

Manufacturing industries

1 The significance of manufacturing industries for Danish economy

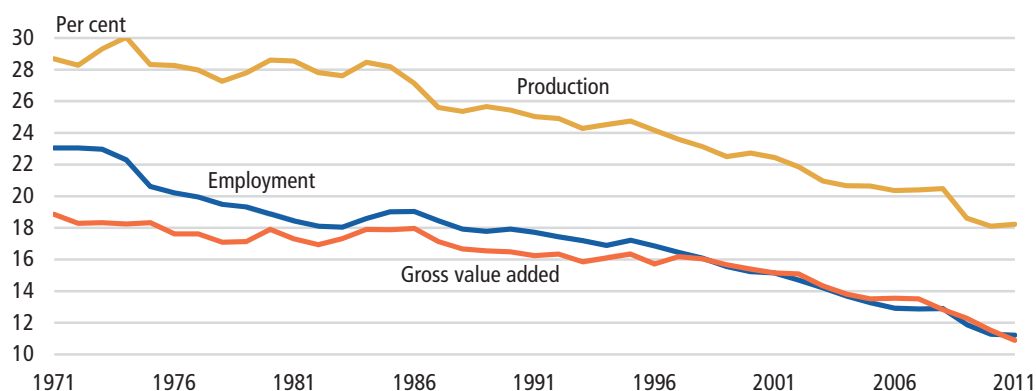
Manufacturing industries' share of the economy has been declining

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 11 per cent of employment and value added

Manufacturing industries' share of total employment has declined markedly from 23 per cent in 1971 to 11 per cent in 2011. The manufacturing industries' share of gross value added has also decreased from 19 per cent to 11 per cent. Finally, the share of production has fallen from 29 per cent in 1971 to 18 per cent in 2011.

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 and adjusted for normal seasonal variations. The index of production illustrates the noticeable business cycles of the period 2001-2011.

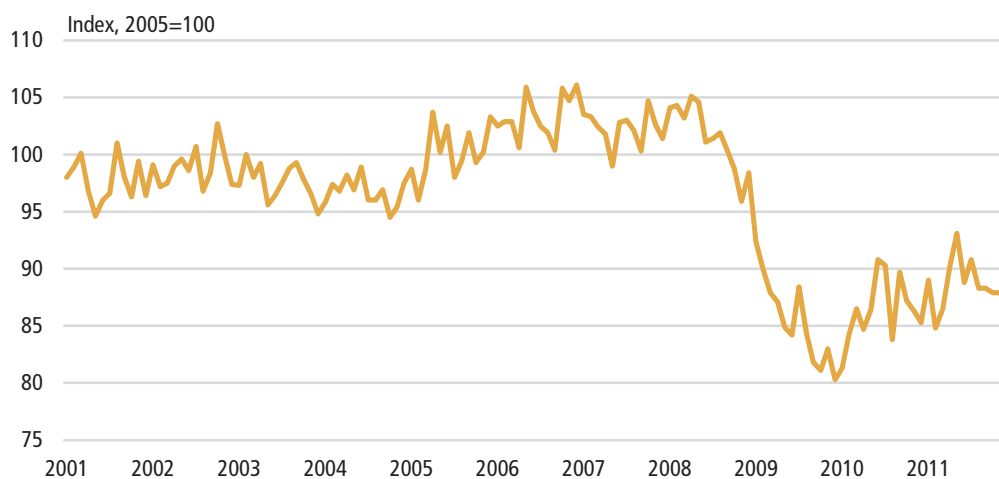
During the period 2001-2004, production was relatively stable because of the international falloff caused by the collapse of the dotcom-bubble in 2000. From 2005 followed a period with a marked increase in industrial production, which lasted until 2007.

Global financial crisis meant falling production

In the fall 2008, the global financial crisis began. In Denmark, this led to a sharp decline in industrial production. Production fell more than 20 per cent up till the end of 2009.

