

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

75 ROCKEFELLER PLAZA, 11th Floor
NEW YORK, NEW YORK 10019
(212) 245-0424

APRIL, 1981

NEWSLETTER

REPORT ON ANNUAL MEETING

Annual Meeting of the DACC was held at the New York Yacht Club on April 2, 1981. The Committee gave a full report on the year's activities. These reports are on file at the Secretariat and are available to interested members upon request to the Secretariat.

The significance was Treasurer Karsten Hess' report that the financial situation of the Club is healthy with sufficient year end balance to enable us to carry on our work in the year to come.

Members elected to the Board for a three-year term were the following:

Henry Greenebaum, Karsten Hess, Kristian Holst, Torben Høge-Jensen
Steen Parsholt

And Frandsen was elected to fill out the balance of Arthur Reich's term which expires on April 1, 1982.

EMBASSY IN COPENHAGEN SENDS GREETINGS ON LUNCHEON CLUB'S 50 YEARS

To The Danish Luncheon Club

On the occasion of the 50th Anniversary of the Danish Luncheon Club, I am pleased to extend the congratulations of the American Embassy, Copenhagen for the Club's efforts over the past half century to further U.S. - Danish relations. The Club's support of the Danish-American Chamber of Commerce, and the cooperation and understanding generated by these efforts have been important contributions in maintaining and deepening Danish-American friendship. My very best wishes for the next fifty years.

Sincerely,

Arthur H. Hughes
Charge d'Affaires a.i.

GEORG JENSEN SILVERSMITHS ARE BACK IN MANHATTAN

On April 2, 1981 the Royal Copenhagen Porcelain Factory and Georg Jensen Silversmiths jointly opened a new shop on Madison Avenue. The Royal Copenhagen Porcelain Factory is thus making a second attempt of re-establishing retail business with Georg Jensen on the American market which previously has been good for both porcelain and silverware.

The new shop is twice the size of the previous one and has a better location. The former shop was closed down in December 1980 and since then the company has made attempts at what is called a new start. Per Liedberg, the Managing Director, calls a new start.

The location on Madison Avenue is the Royal Copenhagen Factory's only retail shop in the United States in spite of the fact that the American market is considered to be as large as that in Japan. The company has 37 shops around the world and 7 of these are situated in Japan.

Great Plans

John Liedberg has great plans for the Royal Copenhagen Porcelain factory/Georg Jensen Silver in the United States. Even before the new shop has proven profitable, ideas exist for expanding into Houston and Los Angeles. "But let us wait and see", says John Liedberg to the Danish Newspaper Børsen.

REMARKS BY AMBASSADOR BORCH ON OPENING OF ROYAL COPENHAGEN PORCELAIN/GEORG JENSEN SILVER-SMITHS NEW SHOP ON MADISON AVENUE

Ladies and Gentlemen,

Seeing this magnificent new store, two things come to mind: the first is that what you see here certainly establishes the fact that the Royal Copenhagen Porcelain Factory and the Georg Jensen Silversmiths justifiably still can be called flagships of Danish design. Modern as well as classical.

The second is a cartoon drawn by the great Danish humorist and philosopher, Robert Storm-Petersen. It shows a man fascinated by a window display in a store and commenting: "It beats me that anybody can have the heart to sell liquor!" The crowd on Madison Avenue may get similar thoughts about porcelain and silver when they pass this store!

I certainly am pleased to be here today to congratulate you on your new premises. They are worthy of your products.

Speaking about the products, it has often struck me that the Danish decorative art you see in this store, you can also see in many fine museums in many countries. Of course it is for the most part early works of the artists from the factory or the silver smithy which are found in museums. An interesting thing, however, is that many of them are still sold commercially which explains the comment you sometimes hear from design critics that "Modern Danish" has become "Classical Danish". You might say that this comment also reflects on a design and a quality that is timeless and therefore very well can be taken as a compliment too.

It certainly applies to the products of the Royal Danish Porcelain Factory and Georg Jensen. Quality and good design that is. We all know that neither the art of manufacturing porcelain nor the art of processing the finished silver are of Danish origin. However, the porcelain factory is, as far as I know, the oldest Danish enterprise in applied arts, and when it was established more than 200 years ago, it was not enough for the factory to limit itself to copying Chinese patterns. The Royal Copenhagen Porcelain Factory created and developed from the first beginning its own, now world famous blue and white pattern and the Flora Danica service which is unique.

The same applies to Georg Jensen who was not content to limit himself to reproductions of antique silver. On the contrary, Georg Jensen formed a group of gifted and talented artists who with him created designs in flatware and other silver works now known all over the world. It is characteristic both for the Royal Danish Porcelain Factory and for Georg Jensen that they have succeeded over the years to attract our best designers to turn out new products for them. Always with respect for the materials and for the unique background of the two companies. Herein lies, I think, the real strength of the two companies.

