

Services sector

1. Structure of the services sector

Production of services

Service activities comprise a number of different industries with one thing in common: the production of services. These industries include the wholesale and retail trades, hotels, restaurants and catering, transport, telecommunications and postal services, computer and IT services, financial services, business activities, etc.

Structure and growth of the service sector

The service sector has experienced a 12 per cent increase in employment during the period 1992-1998, whereas the number of persons employed in manufacturing has remained more or less constant. The greatest growth within the service sector has taken place within the area of business services: this area has grown from 172,000 persons employed in 1992 to almost 225,000 persons employed in 1998. The second-largest growth rate has been found within hotels and restaurants; this sector has experienced growth of 12 percent, while the wholesale and retail trade has seen an increase of 9 per cent.

The structure of the private service sector is illustrated in Figure 1. In 1998, the greatest number of persons employed was found within the wholesale and retail trade, which accounted for 441,400 persons employed. Next was business activities with 225,000 persons employed.

Figur 1

Employment and value added within the service sector 1997



In 1998, the wholesale and retail trade accounted for 56 per cent of the total value added, followed by business services, which generated 26 per cent of the total value added. As regards the value added per employee, the greatest value added was within business services.

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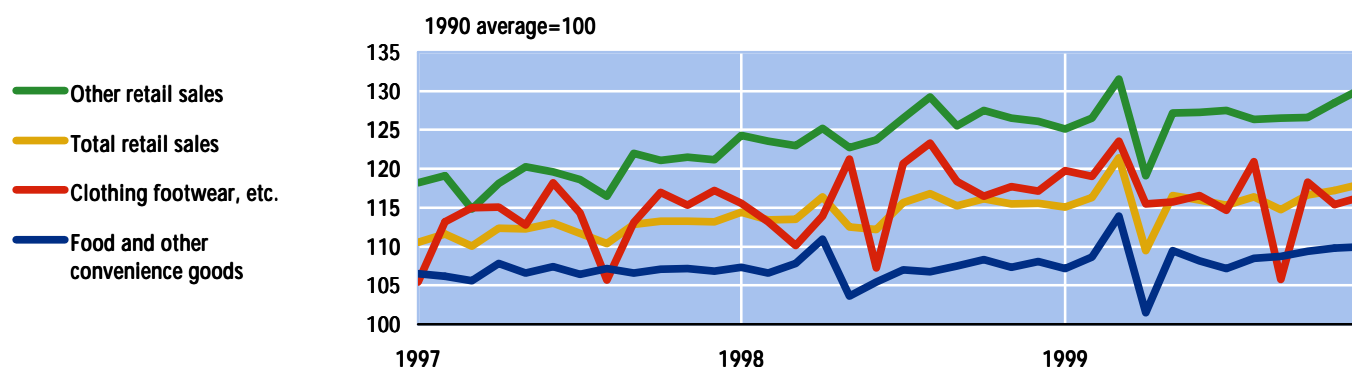
2. Wholesale and retail trade

Slight increase in retail sales since 1997

Since 1997, retail sales have increased slightly. There are, however, significant differences in the trends seen in the three retail categories, as *other retail sales* (such as household appliances) has seen the greatest increase, whereas retail sales of foods has remained almost unchanged during the period 1997 - 1999.

Figure 2

Monthly seasonally adjusted quantity index of retail sales. 1997 - 1999



What goods do the various industries sell?

The product statistics have two dimensions, as they provide information on sales mix within the various industries as well as information on where consumers buy individual products.

Figure 3

Turnover within retail sales of pharmaceutical goods, cosmetics and toiletries, etc., by type of goods, 1998



Retail sale of pharmaceutical goods, cosmetics and toiletries, etc., is an example of an activity with a relatively uniform product mix. Thus, sales of cosmetics and toiletries account for slightly more than 75 per cent of the total turnover. In addition, a significant amount of health products are sold (vitamins, health foods, herbal products, etc.).

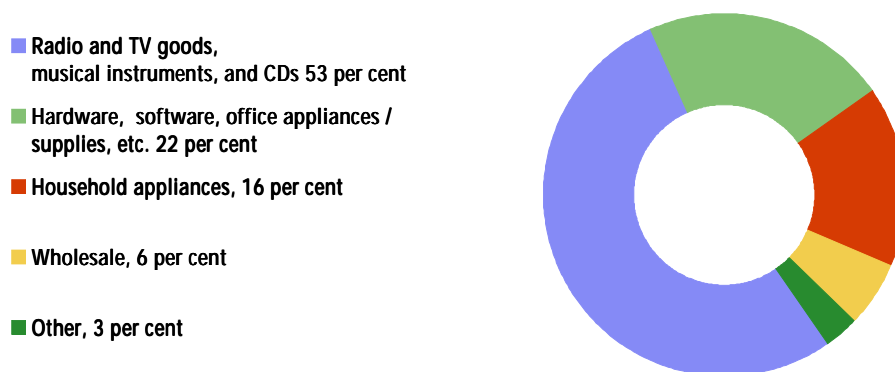
In contrast, the sales mix within *retail sale of household appliances, radio and*

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television goods, and musical instruments is highly varied in its composition. Approximately half of the total sales stem from radio and television goods, and CDs, while computer hardware, software and office appliances account for slightly more than one-fifth of total sales, followed by electrical household appliances.

