



Denmark – a brief overview

Denmark has a diverse, mixed economy, but one that relies almost entirely on human resources, as there are few mineral resources available, except mature oil and gas wells in the North Sea. It has the world's lowest level of income inequality, according to the World Bank Gini (%), and the world's highest minimum wage, according to the IMF. This thoroughly modern market economy features a high-tech agricultural sector, state-of-the-art industry with world-leading firms in pharmaceuticals, maritime shipping and renewable energy, and a high dependence on foreign trade. Denmark is a member of the European Union (EU).

It is one of the most trade-oriented economies in the world. Denmark is a net exporter of food and energy and enjoys a comfortable balance of payments surplus but depends on imports of raw materials for the manufacturing sector.

Economy of Denmark

Denmark has experienced economic recovery following a major downturn in its economy in 2008 and 2009 as a result of the global financial and economic crisis. Though, the country struggled to emerge from a property bubble burst in 2008 that triggered a banking crisis and wiped out more than a dozen lenders.

Key Industries of Denmark

Major industries are iron, steel, nonferrous metals, chemicals, food processing, machinery and transportation equipment, textiles and clothing, electronics, construction, furniture and other wood products, shipbuilding and refurbishment, windmills, pharmaceuticals, medical equipment. Major agriculture products are barley, wheat, potatoes, sugar beets; pork, dairy products and fish.

Denmark's major trading commodities and partners

Export products mainly include machinery and instruments, meat and meat products, dairy products, fish, pharmaceuticals, furniture, windmills. Germany 15.9%, Sweden 13.5%, UK 9.6%, US 6.6%, Norway 6.3%, Netherlands 4.6%.

Main import products are machinery and equipment, raw materials and semimanufactures for industry, chemicals, grain and foodstuffs, consumer goods. Major import partners are Germany 20.8%, Sweden 13.3%, Netherlands 7.4%, China 6.3%, Norway 6.2%, UK 5.6%.

Economic Relations between Pakistan and Denmark

Denmark and Pakistan enjoy cordial relations with focus on enhancing bilateral trade and investment along with political and development cooperation. There is bilateral investment treaty (BIT) between Pakistan and Denmark since July 1996 to promote investment between the two countries.

Bilateral Trade Relations between Pakistan and Denmark

The bilateral trade relations between Pakistan and Denmark are significant and are based on the trade of various commodities. In Fiscal Year 2013-14, the goods exported by Pakistan to Denmark were recorded at \$ 123.45Mn while Pakistan's import from Denmark were worth \$ 55.0Mn. Since 2007-08, the trade balance is in the favour of Pakistan however, trade volume needs to be enhanced by identifying various fields of economic cooperation.

Trading Commodities between Pakistan and Denmark

Commodities exported by Pakistan to Denmark includes textiles, apparel, articles of leather, toys, games, sport requisites, articles of apparel etc. whereas commodities imported by Pakistan include pharmaceuticals, ships, boats, machinery, boilers, chemicals, electrical, electronic equipment, iron and steel etc.

Potential for enhancing bilateral trade relations between Denmark and Pakistan

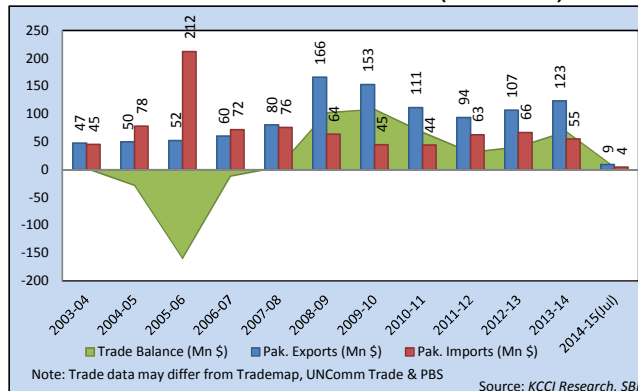
- Pakistan should focus on identifying new fields of cooperations for enhancing bilateral trade and investment with Denmark.
- Pakistan and Denmark have strong potential for joint ventures and investment in the agriculture and dairy sectors.
- Both countries can extend cooperation by capitalizing on the low cost labor and abundant raw material availability on Pakistani side and rich technical know-how and modern technology from the Danish side.
- Danish companies hold expertise in the energy sector particularly wind energy and biomass-to-energy which can be utilized by Pakistan for resolving the energy shortfall issue.
- Denmark may look into importing several items of its interest from Pakistan like meat, fish, footwear and fruits. Pakistan grows quality dates, mangoes and citrus fruits particularly Mandarins or Kinows.

Economic Indicators

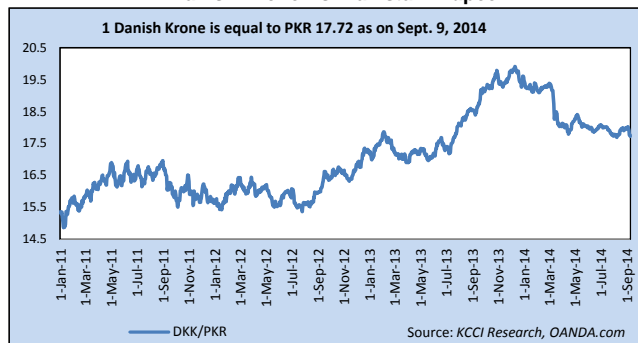
Indicators	Unit	2012	2013	Change
GDP (PPP)	\$ Bn	211.10	211.30	0.09%
GDP per Capita	\$	38,300	37,800	-1.31%
GDP growth	%	-0.4	0.1	0.50%
Forex Reserves	\$ Bn	89.70	89.50	-0.22%
External Debt	\$ Bn	586.70	NA	NA
Exports	\$ Bn	105.10	106.00	0.86%
Imports	\$ Bn	96.99	98.45	1.51%
Trade Balance	\$ Bn	8.11	7.55	-6.91%
Current Account	\$ Bn	17.44	19.60	12.39%
CPI	%	2.4	0.8	-1.60%
Unemployment	%	6.0	6.0	0.00%
Discount Rate	%	NA	NA	N/A

Sources: KCCI Research, CIA Factbook, TDAP, SBP

Trade between Pakistan & Denmark (FY04-Jul'14)



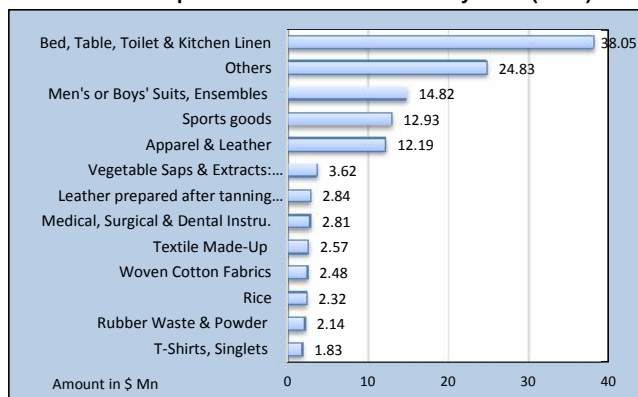
Danish Krone Vs. Pakistani Rupee



Key Memberships

United Nations (UN), Organisation for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), World Bank, the Arctic Council and World Trade Organisation (WTO). Denmark is an active member of the North Atlantic Treaty Organisation (NATO)

Pakistan Exports to Denmark - Commodity Wise (FY14)



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