

DACC NEWS BULLETIN

No. 1

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MARCH EVENT

The Irish have long claimed March 17th as their day, St. Patrick's Day. This year, on that same date, DACC members and friends will celebrate the 25th anniversary of the Danish American Trade Council, one of the Chamber's founding organizations.



January/February 1989

The crowning festivity is a black tie dinner dance in the Grand Ballroom of the Pierre Hotel, New York. The Prime Minister of Denmark, His Excellency Poul Schlüter, will be the guest of honor.

A great evening is in store for us. We can already thank the following corporations for their generous sponsorships:

Den Danske Bank for reception and cocktail hour.
S.D.S. (Danish Savings Bank) for wine and champagne.
I.S.S. (International Service Systems Inc.) for music by Walter Ericsons Orchestra and floral arrangements.
SAS for two Business Class tickets NYC-CPH-NYC -the winner will be drawn during the evening.

In between dining and dancing will be a short intermission to enjoy the performance of a young talented Danish musician.

Please reserve Friday evening, March 17, 1989, on your calendar. Even better, upon receipt of your invitation, send your reservations right away to the DACC secretariat.

EN

THE PROGRESS OF A TRADE ISSUE

TV, print and radio daily coverage on the trade issue has been voluminous. There has been no lack of facts, slim facts, incorrect facts and distortions to which the public has been exposed. The issue is a small part of a much larger one, namely Agricultural and Trade policy. Threats of extreme action have been made by both sides on an issue in which both sides have meritorius arguments. History indicates small things have sometimes led to war. The DACC, through its Business Support Committee, has been involved since the onset in trying to find solutions which will avoid the possibility of serious damage to Danish American trade. Meat and cheese are in the danger zone. At this date, although both sides are firm in their respective positions, several courses of action seem to be emerging. Attempts to avoid escalation by retaliation and re-retaliation, and compromise seem to be materializing.

Commentary by Henry Greenebaum, Chairman, DACC Business Support Committee

THE FRIENDLY DANISH FACE OF MERGERMANIA

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TRADE WAR: TEXAN TO THE RESCUE

..... page 3

DANISH AMERICAN CHAMBER OF COMMERCE

NEW MEMBERS

We welcome the following new members to the DACC:

CORPORATE

Steffen Johansen
SPAREKASSEN SDS
135 E. 57th Street, 16th Floor
New York, NY 10022
(212) 935-0300

Danish savings bank

INDIVIDUAL

Roger Anderson
ANDERSON & CO., LTD.
20 W. 55th Street
New York, NY 10019
(212) 459-9406

Investment banking firm specializing in cross border investment and acquisitions

Kjeld M. Pankoke
MT ATLANTIC, INC.
1000 Herrontown Road
Princeton, NJ 08540
(609) 921-3499

Subsidiary of Monberg & Thorsen, Denmark

COMING DACC PROGRAM

Dinner Dance 1989
The Annual Dinner & Dance will take place on March 17, 1989, at The Pierre, NYC. The guest of honor will be Danish Prime Minister Poul Schlüter.

Annual Meeting
The DACC Annual Meeting will take place on Thursday, April 13, 1989, at 11 am in the University Club, 1 W. 54th Street, NYC.

The meeting will be called by notice and proxy form dated March 16, 1989, mailed to the membership.

DACC April Meeting
The April Luncheon will follow the Annual Meeting Thursday, April 13, 1989, at 12 noon in the University Club. The guest of honor and speaker will be Mr. Ed. Boyle, Professor of Economy, Rutgers University.

Winnie Emmery

CLEVELAND COMPANY ACQUIRED BY EAC

K.S. Macey Machine Company, manufacturer of bindery equipment for the printing industry since 1981, was taken over by EAC USA late last year.

In addition to their Heidelberg Eastern Inc., EAC Graphics USA Inc., Baum USA, Profit Control Systems and other companies in the field, EAC USA is now an important factor in the graphics arts sector in America.

EN

1988 CHRISTMAS LUNCHEON

The Chamber's Annual Christmas luncheon at the University Club on December 9, 1988, was enjoyed by a fully packed banquet room of members and their guests. In addition to a fine program led by Werner Valeur-Jensen there was an amusing speech by Mr. Stig Bøgh Carlsen, Chairman of the Danish National Tourist Board Worldwide.

After an excellent lunch each member and guest received a much appreciated "care package" as they left. The contents of the packages were made possible by generous donations from the following:

- Charmer Imports
- Dancookie Brands, Inc.
- Dandy Confectionery, Inc.
- Danish Distillers Ltd.
- Denmark Cheese Association
- Lego Systems
- Plumrose USA
- Royal Copenhagen Porcelain
- SAS
- Tholstrup Cheese

Roger Anderson made facilities and personnel at Privatbanken available for storing and packing the bags, supplied by the Danish Tourist Board. Among the volunteers who gave their time and energy for assembling the bags were Ras Andersen, Anette Delano, Winnie Emmery, Lillian Hess, Frances and Henry Greenebaum, Ed Lichtenhagen and Flemming Søderlund.

Winnie Emmery

A.P. MØLLER PLACES NEW ORDERS WITH LINDØ SHIPYARD

Lindø Shipyards has received a new order for nine container ships from A.P. Møller.

The new order increases Lindø Shipyards' total order book to one billion dollars, which is matched by no other shipyard in the world.

CS

ISS ACQUIRES ADT

ISS International Service System, Inc. recently acquired ADT Maintenance Services, Inc. for \$69 million.

Combined revenues of the two operations for 1987 are expected to exceed \$450 million. The acquisition will enable ISS to improve service for its nationwide clients, bring ISS into nine new states and Puerto Rico, increase operations in twelve other states and the District of Columbia.

ISS now employs a total of 43,000 people in 37 states, D.C. and Puerto Rico.

DST

NEW U.S. AMBASSADOR TO DENMARK

The new U.S. Ambassador to Denmark, Keith Brown, was appointed in January. Ambassador Brown comes from Denver, Colorado, and has a business background. He was appointed by former President Ronald Reagan.

