



THE HONG KONG GENERAL CHAMBER OF COMMERCE BULLETIN

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Above: Mr. A. C. W. Blaauw with the Spanish Minister of Trade at the Barcelona Fair. Left: A general view of the fair-ground which attracted almost 2,000,000 visitors.

Opportunities in Spain

The following items could be of interest to Spanish importers: Inexpensive carvings (wood and ivory), lacquer ware, jewellery boxes (note, these should not contain cardboard or paper), traditional Chinese furniture, screens and ceramics. There would appear to be good market opportunities in slippers, beach shoes and soft shoes, ties and knitwear. Torch cases and batteries also come high on the list of products Hong Kong could provide and so do lanterns and boating accessories. Beach wear, picnic items, umbrellas (automatic and beach), vacuum flasks and the vacuum type cups and novelties of all descriptions including key rings would be good lines.

It is not recommended that shippers concentrate on toys. These are at present imported only under special license. Plasticware imports should be confined to high quality or original items — Spain has an energetic plastics industry. Made up garments could find interesting outlets, but not beaded sweaters. Caution should be used in exporting men's wear, styles are very much in Spanish tradition. It recommended shippers do not over-concentrate on domestic electrical items as local manufacturers hold the market firmly.

At present Hong Kong's major export to Spain is transistor radios. There are indications that this market is over-saturated as Spain has several transistor manufacturers whose products are showing considerable improvement in value and design. Prices of the locally produced transistors are slightly higher than the Hong Kong product.

The Chamber has a complete list of 1,500 importers, wholesalers and retailers throughout Spain. This list is available to all members. The Chamber also has a list detailing import duties and indicating articles classed as liberalised imports. Enquiries are invited to the Chamber.



Dr. S. Y. Chung, who led the Hong Kong delegation to the Barcelona International Samples Fair, is seen in the Chamber stand at the fair with Mrs. Sophie Duncan, who modelled a traditional Chinese costume in the Hong Kong pavilion.

What They Say About Hong Kong Products

The following comments were made to the Assistant Secretary (R. P. Wood) during his visit to Spain. They are reprinted here in a condensed form for members' information.

Mr. E. Tertch, Editor, Spanish Economic News Service:

"The time is now, more than ever before, for a territory like Hong Kong to exploit Spain. There has been talk of devaluation of the peseta. This is nonsense. The peseta is strong and the only move for its devaluation has come from tourist circles. At present Spain has no worries over its trade deficit. The bank reserves are high and tourism, together with overseas remittances (Spanish workers overseas are compelled by law to remit a percentage of their earnings to Spain) more than cover the deficit. There is, however, restrictions on credit. What I do fear is that your

exporters will not study the Spanish market sufficiently to take the best advantage of their products.

"The Spaniard is first, not a European. His Arab connections, and his integration in Latin America has divorced him from Continental thinking. His nearest ethnical partner in Europe is France. Your exporters, as a rough yardstick, should think of France when they think of Spain. They should exclude from their minds, the United States, Germany and the United Kingdom.

"For more than 20 years Spain has been isolated from

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the world. The conclusion of the civil war was followed by the World War, and in turn by the Allied boycott of Spain. The result is that the Spanish people have lost a degree of culture which guides the average European. For example, the average Spaniard would never think of purchasing an article for the sake of longevity. He still puts price before quality. He loves colour and noise, but, at the same time, he feels inhibited.

"In general Hong Kong prices over-rule Hong Kong quality and the increased liberalisation would seem an invitation to Hong Kong.

"Hong Kong merchants would also be well advised to look at Spain's teenage market. For the first time, and this is both unique and fascinating in Spain, we have a teenage group. Here, manufacturers can take advantage of all the lessons they have learned from teenage demands in Europe and the United States. Spanish teenagers are desperately anxious to catch-up with their counterparts throughout the world. Spain is just on the verge of the 'gimmick', the cheap attraction. Remember, Spain has lost 20 years. But it will catch up on Italy, Germany and France in five years."

James Duarte Zamora, Eximtrade, Madrid:

"I like your prices, your business methods are reasonable, but I sometimes worry about your quality control. I really wonder too, if you are interested in selling to Spain. For example, I visited Hong Kong last year. Among the things I asked to see were cigarette lighters. I was shown a few. In Japan I was shown scores. I asked to see your novelties, key rings for example. There was little interest on your part.

"Unfortunately some officials in Madrid do not understand the strength of your industry. They consider you merely re-export from Japan, or more seriously, from mainland China. Also they do not believe your prices can be so low.

