OECD/WTO TRADE IN VALUE ADDED (TIVA) INDICATORS

DENMARK

Denmark’s domestic value added content of its exports was 68% in 2009 slightly below the OECD average and 2 percentage points (pp) lower than the share in 1995 (Fig. 1). The foreign content in Denmark’s exports rose between 1995 and 2000 from 70% to 74%, before falling to 68% in 2005 from where it remained relatively unchanged despite the financial crisis.

Figure 1: Domestic value added content of gross exports, % (EXGRDVA_EX)

The foreign content of Denmark’s exports was highest in Transport and telecommunications services in 2009 (52%), increasing by 4 pp since 1995 (Fig. 2). From 1995 to 2005, the share of embodied foreign content increased the most for Wholesale and retail and Other services industries, while it declined most for Chemical and minerals (9%) but also Wood and paper, Textile and apparel and Other manufactures.

Figure 2: Foreign value added content of gross exports, by industry, % (EXGR_FVASH)
The share of intermediate imports used to produce exports in 2009 were highest in the following imported product groups: Transport and telecoms (72%), Agriculture, Textiles and apparel, Basic metals and Transport equipment (all around 60%), reflecting Denmark’s high integration in global value chains in these activities (Fig. 3). The largest increase since 1995 occurred for Transport equipment and Transport and telecoms, both increasing by 20 pp, while Business services reported the largest decline (27 pp).

Figure 3: Share of imported intermediate inputs that are exported, by import category, %  (REI)

About a quarter of the total value of Denmark’s output of Transport equipment originated in other European countries (Fig. 4). While the European share declined by 2 pp since 1995, the shares of content originating in North America and East and S.E. Asia increased by nearly 2 pp between 1995 and 2009. A significant share of the transport equipment foreign value added originates in services activities, such as Wholesale and retail trade, Transport and telecoms and Business services These services are where the highest increases were apparent between 1995 and 2009, highlighting both the increasing role of services in, and internationalisation of, manufacturing activities.

Figure 4: Foreign value added in Transport equipment, by originating region and industry, %

[Figure 4 illustrates how the TiVA infrastructure can be used to focus on the origins of foreign value added in the output of a particular sector in a particular country].

Germany and Sweden were Denmark’s main export markets in 2009 in gross terms (Fig. 5). However, in value added terms, the United States was a significantly more important partner as a market for Danish exports, reflecting Danish value added embodied in the exports of other countries to the United States. Germany remained Denmark's main source of imports in value added terms but a slightly lower share compared to gross terms, partly reflecting German value added embodied in Danish exports.
Domestic value added embodied in exports, and intermediate imports embodied in exports, combine to reveal notable differences in Denmark's trade balance positions with some of its major trading partners (as recorded in the OECD-WTO TiVA database). Its main change is in relation to Germany and the Netherlands highlighting the fact that their intermediate exports to Denmark are subsequently embodied in Denmark's own exports. Equally Denmark sees smaller trade surpluses in value added terms compared to the surpluses measured in gross terms (Fig. 6).

**Figure 6: Bilateral trade balances, USD million, 2009**
In value added terms over half of Denmark’s exports reflect services, marginally higher than both the OECD average (48%), and the share in 1995 (Fig. 7). The contribution of services rose in almost all industries, between 1995 and 2009, particularly in Transport equipment, Textiles and apparel and Chemicals and minerals (Fig. 8).

**Figure 7: Services content of gross exports, 2009**  
(EXGR_*_SV; SERV_VAGR)

**Figure 8: Services content of gross exports, by industry, 2009**  
(EXGR_*_SV; SERV_VAGR)

The information included in this note is based on the May 2013 release of the Trade in Value added (TiVA) database. The data can be accessed from [www.oecd.org/trade/valueadded](http://www.oecd.org/trade/valueadded). For further information, please contact us ([tiva.contact@oecd.org](mailto:tiva.contact@oecd.org)).