

DANISH AMERICAN CHAMBER OF COMMERCE

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NEWSLETTER

DACC MEMBER HONORED

Her Majesty Queen Margrethe of Denmark has honored Henry Greenebaum with the highest Order of the Knighthood of Dannebrog. On November 12th Consul General William Thune-Andersen conveyed his recognition at a brief ceremony.

Greenebaum has been involved in building agricultural and commercial relations between Denmark and the U.S.A. since 1931, and more recently in these matters pertaining to the Common Market and the U.S.A. He serves on our chambers' Board of Directors.

DANISH "EXPORT OSCAR" PRESENTED TO MASSACHUSETTS COMPANY

Mr. Walter Goodridge, President of Tekton Corporation, Conway, Massachusetts, has been awarded the Danish "Export Oscar" 1980 by the National Association for Danish Enterprise.

The award was presented to Mr. Goodridge by Danish Consul General William Thune-Andersen at a special luncheon in Boston on December 16, 1980.

Tekton Corporation was founded in 1973 and is an expanding marketer of energy saving products. The company was chosen to be awarded the 1980 Export Oscar for its efforts in importing and selling H.S. Tarm multi-fuel boilers.

The rapidly expanding sales of the Danish multi-fuel boilers has already made Tekton Corporation one of the three biggest importers via the Port of Boston. The two others are Lego (Danish) and Polaroid (Germany).

MARK REVIEW PUBLISHES TRADE DEVELOPMENT BULLETIN

The recent edition of Denmark Review entitled "Doing Business in Denmark" presents an excellent and attractive overview of the economic atmosphere and resources in Denmark. There are handy references to business organizations, government departments, banks, hotels, fairs and exhibitions, etc. as well as brief discussions of the Danish labor market, as well as the business, industrial, farming and fisheries sectors.

All members of the Chamber will receive a copy. Additional copies are available from the Secretariat.

ACTIVITIES OF THE TRADE PROMOTION DIVISION OF THE DANISH CONSULATE GENERAL IN NEW YORK

THE TRADE PROMOTION DIVISION of the Consulate General, offers all kinds of assistance to Danish exporters, who wish to enter the U.S. market or to increase their present exports to the U.S. Advice is also given on direct investments in this country as well as on U.S. investments in Denmark. The service includes market analyses, advice on sales and distribution channels, selection of agents, importers, etc. and assistance related to compliance with U.S. standards and requirements for approval of specific merchandise by American authorities. Furthermore assistance is rendered to Danish companies in collecting unpaid

debts from U.S. debtors as well as in other legal matters. Assistance is also available to U.S. companies who wish to import Danish products, typically in locating one or more suppliers of a specified product or a line of products within a certain field.

The Trade Promotion Division also organizes or supports export promotion activities in the form of trade shows, seminars, symposia, workshops, etc. involving promising lines of business.

Inquiries concerning export from the U.S. to Denmark are referred to the U.S. Department of Commerce or the Danish Chamber of Commerce, Foreign Trade Section, Boersen, DK-1217 Copenhagen K.

The amount of business handled by the commercial section is rather considerable, about 4,000 letters, 3,000 telephone calls and 1,200 personal visits being received per year.

By mutual agreement between the Danish American Chamber of Commerce and the Consulate General of Denmark it has been decided that inquiries received by the DACC Secretariat falling within the business area of the Trade Promotion Division of the Consulate General should be referred to the Trade Promotion Division.

Enclosed with this issue of the Newsletter is a list of the staff of the Consulate's Trade Promotion Division.

NEW BOARD MEMBER

Ejvind Frandsen has been appointed to fill the vacancy on the Board created by the resignation of Arthur Reisch. Frandsen is a long time member at the Luncheon Club. His appointment is particularly appropriate in this, the Luncheon Clubs' 50th anniversary year.

DANISH CHEESE AGAIN NUMBER ONE IN 1980

With statistics from the U.S. Department of Commerce at hand covering the cheese importation during the first 10 months of 1980, it seems safe to say that Denmark will again in the calendar year of 1980 be the leading exporting country of table cheese to the United States. Thanks to fine sales efforts and 1980 coop-advertising program Danish cheese sales are up by 26% in the period January - October 1980, in comparison to the same period last year. Denmark has increased her share of the total U.S. market for imported cheese from 11.8% to 16%.

