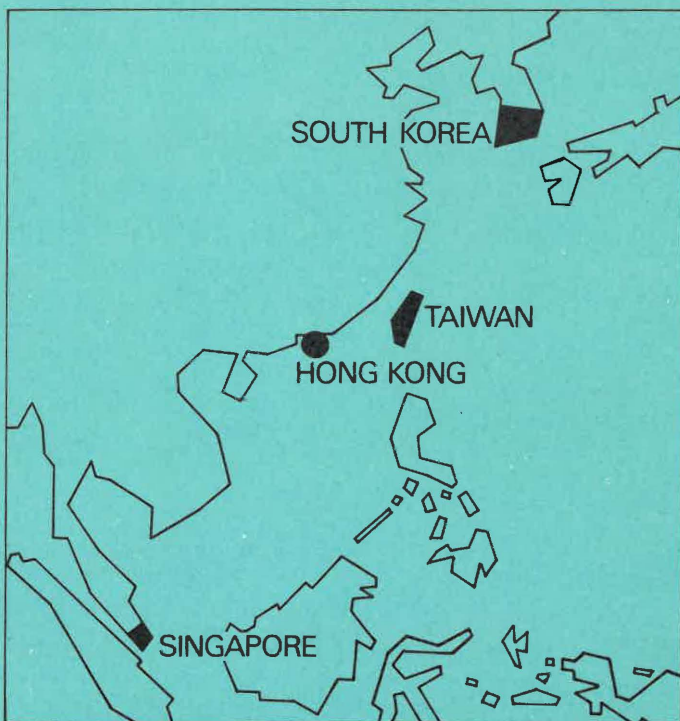




The Bulletin

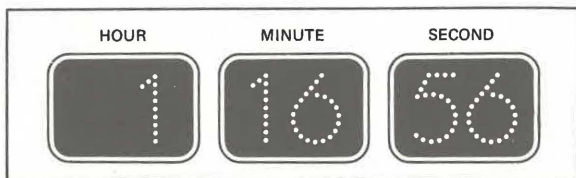
The Hong Kong General Chamber of Commerce



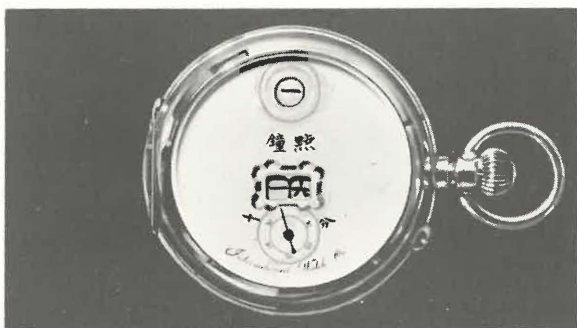
A Common Market?

see page 5

DECEMBER 1973



瑞士萬國錶 在八十多年前已製造 跳數錶



並具有中國數字.....

數年前一位瑞士外交家的太太，無意發現一隻寫有中國數字
的舊跳數錶，翻查紀錄之後，發現該錶於一八八七年
由瑞士萬國錶廠製造，距今已有八十多年歷史。

我們首先將該錶潔淨，加以潤滑，並換上新發條，然後連續
在十四日內進行準確測試，結果顯示該錶平均二十四小時之內，
祇有約三秒偏差；其精確程度，不少現代手錶亦自愧不如。
瑞士萬國錶的優越性能，又再度獲得證實。

瑞士萬國錶廠在八十多年以前已經製作跳數錶，時至今日，
萬國錶仍然是最值得驕人的手錶。每一瑞士萬國錶，均為手工
嵌製，經過精雕細琢，千捶百鍊而成，結構精密，分秒不差。
當你購買一隻瑞士萬國錶時，你即擁有一件具有永恆價值的珍品。

IWC

International Watch Co. Schaffhausen/Switzerland

總代理：

SHIRO
(CHINA) LTD.

續談英國對香港的價值

前文撮要 於上月「會訊」，我們於談論英國與香港之關係時均着重英國為香港之貿易夥伴及英國在香港之工業上投資而言。於貿易一環，我們認為香港由此得益甚多，而英國為香港一不可多得的市場。雖然對香港言之，英國為一主要物品供應者，但這也許屬次要。於上期我們亦討論英國在本港工商各行業上的投資及設於香港之英國商行之任務。

是期「會訊」我們將詳細研討香港及英國間在金融上的聯繫。而在下期，我們則討論若國為香港在國際會議上担任談判者之角色之要務。

存儲英國之貯備金

此乃一令人煩擾的問題，不但只香港，其他國家亦不大了解「貯備金」所擔負之任務。再者，人們相信假若得到英國政府之批准，香港可把「貯備金」處理得更為妥善。但正如任何外匯匯兌人士所週知，這一問題並非如此單簡。

於八月份「會訊」一專文——香港對英國之價值——我們曾指出這一問題之主要關鍵。一九六七年隨着英鎊貶值，英國予以英鎊區每一員（包括香港）存儲英國之英鎊貯備得以美元計算之自動保證。此一保證超過每個國家之海外貯備之百分之十。但彼等要把一部份貯備金用英鎊儲存，（於香港而言，此屬百九十九，其後削減為百分之八十九）。在這名為「比素爾協議」下，香港存儲英國之貯備金於一九七三年九月前得到保證——即一英鎊將等於美金二點四元之比對率。

對香港訊來，貯備基金包括香港之銀行所擁有之大部份英鎊貯備，於去年六月，香港之英鎊貯備金為九十億鎊——仍屬最大宗之貯備金額，約佔英國英鎊債項之四份之一。

目下，惟有美元才可取替英鎊作貯備金之需，但美元在國際市場上正受壓力，而又

較諸存儲倫敦之英鎊所得之利益為少。在國際匯兌上堅穩之貨幣如德國之馬克及瑞士之法郎等所提供之收益有限，而該等政府以英國為先例亦不願意以彼等之貨幣為儲備基金之幣制。

我們所應該注意的就是：香港貯備金所賺取之利益頗高，遠超任何其他投資。正如本港財政司於宣讀上次財政預算案時宣稱：自一九六七年，從貯備金所得之利益可補償英鎊幣值起落所帶來的損失，換之以美元，其成績將大有差別。

那末，那一種貨幣可給予我們更優良的保證？這一問亦會使財政司夏鼎基先生費思量才可作答，因此這一問題之關鍵並非是我們該怎樣做，而是我們可怎樣做？

我們所要着重的就是沒有甚麼國家——尤其美國——願意給予我們一保證。因此，任何貯備金之分散計劃可使香港政府如兌換商玩弄市場於掌上。但此舉是富有風險的。香港自從放棄港元之英鎊計算比對而改以美元為準則後，港政府曾多次在自由市場購買美元以維持港元之幣值，可幸此舉並未使政府陷入窘境。但假若政府寧可獨自行動的話，便要強調在市場上之活躍任務。簡言之，於九月末當「比素爾協議」將被終結時，香港會盡力設法延續此一協議。而假若貯備金之分散政策這方法是令人吸引的話，那麼，

財政司及本港數位銀行界人士便不會如此努力使協議獲准延續。於此，我們的談判代表已經成功了——「比索爾協議」終獲得延續，雖然個中並非以香港所希望得到的條件為依歸。

本「會訊」並非提議謂將大部份貯備金採以分散方法處理為一最佳策略——這也是我們最後所面臨之政策。但「分散策略」並非如一些評論家所說的一般容易。

從另一角度觀之，假若世界之貨幣問題得以解決，而那些毫無根據之預測又繼而減了，英國當是香港之貯備金所存儲之好地方。目下，香港及英國均希望英鎊得以平穩，因此，當英鎊受到不利的預測所攻擊時，香港及英國均一同受到損害。

英鎊與貿易

英鎊不但只是貯備金之幣值，亦是貿易中一主要幣值單位。最恰當的例子就是中國在國際貿易上亦選擇英鎊為交易上所用之幣制。正如我們在上期「會訊」指出，香港的銀行制度予以中國跟世界各地得以溝通的一度橋樑，中國很多貿易是經由本港交處，而截至最近，亦是以英鎊交易，因此使倫敦在商業上有所得益。

