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THE HONGKONG BANK GROUP

JULY, 1969

THE HONG KONG GENERAL CHAMBER OF COMMERCE

The Bulletin

COVER

Australia is building an impressive new opera house in Sydney, a symbol of the country's growing wealth and prestige. The ordinary Australian, also, has money to spend on Hong Kong goods. See leading article,

Chairman:

Hon. M.A.R. HERRIES, OBE, MC

Vice Chairman:

G. M. B. SALMON

Secretary:

J. B. KITE

Acting Secretary:

R. T. GRIFFITHS

Bulletin Editor:

Miss B. CHIU



4 This is Australia. A Commerce and Industry Report.

6 The Management Consultant. A management consultant tells about other management consultants.

7 Round About.

8 Round About.

9 Economic Report World Round Up.

11 A digest of Chamber news in Chinese,

9th Floor, Union House, Hong Kong Tel: 237177 Cables: Chambercom

A country with one of the highest standards of living in the world, which has increased the real value of its gross national product by 36 per cent in the last six years, and which is expected to experience a strong and growing demand for consumer goods during the foreseeable future —

THIS IS AUSTRALIA

The prosperous Australian worker earns the equivalent of HK\$364 a week. And he is keen to spend his earnings on the good things of life—already most Australian families own at least one car, and a growing number of homes are equipped with telephones, radio and television sets.

Each year the average Aussie —and there are over 12 million of them—spends some HK\$6,200 on consumer and durable goods.

Like his counterparts in other countries with a high standard of living, the Australian is prepared to spend his money freely, if he believes he is getting value for money. Naturally, he is keen to buy Australian-made goods, but he is equally prepared to look at imported goods when they offer benefits in terms of price, quality or design. Last year Australia imported

Last year Australia imported goods to the value of HK\$20,900 million, an increase of 7.2 per cent over 1967. Three exporting nations only—the US, UK and Japan—between them accounted for almost two thirds of this total. It is hard to believe that an increasing share of the Australian market could not be won by other exporters, if they are prepared to analyse the market requirements logically, and then, having gone-in, to sell aggressively.

Clear Policy

The first point to be kept in mind is that the Australian government has a clearly formulated policy towards imports. In the long term, this is designed to encourage the growth of home industries, and has led to the introduction of customs tariffs to protect local industry.

The future of the tariff policy is currently under debate, but whatever the long-term outcome, it is clear that the best prospects for an immediate expansion in Hong Kong's exports to Australia lie in the markets that are not significantly served by home industry. The greater part of the Australian textile market comes into this category.

Currently Australia has a favourable trade balance with Hong Kong, despite an encouraging growth in sales of Hong Kong exports. Between 1965 and '68, Hong Kong's imports from Australia increased by 57 per cent. Last year our principal buy from Australia was foodstuffs, accounting for some 40 per cent of total imports from Australia. Wool and metals were also bought in some quantity by Hong Kong, accounting for 19 and 12 per cent respectively.

Fifth Largest Market

Hong Kong's exports and reexports to Australia increased respectively by 81 and 34 per cent between 1965 and '68, and Australia is now Hong Kong's fifth largest market. Last year the Aussies bought some HK\$242 million-worth of our exports and some HK\$50 million-worth of reexports.

Exports included textile articles and made-up goods (38 per cent), garments (18 per cent) and toys (8 per cent). Noteworthy areas of recent rapid growth are woven shirts of cotton and man-made fibre, of which Hong Kong more than doubled its sales last year. Book exports increased by the particularly impressive total of 178 per cent. Travel goods and knitted shirts also sold well, going up by some 75 per cent.

Here are some of the points of detail to be kept in mind by potential exporters. They are all taken from a Country Pamphlet prepared by the Department of Commerce and Industry. Copies of the full pamphlet are available to members on request,



Mr. P. R. Searcy, O.B.E., Senior Trade Commissioner of Australia in Hong Kong.

Tariffs

Hong Kong products are subject to the general rates of duty assessed on f.o.b. port of ship-ment basis. The mechanism for determining the rate is the Tariff Board. The Tariff Board may recommend increases or de-creases in duty rates, or the imposition of quantitative import restrictions. In addition to the duties levied under the customs tariff, additional revenue duties (called primage duties) are primage duties) imposed at either 5 per cent or 10 per cent on a range of goods. No fixed pattern is discernable in determining which items are to be subject to the levy of primage In the clothing category duty. most items are taxed at 5%.

Sales Tax

A sales tax is levied on goods and commodities sold in Australia, calculated on the sales value of the last wholesale transaction before consumption.

A wide range of goods is exempt from sales tax, including foodstuffs, medicine, surgical goods, plant and equipment for the manufacture of products,

most building materials and goods for use by educational bodies and government authorities. The general rate of sales tax is 121/2% but some luxury goods are taxed at 25%. Furni-ture and household equipment are in a special class, being taxed at 21/2%.

Distribution Network

A large proportion of the Australian import trade is conproved forms are required for all exports to Australia. It is essential that bills of lading, invoices and other shipping documents are despatched promptly, so that goods can be cleared immediately.

The exporter must endorse on the normal invoice a declaration that the final process of manufacture was performed in the developing country exporting the goods, and not less than half of the factory cost of the goods is



Pictured is part of one shipment of Australian pears on the Samos last month being inspected by the Australian Government Trade Commissioner, Mr. D. M. Walker (third from right), the Chairman of the Australian Apple and Pear Importers' Committee, Mr. Henry Leung (second from left), and others.

ducted by local agents operating on a commission basis or importing on their own account. However there is an increasing tendency for retailers, including department and chain stores, to establish their own buying offices abroad and for manufacturers to import direct. Another channel is through merchant houses, who import goods for resale.

