

# DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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



## NEWSLETTER

No. 4

August 1983

### Editors

Poul Essemann (212) 697-5101  
Torben Høge-Jensen (212) 807-7115  
Dan Larsen (212) 864-5107  
Erik Norup (212) 752-3448  
Flemming Søderlund (203) 655-7483

### CARNEGIE SUCCESS

The Gala Benefit at Carnegie Hall on June 8th became a greater success than anybody involved in the last two weeks of preparation could have hoped for. Tickets were very slow selling but the sale picked up considerably the last couple of days prior to the evening, and the net result for the scholarship exchange program for young Danish and American dancers was in excess of \$36,000.

A literally full house enjoyed a tremendously talented performance by the Soloists of the Royal Danish Ballet, the Martha Graham Dance Co., and Peter Martins. A touching moment during the performance came when the Soloists invaded the stage immediately after the Martha Graham Dance Co. had finished dancing "Acts of Light" to music by Carl Nielsen. The Danish dancers, dressed in Royal Danish Ballet sweatshirts, presented each of the American dancers with a flower.

The Carrier "The Intrepid" on the Hudson River was an exotic and exciting frame for the after-performance dinner dance. 600 people had a "ball" onboard the ship dancing among aircrafts, missiles and memorabilia from World War II. The Danish American Society who sponsored the event is now planning a fund-raising program so that the foundation for the exchange program can become operative.

One anonymous donor has already committed \$5,000 annually over the next five years.

NPA

### HARBOR-FESTIVAL - HOW UNITED DANISH EFFORT PAYS OFF

The 4th of July "SCANDINAVIAN AMERICAN SALUTE" was a great Danish success. With the help of a united effort by Danish organizations

and Danish companies the Danish colors were highly visible, and a great number of Danes joined together to show off Denmark's contribution.

The Danish promotion was visible in the following newsmedia:

NEW YORK TIMES  
DAILY NEWS  
NEW YORK POST  
CHINATOWN NEWS  
STAR LEDGER, NEW JERSEY  
RECORD, NEW JERSEY  
COURRIER NEWS, NEW JERSEY

### TV COVERAGE ON:

CHANNEL 5  
CHANNEL 9  
CHANNEL 11  
CHANNEL 13

as well as cable TV and one of the major networks' morning shows.

Several radio stations have brought excerpts from various concerts and especially Aarhus Pige-garde has promoted Denmark in an outstanding way. This great promotion shows how a united front can give great credit to Denmark.

On behalf of the Danish American Society and the Danish American Co-ordinating Council we congratulate you all.

THJ

### DENMARK RACE ON LONG ISLAND SOUND

The eighteenth annual Stamford-Denmark Friendship Sail Race, the largest sail race in the eastern U.S., is scheduled this year for Sunday, October 2, with the first start at 0930 hours.



The first Denmark Race in 1966 was part of a week-long commercial promotion by the Danish Consulate General in New York and the Stamford Chamber of Commerce. The names of several travelling trophies recall this background: The SAS Royal Viking Cup, The Royal Copenhagen Trophy, The Aalborg Akvavit Trophy, the Tuborg Skaal Bowl and for-keeps trophies by Bing & Grøndahl. The Queen of Denmark Cup is sponsored by Carmen-Clairol, and the Prince of Denmark Trophy by Peter F. Heering A/S. Chamber members who wish to enter their yachts, or friends' yachts, in the race which is sailed on a triangular course on Long Island Sound starting at mid-sound buoy 32-A, may request an entry form from the Race Committee at (212) 933-3969 before September 15th, 1983.

TED MICHAELSEN HONORED

Edward (Ted) H. Michaelsen was appointed Knight of the Order of the Dannebrog by H.E. Ambassador Otto R. Borch at a ceremony prior to the Gala Benefit Performance at Carnegie Hall on June 8th. Photo shows Ted Michaelsen addressing Ambassador Borch after the bestowal of the order.