人們因此提議謂香港之存在乃是由於中國把它作為一銀行中心，尤其是一英鎊銀行中心。這北京——倫敦——香港之三角式形勢使香港獲益不少。

中國是否由於香港所提供之利便而在貿易上採用英鎊的幣值？或許中國是決定了用英鎊作貿易之用才使用香港提供之便？觀察家也許認為後者的可能性較大。無論怎樣，香港與設於其間之銀行皆合乎中國之選擇之原則。

海外英鎊區

於上期本「會訊」曾談及英國在香港之

工業之經濟支援，此舉乃由於香港為海外英鎊區之一員，基於此，許多英國投資基金被流入香港，因為英國投資人士可免付英國居民在英國以外地方投資而所應繳付的稅項。

從英國流入的資金有助此間工業的發展及證券市場的繁榮，更有助英國的銀行及其他機構在香港設立，彼等之專門技術使香港發展為一金融中心。

英國式銀行

在本港開設銀行中，雖然很多源自各個不同國家，但均採取英國式之操作。由於這兒並沒有一所中央銀行，因此香港政府批准香港上海滙豐銀行、渣打銀行及有利銀行為鈔票印製機構，這也就是顯示出政府對彼等機構之信任，而這也就是基於該等組織與倫敦之連繫。我們很難想像到第一銀行或美國銀行印製鈔票，因為該等為「外國銀行」而不受本地的管制。

保險業

保險業一如銀行操作一樣持續了港英之關係。

目下，英國可能是世界首屈一指之保險市場，香港與倫敦間之聯繫及在港開設之英國保險公司對香港幫助甚大。

海底隧道興建之保險來自英國，於其時，其他數個保險市場亦希望獲接此一生意。

金融中心

香港為一金融中心之發展雖然是由於多方面的因素，但亦有賴與倫敦市金融中心之聯繫。除却東京外，在遠東地區由另一個正發展成一金融中心的地方就是——星加坡，同樣，星加坡亦是與英國有密切的聯繫。

但從另一角度觀之，香港與倫敦金融中心之聯繫並非全屬有利。在八月份「會訊」

SHEET METAL MACHINERY

manufactured by

**A.J. MORGAN & SON (LYE) LIMITED,
Providence Street,
Lye, Stourbridge.
England.**

SHEARS GUILLOTINES ROLLS FOLDERS

Represented in Hong Kong by
**William Jacks & Co. (Hong Kong) Limited,
1813 Union House, Hong Kong.**

THINKING OF YOUR STAFF?

For all forms of Retirement
Benefits and Group Life
Assurance Schemes
consult:

**GUARDIAN ASSURANCE CO., LIMITED,
2nd Floor, Union House, P.O. Box 94,
Hong Kong. Telephone: H-233061.**

You get a great deal from Guardian

Welcome to *our* Common Market

HONG Kong was the first of the less developed territories in SE Asia to develop an export oriented industry after the Second World War and thus had an early start on the road to development. However, recent progress in Taiwan, South Korea and Singapore, particularly in the last five years, has shown that we are no longer alone in selling good-quality, low-priced products overseas. It is thus with some concern that local industrialists have noted the progress of other Asian countries, and in particular the three mentioned. They are now serious competitors in several fields, with notable advantages of lower wage rates and lower costs of production.

It was against this background that the Secretariat of the Trade and Industry Advisory Board recently undertook a study of the extent of the competition posed by Taiwan, South Korea and Singapore. In this article *The Bulletin* attempts to unravel from the mass of figures some strands that may be key indicators of performance, development, trends and strengths.

Among the four, Taiwan has the highest industrial production, rising from a value of US\$2,339 million in 1968 to US\$5,020 million in 1972, an increase of 115 per cent over the five-year period. Items accounting for this substantial growth include textiles and clothing; electronics and non-electrical machinery; chemicals and plastic products.

At a first glance, South Korea's industrial production over the same period represents a more modest increase of 64 per cent from the 1968 level of US\$2,737 million to US\$4,504 million. However, South Korea has devalued its currency almost every year during the period, and seen in this light and in terms of its national currency, a dramatic leap of 135 per cent is in fact nearer to the truth. Major growth areas include textiles and clothing; food, beverages and

tobacco; chemicals and plastic products.

Hong Kong's industrial production ranks third, rising from a moderate base, estimated at US\$1,545 million in 1968 to US\$2,998 million in 1972. This represents an increase of 94 per cent over the five-year period under review. Hong Kong's major growth sectors include (again!) textiles and clothing; electronics and plastic products. This highlights Hong Kong's narrow industrial base and its precarious reliance on only three major industries.

Substantial growth

Singapore has the smallest industrial production, but the rise from US\$908 million in 1968 to US\$2,073 million in 1972 represents a 128 per cent increase, which is still substantial. The big growth sectors include electronics; textiles and clothing; petrochemicals; rubber processing and food and tobacco manufactures.

Looking more specifically at recent growth, we find percentage increases of 1972 over 1971, show Hong Kong has chalked up a 19 per cent increase, Taiwan 25 per cent, South Korea 16 per cent and Singapore 14 per cent.



7 out of 10 read the Morning Post.

In Hong Kong, 7 out of every 10 readers of English-language morning newspapers read the South China Morning Post. And 67% of those who read the Hongkong Standard, also read the Post. The Morning Post has the highest readership, the lowest duplication and the lowest cost per thousand... every advertising dollar goes twice as far.

South China Morning Post

If you want to reach the most, put it in the Post.

Its narrow industrial base notwithstanding, it would appear that Hong Kong is doing comparatively well in terms of industrial growth, being second only to Taiwan in growth performance last year.

The study thus shows that Taiwan has the highest level of industrial production, followed quite closely by South Korea. Hong Kong and Singapore's level of production is by contrast moderate.

The same theme is emphasised in employment figures, which show Singapore and Hong Kong (in that order) as having the lowest number of workers engaged in manufacturing industry. Taiwan's manufacturing labour force is estimated to be about twice the size of that of Hong Kong and South Korea's about two and one-third times.

Population small

To put things in perspective however, the foregoing must be balanced against the fact that both Singapore and Hong Kong have a relatively small population. Seen in this light, a more balanced picture emerges.

Although Hong Kong and Singapore rank third and fourth in absolute production, per capita output for the total population reveals a more encouraging structure with Singapore (US\$974) topping the list, followed by Hong Kong (US\$735), Taiwan (US\$328) and South Korea (US\$141). If per capita output were based solely on *manufacturing* industry, Hong Kong would undoubtedly be ahead of the other three countries.

Figures from 1972 show that South Korea has the largest labour force engaged in manufacturing industry (1,372,000), followed by Taiwan (928,000 in 1970, more recent data being unavailable), Hong Kong (579,000) and Singapore (178,000). However, since Singapore has the lowest population among the four and Hong Kong the second lowest, in *proportionate* terms, (i.e. industrial workforce as a percentage of population) the positions are Hong Kong, 14 per cent; Singapore, 8 per cent; Taiwan, 6.3 per cent and South Korea, 4.3 per cent.

