

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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



NEWSLETTER

No. 5

October 1982

Editors

Flemming Søderlund (203) 655-7483
Poul Essemann (212) 697-5105
Dan Larsen (212) 864-5107
John Ogilvie (212) 267-5250

NEW FOUR-PARTY GOVERNMENT IN DENMARK

The Social Democratic minority government headed by former Prime Minister Anker Jørgensen resigned in early September this year after several weeks of hectic negotiations with other parties on the coming year's economic program. The Social Democrats could not find sufficient backing for the economic program and Mr. Anker Jørgensen saw no other solution than to resign.

However, Mr. Jørgensen did not call for general elections but left it up to the opposition to form a new government. This was done surprisingly fast and on Friday, September 10 the new Prime Minister, the Conservative Poul Schlüter, could present his new cabinet to Her Majesty Queen Margrethe II. The new minority government is formed by the Conservatives (C), The Liberals (V), the Center Democrats (M), and the Christian People's Party (Q).

On Tuesday, October 5, Prime Minister Poul Schlüter gave his "throne speech" at the opening of the Danish parliament, "Folketinget". He did not promise the Danish population happiness and riches. He promised rather hard measures to battle the growing deficit of the balances of trade and payment. Furthermore, the Prime Minister gave a special priority to the high unemployment rate and one of the measures to bring down this rate would be to support the export industry in Denmark.

The new cabinet is as follows:

Prime Minister
Minister for Finance
(Vice Prime Minister)
Minister for Foreign Affairs
Minister for Justice
Minister for Economic Affairs
Minister for Agriculture
Minister for Energy
Minister for Industry

Poul Schlüter (C)
Henning Christophersen (V)
Uffe Ellemann-Jensen (V)
Erik Ninn-Hansen (C)
Anders Andersen (V)
Niels Anker Kofoed (V)
Knud Enggaard (V)
Ib Stetter (C)

Minister for Social Affairs
Minister for the Environment
and for Nordic Affairs
Minister for Education
Minister for Public Works
and Communications
Minister for Fisheries
Minister for Housing
Minister for Labor
Minister for Cultural Affairs
Minister for Ecclesiastical Affairs
Minister for the Interior
Minister for Inland Revenue
Minister for Greenland
Minister for Defence

Palle Simonsen (C)
Christian Christensen (Q)
Bertel Haarder (V)
Arne Melchior (M)
Henning Grove (C)
Niels Bollmann (M)
Grethe Fenger Møller (C)
Mimi Stilling Jakobsen (M)
Elsebeth Kock-Petersen (V)
Britta Schall Holberg (V)
Isi Foighel (M)
Tom Høyem (M)
Hans Engell (C)

As president of the European Communities Prime Minister Poul Schlüter is expected to visit Washington DC at the end of November this year. Mr. Poul Schlüter will on behalf of the EEC have talks with President Ronald Reagan and Secretary of State Mr. George Schultz. Mr. Schlüter has indicated that he will be willing to give a speech in the Danish American Chamber of Commerce in connection with his visit to the US.

THE DANISH ECONOMY (DEN DANSKE BANK - AMERICAN SCANDINAVIAN BANKING CORP)

In recent years, Danish economic policy has been aimed at improving the balance of payments as well as employment by strengthening the competitiveness of Danish industry.

So far this policy has been successful in that the competitiveness has improved substantially since 1979. The rate of increase in wages has been reduced to approximately 9 per cent in 1981. Further, the value of the krone within the European Monetary System has been adjusted several times and runs at present approximately 20 per cent below its value in spring 1979. It has thus been possible to recapture part of the external market shares lost during the 1970's.

Due to the bleak world economy, however, this improvement has not been sufficient to solve the three basic problems of the Danish economy: a balance-of-payments deficit of D.kr. 20 bn. in 1982 against D.kr. 12 bn. in 1981, a budget deficit of D.kr. 60 bn. in 1982 against D.kr. 42 bn. in 1981, and 260,000 persons unemployed in 1982 against 243,000 in 1981.

In this context Denmark has faced increased world prices of energy and the anti-inflationary policy pursued in many countries. In addition, the high level of interest rates internationally has aggravated the economic situation in Denmark as well as abroad.

At the opening session of the Danish Parliament on October 5, Mr. Poul Schlüter, the Prime Minister, emphasized the new four-party non-socialist government's intentions to reinforce the improvement in the competitiveness of Danish industry.

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In this context Denmark has faced increased world prices of energy and the anti-inflationary policy pursued in many countries. In addition, the high level of interest rates internationally has aggravated the economic situation in Denmark as well as abroad.

At the opening session of the Danish Parliament on October 5, Mr. Poul Schlüter, the Prime Minister, emphasized the new four-party non-socialist government's intentions to reinforce the improvement in the competitiveness of Danish industry.

The main points of the government's proposed economic policy can be outlined as follows:

Immediate suspension of all indexation of wages, salaries and transfer incomes (such as pensions and unemployment benefits) until 1985.

A freeze on wages and gross profit margins effective from October 5, 1982, till March 1, 1983.

A 4 per cent ceiling per year on wage increases within the public sector in 1983 and 1984. This ceiling is to be indicative for the upcoming collective wage negotiations in the private sector. If the wage agreements are held within this limit, a monthly income tax relief of D.kr. 100 is promised.

Government spending will be cut by D.kr. 20 bn. in 1983 and an estimated D.kr. 37 bn. in 1984. In this connection unemployment benefits will gradually be reduced from 90 per cent to 80 per cent of wages, and sickness benefit will be abolished for the first day of sickness.

A programme of investment incentives is planned for the business sector. Further details are not yet available.

These measures, in particular with regard to incomes policy, indicate that the government is aiming at a stable exchange rate policy. However, this point was not discussed in the Prime Minister's opening address.

