

The terminology and concepts used in connection with *National accounts* and *Public finance* are explained in front of these sections.

**Abortion, legal:** induced abortion permitted by Danish law.

**Abortion rate, age-specific:** annual number of legal abortions performed on women in a specified age group, per 1,000 women in the age group.

**Abortion rate, general:** annual number of legal abortions per 1,000 women aged 15-49.

**Abortion rate, total:** number of legal abortions that would be performed on 1,000 women during the reproductive period of their lives (ages 15-49):

- 1) if all 1,000 women lived to be 50 years old, and
- 2) if each age group experienced the given year's age-specific abortion rates.

**Adjusted tax burden:** taxes and duties as a percentage of gross national disposable income at market prices. The adjusted tax burden shows the proportion of society's disposable income which is transferred to the public sector.

**Agricultural holding (farm):** a technical economic unit comprising an area with buildings, machinery and livestock which is regarded by the owner of the agricultural holding as belonging to the same farm. If two farms are operated simultaneously, they are considered to be one farm in the statistics compiled by Statistics Denmark. Areas let out on a lease are included under the farm(s) having leased the area.

**ASEAN (Association of Southeast Asian Nations):** economic cooperation organisation for Southeast Asian countries. Member countries are Brunei, Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), The Philippines, Singapore, Thailand, and Vietnam.

**Assets:** application of capital in accounts, i.e. the value of property, operating resources, and amounts receivable.

**ATP (Labour Market Supplementary Pension Scheme):** compulsory retirement insurance for Danish wage and salary-earners in the age range of 16-66 with a minimum of 10 working hours per week.

**Bachelor education:** see *higher education*.

**Balance of payments:** is a statement, for a given period, of the values of economic transactions between the domestic economy and the rest of the world. The balance of payments is compiled according to a double-entry system, implying that every transaction involves both a credit entry and a debit entry. As a result of the double-entry system the total of credit entries always equals the total of debit entries, any differences between the totals being attributable to statistical discrepancies, the so-called "errors and omissions".

The balance of payments statistics are based on statistics of external trade and on information obtained from Danmarks Nationalbank, public authorities, financial institutions and business enterprises. These sources provide data for direct use as well as data used for estimates. Thus, the data for foreign exchange earnings of Danish shipping companies is used to make revisions to preliminary figures in the balance of payments which were based on balance of payments statistics.

The balance of payments can be divided into three main accounts; the current account, the capital account, and the financial account. The current account includes items such as goods, services, compensations to employees, property income, and current transfers. The balance on the current account, also called the balance on current items, is the most commonly applied statistical measurement. As a result of the

double-entry technique, see above, a deficit on the current account will imply a corresponding surplus on the other accounts. The following notes apply to the main items in the balance of payments.

The balance of payments statistics cover the whole realm, including the Faroe Islands and Greenland.

*Goods* includes imports fob, which in practise means figures for cif imports in the foreign-trade statistics adjusted for freight costs and sea transport.

*Services* includes sea transport. Earnings from sea transport are partly from Danish shipping companies' ships engaged in international transport, less carriage of merchandise from foreign countries to Denmark, and partly disbursements in Denmark by foreign carriers, e.g. port disbursements, ships' stores, bunkers and repairs. Shipping expenditure is partly disbursements on account of Danish ships abroad, partly freight costs on imports by foreign shipping companies. Travel comprises earnings from non-residents travelling or staying in Denmark less costs from Danish residents travelling or staying abroad as well as income and expenditure from cross-border shopping, etc. Other services include a number of current transactions, e.g. air transport, insurance, and licences.

*Property income* comprises interest and dividends. Income includes interest on loans extended abroad, dividends on shares in foreign companies, and income from profits of Danish companies abroad. Costs include interest on loans from abroad, dividends on Danish shares held by foreign shareholders, and foreign companies' earnings from subsidiaries and branches in Denmark. Income items in the balance of payments also includes compensation to employees who are resident in a country other than the country in which they are employed.

*Current transfers:* are, for instance, private cross-border donations and gifts, and aid to developing countries. This also includes transfers between Denmark and EU institutions so that on the income side there is support for Danish agriculture, and costs include Denmark's contribution to the EU budget.

The items mentioned here under the current account in the balance of payments correspond to items in the capital account or financial account. A deficit in the current account may correspond to a capital transfer, but usually it corresponds to a reduction in the net financial assets which include Danmarks Nationalbank's reserve assets.

Changes in Denmark's reserve assets can arise from changes in current items, but they may also be due to movements on capital account only. For example, the Danish central government or local governments or private enterprises may, for instance, raise loans abroad, or Danish securities may be sold abroad. In both cases the external balance deteriorates, and the foreign exchange situation improves correspondingly. The same effect is achieved when loans raised in Denmark by non-residents are repaid. Conversely, the granting of loans to non-residents and instalments paid on loans obtained abroad will improve the external balance and correspond to a reduction in foreign-currency reserves.

As from 1998 the balance of payments statistics are compiled in accordance with the latest guidelines laid down by the International Monetary Fund (fifth balance of payments compilation guide). Simultaneously, changes in the methodology have resulted in greater consistency between the balance of payments compiled in connection with the national accounts.

**Balance of supply:** shows the value of the goods and services which are used up, i.e. public and private consumption, investment, and exports. This is set against corresponding addi-

tions arising from gross domestic product and imports.

**Banks, private:** in the statistics of money and credit market, private banks are defined as commercial banks and major savings banks in Denmark, but exclude Danmarks Nationalbank and banks in Greenland and the Faroe Islands.

**Basic prices:** calculated by deducting product taxes from the market price. This term is used to calculate production values and value growth for individual industries.

**Basic school:** consists of first to tenth form. Education in municipal primary and lower secondary schools, private independent schools and continuation schools.