COMING LUNCHEON GUEST SPEAKERS

The Chamber has secured two distinguished guest speakers for the September and November luncheons. On September 29 the President and CEO of Den Danske Bank, Mr. Tage Andersen, will address the members. Mr. Andersen is in the U.S. on the occasion of the annual meeting of the International Monetary Fund (IMF).

On November 30 the speaker will be Mr. Mads Øvlisen, President and CEO of Novo Industri A/S. Novo Industri A/S is the parent

company of the Novo group. The company is a world leader in insulin and enzyme production. Novo shares are traded at the stock exchanges in Copenhagen, London and New York (ADRs). It is expected that Mr. Øvlisen will highlight the successful reception of the ADRs (American Depository Shares) by the U.S. financial world.

SCANDINAVIAN FURNITURE CHAIN EXPANDS

Scandinavian Design, Inc., the Massachusetts-based contemporary home furnishings company, continues to grow. According to Robert W. Darwin, president of the 26-unit chain, new stores have recently opened in Manhattan; Huntington, Long Island; Warwick, RI; and Boston, MA with another scheduled for a November 1983 opening in Wayne, NJ.

The company, which started eighteen years ago in a rented room in Natick, MA, is now the major importer of Scandinavian furnishings in the United States. Sales for 1983 are projected at over 60 million dollars. Stores throughout New England are called Scandinavian Design while those in New York and New Jersey are called Scandinavian Gallery.

MEMBERSHIP NEWS

On September 1, 1983, Bent Hansen will transfer from Copenhagen Handelsbank to join Nordic American Banking Corporation as Vice President. He assumes those of Kaj Hermansen's responsibilities which relate to Danish business activities. Throughout the forthcoming year Kaj Hermansen will pursue private interests before he returns to a position at the Head Office of Copenhagen Handelsbank on September 1, 1984.

OBITUARY

On June 27 S. Ralph Cohen, a former assistant to the president of SAS and a promoter of Scandinavian cultural programs in the US, died of a heart attack. He was 65 years old.

His work on behalf of Scandinavian culture earned Mr. Cohen knighthoods from both Denmark and Norway and a medal from King Carl XVI of Sweden.



## THE DANISH ECONOMY

The latter year's development in the Danish economy is a classical case illustrating why an open economy cannot pursue its own political goals without adapting to the economic trends in the international economy. Despite the fact that the major economies followed an anti-inflationary policy, Denmark tried to dampen the increase in the unemployment rate through an expansionary fiscal policy. Seen from a socio-economic point of view the political aims were very plausible, however, short term benefits caused long term imbalance problems.

The Conservative-Liberal government which was inaugurated in September last year saw as its main responsibility to make the political decisions which were required in order to bring the Danish economy back on track. The government's policy package had three major aims, to reduce the central government's budget deficit, to reduce the domestic interest rate level and to dampen the domestic wage and price development. The government strongly opposed any suggestions of a devaluation of the Danish Krone since a reduction in the value of the Krone would lead to substantial capital losses on the soaring foreign debt and create uncertainty among Danish export companies. Instead the government is pursuing a strategy whereby growth in wages and prices is reduced as compared to Denmark's trading partners, thereby bringing Danish goods in a more favorable competitive position.

This political course will not have any immediate effect, it will not solve all Denmark's economic problems here and now. It takes time before the pursued strategy works out and consequently Denmark's fundamental imbalance problems will persist to be major problems for years to come.

One could not expect a more positive impact from the new economic course taking into consideration the short time span in which the policy measures have been in force. Partly induced by a reduction in the international interest rate level, the Danish long term interest rates were reduced from a record high of 23% during fall last year to a level of 13-14% during spring this year. The interest rate differential between D.kr. and US\$ was substantially reduced during this period indicating that a major reason for the drop in the interest rates was to be found in the domestic environment.

The Danish consumer price index has over the past year been in line with the development in the other OECD countries and the last 6 months' development suggests a yearly inflation rate around 4%. With a prospective inflation rate during 1983 of less than 5% private consumption might increase at a faster pace than expected earlier. Given the present economic environment a growth rate in GNP of 2-2½% is not unrealistic.

