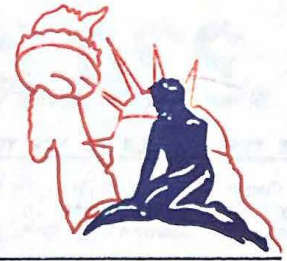


DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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



NEWSLETTER

No. 4

September/October 1984

Editors

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STAMFORD DENMARK FRIENDSHIP RACE

The nineteenth annual Denmark Race on Long Island Sound, the full name of which is "Stamford Denmark Friendship Sail Race", is scheduled this year for Sunday, September 30th. The Denmark Race, which is the largest sail race on the Eastern seaboard, possibly in the U.S.A., is raced in fourteen divisions, restricted to larger yachts.

DACC SECRETARIAT WILL MOVE TO NEW LOCATION

Effective November 1, 1984, the Secretariat of the DACC will be located adjacent to the new location of the Danish Consulate General, New York, at:

825 Third Avenue
Random House
New York, NY 10022

Please make a note of this. Office hours remain 9 a.m. to 1 p.m.

The Race originated in 1966 as part of a Danish commercial promotion sponsored by the Danish Consulate General and the Stamford Chamber of Commerce. The names of several of the travelling trophies remind of this commercial origin, such as: SAS Royal Viking Cup, Royal Copenhagen Trophy, Aalborg Akvavite Trophy, Provinsbank's Crown Trophy and the Tuborg Skaal Bowl, with for keeps trophies from Bing & Grøndahl.

FOREIGN MINISTER OF DENMARK SPEAKER AT DACC LUNCHEON

His excellency Mr. Uffe Ellemann-Jensen, Foreign Minister of Denmark, will be the guest of honor and speaker at the September meeting of the DACC. Mr. Ellemann-Jensen will speak on the subject "Denmark's Economic Situation Today and the Prospect for the Future".

The luncheon will take place on September 26, 1984, at:

The University Club
1 West 54th Street
New York City

at 12.40 pm. Cocktails at 11.50 am.

Please note the location for this special event.

The Queen of Denmark Cup, commemorating the Queen's presence at the Race in 1976, was presented by Clairrol-Carmen. The Prince of Denmark raced in 1976 and in 1982, and the Prince Henrik of Denmark Trophy was presented by Peter Heering.

Chamber members who wish to enter their yachts, or friends' yachts, in the race, which is sailed on a triangle course on Long Island Sound starting at mid-buoy 32-A, may request an entry form from the Race Committee at 212-933-3969 or 203-327-1111, before September 21.

Werner Valeur-Jensen

FIVE-A-SIDE

The 12th annual Five-A-Side Soccer Tournament will take place on October 27, 1984, at 9 a.m. at the Leif Ericson Field, 735-41 65th Street, Brooklyn, NY. Men and women are invited to participate with as many five-person teams as possible. Your teams must be associated with a Danish company, club or organization. As usual there will be prizes for funniest dressed team and trophies for the winning teams.

Refreshments will be available for purchase on the field throughout the games. Following the tournament there will be a luncheon and Bingo game with plenty of wonderful prizes donated by various companies. Proceeds will benefit the Danish Seamen's Church and the Scandinavian Sports Club/The Vikings.

Companies will receive a more detailed invitation. For further information, please contact Mr. Max Bruhn, 201-338-3881 (9-12 am and 4-6 pm)



Mr. Ellemann-Jensen is in New York City in connection with the opening of the U.N.

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THREE NEW CONSULS TO NEW YORK

The Consulate General in New York is now again fully staffed. Carsten Schmidt will be the Commercial Counselor for the next five years. He has previously been posted to the Middle East and Eastern Europe. Prior to joining the Ministry of Foreign Affairs Mr. Schmidt spent five years as Export Director for a Danish apparel company, and also worked with the Danish Federation of Industries.

