

Bulletin  
1966

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# THE HONG KONG GENERAL CHAMBER OF COMMERCE

## BULLETIN

### In This Issue

No. 23 1st December, 1966

Page 1.

The Bangkok Trade Fair.

Page 2.

Press report and comments  
from Britain.

Page 3.

Mauritius means business  
for Hong Kong Part II.

Page 4.

Introducing the Staff.

Pages 5 — 6.

Trade to Survive — Part IV.

Page 7.

The Canton Fair — a  
specially contributed article.

Pages 8 — 9.

Round About — a summary  
of news and information.

Page 10.

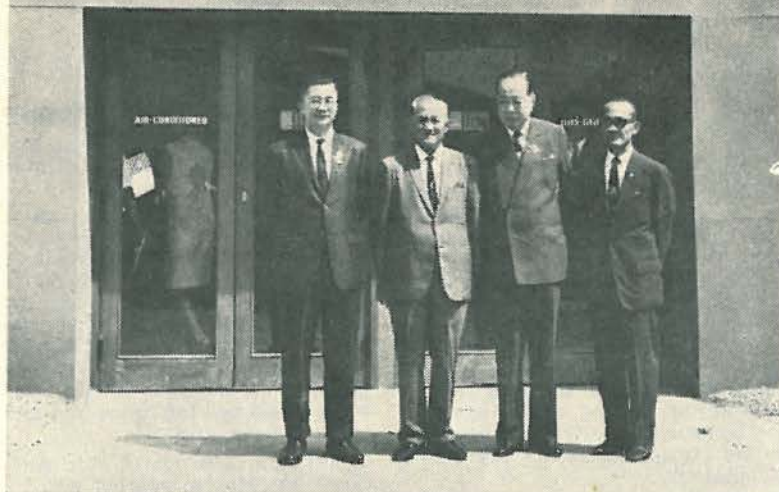
Tenders and Membership.

Pages 11 — 14.

News from D.C. & I.

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

# ฮ่องกง HONG KONG 港 香



Dr. the Hon. Sir Sik-nin Chau, who led the Hong Kong delegation during the initial stages of the Bangkok Fair, is seen here outside the Hong Kong pavilion with Mr. James M. H. Wu (left), who was deputy leader. With them are two Thai officials.

In the first few days of the First Asian Trade Fair at Bangkok it was estimated that more than 100,000 people visited the Hong Kong pavilion. The pavilion was described in the Thai press as "the pearl of the trade fair — petite but brilliant".

With the Hong Kong delega-

tion in Bangkok is the Chamber's Assistant Secretary, Mr S. L. Chung. Mr. Chung will remain in Thailand after the fair and members who wish specific enquiries to be made on their behalf in Bangkok should contact the Chamber who will forward their requests to Mr. Chung.

## WHAT THE PAPERS SAY (in U.K.)

The third report on comments and views which have appeared about Hong Kong in the British Press. This article replaces the circular previously sent to members.

The first results of Hong Kong's drive to capture a world market for its trade had been encouraging (*THE YORKSHIRE POST*). The three main targets for its major export drive this year were the international trade fairs at Barcelona, Stockholm and Bangkok, wrote the newspaper's Hong Kong correspondent.

"Once bridgeheads have been established in Spain, Sweden and Thailand, it is believed it will be possible to spread into other potentially lucrative markets in continental Europe and South-East Asia. This plan of attack is the result of months of careful research and planning by the Trade Development Office, headed by Mr. R.G.L. Oliphant, a former deputy manager of the Hongkong and Shanghai Banking Corporation."

The establishment of the Office in April followed uneasy predictions that the Colony, already without natural resources to help its industry, might one day find its export trade deprived of existing Commonwealth privileges. "The vigorous campaign being mounted by the Trade Development Office to seek new markets is part of the efforts to cushion the impact of any change in the situation," wrote the correspondent.

A mission from Hong Kong, organised by Independent Trade Missions Ltd. for the British National Export Council, had resulted in orders around £350,000 being placed with the British firms visited (*OLDHAM EVENING CHRONICLE*).

Orders worth £100,000 were placed by two Hong Kong buyers. "That trade missions make commercial sense is indicated by the fact that last year's rise in Britain's exports

were matched by a sharp increase in the number of trade missions arranged and partly financed by the BNEC — 78 outward missions, totalling 1,600 British exporters, and 32 inward missions, involving 600 foreign buyers. The indications are that both figures will be higher in 1966."

The Hong Kong Association, established in 1961, was a relatively new entrant to the list of organisations devoting themselves to the promotion of trade between the United Kingdom and overseas territories (*NEW COMMONWEALTH*). It was formed with membership open to all those interested in the promotion of trade and good relations be-

- ★ The T.D.O.'s Plan of Attack
- ★ Hong Kong Association in London
- ★ Slow Down in Economy
- ★ Local Bank Rate
- ★ Chinese Restaurants

tween the United Kingdom and Hong Kong, irrespective of nationality.

There was a great demand in Hong Kong for low-priced top quality goods, said Mr. J.H. Hamm, chairman of Dodwell & Co. Ltd., sole agents in the Colony of Marks and Spencers "St. Michael" brand (*TIME AND TIDE*). Mr. Hamm said it was too early to say how the demand would hold up, but sales had exceeded expectations.

"What is new about this venture," Mr. Hamm pointed out, "is that whereas before we sold Marks and Spencers' goods in East Africa and Aden, we have now been appointed their agents for Hong Kong. Perhaps the reason is that while we are not ship-owners we are shipping agents and much of our merchandise is sent from England in ships for which we are agents."

Under the direction of Mr. Hamm, what was predominantly a shipping company had now expanded into the retail trade most successfully and the goods

he sold in foreign parts were almost all made in Britain.

A slowing down in the growth of the Hong Kong economy had resulted in a drop in sales of commodities from China to the Colony since the beginning of 1966 (*THE FINANCIAL TIMES*). Senior Hong Kong officials confirmed that Hong Kong had been purchasing less, particularly construction materials for its sagging real estate development industry, and that only momentary shortages of supplies (in perishable foodstuffs, for example) had been discernible.

Bankers in Hong Kong raised the inter-bank loan rate to 6.25 per cent from 6 per cent, the highest level reached so far this year (*THE FINANCIAL TIMES*). A bank spokesman said this reflected a flow of local money to London, because of the stronger position of sterling and the higher interest rates in the United Kingdom. Seven-day call deposit rates for customers remain unchanged at 4.5 per cent.

A statement, issued by the Hong Kong Government Office in London, that all five factories known to be making liquid-filled toys in the Colony had voluntarily stopped production and suspended exports until a code of practice to ensure their complete safety could be worked out in collaboration with Government chemists and medical advisers, was published in a number of national and provincial newspapers.

