

# The Bulletin

Magazine of The Hong Kong General Chamber of Commerce

香港總商會工商月刊

HK Comes of Age as  
a Financial Centre  
香港已成爲金融中心

May, 1977  
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## Director's Viewpoint

# Firing in All Directions

Promotional efforts by the Chamber (quite by chance and owing little to central planning (?) ) have produced a hefty programme of external promotions for May. We have a 20 member trade group in Africa visiting four countries and two of our executives W.S. Chan and Sidney Fung are assisting the group.

W.S. Chan, incidentally, had not long arrived back in Hong Kong with a Chamber/TDC export promotional group of 16 members which visited four Arab countries in April. They reported good business.

### The UK Group

Then David Newbigging left for London with a small group of senior representatives of our largest shipowning companies for discussions with the British Department of Industry. They will explore with British officials the kind of arrangements for the purchase of British ships that may eventually increase Hong Kong orders for British yards.

Daniel Koo of the Shui Hing Company also went to Britain with senior representatives of four of Hong Kong's largest department stores (Shui Hing, Daimaru, Sincere and Wing On) to see what British industry can offer them. This promotion, like the shipowners visit, was organised by the Chamber and the British Trade Commission working in conjunction with the appropriate British Government Departments in London. Tudor Griffiths accompanied the two Hong Kong groups to Britain and he will have plenty to do.

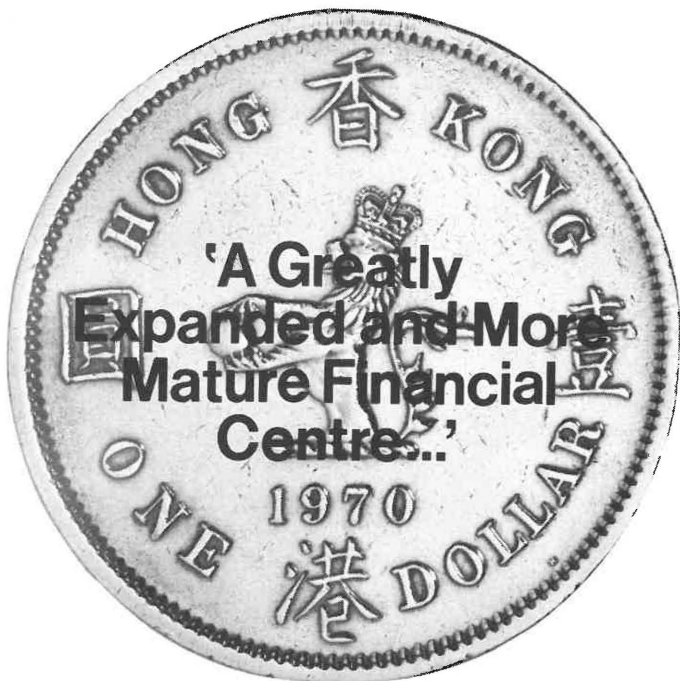
### And in Australia

By the time this issue of the *Bulletin* is distributed, I will personally have been to Australia with another industrial investment promotion mission, the third that I have taken there. The Hong Kong team has a particularly heavy programme of visits this time to well over 50 industrial companies.

After Australia, I go over to Christchurch, New Zealand to participate, with several Hong Kong businessmen, in the annual meeting of the Pacific Basin Economic Council. At that meeting, we shall discuss the possibility (very tentatively!) that Hong Kong might organise and host an Asian Industrial Investment Conference in 1978, probably in May. I'm keen but there's a lot to think about and other organisations to consult – and we must think carefully about the cost!

So, all in all, the Chamber has a pretty fair programme for May.

Our home-based staff too are kept at full stretch since they have to organise, service, back-up and publicise the external efforts, plus a whole lot else.



*"I would like to pause briefly to reflect on what I believe is a new phase in the development and maturity of our economy. Just as our move towards a manufacturing economy with a greatly reduced dependence on our traditional role as an entrepot was marked by a traumatic disruption to trade, so the emergence of the financial sector was marked by a crisis in the stock market. It was a monetary crisis that affected a wide range of domestic prices, apart from stock prices and, to an extent, the severity of the recent recession was a reflection of the necessity to recover a cost/price structure which was badly out of line with that of our competitors. But we now have a greatly expanded and more mature financial sector which includes 74 licensed banks, 179 registered deposit taking companies, one of the four largest gold markets in the world, one of the leading stock markets in the region and, shortly, a commodity exchange will begin trading. I should note here that, as a great deal of interest has been shown in recent months, both locally and internationally, in Hong Kong dollar denominated bond issues by foreign institutions, I have set up a working party, under the chairmanship of the Secretary for Monetary Affairs, to advise me on the monetary and tax implications of permitting these institutions access to this market."*

These were the words used by the Financial Secretary, Philip Haddon-Cave during his speech introducing the 1977/78 budget to the Legislative Council. The implication is that Government recognises that HK has come of age financially, and that the HK economy now rests on three pillars – industry, trade and finance.

There are those who would maintain that this has been the case for some time and that Government's recognition has perhaps arrived a little late in the day. Be that as it may, it is only in the past few years, and particularly since the HK dollar severed its link with Sterling, that HK has assumed a degree of financial autonomy.

Although HK has always tried to pay its own way internationally by preserving a surplus on external account, the HK dollar has never been a so-called Reserve Currency (ie. a currency used to back up international liquidity) and even its use as a trading currency was in the past strictly limited. Although still far from being a reserve currency, the use of the HK dollar as a trading currency has grown in recent years and today it is possible to purchase HK dollars in all of the major and many of the lesser world trading nations. (*Bulletin* sources indicate that HK banknotes have even been known to crop up in sanction-bound Rhodesia, although it is not known how or why they found their way there!) And the wider use of the HK dollar internationally has coincided with a period when its exchange value has held up almost embarrassingly.

Strictly, the international standing of the HK dollar is not directly linked to HK's emergence as a financial centre. Even before the disbandment – or more strictly, the drastic curtailment – of the Overseas Sterling Area, HK could claim to a more sophisticated and developed centre for financial services than was the case with most East Asian cities.

This was a direct reflection of HK's long history as an entrepot, and the fact that a stable Government had made possible the uninterrupted development of commercial services, and particularly banking services, since the mid-nineteenth century. HK had not been subject to the unfortunate political upheavals experienced by many countries in the region; and the fact that HK has no central bank has minimised the chance of Government's manipulating the banking system for political ends, as has sometimes occurred in other developing countries. Likewise, the extent to which the money supply could be increased, a device resorted to by more than one developed country, has always been limited in the case of HK because external market forces influence the HK economy rather more greatly than is the case in larger countries with greater natural resources.

It is also fair to claim that HK banking has been modelled largely upon British banking practice, and whatever else one may say about the general economic performance of the UK, British banking is still regarded as being among the soundest in the world.

But for a long time the range of financial facilities offered in HK was, by world standards, narrow. For instance, the HK Stock Exchange was founded in 1891 but it was not until the 1970s that the HK stock market was of much interest to anyone other than a few wealthy local residents. Equally, many of the "instruments" commonplace in New York, London or Zurich were unknown in HK.

Despite this, HK's general economic progress and the resultant strength of the HK dollar is evidence of the existence of one factor that is a pre-requisite of development as a financial centre – confidence. Unlike the more celebrated

off-shore havens, such as Bermuda, HK did not set out consciously to achieve status as a financial centre. Its financial standing has grown along with economic development in other areas.

As W.F.W. Bischoff, Managing Director of Schrodgers & Chartered Ltd., told *The Bulletin*: 'Hong Kong has grown in this direction largely as a result of its free convertibility, its central location and the presence of professional services. This growth is something that feeds on itself, generates its own momentum.'

This theme was echoed by Edward Harshfield, Regional Vice-President of Citibank. 'I doubt whether HK could have become a financial centre without having first been a manufacturing centre. But now that it has moved in this direction HK could continue to develop as a financial centre regardless of the manufacturing base, thus providing us with one more path of development.'

John Boyer, Executive Director of the HK and Shanghai Banking Corporation, sums up: 'Hong Kong is gradually becoming a trend-setter rather than merely following market trends. As a result we have more international credibility now, though of course in world terms we are still very small.'

This sophistication is the result, firstly, of burgeoning local experience in the skills and techniques required to operate a financial centre and secondly of the influx of large multinational banks, who have established regional headquarters here in recent years. Many of these have been Japanese multinationals who have decided to make Hong Kong one of their major trading posts and who conduct a substantial volume of off-shore business here. However as Mr. Boyer points out, whether this would continue to be the case were restrictions lifted in Tokyo is unclear.

### Mutual Satisfaction

What, however, do we mean when we talk of a 'financial centre'? While it is not difficult to point to examples, it is not easy to produce a meaningful and watertight definition of the phrase.

According to John Boyer, it describes a place where there is an adequate supply and demand for money which, in turn, creates a financial community which endeavours to regulate the flow of funds to the best advantage to the community as a whole. In other words, it is a place where people do various kinds of financial business to their mutual satisfaction.

Others interviewed gave definitions that echoed this theme. To sum them up, *The Bulletin's* attempt at a definition would go somewhat as follows:— a financial centre is a city to which surplus funds (ie. funds not required for immediate use) move, so that they may be put to immediate use.

This definition may be somewhat naive, but it does help perhaps to give perspective. Money, like cotton, iron ore or rubber, is of little use to mankind when existing, so to speak, in the natural state. Cotton must be spun, woven, dyed, made-up etc. before its potential can be realised. None of these operations usually take place in the cotton fields, so the crop is transported to a textiles centre in order that processing may occur. Although the analogy may be simplistic, much the same thing is true of money.

As any businessman will confirm, money in one's pocket is of value only insofar as it can be put to use — either immediate use in the form of consumption expenditure on food, clothing, fuel, rent or whatever; or else use in the future. Money which is surplus to immediate requirements in the case of an individual goes usually to a bank. But it is of use to the bank only because the bank is able to identify those who have a need for funds to put to immediate use, but do not



*John Boyer*

have them available. Thus banking at its simplest is a broking operation — the bringing together of those who have funds but no immediate use for them and those who have a use but no funds.

Needless to say, the operations of a financial centre are a lot more complex than simple "consumer banking". What distinguishes a financial centre from a non-financial centre is the availability of a variety of trustworthy institutions that are able to bring together funds and users. The key words are 'variety' and 'trustworthy'. We have already pointed out that a prime requisite for a financial centre is that it inspires confidence. Confidence is not only a matter of general economic health, although this of course is important, but confidence must also extend to the particular institutions that will handle the funds. And this is where the other key word of the definition, 'variety', comes in.

What ultimately distinguishes a financial centre from other centres of economic activity is that it possesses a variety of means of placing funds; a centre that has a wide choice of "instruments", to use the jargon.

What facilities can HK presently offer that compare with the diversity offered by, say, the City of London? (see pg. 9)

Firstly, consideration must be given to the 74 HK licensed banks, which can be divided into four groups:— the note issuing banks, the banks directly controlled by the People's Republic of China, other locally owned Chinese banks, and the Multinationals.

The note issuing banks and the subsidiaries they control hold the majority of deposits. As befits their status, these banks are obliged to be cautious in their lending policies and their average liquidity figure usually is well above the statutory minimum requirement of 25 per cent.

A peculiar characteristic of HK banking, however, is the distribution of deposit owners. For a long time, overseas Chinese communities all over South East Asia have tended to keep at least part of their assets in HK dollars. Indeed, it has

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been suggested that up to half the deposits of leading banks in the Colony may be owned outside it. Conversely, it was also necessary for the lending banks to keep most of their liquidity abroad owing to the lack of suitable instruments in HK. More recently, the licensed banks in Hong Kong have become a major source of off-shore loans throughout the region — thus complementing Singapore's role as the Asia Dollar deposits centre. The enormous impact of this development is clear from a comparison of banking statistics at the end of 1976 with those of four years earlier.

This showed that liabilities due to banks abroad during this period increased by 408 per cent, while amounts due from banks abroad increased by 133 per cent; loans and advances abroad increased by a staggering 1108 per cent, and investments and other assets abroad increased by 134 per cent. By comparison, loans and advances in HK increased by only 77 per cent.

Apart from the licensed banks, recent years have seen a growth in merchant or investment banks and in finance houses concerned principally with mortgage and hire purchase finance.

All such institutions wishing to accept HK\$ deposits from the public must register with the Commissioner of Banking and operate under a Deposit — Taking Companies Ordinance, which places a lower limit of HK\$50,000 on deposits from any one source and an upper limit of 25 per cent of the lender's capital on advances to any one customer. Some 'merchant banks' are in effect little more than wholesale banking outlets for foreign banks unable to obtain a commercial banking licence; others, in addition to wholesale banking are active in arranging syndicated loans, providing foreign exchange services, leasing, investment management and underwriting.

It is evident that the Foreign Exchange Market occupies a proportionately larger place in HK banking and finance than is the case in larger, more self-reliant economies.

#### Spot Transactions

For spot transactions, the main participants in the market are leading banks and finance companies. All dealing, for whatever currency, is done through the US dollar. The forward market is not very extensively used by commercial business in Hong Kong. The Hongkong and Shanghai Bank has suggested that no more than 15 per cent of imports and 10 per cent of exports may be covered forward. When money is tight, multinational banks and finance companies frequently have to sell foreign currencies borrowed from their overseas head offices or from another international source of funds to meet their HK\$ requirements. Some take the exchange risk — but about three-quarters of inter-bank lending in HK goes through 'swaps' (ie. spot purchases and simultaneous forward sales of blocks of currency.)

