Nordic Exports of Goods and Exporting Enterprises

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Executive Summary

This report addresses some of the many questions raised by economic globalisation. What are the strongholds of the Nordic countries, both in terms of the type of goods that are exported and in terms of geographical markets? How are the Nordic countries performing on the main emerging markets – are they gaining ground compared to other exporters, and are exports to these markets indeed where the Nordic countries' export of goods is growing? How important are the small and medium-sized enterprises (SMEs) compared to the larger enterprises in the export of goods of each of the Nordic countries? And how have SMEs and large enterprises coped with the crisis, both in terms of domestic employment and in terms of export market performance?

This report focuses on the exports of goods from the Nordic countries and does not cover the export of services. The export of services accounts for a substantial share of total exports from the Nordic countries, but the statistical sources for international trade in services do not have the same level of detail and are not suited for comparative analysis to the same extent as trade in goods.

The main findings at the overall, cross-country level are as follows:

- Sweden is the largest Nordic exporter of goods, but Iceland is the most export oriented, the export of goods accounting for 37% of Iceland's GDP.
- The export of goods declined significantly in 2009 as a result of the crisis, but by 2012 all countries except for Finland had regained the export level of 2008.
- The Nordic countries lost ground on export markets in the period 2008 to 2012. If the Nordic countries had maintained their market shares in the period, the Nordic export of goods would have been 31 billion EUR higher in 2012.
- The Nordic countries especially lost market shares on the BRIC markets, in particular in exports to the Russian Federation. Denmark was the only Nordic country that gained ground on the BRIC markets.
- As a whole, the Nordic countries improved their market shares on the Next-11 markets, but this was mainly due to a large increase in raw oil exports from Norway to South Korea.

- The Nordic countries lost ground on the US market, in spite of the increasing market share of Danish and Norwegian goods export to this market.

Furthermore, some of the overall results in the analysis raise some important policy questions:

Export product strongholds

The analysis shows that the Nordic countries' strongholds are especially within more traditional products such as paper, paperboard, articles of paper and pulp, hides and furskins, fish and food articles – and less in high-technology products. The question is if this should be considered a problem for the future, and if enterprise policy should focus more on the existing high-tech production in the Nordic countries and the competitiveness of the enterprises here, e.g. through initiatives related to enterprise investments.

Jobless export growth?

The Nordic countries have – with the exception of Finland – all recovered to pre-crisis export levels. At the same time, 150,000 jobs have been lost in the exporting enterprises in manufacturing. Even if the Nordic countries were to re-gain the market shares that have been lost in the period 2008 to 2012, this would not result in the creation of 150,000 new jobs. Thus, increasing productivity and efficiency combined with failing home markets must also be taken into account when formulating future employment policy.

Focus on SMEs

The SME exporters contribute significantly to the exports from the Nordic countries, and in most of the Nordic countries the SMEs have coped well with the crisis, recovering export levels faster than the larger enterprises. At the same time, the exporting SMEs have also lost relatively fewer jobs than the larger enterprises. It is therefore important in sustaining export growth and job creation to focus on creating framework conditions supporting the export potential of the SMEs.

The report also presents many results at a more detailed level. The main conclusions for each of the Nordic countries are as follows.

Denmark

- Export of goods increased 3% from 79 to 82 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 2.0 to 1.8%.
- Increasing exports to BRIC (49%), Next-11 (21%), and the US (31%) – growing share of EU-27 exports to BRIC and the US markets, but decline in share of exports to Next-11.
- High growth in three export strongholds medicinal and pharmaceutical products, raw furskins and other skins as well as live animals. Medical and pharmaceutical products a key stronghold in BRIC, Next-11 and US market – experiencing high-growth on all three markets.
- Small and medium-sized enterprises contribute significantly to exports, also on emerging markets, and overall export recovery after the crisis similar to large enterprises
- Employment and value-added developed better in exporting manufacturing enterprises than in non-exporting ones, irrespective of enterprise size.

Finland

- Export of goods declined 13% from 66 to 57 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 1.6 to 1.3%.
- Falling exports to BRIC (-11%) and the US (-13%), but growing to Next-11 (9%) – and falling share of EU-27 exports to BRIC (4.2 to 2.6), Next-11 (1.5 to 1.3), and the US (1.7 to 1.2).
- Decline in export strongholds paper, paperboard, etc. and machinery specialised for particular industries. At same time, also among the best performing export products in emerging markets. Telecom no longer key export stronghold.
- Large enterprises dominate exports, but small and medium-sized enterprises have performed better in terms of exports, both overall and on some emerging markets.
- Employment decreased more in exporting manufacturing enterprises than in non-exporting ones, irrespective of enterprise size.

Iceland

- Export of goods increased 8% from 3.7 to 3.9 billion EUR from 2008 to 2012, benchmark share of EU-27 exports at 0.1% after marginal decline.
- Increasing exports to BRIC (59%) and Next-11 (157%), declining to the US (-16%) – above EU-27 growth to BRIC, Next-11 markets, losing out on US market.

- High growth in export strongholds fish (24%), low in non-ferrous metals (3%), together accounting for 75% of exports. Also high growth in feeding stuff for animals as well as animal oils and fats.
- Small and medium-sized enterprises contribute significantly to exports, even more on emerging markets: SME share of national exports to BRIC and Next-11 around 80%.
- Employment increased in large exporting manufacturing enterprises, declined in small and medium-sized exporters and non-exporters. Value-added improved in all three groups of enterprises, most in large exporting enterprises.

Norway

- Export of goods increased 9% from 114 to 124 billion EUR from 2008 to 2012, benchmark share of EU-27 exports at 2.8% after marginal decline.
- Increasing exports to BRIC (41%), Next-11 (167%), and the US (23%) – above EU-27 growth to the US and especially the Next-11 markets, on par growth to BRIC markets.
- Low growth in petroleum products, high growth in export of gas – accounting for 69% of exports. Strong export performance in fish on BRIC, Next-11 and US markets.
- In manufacturing and wholesale, small and medium-sized enterprises contribute significantly to exports and have performed better than the large exporters, both overall and on emerging markets.
- In manufacturing, employment decreased in exporting manufacturing enterprises and in large non-exporting ones, but was stable in small and medium-sized non-exporting enterprises in manufacturing.

Sweden

- Export of goods increased 8% from 125 to 134 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 3.1 to 3.0%.
- Growing exports to BRIC (23%), Next-11 (4%), the US (5%) – drop in share of EU-27 exports to BRIC (3.2 to 2.7), Next-11 (3.4 to 2.7), the US (3.3 to 2.9).
- Export decline in strongholds road vehicles and telecom, low growth in paper, paperboard, etc., high growth in export of petroleum and petroleum products. Electrical machinery, paper, paperboard, etc. among best performing on BRIC, Next-11 markets.

- Large enterprises dominate exports, but small and medium-sized enterprises have performed better in terms of exports, both overall and on some emerging markets.
- Employment decreased in all groups, but value added per FTE increased in all groups except large non-exporter. The increase was highest for large exporters.

Introduction

This report addresses some of the many questions raised by economic globalisation. What are the strongholds of the Nordic countries, both in terms of the type of goods that are exported and in terms of geographical markets? How are the Nordic countries performing on the main emerging markets – are they gaining ground compared to other exporters, and are exports to these markets indeed where the Nordic countries' export of goods is growing? These export developments and market trends are analysed using existing foreign trade data, as published by Eurostat.

In addition to this, based on new databases constructed in each of the Nordic countries specifically for this analysis, the present report also provides answers to questions concerning the characteristics of exporting enterprises in the Nordic countries. How important are the small and medium-sized enterprises compared to the larger enterprises in the export of goods of each of the Nordic countries? Are the SMEs becoming more or less important? And how have SMEs and large enterprises coped with the crisis, both in terms of domestic employment and in terms of export market performance? The new databases that enable this analysis consist of business and international trade data which are linked at micro level (enterprise level) in each country.

This report focuses on the exports of goods from the Nordic countries and does not cover the export of services. The export of services accounts for a substantial share of total exports from the Nordic countries – 22% for Norway, 26 for Finland, 31 for Sweden, 38 for Iceland, and 39 for Denmark in 2012 – but the statistical sources for international trade in services do not have the same level of detail and are not suited for comparative analysis to the same extent as trade in goods.

The next chapter presents the overall results, taking a cross-country perspective. This is followed by a chapter on each of the Nordic countries. It is important to note that in each of the following chapters, part 1 is based on international trade in goods data from Eurostat's database. This is not delimited by enterprise activity or size class, as is the case in part 2 when it comes to the analyses based on national databases of linked micro data. These analyses are limited to covering only the main goods exporting sectors, i.e. manufacturing and wholesale. At the end of the report, the Annex contains a more detailed description of the sources and databases mentioned above.

1. The Nordic countries: export and market trends

1.1 Part I. Export patterns and market trends¹

The Nordic countries are characterised by traditionally being open, internationally oriented economies as the domestic markets are relatively small. In 2012, the Nordic countries exported goods for nearly 402 billion EUR, or 9.6% of total EU-27 exports globally.

Sweden is the largest Nordic export player on the world market with a total export of goods of 134.3 billion EUR (or 3.0% of EU-27 total export), followed by Norway with 124.3 billion EUR (2.8%). The other Nordic countries exported noticeably less, as Denmark exported 82.2 billion EUR (1.8%), Finland 57 billion EUR (1.3%), and Iceland 3.9 billion EUR (0.1%), cf. Figure 1.

Figure 1. Country shares of Nordic exports of goods 2012

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

¹ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

Compared to the size of the national economies, the order is somewhat different, as Iceland is the most export oriented economy. Iceland's export of goods constituted 37% of GDP in 2012, followed by Denmark (33.7%), Sweden (32.9%), Norway (31.9%) and Finland (29.2%). In comparison, the total EU-27 export of goods constituted 35.0% of EU-27 GDP.

EU-27

Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

The Nordic countries were all severely hit by the economic crisis, and for all countries the export of goods fell sharply with between 15 (Denmark) and 32% (Finland) from 2008 to 2009. In 2012, Sweden, Norway, Denmark and Iceland had all regained the export level of 2008 – being the year of pre-crisis export climax – in current prices, while Finland as the only Nordic country was still lagging behind the 2008-level.

Compared to the EU-27, however, the Nordic countries lost 0.6% in market share of total EU-27 goods exports in the period 2008 to 2012, cf. Figure 2. If the Nordic countries had maintained their market shares in the period, the Nordic export of goods would have been 31 billion EUR higher in 2012.

Figure 2. Market position trends for the Nordic economies. Share of EU-27 goods exports

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

The development has been different on different markets. The Nordic countries especially lost market shares on the BRIC markets (in total 2.0 percentage points of EU-27 exports), mainly due to a dramatic drop in Finnish exports to the Russian Federation but there was also a large drop in Swedish exports to the Russian Federation. The only country actually gaining on the BRIC markets was Denmark with a small increase of 0.1 percentage points in the period 2008 to 2012.

The present analysis focuses on BRIC markets but also on the group of Next-11 countries and the United States. The only of the three areas where the Nordic countries as a whole have gained market share is Next-11. But this expansion was only due to a huge increase in the export of goods from Norway to Next-11 countries – mainly an increase in Norwegian raw oil exports to South Korea.

The Nordic countries also lost market shares on the US market, where the Nordic countries in total lost 0.6 percentage points. The Nordic countries have experienced a very different development on the US market as Denmark (mainly due to an increase in exports of *Medical and pharmaceutical products*) and Norway gained market shares, while Sweden and especially Finland – losing close to one third of its export – lost considerable ground in the period.

BRIC and Next-11

BRIC includes Brazil, Russia, India, and China (incl. Hong Kong).

Next-11 includes Bangladesh, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, the Philippines, Pakistan, Turkey, and Vietnam.

1.1.1 Export product strongholds and trends

In absolute figures, the most important Nordic export product is *Petroleum and petroleum* products, accounting for 75.6 billion EUR or 18.8% of total Nordic goods exports in 2012. Except for Iceland, this product group is in top3 in all Nordic countries. The Nordic export of petroleum and petroleum products accounted for 25.4% of EU-27 petroleum exports in 2012.

Figure 3. National share of EU-27 export of petroleum and petroleum products

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

Another of the traditional Nordic strongholds is *Fish* which is the second-most important export product group, in terms of EU-27 market share, exports totalling 13.3 billion EUR or 3.3% of total Nordic goods exports in 2012. This product group is in top3 in Norway, Iceland and Denmark.

Figure 4. National share of EU-27 export of fish

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

Fish represent an important stronghold, cf. Figure 4. Furthermore, Norway has gained a relatively large market share (6.8 percentage points) while Denmark has lost slightly (2.6 percentage points) to the other European countries. Sweden also gained market share vis-à-vis EU-27 exports of fish to the global market in the period 2008–2012 (3.6 percentage points).

Another traditional Nordic stronghold is *Paper, paperboard, etc.* – being among the main export products of Sweden and Finland. Sweden exported for 8.7 billion EUR in 2012 and has gained slightly on the world market compared to the other EU-27 member states, cf. Figure 5, while Finland lost some ground in the period, in 2012 exporting for nearly 7 billion EUR.

Figure 5. National share of EU-27 export of paper, paperboard, etc.

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

A relatively new Nordic stronghold is *Hides, skin and furskins*, of which Denmark exported for 1.5 billion EUR in 2012 – representing 31% of total EU-27 exports and a growth of more than 120% compared to 2008. Also Finland holds a strong position in these products, one of the few products with increasing Finnish market share since the economic crisis started, in 2012 representing 14% of total EU-27 exports (0.7 billion EUR). For both countries, this export mainly goes to Hong Kong and China.