During 2010, industrial production has recovered somewhat, followed in 2011 by a stabilization on a level that is around 10 per cent lower than in 2001.

Figure 2 Production in the manufacturing industries, seasonally adjusted values



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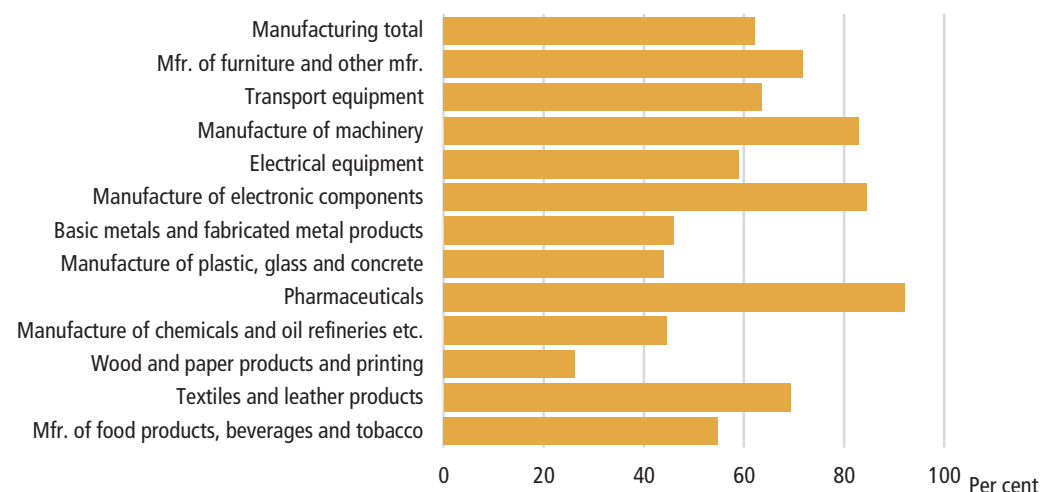
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Exports of the manufacturing industries

Export shares of the manufacturing industries

Export markets are of great importance to the Danish manufacturing industries. In 2011, 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. 2011



There are wide differences among the groups of industries in the export shares of the manufacturing industries. *Wood and paper products and printing* has the lowest export share with 26. With 92 per cent, *pharmaceuticals* accounts for the highest export share. This is followed by *manufacturing of electronic components* and *manufacturing of machinery* with 85 and 83 per cent, respectively.

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Manufacturing industries' total turnover by main sectors

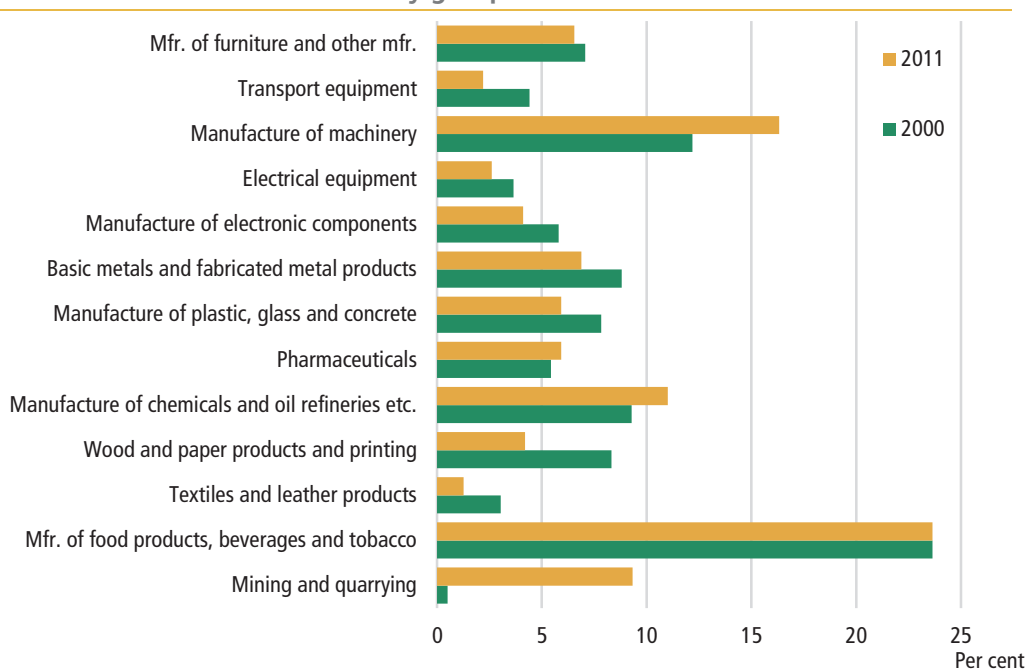
Manufacturing industries' sector profile in 2011

