



# American Chamber News

The Official Newsletter of the American Chamber of Commerce in Norway

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### The American Chamber of Commerce in Norway welcomes these new members:

#### Corporate:

Marathon Petroleum Norge AS  
Nordic American AS  
Nordic Investment Group AS  
Norland & Christiansen AS  
Visma Services Norge AS

+ six **Individual Members**

For new corporate member profiles  
see pages 7 and 8.

## Avoiding Turbulence When You Travel

Patricia Meeks, Vice Consul, American Embassy in Norway

The tragic events of September 11th changed the world in many ways. Air travel today is much different from what it was only a few years ago, and it is important that the business traveler be aware of the changes. Being prepared with the correct travel documents and knowing about new security regulations will definitely make your trip smoother and may help you avoid serious trouble. Here's what you should know:

### US AIRPORT SECURITY

- Don't attempt to help the screeners search your baggage. They know what they're looking for and they'll tell you when they are through. If you don't want them to handle certain personal items, put the items into plastic baggies.
  - Don't lock checked baggage or wrap souvenirs. The lock will be broken. The packages will be unwrapped. I.D. your bags! Make sure your name and address are on your bags.
  - Don't wear metal. Think about what you're wearing before you go to the airport. Leave your steel-toed boots or big belt buckle at home
  - Empty your pockets. Take coins, keys and other metal items out of your pockets before you go through the metal detector. Better yet, pack them in your carry-on.
  - Bring evidence. If you have a medical implant or other device that may set off the metal detector, bring information from your doctor about it.
- For more information on prohibited

and permitted items, see the TSA web site link (listed on page 2).

### PASSPORTS

Before you leave for a business trip, check these three things:

- Is your passport valid? As a general rule, your passport should be valid for at least 6 months after your planned return date, although Norwegians and Americans are exempt from this requirement when visiting each other's countries.
- Have you signed your passport?
- Have you made copies of your passport photo page? Give one copy to your family or a friend; take the other with you, but pack it in a different place from your passport. Please remember that it takes about 3 weeks to get your US passport renewed.

### THE GREAT "MACHINE-READABLE" QUESTION!

A machine-readable passport is a passport with two lines of code along the bottom of the photo page. American citizens do not at this time need a machine-readable passport to travel to other countries.

Norwegians who plan to travel to the United States under the Visa Waiver Program (without a visa for tourism or business for a period of less than 90 days) can still travel to the United States without a US visa after October 1, 2003, even if they do not have a machine-readable passport.

The US Secretary of State has grant-

*Continued on page 2*

Continued from page 1

ed a postponement until October 26, 2004 as the date by which visa waiver program travelers must present a machine-readable passport at a US port of entry to be admitted without a visa. The Department of State consulted with the Department of Homeland Security before making this decision. Norway is among 21 countries for whom the postponement was granted.

#### DO YOU NEED A VISA?

**American Citizens:** Check <http://travel.state.gov/foreignentryreqs.html>.

**Norwegian Citizens:** If you are going to the US for general business-related travel under 90 days and have a machine-readable passport (after October 1), you probably don't need a visa. For more information, check [www.usa.no/services/vwp.html](http://www.usa.no/services/vwp.html).

#### APPLYING FOR A US VISA

Almost everyone who applies for a visa to visit the US must now have a personal interview. The Consular Section has recently redesigned its visa procedures and web site to make this process easier. For exceptions to the requirement and for information on how to make an appointment, please see [www.usa.no/services/amvisa.html](http://www.usa.no/services/amvisa.html).

#### TRANSITING THROUGH THE US IN 2004

After October 26, 2004, Norwegians will need either machine-readable passports or visas to transit through the US on the way to a third country.

#### HELPFUL WEB SITES

US Embassy, Oslo, Norway ([www.usa.no](http://www.usa.no));  
State Department Travel Information ([travel.state.gov](http://travel.state.gov));  
Transportation Security Administration ([www.tsa.gov](http://www.tsa.gov)) ★

## Citigroup Expects that Downside Risks Still Persistent for the NOK

Steven Saywell, Senior Currency Strategist, Citigroup Foreign Exchange Research

Despite this year's aggressive easing by the Norges Bank, Citigroup thinks that it is too early to rule out new interest rate cuts. One of the main reasons behind the 450 basis point interest rate cuts since December 2002 has been the massive krone appreciation in 2001-2002 that, combined with weakening external demand, has triggered a sharp economic slowdown and a sizable inflation undershoot versus the central bank's 2.5% target. Throughout the year, the central bank, in trying to ease monetary conditions, has been conducting a tug of war between an extremely resilient krone and lower interest rates. As a result, although we had expected the Norges Bank's decision to lower interest rates by 50 basis points on September 17, we had also expected the bank to retain an easing bias, to prevent renewed krone appreciation. Instead, the bank shifted to a neutral bias and, as investors adjusted to the prospect that the easing cycle was over, the krone strengthened by around 1% in trade weighted terms after the interest rate cut.

