

To J. K. Kaubusch

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

825 Third Avenue, 32nd Floor
New York, NY 10022-7519



NEWSLETTER

January-February 1987

ANNUAL CHRISTMAS LUNCHEON

The DACC Christmas Luncheon, which was celebrated at the University Club on December 12, 1986, recorded another great success with an attendance of more than 200 members and guests.

As always our Christmas traditions were preserved, including Christmas carols sung in Danish and American, the Lucia bride, and eloquent speeches by Mr. Werner Valeur-Jensen and Consul General Villads Villadsen.

A special tribute was paid Werner Valeur-Jensen to celebrate his 65th birthday and to thank him for his efforts on behalf of the DACC through many years. He was made Honorary Member (with the understanding that he will continue to chair our membership meetings), and in tune with his nautical interests was presented with a model sail boat made of crystal.

Last but not least the generous "care packages" were distributed, and the Board of Directors wishes to thank the contributors of the packages as follows:

Advantage Foods, Inc.
Atalanta Trading Co.
Clairol Dandy Confectionary, Inc.
DAK Foods, Inc.
Danish Tourist Board
Denmark Cheese Association
Lego Systems, Inc.
M.H. Greenebaum, Inc.
Majesty, Inc.
Old Denmark
Peter Heering A/S
Plumrose USA
Royal Copenhagen/Bing & Grøndahl
SAS
Tholstrup Cheese

Special thanks go to Privatbanken for letting us use their facilities for storing and packaging.

DSH

NEW PRESIDENT FOR DANISH AMERICAN SOCIETY

At the Annual Meeting of the Danish American Society in New York Athletic Club last December, Tom Sodeman, Director of the National Danish Tourist Board in New York, was unanimously elected President of D.A.S. for two years, succeeding Jørgen Kolding.

EN

No. 1

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DACC LUNCHEON FEBRUARY 23, 1987

The guest speaker at the forthcoming DACC Luncheon on February 23, 1987, will be Mr. Poul Andreassen, CEO of the ISS Group and newly elected Chairman of the government committee in charge of planning the construction of the Great Belt bridge.

ISS, founded in 1901, is Denmark's largest company in terms of employment with over 60,000 employees in 50 companies located in 15 countries

DSH

POSTPONEMENT

The Danish American Chamber of Commerce Annual Dinner Dance planned for March 20 has been postponed because our guest of honor, Victor Borge, is recuperating from recent surgery.

will alert you to the rescheduled date by mail.

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DACC SECRETARIAT

While the DACC Secretariat is looking for a permanent secretary, the office at 825 Third Avenue is still active.

The chair as Executive Secretary is temporarily being filled by Ms. Jeanne Silvers. Ms. Silvers previously worked with SAS for 14 years and most recently held a position with Scandinavian Express, a DACC member.

MERGER

D.A.C.C. member Angus McDowell, a certified public accountant, has merged with Joseph M. Lopresto, also a C.P.A. The new firm, to be known as McDowell Lopresto PC, will offer special services to foreign related clients as well as general accounting and auditing services.

EN

"EGE ART LINE" INTRODUCED IN NEW YORK

As a first stop on a 5-week tour of 21 metropolitan areas in the United States the artist and designer Mr. Per Arnoldi and the President of Ege Tapper A/S, Mr. Lau Aabling, visited New York September 21-25, 1986. The purpose of the visit was to introduce to the news media and to the trade the new "Art Line" by Ege Tapper - a series of 18 area rugs with designs created by Mr. Arnoldi and eleven other Danish artists.

The main distributor of Ege Tapper in the New York area, "Einstein Moomjy, the Carpet Department Store", hosted a reception on March 22, 1986, in their main retail store in Manhattan in connection with a special exhibition of the new line of carpets.

His Royal Highness Prince Henrik of Denmark, who was in New York on a private visit, viewed the exhibition at Einstein Moomjy's on September 24. The visit of the Danish Prince helped generate even more interest in the exhibition in the U.S. media.