**Births:** Live births + stillbirths.

**Business units registered:** i.e. business units, etc. recorded on the register of units liable to withhold VAT. The register is maintained by the Danish customs authorities. Certain economic activities are exempted from VAT. The most important exemptions are personal transport, banking, financial intermediation, insurance, medical and dental care, most educational activities and most public services.

**Capital formation:** see *gross capital formation*.

**Capital taxes:** non-recurrent taxes levied on wealth and real property. They include inheritance and gift taxes.

**Capital transfers to the household:** in the context of the household budget survey is primarily money or property in the form of an inheritance and payments from the Employees' Capital Pension Fund (LD).

**Central government bonds:** bonds issued in Denmark by the government.

**Central government's financial liabilities:** show the total liabilities of the central government at any given time, including financial claims of domestic and foreign institutions and private individuals.

**Central government guarantee for money stock:** is the guarantee made by the central government to the Nationalbank when the bank took over issuing money. See Danmarks Nationalbank's balance sheet.

**Central government sector:** comprises primarily public institutions, etc. entered in the central government's accounts. Institutions of the National Church, job centres, other non-integrated government institutions and a number of quasi-government institutions, i.e. institutions producing public services and which are formally private with independent accounts, are also included.

Expenditure and revenue in connection with EU schemes are entered as expenditure and revenue for the central government sector. Consequently, the European Union is included as a kind of supranational item in the general government sector.

**Certificates of deposit:** See *Danmarks Nationalbank's balance sheet*

**Charges withdrawn:** to refrain from bringing a charge against a person in a criminal case due to, e.g. lack of evidence, or if the criminal case is considered negligible, etc.

**Childbirths:** number of pregnancies that are not terminated by an abortion. A multiple delivery is counted as one childbirth.

**CIF:** cif prices indicate the total value of goods up to the point of arrival in Denmark, including cost, insurance and freight.

**Cohabiting couples:** an unmarried couple living at the same address and who have had no children together. See also *Couples*.

**Collective consumption expenditure:** comprises the part of government consumption expenditure which cannot be broken down by a specific person or household group, e.g. public administration, defence, the police and administration of justice.

**Common households:** are buildings at nursing homes, day-care institutions, etc.

**Compensation of employees:** comprises all forms of pay, i.e. price-work, overtime, profit sharing, employee and employer pension contributions, and other social schemes, as well as the value of services. All amounts are included which are paid in Denmark irrespective of the recipient's nationality. If wages and salaries from abroad are added and wages and salaries to abroad are subtracted, the wages and salaries received by employees resident in Denmark are thus obtained.

**Compulsory contributions to social security schemes:** include contributions to unemployment insurance and the Danish Labour Market Supplementary Pension Scheme (ATP). The contributions are distributed by membership fees and employer's contributions.

**Consumer price index:** shows the trend of the retail prices charged to consumers for goods and services bought by private households. The weights are compiled on the basis of the total final consumption expenditure to national accounts statistics and consumer surveys.

**Consumption of fixed capital:** is a measurement of the physical and technical deterioration of fixed assets over a period.

**Consumption in production:** is calculated as the value of the goods and services used in production, including costs of repairs and maintenance.

**Co-operative society:** or co-operative company is an association with the object of acquiring goods and other necessities for members or to process and sell members' products.

**Copenhagen region:** includes Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde.

**County:** consists of primarily public institutions at the level of county accounts, etc. The Association of County Councils in Denmark and a number of quasi-county institutions are also included.

**Couples:** in the family statistics two adult persons living at the same address form a couple, if they are either married to one another or have entered into a registered partnership, or if they have children together without being married to one another. The statistics also include couples living together who are unmarried and have no children together, if there are no other adult persons at the same address living with them, the two persons are of opposite sex and are not siblings and they have an age difference of 15 years or less. Young persons down to the age of 16 may be part of a cohabiting couple.

**Couples living in consensual union:** an unmarried couple living at the same address and who have had children together. See also *Couples*.

**Current and capital surplus:** total current and capital revenue less total current outlays. Also called net lending.

**Current taxes on income, wealth, etc:** are all compulsory payments imposed by the general government on income and wealth in the private sector: Current taxes on income, wealth, etc. comprise, e.g.:

- Personal income taxes (earned income, property income, business income, pensions, etc.), including land tax and real property tax levied in cases where these expenses are considered to be a replacement or a con-

stituent part of the general taxation of income.

- Corporation tax, etc.
- Capital gains tax
- Property tax concerning persons, corporations, non-profit-making institutions, etc.
- Tax on yield of pension scheme assets
- Duty on motor vehicles used for non-commercial purposes
- Labour market contributions paid by employees.
- Payments for passports, visas, driving licences, court fees and tax penalties.

**Danmarks Nationalbank's balance sheet: Gold holdings:** Since 1988, gold holdings have been valued on the basis of the latest quotation in London ("gold fixing").

*International Monetary Fund, IMF:* International organisation to administer international cooperation between member countries in the monetary field, including provision of credit to countries with constant difficulties with their balance of payments.

Danmarks Nationalbank's assets and liabilities with the International Monetary Fund are entered in the balance sheet of Danmarks Nationalbank. The amount paid by Denmark (Denmark's IMF quota) to the IMF is entered under assets. Under liabilities a considerable part of the amount is counterbalanced by the IMF's holding in Danish krone.

The difference between the two amounts is the IMF reserves (cf. the table of Denmark's currency reserves).

In addition to the above-mentioned items, Danmarks Nationalbank's assets and liabilities with the International Monetary Fund also comprise the so-called SDRs (Special Drawing Rights). These are an international method of payment which are allocated to member countries without a corresponding payment and they can only be used internally between central banks and the IMF to settle debts.

Under liabilities (Allocations of Special Drawing Rights) the SDR allocations Denmark has received from the IMF are entered. On the assets side, (Special Drawing Rights in the IMF) the Nationalbank's holdings of SDRs are recorded.

