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Norway's foreign trade has certain similarities to our own—the importance of exports of raw materials and semi-processed goods, current expansion in sales abroad of manufactured goods, the export concentration on one market. These similarities and the trading relationship between the two countries are examined.

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Where? In Jamaica and the Bahamas—lands with more to offer than sand and sun. Last year importers there bought nearly \$27 million worth of Canadian goods. Take the Trade Commissioner's advice and plan a sales trip soon.

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The U.S.S.R.'s huge forested areas are matched by an enormous domestic need for timber for houses, industry, and the pulp and paper mills. Exports go mainly to Britain, Japan, and Communist bloc countries. This report from Moscow supplies details about present production and future prospects.

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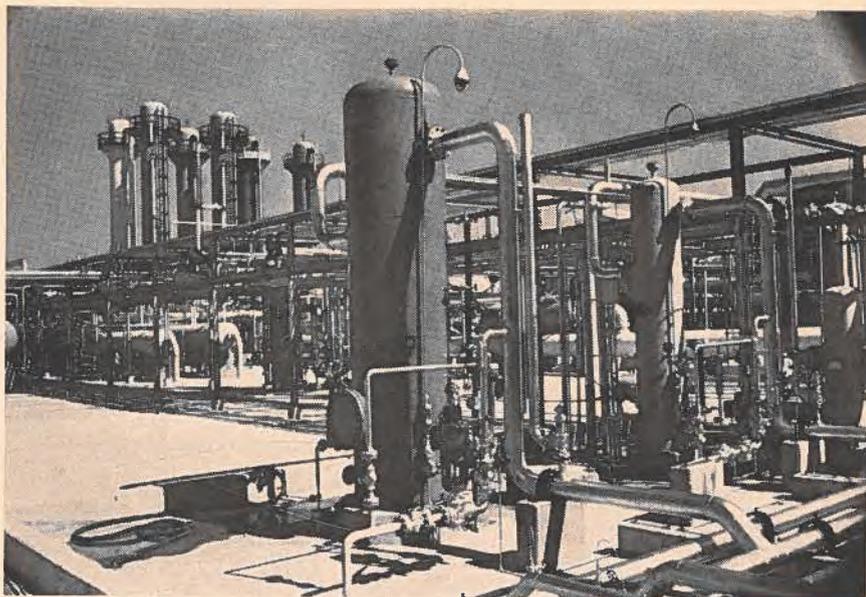
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COMING—Getting World Business through International Organizations, Oct. 19 Issue

Mexico's Dynamic Chemical Industry

H. S. HAY,
*Assistant Commercial Secretary,
Mexico, D.F.*



This modern plant near Minatitlan, Mexico, produces aromatic chemicals using byproducts derived from the oil industry. As its output expands, imports drop.

Part I Canadian producers of chemical products should continue to find a good market in Mexico although our sales have levelled off, but they can also expect to meet competition from Mexico in overseas markets. This country's flourishing chemical industry is producing over 400 different products in quantities sufficient to reduce imports and provide an excess for export.

CHEMICALS are currently the most dynamic sector of Mexico's expanding industrial economy. Over a thousand plants now produce some 400 different products worth hundreds of millions of dollars a year. Many are United States or European subsidiaries, but most are Mexican.

Most of the development is post-war and is based on abundant reserves of chemical raw materials such as petroleum and natural gas, coal, elemental sulphur, lead, zinc, copper, manganese, mercury, arsenic, fluorspar, and a variety of agricultural and forest products with chemical applications. With a few important exceptions, self-sufficiency in most basic chemicals is being attained.

Although Mexico is Latin America's second largest producer and consumer of chemicals, domestic demand in many cases is not sufficient for economic-sized production units. Fortunately the countries of the Latin America Free Trade Association, with their 180 million people, offer the larger market needed. Consequently, many new Mexican chemical plants have excess capacity which will be used for exports to LAFTA, at least temporarily.

Chemical imports, rising until a year or so ago, have levelled off to about \$175 million annually and will probably decline as production of import substitutes increases. The market will probably be self-sufficient soon in all but a few basic

chemicals, but will be increasingly interesting for foreign specialty raw materials and other products not made locally. There is almost no scope for packaged chemical products because of the protection extended to Mexican formulators.

Mexico's imports of all chemicals by category are shown in Table I. The United States is by far the most important supplier, followed by Germany, Britain, Italy and Japan.

Imports from Canada

Canadian sales of industrial chemicals to Mexico have also levelled off at just under \$6 million, but still represent one-seventh of our total sales to this market (see Table II). By far the most important item is cellulose acetate for synthetic fibre manufacture. However, Canada may well be able to supply certain of the advanced raw materials and specialties for which demand is growing and also various items of machinery for chemical plants.

Mexican Commercial Policy

Present developments in the chemical industry cannot properly be assessed without some understanding of basic Mexican commercial policy. Mexican production is effectively encouraged by a protectionist combination of tariffs and import licensing. When a local producer begins operations the border is usually closed either totally or partially, depending on the extent to which domestic production is able to meet the demand. To keep prices within reason, recent production licences for petrochemicals have specified that prices must be within 15 per cent of the prices of similar products in the United States after equating raw material costs—or in other words, must approximate the landed duty-free prices if the same products were imported.

To encourage local production, the Government issued in 1962 a list of 75 chemicals it would like to see made in Mexico. New manu-

facturers presumably will be eligible for a variety of incentives, such as accelerated depreciation and other tax concessions, rent, water and electricity rate reductions, and favourable sites in the several industrial parks throughout Mexico.

There are two exceptions to this protectionist policy. At the north-

west and southern extremes of the country are customs free zones, remote areas to which transportation is still difficult. Particularly in the northwest, several million dollars worth of both industrial and consumer chemical products are imported annually, usually in small lots from U.S. border wholesalers.

TABLE I
MEXICAN CHEMICAL IMPORTS

	1960	1961	1962
	(U.S.\$ million)		
Inorganic chemicals	65.3	58.7	62.5
Tanning, dyeing, and colouring materials	10.4	9.6	8.8
Narcotics and medicaments subject to special controls	15.8	11.0	15.1
Drugs, medicaments and patent medicines	13.6	11.1	12.8
Essential oils, perfumery, toilet preparations, soap, cleaning and polishing compounds	5.7	6.0	6.3
Fertilizers	19.4	18.1	13.2
Explosives	1.6	1.3	1.5
Miscellaneous materials and products	22.2	24.1	26.9
Mixtures, preparations and products of organic, mineral, or organic-metallic origin, n.e.s.	25.0	23.7	27.7
Total	179.0	163.6	174.8

TABLE II
CANADIAN INDUSTRIAL CHEMICAL EXPORTS TO MEXICO*

	Volume (cwt.)		Value (\$'000)	
	1961	1962	1961	1962
Chemical elements, n.e.s.	6,004	7,030	125	142
Metallic salts, peroxy salts	30,656	23,779	171	136
Radioactive elements, isotopes	.....	.....	20	22
Inorganic chemicals	1,850	500	8	2
Phenols, phenol alcohol	.....	320	.....	8
Aldehyde function compounds	8	26	2	6
Ketone, quinone function compounds	970	450	13	2
Hydrocarbons and derivatives	369	.....	15	.....
Alcohols and derivatives	4,342	3,126	101	69
Organic acids, derivatives	1,935	4,383	76	104
Nitrogen function compounds	1,448	406	25	11
Organo inorganic compounds	1	.....	1	.....
Nitrogen fertilizer, n.e.s.	.....	.....	395	.....
Ammonium sulphate	.....	.....	16	.....
Polyethylene resins	.....	14,847	.....	276
Plastics and synthetic rubber	.....	.....	6,097	6,462
Plastic film	.....	36	2	3
Dyestuffs and pigments	73	117	11	20
Chemical specialties and explosives	.....	.....	36	33
Total	47,656	55,020	7,114	7,296

*DBS statistics.

TABLE III
MEXICAN CHEMICAL TRADE WITH LAFTA

	Exports (f.o.b.)		Imports (c.i.f.)	
	(U.S.\$'000)			
Argentina	31.2	16.6	645.6	741.5
Brazil	1.4	301.5	25.6	163.7
Chile	4.0	920.9	424.2	538.5
Colombia	140.2	203.9	27.5	18.1
Ecuador	112.1	63.3	.....	.....
Paraguay	.....	.....	40.4	2.6
Peru	35.3	210.2	.....	.7
Uruguay	4.1	6.9	721.3	1,449.4
Total	328.3	1,723.3	1,884.6	2,914.5

The other exception is the Latin American Free Trade Association. Over the next decade all trade barriers between the members are to be eliminated. At the same time, regional planning will strive to rationalize production and distribution on an area-wide basis.

New LAFTA Markets

The Mexican chemical industry is planning to penetrate the other LAFTA countries in a big way, and some concessions were exchanged during the first two negotiating sessions. The preliminary list of concessions to be sought by Mexico at the third session in October contains a wide range of chemical products. Some of these are not yet exported even from Mexico, but someone obviously has plans.

Intra-regional trade in all products is still small, but after the first year of LAFTA operation (1962), Mexico's chemical trade showed one of the biggest volume gains of any class over 1961, the last pre-LAFTA year. Table III gives figures for Mexico's chemical trade with the other LAFTA countries.

It is thought that chemical sales of up to \$120 million a year to LAFTA could be achieved eventually—about 20 per cent of total present imports. A two-way trade has already developed with Chile in fertilizers, and glycerine, sulphates, acids, oxides, industrial salts and sulphur are currently being

shipped to other U.S. and some non-U.S. markets. Canada can expect increasing Mexican competition overseas in some chemicals.

Selling to Mexico

The rapid development of Mexico's chemical industry offers opportunities for Canada to supply industrial chemical specialties not yet produced locally, certain non-petroleum raw materials, and possibly chemical plant equipment and engineering services. Canadian companies selling to international United States and European organizations should look into the possibilities of selling to their Mexican subsidiaries. When direct sales are not possible, licensing agree-

ments for processes or knowhow should be considered.

If there are only one or two Mexican customers an agent may not be necessary, but for wider distribution a representative is recommended. Many Mexican agents and distributors specialize in chemicals and have technically trained personnel on their staffs. In preparing quotations, remember that chemicals can be shipped to Mexico by almost every means of transportation—sea, rail, road, air, and even by barge down the Mississippi! ●

Part II of this article which reviews the various segments of the Mexican chemical industry in more detail will be published on Nov. 2.

Canadian Chicks Thrive in the Philippines

CANADIAN CHICKS have taken to life in the Philippines and the Canadian company that introduced them here has already shipped in by air 20,000 day-olds and will be delivering more in 1964 and 1965. It was no surprise to Shaver Poultry Breeding Farms Limited of Galt, Ontario, that its poultry were able to thrive in a different, difficult climate: the company's specially-bred Starcross 288 layer had already established excellent production records in India, Brazil and Lebanon. The Philippine industry is using a thousand of the Canadian chicks for experimental purposes and the rest, of which three-quarters are Starcross 288 layers and one-quarter Starbro broilers, as breeding stock.

Shaver's has also sent a technician to assist the Philippine importer with the design of his new breeding farm and hatchery, and to explain the correct feeding and housing techniques, many of which are new to this country. The hatchery is being built on a high bluff overlooking Laguna de Bay; initially three houses 30 x 200 feet will be erected.

Poultry raising is a multi-million-peso industry in the Philippines. There are

about 700 breeding farms and hatcheries in operation, the largest of which has a capacity of 100,000 eggs with settings three times a week. Commercial hatcheries sell more than 35 million chicks a year, of which only 5 per cent are exported. Ninety per cent of the layers are various strains of white leghorns. However, to meet the needs of the population (estimated at 28 million) egg production must be increased sevenfold to provide one egg per person per day.

Before it tried the Shaver breed, the Philippine company had been experimenting on a small scale with various strains of imported leghorn layers but found that they did not perform well in a tropical climate. Production was only 170 to 195 eggs per bird, compared with 270 to 275 in moderate climates.

The broiler industry in this country is not yet fully developed. At present only one company is producing broilers and its prices are high, but it is hoped that with the Shaver Starbro, a profitable industry with competitive prices can be developed. There are no immediate plans to sell chicken parts but this still untouched market will be considered when production increases.

—ROSE MORANTTE,

Office of the Consul General and Trade Commissioner, Manila.

What Norway Buys and Sells

MICHAEL R. BELL, *Assistant Commercial Secretary, Oslo.*

MOST Canadians travelling through Scandinavia find many things about the geography and the people that remind them of Canada. Certainly this is true of Norway, where the structure of the economy and the general direction of economic ac-

- Forest products, fisheries products, metals and minerals made up over half of Norwegian exports in 1962.
- Sales abroad of machinery, aluminum, chemicals and plastics expanding fast; have trebled in last ten years.
- Some 76 per cent of Norwegian exports went to European countries last year, particularly the EEC and EFTA groups.
- Purchases from Canada have doubled in past decade; reached \$69.1 million last year.
- Imports rose by 10 per cent in 1961 but by only 2.4 per cent last year.
- Most of quota restrictions on imports have now been removed, except on certain agricultural produce.

tivity are both reminiscent of Canada. Norway's economy is based to a high degree on the production of raw materials and semi-finished goods. A large share of the products from such industries as the fisheries, pulp and paper, and metals and minerals must be exported each year in order to pay for large and growing imports of capital and consumer goods. These imports in 1961 amounted to approximately Can. \$480 per capita, considerably above the Canadian figure.

What Norway Sells

Forest products, fisheries, and metals and minerals were Norway's top three export industries in 1962 and accounted for over half of her exports in that year. Other major exports were ships, machinery, fertilizers, and chemicals and plastics.

Last year Norwegian exports increased 4.6 per cent over 1961. The

larger portion of this rise, however, was accounted for by general increases over the wide range of smaller exports. Sales of the major export groups actually declined, reflecting difficult world marketing conditions. Of the nine product categories shown in Table I, only aluminum and machinery showed increases and the total of these nine categories (which in 1962 accounted for 70 per cent of total Norwegian exports) actually declined by 2.1 per cent.

Growth in Norwegian exports in the past decade has tended to be greatest in the less traditional fields, particularly in the manufacturing industries. Exports of machinery, aluminum, and chemicals and plastics have all more than trebled; on the other hand, exports of forest products and of fish and fish preparations Can.\$25 million below the 1961 figure.

Who Buys?

Norway's membership in the European Free Trade Association and her interest in achieving some form of trading relationship with the European Economic Community to a large degree reflect the importance of Europe as a customer for the large quantities of goods that she must sell. In 1962 the European countries, including the Soviet Bloc, purchased from Norway goods valued at Can.\$1,353 million, or 76.5 per cent of total Norwegian export sales in that year. The seven members and one associate member of the EFTA and the six members of the EEC together accounted for over nine-tenths of the sales to Europe. They have thus been the

TABLE I

WHAT NORWEGIANS SOLD IN 1962

Product	(Can.\$ millions)	% of total exports
Forest products—lumber, pulp and paper	189	18.1
Fish and fish preparations	125	11.9
Aluminum	93	8.9
Iron and steel	69	6.6
Machinery and appliances	65	6.2
Ships and boats	56	5.3
Nickel	53	5.1
Fertilizers, manufactured	46	4.4
Chemicals, chemical products, and plastics	41	3.9
TOTAL	737	70.4
Total, all Norwegian exports	1,047	100

sustaining force behind Norwegian exports at a time when sales to other areas have remained stable or have fallen.

Britain, by absorbing over 17 per cent of Norway's total exports, maintained her position as the most important single market, although not as strongly as in 1961, when almost 21 per cent of Norwegian exports were shipped there. Other large buyers last year were West Germany, Can.\$158 million (15.1 per cent); Sweden, Can.\$139 million (13.3 per cent); United States, Can.\$113 million (10.8 per cent), and Denmark, Can.\$91 million (8.7 per cent). Most of the other West European countries also made significant purchases of Norwegian goods and shipments worth over Can.\$10 million were also made outside Europe to Brazil, Liberia, and Nigeria.

Canadian imports from Norway in 1962 totalled \$16.1 million. (Canadian statistics), compared with \$8.9 million in 1961 and only \$2.97 million in 1952. The most important commodities in this trade are refined nickel products, canned fish products, machinery and furs. Sales to Canada in the first four months of 1963 have exceeded those of the same period for 1962 and the Norwegians consider prospects good for the rest of the year. Although these totals amount to less than half of one per cent of total Norwegian

exports and appear remarkably low in comparison with Canadian sales to Norway, (Can.\$69.1 million) it must be remembered that they do not include receipts for shipping services, which account for by far the largest portion of Canadian payments to Norway.

