

Economic Survey December 2009 – English Summary

Short term outlook

The outlook for the Danish economy has improved since the last Economic Survey (published in August), mainly due to developments in the international economy, while the downturn in the first half of 2009 was deeper than previously expected.

GDP is expected to expand during the second half of the year, driven by exports, inventories and incipient growth in private consumption. Based on these developments, the fall in GDP in 2009 is estimated at 4.3 per cent, following a fall of slightly less than 1 per cent in 2008. According to National Accounts published after the forecast was finalized, GDP grew by 0.6 pct. in the third quarter, driven by exports and private consumption. This is in line with the expected growth profile in this survey.

The projected growth in 2009 has been revised down by 1¼ percentage point compared to the *Economic Survey*, August 2009, cf. *table 1.1*. The downward revision relates to most components of private domestic demand as well as exports. The revisions were to a large extent incorporated in the updated assessment published in October, prepared after the publication of preliminary national accounts for the 2nd quarter.

The moderate GDP growth in the last part of 2009 is expected to continue and GDP is set to increase by 1.3 and 1.6 per cent in 2010 and 2011 respectively. In 2010 private consumption will be supported by the considerable cuts in income taxes, the very low interest rates especially of one year adjustable rate mortgages, sizable upward adjustments of social transfers and continued growth in real wages. Moreover, exports are expected to grow due to the improvement in the world economy, the destocking process is coming to an end, and public investments is set to increase quite much due to growth-supporting policy measures. On the other hand, business and residential investments are expected to continue falling.

The estimated GDP growth in 2010 has been revised up by ¼ percentage point compared to the August Survey, partly due to higher export growth.

In 2011 growth is expected to become more self-sustained. Private consumption is expected to continue growing supported by higher real incomes and wealth, while the drop in business and residential investments is coming to an end. On the other hand public investments are expected to be scaled back to a more normal level after the considerable expansion in 2009 and 2010 and the effects from stock-building are expected to abate.

Despite the downward revision of estimated GDP growth in 2009 the estimates for employment and unemployment has not been revised much. The rise in unemployment since early summer has been less steep than expected and estimated unemployment (annual average) has been adjusted downwards by 4,000 persons to 101,000 persons, corresponding to 3½ per cent of the labour force, compared to 52,000 persons in 2008. The estimate for 2010 has been adjusted slightly upwards to 155,000 persons – 5¼ per cent of the labour force.

	2009		2010		2011
	Aug.	Dec.	Aug.	Dec.	Dec.
Real growth¹⁾, per cent					
Gross domestic product	-3.0	-4.3	1.0	1.3	1.6
Private consumption	-3.7	-4.7	2.8	2.4	2.4
Public consumption	1.4	1.6	1.0	1.0	1.0
Export markets, manufacturing	-11.6	-10.9	2.0	3.6	6.1
Per cent of GDP					
Public budget balance	-2.0	-3.0	-4.9	-5.5	-4.4
Current external account	1.2	2.9	0.8	2.4	2.4
1,000 persons					
Employment (increase)	-74	-72	-73	-71	-4
Unemployment	105	101	150	155	155
Per cent increase					
House prices, single-family house	-14.0	-14.0	0.0	1.5	0.5
Consumer prices	1.4	1.4	2.0	2.0	1.7
Hourly compensation, private sector	3.5	3.3	3.1	2.7	2.5
Yield on 1-year adjustable mortgage	2.6		2.7		
Yield on 10-year government bonds	3.6	2.5	3.9	2.3	3.1
Oil price, \$ per barrel	60.7	3.6	71.4	3.9	4.0
Exchange rate, DKK per \$	5.4	61.9	5.2	80.3	4.5
Oil price, DKK per barrel	329.1	5.4	374.5	5.0	5.0
1) Real growth of public consumption reflects growth in inputs, not improvements of output and is therefore not readily comparable to private consumption growth.					

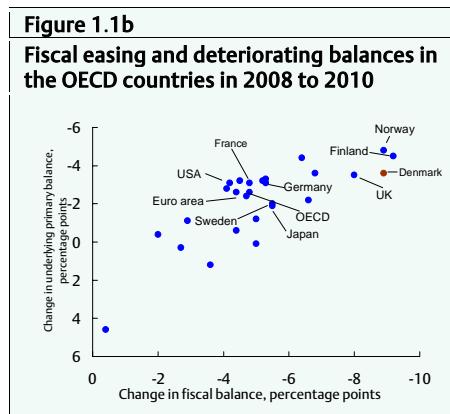
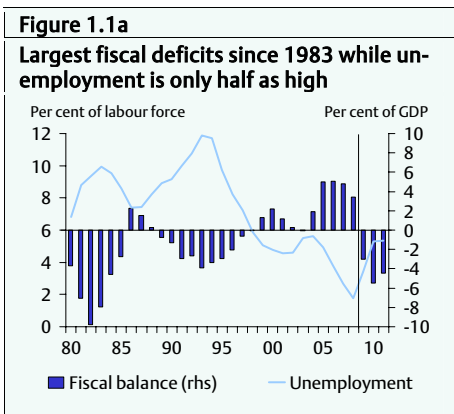
Fiscal policy and public finances

In the current situation, fiscal policy is set to balance three main objectives:

- First, fiscal policy needs to support activity and employment, thereby reducing the rise in unemployment in the short term.
- Secondly, it is essential to avoid an unnecessary deterioration in public finances, since it will increase debt and interest expenditures as well as future consolidation requirements.
- Thirdly, competitiveness of Danish firms must be taken into consideration, in order to support growth and employment potential in the medium term.

