

DANISH AMERICAN CHAMBER OF COMMERCE NEW YORK

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NEWSLETTER

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November-December 1987

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DANISH BANKS PROFITABLE EVEN IN LACKLUSTER OCTOBER

Just as everybody on Wall Street in October struggled to lose no more than their shirts, Den Danske Bank posted its best monthly earnings since its official entry in the New York financial world a year and a half ago. The other three Danish banks in New York also had substantial gains due to rising bond prices and trades in currency.

None of the Danish banks are involved in the stock market in any major way.

The Danish drug company, Novo, which is the only Danish company on the Big Board, had to see its stocks gyrate in October. Although it has recovered somewhat, the price in late November is still only about half of the highest price during 1987.

CJJ

THE APPOINTED PLANNING COMMITTEE

Under the Chairmanship of Lennard Rambusch the committee, consisting of Tage Benjaminsen, Jørgen Engell, Bent Hansen, Edward Lichtenhagen, and Flemming Søderlund, has held its first meeting.

Up for discussion was DACC's current programs and services, and if there is a new direction the Chamber should take in connection with present activities.

The committee was not in a position to produce a report at this time. The group will meet again soon, however, it is IMPERATIVE that our membership expresses its OPINIONS, SUGGESTIONS and SENTIMENTS to the planning committee. Only through your concerted efforts is it possible for the committee to present proposals which could further the Chamber's goals and efforts.

You may reach Lennard Rambusch at (212) 341-7133.

EN

PROGRAMS

On Thursday, February 11, 1988, the DACC Luncheon meeting will be held at the New York Yacht Club. The speaker will be Ernst Klæbel who is Chairman of the Board of the newspaper "Politiken". Besides being director of various corporation boards Mr. Klæbel is also Chairman of the Board of the Danish National Tourist Board. No doubt we can expect a most interesting and inspiring speech. Do reserve the date in your calendar.

The Committee for Programs is hard at work finalizing plans and details for the Chamber's forthcoming formal Dinner and Dance in March 1988. Special notice will be sent out as soon as an actual date is set.

EN

CHAMBER COMMITTEES

We think it is important that our members know about DACC's committees and who the chairmen are.

Business Practices	Henry Greenebaum	914-723-7787
Finance	Bent Hansen	212-984-8411
Membership	Tage Benjaminsen	212-355-2424
Newsletter	Erik Norup	212-752-3448
Nominating	Søren Svenningsen	201-272-4433
Program	Roger Anderson	212-603-6900

Danish economic growth
turns sour

see page 3

Do you want to pay
more taxes?

see page 5

NEW MEMBERS

We welcome the following new members to the DACC:

CORPORATE

Foyen & Peri
250 Park Avenue
New York, NY 10017

International law firm

Mr. Vagn Fausing
Skaarup Shipping Corp.
66 Field Point Road
Greenwich, CT 06830
(203) 622-6800

International shipping

Mr. Matthew Hamel
White & Case
1155 Avenue of the Americas
New York, NY 10036
(212) 819-8200

International law firm

INDIVIDUAL

Mr. Glenn S. Berman
GSB Associates
P.O. Box 1383
Scarsdale, NY 10583
(914) 792-6589

Marketing and management services

MEMBERSHIP NEWS

On October 1, 1987, Mr. Peter Hesselund-Jensen, Attorney at Law, a DACC member, merged his practice with that of Foyen & Peri. The firm is a member of the Foyen Group with offices in Northern Europe.

NEW APPOINTMENT

Ambassador Ole Philipson, Bogota, Columbia, has been appointed Consul General in Houston. The Consul General, who is due to arrive in Houston in the beginning of January, 1988, started his career as Commercial Attaché in Caracas in 1961. Later he served in Madrid and Santiago. In 1978 he was appointed Ambassador to South Korea.

CS

OBITUARIES

In Memoriam Consul General Kaj Hansen, Houston, passed away in Denmark on October 6, 1987.

Kaj Hansen had many friends among the DACC members, who came to know him during his eight years as Commercial Counselor in New York during the Seventies. Kaj Hansen was appointed Consul General in Houston in 1979.

