

Denmark

April 2022

EXECUTIVE SUMMARY

This fact sheet provides key trade, investment, and tourism related statistics for Denmark. Specifically, it shows bilateral trade and investment flows including an analysis of top products for Denmark in relation to the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Denmark and the Western Cape. The key highlights in the Danish fact sheet are provided below:

ECONOMY

The Danish economy has recovered strongly from the COVID-19 crisis, with an annual growth of 4.7% in the year 2021 with output projected to ease to 2.4% in 2022 and 1.7% in 2023¹. A rapid rebound in private consumption as the economy reopened in March 2021 saw GDP and employment exceed the country's pre-crisis levels in the second quarter of 2021.

TRADE

Trade between the Western Cape and Denmark has historically been skewed toward the Western Cape with continual trade surpluses being recorded over the past decade bar 2018, that saw the province increasing its imports with a record high 45.15% y-o-y growth. This was partly due to an increase in demand for food preparations. Notably, total exports from the Western Cape to Denmark fluctuated between ZAR357.26m in 2012 to ZAR688.17m in 2021 with an 8.29%, 5-year average growth.

FDI

Between January 2003 and February 2022, a total of 1,724 FDI projects were recorded into Denmark. These projects represented a total capital investment of ZAR388.74bn which was an average investment of ZAR225.50m per project. During the period, a total of 65 521 jobs were created. Amid the COVID-19 pandemic, Denmark attracted the most investment in 2020 with 113 projects reaching an estimated ZAR38bn (FDI Intelligence, 2022).

TOURISM

Between 2017 and 2020, the Western Cape saw the highest volume in arrivals from Denmark in 2017, reaching a total of 13,903 tourists. From 2018 the province saw a declining trend in Danish tourists and in 2020 the pandemic had an even greater impact on arrivals from this market, with only 3,659 tourists recorded for the year.

¹ OECD 2022

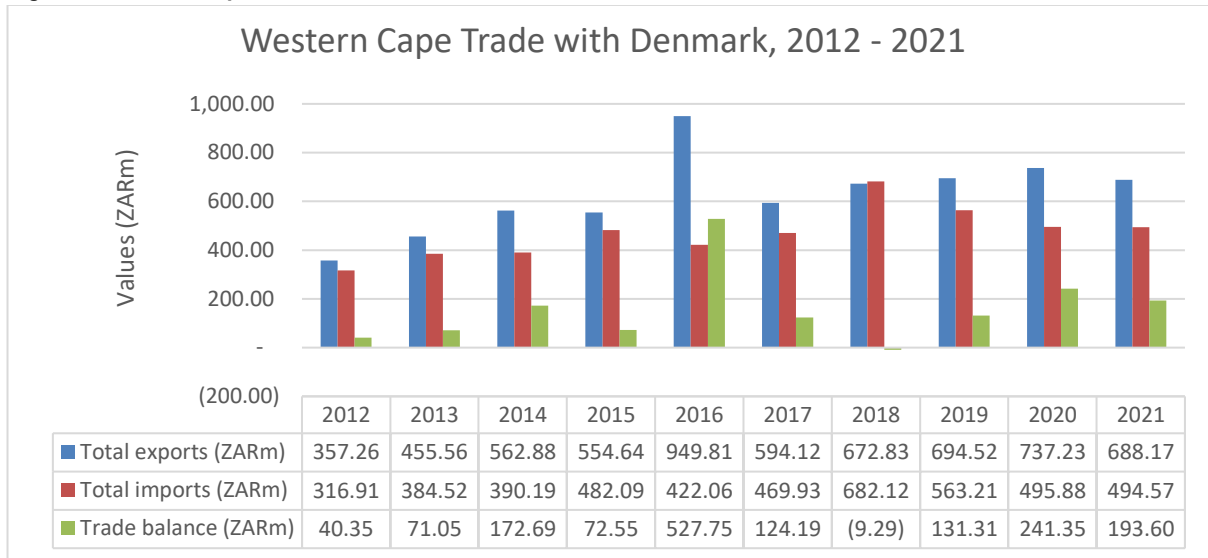
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1. Western Cape Trade with Denmark

Trade between the province and Denmark has been skewed toward the Western Cape with continual trade surpluses being recorded over the past decade with the only exception being 2018 which saw the province increasing its imports with a record 45.15% y-o-y growth. This was partly due to an increase in demand for food preparations. Notably, total exports from the Western Cape to Denmark fluctuated between ZAR357.26m in 2012 to ZAR688.17m in 2021 recording an 8.29%, 5-year average growth.