*Assets deposited with the European Monetary Institute, EMI:* In accordance with the regulations for the extended monetary co-operation in the EMS, in 1979 the Nationalbank deposited 20 pct. of its gold and dollar holdings in the European Fund for Monetary Cooperation and received in return a corresponding amount in ECUs (European Currency Units) which can be used as a currency between EU central banks and as an accounting unit in the short-term and long-term assistance system within the EU.

There was no actual transfer of gold and dollars to the fund, but Member States made their reserves available against credits in ECUs through renewable three-month agreements.

*Advances:* The bulk of Danmarks Nationalbank's advances are made to private banks as part of the government's monetary policy.

Liquidity management with banks is based on the Nationalbank's sales of transferable certificates of deposit to banks and intervention by the Nationalbank in the money market.

*Government current account:* The assets and liabilities side of the government current account comprises the daily financial transactions made by the central government, including proceeds from domestic government loans.

*Notes and coins in circulation:* When Danmarks Nationalbank took over responsibility for the issue of banknotes and coins in 1975 notes and coins in circulation amounted to about DKK 639 million which the State has guaranteed (the

State guarantee for coins and notes in circulation).

**Danmarks Nationalbank's official discount rate:** the rate of interest at which the Danish central bank lends to banks, savings banks, etc. See *Danmarks Nationalbank's balance sheet, advances*.

**Decile:** see *Fractile*

**Descendants of immigrants:** are people born in Denmark to parents who are not Danish nationals born in Denmark. If there is no information on one of the parents and the person is a foreign national, the person is regarded as a descendent.

**Distribution of task/burden:** on the basis of the distribution of general government administration and services between central government, municipalities, and social funds, shows how tasks and the financial burden are distributed between sub sectors.

Distribution of tasks within the public sector examines which sector or authority is directly responsible for carrying out a task, whether this is a service or a transfer to citizens. In many cases, the costs of the task may be fully or partly refunded by other public authorities. The distribution of burden shows how the final financial burden is distributed between the various sub sectors.

**Domestic final use:** gross domestic product at market prices plus imports of goods and services minus exports of goods and services. The amount corresponds to the value of consumption and capital formation.

**Dominant benefit:** recipients of transfer payments can claim different types of benefit over the course of the year. The dominant type of benefit is the benefit which prevailed with respect to the length of time over the year.

**Dwelling:** is a room or suite of rooms intended for habitation, but may also be used for other purposes, and has a separate access.

**Early retirement pension:** social retirement benefit which can be claimed by persons aged 18-66 years. The pension can be claimed in cases of reduced ability to work because of physical or psychical disability, or when it is necessary to permanently secure the livelihood of a person for social or economic reasons. See also *Social security pension payments*.

**Effective krone rate:** is an exchange rate where foreign currencies are included with a specific weight corresponding to their significance in Danish foreign trade. If the effective exchange rate increases, then the krone has become more expensive to buy, on average, for the countries Denmark usually trades with. This affects the competitiveness of Danish goods because they become more expensive.

**Emigration:** the statistics of emigration comprise residents who move permanently to places outside Denmark. Persons moving from Denmark to the Faroe Islands or Greenland are included.

**Enforcement proceedings:** collection of debts, etc.

**Equity capital:** in a public and a private limited company is the aggregate value of ordinary share capital and reserves. The return on equity is the profits earned by the owners and is equal to the result before tax as a percentage of the average equity capital.

**EU:** The European Union: Until 1 January 1994 E.E.C. (European Economic Community). On 1 January 1958 the E.E.C. was established by six countries signing the Treaty of Rome - France, West Germany, Italy, Belgium, the Netherlands and Luxembourg. On 1 January 1973 Denmark, Ireland and the United Kingdom became members of the E.C. On 1 January 1981 Greece, on

1 January 1986 Portugal and Spain and on 1 January 1995 Sweden, Finland and Austria joined the European Union.

**Factor prices:** are market prices less taxes on production plus any subsidies on production.

**Families with adult children living with their parents:** persons aged 18 or over who live at the same address with one or either parents, unless they are married or have children living at home.

**Family:** may consist of one or more persons who live at the same address and who are related in specific ways by marriage, descent, etc. A family can be: a single person, a couple or a child under 18 years not living at home. Children under 18 years living at home form part of the parents' family.

**Family and personal income:** consists of all income types, regardless of whether they are subject to taxation or not. Total income is divided into the three following main income types:

- Primary income (wages and salaries and entrepreneurial income)
- Transfer payments (e.g. social pensions and unemployment benefits)
- Property income (interest received)

Interest received and interest paid due to commercial activities are included in property income and not entrepreneurial income. Personal income comprises only primary income and some transfer payments, as it is impossible to distribute property income and certain parts of transfer payments to each individual family member.

**Family income less taxes, etc.:** comprises family income (see *Household and personal income*) less income and property tax, less labour market contributions (as from 1994) and compulsory alimony payments.

**Feed unit:** The feed value of 1 kg barley. For example, 1 feed unit is equal to the feed value of 0.92 kg wheat, 0.99 kg rye, 1.01 kg barley, 1.5 kg oats or 1.15 kg mixed grains, 0.96 kg pod seed, or 0.61 kg rape. 1 FE for hay is 5 kg, wheat and rye straw 4 kg, barley and oats 4 kg. The calculation for root vegetables is based on the dry-matter content in that 1 FE equals 1 kg dry matter of potatoes and 1.1 kg dry matter of turnips.

**Fertility rate, age-specific:** annual number of live births to women in a specified age group per 1,000 women of reproductive age (15-49).

