

DACC NEWS BULLETIN

No. 2

April/May 1990

UPCOMING MEETINGS

The annual meeting will take place on April 27 at 11 a.m. - followed by luncheon at Noon. Speaker will be Ray Hagen from SAS. Place: New York Yacht Club.

At the luncheon on June 1st the speaker will be Ambassador Henrik Iversen. He has been instrumental in preparing the Danish drive for foreign investments. The meeting will take place at the University Club.

NEW MEMBERS

We welcome:

William K. C. Wang
93 Nassau Street, suite 718
New York, NY 10038
(212) 732 2584

Promoter of trade between Denmark and Taiwan.

Hanne Heltai
Armonk Travel
146 Beford Road
Armonk, NY 10504
(914) 273 8880

Sells and promotes travel in Denmark.

Finn Petersen Pøns
P. O. BOX 2621
New York, NY 10009
(212) 505 7169
fax: 979 6338

Photographer - commercial and press.

Inger Gotterup
18 Club Way
Rumson, N.J. 07760
(201) 747 9485

Financial officer at food broker business.

BANK MERGER CHEERED BY STOCK HOLDERS

The stock holders in all three banks applauded the merger between Den Danske Bank, Kjøbenhavns Handelsbank and Provinsbanken which will create the largest bank in Denmark.

Den Danske Bank whose name will live on found unanimous support among some 2700 shareholders at its meeting in Copenhagen on March 20.

Even more shareholders joined the meeting in Aarhus the same day as Provinsbanken counted a clear 93.6 per cent of all votes in favor of the merger.

Some customers and employees of the smallest of the three banks have expressed their doubts about the merger. At the shareholders meeting only two spoke out against the merger. The Chairman of the Board said on that occasion:

"It is sad that we have to give up continuing our bank. But it has to be decided not by our feelings, but by good common sense."

Earlier the bank whose logo will live on - known in New York as CoCo - joined the merger with an almost unanimous support for its shareholders.

MAERSK GAINS \$1.7 BN ON COPENHAGEN STOCK EXCHANGE

The leadership in Danish economy of the shipping- and energy company Maersk was when the stock price of the two companies that constitute Maersk rose more than 25 per cent. The record rise took place in the first ten weeks of 1990. The market value of Maersk is now in the vicinity of \$8 billion.

Thanks to the rally in the stock of these two companies, the market as such experienced a small advance of close to 3 per cent. Discounting the Maersk companies D/S 1912 and D/S Svendborg the market would have experienced a decline of 1.6 per cent in the first ten weeks of 1990. Today the market value of these two companies make up some 18 per cent of the total value of the publicly owned Danish companies.

With a relatively new fleet Maersk is ready to exploit a period with higher freight rates.

READ ALSO PAGES..... 3 AND 4

BUMPED BY SAS? BETTER COMPENSATION! ... page 2

LIST AVAILABLE OF DANISH SUBSIDIARIES .. page 4

DANISH AMERICAN CHAMBER OF COMMERCE

AMERICAN-SCANDINAVIAN FOUNDATION IS MOVING

After 40 years at its townhouse on East 73rd Street, the American-Scandinavian Foundation moved just a few blocks away to new offices at the Asia Society building: 725 Park Avenue (at 70th Street), New York, NY 10021, as of February 12, 1990.

Please note that the telephone (212) 879-9779 and the telefax (212) 249-3444 numbers will remain the same at the new address.

PETER HESSELLUND-JENSEN - NEW LAW FIRM

Peter Hesselund-Jensen, William O'Connor, and Lars Forsberg, have, as of March 1, 1990, dissolved the firm of Foyen & Peri and merged their practices into a law partnership formed with the Paris firm of Orlando Concells Associates.

The new firm, Orlando Concells, consisting of 25 attorneys in New York and Paris, will continue the practice at the previous offices of Foyen & Peri at 250 Park Avenue. The French office is located at 36 Rue de Lisbonne, Paris.

SAS COMPENSATES FOR OVERBOOKING

As of March 25, 1990, SAS has introduced new guidelines for passengers who were not able to board a plane due to overbooking. According to a leading Danish daily, passengers on European flights who are delayed less than 4 hours due to overbooking will be offered a compensation of \$100 in cash or a discount of \$150 on a future SAS ticket. On intercontinental flights the compensations are \$200 and \$300.