The "Ege Art Line" is still prominently displayed at Einstein Moomjy's and other specialty stores throughout the United States, and readers with an interest in Danish art and design are encouraged to pay a visit.

Frans Thorwald Bolvenkel

ELLIS ISLAND MEDAL OF HONOR

In the last issue of the DACC Newsletter we mentioned that Victor Borge was awarded the Ellis Island Medal of Honor.

It has come to our attention that a long-time member of the Danish American Chamber of Commerce, Mr. Erik J. Friis, was similarly honored for his many years of work in the field of cultural relations between the U.S. and Norway.

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POSITION WANTED

Financial Analyst to Retail Management - a very diversified resident Dane is looking for a job that holds a future. A Green Card holder, I am looking for a position in New Jersey or New York City. I am qualified for many jobs, hold a MBA from Denmark (cand. Oecon.) and am willing to train. Call me at (201) 571-1518 or (201) 530-2818 and I will send you my resume or meet with you.

POSITION AVAILABLE

Executive Secretary to the DACC Secretariat, New York.

Functions include: general secretarial services, limited accounting, membership contact, organization of DACC luncheons and meeting activities. Qualifications: general office experience. Candidates with a knowledge of PC's preferred.

Office hours: 9.15 am to 1.15 pm Monday through Friday.

Location: 825 Third Avenue, 32nd Floor.

For further information, please contact Ed Lichtenhagen, (212) 841-0114, or Ingeborg Larsen, (212) 603-6900.

FAIR PROSPECTS FOR DANISH LUXURY HOMES

The growth in the Danish exports of building components has been impressive, although the overall figures are small. Back in 1981 these exports accounted for 57 million kroner, but last year they reached approx. 250 million kroner.

New orders for luxury homes to, among others, Trelleborg Huse have hit the headlines in 1986, and others try to establish themselves here and to build model homes.

Crucial to this sector will be the possibility of Danish financing. The mortgage credit association Kreditforeningen Danmark has shown interest in entering the market but has not yet confirmed its commitment. An approval from the Danish authorities is expected this spring.

CJJ

TWA GOES TO COPENHAGEN NON-STOP

On May 15, 1987, TWA will join SAS and Northwest Airlines in daily non-stop flights between New York and Copenhagen. There will be connecting TWA flights to Stockholm, and probably Oslo as well. The New York-Copenhagen route will be serviced by Lockheed 1011 TriStar planes which hold 236 passengers. In 1986 TWA flew 56,000 passengers on this route.

Scandinavia is a very attractive market for foreign-owned airlines because of the high price level, and TWA is planning to match the price policy of its two competitors.

THE DANISH ECONOMY (PRIVATBANKEN)

The estimates of the balance of payments deficit are still being revised upwards. The deficit is now expected to be approx. DKK 36 billion for 1986. It will probably be smaller in 1987, but there will still be much uncertainty about the future trends of the Danish economy.

In the weekend of January 10-11 the EMS was realigned. The German Mark and the Dutch Guilder were upvalued by 3% against the Belgian and French Franc, Italian Lire, Irish Pound and the Danish Kroner. The Deutsche Mark is the main international currency to attract funds when the dollar is weak, and this phenomenon puts huge strain on the EMS and its exchange-rate mechanism. The Danish government has persistently said it would not devalue the currency, but with a growing deficit on the trade balance and the balance of payments it was impossible to justify an upvaluation of the Kroner in line with the German Mark.

To achieve a permanent improvement of the balance of payments it is necessary to increase exports. Until 1986 exports increased by an average of 5% a year in terms of volume, but in 1986 exports have developed most disappointingly, and Denmark actually has experienced falling exports. The reason for this is that Danish exporters have been faced with falling market prices since the spring of 1985. A lasting solution to the balance of payments problem pre-supposes an annual real growth in exports of 5-6% for several years ahead.