AALBORG SHIPYARD BUILDS SECOND AMERICAN LINER

Aalborg shipyard has won an order from an American line to build a 5,000 grt cruise liner.

With a price tag of 1,480 million kr., the ship is the most expensive civilian vessel ever ordered in Western Europe. It will be handed over to Carnival Cruise Lines of Miami in 1985.

This is Aalborg's second order from Carnival. It built the line's present flagship, the Tropicale, which was delivered last December and is now the world's most heavily-booked liner.

The contract will give 600 men work for the next three years and Aalborg executives are hoping for two further orders for similar ships from the same line.

(Børsen, 9.30.82)

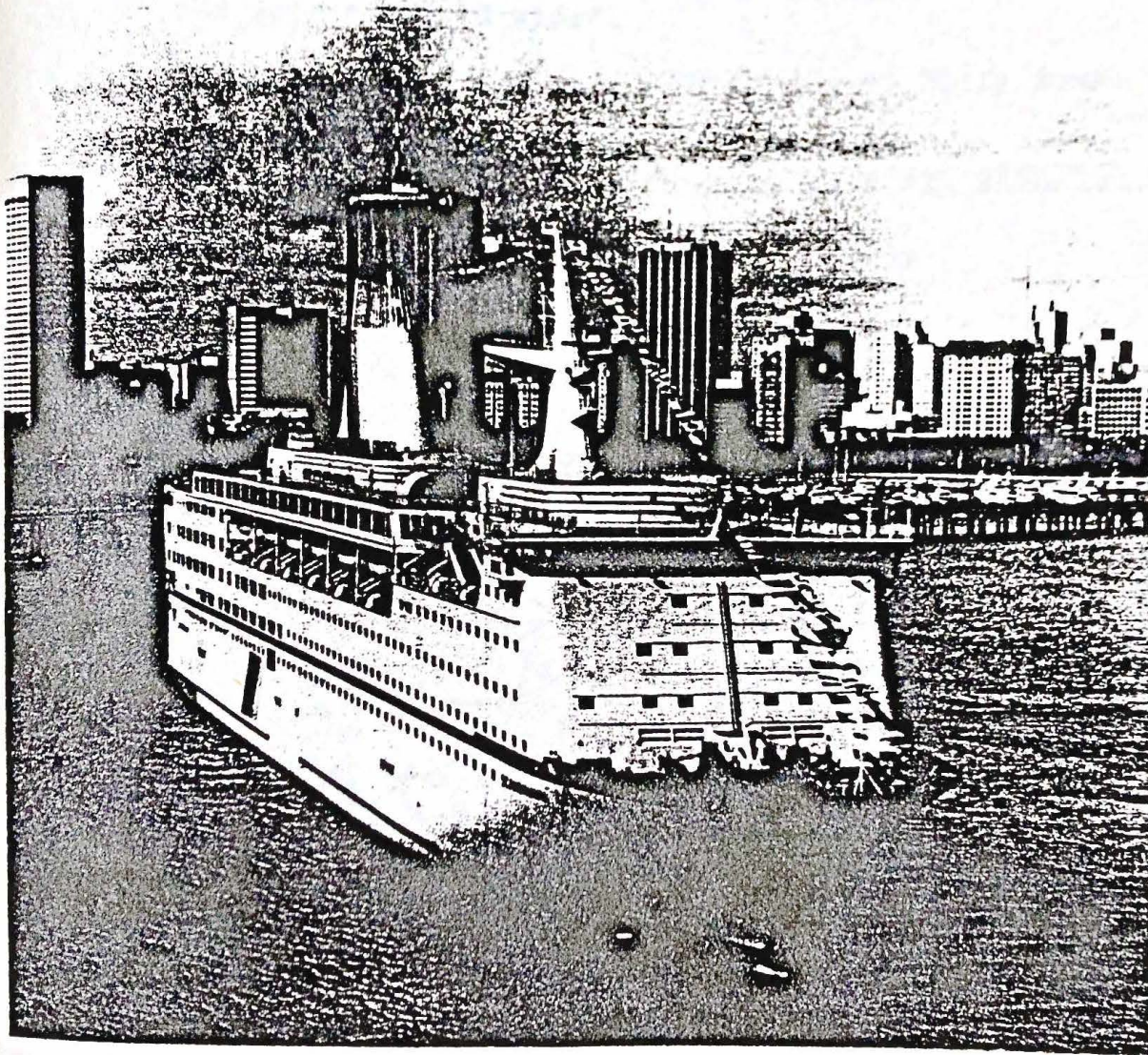
CHAMBER LUNCHEON ON BOARD THE M/S SCANDINAVIA

On September 27, 1982, the owners of M/S Scandinavia, Scandinavian World Cruises (subsidiary of DFDS, Copenhagen), had invited the members of the 5 Nordic Chambers of Commerce on board for a presentation of their new cruise ship and for a delightful luncheon.

M/S Scandinavia started her 2 1/2 day cruises between New York and the Grand Bahamas on October 2, 1982. The \$100 million flagship of Scandinavian World Cruises will sail from New York to Freeport every five days carrying passengers and their cars. From Freeport the passengers can continue to either Miami or Port Canaveral, Florida, on sister ships of the same line. The total time for a trip from New York to Florida will be 3 days.

More than 90 members of DACC enjoyed the wonderful luncheon and toured the magnificent vessel, which in addition to being a splendid cruise liner is also the largest and most luxurious car ferry in the world.

We are indebted to member Jens Romerdahl for organizing this luncheon.