The market is also affected by direct investment by foreign companies in their HK affiliates; long-term borrowing by Government and the Mass Transit Railway from abroad; and equity and bond transactions by local residents and HK residents abroad. Cumulative net direct investment in HK by foreign companies is about HK\$1.7 billion, and growing at about 20 per cent a year. Investment overseas by our own companies is probably even higher and growing just as rapidly. Securities transactions can have an important effect, but their direction is of course unpredictable.

Short term capital includes 'hot money' flowing to, or departing, Hong Kong; inflows of US dollar funds as a result of the inter-bank swap market expanding; the effects of



leads and lags in the settlement of trade debts; and the operations of the Exchange Fund in correcting wayward movements of the exchange rate. The impact of any of these on the balance of payments might be substantial since most of the movements in short term capital are made specifically in response to changes in perceptions of currency risk.

Most of the people *The Bulletin* talked to felt that the impact of 'hot money' (or 'scared money'!) had been somewhat exaggerated, though they agreed that it was not inconsiderable. If an influx of 'hot money' occurs at a time of high liquidity like the present (currently only 43 cents out of every dollar in the banks is on loan) its affect on the economy can be harmful. If, however, liquidity is very tight, as was the case three or four years ago, then currency flows from other countries are helpful, as long as the volume coming through is sufficient to provide the extra liquidity needed.

The Money Market in HK can be divided into two main segments (excluding a small inter-company market). In the first segment, the inter-bank market, money may be lent overnight, at call, or for longer maturities — though loans over six months are rare. Typically, the note-issuing banks and other local banks are net lenders, the multinational banks net borrowers. Inter-bank overnight and call deposits count as liquid assets.

In the second segment, the inter-finance company deposit market, maturities range from call to six months or occasionally a year. Licensed banks lend into this market but their borrowing in it is necessarily limited by their obligation not to infringe the banks' interest rate agreement.

The Capital Market in HK consists mainly of the opportunities available in the stock exchanges. Recently, however, broader scope has been evident as the result of long term borrowings by Government and the Mass Transit Railway. Part of this borrowing has of course been carried out abroad.

#### Fourth Largest

Other markets in HK include, most importantly, the gold market, referred to by the FS as the world's fourth largest. And HK is of course an important insurance market. Finally, the effect of the new Commodities Exchange remains to be seen, although its existence will undoubtedly widen the choice of instrument available in HK.

Two factors predominate in HK's standing as a financial centre. Firstly, the lack of a central bank or 'lender of last resort' and secondly, the importance of the HK foreign exchange market. They are to some extent linked.

Of the responsibilities borne in most countries by a central bank, the regulatory ones, for example, are carried out by the Banking Commissioner. Responsibility for monetary policy and approving changes in the note issue rests with the Financial Secretary, but the scope for its exercise is comparatively limited because of the peculiarly large influence exercised on Hong Kong's economy by external forces.

Strictly, another major responsibility of a central bank, acting as lender of last resort, does not exist in HK, where there are no Treasury Bills and still no market in bankers' acceptances or commercial paper.

However the Hongkong Bank has taken on many of the functions of a central bank — apart from the issuing of notes — by acting as a clearing house and as lender of last resort — as in 1965 when there was a serious run on the banks and it stepped in to save the Hang Seng Bank. However, the Hongkong Bank does not fix interest rates — this is done by the Exchange Banks Association. And, as recent events show,

decisions regarding minimum rates need not always be uniform.

The Hongkong Bank admits to a 'close and constant dialogue' with Government and although it also has a duty towards its own shareholders, the arrangement whereby it performs the functions of a central bank appear to function to the satisfaction of all concerned.

It has been said however that without a central bank there is nothing to stop excessive growth of the money supply, and that this could happen if economic conditions in HK are such as to make it profitable for the banks. In theory, this is partially valid (although it ignores the Financial Secretary's powers over the currency issue which would soon be brought into play as the public's currency requirement increased). But in practice it is nonsense to expect the banks to behave in this way, because the wholesale purchase of foreign assets to bolster their liquidity would depress the HK\$ to an extent unacceptable to their customers and ultimately to themselves in pursuit of their own objectives.



*Trade — will remain the dominant theme.*

How is development likely to proceed in the future? Firstly, there seems no reason to doubt that HK will continue to play both its traditional roles as banker to the overseas Chinese as well as what might be called an off-shore bank for Peking. Recent announcements from China concerning the longer term trade objectives of the People's Republic give every reason to believe this role will increase rather than diminish.

Secondly, the dominant theme of the HK economy — the export of light consumer goods to overseas markets — is not going to change overnight and overseas trade will continue to flourish. However, it has been pointed out that few exporters choose to cover themselves forward, and this is typical of the HK brand of entrepreneur. So whilst trade will continue to contribute to Hong Kong's basic payments position, it seems unlikely in narrower financial terms that any substantial growth will occur in the market for commercial paper.

It would however not be unrealistic to expect a growth — albeit slight — in Government bond issues. Although Hong Kong is traditionally committed to avoidance of budget deficits, the present Financial Secretary has repeatedly indicated that he is not averse to borrowing for the right type of project. Given the social objectives to which the Government is committed, the likelihood of such loan borrowings being made is increased. Many in HK's financial establishment would appear to welcome this move as it would create an instrument that is at present largely lacking, and thus bring an element of stability to the money market.

Growth in the stock exchange — which now exhibits more of the characteristics of a mature market — will no doubt continue steadily and may be helped by the proposed merger of the exchanges. The fact remains however that the spread of securities quoted is narrow and somewhat specialised, and given the nature of HK industry is likely to remain so. Considered from an international viewpoint, the HK market can offer only limited possibilities. And it is of course too soon to assess the impact of the Commodities Exchange.

Another dominant feature affecting growth is HK's tax status. The territorial ambit of the various taxes applied in HK is currently under consideration as a result of the recommendations of the Inland Revenue Review Committee. Various changes put forward by the Committee could, if implemented, influence the continued profitability to HK of certain types of financial deal — as well as profitability of other sectors of business, especially shipping.

The Review Committee has recommended changes in assessing sources of profits that go beyond the hitherto established concept of *arising in or derived from HK*. Government's desire to raise extra revenue is understandable and justified, as is the view that profits that result from HK based expertise should be as liable to tax as those arising from more tangible and easily assessable operations.

Nonetheless, an extension of the 'source' concept could have the effect of making less attractive some forms of banking business. Past experience already shows that the present interest withholding tax has affected HK's ability to operate in the so-called Asia dollar market, although as John Boyer points out this has not stopped money from coming to HK.

At the end of it all however, what benefit does HK derive from growth in the financial sector?

It is difficult firmly to answer this question since many interwoven factors are involved. However, the simplest answer was given by the FS in the notes to his budget speech when he pointed out that 20 per cent of HK's Gross Domestic Product is attributable to the financial services and real estate sector, the third largest contribution after manufacturing and wholesale/retail trade. The same category however

accounts for only 3 per cent of the total workforce. By comparison, manufacturing accounted for 45 per cent. In other words financiers, unlike industrialists, do not create many jobs, but they undoubtedly contribute to the wealth of the community, even allowing for the fact that much of the GDP estimate must be attributable to the 'real estate' sector of the industry.

Government also benefits from this development, as shown by its desire to enlarge the territorial ambit of HK's tax laws. Here the need must be to strike the right balance between, on the one hand, Government's getting its share of the wealth created by the financial community and on the other, killing the goose that lays the golden eggs.

There are dangers as well as benefits in becoming an attractive area for foreign funds. One unsought for result has been a dramatic strengthening of the HK dollar. Hong Kong is first and foremost a trading and manufacturing centre, and this is likely to continue to be the case for many years to come. If by becoming a financial centre our currency becomes so strong that it makes our exports uncompetitive and threatens to put exporters out of business, then it is a luxury we cannot afford, although Citibank's Edward Harshfield strikes an intriguing note when he says:— 'It is not entirely beyond the realms of possibility that HK might develop into a pure shipping and transit port and financial centre only and would still survive and thrive. Even now, HK is no longer locked into manufacturing transistor radios, watches and garments.'

### Only Weapon

As John Boyer points out, the only weapon HK has against the continual strengthening of the dollar is interest rates. The Hongkong Bank lowered its prime rate to 4½ per cent last month, which resulted in a temporary weakening of the HK dollar. But experience suggests that lowering interest rates is not a very satisfactory solution.

Edward Harshfield told *The Bulletin*: 'By lowering interest rates all you are doing is sending a signal to the market. You might succeed in slowing the process down but the impact soon wears off.'

'As long as inflation in Hong Kong remains at a lower level than in the US, while HK's GDP continues to grow at a faster rate, I feel that the HK dollar is bound to continue to appreciate against the US dollar.'

The fact is, nearly every government in the non-Communist world has tried without success to control the value of its own currency.

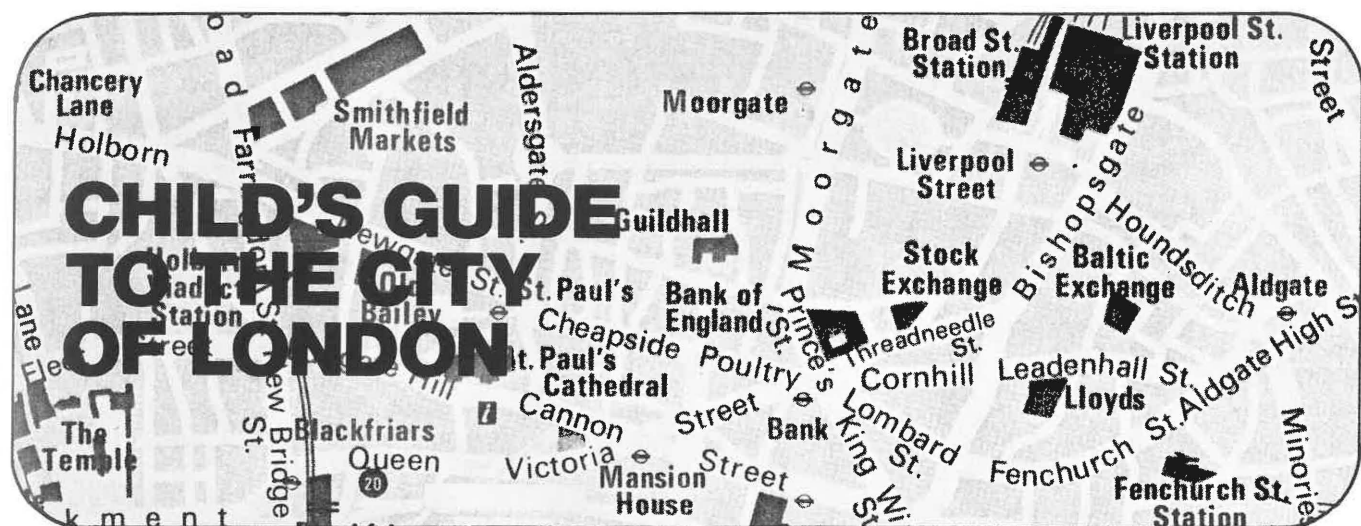
The worst possible thing to do, according to Dirk Brink of Deaks, is to draw on reserves to try to stabilise a currency. 'This is like building a wall to stop a tidal wave. And how is the money going to be paid back?'

Mr. Brink's solution is not merely to lower interest rates on deposits but to impose a negative rate of interest. 'This would work like a charm. If money in a bank is being eaten away by interest it will soon be forced out.' But of course, not all the money which comes to HK is in the bank earning interest — some of it is invested in the stock market, or is used to finance manufacturing operations, or is invested in various other things.

Finally, however, HK's development is perhaps most dependent on an issue over which Government or any type of financial institution has little control — HK's financial importance to the overseas Chinese and to the People's Republic. Remove this and much of the *raison d'être* for HK goes — industry, trade, banks, the lot. HG/MP



Edward Harshfield



As good an example as any of a financial centre is still the City of London. For the benefit of those unfamiliar with London, the City is both a geographical and an economic entity, in that most, although not all, of the operations described here take place within the square mile or so that surrounds the Bank of England.

What types of institution does one find in the City? Well, firstly, banks of course. Banks, broadly, can be divided into clearing banks and what the British somewhat confusingly call 'merchant banks' and the Americans more appropriately call 'investment banks'.

The difference between the two is by no means watertight and in many operations the distinction becomes a trifle blurred. There are also of course a variety of other types of bank, but the division into 'clearing' and 'merchant' will be enough for present purposes.

The clearing banks are of course the large scale bankers (eg. Barclays, Midland, National Westminster etc.) that might perhaps be called consumer banks, in that they take deposits from, and give loans to the man in the street. It is equally true that they will also advance loans by the million for large scale projects, that are nothing directly to do with the man in the street. On the other hand, the man in the street is unlikely to darken the august portals of a merchant bank. These are concerned mainly with larger scale operations in the financing of specific ventures. This however does not imply that the merchant banks have larger funds in their vaults than do the consumer banks. The reverse in fact is true. The role of the mer-

chant bank is closer to that of a middle man or broker, and their main contribution is often not in terms of cash, but of expertise, in that they are specialists in bringing together funds from outside sources in order to meet the needs of a would-be borrower.

A typical merchant banking operation is that of an Issuing House, which arranges for the issue and underwriting of a flotation of quoted securities by a company either coming to the market for the first time, or seeking to increase its present capital.