CS

TRADE FAIRS IN DENMARK

January 9-17, 1988, Bella Center, Copenhagen:
COPENHAGEN INTERNATIONAL BOAT SHOW

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

February 3-7, 1988, Bella Center, Copenhagen:
MICRODATA 88

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

February 19-28, 1988, Bella Center, Copenhagen:
CAMPING 88

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

March 16-19, 1988, Dr. Margrethe Hallen:
BUILDING 88

March 26-28, 1988, Bella Center, Copenhagen:
SCANDINAVIAN HARDWARE, GLASS AND CHINAWARE FAIR

April 1988, Dr. Margrethe Hallen:
SAFETY AND SECURITY

April 12-14, 1988, Falkonercentret, Copenhagen:
HEATING, VENTILATING AND SANITARY EXHIBITION

April 27-June 12, 1988, Blangstedgård, Odense:
BYG & BO 88 - BUILDING EXHIBITION

May 3-7, 1988, Dr. Margrethe Hallen:
METAL 88 - INTERNATIONAL MACHINE TOOL EXHIBITION

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

May 17-19, 1988, Exhibition Center Herning: CUR
AND CARE - INTERNATIONAL TRADE FAIR FOR HOSPITALS
NURSING AND WELFARE INSTITUTIONS

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

NEW COMMERCIAL SECRETARY

Ms. Susan Hansen has succeeded Lars Engelbert Hansen as Commercial Secretary at the Danish Consulate General, New York. Ms. Hansen is specializing in assisting Danish exporters of consumer products.

CS

DENMARK ENTERS AMERICAS CUP

For the first time ever Denmark will participate in the prestigious Americas Cup race in 1990.

The Chairman of the Royal Danish Yacht Club, Je Thorsen, has signed the official papers and paid the entry fee of \$25,000. The basic cost of participating is estimated at 100 million DK which the committee plans to raise through sponsors and support committees.

DSH

THE DANISH ECONOMY (PRIVATBANKEN A/S)

Tough Times Ahead for the Danish Economy

Forecasts indicate that the Danish economy will experience significant difficulties in the next 1-2 years. A noticeable decline in domestic demand will probably push the real growth rate of the economy just below 0%, and the unemployment rate will rise from the current 8% to approx. 9.5%.

The slowdown in spending in the private sector comes after a couple of years with very high consumer spending. One of the reasons for the increased personal savings is a new tax bill which has made it more expensive to finance consumption through borrowing.

The encouraging news are that exports are beginning to pick up and should grow 3-3.5% next year. Combined with a declining demand for imports, the result could be a reduction in the current account deficit from the record level of DKK 34.3 billion in 1986 to close to DKK 20 billion in 1988.

Nevertheless, the reduction in the deficit does not seem to be large enough to secure stable exchange rates. With inflation running at an annual rate of 4% it is likely that the Danish Kroner will decline 4-5% in value against the German Mark during 1988-89.

Opinion polls indicate that the center-right coalition government is losing ground to the Social Democrats. Rising unemployment could extend this trend, and considering the weak parliamentary foundation of the government, it seems rather likely that 1988 will bring a new general election and possibly also a change in government head to Svend Auken, the new Chairman of the Social Democrats.

The Financial Markets

The World's financial markets are becoming more and more integrated, and since the liberation of capital movements as of 1984 the Danish markets have certainly become more internationalized. This showed very clearly during the October crash on Wall Street. As for all the other European stock markets, the drop in prices in New York on the 15th and 19th of October lead to next-day declines on the Copenhagen Stock Exchange. While the Dow Jones Stock Index fell 30% from October 12th to October 19th, the Danish stock index fell only 10%. An alarming sign, though, is the fact that while the U.S. market has regained some 8% of the initial loss, the Danish market has continued its decline by another 2%.

for the Danish and U.S. bond markets the developments have also been similar. The Danish market has followed the rising bond market in the U.S., but the reaction has been more subdued. As for the medium term the political uncertainty is likely to limit the upside potential for Danish stocks. In a long term perspective the slowing down of the economy should lead to lower inflation, increased credit demand, inducing lower interest rates.

DANES SEEK TUNNEL DESIGNS

Denmark's Great Belt Link Authority has signed agreements with two joint ventures to prepare alternative designs for a 5-mile-long, twin-track railway tunnel. Cowiconsult, a Danish firm based in Copenhagen, is a member of both design teams. The tunnel alignment will cross under the east channel to the small island Sprogø.