And so, since we all have to live, and since we would like to bring back some hard currency to Denmark, we will have to accept that the management here indeed have the heart even the wish to sell these fine products. I should like to finish by once more congratulating you on your new home in New York and hope that you will continue to be commercially and artistically successful.

INTERVIEW WITH COMMERCIAL COUNSELLOR U.S. EMBASSY, COPENHAGEN (BY DAN LARSEN)

There is a continuously growing flow of American inquiries about business opportunities in Denmark, says Thomas J. Roesch, Chief Trade Officer at the U.S. Embassy in Denmark in a conversation with us. However, he does not characterize the recent rise as a tremendous surge.

Personally I feel a strong American interest in Scandinavia as a whole, he says. There is a high standard of living, people are rich and the market is good and active. And Danish consumers all of a sudden show a strong interest in American consumer products - especially in the clothing area.

The contracting Danish consumer market does not seem to stop the interest, recently we had an "America the Beautiful" festival in the Illum Department Store and the response was very fine. The interest is both in traditional and new areas of U.S. imports.

Roesch mentions that electronics will continue to be a big item in Denmark with word processing and microcomputers. But also food processing equipment (as packaging) and hotel/restaurant business will grow.

There is a growing Danish interest in fast food and after the success of Burger King other franchises are/will be arriving (McDonalds and Pizza Hut). The embassy is planning a franchise seminar in Copenhagen with maybe 10 participants. In this connection the trade attaches see a strong market for fast food equipment.

There is today about 500 U.S. companies established in Denmark (with majority ownership) and 1000 have representatives. Only 19 of the American corporations have U.S. leadership.

Roesch tries to keep on top of this strong U.S. presence and interest with a staff of four people.

We would like to see a revitalization of our relationship with the Danish-American Chamber of Commerce in New York, he says. Naturally we do not compete with the Danish Foreign Ministry in servicing the members of your organization, but to the extent the traffic goes our way and if anything falls between the cracks we would be delighted to help out.

ECONOMIC REPORT (PRIVATBANKEN)

Danish industry is in a structural change regarding its markets. Strong and successful efforts have been made to increase exports and to obtain an improvement market share. Industry has realized that the recession on the home market will last for a long time and therefore the economic policy aims directly at curtailing domestic demand and increasing the sale of Danish products abroad. The objective is to remove the annual current account deficit on the balance of payments (Dkr. 13.8 bn in 1980) during the course of the 1980's.

This year, as in 1980, there are indications that Danish industry will increase its share of the export market by 2 percent despite the recession in Denmark's foreign markets. This implies that only a small reduction in exports is expected in 1981 compared with an increase of 9 percent in 1980. It also proves that Danish industry has learned how to take advantage of improved competitiveness. Measured in terms of total wage costs, Denmark's ability to compete in relation to its main export markets improved by approximately 8 percent in 1980 and this year a 5 percent improvement is expected.

The favorable outlook for Danish industry can be attributed to the economic policies of the past few years. Danish foreign currency policy of allowing small and regular devaluations of the Krone rate within the EMS has resulted in a devaluation of the Krone by a good 16 percent since the spring of 1979. Also the rate of salary increases has been checked. By political intervention the automatic cost-of-living adjustment of salaries was changed at the beginning of 1980. The index was reset to zero, and oil prices were removed from the index. Therefore, oil price increases thereafter caused a direct fall in the real wages.

NOTICE FROM THE BUSINESS PRACTICES COMMITTEE

Members of the Business Practices Committee will be available to confer with interested members immediately after each luncheon. If you wish such a meeting, please call the Secretariat to make arrangements.

NOVO EXPANDING IN THE U.S. (NOVO'S PRESS SERVICE, MARCH 24, 1981)

The management of the Danish company Novo Industri A/S has announced that a considerable expansion of the company's U.S. plant, Novo Biochemical Industries, Inc., Franklinton, North Carolina, will take place. The expansion will make it possible for Novo to make use of the latest developments within the fermentation technology.

Investments involved with this expansion are estimated to be between 10-15 million U.S. \$. The work involved is expected to be finished by the third quarter of 1982. The total capacity of the U.S. plant, after the expansion has taken place, is expected to be three times greater than that of the present plant. The reason for this considerable expansion is to meet the increasing demand for enzymes on the American market.

FROM THE DANISH NEWSPAPER BØRSEN

A. Exports (March, 1981)

Falling demand at home has made firms put greater emphasis on exporting. This is shown in the January trade figures where, despite a considerable increase in oil imports, the deficit on the trade balance for the month was 1,020 million kr. (1,368 million kr. in December).

The rise in exports is partly due to the fall in the value of the currency which makes Danish goods more competitive abroad. By the end of February the krone was five percent below its average value in 1980 and 15 percent lower than in the spring of 1979.