**Fertility rate, general:** annual number of live births, per 1,000 women of reproductive age (15-49).

**Fertility rate, total:** number of children that would be born alive to 1,000 women during the reproductive period of their lives (ages 15-49):

- 1) if all 1,000 women lived to be 50 years old, and
- 2) if each age group experienced the given year's specific fertility rates

**Financial intermediation services indirectly measured (FISIM):** i.e. the difference between interest receipts and interest payments of banks. According to international guidelines, *the whole* this amount is deducted from the valued added of industries. The purpose is to enable inclusion of the interest margin of gross output of industries, leaving out a simultaneous estimate of how the amount is distributed over intermediate consumption of industries.

**FOB:** fob prices indicate the total value of goods up to the point of embarkation (free on board). Exports are always compiled at fob prices.

**Forced sale:** compulsory sale of real property by auction.

**Foreign assets:** short- and long-term receivables from foreign debtors.

**Foreign debt:** records Denmark's financial liabilities and assets abroad at the end of the year. Foreign assets and liabilities are calculated in Danish krone at the rate at the balance-sheet date, i.e. the end of the calendar year. The difference between the capital account at the beginning of the year and at the end of the year is obtained, partly through changes in assets and liabilities resulting from capital transactions recorded in current items of the balance of payments, and partly as a result of changes in valuations. These changes occur as a result of changes in foreign exchange rates or prices for securities. Changes in valuation may also occur as a result of writing off bad debts, compulsory acquisitions, etc. Special Drawing Rights are considered to be a change in the valuation having an effect on (improving) the balance sheet, but are excluded from the balance of payments.

**Foreign liabilities:** short- or long-term foreign debts of Danmarks Nationalbank, including intervention credits granted by the European Fund.

**Fractile:** a fractile divides a set of ordered observations into two groups; observations which are under the fractile and observations which are over. For example, the 20-percent fractile indicates that 20 percent of the observations are under the fractile and 80 pct. are over.

The fractile dividing observations into two equal groups (the 50 % fractile) is called the *median*. The 25 % fractile and the 75 % fractiles are called the *lower quartile* and the *upper quartile*, respectively.

The deciles divide observations into ten groups of equal size in the same way, as the median and the upper and lower quartiles divide them into four groups. For example, in decile groups for income, the first decile corresponds to the 10 % with the lowest income.

Observations which fall on the line between two decile groups are called deciles.

**Functional income distribution:** is the distribution of gross factor income between factors of production: wages, profits from production and miscellaneous income, and consumption of fixed real capital.

**GATT:** An international organization (General Agreement on Tariffs and Trade) which came into operation as a result of an agreement made at a conference in Geneva 30 October 1947. Replaced by the World Trade Organisation (WTO) on 1 January 1995.

**General education:** comprises basic school education and general upper secondary school education.

**General government sector:** in the national accounts defined as the sector producing public services and distributing incomes. Public services are intended for public consumption, and are non-market activities. Funding of these services is provided by taxes for at least half of the services in order to qualify as public activities, but some service activities may be funded partly by sales or service activities or user charges.

In the national accounts the general government sector is divided into three sub-sectors:

- 1) The State, including the National Church, and independent institutions funded by central government.
- 2) Municipalities, including independent institutions and organisations funded by local government.
- 3) Social security funds: Danish Labour Market Supplementary Pension Scheme (ATP), Employees' Guarantee Fund (LG) and unemployment insurance funds.

See also *Public Finance. Concepts*.

**General government consumption:** is the part of the non-market public-sector activities which is not funded through user payment and the benefits purchased by the public sector on

the market and make available 'free' to the public.

**General upper-secondary school education:** comprises education at "Gymnasium", higher preparatory examination course (HF), adult upper secondary level course and entrance examination for state-recognized engineering college.

**General (vocational oriented) upper-secondary education:** comprises higher commercial examination (hhx) and higher technical examination (htx).

**Gini coefficient:** is a measurement of the dispersion in a distribution. For example in an even income distribution income recipients have the same income, the Gini coefficient is 0. The more uneven the distribution, the greater the Gini coefficient up to a maximum of 1.

**Government consolidation account:** see *Danmarks Nationalbank's balance sheet*.

**Government current account:** see *Danmarks Nationalbank's balance sheet*.

**Government final consumption expenditure:** comprises the part of government non-market output which cannot be financed by user charges and the goods bought and services provided, free of charge, by the public sector to the population.

**Gross capital formation:** comprises fixed capital formation and increase in stocks. Fixed capital formation is expenditure on construction of buildings (including dwellings) and civil engineering projects, purchases of transport equipment, machines, software, etc. increases in stocks are the value of the volume change in stocks held by the industries.

**Gross domestic product at factor cost:** is gross output at basic prices less intermediate consumption and other taxes on production, net. Indicates the proportion of value-added available for compensation of the factors of production.

**Gross domestic product at market prices:** on the basis of production is production at market prices less production consumption at purchase price. It can also be calculated on the basis of income as compensation to employees plus profit from production and miscellaneous income plus production taxes, net. Finally, it can be calculated on the basis of utilisation as the sum of all utilisation at purchase price less imports of goods and services.

**Gross national disposable income:** is gross domestic product at factor cost less current transfers, etc. (net) to EU institutions and to the rest of the world.

**Gross national income at market prices:** is gross domestic product at market prices less the value of property income, taxes on production and imports and compensation of employees (net) to the rest of the world.

**Gross operating surplus:** is calculated as gross value added in basic prices less other production taxes, net, and compensation to employees. Deduction of consumption of fixed real capital, will give the net production surplus and miscellaneous income which is used as compensation for the self-employed in their own enterprise, and as interest payments on foreign capital, etc. The gross operating surplus will correspond to consumption of fixed real capital in the statistic for the general government. This is because the output of the public sector is calculated on the basis of costs.

**Gross saving:** corresponds to the gross national disposable income less private and government consumption. Gross saving is thus equal to gross capital formation + capital transfers, net, and net lending.

