

EAC MAGAZINE

2/JULY 1988



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EAC has activities throughout the world. The foundations of the Group's growth were laid more than a century ago, when Capt. H.N. Andersen settled in Bangkok, the capital of Thailand. The EAC that operates in the region today has developed beyond comparison from the days of Capt. Andersen. But strong links have been maintained with Thailand. The theme of this issue is EAC in Thailand-Indochina-Burma. Pages 6-13.

104 years of steady development in Thailand

More than 100 years ago EAC's founder, Capt. H.N. Andersen, manifested his interest in South-east Asia when he and a colleague founded Andersen & Co. in Thailand. He was the epitome of EAC's and the Danish business community's interest in the region. In the eyes of his fellow Danes, Capt. Andersen was a pioneer of international trade, and his company was one of the first foreign enterprises to set up business in Thailand.

SALES EXCEED 2,000M BAHT

EAC has now been in Thailand for 104 years and—like the country itself—has developed immensely since that early start in 1884. The East Asiatic Company (Thailand) Limited is now one of the largest enterprises in Thailand, with annual sales in excess of Baht 2,000m and a staff of 1,300 people. Its activities are handled by six divisions: chemicals (two divisions), consumer products, graphics, technical and transport. EAC(T) went public in 1983 and is now one of the biggest-selling shares on Bangkok Stock Exchange. Share capital was doubled last year to Baht 600m. Indeed 1987 was the best year in the company's history.

SUBSTANTIAL INVESTMENTS

There is thus every reason for highlighting Thailand, Indochina and Burma in this issue of EAC Magazine. The region is one of EAC's growth areas—as can be seen from the substantial investments already implemented and planned.

Thailand has a stable economy and government, and the GNP is expected to grow by 5-6% p.a. This is a process to which EAC(T), having been on the scene for more than a century and with acknowledged expertise in the area, can be said to have made a contribution.

MANY OTHER SUBJECTS

In addition to its focus on this area of EAC activities, EAC Magazine takes a look at a special event in China, where EACgraphics has been successfully participating in a graphic-arts exhibition in Beijing. No fewer than 150,000 people attended the fair, at which EAC was the largest exhibitor. Another interesting growth area for EAC is the European Community and its single market, which EAC will observe via an addition to its corporate organisation. EAC Magazine looks at these and many other subjects.



The mythical bird, Garuda, is the emblem of the Thai royal family.

The Thai monarch permits certain enterprises to use the bird in their marketing.

But it is an essential condition that such an enterprise is dependable and socially responsible.

EAC is proud and honoured to be one of the few privileged companies permitted to display the Garuda



On August 12 it will be 100 years exactly since the birth of an important EAC personality: HRH Prince Axel of Denmark.

The prince was associated with EAC for many years.

At the age of 10 he had already secured himself a place in the Company's history, accompanying his parents, Prince Valdemar and Princess Marie, on a visit to the first EAC ship built in Denmark: the ss ANNAM, launched in 1898 by the Burmeister & Wain Shipyard, Copenhagen and named by Princess Marie.

CAREER WITH EAC

Prince Axel received a naval officer's training, and in 1921 he joined The East Asiatic Company as captain of the ms ASIA of which he was master for more than a year.

The prince was appointed to an executive position in what was then the shipping department, and was appointed managing director in 1934. He was elected to EAC's Supervisory Board in 1927.

In 1930 he and Crown Prince (later King) Frederik and Prince Knud, made a voyage to the Far East aboard the ms FIONIA.

PRESIDING MANAGING DIRECTOR

On the death of H.N. Andersen, EAC's founder, in 1937, Prince Axel took over the helm of the international company that had been 40 years in the making. The prince was presiding managing director of EAC from 1938 until 1953 and chairman of the Supervisory Board from 1938 until his death in 1964.

A DIFFICULT PERIOD

The five war years 1939-45 were a difficult period. Prince Axel and EAC were at no time

Prince Axel: a centenary story

in doubt that their sympathies lay with the Allied cause. EAC operations continued overseas beyond the control of Head Office, and many of the company's ships served the Allies.

On December 19, 1944, EAC's headquarters in Holbergsgade was destroyed by a German retaliation group (the present building was built as an exact copy – but one storey higher – after the war). On conclusion of hostilities, interrogation of German sympathisers revealed that Prince Axel's name had been on a list of Danes whom it was planned to assassinate. The end of the war foiled the plan.

RECONSTRUCTION

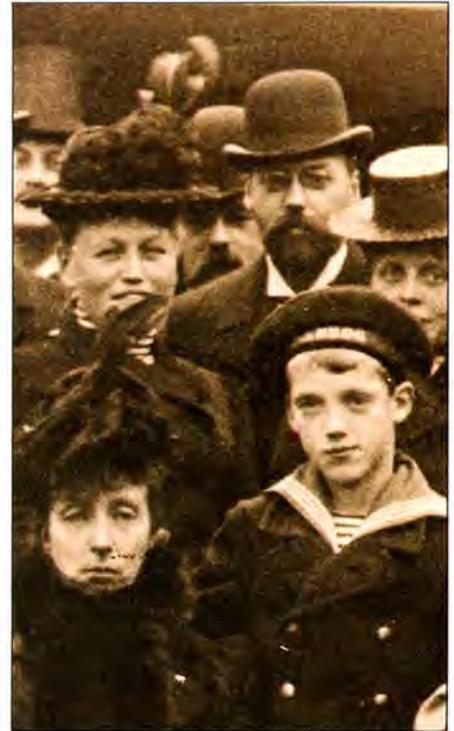
Reassembling EAC's many activities after the war was an immense job of reconstruction: some had lain dormant, others had been destroyed, while others had been highly active.

Prince Axel plunged energetically into this work. With other members of management he made lengthy trips abroad to all the many destinations in which EAC had business interests.

He also played a valuable role – not only for EAC but for the Danish merchant fleet as a whole – as chairman of the delegation which journeyed to London to negotiate compensation for loss of shipping and for the use of Danish ships during the war.

In addition to his great work for EAC, Prince Axel was able to apply energy to other in-

terests, too. He was one of the first Danes to obtain a pilot's licence, and as a result of his interest in flying he was for many years a director of the Danish national airline (DDL) and of SAS.



Prince Axel, aged 10, in a sailor's suit stands next to his mother, Princess Marie, aboard the ss ANNAM in 1898. The bowler-clad gentleman is his father, Prince Valdemar



The royal train driver

A special ceremony took place at Waterloo Station, London, on May 5, 1949. British Railways named one of its locomotives the EAST ASIATIC COMPANY in recognition of the help EAC ships had given Britain during the Second World War.

Prince Axel was invited to perform the naming ceremony – and took the opportunity to try his hand as a train driver!

SPOT

EAC was one of the sponsors on May 7 when The Royal Theatre, Copenhagen, hosted the Hans Christian Andersen Ballet Award 1988 – HM Queen Margrethe II was the patron of the event.

EAC sponsors ballet award

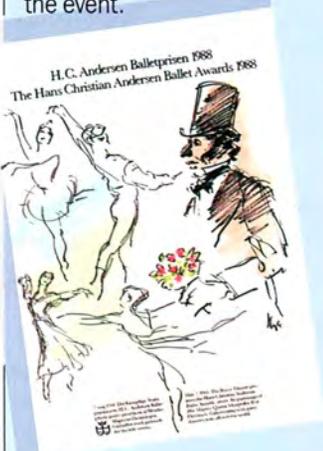


Before presentation of the awards Walter Cronkite was guest at a lunch at EAC Head Office – a two-minute stroll from the Royal Theatre. Other guests included representatives of the US Embassy, the Foreign Ministry and the Ministry of Cultural Affairs. Pictured after the lunch, left to right: F. Hasle, EAC; Walter Cronkite; H.H. Sparsø, EAC; Henrik Bering Lüsberg, The Royal Theatre; John Arthur Hansen, EAC

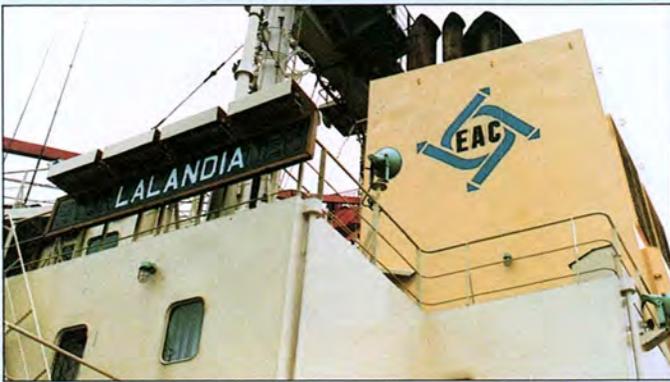
The award is international and is given for the best ballet performances during the preceding ballet season. An award is made to a female dancer, male dancer, choreographer and person who has made a noteworthy effort on behalf of ballet.

EAC became involved in the project because the Group wishes to be viewed on a par with The Royal Theatre, as the theatre represents the same quality values as EAC stands for.

