



THE HONG KONG GENERAL CHAMBER OF COMMERCE

BULLETIN

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Members are reminded that the contents of the Bulletin are confidential.

Labour M.P.s Hold Chamber Talks



Representatives from the General Committee, the Chairman of the Indian Chamber together with Mr. T.K. Ann and Mr. D.C.C. Luddington at the reception for the visiting M.P.s.

Mr R. E. Sheldon and Mr Joel Barnett, Labour Members of Parliament, had a two-hour meeting with representatives of the General Committee of the Chamber during their Hong Kong visit.

They were also guests at a luncheon given by the Chamber.

Afterwards, the following statement was issued:

"Frank and full discussions were held on Hongkong-British trade, and among the topics mentioned was the possible British entry into the European Common Market.

The point was also made of the

need for Hongkong to promote its image in Britain.

Questions were raised on Hongkong's competitors in the Far East and possible improvements in British exports to Hongkong and Asia. It was stressed that more British businessmen's missions should visit Hongkong."

Mr Sheldon and Mr Barnett were welcomed by the Hon G. R. Ross, Chairman of the Chamber.

Q + A = E.C.I.

Among the questions raised during the recent talk on Export Credit Insurance were the following, with Mr. K. D. Robertson's answers.

Q. Mr. Chairman, will you allow exporters in Hong Kong to select and exclude specific markets or buyers?

A. We will not as a general rule allow selection, but we must allow certain exclusions — such as a firm trading with their head office in U.K.

Q. Will you pay if a buyer refuses to accept trade documents?

A. We do not initially intend to cover what we call "repudiation". (If a buyer refuses to accept trade documents, he is really refusing to accept the exporter's goods.)

Q. Will Export Credit Insurance help the type of industries we have in Hong Kong? When you were in England, did you find the lighter industries supported the Corporation, or was it all industries?

A. By far the greater percentage of policies issued by the E.C.G.D. cover consumer goods. The branch of the E.C.G.D. in Bradford cover a lot of woollen textiles to Hong Kong.

Q. Will you insist on a survey covering the inspection of the goods before shipment when examining a claim?

A. Depending on the regulations in force at the time of export we would not normally expect a survey

before paying a claim but any dispute about the quality of the goods must be settled before we will assume liability.

Q. Can an exporter insure a letter of credit?

A. We can most certainly cover this by special arrangement.

Q. I would like to know if you cover exported goods that are damaged in transit.

A. We won't cover any risk that can be covered by a Commercial Insurance Company.

Q. Do you charge the same premium to established firms and to newly formed firms?

A. This is a difficult question. We have to look at the exporter's business, as the premium rates we charge will depend on the quality of the business offered to us, as well as other things that have to be taken into consideration. A completely new firm that has only just started trading could well have slightly higher premium rates.

Q. What happens when a manufacturer exports direct?

A. We will of course cover any manufacturer who is an exporter as well.

Q. We had a case where we shipped goods to Cuba on a D/A basis, and the customs would not allow the exchange money to be transferred to Hong Kong, though after two years we did get our money back.

A. Under Export Credit Insurance your firm would, normally, have been able to get your money back. The advantage is that the money would be paid back four months after the occurrence (except for protracted default, when we pay six months after the date due for payment), bringing it back into the firm as working capital.

Q. Do you give separate policies for each shipment?

A. We issue one comprehensive policy and in this you make declarations to us each month so there is just one comprehensive policy which lasts for one year.

Q. Suppose I make a shipment on D/P terms and, after the shipment, the buyer insists we change to D/A, will you help us?

A. In a case like this you would have to visit us and see if we can change from D/P terms to D/A terms.

Q. Suppose I am selling many dollars worth of goods to a buyer. I then decide to take out an insurance policy with you (and I have to declare all that I sell), but we cannot agree on the credit limit, and I can only sell some of the goods I was able to sell before, so in fact this method of insurance is preventing me from selling more.

A. I can only say that we would be doing everything in your own interests, and if we cannot agree on credit limit, the exporter can sell the amount of goods he was selling before, but at his own risk.



The new vocational training centre at Kwun Tong is seen here on the left, where at present some 300 students learn a variety of crafts. Among the objects of the centre is to establish close contact with employers.

TRAINING FOR THE FUTURE

One of the most pressing questions in Hong Kong today is youth training. The Chamber is vitally interested in this question and indeed is represented on a Government Committee enquiring into technical training.

The need for skilled workers for industry, however, remains of paramount importance and while several local firms, especially in Hong Kong's more sophisticated industries, have shown an energetic lead in their own training programmes, much remains to be done.

Attempting to bridge the gap between the school-leaver and the trained factory technician, is the Kwun Tong Vocational Training Centre, an organisation run by the Lutheran World Service. Recently the principal of the Centre, Wing Commander W. D. F. Williams, described to the Chamber the Centre's aims and objects.

In their new \$420,000 building courses are held on a variety of subjects designed to meet the needs of commerce and industry in Hong Kong. At present the Centre is open to 300 students and selection is based on need, aptitude, enthusiasm and the ability to benefit from the training. Deaf and handicapped students are also accepted.

The medium of instruction is Cantonese but students are taught English and civics. There are no tuition fees, only a nominal entrance fee of \$48. Uniforms, books, medical treatment, and in some cases transport costs and meals are all provided free.



dustry, that he would welcome visits from them and hear their views on how the problems of equipping Hong Kong youths for a career in industry can best be met.

The new Vocational Training Centre at Kwun Tong was opened by the Governor, Sir David Trench, in May this year. The 40,000 square feet site was donated to the Lutheran World Service by the Government and the new Centre took 27 months to build. Below: Trainees are seen working on air conditioning equipment. It is estimated the Centre can expand its student population to 1,000 without the need for further building.

Trade With Brazil

The Brazilian Government has announced that no Consular emoluments will be collected for the legalisation of commercial invoices (including reformed ones) covering merchandise exported to Brazil from countries which have accorded the same privileges to Brazil.

As Hong Kong is included in this category the Brazilian Consulate General will legalise free of charge, all commercial invoices of goods shipped from Hong Kong to Brazilian ports.

