



THE HONG KONG GENERAL CHAMBER OF COMMERCE

BULLETIN

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Painted by 10-year-old Patricia Stewart

The Chairman and Members of the
General Committee take this opportunity
of wishing all members of the
Chamber the compliments of the season.

AFRICAN REPORT

In this issue the Chamber presents the first of a Government series of "Country Pamphlets". These pamphlets give general information on trading and market prospects. As they become available they will be published in a condensed form in the Bulletin. Copies of the complete pamphlets will be held at the Chamber and forwarded to members on request. Coinciding with this Government report on Kenya is the T.D.C. report on East and Central Africa.



Country Pamphlet No. 791

KENYA REPORT

Since 1963 Hong Kong's exports to Kenya have shown a continual decline.

This can be attributed to a variety of factors including the encouragement given by the Kenya Government to new industries, the raising of tariffs for the protection of nascent industries (notably garments which has been one of our major items of export to Kenya), the exodus of a sizeable portion of the European population and the reluctance on the part of Asian traders for political reasons to hold large stocks of consumer goods.

This trend appears to have been reversed in 1966, and trade statistics so far available show that Hong Kong's domestic exports to Kenya in the first seven months of this year have already exceeded slightly those for the whole of 1965.

This was probably the result of a ban on a wide range of Japanese consumer goods imposed by the Kenya Government in January, 1965. However, this ban has recently been relaxed following the conclusion of a loan agreement between Japan and Kenya.

No information is yet available as to the extent of this relaxation, but it is likely that Japanese exports will be able to recapture a share of the Kenya market.

In an attempt to provide a wholesale trading organisation from which African traders and co-operative societies can draw their supplies, the Kenya Government recently established a National Trading Corporation with an initial capital of £200,000. Initially the Corporation will deal in primary produce but it hopes to extend its range as quickly as possible into consumer goods such as textiles, bicycles, radios, cameras and other items.

Foreign Aid

It is likely that other Government support will take the form of preferential treatment in the issue of import licences and Hong Kong merchants would be well advised to examine all possibilities of doing business with this organisation for the great potential importance it holds.

Foreign aid plays an important role in the economic development of Kenya. The largest

single source of aid has been and will continue to be Britain. Other countries such as Japan, West Germany, the United States and the Communist bloc (including China) are also assisting. In September, 1966, an agreement was signed between Kenya and Japan under which Japan will extend to Kenya a long-term loan equivalent to £2 million (HK\$32 million) for development projects.

Present State

Kenya's prosperity rests largely on the production and processing of farm products. The principal cash crops are cereals, sisal, coffee, tea and pyrethrum. Cattle farming varies from the traditional to the pedigree stock-raising of dairy beef cattle on European farms. Manufactures and food processing account for nearly 10 per cent of the gross domestic production, and industry continues to expand. The economy is increasingly dependent on exports whose share of the monetary gross domestic product increased from 18 per cent to 25 per cent in 1963. But since the bulk of these exports are farm produce the economy is vulnerable.

Industry

Industry in Kenya is centred on Nairobi, Mombasa and Thika. There is little heavy industry in the country. Secondary industry has been expanding in recent years and some of the country's requirements of manufactured goods are now met from local production. Apart from industries based on the processing of the country's primary products, local manufactures include blankets, pots, pressure stoves, alcoholic and soft beverages, confectionery, building materials, cigarettes, polishes, plastic goods, matches, textiles, clothing and soap. Other manufacturing projects at the planning stage include electric lamps, torch batteries and paper.

Foreign participation in Kenya's industrial development is proceeding at a rapid pace, especially by Japan and West Germany.

The Country

During the 1950s constructive advances were made towards constitutional independence. In

Continued on Page 4



An example of the many modern buildings in East Africa. This photograph shows the Parliament building in Kampala, Uganda — photo courtesy Mr. Daniel Sum, D.C. & I.



Almost 20 per cent of Hong Kong's raw cotton comes from East Africa — photo courtesy Mr. John Roberts, D.C. & I.

1956 the franchise was extended and in 1960 a new constitution gave Africans a majority in the Legislative Assembly. At the elections in May, 1963, the Kenya African National Union (KANU) won a majority and formed a Government with Mr. Jomo Kenyatta as Prime Minister. On December 12th, 1963 Kenya obtained her independence and exactly one year later became a Republic within the Commonwealth.

The executive power of the country is in the hands of a President, Vice-President and Cabinet. The Legislature consists of two houses, both elected, one third of the Senate being elected every two years, and members of the House of Representatives for a four-year term. There are seven regions — Nyanza, Rift Valley, Central, Coast, Western, Eastern and North-Eastern — each with its own Assembly.