Warehouse Facilities

Accommodation in both bond and free stores is sometimes at a premium and satisfactory arrangements for storage should be made in advance of the arrival of the goods. The Port and Harbour Authorities charge very high rates for goods allowed to remain in the wharf sheds for more than a few days.

Documents

Combined invoices and certificates of value and origin in aprepresented by the value of labour and materials of developing countries and/or Australia,

Marketing and Labelling Regulations

Regulations require many goods, including foodstuffs, textile products, jewellery, china, porcelain and earthenware, toys, floor tiles and footwear to be marked with the country of origin prominently on a permanent label. Where any weight or quantity is set out, it must specify whether it is gross or net weight. In the case of foodstuffs and medicine, a full and accurate description must also be given.

Credit Insurance

The Hong Kong Export Credit Insurance Corporation is able to offer Hong Kong exporters credit insurance facilities for exports of goods to Australia on documents against payment or documents against acceptance terms.

Chinese Language Examinations

The next Colloquial Mandarin and Cantonese examinations will be held as follows:

Mandarin

Levels;	Preliminary,
	Intermediate and
	Final.
Date:	Friday, 25 July, 1969.

Cantonese

Levels:	Preliminary, Intermediate and
Date:	Final. Saturday, 26th July, 1969.

Examination Conditions

Details of the syllabus and conditions for these examinations are available on application to the Chamber.

Entries

Candidates must register with the Chamber and should provide particulars of: Level

- (a)
- and address (b) Firm of candidate
- (c) Telephone number at which candidate can be contacted.

Examination Fee

Examination fee of \$30.00 per candidate must accompany each entry. The Committee regrets that entries not accompanied by the appropriate fee cannot be accepted.

Cheques should be made payable to the Hong Kong General Chamber of Commerce and crossed.

Notes on Certification

The Hon. Consul for Costa Rica has informed the Chamber that as from July 1, 1969 all shipments of goods from Hong Kong to ports of the Republic of Costa Rica are required to be covered by Certificates of Origin issued by one of the following issuing authorities: The Hong Kong General Chamber of Commerce, The Indian Chamber of Commerce, the Chinese Manufacturers' Association, the Federation of Hong Kong Industries and The Department of Commerce and Industries.

All certificates must be legalised by the Consul otherwise they may not be accepted by the Customs Authorities at ports of entry.

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THE MANAGEMENT CONSULTANT

What is he . . . What does he do . . . Is he worth his hire?



Mr. G. H. Garlick, Assistant Secretary in charge of Public Relations.

The Chamber recently made use of a management consultant to help re-plan the layout of its offices. And the Secretariat's latest recruit — Harry Garlick, who becomes Assistant Secretary in charge of public relations — spent three years working with a leading international firm of consultants. Here he suggests what Chamber members should look for in consultants.

Management consultancy is in many ways the growth industry of the past 20 years. In 1945 even in Europe and the USA consultants were few and far between and in most cases had one staple product to offer industry, known usually as work study, which was in itself merely a more sophisticated version of time-and-motion study. Consultants were strongly production oriented and had little to offer their clients in say, marketing, accounting or general management.

Today virtually every leading international name in industry has employed consultants at one time or another, and in some organisations, consultants are present on a permanent basis, working on one or other aspect of their client's operations. In addition to commercial organisations, consultants' clients include Central and Local Government Departments, state-owned industries, hospitals, churches, political and charitable organisations — even the Royal Opera House, Covent Garden, and the organisers of the Edinburgh Festival.

Nor is the acceptance of consultants limited to large organisations. Garages, stores, book shops, photographers and similar small businesses are among their clients.

From being a specialist in production management, the consultants have become allrounders able to tackle virtually all problems of organisation, from the top level management structure of an international corporation to the layout of a warehouse or office. Production, sales, accounting, general management, as well as specialist services in say, computers, operational research, diversification planning, etc. all come within their orbit. When appropriate, their operations are international in scope — thus they can assist in, for example, the setting-up of a trading subsidiary in an overseas country, or carry out a survey in a particular export market.

Why have consultants met with such success? Certainly, an important factor — probably the important factor — is the calibre of the men who become consultants. No reputable consultant will employ a man who is not a graduate or equivalent, who has not already sound experience of industry in a managerial capacity, and who does not come up to a minimum level in intelligence and other skills. Because of this, the consulting firms have tended to employ only the cream of managerial talent. Furthermore, since the rewards of consultancy are usually high, they have no difficulty in attracting high calibre men.

Secondly, the consulting firms spend much time in training and re-training their men. It is not unusual for a consultant, particularly during the early days of his career, to spend one-tothree months out of every twelve in training. The larger firms of consultants also run their own research and development departments, both to keep abreast of current techniques in management and to extend these techniques by developing their own refinements.

Thirdly, the consultant by nature of his occupation moves from company to company and thus acquires a broad crosssection of knowledge and is able to apply the ideas gained in company A to the problems of company B.

In short if any manager is in a position to succeed, then it is by the nature of things the management consultant. This, however, does not mean that he never has failures; nor does it imply that every consultancy assignment is an unqualified success.

To put the consultant's role into perspective, it must be remembered that he does not work in isolation, but with a particular organisation, his client. Clients can be good or bad, and, by and large, most consultants find that their successes arise in the better firms. Furthermore, they would also say that there is a good and bad way of using consultants.