Office Accommodation

A total of 1,200 square feet of office space will shortly be available in the Central District. A further 370 square feet is available immediately in the same building. Details at the Chamber.

Trade with France

A member of the Cercle de l'Opinion mission from France, who visited Hong Kong recently is enquiring into the potential of importing into Hong Kong canned foodstuffs and soft drinks. He also enquires on the potentials for additives, in the plastic, paint and rubber processing industries. Members interested should contact the Chamber.

St. Erik's Fair

Status reports on firms who made trade enquiries at the St. Erik's Fair in Stockholm will soon be available. Members who are developing business as a result of a trade enquiry from St. Erik's should contact The Hongkong and Shanghai Bank for status information.

Ships Registered

Altogether 498 vessels with a gross tonnage of 879,654 tons were registered as British ships at the port of Hong Kong at the end of June, according to statistics released by the Marine Department.

E.P.C. SEEKS DIRECTOR

Draft Legislation for the new Productivity Council is now ready. All that is required is a suitable applicant for the \$10,000 — a — month job as Executive Director.

Dr. S.Y. Chung, Chairman of the Productivity Council has said that a short list has been suitable applicant for the \$10,000 applicants.

Apart from organisational work the Council had sent out businessmen to specialised meetings on machine tools, metals, packaging and plastics, to seminars on work study and production control, product design, and light industry in a developing economy, to courses on small industry generally and small-industry management training. Most of these were in Japan.

It had sent participants to 15 such gatherings, all told. Apart from the first US\$200 for each participant, this was financed wholly by US Aid for International Development funds channelled through the Asian Productivity Organisation.

The Council has offices at 512-16 Gloucester-bldg., Tel. 236523.

Foreign Residents

Altogether 456 foreign nationals arrived in Hong Kong and were registered as residents of the Colony during the second quarter of this year. This brings to 13,977 the total number of aliens residing in Hong Kong at the end of June, representing an increase of 262 as compared with the preceding quarter.

The total included 4,237 Americans, 2,000 Portuguese, 1,948 Japanese and 772 Filipinos.

Getting Around

Members who wish to advertise their products in Iran are advised of a new publication, the Bonyad Bi-Lingual Directory, which is claimed to have a circulation of 50,000 among trading interests in Iran. Rates vary from US\$12 to US\$90.

Contact should be made to Bonyad, 70, Avenue Kakh, Nahid Square, Tehran.

CALL FOR BETTER MANAGEMENT

The Colonial Secretary, the Hon. M.D. Irving Gass, said that in the present competitive world Hong Kong's future prosperity would greatly depend on its ability to raise the standards of management and business administration.

He was speaking at the inauguration ceremony of the Lingnan Institute of Business Administration of the Chinese University of Hong Kong at the City Hall Theatre.

Mr. Gass said it would be difficult to think of an Institute of greater potential benefit to Hong Kong and he was confident that it would make a vital contribution towards achieving a higher standard of management and business administration.

Don't Forget

Whit Monday in 1967 now falls on May 15th., and members are reminded to amend their holiday notices accordingly.

JETRO Centre Opens

A Japanese Trade Centre has been opened on the 20th floor of International House. The permanent exhibition of Japanese products shows chemicals, machinery, miniature motors, electric appliances and a Japanese invention, the 'massage chair'.

Okinawan Mission

A party of ten Okinawan businessmen who visited Hongkong were confident they may be able to sell more products to the Colony.

While here they also made a study of Hongkong production and business methods.

Mr. Tokoyama, Managing Director of the Ryukyu Industrial Federation, pointed out yesterday that the balance of trade between his country and Hongkong at present is weighted in the Colony's favour.

Christmas Mail

Members are reminded that calendars and greeting cards sent in bulk to the United Kingdom must bear an international green Customs label.

Introducing the Staff

ALPHONSO CHUNG

Vivid memories of an opulent life in Shanghai and the prestige that came with being the son of Dr. Sun Yat-sen's first ambassador to the United States, still live with one of the Chamber's executive assistants, Alphonso Chung.

The now faded photograph, reproduced on this page, tells of Alphonso's heritage, when his father sat at the Emperor's Court of the Ching Dynasty.

"This picture, which includes my father, was actually taken in the Kaiser's palace in Berlin in 1908 when the Imperial Chinese Mission to Europe paid their respects," said Mr. Chung. "My father had accompanied a nephew of Emperor Henry Puyi, who was making history by being the first member of the Ching Dynasty's Royal Household to go abroad.

"At that time," recalls Mr. Chung, "my father was a tutor to the young man, but his first appearance in our home in Shanghai was the cause of considerable embarrassment. The Prince had travelled from Peking to Shanghai where he was to meet my father before boarding the liner for their first call to the United States en route to Europe.

"Protocol normally dictated that the student should bow to his tutor, but how could a Prince bow to my father! The problem was solved, when, in the company of the Palace guards, both my father and the Prince made equal obeisance to each other."

Also in the group is Tang Shao-yi, the Prime Minister.

Alphonso's father had earlier studied with a hundred other Chinese pupils in the United States and, in the strict tradition of the Manchus, kept his hair in a pigtail. "My father was teased so much that eventually he cut his pigtail but the news reached the Dowager Empress and she assumed that a revolution was being plotted upon his return.

"As a result all the students were ordered back to China, and although my father did not complete his course, he was awarded an M.A. degree.

"I can only remember the days after my father had retired from the Foreign Service, but they were days of unbelievable luxury. As a reward for his service, my father was made managing director of two Government railway companies and a steamship company.

"In those days his salary was estimated at £12,000 a month,

but this did not include the commission he could have taken from the sale of coal to the railway. We lived in a three-storey house in the International Settlement and I remember we had more than ten servants. Cars were still a comparative rarity in Shanghai, but I remember, too, that we had three automobiles.

"With the change of Government, however, my father retired and eventually we were forced to sell our house and move to much more modest surroundings.

"I suppose it was fate that brought me to Hong Kong in 1948, certainly it was not the fear of a Communist take-over. I am still not quite sure why I came here in the first place, but I decided to settle down and take a job with an import/export firm."

For Mr. Chung, however, Hong Kong proved a disappointment and a few years later he decided to emigrate to the United States.

