Foreign Government Purchasing Missions (page two)

FOREIGN TRADE

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COMING——PROTESTING BILLS OF EXCHANGE IN EUROPE, IN JAN. 27 ISSUE

Foreign Government Purchasing Missions

- - a Nearby Market

Some 55 countries maintain well over a hundred active purchasing missions in the United States; their yearly purchases total hundreds of millions. Aggressive Canadian exporters should not overlook the rich and rewarding trade opportunities that these missions offer.

F. IAN WOOD, *Vice-Consul and Assistant Trade Commissioner, New York, N.Y.*

THE manufacturer who is selling in the domestic market must have a good product, competitively priced, available at the time and place a customer needs it. He must also carry on a continuous, skilful and aggressive sales campaign. Canadian producers who wish to sell to foreign governments must pursue a similar if not more persistent course of action, with greater emphasis on competitive pricing, and must also become familiar with and follow procedures that the various government purchasing offices require.

How Governments Buy

Foreign government procurement offices—military and civilian—normally follow two methods of buying. One is to advertise for competitive bids on products and services. The other is to negotiate with selected suppliers for what is needed. Negotiation is intended primarily to save time, not to lessen competition. Most foreign government buying missions, however, use the advertised bid method.

It follows that the first step in selling to foreign government purchasing missions is to be included in the agencies' lists of bidders for all products of interest. When writing to be listed, Canadian firms should be sure to name specifically each item they would like to sell. This is important, for normally separate bidders' lists are maintained for each product. Failure to be specific may mean delay in listing a firm or quite possibly result in its exclusion from a list altogether.

Initial Contact

Before considering a potential supplier, a purchasing mission often asks for assurances that a firm is in a position to fulfill its obligations. A request to be placed on a bidders' list can be strengthened by adding pertinent information of immediate interest to the purchaser. Special attention should be given to providing the following information:

General description: Company history and organization.

Products: List present products, previous products and types of products that could be made. Attach any pertinent data on present products, such as catalogues, specification sheets, photographs, price lists, etc.

Machinery and equipment: List types, sizes, age and condition of production equipment. Describe facilities for inspection, testing and research. Outline specifically any unique, important or unusual processes and treatments and the productive capacity of the firm.

Plant(s): Indicate size, number of buildings, type of construction, layout, floor space for production, etc.

Transportation and delivery: Plant loading and packing facilities; access to railroads, airlines, seaports; details on shipping services between plant and country of destination.

Previous export experience: Overseas shipments in the past—type, volume, frequency.

Personnel: Number and kinds of employees, including management, production, engineering, technical, skilled, etc.

Financial: Bank and credit references and a copy of the latest financial statement.

Other selling points: Patents developed by the company, competitive position, overseas servicing facilities, affiliations, etc.

There is no need to make up an elaborate or expensive brochure but all information should be presented in the form that will make the best impression. Depending on the procedure followed by individual purchasing missions, the name of the firm may be placed directly on the appropriate bidders' list or the firm may be asked for additional data. Once included on a bidders' list, there are several suggestions that Canadian suppliers should bear in mind.

1. Initial contact by correspondence should, if possible, be followed by a personal call on the foreign government purchasing mission. Schedule appointments well in advance and at the convenience of the procurement officials.

2. If verbal proposals are planned, they should be concrete and specific. Data on production and costs should be available on the spot.

3. Should an invitation to bid on an item which is of no particular interest be received, it is advisable to let the mission know a bid will not be submitted but that future invitations would be welcome. If the company neglects to reply, the mission may presume lack of interest in bidding and remove its name from the bidders' list.

4. If several months go by without an invitation being received, check with the mission to make certain you are still listed. It should be emphasized that failure to receive invitations does not necessarily mean that a firm has been deleted from the list. It may mean that only selected suppliers are being approached or, if the bidders' list is long, that the mission is using only a part of it each time it purchases an item.

Here are the names and addresses of foreign government purchasing missions operating in the United States. Please note that only those missions of foreign governments with procurement and purchasing functions are included.

AFGHANISTAN

The Trading Company of Afghanistan, Inc.,
127 West 56th St., New York 19.

ARGENTINA

Argentine Aeronautical Purchasing Commission in the U.S.A. and Canada
12 West 56th St., New York 19.

Argentine Naval Commission,
12 West 56th St., New York 19.
(Equipment for naval vessels only)

Argentine Purchasing Commission,
Pier 25 North River, New York 13.
(Transportation equipment)

E.N.D.E.—Argentine Government Oil Fields Commission in the U.S.A.,
Time and Life Building, New York.

Office of the Military Attaché,
2138 R St. N.W., Washington 9, D.C.
(Equipment for army only)

Siderurgia Argentina Sociedad Mixta—S.A.S.M. (Joint Argentine Steel Society),
c/o The Armco International Corporation, Middletown, Ohio.

AUSTRALIA

Supply Section, Australian Consulate General,
636 Fifth Ave., New York 20.
(Makes purchases on behalf of Australian Government departments and agencies)

BELGIUM

Military Supply Office,
c/o Embassy of Belgium, 3330 Garfield St. N.W., Washington 8, D.C.
(Makes purchases of defence material, equipment, and spare parts on behalf of the Belgian Ministry of National Defence)

BOLIVIA

Corporación Boliviana de Fomento,
1026 17th St. N.W., Room 600, Washington, D.C.

Corporación Minera de Bolivia (Bolivian Mining Corporation),
2400 16th St. N.W., Suite 425, Washington 9, D.C.

Military Attaché, Air Attaché,
Embassy of Bolivia, 2400 16th St. N.W., Suite 425, Washington 9, D.C.

Yacimientos Petroliferos Fiscales Bolivianos (Bolivian Fiscal Oil Fields)
1026 17th St. N.W., Room 600, Washington 6, D.C.

BRAZIL

Brazilian Aeronautical Commission,
1701 22nd St. N.W., Washington 8, D.C.
(Purchases equipment for the Brazilian Air Force)

Brazilian Military Commisson,
2134 Leroy Place N.W., Washington 8, D.C.
(Purchases equipment for the Brazilian army)

Brazilian National Steel Company,
477 Madison Ave., Room 703, New York 22.
(Purchasing office for Compania Siderurgica Nacional in Brazil. Main purchases are equipment for the company's steel mills)

Brazilian Naval Commission,
2400 16th St. N.W., Washington 9, D.C.
(Purchases equipment for the Brazilian Navy)

Petróleo Brasileiro S.A.—Petrobas (Brazilian Oil Company)
680 Fifth Ave., 17th Floor, New York 19.

53016-2—2

BRITAIN

The Crown Agents Representative, British Embassy,
3100 Massachusetts Ave. N.W., Washington 8, D.C.
(Makes occasional purchases for government departments in the British overseas territories and administration)

United Kingdom Treasury and Supply Delegation, British Embassy,
3100 Massachusetts Ave. N.W., Washington 8, D.C.
(Military and scientific material for British Government departments, Atomic Energy Authority, and certain contact liaison work for the Ministry of Agriculture, Fisheries and Food)

BURMA

The Embassy of the Union of Burma,
2300 S St. N.W., Washington 8, D.C.

The Consulate General of the Union of Burma,
888 Madison Ave., New York 21.

CEYLON

The Embassy of Ceylon,
2148 Wyoming Ave. N.W., Washington 8, D.C.

CHILE

Chilean Air Mission,
2154 Florida Ave. N.W., Washington 8, D.C.

Chilean Military Mission,
2154 Florida Ave. N.W., Washington 8, D.C.

Chilean State Railways,
80 Pine St., New York 5.
(Purchasing office for railway material for railroads owned by Government of Chile)

Corporación de Fomento de la Producción,
80 Pine St., New York 5.

CHINA, REPUBLIC OF (TAIWAN)

Chinese Government Procurement and Services Mission,
50 Church St., New York 7.
(Major General H.C.T. Han, Acting Chairman)

- Washington liaison office, 2224 R St. N.W., Washington 8, D.C.
- The following Divisions have offices at 50 Church St., New York 7.
- Division for the Central Trust of China
- Division for China Merchants Steam Navigation Company Ltd.
- Division for Chinese Petroleum Corporation
- Division for Ministry of National Defence
  - Subdivision for Army
  - Subdivision for Navy
- Division for Taiwan Sugar Corporation
- The following Divisions have offices at 2224 R St. N.W., Washington 8, D.C.
- Division for Ministry of Communications
  - Subdivision for Air Force
  - Subdivision for Combined Services Force

COLOMBIA

Colombian Air Force Purchasing Commission,
P.O. Box 612, International Airport, Miami 48, Florida.
(Purchases for the Air Force)

CZECHOSLOVAKIA

Commercial Department, Czechoslovak Embassy,
2349 Massachusetts Ave. N.W., Washington 8, D.C.

ECUADOR

Air Attaché, Military Attaché, Naval Attaché, Embassy of Ecuador,
2027 Massachusetts Ave. N.W., Washington 6, D.C.

ETHIOPIA

Ethiopian Consulate General
120 East 56th St., New York 32.
(Makes purchases on behalf of the Government of Ethiopia)

Ethiopian Embassy,
2134 Kalorama Rd. N.W., Washington 8, D.C.
(Makes purchases on behalf of the Government of Ethiopia)

FINLAND

Military, Naval and Air Attaché, Embassy of Finland,
1900 24th St. N.W., Washington 8, D.C.

FRANCE AND FRENCH UNION

French Commercial Counsellor,
610 Fifth Ave., New York 20.
(Occasionally purchases certain items for overseas territories)

Materiel French Military Mission,
2164 Florida Ave. N.W., Washington 8, D.C.

- Air Force section (Purchases air equipment, engines, and parts and accessories)
- Army section (Purchases military equipment)
- Naval section (Purchases naval supplies)

Société d'Exploitation Industrielle des Tabacs et Allumettes (Purchasing Mission for Tobacco and Matches)
529 North Charles St., Baltimore, Md.
(Purchases tobacco and other materials for French tobacco and match monopoly)

Groupements and Nationalized Companies
Air France
683 Fifth Ave., New York 22.
(Purchases complete aircraft and air-navigation equipment for Air France)

Association Technique de l'Importation Charbonnière (Coal Import Association),
2 Broadway, Room 209, New York 4.
(Purchases and ships bituminous coal, anthracite coal, coke, and coal-tar pitch)

Electricité de France—Gaz de France
Dupont Circle Building, Washington 6, D.C.
(Purchases power plant equipment, gas plant equipment, and related items)

French Mining Equipment Purchasing Office
25 Wisconsin Circle, Chevy Chase, Md.
(Purchases equipment for coal mining and related industries)

French Oil Industry Agency,
610 Fifth Ave., New York 20.
(Purchases crude oil and all petroleum products)

Groupement d'Importation de Produits Sidérurgiques (Association for Import of Steel Products),
50 East 42nd St., New York 17.

Groupement d'Importation et de Répartition des Métaux (Nonferrous Metals Importers Association),
40 Church St., New York 7.

Société Nationale des Chemins de fer Français (French National Railroads),
610 Fifth Ave., New York 20.
(Purchases railroad equipment for overseas territories)

GHANA

Ghana Information and Trade Centre,
565 Fifth Ave., New York 17.

GREECE

Greek Government Foreign Trade Administration,
2211 Massachusetts Ave. N.W., Washington 8, D.C.

GUATEMALA

Office of the Military and Air Attaché,
1614 18th St. N.W., Washington 9, D.C.

GUINEA, Republic of

Commercial Section, Embassy of the Republic of Guinea,
2112 Leroy Place N.W., Washington 8, D.C.

HAITI

Military, Naval, and Air Attaché, Embassy of Haiti,
4400 17th St. N.W., Washington 11, D.C.

INDIA

India Supply Mission,
2536 Massachusetts Ave. N.W., Washington 8, D.C.
(Purchasing mission of the Government of India)

INDONESIA

Indonesian Supply Mission,
5 East 68th St., New York 21.
(Purchasing agency of the Indonesian Government)

IRAN

Office of Representative, Bank Melli Iran,
1 Wall St., Room 3812, New York 5.

Iranian Embassy,
3005 Massachusetts Ave. N.W., Washington 8, D.C.

Office of the Military, Naval and Air Attaché, Iranian Embassy,
3410 Garfield St. N.W., Washington 7, D.C.

IRAQ

Armed Forces Attaché, Embassy of the Republic of Iraq,
3125 Cathedral Ave. N.W., Washington 8, D.C.

Commercial Attaché, Embassy of the Republic of Iraq,
2135 Wyoming Ave. N.W., Washington 8, D.C.

ISRAEL

Government of Israel Supply Mission,
250 West 57th St., New York 19.

ITALY

Air Attaché, Italian Embassy,
2110 Leroy Place N.W., Washington 8, D.C.
(Purchases aircraft, engines, aircraft equipment and accessories)

Military Attaché, Italian Embassy,
2110 Leroy Place N.W., Washington 8, D.C.
(Purchases military equipment)

Naval Attaché, Italian Embassy,
2110 Leroy Place N.W., Washington 8, D.C.
(Purchases naval supplies and equipment)

Italian Federation of Farmers' Co-operatives,
477 Madison Ave., Suite 705, New York 22.
(Procures wheat and flour, also spot requirements of machinery, fertilizers, and other products relating to agriculture)

Italian Technical Delegation,
2401 15th St. N.W., Washington 9, D.C.
(Acts on behalf of Ministry of Foreign Trade. Procurement limited to requirements of Italian Government agencies)

JORDAN

Embassy of the Hashemite Kingdom of Jordan,
2319 Wyoming Ave. N.W., Washington 8, D.C.
(No special purchasing mission functions on behalf of the Government of the Hashemite Kingdom of Jordan in the United States at the present time. However, any purchases for the Government are carried out through the Embassy)

KOREA

Procurement Officer, Korean Embassy,
2322 Massachusetts Ave. N.W., Washington 8, D.C.

Procurement Officer, Korean Consulate General,
9 East 80th St., New York 21.

Procurement Officer, Korean Consulate General,
3500 Clay St., San Francisco 18, Calif.

LIBERIA

Financial Attaché, Embassy of Liberia,
5201 16th St. N.W., Washington 11, D.C.
Mr. Charles Kramer,
100 West 42nd St., New York 36.

MALAYA, FEDERATION OF

Embassy of the Federation of Malaya,
2401 Massachusetts Ave. N.W., Washington 8, D.C.
(Makes occasional purchases on behalf of the Federation of Malaya)

MEXICO

There is no official government purchasing mission at the present time. The following offices, however, assist in purchasing materials and equipment for their respective institutions:
Mexican Government Railway System,
120 Wall St., New York 5.

Petróleos Mexicanos (Mexican Petroleum),
74 Trinity Place, New York 5.

NEPAL

Embassy of Nepal,
2131 Leroy Place N.W., Washington 8, D.C.