To use consultants successfully, therefore, the onus is on the client. He must appreciate, firstly, what the consultant is able to offer him, and secondly,

Contd. on P. 8

ROUND ABOUT

Hong Kong Trade Statistics

Hong Kong trade statistics for the period of January — May, 1969 analysed from the published figures of the Census and Statistics Department are now available to members. These include H.K. Overall Trade, H.K. Trade with U.K., U.S.A., Canada, West Germany, Sweden, Norway, Den-mark, Switzerland, Belgium, Luxemburg, Italy, China, Japan, Australia, Netherlands, New Zealand, South Africa, Luxemburg, France, Austria, Portugal, Finland, Spain, Singapore, Indonesia. Taiwan, Philippines, Republic of Korea, India, Thailand, Pakistan, Dominican Algeria, Ghana, Kenya, Argentina, Republic, Nigeria, Kuwait, Lebanon, Sudan, Saudi Arabia, Libya, Zambia, Panama, Mexico, Venezuela, Colombia, Nicaragua, Ecuador, Costa Rica, Guatemala and Uganda.

First Aid Training

Members are reminded that factories employing over 100 workers must have personnel trained in first aid to comply with the First Aid Regulations which will come into effect on 1st October, 1969.

Which will come into check the Ist October, 1969. According to these regulations, factorics with over 100 workers and not exceeding 200 workers must have at least one person trained in first aid; factories with over 200 workers and not exceeding 300 workers must have at least 2 persons trained in first aid, and so on.

The Commissioner of Labour

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has stressed at Legislative Council that he intends to enforce the Regulations when they become effective in October. The penalty for an offence is a fine of \$2,000.

Members who have not yet done so are therefore urged, in their own interest, to send their personnel for training to comply with the regulations.

Simpler Export Documentation

Mr. Ian Tomlin, former Chairman of the Hong Kong Exporters' Association, has announced that the Working Party will hold a series of lectures on Simpler Export Documents in August at the HKEA's office in Star House. There will be two lectures in English and two in Chinese. The time will be at 5.30 p.m. Enquiries to Miss Irene Tam, K-683816.

Navigation in the Pearl River Estuary

In 1960 the People's Republic of China declared the waterway west of the Chiapeng Islands and Tankan Islands (Lima) at the estuary of the Pearl River to be part of China's inland waters. Unauthorised passage by all foreign vessels was prohibited.

Foreign merchant vessels entering or leaving the port of Kwangchow (Canton) through the Wanshan Islands are permitted to pass after approval has been given to application made according to certain rules laid down by the Chinese authorities concerned governing navigation by foreign ships. Information on the approved routes through these waters will be made, available on application to the entry and clearance office of the Marine Department.

Journey for Perspective



On 18th June the Chamber was visited by 22 members of various graduate schools of business administration in the United States led by Mr. William H.P. Smith, Vice President, New England Telephone & Telegraph Company.

The visitors were received by the Vice Chairman, Mr. G.M.B. Salmon, and the Acting Secretary, Mr. R. T. Griffiths, Mr. Salmon briefed the visitors on the economic, social and constitutional background to Hong Kong and dealt with questions covering a wide variety of topics.

On the same day visitors were entertained to a working lunch hosted by Mr. P.G. Williams, Director of Dodwell & Co. Ltd., supported by Mr. Martin Curran, General Manager of The Hongkong and Shanghai Banking Corporation, Mr. Nigel Rigg, General Manager of Union Insurance Society of Canton, Ltd. and Mr. R.T. Griffiths.

The Journey for Perspective Foundation makes available each year some 20 international study and research fellowships to schools of business administration in the five Universities of Berkeley, Stanford, Los Angeles, Southern California, Washington. The Journey involves a 3-week flying visit to various countries for a concentrated series of comprehensive discussions with leaders of business, government and finance. The students selected must have demonstrated broad capabilities of leadership.

Picture shows Mr Salmon (r.) with two of the students.

Here for Discussion



Mr. G.M.B. Salmon, Vice Chairman of the Chamber, (centre) held talks at the Chamber with Mr. and Mrs. Sam Black, public relations advisors to the London Chamber of Commerce.

Mr. and Mrs. Black arrived in Hong Kong specially to discuss arrangements for the 24th Congress of the Federation of Commonwealth Chambers of Commerce, to be held in Hong Kong from May 4 to 8, 1970. It is expected more than 400 delegates will attend, including one or more Commonwealth Prime Ministers.

Standards Library

The Chamber has been informed that the Federation of Hong Kong Industries has set up a Standards Library, so as to enable both manufacturers and exporters to understand the standards requirements of the countries to which they export.

This library, which is open as a reference library, is stocked with sets of standard specifications of the following national and international standards bodies: The British Standards Institution, The Underwriters Laboratory of the United States, The Standards Association of Australia, The Standards Association of New Zealand, The Danish Stanards Institute.

In addition to the above, the library also contains the recently published standards of the United States of America Standards Institute, and the 1969 edition of the published specifications of the American Society of Testing and Materials. The set of ASTM specifications will be complete before the end of this year. As the Federation is the Hong Kong member of the International Organisation of Standardisation, the Federation has agreed to act as the local sales agent for the published standards of a number of national standard bodies of the United Kingdom, the United States, Australia, New Zealand, Denmark and India, as well as the ISO, the international standardisation organisation.

Enquiries regarding the standards library and purchase of standards, should be directed to Mr. Cecil Chan, Technical Director of the Federation (Tel. H-234141).

Seminar on Career Prospects

At the invitation of the City District Officer of Kowloon City, the Chamber arranged to hold a seminar on Career Prospects for students in the district.

Topics discussed at the seminar were Salesmanship, Accounting and Shipping etc.

The Chamber is especially grateful to Messrs. T.K. Ho, B. Leung, and S.K. Hung of Dodwell & Co. Ltd, who acted as counsellors at the Seminar.

The Management Consultant

he must have a realistic idea of what he expects the consultant to achieve.

Basically, a consultant is able to offer a client only two things — time and a trained, outside point-of-view. Of these the first is the more prosaic, but arguably the more important. Many management problems arise because the man on the day-to-day job, no matter how able or intelligent, just does not have the time to sit back and think things out, much less does he have time to go ahead and put a new plan into operation.