The central objective in the economic policy setting since the autumn 2008 has been to cushion the impact of the international economic crisis on the Danish economy, at a time when activity growth in Denmark was already declining and labour market pressures were pronounced.

This objective has been targeted with a historically expansionary economic policy, measures directed towards the financial sector, and labour market policies aiming at ensuring a high level of job-seeking and countering long-term unemployment, especially for young people.



Note: Figure 1.1b is based on the Ministry of Finance’s projections for Denmark, while estimates from the OECD have been used for other countries.

Source: Statistics Denmark, OECD *Economic Outlook 86* and own calculations.

Denmark appears to be one of the OECD countries implementing the largest fiscal expansion in 2009 and 2010. At the same time, automatic stabilisers are strong in Denmark and the total weakening of the public finances is therefore also among the largest in the OECD area, cf. *figure 1.1b*. The discretionary measures in 2009 and 2010 are estimated to raise the activity level in 2010 by 2¾ per cent, and may increase employment by 50,000 persons (almost 2 per cent) compared to a situation with neutral fiscal policy, cf. *table 1.2*.

The fiscal deficit is expected at around 3 per cent of GDP already this year. This implies a weakening of 6½ per cent of GDP compared to 2008. The deficit is expected

to rise further to 5½ per cent of GDP next year and around 4½ per cent in 2011. The increased need for fiscal consolidation and concern for wage competitiveness have reduced the fiscal room of manoeuvre.

	Direct revenue, per cent of GDP			Fiscal effect, per cent of GDP			Employment effect, 1,000 persons		
	2009	2010	Total 2010	2009	2010 ²⁾	2010 Level ³⁾	2009 ¹⁾	2010 ²⁾	2010 Level ³⁾
Fiscal policy	-2.2	-1.3	-3.5	1.0	1.1	2.0 ³⁾	17	25	42 ³⁾
SP-savings ⁴⁾	-	-	-	0.3	0.2	0.5 ³⁾	4	4	8 ³⁾
Funds in certain individual savings accounts	-	-	-		0.1	0.1		1	1
Fiscal policy and SP	-2.2	-1.3	-3.5	1.3	1.4	2.7 ³⁾	21	30	51 ³⁾
Lower interest rates ⁵⁾	-	-	-	0.4	1.3	1.8	6	22	28 ³⁾
Total effect	-	-	-	1.7	2.7	4.5	27	52	79³⁾

- 1) First year effects. Estimates have been adjusted for the strikes in the public sector in 2008. This does not affect the fiscal effect.
- 2) First year effects of discretionary measures implemented in 2010 and second year effects of discretionary measures implemented in 2009.
- 3) Effects on the level of GDP and employment in 2010 constitute the total effect on GDP-growth and employment growth in 2009 and 2010.
- 4) Special Pension and funds in certain individual savings accounts are individual savings based pension schemes and are therefore not a part of fiscal policy per se. The revenues from taxation of the disbursed SP-savings will strengthen the fiscal balance in 2009.
- 5) Effects of lower interest rates since 2008.

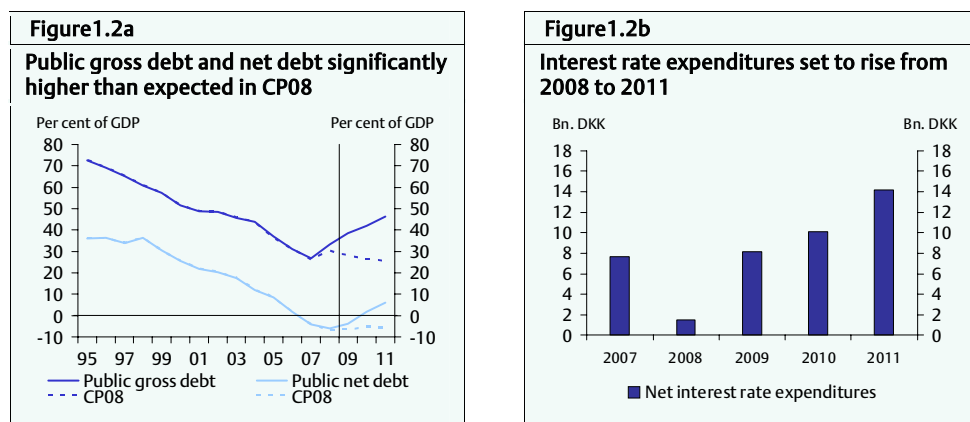
Source: Own calculations based on ADAM, which is subject to some uncertainty.