Figure 1: Western Cape Trade with Denmark



Source: Quantec; 2022

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Wine of fresh grapes (ZAR330.47m) dominated the Western Cape's export receipts earned with Denmark in 2021, accounting for 48.02% of the province's total export receipts earned with the said country. The Western Cape's exports of flours, meals and pellets, of meat or meat offal (ZAR124.53m); and fats, oils and their fractions, of fish or marine mammals (ZAR82.64m) completed the top three export products.

The Western Cape's largest import from Denmark was food preparations (ZA47.22m) accounting for 9.55% of all the payments. Telephone sets (ZAR27.06m); and printing, writing or drawing ink (ZAR20.88m) were the second and third largest imported products respectively.

Table 1; Top 10 Western Cape export and import products from Denmark in 2021

WESTERN CAPE TOP 10 EXPORT PRODUCTS TO DENMARK, 2021				WESTERN CAPE TOP 10 IMPORT PRODUCTS FROM DENMARK, 2021			
RANK	PRODUCT (HS4)	VALUE 2021 (ZARm)	% SHARE 2021	RANK	PRODUCT (HS4)	VALUE 2021 (ZARm)	% SHARE 2021
1	Wine of fresh grapes	330,47	48,02%	1	Food preparations	47,22	9,55%
2	Flours, meals and pellets, of meat or meat offal	124,53	18,10%	2	Telephone sets	27,06	5,47%
3	Fats and oils and their fractions, of fish or marine mammals	82,64	12,01%	3	Printing ink, writing or drawing ink and other inks	20,88	4,22%
4	Engine parts	26,24	3,81%	4	Flours, meals and pellets, of meat or meat offal	20,48	4,14%
5	Fresh or dried grapes	24,81	3,61%	5	Machinery	18,69	3,78%

WESTERN CAPE TOP 10 EXPORT PRODUCTS TO DENMARK, 2021				WESTERN CAPE TOP 10 IMPORT PRODUCTS FROM DENMARK, 2021			
RANK	PRODUCT (HS4)	VALUE 2021 (ZARm)	% SHARE 2021	RANK	PRODUCT (HS4)	VALUE 2021 (ZARm)	% SHARE 2021
6	Discs, tapes, solid-state non-volatile storage devices	13,95	2,03%	6	Meat of swine	16,10	3,26%
7	Beauty or make-up preparations	9,78	1,42%	7	Cheese and curd	16,04	3,24%
8	Fresh apples, pears and quinces	9,38	1,36%	8	Malt extract; food preparations of flour,	15,50	3,13%
9	Citrus fruit	8,77	1,27%	9	Machines	13,06	2,64%
10	Dried fruit	6,25	0,91%	10	Centrifuges	12,77	2,58%
TOTAL EXPORTS		688,17	100,00%	TOTAL IMPORTS		494,57	100,00%