What Norway Buys

Because of its small size and limited population, Norway imports many types of goods that cannot be manufactured economically in so limited a market. In addition, the geography of the country and the extremely small area suitable for agriculture make it necessary to bring in large quantities of agricultural produce and foodstuffs. In the past, the Norwegian Government has, through tariffs and quotas on all products imported into the country, maintained a strict control over imports. The past three years,

however, have seen the removal of most of the quota restrictions. Only in agriculture are domestic producers well protected, with controls remaining in effect on most types of agricultural produce that might be raised in Norway.

From 1952 to 1962, imports into Norway grew at an average annual rate of over 6 per cent, with the greatest periods of growth 1954 to 1956 and 1960 to 1961. More recently, stimulated by the removal of import restrictions, imports have responded by rising by over 10 per cent in both 1960 and 1961 (but by only 2.4 per cent in 1962). The first four months of 1963 have witnessed a renewed increase in Norway's imports, with purchases from abroad running some 8 per cent ahead of last year.

Of the 21 product groupings in Table II five—transport equipment, machinery, base metals, mineral

TABLE II
WHAT NORWEGIANS BOUGHT IN 1962

Brussels Section	Description	Norwegian Imports* (Can.\$ millions)
I	Live animals and animal products	8.9
II	Vegetable products	119.0
III	Animal and vegetable fats, oils and waxes and their products	14.0
IV	Foodstuffs, beverages, spirits and vinegar, tobacco	65.1
V	Mineral products	189.3
VI	Products of the chemical and allied industries	105.0
VII	Resins, plastic materials, rubber, synthetic rubbers and articles thereof	43.4
VIII	Hides and skins, leather, furskins, and articles thereof	13.8
IX	Wood, wood charcoal, cork, plaiting materials, basketware and wickerwork	46.5
X	Papermaking material, paper and paperboard and articles thereof	20.0
XI	Textiles and textile articles	157.6
XII	Footwear, headgear, umbrellas	12.6
XIII	Articles of stone, plaster, cement, asbestos, mica and similar materials; ceramic products; glass and glassware	24.9
XIV	Precious and semi-precious stones; metals, imitation jewellery; coins	5.4
XV	Base metals and articles of base metals	247.8
XVI	Machinery and mechanical appliances; electrical equipment and parts	268.2
XVII	Transport equipment	379.2
XVIII	Instruments	39.6
XIX	Arms and ammunition and parts	5.4
XX	Miscellaneous manufactured articles	13.2
XXI	Works of art, collectors' pieces, and antiques	0.5
TOTAL IMPORTS		1,783.0
Less imports of ships over 100 gross tons		258.0
Imports exclusive of ships		1,525.0

Source: *Norges Utenrikshandel*, Volume 1, 1962.

*Figures converted at rate of 1 krone equals Can.\$0.15.

products, and textiles—accounted for almost 70 per cent of total imports in 1962. Imports of ships for the Norwegian merchant fleet alone amounted to approximately Can. \$258 million, or almost 15 per cent of total Norwegian imports. Imports of ships are in fact highly variable, and depend to a large degree on world shipping conditions. They have in the past few years accounted for anywhere from 10 to 20 per cent of Norwegian imports, and because of their variability and importance, statistical studies on Norwegian imports and import trends tend to exclude shipping imports.

Imports of products within the five categories mentioned above increased by 21.6 per cent within the three-year period 1959 to 1962. Excluding ship imports, which fell sharply during this period, purchases of other products within these categories increased by over 40 per cent in comparison with a growth rate of total imports (excluding ships) of 38.2 per cent. Particularly large increases were apparent in the transport sector, where imports of passenger automobiles increased by Can.\$29.7 million, or 69 per cent, in response to the removal of import restrictions in the latter part of 1960, and in the two

machinery categories, non-electric and electric, each of which increased by over 70 per cent to a combined total of Can.\$268 million. (The largest component in these categories, piston engines, increased by Can.\$10.0 million or 59 per cent.) A few of the other products showing major increases during this period were pulpwood, up Can. \$14.1 million, (213.6 per cent); synthetic fibres, up Can.\$10.0 million (46.8 per cent); optical, photographic, measuring instruments, etc., up Can.\$8.6 million (58.2 per cent); and radio sending and receiving apparatus, up Can. \$8.6 million (142.5 per cent). Foods and vegetables and certain processed foods, and footwear and other articles of clothing (particularly made of synthetic fibres) have also been imported in increasing quantities in recent years. But imports of raw wool and cotton, as well as fibres, yarns and fabrics of these materials, have decreased substantially.

Who Supplies?

The countries of Europe in 1962 provided Norway with over three quarters of her imports, increasing their share of the market by almost 5 per cent from 1952. In the four years following the establishment of the EFTA, the share of the Norwegian market held by member countries of this trading group rose from 37.9 to 39.5 per cent. In the same period, the share of the EEC countries fell from 35.4 to 31.3 per cent. The effect of increased participation by European countries in the Norwegian market has been felt mainly by North American exporters, whose share of the market fell in this period from 17.5 to 12.6 per cent. Shares of the African and Asian nations have also fallen, despite the fact that Japan in this period increased its sales to Norway from just over Can.\$1 million to over Can.\$20 million.

Canada's Share

Canadian exports to Norway in 1962 totalled Can.\$69.1 million, or

TABLE III
HOW NORWEGIAN IMPORTS EXPANDED, 1959-62

Brussels Section	Description	Imports		Increase or Decrease (per cent)
		1959	1962	
		(Can.\$ millions)		
XVII	Transport equipment	394	379	-3.8
	Ships over 100 gross tons	314	258	-17.8
XVI	Machinery	155	268	72.9
XV	Base metals and products	188	248	31.9
V	Mineral products	154	189	22.9
XI	Textiles and products	122	158	20.5
	Subtotal	1,103	1,242	21.6
	Per cent of total	71.5	69.7	.....
	Total imports	1,417	1,783	25.8
	Total imports excluding ships	1,104	1,525	38.2

Source: *Norges Utenrikshandel*, Volume 1, 1959 and 1962.

TABLE IV
NORWAY'S CHIEF SUPPLIERS
1952-1962

Country or Area	1952*	Per cent of total	1962*	Per cent of total
	Can.\$ millions		Can.\$ millions	
Europe	615	71.9	1,348	76.1
Of which:				
EEC†	223	26.1	554	31.3
EFTA†	338	39.5	700	39.5
North America	150	17.5	224	12.6
Of which:				
United States	96	11.2	127	7.2
Canada	38	4.4	73	4.1
South America	33	3.9	87	4.9
Africa	24	2.8	55	3.1
Asia	28	3.3	48	2.7
Others	5	0.7	10	0.6
Total	855	100.0	1,772	100.0

Source: *Norges Utenrikshandel*—Monthly Bulletin, Dec. 1962.

*Norwegian figures converted at \$1 equals 7.30 NKr. (1952) and \$1 equals 6.66 NKr. (1962).

†Excluding associated territories.

more than double the figure in 1952. Our share of the Norwegian market in the same period, however, fell from 4.4 to 4.1 per cent, making us the seventh most important supplier to Norway. In the period January to May 1963, Canadian exports to this market increased by a healthy \$5.7 million over the same period in 1962, largely because of bigger nickel shipments.

During 1962, as in previous years, almost 80 per cent of Canadian sales to Norway consisted of nickel, copper, and platinum ores and concentrates. These deliveries of raw ores and concentrates from Canada for processing in Norway have approximately trebled during the ten years from 1952. Other major products which Canada sells to Norway, with 1962 sales shown in brackets, are: copper bars, rods and shapes (Can.\$4.2 million), wheat (Can.\$3.5 million), and flaxseed (Can.\$973,000).

A Look at the Future

The country's economic outlook continues to be a major topic of discussion here, particularly Nor-

way's future relationship with the countries of Europe and the stability of prices and markets for the products of her major export industries. The heavy dependence of her main industries on export markets, and the particular importance of the European countries as customers for her products, have made the recent developments within the European trade groupings a matter of vital concern to Norwegians.

Norway's application for membership in the Common Market was made in 1962 and negotiations were well under way at the time of the breakdown in Britain's talks with the Six. The Norwegian application has since been allowed to lapse because it was understood from the beginning that Norway's interests were tied in with those of the British.

Norway's dilemma now arises from her close trading relationship with both the EFTA and the EEC. Britain is currently her largest customer and the EFTA countries as a group take almost 40 per cent of Norwegian exports. The EEC, however, is also a significant market for Norwegian goods—and one that

has expanded more rapidly than any other in recent years. In 1962 Norway's major exporters—fisheries, pulp and paper, electro-metallurgical and electro-chemical industries—sold over Can.\$125 million worth of goods to the Six and during the period of negotiations over Norwegian membership in the EEC in late 1962, plans were well under way for large-scale expansion in all of these industries. Following the breakdown of negotiations in early 1963, many of these projects had to be substantially altered if not abandoned, and some concern was also expressed about the competitive position of Norway's current exports to these countries. There is little doubt that Norwegian policy will continue to favour further integration in Europe and with it Norwegian membership in the EEC, although this policy will continue to be subject to Norway's close ties with Britain and her importance as a market for Norwegian products.

On the question of imports, the present and possible future effects of the common external tariff of the two European trading groups on Canadian exports have been the topic of much discussion in recent years. With the tariff advantage to EFTA members now at 50 per cent, there have been several instances where possible Canadian sales have been lost. On the other hand, however, in the past few months we have seen a number of Canadian businessmen visit Norway and obtain excellent orders for their products on the basis of quality, price and delivery.

In summary, although Norway is a small market it still offers excellent possibilities for Canadian sales. More than ever, however, these sales will depend upon an aggressive approach by Canadian businessmen. Their products must be able to compete with the best in Europe and in the rest of the world, and they must be able to demonstrate to the Norwegian that Canada is an exporter of first rank and deserves consideration whenever he is looking abroad for a product. ●

TABLE V
WHAT CANADA SOLD TO NORWAY, 1962-63

Commodity	12 months	Jan.-May	
	1962	1962	1963
	(Can.\$ thousands)		
Nickel ores and concentrates	47,204	17,234	21,756
Copper ores and concentrates	8,066	3,305	3,309
Copper bars, rods and shapes	4,178	990	1,083
Wheat except seed	3,474	339	226
Flaxseed	973	.....	105
Platinum metals in ores and concentrates	805	441	646
Plastics and synthetic rubber	431	142	101
Metallic salts and peroxysalts	307	.....	74
Asbestos	259	5	5
Card-punch machines, computers, parts	244	69	69
Carbon and carbon electrodes	236	.....	40
Rye	235	.....	.....
Sheet and strip steel	220	72	44
Apples	197	180	254
Yarn and thread	190	123	25
Aircraft engines and parts	188	89	251
Tobacco	174	8	65
Pulpwood	142	.....	.....
Phenols, phenol alcohols	105	48	8
Domestic washing machines	.....	.....	223
Total	67,628	23,045	28,284
Total all products	69,054	23,563	29,288

Source: DBS Trade of Canada.



—NFB Photo.

A typical street scene in Kingston, Jamaica, with the Ward Theatre in the centre of the picture. Kingston, the Jamaican capital and a city of about 450,000, is the business hub of the island and the main port from which imports are distributed.

The climate's good for business and pleasure

in Jamaica and the Bahamas, and our Trade Commissioner in Kingston tells how to make the most of a business visit to these attractive Caribbean islands—a promising market.

ROY W. BLAKE, *Commercial Counsellor, Kingston.*

THE MOST SUCCESSFUL Canadian exporters to this area are those who make frequent visits here. There is a great fund of goodwill for Canada in Jamaica and Jamaican businessmen like to see their principals. The same is true of the Bahamas. So come as often as you

can. It's easy—the islands are just a few hours away by air from Toronto and Montreal—and a personal visit usually results in more business. (Letters can be so misleading.) Our office in Kingston covers both these areas and we can help you in a number of ways. I

have outlined some of these below and added some travel advice. But first, a brief picture of the islands.

A Look at Jamaica

Jamaica, which has been British territory since 1655, last year attained full independence and elected to be a Dominion within the Commonwealth. Thus it joined Canada as the second Commonwealth country in the Western Hemisphere. This is an island of tall mountains and fertile plains, with flowing rivers and sandy beaches. Blue Mountain Peak rises to a height of 7,400 feet in the eastern part of the island; the level areas in the west provide land for growing sugar cane and citrus fruit and pasture for a thriving cattle industry. Other crops are the famous Blue Mountain coffee, cocoa, bananas, pimento, yams, breadfruit, and ackee—the fruit that is combined with Canadian saltfish to provide the popular native dish, codfish and ackee. Jamaica is also self-sufficient in poultry meat and has an efficient broiler industry.

The island is 148 miles long and 52 miles wide at its broadest point, with a fairly good network of paved roads, although the south-north routes are very winding. The scenery is beautiful and varied and you can see the agriculture of the country and the way of life in the rural areas by driving in any direction out of Kingston. Jamaica has a population of approximately 1.7 million, with about 450,000 concentrated in the capital, Kingston.

The Bahamas

The total population of the Bahamas is approximately 107,000, with about 55,000 people on New Providence Island where Nassau is located and the remainder occupying the Out Islands. New Providence is a small flat island with an equable year-round climate. It has little or no industry to speak of and depends heavily on the tourist trade. Practically everything required to cater to this trade and to satisfy the needs of the local population is imported. The islands' proximity to

the United States mean a constant stream of advertising and news by radio, television and newspapers and this gives U.S. suppliers a decided advantage.

Planning a Business Visit

● **Preparation**—If this is your first trip to the Bahamas or Jamaica, you would be wise to contact the Commodity Officer of the Department of Trade and Commerce in Ottawa who handles the products you have for sale. This should be done well in advance of your departure. At the same time, write us a letter outlining the objectives you have in mind and giving as much information as you can about the products you are offering. Price lists, c.i.f. if possible, and descriptive literature should be sent to us in advance so that we can investigate the market possibilities and prepare a tentative program for you. If you want to call on government officials, let us know as early as possible. Ministers and deputy ministers are busy people and are usually booked for some time ahead, so please give us time to make an appointment for you.

If you are going to Nassau before coming to Jamaica, you should write us a week or two before leaving Canada for general information on the market there and for the names of reputable firms to call on. Your banker is also a good source of information on business in Nassau or the Bahamas generally.

● **Itinerary**—The most popular time for Canadians to visit the Caribbean is in the winter when they can escape the cold northern climate and combine business with pleasure. Some businessmen make more than one trip a year and take advantage of the lower off-season rates. In planning your visit you should take into account the public holidays in Jamaica and the Bahamas, which are listed in the accompanying table.

It is best to give yourself a little more time than you think you need because things move at a slower pace in the tropics. It is much bet-

ter to have time to do the job thoroughly than to rush off feeling that you have left some loose ends—perhaps the very ones that, tied up, would have made your visit really worthwhile.

Kingston is the hub of the Jamaican business world and the port which receives all the shipments for distribution to other parts of the island. With few exceptions, all your business contacts will be located here, but you may wish to see more of the island and you can travel by limousine, U-Drive cars, taxi or rail to other parts. If you drive yourself, remember that traffic travels on the left in Jamaica. A valid Canadian or international driving licence is accepted for short stays. Montego Bay is the second largest centre in Jamaica with a population of about 15,000. A drive along the north coast via Ocho Rios (60 miles from Kingston) to Montego Bay (125 miles from Kingston) can be a pleasant way to catch your plane; all northbound planes call at Montego Bay.

Nassau is the chief business centre in the Bahamas, but the new development at Freeport on Grand Bahama Island is becoming important as a market for building supplies, hardware, lighting fixtures, furniture and foodstuffs, and might be worth a visit. There are fairly frequent flights from Nassau or Miami to Freeport. On leaving Nassau, the visitor must pay a poll tax—\$2.00 for adults and \$1.00 for

children for a stay of under 48 hours, and double this amount for a longer stay.