Finally the balance of payments development during the first half of 1983 has been very favorable. The trade balance has virtually been in balance where it showed a significant deficit during the same period in 1982. The current balance of payments is expected to show a deficit in 1983 of around D.kr. 14 billion. The main emphasis on the balance of payments has switched from the trade balance element to the interest payments on foreign debt. Disregarding interest payments the current balance of payments would show a surplus.

The other side of the coin is the increasing unemployment. In the beginning of July there were around 291,000 unemployed in Denmark corresponding to an unemployment rate of 11.1%. This represents an increase in the unemployment percentage of approximately 1%-point over the past year.

There has been a substantial increase in the money supply. M2 grew by 19% from May last year. The money expansion is partly caused by the increase in private foreign borrowing which took place after the EMS realignment in March this year. The money supply is more volatile in an open economy and swings should not lead to any immediate concern. Liquidity during most of the second quarter was very affluent resulting in overnight interbank rates around 4-5%. To prevent an inflationary impact the Central Bank halved the banks' drawing rights for the third quarter which has brought the overnight rates back to 11-12%.

Despite the substantial drop in the interest rates the corresponding fall in inflation has maintained a very high level of real interest rates in Denmark. The same phenomenon is observed in the US reflecting the market's high uncertainty about the development in the main economic indicators. A further drop in Danish interest rates depends on what happens to the US interest rates. However, it also depends heavily on the domestic political stability.

During this summer, the Danish long term interest rates have exercised a slight increase up to around 17%. This increase is caused by uncertainty concerning the Danish government's political opportunities at the coming budget negotiations. Hence, we can foresee a volatile interest rate development in Denmark in concurrence with the progress of the political negotiations. This will remain until the government's future economic policy plan has been finally tested during August and September. The Central Bank has recently intervened on the bond market to support the low interest rate development but it is not willing to go against the market for very long.

The persistent increase in the US interest rates has brought the US\$ exchange rate to record high levels exceeding 9 1/4 D.kr./\$. Real economic factors indicate a long run drop in the \$ exchange rate. The current



US balance of payments shows an increasing deficit, however, as long as the US\$ is in demand as a reserve currency the exchange rate will keep its present level. The increasing \$ exchange rate has helped to improve Denmark's relative competitive position during 1983.

To conclude this brief analysis, a continued reduction in long term interest rates calls for a stable economic policy. In order to solve Denmark's imbalance problems the present political course must be maintained in years to come. This conclusion does not necessarily imply that a restrictive economic policy is the solution to the industrialized countries' economic problems, it merely states the fact that a small open economy cannot pursue its own political goals for long without adapting to the policies of its main trading partners. International economic problems can only be solved through international cooperation.

Torben Juul Andersen  
cand. polit., M.B.A.  
Asst. Manager, Citibank, N.A., Copenhagen

100 DANISH WIND TURBINES SOLD TO CALIFORNIA

A/S Westas, The West Jutland windmill manufacturer, has sold 100 wind turbines to Zond Systems Inc. in the USA for 70 mill. kr. The turbines will be erected at Tehachapi next year and their 2.4 MW capacity will be fed directly into the Californian power supply. This order will provide work for 100 extra employees.

California is planning a number of these "wind farms" of 100-200 wind turbines each. They are particularly attractive to California because of the favorable climactic conditions and available grants.

Børsen/Berlingske  
Tidende

DANISH LABOR MOVEMENT TO BUY SHARES

The labor movement may soon be moving into the share market to buy influence in companies.

Following two peaceful wage agreements and only a relative handful of strikes, the unions' coffers are full of cash.

It is believed that a special company will be set up to handle the purchases and that this could pave the way for investment by the proposed wageearner funds that the unions and Social Democrats have wanted for so long.

There appears to be a difference of opinion over how the money -initial capital could be about 100 mill. D.kr. - should be invested.

Some unions which have many members out of work want to put their money where it will help to create jobs. Others feel a good profit is the name of the game.

Børsen

SCANTUFT ENTERS THE US MARKET

According to Børsen, the Danish carpet manufacturer Scantuft, Holstebro, has had a breakthrough on the American market. The International Wool Bureau elected it the best wool product on the American contract market at the recent Neocon exhibition in Chicago.