Figure 6. National share of EU-27 export of raw hides, skins and furskins

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

Telecommunication equipment has for several decades been a Nordic stronghold but since the economic crisis both Finland and Sweden have experienced severe losses of market share, cf. Figure 7. Finland has been faced with a dramatic fall in export value from 9.1 to 1.6 billion EUR, a drop in market share from 7.1% in 2008 to 1.3% in 2012. For Sweden, the loss was much less severe from 6.4 to 5.4%, equalling an export value of 7 billion EUR in 2012.

Figure 7. National share of EU-27 export of telecommunications and sound-recording and reproducing apparatus and equipment

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

Medical and pharmaceutical products are relative important for especially Denmark with an export of 9 billion EUR (or 3.5% of EU-27 exports), and the exports have been increasing since 2008, especially to the US and Brazil. Sweden exported for 6.6 billion EUR, equalling 2.6% of EU-27 exports in 2012.

Figure 8. National share of EU-27 export of medicinal and pharmaceutical products

Source: Eurostat database on international trade (tables DS-018995 and DS-043227).

1.2 Part II. Exporting enterprises²

1.2.1 *SME and large enterprises on the new growth markets*

The structure of the goods exporting enterprises differs quite substantially between the Nordic countries. Nearly half of the Danish export of goods is exported by small and medium-sized enterprises with less than 250 employees (SMEs), followed by Norway with an SME share of 43%, cf. Figure 9. The Finnish export of goods, in turn, is concentrated on large enterprises with more than 250 employees, as they account for more than three quarters of exports. Swedish exports are also dominated by large exporters, accounting for 69% of the Swedish exports.

Access to more remote markets is traditionally more difficult for SMEs, mainly due to a lack of resources to manage the bureaucratic and logistic challenges associated with exporting to such markets. The SME share of exports to BRIC is clearly lower than the overall share of exports, except for Iceland where SMEs account for 79% of exports to BRIC. Also the Finnish export to BRIC is characterized by a larger share

² This part is based on national databases with linked business and international trade in goods data, cf. Annex.

of exports from SMEs than the overall SME share, probably due to the proximity of the Russian market. Especially Swedish exports to BRIC are dominated by large enterprises (80%).

Figure 9. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

How SMEs and large enterprises have coped with the crisis also differs across the Nordic countries. In three countries, the SMEs have performed better than the large ones, showing larger export values in 2011 compared to 2008, cf. Figure 10. This is the case for Sweden (with an increase of 8% in SME export) and Norway (2%), while in Finland the SMEs lost relatively less than the large ones. The figures for Denmark show no difference, and only in Iceland did the exports of large enterprises increase more than SME exports. When examining exports to BRIC, the situation is—not surprisingly—a bit different as the large enterprises have performed better than the SMEs in Denmark, Finland and Iceland. The opposite development can be observed for Norway and Sweden.

Figure 10. Export development in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

1.2.2 Trends in employment and value-added

One of the main issues in exports is the possible job creation related to exports. The period since the crisis has been characterised by a marked decline in employment. In the manufacturing sector alone the Nordic countries lost nearly 215,000 jobs in the period 2008 to 2011. The exporting enterprises accounted for the majority of job losses with over 157,000 jobs.

Comparing the employment development for exporters versus non-exporters in manufacturing, there are clear differences across the Nordic countries. In Denmark, the exporting enterprises in manufacturing were capable of keeping close to 80% of the jobs, compared to the non-exporting manufacturers who lost more than one third of the employment in the period 2008 to 2011, cf. Figure 11. In Iceland the large exporters were – as the only group in the period in the Nordic countries – capable of keeping employment and thus also performed better than the non-exporters in Iceland. In both Finland and Norway the non-exporters performed much better in terms of keeping employment.

Figure 11. Employment development in manufacturing. Exporters and non-exporters. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

It is interesting that not only in Denmark, where SMEs were quite prominent as exporters, but also in Finland which was dominated by the large exporting enterprises, the SMEs lost relatively less employment than the large ones, cf. Figure 12. In Denmark, the SMEs in manufacturing lost 18,000 jobs – or 17% – compared to a loss of 35,000 jobs in the large enterprises (25%). In Finland, the SMEs lost 11,000 jobs (14%) and the large ones 34,000 jobs (20%).

Figure 12. Employment development in manufacturing. Exporting enterprises. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

Looking at the creation of value added, again no clear trend can be identified across countries, cf. Figure 13. In Denmark, the exporters not only experienced growth in value added per employee in 2011 compared to 2008 (an increase of nearly 30%), but also created considerably more value added per employee than the non-exporters. Also in Sweden, the exporters created more value added per employee in 2011 than in 2008, and also considerable more value added than the non-exporting manufacturers. The opposite development can be observed especially for Finland, where the non-exporting enterprises performed much better and the exporters was the only group not being capable of achieving a larger value added per employee in 2011 than in 2008.

Figure 13. Value added per employee in manufacturing. Exporters and non-exporters. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

Looking only at the exporting enterprises within manufacturing, the picture is still blurred across the Nordic countries as small enterprises create more value added per employee in especially Finland and also Norway while the large enterprises created relatively more value added per employee in Denmark and Iceland.

Figure 14. Value added per employee in manufacturing. Exporters by size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

2. Denmark

- Export of goods increased 3% from 79 to 82 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 2,0 to 1,8%.
- Increasing exports to BRIC (49%), Next-11 (21%), and the US (31%) – growing share of EU-27 exports to BRIC and the US markets, but decline in share of exports to Next-11.
- High growth in three export strongholds medicinal and pharmaceutical products, raw furskins and other skins as well as live animals. Medical and pharmaceutical products a key stronghold in BRIC, Next-11 and US market – experiencing high-growth on all three markets.
- Small and medium-sized enterprises contribute significantly to exports, also on emerging markets, and overall export recovery after the crisis similar to large enterprises.
- Employment and value-added developed better in exporting manufacturing enterprises than in non-exporting ones, irrespective of enterprise size.

2.1 Part I. Export patterns and market trends³

The Danish economy is the most export oriented of the four major Nordic economies as the total export of goods accounted for 33.8% of GDP in 2012, amounting to nearly 82.2 billion EUR.

The Danish export of goods experienced a severe decline in 2009 due to the economic crisis. Total goods exports dropped more than 12 billion EUR, or 15%, from 2008 to 2009, cf. Figure 1. During the last years, Danish exports recovered in terms of value (in current prices), but in relative terms Denmark marginally lost market share compared to the other EU-27 countries. The Danish share of EU-27 goods exports constituted 1.8% in 2012 compared to 2.0% in 2008.

³ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

Figure 1. Development in export of goods, 2008–2012

Source: Eurostat database on international trade (table DS-018995).

2.1.1 Market trends in Danish exports

Danish exports have undergone a considerable change in market destinations between 2008 and 2012, as Danish exporting enterprises have gradually shifted their focus from a stagnating Europe to growing markets such as BRIC, Next-11 or the US. The Danish export of goods is characterised by a decrease in importance of the other EU member states as destinations for Danish exports, as these countries received 57% of the Danish exports in 2012, a considerable fall from 63% in 2008, cf. Figure 2.

The largest single-country market for Danish exports in 2012 was Germany, which accounted for nearly 16% of Danish exports, down from just below 18% in 2008. Exports to Germany amounted to 12.8 billion EUR in 2012. Sweden was the second-largest market, with Danish exports to the Nordic neighbour of 10.9 billion EUR. Exports to Sweden declined by 600 million EUR in the period. The United Kingdom was the third-largest destination in 2012. Increasing from 6.6 to 7.7 billion EUR, exports to the United Kingdom contributed 9.4% to Danish goods exports in 2012.

In contrast to the overall declining importance of the EU market, exports to BRIC, especially to China, soared with a remarkable increase of nearly 49%, overtaking the US in importance as destination. In total, the BRIC countries accounted for 7.8% of Danish exports in 2012, compared to the US share of 6.8%. Exports to China increased from 2.2 to 3.7 billion EUR and accounted for nearly half of Danish exports to BRIC. Exports to

India, in turn, declined from 370 to 348 million EUR and accounted for a mere 0.9% of Danish exports in 2012.

The Danish export of goods to the group of Next-11 countries also increased considerably, growing 16% from 2008 to 2012. South Korea, Turkey and Mexico were the main Next-11 destinations for Danish exports, accounting for 1.5 of the 2.4 billion EUR exports from Denmark to the Next-11 markets (62%).

Figure 2. Export of goods by main markets. 2008–2012

Source: Eurostat database on international trade (table DS-018995).

*Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

** Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

2.1.2 Danish export products: global strongholds and trends

As mentioned, Danish exports increased by 3% in the period 2008 to 2012, as illustrated by the horizontal red line in figure 3 below. Danish exporters lost ground, however, when measured against total EU-27 exports, which increased 11.8%. Thus, the Danish share of 1.8% of total EU-27 exports in 2012—as illustrated by the vertical red line in the figure below – was lower than the 2008 share of 2.0%.

Compared to the other Nordic countries, Danish exports can be characterised as diversified, as the ten largest product groups only accounted for around 54% of the total exports in 2012, cf. Figure 3.

Medical and pharmaceutical product exports amounted to nearly 9 billion EUR or 10.9%, the largest share of Danish exports in 2012. This

Danish stronghold performed above average on global markets, as exports increased 64% in the period 2008 to 2012. Interestingly, the export of medical and pharmaceutical products from EU-27 “only” increased 30% in the same period.

Of the other major Danish strongholds, the export of *raw furskins and other skins* grew more than 120% from 2008 to 2012. The Danish export of furskins was 1.5 billion DKK, close to one-third of total EU-27 export of this product in 2012.

The third highgrowth stronghold of Danish exports is *Live animals* which increased with 84% in the period 2008 – 2012. This should probably be seen in the context of the relative modest development of exports of *Meat and meat preparations* which only grew with 6% in the period. Meat products are a traditional Danish stronghold but the growth was clearly overtaken by the EU-27 exports which constituted 22%.

Figure 3: Export of goods to all destinations (World). Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

2.1.3 Strongholds and trends in exports to BRIC

As mentioned, Danish exports to BRIC increased by 49%, as illustrated by the horizontal red line in figure 4 below. Out-performing total EU-27 export growth of 44% to the BRIC markets, the market position of Danish enterprises improved from 1.6 to 1.7% of total EU-27 exports to BRIC, as illustrated by the vertical red line below.

The pattern of goods exported to BRIC is quite different from the general Danish export pattern, as figure 4 shows. The exports totalling 6.4 billion EUR were dominated by *raw furskins and other skins*, accounting for 21% of exports to BRIC in 2012 and increasing 139% compared to 2008. Especially China is a recipient of the export of *raw furskins and other skins*, accounting for almost the entire Danish export growth in this product with an increase from 0.6 to 1.3 billion EUR in the period.

The Danish export of *medicinal and pharmaceutical products* to BRIC markets increased from 199 to 808 million EUR, accounting for 12.6% of national exports to BRIC.

Other Danish strongholds in the export to BRIC are *General industrial machinery and equipment and machine parts* and *Machinery specialized for particular industries*, which accounted for 10 and 5%, respectively, of Danish exports to BRIC.

General industrial machinery and equipment and machine parts

Includes heating and cooling equipment such as industrial or laboratory furnaces and ovens, refrigerators, freezers, air-conditioning machines, generators, etc.; pumps for liquids or air and ventilating or recycling hoods; mechanical handling equipment such as work trucks, hoists and cranes; non-electrical machinery and apparatus and parts thereof, such as taps, cocks, valves or pressure-reducing or thermostatically controlled valves.

Figure 4: Export of goods to BRIC markets. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

2.1.4 Strongholds and trends in exports to Next-11

Danish exports to the new emerging markets, the Next-11 countries, also increased substantially in the period, 21%, as illustrated by the horizontal red line in figure 5 below. This, however, was from a somewhat lower point of departure than exports to BRIC markets, as Danish Next-11 exports totalled 2 billion EUR in 2008. As mentioned, Danish exporters lost terrain vis-à-vis total EU-27 exporters as a whole, and the Danish share of EU-27 exports to Next-11 of 1.2% in 2012 was therefore slightly lower than the 2008 share of 1.3%.

The Danish Next-11 exports are quite diversified with Medical and pharmaceutical products as the most important one, in line with the general export pattern with a share of 15% and an impressive growth rate, cf. Figure 5.

Other important strongholds are General industrial machinery and equipment and machine parts (13%) and Machinery specialized for particular industries (10%). The latter increased 57% in the period 2008 to 2012.

Machinery specialized for particular industries

Includes machinery for agriculture and forestry, such as harvesting, threshing or milking machines; civil engineering and contractor's plant and equipment such as bulldozers, excavators and other construction and mining machinery; textile machinery from sewing-machines to machinery for spinning, weaving, washing, drying, etc.; paper mill and pulp mill machinery, paper-cutting machines and machinery for the manufacturing of paper articles; food-processing machines for industrial use.

Figure 5. Export of goods to Next-11. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

2.1.5 Strongholds and trends in exports to the US

The US has traditionally been the most important market for Danish exports outside Europe, and in 2012 the US market was the fourth most important single-country destination for Danish exports. Exports to the US grew relatively more than the largest export market (Germany, 11%).