Figure 4

Turnover within retail sale of household appliances, radio and television goods, and musical instruments, by category. 1998

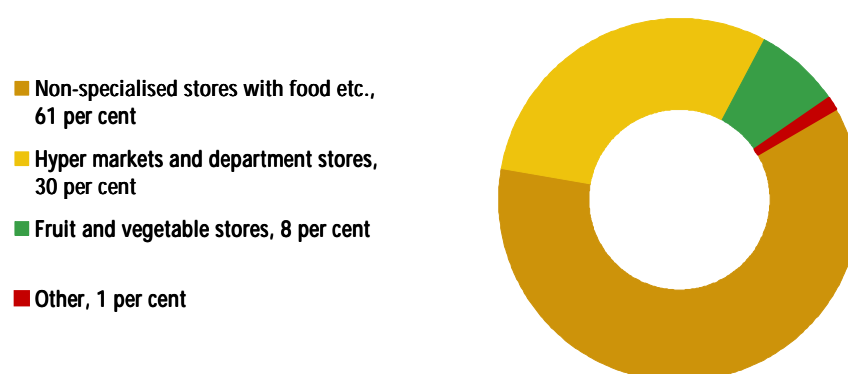


Who sells fruit and vegetables?

Sales of fruit and vegetables account for four per cent of total retail sales. Even though fruit and vegetable stores are relatively specialised, with these goods accounting for approximately two-thirds of their total sales, less than ten per cent of all fruit and vegetable retail sales are from specialised stores. Non-specialised food stores account for the greater part of retail sales of fruit and vegetables. This activity comprises supermarkets, discount stores, grocer's shops, and all-night shops.

Figure 5

Fruit and vegetable sales by sector 1998



3. Hotel nights

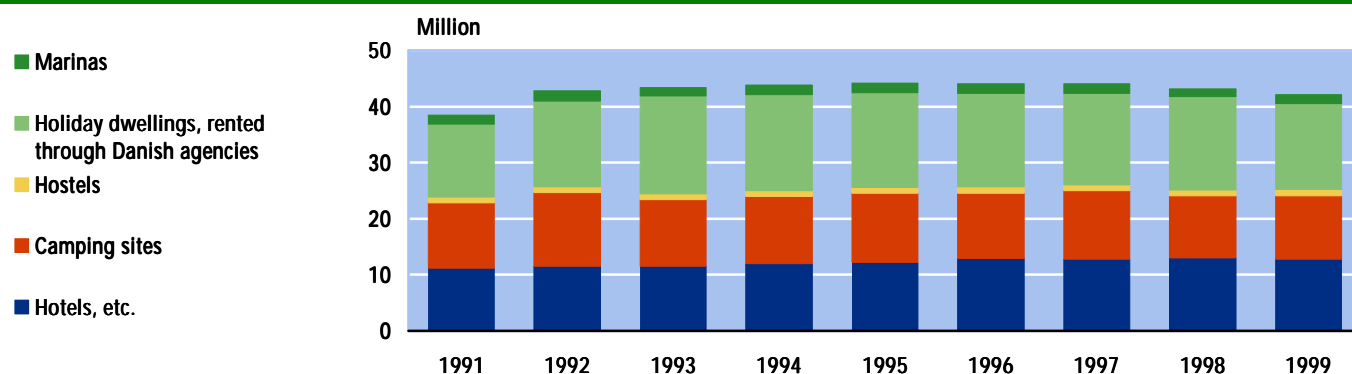
At the end of July 1999, Denmark had 548 hotels, etc., with at least 40 permanent beds. These hotels comprised a total of 39,000 rooms and 100,000 beds. Slightly more than half of all hotel beds were in Jutland, while the Greater Copenhagen Area and the Danish islands accounted for approximately one quarter each. In 1999, 15 per cent of all hotel enterprises were holiday

centres. These holiday centres accounted for a total of 40 per cent of all hotel beds.

The year 1999 saw a total of 12.8 million nights spent at hotels, etc., in Denmark. This represents a fall of two per cent or 228,000 nights when compared to 1998. The relative proportion of nights spent by visitors from Denmark increased by one per cent to a total of 55 per cent in 1999, while the percentage of hotel nights spent by foreign visitors fell by five per cent. The number of visitors from Germany fell by approximately 20 per cent. Holiday centres accounted for one-third of the total nights spent, while the remaining nights were spent at hotels, motels, inns, etc.

Figure 6

Number of nights spent, by category. 1991-1999



Holiday dwellings

The most popular way to spend the night away from home is in a rented holiday dwelling. In 1999, holiday dwellings rented through Danish agencies accounted for 15.3 million nights. This figure represents a fall of eight per cent in relation to the previous year, and a fall of twelve per cent in relation to 1992/93; a period which marked the peak in holiday-dwelling rentals. The decline in the number of nights spent since 1992/93 is mainly due to a reduction in the number of German visitors. However, visitors from Germany remain the most dominant customer group by far, as approximately 80 per cent of all nights spent in holiday dwellings are spent by German guests, while Danish guests account for 13 per cent.