Norway's one-year spread over the euro is currently 55bp – the lowest level since the EUR's launch, consistent with EUR/NOK at around 8.30. This would suggest that the krone has probably overreacted to the latest interest rate cut. But if the recent strength is sustained, this firming would be equivalent to a policy interest rate rise of around 30-35 bps (using the 1:3 relationship between interest rates and the exchange rate changes, also used by

the OECD), i.e. reversing more than half of the September interest rate reduction. Indeed, monetary conditions do not appear excessively loose; although the level of real short official rates is 1.8 percentage point below the average since 1993, the real trade-weighted krone is currently 1%-2% stronger than the norm since then, after the krone was allowed to fluctuate. Therefore, the bank still has room, if necessary, to cut interest rates again to prevent undesired currency strength and avoid choking the incipient recovery.

NOK weakness should be even more pronounced against the USD. Citigroup believes the USD's recent strength against the EUR will continue over the coming months. Strong evidence of a US cyclical recovery should support further USD appreciation as the US attracts more than enough inward capital flows to fund its current account deficit. Ultimately, the EUR/USD should stabilize around the 1.05-1.10 level by year-end. This combination should push USD/NOK above 8.00 – we forecast a peak of 8.10 in 3 months. Thereafter, as the USD's appreciation starts to peak, the USD/NOK should stabilize. Sustained currency strength is unlikely until the central bank genuinely has reason to tighten – and this is a long way off. ★



#### ANALYST CERTIFICATION

Each individual contributing to this report hereby certifies that, with respect to the material contributed by him or her, all of the views expressed in this report accurately reflect his or her personal views about such subject securities, issuers, currencies, commodities, futures, options, economies or strategies. Further, each of these individuals also certifies that no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

# Ambassador Ong Honors the American Chamber of Commerce in Norway

Over 120 friends, members, and members-to-be gladly accepted US Ambassador and Honorary American Chamber Chairman John D. Ong's generous invitation into his home on September 10th. The business social event was held by the Ambassador in honor of the American Chamber and its work in promoting Norwegian-American business relations.

In contrast to many American Chamber functions, there were no set speakers or even an event agenda. Rather, attendees were encouraged to unwind and meet new and old business contacts while partaking of wonderful wines and hors d'oeuvres.

In his brief statement, the Ambassador gave thanks to both the American Chamber for its dedicated work and to event sponsors Ernest & Julio Gallo. Although sometimes referred to as the *annual* cocktail reception, this event is by no means mandatory for the Ambassador. With this well in mind, Ambassador Ong kindly promised that the reception would truly be an annual event as long as he remained the United States Ambassador to Norway. ★

Please visit the members section of [www.amcham.no](http://www.amcham.no) for additional reception 2003 photographs.

First-time users are kindly requested to send a registry request to [amcham@amcham.no](mailto:amcham@amcham.no)



*US Ambassador John D. Ong happily greets reception attendees.*



*Senior US Commercial Officer Stephen Helgesen has a word with Chamber assistant Ben Nelson.*



*Whitfield Fitzpatrick, Sari Borg and Jørgen Lund take a moment to pose for the camera.*



*Citigroup's Elizabeth Lee Marinelli and Kai-Erik Johannessen see something the others don't while Lise Blom Hartvigsen looks on.*



*The residence dining room was a sight to behold.*



*These gentlemen venture outside the residence to enjoy one of the last few warm evenings in Oslo this year.*

# Lobbying the Norwegian Way

**Bjørn Erling Christiansen and Cecilie Norland, Partners in Norland & Christiansen**

The recent election in Norway will most likely influence the relationship between the government and parliament, although the primary purpose of the election is to decide leadership roles for the various municipalities. The current Norwegian government, with its weak parliamentary support, will probably become increasingly pressured when the voters have strengthened their support for the already aggressive opposition. It is common in Norway for the parliament to humiliate and put pressure on the government at every opportunity. The first big test of the new parliamentary-government psychology will come this autumn during the talks for the 2004 national budget.

The final budget decision will effect the overall business environment in Norway, for better or for worse. Because Norwegian business is highly regulated and controlled, politics and political decisions play a much more visible role in Norway than in the United States. These political decisions affect both the national and municipal levels. Tactical manoeuvring and lobbying strategy may be integral in order to achieve desired results.