It is a key challenge to achieve the necessary consolidation of public finances in the coming years in line with the objectives in the 2015-plan. The prospect of a deficit of around 5½ per cent of GDP in 2010 implies that Denmark next year will receive a recommendation from the EU establishing a deadline for correcting the excessive deficit, in line with the Stability and Growth Pact. The challenge is considerable, but smaller than in most other countries, due to a low initial debt level and a sizeable fiscal surplus as late as in 2008.

The recommendations recently made for other countries indicate that Denmark will have to bring the deficit below 3 per cent of GDP by 2013 and that the structural balance shall be improved by on average ½ per cent of GDP per year in 2011-2013. This corresponds to the recommendations given to Germany, which is the mildest of all recommendations given.

The public gross debt (EU-harmonised definition) is set to rise by around 20 percentage points from the beginning of 2008 until the end of 2011. The public net debt, which also includes public financial assets, is expected to rise by 10 per cent of

GDP in the same period. The more moderate rise in net debt reflects that assets are increasing, due to for example capital injections in banks and other lending activities related to the financial turmoil. The net interest expenditures on the increased debt is expected to rise from around 0.1 per cent of GDP in 2008 to around 0.8 per cent in 2011, cf. figure 1.2a-b.

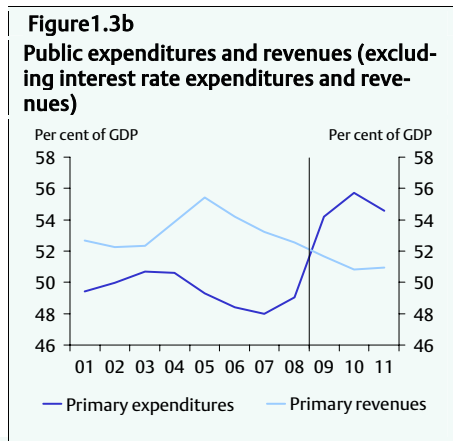
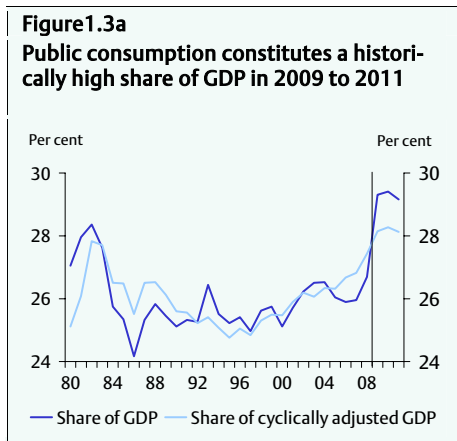


Source: Statistics Denmark and own calculations, including the Convergence Programme 2008 (CP08).

The expansionary economic policy in Denmark in 2009 and 2010 is to a large extent temporary. A tightening of fiscal policy in 2011 is already partly built in, due to the implementation of the financing elements of the tax reform and an expected reduction in public investments from the extraordinary high level in 2010. Based on technical assumptions the fiscal policy in 2011 is estimated to give a negative fiscal effect of 0.4 per cent. The fiscal policy in 2011 will be decided upon by the end of 2010, taking the cyclical position into account.

The structural balance (i.e. fiscal balance adjusted for cyclical and other temporary factors) is expected at $-1/2$ per cent of GDP in 2009, falling to slightly more than $-1 1/2$ per cent in 2010. The structural balance has thus weakened by $3 1/2$ per cent of GDP from 2008 until 2010. This corresponds roughly to the direct revenue effects from the expansionary fiscal policy.

The structural balance has weakened considerably compared to the scenario in the Convergence Programme 2008 (CP08). This reflects the growth-accommodating fiscal policy, lower potential GDP due to the crisis and growth in public service expenditures. Public consumption expenditures are thus expected to amount to a bigger share of GDP (cyclically adjusted) than ever before, cf. figure 1.3a. Public expenditures excluding interest expenditures (i.e. primary expenditures) will also constitute a bigger share of GDP than ever before, cf. figure 1.3b, while revenues are at their lowest level since 1991.

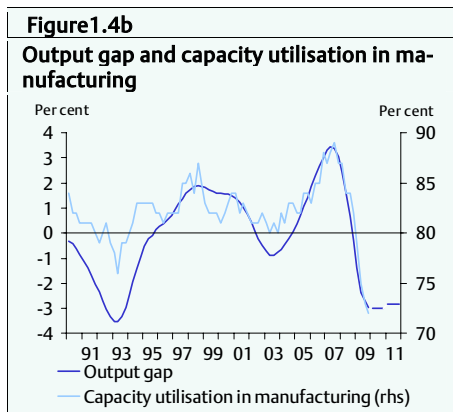
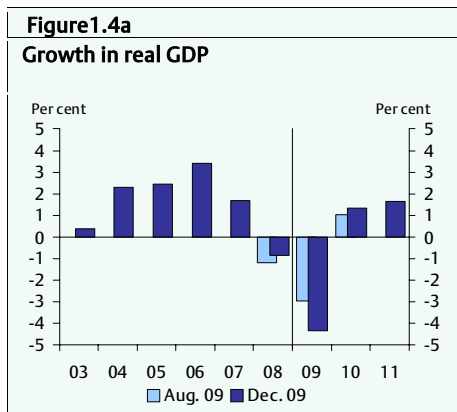


Source: Statistics Denmark and own calculations.