Higher interest rates abroad has also raised the costs of foreign manufacturers.

Businessmen now face the problem of sharply increased raw materials which will squeeze margins.

The Industry Council is guardedly optimistic and expects that exports will continue to rise but at a slower rate during the next few months as the higher bills for raw materials ease prices upwards. One of the areas which showed a marked increase in exports is the white ware sector.

Home sales for cookers, fridges, etc. tumbled by more than 20 percent last year but exports rose from 928 million kr. in 1979 to 1,140 million kr. At the same time imports fell from 680 million kr. in 1979 to 612 million kr. last year.

B. Gas (March, 1981)

The first pipes in Denmark's natural gas grid will be laid next month. More than 200 men will start building the first leg from Frøsler, on the German border, to Egtved. This section should be completed by autumn next year. The whole grid should be completed in four years.

D.O.N.G., the State energy company, reckons the grid - which will heat a quarter of the nation's homes - will cost 4,000 million kr. at 1978 prices. So far, contracts worth 800 million kr. have been awarded.

Although many foreign firms are involved in the project, they have only been given contracts if they are in partnership with Danish firms. D.O.N.G. wants at least a third of the work to be carried out by Danish companies and hopes they will be able to get work in other countries later using the expertise they will have gathered during the project.

Oil (March, 1981)

A new agreement has been reached between the Government and A.P. Moller on the future of the North Sea oil fields.

Under the terms of the deal, the Danish Underground Consortium (Moller Shell, Texaco and Chevron) holds on to the oil-rich 12,000 sq.km. south-western area until the end of the century and hands back the rest of the concession area in three parcels over the next five years if no oil or gas is found in that period.

The State, through its oil firm D.O.N.G., has an option to buy 40 percent of the oil produced by DUC has the right to buy it back in reducing amounts until 1989.

A state-owned pipeline is to be built and DUC will pay cash for using it and not oil as was suggested earlier.

Development is to be speeded up and DUC will operate five exploration rigs in the North Sea from 1982 to 1984. DUC will also have to prepare six-year exploration plans which can be revised every three years.

Definite proposals about taxation were revealed when the Prime Minister, Mr. Anker Jorgensen, announced that agreement had been reached. The Government, however, has promised that the tax, when it comes, will be held at a reasonable level.

The Danish Bank "PROVINSBANKEN" Will Soon Open A Branch Office In New York City (March, 1981)

Provinsbanken will open a branch office in New York City. The necessary application procedure has been started and the branch office is expected to open by the end of this year.

The purpose for the New York office is primarily to have direct access to the American money market, and thus be able to contribute in the financing of Danish trade as well as in financing of the impending social investments in need of foreign financing. (i.e. Budget deficit)

UPCOMING EVENTS

- March 23, 24
DACC Meeting (Soon to be announced by separate bulletin)
A Salute to Scandinavia, Arts and Crafts Exhibitions, Foods of five Nations and Films. Old Westbury Gardens (516) 333-0048.
- March 6
Hans Christian Andersen Storytelling Center celebrates its silver jubilee, Central Park, Fifth Avenue at 72nd Street, 11 a.m.
- March 7
Danish Constitution Day Celebration at Danish Home, Croton-On-Hudson.

BUSINESS OPPORTUNITIES

Manufacturer of note pad-size slate seeks importer distributor.
401/98/06 CB

Manufacturer of down comforters seeks importer.
401/94/04 CB

Manufacturer of equipment for home brewers seeks importer/distributor.
401/22/04-07 CB

Manufacturer of christmas decoration articles seeks importer/retailer.
401/99/10-11 CB

Manufacturer of bronze letters, numerals and decorations seek importer.
401/83/14 JJ

Manufacturer of machines for the production and conversion of foam seeks agent/importer.
401/84/60 JJ

Manufacturer of parquet flooring seeks importer 401/44/17 JJ

Manufacturer of woodworking machinery seeks importer 401/84/01 JJ

Manufacturer of boilers seeks importer 401/84/01 JJ

Manufacturer of paint-spray guns seeks importer 401/84/21 JJ

Manufacturer of toilet seats of wood seeks wholesalers/importers 401/73/78 JJ

Manufacturer of woodstoves seeks importer 401/73/36 JJ

Manufacturer of smoking pipes seeks distributors/wholesalers/importers 401/98/11 JJ

Manufacturer of nylon wheels for modern materials handling seeks importers
401/39/1-7 JJ

No. 8

TWO OF C

When "B
the May
so many
scolded
that two
"Børsen

IMPORTER
Americ

There ar
prices.
realisti

The Pres
Council
cheese.
a few ex
deck can

The expo
and it l
the Danis
agreement
cannot ev

STRONG IM

In 1979 t
against 2
He also c
sell Dani
is wide o
the Danis

I cannot
they have
a cheese
a table c
big incre
dropped a
18% in 19