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Boom year in store for exports

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Buoyant first-quarter results and the size of factory order books indicate that this will be a year of record growth for exports, the executive director of the Trade Development Council, Mr Len Dunning, predicted yesterday.

He was commenting on the 51 per cent jump to \$28.115 billion in the value of domestic exports during the first quarter over the same period last year.

Re-exports also rocketed — by 59 per cent to \$17.722 billion — and imports rose 43 per cent to \$48.784 billion.

Taken together, domestic exports and re-exports increased by 54 per cent.

These are extraordinarily high growth rates. However, Mr Dunning is of the view that industry is likely to be able to sustain these levels throughout the year.

In value, domestic exports are bound to record a growth of 50 per cent throughout the year, he forecast.

Manufacturers have reported that their order books are full for the next seven months, clear up to January. And the sentiment in major markets bears this out, Mr Dunning explained.



Mr Dunning

China figures prominently in the domestic export upswing, recording the highest increase, at 87 per cent.

However, the United States remains Hongkong's largest market by far. Purchases amounting to \$12.068 billion were 69 per cent higher than the corresponding quarter last year.

Sales of Hongkong-made goods to the US were valued more than sales to all the nine other major markets combined.

Exports to Germany and Britain have firmed up considerably, at 43 and 42 per cent, respectively, as retail sales have maintained their recovery.

Increases to other markets were: Japan 39 per cent, Canada 45 per cent, Australia 60 per cent, Singapore 40 per

cent, Netherlands 31 per cent and Switzerland 36 per cent.

Broken down by commodity, significant increases were registered in the exports of clothing at 53 per cent, plastic toys and dolls 42 per cent, electrical machinery 59 per cent, telecommunications equipment 67 per cent, photographic goods and watches 12 per cent and textile yarn and fabrics 53 per cent.

Demand for imported goods from China continued strong, rising 55 per cent to \$12.524 billion.

Imports from other sources also increased: from Japan 44 per cent, US 37 per cent, Taiwan 52 per cent, Singapore 33 per cent, Britain 31 per cent, South Korea 56 per cent, Germany 23 per cent, Switzerland 27 per cent, and Australia 48 per cent.

Substantial increases appeared in imports of textile products, machinery and transport equipment, chemicals and related products.

The strong increase in imports is significant as a good portion of the goods consist of raw materials and semi-manufactures for use by industry.

In re-exports, the substantial increases were to China 163 per cent, US 77 per cent, Taiwan 96 per cent, Japan 92 per cent, South Korea 60 per cent, Australia 81 per cent, Singapore 14 per cent, and Macau 35 per cent.

Most commodities re-exported through Hongkong exhibited strong growth.