CS

EC IN BRIEF

Unemployment rate figures below 9% in the EC community for November 1989 give testimony of a single market yielding benefits. Figures show a seasonally adjusted rate of 8.9%, compared with a 9.7% rate in November 1988.

In a recent statement by Norway's Prime Minister, Norway will not seek EC membership in the next four years, but will focus on adapting itself to the EC.

Prices rose sharply in the EC in 1989, with an inflation rate of 5.5% as compared to 4.4% in '88 and 3.4% in '87. This is in line with a 4.5% inflation rate in the US, while Japan's was lower at 3.4%.

Look for a special supplement on 1992 in the May 7 issue of The New York Times.

EN

WHERE TO REACH THE DANISH DAIRY BOARD IN THE USA

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2100 M Street, N.W.
Suite 305
Washington, DC 20037
Mr. Jørgen Kolding, President
Mrs. Anna H. Vikki, Vice President
Tel: (202) 775-8393
Fax: (202) 775-8430

Danish Dairy Board
P.O. Box 20131
Columbus Circle
New York, NY 10023
Ms. Yvon Moller, Director - Public Relations
Tel: (212) 541-7522
Fax: (212) 541-9627

Danish Dairy Board
International Food Publicity
World Trade Center, Suite 130
San Francisco, CA 94111
Ms. Ester Rasmussen, Executive Director
Tel: (415) 781-7846
Fax: (415) 781-4756

FROM THE CULTURAL CORNER

April 24- September 2 Flora Danica and the Heritage of Danish Porcelain, 1760-1990, at the Cooper Hewitt Museum, Fifth Avenue at 91st St. NYC. Tel: (212) 860-6898.

May 15 Pianist Mayumi Naruko Jensen in her New York debut concert in Weill Recital Hall at Carnegie Hall, 154 West 57th St. NYC Box office: (212) 247-7800.

June 3 Celebration of the Danish Constitution Day in the beautiful park at the Danish Home, Croton-on-Hudson, NY. Arranged by the Danish American Co-ordinating Council.

June 13 Carl Nielsen Celebration at Alice Tully Hall, Lincoln Center Plaza, NYC. Box office: (212) 362-1911.

June-September The Hans Christian Andersen Storytelling Committee has its annual summer storytelling series at the Hans Christian Andersen statue in Central Park, Fifth Avenue at 72nd Street, NYC at 11:00 am every Saturday.

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TRANSPORTS IN EUROPE: DENMARK OFFERS A COST EFFICIENT SOLUTION

- from Denmark Review

Denmark provides a service that entitles it to be considered as the distribution centre of Europe. It is the optimum centre for distribution, as a member of the European Community with long-standing ties to EFTA. In addition, Denmark's location at the entrance to the Baltic is a unique advantage for shipments to most Eastern European countries.

Distribution logistics and cost don't always get the attention they deserve when an overseas manufacturer prepares to launch his products on the Single European market, says Ole Mynster Herold, an executive of the Leman transport organisation.

Working together with logistics consultants in several European countries, Mynster Herold has coordinated and edited an analysis of logistics and planning for distribution within the European Community. Mynster Herold emphasises that there are considerable advantages both in overall costs and delivery reliability for the company that is approaching the Single Market, particularly when the manufacturer requires a Just-in-Time distribution system.

Or when clients expect a JIT solution to distribution problems. The analysis notes that there is a considerable, and growing preference for this approach in European companies, and that suppliers able to provide an On-Time delivery service have a clear marketing advantage.

"Companies frequently concentrate upon the direct sales and marketing sides of the operation, even though many advanced products should be evaluated from the viewpoint of speed and reliability of distribution as well," continues Mynster Herold.

"There is a growing recognition of this among manufacturers, and the trend can be measured by the concentration of distribution in fewer but more efficient market warehouses."

His analysis, prepared in collaboration with transport experts in Holland, Great Britain, West Germany, United States and Denmark, provides a thorough checklist of the factors involved in planning an efficient distribution strategy. While the concrete example given is a US company making a high-value and relatively fragile product, the fundamentals are similar for any overseas manufacturer shipping his products to the European Community.

