

Economic Council

Report 1. half year 2024



Productivity and efficiency

- Prosperity has been increasing over a number of years, but the development has been less strong in recent years
- Increased productivity is essential to support the development of prosperity, and requires a higher level of education and a more efficient use of labor and capital when switching from fishing and the public sector to other sectors
- Great need for increased focus on productivity and efficiency in the public sector
- The experiences with business support are not good, and it has not clearly supported a development of a broader business structure and increased productivity

Economic situations

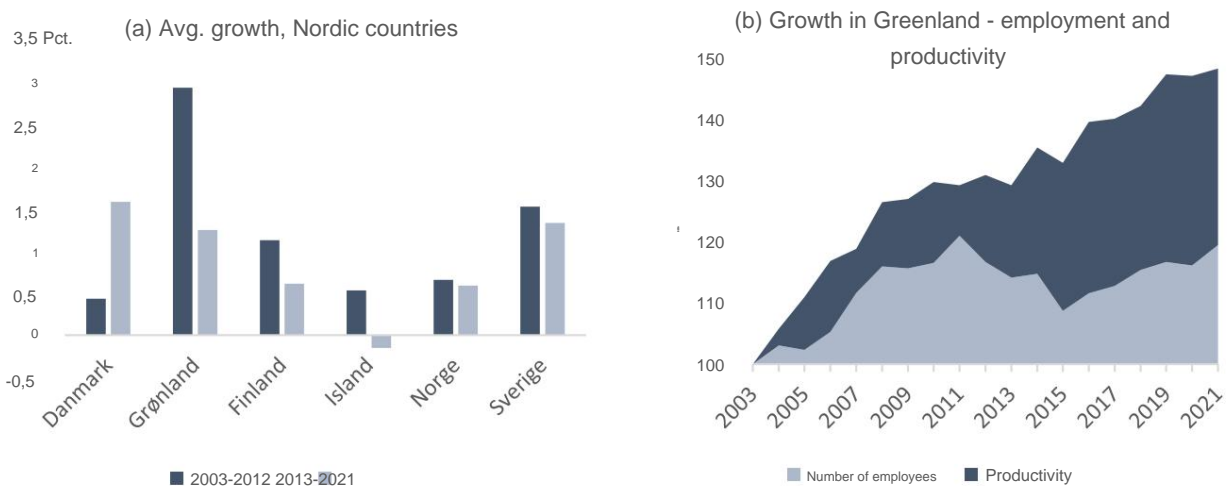
- After a number of economically favorable years, there is a prospect of a slowdown in growth and moderately increasing inflationary pressure
- The economy is close to the capacity limit with high employment and record lows unemployment
- Access to labor from outside has been decisive for growth in recent years, and solving the labor problem is a major challenge for economic policy

1. Productivity and efficiency

An increase in the country's level of prosperity and thus the citizens' standard of living is a crucial prerequisite for ensuring a more self-sustaining economy. **Increased prosperity is the common denominator to ensure a broader business structure, an increased proportion of the population in employment, a more equal distribution of income, and to reduce the importance of the block grant for the public finances.** It is also a central benchmark in the political discussion that the standard of living must be at a level similar to the countries with which it is usually compared. It is a prerequisite for a sustained increase in prosperity that it is sustainable both in an economic sense but also in relation to the utilization of natural, social and human resources resources.

Prosperity is typically calculated by the total value creation in society measured by gross domestic product (GDP). If you put GDP in relation to the number of inhabitants, you get a measure of the average material wealth in society. The average annual growth in the period 2003-2021 has been 2.1% and higher than in the Nordic countries. Growth was greatest in the first part of the period, and somewhat lower but still positive in the latter part of the period, cf. Figure 1. Although there are fluctuations in GDP growth in the individual years, it is a increase in wealth over the period. **Measured by GDP per capita, prosperity has increased by around 50 per cent. over the period 2003-2021.** Permanent changes in growth have a large effect if, for example, growth had instead been 0.5% lower and thus an average of 1.6%. per year during the period, prosperity would only have increased by approx. 35%. The prosperity development measured by GDP per population is an important parameter for economic development, but it cannot stand alone in an assessment of the development in living conditions and welfare.

Figure 1. The development in GDP per inhabitant, 2003-2021



Note: (a) GDP Calculated in constant (2010) prices. (b) Productivity is as average gross value added per employee calculated in 2010 prices, chained values. The significance of the price development is discussed below. There is no data available that enables a calculation of the hourly productivity.

Source (a) nordicstatistics@statisticon.org, (b) Greenland Statistics.

The total income generation in society is given by total employment and productivity, which is the average value creation per employed. An increase in the proportion of the population in employment contributes to increased prosperity, but also to a more equal distribution of income, and this also has a major impact on public finances. However, there is an upper limit to how large a proportion of the population can be in employment. **Productivity growth is therefore an absolutely essential prerequisite for sustained improvements in prosperity.** Productivity is basically increased by a more efficient one

production, where with the same consumption of resources you can get greater added value, or by moving labor and other resources to other sectors with higher productivity, see also below. Prosperity can thus increase by more people being employed (or working more hours) or by productivity per employed increases. The development in prosperity is divided in figure 1(b) into the effect of increased employment and productivity per employed. Although an increased number of employees has contributed to the increase in prosperity, the increase in productivity is overall the most important factor. This pattern also exists for other countries.

