

Manufacturing industries

1. Manufacturing industries' significance for the overall Danish economy

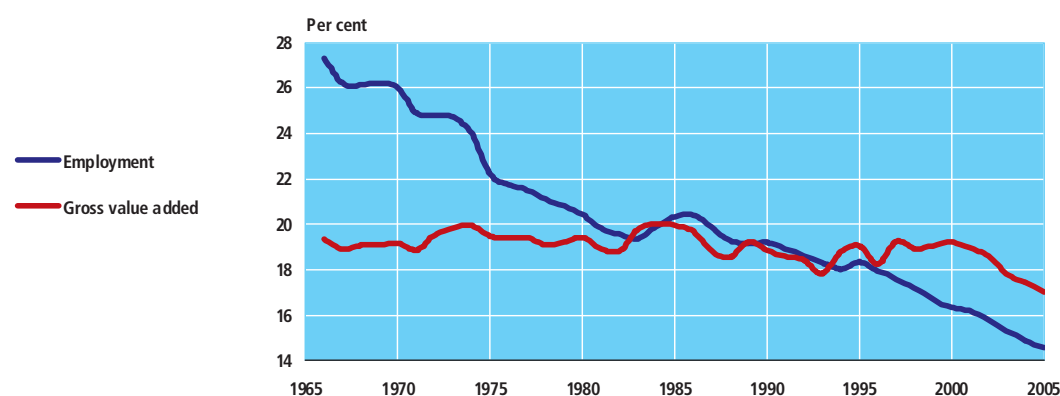
Industry creates one fifth of the growth in Danish economy

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 19 per cent. Since then, this share has gradually fallen to a level of 17 per cent in 2005.

Manufacturing industries' share of total employment is declining

Manufacturing industries have 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 2005, where manufacturing industries represented 14 per cent of total employment.

Figure 1 Manufacturing shares in per cent of total activity



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 1990-2005 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 in the spring of 1995 and was followed by a six-month period (approximately) of

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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 due to positive international economic trends.

2001-2004

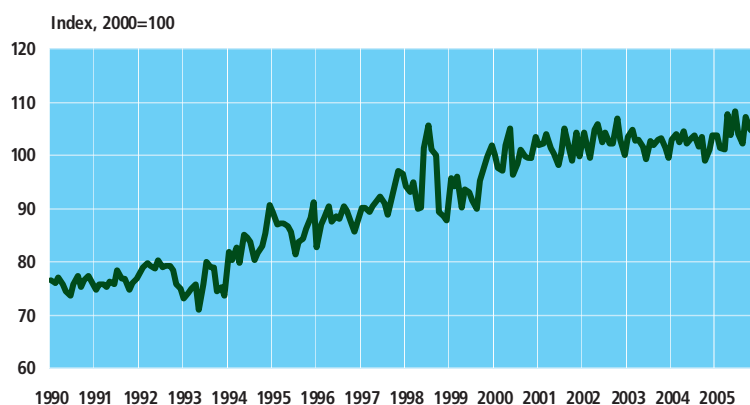
The decline in the world economy from 2001 has affected Danish manufacturing production, which has experienced a very modest increase in 2002 and 2003. The tendency has continued throughout 2004 – affected by the weakened US-dollar.

2005

In 2005, the Danish manufacturing industry was growing again, which is primarily due to an increase in industrial exports.