In Denmark, fiscal policy is planned on the basis of the 2015-plan, where the central targets are to safeguard fiscal sustainability and achieve balance or a public surplus in structural terms in 2015. This requires a strengthening of the structural balance of around 1¾ per cent of GDP after 2010 and by the end of 2015. This is in line with the expected recommendations from the EU.

Capacity utilisation and wage developments

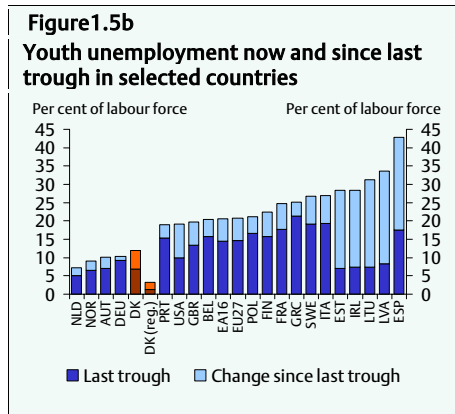
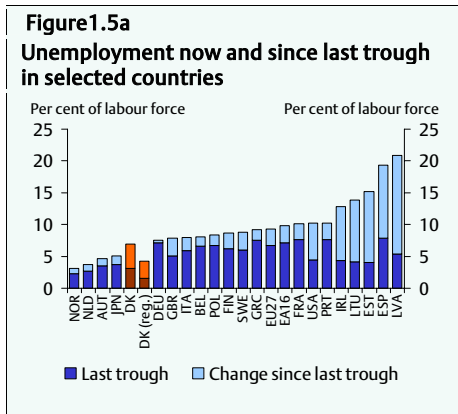
The fall in GDP in 2009 is estimated at 4.3 per cent, following a fall of slightly less than 1 per cent in 2008. GDP growth has been revised down by 1¼ percentage point compared to the *Economic Survey*, August 2009. The downward revision relates to most parts of private domestic demand, as well as exports. In 2010 and 2011, GDP is projected to grow by 1¼ and 1½ per cent respectively, cf. figure 1.4a.



Source: Statistics Denmark and own calculations.

The output gap is estimated to have closed by the end of 2008, *cf. figure 1.4b*, and is expected to be negative in 2009-2011. The estimate is subject to uncertainty, and reflects among other things that potential output has been revised down by approximately 2 per cent due to the financial crisis.

Since last summer unemployment has risen from an extraordinary low level and reached 4.2 per cent of the labour force in October (national registered unemployment). Unemployment is still lower than the previous trough, reached in 2001 (which back then was the lowest unemployment level in 25 years). Compared to other countries, unemployment in Denmark is still relatively low, *cf. figure 1.5a*. This is also the case for unemployment among youth, *cf. figure 1.5b*. New activation regulations for youth under the age of 30 and the "youth package" that was recently decided upon aim to prevent long-term unemployment among young people.



Note: Unemployment reaches a trough in 2008 in all countries except in Japan, Italy, Spain, Estonia, Latvia and Lithuania (2009) and in UK, USA, Ireland and Portugal (2006). Last observation is October, except in Greece and Lithuania (June), the UK (August) and Estonia and Norway (September).

Source: Eurostat and Statistics Denmark.

The rise in unemployment is expected to stop by the end of 2010, and a moderate fall in the unemployment is likely in the course of 2011. On an annual basis unemployment is expected to reach 5¼ pct. of the labour force in 2010 and 2011, *cf. table 1.3*. The expected unemployment rate in 2010 and 2011 (5¼ per cent of the labour force) corresponds to the level in 2003 under the previous cyclical downturn.