● **Transportation**—Jamaica and Nassau are well served with daily flights by international airlines from North America, Britain, Europe and South America; your local travel agent will be able to advise you of the latest schedules. Palisadoes airport is about 14 miles from Kingston and unless you are being met it is necessary to take a taxi to your hotel. Arrangements have been made to have only metered cabs at the airport and the trip to Kingston should not cost more than about 15/-. Limousines and taxis service the airport at Nassau, and it costs about \$3.00 from airport to hotel. It is wise to use metered taxis in both places.

● **Hotel Reservations**—Hotels in Nassau and Jamaica are first class and most of them offer a choice of American or European plan. The winter rates are in effect from December 15 to April 15; in most cases summer rates are much lower. If you would like help in arranging for hotel accommodation we will be happy to offer suggestions and make reservations. But please let us know of any change in plans that might affect reservations. Anyway, it is a great help to the Trade Commissioner to know where you will be staying while you are in his territory and to have the dates of your arrival and departure.

PUBLIC HOLIDAYS IN JAMAICA AND THE BAHAMAS

	Jamaica	Bahamas
New Year's Day	January 1	January 1
Ash Wednesday	according to the calendar	
Good Friday	according to the calendar	
Easter Monday	according to the calendar	
Whit Monday	n.a.*	eighth Monday after Easter
Labour Day	May 23	n.a.
Commonwealth Day	n.a.	May 24
Queen's Birthday	by proclamation	by proclamation
Independence Day	first Monday in August	n.a.
August Bank Holiday	n.a.	first Monday in August
Discovery Day	n.a.	October 12
Christmas Day	December 25	December 25
Boxing Day	December 26	December 26

*Not applicable.

● **Travel Documents**—Although it is not essential for Canadian visitors to Jamaica or Nassau to carry passports if they are coming direct from Canada for a short stay, it is wise to bring them because you may wish to stop at other ports of call during your trip. As you know, you must have a smallpox vaccination certificate to re-enter Canada, and this is just as well because the regulations here regarding this certificate change at very short notice.

● **Clothes**—The climate in Jamaica is good the year round, with a short rainy season in May and another in October-November, but the sun shines every day. The temperature ranges between 75 and 95 degrees in the daytime but cools off in the evenings which are usually very pleasant. Light summer clothing is worn in Jamaica and the Bahamas all year; washable suits are best for men and cotton dresses for women. A stole or woollen jacket is useful for women to wear in the evening as it gets quite cool sometimes, especially if one is visiting people living on the higher ground around Kingston. Shorts and sports shirts are popular for relaxing. A tie is worn for business calls but a jacket is not necessary. Hats and coats are seldom seen. The electric current in Jamaica is 110 volts, 50 cycle, and in the Bahamas is 115 volts, 60 cycle.

● **Mail**—It is probably safest to use the Trade Commissioner's office as a forwarding address for your mail and if you keep us informed of your movements, especially of any change in plans, your mail can either be held for your arrival or re-directed. This office will also be pleased to assist you in sending cables or letters back to Canada.

What to Do about Samples

If you are bringing samples with you it will save time if you send the Trade Commissioner's office a pro forma invoice covering the range you are carrying. Then we can clear them with the Trade Board before

you arrive. Otherwise your samples may be held at the airport until the formalities have been dealt with, which takes at least a day, and someone must drive 14 miles each way to the airport to collect them.

You may prefer to send samples in advance. If you have an agent in Jamaica, send them to him. If you do not have a representative here, they can be sent to the Trade Commissioner with a pro forma invoice covering every article so that we can arrange clearance. This is time-consuming and means a trip to the airport, so please send complete documents. Before sending samples it is wise to check with us on import restrictions imposed by the Jamaican Government on goods coming into the island in order to protect local industry. At present there are some 70 commodities for which it is necessary to obtain import permits from the Trade Board, and in some cases import is not merely on quota but is entirely prohibited. However, in many instances permits are issued freely but should be obtained in advance of shipment. My office can arrange to get these permits for you if given sufficient notice.

Local Currency Preferred

Jamaica and the Bahamas are in the sterling area and issue Jamaican and Bahamian pound notes; the money is reckoned in pounds, shillings and pence equivalent to sterling rates. Canadian and United States dollars are accepted in both countries, but since independence Jamaica has naturally developed a national outlook and spirit and feels that prices should be quoted in the currency of the country. This practice is becoming prevalent but the dollar equivalent is still acceptable. However, it is a simple matter to change your travellers' cheques into pounds, shillings and pence soon after arrival because the banks have many branches and you are never very far from one. You can save money by having local change in your pocket for tips or for paying taxis.

In Kingston and Nassau there are branches of the Royal Bank of Canada, the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia, the Bank of London & Montreal, the First National City Bank of New York, and Barclays Bank D.C.O. Banking hours in both places are 8.30 a.m. to 12.30 p.m., Monday through Friday, and 8.30 a.m. to 11.00 a.m. on Saturdays.

Arranging Appointments

The business visitor with an established representative in this area will no doubt arrange his appointments through this agent. A newcomer, however, should call on the Trade Commissioner as soon as possible after arrival so that he can brief him on the market, methods of doing business, the competition he is likely to face, government regulations on imports, etc. Firm appointments can then be made to call on the trade. Sometimes it is advisable for me or my assistant, Dick Cathcart, to accompany you to appointments, especially if it is your first visit. And we can always ease the way through our personal acquaintance with businessmen and government officials here.

It is best not to crowd appointments: usually only four a day can be handled effectively. If the local firm is a busy one it might be wise to arrive just before the lunch hour and invite the man you are dealing with out to lunch, where you can talk in a more relaxed atmosphere without interruptions from telephones or staff. A dinner appointment is also a good idea, especially with a valued representative, and if the wives come too it helps to establish a personal contact that makes for better understanding when problems crop up.

The working day in Jamaica and Nassau is from 8.30 a.m. to 4.00 or 4.30 p.m. Monday to Friday, and 8.30 a.m. to 12.00 noon on Saturdays. Stores close on Wednesdays in Jamaica at noon. Most businessmen take an hour or an hour and a half for lunch. Dinner is served later than in Canada and

usually does not start before 8.00 p.m.

Please Keep in Mind . . .

- Even businessmen must relax sometimes and there is ample opportunity for recreation in Jamaica or the Bahamas. Most of the hotels have swimming pools and the North Shore hotels are either on a beach or are not far from one. Racing is popular in Jamaica and many meets are held throughout the year. The island is well supplied with good golf courses and tennis courts, and with skin-diving facilities. There are many in-bond shops where you can buy a present for your wife.

- If expense is a factor, taking advantage of off-season rates can cut costs.

- The more advance notice we have of your visit, the better the arrangements we can make to ensure a profitable and enjoyable stay. If you drop in without warning we may have other appointments that will prevent us from giving you the help you may need to make your visit the success we hope it will be. But you will be welcome, of course, because we realize it is not always possible to give notice very far in advance.

- It is important to consult the Trade Commissioner before appointing a representative.

- A letter from your bank manager to the manager of the Canadian branch in the place you are going to visit is always a help.

- Keep the Trade Commissioner's office informed of any firm arrangements with local companies made during your visit so that we can follow up on your behalf once you are back in Canada. It is advisable to consult us before committing yourself. Copies of correspondence between your firm and your representative are useful—naturally, we treat them as confidential.

Please let us help you. ●

LAFTA Membership and Peru's Trade

Membership in LAFTA does not appear to offer Peru much immediate help in developing its export trade, but over the long term it can be expected to provide preferential advantages. Canada's sales to Peru should not be affected in the immediate future.

D. J. McEACHRAN, *Assistant Commercial Secretary, Lima.*

PERU has been a participating member of the Latin American Free Trade Association since the Montevideo Treaty establishing this regional trade area was drawn up in 1960 and came into legal effect on June 2, 1961, one month after formal ratification by Argentina, Brazil, Chile, Mexico, Uruguay and Peru. The reasons for Peru's membership are, beyond an interest in the broad objective of expanding trade, not altogether clear and several apparent contradictions exist.

As is the case with most LAFTA countries, Peru's trade within the region represents only a small percentage of its total trade: in 1962 both imports from (U.S.\$45 million) and exports to (U.S.\$49 million) the area made up only 8 per cent of its total purchases and sales respectively. Eighty per cent of these exports consisted of cotton, petroleum and metals of which sales will not increase rapidly as a result of any tariff reductions that the LAFTA negotiations may bring. Almost one half of Peru's intra-regional exports were sold to Chile with which Peru already has a preferential trade agreement. In the short run at least then, Peru's exports to the area cannot be expected to expand greatly as a direct result of LAFTA membership.

Unlike the more industrialized LAFTA countries (Mexico, Brazil,

Argentina), Peru cannot be overly optimistic about the prospects for developing exports of its manufactured goods. Much of the country's industrialization has been based on an import-replacement policy rather than an export-conscious philosophy and this has resulted in a domestically-oriented, high-cost production. On the other hand, Peru has historically held to a liberal trading policy, unlike other LAFTA members, and this has resulted in the absence of import licensing or exchange control. Thus, despite high tariff rates on goods produced domestically, the Peruvian market is generally more accessible than those of other LAFTA member nations. This suggests that it may be easier for other countries to increase their exports to Peru than it will be for Peru to increase her exports to them.

Possibly Peru's most valid reason for participating in LAFTA is not that it hopes to gain a rapidly expanded export trade but rather that it prefers not to be isolated from a trade grouping that will offer preferential advantages over the long term to its participants.

Export Structure

The majority of the Latin American Republics depend heavily on exports of one or two commodities for their foreign exchange earnings.

This is particularly true of the LAFTA countries, five of which derive more than one half of their export earnings from a single commodity.

Peru is not quite so limited: its 1962 exports in three major categories—metals, agricultural products and fisheries—accounted for 90 per cent of total exports. It is clear that the country is still dependent on primary materials for export earnings. This need not be interpreted as a basically unstable situation: the evidence points in the other direction because Peru's total exports have risen steadily from approximately U.S.\$200 million to U.S.\$540 million in the past ten years. This country's vast reserves of natural resources have been barely touched and, despite the Economic Commission for Latin America's emphasis on domestic industrialization, the future for Peru's development would seem to lie in the continued expansion and diversification of raw material production and export.

Exports to LAFTA

Peru's exports to the LAFTA countries have been increasing and although they represented only 9 per cent of total exports in 1962 their value reached U.S.\$49 million. As is the case with Peruvian exports

generally, intra-regional sales are primarily agricultural products (70 per cent of the total). Peru's most important markets within LAFTA are Chile and Brazil and in both cases the trade balance is in Peru's favour. The possibilities of increasing exports of manufactured goods to the area should not be overlooked and the LAFTA objective of complementary and specialized industry may well hold promise for Peru. A good example of this is its tire and tube exports to Argentina which between 1958 and 1960 rose in value from nil to nearly two million dollars.

Few specific commodity agreements based on complementary in-

PERU'S LAFTA TRADE PERCENTAGE EXPORTS

	Total U.S.\$ millions	To LAFTA	
		U.S.\$ millions	Per cent of total exports
1960	433	33	7.6
1961	496	32	6.4
1962	540	49	9.0

IMPORTS

	Total U.S.\$ millions	From LAFTA	
		U.S.\$ millions	Per cent of total imports
1960	375	28	7.5
1961	469	33	7.0
1962	538	45	8.4

Source: Calculated from Ministerio de Hacienda y Comercio figures.

PRINCIPAL PERUVIAN IMPORTS

	1961		1962	
	U.S.\$ millions	Per cent of total imports	U.S.\$ millions	Per cent of total imports
Machinery and apparatus	90.3	19.3	115.6	21.6
Food, beverages, tobacco	63.1	13.5	72.4	13.6
Vehicles and equipment	68.2	14.6	69.1	12.9
Metals and manufactures	51.2	10.9	57.1	10.7
Chemicals and products	49.8	10.6	52.5	9.8
Electric machinery	33.5	7.2	43.9	8.2
Textiles and clothing	26.5	5.7	33.4	6.3
Fuels and lubricants	17.7	3.8	18.4	3.4
Paper and manufactures	12.5	2.7	13.0	2.4
Animal and vegetable oils, fats	12.1	2.6	10.2	1.9
Non-metallic mineral manufactures	7.6	1.6	8.2	1.5
Rubber and manufactures	5.7	1.2	6.1	1.2
Others	29.9	6.3	34.4	6.5
Total	468.1	100.0	534.3	100.0

Source: Compiled from Banco Central de Reserva del Peru figures.

dustries have been reached, but a definite start has been made. Negotiations have been concluded whereby Brazil and Argentina will manufacture calculating and statistical equipment for which Chile and Uruguay will produce perforated punchcards. Similar discussions have been held on electronic and television tubes; copper, iron and

PERU'S TRADE WITH CANADA, 1961

Imports from:	U.S.\$'000
Wheat	2,220
Wood pulp	810
Newsprint	770
Mining machinery	630
Tinplate	480
Chemicals	420
Gold bars	410
Asbestos	400
Fish nets	350
Aluminum	330
Miscellaneous base metal manufactures	350
Barley	320
Miscellaneous non-electric machinery	280
Office machines	260
Milk powder	200
Synthetic tire cord	170
Compressors	160
Autos and parts	130
Steel bolts	130
Aircraft parts	110
Electric wire and cable	100
Washing machines	100
Papermakers' felts	90
Pharmaceuticals	80
Sewing machine parts	80
Swine	70
Plastic sheets	70
Steel rails	70
Copper bars, rods, plates, pipes	60
Film	60
Eyeglasses	50
Oilcloth	40
Others	390
Total	10,290

Exports to:	U.S.\$'000
Zinc ore	1,850
Canned tuna fish	580
Fishmeal	450
Iron ore	190
Cotton	50
Tuna fish in brine	40
Coffee	40
Mung beans	30
Others	50
Total	3,280

Source: Ministerio de Hacienda y Comercio.

steel products, and glass products. Further, the first LAFTA Conference on Planning and Industrial Development, held in Lima on April 9, 1963, reaffirmed the contracting parties' interest in complementary industrial development.

Import Structure

Peruvian imports consist largely of capital equipment and machinery, foodstuffs, other manufactured goods such as vehicles, pharmaceuticals and chemicals, and industrial raw materials. Imports of consumer goods are declining in relative importance as protected domestic production expands. Given a continuation of Peru's high rate of economic development, particularly notable in the export sector, the outlook for imports in the Peruvian market is most favourable. Principal purchases will continue to be concentrated within the capital goods and industrial raw materials fields as tariffs on consumer goods are raised. The United States is by far the leading supplier (40 per cent), followed by West Germany (12 per cent), Britain and Japan (each 6 per cent).

Imports from LAFTA

In contrast, Peru's imports from the LAFTA countries are dominated by foodstuffs, in particular grain, meat and animal products, fruit and vegetables. As might be expected, Argentina is the leading supplier and provides two thirds of Peru's purchases from the region. Imports of manufactured goods from Chile and Mexico, such as machinery, chemicals, pharmaceuticals and newsprint, are small but growing.

Canadian Sales

Canadian exports to Peru now consist largely of manufactured goods or semi-processed industrial materials, and thus our competitors in this market will continue to be the United States, Western Europe and Japan rather than the LAFTA countries. At the moment few of the products we sell her can be

supplied from within the area. In the short run therefore, our over-all sales should not be adversely affected by this trade grouping although certain fields can bear closer attention. The more important of these are examined below:

Wheat—Total 1961 imports U.S. \$32.3 million; from Canada \$2.2 million. Comparative duty-paid costs, based on an average price of \$78 per metric ton c.i.f. are LAFTA \$78.00, GATT \$86.50. The Argentine supplies soft wheat; Canadian competition, despite a slight tariff advantage, comes from the U.S.

Barley—Total 1961 imports U.S. \$1.1 million; from Canada \$320,000. Comparative duty-paid costs based on an average c.i.f. price of \$84 per metric ton are LAFTA \$90.62, Canada \$96.30. In addition to local production, Argentina and Chile are large suppliers and our sales may decline if LAFTA production of suitable qualities increases.

Unbleached Wood Pulp—Total 1961 imports U.S.\$1.9 million; from Canada \$810,000. At an average c.i.f. price of \$120 per metric ton, comparative duty-paid costs are LAFTA \$120.00, GATT \$134.80. Imports of long-fibre pulp are required for blending with local bagasse pulps, and as long as Chile's export capacity remains low, imports from Canada and the United States will dominate the market.

