

# DACC NEWS BULLETIN

DACC NO. 4

DECEMBER 1998

## Dear Members:

1998 in economic terms has been a bit of a roller coaster, but in general a good year for many in both the United States and Denmark. We thus have a few good years behind us, and let us hope, some good years ahead.

We speak of the last four or five years as a period of prosperity, obviously neglecting the fact that this period has been far from prosperous for all.

Moreover, in the old days, a "period of prosperity" was measured in decades and not just a few short years. It shows how things accelerate and how our definitions change. Perhaps it also shows that our expectations have diminished, and that in these uncertain times we just ask for one good year at a time.

For all we know, there may indeed be rocky times ahead, but while it is impossible to predict the economy, the calendar is another matter. In a few days, as another year winds down, we will go careening into the Holiday Season. Our immediate future therefore looks very bright as we celebrate this time of good will with family and friends. Let us hope that much of that brightness will spill over into the New Year and far, far into the future.

The Danish American Chamber of Commerce wishes everyone a great Holiday Season, and a happy, prosperous and healthy 1999.

**GOD JUL OG GODT NYTÅR!**

## Trade Mission to Copenhagen

Earlier this year the Chamber, together with the City Council of the City of New York, a number of Danish organizations including Copenhagen Capacity, the Danish Chamber of Commerce of Copenhagen, Invest in Denmark and Ørestad, set about organizing a Trade Mission to Copenhagen in September. Among the target groups were U.S. pharmaceutical and information technology firms.

Unfortunately, although we received a nice response to our mailings, not enough companies were able to participate during the particular period we had scheduled and the Mission, in terms of a group, had to be postponed for the time being. However, individual schedules were arranged for those who were able to go.

One participant was a television program series "The International Investor", which airs on cable TV in Chicago, San Francisco, Los Angeles, Houston and in and around Washington DC. In New York the program airs on Channel 16.

The show's producer, Mr. Robert Sherretta, believes that Denmark has been overlooked too often as a place for investment. He is now preparing two hours of programs on investing in Denmark. The first program will air in New York in January or February. We will advise our members of the exact time.

Mr. Sherretta is now working with Copenhagen Capacity on another project.  
PHJ

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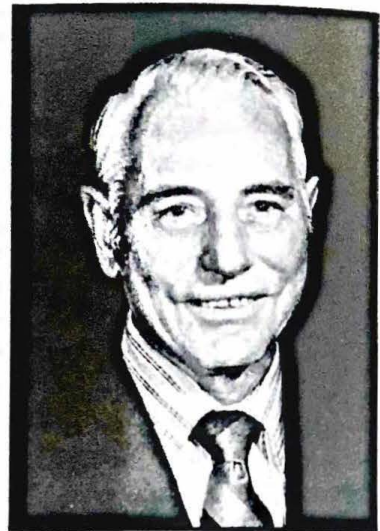
# DANISH AMERICAN CHAMBER OF COMMERCE

**Please note that the DACC office will be closed from December 21 to January 4.**

### **Reception**

The Manhattan Chamber of Commerce and the National Association of Export Companies would like to invite DACC members to a **GALA INTERNATIONAL NETWORKING RECEPTION** on January 19, 1999.

The reception will be held at Hotel Intercontinental on 48<sup>th</sup> Street and Lexington Avenue from 5:30-8:00 pm. For further information please contact Nancy Ploeger, Executive Director of the MC of C, at 212-410-1071.



### **Ejvind Frandsen**

The Chambers oldest member, Ejvind Frandsen, passed away on November 20, 1998. Mr. Frandsen worked as Treasurer and Personnel Director for the New York office of MAERSK, Inc. formerly Moller Steamship of Denmark. He started out assisting Mr. Moller in setting up a New York office during World War II. When Mr. Frandsen retired from MAERSK, Inc., he managed the company's office in Bermuda for several years. Mr. Frandsen is survived by his wife Mrs. Birgitta (Bitten) Frandsen.

