

# DACC NEWS BULLETIN

No. 2

March 1991



## Danish Queen Honors DACC

On Friday, February 22, 1991, the Foreign Minister of Denmark H.E. Uffe Ellemann-Jensen, The Danish American Chamber of Commerce, and The Danish American Society were hosts at a gala dinner in honor of Her Majesty Queen Margrethe II of Denmark and His Royal Highness Prince Henrik, the Prince Consort of Denmark.

The gala dinner was held in the impressive ballroom at the Pierre Hotel and was attended by approximately 560 guests.

Unfortunately, security concerns limited the choice of facility. A total of some 700 individuals had shown interest in participating, and DACC regrets having had to turn down so many friends of Denmark.

The Queen and the Prince Consort looked radiant and seemed to enjoy the evening. The Master of Ceremonies was Victor Borge who was as funny as always. The artistic interludes were performed by principal dancers from the Royal Danish Ballet, Henriette Muus and Lloyd Riggins, the Danish violinist Hanne-Berit Hahnemann, and the Danish opera singer Aage Haugland. It was a festive evening, and all the guests were enjoying the good company, delicious food, and the excellent entertainment.  
BM

Scandals and Losses in Financial Sector  
Denmark Shows First Surplus in 26 Years

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## DANISH AMERICAN CHAMBER OF COMMERCE

## Margrethe Welcomed as Ally and Friend

The first official guests to be received in the White House after break-out of hostilities in the Gulf was the Danish Royal Couple. President George Bush gave a warm and enthusiastic welcome to the Danish Queen and the Prince Consort.

During the official visit to Washington Queen Margrethe was often hailed as ruler of a small, but strong ally. The American President took care to mention the full scope of Danish cooperation with the Gulf effort. Besides keeping half the Danish navy on guard duty in the Gulf, the Danish government has provided humanitarian and financial help to the Brits.

The official visit lasted from February 19 to 22. The Royal guests then traveled on to New York, where they honored the Danish community by participating in the yearly dinner dance.

CJJ

## Luncheon on Board the Tall Ship "Danmark"

In connection with the visit of the Danish tall ship "Danmark" in Savannah, GA, the Consulate General arranged a luncheon on board the ship to further the promotion of investments in Denmark.

A total of 15 influential representatives of local commercial businesses participated in the luncheon, and all who were invited attended the luncheon.

The topic for the luncheon was "Investment in Denmark" which was presented through oral input, brochures, etc. The representative from "Gulfstream" praised the high level of quality and business morale in Denmark, which the company had experienced through their Danish subcontractors.

It was the general opinion that the event was extremely successful and an invaluable network of contacts for the ongoing investment projects was established.

A professional PR-firm was engaged to secure the best possible press coverage. Three local TV stations filmed on board the ship and there were interviews both with TV and the newspapers.

There is no doubt that having the luncheon on board the ship instead of at a restaurant heightened the level of success of the event.

NH

## The Newsletter Committee

We are pleased to welcome the new Commercial Counsellor at the Consulate General, Mr. Niels Høyer, to our editorial committee. Mr. Høyer succeeds Carsten Schmidt, and we look forward to working with him.

EN♦

## DACC March Meeting

The March luncheon will take place on Wednesday, March 27, 1991, at 11:50 am at the New York Yacht Club. Speaker and guest of honor will be Mr. Ivan Nadelmann, Chief Executive and General Manager of Avis, Denmark.

## Annual Meeting

The DACC Annual Meeting will take place on Friday, April 26, 1991, at 11 am at the New York Yacht Club.

## DACC April Meeting

The April luncheon will follow the Annual Meeting Friday, April 26, 1991, at 12 noon at the New York Yacht Club. Guest of honor and speaker will be Mr. Peter Eio, President of Lego Systems, Inc.

## Boersen Gets New Face in New York

The Danish business daily Boersen has decided to strengthen the coverage of the financial markets and products in the US. The new correspondent to the daily, Mr. Niels Sandoe, has been a member of Boersens staff of financial writers in Copenhagen before taking up residence on this side of the Atlantic Ocean. Mr. Sandoe is joined here by his wife who plans to work as a free lance journalist for Danish media.

You can reach Mr. Sandoe in Manhattan at 260 3753.  
CJJ

## DACC's Office Hours are:

Monday - Friday 9:30am - 1:30pm

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## Bleak 1990 For Danish Finance

The two major Danish banks reported surprisingly large losses for 1990. They were joined by some other financial institutions as the stock market took a dive.

