

h 1987

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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NEWSLETTER

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THANK YOU!

The Chamber President, Flemming Søderlund, has received a note from our Guest of Honor at the Dinner Dance in March, Minister for Social Affairs Mimi Stilling Jacobsen. It reads:

"I have not for a long time had such a wonderful evening as I had at your Dinner and Dance. It is always a great pleasure to be together with people who work for good relations between U.S.A. and Denmark - a matter which is close to my heart.

Thank you for a very pleasant evening, and greetings to everybody. Also best regards from my associates."

Signed Mimi Stilling Jacobsen

By the way, the next Dinner Dance of the DACC is planned for the upcoming Friday, March 18th. You may want to make a note in your 88 calendar!

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MAY 28 LUNCHEON

The Guest Speaker at the Luncheon Meeting on May 28 was Consul General Villads Villadsen, who under the heading Denmark-USA talked about the problems a small country faces when trying to create and uphold a positive image in the USA. He refuted some of the myths surrounding public-relations-work and defined efficient PR as a selective goal-oriented dissemination of objective information about products of quality that have a special attraction because they are of immediate user-value or so different that they have a curiosity value.

The humorous and thought-provoking speech was repeatedly interrupted by the members' enthusiastic applause. The presentation no doubt occasioned many members to reconsider their concepts of image-making and PR.

May-June 1987

DACC LUNCHEON APRIL 22, 1987

The setting at the New York Yacht Club is always conducive to the atmosphere and expectations of the Chamber luncheon meetings.

Our April meeting was no exception, when John Heilmann, the CEO of the Distillers Somerset Group, gave a speech entitled "If It's Wednesday, It Must Be Guinness....Or, The Diary of a Take-over Survivor". Mr. Heilmann took us behind the scenes and into the top executive suites. He delivered the inside story with great verve, well peppered with wit, while revealing at the same time that it is cold and lonely at the top.

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ANNUAL MEETING

The Annual Meeting of the DACC was held at the New York Yacht Club on April 22, 1987.

The Secretary certified that a quorum was present in person and/or by proxy. Minutes of the last Annual Meeting were read by the Secretary and approved.

The Chairman advised that five Directors were up for election at the expiration of the 3-year term. The Nominating Committee had nominated Tage Benjaminsen to replace Ingeborg Larsen. The following five Directors were elected by majority:

Mr. Tage Benjaminsen
Mr. Henry Greenebaum
Mr. Bent Hansen
Mr. Karsten Hess
Mr. Torben Høge-Jensen

The Secretary advised that the Bylaws Committee within the Board of Directors had proposed certain amendments and additions to the bylaws. These were unanimously approved by the membership (see enclosed copy of current bylaws).

Reports were received from the Treasurer, and the Chairmen of the Membership Committee, the Newsletter Committee, the Business Practice Committee, and the Program Committee.

The meeting was adjourned and the Chairman thanked all Directors of the Board for the time and effort spent on behalf of the Chamber.

CONGRATULATIONS REBILD!

The DACC is delighted to express its congratulations and best wishes for the future to the Rebild National Park Society Inc. on the Society's 75 years anniversary.

The celebration of the 4th of July - America's Independence Day - began in 1912 in the Rebild Hills in Jutland. Since that day, apart from the inevitable breaks during the two world wars, the celebration has been held annually.

The Rebild Hills, now also known as Rebild National Park, were purchased in the early 1900 through private donations by Americans of Danish descent, led by Dr. Max Henius of Chicago and Ivar Kirkegaard of Racine. It was Max Henius who, on behalf of his fellow Americans, presented the deeds of the 200 acres of heather-covered land to H.M. King Christian X in 1912, as a permanent memorial to Danish-Americans.

The continuance and strength of Rebild today is due to the efforts of individuals who believe in its aims of promoting better understanding and friendship between Denmark and the United States.

Every year thousands of people, Danes, Americans and Danish-Americans, meet in the Rebild Hills on July 4th to celebrate and to share the desire for freedom and democracy, in an act of friendship and dedication unsurpassed in any other place in the world outside the U.S.A.



The new Rebild president, Erik Palsgaard (shown above) selected "Traditions - Inspiration or Burden?" as this year's theme for the main speakers. Victor Borge is the principal American speaker, and the Danish speaker is Erik Emborg, former Rebild president for 17 years. Entertainment in the Hills is, among others, provided by USAFE Band, The Royal Guard's Drummers, Square Dancers, and California State University Fullerton Band.