DANISH TURNKEY FORMS U.S. SUBSIDIARY

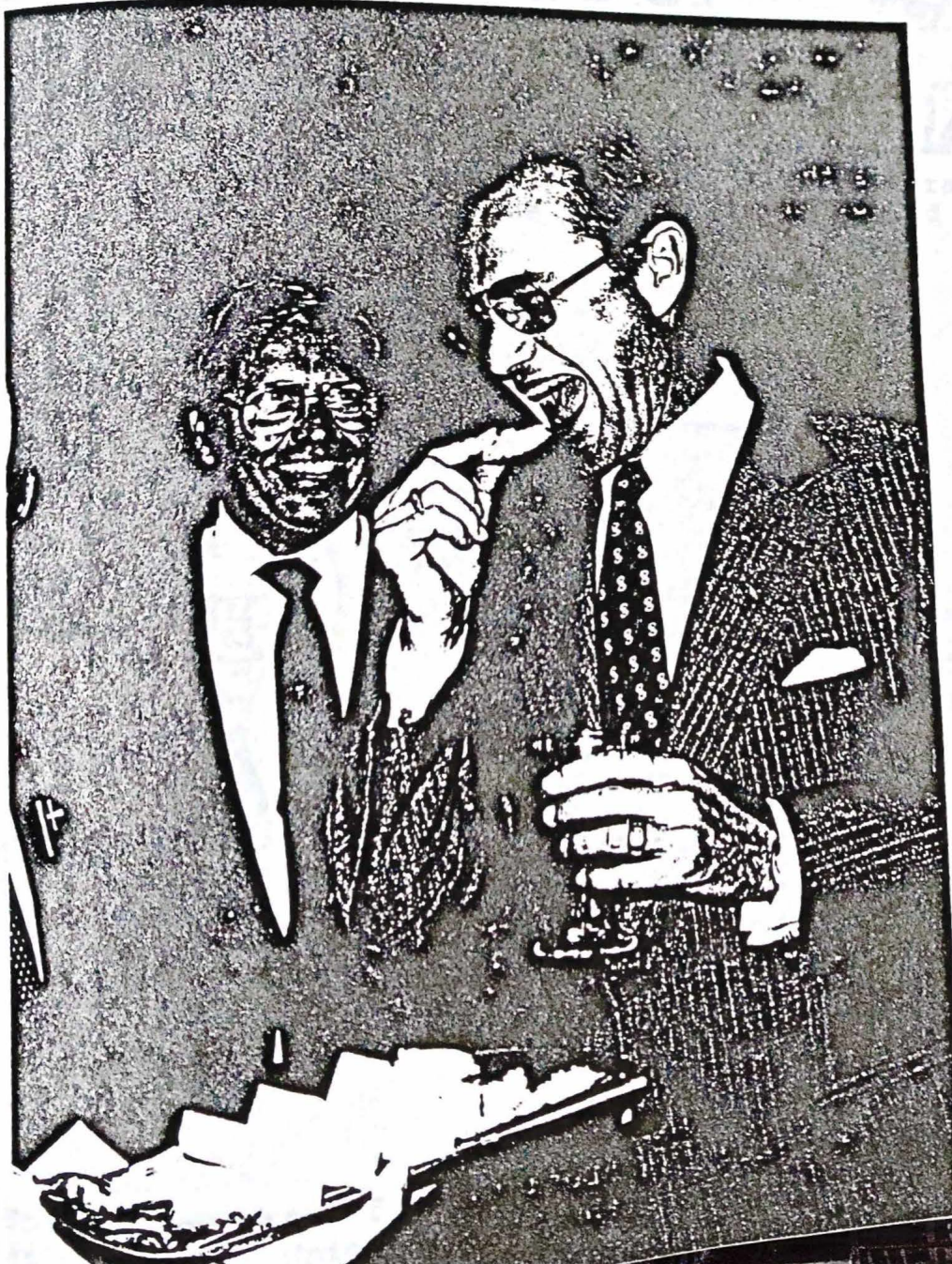
Danish Turnkey Dairies Ltd. (DTD) of Aarhus, Denmark, has formed a new U.S.-based subsidiary to provide high quality engineering and technology to America's dairy and food processing industry. The new venture brought Integrated Processing Technologies Inc. (IPT), a new California company, into the DTD group of companies.

IPT, formed last January by Leonard Chapman, had already started building a high technology reputation in the food industry. Mr. Chapman capsulized the new firm's direction and scope of activities, referring to IPT's idea of "Total Concept Engineering". He explained, "We are going to offer services ranging from feasibility studies and trouble-shooting to actual plant construction and startup activities".

Target industries are dairies, wine and beverage plants and pharmaceutical plants. Chapman said the firm will specialize in renovations, retrofittings and new plant construction for the industry. "American and Danish technology", Chapman concluded, "represent the state of art in this business and we hope to gain the same degree of success that DTD has enjoyed world-wide".

