

China opening doors to foreign firms

says head of trade delegation

2 HK FIRMS SEEK PEKING OFFICES

by K.C. Tsang

TWO of Hongkong's largest trading hongs, Jardine Matheson and Hutchison International, have applied to China for permission to establish permanent offices in Peking, according to trade sources.

The sources said that a few other companies might have applied as well, but it looked likely that both Jardine and Hutchison could be ahead of them.

A Denmark-based company, East Asiatic, along with a few other foreign companies, including German and Italian firms, has set up a permanent office in the Chinese capital.

The fact that current Chinese policy is not opposed in principle to the establishment of such offices in China was confirmed yesterday by the chairman of the Hongkong General Chamber of Commerce, Mr Nigel Rigg.

Mr Rigg recently led a top-level business delegation to China, where they were briefed by senior Peking officials on China's latest trading policy.

The subject of foreign trade office in Peking was brought up in the course of the businessmen's discussions with Chinese officials.

According to Mr Rigg, the officials said they had no objection in principle and they had no interested firms should apply.

However, there are practical problems, and the main one is the availability of office accommodation in the capital.

An executive director of the chamber, Mr Jimmy McGregor, who was also on the tour, said other problems include the availability of Western-style flats and other facilities as well as food supply.

"The Chinese are doing their planning very carefully, because once they open up for trade representatives, thousands would be anxious to go there.

"However, they made it very clear that these problems would be solved step by step, and the situation could be quite different in a few years' time," Mr McGregor said.

At present, there are about 300 foreign business representatives who are working in Peking but are staying in hotels.

Under existing arrangements, priority would be given to foreign companies whose continual presence in the country is much needed.

One example is the office of the Rolls Royce Company, which has already set up an office in Peking. Others helping set up plants in the country would also be given the privilege.

In the trading aspect, Mr Rigg pointed out that the euphoria of China gearing up for large purchases was more outside than inside the country.

"The great potential is there and there is no doubt about it, but this would be a long-term process, and just wouldn't happen overnight," Mr Rigg said.

Mr McGregor said the Chinese administration was very careful in deciding their priorities, and they were careful not to upset their own plans and let things get out of hand.

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