Newsprint—Total 1961 imports U.S.\$3.9 million; from Canada \$770,000. Comparative duty-paid costs, at an average c.i.f. price of \$165 per metric ton, are LAFTA \$165.00, GATT \$184.00. Despite the apparent LAFTA tariff advantage, most newsprint users can obtain exemption from duties and surcharges and this puts all supplying countries on an equal basis. The competition in this field will nevertheless be influenced by Chilean production because of Peru's proximity to that LAFTA partner. Of

1961 imports, the United States supplied 35 per cent, Finland 25, Canada 20, and Chile 15.

Statistical and Calculating Machines

—Total 1961 imports U.S.\$850,000; from Canada \$230,000. Canadian exporters face a duty preference of \$8.00 per ton plus 6 per cent ad valorem.

Electric Washing Machines—Total 1961 imports U.S.\$800,000; from Canada \$100,000. At an average c.i.f. price of \$100 and a weight of 75 kilos per machine, duty-paid costs increase to \$141 per unit. No LAFTA tariff concession exists. Member countries, i.e., Colombia and Mexico, may press for preferential regional treatment.

To sum up, Peru's major import needs cannot be supplied from within the LAFTA region and therefore membership in the Association should not appreciably affect its trade with Canada, although it may alter the competitive position of some of our exports slightly.

Check Your Surface Mail

Publicity material and circular letters from Canada are arriving in Belgium by surface mail with insufficient postage. The Commercial Counsellor in Brussels has asked us to draw this to the attention of Canadian companies because he feels that the good impression such material is designed to make is spoiled when the recipient must pay a postage surcharge. And delivery of this mail is delayed.

Canadian postage rates for surface mailing of first class matter are:

To Britain and all other places in the British Commonwealth, Republic of Ireland, Republic of South Africa, France, Spain, the United States, and North and South America—five cents for the first ounce and three cents for each additional ounce or fraction thereof.

To all countries not mentioned above—six cents for the first ounce or fraction thereof and four cents for each additional ounce or fraction thereof.

The Soviet Timber Industry

The U.S.S.R. produces about five times as much softwood lumber as Canada and much hardwood, but sells most of it in the domestic market, with its enormous and growing demand. Exports will not increase much until planned woodworking complexes are set up.

R. V. N. GORDON,
Commercial Counsellor, Moscow.

FORESTS cover about 32 per cent of the total area of the Soviet Union, or some 722 million hectares. This immense expanse constitutes approximately one quarter to one third of the forest area of the world. Eighty per cent of the timbered areas are in Asiatic U.S.S.R. but only 46 per cent of the total cut—over 200 million cubic metres a year—is obtained there.

The main species are coniferous but there are also extensive stands of deciduous trees throughout the country. Coniferous species include

the European larch (*Larix decidua*) in the west and the *Larix siberica* in Eastern Siberia. The white fir (*Abies siberica*) is common and so is the Scots pine; in the Far East, *Pinus koraionsis* grows. Large areas in Western Russia are covered by Norway spruce. The common deciduous trees found in the U.S.S.R. include birch, oak, beech, sycamore, elm and chestnut, with a more limited distribution of ash and walnut. Birch alone covers 92 million hectares.

The Soviet forest products industry employs 14 per cent of all workers in the U.S.S.R., more than any other industry, and about 6 per cent of national industrial production by value consists of forest

products. Capital investment in the industry amounts to between 300 to 352 million roubles a year (1 rouble=U.S.\$1.10). Operating expenses total 2.5 to 3 billion roubles each year.

Production in 1961

In 1961 the Russian Federation (which does not include the whole of the Soviet Union but is the part of the country where most of the forest area is located) produced 217 million cubic metres* out of a total Soviet production of 230 million cubic metres. From this, the Russian Federation produced 78 million cubic metres of sawn goods, 953,000 cubic metres of plywood, 2.2 million tons of pulpwood, and 2,100,000 metric tons of paper, including 493,000 tons of newsprint. These figures do not include timber delivered by collective farms, which is not a significant portion of the total.

At present, some 31 per cent of the total volume of the timber cut is consumed as fuel but the plan is to reduce this to 24 per cent by 1965 by substituting coal, oil and natural gas, which are plentiful in many regions.

Domestic Demand Enormous

Most of the timber that the U.S.S.R. produces goes to domestic markets. Domestic demand for wood products is enormous and is growing with increasing requirements for private housing, industrial

*One cubic metre=423.7 board feet, processed sawnwood equivalent.



In a Soviet forest, a timber truck is piled with tree-length logs, using a high-lead loading device. Most of this timber will find its way to the domestic market.

TABLE I
SOVIET WOOD PRODUCT EXPORTS 1960 AND 1961

Articles	Unit of Quantity	1960		1961	
		Quantity	Value (Can.\$'000)	Quantity	Value (Can.\$'000)
Roundwood	(cub.m. '000)	4,428.7	60,581	5,654.7	85,299
Staves	" " "	1,496.4	23,135	1,827.3	29,824
Pitprops	" " "	1,110.6	13,369	996.9	12,815
Pulpwood	" " "	1,589.4	17,106	2,328.9	29,025
Building timber	" " "	69.5	1,301	266.4	5,002
Wood for match splints	" " "	43.4	1,509	54.6	1,817
Wood for plywood	" " "	8.6	317	7.4	273
Sleepers	(no. '000)	1,108.1	3,483	1,642.0	6,394
Sawngoods	(million bd. ft.)	2,111.5	180,980	2,206.1	204,441
Coniferous timber	" " "	2,093.7	179,871	2,183.6	202,743
Veneer	.....	.....	14,575	.....	14,640
Plywood	(cub.m. '000)	291.1	14,171	124.6	14,156
Veneer strips	" " "	2.3	235	2.6	290
Wooden Manufactures for Industrial Use	.....	.....	83	.....	51
Match splints	(no. in millions)	6,740.0	81	4,160.0	51
Cellulose	(tons '000)	243.7	24,853	265.8	29,057

construction and for the paper industry. About half a million private houses, almost all made of wood, are being built in the Soviet Union every year and the number of new starts is rising annually. Soviet planners estimate that by 1980 the Soviet Union will require a billion cubic metres of timber a year.

Competition in Foreign Markets

Although it consumes most of its timber domestically, the Soviet Union is also an important exporter and one of Canada's chief competitors in the British and European markets. Lumber is one of the principal Soviet exports and in 1961 exports of roundwood and sawn goods were valued at 263,400,000 roubles (about \$289 million). Britain is the most important market for sawn lumber and Japan for round timber or logs. In 1961 British imports of lumber and plywood from the Soviet Union reached a value of 90,736,000 roubles, according to Soviet statistics. For the same year, Japanese imports were valued at 29,130,000 roubles. The U.S.S.R. is running neck and neck with Finland as Canada's chief competitor in the British market for lumber and in Japan too, Soviet

competition is increasing. Other important markets for Soviet timber include East and West Germany, Hungary, and the United Arab Republic.

Planned Output Not Achieved

The next few years will undoubtedly see production rise steadily because of the huge timber resources and the growing domestic demand. According to the current Seven Year Plan, the target figure for timber production in 1965, the final year of the Plan, is 372 to 378 million cubic metres. Annual increases of 2.5 per cent for all timber and 3.4 per cent for commercial timber have been provided for in each of the seven years of the Plan. The lumber industry, however, has not attained the target figure consistently but still output has gone up substantially.

The chief reason for failure to reach production goals appears to be lack of capital application and overcutting of the European forests, which are the most accessible, in previous years. In spite of large recent imports of logging machinery and equipment, the amount of capital applied per manhour is still considerably below that of the for-

TABLE II
PRODUCTION OF SAWNGOODS FOR VARIOUS YEARS

Years	(million cubic metres)
1928	13.6
1936	40.9
1946	19.6
1955	75.6
1956	76.6
1957	81.6
1958	93.7
1959	104.0
1960	105.6
1961	104.3

TABLE III
SOVIET WOOD PRODUCT EXPORTS BY COUNTRIES

Countries of Destination	Value	
	1960	1961
	(Can.\$'000)	
Britain	89,357	88,810
Hungary	59,747	74,259
East Germany	44,944	52,529
Japan	27,378	37,204
West Germany	27,311	27,476
Czechoslovakia	22,677	23,563
Belgium	19,714	19,906
Netherlands	20,138	19,740
United Arab Republic	16,509	18,762
Italy	13,500	18,153
France	11,986	17,263
Cuba	8,650	16,664
Finland	12,372	14,852

TABLE IV
COMPARATIVE CANADIAN AND SOVIET WOOD PRODUCTS STATISTICS, 1961

Production	Canada	U.S.S.R.
Softwood lumber (million bd. ft.)	7,510	37,600
Plywood (1,000 cubic metres)	1,103	1,458
Imports		
Softwood lumber (million bd. ft.)	151	87
Plywood (1,000 cubic metres)	55	35
Exports		
Softwood lumber (million bd. ft.)	5,010	2,184
Plywood (1,000 cubic metres)	122	125
Consumption		
Softwood lumber (million bd. ft.)	2,724	35,420

Source: FAO.

est industries of Western Europe and North America. Soviet imports of lumbering and woodworking equipment of late years have included a considerable amount of equipment of Canadian origin, such as chain saws (which are now manufactured in quantity in the Soviet Union) and various types of heavy logging equipment. A consortium of Canadian companies has recently succeeded, after several years' nego-

tiation, in selling a very large automated sawmill for installation at a central Siberian site.

Output Will Rise

In spite of inability to achieve planned goals, output of lumber and wood products is increasing substantially in the Soviet Union. However, demand in the home market is also expanding and it may be some years before the volume of

timber of export quality available for foreign markets rises significantly. At the present time, the best timber goes for export and there is actually a shortage of good grades of lumber in the home market. Until the sawmills of the projected woodworking complexes in Central Siberia and the Far East are completed and in full production, large increases in Soviet timber exports are unlikely. ●

BUSINESSMAN'S BOOKSHELF

Pricing for Export

Canadian Manufacturers' Association. 7 pages. Free.

THE manufacturer who is contemplating an export drive will undoubtedly find this pamphlet useful. It covers the various steps to take in determining a price for foreign markets, with particular emphasis on those not necessary in domestic pricing. The booklet discusses briefly customs duties abroad with particular reference to Commonwealth preferences and to United States import duties.

Commonly accepted procedures on c.i.f. and f.o.b. prices are listed, with an eye to savings on import duties. Other topics covered are export advertising, drawbacks, sales tax, agent's commission, interest costs and insurance.

Although the booklet discusses basic elements of pricing for export as a guide to the beginner, it also mentions other sources of information.

Order from: Commercial Intelligence Section, Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ontario.

Selling Overseas

Henry Deschampsneufs. 283 pages. 45s. net.

THIS study is subtitled "The Principles of Export Marketing"—an accurate indication of its main emphasis. In writing it, Mr. Deschampsneufs has drawn on his years of experience as an export salesman, export sales manager, and handler of export promotion for a number of leading British companies. In addition, he says, he "has picked able brains".

In the opening chapter he makes clear that he is not covering production problems, export practice, or the financing of exports. But in dealing with export marketing, he interprets the term broadly and includes

preliminary market research in foreign countries, product development, packing and packaging, methods of distribution, prices and profitability, and so on. The sections on methods of promotion are more detailed and he discusses every type, including exhibitions, sampling, and give-aways. This section concludes with eight case histories covering the marketing of consumer products, machinery, and even knowhow.

Intended mainly for students (such as those taking the Institute of Export courses) and for younger executives, it is brightly written and well presented. The author has some sensible things to say about the personal qualifications of the man who travels in search of overseas business and about keeping in trim on those long foreign business trips.

Order from: Business Publications Limited, 119 Waterloo Road, London, S.E.1, England.

The Middle East 1963

Europa Publications Limited. 554 pages. \$15.00.

THE tenth edition of this invaluable reference book achieves the high standard of its predecessors. Practically every topic vital to the Middle East is covered: the major oil concessions are listed, there are statistics on traffic through the Suez Canal, and the major political organizations in the area (such as the Arab League) are detailed. And the book is remarkably up-to-date: it discusses the situation in Yemen up to the end of May 1963 and the calendar of events is complete to the end of June.

The businessman who plans to travel in the area could profitably spend several evenings with this book. It will brief him on the geography, history, and economics of the 17 countries covered, provide recent

statistics on their trade and agriculture, and give him names of government and trade association officials. He can also bone up on the main characteristics of this region and on the tenets of Islam, its principal religion.

The end-paper maps are excellent and there's an interesting discussion of the terms "Middle East" and "Near East" and their origin.

Order from: Europa Publications Limited, 18 Bedford Square, London, W.C.1, England.

Uniform Customs and Practice for Documentary Credits

International Chamber of Commerce. 31 pages. 75 cents.

AFTER four years of concentrated work by two Commissions, the International Chamber of Commerce has published this bilingual pamphlet (English and French) giving the revised Code on documentary credits. Using the Code as guide, a bank can now decide immediately whether the documents presented are in order. (The buyer must give complete instructions to his bank.)

In addition to letters of credit, the Code also standardizes procedures and phraseology for bills of lading and other shipping documents, insurance documents, and commercial invoices.

Order from: Canadian Council, International Chamber of Commerce, 1224 St. Catherine Street West, Montreal 25, Quebec.

The Changing Structure of the Western Economy

By Sir Douglas Copland. McGill University Press. 86 pages. \$2.25.

IN the past quarter century, the economist who has sought trends and outlines of policy has seen the development of an increasingly complex world economy. Not only is he faced with an accelerated rate of change on all sides and in all endeavours, but he also finds an over-all alteration in the economic structure with the rise of the eager and developing "third". It is this two-fold challenge to economic survival, described by Sir Douglas Copland as the "greatest that has ever confronted the human race", that is examined in this publication in book form of the 1962 McGill University Beatty Memorial Lectures.

Sir Douglas advocates two separate partnership arrangements to answer the challenge. Higher rates of growth are necessary, he believes, to meet the unprecedented population expansion and the rapidly decreasing time-span of change. To establish this growth, the thesis argues that a new balance in the "mixed economy" is necessary to co-ordinate private initiative and public planning. Several national experiments are examined in the book.

The existence of a tripartite world demands the second joint effort, according to Sir Douglas. A constructive alliance between the more and the less developed areas, it is suggested, must be the first objective of the Western World. Anything less would turn the problems of the developing areas into catastrophe for the whole world economy.

Included in the book as an appendix is a paper, "The State and the Entrepreneur", which shows clearly Sir Douglas's long attachment to and interest in the problems and ideas discussed. He originally presented the paper to a Harvard University conference in 1936.

Order from: McGill University Press, 3458 Redpath Street, Montreal 25, Quebec.

Commercial Agency Guide for the Drawing Up of Contracts

International Chamber of Commerce. 23 pages. 75 cents.

THE majority of Canadian exporters cover agreements with their agents by an exchange of letters. But there are situations that call for a formal contract and here this pamphlet will prove useful. Drawn up by the Commission on International Commercial Practice of the I.C.C., it is presented to exporters as a "practical guide for the better definition of their contractual relations and . . . to facilitate negotiation and to remove the chief sources of misunderstandings". It covers such points as definition of territory, the dates of coming into force and of expiration, the goods covered, and sole and exclusive rights. It also discusses in detail the rights and obligations of the principal and of the agent.

Order from: Canadian Council, International Chamber of Commerce, 1224 St. Catherine Street West, Montreal 25, Quebec.

Commerce and Industry in Kenya, 1961

Ministry of Commerce and Industry. 103 pages. 60 cents.

THIS booklet compresses into some 100 pages a wealth of information about Kenya which is, as the foreword puts it, "at the heart of the East African Common Market of over 22 million people". The chapter on communications, for example, gives full details on railway services, air communications, and the ports and points out that £5.8 million was spent in improving transportation in 1961. For potential investors, there is a chapter on "Factors Affecting the Investment of Foreign Capital" (which is welcomed), and for exporters, data on the size of the market, licensing, and domestic income, plus tables of exports and imports.

Order from: Crown Agents' Representative, 3100 Massachusetts Ave. N.W., Washington 8, D.C.

DENMARK: Pause, Then Renewed Progress

Last year brought slowing-up in long-continued economic expansion, bigger foreign trade deficit, smaller boost in industrial production. But first half of 1963 has seen exports rise, foreign exchange reserves increase, the interest rate reduced, cost of living fall slightly.