Since 2000, manufacturing industries' total turnover (at current prices) for enterprises with 10 employees or more have increased from DKK 476 billion to DKK 670 billion in 2011. *Manufacturing of food, beverages and tobacco* accounted for 24 per cent of the total turnover and had the largest turnover of all the industries. This was followed by *manufacturing of machinery* with 16 per cent and *manufacture of chemicals and oil refineries etc.* with 11 per cent. *Mining and quarrying* accounted for 9 per cent of manufacturing industries' total turnover.

Growth in the production of windmills

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. One is *manufacturing of machinery*, especially the production of windmills contributes to the growth of this industry group. The other is *mining and quarrying*, the increase for this group is however largely caused by improved coverage of the statistics during the period. 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 11.2 per cent of total turnover of the manufacturing industries, while the 10 largest enterprises account for 30.8 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 86.1 per cent of total turnover in 2011). *Extraction of oil and gas*, *manufacture of dairy products* and *manufacture of toys and other manufacturing* are other large industries with high concentration ratios.

Industries with low concentration ratios include *manufacture of other machinery* and *manufacture of fabricated metal products* where the ten largest enterprises accounted for, respectively, 23.6 per cent and 21.2 per cent of total turnover in 2011.

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 2011 appear from figure 5. *Mineral fuel, etc.* accounted for almost 16 per cent of industrial turnover, while *boilers, machinery and mechanical apparatus* constituted more than 10 per cent.

Figure 5 The 10 most important commodity groups in manufacturers' sales. 2011

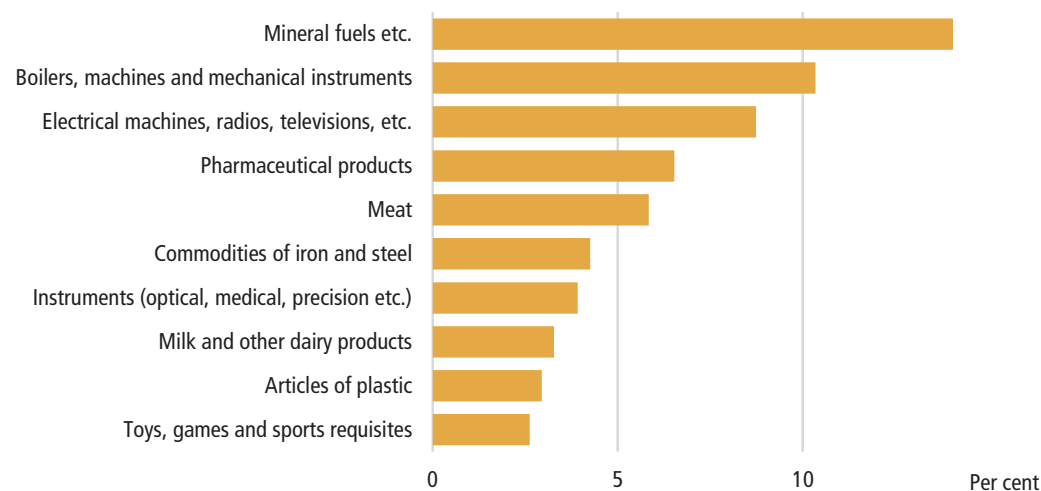


Table 271

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 is at the top of the list, followed by windmills. Other products that feature near the top are medicines, gas oils, natural gas, feeding stuffs, structures of iron and steel and pork meat.