DST

THE DANISH ECONOMY (PRIVATBANKEN)

The forecast is rather optimistic in assuming that the present mid-term wage negotiations will give a positive outcome, i.e. a wage increase of no more than 2 per cent. The 1989 budget was adopted by the Danish parliament in mid-December. The Government had to seek alternative majorities for its proposals, but managed to secure a budget of almost no real growth in government expenditure.

Consumer spending on clothing and durable consumer goods as well as the demand for personal cars are experiencing a marked slowdown, while consumer spending on other goods is showing a more stable development. After the first nine months of 1988 the number of newly registered personal cars was approx. 25 per cent lower than in the same period in 1987, and sales of clothing were seven to eight per cent lower. This trend is expected to continue for the rest of the year. In 1989 private consumption is forecast to rise slightly as a result of increasing earnings in the export trades.

Since the spring of 1988 consumer prices have shown a tendency towards declining inflation, and wages are also showing a lower rate of increase.

Total gross investment dropped slightly in 1988. While public investment increased slightly, business investment stagnated and residential investment dropped. The drop in total gross investment is expected to continue also in 1989. Danish unemployment is expected to increase in 1989 with 16.000 more jobless people, totalling 255.000 people without work.

Foreign trade and the balance of payments are expected to improve somewhat this year. With exports increasing more than imports in 1988, 3% compared to stagnating imports, a trend that is expected to continue, the trade balance should improve. This would give a trade surplus in 1989 of DKK 9 bn. However, this is not enough to improve the balance of payment much. The forecast of the BOP for 1988 is a deficit of DKK 18 bn, and it is expected to improve by at most DKK 1 bn.

NO ALAMO FOR DANISH HAM

With the help of a loose gun from Texas, Secretary of Agriculture Jim Hightower, The European Community hope to heap more pressure on Washington in the trade war brought on by the European ban on imports of beef from cattle that might have received growth hormones.

Texas accounts for about 20 per cent of the American beef production, and lead by Mr. Hightower the local authorities have sought to establish an inspection of beef for export that would satisfy the EC.

The highest ranking European trade official, Commissioner Frans Andriessen will meet with his American counterpart, Mrs. Carla Hills, in Washington in mid-February. The Council of Ministers has scheduled a meeting for February 20 to consider further steps in the trade war.

CJJ

DENMARK PROMOTES FOREIGN INVESTMENTS

The Danish Government has decided to launch a plan to attract foreign high tech investments. The plan will be implemented during 1989-1992. The total budget is \$10 million.

The United States and Japan are the main target areas. The promotion will be executed by the Embassies and Consulates General in the two countries. In the U.S. the Danish representations will be able to use the services of one of the leading firms in the field of promoting investments in Europe.

Potential investors will be assisted by the Danish representations in the USA, and in Denmark a special unit has been created in the Foreign Ministry. This secretariat will assist in arranging visits to Denmark, facilitate contacts to local authorities, organizations, and companies.

The U.S. activities will be concentrated on targeting high tech industries that are planning to expand their activities in Europe in the near future. During the first half of 1989 targeted information material will be created in close cooperation with the American experts.

CS

J. LAURITZEN (USA), INC.

After seven years in the Big Apple Mr. Torben Janholt, President of J. Lauritzen (USA), Inc. will return to the Lauritzen Group's head office in Copenhagen by May 1st, 1989.

He will assume new responsibilities within the management of Lauritzen Reefers being in charge of the Vessel Division. He has been named Vice President of the parent company J. Lauritzen A/S.

Mr. Ole Amelung, who has been with the Lauritzen Group for a number of years and who has a wide knowledge of the Lauritzen activities, has been appointed as his successor.

J. Lauritzen (USA), Inc.

NEW COMMERCIAL SECRETARY

Mr. Esben Veng-Christensen has succeeded Carsten Philipson as Commercial Secretary at the Danish Consulate General, New York. Mr. Veng-Christensen will specialize in assisting Danish exporters of products to the industrial sector.

CS

NEW PRESIDENT FOR THOLSTRUP CHEESE USA

Mr. Lars Tholstrup recently took over as President of Tholstrup Cheese USA Inc. - manufacturers of such well-known cheeses as Blue Castello and Saga Blue. Mr. Tholstrup is headquartered with Tholstrup Cheese in Denmark but will now spend much of his time in the U.S.

DST

In mergers that are impressive even on a European scale Danish industry has started to gear up for a more competitive European market place. The mergers are lead by the same few industrialists and managers - by some counts only 75 - who by controlling Danish industry has denied this challenge brought on by the EC for more than 15 years.

Yet this January's wave of mergers was announced by the friendly merger of the two leading travel agencies who both are lead by outsiders in Danish economic life.

The retired vicar Eilif Krogager gave his yes to the 26 year old Janni Spies on January 3, and the fourth biggest purveyor of leisure travel in Europe was established. For an undisclosed sum, believed to be the vicinity of \$ 40 million, the almost 80 year old founder of Tjaereborg Travel handed over the control of his travel empire. Combined the two companies serviced 1,3 million travelers last year.

Just as friendly, and by some estimates just as pressing, was the merger of the two Danish producers of insulin, Novo and Nordiske. Together they wield a global market share of some 46 per cent, making Novo-Nordiske the biggest producer ahead of American Ely Lilly. Before the merger Novo was also the leading producer of industrial enzymes in the world.

Further mergers followed, the most spectacular being the one involving Danisco. On January 16 it was announced that De Danske Sukkerfabrikker and De Danske Spritfabrikker will join forces with Danisco. This new food conglomerate will be known as Danisco and is the fourth largest Danish corporation. What started out as a brief meeting over coffee and danish at the home of one of the six men behind this deal has ended with a company with a revenue of close to \$ 2 billion. Sixty per cent of the production is being exported, and the number of employees total 12.000.

CJJ

LOWER SALES TAX IN DENMARK

In order to get in line with its European competitors, the Danish government is currently discussing lowering sales, corporate and income taxes.