The event was broadcast via satellite to many parts of the world – particularly the United States. One of the world's best-known TV journalists, Walter Cronkite, acted as host for the viewers.



EAC was responsible for printing the programme for the Royal Theatre gala evening



New symbol for transport activities

This spring all EAC transport activities were combined into a single corporate unit, creating the need for a new symbol representing the nature of the EAC Transport Division. The symbol reflects such concepts as global transport,

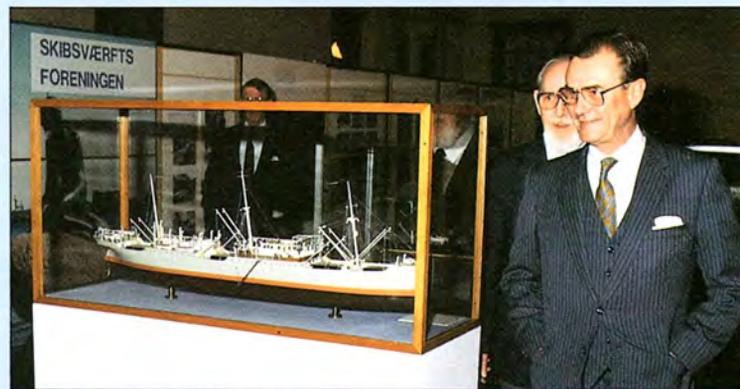
dynamic and expansive management, total transport service from shipper to consignee, a positive image, and continuity.

The symbol will be seen everywhere – including on the sides of ships' funnels. The first vessel to bear the new symbol was the ms LALANDIA, which EAC has on a long charter from EAC Trans Pacific Service.

Prince Henrik sees SELANDIA at exhibition

HRH Prince Henrik of Denmark officially opened an exhibition at Copenhagen Town Hall to

mark the 75th anniversary of the founding of the Danish Marine Association.



EAC exhibited models of the three SELANDIAS. In one photo Prince Henrik is seen admiring one of the three models, accompanied by a representative of the Association. In the other

photo Flemming Lerche of the firm of Andersen & Meyer gives the SELANDIA models a final polish before they go on display.

An original gift



First aid for damaged books

Old books and historical documents at the Royal Library, Copenhagen, are in danger of disintegrating from dust, light,

damp and — a major problem these days — increased acidification in the atmosphere. Fibertex ApS, the EAC subsidiary in Aalborg, is helping to cope with the problem: the damaged document is placed between two thin sheets of Fibertex and submersed in a bath of special cleansing fluid. As the Fibertex distributes the moisture tension evenly all over the document, the paper structure is preserved without distorting the document. Fibertex uses only a very small portion, however, of its 70 million m² annual production of non-woven textiles for book preservation. The bulk is used in furniture, civil-engineering projects and other fields. Picture: Per M. Laursen, book restorer at the Royal Library, places an old page between two sheets of Fibertex.



EAC Transport Agencies' largest customer in the Canary Islands, Rodrigonsa, recently celebrated an anniversary and the opening of new offices. To mark the occasion a group of Danish exporters — Alfa-Solo, Jaka, Appella, Jutland Meat Trading, Konserverfabriken Nyborg, Vendelbo Konserver, Østjyske Slagterier, Dansk Bisquit Compagni, Defno-Food and Bornholms

Konserverfabrik — plus EAC Transport Agencies had created an original gift, which was immediately given a place of honour in Rodrigonsa's new reception area. The gift was a large map of Denmark and a map of the Canary Islands — with connecting strings illustrating the links between the Danish exporters and Rodrigonsa as well as the latter's local sales agent, Alfina Iberica SL.



Plumrose expands in Booneville

Plumrose USA has inaugurated an extension to its factory in Booneville which will allow it to more than double its production. A large team of new employees has been trained in the finer arts of dressing hams by two instructors from the School of Meat Technology, Roskilde. Pictured during the ribbon-cutting ceremony at the official opening of the new plant extension (l. to r.): Jan H. Laursen,

EAC Plumrose Division, Copenhagen; Torben Rasmussen, temporarily assigned to Plumrose USA; Hans Peetz-Larsen, EAC USA Inc.; Philip Hodgson, Plumrose USA; Bill Eaton, Booneville factory; Carsten Dencker Nielsen, EAC Consumer Products Division, Copenhagen; J.P. Davies of Booneville municipal authorities, Prentiss County; Erik Bisgaard Christiansen, Booneville factory; Mayor Newlyn Murphy, Booneville; Ole Nielsen, Plumrose USA; and Jørgen Frederiksen, Plumrose USA.

EAC acquires transport company

Erik Bøgh Christensen, branch manager, EAC (Hong Kong) Ltd., held a press conference recently to announce that EAC had acquired Santa Fe Transport International Ltd. for the sum of HKD 45m. Santa Fe was established in 1980 by an American, Dan Randall, and has specialised in international

removals to and from China as well as forwarding, freight distribution, LCL containers and tour arrangements. Mr. Randall continues as managing director of Santa Fe. Picture: Mr. Bøgh Christensen answers journalists' questions on the new acquisition.



It began in Thailand



The Bangkok office under construction. In the foreground, the original Andersen & Co. building

European traders came to Thailand (Siam) in the early 1600s. Danes were among the first arrivals. The Danish Asiatic Company dispatched its first ship, the ØRESUND, to the Orient in August 1618, and after visiting ports in Ceylon and India the vessel arrived in Thailand in 1620. The Danish master of the ØRESUND, Capt. Roland Crappe, was cordially received, and in an exchange of letters he was granted permission – on the authority of King Phra Song Tham in Auydhya – to call at the port of Danavasri to carry on trade.

In correspondence with the authorities Capt. Crappe was assured 'that in future close relations will be maintained between Denmark and Siam, and Danish traders will be at liberty to sell and purchase as they wish'.

CAPTAIN H.N. ANDERSEN

Two and a half centuries after this first meeting between Denmark and Thailand, another Danish mariner – H.N. Andersen – arrived in Thailand for the first time. The country and its capital, Bangkok, fascinated him, and some time after his arrival he

joined the crew of a sailing ship, the THOON KRAMOM, owned by the king of Siam.

He was promoted to captain but when the vessel was converted for training purposes and was no longer to sail as a merchantman, he decided it was time to go ashore.

ANDERSEN & CO.

Capt. Andersen settled in Bangkok, and on September 1, 1884, he and a close friend, Capt. P. Andersen (no relation), set up a business under the name Andersen & Co. The company developed, paving the way for the next major step: establishment of a Danish enterprise which could participate in international trade and marine transport on the seven seas – a philosophy similar to that behind the old Asiatic Company only in a modernised form, i.e. the joint-stock company.

EAC FORMED

In 1897 the plan was implemented. At a meeting in Copenhagen on March 20 between a group of traders and Landmandsbanken, a Danish bank, EAC was formally established. It was admitted to the Danish

Trade Register on March 27, the date now considered EAC's birthday.

BRANCH IN BANGKOK

Andersen & Co.'s buildings in Bangkok and the activities in which that enterprise was engaged became part of EAC from the outset – Bangkok became EAC's first branch. Office and warehouse were on Oriental Avenue – in a small wooden building near the River Chao Phya.





The ladies' wear department at Oriental Stores

Very soon it became evident that the old office was too small. A new building was erected alongside the old wooden one – which was then demolished.

PROMINENT BUILDING

Today, that new building is one of Bangkok's grand old structures – and is still the headquarters of EAC activities in Thailand. Activities included a sawmill, which cut teakwood brought in from the forestry concessions granted to EAC as well as timber purchased locally; there was a busy export department which sold the sawmill's production, and it was also very active in exporting rice and other produce.

RETAILING, TOO

Iron and cement for buildings, rails and oth-

er railway purposes were some of the major imports. Consumer goods were also imported. A large part of the incoming goods was resold to traders but for many years EAC had its own retail outlet, selling all kinds of consumer goods – wines and foodstuffs, nails and screws, furniture and clothing.

AN IMPORTANT PORT

EAC's basic philosophy was based on the establishment of regular shipping services between Europe and the Far East. From the outset Bangkok was an important port on this service. The ss SIAM, which inaugurated the Orient service, was the largest ship ever to have entered the port of Bangkok. The vessel's arrival aroused immense interest, and HM King Chulalongkorn paid the ship a visit.

A coastal vessel, the ss VALAYA, moored in front of the EAC office on Oriental Avenue



VIGOROUS GROWTH

Traffic to the Far East expanded so vigorously that it became necessary about 1907 to split the service in two. And Bangkok's importance was such that it became the turnaround point for one of the services.

The ms SELANDIA was built in 1912, the world's first ocean-going diesel-driven vessel, to operate on the Bangkok service – and in the 1930s EAC was well-known for its white ships which, although built as cargo vessels, also had accommodation for a large number of passengers. Such names as the ms JUTLANDIA, ms FALSTRIA and ms FIONIA are reminiscent of the Bangkok service.

LOCAL SHIPPING

There were good business opportunities in other parts of Thailand but traders needed transport to and from areas around the Bay of Siam. In 1899 the Bangkok office began local shipping services to many harbours along the bay.