Figure 2

Production in the manufacturing industries, seasonally adjusted values



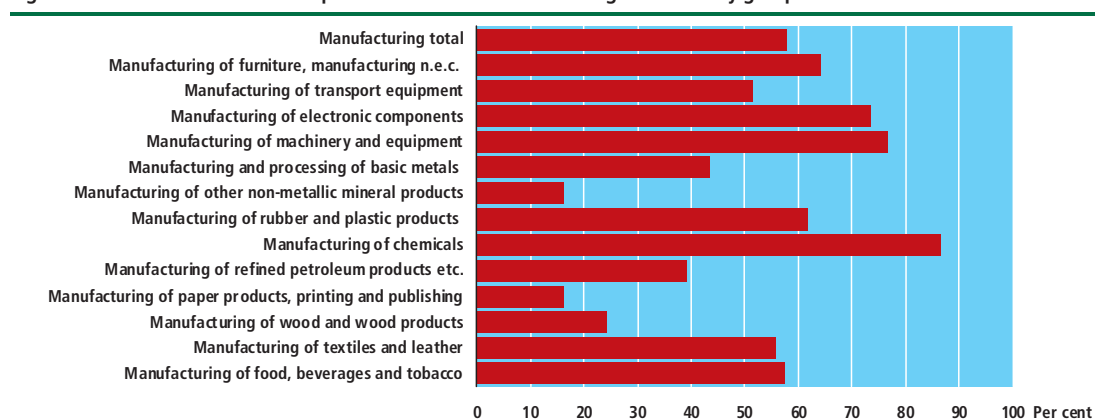
3. Exports of the manufacturing industries

Export shares of the manufacturing industries

Export markets are of great importance to the Danish manufacturing industries. In 2005, total export turnover accounted for 58 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 16 per cent in 2005, while *manufacture of electronic components*, *manufacture of machinery and equipment* and *manufacture of chemicals, man-made fibres* accounted for very high export shares of 74, 77 and 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.

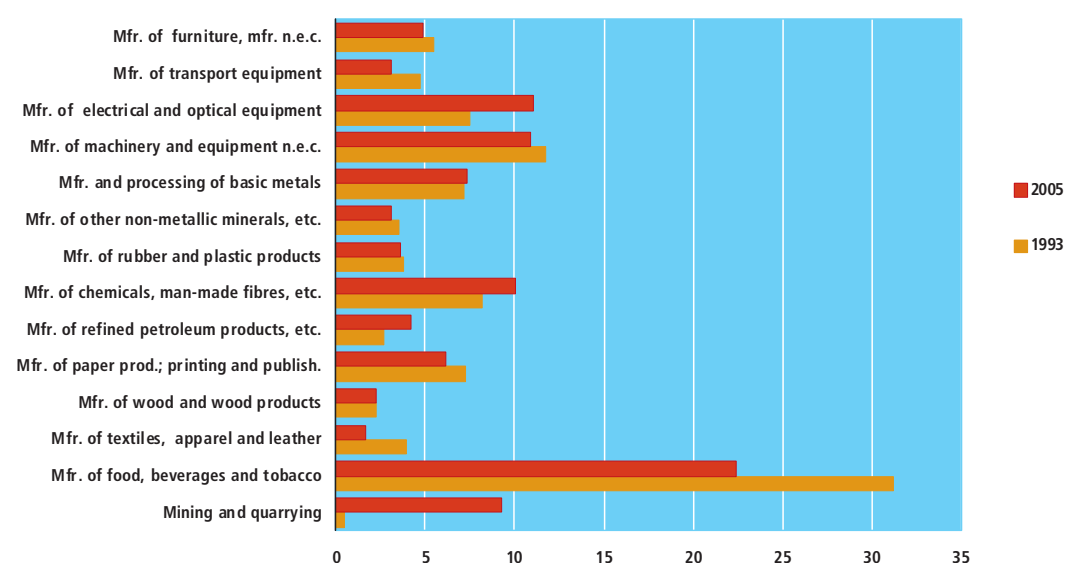
4. Manufacturing industries' total turnover by main sectors

Manufacturing industries' sector profile in 2005

Since 1993, manufacturing industries' total turnover (at current prices) for enterprises with 10 employees or more have increased from DKK 344 billion to DKK 606 billion in 2005. *Manufacturing of food, beverages and tobacco* accounted for the bulk of activity, almost one-quarter of total turnover. This was followed by *manufacturing of electrical and optical equipment*, *manufacturing of machinery and equipment*, and *manufacturing of chemicals, man-made fibres, etc.*; each of these accounted for approximately 10 per cent, while *manufacturing of paper products, printing and publishing* as well as *manufacturing and processing of basic metals* both accounted for approximately 7 per cent of manufacturing industries' total turnover. *Mining and quarrying* accounted for 9 per cent of manufacturing industries' total turnover.