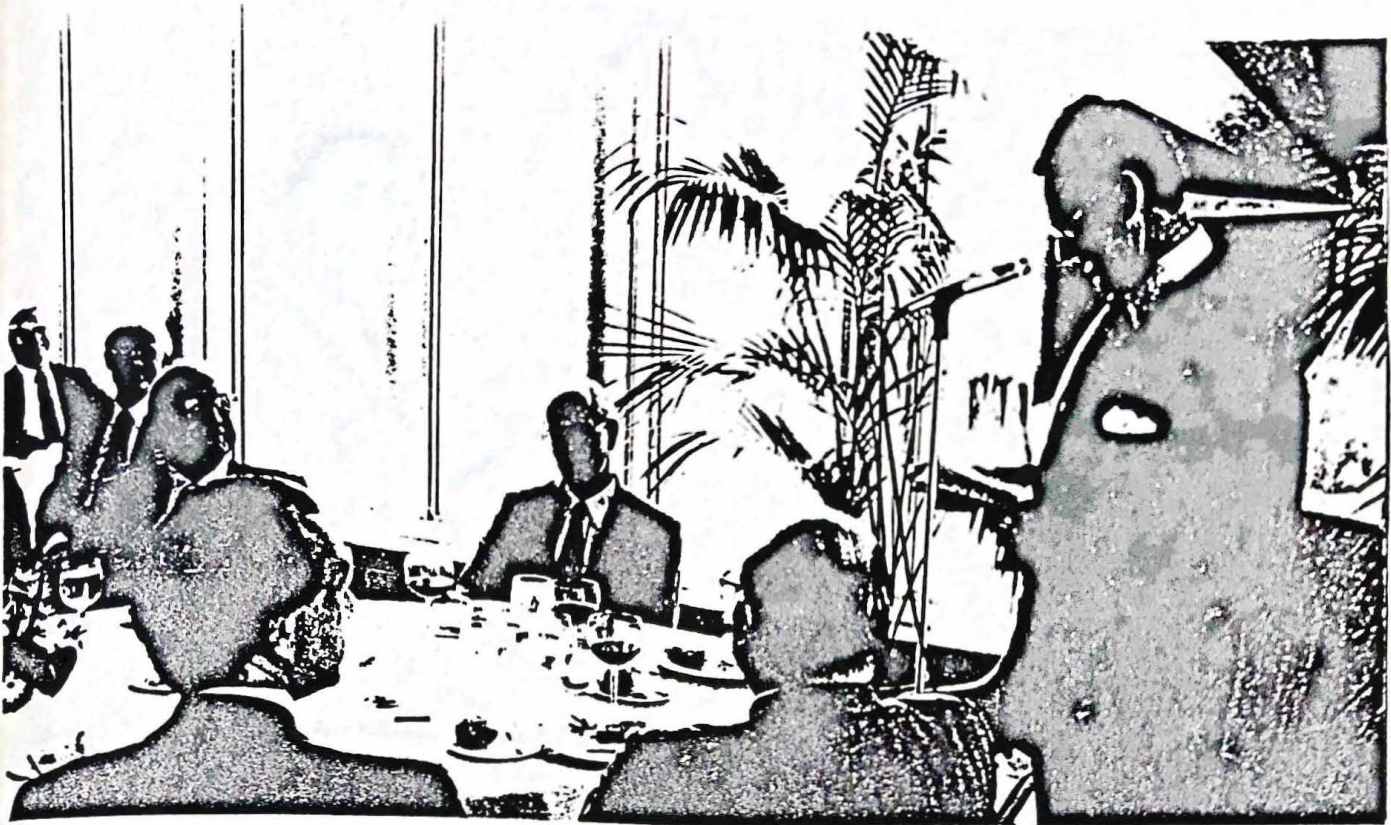
(The National Dairy News, 9.3.82)

IMPRESSIONS FROM SCANDINAVIA TODAY/DENMARK PRESENTS OPENINGS IN NEW YORK CITY.

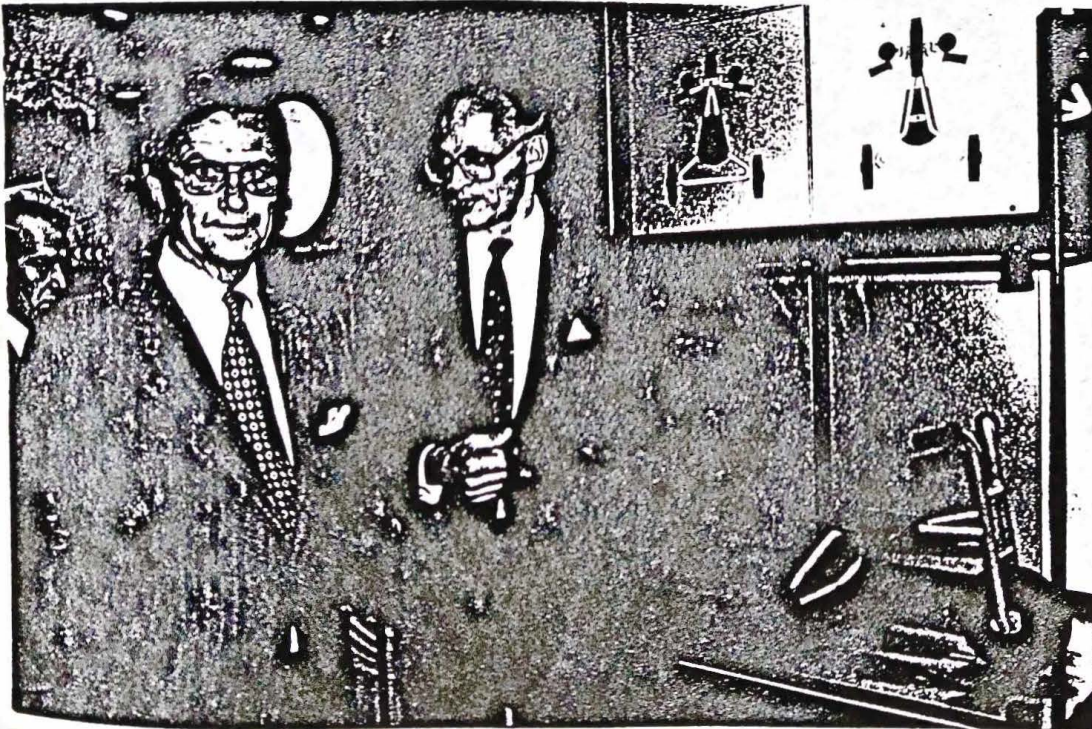


Prince Henrik apparently likes the Danish cheese, which seems to please Jørgen Kolding. From the luncheon at World Trade Club for US importers of Danish agricultural products.