NETHERLANDS

Air Attaché, Embassy of the Netherlands,
1470 Euclid St. N.W., Washington 9, D.C.
(Aircraft equipment, engines, and parts and accessories)

Military Attaché, Embassy of the Netherlands,
1470 Euclid St. N.W., Washington 9, D.C.
(Military equipment)

Naval Attaché, Embassy of the Netherlands,
1470 Euclid St. N.W., Washington 9, D.C.
(Military and naval supplies)

E. Baretta, Official Purchasing Agent for the Royal Netherlands Air Force,
P.O. Box 968, Stamford, Conn.

NEW ZEALAND

Commercial Counsellor and Senior Trade Commissioner for New Zealand,
1145 19th St. N.W., Suite 306, Washington 6, D.C.

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New Zealand Joint Services Mission,
3101 Cleveland Ave. N.W., Washington 8, D.C.

NICARAGUA

Commercial Counsellor, Embassy of Nicaragua,
1627 New Hampshire Ave. N.W., Washington 9, D.C.
(Makes purchases for the Government of Nicaragua from time to time)

Office of the Military and Air Attaché, Embassy of Nicaragua,
1627 New Hampshire Ave. N.W., Washington 9, D.C.
(Military equipment)

NIGERIA

Trade and Investment Division, Consulate General of Nigeria,
575 Lexington Ave., New York 22.

PAKISTAN

Commercial Secretary, Embassy of Pakistan,
Chancery Annex, 2315 Massachusetts Ave. N.W., Washington 8, D.C.

PARAGUAY

Embassy of Paraguay,
5500 16th St. N.W., Washington 11, D.C.

Cancillería,
The Universe Bldg., Connecticut and Florida Ave. N.W., Washington 11, D.C.

PERU

Air Attaché, Embassy of Peru,
1346 Connecticut Ave. N.W., Washington 6, D.C.

Chief of the Military Commission, Embassy of Peru,
1320 16th St. N.W., Washington 7, D.C.

Chief of the Naval Commission, Embassy of Peru,
1320 16th St. N.W., Washington 7, D.C.

Commercial Department, Embassy of Peru,
1320 16th St. N.W., Washington 7, D.C.

PHILIPPINE REPUBLIC

Philippine Consulate General,
7619 Empire State Building, 350 Fifth Ave., New York 1.

A.F.P. Procurement Office, U.S.,
c/o H.Q. Military Subsistence Center, 29th St. & 3rd Ave., Brooklyn 32, N.Y.

POLAND

Office of the Economic Minister of the Polish Embassy (known as the Polish Commercial Counsellor),
2125 Leroy Place N.W., Washington 8, D.C.

Polish Trade Mission,
2719 Connecticut Ave. N.W., Washington 8, D.C.

Polish Trade Mission,
111 Broadway, Suite 302, New York 6.

SAUDI ARABIA

Embassy of Saudi Arabia,
2800-C Woodland Dr. N.W., Washington 8, D.C.
(There is no official government purchasing mission at the present time. However, the Embassy takes care of purchasing some materials and equipment for the Government)

SUDAN

Messrs. Livingston and Southard,
99 Park Ave., New York 16.

SWEDEN

Office of the Air Attaché, Military Attaché, and Naval Attaché, Embassy of Sweden,
2247 R St. N.W., Washington 8, D.C.

THAILAND

Commercial Counsellor, Embassy of Thailand,
37 Wall St., Room 1608, New York.

TUNISIA

Economic Section, Embassy of Tunisia,
2408 Massachusetts Ave. N.W., Washington 8, D.C.

Tunisia Trade Office,
543 Madison Ave., New York 22.

TURKEY

Board of Counsellors for Economic Affairs, Embassy of the Republic of Turkey,
2523 Massachusetts Ave. N.W., Washington 8, D.C.
(Purchases chiefly surplus commodities)

UNITED ARAB REPUBLIC

Office of the Commercial Counsellor, Embassy of the United Arab Republic,
2215 Wyoming Ave. N.W., Washington 8, D.C.

Purchasing Bureau, United Arab Republic,
2215 Wyoming Ave. N.W., Washington 8, D.C.

Consulate General, United Arab Republic,
902 Park Ave., New York 21.

URUGUAY

Air Attaché,
2400 16th St. N.W., Suite 225, Washington 9, D.C.

Uruguayan Military Mission,
2400 16th St. N.W., Washington 9, D.C.

Uruguayan Naval Mission,
2400 16th St. N.W., Washington 9, D.C.

VENEZUELA

Oficina de Compras del Ministerio de Obras Públicas (Purchasing Office of the Ministry of Public Works),
2 West 46th St., New York 19.

YEMEN

Legation of Yemen,
4402 16th St. N.W., Washington 11, D.C.
(Handles all purchases for Yemen made in the United States)

YUGOSLAVIA

Economic Department, Yugoslav Embassy,
1520 16th St. N.W., Washington 6, D.C.

Office of the Commercial Attaché,
Embassy of the Federal Peoples' Republic of Yugoslavia,
8-10 Bridge St., New York 4.

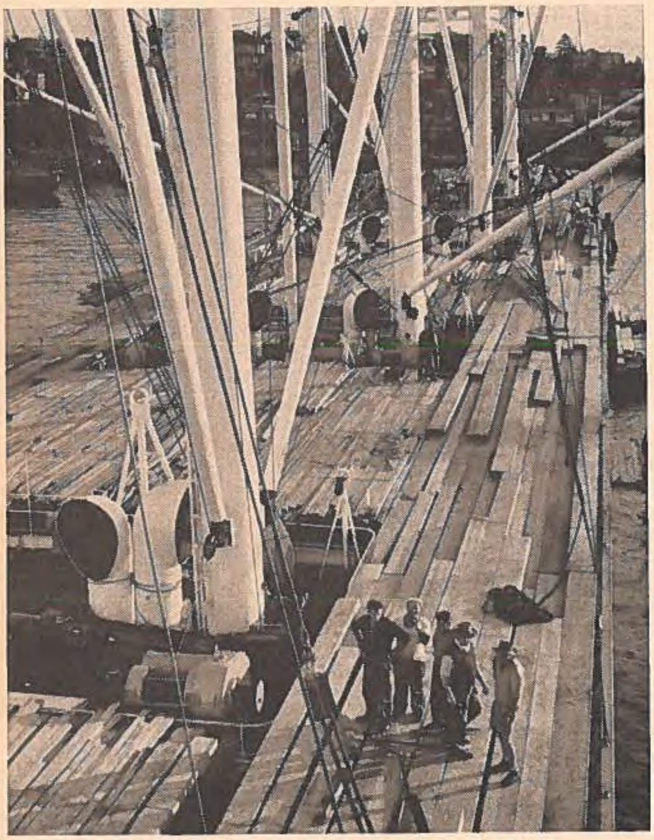
Compiled from—*Operations Reports,* U.S. Bureau of Commerce and *World Trade Data Year Book,* published by Dun & Bradstreet.

Canada in Foreign Markets

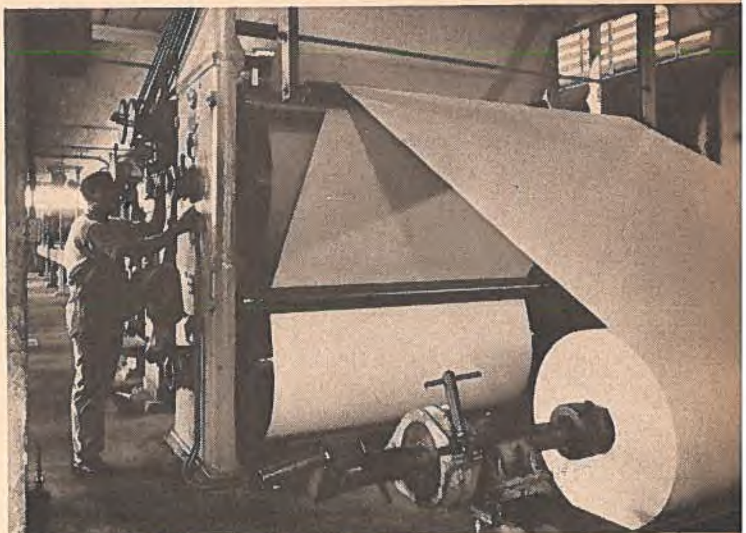
Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Lebanon—Canadian watches are featured in the window display of this smart jewellery store in the capital, Beirut.

In Britain—A display in Harrods of part of the first shipment of Canadian furniture imported into Britain since the war is examined by the Canadian Minister (Commercial), Harrods' buyer, and the president of the company that made it.



In Australia—Dock workers get ready to unload a large shipment of Douglas fir lumber from the Canadian West Coast.



In Venezuela—Corrugated cardboard made from Canadian pulp rolls off the machine in one of Venezuela's paper mills.

France Sets Up Fourth Plan

The Fourth "Plan de Modernisation et d'Equipement", designed to shape French economic development 1961-1965, was recently announced. Our Paris office analyzes it for the benefit of Canadian businessmen and comments on possible export opportunities.

A. G. KNIEWASSER, *Commercial Counsellor, Paris.*

ON October 16, the Commissaire Général du Plan presented to the French Government the country's Fourth Economic Plan. This document of some 60 pages sets out in detail targets for all sectors of the French economy for the next four years. It has already been approved by the Conseil Economique et Social over which General de Gaulle presides and will be presented later to the National Assembly for approval. It will then constitute a framework within which government, industry and labour will carry on their affairs and make new investments.

Production and investment targets have been worked out following discussions with business and labour organizations in each major industry and are considered to be desirable and within French capacity. In preparing these forecasts, the Government undertakes to conduct its fiscal and monetary policies in such a way as to meet the targets outlined for the government sector of the economy. It will also assist the private sector to achieve its objectives by offering attractive financing facilities and by other means. The plan will be financed entirely within France and without foreign aid.

It was drawn up and co-ordinated by the Commissariat du Plan, a small organization of France's leading economists and technicians attached to the Ministry of Finance.

Objectives Outlined

In setting up the plan, the Government recognized three new sets of circumstances: the great increase in the percentage of young people in the French population, the extension of the European Economic Community, and the transformation of the country's relations with Africa. Specific objectives are:

- Modernization of the Army; reduction of 190,000 men envisaged by 1965
- Strong support for research
- Assistance to depressed areas
- Social assistance—improvement of conditions for older people, refugees, and farmers in depressed areas
- Economic assistance to underdeveloped countries, particularly to the African states that retain a special relationship with France
- Increased investment in "social capital"—that is, facilities not directly productive of new goods and services, such as schools, hospitals, parks, residential buildings and homes for orphans and the elderly
- Improved distribution facilities
- One million new jobs for the industrial labour force by 1965

To attain these objectives, a 24 per cent increase in national output is scheduled by 1965 (5.5 per cent a year). In the last ten years the rate of increase has averaged 4.5 per cent a year. New social capital and the service trades will be emphasized. The proposed increases for the various sectors are shown in Table I.

TABLE I

FORECASTS OF VALUE OF PRODUCTION

	1961	1965	Progress in four years
	(in billions of new francs)		(per cent)
Agriculture	38	45	19
Energy	26	32	24
Metals	14	18	23
Chemicals	19	24	29
Manufacturing	162	200	23
Construction (industrial) and building materials	37	49	32
Transport and telecommunications	24	29	21
Construction (residential)	9	11	23
Services	51	64	27
Total	**380**	**472**	**24**

Industry Trends Reviewed

Agriculture — Agricultural production is expected to increase by 4.5 per cent each year compared with the national rate of growth of 5.5 per cent; some 270,000 farmers will leave the agricultural labour force. Production, however, is expected to rise because productivity will be higher. More attention will be focussed on the output of commodities for which there is a ready sale, such as beef, fruit and vegetables. Processing and refrigeration facilities will be expanded and modernized and distribution costs reduced.

Energy—Energy needs are estimated as the equivalent of 168 million tons of coal in 1965. There is no shortage of coal, gas or oil. Nuclear energy programs will continue but will not be accelerated. Coal production is expected to decline from 58 million tons in 1961 to 55 million in 1965.

Steel—Steel capacity is expected to increase by one-third to reach 24.5 million metric tons in 1965. Two continuous sheet mills will be put into service, one in Lorraine and the other in Dunkirk. A new steel complex on the coast will be studied.

Chemicals—Output of chemicals is slated to increase by 29 per cent, with emphasis on plastics and synthetic fibres. More concentration and specialization will take place within the industry.

Transport—Electric and diesel engines will replace steam locomotives and new highways are planned. Port facilities at Dunkirk, Le Havre and Marseilles will be expanded.

New investment in distribution facilities is planned to reach N.F.3 billion in 1965 compared with N.F.2 billion in 1961. The number of retail stores will drop substantially but the total number employed in the service trades will rise. The French Government hopes to build 26 modern marketing centres and, by offering credit facilities, enable retailers to enlarge and modernize their operations.

Foreign Trade to Expand

The economic planners have drawn particular attention to the increasing importance of foreign trade in the French economy and to the new challenges of international competition. The Fourth Plan assumes that the Rome Treaty will be applied in all respects, including agriculture, and that tariff rates against outside countries will be reduced to levels envisaged by the EEC common external tariff. The planners are confident that, with increased productivity, exports can continue to exceed imports. The estimates are given in Table II.

TABLE II

GROWTH OF FOREIGN TRADE
1961-1965

	1961	1965
	(billions of new francs)	
Exports to French Community	11.5	12.3
Imports from " "	7.5	8.7
Trade balance	4.0	3.6
Exports to foreign countries	27.5	34.8
Imports from " "	25.0	31.2
Trade balance	2.5	3.6
Total exports	39.0	47.1
Total imports	32.4	39.8
Trade balance	+6.6	+7.2

The plan recognizes that the economy must remain competitive. With full employment, inflationary pressures are to be offset by increasing productivity, with no immediate reduction in the working week. The industrial labour force is expected to expand by one million by 1965—180,000 from natural population increase, 300,000 from immigration, 190,000 releases from the armed services, and 270,000 from agriculture. It is recognized that this objective may be difficult to achieve and will depend to a large extent on the co-operation of labour organizations.

Associated with the effort in the labour field is the emphasis on improved housing (380,000 units per year by 1965) better schools (the plan is to double facilities in ten years), and a program of civic improvements that includes hospitals, parks, playing fields, cultural centres and better public transportation.

Income and Expenditures

During the Fourth Plan, consumer income is expected to increase by 20 per cent and the gross national product to rise by 24 per cent.

An effort will be made to avoid "la Civilisation du Gadget". New consumer wants of short-term utility will not be encouraged as a means of increasing manufacturing production. The intention is to provide Frenchmen with a better standard of living, emphasizing improved housing, schools, hospitals and public transportation.

Prospects for Business

The main conclusions that Canadian exporters might draw from this outline of the Fourth Plan are that national output in France should continue to expand rapidly and the economy will be increasingly exposed to foreign competition. External tariff rates on most Canadian goods will be reduced to the EEC level. Tariff rates within the EEC, however, are expected to decline more sharply. Larger industrial output and more investment could increase demand for Canadian forest products, metals and minerals.

The emphasis on new investment in improved social facilities will interest Canadian construction firms and suppliers of building materials and accessories. Facilities for recreation, particularly outdoors, will receive greater attention. Suppliers of sporting equipment may find new possibilities. In addition, the construction program for schools, hospitals and other institutions should improve prospects for Canadian suppliers of institutional equipment.

