

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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NEWSLETTER

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ANNUAL DINNER DANCE AT THE PLAZA HOTEL

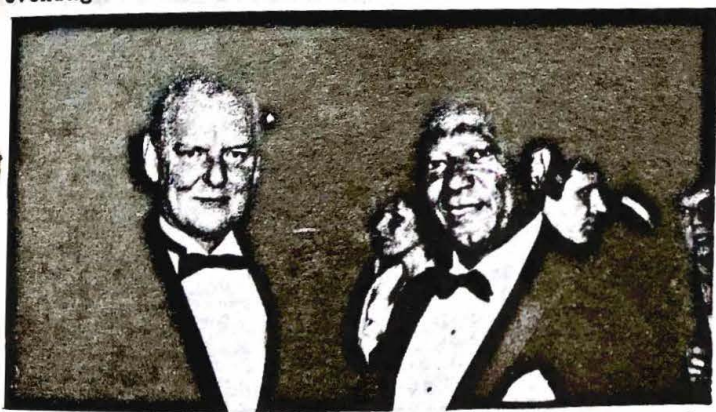
On February 1 approx. 180 DACC members and guests attended the annual Dinner Dance at the Plaza Hotel.

Speakers were the Danish Minister of Finance, Mr. Palle Simonsen, and the guest of honor, U.S. Ambassador to Denmark, Terence Todman.

Seen below are some moments from the festive evening.



Mr. and Mrs. Peter Rasmussen, Consul General and Mrs. Villads Villadsen.



Minister of Finance Palle Simonsen and Ambassador Todman.



Mr. Ejvind Frandsen, Mr. and Mrs. Roger Anderson, Mr. Hans Basse.



Mrs. Doris Todman, Mrs. Susanne Valeur-Jensen, Mr. and Mrs. Edward Lichtenhagen.



Mrs. Evelyne Henriksen and Mr. Joseph Krentzel.



Part of the Moller Steamship contingency: Messrs. Jørgen Engell, Birger Jurgensen, A.B. Ruhly, William Simkins.



Mr. and Mrs. Jørgen Frederiksen, Mr. and Mrs. Hans Bredholt.

DACC CHRISTMAS LUNCHEON

As always the DACC Christmas Luncheon, which was held at the University Club on December 7, 1984, was a great success. Over 200 members and guests attended - the largest crowd ever!

All our festive traditions were upheld, including Christmas hymns sung simultaneously in Danish and American, the impressive Santa Lucia procession, speeches by Werner Valeur-Jensen and Consul General Villads Villadsen who were both in excellent form, and of course the generous "care packages" donated by some of our members.

The Board of Directors wish to thank the contributors of the care packages as well as the luncheon menu as follows:

Care Packages

- Advantage Food Corp. (Parmesan Cheese)
- Atalanta Corp. (Kjeldsens Butter Cookies)
- DAK Foods, Inc. (Salami)
- Denmark Cheese Association (Cheese)
- M.H. Greenebaum, Inc. (Ham)
- Majesty, Inc. (Ham)
- Marli, Inc. (Liqueur bottles)
- Old Denmark (Shopping bags)
- Peter F. Heering A/S (Liqueur bottles)
- Royal Copenhagen Porcelain Corp. (Candles)
- Scandinavian Airlines NA (Anthon Berg Marzipan)
- Tholstrup Cheese (Blue Castello)

Luncheon

- All Brand Importers, Inc. (Carlsberg Beer)
- DAK Foods, Inc. (Herring)
- James B. Beam Import Co. (Akvavit)

The Board of Directors also extend their thanks to the staff of the Commercial Section of the Danish Consulate General for their help and co-operation in preparing the care packages. Special thanks to Commercial Counselor Carsten Schmidt, Attaché Ebbe Johansen, Board Members Ingeborg Larsen, Edward Lichtenhagen, Henry Greenebaum, Eivind Frandsen, and Mrs. Birgitta Frandsen who manned the Secretariat eight hours a day in the busy week preceding the luncheon.

VISIT OF THE DANISH MINISTER FOR TRANSPORT

The Danish Minister for Transport, Mr. Arne Melchior, visited New York and Washington, DC, January 20-26, 1985. Mr. Melchior met with Mrs. Elizabeth Dole, Secretary of Transport, and had meetings in the World Bank and the Federal Highway Administration.

In New York the Danish Minister attended the B'nai B'rith International dinner where Mr. Jan Carlzon, President of SAS, received the "Man of the Year Award".

Carsten Schmidt

UNIQUE DANISH RUGS ON SHOW IN NEW YORK

Four Danish artists are represented at an exhibition of contemporary artists' rugs at New York's American Craft Museum II, International Paper Plaza, 77 West 45th Street.

The exhibition called "For the Floor" is said to be the first of its kind in the last 40 years. Trine Ellitgaard, Torill Ruud Galsø, Annette Juel and Jette Nevers each have one work among the forty-odd exhibited rugs.

The exhibition opened January 25 and will continue until May 11. It will then travel to museums throughout the U.S. for two years.