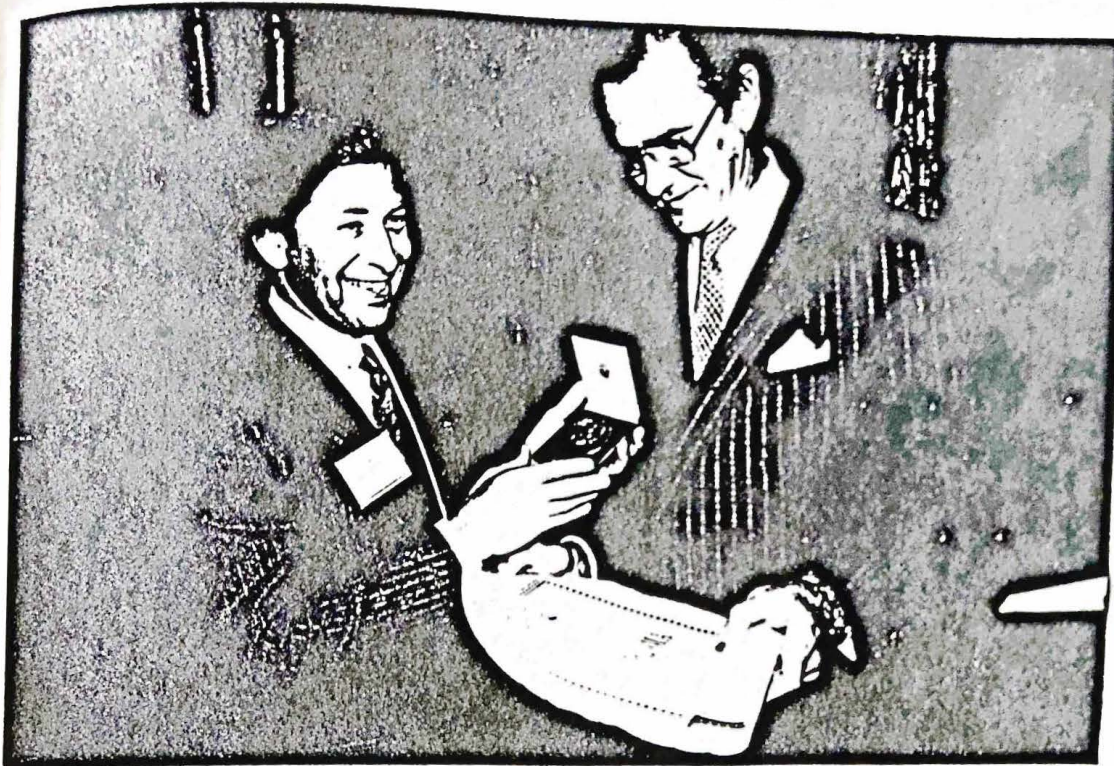




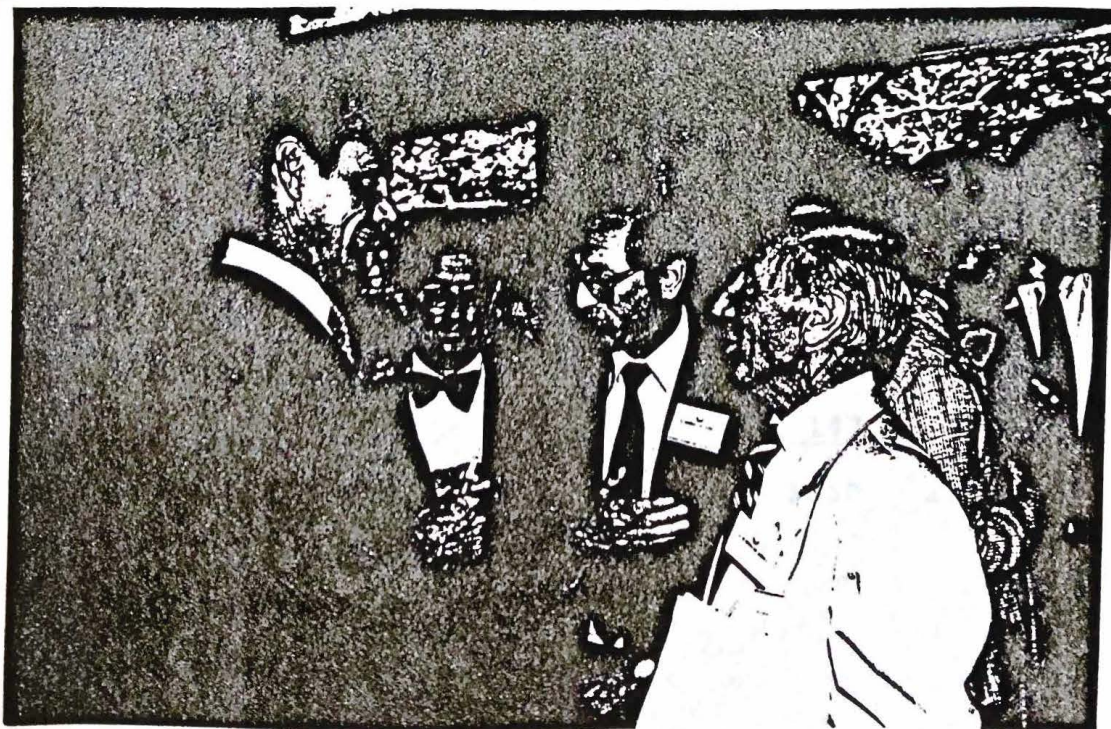
The Prince addresses the US importers of agricultural products at the World Trade Club. In the foreground Chairman Ed Lichtenhagen.



From the opening of the exhibition "Design: The Problem Comes First" at the Cooper Union School. Seen with the Prince is Mr. Jørgen Stein, Federation of Danish Industries.