The answers the consultant comes up with may not be absolutely right. The infallible man has yet to be born. But they will be answers that are produced by an intelligent and trained man, and almost certainly, they will have been discussed and vetted by his colleagues, so that they are in effect the result of combined brain power and experience. It would therefore be odd if they ware completely worthless

were completely worthless. The rules for the client therefore are:

- before employing the consultant have a clear idea of what your objective is (but not necessarily the means of achieving this objective — if you know the answers yourself, you either don't need or can't work with consultants).
- realise that the assets you are buying are simply time and experience not a magic wand.
- listen honestly to what the consultant has got to say and observe the way he goes about implementing his job.

But if, after all this, you think the consultant is wrong, by all means stop him. But remember that at this stage you alter the whole nature of his assignment. If you were right, you will have wasted the money spent on fees, but it will give a beautiful boost to your ego. And if he was right, you will, alas, never know it.



THE HONG KONG GENERAL CHAMBER OF COMMERCE

1st July 1969

Commercial News

News from D. C. & I.

Membership

Tenders

Trade Fairs

NEWS FROM D. C. & I.

Commercial Information Circular No. 42/69

Thailand

The Department has received a copy of "Notice of the Ministry of Finance" from Thailand announcing a number of amendments to its customs tariff with effect from 25th April, 1969. Of the items affected the following are of interest to Hong Kong:—

Item No.	Description			tate of Duty Specific (baht pe		Hong Kong's Domestic Exports to Thailand
		Old	New	Old	New	in 1968 (HK\$ Mn)
ex 73.10*	Iron or steel rods for electrode wire in- dustry	20	5	0.60 (HK\$0.176)	0.22 (HK\$0.065)	30.7 (All bars
ex 73.10*	Iron or steel bars for Chang Kol (hoe) industry	20	2	0.60 (HK\$0.176)	0.06 (HK\$0.018)	and rods of iron or steel)
O	ficial Exchange Rate: Baht	100 =	HK\$2	9.3	-	

Official Exchange Rate: Baht 1 Note: * Part of Item No. 73.10

In a "Memorandum of the Ministry of Economic Affairs" the Thai Authorities promulgated a consolidated list of commodities for which an import permit into Thailand is required. Of the items which fall within this list, the following is of interest to Hong Kong:—

Item No.	Description	Hong Kong's Domestic Exports to Thailand in 1968
4	Woven materials in piece, bolt, and roll with 50% and upward of genuine silk content	(HK\$ '000) 506.4
(Mr. K. Y.	Lee, Tel. No. H-453939)	

Israel

The Department has received a copy of the Israeli Free Imports Order, 1969, listing goods which are allowed, with effect from 6th October, 1968, to be imported into Israel without specific import licences. Of these items, the following are of interest to Hong Kong:—

Custon Tariff No.		Description	H.K.'s Domestic Exports to Israel in 1968 (HK\$)
14.01		Vegetable materials used for plaiting	45,078
39.07	— 1020	Articles of foam polysterene	(rattan canes) 293,398 (all plastic household articles)
42.02		Travel goods and similar containers of leather, com- position leather, of vulcanized fibre, of artificial plastic sheeting, of paperboard or of textile fabric.	38,314
60.02		Gloves, mittens and mitts, knitted or crochetted, not elastic and not rubberized.	124,987
61.10		Gloves, mittens, mitts, stockings, socks and sockettes not knitted or crochetted	38,465
66.01		Umbrellas and sunshades (including umbrellas in the form of walking sticks, sunshades in the form of tents, garden umbrellas and the like)	64,429
67.02		Artificial flowers, foliages or fruit or parts thereof; articles made of artificial flowers, foliage or fruit	51,954
67.03	— 1000	Human hair, combed or otherwise worked	199,431
67.04	— 1000	Wigs	47,525
83.01		Locks and padlocks (key, combination or electrically operated) and their parts, of base metal, excluding those used for motor cars; frames incorporating locks, for handbags, trunks and the like, and parts of such frames, of base metal; keys for any of the foregoing articles, finished or not, of base metal	71,491
85.15	<u> </u>	Sound receivers of the following kinds:	1.529.465
	— 4020	Operated by thermionic valves	(all kinds of
	<u> </u>	Operated by a transistor, suitable to be permanently fitted in a motor vehicle, whether so fitted or not	transistor radios)
85.20	2020	Fluorescent tubes	32,880
90.07		Photographic apparatus, photographic flashlights	38,697
97.02		Dolls	31,936
97.03		Other toys, excluding dangerous toys	1,218,692
98.12		Combs, hair-slides and the like	44,620
(Mr. T.	H. Chau, Tel	. No. H-431233)	

Commercial Information Circular No. 40/69

Australia

C.I. Circular No. 46/68 gave notice of a Tariff Board public hearing scheduled on 20th August, 1968 regarding the question whether assistance should be accorded the production in Australia of gloves, mittens and mitts of leather or composition leather (Australian Customs Tariff Item No. 42.03.1). The recommendations of the Tariff Board have recently been reported to the Australian Government which has now announced the following changes in the rates of customs duty:—

Australian Tarifi Item No.	Description	Rates o Old	of Duty New
42.03.1	 Gloves, mittens and mitts, of leather or composition leather: 		
42.03.11	— Of the work type or as worn by golfers	12½% ad val.	30% ad val.