Developments in prosperity are very different across countries. Some countries have had significant and sustained improvements in prosperity, while other countries have had a less favorable development. One can speak a bit simplistically of a "leading edge" of countries that have consistently had the highest and rising living standards in the world. At the same time, there are other countries that try to catch up or lose distance to the leading countries. **Empiric evidence shows¹ that the development for the "driver's field" is driven by productivity growth created by increased education, more real capital (equipment, machines, buildings etc.) and new and better technology.** But economic policy and institutional conditions are also of great importance. Access to natural resources is also an important factor for many countries, but it is far from a guarantee for favorable prosperity development and requires appropriate management so that the resources are converted into favorable economic development for the population.

It is also an international experience that large increases in wealth are associated with significant sector shifts. The typical pattern for most countries is a process where employment and activity have first moved from agriculture and fishing to industry and then to the service sector (private and public). Along with, for example, increased productivity in agriculture, labor has been freed up for activities in industry, and thus overall there has been higher productivity and prosperity in society. The same has happened with a shift in employment from industry to the service sector. In countries with lower prosperity and growth than in the "leadership" of countries, they have typically failed to initiate this sectoral adjustment.

For Greenland, the historical starting point is fishing and catching, and this will continue to be of great importance. It is not realistic for a country with a small population and a large geographical distance to sales markets for the industrial sector to become a decisive engine of growth. The potential lies in the utilization of natural resources, fishing/trapping, mining and tourism, all of which utilize the unique natural resources in their own way. All countries are dependent on technological development and thus on it underlying research and innovation. Small countries cannot be technology drivers – and certainly not over a broad front – and what is decisive here is a capacity to use the technological breakthroughs that are happening elsewhere. It requires a well-educated workforce and opportunities for international cooperation to bring knowledge and capital to the country. Developments in IT technology and, most recently, AI and robots are significant examples of this, and are considered by many to be of great importance for productivity development, but also to create a great need for changes in the labor market.

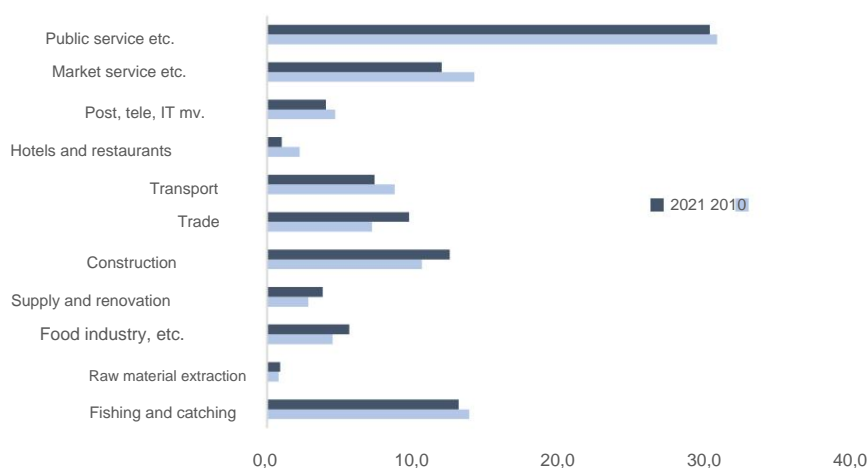
Occupational composition and productivity

The overall productivity development covers very different developments in the many different branches of the economy, just as changes in the composition of businesses have an impact on productivity. **Changes in productivity and the business composition are due to both short-term economic developments and more long-term structural conditions, among other things as a result of innovation and technological development.** For example, a modern shrimp trawler must be operated by fewer employees to fish a given shrimp quota compared to previous fishing vessels. Across countries, the private service industries make up a

¹ En oversigt findes i C.I.Jones, 2015, The Facts of Economics Growth, Chapter 1 in Handbook of Macroeconomics, North-Holland.

increasing share of the economy, while manufacturing, agriculture and fishing constitute a decreasing share. The trend can also be seen in Greenland, but seen over a decade, the changes in the occupational composition are modest, see Figure 2.