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## Central Banker Speaks at DACC Luncheon

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On October 8<sup>th</sup> Jens Thomsen, Governor at Danmark's Nationalbank, made a presentation at the DACC luncheon at New York Athletic Club. Governor Thomsen was on his way back to Copenhagen after attending the IMF meetings in Washington, and his subject was the Danish monetary policy in view of Denmark not being a member of the EMU when it will be introduced this January 1<sup>st</sup>.

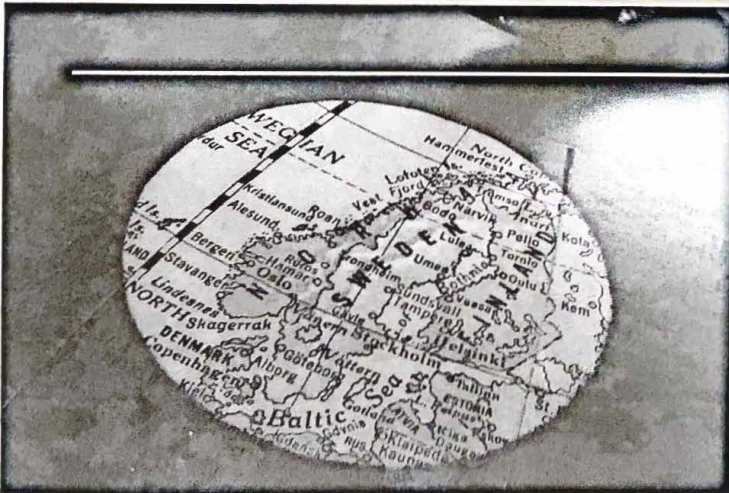
Governor Thomsen brought fresh impressions from the meetings in Washington which he said were dominated by "Mr. Gloom and Mr. Doom". The volatile financial markets in September had clearly brought concern to the central bankers, who were all very worried about the developments in the Far East and Russia. The devaluation of the Russian Ruble and the problems within some hedge funds in the US markedly affected their view on the future.

Regarding Danish monetary policy, Mr. Thomsen reiterated the stated policy that it would be in Denmark's interest to pursue a policy in which the new EURO should be followed as closely as possible. Certainly, Danish interest rates will be slightly higher than EURO rates, but if the prescribed policy is followed the difference should only be marginal.

There were many questions following Governor Thomsen's lively presentation which showed a great deal of the Danish sense of humor.

A welcome bar at the luncheon was sponsored by Unibank, New York Branch, and DACC hopes that other Danish companies in the US will follow this initiative.

Peter Caroe



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### **Ambassador Swett has a Plan**

The new US Ambassador to Denmark, Richard N. Swett, sees ample opportunities to increase trade between Denmark and the United States and he is preparing a substantial action plan to achieve that goal. The plan will be ready and presented to the public early next year, and it will be based on wishes and ideas from business people and politicians that Richard Swett has consulted with during his first hectic months in Denmark. Richard Swett notes that the trade between the US and Denmark is only \$4,5 billion, whereas the US trade with Ireland is \$8 billion even though Ireland's population is smaller and the living standard lower than Denmark's. His goal is to increase trade in both directions across the Atlantic and also to encourage more American companies to establish a presence in Denmark – joining the approximately 225 US companies located there now. He sees Denmark's position as a gateway to the Baltic countries as a big selling point, and also feels that the two new Danish bridges will strengthen US business interest in the country. As for the Danish companies, Ambassador Swett points out that they need to be aggressive in order to enter the US market. They need to show that they are decisive and unafraid. Then, he says, the US market is not difficult to get into for companies with a good product.

VH

### **Copenhagen-Stockholm Launching Virtual Stock Exchange**

By the summer of 1999, Copenhagen and Stockholm will combine their trading of stocks into a single electronic stock exchange, capable of exhibiting information and accepting buy and sell orders via computer, for stocks listed in Sweden or Denmark. According to our recent conversation in Copenhagen with Hans Ole Jochumsen, Adm. Director, President and CEO of the Copenhagen Stock Exchange, this "virtual stock exchange" will represent a first phase of stock market consolidation and transparency that will soon be sweeping the continent of Europe. "In stocks, bonds and

derivatives, we will soon see more and more exchanges merging", says Jochumsen. The virtual success of this marriage of two stock exchanges will set the stage for a "Nordic" platform, which would eventually include Finland, Norway and Iceland into one big, combined, "Nordic central exchange", says Jochumsen.