**Gross value added (GVA):** is equal to gross domestic product at basic prices and is measured for each industry as output at basic prices less intermediate consumption at purchase prices and is also equal to the sum of other taxes on production, net, compensation of employees and gross operating surplus and miscellaneous income. Viewed as a whole, gross value added can also be measured as gross domestic product at market prices less taxes on products.

**GT (gross tonnage):** is an abstract measurement which expresses the capacity of all the covered space in a ship.

**Guarantee debtors/creditors:** covers claims by banks, etc. on guarantors for loans and claims on banks etc. for loans they have guaranteed. If there is a default on a loan, guarantors can be held liable for the amount of the loan outstanding.

**Higher education:** includes completion of vocational education and training involving occupational competence of a theoretical nature. The curriculum is determined by regulations, ministerial orders, etc. Upper secondary school education, higher preparatory examination (hf), higher commercial examination (hhx) or higher technical examination (htx) are a prerequisite for enrolment. They can be divided into short-cycle, medium-cycle and long-cycle higher education.

The study period of short-cycle higher education is 2-3 years, e.g. bilingual secretary (one language), artist-craftsmen and higher commercial examination (e.g. computer specialist, market economist).

The study period of medium-cycle higher education is 3-4 years, e.g. bachelor of science, nurse, school teacher, social worker and educationist. This type of education involves practical training and is both occupationally- and vocationally-oriented, and a characteristic feature is that the education combines theory and practice in a coherent educational career.

Having completed secondary education bachelor education includes completion of a 3-year theoretical education, e.g. Bachelor of Arts (business economics) and Bachelor in foreign languages. The aim of this type of education is to provide graduates with professional qualifications and the education is a prerequisite for attending most courses of long-cycle higher education (MAs).

The study period of long-cycle higher education is 4 years and over, if bachelor education has not been completed, e.g. theologian, engineer. Most courses of long-cycle further education comprise MA education of usually 2 years of theoretical education after completion of bachelor education, e.g. Master of Science, Master of Laws, Master of Arts.

**Household:** consists of all persons living at the same address, irrespective of family ties. Thus a household may comprise more than one family. In the context of the household budget surveys, households are defined on the basis of the financial situation - i.e. a group of persons living at the same address and with joint finances.

**Housing benefits:** assistance for costs of housing, dependent on housing circumstances (size of dwelling, number of persons, income) and appropriated on application. Rent subsidies can be claimed by tenants living in a house or flat, provided the tenant is not a pensioner, whereas rent allowance may be claimed by persons receiving social security pension payments, who live in a rented or owner-occupied dwelling.

**IMF:** The International Monetary Fund was set up by the Bretton Woods Agreement of 27 December 1945. See also *Danmarks Nationalbank's balance sheet*.

**Immigrant:** is a person who is born abroad where both parents (or one parent if there is no information on the other) are foreign nationals or born abroad. If there is no information on either of the parents and the person is born abroad, the person will be regarded as an immigrant.

**Immigration:** the statistics of immigration comprise non-Nordic citizens who obtain a residence permit or a work permit for a period exceeding three months, as well as Nordic citizens who move permanently to Denmark. Persons moving to Denmark from the Faroe Islands or Greenland are also included.

**Imprisonment:** deprivation of liberty for life or for a period of 30 days to 16 years.

**Income-substitute allowance:** is an allowance to provide for a person/family in the event of loss of income resulting from unemployment, sickness, old-age, or social conditions which affect a person/families ability to provide for itself.

**Increase in the population:** live births - deaths + immigrations - emigrations.

**Indirect transfers from the public sector:** The household budget surveys aim to monitor the total transfers between private households and the public sector. Households receive direct transfers from the public sector in the form of unemployment benefits, sickness benefits, and public pensions, etc. The public sector provides a range of services free of charge or at reduced prices within child care, education and health. The difference between the total expenditure on these services and the price paid directly by the households can be regarded as indirect transfers from the public sector. The counterpart of these transfers from the public sector is the payments made by the households to the public sector - either directly in the form of income taxes, etc or indirectly in the form of taxes on production and imports, including VAT and excise duty.

**Individual consumption expenditure:** comprises the part of government consumption expenditure which can be broken down by identifiable persons and households, e.g. education, day-care and hospitalisation.

**Industrial sales of commodities:** are compiled as sales of manufacturing industries' own products, contract work done for others, repair and installation work, sales of trading goods and other types of sales. *Own products*, i.e. products sold subsequent to processing at the manufacturer's own plant, or subsequent to work performed by other enterprises on the manufacturer's materials. *Contract work for others* is processing materials received from the orderer without charge. *Installation work* performed for others includes building and construction work performed outside the enterprise's own premises. *Trading goods* are goods resold without processing.

**Interest margin:** is the difference between the average lending rate and deposit rate of banks and savings banks.

**Investments:** see *Gross capital formation*.

**Labour force:** total number of employed and unemployed persons.

**Labour market policy measures:** comprise all employment, education, leave and retirement measures for persons entitled to receive unemployment benefits (central government) and cash benefits (local government). Labour market-oriented initiatives involving job training of manpower are also included. Persons receiving unemployment benefits are excluded from the statistics. The same applies to persons receiving integration allowance if they are self-supporting. Persons are compiled as the average number of participants and are estimated on the basis of their degrees of participation.

**Labour market training courses:** comprise training courses for semi-skilled workers, supplementary training courses for skilled workers, retraining courses and vocational preparation courses for unemployed young people.

**Liabilities:** in a set of accounts show how assets are financed by external debt and/or equity capital.

**Life expectancy:** average number of years that a person of a specified age can expect to live, assuming that age-specific mortality levels remain constant (i.e. the rates observed for the period under review). Thus, there are figures for mean life expectancy for each age. Mean life expectancy rates are calculated separately for men and women.

**Limited company (A/S):** a legal entity where capital investors (shareholders) are only liable for the amount of their investment.