Australian Tari Item No.	f Des	cription	Rates of Old	Duty New
42.03.12	— Dress type		12½% ad val.	12½% ad val.
42.03.19	— Other:			
	 Of a kind worn solely or p purposes 	rincipally for sporting	ad val. $\left\{\begin{array}{c} 55\%\\ \mathrm{ad} \mathrm{val.}\end{array}\right\}$	71/2%
	— Other		$37\frac{1}{2}\%$ ad val.	ad val.
Hong Ko	ng's domestic exports to Aus	tralia of the item	concerned were	valued at

Hong Kong's domestic exports to Australia of the item concerned were valued at HK\$1,167,797 in 1968 and HK\$341,498 from January to April, 1969.

(Mr. T. K. Chau, Tel. No. H-431233)

Singapore

The Department has received copies of the Singapore Government Gazette Subsidiary Legislation Supplement No. 25 and No. 30 dated 18th April and 17th May respectively, which contain a number of amendments to its customs duties. Of the items affected by these changes the following are of interest to Hong Kong:

		Customs Duties	
Item No.	Description	Old Rate Full & Preferential	New Rate Full & Preferential
893 202 — 1	Toilet cisterns	(Not applicable)	S\$8 each ton.
893 202 — 9	Other than those falling within code 893 202 — 1	(Not applicable)	Nil
899 531	Slide (zip) fasteners	1 cent per inch per doz.	Nil
899 532	Parts of slide (zip) fasteners	20% ad val.	Nil

In 1968, Hong Kong's domestic exports of slide (zip) fasteners (and parts), and articles made of plastics which include toilet cisterns, etc. to Singapore were valued at HK\$875,232 and HK\$445,784 respectively.

(Mr. K. Y. Lee, Tel. No. H-453939)

Australia

Tariff Preference to Less-Developed Countries

C. I. Circular No. 48/68 gave a consolidated list of all items included in the Australia preference scheme for imports from less-developed countries. A subsequent extension of the scheme, as well as certain amendments to it, were notified by C. I. Circular No. 68/68 dated 29th August, 1968. A total of fortyfive further items have now been included in the scope of this scheme.

For ease of reference a consolidated, up-to-date list of all items included in the Australian preference scheme is attached as Enclosure 1. This list gives details of the preference quotas, the preferential rates of duty and imports into Australia from Hong Kong of the items concerned.

In addition to quota items, the preference scheme also grants duty free entry without quota limitation to certain specified handicraft products i.e. certain traditional, hand-made products of cottage industries, for which prior applications are not required. Details of these items are set out in Enclosure 2.

All less-developed countries which are entitled to benefit from the preference scheme are listed at Enclosure 3. Hong Kong is included in the list, but is excluded from preferential treatment on the following items:—

70.12.000		inners	for
	vacuum	flasks	

- 85.09.400 Dynamos as used in lighting sets
- 85.09.510 Bicycle lamps
- 85.09.590 Lamps used in lighting sets
- 85.09.600 Warning devices and reflex rear lights for vehicles etc.
- 94.01.191 94.01.210 Chairs and lounges of wicker bamboo and cane, with or without legs

94.01.130 94.01.199 94.01.220 94.01.292 94.01.299 94.03.200 94.03.900	>Other fu	urniture	
97.03.900	Toys		
98.15.000	Vacuum	flasks	and

parts

Since quotas are allocated only to importers in Australia, exporters wishing to benefit from the preference scheme should contact their importers. The closing date for Australian importers to lodge their applications with the Australian Customs authorities for allocation of quotas for the sixmonth period commencing 1st July 1969 in respect of the goods specified in Enclosure 1 is 1st June 1969.

Goods entering under the preference scheme are subject to certain origin rules and documentation and certification requirements. For quota items in Enclosure 1, which is available at the Chamber, the exporter must endorse on the normal invoice a declaration to the effect that the final process of manufacture was performed in Hong Kong and that not less than half of the factory or works by the value of labour and materials of less developed countries and/or Australia (the country or countries concerned must be named and may include other less developed countries as specified in Enclosure 3). No further endorsement is required. For handicraft products in Enclosure 2, certification is required to confirm that they are hand-made and traditional pro-ducts of a cottage industry in Hong Kong. In this connection, this Department is the recognised certifying authority and will, on request, issue Certificates of Hong Kong Origin with the required endorsement where the facts allow. (Mr. T. H. Chau, Tel. No. H-431233)

Commercial Information Circular No. 41/69.

U. S. A.

Fair Packaging and Labelling Act

Further to Commercial Information Circular No. 34/69, the U.S. Federal Trade Commission has published the fol-lowing list of commodities which are subject to control under the Fair Packaging and Labelling Act which will come into effect on 1st July 1969:-

Brooms and mops. Fertilizers of the speciality type. Shoe-laces. Automotive replacement Ink containers. Liquifiparts. ed petroleum gas. Textile fibre products. House fixtures. Motor oil. Antifreeze. Metal beds. Metal cots. Metal springs and dual purpose sleeping equip-ment. Elastic fabric (braided, knitted, woven). Stationery and other paper products including greeting cards and gift wrapping. Paint, varnishes, and lacquers. Ammunition. Automotive chemical products. Lubricants for home use. Plas-tic shelf paper, plastic table cloths. Safety flares (for auto and pleasure boating use). Solvents and cleaning fluids for home use. Toys. Waxes for home use.

(Mr. A. T. S. Cheung, Tel. No. H-247316).

Finland

Adjustment of Specific Duties

As a result of the change in the exchange parity of the Fin-nish currency in October, 1967, the Government of Finland, with the concurrence of the Contracting Parties of the General agreement on Tariffs and Trade, has made adjustments to the specific import duties while the ad valorem rates of duty remain unchanged.

Details of the tariff adjustments of interest to Hong Kong are given in the enclosure which is available at the Chamber. It covers the following:-

(a) Items comprised by the Kennedy Round negotia-tions where there are tariff concessions, listing —(i) the base rates; (ii) the rates at present in force; (iii) the rates that will come into effect on 1st January 1970, 1st January 1971 and 1st January 1972 respectively.

