

Manufacturing industries

1. Manufacturing industries significance for the overall Danish economy

Industry creates one fifth of the growth in Danish economy

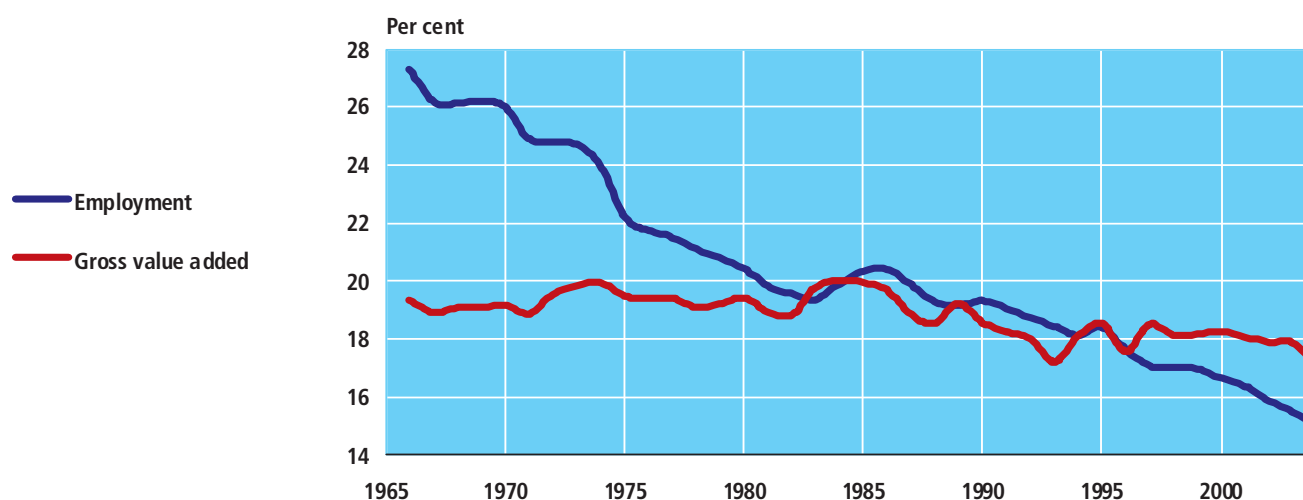
The significance of manufacturing industries for the Danish economy can be described by means of central statistics from the national accounts. Up until 1980, manufacturing industries represented a more or less constant share of the total value added of 17 per cent. Since then, this share has gradually fallen to a level of 18 per cent in 2004.

Manufacturing industries share of total employment is declining

Manufacturing industries has experienced a significant reduction in its share of total employment over the period 1966 to 1983, from 27 per cent to 19 per cent. The significance of manufacturing industries to employment increased again until 1986; since then, there has been a general decline up to 2004, where manufacturing industries represented 15 per cent of total employment.

Figure 1

Manufacturing shares in per cent of total activity 1966-2004



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 period 1990-2003 comprises a number of different business cycles, which are reflected in the index of production.

1990-2000

The period 1990-1991 was characterised by moderate economic growth, which was significantly influenced by the Gulf War. In the autumn of 1992, a period of economic recession followed the international instability in foreign currency markets. The following period of economic recovery at the middle of 1993, peaked