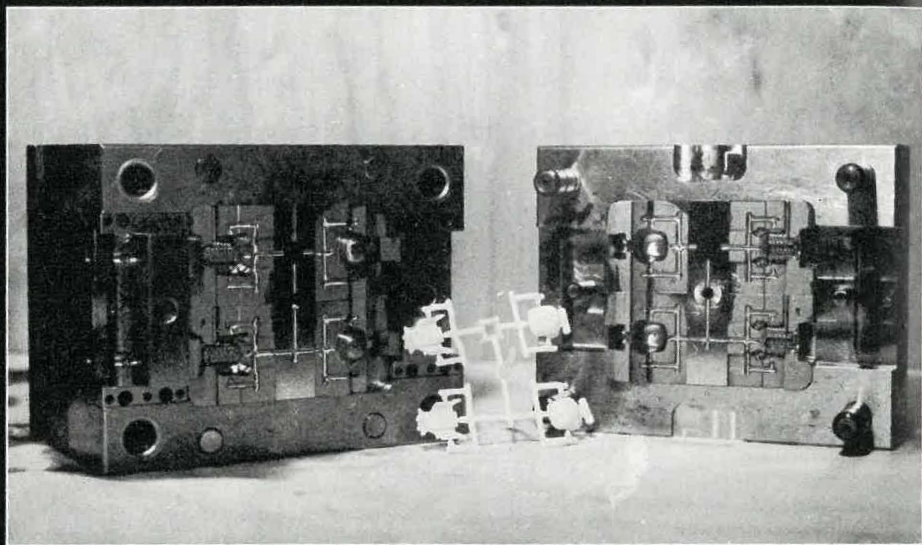
Concentrated

The Hong Kong economy is therefore much more concentrated in and dependent upon industry than any of the other three countries.

The value of production per worker in manufacturing industry for each country as based on the above statistics can be broken down as: Singapore US\$11,674, Hong Kong US\$5,179, Taiwan US\$3,552 (based on 1970 figures) and South Korea US\$3,283. This comparison puts Hong Kong in a more favourable position as regards our two closest competitors, namely Taiwan and South Korea. Singapore's pattern of trade and industry is rather different and except in a few areas is not so obviously a competitor of Hong Kong's. But more of that later.

Hong Kong's export performance is ahead of the others and at US\$2,698 million, our total exports surpass those of Taiwan, South Korea and Singapore by a wide margin, although the former two have increased substantially,

**Our tooling department
specialises in
engineering, design
and manufacturing of
Plastic injection molds
Blow molds, diecasting molds
and special tools**



high quality prompt delivery

Call or write to department of tooling and
plant engineering. Tel. ext. 180 or 147

Hong Kong Industrial Company, Ltd.

41A Smithfield, Kennedy Town, Hong Kong. Telephone: 465111-20.

Telegraphic Address: "HKINDCOLTD" Hongkong Telex No.: HX3436



Send me 27 weeks of TIME for HK\$27.00.

Time's basic price for 27 weeks is HK\$ 37.80 by subscription; HK\$ 94.50 at the newsstand.



Name Miss/Mrs./Mr. _____ (first-last) (please print)

Address _____

Postcode _____

Please check; Signature _____

- For further savings, I prefer 54 weeks for HK\$ 50.00.
- I prefer to pay now. My payment for HK\$ _____ is enclosed.
- Please bill me.



All roads lead to TIME.

0548

POSTAGE
WILL BE
PAID BY
LICENSEE

NO POSTAGE
STAMP
NECESSARY IF
POSTED IN
HONG KONG

BUSINESS REPLY SERVICE
Licence No. 329

THELMA WATSON
202 YIP FUNG BUILDING,
D'AGUILAR STREET,
HONG KONG

by 270 per cent and 257 per cent respectively, in the last five years. Singapore notched a 73 per cent increase in the same period.

At present, Taiwan's export trade is equivalent to about 85 per cent of the value of Hong Kong's total exports, whilst Singapore and South Korea's exports represent about 64 per cent and 47 per cent respectively of Hong Kong's.

The outstanding point is that all our 'competitors' are less heavily dependent than Hong Kong on direct exports. Our industry is basically export oriented with domestic exports constituting an estimated 90 per cent of industrial production. In the case of Taiwan and South Korea, because of the existence of large domestic markets, the most recently assessed ratio of exports to industrial production is only 58 per cent and 36 per cent respectively.

Divergences

There are other areas where the trade and industrial pattern diverges. As mentioned earlier, Hong Kong concentrates on a relatively narrow product range, namely, textiles and clothing, electronics and plastic products. Our five major markets: USA, UK, Federal Republic of Germany, Japan and Canada account for over 70 per cent of our domestic exports in 1971.

Singapore's top five markets are Malaysia, USA, South Vietnam, Japan and UK and together account for 55.3 per cent of exports in 1971. Hong Kong is Singapore's Number Six market taking 5.4 per cent of exports.

Singapore's product lines are also far from coinciding with Hong Kong's. Top of the list are petroleum and related products, followed by crude rubber; electrical machinery, apparatus and appliances; textile yarn, fabrics and related products; unprocessed vegetable oil; coffee, tea, cocoa and spices. The range is obviously much wider and, unlike Hong Kong, textiles and garments are somewhat down the list.

They're not interested

Singapore in fact does not present over-much competition to our biggest money-spinning industry. It has been suggested that the Singapore Government is not very interested in encouraging the textile and garment industry, considering it as a slow-growth industry. On the other hand, Singapore is keenly interested in attracting the establishment of technology — intensive industries, with overseas help.

Competition in the area of textiles presents itself in Taiwan, whose exports in textile yarn, fabrics, made-up articles, etc. show a 76 per cent increase from 1969 to 1971, but Hong Kong at present is superior in quality, design and workmanship and therefore still has a considerable advantage.

Taiwan is undoubtedly the most serious competitor, both in the light of its products and its markets. In 1971, the value of Hong Kong's exports of clothing was twice that of Taiwan, but in electrical machinery and appliances as well as in textile yarn, fabrics and related products,

Taiwan had overtaken Hong Kong in terms of export value. Although the gap is only marginal as yet, HK can almost certainly expect it to increase.

Market-wise, Taiwan sells 73.5 per cent of her exports to USA, Japan, Hong Kong, Canada and the Federal Republic of Germany and again, all these (except Hong Kong!) are identically our own biggest markets. Taiwan has additional advantages in that her exports of fruit and vegetables, wood and cork manufactures are also substantial. Taiwan is not only breathing down our necks, it has actually caught up with and overtaken us in some areas.

Some way to go

South Korea, on the other hand, has still some way to go. Though Korea concentrates on clothing and textiles (her top two exports), the combined export value of these in 1971 measures only up to two-fifths of Hong Kong's exports in equivalent categories.

South Korea shares with Hong Kong and Taiwan much the same markets, and Korea's five top markets are USA, Japan, Hong Kong, Federal Republic of Germany and Canada, which together account for a total of 83.8 per cent of South Korea exports.

Thus Taiwan is the big boy to be feared, South Korea at present poses a lesser threat, while Singapore, because of its different economic base, does not come into the picture overmuch. That would seem to be a summing up of the general position — or would it?

As acknowledged earlier, the

Chamber is grateful to the TIAB for allowing it to use its studies, but the fact that most forcibly impressed itself upon *The Bulletin* is not the extent to which regional countries compete — this after all is acknowledged if not quantified — but the extent to which regional trade is inter-dependent.

Partners, not rivals

Thus, Hong Kong is both Taiwan's and South Korea's third biggest market, as well as being Singapore's sixth largest. Conversely, Singapore and Taiwan rank seventh and ninth respectively as markets for HK products.

As far as Hong Kong is concerned, we are and probably shall continue to be a re-export and transshipment centre, receiving and importing materials of all kinds for re-export to other Asian and South East Asian regions. The fact that Singapore and Taiwan are Hong Kong's seventh and ninth biggest market respectively bears this out. Last year's figures show that Hong Kong's domestic exports to Singapore amounted to only US\$62.8 million as opposed to US\$77.9 million worth of re-exports, while corresponding figures for Taiwan are US\$41.8 million as opposed to US\$62.9 million. For Korea the gap widens still further from US\$6.7 million to US\$25.4 million. The other regional centres also of course fulfil a re-export role, but this of itself does not lessen the importance of this trade for HK.

On the other hand, Hong Kong, unlike the other three countries, has

no heavy or primary industry to supplement its manufacturing industries and therefore will always be import-dependent and here, there may be a trend towards a greater dependence on our Asian partners for supplies. Japan, one of our biggest suppliers, apart from building up trade with non-Asian nations is at present itself also experiencing problems of materials availability. Japan is of course also a big supplier for Taiwan and Korea but Hong Kong may as time goes by look more to Taiwan and South Korea for increased supplies of raw materials, especially as basic industry in the latter countries develops.