K. NYENHUIS, *Commercial Counsellor, Copenhagen.*

FOR the past ten years, Denmark has been undergoing an industrial expansion. Industrial investment has more than trebled, with the sharpest rise from 1959 to 1961. In those three years industrial production rose 40.7 per cent in value to 21,225.3 million D.Kr. (Can.\$3.3 billion) imports by 35.9 per cent to

12,894.7 million (\$2.0 billion) and exports by 28.5 per cent to 10,457.7 million (\$1.6 billion). The foreign trade deficit increased by 80.8 per cent to 2,437.0 million D.Kr. (\$381 million).

This expansion continued last year but there were definite signs that the country was living beyond

its means. Imports increased by 13.7 per cent over 1961 to 14,658.4 million kroner but exports went up only 7.6 per cent to 11,253.3 million. New industrial investment, which during the years 1957 to 1961 rose by an impressive 131.8 per cent, went up only 10.2 per cent to 1,857.0 million kroner last year.

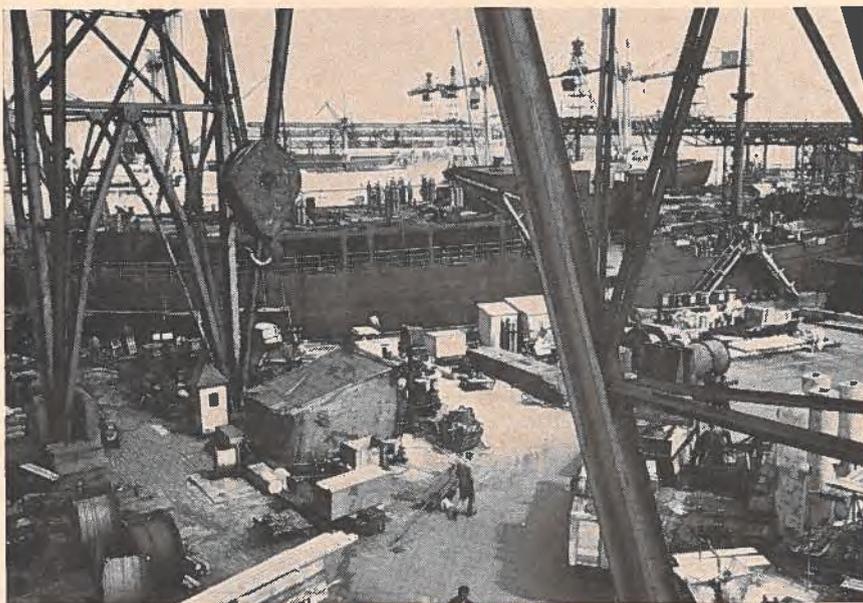
Economic expansion brought full employment, which led to marked wage increases and high consumer spending and consequently to higher production and living costs. In 1962, total income from wages and salaries continued to rise and compared with 1961, consumer spending went up by an estimated 6 per cent. This rise continued into 1963 and the cost of living (excluding taxes) in January 1963 was 14.6 per cent higher than in January 1961 and 16 per cent higher in April 1963.

Industrial Investment

In 1962, new industrial investment in Denmark totalled 1,857 million D.Kr., a 10.2 per cent increase over 1961. In 1961, however, it was 22 per cent greater than in 1960, which was itself 43 per cent above 1959.

Industrial investment was spread over the following categories: machinery and tools, 816 million D.Kr.; real estate, 790 million; "other materials", 113 million; automobiles, 76 million; roads, railway tracks, ports, etc., 22 million. Remaining investment totalled 40 million D.Kr.

The largest relative increase in investment took place in the footwear and clothing industry, which invested 38.6 million D.Kr., or 33 per cent more than in 1961; the food industry invested 271 million, or 23 per cent over 1961, the chemical industry 341.6 million, or 15 per cent over 1961, and the iron and metal industry 390.5 million, or 9.2 per cent more. Investment in the paper and graphic industries of 118.3 million D.Kr., however, was 14 per cent lower than in 1961.



—UN Photo.

Industrial exports began in 1961 to exceed agricultural shipments; in the first half of 1963, their lead widened. One of the big Danish industries is Burmeister & Wain; the photograph shows part of its sprawling shipyards and engine works.

Table I gives total Danish industrial investment during the years 1957-1962.

TABLE I
DANISH INDUSTRIAL INVESTMENT
(millions D.Kr.)

1957	727
1958	765
1959	971
1960	1,386
1961	1,685
1962	1,857

Industrial Production

Between 1957 and 1961 industrial production rose in value by approximately 40.7 per cent to 21,225.3 million D.Kr., as Table II confirms.

TABLE II
DENMARK'S INDUSTRIAL PRODUCTION
(millions D.Kr.)

1957	15,082.0
1958	15,799.3
1959	17,759.1
1960	19,769.1
1961	21,225.3

Individual industries showed the following production increases in 1961 over 1960:

Foods, up 6 per cent, to 4,628.1 million D.Kr.

Textiles, up 9 per cent, to 1,187.3 million D.Kr.

Footwear and clothing, 12 per cent, to 1,217.0 million D.Kr.

Wood and furniture, 10 per cent, to 1,028.8 million D.Kr.

Paper and graphic, 10 per cent, to 1,771.9 million D.Kr.

Chemical, 7 per cent, to 2,262.6 million D.Kr.

Iron and metal, 8 per cent, to 5,735.7 million D.Kr.

Stone, clay and glass, 15 per cent, to 993.4 million D.Kr.

Other industries, 12.9 per cent, to 727.2 million D.Kr.

Situation Now Changing

Various elements have contributed to a marked change in Denmark's domestic economy since the second half of 1962. It is therefore of particular interest that in the first six months of 1963, the

foreign trade balance improved by 725.7 million D.Kr. in relation to the corresponding period last year: that is, the deficit for the first six months of this year was 54.2 per cent smaller, at 858.1 million D.Kr. This was primarily due to larger industrial exports. Although in 1961 the value of industrial exports for the first time exceeded that of agricultural exports by a slim margin, the difference over the first six months of 1963 was more than 500 million D.Kr., despite the fact that agricultural exports themselves increased by 122.5 million D.Kr. The feared reduction in Danish agricultural exports because of the division of Europe into two market areas did not materialize.

Though this improvement was aided by the lower level of world prices of the raw materials upon which Denmark depends, it reflects also the Government's efforts to curb the inflationary trend of the past few years. In 1962, the Government imposed a 9 per cent general sales tax at the wholesale level on practically all products except foodstuffs; it also tightened building restrictions. Further measures were introduced in March of this year, including the extension of existing labour agreements for a two-year period, the limiting of dividends, and a prohibition on the issuing of shares for two years. At the same time, the Government brought in a price and profit stop and compulsory savings, and extended, with only minor modifications, existing agricultural support acts. A ceiling was imposed on government expenditure to provide a budget cash surplus of about 500 million D.Kr. in the fiscal year 1962-1963. However, government expenditures have been larger than estimated, reducing the planned cash surplus to an estimated 320 million D.Kr.

Cost-of-Living Index

The cost-of-living index, which for years has been rising without interruption, in July of this year showed a quarterly decrease of 0.8 per cent.

The net foreign exchange assets held by the National Bank of Denmark and by commercial banks, which at the end of 1962 amounted to only 654 million D.Kr., at the end of June 1963 totalled 1,430 million D.Kr., up 118.6 per cent. This increase, however, was almost entirely the result of government and municipal loans obtained abroad, which during the first six months of this year totalled 765 million D.Kr. The first loan of 500 million D.Kr. was authorized by the Danish Parliament in January 1963; up to 50 per cent of the loan is to be used for the expansion of Danish power stations and the remainder to permit a high investment level without too severe a strain on the foreign exchange resources. In May 1963, additional foreign loans up to 500 million D.Kr. were authorized, for the purpose of strengthening the foreign exchange position.

Rates of Interest

In August of this year, the National Bank of Denmark for the first time in five years lowered its interest rate (which has been one of the highest in Europe) by $\frac{1}{2}$ per cent to 6 per cent. This step was feasible because of the improvement in the balance of payments since January: during the first six months of 1963 it was possible to cover the external trade deficit by receipts from shipping and other services. The fact that, as indicated above, this improvement resulted from increased exports and not from smaller imports is, of course, highly satisfactory.

With continued improvement of the foreign exchange situation expected, and with the better balance of trade, the declining interest rates, and the more favourable development of agricultural prices, an air of cautious optimism prevails. Of greatest importance is the fact that a more stable price level has been achieved within the country as the result of reduced demand and a more moderate rise in incomes. ●

What's current in commodities?

Logging Equipment

North Borneo and Sarawak—Growing importance of timber industry is pushing producers in both countries into modern methods and creating a demand for the kind of equipment Canada makes. Market should be investigated now.

D. S. McCracken, *Assistant Trade Commissioner, Singapore.*

FOR Canadian exporters, the brightest prospect in North Borneo and Sarawak is the growing demand for logging and sawmilling equipment. The timber industry has attained a commanding position in the economies of both territories and absorbs the greatest amount of capital. While rubber, copra and pepper production have been declining in relative importance, exports of round logs and lumber have climbed steadily, and the industry's capacity for more sophisticated equipment should encourage Canadian producers.

The new demand for equipment stems from a combination of factors: wages have trebled within ten years, forcing up production costs; the Government is encouraging increased output, particularly in Sarawak, and there is a general drive for increased efficiency.

United States, British, German and Japanese manufacturers of logging and sawmill equipment dominate the market at present and Canadian exporters will have to compete against well-established lines. Nevertheless, timber operators have shown considerable interest in Canadian equipment. They are aware of our highly developed timber industry and of the 7½ per cent tariff advantage for Commonwealth products.

A brief description of the needs in each territory will point up the

specific opportunities for Canadian manufacturers.

NORTH BORNEO

The timber industry in North Borneo is rapidly becoming as mechanized as its Canadian counterpart. The dense tropical rain forests yield an average of 25 tons of marketable timber per acre in a variety of woods. North Borneo's large individual concessions permit the introduction of heavy logging equipment of the kind Canada uses. The timber cut in these forests generally finds its way to Hong Kong and Japan in the form of logs. Exports last year were worth more than C\$32 million and are expected to expand substantially each year because output has lagged behind demand since 1948.

The interior regions of North Borneo are being developed along the rivers and by using private access roads carved out of the wilderness. Many of the large timber producers still bring their logs to water on small narrow-gauge railways but this practice is becoming less common every year and trucks are replacing railways. Here, too, producers are caught in the cost/price squeeze, mainly because of steadily rising wages, and this provides a real incentive to adopt heavy equipment. There are now over 500 crawler tractors in the

woods operations where there were virtually none a mere five years ago.

Canadians Could Sell . . .

The best immediate prospects for Canadian producers are in:

- **Heavy-duty logging trucks**—market still in its infancy but demand steadily growing.

- **Chain saws**—use will be firmly established within a year.

- **Wire rope**—emphasis is on quality.

- **Tackle and assorted chains**—constantly required; Australian suppliers established in the market.

There are longer-term possibilities for mobile spars, yarding engines and winches. One large U.S.-owned company is using this type of equipment already, but new operating concepts involving the use of Canadian-style heavy machinery are slow in taking hold. Most of the large producers are waiting to see how well the U.S. company succeeds before committing themselves. However, it is generally agreed that modern machinery will begin to be adopted within two years. Now is the time to keep in touch with prospective buyers to condition them to thinking of Canadian equipment when the day of change comes. One of the best ways is to mail them descriptive literature periodically to keep them aware of Canada's interest.

SARAWAK

The enormous reserves of tropical hardwoods in Sarawak have only been exploited on the more

accessible outer fringes. The hill stands are virtually untouched because of the lack of access roads and operations are generally confined to the swamp forests. In a few years the swamp forests will be depleted and timber producers will be forced to log the virgin jungle of the interior.

Sarawak's production of round and sawn timber reaches a value of C\$15.5 million a year; most of it is sawn ramin shipped to Europe for furniture manufacture. The emphasis is on timber that has been partly processed; round logs are not exported in quantity.

The Government invited the United Nations to advise on ways and means of improving the efficiency of the logging industry and its recommendations have now been incorporated into law. The new regulations require local sawmills over a certain size to convert from circular saws to bandsaws within the next five years. Sixty-inch bandsaw mills complete with 48-inch resaw have been recommended. The extent of the market cannot be determined precisely at this stage, but informed opinion indicates that at least 40 complete bandsaw mills will be required before 1968 and that rising world demand for lumber should permit the establishment of another 30 mills within ten years. The cost of conversion will force many operators out of business but the remainder will be capable of meeting increasing international competition.

As the interior forests are developed, tractor logging will increase and there will be some demand within two or three years for heavy trucks, cables, chains, and especially chain saws.

To sum up, the Borneo Territories (now part of the Federation of Malaysia) offer many opportunities for Canadian producers of sawmilling and logging equipment. Needless to say, aggressive and persistent salesmanship is needed to convince timber operators to adopt new types of machinery and to

compete against established foreign manufacturers.

A longer version of this article has been prepared and sent to the Regional Office, Department of Trade and Commerce, Room 405, Federal Building, 325 Granville

Street, Vancouver, B.C., for distribution. It contains a detailed list of Borneo companies that offer the best prospects for Canadian producers. Any interested manufacturer may obtain a copy by writing to the Vancouver office. ●

Chain Saws

New Zealand—Canada now supplies about three quarters of the chain saws that New Zealand imports and this market should continue to be good, with demand from farmers added to that created by the booming pulp and paper industry.

C. A. CARRUTHERS, *Assistant Commercial Secretary, Wellington.*

THE GROWTH of New Zealand's pulp and paper industry in recent years has been spectacular. Today it supplies most of the local demand and does some exporting as well. This expansion has taken away the market for some Canadian products but, on the other hand, it has created a new market for Canada in many fields, including engineering services, papermill machinery, electrical supplies and chain saws.

During 1961 Canada sold 3,411 chain saw units to New Zealand valued at \$560,022, and in 1962, 2,773 units for \$462,080. The decline in 1962 had little to do with demand but was largely the result of New Zealand's import licensing policy, particularly the stringent ruling that greatly limited the number of licences issued during the first six months of the year. The allocation for chain saws for the 1962 licensing year (July 1, 1962, to June 30, 1963) was set at 75 per cent of 1960. The allocation for the 1963 licensing year (July 1, 1963, to June 30, 1964) is the same, so New Zealand's imports of chain saws should at least equal—and will probably exceed—those of 1962.

Canada supplied about 75 per cent of the chain saws that New Zealand purchased during the 1962

licensing year, as the following figures show:

	Quantity	Value (Can.\$)
Canada	3,545	485,280
United States	300	104,457
West Germany	239	29,529
Sweden	102	16,992
Britain	51	7,416
Australia	.....	135

Sales Prospects

The demand for chain saws will undoubtedly continue because of the increasingly important contribution that the pulp and paper and logging industries are making to the New Zealand economy and its export drive. Timber exports did decline slightly in 1962 but have strengthened somewhat in recent months, and prospects appear bright for the next few years. The pulp and paper industry has been expanding steadily for several years but the rate of growth has now slowed down. However, the current requirements of the mills and their future needs as output increases will keep the market for chain saws open. There is some prospect that a new mill will be built and this means more cutting.

Offsetting the slight levelling-off in demand from the forest industries is the increasing interest that

farmers are showing in chain saws. Most New Zealand farmers are prosperous and have advanced ideas and many of them consider a chain saw an essential part of their farm equipment.

Despite the stringent import licensing policy, chain saws are receiving and should continue to receive favourable treatment. The one factor that could change this policy would be the setting up of a local plant to manufacture chain saws. If this happens, imports would probably be severely re-

stricted, in keeping with the Government's policy of conserving foreign exchange by cutting down on overseas buying when local production can meet demand.

Fiji and Western Samoa

Small markets that should not be overlooked are Fiji and Western Samoa. Fiji has increased its lumber production substantially and although demand has not gone up, it has remained constant. Imports of lumber have dropped by about 40 per cent from 1960 and exports are

steadily increasing. Our shipments of chain saws to this area are small but in view of the current trend, we should be able to make further sales.

Western Samoa cuts very little timber at present and imports virtually all the lumber it needs. However, it has large forested areas and a recent report by a United Nations investigating committee recommended the development of a local forest products industry. This could mean chain saw sales in the future. ●

Automotive Springs

Iran—Small share of market should reward a manufacturer who can offer durable product at reasonable price, employ efficient agent, and engage in some advertising, especially by radio.