**Limited partnership:** a firm in which there must be one or more general partners, liable for all the debts and obligations as in an ordinary partnership, and one or more limited partners, each of whom is liable for a specific amount.

**Lenient imprisonment:** deprivation of liberty for a period of 7 days to 6 months. Persons serving a sentence of simple detention have special rights, compared to persons serving a sentence of imprisonment.

**Live birth:** Delivery of a live-born child, i.e. a child showing signs of life (breathing, etc.), irrespective of the duration of pregnancy.

**Long cycle higher education:** see *higher education*.

**Market prices:** are the prices charged for goods and services, i.e. inclusive of indirect taxes and less any subsidies.

**Marital status groups:** the population is classified according to their marital status: unmarried, married, widow or widower, divorced. The Registered Partnerships Act took effect on 1 October 1989. From 1 January 1990 and 1991, persons subject to this Act were registered to the marital status group comprising unmarried persons. From 1 January 1992, persons in a registered partnership, persons whose partnership has been dissolved and persons who have survived their partner, are classified to the respective marital status groups that apply to married couples.

**Maximum equalization percentage:** is the percentage of total incomes that have to be transferred from families with incomes above the average to families with incomes below the average in order to achieve an even distribution.

**Median:** the median value of a set of values is the middle value when the values are arranged in order. See also *Fractile*.

**Medium cycle higher education:** see *higher education*.

**Middle rate:** is the rate set by Danmarks Nationalbank which forms the basis for bank's asking and buying rates. The asking rate is the rate at which banks sell currency to customers, and the buying rate is the rate at which banks buy currency for their customers.

**Modified tax burden:** disposable gross public-sector income as a percentage of disposable gross national income at market prices. The modified tax burden accounts for the fact that production and import taxes can be set against subsidies to businesses and that direct taxes can be set against transfer payments to private individuals.

**Monetary institutions:** include the Danish central bank, commercial banks and major savings banks.

**Money:** consists of notes and coins in circulation, excluding the banking sector. The deposits of households, local governments and non-financial institutions with banks are included.

**More/less developed countries:** more developed countries include all European countries, excluding Turkey, Cyprus, Azerbaijan, Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan, Georgia, Armenia. The USA, Canada, Japan, Australia, and New Zealand are also included. Less developed countries are all other countries. Cf. *UN: World Population Prospects 1994*.

**Mortgage bonds:** bonds issued by the mortgage credit institutions: Byggeriets Realkreditinstitut (BRF), Realkredit Danmark, Nykredit, Totalkredit, Danske Kredit, Unikredit, FIH Realkredit, Industriens Realkreditfond (IRF) or Dansk Landbrugs Realkreditfond (DLR).

**Mortgage deed registered to the mortgagor:** is a mortgage deed issued by the mortgagor holder to himself in order to pledge it as security for a loan.

**Municipality:** consists of primarily public institutions at the level of municipality accounts, etc. The National Association of Local Authorities and a number of quasi-municipality institutions are also included.

**NAFTA (North American Free Trade Agreement):** free trade organisation composed of the USA, Mexico, and Canada.

**National accounts:** aim at providing an overall picture of socio-economic activity. The accounts show how incomes are generated, following a production process, and how these incomes are distributed or redistributed, prior to causing a demand for goods and services for consumption and capital formation.

**Natural increase:** excess of live births over deaths.

**Net lending:** is a sector's (e.g. the public sector's) net acquisition of financial claims from all other sectors. It shows the financial effect of the real activities of the sector. Net lending is positive when saving is greater than investment or capital transfers.

**Net price index:** show trends in consumer prices less indirect taxes plus any subsidies for all goods and services bought by private households. The index of net retail prices is based on the index series of the monthly price index (January 1975 = 100) which until January 1980 was included in the calculation of the wage regulating price index. The index of net retail prices is used for adjustments to index-based mortgage-credit loans (cf. section 23 of the Mortgage Credit Act no. 476 of 2 June 1994). The index is also used for adjustments to the real interest tax (cf. section 10 of the Real Interest Tax on Certain Pensions no. 702 of 2 September 1993).

**Net profit ratio:** is the result of ordinary activities (result before financial and extraordinary items) as a percentage of turnover (including other operating income).

**Oceania:** comprises New Zealand, New Guinea, Melanesia, Micronesia and Polynesia (islands and archipelagos in the Pacific Ocean).

**OECD:** Organization for Economic Cooperation and Development was set up in 1960 and originally consisted of the following member countries: Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, UK and USA. Later Japan (1964), Finland (1969), Australia (1971), New Zealand (1973), Mexico (1994), Czech Republic (1995), Hungary (May 1996), Poland (1996), South Korea (1996) and Slovak

Republic (2000) also became members. The OECD now has 30 members.

**Old-age pension:** social retirement pension for all persons aged 67, who comply with the conditions governing Danish citizenship, residence, etc. See also *social pensions*

**Ordinary free trade in connection with sale of property:** sale of property except for inter-family sales and forced sales.

**Out-patients, period of:** comprises the visits to a specific out-patients department from the first to the last inclusive.

**Partnership:** is a business with of two or more persons who are fully liable for the creditors.

**Passenger-kilometre:** unit of transport, i.e. one person carried one kilometre.

**Personal income:** see *Family and personal income*.

**Population growth:** live births - deaths + immigration - emigration.

**Priorities:** mortgage loans in real property can, e.g. be composed of loans from mortgage institutions, The Mortgage Bank, normal and sellers mortgages, etc.

**Private consumption expenditure:** consists in household purchases of goods and services for direct consumption, and the group "Associations and organizations, etc.", e.g. cultural associations and other associations, supplying households with goods and services.

**Private limited company (ApS):** is a legal entity where all capital investors (shareholders) are only liable for their investment. If a written certificate is issued for the investment, in contrast to an A/S company, this must have the name of the investor, not just the bearer.