(b) Items not comprised by the Kennedy Round negotiations, listing — (i) the old rates of duty; (ii) the rates at present in force. Full details of all the tariff

changes to be made by Finland are available in the Department's Economic Information Centre, Fire Brigade Building, 2nd floor,

Hong Kong. (Mr. P.H. Lee, Tel. H-451919) Commercial Information

Circular No. 38/69

Singapore

The Department has received a copy of Singapore Notice to Traders No. 7/69 dated 17th May, 1968 which announced that imports of sheet and plate glass is now subject to quota restriction based on 120% of 1968 imports. Licences will be issued to registered quota hold-ers up to 7/12 of the annual quota and will be valid up to 31st December, 1969.

Consignments of sheet and plate glass already shipped from the countries of export or for which irrevocable Letters of Credit were established before 17th May, 1969 will be permitted import.

In 1968, Hong Kong's domestic exports of glass (including sheet and plate glass) to Singapore were valued at HK\$102,269. (Mr. K. Y. Lee, Tel. No. H-453939)

Australia

The Department has received information that in relation to the Australian Tariff Board's inquiry into whether assistance should be accorded the production in Australia of knitted or crocheted articles of apparel (Australian Tariff Items 60.05.1 and 60.05.2) and of knitted or crocheted shirts (Australian crocheted shirts (Australian Tariff Item 60.04), a further public hearing will be held at the Public Enquiry Room, Tariff Board, Kings Avenue, Canberra at 10.00 a.m. on Monday, 21st July, 1969. Copies of evidence which witnesses intend to give at this hearing should be lodged with the Board not later than 7th July, 1969.

The Department will report on any further developments as they become known. (Mr. T.H. Chau,

Tel. No. H-431233)

MEMBERSHIP

Change of Address

Dammy Hair Products Co., Ltd. 910 Cheungshawan Road, 5/F, Kowloon. (Formerly 1509 Union House)

Heem Yick W. B. Company Rm. 402 China Underwriters Life Bldg., 51-57 Des Voeux Road C, Hong Kong. (Formerly Rm. 501 Chung Nam House)

Ltd. Nansan Enterprises Room 408 Takshing House, 20 Des Voeux Road C, Hong Kong. (Formerly 604 Takshing House) Pan Pacific Products Corp., Room 202 Queen's Bldg., Queen's Road C, Hong Kong. (Formerly Rm. 305, 10 Stanley

St.) Sang Tsoi & Company, Hang Lung House, 9th floor, 184-192 Queen's Road C, Hong Kong. (Formerly 97 Queen's Rd. C.)

Sunlight Trading Comvany, Rm. 1002 Prosperous Bldg., 48-52 Des Voeux Road C., Hong Kong. (Formerly 111 Alexandra House)

Vorarat Company Ltd., Rm. 803 The Hong Kong Chinese Bk. Bldg., 61-65 Des Voeux Rd. C.. Hong Kong. (Formerly 1002 HK Chinese Bk. Bldg.)

Woo Brothers, Room 510 & 504 Great China House, 14-14A Queen's Road C., Hong Kong. (Formerly 1335 Central Bldg.)

Bhojsons & Co. (H.K.) Ltd. 304 Hing Fat House, 8-10 Duddell Street, Hong Kong. (Formerly 504 Hing Fat House)

China Underwriters Life & General Insurance Co., Ltd. China Underwriters Life Blog., 51 Des Voeux Road C, Hong Kong.

(Formerly Gloucester Bldg.) General Exports Ltd. 1130-1132 Prince's Bldg. 5 Chater

Road, Hong Kong. (Formerly 2424 Prince's Bldg.) Herbert Kees Limited, Star House, 19th floor, Kowloon.

(Formerly 9 Ice House Street) Manchu Gems Ltd., 373, To Kwa Wan Rd., 11th floor, Block "B", Kowloon.

(Formerly 231, Nathan Road, 2nd floor, Kowloon.)

Ming Ming Trading Co., 401 Takshing House, 20 Des Voeux Road C, Hong Kong. (Formerly 1303 Takshing

House)

Myer & Co. (HK) Ltd., Room 1201A Takshing House, 12th floor, Hong Kong. (Formerly 602, 6th floor, Tak-

shing House, Hong Kong.)

Oriental Enterprises Co., Ltd. 53 Hung To Road, 4/F, Kwun Tong, Kowloon.

(Formerly 31 San Shan Road) Oriental World Trading Co., Ltd. Room 1032 Prince's Bldg. 10 Chater Road, Hong Kong.

(Formerly 510 Great China House)

St. George's Building Ltd. St. George's Bldg. 3rd floor, 3 Icc House Street, Hong Kong.

(Formerly Lane Crawford House)

Ziang Kong Co. Ltd., Room 533, Star House, 3 Salisbury Road, Kowloon.

(Formerly Keystone House, F., No. 6, Hankow Road, 2/F., No. Kowloon.)

TRADE FAIRS

SYRIA The 16th Damascus International Fair will be held from 25th August to 20th September 1969. For further information contact the Fair's Director General, 67 Avenue de Bagdad, Damas, Syria.

TAIWAN The Electronics Exhibition will take place in Taipei from 24th November to 5th December 1969. For details contact Mr. Richard Tsing, 415 Central Building, Hong Kong, or telephone H-243337.

EAST GERMANY The 1969 Leipzig Autumn Fair will be held from 31st August to 7th September 1969.

UNITED KINGDOM. A calendar of forthcoming exhibitions from June 1969 to March 1971 to be organised by Brintex Exhibitions Limited, 3 Clement's Inn, London WC 2, England, is at the Chamber for interested members to read.

IRAN The Second Asian International Trade Fair will be held in Tehran from 5th to 24th October 1969. Details at the Chamber.