Corporate taxes would be lowered from 50 to 35-40 per cent as in most other Western countries. Sales tax would be lowered from 22 per cent to those 20 per cent which according to Brussels should become the new maximum in the twelve member states. These tax reductions will be followed by lower personal taxes in two years' time, if Danish wages would be raised by no more than some two per cent.

This sounds too good to be true, and it might be just that. Danish minister of Finance, Niels Helveg-Petersen, has declared that he sees no way of financing the six billion kroner in lost revenues that would be the result of a cut in the sales tax.

CJJ

NOVO AND NORDISK JOIN FORCES

Novo and Nordisk Insulinlaboratorium have agreed to merge the two foundations into one: the Novo-Nordisk Foundation. The foundation will have a capital of more than Dkr. 350 million dollars, each original foundation providing half of this sum.

The corporation will be headed by a Corporate Management with two co-equal presidents, Henry Brennum and Mads Øvlisen.

The corporation will consist of two large businesses, a Corporate Research Group, a number of other business units, and a corporate staff.

Pharmaceuticals Group

This group will comprise Nordisk Gentofte A/S' present business and Novo Industri A/S' pharmaceutical business.

The group, concerned with research, development, production and marketing of pharmaceutical products - primarily for the treatment of diabetes, blood diseases, hormone replacement treatment and human growth malfunctions - has approx. 3,250 employees.

Bioindustrial Group

This group is concerned with research, development, production and marketing of a large number of bioindustrial products, mainly microbial enzymes for industrial use. The group has 1,650 employees.

Corporate Research Group

This group will carry out basic research and technology development in order to ensure the corporation's long-term product renewal and competitiveness, and has approx. 950 employees.

The corporation will also comprise a number of other business units: A/S Ferrosan, Novo BioLabs Ltd., Alfred Jørgensen Laboratory for Fermentation Ltd., Novo Agrovet and Novo Food Diagnostics A/S.

Press Release/CS

AMERICANS BUY WIND TURBINES AGAIN

A new breeze is felt among the leading Danish manufacturers of wind turbines. After a merger including previous market leader Vestas, and with new orders flowing in, this specifically Danish industry expects to sell turbines for some \$ 140 million, half of which will be exported.

Easier financing has attracted new American buyers at the same time that India has become a major importer of turbines, lead by financing offered by the Danish government.

CJJ

LEGO SHOWS 12 % SALES INCREASE

As the other toy industry companies faced flat sales, Lego Systems registered an increase in sales of some 12 per cent in 1988. The privately held company does not supply further figures. Some analysts estimate world-wide sales to be at least in the vicinity of \$ 1 billion for 1988. The US is the single most important market for the Danish company.

CJJ

DISALLOWANCE OF MARITAL DEDUCTION FOR TRANSFERS TO NON-U.S. CITIZEN SPOUSES

Recent changes in the U.S. tax laws have affected estate planning for married U.S. residents where one or both of the spouses is not a U.S. citizen. Formerly, a marital deduction equal to the full value of property passing to the surviving spouse was available to avoid the imposition of gift and estate taxes on such transfers. Now, however, with two primary exceptions, all transfers of property from one spouse, or the spouse's estate, to a spouse who is not a U.S. citizen will be subject to full U.S. gift and estate tax.

The first exception is that a non-U.S. citizen spouse may now be given up to \$100,000 per year free of U.S. gift tax. In addition, property for the benefit of a non-U.S. citizen spouse may obtain the marital deduction if it is placed in a qualified domestic trust (QDT).

A trust will only qualify for the marital deduction if: (1) the trust instrument provides that all trustees be U.S. citizens or domestic corporations; (2) the surviving spouse is entitled to all income from the property in the trust, payable at least annually; and (3) the trust meets certain requirements to be set forth in Treasury Department regulations which will ensure collection of the estate tax imposed on the trust. In addition, the executor must make an election with respect to the trust on the estate's tax return.

INCREASE OF TAX RATES ON ESTATES OF NON-RESIDENT ALIENS

The new tax legislation now does away with specially reduced rates of U.S. estate and gift tax on the estates of non-resident aliens and mandates that the law's normal rates be used. Although the "unified credit" of \$192,800 against this tax will now be available in proportion to the total gross estate situated in the U.S., the maximum rates are increased from 30% on estates over \$2,000,000 to 55% on taxable transfers over \$3,000,000. One benefit, however, is that a marital deduction will now be permitted for certain property passing to a surviving spouse. Formerly, no marital deduction was available.

Richard W. Moore, Foyen & Peri, New York.

DENMARK CHOOSES TO GAMBLE

Valdemar Bandolowski, lawyer and an initiator of Denmark's entry in the American Cup Race 1991, addressed the DACC January meeting on plans for Denmark's first participation in this prestigious international competition.

According to Bandolowski funding from corporations and private sources to build two entirely new boats, replacing the old 12 meter standards, is in place. New requirements call for a boat that is longer and lighter than the 12 meter.

Given the record of Danish entries in other international competitions there is optimistic support for meeting this new challenge.

Should they win, the next American Cup Race held in Kattegat would reap great financial and public relations benefits for the country.

JFK AND EWR

With the introduction this spring of its Boeing 767 fleet, SAS will begin using Newark International Airport (EWR) as terminal for the following flights:

- From May 1 to Oslo (Fornebu)
- From May 15 to Stockholm
- From June 15 to Copenhagen

However, SAS will continue to serve Scandinavia from Kennedy Airport (JFK) via Copenhagen.

Newark Airport may be relatively unknown to many travellers, but it does offer a number of convenient transport services from New York City:

Bus service from World Trade Center, Park Avenue at 41st Street, and Port Authority Bus Terminal. Connecticut Limousine offers connections from northern suburbs. A taxi ride from Manhattan is comparable in travel time to one to Kennedy Airport. SAS is currently studying other creative solutions to further facilitate travel from the Metro area to its terminal C in Newark Airport.

EN

HOW TO FAX INDIVIDUALS IN DENMARK

You can now send a fax to individuals (or companies) in Denmark who do not have a fax.

Approx. 130 Danish post offices have established fax service, and they will - at a moderate fee, paid by the receiver - forward a fax to individuals within their region.