Camping

In Denmark, spending the night at camping sites is almost as popular as spending the night in holiday dwellings. At the end of July 1999, Denmark had 437 camping sites with 75 or more camping units; this figure marks a slight decline in relation to the previous year. In 1999, 67 per cent of the total camping capacity was found in Jutland, while only 9 per cent was situated in the Greater Copenhagen Area. The year 1999 saw a total of 11.4 million nights spent at camping sites, whereas the corresponding figure for 1998 was 11.1 million. The number of nights spent at camping sites by Danish visitors increased by four per cent, whereas the percentage of nights spent by foreign visitors remained almost unchanged at 33 per cent.

Marinas

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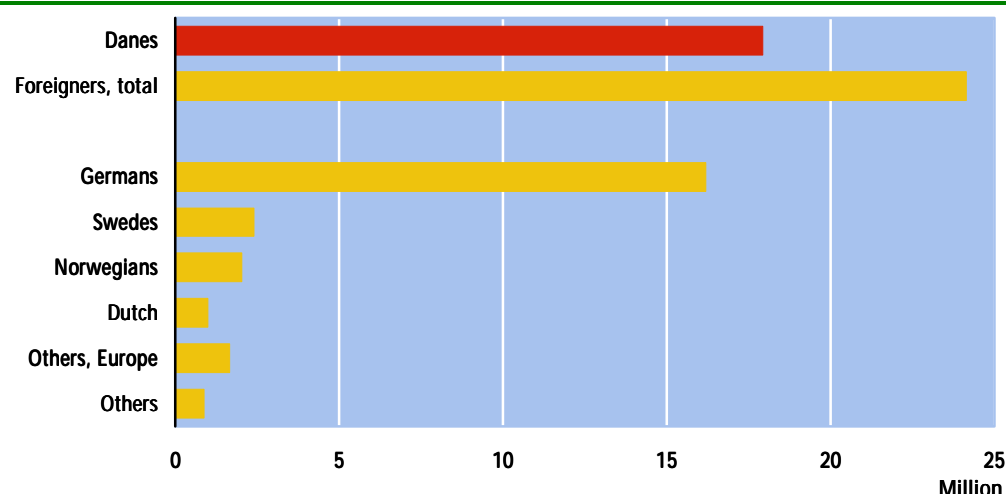
In 1999, 303 Danish ports and harbours had a total of 52,000 permanent mooring berths for marine pleasure craft. During the period June - August 1999, a total of 1.6 million nights were spent at these sites; this constitutes a 13 per cent increase in relation to the previous year. Of the nights spent during June - August 1999, Danish visitors accounted for 49 per cent, German visitors for 35 per cent, and Swedish visitors for 10 per cent. Dutch and Norwegian visitors accounted for the majority of the remaining nights.

Hostels

At the end of July 1999, Denmark had 100 hostels with a total of 11,100 beds. Danish hostels accommodated 1.1 million overnight visitors in 1999. This figure represents a reduction of 29,700 nights, corresponding to three per cent, when compared to 1998 statistics. Foreign tourists accounted for 40 per cent of all nights spent at Danish hostels.

Figure 7

Number of nights spent, by nationality. 1999



Danes on holiday and business trips

Almost 2.6 million adult Danes, corresponding to 60 per cent of the adult population, went on one or more trips abroad in 1999. The frequency of travel abroad was greatest amongst young people. Almost 60 per cent of 15-24 year-olds took a holiday trip abroad in 1999.

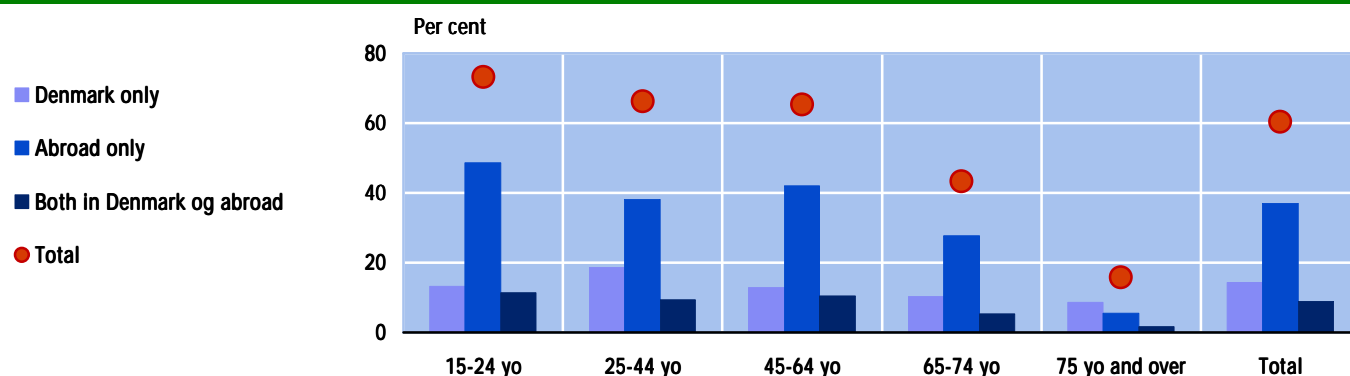
In 1999, almost 1.0 million adult Danes went on a holiday trip in Denmark. Here, travel rates were highest for the 25-44 year-olds: one third of this group went on a holiday trip in Denmark in 1999.