A. F. WYETT, *Commercial Division, Canadian Embassy, Tehran.*

IRAN has always been a good market for automotive springs, but the improvement in highways during the past five years has moderated the demand and heightened the competition. West Germany is still the largest supplier, though American-made springs are the most popular; Britain also holds a share of the market. Because these three suppliers cannot meet the demand, Iranians have turned to new sources, such as Canada and Australia. It is interesting to note that Australia acquired a foothold here because of a personal visit by an Australian springs manufacturer.

How Sales Are Handled

The chances of a new supplier making sales equal to or putting out of the market one of the established brands of automotive springs are remote. But he can certainly make some headway and capture a part of the market. Two things will influence his progress—the strength and durability of his product and the price at which it is offered. And his efforts must be backed up by an energetic and sound agent.

Imports are chiefly in the hands of three merchants, all of whom have offices in the automotive spare parts market in Tehran. Although, strictly speaking, they have an agency agreement with a manufacturer, they also tend to bring in springs from second or even third countries. There is little that manufacturers can do about this. Once a mark is well known in Iran, importers have a habit of writing to their suppliers asking that a similar mark be placed on their products. Consequently, one finds an abundance of similar marks here. To understand this practice one must remember that a good many of the ultimate users of springs are illiterate and therefore buy by mark and not by name.

Merchants bring springs into their warehouses in Tehran, then their agents periodically send in from the provinces lists of their requirements. These are dispatched to the importers' local agents who in turn distribute them to the ultimate users.

Payment terms for importers are letter of credit but despite this, they in turn are obliged to give up to six

months' credit terms to the provincial agent.

Packing and Prices

The usual forms of packing found in the market are:

1. Main and second leaves—each bundle five pieces.
2. Small leaves—each bundle ten pieces.
3. Assembled.

Present wholesale prices in the market are:

Chevrolet truck	rials
front 13 leaves	1,300
rear 15 leaves	2,450
International truck	
front 13 leaves	2,200
rear 18 leaves	4,000
Chevrolet automobile	
2" width × $\frac{5}{8}$ " thickness	
rear completely assembled	1,200
Jeep	
$1\frac{3}{4}$ " width × $\frac{1}{4}$ " front	650
rear	1,100

Advertising May Be Needed

No serious attempt is made to advertise automotive springs, but as competition becomes stronger, merchants will turn their attention to this medium for developing sales. Springs should always be brightly painted and bear the size number in

bold letters. The factory mark should be prominent. If an advertising campaign is undertaken, it should be borne in mind that the people to be reached are mostly

illiterate and for this reason, the radio is a good medium. Or hand-outs could be used with the company's mark clearly indicated—such things as pen-knives, automobile

pressure gauges, spanners and screwdrivers. Large, clearly printed marks which can be attached to lorries and workshop walls are also useful. ●

South Africa Exports Pineapple

This small but growing industry stresses exports of canned pineapple as the best solution to a world over-production problem. Canada is becoming an important market.

R. G. GODSON, *Assistant Trade Commissioner, Cape Town.*

THE growing and canning of pineapples in South Africa has become a well established but relatively small industry, with a potential for expansion when world supply ceases to outstrip demand. About 145,000 tons of the fresh fruit are produced (1960 figure); some 28 per cent is sold locally as fresh fruit, and about 3 per cent is exported fresh; the largest proportion (over 60 per cent) is canned.

Industry Faces Problems

The raising of pineapples in South Africa received special impetus following the Second World War, when the war-destroyed plantations in Malaya and Taiwan could not supply Britain, their traditional market. (Hawaii, which provides about half the world's supply, was selling 90 per cent of its output to the United States.) South African growers were encouraged to increase their production and the canners sought greater supplies. As prices rose steadily during the post-war years, the area under pineapple cultivation expanded from less than 11,000 acres in 1938 to a record of over 65,000 acres in 1958. This country now supplies about 6 per cent of world output, compared with 1 per cent or less before the war. The chief varieties grown are smooth Cayenne and Queen's, with acreage about evenly divided between the two.

By the mid-1950's Malaya and Taiwan had succeeded in rehabilitating their plantations and the other world producers (Hawaii, Brazil, Mexico, the Philippines, Cuba and Australia) were also extending the area under cultivation and concentrating on higher yielding varieties. The result was an over-supply and prices dropped sharply in South Africa.

Prices paid to producers (per 1,000 lb.)

1953/54—Can.\$58.95

1959/60—Can.\$22.45

Export price for fresh pineapples

1956—Can.\$209.32 per ton

1960—Can.\$149.65 per ton

Average price paid on S.A. urban markets

1953/54—Can.\$107.07 per ton

1960/61—Can.\$ 84.46 per ton

TABLE I
CANADIAN IMPORTS OF CANNED
PINEAPPLE

	1960	1961	1962
	('000 Can. dollars)		
South Africa	332	852	826
Malaya	1,093	1,286	1,183
Hong Kong	5	.....	.....
Philippines	.....	28	.....
Taiwan	9	81	14
Australia	1,007	519	1,032
Venezuela	.....	1	.....
Cuba	5	11	.....
Mexico	454	455	298
Puerto Rico	9	2	8
U.S. (Hawaii)	2,229	2,305	2,722
Total	5,135	5,541	6,084

Source: Trade of Canada.

Efforts are now being made to counteract falling prices and to stabilize the industry. One approach is to step up the export of fresh pineapples but irregular shipping services complicate shipments. Exports of the fresh fruit represented 7 per cent of the total crop from 1949 to 1956, but only 3 per cent since 1956. The canning of pineapple juice is another hopeful development; until recently the juice was merely discarded as waste. Recently experiments have begun on the production of fibre from pineapple leaves. A Department of Agriculture research station has been set up in East London and there pineapple research of all kinds is going on.

Canada Is Good Market

The great bulk of the crop goes to the canning factories and the best answer to the problem of over-production is to step up exports of canned pineapple. The success of this export effort is reflected in the figures: in 1947, only 600 tons were exported but in 1961 the figure was almost 50,000 tons.

One of the markets that the South Africans are cultivating is Canada—and with some success, despite stiff competition from Hawaii, Malaya, Australia, and Mexico. Sales increased for several years and in fact, they rose more rapidly than those of any other supplier, except Australia, as Table I reveals. They slipped slightly last year, but the prospects for a larger share of the Canadian market in future remain good and South Africans intend to cultivate it vigorously. ●

COMMODITY NOTES

Automobile Parts

BRAZIL—Ford do Brasil S.A. recently exported 3,200 truck hood stampings to the United States. This shipment weighed 83 metric tons and was reported to be worth approximately \$127,000.

The Ford Motor Company of Brazil has been exporting to the United States and Canada since 1959 and the total value of these sales is reported to be U.S.\$1.5 million. In 1961 its sales of parts to the U.S. totalled \$1.1 million and to Canada \$50,000—São Paulo.

Beer

PORTUGAL—A new factory to produce beer and ice is being built in the north of Portugal; its capacity will be about 6,250,000 gallons of beer and 3,650 blocks of ice. Equipment includes three compressors totalling some 800,000 kwh. to be supplied by a Swiss company.

The successive reductions in customs duties in accordance with the EFTA agreement and the probability of Portugal joining the Common Market have compelled Portuguese industrialists to open factories that will increase production and reduce costs in order to face the coming competition. It is understood that a beer factory with an even larger capacity will be constructed in the south of Portugal—Lisbon.

Brassieres

GHANA—Ghana's first brassiere factory recently started production in Accra and, it is announced, will turn out 1,200 pieces of all types of brassieres a day. At present the factory employs 45 Ghanaian women who receive on-the-job training under the supervision of a Chinese technician who arrived in the country a few weeks ago—Accra.

Chromite

PAKISTAN—Pakistan's largest producer of chromite has been forced by intense international competition to close its mine at Hindubagh in the Zhob district of Quetta Division, West Pakistan. One of the main features of this competition, the Pakistani mine-owners claim, has been the quantities of high-grade chromite from the Soviet Union reaching the United States market—Karachi.

Fertilizer

NORWAY—The Norwegian chemical concern, Norsk Hydro-Elektrisk Kvaestofaktieselskab, plans to build a fuel oil gasification plant at its ammonia factory at Herøya, East Norway, which will raise the company's annual output capacity of nitrogen equivalent from 300,000 to 400,000 tons. The new plant is expected

to cost about Norwegian kroner 100 million and will take about two years to build. It is reported, however, that unless the market for nitrogen products improves substantially during the next two years the new plant will not initially be operated at full capacity, except during periods of electric power shortage when output at the existing plant (based on electrolysis of water) has to be cut down. The electrolytic process requires far more power than gasification—Oslo.

Fish

NEW ZEALAND—The Marine Department values 1962 fish and shellfish exports at £1,649,829. Crayfish was the biggest earner at £1,140,050, followed by frozen fish £496,330, canned fish and shellfish £9,143, smoked and dried fish £3,830, and mussels, etc., £476. The value of crayfish exports rose by nearly £400,000.

The total catch of 90,018 cwt. of crayfish is an increase of 10,620 cwt. over 1961 but still considerably below the record catch of 130,815 cwt. in 1956. However, the total value for crayfish caught rose by nearly £200,000 to £1,070,888 during the year, making it New Zealand's most profitable export in the fishing industry—Wellington.

Fluted Paper

NORWAY—The Sande Paper Mill A/S started production of semi-chemical fluted paper for making corrugated cardboard in August 1962 and reached full annual capacity (estimated at 30,000 tons) at the turn of the year 1962/63. This is the first Norwegian paper mill to use hardwood. Semi-chemical paper produced from hardwood has been affected by the difficult international price situation. This mill, however, has successfully sold its entire production and delivers today to most markets in Europe. Domestic sales have increased also. Sales to European countries outside Scandinavia are in charge of the Reed Paper Group in London, England—Oslo.

Marine Diesels

BRAZIL—Under a recently concluded agreement, the Brazilian firm of Industrias Villares of São Paulo will manufacture Burmeister & Wain marine diesel engines for three oil tankers being built in Brazil for the National Oil Tankers Fleet of Brazil. The ships are 10,500 tonners and each will have one six-cylinder motor with a power potential of 4,600 b.h.p. at 176 r.p.m. and two auxiliary motors with five cylinders and a power potential of 250 b.h.p. at 600 r.p.m.—São Paulo.

Motor Vehicles

SWITZERLAND—From the beginning of 1946 to the end of April 1963, 1,011,447 motor vehicles were imported into Switzerland, 12.3 per cent from Britain, 46.5 from Germany, 17.9 from France, 10 from North America, and 9.4 from Italy—Berne.

TURKEY—The General Motors Corporation is reported to have filed with the Foreign Capital Investment Committee an application to build a truck and light van assembly plant at Tuzla near Istanbul. The total cost of the factory is estimated at T£20 million (U.S.\$2.2 million). Other vehicle assembly plant projects reportedly awaiting approval of the Turkish Government include those proposed by the British Motor Corporation of England, the Mercedes Benz Company of Germany, and the Isuza Company of Japan.

The Chrysler Corporation is now building a T£80 million (U.S.\$9 million) plant, scheduled to assemble 16 trucks daily when it goes into operation at the end of the year. Foreign vehicles now assembled in Turkey include Ford of England *Thames* trucks and buses and *Consul* automobiles, Commer trucks and Morris minibuses, Willys Overland jeeps and Bussing trucks—Athens.

Plastic Laminates

MEXICO—The Mexican branch of Cyanamid will undertake shortly the first production of plastic laminates in this country, under licence to Formica. Production is scheduled for 1964 and initially will be for electric and textile applications in a quantity sufficient to satisfy Mexican demand—Mexico, D.F.

Polyethylene

MEXICO—Founding of a company, Poli-Rey, to produce polyethylene has been announced. Located in Reynosa, it has a total capital of over 100 million pesos provided by Imperial Chemical Industries (Britain) and Petroleos Mexicanos and Celulosa y Derivados, S.A. (Mexican). The company has a slated annual production of 20,000 tons. Design, construction and installation of the plant was carried out by Imperial Chemical Industries and the Simon Carves Limited firm—Mexico City, D.F.

Steel Structures

ITALY—Finsider (Italian government-controlled holding company) and U.S. Steel have put up equal capital to form C.M.F. (Costruzioni Metalliche Finsider), a company to manufacture heavy steel structural work, such as bridges, towers for electric power transmission, tanks, gas-holders, sheds, industrial buildings, etc. The factory being built near Leghorn will be ready for operation in 1965, and at full capacity will be capable

of producing about 100,000 tons of heavy steel structures a year. Total cost is estimated at \$13 million, \$5 million of which will come from a long-term loan by the European Bank of Investments (BEI)—Rome.

Sugar

PERU—Production of sugar in 1962 amounted to 763,000 metric tons compared with 798,000 tons in 1961. The decrease has been attributed to the two-month strike last year by workmen at the largest sugar plantations. Of total 1962 production, about 290,000 tons were consumed in Peru and 463,000 tons were exported to the U.S.—Lima.

Tea

CEYLON—According to the Administration Report of the Tea Controller for 1962, Ceylon's tea exports reached a record 452 million pounds valued at Rs.1,149 million, as against 426 million valued at Rs.1,115 million in 1961. Production in 1962 totalled 467 million pounds, about twelve million more than in the previous year—Colombo.

Trade Commissioners on Tour

In Territory

M. R. BELL, Assistant Commercial Secretary in Oslo, Norway, will visit Trondheim in mid-November.

W. GIBSON-SMITH, Commercial Counsellor in Cairo, United Arab Republic, will visit Ethiopia, October 21-31.

R. G. GODSON, Acting Trade Commissioner in Cape Town, South Africa, will visit Port Elizabeth, East London and Durban from October 8-12.

H. S. HAY, Assistant Commercial Secretary in Mexico City, will visit the states of Oaxaca, Chiapas and Tabasco, November 18-23.

J. P. LANCASTER, Commercial Secretary in Oslo, Norway, will visit Kristiansand, Stavanger and Bergen, October 30 to November 5.

V. G. LOTTO, Assistant Commercial Secretary in Beirut, Lebanon, will visit Jeddah, Saudi Arabia, October 20-25.

C. E. RUFELDS, Assistant Commercial Secretary in Beirut, Lebanon, will visit Baghdad, Iraq, October 5-10.

C. J. ST. PIERRE, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit St. Kitts, Montserrat, Antigua, St. Lucia and Dominica, October 16-23.

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. Bell and Mr. Lancaster at Oslo, Mr. Gibson-Smith at Cairo, Mr. Godson at Cape Town, Mr. Hay at Mexico City, Mr. Lotto and Mr. Rufelds at Beirut, and Mr. St. Pierre at Port-of-Spain.

How Turkey Imports Goods

Reluctant to try selling in the Turkish market because of the rigid import controls? This explanation of these controls and how they work may change your mind—especially after you study the list of Canadian products on which importers in Istanbul and Ankara have said that they would like to receive offers.

F. IAN WOOD, *Commercial Secretary*, and CLIFFORD SWIFT, *Commercial Assistant*, Athens.

SINCE the introduction of the Stabilization Program in August 1958, Turkey's imports have been rigidly controlled. The controls are intended to provide for the essential needs of industry, agriculture, transportation and communications, to restrict severely imports of all luxuries and non-essentials, and to limit consumer durables by quota allocations to those products that cannot be produced domestically, be replaced by local substitutes, or assembled from imported components.

Despite these controls, imports have increased markedly since 1958. Exports have also risen substantially but have failed to keep pace with record imports. As a result, the trade deficit reached U.S.\$239 million in 1962 and \$143.3 million in the first half of 1963.

It is estimated that in 1963 imports will total U.S.\$613 million, made up as follows: raw materials U.S.\$256 million, consumer goods U.S.\$87 million, and investment goods U.S.\$270 million.

Canada's trade with Turkey is relatively small, as Table I shows (DBS figures). Last year we sold

to Turkey chiefly radio equipment and parts, zinc, aluminum, whisky, and metallic salts, and bought from her shelled filberts and walnuts, cotton lintens, Turkish tobacco, and dried figs.

Import Program Procedures

Import programs covering Turkey's anticipated imports from countries participating in the European Monetary Agreement and free dollar countries have since 1961 been issued at half-yearly intervals, (i.e., early in January and early in July of each year). The import program provides for a "liberalized" or "free" list, and a "list of goods subject to foreign exchange allocation", generally termed the "quota" list.