The breakthrough happened after a period of extensive research and investment.

Scantuft Carpets, USA, is owned by Torben Høge-Jensen and Palle Lorentzen, Top Grade, and Scantuft, Denmark, and this partnership has paved the way for a new kind of initiative. Rather than selling Danish products to the U.S., Scantuft chose to develop new products for this specific market. The result is the Jutland line which is offered in a total of 26 variations.

The 100% wool products are shipped from Denmark to Georgia where backing is added and the merchandise stored until sold and shipped to various parts of the U.S.

Scantuft Carpets, USA, also imports carpets from Højer Tæppefabrik.

THE GLISTRUP CASE

Mr. Mogens Glistrup, leader of the Progress Party and a well-known tax expert, was sentenced this month for tax fraud.

He was sentenced on appeal to three years' imprisonment, fined a million kr., ordered to pay 941,000 kr. in back taxes and disbarred indefinitely, and on July 1 the Folketing dismissed Mr. Glistrup as an MP.

Mr. Glistrup was said to have set up thousands of companies which loaned money to each other, enabling the interest on the loans to be set against his clients' tax. The court which last year sentenced him to four years in jail and ordered him to pay a massive fine, found that the companies had no capital, so the loans were fictitious and therefore illegal.

Mr. Glistrup maintained the capital was there and that the trial was purely political. He cannot pay the fine or back tax and instead will serve an extra six months in jail.

Børsen



SHOWROOM FOR U.S. PRODUCTS IN COPENHAGEN

The auditorium of the U.S. Embassy in Copenhagen is available for promotions and seminars for companies marketing U.S. products or services. It is available free of charge, and the Commercial Section will assist you in planning for the event. Please contact:

The American Embassy  
Dag Hammarskjölds Alle 24  
DK-2100 Copenhagen Ø  
Phone: (01) 423144, ext. 271

SAS OPENS "SUNBELT" OFFICE IN ATLANTA AND NAMES THREE TO NEW U.S. POSITIONS

SAS will open an Area sales office in Atlanta this September to develop a major marketing drive in the "Sunbelt States", the most dynamic growth region in the U.S. economy.

Background for the expansion is an agreement earlier this year between the Scandinavian and U.S. Governments giving SAS the opportunity to introduce service to other parts of the U.S.

The new Atlanta office, which will cover Georgia, Florida, Louisiana, Mississippi, Texas and the Carolinas, will lay the groundwork for SAS to evaluate the potential for opening a direct route to one of the major commercial centers in the region.

Leading the Sunbelt drive as Area Manager in Atlanta will be Stafford Brown, SAS' Director of Passenger Marketing and Service in North America.

Succeeding Stafford Brown effective September 1, 1983 is Jørn Andersen, Director of Passenger Marketing and Sales in SAS Denmark.

Jørn Andersen, 43, first joined SAS in Denmark in 1957. He spent much of the 1960s with Pan Am and Lufthansa in their Danish sales organizations. Since his return to SAS, Mr. Andersen has been in Tokyo from 1974 to 1978 as Sales Manager for SAS and Thai International in Japan and Korea, and has spent a year in Stockholm as Director of Passenger Sales at SAS Head Office. He assumed his current position in Denmark in 1979.

SAS has also announced the appointment of Anders Björck as Area Manager, Los Angeles, covering California and the rest of the U.S. Southwest. Mr. Björck, 43, and currently Passenger Sales Manager in SAS Sweden, will assume his new post in September, succeeding Andrew Holston who is retiring.

USDA MEAT INSPECTION PROGRAMS

Our Business Practice Committee had a representative at the July 27th Congressional Hearing in Washington, DC.

This preliminary hearing was to review the U.S.D.A. Meat Inspection Program, including the GAO report "Improved Management of Imported Meat Inspection Needed".

We will continue to monitor, and appropriate action will be taken as required.

INCREASING DANISH FISH EXPORTS TO USA

Danish exports of fish to the United States has increased 70 per cent in the first four months of 1983. According to Fisheries Counselor Erling Hulgaard, New York, there seems to be no limits to Danish export possibilities in fish here.