Adult Danes went on a total of 4.4 million holiday trips in 1999. Almost two-thirds of these trips had foreign destinations. Nine per cent of all adult Danes carried out holiday trips in both Denmark and abroad in 1999.

Figure 8

Danes on holiday trips in 1999, by age and destination

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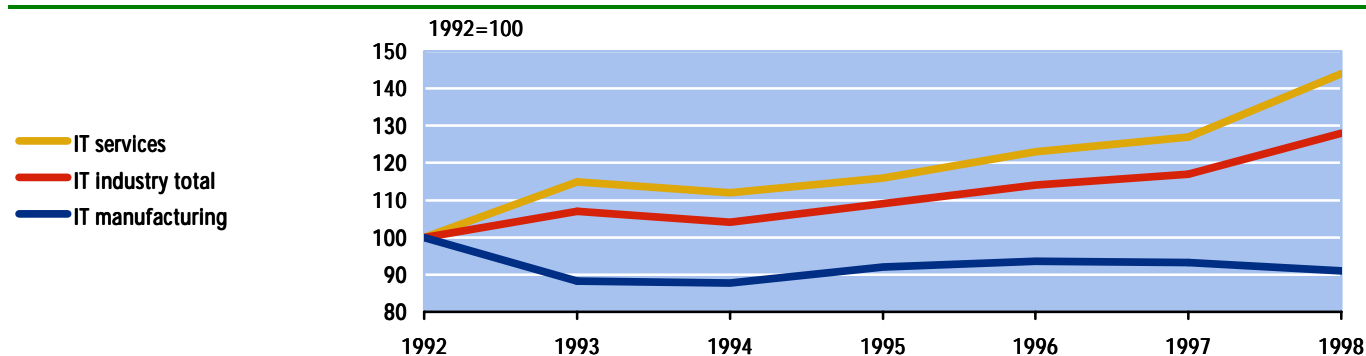
4. IT sector

The IT sector comprises those enterprises which produce products and services within electronics, IT, computer software, telecommunications, and other areas which are primarily based on information technologies. The IT sector can be divided into IT Manufacturing, IT Wholesale, Telecommunications, and IT Consultancy services. All these comprise a total of 35 individual industries.

In 1998, the Danish IT sector employed a total of 87,700 full-time persons employed. Of these, Wholesale accounted for 31 per cent and Consultancy Services for 27 per cent, while Manufacturing and Telecommunications each accounted for approximately 21 per cent of all full-time persons employed within the IT sector. IT Manufacturing experienced a slight decline during the period 1992-1998, whereas the IT Service Industries experienced some of the most rapid development within Danish enterprises with a growth rate of 44 per cent during the same period. For the purposes of comparison, it should be mentioned that the overall growth rate for Danish private non-agricultural industry during the period 1992 -1998 was 13 per cent.

Figure 9

Number of full-time persons employed in the IT sector 1992-1998



IT usage in enterprises

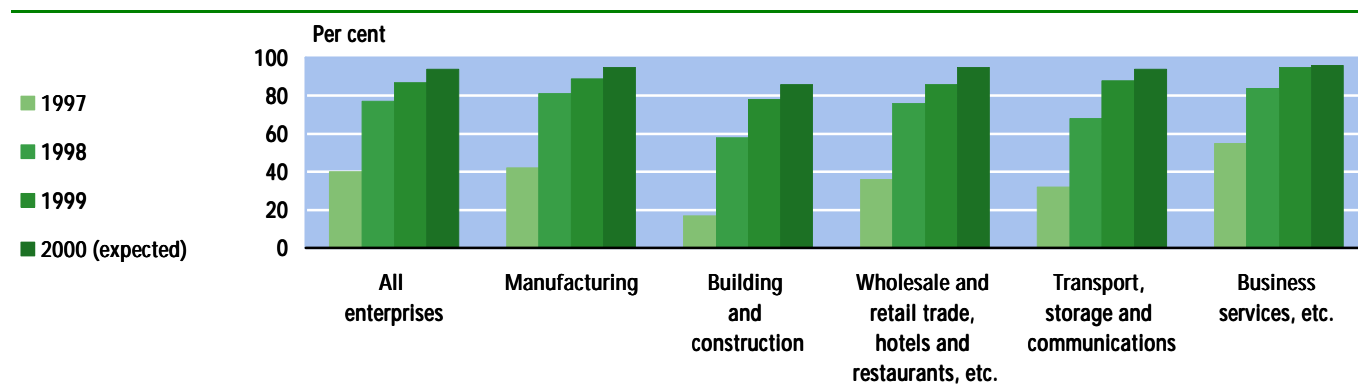
During the last two years, Statistics Denmark has carried out an annual survey of the use of information technology in enterprises. These statistics cover enterprises with ten or more persons employed within private non-agricultural industry. The growth in the number of enterprises with Internet access has been significant, and it is hardly surprising that enterprises within business

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services, etc. have been at the forefront in this respect since 1997. Conversely, transport enterprises have had very low levels of Internet access as their starting point. However, it is expected that these enterprises will follow the other industries in reaching almost complete saturation in 2000.