Chances are that Taiwan in particular will become a greater supplier of Hong Kong in the near future. Taiwan has begun processing several kinds of synthetic fibres, polyester, nylon and rayon from crude oil. It also exports PVC and other plastic raw materials. Korea too has been supplying Hong Kong with construction materials, and is also becoming capable of supplying plastics raw materials.

Non-industrial

Both Taiwan and South Korea already export to Hong Kong substantial amounts of textile yarn, fabrics and made-ups; electric goods and machinery; as well as non-industrial products such as fruit and vegetables. In the case of Taiwan, other major imports are chemical materials (plastic materials); wood and cork manufactures and paper.

And just as Taiwan and Korea will increasingly establish the resources to act as a supplier of basic materials, so Hong Kong is also developing a specialisation of its own. Apart from Singapore, it is the only one of the regional centres to have made any progress towards becoming a financial centre. Banking, insurance and other financial and commercial services in Hong Kong tend to set an example for those in other regional capitals. It is true that Singapore has to some extent pre-empted Hong Kong in the attempt to create an Asiadollar market, but Hong Kong could make good this leeway, when Government makes appropriate arrangements concerning withholding tax.

Highs & Lows

Although high costs in Hong Kong allegedly deter the multinationals and discourage the establishment here of regional offices, Hong Kong nonetheless possesses several advantages in the form of its stability, developed commercial services, governmental policies, and transport facilities. These must to a large extent counteract the cost factor. After all, New York, London and Zurich are not exactly renowned for low costs!

Japan will undoubtedly continue economically to dominate Taiwan, Korea and Hong Kong for some time to come, but this mutual reliance, although it can create problems, can also act as a unifying factor. For instance, the fact that all are dependent on Japan for plastics materials can in itself act as stimulus to the develop-

ment of local petrochemical industries, especially when, as at present, Japan is experiencing difficulties in meeting its commitments.

Again, there are close links between Taiwan, Singapore and Hong Kong due to the fact that all have predominantly Chinese populations, and there is a considerable amount of business done and regional inter-dependence on this basis. There is already apparently a trend among medium-sized manufacturers in Hong Kong to set up factories in Taiwan in order to take advantage of lower costs there. It is probably true to say that it is not so much the international companies that cannot afford HK, as the local companies!

Pipe dream?

While it is a mere pipe dream to envisage a Far Eastern Common Market at this stage, such an arrangement exists in nucleus. Taiwan, Korea and Hong Kong, with Singapore somewhere on the fringes, are all to some extent complementary as well as competitive. And where they are competitors, it is not so much within the region as outside it — exactly as British and German industry are competitors for exports to the USA, yet both belong to member countries of the EEC.

If this regional inter-dependence grows rather than diminishes — and growth on balance seems likely — where does this leave HK? Given HK's reliance on imports, and its limited land area and capacity to support a large population and therefore

work force, what role can be seen for HK in the future?

Undoubtedly competition will grow in American, European and other export markets. Taiwan has already overtaken HK in the total value of its exports to the USA. And unless political or similar problems should interfere with this trend, there is no reason to suppose it will not become more pronounced with the passing of time.

Making good the gap

Likewise Korea may be expected increasingly to make good the gap between itself and Hong Kong, particularly in the cheaper end of the market. Does this then mean there is no future for HK?

On the contrary, the future for Hong Kong in this situation can be exceedingly bright. The analogy that is apt would seem to be with countries like Switzerland or Belgium, both of which are small, have lesser populations than some of their neighbours, and to some extent tend to be overshadowed — politically, economically and otherwise — by the bigger countries around them. Yet both continue to survive with exceptionally high standards of living — higher in fact than some of their bigger neighbours.

The analogy is by no means limited to size — Switzerland holds pre-eminence among its European neighbours as a financial and commercial centre. Belgium's industry is strong in relation to its size and it (or more

Cont'd Pg. 26, Col. 2.

Pen Profile

Len Dunning

'HOW would you like to help us with the spring clean-up in Czechoslovakia?' asks the latest advertisement from the Trade Development Council, part of a campaign to attract our businessmen to the lucrative and relatively untapped markets of East Europe.

'We are hoping to develop East European markets for dual reasons. They are fairly advanced in machinery technology and can supply us with much-needed raw materials, heavy machinery, petrochemical products, etc. while at the same time buy from us locally manufactured products. Twenty-two per cent of this year's proposed budget will be going into developing such new sources of supply and demand.'

The words of a man very involved in the economy of Hong Kong. They came from Len Dunning, who two months now has been Executive Director of the Hong Kong Trade Development Council.

'I first came to Hong Kong with the Royal Navy, got to like the place and when I left the Navy decided to join what was then called Her Majesty's Overseas Civil Service,' Dunning says.

He is by no means a new man at the TDC. Since its inception in 1966, he has played an important role in its development as Deputy Executive Director and has helped build up the organisation into its present position as one of the world's leading trade development agencies.

As an officer of the Commerce and Industry Department for a number of years after his arrival in 1955, he was responsible for the Industrial Development Branch as well as the overseas trade development programme.

The Trade Development Council is of course actively engaged in both these activities.

While with DC & I, Dunning studied the organisation and operation of overseas promotional agencies. Several of the proposals arising from his study have formed the basis of the organisation as it stands today.

The metropolis

'Hong Kong was undergoing its second phase of post-war reconstruction when I first arrived and those were difficult days. Hong Kong was becoming international in character and local industries were beginning to develop in an internationally-oriented light. Now the place has completely lost all trace of the small town atmosphere that once enveloped it. Today it is metropolitan and strong and widespread in its international connections.'

He adds, 'Hong Kong is an economic miracle, and now on its third development phase. It feels like living through an evolutionary process and at the same time evolving with it.' At 43, it seems fair to predict his evolution—like that of HK—is not yet over.

'What Hong Kong now needs is a great deal of resilience, planning and sophistication in all areas. And we are trying to inject this expertise from overseas into HK in all fields. In the case of industry, we tend to

Picture Briefing

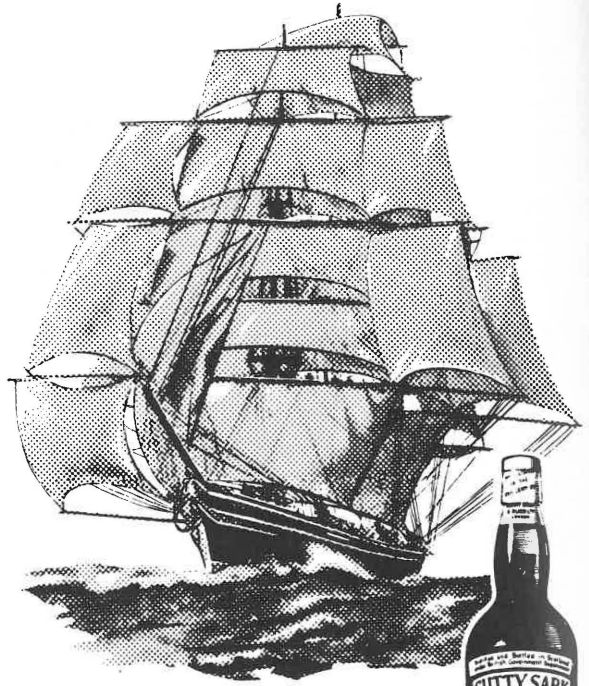
- A Lord Thorneycroft, Chairman of the British Overseas Trade Board met members of the General Committee on October 3. Seen here are (from left), Vice-Chairman, H. P. Foxon, Lord Thorneycroft, and Chairman, P. G. Williams.
- B The Chief Executive of the Bristol Chamber of Commerce, Mr. G. J. Shore, (right) visited the Chamber on October 15 and was welcomed by the Director. Looking on was Mr. D. F. G. Farr of the British Trade Commission.
- C A successful three-day course was held by the Chamber in an attempt to introduce newly arrived expatriate executives to some aspects of Hong Kong's social and commercial community. Pictured here addressing course participants is Mr. Hilton Cheong-leen, Vice-Chairman of the Urban Council.
- D A reception was held in honour of the visiting London Chamber of Commerce mission on October 22. From left is Mr. J. H. Hamm, Chairman of Dodwell & Co. Ltd. in London, Sir Patrick Reilly, leader of the mission, Mr. P. C. S. Deveson of Dodwell & Co. Ltd. in HK, Brigadier R. G. Lewthwaite, Director of Protocol and Sir Paul Reilly, Director of the London Design Council.
- E The Chamber's Business Travel Group to Central and South America departed on October 30 under the leadership of Mr. Fung Hon-chu, OBE, JP, (centre). A reception was held on October 26 to wish the group bon voyage.
- F Len Dunning, Executive Director of the Trade Development Council, is the subject of this month's Pen Profile (see page 13).