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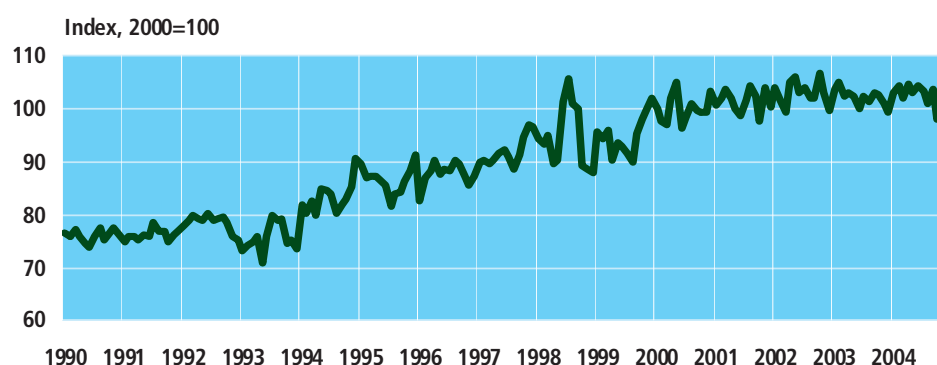
in the spring of 1995 and was followed by a six-month period (approximately) of zero growth. The zero-growth period was followed by a period of renewed growth in 1996 and 1997, but in 1998 the Danish economy lost its impetus after a five-year period of more or less uninterrupted growth. Manufacturing production increased again in 1999 and 2000, which was due to the positive international economic trends.

2001-2004

The decline in the world economy from 2001 has affected the Danish manufacturing production, which only experienced a very modest increase in 2002 and 2003. The tendency has continued throughout 2004 – affected by the weakened US-dollar.

Figure 2

Production in the manufacturing industries, seasonally adjusted values



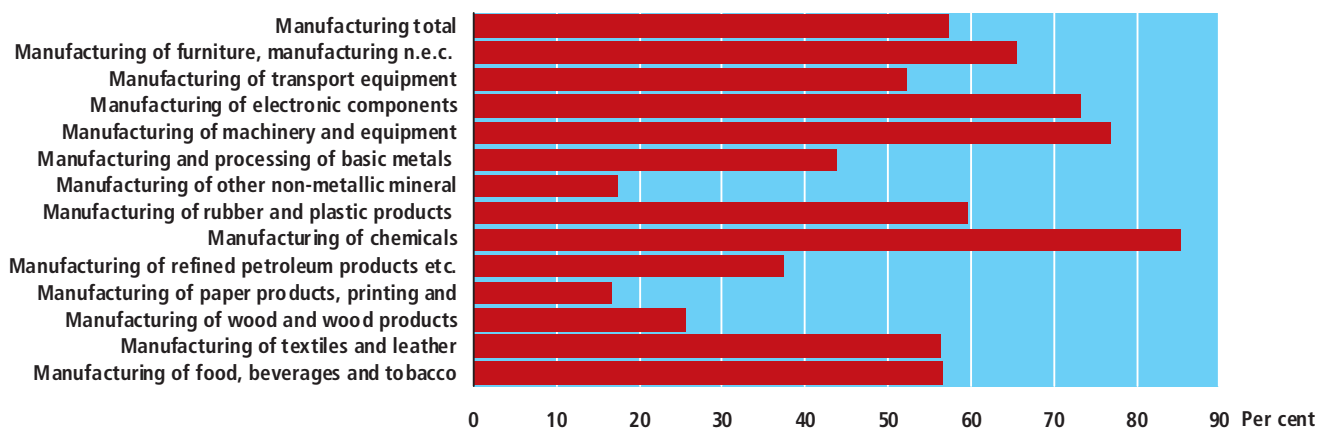
3. Exports of the manufacturing industries

Export shares of the manufacturing industries

Export markets are of great importance to the Danish manufacturing industries. In 2004, total export turnover accounted for 57 per cent of total turnover of the manufacturing industries. There are among the groups of industries wide differences in the export shares of the manufacturing industries. The industries *manufacture of paper production; printing and publishing* and *manufacture of other non-metallic minerals, etc.* accounted for an export share of 17 per cent in 2004, while *manufacture of machinery and equipment* and *manufacture of chemicals, man-made fibres* accounted for very high export shares of 77 and as high as 85 per cent.

Figure 3

Export shares of the manufacturing industries by groups of industries 2004



Note: Data for the industry *mining and quarrying* are not published for reasons of confidentiality.