Other functions may range from advising clients with an extensive portfolio of private investments, to financing trade via means of so-called 'acceptance credits' (The latter was the traditional occupation of merchant banks hence the reference to 'merchants'.) Just to complicate matters, many consumer banks are equally able to carry out much the same functions.

#### Money market

An important part of the activities of The City is the money market. In describing this it is hard to avoid technicalities, since its operation is bound up with the role of the Bank of England as the Central Bank and as the 'lender of last resort'.

The function of a money market is basically to find a home for funds that are not for the time being put to more specific use. An investment in stock exchange securities or a Government bond or the financing of a property development, usually calls for funds which are unlikely to be used for any other purposes for some time. Funds that are 'loose' for a short period and may be required by their owner at short notice would not be appropriate for this type of investment.

The function of the money market is to find a temporary home for such short term funds. Its operations are complex and a distinction is normally made between primary and secondary institutions. Primary institutions are normally the larger and more respectable banks, whose reputations are pretty solid. Secondary institutions might be finance companies, specialising in the provision of funds for hire purchase leasing operations, or some of the 'less acceptable' merchant banks. In recent years, the operations of the secondary market in several financial centres has attracted some concern, and at one stage was showing signs of becoming over-heated, largely through the cardinal banking sin of 'borrowing short and lending long'.

In many financial centres, a significant influence in the money market is the borrowing requirement of Government itself, and Government 'paper' will play a significant role in transactions. In London, an important role is played by the bill broker in the so-called discount market, who whilst attempting to balance his books from normal commercial sources, mainly the banks, is ultimately reliant on the Bank of England to keep his position covered. The Bank of England thus becomes the lender of last resort.

'Commercial paper' will also play a significant part in the operations of the money market. Commercial paper includes Acceptances and other instruments of credit used in trading transactions, which the money broker is prepared to purchase at a discount, hence 'Discount market'.

A Capital Market is somewhat different from a money market in that it is concerned with the raising and placing of longer term funds. The

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operations of the stock exchange are of course an important aspect of the capital market and a well enough known City of London institution is the Stock Exchange, although London has only one against the several at present in Hong Kong.

Whereas a money market is concerned with short term funds, and can be seen almost as a sharing-out operation, whereby funds are broken down into smaller parcels and placed with one institution for a short period, so that no single institution is over-liable, a capital market is concerned with raising money for more specific use by industry or commerce or by Government. Thus while an industrial company might well finance its day to day requirements for working capital by means of an overdraft from a clearing bank, it is likely to raise its requirements for new money in order to expand from the capital market. The capital market is not of course restricted to the stock exchange and private funds can play a major role.

There are other types of institution in London. A commodities exchange, for example, and a gold market. The insurance market can also be seen as part of the complex that goes to make up a financial centre, since an important part of the operations of insurance companies is not only to provide cover against risk, but also to invest the funds obtained from premium payments. Indeed, the life offices of insurance companies are primarily offering an investment service, rather than the more conventional form of insurance dealt with for instance by Lloyds and the big insurance companies in the insuring of items ranging from, on the one hand, ship's hulls, to on the other the chance of bad weather spoiling one's holidays. Funds from insurance companies today play a significant role in providing capital for industry (as do trade union funds!)

We have so far been describing various types of institution. An equally legitimate, albeit more technical, app-

roach would be to describe the different type and status of 'instrument' available in a sophisticated financial centre. Such a list would however be lengthy, ranging from, at the simpler end, conventional equity shares in quoted securities; via various types of preference shareholdings, bond and debenture loans both to industry and to Government (including local government and Government approved Corporations); the various forms of 'commercial paper' (discounts on letters of credit and the like); to, at the other extreme, more sophisticated tools such as Certificates of Deposit and Euro-dollar funding.

To attempt fully to cover the types of instrument available in say London would require a lengthy and somewhat specialised article. The point however is that any developed financial centre will be able to offer a wide range of choices and a constant evolution of new types of instruments, in order that funds may be placed in the manner most appropriate.

## How do we compare?

Not all financial centres are international financial centres. For example, Tokyo is a large domestic financial centre, but is less important internationally. Certain conditions are required to conduct international financial business successfully. First of all, there must be good communications which allow immediate linkage with other financial centres. This includes efficient telex, telephone and postal services. Secondly, there must be relative freedom from regulations and restrictions, in particular freedom from exchange controls; and thirdly — though this is not absolutely essential — there should be a strong commercial business environment. A simple and non-punitive tax system is also an attraction.

How does Hong Kong compare with other financial centres or would be financial centres in the Far East region? Our main competitors are Singapore and Manila, both of whose governments have consciously set out to attract international banks and finance companies by creating some of the conditions conducive to the growth of a financial centre, something the Hong Kong Government has never done.

The Philippines has succeeded to a significant extent in building up a financial centre mainly because wages and rentals are attractively low. However, a lot of companies are prevented from going there because of the poor communications and postal service and the relative lack of professional services. Most people contacted by *The Bulletin* agreed that the Philippines still has a long way to go before it can become a fully-

fledged international financial centre.

Singapore has probably received more international recognition than Hong Kong as a financial centre, mainly because it has been the centre for Asiadollar deposits. However, indications are that Singapore is becoming less attractive and that Hong Kong is gradually becoming the dominant centre. Singapore does not offer the same freedom of action and low tax base as Hong Kong.

### Freedom

The Managing Director of Deak & Co. (Far East) Ltd., Dirk Brink, told *The Bulletin*: 'In order to be a financial centre you've got to have a favourable immigration policy which will let you bring in the necessary expertise. In Singapore the government lets you come in for a year and train some of the local people. But if I'm going to put \$50 million into a country I don't want the government to tell me 'You can just train some of our local people, then you can get out and leave your money here!'

'In Hong Kong, on the other hand, the government says "Just fill in a couple of forms and you're away. You can do whatever you like with your money — if you go bankrupt that's your problem." That's the kind of attitude which people like.

'And another thing. The reason I can speak the way I do is because in Hong Kong there's a free press. In the Philippines the press is muzzled and in Singapore even more so. There I would have to be extremely careful about what I said.'

A black and white photograph of a jeweler's scale. The scale is positioned in the center, with two pans. The lower pan is filled with diamonds and is being weighed. The upper pan is empty. The background is dark, and the lighting highlights the facets of the diamonds and the metallic surfaces of the scale. The overall mood is one of precision and value.

# Whose Best Friend?

*Hong Kong is unlikely to figure predominantly either in the thoughts of the excited young fiancée celebrating her engagement or in the calculations of the somewhat more mature professional mistress taking on her most recent sugar daddy. Ian Fleming, no stranger to the Far East, concentrated on the USA and Africa, rather than the local scene, when he wrote 'Diamonds are Forever'. And the film based loosely on that book chose to concentrate its setting in Las Vegas, not Hong Kong.*

The silence surrounding HK's trade in diamonds is not entirely unintentional. Diamonds are high-priced commodities which involve considerable insurance risk and expensive security arrangements. The less said about the trade the better, most dealers believe. But the fact remains that Hong Kong is the third largest diamond trading centre in the World, after the US and Japan. And as a diamond cutting centre, Hong Kong has found its niche after such well known centres as Antwerp, New York, London, and Tel Aviv.

Last year we imported polished diamonds worth \$1,051 million. Israel was our largest supplier, with imports worth \$311 million. The US was next, followed by Belgium, India, South Africa, the UK, the Netherlands and Switzerland.

Our re-export trade in diamonds is also very substantial and growing. In 1976, re-exports were valued at \$201 million. The main destination was Japan which bought three-quarters of our re-exports, over \$181 million worth. The second largest market was Singapore, followed by Australia and Malaysia.

Polished diamonds are also re-exported to the supplying countries. It is difficult to ascertain what proportion of these might be returned diamonds. Re-exports to the US for example totalled \$272 million, and these represented 57% of total imports from that country. Belgium and Israel, major suppliers, also re-imported large quantities from Hong Kong.

Hong Kong also has a long-established jewellery trade and industry and jewellery settings designed and made here are world-renowned. Diamonds may be a girl's best friend but they are also much prized by jewellers whose high quality designs and finish provide local residents and tourists with great beauty and a sound investment at the same time. Over 1.5 million tourists visited Hong Kong last year, which is one reason why 1976 sales of diamonds in HK amounted to 786,745 carats (there are 142 carats to the ounce) valued at \$849.9 million, an increase of 23 per cent over the previous year.

One need only look around the busy shopping areas to realise the scale of the trade in jewellery. Hong Kong has probably more jewellery shops per square mile than any other city.

It is estimated that the daily average

value of sales of diamonds in 1975 was \$1.8 million. This has certainly increased since then and many diamonds are mounted into high class jewellery.

Diamonds arrive in Hong Kong from all over the world without being subject to the duties and taxes which apply in many countries, and even in those which themselves have substantial diamond industries.

Hong Kong's sophisticated financial and insurance services also facilitate the cash and credit financing of this billion dollar trade whilst our communications network permits the speedy and safe movement of the most precious gem in the world. Diamond merchants agree however that there is still a long way to go before we can challenge more traditional diamond centres.

The buying and selling of diamonds is centred in London. Eighty



*Tai Hang also have their own setting factory.*

per cent of the world's diamonds, in the rough gem and industrial state, are marketed by the Central Selling Organisation, which also maintains the basic price structure. The CSO was formed by De Beers Consolidated Mines, unchallenged as the world's leading producer of diamonds. At CSO headquarters in London, diamonds are sorted out into over 2,000 categories, taking into account grades and qualities.

The CSO, according to a recent Financial Times article, is 'probably the only really successful and enduring market stabilisation system that has been developed for any commodity.' It determines the broad range of prices at which rough diamonds are sold to the cutting industry. It also protects the mines by moving these prices up if too great a gap exists between them and the prices charged by the jewellery trade. It does this in times of poor

demand by maintaining its purchases from the mines and holding surplus production in stock until the market recovers. This arrangement has proven successful. At no time has the CSO ever reduced the selling prices of its diamonds.

The remaining 20 per cent of world diamond production which is not marketed through the CSO is sold through State organisations or small merchants.

World production of diamonds has remained fairly constant over the last 10 years. In 1975 this amounted to 49.38 million carats. Major producers were Zaire (17 million), USSR (12 million), South Africa (7.8 million), Botswana (2.41 million), Ghana (2.25 million), South West Africa (1.74 million), Sierra Leone (1.43 million) and Angola (0.75 million). Generally, the proportion of high quality gem stones is relatively small.

