

Manufacturing industries

1 The significance of manufacturing industries for Danish economy

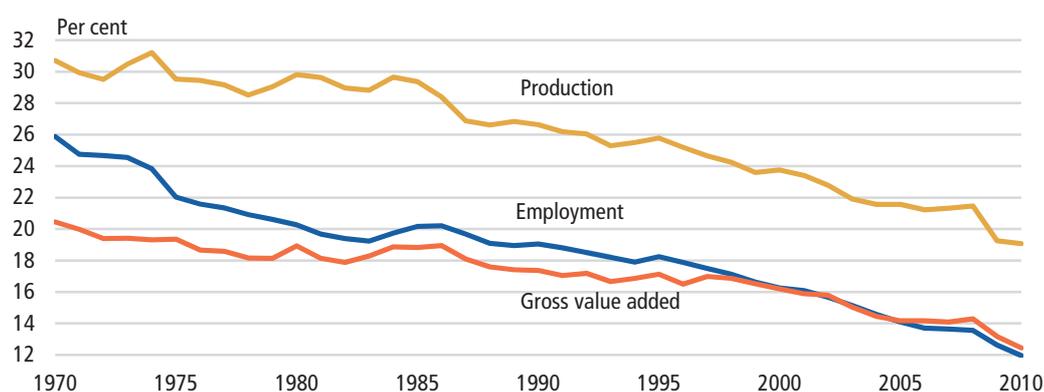
Manufacturing industries' share of the economy has been declining

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 12 per cent of employment and value added

Manufacturing industries' share of total employment has declined markedly from 26 per cent in 1969 to 12 per cent in 2010. The manufacturing industries' share of gross value added has also decreased from 21 per cent to 12 per cent. Finally, the share of production has fallen from 31 per cent in 1969 to 19 per cent in 2010.

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 2000-2010 are reflected in the index of production.

2000-2004

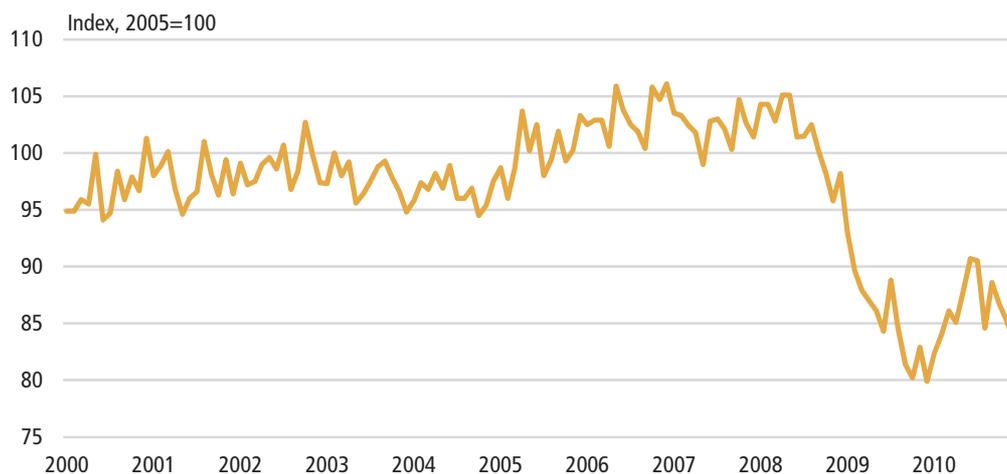
Manufacturing production increased in 2000 due to positive international economic trends. The decline in the world economy from 2001 affected Danish manufacturing production, which experienced a very modest increase in 2002 and 2003. The tendency continued throughout 2004 – affected by the weakened US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

