

Manufacturing industries

Manufacturing industries

1. Manufacturing industries' significance for the overall Danish economy

Industry creates one fifth of the growth in Danish economy

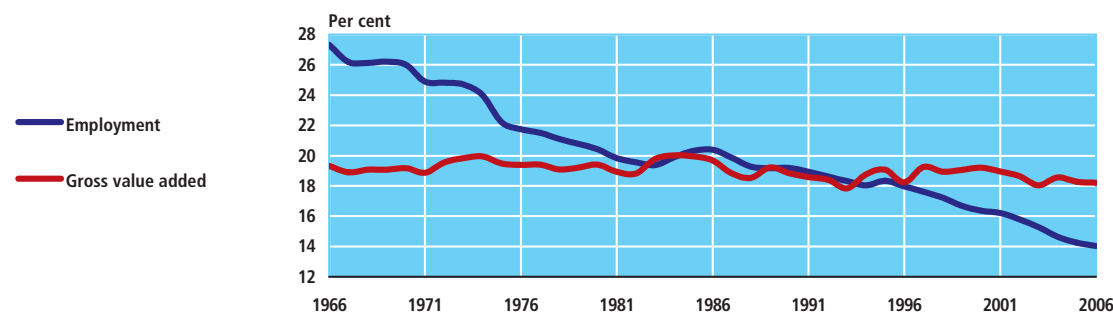
The significance of manufacturing industries for the Danish economy can be described by means of central statistics from the national accounts. Up until 1980, manufacturing industries represented a more or less constant share of the total value added of 19 per cent. Since then, this share has gradually fallen to a level of 18 per cent in 2006.

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 2006, 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 1990-2006 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 mar-

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kets. The following period of economic recovery peaked 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 due to positive international economic trends.

2001-2004

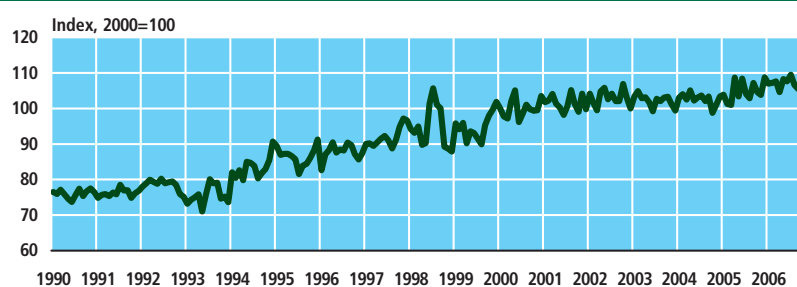
The decline in the world economy from 2001 has affected Danish manufacturing production, which has experienced a very modest increase in 2002 and 2003. The tendency continued throughout 2004 – affected by the weakened US-dollar.

2005-2006

In 2005-2006, the Danish manufacturing industry has been growing again.

Figure 2

Production in the manufacturing industries, seasonally adjusted values



See table 291.

3. Exports of the manufacturing industries

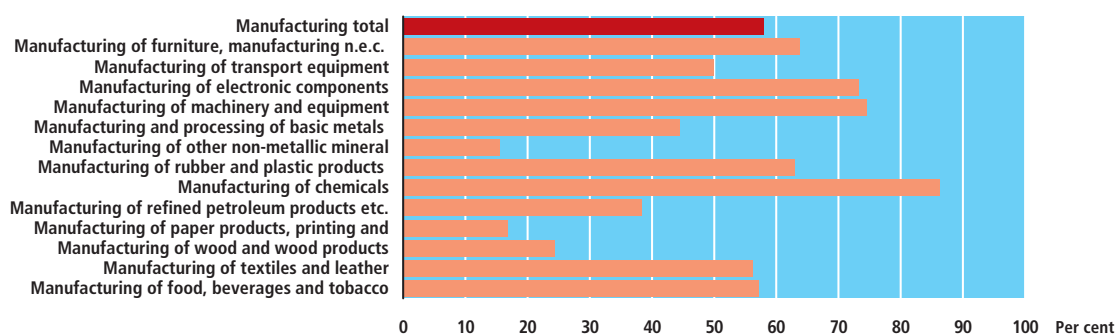
Export shares of the manufacturing industries

Export markets are of great importance to the Danish manufacturing industries. In 2006, total export turnover accounted for 58 per cent of total turnover of the manufacturing industries.

There are wide differences among the groups of industries in the export shares of the manufacturing industries. The industries *manufacturing of other non-metallic minerals, etc.* and *manufacturing of paper production; printing and publishing* accounted for an export share of 15 and 17 per cent in 2006. With 86 per cent, *manufacturing of chemicals* accounts for the highest export share. Subsequently, *manufacturing of machinery and equipment* and *manufacturing of electrical and optical equipment* accounts for 75 and 73 per cent, respectively.