"I would advise you, as soon as possible, to invite our senior commercial officials to Hong Kong and show them your factories and meet your officials.

Jose Monge Gomez, Import Director, Asociacion Commercial Del Exterior, S. A.:

"Hong Kong's criteria should be to export what we do not make. We have liberalised our imports, but you must not take this as an open door for your textiles and plastics. Find out what we don't make and you have your first key to trade with Spain."

Pedro Miguel Monfort, Director, El Corte Ingles:

"El Corte Ingles is the Harrods of Spain, our customers think of Hong Kong products as cheap, shoddy items. And you have only yourselves to blame for this. You send us cheap articles. They sell, but not in Corte Ingles. My stores are open to Hong Kong, but only if you send us the best and only if you study our fashions. Let me see your best samples."

In This Issue

This issue of the Bulletin contains a special report on the Chamber's activities during the Barcelona International Samples Fair. Apart from notices of general interest, there are two special feature articles.

Also in the Bulletin is a report of the A.P.O. Seminar on packaging design.

Jose Maria Pascual Tejerina, Director, Asga International, S.A.:

"At present your prices are right and your quality is good. I would not say I am going to flood my stores with Hong Kong products, nor am I going to purchase on price alone. But I am interested in exclusive representation of good Hong Kong products. I have an exclusive representation for transistor radios. But that is a small market and it weakens every day. I am not afraid of our import duty, nor am I afraid of obtaining licences. Send me as many samples as you can and we can do business."

A LOOK AT ANDORRA

We had passed the Spanish customs post and were driving along the few kilometers of road, as pretty as a country lane, that led to the border of Andorra.

"It is not necessary, but it would be interesting for you to have your passports stamped by the Andorran officials," our host said as he drew the car up to a small brick hut.

A few minutes later he returned with the stamped passports. "There, and signed by the Sec (Prime Minister) of Andorra." Within the official blue seal was a scrawled signature. It was our host's own signature. "I signed them myself, because one day I shall be the Sec of Andorra," he smiled.

And it was probably quite true. For in this tiny self-governing state spread over 22 miles of valley in the Pyrenean mountains between France and Spain, where every one of the 150,000 inhabitants is known to each other, our host could one day become the Sec. One of his relatives was the Minister of Tourism and another the Minister of Health. "It is only natural that I shall be the Sec," he explained.

300,000 Tourists

Andorra is one of these delightful Shangri La retreats that retains only what it wants of Europe's modern tempo. So it is that Andorra has, in effect, two and a half motor cars to every one of its population. There is no income tax, and no purchase tax. There are no duties, although imports are controlled by France and Spain. And there are 300,000 free-spending tourists a year. Andorra has no politics, two policemen and a Hong Kong sized traffic problem.

"When we want to build a new house here," it was explained, "we merely go into the forest and cut some trees. The forest belongs to all of us, so there is no need to buy timber. Nice?"

Nice seemed grossly inappropriate to describe Andorra.

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Apart from tourism, Andorra makes cigarettes, rears livestock and produces electric power, all for export. It also boasts of as many camera shops as Hong Kong — all selling Japanese equipment.

Andorra's most notable claim lies, however, in certain of its citizens' prowess in smuggling. That same morning Spanish police searching a covered lorry had discovered several thousand miniature television sets, bound for an illicit market in Madrid.

"It was such a shame," our friend the future Sec said, "the smuggler was a good friend. Now he is in jail." He pointed to a picture postcard village nestling high up in the mountains. Disney might have used it as an illustration for a children's story. A cotton wool cloud bobbed over a church spire.

"Good Business"

"On Christmas Day last year all the men of that village were arrested by the Spanish police for smuggling," we were told. "Terrible, these Spanish police have no respect for religion."

We drove on deeper into the Pyrenees where snow clung to the roadside. "It was difficult during the European war. One man was killed. But he was really French, so we didn't miss him."

Higher and higher we climbed until the air felt thin. A herd of horses, bells tied round their necks, roamed across the snow; at their side was a flock of sheep. "The horses will be driven across to France when it is dark, the sheep to Spain. It is good business," and with that our guide pointed to a blue Volkswagen smuggled into the country. "See, there's the smuggler's car."

It all seemed slightly bizarre. And as our friend said before we left, "When you have made your fortunes, come to Andorra. You will be Sec then and you can make your fortune think of Andorra and its 300,000 tourists. They could be made to buy Hong Kong products — there's more money in that than smuggling."

The Chamber has the address of the Andorran importers to all members.

Pride and Progress — That's Spain 1966

The American tourist flicked through the sheaf of one thousand peseta notes on the counter of the Barcelona hotel. "My, my," he smiled. "In this country I could be a millionaire."

