

DENMARK

The Danish economy was hit hard, if belatedly, by the global economic crisis but is projected to recover gradually as world trade regains momentum and as support is provided by the large automatic stabilisers, substantial fiscal easing and low interest rates.

Despite some withdrawal of the fiscal stimulus imparted in response to the crisis, the budget deficit is expected to remain large in 2011. Additional consolidation measures will be needed in due course to bring the fiscal position back on track with the long-term targets, and these measures should be spelled out sooner rather than later.

Denmark: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices DKK billion	Percentage changes, volume (2000 prices)				
Private consumption	792.8	2.4	-0.2	-4.8	1.6	2.4
Government consumption	422.5	1.3	1.5	2.2	1.8	1.5
Gross fixed capital formation	347.4	3.1	-5.1	-12.4	-4.9	3.2
Final domestic demand	1 562.7	2.2	-0.9	-4.5	0.4	2.3
Stockbuilding ¹	16.4	-0.3	0.2	-1.3	0.9	0.0
Total domestic demand	1 579.2	1.9	-0.7	-6.2	1.4	2.3
Exports of goods and services	846.5	2.2	2.2	-9.7	1.8	4.4
Imports of goods and services	797.0	2.8	3.4	-13.0	2.0	5.4
Net exports ¹	49.5	-0.2	-0.5	1.6	0.0	-0.4
GDP at market prices	1 628.6	1.6	-1.2	-4.5	1.3	1.8
GDP deflator	–	2.0	4.0	-0.5	1.2	2.1
<i>Memorandum items</i>						
Consumer price index	–	1.7	3.4	1.3	1.4	1.6
Private consumption deflator	–	1.8	3.1	1.4	1.2	1.4
Unemployment rate ²	–	3.6	3.3	5.9	6.9	6.2
Household saving ratio ³	–	-1.0	-0.3	8.1	9.0	8.1
General government financial balance ⁴	–	4.5	3.4	-2.5	-5.4	-4.0
Current account balance ⁴	–	1.5	2.2	2.5	2.1	2.1

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook Sources and Methods* (<http://www.oecd.org/eco/sources-and-methods>).

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. Based on the Labour Force Survey, being ½-1 percentage point above the registered unemployment rate.

3. As a percentage of disposable income, net of household consumption of fixed capital.

4. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

[Click here for table in excel](#)