Prince Henrik presents "The National Association for Danish Enterprise's Export Award and Prince Henrik's Medal of Honor" to Mr. Robert W. Darvin, Scandinavian Design, at a reception at Tavern on the Green.



Commercial Counsellor Poul Essemann introduces Mr. Axel Tegelvad to Prince Henrik. Mr. Tegelvad received the Export Award in 1978 for his outstanding results as US agent for Danish Furniture Manufacturers. Also seen is Mr. Leif Donde, Ministry of Foreign Affairs, Copenhagen.

Denmark's Export to the United StatesJanuary - June

| | <u>1980</u> | <u>1981</u> | <u>1982</u> |
|--|------------------|-------------|-------------|
| | - mill. kroner - | | |
| Ham, bacon, salami and other meat products..... | 283 | 422 | 678 |
| Cheese and other dairy products..... | 75 | 116 | 187 |
| Fish etc. for consumption | 49 | 127 | 168 |
| Beverages..... | 12 | 14 | 16 |
| Tobacco..... | 11 | 13 | 17 |
| Mink pelts and other skins | 149 | 347 | 306 |
| Animal and vegetable raw materials..... | 33 | 47 | 59 |
| Raw chemicals and combinations..... | 128 | 188 | 243 |
| Pharmaceuticals..... | 64 | 88 | 133 |
| Wood products (except furniture)..... | 9 | 16 | 10 |
| Textiles (except clothing) | 18 | 19 | 33 |
| Stoneware, glass, china, etc..... | 27 | 33 | 44 |
| Metal goods, n.e.s..... | 37 | 32 | 28 |
| Machinery (except electrical)..... | 190 | 326 | 319 |
| Electrical machinery..... | 218 | 220 | 271 |
| Transport equipment..... | 4 | 16 | 19 |
| Furniture..... | 160 | 207 | 329 |
| Clothing..... | 3 | 5 | 8 |
| Technical, scientific, and optical instruments..... | 72 | 107 | 140 |
| Other manufactured products..... | 119 | 131 | 182 |
| Commodities not classified according to kind..... | 52 | 75 | 74 |
| Products in other categories..... | 147 | 186 | 183 |
| Total | 1860 | 2735 | 3447 |

NEW TREND IN THE DANISH/US TRADE

In the first half of 1982 Danish imports from the US dropped by 13 per cent to 4.956 mill. D.kr. At the same time Danish exports to the US increased by 26 per cent to 3.447 mill. D.kr. thus narrowing the imbalance considerably. The figures are compared to the first half of 1981. As the import figures but not the export figures include cost insurance and freight, the actual Danish trade deficit is less than shown.

Denmark's Import from the United StatesJanuary - June

| | <u>1980</u> | <u>1981</u> | <u>1982</u> |
|--|----------------|-------------|-------------|
| | - mill. kroner | | |
| Cereals..... | 63 | 94 | 78 |
| Vegetables and fruits..... | 55 | 71 | 56 |
| Fodder..... | 333 | 340 | 201 |
| Tobacco..... | 37 | 20 | 59 |
| Hides, skins..... | 121 | 82 | 105 |
| Oil seeds, etc..... | 260 | 237 | 194 |
| Fertilizers and minerals, crude..... | 27 | 32 | 8 |
| Crude animal and vegetable materials n.e.s..... | 46 | 75 | 96 |
| Coal..... | 111 | 1067 | 702 |
| Crude oil and mineral oil products..... | 7 | 41 | 71 |
| Raw chemicals and combinations..... | 67 | 72 | 88 |
| Pharmaceuticals..... | 33 | 30 | 47 |
| Fertilizers manufactured.. | 20 | 58 | 12 |
| Plastics etc. (not processed)..... | 44 | 59 | 50 |
| Chemical materials and products..... | 35 | 38 | 40 |
| Rubber, manufactured..... | 17 | 29 | 38 |
| Wood products (except furniture)..... | 67 | 60 | 83 |
| Paper and paperboard..... | 27 | 38 | 31 |
| Textiles (except clothing) | 38 | 33 | 36 |
| Non-ferrous metals..... | 49 | 11 | 12 |
| Metal goods, n.e.s..... | 35 | 46 | 41 |
| Machinery (non-electrical) | 409 | 656 | 685 |
| Electrical machinery etc.. | 438 | 544 | 702 |
| Transport equipment..... | 241 | 654 | 161 |
| Clothing..... | 50 | 47 | 25 |
| Technical, scientific, and optical instruments..... | 173 | 195 | 192 |
| Misc. manufactured articles, n.e.s..... | 114 | 144 | 177 |
| Commodities not classified according to kind..... | 429 | 757 | 761 |
| Other goods..... | 134 | 136 | 205 |
| Total | 3480 | 5666 | 4956 |

The total Danish exports and imports both increased by 14 per cent. This implies an increase in the US share of Danish exports to 5.4 per cent and a drop in the import share to 7.1 per cent.

The development in the trade relations between the US and Denmark can in part be explained by the stronger US dollar vis-a-vis the Danish krone. On the average the dollar value went up by 16 per cent compared to the previous year and by 42 per cent over a 2 year period. At the same time Danish imports from the US increased at exactly the same rate as the dollar while Danish exports to the US showed a growth rate twice this size.

After a decade of an ever decreasing share in Danish exports to the US, foodstuffs have rebounded to about 33 per cent. Furniture has again improved its position on the US market despite the weakening in the American furniture industry. Pharmaceuticals and other chemical products continued their strong development.

Not surprisingly, machinery fared badly, mainly as a result of the poor sales performance by investment goods to the American manufacturing industry due to the economic recession.