FRANCE A calendar of Ex-hibitions for 1969-1970, organized by the Association Francaise des Salons Specialises, 22 Avenue Franklin Roosevelt, 75 Paris 8e, is at the Chamber for interested members to read.

WEST GERMANY The International Household Goods and Hardwarc Fair will take place in Cologne from 12th to 14th September 1969.

GEDYEG MURCHER

TENDERS

Hong Kong

Tenders are invited for the following:-

Supply of Chinese Books for Hong Kong Government. Supply of Wax Floor Polish.

Supply of Name Plaques for Parks and Playgrounds.

Making up of Uniforms re-quired by the Marine Department.

Purchase from the Hong Kong Miscellaneous Government of Railway Stores.

Supply of White Disinfectant Fluid.

Supply of Cotton Pullovers and Woollen Socks.

Tender forms and further details are available from the Procurement Division, Government Supplies Department, Oil Street and the Public Enquiry Centre in Kowloon and Hong Kong.

DATE OF LOCUE

Notice to Exporters

The Commerce & Industry Department has issued the following Notices To Exporters. Members are reminded that if they wish to receive these notices, please write to the Commerce & Industry Department, Firc Brigade Building, Hong Kong, stating the series they require.

SERIES NUM	IBER	SUBJECT 1	DATE OF ISSUE
Scries 3(E.E.C.) 7/69	tiles to 1	Cotton Woven Tex- Federal Republic of	20 May 1969
Scries 3(E.E.C.) 8/69	Fabrics to for Proces	Shipments of Grey Benelux Countries ssing and subsequent t	2 June 1969
Series 6(E.F.T.A.)15/69	Garments period 1s	to Sweden for the to July 1968 to 30th	2 June 1969
Series 4 No. 2/69	Export of Canada	Cotton Textiles to	4 June 1969
Serics 1 (Britain)	10/69	Export of Restrained Cotton Textiles to Britain	d 16 June 1969
Serics 1 (Britain)	11/69	do	— do —
Scries 3 (E.E.C)	9/69	Exports of Woollen Knitted Outerwear to Fed. Republic of Germany	
Series 4 No. 2/69		Export of Cotton Te tiles to Canada	x- 4 June 1969
Scrics 6 (E.F.T.A	.) 16/69	Exports of restrained non-cotton garmen to Sweden	

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At the end of June 1968, sales in the commercial sector were 14 per cent below those of the first six months of 1967. Unemployment grew in all non-agricultural sectors except commerce. Kenya now faces the delemma of increased local manufacturing facilities with a deterioration in the standards of distribution. The situation will probably worsen as a result of the measures taken in trade licensing.

Kenya

It is evident the Trade Licensing Act is being carefully considered to ensure that established business run by non-citizens but which are unlikely to be Africanised soon should be granted licences for a longer period-from two to three years - without being subjected to renewals. annual However, some of the 730 Asian businessmen whose licences to trade were not renewed for 1969 have appealed against the decision or for an extension of time. Many of them, nevertheless, have closed down their shops on the March 31st deadline. Confusion continues, however, because many formerly total Asian taken in a businesses have nominal African partner and claim to be genuine African businesses now, possibly with a change of name.

During the first eight months of 1968, Kenya continued to suffer from a large trade imbalance but exports of domestically produced goods rose by 10 per cent. Almost two-thirds of this increase went to Great Britain. There has been almost a 25 per cent growth in imports from Japan compared with the first eight months of 1967.

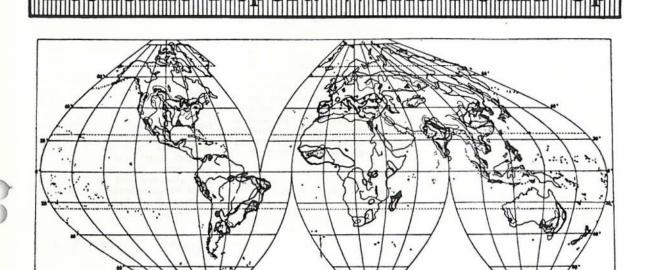
Hong Kong's exports to Kenya amounted to HK\$33.84 million in 1968, an increase of 54 per cent. Our re-exports totalled \$4.92 million, an increase of 72 per cent. However, our imports from this sensitive market at \$15.25 million fell by 47 per cent, mainly because our imports of raw cotton from Kenya declined by almost 75 per cent. Our major export items in 1968 were clothing and cotton fabrics.

Nigeria

At the end of January 1969, Nigeria's foreign exchange reserves amounted to US\$101 million, around which figure the reserves have hovered since the end of 1967. Nigeria has managed to keep the reserves fairly steady by delaying the remittance of foreign exchange. During the last half of 1968, Nigeria's traditional exports were running well below the level of a year earlier. The cocoa crop was small but the prices paid for it were high. The cotton crop was also small because of bad weather conditions. The peanut crop was poor but conditions enabled the surplus from the previous year to be moved to market. However, by the end of December, exports of crude petroleum had reached 60 per cent of what they had been in June 1967.

In spite of the fairly severc import restrictions, Nigeria incurred a trade deficit during the third quarter of 1968 because exports were down. It has been announced that no further concessions will be given for the import of grey baft or other raw materials for the production of printed fabrics. It is hoped that local cloth will replace imports entirely by 1970 and intended to ensure that textile printers are able to produce their own baft, thereby saving large amounts of foreign exchange.

Hong Kong's exports to Nigeria for the first two months of 1969 amounted to HK\$3.55 million, a decrease of 26 per cent compared with the same period in 1968. Our re-exports at \$10.41 million have decreased by 30 per cent. One of our export items which has shown a significant increase during this period has been enamel frits which is used in the making of glass and porcelain. Exports of this item



in the first two months of 1968 amounted to \$300,000 but in 1969 it has already reached \$990,000. Textile machinery has also increased from \$100,000 to \$310,000 although our re-exports of this item are down. Most other items of export have decreased, particularly clothing and cotton fabrics.

