

A record year for trade

To describe Hongkong's economic performance last year as merely resilient is to be guilty of an understatement.

Each month's trade figures gave astounding proof that the world's second worst recession of this century had been left behind as our industrialists scrambled for business in the markets of the world.

The 42.7 per cent rise in exports in 1976 would be a remarkable achievement measured against the performance of any country, but when it is realised that last year also saw the value of our export trade double compared with that of 1972, and more than quadruple since 1967, a clearer idea of the massive growth in the past decade can be seen.

It must, moreover, be remembered that the recession year of 1975 saw an actual fall in the value of Hongkong's exports and imports.

Undoubtedly worldwide inflation, which has been imported in a variety of ways, has served to bloat our export figures.

Unit value indexes for fuels, to take the most obvious example, show a rise from 115 in 1973 to 330 in 1975, raw materials from 108 in 1971 to 184 in 1974 and capital goods from 139 in 1971 to 195 in 1975.

Yet with the severe competition that has developed in this part of the world in recent years, coupled with higher freight rates and the steadily strengthening Hongkong dollar, our exporters could hardly have made headway without improving quality and finding new and cheaper sources of supply.

The year's results are thus another striking tribute to the adaptability, resourcefulness and enterprise of our industrialists.

It will be a few more weeks before a detailed analysis of the 1976 figures can be attempted but preliminary totals indicate that clothing (up 42.3 per cent), textiles (up 45.5 per cent), toys (up 46.1 per cent), electronics (up 52.6 per cent), other electrical machinery and apparatus (up 44.4 per cent), watches (up 87.9 per cent) and travel goods (up 53.7 per cent) all had an exceptional year.

As for the increase in trade to some of our major markets, recent figures show gains of 55.1 per cent to the United States, 41.6 per cent to Germany, 48 per cent to Japan, 87 per cent to Canada, 51.2 per cent to the Netherlands, 49.5 per cent to Sweden and 81.9 per cent to France.

There is in these figures also a heartening demonstration that significant diversification is taking place, particularly outside the clothing field, though the latter clearly shows that despite rising costs and severe competition the textiles industry continues to enlarge its markets.

It must be hoped that in 1977 with the setting up of the new Industrial Estates Authority diversification will be given a further major boost, particularly in sectors which are more capital than labour intensive.

For a striking phenomenon of the 1976 export upsurge was the sharp fall in unemployment and this has enabled Hongkong to enter 1977 with almost a fully employed labour force and shortages in several sectors of industry.

The expectations for this year are however bright with the Director General of the Hongkong General Chamber of Commerce, Mr Jimmy McGregor, tipping a further 20 per cent growth for this year against his almost spot-on guess of 40 per cent for last year.