CUTTY SARK

Scotch Whisky



Sole Agents for
Hong Kong, Macau, Taiwan, Vietnam and Cambodia.



NASH & DYMOCK

606, Prince's Building, Hong Kong.

regard Japan as our model.'

How does Len Dunning feel about his post as top executive of the TDC? Asked if he felt that the job was tough, he had this to say, 'On the contrary, I find it far easier for me now. I have a greater degree of freedom to implement my own ideas and I feel very lucky in that I have an enlightened Council with a very enlightened Chairman. I also feel grateful to be the first non-external executive director of the TDC.'

He looks on his job at the Trade Development Council as both a vocation and a hobby which explains why he puts long hours into his work.

The job itself

As Executive Director, Len Dunning is in charge of four separate functional departments as well as the administration and accounts side. The big four are the Trade Services Department (similar in structure to the Chamber's International Trade Department); the Publicity Services Department, responsible for the creative writing, publications and overall public relations of the TDC; the Design Department which is in charge of visual, display and exhibition material, etc. and finally 14 overseas offices. These are situated in major cities in the US, Canada, Europe, Australia and Japan. Dunning is kept informed on the latest happenings in these offices and has an annual regional meeting with his overseas executives where promotions and current market trends are discussed. These offices provide an on-the-spot

service for enquiries which are then relayed back to Hong Kong for processing by organisations such as the Chamber or by the TDC themselves.

With a worldwide staff of 280, 160 of them in the Connaught Centre head office, the TDC's role is global. 'We are charged with the overseas promotion of Hong Kong industry. Our businessmen do not promote their products as much as they need to in overseas markets. This is where the Trade Development Council steps into the picture. We are a bridge between the businessmen here and the businessmen overseas who do not have the time to seek out things for themselves. We bring them together with the right kind of information and in the most favourable situation.

'I am happy to say that local businessmen are opening their eyes to the benefits of participation in specialised fairs, such as toy fairs, household equipment exhibitions, etc. One example is the Nuremberg Toy Fair. These build up a regular clientele and with repeat participation, they become pretty much like the traditional market-place, only on a more sophisticated scale and with time will assume an even greater degree of sophistication.'

In 1972, helped by the Trade Development Council, Hong Kong firms participated in the Nuremberg and Tokyo Toy Fairs, the Cologne Houseware and Domestic Appliances Fair, the London International Boat Show, the Comis-Euro Tricot Knitwear Fair in Milan, the Navy Pier Houseware and Variety Exhibitions in Chic-

ago and Pret-a-Porter in Paris. These specialised fairs look like becoming an annual event for some local companies. And repeat participation is on the increase.

From Barcelona to Zagreb

The International Trade Fairs in which Hong Kong staged its goods included those in Barcelona, Bangkok, Milan, Brussels, Vienna, New York, Frankfurt, Leipzig and Zagreb.

And it is not necessary to stress the TDC's own Ready-to-Wear Festival, held in Hong Kong every March, which has now become an annual event in the fashion calendars for many garment buyers.

Len Dunning would like to see more Chamber Members take advantage of the many promotional activities arranged by the TDC. 'After all, we are here to complement and extend the services already offered by the Chamber and other similar organisations.'

New and old markets

In the sphere of new markets, Len Dunning is enthusiastic about the potential of the Comecon countries and recently was in Prague for talks with executives of government trading agencies. Japan is another market opening up for Hong Kong and the TDC has stepped up its activities with department store promotions, fashion shows, etc. in Japan in recent months. In the past year TDC-organised missions have attacked markets in the Middle East and Africa (in conjunc-

tion with the Chamber), Scandinavia and Japan, while more familiar markets like the US and Australia continue to witness a HK presence, projected by Dunning and his staff.

Speaking of Hong Kong in a general light, Len Dunning remarked, 'I have no problems living in Hong Kong but I would like to see housing develop at a faster pace. I also think that factories should be moved away from a domestic environment, domestic tenements to be used as residential sites and not intermingled with factories. The overcrowding, the blocked passageways and the noise would be less of a problem.'

HK's finest days

Unlike our many and vocal prophets of doom, Len Dunning says, 'I see very very great prosperity ahead for Hong Kong and a more even distribution of wealth: Hong Kong has yet to see its finest days.'

Of his social life, Len Dunning grinned, 'It mainly centres on my job — I'm a fulltime TDC man.' Still he did mention one form of relaxation—his boat which he shares with a friend. And with his wife and two sons (one 20 years old and at college in the UK doing business administration, and the other 15 years old and studying in HK) he does manage to escape from his desk once in a while.

Not that particular weekend though. A business visitor from Sweden was sharing his sailing activity!

HK and Britain - part two

The Financial Link

LAST month we considered the value of the UK as both a trading partner and as an investor in HK industry and commerce. The present article will consider in more detail the financial tie-up between Hong Kong and Britain. Since this is a subject more or less complete in itself, we shall leave for a third — and this time final! — article the role of Britain as HK's negotiator at the international conference table.

The Bulletin summarised last August the history of the financial link between Hong Kong and Britain. The Senior British Trade Commissioner, Mr. Tom Aston, during a recent address to a Lions Club meeting, likened this earlier article to an equation, but an equation in which the symbols on one side only had been written out in detail. The analogy was perfectly fair, and what now follows is our attempt to write out the symbols on the other side of the equation. Some degree of repetition is unavoidable.

The problem of HK's reserves is of course a vexed one. Not the least of the difficulties would appear to be a widespread lack of understanding of the role played by reserves — not only in the case of Hong Kong, but in the case of any nation. A further complicating factor is the popularly held belief here that Hong Kong could, if allowed to do so by the British Government, handle its reserves far more successfully than at present is believed to be the case. Unfortunately, as any foreign exchange dealer will confirm, the issue is not quite as simple as this.

The crucial point was summed up in our August article on the value of HK to UK when we pointed out that following the devaluation of sterling in 1967, UK offered all members of

the Sterling Area including Hong Kong, a free guarantee in terms of the US dollar value of all officially held Sterling, in excess of 10 per cent of each country's total official external reserves. In return, they were obliged to maintain a minimum proportion of their reserves in sterling (for Hong Kong, this was 99 per cent, later reduced to 89 per cent). Under this so-called Basle Agreement, Hong Kong reserves were thus guaranteed to September 1973 against any devaluation of the pound in terms of the US dollar from the then par value of US\$2.40 = £1.

For Hong Kong, 'official reserves' include a substantial part of the sterling reserves held by Hong Kong banks. Hong Kong's sterling reserve holding was and still remains the largest single holding — forming consistently well over one quarter of the total sterling liabilities of the UK. (Government do not publish official figures for the value of our reserves with any regularity. However, the Financial Editor of the *China Mail* recently put forward a figure of \$9,225 M overall, of which \$8,120 M were official reserves held in sterling.)

At present, the only feasible alternative to sterling as a reserve currency is the US dollar, which for the immediate future at least is likely to be prone to some pressure in

CAN YOU ANSWER THESE FIVE QUESTIONS ABOUT THE NEWS?