To obtain a growth of this size it will be necessary both to improve the competitive power and to solve the capacity problems of trade and industry. The latter problems will naturally be solved as a consequence of the present heavy investment activity, but the wage negotiations this spring could result in a further deterioration of Denmark's competitive power, and it is unlikely that the desired increase in exports will be achieved.

As the trade balance did not develop as desired, also because of private consumption spending, the Government responded by tightening up fiscal policy (notably by raising energy taxes to keep the price to consumers at the same level as before oil prices began to fall) on three occasions within the past 12 months. But its most important initiative in the longer term is income tax reform, the effect of which was boosted by separate measures in October to penalize borrowing for consumer spending and to encourage savings. The income tax reform ends the full deductibility of interests outgoings. With effect from January 1, 1987, interest expenditure is deductible at a flat rate of 50%. Previously the value of deductions was equal to the marginal income tax rate, or up to 73%. Income from capital will also be taxed at a rate of 50%. The tax reform makes borrowing considerably less attractive, and saving more attractive, than it used to be, and as Denmark has the lowest ratio of savings to GDP of any country, the reform is timely.

After GDP growth rates of 3.5, 3.9 and 2.7% in 1984, 1985 and 1986, the finance ministry forecasts a growth rate of 1.1% in 1987 - and this is at the optimistic end of the scale of forecasts, others predict zero growth or even a fall in GDP. The main influence on demand is private consumption which, after rising by almost 5% in real terms in 1986, will fall in 1987.

Business and housing investment will also decline, and the current account deficit will fall to approx. DKK 20 billion in 1987. The final outcome for 1987 will depend very much on whether the decline in domestic demand is accompanied by the faster export growth, and this in turn will depend on the most crucial economic event of 1987, the spring renewal of the two-year collective wage agreements.

THE DANISH CHAMBER OF COMMERCE

As of January 1, 1987, the two Danish chambers of commerce, Grosserer-Societetet and Provins-handelskammeret, will merge into one organization: The Danish Chamber of Commerce.

The main office is at the following address:

The Danish Chamber of Commerce
Børsen
DK-1217 Copenhagen K
Phone: 45-1-912323
Telex: 19520 chamco
Telefax: 45-1-325216

The addresses of the three branches of the Chamber of Commerce are as follows:

Ny Banegårdsgade 45
Postboks 60
DK-8100 Århus C
Phone: 45-6-135355

Boulevarden 20
DK-9000 Ålborg
Phone: 45-8-160600

Albani Torv 4
DK-5000 Odense C
Phone: 45-9-144714

DSH

SEAWAY PROMOTION

The American Seaway Corporation and its counterpart, The Seaway Authority of Canada, will jointly host a seminar and luncheon in Copenhagen on March 4.

This bi-national mission will explore the use of the Great Lakes - St. Lawrence seaway system as a vital, reliable and cost-efficient route for transporting international cargo to and from the Midwest regions of the U.S. and Canada.

If you are interested in participating in the seminar you may contact the U.S. Embassy, Commercial Office, in Copenhagen.

EN

SAS BUYS 12 NEW MCDONNELL DOUGLAS AIRPLANES

SAS recently decided to invest DKK 10 billion in the purchase of 12 MD 11 airplanes from McDonnell Douglas. This long-ranging plane (it will easily go from Copenhagen to Rio non-stop) comes in two versions: one with 224 passenger seats and a large cargo section, and one with approx. 300 passenger seats and less cargo space.

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BETWEEN US AND DENMARK

Though born in Denmark, Peter Hesselund-Jensen was never a stranger to the U.S. and its citizens. His father worked here as a diplomat in the early fifties and returned as the Danish Ambassador to the U.N. in 1957. Mr. Hesselund-Jensen thus received his high school diploma from Bronxville High School.

After studying law in Denmark he returned on his own in 1971 to take a Masters from Columbia University. He then worked as a lawyer and consultant in American law firms, and also with the Danish Foreign Ministry. In 1983 he founded his own firm in New York on Madison Avenue. Today, he says, most of his work stems from Danish companies and their American affiliations.