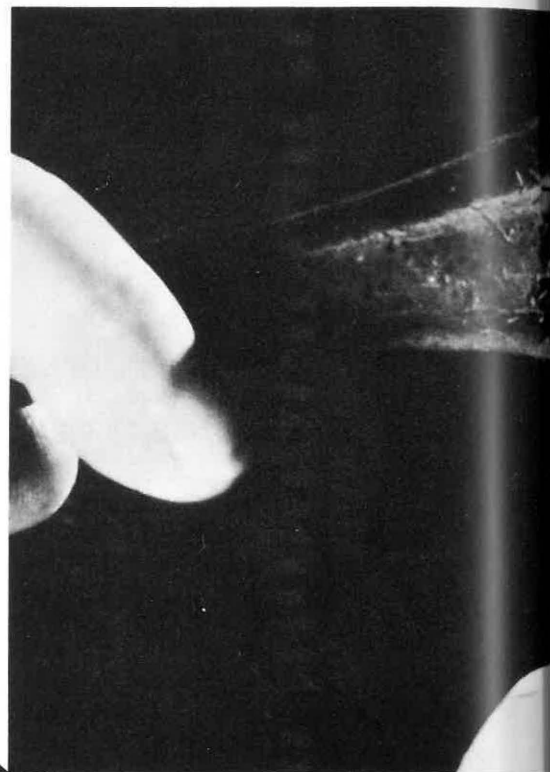
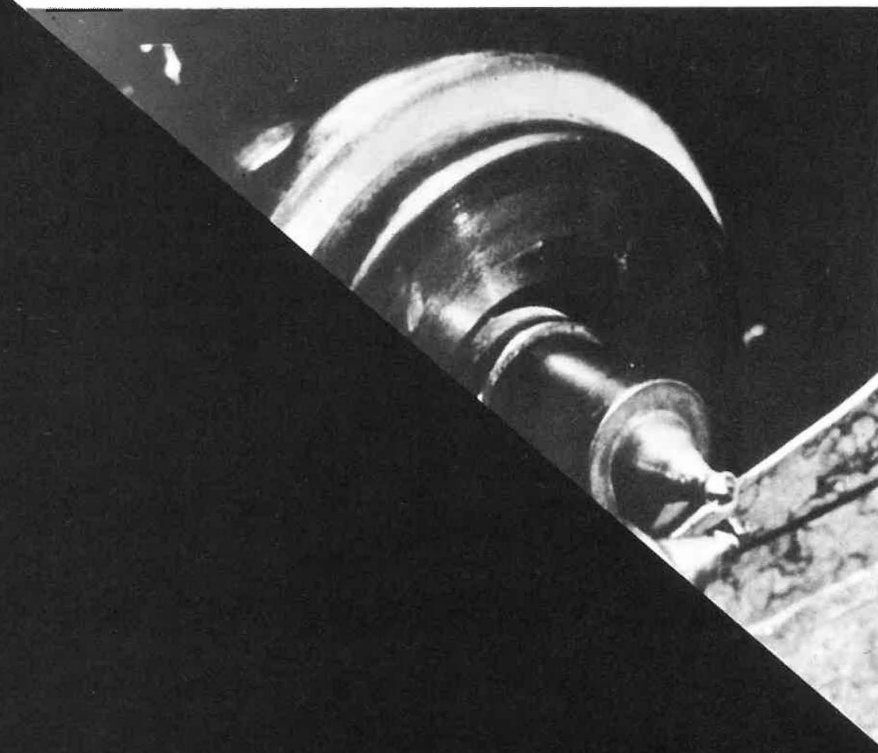
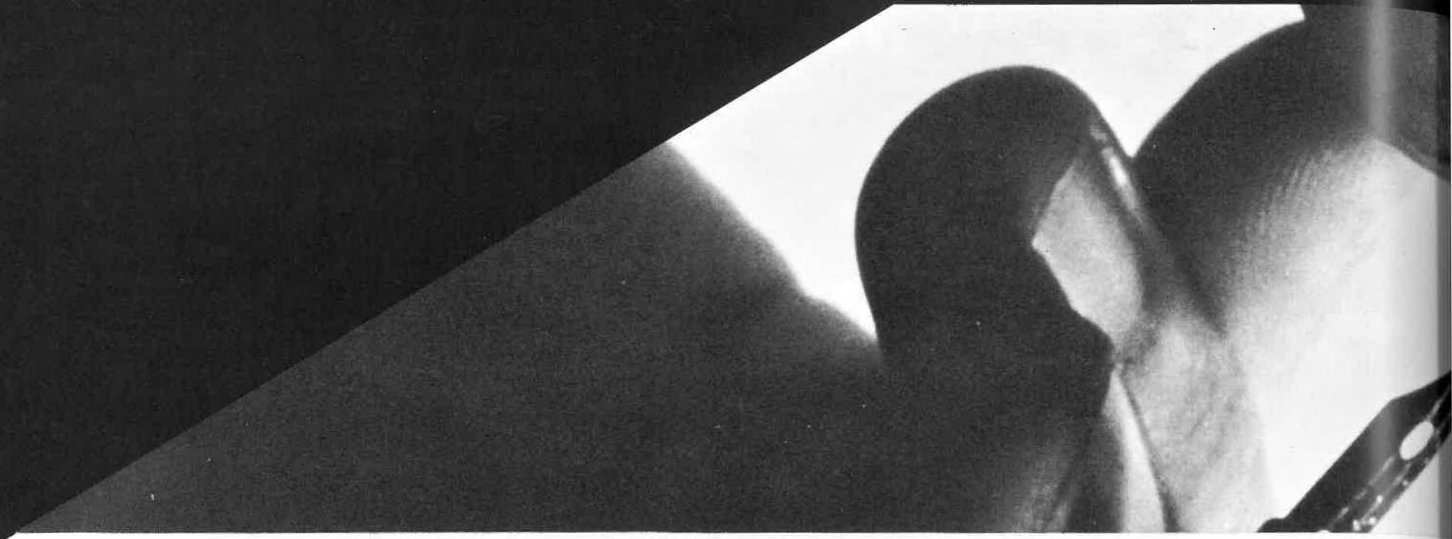
In the initial marketing phase, the CSO regularly arrange 10 'sights' a year for the world's top diamond men to see a collection of diamonds and to purchase on offer. From Hong Kong only one dealer regularly attends these showings by the CSO. He is K.C. Liu, Managing Director of Casey Diamonds Limited.

Once the rough diamonds have been purchased, the next step is cutting and polishing. This is where Tel Aviv comes in. While Antwerp and New York remain important centres for diamonds, Tel Aviv has developed rapidly as a cutting and polishing centre. Last year, Israeli exports of polished diamonds were worth over US\$710 million, representing an important export industry for Israel.

It is not really surprising that Tel Aviv should be a diamond centre. In Europe, the diamond trade has traditionally been in the hands of Jewish people. It was inevitable that much of the craft and experience would find its way to Israel. The industry has also been supported strongly by the Israeli Government.

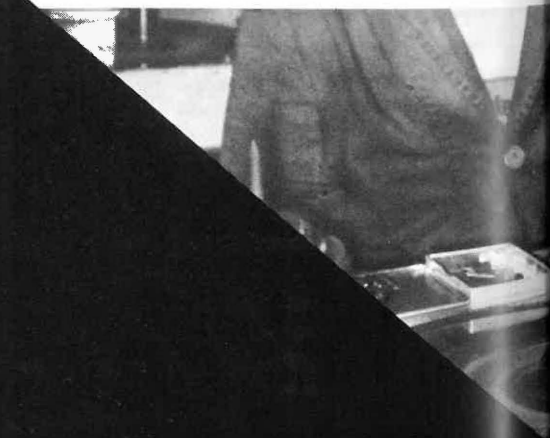
Hong Kong has at present three cutting and polishing factories. The first to be established was The Hong Kong Diamond Cutting Works Limited, a subsidiary of Tai Hang Jewellery Limited. Tai Hang is one of HK's leading diamond companies with a history of three generations of ownership by the Siu family. K.S. Siu is presently the managing director of the company. Eighty per cent of their

# The Making of



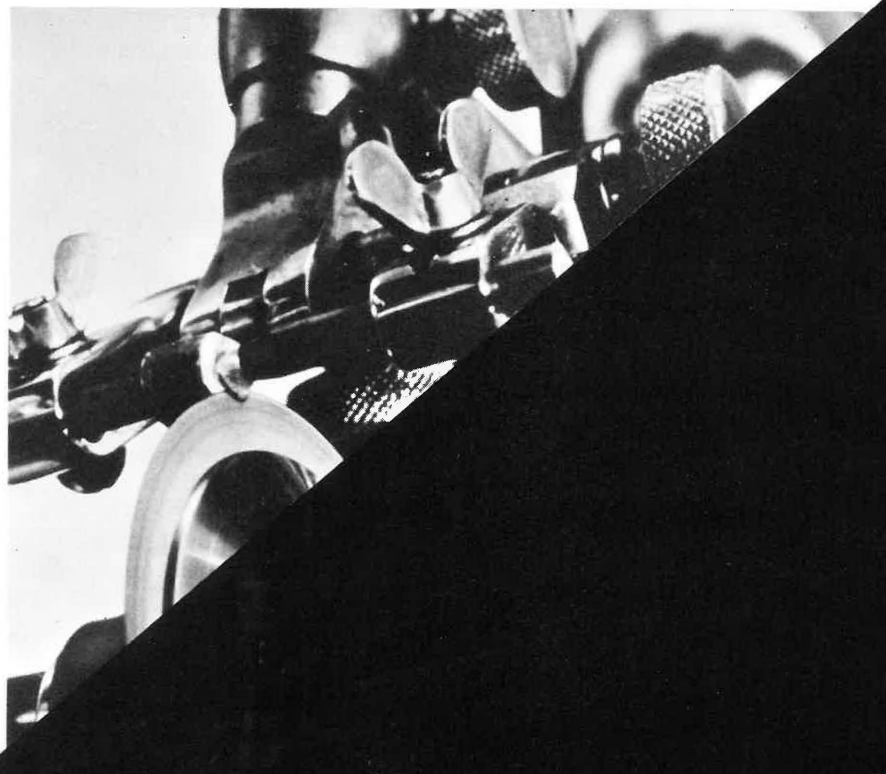
*Of all rough diamonds recovered from the earth, less than 20 per cent are suitable for cutting into gem diamonds. The remainder are used in industry, to cut, to grind, and polish metals, plastics and ceramics.*

*Every diamond is unique. The basic criteria for assessing the value of each diamond is the clarity, colour, cut and carat-weight. Man has his greatest influence on the diamond in its cutting. The discovery that the hardest-known stone could be cut by another diamond produced the art of diamond cutting. The skill of the cutter gives life to a rough diamond and enhances its brilliance. The classical "brilliant" cut, with its 58 facets, is still today the basis for many new cuts and forms. The correct proportion of these facets (polished surfaces) dictates the quality of the cut. And it is only when these facets are at exactly the correct angle to each other that the diamond can reveal its incomparable beauty, and radiate its unique fire.*





# Gem Diamond



*Cutting is a long and careful operation. First, the rough stone has to be studied and marked for dividing. Some stones are cleaved or split along their 'grain.' But most stones are sawed across the grain by a thin blade coated with diamond dust and revolving at high speed. Sawing even a small diamond can take hours. Then the stone is set onto a lathe and its corners are rounded off by holding another diamond against it. This is called 'girdling' or 'bruting'.*

*Next, the stone is set into a holder and held against an iron plate coated with a mixture of diamond dust and oil, revolving like a gramophone turntable. One by one, the facets are ground into the diamond, each facet set at a precise angle to its neighbours (brilliandeering). To make sure, the cutter has to stop and inspect the stone through a magnifying glass hundreds of times. If too much has been ground away, it cannot be put back.*

rough diamonds come from two sources — South Africa and Israel. Wholesalers purchase the majority of their diamonds, whether polished here or imported.

K.C. Liu, the only person from HK to sight diamonds at the CSO, is the owner of a large and modern factory in Wong Chuk Hang. The factory is equipped with 80 automatic polishing, 70 manual polishing, 10 girdling and 120 sawing machines. Over 100 workers are employed, most of them young men, averaging 23 years of age.

Mr. Liu believes that expert training together with perfect eye-sight is as important as years of experience in cutting.

'All my staff are trained to bear in mind the important principle of the optical effects in diamond cutting in order to produce polished diamonds that give the maximum brilliancy and dispersion of light. To this effect, each step in setting is carefully checked with scientific instruments in order to obtain the correct angle.'

It took a number of years for Mr. Liu to be accepted as a client of the CSO through its Diamond Trading Company Limited. Since 1972 he has attended every 'sight' of the CSO in London.

Casey's production capacity in an average month is 3,000 carats in rough and 1,000 carats in finish. Mr. Liu believes that it will take some time before Hong Kong becomes a major cutting and polishing centre. 'It is not a labour-intensive industry, requires a large capital outlay and the plant must be in a vibration-free environment.'

In the meantime, imported polished diamonds form the mainstay of the trade. On receiving an order from a local importer, diamond cutting and polishing factories select the polished diamonds on the basis of the colour, size, shape and cuts that the client has specified. These are then packaged and sent to Hong Kong by air. Insurance, almost always paid by the exporter, is hefty and for obvious reasons.

Hui Check Wing, Managing Director



K.C. Liu

of New Universal Diamond Company and Chairman of the Hong Kong Diamond Importers Association, says the association between an overseas supplier and the local importer is usually developed over many years and is based on mutual respect and trust. The New Universal companies import polished diamonds from South Africa, Belgium, the US, the UK and Israel. The group, like other importers here, sells to dealers and jewellers locally and to Asian countries.

Mr. Hui also explained the role of the DIA whose 18 full members and 60 associate members account for the lion's share in the local diamond trade.

'With diamond imports increasing and HK becoming an important diamond centre, such an association was necessary to add credibility to this new role for HK. With the DIA, we can maintain a standard for the goods imported. It also provides a forum for discussion. Ideas resulting from these



Hui Check Wing

discussions are sent to other diamond centres advising them of Hong Kong's market requirements."

The DIA is particularly vocal in the improvement of design locally. It sponsors annually a diamond design competition and has organised promotional 'Fortnights' when members placed special emphasis on their diamond range.

Another voice in the diamond trade is the Diamond Committee of the Indian Chamber of Commerce. The Indian community has played a leading part in the gemstone trade in Asia. A typical example is Asian Gem Distributors whose Chairman and Managing Director, Hiro Panjabi, is Vice Chairman of the Indian Chamber. AGD has been in the trade for three generations and has a network of offices throughout Asia. It markets Indian, Iranian and South African diamonds, and contracts at least seven different factories to handle its setting needs.

Mr. Panjabi feels that Hong Kong is ideal as a diamond centre. He believes,



Hiro Panjabi

as do many members of the Indian Chamber of Commerce, that a gem testing laboratory is needed in Hong Kong. Mr. Hui of the DIA also felt that a gem testing laboratory is desirable as long as it is administered by a government or non-profit-making body. For these reasons, the Hong Kong Standards & Testing Centre of the Federation of HK Industries set up in March just such a laboratory, employing two consulting gemologists.

Another subject that has been discussed by both the DIA and the Indian Chamber is the constitution of a diamond bourse similar to those existing in prime diamond centres. Mr. Panjabi believes that Hong Kong, from a marketing point of view, is in need of a central trading place. This would encourage the travel to Hong Kong of more diamond merchants and buyers.

The DIA has also looked into the establishment of an exchange. Mr. Hui described a typical exchange as having dealers' offices, a main exchange floor and supporting services such as banks and insurance houses. Some dealers however feel that the establishment of a diamond bourse at the present time in Hong Kong would be premature.

All dealers would probably agree that long-term planning is vital if the diamond trade in HK is to expand.

Promotion is also essential. The DIA, the Indian Chamber and the individual dealers are well into the promotion game, here as well as overseas. The trade has been further encouraged by the fact that de Beers will be taking a more active role in HK. The company has recently set up a Diamond Information Centre to support the local industry by promotion. It will be concerned with consumer education through publicity and advertising and will also play a role in staff training and design competitions.

Hong Kong's importance as a marketplace for diamond sales has already established star status for this trade. As a manufacturing centre, we have still some way to go. We can forecast with confidence however a glittering future.