1. After more than a century of expulsion, what country has just voted to allow the Jesuits to return?
2. His nickname is Speedy. He's the President of an African country. He just sold his predecessor's \$2,000,000 yacht, and his own preferred transportation is a Volkswagen. Who is he?
3. Pablo Picasso was one of history's most prolific artists — he also was probably the richest. What is the estimated size of his personal estate?
4. Australia's Prime Minister recently described one world power as "an amazingly docile country. More than any other country in the world the (people) are satisfied to live in all senses within their own border". What country was he talking about?
5. What new argument (and old weapon) are the Arab nations turning to in their struggle against Israel?

**Special
low price!
Order Time
NOW!**

If you were able to answer these questions, or even if you just wished you could, you're just the kind of reader TIME is written for. Because that means you have a healthy curiosity, you care about keeping up with the news, and your interests are wide-ranging.

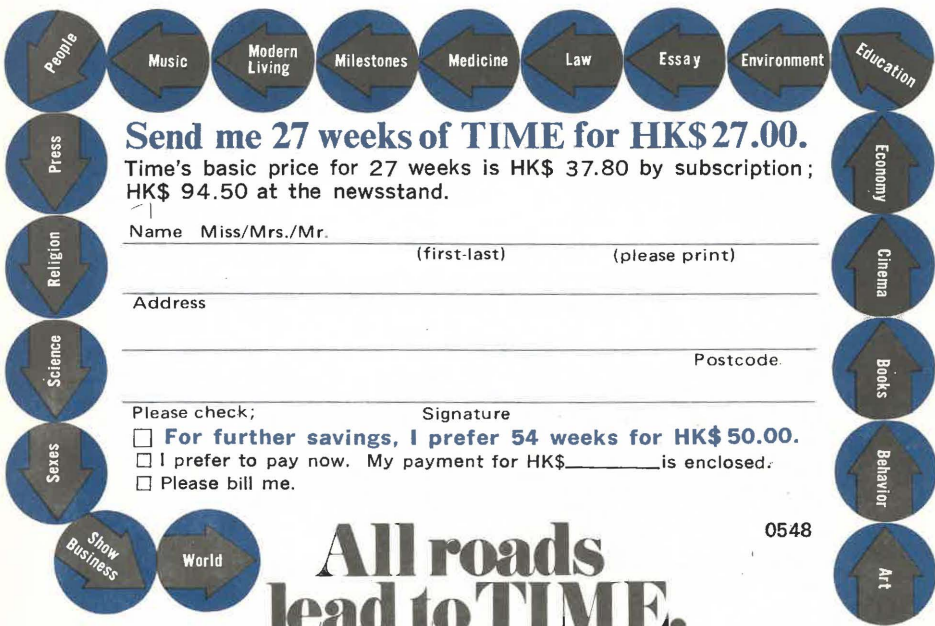


And these are three good reasons why you should be reading TIME. Every week TIME keeps you reliably informed about the subjects thoughtful people everywhere are discussing: politics, business, the arts, medicine, science, books, education, space exploration and the way other peoples live all over the world. Every week, TIME brings you lively reading, plus the special confidence that comes of keeping up with the whole world's news.

And now you can subscribe to TIME — and save money as well. Because the attached card offers you extra low introductory rates. Why not mail it now?

TIME The Weekly Newsmagazine

1. Switzerland 2. William Tolbert of Liberia 3. U.S.\$750 million 4. China 5. Oil



Send me 27 weeks of TIME for HK\$27.00.

Time's basic price for 27 weeks is HK\$ 37.80 by subscription ; HK\$ 94.50 at the newsstand.

Name Miss/Mrs./Mr. _____
(first-last) (please print)

Address _____

Postcode _____

Please check; Signature
 For further savings, I prefer 54 weeks for HK\$ 50.00.
 I prefer to pay now. My payment for HK\$ _____ is enclosed.
 Please bill me.

All roads lead to TIME.

0548

POSTAGE
WILL BE
PAID BY
LICENSEE

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY SERVICE
Licence No. 329

THELMA WATSON
202 YIP FUNG BUILDING,
D'AGUILAR STREET,
HONG KONG

international markets. The dollar, furthermore, normally offers less attractive interest rates than sterling invested in London. Other currencies now standing strong on world exchanges, such as the West German mark and the Swiss franc, offer little or no yield and the governments concerned are reluctant to see their currencies used as reserve currencies, pointing to the UK as an example of the problems associated with assuming this role.

It is worth stressing one or two of the positive points that emerge. The rates of interest earned by HK's reserves have been high, almost certainly higher than would have been the case with any alternative form of investment. The Financial Secretary said at the time of the last budget that extra interest earned since 1967 from holding sterling, as opposed to other assets, had more than offset half the loss resulting from the fluctuations in the value of sterling. Although this may be a 'cold comfort' approach, interest earned on, say, US dollars would very possibly *not* have saved the overall value to an equivalent extent.

Which gives rise to the other obvious point — what alternatives in today's conditions will give a better guarantee of security? The question is not capable of an immediate answer, and is one that must have given Mr. Haddon-Cave many anxious moments of thought.

And despite all the irritation at Britain's brinkmanship on the question of the renewal of the Basle

guarantee, it is worth stressing that *no other nation — certainly not the USA — would have given us a guarantee in the first place.* It is of course annoying to see the value of one's money decreasing and Hong Kong is right to fight for the best deal it can get, but it is hard to imagine Mr. Nixon, Mr. Tanaka or Herr Brandt taking very seriously the idea of a guarantee on the value of Hong Kong's reserves!

At the 11th hour

Any policy of diversification would to some extent therefore put the HK Government into the role of exchange dealers playing the market. Whatever its rewards, such a role is not also without risk. Since Hong Kong revised its traditional definition of the par value of the HK dollar in terms of sterling and went onto a US dollar standard, it has been necessary for Government to buy dollars on the free market in order to uphold the value of the HK dollar. Fortunately, these excursions into the market do not appear to have put a serious strain on Government. If however, Hong Kong prefers to 'go it alone', as opposed to the more stable, if at times inconvenient life under the Basle agreement, then the need to take an active role in the market would be emphasised. To put the point somewhat crudely — the fact is that Hong Kong pressed right up to the 11th hour for an extension to the Basle Agreement before its expiration last September. If the alternative policy of diversification were so obviously attractive, it is unlikely that

our Financial Secretary and several prominent local bankers would have tried so hard to extend the agreement!

The Bulletin does not wish to suggest that a greater degree of diversification might not eventually be the best policy — indeed, ultimately the only policy open to us. It would be foolish however to assume, as some commentators seem to do, that diversification is as simple to practise as it is to preach.

Attractive home

On the other hand, if the world's monetary problems can be resolved, and the wilder flights of speculation reduced, London could well continue to be an attractive home for HK's reserves — at least in part. And in the meantime, both HK and the UK have a vested interest in seeing sterling strong. When speculation occurs against sterling, it hurts HK as well as Britain.

Sterling is not only a reserve currency, it is also a major trading currency. Most relevantly, it is the trading currency chosen for use in its international transactions by HK's big and powerful neighbour—China. Again, this point was stressed in our earlier paper; HK's banking system provides a bridge between China and the outside world, we said. Much of China's trade is financed through banks in the Colony and until recently, was conducted in sterling, thus giving business to London.

It has also been suggested — to verge once again on the political — that the very fact of Hong Kong's

existence can be attributed to its use by China as a banking centre, and particularly a sterling banking centre. The Chamber would not necessarily subscribe to this point of view (nor indeed, we believe, would the People's Republic). But the Peking/London/Hong Kong triangle has been of undoubted benefit to Hong Kong.

To put the question somewhat bluntly: — did China trade in sterling because of the convenience of the facilities in Hong Kong, or did China choose to trade in sterling and then decide to use the facilities in Hong Kong? Undoubtedly most observers would give credence to the latter point of view. It is however fair to add that the existence of Hong Kong with its banks added fortunately if fortuitously to the logic of China's choice.

We mentioned in an earlier section the role of the UK in providing finance for HK industry. This was facilitated by Hong Kong's being a part of the Overseas Sterling Area. While HK was part of the OSA, there was an incentive to channel UK funds to HK, since UK investors were allowed to do this without payment of the 'dollar premium' usually required from UK residents wishing to invest outside Britain.