In this rather unique political situation the government survives for two reasons. First, it has opposition both to the right and to the left, which therefore makes it possible to establish a majority consisting of different coalitions. Second, the Labour Party is undergoing a difficult period, and they would most likely prefer to remain as an opposition party. Currently this party needs to regroup in order to achieve future success.

One other interesting fact in this year's election is the possible transfer

of power in several of Norway's largest towns. Change seems especially likely in Trondheim, Bergen and in Oslo. Oslo is obviously special, not only because it is the capitol, but because it is run by a city-government consisting of the same coalition as the national government. Change of power in Oslo can be interpreted as a defeat for the national government.

The negotiations following the result of the Oslo election also might result in new coalitions that could change the national political landscape. A coalition between the Conservatives and the Progress Party might reduce the aggressiveness towards the government by the Parliament from the right wing. On the other hand, a coalition between a victorious Socialist Party and the Labour Party in Oslo might influence the cooperation patterns between these parties on national level. As a result, the left wing opposition might be stronger and more reluctant to compromise.

Because politics plays such a large role in the Norwegian system, lobbying for business interests is often crucial. But the lobbying approach in Norway is quite different from lobbying in the United States.

- The Norwegian politicians do not receive routine heavy pressure from lobbyists like in the United States. Due to this fact, it is often rather easy to be granted a meeting with a politician in Norway. Parliamentary politicians also have very limited resources in comparison to the Government sector. Because this lack of abundant information, Parliament is often interested in counter expertise that businesses can readily provide.

- If businesses do decide to contact politicians, this contact is normally a representative of the business itself, not a secondary company or person (lobbyist) speaking on behalf of the business. Professional lobbyists are rare in Norway because of this comfortable, adopted method of discussing interests. But it is common to seek assistance of outside experts when formulating a strategy, or preparing for high-level meetings.
- Successful meetings with Norwegian politicians is to a great extent about showing that the business representatives understand the issue from the politician's point of view, and have taken the decision making process into consideration.
- One thing Norwegian politicians have in common with politicians around the globe, is that they prefer to hear the solution when they are presented with a problem. The highest regard a politician may show for a business proposal being lobbied is to not only support the proposition, but take most of the credit.
- Businesses that lack experience in lobbying the "Norwegian way" should seek assistance in identifying the key politicians and players in their industry and determine how these figures and a smart lobby-initiative can help in developing an overall lobby strategy.

The recent election results may very well influence the business climate in Norway. Many businesses may find it useful and rewarding to lobby politicians on particular matters, but it is important to take into consideration the facets of lobbying the "Norwegian way." ★

# Investment Trends in Norway

John L. Rogne, Chief Economist, Norwegian Trade Council

2002 was a good year for Norwegian consumers, boasting strong growth in wages and an overall increase in real wages. However, it was a difficult year for the business sectors involved in export or competition with foreign companies. The high Norwegian interest level contributed to a strengthening of the Norwegian krone, which therefore eroded most companies' profitability.

The fishing industry, as well as other industries with substantial Norwegian content within their products, were particularly hard hit. For 2003, this has created weak growth in Norwegian industry, apart from the consumer goods sector, and unemployment has increased. However, this has also created prospects for lower price growth, and Norges Bank (the Norwegian central bank) has lowered the government interest rate (the sight interest rate) several times. Along with this the krone has also fallen back to a more "normal" level relative to the euro, against which it is an objective to maintain long-term stability.

The current investment trend, particularly the turnover in housing, is being stimulated and held up by the low interest rate. However, within the fishing sector (including fish farming) and within industrial construction, there is very little investment activity. This is a result of reduced demand and significant idle-capacity. Investment in the continental economy is set to decrease for both the industrial and housing sectors in 2003. Within the public sector the investment level is expected to be virtually unchanged from 2002.

Regarding petroleum activity on the Continental Shelf, high oil prices in

recent years have contributed to an increase in investment. Statistics Norway estimates an increase of 16.4% in these investments in 2003, and an increase of 0.9% in total gross investments in Norway. This estimate includes a 2.9% reduction for businesses in mainland Norway and a reduction of 3.7% in housing investments.

## FOREIGN INVESTMENT

If we look back on the last twelve months up to and including the second quarter of 2003, Norges Bank's statistics show that the Norwegian business community's investments abroad increased by 3.8 billion kroner, while investments in the opposite direction constituted 17.2 billion kroner.

If we look at the first half of 2003 alone, Norwegian investments abroad increased by 3.2 billion kroner. It is the Americas that are truly distinguished, with Norwegian investments of 5.5 billion kroner. The United States was the destination for 2.9 billion of this amount. Norwegian companies have also increased their investments in the United Kingdom by 1.2 billion kroner, while there has been less investment in Sweden, Germany and Denmark, with 0.41, 0.22 and 0.19 billion, respectively.