Before assuming his present duties Mr. Schmidt headed the Foreign Ministry's section concerned with North America and EFTA, the European Free Trade Association. One of his duties was to represent Denmark in ETPO, the European Trade Promotion Organization. A large portion of his activities in ETPO were devoted to the problem of information exchange in trade promotion.

The administration of the Consulate General has been taken over by Deputy Consul General, Consul Otto Larsen. Mr. Larsen previously headed a section within the Budget Department, and also spent time as First Secretary at the Danish Embassy in Vienna.

The duty of Press and Information Counselor has been taken over by John Høst Schmidt, who previously was in charge of DANIDA's information office. DANIDA is the Danish agency for development assistance. Prior to this Mr. Høst Schmidt was Press Counselor at the Danish Embassy in London. His press background stems from his time as a reporter with the Danish national newspaper Berlingske Tidende.

DL

NEW MINISTER

As of Sunday, September 9, 1984, the Danish Seamen's Church in Brooklyn Heights have a new minister. Rev. Henrik Fossing previously spent five years in Hull, England, and two years in the Faroe Islands serving the Danish Church in Foreign Ports. Consul General Villads Villadsen will officiate at the installation of Rev. Fossing at the Church on September 23 at 11 a.m.

EP

SCANDINAVIAN WEEKEND

Scanticon-Princeton, set in 25 acres of beautiful natural woodlands, is the place to spend October 5, 6 and 7. It will be a casual weekend for the whole family. There will be Scandinavian films, folk dancing, Viking parties, receptions, entertainment, dance classes and arts and crafts shows.

There is a special rate for this weekend. For further information, please contact Polka Pals, Inc., 23 Fairway Drive, Old Bethpage, NY 11804, (516) 752-7788.

EP

MAYOR FOR A DAY

Every year a "Mayor for a Day" is selected in connection with the Rebild festivities in Denmark. This year it was one of our long-time members, Joseph Krentzel. Mr. Krentzel made history in more ways than one - this was the first time a man from Copenhagen rather than Jutland was selected.

When the "real" mayor, Kaj Kjør, of Aalborg gave the key to Mr. Krentzel, the latter was quick and called for a meeting of the town council right away as he had 32 points to discuss with them. The two most important ones were: 1) higher salary to the mayor and 2) a chauffeured car. The next day Mr. Krentzel handed back the key to Mr. Kjør with the remark: "Sorry, it didn't fit the money box".



Mr. Krentzel was born in Fiolstraede in Copenhagen in 1908 and emigrated to the United States in 1925. He is involved in most of the Danish American organizations in New York - to name a few: President for the Danish Home in Croton, President for Rebild National Park Society, NY Chapter, Vice President of the Danish Athletic Club, Honorary Chairman of the Danish American Coordinating Council of Greater New York.

Press Clippings

DACC CHRISTMAS LUNCHEON SET

On December 7 the DACC will have our annual Christmas Luncheon at the University Club. Companies wishing to contribute to the traditional "care package" should contact Mrs. Bitten Frandsen at the Secretariat.

JOINT NOVEMBER SEMINAR

The DACC will participate with other Scandinavian Chambers of Commerce in a November seminar titled "Market Opportunities in Scandinavia".

Details to follow in our next Newsletter

POSITION WANTED

Resident Dane in New York City vicinity is looking for position. Experience: full charge accountant through general ledger, office management, importation. Fluent in English, German and Danish.

Please contact the Secretariat at (212) 245-0424 for a resume or, even better, an interview with this gentleman.

THE DANISH ECONOMY (NORDIC AMERICAN BANKING CORP)

The recently published figures for second-quarter economic growth have banished all fears that the expansionary force of the American economy was about to wither significantly. With an increase in volume of 7½ per cent (annual rate) in the past quarter, the United States remains the unchallenged locomotive of the Western World as far as the economy is concerned.

Threatening to check the American advance is the growing utilization of the country's industrial capacity. This creates bottlenecks, and if these are not quickly eliminated by investment in new plant, the risk of renewed inflationary pressure in the United States will be grave. For the time being, however, nothing points to a lowering of investment activity.