Den Danske Bank showed an improved performance, as operating profits rose to 4.25 billion Danish kroner. Net result for the year turned negative, as the bank experienced continuing losses from trading bonds and stocks. The bank also had to increase its loan loss reserves. With serious losses looming from the failed company Northern Feather and others, Den Danske Bank set aside new reserves of some 4.7 bn kroner. For the year, the bank showed a net loss of 1.17 bn kroner. Den Danske Bank was formed, as the original bank merged with Handelsbanken and Provinsbanken. The unfortunate results for 1990 have led to increased infighting among the managers from the merged banks.

The other major bank, Unibank, had to report a loss of 1,1 bn kroner. The bank comprises the activities of three formerly independent institutions: Privatbanken, Andelsbanken and SDS.

Unibank also showed a better operating profit, as all banks benefited from a record high difference between interest rates and inflation. Northern Feather was also among the customers of Unibank, and this relationship resulted in a loss reserve addition of 265 million kroner. Another customer, Kurt Thorsen, experienced a loss of 317 million kroner in 1990, which wiped out the equity of the well-known construction company. Kurt Thorsen Koncernen is operating under the supervision of Unibank, but no losses have been realized as of now.

The results led the analysts at Standard & Poor's to place Den Danske Bank and Unibank on credit watch with negative implications.

## KD Stops Lending Abroad

The major housing lender in Denmark also took a substantial loss in 1990, which has led to a management shake-up and a stop to all lending abroad. Kreditforeningen Danmark also lost market share in 1990, when the company went from controlling half the Danish market for housing lending to a share of 38 per cent. After losing 2.2 billion Danish kroner on defaulting customers, KD reported a consolidated loss of 1.05 bn kroner.

During the last four years KD has retired or otherwise removed eight out of ten top managers. The problems have led the mortgage company to put a stop to financing of housing loans abroad. The new CEO, Ole Andresen, has suspended further lending in the UK, Germany, and France for the time being. KD had cancelled earlier plans to finance housing in the US on Danish conditions.

## Stock Market Dropped in 1990

Danish shareholders experienced their own losses in 1990, when the overall market dropped some 12 per cent. Strong gains in the first two months of 1991 have restored the luster of Danish shares, though.

CJJ

## American Banks Hold Key to Restructuring of Northern Feather

Manufacturers Hanover and United Jersey are among the American banks holding the key to a possible restructuring of the textile and bedding giant Northern Feather.

So far the Danish banks have accepted a plan that would result in a loss for them of 1 billion kroner. The American banks are not comfortable with the plan. In their opinion the plan aims only at saving Danish jobs - and the faces of the Danish financial establishment.

The bankruptcy has been called the greatest financial scandal in Denmark since the downfall of Landmandsbanken in 1922. Four of the managers of the company have been indicted. Along with the late CEO of Northern Feather they are suspected of having tampered with financial records to give a negative net worth the appearance of an acceptable equity.

The largest of the US subsidiaries, Chatham, has avoided Chapter 11 and the North Carolina company is considered one of the few profitable parts of the concern.

CJJ

## Danish Surplus On Current Account

For the first time in 26 years Denmark experienced a surplus on the current account balance in 1990. The surplus exceeded nine billion Danish kroner - and the expectations of most experts. The economic advisers of the Danish government predicted a loss of five billion as late as October. With modest wage increases expected in the labor negotiations this spring, Danish economy is on a rebound.

CJJ

## Importers of Danish Ham File Response to "301" Petition

The National Pork Producers' Council and American Meat Institute filed a "301" Petition with U.S. Trade Representative Carla Hills for relief against the EEC for their delisting of all USA meat packing plants. This effectively barred all shipments of meat from the United States to the EEC because of the so-called Third Country Directive. The petition claims that the delisting was completely unjustified and a non tariff barrier. The petition requests the Trade Representative to recommend to the President a suitable retaliation. Since Denmark is the major shipper of EEC meat to the USA, Denmark would bear the brunt of the retaliation. At this deadline there seems to be an attempt to solve the current problem. The solution is tied to the resumption of the Uruguay Round of the GATT negotiations.

HG

## SAS Flying Lower

The Scandinavian Airlines System SAS was caught in a very expansive mood by last year's economic down-turn in key markets and has had to reduce its activities substantially. SAS will reduce its staff by almost 10 per cent, which means a farewell to 3500 employees. The largest group of those is currently working at the Scandinavian hub in Copenhagen.