The sender of the fax must indicate the address and telephone number of the receiver, and whether the message is urgent. Upon receipt of the fax the post office will notify the receiver by telephone, and he/she may then elect either to pick up the message or have it forwarded by mail.

DST

EEC WANTS TO REDUCE SUBSIDIES TO INDUSTRY AND LOOKS AT DENMARK

The EEC Commission has made a report on how the twelve member countries support their industries through various subsidies.

On an average the EEC support programs amount to 3% of the GNP. Luxemburg (6%), Italy (5.7%) and Ireland (5.3%) operate relatively large support programs. At the low end Denmark (1.3%) is leading the other member countries. As the Commission is determined to find ways to reduce the EEC budget, the Danish system is now being studied in detail.

CS

NEW DANISH COIN

A new Danish 50 øre coin will be introduced in the near future.

According to the new law, which is under preparation, the minting of two coins, the 5 øre and 10 øre, will stop.

CS

FROM THE CULTURAL CORNER

The Danish film "PELLE THE CONQUEROR" is currently playing at Lincoln Plaza 1, Broadway at 63rd Street, NYC. The film recently won the Golden Globe Award, Foreign Films.

Danish painter METTE PETRI is in a group showing, "5 Expressions From Scandinavia" at Privatbanken Gallery, 20 W. 55th Street, NYC.

The Museum of Modern Art (MOMA), NYC, is showing a CARL TH. DREYER retrospective February 17 - March 5.

Danish jazz musicians NIELS LAN DOKY and CHRISTIAN MINH DOKY are playing at "Fortune Garden Pavillion", 209 E. 49th Street, NYC, February 21 -26.

February 22 is the New York premiere of Danish composer (Babette's Feast) PER NØRGAARD's "Pastorale" and "Bright Dances", performed by New York Chamber Players, and conducted by Danish DORRIT MATSON. At Merkin Concert Hall, 129 W. 67th Street, NYC.

March 5 marks a benefit concert by the DANISH RADIO BIG BAND in favor of Vox Humana at the Beacon Theater, 2124 Broadway, NYC.

March 6 - 8 the DANISH RADIO BIG BAND will play at "Sweet Basil", 88 Seventh Avenue South, NYC.

On March 22, Danish recorder soloist MICHALA PETRI will perform at Metropolitan Museum of Art, 5th Avenue and 82nd Street, NYC.

On April 11 Danish violinist HANNE-BERIT HAHNEMANN will perform her debut concert at Weill Recital Hall at Carnegie Hall, 57th Street & 7th Avenue, NYC.

An exhibition of CONTEMPORARY DANISH POTTERY will be featured at the Porcelain Gallery, 105 Sullivan Street, NYC, April 26 - May 26.

Anita Rasmussen

"DANMARK" VISITS THE USA

The Danish training ship "Danmark" will visit Tampa on April 8-12, Miami on April 14-17, and Norfolk on April 22-25. After the visit to Norfolk the tall ship will return to Denmark.

In connection with "Danmark's" visit to the three cities, several cultural and business related activities are being prepared by the Consulate General in New York.

TRADE FAIRS IN DENMARK

February 16-19, 1989, Bella Center, Copenhagen: FUTURE FASHIONS SCANDINAVIA

March 30-April 1, 1989, Bella Center, Copenhagen: SCANDINAVIAN DENTAL FAIR

April 12-16, 1989, Bella Center, Copenhagen: FOOD SHOP

May 3-7, 1989, Bella Center, Copenhagen: SCANDINAVIAN FURNITURE FAIR 1989

May 23-25, 1989, Exhibition Center Herning: CURE AND CARE

June 6-10, 1988, Bella Center, Copenhagen: WORLD FISHING '89.

August 12-15, 1989, Exhibition Center Herning: FORMLAND FAIR

August 23-27, 1989, Exhibition Center Herning: INTERNATIONAL FURNITURE FAIR DENMARK

August 24-27, 1989, Bella Center, Copenhagen: FUTURE FASHIONS SCANDINAVIA

September 1989, Bella Center, Copenhagen: EDUCATION 89

September 4-6, 1989, Bella Center, Copenhagen: THE BEST OF MARKETING

September 12-16, 1989, Exhibition Center Herning: AUTOMATICS '89

October 11-14, 1989, Bella Center, Copenhagen: FAST FOOD 89

DST

SCHLÜTER'S TROUBLE SHOOTER PROMOTED

After the much contended election of former Attorney General Erik Ninn-Hansen as Speaker of the Danish parliament, Folketinget, the Danish government was reorganized.

As new Attorney General was appointed the brain behind the development of the second Danish television network, Minister of Communication, H. P. Clausen. He has earned the reputation of trouble shooter in the conservative coalition behind the government of Poul Schlüter.

CJJ

NEW MEMBERS

We welcome the following new members to the DACC:

CORPORATE

Harry H. Penner
NOVO INDUSTRY OF NORTH AMERICA, INC.
885 Third Avenue, Suite 2900
New York, NY 10022-4082
(212)

North American corporate management office of Novo Industri A/S, Denmark. Biotechnology research, development and manufacturing, diabetes care.

INDIVIDUAL

Niels Friis
W.R. GRACE
Grace Plaza
1114 Avenue of the Americas
New York, NY 10036-7794
(212)

Specialty chemicals, health care and natural resources.

Susanne Mørch
400 East 52nd Street, Apt. 10 C
New York, NY 10022
(212) 753-4181

Jens A. Olsen
179 Willowbrook Avenue
Stamford, CT 06902
(203) 357-8322

Accounting and tax services.

Jens Risom
103 Chichester Rd.
New Canaan, CT 06840
(203) 966-5009

Consultant in product design, architecture, furniture etc.

THE COPENHAGEN FACILITY

DACC members are extended the courtesy of the use of "Industriklubben" (the Federation of Danish Industries), which is a new facility in the center of Copenhagen.

The facilities offer:
Secretarial services, telephone, telex, photocopying, meeting rooms, and more.....

Please contact the DACC if you are going to need a membership card.