CJJ

U.S. VERSUS DANISH BUSINESS MENTALITY

Much that at first glance appears similar in American and Danish expectations, emphasis and approach is, in fact, very different. This is true of business, as in many other areas. At the risk of generalizing, I think it is possible to speak of certain consistent differences in the American and Danish manner of approaching an agreement. Sometimes these differences result in unnecessary disputes between the parties.

Danes entering the unfamiliar U.S. marketplace have usually heard horror stories, real or fictitious, of business duplicity and the difficulties and expense involved in litigation. As a result, problems arising during negotiations that appear odd or unusual from a Danish view point may be perceived as danger signals revealing bad faith intentions on the other side.

In most cases, of course, such suspicions are totally unnecessary. Nevertheless, a bad tone is set, negotiations sometimes fail, and what might otherwise have been a mutually beneficial business relationship never develops.

Such failures are unfortunately not the unusual ones. They are often the result of national differences in the manner of negotiation.

As an example, in Denmark, the party taking the negotiation initiative will usually present a draft proposal that it feels is reasonable to both sides. Ideally, the parties thereafter work out the details and, after some give and take, an agreement is reached.



Contract negotiations in the U.S., on the other hand, most often take the form of one side presenting a draft contract that favors its own position throughout. The other side is then expected to come back with a number of changes in the draft in its own favor, but leaving a few points favoring the other party or both sides. Through a subsequent process of exchanging advantages, the parties eventually reach an agreement with which both can live.

The Danish approach might, in fact, seem odd from the American point of view, since each side is considered best able to look after itself. Until agreement is reached, neither party is expected to be responsible for or, for that matter, even concern itself too closely with the interests of the other party.

Danes, taking the negotiating initiative and presenting what they consider an even-handed proposal, will quite often be dismayed to have their proposal returned totally redrafted in favor of the American side. The American negotiators are then in turn surprised by the negative Danish reaction to what they consider a perfectly acceptable manner of proceeding to agreement.

On the other hand, if the Danish side expects to receive a mutually favorable business proposal from its American counterpart, it may view with suspicion a negotiating partner initially proposing a voluminous contract with clause after clause favoring only its own interests.

Much worse, of course, are those instances of Danish businessmen operating under the assumption that the American proposal will be reasonable to both parties, who, without looking too closely, bind themselves to wholly one-sided contracts.

When negotiations and the attitudes of the negotiating parties take a turn for the worse, it is often worthwhile to stop for a moment and make sure that the conflict is real and not just the result of these differences in approach.

Peter Hesselund-Jensen

A BOOST FOR BIOTECHNOLOGY

The Danish government has prepared an action plan for the country's research and development activities in the period 1987-90. One of the features in a long list of concrete proposals is an R & D plan for biotechnology, and proposals for arranging finance to promote industrial cooperation between Danish companies.

The total budget for the plan has been set at DKK 1,400 million, based on 1987 prices, and the biggest single grant (DKK 500 million) has been earmarked for biotechnical R & D in order to support Denmark's relatively advanced position in agriculture, fisheries and some industrial areas of biotechnology.

In practical terms biotechnology R & D will be carried out in a number of research centers formed through collaboration between universities, other centers of higher education, and existing public and private research institutions.

COMPUTER-PR FOR DANISH EXPORTS

Danish companies trying to get into the American market with new products quickly realize that public and media relations are an integrated part of export marketing. Trade organizations attempting to introduce Danish concepts and new ideas also see the need. The foreign service from the commercial offices in the front line to their counterparts in Copenhagen are very much aware of this.

The concensus about the need for PR has led to the introduction of new activities in The Information Office at the Danish Embassy in Washington, D.C., which works at a national level. A significant step has been the tightening of cooperation with the individual Consulates General in Chicago, Houston, Los Angeles and New York.

"The Information Office has the assistance of Danish exports as a very high priority," says Minister Counselor Bent Skou to DACC. "Working with the trade specialist organizations and in some cases branches and companies, we will identify PR possibilities in the United States. Sometimes we will advise, other times we will execute an information program agreed upon. It is all a question of the case at hand."