John Høst Schmidt

NEW YORK CITY FOCUSES ON FOREIGN BUSINESS COMMUNITY

Lois J. Naftulin, an attorney, and Alexander T. Liu, a banker, have been appointed Assistant Commissioners of International Business Development for the City of New York by Kenneth Lipper, Deputy Mayor for Finance and Economic Development. Under the direction of Commissioner William S. Brennan, Ms. Naftulin and Mr. Liu will act as the foreign business community's ombudsperson within New York City government. They are experienced in all aspects of international business transactions, and will help foreign businesses set up in New York City by offering such services as financing and tax incentives, business establishment and expansion assistance, government contract procurement, and job training programs where appropriate. The Office of International Business Development is located at 17 John Street, New York, NY 10038, telephone no. (212) 566-0205.

Press Release

THE DANISH ECONOMY (DEN DANSKE BANK)

Economic activity in Denmark in 1984 has been outstanding when viewed in a European context. Of the OECD-countries only the USA and Japan have seen stronger growth rates.

However, this rapid growth has highlighted structural weakness in the Danish economy. The export-oriented sectors of the economy are too small to ensure a balance on foreign trade and payments. One obvious reason for the imbalance is of course the dependence on imports found in all production sectors.

Growing interest payments on foreign debt also contribute to the external imbalance. Both in 1983 and 1984 the balance of trade and services showed a surplus. Considerably increasing interest payments have led to a deficit on the overall current account in both 1983 and 1984.

In order to restore a balance, continued improvement in the competitiveness of Danish exports is essential. This will require an increase in investments combined with lower wage increases in Denmark when compared to our main trading partners.

Business investments grew by 14 per cent in 1984 against 7 per cent in 1983.

Investments in industry alone increased by 30-35 per cent. This strong performance reflects improved earnings as well as increased sales both in Denmark and internationally. A further sharp increase in investments, from the present 10-11 per cent to around 16-17 per cent of G.D.P., is required to eliminate the current account deficit within the stipulated time by the government, i.e. by 1988.

Since 1980 investments in the energy sector have contributed substantially to total investments. From 1985 domestic oil and natural gas will reduce Denmark's dependence on imported oil and gas.

Investments in energy are dominated by large projects and the total level of investments are as a consequence influenced heavily when single projects are started and completed. The gas and oil pipelines from the fields in the North Sea to Jutland and the Thyra fields are examples of projects of many billions of Kroner each.

Energy investments dropped by 40 per cent in 1984 from a little less than 10 per cent of total investments in 1983 to a little more than 5 per cent in 1984. According to present plans investments in 1985 will fall 1-2 per cent.

Development of new production fields in the North Sea in the future will again raise energy investments.

The import bill for oil in 1984 was reduced by 4.2 billion D.kr. as a result of domestic production. In 1985 a further increase in production is expected as natural gas is distributed through the new pipeline system that came on line in late 1984.

Growth in investments is expected to continue in 1985 although at a lower rate of increase of around 8-9 per cent in real terms. Especially investments in industry are expected to do well in 1985.

An increase in investments contributes also to the solution of the Budget deficit problem. Production goes up, leading to higher exports and more jobs. At the same time the increase in employment adds to tax revenues and reduces expenditures for unemployment benefits and so on.

The recent rapid economic growth which was lead by increased investments and exports has resulted in a sharp growth in employment. The total number of persons employed has risen by 42,000 of whom only 2,000 are in the public sector. Growth has been strongest in the private service sector, with 19,000 more jobs in 1984 than in 1983.

Industrial production rose by more than 10 per cent in 1984 and the sector was expanding employment rapidly. Almost 16,000 new jobs were created in that sector.

Unemployment has been reduced only marginally due to a continued growth in the work force. However, the Danish performance has been outstanding when viewed in a European context, as no other country has experienced a falling rate of unemployment.

New labor market contracts are to be concluded before March of this year. The outcome will determine to what extent businesses can increase investments, exports, and employment.

Correction The Newsletter Committee regrets the incorrect authorship indicated for The Danish Economy in Newsletter No. 6/84. The author of the article was Den Danske Provinsbank and not, as indicated, Privatbanken.

BOOK ON THE SAIL TRAINING SHIP "DANMARK" IN AMERICAN TRANSLATION

A classic, "Skoleskibet Danmark under Dannebrog og Stars and Stripes" by Knud Andersen as told by Captain Knud L. Hansen, published in 1947 by "Samlerens Forlag", has at long last been translated into American and will be published in April.

The writer and translator Suzanne McMurray Ko, who has had a keen interest in Denmark for years, has taken on the job of translating the book. She has been working on it for a couple of years.

The publication of the book in American would not have been possible without a generous guarantee made available by A.P. Møllers Foundation in Denmark.

Very appropriately the publication of the book will coincide with the visit of the ship to Washington DC April 19-24, where the 45 year anniversary of her hoisting American command during World War II will be celebrated.

The book is expected to draw considerable interest from the thousands of Americans who were either educated on board the ship during the war or had close relatives who were. The distribution of the book will be handled by Nordic Books, P.O. Box 1941-d, Philadelphia, PA 19105.