"I tried to find work in San Francisco, but I didn't like the atmosphere there, nor did I feel the opportunities were good enough, so I returned to Hong Kong."

Mr. Chung joined the Chamber in 1964 where his excellent English makes him ideally suited for his job of assisting overseas callers. Few of them would ever suspect that this son of a Yale scholar, who rose to great heights in his own country, nourishes in his desk mementos of a golden past.



T.D.O. Costs Explained

More than \$10 million is being spent on trade promotion this fiscal year, in line with the city's vigorous drive for world-wide markets.

Mr. R.G.L. Oliphant, Director of the Trade Development Office, stressed this at a press conference about the Importation and Exportation (Amendment) Ordinance 1966.

He detailed how the money would be spent, with \$4,500,000 going towards trade publications and other projects.

Asked whether his department would promote importing and as well as exporting, Mr. Oliphant replied that everything would be done to make the most of inquiries from overseas about this.

"We are very interested in people who want to sell to Hongkong — certainly we don't ignore importing," he added.

At the press conference, Mr. D.R. Holmes, Director of Commerce and Industry, also explained that an estimated total of \$7 million would be raised by a new ad valorem levy when the terms of the ordinance come into effect on Oct. 3.

Out of this amount, \$6,500,000 would be available to finance the city's trade promotion activities. "If local trade goes up the tax will provide more money for promotional work overseas," he said.

Comprehensive Certificates

Following discussions between the United States and Hong Kong Governments, it has been agreed that as from 1st October 1966 all Commercial Comprehensive Certificates of Origin in respect of cotton goods caught within the Hong Kong/United States cotton textile controls will be endorsed with the relevant Long Term Arrangement Category number. For the purposes of the Long Term Arrangement cotton manufactures are defined as those containing more than 50% by weight of cotton.

New Import Export Tax

Regulations made under the Importation and Exportation (Amendment) Ordinance 1966 have now been circulated to members.

These Regulations are intended to raise money by means of an ad valorem levy to finance Hong Kong's trade promotion activities overseas. Under the new regulations, the present stamp duty of \$2 payable on all import and export declarations will be replaced by a charge calculated on the value of the goods covered by each declaration at a rate of 50 cents per \$1,000 or part thereof.

A minimum charge of \$2 will be payable for a declaration covering goods valued at \$4,000 or less. The ad valorem charge, however, does not apply to import declarations covering foodstuffs, including rice, meat, fish, fruit and vegetables and the present \$2 flat rate for such declarations remains unchanged.

The Regulations allow the Director of Commerce and Industry to verify particulars given in a declaration, including the valuation, and, where he believes a value to have been understated, to declare a new value.

A surcharge may be imposed on any person who deliberately falsifies declarations in an attempt to evade the payment of full charges. There will be a right of appeal to the Governor in Council against such assessments or penalties.

The Regulations will also make the ad valorem levy payable on all postal packets containing goods valued at over \$4,000.

Based on the trade returns for 1965, the revenue which would be raised for trade promotion by these Regulations should amount to about \$6.5 million.

This money, together with a contribution of about \$5 million from general revenue, will go to the proposed Trade Development Council for expanding Hong Kong's trade promotion activities.

Quarantine

Quarantine restrictions against arrivals from Chalna, Lucknow and Phnom-Penh because of cholera have been withdrawn. — Port Health Office.

Common Market Success Seen

The European Economic Community was "doomed to success," a leading European economist said.

He is Professor Reimut Joachimsen, Professor of Economics at Kiel University, who spoke at the Economic Association of Hongkong at the Goethe Institute.

Dr Joachimsen said one of the most interesting features of the European Common Market since its inception in 1958 had been the adaptability of industry to the policies brought into being.

Noting that considerable success had been achieved in removals of tariffs and other import restrictions, and the exchange of labour, he said the ECM nations now were moving into the area of uniform taxation — West Germany, he believed, might adopt the system of incentive taxation France gave its exporters.

He said: "The Common Market must succeed — one could say it is doomed to success."

Malaysian Mission

An eight-member mission from Negri Sembilan (West Malaysia) left on October 5th for a three-week tour of Thailand, Hongkong, Japan, Taiwan and the Philippines to seek investments.

They will urge businessmen in those countries to invest in the State's 400-acre industrial site which is now ready for factories to be set up.—UPI.

Evening Lectures

Subjects ranging from the Hong Kong economy to local shipping and optical industries will be discussed in a series of evening lectures organised by Hong Kong University. The lectures on Tuesday evenings from October 4th. Among the speakers will be Mr. R.G.L. Oliphant, Executive Director of the T.D.C., Mr. John Pain, Assistant Executive Director of the Tourist Association, Professor R. Hsia, Miss Pauline Chan, Mr. P.A. Graham, Mr. Denis Ting and Mr. Kayser Sung.

Further information can be obtained from the Chamber.

BOOK PAGE

Office Manager's Handbook

3rd Edition — Edited by John Cameron Aspley.

A modern guide for executives in charge of the office. The editors interviewed a large number of executives reputed to have done an outstanding job of organisation and management. Their findings are fully illustrated and indexed so that practical information can be quickly spotted to help solve any office problem.

Industry In East Africa—1964-65

3rd Edition — Editors: East Africa, Rana Satya Paul, B.A. (Hon.), J.D. Foreign Section, Janardan T. Bhatt.

The three nations that together form East Africa are Kenya, Uganda, and Tanzania. This book contains information on the peoples of these nations, finance and banking, trade and commerce, manufacturing and business activity, transport and communications, training and labour and tourism, as well as many other subjects.

Japan Trade Guide—1966

31st Edition — Published by The Jiji Press, Ltd.

The Japan Trade Guide is a comprehensive book, containing articles on Economic Developments, Foreign Trade, Export Commodities, Service Facilities, Foreign Trade Procedures, Government Agencies and Trade Organisations, these articles are then sub-divided into different chapters. The book also includes a mercantile directory with a

general index, and a classified and an alphabetical list of firms in Japan.