The statement followed a report in *THE PEOPLE* that a three-year-old girl "bit through the rubber teat of her doll's feeding bottle to taste the milky liquid inside and was ill for a week." *THE SUN* (13.10.66) quoted the Home Office as saying that one of the ingredients of the liquid had been identified as petroleum sulphate, at a strength that was "completely harmless." The Home Office added that the calling in of stocks would not be justified.

An Australian cattle station owner, Mr. Henry Morton, announced plans to build an underwater teahouse in Hong Kong,

(Contd. on Page 6)

### Key to the Indian Ocean

## M Mauritius means Business for Hong Kong

This is the second of two articles on Mauritius by R. L. Hein, Secretary designate of the Mauritius Chamber of Commerce and Industry. Until he leaves for Mauritius on December 17th, Mr. Hein will be at the Chamber (Tel. 237177 Ext. 28) and will be glad to meet businessmen interested in Mauritius.

Since 1961 the Mauritius Government has encouraged economic progress by improving power and water supplies, internal communications and housing. A development bank was set up and is now responsible for building the island's first industrial estate. Meanwhile, Mauritian businessmen have started to concentrate on industrial ventures.

As can be expected most of the new industries are "labour-intensive". For the time being they are based on import substitution, as exporting is still in its infancy. The wide variety of items now being produced include jute sacks, wood and metal furniture, cement, soap, cigarettes, beer, footwear, lime and the processing of watch jewels.

The fastest developing industry however, is probably tourism. More and more people, taking advantage of greatly improved air communications, are coming to the beautiful beaches and lagoons of Mauritius from East, Central and South Africa and the neighbouring islands of Madagascar and Reunion.

### Joint Ventures

But Mauritius, traditionally an agricultural economy, lacks the technical "know-how" necessary in manufacturing industry. For this reason, Mauritian businessmen now think in terms of joint ventures with foreign businessmen for which Mauritians provide the bulk of the investment.

For Hong Kong, one of the opportunities for such co-operation is cotton textiles where the size of the Mauritian

market would justify the establishment of a mill. Already certain preliminary investigations have been made by a Mauritian firm to find an overseas associate with a view to joint venture in weaving and spinning production.

If a Hong Kong businessman has an interest in this field, I could furnish him with the information at my disposal.

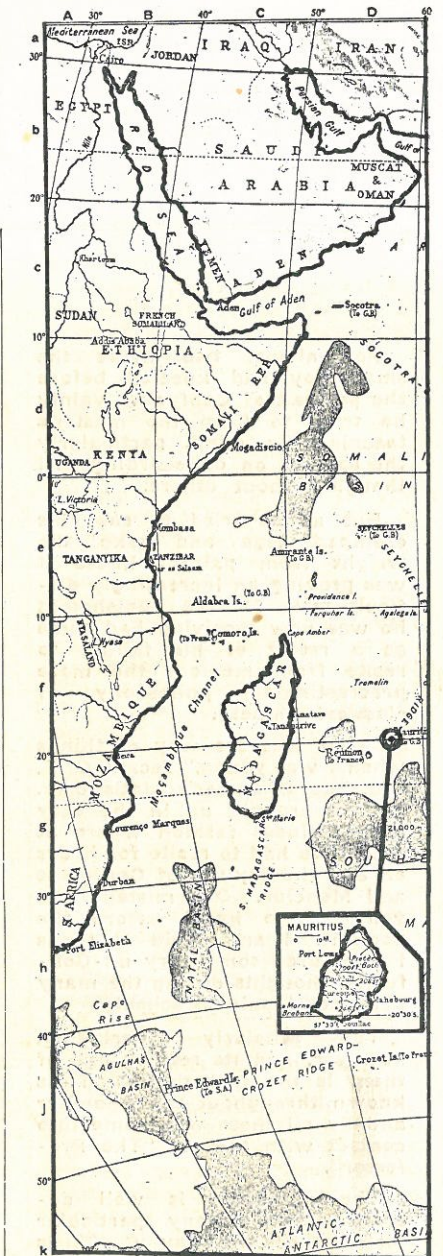
### Trade With Hong Kong

Hong Kong exports to Mauritius amounted to HK\$13 million in 1965. The table shows major items of Hong Kong exports in 1964, 1965 and the first nine months of 1966. Hong Kong exporters benefit from the Commonwealth Preference Tariff in Mauritius (from 5% for certain items of cotton textiles and plastic toys to 20% for transistor radios and electric torches).

The only shipping line operating regularly between Hong Kong and Mauritius is Royal Inter-ocean Lines with a fortnightly service.

As Mauritius is a relatively small market, it is preferable that only a limited number of Hong Kong firms make special sales promotion efforts. As always, the first step for the Hong Kong exporter is to appoint a reliable and experienced agent/importer.

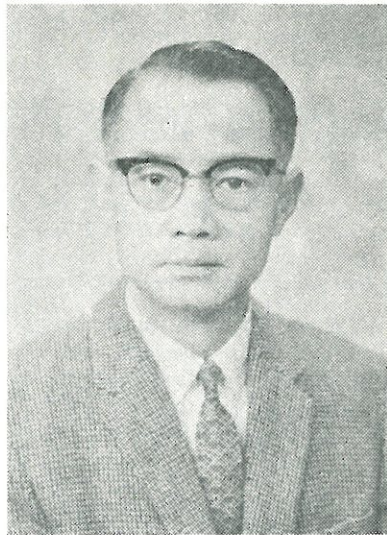
There will be no shortage of money in Mauritius in the next few years. Hong Kong can, without doubt, improve its position from being Mauritius' ninth largest supplier to a much higher position.



A table showing Hong Kong's trade with Mauritius is published on Page 10

## Introducing the staff.

### C. T. WU



For almost two hours the small boy had kneeled before the portrait of Confucius: vainly he tried to keep the master's teachings in mind, particularly the sayings on disregarding evil thoughts about others.

But as he tried to ease his cramped legs and take the weight from painful knees it was proving an increasingly difficult task, for the punishment he was now receiving had come as a result of his failure to recite from memory the more procrastinated philosophy of classical Chinese.

"That was the way of things when I was young," recalls C. T. Wu, the Chamber's statistician. "I was brought up in the very rigid Chinese fashion where at school we had to recite for hours on end the sayings of Confucius and Mencius. One mistake and you had to kneel before the portrait. I am afraid at times I harboured some very un-Confucian thoughts during the many penances I paid at school."

The scholarly upbringing, however, had its results; one of them is the fact that C. T. is known throughout the Chamber and by all those who come into contact with him as "The Professor".

The nickname is well deserved, for at any particular moment of the day C. T. is called upon to produce trade figures for places as diverse as Alaska or Zambia. With the aid

of a small computer he can also, almost in the same breath, produce the percentage differences in a variety of products and a shatteringly quick thesis on the type of Hong Kong goods most suitable to a particular territory.