According to Børsen, the annualized sales of Danish fish in the US will grow about 30 per cent to a D.kr. 550 million export. Today Denmark has 13 per cent of the most important American import market in fish (frozen blocks and fillets).

Danish export of fish in cans and glass varies between D.kr. 5 and 20 million. Mr. Hulgaard thinks the sale could be much higher if the producers would cater directly to specialized markets such as Kosher.

The Danish Fisheries Counselor is working on Danish export of fresh fish to the American market. Norway has had great success doing this. Both exporters and importers are participating in tests.

DL

DANISH ARCHITECT HONORARY MEMBER OF FAIA

The Fellow American Institute of Architects has presented the Danish architect Knud Friis with an honorary membership of the dynamic organization. Only 70 foreign architects have received this honor from their 45,000 American colleagues.

Mr. Friis of Friis & Moltke, Aarhus, is the fourth Danish architect receiving this acknowledgement from FAIA. One of the most recent projects on which he has worked is the Scanticon, Princeton, conference center. He has also taught at American universities.

THE DIPLOMATIC WORLD

The Chamber has learned about the following changes in the immediate future:

The Danish Ambassador to the United States since 2.1.1976, Otto R. Borch, will become the Danish Ambassador to the North Atlantic Treaty Organization (NATO) in Brussels.



Ambassador Borch will be succeeded as Ambassador in Washington, DC, by the present head of the Danish Ministry for Foreign Affairs, Permanent Under Secretary of State, Eigil Jørgensen. Ambassador Eigil Jørgensen has headed the Ministry for Foreign Affairs since 2.1.1974. Prior to that post he was Danish Ambassador to the Federal Republic of Germany, and Permanent Under Secretary in the Danish Prime Minister's Office.

The change is expected to take place on October 1st, 1983.

The U.S. Ambassador to Denmark, John R. Loeb, Jr., will be succeeded by the present U.S. Ambassador to Spain, Terence A. Todman. Ambassador Todman, a career diplomat, was born in St. Thomas, Virgin Islands.

The change is expected to take place in September 83.

Consul General William Thune-Andersen has been appointed Danish Ambassador to Egypt. Mr. Thune Andersen has been the Danish Consul General in New York since 9.1.1977.

He will be succeeded by the present Ambassador to Lebanon, Villads Villadsen. Mr. Villadsen was Vice-Consul at the Consulate General in New York from 7.1.1957 to 1.1.1960.

The change is expected to take place on February 1st, 1984.

Commercial Attaché, Vice-Consul Lars Benkert, who has been working in the Commercial Division of the Danish Consulate General in New York since 9.1.1980, will return to the Ministry of Industry in Copenhagen on September 1st.

Mr. Benkert will be succeeded by Bjørn Juul Sundbye.

Commercial Secretary Jan Jacobsen, who has been with the Commercial Division of the Danish Consulate General in New York since 10.1.1980, will be succeeded by Even Gunde Claussen on October 1st. Mr. Jacobsen will remain in New York as export consultant for 3 Danish exporters.

PE

The Chamber has learned that the monthly Danish publication "Økonomisk Perspektiv" is available free of charge. Interested subscribers should direct inquiries to:

Mr. Preben Jørgensen  
Privatbanken  
450 Park Avenue  
New York, NY 10022  
Phone: (212) 872-2900

CHANGE IN ADVERTISEMENT RATES!!