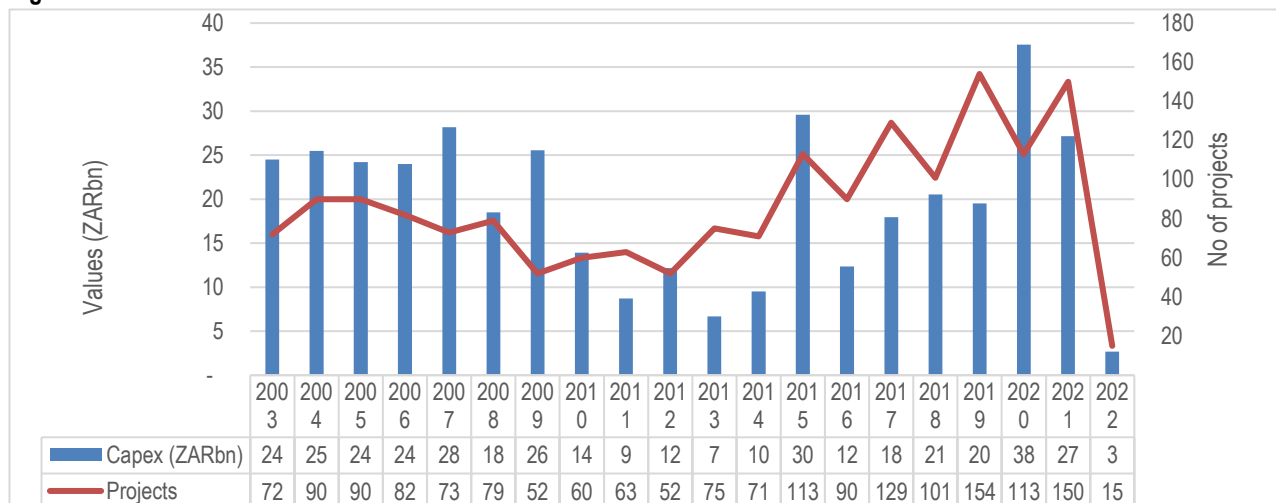
Source: Quantec; 2022

2. Investment

2.1 Global Investment into Denmark

Between January 2003 and February 2022, a total of 1,724 FDI projects were recorded into Denmark. These projects represent a total capital investment of ZAR388.74bn which is an average investment of ZAR225.50m per project. During the period, a total of 65 521 jobs were created. Amid the COVID-19 pandemic, Denmark attracted the most investment in 2020 with 113 projects reaching an estimated ZAR38bn.

Figure 2: Global inward FDI to Denmark 2003 – Feb 2022



Source: FDI Intelligence, 2022

The United States contributed the highest amount of investment projects (335) into Denmark, this was followed by Germany (230) and United Kingdom (200).

Table 2: Top 10 source markets for FDI into Denmark 2022

TOP 10 SOURCE MARKETS FOR FDI INTO DENMARK, 2003–FEB 2022							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (ZARbn)	% CAPEX	COMPANIES	% COMPANIES
1	United States	335	19,43%	91,86	23,63%	281	18,33%
2	Germany	230	13,34%	45,73	11,76%	196	12,79%
3	United Kingdom	200	11,60%	36,35	9,35%	190	12,39%
4	Sweden	194	11,25%	38,18	9,82%	172	11,22%
5	Norway	117	6,79%	37,25	9,58%	113	7,37%
6	Netherlands	83	4,81%	24,79	6,38%	74	4,83%
7	France	64	3,71%	14,49	3,73%	56	3,65%
8	China	57	3,31%	7,98	2,05%	49	3,20%
9	Switzerland	48	2,78%	7,70	1,98%	47	3,07%
10	Japan	47	2,73%	23,29	5,99%	41	2,67%
TOTAL		1 724	100.00%	388,74	100.00%	1533	100.00%

Source: FDI Intelligence, 2022

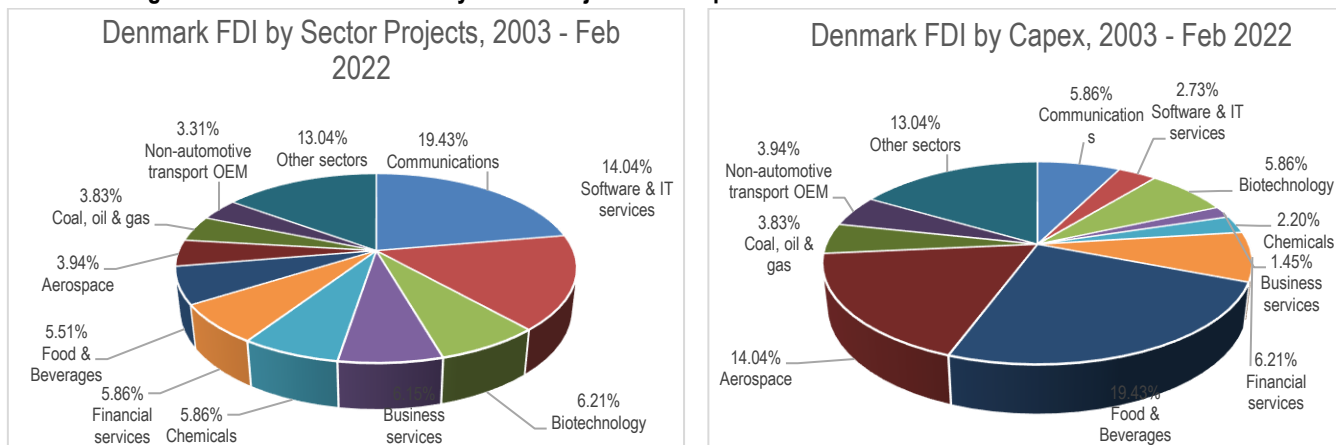
The two diagrams below represent inward investment into Denmark by the various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