Born in Hong Kong, where C. T.'s father was a merchant, he first studied in the classical manner ("the idea was that if you learned 300 poems you would grow up to write like a poet"), then moved to Shanghai for secondary education. Later he took a B.A. degree in economics at Shanghai University.

"At first it had been decided that I should go into commerce like my father, and it was my parents' intention to send me either to Japan or the United States. Then at the prompting of another relative, it was decided I should try for the Chinese Maritime Custom Service. The service was known as 'the golden rice bowl' because of its excellent conditions and salary. As you can imagine, competition was keen and I had to attend the custom service's own school for a year before being appointed."

C. T.'s first job was handling import and export declarations. Later, he moved over to the statistical section and after a period of service in Shanghai he was transferred to Swatow. Shortly before the Japanese occupation of Shanghai, however, C. T. was back at his previous desk.

"The Japanese left us very much alone apart from appointing their own Inspector General and attempting to teach us the Japanese language. I think I would have been doomed to stay in the same position for ever had the Japanese remained in power for I could never master their tongue."

Normal conditions returned to Shanghai after the war, but the era was short-lived.

"With the take-over by the People's Government the service underwent several major changes.

"Later on I was transferred over to the customs' school where I taught new recruits procedures and English. Early in 1959 we received a telegram saying my mother-in-law was seriously ill in Hong Kong and my wife was granted an exit permit. I also applied to go with her, but it was almost two years before my permit was approved.

"When I started work at the Chamber, my first task was to organise the office library, which today contains more than 1,000 publications. Then, after a period on certification, I started the trade statistics section."

Today C. T., the Chamber's private "professor", fills a key position which on many occasions is reminiscent of his work in long-ago Shanghai.

## Trade to Survive

# Part IV: Finance and Trade Promotion

**The fourth in the series on trade written by Mr. R.G.L. Oliphant, Executive Director of the Trade Development Council. In this article Mr. Oliphant discusses expenditure on the advertising and exhibition aspects of trade promotion.**

Before you do anything else, you will have to make out a budget and decide how to allocate your expenditure. The item in which we are particularly interested is "Trade Promotion", and I propose to deal with this under headings. Advertising, Entertainment, and direct Trade Promotion.

I think that it is wise to segregate "Entertainment" from other forms of advertising, because it must be strictly controlled, as otherwise it can quickly get out of hand.

### Advertising

In order to decide what proportion of your resources should be spent on Advertising, you must be perfectly clear as to your objective. Is it to increase sales of a particular product or service, general advertising to keep your name before the public, or that bane of our lives in Hong Kong, a charitable donation?

Various factors will influence your policy, such as the nature of the goods or services that you are trying to sell, and the buyers at whom your campaign is aimed, be they wholesalers, retailers, the public or foreign importers. Probably you will be able to obtain some guidance from your accountants and auditors as to how much firms in a similar line of business allocate to advertising or you may be able to get an

idea from published accounts, but it is more a question of means and personal conviction than anything else.

There is no such thing as a set percentage of income or resources, which should be spent on advertising, either in one particular business or overall. It is largely a matter for trial and adjustment. You may have a product which retails at \$1.25 and the .25 represents advertising costs. Some people will say that if you cut out advertising you will sell your product 25 cents cheaper, but in fact your sales will surely drop, your cost of production will rise, and you may even have to increase the retail price.

Advertising is necessary in nearly every business, but you will have to decide for yourselves how much you can afford and how much is worthwhile.

It would be a tremendous risk to borrow a large amount for the purpose of advertising in the hope that you would be able to repay it from increased profits. The only sound basis is to make an allocation out of the funds at your disposal. Of course, if you have years of experience and much data to show how the sales of your products have reacted to past advertising campaigns, the risk is lessened, but there are always the unpredictable circumstances which can upset the whole balance, strikes, riots, wars, national disasters etc. which cannot be foreseen.

### Entertainment Allowance

My advice is to live within your income until such time as you have accumulated reserves. One last point on advertising. It is essential to have the control in the hands of one man. Naturally this refers to large offices more than small ones, but such control is the only workable one.

These are of two kinds: accountable and non-accountable. To give an accountable entertainment allowance means that you permit members of your staff to expend up to a certain

amount per week, month or year, on entertaining, but only under conditions laid down by you and against production of appropriate receipts.

My staff think I am being beastly to them because I strongly discourage the use of public funds to entertain local residents, however much business they may talk. You will have your own standards, but make the conditions very clear. They will include a rate per person for home entertaining and a set of principles for general guidance.

Money spent through an accountable allowance may be an allowable business expense for tax purposes.

### Entertaining Buyers

A non-accountable allowance is, of course, merely an addition to the recipient's salary, over those expenditure you have no control at all. I strongly advocate that non-accountable allowances should be kept to a reasonable minimum which will cover only casual entertaining on the spur of the moment. Anything which the host has time to plan should be accounted for, so that the firm can keep an accurate check on what is being spent on entertainment, and what return it brings. To give a big non-accountable allowance is merely fooling yourself.

It is not a great problem to decide what is the maximum amount that you can afford to spend on entertainment. A much more difficult task is to decide how much to spend on any particular buyer. And when I speak of buyers I am referring not only to visitors, but also to the representatives of important foreign firms resident in Hong Kong. It is your job to go out and get in touch with them. You must compete for business, not just hope for it to happen. Buyers vary in temperament just like other human beings. You may get a valuable contract from one in exchange for a cup of tea, whilst another, who wishes to buy no more, may

(Contd. on Page 6)

## TRADE TO SURVIVE — Contd.

expect you to provide him with accommodation, a girl friend and transport for the length of his stay; a third will be repelled by too much entertainment. You will have to be a computer-brained master mind to get all the answers right all the time, and spend your money only where it will do the most good to you; but it is as well to remember that he who demands least, frequently proves to be the steadier business contact.

You have already related the total amount spent, to your resources; it therefore remains for you to decide the size of order any particular buyer is likely to place, how much profit you will make on it, how far he will be influenced by what you spend, and how many other buyers you will have to entertain.

These decisions will help you to spend just the right amount on each buyer, but as you can see, it is not an exact science.

### Direct Trade Promotion

Very much the same rules apply to expenditure on direct trade promotion as on advertising. I shall not try to advise you on how much you should spend, but rather on how to use whatever you do decide to spend to the best possible advantage. I shall give you some ideas on free and low cost promotion, and point out some things that have to be taken into account when planning a more ambitious scheme. But before I do so I must mention one factor which is common to expenditure on advertising and trade promotion. What do you expect to gain?

