



ARBEJDERBEVÆGELSENS ERHVERVSRÅD

Prepared for the Danish Maritime Authority

Employment and production in Blue Denmark



2015

Main conclusions of the analysis

- In 2014, Blue Denmark¹ accounts for the direct employment of 60,255 persons. In total, Blue Denmark employs almost 102,000 persons, including the indirect contribution from the demand for goods and services in other Danish sectors. This corresponds to 2.2 per cent and 3.8 per cent, respectively, of total employment in Denmark.
- The total employment contribution of Blue Denmark has remained stable during the period from 2004 to 2014. Actually, direct employment decreased by 14,365 persons, while indirect employment increased by 11,700 persons.
- In 2014, production in Blue Denmark amounts to DKK 335 billion and Gross Value Added (GVA) amounts to DKK 91.7 billion. This corresponds to 9.7 per cent of production and 5.5 per cent of GVA, respectively, in the overall economy. If the indirect contribution is included, the total contribution amounts to 11.5 and 7.2 per cent, respectively.
- For each employee, Blue Denmark generates twice as much GVA as the average in the Danish economy.
- In Blue Denmark, exports amounted to almost DKK 237 billion, corresponding to 24.4 per cent of total Danish exports. If indirect exports are included, the proportion corresponds to 27.1 per cent.
- In 2011, exports account for a total of 77.8 per cent of the production value of Blue Denmark, hereof 70.1 per cent directly and 7 per cent indirectly.
- During the period from 2001 to 2011, Blue Denmark has experienced a productivity growth of -1.9 per cent annually, driven by decreasing production in oil and gas. The shipping industry was hit hard by the crisis in 2009, but has since then regained lost earnings and productivity and has, all in all, experienced a productivity growth of 1.4 per cent annually compared to 1.2 per cent in the overall Danish economy. The equipment industry has witnessed a high average productivity growth of 6.5 per cent annually.

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¹ Defined as consisting of the following industries: Oil and gas, shipping, shipbuilding and repair, maritime equipment and maritime service (ports, logistics, ship brokers, etc.). For a complete definition see annex 1 in the full report.

Summary

Employment in Blue Denmark

In 2014, a total of 60,255 persons are directly employed in Blue Denmark, corresponding to 2.2 per cent of all those employed in Denmark. From 2004 to 2008, employment remained stable, but during the crisis employment has decreased from 76,503 persons in 2008. The sub-industries equipment and shipbuilding have experienced the largest decrease, while employment in maritime services has decreased moderately. Oil and gas contributes with increased employment, while employment in the shipping industry has remained stable during the said period.

In 2014, the indirect contribution to employment in industries outside Blue Denmark, through sub-supplies to Blue Denmark, amounts to 41,600 persons compared to 29,900 persons in 2004. Thus, in total Blue Denmark contributes with almost 102,000 employees, corresponding to 3.9 per cent of total employment in Denmark. This proportion has remained relatively stable during the ten-year period from 2004, when the employment contribution constituted 3.9 per cent.

Since 2004, the educational level of those directly employed in Blue Denmark has increased gradually. Those with vocational training account for 42.7 per cent of employment in Blue Denmark, but the number of employees who have passed vocational training has decreased by 21 per cent since 2004. Unskilled employees constitute the second-largest group in Blue Denmark, accounting for 22.2 per cent, while employees who have passed medium-term further education constitute the third-largest group, accounting for 14.2 per cent.

The Region of Southern Denmark, covering Southern Jutland and Funen, is the largest area of domicile for those employed in Blue Denmark. 29.8 per cent of all employees in Blue Denmark are domiciled in this region. The second-largest area of domicile is the Capital Region, which also includes the island of Bornholm, with 24.7 per cent employees. The trend since 2004 has been an increasing rate of employment in the Capital Region, primarily on account of the Region of Southern Denmark.

29 per cent of those employed in Blue Denmark are between 40 and 49 years old. Since 2004, those employed in Blue Denmark have gradually become older. In 2004, the largest age group was that from 30 to 39 years.

The average employee income in Blue Denmark amounts to DKK 411,000, which is approximately DKK 120,000 more than the average of all employees in Denmark. The highest income is found among those employed in the oil and gas industry. Employees in the oil and gas industry have also had the largest income growth since 2004.

Production, GVA and exports in Blue Denmark

In 2004, production in Blue Denmark had a total value of a little more than DKK 223 billion, corresponding to 9.7 per cent of the value of total production in Denmark. Blue Denmark contributes with 11.5 per cent of total production value in Denmark, including indirect contributions from sub-supplies. The GVA in Blue Denmark amounted to DKK 91.7 billion in 2014. To this should be added DKK 27.7

billion if the indirect contribution is included. In relation to the GVA, Blue Denmark contributes with, respectively, 5.5 per cent directly and 7.2 per cent including indirect contributions.

The largest production value is generated within the shipping industry, which accounts for well over half of the production value in Blue Denmark, while the second-largest production value is generated in the equipment industry.

Blue Denmark's proportion of the total production value and GVA in Denmark has increased steadily until the crisis, which started in the autumn of 2008. Back then, the growth was assisted by an increase in international trade and increasing oil prices. During the crisis, the GVA decreased drastically, especially in the shipping industry and the oil and gas industry, followed by a recovery of the income in Blue Denmark, assisted by increasing oil prices and regained activity in international trade. In recent years, the GVA for the oil and gas industry has shown a receding trend.

In 2011, exports in Blue Denmark amounted to almost DKK 237 billion, corresponding to 70.1 per cent of total production value in Blue Denmark. If indirect exports are included, for example through the exportation of refined oil products, exports account for well over 77.8 per cent of production in Blue Denmark. Blue Denmark's direct exports correspond to 24.4 per cent of total exports, and almost 27.1 per cent if indirect exports are included.

In the period 2001-2011, the productivity growth in Blue Denmark – measured as the GVA in constant prices per employee – has had an average of -1.9 per cent annually compared to 1.2 per cent for the overall Danish economy. This reflects especially that productivity in the oil and gas industry has been decreasing since a peak in 2005. On the other hand, the equipment industry has experienced an average productivity growth of 6.5 per cent annually. In the shipping industry, the productivity growth has been at 1.4 per cent annually, though interrupted by a sharp decline in 2009 due to a low capacity utilisation rate during the crisis.