This "virtual exchange" is also significant in another respect. It will offer investors the option of placing their orders on the internet. This will open up stock investing in particular to a much larger audience of small, private investors, as opposed to just institutions or very wealthy individuals, suggests Jochumsen. Jochumsen reports that his exchange is already talking to INSTINET and E-TRADE, the internet trading company based in the United States. It follows then that we may soon see stocks now listed on the Copenhagen-Stockholm Exchange posted "for sale" directly on computer screens of internet traders in the U.S. The end result, says Jochumsen, will be far greater awareness of Danish and Nordic securities in the U.S., and a much more diverse and international shareholder base for Danish companies.

Rober Sherretta

International Investor, L.C. Washington DC

### **Lundbeck a Hit in the US Market**

Danish pharmaceutical giant Lundbeck has enjoyed a tremendous success in the US market with its Prozac-type drug Cipramil/Celexa. Data from early November showed a weekly increase in sales of about 24 pct. The Danish designer drug which is being marketed in the US by Forest Laboratories, had achieved a market share of 2.1 pct. after a month and a half. Two pct. equals annual revenues of approx. DKK 700 mio. Forest Laboratories have indicated that they expect sales of \$1 bio. within the first year. Those expectations supercedes those of most analysts. Lundbeck is preparing an IPO in the first half of 1999 so the company's performance in the US is being followed intensely.

VH

**Welcome to New Members:**

Ms. Vibeke Sansone  
N.Y. City Marriott Hotel's Int. Sales Office  
1535 Broadway  
New York, NY 10036  
Tel: 212-704-8946

Mr. Thomas Horsman  
Donaldson, Lufkin & Jenrette  
277 Park Avenue  
New York, NY 10172  
Tel: 212-892-6808

Mr. Guy Edison Maitland  
International Registries Inc.  
12 East 49<sup>th</sup> Street, Ste. 1200  
New York, NY 10017-1028  
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**Position at Chamber Secretariat**

Executive Director needed to manage the  
Secretariat of the Danish American Chamber of  
Commerce (DACC) and the Danish American  
Society (DAS). Must be fluent in Danish and  
English, basic computer skills (Word for  
Windows), light bookkeeping, organizational  
support of DACC/DAS events. /// 20 hours per  
week (4 hours per weekday). Please send  
resumes to the Danish American Chamber of  
Commerce, One Dag Hammarskjold Plaza, 885  
Second Avenue, 2<sup>nd</sup> floor, New York, NY  
10017-2201.

**Hold the Date**

On May 27, 1999, the US Ambassador to  
Denmark, Mr. Richard Swett, will speak at the  
Danish American Chamber of Commerce.  
Further details will follow.

**Danish American Society's 40<sup>th</sup>  
Anniversary Celebration**

On May 7<sup>th</sup>, the Society is going to celebrate its  
big round anniversary in style and is aiming to  
stage a festive party on board the "Princess", a  
chartered yacht, which will cruise down the  
Hudson River, sail past the Downtown skyline  
and out into New York harbor around the Statue  
of Liberty and Ellis Island. The cruise will take  
4½ hours, while the guests enjoy a delicious  
dinner and dance to the music of Broadway's  
Bob Zottola, a favorite at recent Danish  
American gala events.

The Society traditionally honors a man or  
woman of the year at its annual gala, to  
recognize a person who has done great things in  
relation to the United States and Denmark, "but  
this year we are going to celebrate ourselves, and  
the wonderful city in and around which we live,  
work and play," explained Flemming Heilmann.  
He hopes to see the younger generations of the  
Danish American community well represented,  
and perhaps some of the past leaders of the  
Danish American Society at the party.  
Invitations will be sent out early April, if you  
have any questions regarding this event please  
call our secretariat at 212-980-6240.