**Production:** the value of market and non-market activity without intermediate consumption. Estimated at basic prices and indicates the producer's value, excluding taxes on products, net. Production at market prices is obtained by adding taxes on products, and subsidies.

**Productivity:** is the real value added per unit of factor of production input. For example, gross value added at fixed prices compared with the number of people employed.

**Professions:** e.g. lawyers, architects, sculptors, doctors, consulting engineers, and dentists.

**Property income:** in household budget surveys comprises interest received, share dividends, etc. and a calculated net surplus on own dwelling.

**Proprietary ratio:** is a company's ability to bear losses. The ratio is calculated as equity capital as a percentage of total assets.

**Public limited company (PLC):** legal entity in which the liability of members (shareholders) is limited to the amount of capital they have contributed.

**Purchasing power parities (PPP):** are the ratio between the amounts of national currency needed to purchase the same quantity of goods in the countries concerned. Purchasing power parities are mainly used in converting GDP and other national accounts items into comparable aggregates among countries. When, e.g. GDP is converted with purchasing power parities, differences in the national price levels are taken into account. This implies that comparisons in real values of the converted amounts are made possible. If the currency rate corresponds to the PPP, the purchasing power is the same in all countries that are compared. If the currency rate exceeds the PPP, the purchasing power of the currency is greater in the national territory compared with abroad (the currency is then said to be underestimated) and conversely.

The following example shows the calculation of PPP. If the price of a coke is 12.00 Danish kroner in Denmark and 2.00 euros in Germany, the PPP between Denmark and Germany is calculated as 12.00 Kr/2.0 euro=6.00 Kr./euro. If the currency rate is 7.44 Kr./euro, the difference in the price level for a coke is equal to 7.44/6.00=1.24. This implies that the price of a coke is 24 per cent higher in Germany, compared to Denmark.

**Quantity indices:** quantity index which gives the relationship between the quantities imported or exported in the relevant year and the basis year. These figures can be weighted against values of imports and exports.

**Quarrying:** manufacture of raw materials in sand pits, quarries or gravel pits. This also includes extraction of crude petroleum oils and natural gas in the national accounts statistics.

**Quartile, lower and upper:** see *Fractile*.

**Raw materials and additives:** see *consumption in production*.

**Raw material price index:** see *Wholesale and raw material price index*.

**Registered number of unemployed:** persons registered as unemployed with the Public Employment Service and who claim unemployment benefit or social assistance.

**Regulating price index for residential construction:** shows cost trends for new residential buildings, analysed by costs of materials and costs of labour. The costs of construction exclude profits, land expenses, financing costs and VAT. The labour costs relate to wage rates fixed by collective agreements, including employers' compulsory contributions. The annual indices are compiled as the average over five quarters.

**Reproduction rate, gross:** number of daughters that would be born alive to 1,000 women during the reproductive period of their lives (ages 15-49):

- 1) if the 1,000 women lived to be 50 years old, and
- 2) if each age group experience the given year's specific fertility rates.

See also *Fertility rate, age-specific*.

**Reproduction rate, net:** number of daughters that would be born alive to 1,000 women during the reproductive period of their lives (ages 15-49):

- 1) if the 1,000 women from age 0 and upwards die in the same proportion as the individual year's mortality rates, and
- 2) if each age group experience the given year's specific fertility rates.

**Result before tax:** the amount which, when all expenditure is paid, is available to a company for taxes, dividends and reserves.

**Return on investment:** is the result on ordinary operations plus financial income as a percentage of average assets.

**Sales reported for VAT settlement, total:** comprise the sum of domestic sales liable to VAT and VAT-exempt exports.

**Savings:** are generally defined as the difference between an economic unit's income and consumption. Gross savings in the public sector are thus the operating surplus (operating income less expenditure). The total savings in society are equal to the total of public and private savings.

**SDR (Special Drawing Rights):** is a form of credit created by the International Monetary Fund, whereby members of the Fund can settle debts between themselves.

**Secure detention:** sentence where the person convicted of a criminal offence is retarded or of unsound mind.

**Share price index:** a share index shows value changes in an amount of cash placed in a portfolio which reflects the composition of total shares on the stock market. The index is used to assess general changes on the stock market.

**Short cycle higher education:** see *higher education*.

**Single person:** an adult person who does not form a couple. An adult is a person who is 18 years old, or who has a child, is married or form a cohabiting couple. The age limit is 15 for income statistics. See *couples*.

**Social security funds:** comprise the Danish Labour Market Supplementary Pension Scheme (ATP), the Employees' Guarantee Fund (LG) and the unemployment insurance funds.

**Social security pension payments:** include the state old-age pension and early retirement pensions.

**Social welfare expenditure:** comprises *Sickness:* National Health Insurance Service; sickness benefits paid by local governments; employers' estimated expenditure on unemployment benefits; hospital and health services; school and children's dental services; the public health service; medical checks of children.

*Disability:* maximum and intermediate early retirement pension; welfare services for the disabled; rehabilitation; assistance for the care of disabled children or adults in their own home. From 1995 industrial injury insurance.

*Industrial accidents:* Industrial injury insurance; in 1995 the Danish Working Environment Service was transferred to disability.

*Old age:* Old-age pension, ordinary early retirement pension; supplementary pension; ATP, civil servants' pension; pension funds; early retirement pay; nursing homes for pensioners; day institutions and other welfare work; home help.

*Bereaved:* Funeral help.

*Families:* Benefits in connection with maternity, birth and adoption: family allowance from 1987; child benefits; from 1987 juvenile benefits are omitted; advance payments of child maintenance; day and residential institutions for children and young people; other assistance for children and young people; home help to other persons than pensioners.

*Employment:* Unemployment insurance (excluding early retirement pay which is entered under Old age); job centre; compensation for loss of income during education/retraining paid by central government; job-creation schemes.