The checklist sections of the study have been designed as a practical tool for distribution and warehouse planning, and the entire report is mercifully free of any "Message from our Sponsor". The main sections consider the product and packaging requirements, transport speed and frequency, warehouse requirements, security, and geographic factors. Is duty-free warehousing needed for transshipment or to reduce financing costs?

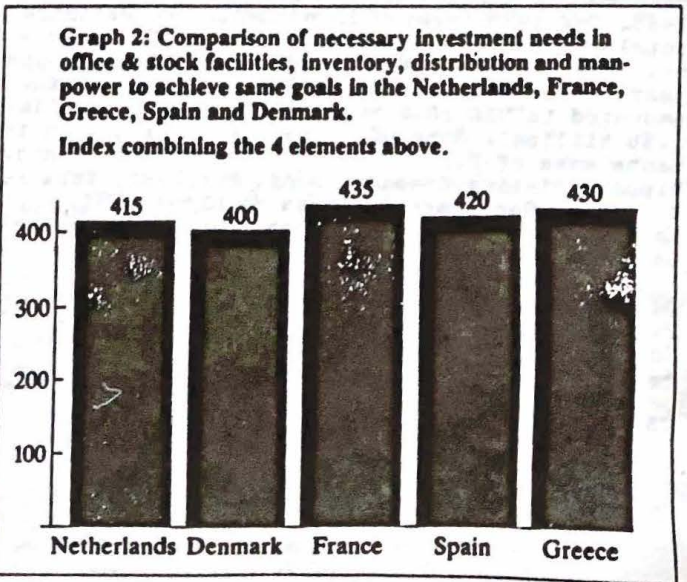
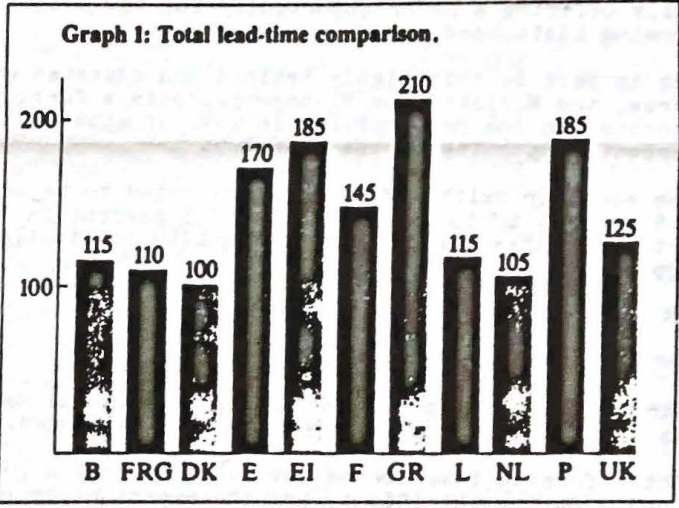
There are also time and cost savings to be considered in selecting a transport system. The authors of the report obtained firm tenders for two products (computer equipment, mobile telephones) which had been shipped in variable quantities to four European destinations (Great Britain, Netherlands, West Germany, Denmark) for delivery within six destinations: Munich, Paris, Madrid, Milan, Zürich and Dublin.

Customs and insurance costs were roughly the same in all the four distribution centres, according to the report. The difference emerged when the cost of on-shipment from the four European centres were compared. For both part and whole cargoes shipped to the six EEC destinations, the Copenhagen connection was significantly cheaper.

The report notes also that due to the additional sea crossing, shipment via the UK required an additional day of transport time for all destinations except Dublin, where the UK service equalled the time needed by the other three. ■

Part cargo prices:		
London	USD	3,977.50
Rotterdam	USD	3,171.94
Hamburg	USD	3,460.35
Padborg/Copenhagen	USD	2,576.11

Whole cargoes:		
London	USD	21,856.19
Rotterdam	USD	20,225.23
Hamburg	USD	25,258.29
Padborg/Copenhagen	USD	18,411.79



OUTLOOK FOR DANISH ECONOMY

During 1989 a number of positive developments confirmed the positive nature of the Danish economy and its business climate. The economy is expected to continue growing in 1990. The Ministry for Finance estimates that the GDP growth rate will be around 2 percent.