The concierge who had handed over the money froze. "We were millionaires before we ever discovered America," he replied stiffly.

Factually the concierge was not quite correct. Columbus was not a Spaniard, but the story does reveal the intense national pride felt by all Spaniards towards their country.

Today, it is a pride backed by justification.

For almost 20 years Spain had been shut away from the world, her progress both daunted and ignored and trade regarded in terms of oranges and olives. The disastrous civil war which tore the emotions of Europe and set neighbour against neighbour completely crippled the country.

Perhaps the story of Spain's recovery might have been different had it not been for the World War which followed shortly after the end of the civil war.

World recognition came slowly and almost patronizingly. Spain was the land of the siesta, the bullfight, of incredibly rich landlords and miserably poor peasants. The story of how Spain took this image and used it to make their country into Europe's top tourist attraction merits a manual on salesmanship.

"Just imagine," one Madrid importer told me, "we actually got on our feet by selling sunshine. We took the warmth of the land and the sea, we put it in a bottle and we marked it a billion dollars. And so we became rich."

He had taken me to the huge basilica Franco built as a memorial to those who died in the civil war. The land was almost brutal in an arrogance of scrub and rock.

"I remember those early days well. I remember as a small boy watching my father dress in the middle of the night and being taken away. At that

particular moment he was on the 'wrong side'. Everyone was on the 'wrong side' some time during the war. My father never returned.

"Then there were the years of your war and our isolation." Suddenly he gave an impulsive but typically Spanish gesture. "But let's not talk of these days. What I could sell here are prawns, do you have many prawns in Hong Kong? After you have told me about Hong Kong prawns we shall eat and talk politics. Madrid people love politics. In Barcelona they think only of money and business."

Brand Labels

In his Barcelona plastics factory young Snr. Rocafort pulled open the folding blackboard and energetically chalked calculations. "I buy from Hong Kong but I am disappointed. Often your goods are so badly packed they are broken. That costs me time. They arrive carrying two different brand labels. Anyone putting two different brand labels on their products might make bigger mistakes with the product itself. So that costs me time again in checking. And don't believe your prices are always right. "This," and he picked up a Hong Kong plastic flower, "costs me five pesetas after freight and duty. I could probably make the same flower for slightly more than four pesetas."

"Although my wages are higher than those in Hong Kong I make up the difference in efficiency." Snr. Rocafort savoured the word. "One worker here can look after three of our machines. In Hong Kong you have one, perhaps two workers to a machine. I have to be efficient or I go out of business."

Snr. Rocafort is typical of the progressive young Spanish businessman. He travels widely and works hard. He breakfasts

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in his office and ignores the siesta.

Snr. Terro is a graduate from Barcelona University and an American business college. Recently he took over his father's import firm. We drove quickly through the centre of Barcelona on to a six lane boulevard. "Soon," said Terro, "this road will go all the way to Madrid, just like this". Multi-storey apartment blocks flashed by in slabs of grey concrete. "We are so optimistic about our new Spain that we built too many homes! Now these blocks are empty, but as we increase our industrialisation these homes will be filled and we shall build more."

Controls Relaxed

His words trembled with pride. In another country he might have been repeating the voice of the administration, but Terro added quickly, "this year they will announce a change in the Government. The old man (General Franco) will re-instate the monarchy. Controls everywhere are being relaxed. The press is almost free to say what it likes, I can import almost anything I want and I can say what I want."

"There was a great deal of nepotism in Spain before. Those who were on Franco's side were given the plum Government jobs. But they are old men now and new people are taking their place. When all the changes have been made we will join in a united states of Europe. I believe in that: one Europe, one people."

Terro swept his Renault — the car had cost him almost a year's salary — into a roadhouse. "We will lunch for an hour then I must go back to work."

Lunch extended into two and a half hours, but Snr. Terro did go back to work.

Changing Spain

This is Spain in 1966. Not fully dynamic, but rapidly making up for lost time. Britain, the United States, France and Japan have all invested in the Iberian peninsula. In the south, British contractors are building an oil refinery, in the north,

the British Motor Corporation will assemble their Mini's and 1100's. The roads are packed with SEATS (the Spanish assembled FIAT), Leyland engines power trucks that commute across the vast countryside on American designed tyres and fuelled by State-owned oil.

Yet in this same country a dozen menservants daily polish the brass stair rods in the Avenida Palace Hotel — work that anywhere else in Europe would be done by women. There are few beggars in Spain, but Gypsies still roam the country lanes. Here, a top class bullfighter is a millionaire, here the olives lie rotting in the ground because the peasant farmers have deserted the land and here, more than anywhere else in Europe, is the tremendous gulf between rich and poor. A gulf which narrows every day.