The high growth of 31% in Danish exports to the US market implies that Danish enterprises gained ground compared to EU-27 exporters as a whole, the exports of which grew by 18% in the same period. Danish exporters accounted for 1.9% of total EU-27 exports to the US market, up from 1.7% in 2008.

Danish exports to the US are dominated by *Medical and pharmaceutical products* which constituted 36 % of total Danish exports to the US in 2012. The Danish export of these products to the US market increased considerably from 506 million to 2 billion EUR from 2008 to 2012.

Another important export product is *Miscellaneous manufactured articles*, which constituted 7% of the Danish exports to the US, increasing 50% in the period 2008 to 2012. The export of *general industrial machinery* and *power-generating machinery and equipment* also accounted for 7% of Danish exports to the US, but in both cases export development was below the overall growth rate of 31% in Danish exports to the US market.

Miscellaneous manufactured articles

Includes arms and ammunition such as armoured vehicles, bombs, grenades, torpedoes and missiles; printed matter such as books, newspapers, journals, pictures, designs and photographs; articles of plastic such as packaging materials, lids, caps and other closures; baby carriages, toys, games and sporting goods; office and stationary supplies; works of art; jewellery and goldsmiths' wares; musical instruments.

Figure 6. Export of goods to the United States. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

2.2 Part II. Exporting enterprises⁴

2.2.1 *SMEs and large enterprises on the new growth markets*

SMEs are important actors in the Danish economy, which is also reflected by the fact that they account for half of the Danish exports in general, cf. Figure 7. There are huge differences across markets, and not surprisingly SMEs were mainly exporting to the closest markets such as Germany, where they accounted for close to 60% of exports in 2011. But SMEs also accounted for relatively large shares of Danish exports to emerging markets such as BRIC and Next-11 countries. In contrast, the SMEs only accounted for 27% of exports to the US.

Figure 7. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

Interestingly, SME exports dropped dramatically 13% from 2008 to 2009, but also recovered quickly, and in 2011 the exports from Danish SMEs were 5% higher than in 2008. In comparison, the exports from

⁴ This part is based on national databases with linked business and international trade in goods data, cf. Annex.

large enterprises dropped 10% from 2008 to 2009 and have grown to a level in 2011 of 2% above 2008.

This overall development covers very different developments for the individual markets, as the SME export grew especially on the neighbouring markets such as Germany and Poland, but also China, cf. Figure 8. The large Danish companies experienced a considerable growth in exports to Brazil, India and China, on the one hand, but did not recover to 2008-levels on the German market.

Figure 8. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

2.2.2 Trends in Danish manufacturing employment and value-added

The Danish manufacturing sector lost 84,000 jobs (in full-time equivalents) – or 24% – in the period 2008 to 2011. Employment decreased in both SMEs and large enterprises as well as in both exporting and non-exporting enterprises. Employment declined most markedly in from 2008 to 2009, and the only minor recovery was for employment in large enterprises from 2010 to 2011.

Employment in exporting enterprises, however, declined less than in the non-exporting ones. Employment in the exporting enterprises declined by 54,000, of which 18,000 jobs were in the SMEs and 35,500 in the large enterprises, a decline of 17 and just under 25%, respectively. Employment in the non-exporting enterprises dropped

by 30,000 – 21,600 in SMEs and 8,500 employees, a decline of nearly 30 and 50%, respectively.

Figure 9. Employment in manufacturing. Exporters, non- exporters by size class. 2008-2011

Note: Employment in full-time equivalents.

In contrast to the development in employment, the value added creation per employee in Danish manufacturing exporting enterprises increased in the period from 2008 to 2011, in spite of the financial crisis. Value-added per employee improved yearly throughout the period in the exporting enterprises, increasing 36 and 22%, respectively, in the large enterprises and SMEs.

Value-creation in the non-exporting SMEs also increased, albeit more moderately (9.5%), whereas the large non-exporters fared considerably worse in the period, in spite of slightly recovering from 2010 to 2011. Value-added per employee in the large non-exporting enterprises in manufacturing was 4% lower in 2011 than in 2008.

Figure 10. Value-added per FTE in manufacturing. Exporters, non-exporters by size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

3. Finland

- Export of goods declined 13% from 66 to 57 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 1.6 to 1.3%.
- Falling exports to BRIC (-11%) and the US (-13%), but growing to Next-11 (9%) – and falling share of EU-27 exports to BRIC (4.2 to 2.6), Next-11 (1.5 to 1.3), and the US (1.7 to 1.2).
- Decline in export strongholds paper, paperboard, etc. and machinery specialised for particular industries. At same time, also among the best performing export products in emerging markets. Telecom no longer key export stronghold.
- Large enterprises dominate exports, but small and medium-sized enterprises have performed better in terms of exports, both overall and on some emerging markets.
- Employment decreased more in exporting manufacturing enterprises than in non-exporting ones, irrespective of enterprise size.

3.1 Part I. Export patterns and market trends⁵

The Finnish economy has experienced a serious loss in exports since 2008. The total export of goods amounted to almost EUR 57 billion in 2012 compared to EUR 66 billion in 2008. The Finnish exports of good lost 13% in value in the period 2008 to 2012, cf. Figure 1.

In 2012 the share of exports in GDP was 29.2%, well below the 35.3% share of 2008. The decline from exports from Finland has been more dramatic than in the other Nordic economies. Exports dropped around one third from 2008 to 2009, and since then there was a gradual increase until 2012. As mentioned, the 2008 level was still far from being reached.

Finland is also performing relatively poorly when comparing to the development in exports for all EU-27 member states, as total EU exports

⁵ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

grew 12% from 2008 to 2012 compared to the decline of 13% for Finland. The Finnish share of EU exports dropped to 1.3% in 2012 from 1.6% in 2008.

Figure 1. Development in export of goods. 2008–2012

Source: Eurostat database on international trade (table DS-018995).

3.1.1 Market trends in Finnish exports

Despite the considerable decrease in the value (in current prices) of goods exports from 2008 to 2012, the overall pattern of market destination for Finnish exports remained rather stable during the period. The main change can – as for the other Nordic countries – be observed for the EU-15 markets, declining from 47 to 45% of Finnish exports, cf. Figure 2. But the EU-15 was still the largest market for Finnish goods, even if the EU was less important for Finland compared to the two other Nordic members of the EU, Denmark and Sweden.

The trend in Finnish exports can also be illustrated by the fact that the export value decreased in 8 of the ten most important markets in 2008 for Finland. The two exceptions were China where exports increased 647 million EUR, or 28%, in the period 2008 to 2012, and the Netherlands with a growth in exports of 185 million EUR, corresponding to 5%. In 2012, Belgium and Estonia had entered the group of ten most important single-country destinations for the Finnish export of goods, with increases in exports to Estonia of 270 million EUR (19%) and to Belgium of 94 million EUR (6%).

Sweden constituted the largest export market as Finnish enterprises exported for 6.2 billion EUR to the Swedish market in 2012 (or 10.9% of

total Finnish exports). Exports to the Russian Federation, being the second-most important market, experienced a huge drop from 7.6 billion EUR in 2008 to 5.7 billion in 2012 – or 25%. Also on the third-largest market, Germany, did Finland experience a severe drop as exports fell from 6.6 billion in 2008 to 5.2 billion EUR in 2012 – a decline of 20%. Russia and Germany accounted for a decline in exports of 3.2 billion EUR–37% of the total decline in Finnish exports.

Due to the importance of the Russian market, the BRIC markets represented 17% of the Finnish exports. This figure is clearly higher than in the other Nordic countries. Exports to Russia accounted for roughly 60% of total exports to BRIC countries.⁶ Finnish exports to Next-11 increased 9% in the period, with Turkey, South Korea and Egypt as the main destinations, together accounting for 66% of Finland's exports to Next-11 in 2012.

Figure 2. Export of goods by main markets. 2008–2012

Source: Eurostat database on international trade (table DS-018995).

*Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

**Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

⁶ In the National statistics by the Finnish Customs Authorities, Russia accounted for somewhat less, i.e. 40% of total exports to BRIC countries.

3.1.2 Finnish export products: global strongholds and trends

In 2012 the Finnish share of EU-27 export of goods was 1.3%, as illustrated by the vertical red line in figure 3 below. This was lower than the share of 1.6% in 2008, implying that Finnish goods exporters lost ground, as would be expected considering the overall decline in Finnish goods export of 13% in the period.

The largest product group—*paper, paperboard, articles of paper and pulp*—constituted almost EUR 7 billion in 2012. This corresponded to 11.9% of exports, cf. Figure 3. However, the export of this product group declined around EUR 1 billion (or 13%) since 2008.⁷ This development can be compared with the increase of EUR 600 million (or 7%) for one of the most important competitors on this product market, Sweden. Finland still holds a strong position within the EU, since the Finnish share of the total EU exports of *paper, paperboard, articles of paper and pulp* was 9% in 2012.

The other significant Finnish export product group is *Petroleum and petroleum products* which increased nearly 50% between 2008 and 2012 to amounting to 6.3 billion EUR. The third-most important export product group is Machinery specialised for particular industries where Finnish exports accounted for EUR 4.1 billion in 2012. However, the exports of these products have been decreased 6% in a market EU-27 exports maintained the level of 2008.

Machinery specialized for particular industries

Includes machinery for agriculture and forestry, such as harvesting, threshing or milking machines; civil engineering and contractor's plan and equipment such as bulldozers, excavators and other construction and mining machinery; textile machinery from sewing-machines to machinery for spinning, weaving, washing, drying, etc.; paper mill and pulp mill machinery, paper-cutting machines and machinery for the manufacturing of paper articles; food-processing machines for industrial use.

⁷ This is largely due to data confidentiality treatment at Eurostat, however. National statistics by the Finnish Customs Authorities show more stable developments of these products between 2008 and 2012.

The fastest growing product group, with a growth rate of nearly 230% was *Hides, skins and furskins*. The export value of these products was almost EUR 700 million and the share of EU-27 exports 14% in 2012.

Figure 3: Export of goods to all destinations (World). Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

Telecommunication equipment has for several decades been a Finnish stronghold. This is a dynamic industry, which has seen dramatic changes in business models and re-location of activities in international re-organisations of production chains. Since the economic crisis Finland has lost mobile phone production to other countries, implying a severe drop in exports. Finland has faced a dramatic fall in telecom exports from 9.1 to 1.6 billion EUR – or a drop in the share of EU-27 exports of these products from 7.1 to 1.3% from 2008 to 2012.

3.1.3 Strongholds and trends in exports to BRIC

While the overall Finnish share of EU-27 export of goods was 1.3% in 2012, the share of exports to the four BRIC countries was 2.6%. Still, this was a serious deterioration in market position compared to the share of 4.2% in 2008.

The export of goods from Finland to BRIC dropped 11%, as illustrated by the horizontal red line in figure 4 below, only slightly less than the overall decline of 13%. This development for the BRIC markets as a whole, however, covers very different national developments, as exports

to China increased 28% and exports to Brazil 20% while the exports to Russia as mentioned fell with 25% and finally also the export to India experienced a decline of nearly 9%.

The mix of export products to the BRIC markets is not the same as for the global Finnish exports overall. The most important product group, with 1 billion EUR exported to BRIC countries in 2012, was *Machinery specialised for particular industries*. In relative terms, Finnish enterprises lost markets in this product group, since 2008 exports actually declined 9%, while EU-27 countries increased their exports by 17%. The export pattern for *Electrical machinery* and *General industrial machinery* looks rather similar.

Electrical machinery, apparatus and appliances, electrical parts thereof

Includes electrical power machinery, such as transformers, and apparatus for switching or protecting electrical circuits, electrical resistors, boards, panels and equipment for distributing electricity such as insulated wire or optical fibre cables; electro-diagnostic apparatus for medical, surgical, dental or veterinary purposes; household-type equipment such as refrigerators, dishwashing machines, and vacuum cleaners; electronic integrated circuits, processors and controllers; electric sound or visual signalling apparatus such as burglar and fire-alarms.

The export performance to BRIC countries of *Skins and furskins* and *Pulp and waste paper* is outstanding for Finnish exports in this period. These product groups recorded a growth of 215 respectively 177% from 2008 to 2012.

In addition Finland accounted for around 20% of EU-27 exports of these products. Also exports of *dairy products* increased rapidly, mainly due to strong demand in Russian markets, and constituted 14% of EU-27 exports in 2012.

Figure 4: Export of goods to BRIC markets. Selected product groups. 2012

3.1.4 Strongholds and trends in exports to Next-11

In 2012 the Finnish share of EU-27 export of goods to the group of Next-11 countries was 1.3%, marginally lower than the 1.5% share in 2008. Thus, in spite of the fact that the Finnish export of goods to Next-11 increased by 9%, to 2.6 billion EUR, Finnish goods exporters still lost ground in the period.

Figure 5: Export of goods to Next-11. Selected product groups. 2012

The most important Finnish export product to Next-11 countries was the traditional Finnish stronghold *Paper, paperboard, articles of paper pulp* and *Machinery specialised for particular industries*, representing 16 respectively 15% of Finnish exports to Next-11 markets in 2012, cf. Figure 5. Both of these product groups also showed growth rates above EU-27 level, for paper 34% compared to 29%, and for specialized machinery 55% compared to 20%.

Cork and wood being part of the traditional timber industry cluster was another important Finnish stronghold on the Next-11 markets, accounting for 22% of EU-27 export at these products to Next-11 in 2012. Finnish exports of cork and wood increased less than the EU27, however – 40% compared to 62%. In general, the export growth to Next-11 was mainly based on different products from the timber industrial cluster.