Among the major contributors to growth are Danish exports. The total exports of goods and services are projected to increase by 5 percent in 1990. Imports will grow by approximately 4 percent. The trade balance surplus will continue to grow, reaching about DKK 35 billion (US dollars 5.4 billion) in 1990, i.e. more than 4 percent of the GDP.

The balance of payments showed a substantial improvement in 1989. A further improvement is foreseen for 1990 and onwards. The Ministry for Finance estimates that the balance of payments deficit will be decreased to DKK 9-10 billion in 1990 (US dollars 1.4-1.5 billion), i.e. approximately 1-1.5 percent of the GDP.

Unemployment is expected to fall slightly in 1990 due to the continued growth of the economy. Denmark's work force will continue to grow and will reach its highest point in about 1996. Although it will fall back to the present level of 2.9 million by the year 2000, it is projected that the number of trained and educated workers will continue to increase dramatically offering a major opportunity for new and growing businesses.

Due in part to this highly trained and educated work force, the Ministry for Finance projects a further increase in the productivity in 1990 of about 3-5 percent, depending on the industry.

The consumer price inflation is expected to be around 3.5 percent in 1990, compared to 4.5 percent in 1989. Interest rates will remain at the 1989 level, i.e. app. 10.5 percent.

CS

INTERNATIONAL DENMARK

Danish industry, and especially the financial sector, is becoming still more internationally oriented.

Total foreign investments have been increased gradually during the 1980's, and the amount of investment reached DKK 5 billion (USA dollars 770 million) in 1988. The 1989 foreign investments are estimated to total at least DKK 11 billion (about US dollars 1.7 billion), an increase of 120 percent in just one year. As of November 30, 1989, foreign investments amounted to DKK 10.2 billion (app. US dollars 1.56 billion). Some of these new or expansion investments were of U.S. or Japanese origin, including Dai Nippon Printing Company, Sony, Marubeni, Taba Food Industry, Commodore Business Machines, IBM, Lanmaster, Illinois Tools Works and Dow Chemical Company.

Danish companies also invest abroad. In 1988 2.5 billion dollars were invested in other countries. In 1989 the foreign investments of Danish companies reached only 0.7 billion dollars.

CS

COMMISSION BACKS STRONGER TIES WITH EASTERN EUROPE

The EC Commission recently outlined its ideas for closer ties with Eastern European countries that institute political and economic reforms, including respect for human rights, the establishment of multi-party systems and free elections, as well as economic liberalization towards a free market economy. Its central theme is the concept of association, which would go beyond the existing and pending trade agreements with the Eastern European countries. Association agreements would be of "special value in themselves and should be distinguished from any commitment to accession".

The Commission believes that the Community should respond positively to the interest of these countries in association "both as a sign of solidarity with democratic forces in the neighboring states and because it conforms with the Community's own interests". These countries have noted the promising developments in negotiations for a European Economic Space between the EC and EFTA, and seek to link themselves with this process. Early approval of the goal of the association would, according to the Commission, contribute to Eastern European political stability and strengthen the confidence both of domestic and foreign investors.

Such agreements would have some framework elements. First, there must be the goal of free trade through progressive economic liberalization. Second, new instruments for cooperation would be developed (including a regular political dialogue between the country and the EC) by broadening the links established by "first generation" trade agreements. Third, technical assistance and financial support would flow to the country based on the country's economic profile, needs, and absorption capacity. Last, regular information exchange and cultural cooperation would be established. Each agreement would have these common attributes, yet each would differ according to the conditions (and progress) in the individual country.

The challenge for the EC would be the development of new instruments to complement existing forms of assistance in areas such as export credit and investment promotion. Further, budgetary revisions would be required to provide for multiannual funding of EC assistance to these countries.

LIST OF DANISH SUBSIDIARIES IN THE USA

The Consulate General of Denmark has recently updated its list of Danish subsidiaries in the USA. The list can be obtained for free by DACC members by contacting the DACC office directly. For non-members the list can be purchased for \$30,- (prepaid) by contacting the Danish Consulate General, 825 Third Avenue, NY, NY 10022, Tel: (212) 223-4545.

THE DANISH MERCHANT FLEET EXPANDS

According to the international magazine "Fairplay" the Danish shipbuilding industry is booming. Close to 4% of all ships under construction are found in Denmark. According to tonnage, Denmark has the world's 20th largest merchant fleet. The many Danish orders for new ships indicate that Denmark will soon advance further on the list of the world's leading merchant fleets.