Taiwan Buyers' Guide—1966

Published by China Productivity and Trade Center

This fifth edition of the Taiwan Buyer's Guide contains names, addresses and detailed information for thousands of exporters, importers, manufacturers, trading firms, shipping lines, trade associations, banks, government agencies, foreign representatives and other international marketing organisations. The comprehensive classification of firms by products, makes it easy to locate buyers and suppliers for all these products.

The Chamber has a library of many hundred books and magazines, all of which are available to members at the office library.

New Trade Forms

The new trade declaration forms to be used in connection with the ad valorem levy on all imports and exports next month are now on sale. The forms, printed in duplicate and costing \$2 a pad of 50 forms, can be obtained at the following places: the Government Publications Centre, Star Ferry Concourse, Hong Kong; Commerce and Industry Department, Accounts Office, third floor, Fire Brigade Building and Fifth floor, Hong Kong and Shanghai Bank Building, Mong Kok, Kowloon.

Complete pads of 50 forms of the type used previously, provided they were printed by the Government Printer, may be exchanged for the new forms at all the above places until November 30, 1966. Two pads of the old forms may be exchanged for one new pad.

TO ATTEND GATT TALKS

Mr. C.P. Haddon-Cave, Deputy Director of Commerce and Industry, is attending the meeting of the G.A.T.T. Cotton Textiles Committee in Geneva.

This Committee will review the current year of the Long Term Arrangement for controlling international trade in cotton textiles and will begin considering the future of the L.T.A. after its present term expires in September, 1967.

Mr. Haddon-Cave will afterwards fly to Ottawa for negotiations with the Canadian Government on cotton textiles restraints in the Fifth Year of the Long Term Arrangement (1966-67).

He will later go on to Washington for consultations on certain aspects of the five-year bilateral agreement on cotton textiles recently entered into with the United States Government.

For the discussions in North America, he will be joined by Mr. H.D. Miller and Mr. Thomas Yan Chu-wah of the Textiles Division of the Commerce and Industry Department and by three members of the Cotton Advisory Board. The members, the Hon. P.Y. Tang, Mr. F. Tien and Mr. Y.L. Yang, will act as industrial advisers.

World Marketing

A seminar on International Marketing, will be held from November 1st to the 10th., with the object of acquainting Hong Kong businessmen with modern concepts, methods and techniques of overseas markets.

The seminar leaders are Mr. Al N. Seares, President of the Affiliates in Management Services, Inc., New York, and Mr. Oiva Rydeng, Head of the National Association for Promotion of Danish Products. Mr. Seares is a former vice-president of Remington Rand and was in charge of 2,600 salesmen and 212 branch and district offices. Mr. Rydeng was head of the Marketing and Distribution Section of the European Productivity Centre in Paris.

The seminar is being implemented for the Government and the Asian Productivity Organisation by the Hong Kong Management Association.

MEMBERSHIP

New Members

Chemprod Limited, 716 Gloucester Building, Hong Kong.
T. Choithram & Sons (HK) Ltd., 28 Hollywood Road, Hong Kong.

Eastern Union Corporation, 13 Tak Hing Street, Suite 3A, Kowloon.

Hunter Corporation Ltd., Luk Hoi Tong Bldg., 6th floor, 31 Queen's Road Central, H.K.
International Trading Co., 1204 Gee Tuck Building, 16-20 Bonham Strand East, H.K.

Magnet Trading Corporation, 75-77 Wyndham Street, Rm. 302, Hong Kong.

Neckermann Versand Ltd., 909 Shell House, Hong Kong.

Oxford Industrial Corporation Ltd., 61 Hung To Road, Ground floor, Kun Tong, Kowloon.

Rockwell International Ltd., P. & O. Building, 12th floor, Hong Kong.

Star Industrial Co., Ltd., 422 Central Building, Hong Kong.

Superfine Trading Co., 81 Kimberley Road, 6th floor, Kowloon.

Tong San & Co., 304 United Building, 19 Jubilee Street, H.K.

Tsang King Kee Ivory Factory, 23 Wyndham Street, Hong Kong.

Wah Cheong Trading Co., 78 Chungking Mansion, 2nd floor, Nathan Road, Kowloon.

Wang Cheong Co., Ltd., 33 Tseuk Luk Street, 3rd floor, Flat A, San Po Kong, Kowloon.

Winchester Electrical Ltd., Shell House, 10th floor, Queen's Road Central, Hong Kong.

Change Of Address

Abdoolally Ebrahim & Co. (H.K.) Ltd., Abdoolally House, 20 Stanley Street, Hong Kong.

Amerisia & Company, 35 Des Voeux Road West, 2nd floor, "B" Block, Hong Kong.

King's Dyeing & Weaving Factory, 710-712 Gloucester Building, Des Voeux Road Central, Hong Kong.

Overseas Mutual Trading Co., 1101, Hing Wai Building, Queen's Road Central, Hong Kong.

Universal Trading Corporation, 211, Yu To Sang Building, Queen's Road Central, Hong Kong.

TRADE FAIRS

● FRANCE. The 12th

International Women's Ready-To-Wear Show, will take place in Paris from 5th to 11th November 1966.

● JAPAN. The 7th Tokyo

International Trade Fair 1967 will be held from April 18th to May 7th.

The Japan World Exposition, Osaka, will open on Sunday, March 15th to September 13th, 1970. Information available at Japan Association for the 1970 World Exposition, Midoh Building, 27 Hommachi 4-chome, Higashi-ku, Osaka, Japan.

● FRANCE. The 38th

Salon International de la Machine Agricole (World Fair of Rural Equipment) will be held from 7th to 12th March 1967 in Paris.

● U.S.A. The "World Trade Week", sponsored by the Los Angeles Chamber of Commerce, 404 South Bixel Street, Los Angeles, California 90054, will be held May 21-27, 1967.

Tariff Board Enquiries

The Australian Minister for Trade and Industry has referred two items of import to the Tariff Board for inquiry and report, according to information received here.

The two items are ceramic tableware and wooden articles including photo-frames, packing cases, household utensils and builders' ware.

The value of Hong Kong's exports of china and ceramic household ware to Australia last year amounted to \$42,843 whilst exports of wooden articles affected by the Australian move were valued at \$213,924.