2008-2010

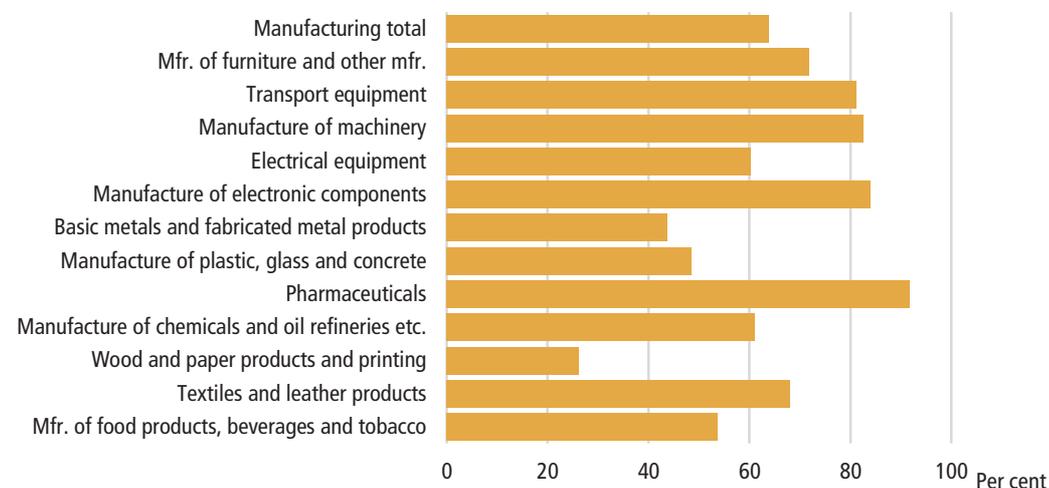
During the last half of 2008, production fell rapidly, reflecting the economic crisis which has affected Denmark as well as the rest of the world. The decline has continued throughout 2009 and has been historically steep. The downturn seems to have bottomed out at the end of 2009 after which production began to increase again until mid-2010. From then it has stayed at a level significantly below that before the crisis.

Figure 2 Production in the manufacturing industries, seasonally adjusted values

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3**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 64 per cent of total turnover of the manufacturing industries.

Figure 3 Export shares of the manufacturing industries by groups of industries. 2010

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 44 per cent in 2010. With 92 per cent, *pharmaceuticals* accounts for the highest export share. This is followed by *manufacturing of electronic components* and *manufacturing of machinery* with 84 and 83 per cent, respectively.

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Manufacturing industries' total turnover by main sectors

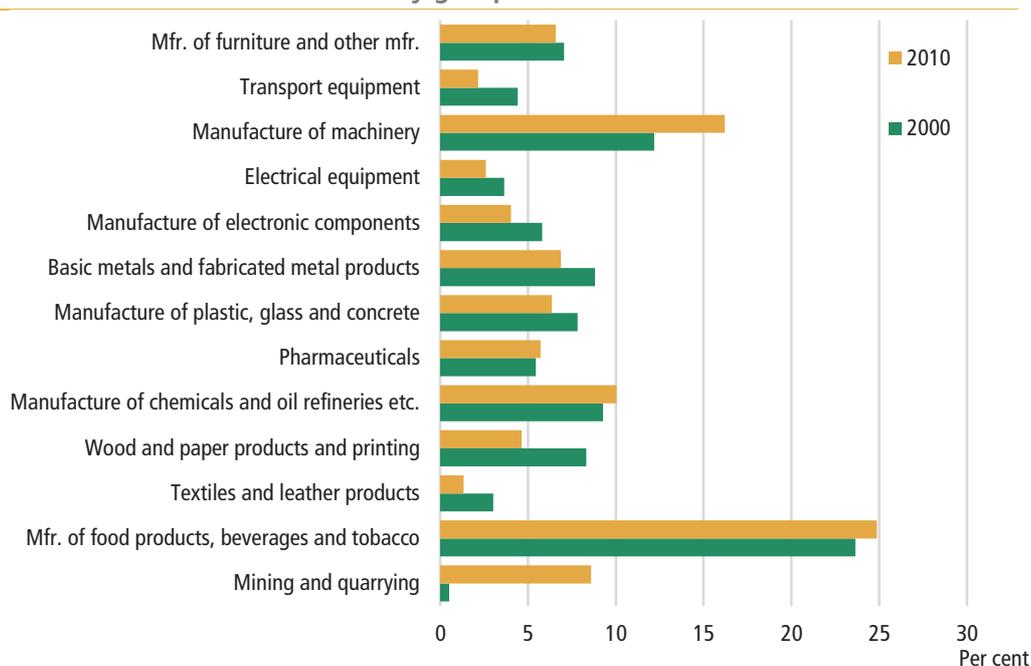
Manufacturing industries' sector profile in 2010

Since 2000, manufacturing industries' total turnover (at current prices) for enterprises with 10 employees or more have increased from DKK 476 billion to DKK 632 billion in 2010. *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 16 per cent and *manufacture of chemicals and oil refineries etc.* with 10 per cent. *Mining and quarrying* accounted for 9 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 the production of windmills contributes 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 10.2 per cent of total turnover of the manufacturing industries, while the 10 largest enterprises account for 27.3 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 2010). *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, 21.1 per cent and 23.8 per cent of total turnover in 2010.