John Høst Schmidt

U.S. VENTURE CAPITAL AND THE CORPORATE PARTICIPANT

The venture capital industry in the United States is strong, healthy and vibrant! A review of the data and statistics makes it easy to understand why foreign investors and corporations combined represent one third of the capital in the venture capital industry in the United States. Apart from the financial objective, the venture capital industry in the U.S. presents opportunities for growth, both through the development of new technologies and the commercialization of those technologies, and from drawing upon the expertise of the venture capital professionals who aid in the growth of the small companies in which the investments are made. While the objective of a corporate venturer may not be strictly of a financial return, it is believed that it is impossible to do a satisfactory job of selecting good companies and not make substantial capital gains. Compound annual returns averaging at least 25% have been achieved by corporate venture capital funds that have been run by professionals, even when the objective was not maximum capital appreciation. It is no wonder that corporations are interested in the process of developing companies, and in fact, that corporations are interested in entrepreneurship.

A National Science Foundation study indicates that small firms produce about four times as many innovations per dollar of research and development as do medium-sized firms. And, importantly, not only do the small firms produce more new products, they also take less time to bring the products to the market; an average of 2.2 years compared with 3.1 years for large companies. Clearly then, the venture capital process should be considered an important element in the corporate development function.

Perhaps the most interesting development is the growth of foreign capital and corporations in the venture capital business. These two groups now account for approximately one-third of all venture capital in the U.S. Undoubtedly, one objective of the foreign participants and corporations is also financial, but there must be other objectives as well.

It must be emphasized that the venture capital process is not simply a process of investing money, then passively waiting until the company grows and someday becomes a public company, or is acquired, thereby providing a gain for the investors. In reality, the venture capital process is a process of building companies and creating value. To accomplish this requires close attention by the venture capitalist to these firms by participating on their Boards of Directors, by consultation with their managements and by the venture capitalist lending his experience and contacts to the development of each company's marketing and production efforts. Only at the end of this process (typically 5-7 years) is the venture capitalist rewarded for his diligence.

Corporations typically have not been successful in their attempts at the dual role of large organization and venture capitalist. The most successful venture capital programs in corporations have been the result of participation by the corporation in an established venture

capital fund managed by professional, experienced venture capitalists. Among the reasons are:

1) A lack of people skilled in the venture process.

A venture capitalist must be entrepreneurial, motivated, patient, realistically optimistic, proficient at negotiations, persuasive and able to skillfully evaluate people as well as businesses. He must be familiar with all aspects of accounting principles, tax regulations, corporate financial structures, securities analysis and securities law. Good internal people, even if they have the required skills, generally do not want to leave the mainstream of the corporation's business.

2) Contradictory rationale or environment.

A corporate venture capital program may experience difficulty in acting in the best interests of both the investee company and the parent. The desire by the parent for continuous profit increases is also incompatible with the normal results of a venture operation. Further, the entrepreneur may find that the often bureaucratic processes of large corporations restrict the flexibility of his small firm and add to his frustrations, thereby impeding growth. If, on the other hand, the corporation uses an outside partnership, then the interface to the investee companies can remain consistent, even if the rationale for venture investing changes.

3) Legal problems.

The corporate venture capitalist must be extremely careful to avoid violating any fiduciary responsibility or corporate opportunity doctrines. He must maintain scrupulously the rights of other investors (even if the corporate investee is the most substantial investor), and when acting as a corporate director to give first refusal of new business to the investee rather than to the corporate employer. An investment in an outside group avoids most of these issues while remaining sensitive to the needs of the corporation.

4) Inadequate time horizon.

A venture capital investment usually experiences losses and problems early; the successes take much more time to develop. Typically, the corporate venturer expects annual profits, or certainly near profits, and unless that is achieved the corporate venturer terminates its venture fund. By investing in an outside fund, the individual investments are insulated and the internal corporate group does not have to explain why certain investments are not meeting the forecasts, nor does an operating manager need to worry that he will have to absorb the losses of this venture activity. Management changes have also aborted corporate venture programs, particularly when sponsorship has been the result of one individual.

There is no single best way for a corporation to participate in the venture capital process. The venture capital program conducted by a corporation need not be an "either-or" situation, that is, either participation in an outside fund, or a direct investment in a small company.

Participation in an outside fund is a supplement to any direct investment that might be done or made by a corporation. We are certainly aware of many situations where a corporation invested in an outside fund and made direct investments in companies in addition to its participation in the fund. The most enlightened managements participate in a variety of ways, thereby maximizing the opportunity to achieve whatever their corporate goals are with regard to venture capital investing. Corporations participate in venture capital programs for strategic reasons, primarily, with each investment providing one or more of the following benefits:

- 1) A mechanism for identifying or engaging with companies whose products or technologies might play important future roles in their businesses.
- 2) A method for better understanding the management strengths or weaknesses of possible acquisitions.
- 3) A technique for getting certain products designed and built faster and at lower costs than could be done inside the corporation.
- 4) An early window on important technology, market, government, and business developments.
- 5) An assurance of a continued supply of needed materials or components.
- 6) A way of studying new markets, new marketing techniques, and new financing methods which show future potential.
- 7) A method of obtaining value from internal development programs which are no longer relevant.
- 8) A mechanism for helping suppliers or customers.