Figure 10

Enterprises with Internet access 1997 - 2000



Enterprises mainly use the Internet to search for information on other enterprise websites.

Another frequent way of using the Internet is the exchange of information with public authorities. As regards *electronic transactions/ordering*, almost 40 per cent of all enterprises have submitted orders via the Internet, while almost half of all enterprises have received digital commodities/services via the Internet (this includes downloads of free software and similar services). This shows that, at present, the Internet is used more for distribution than for submitting orders.

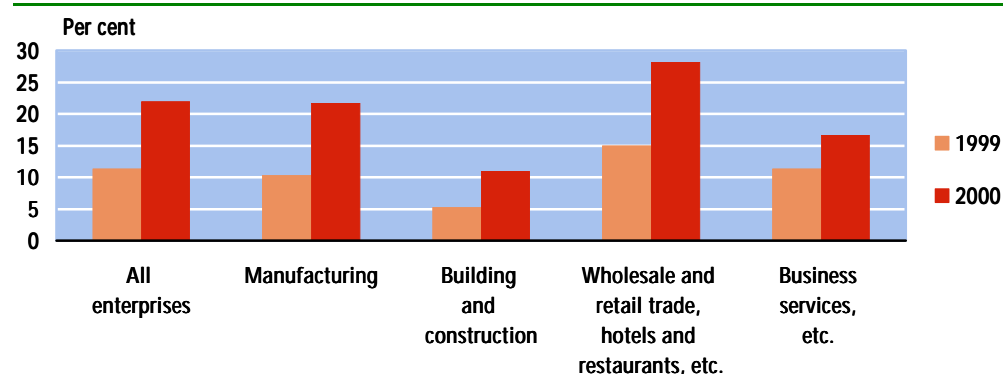
Electronic commerce

As regards *commerce*, approximately one in five of all enterprises with Internet access have received orders via the Internet in 1999. However, only half of these enterprises experienced actual sales from the Internet. Enterprises within *wholesale and retail trades, hotels, and restaurants* in particular obtain sales via the Internet. Expectations for increased Internet commerce are high among enterprises. Indeed, 22 per cent of all enterprises expect to have actual sales via the Internet in 2000: this is double the 1999 figure.

Among the enterprises with Internet sales, orders via the Internet account for five per cent or more for only one out of three enterprises. Significant growth is also anticipated within this area: two out of three enterprises expect Internet sales to account for at least five per cent of their total turnover in 2000.

Figure 11

Enterprises with Internet sales, by industry



Note: Enterprises with orders via the Internet accounting for one per cent or more of their total sales

5. Business services

Total turnover by types of product and service

In recognition of the heterogeneity which characterises service industries, especially as regards business services, Statistics Denmark initiated collection of information on the mix of product groups and services within selected business-service industries. These statistics were first compiled in 1995, and comprise annual product statistics from computer industries, consulting engineers, and recruitment and temp agencies. In addition to this, information from the cleaning industry is collected every three years.

The computer services

The changes seen in the sales generated by the computer services show the dynamic and changeable market conditions which are characteristic of these industries. After a steady decline from 1995 to 1997, consultancy services now account for 38 per cent of the total turnover of computer industries in 1998 - an increase of 8 per cent in relation to 1997 figures.

This development is based on an increase in two types of service: development of customised software, and - more significantly - operation of client IT systems. Data processing has experienced the opposite trend, with a significant decline from 16 per cent in 1997 to 7 per cent in 1998 following a constant rise from 1995 to 1997.

While sales of Internet services show steady growth; this area still accounts for a relatively small proportion of the total sales/turnover of the computer industries: three per cent in 1998. However, this type of activity seems to be of increasing importance to a number of small, specialised enterprises.