3.1.5 Strongholds and trends in exports to the US

The Finnish share of EU-27 exports to the US was 1.2% in 2012, and also in this market did the Finnish position deteriorate. The share in 2008 was 1.7%. The export of goods from Finland to the US dropped by 13% in the period.

The export of goods of Finnish companies to the US equalled EUR 3.6 billion, or 6.3 per of total exports in 2012, the same share as in 2008. The exports to the US are characterised by the relatively large share of *Petroleum and petroleum products* (18% of exports to the US) but this decreased 16% in the period. The second-most important export goods were *Paper, paperboard, articles of paper pulp* (13%) which also on the US market constituted a Finnish stronghold with 22% of the total EU-27 exports to the US, cf. Figure 6.

The most rapid growth of exports was recorded for *non-ferrous metals*, more than 170%. Also exports of *professional, scientific and controlling instruments* (60% growth) and *machinery specialised for particular industries* (47% growth) increased relatively much, exceeding the growth of total EU-27 exports to the US in the period.

Professional, scientific and controlling instruments and apparatus

Includes optical instruments such as microscopes, binoculars, telescopes and astronomical instruments; instruments and appliances for medical, surgical, dental or veterinary purposes; gas, liquid, electricity supply or production meters; compasses and other navigational or surveying instruments and appliances; instruments for measuring or checking the flow, level, or pressure of liquids or gases; automatic regulating or controlling instruments and apparatus, such as thermostats and pressure regulators and controllers.

Figure 6. Export of goods to the United States. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

3.2 Part II. Exporting enterprises⁸

3.2.1 *SMEs and large enterprises on the new growth markets*

Finnish exports are characterised by the dominant role of large enterprises. Large enterprises with more than 250 employees accounted for three quarters of the total exports of goods, cf. Figure 7. On the US and Next-11 markets, the importance of large enterprises is even more pronounced as more than 80% of exports to these countries is carried out by large enterprises. The relative importance of SMEs to BRIC countries is due to the proximity to the Russian Federation, where the SMEs account for 39% of exports. As for the other Nordic countries, the Finnish SMEs account for a relatively large share of exports to Germany, although this is considerably lower than for the other Nordic countries.

Figure 7. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Note: In the Finnish linked micro data, Next-11 comprises Indonesia, Mexico, South Korea and Turkey.
Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

⁸ This part is based on national databases with linked business and international trade in goods data, cf. Annex.

In terms of total exports, the Finnish SMEs seem to have fared better than the large enterprises, cf. Figure 8. This is especially the case for the emerging markets, India and Brazil, where SME exports grew 49 and 31%, compared to an increase of 10% to India and a decline of 18% to Brazil for the large Finnish exporters. Also on the German and US markets did the SME exporters perform better than the large enterprises, while both groups of enterprises experienced a growth in exports to China of more than 20%. On the Russian market, in contrast, the SMEs performed much worse than the large enterprises, with a drop of 45% from 2008 to 2011, compared to 24% for the large enterprises.

Figure 8. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Note: In the Finnish linked micro data, Next-11 comprises Indonesia, Mexico, South Korea and Turkey.
Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

3.2.2 Trends in Finnish manufacturing employment and value-added

The Finnish manufacturing industry was hit hard not only by a significant decline in exports, but also by sizeable declines in employment and the generation of value-added.

Employment dropped 50,000 jobs from 2008 to 2011, a decline of 13%. The decline was in particular in the exporting enterprises, with large exporters in manufacturing losing 34,000 jobs and SME exporters 11,000 jobs, declines of 20 and 14%, respectively. For both groups, employment declined every year from 2008 onwards, and the exporting

enterprises as a whole accounted for the lion's share of employment decline in Finnish manufacturing.

Figure 9. Employment in manufacturing. Exporters, non-exporters by size class. 2008–2011

Note: Employment in full-time equivalents. The high index value for large non-exporters is mainly explained by mergers taking place during the period.

In the non-exporting SMEs employment declined 5,800 jobs, or 6%, while employment increased by 5% in the large non-exporting enterprises.

Value-added per employee in the large non-exporting enterprises dropped in 2009, as for the three other groups in figure 10 below, but in 2011 had by-passed 2008 level, increasing 12% in the period. For the large exporters in Finland, however, the decline in 2009 was more severe, and the subsequent recovery not sufficient to regain 2008 levels, resulting in a 12% decline in value-added in 2011 compared to 2008.

The Finnish SME exporters also experienced a more severe drop in 2009 value-added per employee than the non-exporting SMEs. The exporting SMEs, however, recovered slightly better in 2010 and even increased value-added per employee from 2010 to 2011 – unlike any of the other three groups.

Figure 10. Value-added per FTE in manufacturing. Exporters, non-exporters by size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex. The high index value for large non-exporters is mainly explained by mergers taking place during the period.

4. Iceland

- Export of goods increased 8% from 3,7 to 3,9 billion EUR from 2008 to 2012, benchmark share of EU-27 exports at 0,1% after marginal decline.
- Increasing exports to BRIC (59%) and Next-11 (157%), declining to the US (16%) – above EU-27 growth to BRIC, Next-11 markets, losing out on US market.
- High growth in export strongholds fish (24%), low in non-ferrous metals (3%), together accounting for 75% of exports. Also high growth in feeding stuff for animals as well as animal oils and fats.
- Small and medium-sized enterprises contribute significantly to exports, even more on emerging markets: SME share of national exports to BRIC and Next-11 around 80%.
- Employment increased in large exporting manufacturing enterprises, declined in small and medium-sized exporters and non-exporters. Value-added improved in all three groups of enterprises, most in large exporting enterprises.

4.1 Part I. Export patterns and market trends⁹

With 3.9 billion EUR in exports, Iceland was the smallest exporting economy in the Nordic region in 2012. The export of goods accounted for 37% of GDP in 2012, making Iceland the most export-intensive of the Nordic economies.

Iceland's export of goods grew 7.6% in the period 2008 to 2012, as figure 1 below illustrates, but there was a considerable decline from 2008 to 2009, as in the other Nordic countries. Exports declined by just over 20%, but have since recovered and by-passed 2008 level with nearly 300 million EUR. The recovery occurred particularly in 2009 to 2011, with lower export growth from 2011 to 2012, much like the other Nordic countries.

⁹ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

In spite of the fact that the export of goods from Iceland increased by 7.6%, Icelandic exporters lost ground compared to exporters from EU-27, whose exports grew by 11.8%. In overall terms, Icelandic exports corresponded to 0.1% of total EU-27 exports in 2012.

Figure 1. Development in export of goods. 2008–2012

Source: Eurostat database on international trade (table DS-043227).

4.1.1 Market trends in Icelandic exports

The Icelandic export of goods is characterised by a fairly high concentration on the EU market, which accounted for more than 70% of the total export of goods in 2012. The EU-15 alone accounted for 73.5% in 2008, and while this share declined, it was still at 69.6% in 2012. In absolute terms, Iceland's exports to EU-15 increased from 2.5 to 2.6 billion EUR. The share of exports going to the EU-12 countries increased from 2.4 to 3.6%, a development quite similar to that of Norway.

The Netherlands was the largest single-country market for Iceland's exports, accounting for 30% in 2012, down from 33.9% four years earlier. Germany was the second-largest single-country market. Exports to Germany increased from 420 to 506 million EUR and accounted for 12.9% in 2012. The United Kingdom was the third-largest export market in 2012, in spite of a decline in exports from 429 to 387 million EUR.

Iceland's export of goods to BRIC and Next-11 markets increased in the period, from a combined contribution to national exports of 5.4% in 2008 to 9.3% in 2012. In contrast, Iceland's exports to the US declined, and the importance of the US market to national exports fell from 5.8 to 4.5%.

Interestingly, exports to the BRIC countries show a mixed picture, as exports to both India and China actually declined in the period. Exports to the other Next-11 markets increased, with exports to Nigeria accounting for nearly 70% of the growth in Iceland's exports to these countries.

The development of Iceland's exports to these markets is examined further below.

Figure 2. Export of goods by main markets. 2008–2012

Source: Eurostat database on international trade (table DS-043227).

*Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

**Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

4.1.2 Iceland's export products: global strongholds and trends

In 2012 the Icelandic export of goods corresponded to 0.1% of total EU-27 export of goods, as illustrated by the vertical red line in figure 3 below. As mentioned, this benchmark ratio was marginally lower than in 2008, implying that Iceland's goods exporters lost some ground even though the export of goods grew by 7.6% in the period.

The Icelandic export of goods is heavily concentrated on *fish* and *non-ferrous metals*, which taken together accounted for nearly 75% of exports in 2012. The largest contribution to national exports came from fish products, the export of which increased from 1.2 to 1.5 billion EUR, and accounted for 38% of exports in 2012. Iceland's exports of this product corresponded to 7% of total EU-27 exports of fish products. The

export of non-ferrous metals increased 3%, somewhat below the overall growth of Iceland's exports.

Fish, crustaceans, molluscs, aquatic invertebrates; preparations thereof

Includes fish and crustaceans, molluscs and aquatic invertebrates – such as shrimps, prawns, oysters, cuttlefish, octopus and squid – fresh, chilled, frozen, dried, salted or in brine, smoked; flours, meals and pellets of fish.

Other national strongholds include *feeding stuff for animals* as well as *animal oils and fats*, which taken together accounted for 5.9% of national exports, having increased 30 and 39% in the period. The export of *iron and steel* as well as *medicinal and pharmaceutical products* also grew quite substantially in the period, cf. figure 3.

Figure 3: Export of goods to all destinations (World). Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

Non-ferrous metals

Includes silver, platinum and other metals of the platinum group, copper, nickel, aluminium, lead, zinc, tin, and miscellaneous non-ferrous base metals.

4.1.3 Strongholds and trends in exports to BRIC

Iceland's export of goods to the BRIC markets increased 59% in the period from 2008 to 2012, implying that Icelandic exporters performed quite well compared to exporters from the EU-27, whose exports increased 44% in the same period.

If *fish* is one of Iceland's strongholds in overall terms, this is even more the case when it comes to exports to the BRIC markets, where these products accounted for 71% of Iceland's exports to BRIC in 2012. Exporting enterprises from the EU-27 enjoyed a growth in fish exports to BRIC of 13.5%, but Icelandic enterprises by far out performed their EU counterparts, as exports increased from 54 to 157 million EUR.

The second-largest export product to the BRIC markets was *other transport equipment*, which accounted for 15% of Iceland's exports, in spite of a drop from 60 to 33 million EUR in the period.

Other transport equipment

includes railway and aircraft vehicles and associated equipment, spacecraft, satellite and launch vehicles and parts of these; ships, boats, hovercrafts and floating structures.

Meat and meat preparations as well as *animal oils and fats* are among the other Icelandic export products, which performed well on the BRIC markets, accounting for a combined 3.7% of exports to BRIC in 2012.

Figure 4: Export of goods to BRIC markets. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

Note: The index value for meat and meat preparations is 1.487; adjusted for illustrative purposes.

4.1.4 Strongholds and trends in exports to Next-11

Iceland's export to the Next-11 markets increased by 157% in the period from 2008 to 2012, by far out-performing exporters from the EU-27, whose exports increased by just under 30% in the same period. This growth rate, of course, reflects the fact that Icelandic exports to Next-11 were not very significant in 2008. It is, nonetheless, a quite remarkable development, in which Iceland's exports to Next-11 nearly catches up with exports to the US market within a matter of years.

It is also quite remarkably, however, that Icelandic exports to Next-11 markets were almost entirely made up of *fish*. In 2012, fish accounted for 86.1% of Iceland's export to Next-11, or 126 of 146 million EUR. The export of fish to Next-11 increased from 47 million EUR in 2008.

The second-largest export product to the Next-11 markets was *medicinal and pharmaceutical products*, which accounted for 7.7% of Iceland's exports, increasing dramatically from just under 1 million EUR in 2008 to 11.2 million EUR in 2012.

Other Icelandic export products to Next-11 include *hides, skins and furskins* as well as *general industrial machinery*, but each of these products accounted for less than 1% of Iceland's exports to the Next-11 markets in 2012.

Figure 5. Export of goods to Next-11. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

Note: The index value for medicinal and pharmaceutical products is 1,225; adjusted for illustrative purposes.

4.1.5 Strongholds and trends in exports to the US

As mentioned, Iceland's exports to the US declined in the period from 2008 to 2012, and the importance of the US market to national exports fell from 5.8 to 4.5%. In contrast, exports from EU-27 to the US increased by 17.8%, implying that Icelandic exporters lost ground on this market.

The most important export product from Iceland to the US market was *fish*, accounting for more than half (54%) in 2012. Also in fish products, the Icelandic exporters were out-performed by EU-27 exporters, who enjoyed an export growth of 106% compared to the Icelandic growth rate of 41%.

The second-largest export product to the US market was *miscellaneous manufactured articles*, increasing by 3% and accounting for 18% of Iceland's exports.

Miscellaneous manufactured articles

Includes arms and ammunition such as armoured vehicles, bombs, grenades, torpedoes and missiles; printed matter such as books, newspapers, journals, pictures, designs and photographs; articles of plastic such as packaging materials, lids, caps and other closures; baby carriages, toys, games and sporting goods; office and stationary supplies; works of art; jewellery and goldsmiths' wares; musical instruments.