Table 272 Manufacturers' total turnover. 2011

Group of industry	Total turnover	Percentage of total turnover	
		The three largest enterprises	The ten largest enterprises
	DKK mio.	per cent	
Mining and quarrying and manufacturing	669 877	11.2	30.8
Mining and quarrying	62 559	82.5	95.5
Extraction of oil and gas	56 970	90.6	100.0
Extraction of gravel and stone	2 284	48.9	86.3
Mining support service activities	3 306	72.2	99.6
Manufacturing	607 317	12.3	29.4
Mfr. of food products, beverages and tobacco	158 331	39.5	53.2
Production of meat and meat products	43 240	65.0	87.8
Processing and preserving of fish	12 385	31.8	59.8
Manufacture of dairy products	30 347	90.4	97.0
Manufacture of grain mill and bakery products	9 272	30.0	73.4
Other manufacture of food products	49 483	40.6	57.4
Manufacture of beverages	12 138	76.2	97.1
Manufacture of tobacco products	1 466	90.1	100.0
Textiles and leather products	8 464	23.8	48.1
Manufacture of textiles	5 189	32.8	56.8
Manufacture of wearing apparel	2 524	42.6	71.8
Manufacture of leather and footwear	750	98.3	100.0
Wood and paper products and printing	28 170	10.2	28.5
Manufacture of wood and wood products	10 496	24.7	50.3
Manufacture of paper and paper products	8 673	32.5	67.6
Printing etc.	9 001	19.8	41.6
Manufacture of chemicals and oil refineries etc.	73 816	65.4	84.2
Pharmaceuticals	39 665	86.1	97.6
Mfr. of plastic, glass and concrete	39 714	13.4	28.9
Manufacture of rubber and plastic products	21 363	23.6	43.4
Manufacture of glass and ceramic products	2 389	48.0	77.8
Manufacture of concrete and bricks	15 962	21.5	47.0
Basic metals and fabricated metal products	46 147	11.1	25.2
Manufacture of basic metals	9 257	44.2	82.2
Manufacture of fabricated metal products	36 889	12.3	21.2
Manufacture of electronic components	27 554	28.0	54.9
Mfr. of computers and communication equipment etc.	8 795	45.7	65.8
Manufacture of other electronic products	18 759	35.5	68.1
Electrical equipment	17 477	29.5	53.2
Manufacture of electric motors, etc.	8 544	52.7	73.4
Manufacture of wires and cables	4 464	62.5	92.2
Manufacture of household appliances, lamps, etc.	4 470	33.8	69.3
Manufacture of machinery	109 389	33.8	53.2
Manufacture of engines, windmills and pumps	69 305	53.4	83.7
Manufacture of other machinery	40 084	10.8	23.6
Transport equipment	14 696	31.0	59.3
Manufacture of motor vehicles and related parts	8 091	26.5	61.8
Manufacture of ships and other transport equipment	6 605	67.2	89.7
Manufacture of furniture and other mfr.	43 893	43.9	58.4
Manufacture of furniture	13 100	36.5	52.2
Manufacture of medical instruments, etc.	6 679	65.6	79.7
Manufacture of toys and other manufacturing	17 256	90.9	96.0
Repair and installation of machinery and equipment	6 857	20.9	42.4