It may be possible to assess likely increases in the sales of particular goods, but it is not always easy to predict increases in general business or the sale of services, and determine how much is due to advertising in which medium, or how much to promotional work, and how much to natural expansion that would have taken place anyway. You can make your own experiments or obtain advice from others, but whatever you do, operate within your means and don't be misled by pipe dreams. Even gradual progress is worth having, but remember that estimates of probable gains are

estimates and not facts until they have been achieved.

### Credit to Overseas Buyers

One of the incentives often used to promote trade is the offer of credit. This needs very careful handling, but at least you will soon have the assistance of the Export Credit Insurance Corporation.

It is just plain stupid to try to take business from your competitors by offering more generous credit terms to buyers, unless these terms are fully justified in the light of the risks involved. You must retain a

## H.K. Exports Rise

In the second quarter of 1966, Hong Kong increased its exports by nine per cent, or \$144 million compared with the same period in 1965.

Referring to the world export figures, the Board of Trade Journal said that most of Hong Kong's export increase went to non-Sterling countries, mainly the United States and European Economic Community countries.

- ▲ Up went exports from:
  - \* South Africa (16 per cent increase)
  - \* Australia (seven per cent, mainly to the United States and Japan, but down to Russia, Eastern Europe and China)
  - \* Pakistan (11 per cent)
  - \* Singapore (£6 million)
- ▼ Down were exports from
  - \* Malaysia (£5 million)

sense of proportion and calculate the probable cost. Consider the chances of each particular buyer not paying. The customs in different markets vary enormously, but you will want to know if there are adequate arrangements for storage in the event of non-payment, and what are the charges, is there a time limit, could another buyer be found at short notice.

These are some of the factors in determining the cost of credit insurance, but you must make your own assessment too. You may have to accept business on bad terms in order to retain your trained workers, but this is a short term proposition, and

you must calculate the cost and set a limit. It is an intrinsically dangerous practice, which may be worthwhile for a short time, but if conditions do not improve, then for heaven's sake face up to realities before you dissipate all of your resources.

Don't give credit blindly. I have seen in one country, goods landed on the beach and left there to be collected by anyone who thought he could get away with them. There was not even an enclosure. Under such conditions you would probably want to sell against Letter of Credit or prepayment as D/P terms are no better than D/A, even though in such a small place the goods might be easily traceable.

There have been cases where storage in customs godowns is for a limited period, of buyers refusing payment in order to pick up the same goods more cheaply at auction. You must know the market conditions, and your bankers, the Export Credit Insurance Corporation and soon, I hope, the Trade Development Council, will be in a position to advise you.

Business is worth having on certain terms and if you cannot get it at what you consider minimum prices, or at your maximum credit terms, then REFUSE IT. Your competitors may get the orders but they will soon regret having done so.

Probably a convenient way to study the other financial aspects of trade promotion, would be to follow the course of a hypothetical developing firm, through the various steps and processes, and see what each will mean to them in terms of money.

### Next Issue: Product Promotion

## U.K. Press Report— Contd.

with a view of tropical fish and other marine creatures (MORNING ADVERTISER). The tea-house, patterned on an underwater aquarium in Queensland, would be a huge steel tank with reinforced windows which could be sunk in a suitable site.

An average of 100 new waiters a month were coming to Britain from Hong Kong "to serve, to save, and to open up their own places" (SUNDAY CITIZEN). At the last count, there were 2,500 Chinese restaurants in the United Kingdom. Chinese restaurant owners said that there was room—and potential customers—for another 2,000 restaurants.

## Chinese Export Commodities Fair (Autumn) 1966

# THE CANTON FAIR

This article was specially contributed by Mr. H. Schneider, Manager of the Export Department of Jebson & Co., and a member of the Chamber's Export Sub-Committee. Mr. Schneider has been a regular visitor to the Canton fairs since 1956 and engaged in Far East trade for more than 40 years.

Variety, quality and orderliness, these were the three points which struck me most about the Canton Autumn Fair. Never have I seen such a large display of products before and never have I seen such an improvement in quality and variety.

The orderliness and organisation of the fair speaks for itself with the fair authorities showing extreme hospitality and courtesy at every moment. This year's fair also emphasised the Cultural Revolution presently being carried out in China.

For the past nine years, indeed ever since the fairs started in 1956 (officially the first fair was held in the spring of 1957) I have travelled to Canton to make purchases, mainly for our European markets.

My recollection of that first fair has to be related to China's economic position in 1956. Then, the products were displayed in a building which had only limited facilities — there were no discussion rooms for example — and there were practically no foodstuffs, arts and crafts nor piece goods on display. But I was impressed with the good taste in the lay-out of the few items which caught my interest. In fact practical display has always been a hall-mark of the Canton fair.

In 1956 I stayed at the Aichun Hotel where I remember the genuine desire to listen to constructive criticism about the fair.

### New Complex

For the first official fair, the exhibits were housed in the Russian Friendship building and then two years later it was sited in a specially designed exhibition hall near the Pearl River. As the fair gained in popularity and the range of products increased, the fair authorities built a new exhibition complex which consists of a central 10-storey administration block with nine-storey wings on either side.

I noted with some interest that this year all but one floor of the administration block had to make way for the exhibits. Generally the heavier exhibits were housed on the ground floors with less bulky displays graduating towards the upper floors. The previous fair building is now used for the display of arts and crafts but it seems obvious that the day will not be far off when additional accommodation will be required for all the exhibits.

I stayed at Canton for the four weeks of the fair as I know from experience it is important to be there early and to remain throughout the duration of the fair. There are always some 'hot' items and for these the Canton fair is very much a case of first come first served, with no bargaining over prices.

Everything, including the most specialised products, has a fixed price. It is impossible to bargain for special discounts. This means that an overseas buyer's business acumen comes in for a full test when he begins selling. It is also important when making purchases that a buyer is a specialist in his own lines. Certainly the Chinese in charge of the various exhibits were highly specialised.

All business is done on a Letter of Credit basis and one point I also noticed in this year's fair was the promptitude with which deliveries could be made.

There is a full translation service available at the fair although a knowledge of the Chinese language is an advantage. All prices were marked in Sterling, Swiss Francs or Deutsch-Marks.

### Shipments

Purchases at the fair are shipped through the China ports ranging from Hainan in the south-west to Dairen in the north. As is the rule for all China's exports, shipments are covered by an official inspection certificate which testifies that the goods conform to the buyer's contract in terms of quality and weight. In the case of minerals and chemicals the certificate also gives a chemical analysis.

Perhaps the greatest improvement in the products on display was in piece goods. I found China-made shirts of comparable quality to Hong Kong and I heard many complimentary remarks on the high standard and low price of their shoes.

It is hard to say whether special prices are arranged for the fair period as China follows international market conditions but I did hear that certain items underwent a slight price increase during the fair.

It was extremely difficult to estimate the number of overseas buyers who attended the fair but I did hear one figure of 4,000, of which I would think 800 to 1,000 came from Japan.