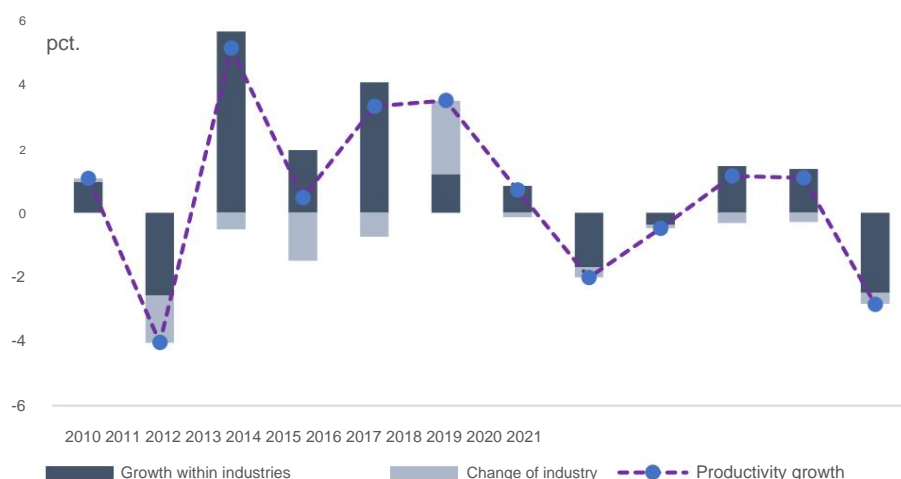
Figure 2. The composition of the Greenlandic economy by main industries, 2010 and 2021



Note: Share of total gross value added in percent. A comparison across industries is difficult due to differences in the measurement of added value. The added value within private businesses is measured by the market value of turnover and costs, while the added value in the public service is measured by wage costs and purchases of goods. There shall in addition, reservations are made for parts of the economy, i.a. tourism and transport, were affected by travel restrictions in 2021. Source: Greenlandic Statistics.

Productivity growth in the whole economy can be divided into two parts. The first is the industry-specific productivity growth, which depends on the industry-specific framework conditions in the form of access to technology, competition, regulation and market conditions in general. The second is industry change, where the workforce moves, for example, from industries with a low level of productivity to industries with higher productivity.

Figure 3. Contribution to productivity growth, 2010-2021



Note.: The division of productivity growth into industry change and growth within industries is done as in *Productivity Development in Denmark, Quarterly Overview, 1st quarter 2012, Nationalbank*. Source: Own calculations and Statistics Greenland.

In Figure 3, productivity growth in Greenland is divided into growth contribution from industry change and growth contribution within the industries. **The figure indicates that switching between industries has actually dampened productivity growth since 2010.** Although this has also been seen in other countries and may be linked to shifts towards private and public service industries, it also indicates that it has not succeeded in creating a broader business base here in the country, and that there has also been access to areas with low productivity, see below about fishing.

The industry-specific productivity development is decisive for prosperity. For a small economy, access to technology and *know-how* plays a particularly important role. The cooperation with foreign companies can contribute with risk capital but also new knowledge, technology and practical experience, which helps to raise domestic productivity. The domestic level of competence and education also plays a role the possibilities for triggering such productivity gains, see also below. **The experiences of small economies that focus on self-sufficiency and limit market access for foreign companies are not encouraging from a prosperity perspective.**

Politicians best strengthen productivity in the individual industries with predictable framework conditions and – where possible – by ensuring effective competition between companies. It is particularly important that stable framework conditions are established and that the administration of business regulation is characterized by transparency. There are bad experiences, both in this country and elsewhere in the world, with political top-down management of business development in the form of tax-financed support schemes or other positive preferential treatment of businesses. Business support may be necessary in special cases either to mitigate market failures or where companies temporarily need support, as was the case during the pandemic. Business support that is not temporary or is based on market failures, on the other hand, risks locking in employment in supported activities, to the detriment of the prosperity of society.

The experiences with business subsidies in this country² also indicate that the support has not clearly promoted the development of a broader and sustainable business development or is geographically targeted. As it was average accounting results in the agricultural area (sheep farmers) in 2021 approx. DKK 200,000, while the average subsidy was approx. DKK 400,000 per feat. Subsidies in the fisheries sector have maintained or expanded capacity in areas where fishing exceeds biological advice. Subsidies for sealskin procurement are also not targeted and also go to areas with a shortage of labour, and the total subsidies exceed Great Greenland's turnover. Regional policy considerations can justify specific subsidy schemes for certain geographical areas, but these should be clearly defined and with clear objectives for the support. **The self-government's major commitment to business operations, including fishing and infrastructure, makes the framework for these companies a significant part of business policy.** Since the companies have monopoly status and, due to the Self-Government's ownership commitment, are not operated on normal competitive terms, it is particularly important to focus on efficient operations and measures to increase productivity. This is best ensured with a clear arm's length principle for the management of these companies, so that they can be operated on market terms.