The Danish royal family will also attend the ceremony.

At the end of the day in the Hills, people join hands and celebrate a thoughtful moment.

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NEW MEMBERS

We welcome the following new members to the DACC:

CORPORATE

Mr. William B. Tragos
TBWA Advertising, Inc.
292 Madison Avenue
New York, NY 10017
(212) 725-1150

International Advertising (Lego and Carlsberg beer)

INDIVIDUAL

Mr. Eric A. Friis Jr.
Nordic American Capital Corp.
611 Pine Valley Way
Bloomfield Hills, MI 48013
(313) 647-5617

International Business Consultant

OBITUARIES

In Memoriam

Our good members Eskild Hauglund and Aage Jørgensen recently passed away.

Consul General K.W. Rasmussen, Chicago, passed away on May 19, 1987. The Consul General was appointed in 1984 after having served as Ambassador to Libya.

SPECIAL OFFER TO OUR MEMBERS

The English translation of Jan Carlzon's book "Riv Pyramiderne Ned" is available to our members. The title of the English version has been changed to "Moments of Truth". Jan Carlzon is CEO of Scandinavian Airlines Group.

The special offer price is \$13.50 (which includes shipping and handling) compared to \$16.95 retail. Please mail your order with check in full to the Chamber's Secretariat at 825 Third Avenue, 32nd Floor, New York, NY 10022.

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THE JUNGLE ORCHESTRA

The Danish jazz band THE NEW JUNGLE ORCHESTRA, which has delighted European audiences and critics alike since its inception in 1980, and which recently made its American debut at the Chicago Jazz Festival, will be playing at Sweet Basil, 88 Seventh Avenue South, NYC (Phone: 212-242-1785) from July 7 through July 12, 1987.

Anita Rasmussen

MOVED

The law firm Haight, Gardner, Poor & Havens has moved to a new location. The address is now:

195 Broadway
New York, NY 10007
Telephone: (212) 341-7133

THE DANISH ECONOMY (DEN DANSKE BANK)

No Room for Growth in 1987

Over the past five years, the Danish economy has been growing at a pace exceeding economic growth in Europe by a considerable margin. As part of economic growth employment, consumption and investment have been rising, but so has the deficit on the current account of the balance of payments.

This year, the rate of economic growth in Denmark will again diverge from the general pattern of the European economies. While recent years' moderate growth is expected to continue in Europe, there are prospects of stagnation or even a slight recession in Denmark. The mounting current account deficit in 1986 made it necessary to halt the expansion in private consumption, which has been the prime factor spurring the adverse movement in the external account.

In April 1986, the Government took steps to neutralise the effects of falling energy prices on real disposable incomes and private consumption, and new measures were introduced in October to dampen consumer borrowing. On top of this, a tax reform was adopted by a vast majority in Parliament, which lowered personal income tax rates and sharply reduced the value of tax deductions for interest payments.

The employers' organisations and the trade unions concluded new collective wage agreements for the coming four-year period in February, before the long-term effects of the October package and the tax reform were known. Although there is still some uncertainty as to the exact size of the collective pay rises, there is little doubt that the new wage settlements will stimulate private consumption and thus counteract the measures introduced to check consumer demand.

Aggregate private consumption is estimated to increase 0.5 per cent in 1987, compared with 4.8 per cent in 1986. The factors contributing to the increase in the consumption ratio in previous years are expected to lose momentum in 1987, following the introduction of the October measures. Furthermore, recent years' capital gains have turned into losses due to rising interest rates, and unemployment has stopped falling.

Investment in 1987 seems unlikely to reach the same level as last year. Residential construction will fall substantially as a result of the higher level of interest and the general slow-down in economic activity. After rising sharply over the past years, business investment will decline in many sectors. However, the completion of a number of ships contracted at the end of 1986, after the introduction of incentives for investment in shipbuilding, will cause overall private business investment to increase slightly in 1987.

Exports will advance more slowly than indicated by earlier forecasts. This is due to the fact that the projections for economic growth in Europe have again been adjusted downwards, and that Danish exporters are not likely to gain new market shares in 1987. Exporters may even see Danish market shares retract, considering the weakening of Denmark's international competitiveness that will occur as a result of exchange rate developments and the new collective wage settlements.