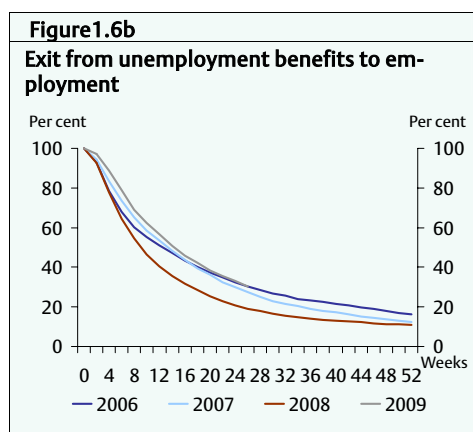
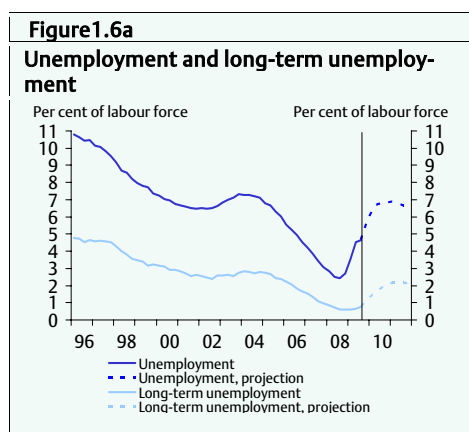
Despite a steep increase in unemployment since the summer of 2008, the rise in long-term unemployment has so far been relatively limited, *cf. figure 1.6a*. The number of long-term unemployed equals around 25,000 persons (full-time equivalents), which corresponds to around 18 per cent of gross unemployment (unemployed and people in activation programs). In comparison, more than 130,000 persons were long-term unemployed in the mid-1990's.

Table 1.3
Employment, labour force, and unemployment

	2007- level	Avg. 1988- 2008	2008	2009		2010		2011 Dec.
				Aug.	Dec.	Aug.	Dec.	
	1,000 persons	Change, 1,000 persons						
Private sector	1,958	11	45	-84	-84	-78	-78	-5
Public sector	826	2	-10	11	13	5	7	1
Total employment	2,783	13	36	-74	-72	-73	-71	-4
Labour force	2,893	4	9	-20	-22	-28	-17	-3
Unemployment	109	-9	-27	53	49	45	54	0
Unemployment (per cent of labour force)		6.9	1.8	3.6	3.4	5.2	5.3	5.3

Source: Statistics Denmark and own calculations.

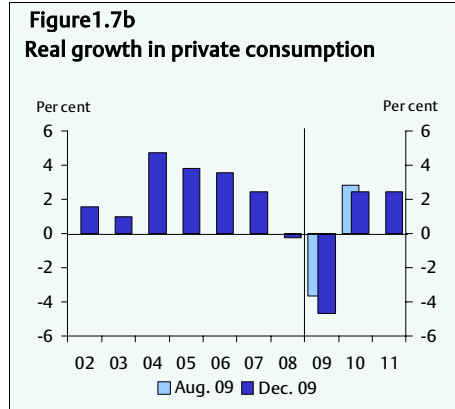
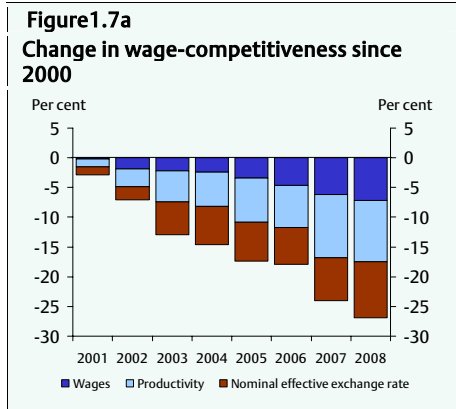
The low level of long-term unemployment stems partly from the fact that unemployed still finds employment relatively quickly. The number of unemployed (receiving unemployment benefits) that has found employment (or other forms of self-support) after six months is roughly at the same level in 2009 as in 2006 and 2007, cf. figure 1.6b. This reflects a high job turnover in the Danish labour market both under upturns and downturns, as well as active labour market policies. Long-term unemployment is expected to rise towards 2011 from the current low level.



Note: Long-term unemployment in figure 1.6a includes unemployed in activation programs.
Source: Register data for the labour market (DREAM, CRAM, AMFORA, RAM, Bestandsstatistikken), Statistics Denmark and own calculations.

Wage competitiveness has been deteriorating since the turn of the millennium, due to relatively high Danish wage growth combined with a weak development in productivity, cf. figure 1.7a. The effects on wage competitiveness have been amplified by the strengthening of the effective exchange rate of Danish kroner.

Labour costs per hour worked in Danish manufacturing were 25 per cent higher than the OECD average (trade weighted) in 2007 – and third highest in the OECD area. In 1997 labour costs were only around 2 per cent higher than the OECD average. Rising labour costs has contributed to higher inflation in Denmark than in the euro area over the last year. Deteriorating wage competitiveness has also augmented a loss in market shares both in the domestic market and in the export markets.



Source: Statistics Denmark and own calculations.

Domestic demand

Due to significant growth in household income, a turnaround is expected in *private consumption*, after a 7 per cent fall (in real terms) from the 1st half of 2008 to the 1st half of 2009. The strong fall is a result of a significant increase in the savings ratio, since household incomes have increased. The reduction in private consumption slowed in the 2nd quarter after a very significant drop during the three previous quarters.

Indicators for the 3rd quarter (retail and auto sales etc.) point to a gradual increase in private consumption through the rest of the year and this trend is expected to continue in 2010, reflecting that the strong household income growth – which is expected to reach 5 per cent next year in particular due to large tax cuts – gradually feeds into consumption. The expected increase in private consumption is supported by a gradual and slow increase in household wealth since the second quarter related to higher stock prices and that house prices seem to be stabilising. Moreover, consumer confidence has improved from a very low level.