The Danish foreign service has helped commercial interests in the past. Bent Skou, however, explains that The Information Office now is geared to a more technological and direct approach to PR than previously. "The United States is an information society, and if we want to be heard we must use the sharpest tools of the PR trade which increasingly are electronic."

The Information Office is staffed with a press attaché with special tasks in export-PR (Dan Larsen, formerly of New York) and two assistants (Ellen B. Pittman and Aase Lis Larsen). Currently the office is installing an advanced computer system, which will allow instant production of information materials, electronic research and a direct targeting of the message.

The good Danish image in the U.S. has been supported over decades by dissemination of solid and reliable information about life and ways in Denmark. It continues to be the main task of the Danish Information Office to promote the view of Denmark as an old friend and ally of the U.S., sharing basic values like freedom and democracy with our American partners.

The Information Office responds to about 15,000 telephone inquiries and 5-10,000 letters a year. The office supervises the nationwide distribution of films about Denmark and distributes 89 different fact sheets about major aspects of Danish life, economy, history etc.

Many American reporters call the office for information and assistance, and its staff initiate or support many events and special projects. Among the plans presently under preparation are a special supplement on Denmark to "The Nation's Business", the official magazine of the Chamber of Commerce of the U.S., and special programs on public broadcasting TV about the Louisiana Museum, Karen Blixen's Denmark and a series of 5 one-hour programs on the Nordic countries. A visit by the Royal Danish Ballet to the U.S. in 1988 is also on the agenda.

Dan Larsen

About 2,000 Danish firms will be contacted sometime during February 1987 by the Danish Technical Information Service (DTO) and asked to complete a questionnaire.

The questionnaire is part of a recently started venture between DTO and the Consulate General in New York for the purpose of assisting Danish industry in obtaining new technology as well as keeping abreast of new developments.

The U.S. Standard Industrial Classification Code (SIC) was used in the questionnaire, which hopefully will make it simpler to identify and pinpoint a firm's specific interest and need, and more efficient during the data base search.

We have tried to limit the questionnaire to the following five main areas: electronics, telecommunication, biotechnology, production technology and new materials.

The completed profiles (questionnaires) will be submitted by DTO to the Consulate who in turn will initiate the contacts.

Large sums are spent on R & D in the U.S., the bulk by the Government but also by industry, private and public, universities and research centers.

The Consulate has an agreement with a Boston-based data base that specializes in venture capital firms. The data base consists of about 10,000 firms all in the early or start-up phase of a new technology.

It is our intention to match all received profiles (questionnaires) with the data base. When a match is clearly identified the U.S. firm will be contacted for further information, and an appointment will be set up if the interest is mutual.

The data base will be supplemented by major firms' licencing departments, U.S. Federal Government information sources, state and local development agencies, university and private research centers as well as business brokers, consultants in technology transfers and major technology exhibits.

We expect at least 200 well planned and executed profiles will be returned from firms that are ready to enter into an agreement with a U.S. firm, whether it be a licencing, joint venture or plain marketing agreement.

Leif Wassermann

EXPORT PROMOTION - NEW PROCEDURES

Danish exporters can no longer obtain free assistance from the many Danish governmental offices throughout the world. As of January 1, 1987, a new payment procedure was introduced. The main elements are as follows:

Each company is allowed 4 hours of free assistance in a 12-month period. If more service is required, a charge of D.kr. 250 per hour applies.

When assisting Danish exporters with the purchase of publications, credit services, hotel reservations or debt collections, a flat rate of D.kr. 100-300 is charged.

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SAY "OSTI!"