Exports of *professional, scientific and controlling instruments, iron and steel* as well as *chemical materials and products* to the US market increased quite dramatically, accounting for a combined 11% in 2012.

Figure 6. Export of goods to the United States. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

Note: The index value for iron and steel cannot be calculated; the index value for chemical materials and products is 2,275; adjusted for illustrative purposes.

4.2 Part II. Exporting enterprises¹⁰

4.2.1 *SMEs and large enterprises on the new growth markets*

Icelandic SME exporters accounted for 42% of goods exports in 2011, whereas large enterprises with 250 or more employees contributed with 58%. In this respect, the role of SMEs in Iceland is quite similar to that in Norway, where SMEs contributed 43% to national exports.

Looking at the new growth markets of BRIC and Next-11, however, the Icelandic SMEs contributed 79 and 84%, respectively. These are very high shares indeed, even compared to the structure of Danish and Norwegian exports, where SMEs also contribute quite substantially. Moreover, the same applies to Iceland's exports to the US market, where SMEs accounted for nearly 60% in 2011.

Underlying this picture is the fact that the Icelandic exports by large enterprises are highly concentrated on the EU-15 markets, the destination for 85% of large enterprise exports from Iceland. Moreover, a very high share of these exports came from non-ferrous metals.

Both SMEs and large enterprises in Iceland have recovered in terms of exports after the crisis. The export of SMEs in 2011 was 20% higher than in 2008, whereas the large enterprises as a group enjoyed an export growth of 45% in the same period.

¹⁰ This part is based on national databases with linked business and international trade in goods data, cf. Annex.

Figure 7. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Note: Data not available for Germany or individual BRIC countries.

4.2.2 Trends in Iceland's manufacturing employment and value-added

The financial crisis has not impacted manufacturing employment in Iceland as much as in the other Nordic countries. In overall terms, employment in manufacturing declined by 5%, from 24,000 in 2008 to just under 23,000 in 2011. Most of the decline was in small and medium-sized enterprises, the exporting and non-exporting ones losing 1,000 and 800 employees, respectively. The large exporting enterprises, in turn, employed 700 more persons – an increase of 10% – in 2011 than in 2008.

Figure 8. Employment in manufacturing. Exporters, non- exporters by size class. 2008-2011

Note: Employees are not converted to full time employees. Iceland have none large non-exporters.

Value-added per employee in the Icelandic manufacturing enterprises show no signs of being hit by the financial crisis, as was the case in some of the other Nordic countries. In contrast, there was an increase between 10 and 42%, depending on the enterprise category, cf. figure 9 below. The large exporters increased value-added per employee the most, and also the SME exporters performed well in 2011 compared to 2008, with increases of 42 and 27% for the two groups in the period. Value-added per employee in the non-exporting SMEs increased by 10%.

Figure 9. Value-added per employee in manufacturing. Exporters, non- exporters by size class. 2011

Note: Employees are not converted to full time employees. Iceland have none large non-exporters.

5. Norway

- Export of goods increased 9% from 114 to 124 billion EUR from 2008 to 2012, benchmark share of EU-27 exports at 2,8% after marginal decline.
- Increasing exports to BRIC (41%), Next-11 (167%), and the US (23%) – above EU-27 growth to the US and especially the Next-11 markets, on par growth to BRIC markets.
- Low growth in petroleum products, high growth in export of gas –accounting for 69% of exports. Strong export performance in fish on BRIC, Next-11 and US markets.
- In manufacturing and wholesale, small and medium-sized enterprises contribute significantly to exports and have performed better than the large exporters, both overall and on emerging markets.
- In manufacturing, employment decreased in exporting manufacturing enterprises and in large non-exporting ones, but was stable in small and medium-sized non-exporting enterprises in manufacturing.

5.1 Part I. Export patterns and market trends¹¹

With EUR 124.3 billion in exports, Norway was the second-largest exporting economy in the Nordic region in 2012. The export of goods accounted for 31.9% of GDP in 2012, well below the 2008 share of 36.5%.

Norwegian exports increased 9.4% in the period 2008 to 2012, as figure 1 below illustrates, but there was a considerable decline from 2008 to 2009, as in the other Nordic countries. Exports declined 31 billion EUR, or 27%, but since recovered and by-passed 2008 level by more than 10 billion EUR. The recovery occurred particularly in 2009 to 2011, while there was hardly any growth in exports from 2011 to 2012, much like the other Nordic countries.

¹¹ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

In spite of the fact that the export of goods from Norway increased by 9.4%, Norwegian exporters still lost some ground compared to exporters from EU-27, whose exports grew by 11.8%. In overall terms, the Norwegian exports of goods corresponded to 2.8% of EU-27 exports in 2012.

Figure 1. Development in export of goods. 2008–2012

Source: Eurostat database on international trade (table DS-043227).

5.1.1 Market trends in Norwegian exports

The Norwegian export of goods is characterised by a heavy concentration on the EU market, which accounts for more than 80% of total Norwegian export of goods. The EU-15 alone accounted for 80.5% in 2008, and while this share declined, it was still at 77.4% in 2012. In absolute terms, Norwegian exports to EU-15 increased from 78.6 to 81.9 billion EUR. The share of exports going to the EU-12 countries increased from 2.9 to 3.5%, or from 3.3 to 4.4 billion EUR.

The United Kingdom was the undisputedly largest single-country market for Norwegian exports, accounting for 25.6% in 2012, down from 27% four years earlier, even though exports to this market increased by 1.2 billion EUR in the same period. Exports to Germany increased from 14.6 to 15.7 billion EUR and accounted for 12.6% in 2012. Exports to the Netherlands increased by more than 25%, from 11.8 to 14.9 billion EUR.

Exports from Norway to BRIC, Next-11 and the US increased in all cases, the combined share of exports to all three rising from 8.6 to

12.4%. The four BRIC countries accounted for a rather low share, which increased from 2.6 to 3.4%. Exports to the BRIC countries grew by 1.2 billion EUR from 2008 to 2012, but this hides the fact that Norwegian exports to India actually fell in the period. Exports to the US market grew from 5 to 6.2 billion EUR, accounting for 5% of Norwegian exports in 2012.

Interestingly, exports to the group of Next-11 countries accounted for a much lower share in 2008 than BRIC, 1.6 and 2.6%, respectively. In 2012, however, this picture had changed. Exports to Next-11 increased by more than 3 billion EUR in the period, meaning that the Next-11 markets accounted for 4% in 2012. It is noteworthy that more than two thirds of the 3 billion EUR increase stemmed from growing exports to South Korea (most of which was raw oil). Turkey and Nigeria were also important Next-11 destinations, exports to Turkey growing from 269 to 701 million EUR from 2008 to 2012.

The development of Norwegian exports to these markets is examined further below.

Figure 2. Export of goods by main markets. 2008–2012

Source: Eurostat database on international trade (table DS-043227).

*Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

**Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

5.1.2 Norwegian export products: global strongholds and trends

In 2012 the Norwegian export of goods corresponded to 2.8% of total EU-27 export of goods, as illustrated by the vertical red line in figure 3 below. As mentioned, this benchmark ratio was marginally lower than in 2008, implying that Norwegian goods exporters lost some ground even though the export of goods grew by 9% in the period.

The Norwegian export of goods is heavily concentrated on petroleum and petroleum products as well as natural and manufactured gas, which taken together accounted for nearly 70% of exports in 2012. The largest contribution to national exports came from petroleum and petroleum products, which dropped slightly from 50.2 to 49.5 billion EUR from 2008 to 2012, but still accounted for 40% of exports in 2012. Norwegian exports of this product corresponded to 17% of total EU-27 exports of petroleum and petroleum products. Gas exports grew 39%, a growth rate well above the overall growth of 9%, from 26 to 36 billion EUR.

Another national stronghold is the export of fish, which accounted for 5% of Norwegian exports in 2012. As figure 3 below illustrates, also in this product field did Norwegian exports experience higher than overall growth rates. With an increase from 4.5 to 6.8 billion EUR, the value of Norwegian fish exports grew by 49% in the period from 2008 to 2012. Norwegian exports of this product corresponded to a third of total EU-27 exports of fish in 2012.

Non-ferrous metals accounted for 4.3% of Norwegian exports in 2012. National exports of these metals declined by 11%, or nearly 700 million EUR from 2008 to 2012.

Figure 3: Export of goods to all destinations (World). Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

5.1.3 Strongholds and trends in exports to BRIC

The overall benchmark ratio of Norwegian to total EU-27 exports was 2.8% in 2012, while the corresponding figure for exports to BRIC was only 1.1%. Norwegian exports to the BRIC countries increased by 41% from 2008 to 2012, but in the same period EU-27 exports to BRIC increased by 44, implying that Norwegian exporters lost some ground in these markets.

Norwegian exports to BRIC are made up of a more diverse product portfolio, as *petroleum and petroleum products* as well as *gas* products are much less important in exports to BRIC markets than overall. The key stronghold in Norwegian exports to BRIC is *fish*, which accounted for 31% of Norwegian BRIC exports in 2012. The export of fish to BRIC markets increased 66%, from 786 million in 2008 to 1.3 billion EUR in 2012. As figure 4 below illustrates, the Norwegian export of fish to BRIC was almost twice that of the entire EU-27 export of fish to the same four markets in 2012.

The two second-largest export products were *non-ferrous metals* and *machinery specialised for particular industries*. The export of non-ferrous metals to BRIC almost trebled, increasing from 118 to 333 million EUR, while the export of machinery specialised for particular industries grew by 16%.

Machinery specialized for particular industries

Includes machinery for agriculture and forestry, such as harvesting, threshing or milking machines; civil engineering and contractor's plan and equipment such as bulldozers, excavators and other construction and mining machinery; textile machinery from sewing-machines to machinery for spinning, weaving, washing, drying, etc.; paper mill and pulp mill machinery, paper-cutting machines and machinery for the manufacturing of paper articles; food-processing machines for industrial use.

The Norwegian export of *gas, organic chemicals* and *crude fertilisers* to BRIC also increased quite substantially with 147, 91 and 49%, respectively. Taken together, these three product groups accounted for approximately one-sixth of Norwegian export growth on the BRIC markets.

Figure 4: Export of goods to BRIC markets. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

5.1.4 Strongholds and trends in exports to Next-11

As mentioned, Norwegian exports to Next-11 increased by more than 3 billion EUR from 2008 to 2012. The high growth implies that Norway's total export of goods to Next-11 corresponded to 2.5% of total EU-27 exports to the same markets in 2012, up from 1.2% in 2008.

Compared to the broad portfolio of products that made up Norwegian exports to BRIC, the exports to Next-11 countries are characterised by much the same products that dominate total exports. That is, *petroleum and petroleum products* account for 35% of exports to Next-11, increasing quite dramatically from 71 million to 1.8 billion EUR. The Norwegian benchmark share of petroleum and petroleum product exports, however, is “only” 9.6% of EU-27 exports when it comes to Next-11 markets, compared to an total export share of these products of 16.7%, implying that Norwegian exporters here have a strong, but comparatively weaker market position than is overall the case.

The second-largest Norwegian export product to Next-11 markets was *general industrial machinery and equipment*, which increased 35% and accounted for 12% of Norwegian exports to Next-11 in 2012.

Gas accounted for 9% of Norway’s export of goods to Next-11 markets in 2012, and here the Norwegian benchmark share is quite close to the global figure (113.9% for Next-11 compared to 116.5 overall). Norwegian export of gas to Next-11 increased from 49 to 452 million EUR.

Machinery specialised for particular industries, fish and professional, scientific and controlling instruments were among the other product strongholds in Norwegian exports to Next-11. The export of these products to Next-11 increased by some 358 million EUR, accounting for nearly 20% of Norwegian exports to the Next-11 markets in 2012.

Figure 5. Export of goods to Next-11. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

Professional, scientific and controlling instruments and apparatus

Includes optical instruments such as microscopes, binoculars, telescopes and astronomical instruments; instruments and appliances for medical, surgical, dental or veterinary purposes; gas, liquid, electricity supply or production meters; compasses and other navigational or surveying instruments and appliances; instruments for measuring or checking the flow, level, or pressure of liquids or gases; automatic regulating or controlling instruments and apparatus, such as thermostats and pressure regulators and controllers.

5.1.5 Strongholds and trends in exports to the US

Norwegian exporters gained ground on the US market in the period from 2008 to 2012 as Norwegian exports increased by 23.4%, well above the EU-27 export growth of 17.8%. In 2012, the Norwegian benchmark share of EU-27 export to the US market was 2.1%.

Norwegian exports to the US market are very much dominated by *petroleum and petroleum products*, which in 2012 accounted for 62%. Exports of these products to the US market increased by 60%, from 2.4 to 3.8 billion EUR.

Non-ferrous metals were the second-largest export product from Norway to the US, accounting for 4.9%, somewhat more than the contribution to total national exports (4.3%). Norwegian exporters improved their market position vis-à-vis EU-27 exporters, showing an increase in the export of non-ferrous metals to the US market of 41% compared to an EU-27 export growth of just over 4%.

Miscellaneous manufactured articles were the third-largest export product group in 2012, accounting for 3.2% of Norwegian exports to the US. The export of these products, however, did not perform very well in the period, declining by nearly 10% from 225 to 202 million EUR.

Miscellaneous manufactured articles

Includes arms and ammunition such as armoured vehicles, bombs, grenades, torpedoes and missiles; printed matter such as books, newspapers, journals, pictures, designs and photographs; articles of plastic such as packaging materials, lids, caps and other closures; baby carriages, toys, games and sporting goods; office and stationary supplies; works of art; jewellery and goldsmiths' wares; musical instruments.