Sorting by industry, we find positive figures almost exclusively for oil extraction, where investments abroad amounted to a full 7.3 billion in the first half of 2003. There were also positive investment figures for the transport and financial sectors, while there was a decrease of 3.6 billion in manufacturing.

Foreign companies invested a total of 20.8 billion in Norway in the first half of 2003. Here again it is the Americas that were key, with an increase of 11.5

billion kroner. For the United States, there was an increase of 1.4 billion. The European Union countries, with Denmark, the United Kingdom and Sweden in the lead, invested 8.6 billion in Norwegian companies in the first half of 2003. Sorted by industry, it is within commercial services, oil extraction, manufacturing and transport that foreign investments increased most in the first half of 2003, by 6.2, 6.1, 5.4 and 3.3 billion kroner, respectively. ★



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Helping the World Communicate

## The Third Annual American Chamber of Commerce Golf Tournament

**Tim Keane, Tournament Chairman**

On August 21st the American Chamber held its annual golf tournament at Østmarka Golf Club at Enebekk just south of Oslo. The professionalism and hospitality that is a hallmark of Østmarka Golf Club made the decision to hold the tournament there once more very easy.

42 players representing 20 different organizations were in attendance. After registering with Marianne Røvang, Østmarka's manager and tournament coordinator, players got a glimpse of what they would be competing for – the coveted Søderstrøm Cup! Names of previous tournament champions are engraved on the elegant marble base of the half-meter high trophy.

Players were then greeted by American Chamber staff and handed a small goody bag with American Chamber golf balls, a baguette and a POWERADE sports drink courtesy of Coca-Cola. Players were also given Fischer Space Pens to keep track of their progress through the day courtesy of Viking International Products.

Groups started play at 11:00 sharp. The course was in superb condition and the temperature was a comfortable 17 degrees. The course presented many challenges as was expected from the two-tiered greens and up- and down-hill shots.

Golfers began arriving back at the clubhouse at around 15:00 and dinner began to be served shortly thereafter. At around 17:00 Managing Director Jason Turflinger began the prize ceremony with a hearty thanks to the tournament's sponsors, which included primary



*Tournament Chair Tim Keane & Chamber Director Jason Turflinger learn to "kontroll" their golf kart early in the day.*

sponsor United Parcel Service, Chevron-Texaco and Clear Channel Communications (silver-level sponsors) and Anders Wilhelmsen, Coca Cola Drikker, Capital Asset Management and Millennium Golf (bronze-level sponsors).

First prize and the Søderstrøm Cup went to Team 9, which included Helge Rivedal, Karen Landrø, Nils-Peter Haugan and Siri Ranfelt, with a net score of 59 points. In addition to the trophy the winning team members were awarded individual trophies and gift certificates to the Østmarka Pro-Shop.

Prizes were also awarded to the top six teams plus winners of the longest drive (awarded to Mr. Ola Sæderås) and closet to the pin (awarded to Mr. Jørgen Lund). Each of these gentlemen received a Norwegian designed pitching wedge courtesy of Millennium Golf. ★

Please visit the members section of [www.amcham.no](http://www.amcham.no) for additional golf tournament 2003 photographs.

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### UPCOMING AMERICAN CHAMBER EVENTS

#### EXECUTIVE ROUND TABLE INFORMATION & COMMUNICATION TECHNOLOGY (ICT)

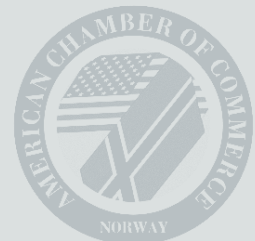
##### 16TH OF OCTOBER 2003

The American Chamber of Commerce, in cooperation with the US Commercial Service, IKT-Norge and Simonsen Føyen Advokatfirma, is proud to host corporate-level ICT leaders at an Executive Round Table. The principal goal of the meeting will be to foster a candid and open exchange of views and information between Norwegian ICT leaders and US officials on issues of current and future relevance between the two countries.

In attendance will be ranking members of the US Office of Information Technologies and Electronic Commerce, US International Trade Administration, OECD Working Party on Information Security and Privacy and the US Office of Information Technologies and Electronic Commerce.

Participation in this round table discussion is by invitation only. Please contact the Chamber for further information.

*Continued on page 7*



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## THANKSGIVING DINNER & DANCE

### 29TH OF NOVEMBER 2003

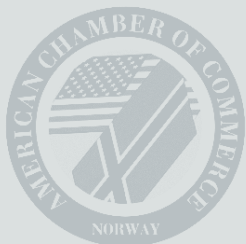
American Chamber members and their guests are heartily welcomed to



attend the American Chamber's most important annual social event! Talked of throughout the year, this event brings together Norwegians and Americans in the truest spirit of Thanksgiving. A superb event venue, new and old business colleagues, an authentic Thanksgiving menu and live music are but a few of the reasons that this will be an evening not to miss.