The Danish firm has joined Parsons Brinckerhoff International Inc., New York City, to help prepare designs for bids by contractors on a submerged-tube tunnel, which will be the world's deepest.

The project will go out for bids early next year. The tunnel represents less than half of the Great Belt crossing, reaching only to Sprogø Island. There the railway will run for a mile or so on reclaimed land before it climbs onto a bridge to cross the west channel, a distance of about 3.5 miles.

CS

ELECTRIC URBAN TRANSPORT VEHICLE

Working on the basis of surveys that show that the average Dane travels 11 kilometers to work, and that 92% of the people who drive to work drive alone, a Danish company has launched an electric transport vehicle geared to the population's habits.

The "mini-el" from El-Trans A/S, Randers, can seat one adult plus a child or a normal load of household shopping. It is three-wheeled, runs at up to 40 km/h, and has a range of up to 70 km on a fully-charged set of batteries. The local authorities in Randers have registered their approval by providing parking sites with free refuelling facilities (electric plugs for recharging).

The manufacturer stresses that the "mini-el" is not a car, but a short-distance vehicle. It does not rust, pollute or smell, and it is equipped with all necessary facilities such as wiper/sprinkler, rear-view mirror, lights, heat/ventilation, and even a sunroof.

The first 20 vehicles went on the road in July, and El-Trans A/S are planning an annual output of up to 5,000 vehicles per year.

DSH

WEATHER REPORT EXPORTS

According to surveys conducted by EEC and OECD, the Danes are more satisfied with their country and their life than any other nationality in Europe. Their only real complaint is the weather. Even this may change now that the Danish Meteorological Institute is to export daily weather predictions to the U.S. They have signed a contract with one of the world's largest private weather information organizations, ACCU-Weather Inc. in Pennsylvania.

The Institute's information is not restricted to Danish weather; the arrangement involves 10-day global weather predictions, and up to one-third of all newspapers, radio and TV stations in the U.S. are expected to publish the predictions.



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DID YOU WRITE YOUR CONGRESSMAN?

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Dear Congressman:

I respectfully wish to draw to your attention a proposal for disallowance of interest paid by a U.S. subsidiary to its foreign parent contained in Chapter VI, Section 12 (d), page 213 of the "Description of Possible Options to Increase Revenues Prepared for the Committee on Ways and Means by the Staffs of the Joint Committee on Taxation and the Committee on Ways and Means" dated June 25, 1987.

I believe, that the proposal, if adopted, immediately would put at a disadvantage one group of companies incorporated in the United States, taking away rights now enjoyed by all companies so incorporated. I base my belief on the following considerations:

1 The deductibility of interest paid to related foreign entities insures the continued inflow of capital into the United States, and thus allows greater domestic investment at lower rates.

2 Limiting debt-financing could reduce net capital inflows and thus the value of the dollar. A lower value for the dollar could mean higher inflation, as prices for imports rise.

3 Imposing limitations on the deductibility of interest would frustrate the Treasury Department's efforts in removing similar limitations imposed by foreign countries on U.S. persons doing business in those countries.

4 Even though interest payments to foreign persons may not be taxed by the United States, those payments generally are taxed in the persons' home countries, thus obviating the need, on grounds of equity, for imposition of United States tax.

5 Frequently, the parent company of any subsidiary is able to borrow at a lower cost than the subsidiary could do on its own. Denial of deductibility of interest paid to a foreign parent would force the U.S. subsidiary to borrow on its own balance sheet, increasing its cost of doing business, and decreasing its ability to compete.

Yours sincerely,

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This letter contains the argumentation from the official letter, sent from DACC to leading members of the House Ways and Means Committee.

CJJ

SAY EXPENSIVE CHEESE

A falling dollar now forces Danish exporters of cheese and ham, which make up the bulk of Danish agricultural exports to the U.S., to raise their prices. Prices for ham have been adjusted and the cheese exporters are expected to raise their prices substantially in the first part of December. With the ongoing budget crisis in the EEC, exporters can hardly hope for higher export subsidies than now and will have to face a lower demand in the U.S. this winter.

CJJ

MÆRSK LINE TO EUROPE

From late April 1988 Mærsk Line will maintain its own shipping route for container goods between several harbors on the East Coast of North America and Europe. The ships will dock at harbors in West Germany, Holland, Belgium and Great Britain, explains Jørgen Engell, Treasurer at Møller Steamship Company. Feeder lines will make up the connection to Southern Europe and Scandinavia.