- Communications: 19.43%.
- Software & IT Services: 14.04%
- Other sectors: 13.04%

In terms of capital expenditure, the following sectors received the largest investment:

- Food and Beverages: 19.43%
- Aerospace: 14.04%
- Other sectors: 13.04%

Figure 3: Denmark Inward FDI by sector Projects and Capex 2022



Source: FDI Intelligence, 2022

Interestingly, there were no investments recorded from the Western Cape to Denmark over the period analysed.

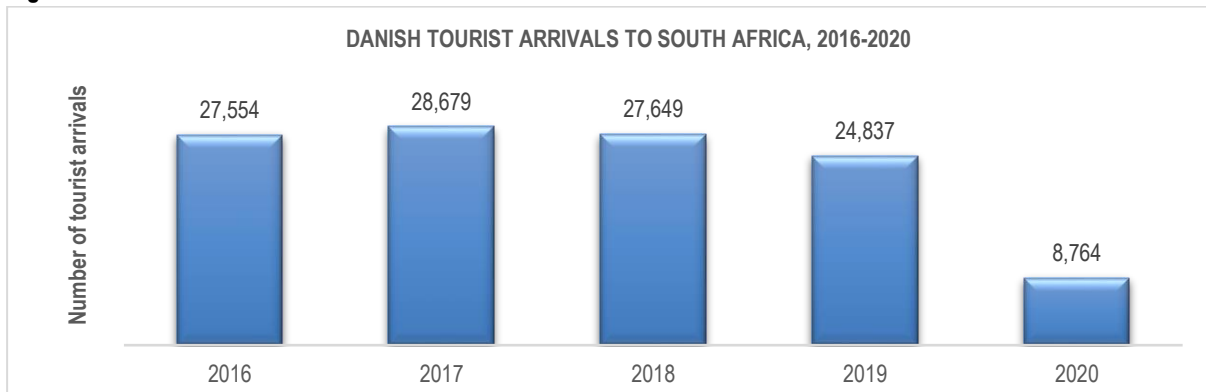
3. Tourism

3.1 Danish Tourist Arrivals to South Africa

The graph below depicts total tourist arrivals from Denmark into South Africa for the period 2016 - 2020. A -64.7% decline in Danish tourist arrivals was recorded in 2020. The significant drop is largely due to the impact of the COVID-19 pandemic on international travel.

In the same year (2020), this market contributed around R162.6 million in total foreign direct spend in South Africa and their average spend per day reached R19,700. Danish tourists to South Africa primarily travelled for holiday (65.0%), to visit friends and relatives (15.6%) and for *MICE (4.9%). Travelers from this country stayed in South Africa for an average of 18.3 nights in 2020. In spite of the pandemic, travelers stayed in South Africa for longer periods during 2020, reflecting a growth of 22.1% when compared to the 15 nights recorded in 2019.