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### **Employers Must Be Aware of US Laws Prohibiting Sexual Harassment**

In the United States there are various anti-discrimination statutes which have greatly increased the rights of employees to a work place free from discrimination. Sexual harassment has been recognized as a form of sexual discrimination which is prescribed by Title VII of the Civil Rights Act, as well as most state anti-discrimination laws. The law protects employees from "unwelcome sexual conduct". Companies must take sexual harassment claims very seriously or else they will pay the price. Damage awards against companies in the millions of dollars have been awarded to victims of sexual harassment.

Employers confronted with these claims need to be prepared. The US Supreme Court's recent rulings on employer liability for supervisors' sexual misconduct is a wake-up call to employers who do not have a policy against sexual harassment. The rulings that employers can be held responsible to a manager's or supervisor's sexual harassment, even if they knew nothing about the harassment, have many employers worried. However, employers can defend against such claims. Employers can minimize legal exposure on hostile environment claims if they have sexual harassment policies in place and if they strictly and consistently enforce those policies. In addition, it is critical for employers to make all employees at all levels aware of their rights under those policies and to encourage them to report any infraction so that management can immediately address any areas of concern. If you should need assistance in formulating a policy, educating your employees about the law of sexual harassment or defending against sexual harassment complaints, call Mary Lynn Nicholas, Esq. of Haight Gardner Holland & Knight, a law office of Holland & Knight LLP, at (212) 513-3416.

### **Women's World Cup Soccer**

On Saturday June 19<sup>th</sup> at Giants Stadium, East Rutherford, New Jersey, the 1999 Women's World Cup Soccer Tournament will kick off with Denmark - USA.

To support the Danish national team and to join in the festivities, tickets are available for the opening ceremonies and also for the Brazil/Mexico game.

Please call Fiona Goven of Shipco Transport Inc., tel: 201-459-4414 for all inclusive tickets at only \$30 each.

Press release

### **Skagen - An American Success Story**

About 10 years ago, the Jorsts decided to leave their native Denmark to pursue their dreams in the United States. In 1990, they started their own company in their apartment and began selling and distributing Danish-designed watches on the streets of New York. It proved too costly to sell imported watches and together with friends in Denmark they started designing and selling their own watches. They named the company "Skagen" after a fishing village in the northern part of Denmark.

After much legwork they finally got their big break when Charlotte Jorst met an executive from the Sharper Image during a meeting with a department store. The encounter resulted in Skagen watches being featured in The Sharper Image's 1992 Father's Day catalogue.

The Jorsts now operate the Reno-based Skagen Design, Ltd., listed by Inc. magazine in 1998 as the 243rd fastest growing company in the country. Between 1993 and 1997 the company's annual revenues grew from \$1.3 million to \$16.4 million.

Skagen is mostly known for its watches but recently added pens, sunglasses, clocks and jewelry to its line of products.

Skagen just recently started selling and distributing their products in Denmark and Europe.

If you would like to join the "Skagen" family, please see our ad on page 2.

BM

### **Danes Worldwide Program Energized**

Committed to keeping its members living abroad in touch with the home country, Danes Worldwide has updated its programs.

Noteworthy innovations include: -The Danish Summer School, held for three weeks in July for youngsters ages 9-18, teaching Danish culture and language has for the first time offered a scholarship to this year's session. -Danish industry members living abroad and planning repatriation can get answers to their questions re taxation, medicare, schooling etc. through a new book "Returning to Denmark". -Danmark's Posten, issued 10 times a year, written in Danish, provides members with information on key and minor issues of interest..

You can get further information by contacting Flemming Heilmann, the representative in the Greater New York area, tel: 203-622-5086.