Private consumption is expected to grow by 2½ per cent in 2010, after a fall of 4¾ per cent in 2009, cf. *figure 1.7b and table 1.4*. Growth is expected to continue in the

same pace in 2011. The estimates for 2009 and 2010 have been revised down by 1 and ½ percentage point respectively, compared to the August Survey.

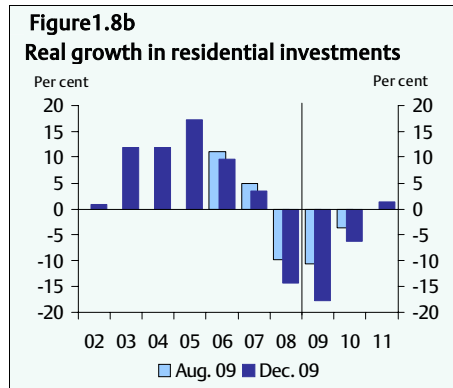
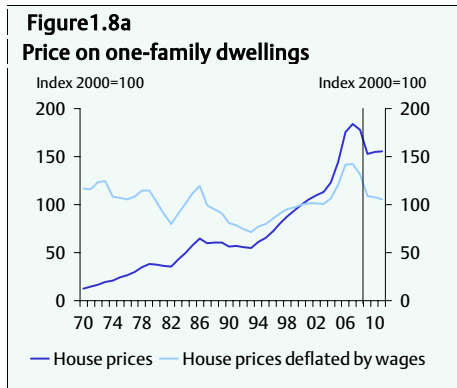
	2008	2006	2007	2008	2009	2010	2011
	Bn. DKK			Real growth, per cent			
Private consumption ¹⁾	845.5	3.6	2.4	-0.3	-4.7	2.4	2.4
Public consumption ¹⁾	463.8	2.8	1.3	1.6	1.6	1.0	1.0
Public investment	31.8	16.6	-1.1	-1.1	12.6	18.4	-15.0
Residential construction	102.8	9.7	3.4	-14.2	-17.8	-6.3	1.5
Fixed business investment	231.1	16.5	3.0	-0.4	-11.1	-4.6	4.2
Stock building ²⁾	15.7	-0.3	-0.3	0.3	-1.4	0.6	0.1
Total domestic demand	1,690.7	5.2	1.9	-0.5	-5.7	1.7	1.8
Exports	955.9	9.0	2.2	2.4	-8.8	2.8	3.7
of which manufactures	375.8	4.7	1.1	2.6	-12.3	2.6	4.5
Total demand	2,646.6	6.5	2.0	0.5	-6.8	2.1	2.4
Imports	909.2	13.4	2.6	3.3	-11.5	3.7	4.1
of which goods	595.8	11.5	1.8	0.7	-13.5	2.7	3.6
Gross domestic product	1,737.5	3.4	1.7	-0.9	-4.3	1.3	1.6
Gross value added	1,481.1	3.2	1.8	-0.5	-3.8	1.4	1.5
of which in private non-agricultural sector	950.3	4.7	2.8	-1.0	-5.7	1.6	2.5
GDP per capita (1,000 DKK)	316.3	3.1	1.2	-1.5	-4.8	1.1	1.4

1) Real growth of public consumption reflects growth in inputs, not improvements of output and is therefore not readily comparable to private consumption growth.
2) Contributions to GDP growth.
Source: Statistics Denmark and own calculations.

The deteriorating asset position up to the first part of 2009, possible credit constraints and rising unemployment has translated into a significant rise in the households' savings ratio over the last year. Since then, households' assets have stabilised due to rising stock markets and a stabilisation in the housing market. The fall in households' assets (including pension savings) was steepest in 2008, with a fall of around 20 per cent. In 2009 the fall is expected to have slowed to around 5 per cent, reflecting the reduction in the 1st quarter. In 2010 and 2011 household wealth is expected to increase only slightly, and savings will remain at a high level.

The price of single-family dwellings is expected to fall by 14 per cent from 2008 to 2009, following a fall of 3¾ per cent in 2008. The housing market now appears to have stabilised, due to the very low interest rate especially on one-year adjustable rate mortgages. A moderate rise in nominal prices are expected through 2010, leading to an annual rise of 1½ per cent compared to 2009, cf. figure 1.8a.

In 2011 house prices are expected to be roughly unchanged in nominal terms, due to an expected gradual rise in interest rates. In 2011 the level of the wage deflated house price will not be far from the historical average, and roughly at the same level as in the beginning of the decade. Compared to the August Survey, estimated house prices are unchanged in 2009 and revised upwards by 1½ percentage point in 2010.



