

The metal, machinery and plastic industries

The Danish metal, machinery and plastic industries are characterized by being highly developed in terms of production methods, equipment and product quality. At the moment, all three industries experience growth and this is expected to continue.

The metal and machinery industries

With a yearly turnover of Baht 400 billion, metal and machinery manufacturers are cornerstones in the Danish industry structure, and the sectors are expecting growth rates of up to 10%. The Danish metal and machinery industries are characterized by high quality products using highly advanced and modern equipment. The product range is broad and includes for example equipment for hospitals, tools, household machines and equipment. The total export turnover in 2006 was Baht 100 billion and it is on an increase.

A considerable number of Danish companies within the metal industry are working in the subcontracting field supplying tools, parts or half-finished product solutions to the industrial machinery industry in particular. In recent years, the production capacity utilization has been increasing. The need for further expansion leads to an outsourcing trend.

The plastic industry

The Danish plastic industry consists of 500 enterprises, employing approximately 33,500 people. The industry generates a yearly turnover of about Baht 274 billion and is characterized by high market products with a high level of knowledge input. Products within the plastic industry include products for the construction industry, products for the automotive industry, packaging, medico products (e.g. hypodermic syringes and catheters), toys, sports equipment, furniture, cables, products for the energy sector (e.g. wings for windmills) etc. Approximately 70% of total output is exported, mainly to European countries but increasingly to the USA and Asia. This makes the Danish plastic industry international with a high reliance on imports and exports.

Outsourcing to Asia

As a result of relatively high labour costs in Denmark, automation of production and internationalization are increasing trends. In terms of outsourcing production, entering joint ventures and setting up own production facilities, Southeast Asia is an obvious choice for Danish companies. Asian companies are able to offer high quality at comparatively low costs. By cooperating, Asian companies can gain from the highly developed production methods and systems of Danish companies and thereby acquire valuable know-how.

At the same time these sectors contribute to Danish exports to Asia and machinery and equipment for the industry dominate Danish exports to Thailand.

The metal- and machinery industries: www.mm.di.dk

The plastic industry: www.plast.dk