The Turkish Import Regulations specify that: "In order to prevent exaggerated import applications, monopolization or profiteering to the prejudice of the consumer in the trade of determined goods, the Ministry of Commerce may satisfy integrally all applications made for certain *quotas* included in the *import list with allocation* (quota list): It may also *suspend provisionally or permanently the import of certain goods.*"

Free List Imports, 1963

Over 50 per cent of Turkey's import requirements (not including capital equipment) are covered by the current free list, effective January 4, 1963. It has been estimated that these imports will total about

U.S.\$210 million this year. Commodities on the free list are not exempt from import licence requirements, but it is generally understood that licences will be granted freely at any time during the import program (normally six months). These licences are, in effect, an entitlement to the necessary amount of foreign exchange. The Government does not indicate the amount of foreign exchange available for free list purchases. Presumably there is no arbitrary ceiling on the volume of imports of products on the free list.

Applications for import licences for items on this list must be accompanied by a 30 per cent cash guarantee for merchant importers (commission agents) and a 20 per cent guarantee for manufacturer (industrialist) importers. Certain of the free list items can only be imported by manufacturers. Periodically, certain products are deleted from the free list and this reflects the growing ability of local production to satisfy domestic requirements.

The following products on the current free list are of possible interest to Canadian suppliers:

- seed potatoes (Ministry of Agriculture regulations pertain to this item)
- cattle and poultry for breeding
- a wide range of industrial and pharmaceutical chemicals
- polyethylene foil and bags, cellotape
- sewing machine needles
- tinplate
- packing machinery
- bearings
- special purpose hose

TABLE I

CANADA'S TRADE WITH TURKEY

	Exports to (Can.\$'000)	Imports from
1958	1,479	529
1959	1,127	913
1960	2,014	855
1961	1,943	859
1962	978	1,472

cigarette paper

artificial and synthetic yarns, including synthetic netting yarns (for fishermen) and yarns used in the manufacture of tires and inner tubes

spare parts and accessories for motor vehicles

tools for hand tools and machine tools

oil burners

certain types of pumps

industrial machinery, spares and parts

refrigeration equipment

parts for electrical and electronic equipment and machinery

various types of agricultural machinery and equipment

X-ray, photographic, medical and scientific equipment and parts

The Quota List

Individual applications for licences to import items on this list are limited to 20 per cent of the total quota allocated for each item. Applications must be accompanied by a 20 per cent cash guarantee for merchant importers. A 10 per cent cash guarantee is required from manufacturer importers applying for allocations specifically reserved for manufacturers' needs. Applications must usually be made within one month of the date of publication of the import program.

According to the trade, demand for items on the "quota" list invariably exceeds the actual quotas available for merchant importers, with the result that individual allocations are in most cases very small. To prevent speculation in licences for goods on the quota list, the 20 per cent cash deposit for merchant importers can be increased up to as much as 50 per cent of the value of the import application when total demand exceeds the available quota.

All cash guarantees are returned on completion of free list and quota list transactions. If an import licence is not used, that part of the deposit corresponding to 10 per cent of the value of the goods which have not been imported is forfeited.

Usually quotas are used up within one month of the announcement date of each new import program. However, the goods eligible for import under quotas generally appear on subsequent quota lists and in some cases the time limit for such

What Turkish Firms Would Like to Buy

During recent trade visits to Istanbul and Ankara by two members of the Athens office, Turkish businessmen showed keen interest in Canadian sources of supply for the products shown on the attached list.

Machinery (General)—Agricultural machinery; milling machinery; shovel and bucket cranes; screening and crushing equipment; vulcanizing equipment; road graders, rollers, compressors; earthmoving equipment; paper mill equipment; mining machinery; forestry equipment; pipe-cutting machinery; water filtering equipment; water treatment control equipment; general industrial equipment; shearing, boxing, cutting machinery; bench vices and other machine tools; filtration equipment; tanning machinery; ore separators and concentrators; machinery and parts for paper and pulp mills; small motors (diesel); pumps; pipeline laying equipment; drilling rigs; roller-bearing rock bits; drilling rods; steel suction hose.

Transportation Equipment—Diesel locomotives, buses, automotive hardware, car handles with locking device, brake and clutch lining, spare parts for U.S. automobiles and jeeps, parts and related equipment, special size tubes and tires.

Electrical Apparatus—Electronic equipment; electrical measuring equipment (ammeters, ohmmeters, etc.), generators; transformers; electric refrigerator components; small hydraulic turbines; radio parts—condensers, resistors, potentiometers, record player parts; mercury and sodium vapour bulbs; telecommunications equipment; generating sets; hydro and thermal power plant equipment in general.

Chemicals and Pharmaceuticals—Sodium chlorate, carbon black, pentaerythritol, ammonium sulphate, caustic soda (powder form only), sub-

carbonate bismuth, nitrogenous fertilizers, defoaming chemicals, pigments, butyl acetate, aluminum sulphate, tannery and certain other chemicals.

Fishing Equipment and Accessories—Fishing nets, ropes, winches, marine diesel engines.

Paints

Lacquers (cellulose paints)

Metals and Minerals—aluminum profiles, pig iron.

Rubber (General)—Industrial belting, conveyor belts, "V" belting, synthetic rubber.

Sundry Vegetable Products—seed potatoes.

Oils and Waxes—paraffin wax.

Fibres—Polyethylene staple fibre, acetate rayon yarn, viscose staple fibre, nylon yarn, orlon, terylene yarn.

Sundry Textile Products—paper-makers' felts.

Pulp and Paper—Bleached and unbleached sulphite pulp, paper for making carbon paper, cellophane, newsprint, paper drinking cups, writing paper, flimsy paper, cardboard, cigarette paper.

Iron and Steel—Steel and nylon strapping, forged steel globe and gate valves, silver steel, cobbles, stainless steel, waste.

Tubes, Pipes and Fittings—Oil, water and irrigation pipe, pipe casings, high pressure valves and fittings.

Wire and Wire Products—Telephone cable, underground cable, high tension power cable, wire rope, chains.

imports is extended beyond the terminal date originally established. It is estimated that imports of quota list items will total U.S.\$150 million in 1963.

To prevent a rise in the price of goods that are in short supply in

the country and to ensure the import of goods the lack of which could lead to economic difficulties, a quota of \$2.5 million, called the "regulating and reserve quota", has been placed at the disposal of the Ministry of Commerce.

Products on the quota list of possible interest to Canadian exporters include:

pharmaceutical specialties
various industrial and other chemicals
essential oils and essences
paints and colours
plastic raw materials
hides (up to 15 kilos)
pitprops, pulpwood
various papers (including newsprint) and boards
asbestos and products
artificial and synthetic fibres and waste
brake balata in rolls
glass tubes, glass fibre
various types of iron and steel manufactures and semi-processed products, including wire and cable, tubes and pipes, horseshoe nails
copper, zinc and other non-ferrous metal semi-manufactures, including aluminum sections, plate, pipe fittings, and wire
pumps, valves, sprinkler systems
hand tools
diesel and semi-diesel engines
electric generators and motors
metalworking machinery
tractors
trucks and light trucks
buses
ambulances
tires and tubes (of qualities and sizes not manufactured in Turkey)
gas-fired water heaters
watches and clocks
photographic and cinema cameras and equipment
fountain pens and pencils
construction equipment and machinery
office machines

In addition, there are quotas for the needs of manufacturers and for vehicle, radio, refrigerator, tractor, tire and battery assembly plants which are not covered in the free list or specified elsewhere in the quota list. There are also substantial quotas for imports of machinery, plant, etc., by state and private factories and mines, and for the import of ships and shipbuilding supplies.

Special Permit Requirements

Imports of many items on both the free and the quota lists are subject to special permission of certain Ministries or the Union of Chambers of Commerce. Examples are: the *Ministry of Agriculture* for seed potatoes, agricultural sprinkler systems, agricultural machinery and

tractors, breeding animals and poultry, miscellaneous chemical fertilizers, copper sulphate and oilseeds; the *Ministry of Industry* for pulp, kraft paper, newsprint, pig iron, lead, locks, sulphuric acid, pyrotechnic products, nitration glycerine, artificial textile fibres; *Ministry of Commerce* for petroleum oils, aircraft fuel, oil additives, packing cartons, and cotton; *Ministry of Health* for baby foods, balsam, gums and resins used in medicine; *Ministry of Communications* for ships' anchors; *Union of Chambers of Commerce* for hides and skins, glass tubes, drill tips, elevators, dumping trucks, colouring matter, parts for refrigerators, etc.

Other Import Regulations

The import, export and production of the following goods are subject to the control of the Ministry of Customs and Monopolies: alcohol and alcoholic beverages (excluding wines up to 12 degrees Baume); salt; tea and coffee; tobacco, cigarettes and related products; matches; opium and other narcotics.

An import licence for either free list or quota list goods is valid for six months and goods must be effectively imported through Customs within this period. An additional 15 days' grace is granted automatically for the clearance of goods through Customs, provided they reach Customs while the licence is valid.

Barter and similar transactions are prohibited. However, the Ministry of Commerce may authorize "transit" deals provided these do not entail foreign exchange expenditure for Turkey.

In addition to letter of credit, cash against documents as well as cash against goods terms are permitted for both free list and quota list items.

Letter of Credit

For free list imports, a letter of credit must be opened and the total of the guarantee and the Turkish lira equivalent of the full amount of foreign exchange applied for must be deposited with an author-

ized bank before the next licence will be issued. For quota list imports, a letter of credit must be opened within two months (for merchant importers), or three months (for manufacturer importers), of the date of issue of the relevant import licence. Letters of credit are valid for a maximum of five months from date of issue of the import licences.

CAD and CAG Terms

For both free list and quota list imports under CAD and CAG terms, the counter-value of the licence must be deposited with the Central Bank within five months of the date of issue of the licence, and foreign exchange transfer must be applied for within the five months.

For both free list and quota list items, the full counter-value of the licence must be deposited with the Central Bank within six months of the date on which the goods are withdrawn from Customs, and foreign exchange transfer must be applied for within this period. (The goods must, of course, be withdrawn from Customs within the six months' validity of the import licence.)

An amendment to the Export Regulations effective July 1963 requires merchant importers making CAD or CAG payments to deposit the cash guarantee and 50 per cent of the Turkish lira equivalent of the foreign exchange applied for in an authorized commercial bank before an import licence will be issued by the Central Bank of Turkey. With liquid funds tight and bank credit expensive (minimum 10 per cent plus other charges), these cash guarantee requirements act as an effective brake on import applications, particularly by merchant importers, for both free and quota list goods. They have also increased the demand by Turkish manufacturer importers for terms of cash against shipping documents and cash against goods from foreign suppliers.

Most Turkish Government tenders specify irrevocable and confirmed letter of credit terms. There

is, however, a growing tendency for some services to request extended payment terms. It is also the accepted practice for the foreign supplier to arrange the bid bond required under government adjudication. In certain instances an agent will, by mutual agreement, undertake this responsibility on behalf of an established principal with whom he has a long-standing relationship.

On sales to private industry and the trade, it is now the rule rather than the exception for the buyer to request a minimum of 60 days' sight draft terms.

Implications for Canadian Exporters

Canadian exporters wishing to trade with Turkey should realize that the difference in costs to a Turkish importer between letter of credit and CAD terms ranges from 5 per cent to 10 per cent or more of his total outlay on any one consignment. In view of the prevailing shortage of liquid funds and the high cost of bank credit in Turkey, this is important. Naturally, only reputable importers should be offered CAD terms. Up-to-date information on the standing and suitability of the prospective buyer should be obtained from a reliable source before making such commitments. However, no case of seriously delayed or withheld foreign exchange payment has come to light since August 1958, and the risks of foreign exchange non-payment of CAD transactions are today considered negligible by responsible people in Istanbul. The risk of losing the cash deposit is considered sufficient guarantee that the Turkish importer will do everything possible to meet his obligations. However, for greater security, exporters may instruct their bankers to release shipping documents only after the foreign exchange counter-value has been received in Canada. In this way title to the goods is not lost and the risk is reduced to the two-way freight and insurance costs.

Cash against goods payment terms are obviously much more onerous

to the Canadian exporter because he loses title to the goods for up to six months before payment is received. Such terms should be offered only in special circumstances and where the importer is known to be a first class risk.

Canadian firms should under no circumstances ship goods to Turkey until they are certain that the Turkish importer has obtained the relevant import licence.

The choice of agents in Turkey should be made with special care. The office of the Commercial Counsellor, Canadian Embassy, Athens, is generally able to assist firms in their selection.

Once an agent is appointed, he should be given every assistance. As yet few if any salesmen from Canadian firms visit Turkey occasionally, let alone regularly. This is in strong contrast to the regular visits, sometimes of weeks' and even several months' duration, made by representatives of our European and U.S. competitors. Regular visits strengthen the ties between principal and agent and make it possible to call on actual and potential buyers in the company of an agent—a much appreciated gesture in the Turkish market and one that can result in the clinching of an order. ●

Brazil's Cement Industry

THE Brazilian cement market enjoyed a tremendous boom in the late 1950's and early 60's because of the demand created by the decision to move the capital from Rio de Janeiro to the Federal District of Brasilia. The creation of this modern capital, coupled with the general trend towards tall buildings of reinforced concrete throughout the country, has pushed Brazil's consumption of cement from 2.9 million metric tons in 1955 to 5.3 million in 1962.

Brazil is blessed with widespread deposits of limestone and in most areas of the country domestic production of cement has more than covered domestic consumption. Some areas, notably the southern and northeastern states, are undergoing extensive development in an attempt to move industry out from the central states of Minas Gerais, Rio de Janeiro and Espirito Santo. These states, however, do not produce enough cement or the heavy equipment necessary for production. It is for this reason that domestic consumption is expected to exceed local production by 400,000 tons by 1965. It is estimated also that \$32.1 million worth of equipment for the cement industry will have to be imported during the 1960's.

The Brazilian cement industry has not attracted a notably heavy foreign investment. There are one or two operations connected with European companies, and there is one fairly large American-owned

operation. Of the twenty-six plants operating in Brazil in 1960, 75 per cent of the installed capacity belonged to seven well-defined financial groups. Of these, at least five are Brazilian controlled. It is unlikely too that foreign investment will assist in overcoming the predicted cement shortage because investors abroad are reluctant to come into Brazil since the recent passing of the law on profits remittance. In addition, the severe foreign exchange shortage will inhibit the import of cement-producing machinery and thus the expansion of capacity. This development will undoubtedly accentuate the already expected shortage of cement for 1965.

Canadian cement suppliers probably will not be able to participate in the market because of their high freight costs in comparison with other suppliers. However, when a special favourable exchange rate for the import of equipment is again in effect, Canadian suppliers of cement plant equipment may be able to participate in a fairly large replacement parts market. Since new capacity will have to be installed, Brazil will undoubtedly be interested in Canadian equipment if it can be provided on long-term financing. Any interested Canadian firms should make their capabilities known to the Commercial Counsellor at the Canadian Embassy in Rio de Janeiro and the Canadian Consul and Trade Commissioner in São Paulo.

—R. H. GAYNER, *Consul and Trade Commissioner, São Paulo.*

Foreign Commercial Representatives in Canada

ARGENTINA

Ottawa—Economic Counsellor, Argentine Embassy, 211 Stewart Street.

AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA

Ottawa—Embassy of Austria, Suite 202, 85 Range Road.
Calgary—Consulate of Austria, 700 Lancaster Bldg., 300 8th Avenue S. W.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Consulate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS

Toronto—Trade Commissioner of the Bahamas, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM

Ottawa—First Secretary, Belgian Embassy, 168 Laurier Avenue East.
Montreal—Consul General of Belgium, 913 Royal Bank of Canada Bldg.
Toronto—Consul General of Belgium, Room 303, 11 Adelaide Street West.
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA

Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Brazilian Government Trade Bureau, Suite 960, 615 Dorchester Boulevard West.

BRITAIN

Ottawa—The Senior British Trade Commissioner in Canada and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—The British Trade Commissioner in Alberta, Suite 600, Bank of Montreal Bldg., 101st and Jasper Avenue.
Halifax—The British Trade Commissioner in the Atlantic Provinces, 5425 Spring Garden Road.
Montreal—The Principal British Trade Commissioner in the Province of Quebec, 635 Dorchester Boulevard West.
Regina—The Assistant British Trade Commissioner in Saskatchewan, Room 207, Derrick Bldg., 2431 11th Avenue.
Toronto—The Principal British Trade Commissioner in Ontario, 119 Adelaide Street West.
Vancouver—The Principal British Trade Commissioner in British Columbia, Bank of Nova Scotia Bldg., 602 West Hastings Street.
Winnipeg—The British Trade Commissioner in Manitoba and Saskatchewan, 402 Monarch Lift Bldg., 333 Broadway Avenue.

CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.
Montreal—Consulate of Chile, Suite 1100, 200 St. James Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA

Ottawa—First Secretary and Consul, Embassy of Colombia, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1500 Stanley Street.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA

Montreal—Cuban Trade Commissioner, Suite 1150, 1435 Saint Alexandre Street.

CZECHOSLOVAKIA

Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

DENMARK

Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Royal Danish Consulate General, Suite 1525, 1245 Sherbrooke Street West.
Toronto—Royal Danish Consulate, Holland Life Insurance Bldg., 1130 Bay Street.

DOMINICAN REPUBLIC

Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, 3865 Lacombe Avenue.

ECUADOR

Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.
Vancouver—Consul of Ecuador, 3532 West 32nd Avenue.

EL SALVADOR

Montreal—Consul General, Room 136, 300 St. Sacrement Street.

FINLAND

Ottawa—Attaché, Embassy of Finland, 85 Range Road.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.
Vancouver—French Trade Commissioner, Suite 1216, 736 Granville Street.

GERMANY

Ottawa—Commercial Counsellor, Embassy of the Federal Republic of Germany, 1 Waverley Street.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate General of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

GHANA

Ottawa—First Secretary, Office of the High Commissioner for Ghana, Suite 606, The Fuller Bldg., 75 Albert Street.

GREECE

Ottawa—Commercial Attaché, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 6070 Quinpool Road.
Montreal—Consul General of Haiti, 4350 Decarie Boulevard.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, 4753 Lacombe Avenue.

INDIA

Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA

Ottawa—Second Secretary (Economic Affairs), Indonesian Embassy, 275 MacLaren Street.

IRAN

Ottawa—Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 1801 P. Street, N.W.

IRELAND

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL

Montreal—Consul and Trade Commissioner of Israel, 1555 McGregor Street.
Toronto—Consul of Israel for Economic Affairs, Suite 828, 159 Bay Street.

ITALY

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 1595 McGregor Avenue.
Toronto—Italian Trade Commissioner, Suite 510, 100 University Avenue.
Vancouver—Italian Trade Commissioner, 640 Hastings Street West.

JAPAN

Ottawa—First Secretary (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, Suite 2505, 1155 Dorchester Boulevard West.
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.
Vancouver—Consulate General of Japan, Room 1401, Standard Bldg., 510 West Hastings Street.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON

Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consulate General of Mexico, Suite 1730, 1245 Sherbrooke Street West; Trade Commissioner of Mexico, Suite 1116, Windsor Hotel.
Quebec—Consulate of Mexico ad honorem, 2040 Terrasse Stuart, Sillery.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.
Winnipeg—Consulate of Mexico ad honorem, 906-908 Confederation Bldg.

MONACO

Montreal—Consul of Monaco, Suite 700, 60 St. James Street West.

NETHERLANDS

Ottawa—Commercial Secretary, Embassy of the Netherlands, 12 Marlborough Avenue.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.
Montreal—Netherlands Consulate General, Room 1736, Place Ville Marie.
Toronto—Netherlands Consulate General, 159 Bay Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Government Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.
Vancouver—New Zealand Government Trade Commissioner, Suite 615, United Kingdom Bldg., 409 Granville Street.

NICARAGUA

Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY

Ottawa—Secretary, Royal Norwegian Embassy, Suite 700, 140 Wellington Street.

Montreal—Consul General of Norway, Royal Norwegian Consulate General, 2007 Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.

Vancouver—Consul of Norway, Royal Norwegian Consulate, 837 West Hastings Street.

PAKISTAN

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA

Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU

Ottawa—The Ambassador, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Commissioner, Philippines Consulate General, 525 Seymour Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Embassy, Apt. 58, 255 Stewart Street.

Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.

Halifax—Consulate of Portugal, P.O. Box 355.

Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.

North Sydney—Consulate of Portugal, P.O. Box 769.

Saint John—Consulate of Portugal, 4 North Wharf.

St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.

Toronto—Consulate of Portugal, 159 Bay Street.

Vancouver—Consulate of Portugal, 1929 West Broadway.

REPUBLIC OF SOUTH AFRICA

Ottawa—Commercial Secretary, South African Embassy, 15 Sussex Drive.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN

Ottawa—Royal Embassy of Sweden, Suite 704, 140 Wellington Street.

Montreal—Royal Consulate General of Sweden, Suite 800, 1155 Dorchester Blvd., West

Toronto—Trade Commissioner for Sweden, 1057 Bay Street.

Vancouver—Trade Commissioner for Sweden, Dominion Bank Bldg., Room 914, 207 West Hastings Street.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.

Montreal—Consul General of Switzerland, 1572 McGregor Street.

Toronto—Consul of Switzerland, 100 University Avenue.

Vancouver—Consul of Switzerland, 402 West Pender Street.

Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

THAILAND

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.

Vancouver—Consul of Thailand, 1495 Marpole Street.

TURKEY

New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the U.S.S.R., 24 Blackburn Avenue.

UNITED ARAB REPUBLIC

Ottawa—Commercial Secretary, Commercial Office, Apt. 202, 85 Range Road.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.

Calgary—Consul General of the United States, 315-8th Avenue, S.W.

Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.

Montreal—Consul General of the United States, 1558 McGregor Avenue.

Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.

Saint John—Consul of the United States, 206 Union Street.

St. John's—Consul General of the United States, King's Bridge Road.

Toronto—Consul General of the United States, 360 University Avenue.

Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.

Windsor—Consul of the United States, Canada Trust Bldg.

Winnipeg—Consul General of the United States, 402 Tribune Bldg., 257 Smith Street.

URUGUAY

Uruguay—Chargé d'Affaires a.i., Apt. 59, Roxborough Apts.

VENEZUELA

Halifax—Consul of Venezuela, Roy Bldg., Barrington Street.

Montreal—Consul General of Venezuela, Room 270, 1980 Sherbrooke Street West.

Vancouver—Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.

Montreal—Trade Representative for Yugoslavia, Interprogress Company Ltd., 445 Jean Talon Street West.

Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 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 .92699.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 23	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free .....	.007427	134.64	
Australia	Pound .....	.....	2.4148	.4141	
Austria	Schilling .....	.....	.04180	23.92	
Bahamas	Pound .....	.....	3.0185	.3313	
Belgium and Luxembourg	Franc .....	.....	.02162	46.25	
Bermuda	Pound .....	.....	3.0185	.3313	
Bolivia	Peso .....	.....	.09169	10.91	
Brazil	Cruzeiro	Official Free .....	.001768	565.61	
		Special Category	†	†	
Britain	Pound .....	.....	3.0185	.3313	
British Guiana	Dollar .....	.....	.6289	1.59	
British Honduras	Dollar .....	.....	.7546	1.33	
Burma	Kyat .....	.....	.2265	4.42	
Ceylon	Rupee .....	.....	.2264	4.42	
Chile	Escudo	Bank rate .....	.5655	1.77	
		Free .....	.3578	2.79	
Colombia	Peso	Certificate .....	.1199	8.34	
Congo, Republic of	Franc .....	.....	.02162	46.25	
Costa Rica	Colon .....	.....	.1628	6.14	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1498	6.68	
Denmark	Krone .....	.....	.1563	6.40	
Dominican Republic	Peso .....	.....	1.07875	.9270	
Ecuador	Sucre	Official .....	.05993	16.69	
		Free .....	.05512	18.14	
El Salvador	Colon .....	.....	.4315	2.32	
Fiji	Pound .....	.....	2.7194	.3677	
Finland	Markka .....	.....	.3371	2.97	
France, Monaco, etc.	Franc .....	.....	.2201	4.54	(1)
Franco-African Republics, etc. ..	Franc .....	.....	.004402	227.17	(2)
French Pacific	Franc .....	.....	.01211	82.58	(3)
Germany	D Mark .....	.....	.2711	3.69	
Ghana	Pound .....	.....	3.0185	.3313	
Greece	Drachma .....	.....	.03595	27.82	
Guatemala	Quetzal .....	.....	1.07875	.9270	
Haiti	Gourde .....	.....	.2158	4.63	
Honduras	Lempira .....	.....	.5394	1.85	
Hong Kong	Dollar	Free .....	.1876	5.33	*Sept. 13
		Official .....	.1887	5.30	
Iceland	Krona	Official .....	.02509	39.86	(4)

†Exchange auctions will be held each week for limited amounts of exchange.

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

*Latest available date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 23	Units per Canadian dollar	Notes (see below)
India	Rupee		.2264	4.42	
Indonesia	Rupiah	Official	.02398	41.71	(4)
Iran	Rial		.01424	70.22	
Iraq	Dinar		3.0205	.3311	
Ireland	Pound		3.0185	.3313	
Israel	Pound		.3596	2.78	
Italy	Lira		.001734	576.70	
Japan	Yen		.002997	333.67	
Lebanon	Pound	Free	.3528	2.83	
Mexico	Peso		.08630	11.59	
Morocco	Dirham		.2158	4.63	
Netherlands	Florin		.2991	3.34	
Netherlands Antilles	Florin		.5720	1.75	
New Zealand	Pound		2.9979	.3336	
Nicaragua	Cordoba		.1541	6.49	
Nigeria	Pound		3.0185	.3313	
Norway	Krone		.1508	6.63	
Pakistan	Rupee		.2264	4.42	
Panama	Balboa		1.07875	.9270	
Paraguay	Guarani	Free	.009709	103.00	
Peru	Sol	Free	.04021	24.87	
Philippines	Peso	Free	.2766	3.62	
Portugal & Colonies	Escudo		.03752	26.65	(5)
Singapore and Malaya	Straits dollar		.3524	2.84	
South Africa	Rand		1.5093	.6626	
Spain and Dependencies	Peseta		.01798	55.62	
Sweden	Krona		.2081	4.81	
Switzerland	Franc		.2500	4.00	
Syria	Found	Free	.2825	3.54	
Thailand	Baht	Free	.05178	19.31	(4)
Tunisia	Dinar		2.6106	.3831	
Turkey	Lira		.1199	8.34	(4)
United Arab Republic	Pound	Official	2.4811	.4030	
United States	Dollar		1.07875	.92699	
Uruguay	Peso	Free	.05927	16.87	
Venezuela	Bolivar	Controlled market rate	.3215	3.11	
		Official Free	.2380	4.20	
West Indies	Dollar		.6289	1.59	(6)
	Pound		3.0185	.3313	(7)
Yugoslavia	Dinar	Official	.001438	695.41	

Notes

1. 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, Camerouns, 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 and Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

TAIWAN

Area: 13,886 square miles (Taiwan and outlying islands).

Population: approximately 11.5 million.

Climate: semi-tropical with cool winters.

Language: business community uses Chinese (Mandarin) and English.

Currency: new Taiwan dollar; N.T.\$40.00=U.S.\$1.00.

Weights and measures: metric system.

Electric supply: 60 cycles; single and three phase 100/200 volts; single phase 200 volt two-wire service also available.

Capital: Taipei.

Chief ports: Keelung in the north, Kaohsiung in the south.

Marketing centres: Taipei (population 1,000,000), Taichung (central Taiwan), Tainan (in the south), Kaohsiung and Keelung.

Economy: mainly agricultural—sugar, rice, peanuts, soybeans, pineapple, tea, citrus fruit, citronella oil, jute, bananas; industry—textiles, plywood, fertilizer, cement, pulp and paper, consumer appliances, mining and fishing. Government efforts to broaden industrial activities and increase exports meeting with success.

Total Taiwan imports: 1962—U.S.\$246.5 million (not including U.S. aid \$80 million); 1961—U.S.\$216 million (not including U.S. aid \$108 million).

Chief imports: 1962 (per cent of total imports)—ores, metals and manufactures 16.2; machinery and tools 15; crude and fuel oils 7.6; raw cotton 7.4; vehicles, vessels and parts 6.2; chemical fertilizers 4.5; chemicals 3.7; pharmaceuticals 3.7.

Chief suppliers: 1962 (per cent of total imports) United States 43, Japan 32, West Germany 3.7, all others below 3, (Canada 0.8).

Value of imports from Canada: (DBS figures) 1962—Can.\$4.4 million; 1961—Can.\$2.2 million.

Chief imports from Canada: 1962—aircraft, wood pulp, sulphur, metals and manufactures, asbestos fibre and switchgear protective equipment.

Total Taiwan exports: 1962—U.S.\$238.6 million; 1961—U.S.\$214 million.

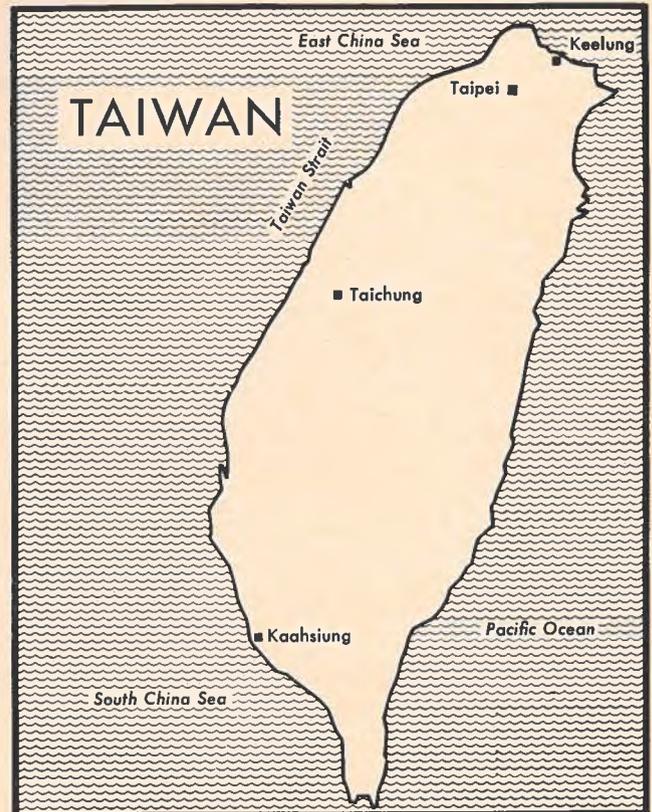
Chief exports: (per cent of total exports) 1962—sugar 20.8; textiles 15.9; chemicals, pharmaceuticals and cosmetics 8.6; lumber and manufactures 7.4; ores, metals and products 5.6; vegetables 5; canned pineapple 4.5; bananas 3.6; tea 3.3; rice 3.

Chief export markets: (per cent of total exports) 1962—United States 24.5, Japan 24.3, Hong Kong 9.9, Vietnam 9.2, Thailand 4.6, Korea 3, Singapore 2.8.

Value of Canadian purchases: (DBS figures) 1962—Can.\$1,909,533; 1961—Canadian \$1,856,208.

Chief Canadian purchases: 1962—hardwood plywood; canned fruits; sleepwear; cotton shirts, except knitted; footwear; canned mushrooms and truffles.

Foreign exchange: currency controls in force. Major part of imports handled by government buying agencies. Commercial imports limited by ability of importer to obtain a foreign exchange certificate. These are earned by ex-



porters who can use the certificates themselves or sell them on the open market. Imports classified according to essentiality; generally, consumer goods given low priority, raw materials and capital goods high priority.

Prices: should be quoted in U.S. dollars, c. & f. Keelung or Kaohsiung.

Samples: samples not for sale and valued at not more than U.S.\$25 may be imported without duty.

Trade agreements: Taiwan has trade agreements with the United States, Japan and several other Asian and European countries. However, the Taiwan customs tariff has only one schedule and imports from all countries are subject to the same tariffs. Canada extends most-favoured-nation rates to Taiwan.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or Customs Administration, Ministry of Finance, 48 Chengchow Road, Taipei, Taiwan, Republic of China.

Correspondence: airmail essential; letters 25 cents per half ounce (seamail takes six to eight weeks).

For detailed information on this market write to:

Chief, Asia and Middle East Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Consul General and Trade Commissioner
Canadian Consulate General
Post Office Box 1825
Manila, Philippines

Roger Duhamel
QUEEN'S PRINTER

If undelivered return to:
The Queen's Printer, Ottawa, Canada

