

DACC NEWS BULLETIN

NO. 4

DECEMBER 1996

O'Shaughnessy

Strategy indexed investments are the future, says James O'Shaughnessy, the speaker at the November D.A.C.C. meeting, who was one of the most invigorating speakers the Chamber ever has presented to its members. Those who were not present surely missed a truly informative and provocative talk.

James O'Shaughnessy runs his own investment firm in Greenwich, Connecticut. He believes that history is the basis for the future. He is the first one ever to have obtained access to Standard & Poor's Compustat data base, the absolute heavy weight in the US financial world. He got their financial figures as far back as 1951. He worked with this material and created his models for how to beat the market.

The results are available in his current best seller "What Works on Wall Street". O'Shaughnessy observed that with all the, very often, dramatic financial news the media brings to the public,

many investors become speculators. Not for one moment is he concerned about when and if the market will turn. "We are selling discipline. It is terribly dull, and terribly profitable", said O'Shaughnessy with a smile.

He further noted that people are wise and competent, and that highly respected portfolio managers have created brilliant investment strategies. However, they still tend to fall into destructive impulse deals, react to market psychology and panic during down market times.

O'Shaughnessy believes that strategy-indexing will be the subject for years to come, and that the "cowboy era", where you shoot from the hip and gamble fortunes on fingertip instincts, is over.

VH/EN

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DANISH AMERICAN CHAMBER OF COMMERCE

DACC Secretariat is closed for Christmas and New Year on the following days: December 23, 1996 - January 3, 1997, (both days incl.)

Welcome to New Members:

Mr. Karl G. Andersen
Circleline Sightseeing Yachts, Inc.
Pier 83
West End of 42nd St. at the Hudson River
New York, NY 10036

Mr. Lars Parlund
Handelsbanken Market/
Svenska Handelsbanken
153 East 53rd Street
New York, NY 10022

Ms. Norma B. Collier
Intermarket Services, Inc.
122 Rocky Brook Road
New Canaan, CT 06840
Consulting for various Danish & American companies.

Mr. Johnny Nielsen
JGN Inc. Consulting Engineers
5145 Vernon Springs Trail
Atlanta, GA 30327
Importing industrial products related to water/air pollution control. Representing Danish & Swedish companies in US and Canada.

Susanne Toyberg-Frandzen is leaving New York

Susanne Toyberg-Frandzen is leaving her position as Executive Director at the Danish American Chamber of Commerce on December 1, 1996. Ms. Toyberg-Frandzen has been with DACC since February 1992 and she has always performed her duties in a professional and friendly manner. Ms. Toyberg-Frandzen is moving to Turkey with her family as her husband has been reassigned to a new position with UNDP. We will all miss her.

New Executive Director

Mrs. Hanne Hochheim has taken over the position as Executive Director at the Danish American Chamber of Commerce. She has previously held various positions at the following organizations: Press and Cultural Department at the Ministry of Foreign Affairs in Denmark, the Danish UN Mission, and Provinsbanken in New York. Mrs. Hochheim holds a Bachelor's Degree in Business Administration and lives in Manhattan with her husband and two children.

EN

Congratulations

On December 4th the D.A.C.C. Chairman Werner Valeur-Jensen turned 75. In best Danish tradition we say "hjertelig tillykke - and many happy returns". EN

D.A.C.C. Christmas Luncheon

Friday, December 13, D.A.C.C. holds its traditional Christmas luncheon at the University Club. We look forward to celebrate this holiday event with as many of our members as possible.

Useful Danish Web-sites:

Copenhagen, the Competitive Capital
(<http://www.copcap.dk>)
Copenhagen 96, Cultural Capital of Europe 1996
(<http://www.teledanmark.dk/copenhagen96>)
Copenhagen Business School (<http://www.cbs.dk>)
Copenhagen Now, Guide to the Danish Capital
(<http://copenhagen.now.dk>)
Danish Research Councils
(<http://www.fsk.dk/forskraad/index-uk.html>)
Danish Tourist Board in New York
(<http://www.deninfo.com>)
Denmark Hotel List (<http://www.dkhotellist.dk>)
Greenland Guide (<http://www.greenland-guide.dk>)
GrundtvigNet (<http://www.grundtvig.dk>)
HotelNet DK (<http://www..dk>)
International Health Insurance Danmark
(<http://www.ihl.dk>)
Jubii, Danish Internet Database
(<http://www.jubii.dk>)
Royal Danish Consulate General, New York
(<http://www.denmark.org>)
Royal Danish Embassy, Washington
(<http://www.globescope.com/denmark>)
Trade Directory for Denmark (<http://www.uhk.dk>)

PUBLISHER:

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Escaping Litigation Nightmares

by Keith Osburn, Attorney

Being sued in a U.S. court can be an international businessman's worst nightmare. U.S. litigation costs - in money, time, and effort - are staggering. Results are often harsh and unpredictable due to the existence of 50 different state legal systems. There is a way of escaping this nightmare - mediation.