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Figure 12

Relative sales for computer services 1995-1998

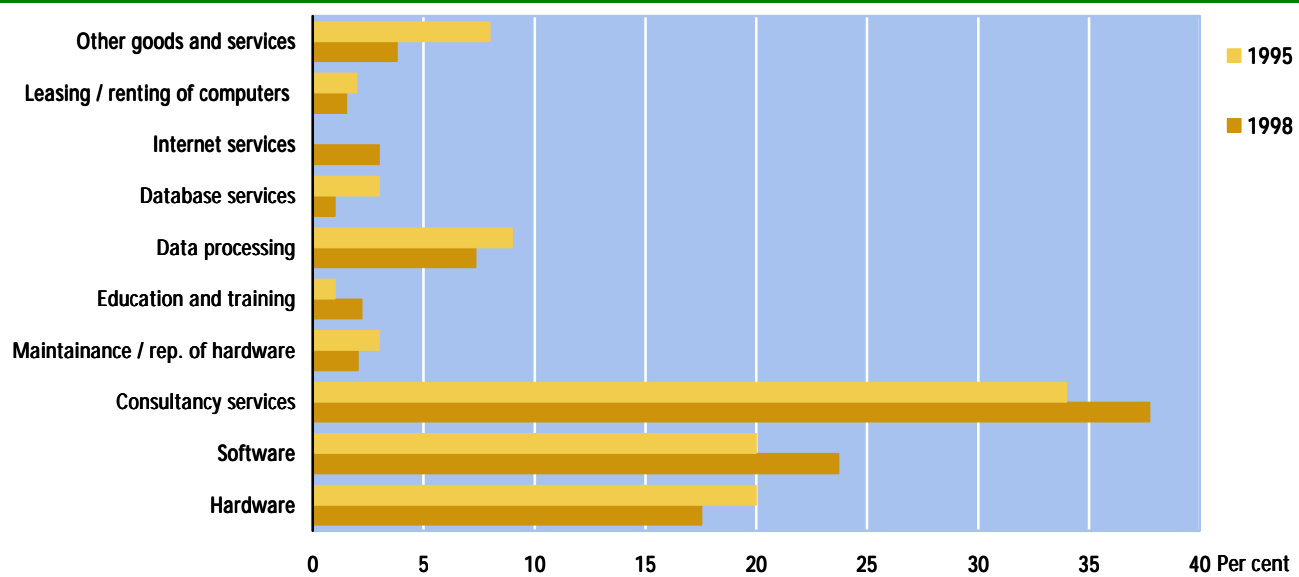


Table 324 Enterprises with access to the Internet 1997-2000

	1997 ²	1998 ²	1999	2000 ³
	per cent			
All enterprises¹	40	77	87	94
Industry				
Manufacturing	42	81	89	95
Construction	17	58	78	86
Wholesale and retail trade, hotels and restaurants, etc.	36	76	86	95
Transport, postal services and telecommunications	32	68	88	94
Financial intermediation, etc., business activities. ⁴	55	84	95	96
Full-time employed				
10-19	...	...	80	87
20-49	32	71	86	93
50-99	36	76	89	95
100 +	48	82	92	97

¹ 2,375 enterprises (most recent survey). ² Figures for 1997 and 1998 only include a small number of enterprises with 10-19 employees. ³ Figures for 2000 are based on enterprises' expectations at October 1999. ⁴ Business activities are business services, estate agents, and other services.

Table 325 Sectors for computer activities in Denmark 1998

	No. of full-time equivalent employees	Turnover	Gross value added	Payroll costs
	DKK mio.			
Private non-agricultural industries, total	1 088 901	1 725 946	595 999	290 724
IT industries, total	87 748	163 461	50 682	29 961
Manufacturing	18 819	21 070	10 113	5 415
Wholesale trade	26 963	85 842	20 276	9 631
Telecommunications	18 489	25 869	...	5 759
Consultancy services	23 477	30 680	20 293	9 156

Table 326

Sales of goods and services by IT activity 1998

	Activities							Total
	Renting of computers and computer equipment	Hardware consultancy	Software consultancy and supply	Data processing	Database activities	Maintenance and repair of office, accounting and computing machinery	Other computer-related activities	
	DKK mio.							
Sales, total	1 051	900	17 724	5 409	612	497	3 186	29 379
	per cent							
Products, total	100	100	100	100	100	100	100	100
Hardware	30	37	10	9	10	19	68	18
Software	6	14	32	19	1	2	5	24
Consultancy services	14	36	42	45	3	29	16	38
Maintenance and repair of hardware	1	10	1	0	0	49	1	2
Education	0	0	2	1	1	1	5	2
Data processing	5	0	5	22	9	0	0	7
Database services	4	0	1	2	9	0	0	1
Internet services	0	1	2	1	57	0	1	3
Leasing / renting of computers	40	0	0	0	1	0	0	1
Other goods and services	0	2	5	1	9	0	4	4

Table 327

Electronic transactions by enterprises - orders for goods and services via the Internet 1997-2000

	1997 ²	1998 ²	1999	2000 ³
	per cent			
All enterprises¹	15	34	39	55
Industry				
Manufacturing	13	32	36	54
Construction	6	24	28	41
Wholesale and retail trade, hotels and restaurants	15	33	44	59
Transport, storage and telecommunication	9	27	31	40
Financial intermediation, etc., business activities. ⁴	25	49	57	68
Full-time employed				
10-19	...	...	37	50
20-49	11	29	33	49
50-99	14	29	39	55
100 +	18	40	45	61

¹ 2,229 enterprises, all with Internet access (most recent survey). ² Figures for 1997 and 1998 only include a small number of enterprises with 10-19 employees.

³ Figures for 2000 are based on enterprises' expectations at October 1999. ⁴ Business activities etc. are business services, estate agents, and other services.

Table 328

Electronic transactions by enterprises - orders received on the web site 1997-2000

	1997 ²	1998 ²	1999	2000 ³
	per cent			
All enterprises¹	7	19	22	43
Industry				
Manufacturing	6	14	18	40
Construction	1	11	13	30
Wholesale and retail trade, hotels and restaurants	8	23	27	51
Transport, storage and telecommunications	9	24	28	50
Financial intermediation, etc., business activities. ⁴	9	23	28	44
Full-time employed				
10-19	...	...	22	42
20-49	5	17	25	45
50-99	6	19	21	43
100 +	8	20	20	42

Note. Electronic receipt means orders via an enterprise's web site.