In 1908, when the company operated a fleet of nine ships on this local service, its activities were transferred to a local company, Siam Steam Navigation Co., although for many years EAC continued to be responsible for its technical and commercial management.

NEW EAC – YET THE SAME EAC

The EAC branch was later transformed into a local subsidiary. Trading activities have been adjusted to suit the changing times, shipping operates in the containerisation age, and industries – frequently in conjunction with technology partners – have been set up.

The EAC we see in Thailand today differs perhaps in many ways from the old company but in one respect especially it is entirely unchanged: EAC is still a highly-esteemed enterprise in Thailand – and Thailand remains one of its principal markets. The respect and close relations are as strong as ever.

Burma trade started with rice

Rice is a vital ingredient in EAC's trading activities in the Far East. Exploring the potential for new opportunities, EAC set up a branch in Rangoon in 1930 in order to participate in the rice trade.

Other commodities soon followed — teakwood was one of the major additions to the range of products in which EAC traded. The company also began importing machinery and finished goods. The branch set up a warehouse to house 30,000 tons of export merchandise — and it served the EAC ships that regularly called at Burmese ports.

In 1938 EAC acquired a majority shareholding in The Shan States Tung Development Co. in northern Burma. This company owned 5,000 acres of tung trees and the necessary machinery for processing tung oil. The plantation was destroyed during the Second World War.

RECONSTRUCTION

The Rangoon office underwent considerable reconstruction, and by 1948 it had a Burmese manager, 10 Danes, and 160 other members of staff.

In keeping with local legislation, all EAC activities were transferred in 1960 to a Burmese company, Burma Asiatic Co. The enterprise had about 800 employees.

Although certain restrictions were imposed, sales of teakwood continued, and a representative office remained in Rangoon as sales agent for the Burmese Timber Corporation.

In the mid 1970s EAC was again able to import into Burma — machinery and graphic equipment. EAC in Bangkok helped organise the trade.

Today EAC is an active member of the Burmese business community, exporting timber, importing and participating in projects based on development aid.



The new award was presented during the strategy conference in Singapore. Knud A. Fejerskov, Copenhagen (right), hands over the porcelain falcon to Nongnuj Ansusinha, pharmaceuticals department, EAC (Thailand) Ltd. Seated: Joti Bhokavanij, EAC (Singapore) Ltd., the conference host.

Thailand wins first falcon

A falcon in royal Copenhagen porcelain represents a new award which EAC Consumer Products Division has presented for the first time this year. The award will go to the unit within the division which records the highest percentage increase in profits for the year. The award, which symbolises the falcon's vision, speed and direct route to the target, has been presented this year to the pharmaceuticals department of EAC (Thailand) Ltd.

THREE GROUP MEETINGS

The division, which is very active in the Far East, held three group meetings during the spring. The first was in Copenhagen, attended by participants from Thailand, Ma-

laysia, Singapore and Hong Kong, when the principal topic was the division's growth and visions.

At the second meeting, in Hong Kong, attention was concentrated on a variety of the division's products: wines and spirits, confectionery, petfoods, health products and products for personal care. In conjunction with this meeting the division had arranged a reception for business associates in Hong Kong.

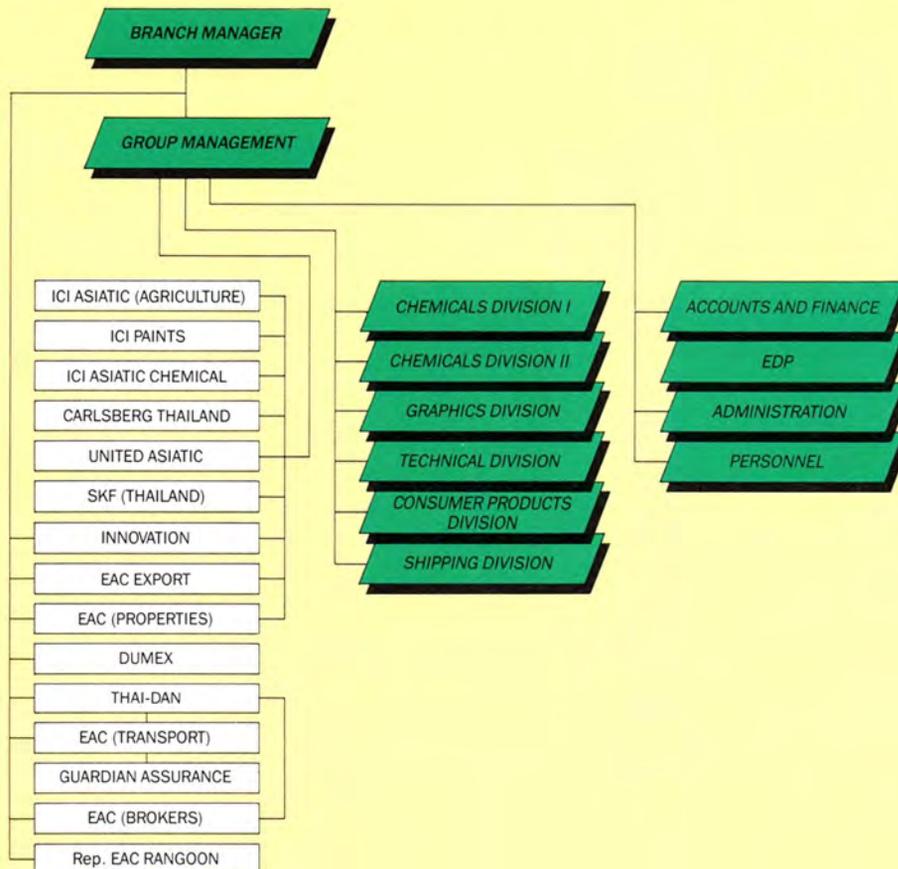
The third meeting, a strategy conference in Singapore, evaluated the division's activities in relation to such product groups as groceries, tobacco and pharmaceuticals. Guest speakers and the division's own representatives made valuable contributions on marketing, sales techniques, etc.

Teak elephant for foreign minister



During an official trip to the Far East in January the Danish foreign minister, Uffe Ellemann-Jensen, took the opportunity to call at EAC's representative office in Rangoon, Burma – where the staff presented him with a teakwood elephant as a memento of his visit. The elephant now stands contentedly in Mr. Ellemann-Jensen's office at the Foreign Ministry. Pictured with the minister: Peter Mo Kyaw (centre) and Tun Shein, Rangoon.

The corporate structure of EAC in Thailand:



Activities spread across six divisions



Most of Thailand's fishing boats are powered by Volvo Penta engines – marketed by EAC

PFO vinegar is produced in Thailand and marketed by the EAC Consumer Products Division. This particular brand of vinegar is bought by 60% of the Thai market



Heidelberg printing presses are a popular choice for Thailand's rapidly expanding printing industry

The business activities of EAC in Thailand are handled by six divisions: Chemicals I, Chemicals II, Graphics, Technical, Consumer Products and Shipping. Activities in the chemicals field are conducted in close collaboration with ICI of Britain and other leading producers. Chemicals Division I and II have both enjoyed the benefit of Thailand's economic recovery. Until January 1, 1988, chemicals had been handled by one unit: Industrial Chemical Division. The two new divisions are an indication of a higher level of activity.

The Technical Division in Thailand markets engines and motor vehicles from Western Europe as well as spare parts and measuring instruments. The bulk of the Thai fishing fleet uses Volvo Penta engines, sold by EAC in Thailand.

The Consumer Products Division is the youngest of the EAC divisions in Thailand. Set up 18 months ago, it has established a strong name for itself, marketing pharmaceuticals, confectionery, and various groceries.

With the Thai economy regaining its momentum, the country has

stepped up its export and import activities. Although competition is tough on the freight market, most of the shipping lines represented by the Shipping Division have succeeded in increasing their respective shares of the market.



In the clothing industry enzymes from the Danish company Novo change starch into glucose

EAC can handle any transport problem in Thailand



EAC in Thailand also holds shares in other trading and manufacturing companies. The most important of these include ICI Asiatic (Agriculture) Co. Ltd., EAC Properties (Thailand) Ltd., ICI Paints (Thailand) Ltd., SKF (Thailand) Ltd., United Asiatic Co. Ltd., EAC Export Corporation (Thailand) Ltd., and Carlsberg Brewery (Thailand) Ltd.

EAC had 822 employees in Thailand at December 31, 1987.

EAC hydrogen peroxide in Thailand

During the first half of 1990 production of hydrogen peroxide will start at a new factory currently under construction at Mab Tha Phud, a development area approx. 200 km south-east of Bangkok.

Production will be in the hands of Peroxythai, a company in which EAC (Thailand) Ltd. has a 15% holding. The world's leading manufacturer of hydrogen peroxide, the Belgian/British Interlox Group, owns 49% of the shares. The remaining shareholding is owned by six Thai companies and private individuals.

