

# \$1 billion windfall from China

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China's modernisation programme brought \$1 billion of trade to Hongkong in the first nine months of this year.

Western medicines, motor vehicles, cigarettes, electrical goods, toys and sewing machines have been among the things most in demand on the other side of the border.

The massive \$1 billion spending spree is a 500 per cent jump over the previous year's figure.

And China's buying from Hongkong of both locally manufactured and re-exported goods is still on the increase, particularly of consumer items.

Hongkong's own imports from China are also rising with the total reaching \$10.35 billion during the same nine-month period as compared with \$7.31 billion in the previous year.

Modernisation has enabled Hongkong, for the first time in years, to gain a foothold in the growing Chinese consumer market.

Hongkong-made goods sold to China during the period shot up from the previous year's \$49.8 million to over \$330 million — a 663 per cent jump.

Equally spectacular, the

relaxation of import controls on consumer goods by the Chinese also boosted entrepot trade and local re-exports to China topped \$760.75 million — a five-fold increase over the previous year's \$150 million.

China's purchases reflect the winds of change inside the country and the accelerating modernisation programme.

One striking feature can be seen in the quite substantial (compared with the past 30 years) import of soft drinks, liquor and tobacco via Hongkong.

Top of the shopping list for the nine months was nearly \$5 million worth of cigarettes.

Foreign liquor like brandy, whisky, port wine, beer and ale and even champagne were also imported.

Then there is the intake of popular international aerated beverages.

All this added up to more than \$6 million.

In nine months alone, and just from Hongkong, China purchased nearly 80,000 watches, about one-third of them Japanese or Swiss-made watches.

Hongkong is even exporting quite large numbers of toys for Chinese children — unheard of even at the end of last year.

Chinese children are seen quite often these days playing with foreign-made toys including battery-powered models of Star Wars and Superman.

On top of all these consumer goods are of course television sets, electronically programmed sophisticated calculators and audio equipment such as radios and recorders.

In the nine months, Hongkong re-exported close to 100,000 television sets — the majority were colour receivers — to China.

This excludes the hundreds and thousands which have been taken to China as personal effects by Hongkong travellers over the same period.

Then there are the \$3 million worth of foreign books and periodicals (not technical or reference books) imported through Hongkong.

Modernisation has also led to China's massive imports of Western medicine for dispensation to the masses.

Two major items among the hundreds include quinine and antibiotics.

The estimated imports of Western medicine from Hongkong exceeded \$20 million.