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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, when *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 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 10 per cent of total manufacturing turnover, and this also applies to the *manufacturing of chemicals, man-made fibres, etc.* (including pharmaceuticals). Both of these groups of industries feature characteristics such as heavy reliance on technology and research and development.

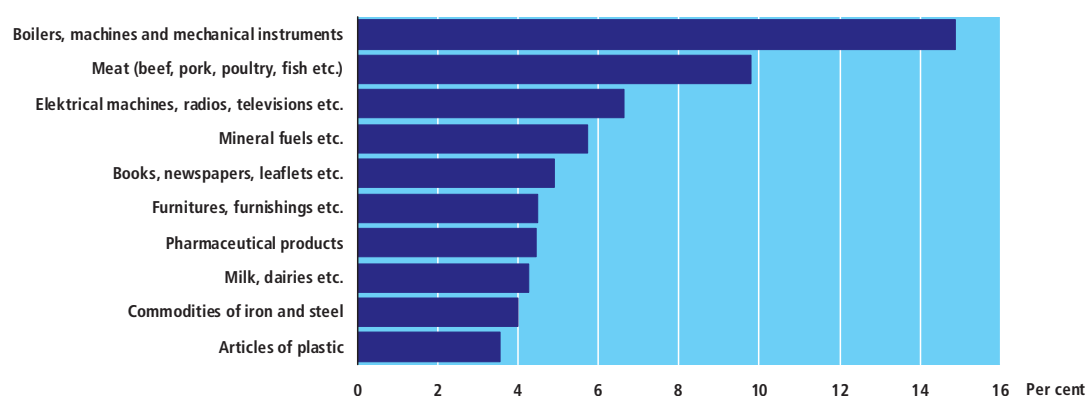
5. Concentration ratio of enterprises and commodity groups

Concentration of industrial enterprises

The three largest enterprises in the manufacturing industries account for 11.6 per cent of total turnover of the manufacturing industries, while the ten largest enterprises account for 21.4 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. Turnover is concentrated on a few large enterprises in particular within *manufacturing of refined petroleum products* (the three largest enterprises accounted for 99.8 per cent of total turnover in 2005), *manufacturing of tobacco products* (the three largest enterprises accounted for 90.1 per cent), *manufacturing of dairy products* (the three largest enterprises accounted for 90.1 per cent of total turnover) and *manufacturing of leather and footwear* (the three largest enterprises accounted for 90.0 per cent of total turnover). *Manufacturing of building materials and metals* are examples

of industries characterized by a very low concentration of large enterprises, as the ten largest enterprises accounted for 20.2 per cent of total turnover in 2005.

Figure 5 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 in 2005 appears from figure 5. *Mineral fuel, etc.* accounts for 14.9 per cent of industrial turnover, while *boilers, machinery and mechanical apparatus* constitutes 9.8 per cent.

The production of industrial products can be divided into more detailed commodity groups, of which there are a total of about 10,000. In this account, *manufacturing of pork* has a prominent position like *pharmaceuticals*, *gas oils* and *wind turbines*. Table 318 gives an overview of the 25 most commonly manufactured detailed commodity groups in Danish manufacturing industry.

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Manufacturers' total turnover, by industry and concentration 2005