Figure 4: Danish Tourist Arrivals to South Africa 2016 – 2020

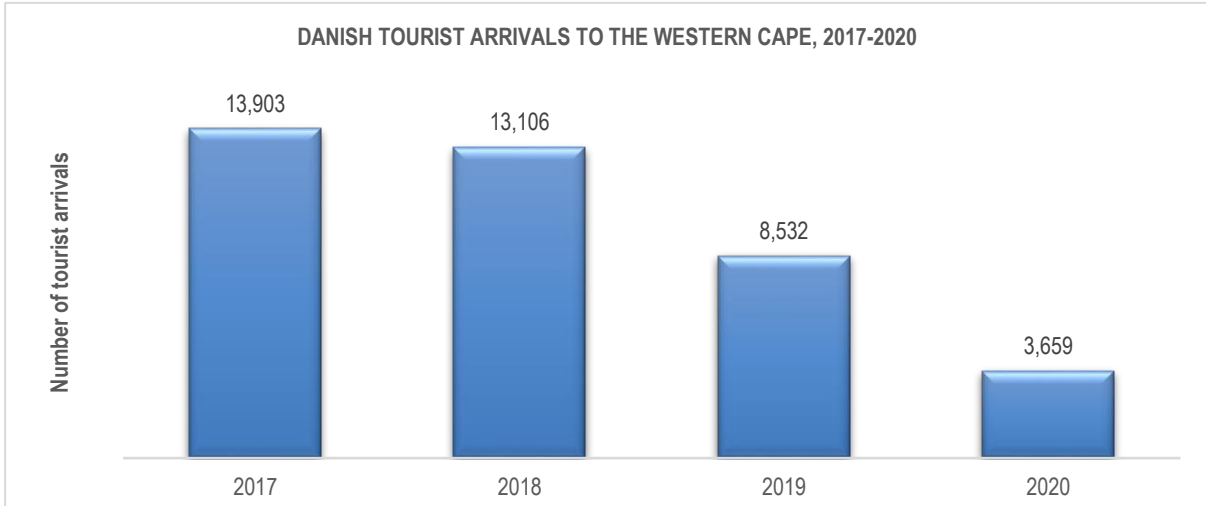


Source: SA Tourism, 2021

3.2 Danish Tourist Arrivals to the Western Cape

Between 2017 and 2020, the Western Cape saw the highest volume in arrivals from Denmark in 2017, reaching a total of 13,903 tourists. From 2018 the province saw a declining trend in Danish tourists and in 2020 the pandemic had an even greater impact on arrivals from this market, with only 3,659 tourists recorded for the year.

Figure 5: Danish Tourist Arrivals into the Western Cape, 2020



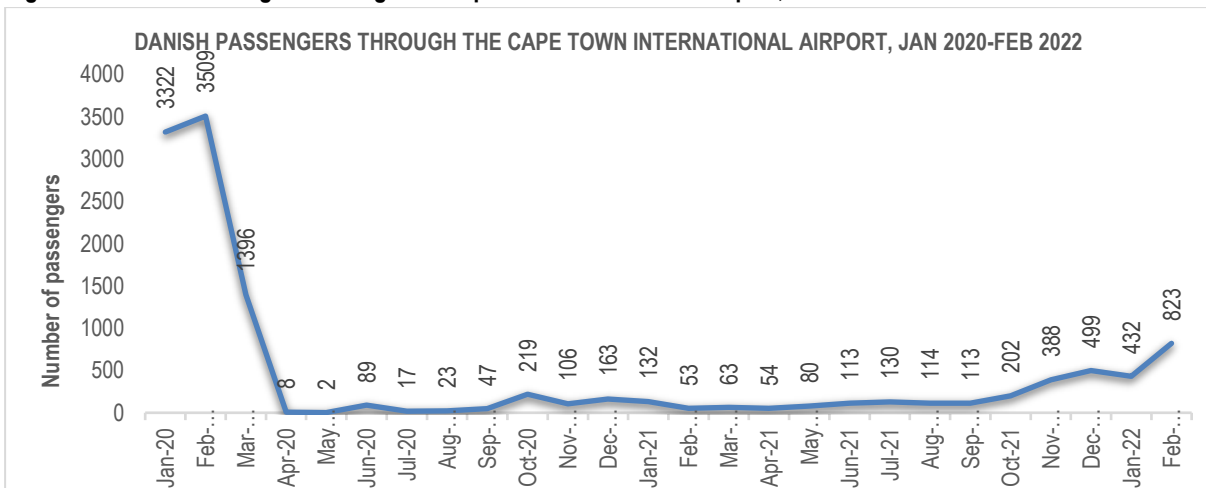
Source: SAT, 2021

3.3 Danish passenger movement through the Cape Town International Airport

According to the latest OAG Traffic Analyzer data, Danish passenger movement through Cape Town International Airport plummeted in April 2020, subsequent to the nationwide lockdown in March 2020.

Passenger movement was at a low base between April and September 2020 and gradually rose to over 200 passengers in October 2020 with the re-opening of international borders. Passenger movement remained at a low base and only reached around 200 passengers again in October 2021. A steady monthly growth in Danish passengers were recorded between October and December 2021 which could largely be attributed to traditional festive season travel. February 2022 (823) saw the largest number of Danish passengers since the easing of international travel restrictions.

Figure 6: Danish Passengers Through the Cape Town International Airport, 2022



Source: OAG Traffic Analyzer, 2022

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