3. Manufacturing industries total turnover by main sectors

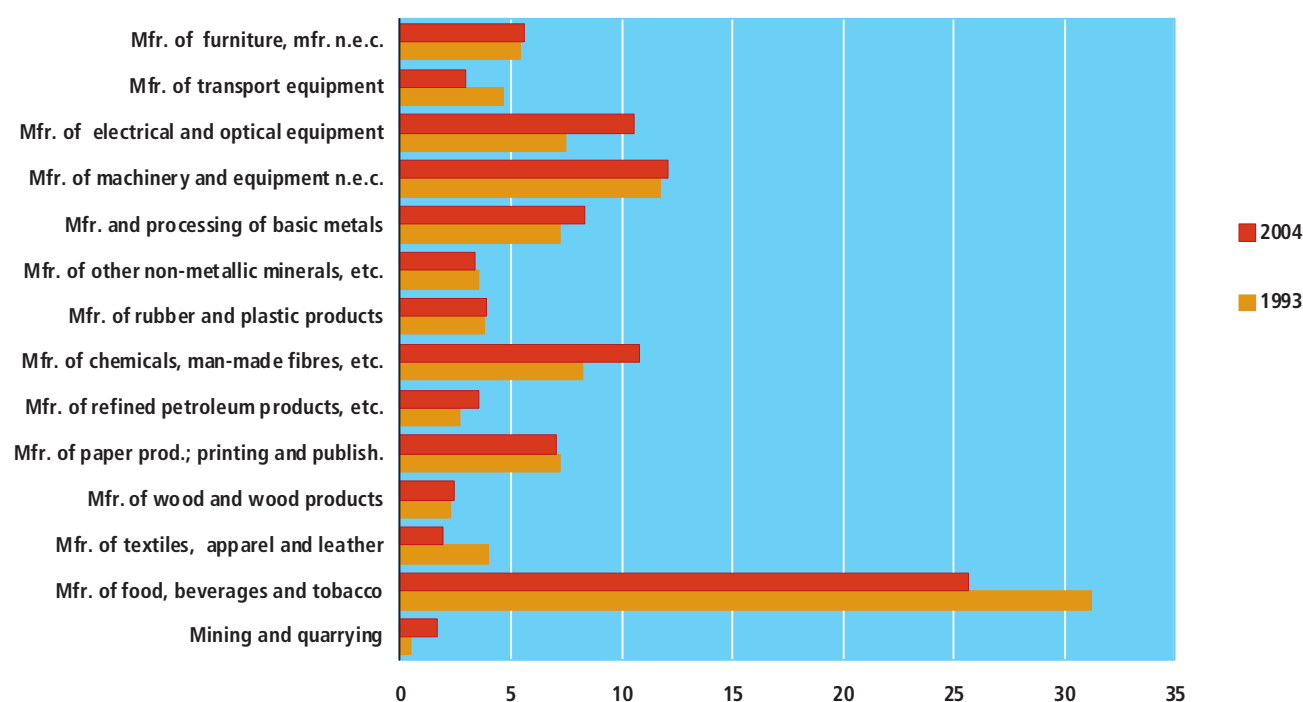
Manufacturing industries sector profile in 2004

Since 1993, manufacturing industries total turnover (at current prices) for enterprises with 10 employees or more has increased from approximately DKK 344 billion to approximately DKK 522 billion in 2004.

Manufacturing of food, beverages and tobacco accounted for the bulk of activity, approximately one-quarter of the total turnover. This was followed by *manufacturing of machinery and equipment*, *manufacturing of electrical and optical equipment*, and *manufacturing of chemicals, man-made fibres, etc.*; each of these accounted for approximately 12 per cent, while *manufacturing of paper products, printing and publishing* as well as *manufacturing and processing of basic metals* both accounted for approximately 8 per cent of manufacturing industries total turnover. *Mining and quarrying*, which does not include oil and gas extraction in these statistics, accounted for 2 per cent of manufacturing industries total turnover.