GE



## The In-Tray

### Chamber News

#### 26 New Members this Month

The Chamber welcomes the following new members:—

Associated International (Hong Kong) Limited  
 Capital Import & Export Corporation Douceur Limited  
 English Sewing (HK) Limited  
 Hanwa Co. (H.K.) Limited  
 Heiwado Time Products Limited  
 Hongkong Jesco Trading Co. Limited  
 Huey Tung Enterprises Limited  
 Japan Vilene (Hong Kong) Limited  
 Kingston International Limited  
 Man Lee Plastic Works  
 Management Investment & Technology Co. Limited  
 Multiplex Industries  
 Ocean Garment Fty.  
 Outpost Limited  
 A. Senut Co.  
 Sheila's Exports Limited  
 Staflex Global (Far East) Pte. Limited  
 Tai Tung Industrial Equipment Limited  
 Tokyo Optical Co. (HK) Limited  
 Vision Exporters  
 World Impex Custom Tailors  
 WS Atkins PYPUN Consultants Group  
 YKK Co.(HK) Limited  
 Yokohama Musen Industrial Co. (HK) Limited  
 Yumy Limited

#### Carnet Fees Increase

With effect from April 12, fees for ATA Carnets have been revised to \$75 for Members and \$100 for Non-Members.

For those who need to take abroad temporarily samples of value, goods for trade fairs or exhibitions, or professional equipment of some kind, ATA Carnets can facilitate customs formalities, especially if the items are going through a number of countries. The ATA Carnet scheme now apply in 36 countries, including all of Hong

Kong's major trading partners. For more information on ATA Carnets, the easy way round all those tiresome Customs formalities, call William Wang, our Certification Manager (Tel.: 5-237177 ext. 32). The Chamber is the sole issuing authority of Carnets in Hong Kong.

#### ICC to talk on business ethics

Mr. Carl-Henrik Winqwist, Secretary—General of the International Chamber of Commerce, headquartered in Paris, will be in HK during May and will speak to members at a luncheon to be held on Friday, May 27, at 12.30 p.m. in the Hilton Hotel Ballroom. Mr. Winqwist will be speaking on ethics in business, a subject under discussion by the ICC and on which it will shortly be making recommendations concerning what it believes to be good practice.

If you're interested in attending (at \$35 per head) please call Mrs. Helen Chan (5-237177 ext. 37).



The Area Sections held their Annual General Meeting at the Furama Hotel on April 15. Mr. Nigel Rigg, Chairman of the International Trade Committee, is seen here reporting on the past year's activities to members attending.

### Trade News

#### We're Off to Berlin Again

The 15th Overseas Import Fair "Partners for Progress" will be held in Berlin from September 21 to 25. The Chamber is once again representing the Fair Authorities in Hong Kong and will be organising HK's participation.

HK has been attending the Berlin Fair for the past nine years & many exporters have attended consistently. Products which sold particularly well last year, when total business concluded at the Fair was worth HK\$1 million, were textiles, clothing, electronic calculators, watches, ivory articles, underwear, fur & leather items, travel goods, household utensils & linen,

jewellery and toys. Buyers came not only from Germany but also from France, Italy, Belgium, the Netherlands, Norway, Sweden and Austria.



A Chamber mission left for Africa on March 21. The 21-member group, who are visiting Kenya, Nigeria, Ghana and Liberia, was accompanied by the Chamber's W.S. Chan (centre, seated) and Sidney Fung who went on ahead of the mission.

### Bits & Pieces

#### Barge Conference in June

BARGECON 77, an international conference on the commercial, technical and political aspects of barge carriers, will be held at the HK Convention Centre from June 7-9. It will be sponsored by the London-based technical marine journal, Shipping World and Shipbuilder.

Speakers represent the interests of owners, designers, builders, port authorities, equipment suppliers, insurers, classification societies, management and civil engineering consultants and the academic world.

More information is available from the conference office: 21 Lewes Road, Haywards Heath, Sussex, RH17 7SP, U.K.

#### Any Summer Jobs Going?

Both the University of Hong Kong and the Hong Kong Polytechnic have implemented vocational training schemes for their students and therefore want to contact employers who are willing to provide vocational employment this summer. Undergraduates from the different faculties at the University and students from all the courses at the Polytechnic are available. If you have anything for them, please contact Miss Margaret Chan of the University's Appointments Service (5-468161 ext. 450) or Mrs. Julie Wong of the Polytechnic's Careers Section (3-638344).

# Fairchild & HK Good for Each Other

*At last month's AGM the Chamber welcomed two new General Committee members: Michael Sandberg of The Hongkong & Shanghai Banking Corporation and Richard Belcher of Fairchild Semiconductor (HK) Ltd. We also said farewell to former Chairman, Peter Foxon, who has already left Hong Kong and Guy Sayer, who will be leaving shortly. Richard's appointment follows the revision of the Chamber's Memorandum and Articles of Association last year – he is the first US national to be appointed to the General Committee for many years.*

Richard Belcher is very much pro-Hong Kong and pro-private enterprise. Hong Kong, with its flexible business environment unencumbered by red tape and its hard-working people, is his kind of city. And he hopes it will stay that way.

He told *The Bulletin*: 'I thoroughly enjoy Hong Kong. It is a modern city with a strong tempo. There's growing prosperity, to which industry contributes. There is a responsive and effective government which is neither remote nor aloof. It is a cosmopolitan city with its own unique cultural blend. Above all, there is a strong work ethic which I consider very healthy. Hong Kong people do not expect something for nothing.'

However, as Hong Kong becomes more prosperous and people's expectations grow, there is a danger that some of these virtues will be undermined and people's attitudes will change. Whether or not this happens, he says, will depend more than anything else on the role played by government.

'If people's expectations are refocused on government rather than on themselves – that is to say, on what they think government can give them rather than what they themselves can achieve through their own efforts – that, more than anything else, could



*Richard Belcher*

damage this society's standard of values.'

'The key to Hong Kong's prosperity is self-help and only government is in a position to affect this. As long as government continues to let the private enterprise system be the source of HK's prosperity, the future is bright. Indeed, the potential standard of living has no limit.'

Would he accept that government has a duty to provide some form of basic social security for labour?

'You might find this somewhat disconcerting, but my answer is no, at least in philosophical terms. History will show that as most societies have evolved, the pseudo-intellectuals have taken it upon themselves to decide that the private enterprise system could no longer provide the benefits necessary to promote the general welfare of the people. I have never seen any proof for this view. Abuse of labour can occur only when individuals are not free to choose their fields of endeavour. In Hong Kong, market forces have provided, and will continue to provide, far more effective protection to labour than government.'

Labour legislation is a subject on which Richard Belcher holds firm views. He is one of Hong Kong's largest employers and a member of the Labour Advisory Board. What concerns him – as he puts it – 'is the inclination of governments to take personal decisions out of the hands of individuals.'

'Whilst any government must legislate basic standards of worker protection, I find the recent trend toward reducing worker prerogatives to be a little worrying. The Government is, in effect, saying "We are better able to

judge what is best for you than you are yourself." It is an affront to any worker to tell them that regardless of their own preference and their own self-interest they are prohibited from say, working more than so many hours per week or taking cash payment in lieu of paid annual leave.'

'One of the things that guarantees continually improving working conditions in HK is the fact that the labour supply is naturally limited. One cannot attract workers unless one continually improves working conditions. If I were to instruct my employees that I required their attendance in the factory for 12 hours a day, how many workers do you think I would have? The answer is very few.'

'Overly restrictive labour legislation reduces the number of choices available to workers and it displaces the natural economic forces that ensure a continued improvement in the standard of living. Whose interest does this serve? Certainly not the workers', since it reduces the number of options available to them.'

#### Bad Times

Market forces can be relied upon to lead to improvements in working conditions and living standards when business is good. But what happens in times of recession, as in 1974/75? Isn't it the worker on the shopfloor who suffers most? Shouldn't he be protected in such circumstances?

'There are two ways of answering your question. First of all, you suggest that the worker on the shopfloor suffers most. But how would you guard against this? With social security systems, paid for by whom? First, government would need to increase taxes to subsidise the living requirements of people who are out of work.'

'Then government has to decide who should get this money. Once this door is opened the logical consequence of this type of programme can be seen in many countries today. It has weakened the very fibre and core of some societies and bankrupt countries in the process.'

'Now to answer your question as it relates to Hong Kong, let us look what happened here in 1974/75.'

'If a company has a long term commitment to HK and it wishes to maintain a reasonable reputation it needs to ensure that its retrenchment actions do not make it a less attractive employer in future. It cannot hire massively one year and layoff massively the next — if

it does, working people will avoid it. So one alternative is to shorten the work week during the recessionary period — including top management, since we're all in the same boat. This is what we and a lot of other local companies did in 1974/75 when our businesses were affected by the recession. I think in this regard Western companies can learn from traditional Chinese practices. And this is not altruism. It makes good economic sense.'

'What I'm saying is that the private enterprise system is better equipped to respond even to economic cycles, and certainly it is preferred to inflexible and costly government action. In other words, it's far more efficient and cost

their facilities when this is no longer a particularly low-cost territory?

'Fairchild's initial decision to come to Hong Kong 15 years ago was based, quite frankly, on the fact that labour here was inexpensive. This is certainly no longer true, but our commitment to Hong Kong was never transitory. The nature of the operation has changed and the operation is maturing. We have made considerable investment in mechanization and automation and will continue to do so in future. Also, an important part of our market has developed locally, communications and banking services are excellent and, most important, a technically capable infrastructure now exists such that



*The Fairchild Factory in Kwun Tong.*

effective for the individual or the family to take a proportion of their regular compensation and set it aside for their own use in times of need than for government to tax, subtract its costs of administration and then redistribute what's left according to its own standards.'

#### Not automatons

'I have an abiding confidence in the ability of people to provide for themselves. People are not automatons. They're not the victims of society, unless they choose to be.'

With regard to Richard's own company, Fairchild Semiconductor (HK) Ltd., what made the company choose to establish production facilities in Hong Kong? And perhaps more to the point, why do they choose not only to remain here but to expand

Fairchild HK is a contributor to the development of our products for the market place. And when one is contributing on a technical level the justification for expansion is logical.'

'In addition, there are the things I mentioned earlier — HK is a relatively easy place to do business with minimal government intervention and red tape, so we enjoy a high degree of flexibility.'

Finally we asked, how does it feel to be the first American to be appointed to the Chamber's General Committee for many years.

'It is a tremendous honour. I consider the Chamber to be the most important and efficacious representative of the business sector in HK. And I have great respect for the individuals who sit on the General Committee.' MP

# CALTEX



Looking  
good,  
all around  
Hong  
Kong.



# 全面出動

本會五月份海外促進活動規模相當巨大，日程也極繁忙。

本會有一個由二十人組成的貿易團正在非洲訪問肯雅、尼日利亞、加納及利比里亞四國。本會二名行政人員陳煥榮及馮棟澤隨團前往，提供協助。

而陳煥榮隨同本會與貿易發展局聯合組織的十六人貿易團訪問阿拉伯地區，甫於四月份返港不久。據報，該團在中東訪問期間獲得巨額定單，成績可觀。

接着，紐璧堅先生率領香港數大船公司高級代表團離港飛赴倫敦，與英國工業部會談。該團將與英國官員商討購買英國船舶的具體方式，預料香港會對英國造船公司增加定單。

瑞典公司古勝祥先生則率領香港四大百貨公司高級代表團，前往英國採購英國工業製品。

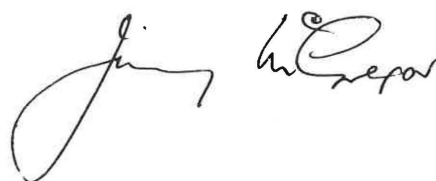
香港百貨公司代表團及香港船公司代表團，均由本會及英國駐港商務專署與英倫政府有關部門聯合組織。戈銳非斯隨同該兩個代表團訪問英國，預料將十分忙碌。

本期「工商月刊」面世時，本人將率領工業投資促進團，三度訪問澳洲。此次日程安排極為繁忙，預定訪問五十多間澳洲工業公司。

訪問澳洲之後，本人將前往紐西蘭的克利斯徹治，與數位香港工商界人士一起參加太平洋地區經濟理事會年會。會上將要討論是否可由香港主辦初定一九七八年五月舉行的亞洲工業投資會議。本人對此極有興趣，但是有許多問題需要考慮，並且須要向許多組織諮詢——香港還必須詳細考慮主辦的經費！

綜上所述，本會五月份的工作計劃確實可謂全面出動，豐富多彩。

本會辦事處的職員則全力為海外活動提供各種籌備、組織、支持及宣傳等服務，工作量極大，因此也十分繁忙。



## 執行董事 麥理覺專欄

# 迅速擴展及日益成熟的金融中心——香港

「本人想簡要評述香港經濟發展成熟的新階段。香港從傳統的轉口港轉向發展工業經濟的標誌可說是貿易的禁運，而香港開始成爲金融中心的標誌則可說是股市的危機。此次金融危機不僅使股價飛漲，而且使百物騰貴，結果更加重了近年的經濟衰退，反映香港必須調整已與各競爭鄰國嚴重失調的成本價格結構。但如今香港已有迅速擴展及日益成熟的金融業，包括七十四間持有執照的銀行，一百七十九間接受存款的註冊公司，已成爲世界四大金市之一及亞洲主要股市之一，還有期貨交易所也將開始營業。本人還要指出，最近數月以來本港內外許多人極爲關注外國機構發行港幣面額債券，爲此本人已成立一個工作委員會，由貨幣事務司出任主席，研究該等機構此種做法是否會影響本港金融及稅收，並向本人提出諮詢意見。」