We are very happy to have the early support of both Ernest & Julio Gallo and Scandinavian Airline Systems for the event thus far. Please contact the Chamber if your organization would like to contribute to this high-profile, fun event.

Details are currently being worked out by our dedicated planning committee members. Invitations will be sent to members shortly – please mark your calendar.



# New Members – 3rd Quarter 2003

## Corporate Members

### Marathon Petroleum Norge AS

Contributing-level Member  
Key Chamber Representatives  
– Ms. Anna C. Hensel,  
External Affairs Manager  
– Mr. Roger D. Wilson,  
Resident Manager

Marathon Oil Corporation is engaged in the worldwide exploration and production of crude oil and natural gas, as well as the domestic refining, marketing and transportation of petroleum products. Through its subsidiary, Marathon Petroleum Norge AS, Marathon is establishing a new core area – offshore Norway. Activities are focused in and around the company's 24% interest in the Heimdal field, where offshore facilities have been modified into a gas-condensate processing and transportation center for third-party business. In 2002, Marathon's total net daily production in Norway averaged 800 barrels of condensate and 15 million cubic feet of gas.

In 2001 and 2002 Marathon further strengthened its position in Norway through the acquisition of interests in several Production Licenses (PL) in the general Heimdal area. Of these, Marathon is operator of PL 203 and the recently-formed PL 088BS. This portfolio includes a number of undeveloped discoveries and exploration prospects.

### Nordic American AS

Sustaining-level Member  
Key Chamber Representatives  
– Mr. William W. Nunn, CEO  
– Mr. Christopher Sleight,  
International Services Director  
– Mr. Per Bøthun,  
Defence Services Director

Nordic American provides international suppliers with strategic defence advisory services, program marketing, competition and implementation support, and industrial cooperation program management for the Nordic marketplace. Focused principally on transatlantic defence and technology trade, Nordic American's "International Business Center" also works directly with Norwegian defence suppliers and other technology related companies to gain access to North American companies and programs, to receive bid and proposal opportunities, to develop pricing strategies, and to effectively execute on transatlantic business opportunities.

## *New Members – 3rd Quarter 2003 continued...*

### **Nordic Investment Group AS**

Contributing-level Member  
Key Chamber Representative  
– Mr. Harald Dirdal, CEO

In 2000 Nordic Investment Group AS was established for the sole purpose of introducing Mail Boxes Etc., an American franchise, to the Norwegian market. The stores provide services and products in a one-stop location with shipping, packaging, postal services, copying, communication and other business related services available. Primary customer groups include the SOHO market (small offices, home offices) and private consumers.

There are currently four stores operating in Norway. A total of 60 – 100 franchise operated stores are projected to be up and running in Norway within the next 10 years. After the successful establishment of a pilot store in Oslo, the business service centers are now ready for roll-out in greater Norway.

Worldwide there are some 5,000 stores in operation in more than 30 countries, making Mail Boxes Etc. the world's largest chain of business service centers.

### **Norland & Christiansen AS**

Contributing-level Member  
Key Chamber Representatives  
– Mr. Bjørn Erling Christiansen, Partner  
– Ms. Cecilie Norland, Partner

Norland & Christiansen is a Norwegian communication advisory company. The company's core business is reputation management. Norland & Christiansen assists its clients with analysis, development of strategy and advice on concrete actions in order to strengthen the client's reputation. Norland & Christiansen assists non-Norwegian companies that are operating in or considering operations in Norway. This assistance may consist of:

- A thorough assessment of potential acquisition objects in Norway.
- Analysis of Norwegian politics and regulatory framework within different business sectors including energy, telecommunications, transportation, pharmaceutical products and banking.
- Assistance in contacting Norwegian authorities on the political and administrative levels. This might include the development of lobbying strategies and action plans.
- Realistic information on Norwegian media and business culture.

Norland & Christiansen was established in 2003. The partners have considerable experience in Norwegian media, business development, and politics and have assisted several American companies in Norway.

### **Visma Services Norge AS**

Contributing-level Member  
Key Chamber Representative  
– Mr. Michael Klem, International Services Director

Visma Services Norge AS is the services division of Visma ASA and is the Nordic region's leading supplier of outsourcing services in accounting, payroll, debt collection, procurement, and staffing. We take responsibility for non-strategic, but financially critical business processes, enabling our customers to concentrate on their own core activities. Using modern technology, we help our customers to find the best solutions for ensuring optimum and effective operation. Visma Services has over 75 offices with more than 1,000 employees located in Norway, Sweden, Denmark, and Finland.