At the end of 1964 it was estimated that there were 183,000 Asians, 49,000 Europeans and 36,000 Arabs in Kenya. The total population is covered in the fact sheet reproduced on this page.

Customs Rules

The principal towns are Nairobi (population 330,000), the capital, which is 307 miles from Mombasa (population 179,600) the country's principal port. Mombasa is well served by shipping lines and is linked to Nairobi by road and rail. Other chief towns are Nakuru (population 38,200), Kisumu (popula-

tion 23,500) and Eldoret (population 19,600)

Kenya, Uganda and Tanzania constitute a single unit for customs purposes and their tariffs are the same except for a few isolated items. Duty rates are mostly ad valorem averaging 30 to 40 per cent, but specific or alternative rates are also used in certain cases to protect domestic industries.

The Chamber's Certificates of Origin are acceptable for all domestic exports to Kenya. Shippers are reminded that it is important to mark goods distinctly and to ensure that such markings correspond exactly to the information contained in all relevant documents, particularly bills of lading, otherwise delays may result.

The usual payment terms are 90 — 120 days credit. Business is effected both by Letters of Credit and through Confirming Houses although a considerable proportion of traders favour payment by sight D/P.

The Export Credit Insurance Corporation will be able to offer Hong Kong exporters credit insurance facilities for exports of goods to Kenya or documents against payment or documents against acceptance terms, subject to its normal terms and conditions of cover.

Sales Distribution

The main marketing methods are:

Stockist-distributors for engineering products, for equipment requiring spares, holding, and engineering facilities and

for quick-turnover items requiring buffer stocks.

Agents with limited stock-holding or servicing facilities.

Indenting agents.

Importers on their own account who usually handle wholesale/retail business.

Firms do not always fall readily into one or other of these classifications and for certain products may act in differing capacities. The larger firms offering stockist-distributor and after-sales service facilities usually cover the whole of East Africa. They frequently buy on their own account and usually represent numerous overseas principals handling different categories of goods.

Smaller agents soliciting business from trade customers, including Government and Municipal authorities, contractors and large users often require trade terms sufficient to accommodate their customers and to allow for shipment. In certain cases their coverage of the market may be more specialised than those of their larger competitors but they may be disinclined to invest in more than token stock-holding and spares facilities.

In most cases the only effective way of doing business in Kenya is through an agent.

Chambers of Commerce in Kenya are as follows:

Association of Chambers of Commerce and Industry of Eastern Africa, P.O. Box 4365, Nairobi. Kenya National Chamber of Commerce & Industry, P.O. Box 7024, Nairobi.

There are also local chapters at Mombasa, Kisumu, Eldoret and Nakuru.

TERRITORY REPORT

With this special African Report edition of the Bulletin comes an individual report from the Trade Development Council's Resident Representative in Nairobi, Mr. G.J. Connington.

Mr. Connington, who is well known to many Chamber members, will visit Hong Kong in January when it is expected he will be able to answer individual questions on Hong Kong trade with East Africa.

Foremost in the thoughts of many East Africans is the development of an East African Common Market. It is thought that closer trade links between Kenya and Zambia and Tanzania and Zambia may encourage a greater degree of co-operation between the three countries.

During the opening ceremony of the Kenya Central Bank, which has a capital of £1,300,000, President Kenyatta stated that discussions were still proceeding between the three East African Governments with the aim of strengthening East African co-operation. It is now generally thought that a



Mr. G.J. Connington, the T.D.C.'s Resident Representative for East and Central Africa, who presents his report in this issue of the Bulletin.

pattern of international trade tariffs, rather than restrictions and quotas (currently imposed) will now be established between Kenya, Uganda and Tanzania.

KENYA

Hong Kong's trade with Kenya showed only a slight increase during the first half of the year compared with 1965, although Kenya's exports to Hong Kong rose by \$5.07 million.

In his report Mr. Connington notes that arrangements are being concluded with Italian

finance to set up a £1,000,000 textile plant on the outskirts of Nairobi to produce woollen suiting, mens' and womens' and childrens' clothing as well as blankets.

The Japanese Government has abolished a 10 per cent duty on coffee beans. At the same time the commodity tax on coffee beans will be reduced from 10 per cent to five per cent. Three Japanese technicians have also arrived in Kenya to work with the Kenya Ministry of Works.

Lately the Japanese Government reported their future plans to strengthen technical co-operation with Africa and extend when necessary, government loans to help rectify trade imbalances. Japan claims that her exports to African nations during 1965 exceeded £265 million.