¹ 2,229 enterprises, all with Internet access (most recent survey). ² Figures for 1997 and 1998 only include a small number of enterprises with 10-19 employees.

³ Figures for 2000 are based on enterprises' expectations at October 1999. ⁴ Business activities are business services, estate agents, and other services.

Table 329

Sales of goods and services by sector for engineering consultancy activities 1998

	Activities					Total
	Engineering consultancy activities related to construction and civil engineering	Engineering consultancy activities related to industrial and mechanical engineering	Mounting and delivery of ready-made production plants	Geological surveying and prospecting activities	Other technical consultancy	
	DKK mio.					
Sales, total	11 366	3 734	4 058	200	2 147	21 505
	per cent					
Products, total	100	100	100	100	100	100
Projecting services	56	44	2	2	8	39
Project management related to constructions and civil engineering work	6	4	4	0	2	5
Planning and analysis related to investments (urban planning, transport, environment, etc.)	9	1	0	23	3	6
Activities related to maintenance, administration, etc. of buildings and plants	4	1	8	6	5	4
Information technology services	4	8	1	0	13	5
Other engineering consultancy activities	11	14	0	65	56	14
Integrated engineering services for turnkey projects	4	5	60	1	4	15
Other activities outside engineering consultancy (management, architectural acts., surveyors, maps, etc.)	2	2	1	1	7	2
Other sales	4	21	24	2	2	10

Table 330

Value index for retail sales 1997-1999

	1997	1998	1999
	— 1990=100 —		
Retail trade of food etc.			
Retail sales of food in non-specialized stores			
Grocer's shops	133	136	143
Discount stores	147	153	164
Other retail sale of groceries	118	118	120
All-night shops	97	97	97
Supermarkets	110	112	113
Retail sales of food in specialized stores			
Retail sales of fruit and vegetables	69	67	69
Retail sales of meat and meat products	99	101	98
Retail sales of fish and game	69	80	78
Bakers' shops, retail sale of bread, cakes, etc.	92	95	94
Retail sales of chocolate and sugar confectionery	109	107	110
Retail sales of alcoholic and other beverages	159	158	171
Retail sales of tobacco products and wine	93	94	95
Retail sales of cheese	87	90	87
Other retail sales of food in specialized stores	106	103	105
Hyper markets and department stores			
Variety stores	143	152	156
Department stores	101	97	93
Retail sales of pharmaceutical goods, cosmetic art. etc.			
Retail sales of medical and orthopaedic goods	143	152	157
Perfumery shops	116	121	126
Chemists (not licensed to dispense medicines)	135	142	146
Retail sales of clothing, footwear etc.			
Retail sales of textiles etc.	76	74	88
Retail sales of ladies' clothing	116	121	122
Retail sales of men's clothing	113	118	121
Retail sales of men's and ladies' clothing	146	155	162
Retail sales of baby articles and children's clothing	129	137	129
Retail sales of footwear	124	127	124
Retail sales of leather goods	131	138	146
Other retails sale			
Retail sales of furniture, household appliances			
Retail sales of furniture	150	165	163
Retail sales of carpets	112	112	108
Retail sales of furnishing fabrics	168	188	199
Retail sales of kitchen utensils, glass and china	118	121	123
Retail sales of electric appliances	120	124	128
Retail sales of radio and television goods	115	119	118
Retail sales of records, CDs, cassettes, etc.	168	168	163
Retail sales of hardware	116	119	122
Retail sales of building materials	147	160	177
Retail sales of paints and wallpaper	106	108	103
Retail sales in other specialized stores etc.			
Retail sales of books, newspapers and stationery	116	122	127
Retail sales of watches and clocks	122	125	126
Retail sales of watches, clocks and jewellery	134	139	146
Retail sales of jewellery	122	126	130
Retail sales of glasses	140	149	160
Retail sales of photographic equipment	125	135	140
Gift shops	116	123	123
Retail sales of sports goods	161	171	168
Retail sales of toys and games	137	144	147
Retail sales of bicycles and mopeds	110	113	111
Florist's shops	122	125	124
Retail sales via mail-order houses	71	74	77

Table 331

Holiday trips 1999

	Holiday trips		
	4 nights +		1-3 nights
	Denmark	Abroad	
Trips, total	1 412 000	2 991 000	3 950 000
Nights per trip	7.63	10.57	2.29
Means of transport	per cent		
Aeroplane	2	52	5
Car	78	31	69
Bus	5	12	6
Train	10	3	15
Ship	2	1	3
Boat	2	0	..
Bicycle	1	0	..
Other	0	0	2
Accommodation			
Hotel	9	56	
Holiday centre	3	5	21
Camping site	18	10	9
Youth hostel	1	2	..
Rented dwelling	26	8	4
Own dwelling	13	3	11
Boat	1	1	..
Family/friends	27	14	50
Other	2	1	4
Destination			
Denmark	100	•	83
Norway	•	5	2
United Kingdom	•	5	3
Sweden	•	7	4
Germany	•	6	6
France	•	13	..
Spain	•	15	..
Greece	•	8	..
Europe, total	•	27	2
Other countries	•	14	-