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	606 066	10.8	24.4
1009	Mining and quarrying	56 118	79.9	96.2
2	Manufacturing	549 947	11.6	21.4
15009	Mfr. of food, beverages and tobacco	135 963	35.6	49.9
151000	Production, etc. of meat and meat products	39 011	73.2	89.4
155000	Mfr. of dairy products	25 211	90.1	96.0
158909	Mfr. of other food products	56 579	14.4	31.2
159000	Mfr. of beverages	11 081	75.0	96.0
160000	Mfr. of tobacco products	4 082	90.1	100.0
17009	Mfr. of textiles, clothing and leather	9 914	17.4	34.6
170000	Mfr. of textile	6 518	25.9	46.3
180000	Mfr. of clothing	2 914	25.6	53.4
190000	Mfr. of leather, footwear and leather products	482	90.0	100.0
20000	Mfr. of wood and wood products	13 570	22.6	47.0
21009	Mfr. of paper products; printing and publishing	37 322	9.0	23.5
210000	Mfr. of pulp, paper and paper products	10 121	23.2	52.7
221200	Publishing of newspapers	8 223	39.4	75.1
221309	Publishing activities, excl. newspapers	8 936	28.5	54.8
222009	Printing activities, etc.	10 228	14.5	31.4
23000	Mfr. of refined petroleum products, etc.	25 411	99.8	100.0
24000	Mfr. of chemicals, man-made fibres, etc.	60 788	47.8	69.1
241009	Mfr. of chemical raw materials	9 558	65.1	88.6
243009	Mfr. of paints, soap, cosmetics, etc.	16 184	34.8	62.0
244000	Mfr. of pharmaceuticals, etc.	35 046	81.1	96.2
25000	Mfr. of rubber and plastic products	21 889	19.3	34.4
26000	Mfr. of other non-metallic mineral, etc.	18 929	17.8	38.3
261009	Mfr. of glass and ceramic goods, etc.	2 930	38.8	75.7
263009	Mfr. of bricks, cement and concrete	15 999	21.0	45.1
27009	Mfr. and processing of basic metals	44 648	9.0	19.6
270000	Mfr. of basic metals	8 933	38.3	71.4
281009	Mfr. of construction materials of metals	18 886	9.4	20.2
286009	Mfr. of hand tools, packaging of metal, etc.	16 830	15.7	30.5
29000	Mfr. of machinery and equipment, n.e.s.	66 050	21.5	32.8
291000	Mfr. of marine engines, compressors, etc.	23 827	59.5	81.3
292000	Mfr. of other general purpose machinery	20 818	11.7	29.2
293000	Mfr. of agricultural and forestry machinery	4 403	35.5	60.3
294009	Mfr. of machines for industries, etc.	14 071	11.7	27.0
297000	Mfr. of domestic appliances, n.e.s.	2 930	49.8	83.2
30009	Mfr. of electrical and optical equipment	66 830	22.3	40.1
300009	Mfr. of computers, electric motors, etc.	39 802	35.6	60.6
320000	Mfr. of radio and communication equipment, etc.	9 276	45.9	69.5
330000	Mfr. of medical and optical instruments	17 753	24.0	48.8
35009	Mfr. of transport equipment	19 075	39.7	64.4
351000	Building and repairing of ships and boats	6 658	80.4	92.7
352009	Mfr. of transport equipment, excl. ships	12 417	31.0	63.5
36000	Mfr. of furniture; manufacturing n.e.s.	29 557	30.0	48.9
361000	Mfr. of furniture	20 648	26.4	42.7
365009	Mfr. of toys, gold and silver articles, etc.	8 909	73.5	87.3