In September, the Governments of Kenya and Japan agreed on terms for £2,000,000 worth of yen credits for Kenya, carrying an interest rate of 5.75 per cent per annum after a five year interest-free period. The loan is expected to be used mainly in projects developing and processing primary products.

A Japanese mission which visited Nairobi in August discussed with the Kenya Government the considerable trade imbalance (estimated at some £9 million Japanese imports against Kenya exports of less than £2 million in 1965) between the two countries. Emphasis was placed on Japanese investment in Kenya's basic economy and agricultural programmes so that the resulting products could be sold to Japan. Although no final comminque was issued, it was generally considered that little progress had been made.

Mr. Connington adds in his report that the Hong Kong Trade Development Office has been instrumental in creating an awareness of Hong Kong as a supplier of semi-finished articles for local

Continued on Page 6

Territory Report —Contd.

industries in Kenya, and negotiations for the supply of stainless steel cutlery blanks, plastic button blanks, and accessories for garment and suitcase manufacture, are proceeding.

An investigation into the possibilities of further development in this field is to be carried out by the Nairobi Office early in 1967. In the meantime, Hong Kong manufacturers who are interested in providing semi-finished commodities at competitive rates should be invited to contact the Nairobi office.

UGANDA

In the first six months of 1966, Hong Kong's exports to Uganda increased by \$1.32 million compared with the same period last year. Uganda's exports to Hong Kong, however, decreased by \$1.34 million.

Mr. Connington writes that Uganda has been relatively calm following the flight of the Kibaka (Hereditary Ruler) and the dissolution of a Federal constitution.

The Bank of Uganda, which was inaugurated on August 16th signifies the breakaway from the East African currency board which Uganda has shared for more than 40 years with Kenya and Tanzania.

The latest cotton crop is expected to exceed last year's record with more than 440,000 bales likely to be available for export.

Japan has agreed to provide £1,000,000 equivalent in yen credits to correct Uganda's unfavourable trade balance. The loan agreement provides for repayment within 18 years, following a five year period of grace. It is reported, but not confirmed that Uganda may now ease some restrictions on trade with Japan. A 10-man Japanese trade mission also visited the territory in August.

TANZANIA

Hong Kong's exports to Tanzania showed an increase of \$14.85 million during the first six months of 1966 compared with the same period in 1965. Tanzania's exports to Hong Kong also increased by \$2.39 million from January to June, 1966 compared with last year.

From Tanzania, Mr. Connington reports that at the third

National Agricultural and Trade Fair held in Dar Es Salaam, among the most impressive pavilions were those from the United Arab Republic, India, the United States and China.

More than 200 Chinese technicians are now in Tanzania, writes Mr. Connington, and more are expected shortly. The new arrivals are expected to establish a state farm at Rivu, 40 miles west of Dar Es Salaam, which will be financed by a Chinese loan of £5,000,000. China is also building a short wave transmitting station for Tanzania, at an estimated cost of £400,000.

A 10-man Chinese trade mis-



During the visit of a Hong Kong Mission to East Africa, Mr. P.Y. Tang presented a walking stick to President Kaunda of Zambia. — photo courtesy Mr. Daniel Sum, D.C. & I.

sion arrived in Dar Es Salaam with the object of promoting the export of Tanzania's primary products to Japan.

While Tanzania is to spend £1,000,000 on immediate improvements to Dar Es Salaam harbour to handle increased traffic for Zambia which has been diverted from Rhodesia, it is announced that Tanzania and China are to form a joint shipping line to ply between the two countries.

The new line initially intends to acquire two 10,000 tons freighters. Other East African countries have been invited to become partners, but so far there has been little response.

Tanzania's trade deficit with Kenya rose to £10,000,000 in 1965. The President commented, "It is not just possible for us to continue indefinitely to provide

Continued on Page 10

East Africa

A Market Profile

Kenya. Exports to Hong Kong (1965) \$18,623,000. Principal exports: raw cotton, oil seeds, unworked ivory, coffee and shark's fin. Imports from Hong Kong (1965) \$16,093,000. Principal imports: cotton garments, cotton fabrics, plasticware, electric torches and lanterns.

Trade Policy — No preferential arrangements for Hong Kong except for certain fabrics and garments.

People & Place. Area 225,000 square miles; population 9.4 million. Official Language English.

Tanzania. Exports to Hong Kong (1965) \$66,675,000. Principal exports: raw cotton, unworked ivory, shark's fins. Imports from Hong Kong (1965) \$9,976. Principal imports: cotton garments, fabrics and made-ups, household utensils, biscuits.