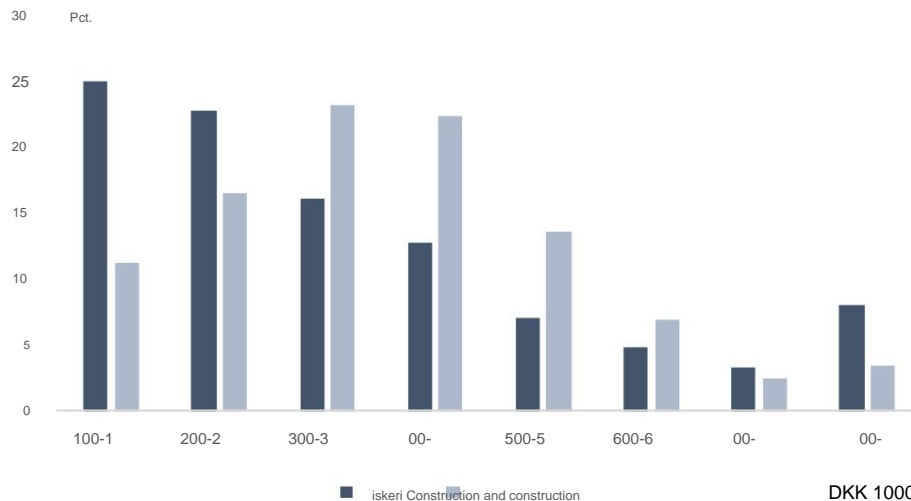
Productivity in fisheries and prosperity gains from high fish prices

Fishing is the dominant private industry. At the same time, it is the profession that is most clearly exposed to international competition. Productivity in fishing is therefore crucial for Greenland's competitiveness. High productivity in fishing also means jobs with good wages and thus also a large return to the public finances in the form of taxes and fees, especially

² See the Department of Finance and Taxes, Business subsidy analysis, 2023.

the resource interest tax. There is a big difference in earnings within the various parts of the fishery, and the spread in the occupational incomes of those employed in fishing is large compared to, for example, those employed in construction, see figure 4. The spread must also be seen in connection with the extent of seasonal work, and can therefore reflect both differences in productivity and hours worked.

Figure 4. The distribution of business income for those employed in fishing and construction, 2021



Note.: Business income in the form of salary, fees, profits, etc. for persons born and living in Greenland, between 30 and 60 years of age, who are employed in fishing (incl. land construction) and construction in 2021. Hourly work has not been corrected, and low business income may therefore be due to part-time employment, etc., and there are i.a. therefore not included persons with incomes below DKK 100,000.

Source: Own calculations and Statistics Greenland.

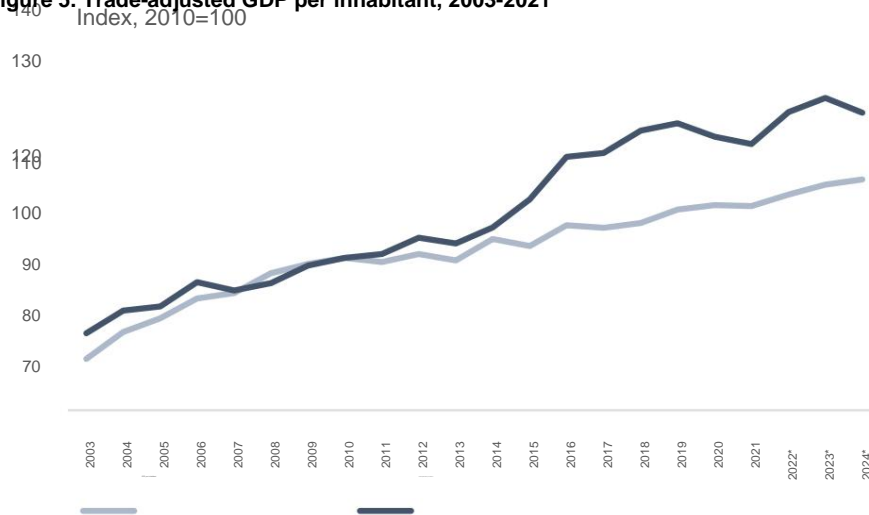
The Fisheries Commission found significantly higher remuneration per man-years in sea-going than in coastal shrimp fishing, and pointed out that for coastal fishing there is a need to adapt the capacity of the fleet to sustainable and efficient fishing. The problem is well known, and the previous fisheries commission from 2009 also pointed to the possibilities for higher efficiency and earnings in fishing via consolidation.

Problems with overcapacity in coastal fishing are connected to the fact that important coastal quotas are managed in an olympic manner and all vessels fish on the same common quota in each area until the quotas are fished out. The management of fish resources has thus partly contributed to the pressure to set the quotas far above the biological advice and partly created a large overcapacity in the fleet. Socio-economic development depends critically on fisheries being economically and biologically sustainable. There is a need for consolidation in the industry to increase productivity and thus contribute to prosperity via freeing up labor for other sectors. Based on Sustainability and Growth Plan II, a proposal for a fisheries law has been presented, which is currently under political consideration.

High incomes can also be achieved through rising global prices for seafood exports. When export prices rise more than import prices, the terms of trade in foreign trade are strengthened, and implies additional consumption and investment opportunities. **An improved terms of trade thus provides a wealth gain that is comparable to an increase in income.** It is possible to calculate this prosperity gain by calculating the terms of trade adjusted GDP, where the imports that can be financed by exports have been taken into account. The trade-corrected GDP per per capita increases more than GDP per inhabitant when the terms of trade in foreign trade improve. The prices of fish and shellfish rose significantly from 2014 and have since remained relatively high with fluctuations from year to year. Figure 5 shows that prosperity gains from the terms of trade have been roughly as large as the effect of increased production (GDP) since 2014.