Some of the advantages which can be achieved by a corporation through investing in an outside fund have been mentioned in the foregoing paragraphs. In addition to those which have been mentioned, including the information on technologies or markets, and diversification, there are also the advantages of working with professional managers in the venture capital fund, and a group of entrepreneurs who head each of the companies in which the venture fund has an investment. Participation in a fund in which all of the shareholders have similar objectives (as opposed to being a diverse group of investors strictly interested in financial gain) provides other opportunities for interaction of the key management people across several areas of business endeavor. It is by the interaction of all of these groups: the entrepreneurs, the professional venture capitalist, and the managers of other corporations, that the greatest benefits of the venture capital process can be obtained. It is in this way that information is provided, the implications discussed, and further ideas and product and market opportunities arise.

Jack A. Prizzi and Michael Ionata, Nordic American Banking Corporation.

DONATION IN HONOR OF VICTOR BORGE

Victor Borge, the famous and celebrated "Great Dane" who many of our members had the opportunity to enjoy when he concluded the celebrations of his 75 year birthday by performing in Carnegie Hall around Christmas, has received a new incitement to "still go strong" for many years to come.

Edward and Barbara Netter, brother and sister-in-law to Richard Netter, President of "Thanks to Scandinavia", have donated \$35,000 to this organization "in honor of Victor Borge's 100 birthday which will occur on January 3 of the year 2009". Victor Borge is the national chairman of "Thanks to Scandinavia".

John Høst Schmidt

MAGASIN ENTERS THE U.S. FURNITURE MARKET

The Danish department store Magasin recently entered the exciting U.S. furniture market. This was accomplished through the acquisition of 50% of the shares of an existing American furniture company, Bova, Inc., owned by Messrs. Ole Bjerregaard and Peter Rask, both Danes. The price of the acquisition was D.kr. 15 million.

Bova, Inc. has only been in business four years but already has seven stores in five states. Four of the stores, in Denver and Colorado Springs, CO; Dallas, TX; and Atlanta, GA, are owned by Bova while the remaining three stores in West Palm Beach and Miami, FL; and Salt Lake City, UT, are franchises. Bova, Inc. is headquartered in Dallas.

80% of the furniture in the Bova stores are designed and manufactured in Denmark and consist primarily of the teak designs that have gained such popularity in this country. The stores are headed by Danish management teams and generally have 50% Danish employees.

The U.S. acquisition is part of Magasin's new international strategy which also includes Colour Club fashion stores in England, Holland and Switzerland.

U.S. BEST MARKET FOR LEGO IN 1984

In the month of November Lego supplied 25 million "Happy Meals" at McDonalds with a small bag of building blocks. The co-operation between Lego and the hamburger franchise was a huge success. The U.S. once again in 1984 proved to be the best of 122 international markets with increased sales of 15 per cent.

World-wide sales of the Lego organization increased 15 per cent with the smallest growth in Western Europe, the largest market. The expansion of the company continues with a total of 200,000 sq. ft. of construction on a global basis.

Lego employs 4,000 people in 40 companies, with more than 50 per cent in Denmark. In 1984 300 new employees were hired. There are no annual results from Lego as yet.

DL



THE

NORDIC REPORT

DENMARK

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Dan Larsen
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NEW DIRECTOR OF THE DANISH TOURIST BOARD

Effective September 19, 1984, Mr. Tom Sodemann succeeded Steen Løvschal as Director of the Danish Tourist Board in North America. On the same day Mr. Løvschal took office as Director of the Danish Tourist Board in Sweden. Sweden is Denmark's second largest tourist market, after the Federal Republic of Germany, while North America shares the third place with Norway.



Mr. Sodemann has been with the Danish Tourist Board since 1964, when he joined the organization as Deputy Director of the Frankfurt office. In 1968 he opened the new DTB office in Hamburg and served as Director there until 1974. In that year he was appointed Vice President and Director of Marketing at the head office in Copenhagen. In 1977 Mr. Sodemann was named Co-ordinating Director of the Scandinavian markets, and in 1979 was named Director of the DTB in Oslo.

News Release

EAST ASIATIC EXPANDS IN NEW YORK

The East Asiatic Company will spend \$7.5 million over the next two years on expansions and improvements of its facilities in Queens, New York. The center for the company's vast activities in the United States will be concentrated with Heidelberg Eastern in the hands of President Hans Peetz-Larsen.

EAC bought Heidelberg in 1970. From 1975 to 1984 sales have increased from \$29 million to \$200 million. This company, which sells printing equipment, accounts for 50 per cent of East Asiatic's U.S. sales of \$400 million last year. Mr. Peetz-Larsen expects to increase sales to \$1 billion by 1990.

The company with its 400 jobs almost left New York City recently. Recognizing the problem (after some rent-twisting) the City of New York extended \$7 million in Industrial Revenue Bonds, and the Federal Government contributed \$500,000 in urban development grants, an offer Mr. Peetz-Larsen could not refuse.

EAC has bought new warehouses in Queens and is embarking on a \$3.9 million renovation and expansion program. Among the new acquisitions is an IBM mainframe computer. EAC now has 250,000 sq. ft. under its roof in New York.