EAC in Thailand will store, distribute and market the hydrogen peroxide and will also be responsible for administrative services. Peroxythai reckons on an annual production of 10,000 tons, most of which will be used by the textile and paper industries.



Thai shrimps on their way to Denmark

Karen Harder, development manager (right), and Ejnar Mikkelsen, general manager, assess the quality of shrimps from a Thai shrimp farm.

Individually frozen, hand-peeled shrimps from Thailand in a variety of sizes—mini, midi and maxi—are some of the new products that Danish Freeze Drying Ltd. (DFD), the EAC subsidiary in Denmark, is starting to process. Thailand is currently expanding its shrimp industry, with supplies provided by shrimp farmers, and DFD plans to import Thai shrimps with a view to freeze-drying them—with all the advantages this entails for industry and for the private household. The benefit of freeze-drying compared with normal freezing is that thawing time is eliminated and that shelf life is extended considerably. Up to several years. And at room temperature. At the same time the shrimps retain their flavour and structure.

MUST BE SURE

Before embarking on large-scale import of shrimps from Thailand, DFD wants to be sure, however, that the raw materials are in first-rate condition when they arrive. So it becomes necessary to monitor all stages of

production in order to ensure uniform, high quality. DFD is therefore negotiating with 2-3 Thai shrimp factories which are able and prepared to produce shrimps to the high hygiene and processing standards stipulated by DFD.

PRE-SHIPMENT CONTROL

'In order to avoid unacceptable supplies, we must observe careful control procedures before the product is shipped. So we are pleased that Dumex's laboratory in Thailand has agreed to analyse the shrimps before shipment. We must be absolutely certain of our raw materials if we are to market a safe product,' says Ejnar Mikkelsen, general manager, DFD.

DFD has already received the first two containers of individually frozen shrimps from Thailand, and they have been meticulously analysed. Karen Harder, DFD's control and development manager, travels regularly to Thailand to explain in detail the Danish quality and hygiene standards, and her Thai colleague, Suppee Savaraj, Dumex, often

visits the DFD factory in Denmark to study quality standards in order that she can pass the information on and follow up at the production site.

SHRIMP BOOM IN THAILAND

The Thai shrimp industry is booming. Formerly, Thai shrimps were transported to Malaysia for processing, and it was from this country that DFD used to import shrimps. But Thailand has now developed its own modern shrimp industry and consequently has halted raw-material exports to Malaysia. DFD now buys from Thailand.

PLEASING THE CUSTOMER

By offering the market both Arctic and tropical shrimps, DFD can satisfy more than one customer requirement. Tropical shrimps grow to a catering size faster than Arctic (3-4 months as opposed to 3-4 years). This also explains why shrimp farming is not a feasible project in the Arctic.

China Print '88

寶隆洋行

EAC graphics

Sino SUCCESS...





Pictured at the happy opening ceremony (left to right): James D. Salmon, Crosfield Electronics; Bent K. Kierkegaard, EACgraphics Division, Copenhagen; Lars B. Janneryd, Crosfield Electronics; Esther Pang, EAC China Trade, Hong Kong; Claus Hofmann Frisch, Danish Embassy; Erik Bøgh Christensen, EAC (Hong Kong) Ltd.; Jacob Nielsen-Kolding, EACgraphics Beijing; Dr. Wolfgang Zimmermann, Heidelberger Druckmaschinen; Finn Nielsen, EAC China Trade, Hong Kong; Anne Kirk Christensen, EACgraphics Beijing; and Karl Zimmerlin, Müller Martini

The Chinese graphic-arts trade fair, China Print '88, ended recently in the capital, Beijing. It was a major sales success for the EACgraphics Division – and more than lived up to expectations. China Print '88 is seen as an event of paramount importance to the printing industry in China – as illustrated by the large crowds. The EACgraphics Division, working in

close collaboration with its suppliers, was by far the largest single exhibitor at the fair. The division occupied an entire hall (3,000 m²), providing an excellent setting for a presentation of the wide range of equipment that the EACgraphics Division markets in China. The exhibited machinery represented a sales value of DKK 70m and covered virtually every aspect of the graphic process – from

Balloons were released as the red ribbon was cut



There was time for a brief visit to the Great Wall

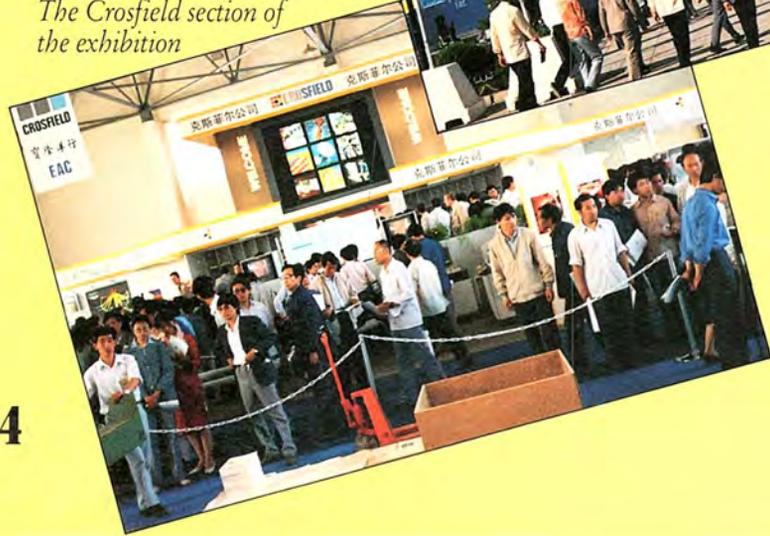


View of the exhibition area

Entrance to Hall no. 6 – whose 3,000 m² was entirely occupied by EAC



The Crosfield section of the exhibition



View from the foyer, with the display of Heidelberg presses in the foreground



R. Cro... demonstrates his...

production and printing presses
 bookbinding and other finishing.
 product capability was demon-
 strated at the exhibition: the EAC-
 graphics Division produced a
 2-page publication, with exhibi-
 tion visitors watching every stage
 of the production process.
 One of the highlights of the exhibi-
 tion for the many visitors was
 undoubtedly when a Heidelberg
 speedmaster 102V printed sheets

of an excellent replica of 100-DM
 banknotes, which were then indi-
 vidualy cut on a Polar 137-EMC-M
 guillotine – but considerably larger
 than real banknotes. When it
 became apparent that the notes
 were in great demand among the
 public, the security guards sug-
 gested that distribution should
 take place outside to avoid block-
 ing the hall completely!
 EACgraphics Beijing has received
 one telephone call asking whether
 the company is willing to exchange
 the false German banknotes for
 yuan, the Chinese currency ...



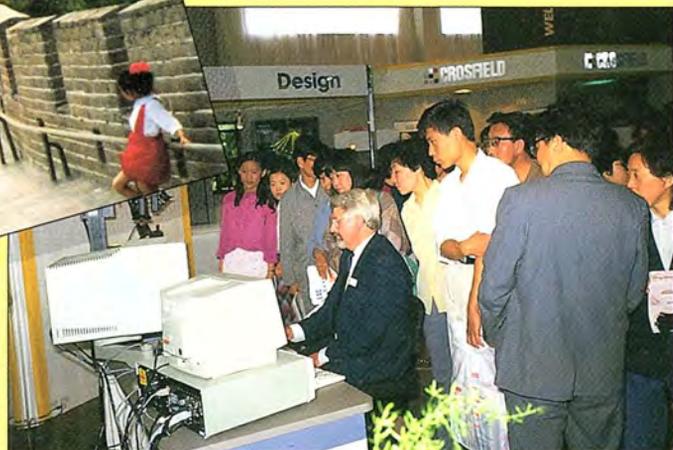
Joe Kwan,
 area sales manager,
 EAC Shanghai, delivers his
 sales pitch to a group of interested visitors



Discussion between He
 Guangyuan of the Chinese
 Ministry of Machinery and
 Electronics and Dr. Wolfgang
 Zimmermann of
 Heidelberger
 Druckmaschinen



Donald A. Fairly of
 Design System
 Company's products



Zhou Pei Yuan of China's Political Advisory Council
 was escorted round the EACgraphics exhibition by
 Erik Bogh Christensen, EAC Hong Kong



Section of Polar's
 impressive stand
 with sophisticated
 monitor-controlled
 guillotines

China Print '88

寶隆洋行

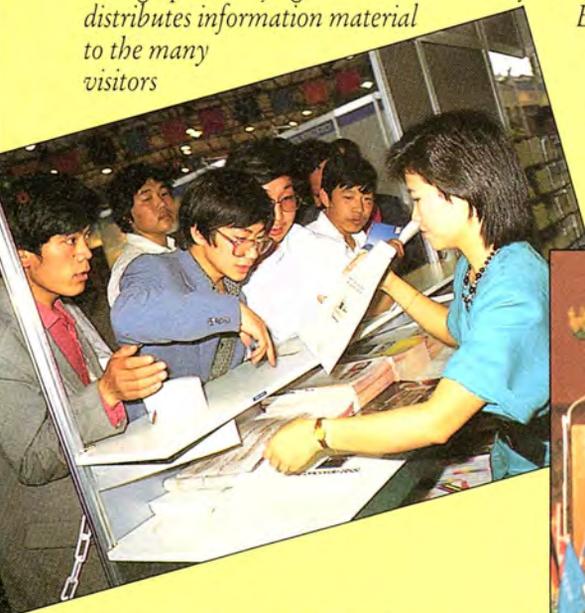
EAC graphics



Jakob Kettenmann, sales director, Heidelberg Druckmaschinen, demonstrates a CPC 3 for Danish Ambassador Arne Belling. Also in picture: Jacob Nielsen-Kolding, EACgraphics Beijing (extreme left) and Finn Nielsen, EAC China Trade Hong Kong (extreme right)

The exhibition is assessed and debated. Left to right: Jacob Nielsen-Kolding, EACgraphics Beijing; Arne Belling, Danish ambassador to China; Bent K. Kierkegaard, EACgraphics Division, Copenhagen; and James D. Salmon, Crosfield Electronics

Christina Cheng, secretary, EACgraphics Beijing, distributes information material to the many visitors



A striking 52-page Chinese-language brochure was printed during the exhibition it was 'snapped up' by enthusiastic visitors

Dr. Wolfgang Zimmermann of Heidelberg Druckmaschinen observes the Chinese tradition of raising his glass to all participants at all the tables.

