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# Adjustments may be made to textile pact

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Adjustments may be made in the textile agreement with the European Economic Community (EEC) once the garment business picks up.

The possibility was discussed yesterday between the Textile Advisory Board (TAB) and the British Minister of Trade, Mr Peter Rees.

Under the newly-initialled agreement, quotas of sensitive categories were slashed on average by 6.5 per cent and, when demand rises, Hongkong will feel the bite, the board told Mr Rees at a meeting.

The Minister said he understood Hongkong's position and was sympathetic, but he did not hold out any promises.

However, he was said to have assured the industrialists that he would watch how things developed.

Hongkong, for its part, would consider what could be done to accommodate an expanded trade by amendments to the agreement.

The Director of Trade, Mr Lawrence Mills, said the agreement was only six days old and it was too early to make an assessment.

The TAB members invited Mr Rees to send a British mission to sell fabrics to Hongkong.

Opportunities exist for fabric sales and Hongkong hopes that through their participation in the trade, British manufacturers would better understand Hongkong's need to export garments.

The British industry lobby against Hongkong exports,

always strong, was particularly so during the recent negotiations.

Hongkong also intends to propose an export scheme involving children's wear, the board told Mr Rees.

It is clear that British consumers at present cannot get quality exports of children's garments, Mr Mills said. Hongkong exporters, on the other hand, want to maximise the utilisation of their limited quotas and opt to use them for the export of adult garments.

The special export scheme will be drawn up this year.

The message Mr Rees will take back to British businessmen is one of confidence about Hongkong, Mr Rees said later at a press conference.

He said there may be moments of uncertainty about the future while negotiations on the lease continue, but he does not believe that a degree of political speculation about the future should dull commercial enthusiasm for the "Hongkong success story" and confidence in its continuing prosperity.

"I have been at pains to emphasise Britain's continuing commercial — as well as her political — commitment

to and confidence in Hongkong," he said. "There is no doubt about the important role Hongkong will play in the future as a successful world trader and as Britain's foremost commercial partner in the Far East."

Mr Rees referred to Hongkong not merely as a market for British goods but also as an even greater supplier, adding that he was conscious of the opportunity for more investment by British companies in the colony.

After describing Britain and Hongkong as world leaders in the fields of financial services, shipping, air services, consultancy and so on, Mr Rees said Britain's "unique experience in the North Sea" made him optimistic that a British contribution in equipment and services could be made through Hongkong to China's offshore oil and gas industry, even though the main effort will clearly be made in China.

In response to a question about other possible involvement in the field of energy, Mr Rees said: "Britain is ready to play a major industrial role in building a nuclear power station in China," but added that nothing definite had been concluded at this stage.

He went on to list some British business successes in Hongkong and hoped for new contracts, saying that British companies are "taking an active interest in various bridge and railway projects, new hospitals and in the telephone system."