

DENMARK

BETTER TRADE LINKS WITH INDIA

A trade delegation representing chambers of commerce, the Federation of Danish Industries and chief executives of several private sector companies visited India recently with the Danish prime minister Mr Poul Schluter. Says Mr Otto Christensen, president of the Federation of Danish Industries, "Due to the cumbersome licensing procedures, Danish companies have hitherto stayed away from India. But the open-door policy initiated two years ago provides opportunities for increasing trade links."



Mr Christensen: response from India.

Indo-Danish trade has been on a low key for several years. In 1984-85, India exported approximately Rs 40 crores worth of goods and imported Rs 34.8 crores from Denmark. India's principal export items were clothing, textile yarn and fabrics, while imports from Denmark consisted mainly of industrial machinery and equipment. Says Mr Christensen, "Danish industry accounts for only 1 per cent of all foreign collaborations India has with other countries. You have to understand that unlike the rest of Europe who have a base in heavy industry, Denmark is characterised by strongly specialised companies in the

medium and small scale sector.”

What can Indian industry expect from Denmark in terms of technology? According to Mr Christensen, Denmark has made rapid strides in non-conventional energy, food processing, electronics and oil exploration. “If one makes a comparison of all the countries in the OECD group, Denmark’s growth rate in exports is only matched by Japan. We are the largest exporters of electronics and our record in developing non-conventional energy sources places us far ahead of others.” Striking a cautious note, Mr Christensen feels that Danish companies hesitate to promote joint ventures in India because of the Foreign Exchange Regulations Act (FERA) which disallows dominant equity participation. But about the recent consultations with government officials in New Delhi, he says, the response was “highly encouraging”.

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