France also plans to transform its distribution setup. Supermarkets, department stores and commercial centres will spring up throughout the country. This development will facilitate the introduction and distribution of new products. Exporters of automatic vending equipment and store machinery should follow this trend carefully.

Canadian exporters should find new opportunities if they follow these programs under the plan closely and undertake personal selling campaigns. The Canadian Trade Commissioners in Paris have complete details of the Fourth Economic Plan and have established close contacts with government agencies and private organizations undertaking programs under it. They are thus in a position to assist businessmen from Canada in making appropriate contacts. ●

The Market in Colombia and Ecuador

On January 28, the author of this article, who has been stationed in Bogotá for two and a half years, begins a tour of Canada in Montreal. Here he discusses the characteristics of the market in these South American countries as a guide to Canadian exporters.

J. H. BAILEY,
Commercial Secretary, Bogotá.

DURING the postwar years, the economies of Colombia and Ecuador have been expanding steadily. As a result, imports have also been increasing: Colombia now buys over $400 million worth of goods from foreign suppliers each year and Ecuador imports more than $100 million worth. Up to now, the United States has been obtaining 60 to 70 per cent of the business in these markets and Canadian sales have amounted to less than 5 per cent. It is hoped, therefore, that Canadian business firms which can take the U.S. sales figures to these markets as a guide to whether or not their products can be sold will investigate the possibility of increasing their exports to this area. Businessmen in Colombia and Ecuador have a very high opinion of Canadians and are anxious to do business with us as long as our products and prices are competitive with those of United States and other suppliers.

Colombia

Colombia, with a population of 14 million and a per capita income in 1959 of approximately $200, has provided a market for more than $17 million worth of Canadian goods a year, on the average, during the past three years. In 1961, because of the efforts of Canadian businessmen following the Export Trade Promotion Conference in Ottawa and the excellent business conditions in Colombia, it is expected that our total sales will pass the $18 million mark. Since the United States sells over $250 million of products annually in Colombia of a class and kind made in Canada, however, it is obvious that an even larger market lies open to Canadian firms whose prices and products are competitive and who are willing to spend money and effort on developing business here.

At the present time, newsprint, chemicals and wheat are the major Canadian exports, with fertilizer, machinery (both industrial and farm), asbestos, non-ferrous metals and a variety of other products, such as communications equipment, instruments, and synthetic fibres playing an important rôle. In general, raw materials and capital equipment are the Canadian products with the best sales prospects there. Commodities on the prohibited import list are those being manufactured in the country (for example, plywood, lumber, tires, textiles, toys and electrical appliances) or luxury goods (cars and whisky). The accompanying table, listing some of our major exports to Colombia and Ecuador, will give Canadian producers an idea of what types of products are selling there.

Import Controls

Certain products are prohibited import into Colombia, others require an import licence; the remainder may be freely imported. All imports must be registered before shipment. A system of prior deposits is also in effect; imports are classified for this purpose into seven categories, with deposits ranging from 1 to 500 per cent. Recently the deposits for three of these categories were reduced: from 65 to 50 per cent, from 100 to 50 per cent, and from 130 to 100 per cent. Exchange certificates to cover the f.o.b. value of imports, plus 80 per cent of freight charges, are bought at public auctions. The free-market rate applies to most other transactions.

Throughout 1961 Colombia has experienced rising costs, a shortage of credit facilities, and a degree of political instability that has led to the flight of capital from the country. This situation is temporary, however, and the Government has already taken steps to counter these tendencies by reducing previous deposit requirements on imports and changing the requirements for bank assets. None the less, there is still a tight credit situation and in all probability this will continue during

MAJOR CANADIAN EXPORTS
TO COLOMBIA AND ECUADOR IN 1960
(Canadian dollars)

Colombia	
Newsprint	3,006,657
Plastics, synthetic rubber, etc.	2,815,750
Wood pulp	1,494,979
Asbestos	1,179,975
Fertilizer	644,660
Steel sheets	535,548
Aircraft engines	492,172
Oats	378,421
Drugs, chemicals, n.o.p.	366,228
Copper tubing	297,867
Aluminum	292,761
Machinery	280,275

Ecuador	
Wheat	2,346,077
Newsprint	399,492
Tires (for all vehicles)	195,710
Cereal foods	188,276
Bond paper	142,026
Tallow, inedible	64,296
Asbestos	53,496
Business machines	32,492
Fishing nets	25,515
Mining machinery	23,368
Medicinal preparations	23,170
Aluminum	22,793

the first six months of 1962. The expectation is that if the coming presidential election is carried through successfully, Colombia should see the beginning of another business boom during the last half of the year.

The country's economic development in the immediate future hinges upon a series of loans from various international organizations. These loans are of significance to Canada because they point to areas where exporters or engineers may find new business. Up to July 1961, a total of $119 million in loans had been approved by the International Bank for Reconstruction and Development, the Inter-American Development Bank and the Export-Import Bank for the construction and improvement of railways, roads and waterworks. The Export-Import Bank loan has been earmarked for agrarian reform and housing, but it is restricted to U.S. products and services. A similar plan will be in effect for 1962, with funds being channelled into steel-mill expansion and hydroelectric development, as well as roads and railways.

The Colombian Government has embarked upon a program to diversify exports and thus avoid too much dependence upon coffee as a means of earning foreign exchange. The plan has met with considerable success and the country is devoting more attention to the export of bananas, cotton, refined sugar, shrimp, lumber and cement.

Ecuador

Ecuador, with a population of 4 million and a per capita income of approximately $150, had some serious economic problems during 1961, particularly in monetary policy. The gold and foreign exchange reserves of the Central Bank have fallen and the sucre has depreciated in value by more than 15 per cent. The result has been a new system of monetary reform, which includes a fixed exchange rate for imports, strict import and export licensing, and tax increases on a wide range of domestic and imported consumer goods. Nevertheless, the Ecuadorian economy may regain its former sound character, provided the atmosphere of crisis does not become any worse.

Like most South American republics, Ecuador does not have sufficient domestic capital to finance industrial development. It has borrowed $10 million from the International Monetary Fund to support the exchange reserves and $7 million from the Inter-American Development Bank for African palm research and for the import of pedigreed sheep. Under the *Alliance for Progress* program, Ecuador will receive over U.S.$200 million for highways, power stations, land reform, irrigation, school construction, drinking water supplies, industrial development and other programs. Projects already under construction include a tire factory, a cement factory, port improvements, and a reorganization of the telephone system. These are all designed to diversify the economy, to increase exports, and to lessen dependence on the traditional staple exports—bananas, coffee and cocoa.

Import Controls

Import licences are required for all goods except those not exceeding U.S.$100 in value c.i.f., and certain imports entering as foreign investments. The import of certain goods is prohibited.

A system of prior deposits is also in effect. Imports classed as essential are subject to a prior deposit of 25 per cent and to supplementary taxes of 7.25 per cent of the c.i.f. value, paid in local currency at the time of application. Imports classed as non-essential are subject to a prior deposit of either 50 or 100 per cent of the c.i.f. value and supplementary import taxes of 17.25 per cent. There is a system of duty rebates on essential goods.

On the basis of an import licence the Central Bank provides foreign exchange at the new single official rate of 18.18 sucres per U.S. dollar.

Trade with Canada

The main Canadian exports to Ecuador are given on the left; the reader will note that wheat and newsprint make up over 70 per cent of the total. It should be pointed out, however, that the Ecuadorian market is open to products from all over the world and therefore the list of goods that can be sold here is practically unlimited. One sees everything from the latest model automobiles or appliances from North America to simple hand tools and plumbing supplies from Europe and Asia. All imports are subject to very stiff import duties and taxes but, since all are treated alike, Canadian suppliers are not at a disadvantage. In fact, Ecuador provides a good test market to see whether Canadian products can compete in price and quality with their counterparts from other countries. ●

53016-2—3

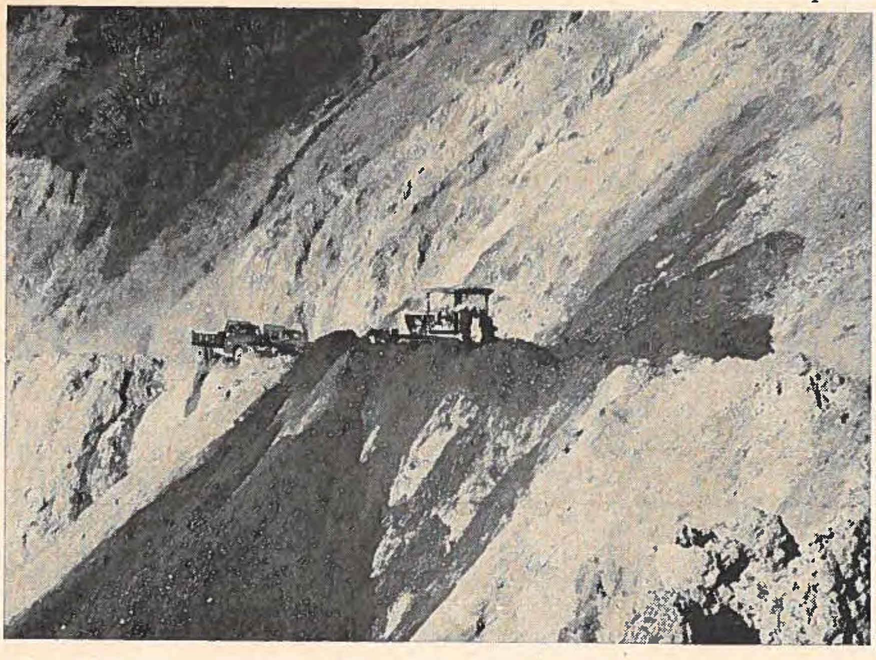
There are business prospects in

Colombia's Transportation Plans

and J. H. BAILEY, Commercial Secretary in Bogotá, draws them to the attention of Canadian engineering firms and equipment manufacturers in this report.

THE development of Colombia, a country of about the same size as British Columbia, Newfoundland and the three Maritime Provinces of Canada, has been severely handicapped over the centuries because of inadequate transportation facilities. The country is traversed by three massive mountain ranges, and thousands of square miles of jungle and grasslands in many of the lower areas between the mountains are inundated every year during the rainy season. Although these natural divisions have created serious transportation problems, they have also had one favourable effect: unlike many Latin American countries that have only one main industrial and market area, Colombia grew up with four distinct industrial centers. These are grouped around Bogotá (population 1.1 million), Barranquilla/Cartagena (700,000), Medellin (600,000), and Cali (500,000). In addition, there are more than a dozen other cities with populations of more than 100,000 and several hundred with 15,000 or more. The problem, therefore, has been to join these important centers together so that commerce will flow between them, and to provide easier access to the cities from the farflung rural settlements. At present, a large mission from the United States is studying all phases of the transportation problem, and its recommendations and those already made by Colombian engineers will be carried out during the next few years.

The three high mountain ranges that divide Colombia have isolated certain districts, intensified the transportation problem. Highway builders have to create ledges, as they are doing in this interesting photograph, along which the new roads will run. —IBRD photo.



Water, the First Route

The early explorers penetrated Colombia on the rivers. In fact, Bogotá was founded in 1538 on the site where Gonzalo Jimenez de Quesada, who had come inland via the mighty Magdalena, met Nicolas de Federmann, who had entered via the Orinoco system. For many years the rivers were the principal means of transport and even today it is estimated that over 265,000 tons of freight a year move inland from the Caribbean coast on stern-wheelers and diesel-driven barges. In regions around the lower reaches of the Magdalena and its tributaries, and along the swampy Caribbean and Pacific coastlines, only boats can reach many towns and villages. Similarly, in the prairies or llanos boats are used to move cattle and supplies to the widely dispersed haciendas and villages. One enterprising firm in Bogotá is now building knocked-down barges and tugs which are trucked overland to the nearest rivers in the llanos and in the Amazon River system further south.

Colombia, in conjunction with Ecuador and Venezuela, formed a nationalized merchant marine fifteen years ago known as the Flota Mercante Grancolombiana; Venezuela withdrew a few years ago. Out of a total of 26 vessels owned outright by the Flota, less than half a dozen were built in Canada. The rest of the 45-vessel fleet is operated on a charter basis. As an indication of the importance of the Flota, the company has carried 16.3 million tons of freight and earned $391 million during the past fifteen years. At the end of 1960, its capital amounted to 197.9 million pesos, approximately $24.7 million. The Flota operates services to 90 ports in 32 countries (including Canadian Atlantic, St. Lawrence, Great Lakes and Pacific ports).

The port facilities at Buenaventura on the Pacific and Santa Marta on the Caribbean are going to be expanded in the near future to handle the growing business. Santa Marta has received great impetus this year from the completion of the new Santa Marta-Bogotá railway (see section on railways). The city of Barranquilla, whose port is plagued by silting at the mouth of the Magdalena River, will undertake three major projects in an effort to maintain its position as the leading commercial center on the north coast. It will establish a free port (the land has been set aside and the Port Authority formed), dredge the river mouth to permit large ships to enter on a regular basis, and possibly will construct a rail line to link the city to the Santa Marta-Bogotá line.

An engineering project of tremendous scope is on the books—a canal from the Atlantic to the Pacific to supplement the overloaded Panama Canal. This has been a Colombian dream for many years, and by 1970 a decision will likely be made as to whether the plan to build a canal across the country via the Gulf of Darien and the Atrato River is economically feasible.

Railways and Highways

A major step in uniting the country commercially and politically has been achieved with the completion of a 417-mile rail line from Bogotá to the northern coast. Officially opened by the President this summer, the line already has freight and passengers flowing along it in ever increasing volume. Before the official inauguration, I made the eighteen-hour trip from Bogotá to Santa Marta and was most impressed by the engineering feat the Colombians have accomplished. Over 100 bridges had to be built (European firms won many of the contracts), and miles of right-of-way had to be carved out of the wilderness. Although the fast, clean diesel passenger trains, called autoferros, were made in Europe, the heavy diesel freight locomotives have been imported from North America. More diesels, as well as other auxiliary equipment, will be required as the volume of freight expands. However, it should be mentioned that, because of low labour costs in Colombia, the market for North American track maintenance equipment will not be very large for the time being. The completion of this line means that the major market areas of the country from coast to coast are linked by steel, and a potentially rich agricultural area as large as England has been opened up for development.