In the longer term, exports can be increased only if Danish corporate earnings remain at a level that enables companies to invest not only in new production capacity, but also in the development of new products.

Inflation is expected to pick up in 1987, owing to rising wage costs. Consumer prices will increase by 4.7 per cent, which is the same inflation rate as in 1985, compared to 3.6 per cent in 1986.

The rising inflation is due also to the fact that prices of raw materials are not longer falling. In 1986, declining crude oil prices made a substantial contribution to lower inflation in Denmark.

Imports are estimated to rise only moderately this year, due to the general slow-down in economic activity. On the other hand, the competitiveness of our trading partners on the Danish market will improve significantly because of the appreciation of the Danish krone.

With the predicted developments in the Danish economy in 1987, the external account looks set to improve. Based on the assumptions stated earlier, the current account deficit will edge down to about Kr. 25 billion. But special incentives will be required to sustain this improvement in 1988 without further restraints on consumption and investment.

In the longer view, a policy which aims to restore the external balance by slowing down domestic activity will aggravate structural problems. An alternative long-term policy would dampen concern that the Government may resort to tax increases or devaluations to solve the economic problems. Such panaceas are not recommendable and would only increase inflation and interest rates without bringing about a lasting improvement.

A well-defined and reliable long-term strategy would pave the way for lower interest rates in Denmark. The present generally high level of interest is due not least to the uncertainty on financial markets as to the future course of Danish economic policies. In spite of the expected improvement of the external account in 1987, there will be no scope for a decline in interest rates this year. Any lowering of the interest level will have to await prospects of a further recovery of the current account in 1988. Expectations for future developments will also play an important part in setting the scope for lower interest rates in the years ahead.

DANISH CREDIT RATING ON WATCH

Now the credit information company Moody's has also become concerned with the Danish economy. Its competitor, Standard and Poors, lowered the credit rating of Danish public long-term debt from A1 to AA earlier this year.

Moody's is considering doing the same, says one of its economists, David Levy. "We are worried about what will happen when the economy again starts expanding", he says. The current account balance will then dip even further into the red ink.

The Danish per capita debt sets world records. At \$8,000 it even surpasses the Israeli debt of just under \$7,000 per capita.

NIELS OLSEN WINS NEW JERSEY GOVERNOR'S TOURISM SERVICE AWARD

Niels R. Olsen (l), General Manager, Scanticon-Cote d'Azur Project, accepts the 1987 Governor's Tourism Service Award from Thomas H. Kean (r), Governor of New Jersey. Olsen won the award in recognition of outstanding promotion for the New Jersey tourism industry. New Jersey is ranked as the fifth most popular tourism spot in the nation today.



Press Release

DANISH DESIGN MADE FOR THE U.S.

Matinique color their shirts white and find new customers in the Sun Belt. Plastmo turn their round eavestrough square and get a boost on the American market. And two new shops in Florida sell for more than \$100,000 before they open officially - although their main merchandise is Danish furniture.

Just a few examples of how Danish exports lately have gained by being more open to the demands and ideas of the American consumer.

Especially the furniture industry seems to have reason to be optimistic. "The industry has developed its products so dramatically that I have hardly ever seen anything like it", says Norman Tolkan who owns 60 furniture stores in the U.S. After having seen new products on the furniture exhibition this May in Copenhagen's Bella Center he agreed with other colleagues that the Danish industry stands to regain its market in the U.S. in just a few years.

CJJ

EAC BUYS BAUMFOLDER

Along with two German partners, the Danish company EAC has bought Baumfolder Corporation in the U.S. The company is the leading American manufacturer of certain tools and machinery for the graphic industry.

The shares of the company were bought for 11 million dollars or 75 million DKK. But since the European companies also bought all the inventory of the company, the total cost of the deal will be approx. 200 million DKK.

CJJ

THE SCANDINAVIAN FURNITURE FAIR

The annual Scandinavian Furniture Fair with exhibitors from Denmark, Finland, Iceland, Norway and Sweden was opened in Copenhagen's Bella Center on Wednesday, May 6, by Danish Prime Minister Poul Schlüter.