People & Place. Area 632,688 square miles. Includes Zanzibar; population 10.5 million. Official language English.

Uganda. Exports to Hong Kong (1965) \$26,740,000. Principal exports: raw cotton. Imports from Hong Kong (1965) \$4,499,000. Principal imports: cotton clothing, cotton fabrics and made-ups.

People & Place — Area 94,000 square miles; population 7.6 million. Official language English.

Zambia. Exports to Hong Kong (1965) \$978,000. Principal exports: semi-precious stones. Imports from Hong Kong (1965) \$6,543,000. Principal imports: cotton garments, cotton fabrics and made-ups, plastic and metal toys.

People & Place — Area 290,576 square miles; population 3.6 million. Official language English.

Industrial Hong Kong

Growth of the SMALL Industry

What do we mean by a Small-Scale Industry?

As we know, size is only relative, so what is considered "small" in one country may be "large" in another. In the United States, any factory which employs less than 500 workmen is classified as small; whereas in India and Ceylon a factory which has over 50 workers is considered large. But the number of people employed by an undertaking is not the only criterion for determining the size of an enterprise. There are other measures for its determination, such as capital employed, total horsepower used in the equipment and some country even defines it purely by management. Thus, in the Netherlands, a small industry is defined as an enterprise in which manager-owner has to perform for himself — without the assistance of specialized staff — all the main managerial functions, such as purchasing, production, marketing, financing and personnel problems.

For our discussion, I should like to refer to local enterprises which employ less than 100 workmen as small. I think in the present context of our industrialisation, they can be classified as Small-Scale Industries.

Majority of Industries

According to the statistics furnished by the Labour Department up to March 1966 there are altogether 9,301 registered factories. Of this, 7266 of them are employing less than 100 workmen. So you can at once see, the small factories are in the majority by far. They represent 80% of the registered factories. In terms of number of workers, they employ 132,824 of them, or 35% of the total industrial employment. It is obvious that both in terms of pure numbers and in industrial employment, the Small-Scale Industries constitute an important segment of our industries.

Let us now look into them more closely and see for ourselves what types of products do these small factories produce. You will see that the variety of

This article on the role of the light industry in Hong Kong is taken from a speech made by Mr. K. S. Lo, Managing Director of the Hong Kong Soya Bean Products Co. Ltd. Mr. Lo's speech is one of a series organised by the Extra Mural Studies Department of the University of Hong Kong in their "Hong Kong Economic Scene" lectures. The talks will be published in book form by the University.

Hong Kong suddenly lost its entrepot trade overnight. Those were the dark days and in order to economically survive, our enterprising businessmen decided to switch from trading to manufacturing. They first tried their hands on textile-spinning, weaving and knitting, and later branched out into plastics, metal wares and a thousand other items. After just a decade, they have succeeded in changing what used to be a trading port into a throbbing industrial city as we know it today. The transformation was brought about by the acuteness of our entrepreneurs who made the most of the opportunities, whichever way they might come.

With few exceptions, most of them started off in a small way, but through their ingenuity and hard work, they have grown into today's large and viable enterprises. "The child is the father of the man"; had there been no small-scale factories 15 years ago, we wouldn't have any large ones today. Hence, we can say that the small factories of today form the backbone of our industrial growth.

Contribution to Export

Unfortunately, there are no statistics available regarding the total value of goods produced by these small-scale factories annually. But since they employ a third of the industrial labour force, it is safe to assume that they are also responsible for a third of the total value of the goods produced. The total export of domestic manufactured goods for the nine months of 1966 amounted to \$4,109 million; of which at least \$1,000 million must have come from our Small-Scale Industries.

Besides their substantial contribution to the total export, the small-scale factories also supplied our domestic market with a large variety of consumer goods. Here again we have no statistics to show what the total value of all the domestic goods consumed annually, but as 90% of our

Continued on Page 10

goods produced by them are as wide as our local industry; they cover practically every item which is produced locally. But the more important ones fall into the following groups:—

Textiles including spinning, weaving, knitting and finishing.

Manufacture of garments and shirts and other wearing apparels.

Manufacture of Metal Products.

Manufacture of Machinery, Machine Tools and Moulds.

Electrical machinery, appliances and goods.

Plastic flowers and other Plastic Products.

Food and Beverage manufacturing.

Printing and publishing and allied industries.

Footwear, including rubber and leather.

Furniture, Jewellery and other Handicraft Products.