COLOMBIAN IMPORTS OF TRANSPORTATION EQUIPMENT

Products	1959	1960
Ships	$ 1,841,000	$ 256,000
Boats	201,000	568,000
Parts for above	236,000	310,000
Total Marine	**2,278,000**	**1,134,000**
Locomotives	934,000	1,763,000
Passenger cars	75,000	387,000
Freight cars	309,000	483,000
Car chassis	4,000	8,000
Brakes	30,000	83,000
Other parts	331,000	445,000
Total Railway	**1,683,000**	**3,169,000**
Jeeps	2,618,000	3,649,000
Automobiles	939,000	3,342,000
Buses	9,000	4,000
Station wagons	4,387,000	4,037,000
Trucks	3,575,000	197,000
Truck chassis	6,633,000	15,698,000
Ambulances	60,000	54,000
Sweeper trucks	248,000	98,000
Other chassis	5,643,000	7,597,000
Other parts	731,000	1,310,000
Total Automotive	**24,844,000**	**35,986,000**
Bulldozers	752,000	1,758,000
Bulldozer parts	3,338,000	4,588,000
Total Bulldozers	**4,090,000**	**6,346,000**
All Airplanes	**3,608,000**	**2,419,000**
Grand Total	**36,503,000**	**49,054,000**

Colombia's highway program is handled by the Ministry of Public Works under the direction of an engineer with deputy minister rank. Almost all of the construction work on highways and bridges is done by private contractors bidding on tenders issued by the Ministry. A sufficient number of these are won by American contractors to warrant several of them maintaining full-time offices in the capital. The next five years will see a large expansion in the country's highway system as the *Alliance for Progress* program gets under way. Colombia has already received several multimillion dollar loans from the United States to begin the construction of penetration roads (e.g., from the new rail line) into new farming areas. In addition, the country expects that by 1963 it will be able to begin its portion of the Pan American Highway. It will run from the Panamanian border on the Darién Peninsula through one of the most rugged jungle-mountain terrains in the world and will require tremendous quantities of engineering services and equipment.

The first automobile and truck assembly plants are coming into production this year. The largest, operated by a British group, now has vehicles coming off the production line and hopes eventually to reach its target of 5,000 units a year. Another began manufacturing the well-known North American Jeep in July with an output of ten vehicles a day; the Colombian content is only 25 per cent now but is expected to increase to 75 per cent during 1962. As well, several Japanese and Spanish firms are planning to set up assembly plants, and numerous other truck and body manufacturers are negotiating licensing arrangements with Colombian metalworking firms.

Aircraft Used Widely

After the original opening up of the country through the rivers, the next leap forward in transportation came with the introduction of the commercial airplane. In fact, a num-

53016-2—3½

ber of Colombians have expressed the view that the quick change from river steamer to air transport actually held back the development of a basic road and rail transportation system. It was easier to scrape out thousands of landing fields and import aircraft than it was to build surface transport in this country of snowcapped mountains and steaming jungles. People here have become accustomed to taking an airplane just as they would a bus in any other country.

Besides the nationally-owned airline AVIANCA, there are half a dozen other important carriers and hundreds of small private aircraft are used to gain access to the haciendas in the llanos, timber stands in the jungle, mining sites in the mountains, and the various oil concessions scattered about the country. Although the first-class domestic flights are in excellent aircraft, many of the tourist and freight hauls are made in older equipment (loaded down with everything from chickens to oil well machinery) that will have to be replaced during the next five years.

Colombia has terrain that resembles Northern Canada in many respects and bush aircraft and helicopters are in great demand. One Canadian manufacturer has been very successful in selling this type of aircraft and several Canadian operators of helicopters are now negotiating tie-ins with their counterparts in this country.

Because of the heavy air traffic, the Government has established a semi-official entity, Empresa Nacional de Aerodromos, to expand and modernize the country's airports. This organization issues public tenders for everything from airport construction jobs to lighting installations. Already a number of Canadian firms are listed as potential bidders with the Empresa; the Commercial Section of the Canadian Embassy in Bogotá will be pleased to list any other firm that wishes to participate in this business. ●

FAIRS AND EXHIBITIONS

■ Ideal Home Show, London

EXHIBITORS and organizers are confidently awaiting Canada's third entry in the Ideal Home Show, March 6-21, Olympia, London—Britain's biggest consumer goods show. Most of the Canadian companies participating this year exhibited in 1960 and 1961, but this time they will share space-rental costs with the Department. Space once again was not sufficient to accommodate all the firms that wanted to participate.

The products expected to win British consumer acceptance this year include foods, textiles, appliances, heating equipment, and commercial refrigerators. Heating equipment exhibitors are hopeful that a major change in home-heating methods is coming in Britain. They will show domestic warm-air heating equipment, hot-water heaters, space heaters and winter air-conditioners. Canadian appliances have chalked up sales successes in previous shows and are expected to repeat them. Products on display will include home freezers, refrigerators, electric and gas cookers and ranges, electric kettles, washing machines and dryers. Women's and children's clothes and footwear, prints and piecegoods, cottons and draperies will comprise the textiles section. The market for all these products, say the Commodity Officers of the Department, is good despite credit restrictions.

Foods, which can be sold over the counter by exhibitors, make up an important section of our display. Honey; cake mixes; canned fruits, soups, vegetables and juices; condiments of many kinds; frozen foods; canned seafoods and fresh and dried fruit are some of the products going into the exhibit.

A masonite roof with barrel vaults over each display will unify the individual exhibits. A half-scale model house will illustrate the use of Canadian materials in framing. In addition, several small model homes designed in England using Canadian materials, and transparencies of attractive Canadian houses will be shown.

Two Canadian trade missions to Britain and Europe in February and March, one covering heating equipment and the other household appliances, are expected to visit this important show. Just under 1.2 million people attended in 1961, and a good portion of this number came through the Canadian section.

■ Design Engineering, Chicago

CANADIAN manufacturers familiar with the problems exhibitors face at industrial and trade shows will be interested to learn that participants in the Design Engineering Show in Chicago next year will be able to forget about difficulties with exhibit-hall labour, uncrating and repacking, and erecting and dismantling displays. For the first time, a major show will offer exhibitors space at a price that includes hauling of exhibit material from the exposition hall loading platform to the berth and back again after the show; uncrating and unpacking of machines, equipment, display units and exhibit backgrounds, and recrating and repacking; erecting of booth background and display units and dismantling them; spotting and positioning of equipment, machines, backgrounds and display units; electrical connections, normal wiring, and electricity; standard furniture, floor coverings and booth backgrounds; telephone installation and local calls.

Services such as plumbing, painting and long-distance telephoning are classified as special and will not be included because relatively few exhibitors require them. Other special services, such as internal wiring of an exhibitor's own machinery or displays, and paint touch-ups, are included. If exhibitor-owned furniture is preferred to the standard variety, it will be hauled without charge. Participants who wish tile flooring can have it installed and removed without charge. Except where the exhibitor wants something special, he can ship his material and walk into his booth to find it completely set up without charge.

The show management believes this innovation will make expositions more valuable and more productive for exhibitors and will help them to estimate and control costs. It is expected to mean savings to the exhibitor of 15 to 20 per cent. One comprehensive bill for service charges paid by the show management, rather than by individual firms, will cut billing costs to a new low. A more economic allocation of labour, since it can be ordered in advance, will replace the costly labour pool; service contractors will be able to schedule labour and equipment on an efficient basis.

The entire exposition field will be watching the Design Engineering Show carefully. Should everything turn out as expected, there is reason to believe the plan will be adopted by other shows.

—F. IAN WOOD, *Vice Consul and Assistant Trade Commissioner, New York, N.Y.*

■ Utrecht's 1962 Program

THE Royal Netherlands Trade Fair authorities at Utrecht face a busy year in 1962. Their calendar embraces nine major shows, including the construction industry exhibition.

The Winter Leather and Travel Goods Show introduces the trade fair program in the first part of January. It is followed by the Souvenir Trade Fair in which 130 manufacturers of small gifts are expected to participate. The International Spring Trade Fair in the last half of March accents equipment for the construction industry, roadbuilding, hydraulic engineering and mining. Draftsmen's supplies, engines, pumps, compressors and machinery round out the industrial exhibits, but consumer goods will also be shown.

In April comes the International Footwear Exhibition and in July the Summer Leather and Travel Goods Show. September will boast two large exhibitions—one for foods, the other textiles. ROKA, the International Foodstuffs Trade Fair, features luxury foods and some food-processing equipment. Leather goods and children's wear have been incorporated into the International Autumn Trade Fair for textiles (newly scheduled; it used to be a spring fair).

Over 700 firms from 21 countries will participate in the 3rd International Plastics Exhibition in October. Four large halls will contain displays of basic chemicals, machinery and equipment, semi-manufactured and finished products. Finally, the triennial Machevo Show, featuring machinery and supplies for the food, drug and chemical industries, will draw more than 500 exhibitors in the month of November.

Further information about any of these shows can be obtained from the Commercial Secretary, Royal Netherlands Embassy, Ottawa.

■ World Fair in New York

THE sixth annual United States World Trade Fair will be held in the New York City Coliseum, May 11-22, 1962. In 1961 it presented products and materials from 71 countries. Over 171,000 businessmen came from every state in the Union and from more than 70 other countries to see the 3,000 exhibits. Over 397,000 of the general public attended.

Correspondence and inquiries about the coming fair should be addressed to the United States World Trade Fair, 331 Madison Avenue, New York 17, New York. The New York City Department of Commerce and Public Events sponsors the event.

■ Coming Vertical Shows in Europe

AGRICULTURE—*42nd International Agriculture and Agriculture Machinery Exhibition,* Brussels, Belgium, February 11-18. Apply: Secretariat-General, Salon de l'Agriculture, 29 rue de Spa, Brussels.

BOATING—*Swedish Boat Show,* Gothenburg, Sweden, February 8-18. Apply: A. B. Svenska Batutstallningen, Stampgatan 38, Gothenburg e.

ELECTRONICS—*International Radio and Electronic Components Exhibition,* Paris, France, February 16-20. Apply: Federation Nationale des Industries Electroniques, 23 rue de Lubeck, Paris 16.

LEATHER—*International Leather Goods Trade Fair,* Offenbach, Germany, February 17-22. Apply: Offenbacher Messe-Gesellschaft m.b.H., Kaiserstrasse 110, Offenbach-am-Main.

■ Machine Tools in Europe

INDIRECTLY, one Canadian firm was able to take part in the 7th European Machine Tool Exhibition, held September 3-12 at the Brussels Palais du Centenaire. Participation in this show is restricted to the ten countries that make up the Comité Européen de Coopération des Industries de la Machine-Outil.

A Canadian firm, however, had one of its punch-tape control systems in operation on a German drilling machine and two officials of the company flew to Brussels to be present on the German manufacturer's stand. They were pleased with the opportunity to discuss their equipment with machine tool makers and users and felt that prospects for future business in Europe are good. They were particularly pleased to find their prices more or less competitive with those of similar control systems in Europe and will probably take a more serious look at the European prospects than they have so far.

The European Machine Tool Exhibition is important to European machine tool producers and to users from nearly every country in the world. Last year there were 766 exhibitors from the following countries: Germany 279, France 153, Italy 90, Switzerland 85, Britain 68, Belgium 38, Netherlands 20, Sweden 16, Austria 12 and Denmark 5.

■ Consumer Goods, Lyon

THE Lyon International Trade Fair is one of the most important held in France. In 1960, some 1,209 firms from 26 countries presented 5,864 exhibits. More than 900,000 visitors attended, 45,000 of them from foreign countries. The public was admitted for two days only; businessmen and buyers thronged the show for the remainder of the time.

The fair offers an excellent opportunity to promote Canadian consumer goods in a market where import controls are easing. Twelve companies will participate in the Canadian Government-sponsored exhibit this year. Their products will include outdoor sports equipment; boat steering wheels, boat hardware, water-ski fittings and anchors; physical culture apparatus; cosmetics; electric clocks; fabrics for women's and men's wear; satin linings; coin-operated washers and dryers, refrigerators; stainless steel cookware; hi-fi equipment; a key-cutting machine; plywoods and whisky. In addition, the National Harbours Board will present a motion-picture display on Canadian ports.

■ Electronics, Chicago

THE American Institute of Electrical Engineers, the Illinois Institute of Technology, the Institute of Radio Engineers, and a group of Midwestern universities each year sponsor the National Electronics Conference and Exhibition in Chicago (October 8-10, 1962). This show is an excellent outlet for firms producing components and hardware for the electronics industry. It also offers excellent opportunities for Canadian firms in this field looking for licensing arrangements with U.S. companies.

A full program of technical sessions and seminars accompanies the three-day exhibition. These are well attended by experts in the electronics field and one of the important duties of the NEC management is to publish and distribute the printed proceedings of the conference. A large percentage of those visiting the show are technical personnel seeking what is new on the market. More often than not, the company representative on a display stand is either the president or a senior officer of the firm, especially in companies displaying component parts. The show offers a unique opportunity for these industries. Although there are larger shows in the field, the Chicago exhibition is said to draw a proportionately high number of top executive personnel because of the emphasis on the technical sessions. A large number of small firms therefore exhibit component parts, such as solenoids, capacitors and semi-conductors.

Last year the show took place in Donovan Hall at the International Amphitheatre in Chicago in September. About 400 firms exhibited and most of them were pleased with the results. Visitors numbered 15,000—about 20 per cent more than in any other year. For 1962 the sponsors have rented 100,000 square feet at the McCormick Place Exposition Centre.

■ Marine Equipment in Chicago

THE Marine Trades Exhibits Conference is one of the most important of its type in the United States. For Canadian firms looking for representation in the United States it is a "must". Any manufacturer planning to enter the U.S. market with boats or marine equipment should consider attending and checking the merchandising methods and pricing practices of his U.S. competitors.

The show is important because many U.S. manufacturers use it to introduce their new lines each year. It attracts buyers from all over the country. It is closed to the public; the majority of the visitors (30,000 in 1961) are boat dealers and distributors.

In 1961 the show was held on the main floor of the McCormick Place Centre and was a sell-out. Displays were well designed and the show well operated. The management organized three days of sessions aimed at the dealer, giving him advice on selling his products. The Outboard Boating Club of America, 307 North Michigan Avenue, Chicago, sponsors the show, which will be held again from September 28-October 1, 1962.

■ Easter Show, Johannesburg

VISITORS to the Rand Easter Show, Johannesburg, South Africa (April 10-23) will find the Canadian exhibit a memorable one. Seven sections will comprise our exhibit and each will feature some branch of Canadian industry and each will have a display in motion. On all sides, South African buyers will find machinery and equipment efficiently at work selling itself.

One section will present mining equipment, tools, and a composite metal display. Another will include pieces of industrial machinery—hydraulic component parts, hydrogen-extraction cells, gas-reduction units, oil-refinery equipment, welding controls and automatic welding equipment, draft inducers for industrial boilers, and a photographic display of automation equipment. Electronic and electrical equipment—automotive metering instruments, electronic component parts, navigation aids, echo-sounding devices, transmission-line hardware, switchgear, motor generators, gear motors, geophysical instruments—will also be grouped together. Most of the equipment will be in operation.

To display woodworking equipment, the Department will set up a shop to make lawn chairs and children's chairs from Canadian red cedar. (These will be donated to charity when the show ends.) Another exhibit will feature cars made in Canada but assembled in South Africa, plus plastic body compound and spray-painting equipment. Two portable pneumatic car lifts will be in operation.

In a roofed-over outdoor section, a milling machine will mill flour on the site, a diamond drill will bring up cores, a centrifugal pump will pass water from one reservoir to another, and a chain saw will bite into log sections. Finally, a small but complete fur factory using Canadian pelts and employing local furriers will make fur garments on site; there will also be clothing on display and fashion shows.