"This is the last big trade where we are not present at the time being", says Jørgen Engell. He sees it as a closing of a gap in the Mærsk Line link around the world. Mærsk Line has not had scheduled traffic between the two continents since the Fifties.

CJJ

THE STATE OF DENMARK

Arne Melchior, a member of the Folketing and former Minister of Transportation, has written a book called "There Is Something Wonderful in the State of Denmark". According to the author, Denmark is a country with a rare syndrome: its people are happy, and they know they are happy. He describes a nation that is a role model for peace and prosperity, and he gives a profile of the Danes, their traditions, their role as suppliers, their place in history etc.

136 pages in hardcover, \$14.95.

Contact:

Lyle Stuart Inc. 120 Enterprise Avenue Seacaucus, NJ 07094 (212) 736-1141

Bent Skou, Danish Information Office, Washington, DC

AMPEX SCHOLARSHIPS

In October, 1987, the second Danish TV station, TV-2, decided to place an order valued at about \$12 million with the Ampex Corporation, CA.

In connection with the announcement of the contract Mr. Ridley Rhind, Senior V.P. of Ampex, informed the Danish press representatives that Ampex had decided to grant a substantial number of scholarships to Danish engineers and scientists who want to study in the U.S.

CS

DANISCO ACQUIRES FIBER TRIM

Farma Foods, who exports the well-known Danish fiber product "Fiber Trim" to the U.S. with great success, has been acquired by Danisco. Most DACC members will have had a close relationship with Danisco, who exports Aalborg Akvavit and other leading Danish spirits brands. The Danisco group of companies include Grindsted Products and I. Krüger.

According to the Danish daily "Børsen" Danisco paid \$40 million for Farma Food, who in 1986 had a turnover of \$46 million.

CS



The Danish Chamber

The Midwest Danish-American Chamber of Commerce, Inc.

The Midwest Danish American Chamber of Commerce
Att: Ms. Karin Holm 1463 W. Summerdale 2 A
Chicago, IL 60640 (312) 769-1344

DANISH JOURNALISTS VISIT

The MDACC September 23rd dinner meeting with a group of eleven newspaper people as well as its own membership became one of the most fascinating events ever. With the then recent Danish election

"SCANDINAVIAN CRAFT TODAY", A MAJOR EXHIBITION IN NEW YORK, CLEVELAND AND MOBILE

The American Craft Museum on 53rd Street in Manhattan will be host to a major exhibition called "Scandinavian Craft Today" from January 29 through April 24, 1988.

"Scandinavian Craft Today" will display the most recent 35 craft artists from Denmark, Finland, Iceland, Norway and Sweden. The exhibition has been put together by Carl Thomas Edam who recently curated the "Scandinavian Design" exhibition for the Cooper-Hewitt Museum. It comes to New York from Japan, where it has received glowing reviews as part of a Scandinavian cultural drive in Tokyo.

The emphasis is on the design of younger artists, some established, others emerging, who have experimented widely, yet maintained their Scandinavian heritage. Their materials are metal, jewelry, fiber, ceramics, glass, wood and bookbinding. Works range from sculptural to functional, from minute to massive.

Denmark will be represented by Erik Rasmussen (bookbinding), Ivan Weiss (ceramics), Torben Jørgensen and Tchai Munch (glass), Claus Bjerring and Mette Stengaard (metal), and Anne Marie Egemose (textiles).

The official opening will take place on Wednesday, January 27, 1988. The opening will be preceded on January 26 by a fundraising event, and followed on January 28 by a special members' opening.

The American Craft Museum, as part of their policy, offer the exhibition halls for social functions to private and corporate circles. People with a personal or commercial interest in utilizing the presence of "Scandinavian Craft Today" may contact Ms. Elizabeth A. Tighe, Senior Grants Manager, on (212) 956-3535. Following the New York showing, the exhibition will be moved to the Cleveland Institute of Art from July 1 - July 29, and to The Fine Arts Museum of the South at Mobile, Alabama, from September 18 - October 30, 1988.

For further information, contact Bent Skou at the Danish Information Office, (202) 797-5341.