The Prime Minister was optimistic and expressed his belief that in the years to come Scandinavia will again be a leader in furniture design and production.

With 12% fewer visitors to the Fair this year, and a 26% drop in Denmark's 1986 furniture exports to the U.S. compared with the year before, it will take lots of creativity, energy, enthusiasm, and business acumen to regain what has been lost.

A headline in Danish newspaper Berlingske Tidende on May 7th stated that "New Designs May Save Danish Furniture Exports". We look forward to seeing the new furniture designs and can only hope they will entice the customers in general and the American furniture buyers in particular.

Although they were very few, a couple of highlights should be mentioned. The nestor among Danish furniture designers, Hans J. Wegner, showed a new comfortable rustic lounge chair made of wood and rope with seat and headrest cushions. Manufactured by P.P. Furniture and represented here by D.S.I. - George Tannier, New York City. At Fritz Hansen's showroom a new easy chair/sofa system was presented. This seating will apply both to the contract and the residential markets. Designed by the Danish "Pelican Design Group"; U.S. importer Rudd International Corp., Washington, DC.

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"DANMARK" IN BALTIMORE

The tall ship "Danmark" visited Baltimore April 29 - May 4, 1987.

During the visit the Master of the Danish training ship, Ole Peter Nielsen, and Consul General Villads Villadsen had invited U.S. furniture importers for a reception onboard. Over 100 furniture people accepted the invitation, and thanks to favorable weather conditions the reception gave the guests ample opportunity to get acquainted and enjoy the charm of this magnificent ship.

The reception was co-sponsored by the Association of Danish Furniture Manufacturers who was represented by Mr. Morten Stampe, Vice President.

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DANISH EXPORTS SUSTAINED

In the first two months of this year Danish exports to the U.S. fell by 20 per cent from 2.5 billion DKK to 2 billion, compared to January and February 1986. But as this only reflects the depreciation of the dollar, the actual quantities exported have remained unchanged.

CJJ

TRADE FAIRS IN DENMARK

August 8-11, 1987, Exhibition Center Herning:
FORMLAND - TRADE FAIR FOR GIFTWARE, HANDICRAFT AND
APPLIED ART

August 27-30, 1987, Bella Center, Copenhagen:
FUTURE FASHIONS SCANDINAVIA

September 8-12, 1987, Exhibition Center Herning:
HERNING INDUSTRIES TECHNICAL FAIR - HI-87/
AUTOMATION '87/COMPUTER & OFFICE '87

September 15-18, 1987, Bella Center, Copenhagen:
6TH INTERNATIONAL FAIR FOR THE HOSPITAL AND PUBLIC
HEALTH SECTOR

January 26-30, 1988, Exhibition Center Herning:
INTERNATIONAL EXHIBITION FOR AGRICULTURAL
MECHANIZATION, CATTLE AND PIGS

February 13-16, 1988, Exhibition Center Herning:
FORMLAND, TRADE FAIR FOR GIFTWARE, HANDICRAFT AND
APPLIED ART

February 1988, Bella Center, Copenhagen:
COPENHAGEN INTERNATIONAL BOATSHOW 88

February 18-21, 1988, Bella Center, Copenhagen:
FUTURE FASHIONS SCANDINAVIA

May 4-8, 1988, Bella Center, Copenhagen:
SCANDINAVIAN FURNITURE FAIR 1988

May 31-June 4, 1988, Bella Center, Copenhagen:
ELECTRONIC 88

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DENMARK REVIEW

Many of the DACC members will have received the first two issues of the quarterly "Denmark Review", which gives a lot of varied information on Danish industry, economy, and business opportunities.

The magazine is produced by the Ministry of Foreign Affairs in Denmark. Distribution in the U.S. is handled by the Consulates General.

The next issue of "Denmark Review" will be mailed in the beginning of July. Among the many different subjects, special attention will be given to equipment and instruments used in the environmental protection field.

The Danish Consulate General, New York, phone (212) 223-4545, would appreciate to receive names of new DACC members or their business associates who are interested in receiving the magazine. Members who have received previous copies of "Denmark Review" will remain on the mailing list until further notice.

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POSITION WANTED

Experienced bartender and waiter available for dinner and cocktail parties.

Please contact Mr. Azad Khan, Danish Consulate General, at (212) 223-4545 (B) or (718) 441-0403 (H).