NEW PRESIDENT OF DANISH AMERICAN SOCIETY

On December 9, 1984, the Board of Directors of the Danish American Society elected Mr. Hans Basse, Director of Marketing at the Plaza Hotel, New York, as their new President. Mr. Basse will serve



for a period of two years with the following officers:

- Søren Svenningsen, Executive V.P.
- Jakob Skadegaard, Treasurer
- Allen Milman, Secretary and V.P.
- Joseph Krentzel, Honorary V.P.
- Niels Flo, V.P.

The following new officers were elected to the Board:

- Niels Flo
- Allen Milman
- Tom Sodemann

DENMARK GETS SMALL SHARE OF U.S. INTERNATIONAL INVESTMENTS

During the period 1977-1982 direct American investments in Denmark grew from \$768 million to \$1.146 billion. This means an average increase of 8.3 %. Compared to other small industrial nations Denmark received just a small share of the \$166 billion direct foreign investment in Western Europe.

Returns on the investments changed from \$24 million in 1977 to \$170 million in 1979 and to \$77 million in 1982. In the first two years of this period investors realized profit growths of 245.8 and 104.8 per cent. The following years profits fell 34.7, 16.2 and 17.2 per cent.

Prior to World War II England was the largest exporter of capital, but since then the U.S. has been number one. In 1981 they invested \$226 billion abroad. This is almost four times as much as number two, England, which now controls 12 per cent of the world total.

The United States used to control two thirds of all international direct investments. By 1980-81 this figure had decreased to "only" 28 per cent. Members of the EEC expanded their investments abroad and took over 49 per cent of the investments.

DL

NEW FORMAT FOR "UDENRIGSMINISTERIETS TIDSSKRIFT"

On February 1, 1985, the Danish Foreign Ministry introduced a new weekly magazine, "Export", which will replace the monthly magazine "U.T." and the weekly newsletter "Sidste Nyt". The decision was made in order to reduce the production period and in this way accentuate the actuality aspect. "Export" will thus become a better tool for the Danish exporter who is the target group of the magazine.

In the past years several members of the DACC have contributed articles to "UT" in English or Danish. The Consulate General hopes that the new format, where shorter articles will be preferred, will not change the willingness to make articles available to the magazine.

Carsten Schmidt

MISS DENMARK/USA GOES NATIONAL

The Danish American Co-Ordinating Council has sponsored the annual regional Miss Denmark/USA contest for the last couple of years. The project has been financially sponsored by Clairol, The Danish Tourist Board, S.A.S., Carlsberg Breweries, Royal Copenhagen Porcelain, and others. Primarily the contest has been promoted by the Council in the Northeast Corridor.

Several Danish-American organizations in other parts of the U.S. have voiced their dissatisfaction in not being fully involved or given time to have candidates participate.

As a consequence, and with a generous financial support from Clairol, the Council has decided to carry the contest to all Danish-American communities in the U.S. Mr. Niels Olsen, Vice President and General Manager of Scanticon-Princeton, is the Chairman of this project.

Regional selections are expected to take place in Florida, Illinois, Wisconsin, California and the Greater New York area. The latter selection will take place on May 31 at a Dinner Dance at Scanticon in Princeton, New Jersey. The finals will be held on June 2 at the Danish Home in Croton-on-Hudson in connection with the celebration of Danish Constitution Day - Grundlovsdag. The Danish Radio & Television (Provinsafdelingen) plans to tape the event to be edited and aired in Denmark on June 5, 1985.

More details on the Miss Denmark/USA contest and the Grundlovsdag festivities will follow.

ECP

NEW COMMERCIAL COUNSELOR IN CHICAGO

The Danish Ministry of Foreign Affairs has appointed Mr. Jørgen Gulev to succeed Mr. Knud Gøtting as Commercial Counselor in Chicago. The appointment will take effect September 1, 1985.

Mr. Gulev is presently serving as Commercial Counselor at the Danish Embassy in Budapest, and earlier in his career served as Commercial Attaché in Bonn.

Carsten Schmidt

NEW JOURNALIST AT "DEN DANSKE PIONEER"

Eight years ago a new idea was introduced at Den Danske Pioneer in the Chicago area. In order to update the now 113-year old bilingual newspaper, a Danish journalist was selected for a six-month stint with the paper. This young person, still undergoing his education, would hopefully contribute with new and fresh inputs as far as newsworthy events from Denmark was concerned.

In January, Michael Ulveman Jensen from Copenhagen joined the Pioneer family as the 16th Journalist to do so. The 22-year old man has already spent 1 1/2 years in a special school for journalists and one year out in the market place with t.ex. the Danish paper Berlingske Tidende. After completing his work/study in the States he will return to school in Denmark for another year. During his stay in the U.S. he will work one day a week for the Chicago Tribune, four days a week for Den Danske Pioneer and attend courses at North Western University.

The Danish Newspaper Foundation, which is part of the Foreign Ministry, selected Mr. Jensen from 20 applicants. He will be living in an apartment maintained for that purpose by Den Danske Pioneer, The Danish Newspaper Foundation and the Language Foundation.