Organized as a separate unit, Visma Service in Oslo has about 40 dedicated professionals working only for foreign companies with operations in Norway. This entity's assignments span from being a VAT-agent for foreign companies with temporary business in Norway, to complete outsourcing assignments taking responsibility for all financial functions of a foreign corporation in Norway.

#### **Individual Members**

Mr. Jonn Bekkevold  
Mr. Thorleif Berg  
Ms. Dana Fossum  
Mr. Scott LaHart  
Mr. Michael Smith  
Mr. Peter Tonn



## Special Offers – Members Only!

### RELOCATING?

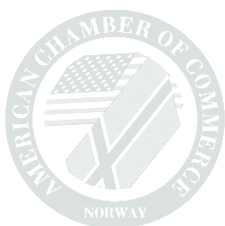
Majortrans and Adams Express are proud to offer American Chamber of Commerce corporate-level members a special discount on their business and personal moving costs. Members are entitled to a 10% discount on the cost of their International Moving Services.\* Please identify your company and allow for Chamber membership verification when contacting these fine companies.

Check your 2003 Membership Directory for contact information.

\*Includes origin services for the export of household goods from Oslo, Norway and destination services for the importation of household goods into Oslo, Norway.

### TAKING A BREAK?

National Car Rental is proud to offer American Chamber of Commerce corporate-level members 20% off all local weekend and holiday rates at any of their locations throughout Norway. In addition, you may contact National Car Rental for information on special weekday business rates and world-wide contracts. Please contact the Chamber for a reference number in order to take advantage of these exclusive rates. ★



# Looking Back

Bob Crystal, American Club in Oslo member 1976 - 1997



I arrived in Oslo in May 1975 with my Norwegian wife Karin and our daughter Erica from Wolfeboro, New Hampshire. Our first priority was to find a school for Erica. That was simple because we heard about the American School in Bekkestua and enrolled Erica there. Then I learned that it would require time and effort to obtain a permanent residence permit, as well as a work permit. My wife, being a Norwegian citizen, had immediate work and resident status.

Being a “joiner,” I searched for clubs in Norway. Luckily my wife’s profession brought her into close contact with a man by the name of Knut B. Andersen, an officer and charter member of the American Club in Oslo. Knut became my mentor and I became his Chiropractor. I joined the American Club in Oslo in 1976. I was an active member until 1997.

Knut Andersen and Derik Blix, the Director of Pan Am, ran a very tightly controlled American Club. John C. Ausland, formerly of the American Embassy, prominent author, and frequent contributor to the International Herald Tribune and Aftenposten, played the devil’s advocate within the club and was always there in a pinch to speak about any current political event. These three men served as president and/or members of the board of the American Club for many years. Being their junior, they took me under their wings. I served on the board of the American Club in Oslo and the American Chamber of Commerce for 15 years.

During this time, I was chosen as a representative of the American Club in Oslo to help form the American Coordinating Council of Norway (ACCN). Many of the American Clubs in Norway were scheduling events for the same periods of time, making it difficult to attend all the events. With the goal of discovering a solution to this scheduling dilemma, I and several American friends decided to create a calendar of events that could be coordinated with all the American clubs and organizations in Norway. Most of us belonged to several groups so there was an overlapping and we were already familiar with each other. I fondly remember the first meeting to form a coordinating effort and design a common calendar. I recall that Karin Mandeville, Ken Burton, Bruce Van Allen, David Brock, Tom Hansen, amongst others were present.

Another fond memory that sticks in my mind was a speech given by Tor Dahl of Manpower and then President of the American Club in Oslo. US Ambassador Elisabeth Ruppe interrupted Tor and stated that Manpower should be renamed “People Power.”

I also remember the days when the American Embassy carried out very simple security measures. This allowed for several board meetings to be held in the embassy and some of the best lunches Oslo had to offer.

My time in Oslo was a wonderful experience due to my extensive club activity. As of 1997, I retired and have been residing in Delray Beach, Florida. I have since joined the NACC in Miami as well as the Swedish American Chamber of Commerce. ★

# Surviving Meltdown Aboard the Norwegian Dream



Mr. Christian Møller, Regional President of Sprint International, makes his case.

Shortly after the summer break, American Chamber members were invited onboard Norwegian Cruise Line’s vessel Norwegian Dream for a Power Lunch lecture by Sprint International’s Regional President Mr. Christian Møller. His presentation, entitled Rebuilding a Global Business in the Wake of an Industry Meltdown, touched upon several timely issues facing many Chamber companies.