Meanwhile, the Australian Department of Trade and Industry has received a request for temporary protection against imports of sand boots and shoes. The request may also lead to the usual inquiry and report by the Australian Tariff Board.

Hong Kong's exports of tennis shoes to Australia last year were valued at \$226,134.

TENDERS

Hong Kong

Tenders are invited for the following:

1. Supply of nucleograph equipment and accessories.
2. Supply of dressing auto-clave.
3. Purchase from the Hong Kong Government of ferrous metal scrap.
4. Purchase from the Hong Kong Government of lead covered electric cables.
5. Supply of X-ray equipment and accessories.
6. Supply of white sugar.
7. Purchase from the Hong Kong Government of confiscated wrist watches.
8. Supply of brown salt glazed stoneware pipes & specials.
9. Supply of 4 ton vibrating roller for roads & drainage office.

Tender forms and further details may be obtained from the Stores Department, Oil Street, North Point.

Quota Transfers

The following observations set out in general terms the stamp duty chargeable under the law in respect of transfers of quotas:—

AGREEMENT TO TRANSFER — 2% ad valorem duty is payable on the amount or value of the consideration under Head 5 in the Schedule to the Stamp Ordinance, OR

TRANSFER — 2% ad valorem duty is payable on the amount or value of the consideration under Head 21 in the Schedule.

AGREEMENT FOLLOWED BY A TRANSFER — where duty has been paid on the agreement at (a) then the transfer will not be chargeable with any duty in accordance with Section 38(3) of the Ordinance.

TEMPORARY / PERMANENT TRANSFER — the 2% ad valorem duty is payable whether the transfer is of a temporary or a permanent nature.

TRANSFER OF PART OF QUOTA — the 2% duty is payable whether the whole quota or only a part quota is involved.

NEWS FROM D. C. & I.

Malaysia — Commonwealth Preference

The Department have now received details of certain customs tariff amendments made by the Government of Malaysia (including the States of Malaya, Sabah and Sarawak). These amendments, which came into force at 4.30 p.m. on 18th August, 1966, increased Commonwealth preference duties up to the full most-favoured-nation rate for a number of items.

For further information or enquiries please contact Mr. J. C. C. Chan, Overseas Trade Relations Branch, Commerce and Industry Department, Li Po Chun Chambers, 12th floor, Hong Kong. (Tel. 451919).

Malaysian Tariff Code No.	Description	Applicable Area 1/	Commonwealth Preference Duty 2/		H.K. Domestic Exports in 1965 (HK\$)
			Old	New	
055522	Vegetables prepared or preserved, otherwise than as infant food or in vinegar, in airtight containers.	M	10%	25%	510,345
061101—1	Sugar, regardless of source, of a polarisation exceeding 99°	M 3/	Per Ton \$179.20	Per Ton \$224.00	2,902,920
—2			\$156.80	\$201.60	
—3			\$112.00	\$156.80	
—4			\$100.80	\$145.60	
121000	Tobacco, unmanufactured, including tobacco refuse	M S SK	Per lb. \$ 8.40	Per lb. \$ 8.60	1,491,688 Nil Nil
553011	Perfumery containing spirits	M S	25% 20%	50% 30%	115,072 5,913
553013	Perfumery not containing spirits, cosmetics, and toilet preparations (except soap and products for dental hygiene) including shaving creams, shampoos and animal toilet preparations	M S	25% 20%	50% 30%	602,881 171,310
Group 652	Cotton Fabrics of standard type (i.e. woven cotton fabrics other than narrow or special fabrics)	M S SK	15% or 6 cts. per sq. yd.	25% or 10 cts. per sq. yd.	16,203,730 295,616 84,905
Group 653	Textile Fabrics of standard type other than Cotton (i.e. woven fabrics, other than narrow or special fabrics, other than of cotton)	M S SK	15% or 6 cts. per sq. yd.	25% or 10 cts. per sq. yd.	53,186 2,207 Nil
654020	Woven labels, badges and the like, not embroidered, in the piece, in strips, or cut to shape or size	M S SK	15%	25%	24,856 Nil Nil
654051	Tulle and other net fabrics (but excluding woven, knitted or crocheted fabrics), figured, and lace in the piece	M S SK	15% or 6 cts. per sq. yd. 15%	25% or 10 cts. per sq. yd.	Nil 97,392 Nil
654052	Trimmings of tulle or other net fabrics, or of lace in strips or in motifs	M S SK	15%	25%	26,044 Nil Nil

Malaysia—Continued P. 10.

Malaysian Tariff Code No.	Description	Applicable Area 1/	Commonwealth Preference Duty 2/		H.K. Domestic Exports in 1965 (HK\$)
			Old	New	
655430	Textile fabrics impregnated or coated with preparations of cellulose derivatives or of other artificial plastic materials	M 3/ S SK 3/	25%	35%	92,207 Nil Nil
655820	Wicks of woven, plaited, or knitted textile materials, for lamps, stoves, lighters, candles and the like, tubular knitted gas-mantle fabric, and incandescent mantles for gas or oil pressure-type lamps	M S	15% 7½%	25% 15%	470,784 66,365 (Both figures cover incandescent gas mantles only)
656109	Sacks and bags of a kind used for the packing of goods, of textile materials other than jute	M	15%	25%	44,970
656201	Tarpaulins	M	15%	25%	21,859
656202	Sails, awnings, sunblinds, tents and camping goods of textile materials	S	7½%	15%	3,740
656911	Bed linen, table linen, toilet linen and kitchen linen, of cotton	M S SK	15%	25%	202,045 44,428 Nil
656914	Curtains and other furnishing articles of cotton	M			52,881
656915	Curtains and other furnishing articles of other textile materials	S SK	15%	25%	7,350 1,980
656921—2	Made-up textile articles, n.e.s. of cotton	M			376,463
656922	Made-up textile articles, n.e.s., of other materials	S SK	15%	25%	741 2,190
657601	Carpets, carpeting, rugs, mats and matting (other than knotted), except felt carpets, of wool or fine hair	M S SK	15%	25%	148,644 10,904 1,209
724204	Radio broadcast receiving sets, transistor	M S SK	20% 7½% 10%	25% 15% 25%	100,466 1,350 Nil
841431	Under garments, not elastic nor rubberised, knitted or crocheted	M	15% or \$1.44 per doz.	25% or \$2.40 per doz.	6,507,336
841439		S SK	15%	25%	486,307 195,357
Group 841 (except 841431 & 841439)	Clothing, of cotton and of textile materials other than cotton, except undergarments covered by items 841431 and 841439, and excluding fur clothing	M 4/ S 4/ SK 4/	15%	25%	9,420,435 864,875 1,105,631
851011	Footwear with outer soles and uppers of plastic				
851021	Footwear with outer soles of leather and uppers of any material except rubber				
851023	Footwear with outer soles of rubber and uppers wholly of leather				
851026	Footwear with outer soles of plastic and uppers of any material other than rubber or plastic	S	12½%	25%	