The expansion of the oil industry is likely to be remarkable in the next six months. By the end of January, total oil production had already reached almost 500,000 barrels per day.

Nigeria's balance of trade for 1968 was similar to that in 1967. The export surplus was US\$51.5 million as compared with \$53.5 million for the previous year. There was a significant reduction of \$95.5 million in the value of crude oil exports because production of oil did not resume in earnest until September. Foreign exchange earnings of cocoa and raw cotton exports were down by \$8.4 million each. Increases were shown in peanuts, tin and palm kernels. There was a 13.6 per cent fall in the cost of imports, the re-sult of stringent import restric-With the revival of oil tions. production, the continued good prices paid for cocoa, and improved peanut shipments, Nigeria has recorded a trade surplus of more than \$56 million during the first quarter of 1969.

Hong Kong's exports to Nigeria have declined by 28 per cent during the first quarter. They reached HK\$4.43 million at the end of March, compared with \$6.13 million for the same period last year. Our re-exports have also dropped, as have our imports. All categories of our major exports have declined with the notable exception of enamel frits, which have improved.

Uganda

No import licences have been issued since the beginning of February for cotton textiles manufactured outside East Africa or for textiles made from other materials if their landed price in Mombasa was less than 2'6 per square yard. This restriction is designed to improve the market for local textile producers who are going through a difficult period at present. Trade generally has been good during the past quarter although smaller traders are finding difficulty in meeting commitments While Hong Kong's exports to this market improved by 25 pcr cent last year, to reach HK\$4.62 million, our trade during the first quarter of 1969 has fallen by 49 per cent, compared with the first quarter of 1968. The figures were \$580,000 this year, compared with \$1.13 million for last year. Our re-exports have also declined, though not to as great an extent. Our imports of cotton have risen by almost 300 per cent from \$3.23 million last year to \$12.78 million during the first quarter of this year.

Zambia

With effect from 1 April 1969, the Zambian Government has raised the rates of customs duty on a group of textiles which will affect the Hong Kong exporter. The fabrics concerned are those containing more than 50 per cent cotton such as twills, drills, printed or manufactured from coloured yarns, grey cloth and bleached cloth. The duties have been raised from HK\$0.40 and HK\$0.60 per sq. yard to HK\$0.96 per sq. yard.

South America Colombia

Aid to Colombia is estimated to have reached about US\$350 million in 1968. The country is seeking a further \$410 million for this year. The cost of debt serving, which amounted to some 13 per cent of export receipts in 1968, is not expected to become too heavy a burden on the reserves of Colombia. It may rise to more than 17 per cent during the next few years.

The gross gold and foreign exchange reserves of Colombia rose from US\$149.3 million at the end of 1967 to \$217.6 million at the end of 1968. Foreign debt was reduced by \$3.2 million. The net reserves at the end of 1968 amounted to \$35.1 million. The improvement continued to the end of the first quarter of 1969 when the net reserves reached \$50 million.

In line with the improvement in the external position, there has been a restoration of stability in the domestic economy. Prices, which in recent years have risen by over 15 per cent annually, slowed to 7 per cent in 1967 and to 6 per cent in 1968. In 1968 Colombia's imports

In 1968 Colombia's imports and minor exports increased. The 1968 cotton crop, one of the larger minor exports, surpassed the most optimistic expectations and earned for the country US\$40 million. Predictions for 1969 are for an even larger crop. Major exports, principally coffee, dropped significantly below 1967's level.

With effect from March 7, Colombia has prohibited the importation of a group of items, among which are: crude soya oil, textile fabrics prepared with a basis of drying oil, gramophone records and record blanks, tape recordings, buttons and button moulds, cuff links, studs, snap and press fasteners. Colombia has also reduced the prior deposit requirements on a long list of items from 130 per cent to 70 per cent.

South East Asia Thailand

Thailand's real Gross National Product grew an estimated 8 per cent in 1968, an improvement of more than 3 per cent over the previous year's growth. Contributing to the advance were a pickup in agriculture, expanding industrial output and increased construction activity. The previous year's drought, however, reduced agricultural exports and, together with rising imports, widened the trade deficit to about US\$500 million. This gap continued to be offsct by U.S. military spending, tourism and capital inflows. American military expenditure has been important in boosting the Thai economy. These expenditures have helped push Thailand's foreign exchange reserves to a record \$1,050 million, some 42 per cent above that of 1965.

Hong Kong's domestic exports to Thailand in 1968 amounted to HK\$99.56 million, an increase of 11 per cent. Our re-exports totalled \$56.33, an increase of 8 per cent. After the tremendous spurt Hong Kong's imports registered in 1967, largely because of increase in the import of rice and live cattle, our imports in 1968 returned to approximately the level they held in 1966. Last year they amounted to \$268.82 million. By far our largest item of export was iron and stccl bars, distantly followed by clothing, miscellaneous manufactured articles and Chinese medicine.

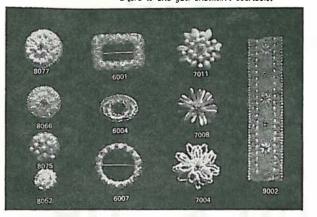
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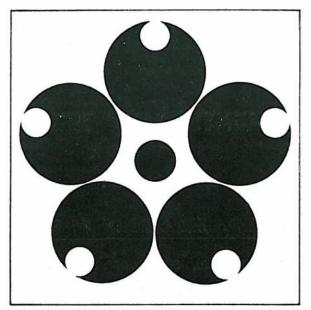
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