As in Norwegian exports to Next-11, *professional, scientific and controlling instruments* were also important export products on the US market. Exports increased from 154 to 193 million EUR, an increase of 25% which matched the export growth of EU-27 exporters of the same products.

Figure 6. Export of goods to the United States. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-043227).

5.2 Part II. Exporting enterprises¹²

5.2.1 SMEs and large enterprises on the new growth markets

Small and medium-sized enterprises contribute more than 40% to the Norwegian export of goods from manufacturing and wholesale enterprises, cf. figure 7 below, and in this respect the Norwegian economy resembles the Danish more than the Swedish and Finnish ones, which are dominated by large enterprises with 250 or more employees.

Surprisingly, the SMEs account for nearly half of Norway's exports to the BRIC markets (46%) and also a sizeable share of exports to Next-11

¹² This part is based on national databases with linked business and international trade in goods data, cf. Annex.

(39%). The SME contribution to exports to BRIC is even higher than their overall contribution to exports, which is not the case in Denmark.

Unlike the other Nordic countries, the Norwegian SMEs account for a lower share of exports to Germany than their overall contribution, i.e. 37% compared to 43%.

Figure 7. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

In overall terms, the Norwegian SMEs have performed better than the large enterprises on export markets. The large enterprises have not recovered exports to the level before the crisis as they have lost 12.5% of exports from 2008 to 2011, whereas the SMEs have gained 1.8% in the same period, cf. figure 8 below.

Interestingly, the SMEs out-performed the large enterprises in the new growth markets of Next-11 as well as in three out of four BRIC markets. In exports to Next-11, the SMEs show an export growth of 22%, whereas the exports of large enterprises dropped 8%. As far as the BRIC markets are concerned, the SMEs performed better than the large enterprises in exporting to Russia (40% growth compared to 8%), India (18% growth compared to 27% decline) and China (28 and 27%, growth, respectively). Only in exporting to Brazil did the large enterprises perform better, enjoying an export growth of 61% compared to 20% for the SMEs.

Also on the German market did the SMEs perform better, while on the US market the two groups of enterprises were almost on par, neither quite recovering to 2008-level.

Figure 8. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

5.2.2 Trends in Norwegian manufacturing employment and value-added

Employment in Norwegian manufacturing declined by 21,800 jobs (full-time equivalents), or 9%. Only in the SME non-exporting enterprises did employment not decline in the period 2008 to 2011.

The employment in SME exporters declined by 7,700 jobs, or nearly 15%, while in the large exporting enterprises 6,200 jobs disappeared, a decline of 12%. Employment in the large non-exporting enterprises declined the most with 8,700 jobs, corresponding to nearly 17%.

Figure 9. Employment in manufacturing. Exporters, non- exporters by size class. 2008-2011

Note: Employment in full-time equivalents.

As a whole, value-added per employee in Norwegian manufacturing had recovered to 2008 level in 2011. After a decline of 7% in 2009 in the SME exporters and 13% in the large exporters, the value-added per employee generated by the SME exporters was 4% higher in 2011 than in 2008. In the large exporting enterprises, value-added in 2011 was at the same level as in 2008.

The large non-exporting enterprises, where employment declined the most, value-added per employee did not decline but instead increased by nearly 16%.

Figure 10. Value-added per FTE by size class. Exporters, non-exporters in manufacturing. 2008–2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

6. Sweden

- Export of goods increased 8% from 125 to 134 billion EUR from 2008 to 2012, the share of EU-27 exports dropping from 3.1 to 3.0%.
- Growing exports to BRIC (23%), Next-11 (4%), the US (5%) – drop in share of EU-27 exports to BRIC (3.2 to 2.7), Next-11 (3.4 to 2.7), the US (3.3 to 2.9).
- Export decline in strongholds road vehicles and telecom, low growth in paper, paperboard, etc., high growth in export of petroleum and petroleum products. Electrical machinery, paper, paperboard, etc. among best performing on BRIC, Next-11 markets.
- Large enterprises dominate exports, but small and medium-sized enterprises have performed better in terms of exports, both overall and on some emerging markets.
- Employment decreased in all groups, but value added per FTE increased in all groups except large non-exporters. The increase was highest for large exporters.

6.1 Part I. Export patterns and market trends¹³

With Swedish exports amounting to 134.3 billion EUR in 2012, Sweden was the largest exporting economy of the Nordic countries. The export of goods amounted to 32.9% of GDP, making Sweden the second-most export-intensive of the major Nordic economies after Denmark.

Sweden experienced an abrupt and considerable decline in the export of goods from 2008 to 2009, with exports dropping nearly 30 billion EUR or 25%, cf. Figure 1. But already in 2010 the Swedish exports increased considerably, by of close to 26 billion EUR, nearly recovering to 2008-level. Export growth continued to reach 134.3 billion in 2011. This level (in current prices) was maintained in 2012, and thus Swedish exports grew 8% in the period 2008 to 2012. Still, Sweden lost market

¹³ This part covers the total export of goods and is based on international trade in goods data from Eurostat's databases.

share compared to the other EU member states, as the Swedish share of EU-27 exports declined from 3.2 to 3.0% in the period.

Figure 1. Development in export of goods. 2008–2012

Source: Eurostat database on international trade (table DS-018995).

6.1.1 Market trends in Swedish exports

The Swedish export of goods is characterised by being more globally spread than the other Nordic countries' export in the sense that less than 60% of total exports were exported to the other EU member states in 2008. This share declined further due to the crisis and weakened demand in Europe, as also observed for the other Nordic countries, cf. Figure 2. The geographical spread is also reflected by the large share of exports to the residual group of countries (i.e., Rest of World), although it has to be noted that especially Norway is of considerable importance as a market for Swedish exports.

Norway was the largest market for Swedish exports in 2012 with an export of 13.8 billion EUR (10.3% of total exports), followed by Germany (9.8%). Interestingly, two of the three closest markets, Norway and Finland both gained in relative importance – from 15.8 to 16.7% of exports in 2012. On the other hand, exports to Denmark dropped 650 million EUR from 2008 to 2012.

Furthermore, the importance of the US as a destination for Swedish exports declined slightly during the period, in contrast to some of the other Nordic countries. It is also remarkable that exports to BRIC only increased from 6.7% to 7.6% in 2012. This was due to developments on

the individual BRIC markets, as the exports to China increased 1.9 billion EUR in the period, while exports to both the Russian Federation and India declined.

Also on the emerging markets, Next-11, Swedish exports did not gain in relative importance during the period, in contrast to the patterns observed for the other Nordic countries. Turkey, South Korea and Egypt were the main destinations, accounting for 3.2 of 5.4 billion EUR in Swedish Next-11 exports (59%).

The development of Swedish exports to these markets is examined further below.

Figure 2. Export of goods by main markets. 2008–2012

Source: Eurostat database on international trade (table DS-018995).

*Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

**Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.

6.1.2 Swedish export products: global strongholds and trends

In 2012 the Swedish share of EU-27 export of goods was 3.0%, as illustrated by the vertical red line in figure 3 below. This was marginally lower than the share of 3.1% in 2008, implying that Swedish goods exporters lost ground even though the export of goods from Sweden grew by 8% in the period.

The Swedish exports are characterised by a relative concentration, as the ten most exported goods account for 59.5% of exports in 2012. *Road vehicles* is the largest category of goods with an export value of 13.2 bil-

lion EUR in 2012 (9.8% of exports), cf. Figure 3. The export of road vehicles dropped 1.7 billion EUR or 11.4% from 2008 to 2012. In the same period, another major European exporter of road vehicles, Germany, experienced a growth of 15%.

The second-most important export product is *Petroleum and petroleum products* with 12.0 billion EUR (8.9%) in 2012, growing 35% in the period equalling the overall EU-27 growth.

The third-most important stronghold of Swedish exports, *Paper, paperboard and other paper products*, increased 7%, close to the average growth of 8% for all Swedish export products. In related products, such as cork and wood as well as pulp and waste paper, Swedish enterprises also command a strong market position, when measured in terms of the share of total EU-27 exports.

Telecommunication equipment has for several decades been a Swedish stronghold, but since the economic crisis Sweden has lost market share, dropping from 6.4 to 5.4% from 2008 to 2012. The highest growth in the period was observed for *Fish*, with a growth of 76%.

Figure 3: Export of goods to all destinations (World). Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

Telecommunications, sound-recording and reproducing equipment

Includes monitors and projectors, reception apparatus for radio-broadcasting, sound-recording or reproducing apparatus, video recording or reproducing apparatus; telecommunications equipment such as telephones and other apparatus for the transmission or reception of voice, images or other data; loudspeakers, headphones, etc.; radar and radio navigation aid apparatus; digital and video cameras.

6.1.3 Strongholds and trends in exports to BRIC

In 2012 the Swedish share of EU-27 export of goods to the four BRIC countries was 2.7%, a considerable drop from 3.2% in 2008. Thus, even though the Swedish export of goods to the BRIC countries increased by 23%, the Swedish exporters nevertheless lost ground in the period.

Road vehicles constitutes a Swedish stronghold on BRIC markets with 13.1% of Swedish exports to these markets. Although the Swedish export of Road vehicles increased 23% to 1.1 billion EUR, this should be seen in the context of a growth of 250% in German exports of Road vehicles to BRIC in the same period.

The second-most important category of goods exported to BRIC is *Electrical machinery, apparatus and appliances*, with 10.4% of exports to these markets. The Swedish exporters also performed relatively poorer than the exporting enterprises in EU-27 (29%).

Electrical machinery, apparatus and appliances, electrical parts thereof

Includes electrical power machinery, such as transformers, and apparatus for switching or protecting electrical circuits, electrical resistors, boards, panels and equipment for distributing electricity such as insulated wire or optical fibre cables; electro-diagnostic apparatus for medical, surgical, dental or veterinary purposes; household-type equipment such as refrigerators, dishwashing machines, and vacuum cleaners; electronic integrated circuits, processors and controllers; electric sound or visual signalling apparatus such as burglar and fire-alarms.

Pulp and waste paper constitutes the strongest Swedish position on BRIC markets with 11.4% of EU-27 exports of these products to BRIC. At the same time, Pulp and waste paper experienced the largest growth of all Swedish key exports to the BRIC markets, with an impressive 165% in the period 2008 to 2012 – compared to 63% for all 27 EU member states.

Figure 4: Export of goods to BRIC markets. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

6.1.4 Strongholds and trends in exports to Next-11

The growth in Swedish exports to Next-11 was only 4% in the period 2008 to 2012 compared to a growth of 29% for EU-27. The Swedish share of EU-27 export of goods to the group of Next-11 countries dropped to 2.7% in 2012, significantly lower than the 2008 share of 3.4%. This was a loss of terrain that was even more marked than in the case of Swedish exports to BRIC above.

The Swedish stronghold on these markets is *Telecommunications equipment*, with a share of 11.5% of exports. But this stronghold experienced a sharp decline, as exports were nearly halved from 1.2 billion EUR in 2008 to 630 million EUR in 2012.

Paper, paperboard and paper articles accounted for 8% of Swedish exports to Next-11 in 2012: The Swedish export of these goods to Next-11 increased 40%, compared to 29% for EU-27. Other products from the wood/paper cluster, such as *Cork and wood* and *Pulp and waste paper* performed relatively well with growth rates of 50 respectively 19% in the period 2008 to 2012. In relative terms, these products represented the strongest positions of Swedish export goods, nearly 29 respectively 19% of EU-27 exports to Next-11.

Metalliferous ores and metal scrap represented the second-strongest position of Swedish export goods on Next-11 markets with 8.2% of total

exports to these countries and a growth of 58% in the period close to the EU-27 average but lagging behind Germany (84% growth).

Figure 5. Export of goods to Next-11. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

6.1.5 Strongholds and trends in exports to the US

Swedish exports to the US amounted to nearly 8.6 billion EUR in 2012, growing only 5% in the period 2008 to 2012 compared to an overall growth in EU-27 exports of 18% in the same period. In spite of growing exports, the Swedish share of EU-27 exports to the US fell from 3.3 to 2.9%.

Medical and pharmaceutical products constituted the strongest position with a share of nearly 11% of Swedish exports to the US. Nevertheless, exports declined modestly in the period with 3% compared to a growth in EU-27 exports of 33% and a growth of close to 300% in Danish exports. Also the second-most important product group, *Road vehicles*, declined nearly 1.2 billion EUR – a drop of 30%, compared to a growth in German exports of 30% in the same period.

A more positive development in Swedish US exports can be found in *Telecommunications* constituting 6.9% of the Swedish exports to the US, but being the Swedish stronghold on the US market with 13.3% of EU-27 exports. The Swedish exports grew with 51% in the period compared to a EU-27 growth of only 16% in the same period.

Figure 6. Export of goods to the United States. Selected product groups. 2012

Source: Eurostat database on international trade (table DS-018995).

6.2 Part II. Exporting enterprises¹⁴

6.2.1 *SMEs and large enterprises on the new growth markets*

Swedish exports by manufacturing and wholesale enterprises are dominated by the large enterprises with 250 or more employees. These enterprises account for more than two-thirds of exports, cf. Figure 7. Not surprisingly, this dominance is even more pronounced on the non-European markets such as BRIC (close to 80%), Next-11 (84%) or the US (close to 81%). Also, in line with the patterns found in the other Nordic countries, the SMEs accounted for a larger share of exports to the closest markets, e.g. Germany, where they accounted for nearly 38% of total Swedish exports in 2011.