Malaysia—Continued P. 11

Malaysian Tariff Code No.	Description	Applicable Area 1/	Commonwealth Preference Duty 2/		H.K. Domestic Exports in 1965 (HK\$)
			Old	New	
851032	Footwear with outer soles of wood and uppers of any material other than rubber				
851042	Footwear with outer soles of materials not elsewhere specified and uppers of any material other than rubber.				
851012	Footwear with outer soles of plastic and uppers of rubber				
851013	Footwear with outer soles of rubber and uppers of plastic				
851014	Footwear with outer soles and uppers of rubber				
851022	Footwear with outer soles of leather and uppers of rubber	S	\$2.40 per doz. pair	\$4.80 per doz. pair	Whole footwear group—485,563
851025	Footwear with outer soles of rubber and uppers of any material other than wholly of leather, plastic, textile or rubber				
851041	Footwear with outer soles of materials not elsewhere specified and uppers of rubber				
851024	Footwear with outer soles of rubber and uppers of textile materials	S	\$1.50 per doz. pair	\$3.00 per doz. pair	
851031	Footwear with outer soles of wood and uppers of rubber	S	84 cts. per doz.	\$1.20 per doz. pair	
851050	Gaiters, spats, leggings puttees, cricket-pads, shin-guards and similar articles, and parts not elsewhere specified thereof.	S	7½%	15%	

ITEMS OF INTEREST TO HONG KONG STILL SUBJECT TO PREFERENCE

Malaysian Tariff Code No.	Description	Applicable Area 1/	H.K. Domestic Exports in 1965 (HK\$)
053901	Pineapples in airtight containers		
053902	Fruit and other parts of plants, preserved, in airtight containers (except pineapples and roasted groundnuts)	M	758,697
053904			
053905			
053906	Roasted groundnuts in airtight containers		
074101			
074102	Tea, leaf and dust	M	86,395
074103			
074104			
421400	Groundnut oil	M	365,041
611401	Leather of bovine cattle other than calf, including buffaloes, and of horses, undressed	M	
611402	Leather of bovine cattle other than calf, including buffaloes, and of horses, dressed (excluding chamois-dressed, parchment-dressed, patent, and metallised leather)	M 2/	28,567
612301	Prepared parts for footwear, of leather	M 2/	297,319 (including footwear parts of materials other than leather)
		S	Nil

Malaysia—Continued P. 12

Malaysian Tariff Code No.	Description	Applicable Area 1/	H.K. Domestic Exports in 1965 (HK\$)
641101	Newsprint		
641102	Uncoated printing paper other than newsprint	M	121,037
641221	Coated printing paper		
666400	Articles of a kind commonly used for domestic or toilet purposes, of porcelain or china	S	14,225
696019	Knives (other than table and kitchen knives and hand knives for agricultural, horticultural or silvicultural use) having a cutting edge	S	23,880
697110	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of iron or steel	S	69,969
697120	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of copper	S M	4,209
697231	Articles of a kind commonly used for domestic purposes and parts of such articles of aluminium, not being tools	S 2/	302,554
697233	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof of aluminium	S	
698201	Safes, strong boxes, armoured or reinforced strong-rooms, strong-room linings and doors and safe deposit lockers, of base metal	S	19,090 (safes only)
719121			
719122	Air-conditioning machines, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity of the air	S	33,257
719123			
719124		SK 2/	92,252
719125			
719126			
725034		S	111,358
725035	Ceiling fans, table fans and other fans for room ventilation	SK	60,206
725036			
812421	Lamps and indoor lighting fittings, of copper, electric	M S SK	336,194 22,400 17,867
812422	Lamps of copper, oil-burning, whether or not pressure-type		
812423	Lamps and indoor lighting fittings, of copper, n.e.s. and parts thereof	M	586,614
812424			
812425-1	Ballasts for fluorescent lamps	S	22,400
812425-2	Lamps and indoor lighting fittings, of base metals other than copper, electric, n.e.s.	SK	17,867 (Both figures include lamps and lighting fittings of copper)
812430	Portable electric battery and magneto lamps (other than those used for motor vehicles and pedal cycles)	S SK	233,408 245,124 (Both figures cover electric torches only)
831001	Travel goods (including trunks, suitcases, hat-boxes, travelling bags, haversacks, etc.) of or covered with leather, imitation leather or textiles	M	277,747 (including travel goods of other materials)
831002			
831005	Handbags, wallets, brief-cases, dressing-cases, tool-cases and similar containers, n.e.s. of or covered with leather, imitation leather or textiles	M	677,527 (including wallets etc. of other materials)

Malaysia—Continued P. 13

Malaysian Tariff Code No.	Description	Applicable Area	H.K. Domestic Exports in 1965 (HK\$)
899932	Artificial flowers of textiles	M	10,640 (including all artificial flowers other than of plastic)
		S	Nil

1/ M = States of Malaya
S = Sabah
SK = Sarawak

2/ (a) Duty rates expressed in terms of percentages are *ad valorem* rates.
(b) Specific rates of duty are expressed in terms of the Malaysian dollar which is equivalent HK\$1.88.
(c) Where alternative *ad valorem* and specific rates are shown, the rate which yields the higher duty applies.

3/ Specific import licence required.

4/ Specific import licences requires for stockings or socks, and the like, knitted or crocheted.