Since 2014, the improvement in the terms of trade has been a major reason for the increase in incomes and prosperity in society.

Figure 5. Trade-adjusted GDP per inhabitant, 2003-2021



Note: Gross domestic product in constant prices, index 2010=100. Trade-adjusted GDP is calculated as in *Greenland Economy, autumn 2022, Economic Council*.

Source: Own calculations and Statistics Greenland

Seen over a long period of time, export prices cannot be expected to rise more than import prices.

Improvements in the terms of trade are usually only temporary. There is, for example, the prospect of a loss in the terms of trade in 2024, when the effect of rising import prices on energy becomes apparent. **Terms of trade gains are thus determined by global prices and conditions, which a small open economy has no influence on.** The terms of trade did not contribute to prosperity gains in the years before 2014, see Figure 5. This emphasizes that it is important to increase productivity if a lasting increase in prosperity is to be ensured.

Public sector

The public sector (Self-Government and municipalities) is of crucial importance for prosperity and its management. If efficiency and productivity in the public sector can be increased, it will be possible to solve the same tasks at lower costs and less need for manpower, or better standards can be made available to the population for unchanged costs. **Increased productivity and efficiency both supports a sectoral shift with a broader business structure by freeing up labor and will simultaneously reduce costs and thus contribute to solving the sustainability problem for public finances,** see also the Economic Council's report from 2020 and Sustainability and Growth Plan II.

Task solutions in the public sector such as childcare, education, health and care are predominantly made available to the population free of charge. This basic principle ensures that everyone has access regardless of financial ability. In contrast to the private sector, there is thus no ongoing market testing of whether there are customers and what they will pay. Without such a, and thus a direct measure for value creation, it is also more difficult to measure efficiency and productivity and thus to assess whether the right tasks are being solved and in the best and most efficient way. **While the market mechanism under the right framework conditions creates pressure to increase efficiency and productivity in the private sector, the same mechanism does not exist in the public sector.** This also applies in relation to the use of new technology – such as AI – which can have great potential for increasing productivity, not least within parts of the public sector.

These fundamental conditions place other and major demands on the management of the public sector. Increased productivity and efficiency in the public sector not only requires strict expenditure management, but also clear goals for the individual institutions with management opportunities and responsibilities to continuously find the best task solutions. The first is ensured by the Budget and Accounts Act, but management responsibility can be strengthened. This can be done by clearly formulated goal requirements, well-defined management responsibility for achieving these goals with given budgets, and follow-up on goal achievement. The target requirements can both be defined at institutional level, or in relation to the municipalities and smaller settlements. Geographical conditions and many smaller settlements are also the basis for several joint municipal and public solutions, for example in relation to education, health and administration.

There is a need for more detailed coverage of the possibilities for a more transversal utilization of the resources, including whether the collective agreements in the public sector provide sufficient opportunity for such flexibility. It also relates to working hours and flexibility in relation to, among other things, the weather.

Productivity gains from training

It is a crucial prerequisite for a more self-sustaining economy to increase the level of education. It contributes to increasing productivity and prosperity in society, but also to a more equal distribution of income and to improving public finances. It has been documented in previous reports from the Economic Council that the employment rates for specific educational groups correspond to the level in the Nordic countries, but the main problem is the very large proportion of each cohort that does not receive a qualification-giving education.

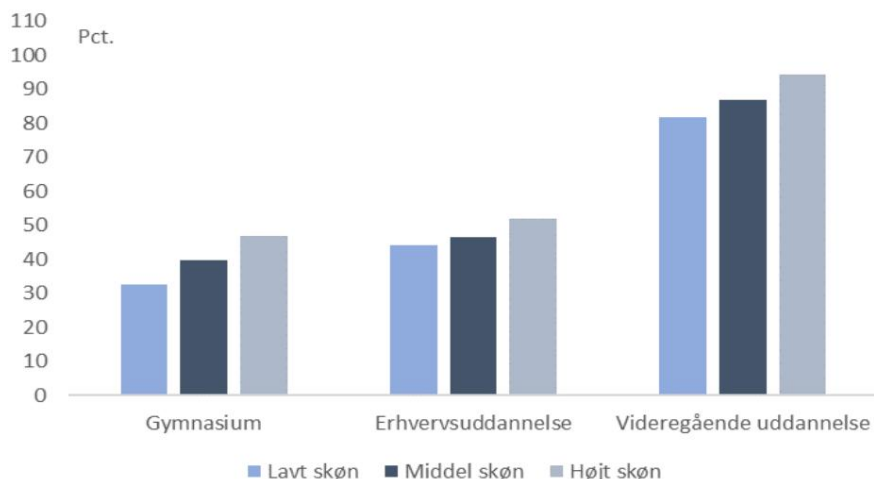
The individual's income on the labor market is an expression of individual productivity, and high productivity is typically reflected in high business income. **Across countries, there is a close, positive correlation between education level and income.** It partly reflects the effect for the individual of the education itself and the skills and knowledge it provides. Some of the positive correlation is also due to personal prerequisites, e.g. innate cognitive abilities, motivation, social skills, etc., which also play a role in the individual's productivity. **The individual's professional income is largely determined by the completed level of education and labor market experience.** A central challenge in relation to determining the connection between education and productivity consists in isolating the effect of education from the effect of other personal prerequisites. A commonly used method for this is Mincer's *Human Capital Earnings Function*. The model describes individual income (as a measure of productivity) as a function of the individual's highest completed education, labor market experience and personal characteristics.