### Social Facilities

The Japanese businessmen lived in a separate hotel where presumably difficulties over language and diet could be more easily overcome. The European buyers, mostly French, German, British, Italian, Dutch and Swedish, stayed at the Tung Fang (The Oriental) Hotel, where the accommodation was good and the food up to European standards.

One of the pleasant aspects of the Canton fair is the social facilities provided. Every weekend there is an organised tour to a nearby beauty spot or a pleasant river trip and this fair was no exception. Visits to communes can also be made.

(Contd. on Page 9)

# ROUND ABOUT

## Colloquial Cantonese Examinations

Beginning in January 1967, examinations will be held by a Panel of three examiners at the Chamber.

Candidates for the January examination are asked to inform the Chamber as soon as possible at which standard they wish to be examined, and to forward an examination fee of \$30. Candidates will be marked on their total performance, credit being given for word order, phrase structure, fluency, vocabulary and tones.

## Late Deliveries

A Hong Kong exporter found he had to cancel eight per cent of all orders he placed in Hong Kong during 1965 owing to unacceptable late deliveries by local manufacturers. On investigation it was discovered that this is not the only example of late deliveries. The damage caused overseas by late deliveries from Hong Kong is extremely serious indeed as it creates a bad image of Hong Kong in general and takes months to put right.

## Chamber Visitor

Dr. H. J. C. Cartens, Director of the International Centre for Wholesale Trade in Brussels will spend 10 days in Hong Kong from 11th December. Dr. Cartens will visit the Chamber at 10 a.m. on Wednesday, 14th December.

Should any members wish to meet Dr. Cartens, who is also Director of the Far East Importers Committee of the European Economic Community, they should contact Mr. C. Tsang at the Chamber.

## Michigan Visitors

A group of six State Senators from the Michigan Senate Committee on International Commerce, were guests of the Chamber. The group, led by their Chairman, State Senator Gilbert E. Bursley, were met by the Chamber's Chairman, the Hon. G. R. Ross. Also accompanying them were the Hon. T. John Lesinski, Chief Justice of the Michigan Court of Appeals and a former Lieutenant Governor of Michigan, and Mr. M. V. Pallister, in charge of the Michigan State Chamber of Commerce World Trade Programme.

The International Commerce Committee is charged with studying the promotion of trade and investment between Michigan and overseas countries. During their discussions at the Chamber, the mission showed particular interest in Hong Kong's transistor industry and the Government's housing policy.

## Market Explorers

People with a practical commercial experience are required by the Trade Development Council for projected market exploration in South America and South Africa.

The T.D.C. are anxious to contact member firms willing to second one of their staff for periods of three to six months as a part of a small team to carry out research in overseas markets for Hong Kong products. Ideally the person nominated by a member firm should have practical commercial experience in the export field. He would be accompanied by a representative from the T.D.C. and would be expected to evaluate and become fully conversant with local business methods, channels of trade, methods of payment and all matters concerning the sale of Hong Kong products.

Member firms interested in this project should contact the Chamber.

## Consumer Price Index

The moving annual average of the Consumer Price Index covering the period from October 1965 to September this year is 104.5 as compared with the average of 104.3 announced in August.

## Flood Disaster

An estimated 5,000 families have lost their homes during the recent tragic Italian flood disaster. It is now disclosed that the damage done by the floods is far more serious than was first realised and members' attention is therefore drawn to the public relief fund for which the South China Morning Post will collect and acknowledge donations.

## West Australian Mission

The President of the West Australian Chamber of Manufacturers, Mr. Walter L. Hughes visited the Chamber with other members of a group trade mission to discuss the encouragement of two-way trade between Hong Kong and West Australia. Also in the group was Mr. F. J. Malone, Secretary of the West Australian Chamber of Manufacturers. They were accompanied by Mr. J. Allgrove of the Australian Trade Commission Office in Hong Kong.

## Employment Information

Employers are reminded that the Labour Department's Employment Information Service gives assistance in finding suitable workers by matching employers' requests against lists of registered job seekers. This service is free and employers are under no obligation to accept any of the workers submitted to them. Employers' orders can be made by telephone, letter or by a visit to the Labour Department, Electric House, 22A Ice House Street, 3rd Floor, Hong Kong or Post Office Building, Un Chau Street, 2nd Floor, Shamshuipo, Kowloon.

## Kenya Pamphlet

The Commerce & Industry Department have now released the first in a series of Country Pamphlets. This pamphlet deals with Kenya and a complete summary of the contents together with a market report from Mr. G. J. Conington, Hong Kong Representative in East and Central Africa, will be published in the next Bulletin. Meanwhile members wishing to read the pamphlet may obtain a copy from the Chamber.

## Secretary's Return

Mr. J. B. Kite, Secretary of the Chamber, has returned from Canada. Mr. Kite had been undertaking an extensive market survey on increasing Hong Kong trade with Canada. Among the centres he visited were Montreal, Toronto, Ottawa, Winnipeg, Calgary and Vancouver. A full report on Mr. Kite's Canadian survey will be published shortly in the Bulletin.

## Curbs on British Imports?

An article in the international edition of the Commercial Journal doubts whether Britain will impose any new curbs on imports following the lifting of the surcharge. The article argues that Britain, which is now engaged in an active export expansion drive, is well aware of the repercussions of introducing import licensing or quotas and would be very reluctant to take such a step.

No longer is Britain concerned with its traditional products, sold with traditional British reserve, but is now turning to new products and new styles using aggressive sales methods, the article states.

The article added that United States exports to Britain were 17 per cent above those of last year.

## Farnham Castle

A briefing course on conditions in South-East Asia and the Far East will be held at the Oversea Service College, Farnham Castle, Surrey, from December 5th. to 10th. An additional course designed for Hong Kong people about to make their home in Britain will be held from January 2nd. to 7th. Further details are at the Chamber.

## Container Service

A container service will be inaugurated next Spring as a joint venture by a British shipping company and a Swedish line.

The London-based short sea trader firm MacAndrews and Swedish Lloyd of Gothenburg will start a drive-on, drive-off service for all types of cargo between the U.K. and Spain.

## Annual General Meetings

Most Hong Kong companies will shortly be preparing dates for their annual general meetings. As many members hold directorships on several companies, it is proposed to publish a list of dates of annual general meetings and so, if possible, avoid a duplication of company meetings. Will members therefore inform the Chamber of the dates of their respective company annual meetings.

## U.S. Trade Centre

Members' attention is drawn to the World Trade Centre in New England, a non-profit, non-trading, membership organisation developed with the purpose of increasing export and import trade between the six New England states and the rest of the world. The Centre will assist overseas firms find markets for their merchandise in the United States. They will also help buyers abroad to obtain U.S. products. Interested members should contact the Chamber for further details.