*Housing:* rent subsidy; rent allowance; loss on public guarantees for loans granted for housing contributions.

*Other social security benefits:* cash benefits under the Danish Social Assistance Act; the Employees' Guarantee Fund.

**Socio-economic status:** classification into socio-economic categories, where a person's attachment to the labour market and employment are essential. There are a number of levels to break down this figure, but in this Statistical ten-year review the level of classification is at a very aggregate level.

In the context of the household budget survey households are classified according to the socio-economic status of the head of household (more precisely principal salary earner) for the year. When a household is characterised as, e.g. "Self-employed", it thus implies that the person who has the highest income is self-employed, but a household may consist of other persons (also children) with a different socio-economic status.

**Sole proprietorship:** an individual business with one owner who bears all the risks for the liabilities of the business.

**Somatic hospitals:** hospitals for medical and surgical diseases.

**Stillbirth:** foetus delivered after the 28th week of pregnancy, without sign of life (breathing, etc.).

**Stock of gold:** see *Danmarks Nationalbank's balance sheet*.

**Subsidies:** are defined as regular transfers to public private enterprises. Subsidies may be paid by the general government or from foreign sources. Subsidies from the general government comprise, e.g. compensation for operating losses in public quasi-government corporations, social housing, enterprise allowance, etc. Subsidies from abroad cover payments under the EU common agricultural policy. The subsidies are divided into subsidies for products and other subsidies for production.

**Supply and demand balance:** shows the value of goods and services for total use, i.e. private and government consumption, capital formation and exports. The counterpart of total use is a corresponding total supply, originating from the gross domestic product and imports.

**Suspended imprisonment:** is a conviction, whereby a person is not imprisoned unless the person within a period of probation commits new criminal offences and/or infringes various conditions decided by the law courts.

**System of National Accounts (SNA):** the SNA is used as the international standard for the compilation of GDP in order to promote comparability between countries. The system was introduced in 1952 and was revised in 1993.

**Taxes and duties:** Danish taxes and duties are defined as compulsory transfers to the general government sector without any link between the payment and services received. Taxes and duties are divided into taxes on production and imports, current income and property taxes, capital taxes and compulsory contributions to social security schemes.

**Taxes on goods and services:** consist in duties levied and collected proportionately with the quantity or value of the goods and services produced, e.g. VAT, customs and excise duties, duties on specific goods, such as cigarettes, sugar and spirits.

**Taxes on production and imports:** are imposed on production and imports of goods and services or the use of the factors of production. These taxes independent of the operating profit of businesses. Examples of indirect taxation are VAT, excise duties, and duties on specific goods, e.g. cigarettes, sugar and spirits. Also property taxes, motor vehicle weight duty and employers' contributions to different labour market schemes are included. Taxes on production and imports are analysed by taxes on products and other taxes on production.

**Taxes on production, other:** is the part of the total taxes on production and imports which is not based on the amount or the value of goods and services produced. Other taxes on production are charged based on the factors of production used. For example, property taxes, motor vehicle weight duty on vehicles used in production, and employers contributions to various labour-market schemes.

**Terms of trade:** are the ratio of the index of unit values for exports to the index of unit values for imports, expressed in per cent. For example, if Denmark has deteriorating terms of trade, it must export more goods in order to purchase the same imports from abroad.

**Ton-kilometre:** unit of transport, i.e. one ton of goods carried one kilometre.

**Total assets:** the sum of the values which are the foundation for the operations of a company (buildings, machinery, debtors, stock, etc.).

**Transfers from private individuals and non-government institutions:** comprise in the context of the household budget survey, e.g. gifts, premiums, insurance compensation for damage, etc. (non-life insurance), and payments from private pension schemes.

**Transfers from the public sector:** comprise in the context of the household budget survey particularly old-age pensions, early retirement pension, unemployment benefits, sickness benefits, cash benefits, rent subsidies, family allowance and education grants.

**Transfer payment:** the purpose of a transfer payment is to secure the livelihood of a person or family in the event of income loss due to unemployment, illness, invalidity, age or any other social circumstance.

**Unemployed persons:** the number of persons who are fully unemployed during the last week of November. The concept is used on tables relating to the labour force and differs from the concepts registered number of unemployed persons and persons having experienced unemployment, which are used in other tables concerning unemployment rates.

**Unemployment, persons having experienced:** the number of persons who have been unemployed for some time over the year. A person having experienced unemployment several times over the year is included only once in the statistics of unemployment.

**UNESCO:** The United Nations Educational, Scientific and Cultural Organization was set up in London November 1945.

**Unit value indices:** indicate for imports and exports the relationship between average unit values (prices per unit) in the year under survey and the base year. The index numbers are weighted on the basis of the values.

**Value added:** the difference between the value of production and consumption in production. It thus measures the value which the firm has "added" through its production processes.

**Vehicle-kilometre:** unit of transport, i.e. one kilometre driven by one vehicle - irrespective of the number of passengers or the quantity of goods carried one kilometre.

**Vocational upper-secondary education:** is youth education and training at business schools, technical schools, agriculture, maritime, social and health schools. Courses are divided into building and construction (e.g. bricklayers and carpenters), iron and metal (e.g. smiths and machine workers), agriculture, maritime, and nutrition (e.g. chefs or butchers), graphic (e.g. graphic designers and printers), business and administration (e.g. clerks and sales assistants), service (e.g. hair stylists and chimney sweeps), transport (e.g. crane operators and removal personnel), health (e.g. social and health workers).

**Wages and salaries:** see compensation of employees.

**Wage ratio:** is calculated as the proportion of gross domestic product at factor cost represented by compensation of employees.

**Wholesale and raw material price index:** indicates trends in prices relating to the first commercial transaction of each commodity, i.e. producers' and importers' sales prices, excluding VAT and excise duties.

**Work stoppages:** stoppages of work due to strikes or lockouts.