The exhibits will be housed in an 8,000 square foot Canadian pavilion. Fifty-one Canadian companies have supplied products and over half of them will be exhibiting in a Department-sponsored display for the first time. All are optimistic about results; the Rand Easter Show is considered the best vehicle for trade promotion in South Africa.

TRADE COMMISSIONERS ON TOUR

In Canada

J. H. BAILEY, Commercial Secretary and Consul in Bogotá, Colombia:

Montreal—Jan. 28-Feb. 2
Brockville, Kingston—Feb. 5
Oakville, Hamilton—Feb. 6
Waterloo—Feb. 7
Brantford—Feb. 8
Niagara Falls—Feb. 9
Toronto—Feb. 12-16
Winnipeg—Feb.19-20
Vancouver—Feb. 20-23

After he completes his tour, Mr. Bailey will return to Bogotá.

Businessmen who wish to see Mr. Bailey should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

R. A. BULL, Acting Commercial Secretary in Bogotá, Colombia, will visit Ecuador January 11-20.

W. E. FULTON, Assistant Commercial Secretary in Oslo, Norway, will visit Reykjavik, Iceland, for a week beginning February 11.

G. L. GAGNE, Assistant Commercial Secretary in Mexico City, will visit Monterrey and Nuevo Leon February 12-14.

J. E. LANCASTER, Commercial Secretary in Karachi, Pakistan, plans to visit Dacca, Chittagong, Kaptai and Khulna in East Pakistan, February 5-16.

H. E. LEMIEUX, Trade Commissioner in Guatemala City, will visit Panama January 23-27, Costa Rica January 28-30, and Nicaragua January 31-February 2.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from January 22-26.

J. B. McLAREN, Vice Consul and Assistant Trade Commissioner in Philadelphia, will visit Wilmington January 22-24.

W. J. MILLYARD, Consul and Trade Commissioner in Philadelphia, will visit Wilmington January 22-24.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit San Pedro, Dula and Tegucigalpa in Honduras February 26-March 2, and Costa Rica March 3-8.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Curacao and Aruba in the Netherlands Antilles from January 22-31.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Fulton at Oslo, Mr. Gagne at Mexico City, Mr. Lancaster at Karachi, Mr. Lemieux and Mr. Taylor at Guatemala City, Mr. McLane at Glasgow, Mr. McLaren and Mr. Millyard at Philadelphia, Mr. Stewart at Madrid, and Mr. Wallace at Caracas.

Index to Articles in "Foreign Trade"

July-December 1961 Issues

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation.

West German Agriculture

Harvesting of the West German wheat crop gets under way on a typical farm. In 1961 the wheat crop was approximately 920,000 metric tons smaller than in the previous year despite increased acreage, because of the wet and cold weather.

Production and Imports

Agricultural production dropped sharply in 1961; this means greater sales possibilities for Canadian producers of grain, oilseeds, tobacco, apples, egg and poultry products, processed fruits and vegetables.

W. J. O'CONNOR, *Assistant Commercial Secretary (Agriculture), Bonn.*

AN unusual situation prevailed in the German grain market this fall: for the first time in years, Germany had to import rye. Although the total acreage sown to grain was slightly larger than in the previous year, the crop is estimated at 12.4 million metric tons* in contrast to the record 1960 harvest of 15.5 million. The small crop resulted from wet cold weather in the fall of 1960 and from May on in 1961. Table I gives comparative crop figures.

*Throughout the report "tons" means metric tons.

Other Crops

Oilseeds—The 1961 oilseed crop (chiefly rapeseed) is estimated at 75,000 metric tons. This is 7 per cent more than in 1960 and 41 per cent greater than the average crop in the period 1955/60.

Sugar Beets—The record 1960 sugar beet crop of 12.3 million tons made marketing of the surplus difficult, and farmers cut their 1961 acreage by 12 per cent to 640,000 acres. The yield also dropped sharply and sugar beet production in 1961 is estimated at 8.6 million tons. The sugar content of the beets is also reported to be down. Farmers receive a fixed price of DM6.75 per 100 kilograms of beets, calculated on the basis of beets with a sugar content of 15.5 per cent.

Tobacco—German tobacco growers were seriously affected by the outbreak of fungus diseases in 1960 and tobacco acreage dropped from 15,500 to 9,800 acres in the current year. The average yield was 1,850 pounds per acre, 21 per cent more than in 1960. None the less, because of the smaller acreage, production declined 23 per cent to 8,200 metric tons. The German Government has therefore reduced to 20 per cent the compulsory percentage admixture of domestic tobacco that applies to certain types of cigarette and pipe tobacco.

Potatoes—Potato production is estimated at 21.5 million tons, or 12 per cent less than the average crop in the 1955/60 period, and 1 per cent less in yield. The acreage is down 11 per cent and in relation to 1960, both yields and acreage were down 6 per cent. Although German farmers normally use a large percentage of the potato crop as livestock feed and supplies for human consumption are always abundant, the Government recently opened import possibilities. This was done in an effort to stabilize prices and 50,000 tons were purchased from other EEC countries.

Fruits and Vegetables

Table II shows production of principal fruits in recent years.

In contrast to last year, when there was a record crop of low-quality apples and pears, the quality of the 1961 crop is good. Prices have risen and the Government has already opened import quotas. Although total fruit production including berries was only about half as great as in the previous year, the disposition of the crop was almost unchanged. In both years 27 per cent was marketed as table fruit and 22-24 per cent sold to processors. In 1961, producers consumed 1.2 million tons of fruit or 51 per cent of the crop. This compares with 2 million tons or 49 per cent of the crop in 1960.

After declining for several years, the acreage used in commercial vegetable production increased for the second year in a row and reached 180,000 acres. Despite this, production remained the same as in 1960, 1.2 million tons, because the weather was less favourable.

Livestock Production

Although German farmers were naturally disappointed in their 1961 crops, farm income in 1961 is expected to be only slightly below the previous year—partly because the quality of most crops was better than in 1960 but mainly because livestock production and prices did not decrease. German farmers normally obtain 70 per cent of their income from the sale of livestock and animal products.

According to the 1961 September census, the hog population stood at a record 17.58 million, 11 per cent more than in 1960, and a further increase is expected. The rise reflects the good demand for pork in recent months. Hog marketings are expected to increase by 12 per cent to 23.5 million in the 12 months ending August 31, 1962, and prices will probably drop.

The cattle population was estimated at 13.4 million head in June 1961, 2.3 per cent more than a year earlier. Although the number of draft animals is declining, there are still several triple-purpose cattle breeds in Germany. Single-purpose beef breeds are not popular and most cattle are bred for both meat and milk production. There are, however, over 500,000 registered Holsteins or "German Black and Whites" in the Federal Republic, some 10 per cent of the total milk cow population.

Meat

Some 21.4 million pigs, 3.6 million cattle, and 1.9 million calves were slaughtered for meat production in 1960/61. (These figures include 800,000 imported pigs and 406,000 imported cattle.) Commercial slaughterings yielded 2.6 million metric tons of meat and animal fat, 5 per cent more than in the previous year. According to the Statistical Office, home slaughterings of cattle yielded a further 24,000 tons of beef and on the basis of information received from the Agricultural Ministry, home slaughterings of pigs are thought to have yielded 380,000 tons of pork and lard. The proportion of animal fat in the above figures is estimated to be 5 per cent for cattle and 15 per cent for commercially slaughtered hogs. Net imports of beef, pork and other meats in the period under review were smaller than one year earlier and amounted to 51,000 tons of beef, 35,000 of pork and 1,000 of other meats.

Poultry and Eggs

Poultry imports increased 20 per cent to 144,000 tons in 1960/61. Germany's Common Market partners, mainly the Netherlands, supplied 52,000 tons, the United States 41,000, Denmark 30,000 and East European countries 18,000. In the same period, domestic production increased 5 per cent to 101,000 tons. Domestic producers have long been at a disadvantage because of the high feed-grain prices in Germany. To offset this, the German Government in September began

TABLE I

GERMAN GRAIN PRODUCTION

	Average 1955/60	1960	1961	1961	Change 1961/1955-60
	(millions of metric tons)			(million bushels)	(per cent)
Wheat	3.99	4.96	4.04	(161)	+ 1.0
Oats	2.27	2.18	1.91	(124)	−16.0
Barley	2.57	3.22	2.72	(125)	+ 6.0
Rye	3.75	3.80	2.51	(99)	−33.0
Mixed summer grains	0.94	1.10	1.05	(46)	+12.0
Mixed winter grains	0.19	2.53	0.15	(7)	−22.0
Feed corn	0.17	0.20	0.23	(9)	+36.0
TOTAL	**13.74**	**15.53**	**12.41**		**−10.0**

TABLE II

GERMAN FRUIT PRODUCTION

	Average 1955/60	1960	Estimate 1961	1961
	(thousands of tons)			(thousands of bushels)
Apples	1,411	2,489	757	37,000
Pears	391	634	354	15,600
Plums	311	499	711	31,400
Total fruits	**2,540**	**4,155**	**2,369**	....

making equalization payments to poultry producers. These payments are calculated on the basis of the difference between domestic and world market grain prices and may be a maximum of DM0.60 per kilogram live weight or DM0.90 per kilogram dressed weight. Similar legislation to assist egg producers has been in effect for several years and the maximum payment of DM 0.30 per egg is paid during most months of the year. It is partly responsible for the 8 per cent increase in egg production in 1960/61. Production reached 7.63 billion; imports dropped from 5.5 to 5.1 billion.

Dairy Production

Milk production, as a result of a 1.7 per cent increase in the cow population and a 1.6 per cent increase in the milk production per cow, was 3.3 per cent higher in 1960/61 than in the previous year and totalled 19.5 million tons. Although there has been a seasonal decline in production in recent months, it is higher than in the similar period last year. The premium of DM0.30 per kilogram paid to farmers for every kilogram of quality milk they deliver remains unchanged.

In 1960/61, production of processed cheese increased 7 per cent to 64,000 tons and production of other cheese 3 per cent to 165,000 tons. Butter production went up 8 per cent to 420,000 tons.

Outlook for Imports

Table III gives West German imports of agricultural products from Canada in the first nine months of 1961 and comparative figures for the two previous years.

The recently announced Grain Import and Supply Program indicates that the German market will require 330,000 metric tons of durum wheat in the 12-month period ending June 30, 1962. Canada will again be the main supplier but shipments are expected to be down because of Canada's inability to supply rather than lack of demand. The Import and Supply Program set import requirements of other wheat for the market and stockpiling at 1.4 million metric tons. Imports from Canada to date in the current crop year are larger than in the similar period last year and should continue at a favourable level. The German trade fully appreciates the superior quality of Canadian wheat and this accounts for the fact that Canada's share of the market has remained fairly constant, although total net imports have fallen as a result of increases in the obligatory domestic milling percentage. Apart from the requirements for stockpiling and for the market, Germany has undertaken for political reasons to import approximately 600,000 tons of soft wheat. This cannot be used in Germany and the Government must continue to dispose of it under its subsidized flour export program. Imports of feed grains are expected to reach 2.8 million metric tons, more than three times the figure set in the 1960 Import and Supply Program. Imports in the current crop year of 410,000 metric tons of rye, 620,000 tons of brewing barley (including malt), and 500,000 tons of other industrial grains are also expected; these figures are larger than imports in the previous year.

TABLE III

PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO WEST GERMANY

	Nine months		
	1959	1960	1961
	(in Can.$'000)		
Wheat including durum	53,350	36,130	52,410
Barley	500	4,580	40
Forage seeds	310	580	260
Oilseeds	1,670	160	3,000
Pulses	160	....	30
Tobacco	950	850	740
Canned fruits and vegetables	110	300	140
Whisky	30	900	40
Hides and skins	1,620	2,080	2,120
Total, including other agricultural products	**60,580**	**46,740**	**57,900**

Source: Federal Statistical Office—*Foreign Trade of the Federal Republic of Germany.*

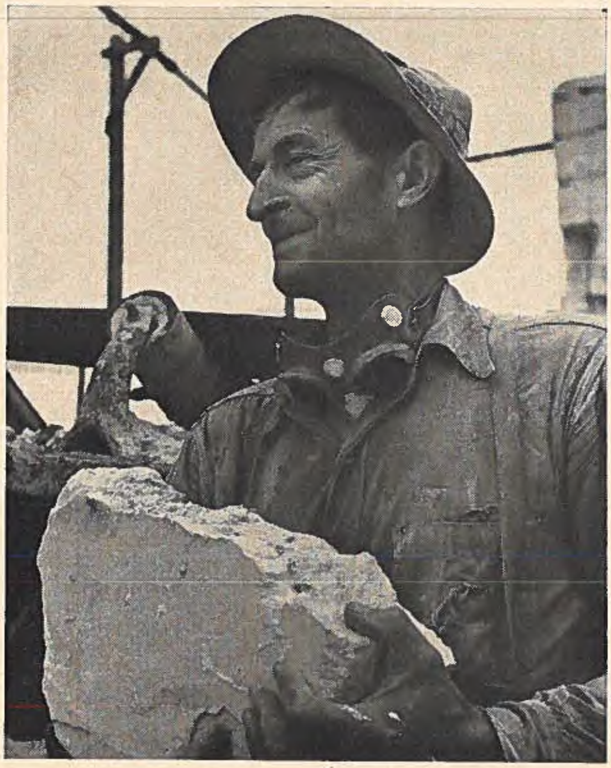
Other Canadian field crops for which there is a demand in Germany are oilseeds, forage seeds, hybrid seed corn, and tobacco. The German market for these products is, however, very competitive, particularly for oilseeds. Canadian sales of rapeseed depend on price in relation to the price of United States soya beans. The relative feed value of the resulting oilmeals is an important factor.

Germany has opened import possibilities for the following varieties of Canadian apples: Delicious, Stayman, Winesap, Jonathan, Newton, Rome Beauty, McIntosh, and York. Importers have also been given an opportunity to obtain licences for imports of most canned fruits and vegetables from Canada. Consumption of frozen foods is increasing and quantitative restrictions on imports were removed earlier this year. At the same time canned peaches were liberalized, and it is expected that imports of canned apricots and pears will be freed in the coming months.

Although most of Germany's livestock and animal products are imported from countries with which it has concluded bilateral trade agreements, Canadian suppliers are allowed to participate in the market for such products as offals, lard and (from time to time) butter. German importers are also seeking connections with Canadian suppliers of egg and poultry products. Imports of poultry are expanding rapidly and are expected to reach 385 million pounds in the current calendar year. In past months most of this business has gone to the United States, the Netherlands, and Denmark, but small shipments of premium quality Canadian poultry have been made.

In summary, Canadian exports of agricultural products to Germany should increase in the coming months. Grain exporters may expect to benefit to the largest extent but, despite import restrictions, Germany remains a good market for a wide range of Canadian farm produce. ●

What's current in commodities?



Markets for Canadian Sulphur

PRODUCTION of sulphur in Canada has been gaining momentum rapidly this year and with the completion of the natural gas pipeline to California, recovered sulphur production capacity is now approaching 1½ million tons a year. Further expansion over the next two or three years should push capacity well over the 2-million-ton mark and with production expected to follow close behind, this country will shortly be the Free World's second largest sulphur producer.