For further information visit www.statbank/oms2

Table 293

Industrial production index

		2004	2005
		2000 = 100	
1009+2+4009	Mining, quarrying, manufacturing and energy supply	103.2	104.9
1009+2	Mining, quarrying, and manufacturing	102.7	104.9
1009	Mining and quarrying	107.3	111.9
2	Manufacturing	102.0	103.8
15009	Mfr. of food, beverages and tobacco	110.8	109.6
151000	Production, etc. of meat and meat products	98.3	97.7
155000	Mfr. of dairy products	96.0	95.6
158909	Mfr. of other food products	126.8	126.3
159000	Mfr. of beverages	112.9	109.4
160000	Mfr. of tobacco products	83.0	77.6
17009	Mfr. of textiles, clothing and leather	67.5	65.5
170000	Mfr. of textile	82.4	80.2
180000	Mfr. of clothing	61.3	60.1
190000	Mfr. of leather, footwear and leather products	13.7	10.8
20000	Mfr. of wood and wood products	101.4	106.8
21009	Mfr. of paper products; printing and publishing	93.0	93.3
210000	Mfr. of pulp, paper and paper products	89.8	88.5
221200	Publishing of newspapers	94.3	97.3
221309	Publishing activities, excl. newspapers	90.9	94.7
222009	Printing activities, etc.	95.8	92.8
23000	Mfr. of refined petroleum products, etc.	99.0	117.2
24000	Mfr. of chemicals, man-made fibres, etc.	97.5	108.8
241009	Mfr. of chemical raw materials	93.6	92.8
243009	Mfr. of paints, soap, cosmetics, etc.	94.0	101.5
244000	Mfr. of pharmaceuticals, etc.	100.1	117.2
25000	Mfr. of rubber and plastic products	100.8	108.7
26000	Mfr. of other non-metallic mineral, etc.	94.3	99.0
261009	Mfr. of glass and ceramic goods, etc.	87.7	86.8
263009	Mfr. of bricks, cement and concrete	96.0	102.3
27009	Mfr. and processing of basic metals	101.7	94.9
29000	Mfr. of machines and equipment, n.e.s.	105.4	100.1
30009	Mfr. of electrical and optical equipment	108.9	117.6
35009	Mfr. of transport equipment	97.0	112.5
351000	Building and repairing of ships and boats	92.9	103.5
352009	Mfr. of transport equipment, excl. ships	99.6	118.3
36000	Mfr. of furniture; manufacturing n.e.s.	105.3	103.9
361000	Mfr. of furniture	92.1	91.1
365009	Mfr. of toys, gold and silver articles, etc.	149.0	146.1
4009	Electricity, gas and water supply	112.3	105.6

For further information visit www.statbank.dk/prod01

Table 294

Major manufactured commodities

	2004	2005
	DKK thousands	
Production, total	493 541 373	538 356 485
Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates)	28 078 631	39 485 011
Gas oils of petroleum or bituminous minerals, with a sulphur content of $\leq 0,05\%$ by weight (excl. for undergoing chemical transformation and for undergoing a specific process as defined in Additional Note 4 to chapter 27)	7 809 451	11 952 256
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	8 157 870	11 328 469
Windmills, output > 750 kVA	7 441 736	9 169 199
Natural gas in gaseous state	6 315 142	8 729 806
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put up in forms or packings for retail sale	7 155 637	7 820 672
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	8 436 515	7 299 562
Newspapers, published ≥ 4 times weekly, from the publishing house, not printed by own printing works	4 075 864	5 737 826
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	5 226 121	5 454 368
Motor spirit, with a lead content $\leq 0,013$ g/l, with an research octane number RON of ≥ 95 , but < 98	3 932 839	5 056 865
Fresh or chilled with bone in, domestic swine hams and cuts thereof	4 032 269	4 412 482
Windmills, output > 375 \leq 750 kVA	2 298 885	4 298 954
Articles of iron and steel, n.e.s.	3 590 416	4 198 401
Roll-On/Roll-Off and other containers, seagoing, new	2 701 206	3 929 544
Feeding stuffs for pigs	3 894 256	3 908 089
Enzymes and prepared enzymes, n.e.s. (excl. rennet and concentrates thereof, lipoprotein lipase and Aspergillus alkaline protease)	3 854 787	3 884 970
Iron and steel structures and parts thereof, mainly sheets excl. sluices, chimneys and ceiling sheets with ridge	3 995 504	3 392 234
Articles of plastics (incl. plastic film) n.e.s.	3 122 674	3 321 709
Books (excl. dictionaries and encyclopaedias) also in serial installments, from the publishing house, not printed by own printing works	3 042 433	3 301 660
Articles of glass fibre for windmills	1 700 044	3 080 101
Medicaments containing hormones or steroids used as hormones, but not antibiotics, put up in forms or packings for retail sale	2 714 361	2 990 711
Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary sciences	2 383 284	2 854 620
Fitted kitchen units	2 532 271	2 848 656
Insulin and its salts, used primarily as hormones	2 844 754	2 735 961
Hearing aids (excl. parts and accessories)	2 818 567	2 698 735

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