Spain is as individual as a rose in a field of weeds and as sensitive as the balance wheel of a slim watch. It is a fascinating country.

South Korea to push Exports

South Korea has joined the export club now led by Hong Kong and more recently joined by Taiwan.

Like its two Far Eastern neighbours, Korea has begun to orient its economy successfully in the direction of light manufacturing, mainly for sale to the United States, but also to Japan and Western Europe. Exports to the U.S. have risen 500 per cent in the last three years alone, amounting to \$62 million in 1965.

South Korea still has a long way to go, of course, to run close to Hong Kong, whose foreign sales exceed \$1 billion annually. But its exports were up to \$173 million in 1965 from only \$55 million in 1962 and current estimates by economic analysts anticipate a jump to \$250 million this year.

Buying Mission

This sudden entry into the export league has been made possible by the rise of manufacturing. More than two-thirds of foreign sales are now finished goods. The Koreans, as one bank economist put it, are now selling transistor radios to the Japanese and sewing machines to the Germans.

Concrete evidence that the Korean export efforts have come of age is the fact that large retailing organizations such as Macy's and Gimbels now include it in their buying tours through the Far East. Korean merchandise will be prominent in the Far Eastern promotion Macy's is now planning for the autumn.

It's a Secret

Newspaper members are particularly requested not to reprint the contents of this Bulletin in their publication as many of the comments on Spain are for members' private information.

WATCH IMPORTS

The Board of Trade intends to liberalise imports of watches from all except Eastern Area countries from 1st January 1967. Watches assembled in Hong Kong from parts manufactured in non-Eastern Area countries may be imported into the United Kingdom free of restriction from that date.

Eastern Area means the Soviet Union and its Associates. Although Japan is an Eastern country geographically, the Board of Trade does not regard it as an Eastern Area country for this particular import licensing.

Any member interested in further details of trade with Spain is invited to contact the Assistant Secretary (R.P. Wood) at the Chamber. Mr. Wood has a list of 1,500 importers, retailers and wholesalers and information on items in the Spanish liberalised import list.

WHAT THE PAPERS SAY — REPORTS FROM U.K.

The growth of Hong Kong's export values was slowing up alarmingly while the trend towards diversification of product and market long hoped for to stabilise export earnings had not taken place and even appeared to have been reversed (The Financial Times: 20.5.66).

"Hong Kong is now more dependent than ever on cotton textiles in a world which is increasingly hostile to the low-cost supplier. And the U.S. is fast emerging as a market taking an unhealthy large share of the Colony's total production—an orientation which is undesirable in both political and economic terms."

The report pointed out that "concurrently with the malaise among manufacturers and traders, a sense of civic uneasiness prevails in the wake of the Kowloon riots which are currently being brought under the microscopic inspection of a public inquiry. Public confidence in the Government is at a low ebb, whether or not this attitude is justified by the administration's actual performance. And it is a fact that in the last month or two public pressure has forced the Government to lose face—an important consideration here, of course—by shelving two of its bills dealing with the powers of commission of inquiry and with trade in drugs."

"Hang Fire" Trade

The U.S. had grown as an export market to the point where it took nearly one-third of total shipments in terms of value. The trade with Britain was largely "hanging fire" until the import surcharge was lifted. "If the American economy went into a serious recession or if the confrontation with China sharpened to catch Hong Kong in the cross-fire, the Colony could lose a vast slab of its export market without being prepared to turn elsewhere."

"Local manufacturers have little experience of seeking out new markets for their products. Previously the markets have come to them. A cheering factor for local residents is the evidence that the real estate sector is at last yielding to the financial burden of unoccupied

flats and prices of accommodation are coming down from their previous New York and London levels," the report added.

On the political front the agitation for constitutional reform showed signs of developing into a confrontation be-

COMMENT

On behalf of the Chamber, I have great pleasure in extending our congratulations and best wishes to Dr. S. Y. Chung on his appointment as Chairman of the Federation of Hong Kong Industries.

Dr. Chung has already earned our appreciation for his work in so energetically promoting Hong Kong in many spheres, not the least of which was his leadership at the recent Barcelona Fair.

We look forward to a continued close relationship with the Federation in our joint endeavours to benefit Hong Kong.

G. Archer,
Executive Director

tween the reformers and the police who seemed to regard them as a group of dangerous cranks and a hindrance to proper law enforcement.