## Textiles to West Germany

The issue of export authorisations for certain items of cotton textile exports to the Federal Republic of Germany has been temporarily suspended pending further talks with representatives of the Federal Government.

The items concerned are cotton towels (other than dish towels and embroidered towels) and cotton woven shirts.

The Director of Commerce and Industry, the Hon. T. D. Sorby said the decision has been taken on the advice of the Cotton Advisory Board.

## Textiles to Canada

The Governments of Hong Kong and Canada have ratified the agreement reached during the negotiations held in Ottawa last month regarding the export of cotton textiles from Hong Kong to Canada.

"The agreement," said the Hon. T. D. Sorby, Director of Commerce & Industry, "was concluded under the provisions

of the Long Term Arrangement regarding international trade in cotton textiles and was in two parts.

"The first part provided for an extension of the previous restraints on five items of apparel (woven shirts and blouses, knit shirts, nightwear and slacks) for one year from October 1 on the same terms and conditions.

"The second part contained an overall agreement on fabrics, with certain exceptions for a period of three years from October 1. The overall agreement comprises an annual limit of 11.09 million square yards, with five sub-limits."

Mr. Sorby noted that Hong Kong's exports in the fourth year of the Long Term Arrangement ending September 30 had fallen short of the totals of the restraint levels for apparel and fabrics of 15.5 and 9.4 million square yards by 1,675 and 0.85 million square yards respectively.

"The department," Mr. Sorby added, "was seeking the advice of the Cotton Advisory Board as to the allocation of quota and details would be announced before the end of the month. Provisional quota for two months from October 1 for previously restrained items had already been issued with the consent of the Canadian authorities."

## CANTON FAIR — Contd.

To businessmen intending to visit the 1967 Spring fair I would say that Canton is a test of their ability and their connections. But if you pass this test the results can be well worthwhile. If it were not for the tariff barriers imposed upon some Chinese products overseas I would also forecast a rather cold wind for the future of many of Hong Kong's industries.

Everything I was shown at this year's fair indicated increased quality and imagination produced at prices which were well maintained even in some cases where buyers were, to begin with, reluctant to meet China's firm price levels.

Although the fair is primarily a Chinese Export Commodities Fair, the occasion is also utilised for buying purposes. Among the purchases at the Autumn fair were dye-stuffs, chemicals and iron and steel plates and tubes.

## TENDER

**HONG KONG.** Tenders are invited for the following:—

1. Supply of blue woollen Jerseys.
2. Making up of uniforms required by the Immigration Department.
3. Making up of uniforms required by the Urban Services Department.

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

## TRADE FAIR

**SWEDEN.** The International Swedish Trade Fair will be held from 19th to 28th May 1967 at Goteborg. Further information at Chamber.

## MEMBERSHIP

### Change of Address

Joseph & Company, Tung Ying Bldg., Rms. 1501-1503 & 1505, 100 Nathan Road, Kowloon.

Oxford Industrial Corporation Ltd., 173 Java Road, Ground floor, Hong Kong.

T.M. Wong & Co., Ltd., 116A Argyle Street, Ground floor, Kowloon.

### Quarantine

Quarantine restrictions have been withdrawn against arrivals from Delhi & Cebu because of cholera and from Dacca because of smallpox. Quarantine restrictions have been imposed against arrivals from Nhatrang because of plague and cholera and from Sibu because of smallpox. — Port Health Notice.

## Hong Kong Exports To Mauritius

H.K. Thousand Dollars

	1964	1965	1966 Jan.-Sept.
Clothing .....	3,309	2,481	1,643
Textiles (cotton fabrics & made-ups)	2,727	1,812	1,212
Footwear .....	925	317	246
Metal manufactures (enamelware, kerosene stoves)	729	624	309
Miscellaneous manufactures (plastic flowers, umbrellas)	807	627	416
Electric goods (torch batteries, switches)	309	350	255
Base metals (iron & steel bars)	426	78	148

## Christmas Air Mail

The following are the latest dates of posting at General Post Office, for air correspondence and parcels to ensure delivery by Christmas Day.

Christmas cards may be sent at the Second Class rates of postage provided they are contained in unsealed envelopes clearly marked 'Second Class Air Mail' and the cards do not bear more than five words additional to the printed greeting. **SECOND CLASS ITEMS MUST BE POSTED ONE DAY EARLIER THAN THE DATES QUOTED FOR LETTERS AND PACKETS.**

	Letters & Packets
<b>ASIA</b>	
Aden .....	17.12.66
Bahrain .....	17.12.66
Brunei .....	17.12.66
Burma .....	17.12.66
Cambodia .....	16.12.66
Ceylon .....	17.12.66
India .....	16.12.66
Indonesia .....	15.12.66
Iran .....	14.12.66
Iraq .....	16.12.66
Japan .....	17.12.66
Jordan .....	16.12.66
Korea, South .....	16.12.66
Kuwait .....	15.12.66
Laos .....	12.12.66
Lebanon .....	17.12.66
Malaysia (Sabah) .....	16.12.66
(Sarawak .....	17.12.66
(Malaya) .....	16.12.66
Okinawa .....	16.12.66
Pakistan, Eastern .....	14.12.66
Western .....	15.12.66
Philippine (Manila) .....	20.12.66
(other places) .....	17.12.66
Portuguese Timor .....	4.12.66
Singapore .....	17.12.66
Syria .....	16.12.66

Taiwan (Taipei) .....	17.12.66
(other places) .....	17.12.66
Thailand (Bangkok) .....	10.12.66
(other places) .....	8.12.66
Vietnam, South .....	17.12.66

## EUROPE

Belgium .....	17.12.66
Cyprus .....	15.12.66
Denmark .....	16.12.66
Europe, Rest of .....	16.12.66
France .....	17.12.66
Germany .....	16.12.66
Great Britain .....	15.12.66
Greece .....	15.12.66
Italy .....	16.12.66
Malta .....	17.12.66
Netherlands .....	16.12.66
Norway (Oslo) .....	16.12.66
(other places) .....	14.12.66
Portugal .....	17.12.66
Spain .....	17.12.66
Sweden .....	16.12.66
Switzerland .....	17.12.66
Turkey .....	6.12.66
Yugoslavia .....	14.12.66

## AFRICA

Central .....	15.12.66
East .....	15.12.66
North .....	15.12.66
South .....	15.12.66
West (Ghana) .....	14.12.66
(Nigeria) .....	14.12.66
Congo, Democratic Rep. of the .....	8.12.66
Egypt .....	17.12.66
Malgache .....	13.12.66
Mauritius .....	15.12.66
Portuguese West Africa .....	15.12.66

## AMERICA: NORTH, CENTRAL & SOUTH, AND WEST INDIES

Central & South .....	14.12.66
Argentina .....	10.12.66
Guyana .....	10.12.66
Jamaica .....	14.12.66
Mexico .....	9.12.66
Panama (Rep. of) .....	14.12.66
Trinidad & Tobago .....	16.12.66
Canada .....	13.12.66
Hawaii .....	17.12.66
U. S. A. .....	16.12.66

## AUSTRALIA, PACIFIC IS.

Australia .....	17.12.66
Fiji .....	17.12.66
Guam .....	17.12.66
New Caledonia .....	14.12.66
New Hebrides .....	15.12.66
New Zealand .....	15.12.66
Papua & New Guinea Territory .....	15.12.66
Pacific Island .....	8.12.66
Solomon Island .....	15.12.66
West New Guinea (West Irian) .....	15.12.66

## NEWS FROM D. C. & I.

### Thailand

On 28th September the Government of Thailand freed a number of items from specific import permit restrictions. Few of the items involved are of interest to Hong Kong excepting enamelware, domestic exports of which to Thailand in 1965 came to HK\$315,837.