DANISH ECONOMY (Privatbanken, January 7, 1981)

It is now apparent that Denmark has entered into the most severe recession since the 1930's. Private consumption and fixed investment are declining. Until the middle of last year exports and public consumption were the only expansionary demand components in the Danish economy. But now the international recession has also dampened growth in exports.

The inflation outlook for 1981 is highly dependent on the outcome of the wage settlements in the Spring. Because of the sharp rise in unemployment only moderate wage increases are expected to result from these negotiations. Average increases in wages in the manufacturing section are expected to be about 10 p.c. in 1981. The same increase that is expected in the cost-of-living index. But, real disposable income of wage earners will nevertheless decrease because of the increases in income taxes. Therefore, private consumption is expected to fall 2½ p.c. in real terms during the coming year. Residential construction will decline 15 p.c. following a drop of 20 p.c. in 1980. Exports are expected to fall by 3½ p.c. in real terms, but as imports will drop even more, a slight improvement in the trade balance is foreseen.

Because of the higher interest payments on existing debt, the current external deficit will not fall in 1981 but reach \$2.2 billion, the same as last year.

COMING EVENTS

January 30 DACC luncheon meeting, speaker Mr. John Hansen (see below).
February 25 DACC luncheon meeting, speaker Mr. Leif Olsen (see below).
March DACC/Danish Luncheon Club 50 Year Anniversary Gala Dinner Dance.

On January 30, 1981, John Hansen, President, Northern Feather Inc. Newark, N. J. and Group Vice President of Nordisk Fjerfabrik A/S, will be the guest speaker at the Danish American Chamber of Commerce luncheon. His topic will be Danish Companies - Their ability to Survive in 1981 and how they can best approach the U.S. market.

The guest speaker on February 25, 1981, will be Leif Oslen, Chairman of Economic Policy Committee, Citibank. His topic will be the outlook for the U.S. economy for 1981 with a view to the possible changes we can expect from the Reagan administration.

DENMARK TO LICENSE NORTH SEA VENTURES (From the New York Times, December 29, 1980)

Copenhagen, Dec. 28 (Reuters) - As Denmark completes the nationalization of its portion of the North Sea oil fields this month, interest in obtaining licenses to search for oil and natural gas in the Danish sector appears to be widespread - possible heralding a new exploration drive next year.

Licenses will be issued under new legislation going to Parliament here in January. A dozen oil companies have thus far shown interest. Denmark had until now leased to one private company, the Danish shipping and oil concern of A. P. Moeller, which worked the concession in cooperation with the Royal Dutch/Shell Group, Texaco and the Standard Oil Company of California.

Nationalization also followed the breakdown of 10 months of talks in which the Government sought more control of the oil and gas, after criticizing the slow pace of exploration.

The concession was obtained by Moeller in 1962. So far, about 20 percent of the area has been worked and several small finds have been made. They are expected to produce about 40,000 barrels a day from next year - a modest output compared with 2 million barrels a day in Britain and Norway.

BATTLE FOR THE SYNTHETIC HUMAN INSULIN MARKET BETWEEN LILLY AND DANISH FIRMS IS INTENSIFYING (Wall Street Journal, January 7, 1981)

The first great marketing battle for a genetically engineered product has begun and the competition involves large stakes on both sides of the Atlantic.

That's how Neil B. Sweig, analyst at Shearson Loeb Rhoades, sees the race between Eli Lilly and Novo Industri (over the counter), a Danish company, to be first in selling synthetic human insulin for treating diabetes. "Without a doubt, this battle began in 1980 and will intensify," he says. "Both companies are spending millions of dollars on research to develop a less expensive human insulin to replace the animal insulin currently dominating world markets."

Aside from the health benefits involved, the two companies are moving ahead as quickly as possible so that each can use the new product to invade the other's market, Mr. Sweig believes.