Left to right: Anne Kirk Christensen, EACgraphics Beijing; Robert Shao, EACgraphics Beijing; Karl Zimmerlin, Müller Martini; Dr. Zimmermann; and Walter Oberreuter, Heidelberg Druckmaschinen



Bent K. Kierkegaard, head of division, EACgraphics Copenhagen, addresses guests at a banquet given by Heidelberg Druckmaschinen at the Great Wall Sheraton Hotel, Beijing

欢迎莅临 宝隆洋行的天地

源远流长

宝隆与中国

规模不断扩展

宝隆的营业队伍

EAC

China Print '88

宝隆洋行

EAC graphics

EAC well anchored in South Korea

South Korean trade with China is a new market for EAC

By Jakob Vindé Larsen

A closed country but very much on the move – and with enormous potential. An assessment of South Korea, rapidly emerging as one of the economic heavyweights of East Asia.

The evaluation is that of Bjarne Uhde Nielsen, EAC branch manager in Seoul. He is not in the slightest doubt that the country can be an interesting market for EAC and other Danish enterprises.

Today, three years after launching a successful offensive, EAC

is well anchored in South Korea. But it has taken time and energy to achieve this position in a country where trade barriers effectively prevent many foreign companies from gaining a foothold.

'All things considered, we have survived the initial three years without losing money,' says Mr. Uhde Nielsen, adding that 1987 sales reached DKK 170m.

SUCCESS WITH NEW METHODS

The main thrust of EAC's activ-

ities in South Korea is on consumer products. And in this field the company has successfully introduced hitherto unknown methods.

'Merchandising was a completely unknown concept in South Korea until we began in 1984. But our first product, Mars candy bars, captured a good share of the market thanks to this sales form,' says Mr. Uhde Nielsen.

'It is very difficult to import foodstuffs from Denmark but permits have been issued for Danish canned hams' says the EAC branch manager, who is also chairman of an association of businessmen from EEC countries. In this latter capacity especially Bjarne Uhde Nielsen has been urging South Korea to open its doors more to the outside world.

FIGHTING FOR FIBRE TRIM

At present EAC is feeling the effect of South Korea's unwillingness to allow foreign products into the country. At the time of this interview, the company had been fighting for four months for a permit to import a Danish health product, Fibre Trim, which has proved a major sales success in Japan and Hong Kong.

'We believe now that it is just a matter of time, however, before we are allowed to import our product. You must have determination to fight for your product, and that takes time and energy,' says Mr. Uhde Nielsen.

In the consumer-products market EAC has established a strong base of branded goods. This will undoubtedly prove a useful foundation as the Korean

pattern of living – as is expected – changes shape in the years ahead.

Bjarne Uhde Nielsen: 'The family pattern will change. Women want to enter the labour market. So there won't be time to spend several hours a day shopping. Demand will rise for new types of foods – and this is where we come in.'

While EAC prepares to serve the consumer, the company is already well established in other areas of Korean business.

In the course of the past three years the Graphics Division has become market leader for such products as repro equipment.

'Our success arises largely from the fact that we offer customers a high level of service,' says Mr. Uhde Nielsen.

HIGH HOPES

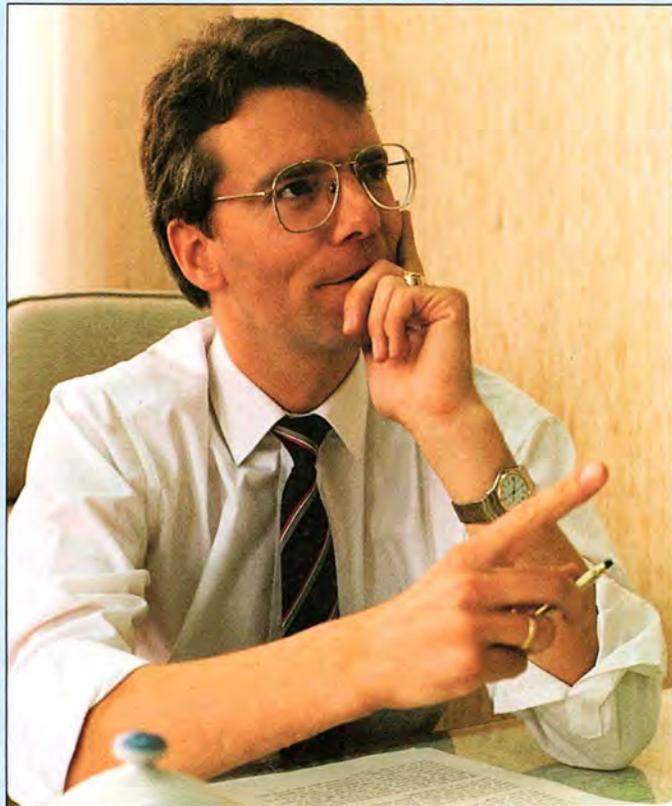
In addition to timber imports from North America (a recent addition to the list of EAC activities in South Korea), the company's branch manager has high hopes for trade between China and South Korea. With many years' first-hand experience of the Chinese business scene, EAC knows where to find the right goods for South Korean companies and vice versa.

'We conduct this trade professionally and on strictly commercial terms between our various branches in Seoul, Hong Kong and Beijing,' says Bjarne Uhde Nielsen.

The prospects for EAC involvement in this area are good, especially in view of the election assurances of newly-elected president, Roh Tae Woo, that he would favour a greater degree of trade with China. Other Danish business experts also believe that EAC holds a key position in respect of the China trade.

As Steen Steensen, commercial attaché at the Danish embassy in Seoul, says:

'EAC will be in the front line once traffic really starts moving between South Korea and China.'



EAC branch manager in South Korea, Bjarne Uhde Nielsen, believes that EAC can handle a large part of South Korea's trade with China.

Uniformity in annual reports

Three EAC companies – EAC (Thailand) Ltd., EAC (Malaysia) Berhad and EAC (Hong Kong) Ltd. – are listed in the stock exchange in their respective countries. The three countries stipulate different requirements for corporate accounting, and there are structural differences between the three companies. This year, however, EAC has aimed for greater uniformity in the preparation of the annual reports of the three companies in order to emphasise their association with the EAC 'family'.

The front pages of the three reports are shown below – against an advertisement which the EAC Group inserted in the British financial press to announce the Group's annual results. The advertisement was placed in the Financial Times and other newspapers by EAC Shareholders' Secretariat. To the right of the advertisement – on page 19 – is a summary of the respective profit and loss accounts and balance sheets of the companies in Thailand, Malaysia and Hong Kong.

Shares registered on computer

The shares, convertible bonds and investment certificates of all listed Danish companies were registered with Værdipapircentralen (VP), the Danish Securities Centre, at Easter. In the case of EAC approx. 95% of the total shareholding in circulation was transferred to VP. If as an EAC shareholder you already have your shares deposited with a Danish bank

Q What does Hans Christian Andersen have in common with EAC?
A They're both international, they're both successful and they're both from Denmark

The East Asiatic Company Ltd. A/S

The East Asiatic Company is one of Denmark's largest companies, with an annual turnover of over US\$ 2.3 billion. It began life as a trading company over 90 years ago and is now a successful international operation, with flourishing businesses on all five continents.

It has seven operational divisions – graphics, informatics, trading, consumer products, transport and energy. The company has which it can capitalise on up of 104 different were founded by E continue to be, ac strategy and grow

Much of its business where its long experience that it is chosen by as Mars, Carlsberg handle their products involved in operating leading net share



net sales and gross profit for 1988, based on the rates of exchange at the end of 1987... shows a continued total improvement in sales from Dkr 14.5 billion (US\$ 2.4 billion) to Dkr 16.3 billion (US\$ 2.7 billion) in 1988 – or 13% – and in gross profit from Dkr 3.3 billion (US\$ 546 million) in 1987 to Dkr 3.8 billion (US\$ 623 million) in 1988 – or 14%.