(Mr. J.C.C. Chan, Tel. 451919)

### Japan

The Consul-General of Japan draws Hong Kong exporters to the following ruling—

"... as from October 1, 1966, the Government of Japan has introduced, with a view to expediting the customs clearance of merchandise, a new measure known as the "Self-assessment System" for import duty, which could be summarized as follows:—

'Under the new system importers or their agents themselves have to calculate and declare the amount of duty.

The importers, therefore, need to have complete invoices and packing lists bearing precise and detailed information about the quantity, value, quality and other characteristics of the imported goods in order to promptly make a correct declaration.

The clearance of the imported goods will be further expedited if the importers' declarations are perfect and reliable.

Faster clearance would benefit foreign exporters as well as Japanese importers.

Shippers who are exporting goods to Japan are advised to prepare detailed invoices and packing lists and send them quickly to the Japanese importers in accordance with their instructions'."

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.)

### Jamaica

An amendment to the list of exceptions to the Jamaican Open General Licence has the effect of placing under specific licensing control—

#### Footwear

- (a) Footwear of all descriptions;
- (b) uppers (whole or in part and including thongs in sheets or otherwise, and vamps and quarters);
- (c) soles (inner and outer) of all types, including pre-cuts and units.

In 1965 and 1966 (January — September), Hong Kong's domestic exports of footwear to Jamaica were valued at \$0.21 million and \$0.56 million respectively.

(Mr. D. Sum, Tel. 431233)

## Comprehensive Certificate of Origin

### Exporter's Declaration and Application for a Commercial, Commercial Sample or Mail Order Comprehensive Certificate of Origin Form C & I 160A

As from 1st January, 1967 D.C. & I. will bring into use an amended application form C & I 160A for Commercial, Commercial Sample and Mail Order Comprehensive Certificates of Origin. Apart from certain minor amendments to the present form in use, the revised form C & I 160A requires applicants to declare the f.o.b. instead of c.i.f. values of goods to be exported. This amended form is now being printed and will be available for sale to the public on or about 15th December, 1966. Exporters and manufacturers are therefore advised to keep their stock of current C & I Form 160A to a minimum since this form will become obsolete on 1st January, 1967.

Circular No. 14/66

## Philippines

On 30th August the Government of the Philippines announced that all goods imported into the Philippines from Hong Kong would not be allowed to leave customs unless they were covered by consular invoices. The operation of this ruling was, however, suspended for 30 days with effect from 1st September. D.C. & I. have now received information that the suspension appears to have been extended for a further period of 30 days with effect from 1st October.

Mr. J.C.C. Chan, Tel. 451919

## Venezuela

The Venezuelan Government have announced that licences are required for the import of screws, nuts, rivets, washers and similar articles (of iron and steel). In 1965 and the first half of 1966, Hong Kong's domestic exports of woodscrews (iron or steel) to Venezuela were valued at \$61,350 and \$67,045 respectively.

Mr. D. Sum, Tel. 431233

## Paraguay

The exchange surcharge on imports into Paraguay has been increased from 30% to 32%. Hong Kong's domestic exports to Paraguay in 1965 and 1966 (January — September) were valued at \$0.65 million and \$0.34 million respectively.

(Mr. D. Sum, Tel. 431233)

## Certificates of Origin

### Exports of Hong Kong Products to Cyprus under Open General Licence

The Director-General, Ministry of Commerce and Industry, Nicosia, Cyprus has advised that imports into Cyprus under Open General Licence of goods claiming Hong Kong origin must be supported by a certificate issued by D.C. & I. only, to the effect that the goods have been produced, grown or manufactured in Hong Kong.

Circular No. 12/66

## Japan

On 1st October, 1966 the Japanese Government added the following items to the list of goods for which import licences are freely issued:—

Description	H.K.'s Re-exports to Japan in 1965 HK\$
Penicillin	19,586,511 (all antibiotics)
Outboard motors with a rating of 20 h.p. or more but less than 25 h.p.	96,583 (all outboard motors)

## Republic of South Africa

The Government of South Africa have announced that the initial 1967 import allocation for a wide range of consumer goods will be 50% of an importer's actual imports of such goods during 1964. The following items included in this category are of interest to Hong Kong—

Description	H.K. Domestic Exports to S. Africa in 1965 HK\$
Cotton yarn	5,022,652
Locks, padlocks & keys of base metal	1,161,973
Electric torches	2,353,825
Clocks & watches	597,696
Infants' undergarments & night garments, knitted	33,489
Infants' outer garments, knitted	446,406
Handkerchiefs	45,148
Vacuum flasks	198,666
Cutlery	135,697
Binoculars	140,515
Slide fasteners	26,977

A further range of consumer goods, such as clothing, enamelware and radios, are still on the Restricted List and may only be imported if covered by a specific permit. No quota levels are announced for items in this category.

The initial 1967 allocations for textile piecegoods imported by merchants have been fixed at 60% of 1963 issues. Hong Kong's domestic exports of textile piecegoods to South Africa were valued at HK\$20.2 million in 1965.

## Costa Rica

The Government of Costa Rica have increased the consumption tax on dry batteries and cells of all types to the levels indicated below.

Description	Tax per unit (Colonies)
Size D — torch batteries (large size)	0.10
Size C — torch batteries (medium size)	0.05
Size 'AA' — Pen-light size batteries	0.05
Size 006P — Transistor radio batteries	0.40
Other (on the retail price)	10%

The tax will be levied on sizes 'C' and 'D' as from 1st September, 1966 but for batteries and cells in sizes 'AA', '006P' and 'other' collection of the new tax shall not commence until similar batteries and cells are manufactured either in Costa Rica or the Central American Common Market. In 1965 and the first half of 1966, Hong Kong's domestic exports of dry batteries to Costa Rica were valued at HK\$133,309 and \$47,930 respectively.