So far a total of 600 have received pink slips. Half of those come from the flight crews, and the rest are based in Copenhagen. This led to labor unrest, which escalated as the management did not heed a deadline for discussion on the lay-offs set for February 15. Management is confident however, that no further labor actions will hamper the airline's services.

The crisis has also prompted SAS to try to cancel orders for new planes from McDonnell Douglas and Boeing. The orders total some four billion dollars and the two American companies have refused to renegotiate firm orders accounting for half that amount.

The situation has prompted the American credit analysts at Standard & Poor's to place SAS on credit watch with negative implications.

CJJ

## WHAT'S COOKING IN DENMARK

The American TV-host and producer Burt Wolf was in Denmark last August filming a series of television news segments and a half hour show about Denmark and Danish food.

Twelve 90 second news segments were to describe the foods of Denmark and deal with specific manufactured food products as well as general subjects which might promote tourism.

The subject of the half hour TV show was the relationship between good food and good health in Denmark. The introduction and outdoor footage presented various aspects of Denmark as an ideal tourist destination.

The news segments were each broadcast several times on CNN and CNN International and on ABC, CBS and NBC affiliated stations in the autumn of 1990. During the same period the half hour show was shown on The Family Channel three times. This channel reaches 53 percent of the homes in the United States.

The project was an excellent opportunity to promote Denmark and Danish food products on television to the American consumer at a very limited cost, as the cablecast and broadcast were free of charge.

VF

## Seeking Job Opportunities

Administrative Assistant/Secretarial position  
experience, PC skills

## From the Cultural Corner

March/  
April

Danish bass Aage Haugland performs in:  
"Katya Kabanova"  
"Der Rosenkavalier"  
"Parsifal"  
at the Metropolitan Opera House,  
Lincoln Center, NYC, Tel: 362-6000

March 5-30

An exhibition featuring 2 Danish artists,  
Marianne Engberg  
and Pia Schutzmann, at Bertha Urdang  
Gallery, 23 East 74th  
Street, NYC. Tel: 288 - 7004.

March 7-30

"Nordic Art/New York", An exhibition  
of Scandinavian Artists at  
Frank Bustamante Gallery, 560  
Broadway, NYC. Tel: 226 - 2108.

March 24

Danish jazz musician Torben  
Westergaard and his band at  
Visions, 125 MacDougal Street, NYC.  
Tel: 673 - 5576.

April 11-14

Danish films "Babette's Feast", "Pelle  
the Conqueror", "Waltzing  
Regitze" and "Giselle" to be presented at  
The American Scandinavian Foundation's  
1991 Nordic Film Festival. Films will be  
shown at Florence Gould Hall (at  
Alliance Francaise), 59th Street between  
Park and Madison Avenues, NYC. For  
information please call Tel: 879 - 9779.

April 24

An evening of Scandinavian Chamber  
Music by Carl Nielsen, Finn Hoffding,  
et al., performed by the Vinland Duo  
with soprano Margaret Astrup at Weill  
Recital Hall at Carnegie Hall, 154 West  
57th Street, NYC. Box office: 247-7800.

## Danish Manufacturers Seek Distributors for the US Market of:

- Quality Hair Accessories, Ref.: 401/71/17 - EC41
- Handpainted Wooden Toys, Ref.: 69.USA.4/6 - EC42
- Giftware, Ref.: 69.USA.4/6 - EC43
- Home Textiles, Ref.: 69.USA.4/6 - EC44
- Blown and Handfinished Glass, Ref.: 69.USA.4/6 - EC45
- Giftware/Tabletops, Ref.: 69.USA.4/6 - EC46
- Pressure and Temperature Gauges, Ref.: 69.USA.4/6 - EC47

## New Members

We welcome the following new members to DACC:

### Corporate:

Nordberg Capital Inc.  
641 Lexington Avenue.  
New York, NY 10022  
(212) 753-9111

Specialized investment banking and institutional brogerage.

### Individual:

Kaj Hermansen  
Solystparken 15  
2930 Klampenborg  
Denmark  
(01145) 31631810

Investment banker, adviser to management.