(The 'dollar premium' refers to the premium UK investors must pay in order to purchase currencies for overseas investment from a 'pool' of investment currencies. According to supply and demand, the premium for such purchases varies from time to time. Currently it stands at about 20 per cent.)

This flow of funds helped in the development of our industry and the growth of our stock exchanges, as well as assisting in bringing to the Colony British banks and other institutions, whose expertise has helped in our development.

In view of the free money market here, Hong Kong's being part of the OSA was in a sense a paradox, and was permitted partly by UK Treasury officials turning a blind eye to the free money market, in spite of the fact that Hong Kong was part of what the Bank of England termed the 'Kuwait Gap'.

The 'Kuwait Gap' was a tolerated breach in the UK's foreign exchange controls. Although UK citizens were not permitted to transfer funds outside the UK except with Bank of England permission, they could do so to countries in the OSA. One or two of these, such as Kuwait (hence the name 'Kuwait Gap') also permitted free money markets to operate. UK citizens could thus transfer funds to a part of OSA in which a free market also operated, and then use this market to convert their sterling into other currencies.

Not official

It must be made clear that the HK Government did not condone the use of the Kuwait Gap, and hence the existence here until recently of Foreign Exchange Controls on sterling.

As in the case of the Basle agreement, it is hard to visualise Washington tolerating a similar concession, had HK been part of an 'overseas

dollar area'. The significance of the 'Kuwait Gap' should not however be over-estimated since UK Treasury officials claimed that its contribution to leakage of sterling was minor. But it is, nonetheless, another instance of give and take in relations between HK and UK for the benefit of both sides.

On a more intangible level, the predominant style of banking in Hong Kong, despite the variety of foreign banks here, is based on British practice. And in the absence of a Central Bank, the HK Government has permitted the Hongkong and Shanghai Banking Corporation, the Chartered Bank and the Mercantile Bank to act as note-issuing banks. This reflects the faith of the HK Government in the stability and reliability of these organisations, and this in turn is based on their links with London (which of course is again a reason why reserves, which underwrite HK's circulating currency, are in London). It is hard to imagine for instance First National City Bank or the Bank of America, excellent though these institutions may be, acting as note issuing banks, since they are 'foreign' banks and as such are less subject to local control.

The ties between HK and the UK are evident in insurance as well as banking practices. London is still probably the world's number one insurance market, and although of course it is possible for an American, a Japanese or a Swiss to insure with, for instance, Lloyds, the close HK/London link and the existence of

THE BANK OF CANTON LIMITED
60 Years of Banking in Asia and
SECURITY PACIFIC NATIONAL BANK
100 Years of Banking in California and
around the world.-have the connections!

It takes more than money to penetrate world markets — you need the right connections. We've got both. The Bank of Canton Limited, in affiliation with Security Pacific National Bank provides you with branches and representative offices in key business and financial centers of the world. Through our knowledge and expertise in international finance and business we can help you find and benefit from investment opportunities around the globe.

No matter where your business takes you, you can depend on The Bank of Canton Limited — we've got the facilities, the expertise and the right connections.

Los Angeles
New York
London
Tokyo
Paris
Sydney
Frankfurt

Singapore
Mexico City
Bangkok
Brussels
Kuala Lumpur
Sao Paulo
Macau



THE BANK OF CANTON, LIMITED
6 DES VOEUX ROAD CENTRAL, HONG KONG TEL. 5-246011

British insurance companies here does help HK.

Specifically, it is worth recalling that the insurance cover for the construction of the cross harbour tunnel came basically from the UK—and that this was secured at a time when it is reported, no other insurance markets were willing to provide cover for such a risk. Indeed, the whole saga of the financing of the cross harbour tunnel is an interesting evidence of the value of the HK/UK link — admittedly with the proviso that HK had to do some pretty hard selling in the first case.

Common UK links

In short, HK's growing importance as a financial centre, although based on a complex of factors, has benefitted from the City of London connection. Proof of this is perhaps to be found in the fact that, with the obvious exception of Tokyo, the only other region in the Far East so far to have shown a comparable degree of development as a financial centre is another country with strong UK links—Singapore.

It has been suggested that the HK/City of London link is not always beneficial. Much was made of our estimate in our August article of \$3000—4000M having left HK for the UK during the height of the stock exchange boom. Some of the conclusions drawn by those observing this figure verged on the paranoid.

We have no reason to revise this figure, but there are a few points that should be clarified. Firstly, many British investors did no doubt make a handsome profit. They were the same investors who had the faith in

Hong Kong to take a risk by investing here. All investment involves a degree of risk, and the reward for that risk is profit.

Secondly, for technical reasons, a repatriation of British capital could have been forecast once the OSA was abolished. This is again bound up with the 'dollar premium', and once the market here reached a certain level it was virtually certain some British funds would be withdrawn. The fact that the abolition of the OSA was followed a few months later by boom conditions in the Hong Kong market was fortunate for British investors — but they were hardly responsible for starting the boom. Even without the boom, there would have been some withdrawal of British funds sooner or later. The boom of early 1973 provided an occasion, rather than a cause.

Original capital

Thirdly, the most importantly, the Chamber's figure covers only the *volume* of remittances. Much of this volume represents original capital as well as profits earned on that capital. The Chamber's figure, as appears to have been believed in some quarters, was most certainly not an assessment of the amount *made* by British investors here. Quite a deal of it represents what came here in the first place, not to mention remittances made in the normal way of trade, savings, investment in the UK, etc.

Finally, we have no information on the ownership of this money. To assume that it was all remitted by British investors is quite untenable. Much

of it may well represent profits made by local investors, who chose to remit their profits to the UK, and by third parties who had made temporary use of HK as a home for funds, and believed the time had come to move those funds.

Just to stress the point — the remittances made during the SE boom were of value to the UK in that they contributed to the UK's invisible earnings and thus its balance of payments, as they were made out of HK dollars into sterling. *But in theory, not one cent of this money need have belonged to British investors*, although it is perfectly fair to assume that a fair proportion of it did in fact find its way into British owned balances.

The flow of funds in the reverse direction from UK to HK still of course continues, and the access of HK to the London market is extremely useful to HK companies, although admittedly the retrenchment of the OSA has made access to London more difficult.

Nonetheless, several HK companies have recently raised funds in the UK, and the interest among UK investors and institutions concerning HK companies is amply evidenced by the volume of coverage given to reports on HK companies (and HK in general) in the British *Financial Times*. Ironically, this at present is greater than it was during the existence of the OSA! Those who read both the *Financial Times* and the US *Wall Street Journal* will vouch for the fact that the US market displays nothing like the same amount of interest in Hong Kong.

Common Market — cont'd

accurately Brussels) is a regional administrative centre, in fact the 'capital' of the EEC.

To fulfil this type of role, Hong Kong must ensure that development takes place in two complementary directions. Firstly, industry must move beyond the phases in which it tries to compete with its bigger neighbour on terms of price. Already this trend has started, since HK has a lead over its competitors in terms of design, quality and workmanship. This lead must be maintained, so that HK becomes increasingly a more specialised manufacturer, concentrating on quality markets, and obtaining a high return in relation to volume of production. Again the analogy is with Switzerland, which is an acknowledged world leader in several types of highly specialised, highly profitable product — watches, precision instruments, even chocolate.

Secondly, the trend towards the extension and sophistication of Hong Kong's financial and other commercial services must continue. And this includes the development of not only 'big' projects such as the building-up of an Asia dollar market, but also the development of less obvious services, such as those offered by, say, advertising agencies.

Far from presenting a threat, our Common Market presents great opportunities for both security and prosperity.