上述評論引自財政司夏鼎基在立法局發表的一九七七至七八年財政預算案建議報告書，表明港府承認香港已發展成爲金融中心，香港經濟已有三大支柱——工業、貿易及金融。

## 金融中心 近趨成熟

也有人認爲香港早已是金融中心，港府的承認未免姗姗來遲。但事實上，香港確是直到最近幾年，尤其是港幣脫離英鎊後，才能在金融業方面自立門戶。

香港雖然歷來保持對外收支順差，但港幣從來沒有成爲國際「儲備貨幣」，甚至支付對外貿易在過去也受到嚴重限制。近數年來，港幣已成爲貿易貨幣，可在世界所有主要貿易國家及許多次要貿易國家購買。港幣在國際上使用的範圍日益廣泛，港幣的兌價也隨之日益升高。

嚴格而言，港幣的國際地位提高與香港成爲金融中心，並無直接關係。甚至在英鎊區解體之前，香港與遠東其他城市相比，已是較先進的金融服務中心。

這應歸功於香港歷史悠久的轉口港地位；港府政制自十九世紀中葉以來一直保持穩定，也促使商業服務，特別是銀行服務，不斷發展繁榮。香港沒有經歷亞洲許多國家發生的政治動亂；香港沒有中央銀行也杜絕了其他發展中國家輒由政府操縱銀行的弊端。與此同理，香港也不會像有些已發展國家那樣濫發貨幣以刺激經濟，因爲香港經濟不像資源豐富的大國，全受國外市場法則的控制。

此外，香港銀行業還一貫效法英國銀行業。不論英國經濟現狀如何受到批

評，英國銀行業仍被公認爲全世界最健全的銀行業。

## 經濟繁榮 金融發展

然而，香港金融業在很長一段時期中，與國際標準比較，還相當狹窄。例如，香港證券交易所雖然成立於一八九一年，但在一九七〇年以前，除少數本港富翁外，大多數市民均不感興趣。同樣，許多在紐約、倫敦或蘇黎世早已司空見慣的金融「票券」在香港也仍罕爲人知。

但是，香港經濟的不斷發展及港幣的日益堅穩，證明香港已具備了發展成爲金融中心的一項先決條件——信心。香港不像百慕達之類的人爲海外樂園，並沒有刻意追求金融中心的地位。香港的金融業是隨着整個經濟的發展而自然發展起來的。

寶源投資有限公司常務董事畢曉甫先生對本刊指出：「香港朝金融中心的發展，大都是因爲貨幣匯兌自由，地處國際中樞，又有發達的銀行財務業。這種發展依靠本身的基礎，產生本身的動力。」

萬國寶通銀行地區副總裁夏士菲先生亦持同見：「本人認爲，香港如不先成爲製造工業中心，就不可能成爲金融中心。但香港既然已經朝此一方面發展，就不論有無工業基礎，均會繼續發展成爲一個金融中心，爲香港提供一個新的發展途徑。」

香港上海滙豐銀行總經理包約翰先



包約翰先生

生指出：「香港不再祇是追隨潮流，已逐漸可以創造潮流了。所以，香港的國際聲譽已大爲提高，當然目前的規模按世界標準而言仍屬甚小。」

此種發展，首先使本港銀行逐步獲得經營金融中心所必需的技術及經驗，其次則吸引許多國際大銀行近年紛紛來港設立地區總部。許多是日本跨國銀行，將香港作爲主要貿易基地之一，而在香港經營大量海外貿易。但包約翰先生指出，東京是否會加以限制而改變此種情況，目前尚未明朗。

## 匯集資金 供給急用

然而，究竟「金融中心」的含義是什麼呢？舉出一二實例，倒並不困難；但要下一個確切的定義，却並非易事。

據包約翰先生解說：金融中心應有對金錢的充分供給及需求，從而形成一個金融界，調節資金的流動，使之符合整個社會的最大利益。換言之，金融中心是人們進行各種財務交易以求相互滿足的場所。

本刊訪問的金融界人士，也持有大致相同的界說，可以綜合成下列定義——金融中心是能匯集多餘資金以投入迫切用途的城市。

上述定義也許有些膚淺，但確實有助於透徹瞭解。金錢，就像棉花、鐵礦及橡膠一樣，在天然狀態下對人類並無用處。棉花要經過紡紗、織布、染色及製衣之後，才能爲人穿用。這些過程均不在棉田進行，所以棉花先要運到紡織中心加工。金錢也有類似的現象。

任何商人均會同意，袋裏的錢只有使用才有價值——或是用於衣食住行的直接消費，或是用於未來計劃。個人暫時不用的餘錢，通常存入銀行。但這些錢所以對銀行有用，是因為銀行可以借錢給另一些急需資金但卻無法籌措的人。所以，銀行的最簡單功能是一種經紀業務——做有餘錢無急用的人與有急用無資金的人之間的中間人。

不言而喻，金融中心要比上述的單純「消費者」銀行遠爲複雜得多。金融中心必須具備能聯絡資金與使用人的各種值得信賴的機構。關鍵是「各種值得信賴」的機構，所以上文曾提及金融中心的必要前提是確立信心。

不僅整個經濟要健全穩定予人信心，而且接受資金的「各種」銀行機構也要樹立信譽。

金融中心與其他經濟中心的區別，還在於金融中心必須具備各種各樣存放基金的金融機構及金融「票券」。

## 銀行總數 世界第二

與世界第一金融中心倫敦相比，香港目前有那幾種金融設施呢？

首先，香港有七十四間持有香港執



照的銀行，可以分爲四類——發行港幣的銀行，中華人民共和國直接控制的銀行，其他本港華資銀行及跨國銀行。

發行港幣的銀行及其附屬銀行擁有大多數存款。這些銀行對貸款政策必然比較審慎，所以其週轉資金往往會大大超過法定的百分之二十五起碼限額。

香港銀行業的一大特點是存戶的分佈。從前，東南亞各國的華僑一直要把起碼一半資產存作港幣。有人估計香港主要銀行的一半存款仍爲海外存戶擁有。而從前，主要銀行也要將大部份周轉金存在海外，因爲香港沒有適當的金融機構。但後來，持有香港執照的銀行已成爲東南亞各國借款的主要來源，補足了新加坡作爲亞洲美元存款中心的作用。

從銀行業一九七六年底與四年前的比較統計，可以看出上述發展的巨大影響。在此期間，海外銀行的存款增加百分之四百零八，存放海外銀行的款額增加百分之一百三十三，海外貸款激增百分之一千一百零八，而海外投資及其他資產則增加百分之一百三十四。相比之下，本港貸款只增加百分之七十七。

除領牌銀行外，近年來商人銀行或投資銀行大量增加，主要經營抵押及分期付款貸款服務的財務公司也紛紛開設。

上述所有吸收公衆港幣存款的金融機構，均須向銀行業務監察專員註冊，並遵守接受存款公司法例。該法例規定，可接收每一存戶的存款，起碼爲五萬港元；而可貸給每一客戶的貸款，則不得超過公司資本的四分之一。有些「商人銀行」其實等於是不能領到商業銀行執照的外國銀行的放款分行；另一些還經營聯合貸款、外匯服務、租賃、投資管理以及包銷股票。

### 長期資金 短期熱錢

顯而易見，外匯市場在香港銀行財務業中所佔的地位，比在其他較大國家的地位要大得多。

在現金交易方面，外匯市場的主要參加者均是大銀行及大財務公司。所有貨幣的交易，均逕由美元折算。押匯市場並未爲香港工商界廣泛使用。香港上海滙豐銀行已建議，押匯不得超過入口的百分之十五及出口的百分之十。當銀根緊縮時，外國銀行及財務公司往往要從海外總行或其他國際基金組織借來外幣出售以滿足其港幣需要。

影響外匯市場的因素還包括外國公司在香港分公司的直接投資，港府及地下鐵路向外國銀行的長期借債，香港居民及居住海外的香港人之間的股票或債券交易。外國公司在港直接投資的累積淨額共約十七億港元，每年增長百分之二十。香港公司在海外的投資則總值更大，增幅也更大。證券交易會有很大影

響，但却難以預測。

短期資本包括流入流出香港的「熱錢」，美元資金的流入，貿易差額的支付，外匯基金對匯率的調整。由於短期資金的流動大多數是爲了預防損失，所以上述任何因素對收支均影響極大。

本刊訪問的銀行界人士均認爲，「熱錢」的影響力雖然不小，但也有些被誇大了。

「熱錢」的流入如果正逢銀根鬆動時期——目前正是如此（本港銀行存款目前只放出百分之四十三）——就可能對經濟不利。外國資金的流入如果正逢銀根緊縮時期——例如三、四年前的情況——就有助於本港經濟。

### 錢股金期 四大市場

香港的貨幣市場可分爲兩個主要方面（不包括公司之間往來的小市場）。第一個是銀行同業之間的市場，包括二十四小時拆款，通知拆款或較長期的拆款，但六個月以上的就極少。發行港幣的銀行及其他本港銀行却是放款銀行，而外國銀行則是借款銀行。同業二十四小時存款及通知存款仍視作流動資產。

第二個方面是財務公司之間的存款市場，存期從短期通知到六個月以至一年不等。持牌銀行向此一市場放款，但借款則必須受限制，不礙違背銀行利率協議。

香港的資本市場主要是股票市場，但近年來由於港府及地下鐵路借入長期債款，已擴大了範圍。部份借款當然來自海外。



貿易——仍將居主導地位

香港的其他金融市場中，最重要的是黃金市場。財政司指出香港金市已名列世界第四位。香港當然亦是重要的保險市場。因爲香港政府沒有保險控制機構，所以缺乏確切統計。但香港的保險市場極爲可觀，包括出口保險、輪船保險、意外保險及人壽保險等。由於香港有競爭力，許多保險業務都來自海外。

最後，還有新成立的期貨交易所，無疑會增加香港金融票券的種類和範圍，但效果如何還有待於觀察。

### 滙豐近似 中央銀行

香港成爲金融中心，有兩項因素最

爲重要。第一是沒有中央銀行或稱爲「最後手段的放款銀行」，第二是香港的外匯市場極爲重要。兩者有所關連。

大多數國家中央銀行的調節職責，在香港則由銀行業務監察專員行使。制定貨幣政策及改變貨幣發行的職責，則由財政司承擔，但範圍相對較小，因爲香港經濟受外來因素的影響特別大。

嚴格而言，中央銀行的另一項主要職責，即作爲「最後手段的放款銀行」，在香港並不存在，因爲香港並沒有國庫債券，也沒有銀行票據或商業票據的市場。

然而，香港上海滙豐銀行已承擔了中央銀行的許多職責。除發行貨幣外，還有作爲票據交換所及最後手段放款銀行。如一九六五年，香港發生嚴重的提擠銀行風波，滙豐銀行就挺身而出，挽救了恆生銀行。但滙豐銀行並不規定利率——利率是由外匯銀行公會規定的。而最近的事例表明，最低利率不必永遠劃一。

滙豐銀行承認與港府保持「經常和密切的聯絡」，當然也要對全體股東負責。看來，滙豐銀行實施中央銀行的職責使各有關方面都感到滿意。

但是，據說如果香港的經濟情況可使銀行獲利，沒有中央銀行就無法制止資金供給過份增長。此種見解在理論上可以部份成立（但却忽視財政司有權增加公共開支對貨幣的需求，就可發生效果）。但在實際上，銀行決不會大量吸入外國資金，而使港幣過份貶值，否則客戶不會接受，最後連銀行本身也不會接受。

### 未來發展 更臻健全

香港金融業今後將會如何發展呢？首先，香港毫無疑問將會繼續作爲海外華人的銀行中心及北京的海外銀行。中國最近宣佈的長期貿易目標，令人確信香港的上述作用將會有增無減。

第二，主宰香港經濟的輕工業消費品出口貿易不會遽變，而海外市場也會繼續繁榮。但香港工商界的特點是出口貿易極少採用押匯。所以貿易發展雖然將繼續增強香港的金融地位，但商業票據的市場似乎不會有顯著的增長。

然而，可以預料政府會增發債券。香港雖然歷來避免赤字預算，但現任財政司已屢次表示不反對爲了正當計劃而舉債。鑒於港府制定的龐大社會發展計劃，借債的可能性已經增加。預料香港金融界對於港府借款會大表歡迎，因爲此舉會使本港出現新的金融票券，從而加強香港貨幣市場的穩定性。

香港股票市場已更臻成熟，一定會繼續穩步發展。目前的合併交易所建議也會帶來利益。但由於香港的工業較爲

集中，上市股票的種類亦就比較狹窄。就國際範圍而論，香港市場能提供的機會仍屬有限。而期貨交易所的影響如何，當然現在還言之尚早。

另一項極有影響力的主宰因素是香港的稅制。第三屆稅務條例審查委員會提出建議書以後，港府目前正在檢討香港的各種賦稅。該委員會建議的各項修改如予實行，對於某些金融業務及其他工商行業（尤其是船務）的不斷盈利，肯定會有影響。

該委員會建議，現有稅制估算在香港或從香港產生的利潤，應予修改擴大。港府當然有意增加收入，而有種觀點認為以香港為基他的公司確實也應與普通工商業一樣繳交利得稅。

但是，抽稅範圍擴大，可能減少某些銀行業務的吸引力。以往的經驗表明，目前的利息稅已經影響香港在亞洲美元市場的活動能力，不過包約翰先生認為此種影響並未妨碍資金流入香港。