What role do these Small-Scale Industries play in our local economy?

To answer this we must go back to the early fifties when

Part V - Trade Fair Promotion

The fifth 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 how a small progressive firm can take advantage of low-cost local and overseas promotion projects to increase their sales.

The object of our promotion study must be a progressive firm because there would be little profit in studying any other kind, and I should like to use it to bring to your attention the opportunities that are available to you. Its resources are not such as will permit a vast advertising campaign to set it on its feet, so the proprietor looks around for inexpensive means of promotion.

He goes through telephone and trade directories to make a list of the resident representatives of foreign firms. These people are prepared to expend large sums, otherwise they would not be there. He reads the newspapers regularly to see who comes and goes and which visiting buyers have advertised their presence. He makes valuable contacts by calling on these people, rather than asking them to call on him, and all at very little cost, which is particularly important in the early stages of establishing a business.

He should ask both his banker and his trade association to let him have trade enquiries, and when he receives them he should do his best to meet the needs of the enquirer. He may answer opportunities advertised in the Trade Bulletin or Association Bulletins. It is absolutely useless to sit around and wait for the customers to come in. Those days are over and buyers expect attention, otherwise they will go elsewhere.

There was a report in the papers not long ago about our trade in foundation garments in Germany having been severely curtailed through lack of competitiveness.

This is one example, but the lesson should be learnt. I realise that this talk is supposed to deal with the financial aspects of trade promotion, but it is relevant to tell you of inexpensive aids to further business, and to exhort you to use them.

Free Displays

The proprietor of our progressive firm has already shown some initiative, and he now decides to show a bit more. He sends some of his products to the Trade Development Council's Display Centre. This is an excellent move because it costs him nothing more than transportation charges, and he will receive all enquiries for his products that come to the Centre.

He also sends some of his products to be displayed by the Trade Development Council, free of charge, in the small prestige sections of their pavilions at foreign fairs. These again bring in some trade enquiries. Gradually he gets the message that there is business to be done by going to foreign markets so he signs up to participate in a trade fair under the auspices of the Trade Development Council.

Types of Fairs

Perhaps now I should endeavour to differentiate between the various types of fairs.

For our purposes we may take fairs, exhibitions and expositions as being one and the same thing, but there are still three quite separate categories into which we can divide these functions. All are designed to attract the

largest possible number of local and overseas visitors, though some are aimed at particular sections of the community.

World Fairs

These are usually very large and last for up to six months, sometimes in each of two consecutive years. They concentrate on culture, social development, entertainment etc. and are more for prestige than for selling goods.

Participation is expensive because of the length of time involved and also because an elaborate pavilion is essential if any impact is to be made. Hong Kong does not participate in such events officially and it may be of interest to say that we are not going to Expo '67 in Canada because we estimate that it would cost us at least five times as much as participation in fairs such as Barcelona or St. Eriks and we believe that we can obtain better value for our money by other means.

International Fairs

These admit a wide range of goods and last from 10 days to three or four weeks. They are open to the general public as well as to trade buyers, though certain times may be set apart for the latter. Exhibits may be grouped in National Pavilions or by trades or by a combination of both. Whilst retail sales are usually frowned on or forbidden, they are sometimes permitted in special areas, as will be the case in Bangkok.

Continued on Page 10

ROUND ABOUT

Containerisation

The Container Committee, on which Mr. P.G. Williams represents the Chamber, has completed its report. The Committee was set up by Government to study the question of container shipping in Hong Kong.

Copies of the report have now been circulated to members of the Port Committee and will be considered at their next meeting on 16th December.

The report comprises of detailed investigations into the problems or benefits which may accrue to local industries, exporters, importers and consignees.

Mr. A.G.S. McCallum and Mr. J.F. Muirhead, both from member firms, represent shipping interests on the Container Committee.

T.D.C. Representatives

Discussions with the Chamber will be held when the five overseas Resident Representatives of the Trade Development Council visit Hong Kong in January.

The Representatives, Mr. J.B.H. Leckie (Europe), Mrs. I.M. Ward (United Kingdom), Mr. K.T. Woo (United States), Mr. W.E. Manson (Australia) and Mr. G.J. Connington (East and Central Africa), will also give a series of lectures at the City Hall. Details of the dates of these talks, which will be open to members, will be announced in the next issue.

The Representatives will be in Hong Kong from January 10th to 24th and during that time they will hold private meetings with Council members of the Trade Development office.