### Ian Ogilvie

Ogilvie Taylor & Associates Inc.  
380-2L Rector Place  
New York, NY 10280  
(212) 945-0590  
Advertising Public Relations

### Leif J. Ostberg

LJO, Inc.  
401 Hamburg Turnpike, Suite 305  
Wayne, NJ 07470  
(201) 956-6990

International importer/exporter of athletic shoes.

### Pat Patterson

The Leaton Financial Group  
101 Park Avenue  
New York, NY 10178  
(212) 557-6500  
Financial consultant

### Thorbjorn H. Storm

P.O. Box 606  
Larchmont, NY 10538  
(914) 632-7632

Construction consulting & procurement management  
for Danish & international contractors.

### Walter M. Oppenheim

c/o Dengro  
100 East 42nd St., Suite 1020  
New York, NY 10017  
(212) 883-0130

Ocean marine transportation - steel & metal import &  
export

### Kim Rasmussen

Watson, Farley & Williams  
380 Madison Avenue, 19th fl.  
New York, NY 10017

(212) 922-2200

Danish attorney working as an Associate at international  
law firm.

### Peter J. Vranum

Orlando Conseils  
250 Park Avenue  
New York, NY 10177  
(212) 687-0100

Attorney working for a law firm representing Danish &  
international clients.

### Leif Weizman

Oppenheimer Wolff & Donnelly  
1020 Nineteenth Street, N.W.  
Suite 400  
Washington, DC 20036  
(202) 293-5096

Attorney working for international law firm.

## The Poul Schluter Cabinet as of December 18, 1990

Prime Minister: Poul Schluter

Foreign Affairs: Uffe Ellemann-Jensen

Finance: Henning Dyremose

Economy & Taxation: Anders Fogh Rasmussen

Defense: Knud Enggaard

Education and Research: Bertel Haarder

Justice: Hans Engell

Interior & Nordic Cooperation: Thor Pedersen

Agriculture: Laurits Toernaes

Ecclesiastical Affairs and

Communications: Torben Rechendorff

Housing: Svend Erik Hovmand

Fisheries: Kent Kirk

Labor: Knud E. Kirkegaard

Industry & Energy: Anne Birgitte Lundholt

Health: Ester Larsen

Transportation: Kaj Ikast

Environment: Per Stig Moeller

Social Affairs: Else Winther Andersen

Cultural Affairs: Grethe Rostboell

## Nominating Committee

In accordance with our By-Laws, the Executive  
Committee has appointed Rasmus Andersen to chair and  
select members to this year's Nominating Committee for  
the election of Board members to the New York Chamber.  
Selected to the Committee are: Henry Greenebaum, Ed  
Lichtenhagen, Helge Steiness, and Flemming Søderlund.  
The membership at large may present their suggestions for  
Board candidates for consideration to any member of the  
Nominating Committee. Rasmus Andersen may be reached  
at (914) 939-1325.

Denmark's Export to the United States

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	Change from previous year <u>1989-1990</u>
	- mio D.Kr. -				%
Ham, bacon, salami and other meat products.....	2431	1965	1542	1840	19%
Cheese and other dairy products.	271	250	265	279	5%
Fish etc. for consumption *)....	883	462	445	432	- 3%
Butter Cookies.....	380	299	361	320	- 11%
Beverages .....	44	48	63	46	- 27%
Mink furs and other skins .....	567	337	295	106	- 64%
Animal and vegetable raw materials .....	69	203	246	241	- 2%
Raw chemicals and combinations..	515	519	569	502	- 11%
Medicals and pharmaceuticals ...	525	600	598	366	- 39%
Wood products (except furniture)	148	73	58	33	- 43%
Textiles (except clothing) .....	96	72	74	72	- 3%
Stoneware, glass, china, etc. ..	135	122	146	130	- 11%
Machinery (except electrical) ..	1409	1431	1752	1853	6%
Electrical machinery and equipment.....	1052	759	753	679	- 10%
Transport equipment .....	112	175	358	593	66%
Furniture .....	1209	915	917	863	- 6%
Technical, scientific, photograph- ic and optical instruments...	637	652	710	687	- 3%
Products in other categories ...	<u>1894</u>	<u>1961</u>	<u>2281</u>	<u>1800</u>	<u>- 21%</u>
<b>TOTAL</b>	<b>12377</b>	<b>10843</b>	<b>11433</b>	<b>10842</b>	<b>- 5%</b>

\*) 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)  
 1990: 1 US Dollar is equal to D.kr. 6.18 (average)

Source: Danmarks Statistik: Udenrigshandel.