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Affluent TDC's income jumps 23pc to $160m

By PAUL BARAN

The Trade Development Council's income from the net yield of the ad valorem levy charged on import and export declarations in its last financial year rose 23 per cent to $160.7 million compared with the previous year.

According to the TDC's annual report for the year to March 31, profits from trade publications also leapt by a huge 104 per cent to $9.4 million.

A copy of the report, which will be tabled in the Legislative Council on Wednesday, was obtained by Business News.

The government-collected levy of 0.05 per cent charged on the value of each export and import declaration has been the main quasi-official source of the TDC's income since it was set up in 1966.

This funding system, however, will change after April 1, when the council will receive only the approximate equivalent of the import and export proportion — minus the re-export segment.

If the TDC needs additional funds, the Government may allocate them from the re-export portion of the levy.

The TDC's overall income for the year, including interest on bank deposits and staff loans, rose 23 per cent to $179.9 million, the report says.

The council's reserves stand at $82.5 million, comprising current assets of $147.9 million, against current liabilities of $65.4 million.

Reserves in the previous year stood at $63.6 million.

According to the report, the TDC's overall spending during the year climbed four per cent to $161.1 million, but substantial savings were made in selected areas, particularly trade fairs, exhibitions and other promotional activities, which fell 16 per cent during the year to $39.3 million.

During the year, the TDC spent $18.3 million participating in 34 trade fairs and exhibitions, a 17 per cent drop from the sum spent on 30 events a year before.

The biggest overseas splash during the year was on the Great Hongkong Toy Exposition in Tokyo, which cost $4.3 million.

In the previous year, the most expensive TDC event overseas was the almost $7 million major fashion promotion in New York, which many considered a failure.

Spending also fell on outward high-level economic missions, store promotions and research and pilot projects.

Expenditure, however, rose on outward business groups, inward missions, miscellaneous promotions and publicity projects and "other" promotional activities.

Staff costs during the year rose 15 per cent to $77.7 million, along with consultants' fees and an international public relations campaign, which increased 15 per cent to $3.1 million.

Up also went spending on office expenses, other than rent and depreciation on furniture and fittings, which rose 15.6 per cent to $17 million and 69 per cent to $4.4 million, respectively.

Spending fell on rent and rates (14 per cent to $14.8 million), training, operational and consultative visits (62 per cent to $1.7 million) and write-offs for bad debts (49 per cent to $13,869).

The bottom line shows a surplus for the year of $18.5 million, which was transferred to the TDC's general fund. The year before posted an $8.8 million deficit.

A breakdown of revenue expenditure for the TDC's network of 20 overseas offices and four overseas consultants shows that America took the lion's share ($15.8 million), up 20 per cent on the previous year.

The American offices are in New York, Los Angeles, Chicago, Dallas and Miami.

Another will open soon in San Francisco.

England was next, where expenses on the London and Manchester offices totalled $5.5 million, up less than two per cent.

Spending on the Tokyo and Osaka offices in Japan totalled $5.3 million, up 32.5 per cent.

In Germany, the Frankfurt and Hamburg offices spent $3.8 million, up five per cent.

In France, the closure of the Marseille office during the year meant the Paris office spent the entire $3.3 million, up about three per cent from the year before, when two offices operated.

Head office accounted for $59 million, up 13 per cent, while spending by the Tsun Wan office fell three per cent to $1.3 million.