ECP

REGULAR T.V. SHOWS ABOUT DENMARK IN THE U.S.

Danish commercial T.V. is on the way to this country. The daily newspaper Jyllands-Posten expects to broadcast its first half-hour program on Denmark and the Danes to 25 million households in March.

Jyllands-Posten's video department, which for years has produced in-house programs for Danish companies and institutions, has contracted with Satellite Program Network and Modern Satellite Network, two leading broker networks, to broadcast the show.

Tune in to your local SPN cable station at 10.30 pm the first Sunday of every month to see "Denmark Today on Satellite". Or, if you miss that, it will be re-broadcast the following Sunday at 7 pm EST, also on SPN. The broadcast times on MSN are yet to be decided.

This program on Denmark will go to 1,000 cable stations in the U.S. and a total of 25 million households. Jyllands-Posten is working together with Scand Video of Sweden, known for its "Sweden Today on Satellite" program.

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MAJESTY'S MOTHER COMPANY NOW ONE OF EUROPE'S LARGEST

1985 promises to be a big one for Majesty. Tulip, the Danish mother company, merged as of January 1 with another co-op slaughterhouse, Expo-Fyn. Tulip will thus become one of Europe's largest slaughterhouses/food processors.

Søren Svenningsson, President of Majesty, has great expectations. This move will make him by far the largest importer of Danish meat-based food

products. From now on he will have much more raw materials to sell in the U.S.

Tulip now controls 20 per cent of the total Danish pork production. The company has sales of D.kr. 5.5 billion and employs close to 5,000 people in 10 production plants. Last year Majesty sold 20,000 tons of processed foods and 10,000 tons of fresh pork in the U.S., Canada and Puerto Rico.

Majesty has seen explosive growth. Since 1980 sales have increased by 102.7 per cent, and more is expected in 1985. In dollar value this would correspond to sales of approx. \$100 million of the 50 different products.

Søren Svenningsen said in a conversation with the DACC Newsletter that he sees no immediate dangers of countervailing duties because of EEC restitution on agriculture. Also Denmark is the only EEC country allowed to export fresh meat to the U.S.

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DANCE EXPECTED TO REACH \$100,000 BY THIS SUMMER

This spring two young American as well as two Danish artists will receive the good news: they have each been awarded a DANCE scholarship. The exchange program provides education, free housing, stipend and travels.

DANCE, the Danish American National Cultural Exchange Program was started medio 1983 at a gala event at New York's Carnegie Hall. Edward Michaelsen and Neel Halpern, Co-Chairpeople, collected \$40,000 the first night.

The goal for DANCE is to raise \$100,000. The fund, which today operates under the Danish American Society but with its own Board, has now raised \$60,000. Mr. Michaelsen is convinced that the remaining \$40,000 will be raised in Denmark and the U.S. Due to the "shortage" of funds, this year's recipients will be financed through special fundraising.

In the U.S. the selections are made by Peter Martins of the New York City Ballet, who is also on the Board of DANCE. The Danish candidates are chosen by the Royal Ballet in Copenhagen. According to Edward Michaelsen, the DANCE program will sponsor not only dancers but other artists as well.

DL

MOLLER STEAMSHIP PRESIDENT LAUDS NEW SPAIN, WEST AFRICA SERVICES

In 1971, A.B. Ruhly was a trucking executive in Ohio when he got a call asking if he would be interested in working for Moller Steamship Co.

"I had never heard of Moller or Maersk Line", Mr. Ruhly recalled. "I had always said I'd never work in New York or leave an industry I had spent my life in."

Nonetheless, the Moller recruiter convinced Mr. Ruhly to join the company, which serves as general agent in North America for A.P. Moller, the Copenhagen-based shipping organization founded by A.P. Moller in 1904.

Moller's principal operation is Maersk Line, one of the world's largest containership carriers. Maersk itself is only a trade name and does not have any specific corporate identity.

Mr. Ruhly, who became president of Moller in 1976, was honored by the New York Foreign Freight Forwarders and Brokers Association as Man of the Year at the group's annual dinner on January 30.

While other carriers are making splashy headlines with announcements of new round-the-world services, Mr. Ruhly said Maersk has no intention of joining them.

"It's just a catchy phrase. Maersk already has what those lines call round-the-world service. We go everywhere but to and from South America", he said in a recent interview.

Although Moller has not announced anything so dramatic as round-the-world service, it recently had added new container services to Spain and West Africa from the United States.

And more changes are in the offing.

The company has signed a letter of intent to build its new North American headquarters in Madison, NJ, about 25 miles west of New York City.

Moller plans to establish a new data processing company.

The company also is looking at possible acquisitions in the areas of warehousing, distribution and terminal operations.

Despite his earlier aversion to New York, Mr. Ruhly, a resident of Boonton Township, NJ, joked that "I survive in New York, but I thrive in New Jersey".

He said Moller will be moving in about three years to Madison, where Sea-Land Corp. also owns property. Sea-Land, which currently is based in Menlo Park, NJ, has not yet announced plans for construction of a new headquarters in Madison.

Moller's lease at the World Trade Center in Manhattan, where it is currently headquartered, expires in March 1988.

