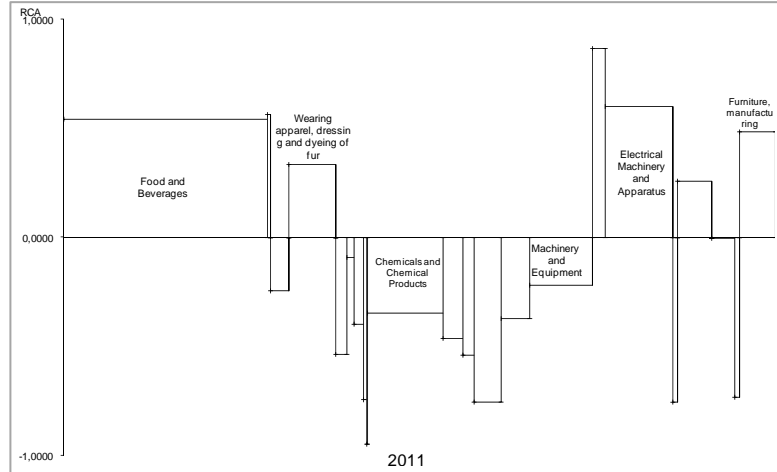
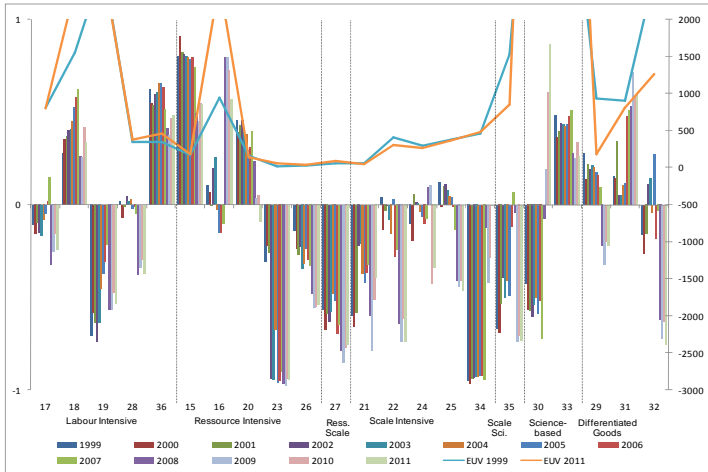




EIIW News RCA Bulletin 2011 Denmark



RCA Analysis:

In contrast to other highly industrialized Western European countries Denmark reports high revealed comparative advantages in low technology sectors like the production of wearing apparel (18), furniture and manufacturing n.e.c. (36) as well as in foods and beverages (15).

In the high technology fields Denmark's export structure is most pronounced in medical, precision and optical instruments (33) as well as in differentiated goods in general except in the ICT sector (32) where the RCA values alternate between advantages and disadvantages – while in the last years it has been steadily declining.

Interesting to note is the steep rise in the office machinery and computers sector (30) and the electrical machinery sector (31) as well as the continuous decline in the rubber and plastics industry (25).

EUV Analysis:

In all sectors where Denmark reports comparative advantages the price of the traded goods as given by the EUVs has not risen as well, except for the wearing apparel sector (18) and the tobacco sector (16). No sector with a comparative advantage reports declining EUVs.

Vol RCA Analysis:

The most pronounced sector is the food and beverages sector - the largest block in the diagram above – followed by the chemicals sector, which makes up a large share in the export structure of most industrialized Western European countries. Like them Denmark does not report a comparative advantage in this sector. Two other important sectors are the machinery and equipment sector as well as the electrical machinery and apparatus, whereby only the second reports a positive RCA statistic. Additionally, Denmark has a high RCA in the furniture and manufacturing n.e.c. sector and the export share of this sector has risen over the last few years.

Definition RCA:

(Revealed Comparative Advantage / country c, sector s)

$$RCA_{c,s} = \text{tanhyp} \left(\ln \left(\frac{\text{Exports}_{c,s}}{\sum_{s=1}^n \text{Exports}_{c,s}} \right) - \ln \left(\frac{\text{Exports}_{Ref,s}}{\sum_{s=1}^n \text{Exports}_{Ref,s}} \right) \right)$$

Definition Vol RCA:

(Volume Weighted RCA)

$$\text{Vol RCA}_{c,s} = \frac{\text{Exports}_s}{\text{Total Exports}_c} RCA_{c,s}$$

Definition EUV:

(Export Unit Value)

$$EUV_{c,s} = \frac{\text{Exports}_{c,s} \text{ (in Euro)}}{\text{Exports}_{c,s} \text{ (in kg)}}$$