Figure 4

Manufacturers' total turnover by groups of industries, per cent



Growth in the manufacture of electrical and optical equipment and pharmaceuticals

The relative composition of Danish manufacturing industries has not seen radical changes since 1993, where *manufacturing of food, beverages and tobacco* also held the dominant position among manufacturers. This dominant position has, however, diminished in terms of relative importance, as the proportionate share of the manufacturers' total turnover has been reduced from almost one third to the 25 per cent. This means that other main groups of industries have increased in terms of relative significance. This is particularly true of the *manufacturing of electrical and optical equipment*, which has risen from accounting for approximately 8 to 11 per cent of the total manufacturing turnover, and this also applies to the *manufacturing of chemicals, man-made fibres, etc.* (including pharmaceuticals).

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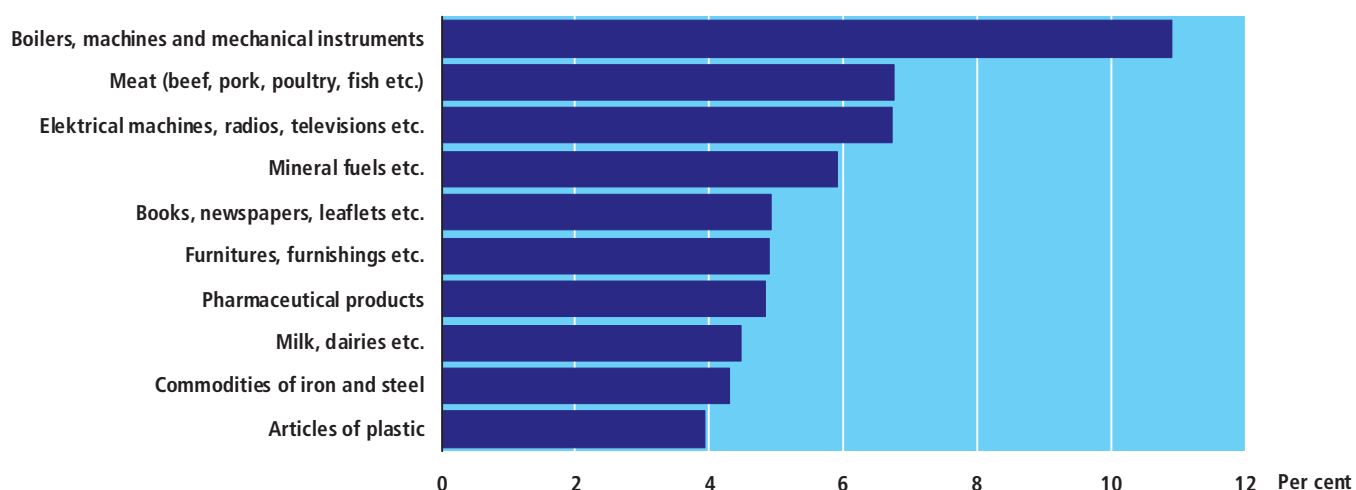
Both of these groups of industries feature characteristics such as heavy reliance on technology and research and development.

5. Concentration ratio of enterprises and commodity groups

Concentration of industrial enterprises

The three largest enterprises in the manufacturing industries account on average for 11.8 per cent of total turnover of the manufacturing industries, while the ten largest enterprises account for 20.3 per 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. For example, within *manufacture of refined petroleum products*, *manufacture of tobacco products* and *manufacture of dairy products* turnover is concentrated on few large enterprises. *Manufacturing and processing of basic metals* and *manufacture of paper products; printing and publishing* are examples of industries characterized by a very low concentration of large enterprises.