Mediation is structured negotiation between parties to a dispute, facilitated by one or more neutral mediators, who are trained to foster communication and understanding among the parties, for the purpose of arriving at a voluntary agreement to end the dispute.

Advantages of mediation

*** conserves resources:** Most mediated settlements are reached after two or three sessions rather than the years consumed by litigation. This obviously saves money, company time, and employee effort, allowing available resources to be applied toward resolution of the underlying dispute rather than feeding the litigation process.

*** confidentiality:** Mediation focuses on the parties' real interests, not just legal arguments, and is conducted under agreement to preserve confidentiality, which allows the parties' reputations, business records, and other information remain private instead of being open to public scrutiny in court documents and proceedings. Generally, US law protects the confidentiality of such disclosures, which means that if no settlement is reached following the mediation, information disclosed during the mediation process cannot be taken advantage of during litigation.

*** results:** Mediated settlements are created with the active involvement and direct input of the affected parties through a neutral facilitator - not limited by the strictures of American common law or statutes - and the parties' real interests are paramount - legal posturing is minimized. By definition, a mediated settlement is a result agreeable to the affected parties rather than a result imposed upon them by capricious outsiders.

Roughly 95% of all US lawsuits are resolved before trial, often with a disappointing outcome, after the parties have spent large amounts of money, time, and effort in preparing for trial, so it really makes sense to undertake mediation early and put the litigation proceedings on hold. Probably the optimum situation is to include a mediation clause in any contracts which might give rise to litigation in the US. Various private and quasi-governmental organizations can provide the names of qualified (and in some states, certified) mediators for referral for a particular dispute. In some fields, mediators are available who, in addition to their skill in the mediation process itself, have special technical expertise or experience with the type of business involved.

Mr. Keith Osburn is a member of the law firm Osburn & Osburn, Zionsville, Indiana. Tel: 317-769-4549.

The newsletter welcomes contributions from its readers. The opinion expressed in readers' letters are not necessarily the opinion of D.A.C.C. or its newsletter.

Prospects for the Danish Economy in 1996 and 1997

The general expectation of renewed economic growth is confirmed by the second quarter national account data just published. Seasonally adjusted GDP increased by 1% from the first to the second quarter.

With the economic revival, private sector employment is again increasing. During the first half of 1996, employment in the private sector increased by 10,000 persons.

The recovery has been most pronounced in the domestic area of the economy. Private consumption, business investments, and especially construction have increased considerably and employment has grown particularly within the construction and service sectors. In the industrial sector there has been a further fall in employment. GDP growth is forecast to be 2% in 1996 increasing to 3.1% in 1997.

Please see "Key Indicators for the Danish Economy" on page 6.

Danish Furniture at High Point

One of the biggest - if not the biggest furniture fair in the world - International Home Furnishings Market, takes place twice a year in High Point, North Carolina. The most recent show was October 16-26, 1996, where seven Danish companies participated from their permanent showrooms at the exposition's Design Center and Market Square. The Danish companies present at the show were Club 8, Gangsø Møbler A/S, Jesper USA Inc., Scanbirk, Skovby Møbelfabrik A/S, Tvillum Møbelfabrik, and Faarup. Their products included contemporary furniture for bedrooms and dining rooms, dinettes, entertainment centers, home offices, and computer furniture. The furniture is mainly produced in lighter wood colors such as cherry, ash and birch following the international trends.

Danish furniture exports to the US have fallen drastically during the last 16 months, but the Danish companies seemed to be satisfied with their sales at the show and were optimistic for the future. Several of the companies are permanently established in the US with sales offices and warehouses, and find it a necessary investment to be able to successfully challenge the service level of competing American furniture manufacturers.

HH

Royal Export Medal to Puerto Rican Meat Importer

His Royal Highness, Prince Henrik of Denmark has conferred on Mr. Alfonso F. Ballester, President of Ballester Hermanos, Inc., the Diploma of the National Association for Danish Enterprise and Prince Henrik's Medal of Honor. Ballester Hermanos Inc. is one of Puerto Rico's leading companies and Mr. Ballester received the

award for his great achievements in promoting Tulip meat products in Puerto Rico.

In the presence of representatives from Tulip International and Puerto Rico's business community, the Medal and Diploma were presented to Mr. Ballester on November 27th at the Caribe Hilton Hotel in San Juan by His Excellency Hans Grunnet, Consul General of Denmark.