The Board will propose to the Annual General Meeting on 25 March a dividend which, at 8%, will be unchanged. Shares converted from bonds in November/December 1987 will carry half dividend.

At the end of 1987, the share capital amounted to Dkr 1,568 million (US\$ 257 million) and the total dividend which will be paid, subject to the approval of the Annual General Meeting, amounts to Dkr 124.2 million (US\$ 20.4 million).

EAC FOR FURTHER INFORMATION If you would like a copy of the EAC Group's Annual Report and Accounts, please write or telephone:

The Shareholders' Secretariat
The East Asiatic Company Ltd. A/S
2 Holbergsgade, DK-1099 Copenhagen K, Denmark
Telephone (010) 45 1 11 83 00 Telex 12100(DK)

Our share price is published daily in the FT.

Results for the EAC Group, 1987

Over four fifths of the turnover of the EAC Group is in US dollars or dollar related currencies. The 1986 and 1987 figures are therefore given in Danish kroner and US dollars, converted at the year end exchange rates.

Profit and loss account	DKr million		US\$ million	
	1986	1987	1986	1987
Net sales	14,174	14,472	1,931	2,375
Gross profit	3,387	3,324	462	546
Operating profit	660	608	90	100
Financing expenses	239	175	33	29
Profit on ordinary activities	381	444	52	73
Sum of extraordinary items	4	29	1	5
Profit before tax	385	473	52	78
Profit before minority interests	316	339	43	56
EAC share of Group profit after tax	311	302	42	50

Balance sheet

	1986		1987	
Total assets	11,389	11,426	1,552	1,875
Total debt (a)	8,512	8,637	1,160	1,417
Working capital (b)	1,889	2,573	257	422
Shareholders' equity (c)	2,877	2,789	392	458
EAC's share of equity (c)	2,397	2,347	327	385

(a) excluding convertible bonds
(b) current assets less short term debt
(c) including convertible bonds

Key ratios

	1986	1987
Gross profit/net sales	23.9	23.0
Net profit after tax/net sales	2.2	2.1
Equity/total assets	25.3	24.4
Return on shareholders' equity (d)	16.8	13.6
Return on total assets (e)	6.4	6.5
Interest cover (f)	2.6	3.5

(d) Net profit after tax as a percentage of EAC's share of equity, excluding convertible bonds.
(e) Profit before interest as a percentage of total assets, excluding cash and cash equivalents.
(f) Profit before financing expenses, divided by financing expenses.

EAC's offices and companies throughout the world

or broker, your holding has already been transferred to VP. If, however, you personally have the shareholding in your possession, it is important as quickly as possible to select a bank, which will then arrange the transfer.

COMPANY WILL PAY

In future all notification of share dividend, interest on convertible bonds, allocation of bonus shares and subscription rights will be handled via VP. This work will be paid for by the company in accordance with the relevant legislation and will thus be free of charge for the shareholder. But if you modify your own holding by sale or purchase or if you order a special print-out or other additional details, any payment in this connection will be charged to you.

PLEASE!

In order to give our shareholders the best possible service, we recommend that in

registering your shares you should register them in your name. Shares registered to the name of the holder are recorded in the company's share register, which is maintained by Den Danske Bank on behalf of EAC. Via Den Danske Bank EAC receives address labels which EAC uses to dispatch copies of the annual report, quarterly reports, notification of admission cards and EAC Magazine. In this connection we have an urgent request to shareholders: if and when you move to a new address, please contact your bank, informing it that as the owner of shares registered to your name you wish to advise of a change of address. We have no means of changing your address in VP. Only your bank or broker can do that.

For this reason, we hope you will understand that when our shareholders contact us, saying they have moved to a new address, we must request them to pass the information to the bank that arranged for the shares to be registered by VP.

Bank will arrange return of jackets

A number of shareholders – since the switch to electronic registration of shares – have said they would like to receive the cancelled outer share jacket that used to enclose their share dividend coupons. EAC has asked Den Danske Bank (DDB) to make the necessary practical arrangements.

The procedure is for the shareholder to contact his or her own bank, DDB or one of the branches of the latter during this autumn or spring 1989, state the identifying number of the jacket, along with name and address. DDB will make a charge of DKK 200 per jacket.

The cancelled jackets will not be available until spring 1989 because the necessary tallying and administrative procedures delegated to DDB will not be completed until late 1988 or early 1989. Acting on behalf of EAC, DDB will receive all the old paper share certificates over the next few months from banks throughout Denmark and abroad. Only then will it be possible to do the necessary tallying.

COMPANY'S PROPERTY

In connection with the issue of cancelled jackets it should be noted that from the strictly legal point of view the jackets and coupons are the property of the company – the shareholder's property is the share of the company represented by the nominal value of the share.

	EAC (Thailand) THB '000,000		EAC (Malaysia) MYR '000		EAC (Hong Kong) HKD '000	
	1987	1986	1987	1986	1987*	1986
<i>Profit and loss account:</i>						
Net sales	2,004	1,956	186.567	186.417	495.454	n.a.
Operating profit	192	115	24.931	11.785	57.389	n.a.
Financing expenses	20	49	639	2.226	3.195	n.a.
Sum of extraordinary items	53	-	34	(372)	-	n.a.
Profit before tax	225	66	28.258	12.851	60.509	n.a.
Profit after tax	168	50	18.037	8.373	52.513	n.a.
<i>Balance sheet:</i>						
Total assets	1,409	1,245	371.936	373.114	280.653	n.a.
Total debt	329	723	65.947	73.117	128.692	n.a.
Shareholders' equity	1,080	522	305.989	299.997	151.961	n.a.
Working capital	783	126	15.854	10.942	99.681	n.a.
<i>Key ratios:</i>						
Net profit after tax/net sales	8,4 %	2,6%	9,7%	4,5%	10,6%	n.a.
Equity ratio	76,6%	41,9%	82,3%	80,4%	54,1%	n.a.
Return on shareholders' equity	15,6%	9,7%	5,9%	2,8%	34,6%	n.a.
Return on invested capital	15,7%	9,2%	7,9%	4,1%	23,8%	n.a.
<i>Exchange rates</i> (DKK/local currency)	0,2426	0,2803	2,445	2,8205	0,7841	

* EAC(HK) not established until June 30, 1987, but figures have been computed as if new structure had applied throughout 1987.

The directors of the three companies are featured on the next page

The three boards

The boards of directors of the three Far Eastern companies held meetings during the spring. Board members are seen in the accompanying photos:

The East Asiatic Company (Malaysia) Berhad

Left to right: Sherman Wong, Tunku Tan Sri Mohamed bin Tunku Besar Burhanuddin, Niels J. Holm, Henning H. Sparsø, John Madsen, Chan Hua Eng and Tan Sri Datuk Hamzah Sendut.



The East Asiatic Company (Thailand) Limited

Left to right: Khun Kasame Chatikavanij, Khun Ayus Isarasena, Henning H. Sparsø, Khun Sunthom Hongladarom, Khun Chanchai Leetavorn and Henrik de Jonquières.

The East Asiatic Company (Hong Kong) Limited

Left to right: Lars L. Iversen, Erik Bøgh Christensen, Henning H. Sparsø and Peter Sanderson.



The coalman's a woman

The work in port is the worst. After a hard day's slogging the first officer is black all over. The tight-fitting boiler suit fails to keep out the fine coal dust. So a good, long bath is a must before the first officer can appear in the mess for dinner. It is the first officer's responsibility to see that the coal ship ms ELSAM FYN is properly loaded and discharged, and that the content of the ballast tanks is balanced by the quantity of coal in the hold. These days the officer has indeed a computerised control panel to facilitate some of the work – but it is still necessary to crawl into the hold and check personally that the coal is distributed evenly and that no cavities have formed.

HARD, DIRTY JOB

It is a hard, dirty job, which 35-year-old Allis



First Officer Allis Mogensen, ms ELSAM FYN

Mogensen tackles willingly. As the only woman in a traditionally male occupation, she has to carry out all the duties that go with the first officer's title. No male chivalry here – on the contrary.

'First you have to prove you know your stuff. As a woman aboard ship, you start off under a sceptical spotlight: will she be able to handle it? But once you've cleared that hurdle, you join in shipboard life on a par with everyone else. I certainly haven't felt I've been treated differently,' says Ms. Mogensen.

STARTED EARLY

The EAC first officer started her marine career earlier. She spent her childhood in West Funen and tried a variety of jobs after she left school. In 1972 she joined the ms AROSIA as a stewardess. This led to other stewardess jobs aboard EAC ships, until in summer 1978 she began her officer's training – after she had attended Svendborg School of Navigation.

Ms. Mogensen has been with one of the two ELSAM coal ships since 1985 and would rather work here than anywhere else. It suits her fine that a return voyage to Columbia, where the vessel picks up coal, takes 38 days.

