

\$88,000 fine for false declaration

HK'S CREDIBILITY JEOPARDISED

A NORTH Kowloon magistrate yesterday fined an import-export firm \$88,000 for trying to export Taiwan-made knit-wear as Hongkong made.

Magistrate R.S. Sanders found the owner of Karen Corporation, Ng Man-chuen, guilty of making a false declaration when applying for eight certificates of Hongkong origin.

For each of the charges, Ng was fined \$11,000.

Industry assistant of the Commerce and Industry Department Mr W.L. Au-Yeung, told the court that Karen Corporation at 509 Shaw's Building, Nathan Road, Kowloon had made eight applications in July and August last year for certificates of origin.

SHIPMENTS

The certificates were to cover the shipments of acrylic knitwear worth \$437,480 to West Germany.

Au-Yeung said subsequent investigations by the department revealed that the goods were not made in Hongkong.

He told the court that the orders for the goods were placed directly with Karen Corporation by a West German importer, but for reasons unknown, Ng passed the orders on to a firm in Taiwan for manufacture there.

But because of certain problems, the goods could not be shipped direct from Taiwan to West Germany.

Ng then arranged to have the goods shipped from Taiwan to Hongkong without the necessary labels and had the made-in-Hongkong labels stitched on here.

The washing and packing of the goods were, however, done here, Au-Yeung told the court.

QUOTA

Ng successfully obtained the certificates of Hongkong origin and also applied for the necessary quota and export licences.

Au-Yeung further charged that as part of the scheme, Ng made out a number of false purchase contracts purporting to have been entered into between his firm and the Hongkong manufacturers concerned regarding the manufacture of the goods in question.

Such malpractice, Au-Yeung told the court, deprived Hongkong manufacturers of the export quota they were otherwise entitled to and thus reduced Hongkong's overall textile exports to West Germany.

The illegal practice also destroyed the credibility of Hongkong's certification and licensing system which may have serious repercussions on Hongkong's future textile exports to other countries, Au-Yeung said.