Toy Safety

Safety of toys was the subject of a recent meeting in London arranged by the Consumer Council (Toy Trader and Exporter: May, 1966). Discussion at the meeting was based on a paper that had been cir-

culated by the Consumer Council, which pointed out the actual or potential dangers in some of the toys on sale in Britain and made suggestions about what could be done to eliminate these dangers and to promote high standards of quality and reliability. One of the results of the meeting was that the British Toy Manufacturers' Association and the Association of Toy and Fancy Goods Factors and Importers asked to be sent details of accidents involving toys or of dangerous toys. The Hong Kong Government Office in London would be glad to receive any complaints about toys made in Hong Kong.

Textiles

Inflated imports into Britain of cotton grey cloths from Hong Kong, India and Pakistan accounted for the huge increase of these cloths in the first quarter of this year amounting to 156 million square yards compared with 108,400,000 square yards during the same period in 1965 (The Times: 9.5.66). There was also a big jump in imports of finished cloths from 31,600,000 square yards to 43,300,000 square yards over the same period. "In this category India and Hong Kong account for 64 per cent of the increase. As was hoped, however, the March, 1966, figures, taken alone, indicate a return to a more normal situation. At 52,300,000 square yards they were only 2,300,000 square yards higher than the figure for March, 1965.

The board of Wheelock Marden, the Hong Kong-based investment and shipping group, had been considering a share option scheme for senior executives to give them a more direct interest—and therefore incentive—in the progress of the group, reports The Times.

The option would not be transferable and would be capable of being exercised only while the executive concerned was in the employ of the company or one of its subsidiaries. If the scheme was approved by shareholders it was proposed to grant options on 395,000 shares to executives.

Mr. John H. Keswick would take over the chairmanship of Matheson and Company from his brother, Mr. William J. Keswick on July 1st. Mr. William Keswick would remain on the Board.

Design and Packaging Seminar

NEED FOR IMPROVED PACKAGING DESIGN

"It may seem odd, particularly to visitors, that despite the tremendous expansion of Hong Kong's industry over the last 15 years the subjects of product design and product packaging have not been regarded locally as matters of prime importance."

This was stated by Mr. D.C.C. Luddington, Deputy Director of the Commerce and Industry Department, when he spoke at the A.P.O.'s seminar on Product Development, Design and Packaging, last month.

"In the earlier years of our emergence as an industrial state," said Mr. Luddington, "the question of product design was largely irrelevant because our manufacturers were in the main producing to overseas orders which stipulated the designs to be followed. Industry being a new venture in the Colony, not much capital was available and our products tended to be in the cheaper and less sophisticated goods. High output was necessary to meet the demands of the world markets and this we were able to a great extent to achieve owing to the availability of manpower. Labour was at that time comparatively unskilled in industrial work but there was plenty available. So for the design of our products we relied on those in the market countries who could specify what they wanted. We produced it quickly and cheaply and so we gained our markets.

Universal Appeal

"It is a time consuming and expensive business for a local company to promote original design. It is considerably easier for a manufacturer to copy an overseas design at the request of a foreign importer or Hong Kong exporter, than to go through the painful process of establishing his own designs and testing them out on foreign consumers. And here, perhaps, I should emphasize the basic difference between the Hong Kong industrialist and his counterpart in most other industrial countries. Over 95% of our industrial production, across the entire range of products manufactured in Hong Kong, is exported. The domestic market, therefore, counts for very little in terms of local production.

"In these circumstances, it is not usually possible in Hong Kong, as it is in other countries, to develop original designs based on domestic consumer tastes and then, once the designs have achieved success in the domestic market, to promote them in overseas markets. Instead it has been necessary to consider the taste of the overseas consumer from the outset and this has been, I think, an inhibiting factor in the development of design study in Hong Kong. It is true, of course, that a well designed article may have universal appeal but Hong Kong manufacturers have not been inclined to put this to the test. Consequently, there has been surprisingly little concern expressed by Hong Kong industry at the almost total lack of development in design training facilities in Hong Kong and at the equally serious absence of industrial design consultants whose services ought to be available to industry as a whole.

Rapid Change

"But things are changing rapidly. We have more and more industrial rivals not only in Europe, North America and Japan but in Far Eastern countries which have observed Hong Kong's success and are determined to emulate it. Buyers who are offered well designed products at competitive prices are not always going to continue to work out their own specifications to see whether they can get a similar product more cheaply from Hong Kong. As living standards rise in developed countries so the demand for quality goods goes up and Hong Kong's markets are primarily in highly developed countries. For these reasons Hong Kong manufacturers are going to have to examine critically their past policy of relying on overseas designs and specifications. Some of our more progressive manufacturers have already been at work in the design field and have

developed their own particular products which they have marketed successfully. However we still have a long way to go before we can feel confident.