¹⁴ This part is based on national databases with linked business and international trade in goods data, cf. Annex.

Figure 7. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

The Swedish SMEs have performed differently than the large enterprises on the export markets. Interestingly, the large enterprises lost 4.6% of exports from 2008 to 2011, while the SMEs gained 7.8% in the same period, cf. Figure 8. Especially exports to India show a very different performance for SMEs and large enterprises, the SMEs increasing 46% in the period 2008 to 2011. In the same period, the exports from the large enterprises declined 6.2%. On the other BRIC markets the large enterprises performed better than the SMEs.

Interestingly, the Swedish SMEs also out-performed the large enterprises in exporting to Next-11 (growth in exports of 28 and 16%, respectively) and to the US (7% increase and 2% decline, respectively). Swedish exports to Germany were characterised by an increase in the exports by SMEs of 13% while the exports by the large enterprises dropped 13% in the period 2008 to 2011. The growth in SME exports to Germany, however, was not sufficient to compensate for the decline in large enterprises' exports, resulting in an overall drop of 5%.

Figure 8. Export of goods in manufacturing and wholesale. By enterprise size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

6.2.2 Trends in Sweden's manufacturing employment and value-added

In the period 2008 to 2011, 57,000 jobs (in full-time equivalents) were lost in manufacturing in Sweden, corresponding to a decline of nearly 10%. Employment trends for the large enterprises were quite similar, as employment in large exporting and non-exporting enterprises declined by 10.6 and 10.2%, respectively. In absolute terms the decline was 30,000 and 3,900 full-time equivalents, respectively.

Employment in small and medium-sized exporting enterprises declined slightly less in relative terms by 9.7%, corresponding to nearly 15,000 jobs. Employment in the small and medium-sized non-exporters declined the least in relative terms by 6.8%, or just under 10,000 jobs.

Figure 9. Employment in manufacturing. Exporters, non- exporters by size class. 2008-2011

Note: Employment in full-time equivalents.

In terms of value-added per employee (in full-time equivalents), this was higher in 2011 than in 2008 in all enterprises except for the large non-exporting ones. In particular the large exporting enterprises performed well in this respect, with value-added per employee increasing by nearly 20% in the period. Also the small and medium-sized enterprises performed well in terms of value-added per employee, with increases of 7.8 and 10.6%, respectively, in the exporting and non-exporting enterprises. The large non-exporting enterprises, in turn, experienced a decline of just over 10% in the period.

Figure 10. Value-added per FTE in manufacturing. Exporters, non-exporters by size class. 2011

Source: Statistics Denmark, Finland, Iceland, Norway and Sweden; national databases on non-financial business sector linked with international trade in goods statistics, cf. Annex.

Dansk sammenfatning

Denne rapport adresserer nogle af de mange spørgsmål, den økonomiske globalisering rejser. Hvad er de nordiske landes styrkepositioner på eksportområdet, både i forhold til varer og markeder? Hvordan klarer de nordiske lande sig på de nye vækstmarkeder – vinder de terræn i forhold til andre europæiske lande, og er det på disse markeder, at de nordiske landes vareeksport vokser? Hvor stor betydning har de små og mellemstore virksomheder (SMVer) for de nordiske landes vareeksport sammenholdt med de store virksomheder? Og hvordan har SMVerne og de store virksomheder klaret sig igennem krisen med hensyn til hjemlig beskæftigelse og performance på eksportmarkederne?

Rapporten fokuserer på eksporten af varer fra de nordiske lande og dækker således ikke eksporten af tjenesteydelser. Eksporten af tjenesteydelser bidrager væsentligt til den samlede eksport fra de nordiske lande, men de statistiske kilder til belysning af international handel med tjenester har ikke samme detaljeringsgrad og dermed egnethed til komparative analyser, som man finder for international handel med varer.

På tværs af de nordiske lande er de væsentligste, overordnede resultater af analysen følgende:

- Sverige er den største, nordiske vareeksportør, men Island er mest eksportorienteret med en eksport af varer på 37 % af Islands bruttonationalprodukt (BNP).
- Vareeksporten faldt betydeligt i 2009 som følge af krisen, men i 2012 havde eksporten for alle de nordiske lande, med undtagelse af Finland, genfundet niveauet fra 2008.
- De nordiske lande tabte terræn på eksportmarkederne i perioden 2008 til 2012 i forhold til de andre EU-lande. Hvis de nordiske lande havde fastholdt deres markedsposition i perioden, ville den nordiske vareeksport have været 31 mia. EUR højere i 2012.
- De nordiske lande tabte især terræn på BRIK markederne, i særlig grad på det russiske marked. Danmark var det eneste nordiske land, der vandt terræn på BRIK markederne.
- Samlet set vandt de nordiske lande til gengæld terræn på Next-11 markederne (Bangladesh, Egypten, Indonesien, Iran, Sydkorea, Mexico, Nigeria, Filippinerne, Pakistan, Tyrkiet og Vietnam), men

dette skyldtes primært en stor stigning i eksporten af råolie fra Norge til Sydkorea.

- De nordiske lande mistede terræn på eksporten af varer til USA, trods en øget andel af eksporten til dette marked for Danmark og Norges vedkommende.

Analysens overordnede resultater rejser nogle vigtige politiske spørgsmål:

Stærke eksportprodukter

Analysen viser, at de nordiske landes produktmæssige styrkepositioner især er inden for mere traditionelle produkter som papir, papirartikler og papirmasse, huder, skind og pelsskind, fisk og fødevarer – og i mindre udstrækning inden for mere højteknologiske produkter. Spørgsmålet er, hvorvidt dette må betragtes som et problem fremadrettet, og om erhvervspolitikken burde fokusere mere på den eksisterende højteknologiske produktion i de nordiske lande og de involverede virksomheders konkurrenceevne, eksempelvis gennem initiativer relateret til virksomheders investeringer.

Jobløs eksportvækst?

De nordiske lande har – med undtagelse af Finland – alle genvundet niveauet i vareeksporten fra før krisen. Samtidig er 150.000 jobs forsvundet i de nordiske landes eksporterende industrivirksomheder. Selv hvis de nordiske lande kunne genvinde de markedsandele, der gik tabt i perioden 2008 til 2012, må det antages ikke at føre 150.000 nye jobs med sig. Stigende produktivitet og effektivitet kombineret med vigende hjemmemarkeder er væsentlige faktorer, når den fremtidige beskæftigelsespolitik skal fastlægges.

Fokus på SMVerne

De eksporterende SMVere bidrager væsentligt til den nordiske eksport. I de fleste nordiske lande har SMVerne klaret sig godt igennem krisen og har genvundet eksportniveauet fra før krisen hurtigere end de store virksomheder. Yderligere er der gået relativt færre jobs tabt i de eksporterende SMVere end i de store. For at fastholde den positive eksportudvikling og skabe beskæftigelse er det derfor vigtigt at fokusere på rammevilkår relateret til SMVernes eksportpotentiale.

Rapporten præsenterer en række resultater på mere detaljeret niveau. Her følger hovedkonklusionerne for de enkelte nordiske lande.

Danmark

- Vareeksporten steg 3 % fra 79 til 82 mia. EUR fra 2008 til 2012, men andelen af EU-27 vareeksport faldt fra 2 til 1,8 %
- Stigende eksport til BRIK (49 %), Next-11 (21 %) og USA (31 %). Øget andel af EU-27 vareeksporten til BRIK og USA, men faldende andel til Next-11.
- Høj vækst i eksporten af de tre produktmæssige styrkepositioner: medicinske og pharmaceutiske produkter, huder, skind og pelsskind samt levende dyr. Medicinske og pharmaceutiske produkter er en central styrkeposition på BRIK, Next-11 og det amerikanske marked, med høj vækst i eksporten til alle tre markeder.
- SMVerne bidrager væsentligt til vareeksporten, også til de nye vækstmarkeder, og samlet har SMVerne ligesom de store virksomheder genvundet eksportniveauet fra før krisen.
- Bedre udvikling i beskæftigelse og værditilvækst per ansat i de eksporterende end i de ikke-eksporterende virksomheder inden for industrien, uanset virksomhedsstørrelse.

Finland

- Vareeksporten faldt 13 % fra 66 til 57 mia. EUR fra 2008 til 2012, og andel af EU-27 vareeksport faldt fra 1,6 til 1,3 %
- Faldende eksport til BRIK (-11 %) og USA (-13 %), men stigende til Next-11 (9 %). Fald i andel af EU-27 vareeksporten til BRIK (4,2 til 2,6 %), Next-11 (1,5 til 1,3 %) og USA (1,7 til 1,2 %).
- Fald i eksporten af de produktmæssige styrkepositioner: papir mv. og specialmaskiner til forskellige industrier, som dog samtidigt er blandt de eksportprodukter, der klarer sig bedst på de nye vækstmarkeder. Telekommunikations udstyr er ikke længere en central eksportmæssig styrkeposition.
- Store virksomheder dominerer vareeksporten, men SMVernes eksport er steget relativt mere, både globalt og på de nye vækstmarkeder.
- Beskæftigelsen faldt mere i de eksporterende end i de ikke-eksporterende virksomheder inden for industrien, uanset virksomhedsstørrelse.

Island

- Vareeksport steg 8 % fra 3,7 til 3,9 mia. EUR fra 2008 til 2012. Islands eksport var størrelsesmæssigt 0,1 % af EU-27s vareeksport, efter et marginalt fald i perioden.

- Stigende eksport til BRIK (59 %) og Next-11 (57 %), men faldende til USA (-16 %). Øget andel af EU-27 vareeksporten til BRIK og Next-11, men faldende andel til USA.
- Høj vækst i eksport af fisk (24 %), men lav vækst i eksporten af ikke-jernholdige metaller (3 %), der tilsammen udgør 75 % af den islandske vareeksport. Ligeledes høj vækst i eksporten af foderstoffer, animalske olier og fedtstoffer.
- SMVerne bidrager væsentligt til den samlede islandske vareeksport, og i endnu højere grad til eksport til de nye vækstmarkeder med en SMV andel af vareeksporten til BRIK og Next-11 på ca. 80 %
- Stigende beskæftigelse i store eksporterende industrivirksomheder, men faldende i både eksporterende og ikke-eksporterende SMVere.

Norge

- Vareeksporten steg 9 % fra 114 til 124 mia. EUR fra 2008 til 2012. Norges eksport var størrelsesmæssigt 2,8 % af EU-27s vareeksport, efter et marginalt fald i perioden
- Stigende eksport til BRIK (41 %), Next-11 (167 %) og USA (23 %). Øget andel af EU-27s vareeksport til USA og især Next-11, men uændret andel til BRIK.
- Lav vækst i eksporten af rå mineralolier og produkter heraf, men høj vækst i eksporten af gas. Tilsammen udgør disse produkter 69 % af den norske vareeksport. Stærk stigning i eksporten af fisk til BRIK, Next-11 og USA.
- Inden for industri og engroshandel bidrager SMVerne væsentligt til vareeksporten og har i perioden klaret sig eksportmæssigt bedre end de store virksomheder, både globalt og på de nye vækstmarkeder.
- Faldende beskæftigelse i både de eksporterende industrivirksomheder og i de store ikke-eksporterende virksomheder, men stabil beskæftigelse blandt de eksporterende SMVere inden for industrien.

Sverige

- Vareeksporten steg 8 % fra 125 til 134 mia. EUR fra 2008 til 2012. Andelen af EU-27 vareeksporten faldt fra 3,1 til 3,0 % i perioden.
- Stigende eksport til BRIK (23 %), Next-11 (4 %) og USA (5 %), men faldende andel af EU-27 vareeksport til BRIK (3,2 til 2,7 %), Next-11 (3,4 til 2,7 %), og USA (3,3 til 2,9 %).
- Faldende eksport inden for produktmæssige styrkepositioner køretøjer og telekommunikations udstyr, lav vækst i eksporten af papir mv., og høj vækst i eksporten af rå mineralolier og produkter heraf. Elektriske maskiner og apparater samt papir mv. er blandt de

eksportprodukter, der klarer sig bedst på BRIK og Next-11 markederne.

- Store virksomheder dominerer vareeksporten, men SMVerne har klaret sig bedre eksportmæssigt, både globalt og på de nye vækstmarkeder.
- Beskæftigelsen faldt blandt alle grupper virksomheder, men værditilvæksten per ansat steg i alle grupper undtagen blandt de store ikke-eksporterende virksomheder. Stigningen var størst blandt de store eksportvirksomheder.

7. Annex. Data sources and methodology

The analysis *Nordic businesses in a globalised world* has been carried out in the period from March to August 2013 by Statistics Denmark, in close collaboration with the statistical institutes in Finland, Iceland, Norway and Sweden. This annex contains a description of the data sources and methodologies used.

7.1 International trade in goods data

Part of the analysis is based on international trade in goods data from Eurostat's database, as extracted in July 2013. This is not delimited by enterprise activity or size class, as is the case when it comes to the analyses based on national databases of linked micro data, cf. below.

This part of the analysis covers information on overall export performance, market trends and product strongholds. The data cover the period from 2008 to 2012.

Minor discrepancies may exist between Eurostat figures and national figures due to the use of a different concept for the data provided to Eurostat (which has to be harmonized according to the Community concept). These reasons can refer to:

Treatment of goods in "quasi" transit: Some Member States, including the Nordic ones, do not record in their national figures certain goods, which they consider to be "in transit". Such flows are included in Eurostat's statistics.