## New Textile Competition

Developing countries now are leaders in textile exports and have textile industries of "considerable efficiency and sophistication," a British minister said recently.

Lord Brown, Minister of State at the Board of Trade, was speaking at the International Federation of Cotton and Allied Textiles Industries (IFCATI) annual meeting.

### Pendulum's Swing

He said "the pendulum has swung so far that the developing countries are now among the world's leading exporters with all the stresses and strains which such a development is bound to create and which the General Agreement on Tariffs and Trade (GATT) long-term arrangement was designed to alleviate."

Lord Brown claimed Britain was the home of the textile industry.

### Exports Up

"Looking back it seems almost inconceivable that in 1913 the British cotton industry was producing five times as much cloth as it does today and exporting 30 times as much."

Lord Brown told the 200 delegates from 20 countries at the conference that the rate of technological change was remarkable and the textile industry was no exception.

Government controls on cotton goods imports would give the British industry a breathing space until the end of 1970, but at the same time this control allows exporting countries a far larger share of the domestic market in Britain than was the case in almost any other country in the world.

## COSTS QUESTION

It has come to the Department's attention that an increasing number of overseas custom authorities are asking Hong Kong manufacturers for details of their costings and pricing policies. The Department would be pleased to hear from Hong Kong companies that are similarly approached in the future and would be glad to offer them assistance where possible.

## Zambia

On 21st September, 1966 the Government of Zambia made a number of amendments to their customs tariff of which the following are of interest to Hong Kong:—

Description	Rate of Duty		H.K. Domestic Exports to Zambia in 1965 HK\$
	Old	New	
Underwear (other than petticoats, slips, and foundation garments e.g. brassieres, corsets, etc.) including 'T' shirts (i.e. garments of the under-vest type with a crew neck collar and short sleeves of the coat or welt type)	30% ad val. or 7½d. per garment*	30% ad val. or 3s. per garment*	679,078 (all underwear)
Shirts and jacket shirts:			
(a) of textile fabric, knitted or crocheted	30% ad val. or 4s. per garment*	30% ad val. or 6s. per garment*	133,880
(b) Other		No change	
Cardigans, jerseys, pullovers, lumber jackets, blouses and similar garments, knitted or crocheted	30% ad val. or 1s. 6d. per garment*	30% ad val. or 3s. per garment*	292,673

(Exchange rate: £1 = 20s. = 240d. = HK\$16) \* whichever duty shall be the higher

## Singapore

The Singapore Government have announced the following quarterly import quotas:—

Description	Quota Period	Quota	Hong Kong Domestic Exports to Singapore in 1965
			HK\$
Lever locksets with 2 lever locks	1.1.1.66 to 1964	40% of imports	777,040 (all locks, padlocks and keys therefor of base metal)
Rimlocks	1.1.1.66 to 1964	40% of imports	2,513,569 (all base metal fittings and mountings of types largely used on furniture, doors, etc.)
Lever latchsets with mortice latch	1.1.1.66 to 1964	40% of imports	
Rim night latch	1.1.1.66 to 1964	40% of imports	

## GENERAL HOLIDAYS

<b>1966</b>		
Christmas	Monday, December 26th	
"	Tuesday, December 27th	
<b>1967</b>		
The first week-day in January	Monday, January 2nd	
Chinese New Year's Day	Thursday, February 9th	
The day following Chinese New Year's Day	Friday, February 10th	
Good Friday	Friday, March 24th	
The day following Good Friday	Saturday, March 25th	
Easter Monday	Monday, March 27th	
The Birthday of Her Majesty the Queen	Friday, April 21st	
Whit Monday	Monday, May 15th	
The first week-day in July	Saturday, July 1st	
The first Monday in August	Monday, August 7th	
The 30th day of August	Wednesday, August 30th	
Chinese Mid-Autumn Festival Day	Monday, September 18th	
The third Monday in October	Monday, October 16th	
The day following Remembrance Sunday	Monday, November 13th	
Christmas Day	Monday, December 25th	
The 26th day of December	Tuesday, December 26th	

## U.S. Trade

Robert W. Barrie, Director, Trade Expansion Committee of American Steamship Lines, 1155 Fifteenth Street, N.W., Suite 1104, Washington, D.C., U. S. A., offers assistance to foreign business concerns interested in business in the United States. Direct contact invited.

## Trade Directory

A copy of the 1966 edition of the London Directory & International Register has been added to the material available for inspection at this Department's trade reference library situated on the 3rd floor, Fire Brigade Building, Hong Kong.

## Malagasy Republic

Details of global import quotas for the six months ending 15th March, 1967 have been announced. The following items are of interest to Hong Kong:—

Description	French francs	Quotas		H.K. Domestic Exports to the Malagasy Republic in 1965
		Equivalent HK\$		HK\$
Hoisery and knitted goods; clothing and accessories, tarpaulins, sails, blinds, tents and camping goods	240,600	283,908		97,217
Domestic ware, tools and cutlery; miscellaneous articles of base metals except storm lanterns	937,900	1,106,722		1,697,027

(Exchange rate: 1 New French franc = HK\$1.18)

## Australia

The Australian authorities have altered their customs tariff on imported footwear as follows:

	Former Rate	Present Rate	1965 Exports
Footwear with textile uppers and rubber soles			
Adult	12½% and A\$0.55 per pair	45% or 12½% and A\$0.55 per pair whichever is the higher	} HK\$226 thousand
Children	12½% and A\$0.35 per pair		
Wellingtons			
Adult	17½% and A\$0.55 per pair	45% or 12½% and A\$0.55 per pair whichever is the higher	} HK\$204 thousand
Children	17½% and A\$0.35 per pair		

(Exchange rate: A\$1 = HK\$6.50)

## U.S.A.

The quota for stainless steel table flatware for the quota year beginning 1st November, 1966 has been announced. An aggregate quantity of 84 million pieces of stainless steel knives, forks and spoons valued under 25 cents each and not over 10.2 inches in overall length, may be entered into the United States, or withdrawn from warehouses, for consumption at the trade agreement rates of duty provided in Tariff Items 927.50, 927.51 and 927.52 shown below. Articles imported in excess of the 84 million piece quota during the quota year will attract the higher rates of duty given below.

Description	Quota Rates of Duty	Over-Quota Rates
Knives and forks		
With handles not containing nickle and not containing over 10% by weight of manganese	1¢ each + 12½% ad val.	3¢ each + 15% ad val.
With handles containing nickle or containing over 10% by weight of manganese	1¢ each + 17½% ad val.	3¢ each + 20% ad val.
Spoons, with stainless steel handles	17% ad val.	40% ad val.

In 1965 and 1966 (January — September), Hong Kong's domestic exports of stainless steel knives, forks and spoons to U.S.A. were valued at \$3.68 million and \$0.29 million respectively.