HH

Danish Prime Minister to Salman Rusdie: "I'm Sorry"

The Danish Prime Minister Poul Nyrup Rasmussen explained and apologized his way out of a recent crisis that attracted worldwide attention.

The author Salman Rusdie was awarded the European Aristeion Prize, and he was supposed to receive the honor and the 140,000 DKK that comes with the prize at a ceremony in Copenhagen November 14. But two weeks before the ceremony he was informed by the Danish government that he was not welcome because Denmark could not guarantee his safety. As is well-known, Iran has urged muslims all over the world to execute Salman Rusdie. Danish newspapers, the Danish opposition, and world leaders criticized the Danish government for prostrating itself before the Ayatollahs in Teheran, and for a few days the government was facing a vote of no confidence. But a humble Poul Nyrup Rasmussen apologized - and apologized again - and in the end Salman Rusdie was awarded his prize in Copenhagen and the Danish government survived the crisis.

PH



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MERRY CHRISTMAS

GOD JUL

Airline News

In October Air Canada and Scandinavian Airlines System signed an agreement to develop a comprehensive alliance that will significantly improve service for air travellers between Canada and the Scandinavian countries.

The creation of a strategic partnership between Air Canada and SAS further strengthens the global alliance they each have with United Airlines and Lufthansa. Reciprocal participation in frequent flyer programs is one of many provisions in the agreement.

SAS has ordered eight new McDonnell Douglas aircraft MD-90s. The order represents an investment of \$450 million. Six of the aircrafts will be delivered before the end of 1996. The remaining two will be delivered during July/August 1997. "The MD-90 is not only the most quiet passenger aircraft of its size but satisfies all current emissions standards" says SAS President Jan Steenberg. With this order a process is now under way to renew a greater part of the SAS fleet during the next few years.
Press Release

Dane Studied Political Campaigning in New York

The Danish advertising executive Hans Ulrik Longi, Bates Copenhagen, was in New York during the last week of the presidential election to study the political campaign process. After having experienced the TV ads in e.g. New Jersey he felt very good about the Danish ban on political ads on TV: "But I see a growing globalization of the American way of doing political campaigns. For instance, it was a conservative American political consultant who ran Prime Minister Netanyahu's campaign in Israel, and eventually I think we will see some American trends in political campaigning in Denmark as well. Uffe Elleman Jensen and his party, Venstre, has already learned a few tricks from the Americans", he says.

Denmark Special

"Denmark Special 2" with its spectacular photographs and informative text - in four languages - is a must for corporations or individuals with vested interests in Denmark. The book, published by World Pictures in Copenhagen, can be yours by faxing or mailing the enclosed order form to the publishers.

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Key indicators for the Danish economy

	1993	1994	1995	1996 ¹	1997 ¹
Production, consumption and general government budgets					
GDP (billion DKK)	874.9	928.6	970.8	1,009.3	1,060.7
GDP (real growth, percent)	1.5	4.4	2.8	2.0	3.1
Private consumption (real growth, percent)	2.4	6.6	2.3	2.3	2.8
Tax incidence total (in percent of GDP)	50.5	49.8	49.8	50.2	49.5
General government budget balances (billion DKK)	-34.0	-32.1	-15.9	-14.9	-3.5
General government budget balances (in percent of GDP)	-3.9	-3.5	-1.6	-1.5	-0.3
Foreign trade and debt					
Import (real growth, percent)	-3.9	12.3	8.2	1.0	3.5
Export (real growth, percent)	-1.6	7.9	3.7	3.1	3.9
Merchandise and service balance (billion DKK)	65.9	58.7	41.6	45.7	47.7
Balance of payments current account (billion DKK)	30.3	18.9	8.3	10.3	10.8
Balance of payments (in percent of GDP)	3.5	2.0	0.9	1.0	1.0
Net foreign debt (billion DKK)	291	259	266	251	239
Net foreign debt (in percent of GDP)	33.3	27.9	27.4	24.9	22.5
Net interest on foreign debt (billion DKK)	-35.6	-39.9	-33.2	-35.4	-36.9
Prices, wages, employment, and interest rate					
Inflation (percent)	1.2	2.0	2.1	2.1	2.3
Hourly wage earnings growth (percent)	2.4	4.2	3.7	4.0	4.0
Employment (in 1,000's)	2,486	2,471	2,512	2,539	2,570
Unemployment (1,000's)	349	343	288	248	235
Interest level (average bond yield in percent)	8.8	8.4	8.3	7.4	7.6

Source: Ministry of Economic Affairs, October 1996.
Key: 1. Forecast.