fuel cells. Several measures are planned to increase use of renewable energies, in particular biomass, wind, and solar energy.

According to the government's estimates, the energy action programme could be realised without any additional economic costs, as compared with a "business-as-usual" scenario. The additional investments needed would be compensated by a decline in fuel costs and by a decrease in operation and maintenance costs.

2. Factors Influencing Decisions

Denmark has pursued an active energy policy since the 1970's in order to reduce its high reliance on oil. This was basically achieved through effective energy conservation programmes, development of indigenous energy resources (in particular oil, natural gas and renewable energies), a switch to coal as the primary fuel in electricity generation, a major expansion of CHP facilities and district heating systems, and a policy of introducing natural gas. Energy taxation policies traditionally have played an important role in Danish energy policy. The Danish government also supports a substantial and comprehensive non-nuclear energy R&D programme.

Environmental consciousness in Denmark is high. Environmental aspects are an integral part of long-term energy policy, and the government has repeatedly given proof of its determination to make strong efforts to reduce the environmental impacts of the energy system. However, the energy action plan will necessitate quite substantial investments in all sectors, including industry. Not surprisingly, the industry association and some unions point out that risks are high for the competitiveness of the Danish industry as well as for employment.

3. Relevant Studies

- Danish Ministry of Energy: Energy 2000 - A Plan of Action for Sustainable Development, April 1990.
- Danish Ministry of Transport: Action Plan on Transport, May 1990.