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Figure 3 Export shares of the manufacturing industries by groups of industries. 2006



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 2006

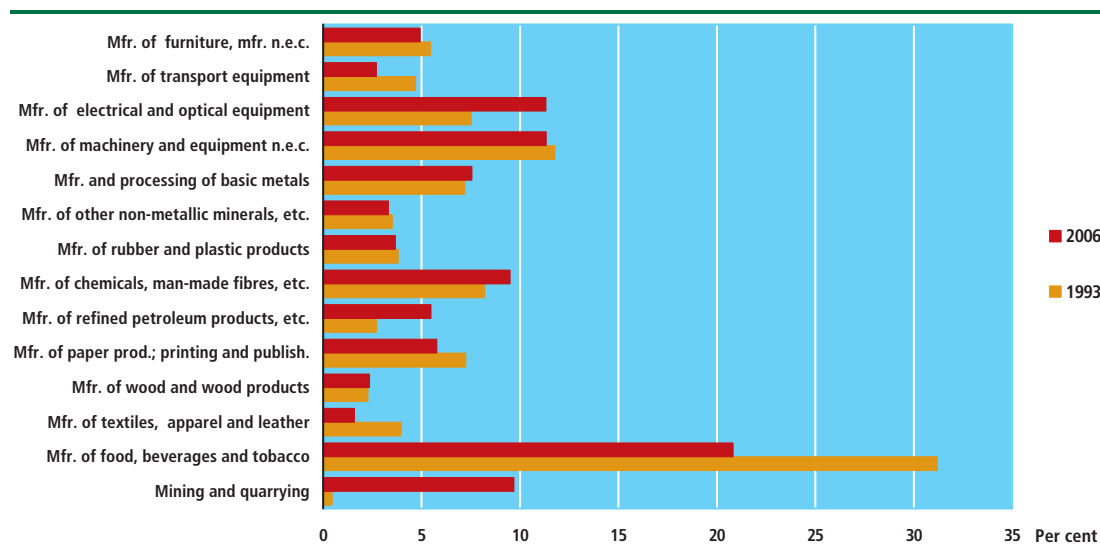
Since 1993, manufacturing industries' total turnover (at current prices) for enterprises with ten employees or more have increased from DKK 344 billion to DKK 654 billion in 2006. *Manufacturing of food, beverages and tobacco* accounted for a fifth of the total turnover and had the largest turnover of all the industries. 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. *Mining and quarrying* accounted for 10 per cent of manufacturing industries' total turnover.

Growth in manufacturing 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 one fifth. 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 more than 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.

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Figure 4 Manufacturers' total turnover by groups of industries



See table 290.

5. Concentration ratio of enterprises and commodity groups

Concentration of industrial enterprises

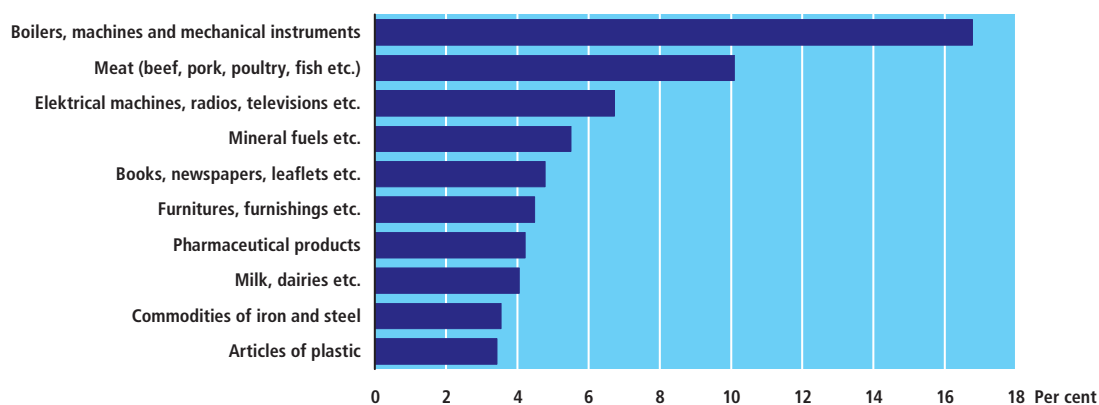
The three largest enterprises in the manufacturing industries account for 10.9 per cent of total turnover of the manufacturing industries, while the ten largest enterprises account for 24.5 per cent. The concentration ratio, i.e. the share of total turnover accounted for by a limited number of enterprises, 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 100 per cent of total turnover in 2006), *manufacturing of leather and footwear* (the three largest enterprises accounted for 94.7 per cent of total turnover), *manufacturing of tobacco products* (the three largest enterprises accounted for 91.2 per cent), and *manufacturing of dairy products* (the three largest enterprises accounted for 86.4 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 20.7 per cent of total turnover in 2006.