SAS, in cooperation with the Denmark Cheese Association, Norseland Foods and A.V. Olsson Trading Co., will sponsor the Scandinavian Cheese Festival Sweepstakes in 6,500 leading supermarkets nationwide. Aimed at stimulating awareness and increasing sales of the wide variety of cheeses from the Scandinavian countries, participating markets will be decorated with Scandinavian Cheese Festival banners, placards, flags and advertising stickers. SAS will provide a lucky winner with two roundtrip tickets in SAS First Business Class to Scandinavia; and SAS International Hotels will provide luxurious hotel accommodations in Copenhagen, Oslo and Stockholm. The promotion will run from February 1 until April 17.

Press Release

SAY CHEESE!

Under threat of a possible trade war, some Danish exporters had a busy January. Canned ham and dried cheese would otherwise have become scarce expensive delicacies due to an extra tariff of 200%.

Since the tariffs did not become reality, the frenzy is now over. But the situation has spurred considerations on how to avoid such situations.

One of the cheese exporters has already taken the consequences. Tholstrup Cheese has started producing its specialties in the U.S. under Danish management.

Head of the operation is Jens Bang Pedersen, and even he had to act before a possible trade war. The company will introduce new products in February and March, and to secure supplies he had a container of cheese flown from Denmark to the U.S. The cost? Only a fraction of the possible tariffs of \$5 per lb.

CJJ

NO MORE TRADE WAR

On the very day this Newsletter had its deadline, the negotiators from the European Community and the U.S. agreed on a tentative agreement that would prevent an actual trade war.

Both sides declined to estimate what the U.S. would actually gain in dollars under this new agreement. The agricultural exports, in particular of corn and sorghum, will now have an easier access to Portugal. As for the far more important Spanish market, American exporters have been promised two thirds of all corn imports to Spain from countries outside the EEC. This would establish the imports from the U.S. at about 60% of the level reached in 1986.

In exchange the accord requires the EEC to reduce tariffs on industrial imports amounting to several hundred million dollars from the U.S.

CJJ

BUDWEISER SOON AVAILABLE IN DENMARK

The best-selling beer in the world, Budweiser, will be available in Denmark beginning the spring of 1987. This is the first time ever a foreign beer is produced in Denmark.

The maker of Budweiser, Anheuser-Busch, has finalized negotiations with Carlsberg Breweries to the effect that Wiibroe Breweries, Helsingør, a United Breweries Group company, will produce the world-famous beer on licence.

Ebbe Kristiansen, Managing Director of Wiibroe, estimates a market share for Budweiser in Denmark of 2-3% of the luxury beer market, equating a yearly production of 5 million bottles.

DSH

DANISH PARTICIPATION IN AMERICA'S CUP?

8 well-known Danish business leaders have taken the initiative for establishing "The Committee for Danish America's Cup Challenge", chaired by Mr. Jens Thorsen who is also the Chairman of the Royal Danish Yacht Club. The Committee aims at Danish participation in the race in 1990.

Support (financial and otherwise) for Danish participation in America's Cup is expected to come from Danish business, and canvassing will start in February of 1987.

There is hope that H.R.H. Prince Henrik will also support the Committee if the project succeeds.

MARTHA GRAHAM HONORED

Her long-standing and warm relations to Denmark and her unique role in the creation of modern dance were among the reasons why Martha Graham was chosen by Queen Margrethe to receive the Golden Medal "Ingenio et Arti".

This medal is presented to artists and scientists, and as of now only one other foreigner, the Swedish opera singer Birgit Nilsson, holds this honor.

Martha Graham states to be 93 years old, but her friends say that even that is a coquettish understatement. Martha Graham's dance company and school for modern dance have been central institutions in modern ballet for more than half a century.

CJJ

NEW TULIP SLAUGHTERHOUSE

Tulip Meat Company, northern Europe's largest slaughterhouse and meat processing company, has started construction of a new processing plant which will bring most of the company's production and administration activities under the same roof. It will also free the present site in central Vejle for other uses, and concentrate Tulip's activities on a site on the outskirts of town. When completed, the Tulip complex will have a floor area of 110,000 sq.m., and give northern Europe's biggest slaughterhouse group northern Europe's biggest slaughterhouse.