

Allocation of HK textile quotas 'a good job done'

"THE Department of Commerce and Industry has done a good job of work in the matter of the allocation of textiles quotas" according to Mr Bob N. Harilela, chairman of the Indian Chamber of Commerce.

Adding that the quota controversy was being blown out of proportion, he stated that quota-licensing implies restraints and restrictions and in a laissez-faire economy like ours, is irksome. Quantitative restrictions imposed on us by importing countries are extraneous factors over which the Department of Commerce and Industry has no control, he said. The readily available, the most plausible and perhaps the most proper yardstick is past export performance.

Newcomers naturally had cause for complaint, but it might be asked why during a period of non-restrictions they had not developed their trade in these items in the past — perhaps they lacked the necessary expertise and marketing arrangements, he said.

Turning to the question of "so-called uneconomic quotas", he said that unfortunately no absolute standard can be prescribed for what is an economic or an uneconomic quota. For instance, 250 dozens might be uneconomic for big firms but quite economic for a smaller firm with smaller overheads.

In any case, the non-utilised quotas reverted to the department and are offered by the department under the scheme of free authorisation which is open to all comers including newcomers. As on March 18 the department had circulated to the trade the availability of free quota

authorisation for quite a formidable number of categories of items of textiles.

He said the acid test to be applied to any scheme of quota allocation from the point of view of Hongkong is besides its being fair and equitable whether full utilisation has been effected of the meagre quotas permitted by the importing countries. The scheme evolved by the Department of Commerce and Industry had stood this test fully and squarely. The flexible nature of the scheme allowing for the transfer of quotas had in fact been a main contributory factor for the full utilisation of quotas.

Mr Harilela added that no scheme of licensing could obviously satisfy all sections of the trade.

Hongkong like other developing countries had to hope that the developed countries who enjoyed the lion's share of the world's resources at a progressive rate should realise that world progress, especially that of the developing countries, depends on the abolition of trade barriers and quota restrictions and till then we have to put up with hardships, Mr Harilela added.

The success of the recently held Ready-to-Wear Festival bears testimony the fact that Hongkong is the fashion centre of the world. "As the world's largest textile exporter at most competitive prices, Hongkong's textile industry must learn to live with protectionist measures of importing countries," Mr Harilela observed. However, he urged Hongkong businessmen to explore new markets like Eastern Europe where trade barriers do not exist.