#### 統籌兼顧 造福社會

最後，香港究竟可從金融業發展中獲取何種利益呢？

這個問題包括許多相互影響的因素，所以很難確切問答。然而，財政司預算報告所附的說明中有一個最簡明的答案：香港全港總產值的百分之二十來自於金融服務業及地產業，是本港第三大

收入來源，僅次於製造工業及批發零售業。但金融服務業及地產業的僱員却只佔全港就業人口的百分之三，而製造工業則佔到百分之四十五。換言之，金融家與工業家不同，並不製造許多就業機會，但却無疑創造社會財富。

港府有意擴大香港稅例的範圍，當然也能獲致利益。但必須統籌兼顧，一方面政府可以在金融業創造的財富中抽取稅收，另一方面也不要對金融業殺雞取蛋。

香港成了吸引外國資金的金融中心，既有利益，也有危害。一個不利的後果就是港元大為升值。香港首先是貿易及工業中心，而且今後很長時間仍將如此。港幣過於強勢，會使出口貿易失去競爭力，最後迫使出口商行結束營業，香港就得不償失了。

包約翰先生指出，香港抵制港幣不斷升值的唯一武器是降低利率，滙豐銀行上月已將最優利率降至四厘七五，已使港元暫告回軟。但降低利率不是一個完善的解決辦法。

夏士菲先生指出：「降低利率也許能暫時緩和增值速度，但很快就失去效用了。只要香港的通貨膨脹率比美國低，而全港總產值的增長率比美國高，港元對美元的兌價勢必會繼續增值。事實上，非共產國家的政府均曾試圖控制本國貨幣的幣值，但無一成功。如果提取



夏士菲先生

儲備金以穩定幣值，更只會加速危機。」得期遠東有限公司執行董事普林時先生表示：如果銀行對存款，不僅少給利息，反而要抽取利息，就一定立竿見影，迫使所有存款立即流出銀行。但流入香港的資金不全存在銀行生息，有的投資股市或其他用途，有的資助工商業經營。

最後必須指出，香港的發展也許大多取決於一項港府及任何金融機構均無法控制的因素——香港金融業對海外華人及中華人民共和國的重要性。沒有此一因素，香港的工業、貿易、銀行等一切均將無法存在。

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# 世界金融中心——倫敦簡介

世界金融中心的典型仍是倫敦城。評述倫敦城的書籍已數不勝數，本刊無意再加詳述。（為不熟悉倫敦的讀者順便一提：倫敦城既是地理上的又是經濟上的地區名稱，本文所述大都是在英國銀行周圍方圓一哩的地區內。）

倫敦城中最多的機構就是銀行，包括一般的票據銀行，以及英國稱為「商人銀行」而美國稱為「投資銀行」的銀行。兩者的區別並非一清二楚，有些業務更無甚分別。當然還有其他各種次要的銀行。

所謂票據銀行當然是大銀行（如栢克萊銀行、密德蘭銀行及西敏士德國民銀行等），又可稱為消費者銀行，可供普通人存款借錢。當然，大銀行又向大公司提供億萬鉅額貸款，就和普通人沒有甚麼關係了。但商業銀行就不會有普通人出入大門，只為大公司提供貸款服務。然而，這並非表示商人銀行的資本比消費者銀行大，事實恰恰相反。商人銀行的作用類似中間經紀人，主要功能往往不在於金錢，而是財務專業服務，由專家向外界籌集資金，以滿足借款人的需求。

商人銀行的典型業務是為首次上市或擴大資本的公司發行及包銷股票。其他業務從私人投資顧問服務直至「承兌票據」商業貸款，應有盡有。而許多消費者銀行也同樣提供此類服務。

倫敦城的重要活動是其貨幣市場。

而英國銀行則是中央銀行，或稱為「最後手段的放款銀行」。

貨幣市場的功能主要是為暫不使用的資金提供存放的場所。投資股票市場、購買政府債券或資助物業發展的資金，往往在相當時期不會作其他用途。而隨時都要使用的資金就不適合此類投資用途，此種短期資金只能暫時存入貨幣市場。

根據功能不同，貨幣市場通常分為主要機構及次要機構。主要機構通常指財雄勢大、信譽超卓的大銀行。次要機構則指專門提供分期付款貸款的財務公司及規模較小的商人銀行。近年來，某些金融中心的次要市場靠「借入短期資金，放出長期貸款」而一度過分蓬勃，違背銀行業的基本道德，令人深表關注。

在許多金融中心，影響貨幣市場的一大因素是政府本身的借貸需求。所以，政府債券流行市面。在倫敦，票據經紀人在所謂的折扣市場可說舉足輕重，雖然由一般銀行平衡收支，但歸根結底還是依賴英國銀行的支持。所以，英國銀行就成了「最後手段的放款銀行」了。

「商業票據」在貸款市場上也佔重要地位，包括承兌票據、貿易信用證等。票據經紀人收購時要打折扣，所以稱為「折扣市場」。

資本市場與貨幣市場不同，只籌集與存放長期資金。資本市場最重要的方面當然就是證券市場。倫敦城最享盛名

的金融機構就是倫敦證券交易所，但僅此一家，不像香港有四所。

許多城市雖有證券交易所，但並不能成為金融中心。英國的曼徹斯特及伯明翰即是二例。二者均是著名的工業城市，但都不是金融中心。所以，一個證券交易所要奠定金融中心的基礎，必須能吸引海外資金投資購買當地（本區或本國）的股票。倫敦就是典型範例，具有極大的吸引力。

倫敦還有其他種類的金融機構。當然，有一個期貨交易所，還有一個黃金市場。此外，保險公司的業務不僅是提供保險及賠償損失，而且要為保險費妥為投資；所以保險市場也應視作金融中心的組成部份之一。保險公司的資金如今大量作為工業的資本。（猶如工會的資金也用作工業的資本！）

上述是關於各種金融機構的簡介。至於倫敦金融中心各種不同的金融「票券」，可謂包羅萬有。從最簡單的傳統有價股票、政府及工業公司的債券、各種商業文件（信用證等折價兌現），直到最高級的存款證及歐洲美元基金票，應有盡有。一一介紹就要成為長篇專論了。

本文只是說明，已發展成熟的金融中心應能提供種類繁多及不斷演進的金融票券，以最能升值的方式吸引資金大量流入。

## 香港——世界第三位鑽石貿易中心

無論是新婚淑女、名流貴婦或花街神女全部喜愛鑽石，但她們都不會由此聯想起香港。在東方已擁有大量讀者的伊安·富來明「永恆的鑽石」，描寫的背景不是香港，而是阿姆斯特丹及南非。根據小說改編的電影「鐵金剛大破鑽石黨」，拍攝外景是在拉斯維加斯，也不在香港。

### 香港名列 世界第三

香港鑽石貿易之所以藉藉無名，並非完全是無意造成的。鑽石是高價商品，涉及的保險及保安費用極為可觀。因此，大多數鑽石商相信：鑽石買賣被人談論得越少越好。然而事實上，香港是全世界第三位鑽石貿易中心，僅次於美國及日本。而在鑽石加工方面，香港也



大行鑽石加工廠一角

僅次於安特衛普、紐約、倫敦及坦拉維夫四大中心。去年，香港入口磨光鑽石十億五千一百萬港元。以色列是本港最大的供應國，入口總值達三億一千一百萬港元。美國佔第二，隨後依次為比利時、印度、南非、英國、荷蘭及瑞士。

香港的鑽石轉口貿易也日益增長，相當可觀。一九七六年，轉口總值達三

億零一百萬元。最大的轉口市場是日本，達一億八千一百萬元，佔轉口總值的四分之三。隨後依次為新加坡、澳洲及馬來西亞。

磨光加工後的鑽石也轉口輸往供應國，但總值很難估算。例如，轉口輸往美國的鑽石總值二億七千二百萬元，相當於從美國入口總值的百分之五十七。比利時及以色列等供應國也轉而從香港入口大量鑽石。

### 香港工藝 享譽全球

香港的鑽石首飾加工工業也已有多年歷史，而且因為設計精美且工藝精緻而已享譽全球。鑽石不僅是女人的心愛寶物，而且是首飾工匠引以自豪的工藝結晶。所以本港居民和外國遊客都樂意購買鑽石，同時也作為一種保值的投資。去年，來港遊客總數超過一百五十萬，而鑽石的本港銷量則達七十八萬六千七百四十五克拉（一安士等於一百四十二克拉），價值八億四千九百九十萬元，比一九七五年增加百分之二十三。

只要在港九的購物區略為留意一下，就可發現香港首飾業的發展規模。香港每平方哩內開設鑽石金銀珠寶首飾店的數目大概冠甲全球。

世界各國將鑽石輸入香港，均不必付稅。而許多國家，包括著名的鑽石業中心，都要抽取鑽石入口稅。

香港的財務業及保險業極為發達，為此種億萬元的鉅額交易提供了資助。香港的交通運輸業四通八達，則可安全迅捷地運送此種全世界最珍貴的寶石。但鑽石商人承認，香港還須大力發展，才可與傳統的鑽石中心一較高下。

### 倫敦組織 控制全球

鑽石買賣的國際中心是倫敦。天然及加工的鑽石均由中央售賣組織控制市場及價格。該組織由執世界鑽石業牛耳的戴·彪士公司創設。中央售賣組織的倫敦總部，將鑽石按級別及質素分為二千多種。

金融時報最近有篇專文稱中央售賣組織為「唯一真正成功及持久的某種商品的市場控制體系」。該組織決定鑽石自天然至車磨的各種價格，並在需求降低時維持購量及調高價格以保護鑽石開採商。此種措施證實卓有成效。該組織從而控制了世界鑽石生產的百分之八十，而且從未降低鑽石的售價。其餘百分之二十則逕由各國組織或小鑽石商出售。

過去十多年中，鑽石的世界總產量一直維持相當的穩定，一九七五年則達四千九百三十八萬克拉。主要產鑽國為扎伊爾（一千七百萬克拉）、蘇聯（一千二百萬克拉）、南非（七百八十萬）、博茨瓦納（二百四十一萬）、加納（二百二十五萬）、西南非（一百七十四萬）

、塞拉利昂（一百四十三萬）及安哥拉（七十五萬）。一般而言，其中高級鑽石所佔的比例相當小。

### 以國工匠 發揚光大

中央售賣組織每年定期舉行十次「展售」，邀請世界一流鑽石商觀看一批新鑽石並當場成交。香港只有一位鑽石商經常應邀出席中央售賣組織的展售。他就是啓時鑽石有限公司的董事長廖桂昌先生。

購得天然金剛石後，下一步就是切割琢磨，也就要講到坦拉維夫了。雖然安特惠普及紐約均是鑽石貿易的主要中心，但坦拉維夫已迅速發展成為鑽石的切割琢磨中心。去年，以色列出口磨光鑽石價值七億一千多萬美元，成為以色列的重要出口行業。

坦拉維夫成為鑽石中心，其實也並不令人驚奇。歐洲鑽石業歷來由猶太人經營；因而鑽石切割琢磨的工藝及經驗也逐漸移往以色列而發揚光大。而以以色列政府也一直大力支持鑽石加工工業。

### 香港發展 鑽石加工

香港也已經開始發展鑽石加工工業，目前已有三間鑽石切割琢磨工廠。全港第一間是附屬於大行珠寶公司的香港鑽石廠有限公司。大行是香港主要鑽石公司之一，由蕭家三代相傳，歷史悠久。如今董事長是蕭健榮先生。大行用天然金剛石的百分之八十來自南非及以色列兩國。而磨光後的鑽石則大都售給批發商。

香港唯一有幸出席倫敦中央售賣組織「展售」的廖桂昌先生擁有的啓時鑽石有限公司，是一間大型的現代化鑽石工廠。全廠共有一百二十架鋸切機、十架磨角機，八十架自動磨光機及七十架手動磨光機。僱用工人一百多名，大多數是青年，平均年齡約二十三歲。



蕭健榮

蕭健榮先生認為加工鑽石需要專業的訓練、健全的視力及豐富的經驗，三者缺一不可。

廖先生認為加工鑽石需要專業的訓練、健全的視力及豐富的經驗，三者缺一不可。本公司全體工人經過訓練，均瞭解在加工鑽石時必須配合鑽石的光學效果，才能磨出光彩四射、華麗眩目的鑽石。所以，每一個加工件的固定，均須用科學儀器仔細檢查，確保車面角度絕對精確。」

廖先生經過多年努力，才成為中央售賣組織的客戶。自從一九七二年起，廖先生出席每次中央售賣組織的倫敦「

展售」。

啓時鑽石廠目前平均每月的產量是三千克拉半成品及一千克拉成品。廖先生認為香港還需要若干年努力才能成為世界主要的鑽石加工中心。鑽石加工工業不需要大量勞工，但却需要大量資本，而且工廠必須有避免振動的環境。

廖先生曾在美國寶石學學院修讀訓練課程，是一位資深的鑽石鑑定分級估價專家。廖先生的僱員均先由英國匹麥狄克鑽石機械公司六位工程師加以訓練。

### 二大商會 促進貿易

鑽石加工廠接獲香港鑽石入口商定單後，就依據客戶指定的色澤、重量、形狀及磨面，選出磨光的鑽石，包裝妥當，用空郵或空運送來香港。不言而喻，此種貨品一定需要投保鉅額保險費，而且總是由出口商支付。