Local Talents

"When Lord Snowdon visited Hong Kong recently with Princess Margaret, he held a discussion with a number of interested persons on the application of industrial design to Hong Kong products. I think he was very surprised to find that Hong Kong, which depends so much on exports of industrial products, has done so little—or perhaps, had been able to do so little—to encourage greater use of Hong Kong's own talents.

Alive To Problem

If industrial design is important in the longer term, packaging design and the promotional techniques associated with packaging are of immediate importance in the competitive task of selling goods abroad. When Hong Kong produced only in the cheaper and lower quality ranges, there was little need for attractive packaging and buyers did not insist on this. With the improvement in quality which has been so marked in local industrial products during recent years, and within the higher price range in which Hong Kong is now competing, there is a need for substantial improvement in packaging design. We must also improve the standard of publicity material, such as descriptive literature, accompanying our products overseas. In 1960, a Trade Mission, from Hong Kong, visited six West African countries. One of the main comments of this Mission concerned the large number of complaints about the poor quality, badly designed and unattractively coloured packaging associated with Hong Kong products. Even in this relatively unsophisticated area, it was clear that sales could be much improved by means of attractive packaging.

"Probably the best assurance that Hong Kong is alive to its present deficiencies in the fields of industrial design and product packaging and presentation lies in the presence at this Seminar of representatives of many of our more progressive export houses and industrial undertakings. If the leaders of trade and industry provide the example others will undoubtedly follow."

MEMBERSHIP

CHANGE OF NAME

Banque Nationale de Paris, Central Building, Hong Kong.

(Formerly Banque Nationale pour le Commerce et l'Industrie).

CHANGE OF ADDRESS

Alexander Young (London) Ltd., 708-710 Hongkong & Shanghai Bank Bldg., P.O. Box 8648, Mongkok, Kowloon.

Astra Hongkong Trading Corp., Room 1002 Union House, Hong Kong.

K. Chang, Room 440 Tung Ying Bldg., 100 Nathan Road, Kowloon.

General Textiles Agencies, Room 506 Entertainment Bldg., 30-34 Queen's Road C, Hong Kong.

Orient Export Corporation, 729 Li Po Chun Chambers, Hong Kong.

(Formerly Hong Kong Overseas Trading Co.)

Rajak & Company, 71 Wyndham Street, 2nd floor, Hong Kong.

Woo Hing Tai Co., Ltd., 13 Ko Shing Street, 1st floor, Hong Kong.

The World Trading Corp., 23 Connaught Road C, 5th fl. Wing House, H. K.

Pan American World Airways, 501 Prince's Bldg., Hong Kong.

PERU

The Consulate General of Peru announces the removal of its office from 3 Old Peak Road, A-6 to its new location at Room 207, Yu To Sang Building, 37 Queen's Road Central, as from 1st July 1966.

Export Credit Insurance

Mr. K. D. Robertson, Commissioner designate of the Export Credit Insurance scheme will speak to Chamber members in September. Members will be notified of place and date.

TENDERS

Hong Kong.

Tenders are invited for the following:

1. Supply of household equipment
2. Supply of Portland cement
3. Supply of light pattern brass bib taps
4. Supply of Installation of carpets for City Hall
5. Supply of Reinforced bottom bamboo brackets for Resettlement Department
6. Supply of white poplin
7. Supply of miscellaneous stores for Urban Services Department
8. Domestic refrigerators
9. Bedding and clothing
10. Road studs.

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

VISITORS

France. Julian Pepinster, 5, rue Mahias, Boulogne-sur-Seine, Paris, will visit Hong Kong between 20-25 August 1966 and reside at the Imperial Hotel. Any firms seeking representation in France please contact M. Pepinster in Paris before 30th July.

Mr. W. Marmot, president of Reynolds European, Inc., 21 Rue Cambon, Paris 1er, will be visiting Hong Kong in coming September for the purpose of contacting firms and manufacturers of non-ferrous metal semi-finished products for import and export. Interested members contact direct.

South Africa. Mr. F. F. W. Hall, chairman of F.F.W. Hall (Pty) Ltd., Johannesburg, will visit Hong Kong in coming September for the purpose of meeting manufacturers/exporters of spectacle frames and cases. Interested members please contact Chamber's Trade Enquiry Section.

QUARANTINE

Quarantine restrictions have been imposed against arrivals from Cagayan de Oro and Delhi (excl. A) because of cholera.