Last year showed a surprisingly strong development in Danish imports from the US despite the heavy increase in the value of the dollar. The major reasons for this were delivery of airplanes and parts hereof and the recent Danish interest in importing American coal. These commodities have shown a setback in the first half of 1982.

In the immediate future no major changes are expected in the recent development in Danish/US trade figures. Hopes to reap the commercial fruits of the Scandinavia Today promotions and on the other hand major American bank expectations of a slightly weaker US dollar vis-a-vis the German mark, and thus probably the Danish krone tied to the mark in the EMS, tend to neutralize each other.

DANISH CHEESE EXPORTS CONTINUE THEIR UPWARD TREND

According to a news release from Denmark Cheese Association, Danish cheese exports increased by 48 % during the first 6 months of 1982 compared to the same period last year.

Danish cheese exports are split into two different categories: the first is the traditional Danish table cheese marketed in the USA as Danish products, the second being ingredients for the U.S. Cheese and Food industry. These two groups are as different as day and night, and can be compared to selling Danish-made furniture or supplying the American furniture industry with veneer, hardware and parts.

Official Danish statistics show the following figures:

| | <u>Jan.-June 1981</u> | <u>Jan.-June 1982</u> |
|-------------------|-----------------------|-----------------------|
| Table-type cheese | 4.462 M.Tons | 4.781 M.Tons |
| Industrial cheese | 1.684 " | 4.396 " |
| Total | 6.146 M.Tons | 9.177 M.Tons |

From these statistics one will note that table cheese exports are continuing their steady increase, and that exports of industrial cheese, with an explosive increase in the period mentioned of 261 % quantity-wise, has reached almost the same level as table cheese.

The importation of cheese to the USA is limited by a quota system. The EEC countries have an annual quota of 96.019.145 lbs., and only Brie and Camembert types and Sheep-milk cheeses can be freely im-ported.

The Danish share of the EEC quota in the first 6 months of 1982 was 21.915.915 lbs., reflecting an increase from 42.3 % in 1981 to 45.4 % in 1982. Denmark is by far the largest exporter of quota cheese, followed by West Germany and Holland with 18.0 % and 16.3 % of the imports respectively.

NEW MEMBERS

We welcome the following new members of DACC:

CORPORATE MEMBERS

Paul A. Randour
Chadbourne, Parke, Whiteside & Wolff
30 Rockefeller Plaza
New York, NY 10112

Jeppe Skadhauge
Chadbourne, Parke, Whiteside & Wolff
30 Rockefeller Plaza
New York, NY 10112

Eugene Sullivan
Chadbourne, Parke, Whiteside & Wolff
30 Rockefeller Plaza
New York, NY 10112

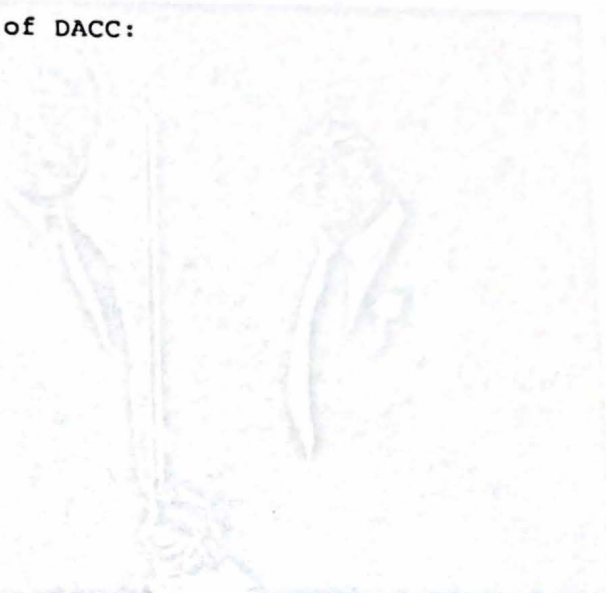
Frank Stone
Chadbourne, Parke, Whiteside & Wolff
30 Rockefeller Plaza
New York, NY 10112

Palle B. Mathiesen
DFDS Nordana Line Marketing
17 Battery Place
New York, NY 10004

Henrik Kruse
Grinsted A/S
38 Edwin Rahrs Vej
DK-8229 Brabrand
Denmark

INDIVIDUAL COMMERCIAL MEMBERS

George Lewis de Larisch
340 West 86th Street
Suite 11 F
New York, NY 10024



...General W. Thune Andersen and
...holding
...is various aspects of
...on the Board of
...the DACC
...honorable event.
...the Danish Cheese Association
...for Denmark, 1981
...of the Danish Cheese
...Industry
...he served
...efforts to
...interests
...For the
...Christian's President
...the Denmark. He
...Committee

CHAMBER NEWS

DACC Chairman Promoted

The Chamber Chairman, Mr. Ed Lichtenhagen, has with effect from October 1, 1982, been promoted to Area Sales Manager within the Scandinavian Airlines System.