Investment in Japan

The Heavy and Chemical Industries News Agency have published a volume on "Foreign Investment in Japan". Members who wish to obtain a copy of this book (US\$16 sea mail) should write direct to the Agency at Sanritsu Bldg., No. 5, 3 - chome, Nishi-hatchorobori, Chuo-ku, Tokyo.

Berlin Import Exhibition

The Berlin Import Exhibition which is supported by the Government of the Federal Republic of Germany and the Senate of Berlin, will be the 6th annual fair in this series. It is organised by ADB Ausstellungs-Dienst Berlin, 1 Berlin 30, Keithstr. 2-4, and will be held from October 4th - 15th.

To facilitate the participation of Hong Kong, ADB Exhibition Service, Berlin, will make available, free of charge, 100 sq.m of exhibition area, and will provide an advisory service.

There is a charge of HK\$60 (42 DM) per square metre for space taken in excess of the free allocation. This excess cost will be divided equally among participating firms. For the first time this year, a country may be represented by private companies.

This is a general, not a specialised, fair and stands are organised on a country basis. At this stage, the organisers are concerned to know how much floor space is likely to be taken up by Hong Kong. Will member firms interested in participating, please let the Chamber know as soon as possible. Further information is obtainable from Mr. Clement Tsang at the Chamber.

Canada - Granby Exhibition

The Granby Chamber of Commerce is prepared to build a pavilion to display Hong Kong products in Granby during Expo '67. A representative from the Granby Chamber recently visited our Chamber to encourage members to participate in this scheme. Our Business Promotion Section considered the proposals, but prefers to recommend other plans for exhibiting in Canada at this stage.

Granby is a market town fifty miles south of Montreal, with a population of 30,000. Visitors to Montreal for Expo '67 on the whole may prefer to go north to the Laurentian mountains as opposed to travelling south to Granby.

Any of our members interested in considering displaying their goods at Granby as suggested, should contact Mr. C. Tsang in the Chamber.

Pakistan Delegation

A three-man delegation representing Pakistan's pharmaceutical industry visited the Chamber on 5th December. They were led by Dr. A.M.M. Khan, a member of Pakistan's Industrial Advisory Council and Chairman of the East Pakistan Association of Pharmaceutical Industries. Dr. Khan was accompanied by Mr. A. Ahmed, Managing Director of Albert David (Pakistan) Ltd., and an executive committee member of Dacca Chamber of Commerce and Industries, and Mr. A.H. Khan, founder of Edruc Ltd., one of Pakistan's largest pharmaceutical companies. Mr. Khan is also a member of the Export standing Committee of the Federation of Pakistan Chambers of Commerce and Industry. The delegation was accompanied by a representative from the Pakistan Government Trade Commission Office in Hong Kong.

Discussions centred on increasing trade between Pakistan and Hong Kong, particularly in respect to dyes and hospital supplies. The potentials of new chemical industries in Hong Kong was also referred to in terms of a joint venture.

Thailand Visas

Special assistance is offered by the Trade Development Council to members wishing to obtain visas for Thailand during the Bangkok fair. Although the T.D.C. cannot issue official invitations for the fair, any visiting Hong Kong businessman will be welcomed at the Hong Kong pavilion.

Cantonese Examinations

As from January, 1967, Cantonese examinations will be held by a panel of Chamber members. Local firms are strongly urged to permit their staff to undertake a period of concentrated instruction of up to a week to allow employees to study for this examination.

The Chamber is prepared to assist pupils in finding a tutor for studies and if sufficient member firms are prepared to release their employees for these lessons, accommodation would also be provided by the Chamber.

Interested members should contact Mr. R.T. Griffiths.

Rattanware Certificates

Members are reminded that, with effect from January 1st, 1967, the Chamber will not issue Certificates of Origin for rattan basketware in any form.

The Chamber will continue to accept applications in respect of rattan furniture.

Fair Visitors

An average of 50,000 people a day are visiting the Hong Kong Pavilion at the First Asian International Trade Fair. It is estimated that before the fair closes on Saturday, December 10, more than a million people will have been to the Hong Kong Pavilion.

So far, distinguished Hong Kong visitors to the fair have been Mr. K.S. Lo; the General Manager of the Standard-Sing Tao Group of Newspapers, Miss Aw Sian; her mother, Mrs. Aw Boon-haw; Miss Hong Kong, Lana Chow.

Her Majesty Queen Rambhai Barni is also expected to pay a private visit to Hong Kong Pavilion.

Territory Report

—Contd.

an ever increasing market for the products of our neighbours, without a similar East African market for our own goods."

This situation has led to restrictions in the import from Kenya of a wide range of consumer goods.