NEW PRESIDENT AND BOARD OF DIRECTORS FOR DACC, LOS ANGELES CHAPTER

The Danish-American Chamber of Commerce, Los Angeles Chapter, has formed a new Board of Directors with Mr. Mark Katz as President.

ROY BORK, LOS ANGELES, RECEIVES THE ORDER OF THE DANNEBROG

Mr. Roy Bork, a former president of the DACC, Los Angeles Chapter, was recently honored with the "Order of the Dannebrog".

DACC DINNER DANCE

Tables adorned with pink and white tulips and soft candlelight set a springlike ambiance for a festive evening. The house was sold out. More than 300 DACC members and friends gathered in the Grand Ballroom of New York's Hotel Pierre to celebrate the 25th anniversary of the Danish American Trade Council, a founding organization for our Chamber of Commerce.

Honored guest for the evening was the Prime Minister of Denmark, His Excellency Poul Schlüter. In introducing the Prime Minister, DACC Chairman Flemming Søderlund, along with personal remarks, noted that after his election in the fall of 1982, the Prime Minister made his first speech outside Denmark before our New York Chamber.

Mr. Schlüter rose to the occasion of the evening with a witty, non-political speech emphasizing his observations of life in New York. "I can imagine," he said, "To run a business in New York is like being in Danish politics. You don't know the agenda until you have seen the day's newspapers."

Our Program Committee did an outstanding job organizing an evening with excellent dining, dancing and entertainment. An attentive gathering enjoyed the light-hearted classical pieces that renowned violinist Hanne-Berit Hahnemann selected to play during her concert interlude.

Again, we would like to thank the following companies for their generous sponsorship of the cocktail reception, wines, floral decorations and music: Den Danske Bank - S.D.S. (Danish Savings Bank) - I.S.S. (International Service Systems). The two Business Class tickets to Copenhagen were, with many thanks, donated by SAS (Scandinavian Airlines System), and won by Bente Kolster.

EN

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Consul General Leif Donde &
Mrs. Allen Milman



Prime Minister of Denmark,
Poul Schlüter



Mr. & Mrs. Henrik Slipsager (ISS)



Mr. Flemming Søderlund, Prime Minister
Schlüter, Mrs. Bodil Søderlund, Mr.
Werner Valeur-Jensen



Mrs. Jolyon Stern, Mr. Steffen Johansen
and Mr. Normann Lamler (SDS)



Ms. Hilary Wild and Mr. Kurt Snebang
Larsen (Den Danske Bank)

DANISH ECONOMY

ECONOMIC INDICATORS	Increase on previous year, per cent			Latest figures available
	1986 Average	1987 Average	1988 1)	
Industrial production.....	4.2	- 2.5	- 2.3	December 1988
Employment in manufacturing industries .	- 0.3	- 1.6	- 2.2	November 1988
Retail sales, volume.....	2.6	- 1.8	- 1.0	November 1988
Consumer price index (incl. energy, VAT, etc.).....	3.6	4.0	4.5	December 1988
Net price index (incl. energy excl. VAT, etc.)	0.7	3.1	5.1	December 1988
Index of average hourly wages, manufacturing industries	5.4	9.4	5.5	November 1988
Dwelling units started	6.3	- 15.3	- 17.1	January-December 1988
Import of goods, c.i.f.	- 3.8	- 5.9	2.4	January-December 1988
Export of goods, f.o.b.....	- 4.4	2.0	6.9	January-December 1988
Terms of trade	6.0	3.6	- 0.9	December 1988
Total bank deposits	19.0	5.6	7.6	November 1988
Total bank lending	28.1	18.3	3.1	November 1988
Money Supply (M2).....	14.3	5.1	1.7	November 1988
Circulating bonds.....	8.4	5.3	5.0	November 1988

ECONOMIC FORECASTS	1986	1987	1988 2)	1989 2)
Gross Domestic Product, Kr. billion	667.1	693.0	729.9	770.6
Growth in real terms, per cent			- Forecast -	- Forecast -
- GDP	3.3	- 1.1	0.5	1.0
- Private consumption	3.8	- 1.0	- 0.5	0.2
- Public consumption	1.4	1.6	1.2	1.0
- Gross fixed investments	17.3	- 9.0	- 4.2	1.0
- Import of goods.....	5.4	- 3.0	1.5	3.0
- Export of goods.....	0.1	3.0	5.7	4.0
Balance of payments, current account, Kr. billion	- 34.5	- 20.2	- 12.1	- 10.0
Government cash balance net, Kr. billion	7.8	1.5	- 11.0	- 5.0
Rate of unemployment, annual average	7.8	7.9	8.6	9.4
Inflation (net price index), average annual increase, per cent.....	0.7	3.1	5.0	4.2

1) Increase over corresponding period/time in previous year, cf. last column.

2) Forecast, January 1989

After ten years of existence, the European Monetary System (EMS) is a convincing success in terms of promoting lower inflation and more stable exchange rates, which foster healthy economic growth. It has proved flexible against a background of a changing monetary and financial environment and yet strict enough to maintain effective monetary constraint and bring about a general convergence of economic policies and performances amongst its members. The EMS has both been a driving force behind the program and will make a major contribution to the creation of the single market by 1992.

The ecu (European Currency Unit) is central to the EMS and is maturing into a true currency. The official use of the ecu as a reserve currency has been disappointing. The private sector has made extensive use of the ecu because of its stability, in contrast to the official use of the ecu, which has not developed, as once hoped, into a true reserve asset.

The EMS was created in 1979 with three objectives, namely to attain a zone of internal and external monetary stability (with both low inflation and stable exchange rates), to improve economic policy coordination (and so increase economic convergence and boost growth and employment) and to provide a pole of stability in world currency markets. It was a more pragmatic attempt to advance monetary integration than the 1970's "Snake", which collapsed because it was too rigid. The role of the EMS in the further development of the Community was formalized in the Single European Act, agreed in 1985.