TRADE FAIRS

● **Japan.** The Japan Society of Plastics Technology is organising an International Fair of Plastics at the Harumi Fair-ground, Tokyo from 1st to 10th October 1966. For further particulars contact above Society at 8, 2-chome, Ginza-Higashi, Chuo-Ku, Tokyo.

● **Denmark.** The Copenhagen Trade Fair 1967 is scheduled for 20th-29th October. Interested members contact Chamber for particulars.

● **Switzerland.** The 47th Lausanne National Fair — Switzerland's Autumn Trade Fair — will take place in Lausanne from 10th to 25th September 1966. Details at Chamber.

● **Germany.** The 1966 International Men's Fashion Week, Cologne, will be held from 26th to 29th August. Details at Chamber.

● **Sweden.** The 50th International Swedish Trade Fair in 1967 will take place in Goteborg from 19th to 28th May. Hong Kong is officially invited to take part and space reservation must be made not later than October 1966. Members interested contact Swedish Trade Fair, Post-giro 12484, Goteborg.

● **France.** The 12th International Show of Ladies' Ready-to-wear will take place in the Parc des Expositions, Porte de Versailles, Paris, from 5th to 11th November 1966. Further information available at the French Trade Commissioner, 1203-4 Hang Seng Bank Building, Hong Kong.

C.B.I. Enquiry

An old established engineering firm in the United Kingdom which specializes in Mullers and Mixers for foundries, comprehensive Sand Handling Systems and complete Foundry Plants is anxious to appoint an agent in Hong Kong. Any interested members are requested to contact the Secretary.

NEWS FROM D. C. & I.

The following circulars received from the Commerce and Industry Department, Hong Kong, are reproduced for the information of members: **Lebanese Customs Tariff Amendments, Import Licence for Uganda Required, Import Licence for Pencils into Malaysia Required, Import of Joss Paper into Singapore Free.**

Lebanese Customs Tariff:—

Item	Old Rate	New Rate	H.K. Domestic Exports to Lebanon in 1965 HK\$
Corsets, corset-belts, suspender belts, brassieres, braces, suspenders, garters and the like of woven, knitted or crocheted fabrics:			
(b) Of woven, knitted or crocheted fabrics of silk, waste silk or synthetic or man-made fibres, whether elastic or not	50% ad val.	36% ad val.	118,890 (mainly brassieres)
(c) Of cotton woven, knitted or crocheted fabrics, elastic or not	25% ad val.	18% ad val.	180,308 (mainly brassieres)

Singapore — Import Quotas

The Singapore Government has announced the following import quotas for the three-month period 1st June — 31st August, 1966:—

Description	Quota	Hong Kong Domestic Exports to Singapore 1965 HK\$
Stockings or socks of pure, natural silk not rubberised, knitted or crocheted	100% of 1964 imports	606,115
Stockings or socks, and the like not of pure natural silk, not elastic nor rubberised, knitted or crocheted	1% of 1964 imports	192,780

For further information please contact Mr. J. C. C. Chan, Overseas Trade Relations Branch, Commerce and Industry Department, Li Po Chun Chambers, Hong Kong (Tel. 448148).

Ref. OTR Cir. No. 29/66

Uganda

The Department has been informed that, with effect from 16th June, 1966, the importation of any class of goods into Uganda without an import licence is prohibited by Statutory Instrument No. 77. It is however understood that for three weeks Customs will allow imports into Uganda as if legislation existing before the date of the Statutory Instrument was still in force.

Full details will be announced in a further OTR Circular as soon as they become available.

Malaysia (States of Malaya)

The Malaysian Government has recently announced that pencils (other than propelling or sliding pencils and eyebrow and other cosmetic pencils) originating in any country must be covered by specific import licences when imported into the States of Malaya. Hong Kong's domestic exports and re-exports of pencils to the States of Malaya were valued at HK\$10,700 and HK\$117,903 respectively in 1965.

Geographical Trade

The Ministry of Commerce and Industry, Kampala, Uganda has informed the department that imports of Hong Kong manufactured "Kurabo" and "Shikibo" brand shirts, which tend to indicate Japanese origin, must bear in a prominent position "Made in Hong Kong" labels and that packing materials should be similarly marked.

Exporters and manufacturers are therefore advised that Government certificates of origin will not be issued by the department for exports of "Kurabo" and "Shikibo" brand shirts unless these comply with the import requirements of Uganda. Companies will be required to declare in the appropriate space provided in C & I 185 application forms for certificates of origin that "Made in Hong Kong" labels are attached to "Kurabo" and "Shikibo" brand shirts.