Table 273 Industrial production index

	2010	2011
	2005 = 100	
Mining and quarrying and manufacturing	86.5	88.5
Mining and quarrying	71.6	65.3
Manufacturing excl. manufacture of ships and other transport equipment	90.6	94.9
Manufacturing	90.1	94.3
Manufacture of food products, beverages and tobacco	94.0	92.1
Production of meat and meat products	93.0	98.8
Processing and preserving of fish	105.1	99.9
Manufacture of dairy products	91.1	92.1
Manufacture of grain mill and bakery products	96.8	102.9
Other manufacture of food products	101.1	93.9
Manufacture of beverages	84.0	84.8
Manufacture of tobacco products	77.5	29.8
Textiles and leather products	70.4	72.3
Wood and paper products and printing	67.5	65.4
Manufacture of chemicals and oil refineries etc.	100.1	101.4
Pharmaceuticals	93.2	103.7
Manufacture of plastic, glass and concrete	73.7	76.8
Manufacture of rubber and plastic products	74.6	72.7
Manufacture of glass and ceramic products	85.2	80.3
Manufacture of concrete and bricks	70.6	81.7
Basic metals and fabricated metal products	79.7	84.3
Manufacture of electronic components	105.0	117.1
Electrical equipment	85.9	88.4
Manufacture of machinery	104.5	118.5
Manufacture of engines, windmills and pumps	128.9	139.6
Manufacture of other machinery	84.4	101.2
Transport equipment	54.0	51.0
Manufacture of motor vehicles and related parts	58.5	62.3
Manufacture of ships and other transport equipment	46.5	32.0
Manufacture of furniture and other manufacturing	104.2	103.5
Electricity, gas, steam and air conditioning supply	98.8	94.0
Mining and quarrying and manufacturing and energy supply	87.3	88.9
Capital goods	102.7	110.9
Capital goods excl. manufacture of ships and other transport equipment	104.1	112.8
Intermediate goods	82.1	85.4
Durable consumer goods	66.1	61.7
Non-durable consumer goods	91.9	95.3
Energy	78.3	71.8

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Table 274 Best selling commodities made in Denmark

	2010	2011
	DKK millions	
Production, total	529 326	576 490
Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates)	38 587	47 075
Generating sets, wind-powered	22 030	25 780
Gas oils of petroleum or bituminous minerals, with a sulphur content of $\leq 0,05\%$ by weight	15 132	19 103
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	11 858	12 747
Natural gas in gaseous state	10 622	9 895
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	9 680	8 985
Preparations of a kind used in animal feeding (excl. dog or cat food), n.e.s.	8 860	8 732
Structures and parts of structures of iron or steel, n.e.s.	5 270	8 003
Medicaments containing hormones or steroids, but not antibiotics, put up in measured doses	3 843	6 998
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	6 023	6 361
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	5 846	6 161
Enzymes and prepared enzymes, n.e.s.	6 297	6 086
Articles of iron or steel, n.e.s.	5 799	5 773
Fuel oils obtained from bituminous materials, with a sulphur content of $\leq 1\%$ by weight	3 072	5 281
Food preparations containing milkfat, glucose or starch, , n.e.s.	4 807	5 243
Motor spirit, with a lead content $\leq 0,013$ g/l, research octane number less than 95	2 810	4 946
Motor spirit, with a lead content $\leq 0,013$ g/l, research octane number between 95 and 98	4 974	4 617
Waters, incl. mineral and aerated, with added sugar, sweetener or flavour	3 845	4 191
Fresh or chilled with bone in, domestic swine hams and cuts thereof	3 716	4 077
Jet fuel, kerosene type	2 371	3 850
Hearing aids (excl. parts and accessories)	3 744	3 746
Fresh or chilled bovine meat, boneless	3 199	3 703
Articles of plastics, n.e.s.	3 271	3 510
Needles, catheters, cannulae and the like (excl. syringes, tubular metal needles and needles for sutures)	3 212	3 375
Structures and parts of structures, of iron or steel, solely or principally of sheet, n.e.s.	3 269	3 227

Note: Commodities may be omitted for reasons of confidentiality.

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