Three Phases in EMS Development

From 1979 to 1983, economic divergences were still relatively substantial, inflation was high with large differences between EMS countries' rates and budget deficits were often very sizable. Realignments of EMS currencies were frequent, and initially were a passive reaction of differing inflation levels. But gradually, realignments became an instrument to cut inflation, as they were accompanied by domestic adjustment measures. Private use of the ecu grew because of its relative stability, and there was an active interbank ecu market.

In the 1984 to 1987 period, the dollar plummeted from its February 1985 high, yet despite turbulent international monetary markets, there were only two EMS realignments, in April 1986 and January 1987. Inflation rates and differentials were brought down, helped by falling commodity prices. In March 1985, the EMS rules were slightly amended to encourage the official use of the ecu. The change was not very effective but marked a willingness of the member countries to move forward constructively.

During this period, the results of EMS policy consensus began to show in terms of economic convergence and the Member States agreed on the need to remove all remaining restrictions on capital movements in order to complete the single market. Against this background, the EC countries agreed in September 1987 (at meetings in Basle and Nyborg) to amend the EMS rules further so as to promote more economic policy coordination and improve the currency intervention and credit mechanisms to counter potential speculative flows after capital liberalization.

The first revision of the relative weights of the currencies making up the ecu basket (Deutschmark, French Franc, Belgian/Luxembourg Franc, Irish Punt, Pound Sterling, Italian Lira, Dutch Guilder, Danish Krone), and the addition of the Greek Drachma, took place in September 1984. Private ecu markets developed rapidly in the March 1983 to April 1986 period of stable EMS exchange rates, but then stagnated because of increased currency speculation and the sharp depreciation of sterling. On the other hand, by the summer of 1987, all EC countries (including Germany) recognized the ecu as a foreign currency.

From 1987 onwards, the extremely beneficial effects of the Basle/Nyborg agreements have been obvious. Interest rate differentials have narrowed dramatically because of increased monetary market confidence in the EMS parity grid, and there have been no EMS realignments for over two years despite the US dollar's lows. Financial market operators speculate less in recognition of the credibility of EMS countries' monetary policy commitments. Moves towards a single market appear to be boosting the private use of the ecu as a unit of accounting, pricing and settling international transactions.

CS

STAGNATION AND LOUSY PAY IN DENMARK IN THE 90'S

With a very moderate growth in Denmark matched with small pay increases, the country is preparing for the nineties. According to a prognosis from EC, Denmark can expect less than one per cent in annual growth in 1989 and 1,75 per cent in 1990 - half as much as the rest of the countries in the EC.

Real income will increase in the Western European countries in the next years, but the Danes can expect a slight decline in their standard of living.

These expectations are reflected in the ongoing negotiations on labor contracts. The central negotiations on new contracts for the employees in the steel and machinery industry set a pattern for the rest of the negotiations by outlining an annual pay increase of less than three per cent. Prices are expected to rise at an annual rate of some 4 per cent.

CJJ

CRUMBLING COOKIES

As Danish butter cookies have become a not-so-rare commodity, Danish exporters have backed from their attempt to manage the exports at a value of billions of kroner. Danish Fancy Food, owned by Kryolitselskabet Øresund, after losses in 1988 has cancelled its commitment to market butter cookies through the company Intergoods. Danish Fancy Foods and its partner in Intergoods, Dansk Biscuit, dominate Danish production of butter cookies - which, according to Kryolitselskabet Øresund, has a disturbingly large production capacity.

CJJ

EC INFORMATION OFFICES IN THE U.S.

The Delegation of the Commission of the European Communities maintain two information offices in the U.S. that are excellent sources of information on matters concerning the European Communities (EC). They also publish various newsletters on U.S.-E.C. relations and E.C. activities. For more information - also on the Single Market to be introduced in 1992 - please contact the offices, as follows:

Office of Press and Public Affairs
Delegation of the Commission of the European Communities
2100 M Street, N.W., 7th Floor
Washington, DC 20037
(202) 862-9500

Press and Information
Delegation of the Commission of the European Communities
3 Dag Hammarskjold Plaza
305 E. 47th Street
New York, NY 10017
(212) 371-3804

DST

TRADE FAIRS IN DENMARK

April 12-16, 1989, Bella Center, Copenhagen: FOOD SHOP

May 3-7, 1989, Bella Center, Copenhagen: SCANDINAVIAN FURNITURE FAIR 1989

May 23-25, 1989, Exhibition Center Herning: CURE AND CARE

June 6-10, 1988, Bella Center, Copenhagen: WORLD FISHING '89.

August 12-15, 1989, Exhibition Center Herning: FORMLAND FAIR

August 23-27, 1989, Exhibition Center Herning: INTERNATIONAL FURNITURE FAIR DENMARK

August 24-27, 1989, Bella Center, Copenhagen: FUTURE FASHIONS SCANDINAVIA

September 1989, Bella Center, Copenhagen: EDUCATION 89

September 4-6, 1989, Bella Center, Copenhagen: THE BEST OF MARKETING

September 12-16, 1989, Exhibition Center Herning: AUTOMATICS '89

October 11-14, 1989, Bella Center, Copenhagen: FAST FOOD 89

DST

NEWS FROM THE MIDWEST CHAMBER

April Events

April 6 at 11 am. Visit to Chicago Board of Trade by special invitation from Cargill Investor Services. Lunch at the Attic Club.

April 13. "Europe and Scandinavia 1992" (Scandinavian Chambers) has been postponed to the fall.

April 15. The Queen's Birthday, a Dinner Dance at SACS. Co-sponsored with the Royal Guards.

May Events

Annual Meeting, date to be announced.

Membership Booklet

The Membership Booklet is here and will be mailed to all the members shortly. Thank you Bill Kusters for an outstanding job.

Congratulations

Davis Woodcock. April 2. 25 years with SAS at O'Hare, Station Manager for 17 years.

We need your input to make this column a success. If you have any news of interest, please contact:

Theresa Herlevsen
c/o The Quaker Oats Company
P.O. Box 9001
Suite 27-4
Chicago, IL 60604-9001
Phone: (312) 222-6085.

Deadline for the next issue April 21.