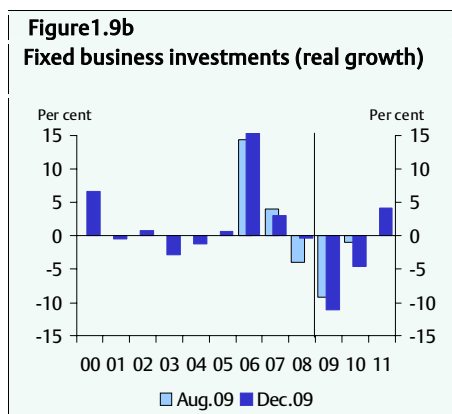
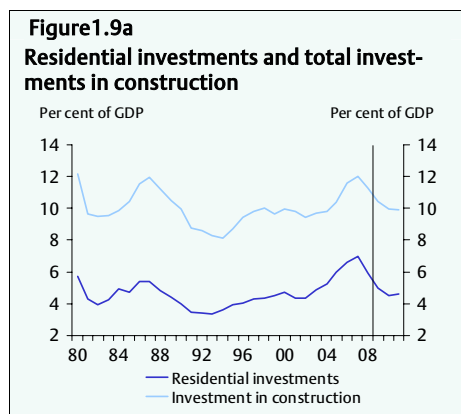
Source: Statistics Denmark and own calculations.

Residential investments are projected to drop by almost 18 per cent in 2009, after a fall of 14 per cent in 2008, *cf. figure 1.8b*. The reduction in 2009 is cushioned by the repair and maintenance scheme included in the Spring Package 2.0. In 2010 the fall is expected to slow to 6 per cent, and in 2011 residential investments is expected to grow moderately by 1½ per cent, due to the stabilisation of the housing market. On the back of downward revisions in the national accounts, the projected fall in residential investments in 2009 and 2010 has been revised down by 7 and almost 3 percentage points respectively, compared to the August Survey.

In 2007 residential investments reached a historical high level of 7 per cent of GDP. Despite the steep fall the last few years, the residential investments' share of GDP is not lower than in the years prior to the last upswing, beginning in 2004, *cf. figure 1.9a*.

Fixed business investments are expected to fall by 11 per cent in 2009 after falling by around ½ per cent in 2008 due to the deteriorating international market conditions and the fall in production, *cf. figure 1.9b*. Credit constraints may also have contributed to the reduction. In 2010 business investments are expected to fall further by 4½ per cent, while growth in the same range is expected in 2011.

Compared to the August Survey the projected business investments for 2009 and 2010 have been revised down by 2 and 3½ per cent respectively, due to recent indicators and higher spare capacity due to the downward revision of GDP-growth in 2009.



Source: Statistics Denmark and own calculations.

Growth in *public consumption* is estimated to 1.6 per cent in 2009 and 1.0 per cent in 2010. Compared to the August Survey, the estimates have been revised up by 0.2 percentage points in 2009. Based on a technical projection, growth in 2011 is set to 1.0 per cent, in line with the 2015-plan.

Public investments are projected to grow by 12½ per cent in 2009 and by 18½ per cent in 2010. The steep increase reflects growth-accommodating measures. The estimate for 2009 has been revised down a little, while the estimate for 2010 has been adjusted upward on the back of the growth initiatives in the budget for 2010. After the historical high level in 2010, public investments are set to fall by 15 per cent in 2011, based on a technical projection.

Based on these estimates, *total domestic demand* is expected to fall by 5¾ per cent in 2009, following a fall of ½ per cent in 2008. Renewed growth is expected in 2010 and 2011 at 1¾ per cent in both years.

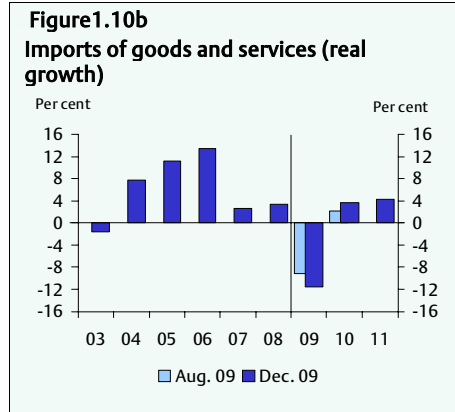
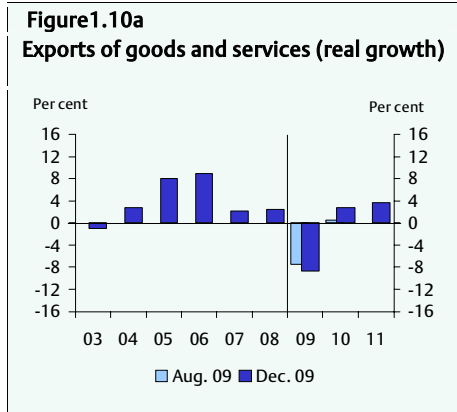
International trade and the current external account

On the back of the outlook for export market growth and wage competitiveness, *manufacturing export* is expected to grow by 2½ per cent in 2010 and 4½ per cent in 2011, following an estimated fall of 12 per cent in 2009. The projections imply that the sizable losses in market shares in the previous three years (and especially in 2006 and 2007) will continue, although at a slower pace.