專文內曾談論在證券市場位於峯顛形勢時，約有三億至四億港元調離本港。我們所應該注意到的就是。第一，許多英國投資人士在港投資，任何形式的投資均有其風險所在，而所得的報酬就是利潤，一向以來，香港人士相信在生意上經歷過不少風險的人士，亦得到合適的酬報。

第二：由於技術的原因，人們可預測當「海外英鎊地區」被取消後，英國之投資基金便被調遷他往。

第三，而又最重要的就是：我們所談及的三億至四億元之數字是字匯寄數字之全數，這數字之大部份包括原來的資本及從資本所賺得之潤利，換言之，一些人士相信我們所談及的數字並非等於英國投資人士在此間賺取之盈利。

最後，我們全不知悉該上述款項之主人，假若我們估計該筆款項全由英國投資家滙返英國亦屬於不盡不實，因此其中不少是由本港人士之投資所得，而把盈利滙返英國，彼等以香港為基金貯備之臨時地，而在適當之時機時把基金調遷。

從英國至香港之基金目下正繼續不斷，由於香港可與英國相互聯繫對香港之公司最為重要。本港數間公司最近曾在英國獲得基金，而英國投資人士及機構對香港公司之興趣日增，有關香港之公司報告等可見諸英國之「金融時報」。那些同時閱讀「金融時報」及美國「華爾街日報」之人士可見此類興趣則甚少見諸美國市場。

× × ×

香港 · 台灣 · 南韓與星加坡

香港乃是東南亞地區之並未完全發展之地方之第一個於世界第二次大戰後而成為一以出口為主的地方，因而在發展的路途上亦具優勢。但於近日，尤其過去五年內，台灣、南韓及星加坡發展神速，我們不再是唯一銷售品質優良而價格低廉的物品往海外市場。本地工商界人士對其他亞洲國家之發展，尤其上述三地方，最為關注。該等地區在多方面均互相競爭，如低廉工資及出產價格低微等。

基於上述各點，工商業諮詢委員會秘書處於最近特別將這問題作一詳盡之分析——也就是台灣、南韓及星加坡所給予我們的競爭。

是期專文中，我們為着重談論有關該等國家之工作表現、發展、形勢及實力等問題。

在這四個地方中，台灣擁有最高的工業生產力，其中以成衣、布匹、電子器材、非電動機器、化學製品及塑膠製成品為主。於南韓而言，自一九六八年以來，工業生產增加百份之六十四。但在這段期間，南韓貨幣每年貶值，因此實際之百份率應為百份之一百三十五，其主要貨品為布匹、成衣、食品、飲料、烟草、化學物品及塑膠產品。

於工業出產，香港佔第三位，自一九六八年來，五年內共增加了百份之九十四，主要產品為布匹及成衣、電子器材及塑膠產品等。

而星加坡於五年內之工業產品增長率為百份之一百二十八，主要產品為電子器材、布匹及成衣、化學產品、樹膠、食品及烟草等。

於勞工方面，南韓擁有龐大勞工人數在

製造行業中服務（一百三十七萬），其次為台灣（一九七零年為九十二萬），香港（五十七萬），及星加坡（十七萬）。由於在這四個地方中，星加坡擁有之人口人數最少，其次為香港，若以勞工數字與該地人口總數作一比較，結果是：香港（百份之十四），星加坡（百份之八），台灣（百份之六點三）及南韓（百份之四點三）。因此香港較諸其他三個地方更為着重工業。

香港之主要出口市場為：美國、英國、西德、日本及加拿大，於一九七一年，此等地區共輸入我們總出口百份之七十，

星加坡之首五個市場為馬來西亞、美國、南越、日本及英國。於一九七一年，此等地區共購進星加坡出口總值之百份之五十五點三。

於紡織品方面，台灣為一強敵。一九六九年至七一年期間，台灣出口之紡紗、布料及製成品等共增加了百份之七十六。由於香港目下之品質仍屬優良，設計優美及手工完備，故仍具其獨有優點。

台灣輸出其出口百份之七十三點五往美國、日本、香港及西德。台灣出口之生菜及蔬菜及木料用品等，數量甚為大宗。

南韓之出口市場與香港及台灣之市場相同。其最重要之五個市場為美國、日本、香港、西德及加拿大。該等地方共購進南韓總出口百份之八十三點八。

從上述觀之，台灣是一強敵，南韓的威脅力較少，而星加坡，由於其不同之經濟基礎，因此不可作同一比較。目下一般情況當非常明朗。

本商會該感謝工商業諮詢委員會之協助，讓我們借用彼等所作之報告書之內容，以饗會友。

基於以上資料可察香港為台灣及南韓之第三主要市場及星加坡之第六位主要市場。相反地，星加坡及台灣為香港之第七及第九

位出口市場。

香港本身而言，該繼續成為一貨物轉口中心，把輸進之各式各類入口原料轉口輸往其他亞洲及東南亞地區。

香港並無基層工業以助其製造業的發展，因此香港有賴於各項原料之入口，而目下趨勢是轉向亞洲各地採購供應。

我們最大的供應國家——日本目下亦面臨原料短缺問題，日本亦為台灣及南韓之供應國，香港亦將轉向台灣及南韓採購原料。

在不久之將來，台灣將成為香港一更主要之原料供應國家。目下台灣已開始用油製造多類人造纖維及尼龍等，台灣亦轉出PVC及其他塑膠原料。南韓亦以建築原料供及香港，同時亦有塑膠原料的供應。

香港亦有其獨特之處。除却星加坡外，香港是此地區之唯一採取積極行動以成一金融中心。本港之銀行、保險及其他金融及商業上所提供之服務均可予以其他亞洲國家作一榜樣。

雖然大家議論紛紛謂高昂價格使多國籍之機構裹足不來，放棄在香港開設辦事處計劃。但香港所具優點甚多，如工商界所提供之服務，政府之策畧及交通便利處均可見一斑。再者，紐約、倫敦及蘇黎世的物價並不比香港低廉。

在經濟上，日本將繼續控制台灣、南韓及香港。

在香港、台灣及星加坡聚居之華人甚多，因此彼此間均有密切的聯繫。香港很多中型工廠亦正考慮往台灣設廠以享有該地低廉的物價。

×	×	×
×	×	×



Skilled experienced
temporaries, plus the best
professional service staff

make the big difference in

MANPOWER[®]

Temporary Services

Professionalism is the Manpower difference. It's always there... in the way we select, test and train our temporary employees... in the way our service staff makes an extra effort to match the talents of our temporaries to the specific needs of your job. And it's there in the way we follow up to be sure you're satisfied. The big difference in Temporary Services? It's the professional way Manpower does it all. Try us. We'll give you all the help you need.

Office Services:

Secretaries * Stenos
Typists * Telephone * Operators
Receptionists * Clerks, etc.
Interpreters * Translators.

Marketing Services:

Product Demonstrating * Survey
Interviewing * Mystery Shopping
Position Audits * Conventions/Trade
Shows * Telephone Merchandising

MANPOWER[®]
TEMPORARY SERVICES

407 D'Aguilar Place, D'Aguilar Street, Hong Kong. Tel : 5-235141

Incorporated in the U.S.A.

028

When you're dealing with a market as different as Hong Kong



The abacus has been used in China for almost 3,000 years. Even today there are people in Hong Kong who prefer the abacus to a modern calculator.

you need a bank that's different

The Hongkong and Shanghai Banking Corporation is different because it is the only international bank with headquarters in Hong Kong. As the colony developed into an extremely important centre of commerce, the Hongkong Bank Group expanded internationally to become one of the world's largest banking organisations.

There are now over 300 Hongkong Bank Group offices or representatives in 37 countries throughout the world. The group provides services, information and advice that can link the business enterprises of Hong Kong and S.E. Asia with the rest of the world.

There is an office of the Hongkong Bank Group near you.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

Head Office: 1 Queen's Road Central, Hong Kong. **Brunei, China, France, Germany, Indonesia, Japan, Malaysia, Philippines, Singapore, Sri Lanka, Thailand, United Kingdom, U.S.A., Vietnam.**
Mercantile Bank Limited. The British Bank of the Middle East. The Hongkong Bank of California. Hongkong Finance Limited, Australia. Wardley Limited. Hang Seng Bank Limited. Wardley Canada Limited.

THE HONGKONG BANK GROUP ASIA AND THROUGHOUT THE WORLD.