U.S. "LEGO PROFESSOR"

Kjeld Kirk Kristiansen, President of Lego, recently named the U.S. scientist Seymour Papert "Lego Professor" at a ceremony at Massachusetts Institute of Technology. The "Professor" will be able to draw a salary from a DKK 10 mill. trust fund.

Mr. Papert has invented LOGO, a computer software program for children. In cooperation with Lego he has also developed a computer system for children to control their Lego constructions. The system is used in 1000 public schools in the U.S.

DST

IN MEMORIAM

Edward H. Michaelsen, 71, died March 20th after a long illness. Mr. Michaelsen, known among his many friends as Ted, came to America in 1939.

His career took him to the top post as President of the multinational company Phelps-Dodge. Upon his retirement he became Director of Carnegie Hall. For many years he was a benefactor of the Martha Graham Ballet Company, which he also served as a member of the board.

EN

BUSINESS OPPORTUNITIES

Danish manufacturer of butt-welder for polyethylene and polypropylene piping (gas piping) seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/85/15 - 1EC.

Danish manufacturer of noise-reducing units for personal computers seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/84/69-73 - 2EC.

Danish manufacturer of quality office supplies seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/39/01-07-1.SH

Danish manufacturer of classic womens apparel seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/61/62-00-2.SH

Danish manufacturer of bake-off pastry seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/19/07-08-3.SH

Danish manufacturer of U.S. patented lampshade seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/48/21:3-4.SH

Danish manufacturer of quality sportswear for women and men seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/61/62-00-5.SH

Danish manufacturer of baby accessories seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/95/01-03-6.SH

Danish manufacturer of audio/video accessories seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/28/29-00-7.SH

Danish manufacturer of quality compact disk holder seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/94/04-8.SH

Danish manufacturer of Danish designed paper cuts seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/95/05-9.SH

Danish manufacturer of designer silver jewellery seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/95/05-10.SH

Danish manufacturer of classic designer womens apparel seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/61/62-00-11.SH

Danish manufacturer of quality designer hair accessories seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/96/15-12.SH

Danish manufacturer of model ships seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/95/01-03-13.SH

Danish manufacturer of designer watches seeks distributor for the U.S. market.
For further information, please contact the Danish Consulate General, Trade Department. Ref.: 401/91/01-04-14.SH

SAS DOUBLES PROFITS

With an increased turnover in 1988 of \$ 4 bn and a rise in profits of 122 % to more than half a billion dollars, the Scandinavian airline company SAS and its CEO Jan Carlzon were proud to present its results for 1988.

Although SAS invested approx. \$ 400 million in new planes in 1988, these investments will be doubled over the next five years.

As the results were presented on March 14, the CEO of SAS had to answer questions about the upcoming collaboration with Continental, a subsidiary of Texas Air of which SAS owns a 10% share. The sister company Eastern Airlines has sought protection under Chapter 11 and is being dismantled. Continental will start the official cooperation with SAS on May 1, but it is deep in debt from the take-over by Texas Air in 1983 and does not operate profitably. American frequent flyers rate the service and punctuality of Continental very low in surveys. These American worries for SAS hit home at the same time that its flights to the U.S. are barely profitable.

CJJ

TO GET TO THE RIGHT AIRPORT!

We have in previous issues reported the plans of Scandinavian Airlines to change many flights from Kennedy Airport to Newark Airport, Terminal C. For your own travel planning here are the latest details:

Newark - Scandinavia

Starting May 1 to Oslo Fornebu
SK 908, Dep. 6.45 pm, Arr. 8.15 am

Starting May 13 to Stockholm
SK 904, Dep. 7.00 pm, Arr. 9.00 am

Starting June 15 to Copenhagen
SK 912, Dep. 6.30 pm, Arr. 8.10 am

JFK - Scandinavia

On a daily basis, from June 15, service continues to Copenhagen from J.F. Kennedy Airport SK 914, Dep. 8.25 pm, Arr. 9.55 am

EN

ANNUAL ACCOUNTS

IBM Denmark recorded 10% increased sales to 5.155 bill. kr. in 1988. Profits rose by 19 mill. kr. to 879 mill. kr. Export share of sales was 22.3%.

Danfoss succeeded in meeting targets in 1988. Sales rose 10.4% to 6.347 bill. kr. Exports advanced 15%. Pre-tax profits jumped 147.4% to 542 mill. kr.

CS

DANISH FURNITURE ASSOCIATIONS TO MERGE

The two Danish furniture associations, Dansk Møbelindustri (located in Århus) and Møbelfabri-kantforeningen (located in Copenhagen), are expected to merge in the near future.

On July 16, 1989, the boards of directors of the two associations are expected to approve a recommendation put forward by a committee. The name of the new association will be Dansk Møbelindustri (Danish Furniture Industry). The logo will be the same as the one now being used by Møbelfabrikant-foreningen (Danish Furniture Manufacturers' Association).

Effective September 1, 1989, all export-related functions will be managed from the Copenhagen office while management consultant services and production-related services will be managed by the Århus office. Ms. Anne Birgitte Lundholt will be appointed president of the new organization of about 650 members. Mr. Poul Eriksen will be head of the Århus organization.

The annual turnover of Danish Furniture Industry is about \$1.5 billion, of which \$140 million is exported to the U.S.

CS/EN

TRELLEBORG PRESENTS SILVER LAKE

An exclusive house in wood - prepared as a kit and constructed in the U.S. by Danish craftsmen - is what the Danish company Trelleborg now offers with its "Silver Lake" model. Named after the location of the first model in Sharon, CT, this new top-of-the-line model offers a more spacious feeling than earlier models.

Priced at \$ 400.000 this house will be the first Trelleborg model to be backed by advertising. The Danish company - headed by DACC member Jens Larsen in the U.S. - is so far the only Danish construction company that has been able to sell houses to American buyers. Over a period of three years the company has sold some 50 houses - all by word of mouth.

CJJ

NEW IMAGE FOR DACC BY DANISH DESIGNERS

New designs for newsletter and letterheads have apparently caused a new interest in the image of DACC. Most reactions from members have been encouraging and positive.