With the prospect of high U.S. interest rates for some time to come (and they may go even higher) we have to be prepared for American growth to descend towards more normal rates in 1985 (about 4 per cent).

Against the background of U.S. record growth (and the stimulus it gives to Western Europe), Denmark has achieved considerable growth in industrial exports thus far in 1984. This growth has reached the same level as achieved in the 1960s at their best, the U.S. market being the undisputed leader in terms of percentage growth.

It is typical of the present situation that the U.S. and Britain, as well as the other Nordic countries, are the dynamos for Denmark's export boom, while the markets on the European continent, with weak growth, are having little effect.

Denmark's export performance is an interesting comment on the frequent discussions on export strategy. The turbulence of the world economy makes exporting an unpredictable business: markets may disappear from the map, almost from one day to the next, only to reappear somewhere else, and customer preferences may change. There is a lot of evidence that the Danish industry, with its extensive diversification and highly flexible types of enterprise, provides the best answer to the market vagaries that are likely to remain the rule rather than the exception in the years ahead.

The Danish economy presently shows a number of positive trends: the budget deficit is on the way down, unemployment is falling, and there are signs of a substantial improvement in the balance of payments as early as the second half of 1984.

However, we still have to expect a certain weakening of growth in our export markets (especially in the view of the expected reduction in growth in the United States), and this will make it even more necessary to keep Danish industry competitive and to give Danish companies reasonable certainty that sudden changes in economic policy will not make nonsense of their business decisions.

The three main pillars of economic policy must therefore remain:

- the maintenance of a fixed rate of exchange
- a tight central-government budget, and
- incomes policy

Suspicion that there might be some wavering in the ranks on economic policy is one of the reasons for the recent rise in bond interest rates. If the session of the Folketing does not allay these suspicions, the prospects of maintaining a reasonable interest level will remain bleak.

In the present economic climate monetary policy should be as unrestrictive as possible in order not to choke corporate investment (paying due regard, of course, to international influences).

When this is said, however, we must also ensure that all domestic hindrances to an unrestrictive policy are removed.

This implies, among other things, a fiscal policy that holds the rise in consumption at 1-1½ per cent, so that there is no need for general restrictions on bank lending.

We might add that the introduction of special deposits, as suggested by the Central Bank, cannot fail to push up both deposit and lending rates. If the monetary authorities still think, however, that a tightening of monetary policy is necessary, it is most important that the measures they impose do not distort competition among the various institutions on the credit and capital markets and between various groups of borrowers.

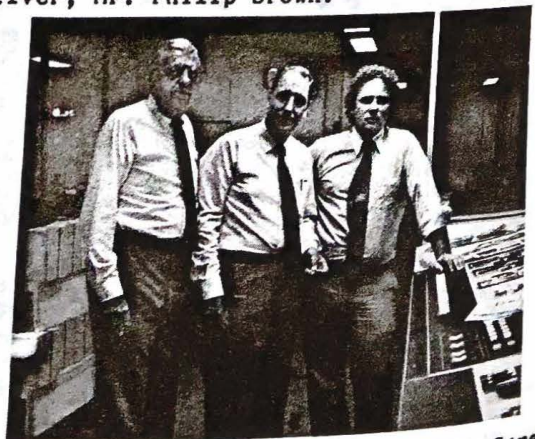
DANISH PRINTING QUALITY IN THE U.S.

Six containers with the first-ever Danish manufactured U.S. mail order catalogues are presently crossing the Atlantic Ocean on their way to S. Silver of Milford, Ct. From there the 1.8 million 48-page, 5-color Christmas catalogues will be mailed out to more than 1 million U.S. customers.

Mr. Bennett Silver, President of S. Silver, explains why he chose the Danish company Arthur Sørensen Bogtrykkeri ApS, Aarhus:

"The main reasons for choosing a Danish company were the technical precision, the close cooperation between customer and printer, the favorable price, and on-time delivery. Arthur Sørensen Bogtrykkeri ApS has given a lot of time, care and flexibility to the project, and I never felt that I was 'just another job'. I now plan to have our spring catalogue printed in Denmark".