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CONSULATE GENERAL OF DENMARK
NEW YORK

March 1990

Denmark's Export to the United States

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Change from previous year 1988-1989</u>
	- mio D.Kr. -			%
Ham, bacon, salami and other				
meat products.....	2431	1965	1542	- 22
Cheese and other dairy products..	271	250	265	6
Fish etc. for consumption *).....	883	462	445	- 4
Butter Cookies.....	380	299	361	21
Beverages	44	48	63	31
Mink furs and other skins	567	337	295	- 12
Animal and vegetable raw				
materials	69	203	246	21
Raw chemicals and combinations...	515	519	569	10
Medicals and pharmaceuticals	525	600	598	- 1
Wood products (except furniture).	148	73	58	- 21
Textiles (except clothing)	96	72	74	3
Stoneware, glass, china, etc. ...	135	122	146	20
Machinery (except electrical) ...	1409	1431	992	- 31
Electrical machinery and				
equipment.....	1052	759	753	- 1
Transport equipment	112	175	358	105
Furniture	1209	915	917	0
Technical, scientific, photograph-				
ic and optical instruments..	637	652	710	9
Products in other categories	<u>1894</u>	<u>1961</u>	<u>3041</u>	<u>55</u>
TOTAL	<u>12377</u>	<u>10843</u>	<u>11433</u>	<u>5</u>

*) does not include Faroe Islands and Greenland

1987: 1 US Dollar is equal to D.kr. 6.84 (average)
1988: 1 US Dollar is equal to D.kr. 6.75 (average)
1989: 1 US Dollar is equal to D.kr. 7.32 (average)

Source: Danmarks Statistik: Udenrigshandel.

DKX

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CONSULATE GENERAL OF DENMARK
NEW YORK

March 1990

Denmark's Import from the United States

	<u>1987</u>	<u>1988</u>	<u>1989</u>	Change from previous year <u>1988-1989</u>
	- mio D.Kr. -			%
Vegetables and fruits	175	169	183	8
Fodder	307	173	176	2
Tobacco	317	267	283	6
Oil seeds, etc.	97	129	156	21
Coal	320	815	1008	24
Crude oil and mineral oil products	147	145	89	- 37
Raw chemicals and combinations...	185	141	164	16
Pharmaceuticals	98	93	112	20
Plastics etc. (not processed)....	130	139	159	14
Chemical materials and products .	171	165	124	- 25
Wood products (except furniture).	148	159	171	8
Paper and paperboard	64	78	84	7
Textiles (except clothing)	96	95	114	20
Machinery (non-electrical)	867	868	1098	26
Electrical machinery and equipment.....	2308	2188	2431	11
Transport equipment	882	1382	3678	166
Technical, scientific, and optical instruments.....	518	587	650	11
Other goods	<u>2371</u>	<u>3034</u>	<u>2705</u>	- 11
TOTAL	9298	10679	13385	25

1987: 1 US Dollar is equal to D.kr. 6.84 (average)
 1988: 1 US Dollar is equal to D.kr. 6.75 (average)
 1989: 1 US Dollar is equal to D.kr. 7.32 (average)

Source: Danmarks Statistik: Udenrigshandel.

Danish manufacturers seek distributors for the US market of:

Quality silver jewellery
Ref.: 401/71/13-16. SH27

Men's casual knitwear
Ref.: 70.Dan.6/1. SH28

Fashion unisex denim collections
Ref.: 401/61/62/00. SH29

Designer wall decorations
Ref.: 401/58/05. SH30

Quality table-tops
Ref.: 401/94/05. SH31

Incineration plants for hospitals, ships etc.
Ref.: 401/84/17. EC33

Chamber doctor blade systems for flexographic printing presses
Ref.: 401/84/39-43. EC34

Expansion joints, bellows and fire seals
Ref.: 401/70/19-20. EC35

Drinking and feeding bowls for piglets
Ref.: 401/73/09-11. EC36

Massaging cushions for chairs, wheelchairs etc.
Ref.: 401/94/04. EC37

For further information, please contact the Danish Consulate General, Trade Department.