The new image was created by the innovative Danish graphic design firm, Go Da Grafik.

The designer in charge of developing the proposals is Lars Refn. "It has been our aim to establish an image that will seem dynamic without becoming dated in a few years," he said, as he presented the proposals from Go Da Grafik.

CJJ

FROM THE CULTURAL CORNER

The Consulate General of Denmark, NYC, is presently hosting a photographic exhibition of Danish castles by the Danish photographer FINN PETERSEN FØNS. Private showing by appointment only. Phone: (212) 505-7169.

Danish photographer MARIANNE ENGBERG will exhibit a new collection of her pinhole photographs, BUDAPEST, at the Bertha Urdang Gallery, NYC, from April 4-29. For further information please call (212) 288-7004.

H.M. THE QUEEN'S BIRTHDAY will be celebrated on April 13 with a reception held at the Consulate General of Denmark, NYC. Please call the President of the Danish American Society, Mr. Bent Olrik, for further information (Phone: (212) 986-5252).

An exhibition of CONTEMPORARY DANISH POTTERY will be featured at the Porcelain Gallery, 105 Sullivan Street, NYC, April 26 - May 26.

On June 2, the yearly CONSTITUTION DAY DINNER at Scanticon-Princeton, arranged by the Danish Club of Princeton and the Danish American Co-ordinating Council. For further information please call Niels Olsen at (609) 497-0220.

On June 4, celebration of the DANISH CONSTITUTION DAY in the park at the Danish Home, Croton-on-Hudson, NY, arranged by the Danish American Coordinating Council. This year's entertainer is Anker Buch, the world renowned Danish violinist and entertainer.

The privately owned Danish training ship GEORG STAGE will cross the Atlantic for the first time and will call on the following ports:

June 14-20: Charlotte Amalie, U.S. Virgin Islands
July 1-5 : Norfolk, VA
July 13-16: Mystic, CT
July 17-21: Kings Point, NY
July 21-23: Stamford, CT
July 23-24: Kings Point, NY
July 24-27: South Street Seaport, NY

Anita Rasmussen

HIS ROYAL HIGHNESS CROWN PRINCE FREDERIK VISITS THE EAST COAST

During a week-long visit to the East Coast in March the Danish Crown Prince Frederik got his first impressions of the old USA. From the media world and the stock exchange of New York to the military academy of West Point, the Crown Prince saw the traditional power of the East Coast contrasted to California where he is staying for some six months at the Robert Mondavi Winery in Napa Valley.

During the latter part of his visit the Danish lieutenant viewed military installations and visited, among others, Vice President Dan Quayle. During the Crown Prince's visit rumors again emerged that he would consider abdicating his right to the Danish Crown by stepping aside for his brother Joachim. The rumors stem from him being so uncomfortable in his high-profile role, but also from the Royal House itself. The rumors were later denied.

CONSULATE GENERAL OF DENMARK
NEW YORK

Denmark's Export to the United States

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Change from previous year 1987-1988</u>
	- mio. D.kr -			
Ham, bacon, salami and other meat products.....	2878	2431	1965	-19
Cheese and other dairy products..	229	271	250	-8
Fish etc. for consumption ^x).....	708	883	462	-48
Butter Cookies.....	518	380	299	-21
Beverages	44	44	48	9
Mink pelts and other skins	425	567	337	-41
Animal and vegetable raw materials	197	69	203	194
Raw chemicals and combinations...	570	515	519	1
Medicals and pharmaceuticals	534	525	600	14
Wood products (except furniture)..	105	148	73	-51
Textiles (except clothing)	108	96	72	-25
Stoneware, glass, china, etc. ...	140	135	122	-10
Machinery (except electrical) ...	2041	1409	1431	2
Electrical machinery and equipment.....	1268	1052	759	-28
Transport equipment	327	112	175	56
Furniture	1615	1209	915	-24
Technical, scientific, photograph- ic and optical instruments..	678	637	652	2
Products in other categories	<u>2157</u>	<u>1894</u>	<u>1961</u>	<u>4</u>
TOTAL	<u>14542</u>	<u>12377</u>	<u>10843</u>	<u>-12</u>

x) does not include Faroe Islands and Greenland

1986: 1 US Dollar is equal to D.kr. 8.06 (average)
 1987: 1 US Dollar is equal to D.kr. 6.84 (average)
 1988: 1 US Dollar is equal to D.kr. 6.75 (average)

Source: Danmarks Statistik: Udenrigshandel.

CONSULATE GENERAL OF DENMARK
NEW YORK

CONSULATE GENERAL OF DENMARK
NEW YORK

Denmark's Import from the United States

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Change from previous year 1987-1988</u>
	- mio. D.kr. -			
Vegetables and fruits	171	175	169	-3
Fodder	401	307	173	-44
Tobacco	395	317	267	-16
Hides, skins	75	97	43	-56
Oil Seeds, etc.	112	97	129	33
Coal	749	320	815	155
Crude oil and mineral oil products	207	147	145	-1
Raw chemicals and combinations	169	185	141	-24
Pharmaceuticals	117	98	93	-5
Plastics etc. (not processed).	140	130	139	7
Chemical materials and products	130	171	165	-4
Wood products (except furniture)	160	148	159	7
Paper and paperboard	77	64	78	9
Textiles (except clothing) ...	97	96	95	-1
Machinery (non-electrical) ...	1408	867	868	0
Electrical machinery and equipment.....	2193	2308	2188	-5
Transport equipment	1109	882	1382	57
Technical, scientific and optical instruments	553	518	587	13
Other goods	<u>1481</u>	<u>2371</u>	<u>3043</u>	<u>28</u>
TOTAL	<u>9744</u>	<u>9298</u>	<u>10679</u>	<u>15</u>

1986: 1 US Dollar is equal to D.kr. 8.06 (average)

1987: 1 US Dollar is equal to D.kr. 6.84 (average)

1988: 1 US Dollar is equal to D.kr. 6.75 (average)

Source: Danmarks Statistik: Udenrigshandel.