Exports of services and agricultural goods are also expected to grow in 2010 and 2011, after a fall in 2009. Energy exports are expected to stagnate in 2010 and then to fall by about 10 per cent in 2011, in line with the developments in 2008 and 2009, reflecting the falling energy production in the North Sea.

Exports of goods and services are projected to grow by 2¾ per cent in 2010 and by 3¾ per cent in 2011, after an estimated fall of almost 9 per cent in 2009, cf. *figure 1.10a*.

Compared to the August Survey export growth has been revised up by 2½ percentage points in 2010, partly due to an upward revision of export market growth, while the estimated growth in 2009 has been revised down by 1½ percentage points on the back of incoming indicators.



Source: Statistics Denmark and own calculations.

Based on the projections for export growth and domestic demand, *total demand* is expected to grow by 2 per cent in 2010 and 2½ per cent in 2011 following an estimated fall of 6¾ per cent in 2009.

The turnaround in demand will lead to a turnaround in *imports*, which is expected to grow by ¾ per cent in 2010 and 4 per cent in 2011, following a fall of 11½ per cent in 2009, cf. *figure 1.10b*. Compared to the August Survey the fall in imports have been revised up by 2½ percentage points, particularly due to revised national accounts data from the 1st quarter, while import growth in 2010 has been adjusted upwards by 1½ percentage point.

The *current account* surplus is expected to fall from almost 3 per cent of GDP in 2009 to 2½ per cent in 2010 and 2011.

Table 1.5						
Key figures for the Danish economy						
	2006	2007	2008	2009	2010	2011
Percentage change from previous year						
Real GDP	3.4	1.7	-0.9	-4.3	1.3	1.6
Trade-weighted GDP abroad	3.2	2.7	1.3	-4.3	0.7	0.7
Export markets for Danish manufactures	8.9	7.6	2.0	-10.9	3.6	6.1
International competitiveness	-1.1	-3.1	-4.3	-4.7	-1.7	-0.7
Export of manufactures, volume	4.7	1.1	2.6	-12.3	2.6	4.5
Hourly wages	3.6	4.1	4.6	3.3	2.7	2.5
Consumer price index	1.9	1.7	3.4	1.4	2.0	1.7
Price index for single-family houses	21.6	4.8	-3.7	-14.0	1.5	0.5
Merchandise export prices	4.4	1.9	6.9	-5.1	2.0	1.7
Merchandise import prices	3.5	2.8	6.5	-5.9	1.2	1.3
Merchandise terms of trade	0.8	-0.9	0.4	0.9	0.8	0.4
Productivity in private non-agricultural sector	1.9	0.0	-3.0	-0.8	5.5	2.2
Real disposable income of households	3.0	0.1	0.7	2.22	5.2	2.2
Labour market						
Labour force (thousands)	2,893	2,944	2,953	2,931	2,914	2,910
Employment (thousands)	2,783	2,866	2,902	2,830	2,759	2,755
Of which in private sector	1,958	2,043	2,089	2,004	1,926	1,921
in public sector	826	823	813	826	833	834
Percentage change in total employment	2.1	3.0	1.2	-2.5	-2.5	-0.1
Unemployment (thousands)	109	78	52	101	155	155
Unemployment rate (per cent)	3.8	2.7	1.8	3.4	5.3	5.3
Unemployment rate. EU-def. (per cent)	3.9	3.8	3.3	4.5	5.8	5.6
Long term bond yields and exchange rate						
10-year government bonds	3.8	4.3	4.3	3.6	3.9	4.0
30-year mortgage credit bond	5.1	5.4	6.1	5.4	5.6	5.8
The effective krone rate (1980=100)	102.0	103.2	105.9	107.8	108.5	108.5
Balance of payments						
Goods and services (bill. DKK)	51.9	41.3	46.7	51.7	50.8	52.3
Current account (bill. DKK)	48.6	25.0	38.0	48.8	42.1	42.9
Current account (per cent of GDP)	3.0	1.5	2.2	2.9	2.4	2.4
Net foreign assets. ultimo (bill. DKK)	-30.9	-118.9	-152.6	-93.0	-50.4	-7.1
Net foreign assets (per cent of GDP)	-1.9	-7.0	-8.8	-5.6	-2.9	-0.4
Public finances						
Government net lending (bill. DKK)	82.3	80.6	59.8	-50.3	-94.4	-79.0
Government net lending (per cent of GDP)	5.0	4.8	3.4	-3.0	-5.5	-4.4
General government gross debt, year-end, (bill. DKK)	509.6	453.2	580.3	643.2	721.5	828.2
General government gross debt, year-end, (per cent of GDP)	31.2	26.8	33.4	38.5	41.8	46.4
Tax burden (per cent of GDP)	49.8	49.1	48.3	47.5	46.7	46.9
Expenditures (per cent of GDP)	50.6	50.0	50.9	56.4	57.9	56.8
1) Including the disbursement of SP-savings, real disposable income would rise by 6.0 per cent in 2009.						