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completed, Mr. Flemming Larsen, editor-in-chief of Herring Folkeblad in Jutland, presented well-informed, spirited and interesting points of view on the current political situation in Denmark. This enticed the audience to ask questions and express comments. The evening gave food for thought for both the Danish visitors and the Midwesterners.

PROGRAM

We have no meeting in January, 1988. For February we are tentatively scheduling a luncheon meeting on Tuesday 9th. When plans are completed a special notice will be sent to our membership.

The Program Director for the Danish Radio will be our guest speaker at the meeting on March 21, 1988.

DANISH ACTRESS AT ELECTRA FESTIVAL

The Danish actress Anna Lica, Arhus Teater, will participate in the Electra Festival in Allston, MA, January 8-24, 1988. The Electra Festival presents performances by internationally well-known female actors. Anna Lica will perform in a play called "Madame Bovary - Downtown".

For further information, please contact:

Double Edge Theatre
5 St. Luke's Road
Allston, MA 02134
(617) 254-4228

AGREEMENT VISA-DANISH BANKS

VISA and the Danish banks have agreed to cooperate in the credit card business. This means that the 200,000 Danes who own a DANKORT, which is the Danish banks' electronic banking card, will now have access to VISA's worldwide network. The annual fee for the new card will be \$25. The card will be introduced in September, 1988.

CS

U.S. PASSPORT CONTROL IN KASTRUP

Scandinavian and U.S. authorities are negotiating an April 1988 introduction of U.S. passport controls in Copenhagen Airport in Denmark, Gardemoen in Norway and Arlanda in Sweden.

The advantages are obvious: upon arrival in the U.S. passengers would be considered domestic passengers, thus avoiding the lengthy delays of passport and immigration controls.

The agreement will cover all SAS destinations in the U.S.: New York, Chicago, Los Angeles and Seattle.

DSH

U.S. ADOPTS NEW HARMONIZED CUSTOMS TARIFF

On January 1, 1988, the U.S. will adopt a new customs tariff based on the Harmonized Commodity Description and Coding System (HS).

The Harmonized System is a multipurpose international goods classification system designed to be used by manufacturers, transporters, exporters, importers, Customs, statisticians, and others in classifying goods moving in international trade under a single commodity code.

The HS is a hierarchically structured product nomenclature containing approx. 5000 headings and subheadings. The basic code contains 4-digit headings and 6-digit subheadings.

The use of the same code for imports and exports, as well as transportation purposes, will save considerable time and money for those involved in international trade because goods will not have to be re-coded and re-described as they move from country to country and from system to system in commerce. Use of the HS will also increase the accuracy of international trade statistics which will make it easier to compare trade data, increase certainty and understanding in international trade negotiations and simplify the verification of product classification.

All major trading partners of the U.S., including the EEC, have adopted or will adopt the HS and use the same system through the first 6 digits.

DSH

DENMARK ALMOST SELF-SUFFICIENT

Denmark is steadily increasing its self-sufficiency with regards to oil. We presently import approx. 50% of total consumption, but Danish oil production from the North Sea fields is on the increase and will cover almost 90% of our consumption by 1992.

Denmark presently produces 5.4 million cubic meters of oil. Doubling of production on some fields and the addition of other fields will boost production to 7.7 million cubic meters by 1990, and this, although consumption of oil and natural gas will also increase, should cover 87% of our total consumption.

This prognosis is based on plans already approved by the Danish authorities. New fields may be opened by then, which would mean further increases in Danish oil production.

DSH

NEW U.S. - DK JOINT VENTURE

A new Danish company, Tarconord, is a joint venture between American Koppers Company Inc. and Danish A/S Tarco. Tarconord, in Nyborg, is based on A/S Tarco's chemical division and will mainly be involved in refining coal tar. This is the first time Koppers establishes a European company; they are, however, involved in a similar joint venture project in Australia.

DSH

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PRIVATbanken A/S is actively seeking two new employees for their New York Branch in Midtown Manhattan:

Receptionist: to monitor the reception desk and the main switch board of the Bank; receive customers, and undertake light typing. Punctuality and neat appearance a must.

Knowledge of Danish/Scandinavian language is an advantage but not a requirement.

Administrative Assistant: to Investment Banking Group of approx. 5 people. Excellent typing, organizational, and communication skills required.

Salary according to experience. United States work permit required. Excellent benefits.

Please refer to Lilybeth Miranda, Personnel, (212) 603-6955.