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 2010 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 commodity groups accounting for the highest output as a percentage of total turnover of the manufacturing industries. 2010

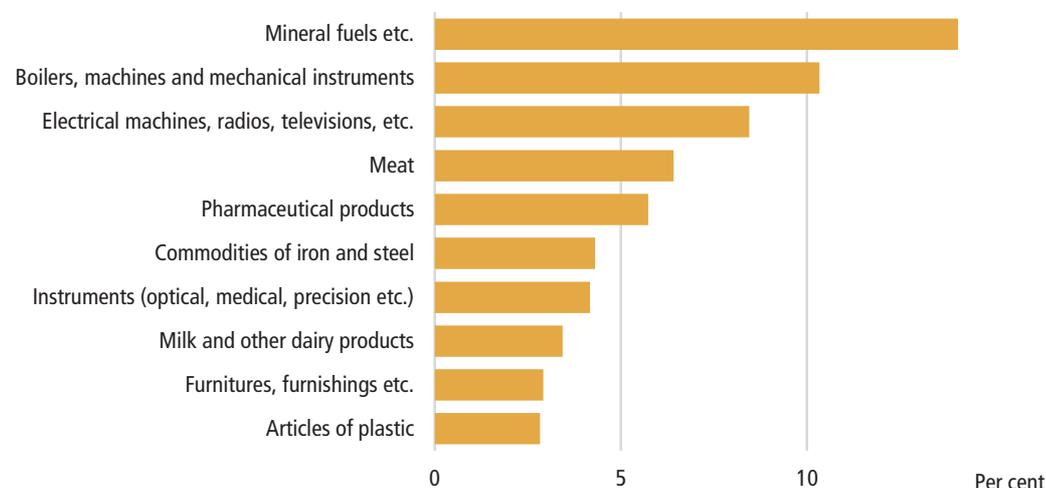


Table 270

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 269 Manufacturers' total turnover. 2010

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	631 727	10.2	27.3
Mining and quarrying	54 289	83.5	95.8
Extraction of oil and gas	49 757	91.2	100.0
Extraction of gravel and stone	2 029	49.9	87.4
Mining support service activities	2 503	73.1	99.9
Manufacturing	577 438	10.6	26.8
Mfr. of food products, beverages and tobacco	157 156	35.8	50.4
Production of meat and meat products	39 501	63.8	86.8
Processing and preserving of fish	12 860	34.2	61.6
Manufacture of dairy products	27 522	90.3	96.7
Manufacture of grain mill and bakery products	8 814	37.7	75.5
Other manufacture of food products	52 691	39.9	57.1
Manufacture of beverages	11 986	74.5	96.5
Manufacture of tobacco products	3 782	89.9	100.0
Textiles and leather products	8 435	26.5	46.2
Manufacture of textiles	5 328	36.6	56.9
Manufacture of wearing apparel	2 392	37.2	64.1
Manufacture of leather and footwear	714	96.2	100.0
Wood and paper products and printing	29 295	10.2	29.1
Manufacture of wood and wood products	11 260	25.3	51.1
Manufacture of paper and paper products	8 630	31.8	68.2
Printing etc.	9 406	19.3	39.9
Manufacture of chemicals and oil refineries etc.	63 409	59.5	80.6
Pharmaceuticals	36 085	86.1	97.9
Mfr. of plastic, glass and concrete	40 208	24.3	37.6
Manufacture of rubber and plastic products	25 094	37.8	54.2
Manufacture of glass and ceramic products	2 637	42.0	76.3
Manufacture of concrete and bricks	12 477	23.2	48.3
Basic metals and fabricated metal products	43 385	11.5	25.2
Manufacture of basic metals	7 820	42.2	80.0
Manufacture of fabricated metal products	35 565	13.6	23.8
Manufacture of electronic components	25 514	30.0	52.8
Mfr. of computers and communication equipment etc.	8 545	45.1	66.3
Manufacture of other electronic products	16 969	38.4	64.3
Electrical equipment	16 419	33.7	55.7
Manufacture of electric motors, etc.	8 742	56.3	76.9
Manufacture of wires and cables	3 895	63.9	88.6
Manufacture of household appliances, lamps, etc.	3 782	29.5	66.3
Manufacture of machinery	102 309	34.4	55.0
Manufacture of engines, windmills and pumps	66 433	52.9	84.7
Manufacture of other machinery	35 876	10.5	21.1
Transport equipment	13 663	35.0	59.7
Manufacture of motor vehicles and related parts	7 349	28.7	59.4
Manufacture of ships and other transport equipment	6 315	72.1	89.3
Manufacture of furniture and other mfr.	41 559	39.5	55.2
Manufacture of furniture	13 938	31.8	50.5
Manufacture of medical instruments, etc.	6 405	64.4	82.8
Manufacture of toys and other manufacturing	14 912	88.0	94.0
Repair and installation of machinery and equipment	6 304	21.9	45.4