Table 332

Business trips 1999

	Business trips	
	Denmark	Abroad
Trips	1 383 000	1 179 000
Nights per trip	1.95	3.53
Means of transport	per cent	
Aeroplane	11	79
Car	63	13
Bus	5	3
Train	18	3
Ship	1	3
Boat	..	..
Bicycle	..	..
Other	2	0
Destination		
Denmark	100	•
Norway	•	5
United Kingdom	•	6
Sweden	•	5
Germany	•	8
France	•	..
Spain	•	..
Greece	•	..
Europe, other	•	15
Other countries	•	7

Table 333

Holiday rates for residents in Denmark 1998-1999

	1998 ¹	1999 ¹
	— thousands —	
Population, 15 years and over	4 344	4 346
	— per cent —	
Pct. taking holiday trip		
1 holiday trip	34	34
2 holiday trips	18	17
3 holiday trips	7	6
4 holiday trips	2	2
5 holiday trips and more	1	1
Holiday trip, total	62	60
No holiday trip	38	40
	— thousands —	
Number of persons taking holiday trips	2 707	2 624
Number of holiday trips	4 664	4 423
	— trips —	
Trips per traveller	1.72	1.69
Trips per person	1.07	1.02

¹ Calculated as the average of 3 surveys (October, January and April).

Table 334 Hotels, camping sites, youth hostels and marinas 1999

	Hotels, etc.	Hotel beds	Hotel rooms	Camping- sites	Camping units	Youth hostels	Youth hostel beds	Marinas	Berths
All Denmark	548	100 815	38 769	437	88 955	100	11 082	303	52 134
Copenhagen Municipality	59	13 831	7 481	1	450	-	-	6	2 687
Frederiksberg Municipality	3	1 367	521	-	-	2	778	-	-
Copenhagen County	23	3 756	1 956	5	1 388	1	94	10	4 400
Frederiksborg County	23	3 088	1 232	22	4 180	5	685	19	4 700
Roskilde County	9	1 115	488	7	1 695	2	172	10	2 149
West Zealand County	21	2 045	1 022	25	3 711	9	825	21	2 950
Storstrøms County	34	7 952	2 214	31	6 350	9	767	45	4 836
Bornholm County	44	6 910	2 350	16	2 491	6	817	18	862
Funen County	47	7 602	3 110	49	9 103	11	1 064	49	8 291
South Jutland County	35	4 850	1 665	47	10 687	10	895	23	3 629
Ribe County	34	5 581	1 729	32	6 411	7	770	5	262
Vejle County	31	4 737	2 310	25	4 588	6	636	10	3 462
Ringkøbing County	27	5 078	1 767	31	5 569	5	460	14	1 672
Aarhus County	48	9 159	3 511	52	10 959	11	1 127	28	5 565
Viborg County	19	3 761	1 156	25	4 916	4	450	15	1 639
North Jutland County	91	19 983	6 257	69	16 457	12	1 542	30	5 030

Note. Hotels, motels, inns, boarding houses and holiday centre with 40 beds or over. Camping sites with 75 camping units or over. Marinas with berths for guests.

Table 335

Nights spent by type of accommodation 1999

	Hotels, etc.	Camping sites	Youth hostels	Marinas	Holiday dwellings	Total
—thousand person-nights—						
All Denmark	12 783	11 360	1 068	1 572	15 290	42 074
Copenhagen Municipality	2 784	..	172	19	-	2 975
Frederiksberg Municipality	185	-	-	-	-	185
Copenhagen County	591	214	9	39	-	853
Frederiksborg County	360	591	71	96	351	1 469
Roskilde County	157	224	17	14	23	436
West Zealand County	214	373	60	89	340	1 076
Storstrøms County	972	683	61	191	775	2 682
Bornholm County	544	306	56	54	630	1 589
Funen County	873	1 153	110	427	779	3 342
South Jutland County	505	1 562	81	161	1 427	3 736
Ribe County	693	1 090	74	3	3 015	4 876
Vejle County	694	636	61	57	314	1 762
Ringkøbing County	492	640	33	17	3 140	4 322
Aarhus County	1 050	1 359	105	209	1 207	3 929
Viborg County	403	637	34	31	800	1 905
North Jutland County	2 267	1 893	124	165	2 489	6 937
Nationality:						
Denmark	7 009	7 592	645	763	1 927	17 936
Sweden	1 435	374	121	157	322	2 410
Norway	1 015	264	69	38	637	2 022
Germany	1 104	2 439	75	555	12 017	16 190
United Kingdom	393	17	12	4	0	427
Netherlands	210	447	17	46	270	991
Europe, other	805	211	87	6	117	1 227
United States	290	2	9	1	-	301
Other countries	523	13	32	2	-	570

Note. Hotels, motels, inns, boarding houses and holiday centre with 40 beds or over. Camping sites with 75 camping units or over. Marinas with berths for guests. Privately-owned holiday dwellings which are let through a Danish renting agency.