The only major liner route not served by Maersk is the chaotic trans-Atlantic liner trade between the United States and northern Europe. Nor is it likely that any Maersk ships will be serving that trade in the foreseeable future.

"We've studied that for 20 years and have always decided against initiating a service there because of the traditional cargo imbalance and the resulting low rate structure there. We've also been influenced by the poor return on investment by the major lines serving that trade", Mr. Ruhly said.

Mr. Ruhly acknowledged that trade between the U.S. and the Far East, Maersk's biggest U.S. route, also suffers from a huge cargo imbalance, with imports into the United States far surpassing exports, but he pointed out that carriers in that trade have adjusted their pricing structure more quickly than their trans-Atlantic counterparts.

The Moller executive noted that the surging Far East trade is far more open to cross-traders such

as Maersk than the trans-Atlantic route. Denmark's small population limits the Danish-flag carrier's ability to secure large volumes of cargo based simply on the national-flag loyalties of shippers.

As for Maersk's new services to Spain and West Africa, Mr. Ruhly expressed satisfaction with both of them, although he said the line is disappointed with the rates on shipments to Spain. He noted that the African service is "ahead of budget".

Both services are basically an outgrowth of the line's trade between U.S. Atlantic and Gulf ports and the Mideast. The ships in this service now stop in Algeciras, Spain, where they discharge Spanish and West African cargo and load freight being exported from Spain to the Mideast.

Cargo is shipped to West Africa on the same feeder vessels used by Maersk to carry freight exported there from Japan and the Far East.

On the return voyages, vessels in the Mideast service call at Mediterranean ports to pick up cargo destined for the United States. Mr. Ruhly said these ships have been sailing full on their return voyages for the past year and a half.

Moller employs about 2,000 people in its North American operations, which include not just the Maersk Line container service but also trucking and stevedoring subsidiaries, as well as a drilling rig operation.

The trucking subsidiary, Maersk Transport Inc., was established three years ago and is a common carrier with authority from the Interstate Commerce Commission to operate in 48 states.

The stevedoring subsidiary, Maersk Container Service, loads and unloads Maersk ships in Newark, Baltimore, Savannah, Charleston, Miami, New Orleans and Houston.

Although Mr. Ruhly would not give any numbers, he said all of the Moller activities, with the exception of the Houston-based drilling operation, are profitable, as is each of Moller's 45 offices in North America.

DANISH ECONOMIC RESULTS IMPRESSIVE

The Danish Minister for Finance, Palle Simonsen, recently visited most of the major financial institutions in New York. The trip is an annual event where the Danish Minister provides information about the country's economic situation and receives an impression of trends in the U.S.

Palle Simonsen explained in a conversation that American financial experts were rather impressed by Denmark's 4.5 per cent growth in 1984 - the highest in Western Europe. Also, zero-growth in the government expenses from 1983-85 is considered an excellent result.

In New York the Minister visited Merrill Lynch, Morgan Stanley, Morgan Guaranty Trust, Salomon Bros., Manufacturers Hanovers Trust, Chase Manhattan and Citibank. Summarizing his impressions from the visits Mr. Simonsen finds the sentiments very optimistic. The expectations for growth are 3-4 per cent in 1985.

In Washington, DC, the Minister visited The Federal Reserve Bank's Paul A. Volcker, Commerce Secretary Baldrige, Senate Budget Committee Chairman Bob Packwood, Don Regan of the Treasury and Beryl Sprinkel, Assistant Secretary of Finance for Monetary Affairs.

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DENMARK'S RADIO IN NEW YORK

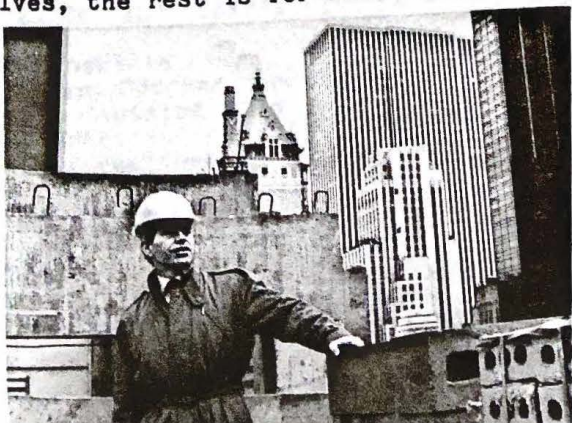
Mr. Preben Busekist, editor of the Business Program of Denmark's Radio, visited New York in December, 1984. Mr. Busekist interviewed several members of the DACC on Denmark's exports to the USA. The plans are to broadcast the interviews in Denmark in February and March on the weekly business program.

Carsten Schmidt

PRIVATBANKEN MOVES MIDTOWN

IBM, A.T. & T. and GM got a new neighbor the other day. Privatbanken has purchased a prime piece of land in midtown Manhattan for \$30 million. The new J.S. headquarters of Privatbanken will be situated on 55th Street just off Fifth Avenue.

"We are in the process of building a 13-story office building with 83,000 sq. ft. of space", said Roger Anderson, Privatbanken's chief in the J.S. "But we will only utilize 20 per cent ourselves, the rest is for rent at approx. \$50/sq. ft."