Table 270 Industrial production index

	2009	2010
	2005 = 100	
Mining and quarrying and manufacturing	85.4	86.5
Mining and quarrying	74.9	71.6
Manufacturing excl. manufacture of ships and other transport equipment	88.2	90.6
Manufacturing	88.0	90.1
Manufacture of food products, beverages and tobacco	92.4	94.0
Production of meat and meat products	89.4	93.0
Processing and preserving of fish	86.4	105.1
Manufacture of dairy products	87.9	91.1
Manufacture of grain mill and bakery products	97.4	96.8
Other manufacture of food products	99.7	101.1
Manufacture of beverages	96.7	84.0
Manufacture of tobacco products	77.1	77.5
Textiles and leather products	68.3	70.4
Wood and paper products and printing	68.6	67.5
Manufacture of chemicals and oil refineries etc.	93.2	100.1
Pharmaceuticals	84.9	93.2
Manufacture of plastic, glass and concrete	74.6	73.7
Manufacture of rubber and plastic products	74.2	74.6
Manufacture of glass and ceramic products	79.5	85.2
Manufacture of concrete and bricks	74.4	70.6
Basic metals and fabricated metal products	84.2	79.7
Manufacture of electronic components	88.6	105.0
Electrical equipment	76.4	85.9
Manufacture of machinery	106.4	104.5
Manufacture of engines, windmills and pumps	140.0	128.9
Manufacture of other machinery	78.8	84.4
Transport equipment	57.1	54.0
Manufacture of motor vehicles and related parts	51.8	58.5
Manufacture of ships and other transport equipment	65.9	46.5
Manufacture of furniture and other manufacturing	100.3	104.2
Electricity, gas, steam and air conditioning supply	91.3	98.8
Mining and quarrying and manufacturing and energy supply	85.8	87.3
Capital goods	102.2	102.7
Capital goods excl. manufacture of ships and other transport equipment	103.1	104.1
Intermediate goods	81.0	82.1
Durable consumer goods	66.9	66.1
Non-durable consumer goods	86.9	91.9
Energy	78.6	78.3

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Table 271

Best selling commodities made in Denmark - correction

	2009	2010
	DKK millions	
Production, total	502 573	531 996
Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates)	29 789	38 587
Generating sets, wind-powered	23 997	22 030
Gas oils of petroleum or bituminous minerals, with a sulphur content of $\leq 0,05\%$ by weight	10 421	15 132
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes	12 219	11 858
Natural gas in gaseous state	11 166	10 622
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	8 893	9 680
Preparations of a kind used in animal feeding (excl. dog or cat food), n.e.s.	8 733	8 860
Enzymes and prepared enzymes, n.e.s.	5 058	6 297
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	5 916	6 023
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	5 954	5 846
Articles of iron or steel, n.e.s.	4 584	5 799
Structures and parts of structures of iron or steel, n.e.s.	9 578	5 270
Motor spirit, with a lead content $\leq 0,013$ g/l, research octane number between 95 and 98	3 997	4 974
Food preparations containing milkfat, glucose or starch, , n.e.s.	4 583	4 807
Waters, incl. mineral and aerated, with added sugar, sweetener or flavour	3 864	3 845
Medicaments containing hormones or steroids, but not antibiotics, put up in measured doses	1 199	3 843
Hearing aids (excl. parts and accessories)	3 385	3 744
Fresh or chilled with bone in, domestic swine hams and cuts thereof	3 522	3 716
Windows and French windows and their frames, of coniferous wood	3 685	3 318
Articles of plastics, n.e.s.	2 877	3 271
Structures and parts of structures, of iron or steel, solely or principally of sheet, n.e.s.	3 728	3 269
Needles, catheters, cannulae and the like (excl. syringes, tubular metal needles and needles for sutures)	3 189	3 212
Fresh or chilled bovine meat, boneless	2 773	3 199
Sea-going vessels for transport of goods (excl. refrigerated vessels, tankers, ferry-boats)	3 805	3 177
Fuel oils obtained from bituminous materials, with a sulphur content of $\leq 1\%$ by weight	2 938	3 072

Note: Commodities may be omitted for reasons of confidentiality.

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