For general information, the policy of the department with regard to the issue of certificates of origin for goods bearing a trade mark suggesting an origin other than Hong Kong has been to refuse to issue certificates for such products unless the words "Made in Hong Kong" appear prominently in the same label as the misleading trade mark. This policy is followed invariably in respect of geographical trade marks and exporters and manufacturers are advised in their own interests to ensure that an indication of Hong Kong origin is included in any such mark used for Hong Kong products.

Ref. Certificate of Origin Cir. No. 7/66

Singapore

The Singapore Imports and Exports Office has announced that, as from 18th June, 1966, joss paper has been deleted from the list of goods subject to specific import licensing and quantitative import restrictions. Hong Kong's domestic exports of joss paper to Singapore were valued at HK\$661,681 in 1965.

For further information concerning this circular please contact Mr. J. C. C. Chan, Overseas Trade Relations Branch, Commerce and Industry Department, Li Po Chun Chambers, Hong Kong (Tel. 448148).

Ref. OTR Cir. No. 28/66

Tariff Preferences to Less Developed Countries — Rules of Origin and Invoicing Requirements

Further to OTR Circular No. 19/66 the following details from a recent Australian Customs and Excise Notice are given for information:

Rules of Origin:

For the purposes of the special rates of duty applicable under the less developed countries scheme goods shall not be regarded as the manufacture of a specified country unless they comply with the relevant provisions of the Customs Act: Goods shall be treated as the manufacture of a country if —

- (a) the process last performed in the manufacture of the goods was performed in the country; and
- (b) not less than one-half of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of the country or of the country and one or more of the following countries, that is to say, Australia and countries that, at the time the goods are entered for home consumption, are less developed countries, other than a country that is not to be treated as a less developed country in relation to the class of goods in which the goods are included. (e.g. Hong Kong is specifically excluded from certain classes of the preference quotas.)
- (c) Also, goods shall not be treated as the produce or manufacture of a country unless they have been shipped from that country to Australia and, except where the Collector is satisfied that the intended destination of the goods when originally shipped from that country was Australia, have not been transhipped.

Invoicing

The normal invoice form used by the exporter for shipments to Australia may be used for shipments of the goods entitled

to tariff preferences as being the produce or manufacture of less developed countries. In addition to the normal declaration the following declaration must be completed and signed on the face of the invoice by the exporter:—

“I declare —

- (a) that the final process of manufacture of the goods for which special rates are claimed has been performed in (country) ...
.....
and,
- (b) that not less than one-half of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of (country) or of (country)
..... and Australia.
Signed

Any inquiries in connection with the above should be addressed to Mr. R. A. Davie (Telephone 445884), of this Department's Overseas Trade Relations Branch, 12th floor, Li Po Chun Chambers.

Ref. OTR Cir. No. 27/66

Human Hair Wigs to U.S.A.

As more factories manufacturing human hair wigs qualify for comprehensive certificates of origin for the U.S.A., it is becoming necessary for the Chamber's Trade Enquiry Section to know which Chamber members have access to these approved suppliers.

Members in this position are asked to advise the Chamber accordingly.

Library

Members are reminded the Chamber library is continually expanding and many 1965 trade directories are available.

A.P.O. Training Course

A Preventive Maintenance and Factory Management Training course is to be held from 11th October to 19th December, 1966, in Tokyo, Japan. Hong Kong is asked to nominate two candidates for participation. Economy class return air passage and per diems at the rate of US\$10 per day and official internal travel expenses during the course will be borne by the A.P.O. for each participant.

Participants should be qualified and designated as Engineers standing in Maintenance Line or as Trainers in the same category for at least eight years after college graduation.

Nominees should provide written evidence that their employers are willing to release them for the period of the course if they are selected. Application forms, available at the Chamber, should be completed by nominees in triplicate and returned to the Secretary of the Working Group of the Hong Kong Provisional Productivity Council not later than 25th July, 1966.

Town Planning

The Hong Kong Branch of the Town Planning Institute is attempting to establish in conjunction with the Town Planning Institute of London, London University, and the University of Hong Kong, some idea of the likely demand for formal planning education and are considering the problems of setting up a part-time post-graduate degree or diploma course in planning. The Branch has asked the Chamber to assist by enquiring of its members whether there would be support for such a course.

Interested members please contact the Chamber (Mr. R. T. Griffiths) for further information. It is intended to pass details of those interested to the Hong Kong Branch of the Town Planning Institute. If there is sufficient support it is hoped to commence courses in October 1967.