The large excess of supply over domestic demand means that export markets are of vital importance to Canadian producers. The various countries in Asia, with some sectors of the United States, are considered natural markets for Canadian production.

This country's competitive position has been hampered in the past by higher inland freight costs than those in other major producing countries, but rate reductions put into effect in 1961 have helped considerably to put us in a competitive position in markets of interest to us. Although inland freight rates are still a problem to our suppliers, 1961 saw the first offshore movement of bulk sulphur from Canada. Because Canadian sulphur is of a quality equal to, if not better than, the Frasch sulphur now accepted as a standard in most parts of the world, the ability to offer competitive prices has created considerable interest abroad in Canada as a source of supply.

There is a widespread mutual interest in foreign markets on the part of Canadian suppliers and in order to provide a brief summary of the demand for sulphur in many of the Far East countries and in Australia and New Zealand, the Department has requested reports from our various offices in this part of the world. In these reports we have tried to present information on the current level of sulphur consumption and to discuss the outlook for future developments that will provide new opportunities. Firms in a position to offer sulphur from Canada and who wish further assistance should get in touch with either the Chemicals Division of the Department of Trade and Commerce in Ottawa or with the Trade Commissioner in a specific country. In writing to a Trade Commissioner, it is also useful for a company to advise the Department in Ottawa of its interest in a particular area. ●

India—Current import policy works against Canadian suppliers, though demand is growing and our prices competitive.

BERNARD HORTH, *Assistant Commercial Secretary, New Delhi.*

THE demand for sulphur in India is large and growing. There is no domestic production yet but a project for the extraction of sulphur from the extensive pyrite deposits in Bihar State is being considered. Operations will begin in 1964 at the earliest in a plant yielding 200 to 300 tons of sulphur a day. Imports—85 per cent from the United States—are already running at about 175,000 metric tons a year and will have to be increased sharply if vital Third Plan (1961-66) targets for expanded production of fertilizers, steel, rayon and chemicals are to be met.

India appears to be a logical market for Canadian sulphur; shipping distances are about the same as from the United States Gulf ports; quality is equal, if not superior, to the U.S. product, which sets the world standard, and prices are competitive.

Market Will Grow

In India as elsewhere, sulphur is used mainly to produce sulphuric acid. Output of this basic industrial chemical in 1960 from 40 plants totalled 350,000 tons against a rated capacity of 475,000 tons. The Third Plan calls for a capacity of 1.75 million tons by 1965/66—a more than threefold increase. The accompanying table shows sulphuric acid consumption at present and estimated demand in five years' time.

Fertilizers, it will be observed, account for a major portion of current and estimated sulphuric acid consumption. Output of nitrogenous fertilizers is scheduled to rise dramatically during the Third Plan from 110,000 tons (in terms of nitrogen) in 1960 to 800,000 tons in 1965/66; production of phosphatics will quadruple over the same period.

The rayon industry is another sulphur-user with expansion under way. Production of rayon filament yarn and staple fibre is expected to increase from an estimated 95 million pounds a year at present to 215 million in 1965/66; output of rayon pulp, which is not produced at present, may amount to 90,000 tons a year by the end of the Third Plan. Consumption of sulphur by the steel industry will also rise notably in coming years, even if production does not treble as planned. Existing plants are already using about 40,000 tons a year.

India's 147 sugar mills also represent a sizable market, with the average factory consuming 100 tons of sulphur each year. There are, moreover, plans for expanding petroleum refining, non-ferrous metallurgy and various chemical industries, all of which points to higher sulphur consumption.

SULPHURIC ACID CONSUMPTION

	Estimated consumption in 1960-61	Estimated requirements in 1965-66
	(in thousands of tons)	
Fertilizers	210	1,090
Steelworks	26	30
Rayon and staple fibres	59	135
Sulphates and other inorganic salts	24	40
Petroleum refining	8	20
Miscellaneous	33	185
Total	**360**	**1,500**

Refined sulphur accounts for only a small fraction of total imports in such forms as flowers, rolls and sublimed and precipitated sulphur. A few of the long-established sugar mills still prefer to use rolls rather than crude sulphur.

Calcutta, Bombay and Madras are the principal ports receiving sulphur in India, although lesser amounts are unloaded at Kandla and Vishakhapatnam. All these ports are reported to have facilities for removing sulphur direct from vessel holds to dockside railway cars. The bulk of imports is handled by private industry but government tenders may also be issued from time to time on behalf of the ordnance factories.

Foreign Exchange Problem

The difficulties facing potential Canadian sulphur exporters to India relate to market demand and price competition much less than they do

INDIAN IMPORTS OF SULPHUR

Raw Sulphur	Quantity (metric tons)	Value (rupees '000)
Britain	577	238
Sweden	27	10
West Germany	248	97
Belgium	120	40
Italy	12	5
United States	154,063	23,083
Mexico	18,936	2,972
Small value transactions	20	6
Total	174,003	26,451
Refined Sulphur—various forms		
All countries	2,342	987

(One rupee=Can.$0.2186).

to foreign exchange difficulties. Up until October of this year, established importers were permitted to bring in sulphur under two separate quotas based on previous import levels—a 15 per cent quota for refined sulphur and a 75 per cent quota for other grades. The new import policy, valid until March 1962, specifies that refined sulphur may be brought in from the general area but other grades must come from the United States only. Refined sulphur is defined as material intended for special uses—such as explosives, insecticides, vulcanizing, etc.—as opposed to raw sulphur intended for general industrial use. Until this new import policy is changed, it will be difficult for Canadian suppliers to achieve any appreciable volume of trade, despite the fact that they are now competitive with other sources. ●

Taiwan—Lower shipping rates between Vancouver and Kaohsiung have made it possible for Canadians to compete in this market.

R. M. DAWSON, *Consul and Trade Commissioner, Manila.*

DOMESTIC production of sulphur in Taiwan is insignificant—only about 6,000 metric tons a year. Output of sulphur-bearing iron pyrites averages 40,000 metric tons and this is used by a local ammonium sulphate fertilizer plant.

Imports of sulphur for 1960 totalled 12,608 metric tons valued at U.S.$389,879. No sulphur is exported. Until 1961, all of Taiwan's sulphur requirements were supplied by Mexico and the United States but with the inauguration of a non-conference freight service between Vancouver and Taiwan, Canadian sulphur has now entered the picture. Japan supplies small quantities of sulphur sticks.

Canadians Get Orders

Sulphur imports are handled by a government agency, the Central Trust of China, which purchases by public tender on behalf of the Kaohsiung Ammonium Sulphate Corporation. In April 1961 a bid for 5,000 metric tons was won by a Canadian supplier at a c.i.f. price of U.S.$35.55 per metric ton, and in spite of the fact that both U.S. and Mexican bidders quoted lower f.o.b. prices.

In August Canada again won a tender for 10,000 metric tons but this time, with six firms bidding and the competition very keen, the winning bidder quoted a very low price of U.S.$29.54 c.i.f. It is doubtful how much the profit is from a sale at this price. Other purchasers of sulphur, in addition to the Kaohsiung Ammonium Sulphate Corporation, are sugar makers (who use it for bleaching sugar) and the pulp and paper, rayon fibre and sulphuric acid industries.

Sulphur is purchased in either 5,000- or 10,000-ton lots. Most shipments are received in bulk at the port of Kaohsiung, where the ammonium sulphate fertilizer plant is located. The port of Keelung also has adequate unloading facilities for bulk sulphur. No sulphur comes in in bags.

Current plant expansion at the Kaohsiung Ammonium Sulphate Corporation will provide capacity for producing 150,000 metric tons of ammonium sulphate a year. Depending on availability and price, usually about 50 per cent of sulphur requirements comes from crude sulphur and the remainder from iron pyrites. With the expansion program, purchases of iron pyrites will double to 80,000 metric tons a year. Local purchases of 40,000 tons of low-grade pyrites will be matched by imports of either 40,000 tons of higher grade sulphur-bearing pyrites (some of the recent purchases of pyrites have been coming from Canada) or equivalent quantities of sulphur; perhaps mainly the latter, because the cost is currently lower.

With the plant expansion, Taiwan's sulphur imports, which have been averaging about 15,000 metric tons a year, could expand to between 30,000 and 40,000 metric tons within the next year. ●

Philippines—A small market, with only one important sulphur user and certain domestic sources of supply.

ROSE MORANTTE,
Office of the Consul General and Assistant Trade Commissioner, Manila.

THE sulphur market in the Philippines is comparatively small. Some sulphur is obtained locally from one volcanic deposit in the northern part of the Islands. Although no official figures are available, this one producer estimates that output in 1960 reached 4,500 tons, valued at $200,000 pesos.* At present, the average analysis of sulphur produced is 56 per cent. This firm is now building a small refinery that is expected to be in operation early next year. No sulphur is exported.

Imports of sulphur in 1960 totalled 1,844.2 metric tons valued at 190,321 pesos. During January to June 1961, only 233.6 metric tons, valued at 41,371 pesos, were imported. The accompanying table shows imports by country of origin

*Three Philippine pesos=U.S.$1.00.

PHILIPPINE SULPHUR IMPORTS, 1960*

Country	Quantity (metric tons)	Value (Philippine pesos)
United States—Atlantic coast	1,384.6	125,236
United States—Pacific coast	26.2	3,994
Belgium	14.5	1,607
France	5.3	5,375
West Germany	280.9	22,092
Britain	54.1	21,972
Netherlands	48.7	3,544
Sweden	26.0	5,517
Japan	4.0	984
Total imports	**1,844.3**	**190,321**

PHILIPPINE SULPHUR IMPORTS FOR JANUARY-JUNE, 1961

Country	Quantity (metric tons)	Value (Philippine pesos)
United States—Atlantic coast	211.3	33,564
United States—Pacific coast	2.6	681
Britain	10.7	5,470
Sweden	6.0	1,236
Belgium	3.0	420
Total imports	**233.6**	**41,371**

*Source: Philippine Bureau of Census and Statistics.

for the periods mentioned above and includes quantity and value.

The present level of domestic consumption based on 1960 figures is approximately 6,300 metric tons a year.

Principal Users

The main user of imported sulphur, a sulphuric acid plant, estimates its annual requirements at from 2,000 to 4,000 tons per year. These imports are received twice a year in bulk shipments of 1,000 to 2,000 tons, mainly from United States Gulf ports, and the c. and f. price per shipment approximates U.S.$35 per ton. Other nominal users of imported sulphur are tire companies and match factories. One tire company estimates that it uses about 12,000 pounds of sulphur a month; it has no particular supplier in the United States. Price paid is about U.S.$0.045 per pound, f.o.b. U.S. Atlantic or Gulf Coast. It may be safely assumed that the sulphur requirements of the two other tire companies in operation in the Philippines are similar. The largest match factory estimates its annual consumption of sulphur at 20 tons; it buys in small quantities of a few hundred pounds at a time. Source of supply is Sweden and the price is U.S.$120 per ton c. and f.

The sulphuric acid plant apparently receives bulk shipments of sulphur that are unloaded onto lighters and then transferred to trucks for delivery to the plant. Unloading facilities seem to be adequate. The tire company receives its sulphur requirements in 50-pound bags. Purchasing is handled by private industry and in some cases through an agent.

It should be mentioned that the Philippines is rich in sulphur-bearing ores such as copper pyrite concentrates and the fertilizer industry depends on sulphuric acid derived from this source. One firm estimated that the sulphuric acid produced from copper pyrite concentrates in 1960 totalled 8,100.8 metric tons. In 1960, 1,550 tons and in the first two months of 1961, 4,140 tons were exported to Japan. These exports were valued at U.S.$19 per ton c. and f. ●

Indonesia—development program now under way includes building of sulphur plants to make self-sufficiency in sulphur possible by 1963. Short-term market offers some opportunities.

C. S. GADD, *Commercial Division, Canadian Embassy, Djakarta.*

INDONESIA is a volcanic country and produces sulphur from volcanic ash and hot springs. Normally it is brought to the market in its raw state and is about 90 per cent pure.

Local production has been low—in 1959 about 3,500 tons and in 1960 some 4,000—but under the Eight Year Development Plan the construction of a number of new sulphur plants is envisaged. It is expected that some of these will be ready for operation in 1962. The principal ones are: Wanaradja plant (Garut, West Java) 15,000 tons; Dieng plant (Wonosobo, Central Java) 20,000 to 30,000 tons; Namura Ilangit plant (Prapat, North Sumatra) 10,000 to 15,000 tons; Soputan plant (North Sulawesi) 15,000 tons.

Provided the construction schedules can be met, Indonesia should be self-sufficient in sulphur by 1963 and perhaps will have an export surplus within the foreseeable future. Sulphur is imported in the form of rolls, lumps and powder and is consumed primarily by the oil, sugar and rubber industries. The accompanying table lists imports for 1958, 1959 and 1960.

At present, Indonesia requires approximately 15,000 tons of sulphur a year. The oil industries use 5,000 to 6,000 tons, sugar manu-

SULPHUR IMPORTS INTO INDONESIA

	1958		1959		1960	
	Metric tons	Rupiahs	Metric tons	Rupiahs	Metric tons	Rupiahs
United States	7,055	5,027,687	6,998	3,627,184	4,422	9,083,771
West Germany	823	864,894	4,416	3,453,549	2,138	7,228,522
Italy	80	86,123	....	....	....	....
Britain	....	....	....	....	2,009	6,435,115
Communist China	....	....	....	....	11	100,529
Others	48	62,470	21	19,837	2	36,134
Total	**8,006**	**6,041,174**	**11,435**	**7,100,570**	**8,582**	**22,884,071**

facturers about 2,000, and the rubber and other industries consume the remainder. The oil companies, which have their own buying organizations abroad, import primarily crude sulphur, but the sugar industry uses more refined qualities.

Imports Permitted

Under current import regulations, sulphur is classified as an essential commodity and imports are made on the basis of the official rate of exchange of Rps.45 to the U.S. dollar. Duty amounts to 20 per cent and there is a surcharge of 25 per cent (price component). Imports of essential goods are controlled by state trading enterprises and local consumers must place their orders through these organizations. Import licences must be obtained from the Foreign Exchange Control Bureau and in order to make application, buyers need samples, literature, price lists, firm delivery times, analysis and other relevant information. Manufacturers of sulphur or sulphur products are also required to obtain an analysis certificate issued by an Indonesian laboratory. Purchases tend to be relatively small, in accordance with the needs of individual firms. Both bulk and bag shipments are accepted; bulk shipments are unloaded by hand.

The Eight Year Development Plan envisages the establishment of a number of sulphur-consuming industries. Among new plants already established are the following: double superphosphate plant in Tjilatjap (Central Java) and paper mills in Letjes (Central Java), Padalarang (Central Java), Pematang Siantar (North Sumatra), and Makassar (South Sulawesi). A sulphuric acid plant has been established near Tretes, East Java.

It is also expected that another double superphosphate plant will be built and plans are under way for a wood pulp plant in Bandung (West Java) in connection with a rayon project. A further pulp plant will be set up in Menado (North Sulawesi) that will use bamboo as its basic raw material.