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ZAMBIA

During the first six months of the year Hong Kong's exports to Zambia showed only a slight increase over the same period in 1965. Zambia's exports to Hong Kong, however, increased by HK\$1.65 million.

From Zambia Mr. Connington reports little change in the political scene where the Government is more than fully occupied with the Rhodesian crisis and ever growing unrest on the copperbelt.

Despite transportation difficulties, trading conditions are reported to be satisfactory although building materials were in short supply, a situation which resulted in a 20 per cent increase in contract building costs.

Traders report only minor difficulties in obtaining goods via the port of Lobita Bay in Angola. Reports from the copperbelt, however, indicate a marked decrease in luxury spending by expatriates, and some adverse effect on local trade due to the repeated strikes.

Zambia has started to diversify her foreign currency reserves and invest them outside the Sterling area, particularly in dollars and gold, but an announcement has been made that it is not Zambia's intention to withdraw her Sterling area reserves.

Japan has been warned that if she does not break off diplomatic relations with South Africa, Zambia may break off diplomatic relations with her.

Trade to Survive

—Contd.

This makes sense because exhibitors really want to meet the big buyers and should not seek to antagonise them by direct retailing which by-passes wholesaler and retailer. Participation can be undertaken at reasonable cost and I shall quote figures later.

Specialised Fairs

These admit the products of one industry or of a group of allied industries and are consequently of smaller size. They rarely last for more than a week, and often for only a few days.

Attendance is frequently confined to trade buyers and experts in the industries represented. The cost of participation is low be-



Mr Roland Hein, Secretary designate of the Mauritius Chamber of Commerce and Industry, who has been studying the work of the Chamber in Hong Kong will return to Mauritius on 17th December. Until then members can contact Mr. Hein through the Chamber.

cause no elaborate stand is necessary to draw the customers.

Good products will arouse interest if they are intelligently presented.

The Trade Development Council will be pleased to give you free advice on the type of fair most likely to meet your needs.

Light Industry —Contd.

population are unlikely to be able to afford imported goods, their total annual purchase of locally manufactured goods is very substantial.

Many of the smaller factories act as Sub-Contractors to the larger ones. For instance, whenever a large factory gets a big order which is beyond its capacity, it usually sub-contracts a part of it to the smaller ones. Again many of them are engaged in part-processing for the larger factories. A good example are the ones engaged in bleaching and dying for the weavers. So we can say that the smaller factories play a supplementary role to our larger units in production.

Then the small factories which are engaged in the manufacture of machinery, machine tools and parts are actually responsible for keeping the entire industry humming; without their service, our industry will grind to a halt.

MEMBERSHIP

Resignation

Tung Tai Hong Rattanware Manufactory, 493/4 Cheung Sha Wan Factory Bldg. No. 3, Kowloon.

Moh Heng Enterprising Co., 503 Hing Wai Building, 36 Queen's Road C., Hong Kong.

New Members

New Universal Jewellery Company, Hongkong Hilton, Ground floor, Shops Nos. 11 & 12, Hong Kong.

Poman Manufacturing Co., Anson House, 6th floor, 13-19 Lock Road, Kowloon.

Superb Wigs Manufacturing Fty., 99 Ma Tau Chung Road, 7th floor, Bee Sing Mansion, Kowloon.

Tamaya Department Store (H.K.) Ltd., 9th floor, International Bldg., 141 Des Voeux Road C., Hong Kong.

Trans World Airlines, Inc., Shell House, Ground floor, Hong Kong.

Change of Name

Hong Kong Toyland Corporation, 405 Hing Wai Building, 36 Queen's Road C., Hong Kong. (Formerly Tai Hing Hong)

Change of Address

Fing Lee Company, Chinese Club Bldg., 4th floor, 21-22 Connaught Road, C., Hong Kong.

Hongkong Chinese Bank Ltd., H.K. & Chinese Bank Bldg., Des Voeux Road C., Hong Kong.

Omega Metal Manufacturing Co. Ltd., 373 To Kwa Wan Rd., 6th floor, To Kwa Wan, Kowloon.

Pravin & Company, 63 Wyndham Street, 2nd floor, Hong Kong.

Tan Soon Seng Co., 243 Wing Lok St., 1/F., Hong Kong.

B. Tek (Hongkong) Ltd., Room 2, Rutton Building, 11 Duddell Street, H.K.

Quarantine

Quarantine restrictions have been imposed by the Hong Kong Government against arrivals from Karachi because of smallpox. Quarantine restrictions have been removed by the Hong Kong Government against arrivals from Rangoon and Bangkok on account of cholera.

