

Hongkong entrepot role on the wane

Hongkong has been losing out rapidly as an entrepot centre for Chinese exports to Japan.

The trend, which set in last year, resulted in a 48 per cent reduction in this traffic. Goods imported from China passing through Hongkong were worth \$148.56 million for 1974 compared with \$288.19 million the year before.

Japanese trade sources in Hongkong yesterday ventured two possible explanations.

One was an overall decrease in real terms of Chinese exports to Japan.

Another reason is considered to be the improvements the Chinese have made in their cargo handling facilities at various ports.

The latter factor allows China to ship more of her products to Japan directly with less fear of being bogged down at various transport terminals.

The rate of growth of Japanese imports from China dropped drastically in the last six months of 1974 for all items (except petroleum), with fibres and fibre products, foodstuffs, raw materials and manufactured products affected the most.

The stagnation is particularly pronounced in fibres and fibre products, with raw silk sliding from a high of 23.1 per cent of total fibres during 1973 to a mere five per cent.

Even excluding raw silk, the majority of textile goods, with

the exception of clothing such as cotton-woven and silk woven articles, has recorded a large decrease both in value and in volume, reflecting the extremely poor situation in Japan's domestic market.

Amid this wholesale slump in textile products, only clothing has displayed an increase by 160 per cent, probably due to the pattern of

importing - by - processing which calls for China to import materials from Japan and process the goods.

The rate of growth for foodstuffs has also tapered off. Overall Japan's imports from China showed stagnant growth of only two per cent for conventional items not including petroleum products. This is a substantial reduction in real terms.