It is expected that, with the realization of the current industrial program, the consumption of sulphur will rise sharply in the next three or four years. However, because of the increased production now being planned for, it seems likely that in the long run Indonesia will be self-sufficient in this product. The short-term outlook for imported supplies is perhaps a little brighter. ●

Hong Kong—Competitive pricing is the key to this small but growing market; shipments are usually under 100 tons at a time.

J. M. T. THOMAS, *Assistant Trade Commissioner, Hong Kong.*

THE free port of Hong Kong forms a small but interesting sulphur market. No sulphur is produced locally and all the Colony's requirements must be imported. Table I shows import totals for refined and unrefined sulphur for 1959, 1960 and January/August 1961. Hong Kong also carries on a small re-export trade in sulphur, as Table II indicates.

Communist China's export surplus and its proximity to Hong Kong makes it the Colony's main source of crude sulphur; West Germany is the principal supplier of the refined product. Nearly all the raw sulphur imported goes to the three sulphuric

TABLE I

HONG KONG SULPHUR IMPORTS

	1959		1960		1961 Jan.-Aug.	
Source	**(cwt.)**	**(H.K.$)**	**(cwt.)**	**(H.K.$)**	**(cwt.)**	**(H.K.$)**
CRUDE						
Communist China	12,620	164,207	8,984	130,710	98	1,565
West Germany	1,280	24,035	1,968	30,400	....	....
Britain	350	6,204	200	3,476	....	....
Italy	....	....	....	....	200	5,824
Total	**14,250**	**194,446**	**11,152**	**164,586**	**298**	**7,389**
REFINED						
Communist China	1,800	26,000	294	4,727	2,164	29,018
West Germany	12,368	217,360	11,721	191,791	11,168	190,808
Britain	....	....	....	....	200	3,476
Italy	695	19,034	2,977	71,591	603	16,581
Belgium	1,968	32,800	....	....	325	4,433
United States	457	14,250	....	....	....	....
Japan	59	1,460	....	....	....	....
Netherlands	591	11,299	1,295	20,812	591	11,890
Norway	....	....	196	3,663	....	....
Total	**17,938**	**322,203**	**16,483**	**292,584**	**15,051**	**256,206**

TABLE II

HONG KONG SULPHUR RE-EXPORTS

	1959		1960		1961 Jan.-Aug.	
Destination	**(cwt.)**	**(H.K.$)**	**(cwt.)**	**(H.K.$)**	**(cwt.)**	**(H.K.$)**
REFINED						
Macao	2,456	52,966	1,839	38,777	1,420	31,730
Cambodia	5	122	90	3,950	80	2,000
Thailand	210	7,500	80	2,400	....	....
North Borneo	6	150	....	....	....	....
Malaya	80	1,803	....	....	....	....
Total	**2,757**	**62,571**	**2,009**	**45,127**	**1,500**	**33,730**

acid plants currently in production. About 15 per cent of the refined sulphur is re-exported; Macao and Cambodia are the main markets. The rest is used by the Colony's fifty rubber factories (most of them are very small plants) and by the match and fireworks factories. Some also finds its way into the retail trade.

The raw sulphur destined for the acid plants is handled by a few large importers, one of which has controlling interests in two of the three plants. On the other hand, the numerous small brokers active in the refined-sulphur trade supply the small rubber plants and the match and fireworks factories and re-export to other South East Asian markets. The fireworks industry in nearby Macao is the biggest user of sulphur re-exported from Hong Kong.

Prices

The sulphur market in Hong Kong is very price conscious and prices fluctuate frequently, partly because this is an open market. However, the following c.i.f. price quotations for the first week of December 1961 should indicate current conditions:

Refined sulphur, in powder form, of German origin for 300 mesh—H.K.$440 per 1,000 kilos

Sulphur in lump form of German origin—H.K.$310 per 1,000 kilos

Sulphur in lump form of Chinese origin—H.K.$275 per 1,000 kilos

Because of the nature of the market, the inadequate unloading facilities, and the lack of storage space because of the extremely high cost of land in Hong Kong, shipments are made in relatively small quantities. They seldom exceed 100 tons at a time and must be bagged, usually in 50-kilo containers. Refined sulphur is imported either in lumps or in powder form. The rubber factories, the largest end-users, prefer the lump form.

Growth in the sulphur trade has not been spectacular and 1960 actually saw a small decline in imports because of the difficulties experienced by some rubber factories. Nor are there any projects contemplated that call for the development of industries such as fertilizer or pulp and paper plants that are large sulphur users. However, as Hong Kong grows as a manufacturing centre, the need for sulphur—particularly refined sulphur for use in consumer goods—is expected to increase gradually. Although small, the Hong Kong market is undoubtedly a highly competitive one, and because of its open nature it might well serve as a test of the ability of Canadian sulphur exporters to sell to South East Asia in general.

Requests for further information and assistance in developing contacts with sulphur importers in this market should be addressed to the office of the Canadian Government Trade Commissioner, P.O. Box 126, Hong Kong. •

Communist China—Main sulphur-producing areas are in the north central region and are well situated to serve the Eastern Bloc countries, China's principal markets.

J. M. T. THOMAS, *Assistant Trade Commissioner, Hong Kong.*

COMMUNIST China does not rank as one of the world's major sources of sulphur but nevertheless produces considerable quantities and is a net exporter to world markets.

Sulphur is mined in its native state and is also obtained from pyrites; native deposits are thought to be the more important of the two sources. The two chief sulphur-producing areas are Szechwan and Shansi provinces in the north central region. Resources are considered sufficient for projected requirements, and if they should be needed, deposits of sulphur-bearing gypsum are also available.

Raw sulphur production during recent years is estimated as follows:

1955	150,000 tons
1958	300,000 tons
1959	450-500,000 tons
1960	500-600,000 tons

Communist China's largest foreign markets are probably the Eastern Bloc countries. Szechwan is well located to serve the Soviet market and over 5,000 tons of sulphur have gone to the U.S.S.R. each year for the past several years. Other markets include Poland, Australia and Hong Kong. The latter receives most of its raw sulphur requirements from Communist China. •

Thailand—Government plants are main sulphur users, and most purchases are made through government tenders.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

THAILAND does not produce any sulphur but consumes about 3,000 to 4,000 tons in the making of munitions, matches, sulphuric acid, and pulp and paper. It is also used in the refining of sugar and the vulcanizing of rubber. Imports of sulphur are expected to increase steadily because the country is making progress in its industrialization plans.

Thai trade statistics give imports of sulphur (crude) in 1960 as 3,267 metric tons. West Germany and Italy were the main suppliers, with just under 1,000 tons each; the United States supplied 511 tons, Britain 392, Belgium 207, and Japan 132. Imports of sulphuric acid totalled 1,575 tons in 1960 and came almost entirely from Japan.

The Thai market takes sulphur in all forms and purities. The Government owns, wholly or partially, most of the sulphur-using industries and buys sulphur nearly always by public tender. Suppliers usually submit bids through local trading firms, which are in a position to look after the formalities of tendering, put up the necessary cash deposit, and so on.

Canadian firms interested in investigating the market for sulphur in Thailand and who wish to be put in touch with suitable local trading firms there should write to the Chemicals Division, Department of Trade and Commerce, Ottawa. ●

Malaya, Singapore—Sulphur imports go almost entirely into sulphuric acid manufacture; main supplier is Germany but growing demand should mean opportunities for Canadians.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

SULPHUR is not produced in Malaya, although industrial development is creating a growing demand for it. A plant near Kuala Lumpur, which has been in operation since 1959, makes sulphuric acid and it is expected that an additional plant will start operations in Singapore this year. The outlook is for steadily increasing imports of sulphur as raw material for these plants. Small quantities of sulphur also go to the three match factories operating in Malaya and into vulcanizing rubber. Malaya does not yet have any other sulphur-using industries, such as sugar refining and pulp and paper.

Nearly all the sulphur imported into Malaya goes to the one sulphuric acid plant that handles all the Federation's requirements for battery-grade and industrial sulphuric acid. A chemical firm in Singapore is expected to fill Singapore's sulphuric-acid needs if it can get the same tariff protection. (The Federation imposes a customs duty of M$80* a ton on sulphuric acid.)

*M$2.94=Can.$1.00.

There are no bulk-unloading facilities in Port Swettenham, where the present plant receives its supplies, nor in Singapore, but such facilities will eventually be provided in these ports. Malaya requires sulphur 99.5 to 99.9 per cent pure, in lumps, free of arsenic, selenium and tellurium, packed in gunny or paper bags, in lots of 250-500 tons.

Official statistics show that imports of refined sulphur into Malaya in 1960 totalled 22,037 cwt. The main supplier was West Germany with 16,514 cwt., followed by Italy with 3,121 and Britain 1,185. Imports of crude sulphur (five tons) came entirely from Britain. Sulphuric acid imports totalled 1,354 tons; Japan supplied 1,276. Imports of sulphur are said to be higher in 1961 but figures are not yet available. ●

Australia—Imports enter duty-free but problem for Canadians is competing in price with present suppliers.

H. A. GILBERT, *Commercial Counsellor, Melbourne.*

NO sulphur is mined in Australia nor is any exported. All sulphur consumed in the country is either imported or recovered from several concentrates, such as zinc and lead and from pyrites. Another source of domestic supply is the sulphur resulting from the refining of imported crude oil. Total annual consumption is estimated at 400,000 long tons, of which half comes from domestic production.

Annual output of sulphuric acid has reached approximately 1.2 million tons. About 85 per cent of this is used every year in the production of fertilizers, the more important of which is superphosphate, although 6 per cent of the domestic production of sulphuric acid is used in making ammonium sulphate. Though domestic production of fertilizers has increased slightly, no plans for expanding manufacturing capacity have been announced. Other outlets for sulphur include mills producing fine papers.

When there was a world shortage of sulphur shortly after the end of World War II, the Australian Government arranged for the British Phosphate Commission to become the sole importer and distributor of sulphur in Australia, to offset the high prices that would result from individual purchases in small quantities. This arrangement is still in operation.

Local Production Subsidized

To develop production of sulphur in Australia from concentrates available locally, the Government passed in 1954 the Sulphuric Acid Bounty Act, which subsidizes local production of sulphuric acid. In the fiscal year 1960-61, these bounty payments totalled £1,353,249, based on the rate of £3 per ton of sul-

TABLE I

IMPORTS OF SULPHUR INTO AUSTRALIA

(f.o.b. port of shipment)

Country of Origin	**1959-60**		**1960-61**	
	Tons	**£**	**Tons**	**£**
United States	110,541	1,174,081	159,802	1,635,846
Mexico	58,589	592,070	69,459	687,128
West Germany	84	11,390	....	....
Japan	....	....	3,980	40,919
Britain	264	10,516	352	20,756
New Zealand	22	3,413	....	....
Other Commonwealth countries	....	....	13	2,417
Other foreign countries	47	1,871	148	15,168
Total	**169,547**	**1,793,341**	**233,754**	**2,402,234**

TABLE II

PRODUCTION OF SULPHURIC ACID AND SULPHUR

	1958	**1959**	**1960**	**Jan.-Mar.* 1961**
		(in tons)		
Production of sulphuric acid (mono-tons)	1,009,064	1,000,458	1,109,751	295,046
Sulphur in sulphuric acid (mono-) from:				
Sulphur (elemental)	162,881	153,195	179,752	50,671
Zinc concentrate	38,524	39,933	42,946	11,425
Lead concentrate	21,339	19,619	21,573	5,084
Pyrite	99,216	103,596	104,406	25,049
Spent oxide	4,301	3,655	3,814	1,301
Other materials	3,702	7,151	10,396	2,950
Total sulphur content	**329,963**	**327,149**	**362,887**	**96,480**

*Preliminary figures.

phuric acid. Before 1954, the duty on elemental sulphur and brimstones was 15/- per long ton at the British preferential rate and 50/- for shipments from most-favoured-nation countries. On the date that the Act came into force, these rates were cancelled and sulphur now enters Australia free of duty.

Table I shows, for the last two fiscal years, annual imports of sulphur from various countries by quantity and value that have increased in 1960-61 over the previous year. The most important supplier has been the United States, followed by Mexico. Other sources of supply, in much smaller quantities, have been Japan and Britain.

The possibility of Canadian crude sulphur finding a place on the Australian market will depend almost entirely on its ability to compete in price with supplies from present sources. Because there is no duty involved, supplies from Canada would not receive preferential tariff treatment. The average f.o.b. prices of sulphur from the United States and Mexico in the three months ended September 1960 were £10.18.6. and £9.10.2. per long ton respectively, according to the Australian Bureau of Mineral Resources. The U.S. price of sulphur in the first and second quarters of 1961 averaged £10.3.0. per long ton.

According to informed sources, the 4,000-ton annual domestic output of refined sulphur, in which four major manufacturers are involved, is produced at prices with which imports cannot compete. Even without the benefit of a subsidy provided by the Sulphuric Acid Bounty Act, local production would still be highly competitive.

Production of sulphur and sulphuric acid for three calendar years is outlined in Table II. ●

New Zealand—One firm handles all imports of crude bulk sulphur; they total over a million tons a year.

W. J. COLLETT, *Assistant Commercial Secretary, Wellington.*

NEW ZEALAND does not produce sulphur at present but it should be kept in mind that natural gas has been discovered recently in the centre of the North Island. Should the exploitation of these reserves prove economical, domestic sulphur supplies could follow.

Fertilizer companies, many of which are associated with meat packinghouses, are the main users of sulphur at the current rate of 120,000 to 125,000 long tons per year. The sulphur required is 99.5 per cent pure, bulk form, and bright, with traces only of As, Te and Se. Bulk unloading facilities are available at all major ports and purchases are in charter quantities of 5,000-10,000 tons, with a few larger shipments. Imports of crude and refined sulphur for 1959 and 1960 and the first six months of 1961, given in the accompanying table, show the pattern.

Some sulphur is imported in bags; the refined sulphur is brought in largely for the pharmaceutical trade. All crude bulk sulphur is handled by the British Phosphate Commissioners (P.O. Box 2, Auckland) by an informal agreement with the trade and the New Zealand Government. Despite the lack of statutory authority for it, this arrangement has worked very well.

CRUDE SULPHUR IMPORTS

	1959		1960*		1961* Jan.-June	
	Tons	£	Tons	£	Tons	£
Britain	87	2,183	376	4,584	129	3,093
Australia	1	27	2	55	1	29
Belgium	16	399	6	139	5	108
Mexico	21,107	198,937	20,922	167,494	12,469	97,548
United States	66,935	622,540	111,920	907,391	46,146	379,553
West Germany	....	....	....	....	9	274
Total	**88,146**	**824,086**	**133,226**	**1,079,663**	**58,759**	**480,605**

*Preliminary.
Source: N.Z. Dept. of Statistics.

REFINED SULPHUR IMPORTS

	1959		1960*		1961* Jan.-May	
	Cwt.	£	Cwt.	£	Cwt.	£
Britain	278	1,808	186	1,494	100	826
Belgium	....	....	12	23	....	....
United States	437	3,550	189	1,536	....	....
Total	**715**	**5,358**	**387**	**3,053**	**100**	**826**

*Preliminary.
Source: N.Z. Dept. of Statistics.