Figure 4 Top 10 industrial commodity groups mainly produced

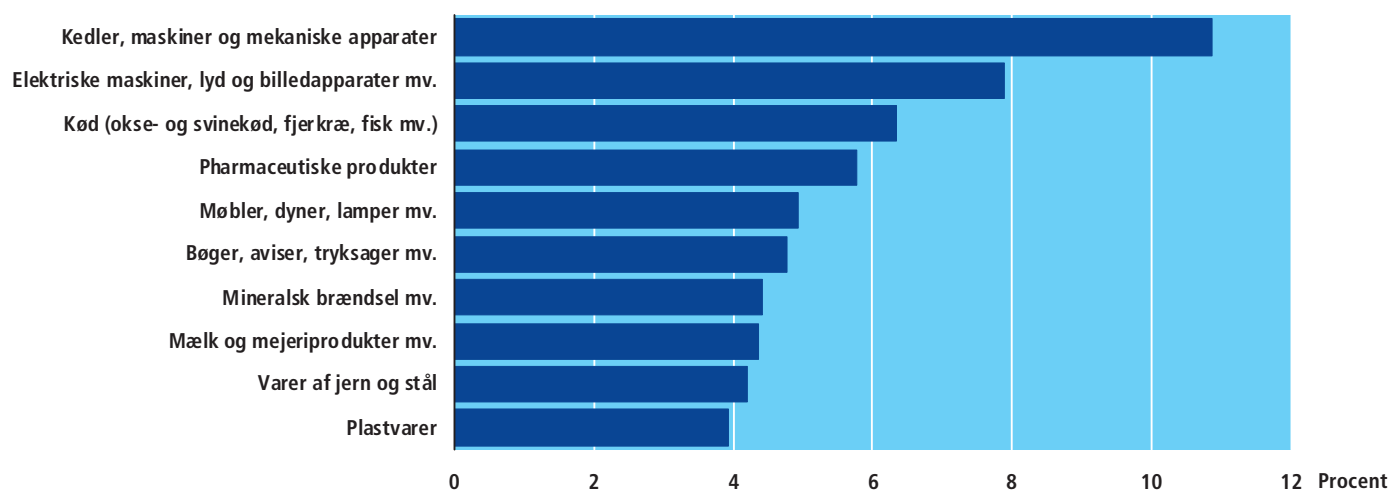


Production in the manufacturing industries by commodity

The production of industrial products can be divided into about 100 main commodity groups, where the ten commodity groups accounting for the highest output in Denmark appears from figure 5. *Boilers, machinery and mechanical apparatus* make up 10.9 per cent of total turnover of the manufacturing industries, while *electrical machinery, radio and television sets, etc.* make up 7.9 per cent.

Figure 5

The ten commodity groups accounting for the highest output as a share of total turnover in the manufacturing industries 2004



The production of industrial products can be divided into even more detailed commodity groups, of which there are about 10,000 groups. In the present statistics, the production of *pharmaceuticals* has a prominent part in line with *windmills* and *pork* and *gas oils*.

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Manufacturers' total turnover, by industry and concentration 2004