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Figure 6 shows productivity gains from education, which are calculated according to the above method on Greenlandic data.

The results clearly indicate that a higher level of education has a positive, significant effect on the individual's productivity. The productivity gain from a secondary school education is around 40 per cent. in the period from 2016 to 2021, while the gain from vocational training is approx. 47 per cent. relative to a public school education. For higher education, the productivity gain is around 87 per cent. **On average, business income is increased by up to 3½ per cent. each year after completion of education.** That effect is strongest in the first years after education and then gradually diminishes. The analyzes also show that differences in labor market experience and place of residence etc. are important for the observed income differences.

3 On the website of the Economic Council there is the report "Productivity gains in education" with a detailed description of the method, data and results.

Figure 6. Productivity gains from education, 2021

Note: Productivity gains estimated according to the method in the report "Productivity gains in education". The effect is measured relative to a person with primary school education. Low estimate is the smallest estimated effect in 2016 to 2021, while high estimate is the largest estimated effect. Mean estimate is the average of the estimated effects.

Source: Own calculations on register data from Statistics Greenland.

A better educated workforce has higher productivity, is more innovative, and makes it possible to introduce new and better production methods more quickly, such as may have been developed abroad. A more productive one society therefore requires a workforce that is better educated. Greenland is among the countries that invest the most in education. The expenses for education in Greenland amounted to just over 10 per cent. of GDP in 2020. In comparison, Denmark spent 5.8 per cent in 2020, while the OECD average was 5.1 per cent. **Despite that large public investment in education, has 45 per cent. of people between the ages of 35 and 39 still only primary school as the highest education in 2022.** There has been progress in the field of education, especially through the 00s. In 2002, 65 per cent of the 35 to 39-year-old primary school as the highest level of education, and that share fell to 43 per cent. 10 years later, roughly equivalent to the level in 2022. **With the current pattern of admissions, dropouts and completions in the field of education, there is only a prospect of a modest improvement in the level of education going forward.** It shows, among other things, Economic Council's education projection⁴, and the progress is not sufficient to meet the educational strategic goals.

The challenges in the field of education are very complex, and some are linked to challenges in the social field and an insufficient academic level in primary schools. At the same time, the dropout is significant across all educations. The high dropout rate raises the question of whether it is the education system, who do not meet the education seekers where they are in practice. Today, well-being surveys, for example, are not a requirement, and the underlying reasons for the large dropout are really unknown.

The decisive constraint on progress in education is not the institutional or financial framework of the education system. Instead, there is a need to look critically at the organization and management of the various educations within the education system. The current management tools should be evaluated, including sector planning and opportunities to better utilize existing capacity in terms of personnel, buildings and financial resources. The management tools should

⁴ See e.g. *Greenland's Economy*, Economic Council, September 2022.

be based on data that can be used actively in planning and evaluation, e.g. data that provides opportunities for follow-up and action against e.g. high dropout rate

2. Economic prospects⁵

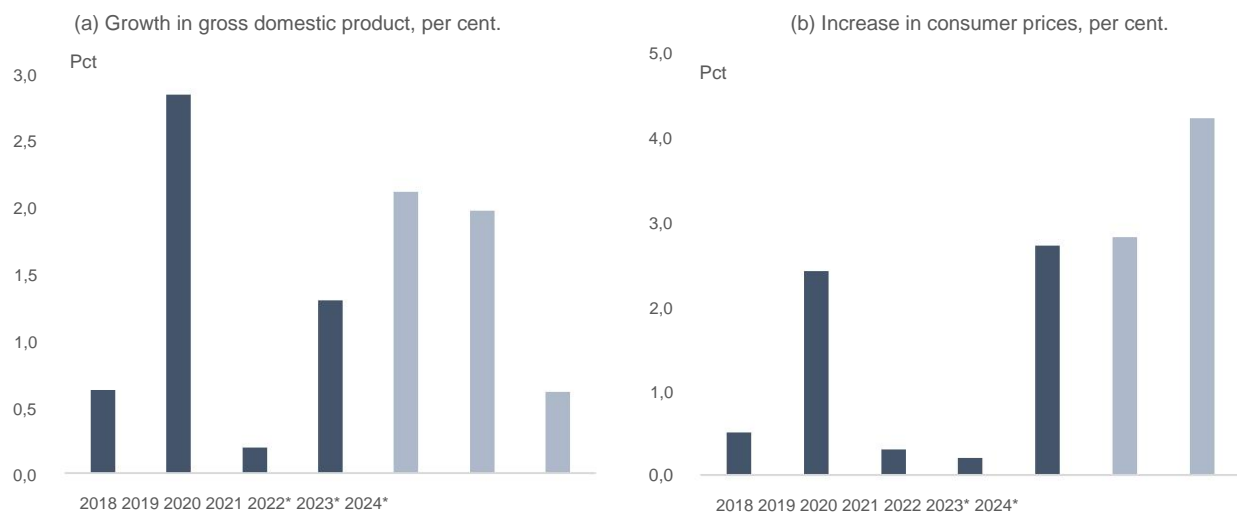
The international economy is characterized by relatively weak growth, and both the global inflationary pressure and the pressure on the labor markets thus appear to gradually decrease in 2024 and 2025. This is largely due to the effect of the interest rate increases, which, together with eroded purchasing power, dampens consumption and the private investments. In the OECD's forecast from November 2023, growth in the USA is expected to be around 1½ per cent. in 2024 and 2025, while growth in the Euro area will be just under 1 per cent. in 2024 and 1½ per cent. in 2025.⁶