Different trade system for compilation of statistics: applying the so-called *general trade system* at national level rather than the so-called *special trade system* used for Eurostat data. All Nordic countries apply the *general trade system*. The *general trade system* includes all goods entering or leaving a country with the exception of transit trade. The *special trade system*, on the other hand, is a narrower concept. Goods from a foreign country which are received into customs warehouses are not recorded in the special trade aggregates unless they subsequently go into free circulation in the country of receipt (or are placed under the

customs procedures for inward processing or processing under customs control). Similarly, outgoing goods from customs warehouses are not recorded as exports.

7.1.1 *National database of business and international trade data*

In addition to international trade in goods data from Eurostat's database, the project has entailed the construction at national level of databases consisting of annual business statistics linked at enterprise level with information on the international trade in goods, covering both a very high level of detail on export destination as well as export broken down by products.

The databases have been constructed by each statistical institute in accordance with guidelines developed by Statistics Denmark, and the outputs have been produced at national level using harmonised SAS syntax developed by Statistics Denmark.

The databases cover all active enterprises in the non-financial business economy (NACE Rev.2 sections B to N, excl. K) in the economy for the period 2008 to 2011, the latter being the most recent year available across the Nordic countries.

This information is used in the analysis of export performance, employment and value-added by enterprises of different size classes as well as comparisons of exporters and non-exporters. Value added is defined as revenue plus other operating income minus consumption of goods and services. The analysis in this part focuses on enterprises within manufacturing and wholesale.

In the analysis based on the linked micro-data, a distinction is made between different size classes. Small and medium-sized enterprises are defined as those enterprises with less than 250 employees, whereas large enterprises are defined as those having 250 or more employees.

Furthermore, a distinction is made between exporters and non-exporters in the analysis. Exporters are defined as enterprises having an annual export of at least EUR 5,000 and exports amounting to at least 5% of annual turnover.

The following contains a description of the national database, including information about the full population and, within this, the breakdowns by NACE sections as well as trade involvement.

7.2 Denmark

The Danish population covers, in 2011, 213,376 enterprises with a total of nearly 1.2 million employees (in full-time equivalents), cf. the table below.

The analysis focuses on enterprises within manufacturing and wholesale, a total of 39,374 enterprises with 436,387 employees, corresponding to 18.5% of all enterprises and 37.8% of total employment. These enterprises account for a total of 87.5% of exports.

Based on the criteria for distinguishing between exporters and non-exporters, the focus population is divided into 8,667 exporting enterprises, 5,797 enterprises with exports below the established cut-off criteria, and 24,910 enterprises without any exports. The enterprises categorised as exporters account for 98.2% of the focus population's total exports.

Table 1. Danish database population 2011

	Total	Manufacturing	Wholesale	Mining, quarrying, utility services	Other sectors
Number of enterprises	213,376	15,715	23,659	4,587	169,415
Exporter	11,256	3,744	4,923	109	2,480
Exporter below cut-off	9,497	1,770	4,027	60	3,640
Non-exporters	192,623	10,201	14,709	4,418	163,295
Employment	1,153,565	263,558	172,829	22,470	694,708
Exporter	302,472	199,785	63,179	6,992	32,516
Exporter below cut-off	311,405	35,171	71,677	4,078	200,479
Non-exporters	539,688	28,602	37,973	11,400	461,713
Export of goods	100.0	60.0	27.5	7.8	4.6
Exporter	100.0	60.9	27.0	7.9	4.2
Exporter below cut-off	100.0	13.6	56.7	3.0	26.7
Non-exporters	n.a.	n.a.	n.a.	n.a.	n.a.

Tabel 2. Danish database population 2011. By size class

	Number of enterprises	Employment	Number of enterprises (Per cent)	Employment (Per cent)
All enterprises	213,376	1,153,565	100.0	100.0
Micro	196,057	230,809	91.9	20.0
Small	14,337	279,755	6.7	24.3
Medium	2,506	243,805	1.2	21.1
Large	476	399,196	0.2	34.6

7.3 Finland

The Finnish population covers, in 2011, 286,657 enterprises with a total of 1.3 million employees (in full-time equivalents), cf. the table below.

The analysis focuses on enterprises within manufacturing and wholesale, a total of 45,260 enterprises with 434,314 employees, corresponding to 15.8% of all enterprises and 32.2% of total employment. These enterprises account for a total of 96.4% of exports.

Based on the criteria for distinguishing between exporters and non-exporters, the focus population is divided into 2,778 exporting enterprises, 2,762 enterprises with exports below the established cut-off criteria, and 39,720 enterprises without any exports. The enterprises categorised as exporters account for 98.7% of the focus population's total exports.

It should be noted that exports below the Finnish intra EU threshold are not included in the figures. Furthermore, Finnish national foreign trade data on product level is around 4 billion EUR higher in 2012 than Eurostat data due to Eurostat confidentiality treatment practices.

Finally, in the database with linked micro data, the Finnish data for Next-11 comprises only exports to Indonesia, Mexico, South Korea, and Turkey.

Table 1. Finnish database population 2011

	Total	Manufacturing	Wholesale	Mining, quarrying, utility services	Other sectors
Number of enterprises	286,657	21,469	23,791	2,770	238,627
Exporter	3,586	1,823	955	34	774
Exporter below cut-off	4,227	1,175	1,587	45	1,420
Non-exporters	278,844	18,471	21,249	2,691	236,433
Employment	1,346,964	324,533	109,781	22,206	890,444
Exporter	242,018	208,424	15,186	3,184	15,224
Exporter below cut-off	276,940	47,944	45,627	3,727	179,642
Non-exporters	828,006	68,165	48,968	15,295	695,578
Export of goods	100.0	8.9	6.5	1.6	2.0
Exporter	100.0	91.0	5.6	1.6	1.7
Exporter below cut-off	100.0	20.1	60.0	2.5	17.4
Non-exporters	n.a.	n.a.	n.a.	n.a.	n.a.

Table 2. Finnish database population 2011. By size class

	Number of enterprises	Employment	Number of enterprises (Per cent)	Employment (Per cent)
All enterprises	286,657	1,346,964	100.0	100.0
Micro	268,481	266,646	93.7	19.8
Small	15,027	289,674	5.2	21.5
Medium	2,508	246,788	0.9	18.3
Large	641	543,856	0.2	40.4

7.4 Iceland

The Icelandic population covers, in 2011, 23,941 enterprises with a total of 103,655 employees (*not* in full-time equivalents), cf. the table below.

The analysis focuses on enterprises within manufacturing and wholesale, a total of 4,481 enterprises with 32,240 employees, corresponding to 18.7% of all enterprises and 31.1% of total employment. These enterprises account for a total of 94.8% of exports.

Based on the criteria for distinguishing between exporters and non-exporters, the focus population is divided into 490 exporting enterprises, 257 enterprises with exports below the established cut-off criteria, and 3,734 enterprises without any exports. The enterprises categorised as exporters account for 99.9% of the focus population's total exports.

Table 1. Icelandic database population 2011

	Total	Manufacturing	Wholesale	Mining, quarrying, utility services	Other sectors
Number of enterprises	23,941	2,130	2,351	193	19,267
Exporter	740	237	249	24	230
Exporter below cut-off	495	85	176	4	230
Non-exporters	22,706	1,808	1,926	165	18,807
Employment	103,655	22,811	9,429	2,533	68,882
Exporter	34,239	13,988	3,822	1,683	14,746
Exporter below cut-off	7,878	1,333	1,394	401	4,750
Non-exporters	61,538	7,490	4,213	449	49,386
Export of goods	100.0	66.4	28.4	0.6	4.6
Exporter	100.0	66.5	28.4	0.6	4.5
Exporter below cut-off	100.0	19.0	36.0	1.3	43.7
Non-exporters	n.a.	n.a.	n.a.	n.a.	n.a.

Table 2. Icelandic database population 2011. By size class

	Number of enterprises	Employment	Number of enterprises (Per cent)	Employment (Per cent)
All enterprises	23,941	103,655	100.0	100.0
Micro	22,390	29,083	93.5	28.1
Small	1,278	25,224	5.3	24.3
Medium	211	20,282	0.9	19.6
Large	62	29,066	0.3	28.0

7.5 Norway

This document is based on two data sources, total export of goods and export of goods from Mainland Norway. The first source (total export of goods) covers general overview/analysis of Norwegian exports such as, market trend, export products and export destinations. The other source (export of goods from Mainland Norway) covers the analysis part on exporters and non-exporters by size class as well as employment and value-added per FTE in manufacturing and wholesale.

Table 1 shows the Norwegian enterprises from Mainland Norway in 2011. It covers, 282,072 enterprises with a total of nearly 1.2 million employees (in full-time equivalents), cf. the table below.

The analysis focuses on enterprises within manufacturing and wholesale, a total of 42,724 enterprises with 354,060 employees, corresponding to 15.1% of all enterprises and 29.7% of total employment. These enterprises account for a total of 74.8% of exports.

Based on the criteria for distinguishing between exporters and non-exporters, the focus population is divided into 2,575 exporting enterprises, 6,021 enterprises with exports below the established cut-off criteria, and 34,128 enterprises without any exports. The enterprises categorised as exporters account for 96.1% of the focus population's total exports.

Table 1. Norwegian database population 2011

	Total	Manufacturing	Wholesale	Mining, quarrying, utility services	Other sectors
Number of enterprises	282,072	17,432	25,292	3,193	236,155
Exporter	3,672	1,414	1,161	122	975
Exporter below cut-off	10,664	1,867	4,154	249	4,394
Non-exporters	267,736	14,151	19,977	2,822	230,786
Employment	1,190,207	223,408	130,652	80,447	755,699
Exporter	148,861	90,686	10,245	28,957	18,973
Exporter below cut-off	438,367	84,407	75,353	33,440	245,166
Non-exporters	602,979	48,315	45,054	18,050	491,560
Export of goods	100.0	57.3	17.5	19.7	5.6
Exporter	100.0	58.2	17.1	19.7	5.0
Exporter below cut-off	100.0	34.4	26.5	18.5	20.6
Non-exporters	n.a.	n.a.	n.a.	n.a.	n.a.

Table 2. Norwegian Database population 2011. By size class

	Number of enterprises	Employment	Number of enterprises (Per cent)	Employment (Per cent)
All enterprises	282,072	1,190,207	100.0	100.0
Micro	265,038	252,286	94.0	21.2
Small	13,914	278,559	4.9	23.4
Medium	2,587	254,561	0.9	21.4
Large	532	404,805	0.2	34.0

7.6 Sweden

The Swedish population covers, in 2011, 540,766 enterprises with a total of 2.2 million employees (in full-time equivalents), cf. the table below.

The analysis focuses on enterprises within manufacturing and wholesale, a total of 104,584 enterprises with 801,743 employees, corresponding to 19.3% of all enterprises and 36% of total employment. These enterprises account for a total of 91.3% of exports.

Based on the criteria for distinguishing between exporters and non-exporters, the focus population is divided into 7,350 exporting enterprises, 8,784 enterprises with exports below the established cut-off criteria, and 88,450 enterprises without any exports. The enterprises categorised as exporters account for 96.9% of the focus population's total exports.

Table 1. Swedish database population 2011

	Total	Manufacturing	Wholesale	Mining, quarrying, utility services	Other sectors
Number of enterprises	540,766	47,468	57,116	3,632	432,550
Exporter	8,989	4,203	3,147	82	1,557
Exporter below cut-off	13,426	3,522	5,262	132	4,510
Non-exporters	518,351	39,743	48,707	3,418	426,483
Employment	2,225,599	551,325	250,418	50,508	1,373,348
Exporter	479,872	383,154	54,888	9,393	32,437
Exporter below cut-off	579,689	82,032	111,492	19,366	366,799
Non-exporters	1,166,038	86,139	84,038	21,749	974,112
Export of goods	10.0	78.2	13.1	3.9	4.8
Exporter	100.0	79.7	12.0	4.0	4.3
Exporter below cut-off	100.0	38.9	41.8	0.7	18.7
Non-exporters	n.a.	n.a.	n.a.	n.a.	n.a.

Table 2. Swedish database population 2011. By size class

	Number of enterprises	Employment	Number of enterprises (Per cent)	Employment (Per cent)
All enterprises	540,766	2,225,599	100.0	100.0
Micro	509,886	483,338	94.3	21.7
Small	25,695	499,124	4.8	22.4
Medium	4,307	420,036	0.8	18.9
Large	878	823,101	0.2	37.0

Nordic Exports of Goods and Exporting Enterprises

This report analyses the exports of goods from the Nordic countries and the exporting enterprises in the period 2008 to 2012. The report addresses issues such as: What are the strongholds of the Nordic countries, both in terms of the type of goods that are exported and in terms of geographical markets? How are the Nordic countries performing on the main emerging markets – are they gaining ground compared to other exporters? How important are the small and medium-sized enterprises (SMEs) compared to the larger enterprises in the export of goods of each of the Nordic countries? And how have SMEs and large enterprises coped with the crisis, both in terms of domestic employment and in terms of export market performance? A new database consisting of business and international trade data linked at enterprise level was constructed in each of the Nordic countries specifically for this analysis. The project was carried out by the five Nordic national statistical institutes in Denmark, Finland, Iceland, Norway and Sweden. The project was coordinated by Statistics Denmark.

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