He estimates that Lilly has 85% to 90% of the U.S. insulin market and that Novo has 60% of the European market. In 1980, he estimates, insulin sales totaled about \$10 million in the U.S. and almost \$100 million in Western Europe. "Each company hopes to be able to break the other company's dominant share in its respective markets through new methods of producing insulin," he says.

Lilly claims to be far ahead of Novo in developing human insulin through genetic engineering. On its part, Novo recently announced a new chemical synthesis method for producing a highly purified insulin product. "Based partly on this new method, Novo recently established a U.S. subsidiary operation," Mr. Sweig says.

Insulin has been produced commercially for nearly 60 years from the organs of swine and cattle. Recent strides in manipulation of genetic codes of bacteria, however, have opened the prospect of mass production of synthetic insulin.

NIRO ATOMIZER JOINS THE RACE FOR 2 BILLION DANISH KRONER (Borsen, December 12, 1980)

NIRO ATOMIZER EXPECTS A MARKET SHARE OF 60 TO 70 PERCENT ON THE US MARKET FOR FLUE GAS DESULPHURIZATION SYSTEMS

Niro Atomizer, known on the world market for its spray dryer absorber designs, has been invited to submit proposals, amounting to a sum of 2 billion Danish Kroner, for deliveries of the so-called Flue Gas Desulphurization Systems to be used in American utility power plants.

Over the last few years NA has held a 60 to 70 per cent share of the U.S. market; and NA expects to maintain its market share during the coming increase.

NA was invited to submit the above mentioned proposals after the company signed contracts for FGD systems (amounting to about 100 Million Danish Kroner) with the American power plant Antelope Valley in North Dakota and with a small industrial power plant of Argonne National Laboratories in Chicago.

Thus far NA in 1980 has orders totalling approximately 500 million Danish Kroner for deliveries of its FGD Systems - this is NA's largest total order within a 12 month period since NA began marketing its new anti-pollution products 3 years ago.

NA signed an agreement with Joy Manufacturing Co. of Los Angeles for the joint development and marketing of their dry FGD and Particulate Control Systems. Joy Manufacturing Co. will, amongst other things, deliver filters for flyash disposal in the NA FGD Systems.

Furthermore, NA, the Joy Manufacturing Co., and Northern State Power Plant in Minneapolis invested a total of 90 million Danish Kroner in a full-scale pilot plant; NA considers the plant to be a valuable reference installation.

NA should thus increase its lead, presently several years, over its competitors. This is of considerable importance in a market which until 1990 budgets with investments of 13 billion dollars (equivalent to 80 billion Danish Kroner) in plants for removal of sulfur oxides from boiler flue gases.

For this reason NA is planning a strong increase in manpower over the next couple of years in the US. Currently 350 to 400 people are employed in the U.S. by NA.

DANISH COMPANY GETS THE WORLD'S LARGEST CLEANING JOB

The Danish concern ISS (International Service System) has received the world's largest cleaning order to date for 15 million dollars per year. From January 1, 1981 ISS will be in charge of cleaning the World Trade Center in New York. The building measured in square feet is the largest in the world.

Poul Andreassen, the managing director of ISS, confirms to the Danish newspaper "politiken" that the final contract has been signed.

"The contract will run for a seven year period. 700 people will daily be cleaning the building at a full-time basis. It is our American subsidiary Prudential Building Maintenance Corp. who, in strong competition with 7 or 8 other companies, finally received the order. Our American company has for some time been in strong economical progress, but it is clear that with this new contract we have all the reason to be optimistic for the future."

50,000 people work at the World Trade Center and ISS will be in charge of cleaning 22 restaurants, 50 shops, 100 elevators, etc., as well as 43,600 windows.

The ISS concern consists of 56 companies in 15 different countries. The total turnover as last year about 3 billion Danish Kroner. A total of 52,000 people are employed by ISS around the world.

EXXON PROMOTES DENMARK

Recently EXXON's magazine for their shareholders carried an article on Denmark with beautiful photography and informative text which was very complimentary to Denmark. Copies will be available for our members at the January 30 luncheon meeting or call the secretariat (212) 245-0424,