Inflationary pressure in Europe and the US is gradually easing. The trend in energy prices in particular is a drag inflation down, while service prices, which are largely driven by wage developments, continue to keep inflation up. The prices of energy for delivery in the future (futures) have fallen since the autumn, which may point to less risk of large price increases for energy over the winter. The OECD expects inflation in the US and Europe to fall by around 2 per cent during 2025, and thus on a level with the central banks' inflation targets.

After significant interest rate increases throughout 2022 and 2023, interest rates have fallen back slightly since autumn 2023.

In January 2024, there is a market expectation of moderate interest rate cuts in both the USA and the Eurozone during the year. If the expectation is correct, the interest rate peak will have been reached in 2023, but the market expectation can move significantly due to new information about e.g. inflation in the US and Europe.

Figure 7. Declining growth and higher inflation in 2024



Note: In figure (a), the growth is calculated in 2010 prices, chained values. Preliminary national accounts figures for 2020-21 and 2022-24 are based on the Economic Council's updated business cycle assessment. Figure (b) shows the annual increase in consumer prices in January of the following year. Inflation in 2023 is thus the increase in consumer prices from January 2023 to January 2024.

Source: Statistics Greenland and own estimates.

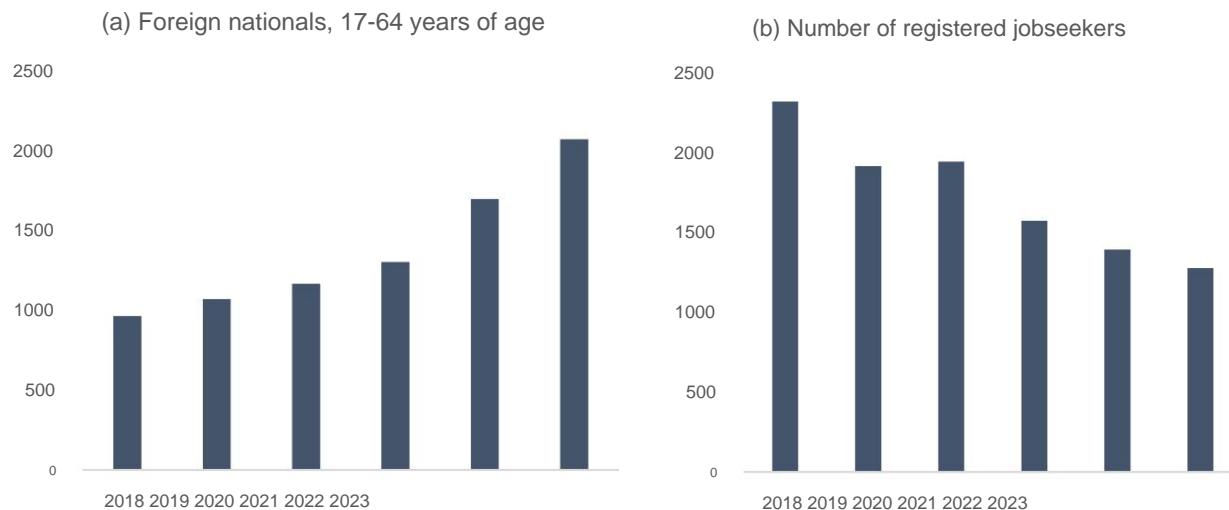
⁵ The Economic Council annually prepares a business cycle assessment, which is published in the September report. This report contains an update of the latest business cycle assessment published in September 2023. On the council's website you can find the report "Business statistics 2024-1" with detailed figures and tables on the business cycle situation.

⁶ Se OECD Economic Outlook, November 2023.