According to Mr. Møller, Sprint re-entered the global data communication market in the post dot-com bubble era at a time when the industry was in a downslide. “Only a few years back, growth potential was the only thing that mattered to everybody. Now our customers demand real business efficiency and more of everything – and our shareholders demand profits” he said.

Mr. Møller provided the following lessons-learned for attendees:

- Take advantage of a great yet under-utilized potential by knowledge sharing through efficient networks
- Avoid creating an inflexible, inward facing, and headcount heavy organization
- Pay attention to one thing: customers! Let someone else handle the rest through outsourcing
- Increase market presence through partnerships
- Use an “investments-where-business-is” strategy

Company	Market	Total debt USD
360networks	Wholesale Carrier	3.000
Flag Telecom	Wholesale Carrier	2.600
Global Crossing	Wholesale Carrier	12.400
Globix	Hosting Provider	600
MFN	U.S./European Services	675
NTL	Cable Operator	17.000
PSINet	Hosting Provider	4.300
Teleglobe	Global Telecom Operator	2.700
Versatel	Dutch Carrier	1.600
Velocita	U.S. Telecom Service	827
Viatel	Wholesale Carrier	2.100
Williams	Wholesale Carrier	6.000
WorldCom	Global Telecom Operator	41.000
XO Communications	U.S. Telecom Provider	1.000
<b>Total debt</b>		<b>95.802</b>

Source: Probe Research, Inc., Company filings

Not an exaggeration – In the US market alone, Chapter 11 debts totalled approximately \$100 billion USD.

- Regain customer confidence by focusing on business ethics, financial strength, and adding value to business

For a company that less than one year ago went through significant changes to its corporate-governance practices after the departure of two top executives, Sprint’s future seems particularly bright – an outcome very likely aspired to by several Norwegian and American firms.

After the presentation, Ms. Helle Backeland, Sales & Marketing Director of Norwegian Cruise Lines, treated attendees to a short tour of the boat on the way to the ship’s beautiful dining room. There, Chamber members were treated to a very generous anything-on-the-menu lunch of first-rate quality. Special thanks are in order to Ms. Backeland and her staff members for their exceptional hospitality. ★



Members and guests of the American Chamber enjoy a unique view of the Oslo Fjord while dining.



First-rate service by NCL staff was the call of the day.



# Lexmark in Norway Increases its Turnover

Major efforts on the SMB market, new products

Hans Arvid Rønning, Sales and Marketing Director, Lexmark Norway



Lexmark Norway is looking back on six months in which its turnover has seen good growth. This is true in particular of its sales of network laser printers to major companies and the public sector. Among others, in the autumn of last year Lexmark Norway received its biggest contract ever from Statoil relating to multifunctional network printers. These machines were installed for the most part during the first quarter of this year. Sales of personal inkjet printers and all-in-one solutions via retail chains such as Elkjøp have also increased.

With this autumn's major release of new consumer models, Lexmark Norway is expecting its turnover to double over the second six months of the year, partly because it has entered into sales contracts with all the major retail chains in Norway. But there is one area which is lagging behind – namely sales to small and medium-sized enterprises. Lexmark has gradually come to realize that this is due mainly to a lack of product variety as far as laser printers are concerned. The time is now ripe, however, to focus on this market segment as well. At the moment, a number of small laser printers are being launched, along with small and reasonably sized multifunctional solutions (standalone with fax, copying, scanning), low-price, high-speed lasers and – not least – two new inkjet-based four-

in-one solutions, including printers which come with document feeders as standard.

Another area which has been and will continue to be of importance to Lexmark's sales office in Norway is document flow within companies and the public sector. It may seem rather paradoxical for a printer company to place on the agenda a reduction in the amount of paper used, but the changes that have taken place over the last few years, from distribution by post to electronic distribution of information, with a requirement for "print on demand," have meant that the numbers of copies made have been taken from photocopiers and allocated to printers, which is one of the fields in which Lexmark specialises. At the heart of this is the actual control of the document flow, and in this context we have entered into partnership agreements with the biggest companies in Norway which specialise in document management. In Norway, we call this programme FLYT, from "dokumentflyt" (or "document flow"), while the international programme is known as print-move-manage services. Among other things, in Norway we have invested considerable resources in improving the skills of our own staff, but we have also had 40 or so members of our dealers' sales staff on courses leading to certification. Our own software (Lexmark Document Distributor) makes it easier to integrate Lexmark multifunctional solutions by using these to scan in documents for archiving and/or distribution, among other things.

All company categories are showing a growing interest in information on

solutions of this type, and as a result Lexmark Norway has built a unique demo centre where solutions offered by both Lexmark and other software suppliers are on display. Several hundred companies will have been to visit our solutions centres this year, and a lot of interesting agreements have been entered into with a number of major Norwegian companies that are now converting their range of hardware, which was often initially compiled at random. Users will have a consistent way of operating the various machines, with one and the same user panel, the same equipment, the same user displays on their PCs, and – not least – the same service engineers.

