

# China buying a lot from us

BY PETER LOKE

Hongkong, by virtue of its position as a major entrepot, has become a major supplier of goods to China — up to \$200 million worth a year.

Whether it's food, television sets, transistor radios or industrial materials and machinery, the hundreds of foreign firms or agents based here all have ready inventories to fulfil China's needs.

This picture of Hongkong's re-export trade to China is revealed in the official trade statistics.

An analysis of the figures also shows the rising purchasing power of China's

man-in-the-street and his interest in what would have been regarded in the past as "luxury items."

In 1973 and 1974, total re-exports from Hongkong to China amounted to more than \$420 million (\$226 million in 1973 and \$196 million last year).

Based on 1973 data, the Chinese Government imports an interesting variety of goods through its official trading firms in the Colony.

Take food items, for example. China's purchases from Hongkong that year included shark's fin, cashew nuts, cocoa, margarine, edible

marine vegetables (considered a delicacy by the Chinese), curry powder and even 150 lbs of chewing gum.

Liquor re-exports from Hongkong are a regular feature each year, with much of the consignment ordered by foreign missions in Peking.

As for furniture and handicraft, re-exports to China from Hongkong include a substantial amount of teakwood, sandalwood, decorative woods and non-conifer logs. These added up to nearly \$6 million in 1973.

As Chinese workmanship in jade, ivory, coral and precious stones is highly regarded, there

is a big demand all over the world for finished art or jewellery from China.

To supplement its own natural resources in these fields, China buys substantial amounts of these items from Hongkong.

In 1973, the total value of unworked ivory re-exported to China came to well over \$36.6 million, uncut jade, over \$47 million; semi-precious stones, \$13 million; and coral, \$1.95 million.

Through Hongkong, China also purchased more than \$31 million worth of ambergris/animal products and

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plants in 1973 for its pharmaceutical industry.

The Chinese trading arms in Hongkong fill up thousands of orders each year.

The magnitude and variety can be seen from official statistics listing re-exports: groupings of product categories run into several hundreds.

Purchases negotiated and made in Hongkong for Chinese industries include jute, rattan canes, leather, harvesting machinery, power generators, boilers, power engines, textiles and yarn, plastic raw materials, beads and buttons.

For the direct consumer market, the variety of items

imported by China through Hongkong is equally interesting.

They include both colour and black-and-white television sets, cosmetic and toilet preparations, wallpaper, transistor radios, tape-recorders, refrigerators, air-conditioners, electric irons, cooking and heating apparatus for home use, sanitary baths, home lighting fixtures, motor vehicles, buses, cameras and more than 10 million feet of colour film, musical instruments and watches of the best Swiss and Japanese makes.

And only a few months ago, a well-established Hongkong firm supplied China with two of its latest automated laundromat models for use by Peking residents.

Business Standard

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# ← A decade of rising trade between HK and China —

LONDON, Tues. — A big increase in trade between China and Hongkong over the past ten years was reported in Parliament yesterday by deputy Foreign Secretary David Ennals.

He stated that imports from China last year totalled HK\$5,991 million compared with \$2,322 million in 1965.

Hongkong's domestic exports to China were valued at \$99 million last year (\$18 million in 1965) and its re-exports to China

as \$197 million (\$54 million in 1965).

The minister added in his written reply that in the 12 months ending February 1975, some 804 cargo ships arrived in Hongkong from China and 616 left for China. About 15,000 small craft — junks and lighters — arrived and departed for China during the same period, he said.

Meanwhile, Britain, traditionally Hongkong's second largest market after the United States, has shipped into third place

behind West Germany, according to trade figures for the first two months of this year.

The London-based Hongkong Trade Development Council reported that imports of Hongkong goods into Britain during January and February were valued at £30 million, a decline of 26 per cent.

For the corresponding period sales to West Germany totalled £36 million worth, an increase of 25 per cent.

British sales to Hongkong, however, rose by 31 per cent to £24 million, while German sales to the Colony decreased by 25 per cent with a total of £10,600,000.

Clothing accounted for 53 per cent of all Hongkong's exports to Britain and for about three quarters of total sales to West Germany. Other major items to both countries included toys and games, transistor radios and electrical apparatus.

Reuter