

# Government rapped Big issues handled 'casually'

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Pressure from local industrialists is mounting on the Government to explain what many consider to be its "casual" handling of crucial trade issues affecting the territory.

Many exporters — particularly in the textile and garment sectors — are growing increasingly uneasy that Hongkong trade officials are taking the threat of rising protectionism in the US too lightly.

Indeed, faith in the Government's belated attempts to

combat protectionism has fallen so low that one local exporter, Mr Ira Kaye, of Lark International, is set to hire his own lobby in Washington.

Mr Kaye told Business News a contract with the lobbyist, who he declined to identify at this stage, is about to be signed.

After unsuccessfully trying to fight the US country-of-origin rules through a long-running series of meetings with American officials, the Government hired its own lobbyist, Mr Verrick French, in April.

Mr French's efforts are indeed required, Mr Kaye said, "but he's only one man and one company. There's only so much he can accomplish."

Mr Kaye, like many other observers, is irked that the Government apparently failed to recognise the early signs from the US that the powerful and persuasive textile lobbies in the southern and northeast states were gearing up for battle.

He accused some local exporters of being naive in assuming the Government's lobbyist will be able to do much in swaying American legislators from their protectionist bias.

"A lot of them (exporters) are just sitting back waiting for the (Hongkong) Government" to resolve the situation," he said.

"I don't feel many of the local exporters understand the political system in the US," he said.

A local industrialist and member of the Trade Department's Textile Advisory Board, Mr Kenneth Fang, agrees.

Mr Fang, who accompanied top Trade Department officials to the US in the autumn for negotiations on the country-of-origin rules with American officials, charges that Hongkong does not have enough staff overseas to accurately assess changes in US trade sentiment.

And with the latest threat to Hongkong's trade with the US — the so-called Jenkins Bill — gaining supporters in Washington, Hongkong's relatively puny efforts to sway opinion will have very little impact, he fears.

The Bill seeks to reduce imports into the US from 12 major textile countries and territories.

If passed, Hongkong's exports to the US — the territory's largest textile and garment market — would be slashed by 13 per cent.

So far 289 congressmen and 52 senators have come out in favour of the Bill.

The US protection lobby reportedly has US\$500,000 a month to spend, while Mr French only has \$250,000 a year.

The US lobby also has \$10 million in its "war chest."

Mr Fang said since the US market is so important to Hongkong, "the number of staff working in the Hongkong Government offices is insufficient to keep a close eye on changes there."

The manpower issue is set for public debate on Wednesday when Legislative Councillor, Mr Stephen Cheong is expected to query the Government on staffing its offices in Washington and New York.

Mr Cheong said the next 18 months are crucial as Multi-Fibre Arrangement (MFA) negotiations between Hongkong and the US start next month.

If the MFA, itself under mounting pressure to be scrapped, is extended beyond its deadline next year, further bilateral agreements will have to be hammered out.

Developing countries argue that the MFA, which was originally set up to fuel their exports to the developed world, no longer fulfils its mandate and should be abolished in favour of General Agreement on Tariffs and Trade rules.

After those talks, bilateral agreements on the MFA with the European Economic Community will begin.

Mr Cheong said the Government should target the problem areas needing effective management and then place the right people in key positions overseas.

Hongkong already has the Commissioner for Hongkong Commercial Affairs in New York, Mr Bill Dorward.

According to Mr Cheong, the Government has said more staff would be posted overseas, but nothing has been done so far.

Apart from Mr Dorward, there are six staff in the two US offices handling trade matters.

However, they do not specifically concentrate on Hongkong-US trade.