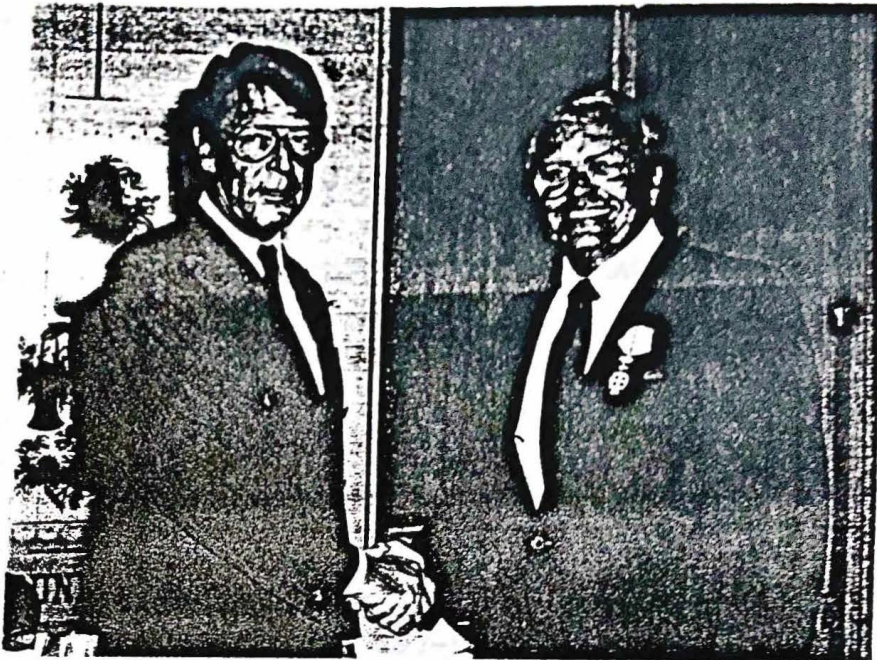
Mr. Lichtenhagen will be responsible for passenger sales and service in the Northeastern part of USA/Canada, including the passenger operations at J.F. Kennedy Airport.

We congratulate Mr. Lichtenhagen on this well-deserved promotion.

2 Chamber Members Knighted

Two long-time members of the DACC Board of Directors have been bestowed with the Knight's Cross of the Order of the Dannebrog.

The two are Mr. Jørgen Kolding, Director of Denmark Cheese Association (who is a former member of the Board), and Mr. Lennard Rambusch, partner in the law firm Haight, Gardner, Poor & Havens. Mr. Rambusch is also the legal counsel to the Danish Consulate General.



Consul General W. Thune Andersen and Mr. Jørgen Kolding.

Both the new Knights have been very active in various aspects of Danish-American activities and have also been on the Boards of several Danish-related organizations in the US.

We congratulate the two new Knights with the honorable event.

Ib Pedersen, Retired Trade Advisor to the Denmark Cheese Association, Died Wednesday September 22, 1982, in Montclair, New Jersey, at the Age of 80.

Mr. Pedersen headed the North American operation of the Denmark Cheese Association promoting export trade for the Danish Product Industry from 1937 until his retirement in 1972. During World War II he served the Danish government in various capacities, including efforts to maintain elements of the government and Denmark's national interests intact in anticipation of the cessation of hostilities. For his efforts on behalf of Denmark he was awarded King Christian's Freedom Medal and later the Knight's Cross of the Order of the Dannebrog. He most recently served as a member of the Denmark Pavillion Committee for the 1964/65 World Fair.

COMING EVENTS

November 20 Danish Seamens Church Christmas Bazaar.
December 12 Danish American Society Christmas Party
and Annual Meeting.
December 17 Danish American Chamber of Commerce
Christmas Luncheon.

BUSINESS OPPORTUNITIES

The following Danish manufacturers are looking for importers/agents in the US:

HEAT TRANSFER PAPER, 48/01-02 MJ

ASBESTOS-FREE SEALING CORD for use in continuous casting machines, 59/04.1 MJ

WOODEN CARPORTS, FENCES, SUNROOMS, PERGOLAS, SHEDS AND ACCESSORIES, 44/23.3 MJ

DOWN COMFORTERS, 94/4.1 JJ

ACCESSORIES to the GRAPHIC and PHOTOGRAPHIC INDUSTRY, 73/21.1 JJ

LAMPS, 82.20 JJ

MINI VIVARIUMS, 39/01-07.1

For information please contact Jan Jacobsen (JJ) or Michael Jørgensen (MJ) at the Danish Consulate General (212) 697-5101.

POSITIONS WANTED

Upon completion of 7 months assignment at Danish Consulate General, NY (Scandinavia Today promotion, assisting Commercial Counsellor Poul Essemann) Commercial Officer seeks permanent position within international business from February 1983. Preferably Philadelphia; will consider Eastern Seaboard.

Holds Bachelor degree in Liberal Arts with concentration in business (Temple University, Philadelphia) and degree from Handelshøjskolen, Denmark. Danish citizen, permanent US visa.

Extensive international background in shipping, import/export, PR/marketing, sales coordination, and research. Worked in England, France, Spain, and since 1976 in the US.

Fluent in Scandinavian languages, English, Spanish, French, German. Will travel.

Danish citizen who has built up U.S. subsidiary of Danish manufacturer of fashion accessories in the last 5 years is looking for challenging opportunities.

Educational background: The School of Business Administration, Economics and Modern Languages, Copenhagen (Handelshøjskolen), H.D. degree (approx. M.B.A.). Majored in international business/export. International business experience also in the electronic and pharmaceutical industries.

Languages: Danish, English, German and French.

American citizen seeks position; preferably with subsidiary of Danish company. B.A. in economics (University of Wisconsin), studies in marketing and business law (Aalborg University Center).

Experience in sales, export, and marketing of Danish products. Has lived and worked in Denmark since 1977 thus acquiring an extensive knowledge of both Danish and American business practice. Particularly interested in the furniture industry.

Danish citizen, (31, male, married) holding B.S.B.A. degree in marketing seeks US position.

Presently working as export sales manager in Denmark. Has previously spent 6 years working/studying in the USA and has also worked for shorter periods of time in Brazil, Hong Kong and Europe.

For further information please contact Poul Essemann, (212) 697-5101.

ALL MEMBERS ARE CORDIALLY INVITED TO SUBMIT ADVERTISEMENTS,
PERSONALS, BUSINESS OPPORTUNITIES AND NEWS OF INTERESTING
DEVELOPMENTS FOR INCLUSION IN THE NEWSLETTER.