The catalogue was designed by the Art Director of S. Silver, Mr. Philip Brown.



Shown L to R: Bennett N. Silver, Arthur Sørensen, Philip Brown.

Mr. Arthur Sørensen, President of Arthur Sørensen's Bogtrykkeri ApS, says:

"An order of this size is considered fairly large in Denmark, and we attend to it with detail and precision. It is our first major U.S. order, but we have already started on the next one which will be a 100% Danish production: Danish design, photography, printing etc.

The distance between Denmark and the U.S. really is of no consequence - it is a seven hour flight, and we have cargo leaving every week. There is no reason why even a major order should not be delivered on time, and this, combined with the price factor, appeals to our American customers.

Press Release

TOP GRADE, INC. AWARDED THE 1984 ASID PRODUCT AWARD

Top Grade, Inc., manufacturer and importer of quality contract carpets and upholstery fabrics, has been honored by the American Society of Interior Designers for the catalogue of one of its 1984 carpet introductions, the Conspec Series. The collection consists of woven jacquard Wiltons.

The Award was presented to two of the three Top Grade partners, Torben Høge-Jensen and Herbert E. Doerr III at a ceremony in Chicago on August 16, 1984.

Press Release

DANISH COMPANY DEVELOPS AUTOMATIC BACTERIA SCANNER

The petri dish and manual bacterial count have been superseded by the automatic bacteria scanner developed by Metrofoss, one of the Foss Group of companies in Denmark.

Tested for over a year in dairies in West Germany, the "Bactoscan" is now available commercially. It has applications in the dairy industry and is currently being developed for the medical, pharmaceutical, food and other sectors.

The instrument offers a considerable time and cost saving and eliminates human error in preparing bacteria counts in the laboratory. In operation, a sample is fed to the instrument, which removes fats, proteins and somatic cells before treating the sample with a fluorescent dye. The sample is then counted and the result fed to a monitor display, a print-out or into a computer. A single sample is processed in six minutes, or batches at 70 samples per hour, without the need for any cultivation period.

Bactoscan is self-cleaning to a transfer error of approx. 0.3% and correlation of 0.8-0.9 compared to standard methods. It is module-built for easy service and comes in a desk-sized cabinet.

Press Release

DANISH COMPANY'S ENTRY INTO THE UNITED STATES: SMALL MAY BE BEAUTIFUL BUT IS IT PROFITABLE?

The basis for organizing a Danish company's business activities in the United States should reflect a simple strategic choice regarding risk preference, i.e., does the management of the company prefer to maximize the opportunities for PROFIT GAIN or minimize the exposure to FINANCIAL LOSSES?

Four main entry strategies are available to Danish consumer goods companies, and three strategies to industrial goods companies:

1. FRANCHISING (Consumer Goods Only). Parent company dominates "quality control" and "advertising".
2. START-UP (Fully Integrated, Stand-Alone Company) Parent company dominates "financing".
3. LICENSING Parent company dominates "research and development".
4. EXPORTING Parent company dominates "manufacturing" and "pricing" (indirectly).

The least exposure to financial losses can be expected from the strategies of EXPORTING and LICENSING; however, the opportunities for profits are equally small.

The greatest opportunities for profits are associated with the strategies of FRANCHISING and START-UP, but these strategies when using 100% Danish risk capital also have greater exposure to financial losses. By employing a financial sub-strategy of using U.S. venture capital financing for the first three to five years, the risk exposures could be modified to suit a Danish company's preferences.