許爵榮

香港鑽石入口商會主席及新宇宙鑽石入口公司董事總經理許爵榮先生表示，海外供應商及本港入口商之間的協會，需要在相互尊重信任的基礎上，經過多年的努力才能建立起來。新宇宙公司從南非、比利時、美國、英國及印度入口磨光鑽石，一部份在其屬下的三間零售店出售。

鑽石入口商會共有十八位正式會員及十位預備會員，足以代表香港大部份的鑽石業。

許先生闡述了鑽石入口商會的功能：「隨著香港入口鑽石日益增多而逐步成為鑽石業中心，就必須成立此一商會來迎合需求。香港鑽石入口商會旨在維持入口鑽石的質素標準，同時經常開會討論研究，並將會議結果函達其他鑽石業中心，表明香港的市場要求。」

香港鑽石入口商會還大力促進香港鑽飾的設計，每年主辦鑽石設計比賽；並曾舉辦「鑽石雙週」，由會員公司展出各種鑽石精品。

此外，印度商會的鑽石業委員會也十分積極。印度商人在亞洲珠寶貿易中扮演重要的角色。印度商會的副主席，就是亞洲珠寶貿易行的主席兼董事總經理希羅·龐渣比先生。該行已有三代歷史，分行遍及亞細亞各國，經售印度、伊朗及南非的鑽石，並有七間工廠簽約加工。

### 長期計劃 拓展市場

龐渣比先生相信香港是理想的鑽石業中心。他與印度商會許多會員均主張，香港應成立鑽石珠寶檢定實驗所。許爵榮先生也持此見解，並認為須由政府

部門或不牟利機構經營。有鑒於此，香港工業聯合會標準及檢定中心已於今年三月成立一個鑽石珠寶檢定實驗室，聘任兩名寶石專家。

香港鑽石入口商會及印度商會均曾探討香港可否向世界其他鑽石中心看齊，成立鑽石交易所。龐渣比先生相信，香港爲了拓展市場，確實需要一個集中的交易所，可以吸引更多鑽石商人及買

家前來香港。

許先生認爲，鑽石交易所最好有一、兩層樓作爲商人辦公室，有一層樓作爲交易所，還應有銀行及保險公司等設施。但也有些商人認爲香港成立鑽石交易所的時機尚未成熟。

香港的鑽石貿易如要拓展，必須有長期的計劃及積極的促進。香港鑽石商會、印度商會及衆多鑽石商人均已積極

開展本港及海外的促進活動。與此同時，戴·彪士公司最近已在香港成立鑽石資料中心，協助本港鑽石業從事促進工作，運用宣傳及廣告以教育顧客，並將積極參與職員訓練及設計比賽活動。

※ ※ ※

香港在鑽石貿易方面業已樹立了國際地位，在鑽石加工工業方面則還有待於繼續努力，但前景顯然是燦爛輝煌的。

## 天然精華與人工藝術的結晶

地球上開採出來的天然金剛石中，適宜加工成鑽石的還不到百分之二十。其餘的金剛鑽只能用於工業用途，切割或磨銑金屬、塑料及陶瓷。

每一顆鑽石的價值各各不同。評定鑽石質素的標準，主要是其重量（克拉）、淨度、色澤及加工鑲嵌技術。前三者均屬天然形成，只有後者才是人爲的結果。金剛鑽號稱最堅硬的寶石，直到發現金剛鑽可以相互琢磨後才產生了鑽石加工鑲嵌的藝術。傳

統的五十八面形車鑽法，至今仍是許多新車法及新款式的基礎。車面的比例是否精確勻稱是車鑽技術質素優劣的關鍵。只有當各車面保持精確的角度時，鑽石的獨特內在美才會顯示出來，大放光華。

車鑽是一項既耗時間又費心思的技術。首先，要對天然金剛石仔細審視後劃上切割線。有的金剛石是沿着“石紋”割裂開來，但大多數是不理石紋而用一把塗着鑽石粉的尖利圓刀快

速轉動鋸開來。鋸開一粒小鑽石也要費時數小時。接着，就固定在車床上，用另一顆鑽石來「磨圓」棱角。

然後，再放在一個塗上鑽石粉及油的混合物的鐵板上，像唱針一樣轉磨。於是，一個個車面就漸漸形成了。在操作過程中，要頻頻停下數百次，用放大鏡檢查車面及角度。一旦磨去太多，就再也補不上了。最後，天然金剛石終於變成了閃閃生輝，光彩奪目的鑽石。

## 快捷與香港攜手共進——訪戴寶麒先生

本會四月份的週年大會選舉了兩位新理事——香港上海滙豐銀行的沈弼先生及快捷半導體（香港）有限公司的戴寶麒先生。本會並歡迎了已經離港的本會前任主席霍沛德先生及即將離港的沙雅議員。戴寶麒先生是繼本會去年修改章程後被選任爲本會理事會理事的首位美國公民。本刊特此訪問戴寶麒先生（下期則訪問沈弼先生）。

戴寶麒先生極口稱讚香港，大力主張私人企業制度。香港有極富彈性的工商業，有努力工作的市民，又不受官方條規的種種阻礙，正是他所喜歡的城市。他希望香港將能保持此種現狀。

戴寶麒先生接受本刊訪問時表示：「我對香港十分欣賞。香港是一個迅速發展的現代化城市，工業促成了經濟的日益繁榮。香港有一個負責而卓有成效的政府；並非高高在上，漠視民情。香港是一個國際性的城市，具有中西交匯的獨特文化。更重要的是，香港人不指望不勞而獲，有一種強烈的工作謀生的道德準則，確是一種非常健全的觀念。」

### 自由經濟 繁榮源泉

然而，隨着香港的繁榮及生活的提高，上述的某些優點也會退化，市民的態度也會轉變。戴寶麒先生認爲，此種危險是否會發生則主要依賴於政府的決策及成效。

「如果市民主要指望香港政府而非市民自己——換言之，市民主要指望政府的供給而非他們自己的努力——那就會破壞香港社會的價值觀念。



快捷半導體（香港）有限公司  
總經理戴寶麒先生

「香港繁榮的關鍵是自力更生，而唯有港府才能影響此一關鍵。只要政府繼續讓私人企業制度作爲香港繁榮的源泉，香港就有光明的前途。事實上，香港極有潛力，生活水準可以無限提高。」

港府是否有責任爲勞工提供某種基本的社會保障呢？

「至少就哲理而言，我的答覆就是『沒有』。歷史表明，許多國家隨着社會的演進，一些假知識份子自行斷定私人企業制度已不再能提供必要的利益，以促進人民的普遍福利。我從來沒有看到這個論斷的證據。只有當個人沒有選擇職業的自由時，才會發生濫用勞工的事情。在香港，市場法則一向提供而且將繼續提供比政府措施有效得多的勞工保障制度。」

### 勞工法例 值得質疑

在勞工法例方面，戴寶麒持有確定的見解。他是香港最大的僱主之一，又是香港勞工顧問委員會的成員。他深表關注的是「政府有代替勞工個人而自行採取決定的傾向。」

「當然任何政府必須制定保障工人的基本法例，但我認爲最近的趨向是工人的自決權利減少了，確實令人深表關注。政府實際上等於說『我們比你們自己更能爲你們作出最好的抉擇』。

「香港勞工的供給本就有限，足以確保工人的工作條件不斷獲得改善。僱主只有不斷改善工作條件，才能吸引工

人。假使我規定工人每天要在工廠裏工作十二小時，我還能有多少工人？答案一定是極少極少。

「過份限制的勞工法例，縮小了工人的選擇範圍，阻礙了確保生活水準不斷提高的經濟力量。這符合誰的利益呢？當然不是工人的利益，因為工人的選擇自由減少了。」

### 公共計劃 殷鑑足戒

市場法例足以確保工作條件及生活水準隨着經濟發展而獲得改善。但經濟衰退時又如何，例如一九七四至七五年期間？是否是普通工人所受損失最大？在此種情況下，普通工人是否應該有所保障呢？

「在於這個問題，有兩種回答。首先，如果普通工人所受損失最大，但如何保障工人呢？如果用社會保障制度，又由誰付錢維持呢？先要由政府增加稅收，補助失業人士的生活需求。再要由政府決定誰應當接受救濟。此道大門一旦開放，會發生何種必然的後果，可從當今許多國家的類似計劃得到結論。此種制度已經使某些國家消弱根基，大傷元氣，瀕於破產。」

### 勞資合作 同舟共濟

「再連係香港未回答上述問題，我們未看香港在一九七四至七五年期間的

情況。

「在香港有長期利益的公司，如想維持公司的聲譽，就必須適當控制其節約措施，才不致今後變成吸引力較差的僱主。不能今年大批招聘僱員，明年就大批解僱——否則，工人就會避之則吉了。因此，在經濟衰退時期的一項權宜之計就是縮短每週工作時數——包括高級經理人員在內，以求同舟共濟，共度時艱。一九七四至七五年經濟衰退生意不景的時期，本公司及本港許多公司就都實行過這種措施。我認為，在這一方面，外資公司可以學習華資公司的傳統措施。這並不是利他主義，而是符合經濟原則的。」

「所以，我認為私人企業制度比毫無彈性而成本昂貴的政府措施較能應付經濟的週期性變化，顯然也就更為優越。換言之，市民個人或家庭將每月收入的一部份自行儲蓄起來以備不時之需，較之政府抽稅後減去行政管理支出再按政府的標準分配剩餘的款項，前者遠更切實有效且成本低廉。」

「我深信市民有自行適應環境的能力。市民不是機械人，不應成為社會的犧牲品，除非他們自己選擇如此。」

### 快捷香港 攜手共進

戴寶麒先生自己的快捷半導體（香

港）有限公司，又是為何選擇在香港設廠生產呢？特別是，快捷公司為何在生產成本一再提高以後，仍然留在香港而且大力擴展呢？

「坦白講，快捷十五年前決定來香港是因為香港人工低廉。當然，如今已不再低廉了，但本公司在香港的計劃決不是短暫之計。本公司生產經營的性質已變得日益成熟，在機械化及自動化方面已經作了大量投資，而且今後還會繼續投資。本公司在本港市場的拓展也已相當可觀，香港有優良的運輸及銀行服務，更重要的是香港已具備充分的技術基礎，足以使快捷公司繼續發展產品及拓展市場。技術方面發展之後，必然需要生產的擴展。」

「此外，我已提到，香港由於政府干預及限制最少，所以比較容易經營，可以有極大的彈性。」

※ ※ ※

最後，請問戴寶麒先生成為出任本會理事會理事的第一名美國公民後有何感想？

「我感到萬分榮幸。我認為香港總商會是香港工商界最為重要而且最具功效的代表。我十分尊敬貴會理事會的各位理事。」

## 簡報滙編

### 本會簡訊

#### 歡迎新會員

本刊歡迎二十六間公司於上月加入本會，成為本會會員公司。（名單請閱本期前頁英文版）。

### 工商消息

#### 本會籌組貿易團參加柏林展覽會

第十五屆柏林「攜手邁進」貿易展覽會定於一九七七年八月二十一日至二十五日在柏林舉行。本會為柏林展覽會香港名譽代表，決定再次籌組香港貿易團前往參展。

香港自一九六八年開始，每年有許多出口商參加柏林展覽會，均能達成大宗交易。去年，香港參展商僅在展覽會期間就接獲一百萬港元定單，會後大量成交還未計在內。暢銷貨品包括成衣、牛仔裝、電子計算機、電子錶、象牙製品、內衣、皮革、皮革製品、旅行用品、家庭用具、首飾、玩具及雜貨。買家來自德國、法國、意大利、比利時、荷蘭、挪威、瑞典及奧地利等國。



本會國際貿易委員會主席雷勵祖先生四月十五日在各貿易分區週年大會上報告。

詳情請詢本會貿易部（電話：五一二四五〇七五）。

#### 臨時入口免稅特許證調整收費

本會已發出通知：自一九七七年四月十二日起，臨時入口免稅特許證調整收費，會員商行每份七十五港元，非會員商行每份一百港元。

凡須攜帶樣辦、展品或專業器材赴外國訪問，均可使用臨時入口免稅特許證，可大大簡化海關手續；如果須赴多國旅行，更屬隨身必備。本會為香港獨家簽證機構，簽證通用全世界三十六個國家，包括所有香港主要貿易國家。詳

情請詢本會簽證處經理王恭甫（電話：五一二二三七一七七，分機三二）。

#### 駁運會議五月在港舉行

英國「海運與造船」雜誌定於六月七至九日假香港會議中心舉辦「駁運會議」，研究駁船運輸在世界海運中的地位作用、商業價值、技術操作及其在八十年代的潛力。

國際海運界的船主、造船商、港口管理當局、船舶設計家、輪船設備供應商、保險商、船務管理及海運學學術界的著名人士將作專題演講。

詳情請函詢：Conference Office, 21 Lewes Road, Haywards Heath, Sussex RH17 7SP, U.K.



本會陳煥榮（中蹲者）率本會貿易團於四月廿一日離本港訪問非洲四國。

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The Hongkong Bank Group, through subsidiary companies offers professional investment management of unit trusts, particularly for those seeking to participate in the growth potential of many Asian countries. The main objective of the managers is capital appreciation together with growth in income over a period of time.

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The Hongkong and Shanghai Banking Corporation issues its own credit card in Hong Kong to personal and corporate customers for regional and international travel and entertainment purposes.

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