Singapore

The Singapore Government have announced the following import quotas for the three-month period 1st September, 1966 — 30th November, 1966:—

Description	Quotas	Hong Kong Domestic Exports to Singapore in 1965 HK\$
Stockings or socks of pure, natural silk not rubberised, knitted or crocheted	120% of 1964 imports	606,115
Stockings or socks, and the like not of pure natural silk, not elastic nor rubberised, knitted or crocheted	1% of 1964 imports	192,780

The Singapore Government have also announced that, with effect from 16th September, the importation of the following items must be covered by specific import licences:—

Description	Hong Kong Domestic Exports to Singapore in 1965 HK\$
Printing ink and ink for duplicating machines	76,591
Toy guns (including pistols and revolvers)	2,143,940 (all toys other than dolls and wheeled toys)

Republic of South Africa

Information has been received on certain budgetary taxation proposals tabled in the House of Assembly on 17th August, 1966. These proposals, to take effect from that date, include various customs tariff amendments of which the following are of interest to Hong Kong:—

Description	Rate of Duty		H.K. Domestic Exports to South Africa in 1965 HK\$
	Present	Proposed	
Carpets, carpeting and rugs, knotted pile (made up or not), of wool or fine animal hair	20% ad val.	30% ad val.	256,014
Umbrellas and sunshades (including walking-stick umbrellas, umbrella tents, and garden and similar umbrellas)	20% ad val.	30% ad val.	621,095
Portable electric battery and magneto lamps	15% ad val.	25% ad val.	2,653,952 (mainly electric torches)
Dolls made wholly or chiefly of rubber or of artificial plastic material:			
— of a f.o.b. price per doz. not exceeding 100 c.	15% ad val. plus 25 c. per doz.	25% ad val. plus 50 c. per doz.	278,369
— of a f.o.b. price per doz. exceeding 100 c. but not exceeding 150 c.	15% ad val. plus 50 c. per doz.	25% ad val. plus 75 c. per doz.	
— of a f.o.b. price per doz. exceeding 150 c. but not exceeding 250 c.	15% ad val. plus 75 c. per doz.	25% ad val. plus 125 c. per doz.	
— of a f.o.b. price per doz. exceeding 250 c.	15% ad val. plus 125 c. per doz.	25% ad val. plus 25 c. per doz.	
Dolls of other material	15% ad val.	25% ad val.	126,564
Toys made wholly or chiefly of rubber or of artificial plastic material (excluding toy animals, rattles or balloons): — wholly or chiefly of artificial plastic material	25% ad val.	35% ad val.	5,731,286
Toys made wholly or chiefly of wood	15% ad val.	25% ad val.	366,710
Toys made wholly or chiefly of metal	15% ad val.	25% ad val.	309,853
Vacuum flasks and other vacuum vessels, complete with cases; parts thereof (excluding glass inner)	20% ad val.	30% ad val.	198,666

(Exchange Rate: Rand 1 = 100 cents = HK\$8.00)

Australia

The Australian Minister for Trade and Industry has referred the following subjects to the Tariff Board for inquiry and report:

- Ceramic Tableware and the like;
- Wooden articles including photo-frames, packing cases, household utensils, and builders' ware.

In 1965 the value for china and ceramic household ware exports from Hong Kong to Australia was HK\$42,843 whilst exports of wooden articles affected by the Australian move were valued at HK\$213,924.

The Australian Department of Trade and Industry has received a request for temporary protection against imports of sand boots and shoes. This may also lead to the usual inquiry and report by the Australian Tariff Board. In 1965 Hong Kong exported HK\$226,134 of tennis shoes to Australia.

For further information and inquiries please contact Mr. K. C. Tam, Overseas Trade Relations Branch, Commerce and Industry Department, Li Po Chun Chambers, Hong Kong. (Tel. 442022).

Trinidad, Tobago

The import of "zippers" into Trinidad and Tobago is now subject to specific licensing control, according to information received in Hong Kong.

This is the result of an amendment to the list of exceptions to the open general licence system in the two territories.

Hong Kong's domestic exports of slide fasteners to Trinidad and Tobago in 1965 and the first half of 1966 were valued at \$50,864 and \$13,653 respectively.

Meanwhile, the Dominican authorities have announced that the Dominican Central Bank will not approve requests from importers for foreign exchange for almost all items of textile fabrics, yarns and made-up articles of clothing except when the commodities have been imported by means of Letters of Credit.

In 1965, domestic exports from Hong Kong to the Dominican Republic were valued at \$1.74 million of which textiles and clothing accounted for \$740,000.

Syria

The following is extracted from the Board of Trade Journal dated 19th August, 1966: "According to an official communique issued by the Syrian Ministry of Economy, certificates of origin provided for in the customs regulations by the Ministry of Economy as well as invoices of imported goods from all foreign countries, must contain the following statements:—

- That the goods are of the exporting country. If this condition is not satisfied, the name of the country where the goods were made must be mentioned.
- The name of the factory or the company which produced the goods, in the case of manufactured products.

The above decision will be enforced from September 12, 1966. Any invoice not containing the aforesaid conditions which is presented to the Ministry of Economy after September 11, 1966, will be rejected."

Though the operation of other new regulations and the restrictions generally are far from clear, exporters should ensure, before accepting orders from Sudanese merchants, that the relevant licence or registration form has been franked by the Bank of Sudan. In the absence of firm assurance or guarantee of payment, an irrevocable letter of credit is still recommended.

Iran

With effect from 7th September the Government of Iran has banned imports, whether direct or indirect, of the following item from China and Hong Kong:—

Cotton thread or yarn put up for retail sale—

- Bobbinet.
 - As clew, slab, tubes etc.
- Hongkong had no exports or re-exports in this item to Iran in 1965 and January-July 1966. (Mr. J.C.C. Chan, Tel. 451919)

Brazil

With effect from 15th September, 1966, the Brazilian Consul-General in Hong Kong will legalise free of charge all commercial invoices (including reformed ones) of goods shipped from Hong Kong to Brazilian ports.