The EXPORT strategy may fail because it is probably initially based on the pricing for incremental production when the Danish plant is not operating at full capacity. If the U.S. export program is successful, the U.S. customers will soon insist on warehousing adequate inventories in the U.S. and possibly on manufacturing in the U.S., which may require repricing to cover the added costs of inventories/manufacturing, and this the customers may not accept. A successful export program may also require the refinancing of the expanding accounts receivable and inventories/manufacturing assets which the Danish company's investors and other funding sources may not accept. The EXPORT business initially viewed as incremental to the main business, i.e., "nice to have" but NOT ESSENTIAL for the growth and survival of the Danish company, may, if successful, overwhelm the company's resources and sink both the U.S. operation and the Danish company.

The LICENSING strategy may fail because in order to have the licencing agreement renewed periodically on terms favorable to the Danish company, new technology must constantly be developed by the Danish company for future use by the licensee. Therefore, unless the total business volume justifies the required intensive expenditures for "research and development", the licensee may in time become a competitor in the company's product

category making a reentry into the United States more difficult. The LICENSING business initially viewed as enhancing the return on investments in the existing inventory of innovations of products and processes, may, if successful, either overwhelm the company's innovative resources or deny the company its present access to the U.S. market.

The START-UP strategy may fail because if based on 100% risk capital by the Danish company (i.e., a 100% Danish subsidiary from the beginning), it may carry the burden of all of the Danish management's assumptions about how to properly do business anywhere, including the United States. The best insurance against such a calamity is to seek initial venture capital financing for the start-up in the U.S., with the Danish company perhaps providing the mezzanine financing with options to repurchase the outstanding equity at a price based on performance. The scrutiny of the venture capitalist will ensure that BEFORE the business is launched the entrepreneur responsible for the project's success will prepare a complete business plan, as well as doing the necessary marketing research, product adaptation, development of pricing and distribution strategies, development of organizational strategy and staffing, etc. The Danish company's technology and know-how should still be utilized, but it should be on a selective basis and fully reimbursed as an initial investment in the "new" business or as future royalties.

The START-UP with U.S. equity capital will only succeed for the Danish company if the Danish management is comfortable in its role as a financial portfolio manager, as opposed to super-operator of marketing and production operations in various countries.

The FRANCHISING strategy may fail if the management of the Danish company is not comfortable emphasizing its responsibilities of building consumer demand (advertising), maintaining consistent performance (quality control, format control), and if not thoroughly familiar with U.S. business methods and markets. Again, seeking U.S. venture capital for the first formative years is a recommended insurance.

VENTURE CAPITALISTS invested approximately US\$ 3 billion in new start-ups in the United States in 1983; an additional US\$ 2.5 billion was raised from public stock offerings by new companies, and US\$ 0.5 billion was provided in mezzanine financing, i.e., a total organized funding of US\$ 6 billion for newer companies, not including owners' equity contributions. Of this total approximately US\$ 500 million came from Europe, exceeding the venture capital investments within the European region estimated to be US\$ 3-400 million.

The venture capital market in the U.S. is well developed, and besides providing a source of financing, it also imposes a discipline on new ventures by requiring well developed business plans for any company wishing to get started. Danish companies attracted to the greater potential gains in the U.S. of FRANCHISING and START-UP, as opposed to Licensing and Exporting, should seriously consider obtaining U.S. VENTURE CAPITAL FINANCING from the inception for both of these reasons.

Ole Olsen

DANE PROMOTED BY HILTON HOTELS

Jørgen H. Hansen, V.P. and Managing Director of the Waldorf Astoria Hotel in New York City, has been elevated to Senior V.P. in charge of the Hilton Hotels Corporation's Southern region. Mr. Hansen started with the Hilton group in 1962.



In 1974 Mr. Hansen was Managing Director of the New York Hilton. Since 1982 he has managed the Waldorf Astoria and been V.P. of the Hilton Hotels Corporation. Mr. Hansen serves on the Board and Executive Committees of the American Hotel and Motel Assoc., the New York State Hotel and Motel Assoc. and the Hotel Association of New York City. He is also a Board member of the New York Convention and Visitors Assoc., Chairman of hotel fundraising for the American Cancer Society and Chairman of the AH&MA Liason Committee with the International Hotel Assoc. Jørgen Hansen is a member of the Confrerie de la Chaine des Rotisseurs and has received several professional awards.