Surveys show that companies' annual costs with regard to internal paper generation (copy-print-fax) amount to 1-3% of their gross turnovers. Consequently, there is a lot of money to be saved by consciously focusing on this. Without raising consciousness of this issue, most people would prefer to replace their old photocopies, printers or fax machines with the equivalent new machines simply for reasons of convenience. This will not rectify the basic problems with a lot of systems; that is to say, the fact that they are put together at random.

In the coming months, Lexmark Norway wishes to further underline its role as a catalyst for making people aware of this issue. Among other things, we want to invite decision-makers to no-obligation demonstrations BEFORE they need to buy new machines to enable them to take on a more professional role when their current machines are later to be replaced. ★

## Better Conditions for Corporate Norway

Joachim Bamrud, Editor in Chief, Økonomisk Rapport

Lately, the media and various politicians have voiced strong criticism against Central Bank Governor Svein Gjedrem for his interest rate policy. We should, however, be more taken up with enabling the Norwegian economy to prosper on its own accord regardless of any reductions in the interest rate.

Last year, the increase in turnover for the hundred largest companies in Norway was barely higher than the growth in Norwegian economy at large – in other words, no cause for celebration. Even worse is their decrease in income before tax.

Major companies such as Statoil, Norske Skog and Det Norske Veritas (DNV) are escalating their activities abroad at the expense of Norway. Meanwhile, direct foreign investments in Norway are at a brow-raising low.

The cause for this is not so much the interest policy of Norges Bank as the inadequate conditions under which Norwegian trade and industry operate.

The oil companies – dominating the list of Norway's hundred key companies – all depend on the right conditions to be able to continue operating in Norway. As Finn Roar Aamodt in The Norwegian Oil Industry Association (OLF) pointed out in Økonomisk Rapport recently, the high level of costs and taxes imposed on the Norwegian continental shelf has made this industry less competitive.

Meanwhile, the exploration activity is at its lowest since the outset.

The level of costs in Norway – especially those concerning wages – is one of the key factors behind the steady decrease in the earning capacity and the ever-growing number of companies registering abroad. According to The Federation of Norwegian Process Industries (PIL), the typical Norwegian industrial worker costs on average 34%

more than an industrial worker with our trading partners (based on the same currency).

The gap is even bigger in the shipping industry where Norwegian sailors compete with EU sailors paying no taxes. Consequently, the jobs in the shipping industry are flagged out.

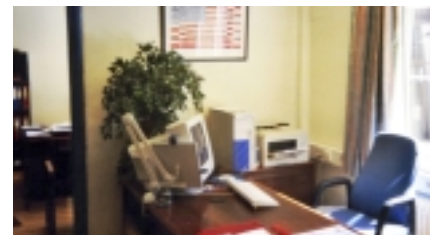
In addition, there is a high frequency of sick leaves, going up 40% since 1995. At any time, according to The Confederation of Norwegian Business and Industry (NHO), one out of six employable Norwegians are on sick leave.

The rule of red tape represents another serious problem, mostly because it is making life difficult for small and medium sized companies. According to The Norwegian Association for Small and Medium Sized Enterprises, Norwegian companies spend 7,373 man-years – 12.7 million hours a year – pushing paper. Despite the Government's action plan for "A simpler Norway" initiated in the fall of 1998, we have only seen a slight decrease in red tape over the last years.

However, the problem does not only limit itself to poor conditions for already operating companies. The current setting also fails to promote innovation and creativity. Many entrepreneurs and potential entrepreneurs are held back by a much too high level of taxes (read: wealth tax) and inflexible employment regulations. To promote substantial growth in the Norwegian economy we need incentives for new investments. This can only be realized through a combination of lower taxes, less red tape, more flexible employment regulations, stricter sick leave regulations and a market-oriented economic policy. ★

## Did You Know That...

- the American Chamber's central Oslo conference room is open for use by corporate-level members?
- as a member you have access to the Chamber's 30 country files compiled by our counterpart organizations around the world?
- you can suggest a future American Chamber Newsletter article by emailing [newsletter@amcham.no](mailto:newsletter@amcham.no)?
- the American Chamber in Norway is further strengthening its cooperation with our counterpart organizations in both Sweden and Denmark to better attract American investment to Scandinavia?



- you are more than welcome to visit our offices, near the American Embassy, to gather and share business information every Monday thru Friday from 10-16:00?

**The American Chamber of Commerce in Norway**  
– Developing Norwegian-American business relations since 1958.

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