Rising interest rates have dampened domestic demand, but the effect has so far been contained, and there has not been a growth slowdown in 2022 or 2023, see figure 7. The infrastructure projects at airports etc. has largely been unaffected by rising interest rates. At the same time, the wide spread of fixed-rate mortgages for homes implies that higher market interest rates have not directly increased existing home owners' interest expenses. However, the interest rate on new loans has increased. Households' total interest expenditure on mortgage credit institutions and banks increased from approx. 211 million DKK in 2022 to an estimated DKK 275 million. DKK in 2023. This is a markedly smaller increase in interest expenses compared to, for example, Danish households, which on average both have larger housing debt and to a greater extent use variable interest rate mortgages.

The economy grew approx. 2 percent in both 2022 and 2023, i.a. as a result of great activity in the construction sector, tourism and fishing. The progress is clearly seen in the labor market, where the number of registered jobseekers has reached its lowest level ever at the same time as the amount of foreign labor has increased dramatically. In the 4th quarter of 2023, 2,075 foreign nationals aged between 17 and 64 lived in Greenland. In 2022, that figure was 1,700 people, and in the 4th quarter of 2021 there were 1,300 foreign nationals, see Figure 8. This corresponds to an annual increase in the workforce of 1-1½ per cent. to the extent that they have come to Greenland to work. In addition, there is a significant foreign workforce without permanent residence in the country. **The growth in the economy in recent years is thus closely linked to the influx of foreign labour.**

Figure 8. More foreign nationals and fewer registered jobseekers



Note: Foreign citizens are calculated in the 4th quarter. The number of registered jobseekers is the average for January to November.

Source: Statistics Greenland.

Inflation is the average increase in the prices of e.g. food, transport, rent, heating and electricity, which are included in the families' consumption. In the autumn report 2023, the Economic Council expected inflation of approx. 3½ per cent in 2023 and just over 5 per cent. in 2024, measured by the annual increase in consumer prices in January of the following year. The inflation estimate was based on expectations that the new price protection agreement on oil and diesel products will be at a significantly higher level than the previous agreement. Higher oil prices lead to a direct impact on consumer prices as a result of rising prices for heating, transport etc. and more indirectly through

increasing costs in i.a. the retail trade. In addition, increases in rent were expected to ensure the necessary renovation and maintenance, as well as inflationary pressure from rising food prices and from wages in a depressed labor market.

The price increases for oil in 2024 have not yet been announced, but may - based on world market prices - be smaller than previously assumed and possibly be phased in over a longer period. There is not yet an approved plan to catch up on the renovation backlog on the public rental housing, which is why any major rent increases are not expected until after 2024. The Finance Act 2024 contains a minor inflation-reducing measure in the form of a subsidy of DKK 5 million. DKK to the self-government's housing departments. Taken together, these factors suggest that **inflation for the entire period 2023-2024 may be approx. 7 per cent, which is 2 per cent. points lower than assessed in the autumn of 2023.** There is therefore a prospect of increases in consumer prices in 2023-24, which will be lower compared to the inflationary pressure in both the years 2008-9 and in 2011-12.

Growth in 2024 appears to be more subdued and is estimated to be approx. ½ per cent, which is slightly less than estimated in September 2023. The airport in Nuuk opens in November, and although there is still a lot of construction activity in, among other things, Ilulissat and residential construction in Nuuk, the level of investment will gradually decrease over the coming years. In the fisheries area, it has been decided to reduce the West Greenland TAC for shrimp by 7,500 tonnes in 2024, so that it lands at a total of 102,500 tonnes. The fall in catch volumes may be smaller as a result of quota flex, which provides certain opportunities to transfer a quota from one year to the next, but **overall, fishing will contribute to a slowdown in growth in 2024.** At the same time, inflation may reduce purchasing power and demand. This will dampen consumption, some of which is imported, and therefore does not directly affect activity in the country.

With small nuanced differences, the assessment of the business cycle is therefore the same as in autumn 2023.

After a number of economically favorable years, there is a prospect of a slowdown in growth and moderately increasing inflation. The strong development in the labor market continues, and the coming years will continue to be characterized by high employment and challenges in recruiting labour. A tight economic policy and a solution to the workforce problem are therefore a decisive economic challenge in the coming years.

The Economic Council prepares independent analyzes and assessments of the Greenlandic economy. The council was established by Naalakkersuisut and is led by an independent chairmanship consisting of Torben M. Andersen (chairman), Ulla Lyng (deputy chairman), Anders Blaabjerg, Mitdlarak Lennert and Søren Bjerregaard.

The analyzes function as an independent contribution to strengthening the decision-making basis for economic policy. Assessment of economic developments and sustainability of economic policy are recurring themes in the council's reports. The reports deal with current areas of reform that are intended to make the country more economically self-supporting.

The Economic Council's analyzes are published in reports and in shorter notes on the council's website: https://naalakkersuisut.gl/Departementer/Dep_for_Finanser_og_Skatter/Publikationer?sc_lang=da. The council also holds seminars and presentations on current economic and political themes.