

Narrow majority in favour of joining euro

Key points

- Narrow majority of Danes still support EMU participation.
- 40.3% of those polled in May said that they would vote *Yes*, while 39% would vote *No*. Add to this the 10.4% of voters who lean toward voting *Yes*, but are in doubt and the 6.2% that would likely vote *No* – and the *Yes* camp has a lead of 5.4 percentage points.
- Just when the Danes will be going to the polls is still uncertain, however.

Narrow *Yes* majority

Denmark: (%)	April 09	May 09
Yes.....	40.4	40.3
Maybe yes....	13.4	10.4
Maybe no.....	5.9	6.2
No.....	36.1	39.0
Don't know...	4.1	4.0
<i>Yes</i> lead.....	11.7	5.4

Source: Statistics Denmark. Opinion poll based on 944 telephone interviews

Prime Minister Lars Løkke Rasmussen once again threw the spotlight on the prospects for a Danish referendum on EMU participation early last week, when he said that he aimed to call an EMU vote within the term of the current parliament – i.e. by autumn 2011 – even though he had indicated soon after his inauguration that he might not call a referendum before the next general election.

Danske Bank regularly surveys the opinion of Danes on adopting the euro. Our May poll showed that the *Yes* camp maintained a narrow lead over the *No* side. However, the *Yes* lead has shrunk in recent months, so our May poll does not give grounds for concluding that a majority of the Danes would be sure to vote in favour of joining the euro at any future referendum. The modest *Yes* lead represents a return to a more normal situation following the brief *Yes* rally in November and December last year.

Our May poll showed that 40.3% of Danes polled would definitely vote *Yes* to Danish EMU participation, while 39% were certain *No* voters. Add to this the 10.4% of voters who are in doubt, but lean toward voting *Yes* and the 6.2% who would perhaps vote *No* – and the *Yes* camp has a lead of 5.4 percentage points. While this is a decent lead, a comparison with the poll we conducted in April shows – as already mentioned – that the lead has shrunk. At any event, many Danes are still in doubt about how to vote.

The temporary momentum of the *Yes* side in the final months of 2008 reflected the autumn economic agenda being heavily affected by the escalating financial crisis. Due to the turmoil in financial markets, the Danish central bank, Danmarks Nationalbank (DN), had to widen the rate spread to the eurozone several times during October. Meanwhile, the Danish economy slowed sharply, and many Danes began to feel the impact of rising interest payments on their budgets. This stimulated support among Danish voters for joining the euro. However, since then the foreign exchange turmoil has subsided, so opinion polls have more or less returned to normal, with a modest *Yes* lead that will likely make a future referendum on euro membership a very close run race.

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