'OK, the three days we spent ashore, loading and discharging, are really hard going. I never seem to get as much sleep as I need. But once we put to sea, it's a different life altogether. I don't think I would fancy visiting a new port every day,' she says.

The crew is pleased with its first officer. As Chief Officer Finnur Dalsgaard puts it: 'Allis's presence aboard ship makes it a nicer place to be.'

The ships are managed from Copenhagen

SMS (Ship Management Services) is the department of the Transport Division responsible for the manning, technical operation and related economics of EAC ships.

Under its technical manager, P.C. Bardenfleth-Hansen, SMS has a staff of 38 employees at EAC Head Office in Copenhagen and approx. 500 officers and

crew members aboard the 16 EAC and two ELSAM ships for which SMS has operational responsibility. In addition, SMS has opened an office in Singapore from which it has technical management of a further three ships. The SMS organisation comprises the following functions:

- | | |
|----------------------|---|
| Nautical Inspection | – Safety and nautical consultancy |
| Technical Inspection | – Supervision of maintenance, repairs and docking; new buildings, projects and refittings |
| Personnel Inspection | – Administration of maritime personnel |
| Purchasing | – Purchase of stores, spares and bunkers |
| Technical Service | – Maintenance and inspection of containers |
| Accounting | – Budgets and operating accounts |

Employee representatives on the Supervisory Board:

We can help to strengthen EAC

Their job is neither to exert undue influence upon their colleagues nor to act as a semi-official appeals board. 'They' are the five employees of the EAC Group who have been elected by their colleagues to represent them on the EAC Supervisory Board. They see it as their duty to act on a par with the other members of the Board – and, in keeping with sensible corporate culture, to leave rapid everyday decision-making and informative duties to the company's day-to-day management. At the annual general meeting in the spring EAC Magazine took the opportunity to question the five employee representatives on how they view their roles on the Supervisory Board. Do they see themselves as super shop stewards on behalf of their colleagues? Are they taken seriously by their fellow members on the Supervisory Board?

ACROSS THE WORLD

In other words, one from Head Office, the remainder spread out across the world. Asger L. Korsberg: 'It's a pity we haven't more representation from Head Office in the Supervisory Board. As things are at present, the five of us have very little opportunity to talk matters over. After each meeting of the Board we're off on our separate ways.'

FIRST-HAND IMPRESSIONS

Erik Bøgh Christensen considers it of great importance that the Supervisory Board includes employee representatives from overseas: 'We can contribute first-hand impressions from the areas in which we are stationed. And I'm pleased to say that the chairman or other members of the Supervisory Board often ask one of us for further details of a particular matter or a report on a

political situation relating to the area or areas we represent. This ensures a more detailed briefing for the Board. For example, prior to the purchase of DAK in America, Hans Peetz-Larsen was able to strengthen the company's decision-making basis by providing information the Board could not otherwise have acquired. And that is precisely our function: helping to ensure that the company has the best possible basis on which to reach its decisions.'

USEFUL JOB

Hans Peetz-Larsen: 'We must assume that our colleagues have nominated us in the belief that we can do a useful job on the Supervisory Board. But there is no place for "openness" in the form of gossip on which member of the Board said what to whom. That's not the way a responsible body

The five representatives are:
 Vivian Bentsen, secretary,
 EAC Transport Division, Copenhagen.
 Erik Bøgh Christensen, managing director,
 EAC (Hong Kong) Ltd., Hong Kong.
 Asger L. Korsberg, inspector,
 Pacifica Ship management, Singapore.
 Hans Peetz-Larsen, managing director,
 EAC USA Inc., New York.
 Jens Rytter, captain, ms FIONIA.

An all too rare occasion: the five employee-nominated members of EAC's Supervisory Board assemble for a group picture at Head Office in Holbergsgade, Copenhagen. Left to right: Asger L. Korsberg, Jens Rytter, Hans Peetz-Larsen, Vivian Bentsen and Erik Bøgh Christensen



works. It should be borne in mind that matters before the Board are often subject to negotiation. So we can't be open about them.'

FULLER PICTURE

It is generally agreed that the quarterly reports provide a fuller picture of the Group's affairs than was obtained in the old days, when a report was issued after each Board meeting.

Vivian Bentsen: 'But I would like to see some more response from colleagues on the information given in the quarterly reports. And only very seldom do colleagues approach me with ideas for submission to the Supervisory Board.'

On this particular point the 'overseas' representatives are convinced that EAC personnel on foreign postings are very alert to decisions made at Head Office, passing on lots of ideas and suggestions to Messrs. Bøgh Christensen and Peetz-Larsen with a view to having them submitted higher up in the corporate hierarchy.

WILLINGNESS

Jens Rytter, whose posting is the least stationary of the five, has experienced a wealth of willingness and understanding during his period of office – both from his colleagues on the Supervisory Board and from the people he meets in destinations throughout the world: 'My post on the Supervisory Board opens doors for me in many unexpected places, and I have access to information which in the final instance can prove beneficial to EAC.'

TAKEN SERIOUSLY

All agree that their fellow directors on the Supervisory Board and company management in the Executive Board take their employee-nominated colleagues absolutely seriously and that they enjoy the trust of those directors elected by the company in general meeting. In the day-to-day dealings of the Supervisory Board there are no hidden barriers, no exclusive groups. Everyone makes an equal contribution.

Although an increasing number of women choose to make their career in the EAC Group, this fact is not entirely reflected in the make up of the Supervisory Board. Vivian Bentsen is the only woman on the 14-member Board. Does she receive special attention or status?

'Not really ... actually I hadn't thought that I was the only woman until you asked!'



The Supervisory Board pictured at Falkonercentret, Copenhagen

900 at annual meeting

No fewer than 900 people attended the EAC annual general meeting in Falkonercentret, Copenhagen, in springtime. The meeting authorised EAC's Supervisory Board to increase share capital by a maximum of DKK 250m, ensuring the Group adequate economic manoeuvrability to implement future expansion plans.

T.W. Schmith, Supervisory Board chairman, explained why the Board had proposed the increase: 'In its present period of expansion

EAC can find it immensely important to be able to acquire one or more companies for which payment is made in the form of new issues of shares, whose value is naturally calculated into the transaction. This method of acquiring new companies strengthens our owners' capital, at the same time securing us the new enterprise.'

Group management expressed its positive expectations for the coming year.



EAC Trading Division had invited guests from Liberian Produce Marketing Corporation (LPMC) to attend the AGM.. Pictured (centre): LPMC's managing director, Aletha Johnson, and director of planning, Joe Morris, in conversation with (l. to r.) Kaj Andersen, departmental manager; H.P. Holst, general manager; and C.I. Karlsson, assistant departmental manager, all of EAC Trading

Henning Christophersen:

EC single market concerns all of us



EEC Commissioner Henning Christophersen pooling Danish resources will be necessary in tomorrow's competitive market

The European Community single market will affect all 320m EC citizens, says Denmark's EC Commissioner, Henning Christophersen, in an interview with EAC Magazine.

'The unified market holds great promise for everyone – and I mean *everyone*. Denmark as a whole can be strengthened, if the country is adequately prepared. But conversely, foreign companies will have new opportunities in Denmark,' the commissioner points out.

EAC KEEPING A CLOSE EYE

EAC decided in spring 1988 to keep a close eye on preparations for the single market. The company set up a special office charged with channelling information and material to EAC management, divisions and management-service units to provide an optimum basis for decision-making.

ASSOCIATIONS

Henning Christophersen: 'EAC is going

about things in exactly the right manner. There will be a need in the single market for associations or amalgamations of one kind or another. It will take brute financial strength to tackle the major challenges of tomorrow. For instance, there will be massive civil-engineering projects, both in the single market and in development regions in the Third World. Denmark must "Europeanise" its thinking now – while there's still time.

'We shall have to work out the best economic approach. Many firms will undoubtedly have to adjust their strategies.'

VAST SUMS

The Danish commissioner stresses that the potential will be greatest in those regions which are less developed than the average. For example, Greece, southern Italy, Spain and Portugal. In the years ahead these regions will receive vast sums of money in development subsidies to support infrastructure and new industries. It would be a seri-

ous mistake to underestimate the strength of these regions in future, says Henning Christophersen.

The Danish commissioner is particularly worried about his countrymen's lack of fluency in foreign languages. With a view in particular to the development of the Iberian peninsula, it is not enough to have English as one's only foreign language. Danes must learn to negotiate in the Latin languages.

MEASURES ADOPTED

Many legislative measures have already been adopted in Brussels to ease the transition to the single market, i.e. harmonisation on certain fronts. Commissioner Christophersen mentions the machinery directive passed recently as a major area of progress. Standards have been set for cold-storage chains and frozen-food counters – together with a myriad of other rules and regulations – which ensure that companies throughout the European Community have a common basis on which to work.

MORE REGULATIONS

Many more regulations are at various stages of adoption in preparation for 1992. EC officials in Brussels are hard at work editing and polishing the rules that will affect everyone in the Community.