EN

### Deadline for Metric Labels Only Extended

A proposal by the European Commission to extend its December 31, 1999, deadline for compliance with metric labeling to the end of 2009 would serve as a reprieve for US industry. Such an exemption, allowing continued pounds and inches labels on US goods sold in the EU, would save US firms additional costs. Perhaps by that time the US can join the rest of the world in establishing a universal metric system.  
EN

### The New European Currency and the Danish Krone

On the first working day of 1999, January 4<sup>th</sup>, the EURO saw the day of light. The birth of the new currency did not create any tremors around the World as it had been planned well for in advance.

The new currency will be second largest in the World in most measures and will over time most likely challenge the USD as the leading currency in the world. In Europe most multinationals are now exchanging their national currencies into EURO and even companies in countries outside the EURO area are planning to submit their annual accounts in EURO. The Danish stock exchange is presently considering allowing As one of the "out" countries within the EU in this respect, Denmark has announced that the Danish Krone will follow the EURO very closely. The Central Bank has reached an agreement with the European Central Bank (ECB) that if the exchange rate between the EURO and the DKK fluctuates more than 2.25% from an agreed exchange rate, the ECB will support the DKK. However, it must be anticipated that the Danish Central Bank will defend any attacks on the Krone with raising interest rates sharply before asking the ECB for assistance. Hence, interest rates could fluctuate severely in the near future. Danish industry, the Government, most of the opposition and the Central Bank had rather seen Denmark inside the EURO than outside. However, it will take a new

listed companies to submit their accounts in EURO.

referendum to reach this goal. Recent polls in Denmark indicate that there is a strong shift from a "no" to a "yes" in the Danish population, but with the Government experiencing very poor support from voters it is uncertain when such a referendum may be called.

PC, Unibank

### Novo-Nordisk A/S

Insulin producer Eli Lilly has launched its own insulin pen for easy injection which is in direct competition with the pen Novo-Nordisk A/S has been marketing for years. Lilly already controls 80 per cent of the insulin market, and the company's new pen will hardly make life easier for Novo.

EK

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### **Lego Triumphs in the US**

While the Lego Group came out of 1998 with a net loss for the first time in its history after a revenue growth of merely 5 pct., the US subsidiary did exceedingly well. Revenues accelerated 20 pct. and Peter Eio, President of Lego Systems Inc., expects similar double-digit growth this year. Notably, the rest of the toy industry had a difficult year and Lego Systems Inc. expanded its market share for the fifth year running.

Peter Eio credits a slew of good products with the progress. Not least the high/tech MindStorms robots, a series of interactive toys that has turned out to be as popular with adults as with children. Measured in dollars, the MindStorms robots with their microprocessors, pc-links and programming possibilities were the best selling Lego product ever in the US. "We're ahead of the curve when it comes to the new interactive toys", says Peter Eio.

This year Lego is eagerly awaiting George Lucas' new Star Wars movie, due to be released

in the US at the end of May. Lego has one of two big licensing agreements with Lucasfilm, and the Star Wars theme is the biggest Lego has ever had. On top of that, Lego – never before a company for licensing – has entered into a similar agreement with Disney on a Winnie the Pooh theme. Furthermore, a substantial joint promotion deal with McDonald's in the fall is expected to help sales figures catapult to new highs. As part of it 50-60 mio. toy samples will be distributed to children eating Happy Meals at the McDonald's hamburger restaurants in November.

On the retail side Peter Eio has great expectations for electronic commerce. Lego has teamed up with E-toys, an online toystore molded after the bookstore Amazon.com. The internet will really affect how toys are sold, and the growth rates in e-commerce will be far greater than in the traditional retail channels, says the Lego President.

VH



### **Kjeld Møllgaard Speaks at the DACC**

Concurrently with the building of the bridge on the Sound between Denmark and Sweden, new educational links are being forged between the educational systems of the two countries.

On February 16, Kjeld Møllgaard, Chancellor of the University of Copenhagen and Chairman of the new University of Øresund, addressed the DACC at the Harvard Club. Chancellor Møllgaard advised the members of the creation of the new University, which is an ambitious project to build one of the largest regional learning centers in Europe.