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 2006 appears from figure 5. *Mineral fuel, etc.* accounted for 17 per cent of industrial turnover, while *boilers, machinery and mechanical apparatus* constituted 10 per cent.

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Figure 5 Top ten industrial commodity groups mainly produced. 2006



See table 292.

10,000 different commodities

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 crude oil, gas oils and natural gas have a prominent position. An overview of the 25 most commonly manufactured detailed commodity groups in Danish manufacturing industry is given in a table in one of the next pages of this chapter.

Table 290

Manufacturers' total turnover, by industry and concentration. 2006

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	654 006	10.6	24.9
1009	Mining and quarrying	63 378	82.4	96.2
2	Manufacturing	590 628	10.9	21.8
15009	Mfr. of food, beverages and tobacco	136 195	33.1	47.5
151000	Production, etc. of meat and meat products	40 195	72.7	88.6
155000	Mfr. of dairy products	21 737	86.4	94.0
158909	Mfr. of other food products	58 713	13.5	30.5
159000	Mfr. of beverages	11 276	75.9	96.1
160000	Mfr. of tobacco products	4 274	91.2	100.0
17009	Mfr. of textiles, clothing and leather	10 380	18.1	36.1
170000	Mfr. of textile	6 955	26.2	47.7
180000	Mfr. of clothing	2 927	28.9	57.2
190000	Mfr. of leather, footwear and leather products	498	94.7	100.0
20000	Mfr. of wood and wood products	15 417	23.9	47.4
21009	Mfr. of paper products; printing and publishing	37 753	9.5	25.2
210000	Mfr. of pulp, paper and paper products	9 610	26.9	61.5
221200	Publishing of newspapers	8 600	40.7	75.2
221309	Publishing activities, excl. newspapers	9 648	26.0	52.7
222009	Printing activities, etc.	9 896	15.8	32.7
23000	Mfr. of refined petroleum products, etc.	35 802	100.0	100.0
24000	Mfr. of chemicals, man-made fibres, etc.	62 057	46.3	68.5
241009	Mfr. of chemical raw materials	10 211	64.3	88.2
243009	Mfr. of paints, soap, cosmetics, etc.	16 867	35.5	62.9
244000	Mfr. of pharmaceuticals, etc.	34 980	79.7	95.2
25000	Mfr. of rubber and plastic products	23 999	19.0	35.6
26000	Mfr. of other non-metallic mineral, etc.	21 654	18.9	41.0
261009	Mfr. of glass and ceramic goods, etc.	2 967	43.5	76.6
263009	Mfr. of bricks, cement and concrete	18 687	21.9	47.0
27009	Mfr. and processing of basic metals	49 381	8.7	19.5
270000	Mfr. of basic metals	9 711	41.6	72.1
281009	Mfr. of construction materials of metals	21 906	9.4	20.7
286009	Mfr. of hand tools, packaging of metal, etc.	17 763	15.5	31.2
29000	Mfr. of machinery and equipment, n.e.s.	74 120	22.6	34.1
291000	Mfr. of marine engines, compressors, etc.	28 513	58.7	81.3
292000	Mfr. of other general purpose machinery	21 989	12.5	28.4
293000	Mfr. of agricultural and forestry machinery	4 763	34.3	62.2
294009	Mfr. of machines for industries, etc.	15 621	9.6	24.0
297000	Mfr. of domestic appliances, n.e.s.	3 235	42.8	77.4
30009	Mfr. of electrical and optical equipment	73 973	25.1	43.3
300009	Mfr. of computers, electric motors, etc.	44 329	39.7	64.8
320000	Mfr. of radio and communication equipment, etc.	9 207	52.4	73.2
330000	Mfr. of medical and optical instruments	20 437	24.1	49.6
35009	Mfr. of transport equipment	17 669	30.9	54.1
351000	Building and repairing of ships and boats	6 832	69.3	92.0
352009	Mfr. of transport equipment, excl. ships	10 837	23.4	55.1
36000	Mfr. of furniture; manufacturing n.e.s.	32 228	30.3	49.4
361000	Mfr. of furniture	21 082	25.1	41.4
365009	Mfr. of toys, gold and silver articles, etc.	11 146	71.6	87.6