The Danish commissioner does not believe harmonisation will be a problem for Denmark or Danish manufacturers. Plumrose's fear that EEC food quality will be standardised at the lowest common denominator is not one shared by Henning Christophersen. 'I am convinced that standards will not be set at the lowest acceptable quality level in the single market – for food or any other production. But it goes without saying that in the pigmeat sector, for example, uniform veterinary regulations governing the whole Community will tighten up the fight against such disorders as foot-and-mouth disease and will demand greater control.

PIGMEAT QUOTAS UNLIKELY

'Will we be seeing pigmeat quotas in the single market? I think it is most unlikely that the European Community will introduce pigmeat quotas. In the first place, because the pigmeat sector – as opposed to many other sectors – broadly speaking has always operated on open-market terms. Secondly, because logically it would be necessary to impose quotas on all other related products, including grain. And in my view this would be unrealistic.'

Henning Christophersen is in no doubt that the fattest orders will go to the large, well-capitalised companies or consortia. Those consortia which are familiar with the new opportunities for the transfer of capital across frontiers and which take the necessary steps at the earliest possible moment – as soon as they learn of subsidies for pro-

jects in and outside the single market – will have the edge on their competitors.

Narrow national interests will disappear. Any country attempting to get around the regulations and favour its own enterprises will find itself brought before the EEC Commission.

'There are definite indications' says Commissioner Christophersen 'that the Danes are beginning to adjust to the fact that the single market is about to become a reality. You can scarcely pick up a Danish newspaper without seeing some reference to the unified market in the general debate. And large companies – like EAC – can well spearhead Denmark's advance into the single market. Because if Danish companies, large and small, don't get their act together and share their economic and know-how resources, the others will run off with the prize!'

EAC AND THE SINGLE MARKET

EEC anchorman for EAC Group

In spring Jørgen Didrichsen, departmental manager, took up the post as head of the new EAC office, to be known as 'Co-ordinator of EC Development' (or, from its Danish title, KEU for short).

The office has two main aims:

- 1) To communicate information on developments within the European Community. One of the purposes is to keep EAC companies up to date with information of specific relevance to the individual company, e.g. concerning new standards and harmonisation. KEU will also

be responsible for circulating among EAC employees a general appraisal of the content and perspectives of the EC's single market.

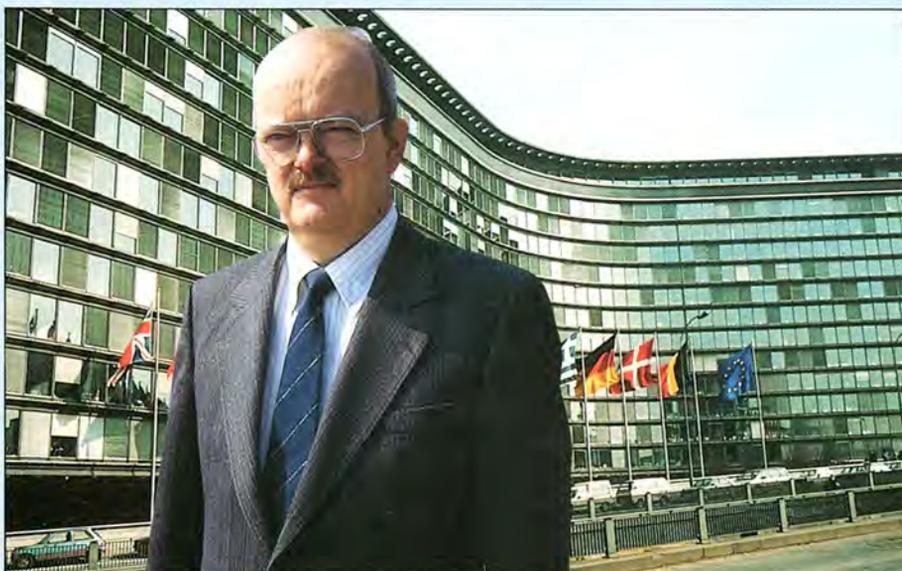
- 2) To act as catalyst in utilising business opportunities in the single market, particularly in Spain and Portugal.

KEU will also be on the look-out for opportunities for EAC companies to participate in research and development programmes, subsidy schemes, etc., says Jørgen Didrichsen.

SYSTEM

A start has already been made to collating sources of information. Information is drawn from institutional sources (e.g. the EC Commission information office in Copenhagen, the Danish Foreign Ministry, and the Federation of Danish Industries) and from a network of informal contacts. Jørgen Didrichsen: 'Informal contacts are exceptionally important when you want rapid, unpublished information on specific subjects.'

Jørgen Didrichsen processes and coordinates a flood of information from European Community headquarters in Brussels and other sources



PEOPLE

R.T. Briscoe directors on visit

The directors of R.T. Briscoe, Nigeria, visited Head Office, Copenhagen, during the summer. After the board meeting, the party had dinner in Tivoli Gardens – and before returning to Nigeria the visitors paid a visit to Volvo in Sweden. Picture at Head Office: R.O. Eso, J.W. Selvejer, Chief O.I. Akinkugbe, H.H. Sparsø, F.O. Owolawi, the Emir of Kano Alhaji Ado Bayero, Flemming Marcher, Alhaji Shehu Musa (chairman), Peer Marcher, Chief D.A. Yaro, Peer Rosenfeldt, J.A. Hansen and S.A. Emoekpere.



Guess their weight!

The Chinese new year was celebrated by the staff of Carlsberg Brewery, Hong Kong, in the usual festive fashion. Following a heavy meal, the event took a new turn: guests were invited to guess the total weight of the company management and to zero in on the individual weight of the general manager, F. With-Seidelin. Before guessing began, the management committee had to

parade on stage so that everyone could see the size of the problem! Left to right: Christine Cheung introduces Stephen Tse, finance and administration manager; F. Eldon, technical manager; F. With-Seidelin, general manager; and Edwin Lam, marketing manager. Also in the picture are three members of the entertainment committee: Cecilia Pong, May Shek and Sunny Wong.



EAC USA hosts student visit

Twenty students from Aalborg University Centre (AUC) in northern Jutland have just returned from a study trip to North America during which EAC USA acted as their hosts. Karsten Hess, vice president, gave the students a full account of EAC activities on the North American continent. This

was followed by a lively debate on opportunities for Danish penetration in the American market. AUC was set up in 1974, the youngest of Denmark's universities. Every year 4-500 young men and women graduate from AUC.



PEOPLE

Delegation from China

EAC Executive Board welcomed a delegation from the China State Economic Commission (SEC), headed by H.E. Yuan Baohua, SEC deputy minister. Our picture includes the Chi-

nese ambassador to Denmark, Zhang Longhai (extreme right), the guest of honour, Yuan Baohua, and (extreme right) H.H. Sparsø, EAC.



EAC sets up foundation



Prof. Flemming Woldbye has accepted a seat on the executive committee of The East Asiatic Company's Foundation

EAC's Supervisory Board has decided to set up The East Asiatic Company's Foundation, with the declared aim of promoting research and working for the protection of the environment and for educational purposes in which EAC has an interest. In addition, the EAC Foundation can support humanitarian, art, national and sporting projects. The three members of EAC's Executive Board, Henning H. Sparsø, John Arthur Hansen and Flemming Hasle, are personally joint founders of the foundation and members of its executive committee. The chairman of the executive committee is T.W. Schmith, Supervisory Board Chairman. Prof. Flemming Woldbye, Copenhagen, has agreed to join the executive committee.

Six celebrate 40 years with EAC

July 15 this year will be a unique occasion, with no fewer than six people celebrating 40 years' service with EAC. The six are: H.H. Sparsø, Head Office; Sven Ankersen and Jørn Dahlk-

vist, EAC Trading Division; Svend Erik Nielsen, Financial Dpt.: Sven Erik Jensen and Ole I. Larsen, EAC Transport Division.



Sven Ankersen



Jørn Dahlkvist



Sven Erik Jensen



Ole I. Larsen



Svend Erik Nielsen



H.H. Sparsø



Image award for EAC man

Erik Zachariassen, manager of the EAC luggage and attaché-case company, Cavalet, Korsør, has been presented with the town's new prize: Korsør Image Award. It was presented for the first time in April.

Mr. Zachariassen won the award for being instrumental in attracting a unique art collection to Korsør. He is seen here (right) with Mrs. Zachariassen. On the left is Jacob Due, chairman of Korsør Tourist Office.

Danish prime minister visits Far East

The Danish prime minister, Poul Schlüter, headed a delegation of business executives to the Far East in spring. During the visit the prime minister and his party were guests at EAC's Teluk Merbau plantation in Malaysia. The plantation was founded in 1916 by EAC.

In the picture the plantation manager, V. Panchapakesan (right), discusses a detail with Mr. Schlüter (left), watched by H.O.A. Kjeldsen, a member of EAC's Supervisory Board.

Prime Minister Schlüter also visited Thailand, paying a call on EAC. Above: Henrik de Jonquières, general manager, points out that Dumex is across the River Chao Phraya from EAC headquarters in Bangkok. See special feature on Thailand, Burma and Indochina, starting on p. 6.

