g/l, research octane number between 95 and 98	5 945	3 997
Waters, incl. mineral and aerated, with added sugar, sweetener or flavour	3 893	3 948
Sea-going vessels (excl. warships, rowing boats, other vessels of heading 8901-8905, vessels for breaking up)	4 708	3 805
Structures and parts of structures, of iron or steel, solely or principally of sheet, n.e.s.	4 861	3 730
Windows and French windows and their frames, of coniferous wood	4 385	3 685
Fresh or chilled with bone in, domestic swine hams and cuts thereof	4 193	3 522
Hearing aids (excl. parts and accessories)	3 526	3 385
Needles, catheters, cannulae and the like (excl. syringes, tubular metal needles and needles for sutures)	3 445	3 196
Fuel oils obtained from bituminous materials, with a sulphur content of $\leq 1\%$ by weight	6 768	2 938
Articles of plastics, n.e.s.	3 786	2 866
Fresh or chilled bovine meat, boneless	2 797	2 788

Note: Commodities may be omitted for reasons of confidentiality.

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