Actual prices are confidential but recent purchases are said to have been made at about U.S.$21.50 per long ton f.o.b. port of export. Most large contracts for bulk sulphur are negotiated from February to April of each year, direct with the British Phosphate Commissioners.

Market Will Grow

A new fertilizer works is being built at Whangarei in North Island and the plan is to build another plant in the North Auckland area in about three years' time. This means a growing demand for sulphur, shared already by New Zealand's twelve fertilizer plants throughout the country. (See report on New Zealand's fertilizer industry, *Foreign Trade,* January 14, 1961.) The pulp and paper industry is steadily expanding and also provides a growing market but so far it uses relatively small quantities. ●

COMMODITY NOTES

Aluminum

AUSTRALIA—Three Australian mining companies have announced plans to subscribe £7.9 million to extend their interests in a £44 million aluminum project. They are Western Mining Corporation Ltd., Broken Hill South Ltd., and North Broken Hill Ltd.—partners with the Aluminum Co. of America in one of the biggest mining ventures ever undertaken in Australia. The operating company for the project, Alcoa of Australia Ltd., will build an aluminum works at Point Henry, near Geelong, using bauxite from the Darling Range in Western Australia. To raise capital the three Australian companies will make large new issues to their shareholders—Melbourne.

INDIA—Aluminum production capacity under the Third Five Year Plan (originally 87,500 tons) has been raised to 142,500 tons with the approval of two new projects of 35,000 and 25,000 tons, respectively—New Delhi.

Aluminum Foil

INDIA—Four Indian firms have recently been licensed to manufacture aluminum foil. Added to the 3,000-ton capacity of India's only existing producer, the new production will result in a national capacity of 8,400 tons a year. At present, consumption of aluminum foil in India is only 2,800 tons and, although officials estimate an annual consumption of 8,000 tons by 1965/66, there is a good chance that India will be seeking export markets for aluminum foil during the next few years in competition with Australia, Japan and Ceylon—New Delhi.

Asbestos Cement

NIGERIA—The first factory to make asbestos cement in Nigeria opened last spring at Ikeja, near Lagos. It has an authorized capital of £600,000 and is owned jointly by the Western Region Government's Development Corporation, Belgian and Italian Eternit interests, and the local trading firms of Paterson, Zochonis & Co. Ltd., and John Holt & Co. (Liverpool) Ltd. It appears that the Eternit group will exercise effective control.

Asbestos Cement Products Nigeria Ltd. will manufacture corrugated sheets, flat sheets, soil and rainwater pipes, water tanks and sundry moulded pieces. When it is in full operation, its production of asbestos cement sheet will total 8,500 square yards a day—Lagos.

Automobiles

SOUTH AFRICA—The Borgward company and the Chrysler group in Cape Town have arranged for local assembly of Borgward motors. The German company has agreed to incorporate South African-made components if they are approved by Borgward or the South African Bureau of Standards—Cape Town.

Boats

MEXICO—Mexico's official gazette has announced that imports of all classes of canoes and boats are forbidden unless permission is obtained first from the Secretariat of Industry and Commerce. Mexico is said to have 59 firms capable of building boats. It imported approximately U.S.$1 million worth of small- and medium-sized craft in 1960; Canada did not appear as a large supplier. The new regulation is designed to protect local manufacturers of small craft and to save foreign currency—Mexico, D.F.

Geophysical Instruments

SWEDEN—The Abem Company, Stockholm, maker of geophysical instruments, has concluded an agreement with the Otanmäki Co., Finland, under which Abem will be the sole distributor for most of the world of the OKI permeameter, an instrument that measures the amount of magnetic minerals in the walls of a small-diameter drillhole. Normally used when no core is available or when core recovery has been impossible, the fully transistorized instrument makes it possible to draw accurate maps and sections showing the ore content classified. The instrument consists of a drillhole probe, an indicator calibrated to give a direct reading of magnetic percentage, and the necessary cabling. Two men normally measure about 300 feet of drillhole an hour—Stockholm.

Petroleum

LIBYA—Two new pipelines will soon bring Libyan petroleum to the Libyan coast in the Sirte Gulf area near the towns of Marsa el Braga and Es Sider. Estimates put present production capacity to feed these pipelines at over 100,000 barrels a day. Esso International Corporation has built the pipeline ending at Marsa el Braga but it will be some months before operations can start since terminal plants are not yet ready. Esso has reportedly fixed the price of crude carried by the pipeline at $2.21 a barrel. Oasis Oil Co., operating in Libya on behalf of Amerada Petroleum Corporation, Continental Oil Company, and Ohio Oil International, is building the other pipeline ending at Es Sider. The Es Sider plants will include tanks for storing over two million barrels—Rome.

Pulp

AUSTRIA—The ALB-Semicell pulp-making process developed by an Austrian pulp manufacturer has been licensed to a number of foreign companies. By pretreating beechwood using the ALB-Semicell method, pulp can be obtained that is a perfect substitute for fir or pine pulp. This frees the latter for cellulose production entirely. Austrian sources claim that the development constitutes an important breakthrough towards the use of hitherto unsuitable types of wood for papermaking —Vienna.

Steel

WEST GERMANY—A 15 to 20 per cent drop in German steel production is predicted because orders have fallen off. There were 4.4 million tons on order on June 30, 1961, compared with 5.9 million a year earlier. By September 30, 1961, they had dropped to 4.1 million tons. Changes in distributor and consumer storing methods have brought about this lag in orders, although there is much disagreement in the industry about the changes, says the *Economic Report from Germany*—Bonn.

Foreign Tariffs and Trade Regulations

Chile

FOREIGN EXCHANGE OPERATIONS SUSPENDED—On December 28, 1961, J. R. Midwinter, Commercial Secretary in Santiago, cabled that the Chilean Minister of Finance had announced the previous evening the immediate suspension of all foreign exchange operations until January 6, 1962.

We understand that the exchange prohibition is intended to prevent speculation while the Chilean Government is altering control measures, and that this action has been taken in the light of a serious deterioration of Chile's balance-of-payments position in recent months. Luxury imports, such as automobiles, clothing, household goods, appliances, and spirits, have been prohibited and other import and exchange controls, as well as a possible devaluation of the escudo, are considered likely.

Ghana

IMPORT CONTROLS IMPOSED—Effective December 1, 1961, the Open General Licence previously governing most imports into Ghana was revoked and importers are now required to apply separately for import licences for each different commodity imported from each different country. The change is reported to be only procedural and not restrictive, at least for the present. It is designed to enable greater control over imports in the interest of the national economy. Assurances have been given that imports of essential goods, especially staple food products not produced locally, will not be affected.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .95866.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 29	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01260	79.36	
Austria	Schilling		.04040	24.75	
Australia	Pound		2.3433	.4267	
Bahamas	Pound		2.9291	.3414	
Belgium and Luxembourg	Franc		.02096	47.71	
Bermuda	Pound		2.9291	.3414	
Bolivia	Boliviano	Free	.00008895	11,242.27	
Britain	Pound		2.9291	.3414	
British Guiana	Dollar		.6102	1.64	
British Honduras	Dollar		.7323	1.36	
Brazil	Cruzeiro	Free	.002980	335.57	
		Special Category	†	†	
Burma	Kyat		.2191	4.56	
Ceylon	Rupee		.2197	4.55	
Chile	Escudo	Free	.9916	1.01	
Colombia	Peso	Certificate	.1557	6.42	
Congo, Republic of.	Franc		.02096	47.71	
Costa Rica	Colon		.1575	6.35	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1449	6.90	
Denmark	Krone		.1517	6.59	
Dominican Republic	Peso		1.04313	.9586	
Ecuador	Sucre	Official	.05795	17.26	
		Free	.04824	20.73	
El Salvador	Colon		.4173	2.40	
Fiji	Pound		2.6388	.3790	
Finland	Markka		.003260	306.75	
France, Monaco, etc.	New Franc		.2129	4.70	(1)
Franco-African Republics, etc.	Franc		.004258	234.85	(2)
French Pacific	Franc		.01171	85.40	(3)
Germany	D Mark		.2610	3.83	
Ghana	Pound		2.9291	.3414	
Greece	Drachma		.03477	28.76	
Guatemala	Quetzal		1.04313	.9586	
Haiti	Gourde		.2086	4.79	
Honduras	Lempira		.5216	1.92	
Hong Kong	Dollar	Free*	.1831	5.46	*Dec. 8
		Official	.1831	5.46	
Iceland	Krona	Official	.02426	4.12	(4)
India	Rupee		.2197	4.55	
Indonesia	Rupiah	Official	.02318	43.14	(4)
Iran	Rial		.01377	72.62	
Iraq	Dinar		2.9208	.3424	
Ireland	Pound		2.9291	.3414	
Israel	Pound		.5795	1.72	
Italy	Lira		.001681	594.88	

†Temporarily inoperative.

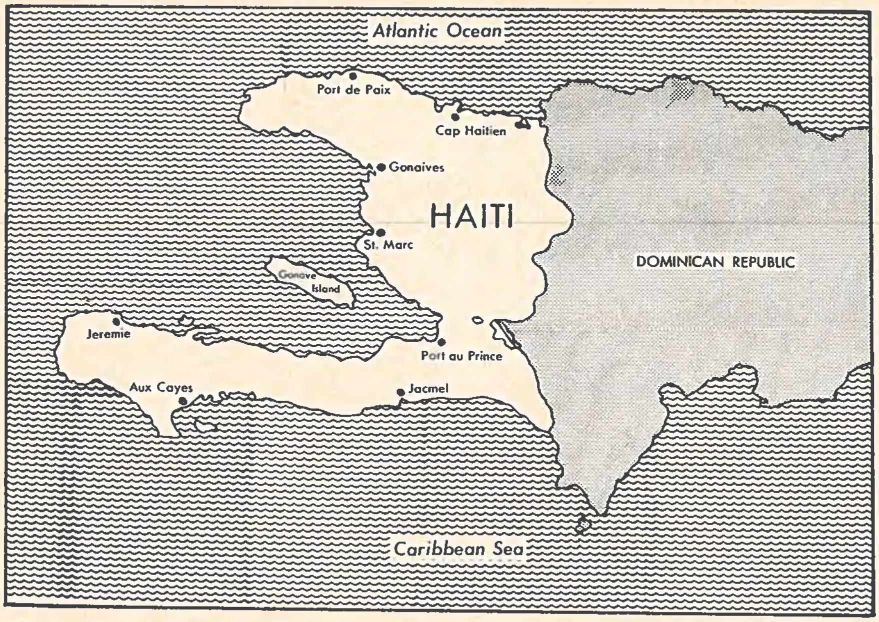
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 29	Units per Canadian dollar	Notes (See below)
Japan	Yen		.002898	345.06	
Lebanon	Pound	Free	.3278	3.05	
Mexico	Peso		.08345	11.98	
Morocco	Dirham		.2086	4.79	
Netherlands	Florin		.2898	3.45	
Netherlands Antilles	Florin		.5531	1.81	
New Zealand	Pound		2.9091	.3437	
Nicaragua	Cordoba	Effective buying	.1580	6.33	
		Official selling	.1479	8.76	
Nigeria	Pound		2.9291	.3414	
Norway	Krone		.1464	6.83	
Pakistan	Rupee		.2197	4.55	
Panama	Balboa		1.04313	.9586	
Paraguay	Guarani	Official	.008246	121.27	
Peru	Sol		.03889	25.71	
Philippines	Peso	Free	.3477	2.88	
		Official	.5216	1.92	
Portugal & Colonies	Escudo		.03641	27.46	(5)
Republic of South Africa	Rand		1.4646	.6928	
Singapore and Malaya	Straits Dollar		.3417	2.93	
Spain and Dependencies	Peseta		.01738	57.52	
Sweden	Krona		.2015	4.96	
Switzerland	Franc		.2417	4.14	
Syria	Pound	Free	.2915	3.43	
Thailand	Baht	Free	.04934	20.27	(4)
Tunisia	Dinar		2.5244	.3961	
Turkey	Lira		.1159	8.63	(4)
United Arab Republic	Pound	Official	2.9954	.3338	
United States	Dollar		1.043125	.95866	
Uruguay	Peso	Free	.09522	10.50	
Venezuela	Bolivar	Official	.3115	3.21	
		Free	.2278	4.39	
West Indies Fed.	Dollar		.6102	1.64	(6)
	Pound		2.9291	.3414	(7)
Yugoslavia	Dinar	Official	.001391	718.91	

Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.



Markets in Brief: HAITI

Area: 10,748 square miles.

Population: approximately 3.8 million.

Language: French (Créole); most international trading firms correspond in English and French but sales literature should be in French.

Currency: gourde; 1 gourde=U.S.$0.20.

Weights and measures: metric system.

Capital: Port-au-Prince.

Chief ports: Port-au-Prince and Cap Haïtien.

Marketing centres: Port-au-Prince (population) 196,000; Cap Haïtien 24,957; Gonaives 13,634; Aux Cayes 11,608; Jeremie 11,048; St. Marc 9,401; Jacmel 8,643; Port-de-Paix 6,405.

Economy: mainly an agricultural country; the chief crops are coffee, sugar cane, sisal, bananas, and cacao; mineral products, with exception of bauxite and copper, have scarcely been exploited.

Total Haitian imports: 1960—U.S.$33.3 million, c.i.f.

Chief imports: textiles, wearing apparel, foodstuffs and beverages, pharmaceuticals, petroleum products, agricultural machinery, electric motors, automobiles and accessories.

Chief suppliers: United States $25,085,833; Canada, West Germany, Netherlands Antilles, Britain.

Value of imports from Canada: 1961 (5 months)—$744,407; 1960—$1,528,787.

Chief imports from Canada: 1960—fish products $723,516; mining machinery $119,319; wood products $110,366; paper and paper products $101,766; powdered whole milk $84,420.

Total Haitian exports: 1960—U.S.$37.4 million.

Chief exports: 1960—(U.S.$ million) coffee 20.1, sisal 4.4, sugar 3.6, essential oils 1.2, cacao 1.1.

Chief markets: (per cent) 1960—United States 50.9, Italy 17.4, Belgium 13.2, France 5.9, Netherlands 3.3.

Value of Canadian purchases: 1961 (5 months)—$338,584; 1960—$981,995, f.o.b. Haiti.

Chief Canadian purchases: 1960—sisal $753,613; baler twine $101,898; green coffee $40,904.

Dollar exchange: no restrictions.

Prices: quote in U.S. dollars, preferably c.i.f. Port-au-Prince or Cap Haïtien.

Samples: samples of no commercial value may enter free of duty. Samples of commercial value are subject to customs duties which are refunded if the samples are re-exported within six months.

Trade agreements: exchange of most-favoured-nation agreements with Canada.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: Royal Bank of Canada.

Correspondence: airmail desirable; letters 10 cents per half ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Chargé d'Affaires, a.i., and Consul
Canadian Embassy
Case Postale 826
Port-au-Prince

Roger Duhamel
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