ONE FULL PAGE - \$200.00  
ONE HALF PAGE - \$100.00

## COMING EVENTS

### September

- 9 - Dinner, DACC, Miami
- 9-10 - Wine & Cheese Party  
DA Club, Byram
- 15 - Luncheon DACC, LA.  
Speaker: Erik Palsgaard,  
Danish Tourist Board
- 16,17,18 - White Elephant  
Sale, DA Club, Byram
- 23 - Viking Soccer Teams  
Kick-Off-Party, DAC,  
Brooklyn
- 28 - Theater Evening "My  
One and Only", Danish  
American Society, NYC
- 29 - Luncheon DACC, NYC  
Speaker: Tage Andersen,  
Den Danske Bank

### October

- 2 or 9 - Peter Jørgensen's  
Sunday Brunch, DA Club,  
Byram
- 2 - Stamford-Denmark Friend-  
ship Race
- 6 - Luncheon, DACC, Miami
- 20 - "Kings & Citizens"  
opens at Jewish Museum, NYC
- 29 - Annual 5-A-Side  
(Soccer games between  
Danish Companies), DAC,  
Brooklyn

### November

- 2-12 - Denmark Food Festival  
Promotion in Los Angeles
- 11 - Mortens Aften Bingo,  
(Andespil), DA Club, Byram
- 19 - Annual X-mas Bazaar,  
Danish Seamen's Church,  
Brooklyn
- 30 - Luncheon, DACC, NYC.  
Speaker: Mads Øvlisen, Novo.

### December

- 11 - Christmas Lunch,  
DA Club, Byram
- 16 - Berthel Thorvaldsen  
-Odin Relief Society  
X-mas Party
- 18 - Danish American  
Society X-mas Party, NYC

In the future the Newsletter Committee will include "Coming Events" from all the US Chambers of Commerce so that members of any Chamber can participate in meetings of the other Chambers. For further information concerning these events, please contact the organizing Chamber.



EXHIBITIONS AND FAIRS IN DENMARK 1983-1984

<u>1983</u>		<u>Location</u>
Aug. 20-22	<u>Texpo</u> Home Textiles and Carpeting	Bella Center, CPH
Aug. 20-23	<u>Luminex</u> Lightning Fixtures	Vejle
Aug. 22-26	<u>The Civil Service Fair</u> Public Procurement	Fredericia
Aug. 25-28	<u>Furniture from Denmark</u> Furniture with special section for KDesign-Furniture	Herning
Sept. 1-4	<u>Scandinavian Fashion Week &amp; Menswear</u> <u>Fair</u> Menswear, Ladies & Childrens Wear plus Accessories and Store Display	Bella Center, CPH
Sept. 10-11	<u>Shoes Exhibition</u>	Bella Center, CPH
Sept. 13-17	<u>HI-83 Industries' Technical Fair</u>	Herning
Sept. 13-17	<u>Danenergy '83</u> Energy savings equipment	Herning
Sept. 17-19	<u>Gold, Silver, Watches and Optical</u> <u>Fair</u>	Vejle
Sept. 20-24	<u>Scan Grafic '83</u> 4th Scandinavian Trade Fair for graphic techniques	Bella Center, CPH
Sept. 24-27	<u>Sportex</u> Sports equipment, accessories and sports clothings	Vejle
Oct. 11-14	<u>Hospital '83</u> 4th International Fair for the hospital and public health sector	Bella Center, CPH
Oct. 13-16	<u>Autoteknik</u> Repair shop equipment and accessories	Bella Center, CPH
Oct. 22-30	<u>Building for Billions</u> International building exhibition	Bella Center, CPH
Nov. 3-6	<u>Nordfrimex '83</u> Stamp exhibition	Bella Center, CPH
Nov. 14-18	<u>Kem-Tek 6</u> 6th International Fair for plant and equipment for the chemical process industries	Bella Center, CPH
<u>1984</u>		
Jan. 13-22	<u>Camping '84</u> Caravans & Equipment	Bella Center, CPH
Jan. 24-28	<u>Agromek</u> International Exhibition for agri- cultural mechanization, cattle and pigs.	Herning
Jan. 27-29	<u>Hest &amp; Pony '84</u> Scandinavian Trade Exhibition of equestrian sports, horse breeding and equipment	Bella Center, CPH
Feb. 11-19	<u>Copenhagen International Boat Show</u>	Bella Center, CPH
Mar. 1-4	<u>Scandinavian Fashion Week and</u> <u>Menswear Fair</u>	Bella Center, CPH

For further information please call the Danish Consulate General,  
(Jan Jacobsen or Michael Jørgensen), at (212) 697-5101.