This new University complex consists of 11 Danish and Swedish institutions of higher learning located around the Sound, among them the Universities of Copenhagen, Roskilde and Lund. These institutions are moving rapidly toward integrating their curricula. Already, the Swedish and Danish veterinarian and agricultural schools have created a joint decree.

The new University will cooperate closely with commercial and governmental organizations in basic research and development, especially in the

biotech and information technology sectors. Further information on Øresund University can be obtained through the DACC Secretariat.

### **Litigation Against the Martin Group**

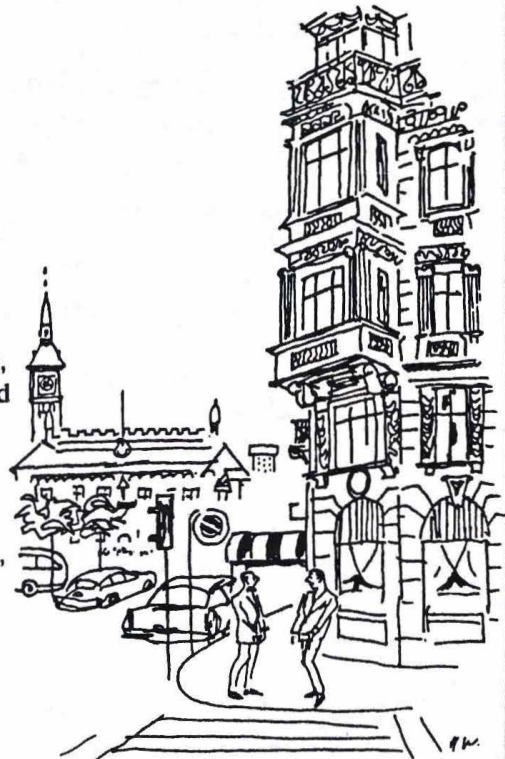
The Martin Group has been sued by an American competitor, Vari-Lite, for breach of Vari-Lite's intellectual property rights. The Martin Group disputes the validity of Vari-Lite's patents. But Vari-Lite has just settled a similar case against another US company, High End Systems, which ended up with High End Systems' paying a sum of money to Vari-Lite for the very same offense plus a cross-licensing agreement and other elements. The fact that another company has acknowledged these patents is an important part of Vari-Lite's argument, says the company's attorney. The Martin Group, which makes intelligent lighting systems for the entertainment industry, was plagued by scandal all through 1997, involving the take-over of its US distributor and accusations of artificially inflated financial statements. Its controversial founder and then CEO, Peter Johansen, has since left the company.

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## Danish Cultural Activities

1999

March 26 - May 25 Danish artist OLE HAMANN shows his latest paintings from Denmark at an exhibition at the ROYAL DANISH CONSULATE GENERAL, 885 Second Avenue, 18th floor, NYC. (212) 223-4545.

April 8  
1:00 pm NEW YORK SCANDIA SYMPHONY with Danish conductor DORRIT MATSON presents music by HARTMANN, Halvorsen and GADE in a noonday concert at TRINITY CHURCH, Broadway and Wall Street, NYC. (212) 602-0747.

April 8  
7:30 pm Danish composer and saxophonist RENÉ MOGENSEN presents a concert of new works balancing chamber music, jazz and electro-acoustic music at DCA GALLERY, 525 West 22nd Street, NYC. (212) 255-5511. *There will be a reception immediately following the concert.*

April 14  
7:30 pm The Danish choir TRITONUS will be performing Duke Ellington's "Sacred Concert" with guest soloist American soprano Lenora Helm at SAINT PETER'S CHURCH, 619 Lexington Avenue, (at 54th Street), NYC. (212) 935-2200.

April 15  
5:30 - 7:30 pm DANISH AMERICAN SOCIETY celebrates the QUEENS BIRTHDAY with a reception at the offices of the ROYAL DANISH CONSULATE GENERAL, 885 Second Avenue 18th floor, NYC. *For information please call (212) 980-6240.*

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