DB03	Group of industry	Total turnover	Percentage of total turnover	
			The three largest groups	The ten largest groups
		DKK mio.	per cent	
1009+2	Mining, quarrying and manufacturing	522 214	11.6	20.0
1009	Mining and quarrying	8 749	75.7	92.5
2	Manufacturing	513 465	11.8	20.3
15009	Mfr. of food, beverages and tobacco	134 233	36.1	50.0
151000	Production, etc. of meat and meat products	39 406	73.4	89.4
155000	Mfr. of dairy products	24 664	90.8	96.4
158909	Mfr. of other food products	55 142	13.2	29.7
159000	Mfr. of beverages	10 897	74.1	95.7
160000	Mfr. of tobacco products	4 125	90.0	100.0
17009	Mfr. of textiles, clothing and leather	10 280	16.3	32.0
170000	Mfr. of textile	6 555	23.3	42.5
180000	Mfr. of clothing	3 361	27.6	51.3
190000	Mfr. of leather, footwear and leather products	364	84.5	100.0
20000	Mfr. of wood and wood products	12 593	21.0	45.6
21009	Mfr. of paper products; printing and publishing	36 866	8.7	21.8
210000	Mfr. of pulp, paper and paper products	10 029	19.1	50.9
221200	Publishing of newspapers	7 578	39.7	76.1
221309	Publishing activities, excl. newspapers	9 260	27.3	56.0
222009	Printing activities, etc.	10 172	13.6	31.4
23000	Mfr. of refined petroleum products, etc.	18 585	99.6	100.0
24000	Mfr. of chemicals, man-made fibres, etc.	56 504	47.8	68.9
241009	Mfr. of chemical raw materials	9 900	66.8	90.6
243009	Mfr. of paints, soap, cosmetics, etc.	14 404	32.1	63.7
244000	Mfr. of pharmaceuticals, etc.	32 199	81.3	96.7
25000	Mfr. of rubber and plastic products	20 488	20.6	35.1
26000	Mfr. of other non-metallic mineral, etc.	17 671	18.6	38.9
261009	Mfr. of glass and ceramic goods, etc.	2 823	38.6	77.0
263009	Mfr. of bricks, cement and concrete	14 848	22.2	45.8
27009	Mfr. and processing of basic metals	43 475	8.6	19.3
270000	Mfr. of basic metals	8 976	35.3	67.6
281009	Mfr. of construction materials of metals	18 681	13.5	24.4
286009	Mfr. of hand tools, packaging of metal, etc.	15 818	13.7	28.7
29000	Mfr. of machinery and equipment, n.e.s.	63 254	20.1	31.4
291000	Mfr. of marine engines, compressors, etc.	22 227	57.2	80.0
292000	Mfr. of other general purpose machinery	19 816	11.0	27.5
293000	Mfr. of agricultural and forestry machinery	4 228	35.5	61.9
294009	Mfr. of machines for industries, etc.	13 748	10.3	25.1
297000	Mfr. of domestic appliances, n.e.s.	3 235	52.8	81.6
30009	Mfr. of electrical and optical equipment	55 005	19.4	37.1
300009	Mfr. of computers, electric motors, etc.	27 767	35.9	60.7
320000	Mfr. of radio and communication equipment, etc.	9 384	46.0	67.6
330000	Mfr. of medical and optical instruments	17 853	23.4	50.6
35009	Mfr. of transport equipment	15 376	39.7	59.9
351000	Building and repairing of ships and boats	5 613	73.3	90.2
352009	Mfr. of transport equipment, excl. ships	9 763	35.7	59.7
36000	Mfr. of furniture; manufacturing n.e.s.	29 136	30.7	48.6
361000	Mfr. of furniture	20 234	25.5	42.3
365009	Mfr. of toys, gold and silver articles, etc.	8 902	73.7	86.9

For further information visit www.statbank/oms2

Table 317

Industrial production index

		2003	2004
		2000 = 100	
1009+2+4009	Mining, quarrying, manufacturing and energy supply	103,2	103,2
1009+2	Mining, quarrying, and manufacturing	102,2	102,7
1009	Mining and quarrying	102,1	107,3
2	Manufacturing	102,3	102,0
15009	Mfr. of food, beverages and tobacco	114,1	110,8
151000	Production, etc. of meat and meat products	99,8	98,3
155200	Mfr. of dairy products	95,2	96,0
158909	Mfr. of other food products	133,2	126,8
159000	Mfr. of beverages	112,2	112,9
160000	Mfr. of tobacco products	94,8	83,0
17009	Mfr. of textiles, clothing and leather	81,4	67,5
170000	Mfr. of textile	88,4	82,4
180000	Mfr. of clothing	73,7	61,3
190000	Mfr. of leather, footwear and leather products	66,7	13,7
20000	Mfr. of wood and wood products	91,7	101,4
21009	Mfr. of paper products; printing and publishing	88,9	93,0
210000	Mfr. of pulp, paper and paper products	91,0	89,8
221200	Publishing of newspapers	85,6	94,3
221309	Publishing activities, excl. newspapers	83,3	90,9
222009	Printing activities, etc.	94,0	95,8
23000	Mfr. of refined petroleum products, etc.	78,2	99,0
24000	Mfr. of chemicals, man-made fibres, etc.	109,0	97,5
241009	Mfr. of chemical raw materials	102,8	93,6
243009	Mfr. of paints, soap, cosmetics, etc.	95,2	94,0
244000	Mfr. of pharmaceuticals, etc.	116,5	100,1
25000	Mfr. of rubber and plastic products	101,0	100,8
26000	Mfr. of other non-metallic mineral, etc.	94,0	94,3
261009	Mfr. of glass and ceramic goods, etc.	92,4	87,7
263009	Mfr. of bricks, cement and concrete	94,4	96,0
27009	Mfr. and processing of basic metals	104,4	101,7
29000	Mfr. of machines and equipment, n.e.s.	99,1	105,4
30009	Mfr. of electrical and optical equipment	106,9	108,9
35009	Mfr. of transport equipment	97,6	97,0
351000	Building and repairing of ships and boats	89,5	92,9
352009	Mfr. of transport equipment, excl. ships	102,8	99,6
36000	Mfr. of furniture; manufacturing n.e.s.	99,9	105,3
361000	Mfr. of furniture	89,4	92,1
365009	Mfr. of toys, gold and silver articles, etc.	135,0	149,0
4009	Electricity, gas and water supply	120,5	112,3