DL

OLYMPICS

The 1984 International Games for the Disabled recently took place at Nassau County, NY. The olympic games type competition featured 1,500 of the top amputee, blind, cerebral palsy and les autres athletes in the world. These "elite" athletes represented 44 countries, and Denmark had 39 participants.



Team gold, cerem athle Reaga

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POSITION

GENERAL

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Team Denmark proudly brought home 44 medals: 25 gold, 5 silver and 14 bronze. The opening ceremonies at Mitchel Park, the new \$11 million athletic complex, were headed by President Ronald Reagan.

At the end of their stay the participants were invited to the Danish Athletic Club for a reception and to meet more Danes living in the U.S. They were all handed a rose, and a huge marzipan-covered cake with the Danish and American flags and other inscription was presented by the club. To top it all off Mr. Joseph Krentzel, V.P. of DAC, presented a check for \$5,000 to the Danish committee for the Handicapped Athletes' Union. This was made possible by a fund-raising dinner held at the club in April.

All athletes left New York with a "walkman" as a gift from the Danish American community, and lots of good memories from their two week stay.

EP

POSITION AVAILABLE

GENERALKONSULATET I NEW YORK - HANDELSMEDARBEJDER

En stilling som sagsbehandler i generalkonsulatets handelsafdeling skal foreløbig i en 2-års periode besættes med en yngre medarbejder.

Den pågældende vil indgå i et team, som er beskæftiget med bistand til danske eksportørers afsætning på det amerikanske marked, herunder udarbejdelse af markedsanalyser og vejledning vedr. salgs- og distributionskanaler.

Udvalgte kandidater til såvel dansk som amerikansk konversationsliv vil derfor være en forudsætning ligesom beherskelse af både dansk og engelsk.

Aflønning efter udenrigsministeriets regler.

Nærmere oplysninger vil kunne indhentes på telefon (212) 697-5101, Carsten Schmidt.

Royal Danish Consulate General 280 Park Avenue New York, NY 10017

DANISH AMERICAN CLUB

NEW MEMBERS

We welcome the following new members to the DACC:

INDIVIDUAL

Mr. Lars Chr. Storaekre
VIKING TRADE CORPORATION
226 Seventh Street
Garden City, NY 11530
(Seafood imports)

Mr. Pierre Guichard
100 E. Hartsdale Ave., Apt. 7 EW
Hartsdale, NY 10530
(U.S. representative of the Danish Ferrosan Group)

POSITION WANTED

Resident Dane in New York City vicinity is looking for position. Experience: full charge accountant through general ledger, office management, importation. Fluent in English, German and Danish.

Please contact the Secretariat at (212) 245-0424 for a resume or, even better, an interview with this gentleman.

COMING EVENTS

September

19 - Open House, Rebild Natl. Park Society, New York.

26 - Luncheon, DACC, New York. Speaker: Foreign Minister Uffe Ellemann-Jensen.

30 - Stamford Denmark Friendship Race, Long Island Sound.

October

12 - Theatre Evening, Danish American Society, New York.

27 - Annual Five-A-Sive Tournament. Danish Athletic Club, New York.

30 - Luncheon, DACC, New York. Speaker: Ebbe Simonsen, Bing & Grøndahl.

November

17 - Annual Bazaar, Danish Seamen's Church, Brooklyn, NY.

DACC Luncheon, New York. Speaker: Hon. Charles S. Haight, Jr. Date to be announced.

December

7 - Christmas Luncheon, DACC, New York.

9 - Christmas Party, Danish American Society, New York.

The Newsletter Committee will include "Coming Events" from all the U.S. Chambers of Commerce (and other organizations at the discretion of the Committee) 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.

No. 5

Editors H. Forben H. Dan Larse Erik Noru Elizabeth

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