For further information visit www.statbank/oms2

Table 291

Industrial production index

		2005	2006
		2000 = 100	
1009+2	Mining, quarrying, and manufacturing	104.9	107.8
1009	Mining and quarrying	111.9	105.8
2	Manufacturing	103.8	108.1
15009	Mfr. of food products, beverages and tobacco	109.6	111.0
151000	Production, etc. of meat and meat products	97.7	94.5
155000	Mfr. of dairy products	95.6	97.6
158909	Mfr. of other food products	126.3	129.2
159000	Mfr. of beverages	109.4	115.4
160000	Mfr. of tobacco products	77.6	80.1
17009	Mfr. of textiles, clothing and leather	65.5	67.0
170000	Mfr. of textile	80.2	80.8
180000	Mfr. of clothing	60.1	63.3
190000	Mfr. of leather, footwear and leather products	10.8	12.3
20000	Mfr. of wood and wood products	106.8	117.4
21009	Mfr. of paper products; printing and publishing	93.3	91.5
210000	Mfr. of pulp, paper and paper products	88.5	89.7
221200	Publishing of newspapers	97.3	96.6
221309	Publishing activities, excl. newspapers	94.7	91.0
222009	Printing activities, etc.	92.8	90.1
23000	Mfr. of refined petroleum products, etc.	117.2	133.5
24000	Mfr. of chemicals, man-made fibres, etc.	108.8	106.4
241009	Mfr. of chemical raw materials	92.8	91.0
243009	Mfr. of paints, soap, cosmetics, etc.	101.5	100.3
244000	Mfr. of pharmaceuticals, etc.	117.2	114.2
25000	Mfr. of rubber and plastic products	108.7	108.6
26000	Mfr. of other non-metallic mineral, etc.	99.0	106.3
261009	Mfr. of glass and ceramic goods, etc.	86.8	90.7
263009	Mfr. of bricks, cement and concrete	102.3	110.5
27009	Mfr. and processing of basic metals	94.9	101.7
29000	Mfr. of machinery and equipment, n.e.c.	100.1	110.1
30009	Mfr. of electrical and optical equipment	117.6	127.5
35009	Mfr. of transport equipment	??	??
351000	Building and repairing of ships and boats	103.5	111.4
352009	Mfr. of transport equipment, excl. ships	118.3	115.4
36000	Mfr. of furniture; manufacturing n.e.c.	103.9	110.7
361000	Mfr. of furniture	91.1	91.4
365009	Mfr. of toys, gold and silver articles, etc.	146.1	175.0
4009	Electricity, gas and water supply	105.6	123.2

For further information visit www.statbank.dk/prod01

Table 292

Best selling commodities

	2005	2006
	DKK thousands	
Production, total	537 210 585	581 644 278
Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates)	39 485 011	43 029 714
Gas oils of petroleum or bituminous minerals, with a sulphur content of $\leq 0,05\%$ by weight (excl. f	11 952 256	16 845 931
Natural gas in gaseous state	8 729 806	12 255 893
Medicaments containing insulin but not antibiotics, put up in forms or packings for retail sale	11 328 469	11 245 537
Windmills, output > 750 kVA	8 101 228	8 858 340
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put u	7 820 672	8 754 039
Motor spirit, with a lead content $\leq 0,013$ g/l, with an research octane number RON of ≥ 95 , but $<$	5 056 865	8 279 159
Frozen boneless meat of domestic swine (excl. bellies and cuts thereof)	7 298 662	7 682 401
Windmills, output > 375 \leq kVA	3 086 772	6 479 496
Newspapers, published ≥ 4 times weekly, from the publishing house, not printed by own printing works	5 737 826	5 977 050
Fresh or chilled boneless meat of domestic swine (excl. bellies and cuts thereof)	5 454 412	5 789 628
Articles of iron and steel, n.e.s.	4 198 103	4 847 688
Fresh or chilled with bone in, domestic swine hams and cuts thereof	4 412 482	4 771 306
Enzymes and prepared enzymes, n.e.s. (excl. rennet and concentrates thereof, lipoprotein lipase and	3 884 970	4 186 114
Articles of glass fibre for windmills	3 063 397	3 934 848
Iron and steel structures and parts thereof, mainly sheets excl. sluices, chimneys and ceiling sheets with		
ridge	3 391 322	3 861 776
Feeding stuffs for pigs	3 908 089	3 799 875
Roll-On/Roll-Off and other containers, seagoing, new	3 929 544	3 638 939
Articles of plastics (incl. plastic film) n.e.s.	3 321 862	3 509 326
Articles of iron and steel for windmills	3 575 116	3 467 895
Books (excl. dictionaries and encyclopaedias) also in serial instalments, from the publishing house, not		
printed by own printing works	3 293 788	3 466 661
Medicaments containing hormones or steroids used as hormones, but not antibiotics, put up in forms	2 990 711	3 401 316
Fitted kitchen units	2 856 171	3 217 994
Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary sciences	2 854 620	3 064 610
Hearing aids (excl. parts and accessories)	2 698 735	2 999 581

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/varer1