Textiles Quota

The following revised procedure will, with effect from 1st October, 1966, apply to the processing of transfer applications:—

Application forms, completed in quintuplicate, should be submitted in the first instance to the Stamp Duty Office, Inland Revenue Department, situated on the 3rd floor of the West Wing at Central Government Offices, Ice House Street, Hong Kong.

When the assessment and collection of duty has been effected, four copies of the transfer form, duly stamped in the Stamp Duty Office, will be returned to the applicant for submission to this department.

On approval, one copy of the form will be returned to the transferee, another copy sent to the transferor and the two remaining copies retained in the Textiles Division Office.

The department will not consider any transfer applications—other than those relating to swing between category or group quotas held by the same company—which have not been endorsed by the Collector of Stamp Revenue.

This department's conditions of transfer stipulated on the reverse of all application forms are not in any way modified by the Collector of Stamp Revenue's requirement that transfers of textiles quota be charged with duty under the Stamp Ordinance (Cap. 117). In other words, a stamped application may be rejected by my staff if either one of the parties concerned has failed or is unable to comply fully with the usual transfer conditions imposed by this department. In such circumstances, it would be necessary for the company which had paid the duty to take up the question of a refund of revenue directly with the Stamp Duty Office.

Should you require further information regarding these arrangements, you are invited to contact any of the following officers:—

- Mr. R. A. Davie—
Assistant Trade Officer
(Textiles)
Tel. No. 226463.
Mr. R. M. K. Yau—
Assistant Trade Officer
(Textiles)
Tel. No. 447888.
Mr. S. C. Lee—
Assistant Trade Officer
(Textiles)
Tel. No. 229777.

Cotton Textiles

Control Arrangements for 1966-67

On 26th August, the Governments of the United States and Hong Kong signed an agreement under the terms of Article 4 of the Geneva Long Term Arrangements covering the export of all cotton textiles from Hong Kong to the United States for a five year period commencing retrospectively from 1st October, 1965. Previously, Hong Kong's exports of cotton textiles to the United States were, as you are aware, subject to annual arrangements which established restraint ceilings on certain individual cotton textile categories. The revised arrangements differ in that several categories have been combined and an overall limitation has been agreed. For the second year of the agreement (i.e. 1st October, 1966 to 30th September, 1967) this aggregate limit will be 338.6 million square yards. In subsequent years, the aggregate limit, and each one of its sub-limits, will be increased at the rate of 5% per annum.

Categorisation

As can be seen from Appendix I, which sets out the scheme of categorisation under the bilateral agreement, there are two types of category — those subject to specific limits and those subject only to the relevant group limit (although there is provision for consultations in the event of an undue concentration of exports in these categories).

Basis of Allocation of Yardage

In view of the aggregate limit and the fact that the yardage available is slightly less than the current year's shipments, it has been decided, on the advice of the Cotton Advisory Board, that the entire yardage should be allocated by means of a quota system based on past performance during the period 1st October, 1965 to 30th September, 1966. It has further been decided, on the advice of the Board, that the apportionment of this yardage between 1965/66 quota holders and those companies with performance against export authorisations will be as follows:

Companies which shipped 95% or more of their 1965/66 quota

holdings will in 1966/67 receive the same yardage as this year, plus 5% growth and a *pro rata* share in any forfeited quota (to be withdrawn from those shippers who failed to ship 50% of their 1965/66 allocations, thus rendering themselves ineligible to receive quota next year);

Companies which shipped between 50% and 95% of their quota holdings in 1965/66 will receive yardage equal to their actual performance, plus 5% growth on the latter;

Companies which in 1965/66 shipped against export authorisations will be given yardage from the balance of the aggregate limit remaining after the allocations under (i) and (ii) *pro rata* their actual export performance. This percentage will be not less than 60%.

Basis of Allocation

Categories with Specific Limits

Current quota holders will first receive quota in these categories based on performance and forfeitures with the exception that all growth yardage will be given in the form of *group yardage*. Where categories have been combined, companies will receive quota in the combined categories based on their performance in the former individual categories.

Companies shipping against export authorisations will then receive quota in these categories based on the overall percentage with the exception of categories 27(2), 34-35 where some part of this will have to be in the form of *group yardage* as the balance in these categories is insufficient to allocate quota up to 60% of performance.

No Specific Limits

Group yardage will be issued to companies qualifying under para. 3(i) — (iii) above for yardage in categories with no specific limits. Companies with *group yardage* wishing to ship in any of these categories will be required to take out export authorisations as exports in these categories are subject to consultation provisions. Companies with *group yardage* will be given a preferential right for six months from 1st October, 1966 to apply for export authorisations in those categories in which they had qualifying performance in 1965/66 up to the amounts set out in para. 3(i) — (iii) above. This right will not be transferable.

Status of Group Yardage

All shipments in categories with no specific limits will require to be covered both by *group yardage* and export authorisations. *Group yardage* may in addition be used for swing increases on quota holdings in categories with specific limits in any group when the swing scheme is introduced, which will not be before 1st January, 1967.

Swing Rights

Under the bilateral agreement specific limits in any group may be increased by 5% and there is provision for 10% swing between all groups, except into the apparel group in which case it is limited to 5% in return for certain additional swing rights for specific limits in that group. Full details of the swing scheme will be announced later.

Conditions

When final allocations of quota and *group yardage* have been issued, both quota and *group yardage* may be transferred, either temporarily or permanently. Export authorisations, rights to export authorisations and provisional allocations will not be transferable. Time / shipment conditions will be imposed on quota, *group yardage* and export authorisations.

Provisional Quota and Group Yardage

Letters of provisional allocations of quota and *group yardage* will shortly be sent out to qualifying companies. In the meantime, enquiries may be addressed to any of the following officers:

Mr. T.C.W. Yan
Trade Officer (Textiles)
Tel. No. 238998.
Mr. R.M.K. Yau
Assistant Trade Officer
(Textiles)
Tel. No. 447888.

Note

As will be readily understood, the manner in which it has been decided to administer the bilateral means that there will no longer be any export authorisation schemes open to all comers, and that from 1st October, 1966 until further notice, all shipments of cotton textiles to the United States will need to be covered by quota or *group yardage*.

Further information on the categorisation of cotton manufacture to the United States at the Chamber.