The office building will be connected to two landmark townhouses on the neighboring street. Between the buildings the architects have planned a private wooded atrium yard and an in-house walkway in the sky.

Privatbanken has been discussing the idea of making the house into a sort of "Danish House". But until Danish companies move in, this remains an idea. Plans are to lease space on the ground floor for a Scandinavian restaurant.

The Danish bank does not expect to hold on to 100% of the complex forever. Roger Andersen explains that buying land and building your own house makes economic sense. He does plan, however, to resell up to half of the ownership.

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DANISH PARTICIPATION IN NEW YORK PRET

This year the New York Pret will be even more exciting than usual. 19 Danish fashion designers - the largest number ever - will participate in the fashion show at the New York Coliseum, March 3-5. The following companies will participate: Adbøl Knudsen Fur Design A/S, Bristol Export Boxon A/S, Phillip Fraas A/S, C. Hesselhøj Fashion ApS, K + K - Panduro Design A/S, Kirsten Lundbergh A/S, Nautico ApS, Birgitte Nørgård ApS, San Antonio, A/S Lene Sand, Maria Sander, Skjortegalleriet/Danish Delights, Inger Solberg/No. 99, and Tradehouse International with Micha A/S, Quartus, Basic, Merrit Design and Sabrina Modeller ApS. In addition, a video will be shown from the Scandinavian Fashion Fair, "Future Fashions Scandinavia".

Bjørn Juell-Sundbye

MEMBERSHIP NEWS

New President of Plumrose USA On November 1, 1984, Mr. Knud Fejerskov assumed his duties as President of Plumrose USA. He had previously served for two years as Deputy Managing Director for Plumrose Ltd. in Denmark.

New General Manager of EAC Engineering USA In November, 1984, Mr. Klaus Krogh replaced Mr. Peter Romhild as General Manager and V.P. at EAC Engineering USA Division. Mr. Krogh comes to EAC Engineering from the Philippines where he was President of the East Asiatic Company Group for two years.

Obituary Mr. James R. Sharp, previous legal counsel in Washington to the Danish American Trade Council, has passed away. Memorial services were held on January 24 in Arlington, VA.

DANISH FILM BEING SHOWN IN NEW YORK

From February 20 through March 5, 1985, Film Forum I, one of the few cinemas in New York City that regularly shows Danish films, will show a film by the prolific Danish director Christian Braad Thomsen. Some of Mr. Braad Thomsen's films have also been shown at the Museum of Modern Art.

The film showing at Film Forum I, at 57 Watts Street, is "Ladies on the Rocks" from 1983.

NEW MEMBERS

We welcome the following new members to the DACC:

CORPORATE Mr. Jan Leschly
SQUIBB PHARMACEUTICAL PRODUCTS
P.O. Box 4000
Princeton, NJ 08540
(609) 921-4810

Manufacturer of pharmaceuticals

INDIVIDUAL COMMERCIAL Ambassador Ole Bierring
Permanent Mission of Denmark to the United Nations
Two United Plaza, 26th Floor
New York, NY 10017
(212) 308-7009

Mr. Niels Ole Christensen
PROFFSET GRAPHIC, INC.
122 E. 42nd Street, 35th Floor
New York, NY 10017
(212) 490-3100

U.S. sales office of Norup & Bramsted Offset A/S

Mr. Carsten Steno
BØRSEN
60 Rensen Street, Apt. 9H
Brooklyn, NY 11201
(718) 852-4317

U.S. correspondent for Børsen

Mr. Roger Olesen
WERTHEIM & COMPANY, Inc.
200 Park Avenue
New York, NY 10166
(212) 578-0335

Investment bankers

Ms. Eva Daneville
COPENHAGEN IMPORTS, INC.
4 Mine Street
Flemington, NJ 08822
(201) 782-5024

Danish crafts, gifts, furniture

Mr. Jeffre Siegel
DANISH WIND TECHNOLOGY
112 Canterbury Road
White Plains, NY 10607
(914) 997-1835

Manufacturers of wind turbines

BUSINESS OPPORTUNITIES

The following Danish manufacturers are looking for importers/agents in the U.S.:

HONEY in single servings packages, 04/06, EC

FIRELIGHTERS for fireplaces, stoves etc., 27/03, EC

GRANDFATHER CLOCKS, 91/01-04:3, EC

HOME BREWING WINE KITS, 22/04-07, EC

For further information, please contact Even Claussen at the Danish Consulate General, (212) 223-4545.

POSITION WANTED

Resident Dane in the New York City area is looking for position as Financial Planner or Manager. Extensive experience in analysis and management in the U.S.

For resume, please contact the DACC.

POSITION AVAILABLE

Receptionist for DEN DANSKE PROVINSBANK, New York

Who would like to undertake a challenging job of keeping track of some very busy people, so that outside calls can be "put through" correctly. The job requirements will mainly be: Fluent in English and Danish and common sense. The job will also include taking part in a number of administrative routines within the bank. If you are interested, please contact Tage Benjaminson or Ulla Kurish at DEN DANSKE PROVINSBANK, 499 Park Avenue. Phone (212) 355-2424.