TENDER

Hong Kong. Tenders are invited for the following:

1. Purchase from the Hong Kong Government of confiscated trawler "Burin-chai"
2. Handling and transportation of government stores
3. Supply of ordinary steel sheets and plates
4. Supply of timber

Tender forms and further information may be obtained from the Stores Department, Oil Street, Hong Kong.

TRADE FAIR

France. The Commercial & Professional Exhibition of Art Work-Shops will be held in the Exhibition Halls, Porte de Versailles, Paris, from 18th to 23rd January 1967.

The International Exhibition of Electronic Components will be held in the Exhibition Halls, Porte de Versailles, Paris, from 5th to 10th April 1967.

The Gastronomic Exhibition will be held in Dijon, from 4th to 12th November 1967.

Detailed information may be obtained from the French Trade Commissioner, 1203 Hang Seng Bank Building, Hong Kong.

GENERAL HOLIDAYS

1966

Christmas Monday, December 26th
 " Tuesday, December 27th

1967

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 Saturday, March 24th
 The day following Good Friday .. . Saturday, March 25th
 Easter Monday Monday, March 27th
 The Birthday of Her Majesty the Queen Whit Monday Friday, April 21st
 The first week-day in July Monday, May 15th
 The first Monday in August Saturday, July 1st
 The 30th day of August Monday, August 7th
 Chinese Mid-Autumn Festival Day .. . Wednesday, August 30th
 The third Monday in October Monday, September 18th
 The day following Remembrance Sunday Monday, October 16th
 Christmas Day Monday, November 13th
 The 26th day of December Monday, December 25th
 Tuesday, December 26th

Barbados

The Government of Barbados have announced a number of products as 'approved products' in Barbados for the purposes of the Industrial Development (Export Industries) Act, 1963. Approved manufacturers of these products will enjoy income tax relief, duty-free imports of building materials, plant, machinery, etc. and other concessions. Of the items affected, metal and plastic products are of interest to Hong Kong. Hong Kong's domestic exports of metal and plastic products to Barbados were valued at \$213,000 and \$129,000 in 1965 and 1966 (January — September) respectively.

Freight Rate Reduction

The following notification of freight rate reduction has been received from the Far Eastern Freight Conference.

Suitcases and trunks (empty): Fibreglass as fibreglass manufactures, N.O.E.

Leather, Imitation as leather goods, imitation, N.O.E.

Plastic as plastic manufacturers, N.O.E.

P.S.C. Appointment

Mr. K. I. Coullie, a member of the Chamber's Trade Marks sub-committee, has been temporarily appointed a member of the Public Services Commission.

NEWS FROM D. C. & I.

Malaysia

The Malaysian Tariff Advisory Board have announced their intention to hold public enquiries to consider what rates of duty should be imposed on certain commodities. Of the items affected the following are of interest to Hong Kong —

Description		Present Rate of Duty		
		Malaya	Sabah	Sarawak
Ceiling fans	} General	15%	15%	25%
Table fans		ad val.	ad val.	ad val.
Other fans for room ventilation	} Preferential	15%	7½%	10%
Parts for fans		ad val.	ad val.	ad val.

It is possible that these enquiries will result in a higher rate of duty being applied uniformly on imports of these items into all parts of Malaysia.

In the meantime, table fans have been placed under import licensing control in all parts of Malaysia.

Hong Kong's domestic exports of electric fans of all types to Malaysia were valued at HK\$0.8 million in 1965.

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

Australia

Changes in the Australian customs tariff applicable to the under-mentioned articles came into effect on 12th October, 1966 —

	Former Duties	New Duties	1965 Exports to Australia
Mixed condiments and seasonings: With a basis of sodium hydrogen glutamate	30% Primage 10%	Free	} HK\$89 thousand
Other	"	30% Primage 10%	
Locks and padlocks (mainly of base metals)	42½% to 55% Primage 5% to 10%	55% Primage 5%	229 thousand
Portable electric battery and magneto lamps other than vehicle lighting equipment	55%	45%	492 thousand

(Mr. K.C. Tam, Tel. 442022)

Singapore

The Singapore Government have announced period 7th November, 1966 — 6th February, 1967: the following import quotas for the three-month H.K. Domestic Exports to Singapore in 1965

Description	Quota	
Under-garments of cotton not elastic nor rubberised, knitted or crocheted	15% of 1964 imports	6,441,049
Under-garments, not elastic nor rubberised except of cotton, knitted or crocheted	15% of 1964 imports	323,792

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