For further information visit www.statbank.dk/prod01

Table 318

Major manufactured commodities

	2003	2004
	DKK thousands	
Production, total	453 617 307	461 260 142
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	7 205 897	9 524 981
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	9 538 445	8 865 693
Gas oils of petroleum or bituminous minerals, with a sulphur content of less than 0,05% by weight	5 862 088	8 317 769
Windmills, output over 750 kVA	8 317 769	7 205 897
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put in retail packings	8 618 003	5 862 088
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	4 685 544	4 685 544
Newspapers, published more than 4 times weekly, from the publishing house, not printed by own printing works	2 807 023	4 351 775
Iron and steel structures and parts thereof, mainly sheets excl. sluices, chimneys and ceiling sheets with ridge	4 279 948	4 280 834
Fresh or chilled with bone in, domestic swine hams and cuts thereof	3 864 268	4 104 954
Motor spirit, with a lead content less than 0,013 g/l, with a research octane number RON between 95 and 98	3 448 257	4 094 538
Feeding stuffs for pigs	4 095 218	3 864 268
Enzymes and prepared enzymes, not elsewhere stated (excl. rennet and concentrates thereof, lipoprotein lipase and aspergillus alkaline protease)	3 792 373	3 779 286
Products of iron and steel, not specifically defined elsewhere in the nomenclature	2 695 151	3 663 616
Articles of plastics (incl. plastic film) not elsewhere stated	3 042 552	3 448 257
Books (excl. dictionaries and encyclopaedias) also in serial instalments, from the publishing house	2 936 197	3 185 185
Danbo, Fontal, Fontina, Fynbo, Havarti, Maribo and Samsø, of a fat content by weight of less than 40% and water content in the fatfree mass between 47 and 72 %	2 756 897	3 087 171
Newspapers, published more than 4 times weekly, from the publishing house, printed by own printing works	3 562 480	3 020 378
Insulin and its salts, used primarily as hormones	2 736 452	2 939 486
Hearing aids (excl. parts and accessories)	2 405 413	2 756 501
Medicaments containing hormones or steroids used as hormones, but not antibiotics, put up in forms	3 125 272	2 699 858
Roll-On/Roll-Off and other containers, seagoing, new	3 663 616	2 674 571
Natural butter of a fat content, by weight, between 80 % and 85%, in immediate packings of max 1 kg	2 464 493	2 612 093
Articles made from plastic sheet, not elsewhere stated	2 374 609	2 593 259
Fitted kitchen units	2 198 189	2 592 725
Cigarettes, containing tobacco (excl. containing cloves)	2 612 093	2 464 657

Note 1. Commodities may be absent because for confidentiality reasons.

Note 2. The table is based on a 10-digit nomenclature which is based on the 8-digit CN (Combined Nomenclature).

For further information visit www.statbank.dk/varer